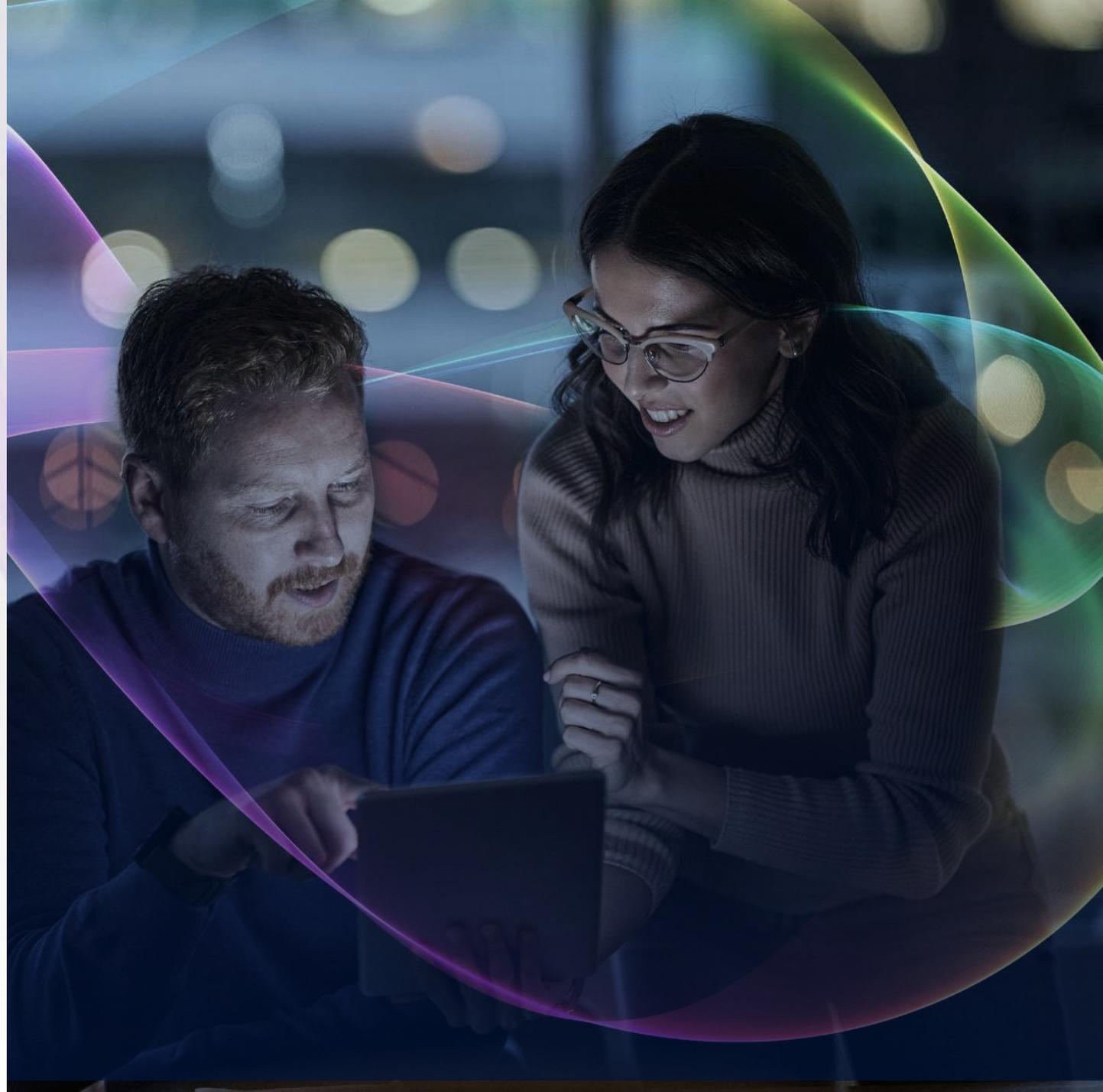


1Q 2024

Earnings Call Supplementary Slides





Safe Harbor

This presentation contains forward-looking statements. All statements contained in this presentation other than statements of historical facts, including, without limitation, future financial and business performance for the first quarter 2024, attractiveness of our product offerings and platform and the value proposition of our products, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “guide,” “may,” “will” and similar expressions and their negatives are intended to identify forward looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to our rapid growth and ability to sustain our revenue growth rate, competition in the markets in which we operate, market growth, our ability to innovate and manage our growth, our ability to expand effectively into new markets, risks that the anticipated benefits of an acquisition may not be fully realized or may take longer to realize than expected, the effects of the current terrorist attacks by Hamas, and the war and hostilities between Israel and Hamas and Israel and Hezbollah as well as the possibility that this could develop into a broader regional conflict involving Israel with other parties, may affect our operations and may limit our ability to produce and sell our solutions, any disruption in our operations by the obligations of our personnel to perform military service as a result of current or future military actions involving Israel, our ability to operate in compliance with applicable laws, as well as other risks and uncertainties set forth in the “Risk Factors” section of our latest Form 20-F filed with the Securities and Exchange Commission and any subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. We are under no obligation to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

This presentation also includes certain guidance on non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company’s non-GAAP financial measures as tools for comparison. The Company provides a reconciliation of certain non-GAAP measures to the most directly comparable GAAP measures, which are available in the earnings press release for the relevant period and in the appendix of this presentation.

