

First Quarter FY 2023

Ended June 30, 2022

July 27, 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, and 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 on us and our customers, including from the COVID-19 pandemic, the war in Ukraine, rising interest rates and other inflationary pressures.
- 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.
- 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.
- 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.

Today's Speakers

Dave Sipes, 8x8 Chief Executive Officer

Hunter Middleton, 8x8 Chief Product Officer

Samuel Wilson, 8x8 Chief Financial Officer

Strategic priorities



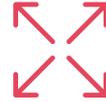
Expanding Platform Advantage

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

Q1 2023 Financial Highlights

- Strength in enterprise ARR and XCaaS adoption
 - XCaaS ARR growth >40% YoY
 - Enterprise ARR growth >50% YoY
- Non-GAAP Gross margin increased 590 basis points YoY to 68.5%¹
- Fuze integration going well, accretive to non-GAAP operating income¹
- Non-GAAP operating income of \$10.1M (5.4% of revenue)¹
 - Increased by approximately \$3 million due to unusual items (1.6% of revenue)
- \$6M in operating cash flow

Q1 2023 Business Highlights

Product Innovation

- Launched the 8x8 Elevate MP Program for Microsoft Gold Partners together with the exclusive 8x8 XT Direct Routing as a Service offering that enables enterprises adopting Microsoft Teams to reduce communication costs and improve employee productivity with a highly resilient global telephony solution.
- Announced a product integration of 8x8 Work with Genesys Cloud CX. The new integration helps organizations align agents and the appropriate subject matter experts to quickly collaborate for better customer outcomes.
- Expanded the distribution relationship and resale go-to-market strategy with Ingram Micro Cloud to increase the number of reseller partners helping organizations move off legacy on-premises systems to the cloud with 8x8 XCaaS.
- Launched 8x8 Connect Automation Builder, a no-code multiple-channel communications management solution allowing a wide array of user roles in organizations, from marketing operations to customer support, to easily build engaging customer experiences.

Industry Recognition

- Recognized as a Metrigy 2022 MetriStar Top Provider in the Cloud Phone Systems category.
- Awarded the 2022 UK Vendor of the Year by AVANT.

Q1 2023 Results vs. Guidance

	Q1 F2023	
	Guidance (as of May 10, 2022)	Results June 30, 2022
Service Revenue	\$177 – 180m	\$179.2m¹
% Growth Y/Y	29 – 31%	30%
Total Revenue	\$185 – 188m	\$187.6m²
% Growth Y/Y	25 – 27%	26%
Non-GAAP Operating Margin³	Positive	5.4%⁴

1. Includes \$29.3 million of Fuze revenue.

2. Includes \$29.5 million of Fuze revenue

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

4. Q1'23 Non-GAAP operating income was increased by approximately \$3 million in unusual items (1.6% of revenue).

8x8 By the Numbers - Q1 2023

\$688M

Total ARR⁽¹⁾⁽³⁾

>40%

YoY XCaaS ARR growth⁽¹⁾

**One
platform**

**Global
coverage**

**8x8 Voice for
MS Teams**

2.5M+

Paid business users

>50%

YoY Enterprise ARR
growth⁽¹⁾⁽²⁾



200K+

60K+

Customers

>70%

YoY Channel-driven ARR
growth⁽¹⁾

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

Full PSTN
replacement in
54 countries/
territories

Industry-leading
integration for
Microsoft Teams:
200+ 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. Enterprise ARR is defined as ARR from customers that generate >\$100,000 ARR.

