

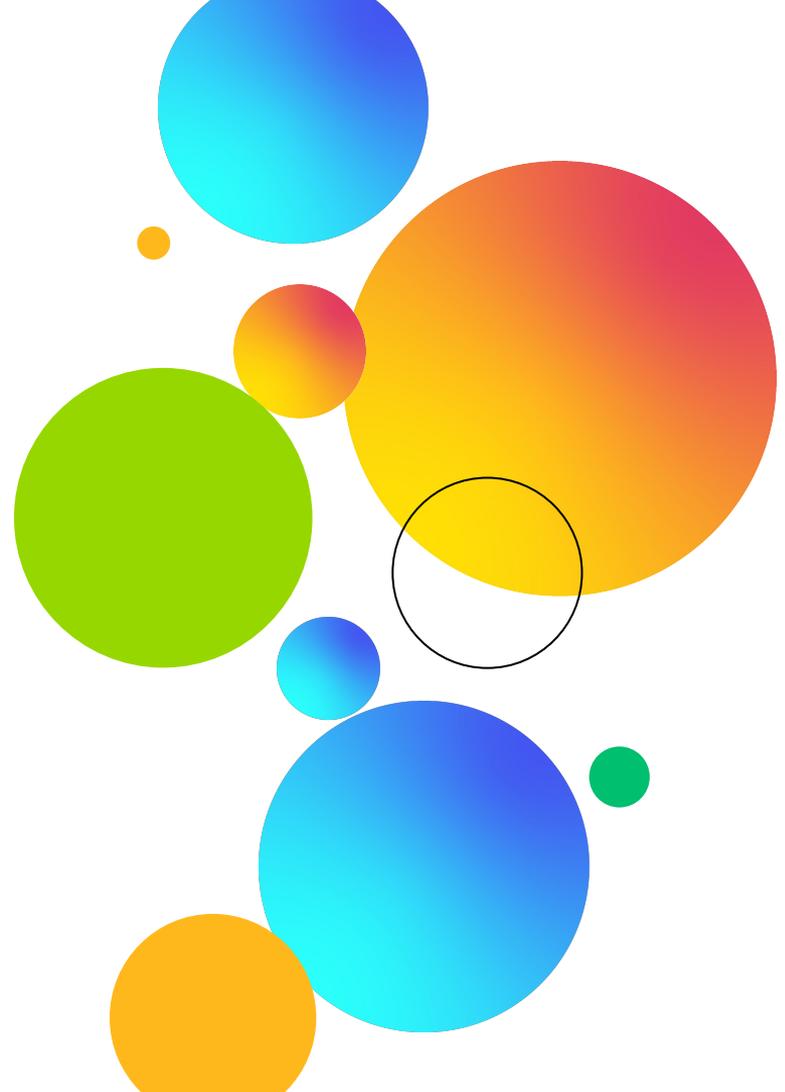
Fourth Quarter FY 2023

Ended March 31, 2023

May 11, 2023

8x8

One platform.
Every communications experience.



Forward looking statements

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

- Customer adoption and demand for our products may be lower than we anticipate.
- A reduction in our total costs as a percentage of revenue may negatively impact our revenues and our business.
- Impact of economic downturns and political instability on us and our customers, including from the COVID-19 pandemic, the war in Ukraine, rising interest rates and other inflationary pressures.
- Risks related to our new secured term loan due 2027 and new convertible senior notes due 2028, including the impact of increased interest expense and timing of any future repayments or refinancing on our stock price;
- Risks related to our remaining convertible senior notes due 2024 and the related capped call transactions, including the timing of any future repayment;
- We may not achieve our target service revenue or total revenue growth rates, or the revenue and other amounts we forecast in our guidance, for a particular quarter or for the full fiscal year of 2023.
- 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 Fuze, Inc. acquisition 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.

Overview



8x8 By the Numbers - Fiscal 2023

\$703M

Total ARR⁽¹⁾

40%

XCaaS as a % of total ARR⁽¹⁾

One platform

Global coverage

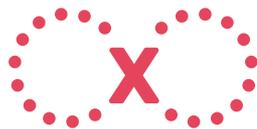
8x8 Voice for MS Teams

2.5M+

Paid business licenses

58%

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



300K+

60K+

Customers

60%

Channel-driven ARR as a % of total ARR⁽¹⁾

Single, all-in-one platform for UCaaS, CCaaS, and CPaaS

Full PSTN replacement in 58 countries/territories

Industry-leading integration for Microsoft Teams: >300K+ licenses sold

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

Q4 FY 2023 product innovation highlights

Launched 8x8 Intelligent Customer Assistant for 8x8 Contact Center, a powerful, user-friendly conversational AI solution enabling businesses to create self-service experiences across all channels.

Integrated OpenAI Whisper across the 8x8 XCaaS platform to deliver industry leading, highly accurate transcription, translation, and summarization services.

Announced 8x8 Supervisor Workspace for 8x8 Contact Center, a purpose-built experience that provides a performance-centric management space for contact center leaders.

Enhanced the 8x8 Agent Workspace Dashboard for 8x8 Contact Center to provide a single view of both agents and queues, plus the ability to see coworker availability and service demand levels with a single click.

Delivered deeper integrations for 8x8 Contact Center with the Microsoft Dynamics 365 Customer Service module and Salesforce Sales Engagement to further improve agent productivity and customer experience.

Launched 8x8 Mobile Admin to help boost operational efficiency and confidence in 8x8 services by surfacing key metrics, configurations, and parameters using the 8x8 Work for Mobile app.

Added Audit History to the 8x8 Admin Console, allowing system administrators to access historical configuration details of their UC estate for complete audit visibility, including what changes were made, when, and by whom.

Q4 FY 2023 industry recognition



Strong Performer in 2023
Gartner® Peer Insights™ “Voice
of the Customer for Contact
Center as a Service” Report.



Winner for Best Automation
Project in Computing’s DevOps
Excellence Awards 2023



Named by DANA Indonesia,
one of Indonesia’s biggest
digital wallet providers with
over 115 million users, as the
Best Performing Vendor 2022.



8x8

Communications for the Customer Obsessed



A grid of white paper boats on a blue background, with one red paper boat standing out. The red boat is positioned to the right of the grid, and a dotted line leads from it towards the bottom left.

Customer obsessed organizations

make CX a competitive advantage

Customer obsessed organizations

Shift the mindset and recognize customer experience as a business accelerator

Focus relentlessly on the customer experience in every interaction, across every channel

Empower every employee to deliver an exceptional customer experience with the right tools

Use AI and data-based intelligence to drive continuous improvement



**XCaaS brings
customer obsession to life**



Roadmap for customer obsessed communications

Enable the agile workplace

High availability, scalable communications platform

Messaging, chat, video, collaboration (8x8 Work, Microsoft Teams)