Therefore, please review the information contained in our press release, dated May 7, 2024, with respect to our earnings for fiscal year Q1 2024 (the “Q1 Press Release”). The Q1 Press Release contains additional information regarding our financial outlook and certain non-GAAP metrics and their reconciliations.

The information contained in this presentation, or delivered or to be delivered in connection with this presentation, does not constitute an offer, express or implied, or a recommendation to do any transaction, or make any investment, in our securities or in any securities of our affiliates or subsidiaries.



AudioCodes Scale & Reach

We are the leading provider of enterprise voice cloud services



9

of Fortune Top 10 Enterprises



#1

Microsoft Teams Phone Partner



65

of Fortune 100 Companies are Customers



959

Employees as of 3/31/24



120

Countries



1Q'24 Financial Highlights

- Total revenues of **\$60.1M** vs. \$59.2M in 1Q'23, up **1.5%** YoY
- Service revenues of **\$31.5M** vs \$30.5M in 1Q'23, up **3.3%** YoY
- Non-GAAP gross margin of **65.2%** vs. 62.1% in 1Q'23
- Non-GAAP operating margin at **10.5%** vs. 4.9% in 1Q'23
- Non-GAAP EPS of **\$0.17** vs. \$0.08 in 1Q'23



1Q'24 Business Performance



Microsoft business
increased
8% YoY



Customer Experience
(CX) business
increased **15% YoY**



Conversational AI
business increased
>50%



Live ARR increased
~45% YoY



Service provider/
Other declined
24% YoY



1Q'24 Operational and Customer Highlights

→ AudioCodes again ranked #1 Enterprise SBC vendor with 23.1% market share in 2023 by Omdia



→ Signed a 36-month contract with electric power company in EMEA, providing Live Premium services and cross-sell of calling plans and devices as a service to a portion of the base in support of initial phase of migration to Teams Voice users from multiple PBX systems.



→ Voca CIC selected by 16 CX industry experts to win the CX Today Award 2024 for Best Microsoft Teams Contact Center Solution



→ Voca CIC recently launched omnichannel capabilities to its Contact Center as a Service solution



