

A large, stylized 'X' graphic composed of overlapping geometric shapes in shades of gray and black, positioned on the right side of the slide.

8x8

Third Quarter Fiscal 2019 Earnings

January 29, 2019

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. 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.
- Competitive dynamics of the UCaaS, CCaaS 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 FY19.
- Our churn rate may be higher than we anticipate.
- The investments we make in increasing headcount, marketing X Series, and other areas of our business may not result in accelerated 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

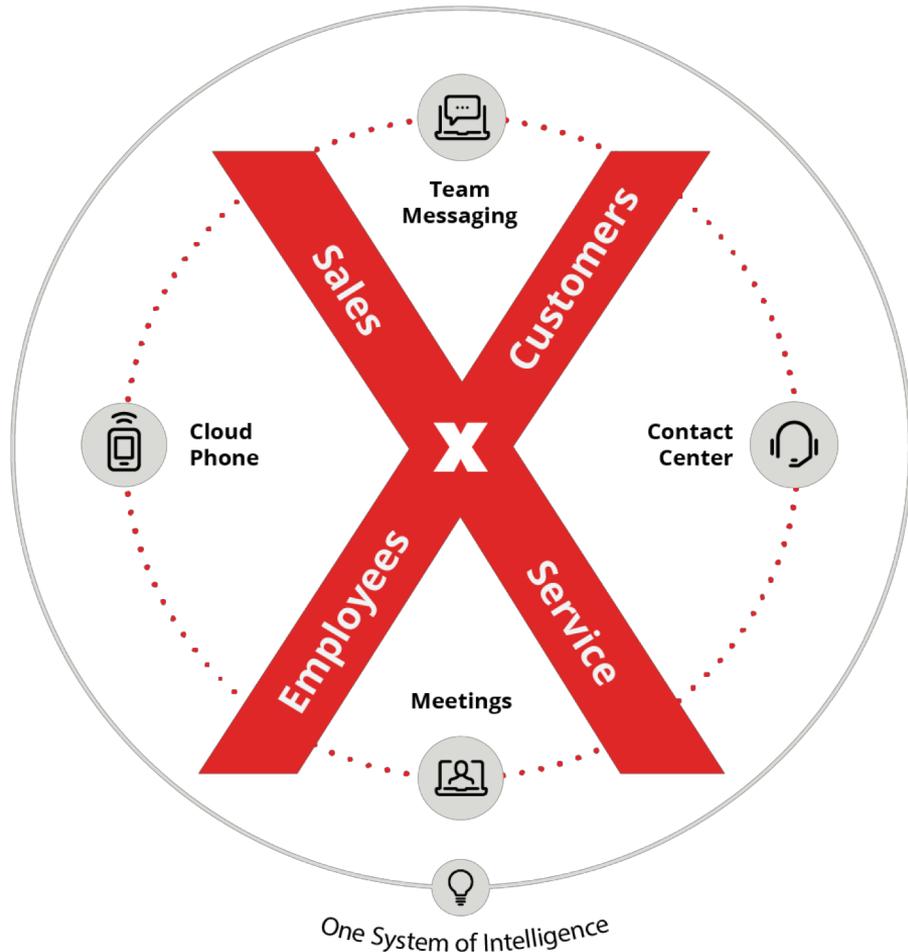
This presentation contains certain financial information that has not been prepared in accordance with Generally Accepted Accounting Principles (GAAP). Management uses these non-GAAP financial measures internally in analyzing the Company’s financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating the Company’s ongoing operational performance. Reconciliations of these non-GAAP financial measures to the most directly comparable information derived in accordance with GAAP are presented in the Appendix at the end of this presentation. This information should not be considered a substitute for any measures derived in accordance with GAAP.

In addition, this presentation includes financial measures that have been adjusted as follows:

- This presentation includes revenue figures adjusted to exclude revenue generated by DXI. As first reported in the third quarter of our 2018 fiscal year, we have de-emphasized the sale of DXI's ContactNow as a stand-alone product, and management therefore believes it is useful to exclude this revenue from period-to-period comparisons to better depict the relative performance of our core business.
- This presentation includes revenue figures adjusted for comparison on a constant currency basis, when management concluded that the elimination of the impact of currency fluctuations between the periods being compared would assist with the evaluation of the underlying business performance.

