

# Corporate Overview and Q3'24 Financial Results

## Safe Harbor and Non-GAAP Measures

This presentation includes forward-looking statements within the meaning of the federal securities laws. These statements relate to, among other things, our business strategy and goals, growth of the market for our services, our future financial and operating results, including our GAAP and non-GAAP guidance, the assumptions underlying our guidance, plans to reduce expenses and share-based compensation, leverage targets, and expected contributions and benefits from new products.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct.

Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors including those that are described in greater detail in our most recent Form 10-K filed with the Securities and Exchange Commission, and in our other filings with the Securities and Exchange Commission from time to time. All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the previous statements. We undertake no obligation to update any forward-looking statements that may be made to reflect events or circumstances that occur, or that we become aware of, after the date of this presentation.

In this presentation, we provide certain historical non-GAAP financial measures, which are reconciled to their directly comparable GAAP financial measures. These reconciliations are presented in the Appendix at the end of this presentation. We also provide other measures such as software subscriptions, annualized exit monthly recurring subscriptions (ARR), mid-market and enterprise ARR, and enterprise ARR.

In this presentation, we provide guidance on forecasted non-GAAP operating margin, non-GAAP tax rates, non-GAAP EPS, and free cash flow and free cash flow margin. Reconciliations of our forecasted non-GAAP operating margin and free cash flow to the most directly comparable GAAP financial measure is presented in the Reconciliation slides at the end of this presentation. We have not reconciled our forecasted non-GAAP EPS to its respective forecasted GAAP measure because we do not provide guidance on it. We do not provide guidance on forecasted GAAP EPS because of the inherent uncertainty and complexity involved in forecasting the intercompany remeasurement gain (loss), gain (loss) associated with investments, gain (loss) on early debt conversions, and provision (benefit) from income taxes, which could be significant reconciling items between the non-GAAP and respective GAAP measures. The intercompany remeasurement gain (loss) is affected by the movement in various exchange rates relative to the U.S. Dollar, which is difficult to predict and subject to constant change. We do not provide guidance on gain (loss) associated with investments as it is based on future share prices, which are difficult to predict and subject to inherent uncertainties. We do not provide guidance on gain (loss) on debt early conversions as it is based on future conversion requests, future share prices, and interest rates, which are difficult to predict and are subject to inherent uncertainties. We do not provide guidance on forecasted GAAP tax rates as we do not forecast discrete tax items as they are difficult to predict. The provision (benefit) from income taxes, excluding discrete items, is expected to have an immaterial impact to our GAAP EPS. We utilized a projected long-term tax rate in our computation of the non-GAAP income tax provision. For fiscal 2024, we have determined the projected non-GAAP tax rate to be 22.5%. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.



**RingCentral**

**Your Business  
Voice Matters™**

# Table of Contents

1

**Solidifying Our UCaaS Leadership  
and Infusing AI Across the Portfolio**

2

**Expand TAM with AI-Powered  
New Products**

3

**Nurturing and Growing Our Large  
Partner Network**

4

**Executing on Our Strategic Priorities  
Drives a Strong Financial Profile**

5

**Q3'24 Financial Highlights**

## What We Do

**We empower businesses to communicate effortlessly through the cloud, and use the power of AI to unlock conversational insights...**



**...making every employee and customer experience smarter, and everyday work more productive and efficient.**

# Legacy Way

- Voice only
- On prem only
- Siloed
- Hard to scale
- Limited integrations
- Expensive to maintain
- Disparate PBX & CC solutions
- No AI

# RingCentral Way

- Omnichannel
- Any device, any mode, anywhere
- Global
- Infinitely scalable
- Open platform
- High ROI / Low TCO
- Tightly integrated UCaaS + CCaaS
- AI-first



# Our Product Portfolio

## RingEX

Business Phone System  
SMS, Fax  
Push to Talk  
Team Messaging  
AI Assistant

## Events & Video

Events  
Webinars  
Video Meetings  
Rooms

# AI meets trusted communications

Global | Open Platform | AI | Analytics

## RingCX

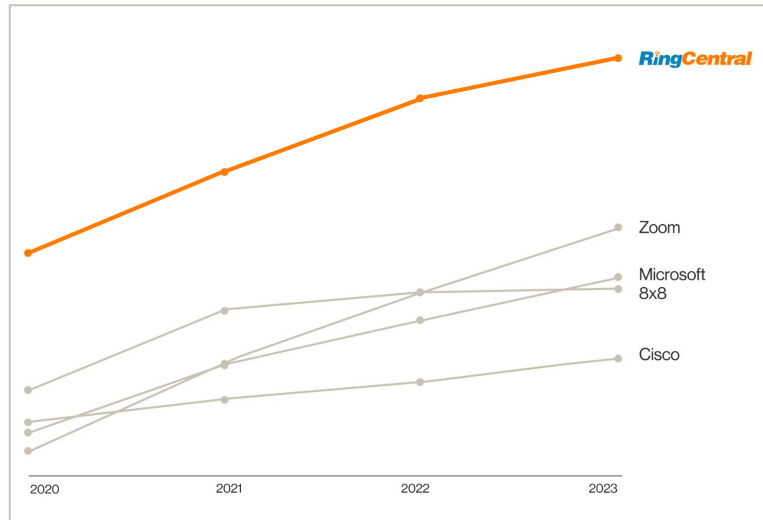
Omnichannel  
IVA  
AI-Assist  
WEM, QM  
Conversational Intelligence

## RingSense

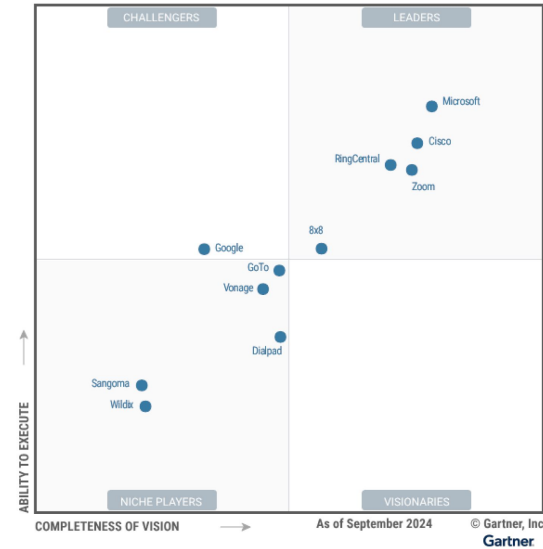
Conversation Intelligence  
AI Coaching  
CRM automation  
AI call scoring

# RingCentral is a Business Communications Leader

**#1 Market Share in UCaaS**  
by Synergy based on paid & provisioned seats



**Leader in Gartner 2024 Magic Quadrant**  
for UCaaS Worldwide





# Operating at Scale

**#1 in UCaaS**

Market Share<sup>1</sup>

**46**

Countries where  
RingEX is available

**~7K**

Full time employees<sup>2</sup>

**\$2.48B**

Q3'24 Annualized  
Recurring Revenue

**\$250M+**

Committed to  
Innovation<sup>3</sup>

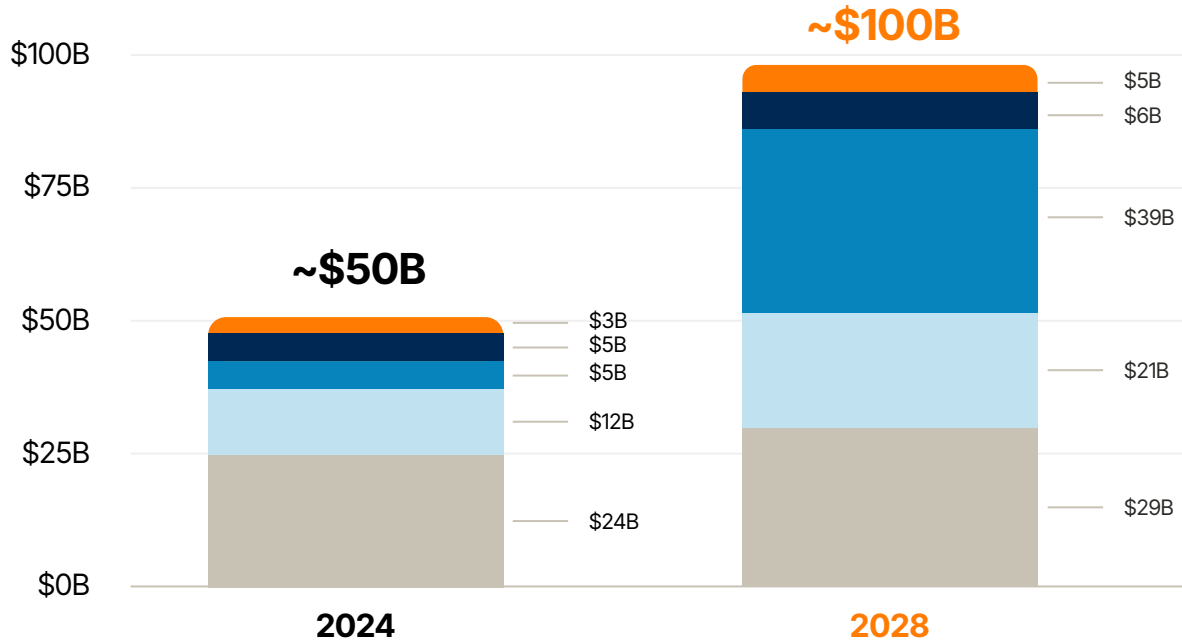
**\$400M+**

Annual Free Cash Flow<sup>4</sup>

Unless otherwise noted, company metrics as of Q3'24

1. Source: Synergy Research Group, UC Market Tracker – UCaaS Firmographics, Worldwide Revenue for Q1'22 to Q2'24, Sept. 26, 2024
2. Includes FTEs and full time contractors
3. Reflects non-GAAP research and development spend plus capitalized software for twelve months ending September 30, 2024.
4. Represents 2024E free cash flow guidance as of November 7, 2024.

# RingCentral's Market Opportunity is Large



- Events
- Video
- IVA / Revenue Intelligence
- CCaaS
- Cloud Telephony

# Why We Win

## Trust

Built on world-class security, privacy, and 25 quarters of 99.999% reliability

## Innovation

Leading Innovation in UCaaS + CCaaS + AI + Events + Open Platform

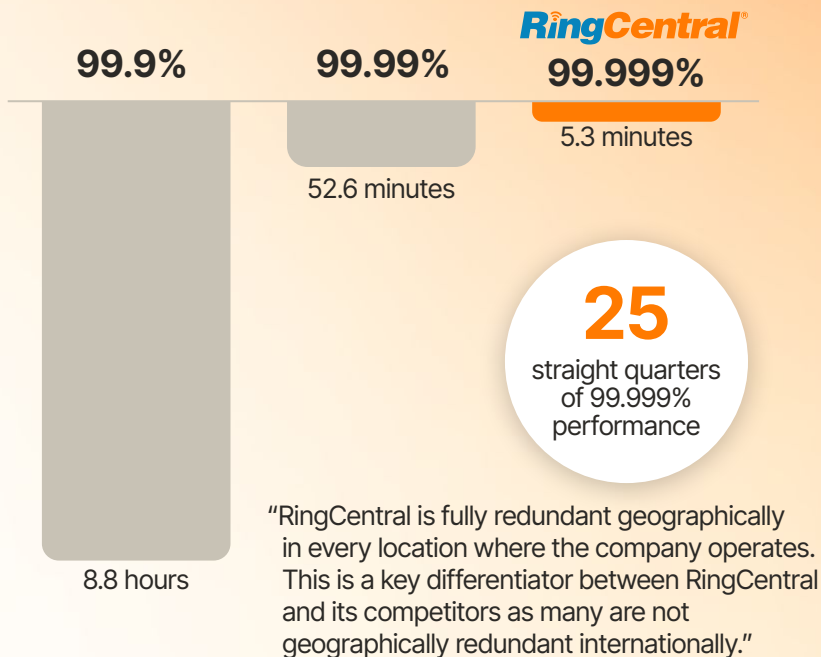
## Partnerships

With Service Providers, 15,000+ Channel Partners, Strategic Partners, and Developers

