

# Fourth Quarter FY 2024

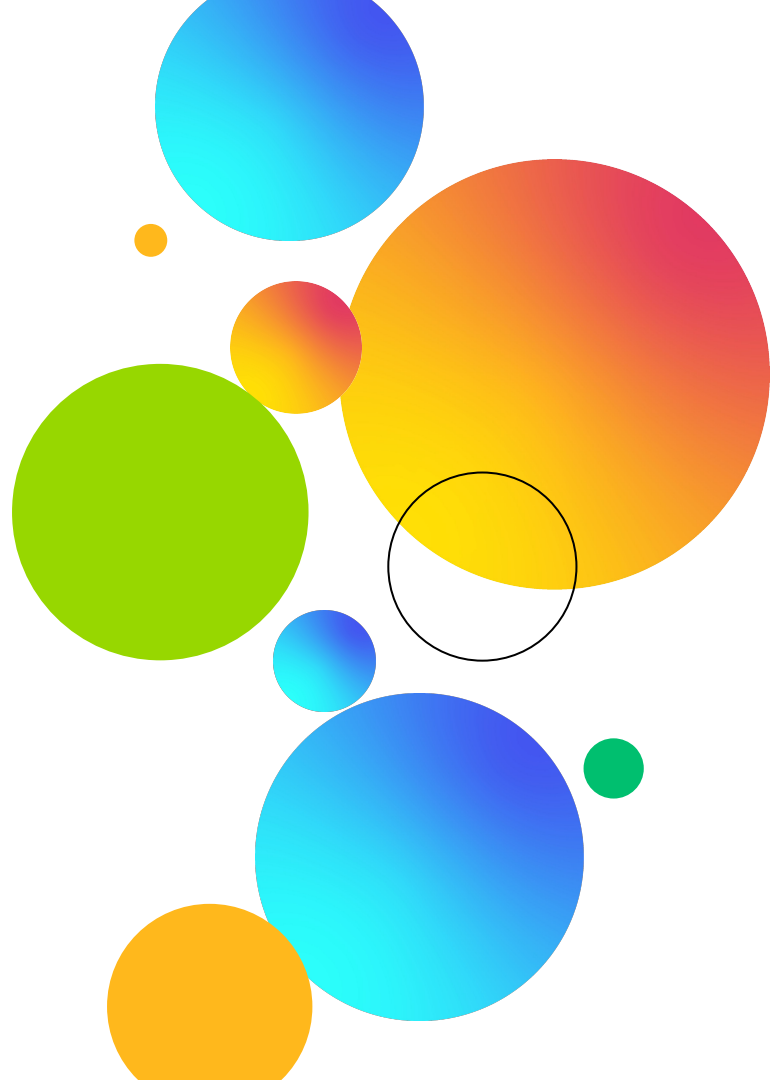
Ended March 31, 2024

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May 8, 2024

**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 leverage our balance sheet and fund investment in innovation; whether we can increase customer retention; whether our UC and CC traffic will increase; 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 and in the Middle East, 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;
- 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.
- 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 Speakers

Watch the video of CEO Sam Wilson discussing fiscal Q4 and full year 2024 results on the [investor relations playlist](#) on our YouTube channel



**Samuel Wilson**

8x8 Chief Executive Officer



**Kevin Kraus**

8x8 Chief Financial Officer

# Overview

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# 8x8 Q4 Fiscal 2024

**\$697M**

Total ARR<sup>(1)</sup>

**43%**

XCaaS<sup>(2)</sup> as a % of total ARR<sup>(1)</sup>

**3M+**

Paid business licenses

**58%**

Enterprise ARR as a % of total ARR<sup>(1)(3)</sup>

**400K+**

8x8 Voice for Teams User licenses

**58%**

Growth in new Products YoY

**Integrated platform**



AI-powered modern architecture for CCaaS and UCaaS

**Global Presence**



Full PSTN replacement in 59 countries, with users in 186 Countries

**Continuous Innovation**



Recent innovations:  
8x8 Engage  
8x8 Operator Connect for Microsoft Teams  
Proactive Outreach

# Recent product innovation highlights

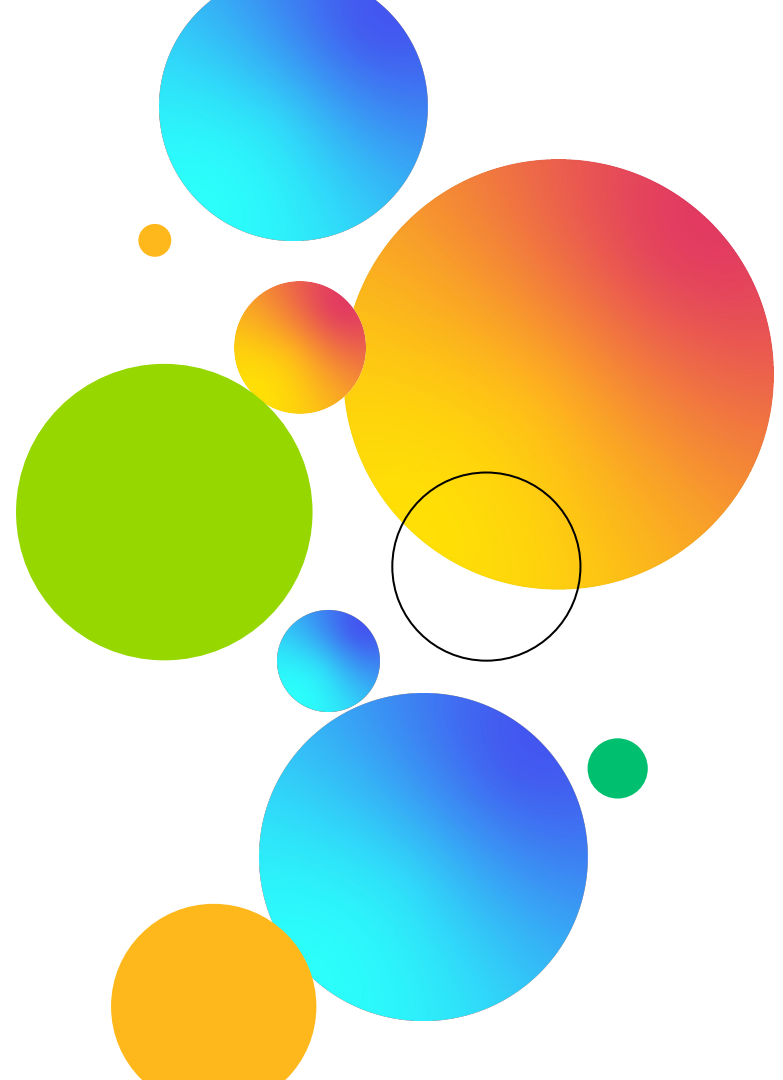
- **Announced [8x8 Engage](#), an AI-powered, tailored solution** that enables cross-organization customer engagement for enhanced customer experiences, fostering loyalty, and driving business success. Intentionally engineered, 8x8 Engage addresses the distinct needs of customer-facing employees outside of the contact center with the right-fit tools and capabilities for delivering consistent, successful outcomes. ([press release](#))
- **Launched [Proactive Outreach](#) for Unified Communications and Contact Center customers**, which utilizes 8x8's programmable SMS and WhatsApp capabilities to further enable cross-organization customer engagement. It now allows CX professionals, both inside and outside the contact center, to launch highly personalized mass messaging campaigns through 8x8's campaign management platform, with features such as scheduling, advanced routing, reporting and analytics, and more. ([press release](#))
- **Launched [8x8 Operator Connect for Microsoft Teams](#)** to provide PSTN calling through Microsoft Teams Phone, powered by Microsoft's Operator Connect for approved third-party providers. This addition further extends the 8x8 for Microsoft Teams portfolio, and provides a reliable calling option that streamlines deployments through the Teams admin center, and is from the only Operator Connect provider with a native Contact Center Solution certified to integrate with Teams. ([press release](#))
- Extended features and capabilities for 8x8's integrated cloud contact center and unified communications platform to enhance customer engagement throughout the organization, further connect teams, expand to new channels, and drive business success. ([press release](#))

# Q4'24 Customer Stories

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**8x8**

One platform.  
Every communications experience.





Upward Health is an in-home medical group that specializes in primary medical, behavioral, and social healthcare for individuals with complex needs. Upward Health was ranked No. 7 on the 2023 Inc. 5000 list of the fastest-growing private companies in the United States.

### **8x8 Solutions**

8x8 XCaaS with Contact Center & Voice for Microsoft Teams  
Supporting 400 employees and contact center agents

### **Why 8x8?**

- Ability to establish direct SMS channels for personalized communications with clients
- Tight integration with Microsoft Teams







[LSG Sky Chefs](#) is a classic catering and hospitality expert serving airline customers. LSG Sky Chefs delivers 308 million meals a year and is present at about 131 locations across the globe.

### **8x8 Solutions**

8x8 UCaaS with ATAs for paging and faxing supporting over 800 employees across 49 locations

### **Why 8x8?**

- Sales agility - deal closed in 9 days
- Speed to deployment

### **Channel Partner**

Master: Intelisys

Agent: Revolve Technologies Inc.





[Induction Healthcare](#) is a leading healthcare technology company providing solutions that transform the interaction between patients and care teams, helping people take an active role in their health management and supporting more efficient care delivery. Used by over 90% NHS Trusts across the UK.

## 8x8 Solutions

8x8 CPaaS SMS API supports the different stages of a patient journey with appointment reminders, registrations and more.

## Why 8x8?

- Proven vendor for Jitsi as a Service, supporting their Induction Attend Anywhere product, since 2021.
- Robust and feature-rich SMS API.
- UK data center to minimize data latency and ensure compliance with data sovereignty requirements.

8x8

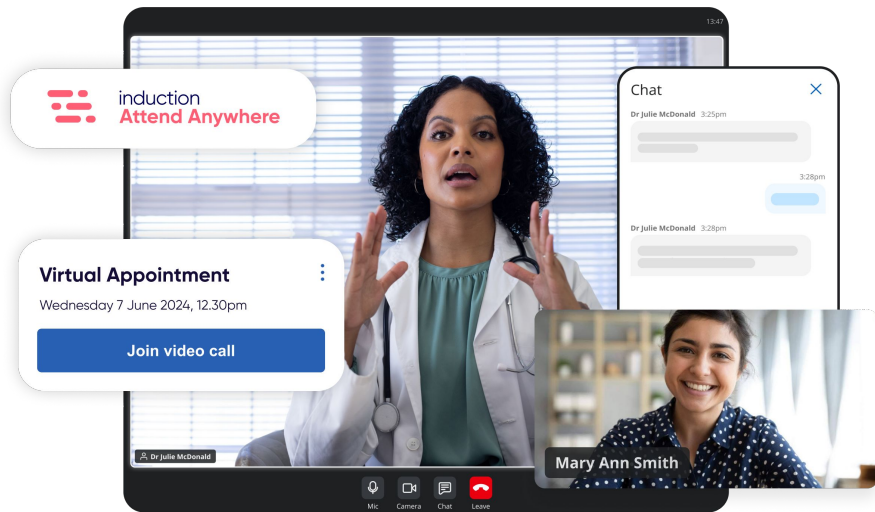


Image provided by Induction Healthcare



PalawanPay is an e-wallet by the Palawan Group of Companies, with a range of functionalities including fund transfers, bill payments, mobile e-loading, and QRPH scan-to-pay options. It has over 15 million users and caters to over 400,000 merchants in the Philippines.

## 8x8 Solutions

8x8 CPaaS SMS API for marketing

## Why 8x8?

- Proven vendor for Palawan Pawnshop with good delivery routes and rates, leading to a referral of 8x8 to PalawanPay
- Robust and feature-rich SMS API
- Integration capability with Clever Tap, enabling seamless incorporation of SMS into their campaigns





[Southern Housing](#) is one of the largest housing providers in the UK with more than 78,000 homes across London, the South East, the Isle of Wight and the Midlands, giving over 167,000 people somewhere affordable to call their own.

## 8x8 Solutions

8x8 Contact Center and Voice for Microsoft Teams supporting over 370 agents

## Why 8x8?

- True omnichannel customer engagement solution
- Introduction of new digital channels and automation
- Maximize tenant satisfaction and safety
- To deliver operational efficiencies

## Channel Partner

- Softcat

8x8





A woman with short blonde hair, wearing a blue blazer over a yellow top, is smiling broadly while sitting at a desk and typing on a laptop. In the background, another woman is visible, also working at a desk. The office environment is dimly lit with blue ambient lighting. A small potted plant is on the desk in the foreground.

# Healix

**“The 8x8 Intelligent Customer Assistant has demonstrated positive outcomes in our customer engagement strategy. It has contributed to a reduction in email inquiries and has streamlined communication channels, providing a more efficient customer experience.”**

**Mia Cura, Digital Marketing Manager**



[Actuarial Management Resources, Inc.](#) specializes in life, health and annuity products to provide insurance companies of all sizes with full third party administrative services to help them operate efficiently.

