RingCentral

Corporate Overview and Q3’24 Financial Results

November 07, 2024

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RingCentral

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.

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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

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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.

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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

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Our Product Portfolio

RingEX

Business Phone System

SMS, Fax

Push to Talk

Team Messaging

AI Assistant

RingCX

Omnichannel

IVA

AI-Assist

WEM, QM

Conversational Intelligence



AI meets trusted communications

Global | Open Platform | AI | Analytics

RingSense

Conversation Intelligence

AI Coaching

CRM automation

AI call scoring

Events & Video

Events

Webinars

Video Meetings

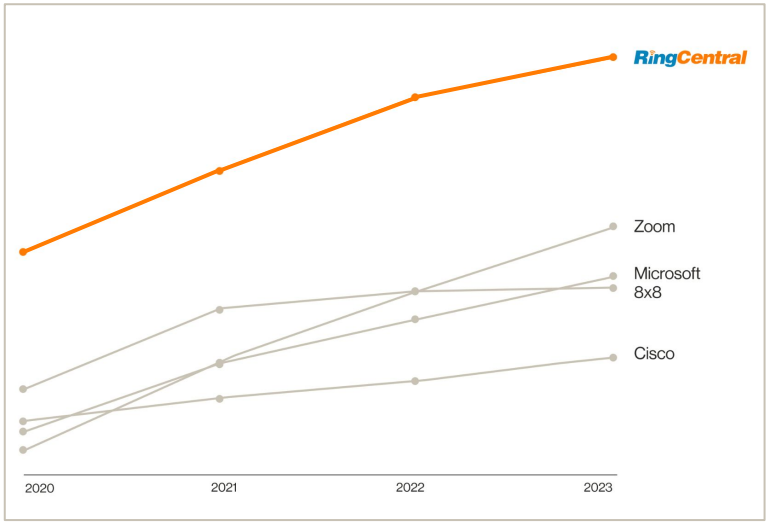
Rooms

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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



8 Source: Synergy Research Group
UC Market Tracker, September 2024

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Operating at Scale

#1 in UCaaS
Market Share[1]

46
Countries where RingEX is available

~7K
Full time employees[2]

$2.48B
Q3'24 Annualized Recurring Revenue

$250M+
Committed to Innovation[3]

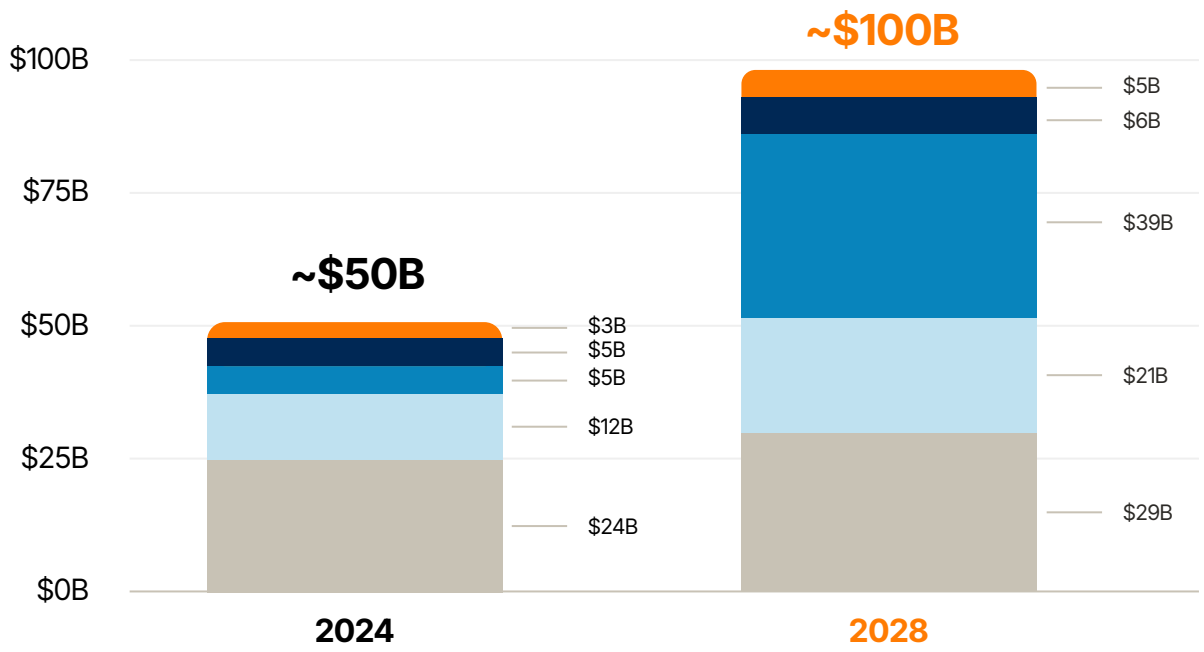
$400M+
Annual Free Cash Flow[4]

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.