# Commitment to Trust

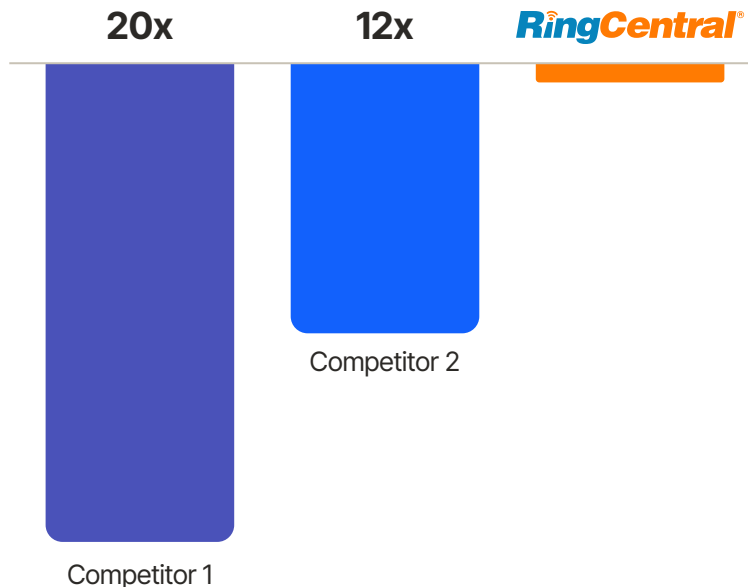
100x Better Reliability vs Three Nines

Annual downtime allowed



# RingCentral Offering Unmatched Reliability

Relative Incidents Reported  
Nov 2020 - August 2024



Source: [www.downdetector.com](http://www.downdetector.com)

©2024 RingCentral

# Robust Security and Compliance

**HITRUST**  
CSF Certified



# Executing Against Strategic Priorities Through Innovation & Partnerships



## **Solidifying our UCaaS leadership**

by infusing AI across our entire portfolio amongst other initiatives



## **Expand TAM**

with new AI-powered products



## **Nurturing and growing**

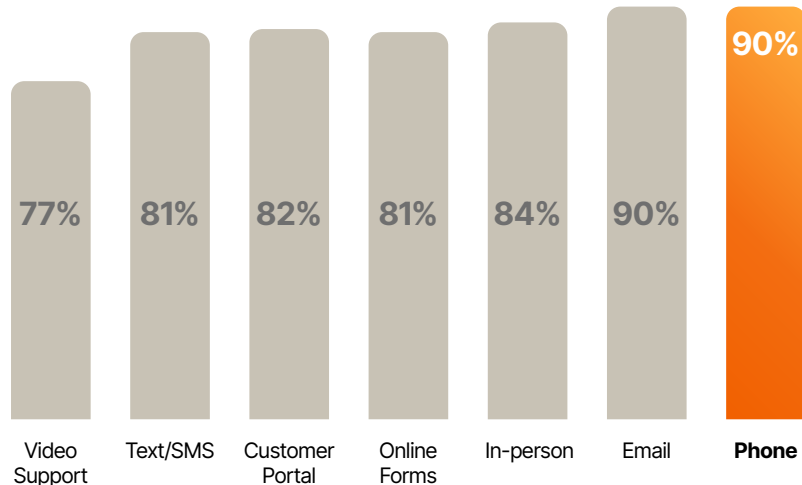
our large and diverse partner network and expanding into new geographies



# **Solidifying Our UCaaS Leadership and Infusing AI Across the Portfolio**

# Business Voice Matters

Service Organizations that use the following modes of communications



Telephony is still integral to businesses, and **73% of organizations agree that voice calling will remain a priority** mode of communication in their employee and customer interactions

**73%**  
**Prioritize Voice**



# Supercharge Microsoft Teams with RingCentral RingEX

	RingCentral	MS Teams
Native SMS	🟡	🔴
Native Fax	🟡	🔴
Unified management for phone, fax, and SMS	🟡	🔴
Global PSTN Coverage	46	31
Rich communications APIs (including AI)	🟡	🔴
Integrations with major CRMs	🟡	🔴
Enhanced overflow queue management	🟡	🔴
Call monitoring (whisper, barge-in)	🟡	🔴
Visual multi-level IVR builder	🟡	🔴
Workflow builder w/Phone, Voicemail, and SMS	🟡	🔴
Exec admin / Delegated lines	🟡	✅ (limited functionality)
Advanced call handling & custom rules	🟡	✅ (limited functionality)
Compliance-based recording	🟡	🔴
Robust analytics & reporting portal	🟡	🔴

# RingCentral for MS Teams

customer feedback



*"I'm impressed. Just updated the Teams Beta and the HUD is there and I can see all voicemails for all call queues."*



*"RingCentral's integration with Microsoft Teams has been crucial in achieving our goals for integration across workflows."*

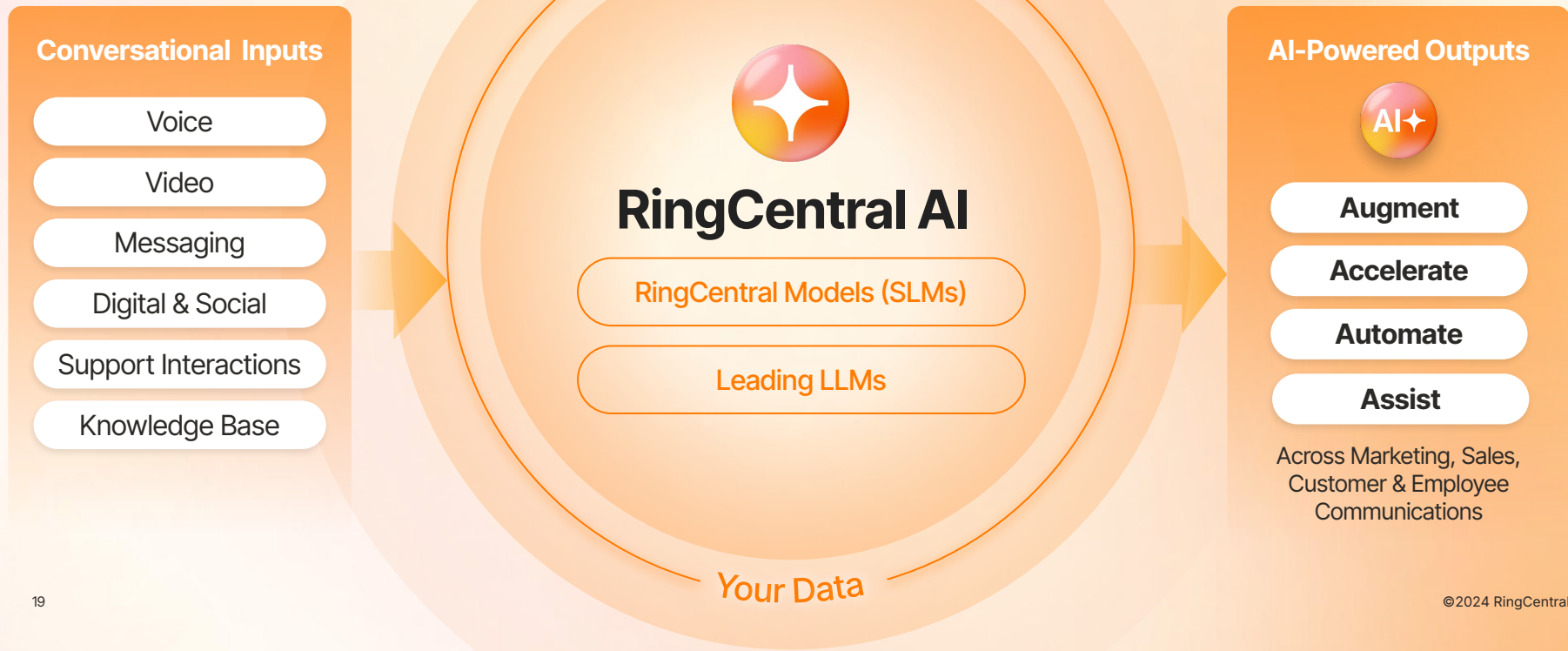


*"RingCentral's native integration into Teams is seamless. It's providing us with a hassle-free experience and empowering our team to focus on what matters most."*

**INTERPARFUMS**

*"RingCentral gives us flexibility to have a global cloud phone solution embedded right in our familiar Teams environment"*

# Infusing AI Across Our Portfolio



# Monetizing AI Across Our Portfolio

	Product	Key capabilities	Pricing
EX	RingCentral AI Assistant	Call transcription, call notes, and AI writer for text & chat	Included
	RingSense for EX	Conversational insights, coaching, and call-scoring	\$
CX	RingCentral Agent Assist	AI Real-time contextual agent suggestions and supervisor guidance	\$
	RingSense for CX	AI Quality Management, agent coaching and scoring	\$
	IVA (OEM)	Multi-modal customer assistance with support for complex queries, and CRM integrations	\$

**RingCentral AI** Trusted | Fit-to-Purpose | Multimodal | Easy | Open

Real time conversation data & intelligence across UC, CC, and Events

# RingCentral AI Assistant for RingEX

customer feedback

**TRINITY**  
A BURRIS LOGISTICS COMPANY®

" BDRs are saving time because they no longer have to worry about writing a summary of what was discussed."



" It's giving us a competitive edge by ensuring no valuable insight or strategy falls through the cracks."

**KITAY**  
— Law Offices —

" Once you see the value firsthand, you'll want to implement it across your entire firm."

 **ENVISION RADIOLOGY**

" Our agents are able to be 100% present during those calls."

## Significant Milestone

# First Cloud Provider to Deliver UCaaS & CCaaS Solutions for **All of India**



“

Global RingEX Select and RingCX cloud-based architecture aligns well with India's digital transformation initiatives, offering scalability and flexibility that traditional on-premise solutions struggle to match. As India continues to establish itself as a global hub for customer service operations, the two solutions provide rich capabilities with AI that any size company can quickly implement to benefit employees and customers.”

Denise Lund

Research Vice President of Worldwide UC&C and Telecom at IDC

# Expand TAM with AI-Powered New Products

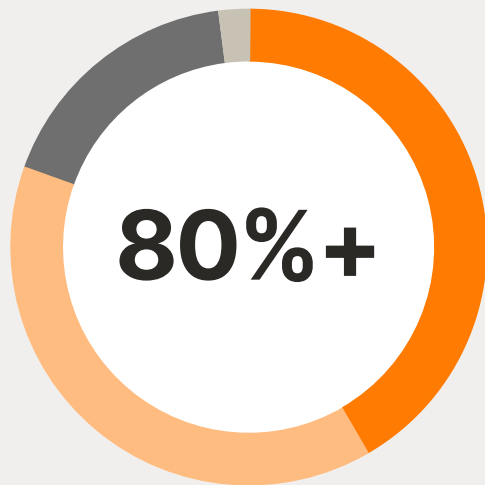
RingCX

RingSense

RingCentral Events

# “Integrated UCaaS-CCaaS platforms are the future of business communications” - IDC

Over 80% of organizations feel combining UCaaS and CCaaS is important to their organization



Source: IDC, The Unfolding of UC&C Solutions for Employee and Customer Engagement, Sept 2024

## Benefits of UC+CC: Forrester Survey of RNG Customers

**45%**

Reduction in call-handling time with integrated UCaaS and CCaaS

**30%**

decrease in internal contact center and UCaaS IT support tickets and a **60% decrease** in the time to close each ticket