## 8x8 Solutions

8x8 XCaaS

### Why 8x8?

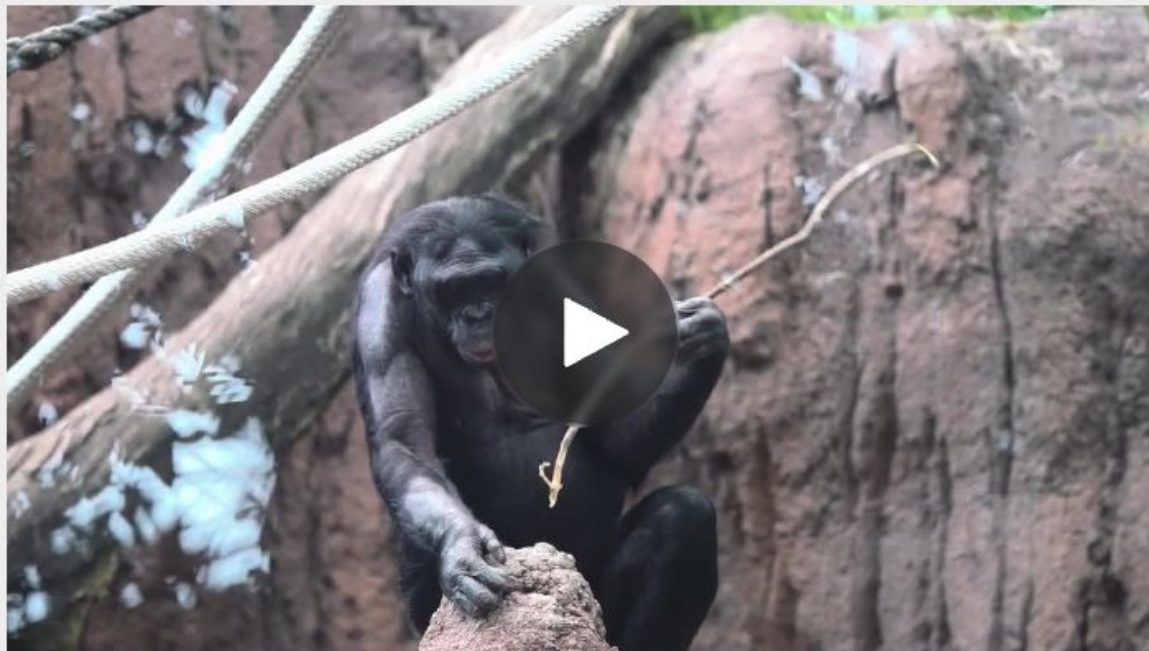
- Single cloud platform for UC and CC
- Ease of reporting & analytics to improve efficiency across their call queues

### Channel Partner

- Softcat



## San Diego Zoo x 8x8



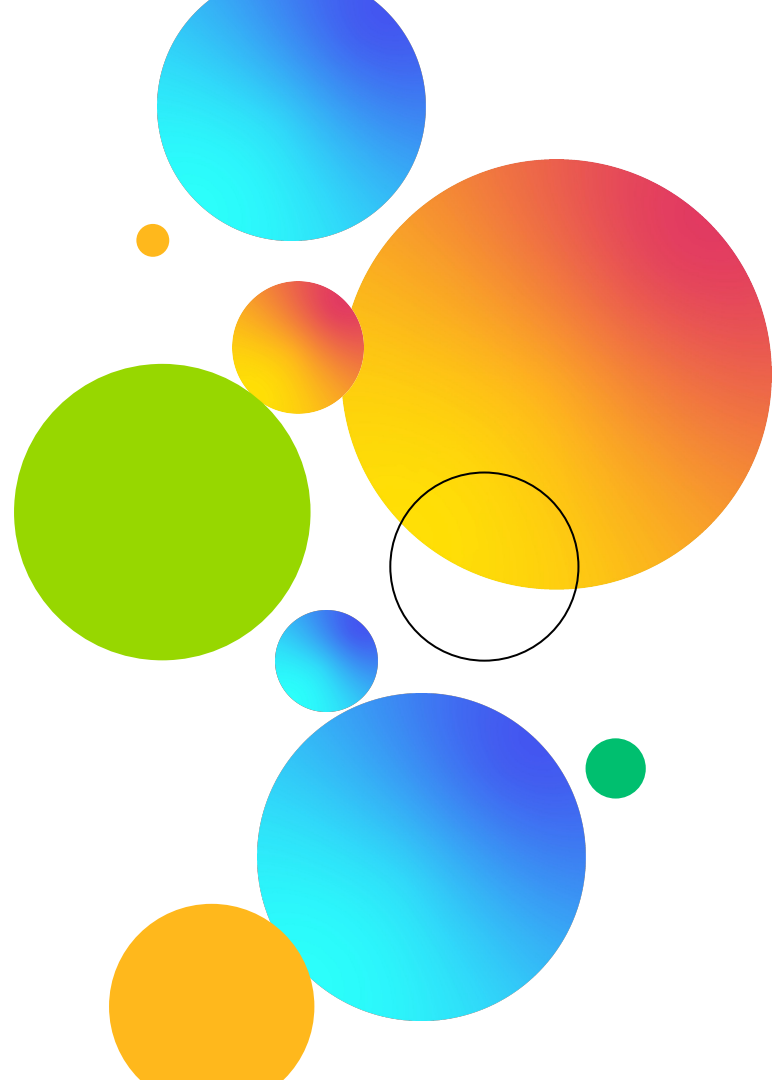


## Recent Awards and Recognition

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**8x8**

One platform.  
Every communications experience.





# Recent awards and recognition



Recognized in 2024  
Constellation ShortList  
for Contact Center as a  
Service (CCaaS) and  
Unified  
Communications as a  
Service (UCaaS)



Highly commended  
recognition in CX  
Today's CX Awards  
2024 in the categories  
of Best Mid-Market  
Contact Center  
Platform and Most  
Innovative Product.



CRN recognized Michael  
Quince, VP of NA Channel  
Sales, as 2024 Channel  
Chief and Emily  
Masterton, Director of  
EMEA Channel Sales, as  
Regional Channel Chief  
for EMEA

# Recent awards and recognition cont.



Awarded G2 2024 Best Software Awards in the categories of Customer Service Products and Collaboration and Productivity Products.



Recognized in **39 different categories** in the G2 Spring 2024 Awards

# Q4 and Fiscal 2024 Financial Performance

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# Financial Strength

As of 3/31/24

## KEY FINANCIAL STATS

**\$118M**

Cash and investments<sup>1</sup>

**13**

Consecutive quarters of non-GAAP Operating Profit<sup>3</sup> and positive cash flow from operations

**\$95M**

TTM non-GAAP Operating Profit<sup>2,3</sup>

**+52%**

YoY increase in TTM non-GAAP Operating Profit<sup>2,3</sup>

**\$79M**

TTM Cash Flow from Operations<sup>2</sup>

**+62%**

YoY increase in TTM Cash Flow from Operations<sup>2</sup>

## KEY BUSINESS STATS

**>3.0M**

Paid business licenses

**>57,000**

Customers

**>\$110M**

TTM investment in research and development (non-GAAP)<sup>2,3</sup>

# Q4 FY 2024 Financial Highlights

- YoY growth in sales of new products accelerated to >50% YoY
- Service revenue of \$172.5M and total revenue of \$179.4M
- 13th consecutive quarter of non-GAAP Operating Profit<sup>1</sup> and positive operating cash flow
  - Non-GAAP operating margin of 11.3%<sup>1</sup>, above guidance of ~10%
  - Cash flow generated by operations of \$12.7M, ahead of expectations<sup>2</sup>
- Total ARR<sup>3</sup> of \$697M
  - Enterprise ARR<sup>4</sup> of \$402M
  - XCaaS ARR<sup>5</sup> was 43% of total ARR vs. 40% in Q4'23
    - XCaaS ARR has grown sequentially every quarter since we began tracking
- \$118M cash, equivalents, restricted cash and investments at quarter-end
  - Redeemed remaining \$63.3M in 2024 Notes on 2/1/24 from cash on hand

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

2. Ending cash balance compared to the prior year ending cash balance reflects total debt repayments of \$88.3 million (\$63.3M 2024 Notes and \$25M on term loan).

3. Annualized Recurring Subscriptions and Usage Revenue (ARR) (A) equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers that demonstrate consistent monthly usage above a minimum threshold over the prior six-month period, multiplied by 12, and (B) excluding any non-bundled or overage usage fees associated with UCaaS subscriptions.

4. Enterprise ARR is defined as ARR from customers that generate >\$100,000 in ARR.

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

# FY 2024 Financial Highlights

- YoY growth in sales of new products increased every quarter of FY'24
- Service revenue of \$700.6M and total revenue of \$728.7M
- Non-GAAP operating margin<sup>1</sup> of 13.0% vs. 8.4% in FY'23
- Adjusted EBITDA<sup>1</sup> of \$121.0M (16.7% of revenue), up 29% YoY
- Cash flow generated by operations of \$79M, up 62% YoY
- \$118M cash, equivalents, restricted cash and investments at year-end<sup>2</sup>
- Outstanding debt reduced by \$115M in FY'24 (35% of commitment to return \$250M to investors through debt reduction)
  - Repaid \$63.3M remaining 2024 Notes on 2/1/24
  - Pre-paid \$25M of principal on 2027 Term Loan in May '24
  - Total debt reduction since August'22 of \$121M

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

2. Ending cash balance compared to the prior year ending cash balance reflects total debt repayment of \$88.3 million (\$63.3M to redeem remaining 2024 Notes and \$25M voluntary prepayment of \$25M principal on term loan)

# Q4 and FY 2024 Results vs. Guidance

	Q4 F2024		FY 2024	
	Guidance As of 12/31/24	Results 5/8/24	Guidance As of 12/31/24	Results 5/8/24
\$ millions				
<b>Service Revenue</b>	\$171 – 175M	<b>\$172.5m</b>	\$699.1 - 703.1	<b>\$700.6</b>
<b>% Growth Y/Y</b>	(3) - (1)%	<b>(2%)</b>	(2) - (1)%	<b>(1)%</b>
<b>Total Revenue</b>	\$176 – 181M	<b>\$179.4m</b>	\$725.3 - 730.3	<b>\$728.7</b>
<b>% Growth Y/Y</b>	(5) – (2)%	<b>(3%)</b>	(3) - (2)%	<b>(2)%</b>
<b>Non-GAAP Operating Margin<sup>1</sup></b>	~10%	<b>11.3%<sup>1</sup></b>	12.5 - 13.0%	<b>13.0%</b>

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

# Q4 and FY 2024 Financial Metrics

		Q4'24			FY'24			
		\$ Millions	% of Total Revenue	YoY	\$ Millions	% of Total Revenue	YoY	
Income Statement	Revenue	Service Revenue <sup>1</sup>	172.5	96%	-2%	700.6	96%	-1%
		Other Revenue <sup>2</sup>	6.9	4%	-13%	28.1	4%	-17%
		Total Revenue	179.4	100%	-3%	728.7	100%	-2%
	Non-GAAP Metrics <sup>3</sup>	Gross Profit	127.0	70.8%	-1.7 pts	522.8	71.7%	+0.9 pts
		Operating Income	20.3	11.3%	-2.1 pts	94.7	13.0%	+52%
		Adjusted EBITDA	26.0	14.5%	-2.6 pts	121.0	16.6%	+29%
		Interest Expense <sup>4</sup>	\$8.6	4.8%	-0.6 pts	\$35.4	5.0%	+54%
	Other	Stock-based Comp <sup>5</sup>	\$15.9	8.8%	-2.9%	\$65.9	9.0%	-27%

\* 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. See appendix for reconciliation of non-GAAP metrics to nearest comparable GAAP metric.

4. Non-GAAP Interest expense excludes amortization of discount and issuance costs. See Appendix for additional detail.

5. Stock based compensation includes related employer payroll taxes.



# Q4 and FY 2024 Financial Metrics *continued*

			FY'23	FY'24	
			\$ Millions	\$ Millions	YoY
Balance Sheet, Cash Flow & Operational Metrics	Cash Metrics	Year-end Cash & Investments <sup>1</sup>	\$139M	\$118M	-\$21M
		Operating Cash Flow	\$48.8	\$79.0	+62%
		Cap Ex & Cap SW	(\$14.9)	(\$16.9)	+\$2M
	Balance Sheet Metrics	Accounts Receivable	\$62.3	\$59.0M	-\$3M
		Total Debt O/S	\$515M	\$427M	-\$88M
		Debt Repayments	\$33M	\$88M	+55M
		Remaining Performance Obligations	\$775M	\$775M	0%
	Operational	Total ARR <sup>3</sup>	\$703M	\$697M	-1%

1. Includes Cash, cash equivalents, restricted cash and short term investments. Year-end 2023 included \$1.3M in restricted cash. Year-end 2024 included \$461K of restricted cash.

