

8x8



Earnings Results Second Quarter Fiscal 2021 (Ended September 30, 2020)

October 28, 2020

8x8 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 and competition, business strategies, future operating performance and outlook, including the economic impacts of COVID-19 pandemic and future profitability. These forward-looking statements are predictions only, and actual events or results may differ materially from such statements depending on a variety of factors. These factors include, but are not limited to:

- Customer adoption and demand for our X-Series product line may be lower than we anticipate.
- Impact of economic downturns on us and our customers, including from the COVID-19 pandemic.
- Competitive dynamics of the UCaaS, CCaaS, CPaaS, video and other markets in which we compete may change in ways we are not anticipating.
- Third parties may assert ownership rights in our IP, which may limit or prevent our continued use of the core technologies behind our solutions.
- We may not achieve our target service revenue growth rate, or the revenue, earnings, bookings or other amounts we forecast in our guidance, for a particular quarter or for the full fiscal year of 2021.
- Our customer churn rate may be higher than we anticipate.
- Our Investments we make in marketing, channel and value-added resellers (VARs), e-commerce, new products, may not result in revenue growth.

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

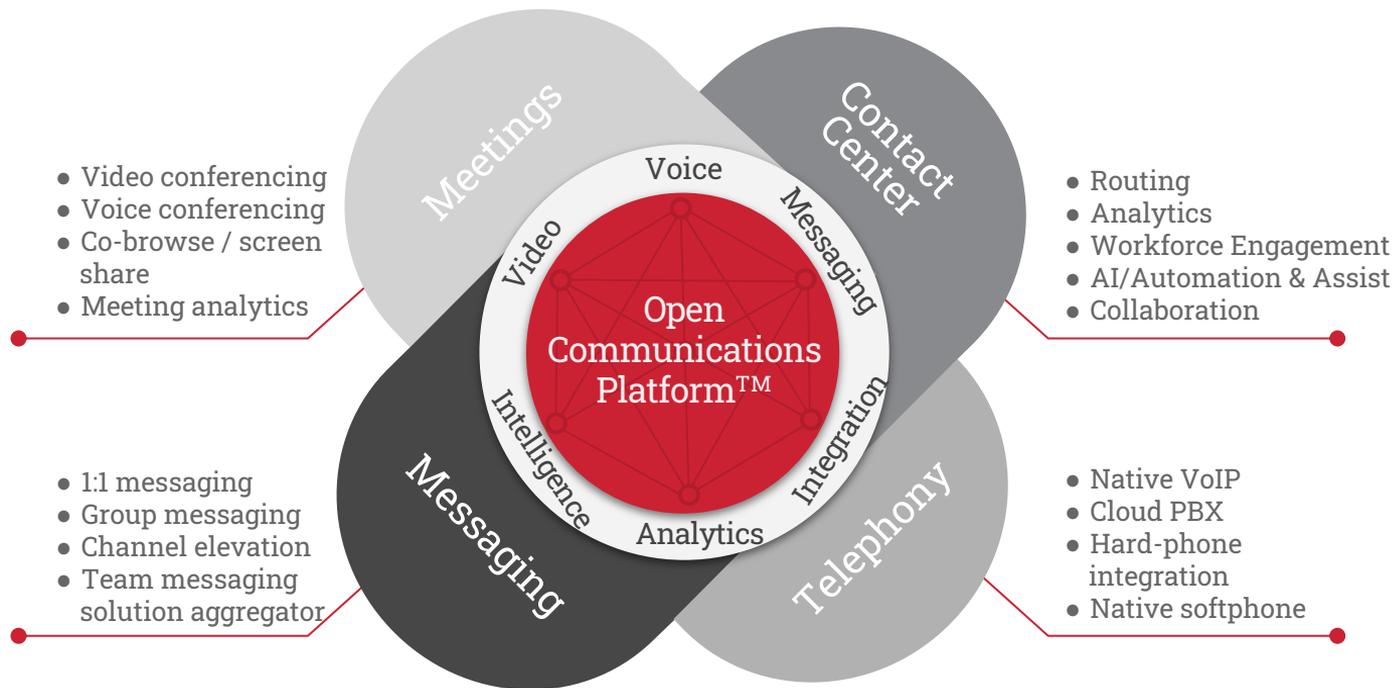
Non-GAAP Measures

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

8x8 - A Leader in Cloud Communications Services

About 8x8 Inc.

