

8x8

Earnings Results

Fourth Quarter Fiscal 2020
(Ended March 31, 2020)

May 12, 2020

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, business strategies, future operating performance and outlook, including the economic impacts of COVID-19 pandemic and future 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 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 F2020, including revenue contributions from our acquisition of Wavecell Pte. Ltd.
- 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.

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.

Experience the new speed of business with 8x8

NYSE: **EGHT**

1,600+ Employees in 8 Countries

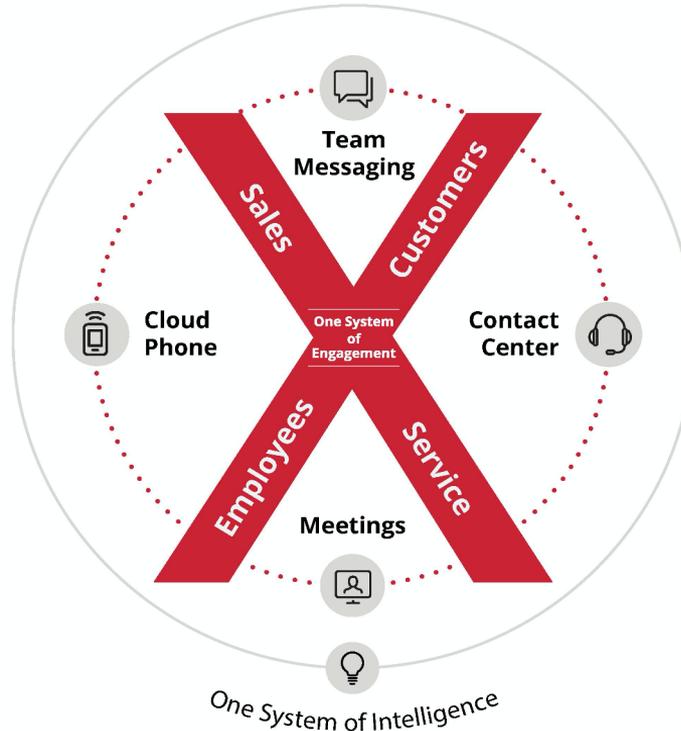
1+ million business users in 150+ countries

Guaranteed call **reliability**, quality

Leading **security** and compliance

Global capabilities

Proven, **trusted partner**



Financial Results vs. Guidance | Q4 Fiscal 2020

	Q4 F2020	
	Guidance (February 4, 2020)	Results (May 12, 2020)
Total Revenue	\$118.9 - 119.4m	\$121.5m
% Growth Y/Y	27%	29.6%
Service Revenue*	\$114.4 - 114.9m	\$116.0m
% Growth Y/Y	28-29%	30.2%
Pre-Tax Loss (Non-GAAP)	(~\$14.1m)	(\$12.7m)

* Guidance and results issued on pre-reclassification of service revenue. See appendix for additional information, including a reconciliation of GAAP to Non-GAAP.

Financial Results vs. Guidance | Full-Year Fiscal 2020

	Full-Year Fiscal 2020	
	Guidance (February 4, 2020)	Results (May 12, 2020)
Total Revenue	~\$444m	\$446.2m
% Growth Y/Y	~26%	26.6%
Service Revenue*	~\$425m	\$426.5m
% Growth Y/Y	~27%	27.5%
Pre-Tax Loss (Non-GAAP)	(~\$60m)	(\$58.6m)

* Guidance and results issued on pre-reclassification of service revenue. See appendix for additional information, including a reconciliation of GAAP to Non-GAAP.

Q4 Fiscal 2020 | Business Highlights

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

- 611 customers with Annual Recurring Revenue (ARR) greater than \$100,000, 50% year-over-year growth
- Closed record 42 new customer deals with ARR > \$100,000. These deals represented 34% of new bookings for the quarter.

Annual Recurring Revenue (ARR):

- Total ending ARR was \$426.4m and grew 34% year-over-year
- Small business customers with revenue <\$50m comprised 54% of ending (ARR) and grew 16% year-over-year
- Mid-market customers with revenue between \$50m - \$1b comprised 28% of ending (ARR) and grew 55% year-over-year
- Enterprise customers with revenue >\$1b comprised 17% of ending (ARR) and grew 79% year-over-year

Average Annual Service Revenue Per Customer*:

- Small business customers with revenue <\$50m grew 4% year-over-year to \$4,748
- Mid-market customers with revenue between \$50m - \$1b grew 25% year-over-year to \$42,934
- Enterprise customers with revenue >\$1b grew 26% year-over-year to \$174,305

Introduced 8x8 X Series and 8x8 Contact Center in Canada. Introduced 8x8 Express in the United Kingdom.

* Post-reclassification of service revenue. See appendix for additional information.

Q4 Fiscal 2020 | Business Highlights (continued ...)