→ Live ARR increased ~45% to \$53 million



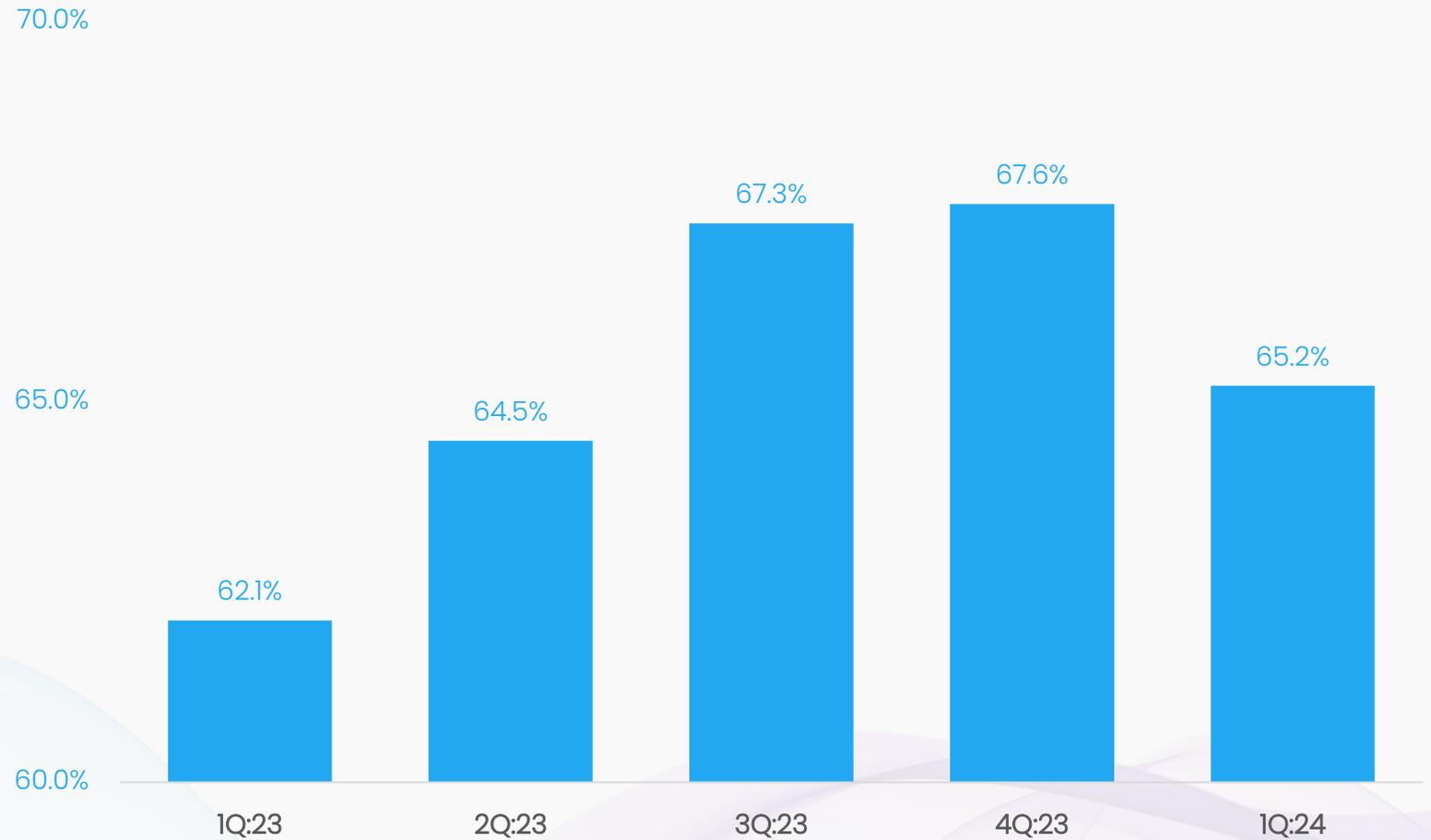
→ Generated strong cash flow from operating activities of \$15.0 million





