

The logo consists of the text "8x8" in white, bold, sans-serif font, centered within a solid red square. The background of the entire slide is a blurred night cityscape with bokeh light effects from streetlights and buildings.

**8x8**

# Fourth Quarter Fiscal 2021 (Ended March 31, 2021)

May 10, 2021

# 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. These statements relate to the release of new products, market demand for products, changing industry trends and competition, business strategies, future operating performance and outlook, including the economic impacts of the COVID-19 pandemic and future financial results. 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 X-Series product line may be lower than we anticipate.
- Impact of economic downturns on us and our customers, including from the COVID-19 pandemic.
- Competitive dynamics of the UCaaS, CCaaS, CPaaS, video and other markets in which we compete may change in ways we are not anticipating.
- Third parties may assert ownership rights in our IP, which may limit or prevent our continued use of the core technologies behind our solutions.
- We may not achieve our target service revenue growth rate, or the revenue, earnings, bookings or other amounts we forecast in our guidance, for a particular quarter or for the full fiscal year of 2022.
- Our customer churn rate may be higher than we anticipate.
- Our Investments we make in marketing, channel and value-added resellers (VARs), e-commerce, 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.

# 8x8 By the Numbers

**1**

Platform for  
Customers

**1.8 Million**

Paid business  
users

**532 Million**

Total revenue  
FY 2021

**58,000+**

Customers

**22%**

Total ARR Growth\*

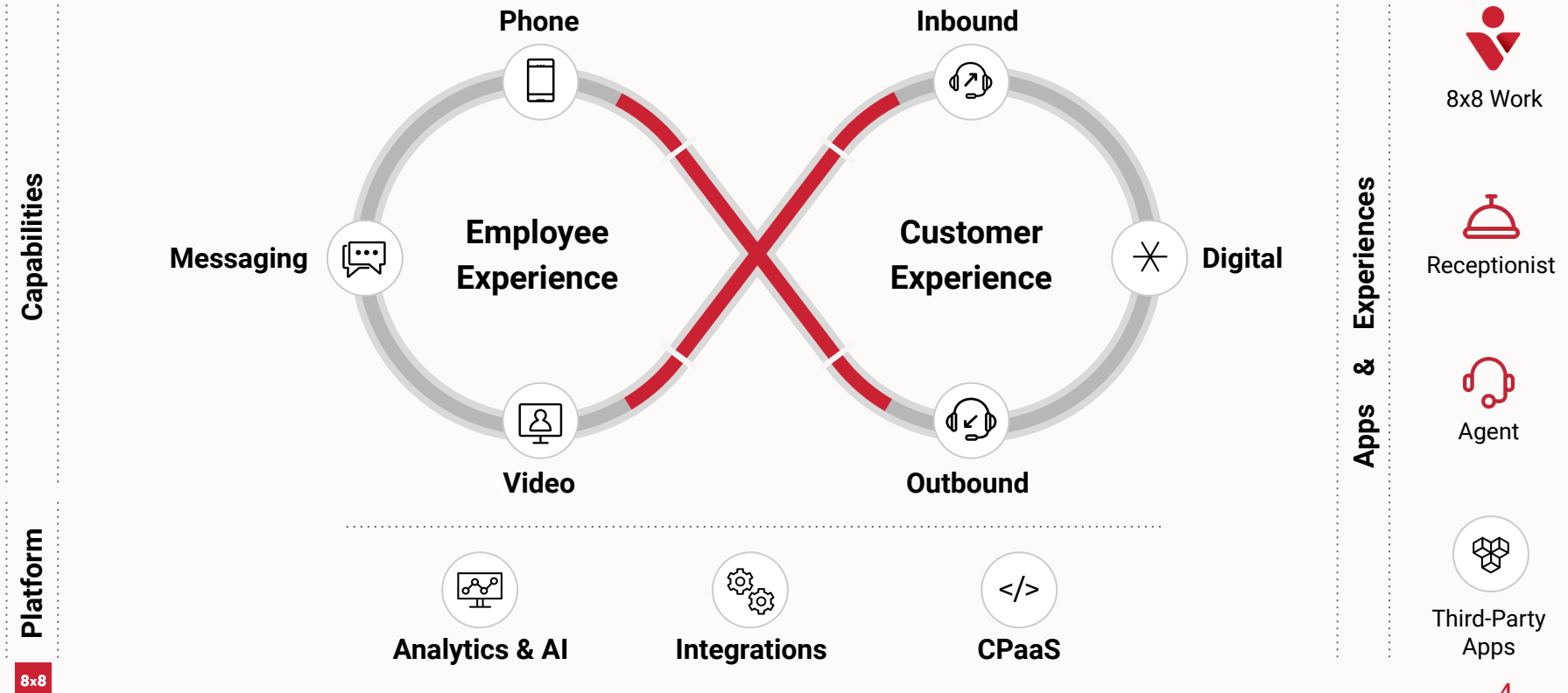
**250+**

Patents



\* Total ARR is defined as annualized subscription revenue and the annualized platform usage revenue for all CPaaS customers who meet a minimum revenue threshold for a period of at least 6 consecutive months.