Global coverage

Consistent user experience across devices and geographies

Cross-functional, cross-platform data capture

Empower users across the organization

Unified administration

“Right size” crossover features based on users’ customer engagement profiles

Tailored workspaces

Real-time context and intelligence on customer interactions

Harness the power AI/ML

LLM-based ICA for common issues and Tier 1 support

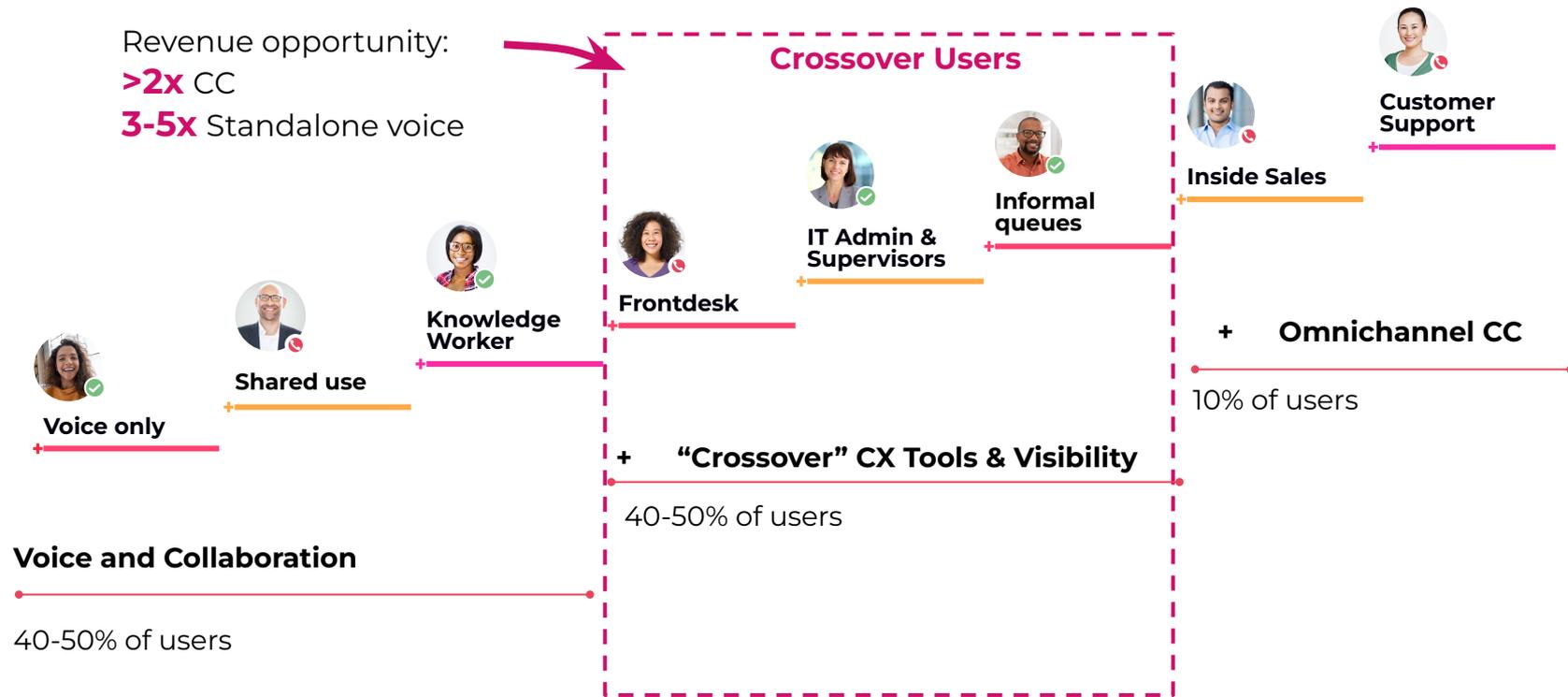
Intelligent routing for more complex issues

Leverage best-of-breed AI-driven solutions purpose-built for common tasks and/or vertical markets

Analytics for actionable business intelligence

Data-driven continuous improvement across organization

8x8 XCaaS empowers all employees globally



TRAJECTOR™

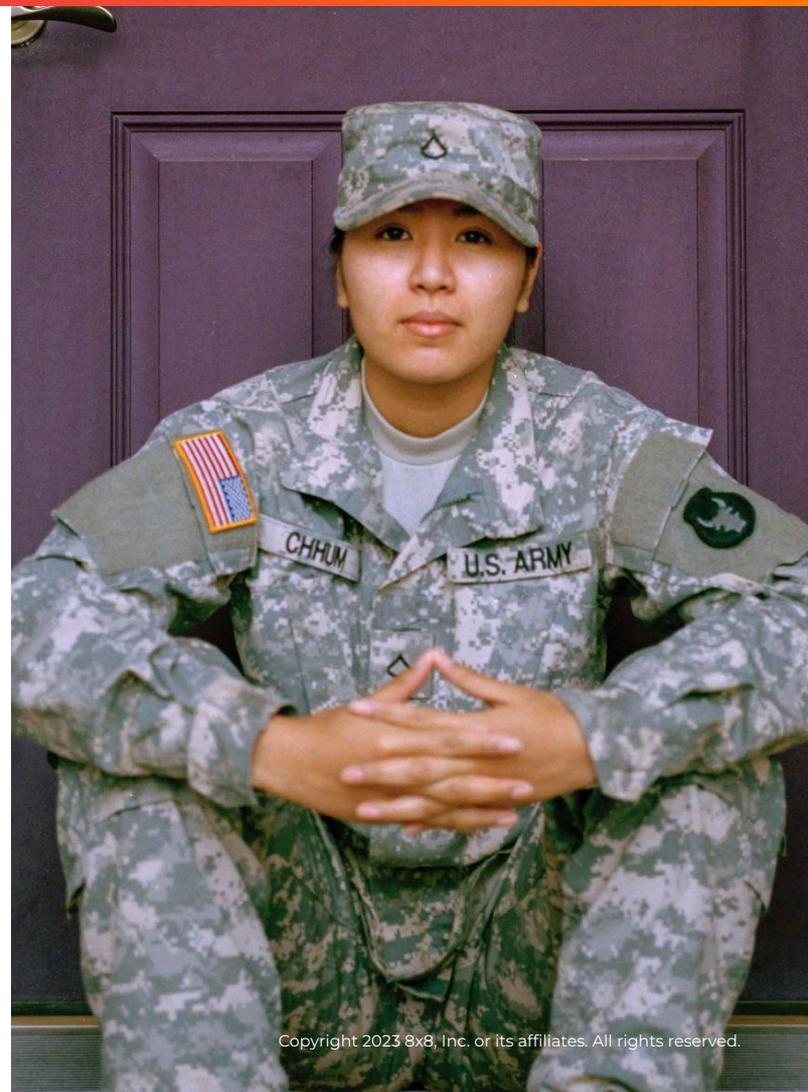
Trajector helps the underserved, at-risk, disabled, and veteran population receive the disability benefits they medically, legally, and ethically qualify for from both government and private entities.

8x8 Solutions

8x8 XCaaS with Contact Center & Voice for Microsoft Teams
Supporting over 700 contact center agents

Why 8x8?

- Continuity and uptime
- Increased efficiency and productivity
- Handle more customer interactions
- Zoho and custom CRM integrations



JacksonLewis

Jackson Lewis P.C. is a US-based law firm with more than 950 attorneys nationwide focused on labor and employment law

8x8 Solutions

8x8 XCaaS with Contact Center & Voice for Microsoft Teams
Supporting over 2000 employees

Why 8x8?

Single cloud platform for UC and CC
Seamless Microsoft Teams and ServiceNow Integration
Open APIs for integration with Intapp billing solution

Channel Partners

Master: Intelisys Inc. | USA
Agent: RDS Solutions / Upstack





Agilisys is one of the UK's fastest growing and innovative cloud and digital transformation specialists, enabling both public and private sector organizations to adopt technologies, platforms and processes that promote new ways of working.