Q1 2023 Financial Metrics*

Q1 2023 Revenue	Service Revenue ^{1,7}	\$179.2 million, 30% Y/Y growth
	Other Revenue ^{2,7}	\$8.5 million, (21)% Y/Y growth
	Total Revenue ⁷	\$187.6 million, 26% Y/Y growth
ARR³	Total ARR ³	\$688 million, 28% Y/Y growth
	Enterprise ⁴	\$403 million, 54% Y/Y growth
	Mid-Market ⁵	\$125 million, 22% Y/Y growth
	Small Business ⁶	\$159 million, (7)% Y/Y growth
Cash and CFFO	Cash, restricted cash, & investments	\$143.0 million, vs. \$148.2 at 3/31/22
	Cash flow from operations	\$5.8 million, vs. \$4.0 in Q1'22

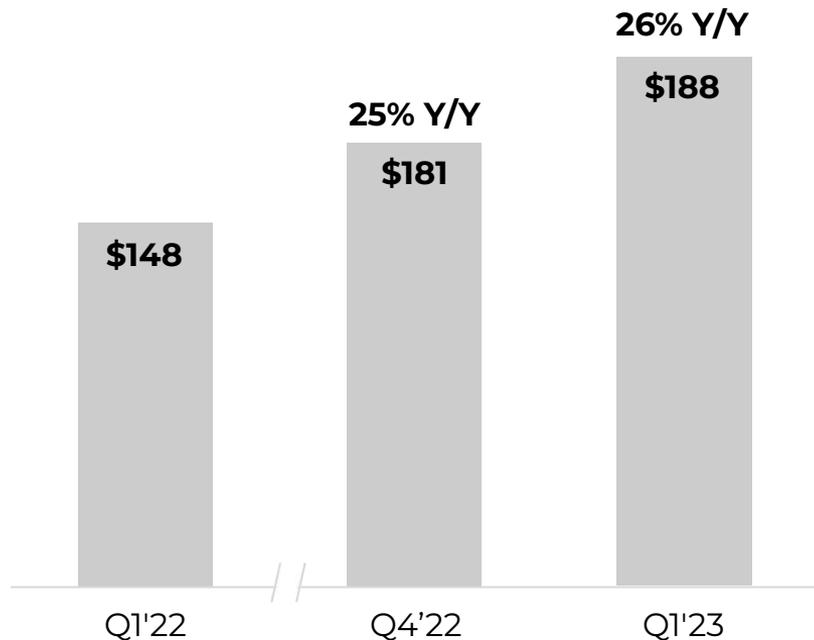
* Amounts may not sum to total due to rounding.

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. Fuze revenue of \$29.3 million, \$0.2 million, and \$29.5 million is included in Service, Other and Total Revenue, respectively.

Revenue Growth

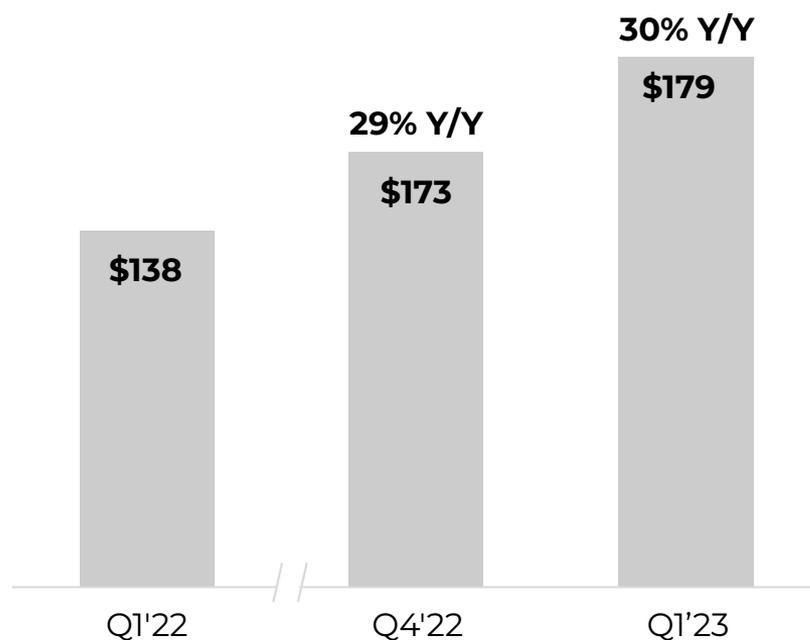
Fiscal Q1 Total Revenue¹

(\$ in millions)



