

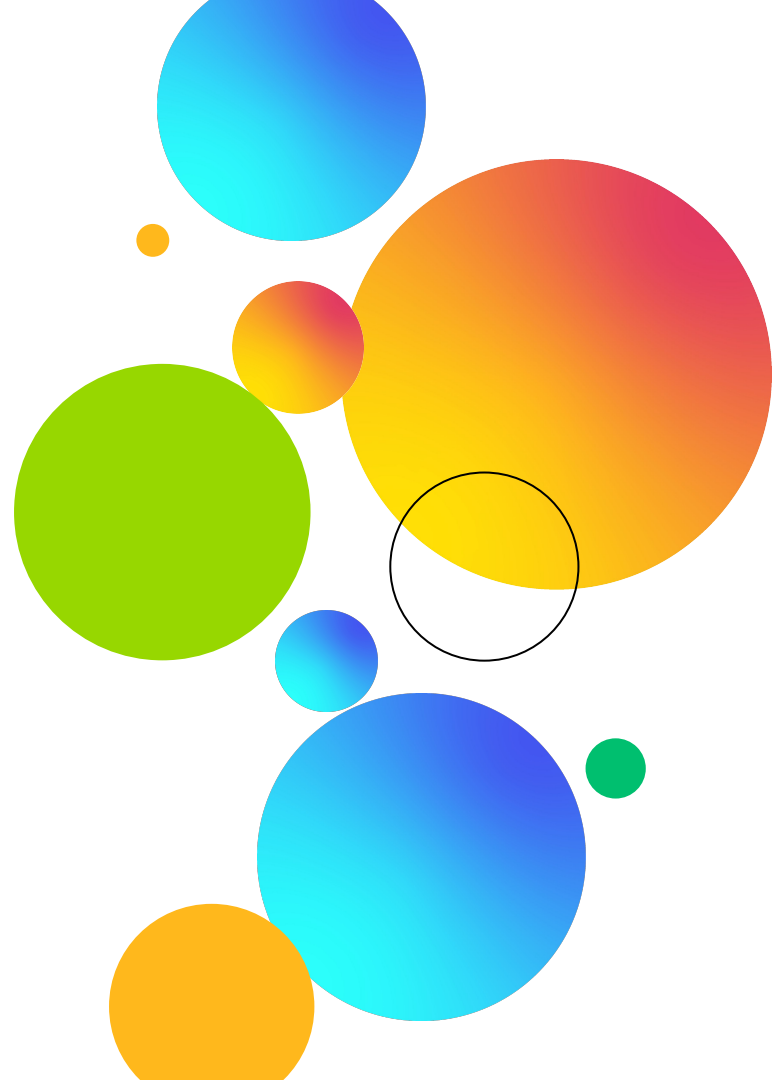
Second Quarter FY 2024

Ended September 30, 2023

November 1, 2023

8x8

One platform.
Every communications experience.



Forward looking statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934. Any statements that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as "may," "will," "should," "estimates," "predicts," "potential," "continue," "strategy," "believes," "anticipates," "plans," "expects," "intends," and similar expressions are intended to identify forward-looking statements. These forward-looking statements, include but are not limited to: changing industry trends; the size of our market opportunity; the potential success and impact of our investments in AI; our strategic framework; our ability to increase profitability and cash flow to deleverage our balance sheet and fund investment in innovation; whether our UC and CC traffic will increase; our future revenue and growth; whether we can sustain an increasing pace of innovation; the success of our go to market engine; our ability to improve G&A synergies; our ability to enhance shareholder value; and our financial outlook, revenue growth, and profitability, including whether we will achieve sustainable growth and profitability. These forward-looking statements are predictions only, and actual events or results may differ materially from such statements depending on a variety of factors. These factors include, but are not limited to:

- Customer adoption and demand for our products may be lower than we anticipate.
- A reduction in our total costs as a percentage of revenue may negatively impact our revenues and our business.
- Impact of economic downturns and political instability on us and our customers, including from the COVID-19 pandemic, the war in Ukraine, rising interest rates and other inflationary pressures.
- Risks related to our secured term loan due 2027 and convertible senior notes due 2028, including the impact of increased interest expense and timing of any future repayments or refinancing on our stock price;
- Risks related to our remaining convertible senior notes due 2024, including the timing of any future repayment;
- We may not achieve our target service revenue or total revenue growth rates, or the revenue and other amounts we forecast in our guidance, for a particular quarter or for the full fiscal year.
- Competitive dynamics of the UCaaS, CCaaS, CPaaS, video and other markets in which we compete may change in ways we are not anticipating.
- Our customer churn rate may be higher than we anticipate.
- Impact of supply chain disruptions.
- Third parties may assert ownership rights in our IP, which may limit or prevent our continued use of the core technologies behind our solutions.
- Impact of acquisitions, including Fuze, Inc., on future financial performance.
- Investments we make in marketing, channel and value-added resellers (VARs), e-commerce, and new products may not result in revenue growth.

For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Forms 10-K and 10-Q filed by 8x8, Inc. with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement, and 8x8, Inc. undertakes no obligation to update publicly any forward-looking statement for any reason, except as required by law, even as new information becomes available or other events occur in the future.

See Appendix for Non-GAAP reconciliation and disclaimers.

Today's Presenters

Watch the [video interview with Samuel Wilson](#) discussing Q2 2024 Results



Samuel Wilson

8x8 Chief Executive Officer



Lisa Martin

8x8 Chief Revenue Officer



Kevin Kraus

8x8 Chief Financial Officer

Overview



8x8 Q2 Fiscal 2024

\$707M

Total ARR⁽¹⁾

41%

XCaaS as a % of total ARR⁽¹⁾

Integrated platform

Global Presence

Continuous Innovation

3M+

Paid business licenses

58%

Enterprise ARR as a % of total ARR⁽¹⁾⁽²⁾



400K

8x8 Voice for Teams User licenses

60%

Channel ARR as a % of total ARR⁽¹⁾

AI-powered modern architecture for CCaaS and UCaaS

Full PSTN replacement in 58 countries, with users in 186 Countries

Video interaction 2.0
SecurePay
ICA Voice
ICA Digital
and more

1. Annualized Recurring Subscriptions and Usage ("ARR") equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers (subject to a minimum billings threshold for a period of at least six consecutive months), multiplied by 12.
2. Enterprise ARR is defined as ARR from customers that generate >\$100,000 ARR.

Recent product innovation highlights

- **Expanded AI self-service capabilities with voice Interactions for 8x8 Intelligent Customer Assistant.** The addition of voice expands 8x8 Intelligent Customer Assistant's powerful, user-friendly conversational AI self-service capabilities that enable 8x8 Contact Center customers to create simple to complex experiences across digital and voice channels.
- **Enhanced 8x8 Contact Center with native secure video interaction functionality.** Video escalation allows contact center agents to elevate customer interactions to video directly within 8x8 Agent Workspace, improving first contact resolution and customer engagement.
- **Launched the 8x8 Omni Shield CPaaS solution to enable enterprises to proactively safeguard customers against fraudulent SMS activity.** The solution proactively detects and prevents fraudulent activities through automated fraud alerts, real-time notifications, live traffic monitoring, and instant phone number assessments.
- **Delivered the next generation of the 8x8 Phone App for Microsoft Teams and surpassed 400,000 user licenses.** Built on 8x8's direct routing service, the new app connects the Public Switched Telephone Network (PSTN) with Microsoft Teams to provide organizations with the most cost-effective method to enable native calling in Teams without additional software, desktop plugins, mobile apps, or requiring per user Teams Phone licenses.

Recent awards and recognition



Ranked as a top 5 provider in the Metrigy 2023 Contact Center-as-a-Service MetriRank Report



Named a Strong Performer in the The Forrester Wave™: Unified Communications As A Service (UCaaS), 2023 report.



Named Best Enterprise Service at the 2023 Comms Council UK Awards.



Won a Gold Stevie® Award for Technology Team of the Year and a Bronze Stevie Award for Customer Service Team of the Year in The 20th Annual International Business Awards®.

Recent awards and recognition cont.



Received the 2023 TrustRadius Tech Cares Award in the UK for demonstrating exceptional corporate social responsibility



Recognized in 24 different categories in the G2 Fall 2023 Awards

Contact Center				
Best Meets Requirements Mid-Market FALL 2023	Easiest To Use Mid-Market FALL 2023	Easiest Setup Mid-Market FALL 2023	Mid-Market High Performer Americas FALL 2023	High Performer Mid-Market FALL 2023
X Series				
Leader FALL 2023	Leader Mid-Market FALL 2023	Leader Small Business FALL 2023	High Performer Enterprise FALL 2023	High Performer Mid-Market FALL 2023
Leader Asia FALL 2023	Leader Asia Pacific FALL 2023	Leader India FALL 2023	Small Business High Performer Americas FALL 2023	Mid-Market High Performer Americas FALL 2023
Small Business High Performer Asia Pacific FALL 2023	Mid-Market High Performer Asia Pacific FALL 2023	Small Business High Performer Asia FALL 2023	Mid-Market High Performer Asia FALL 2023	Mid-Market High Performer India FALL 2023
Mid-Market Leader Americas FALL 2023	Leader Americas FALL 2023	Enterprise High Performer Americas FALL 2023	Easiest Setup Enterprise FALL 2023	



8x8

Communications for the Customer Obsessed





99% of business leaders say their organization plans to dedicate more spending on the contact center this year



**Nearly 30% of those outside the
Contact Center help those inside the CC**

A man with a beard, wearing a plaid shirt and large headphones, is smiling while working on a laptop. The background is a bright, modern office with plants and blurred furniture.