# Powering All Personas Company-Wide



# Guidance vs. Financial Results

## Q4 Fiscal 2021

	Q4 F2021	
	Guidance (January 28, 2021)	Results (May 10, 2021)
<b>Total Revenue</b>	\$138.5 – 140.5m	\$144.7m
<b>% Growth Y/Y</b>	14 – 16%	19.1%
<b>Service Revenue</b>	\$130.8 – 131.8m	\$133.8m
<b>% Growth Y/Y</b>	16 – 17%	18.9%
<b>Pre-Tax Profit (Non-GAAP)</b>	(~\$0.8m)	\$0.1m

# Guidance vs. Financial Results

## Full-Year Fiscal 2021

	FY F2021	
	Guidance (January 28, 2021)	Results (May 10, 2021)
<b>Total Revenue</b>	\$526.1 – 528.1m	\$532.3m
<b>% Growth Y/Y</b>	18%	19.3%
<b>Service Revenue</b>	\$493.0 – 494.0m	\$496.0m
<b>% Growth Y/Y</b>	19%	19.8%
<b>Pre-Tax Loss (Non-GAAP)</b>	(~\$13.7m)	(~\$12.8m)

# Q4 Fiscal 2021

## Financial Highlights

Revenue	
Service Revenue <sup>1</sup>	\$134 million, 19% Y/Y growth
Other Revenue <sup>2</sup>	\$11 million, 23% Y/Y growth
Total Revenue	\$145 million, 19% Y/Y growth

ARR	
Total ARR <sup>3</sup>	\$518 million, 22% Y/Y growth
Small Business <sup>4</sup>	\$270 million, 17% Y/Y growth
Mid-Market <sup>5</sup>	\$138 million, 14% Y/Y growth
Enterprise <sup>6</sup>	\$110 million, 49% Y/Y growth

<sup>1</sup>Service revenue consists of subscriptions and platform usage revenue from our UCaaS, CCaaS and CPaaS offerings.

<sup>2</sup>Other Revenue is primarily comprised of product revenue from the sale of pre-configured phones, phone rentals, and professional services

<sup>3</sup>Total ARR is defined as annualized subscription revenue and the annualized platform usage revenue for all CPaaS customers who meet a minimum revenue threshold for a period of at least 6 consecutive months.

<sup>4</sup>Small business is defined as ARR from companies with annual revenue < \$50m based on end of the period estimates.

<sup>5</sup>Mid-market is defined as ARR from companies with annual revenue \$50m to \$1bn based on end of the period estimates.

<sup>6</sup>Enterprise is defined as ARR from companies with annual revenue greater than \$1bn based on end of the period estimates.

