

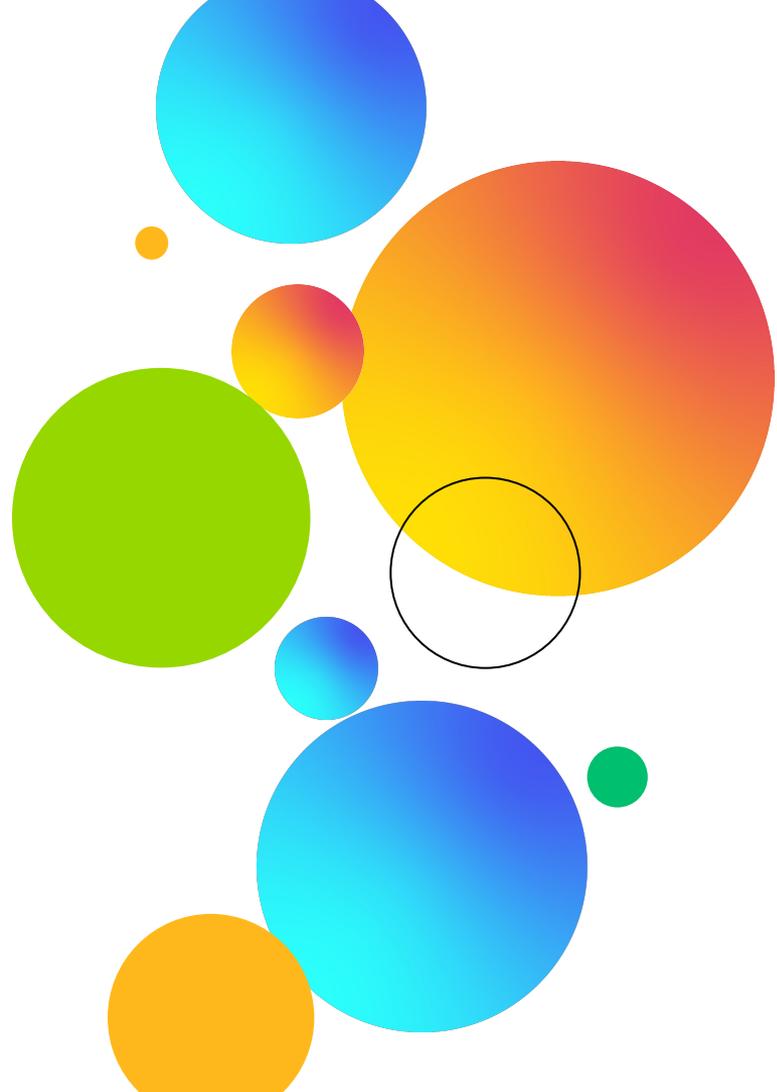
First Quarter FY 2024

Ended June 30, 2023

August 8, 2023

8x8

One platform.
Every communications experience.



Forward looking statements

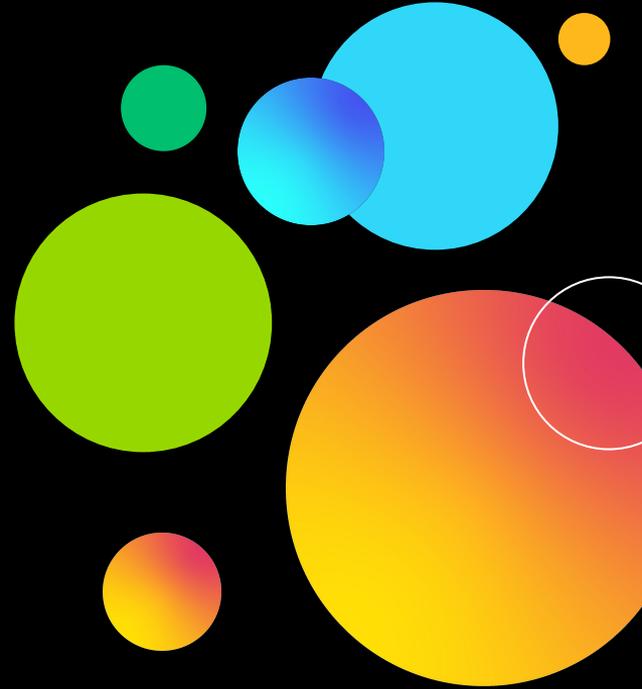
This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934. Any statements that are not statements of historical fact may be deemed to be forward-looking statements. For example, 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 - Q1 Fiscal 2024

\$703M

Total ARR⁽¹⁾

41%

XCaaS as a % of total ARR⁽¹⁾

One platform

Global coverage

8x8 Voice for MS Teams

3M+

Paid business licenses

58%

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



350K+

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 59 countries/territories

Industry-leading integration for Microsoft Teams: >350K+ 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.

Recent product innovation highlights

- **Enhanced 8x8 Intelligent Customer Assistant for 8x8 Contact Center**, a powerful, user-friendly conversational AI self-service solution that enables businesses to create simple to complex self-service experiences across all channels.
- **Announced the 8x8 Technology Partner Ecosystem**, a new program that allows customer-first organizations to enhance their customer experience by deeply embedding cutting-edge technologies from third parties, including leading artificial intelligence (AI) capabilities, into the 8x8 platform with native-feeling integrations and persistent data to enhance business intelligence, insights, and analytics.
- **Enhanced 8x8 Supervisor Workspace for 8x8 Contact Center** based on feedback from early adopter customers. Supervisor Workspace delivers a personalized, performance-centric workspace that helps contact center supervisors and their teams build exceptional customer journeys, enhance productivity, and empower leaders with advanced real-time insights. Since its launch in March, Supervisor Workspace has already been accessed by nearly 60% of 8x8 Contact Center customers and is currently on track to rival 8x8 Agent Workspace as one of the company's fastest new product adoptions.
- **Delivered the latest customer and employee experience enhancements to the 8x8 XCaaS cloud platform**, including improvements to contact center analytics tools, agent performance tracking capabilities, and streamlined customer journey mapping. Further, 8x8 Global Reach has extended to 59 countries with the addition of South Korea.
- **Enhanced the 8x8 Voice for Microsoft Teams solution**, including new automated processes to simplify user onboarding and reduce time to value.

Recent industry recognition



Silver Stevie Awards for Customer Service Executive of the Year and Customer Service Department of the Year at The 21st Annual American Business Awards



TrustRadius 2023 Top Rated Awards for 8x8 Contact Center & 8x8 Work in the categories of Contact Center, Call Center Workforce Optimization, VoIP and Unified Communications as a Service categories



Top 5 provider in 2023 Contact Center as-a-Service MetriRank Report

Recent industry recognition

UCaaS



CCaaS



VoIP



8x8 has been recognized across our XCaaS platform
in 12 different categories in the G2 Summer 2023 Awards

Q1 FY 2024 leadership appointments



Samuel Wilson, CEO

Appointed Samuel Wilson as Chief Executive Officer and member of the Company's Board of Directors. Previously 8x8's interim CEO.



Kevin Kraus, CFO

Appointed Kevin Kraus as Chief Financial Officer. Previously 8x8's interim CFO.



Lisa Martin CRO

Appointed Lisa Martin as Chief Revenue Officer. Martin is a recognized sales executive with over 15 years in the contact center and communications sector.