8x8

One cloud technology platform
phone x meetings x collaboration x contact center



NYSE: EIGHT

Headquarters in San Jose, CA

~1,500 employees in 5 countries

1m+ business users in 150+ countries

7 year Leader UCaaS Gartner Magic Quadrant

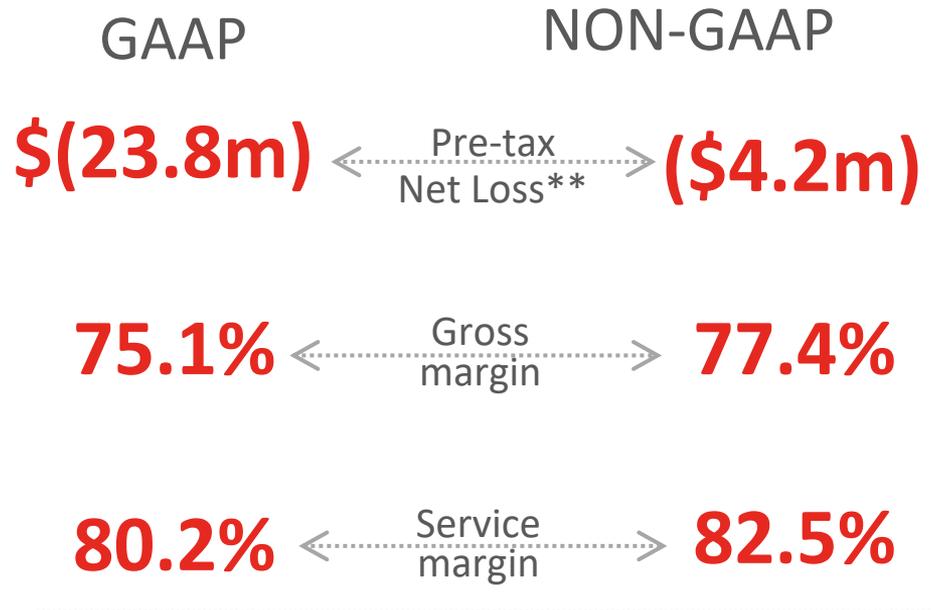
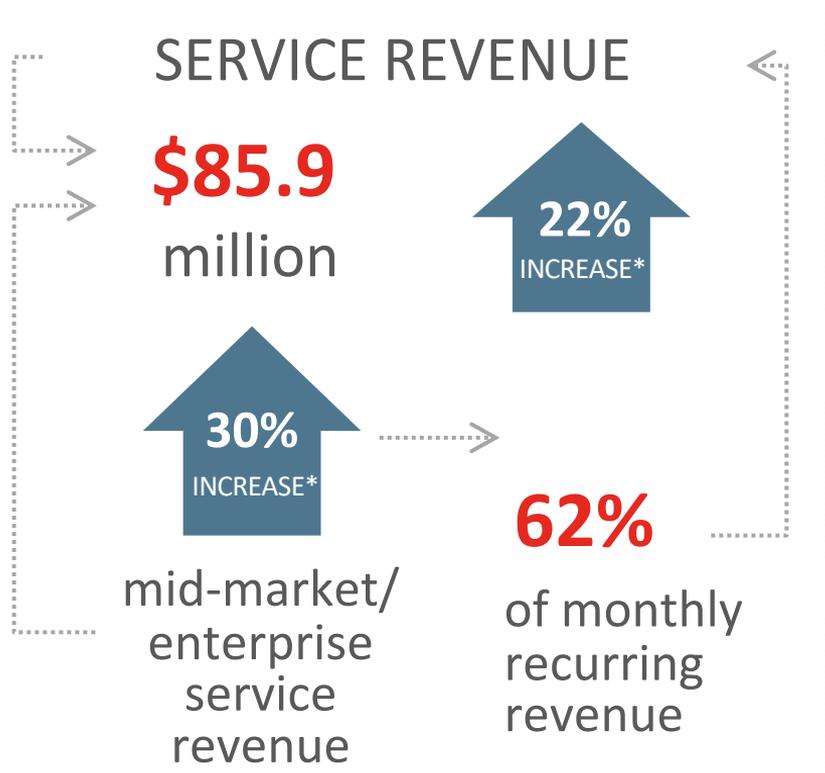
175+ patents awarded



Financial Overview

Quarterly Results

Q3 Fiscal 2019 Results Highlights



*Adjusting for constant currency and excluding DXI revenue

** Excludes Jitsi acquisition related expenses.

Q3 Fiscal 2019 Business Highlights

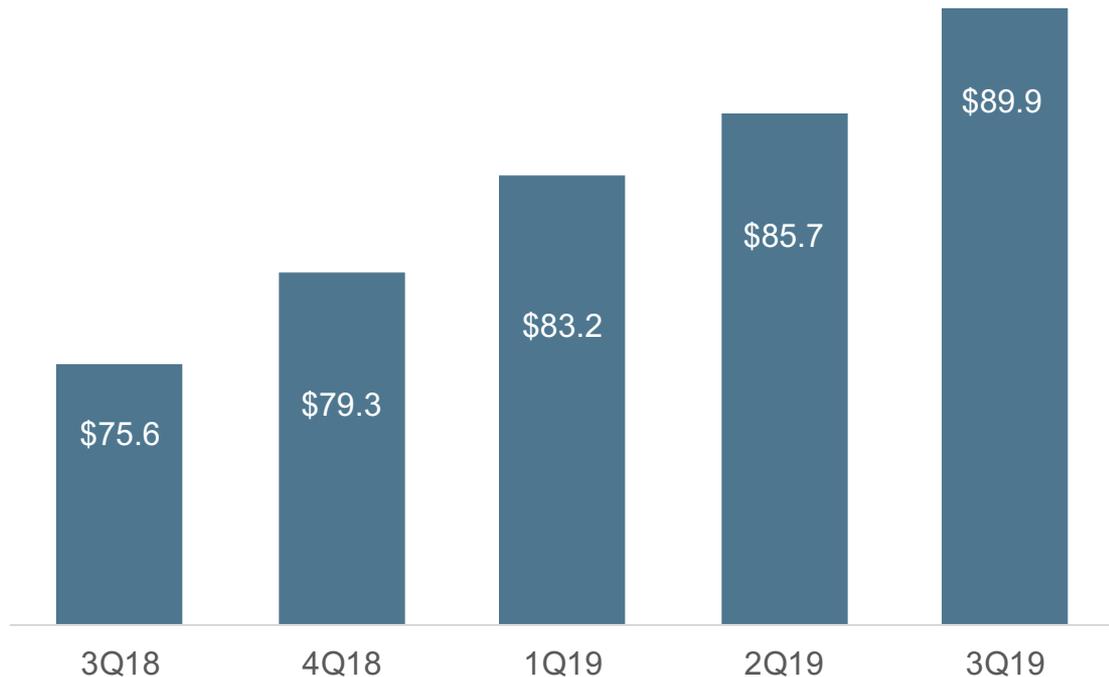
- **Continued Revenue Growth in Mid-Market and Enterprise:**
 - 25 Large Enterprise Deals (>\$10,000 in MRR) – increased ~14% year-over-year
 - Service Revenue from customers billing (>\$1,000 in MRR) grew 30% year-over-year and represents 62% of monthly recurring revenue, excluding DXI revenue and adjusted for constant currency
 - Service Revenue from customers billing (>\$10,000 in MRR) grew 61% year-over-year and represents 29% of monthly recurring revenue, excluding DXI revenue and adjusted for constant currency
 - New monthly recurring revenue (MRR) booked from customers increased ~13% year-over-year and comprised 66% of total bookings
- **8x8 Integrated UCaaS & CCaaS Continues to Resonate:**
 - Over 50% of new MRR from mid-market/enterprise were combination deals
 - 110+ customer deals including 6 of the top 10 deals were combination deals

