

# Fourth Quarter and Fiscal Year 2022

Ended March 31, 2022

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May 10, 2022

**8x8**

The eXperience  
Communications  
Platform



# Forward looking statements

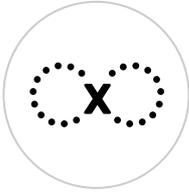
This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934. These statements relate to the release of new products, market demand for products, impact of the Fuze, Inc. acquisition, changing industry trends and competition, business strategies, future operating performance and outlook, including the economic impacts of the COVID-19 pandemic and future financial results. These forward-looking statements are predictions only, and actual events or results may differ materially from such statements depending on a variety of factors. These factors include, but are not limited to:

- Customer adoption and demand for our products may be lower than we anticipate.
- Impact of economic downturns on us and our customers, including from the COVID-19 pandemic, the war in Ukraine, rising interest rates and other inflationary pressures.
- Competitive dynamics of the UCaaS, CCaaS, CPaaS, video and other markets in which we compete may change in ways we are not anticipating.
- 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.
- We may not achieve our target service revenue growth rate, or the revenue, earnings, operating margin, bookings or other amounts we forecast in our guidance, for a particular quarter or for the full fiscal year of 2023.
- Our customer churn rate may be higher than we anticipate.
- Impact of Fuze, Inc. acquisition on future financial performance.
- Our Investments we make in marketing, channel and value-added resellers (VARs), e-commerce, new products, may not result in revenue growth.

For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the Forms 10-K and 10-Q filed by 8x8, Inc. with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement, and 8x8, Inc. undertakes no obligation to update publicly any forward-looking statement for any reason, except as required by law, even as new information becomes available or other events occur in the future.

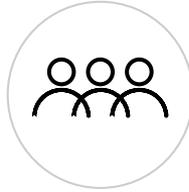
See Appendix for Non-GAAP reconciliation and disclaimers.

# Strategic Priorities



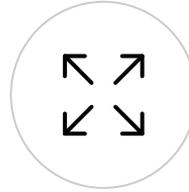
## Expanding Platform Advantage

Integrated UCaaS & CCaaS



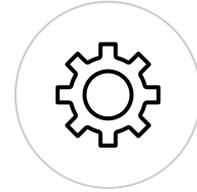
## Winning Together With Partners

Channel Partner Engagement



## Expanding the Base

Upsell, Cross-sell, Retention



## Driving Operational Excellence

Tailored GTM to Drive Scale and Efficiency

# Q4 2022 Financial Highlights

- Continued expansion of Enterprise ARR and customer base
- XCaaS ARR growth accelerated to >45% YoY
- Increased channel engagement and contribution
- Improved customer retention rate
- Completed Fuze acquisition and made significant cost reductions; accretive to operating margin and cash flow for the quarter
- Exited Fiscal 2022 with Non-GAAP operating margin\* of 2.3%, ahead of expectations
- Generated \$17M in operating cash flow

# Q4 2022 Business Highlights

## Product Innovation

- Announced general availability of 8x8 Agent Workspace, a new 8x8 Contact Center composed experience that is transforming the contact center agent role. 8x8 Agent Workspace is a fully browser-based, design-led interface delivering a tailored and intuitive experience with powerful contact queuing and handling features to enhance productivity and personalize both agent and customer engagement.
- Introduced 8x8 Conversation IQ, which extends formal contact center capabilities, such as quality management and speech analytics, to all user roles, from the front desk to the back office. 8x8 Conversation IQ applies conversational artificial intelligence (AI) to help organizations uncover insights, foster coaching, and ensure professional engagements deliver consistent experiences across the entire enterprise.
- Delivered the industry's first integrated cloud phone and contact center solution that supports the communications and customer engagement requirements of multinational organizations in Indonesia. Expanded full cloud PSTN support to 50 countries and territories, representing approximately 85 percent of the world's GDP.

## Industry Recognition

- Named a winner in the category of Best Innovation in Customer Experience for the Best of Enterprise Connect 2022 awards.
- Awarded a 5-star rating in the CRN 2022 Partner Program Guide.