8x8 Solutions

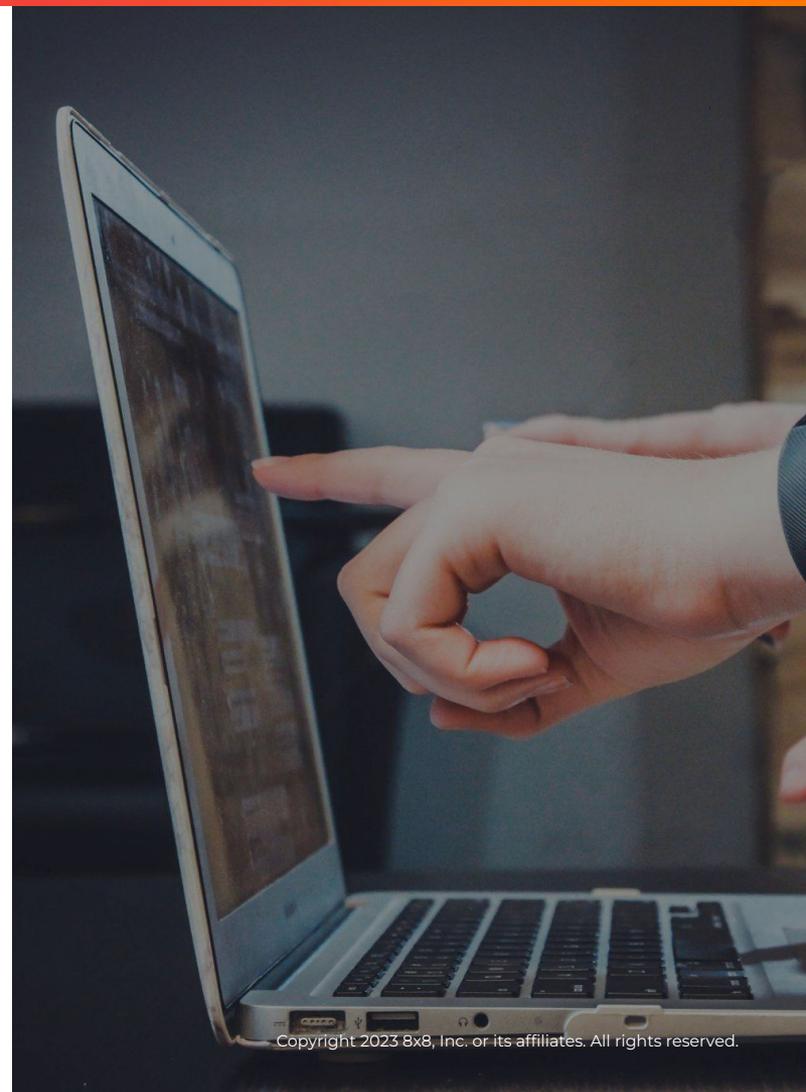
8x8 XCaaS and Intelligent Customer Assistant
Supporting over 1000 employees, including 250 contact center agents

Why 8x8?

Single cloud platform with integrated UC & CC
Improved insights from data and analytics
Lower cost

Channel Partners

Insight Direct UK





Mayden provides iaptus, a SaaS patient management system for over 200 mental healthcare providers in the NHS, UK and abroad supporting over 1M patients per year.

8x8 Solutions

8x8 UCaaS with CPaaS (SMS, Video)

Why 8x8?

NHS Credentials - Service

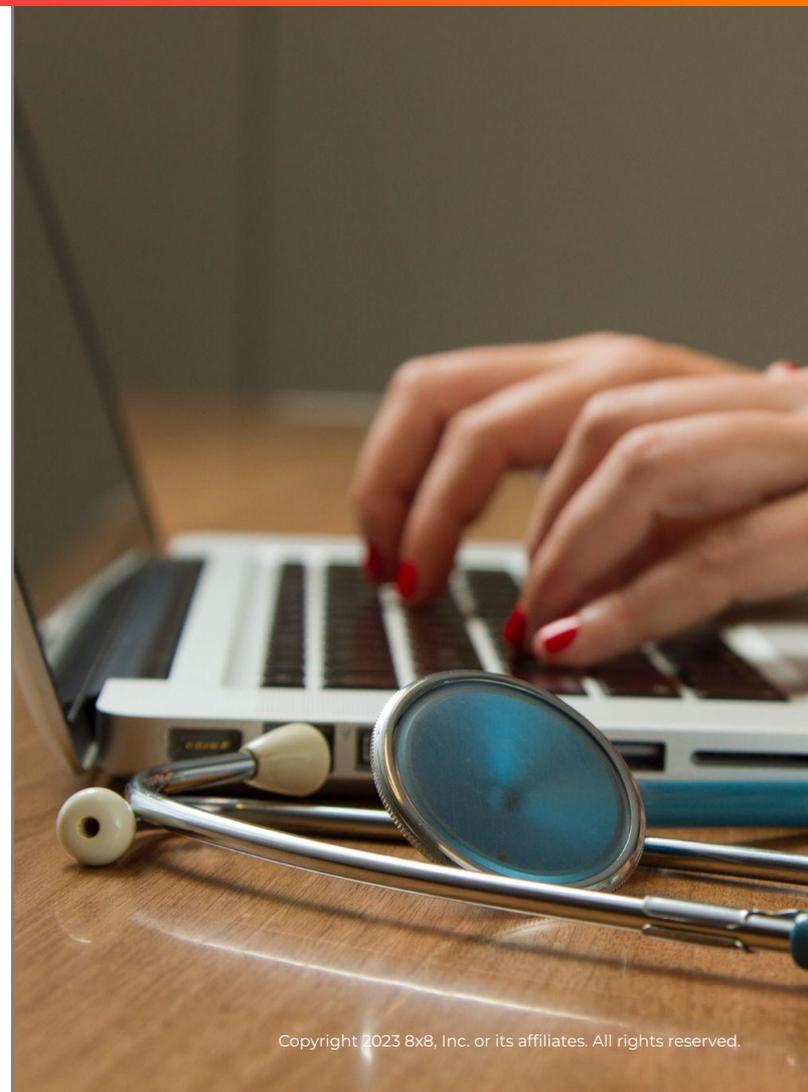
Scalability

Comprehensive APIs

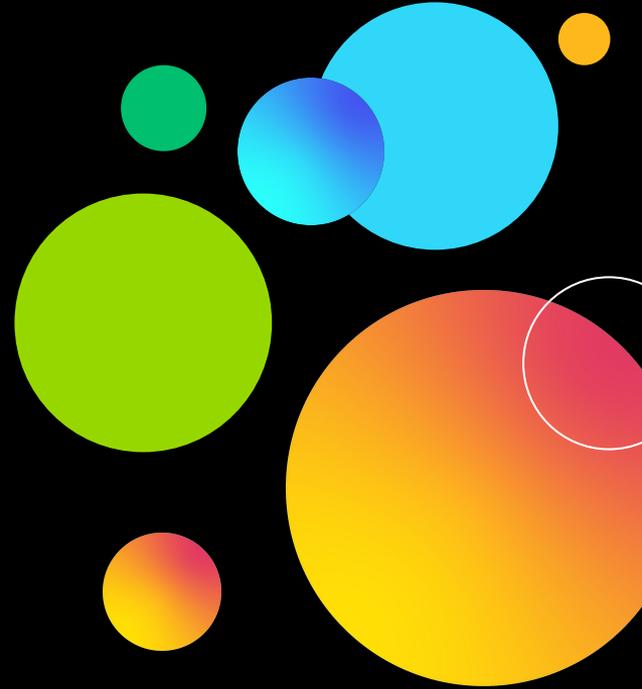
8x8 Partnership

Mayden uses 8x8 CPaaS video to allow healthcare clinicians to generate a video link from within a patient's iaptus record, this is then shared with patients via text in an effortless workflow. At the time of the appointment, both patient and clinician can securely access the remote session.