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RingCentral's Market Opportunity is Large



Source: UCaaS and Video Conf. - Gartner Forecast Analysis: Unified Communications, Worldwide, 3Q24 Update; CCaaS & CC Conversational AI and Virtual Assistant - Gartner Forecast Analysis: Contact Center, Worldwide, 22 May 2024; Virtual Event Applications - IDC Virtual Events Forecast 2022-2026, Revenue Intelligence, IDC Worldwide Sales Force Productivity and Performance Software Forecast, 2024–2028, July 2024

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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

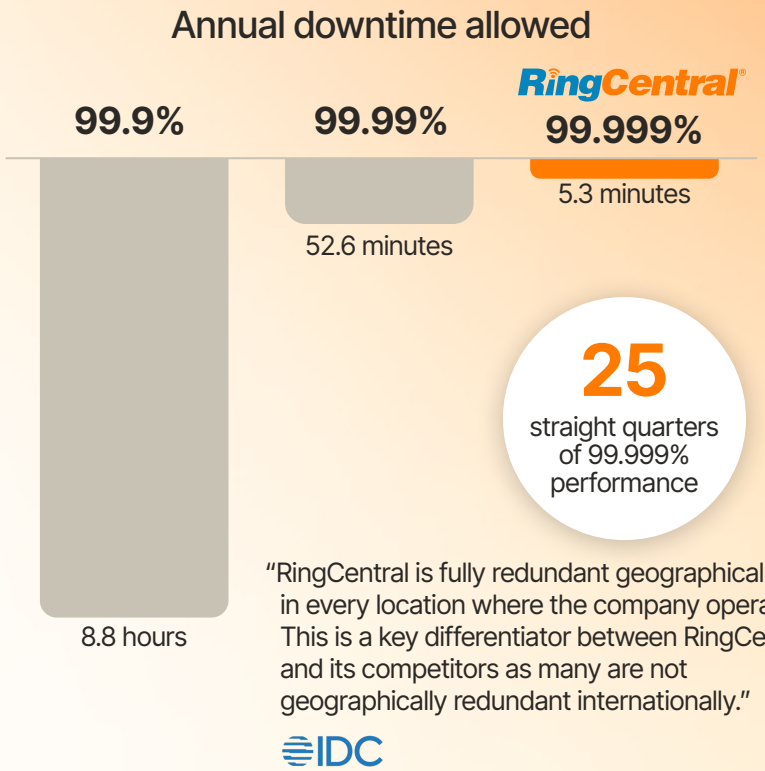
Partnerships

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

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Commitment to Trust

100x Better Reliability vs Three Nines



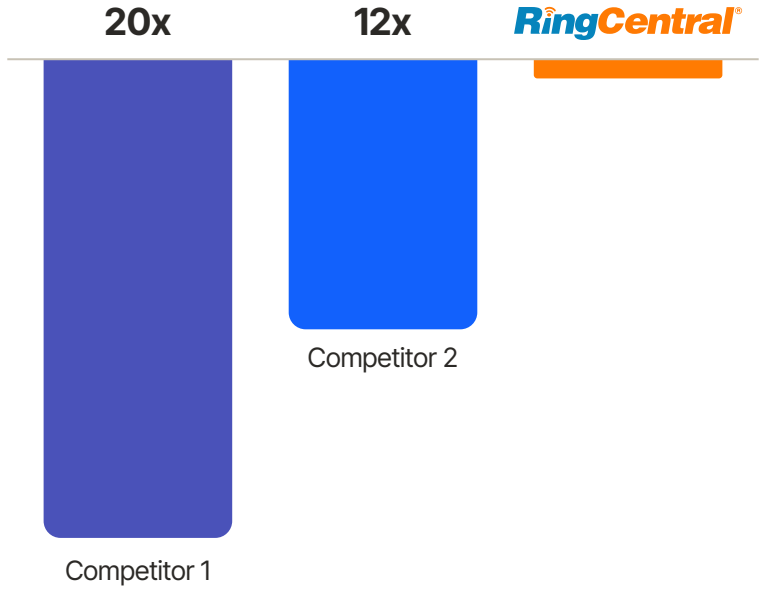
25
straight quarters of 99.999% performance

"RingCentral is fully redundant geographically in every location where the company operates. This is a key differentiator between RingCentral and its competitors as many are not geographically redundant internationally."