Fiscal Q1 Service Revenue²

(\$ in millions)



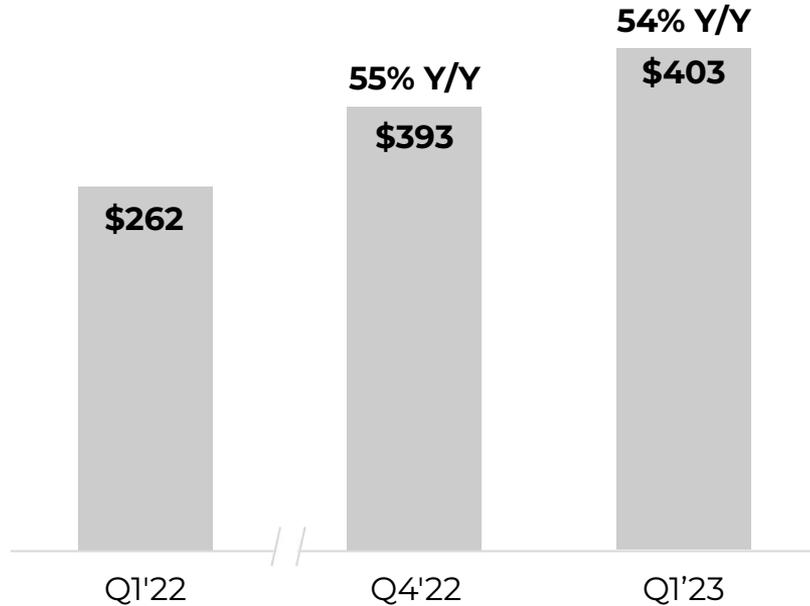
1. Q1'23 and Q4'22 Total revenue includes Fuze revenue of \$29.5 million and \$24.1 million, respectively.

2. Q1'23 and Q4'22 Service revenue includes Fuze service revenue of \$29.3 million and \$23.9 million, respectively.

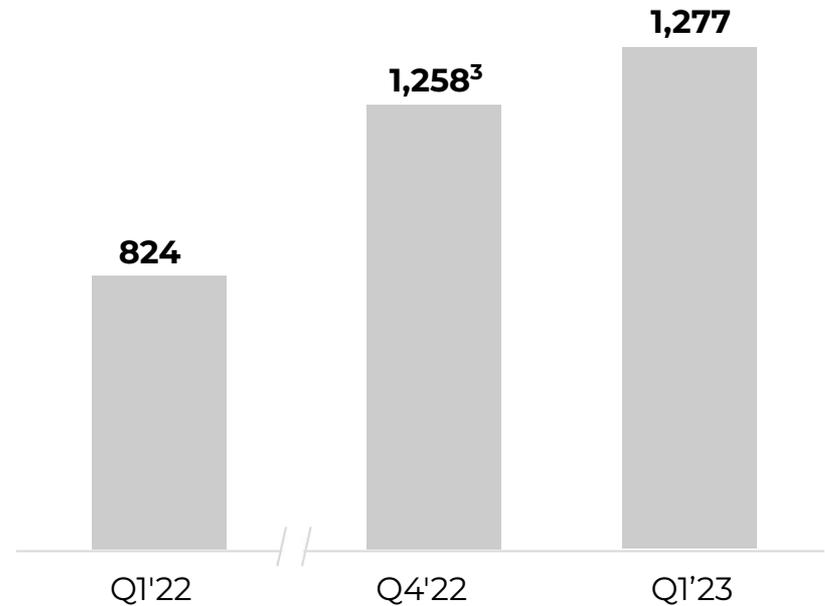
Enterprise Customers >\$100K ARR

Fiscal Q1 Enterprise ARR^{1,2}

(\$ in millions)