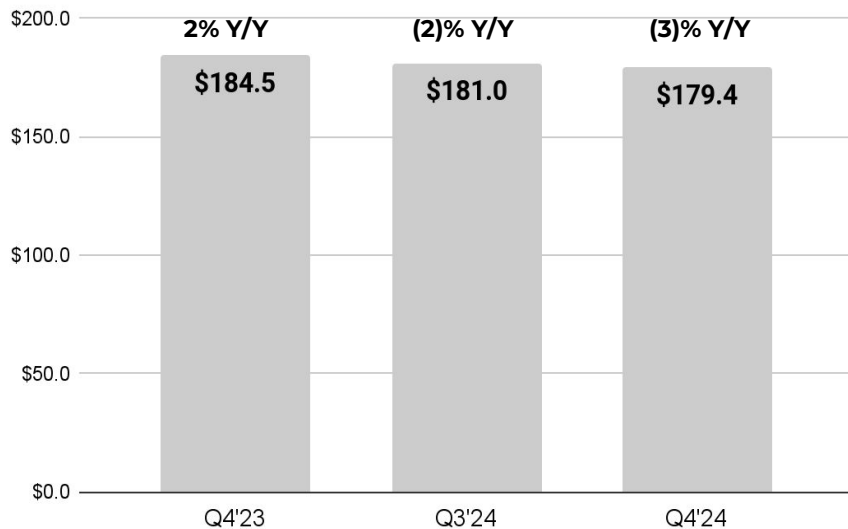
2. Debt outstanding includes \$201.9M in 2028 Notes and \$225M Term Loan.

3. Annualized Recurring Subscriptions and Usage Revenue (ARR) (A) equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers that demonstrate consistent monthly usage above a minimum threshold over the prior six-month period, multiplied by 12, and (B) excluding any non-bundled or overage usage fees associated with UCaaS subscriptions.

# Revenue Growth

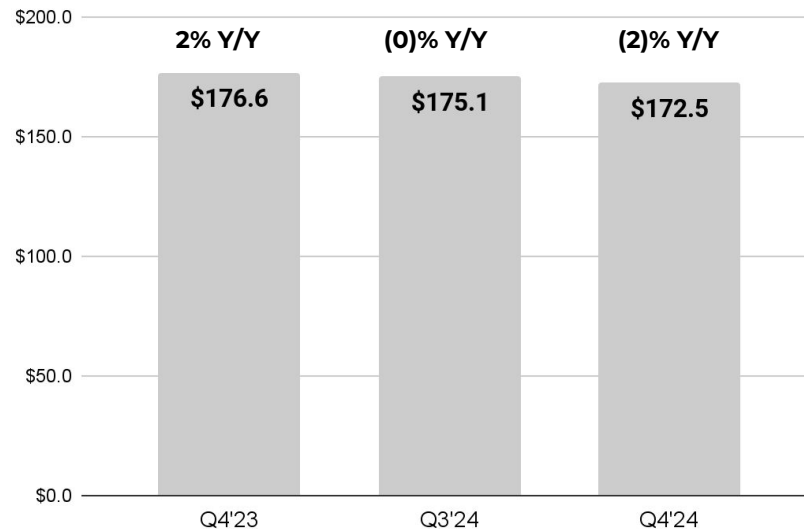
## Fiscal Q4 Total Revenue

(\$ in millions)



## Fiscal Q4 Service Revenue

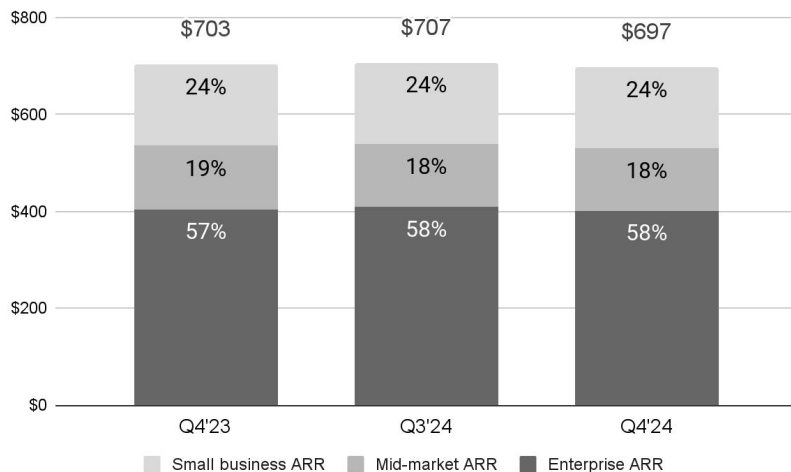
(\$ in millions)



# Q4 2024 Ending ARR<sup>1</sup>

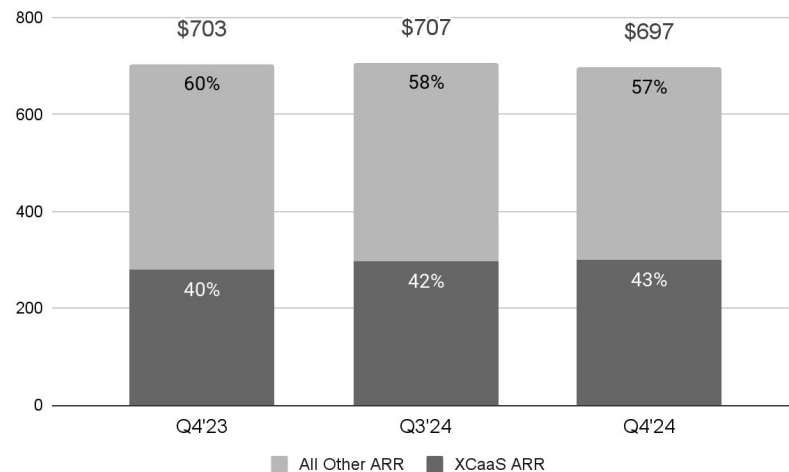
## Fiscal Q4 ARR by Customer Size\*

(\$ in millions)



## Fiscal Q4 ARR by Product\*

(\$ in millions)

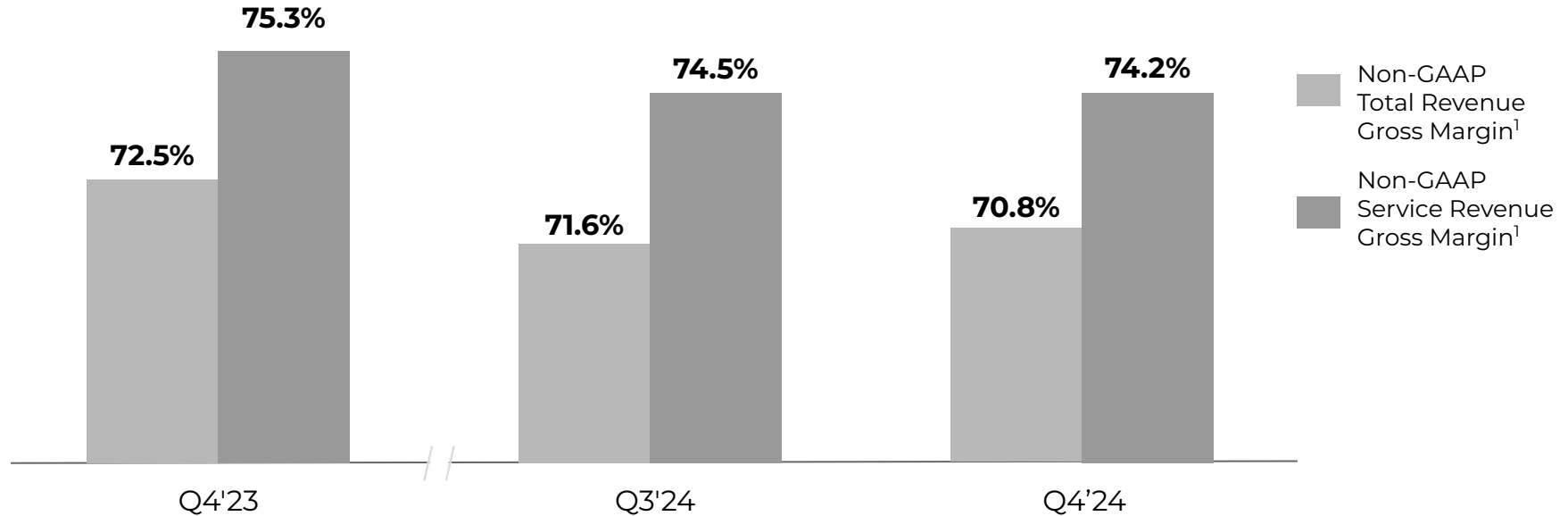


\* Amounts may not sum to total due to rounding.

1. Annualized Recurring Subscriptions and Usage Revenue (ARR) (A) equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers that demonstrate consistent monthly usage above a minimum threshold over the prior six-month period, multiplied by 12, and (B) excluding any non-bundled or overage usage fees associated with UCaaS subscriptions.
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. XCaaS includes ARR from customers with both UCaaS and CCaaS solutions. All other includes CPaaS, standalone UCaaS and standalone CCaaS.

# Non-GAAP Gross Margins<sup>1</sup>

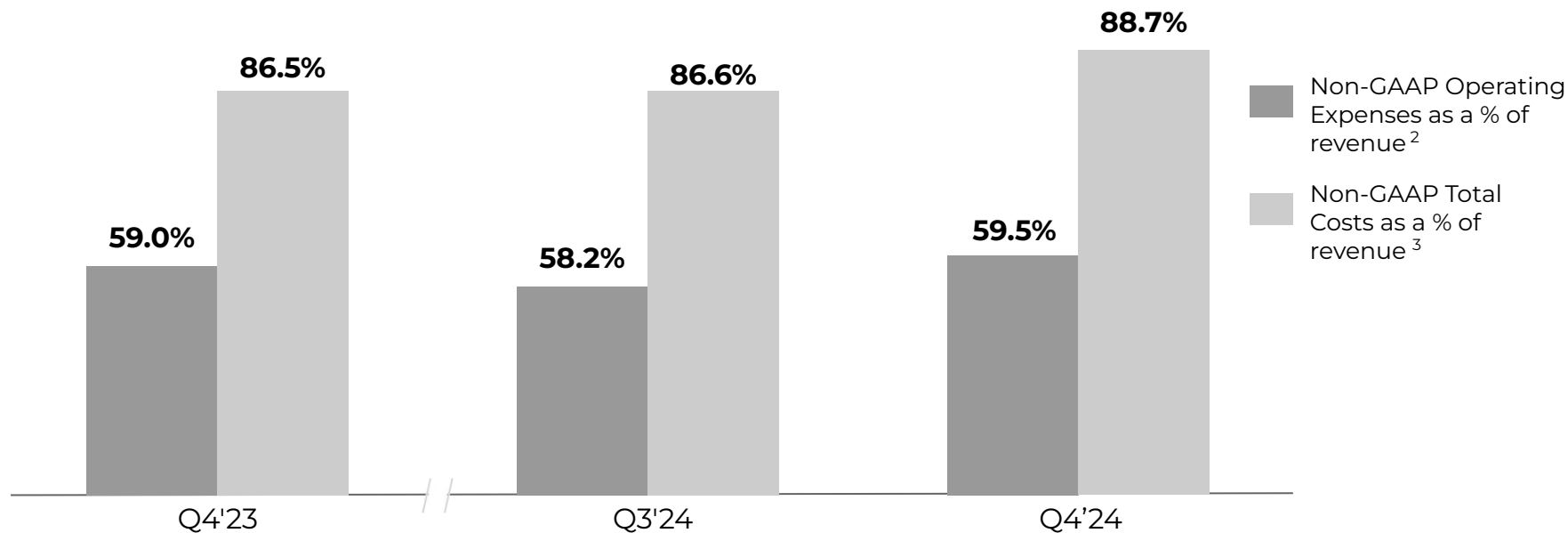
Non-GAAP Total and Service Revenue Gross Margins as a % of Revenue



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

# Non-GAAP Operating Expenses and Total Costs<sup>1</sup>

As a % of Total Revenue



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

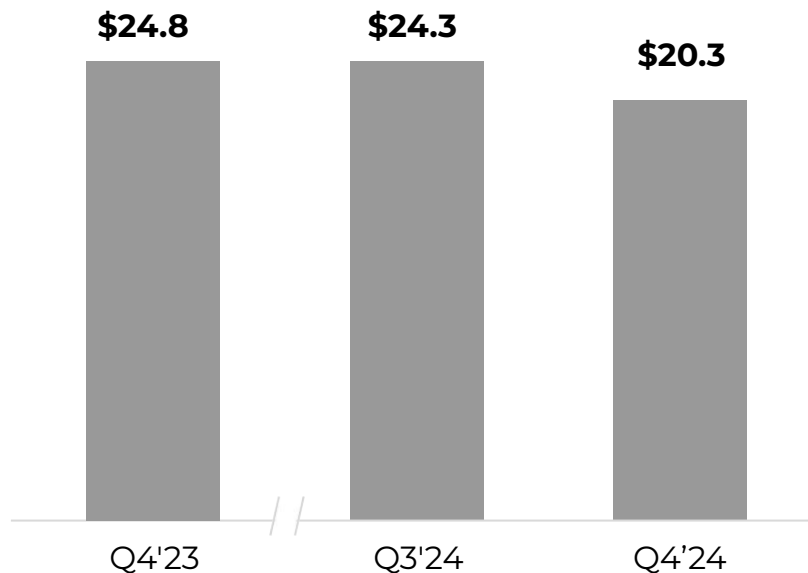
2. Non-GAAP Operating Expenses include non-GAAP R&D, Sales and Marketing, and G&A expenses, but do not include non-GAAP Cost of Total Revenue ("COGS").

