



# Fourth Quarter 2021 Presentation

February 23, 2022

# Safe Harbor Disclosure

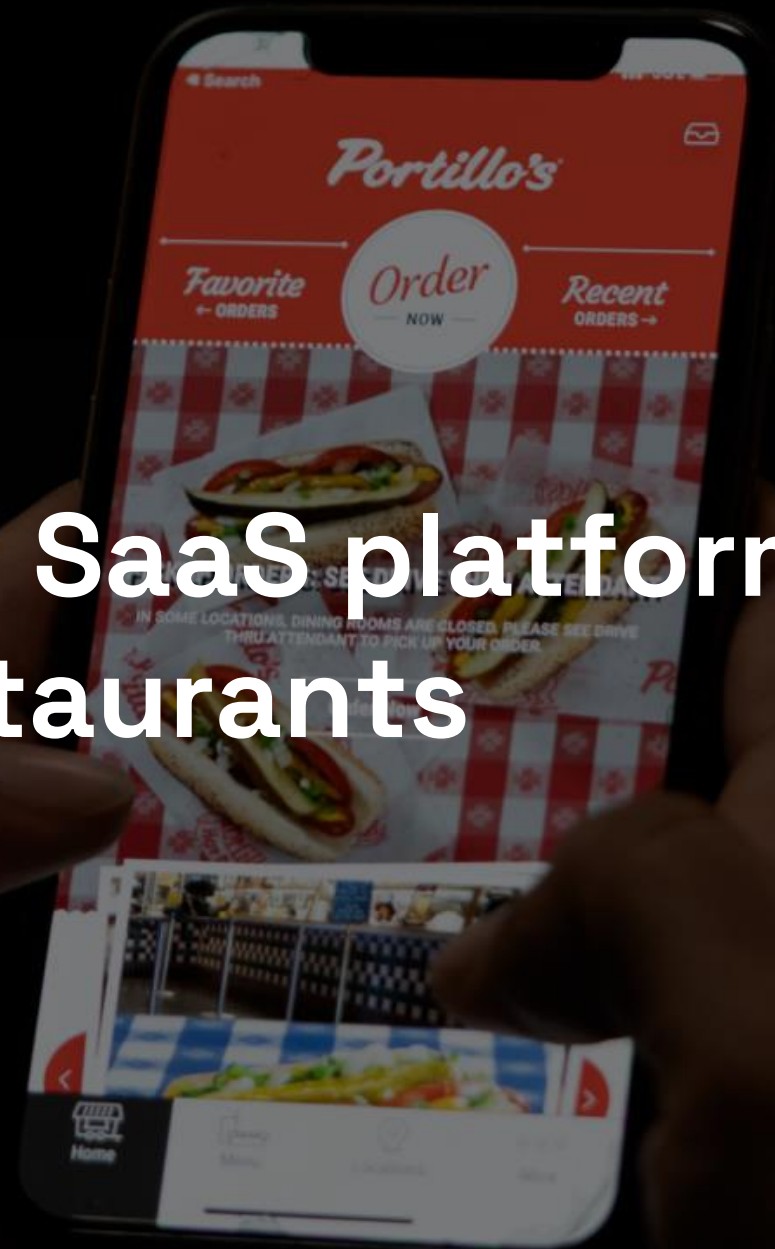
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Forward-looking statements are based upon various estimates and assumptions, as well as information known to the Company as of the date of this Presentation, and are subject to risks and uncertainties, including but not limited to: the impact and duration of the ongoing COVID-19 pandemic on our business, the business of our customers and economic conditions; our focus on the long-term and our investments in sustainable, profitable growth; our ability to develop and release new products and services, and develop and release successful enhancements, features, and modifications to our existing products and services; the impact of new and existing laws and regulations on our business; changes to our strategic relationships with third parties; our reliance on a limited number of delivery service providers and aggregators; our ability to generate revenue from our product offerings and the effects of fluctuations in our level of client spend retention; competition; changes in the amount and mix of transactions facilitated through our platform; changes in our level of investment in sales and marketing, research and development, and general and administrative expenses, and our hiring plans; future changes to our pricing model; changes in management; and other general market, political, economic, and business conditions. Additional risks and uncertainties that could affect our financial results and forward looking statements are included under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021, and our other SEC filings, which are available on the Investor Relations page of our website at [investors.olo.com](https://investors.olo.com) and on the SEC website at [www.sec.gov](https://www.sec.gov). Undue reliance should not be placed on the forward-looking statements in this Presentation. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events.

In addition to our financial statements, which are prepared in accordance with generally accepted accounting principles in the United States (GAAP), this Presentation presents non-GAAP gross profit/margin (and as a percentage of revenue), non-GAAP operating expenses (total and each line item, and total and each non-GAAP operating expense item as a percentage of revenue) and non-GAAP operating income (and as a percentage of revenue). Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP. We use non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including in the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance. These measures provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, (1) stock-based compensation expense has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy and (2) although depreciation and amortization expense are non-cash charges, the assets subject to depreciation and amortization may have to be replaced in the future. The non-GAAP measures we use may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. Such non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. We compensate for these limitations by providing specific information regarding the GAAP items excluded from these non-GAAP financial measures. A reconciliation of these non-GAAP measures has been provided in the financial statement tables included in the appendix to this Presentation and investors are encouraged to review the reconciliation.

Certain information contained in this Presentation relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company’s own internal estimates and research. While the Company believes these third-party sources to be reliable as of the date of this Presentation, it has not independently verified and makes no representation as to the adequacy, fairness, accuracy or completeness of any information obtained from third-party sources. In addition, all of the market data included in this Presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while we believe our own internal research is reliable, such research has not been verified by any independent source.