ARR amounts may not sum due to rounding.

# Business Highlights

## Integrated UCaaS and CCaaS

- 9 of top 10 deals were integrated contact center and communications
- Contact center and communications represented 75% of new bookings that were \$12K or more in ARR
- Contact center new bookings grew 33% year-over-year and represented 20% of total new bookings

## Product Innovation

- Launched 8x8 Contact Center for Microsoft Teams which is certified by Microsoft to integrate with Team
- Announced the new 8x8 Voice for Microsoft Teams app to further extend the Teams experience for users by adding new SMS, MMS, and fax capabilities
- Partnered with China Mobile International to deliver the industry's first cloud solution that supports the communications and customer engagement requirements of multinational enterprises with operations in Mainland China
- Announced 8x8 Work for Web which allows 8x8 users to securely communicate, collaborate and engage across almost any device and operating system via an everyday web browser without software downloads or plug-ins
- Launched the industry's only financially-backed, platform-wide 99.99% SLA across an integrated cloud CCaaS and UCaaS solution



# Business Highlights (continued)

## **Strong and Growing Large Deals With Annual Recurring Revenue (ARR) Greater than \$100,000**

- 761 customers with Annual Recurring Revenue (ARR) > \$100,000, 25% year-over-year growth
- Closed 45 new customer deals with ARR > \$100,000, 7% year-over-year growth. These deals represented 36% of new bookings for the quarter and included 28 new logo deals.

## **Channel Momentum**

- Channel represents 40% of total ARR and grew 38% year-over
- 5 of top 10 new bookings from channel partners
- 1,264 active channel partners, 22% year-over-year growth
- Signed strategic partnership with Westcon, a global technology distributor, to drive adoption of UCaaS and CCaaS across UK and Ireland

# Business Highlights (continued)

## Leadership Updates

- Announced that Amrit Chaudhuri has joined the Company as Chief Marketing Officer
- Announced that Walt Weisner has joined the Company as Chief Customer Officer

## Industry Recognition

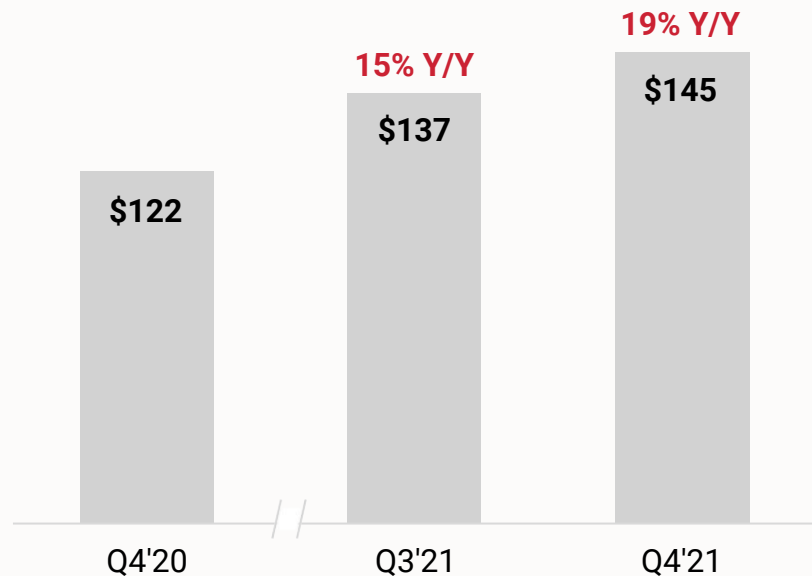
- Named Leader in the IDC MarketScape: Worldwide UCaaS Service Providers for Enterprise 2021 Vendor Assessment
- Named a Leader in the IDC MarketScape: Worldwide UCaaS Service Providers for SMB 2021 Vendor Assessment
- Awarded 5-Star rating by CRN's 2021 in its Partner Program Guide
- Named a Major Player in the IDC MarketScape: Worldwide CPaaS Service Providers 2021 Vendor Assessment