[video of their service](#)



Q4 and Fiscal 2023 Financial Performance



Strength in numbers

KEY FINANCIAL STATS

\$139M

Cash and investments¹

9

Consecutive quarters of non-GAAP profitability² and positive cash flow

\$62M

FY'23 non-GAAP Operating Profit²

~500%

YoY increase in non-GAAP Operating Profit²

\$49M

FY'23 Cash flow provided by operations

~40%

YoY increase in cash flow provided by operations

KEY BUSINESS STATS

~1,300

Enterprise customers, >2.5M paid business licenses

>90%

CSAT score from enterprise customers for Customer Support

>\$100M

Annual investment in research and development (non-GAAP)²

Q4 FY 2023 Financial Highlights

- Record service and total revenue
- 9th consecutive quarter of non-GAAP profitability and positive cash flow
- Continued strong performance in enterprise and XCaaS
 - 8% YoY growth in Enterprise ARR¹ growth (excluding CPaaS, but including Fuze ARR in Q4'22 and Q4'23)
 - 17% YoY growth in XCaaS ARR²
- RPO up \$25M sequentially to a record \$775M, reflecting bookings strength & high retention
- GAAP and non-GAAP operating margin³ at multi-year highs:
 - GAAP operating margin of 1.9%
 - Non-GAAP operating margin 13.5%⁴
- Operating cash flow of \$13.6 million for the 4th Qtr, \$48.8M for year⁵
- \$139.0M cash, equivalents, restricted cash and investments at quarter- and year-end
- Repurchased and extinguished additional \$5M in aggregate principal amount of the 2024 Notes (\$33M in repurchases since Exchange Transaction in Aug 2022, \$63.3M principal remaining)

1. Annualized Recurring Subscriptions and Usage ("ARR") equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage charges for all CPaaS customers (subject to a minimum billings threshold for a period of at least six consecutive months), multiplied by 12.
2. Enterprise ARR defined as ARR from customers generating \$100,000 or more in ARR.
3. XCaaS ARR represents ARR from customers with UCaaS and CCaaS.
4. See Appendix for a reconciliation of Non-GAAP metrics to the nearest GAAP metric.
5. Cash flow reflects increased interest payments of \$9.6M in Q4'23 and \$20M in fiscal year 2023, compared to same period in prior year

Q4 FY 2023 Results vs. Guidance

	Q4 F2023	
	Guidance as of February 1, 2023	Results March 31, 2023
Service Revenue	\$175 – 178m ²	\$176.6m¹
% Growth Y/Y	1 - 3%	2%
Total Revenue	\$184 – 187m ²	\$184.5m²
% Growth Y/Y	1 – 3%	2%
Non-GAAP Operating Margin²	~10%	13.5%

1. Includes \$26.7 million of revenue from Fuze customers.

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

FY 2023 Results vs. Guidance

	Fiscal Year 2023	
	Guidance as of February 1, 2023	Results March 31, 2023
Service Revenue	\$708.5 - 711.5M	\$710.0m¹
% Growth Y/Y	18%	18%
Total Revenue	\$743.4 - 746.4M	\$743.9²
% Growth Y/Y	17%	17%
Non-GAAP Operating Margin²	~7.5%	8.4%³

1. Includes \$110.3 million of revenue from Fuze customers.

2. Includes \$111.3 million of revenue from Fuze customers.

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

Q4 FY 2023 Financial Metrics*

Q4 F2023 Revenue	Service Revenue ^{1,7}	\$176.6 million, 2% Y/Y growth
	Other Revenue ^{2,7}	\$8.0 million, -7% Y/Y growth
	Total Revenue ⁷	\$184.5 million, 2% Y/Y growth
ARR ³	Total ARR ³	\$703 million, 2% Y/Y growth
	Enterprise ARR ^{3,4}	\$405 million, 3% Y/Y growth
	Mid-Market ^{3,5}	\$130 million, 2% Y/Y growth
	Small Business ^{3,6}	\$168 million, 1% Y/Y growth
Cash and CFFO	Cash & investments ⁸	\$137.6 million, vs. \$138.7 million @ yr-end
	Cash flow from operations	\$13.6 million, vs. \$16.5 million in Q4'22 ⁹

* Amounts may not sum to total due to rounding.

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

2. Other Revenue is primarily comprised of product revenue from the sale of pre-configured phones and equipment, phone rentals, and professional services.

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

4. Enterprise ARR is defined as ARR from customers that generate > \$100K ARR.

5. Mid-market ARR is defined as ARR from customers that generate \$25K to \$100K ARR.

6. Small business ARR is defined as ARR from customers that generate < \$25K ARR.

7. Service Revenue included \$26.7M and Total Revenue included \$26.9 million of revenue from Fuze customers.

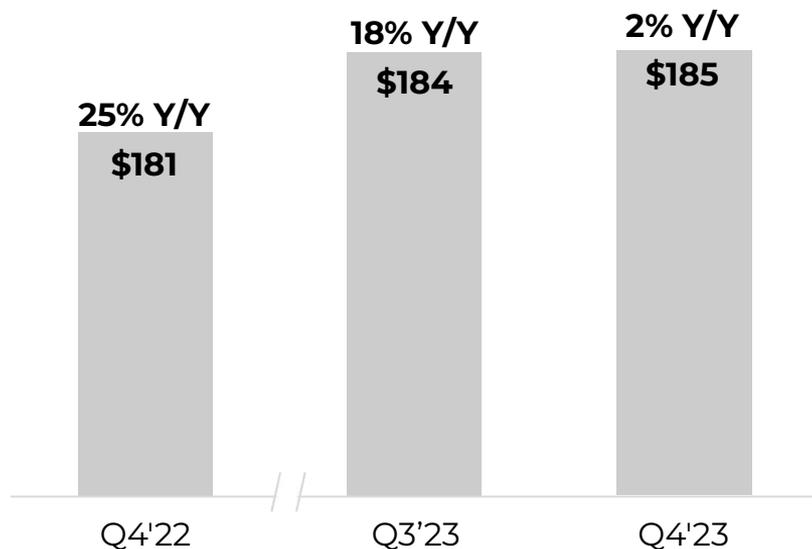
8. Excludes restricted cash of \$1.3M on 3/31/23 and \$9.5M on 3/31/22.

9. Q4'23 operating cash flow included \$10.9M in interest payments compared to \$1.3M in interest payments in Q4'22, an increase of ~\$9.6M.

Revenue Growth

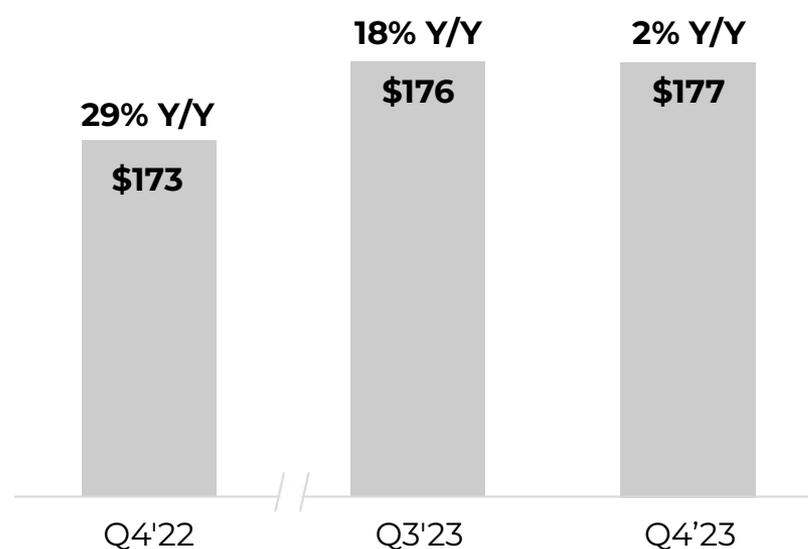
Fiscal Q4 Total Revenue¹

(\$ in millions)



Fiscal Q4 Service Revenue²

(\$ in millions)



1. Q4'23, Q3'23, and Q4'22 Total Revenue included revenue from Fuze customers of \$26.9 million, \$26.5 million, and \$23.9 million, respectively.

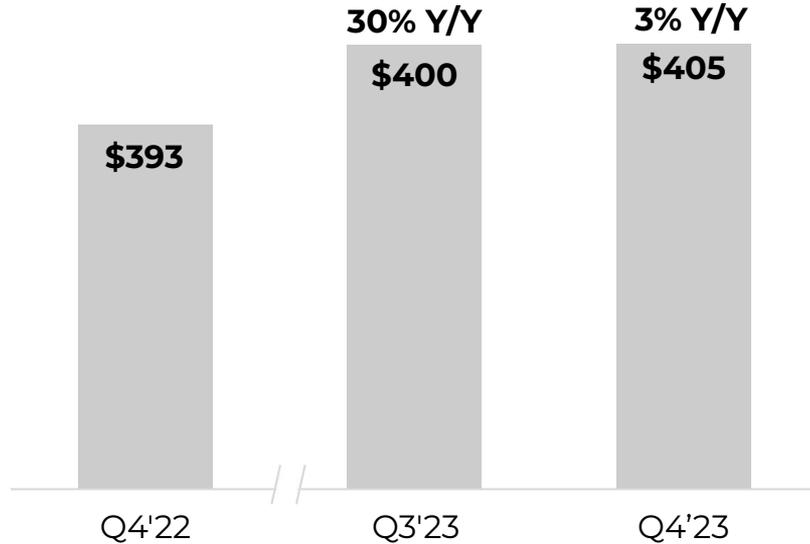
2. Q4'23, Q3'23 and Q4'22 Service Revenue included service revenue from Fuze customers of \$26.7 million, \$26.5 million, and 23.7 million, respectively.