Continued Contact Center Traction with Customer:

- All top 10 deals were bundled deals
- Contact center bookings represented 30% of total new bookings and grew 76% year-over-year

Channel Momentum:

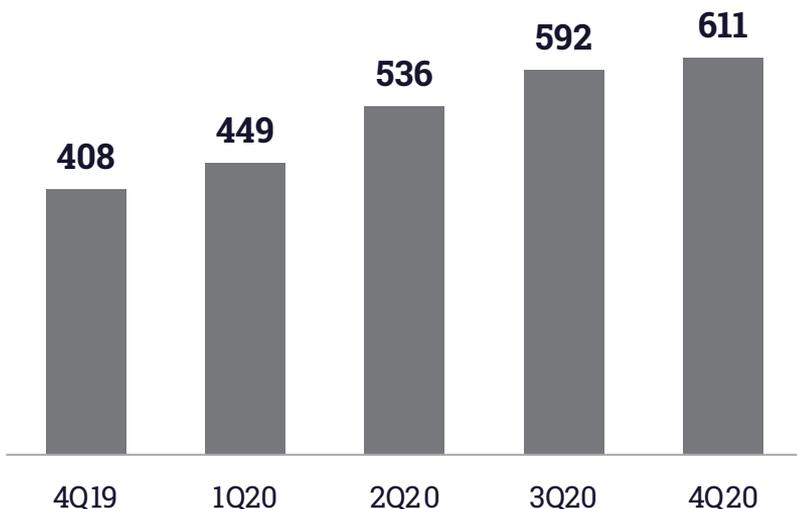
- Channel Bookings grew 63% year-over-year and represented 54% of new bookings
- 8 of top 10 deals from channel partners
- 1,035 active channel partners including 24 Master Agents
- Signed a strategic partnership with **Virgin Media Business**, one of the UK's largest business data network providers with services to over 50,000 UK businesses, to accelerate the cloud-adoption of voice, video meetings, chat and contact center solutions to private and public sector businesses

Launched 8x8 Video Meetings Pro, a paid video conference solution powered by Jitsi, an open source community for secure video meetings technology. Jitsi.org and 8x8 video meetings solutions will run on the Oracle Cloud Infrastructure, which offers optimized cloud security and performance. 8x8 video meetings solutions are available in the Oracle Cloud Marketplace.

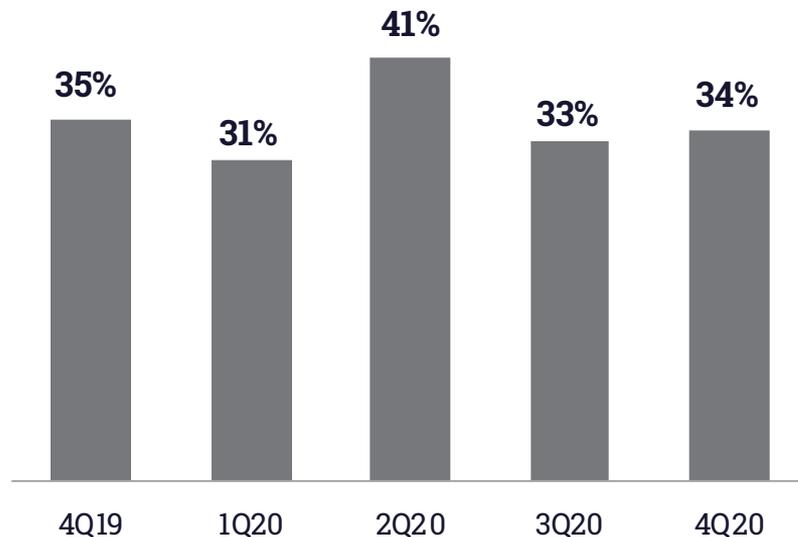
Launched 8x8 Rapid Expansion Program to provide customers with the flexibility to quickly extend cloud communications to newly remote employees with no time or term commitment.

New Bookings | Customers >\$100K ARR (Annual Recurring Revenue*)

of Customers (cumulative)



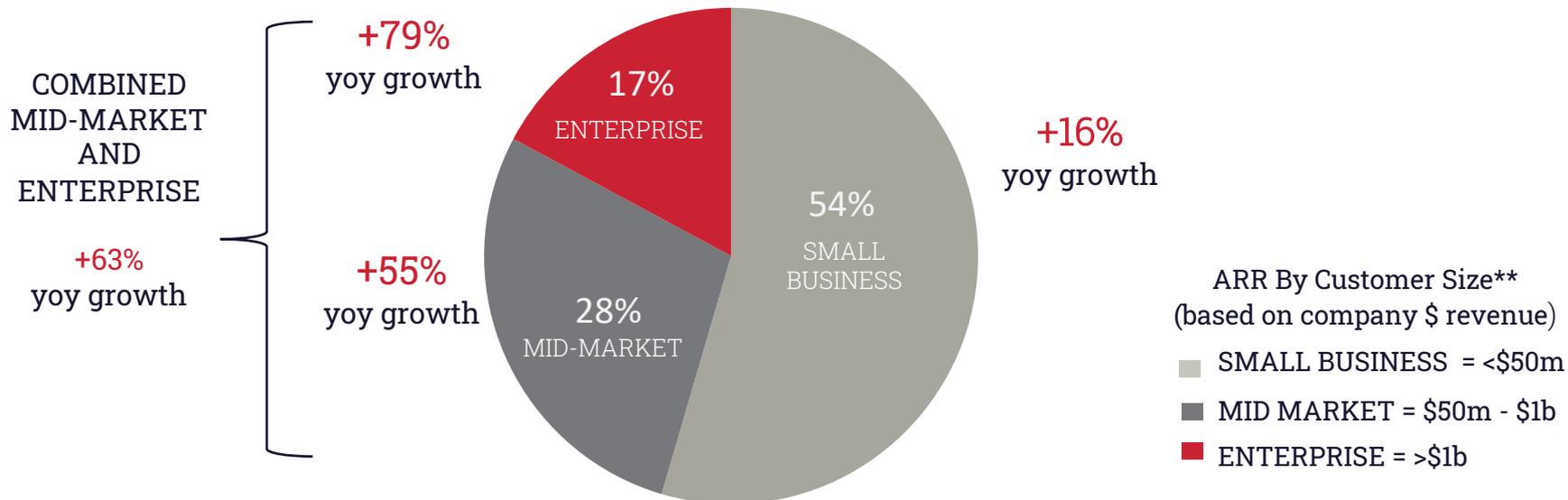
% of New Bookings



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

Annual Recurring Revenue (ARR*) | By Customer Size

Total ARR Growth of +34% YOY with Strong Growth & Contribution From Mid-Market & Enterprise Customers



