

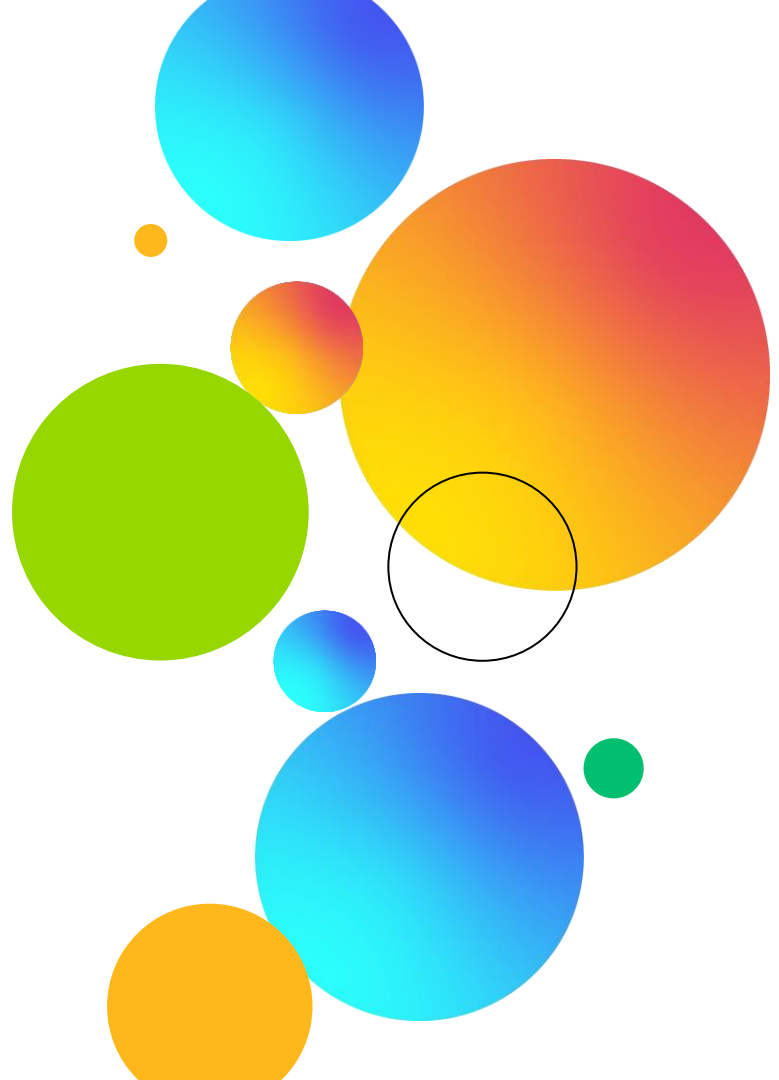
Third Quarter FY 2024

Ended December 31, 2023

January 31, 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 deleverage our balance sheet and fund investment in innovation; 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, 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.
- 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 CEO Samuel Wilson](#) discussing Q3 2024 Updates



Samuel Wilson

8x8 Chief Executive Officer



Kevin Kraus

8x8 Chief Financial Officer

Contents

- [Overview and recently introduced innovations](#)
- [Customer Stories](#)
- [Recent Awards and Recognition](#)
- [Q3'24 Financials](#)
- [Appendix](#)
 - [ARR](#)
 - [Supplemental Disclosure on Other income \(expense\), net](#)
 - [Debt outstanding, maturity schedule and and interest expense](#)
 - [Net Debt to TTM Adjusted EBITDA Leverage ratio](#)
 - [GAAP to non-GAAP reconciliations](#)

Overview



8x8 Q3 Fiscal 2024

\$707M

Total ARR⁽¹⁾

42%

XCaaS⁽²⁾ as a % of total ARR⁽¹⁾

3M+

Paid business licenses

58%

Enterprise ARR as a % of total ARR⁽¹⁾⁽³⁾

400K+

8x8 Voice for Teams User licenses

61%

Channel ARR as a % of total ARR⁽¹⁾

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



Product line for cross-organization CX
Video interaction 2.0
SMS Fraud Prevention API
Intelligent Customer Assistant Digital & Voice
Technology Partner Ecosystem
Pre-packaged vertical solutions

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. XCaaS includes customers with subscriptions to UCaaS and CCaaS solutions.
3. Enterprise ARR is defined as ARR from customers that generate >\$100,000 ARR.



8x8

Communications for the Customer Obsessed



Recent product innovation highlights

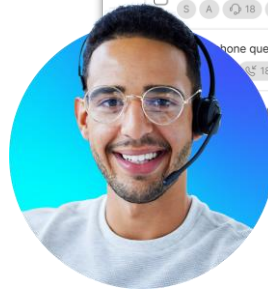
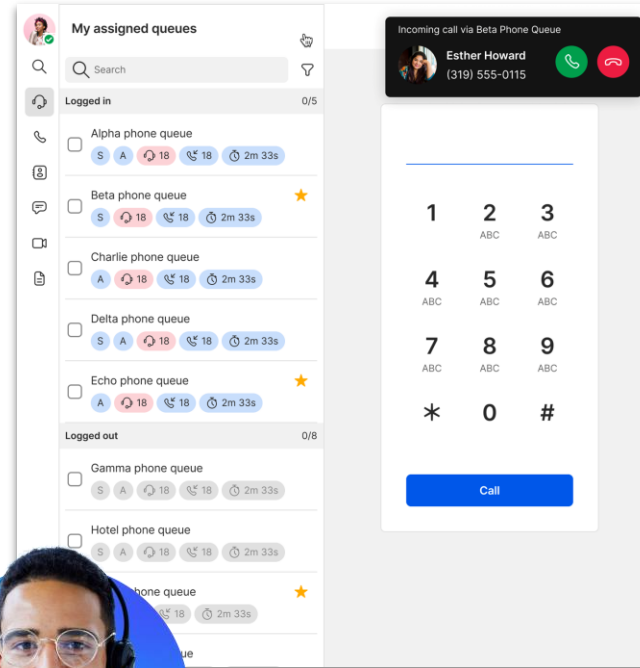
- **Announced a new product line to deliver cross-organization customer engagement**, empowering end-to-end CX orchestration for all customer touch points across the entire organization. The new capabilities further bridge the gap between UCaaS and CCaaS, transforming the availability, utilization, and contextualization of customer interaction data to enable smarter decision making through powerful and predictive insights. The beta program is in progress for qualified 8x8 customers. ([press release](#))
- **Announced the availability of native video functionality for [8x8 Contact Center](#)** to enhance speed-to-resolution and overall customer experiences. ([press release](#))
- **Launched [8x8 Remote Fix](#)™ for UK housing associations, delivered as part of [8x8 Contact Center](#)**, to provide public housing contact center agents with the ability to elevate real-time tenant interactions to video using a secure video link to visually address and resolve issues. ([press release](#))
- Extended XCaaS with AI Capabilities with real-time meeting transcription and smart summarizations. The new features highlight 8x8's continued focus on platform innovation and delivering AI-driven contact center and unified communications solutions to improve productivity and efficiency. ([press release](#))
- **Delivered the the latest [8x8 XCaaS](#)™ (Experience Communications as a Service™) integrated cloud contact center and unified communications platform innovations** for enhanced customer and employee experiences, including AI-powered voice conversational self-service and the ability to elevate contact center interactions to video, further integrations with Microsoft Teams, and 8x8 video meeting enhancements. ([press release](#))
- **Announced [8x8 Sales Assist](#)™ for retailers**. Combining components of 8x8 Contact Center, [8x8 CPaaS](#), and [8x8 Work](#), the retail solution provides connected journeys across self- and assisted-service use cases while enabling retailers to improve customer satisfaction. ([press release](#))
- **Launched [SellWith8](#)™, an exclusive tier within the [8x8 Technology Partner Ecosystem](#)** that allows a carefully curated tier of partners increase go-to-market efforts directly with 8x8, improve the depth of integration, and jointly solve customer pain points. ([press release](#))

8x8 is empowering all employees to deliver exceptional customer experiences

A new product line to deliver cross-organization customer engagement and empower end-to-end CX orchestration for all customer touchpoints across the entire organization.

Delivered to CX professionals outside the contact center through a combination of:

- Cutting-edge AI solutions
- Platform-level contact center components
- Native and third-party data
- Built-for-purpose UIs





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 and short hair, wearing large white headphones, is smiling while looking at a laptop screen. He is wearing a plaid shirt. The background is a bright, blurred office or home workspace with a plant on the right.