**45.7% of companies are giving
contact center licenses to employees
who aren't full-time agents**

Because customer engagement is everyone's job



Knowledge Workers
Shop Floor Worker



Billing
Front Line Workers
HR & Recruiting
IT Service Desk
Legal



Account Management
Field Service
Shipping and Receiving



Customer Service & Support
Sales

Internal Collaboration

40 – 50% of users

“Crossover” CX Tools & Visibility

40 – 50% of users

Omnichannel CC

10% of users



Less customer engagement

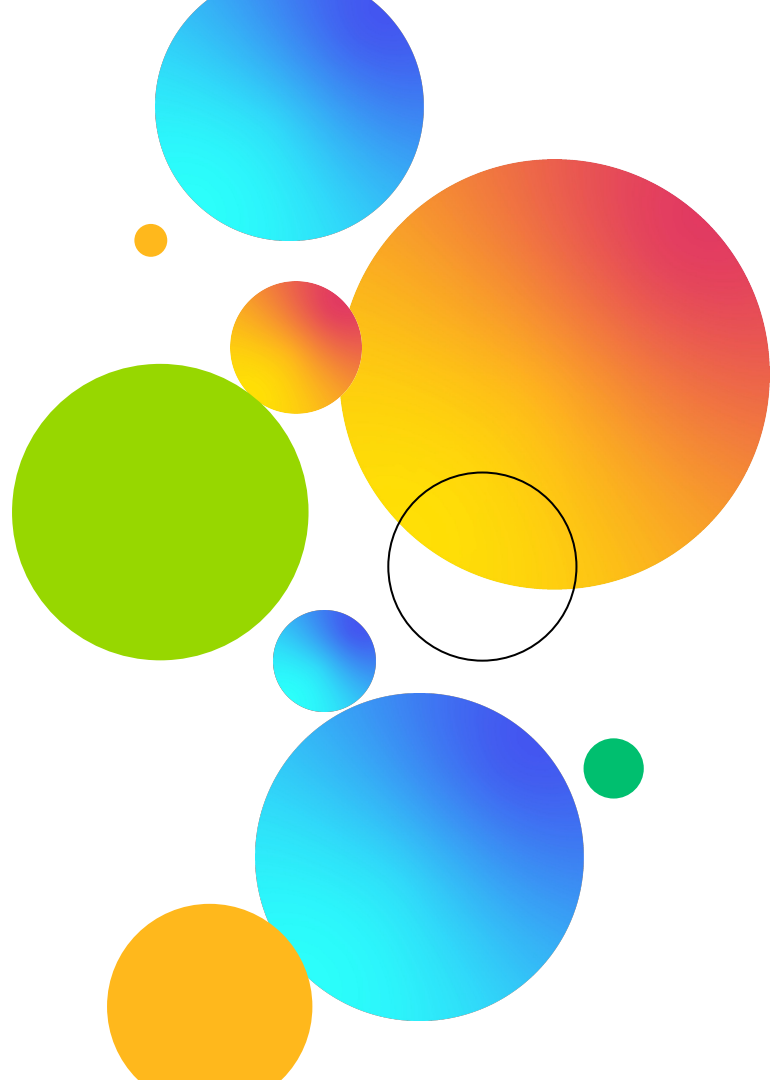
More customer engagement

Q2 New Product Momentum

8x8 AI-powered Intelligent Customer Assistant

8x8

One platform.
Every communications experience.



Westminster City Council offers smarter self-service with 8x8 ICA

Challenge

Improving self-service options on website

Improving contact center efficiency

Leveraging AI-driven chatbot technology

Result

24/7 self-service support for constituents

Between 80% to 100% resolution rates, far exceeding expectations

Fewer calls to contact center
Expanding scope to multiple use cases

About: Westminster City Council is the local authority for the City of Westminster in Greater London, England | **Industry:** UK Public Sector | **HQ:** London, UK | **Solution:** 8x8 Voice, 8x8 Contact Center, 8x8 Intelligent Customer Assistant



“Bringing the 8x8 Intelligent Customer Assistant to life in our environment was very easy because it’s already integrated with our existing 8x8 Contact Center system.”

- Rebecca Gordon, Digital Lead, Customer Experience & Digital Team



City of
Westminster



[Watch Video](#)

8x8



City of
Westminster



Acer delivers smart self-service with 8x8 Intelligent Customer Assistance

Challenge

An overloaded contact center

Lack of SMS or WhatsApp support options

Other AI solutions were not the right fit

Result

Smart self-service option to automatically handle customer requests

Reduced agent workload and increased engagement

Built-in, comprehensive analytics

About: Acer is one of the world's top technology companies serving customers in over 160 countries. | **Industry:** Technology Manufacturing | **HQ:** Xizhi, New Taipei City, Taiwan |

Solution: 8x8 Intelligent Customer Assistant, 8x8 Contact Center, 8x8 Work



“It was very impressive. 8x8 definitely has a winner with Intelligent Customer Assistant.”

— Gary Boucher, Program Manager



“We chose 8x8 Intelligent Customer Assistant over other vendors because of its robust features and ease of use. The overall simplicity belies its complexity on the back end. Additionally, it offers us the option to escalate to live assistance, when necessary, with a seamless handoff from the automated interaction to the contact center agent.”

Gary Boucher, Program Manager, Acer



“With Intelligent Customer Assistant, we freed agents from answering routine questions. The product is very flexible, covers a lot of different use cases and provides a common framework for scaling. The implementation process was quick and professional.”

Adam Rigg, IT Digital Analyst



“At first, my team told me the tool wasn’t working because so few interactions were being passed to agents. What we discovered through the Intelligent Customer Assistant dashboards was that the bot was fully handling over 90% of its interactions without agent engagement. I was blown away!”

Wendi Sheehy, Chief Operating Officer



“With 8x8 Intelligent Customer Assistant, agents are built once and deployed across multiple channels, keeping development simple.”

Gary Byrne, Business Analyst



“Our contact center needs intelligent AI-driven tools to help us handle a high volume of customer interactions while providing excellent service in a fast and timely manner. 8x8 Intelligent Customer Assistant will first allow us to apply AI-enabled voice self-service to quickly resolve customer inquiries, with the ability to easily add new channels and agent-facing AI assistance as our company grows.”

Thomas Rocharz, Director of Contact Centers

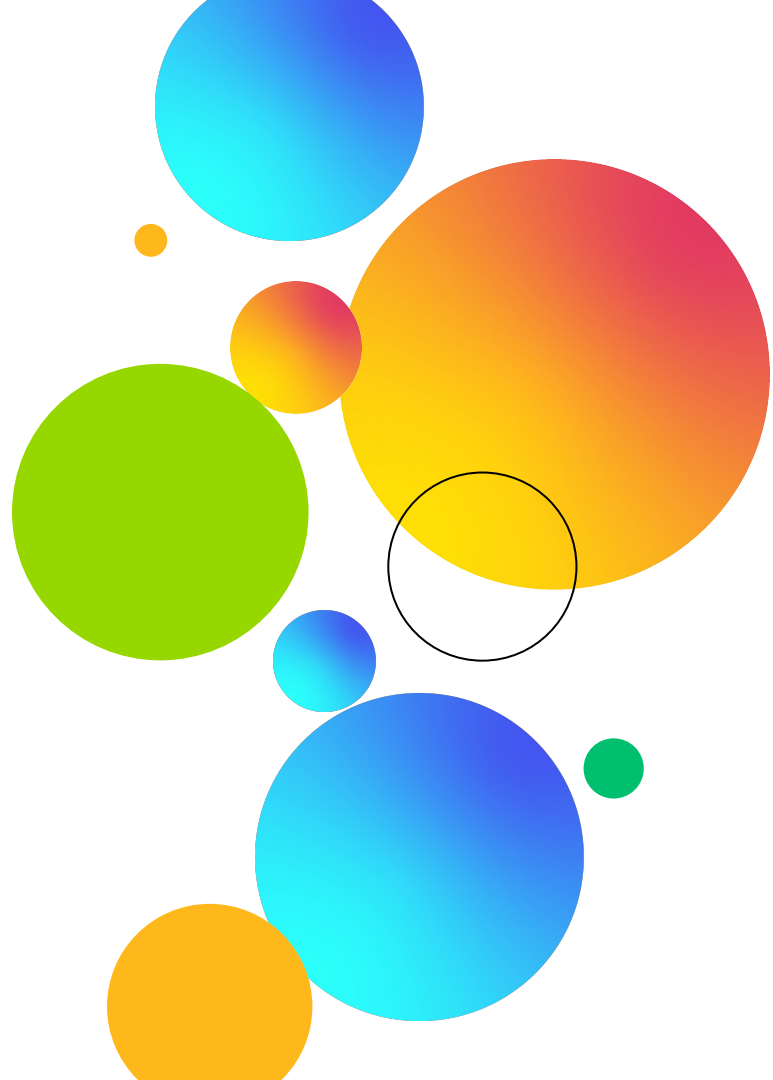
UNLOCK
BEFORE TAXI AND UNLOCK

Q2 Contact Center Momentum

Win Highlight

8x8

One platform.
Every communications experience.





[Somerset Bridge Group](#) is an innovative, customer- focused insurance group ranked in the top 20 of UK insurance brokers.

8x8 Solutions

8x8 XCaaS with Contact Center & Voice for Microsoft Teams
Supporting over 400,000 customers including 300+ contact center agents

Why 8x8?