# Q4 2022 Results vs. Guidance

	Q4 F2022	
	Guidance (February 2, 2022)	Results (March 31, 2022)
<b>Service Revenue</b>	\$173.5 – 175.5m	<b>\$172.8m</b>
<b>% Growth Y/Y</b>	30 – 31%	<b>29%</b>
<b>Total Revenue</b>	\$180 – 182m	<b>\$181.4m</b>
<b>% Growth Y/Y</b>	24 – 26%	<b>25%</b>
<b>Non-GAAP Operating Margin*</b>	Positive	<b>2.3%</b>

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

# Full Year Fiscal 2022 Performance vs. Guidance<sup>1</sup>

Ending March 31, 2022

	5/2/21	8/4/21	11/2/21	2/2/22 <sup>2</sup>	FY 2022 <sup>3</sup>
<b>Service Revenue</b>	\$555.0 – 565.0m	\$564.0 – 572.0m	\$572.5 – 576.5m	\$603 – 605m	<b>\$602.4m</b>
<b>% Growth Y/Y</b>	12 – 14%	14 – 15%	15 – 16%	~22%	<b>21%</b>
<b>Total Revenue</b>	\$595.0 – 605.0m	\$604.0 – 612.0m	\$611.0 – 615.0m	\$637 – 639m	<b>\$638.1m</b>
<b>% Growth Y/Y</b>	12 – 14%	13 – 15%	15 – 16%	~20%	<b>20%</b>
<b>Non-GAAP Operating Margin<sup>4</sup></b>	Positive each quarter Exit (4Q) at ~2%	Positive each quarter Exit (4Q) at ~2%	Positive each quarter Exit (4Q) at ~2%	Positive	<b>1.7%</b> <b>(exited at 2.3%)</b>

1. Guidance as of February 2, 2022. Refer to Forward Looking Statement for a discussion of factors that could cause actual results to differ from guidance.
2. Includes an estimated \$20 million contribution from Fuze customers from the closing date of January 18, 2022.
3. Includes \$23.9 million in Fuze service revenue and \$0.2 million in Fuze other revenue.
4. See Appendix for a reconciliation of GAAP to non-GAAP metrics.

# 8x8 By the Numbers (Q4 2022)

**\$687M**

Total ARR<sup>(1)(2)</sup>

**45%+**

YoY XCaaS ARR growth<sup>(1)</sup>

**One  
platform**

**Global  
coverage**

**8x8 Voice for  
MS Teams**

**2.5M+**

Paid business users

**55%+**

YoY Enterprise ARR  
growth<sup>(1)(2)</sup>



**150K+**

**60K+**

Customers

**77%+**

YoY Channel-driven ARR  
growth<sup>(1)(2)</sup>

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

Full PSTN  
replacement in  
50 countries/  
territories

Industry-leading  
integration for  
Microsoft Teams:  
150K+ licences 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. Includes Fuze ARR.

# Q4 and FY 2022 Financial Metrics\*

Q4 2022 Revenue	Service Revenue <sup>1,7</sup>	\$172.8 million, 29% Y/Y growth
	Other Revenue <sup>2,7</sup>	\$8.6 million, (22)% Y/Y growth
	Total Revenue <sup>7</sup>	\$181.4 million, 25% Y/Y growth
FY 2022 Revenue	Service Revenue <sup>1,7</sup>	\$602.4 million, 21% Y/Y growth
	Other Revenue <sup>2,7</sup>	\$35.8 million, (2)% Y/Y growth
	Total Revenue <sup>7</sup>	\$638.1 million, 20% Y/Y growth
ARR	Total ARR <sup>3,7</sup>	\$687 million, 33% Y/Y growth
	Enterprise <sup>4,7</sup>	\$393 million, 55% Y/Y growth
	Mid-Market <sup>5,7</sup>	\$128 million, 31% Y/Y growth
	Small Business <sup>6,7</sup>	\$166 million, (1)% Y/Y growth