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 Margin<sup>1</sup>

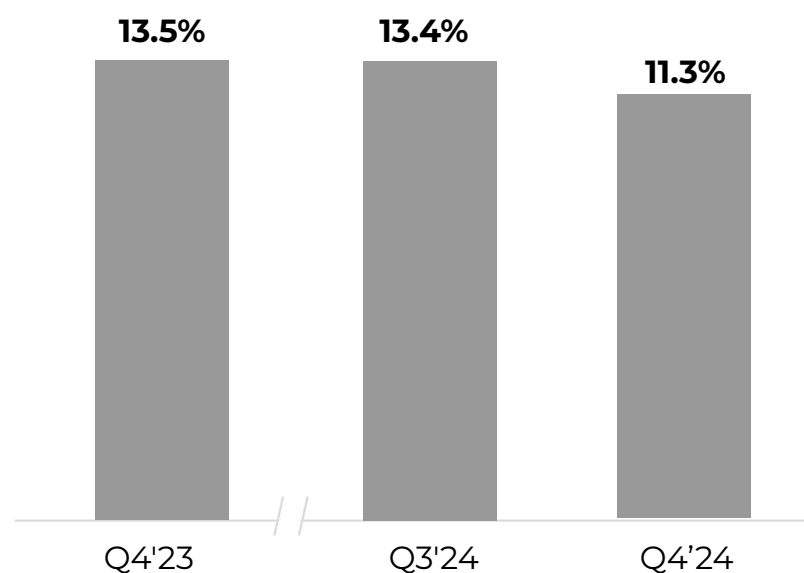
## Fiscal Q4 Operating Income

(\$ in millions)



## Fiscal Q4 Operating Margin

(% of revenue)

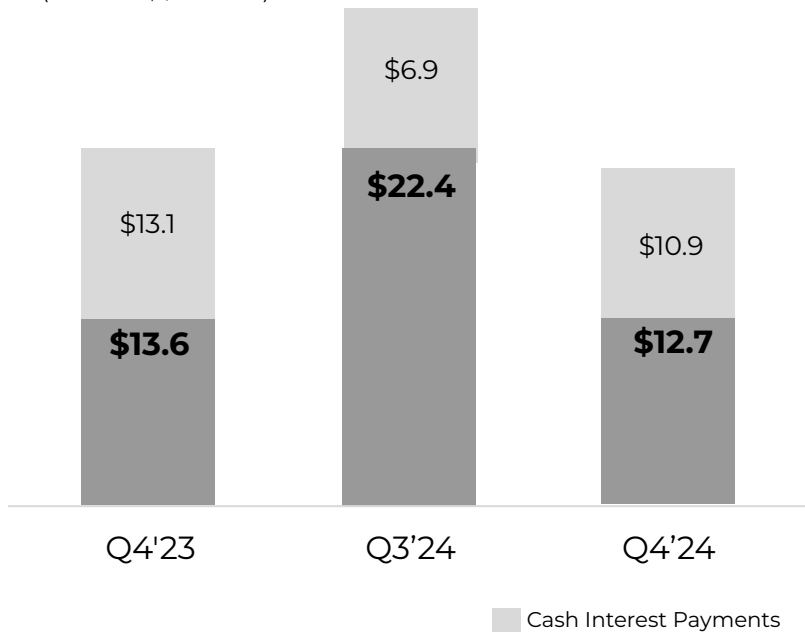


1. See Appendix for reconciliation of Non-GAAP metrics to nearest GAAP metric.

# Cash Flow from Operations and Cash Interest Paid

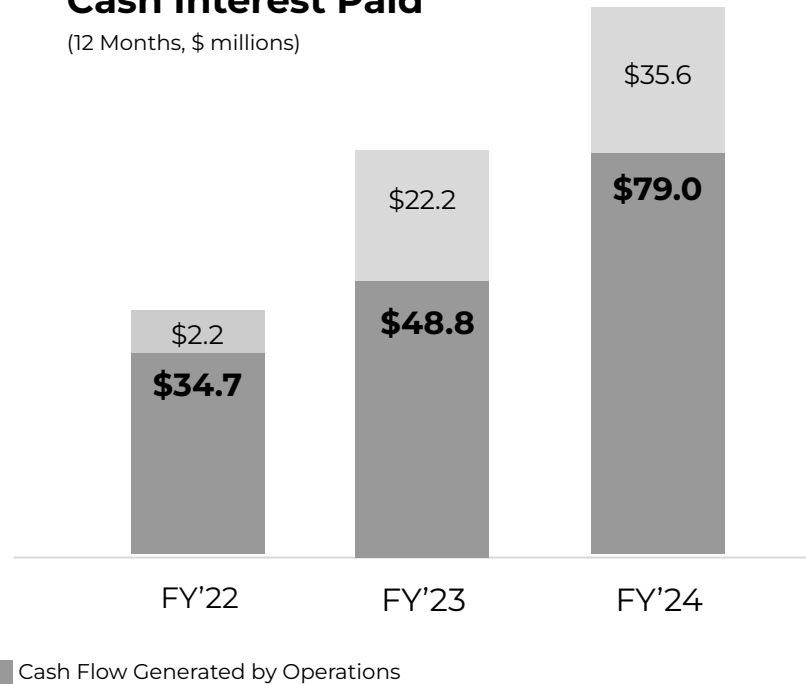
## Fiscal Q4 Cash Flow from Operations and Cash Interest Paid

(3 months, \$ millions)



## YTD Cash Flow from Operations and Cash Interest Paid

(12 Months, \$ millions)



Light Gray: Cash Interest Payments

Dark Gray: Cash Flow Generated by Operations

# Q1 2025 Guidance<sup>1</sup>

	<b>Q1 FY 2025</b> as of May, 2024
<b>Service Revenue</b>	<b>\$170 – 174M</b>
<b>% Growth Y/Y</b>	<b>(3) - (1)%</b>
<b>Total Revenue</b>	<b>\$176 – 181M</b>
<b>% Growth Y/Y</b>	<b>(4) – (1)%</b>
<b>Non-GAAP Operating Margin<sup>1</sup></b>	<b>11-12%</b>

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



# FY 2025 Guidance<sup>1</sup>

	<b>FY 2025</b>
	as of May 8 2024 <sup>1</sup>
<b>Service Revenue</b>	<b>\$693 - 707</b>
<b>% Growth Y/Y</b>	<b>(1) - 1%</b>
<b>Total Revenue</b>	<b>\$720 - 738</b>
<b>% Growth Y/Y</b>	<b>(1) - 1%</b>
<b>Non-GAAP Operating Margin<sup>1</sup></b>	<b>11.5 - 13.0%</b>
<b>Non-GAAP Net Income per Share - Diluted</b>	<b>\$0.37 - \$0.45</b>
<b>Weighted Average Shares - Diluted</b>	<b>~133M</b>

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

# Additional Financial Model Commentary

<i>As of 5/8/24</i>	Q1'25	Q2'25	FY'25	FY'26 and Beyond
<b>Non-GAAP Interest Expense</b>	~\$8.7M in Q1 and Q2			
<b>Cash Interest Expense</b>	~\$6.7M	~10.4M		
<b>Cash Flow from Operations</b>	Paid \$5.6M of \$10M in Fuze indirect tax liabilities (expense booked in Q4'24)		\$15-20M less in FY'25 compared to FY'24 due to lower beginning receivables balance, lower operating margin (at midpoint vs. FY'25 and Fuze indirect tax liabilities)	\$80-85M in FY'26 (achieve 20% CAGR over 3 year period)
<b>Wtd Avg Share Count - Diluted</b>	~128.5M		~133M	
<b>Debt Repayment</b>		Prepayment penalty on Term Loan expires	Commitment to return \$250M to investors primarily through debt repayment FY'24 - FY'26	

# Additional Financial Model Commentary

*“We continue to believe that our current non-GAAP cost structure continues to be the about right level of investment to drive innovation and adoption of our expanded product portfolio,” 8x8 CFO Kevin Kraus.*

	Non-GAAP Cost Structure <sup>1</sup>			
	FY'22	FY'23	FY'24	Near-Term “Target” <sup>2</sup>
<i>% of revenue</i>				
<b>Non-GAAP Gross margin</b>	64.6%	70.8%	71.7%	
<b>Non-GAAP R&amp;D</b>	12.1%	14.8%	15.2%	~15%
<b>Non-GAAP Sales and Marketing</b>	40.5%	36.1%	33.0%	33 - 34%
<b>Non-GAAP G&amp;A</b>	10.4%	11.6%	10.5%	10 - 11%
<b>Non-GAAP Operating Margin</b>	1.7%	8.4%	13.0%	

1. Refer to Appendix for reconciliation of historical non-GAAP metrics to the nearest GAAP metric.

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

# Appendix

# Supplemental Details on Other (Expense) Income, Net

## SUPPLEMENTAL DETAILS - OTHER EXPENSE, NET

	Three Months Ended March 31,		Years Ended March 31,	
	2024	2023	2024	2023
Interest expense	\$ (8,575)	\$ (9,906)	\$ (35,352)	\$ (23,020)
Amortization of debt discount and issuance costs	(1,075)	(1,118)	(4,472)	(4,254)
Gain (loss) on warrants remeasurement	942	(104)	2,176	417
Gain (loss) on debt extinguishment	—	296	(1,766)	18,545
Gain (loss) on sale of assets	(179)	(5)	(179)	1,821
Gain (loss) on foreign exchange	48	(991)	(1,032)	993
Other income	1,533	630	4,278	1,454
Other expense, net	\$ (7,306)	\$ (11,198)	\$ (36,347)	\$ (4,044)

# 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 March 31, 2024				As of March 31, 2023			
	2024	2028	2027	Total	2024	2028	2027	Total
	Notes	Notes	Term Loan		Notes	Notes	Term Loan	
Principal	\$ -	\$ 201,914	\$ 225,000	\$ 426,914	\$ 63,295	\$ 201,914	\$ 250,000	\$ 515,209
Unamortized debt discount and issuance costs	-	(4,353)	(13,908)	\$ (18,261)	(363)	(5,093)	(18,007)	\$ (23,463)
Net carrying amount	\$ -	\$ 197,561	\$ 211,092	\$ 408,653	\$ 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%						

Repaid in full  
on 2/1/24

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.

**The Company redeemed \$63.3 million aggregate principal outstanding 2024 Notes on February 1, 2024.**

# 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):

	Twelve months ending March 31, 2024							
	2023				2022			
	2024 Notes	2028 Notes	2027 Term Loan	Total	2024 Notes	2028 Notes	2027 Term Loan	Total
Contractual interest expense	\$ 265	\$ 8,065	\$ 27,022	\$ 35,352	\$ 1,177	\$ 4,027	\$ 17,816	\$ 23,020
Amortization of debt discount & issuance costs	363	974	3,135	\$ 4,472	1,694	548	2,012	\$ 4,254
Total interest expense recorded to Other income (expense), net	\$ 628	\$ 9,039	\$ 30,157	\$ 39,824	\$ 2,871	\$ 4,575	\$ 19,828	\$ 27,274
Cash Interest paid			\$ 35,574				\$ 22,162	

	Three Months Ended March 31							
	2024				2023			
	2024 Notes	2028 Notes	Term Loan	Total	2024 Notes	2028 Notes	Term Loan	Total
Contractual interest expense	\$ 27	\$ 1,980	\$ 6,568	\$ 8,575	\$ 78	\$ 846	\$ 8,981	\$ 9,904
Amortization of debt discount & issuance costs	37	235	804	\$ 1,075	129	198	791	\$ 1,118
Total interest expense recorded to Other income (expense), net	\$ 64	\$ 2,215	\$ 7,372	\$ 9,651	\$ 207	\$ 1,044	\$ 9,772	\$ 11,022
Cash Interest paid			\$ 10,911				\$ 13,099	

*Contractual interest expense from quarterly press releases and quarterly and annual SEC filings; Interest is paid quarterly on the 2027 Term Loan and semi-annually on the 2024 and 2028 Notes in February and August. Cash interest paid is derived from Quarterly Statement of Cash Flows.*