IDC

RingCentral Offering Unmatched Reliability

Relative Incidents Reported Nov 2020 - August 2024



Source: www.downdetector.com

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Robust Security and Compliance



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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

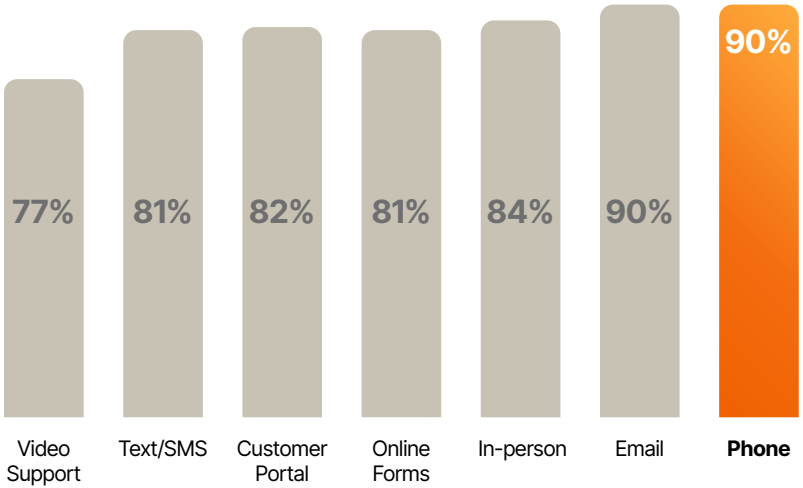
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Solidifying Our UCaaS Leadership and Infusing AI Across the Portfolio

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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

 Source: Salesforce State of Service Report, 6th Edition (2024)

IDC's Cloud Communications and Datacenter Services Survey, November 2023

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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	✓	✗

 Reflects comparison of RingEX Advanced, MS Teams Enterprise with Calling Plan. Based on third party information and RingCentral analysis as of October 2024.