Single cloud platform for UC and CC
Global capabilities including South Africa
Multi channel contact center
Native like integrations and platform-wide analytics
Long-term relationship with the partner

Channel Partners

Westcon International Ltd
Blackstar Communications

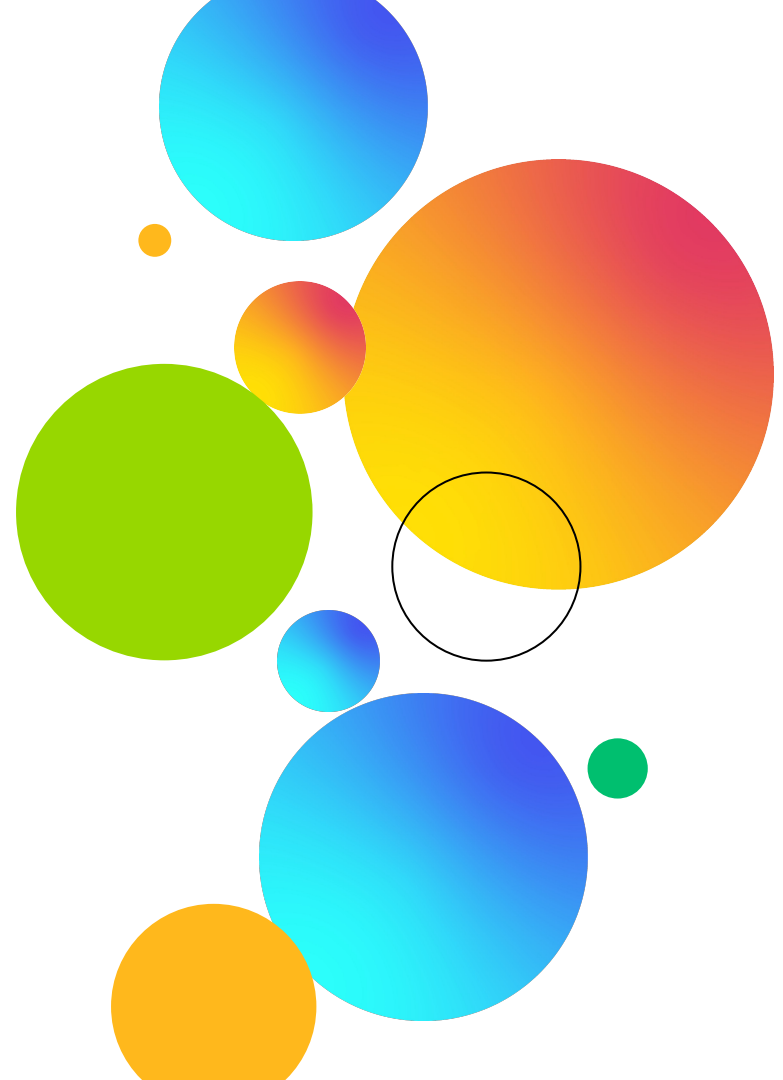


Q2 CPaaS Momentum

Win Highlight

8x8

One platform.
Every communications experience.



logicdialog

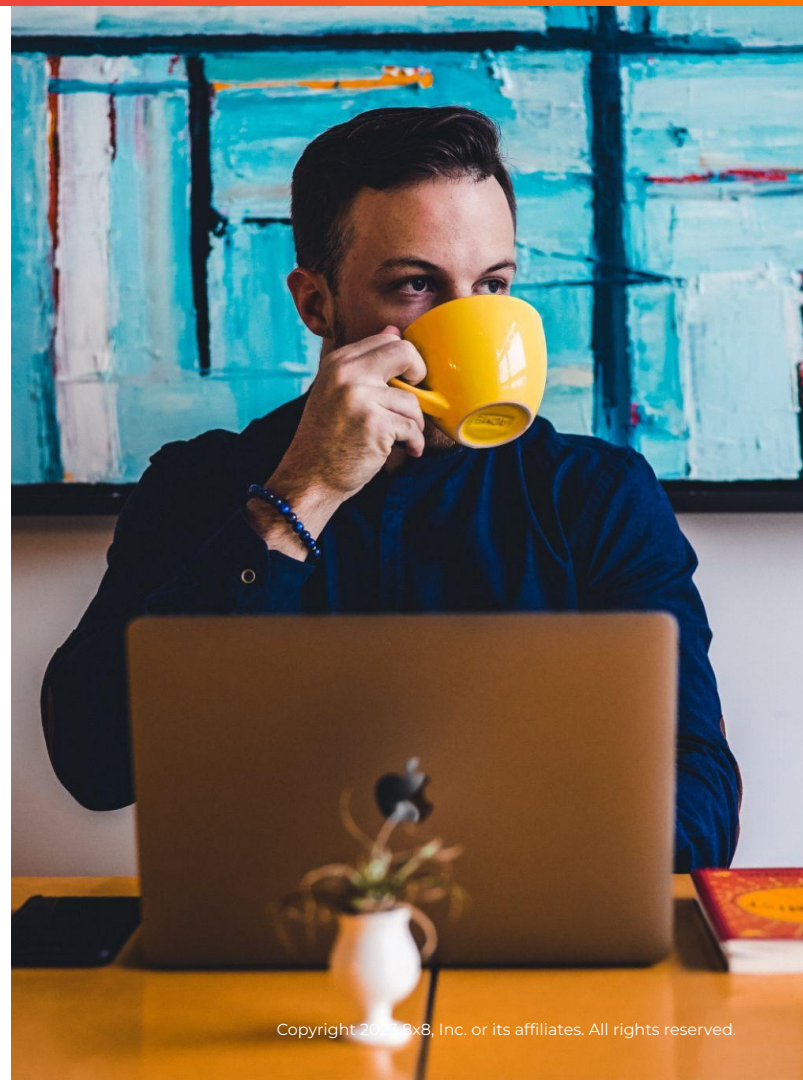
[Logic Dialog](#) delivers intelligent service automation, powered by conversational AI, that drives operational efficiencies and delivers exceptional customer experiences.

8x8 Solutions

8x8 CPaaS omnichannel communication solutions including SMS, WhatsApp Business and Video APIs.

Why 8x8?

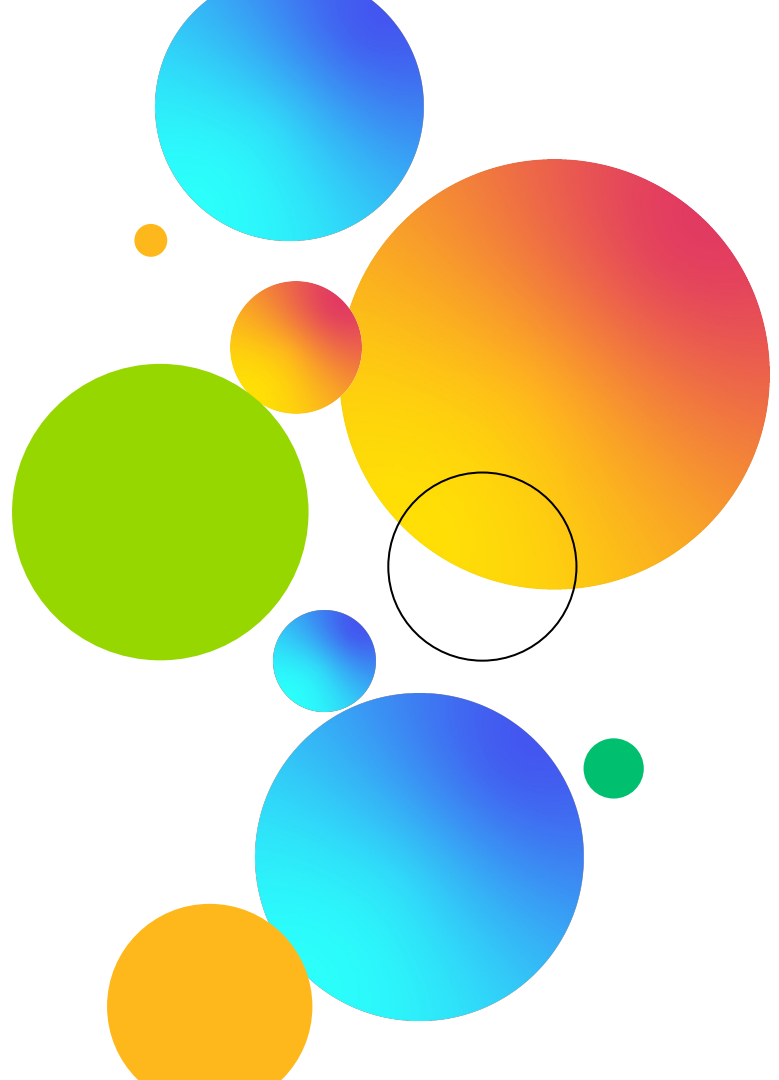
- Strategic partnership opportunity as 8x8 CPaaS and Logic Dialog have complimentary products
- 8x8's extensive range of omnichannel communication solutions
- 8x8's level of client service provided - Some key competitors only offer their APIs as is, whereas 8x8 offers commercial and solution engineering support



Quotes from 8x8 Customer Appreciation Day

8x8

One platform.
Every communications experience.



8x8 Contact Center



“[I appreciate 8x8 because of] all the tools available within the Contact Center platform that make remote call center work shine!”



Aaron Wyant
Director of Customer Service
Turning Point with
Dr. David Jeremiah



Prudence Selmici-Cooke
Nat'l Customer Experience Mgr.
TyreMax

“I have used ‘live monitoring’ while working at the airport and have even accessed the Contact Center Agent on Wi-Fi while flying 20,000 ft in the air, to log an agent off their phone after hours. You can stay connected and it allows you to work from anywhere. That's what I love about 8x8.”



8x8 Contact Center



Anthony Forder
Head of Global IT and Operations
transcocosmos

“8x8 is a transformational solution offering reliability across both contact center and end-user telephony solutions.”



“It's a great product, and we've seen firsthand how it can improve communication and contact center operations.”



Todd Blake
Senior IT Manager
Community Health Connections

North American VARs



“The product enhancements and the full XCaaS suite make it easy to offer 8x8 to our clients.”



