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Spok Reports First Quarter 2026 Results

Year-Over-Year Software Managed Services Revenue Growth of Nearly 57%

Company Reiterates 2026 Financial Guidance

Plano, Tx. (April 29, 2026) - Spok Holdings, Inc. (NASDAQ: SPOK), a global leader in healthcare communications, today announced results for the first quarter ended March 31, 2026. In addition, the Company's Board of Directors declared a regular quarterly dividend of \$0.3125 per share, payable on June 24, 2026, to stockholders of record on May 26, 2026.

Recent Highlights:

- Spok recently announced a strategic realignment designed to further reduce operating expenses and deliver in excess of \$6.0 million in anticipated annual cost savings, along with an approximately 10% workforce reduction
- First-quarter software operations bookings included 17 six-figure customer contracts
- Software backlog totaled \$55.3 million at March 31, 2026, as the Company continues to focus on multi-year and managed services bookings
- First quarter 2026 wireless average revenue per unit (ARPU) was \$8.29, up 0.6% on a year-over-year basis
- Capital returned to stockholders in the first quarter of 2026 totaled \$8.0 million
- Research and development costs totaled \$3.5 million in the first quarter of 2026, supporting Spok's investment in the Company's industry-leading solutions to fuel future growth
- Spok is excited about the significant potential for artificial intelligence to drive further operational efficiencies across the organization, with a particular focus on accelerating product development timelines and reducing time to market for new Care Connect® Suite capabilities

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- Cash and cash equivalents balance of \$17.1 million at March 31, 2026, and no debt

"Our focus continues to be on generating cash flow and returning capital to stockholders, while responsibly investing for future growth," said Vincent D. Kelly, chief executive officer of Spok Holdings, Inc. "We are confident that the strategic realignment that we announced a couple of weeks ago will create significant value for stockholders, while continuing both our investment in our Care Connect® Suite and our quarterly dividend, which currently represents a yield in excess of 10%.

"In the first quarter, we were able to deliver a nearly 57% year-over-year increase in software managed services revenue as well as a continued increase in the wireless average revenue per unit. Additionally, we generated nearly \$2 million of net income and \$5.3 million of adjusted EBITDA. Our ability to generate net income in various economic environments results from the financial platform our team has created. With over 80% of our revenues generated from re-occurring revenue streams, including software maintenance and subscription contracts, managed services, and wireless pager revenue, and a debt free balance sheet, we can mitigate the impact of timing issues and seasonality on bookings levels.

"Based on our recent announcement, and our visibility into our product sales pipeline, we are reiterating our previously provided full year 2026 financial guidance estimates for revenue and adjusted EBITDA, with the midpoint of our adjusted EBITDA guidance also being up from 2025. We are also very excited about the potential for artificial intelligence to add further efficiency across our operations and meaningfully reduce time to market on our product development goals and timelines, an opportunity we believe will create significant additional value for our customers and stockholders alike," concluded Kelly.

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**Financial Highlights:**

(Dollars in thousands)	For the three months ended March 31,		
	2026	2025	Change (%)
Revenue			
Wireless revenue			
Paging revenue	\$ 16,569	\$ 17,607	(5.9)%
Product and other revenue	917	867	5.8 %
Total wireless revenue	\$ 17,486	\$ 18,474	(5.3)%
Software revenue			
License	\$ 1,362	2,631	(48.2)%
Professional services - projects	3,328	\$ 4,471	(25.6)%
Professional services - managed services	2,059	1,315	56.6 %
Hardware	186	321	(42.1)%
Maintenance and subscription	8,805	9,082	(3.0)%
Total software revenue	\$ 15,740	\$ 17,820	(11.7)%
Total revenue	\$ 33,226	\$ 36,294	(8.5)%

(Dollars in thousands)	For the three months ended March 31,		
	2026	2025	Change (%)
<u>GAAP</u>			
Operating expenses	\$ 30,782	\$ 30,276	1.7 %
Net income	\$ 1,987	\$ 5,196	(61.8)%
Cash and cash equivalents (as of period end)	\$ 17,078	\$ 19,873	(14.1)%
Capital returned to stockholders	\$ 7,963	\$ 7,947	0.2 %
<u>Non-GAAP</u>			
Adjusted operating expenses	\$ 29,468	\$ 29,360	0.4 %
Adjusted EBITDA	\$ 5,259	\$ 8,204	(35.9)%

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(Dollars in thousands, excluding units in service and ARPU)	For the three months ended March 31,		
	2026	2025	Change (%)
Key Statistics			
Wireless units in service (000's) (as of period end)	657	705	(6.8)%
Wireless average revenue per unit (ARPU)	\$ 8.29	\$ 8.24	0.6 %
Software operations bookings ⁽¹⁾	\$ 4,939	\$ 8,337	(40.8)%
Software backlog (as of period end) ⁽²⁾	\$ 55,290	\$ 63,152	(12.4)%

⁽¹⁾ Software operations bookings includes net new (i.e., new customers or incremental add-on sales to existing customers) sales of license, professional services, equipment, and first-year maintenance.