- 1,600+ employees
- 15 offices in 8 countries
- 1M+ business users in 160 countries
- 16 global data centers
- 10 Support locations
- 246 patents awarded
- NYSE: EGHT



Financial Results vs. Guidance | Q2 Fiscal 2021

	Q2 F2021	
	Guidance (July 30, 2020)	Results (October 28, 2020)
Total Revenue	\$125.5 – 126.5m	\$129.1m
% Growth Y/Y	15-16%	18%
Service Revenue	\$117.3 – 118.3m	\$120.9m
% Growth Y/Y	16-17%	19%
Pre-Tax Loss (Non-GAAP)	(~\$7.5m)	(\$3.3m)

Q2 Fiscal 2021 | Business Highlights

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

- 670 customers with Annual Recurring Revenue (ARR) > \$100,000, 25% year-over-year growth
- Closed record 48 new customer deals with ARR > \$100,000, 60% year-over-year growth. These deals represented 42% of new bookings for the quarter and included 22 upsell and cross-sell deals.

Annual Recurring Revenue (ARR):

- Total ending ARR was \$467.1M and grew 20% year-over-year
- Small business customers with revenue <\$50M comprised 54% of ending (ARR) and grew 11% year-over-year
- Mid-market customers with revenue between \$50M - \$1B comprised 27% of ending (ARR) and grew 25% year-over-year
- Enterprise customers with revenue >\$1B comprised 20% of ending (ARR) and grew 44% year-over-year

Continued Contact Center Traction with Customer:

- 9 of top 10 new bookings were bundled deals
- Contact center new bookings represented 32% of total new bookings and grew 62% year-over-year

Q2 Fiscal 2021 | Business Highlights (continued ...)

Channel Momentum:

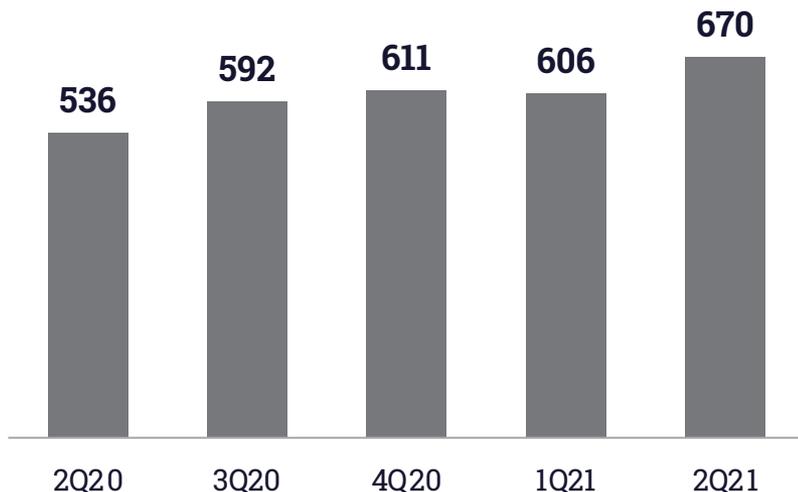
- Channel Bookings grew 23% year-over-year and represented 59% of new bookings
- 9 of top 10 new bookings from channel partners
- 1,169 active channel partners, 29% year-over-year growth
- Added Value-Added Resellers (VARs) CERA Enterprises, Morgan Birge and Spectrotel in the US, and Adept Technology, Bistech, Britannic Technologies, OneCom and Midland Telecom & IT in EMEA

Industry Recognition:

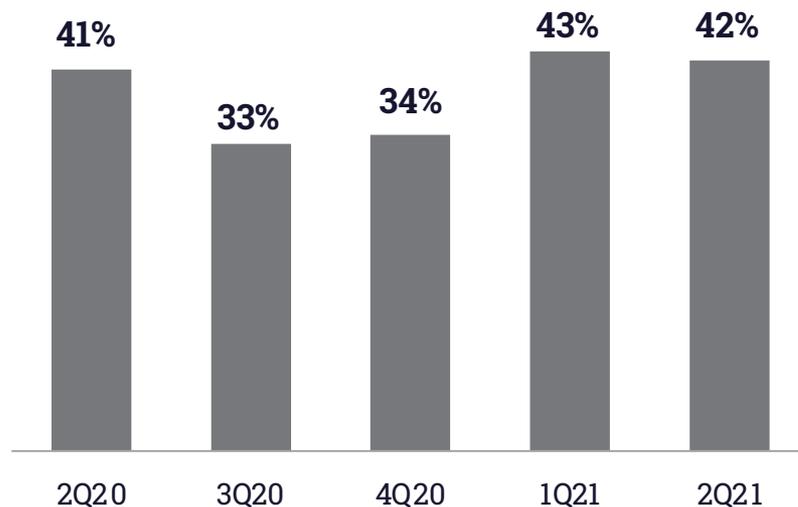
- Awarded International Vendor of the Year from AVANT
- Awarded Partners' Choice Award – Top Overall Supplier by Intelisys, Inc., a ScanSource company