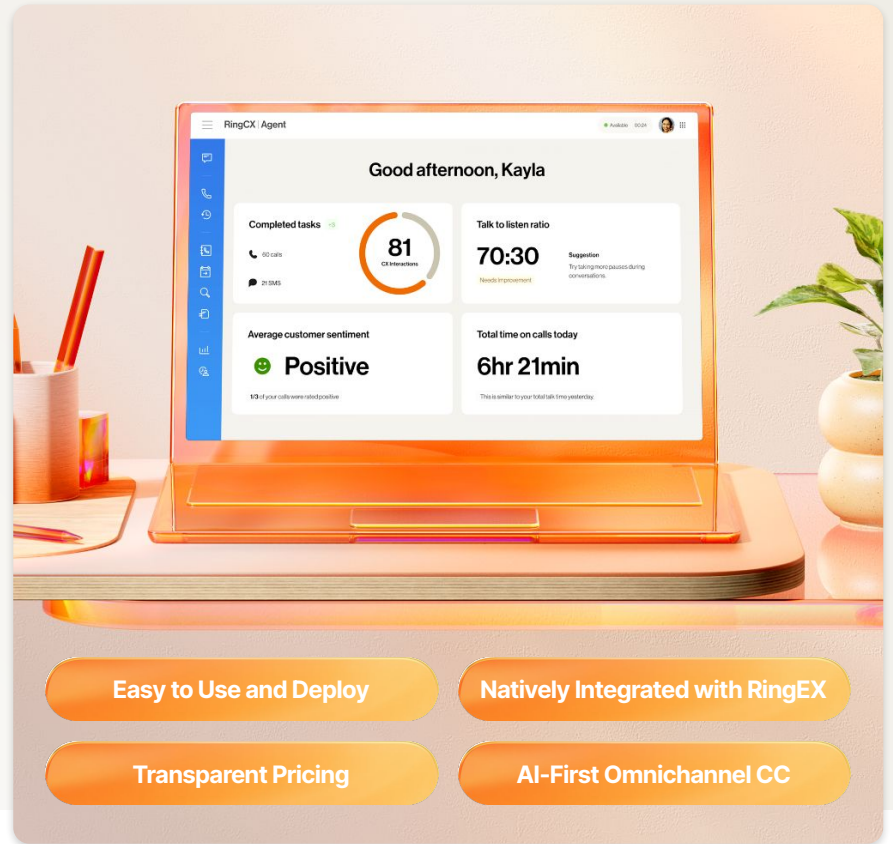
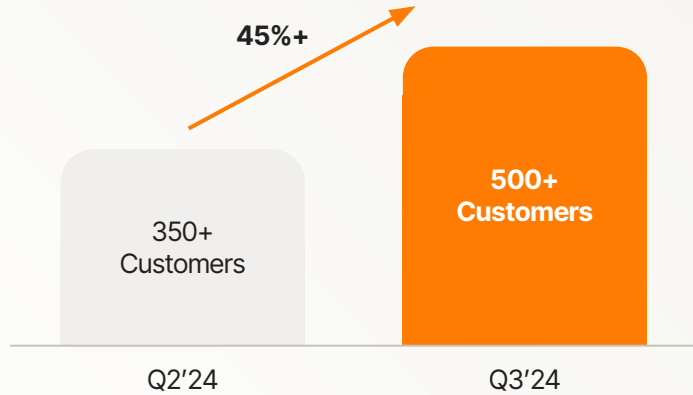
**Time savings of 25%**

for contact center supervisors on monthly agent performance auditing processes

Source: Forrester, TEI Report for UC + CC for RingCentral, 2023



# Strong Early RingCX Traction



# RingCX customer feedback

"Now that we have this intelligent omnichannel capability with RingCX, we can tell clients that we're going to **provide them with more services, tailored to their businesses, and at a fraction of the costs** they'd be paying with another enterprise contact center solution."



"Today, with RingCX, we are **down to under 10 seconds with that average hold time**. That is incredible. It's part of the customization that RingCX brings to you as a customer."



"Our QA team has experienced a remarkable increase in efficiency. Before, monitoring calls required constant attention and often led to distractions. Now, with built-in intro scripts and easy access to essential tools, we've **significantly reduced the time spent** on these tasks, allowing us to **focus on delivering exceptional quality**."



"Since we migrated to RingCX, we estimate a **20% time savings for customer success reps** due to sophisticated technology that RingCX delivers."



## New Strategic Partnership

# RingCX

Intelligent Omnichannel

Native Conversation Intelligence

AI Quality Management

UC+CC



# VERINT®

Workforce Engagement Management (WEM)

CX Automation

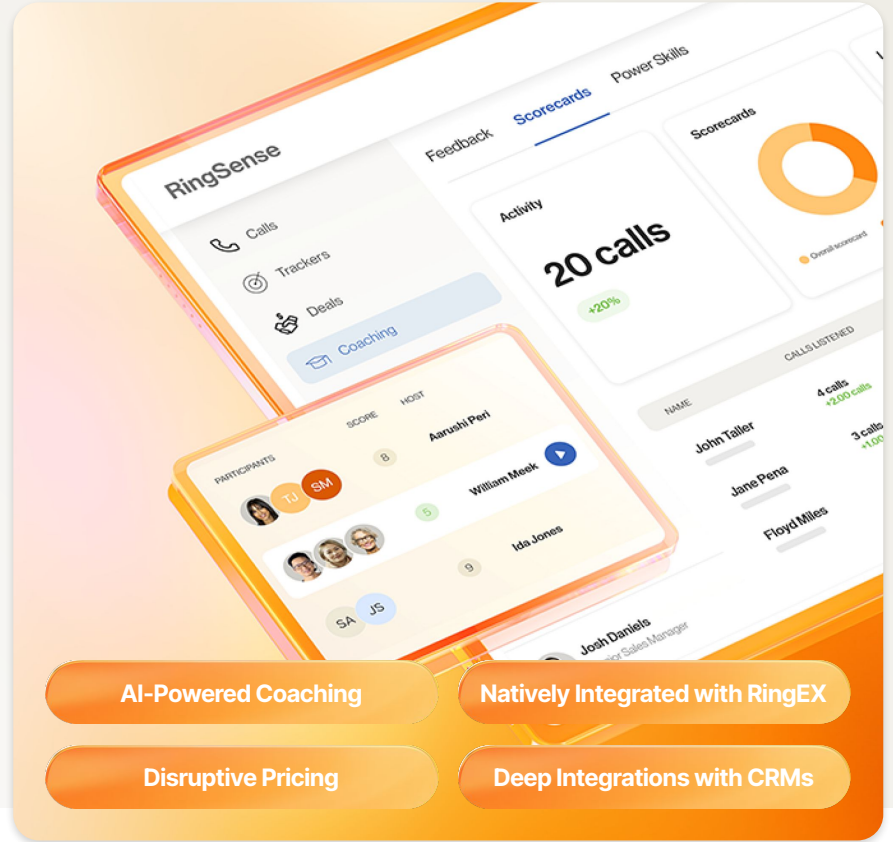
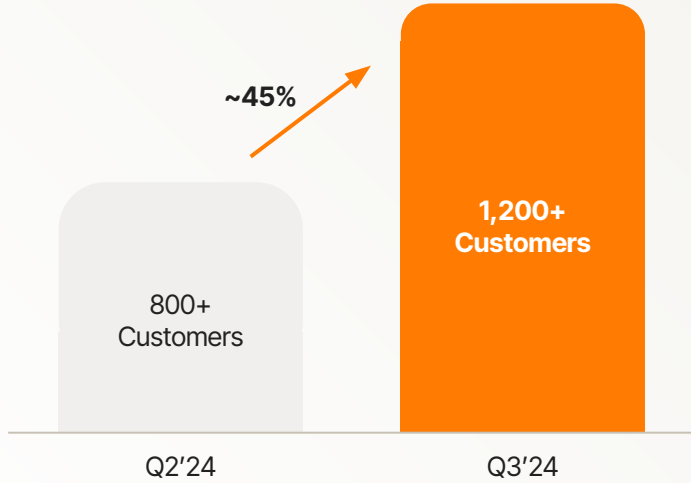
Intelligent Virtual Agents

Knowledge Management

Enhance **employee productivity** and improve **customer experiences** for **Larger Enterprises**

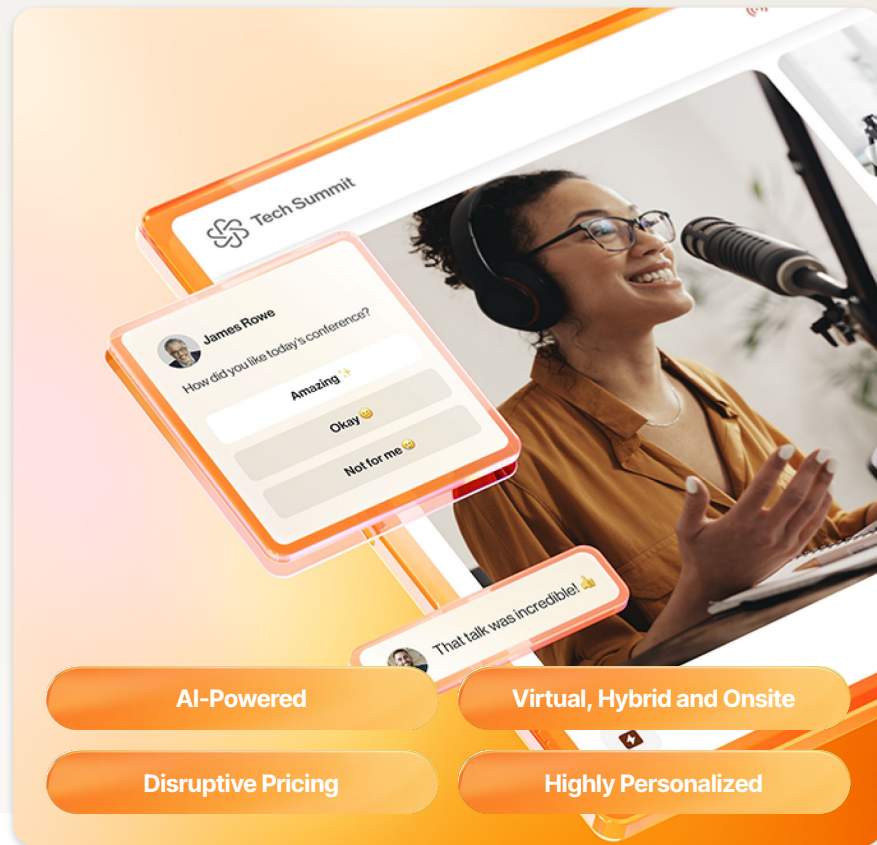
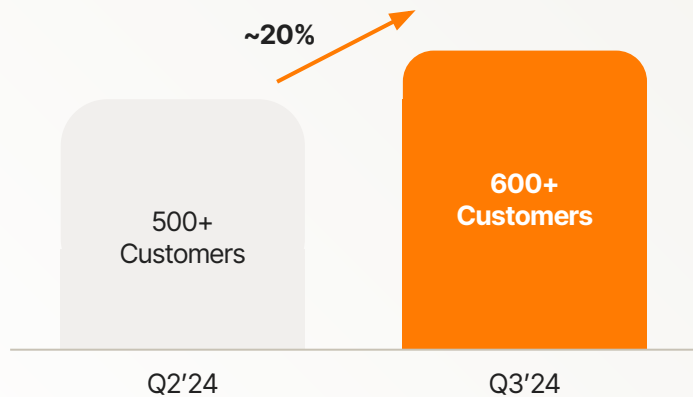
# RingSense

Customer Growth Up Solidly



# RingCentral Events


Growth Led by Marquee Customers




# AI-first New Products RingCX, RingSense and RingCentral Events are Growth Drivers

Multi-product portfolio benefits:

 Attract new customers

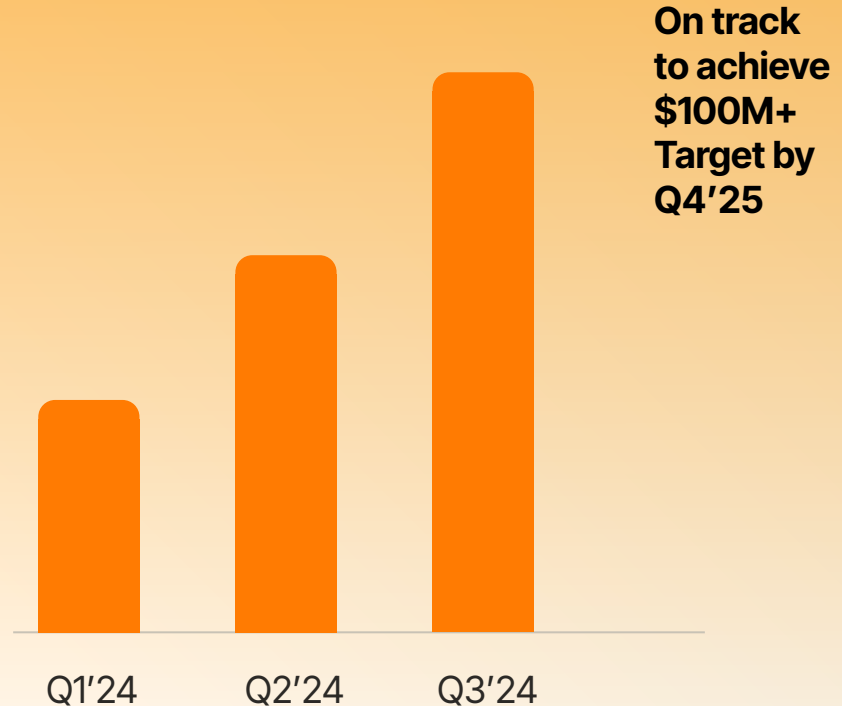
 Increase wallet share with existing customers