Fiscal Q1 Enterprise Customers²



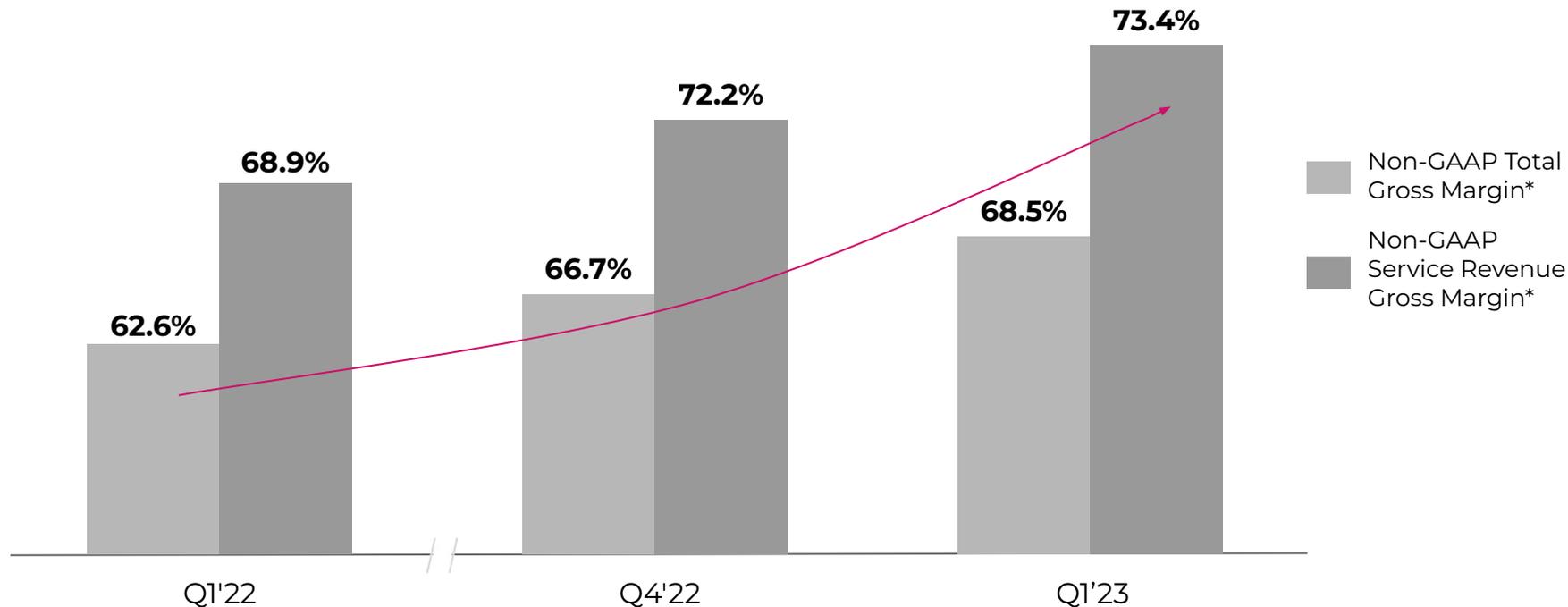
1. Enterprise ARR is defined as ARR from customers that generate > \$100K ARR.

2. Includes Fuze enterprise customers and ARR beginning Q4'22.

3. Q4'22 Enterprise customer count adjusted down from previously reported 1,320 to eliminate double counting of subsidiaries of Fuze, Inc's customers.