**46% 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



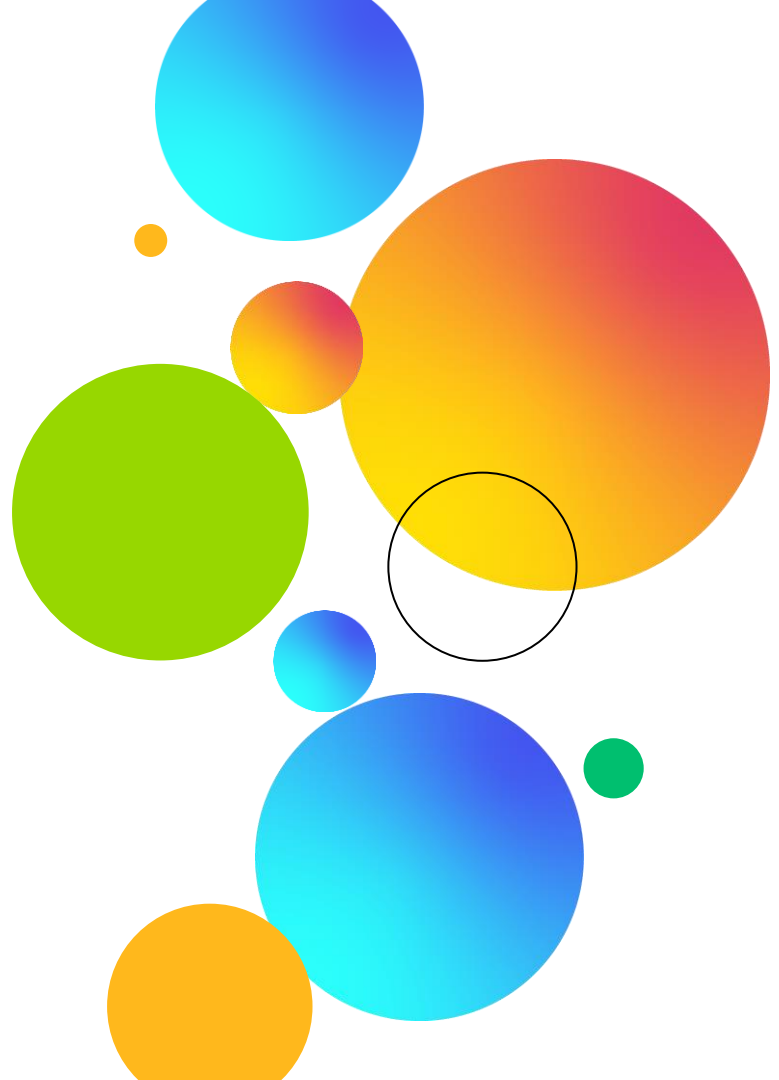
Less customer engagement

More customer engagement

Q3'24 Customer Stories

8x8

One platform.
Every communications experience.





[Yakima Valley Farm Workers Clinic](#) has over 40 health centers and clinics that serve more than 180,000 patients across Washington and Oregon, offering affordable, high-quality healthcare for the whole family since 1978.

8x8 Solutions

8x8 XCaaS with Contact Center & Voice for Microsoft Teams

Why 8x8?

- Epic Electronic Health Record Integration to enhance patient experience
- Unified Platform for UC and CC
- Ease of reporting & analytics to improve efficiency

Channel Partner

Renodis



Museum of Science.

The [Museum of Science, Boston](#) is a nature and science museum and indoor zoological establishment located in the Boston, Massachusetts area. With over 700 interactive exhibits and daily presentations, the museum is also home to New England's only domed IMAX theater.

8x8 Solutions

8x8 XCaaS supporting over 500 employees

Why 8x8?

- Single UC and CC vendor solution
- Robust contact center features and functionality, including quality management, speech analytics and integrations
- Proof of Concept demonstrated 8x8 configuration simplicity, call quality, and strength over existing solution

Channel Partner

US Network Solutions Inc.



teradata.

[Teradata](#) (NYSE: TDC) believes that people thrive when empowered with better information, and offers the most complete cloud analytics and data platform, including for AI. By delivering harmonized data and trusted AI/ML, Teradata enables more confident decision-making, unlocks faster innovation, and drives the impactful business results organizations need most. Its more than 7,000 employees support customers around the world.

8x8 Solutions

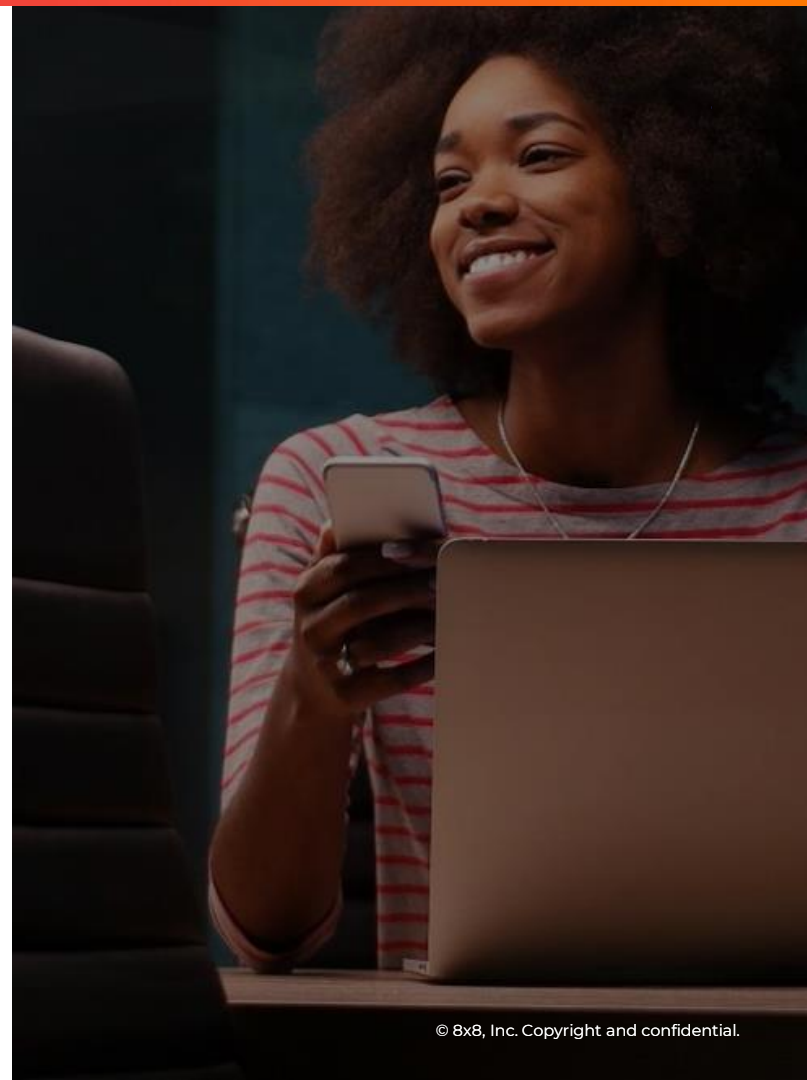
8x8 Contact Center with 8x8 Phone App for Microsoft Teams supporting up to 500 agents

Why 8x8?

- 8x8's concurrent licensing and global footprint to support their presence and employees in 88 countries
- BYOC flexibility to work with a third-party international carrier
- Future growth to 8x8 for Microsoft Teams solutions

Channel Partner

CloudNow Consulting





[Walsall Housing Group](#) in the UK is a social housing landlord with around 22,000 homes across Walsall and the wider region, providing complementary support services to customers if and when they need it, spanning health and wellbeing, jobs and training, life skills and money advice.

8x8 Solutions

8x8 XCaaS with Voice for Microsoft Teams

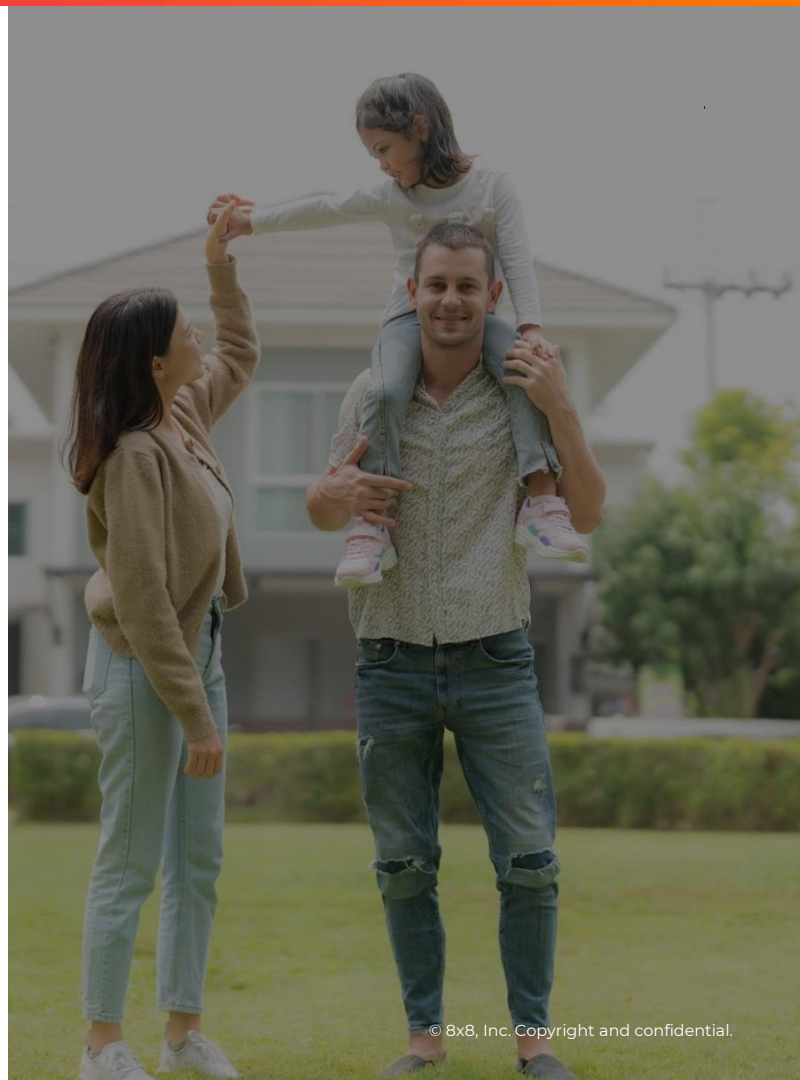
Why 8x8?

- Single cloud platform for UC and CC
- Multi channel contact center
- Seamless integration with Microsoft Teams

Channel Partner

Social Telecoms CIC

8x8





[Doo Group](#) is a **multi-faceted financial services group** with financial technology at its core.