 Increase retention

 Replace OEM products

New products include RingCX, RingSense and RingCentral Events

## New Product Annualized Recurring Revenue



For illustration purposes only, not to scale

# Select Land & Expand Case Studies

# A Leading Hotel & Vacation Brand

**Enterprise** customer expanding with both UCaaS and CCaaS

**\$940K**  
ARR

**FY'21**  
Initial Land with UCaaS

**+\$2.2M**  
ARR

**FY'22**  
Added CCaaS

**\$3.2M**  
ARR

**FY'23**  
Added UCaaS seats

**+\$700K**  
ARR

**\$3.9M**  
ARR

**FY'24**  
Added UCaaS and CCaaS seats, plus 3rd party IVA

**+\$1.1M**  
ARR

**\$5.0M**  
ARR

**5X** ARR

UCaaS | CCaaS | Global | Open Platform | AI | Analytics



# Fortune 500 Transportation & Logistics Company

**Enterprise** customer expanding  
with both UCaaS and CCaaS

**\$200K  
ARR**

**FY'20**  
Initial Land  
with UCaaS

**+\$1.8M  
ARR**

**\$2.0M  
ARR**

**FY'22**  
Added CCaaS

**+\$1M  
ARR**

**\$3.0M  
ARR**

**FY'23**  
Added UCaaS &  
CCaaS seats

**+\$300K  
ARR**

**\$3.3M  
ARR**

**FY'24**  
Added UCaaS and  
CCaaS seats

**17X** ARR

UCaaS | CCaaS | Digital Channels | AI | Analytics

# Leading HR Enterprise SaaS Company

**Enterprise** customer expanding with both UCaaS and CCaaS

**\$2.2M**  
ARR

**FY18**  
Initial Land with CCaaS

**+\$1M**  
ARR

**\$3.2M**  
ARR

**FY19**  
Added UCaaS

**+\$400K**  
ARR

**\$3.6M**  
ARR

**FY20**  
Added AI QM and Screen Recording

**+\$500K**  
ARR

**\$4.1M**  
ARR

**FY20**  
Renewal plus CCaaS growth

**+\$1.4M**  
ARR

**\$5.5M**  
ARR

**FY21**  
Added TEAMS Direct Routing

**+\$500K**  
ARR

**\$6.0M**  
ARR

**FY22**  
Added Chat Bots and Digital Engagements

**+\$200K**  
ARR

**\$6.2M**  
ARR

**FY24**  
Piloting AI to enhance UC & CC

**2.8X** ARR

UCaaS | CCaaS | Global | Open Platform | Teams Integration | AI | Analytics

# Global Retailer

**Enterprise** customer in **Gold Vertical**  
expanding with both UCaaS and CCaaS

**\$1.7M**  
ARR

**FY'23**  
UCaaS  
Phone, Messaging, Video  
Business Analytics  
Advanced Support

+\$700K  
ARR

**\$2.4M**  
ARR

**FY'24**  
Expansion of UCaaS seats  
Added SIP Trunk into  
Contact Center

**1.4X** ARR

UCaaS | Global | Open Platform | AI | Analytics

# **Nurturing and Growing Our Large Partner Network**

## Resold by Many Top Service Providers

# Differentiated GTM, Including Expansive Partnerships

Service providers deliver  
RingCentral EX and CX to their  
large and global customer bases

Service provider growth in excess  
of overall RingCentral growth

Now Selling RingEX

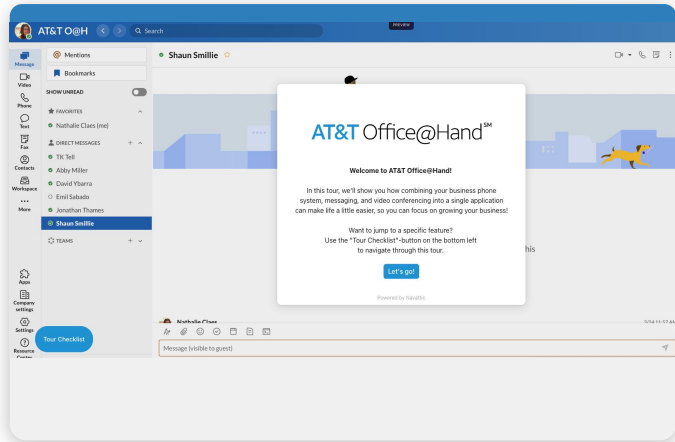


Now Selling RingEX & RingCX:

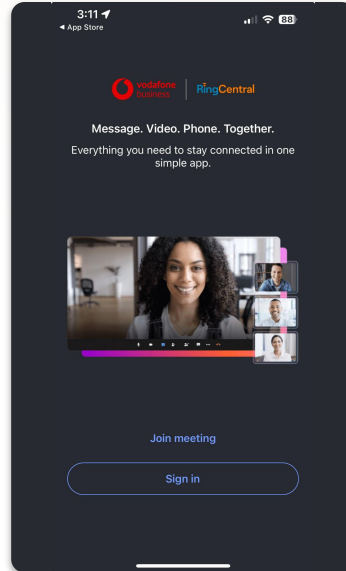


# Select Offerings with Strategic Partners

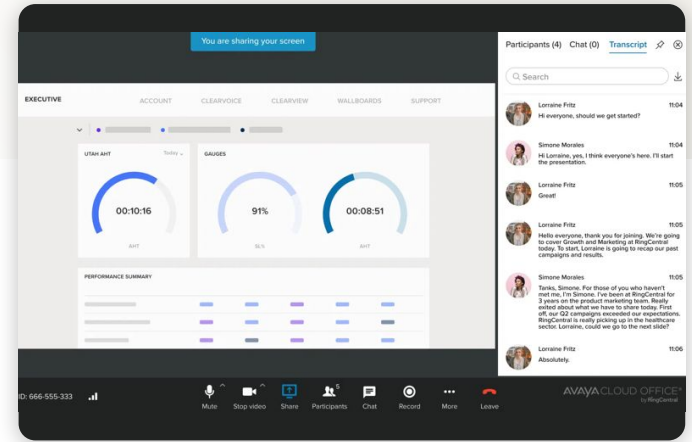
## Delivering RingCentral to Their Customer Bases



Office@Hand - powered by RingCentral

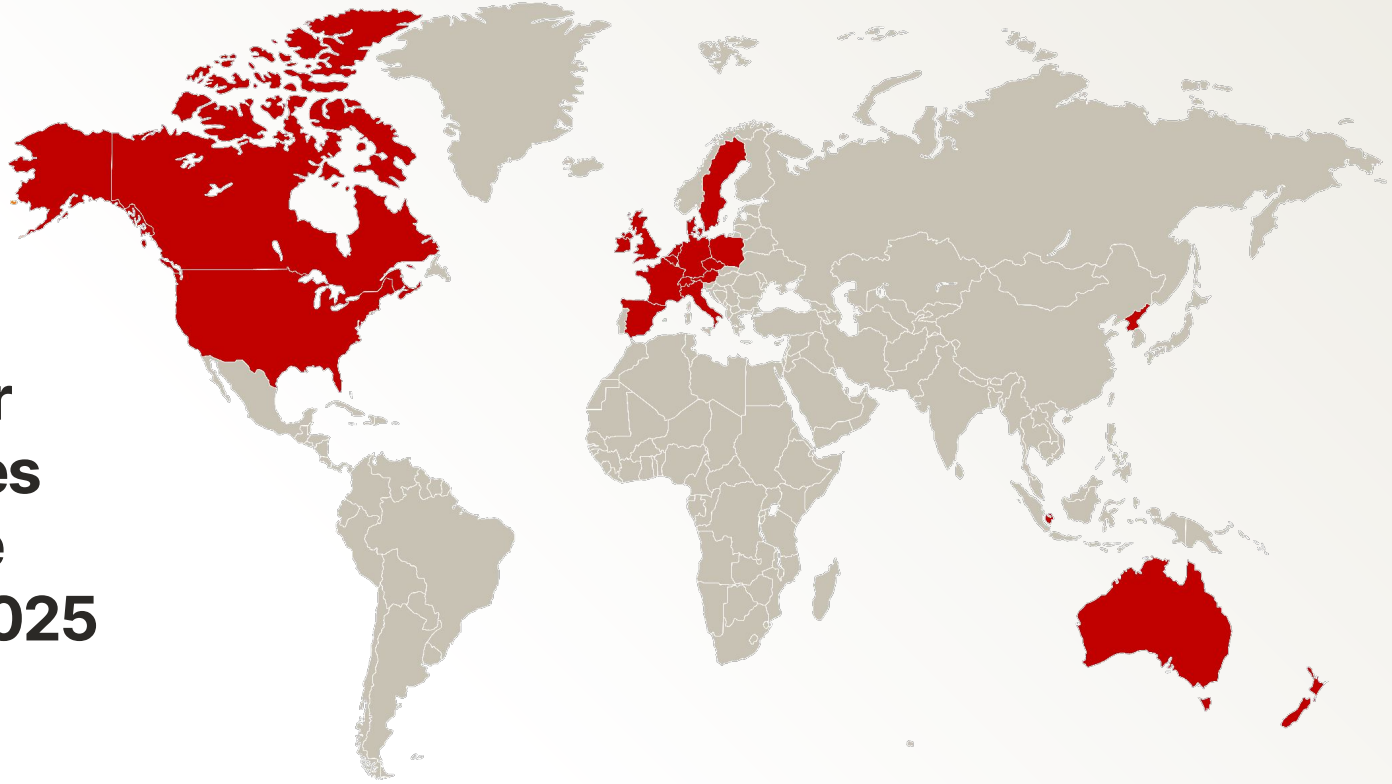


Vodafone Business UC with RingCentral



Avaya Cloud Office by RingCentral

**Access to over  
30 geographies  
with Vodafone  
Business by 2025**



Select Wins



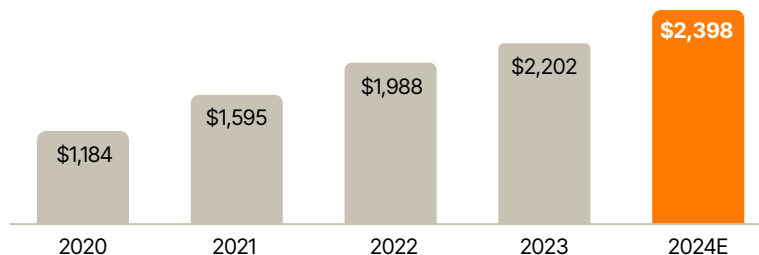
**Executing on Our  
Strategic Priorities  
Drives a Strong  
Financial Profile**



# Healthy Growth and Improving Profitability..

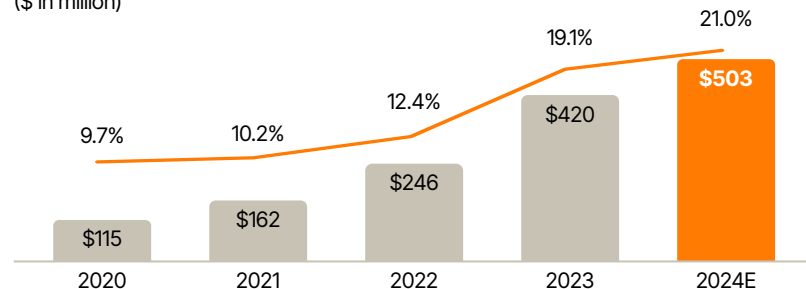
## Total Revenue

(\$ in million)