⁽²⁾ Software backlog excludes \$14.8 million and \$5.0 million of contractual obligations that are deemed cancellable by the customer without significant penalty as of March 31, 2026 and 2025, respectively.

Financial Outlook:

The Company also reiterated its prior financial guidance and expects the following for the full year 2026:

(Unaudited and in millions)	Current Guidance Full Year 2026	
	From	To
Revenue		
Wireless	\$ 68.0	\$ 71.0
Software	\$ 68.0	\$ 72.0
Total Revenue	\$ 136.0	\$ 143.0
Adjusted EBITDA	\$ 27.5	\$ 32.5

2026 First Quarter Call:

Management will host a conference call and webcast to discuss these financial results on Wednesday, April 29, 2026, at 5:00 p.m. Eastern Time. The presentation is open to all interested parties and may include forward-looking information.

Conference Call Details

Date/Time: Wednesday, April 29, 2026, at 5:00 p.m. ET
 Webcast: https://www.webcast-eqs.com/registration/Spok_Q1_2026
 U.S. Toll-Free Dial In: 877-407-0890
 International Dial In: 1-201-389-0918

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To access the call, please dial in approximately ten minutes before the start of the call. For those unable to join the live call, an OnDemand version of the webcast will be available following the call under the URL link and on the investor relations website.

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About Spok

Spok Holdings, Inc. (NASDAQ: SPOK), headquartered in Plano, Texas, is proud to be a global leader in healthcare communications. We deliver clinical information to care teams when and where it matters most to improve patient outcomes. Top hospitals rely on the Spok Care Connect® platform to enhance workflows for clinicians and support administrative compliance. Our customers send over 70 million messages each month through their Spok® solutions. Spok enables smarter, faster clinical communication. For more information, [visit spok.com](http://visit.spok.com).

Spok is a trademark of Spok Holdings, Inc. Spok Care Connect and Spok Mobile are trademarks of Spok, Inc.

Non-GAAP Financial Measures

This press release contains the following non-GAAP financial measures: adjusted operating expenses and adjusted EBITDA. Adjusted operating expenses excludes depreciation and accretion expense, impairment of intangible assets and severance and restructuring costs. Adjusted EBITDA represents net income/(loss) before interest income/expense, income tax benefit/expense, depreciation and accretion expense, stock-based compensation expense, impairment of intangible assets, legal costs unrelated to core business activities and non-recurring in nature, and severance and restructuring. With respect to our expectations under "Financial Outlook" above, reconciliation of adjusted EBITDA to net income is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and uncertainty with respect to certain items included in net income that are excluded from adjusted EBITDA, in particular, income tax benefit/expense, stock-based compensation expenses, impairment of intangible assets, severance and restructuring and other non-recurring expenses. These items can have unpredictable fluctuations based on unforeseen activity that is out of our control and/or cannot be reasonably predicted.

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We believe that these non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends relating to Spok's financial condition and results of operations. We use these non-GAAP measures for financial, operational, and budgetary decision-making purposes, to understand and evaluate our core operating performance and trends, and to generate future operating plans. We believe that these non-GAAP financial measures permit us to more thoroughly analyze key financial metrics used to make operational decisions and allow us to assess our core operating results. We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with other software companies who present similar non-GAAP financial measures. We adjust for certain items because we do not regard these costs as reflective of normal costs related to the ongoing operation of the business in the ordinary course. In general, these items possess one or more of the following characteristics: non-cash expenses, factors outside of our control, items that are non-operational in nature, and unusual items not expected to occur in the normal course of business. We believe it is important to exclude these costs, given that they do not represent future operational costs under this strategic business plan. This allows us to assess the underlying performance of our core business under this new strategic business plan.

We do not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principle of these non-GAAP financial measures is that they exclude significant amounts that are required by GAAP to be recorded in the Company's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. We urge investors to review the reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures, which are included in this press release, and not to rely on any single financial measure to evaluate our business.