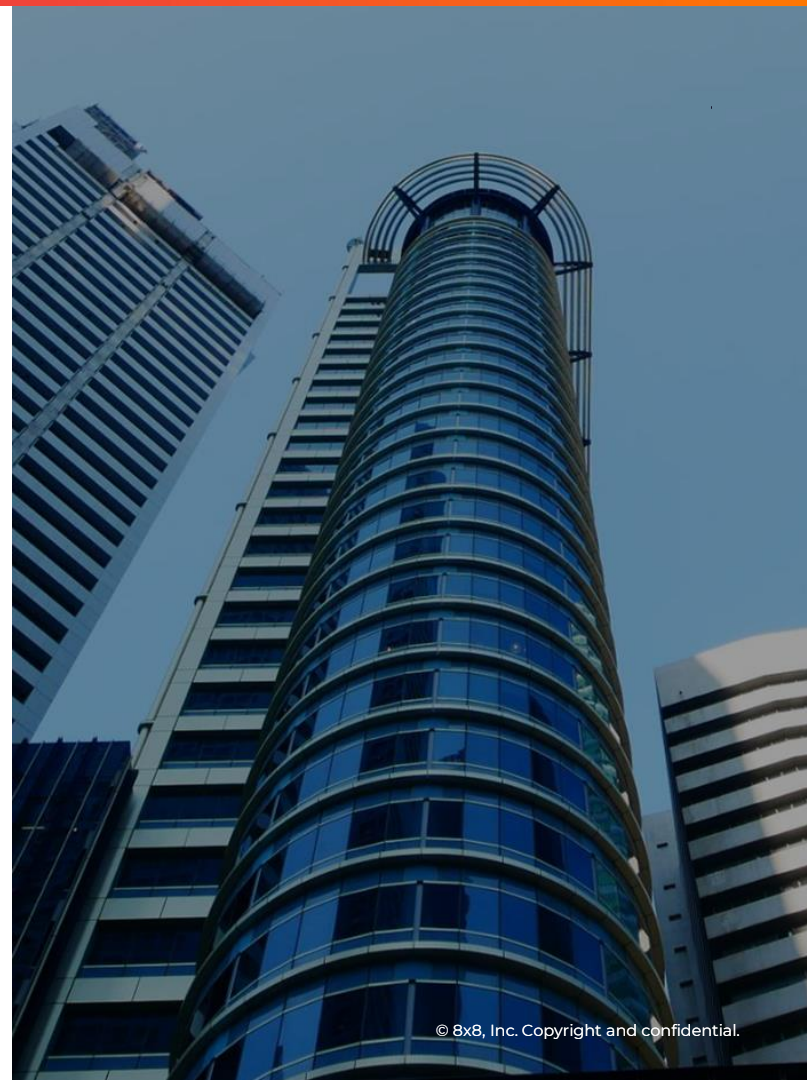
With six major business lines strategically positioned in global markets, including **Brokerage, Wealth Management, Payment Exchange, FinTech, Financial Education** and **Health Care**.

8x8 Solutions

8x8 UCaaS

Why 8x8?

- Existing customer in Hong Kong, opening new operations in Singapore
- Pleased with 8x8's responsiveness, global capabilities and ease of use
- Ability to add contact center capabilities as business needs change





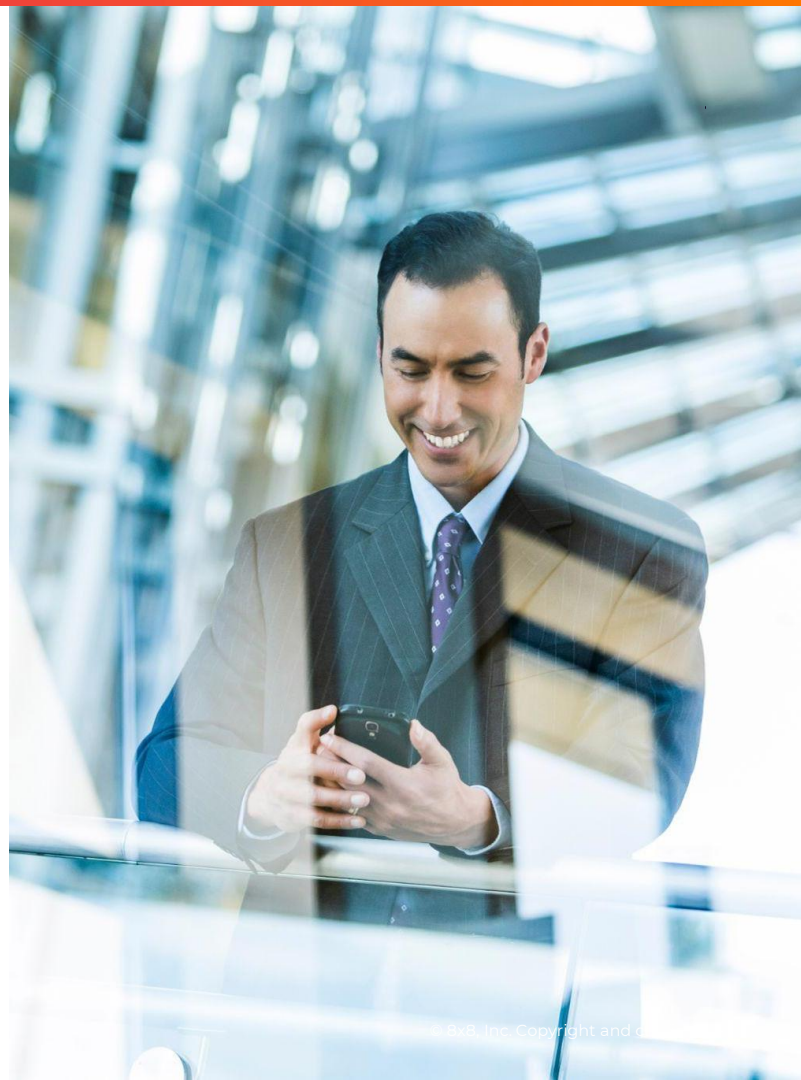
[Bank Aladin Syariah](#) is the first Shariah Digital Bank in Indonesia, committed to developing trustworthy banking products and providing a seamless banking experience to enhance financial inclusion.

8x8 Solutions

8x8 SMS API for one-time passwords and multi-factor authentication

Why 8x8?

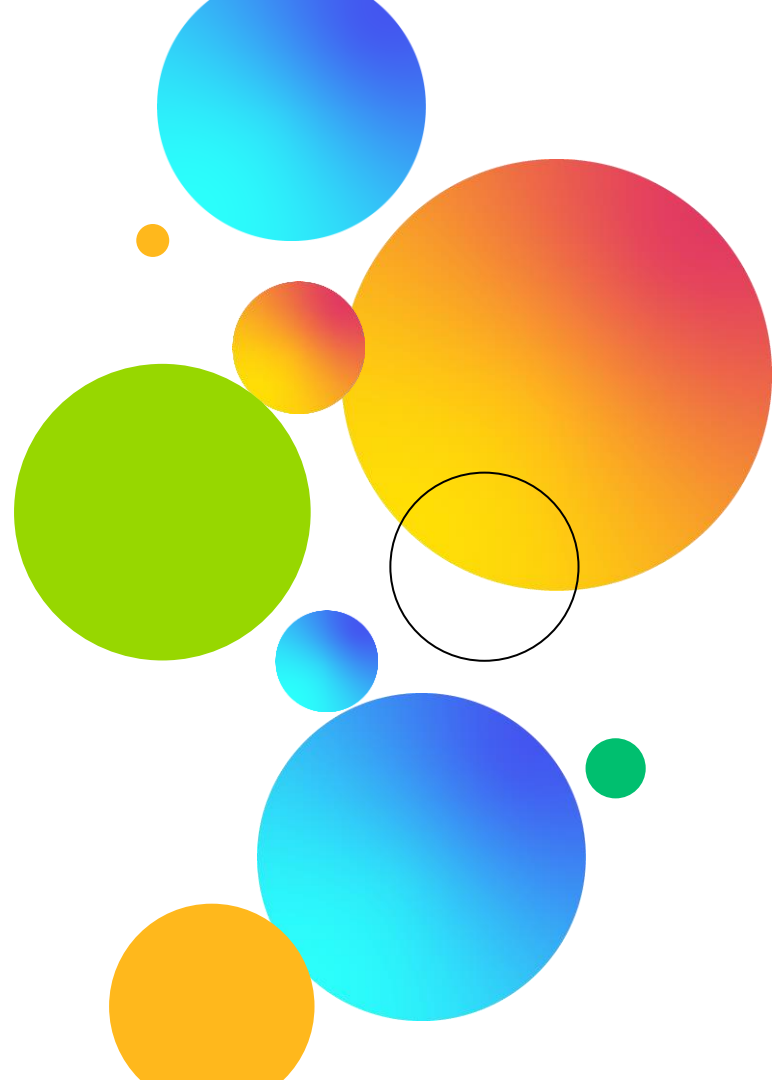
- Robust and feature-rich SMS API
- Industry-leading security compliance with the ability to fulfil all security prerequisites, including the provision of a comprehensive audit trail on request, and compliance with disaster recovery (DRC) standards
- Data center facility in Indonesia to minimize data latency and ensure businesses comply with data residency regulations



Recent Awards and Recognition

8x8

One platform.
Every communications experience.