# Leading open SaaS platform for restaurants





# Olo At-a-Glance

**500+**

BRANDS

**79,000**

RESTAURANTS

**200+**

PARTNERS

**\$2,000+**

ARPU

**\$20B+**

GMV

**2M+**

ORDERS/ DAY

*As of 12/31/2021.*

*Metrics represent Full Year 2021 numbers; Restaurants represent Active Locations as of 12/31/2021, ARPU represents Full Year 2021 metric, GMV represents Gross Merchandise Value for Full Year 2021. Please see the explanation of non-GAAP Financial Measures in the appendix for additional information.*

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It's not an on-premise business  
and an off-premise business  
anymore. It's one business.

*Dave Harris, CIO Shake Shack*

## Olo Enables Every Type of Restaurant Order



OFF-PREMISE

**45B**



ON-PREMISE

**12B**



**Only 15% of restaurant  
orders are digital**



# Solutions for Every Consumer Touchpoint



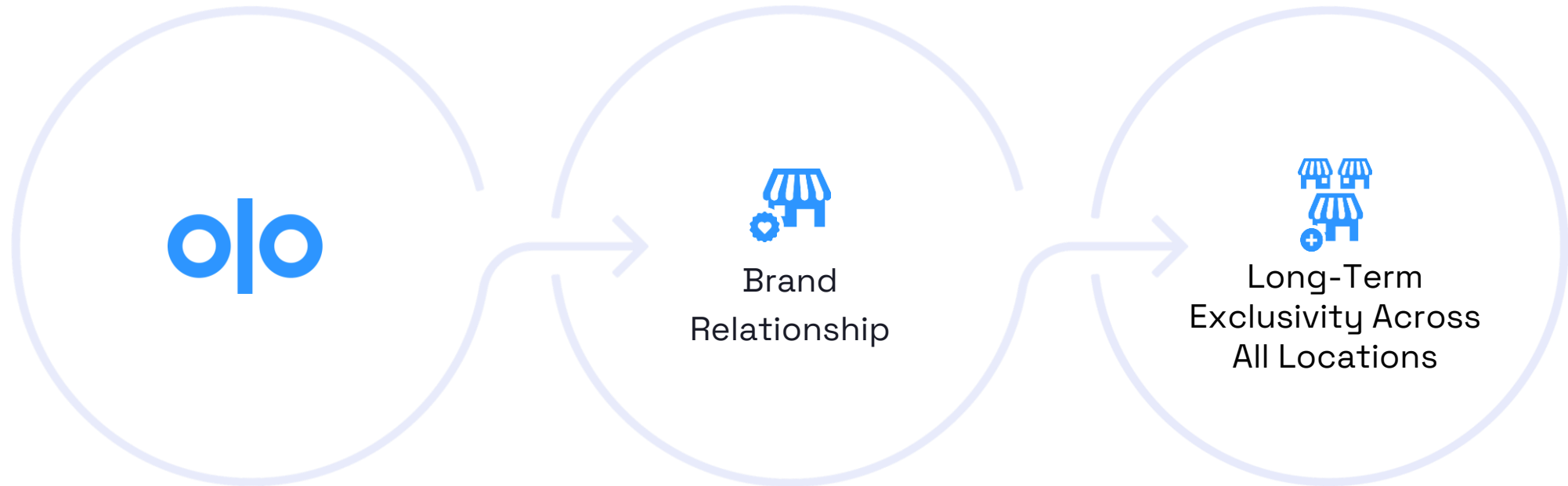
# Olo's Flywheel





# One-to-Many Go-to-Market Strategy

Unique Mix of High Revenue Growth and Profitability



Highly Efficient GTM Strategy



# Near-Term Growth Vectors

## Olo's 100x US Enterprise Opportunity



Restaurants

**4x**

MORE LOCATIONS



Digital Entirety

**6.25x**

MORE ORDERS/LOCATION



Olo Pay

**4x**

MORE REVENUE/ORDER

A person wearing a light blue jacket and black pants is walking through a cafe or restaurant. They are carrying a white shopping bag with red and white striped sides and the Tender Greens logo. The background is blurred, showing a wooden bar and stools.