8x8

Communications for the Customer Obsessed





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

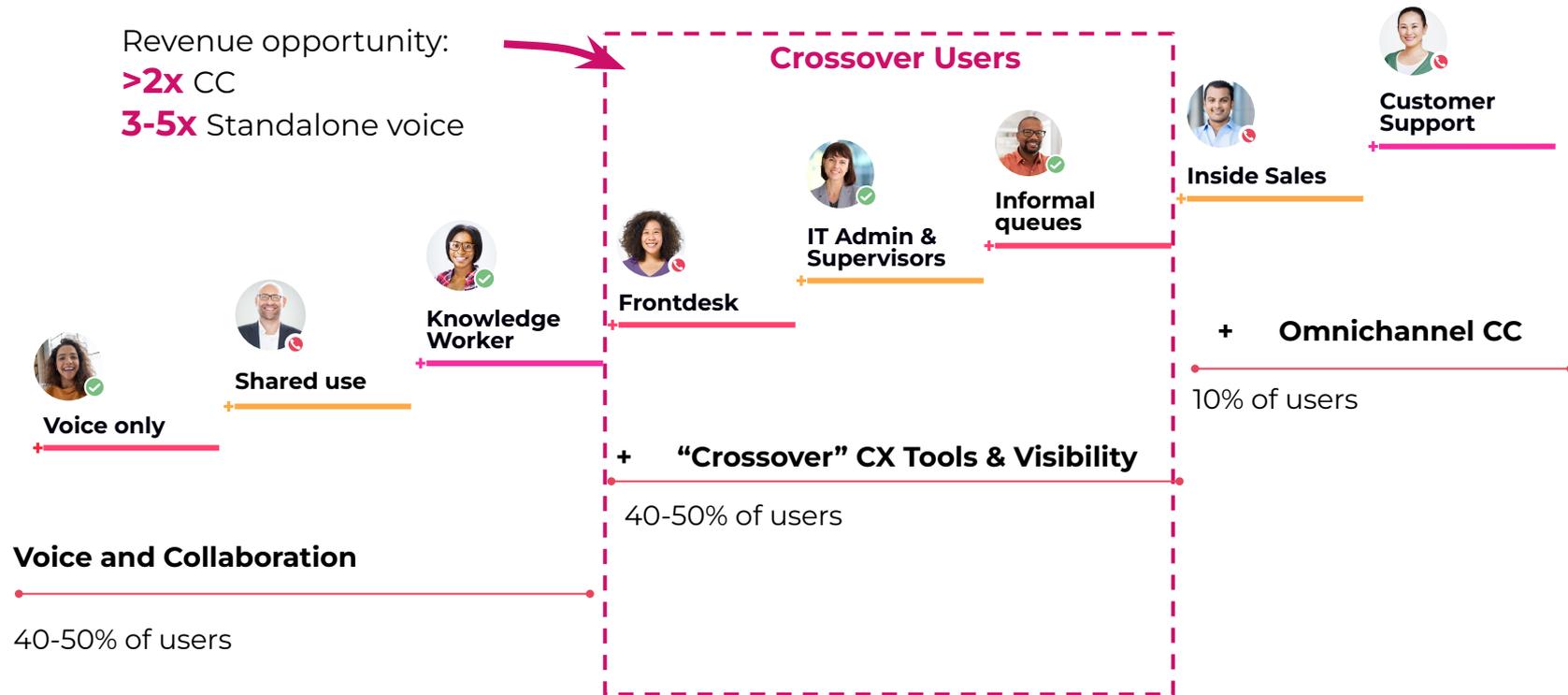
Use AI and data-based intelligence to drive continuous improvement



**XCaaS brings
customer obsession to life**



8x8 XCaaS empowers all employees globally



HealthFirst

[Health First](#) is Central Florida's only fully integrated health system. With a mission to positively change the health & wellness of the communities they serve, Health First offers the latest technological advances and quality care at its four hospitals and through Outpatient & Wellness Services, as well as the area's only Trauma and Heart Centers. Health First also offers health insurance for more than 60,000 Medicare Advantage and Individual members.

8x8 Solutions

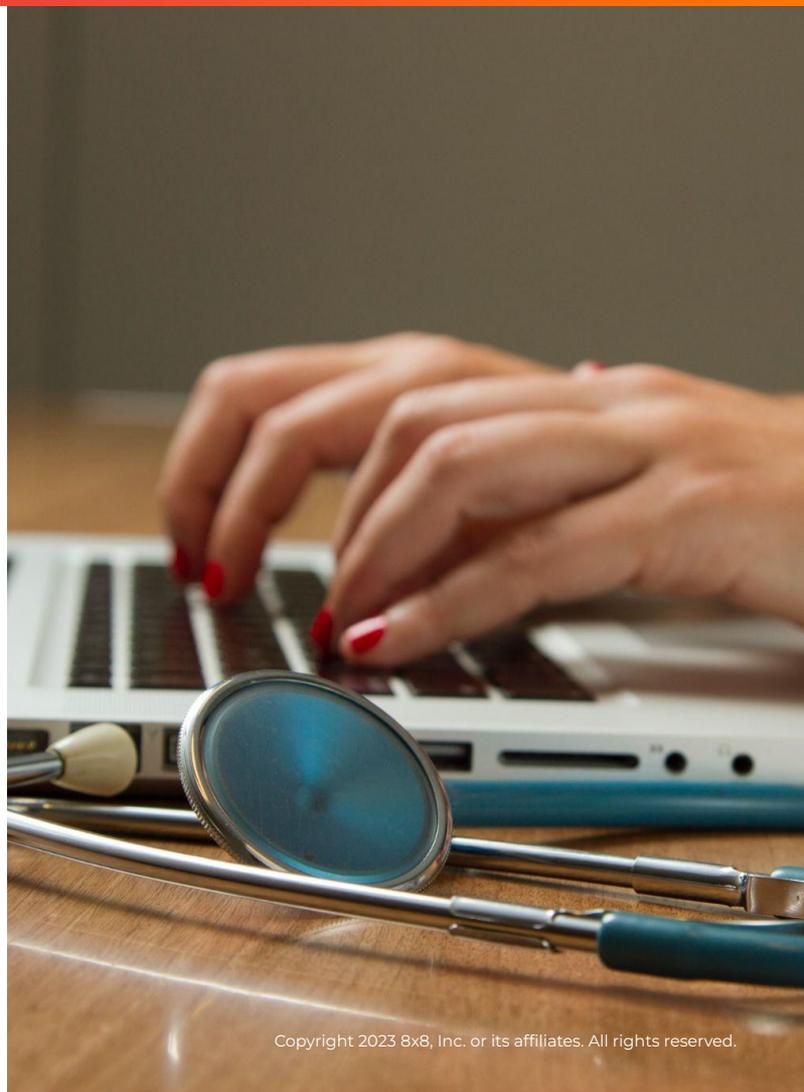
8x8 XCaaS with Contact Center & Voice for Microsoft Teams
Supporting over 10,000 employees including 300+ contact center agents

Why 8x8?

Single cloud platform for UC and CC and future proof technology
Improve contact center productivity
Reduce costs

Channel Partners

Master: AVANT Communications
Agent: Trace3 LLC





Horizon Hobby, LLC is an American international hobby product distributor that manufactures hobby-grade radio-controlled models, as well as Athearn model trains and die-cast models, which it sells direct to consumers as well as to hobby retailers.

8x8 Solutions

8x8 XCaaS with Contact Center & Voice for Microsoft Teams
Supporting nearly 300 employees

Why 8x8?