New Bookings | Customers >\$100K ARR

of Customers (cumulative)



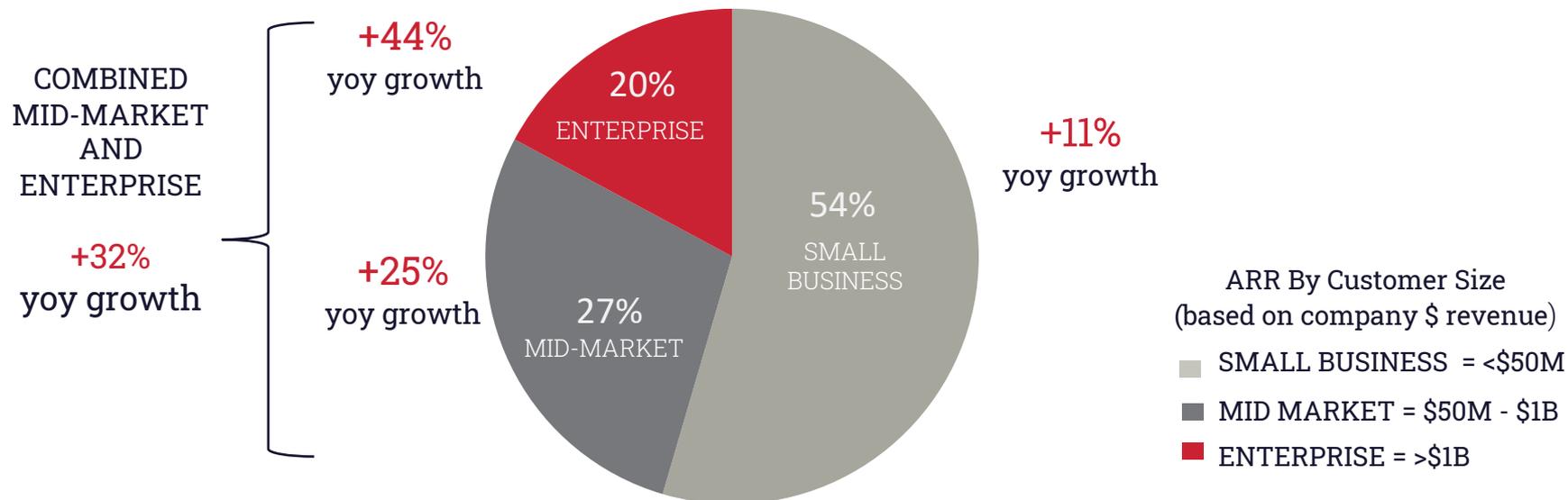
% of New Bookings



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

ARR | By Customer Size

Total ARR Growth of +20% YOY with Strong Growth & Contribution From Mid-Market & Enterprise Customers