Jameson Hart
Digital Transformation Advisor
Barry Communications

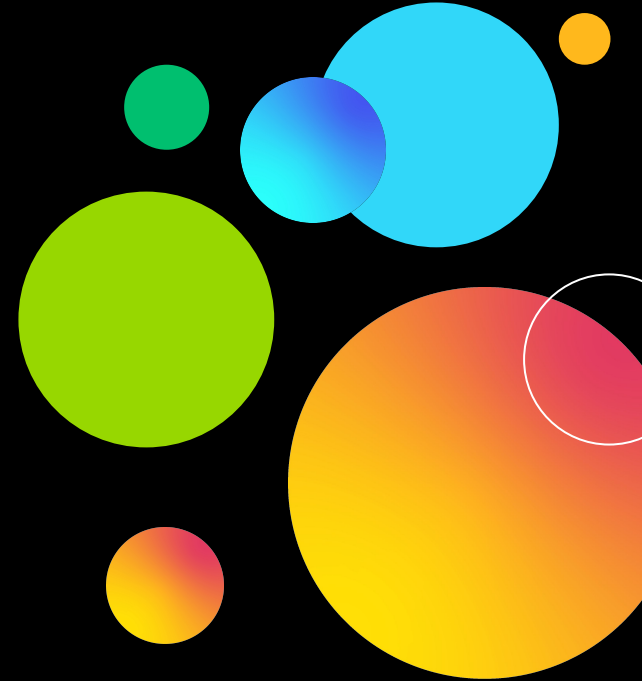


Gabe Sette
Vice President
Spectrotel

“8x8 is a great organization and a true partner that understands our space and the role we play in.”



Q2 Fiscal 2024 Financial Performance



Financial Strength

As of 9/30/23

KEY FINANCIAL STATS

\$150M

Cash and investments¹

11

Consecutive quarters of non-GAAP Operating Profit³ and positive cash flow from operations

\$93M

TTM non-GAAP Operating Profit^{2,3}

+252%

YoY increase in TTM non-GAAP Operating Profit^{2,3}

\$73M

TTM Cash flow provided by operations²

+62%

YoY increase in TTM cash flow provided by operations²

KEY BUSINESS STATS

~1,250

Enterprise customers, >3M paid business licenses

>90%

CSAT score from enterprise customers for Customer Support

>\$110M

TTM investment in research and development (non-GAAP)^{2,3}

Q2 FY 2024 Financial Highlights

- Service revenue of \$178M and Total revenue of \$185M exceeded midpoint of guidance ranges
- 11th consecutive quarter of non-GAAP Operating Profit¹ and positive operating cash flow
 - Non-GAAP operating margin of 12.8%¹, above guidance range
 - Cash flow generated by operations of \$17.5M, up 26% YoY²
- Total ARR³ increased \$3M QoQ, \$15M YoY
 - YoY growth in all customer size categories
 - XCaaS and CPaaS were significant drivers
 - XCaaS ARR⁴ was 41% of total ARR, up 1% QoQ and 10% YoY on increased adoption of CC solutions by UC customers
 - CPaaS ARR grew QoQ and YoY
- \$150M cash, equivalents, restricted cash and investments at quarter-end
- Reiterated FY'24 Guidance ranges for service revenue, total revenue and non-GAAP operating margin

1. See Appendix for a reconciliation of Non-GAAP metrics to the nearest GAAP metric. Reconciliation not available for forward looking metrics.

2. Q2'24 Operating cash flow reflects interest payments of \$12.9M, compared to \$4.9M in Q1'24 and \$4.7M in Q2'23. See Appendix for additional information on contractual and cash interest expenses

3. Annualized Recurring Subscriptions and Usage ("ARR") equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers (subject to a minimum billings threshold for a period of at least six consecutive months), multiplied by 12.

4. XCaaS ARR represents ARR from customers with 8x8 UCaaS and CCaaS products.

Q2 FY 2024 Results vs. Guidance

	Q2 F2024	
	Guidance As of 8/8/23	Results 9/30/23
Service Revenue	\$173 – 178M	\$177.8m
% Growth Y/Y	(2) - 1%	(0.4%)
Total Revenue	\$180 – 186M	\$185.0m
% Growth Y/Y	(4) – (1%)	(1%)
Non-GAAP Operating Margin ¹	10.5 - 11.5%	12.8%¹

1. See Appendix for a reconciliation of Non-GAAP metrics to the nearest GAAP metric.

Q2 FY 2024 Financial Metrics*

Q2 F2024 Revenue	Service Revenue ¹	\$177.8 million, (0.4%) Y/Y growth
	Other Revenue ²	\$7.2 million, (18%) Y/Y growth
	Total Revenue	\$185.0 million, (1%) Y/Y growth
Ending ARR³	Total ARR ³	\$707 million, 2% Y/Y growth
	Enterprise ARR ^{3,4}	\$407 million, 1% Y/Y growth
	Mid-Market ^{3,5}	\$131 million, 3% Y/Y growth
	Small Business ^{3,6}	\$170 million, 4% Y/Y growth
Operating Cash Flow and Ending Cash	Cash & investments ⁷	\$150 million, vs. \$139 million @ yr-end
	Cash flow from operations ⁸	\$17.5 million, vs. \$13.8 million in Q2'23

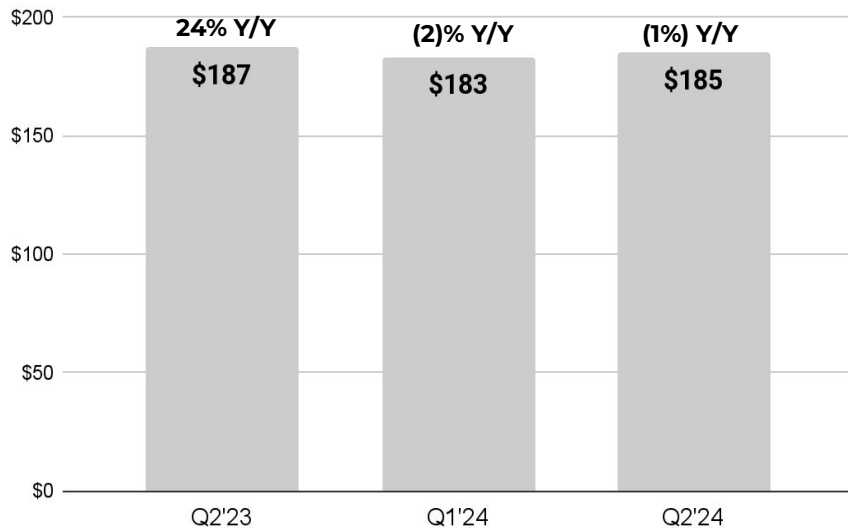
* Amounts may not sum to total due to rounding.

1. Service revenue consists of subscriptions and platform usage revenue from our UCaaS, CCaaS and CPaaS offerings.
2. Other Revenue is primarily comprised of product revenue from the sale of pre-configured phones and equipment, phone rentals, and professional services.
3. Annualized Recurring Subscriptions and Usage Revenue ("ARR") equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers (subject to a minimum billings threshold for a period of at least six consecutive months), multiplied by 12.
4. Enterprise ARR is defined as ARR from customers that generate > \$100K ARR.
5. Mid-market ARR is defined as ARR from customers that generate \$25K to \$100K ARR.
6. Small business ARR is defined as ARR from customers that generate < \$25K ARR.
7. Includes restricted cash of \$983K on 9/30/23 and \$1.3M on 3/31/23.
8. Q2'24 operating cash flow included \$12.9M in cash interest payments, compared to Q2'23 cash interest payments of \$4.7M and Q1'24 cash interest payments of \$4.9M.

Revenue Growth

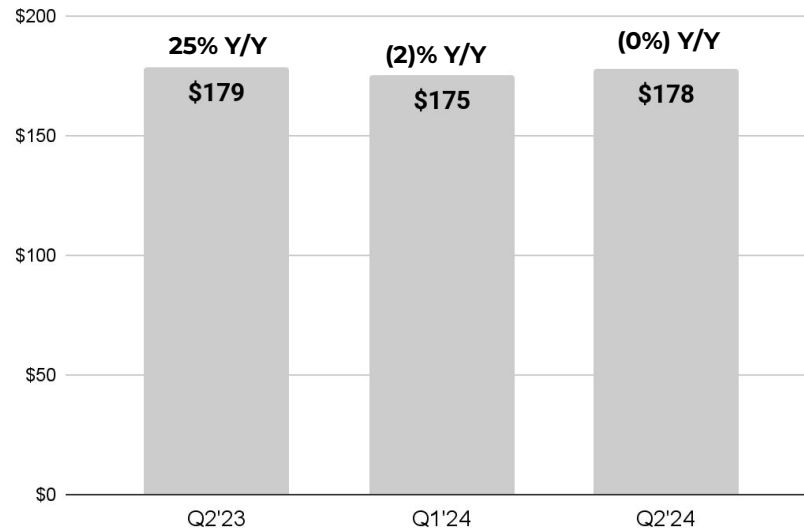
Fiscal Q2 Total Revenue

(\$ in millions)