# Revenue

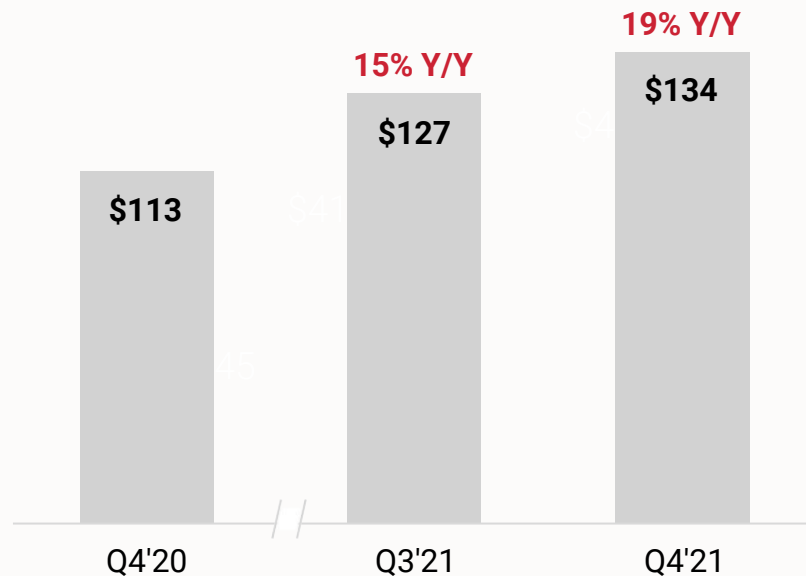
## Strong Revenue Growth at Scale

(\$ in millions)

### Fiscal Q4 Total Revenue



### Fiscal Q4 Service Revenue

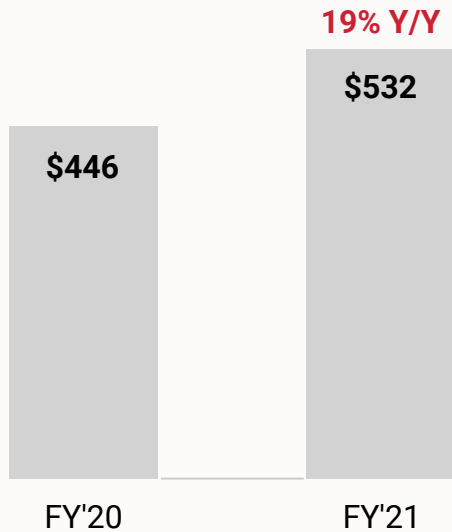


# Revenue

## Strong Revenue Growth at Scale

(\$ in millions)