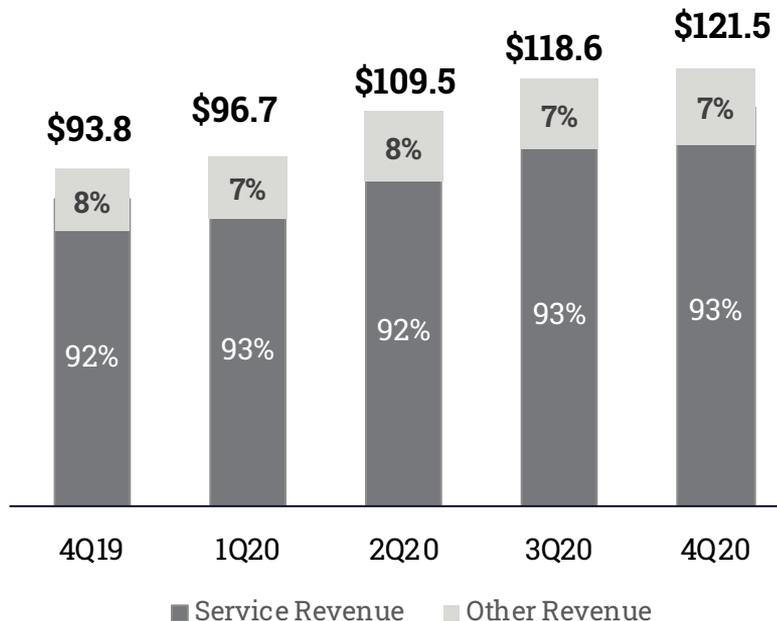
* Annual Recurring Revenue (ARR) = annualized subscription revenue and the annualized platform usage revenue for CPaaS customers who meet a minimum revenue threshold for a period of at least 6 consecutive months

** Customer revenue size based on 3rd party sources

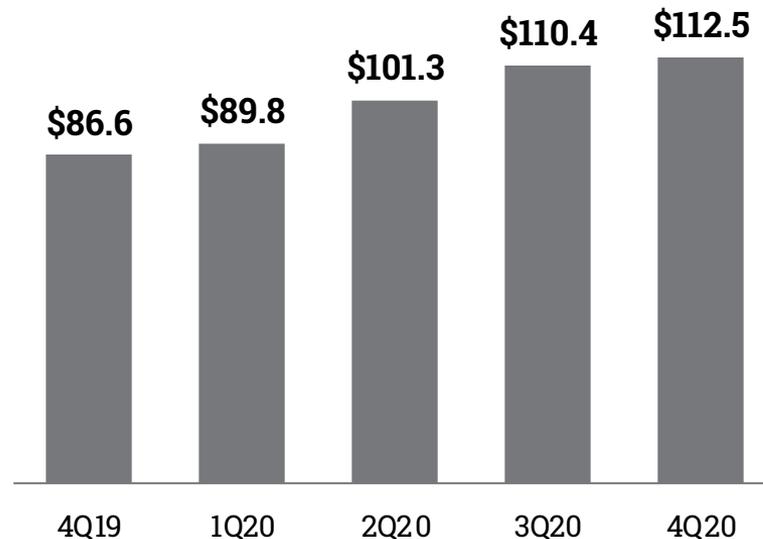
Revenue | Strong Continued Increases

(\$ in millions)

Total Revenue



Service Revenue*

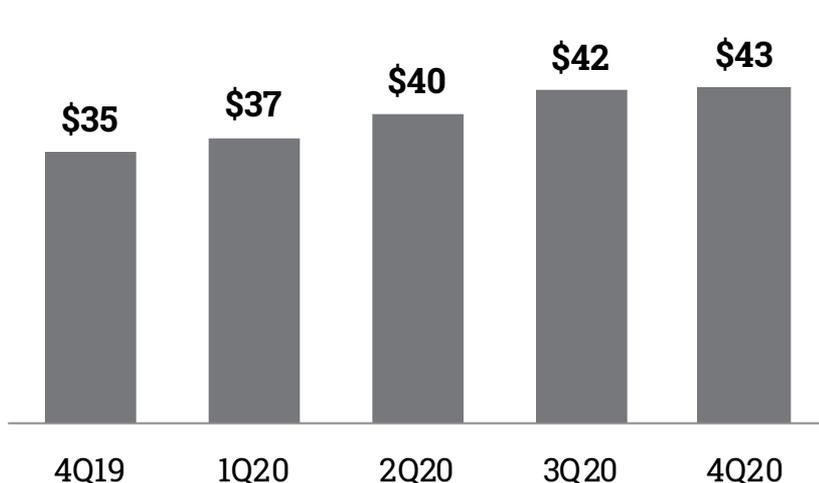


* Post-reclassification of Professional Services. Refer to Appendix for additional information.