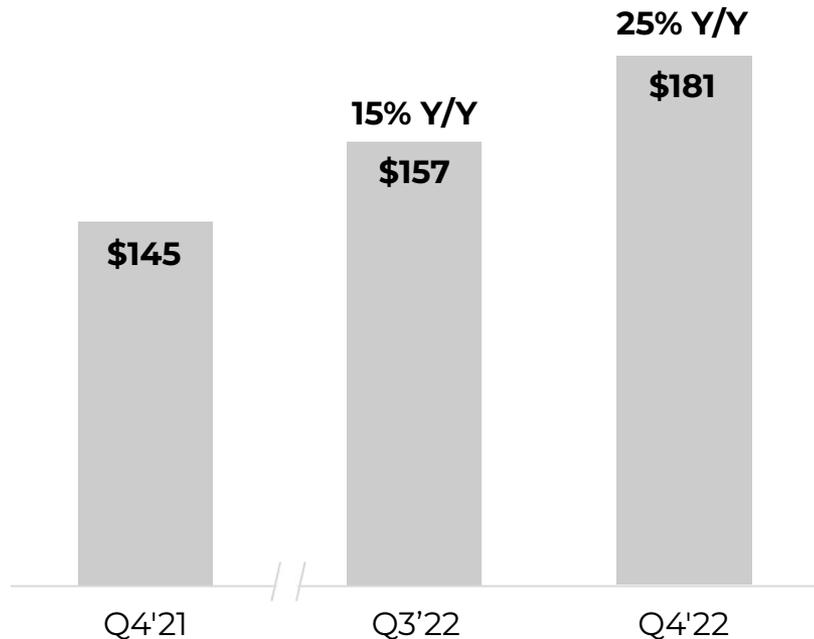
\* Amounts may not sum to total due to rounding.

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 ("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 Fuze.

# Revenue Growth

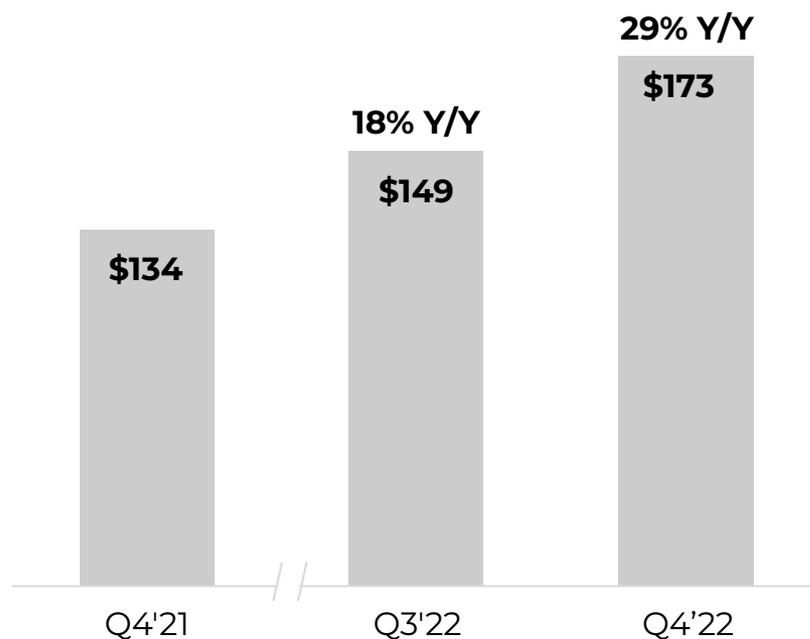
## Fiscal Q4 Total Revenue<sup>1</sup>

(\$ in millions)



## Fiscal Q4 Service Revenue<sup>2</sup>

(\$ in millions)