Safe Harbor Statement under the Private Securities Litigation Reform Act

Statements contained herein or in prior press releases which are not historical fact, such as statements regarding our future operating and financial performance, are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties that may cause our actual results to be materially different from the future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expectations include, but are not limited to, our ability to manage wireless network rationalization to lower our costs without causing disruption of service to our customers; our ability to retain key management personnel and to attract and retain talent within the organization; the productivity of our sales organization and our ability to deliver effective

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customer support; our ability to identify potential acquisitions, finance, consummate and successfully integrate such acquisitions, and achieve the expected benefits of such acquisitions; economic conditions, such as recessionary economic cycles, the impact of trade disputes, tariffs and other trade protection measures, higher interest rates, inflation and higher levels of unemployment; risks related to our overall business strategy, including maximizing revenue and cash generation from our established businesses and returning capital to stockholders through dividends and repurchases of shares of our common stock; competition for our services and products from new technologies or those offered and/or developed from firms that are substantially larger and have much greater financial and human capital resources; continuing decline in the number of paging units we have in service with customers, commensurate with a continuing decline in our wireless revenue; our ability to address changing market conditions with new or revised software solutions; undetected defects, bugs, or security vulnerabilities in our products; our dependence on the United States healthcare industry; long sales cycle of our software solutions and services; our reliance on third-party vendors to supply us with wireless paging equipment; our ability to maintain successful relationships with our channel partners; our ability to protect our rights in intellectual property that we own and develop and the potential for material litigation claiming intellectual property infringement by us; our use of open source software, third-party software and other intellectual property; our reliance on data centers and other computer systems, hardware, software and satellite networks and telecommunications systems infrastructure (collectively, "IT Systems") and technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties; cyberattacks, data breaches, system disruptions or other compromises to our or our critical third parties' IT Systems, data, products or services; our ability to realize the benefits associated with our deferred income tax assets; future impairments of our long-lived assets or goodwill; risks related to data privacy and protection-related laws and regulation; and our ability to manage changes related to regulation, including laws and regulations affecting hospitals and the healthcare industry generally, as well as other risks described from time to time in our periodic reports and other filings with the Securities and Exchange Commission. Although Spok believes the expectations reflected in the forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. Spok disclaims any intent or obligation to update any forward-looking statements.

Tables to Follow

SPOK HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands except share, per share amounts and ARPU)

	For the three months ended	
	3/31/2026	3/31/2025
Revenue:		
Wireless	\$ 17,486	\$ 18,474
Software	15,740	17,820
Total revenue	33,226	36,294
Operating expenses:		
Cost of revenue (exclusive of items shown separately below)	7,729	7,284
Research and development	3,457	3,094
Technology operations	6,162	6,190
Selling and marketing	4,488	4,925
General and administrative	7,632	7,867
Depreciation and accretion	992	859
Severance and restructuring	322	57
Total operating expenses	30,782	30,276
% of total revenue	92.6 %	83.4 %
Operating income	2,444	6,018
% of total revenue	7.4 %	16.6 %
Interest income	174	219
Other income	5	22
Income before income taxes	2,623	6,259
Provision for income taxes	(636)	(1,063)
Net income	\$ 1,987	\$ 5,196
Basic net income per common share	\$ 0.10	\$ 0.25
Diluted net income per common share	\$ 0.09	\$ 0.25
Basic weighted average common shares outstanding	20,770,505	20,440,306
Diluted weighted average common shares outstanding	21,141,838	20,656,794
Cash dividends declared per common share	0.3125	0.3125

SPOK HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	3/31/2026	12/31/2025
ASSETS	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 17,078	\$ 25,280
Accounts receivable, net	19,774	22,644
Prepaid expenses	9,734	8,909
Other current assets	636	1,051
Total current assets	47,222	57,884
Non-current assets:		
Property and equipment, net	5,503	5,723
Operating lease right-of-use assets	5,776	6,477
Goodwill	99,175	99,175
Deferred income tax assets, net	36,001	36,530
Other non-current assets	216	322
Total non-current assets	146,671	148,227
Total assets	\$ 193,893	\$ 206,111
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,932	\$ 3,975
Accrued compensation and benefits	3,435	7,361
Deferred revenue	28,405	30,452
Operating lease liabilities	2,508	2,676
Other current liabilities	4,166	4,645
Total current liabilities	43,446	49,109
Non-current liabilities:		
Asset retirement obligations	4,905	4,902
Operating lease liabilities	3,701	4,263
Other non-current liabilities	877	1,458
Total non-current liabilities	9,483	10,623
Total liabilities	52,929	59,732
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	\$ —	\$ —
Common stock	2	2
Additional paid-in capital	107,612	108,212
Accumulated other comprehensive loss	(1,764)	(1,756)
Retained earnings	35,114	39,921
Total stockholders' equity	140,964	146,379
Total liabilities and stockholders' equity	\$ 193,893	\$ 206,111