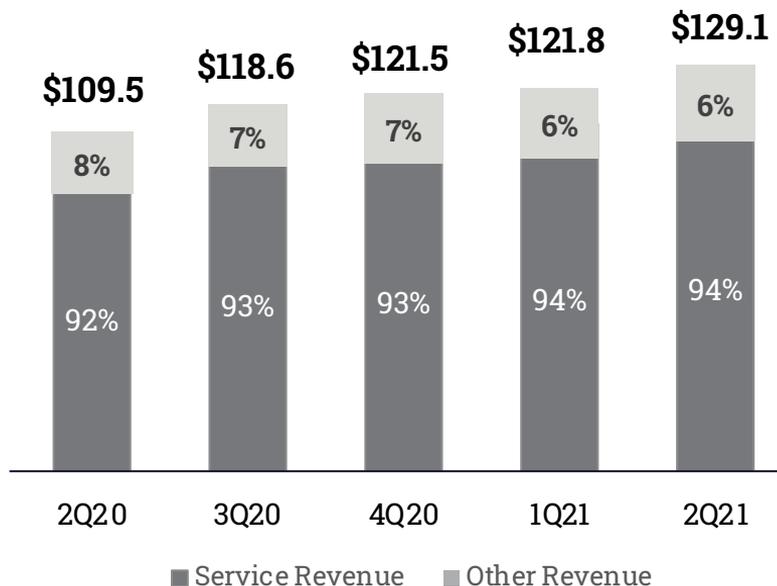


Annual Recurring Revenue (ARR) = annualized subscription revenue and the annualized platform usage revenue for all CPaaS customers who meet a minimum revenue threshold for a period of at least 6 consecutive months. Percentages may not add up due to rounding. Customer revenue size based on 3rd party sources.

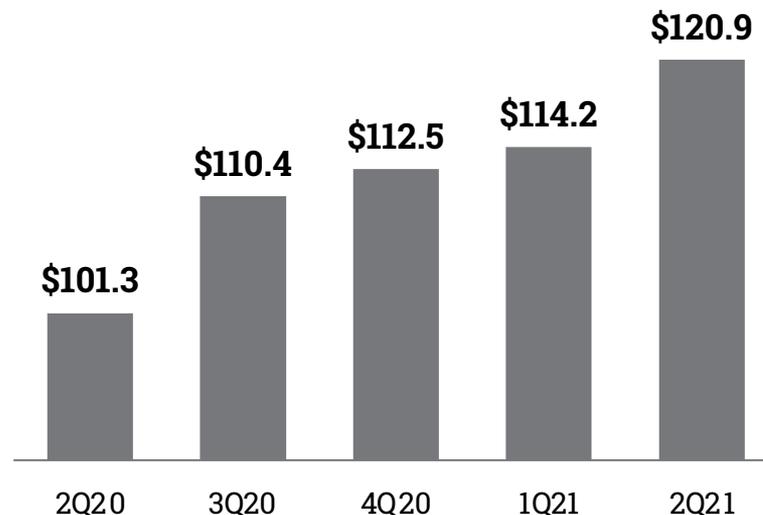
Revenue | Strong Continued Increases

(\$ in millions)