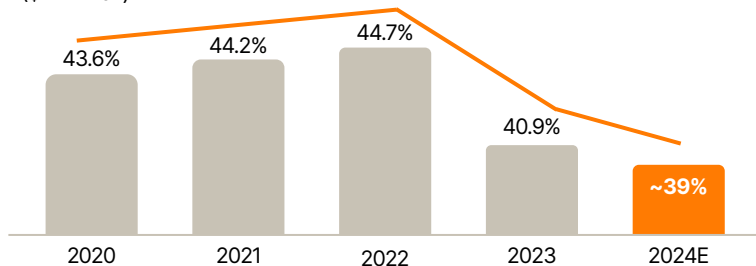
## Operating Profit (\$ and % total rev)

(\$ in million)



## Sales and Marketing Expense (\$ and % total rev)

(\$ in million)



Continued operating income improvement driven by:

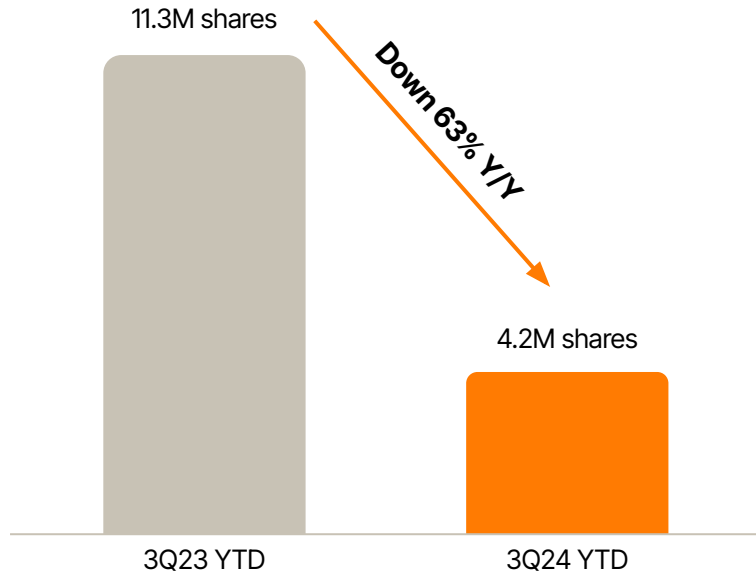
- ✓ Operating leverage
- ✓ Continued expense discipline
- ✓ Greater S&M efficiency
- ✓ Leveraging AI and automation to drive productivity

(1) 2024E represents midpoint of guidance for total revenue and operating profit as of November 7, 2024. Operating profit and Sales and marketing expense are non-GAAP, see appendix for reconciliation to the most comparable GAAP metric.

# ...While Reducing SBC & Share Count...

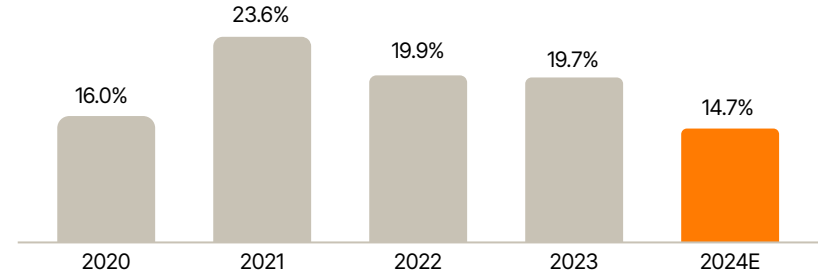
## Net Shares Granted

(in millions of shares)



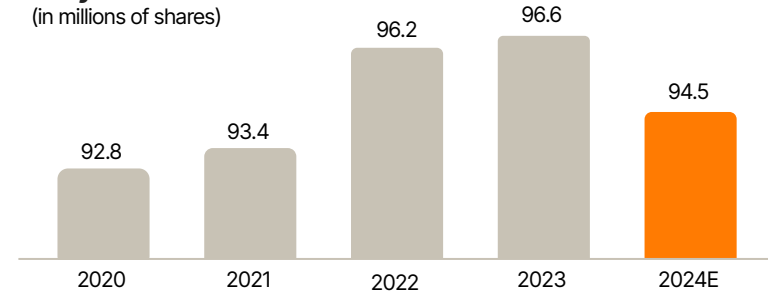
## Stock Based Compensation

(% of total revenue)



## Fully Diluted Share Count

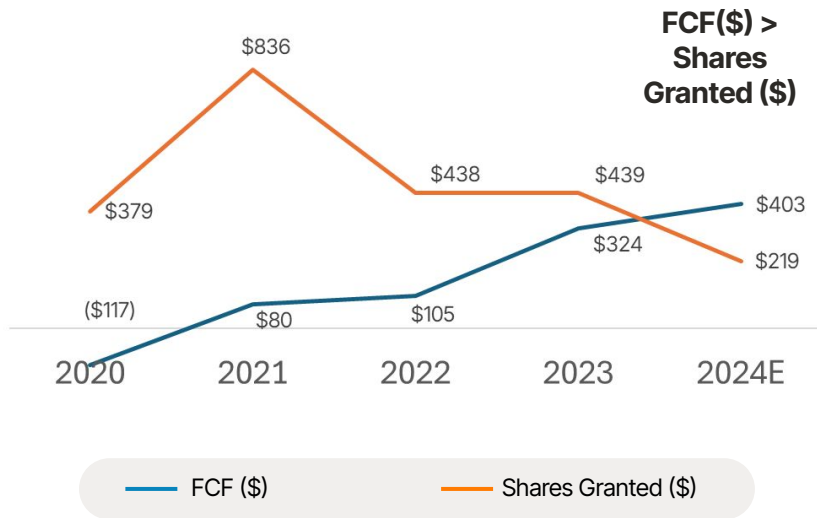
(in millions of shares)



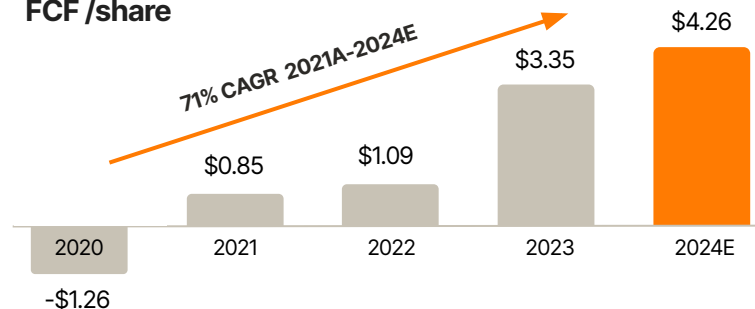
# ... Resulting in Expanding FCF Per Share

## FCF vs. Shares Granted (\$)¹

(\$ in million)

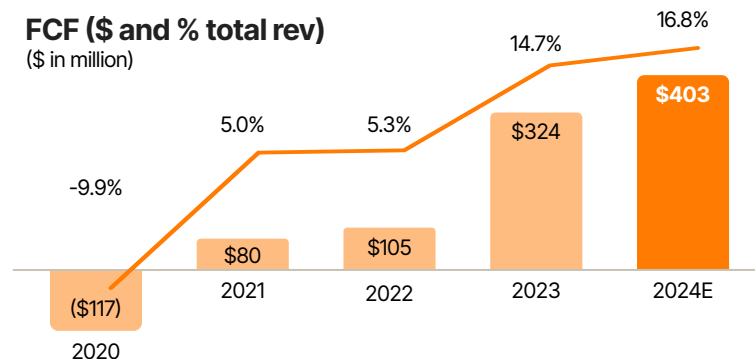


## FCF /share



## FCF (\$ and % total rev)

(\$ in million)

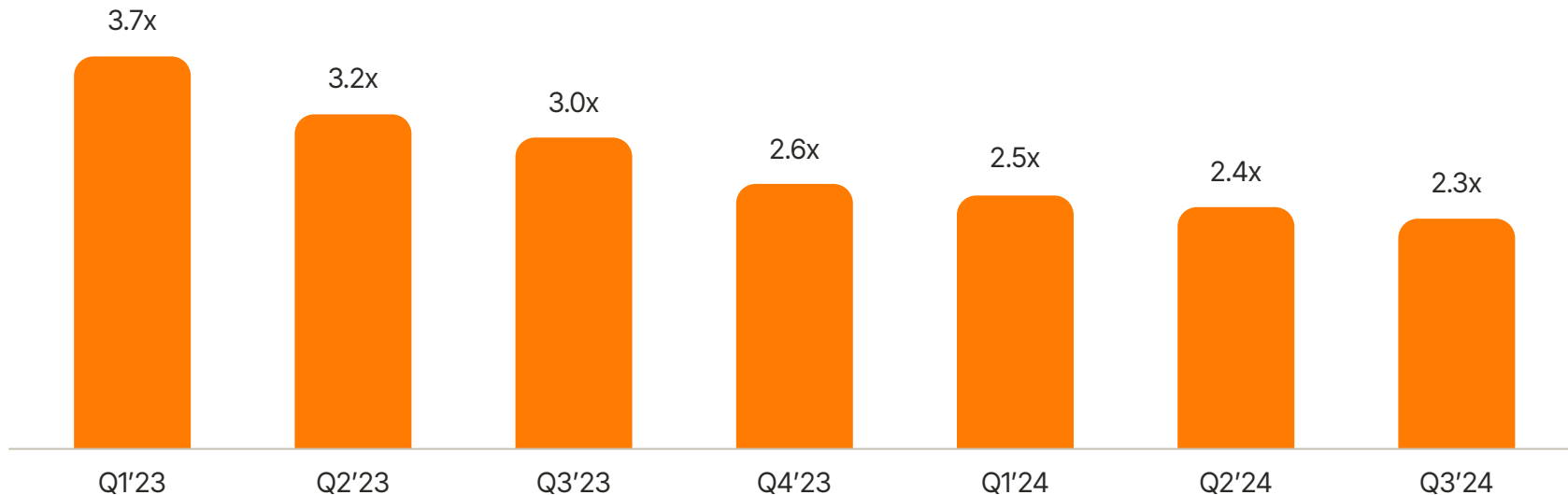


(1) 2024E represents midpoint of guidance for FCF (\$) and fully diluted share count as of November 7, 2024. Shares Granted (\$) represents YTD actual as of September 30, 2024, calculated as Number of RSU/PSUs granted multiplied by the Weighted Average Grant Date Fair Value Per Share. Note grant refresh cycle takes place in 1H24.

# Strong Balance Sheet<sup>(1)</sup>

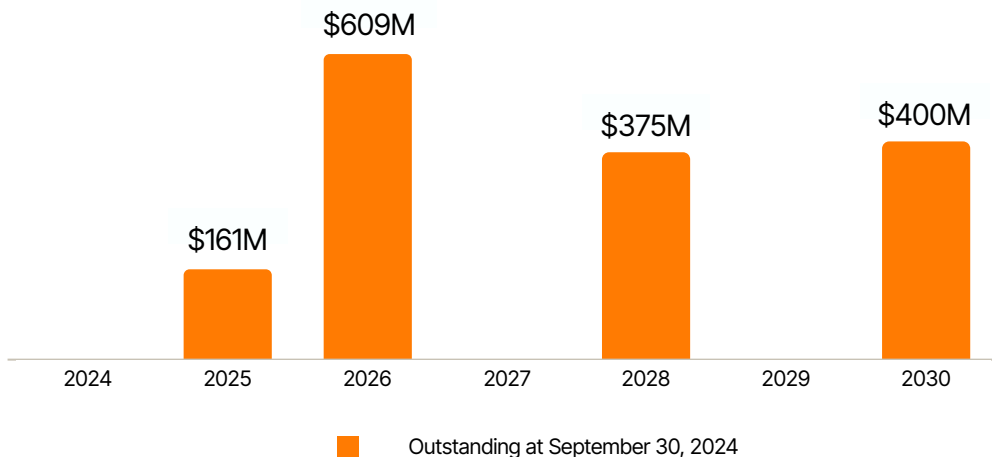
Improving leverage ratio allows flexibility around capital allocation and capital structure options

## Net Debt to Adj. EBITDA



# Near-term Maturities Addressed with Cash + Existing Liquidity<sup>(1)</sup>

We are targeting to reduce our gross debt from \$1.5 billion today to no more than \$1 billion by the end of 2026



Liquidity as of September 30, 2024

- ✓ \$213M Cash and Cash Equivalents
- ✓ \$350M Term Loan A commitment
- ✓ \$225M Revolving Credit Facility
- ✓ Free Cash Flow