Single cloud platform for UC and CC
Seamless integrations with Microsoft Teams, Salesforce and PCI Pal

Channel Partners

Master: AVANT Communications
Agent: CDW



Sotheby's

Established in 1744, [Sotheby's](#) is the world's premier destination for art and luxury. Sotheby's promotes access, connoisseurship and preservation of fine art and rare objects through auctions and buy-now channels.

8x8 Solutions

8x8 UCaaS with Voice for Microsoft Teams
Supporting over 2100 employees globally

Why 8x8?

Support digital transformation initiatives with unified cloud communications
Seamless integration with Microsoft Teams
Gartner MQ Leader
Agility and responsiveness

Channel Partners

Master: Intelisys Inc. | USA
Agent: Crystal Technologies Group

8x8





[United Musculoskeletal Partners](#) aligns and connects with best-in-class physician-owned orthopedic practices to deliver exceptional clinical care to patients around the country. One of its practices, [Panorama Orthopedics and Spine Center](#), has been an 8x8 customer since March 2022.

8x8 Solutions

8x8 XCaaS

Initially supporting 900+ employees at [Resurgens Orthopaedics](#), with additional practices to follow

Why 8x8?

Key recommendation from another one of its medical practices

Single cloud platform for UC and CC

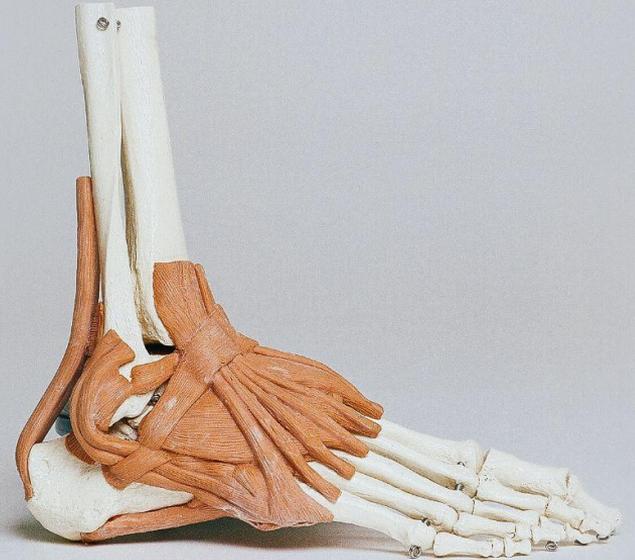
Future proof with ease of administration to onboard new business units

Real-time analytics to boost performance

Channel Partners

Master: Intelisys

Agent: Ancom





NexGen Virtual

[NexGen Virtual Office](#) offers an all-in-one digital workplace solution with a unified digital office framework that can be customized and branded for distributed teams and schools.

8x8 Solutions

8x8 CPaaS (Jitsi as a Service, SMS)

Why 8x8?

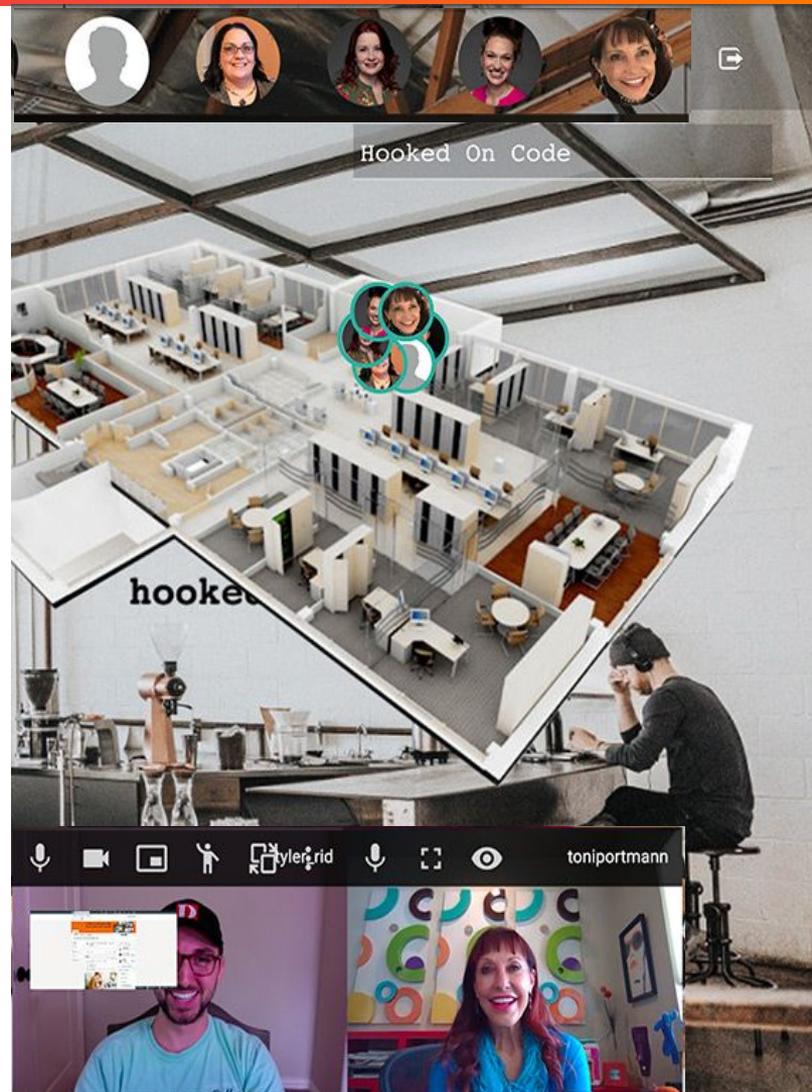
Easy to deploy secure HD video meeting platform

Extremely good technical onboarding assistance

Commercially attractive for both services

Flexible, supportive and operates as partner more than a supplier for NexGen

8x8





[Sovereign Housing](#) is a leading housing association, striving to provide quality, affordable homes in happy, successful places. They have deep roots in the south of England, with over 60,000 homes.

8x8 Solutions

8x8 XCaaS with Contact Center & Voice for Microsoft Teams and CPaaS (SMS, Video)
Supporting over 1700 employees

Why 8x8?

High availability UC & CC cloud platform and reporting capabilities
Digital channels
Ease of integrations and easier experience for customers
CPaaS video interaction for remote home visits and SMS for appointment notifications and reminders

Channel Partners

Virgin Media Business O2 | UK | WHOLESALE



Housing Association Resident Customer Journey BEFORE

Resident calls Call Centre to report a fault



Engineer arrives
They hope that someone is in!



Engineer leaves resident location
Job allocated to another engineer - but with no feedback from the first visit

No answer!



Call out confirmed
An engineer is assigned but only knows "I have a leak"

Time to rebook!
Contact centre tries to contact customer - as the customer is ringing to complain



First time fix?? Or is the 2nd or 3rd? Engineer hopes he can fix the issue but since he has no prior info most likely he can not



CSAT Survey
And after ALL that - the customer receives a "how did you do" survey ...



REPRESENTATIVE

Housing Association Resident Customer Journey AFTER

Resident requests a repair

By phone, Chat, Whatsapp or SMS



Can we see the problem?

Customer is offered a Video consultation to speed up the fix



Is a visit needed?

If engineer required a call out is agreed and confirmed via SMS



Need a reminder?