Recent awards and recognition



Recognized as a Leader
in the 2023 Gartner®
Magic Quadrant™ for
Unified
Communications as a
Service



Won 2023 CRN Product
of the Year Awards in
the Unified
Communications and
Collaboration -
Enterprise category for
revenue and profit



Named Best Enterprise
Service at the 2023
Comms Council UK
Awards



Named a FrontRunner in
the Software Advice Best
IVR Software list of 2023,
highlighting the top-rated
IVR Systems products in
North America

Recent awards and recognition cont.

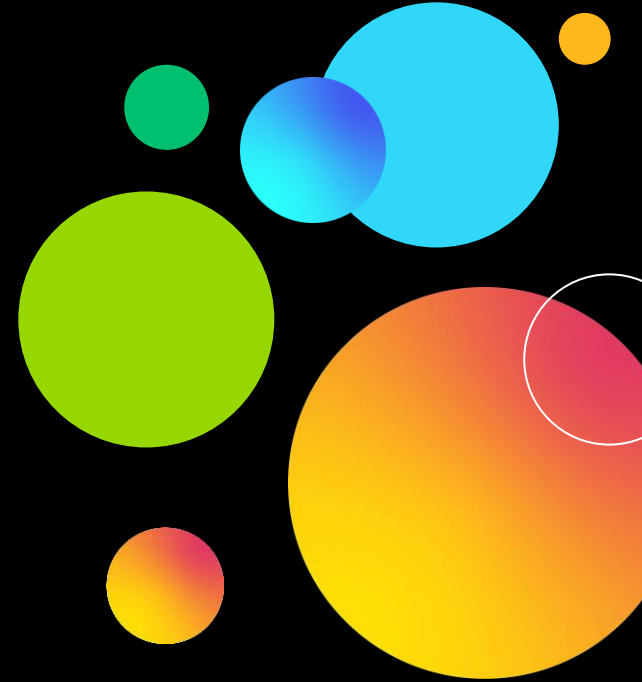


Won TrustRadius' 2023 Best Of Awards in the categories of Best Feature Set, Best Value for the Price, and Best Relationship in VoIP



Recognized in 38 different categories in the G2 Winter 2024 Awards

Q3 Fiscal 2024 Financial Performance



Financial Strength

As of 12/31/23

KEY FINANCIAL STATS

\$170M

Cash and investments¹

12

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

\$99M

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

+138%

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

\$80M

TTM Cash Flow from Operations²

+55%

YoY increase in TTM Cash Flow from Operations²

KEY BUSINESS STATS

>1,200

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}

Q3 FY 2024 Financial Highlights

- Service revenue of \$175M and total revenue of \$181M
- 12th consecutive quarter of non-GAAP Operating Profit¹ and positive operating cash flow
 - Non-GAAP operating margin of 13.4%¹, above guidance range of 11-12%
 - Cash flow generated by operations of \$22.4M, up 45% YoY²
- Total ARR³ increased \$8.5M YoY
 - Enterprise ARR⁴ up \$9M YoY
 - XCaaS ARR⁵ was 42% of total ARR vs. 39% in Q3'23
- \$170M cash, equivalents, restricted cash and investments at quarter-end
 - Redeeming 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. Q3'24 Operating cash flow reflects interest payments of \$6.9M, compared to \$12.9M in Q2'24 and \$4.4M in Q2'23. See Appendix for additional information on contractual and cash interest expenses

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.

Q3 FY 2024 Results vs. Guidance

	Q3 F2024	
	Guidance As of 11/8/23	Results 12/31/23
Service Revenue	\$173 – 178M	\$175.1m
% Growth Y/Y	(2) - 1%	(0.4%)
Total Revenue	\$180 – 186M	\$181.0m
% Growth Y/Y	(2) – 1%	(1.8%)
Non-GAAP Operating Margin ¹	11 - 12%	13.4%¹

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

Q3 FY 2024 Financial Metrics*

Q3 F2024 Revenue	Service Revenue ¹	\$175.1 million, (0.4%) Y/Y growth
	Other Revenue ²	\$5.9 million, (31%) Y/Y growth
	Total Revenue	\$181.0 million, (1.8%) Y/Y growth
Ending ARR³	Total ARR ³	\$707 million, 1% Y/Y growth
	Enterprise ARR ^{3,4}	\$409 million, 2% Y/Y growth
	Mid-Market ^{3,5}	\$129 million, (1%) Y/Y growth
	Small Business ^{3,6}	\$168 million, 0% Y/Y growth
Operating Cash Flow and Ending Cash	Cash & investments ⁷	\$170 million, vs. \$139 million @ yr-end
	Cash flow from operations ⁸	\$22.4 million, vs. \$15.5 million in Q3'23

* 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) (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 > \$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.

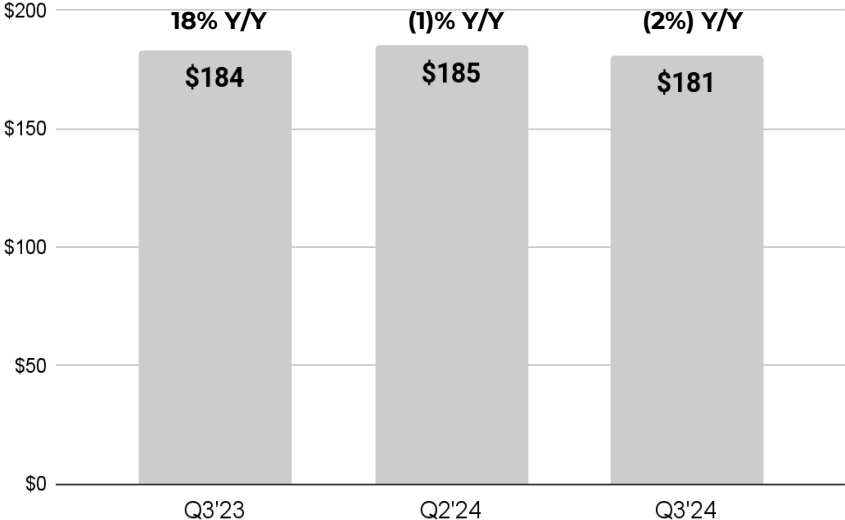
7. Includes restricted cash of \$818K on 12/31/23 and \$1.3M on 12/31/23.

8. Q3'24 Operating cash flow reflects interest payments of \$6.9M, compared to \$12.9M in Q2'24 and \$5.7M in Q3'23.

Revenue Growth

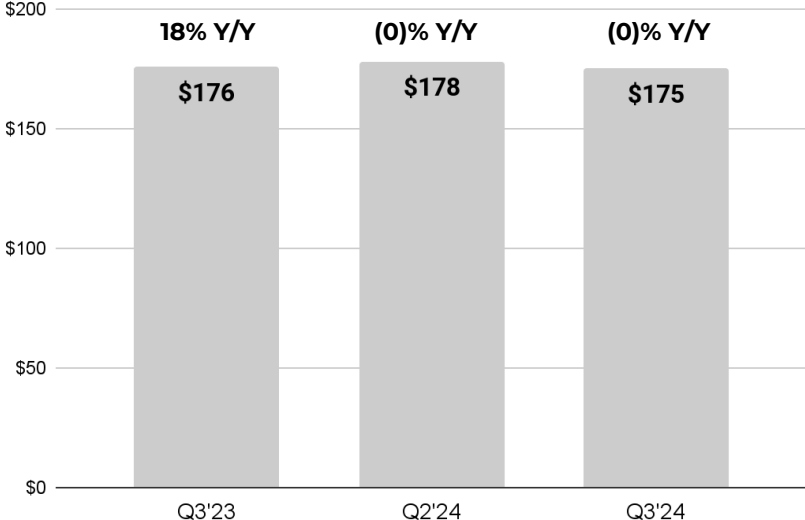
Fiscal Q3 Total Revenue

(\$ in millions)



Fiscal Q3 Service Revenue

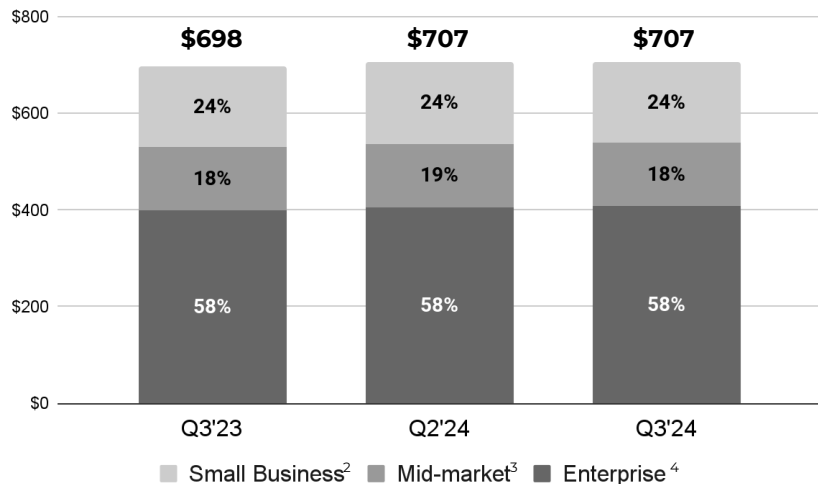
(\$ in millions)