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RingCentral for MS Teams

customer feedback

DAVEY

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

UKG

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

JBT

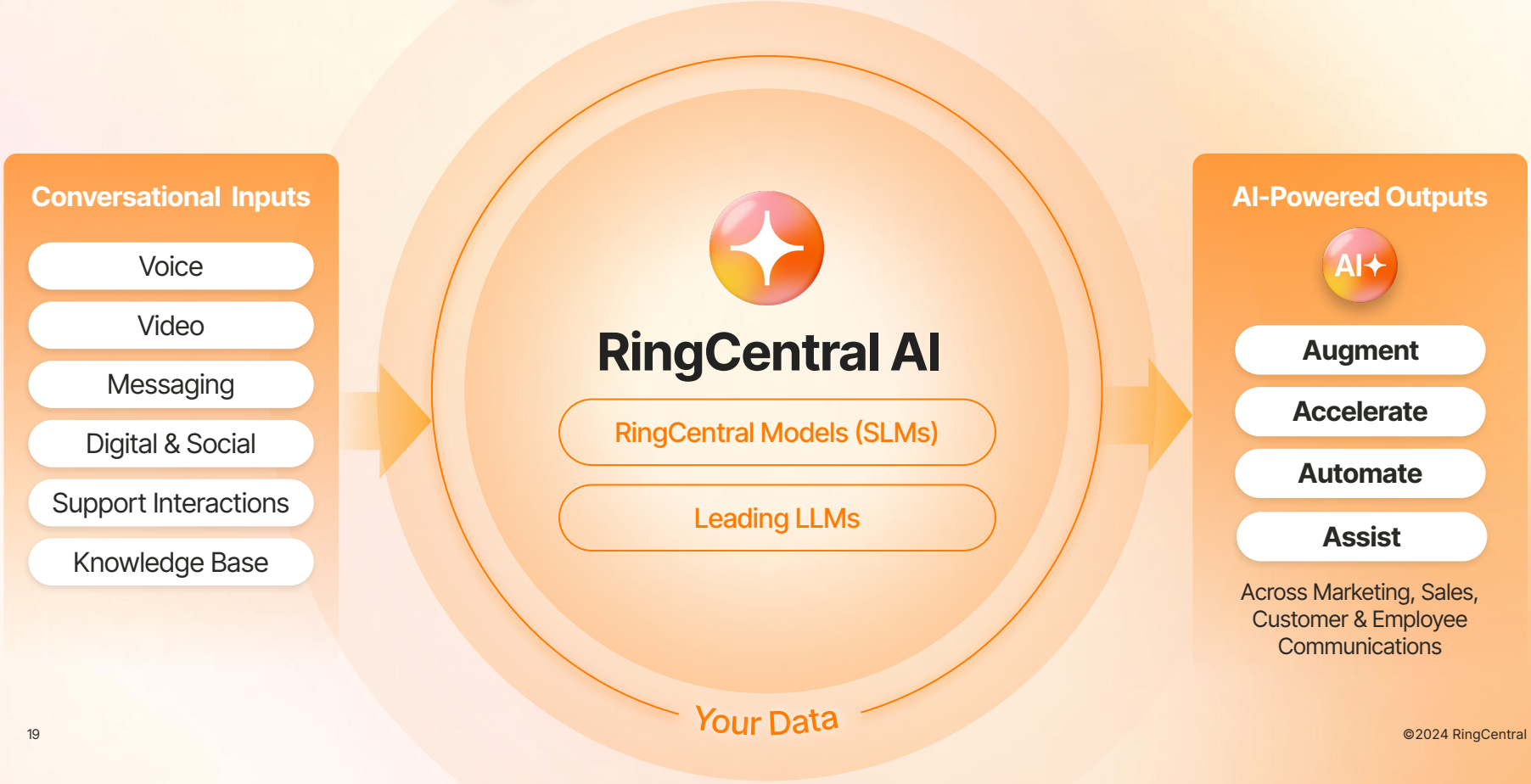
"RingCentral's native integration into Teams is seamless. It's providing us with a hassle-free experience and empowering our team to focus on what matters most."

INTERPARFUMS

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

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Infusing AI Across Our Portfolio



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Monetizing AI Across Our Portfolio

	Product	Key capabilities	Pricing
EX	RingCentral AI Assistant	Call transcription, call notes, and AI writer for text & chat	Included
EX	RingSense for EX	Conversational insights, coaching, and call-scoring	$
CX	RingCentral Agent Assist	AI Real-time contextual agent suggestions and supervisor guidance	$
CX	RingSense for CX	AI Quality Management, agent coaching and scoring	$
CX	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

©2024 RingCentral

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."

DETROIT PISTONS

"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."

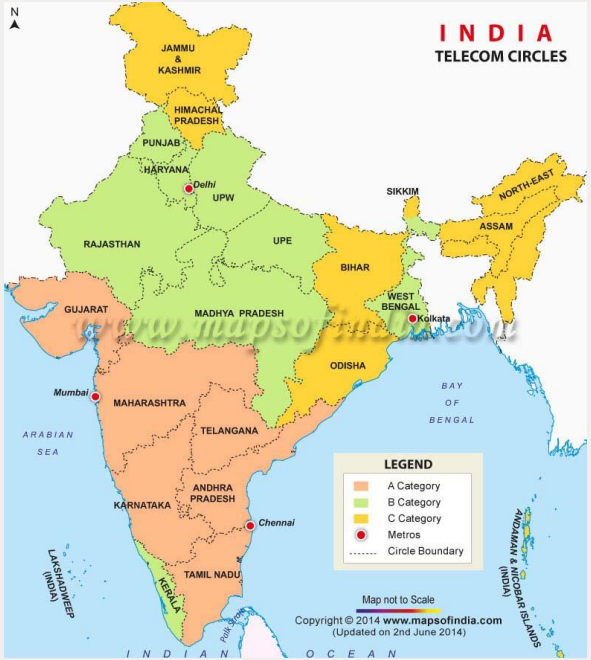
ENVISION RADIOLOGY

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

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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

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Expand TAM with AI-Powered New Products