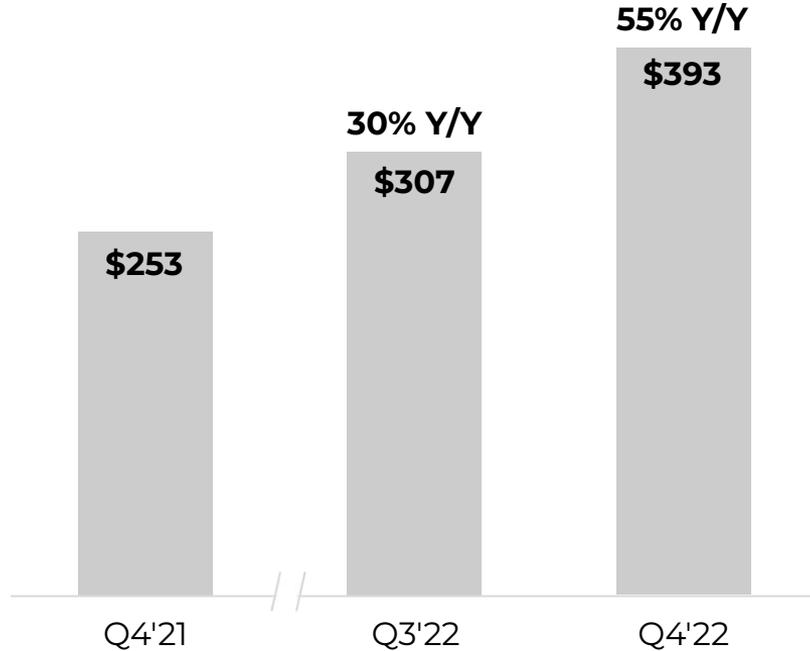


1. Q4'22 Total revenue includes Fuze revenue of \$24.1 million.
2. Q4'22 Service revenue includes Fuze service revenue of \$23.9 million.

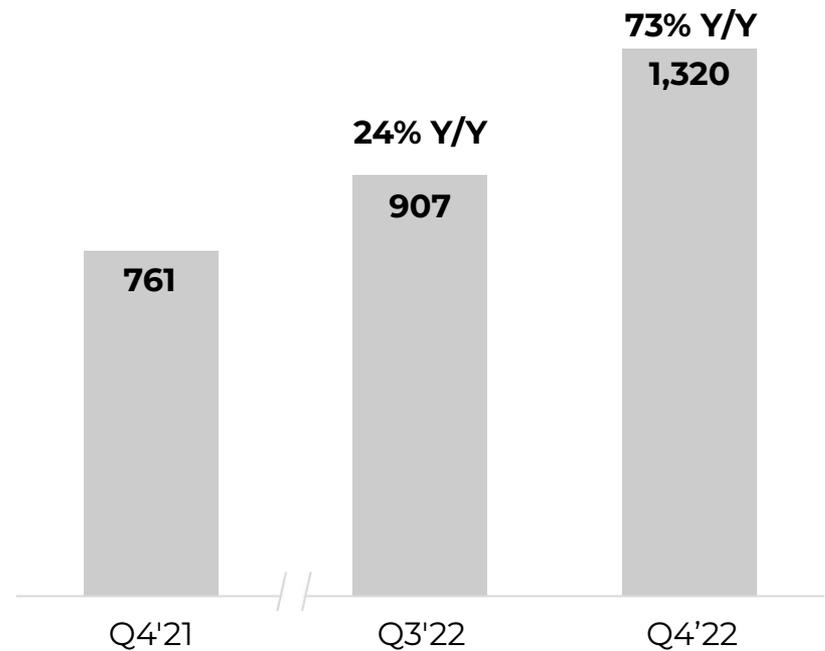
# Enterprise Customers >\$100K ARR

## Fiscal Q4 Enterprise ARR<sup>1</sup>

(\$ in millions)