SMS Reminder to the customer the day before



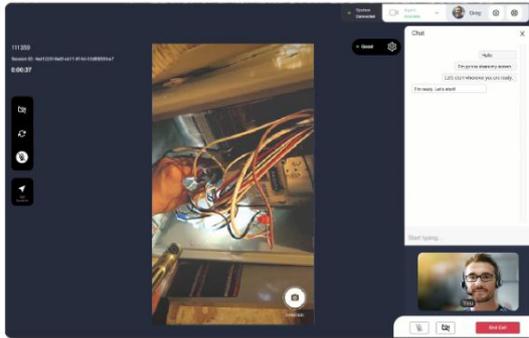
First time fix

Engineer has already seen the notes and the video

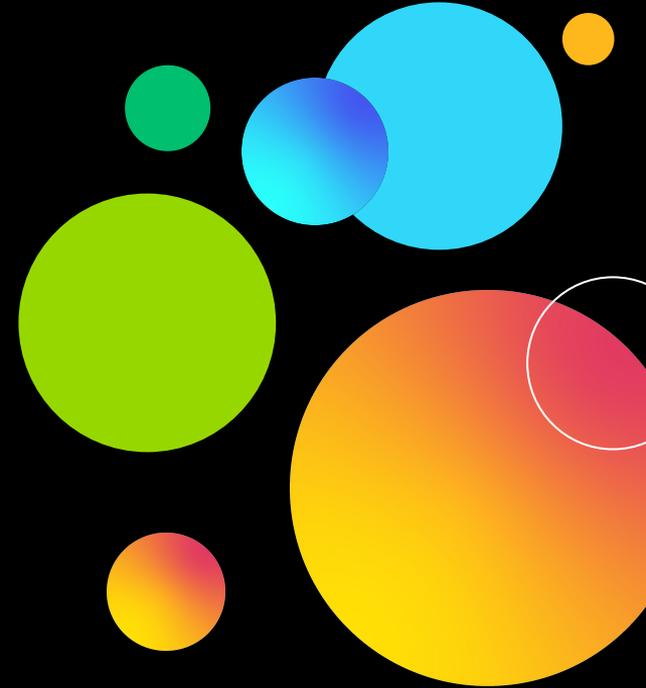


CSAT Survey

Completion triggers SMS CSAT Survey



Q1 Fiscal 2024 Financial Performance



Financial Strength

KEY FINANCIAL STATS

\$139M

Cash and investments¹

10

Consecutive quarters of non-GAAP profitability² and positive cash flow from operations

\$79M

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

+305%

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

\$69M

TTM Cash flow provided by operations²

+90%

YoY increase in TTM cash flow provided by operations²

KEY BUSINESS STATS

~1,300

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

Q1 FY 2024 Financial Highlights

- 10th consecutive quarter of non-GAAP profitability and positive cash flow from operations
 - Record non-GAAP operating margin of 14.4%
- YoY ARR growth across all customer size categories
- 12% YoY growth in XCaaS ARR³
- Operating cash flow of \$26.5 million, up 353% YoY⁵
- Current deferred revenue up \$5.5M sequentially; RPO up \$15M sequentially to a record \$790M
- \$139M cash, equivalents, restricted cash and investments at quarter and year-end
- Voluntarily pre-paid \$25M in principal on adjustable rate Term Loan (\$225M 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

Q1 FY 2024 Results vs. Guidance

	Q1 F2024	
	Guidance as of May 11, 2023	Results June 30, 2023
Service Revenue	\$178.5 – 180.5m	\$175.2m
% Growth Y/Y	0 - 1%	(2%)
Total Revenue	\$186 – 188m	\$183.3m
% Growth Y/Y	(1) – 0%	(2%)
Non-GAAP Operating Margin²	12.5 - 13%	14.4%²

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

Q1 FY 2024 Financial Metrics*

Q1 F2024 Revenue	Service Revenue ¹	\$175.2 million, (2%) Y/Y growth
	Other Revenue ²	\$8.0 million, (5%) Y/Y growth
	Total Revenue	\$183.3 million, (2%) Y/Y growth
ARR ³	Total ARR ³	\$703 million, 2% Y/Y growth
	Enterprise ARR ^{3,4}	\$404 million, 0% Y/Y growth
	Mid-Market ^{3,5}	\$132 million, 5% Y/Y growth
	Small Business ^{3,6}	\$167 million, 5% Y/Y growth
Cash and CFFO	Cash & investments ^{7,8}	\$139.2 million, vs. \$139.0 million @ yr-end
	Cash flow from operations ⁹	\$26.5 million, vs. \$5.8 million in Q1'23

* 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") 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. Includes restricted cash of \$938K on 6/30/23 and \$1.3M on 3/31/23.

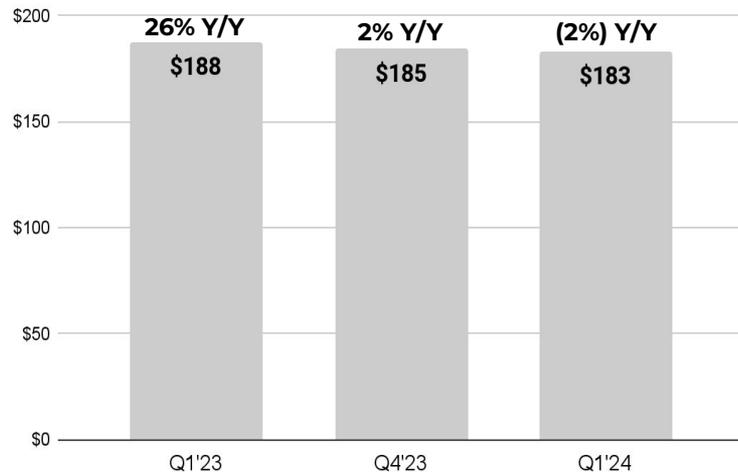
8. Q1'24 cash balance reflects early prepayment of \$25M on adjustable Term Loan; Q3'23 cash balance reflects repurchase of \$5M 2024 Notes.

9. Q1'24 operating cash flow included \$4.9M in cash interest payments compared to \$0 cash interest payments in Q1'23

Revenue Growth

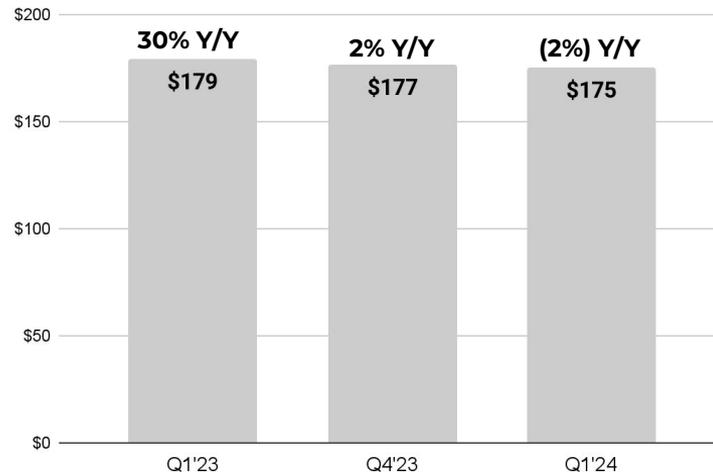
Fiscal Q1 Total Revenue

(\$ in millions)