Fiscal Q2 Service Revenue

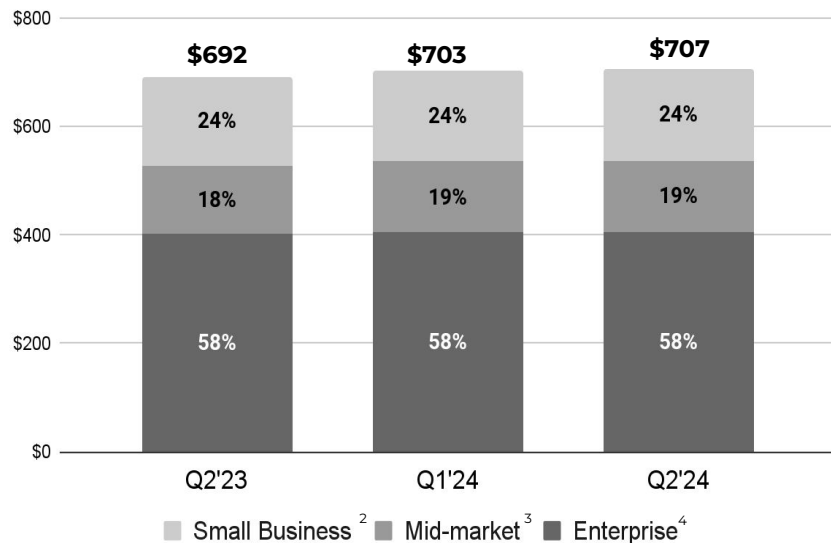
(\$ in millions)



Q2 2024 Ending ARR¹

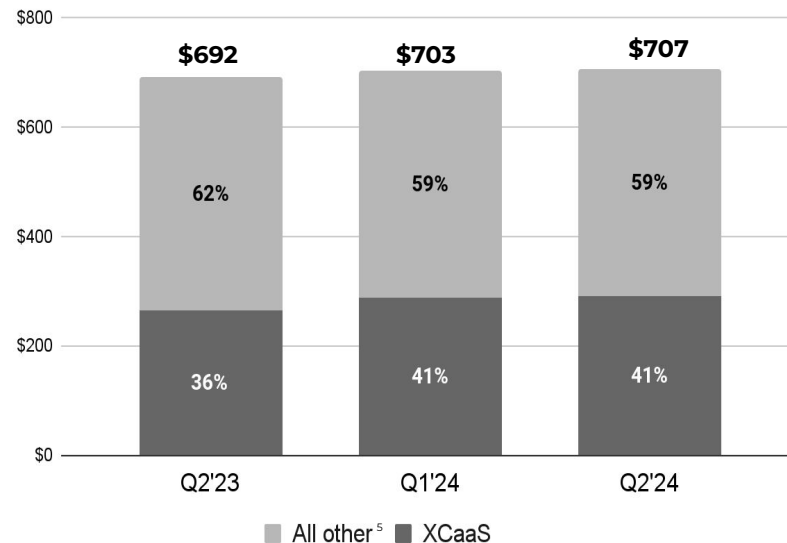
Fiscal Q2 ARR by Customer Size*

(\$ in millions)



Fiscal Q2 ARR by Product*

(\$ in millions)

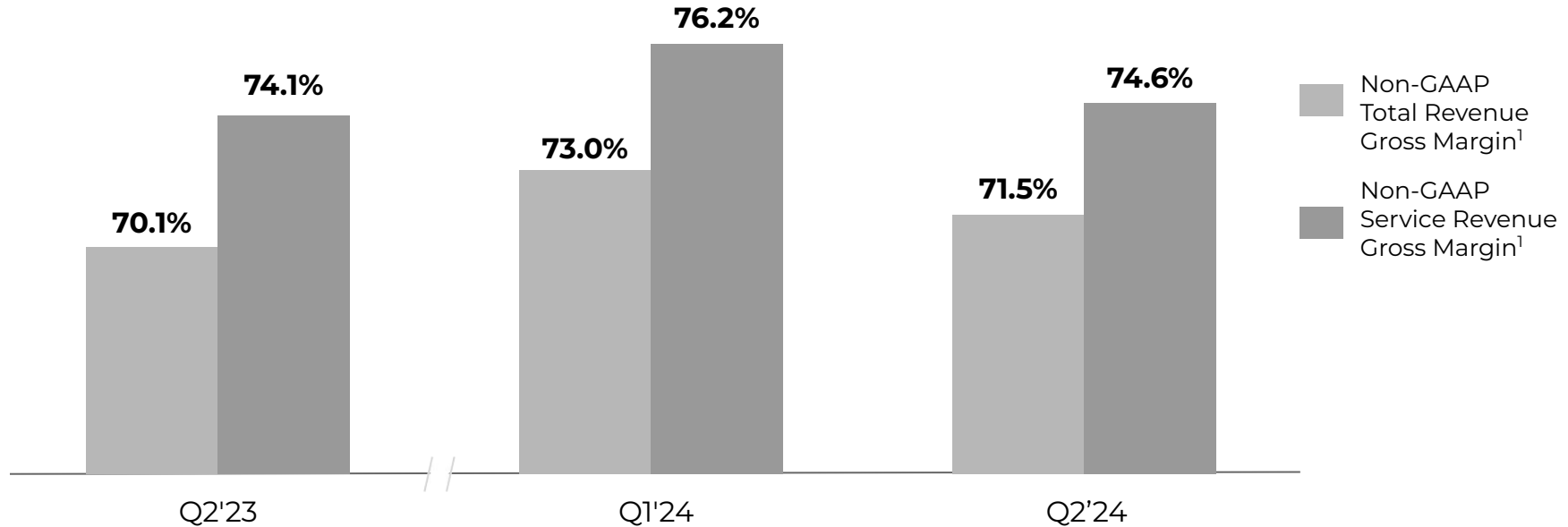


* Amounts may not sum to total due to rounding.

1. Annualized Recurring Subscriptions and Usage Revenue ("ARR") equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers (subject to a minimum billings threshold for a period of at least six consecutive months), multiplied by 12.
2. Enterprise ARR is defined as ARR from customers that generate > \$100K ARR.
3. Mid-market ARR is defined as ARR from customers that generate \$25K to \$100K ARR.
4. Small business ARR is defined as ARR from customers that generate < \$25K ARR.
5. All other includes CPaaS, standalone UCaaS and standalone CCaaS.

Non-GAAP Gross Margins¹

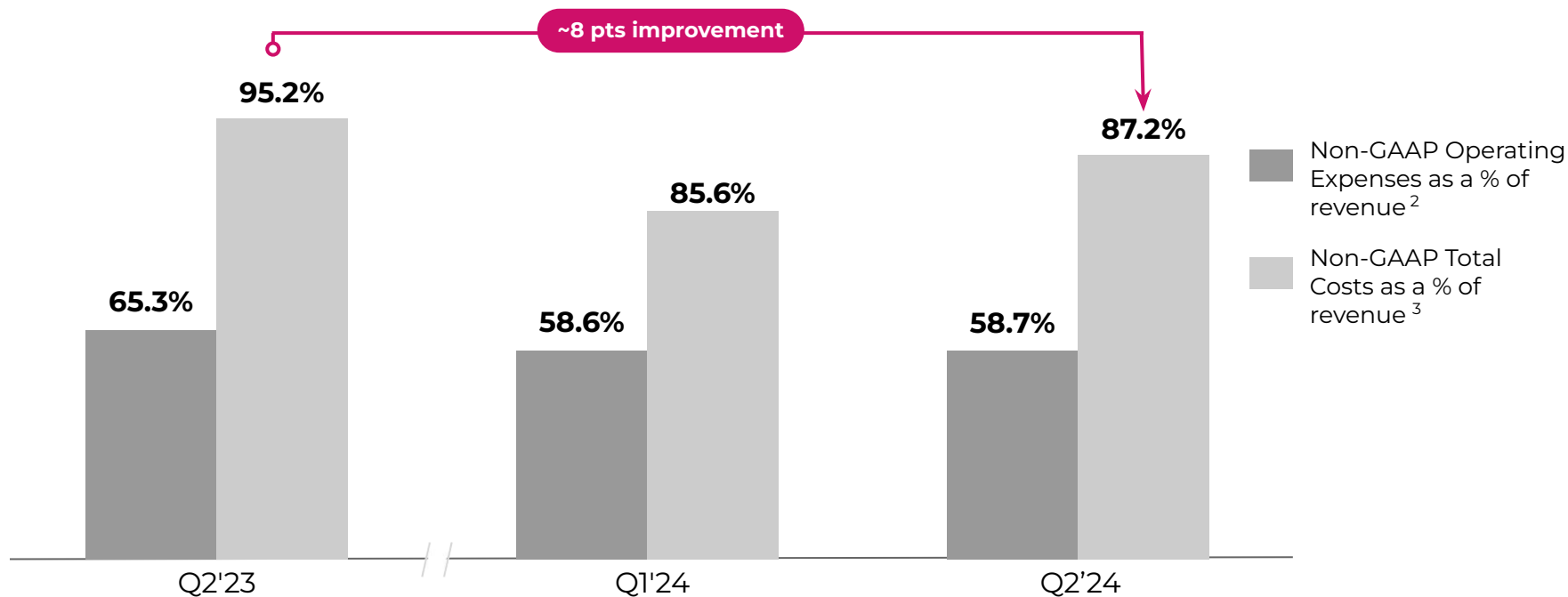
Non-GAAP Total and Service Revenue Gross Margins as a % of Revenue