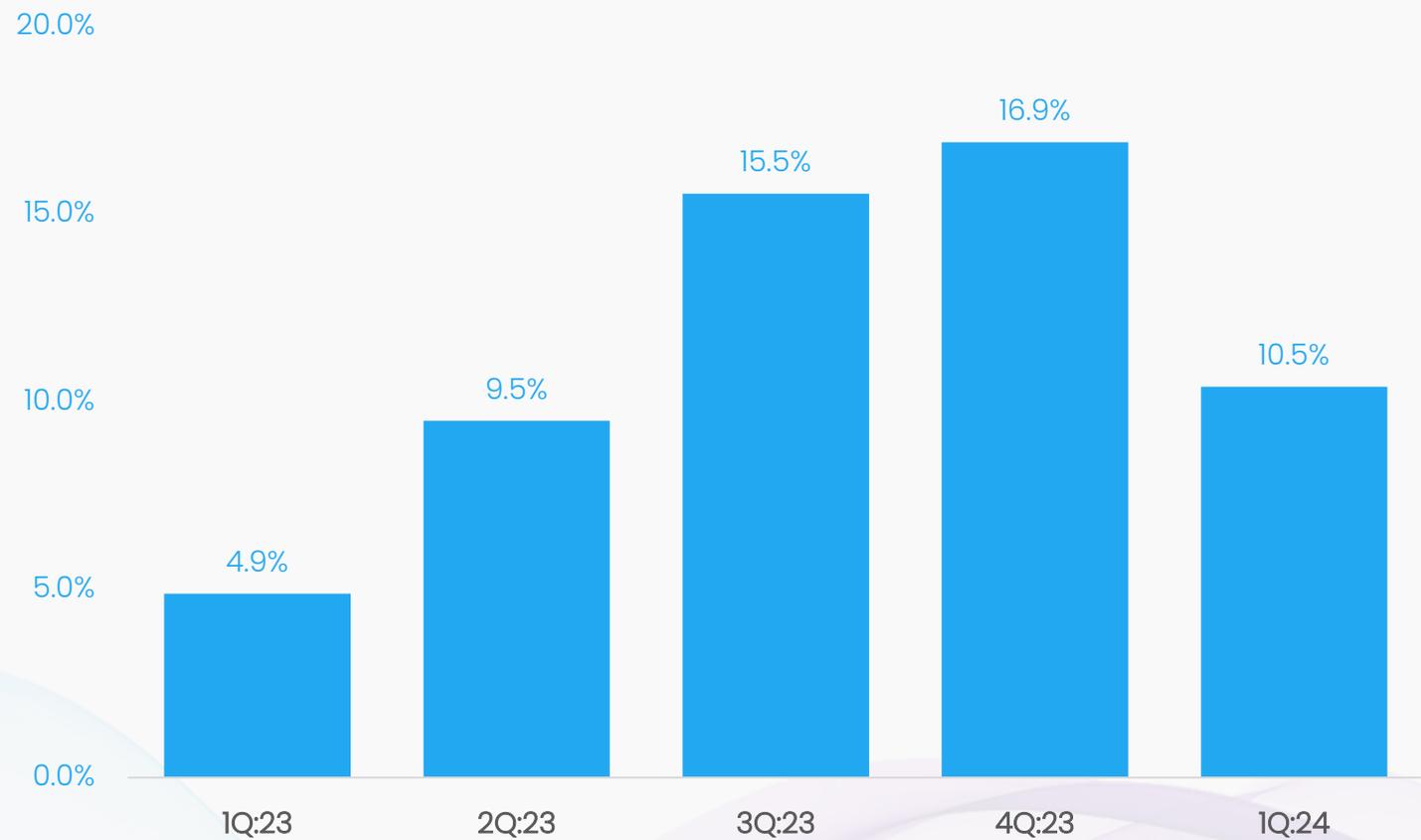
Non-GAAP Gross Margin

Year-over-year
margin
improvement
primarily from
more favorable
product mix





Non-GAAP Operating Margin

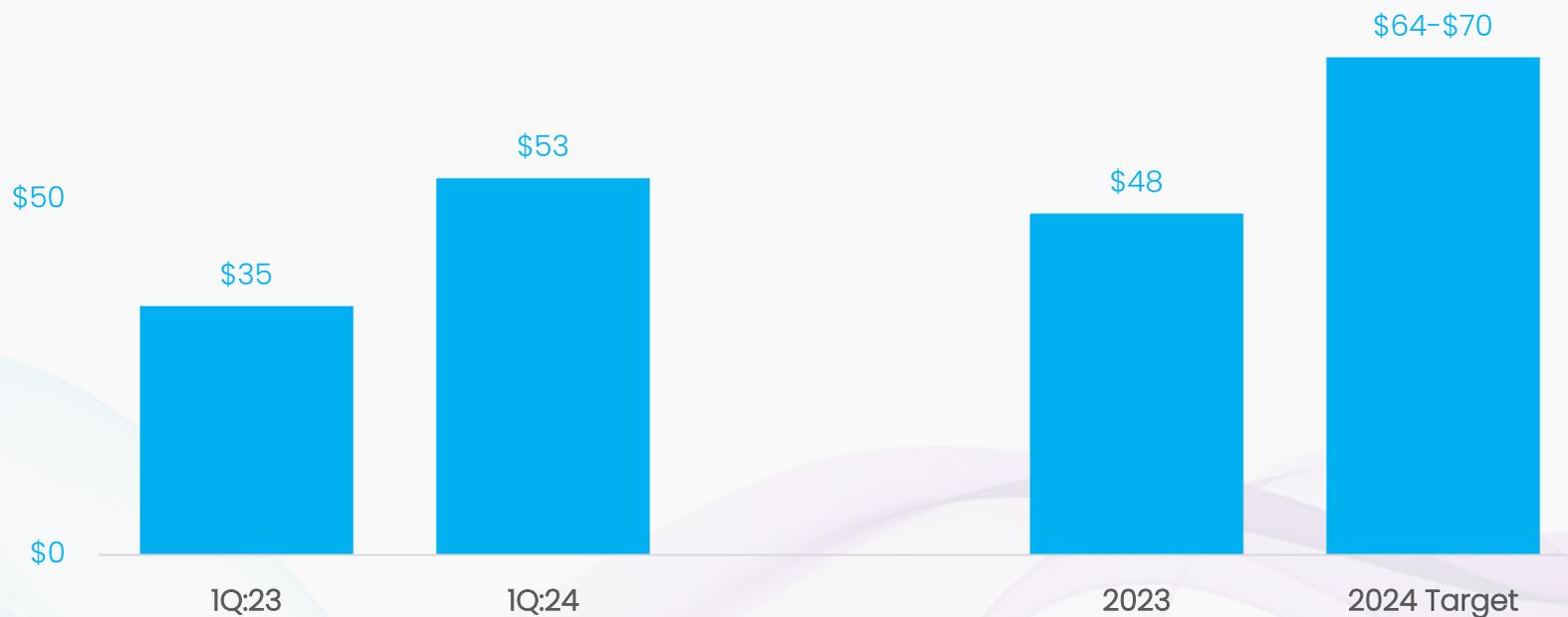


AudioCodes Live ARR

Ongoing momentum with 1Q ARR up ~45% year-over-year

(USD Millions)

\$100





2024 Outlook



Revenues (in million)

\$240 - \$250



Non-GAAP EPS

\$0.85-\$1.00

Financial Model And Long-Term Targets

	1Q23	2Q23	3Q23	4Q23	1Q24	Long-Term Targets
Revenue growth year-over-year	-10.8%	-12.2%	-11.7%	-10.0%	1.5%	6%-12%
Non-GAAP Gross margin	62.1%	64.5%	67.3%	67.6%	65.2%	65%-68%
Non-GAAP OPEX as % of revenues	57.2%	55.0%	51.8%	50.7%	54.7%	47%-50%
Non-GAAP Operating margin	4.9%	9.5%	15.5%	16.9%	10.5%	15%-20%



GAAP to Non-GAAP Reconciliation

AUDICODES LTD. AND ITS SUBSIDIARIES RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME

U.S. dollars in thousands, except per share data

	Three months ended	
	March 31,	
	2024	2023
	(Unaudited)	
GAAP net income (loss)	\$ 2,083	\$ (182)
GAAP net earnings (loss) per share	\$ 0.07	\$ (0.01)
Cost of revenues:		
Share-based compensation (1)	79	107
Amortization expenses (2)	122	135
Lease expenses (6)	304	-
	505	242
Research and development, net:		
Share-based compensation (1)	592	743
Deferred payments expenses (3)	-	125
Lease expenses (6)	342	-
	934	868
Selling and marketing:		
Share-based compensation (1)	723	1,237
Amortization expenses (2)	11	11
Deferred payments expenses (3)	-	125
Lease expenses (6)	38	-
	772	1,373
General and administrative:		
Share-based compensation (1)	742	1,259