# The Numbers

Fourth Quarter and Full Year 2021 Highlights

# Fourth Quarter 2021 Highlights

**31%**

Y/Y REVENUE GROWTH

**11%**

OPERATING MARGIN

**79,000**

ACTIVE LOCATIONS

**\$504**

ARPU



# Full Year 2021 Highlights

**52%**

Y/Y REVENUE GROWTH

**14%**

OPERATING MARGIN

**79,000**

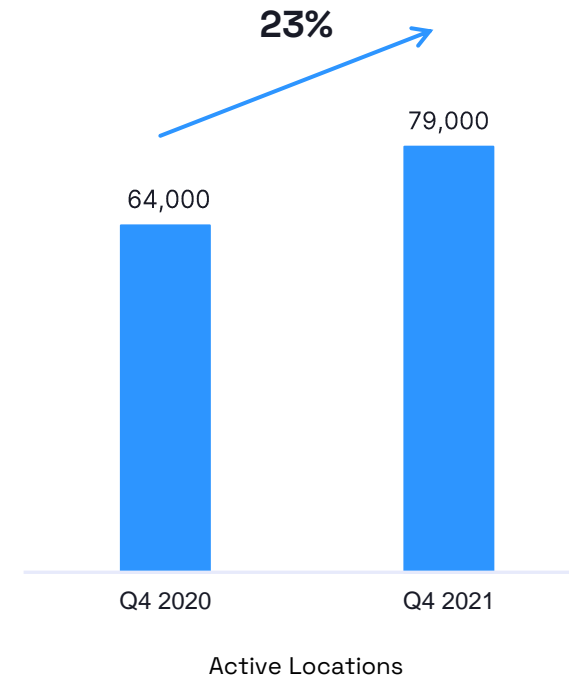
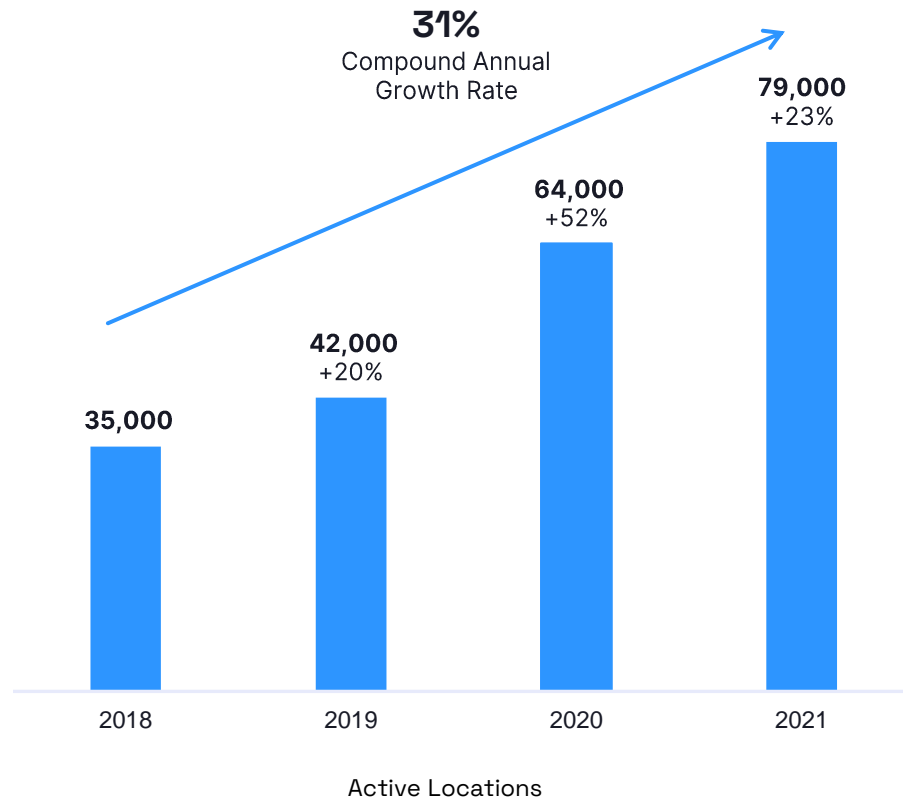
ACTIVE LOCATIONS

**\$2,019**

ARPU

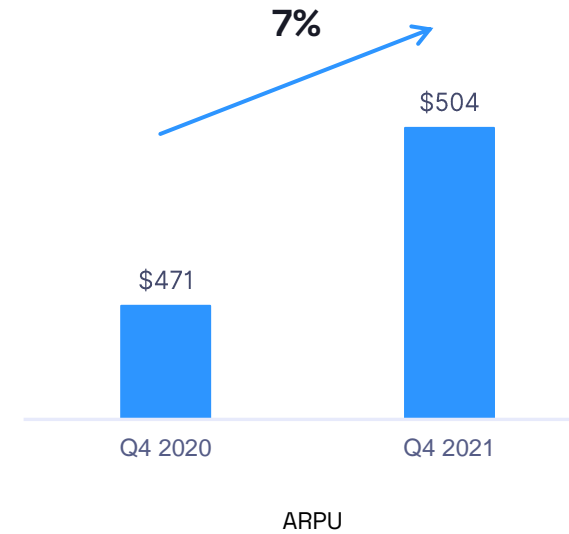
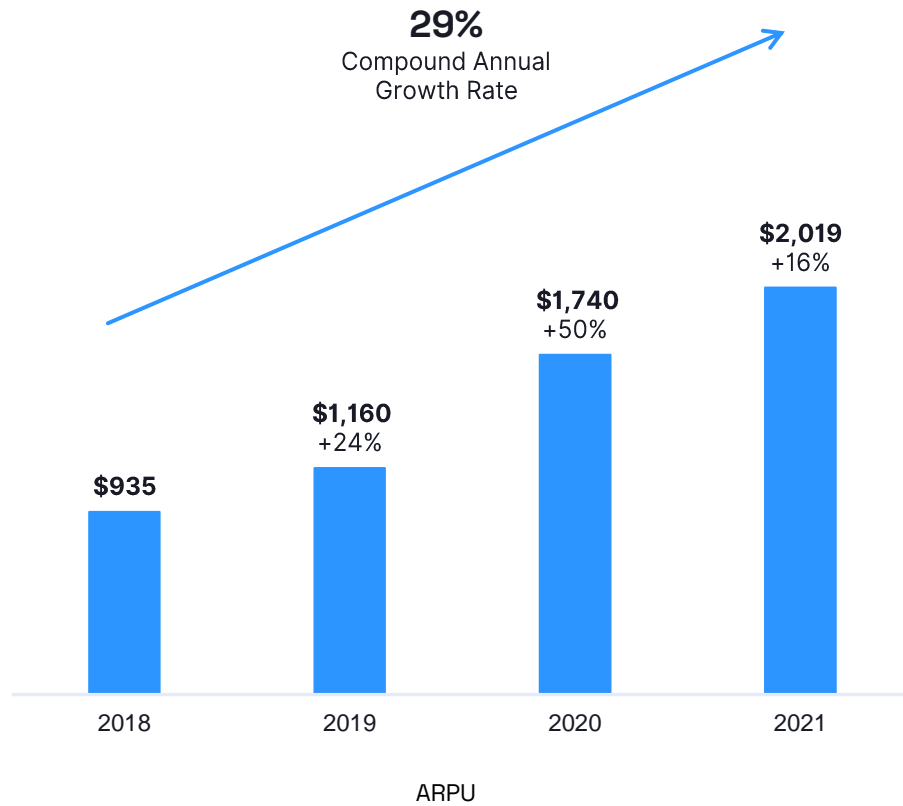
# Active Locations