Increasing Non-GAAP Gross Margins*

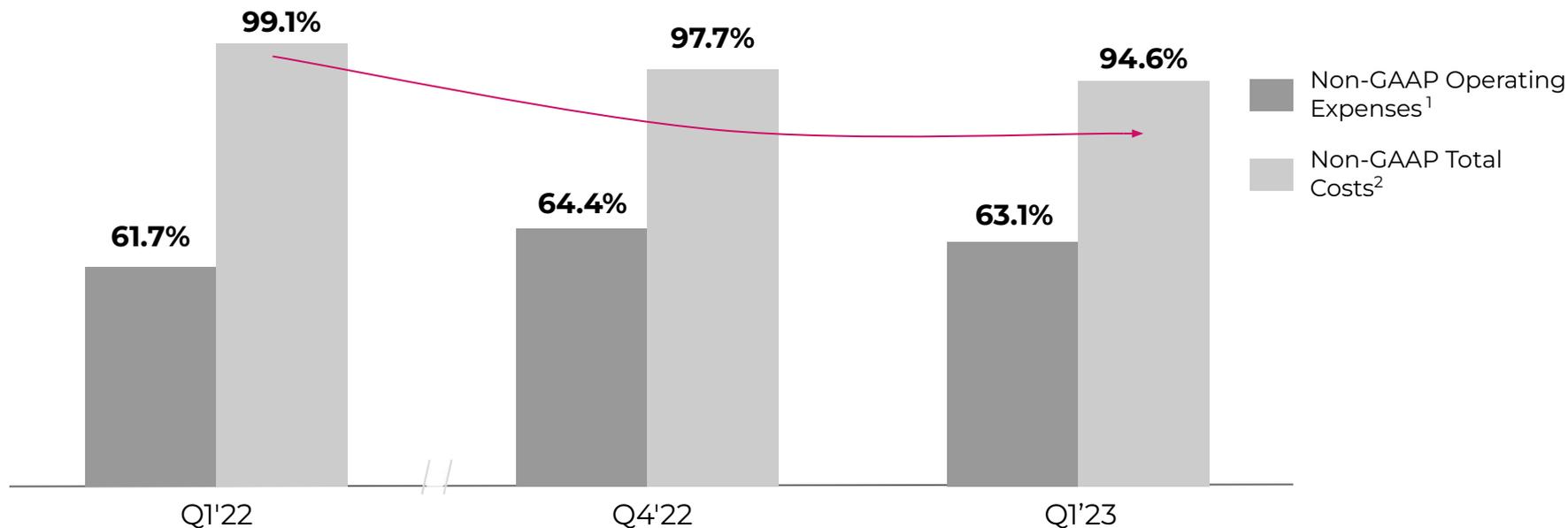
Non-GAAP Total and Service Gross Margins as a % of Revenue



* 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



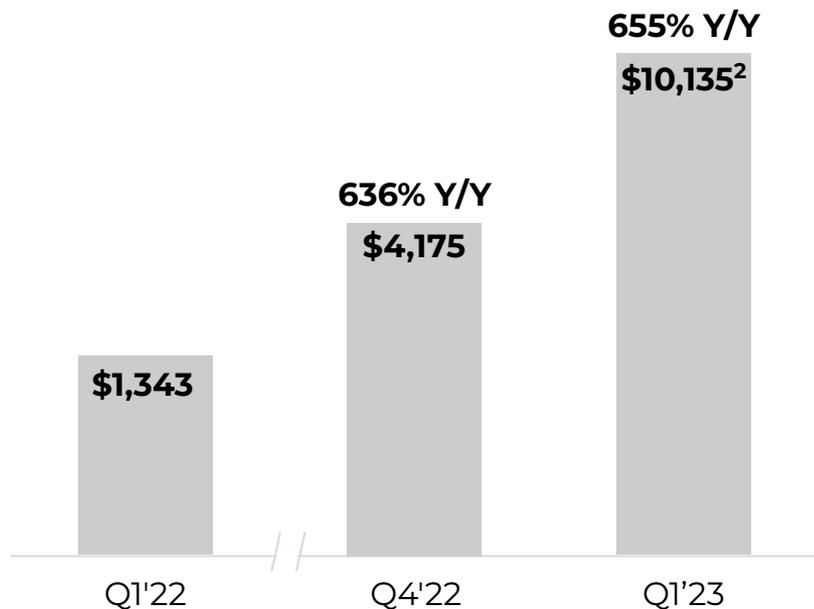
* See Appendix for a reconciliation of GAAP to Non-GAAP metrics.

