



FOR IMMEDIATE RELEASE

Symbotic Reports Second Quarter Fiscal 2023 Results

Revenue Growth Accelerates to 177% Year-Over-Year

Reached Significant Outsourcing and Resource Rationalization Milestones

Initiated Seven New System Deployments

Wilmington, Massachusetts (May 1, 2023) -- Symbotic Inc. (Nasdaq: SYM), a leader in A.I.-enabled robotics technology for the supply chain, today announced financial results for its second fiscal quarter ended March 25, 2023. Symbotic posted revenue of \$266.9 million, a net loss of \$55.4 million and an adjusted EBITDA loss¹ of \$11.2 million for the second quarter of fiscal 2023. In the same quarter of fiscal 2022, Symbotic had revenue of \$96.3 million, a net loss of \$29.9 million and an adjusted EBITDA loss¹ of \$26.2 million. Cash, cash equivalents, restricted cash and marketable securities on hand increased by \$17.1 million from the prior quarter to \$464.6 million at the end of the second quarter.

“Our second quarter results reflect continued execution to our growth plan. During the quarter we advanced our transition to outsourcing partnerships to successfully complete installations of our current system at multiple customer sites and achieved a three-fold increase of deployments in progress since last year,” said Symbotic Chairman and Chief Executive Officer, Rick Cohen. “Our ability to scale at this pace, while continuing to innovate, positions us to be the leader in transforming the supply chain.”

“Revenue growth accelerated, and operating leverage improved during the second quarter, as we completed one system and initiated seven new system deployments,” said Symbotic Chief Financial Officer, Tom Ernst. “During the quarter, we continued to scale for growth and invest in innovation. Our transition to outsourcing led to an \$8.4 million severance and restructuring charge as we ceased manufacturing activities in Montreal and curtailed manufacturing capacity in Wilmington, Massachusetts.”

OUTLOOK

For the third quarter of fiscal 2023, Symbotic expects revenue of \$245 million to \$265 million. The company also expects an adjusted EBITDA¹ loss² of \$11 million to \$8 million, compared to a \$21.8 million adjusted EBITDA¹ loss in the third quarter of fiscal 2022.

¹ Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) is a non-GAAP measure as defined below under “Use of Non-GAAP Financial Information.” See the tables below for reconciliations to net loss, the most comparable GAAP measure.

² Symbotic is not providing guidance for net loss, which is the most comparable GAAP financial measure to adjusted EBITDA, because information reconciling forward-looking adjusted EBITDA to net loss is unavailable to it without unreasonable effort. Symbotic is not able to provide reconciliations of adjusted EBITDA to GAAP financial measures because certain items required for such reconciliations are outside of Symbotic’s control and/or cannot be reasonably predicted, such as the provision for stock-based compensation.

WEBCAST INFORMATION

Symbotic will host a webcast today at 5:00 pm EST to discuss its second quarter fiscal 2023 results. The webcast link is: <https://edge.media-server.com/mmc/go/Symbotic-Q2-2023>.

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ABOUT SYMBOTIC

Symbotic is an automation technology leader reimagining the supply chain with its end-to-end, A.I.-powered robotic and software platform. Symbotic reinvents the warehouse as a strategic asset for the world's largest retail, wholesale, and food & beverage companies. Applying next-generation technology, high-density storage and machine learning to solve today's complex distribution challenges, Symbotic enables companies to move goods with unmatched speed, agility, accuracy and efficiency. As the backbone of commerce, Symbotic transforms the flow of goods and the economics of the supply chain for its customers. For more information, visit www.symbotic.com.