Credit Ratings

- ✓ Fitch – BB (Outlook Positive)
- ✓ Moody's – Baa3 (Stable Outlook)
- ✓ S&P – BB (Stable Outlook)



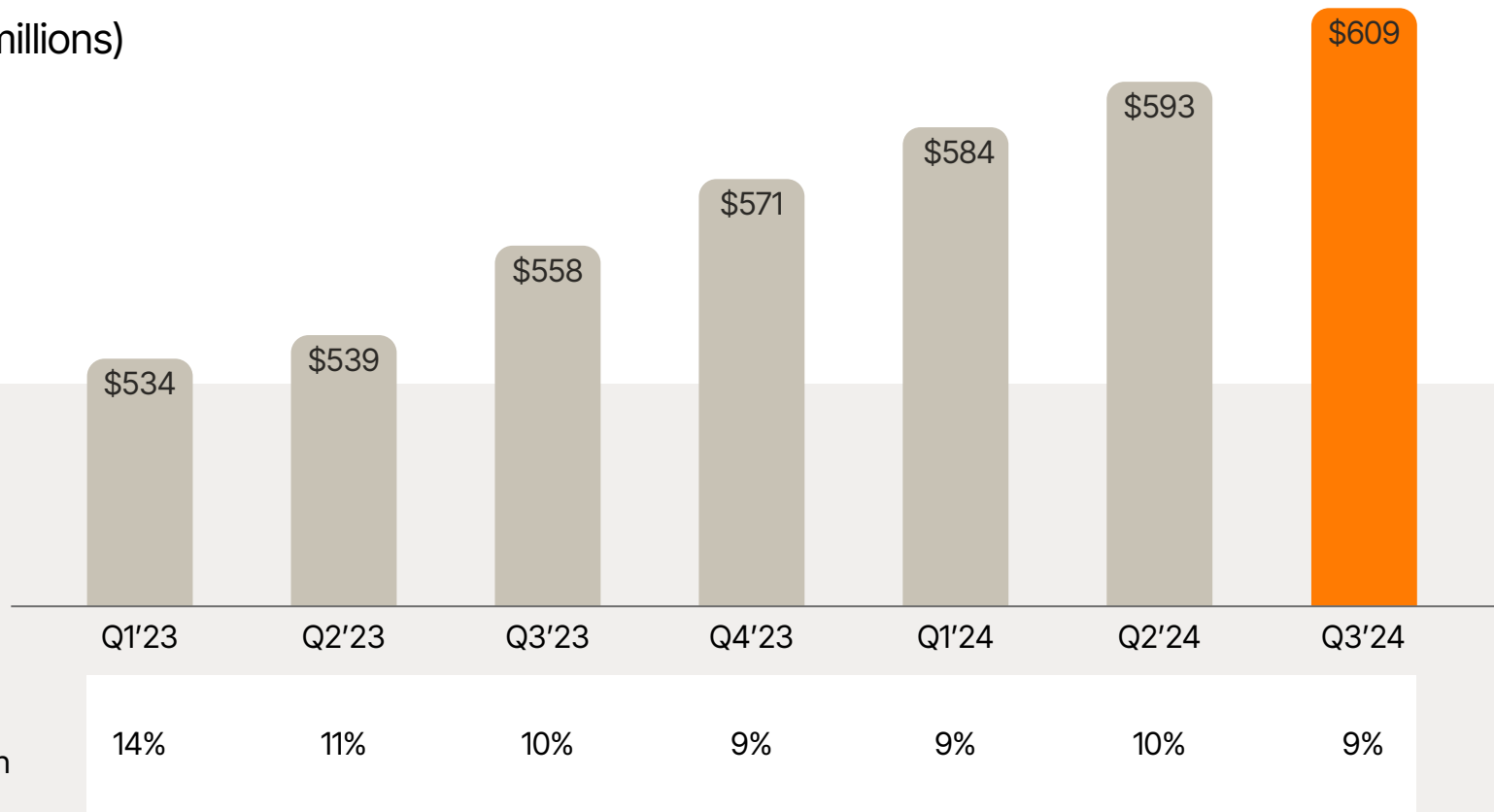
**RingCentral**

**Your Business  
Voice Matters™**

# **Q3'24 Financial Highlights**

# Total Revenue

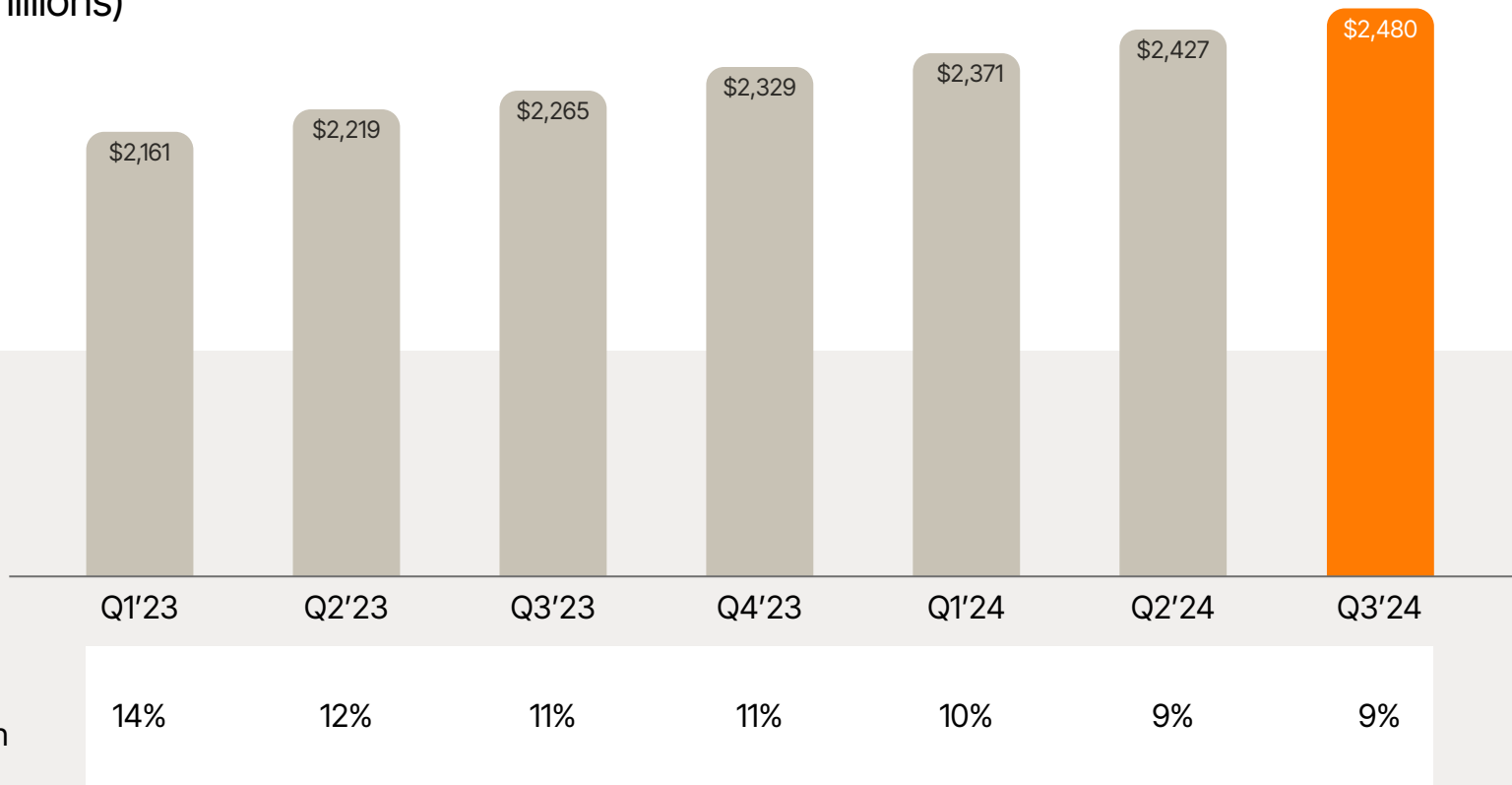
(\$ in millions)





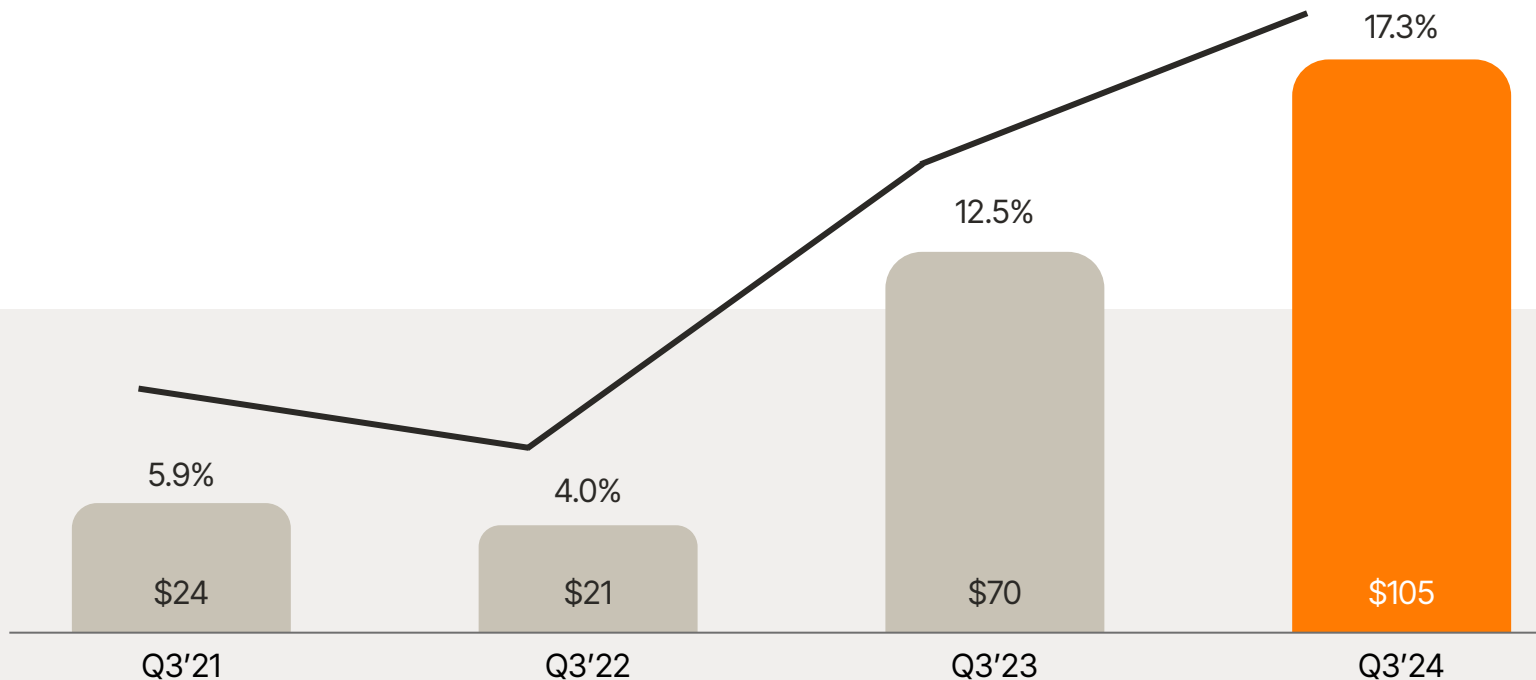
# Total ARR

(\$ in millions)