### Fiscal Full-Year Total Revenue

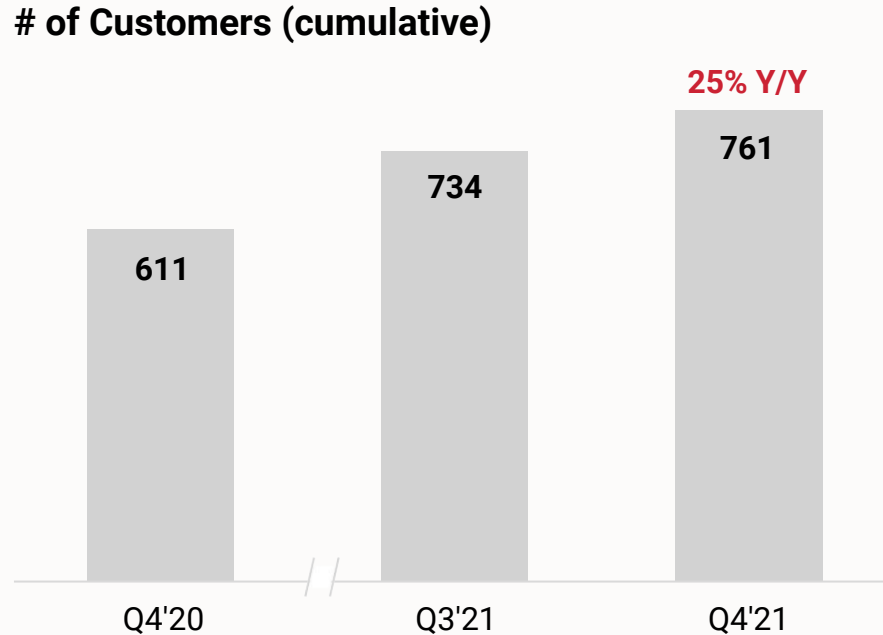


### Fiscal Full-Year Service Revenue



# New Bookings

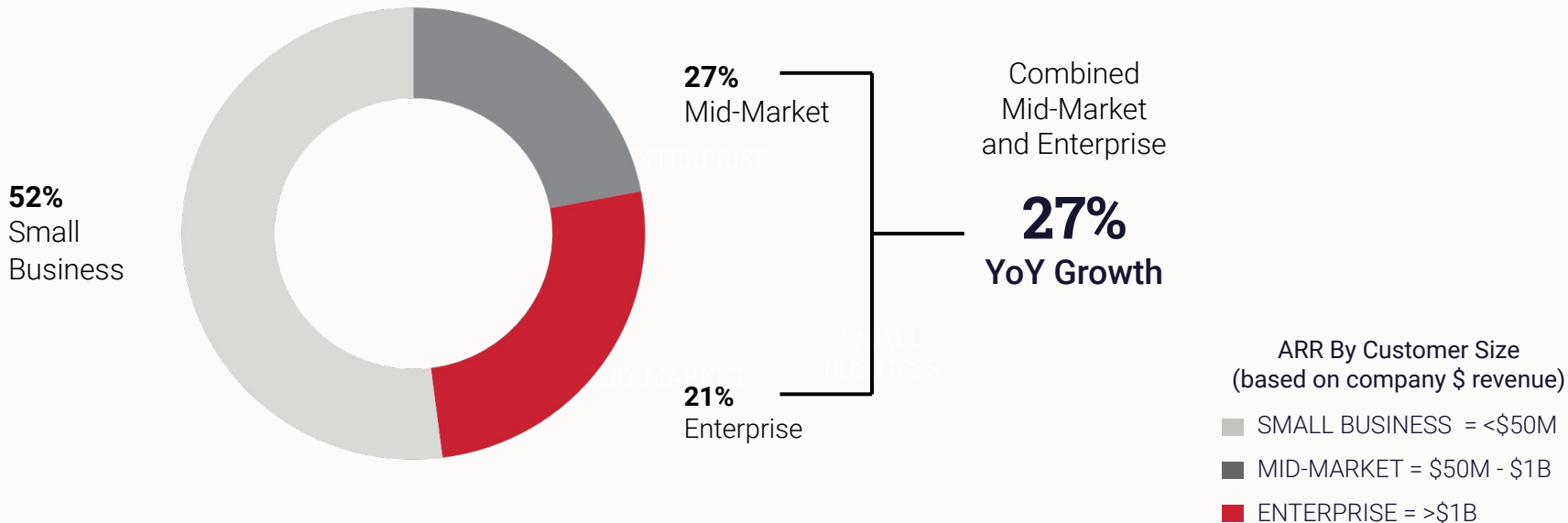
## Customers >\$100K ARR



Annual Recurring Revenue (ARR) = annualized subscription revenue and the annualized platform usage revenue for all CPaaS customers who meet a minimum revenue threshold for a period of at least 6 consecutive months.