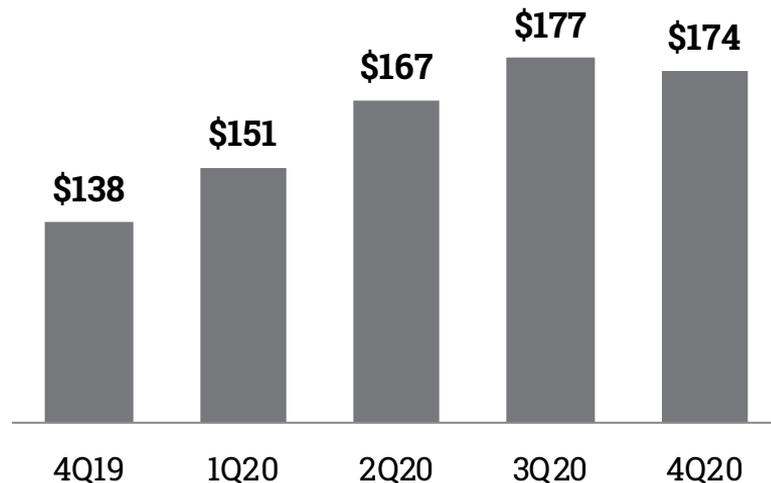
Revenue Per Customer | Increasingly Attractive Economics

Consistent Increases in Unit Level Customer Economics ... With Particular Strength in Larger Customers

Mid-Market



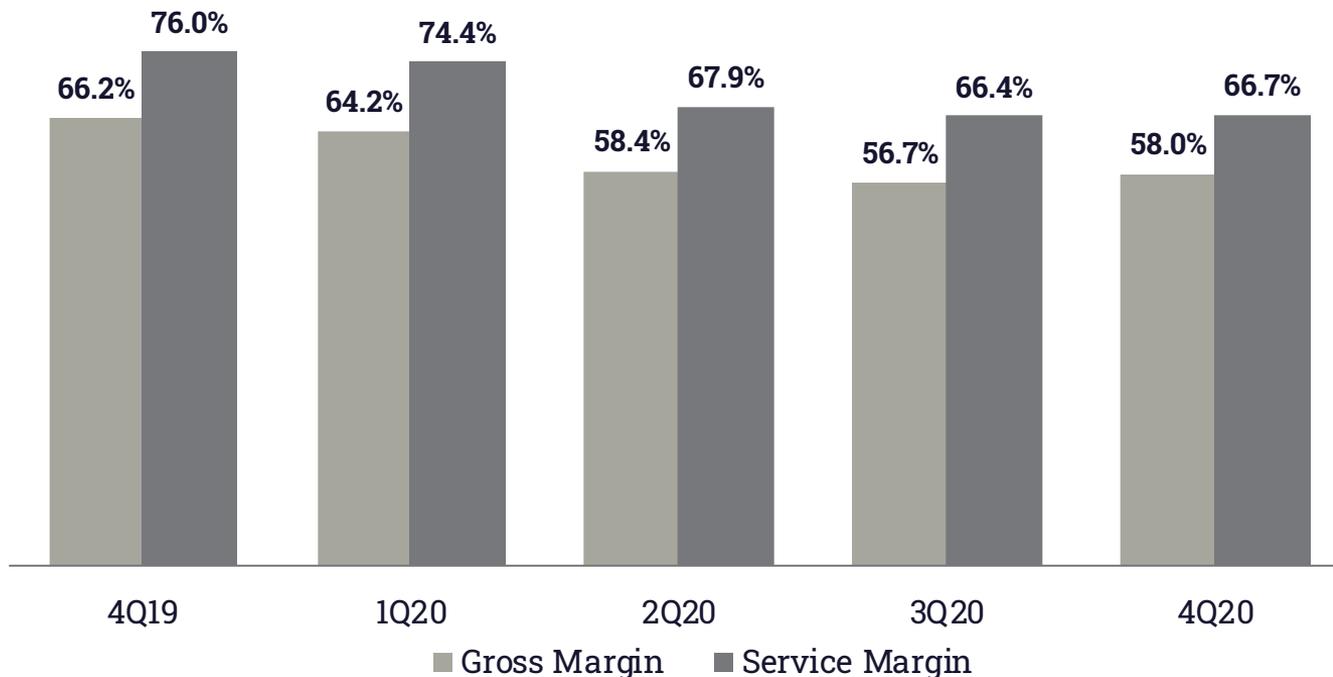
Enterprise



Average Annual Service Revenue Per Customer (in thousands)

Note: Mid-Market defined as customers with annual revenues between \$50m and \$1b and Enterprise defined as customers with annual revenue over \$1b as defined by company size. Post-reclassification of Professional Services for the fourth quarter of fiscal 2019 and all quarters in fiscal 2020.