USE OF NON-GAAP FINANCIAL INFORMATION

Symbotic reports its financial results in accordance with Generally Accepted Accounting Principles in the United States ("U.S. GAAP"). This press release contains financial measures that are not recognized under U.S. GAAP ("non-GAAP"), including adjusted EBITDA and adjusted gross profit. These non-GAAP measures have limitations as an analytical tool as they do not have a standardized meaning prescribed by U.S. GAAP. The non-GAAP financial measures Symbotic uses may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies and, therefore, are unlikely to be comparable to similar measures presented by other companies. Rather, these non-GAAP measures are provided as a supplement to corresponding U.S. GAAP measures to provide additional information regarding the results of operations from management's perspective. Accordingly, non-GAAP measures should not be considered a substitute for, in isolation from, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. All non-GAAP measures presented in this press release are reconciled to their closest reported U.S. GAAP measures. Symbotic recommends that investors review the reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures provided in the financial statement tables included below in this press release, and not rely on any single financial measure to evaluate its business.

Symbotic defines adjusted EBITDA, a non-GAAP financial measure, as GAAP net loss excluding the following items: interest income; income taxes; depreciation and amortization of tangible and intangible assets; stock-based compensation; business combination transaction expenses; CEO transition charges; restructuring; and other items that may arise from time to time. Symbotic defines adjusted gross profit, a non-GAAP financial measure, as GAAP gross profit excluding the following items: depreciation, stock-based compensation and restructuring. In addition to Symbotic's financial results determined in accordance with U.S. GAAP, Symbotic believes that adjusted EBITDA and adjusted gross profit non-GAAP financial measures are useful in evaluating the performance of Symbotic's business because they highlight trends in its core business.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, Symbotic's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events, backlog or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates" or "intends" or similar expressions.

Forward-looking statements include, but are not limited to, statements about the ability of or expectations regarding Symbotic to:

- meet the technical requirements of existing or future supply agreements with its customers, including with respect to existing backlog;
- expand its target customer base and maintain its existing customer base;
- anticipate industry trends;
- maintain and enhance its platform;
- maintain the listing of the Symbotic Class A Common Stock on Nasdaq;
- execute its growth strategy;
- develop, design and sell systems that are differentiated from those of competitors;
- execute its research and development strategy;
- acquire, maintain, protect and enforce intellectual property;
- attract, train and retain effective officers, key employees or directors;
- comply with laws and regulations applicable to its business;
- stay abreast of modified or new laws and regulations applying to its business;
- successfully defend litigation;
- issue equity securities in connection with future transactions;
- meet future liquidity requirements and, if applicable, comply with restrictive covenants related to long-term indebtedness;
- timely and effectively remediate any material weaknesses in our internal control over financial reporting;
- anticipate rapid technological changes; and
- effectively respond to general economic and business conditions.

Forward-looking statements also include, but are not limited to, statements with respect to:

- the future performance of our business and operations;
- backlog;
- expectations regarding revenues, expenses, adjusted EBITDA loss and anticipated cash needs;
- expectations regarding cash flow, liquidity and sources of funding;
- expectations regarding capital expenditures;
- the effects of pending and future legislation;
- business disruption;
- risks related to the impact of the COVID-19 pandemic on the financial condition and results of operations of Symbotic;
- disruption to the business due to the Symbotic's dependency on certain customers;
- increasing competition in the warehouse automation industry;
- any delays in the design, production or launch of our systems and products;
- the failure to meet customers' requirements under existing or future contracts or customer's expectations as to price or pricing structure;
- any defects in new products or enhancements to existing products; and
- the fluctuation of operating results from period to period due to a number of factors, including the pace of customer adoption of our new products and services and any changes in our product mix that shift too far into lower gross margin products.

Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Certain of these risks are identified and discussed in Symbotic's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on December 9, 2022. These risk factors will be important to consider in determining future results and should be reviewed in their entirety. These forward-looking statements are expressed in good faith, and Symbotic believes there is a reasonable basis for them. However, there can be no assurance that the events, results or trends identified in these forward-looking statements will occur or be achieved. Forward-looking statements are provided for the purposes of assisting the reader in understanding our financial performance, financial position and cash flows as of and for periods ended on certain dates and to present information about management's current expectations and plans relating to the future, and the reader is cautioned not to place undue reliance on these forward-looking statements because of their inherent uncertainty and to appreciate the limited purposes for which they are being used by management. While we believe that the assumptions and expectations reflected in the forward-looking statements are reasonable based on information currently available to management, there is no assurance that such assumptions and expectations will prove to have been correct. Forward-looking statements speak only as of the date they are made and are based on the beliefs, estimates, expectations and opinions of management on that date. Symbotic is not under any obligation, and expressly disclaims any obligation to update, alter or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review the statements set forth in the reports that Symbotic has filed or will file from time to time with the SEC.