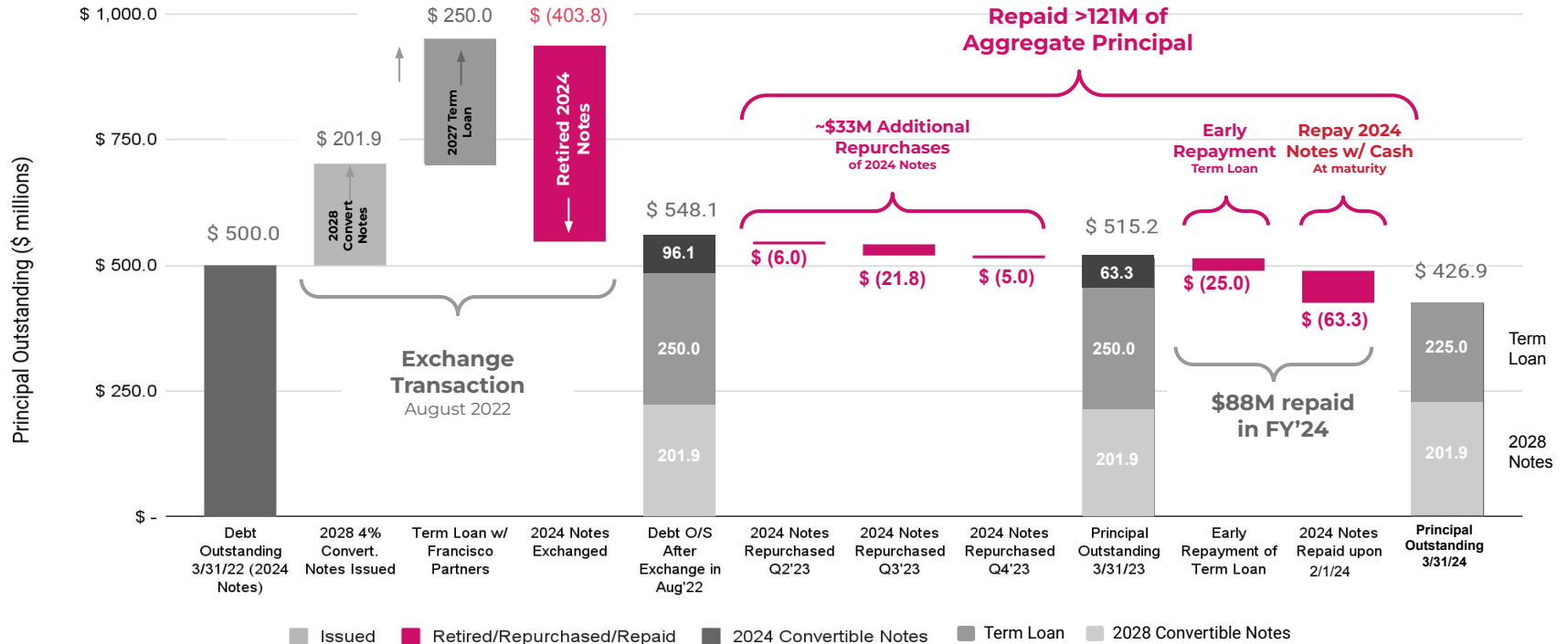
Amounts may not sum to total due to rounding.

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 10K filing.

# History of Debt Repayments

Reduced Principal Amount of Debt by \$121M since August 2022.

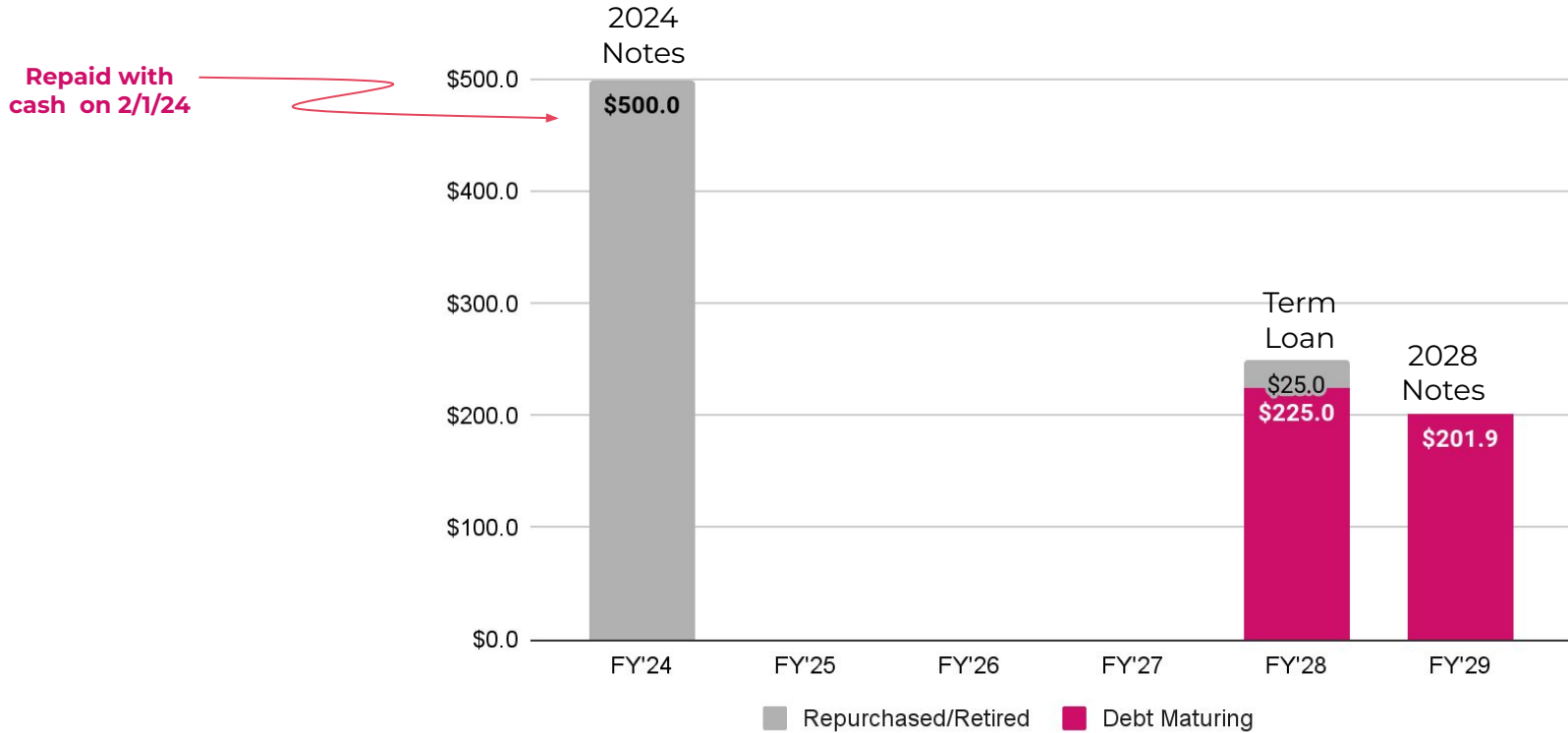
35% completion against goal of repaying \$250M from FY'24 thru FY'26



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



# Debt Maturity by Fiscal Year *As of 3/31/24*



# 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

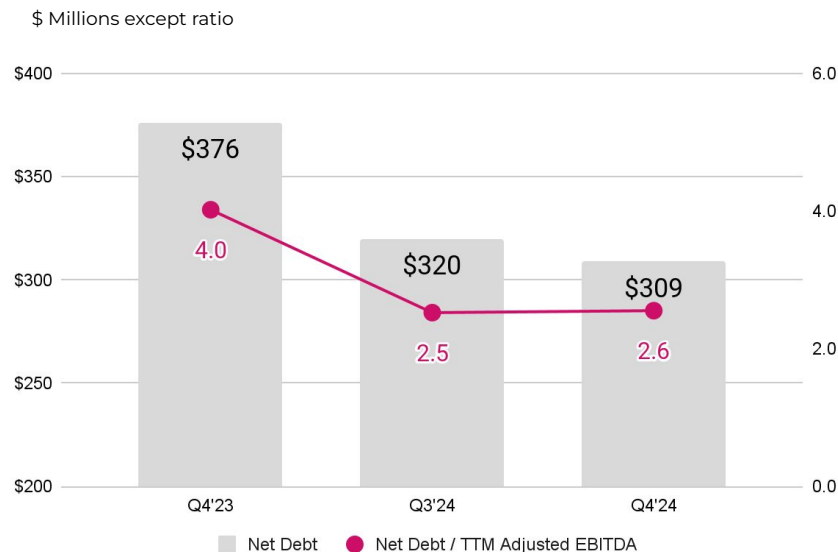
The Company does not reconcile its forward-looking estimates of non-GAAP operating margins to the corresponding GAAP measures of GAAP operating margin due to the significant variability of, and difficulty in making accurate forecasts and projections with regards to, the various expenses it excludes. 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.

# Net Debt to TTM Adjusted EBITDA

*Steady improvement in leverage ratio Net Debt to Adjusted EBITDA due to increased operational efficiency and early debt retirement*

\$ millions except debt ratios	Q4'23	Q3'24	Q4'24
Aggregate Principal of Debt Outstanding			
2024 Notes	\$63	\$63	\$ -
2027 Term Loan	\$250	225	\$ 225
2028 Notes	\$202	202	\$ 202
<b>Total Aggregate Principal</b>	<b>\$515</b>	<b>\$490</b>	<b>\$ 427</b>
Cash, Equivalents and Investments	\$139	\$170	\$ 118
Net Debt	\$376	\$320	\$ 309
TTM Adjusted EBITDA	94	127	\$ 121
<b>Net Debt / TTM Adjusted EBITDA</b>	<b>4.0</b>	<b>2.5</b>	<b>2.6</b>

**Net Debt and Ratio of Net Debt to TTM Adjusted EBITDA<sup>1</sup>**



1. Adjusted EBITDA is a non-GAAP metric. See Appendix for a reconciliation to nearest GAAP metric.

**8x8, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

	FY2022	FY2023				FY2024				FY2022	FY2023	FY2024
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4 YTD	Q4 YTD	Q4 YTD
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	March 31, 2022	March 31, 2023	March 31, 2024
Service revenue	\$ 172,789	\$ 179,161	\$ 178,556	\$ 175,765	\$ 176,562	\$ 175,238	\$ 177,782	\$ 175,069	\$ 172,490	\$ 602,357	\$ 710,044	\$ 700,579
Other revenue	8,583	8,459	8,833	8,635	7,967	8,049	7,217	5,937	6,923	35,773	33,894	28,126
Total revenue	181,372	187,620	187,389	184,400	184,529	183,287	184,999	181,006	179,413	638,130	743,938	728,705
Cost of service revenue	53,938	53,547	51,038	47,335	46,951	46,276	49,144	48,983	48,557	195,909	198,871	192,960
Cost of other revenue	14,563	13,126	11,000	10,176	8,302	8,398	7,958	7,177	8,412	51,649	42,604	31,945
Total cost of revenue	68,501	66,673	62,038	57,511	55,253	54,674	57,102	56,160	56,969	247,558	241,475	224,905
Gross profit	112,871	120,947	125,351	126,889	129,276	128,613	127,897	124,846	122,444	390,572	502,463	503,800
Operating expenses:												
Research and development	30,586	34,955	36,019	35,062	36,455	35,292	34,207	32,787	33,930	112,387	142,491	136,216
Sales and marketing	84,785	83,527	80,487	79,021	68,848	68,505	68,687	66,997	67,755	314,223	311,883	271,944
General and administrative	38,039	29,219	31,411	27,158	20,213	26,226	27,586	23,419	34,978	118,103	108,001	112,209
Impairment of long-lived assets	—	—	2,424	3,729	227	—	—	11,034	—	—	6,380	11,034
Total operating expenses	153,410	147,701	150,341	144,970	125,743	130,023	130,480	134,237	136,663	544,713	568,755	531,403
Loss from operations	(40,539)	(26,754)	(24,990)	(18,081)	3,533	(1,410)	(2,583)	(9,391)	(14,219)	(154,141)	(66,292)	(27,603)
Other expense, net	(6,006)	1,116	13,950	(7,912)	(11,198)	(12,473)	(5,258)	(11,310)	(7,306)	(21,629)	(4,044)	(36,347)
Loss before provision (benefit) for income taxes	(46,545)	(25,638)	(11,040)	(25,993)	(7,665)	(13,883)	(7,841)	(20,701)	(21,525)	(175,770)	(70,336)	(63,950)
Provision (benefit) for income taxes	(962)	405	599	37	1,766	1,444	(389)	521	2,066	(387)	2,807	3,642
Net loss	\$ (45,583)	\$ (26,043)	\$ (11,639)	\$ (26,030)	\$ (9,431)	\$ (15,327)	\$ (7,452)	\$ (21,222)	\$ (23,591)	\$ (175,383)	\$ (73,143)	\$ (67,592)
Net loss per share:												
Basic and diluted	\$ (0.39)	\$ (0.22)	\$ (0.10)	\$ (0.23)	\$ (0.08)	\$ (0.13)	\$ (0.06)	\$ (0.17)	\$ (0.19)	\$ (1.55)	\$ (0.63)	\$ (0.56)
Weighted average number of shares:												
Basic and diluted	117,613	119,721	116,013	113,201	114,924	116,777	120,757	122,556	124,324	113,354	115,959	121,106
Interest expense	\$ (879)	\$ (625)	\$ (4,883)	\$ (7,607)	\$ (9,906)	\$ (8,970)	\$ (8,929)	\$ (8,878)	\$ (8,575)	\$ (2,271)	\$ (23,020)	\$ (35,352)
Amortization of debt discount and issuance costs	(6,623)	(831)	(1,169)	(1,136)	(1,118)	(1,108)	(1,132)	(1,157)	(1,075)	(20,404)	(4,254)	(4,472)
Gain (loss) on warrants remeasurement	—	—	1,293	(771)	(104)	(250)	2,781	(1,297)	942	—	417	2,176
Gain (loss) on debt extinguishment	—	—	16,106	2,144	296	(1,766)	—	—	—	—	18,545	(1,766)
Gain (loss) on sale of assets	(63)	—	—	1,757	(5)	—	—	—	(179)	(68)	1,821	(179)
Gain (loss) on foreign exchange	1,655	2,475	2,124	(2,616)	(991)	(804)	1,565	(1,841)	48	908	993	(1,032)
Other income	(96)	97	479	317	630	425	457	1,863	1,533	206	1,454	4,278
Other expense, net	\$ (6,006)	\$ 1,116	\$ 13,950	\$ (7,912)	\$ (11,198)	\$ (12,473)	\$ (5,258)	\$ (11,310)	\$ (7,306)	\$ (21,629)	\$ (4,044)	\$ (36,347)
Net loss	\$ (45,583)	\$ (26,043)	\$ (11,639)	\$ (26,030)	\$ (9,431)	\$ (15,327)	\$ (7,452)	\$ (21,222)	\$ (23,591)	\$ (175,383)	\$ (73,143)	\$ (67,592)
Other comprehensive income (loss), net of tax												
Unrealized gain (loss) on investments in securities	(460)	(94)	(5)	(31)	(54)	290	7	(16)	(1)	(571)	(184)	280
Foreign currency translation adjustment	(2,178)	(8,384)	(8,548)	10,244	1,858	1,441	(4,320)	5,987	(2,015)	(3,149)	(4,830)	1,094
Comprehensive loss	\$ (48,221)	\$ (34,521)	\$ (20,192)	\$ (15,817)	\$ (7,627)	\$ (13,596)	\$ (11,765)	\$ (15,251)	\$ (25,607)	\$ (179,103)	\$ (78,157)	\$ (66,218)