Lease expenses (6)	76	-
	818	1,259
Financial expenses:		
Exchange rate differences (4)	(364)	(541)
Income taxes:		
Deferred tax (5)	471	(338)
Non-GAAP net income	\$ 5,219	\$ 2,681
Non-GAAP diluted net earnings per share	\$ 0.17	\$ 0.08
Weighted average number of shares used in computing Non-GAAP diluted net earnings per share (in thousands)	31,570	33,056

- (1) Share-based compensation expenses related to options and restricted share units granted to employees and others.
- (2) Amortization expenses related to intangible assets.
- (3) Expenses related to deferred payments in connection with the acquisition of Callverso Ltd.
- (4) Financial expenses related to exchange rate differences in connection with revaluation of assets and liabilities in non-dollar denominated currencies.
- (5) Non-cash deferred tax expenses.
- (6) Non-cash lease expense which is required to be recorded during the quarter even though this is a free rent period under the lease for the Company's new headquarters.

Note: Non-GAAP measures should be considered in addition to, and not as a substitute for, the results prepared in accordance with GAAP. The Company believes that non-GAAP information is useful because it can enhance the understanding of its ongoing economic performance and therefore uses internally this non-GAAP information to evaluate and manage its operations. The Company has chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how the Company analyzes its operating results and because many comparable companies report this type of information.

Thank You

 audiocodes