Gross Margin | Recurring Non-GAAP Margins*



Reclassifying Professional Services from Service Revenue yielded a 500 bps improvement to Service Revenue Margin in Q4'20

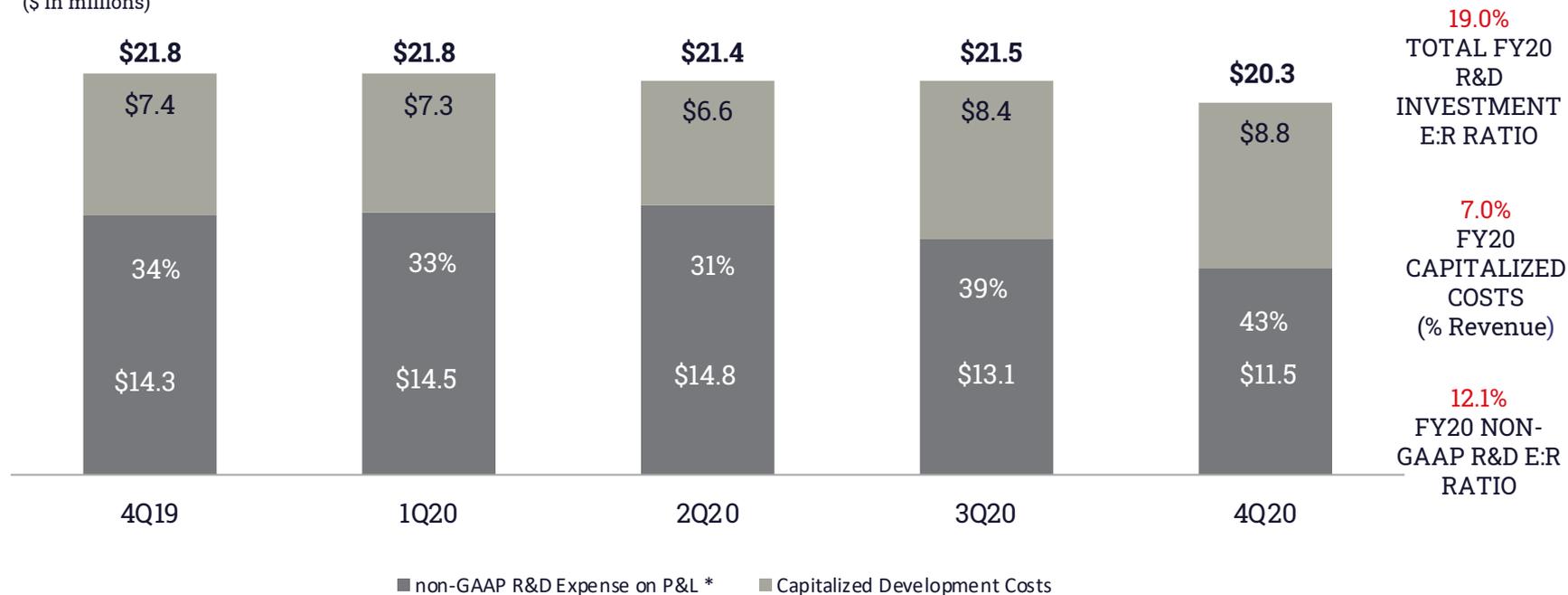
Provides greater visibility into core Service Revenue Margin going forward

* For a reconciliation of GAAP to Non-GAAP metrics, including post-reclassification of Professional Services, refer to the Appendix for additional information.

Single Technology Platform | 8x8 R&D Innovation

Strong Continued Innovation With Large Total R&D Investment

(\$ in millions)



% in bar charts represents the portion of total R&D spend that is capitalized in the period

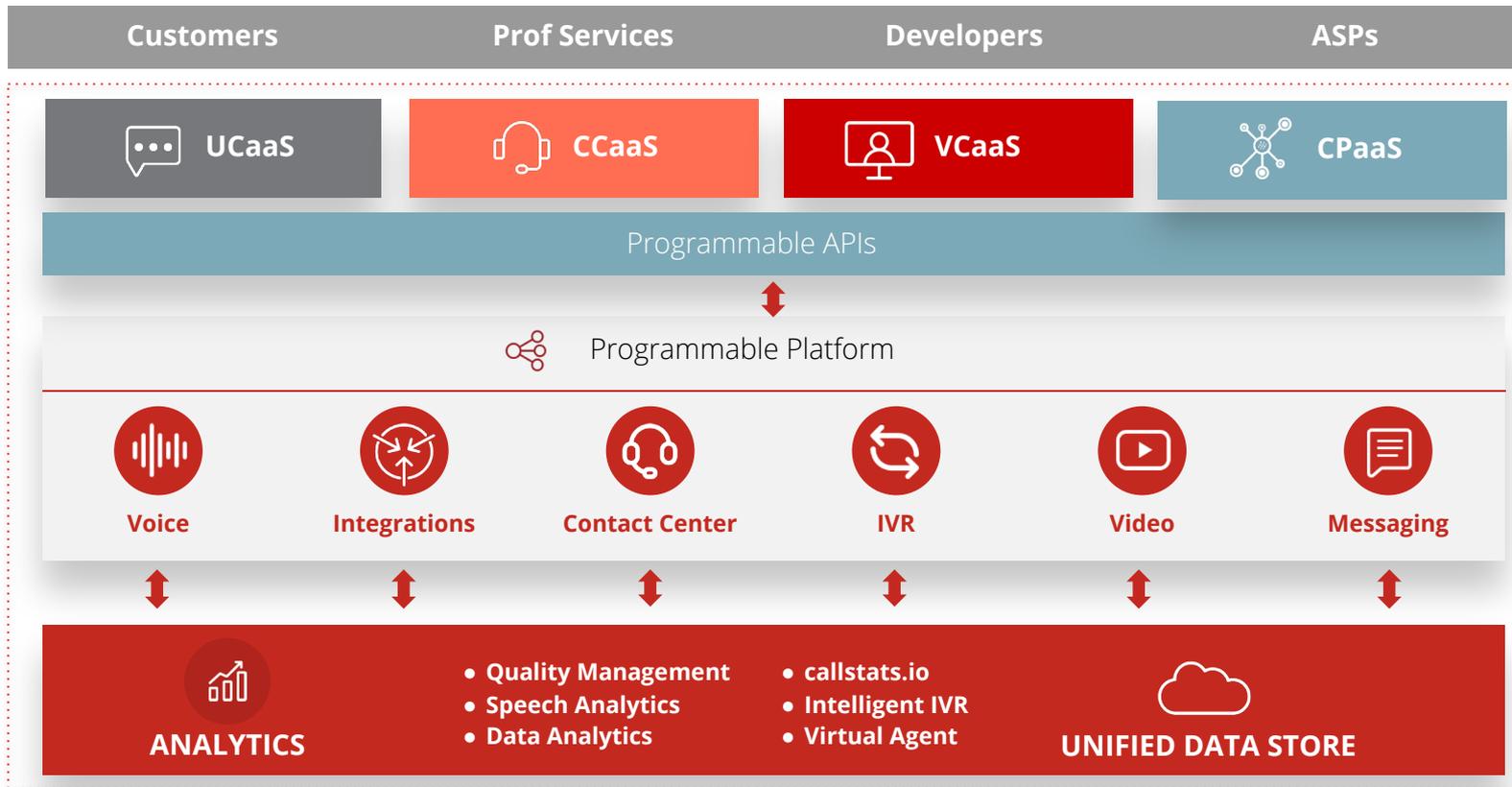
* For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix for additional information.