**8x8 Inc.**  
**Consolidated Balance Sheets**

	FY2022					FY2023					FY2024			
	Q4	Q1		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	
<b>ASSETS</b>														
Current assets:														
Cash and cash equivalents	\$ 91,205	\$ 92,686	\$ 100,512	\$ 92,960	\$ 111,400	\$ 122,229	\$ 144,030	\$ 168,513	\$ 116,262					
Restricted cash, current	8,691	590	511	511	511	165	521	356	356					
Short-term investments	44,845	48,945	30,411	37,445	26,228	15,946	4,744	1,035	1,048					
Accounts receivable, net	57,400	55,441	58,345	53,811	62,307	64,951	61,063	63,042	58,979					
Deferred sales commission costs, current	35,482	36,510	36,350	37,401	38,048	38,247	37,610	36,996	35,933					
Other current assets	37,999	38,545	37,537	32,449	34,630	32,930	33,967	32,528	35,258					
Total current assets	275,622	272,717	263,666	254,577	273,124	274,468	281,935	302,470	247,836					
Property and equipment, net	79,016	73,876	68,717	60,915	57,871	54,538	53,508	55,661	53,181					
Operating lease, right-of-use assets	63,415	59,859	54,201	55,269	52,444	50,438	50,396	38,546	35,924					
Intangible assets, net	128,213	122,737	117,490	112,236	107,112	102,013	96,914	91,816	86,717					
Goodwill	266,867	265,029	262,393	265,578	266,863	266,386	265,732	267,453	266,574					
Restricted cash, non-current	818	818	818	818	818	818	462	462	105					
Long-term investments	2,671	—	—	—	—	—	—	—	—					
Deferred sales commission costs, non-current	75,668	76,083	71,647	70,530	67,644	64,699	60,440	56,317	52,859					
Other assets, non-current	17,978	18,028	17,009	16,184	15,934	15,103	14,336	13,993	12,783					
<b>Total assets</b>	<b>\$ 910,268</b>	<b>\$ 889,147</b>	<b>\$ 855,941</b>	<b>\$ 836,107</b>	<b>\$ 841,810</b>	<b>\$ 828,463</b>	<b>\$ 823,723</b>	<b>\$ 826,718</b>	<b>\$ 755,979</b>					
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>														
Current liabilities:														
Accounts payable	\$ 49,721	\$ 42,584	\$ 43,844	\$ 40,632	\$ 46,802	\$ 42,537	\$ 49,391	\$ 49,493	\$ 48,862					
Accrued and other liabilities	92,059	84,344	81,633	77,393	73,740	78,862	71,700	73,232	78,102					
Operating lease liabilities, current	15,485	14,424	12,648	12,537	11,504	11,469	11,623	11,763	11,295					
Deferred revenue, current	34,262	34,064	30,860	34,207	34,909	40,410	33,223	32,778	34,325					
Convertible senior notes, current	—	—	—	—	62,932	63,039	63,153	63,260	—					
Total current liabilities	191,527	175,416	168,985	164,769	229,887	236,317	229,090	230,526	172,584					
Operating lease liabilities, non-current	74,518	71,806	68,437	68,358	65,623	62,850	61,926	59,417	56,647					
Deferred revenue, non-current	11,430	11,023	10,465	10,480	10,615	10,618	10,231	10,128	7,810					
Convertible senior notes, non-current	447,452	494,444	286,682	264,443	196,821	197,048	197,303	197,561	197,796					
Term loan	—	—	230,049	231,202	231,993	209,534	210,303	211,092	211,894					
Other liabilities, non-current	2,975	2,936	6,541	6,828	6,965	7,227	4,460	8,322	7,290					
Total liabilities	727,902	755,625	771,159	746,080	741,904	723,594	713,313	717,046	654,021					
Commitments and contingencies (Note 6)														
Stockholders' equity:														
Preferred stock: \$0.001 par value, 5,000,000 shares authorized, none issued and outstanding at both March 31, 2024 and 2023	—	—	—	—	—	—	—	—	—					
Common stock: \$0.001 par value, 300,000,000 shares authorized, and 114,659,255 shares issued and outstanding at March 31, 2024 and 2023, respectively	118	120	111	113	115	119	122	123	125					
Additional paid-in capital	956,599	895,602	867,063	888,123	905,635	924,190	941,493	956,005	973,895					
Accumulated other comprehensive loss	(7,913)	(16,391)	(24,944)	(14,731)	(12,927)	(11,196)	(15,509)	(9,538)	(11,553)					
Accumulated deficit	(766,438)	(745,809)	(757,448)	(783,478)	(792,917)	(808,244)	(815,696)	(836,918)	(860,509)					
Total stockholders' equity	182,366	133,522	84,782	90,027	99,906	104,869	110,410	109,672	101,958					
<b>Total liabilities and stockholders' equity</b>	<b>\$ 910,268</b>	<b>\$ 889,147</b>	<b>\$ 855,941</b>	<b>\$ 836,107</b>	<b>\$ 841,810</b>	<b>\$ 828,463</b>	<b>\$ 823,723</b>	<b>\$ 826,718</b>	<b>\$ 755,979</b>					

**8X8 INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Fiscal Year	Fiscal Year	Fiscal Year 2024				
	2022	2023	Three Months		Three Months	Three Months	Year Ended
	Year Ended	Year Ended	Ended	Ended	Ended	Ended	March 31,
	March 31,	March 31,	June 30,	September 30,	December 31,	March 31,	March 31,
	Q4 YTD FY22	Q4 YTD FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q4 YTD FY24
	2022	2023	2023	2023	2023	2024	2024
<b>Cash flows from operating activities:</b>							
Net loss	\$ (175,383)	\$ (73,143)	\$ (15,327)	\$ (7,452)	\$ (21,222)	\$ (23,591)	\$ (67,592)
Adjustments to reconcile net loss to net cash provided by operating activities:							
Depreciation	11,374	10,464	2,126	1,964	2,043	2,168	8,301
Amortization of intangible assets	8,317	21,078	5,099	5,099	5,098	5,099	20,395
Amortization of capitalized internal-use software costs	28,863	20,739	5,282	4,779	4,357	4,068	18,486
Impairment of capitalized software	—	3,729	—	—	—	—	—
Amortization of debt discount and issuance costs	20,404	4,254	1,109	1,131	1,157	1,075	4,472
Amortization of deferred sales commission costs	34,701	38,195	10,019	10,080	10,051	10,031	40,181
Allowance for credit losses	1,974	1,892	490	503	670	573	2,236
Operating lease expense, net of accretion	13,482	12,030	2,507	2,602	2,948	2,877	10,934
Impairment of right-of-use assets	—	2,651	—	—	11,034	—	11,034
Stock-based compensation expense	133,331	89,536	18,195	14,522	14,118	15,075	61,910
Loss (gain) on debt extinguishment	—	(18,545)	1,766	—	—	—	1,766
Loss (gain) on remeasurement of warrants	—	(417)	250	(2,781)	1,297	(942)	(2,176)
Gain on sale of assets	—	(1,821)	—	—	—	179	179
Other	3,726	101	(184)	236	(622)	1,250	680
Changes in assets and liabilities:							
Accounts receivable, net	6,867	(8,450)	(3,397)	3,696	(2,487)	2,941	753
Deferred sales commission costs	(44,224)	(31,086)	(7,209)	(4,859)	(5,027)	(5,784)	(22,879)
Other current and non-current assets	(4,022)	2,150	2,327	(3,633)	720	(1,762)	(2,348)
Accounts payable and accruals	(8,740)	(24,403)	(2,084)	(850)	(1,537)	289	(4,182)
Deferred revenue	4,010	(168)	5,504	(7,574)	(202)	(893)	(3,165)
<b>Net cash provided by operating activities</b>	<b>34,680</b>	<b>48,786</b>	<b>26,473</b>	<b>17,463</b>	<b>22,396</b>	<b>12,653</b>	<b>78,985</b>
<b>Cash flows from investing activities:</b>							
Purchases of property and equipment	(4,137)	(2,991)	(186)	(1,372)	(783)	(309)	(2,650)
Proceeds from sale of intangible assets	—	1,000	—	—	—	—	—
Capitalized internal-use software costs	(20,370)	(11,896)	(3,488)	(3,954)	(3,471)	(3,376)	(14,289)
Purchases of investments	(83,383)	(53,308)	(3,093)	(3,081)	—	—	(6,174)
Sales of investments	13,299	8,296	—	—	—	—	—
Maturities of investments	60,023	66,199	13,559	14,350	3,750	—	31,659
Acquisition of businesses, net of cash acquired	(125,410)	(1,250)	—	—	—	—	—
<b>Net cash provided by (used in) investing activities</b>	<b>(159,978)</b>	<b>6,050</b>	<b>6,792</b>	<b>5,943</b>	<b>(504)</b>	<b>(3,685)</b>	<b>8,546</b>
<b>Cash flows from financing activities:</b>							
Finance lease payments	(15)	—	—	—	—	—	—
Tax-related withholding of common stock	(310)	—	—	—	—	—	—
Proceeds from issuance of common stock under employee stock plans	16,107	4,679	—	2,365	—	2,519	4,884
Repurchase of capped calls	—	244	—	—	—	—	—
Repayment of principal on term loan	—	—	(25,000)	—	—	—	(25,000)
Net proceeds from term loan	—	234,806	—	—	—	—	—
Repayment and exchange of convertible senior notes	—	(217,299)	—	—	—	(63,295)	(63,295)
Proceeds from issuance of convertible notes	134,619	—	—	—	—	—	—
Repurchase of common stock	(44,976)	(60,214)	—	—	—	—	—
<b>Net cash provided by (used in) financing activities</b>	<b>105,425</b>	<b>(37,784)</b>	<b>(25,000)</b>	<b>2,365</b>	<b>—</b>	<b>(60,776)</b>	<b>(83,411)</b>
Effect of exchange rate changes on cash	(585)	(5,037)	2,218	(3,970)	2,426	(800)	(126)
Net increase (decrease) in cash and cash equivalents	(20,458)	12,015	10,483	21,801	24,318	(52,608)	3,994
Cash, cash equivalents and restricted cash, beginning of year	121,172	100,714	112,729	123,212	145,013	169,331	112,729
<b>Cash, cash equivalents and restricted cash, end of year</b>	<b>100,714</b>	<b>112,729</b>	<b>123,212</b>	<b>145,013</b>	<b>169,331</b>	<b>116,723</b>	<b>116,723</b>
<b>Supplemental and non-cash disclosures:</b>							
Interest paid	2,156	22,162	4,919	12,880	6,864	10,911	35,574
Income taxes paid	1,320	1,530	336	2,782	2,326	530	5,974
Payables for property and equipment	88	38	37	—	3,861	3,868	3,868
Warrants issued in connection with term loan	—	5,915	—	—	—	—	—
Shares issued in connection with term loan and convertible senior notes	—	5,084	—	—	—	—	—
Issuance of 2028 convertible senior notes in exchange of 2024 convertible senior notes	—	201,914	—	—	—	—	—
Right-of-use assets acquired in connection with Fuse acquisition	7,261	—	—	—	—	—	—
Shares consideration in connection with Fuze acquisition	80,856	—	—	—	—	—	—