Q3 Fiscal 2019 Business Highlights (Cont.)

- **Channel Momentum:**
 - Channel Bookings grew 23% year-over-year
 - 8 of Top 10 Deals Channel Driven
 - 400+ partners participating in the Channel Enablement Program
 - New partners included Vertical Communication and Workair in Ireland
- **8x8 Technology Platform Innovation and Industry Recognition:**
 - 7 new patents for a total of 177 awarded
 - Frost & Sullivan 2018 North American Integrated CCaaS and UCaaS Competitive Strategy Innovation and Leadership Award
 - TechTarget's Network Innovation Award - Recognized in Unified Communications category

Total Revenue

\$ in millions



Q3 FY 2019

Adjusted Growth
+21% yoy*

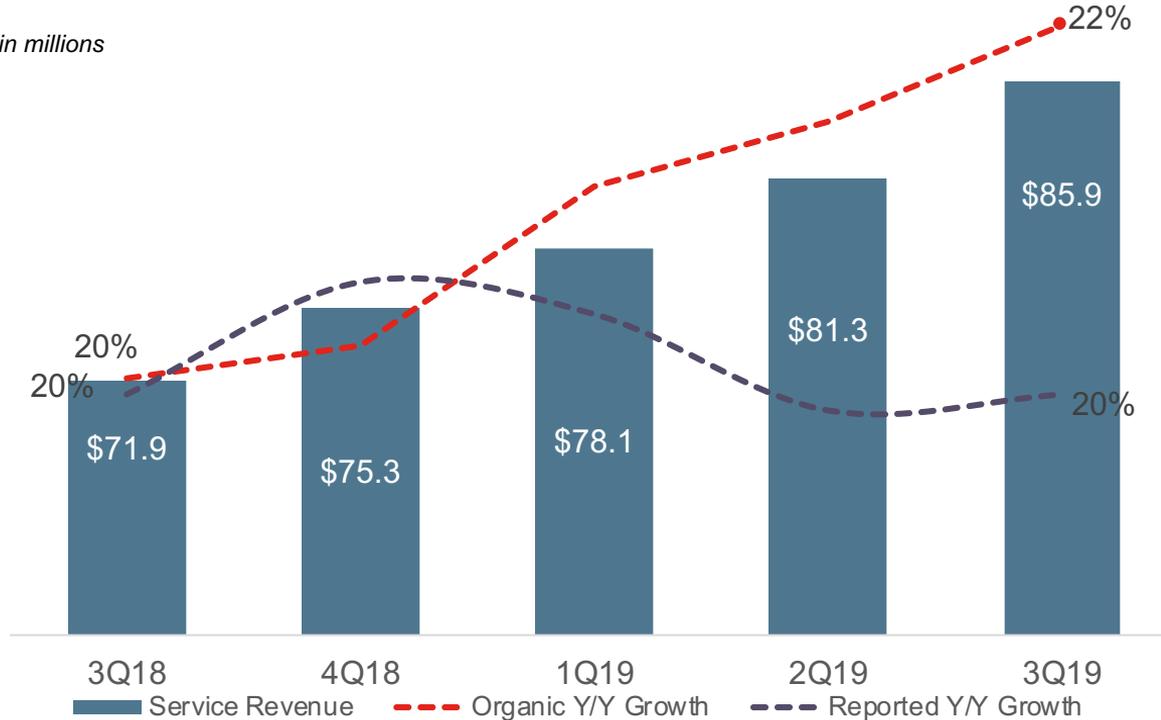
Reported Growth
+19% yoy

* Year-over-year growth rate adjusted for constant currency and excludes DXI revenue