Fiscal Q1 Service Revenue

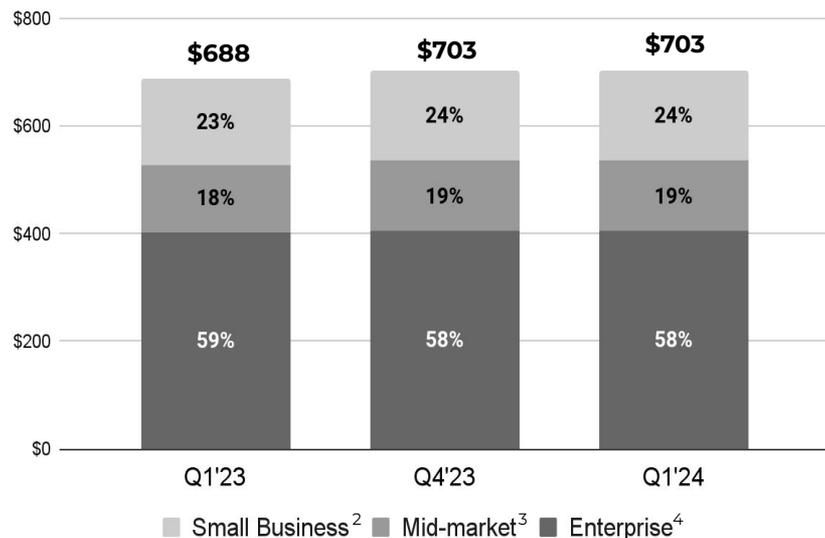
(\$ in millions)



Q1 2024 Ending ARR¹

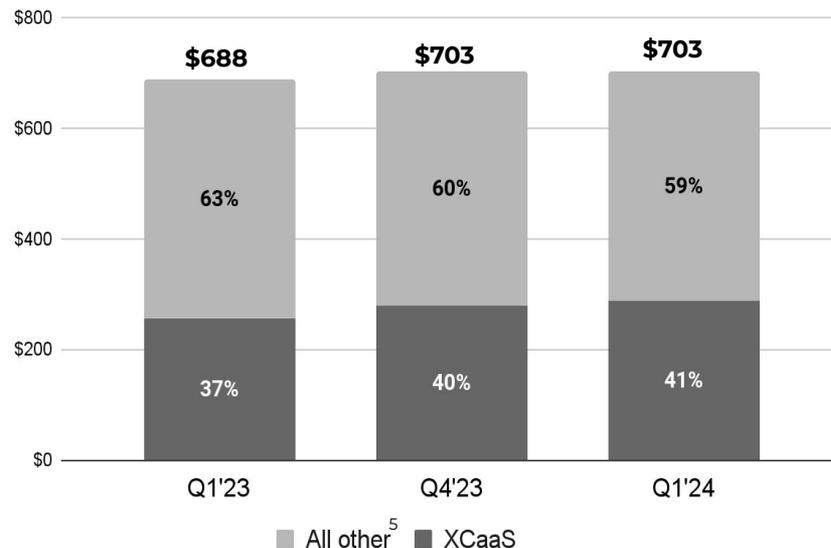
Fiscal Q1 ARR by Customer Size*

(\$ in millions)



Fiscal Q1 ARR by Product*

(\$ in millions)

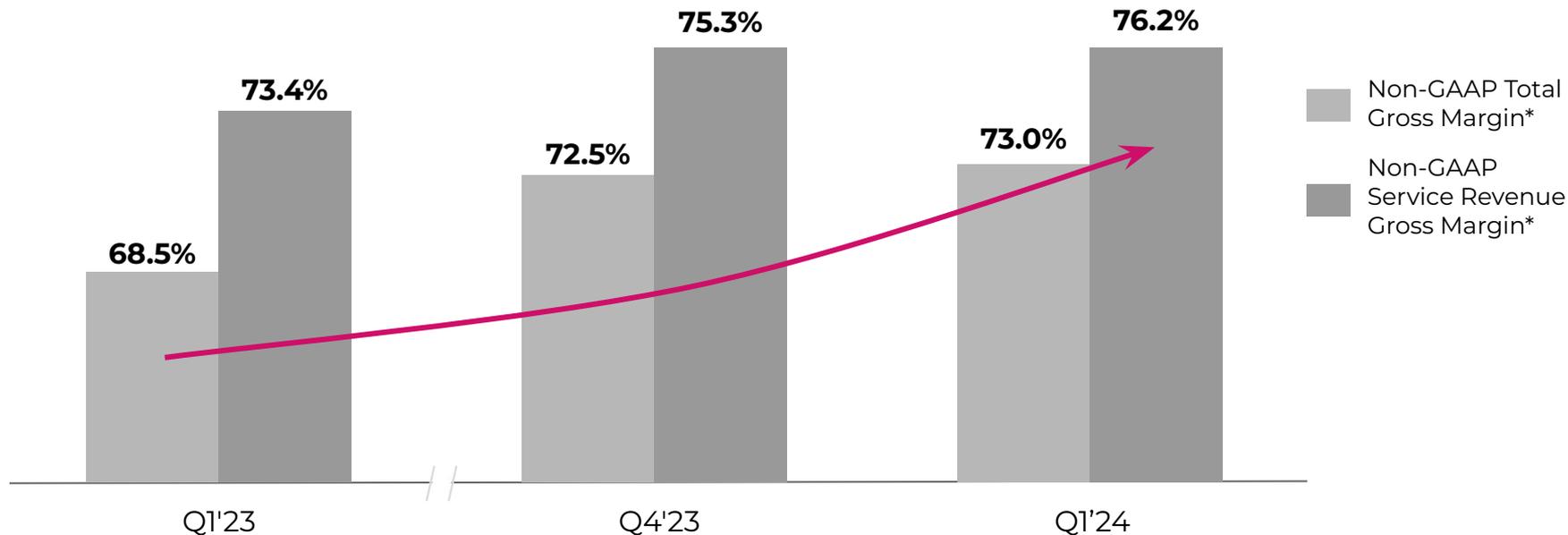


* Amounts may not sum to total due to rounding.

1. 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.
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. All other includes CPaaS, standalone UCaaS and standalone CCaaS.

Increasing Non-GAAP Gross Margins*

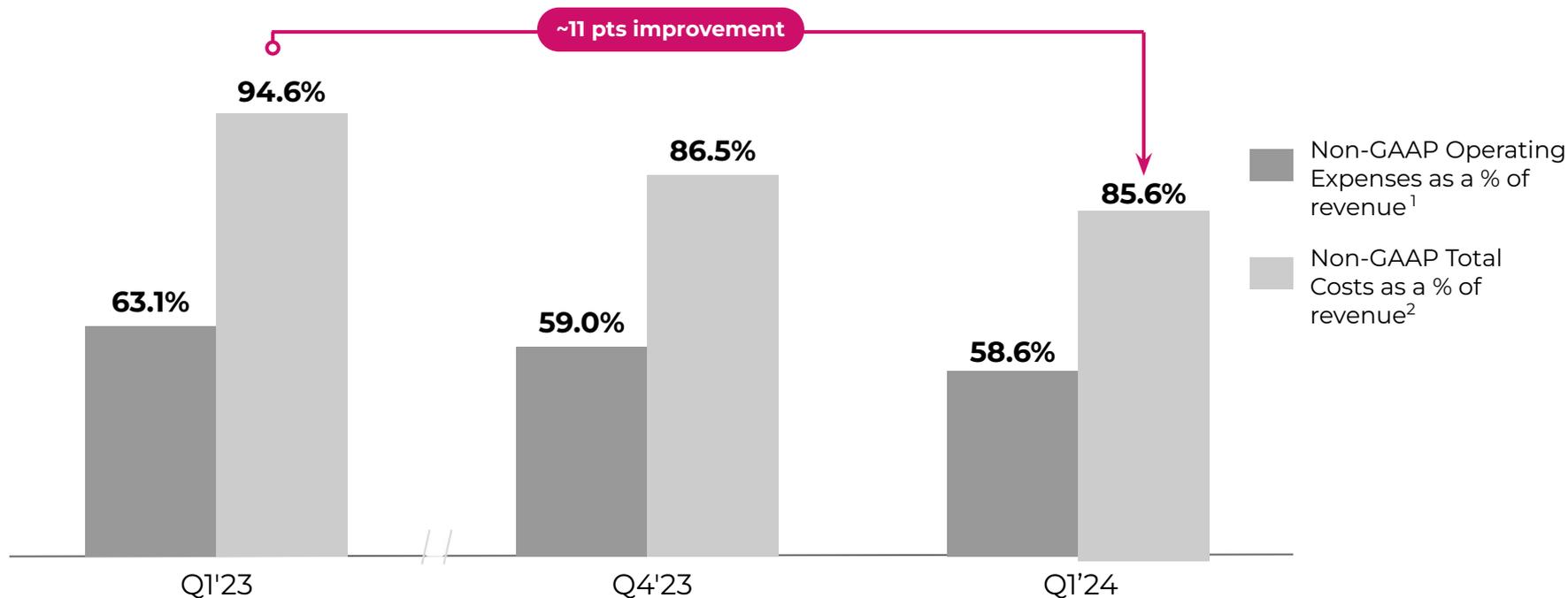
Non-GAAP Total and Service Gross Margins as a % of Revenue