8x8 INC

Non-GAAP Reconciliations and Income Statement

	FY22					FY23				FY24				FY22	FY23	FY24
	Q4	FY23			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YTD	YTD	YTD
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	March 31, 2022	March 31, 2023	March 31, 2024
<b>Reconciliation of GAAP to Non-GAAP Financial Measures:</b>																
<b>Cost of Revenue:</b>																
GAAP cost of service revenue (as a percentage of service revenue)	\$ 53,938	\$ 53,547	\$ 51,038	\$ 47,335	\$ 46,951	\$ 46,276	\$ 49,144	\$ 48,983	\$ 48,557	\$ 195,909	\$ 198,871	\$ 192,960				
Amortization of acquired intangible assets	(2,159)	(2,369)	(2,140)	(2,125)	(2,118)	(2,118)	(2,118)	(2,118)	(2,115)	(5,127)	(8,752)	(8,469)				
Stock-based compensation expense and related employer payroll taxes	(2,252)	(2,696)	(2,457)	(2,148)	(2,031)	(2,224)	(1,743)	(1,694)	(1,767)	(9,163)	(9,332)	(7,428)				
Acquisition and integration costs	—	—	—	—	—	—	—	—	—	—	—	—				
Legal and regulatory costs	—	—	—	(85)	—	—	—	—	—	—	(85)	—				
Severance, transition and contract exit costs	(1,459)	(897)	(281)	(348)	736	(206)	(82)	(444)	(180)	(1,611)	(790)	(912)				
Non-GAAP cost of service revenue (as a percentage of service revenue)	\$ 48,068	\$ 47,585	\$ 46,160	\$ 42,629	\$ 43,538	\$ 41,728	\$ 45,201	\$ 44,727	\$ 44,495	\$ 180,008	\$ 179,912	\$ 176,151				
GAAP service revenue margin (as a percentage of service revenue)	\$ 118,851	\$ 125,614	\$ 127,518	\$ 128,430	\$ 129,611	\$ 126,094	\$ 128,799	\$ 126,086	\$ 123,933	\$ 406,448	\$ 511,173	\$ 507,619				
Non-GAAP service revenue margin (as a percentage of service revenue)	\$ 124,721	\$ 131,576	\$ 132,396	\$ 133,136	\$ 133,024	\$ 133,510	\$ 132,581	\$ 130,342	\$ 127,995	\$ 422,349	\$ 530,132	\$ 524,428				
<b>Cost of Other Revenue:</b>																
GAAP cost of other revenue (as a percentage of other revenue)	\$ 14,563	\$ 13,126	\$ 11,000	\$ 10,176	\$ 8,302	\$ 8,398	\$ 7,958	\$ 7,177	\$ 8,412	\$ 51,649	\$ 42,604	\$ 31,945				
Stock-based compensation expense and related employer payroll taxes	(1,253)	(1,147)	(937)	(902)	(634)	(651)	(468)	(459)	(442)	(5,046)	(3,620)	(2,020)				
Acquisition and integration costs	—	—	—	—	—	—	—	—	—	—	—	—				
Legal and regulatory costs	—	—	—	—	—	—	—	—	—	—	—	—				
Severance, transition and contract exit costs	(896)	(533)	(244)	(517)	(389)	(22)	(28)	(74)	(31)	(998)	(1,683)	(155)				
Non-GAAP cost of other revenue (as a percentage of other revenue)	\$ 12,414	\$ 11,446	\$ 9,819	\$ 8,757	\$ 7,279	\$ 7,725	\$ 7,462	\$ 6,644	\$ 7,939	\$ 45,605	\$ 37,301	\$ 29,770				
GAAP other revenue margin (as a percentage of other revenue)	\$ (6,980)	\$ (4,667)	\$ (2,167)	\$ (1,541)	\$ (335)	\$ (349)	\$ (741)	\$ (1,240)	\$ (1,489)	\$ (15,876)	\$ (8,710)	\$ (3,819)				
Non-GAAP other revenue margin (as a percentage of other revenue)	\$ (3,831)	\$ (2,987)	\$ (986)	\$ (122)	\$ 688	\$ 324	\$ (245)	\$ (707)	\$ (1,016)	\$ (9,832)	\$ (3,407)	\$ (1,644)				
<b>Gross Margin:</b>																
GAAP gross margin (as a percentage of total revenue)	\$ 112,871	\$ 120,947	\$ 125,351	\$ 126,889	\$ 129,276	\$ 125,745	\$ 128,058	\$ 124,846	\$ 122,444	\$ 390,572	\$ 502,463	\$ 503,800				
Non-GAAP gross margin (as a percentage of total revenue)	\$ 120,890	\$ 128,589	\$ 131,410	\$ 133,014	\$ 133,712	\$ 133,834	\$ 132,336	\$ 129,635	\$ 126,979	\$ 412,517	\$ 526,725	\$ 522,784				
<b>Operating Expenses:</b>																
GAAP research and development (as a percentage of total revenue)	\$ 30,586	\$ 34,955	\$ 36,019	\$ 35,062	\$ 36,455	\$ 35,292	\$ 34,207	\$ 32,787	\$ 33,930	\$ 112,387	\$ 142,491	\$ 136,216				
Stock-based compensation expense and related employer payroll taxes	(6,243)	(8,193)	(7,773)	(7,183)	(6,789)	(7,438)	(5,345)	(5,190)	(5,469)	(34,113)	(29,938)	(23,442)				
Acquisition and integration costs	—	—	—	—	—	(213)	115	—	—	—	—	(98)				
Legal and regulatory costs	—	—	—	—	—	—	—	—	—	—	—	—				
Severance, transition and contract exit costs	(827)	(37)	(107)	(1,167)	(1,310)	(311)	(902)	(585)	(313)	(1,054)	(2,621)	(2,111)				
Non-GAAP research and development (as a percentage of total revenue)	\$ 23,516	\$ 26,725	\$ 28,139	\$ 26,712	\$ 28,356	\$ 27,330	\$ 28,075	\$ 27,012	\$ 28,148	\$ 77,220	\$ 109,932	\$ 110,565				
Sales and marketing (as a percentage of revenue)	\$ 84,785	\$ 83,527	\$ 80,487	\$ 79,021	\$ 68,848	\$ 68,505	\$ 68,687	\$ 66,997	\$ 67,755	\$ 314,223	\$ 311,883	\$ 271,944				
Amortization of acquired intangible assets	(2,529)	(3,106)	(3,107)	(3,106)	(3,007)	(2,982)	(2,982)	(2,982)	(2,980)	(3,190)	(12,326)	(11,926)				
Stock-based compensation expense and related employer payroll taxes	(8,917)	(8,280)	(6,883)	(6,653)	(3,536)	(5,254)	(4,176)	(3,894)	(3,400)	(49,060)	(25,352)	(16,724)				
Acquisition and integration costs	—	—	—	—	1,105	—	—	—	—	—	1,105	—				
Legal and regulatory cost	—	—	—	—	—	—	—	—	—	—	—	—				
Severance, transition and contract exit costs	(2,081)	(391)	(330)	(2,351)	(3,974)	(169)	(234)	(342)	(1,720)	(3,315)	(7,046)	(2,465)				
Non-GAAP sales and marketing (as a percentage of total revenue)	\$ 71,258	\$ 71,750	\$ 70,167	\$ 66,911	\$ 59,436	\$ 60,100	\$ 61,295	\$ 59,779	\$ 59,655	\$ 258,658	\$ 268,264	\$ 240,829				
GAAP general and administrative (as a percentage of total revenue)	\$ 38,039	\$ 29,219	\$ 31,411	\$ 27,158	\$ 20,213	\$ 26,226	\$ 27,586	\$ 23,419	\$ 34,978	\$ 118,103	\$ 108,001	\$ 112,209				
Stock-based compensation expense and related employer payroll taxes	(9,324)	(7,923)	(6,763)	(4,354)	(3,352)	(4,108)	(3,695)	(3,653)	(4,787)	(40,844)	(22,392)	(16,243)				
Acquisition and integration costs	(4,194)	(624)	(1,554)	(555)	6,181	(130)	(422)	(102)	(145)	(9,717)	3,448	(799)				
Legal and regulatory cost	177	62	207	(57)	(898)	(1,468)	(3,879)	(98)	(10,072)	2,722	(686)	(15,517)				
Severance, transition and related exit costs	(2,757)	(755)	730	(1,130)	(1,044)	(546)	(388)	(978)	(1,074)	(4,213)	(2,199)	(2,986)				
Non-GAAP general and administrative (as a percentage of total revenue)	\$ 21,941	\$ 19,979	\$ 24,031	\$ 21,062	\$ 21,100	\$ 19,974	\$ 19,202	\$ 18,588	\$ 18,900	\$ 66,051	\$ 86,172	\$ 76,664				
GAAP Operating Expenses (as a percentage of total revenue)	\$ 153,410	\$ 147,701	\$ 147,917	\$ 141,241	\$ 125,516	\$ 130,023	\$ 130,480	\$ 123,203	\$ 136,663	\$ 544,713	\$ 562,375	\$ 520,369				
Non-GAAP Operating Expenses (as a percentage of total revenue)	\$ 116,715	\$ 118,454	\$ 122,337	\$ 114,685	\$ 108,892	\$ 107,404	\$ 108,572	\$ 105,379	\$ 106,703	\$ 401,929	\$ 464,368	\$ 428,058				
<b>Operating Margin:</b>																
GAAP Operating Margin (as a percentage of total revenue)	\$ 153,410	\$ 147,701	\$ 147,917	\$ 141,241	\$ 125,516	\$ 130,023	\$ 130,480	\$ 123,203	\$ 136,663	\$ 544,713	\$ 562,375	\$ 520,369				
Amortization of acquired intangible assets	(2,529)	(3,106)	(3,107)	(3,106)	(3,007)	(2,982)	(2,982)	(2,982)	(2,980)	(3,190)	(12,326)	(11,926)				
Stock-based compensation expense and related employer payroll taxes	(24,484)	(24,396)	(21,419)	(18,190)	(13,677)	(16,800)	(13,216)	(12,737)	(13,656)	(124,017)	(77,682)	(56,409)				
Acquisition and integration costs	(4,194)	(624)	(1,554)	(555)	7,286	(343)	(307)	(102)	(145)	(9,717)	4,553	(897)				
Legal and regulatory cost	177	62	207	(57)	(898)	(1,468)	(3,879)	(98)	(10,072)	2,722	(686)	(15,517)				
Severance, transition and contract exit costs	(5,665)	(1,183)	293	(4,648)	(6,328)	(1,026)	(1,524)	(1,905)	(3,107)	(8,582)	(11,866)	(7,562)				
Non-GAAP Operating Margin (as a percentage of total revenue)	\$ 116,715	\$ 118,454	\$ 122,337	\$ 114,685	\$ 108,892	\$ 107,404	\$ 108,572	\$ 105,379	\$ 106,703	\$ 401,929	\$ 464,368	\$ 428,058				