3. Fuze acquisition completed on January 18, 2022.

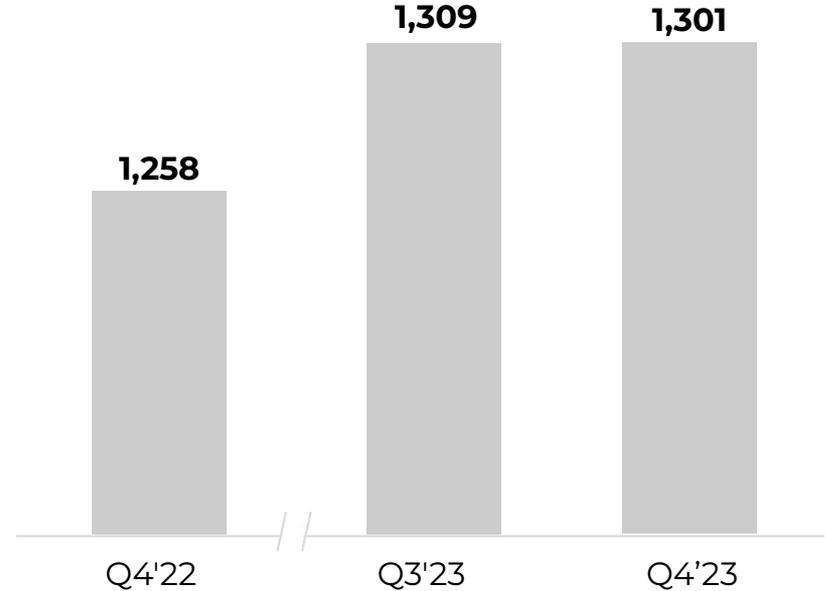
Enterprise Customers >\$100K ARR

Fiscal Q4 Enterprise ARR^{1,2}

(\$ in millions)



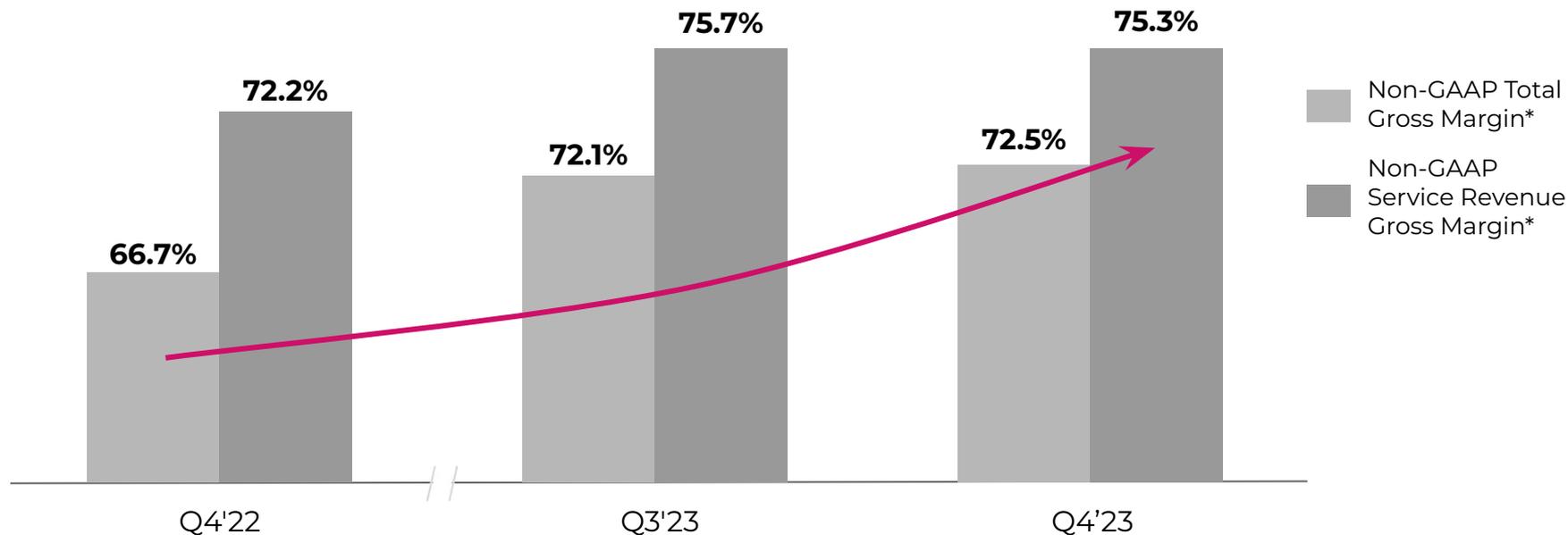
Fiscal Q4 Enterprise Customers²



1. Enterprise ARR is defined as ARR from customers that generate > \$100K ARR.
2. Includes Fuze enterprise customers and ARR beginning Q4'22.

Increasing Non-GAAP Gross Margins*

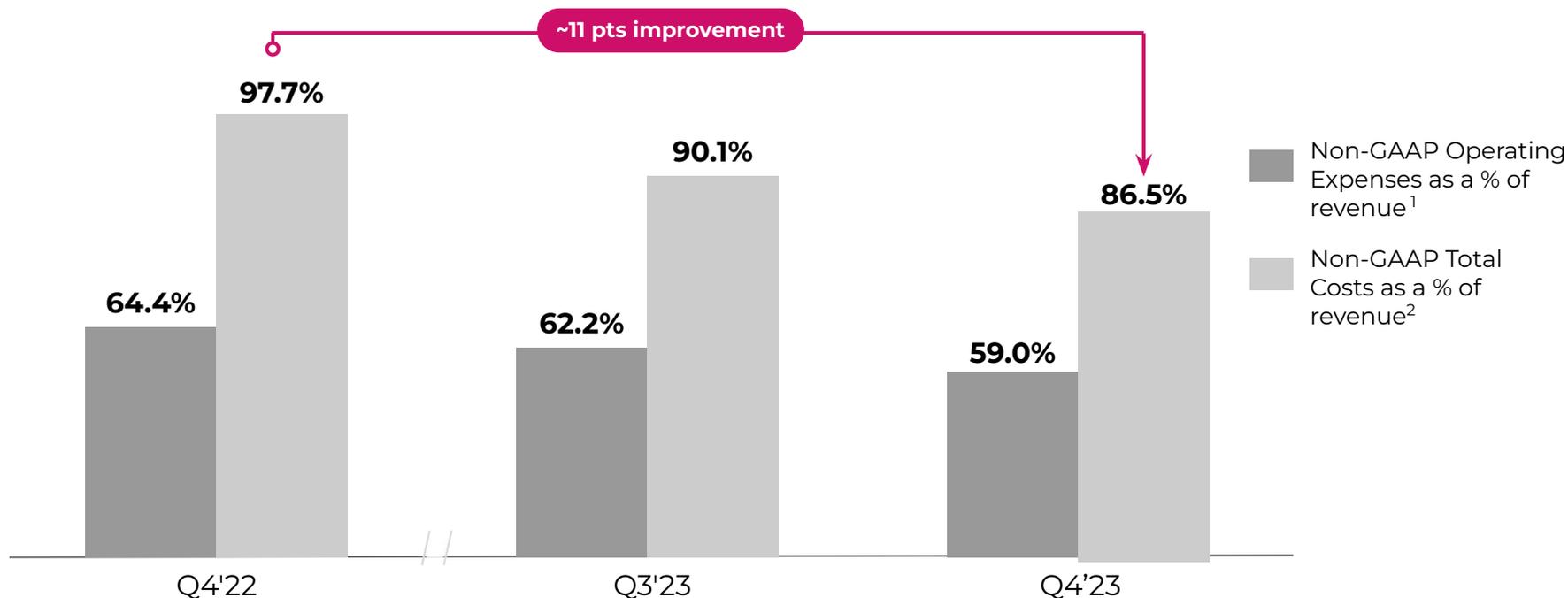
Non-GAAP Total and Service Revenue Gross Margins as a % of Revenue



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

Non-GAAP Operating Expenses and Total Costs*

As a % of Total Revenue



* See Appendix for a reconciliation of GAAP to Non-GAAP metrics.