Q3 2024 Ending ARR¹

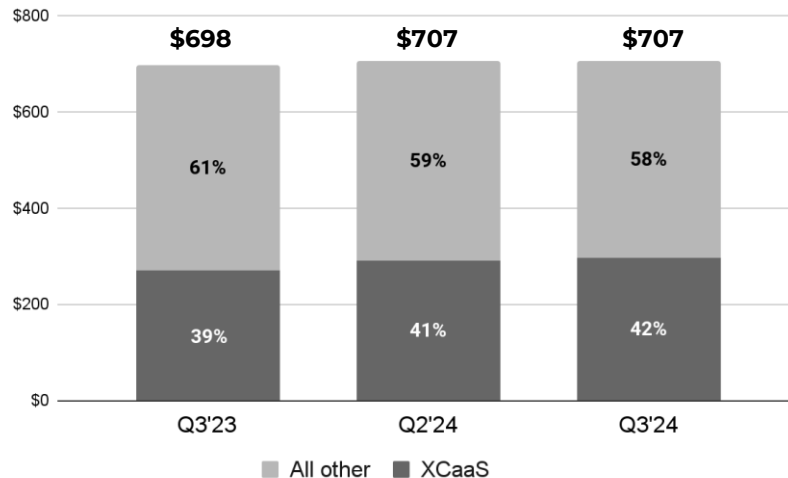
Fiscal Q3 ARR by Customer Size*

(\$ in millions)



Fiscal Q3 ARR by Product*

(\$ in millions)

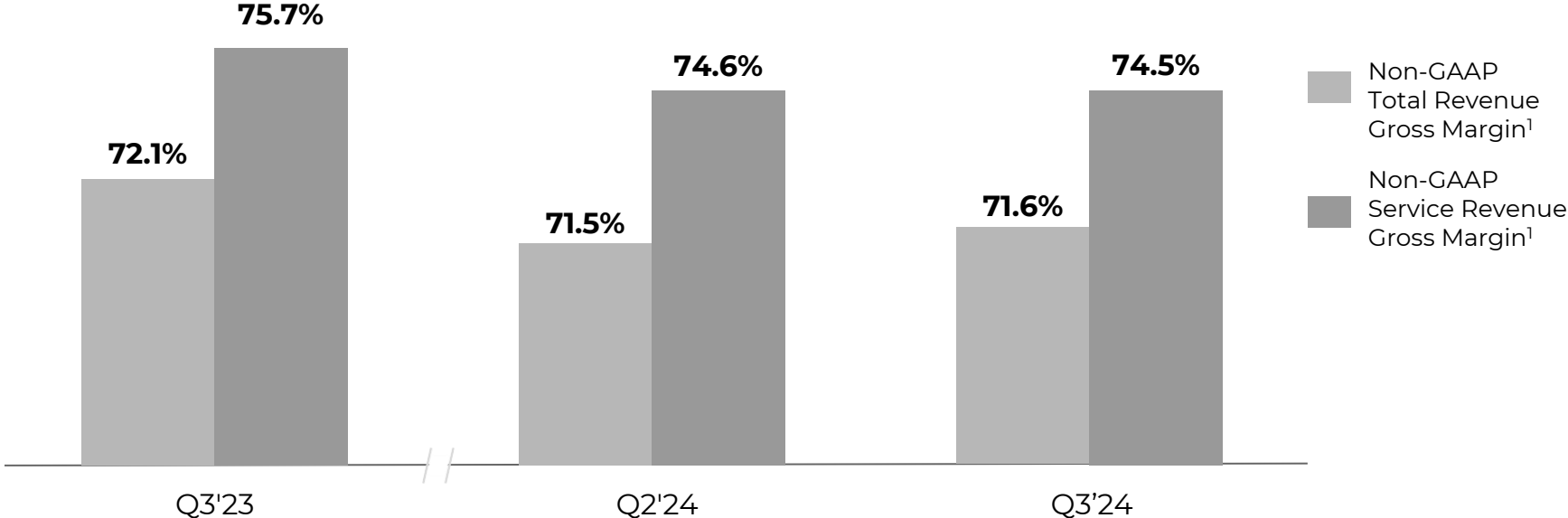


* Amounts may not sum to total due to rounding.

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 Margins¹

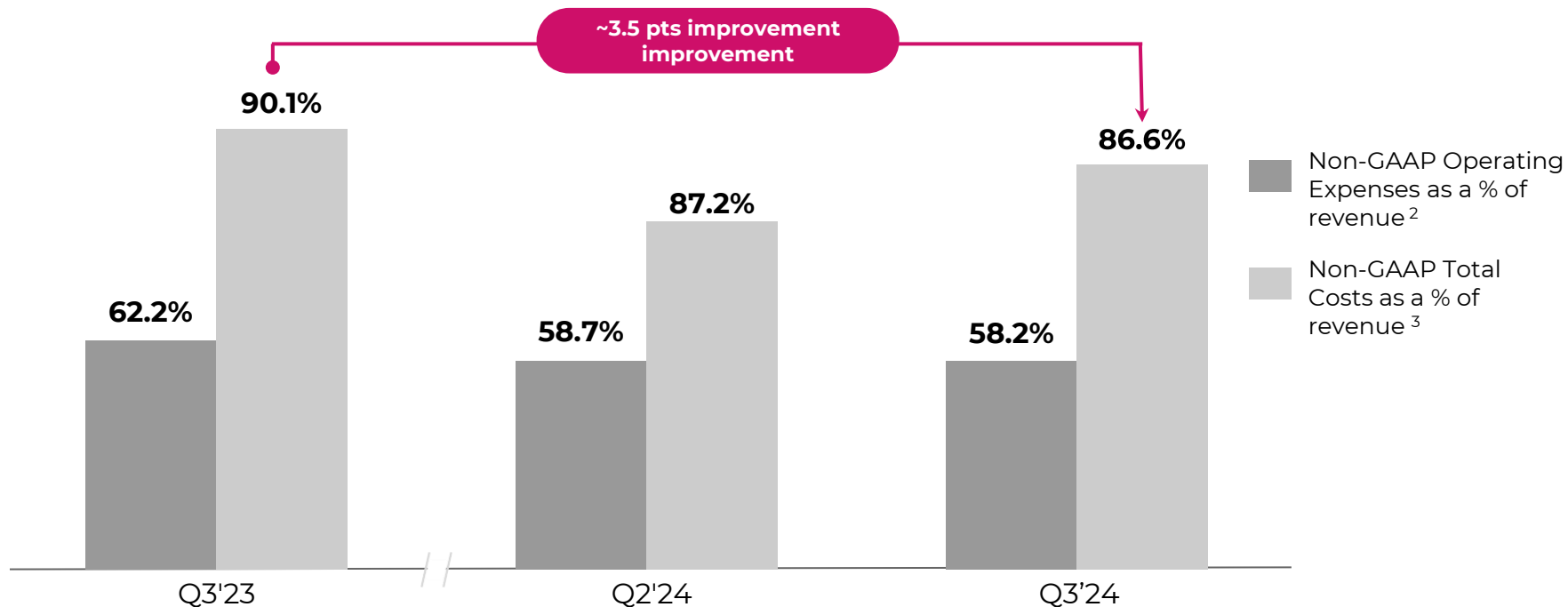
Non-GAAP Total and Service Gross Margins as a % of Revenue



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.

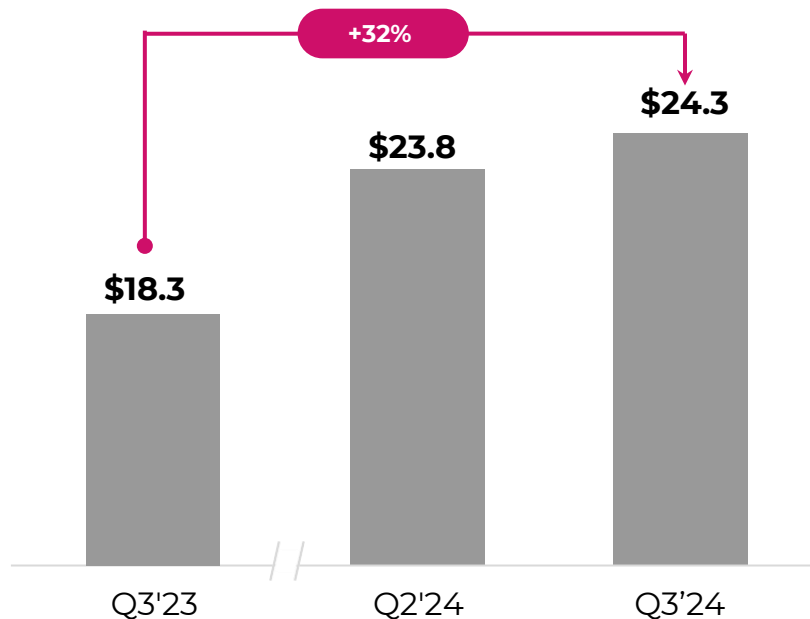
2. Non-GAAP Operating Expenses include non-GAAP R&D, Sales and Marketing, and G&A expenses, but do not include non-GAAP Cost of Total Revenue ("COGS").