Enterprise-Focused, Scaled Vertical Leader



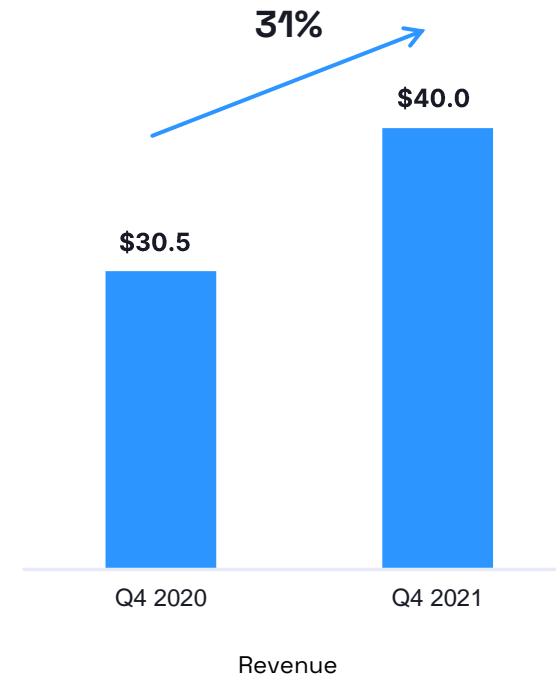
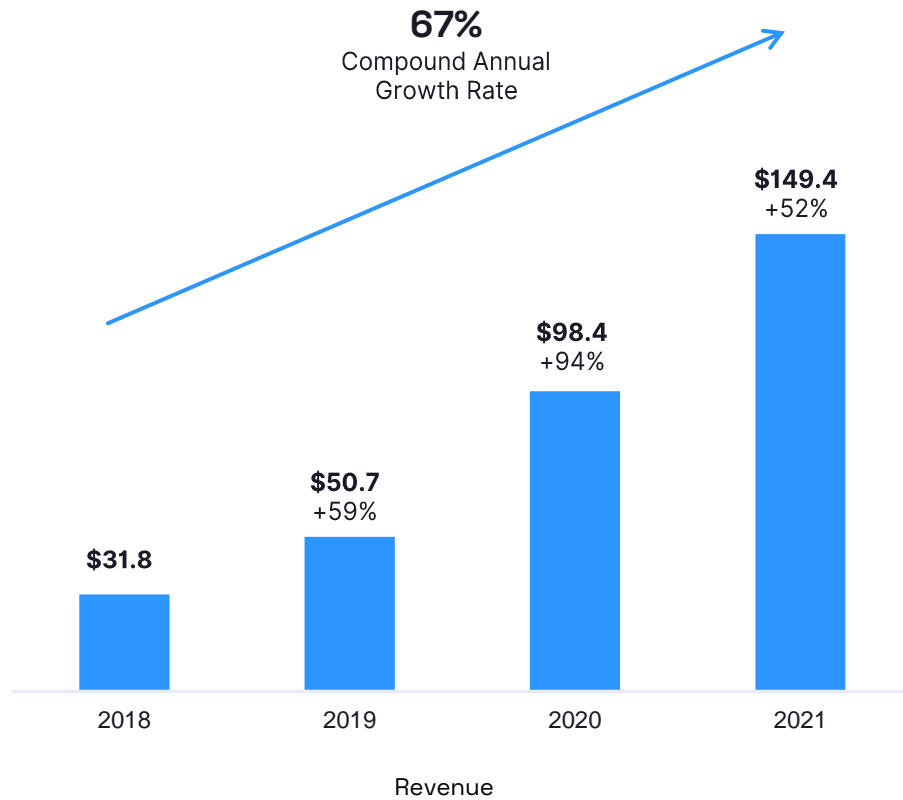
# Average Revenue per Unit (ARPU)