Service Revenue

Solid organic service revenue year-over-year growth of +200 bps

\$ in millions



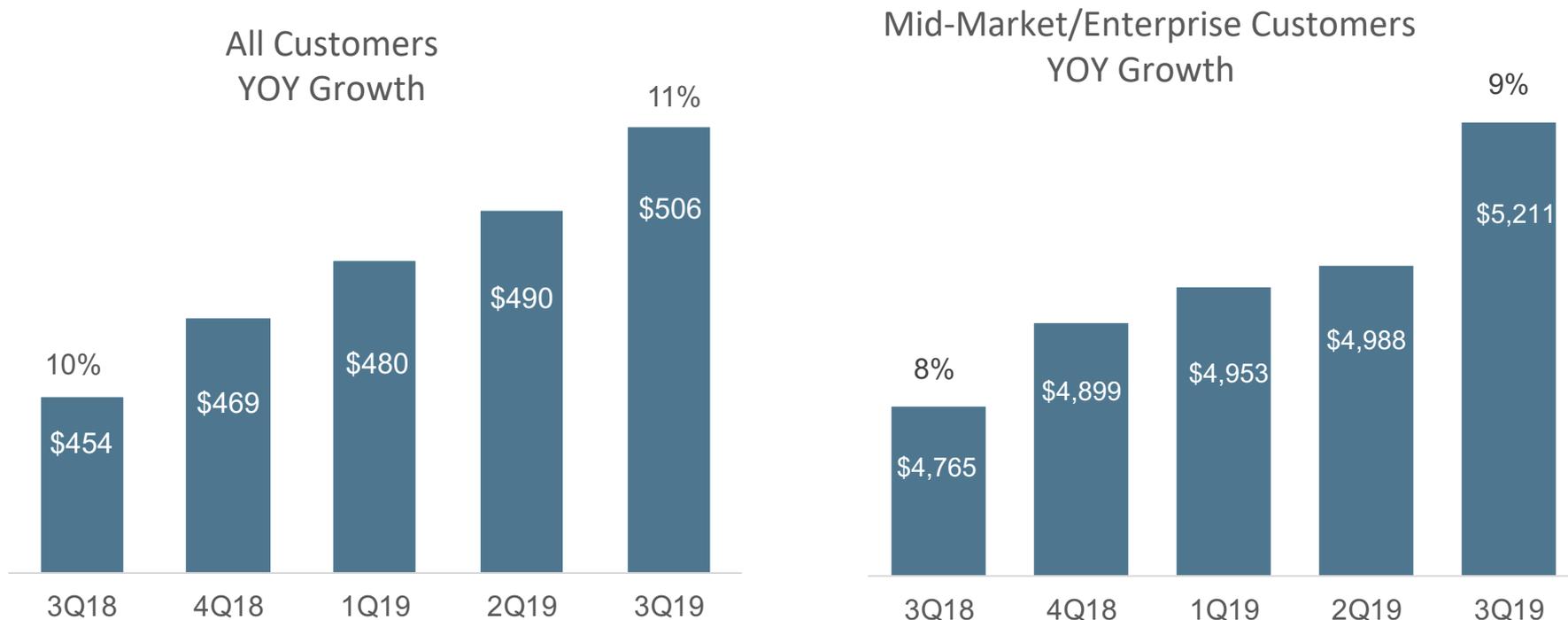
Q3 FY 2019

Adjusted Growth
+22% yoy*

Reported Growth
+20% yoy

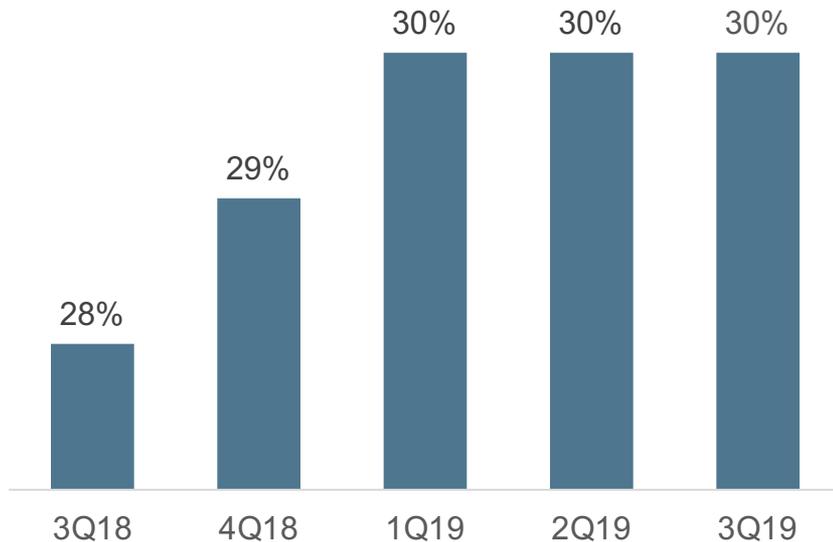
* Service revenue includes subscription, usage and professional services. Year-over-year growth rate adjusted for constant currency and excludes DXI revenue.

Increasing Average Monthly Service Revenue Per Customer (ARPU)

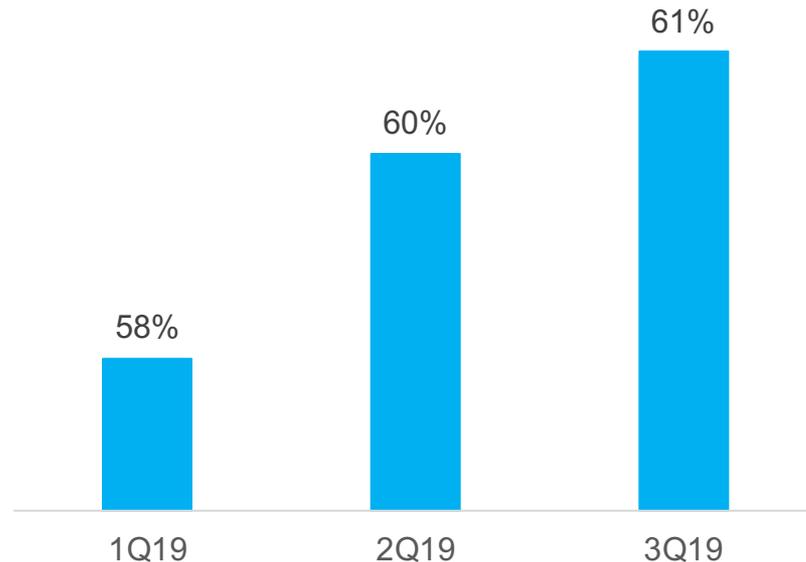


Increasing Service Revenue from Mid-Market/Enterprise Customers

Year-over-year growth from customers billing >\$1,000 in monthly recurring revenue (MRR) *