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

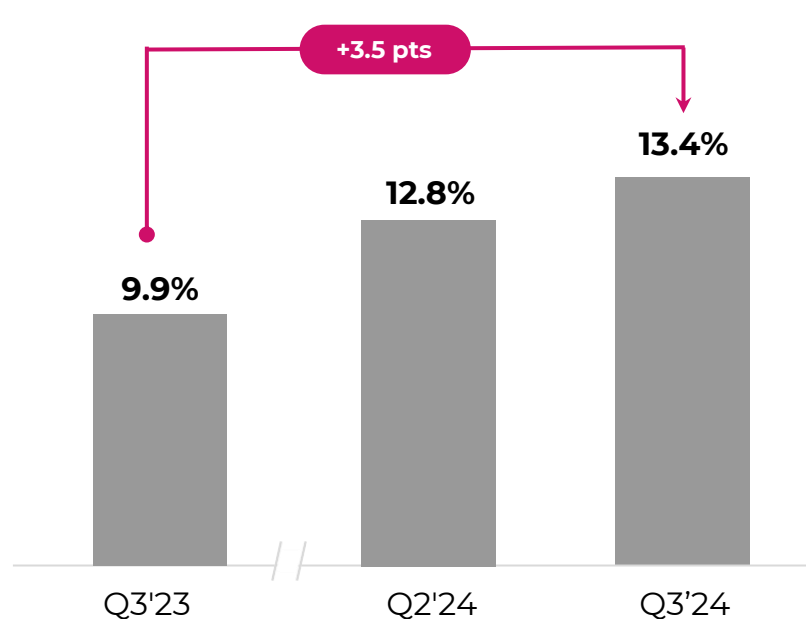
Fiscal Q3 Operating Income

(\$ in millions)



Fiscal Q3 Operating Margin

(% of revenue)

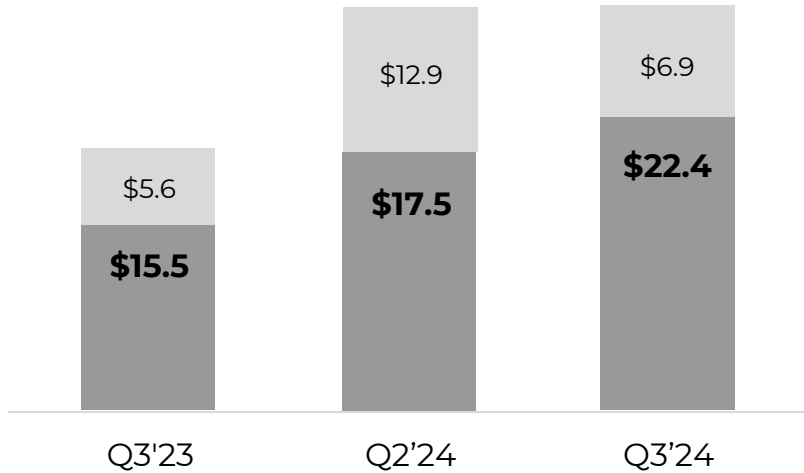


1. See Appendix for reconciliation of Non-GAAP metrics to nearest GAAP metric.

Cash Flow from Operations and Cash Interest Paid

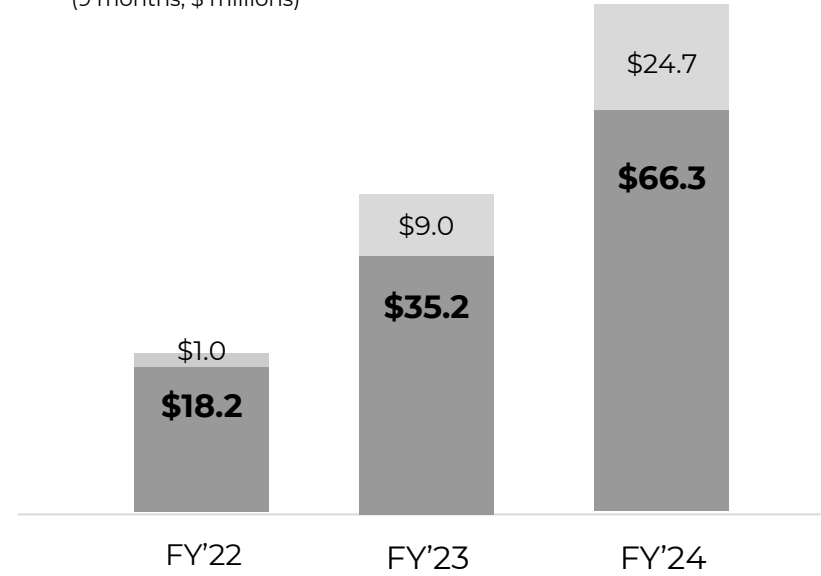
Fiscal Q3 Cash Flow from Operations and Cash Interest Paid

(3 months, \$ millions)



YTD Cash Flow from Operations and Cash Interest Paid

(9 months, \$ millions)



Light Gray: Cash Interest Payments

Dark Gray: Cash Flow Generated by Operations

Q4 2024 Guidance^{1,2}

	Q4 FY 2024 as of January 31, 2024
Service Revenue	\$171 – 175M
% Growth Y/Y	(3) - (1)%
Total Revenue	\$176 – 181M
% Growth Y/Y	(5) – (2)%
Non-GAAP Operating Margin²	~10%

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 Third 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			UPDATED as of Jan. 31, 2024 ¹
	Prior as of May 11, 2023 ¹	Prior as of Aug. 8, 2023	Prior as of Nov. 1, 2023 ¹	
Service Revenue	\$725 – 732m	\$701 – 711m	\$701 – 711m	\$699.1 - 703.1
% Growth Y/Y	2 - 3%	(1) - 0%	(1) - 0%	(2) - (1)%
Total Revenue	\$755 – 763m	\$732.5 – 742.5m	\$732.5 – 742.5m	\$725.3 - 730.3
% Growth Y/Y	1 – 3%	(2) – 0%	(2) – 0%	(3) - (2)%
Non-GAAP Operating Margin²	12.0 - 13.0%	12.0 - 13.0%	12.0 - 13.0%	12.5 - 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 Third 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 Revenue (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	Q3
TOTAL ARR⁽¹⁾	\$ 688	\$ 692	\$ 698	\$ 703	\$ 703	\$ 707	\$ 707
Growth % (YoY)	28%	25%	22%	2%	2%	2%	1%
ARR BY CUSTOMER SIZE							
ENTERPRISE⁽²⁾	\$ 403	\$ 401	\$ 400	\$ 405	\$ 404	\$ 407	\$ 409
% of Total ARR	59%	58%	57%	58%	58%	58%	58%
Growth % (YoY)	54%	42%	30%	3%	—%	1%	2%
MID-MARKET⁽³⁾	\$ 125	\$ 127	\$ 130	\$ 130	\$ 132	\$ 131	\$ 129
% of Total ARR	18%	18%	19%	19%	19%	19%	18%
Growth % (YoY)	22%	23%	27%	2%	5%	3%	(1%)
SMALL BUSINESS⁽⁴⁾	\$ 159	\$ 164	\$ 168	\$ 168	\$ 167	\$ 170	\$ 168
% of Total ARR	23%	24%	24%	24%	24%	24%	24%
Growth % (YoY)	(7%)	(2%)	4%	1%	5%	4%	—%

(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 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.

Supplemental Details on Other (Expense) Income, Net

SUPPLEMENTAL DETAILS - OTHER (EXPENSE) INCOME, NET

(Unaudited, in thousands)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
Interest expense	\$ (8,878)	\$ (7,607)	\$ (26,777)	\$ (13,115)
Amortization of debt discount and issuance costs	(1,157)	(1,136)	(3,397)	(3,136)
Gain (loss) on warrants remeasurement	(1,297)	(771)	1,234	522
Gain (loss) on debt extinguishment	—	2,144	(1,766)	18,250
Gain on sale of assets	—	1,757	—	1,826
Gain (loss) on foreign exchange	(1,841)	(2,616)	(1,080)	1,984
Other income	1,863	317	2,745	823
Other (expense) income, net	\$ (11,310)	\$ (7,912)	\$ (29,041)	\$ 7,154

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.

On January 30, 2024, the Company deposited funds (from cash-on-hand) with the loan administrator to redeem the remaining \$63.3 aggregate principal of the 2024 Notes upon maturity on 2/1/24.

Will be repaid with cash on 2/1/24

	As of December 31, 2023				As of March 31, 2023			
	2024 Notes	2028 Notes	2027 Term Loan	Total	2024 Notes	2028 Notes	2027 Term Loan	Total
Principal	\$ 63,295	\$ 201,914	\$ 225,000	\$ 490,209	\$ 63,295	\$ 201,914	\$ 250,000	\$ 515,209
Unamortized debt discount and issuance costs	(35)	(4,353)	(13,908)	\$ (18,296)	(363)	(5,093)	(18,007)	\$ (23,463)
Net carrying amount	\$ 63,260	\$ 197,561	\$ 211,092	\$ 471,913	\$ 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.

On January 29, 2024, the Company deposited funds with the loan administrator to redeem the \$63.3 million aggregate principal outstanding 2024 Notes upon maturity on February 1, 2024.

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):

	Nine Months Ended December 31,							
	2023				2022			
	2024 Notes	2028 Notes	2027 Term Loan	Total	2024 Notes	2028 Notes	2027 Term Loan	Total
Contractual interest expense	\$ 238	\$ 6,085	\$ 20,233	\$ 26,556	\$ 1,099	\$ 3,181	\$ 8,835	\$ 13,115
Amortization of debt discount & issuance costs	326	739	2,333	\$ 3,398	1,565	350	1,221	\$ 3,136
Total interest expense recorded to Other income (expense), net	\$ 564	\$ 6,824	\$ 22,566	\$ 29,954	\$ 2,664	\$ 3,531	\$ 10,056	\$ 16,251
Cash Interest paid				\$ 24,663				\$ 9,063

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.