RingCX

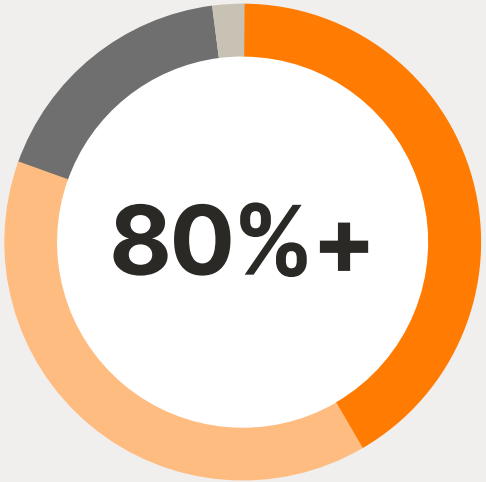
RingSense

RingCentral Events

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"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

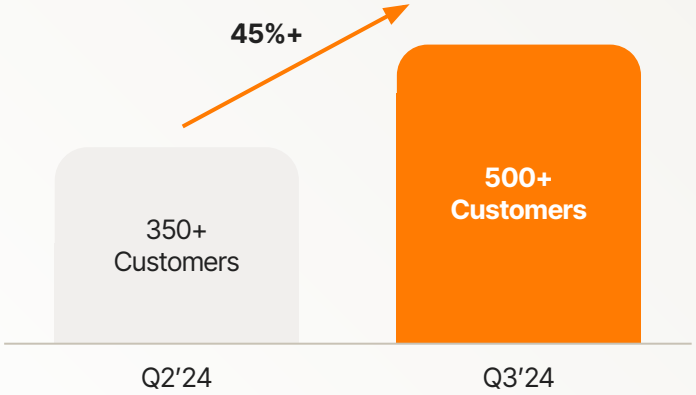
Time savings of 25%

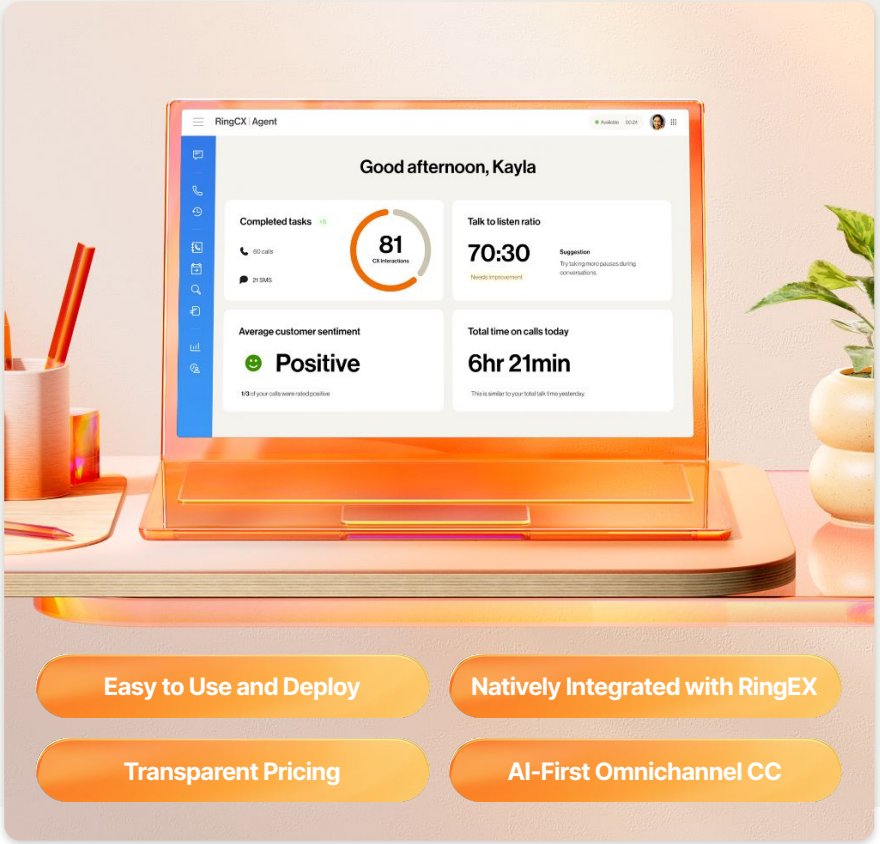
for contact center supervisors on monthly agent performance auditing processes

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

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Strong Early RingCX Traction





LOGICAL TECHNOLOGY SOLUTIONS · TAYLORED LEGACY · MIDLAND · DETROIT PISTONS · Imperial Bag & Paper · THEOFFICEGURUS CALL CENTER SOLUTIONS · Embers CREDIT UNION · RingCentral · NHS Black Country Healthcare NHS Foundation Trust · MedCare

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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."