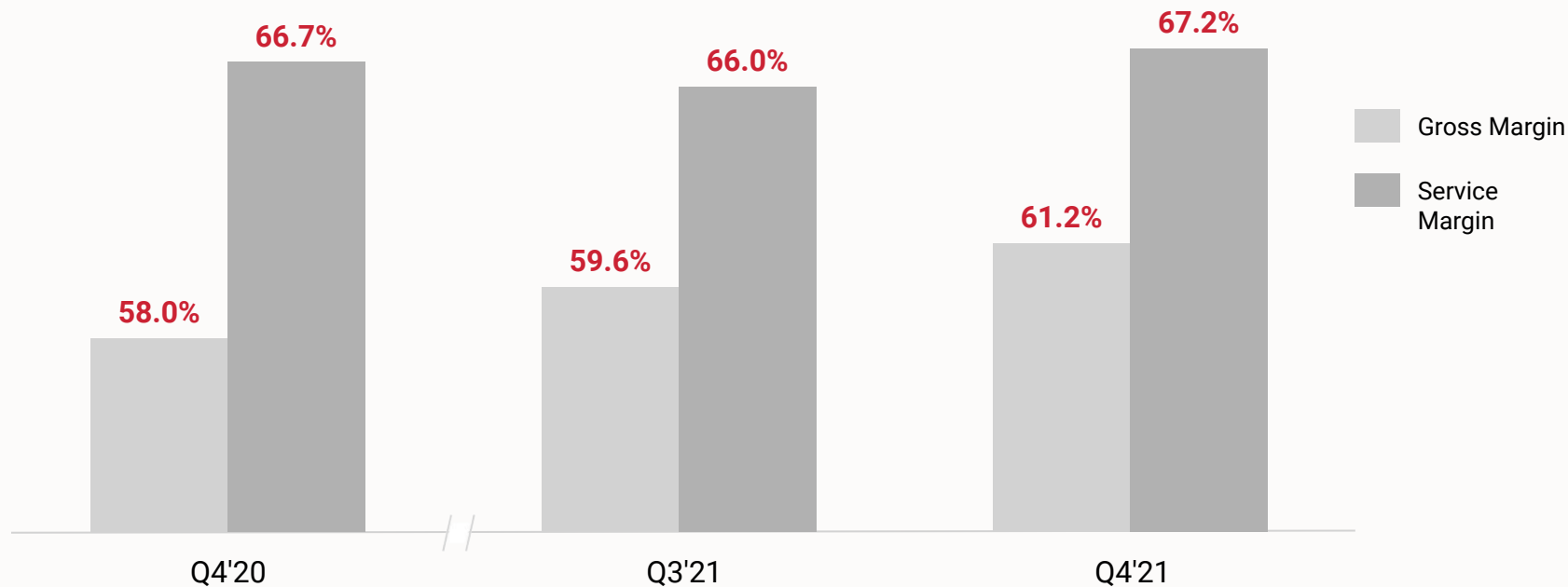
# ARR

## By Customer Size



# Non-GAAP Margins\*

## Gross Margin & Service Margin



# Guidance

## Q1 and Full-Year Fiscal 2022

	<b>Q1 F2022</b> Ending June 30, 2021	<b>FY F2022</b> Ending March 31, 2022
<b>Total Revenue</b>	\$142.0 – 143.5m	\$595.0 – 605.0m
<b>% Growth Y/Y</b>	17 – 18%	12 – 14%
<b>Service Revenue</b>	\$132.5 – 133.5m	\$555.0 – 565.0m
<b>% Growth Y/Y</b>	16 – 17%	12 – 14%
<b>Non-GAAP Operating Margin</b>	Positive	Positive each quarter Exit (4Q) at ~2%

Guidance as of May 10, 2021. Refer to Forward Looking Statement for a discussion of factors that could cause actual results to differ from guidance.