Increasing Digital Orders and Multi-Product Adoption Fuel ARPU Growth



# Strong Revenue Growth

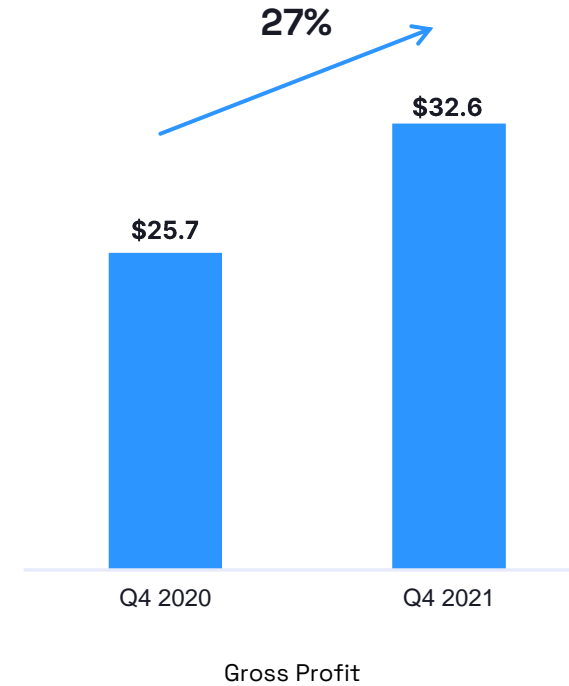
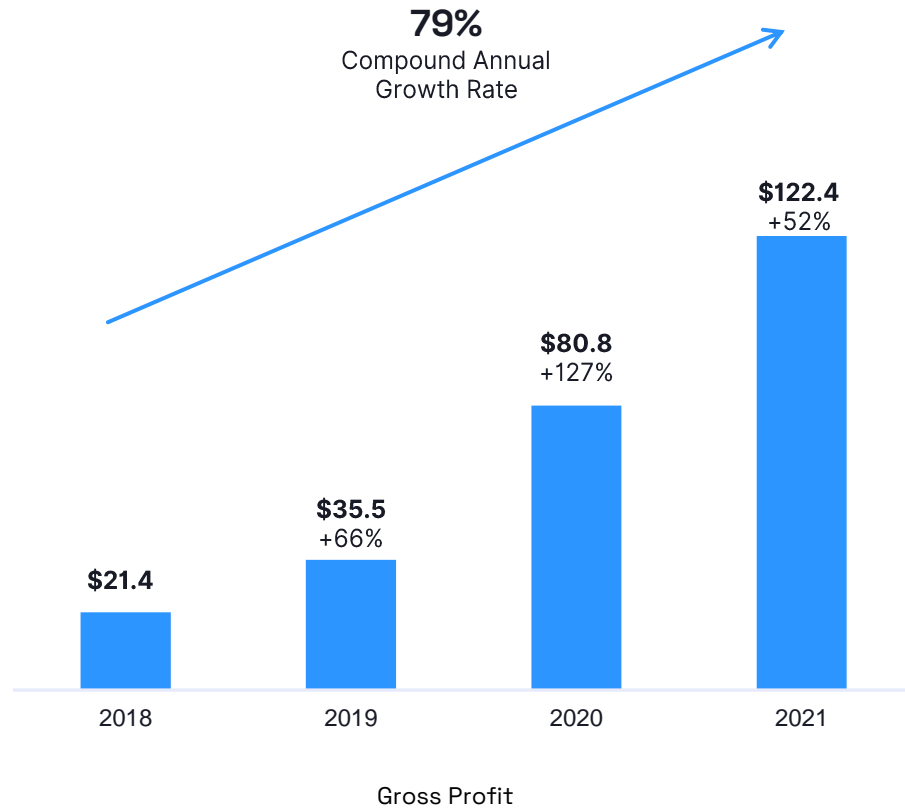
When Our Customers Succeed, We Succeed