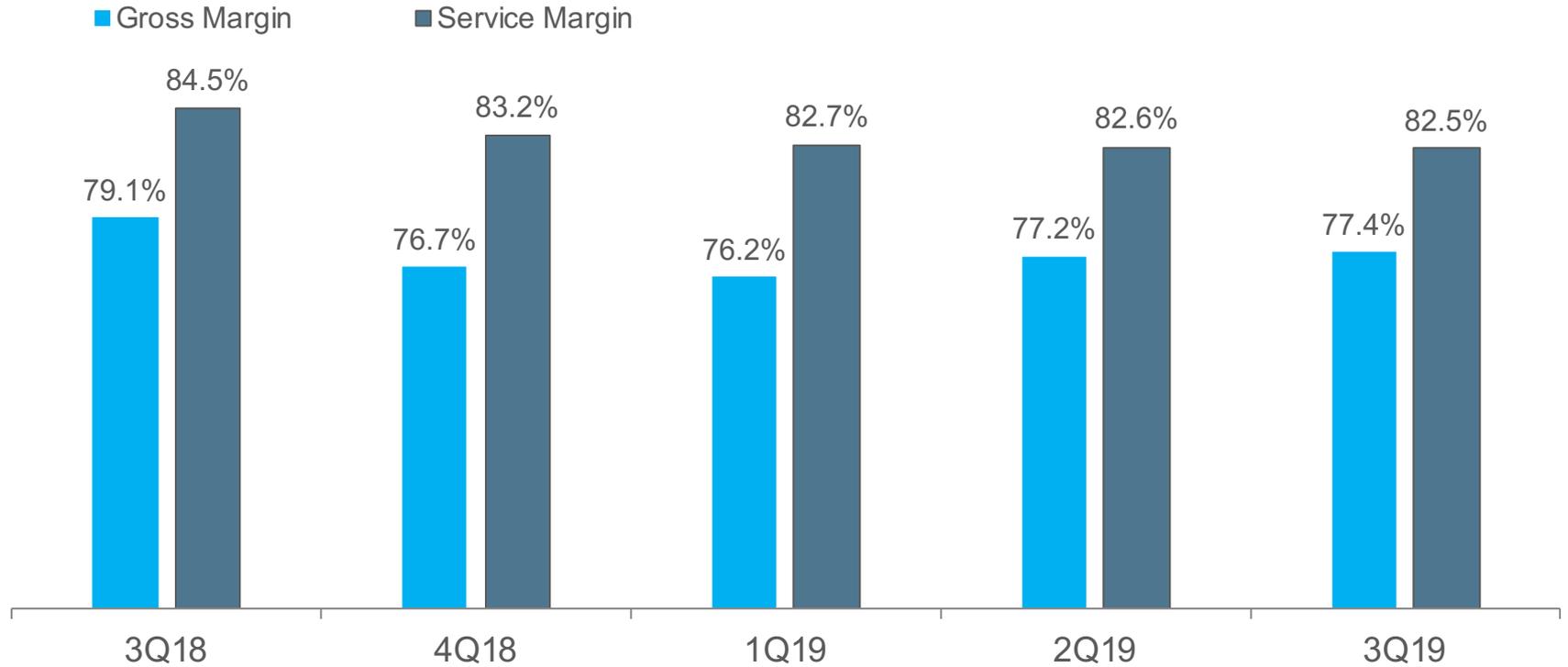


Year-over-year growth from customers billing >\$10,000 monthly recurring revenue (MRR) *