Total Revenue



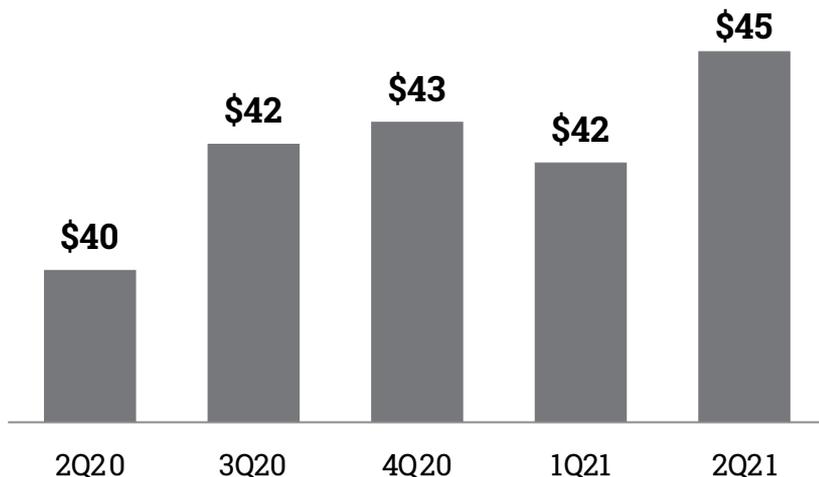
Service Revenue



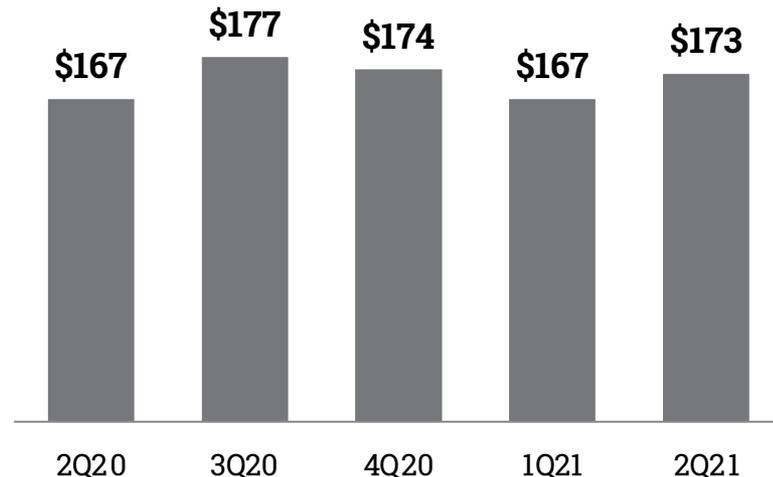
Revenue Per Customer | Increasingly Attractive Economics

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

Mid-Market



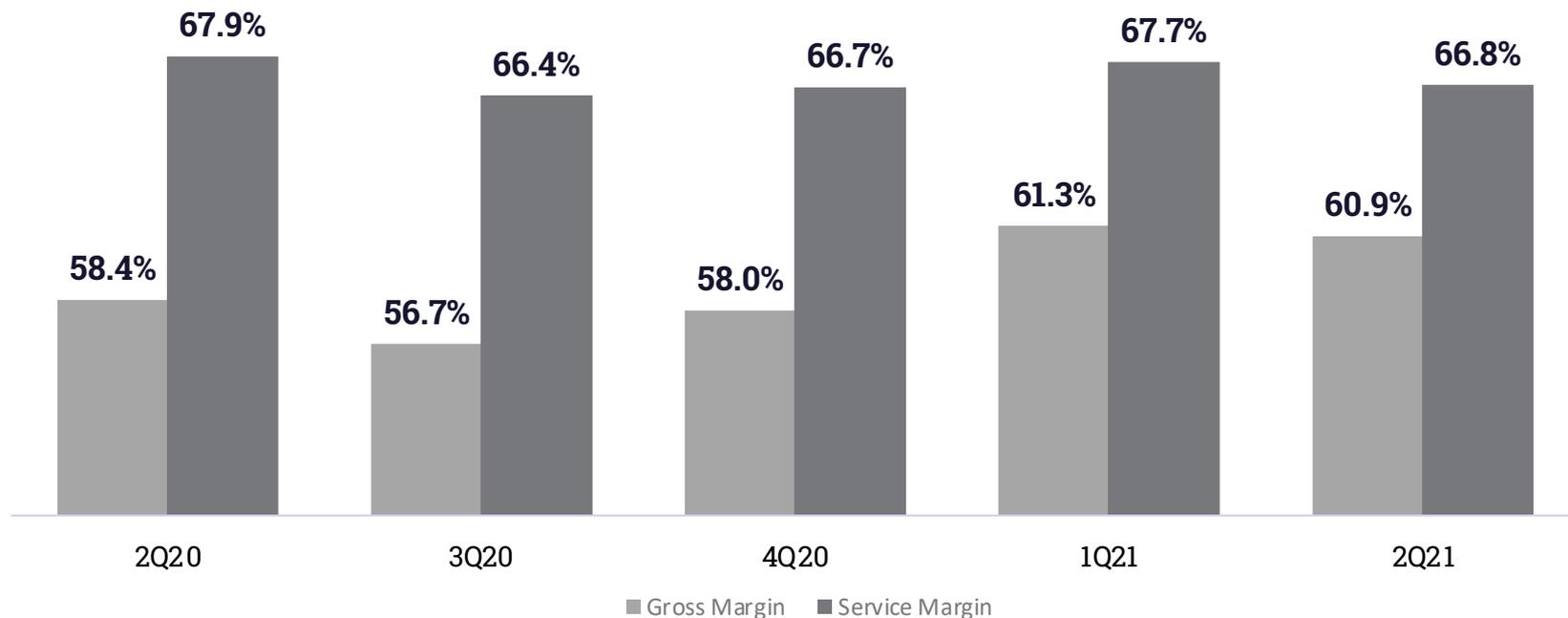
Enterprise



Average Annual Service Revenue Per Customer (in thousands)

Note: Mid-Market defined as customers with annual revenues from \$50M to \$1B and Enterprise defined as customers with annual revenue over \$1B as defined by company size. Post-reclassification of Professional Services for all quarters in fiscal 2020.