1. See Appendix for reconciliation of Non-GAAP metrics to nearest GAAP metric.

Non-GAAP Operating Expenses and Total Costs¹

As a % of Total Revenue

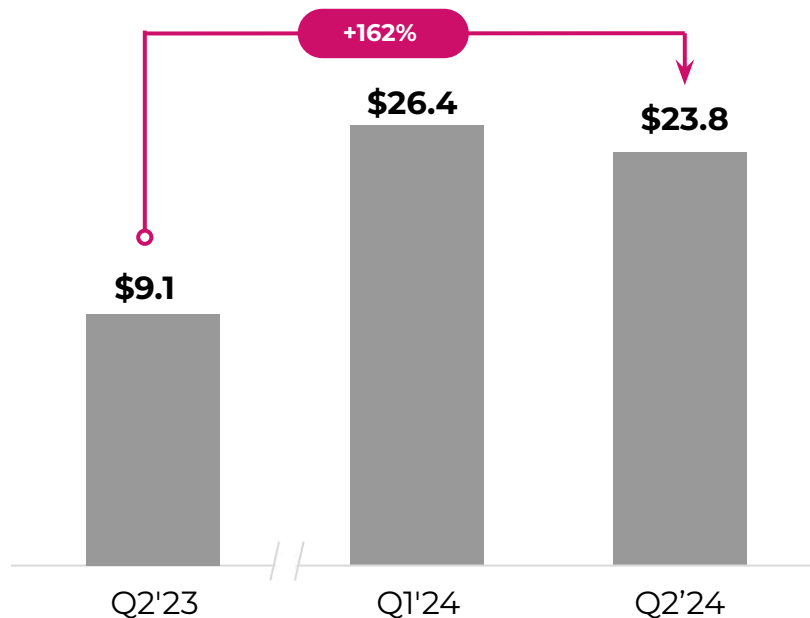


1. See Appendix for reconciliation of Non-GAAP metrics to nearest GAAP metric.
2. Non-GAAP Operating Expenses include non-GAAP R&D, Sales and Marketing, and G&A expenses, but do not include non-GAAP Cost of Total Revenue ("COGS").
3. Non-GAAP Total Costs is defined as Non-GAAP Operating Expenses plus Non-GAAP Cost of Total Revenue ("COGS").

Non-GAAP Operating Income and Margin¹

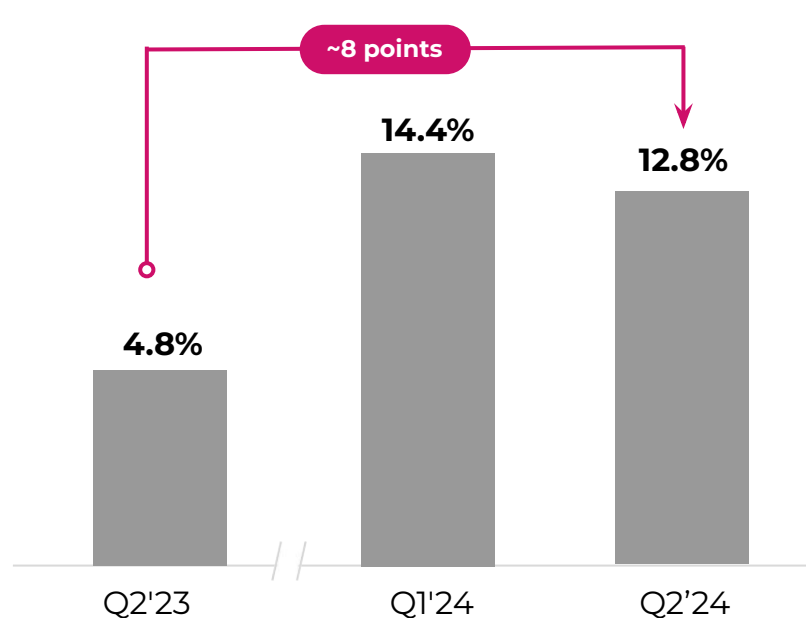
Fiscal Q2 Operating Income

(\$ in millions)



Fiscal Q2 Operating Margin

(% of revenue)

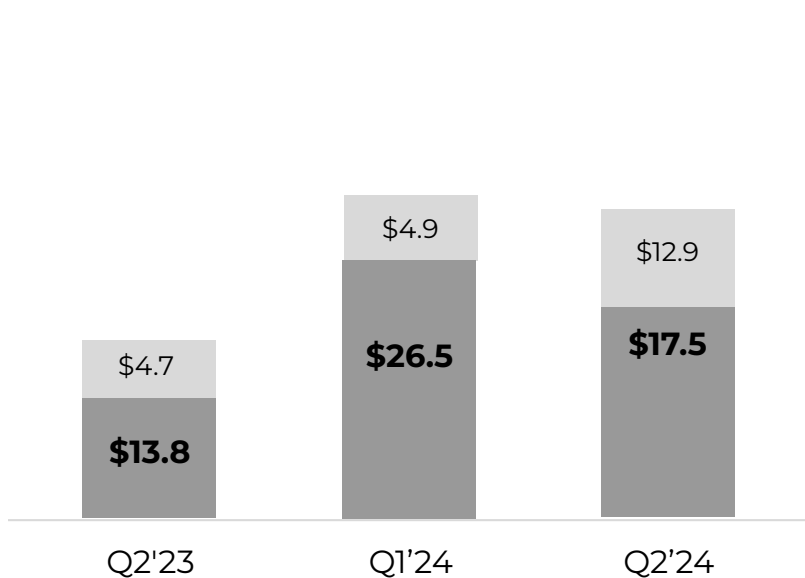


1. See Appendix for reconciliation of Non-GAAP metrics to nearest GAAP metric.

Cash Flow from Operations and Cash Interest Paid

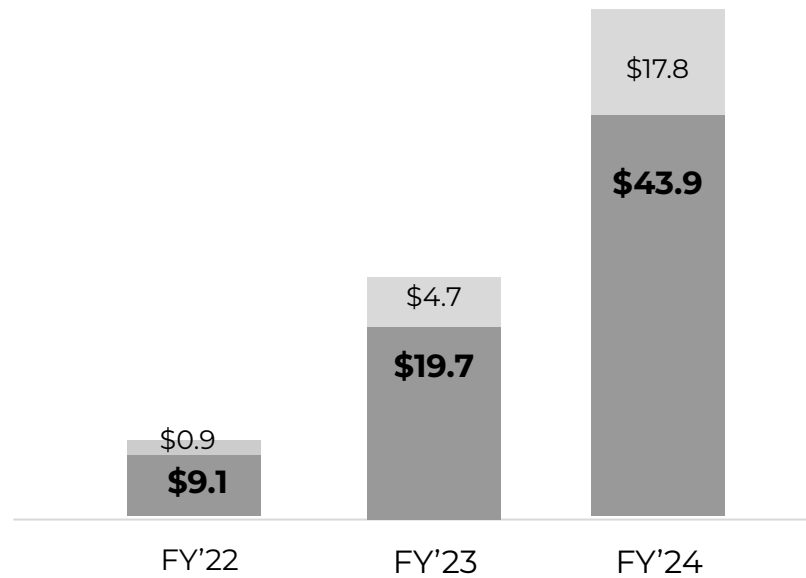
Fiscal Q2 Cash Flow from Operations

(3 months, \$ millions)



YTD Cash Flow from Operations

(6 months, \$ millions)



■ Cash Interest Payments

■ Cash Flow Used by Operations

■ Cash Flow Generated by Operations

Q3 2024 Guidance^{1,2}

	Q3 FY 2024 as of November 1, 2023
Service Revenue	\$173 – 178M
% Growth Y/Y	(2) - 1%
Total Revenue	\$180 – 186M
% Growth Y/Y	(2) – 1%
Non-GAAP Operating Margin²	11 - 12%

1. Refer to Forward Looking Statements for a discussion of factors that could cause actual results to differ from guidance and refer to 8x8's Second Quarter Fiscal Year 2024 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.
2. Reconciliation to nearest GAAP metric not available for forward looking Non-GAAP Operating Margin.

Updated FY 2024 Guidance^{1,2}

	FY 2024		
	Prior as of May 11, 2023 ¹	Prior as of May 11, 2023	Updated as of Nov. 1, 2023 ¹
Service Revenue	\$725 – 732m	\$701 – 711m	\$701 – 711m
% Growth Y/Y	2 - 3%	(1) - 0%	(1) - 0%
Total Revenue	\$755 – 763m	\$732.5 – 742.5m	\$732.5 – 742.5m
% Growth Y/Y	1 – 3%	(2) – 0%	(2) – 0%
Non-GAAP Operating Margin²	12.0 - 13.0%	12.0 - 13.0%	12.0 - 13.0%

1. Refer to Forward Looking Statements for a discussion of factors that could cause actual results to differ from guidance and refer to 8x8's Second Quarter Fiscal Year 2024 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.
2. Reconciliation to nearest GAAP metric not available for forward looking Non-GAAP Operating Margin.

Appendix

Annualized Recurring Subscriptions and Usage (ARR)¹

8x8, INC.
SELECTED OPERATING METRICS
(Unaudited, in millions, except number of enterprise customers)

	Fiscal 2023				Fiscal 2024	
	Q1	Q2	Q3	Q4	Q1	Q2
TOTAL ARR ⁽¹⁾	\$ 688	\$ 692	\$ 698	\$ 703	\$ 703	\$ 707
Growth % (YoY)	28%	25%	22%	2%	2%	2%
ARR BY CUSTOMER SIZE						
ENTERPRISE ⁽²⁾	\$ 403	\$ 401	\$ 400	\$ 405	\$ 404	\$ 407
% of Total ARR	59%	58%	57%	58%	58%	58%
Growth % (YoY)	54%	42%	30%	3%	—%	1%
MID-MARKET ⁽³⁾	\$ 125	\$ 127	\$ 130	\$ 130	\$ 132	\$ 131
% of Total ARR	18%	18%	19%	19%	19%	19%
Growth % (YoY)	22%	23%	27%	2%	5%	3%
SMALL BUSINESS ⁽⁴⁾	\$ 159	\$ 164	\$ 168	\$ 168	\$ 167	\$ 170
% of Total ARR	23%	24%	24%	24%	24%	24%
Growth % (YoY)	(7%)	(2%)	4%	1%	5%	4%

Selected operating metrics presented in this table have not been derived from financial measures that have been prepared in accordance with US Generally Accepted Accounting Principles. 8x8 provides these selected operating metrics to assist investors in evaluating the Company's operations and assessing its prospects. 8x8's management periodically reviews the selected operating metrics to evaluate 8x8's operations, allocate resources, and drive financial performance in the business. Management monitors these metrics together, and not individually, as it does not make business decisions based upon any single metric. 8x8 is not aware of any uniform standards for defining these selected operating metrics and caution that its presentation may not be consistent with that of other companies. Prior period metrics and customer classifications have not been adjusted for current period changes unless noted.