	Three Months Ended December 31,							
	2023				2022			
	2024 Notes	2028 Notes	2027 Term Loan	Total	2024 Notes	2028 Notes	2027 Term Loan	Total
Contractual interest expense	\$ 80	\$ 2,036	\$ 6,762	\$ 8,878	\$ 139	\$ 2,037	\$ 5,432	\$ 7,607
Amortization of debt discount & issuance costs	110	258	790	\$ 1,157	101	247	788	\$ 1,136
Total interest expense recorded to Other income (expense), net	\$ 190	\$ 2,294	\$ 7,552	\$ 10,036	\$ 240	\$ 2,284	\$ 6,220	\$ 8,743
Interest paid				\$ 6,863				\$ 4,409

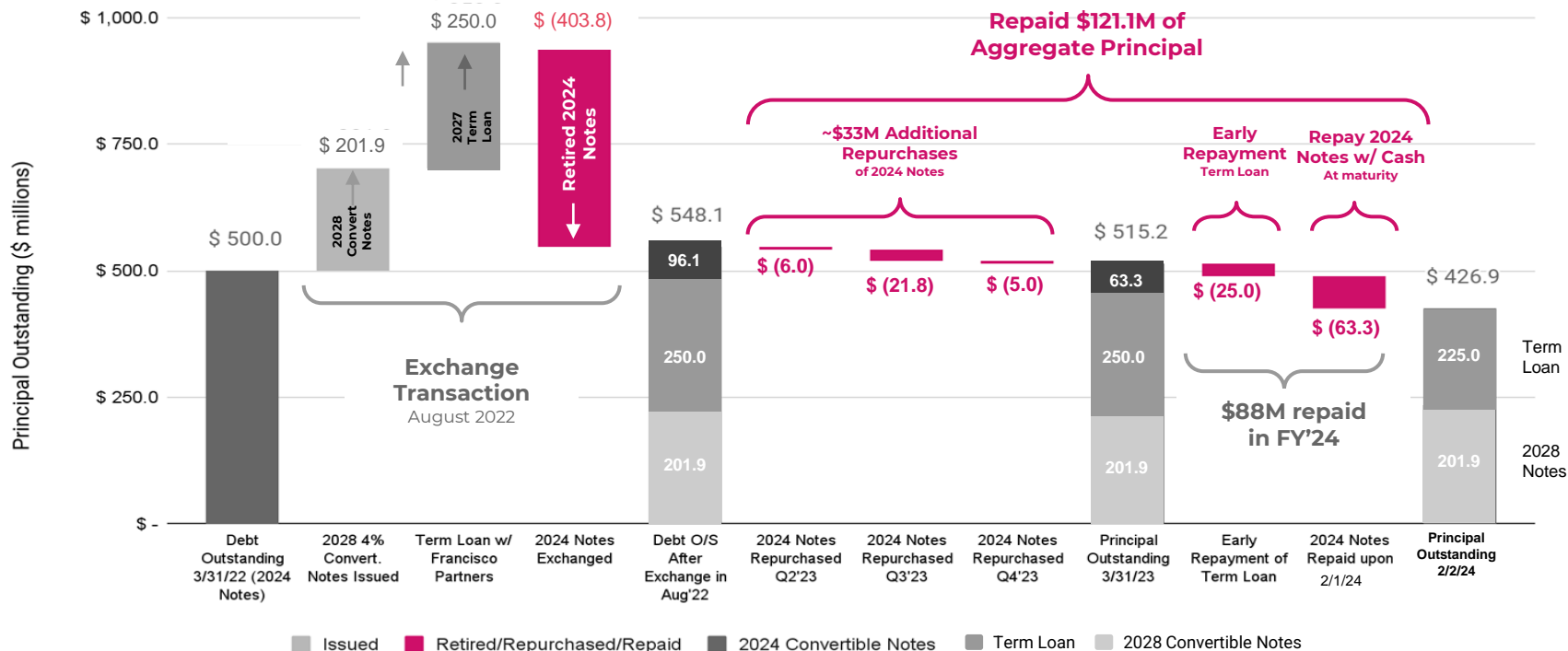
From supplemental disclosures on Statement of Cash Flows and includes quarterly interest paid on the 2027 Term Loan and semi-annual coupon payments on 2024 and 2028 Notes, payable in February and August

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.

History of Outstanding Debt

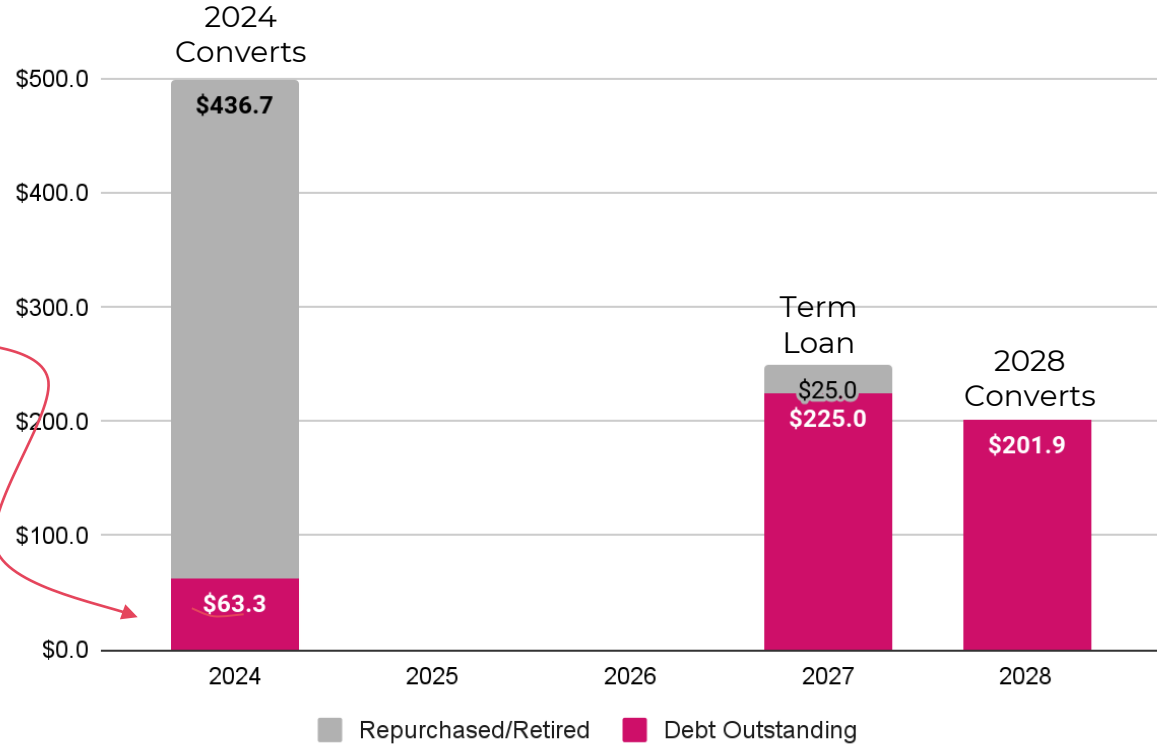
Reduced Principal Amount of Debt by >22% in since August 2022.



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 Schedule - Aggregate Principal Outstanding

Matures Feb. 1, 2024.
Funds for repayment
already on deposit with
loan administrator to
repay with cash (drawn
from cash & equivalents
on balance sheet)

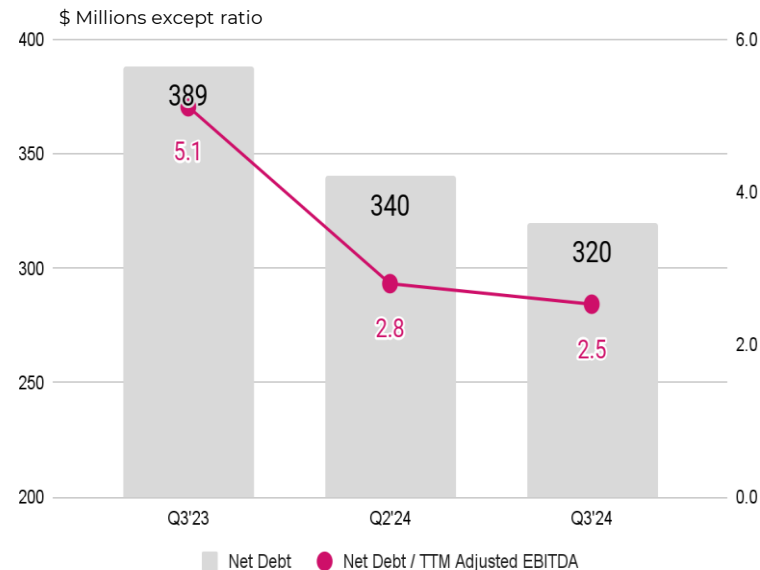


Net Debt to TTM Adjusted EBITDA

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

\$ millions except debt ratios	Q3'23	Q2'24	Q3'24
Aggregate Principal of Debt Outstanding			
2024 Notes	\$68	\$63	\$63
2027 Term Loan	250	225	225
2028 Notes	202	202	202
Total Aggregate Principal	\$520	\$490	\$490
Cash, Equivalents and Investments	\$132	\$150	\$170
Net Debt	389	340	320
TTM Adjusted EBITDA	76	122	127
Net Debt / TTM Adjusted EBITDA	5.1	2.8	2.5