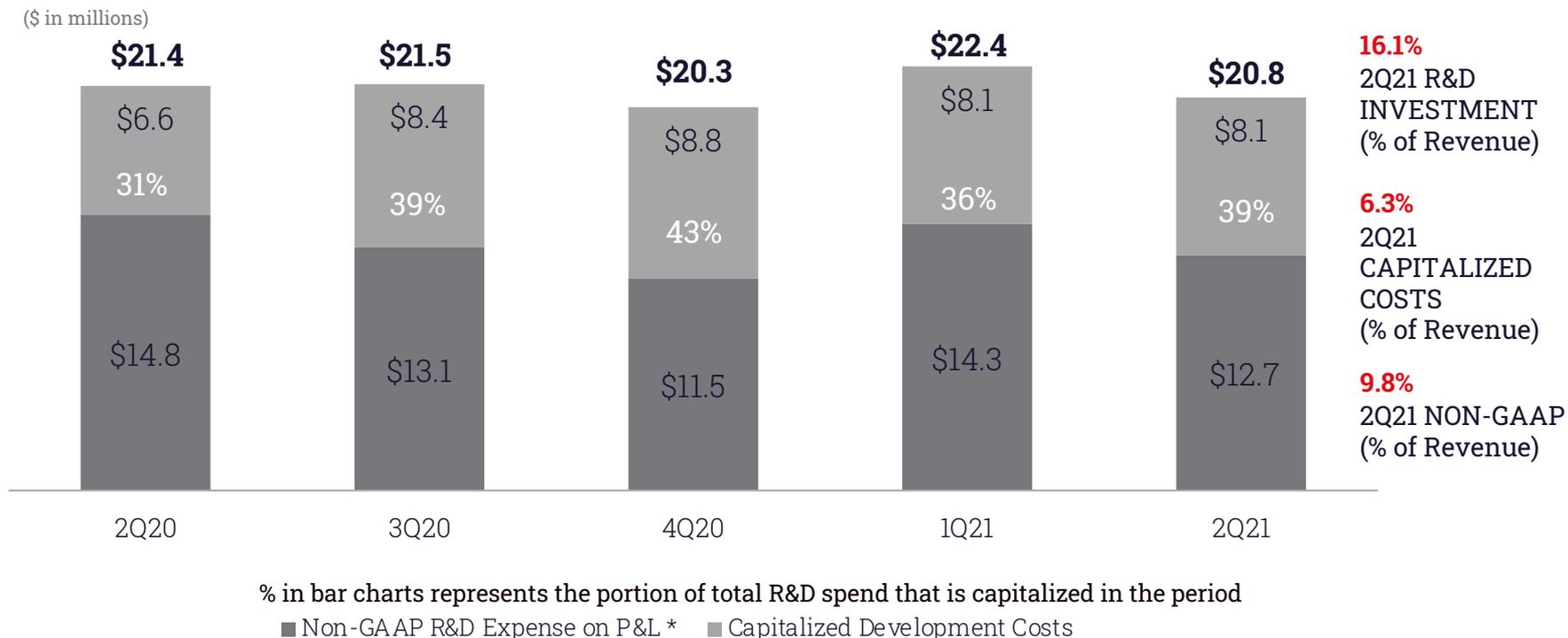
Gross Margin | Non-GAAP Margins*



* For a reconciliation of GAAP to Non-GAAP metrics, refer to the Appendix for additional information. Post-reclassification of Professional Services for all quarters in fiscal 2020.

Single Technology Platform | 8x8 R&D Innovation

Strong Continued Innovation With Large Total R&D Investment



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

Guidance | Q3 and Full-Year Fiscal 2021

	Q3 F2021 Ending December 31, 2020	FY F2021 Ending March 31, 2021
Total Revenue	\$132.0 – 133.0m	\$519.0 – 522.0m
% Growth Y/Y	11-12%	16-17%
Service Revenue	\$124.0 – 125.0m	\$489.0 – 492.0m
% Growth Y/Y	12-13%	18-19%
Pre-Tax Loss (Non-GAAP)	(~\$3.0m)	(~\$16.0m)

Guidance as of October 28, 2020. Refer to Forward Looking Statement for a discussion of factors that could cause actual results to differ from guidance.

Investment Highlights

Compelling TAM

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

Unique Tech Platform

single cloud technology platform

Complete Cloud Offering

integrated voice, video, chat, contact center, and enterprise-class APIs

Attractive Economics

solid customer land and expand

Strong SaaS Model

subscription revenue and visibility

Multiple Growth Drivers

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

Thank you.