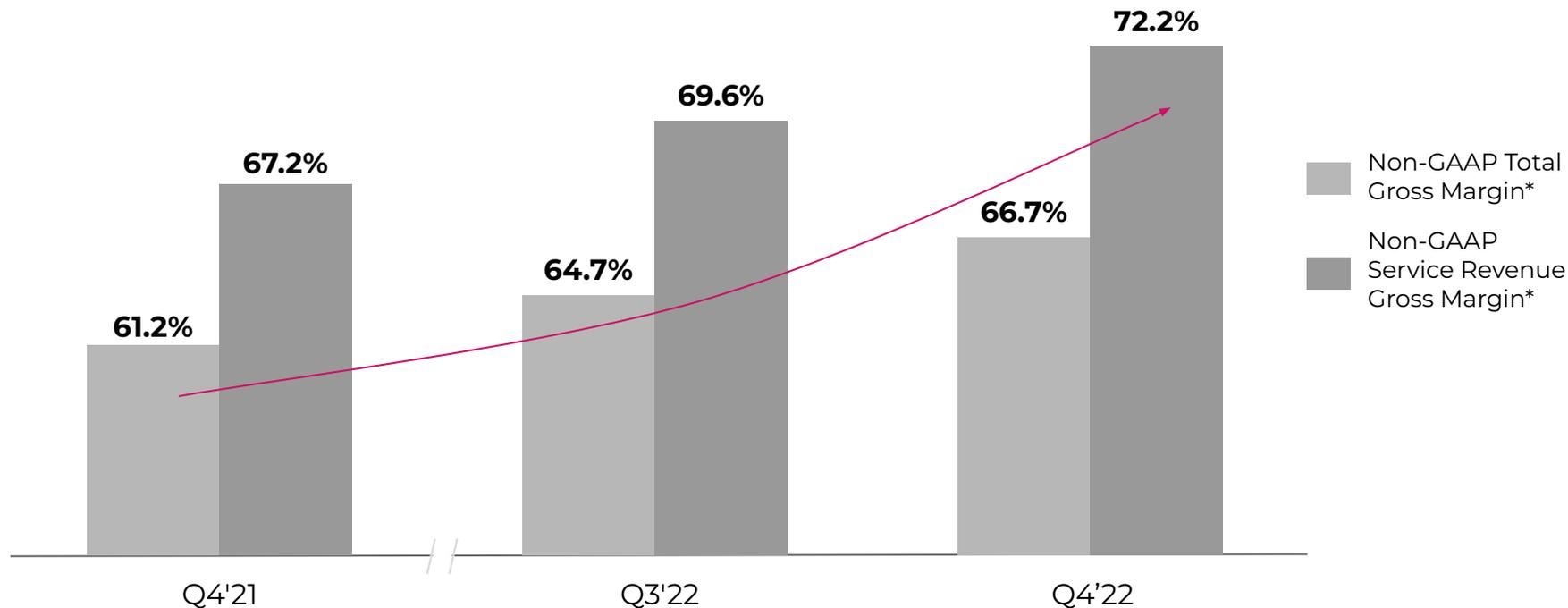
## Fiscal Q4 Enterprise Customers<sup>2</sup>