Net Debt and Ratio of Net Debt to TTM Adjusted EBITDA¹



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

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					
	December 31, 2023		September 30, 2023		December 31, 2022	
Costs of Revenue:						
GAAP cost of service revenue (as a percentage of service revenue)	\$ 48,983	28.0 %	\$ 49,144	27.6 %	\$ 47,335	26.9 %
Amortization of acquired intangible assets	(2,118)		(2,118)		(2,125)	
Stock-based compensation expense and related employer payroll taxes	(1,694)		(1,743)		(2,148)	
Legal and regulatory costs	—				(85)	
Severance, transition and contract exit costs	(444)		(82)		(348)	
Non-GAAP cost of service revenue (as a percentage of service revenue)	<u>\$ 44,727</u>	<u>25.5 %</u>	<u>\$ 45,201</u>	<u>25.4 %</u>	<u>\$ 42,629</u>	<u>24.3 %</u>
GAAP service revenue margin (as a percentage of service revenue)	<u>126,086</u>	<u>72.0 %</u>	<u>128,638</u>	<u>72.4 %</u>	<u>128,430</u>	<u>73.1 %</u>
Non-GAAP service revenue margin (as a percentage of service revenue)	<u>\$ 130,342</u>	<u>74.5 %</u>	<u>\$ 132,581</u>	<u>74.6 %</u>	<u>\$ 133,136</u>	<u>75.7 %</u>
Costs of Other Revenue:						
GAAP cost of other revenue (as a percentage of other revenue)	\$ 7,177	120.9 %	\$ 7,958	110.3 %	\$ 10,176	117.8 %
Stock-based compensation expense and related employer payroll taxes	(459)		(468)		(902)	
Severance, transition and contract exit costs	(74)		(28)		(517)	
Non-GAAP cost of other revenue	<u>\$ 6,644</u>	<u>111.9 %</u>	<u>\$ 7,462</u>	<u>103.4 %</u>	<u>\$ 8,757</u>	<u>101.4 %</u>
GAAP other revenue margin (as a percentage of other revenue)	<u>(1,240)</u>	<u>(20.9)%</u>	<u>(741)</u>	<u>(10.3)%</u>	<u>(1,541)</u>	<u>(17.8)%</u>
Non-GAAP other revenue margin (as a percentage of other revenue)	<u>\$ (707)</u>	<u>(11.9)%</u>	<u>\$ (245)</u>	<u>(3.4)%</u>	<u>\$ (122)</u>	<u>(1.4)%</u>
Gross Margin:						
GAAP gross margin (as a percentage of total revenue)	<u>\$ 124,846</u>	<u>69.0 %</u>	<u>\$ 127,897</u>	<u>69.1 %</u>	<u>\$ 126,889</u>	<u>68.8 %</u>
Non-GAAP gross margin (as a percentage of total revenue)	<u>\$ 129,635</u>	<u>71.6 %</u>	<u>\$ 132,336</u>	<u>71.5 %</u>	<u>\$ 133,014</u>	<u>72.1 %</u>

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

	Three Months Ended								
	December 31, 2023		September 30, 2023		December 31, 2022				
Operating Expenses:									
GAAP research and development (as a percentage of total revenue) ⁽¹⁾	\$	32,787	18.1 %	\$	34,207	18.5 %	\$	35,062	19.0 %
Stock-based compensation expense and related employer payroll taxes		(5,190)			(5,345)			(7,183)	
Acquisition and integration costs		—			115			—	
Severance, transition and contract exit costs ⁽¹⁾		(585)			(902)			(1,167)	
Non-GAAP research and development (as a percentage of total revenue)	\$	<u>27,012</u>	14.9 %	\$	<u>28,075</u>	15.2 %	\$	<u>26,712</u>	14.5 %
GAAP sales and marketing (as a percentage of total revenue)	\$	66,997	37.0 %	\$	68,687	37.1 %	\$	79,021	42.9 %
Amortization of acquired intangible assets		(2,982)			(2,982)			(3,106)	
Stock-based compensation expense and related employer payroll taxes		(3,894)			(4,176)			(6,653)	
Severance, transition and contract exit costs		(342)			(234)			(2,351)	
Non-GAAP sales and marketing (as a percentage of total revenue)	\$	<u>59,779</u>	33.0 %	\$	<u>61,295</u>	33.1 %	\$	<u>66,911</u>	36.3 %
GAAP general and administrative (as a percentage of total revenue) ⁽²⁾	\$	23,419	12.9 %	\$	27,586	14.9 %	\$	27,158	14.7 %
Stock-based compensation expense and related employer payroll taxes		(3,653)			(3,695)			(4,354)	
Acquisition and integration costs		(102)			(422)			(555)	
Legal and regulatory costs		(98)			(3,879)			(57)	
Severance, transition and contract exit costs ⁽²⁾		(978)			(388)			(1,130)	
Non-GAAP general and administrative (as a percentage of total revenue)	\$	<u>18,588</u>	10.3 %	\$	<u>19,202</u>	10.4 %	\$	<u>21,062</u>	11.4 %
GAAP Operating Expenses (as a percentage of total revenue)		<u>123,203</u>	68.1 %		<u>130,480</u>	70.5 %		<u>141,241</u>	76.6 %
Non-GAAP Operating Expenses (as a percentage of total revenue)	\$	<u>105,379</u>	58.2 %	\$	<u>108,572</u>	58.7 %	\$	<u>114,665</u>	62.2 %

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

	Three Months Ended								
	December 31, 2023		September 30, 2023		December 31, 2022				
Operating Profit (Loss):									
GAAP loss from operations (as a percentage of total revenue)	\$	(9,391)	(5.2)%	\$	(2,583)	(1.4)%	\$	(18,081)	(9.8)%
Amortization of acquired intangible assets		5,100			5,100			5,231	
Stock-based compensation expense and related employer payroll taxes		14,890			15,427			21,240	
Acquisition and integration costs		102			307			555	
Legal and regulatory costs		98			3,879			142	
Severance, transition and contract exit costs ⁽³⁾		2,423			1,834			5,513	
Impairment of long-lived assets ⁽⁴⁾		11,034			—			3,729	
Non-GAAP operating profit (as a percentage of total revenue)	\$	<u>24,256</u>	13.4 %	\$	<u>23,764</u>	12.8 %	\$	<u>18,329</u>	9.9 %
Other Income (Expenses):									
GAAP other income (expense), net (as a percentage of total revenue)	\$	(11,310)	(8.2)%	\$	(5,258)	(2.8)%	\$	(7,912)	(4.3)%
Amortization of debt discount and issuance cost		1,157			1,132			1,136	
(Gain) loss on debt extinguishment		—			—			(2,144)	
Gain on warrants remeasurement		1,297			(2,781)			771	
Gain on sale of assets		—			—			(1,757)	
Sublease income		(120)			(117)			(116)	
Non-GAAP other (expense) income, net (as a percentage of total revenue)	\$	<u>(8,978)</u>	(5.0)%	\$	<u>(7,024)</u>	(3.8)%	\$	<u>(10,022)</u>	(5.4)%

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

	Three Months Ended								
	December 31, 2023		September 30, 2023		December 31, 2022				
Net Income (Loss):									
GAAP net loss (as a percentage of total revenue)	\$	(21,222)	(11.7)%	\$	(7,452)	(4.0)%	\$	(28,030)	(14.1)%
Amortization of acquired intangible assets		5,100		5,100		5,231		5,231	
Stock-based compensation expense and related employer payroll taxes		14,890		15,427		21,240		21,240	
Acquisition and integration costs		102		307		555		555	
Legal and regulatory costs		98		3,879		142		142	
Severance, transition and contract exit costs ⁽³⁾		2,423		1,634		5,513		5,513	
Impairment of long-lived assets ⁽⁴⁾		11,034		—		3,729		3,729	
Amortization of debt discount and issuance cost		1,157		1,132		1,138		1,138	
(Gain) loss on debt extinguishment		—		—		(2,144)		(2,144)	
(Gain) loss on warrants remeasurement		1,297		(2,781)		771		771	
Gain on sale of assets		—		—		(1,757)		(1,757)	
Sublease income		(120)		(117)		(116)		(116)	
Income tax expense effects, net ⁽⁵⁾		—		—		—		—	
Non-GAAP net income (as a percentage of total revenue)	\$	14,759	8.2 %	\$	17,129	9.3 %	\$	8,270	4.5 %
Interest expense		8,878		8,929		7,807		7,807	
Provision for income taxes		521		(389)		37		37	
Depreciation		2,043		1,984		2,432		2,432	
Amortization of capitalized internal-use software costs		4,358		4,779		4,904		4,904	
Other expense (income), net		98		(1,905)		2,415		2,415	
Adjusted EBITDA (as a percentage of total revenue)	\$	30,657	16.9 %	\$	30,507	16.5 %	\$	25,885	13.9 %
Shares used in computing net loss per share amounts:									
Basic		122,556		120,757		113,201		113,201	
Diluted		124,253		122,624		113,711		113,711	
GAAP net loss per share - Basic and Diluted	\$	(0.17)		\$	(0.06)		\$	(0.23)	
Non-GAAP net income per share - Basic	\$	0.12		\$	0.14		\$	0.07	
Non-GAAP net income per share - Diluted	\$	0.12		\$	0.14		\$	0.07	

(1) During the three and nine months ended December 31, 2022, the Company reclassified \$3.7 million impairment of capitalized software from research and development expenses to impairment of long-lived assets in the condensed consolidated statement of operations to conform to current period presentation.

(2) During the three and nine months ended December 31, 2022, the Company reclassified \$2.4 million impairment of right-of-use assets from general and administrative expenses to impairment of long-lived assets in the condensed consolidated statement of operations to conform to current period presentation.


(3) During the three and nine months ended December 31, 2022, the Company reclassified \$3.7 million impairment of capitalized software and \$6.2 million of impairment of capitalized software and right-of-use assets, respectively, to impairment of long-lived assets in the condensed consolidated statement of operations to conform to current period presentation.

(4) During the three and nine months ended December 31, 2023, amounts include impairment charges related to partially ceasing use of the Company's Headquarters and an international office space.

(5) Non-GAAP adjustments do not have a material impact on our federal income tax provision due to past non-GAAP losses.



For tips, updates and the latest information.


 8x8.com

 [@8x8](https://twitter.com/8x8)

 facebook.com/8x8Inc

 linkedin.com/company/8x8

 youtube.com/8x8Inc

 instagram.com/8x8inc