In addition to factors previously disclosed in Symbotic's Annual Report on Form 10-K filed with the SEC on December 9, 2022, and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: failure to realize the benefits expected from adding to our base of outsourcing partners; the effects of pending and future legislation; and risks related to the impact of the COVID-19 pandemic on the financial condition and results of operations of Symbotic.

Any financial projections in this press release or discussed in the webcast are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond Symbotic's control. While all projections are necessarily speculative, Symbotic believes that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection extends from the date of preparation. The assumptions and estimates underlying the projected results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projections. The inclusion of projections in this communication should not be regarded as an indication that Symbotic, or its representatives, considered or considers the projections to be a reliable prediction of future events.

Annualized, pro forma, projected and estimated numbers are not forecasts and may not reflect actual results.

This communication is not intended to be all-inclusive or to contain all the information that a person may desire in considering an investment in Symbotic and is not intended to form the basis of an investment decision in Symbotic. The forward-looking statements contained in this press release and other reports we file with, or furnish to, the SEC and other regulatory agencies and made by our directors, officers, other employees and other persons authorized to speak on our behalf are expressly qualified in their entirety by these cautionary statements.

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Symbotic Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended			Six Months Ended	
	March 25, 2023	December 24, 2022	March 26, 2022	March 25, 2023	March 26, 2022
<i>(in thousands, except share and per share information)</i>					
Revenue:					
Systems	\$ 257,603	\$ 197,901	\$ 89,572	\$ 455,504	\$ 160,794
Software maintenance and support	1,461	1,237	965	2,698	1,940
Operation services	7,790	7,174	5,747	14,964	10,614
Total revenue	266,854	206,312	96,284	473,166	173,348
Cost of revenue:					
Systems	213,060	160,931	71,975	373,991	128,460
Software maintenance and support	2,106	1,671	1,145	3,777	1,955
Operation services	8,841	8,516	6,258	17,357	11,559
Total cost of revenue	224,007	171,118	79,378	395,125	141,974
Gross profit	42,847	35,194	16,906	78,041	31,374
Operating expenses:					
Research and development expenses	49,666	50,740	23,355	100,406	45,539
Selling, general, and administrative expenses	50,898	54,023	23,512	104,921	38,871
Total operating expenses	100,564	104,763	46,867	205,327	84,410
Operating loss	(57,717)	(69,569)	(29,961)	(127,286)	(53,036)
Other income, net	2,284	1,834	58	4,118	80
Loss before income tax	(55,433)	(67,735)	(29,903)	(123,168)	(52,956)
Income tax benefit (expense)	17	(251)	—	(234)	—
Net loss	(55,416)	(67,986)	(29,903)	(123,402)	(52,956)
Net loss attributable to Legacy Warehouse unitholders prior to the Business Combination	—	—	(29,903)	—	(52,956)
Net loss attributable to noncontrolling interests	(49,298)	(60,793)	—	(110,091)	—
Net loss attributable to common stockholders	\$ (6,118)	\$ (7,193)	\$ —	\$ (13,311)	\$ —
Loss per share of Class A Common Stock: ⁽¹⁾					
Basic and Diluted	\$ (0.10)	\$ (0.12)	N/M	(0.22)	N/M
Weighted-average shares of Class A Common Stock outstanding:					
Basic and Diluted	60,503,119	58,235,506	N/M	59,352,634	N/M

(1) Loss per share information has not been presented for periods prior to the Business Combination, as it resulted in values that would not be meaningful to the users of the consolidated financial statements. This has been indicated on these statements of operations as “N/M”.