1. Annualized recurring subscriptions and Usage (ARR) equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage changes for all CPaaS customers (subject to minimum billings thresholds for a period of at least six consecutive months).
2. Enterprise ARR is defined as ARR from customers that generate >\$100K of ARR.
3. Mid-market ARR is defined as ARR from customers that generate \$25K-\$100K of ARR.
4. Small Business ARR is defined as ARR from customers that generate less than \$25K of ARR.

Supplemental Details on Other (Expense) Income, Net

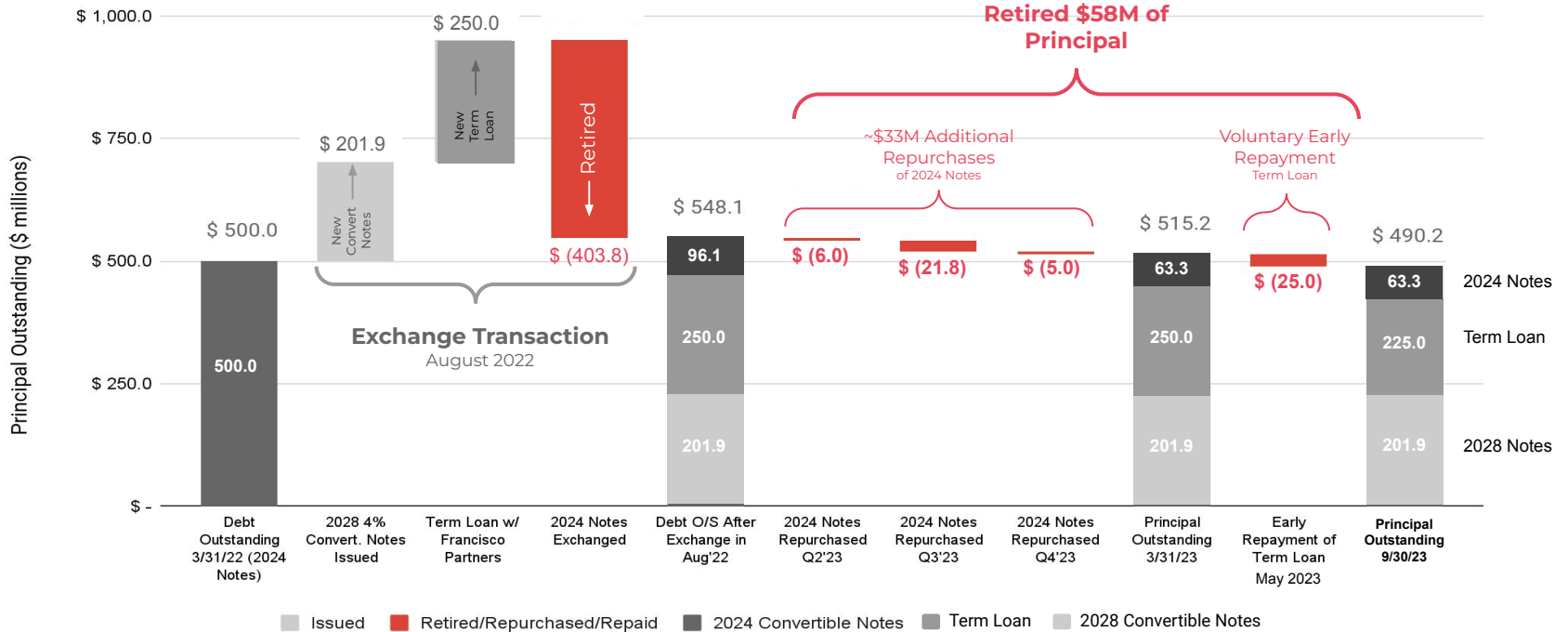
SUPPLEMENTAL DETAILS - OTHER (EXPENSE) INCOME, NET

(Unaudited, in thousands)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Interest expense	\$ (8,929)	\$ (4,883)	\$ (17,899)	\$ (5,508)
Amortization of debt discount and issuance costs	(1,132)	(1,169)	(2,240)	(2,000)
Gain on warrants remeasurement	2,781	1,293	2,531	1,293
Gain (loss) on debt extinguishment	—	16,106	(1,766)	16,106
Gain on foreign exchange	1,565	2,124	761	4,600
Other income	457	479	881	575
Other (expense) income, net	\$ (5,258)	\$ 13,950	\$ (17,732)	\$ 15,066

History of Outstanding Debt

Reduced Principal Amount of Debt by >10% in since August 2022.



For more detailed disclosures on the terms of the Company's debt convertible senior notes and term loan, see the Company's most recent SEC filings.

Outstanding Convertible Notes and Term Loan

The following table summarizes the net carrying value of outstanding convertible senior notes and term loan outstanding at the end of the period.

	As of September 30, 2023				As of March 31, 2023			
	2024	2028	2027	Total	2024	2028	2027	Total
	Notes	Notes	Term Loan		Notes	Notes	Term Loan	
Principal	\$ 63,295	\$ 201,914	\$ 225,000	\$ 490,209	\$ 63,295	\$ 201,914	\$ 250,000	\$ 515,209
Unamortized debt discount and issuance costs	(142)	(4,611)	(14,697)	\$ (19,450)	(363)	(5,093)	(18,007)	\$ (23,463)
Net carrying amount	\$ 63,153	\$ 197,303	\$ 210,303	\$ 470,759	\$ 62,932	\$ 196,821	\$ 231,993	\$ 491,746
Contractual interest rate	0.50%	4.00%	SOFR + 6.6%					
Effective interest rate (including amortization)	1.20%	6.10%						

On August 11, 2022, the Company issued approximately \$201.9 million aggregate principal amount of its 4.00% convertible senior notes due 2028 (the "2028 Notes"). The Company used the proceeds from the issuance of the 2028 Notes, together with approximately \$181.8 million in cash consideration from borrowing of the Term Loan, in exchange for approximately \$403.8 million aggregate principal amount of the Company's outstanding 0.5% convertible senior notes due 2024 Notes (the "2024 Notes") pursuant to privately negotiated agreements (the "Exchange Agreements") with a limited number of existing holders of the 2024 Notes (such exchange transactions, the "Exchange Transaction"). In connection with the Exchange Transaction, the Company purchased an aggregate of approximately \$60 million of the Company's common stock in privately negotiated transactions from existing holders of the 2024 Notes who participated in the Exchange Transaction.

The Exchange Transaction was treated as a debt extinguishment. The difference between the consideration used to extinguish the 2024 Notes and the carrying value of the 2024 Notes (including unamortized debt discount and issuance cost) subject to the Exchange Transaction resulted in an extinguishment gain of \$16.1 million recorded through Other income (expense), net on the Company's condensed consolidated statement of operations.

In addition to the Exchange Transaction, the Company completed three repurchases of the 2024 Notes in the second, third and fourth quarters of fiscal 2023 for a total of approximately \$32.8 million in aggregate principal amount. In the second quarter, on September 28, 2022, the Company repurchased an aggregate principal amount of \$6.0 million of the 2024 Notes through a privately negotiated transaction with one of the remaining 2024 Notes holders for an aggregate purchase price of \$5.3 million. The aggregate purchase price was paid in cash and only partially settled the outstanding 2024 Notes with the holder; accordingly, the repurchase consideration was accounted for as a debt modification with no extinguishment gain or loss. In the third fiscal quarter, on December 9, 2022, the Company repurchased an aggregate principal amount of \$21.8 million of the 2024 Notes through privately negotiated transactions with two of the remaining 2024 Notes holders for an aggregate purchase price of \$20.1 million in cash. The repurchase consideration was accounted for as a debt extinguishment, resulting in a \$2.1 million gain. In the fourth quarter, on February 23, 2023, the Company repurchased an aggregate principal amount of \$5.0 million of the 2024 Notes through privately negotiated transactions with one of the remaining 2024 Notes holders for an aggregate purchase price of \$4.7 million in cash. The repurchase consideration was accounted for as a debt extinguishment, resulting in a \$0.3 million gain.

On May 9, 2023, the Company voluntarily prepaid \$25.0 million of principal amount outstanding and \$0.2 million of accrued interest on the Term Loan. This payment had no impact on the Company's compliance with the Term Loan covenants.

For more detailed disclosures on the terms of the Company's convertible senior notes and term loan, see the Company's most recent 10Q filing.

Interest Expense Detail - Senior Notes & Term Loan

The following table summarizes the interest expense and amortization of net discount and issuance costs recorded to Other income (expense):

	Three Months Ended September 30,							
	2023				2022			
	2024 Notes	2028 Notes	2027 Term Loan	Total	2024 Notes	2028 Notes	2027 Term Loan	Total
Contractual interest expense	\$ 80	\$ 2,036	\$ 6,592	\$ 8,706	\$ 350	\$ 1,106	\$ 3,209	\$ 4,665
Amortization of debt discount & issuance costs	109	255	768	\$ 1,131	4,182	433	434	\$ 5,049
Total interest expense recorded to Other income (expense), net	\$ 189	\$ 2,291	\$ 7,360	\$ 9,837	\$ 4,532	\$ 1,539	\$ 3,643	\$ 9,714

Interest paid \$ 12,880 \$ 4,654

From supplemental disclosures on Statement of Cash Flows; includes quarterly interest paid on the 2027 Term Loan and semi-annual coupon payments on 2024 and 2028. Notes, payable in February and August. Approximately \$1.9 million in cash interest expense related to Q1'24 contractual interest expense was processed by the Loan Administrator on July 3, 2023. This amount is included in the cash interest paid in the 3 months ended September 30, 2023.