# Long-Term Financial Framework

Non-GAAP	FY'20 Results	FY'21 Results	FY'22 Assumptions	Intermediate Profile ~3 years	Long-Term Profile 5+ years
GAAP Total Revenue Growth	27%	19%	12-14%	20%+	20%+
Gross Margin	59.1%	60.7%	61-64%	63-67%	70%+
S&M as % of Revenue	47.7%	40.8%	40-45%	35-40%	35-40%
R&D as a % of Revenue	12.1%	10.8%	11-13%	13-15%	13-15%
G&A as a % of Revenue	13%	11.2%	~10%	10%	<10%
Operating Margin	(13.6%)	(2.1%)	Exit FY at ~2%	5-10%	10-20%
GAAP Cash Flow from Operations	(\$94m)	(\$14m)	Exit FY Positive	CFO+ for FY	10-20% CFO Margin

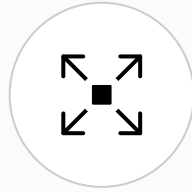
A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future. The above financial framework should not be construed to be guidance and is based upon assumptions with respect to future decisions, which are subject to change. Actual results may vary and those variations may be material. For discussion of some of the important factors that could cause these variations, please consult the "Risk Factors" section in our most recently filed Form 10-K or 10-Q. For a reconciliation of GAAP to Non-GAAP actual results for fiscal 2020 and 2021, please refer to the Appendix for additional information.

# Investment Thesis



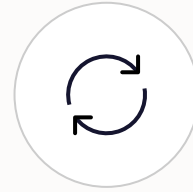
## Large Underpenetrated TAM

\$75B+ cloud communications market with strong secular tailwinds



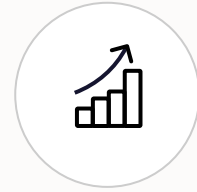
## Compelling Land and Expand Model

~1.8M paid business users and large expansion opportunities



## Recurring Business Model

Predictable subscription business with operating leverage and positive cash flow



## Long-Term Profitable Growth

Improving margin profile to fund future growth levers

# Appendix

A silhouette of a woman in profile, facing left, holding a smartphone. The background is a dark blue night scene with out-of-focus city lights in various colors (red, yellow, white, green) creating a bokeh effect.

# 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 Pre-Tax Profit (Loss) to the corresponding GAAP measures of GAAP Net Income (Loss) due to the significant variability of, and difficulty in making accurate forecasts and projections with regards to, the various expenses it excludes. For example, although future hiring and retention needs may 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. Similarly, impairments and other items are difficult to predict as they may depend on future events and external factors outside the Company's control. The actual amounts of these excluded items could have a significant impact on the Company's GAAP Pre-Tax Income (Loss). 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.

# Reconciliation of GAAP to Non-GAAP

## Cost of Service Revenue

(\$ in thousands, Unaudited)

Cost of Service Revenue:	Fiscal Quarter			Fiscal Year	
	Q4'21	Q3'21	Q4'20	2021	2020
GAAP cost of service revenue	\$47,239	\$47,044	\$43,114	\$180,082	\$145,013
Amortization of acquired intangible assets	(1,074)	(1,192)	(1,818)	(5,117)	(6,727)
Stock-based compensation expense and related taxes	(2,280)	(2,528)	(1,622)	(9,206)	(5,449)
Legal and regulatory costs	—	(62)	(231)	(219)	—
Severance and related termination costs	(4)	(91)	(1,951)	(1,522)	(2,744)
Non-GAAP cost of service revenue	<b>\$43,881</b>	<b>\$43,171</b>	<b>\$37,492</b>	<b>\$164,018</b>	<b>\$130,093</b>
<i>Non-GAAP service revenue margin</i>	67.2%	66.0%	66.7%	66.9%	68.6%

# Reconciliation of GAAP to Non-GAAP

## Cost of Other Revenue

(\$ in thousands, Unaudited)