* 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



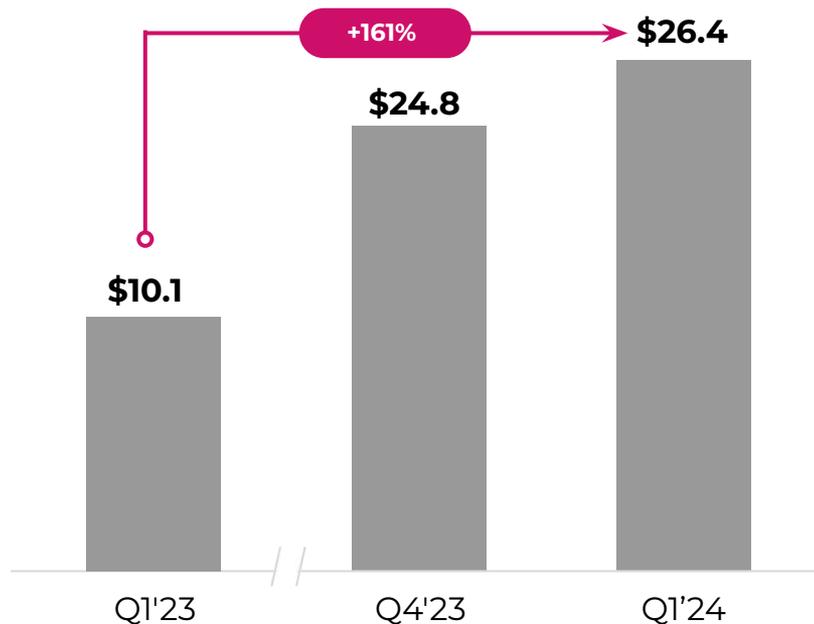
* See Appendix for a reconciliation of GAAP to Non-GAAP metrics.

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

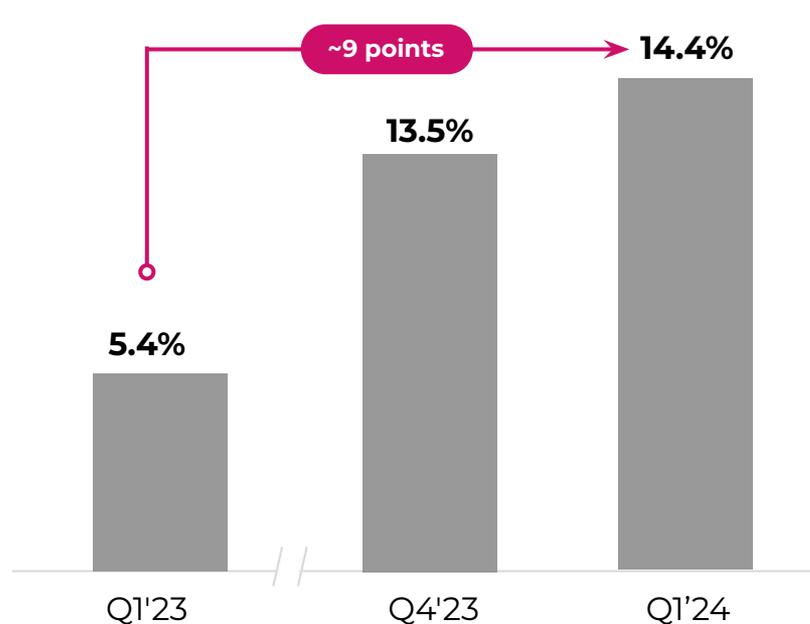
Fiscal Q1 Operating Income

(\$ in millions)



Fiscal Q1 Operating Margin

(% of revenue)

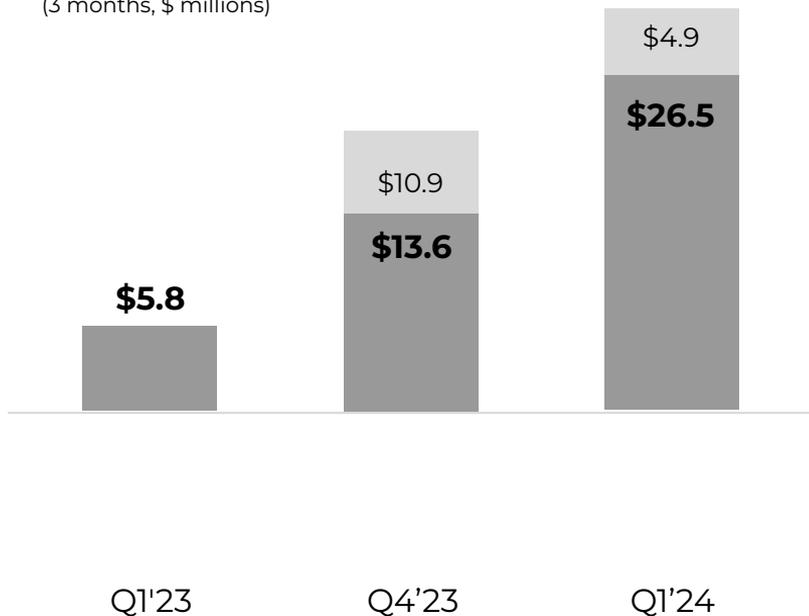


1. Non-GAAP. See Appendix for reconciliation of Non-GAAP metrics to nearest GAAP metric.

Cash Flow from Operations and Interest Payments

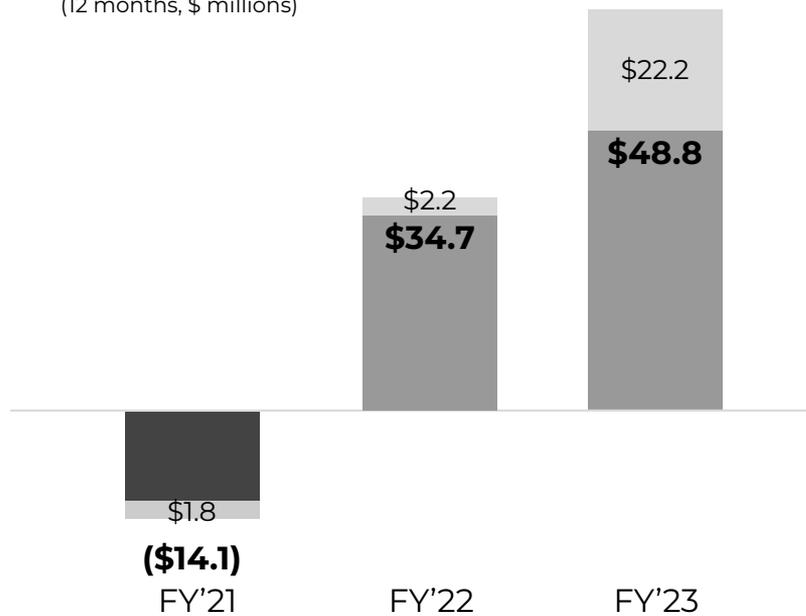
Fiscal Q1 Cash Flow from Operations

(3 months, \$ millions)