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 Margin

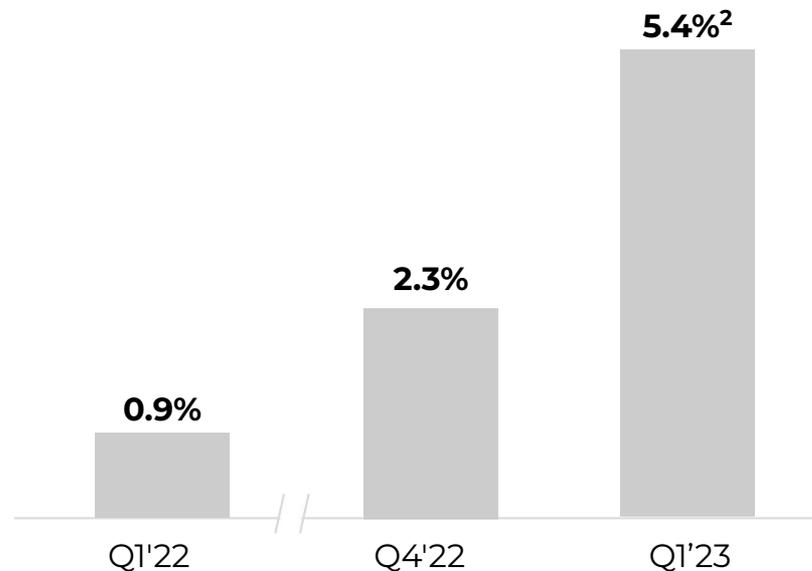
Fiscal Q1 Operating Income¹

(\$ in millions)



Fiscal Q1 Operating Margin¹

(% of revenue)



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

2. Q1'23 Non-GAAP operating income was increased by approximately \$3 million in unusual item (1.6% of revenue).

Q2 2023 Guidance¹

	Q2 FY 2023 <i>(as of 7/27/22)</i>
Service Revenue	\$177 – 180m²
% Growth Y/Y	24 – 26%
Total Revenue	\$185 – 188m²
% Growth Y/Y	22 – 24%
Non-GAAP Operating Margin	2.5 – 3.0 %

1. Guidance as of July 27, 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 First Quarter Fiscal Year 2023 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.
2. Includes expected Fuze revenue of approximately \$27 to \$29 million.

Updated FY 2023 Outlook

	FY 2023	
	Prior as of 5/10/22	UPDATED¹ as of 7/27/22
Service Revenue	\$740 – 755m	\$720 – 730m
% Growth Y/Y	23 – 25%	20 – 21%
Total Revenue	\$775 – 790m	\$747.5 – 762.5m
% Growth Y/Y	21 – 24%	17 – 19%
Non-GAAP Operating Margin	2 – 3%	~4%

1. Guidance as of July 27, 2022. Refer to the Forward Looking Statement for a discussion of factors that could cause actual results to differ from guidance. Refer to 8x8's First Quarter Fiscal Year 2023 earnings release for a discussion of reasons why 8x8 does not reconcile non-GAAP operating margin guidance.

Industry recognition



UC Vendor, 2021



Best UC Collaboration Platform, 2021



UK Vendor of the Year, 2022
Top Overall Supplier, 2021
International Vendor of the Year, 2020
Special Forces Summit – Top Vendor Sales Performance, 2019



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



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



Strong Performer in the Forrester Wave: UCaaS, 2019



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



Metrigy MetriStar Top Provider - Cloud Phone Systems, 2022



Global Competitive Strategy Leadership Award, 2021

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



Ventana Research 13th Annual Digital Innovation Awards, 2020



Aragon Research Globe for Unified Communications and Collaboration Leader, 2021

Aragon Research Globe for Intelligent Contact Center Leader, 2021

GAAP to Non-GAAP Reconciliations



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.