**8x8 INC**  
**Non-GAAP Reconciliations and Income Statement**

	FY22	FY23				FY24				FY22	FY23	FY24
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YTD	YTD	YTD
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	March 31, 2022	March 31, 2023	March 31, 2024
<b>Operating Profit (Loss):</b>												
GAAP loss from operations (as a percentage of total revenue)	\$ (40,539)	\$ (26,754)	\$ (24,990)	\$ (18,081)	\$ 3,533	\$ (1,410)	\$ (2,583)	\$ (9,391)	\$ (14,219)	\$ (154,141)	\$ (66,292)	\$ (27,603)
Amortization of acquired intangible assets	4,688	5,475	5,247	5,231	5,125	5,100	5,100	5,100	5,095	8,317	21,078	20,395
Stock-based compensation expense and related employer payroll taxes	27,989	28,239	24,813	21,240	16,342	19,675	15,427	14,890	15,865	138,226	90,634	65,857
Acquisition and integration costs	4,194	624	1,554	555	(7,286)	343	307	102	145	9,717	(4,553)	897
Legal and regulatory costs	(177)	(62)	(207)	142	898	1,468	3,879	98	10,072	(2,722)	771	15,517
Severance, transition and contract exit costs	8,020	2,613	232	5,513	5,981	1,254	1,634	2,423	3,318	11,191	14,339	8,629
Impairment of long-lived assets	—	—	2,424	3,729	227	—	—	11,034	—	—	6,380	11,034
Non-GAAP operating profit (as a percentage of total revenue)	\$ 4,175	\$ 10,135	\$ 9,073	\$ 18,329	\$ 24,820	\$ 26,430	\$ 23,764	\$ 24,256	\$ 20,276	\$ 10,588	\$ 62,357	\$ 94,726
<b>Reconciliation of GAAP to Non-GAAP Financial Measures (continued):</b>												
<b>Other Income (Expenses):</b>												
GAAP other income (expense), net (as a percentage of total revenue)	\$ (6,006)	\$ 1,116	\$ 13,950	\$ (7,912)	\$ (11,198)	\$ (12,473)	\$ (5,258)	\$ (11,310)	\$ (7,306)	\$ (21,629)	\$ (4,044)	\$ (36,347)
Legal and regulatory costs	—	—	—	—	—	—	—	—	(550)	—	—	(550)
Amortization of debt discount and issuance cost	6,628	831	1,169	1,136	1,118	1,108	1,132	1,157	1,075	20,404	4,254	4,472
(Gain) loss on debt extinguishment	—	—	(16,106)	(2,144)	(295)	1,766	—	—	—	—	(18,545)	1,766
(Gain) loss on warrants remeasurement	—	—	(1,293)	771	105	250	(2,781)	1,297	(942)	—	(417)	(2,176)
(Loss) gain on sale of assets	—	—	—	(1,757)	5	—	—	—	179	—	(1,821)	179
Other income	(116)	(116)	(116)	(116)	(116)	(117)	(117)	(120)	(110)	(387)	(464)	(464)
Non-GAAP other income and expense (as a percentage of total revenue)	\$ 506	\$ 1,831	\$ (2,396)	\$ (10,022)	\$ (10,381)	\$ (9,466)	\$ (7,024)	\$ (8,976)	\$ (7,654)	\$ (1,612)	\$ (21,037)	\$ (33,120)
<b>Net Income (Loss):</b>												
GAAP net loss (as a percentage of total revenue)	\$ (45,583)	\$ (26,043)	\$ (11,639)	\$ (26,030)	\$ (9,431)	\$ (15,327)	\$ (7,452)	\$ (21,222)	\$ (23,591)	\$ (175,383)	\$ (73,143)	\$ (67,592)
Amortization of acquired intangible assets	4,688	5,475	5,247	5,231	5,125	5,100	5,100	5,100	5,095	8,317	21,078	20,395
Stock-based compensation expense and related employer payroll taxes	27,989	28,239	24,813	21,240	16,342	19,675	15,427	14,890	15,865	138,226	90,634	65,857
Acquisition and integration costs	4,194	624	1,554	555	(7,286)	343	307	102	145	9,717	(4,553)	897
Legal and regulatory costs	(177)	(62)	(207)	142	898	1,468	3,879	98	9,522	(2,722)	771	14,967
Severance, transition and contract exit costs	8,020	2,613	232	5,513	5,981	1,254	1,634	2,423	3,318	11,191	14,339	8,629
Impairment of long-lived assets	—	—	2,424	3,729	227	—	—	11,034	—	—	6,380	11,034
Amortization of debt discount and issuance cost	6,628	831	1,169	1,136	1,118	1,108	1,132	1,157	1,075	20,404	4,254	4,472
(Gain) loss on debt extinguishment	—	—	(16,106)	(2,144)	(295)	1,766	—	—	—	—	(18,545)	1,766
(Gain) loss on warrants remeasurement	—	—	(1,293)	771	105	250	(2,781)	1,297	(942)	—	(417)	(2,176)
(Loss) gain on sale of assets	—	—	—	(1,757)	5	—	—	—	179	—	(1,821)	179
Other income	(116)	(116)	(116)	(116)	(116)	(117)	(117)	(120)	(110)	(387)	(464)	(464)
Income tax expense effects, net	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP net income (as a percentage of total revenue)	\$ 5,643	\$ 11,561	\$ 6,078	\$ 8,270	\$ 12,673	\$ 15,520	\$ 17,129	\$ 14,759	\$ 10,556	\$ 9,363	\$ 38,513	\$ 57,964
Interest expense	879	625	4,883	7,607	9,906	8,970	8,929	8,878	8,575	2,271	23,020	35,352
Provision for income taxes	(962)	405	599	37	1,766	1,444	(389)	521	2,066	(387)	2,807	3,642
Depreciation	2,886	2,789	2,834	2,432	2,409	2,126	1,964	2,043	2,168	11,374	10,464	8,301
Amortization of capitalized internal-use software costs	6,895	5,964	5,529	4,904	4,341	5,282	4,779	4,358	4,067	28,863	20,739	18,486
Other expense (income), net	(1,443)	(2,456)	(2,487)	2,415	477	496	(1,905)	98	(1,471)	(727)	(1,983)	(2,782)
Adjusted EBITDA (as a percentage of total revenue)	\$ 13,898	\$ 18,888	\$ 17,436	\$ 25,665	\$ 31,572	\$ 33,838	\$ 30,507	\$ 30,657	\$ 25,961	\$ 50,757	\$ 93,560	\$ 120,963
Shares used in computing net loss per share amounts:												
Basic	117,613	119,721	116,013	113,201	114,924	116,777	120,757	122,556	124,324	113,354	115,959	121,106
Diluted	118,556	121,756	116,186	113,711	117,442	118,445	122,624	124,253	125,962	116,982	117,443	122,560
GAAP net loss per share - Basic and Diluted	(0.39)	(0.22)	(0.10)	(0.23)	(0.08)	(0.13)	(0.06)	(0.17)	(0.19)	(1.55)	(0.63)	(0.56)
Non-GAAP net income per share - Basic	0.05	0.10	0.05	0.07	0.11	0.13	0.14	0.12	0.08	0.08	0.33	0.48
Non-GAAP net income per share - Diluted	0.05	0.09	0.05	0.07	0.11	0.13	0.14	0.12	0.08	0.08	0.33	0.47

**8x8 INC**  
**Non-GAAP Reconciliations and Income Statement**

	FY22	FY23				FY24				FY22	FY23	FY24
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YTD	YTD	YTD
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	March 31, 2022	March 31, 2023	March 31, 2024
<b>Non-GAAP Income Statement</b>												
Service revenue	\$ 172,789	\$ 179,161	\$ 178,556	\$ 175,765	\$ 176,562	\$ 175,238	\$ 177,782	\$ 175,069	\$ 172,490	\$ 602,357	\$ 710,044	\$ 700,579
Other revenue	8,583	8,459	8,833	8,635	7,967	8,049	7,217	5,937	6,923	35,773	33,894	28,126
Total revenue	181,372	187,620	187,389	184,400	184,529	183,287	184,999	181,006	179,413	638,130	743,938	728,705
Cost of service revenue	48,068	47,585	46,160	42,629	43,538	41,728	45,201	44,727	44,495	180,008	179,912	176,151
Cost of other revenue	12,414	11,446	9,819	8,757	7,279	7,725	7,462	6,644	7,939	45,605	37,301	29,770
Total cost of revenue	60,482	59,031	55,979	51,386	50,817	49,453	52,663	51,371	52,434	225,613	217,213	205,921
Gross profit	120,890	128,589	131,410	133,014	133,712	133,834	132,336	129,635	126,979	412,517	526,725	522,784
Operating expenses:												
Research and development	23,516	26,725	28,139	26,712	28,356	27,330	28,075	27,012	28,148	77,220	109,932	110,565
Sales and marketing	71,258	71,750	70,167	66,911	59,436	60,100	61,295	59,779	59,655	258,658	268,264	240,829
General and administrative	21,941	19,979	24,031	21,062	21,100	19,974	19,202	18,588	18,900	66,051	86,172	76,664
Impairment of long-lived assets	—	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	116,715	118,454	122,337	114,685	108,892	107,404	108,572	105,379	106,703	401,929	464,368	428,058
Loss from operations	4,175	10,135	9,073	18,329	24,820	26,430	23,764	24,256	20,276	10,588	62,357	94,726
Other expense, net	506	1,831	(2,396)	(10,022)	(10,381)	(9,466)	(7,024)	(8,976)	(7,654)	(1,612)	(21,037)	(33,120)
Loss before provision (benefit) for income taxes	4,681	11,966	6,677	8,307	14,439	16,964	16,740	15,280	12,622	8,976	41,320	61,606
Provision (benefit) for income taxes	(962)	405	599	37	1,766	1,444	(389)	521	2,066	(387)	2,807	3,642
Net loss	\$ 5,643	\$ 11,561	\$ 6,078	\$ 8,270	\$ 12,673	\$ 15,520	\$ 17,129	\$ 14,759	\$ 10,556	\$ 9,363	\$ 38,513	\$ 57,964
Net income (loss) per share:												
Basic	0.05	0.10	0.05	0.07	0.11	0.13	0.14	0.12	0.08	0.08	0.33	0.48
Diluted	0.05	0.09	0.05	0.07	0.11	0.13	0.14	0.12	0.08	0.08	0.33	0.47
Shares used in computing net loss per share amounts:												
Basic	117,613	119,721	116,013	113,201	114,924	116,777	120,757	122,556	124,324	113,354	115,959	121,106
Diluted	118,556	121,756	116,186	113,711	117,442	118,445	122,624	124,253	125,962	116,982	117,443	122,560

**8x8 INC.**  
**SELECTED OPERATING METRICS**

	Fiscal 2022	Fiscal 2023				Fiscal 2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL ARR <sup>(1)</sup></b>	<b>\$687</b>	<b>\$688</b>	<b>\$692</b>	<b>\$698</b>	<b>\$703</b>	<b>\$703</b>	<b>\$707</b>	<b>\$707</b>	<b>\$697</b>
Growth % (YoY)	33 %	28 %	25 %	22 %	2 %	2 %	2 %	1 %	(1)%
<b>ARR BY CUSTOMER SIZE</b>									
<b>ENTERPRISE <sup>(2)</sup></b>	<b>\$393</b>	<b>\$403</b>	<b>\$401</b>	<b>\$400</b>	<b>\$405</b>	<b>\$404</b>	<b>\$407</b>	<b>\$409</b>	<b>\$402</b>
% of Total ARR	57 %	59 %	58 %	57 %	58 %	58 %	58 %	58 %	58 %
Growth % (YoY)	55 %	54 %	42 %	30 %	3 %	0 %	1 %	2 %	(1)%
<b>MID-MARKET <sup>(3)</sup></b>	<b>\$128</b>	<b>\$125</b>	<b>\$127</b>	<b>\$130</b>	<b>\$130</b>	<b>\$132</b>	<b>\$131</b>	<b>\$129</b>	<b>\$127</b>
% of Total ARR	19 %	18 %	18 %	19 %	19 %	19 %	19 %	18 %	18 %
Growth % (YoY)	31 %	22 %	23 %	27 %	2 %	5 %	3 %	(1)%	(2)%
<b>SMALL BUSINESS <sup>(4)</sup></b>	<b>\$166</b>	<b>\$159</b>	<b>\$164</b>	<b>\$168</b>	<b>\$168</b>	<b>\$167</b>	<b>\$170</b>	<b>\$168</b>	<b>\$167</b>
% of Total ARR	24 %	23 %	24 %	24 %	24 %	24 %	24 %	24 %	24 %
Growth % (YoY)	(1)%	(7)%	(2)%	4 %	1 %	5 %	4 %	— %	(1)%

(1) Annualized Recurring Subscriptions and Usage Revenue (ARR) (A) equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers that demonstrate consistent monthly usage above a minimum threshold over the prior six-month period, multiplied by 12, and (B) excluding any non-bundled or overage usage fees associated with UCaaS subscriptions.

(2) Enterprise ARR is defined as ARR from customers that generate >\$100,000 ARR.


(3) Mid-market ARR is defined as ARR from customers that generate \$25,000 to \$100,000 ARR.

(4) Small business ARR is defined as ARR from customers that generate <\$25,000 ARR.

Selected operating metrics presented in this table have not been derived from financial measures that have been prepared in accordance with U.S. Generally Accepted Accounting Principles. 8x8 measures the success of our strategy to attract and retain customers, in part, by analyzing trends in ARR and believes ARR may be useful to investors in evaluating our performance. 8x8 believes ARR is a useful indicator for measuring the overall performance of the business because it includes new customer additions, add-on sales, renewals and customer churn within a single metric. 8x8 uses trends in ARR to assess our ongoing operations, allocate resources, and drive the performance of the business. Management monitors these metrics together, and not individually, as it does not make business decisions based upon any single metric. ARR is a performance metric and should be viewed independently of revenue and deferred revenue, and ARR is not intended to be a substitute for, or combined with, any of these items. We caution that our 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.



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