Fiscal Year Cash Flow from Operations

(12 months, \$ millions)



■ Cash Interest Payments

■ Cash Flow Used by Operations

■ Cash Flow Generated by Operations

Q2 2024 Guidance¹

	Q2 FY 2024 as of August 8, 2023 ¹
Service Revenue	\$173 – 178M
% Growth Y/Y	(3) - 0%
Total Revenue	\$180 – 186M
% Growth Y/Y	(4) – (1%)
Non-GAAP Operating Margin¹	10.5 - 11.5%

1. Guidance as of August 8, 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.

Updated FY 2024 Guidance¹

	FY 2024	
	as of May 11, 2023 ¹	Updated as of May 11, 2023 ¹
Service Revenue	\$725 – 732m	\$701 – 711m
% Growth Y/Y	2 - 3%	(1) - 0%
Total Revenue	\$755 – 763m	\$732.5 – 742.5m
% Growth Y/Y	1 – 3%	(2) – 0%
Non-GAAP Operating Margin¹	12.0 - 13.0%	12.0 - 13.0%

1. Guidance as of August 8, 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

8x8, INC.

SELECTED OPERATING METRICS

(Unaudited, in millions, except number of enterprise customers)

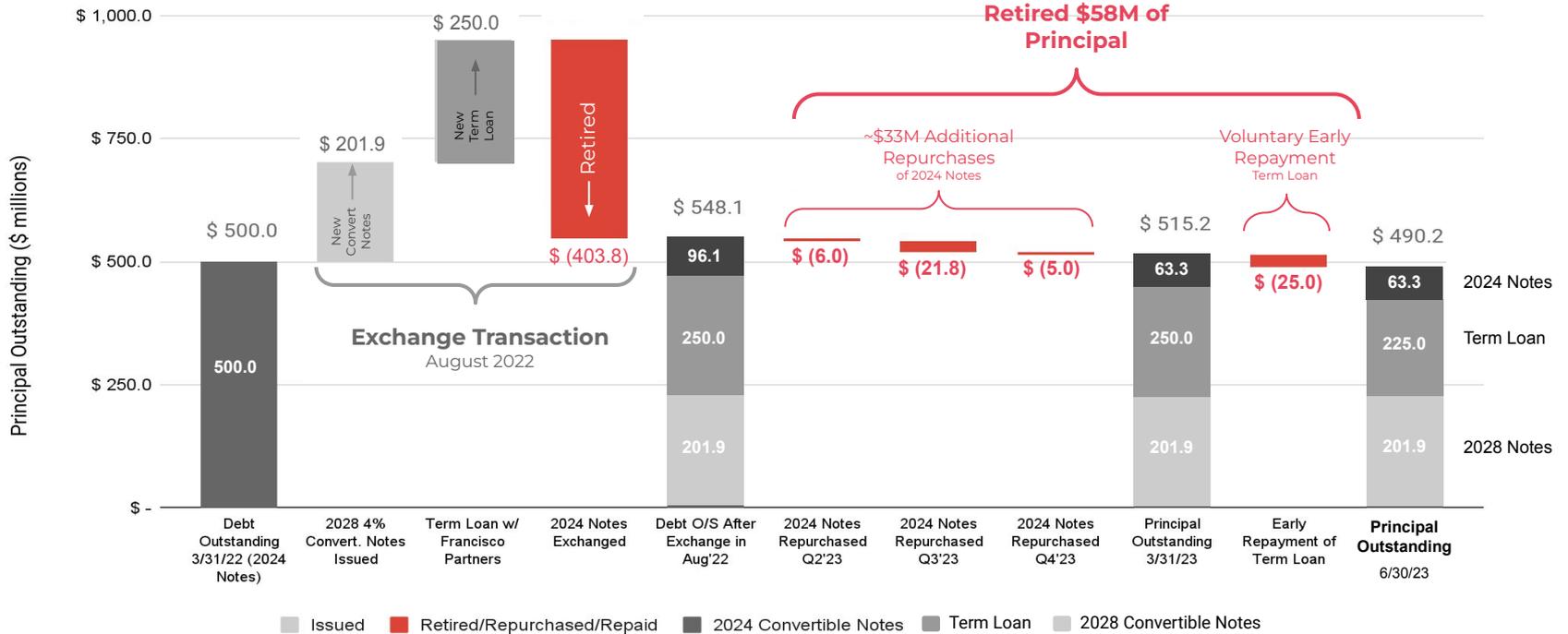
	Fiscal 2023				Fiscal 2024
	Q1	Q2	Q3	Q4	Q1
TOTAL ARR⁽¹⁾	\$ 688	\$ 692	\$ 698	\$ 703	\$ 703
Growth % (YoY)	28%	25%	22%	2%	2%
ARR BY CUSTOMER SIZE					
ENTERPRISE⁽²⁾	\$ 403	\$ 401	\$ 400	\$ 405	\$ 404
% of Total ARR	59%	58%	57%	58%	58%
Growth % (YoY)	54%	42%	30%	3%	—%
MID-MARKET⁽³⁾	\$ 125	\$ 127	\$ 130	\$ 130	\$ 132
% of Total ARR	18%	18%	19%	19%	19%
Growth % (YoY)	22%	23%	27%	2%	5%
SMALL BUSINESS⁽⁴⁾	\$ 159	\$ 164	\$ 168	\$ 168	\$ 167
% of Total ARR	23%	24%	24%	24%	24%
Growth % (YoY)	(7%)	(2%)	4%	1%	5%

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 June 30, 2023				As of March 31, 2023			
	2024	2028		Total	2024	2028	Term	Total
	Notes	Notes	Term Loan		Notes	Notes	Loan	
Principal	\$ 63,295	\$ 201,914	\$ 225,000	\$ 490,209	\$ 63,295	\$201,914	\$250,000	\$ 515,209
Unamortized debt discount and issuance costs	(256)	(4,866)	(15,466)	\$ (20,588)	(363)	(5,093)	(18,007)	\$ (23,463)
Net carrying amount	\$ 63,039	\$ 197,048	\$ 209,534	\$ 469,621	\$ 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.