Reconciliation of GAAP to Non-GAAP

Cost of Service Revenue

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Cost of Service Revenue:			
GAAP cost of service revenue	\$46,010	\$53,938	\$53,547
Amortization of acquired intangible assets	(1,066)	(2,159)	(2,369)
Stock-based compensation expense and related employer payroll taxes	(2,040)	(2,252)	(2,696)
Severance, transition, and contract termination costs	5	(1,459)	(897)
Non-GAAP Cost of Service Revenue	\$42,909	\$48,068	\$47,585
<i>Non-GAAP service revenue margin (% of revenue)</i>	<i>68.9%</i>	<i>72.2%</i>	<i>73.4%</i>

Reconciliation of GAAP to Non-GAAP

Cost of Other Revenue

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Cost of Other Revenue:			
GAAP cost of other revenue	\$13,746	\$14,563	\$13,126
Stock-based compensation expense and related employer payroll taxes	(1,135)	(1,253)	(1,147)
Legal and regulatory costs	5	-	-
Severance, transition, and contract termination costs	(21)	(896)	(533)
Non-GAAP Cost of Other Revenue	\$12,595	\$12,414	\$11,446
<i>Non-GAAP other revenue margin (% of revenue)</i>	<i>(19.6)%</i>	<i>(44.6)%</i>	<i>(35.3)%</i>

Reconciliation of GAAP to Non-GAAP

Gross Profit and Gross Margin

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Gross Profit:			
Non-GAAP Cost of Service Revenue	\$42,909	\$48,068	\$47,585
Non-GAAP Cost of Other Revenue	12,595	12,414	11,446
Non-GAAP Cost of Revenue	\$55,504	\$60,482	\$59,030
Non-GAAP Gross Margin (% of revenue)	62.6%	66.7%	68.5%

Reconciliation of GAAP to Non-GAAP

Sales and Marketing Expense

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Sales and Marketing Expense:			
GAAP sales and marketing	\$75,915	\$84,785	\$83,527
Amortization of acquired intangible assets	(219)	(2,529)	(3,106)
Stock-based compensation expense and related employer payroll taxes	(14,700)	(8,917)	(8,280)
Legal and regulatory costs	-	-	-
Severance, transition, and contract termination costs	(622)	(2,081)	(391)
Non-GAAP Sales and Marketing Expense	\$60,374	\$71,258	\$71,750
<i>Non-GAAP Sales and Marketing Expense (% of revenue)</i>	<i>40.7%</i>	<i>39.3%</i>	<i>38.2%</i>

Reconciliation of GAAP to Non-GAAP

Research and Development Expense

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Research and Development Expense:			
GAAP research and development	\$25,392	\$30,586	\$34,955
Stock-based compensation expense and related employer payroll taxes	(9,073)	(6,243)	(8,193)
Legal and regulatory costs	9	-	-
Severance, transition, and contract termination costs	(70)	(827)	(37)
Non-GAAP Research and Development	\$16,238	\$23,516	\$26,725
<i>Non-GAAP Research and Development (% of revenue)</i>	<i>11.0%</i>	<i>13.0%</i>	<i>14.2%</i>

Reconciliation of GAAP to Non-GAAP

General and Administrative Expense

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
General and Administrative Expenses:			
GAAP general and administrative	\$26,091	\$38,039	\$29,219
Stock-based compensation expense and related employer payroll taxes	(10,904)	(9,324)	(7,923)
Acquisition and integration costs	–	(4,194)	(624)
Legal and regulatory costs	532	177	62
Severance, transition, and contract termination costs	(871)	(2,757)	(755)
Non-GAAP General and Administrative	\$14,848	\$21,941	\$19,979
<i>Non-GAAP General and Administrative (% of revenue)</i>	<i>10.0%</i>	<i>12.1%</i>	<i>10.6%</i>

Reconciliation of GAAP to Non-GAAP

Total Operating Expenses

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Operating Expenses:			
Non-GAAP Sales and Marketing	\$60,374	\$71,258	\$71,750
Non-GAAP Research and Development	16,258	23,516	26,725
Non-GAAP General and Administrative	14,848	21,941	19,979
Non-GAAP Operating Expenses	\$91,480	\$116,715	\$118,454
<i>Non-GAAP Operating Expenses (% of revenue)</i>	<i>61.7%</i>	<i>64.4%</i>	<i>63.1%</i>