Cost of Other Revenue:	Fiscal Quarter			Fiscal Year	
	Q4'21	Q3'21	Q4'20	2021	2020
GAAP cost of other revenue	\$13,874	\$13,364	\$14,507	\$50,068	\$56,215
Stock-based compensation expense and related taxes	(1,540)	(1,196)	(728)	(4,763)	(3,122)
Acquisition and Integration Costs	—	—	—	—	(6)
Legal and regulatory costs	—	(71)	—	(151)	—
Severance and related termination costs	—	(69)	(287)	(64)	(716)
Non-GAAP cost of other revenue	<b>\$12,334</b>	<b>\$12,028</b>	<b>\$13,492</b>	<b>\$45,090</b>	<b>\$52,371</b>

# Reconciliation of GAAP to Non-GAAP

## Gross Margin

(\$ in thousands, Unaudited)

Gross Margin:	Fiscal Quarter			Fiscal Year	
	Q4'21	Q3'21	Q4'20	2021	2020
Non-GAAP cost of service revenue	\$43,881	\$43,171	\$37,492	\$164,018	\$130,093
Non-GAAP cost of other revenue	12,334	12,028	13,492	45,090	52,371
Non-GAAP cost of revenue	\$56,215	\$55,199	\$50,984	\$209,108	\$182,464
Non-GAAP gross margin	61.2%	59.6%	58.0%	60.7%	59.1%

# Reconciliation of GAAP to Non-GAAP Sales and Marketing

(\$ in thousands, Unaudited)

Sales and Marketing Expense:	Years Ended March 31,	
	2021	2020
GAAP sales and marketing	\$256,231	\$240,013
Amortization of acquired intangible assets	(1,769)	(2,115)
Stock-based compensation expense and related taxes	(35,529)	(20,534)
Acquisition and integration costs	—	(11)
Legal and regulatory costs	(638)	—
Severance and related termination costs	(963)	(4,437)
Non-GAAP sales and marketing	<b>\$217,332</b>	<b>\$212,916</b>
<i>Non-GAAP sales and marketing as a percentage of revenue</i>	<i>40.8%</i>	<i>47.7%</i>



# Reconciliation of GAAP to Non-GAAP Research and Development

(\$ in thousands, Unaudited)

Research and Development Expense:	Years Ended March 31,	
	2021	2020
GAAP research and development	\$92,034	\$77,790
Stock-based compensation expense and related taxes	(33,261)	(20,173)
Acquisition and integration costs	—	(225)
Legal and regulatory costs	(441)	—
Severance and related termination costs	(743)	(3,559)
Non-GAAP research and development	<b>\$57,589</b>	<b>\$53,833</b>
<i>Non-GAAP research and development as a percentage of revenue</i>	10.8%	12.1%

# Reconciliation of GAAP to Non-GAAP

## General and Administrative

(\$ in thousands, Unaudited)

General and Administrative Expenses:	Years Ended March 31,	
	2021	2020
GAAP general and administrative	\$100,078	\$87,025
Stock-based compensation expense and related taxes	(29,746)	(22,818)
Acquisition and integration costs	(197)	(2,371)
Legal and regulatory costs	(5,772)	730
Severance and related termination costs	(4,941)	(4,661)
Non-GAAP general and administrative	<b>\$59,422</b>	<b>\$57,905</b>
<i>Non-GAAP general and administrative as a percentage of revenue</i>	11.2%	13.0%

# Reconciliation of GAAP to Non-GAAP Operating Margin

(\$ in thousands, Unaudited)

Operating Margin:	Years Ended March 31,	
	2021	2020
GAAP loss from operations	(\$146,149)	(\$159,819)
Amortization of acquired intangible assets	6,886	8,842
Stock-based compensation expense and related taxes	112,505	72,096
Acquisition and integration costs	197	2,613
Legal and regulatory costs	7,221	(730)
Severance and related termination costs	8,233	16,117
Non-GAAP operating profit (loss)	<b>(\$11,107)</b>	<b>(\$60,881)</b>
<i>Non-GAAP operating margin</i>	<i>-2.1%</i>	<i>-13.6%</i>



**For tips, updates and the latest information.**


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