Guidance | Q1 Fiscal 2021

	Q1 F2021
	Guidance (May 12, 2020)
Total Revenue	\$120.0 – 121.0m
% Growth Y/Y	24-25%
Service Revenue*	\$112.5 – 113.5m
% Growth Y/Y	25-26%
Pre-Tax Loss (Non-GAAP)	(~\$12.0m)

* On a post-reclassification basis excluding Professional Services. Historical reporting of Service Revenue which includes Professional Services is in the range of \$116.0 million to \$117.0 million, representing 26% to 27% year-over-year growth.

8x8 Technology Platform



Empower Engagement Across All Communication Channels



SMS

Use SMS API & Campaign Manager to send messages to your customers around the world



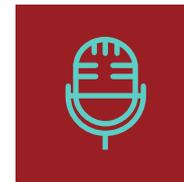
Chat Apps

Programmatically send richer messages and content to users of major chat apps (e.g. WhatsApp Business)



Video Interaction

Redefine the customer experience by integrating video interaction into your mobile apps or website



Voice

Generate interactive text-to-speech (TTS) phone calls and give your applications a voice

Introducing 8x8 Meetings Pro



Jitsi.org, is a 100% open source video conferencing project acquired by 8x8 in Oct 2018.

Its foundation is a codebase that's been hardened by millions of downloads and implemented into banking, education and home security applications