Symbotic Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures

The following table reconciles GAAP net loss to Adjusted EBITDA:

<i>(in thousands)</i>	Three Months Ended			Six Months Ended	
	March 25, 2023	December 24, 2022	March 26, 2022	March 25, 2023	March 26, 2022
Net loss	\$ (55,416)	\$ (67,986)	\$ (29,903)	\$ (123,402)	\$ (52,956)
Interest income	(2,392)	(1,833)	(15)	(4,225)	(26)
Income tax (benefit) expense	(17)	251	—	234	—
Depreciation and amortization	1,680	1,695	1,416	3,375	2,774
Stock-based compensation	36,539	49,540	895	86,079	1,163
Business Combination transaction expenses	—	—	1,359	—	1,530
CEO transition charges	—	2,026	—	2,026	—
Restructuring charges	8,373	—	—	8,373	—
Adjusted EBITDA	\$ (11,233)	\$ (16,307)	\$ (26,248)	\$ (27,540)	\$ (47,515)

The following table reconciles GAAP gross profit to Adjusted gross profit:

<i>(in thousands)</i>	Three Months Ended			Six Months Ended	
	March 25, 2023	December 24, 2022	March 26, 2022	March 25, 2023	March 26, 2022
Gross profit	\$ 42,847	\$ 35,194	\$ 16,906	\$ 78,041	\$ 31,374
Depreciation	189	186	80	375	154
Stock-based compensation	459	312	—	771	—
Restructuring charges	5,240	—	—	5,240	—
Adjusted gross profit	\$ 48,735	\$ 35,692	\$ 16,986	\$ 84,427	\$ 31,528
Gross profit margin	16.1 %	17.1 %	17.6 %	16.5 %	18.1 %
Adjusted gross profit margin	18.3 %	17.3 %	17.6 %	17.8 %	18.2 %

Symbotic Inc. and Subsidiaries
Supplemental Common Share Information

Total Common Shares issued and outstanding:

	March 25, 2023	September 24, 2022
Class A Common Shares issued and outstanding	61,283,689	57,718,836
Class V-1 Common Shares issued and outstanding	77,080,090	79,237,388
Class V-3 Common Shares issued and outstanding	416,933,025	416,933,025
	555,296,804	553,889,249

Symbotic Inc. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets

	<u>March 25,</u> <u>2023</u>	<u>September 24,</u> <u>2022</u>
<i>(in thousands, except share data)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 256,954	\$ 353,457
Marketable securities	205,495	—
Accounts receivable	124,525	3,412
Unbilled accounts receivable	63,502	101,816
Inventories	140,441	91,900
Deferred expenses	36,878	29,150
Prepaid expenses and other current assets	38,605	25,663
Total current assets	<u>866,400</u>	<u>605,398</u>
Property and equipment, at cost	62,439	48,722
Less: Accumulated depreciation	<u>(26,900)</u>	<u>(23,844)</u>
Property and equipment, net	35,539	24,878
Intangible assets, net	427	650
Other long-term assets	<u>7,163</u>	<u>337</u>
Total assets	<u>\$ 909,529</u>	<u>\$ 631,263</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 88,139	\$ 68,448
Accrued expenses and other current liabilities	70,527	47,312
Sales tax payable	25,720	12,953
Deferred revenue, current	<u>665,440</u>	<u>394,244</u>
Total current liabilities	849,826	522,957
Deferred revenue, long-term	23,734	31,465
Other long-term liabilities	<u>14,528</u>	<u>7,901</u>
Total liabilities	<u>888,088</u>	<u>562,323</u>
Commitments and contingencies	—	—
Equity:		
Class A Common Stock, 3,000,000,000 shares authorized, 61,283,689 and 57,718,836 shares issued and outstanding at March 25, 2023 and September 24, 2022, respectively	6	6
Class V-1 Common Stock, 1,000,000,000 shares authorized, 77,080,090 and 79,237,388 shares issued and outstanding at March 25, 2023 and September 24, 2022, respectively	8	8
Class V-3 Common Stock, 450,000,000 shares authorized, 416,933,025 shares issued and outstanding at March 25, 2023 and September 24, 2022	42	42
Additional paid-in capital - warrants	58,126	58,126
Additional paid-in capital	1,246,152	1,237,865
Accumulated deficit	(1,299,880)	(1,286,569)
Accumulated other comprehensive loss	<u>(2,086)</u>	<u>(2,294)</u>
Total stockholders' equity	2,368	7,184
Noncontrolling interest	<u>19,073</u>	<u>61,756</u>
Total equity	<u>21,441</u>	<u>68,940</u>
Total liabilities and equity	<u>\$ 909,529</u>	<u>\$ 631,263</u>