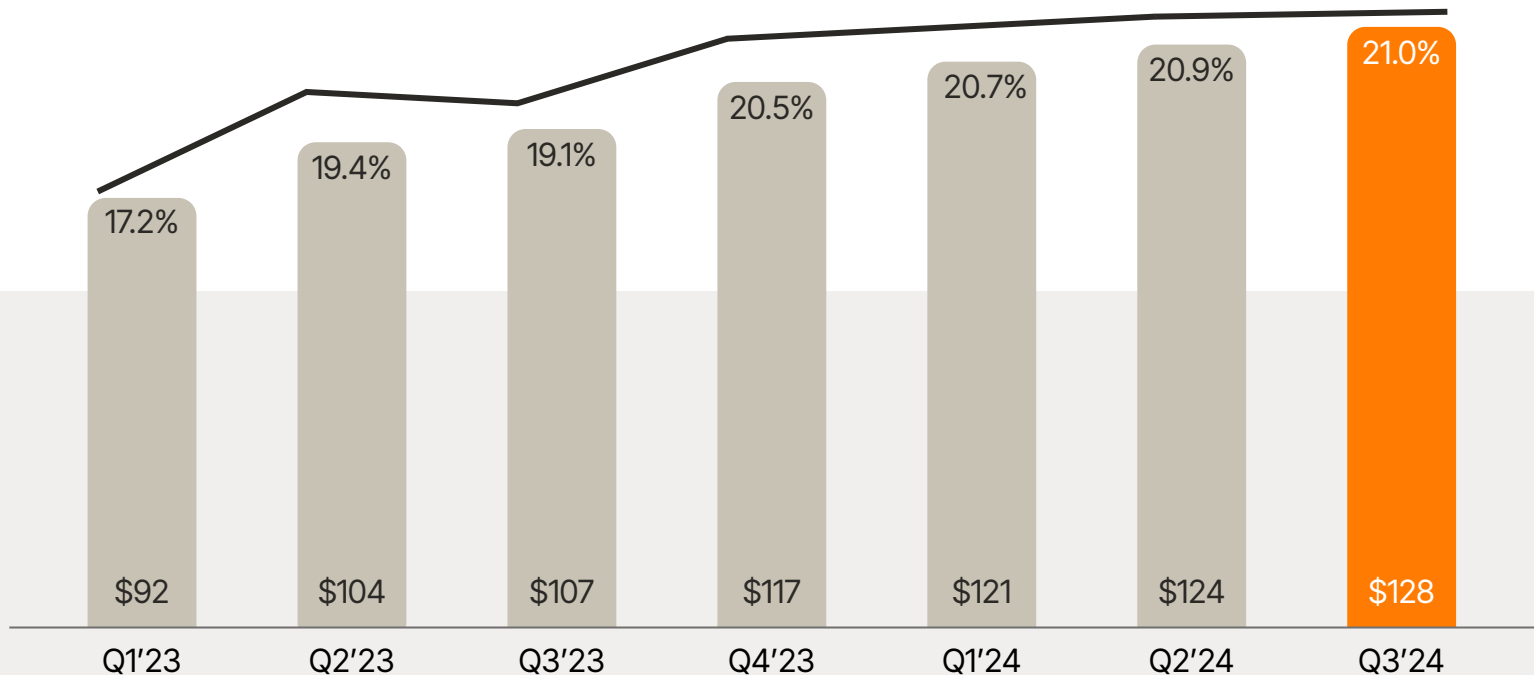
# Free Cash Flow (\$ and % of total revenue)

(\$ in millions)



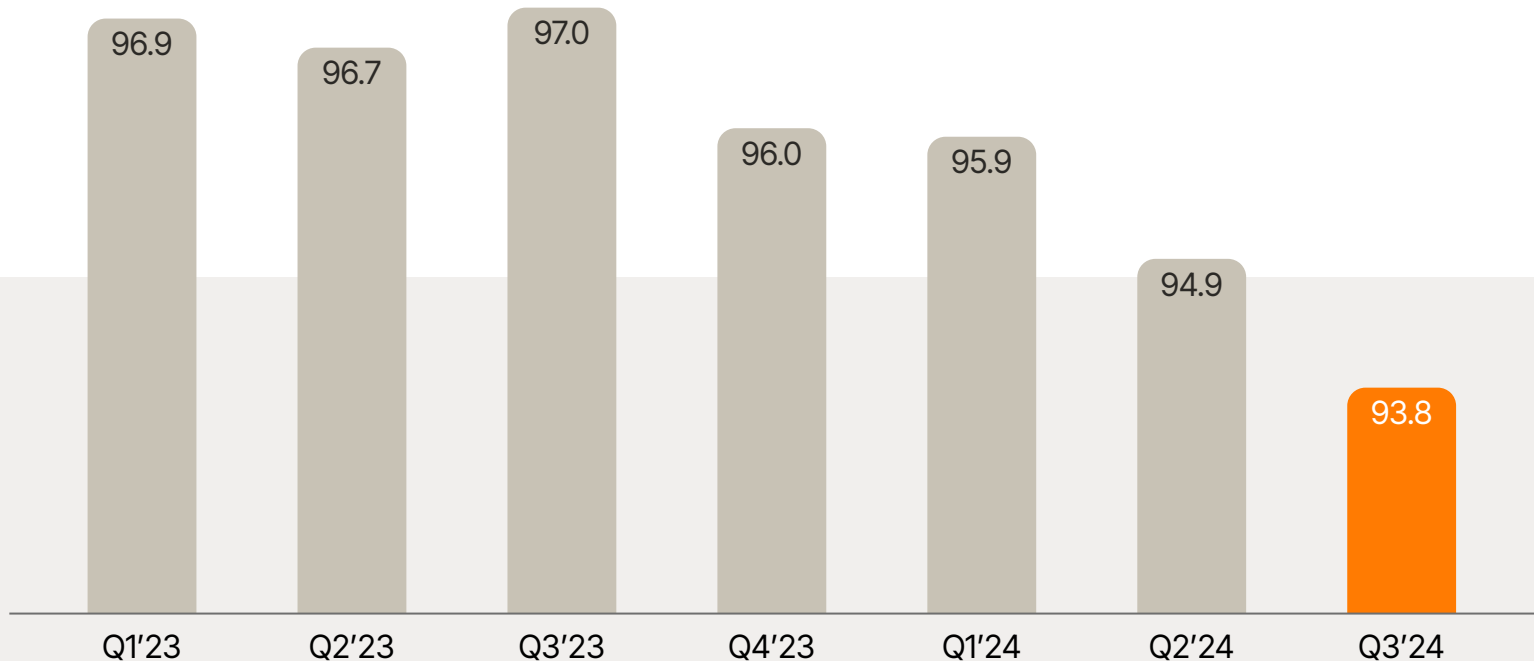
# Operating Profit (\$ and % of total revenue)

(\$ in millions)



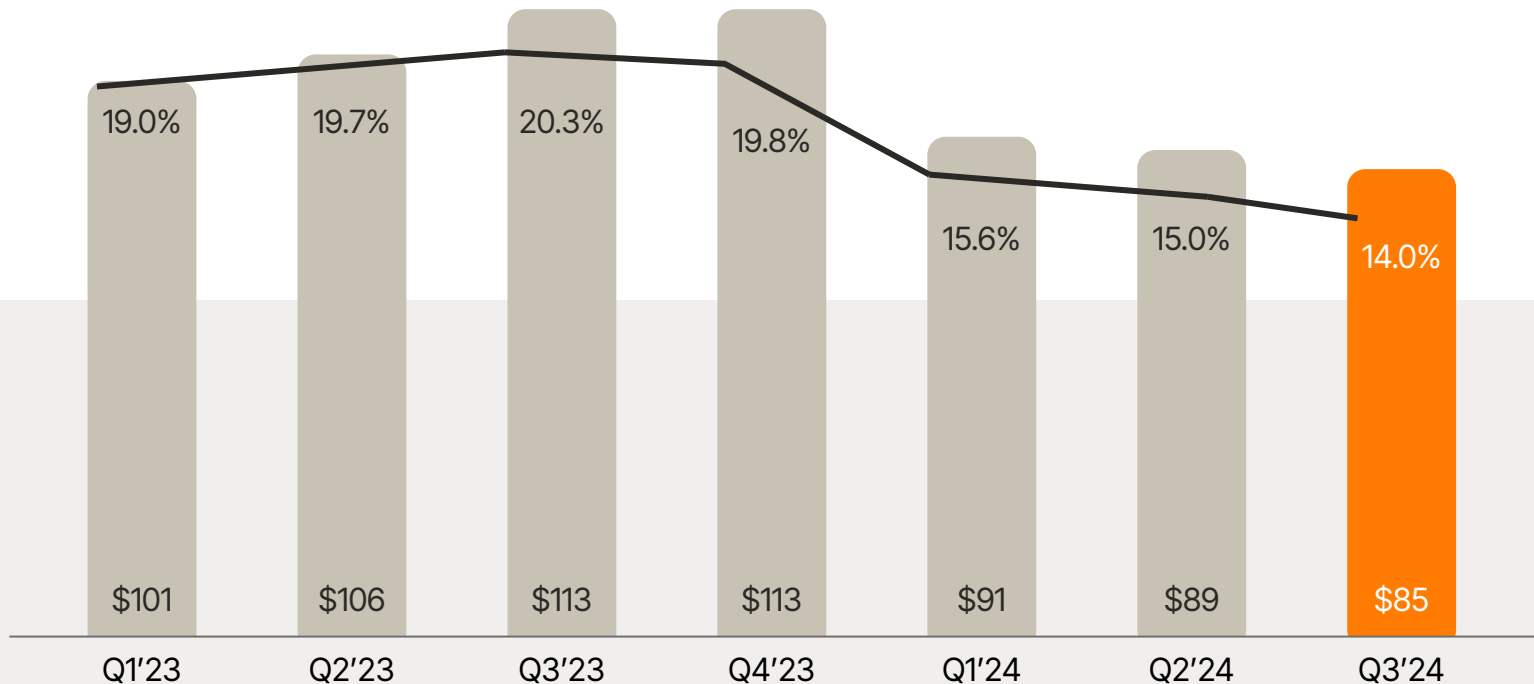
# Fully Diluted Share Count

(in millions)



# Stock Based Compensation (\$ and % of total revenue)

(\$ in millions)



# Q3 2024 Financial Highlights

		\$ Metric	Y/Y Growth
Revenue	Subscriptions Revenue	\$583.0M	10%
	Other Revenue	\$25.8M	(5%)
	Total Revenue	\$608.8M	9%
ARR	Total	\$2,480M	9%
	Customer ARR by Size <sup>1</sup>		
	<i>Mid-Market and Enterprise</i>	\$1,553M	10%
	<i>Enterprise</i>	\$1,073M	11%

1) Our reported results also include our annualized exit monthly recurring subscriptions, mid-market and enterprise annualized exit monthly recurring subscriptions, enterprise annualized exit monthly recurring subscriptions, and net monthly subscription dollar retention rate. We define our annualized exit monthly recurring subscriptions as our monthly recurring subscriptions multiplied by 12. Our monthly recurring subscriptions equal the monthly value of all customer recurring charges contracted at the end of a given month. We believe this metric is a leading indicator of our anticipated subscriptions revenue. We calculate mid-market and enterprise annualized exit monthly recurring subscriptions in the same manner as we calculate our annualized exit monthly recurring subscriptions, except that only customer subscriptions from customers generating \$25,000 or more in annual recurring revenue are included. We calculate enterprise annualized exit monthly recurring subscriptions in the same manner as we calculate our annualized exit monthly recurring subscriptions, except that only customer subscriptions from customers generating \$100,000 or more in annual recurring revenue are included. We define our net monthly subscription dollar retention rate as (i) one plus (ii) the quotient of dollar net change divided by average monthly recurring subscriptions. We calculate dollar net change as the quotient of (i) the difference of our monthly recurring subscriptions at the end of a period minus our monthly recurring subscriptions at the beginning of a period minus our monthly recurring subscriptions at the end of the period from new customers we added during the period, (ii) all divided by the number of months in the period. We define our average monthly recurring subscriptions as the average of the monthly recurring subscriptions at the beginning and end of the measurement period.