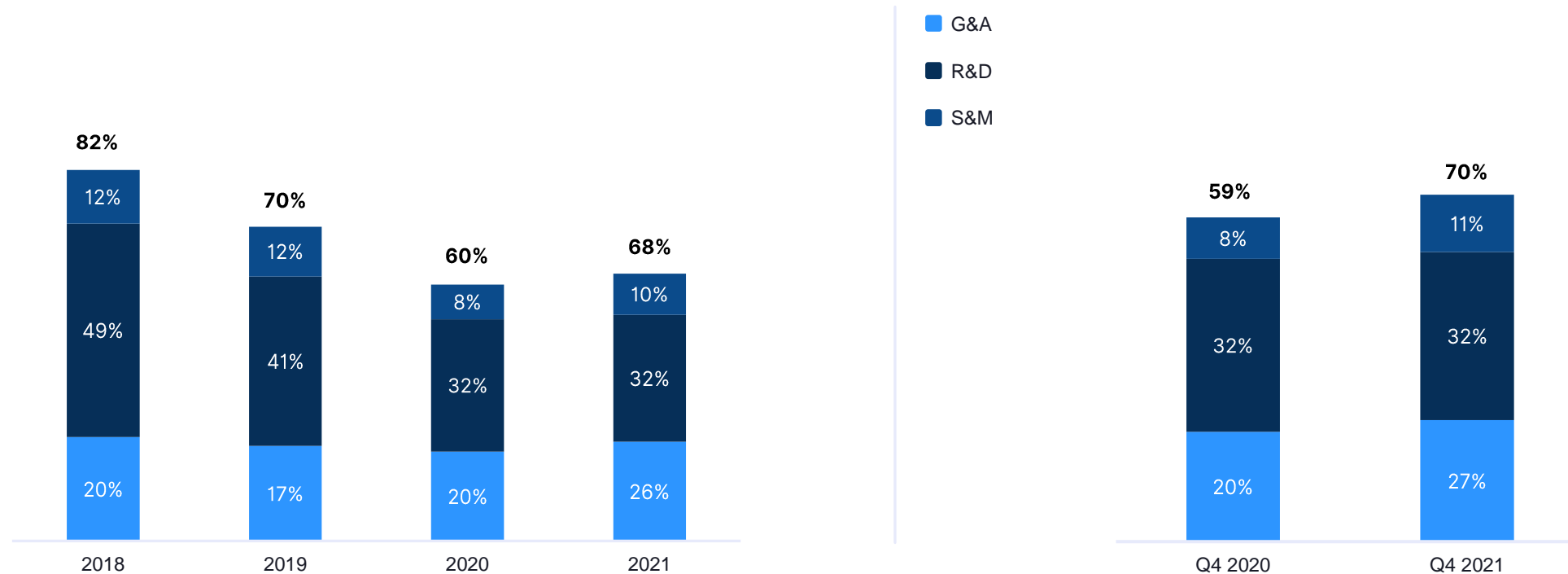
# Continued Gross Profit Growth

Transactional SaaS Model Yields Strong Gross Margins



# Attractive Operating Model

Efficient Revenue Acquisition Enables Scalable Operating Leverage

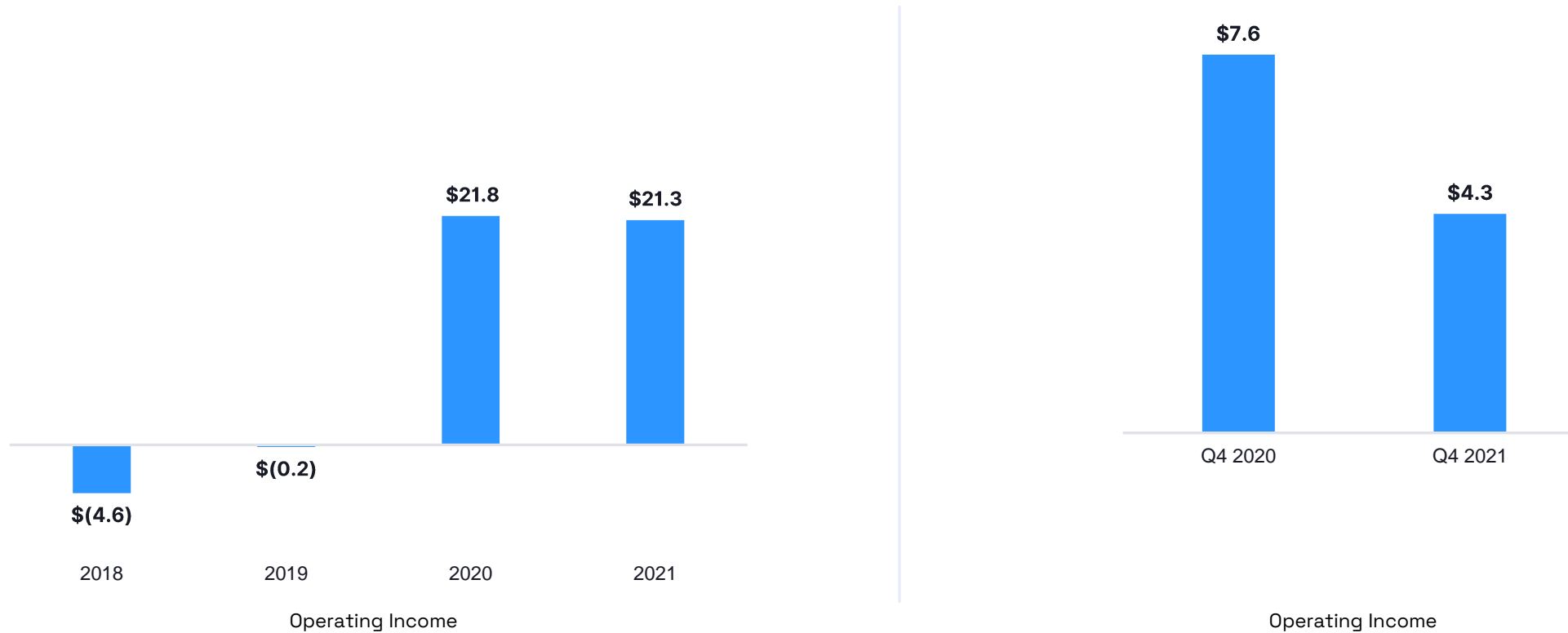


As of 12/31/2021.

Chart depicts operating leverage, which is measured using adjusted operating expenses for the sum of R&D, S&M and G&A as a percentage of revenue. Certain figures are non-GAAP financial measures. Please see the explanation of non-GAAP measures as well as the non-GAAP reconciliation in the appendix.