SPOK HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	For the three months ended	
	3/31/2026	3/31/2025
Operating activities:		
Net income	\$ 1,987	\$ 5,196
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and accretion	992	859
Deferred income tax expense	528	962
Stock-based compensation	1,471	1,270
Provisions for credit losses, service credits and other	401	220
Changes in assets and liabilities:		
Accounts receivable	2,471	1,050
Prepaid expenses and other assets	(303)	446
Net operating lease liabilities	(29)	(8)
Accounts payable and other liabilities	(2,882)	(6,160)
Deferred revenue	(2,193)	(1,582)
Net cash provided by operating activities	2,443	2,253
Investing activities:		
Purchases of property and equipment	(604)	(745)
Net cash used in investing activities	(604)	(745)
Financing activities:		
Cash distributions to stockholders	(7,963)	(7,947)
Purchase of common stock for tax withholding on vested equity awards	(2,070)	(2,843)
Net cash used in financing activities	(10,033)	(10,790)
Effect of exchange rate on cash and cash equivalents	(8)	10
Net decrease in cash and cash equivalents	(8,202)	(9,272)
Cash and cash equivalents, beginning of period	25,280	29,145
Cash and cash equivalents, end of period	\$ 17,078	\$ 19,873
Supplemental disclosure:		
Income taxes refunded	\$ (1)	\$ (4)

SPOK HOLDINGS, INC.
UNITS IN SERVICE, MARKET SEGMENTS,
AND AVERAGE REVENUE PER UNIT (ARPU)
(Unaudited and in thousands)

For the three months ended

	<u>3/31/2026</u>	<u>12/31/2025</u>	<u>9/30/2025</u>	<u>6/30/2025</u>	<u>3/31/2025</u>	<u>12/31/2024</u>	<u>9/30/2024</u>	<u>6/30/2024</u>
Account size ending units in service (000's)								
1 to 100 units	35	36	37	38	39	40	41	42
101 to 1,000 units	110	112	113	116	121	120	125	128
>1,000 units	512	527	534	540	545	560	564	577
Total	657	675	684	694	705	720	730	747

Market segment as a percent of total ending units in service

Healthcare	83.6 %	83.6 %	84.1 %	85.7 %	85.5 %	85.6 %	85.7 %	85.8 %
Government	5.0 %	4.9 %	5.0 %	4.0 %	4.0 %	4.0 %	4.1 %	4.4 %
Large enterprise	3.7 %	3.8 %	3.7 %	3.8 %	3.8 %	3.9 %	4.0 %	4.0 %
Other ⁽¹⁾	7.7 %	7.7 %	7.2 %	6.5 %	6.7 %	6.5 %	6.2 %	5.8 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Account size ARPU

1 to 100 units	\$ 13.21	\$ 13.26	\$ 12.92	\$ 12.88	\$ 13.04	\$ 13.08	\$ 12.70	\$ 12.51
101 to 1,000 units	9.95	9.97	9.83	9.72	9.64	9.60	9.19	9.06
>1,000 units	7.61	7.56	7.51	7.54	7.59	7.50	7.33	7.21
Total	\$ 8.29	\$ 8.26	\$ 8.19	\$ 8.20	\$ 8.24	\$ 8.16	\$ 7.95	\$ 7.84

⁽¹⁾ Other includes hospitality, resort and indirect units

RECONCILIATION OF ADJUSTED OPERATING EXPENSES
(Unaudited and in thousands)

	For the three months ended	
	3/31/2026	3/31/2025
Operating expenses	\$ 30,782	\$ 30,276
Add back:		
Depreciation and accretion	(992)	(859)
Severance and restructuring	(322)	(57)
Adjusted operating expenses	\$ 29,468	\$ 29,360

RECONCILIATION OF ADJUSTED EBITDA
(Unaudited and in thousands)

	For the three months ended	
	3/31/2026	3/31/2025
Net income	\$ 1,987	\$ 5,196
Add back:		
Provision for income taxes	636	1,063
Other income	(5)	(22)
Interest income	(174)	(219)
Depreciation and accretion	992	859
EBITDA	\$ 3,436	\$ 6,877
Adjustments:		
Stock-based compensation	1,431	1,270
Severance and restructuring	322	57
Legal costs unrelated to core business activities and non-recurring in nature	\$ 70	\$ —
Adjusted EBITDA	\$ 5,259	\$ 8,204