Symbotic Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows

<i>(in thousands)</i>	Three Months Ended			Six Months Ended	
	March 25, 2023	December 24, 2022	March 26, 2022	March 25, 2023	March 26, 2022
Cash flows from operating activities:					
Net loss	\$ (55,416)	\$ (67,986)	\$ (29,903)	\$ (123,402)	\$ (52,956)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:					
Depreciation and amortization	2,069	2,077	1,416	4,146	2,774
Foreign currency (gains) / losses	(16)	10	(37)	(6)	(45)
Loss on abandonment of assets	—	—	629	—	4,098
Loss on impairment of assets	123	—	—	123	—
Stock-based compensation	35,223	49,540	23	84,763	50
Changes in operating assets and liabilities:					
Accounts receivable	(72,178)	(48,959)	(15,182)	(121,137)	(25,606)
Inventories	(29,597)	(19,096)	(27,022)	(48,693)	(38,544)
Prepaid expenses and other current assets	24,123	1,249	(26,364)	25,372	(20,949)
Deferred expenses	(1,766)	(5,963)	493	(7,729)	480
Other long-term assets	624	(6,107)	(26)	(5,483)	(19)
Accounts payable	27,232	(7,514)	19,737	19,718	26,796
Accrued expenses and other current liabilities	450	34,133	283	34,583	(8,764)
Deferred revenue	99,374	164,090	(27,386)	263,464	49,354
Other long-term liabilities	1,067	5,578	437	6,645	429
Net cash provided by (used in) operating activities	31,312	101,052	(102,902)	132,364	(62,902)
Cash flows from investing activities:					
Purchases of property and equipment	(6,017)	(6,990)	(1,055)	(13,007)	(8,560)
Purchases of marketable securities	(106,327)	(96,813)	—	(203,140)	—
Net cash used in investing activities	(112,344)	(103,803)	(1,055)	(216,147)	(8,560)
Cash flows from financing activities:					
Proceeds from issuance of Class A Common Units	—	—	—	—	173,796
Payment for taxes related to net share settlement of stock-based compensation awards	(11,713)	—	—	(11,713)	—
Net proceeds from issuance of common stock under employee stock purchase plan	987	—	—	987	—
Net cash provided by (used in) financing activities	(10,726)	—	—	(10,726)	173,796
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	120	18	(46)	138	76
Net increase (decrease) in cash, cash equivalents, and restricted cash	(91,638)	(2,733)	(104,003)	(94,371)	102,410
Cash, cash equivalents, and restricted cash - beginning of period	350,724	353,457	363,047	353,457	156,634
Cash, cash equivalents, and restricted cash - end of period	\$ 259,086	\$ 350,724	\$ 259,044	\$ 259,086	\$ 259,044

(in thousands)

Reconciliation of cash, cash equivalents, and restricted cash:

	Three Months Ended			Six Months Ended	
	March 25, 2023	December 24, 2022	March 26, 2022	March 25, 2023	March 26, 2022
Cash and cash equivalents	\$ 256,954	\$ 350,724	\$ 259,044	\$ 256,954	\$ 259,044
Restricted cash	2,132	—	—	2,132	—
Cash, cash equivalents, and restricted cash	<u>\$ 259,086</u>	<u>\$ 350,724</u>	<u>\$ 259,044</u>	<u>\$ 259,086</u>	<u>\$ 259,044</u>