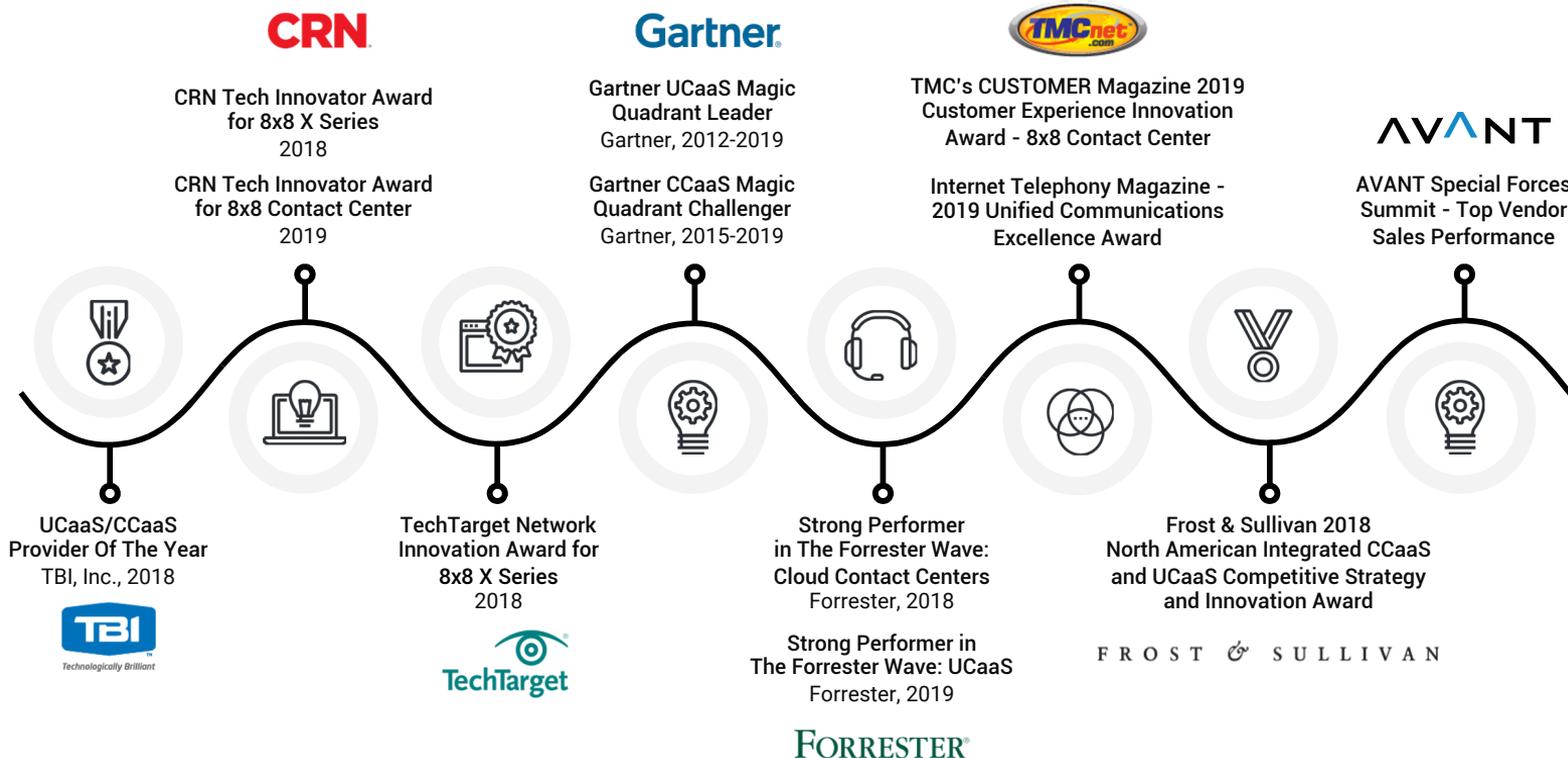
Channel Partner Program

	Master Agent	Sub-Agent	VAR (Value Added Reseller)
Definition	Company that partners with tech firms to provide solutions for their Sub-Agent base to sell to their customers	Company that sells a variety of technology solutions "as-is" to provide complete solution	Company that adds features or services to an existing product and resells it as an integrated product or complete "turn key" solution
Contract With	8x8	Master Agent	8x8 / Distributor
Compensated By	8x8 (% commission of base revenue and SPIFFS)	Master Agent	8x8 / Distributor
Customer Base	Sub-Agent	End User	End User
Customer Relationship Owned By	N/A	Sub-Agent	VAR
Value to 8x8	Relationships with Sub-Agents	Relationships with End-User	Relationships with End-User
Illustrative Example			

CloudFuel VAR Program with ScanSource & Poly

Value-Added Reseller (VAR)	 scansource	 poly	 8x8
Own customer relationship	Centralized logistics and focused expertise	Best-in-class endpoints	Global UCaaS, CCaaS, VCaaS, CPaaS Platform
Quote customer pricing	Partner training, enablement and order management	Rebate incentives	Quote/order/marketing portal (PartnerXchange)
Align customer to incentives	Aggregate/track incentives	Other incentives	Early adopter incentives
Bills customer	Bills VAR	Buybacks	Calculates, bills and remits taxes
Deployment	Backup deployment services	Zero-touch provisioning	Training/certification
Tier 1 and Tier 2 support	Backup Tier 2 escalations	Hardware escalations	Tier 3 and Tier 4 escalations
Value-added services	Professional services	Provisioning interfaces	API documentation and training
Customer communications	Marketing support	Marketing support	Marketing support

Awards and Recognition



Investment Highlights

Compelling TAM

\$60+ billion market in early innings of cloud migration

Attractive Economics

solid customer land and expand

Unique Tech Platform

single cloud technology platform

Strong SaaS Model

subscription revenue and visibility

Complete Cloud Offering

integrated unified communications, contact center, video solutions & APIs

Multiple Growth Drivers

channel & global expansion, cross-selling of platform, analytics

Thank you.

Reconciliation of GAAP to Non-GAAP | Cost of Service Revenue

(\$ in thousands, Unaudited)

Cost of Service Revenue:	Three Months Ended March 31,	
	2020	2019
GAAP cost of service revenue	\$43,114	\$23,163
Amortization of acquired intangible assets	(\$1,818)	(\$1,310)
Stock-based compensation expense and related taxes	(\$1,622)	(\$1,061)
Severance and related termination costs	(\$2,182)	\$—
Non-GAAP cost of service revenue	\$37,492	\$20,792
<i>Non-GAAP cost of service revenue as a percentage of service revenue</i>	33.3%	24.0%

Reconciliation of GAAP to Non-GAAP | Cost of Other Revenue

(\$ in thousands, Unaudited)

Cost of Other Revenue:	Three Months Ended March 31,	
	2020	2019
GAAP cost of other revenue	\$14,507	\$11,430
Stock-based compensation expense and related taxes	(\$728)	(\$499)
Severance and related termination costs	(\$287)	\$—
Non-GAAP cost of other revenue	\$13,492	\$10,931
<i>Non-GAAP cost of other revenue as a percentage of other revenue</i>	150.8%	153.2%

Reconciliation of GAAP to Non-GAAP | Research & Development

(\$ in thousands, Unaudited)

Research & Development Expense:	Three Months Ended March 31,	
	2020	2019
GAAP research and development	\$20,155	\$18,064
Stock-based compensation expense and related taxes	(\$5,856)	(\$3,726)
Acquisition and integration costs	(\$95)	\$—
Severance and related termination costs	(\$2,722)	\$—
Non-GAAP research and development	\$11,482	\$14,338
<i>Non-GAAP research and development as a percentage of revenue</i>	9.5%	15.3%

Reconciliation of GAAP to Non-GAAP | Sales and Marketing

(\$ in thousands, Unaudited)

Sales and Marketing Expense:	Three Months Ended March 31,	
	2020	2019
GAAP sales and marketing	\$65,420	\$49,525
Amortization of acquired intangible assets	(\$875)	(\$314)
Stock-based compensation expense and related taxes	(\$5,688)	(\$3,549)
Acquisition and integration costs	(\$4)	\$—
Severance and related termination costs	(\$2,544)	(\$203)
Non-GAAP sales and marketing	\$56,309	\$45,459
<i>Non-GAAP sales and marketing as a percentage of revenue</i>	46.4%	48.5%