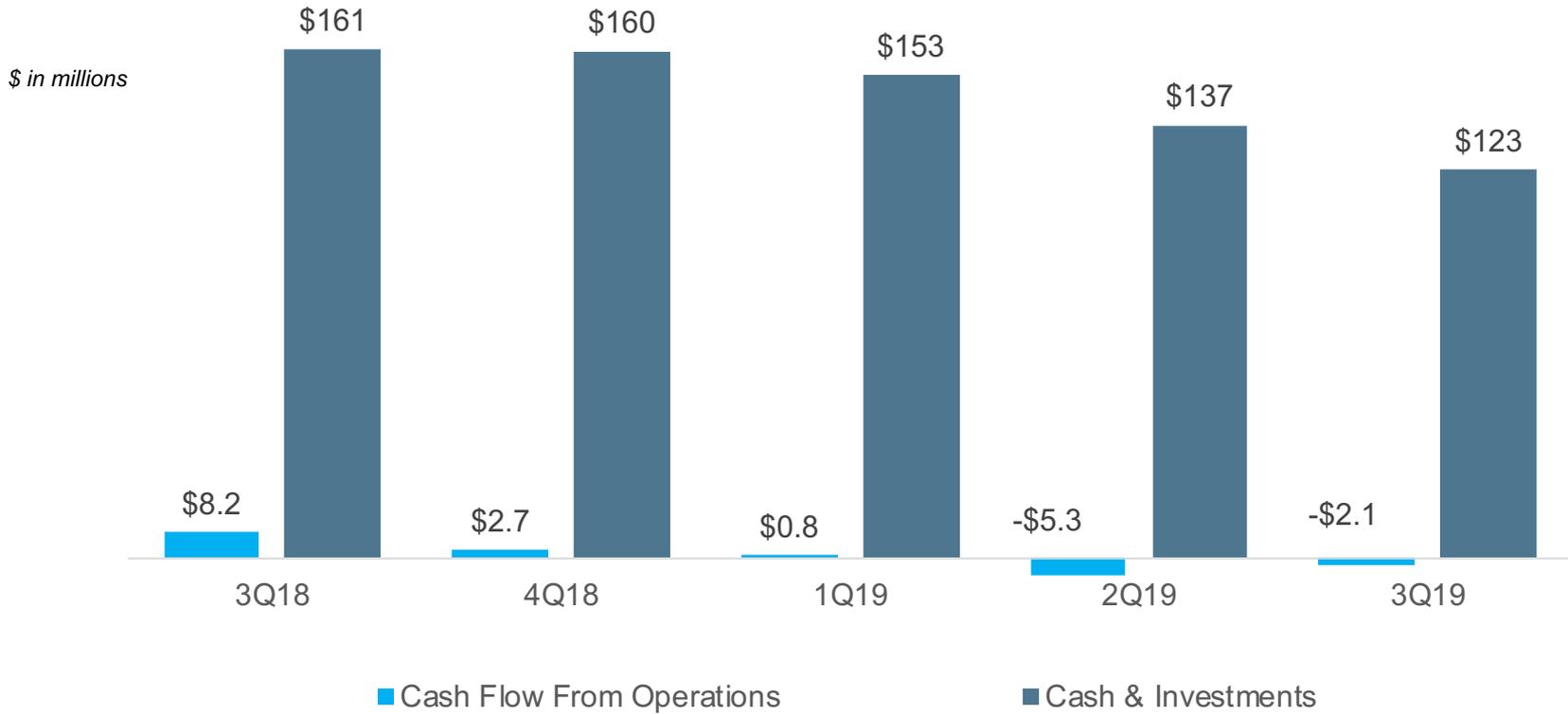


* Year-over-year growth rate adjusted for constant currency and excludes DXI revenue.

Consistently Strong Non-GAAP Margins



Ample Cash While Investing in Growth



Fourth Quarter Fiscal 2019 Non-GAAP Financial Outlook

Service Revenue	\$88.6m - \$89.6m
Growth Y/Y	18% - 19%
Growth Y/Y excluding DXI revenue, CC	22% - 23%
Pre-Tax Loss (Non-GAAP) *	(\$7m – \$8m)

* Excludes ~ \$0.6 million of expenses related to Jitsi

Full-Year Fiscal 2019 Non-GAAP Financial Outlook

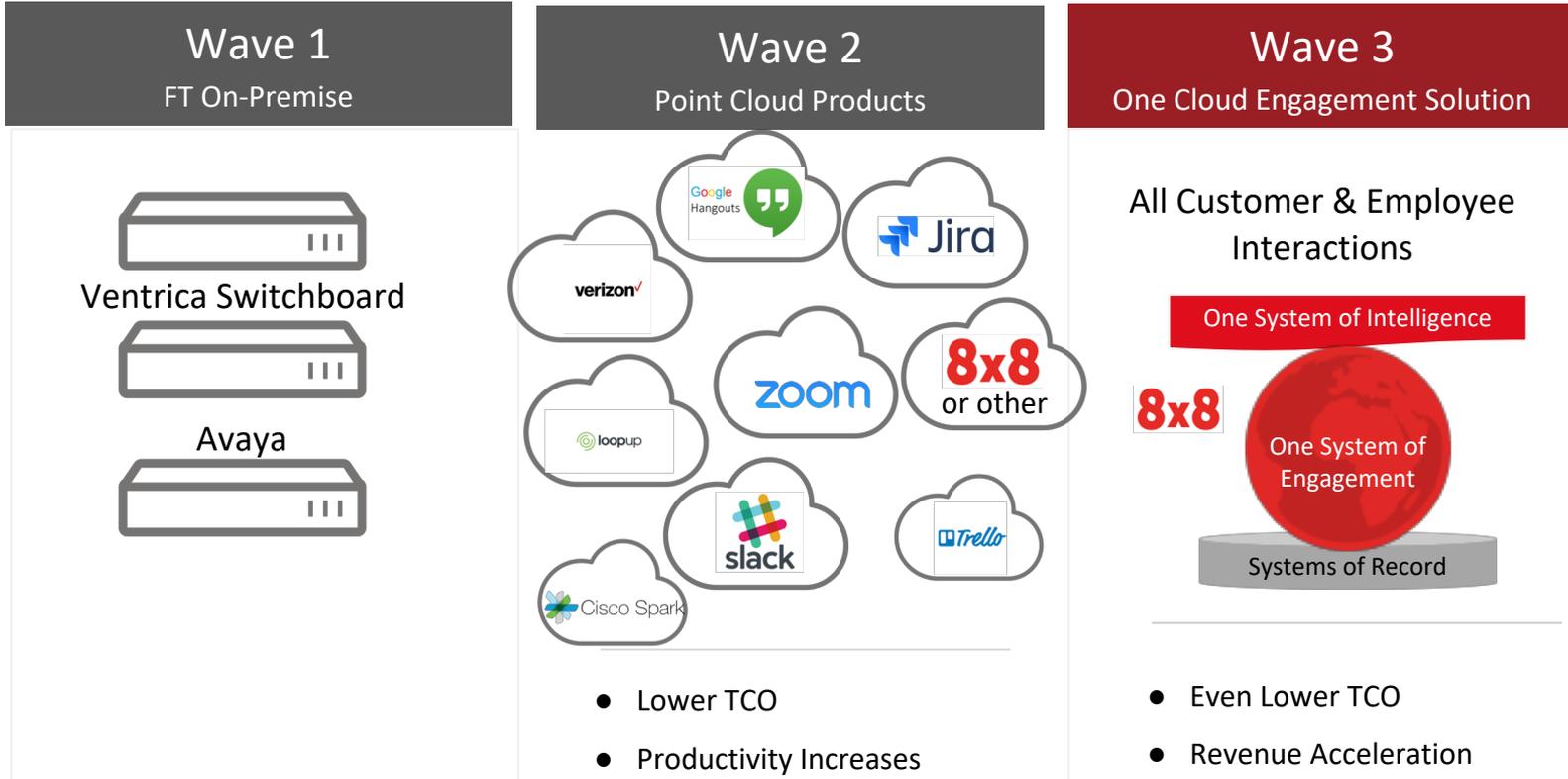
Service Revenue	\$334m - \$335m
Growth Y/Y	19% - 20%
Growth Y/Y excluding DXI revenue, CC	~22%
Total Revenue	\$351m - \$352m
Growth Y/Y	18% - 19%
Pre-Tax Loss (Non-GAAP)*	(~\$19m)