Reconciliation of GAAP to Non-GAAP

Total Costs

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Total Expense:			
Non-GAAP Cost of Revenue	\$55,504	\$60,482	\$59,030
Non-GAAP Operating Expenses	91,480	116,715	118,454
Non-GAAP Total Costs	\$146,984	\$177,197	\$177,484
<i>Non-GAAP Total Costs (% of revenue)</i>	99.1%	97.7%	96.1%

Reconciliation of GAAP to Non-GAAP

Income (loss) from Operations and Operating Margin

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
Operating Income (loss):			
GAAP loss from operations	(\$38,827)	(\$40,539)	(\$26,754)
Amortization of acquired intangible assets	1,285	4,688	5,475
Stock-based compensation expense and related employer payroll taxes	37,852	27,989	28,239
Acquisition and integration costs	–	4,194	624
Legal and regulatory costs	(546)	(177)	(62)
Severance, transition, and contract termination costs	1,579	8,020	2,613
Non-GAAP Operating Profit (loss)	\$1,343	\$4,175	\$10,135¹
<i>Non-GAAP Operating Margin (% of revenue)</i>	<i>0.7%</i>	<i>2.3%</i>	<i>5.4%¹</i>

1. Q1'23 Non-GAAP operating income was increased by approximately \$3 million in unusual item (1.6% of revenue).

Reconciliation of GAAP to Non-GAAP

Other income (expense), net

(\$ in thousands, Unaudited)

	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
GAAP Other Income (Expense), net			
GAAP Other Income (Expense), net	(\$4,823)	(\$6,006)	\$1,116
Amortization of Debt Discount and Issuance costs ¹	\$4,394	\$6,628	\$831
Sub-lease Income	(39)	(116)	(116)
Non-GAAP Other Income (Expense), net	(\$468)	\$506	\$1,831

1. Represents amortization of debt discount and issuance costs associated with the company's \$500 million aggregate principal amount of 0.50% convertible senior notes due 2024. Prior to April 1, 2022, the Company accounted for the Notes as separate liability and equity components. On issuance, the carrying amount of the equity components was recorded as a debt discount and subsequently amortized to interest expense. Effective April 1, 2022, we adopted ASU 2020-06 using the modified retrospective approach. As a result, the Notes are accounted for as a single liability measured at its amortized cost, as no other embedded features require bifurcation and recognition as derivatives. Adoption of the new standard resulted in a decrease to accumulated deficit of \$46.7 million, a decrease to additional paid-in capital of \$92.8 million, and an increase to convertible senior notes, net of \$46.2 million. The Notes have no original issuance discounts. Unamortized debt discount and issuance costs will be amortized over the remaining life of the Notes, which is approximately 19 months.

Reconciliation of GAAP to Non-GAAP

Net Income (Loss)

(\$ in thousands, Unaudited)

Net Income (Loss):	Fiscal Quarter		
	Q1'22	Q4'22	Q1'23
GAAP Net loss	(\$43,906)	(\$45,583)	(\$26,043)
Amortization of acquired intangible assets	1,285	4,688	5,475
Stock-based compensation expense and related employer payroll taxes	37,852	27,989	28,239
Acquisition and integration costs	–	4,194	624
Legal and regulatory costs	(546)	(177)	(62)
Severance, transition, and contract termination costs	1,579	8,020	2,613
Amortization of debt discount	4,394	6,628	831
Sublease income	(39)	(116)	(116)
Non-GAAP Net Income (Loss)	\$619	\$5,643	\$11,561
<i>Non-GAAP Net Income (% of revenue)</i>	<i>0.4%</i>	<i>3.1%</i>	<i>6.2%</i>

1. Q1'23 Non-GAAP net income was increased by approximately \$3 million in unusual item (1.6% of revenue).



For tips, updates and the latest information.

 8x8.com

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

 facebook.com/8x8Inc

 linkedin.com/company/8x8

 youtube.com/8x8Inc

 instagram.com/8x8inc