Reconciliation of GAAP to Non-GAAP | General and Administrative

(\$ in thousands, Unaudited)

General and Administrative Expenses:	Three Months Ended March 31,	
	2020	2019
GAAP general and administrative	\$24,436	\$19,010
Stock-based compensation expense and related taxes	(\$5,832)	(\$4,098)
Acquisition and integration costs	(\$162)	\$—
Legal and non-recurring regulatory costs	(\$117)	(\$2,971)
Severance and related termination costs	(\$2,682)	(\$617)
Non-GAAP general and administrative	\$15,643	\$11,324
<i>Non-GAAP general and administrative as a percentage of revenue</i>	12.9%	12.1%

Reconciliation of GAAP to Non-GAAP | Net Loss / Per Share

(\$ in thousands, Unaudited)

GAAP Net Loss:	Three Months Ended March 31,	
	2020	2019
GAAP net loss	(\$50,100)	(\$28,131)
Adjustments:		
Amortization of acquired intangible assets	\$2,693	\$1,624
Stock-based compensation expense and related taxes	\$19,726	\$12,933
Acquisition and integration costs	\$261	\$—
Legal and non-recurring regulatory costs	\$117	\$2,971
Severance and related termination costs	\$10,417	\$820
Debt amortization expense	\$4,058	\$1,355
Provision for income taxes	\$148	\$236
Non-GAAP net loss before taxes	(\$12,680)	(\$8,192)
Non-GAAP tax expense	\$148	\$236
Non-GAAP net loss after taxes	(\$12,828)	(\$8,428)
Net Loss Per Share:	Three Months Ended March 31,	
GAAP diluted net loss per share	\$ (0.49)	\$ (0.29)
Non-GAAP diluted net loss per share	\$ (0.12)	\$ (0.09)

Reclassification | Non-GAAP Financial Measures

(\$ in thousands, Unaudited)

	As Previously Reported					
	Three Months Ended	Year Ended	Three Months Ended			
	March 31, 2019	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
REVENUE						
Pre-Reclassification						
Service revenue	\$ 89,060	\$ 334,438	\$ 92,372	\$ 104,529	\$ 113,566	\$ 115,995
Product revenue	4,707	18,148	4,303	4,988	5,001	5,483
Total revenue	93,767	352,586	96,675	109,517	118,567	121,478
Reclassifications						
Service revenue ⁽¹⁾	\$ (2,428)	\$ (9,133)	\$ (2,533)	\$ (3,184)	\$ (3,203)	\$ (3,464)
Product revenue ⁽²⁾	(4,707)	(18,148)	(4,303)	(4,988)	(5,001)	(5,483)
Other revenue	7,135	27,281	6,836	8,172	8,204	8,947
Total revenue	—	—	—	—	—	—
Post-Reclassification						
Service revenue	\$ 86,632	\$ 325,305	\$ 89,839	\$ 101,345	\$ 110,363	\$ 112,531
Other revenue	7,135	27,281	6,836	8,172	8,204	8,947
Total Revenues	93,767	352,586	96,675	109,517	118,567	121,478

⁽¹⁾ Represents the reclassification of professional services revenue and cost of professional services revenue previously reported in service revenue and cost of service revenue to now be reported in other revenue and cost of other revenue

⁽²⁾ Represents the reclassification of product revenue and cost of product revenue previously reported on a stand alone basis to now be reported in other revenue and cost of other revenue

Reclassification | Non-GAAP Financial Measures

(\$ in thousands, Unaudited)

	As Previously Reported					
	Three Months Ended	Year Ended	Three Months Ended			
	March 31, 2019	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
<u>COST OF REVENUE</u>						
<i>Pre-Reclassification</i>						
Cost of service revenue	\$ 25,939	\$ 96,791	28,926	\$ 39,042	\$ 44,393	\$ 44,745
Cost of product revenue	5,784	22,780	5,724	6,502	6,893	6,239
Total cost of revenue (Non-GAAP)	31,723	119,571	34,650	45,544	51,286	50,984
<i>Reclassifications</i>						
Cost of service revenue ⁽¹⁾	\$ (5,147)	\$ (19,295)	\$ (5,933)	\$ (6,483)	\$ (7,344)	\$ (7,253)
Cost of product revenue ⁽²⁾	(5,784)	(22,780)	(5,724)	(6,502)	(6,893)	(6,239)
Cost of other revenue	10,931	42,075	11,657	12,985	14,237	13,492
Total cost of revenue (Non-GAAP)	—	—	—	—	—	—
<i>Post-Reclassification</i>						
Cost of service revenue	\$ 20,792	\$ 77,496	\$ 22,993	\$ 32,559	\$ 37,049	\$ 37,492
Cost of other revenue	10,931	42,075	11,657	12,985	14,237	13,492
Total cost of revenue (Non-GAAP)	31,723	119,571	34,650	45,544	51,286	50,984

⁽¹⁾ Represents the reclassification of professional services revenue and cost of professional services revenue previously reported in service revenue and cost of service revenue to now be reported in other revenue and cost of other revenue

⁽²⁾ Represents the reclassification of product revenue and cost of product revenue previously reported on a stand alone basis to now be reported in other revenue and cost of other revenue

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