* Excludes ~\$2 million of expenses related to Jitsi

A blurred photograph of a modern office hallway with large windows and greenery. The scene is overlaid with a semi-transparent geometric pattern of interlocking triangles. The text 'Business Overview' is centered in white.

Business Overview

8x8: The Only 3rd Wave of One Cloud Engagement Solution in Market Today



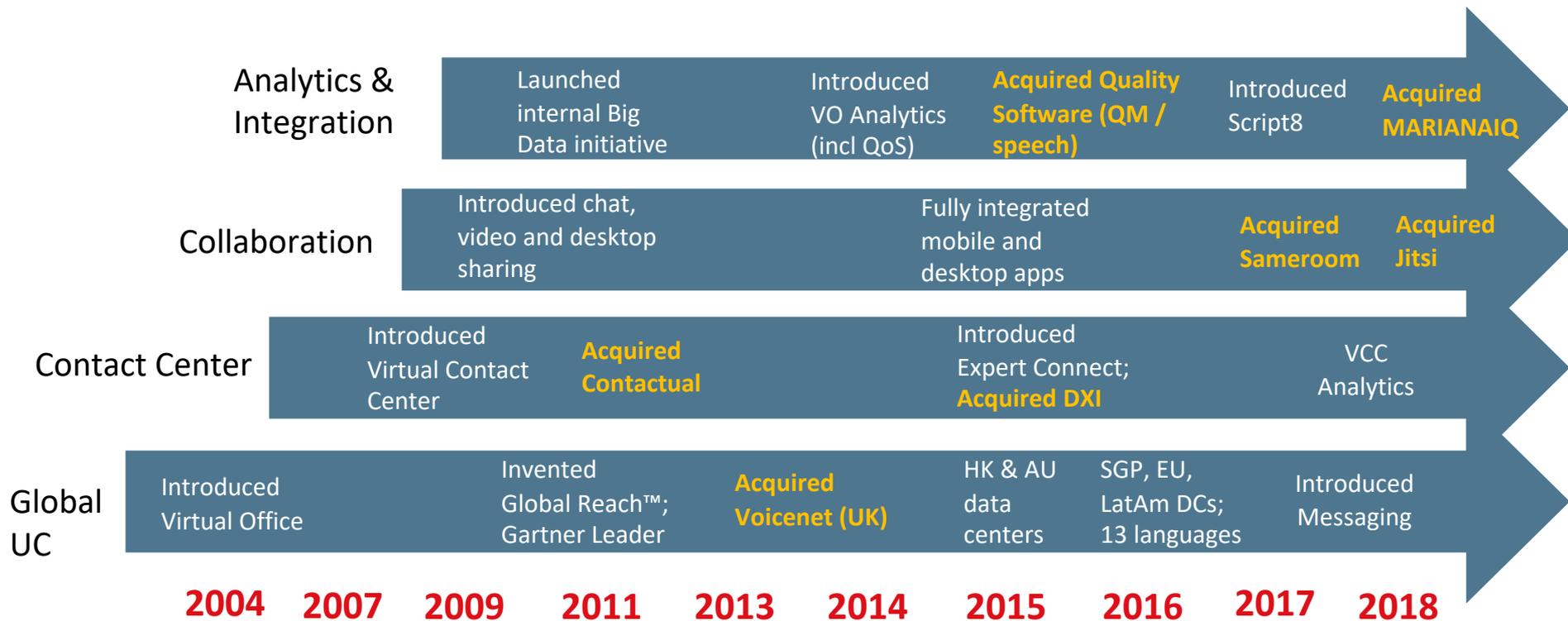
Uniquely Qualified with Single Technology Platform



Competition



Anticipated Market and Built Technology Platform to Capture It



X Series – One Technology Platform for One Unique Employee and Customer Engagement Experience

One System
of Engagement

One System
of Intelligence

X2

Integrated communications, providing your employees with:

- One click from chat to voice to video meetings
- Company-wide team messaging
- Meetings for 100 participants
- G Suite integration

X4

Smarter global engagement, includes X2 capabilities plus:

- Unlimited global calling across 47 countries
- Supervisor & service quality analytics
- Streamline call handling with Switchboard Pro

X6

Speed to resolution, includes X4 capabilities plus:

- One-click subject matter expert access
- CRM integration
- Customer engagement analytics

X8

Customer experience transformation, includes X6 capabilities plus:

- Integrated voice, email, webchat and social
- Advanced speech and interaction analytics
- Predictive outbound campaigns
- Quality, collaborative performance mgt

Driving Employee and Customer Interactions, Data & Analytics From One Technology Platform

Omni-Channel Solution



- Voice
- Chat
- Email/FAX
- Outbound
- Contact Center
- Conferencing/Recording
- Video

Robust Reporting & Data Analytics



- Speech analytics
- Collaborative user experience
- Powerful, flexible reporting
- Simple setup and configuration

Cloud Quality Management



- Easy, out-of-the-box reporting
- Multi-channel coverage
- Data extensibility via REST APIs

APPENDIX



Reconciliation of Selected GAAP Measures to NON-GAAP Measures (In Thousands, Unaudited)

Cost of Service Revenue:	Three Months Ended December 31,	
	2018	2017
GAAP cost of service revenue	\$17,043	\$12,318
Amortization of acquired intangible assets	(\$1,344)	(\$714)
Stock-based compensation expense	(\$680)	(\$455)
Non-GAAP cost of service revenue	\$15,019	\$11,149
Non-GAAP cost of service revenue as a percentage of service revenue	17.5%	15.5%
Research and Development:	Three Months Ended December 31,	
	2018	2017
GAAP research and development	\$16,876	\$8,527
Stock-based compensation expense	(\$3,570)	(\$1,794)
Non-GAAP research and development	\$13,306	\$6,733
Non-GAAP research and development as a percentage of total revenue	14.8%	8.9%

Reconciliation of Selected GAAP Measures to NON-GAAP Measures (In Thousands, Unaudited)

Sales and Marketing:	Three Months Ended December 31,	
	2018	2017
GAAP sales and marketing	\$60,717	\$48,830
Amortization of acquired intangible assets	(\$351)	(\$466)
Stock-based compensation expense	(\$5,590)	(\$3,362)
Non-recurring items	(\$313)	(\$480)
Non-GAAP sales and marketing	\$54,463	\$44,522
Non-GAAP sales and marketing as a percentage of total revenue	60.6%	58.9%
General and Administration:	Three Months Ended December 31,	
	2018	2017
GAAP general and administration	\$14,196	\$10,003
Stock-based compensation expense	(\$2,695)	(\$2,519)
Non-recurring items	(\$3,689)	
Non-GAAP general and administration	\$7,812	\$7,484
Non-GAAP general and administration as a percentage of total revenue	8.7%	9.9%

Reconciliation of Selected GAAP Measures to NON-GAAP Measures (In Thousands, Unaudited)

Reconciliation of GAAP Net Loss to Non-GAAP Net Income (Loss):	Three Months Ended December 31,	
	2018	2017
GAAP net loss	(\$23,771)	(\$88,520)
Adjustments:		
Amortization of acquired intangible assets	\$1,695	\$1,180
Impairment of equipment, intangible assets, and goodwill		\$9,469
Stock-based compensation expense	\$12,535	\$8,130
Non-recurring items in operating expenses	\$4,002	\$480
Provision (benefit) for income taxes	\$112	\$70,842
Non-GAAP net income (loss)	(\$5,427)	\$1,581
Non-GAAP tax expense (1)	\$112	\$52
Non-GAAP net income (loss) after taxes	(\$5,539)	\$1,529

(1) The non-GAAP tax provision in fiscal year 2019 does not have a deferred income tax impact due to the full valuation allowance applied against deferred tax assets. The non-GAAP effective tax, is based on current taxes for certain states and foreign jurisdictions.

GAAP and non-GAAP Net Income (Loss) per Share:		
GAAP diluted net income (loss) per share	(\$0.25)	(\$0.96)
Non-GAAP diluted net income (loss) per share	(\$0.06)	\$0.02

Full-Year Fiscal 2019 Outlook – Impact from ASC606

Financial Statement	<ul style="list-style-type: none">• No restatement of prior year information under modified retroactive method• Quarterly disclosures are provided for FY19 comparing results under ASC606 versus ASC605
Total Revenue	<ul style="list-style-type: none">• No material differences expected on total revenue
Sales & Marketing Operating Expenses	<ul style="list-style-type: none">• Large portion of sales commissions will be capitalized and amortized over five years• Estimated \$11m lower sales and marketing operating expenses
Net Income	<ul style="list-style-type: none">• Estimated \$11m benefit to Net Income
Cash Flow	<ul style="list-style-type: none">• No impact on cash flow

Reconciliation of ASC 605 to ASC 606 Statement of Operations

	Three Months Ended December 31, 2018		
	ASC 605	Adjustments	ASC 606
Service revenue	\$ 86,245	\$ (334)	\$ 85,911
Product revenue	3,335	666	4,001
Total revenue	\$ 89,580	\$ 332	\$ 89,912
Operating expenses:			
Sales and marketing	\$ 63,276	\$ (2,559)	\$ 60,717
Loss from operations	\$ (27,129)	\$ 2,891	\$ (24,238)
Net loss	\$ (26,662)	\$ 2,891	\$ (23,771)
Net loss per share:			
Basic and diluted	\$ (0.28)	\$ 0.03	\$ (0.25)
Non-GAAP net loss before taxes	\$ (8,318)	\$ 2,891	\$ (5,427)
Non-GAAP net loss after taxes	\$ (8,430)	\$ 2,891	\$ (5,539)

From EX to CX

The experience is everything

Connect With Us



www.8x8.com



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



facebook.com/8x8Inc



linkedin.com/company/8x8



youtube.com/8x8Inc



google.com/+8x8Inc