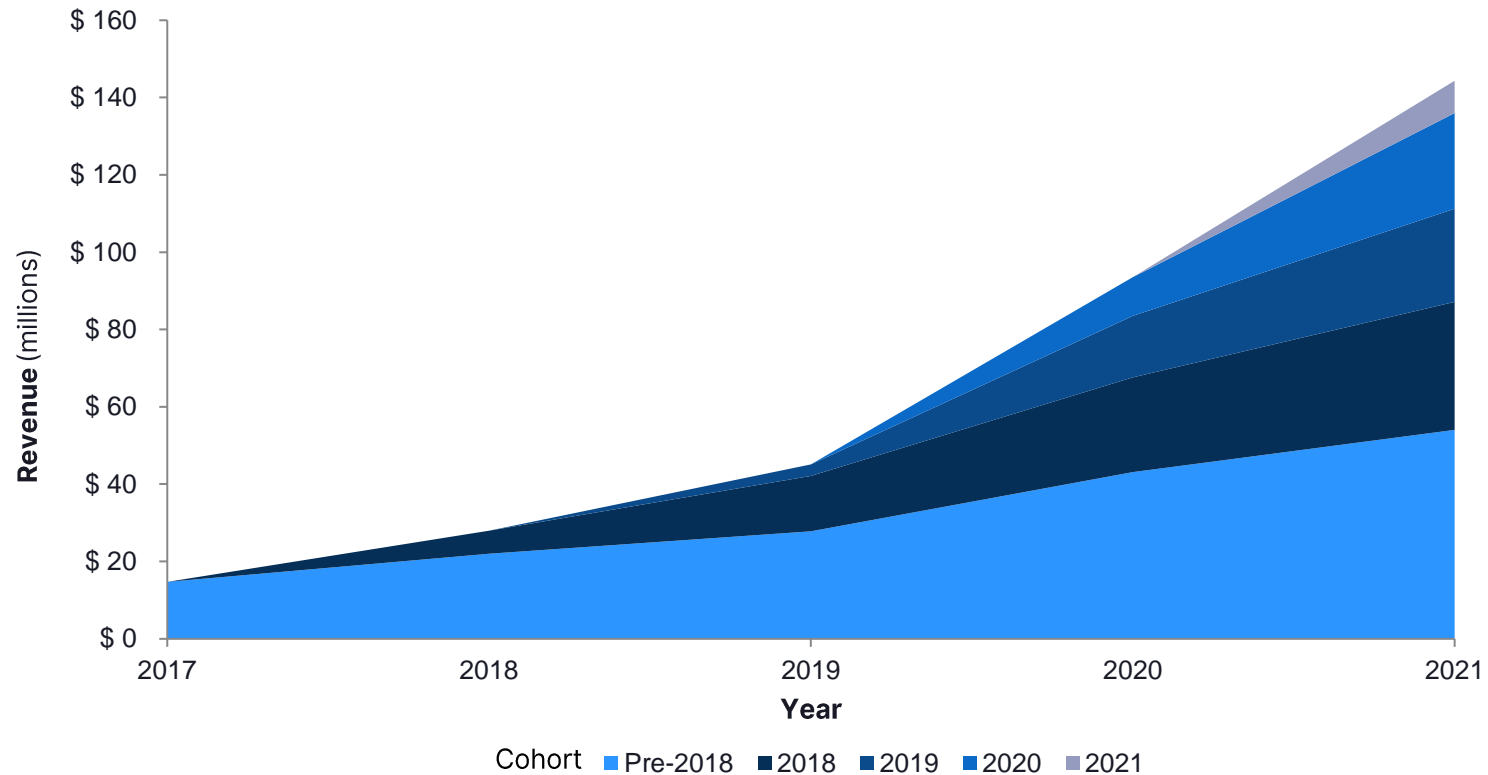
# Capital-Efficient Operating Model

Unique Mix of High Revenue Growth and Profitability



# History of Growing with Our Restaurant Brands

Annual Cohort Analysis Demonstrates Strong Revenue Expansion



As of 12/31/2021. The chart above illustrates the total revenue generated within a given cohort over the years presented. All brands from which we received revenue for the first time at any time prior to January 1, 2018 are grouped as a single cohort. Each other cohort represents brands from which we received revenue for the first time in a given fiscal year. For example, the fiscal year 2018 cohort represents all brands who earned revenue for the first time at any point between January 1, 2018 and December 31, 2018. We have seen significant expansion across all of our cohorts, even from brands that have been customers prior to 2018.



# Investment Highlights



A SaaS category leader in a nearly \$800 billion industry



Marquee customer base



Powerful business model, recurring revenue + transactional upside tied to digital order growth



High growth, strong gross margins, efficient revenue acquisition, proven profitability



Significant barriers to competition



Multiple vectors to drive long-term growth

# Financial Outlook

(in millions)

**1Q22**

**FY22**

Revenue

\$41.5 - \$42.0

\$194.0 - \$196.0

Non-GAAP Operating Income

\$0.6 - \$1.0

\$7.4 - \$9.0

# Appendix

# Non-GAAP Financial Measures

In addition to our financial statements, which are prepared in accordance with generally accepted accounting principles in the United States (GAAP), this Presentation presents non-GAAP gross profit/margin (and as a percentage of revenue), non-GAAP operating expenses (total and each line item, and total and each non-GAAP operating expense item as a percentage of revenue) and non-GAAP operating income (and as a percentage of revenue). Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP.

## Key Business Metrics

*Active Locations:* We define active locations as a unique restaurant location that is utilizing one or more of our modules at the end of a quarterly period. We believe that active location count is an important metric that demonstrates the growth and scale of our overall business and reflects our ability to attract, engage, and monetize our customers and thereby drive revenue, as well as provides a base to expand usage of our modules.

*Average revenue per unit (ARPU):* We calculate ARPU by dividing the total platform revenue in a given period by the average active locations in that same period. We believe ARPU is an important metric that measures monetization of our platform and demonstrates our ability to grow within our customer base through the development of products that our customers value.

*Dollar-based net revenue retention (NRR):* We calculate NRR as of a period-end by starting with the revenue, defined as platform revenue, from the cohort of all active customers as of 12 months prior to such period-end, or the prior period revenue. We then calculate the platform revenue from these same customers as of the current period-end, or the current period revenue. Current period revenue includes any expansion and is net of contraction or attrition over the last 12 months, but excludes platform revenue from new customers in the current period. We then divide the total current period revenue by the total prior period revenue to arrive at the point-in-time dollar-based NRR. We believe that NRR is an important metric demonstrating our ability to retain our customers and expand their use of our modules over time, proving the stability of our revenue base and the long-term value of our customer relationships.



# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
<b>Gross profit and gross margin reconciliation:</b>		
Platform gross profit, GAAP	\$ 31,760	\$ 25,096
Plus: Stock-based compensation expense	763	208
Plus: Internally developed software amortization	166	186
Plus: Transaction costs	9	-
Platform gross profit, non-GAAP	32,698	25,490
Services gross profit, GAAP	(254)	165
Plus: Stock-based compensation expense	112	52
Plus: Transaction costs	45	-
Services gross profit, Non-GAAP	(97)	217
Total gross profit, GAAP	31,506	25,261
Total gross profit, non-GAAP	32,601	25,707
Platform gross margin, GAAP	82 %	86 %
Platform gross margin, non-GAAP	84 %	87 %
Services gross margin, GAAP	(24)%	13 %
Services gross margin, non-GAAP	(9)%	17 %
Total gross margin, GAAP	79 %	83 %
Total gross margin, non-GAAP	82 %	84 %
<b>Sales and marketing reconciliation:</b>		
Sales and marketing, GAAP	5,706	2,456
Less: Stock-based compensation expense	692	155
Less: Transaction costs	433	-
Sales and marketing, non-GAAP	4,581	2,301
Sales and marketing as % total revenue, GAAP	14 %	8 %
Sales and marketing as % total revenue, non-GAAP	11 %	8 %
<b>Research and development reconciliation:</b>		
Research and development, GAAP	16,046	10,192
Less: Stock-based compensation expense	2,761	557
Less: Transaction costs	425	-
Research and development, non-GAAP	12,860	9,635
Research and development as % total revenue, GAAP	40 %	33 %
Research and development as % total revenue, non-GAAP	32 %	32 %
<b>General and administrative reconciliation:</b>		
General and administrative, GAAP	16,591	7,072
Less: Stock-based compensation expense	4,135	943
Less: Charitable donation of Class A common stock	-	-
Less: Transaction costs	1,579	-
General and administrative, non-GAAP	10,877	6,129
General and administrative as % total revenue, GAAP	42 %	23 %
General and administrative as % total revenue, non-GAAP	27 %	20 %

# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages)

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Gross profit and gross margin reconciliation:</b>				
Platform gross profit, GAAP	\$ 118,874	\$ 78,430	\$ 33,201	\$ 19,597
Plus: Stock-based compensation expense	2,705	556	253	410
Plus: Internally developed software amortization	579	316	108	-
Plus: Transaction costs	9	-	-	-
Platform gross profit, non-GAAP	122,167	79,302	33,562	20,007
Services gross profit, GAAP	(336)	1,326	1,904	1,385
Plus: Stock-based compensation expense	474	124	46	34
Plus: Transaction costs	45	-	-	-
Services gross profit, Non-GAAP	183	1,450	1,950	1,419
Total gross profit, GAAP	118,538	79,756	35,105	20,982
Total gross profit, non-GAAP	122,350	80,752	35,512	21,426
Platform gross margin, GAAP	82 %	85 %	74 %	69 %
Platform gross margin, non-GAAP	85 %	85 %	74 %	71 %
Services gross margin, GAAP	(7)%	23 %	34 %	40 %
Services gross margin, non-GAAP	4 %	26 %	35 %	41 %
Total gross margin, GAAP	79 %	81 %	69 %	66 %
Total gross margin, non-GAAP	82 %	82 %	70 %	67 %
<b>Sales and marketing reconciliation:</b>				
Sales and marketing, GAAP	17,971	8,545	6,351	4,299
Less: Stock-based compensation expense	2,128	376	220	415
Less: Transaction costs	433	-	-	-
Sales and marketing, non-GAAP	15,410	8,169	6,131	3,884
Sales and marketing as % total revenue, GAAP	12 %	9 %	13 %	14 %
Sales and marketing as % total revenue, non-GAAP	10 %	8 %	12 %	12 %
<b>Research and development reconciliation:</b>				
Research and development, GAAP	58,918	32,907	21,687	17,123
Less: Stock-based compensation expense	11,283	1,497	814	1,409
Less: Transaction costs	425	-	-	-
Research and development, non-GAAP	47,210	31,410	20,873	15,714
Research and development as % total revenue, GAAP	39 %	33 %	43 %	54 %
Research and development as % total revenue, non-GAAP	32 %	32 %	41 %	49 %
<b>General and administrative reconciliation:</b>				
General and administrative, GAAP	69,625	22,209	12,157	8,341
Less: Stock-based compensation expense	16,137	2,827	3,493	1,928
Less: Charitable donation of Class A common stock	13,107	-	-	-
Less: Transaction costs	1,922	-	-	-
General and administrative, non-GAAP	38,459	19,382	8,664	6,413
General and administrative as % total revenue, GAAP	47 %	23 %	24 %	26 %
General and administrative as % total revenue, non-GAAP	26 %	20 %	17 %	20 %

# Appendix: Non-GAAP Reconciliation

*(in thousands, except for percentages and per share amounts)*

	<b>Three Months Ended December 31, 2021</b>	<b>Three Months Ended December 31, 2020</b>
<b>Operating income (loss) reconciliation:</b>		
Operating (loss) income, GAAP	(6,837)	5,541
Plus: Stock-based compensation expense	8,463	1,915
Plus: Charitable donation of Class A common stock	-	-
Plus: Internally developed software amortization	166	186
Plus: Transaction costs	2,491	-
Operating income, non-GAAP	4,283	7,642
Operating margin, GAAP	(17)%	18 %
Operating margin, non-GAAP	11 %	25 %

*(in thousands, except for percentages and per share amounts)*

	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>	<b>Year Ended December 31, 2019</b>	<b>Year Ended December 31, 2018</b>
<b>Operating income (loss) reconciliation:</b>				
Operating (loss) income, GAAP	\$ (27,976)	\$ 16,095	\$ (5,090)	\$ (8,781)
Plus: Stock-based compensation expense	32,727	5,380	4,826	4,196
Plus: Charitable donation of Class A common stock	13,107	-	-	-
Plus: Internally developed software amortization	579	316	108	-
Plus: Transaction costs	2,834	-	-	-
Operating income, non-GAAP	\$ 21,271	\$ 21,791	\$ (156)	\$ (4,585)
Operating margin, GAAP	(19)%	16 %	(10)%	(28)%
Operating margin, non-GAAP	14 %	22 %	- %	(14)%

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