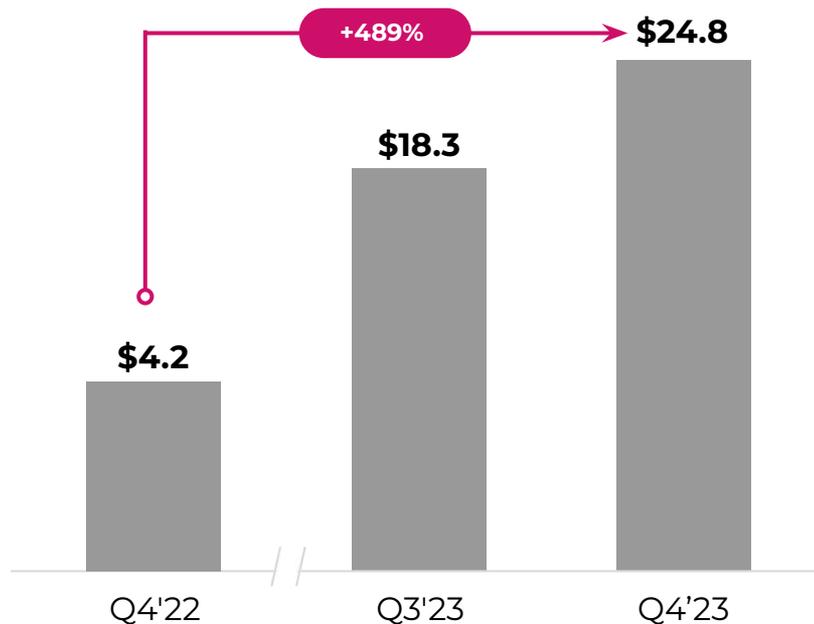
1. Non-GAAP Operating Expenses include R&D, Sales and Marketing, and G&A expenses, but do not include Cost of Revenue ("COGS").

2. Non-GAAP Total Costs is defined as Non-GAAP Operating Expenses plus Non-GAAP Cost of Revenue ("COGS").

Non-GAAP Operating Income and Margin¹

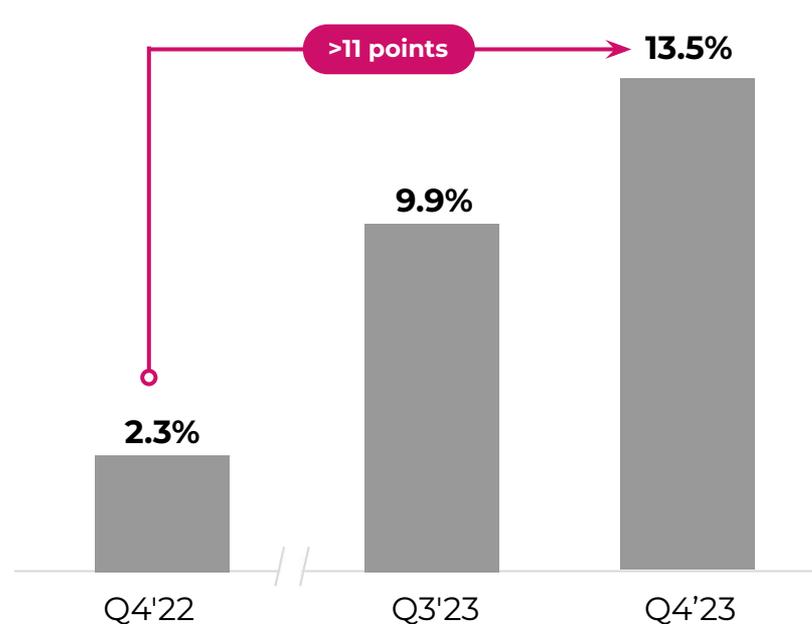
Fiscal Q4 Operating Income

(\$ in millions)



Fiscal Q4 Operating Margin

(% of revenue)



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

Cash Flow from Operations and Interest Payments

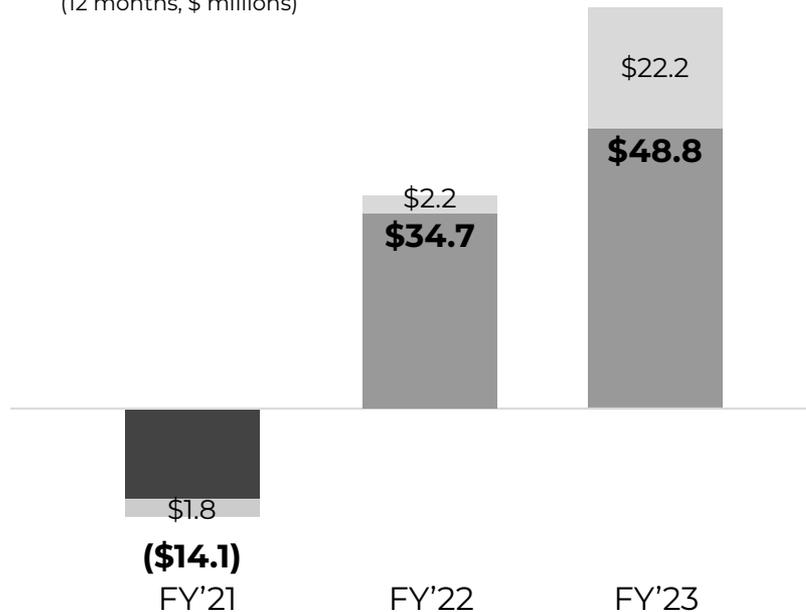
Fiscal Q4 Cash Flow from Operations

(3 months, \$ millions)



Fiscal Year Cash Flow from Operations

(12 months, \$ millions)



Interest Payments

Cash Flow Used by Operations

Cash Flow Generated by Operations

Q1 2024 Guidance¹

	Q1 FY 2024 as of May 11, 2023 ¹
Service Revenue	\$178.5 – 180.5m²
% Growth Y/Y	0 - 1%
Total Revenue	\$186 – 188m²
% Growth Y/Y	(1) – 0%
Non-GAAP Operating Margin¹	12.5 - 13.0%

1. Guidance as of May 11, 2023. 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 2023 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.

FY 2024 Guidance¹

	FY 2024 as of May 11, 2023 ¹
Service Revenue	\$725 – 732m²
% Growth Y/Y	2 - 3%
Total Revenue	\$755 – 763m²
% Growth Y/Y	1 – 3%
Non-GAAP Operating Margin¹	12.0 - 13.0%

1. Guidance as of May 11, 2023. 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 and Fiscal Year 2023 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.