8x8

Communications.
Transformed.



APPENDIX

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

(\$ in thousands, Unaudited)

Cost of Service Revenue:	Three Months Ended September 30,	
	2020	2019
GAAP cost of service revenue	\$44,803	\$35,813
Amortization of acquired intangible assets	(1,425)	(1,796)
Stock-based compensation expense and related taxes	(2,543)	(1,182)
Legal and regulatory cost	(157)	—
Severance and related termination costs	(583)	(276)
Non-GAAP cost of service revenue	\$40,095	\$32,559
<i>Non-GAAP cost of service revenue as a percentage of service revenue</i>	<i>33.2%</i>	<i>32.1%</i>

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

(\$ in thousands, Unaudited)

Cost of Other Revenue:	Three Months Ended September 30,	
	2020	2019
GAAP cost of other revenue	\$11,693	\$13,884
Stock-based compensation expense and related taxes	(1,190)	(757)
Severance and related termination costs	(45)	(142)
Non-GAAP cost of other revenue	\$10,458	\$12,985
<i>Non-GAAP cost of other revenue as a percentage of other revenue</i>	<i>127.7%</i>	<i>158.9%</i>

Reconciliation of GAAP to Non-GAAP | Research and Development

(\$ in thousands, Unaudited)

Research and Development Expense:	Three Months Ended September 30,	
	2020	2019
GAAP research and development	\$21,567	\$19,434
Stock-based compensation expense and related taxes	(8,547)	(4,217)
Acquisition and integration costs	(1)	(22)
Severance and related termination costs	(270)	(385)
Non-GAAP research and development	\$12,749	\$14,810
<i>Non-GAAP research and development as a percentage of revenue</i>	<i>9.9%</i>	<i>13.5%</i>

Reconciliation of GAAP to Non-GAAP | Sales and Marketing

(\$ in thousands, Unaudited)

Sales and Marketing Expense:	Three Months Ended September 30,	
	2020	2019
GAAP sales and marketing	\$61,399	\$57,895
Amortization of acquired intangible assets	(402)	(507)
Stock-based compensation expense and related taxes	(7,364)	(5,340)
Legal and regulatory costs	(1)	—
Acquisition and integration costs	—	(5)
Severance and related termination costs	(244)	(673)
Non-GAAP sales and marketing	\$53,388	\$51,370
<i>Non-GAAP sales and marketing as a percentage of revenue</i>	<i>41.3%</i>	<i>46.9%</i>

Reconciliation of GAAP to Non-GAAP | General and Administrative

(\$ in thousands, Unaudited)

General and Administrative Expenses:	Three Months Ended September 30,	
	2020	2019
GAAP general and administrative	\$22,769	\$20,435
Stock-based compensation expense and related taxes	(6,647)	(5,895)
Acquisition and integration costs	(47)	(457)
Legal and regulatory costs	(62)	370
Severance and related termination costs	(1,212)	(416)
Non-GAAP general and administrative	\$14,801	\$14,037
<i>Non-GAAP general and administrative as a percentage of revenue</i>	<i>11.5%</i>	<i>12.8%</i>

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

(\$ in thousands, Unaudited)

Net Loss:	Three Months Ended September 30,	
	2020	2019
GAAP net loss	(\$38,413)	(\$40,932)
Adjustments:		
Amortization of acquired intangible assets	1,827	2,303
Stock-based compensation expense and related taxes	26,291	17,391
Acquisition and integration costs	48	484
Legal and regulatory costs	220	(370)
Severance and related termination costs	2,354	1,892
Debt amortization expense	4,191	3,224
Provision for income taxes	137	256
Non-GAAP net loss before taxes	(\$3,345)	(\$15,752)
Non-GAAP tax expense	137	256
Non-GAAP net loss after taxes	(\$3,482)	(\$16,008)
Net Loss Per Share:	2020	2019
GAAP net loss per share - Basic and Diluted	\$ (0.37)	\$ (0.42)
Non-GAAP net loss before taxes per share - Basic and Diluted	\$ (0.03)	\$ (0.16)

8x8

For tips, updates and the latest information.



8x8.com



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



facebook.com/8x8Inc



linkedin.com/company/8x8



youtube.com/8x8Inc