1. Q4'22 Enterprise ARR includes Fuze enterprise ARR.
2. Q4'22 Enterprise customers includes Fuze enterprise customers.

# Increasing Non-GAAP Gross Margins\*

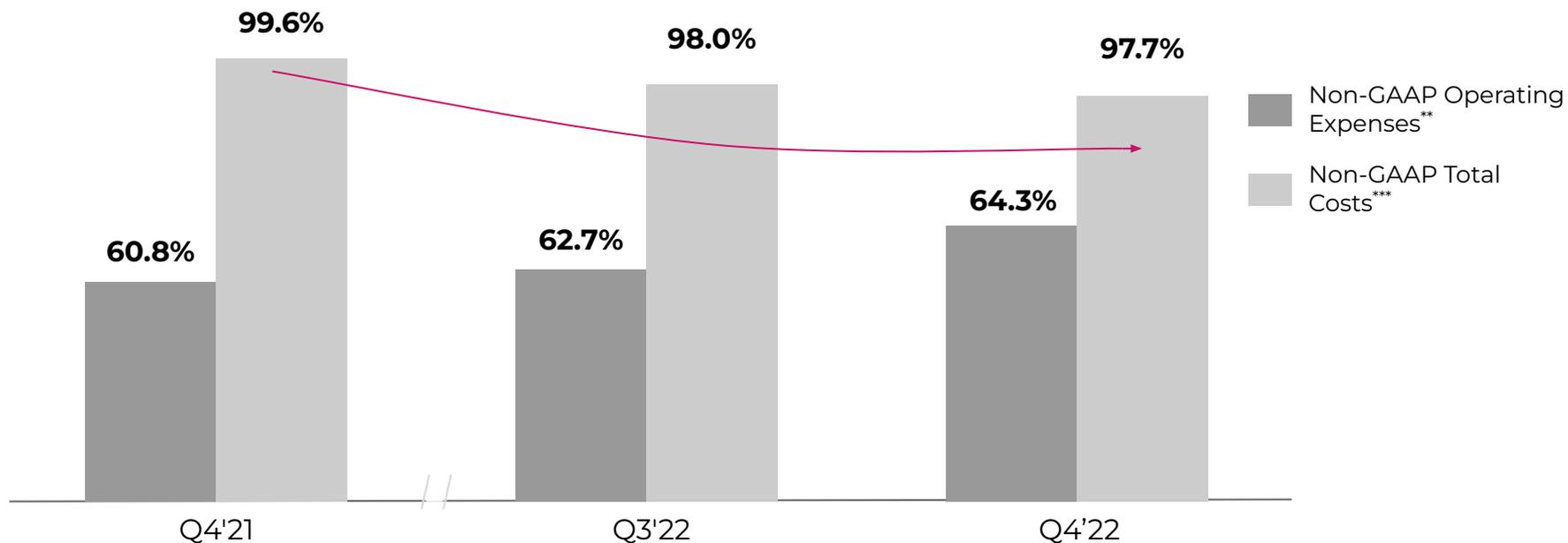
Non-GAAP Total and Service Gross Margins as a % of Revenue



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

# Non-GAAP Operating Expenses and Total Costs\*

As a % of Total Revenue



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

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

\*\*\* Non-GAAP Total Costs is defined as Non-GAAP Operating Expenses plus Non-GAAP Cost of Revenue.

# Q1 2023 Guidance<sup>1</sup>

	Q1 F2023
<b>Service Revenue</b>	<b>\$177 – 180m</b>
<b>% Growth Y/Y</b>	<b>29 – 31%</b>
<b>Total Revenue</b>	<b>\$185 – 188m</b>
<b>% Growth Y/Y</b>	<b>25 – 27%</b>
<b>Non-GAAP Operating Margin</b>	<b>2.0 – 2.5 %</b>

1. Guidance as of May 10, 2022. Refer to Forward Looking Statement for a discussion of factors that could cause actual results to differ from guidance and refer to 8x8's Fourth Quarter Fiscal Year 2022 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.

# FY 2023 Guidance<sup>1</sup>

	FY F2023
<b>Service Revenue</b>	<b>\$740 – 755m</b>
<b>% Growth Y/Y</b>	<b>23 – 25%</b>
<b>Total Revenue</b>	<b>\$775 – 790m</b>
<b>% Growth Y/Y</b>	<b>21 – 24%</b>
<b>Non-GAAP Operating Margin</b>	<b>2 – 3%</b>

1. Guidance as of May 10, 2022. Refer to Forward Looking Statement for a discussion of factors that could cause actual results to differ from guidance and refer to 8x8's Fourth Quarter Fiscal Year 2022 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.

# Industry recognition

**COMMS**BUSINESS

UC Vendor, 2021

**comms national awards**

Best UC Collaboration Platform, 2021

**AVANT**

Top Overall Supplier, 2021  
International Vendor of the Year, 2020  
Special Forces Summit – Top Vendor Sales Performance, 2019

**CRN**

5-Star Partner Program, 2021-2022  
Tech Innovator Award for 8x8 XCaaS, 2021  
UK Cloud Services Vendor of the Year, 2020  
Tech Innovator Award for 8x8 Contact Center, 2019

**SANDLER PARTNERS**

Top New Provider, 2021



Customer Experience Innovation Award – 8x8 Contact Center  
TMC's CUSTOMER Magazine, 2019