Appendix

Annualized Recurring Subscriptions and Usage (ARR)¹

SELECTED OPERATING AND FINANCIAL METRICS (Unaudited, in millions)

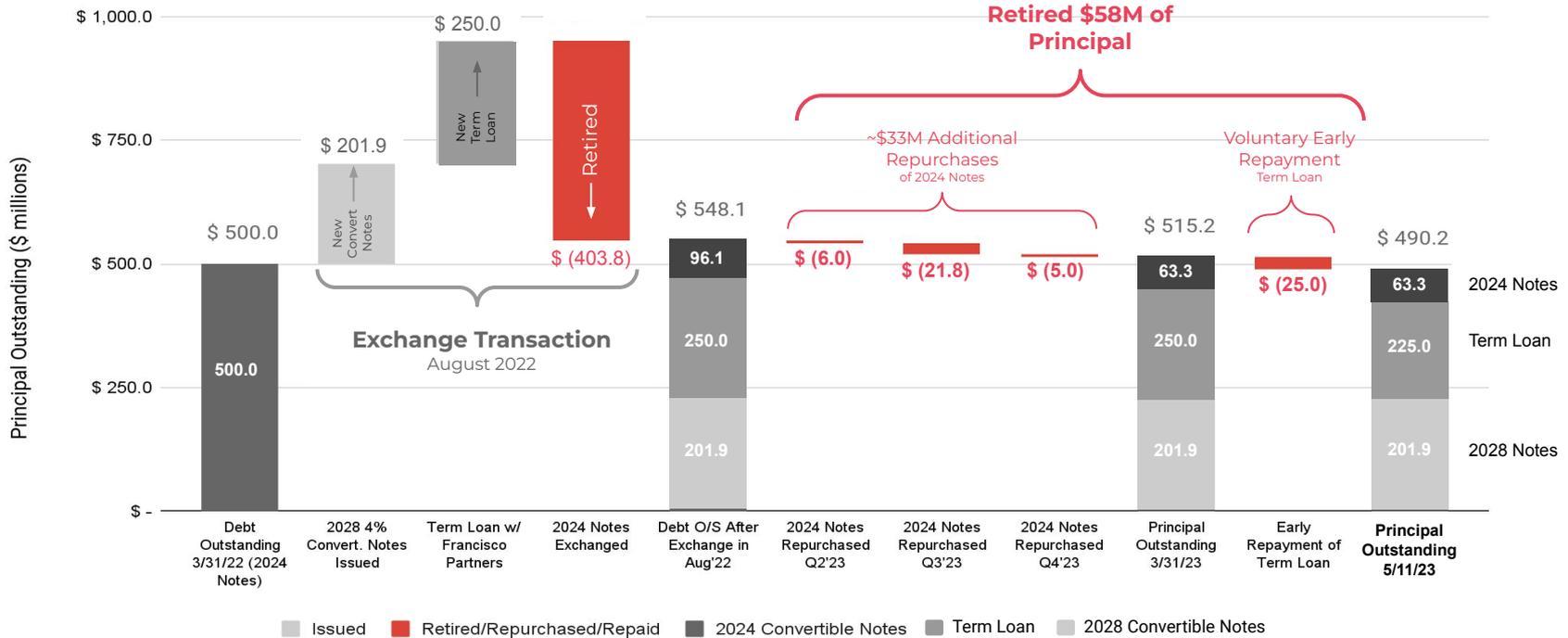
	Fiscal 2022				Fiscal 2023			
	Q1	Q2	Q3	Q4 ⁽⁵⁾	Q1	Q2	Q3	Q4
TOTAL ARR ⁽¹⁾	\$536	\$553	\$572	\$687	\$688	\$692	\$698	\$703
Growth % (YoY)	24 %	18 %	16 %	33 %	28 %	25 %	22 %	2 %
ARR BY CUSTOMER SIZE								
ENTERPRISE ⁽²⁾	\$262	\$282	\$307	\$393	\$403	\$401	\$400	\$405
% of Total ARR	49 %	51 %	54 %	57 %	59 %	58 %	57 %	58 %
Growth % (YoY)	40 %	33 %	30 %	55 %	54 %	42 %	30 %	3 %
Total # of Enterprise Customers	824	871	907	1,258 ⁽⁶⁾	1,277	1,291	1,309	1,301
MID-MARKET ⁽³⁾	\$103	\$103	\$102	\$128	\$125	\$127	\$130	\$130
% of Total ARR	19 %	19 %	18 %	19 %	18 %	18 %	19 %	19 %
Growth % (YoY)	22 %	14 %	9 %	31 %	22 %	23 %	27 %	2 %
SMALL BUSINESS⁽⁴⁾	\$172	\$167	\$162	\$166	\$159	\$164	\$168	\$168
% of Total ARR	32 %	30 %	28 %	24 %	23 %	24 %	24 %	24 %
Growth % (YoY)	7 %	2 %	(1)%	(1)%	(7)%	(2)%	4 %	1 %

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

1. Annualized recurring subscriptions and Usage (ARR) equals the sum of the most recent month of (i) recurring subscription amounts and (ii) platform usage changes for all CPaaS customers (subject to minimum billings thresholds for a period of at least six consecutive months).
2. Enterprise ARR is defined as ARR from customers that generate >\$100K of ARR.
3. Mid-market ARR is defined as ARR from customers that generate \$25K-\$100K of ARR.
4. Small Business ARR is defined as ARR from customers that generate less than \$25K of ARR.
5. Includes Fuze.
6. Previously reported enterprise customer count of 1,320 for Q4'22 was adjusted to eliminate double counting.

History of Outstanding Debt

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



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

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, 2023				As of March 31, 2022			
	2024	2028	Term Loan	Total	2024	2028	Term	Total
	Notes	Notes			Notes	Notes	Loan	
Principal	\$ 63,295	\$ 201,914	\$ 250,000	\$ 515,209	\$ 500,000	\$ -	\$ -	\$ 500,000
Unamortized debt discount and issuance costs	(363)	(5,093)	(18,007)	\$ (23,463)	(52,548)	-	-	\$ (52,548)
Net carrying amount	\$ 62,932	\$ 196,821	\$ 231,993	\$ 491,746	\$ 447,452	\$ -	\$ -	\$ 447,452
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.

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 - Convertible Senior Notes & Term Loan

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

	Three Months Ended March 31							
	2023				2022			
	2024 Notes	2028 Notes	Term Loan	Total	2024 Notes	2028 Notes	Term Loan	Total
Contractual interest expense	\$ 78	\$ 846	\$ 8,981	\$ 9,906	\$ 879	\$ -	\$ -	\$ 879
Amortization of debt discount & issuance costs	129	198	791	\$ 1,118	6,627	-	-	\$ 6,627
Total interest expense recorded to Other income (expense), net	\$ 207	\$ 1,044	\$ 9,772	\$ 11,024	\$ 7,506	\$ -	\$ -	\$ 7,506

Interest paid \$ 10,941 \$ 1,250

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

	Year Ended December 31							
	2023				2022			
	2024 Notes	2028 Notes	Term Loan	Total	2024 Notes	2028 Notes	Term Loan	Total
Contractual interest expense	\$ 1,177	\$ 4,027	\$ 17,816	\$ 23,020	\$ 2,271	\$ -	\$ -	\$ 2,271
Amortization of debt discount & issuance costs	1,694	548	2,012	\$ 4,254	20,404	-	-	\$ 20,404
Total interest expense recorded to Other income (expense), net	\$ 2,871	\$ 4,575	\$ 19,828	\$ 27,274	\$ 22,675	\$ -	\$ -	\$ 22,675

Interest paid \$ 22,169 \$ 2,156

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

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.