	Six Months Ended September 30,							
	2023				2022			
	2024 Notes	2028 Notes	2027 Term Loan	Total	2024 Notes	2028 Notes	2027 Term Loan	Total
Contractual interest expense	\$ 159	\$ 4,050	\$ 13,471	\$ 17,680	\$ 625	\$ 1,106	\$ 3,209	\$ 4,940
Amortization of debt discount & issuance costs	216	482	1,543	\$ 2,241	2,000	433	434	\$ 2,867
Total interest expense recorded to Other income (expense), net	\$ 375	\$ 4,532	\$ 15,014	\$ 19,921	\$ 2,625	\$ 1,539	\$ 3,643	\$ 7,807

Interest paid \$ 17,799 \$ 4,654

From supplemental disclosures on Statement of Cash Flows and includes quarterly interest paid on the 2027 Term Loan and semi-annual coupon payments on 2024 and 2028 Notes, payable in February and August

Amounts may not sum to total due to rounding.

For more detailed disclosures on the terms of the Company's convertible senior notes, term loan and detachable warrants, see the Company's most recent 10Q filing.

GAAP to Non-GAAP Reconciliations

Non-GAAP Measures and Guidance

Non-GAAP Measures

This presentation contains certain financial information that has not been prepared in accordance with Generally Accepted Accounting Principles (GAAP). Management uses these non-GAAP financial measures internally in analyzing the Company's financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating the Company's ongoing operational performance. This information should not be considered a substitute for any measures derived in accordance with GAAP.

Non-GAAP Guidance

The Company does not reconcile its forward-looking estimates of non-GAAP operating margins to the corresponding GAAP measures of GAAP operating margin due to the significant variability of, and difficulty in making accurate forecasts and projections with regards to, the various expenses it excludes. For example, future hiring and employee turnover may not be reasonably predictable, stock-based compensation expense depends on variables that are largely not within the control of nor predictable by management, such as the market price of 8x8 common stock, and may also be significantly impacted by events like acquisitions, the timing and nature of which are difficult to predict with accuracy. The actual amounts of these excluded items could have a significant impact on the Company's GAAP operating margins. Accordingly, management believes that reconciliations of this forward-looking non-GAAP financial measure to the corresponding GAAP measure are not available without unreasonable effort. All projections are on a non-GAAP basis.

8x8, Inc.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited, in thousands, except per share amounts)

	Three Months Ended					
	September 30, 2023		June 30, 2023		September 30, 2022	
Costs of Revenue:						
GAAP cost of service revenue	\$	49,144	\$	46,276	\$	51,038
Amortization of acquired intangible assets		(2,118)		(2,118)		(2,140)
Stock-based compensation expense and related employer payroll taxes		(1,743)		(2,224)		(2,457)
Severance, transition and contract termination costs		(82)		(206)		(281)
Non-GAAP cost of service revenue	\$	<u>45,201</u>	\$	<u>41,728</u>	\$	<u>46,160</u>
Non-GAAP service margin (as a percentage of service revenue)	\$	<u>132,581</u>	74.6%	\$	<u>133,510</u>	76.2%
	\$	<u>132,581</u>		\$	<u>132,396</u>	74.1%
GAAP cost of other revenue	\$	7,958	\$	8,398	\$	11,000
Stock-based compensation expense and related employer payroll taxes		(468)		(651)		(937)
Severance, transition and contract termination costs		(28)		(22)		(244)
Non-GAAP cost of other revenue	\$	<u>7,462</u>	\$	<u>7,725</u>	\$	<u>9,819</u>
Non-GAAP other margin (as a percentage of other revenue)	\$	<u>(245)</u>	(3.4%)	\$	<u>324</u>	4.0%
	\$	<u>(245)</u>		\$	<u>(986)</u>	(11.2%)
Non-GAAP gross margin (as a percentage of revenue)	\$	<u>132,336</u>	71.5%	\$	<u>133,834</u>	73.0%
	\$	<u>132,336</u>		\$	<u>131,410</u>	70.1%

8x8, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(Unaudited, in thousands, except per share amounts)

	Three Months Ended					
	September 30, 2023		June 30, 2023		September 30, 2022	
Operating Expenses:						
GAAP research and development	\$	34,207	\$	35,292	\$	36,019
Stock-based compensation expense and related employer payroll taxes		(5,345)		(7,438)		(7,773)
Acquisition and integration costs		115		(213)		—
Severance, transition and contract termination costs		(902)		(311)		(107)
Non-GAAP research and development (as a percentage of revenue)	\$	<u>28,075</u>	15.2%	\$	<u>27,330</u>	14.9%
				\$	<u>28,139</u>	15.0%
GAAP sales and marketing	\$	68,687	\$	68,505	\$	80,487
Amortization of acquired intangible assets		(2,982)		(2,982)		(3,107)
Stock-based compensation expense and related employer payroll taxes		(4,176)		(5,254)		(6,883)
Severance, transition and contract termination costs		(234)		(169)		(330)
Non-GAAP sales and marketing (as a percentage of revenue)	\$	<u>61,295</u>	33.1%	\$	<u>60,100</u>	32.8%
				\$	<u>70,167</u>	37.4%
GAAP general and administrative	\$	27,586	\$	26,226	\$	33,835
Stock-based compensation expense and related employer payroll taxes		(3,695)		(4,108)		(6,763)
Acquisition and integration costs		(422)		(130)		(1,554)
Legal and regulatory costs		(3,879)		(1,468)		207
Severance, transition and contract termination costs		(388)		(546)		(1,694)
Non-GAAP general and administrative (as a percentage of revenue)	\$	<u>19,202</u>	10.4%	\$	<u>19,974</u>	10.9%
				\$	<u>24,031</u>	12.8%
Non-GAAP Operating Expenses (as a percentage of revenue)	\$	<u>108,572</u>	58.7%	\$	<u>107,404</u>	58.6%
				\$	<u>122,337</u>	65.3%

8x8, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(Unaudited, in thousands, except per share amounts)

	Three Months Ended					
	September 30, 2023		June 30, 2023		September 30, 2022	
Operating Profit (Loss):						
GAAP loss from operations	\$	(2,583)	\$	(1,410)	\$	(24,990)
Amortization of acquired intangible assets		5,100		5,100		5,247
Stock-based compensation expense and related employer payroll taxes		15,427		19,675		24,813
Acquisition and integration costs		307		343		1,554
Legal and regulatory costs		3,879		1,468		(207)
Severance, transition and contract termination costs		1,634		1,254		2,656
Non-GAAP operating profit (as a percentage of revenue)	\$	<u>23,764</u>	12.8%	\$	<u>26,430</u>	14.4%
					\$	<u>9,073</u>
						4.8%
Other Income (Expenses):						
GAAP other income (expense), net	\$	(5,258)	\$	(12,473)	\$	13,950
Amortization of debt discount and issuance cost		1,132		1,108		1,169
(Gain) loss on debt extinguishment		—		1,766		(16,106)
Gain on warrants remeasurement		(2,781)		250		(1,293)
Sublease Income		(117)		(117)		(116)
Non-GAAP other (expense) income, net (as a percentage of revenue)	\$	<u>(7,024)</u>	(3.8%)	\$	<u>(9,466)</u>	(5.2%)
					\$	<u>(2,396)</u>
						(1.3%)

8x8, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited, in thousands, except per share amounts)

	Three Months Ended						
	September 30, 2023		June 30, 2023		September 30, 2022		
Net Income (Loss):							
GAAP net loss	\$	(7,452)	\$	(15,327)	\$	(11,639)	
Amortization of acquired intangible assets		5,100		5,100		5,247	
Stock-based compensation expense and related employer payroll taxes		15,427		19,675		24,813	
Acquisition and integration costs		307		343		1,554	
Legal and regulatory costs		3,879		1,468		(207)	
Severance, transition and contract termination costs		1,634		1,254		2,656	
Amortization of debt discount and issuance cost		1,132		1,108		1,169	
(Gain) loss on debt extinguishment		—		1,766		(16,106)	
Gain on warrants remeasurement		(2,781)		250		(1,293)	
Sublease income		(117)		(117)		(116)	
Non-GAAP net income (as a percentage of revenue)		17,129	9.3%	15,520	8.5%	6,078	3.2%
Interest expense		8,929		8,970		4,883	
Provision for income taxes		(389)		1,444		599	
Depreciation		1,964		2,126		2,834	
Amortization of capitalized internal-use software costs		4,779		5,282		5,529	
Other expense (income), net		(1,905)		496		(2,487)	
Adjusted EBITDA	\$	30,507	16.5%	\$ 33,838	18.5%	\$ 17,436	9.3%
Shares used in computing net loss per share amounts:							
Basic		120,757		116,777		116,013	
Diluted		122,624		118,445		116,186	
GAAP net loss per share - Basic and Diluted	\$	(0.06)		\$ (0.13)		\$ (0.10)	
Non-GAAP net income per share - Basic	\$	0.14		\$ 0.13		\$ 0.05	
Non-GAAP net income per share - Diluted	\$	0.14		\$ 0.13		\$ 0.05	

Links to Speaker Referenced Content

- [Archived webcast](#)
- [Video case study by City of Westminster](#)
- [Additional Online Customer Stories](#)
- [8x8 Cookbook and Food and Beverage Customer Case Studies](#)
- [Video conversation with Samuel Wilson, CEO on Q2 2024 results](#)



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