Unified Communications Excellence Award  
Internet Telephony Magazine, 2019



Top Overall Supplier Award, 2019-2020



Archer Awards – North America – Best Channel Enablement Program, 2020



Channel Partners and Channel Futures Influencer of the Year, 2020



Best of Enterprise Connect, Winner, Best Innovation in CX, 2022  
Best of Enterprise Connect, Overall Finalist, 2021

# Analyst Recognition



**Gartner UCaaS Magic Quadrant Leader, 2012–2021**

**Gartner CCaaS Magic Quadrant Challenger, 2015–2021**

FROST & SULLIVAN

**Global Competitive Strategy Leadership Award, 2021**

**Frost Radar: Communications Platforms as a Service Industry Innovation Leader, 2021**



**Strong Performer in the Forrester Wave: UCaaS, 2019**



**Ventana Research 13th Annual Digital Innovation Awards, 2020**



**IDC Worldwide Unified Communication and Collaboration MarketScape Leader, 2021**

**IDC Worldwide UCaaS MarketScape Leader for Enterprise and SMB, 2021**

**IDC Worldwide CPaaS MarketSpace Major Player, 2021**



**Aragon Research Globe for Unified Communications and Collaboration Leader, 2021**

**Aragon Research Globe for Intelligent Contact Center Leader, 2021**

# GAAP to Non-GAAP Reconciliations

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# Non-GAAP Measures

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

# Non-GAAP Guidance

The Company does not reconcile its forward-looking estimates of non-GAAP Pre-Tax Profit (Loss) to the corresponding GAAP measures of GAAP Net Income (Loss) due to the significant variability of, and difficulty in making accurate forecasts and projections with regards to, the various expenses it excludes. For example, although future hiring and retention needs may be reasonably predictable, stock-based compensation expense depends on variables that are largely not within the control of nor predictable by management, such as the market price of 8x8 common stock, and may also be significantly impacted by events like acquisitions, the timing and nature of which are difficult to predict with accuracy. Similarly, impairments and other items are difficult to predict as they may depend on future events and external factors outside the Company's control. The actual amounts of these excluded items could have a significant impact on the Company's GAAP Pre-Tax Income (Loss). Accordingly, management believes that reconciliations of this forward-looking non-GAAP financial measure to the corresponding GAAP measure are not available without unreasonable effort. All projections are on a non-GAAP basis.

# Reconciliation of GAAP to Non-GAAP

## Cost of Service Revenue

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Cost of Service Revenue:</b>			
GAAP cost of service revenue	\$47,239	\$48,763	\$53,938
Amortization of acquired intangible assets	(1,074)	(858)	(2,159)
Stock-based compensation expense and related employer payroll taxes	(2,280)	(2,345)	(2,252)
Severance, transition, and contract termination costs	(4)	(100)	(1,459)
<b>Non-GAAP cost of service revenue</b>	<b>\$43,881</b>	<b>\$45,460</b>	<b>\$48,068</b>
<i>Non-GAAP service revenue margin</i>	67.2%	69.6%	72.2%

# Reconciliation of GAAP to Non-GAAP

## Cost of Other Revenue

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Cost of Other Revenue:</b>			
GAAP cost of other revenue	\$13,874	\$11,071	\$14,563
Stock-based compensation expense and related employer payroll taxes	(1,540)	(1,286)	(1,253)
Legal and regulatory costs	-	-	-
Severance, transition, and contract termination costs	-	102	(896)
<b>Non-GAAP cost of other revenue</b>	<b>\$12,334</b>	<b>\$9,887</b>	<b>\$12,414</b>
<i>Non-GAAP other revenue margin</i>	<i>(12.5)%</i>	<i>(32.2)%</i>	<i>(44.6)%</i>

# Reconciliation of GAAP to Non-GAAP

## Gross Margin

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Gross Margin:</b>			
Non-GAAP cost of service revenue	\$43,881	\$45,460	\$48,068
Non-GAAP cost of other revenue	12,334	9,887	12,414
Non-GAAP cost of revenue	\$56,215	\$55,347	\$60,482
<b>Non-GAAP gross margin</b>	<b>61.2%</b>	<b>64.7%</b>	<b>66.7%</b>