THEOFFICEGURUS CALL CENTER SOLUTIONS

"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."

ACQ HOLDINGS, LLC.

"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.**"

brightfin

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

AUTOPAY

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New Strategic Partnership

RingCX

- Intelligent Omnichannel
- Native Conversation Intelligence
- AI Quality Management
- UC+CC

+

VERINT®

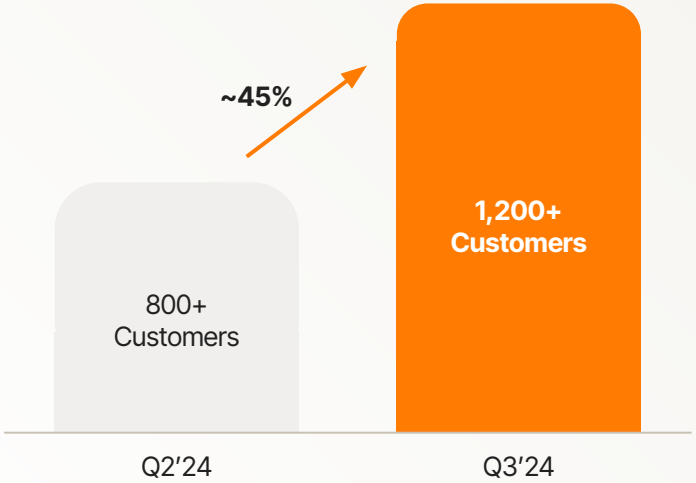
- Workforce Engagement Management (WEM)
- CX Automation
- Intelligent Virtual Agents
- Knowledge Management

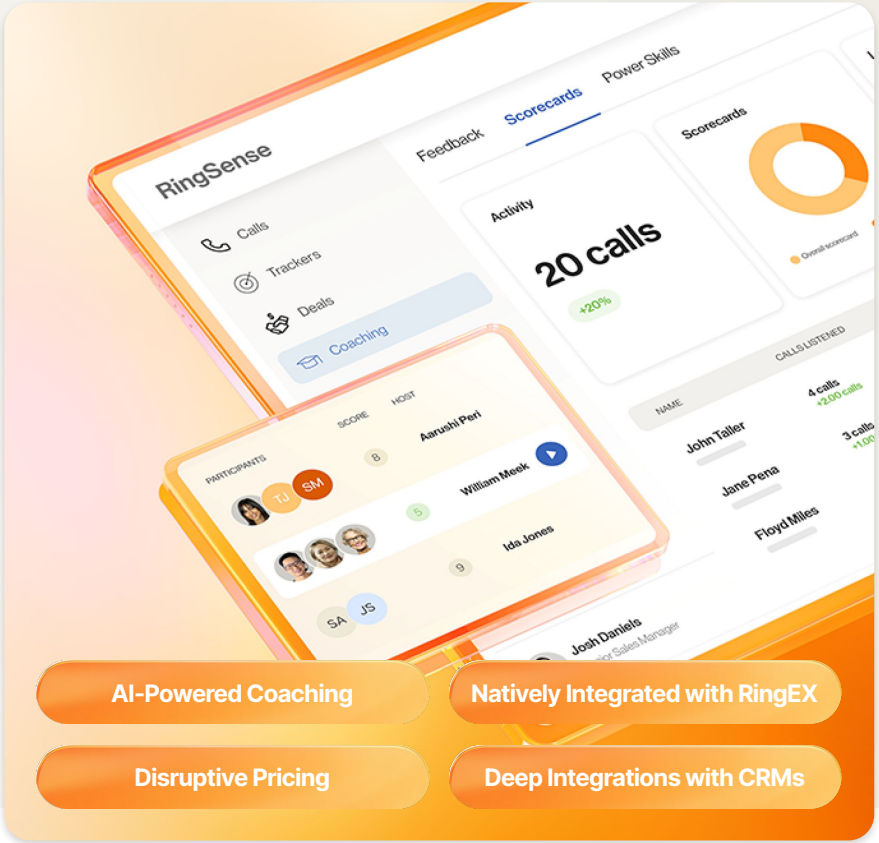
Enhance **employee productivity** and improve **customer experiences** for **Larger Enterprises**