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 June 30,							
	2023				2022			
	2024 Notes	2028 Notes	Term Loan	Total	2024 Notes	2028 Notes	Term Loan	Total
Contractual interest expense	\$ 79	\$ 2,014	\$ 6,879	\$ 8,970	\$ 625	\$ -	\$ -	\$ 625
Amortization of debt discount & issuance costs	107	227	775	\$ 1,108	831	-	-	\$ 831
Total interest expense recorded to Other income (expense), net	\$ 186	\$ 2,241	\$ 7,654	\$ 10,078	\$ 1,456	\$ -	\$ -	\$ 1,456
Interest paid				\$ 4,919				\$ -

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. Approximately \$1.9 million in cash interest expense related to Q1'24 contractual interest expense was paid on July 3, 2023.

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.

Supplemental Details - Other Expense, Net

SUPPLEMENTAL DETAILS - OTHER (EXPENSE) INCOME, NET

(Unaudited, in thousands)

	Three Months Ended June 30,	
	2023	2022
Interest expense	\$ (8,970)	\$ (625)
Amortization of debt discount and issuance costs	(1,108)	(831)
Loss on warrants remeasurement	(250)	—
Loss on debt extinguishment	(1,766)	—
(Loss) gain on foreign exchange	(804)	2,475
Other income	425	97
Other (expense) income, net	<u>\$ (12,473)</u>	<u>\$ 1,116</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					
	June 30, 2023		March 31, 2023		June 30, 2022	
Costs of Revenue:						
GAAP cost of service revenue	\$	46,276	\$	46,951	\$	53,547
Amortization of acquired intangible assets		(2,118)		(2,118)		(2,369)
Stock-based compensation expense and related employer payroll taxes		(2,224)		(2,031)		(2,696)
Severance, transition and contract termination costs		(206)		736		(897)
Non-GAAP cost of service revenue	\$	<u>41,728</u>	\$	<u>43,538</u>	\$	<u>47,585</u>
Non-GAAP service margin (as a percentage of service revenue)	\$	<u>133,510</u>	76.2%	\$	<u>133,024</u>	75.3%
	\$	<u>131,576</u>	73.4%			
GAAP cost of other revenue	\$	8,398	\$	8,302	\$	13,126
Stock-based compensation expense and related employer payroll taxes		(651)		(634)		(1,147)
Severance, transition and contract termination costs		(22)		(389)		(533)
Non-GAAP cost of other revenue	\$	<u>7,725</u>	\$	<u>7,279</u>	\$	<u>11,446</u>
Non-GAAP other margin (as a percentage of other revenue)	\$	<u>324</u>	4.0%	\$	<u>688</u>	4.0%
	\$	<u>(2,987)</u>	(35.3%)			
Non-GAAP gross margin (as a percentage of revenue)	\$	<u>133,834</u>	73.0%	\$	<u>133,712</u>	72.5%
	\$	<u>128,589</u>	68.5%			

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

Operating Expenses:									
GAAP research and development	\$	35,292		\$	36,455		\$	34,955	
Stock-based compensation expense and related employer payroll taxes		(7,438)			(6,789)			(8,193)	
Acquisition and integration costs		(213)			—			—	
Severance, transition and contract termination costs		(311)			(1,310)			(37)	
Non-GAAP research and development (as a percentage of revenue)	\$	<u>27,330</u>	14.9%	\$	<u>28,356</u>	15.4%	\$	<u>26,725</u>	14.2%
GAAP sales and marketing	\$	68,505		\$	68,848		\$	83,527	
Amortization of acquired intangible assets		(2,982)			(3,007)			(3,106)	
Stock-based compensation expense and related employer payroll taxes		(5,254)			(3,536)			(8,280)	
Acquisition and integration costs		—			1,105			—	
Severance, transition and contract termination costs		(169)			(3,974)			(391)	
Non-GAAP sales and marketing (as a percentage of revenue)	\$	<u>60,100</u>	32.8%	\$	<u>59,436</u>	32.2%	\$	<u>71,750</u>	38.2%
GAAP general and administrative	\$	26,226		\$	20,440		\$	29,219	
Stock-based compensation expense and related employer payroll taxes		(4,108)			(3,352)			(7,923)	
Acquisition and integration costs		(130)			6,181			(624)	
Legal and regulatory costs		(1,468)			(898)			62	
Severance, transition and contract termination costs		(546)			(1,271)			(755)	
Non-GAAP general and administrative (as a percentage of revenue)	\$	<u>19,974</u>	10.9%	\$	<u>21,100</u>	11.4%	\$	<u>19,979</u>	10.6%
Non-GAAP Operating Expenses (as a percentage of revenue)		<u>107,404</u>	58.6%	\$	<u>108,892</u>	59.0%		<u>118,454</u>	63.1%

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

	Three Months Ended					
	June 30, 2023		March 31, 2023		June 30, 2022	
Operating Profit (Loss):						
GAAP income (loss) from operations	\$	(1,410)	\$	3,533	\$	(26,754)
Amortization of acquired intangible assets		5,100		5,125		5,475
Stock-based compensation expense and related employer payroll taxes		19,675		16,342		28,239
Acquisition and integration costs		343		(7,286)		624
Legal and regulatory costs		1,468		898		(62)
Severance, transition and contract termination costs		1,254		6,208		2,613
Non-GAAP operating profit (as a percentage of revenue)	\$	<u>26,430</u>	14.4%	\$	<u>24,820</u>	13.5 %
					\$	<u>10,135</u>
						5.4%
Other Income (Expenses):						
GAAP other income (expense), net	\$	(12,473)	\$	(11,198)	\$	1,116
Amortization of debt discount and issuance cost		1,108		1,118		831
Loss on debt extinguishment		1,766		(295)		—
Loss on warrants remeasurement		250		105		—
Gain on sale of assets		—		5		—
Sublease Income		(117)		(116)		(116)
Non-GAAP other (expense) income, net (as a percentage of revenue)	\$	<u>(9,466)</u>	(5.2)%	\$	<u>(10,381)</u>	(5.6)%
					\$	<u>1,831</u>
						1.0%

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

Net Income (Loss):							
GAAP net loss	\$	(15,327)		\$	(9,431)	\$	(26,043)
Amortization of acquired intangible assets		5,100		5,125		5,475	
Stock-based compensation expense and related employer payroll taxes		19,675		16,342		28,239	
Acquisition and integration costs		343		(7,286)		624	
Legal and regulatory costs		1,468		898		(62)	
Severance, transition and contract termination costs		1,254		6,208		2,613	
Amortization of debt discount and issuance cost		1,108		1,118		831	
Loss on debt extinguishment		1,766		(295)		—	
Loss on warrants remeasurement		250		105		—	
Sublease income		(117)		(116)		(116)	
Non-GAAP net income (as a percentage of revenue)		15,520	8.5%	\$ 12,673	6.9%	11,561	6.2%
Interest expense		8,970		9,906		625	
Provision for income taxes		1,444		1,766		405	
Depreciation		2,126		2,408		2,789	
Amortization of capitalized internal-use software costs		5,282		4,342		5,964	
Other expense (income), net		496		477		(2,456)	
Adjusted EBITDA	\$	<u>33,838</u>	18.5%	\$ <u>31,572</u>	17.1%	\$ <u>18,888</u>	10.1%
Shares used in computing net loss per share amounts:							
Basic		116,777		114,924		119,721	
Diluted		118,445		117,442		121,756	
GAAP net loss per share - Basic and Diluted	\$	(0.13)		\$ (0.08)		\$ (0.22)	
Non-GAAP net income per share - Basic	\$	0.13		\$ 0.11		\$ 0.10	
Non-GAAP net income per share - Diluted	\$	0.13		\$ 0.11		\$ 0.09	



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