# Reconciliation of GAAP to Non-GAAP

## Sales and Marketing Expense

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Sales and Marketing Expense:</b>			
GAAP sales and marketing	\$70,696	\$76,797	\$84,785
Amortization of acquired intangible assets	(222)	(221)	(2,529)
Stock-based compensation expense and related employer payroll taxes	(12,621)	(11,855)	(8,917)
Legal and regulatory costs	-	-	-
Severance, transition, and contract termination costs	(251)	(81)	(2,081)
<b>Non-GAAP sales and marketing</b>	<b>\$57,602</b>	<b>\$64,640</b>	<b>\$71,258</b>
<i>Non-GAAP sales and marketing as percentage of revenue</i>	<i>39.8%</i>	<i>41.2%</i>	<i>39.3%</i>

# Reconciliation of GAAP to Non-GAAP

## Research and Development Expense

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Research and Development Expense:</b>			
GAAP research and development	\$25,271	\$27,911	\$30,586
Stock-based compensation expense and related employer payroll taxes	(9,412)	(8,711)	(6,243)
Legal and regulatory costs	-	-	-
Severance, transition, and contract termination costs	(44)	(124)	(827)
<b>Non-GAAP research and development</b>	<b>\$15,815</b>	<b>\$19,076</b>	<b>\$23,516</b>
<i>Non-GAAP research and development as a percentage of revenue</i>	10.9%	12.2%	13.0%

# Reconciliation of GAAP to Non-GAAP

## General and Administrative Expense

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>General and Administrative Expenses:</b>			
GAAP general and administrative	\$27,675	\$29,950	\$38,039
Stock-based compensation expense and related employer payroll taxes	(9,442)	(10,193)	(9,324)
Acquisition and integration costs	(3)	(5,504)	(4,194)
Legal and regulatory costs	(1,972)	696	177
Severance, transition, and contract termination costs	(1,738)	(271)	(2,757)
<b>Non-GAAP general and administrative</b>	<b>\$14,520</b>	<b>\$14,678</b>	<b>\$21,941</b>
<i>Non-GAAP general and administrative as a percentage of revenue</i>	10.0%	9.4%	12.1%

# Reconciliation of GAAP to Non-GAAP

## Total Operating Expenses

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Operating Expenses:</b>			
Non-GAAP sales and marketing	\$57,602	\$64,640	\$71,258
Non-GAAP research and development	15,815	19,076	23,516
Non-GAAP general and administrative	14,520	14,678	21,941
<b>Non-GAAP operating expenses</b>	<b>\$87,937</b>	<b>\$98,394</b>	<b>\$116,715</b>
<i>Non-GAAP operating expenses as a percentage of revenue</i>	<i>60.8%</i>	<i>62.7%</i>	<i>64.4%</i>

# Reconciliation of GAAP to Non-GAAP

## Total Expense

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Total Expense:</b>			
Non-GAAP cost of revenue	\$56,215	\$55,347	\$60,482
Non-GAAP operating expenses	87,937	98,394	116,715
<b>Non-GAAP total expense</b>	<b>\$144,152</b>	<b>\$153,741</b>	<b>\$177,197</b>
<i>Non-GAAP total expense as a percentage of revenue</i>	99.6%	98.0%	97.7%

# Reconciliation of GAAP to Non-GAAP

## Operating Margin

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q4'21	Q3'22	Q4'22
<b>Operating Margin:</b>			
GAAP loss from operations	(\$40,036)	(\$37,618)	(\$40,539)
Amortization of acquired intangible assets	1,296	1,079	4,688
Stock-based compensation expense and related employer payroll taxes	35,295	34,390	27,989
Acquisition and integration costs	3	5,504	4,194
Legal and regulatory costs	1,972	(696)	(177)
Severance, transition, and contract termination costs	2,037	474	8,020
<b>Non-GAAP operating profit (loss)</b>	<b>\$567</b>	<b>\$3,133</b>	<b>\$4,175</b>
<i>Non-GAAP operating margin</i>	<i>0.4%</i>	<i>2.0%</i>	<i>2.3%</i>



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