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RingSense

Customer Growth Up Solidly



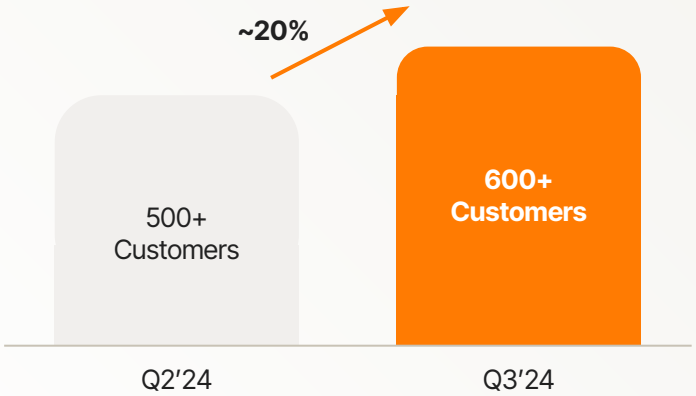


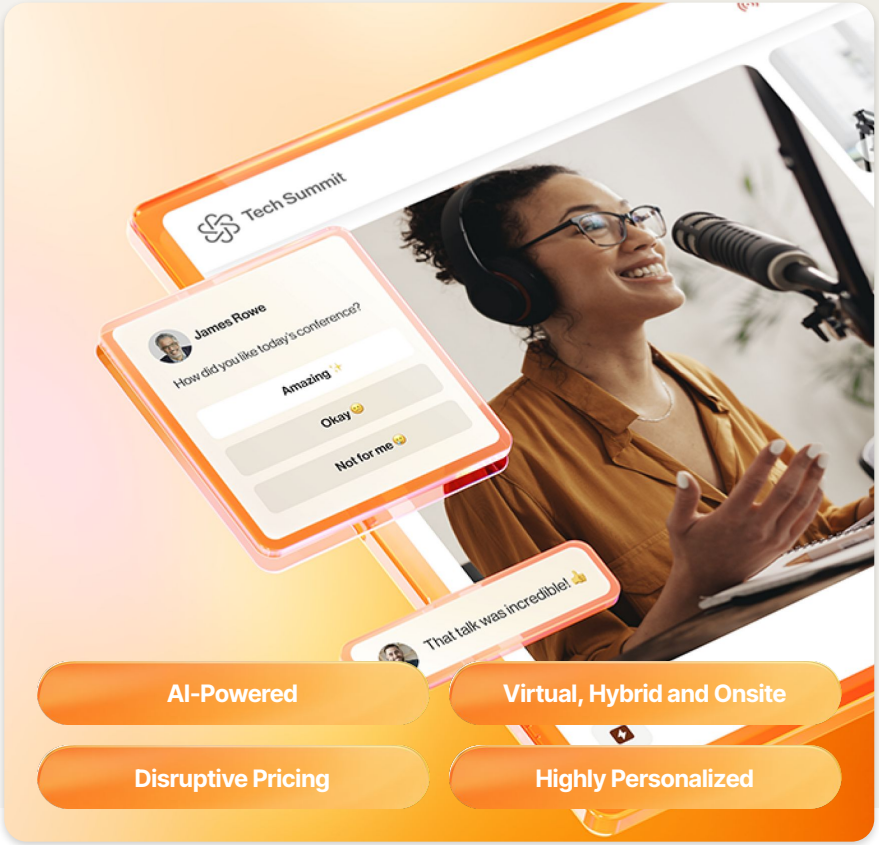
DMB FINANCIAL · AMSDELL COMPANIES · VALLEY PATIENT CARE · American Veterinary Group · medicus healthcare solutions · UKG · Liberty LENDING GROUP · PRIDEGLOBAL · Health Rhythms · PROSPER INSURANCE

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RingCentral Events

Growth Led by Marquee Customers





BDO HARVARD OFFICE FOR EQUITY, DIVERSITY, INCLUSION & BELONGING TELUS NYU Adobe Trimble HubSpot Lattice Square