Supplemental Details - Other Expense, Net

SUPPLEMENTAL DETAILS - OTHER EXPENSE, NET

	Three Months Ended March 31		Years Ended December 31,	
	2023	2022	2023	2022
Interest expense	\$ (9,906)	\$ (879)	\$ (23,020)	\$ (2,271)
Amortization of debt discount and issuance cost	(1,118)	(6,627)	(4,254)	(20,404)
(Loss) gain on warrants remeasurement	(104)	—	417	—
Gain on debt extinguishment	296	—	18,545	—
(Loss) gain on sale of assets	(5)	(63)	1,821	(68)
(Loss) gain on foreign exchange	(991)	1,655	993	908
Other income (expense)	630	(92)	1,454	206
Other expense, net	<u>\$ (11,198)</u>	<u>\$ (6,006)</u>	<u>\$ (4,044)</u>	<u>\$ (21,629)</u>

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 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, 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. Foreign currency exchange fluctuations may negatively impact our guidance. The actual amounts of these excluded items could have a significant impact on the Company's GAAP operating margin. 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. Additionally, our increased emphasis on profitability and cash flow generation may not be successful. The reduction in our total costs as a percentage of revenue may negatively impact our revenue and our business in ways we don't anticipate and may not achieve the desired outcome.

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

	Three Months Ended		Years Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Costs of Revenue:				
GAAP cost of service revenue	\$ 46,951	\$ 53,938	\$ 198,871	\$ 195,909
Amortization of acquired intangible assets	(2,118)	(2,159)	(8,752)	(5,127)
Stock-based compensation expense and related employer payroll taxes	(2,031)	(2,252)	(9,332)	(9,163)
Legal and regulatory costs	—	—	(85)	—
Severance, transition and contract termination costs	736	(1,459)	(790)	(1,611)
Non-GAAP cost of service revenue	\$ 43,538	\$ 48,068	\$ 179,912	\$ 180,008
Non-GAAP service margin (as a percentage of service revenue)	<u>\$ 133,024</u> 75.3 %	<u>\$ 124,721</u> 72.2 %	<u>\$ 530,132</u> 74.7 %	<u>\$ 422,349</u> 70.1 %
GAAP cost of other revenue	\$ 8,302	\$ 14,563	\$ 42,604	\$ 51,649
Stock-based compensation expense and related employer payroll taxes	(634)	(1,253)	(3,620)	(5,046)
Severance, transition and contract termination costs	(389)	(896)	(1,683)	(998)
Non-GAAP cost of other revenue	\$ 7,279	\$ 12,414	\$ 37,301	\$ 45,605
Non-GAAP other margin (as a percentage of other revenue)	<u>\$ 688</u> 8.6 %	<u>\$ (3,831)</u> (44.6)%	<u>\$ (3,407)</u> (10.1)%	<u>\$ (9,832)</u> (27.5)%
Non-GAAP gross margin (as a percentage of revenue)	\$ 133,712 72.5 %	\$ 120,890 66.7 %	\$ 526,725 70.8 %	\$ 412,517 64.6 %

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

	Three Months Ended		Years Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Operating Expenses:				
GAAP research and development	\$ 36,455	\$ 30,586	\$ 146,220	\$ 112,387
Stock-based compensation expense and related employer payroll taxes	(6,789)	(6,243)	(29,938)	(34,113)
Severance, transition and contract termination costs	(1,310)	(827)	(6,350)	(1,054)
Non-GAAP research and development (as a percentage of revenue)	<u>\$ 28,356</u>	15.4 %	<u>\$ 23,516</u>	13.0 %
	<u>\$ 109,932</u>	14.8 %	<u>\$ 77,220</u>	12.1 %
GAAP sales and marketing	\$ 68,848	\$ 84,785	\$ 311,883	\$ 314,223
Amortization of acquired intangible assets	(3,007)	(2,529)	(12,326)	(3,190)
Stock-based compensation expense and related employer payroll taxes	(3,536)	(8,917)	(25,352)	(49,060)
Acquisition and integration costs	1,105	—	1,105	—
Severance, transition and contract termination costs	(3,974)	(2,081)	(7,046)	(3,315)
Non-GAAP sales and marketing (as a percentage of revenue)	<u>\$ 59,436</u>	32.2 %	<u>\$ 71,258</u>	39.3 %
	<u>\$ 268,264</u>	36.1 %	<u>\$ 258,658</u>	40.5 %
GAAP general and administrative	\$ 20,440	\$ 38,039	\$ 110,652	\$ 118,103
Stock-based compensation expense and related employer payroll taxes	(3,352)	(9,324)	(22,392)	(40,844)
Acquisition and integration costs	6,181	(4,194)	3,448	(9,717)
Legal and regulatory costs	(898)	177	(686)	2,722
Severance, transition and contract termination costs	(1,271)	(2,757)	(4,850)	(4,213)
Non-GAAP general and administrative (as a percentage of revenue)	<u>\$ 21,100</u>	11.4 %	<u>\$ 21,941</u>	12.1 %
	<u>\$ 86,172</u>	11.6 %	<u>\$ 66,051</u>	10.4 %
Non-GAAP Operating Expenses (as a percentage of revenue)	<u>\$ 108,892</u>	59.0%	<u>\$ 116,715</u>	64.4%
	<u>\$ 464,368</u>	62.4%	<u>\$ 401,929</u>	63.0%

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

	Three Months Ended				Years Ended			
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
Operating Profit (Loss):								
GAAP income (loss) from operations	\$	3,533	\$	(40,539)	\$	(66,292)	\$	(154,141)
Amortization of acquired intangible assets		5,125		4,688		21,078		8,317
Stock-based compensation expense and related employer payroll taxes		16,342		27,989		90,636		138,226
Acquisition and integration costs		(7,286)		4,194		(4,553)		9,717
Legal and regulatory costs		898		(177)		771		(2,722)
Severance, transition and contract termination costs		6,208		8,020		20,717		11,191
Non-GAAP operating profit (as a percentage of revenue)	\$	24,820	13.5 %	\$	4,175	2.3 %	\$	62,357
					8.4 %		\$	10,588
								1.7 %
Other Income (Expenses), net:								
GAAP other expense, net	\$	(11,198)	\$	(6,006)	\$	(4,044)	\$	(21,629)
Amortization of debt discount and issuance cost		1,118		6,628		4,254		20,408
Gain on debt extinguishment		(295)		—		(18,545)		—
Loss (gain) on warrants remeasurement		105		—		(417)		—
Loss (gain) on sale of assets		5		—		(1,821)		—
Sublease income		(116)		(116)		(464)		(387)
Non-GAAP other (expense) income, net (as a percentage of revenue)	\$	(10,381)	(5.6)%	\$	506	0.3 %	\$	(21,037)
					(3)%		\$	(1,608)
								(0.3)%

Net Income (Loss)

Non-GAAP Reconciliation

8x8, Inc.

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

	Three Months Ended		Years Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Net Income (Loss):				
GAAP net loss	\$ (9,431)	\$ (45,583)	\$ (73,143)	\$(175,383)
Amortization of acquired intangible assets	5,125	4,688	21,078	8,317
Stock-based compensation expense and related employer payroll taxes	16,342	27,989	90,636	138,226
Acquisition and integration costs	(7,286)	4,194	(4,553)	9,717
Legal and regulatory costs	898	(177)	771	(2,722)
Severance, transition and contract termination costs	6,208	8,020	20,717	11,191
Amortization of debt discount and issuance cost	1,118	6,628	4,254	20,408
Gain on debt extinguishment	(295)	—	(18,545)	—
Loss (gain) on warrants remeasurement	105	—	(417)	—
Loss (gain) on sale of assets	5	—	(1,821)	—
Sublease income	(116)	(116)	(464)	(387)
Non-GAAP net income (as a percentage of revenue)	<u>\$ 12,673</u> 6.9 %	<u>\$ 5,643</u> 3.1 %	<u>\$ 38,513</u> 5.2 %	<u>\$ 9,367</u> 1.5 %
Shares used in computing per share				
Basic	114,924	117,613	115,959	113,354
Diluted	117,442	118,556	117,443	116,982
GAAP net loss per share - Basic and Diluted	\$ (0.08)	\$ (0.39)	\$ (0.63)	\$ (1.55)
Non-GAAP net income per share - Basic	\$ 0.11	\$ 0.05	\$ 0.33	\$ 0.08
Non-GAAP net income per share - Diluted	\$ 0.11	\$ 0.05	\$ 0.33	\$ 0.08



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