# Q3 2024 Results vs Guidance

	Q3 Guidance	Q3 Results
Subscriptions Revenue	\$572.0M to \$575.0M	\$583.0M
Subscriptions Revenue Growth Y/Y	8%	10%
Total Revenue	\$600.5M to \$603.5M	\$608.8M
Total Revenue Growth Y/Y	8%	9%
GAAP Operating Margin	(1.3%) to (0.7%)	0.5%
Non-GAAP Operating Margin	21.0%	21.0%
Non-GAAP EPS	\$0.92 to \$0.93	\$0.95

# Q4 2024 Guidance

	Q4 2024
Subscriptions Revenue	\$587.0M to \$589.0M
Subscriptions Revenue Growth Y/Y	7% to 8%
Total Revenue	\$611.0M to \$613.0M
Total Revenue Growth Y/Y	7%
GAAP Operating Margin	(0.1%) to 0.8%
Non-GAAP Operating Margin	21.2%
Non-GAAP Tax Rate	22.5%
Non-GAAP EPS	\$0.96 to \$0.97
Fully Diluted Share Count	92.5M to 93.0M
Stock-based compensation	\$85M to \$90M



# FY 2024 Guidance

	Current	Prior
Subscriptions Revenue	\$2,295M to \$2,297M	\$2,282M to \$2,288M
Subscriptions Revenue Growth Y/Y	9%	9%
Total Revenue	\$2,397M to \$2,399M	\$2,393M to \$2,399M
Total Revenue Growth Y/Y	9%	9%
GAAP Operating Margin	(0.7%) to (0.5%)	(1.3%) to (0.8%)
Non-GAAP Operating Margin	21.0%	21.0%
Non-GAAP Tax Rate	22.5%	22.5%
Non-GAAP EPS <sup>(1)</sup>	\$3.69	\$3.62 to \$3.67
Net cash provided by operating activities	\$485M to \$490M	\$480M to \$485M
Less: Capitalized expenditures	\$85M	\$85M
Free Cash Flow <sup>(2)</sup>	\$400M to \$405M	\$395M to \$400M

(1) Based on 94.5 million fully diluted shares vs. 96.0 to 95.0 million fully diluted shares previously.

(2) Includes capitalized expenditures of \$85 million, cash paid for interest of \$60 million and restructuring and other payments of \$27 million, as well as \$25 million of cash received from certain strategic partners..

(3) See appendix for reconciliation to GAAP measure.

# Appendix

# Debt Profile as of September 30, 2024

<b>Debt Instrument</b>	<b>Maturity Date</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
2025 Convertible Notes	March 1, 2025	\$ 161,326	\$ 161,326
2026 Convertible Notes	March 15, 2026	609,065	609,065
Term Loan under Credit Agreement <sup>(1)</sup>	February 14, 2028	375,000	390,000
Revolving Credit Facility under Credit Agreement <sup>(2)</sup>	February 14, 2028	--	--
2030 Senior Notes	August 15, 2030	400,000	400,000
Total principal amount		\$ 1,545,391	\$ 1,560,391
Less: unamortized debt discount and issuance costs		(12,191)	(14,909)
Net carrying amount of debt		\$ 1,533,200	\$ 1,545,482

(1) The Company has \$350.0 million available for drawdown under the Term Loan as of September 30, 2024.

(2) The Company has \$225.0 million available for borrowing under the Revolving Credit Facility as of September 30, 2024.

# Net debt to adjusted EBITDA

(\$millions)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Adj. EBITDA	\$65.5	\$72.7	\$87.0	\$92.7	\$112.3	\$125.0	\$127.8	\$138.0	\$142.8	\$145.8	\$149.0
<i>LTM Adj. EBITDA</i>				317.9	364.7	416.9	457.8	503.1	533.6	554.4	575.7
Total Debt				1,638.4	1,639.5	1,578.8	1,801.3	1,545.5	1,541.4	1,537.3	1533.2
Total Cash				270.0	274.8	225.4	432.4	222.2	203.1	199.3	212.7
Net Debt				1,368.4	1,364.7	1,353.4	1,368.9	1,323.3	1,338.3	1,338.0	1,320.5
Net Debt to Adj. EBITDA				4.3x	3.7x	3.2x	3.0x	2.6x	2.5x	2.4x	2.3x

**RINGCENTRAL, INC.**  
**RECONCILIATION OF OPERATING INCOME (LOSS)**  
**GAAP MEASURES TO NON-GAAP MEASURES**  
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenues</b>				
Subscriptions	\$ 582,970	\$ 531,030	\$ 1,707,515	\$ 1,552,956
Other	25,795	27,134	78,368	78,202
Total revenues	<u>\$ 608,765</u>	<u>\$ 558,164</u>	<u>\$ 1,785,883</u>	<u>\$ 1,631,158</u>
<b>Cost of revenues reconciliation</b>				
GAAP Subscriptions cost of revenues	\$ 150,864	\$ 141,172	\$ 442,621	\$ 413,664
Share-based compensation	(5,536)	(7,392)	(18,028)	(21,096)
Amortization of acquired intangibles	(31,376)	(37,045)	(99,228)	(110,324)
Third-party relocation and other costs	—	(93)	(49)	(105)
Restructuring costs	(313)	—	(572)	(637)
Non-GAAP Subscriptions cost of revenues	<u>\$ 113,639</u>	<u>\$ 96,642</u>	<u>\$ 324,744</u>	<u>\$ 281,502</u>
GAAP Other cost of revenues	\$ 29,320	\$ 27,802	\$ 84,712	\$ 80,403
Share-based compensation	(1,919)	(2,380)	(5,995)	(6,892)
Amortization of acquired intangibles	(21)	(22)	(65)	(66)
Restructuring costs	(400)	(6)	(748)	(58)
Non-GAAP Other cost of revenues	<u>\$ 26,980</u>	<u>\$ 25,394</u>	<u>\$ 77,904</u>	<u>\$ 73,387</u>
<b>Gross profit and gross margin reconciliation</b>				
Non-GAAP Subscriptions	80.5 %	81.8 %	81.0 %	81.9 %
Non-GAAP Other	(4.6)%	6.4 %	0.6 %	6.2 %
Non-GAAP Gross profit	76.9 %	78.1 %	77.5 %	78.2 %
<b>Operating expenses reconciliation</b>				
GAAP Research and development	\$ 84,144	\$ 85,444	\$ 244,422	\$ 250,965
Share-based compensation	(20,033)	(24,576)	(59,644)	(71,804)
Third-party relocation and other costs	(732)	(3,401)	(2,277)	(4,964)
Restructuring costs	(1,056)	(1,794)	(2,829)	(4,281)
Non-GAAP Research and development	<u>\$ 62,323</u>	<u>\$ 55,673</u>	<u>\$ 179,672</u>	<u>\$ 169,916</u>
As a % of total revenues non-GAAP	10.2 %	10.0 %	10.1 %	10.4 %
GAAP Sales and marketing	\$ 276,976	\$ 270,767	\$ 819,193	\$ 795,422
Share-based compensation	(35,528)	(38,287)	(104,028)	(117,063)
Amortization of acquired intangibles	(2,055)	(1,134)	(3,798)	(2,529)
Third-party relocation and other costs	—	(86)	(332)	(101)
Restructuring costs	(2,028)	(1,124)	(4,639)	(5,093)
Non-GAAP Sales and marketing	<u>\$ 237,365</u>	<u>\$ 230,136</u>	<u>\$ 706,396</u>	<u>\$ 670,636</u>
As a % of total revenues non-GAAP	39.0 %	41.2 %	39.6 %	41.1 %
GAAP General and administrative	\$ 64,170	\$ 87,154	\$ 207,902	\$ 244,472
Share-based compensation	(22,092)	(40,456)	(77,374)	(103,858)
Third-party relocation and other costs	(463)	(1,689)	(4,691)	(5,317)
Restructuring costs	(1,049)	(1,520)	(1,838)	(2,856)
Non-GAAP General and administrative	<u>\$ 40,566</u>	<u>\$ 43,489</u>	<u>\$ 123,999</u>	<u>\$ 132,441</u>
As a % of total revenues non-GAAP	6.7 %	7.8 %	6.9 %	8.1 %

**RINGCENTRAL, INC.**  
**RECONCILIATION OF OPERATING INCOME (LOSS)**  
**GAAP MEASURES TO NON-GAAP MEASURES**  
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Income (loss) from operations reconciliation</b>				
GAAP income (loss) from operations	\$ 3,291	\$ (54,175)	\$ (12,967)	\$ (153,768)
Share-based compensation	85,108	113,091	265,069	320,713
Amortization of acquired intangibles	33,452	38,201	103,091	112,919
Third-party relocation and other costs, net	1,195	5,269	7,349	10,487
Restructuring costs	4,846	4,444	10,626	12,925
Non-GAAP Income from operations	<u>\$ 127,892</u>	<u>\$ 106,830</u>	<u>\$ 373,168</u>	<u>\$ 303,276</u>
Non-GAAP Operating margin	21.0 %	19.1 %	20.9 %	18.6 %
Depreciation and amortization	<u>\$ 21,131</u>	<u>\$ 20,966</u>	<u>\$ 64,466</u>	<u>\$ 61,804</u>
Non-GAAP Adjusted EBITDA	<u>\$ 149,023</u>	<u>\$ 127,796</u>	<u>\$ 437,634</u>	<u>\$ 365,080</u>
As a % of total revenues non-GAAP	24.5 %	22.9 %	24.5 %	22.4 %

**RINGCENTRAL, INC.**  
**RECONCILIATION OF NET INCOME (LOSS)**  
**GAAP MEASURES TO NON-GAAP MEASURES**  
(In thousands, except per share data) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net income (loss) reconciliation</b>				
GAAP net loss	\$ (7,853)	\$ (42,116)	\$ (51,100)	\$ (117,997)
Share-based compensation	85,108	113,091	265,069	320,713
Amortization of acquired intangibles	33,452	38,201	103,091	112,919
Third-party relocation and other costs, net	1,158	(1,731)	(349)	(22)
Restructuring costs	4,846	4,444	10,626	12,925
Amortization of debt discount and issuance costs	1,098	1,067	3,112	3,465
Loss associated with investments	—	99	458	1,745
Gain on early extinguishment of debt	—	(11,784)	—	(42,891)
Intercompany remeasurement loss (gain)	1,116	669	820	(1,217)
Income tax expense effects	(29,995)	(25,866)	(72,868)	(60,319)
Non-GAAP net income	\$ 88,930	\$ 76,074	\$ 258,859	\$ 229,321
<b>Reconciliation between GAAP and non-GAAP weighted average shares used in computing basic and diluted net income (loss) per common share:</b>				
Weighted average number of shares used in computing basic net loss per share	91,892	94,593	92,590	95,213
Effect of dilutive securities	1,952	2,362	2,308	1,622
Non-GAAP weighted average shares used in computing non-GAAP diluted net income per share	93,844	96,955	94,898	96,835
<b>Diluted net income (loss) per share</b>				
GAAP net loss per share	\$ (0.09)	\$ (0.45)	\$ (0.55)	\$ (1.24)
Non-GAAP net income per share	\$ 0.95	\$ 0.78	\$ 2.73	\$ 2.37

**RINGCENTRAL, INC.**  
**RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES**  
**GAAP MEASURES TO NON-GAAP FREE CASH FLOW MEASURES**  
**(Unaudited, in thousands)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 127,219	\$ 86,594	\$ 350,394	\$ 285,818
Capitalized expenditures	(21,774)	(16,632)	(59,475)	(55,756)
Non-GAAP free cash flow	<u>\$ 105,445</u>	<u>\$ 69,962</u>	<u>\$ 290,919</u>	<u>\$ 230,062</u>
Non-GAAP free cash flow margin	17.3 %	12.5 %	16.3 %	14.1 %



**RINGCENTRAL, INC.**  
**RECONCILIATION OF FORECASTED OPERATING MARGIN AND FREE CASH FLOW**  
**GAAP MEASURES TO NON-GAAP MEASURES**  
(Unaudited, in millions)

	Q4 2024		FY 2024	
	Low Range	High Range	Low Range	High Range
GAAP revenues	611.0	613.0	2,396.9	2,398.9
GAAP loss from operations	(0.5)	5.0	(17.0)	(11.6)
GAAP operating margin	(0.1%)	0.8%	(0.7%)	(0.5%)
Share-based compensation	90.0	85.0	355.0	350.0
Amortization of acquired intangibles	35.0	35.0	137.8	137.8
Third-party relocation and other costs, net	—	—	10.8	10.8
Restructuring costs	5.0	5.0	16.0	16.0
Non-GAAP income from operations	129.5	130.0	502.6	503.0
Non-GAAP operating margin	21.2 %	21.2 %	21.0 %	21.0 %

	FY 2024	
	Low Range	High Range
GAAP net cash provided by operating activities	\$ 485.0	\$ 490.0
Capitalized expenditures	(85.0)	(85.0)
Non-GAAP free cash flow	\$ 400.0	\$ 405.0