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

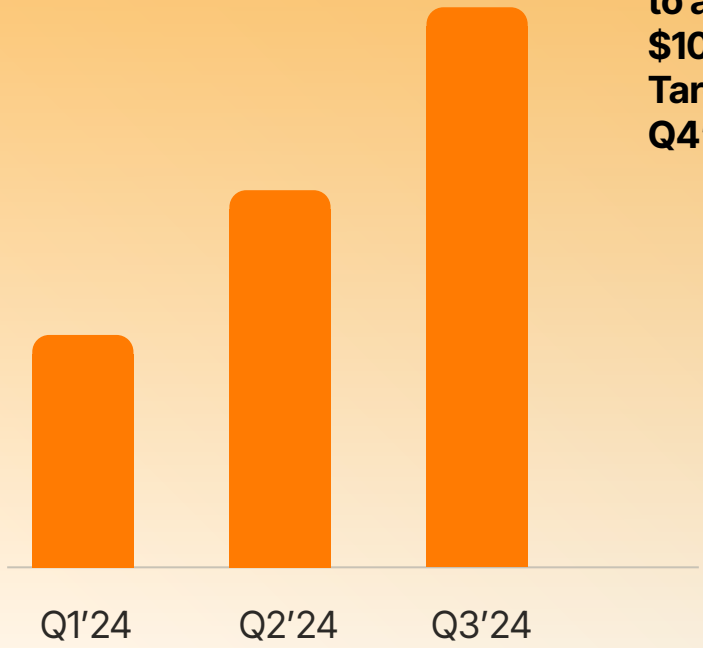
Multi-product portfolio benefits:

- 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

On track to achieve $100M+ Target by Q4'25



For illustration purposes only, not to scale

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Select Land & Expand Case Studies

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A Leading Hotel & Vacation Brand

Enterprise customer expanding with both UCaaS and CCaaS



FY'21
Initial Land with UCaaS

~3.5x Initial ARR

FY'22
Added CCaaS

~4x Initial ARR

FY'23
Added UCaaS seats

~5x Initial ARR

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

5X ARR

UCaas | CCaaS | Global | Open Platform | AI | Analytics

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Fortune 500 Transportation & Logistics Company

Enterprise customer expanding with both UCaaS and CCaaS



FY'20
Initial Land with UCaaS

FY'22
~10x Initial Land
Added CCaaS

FY'23
~15x Initial Land
Added UCaaS & CCaaS seats

FY'24
~17x Initial Land
Added UCaaS and CCaaS seats

17X ARR

UCaas | CCaaS | Digital Channels | AI | Analytics

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Global Retailer

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



FY'23

UCaaS
Phone, Messaging, Video
Business Analytics
Advanced Support

~1.4x
Initial
Land

FY'24

Expansion of UCaaS seats
Added SIP Trunk into
Contact Center

1.4X ARR

UCaas | Global | Open Platform | AI | Analytics

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Nurturing and Growing Our Large Partner Network

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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

Resold by Many Top Service Providers

Now Selling RingEX

AT&T Partnership Extended in Q3

brightspeed

BT

Charter Communications

T-Mobile

Horizon Telecom

Frontier

MGM Business Telecom

1&1 versatel

TELUS

AVAYA

OPTUS

Now Selling RingEX & RingCX

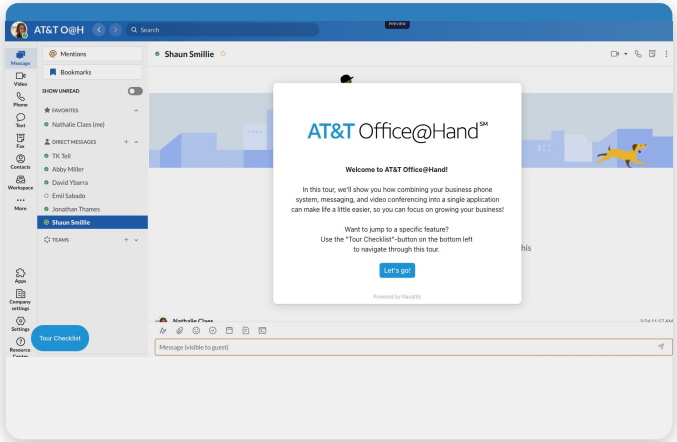
COX

vodafone business

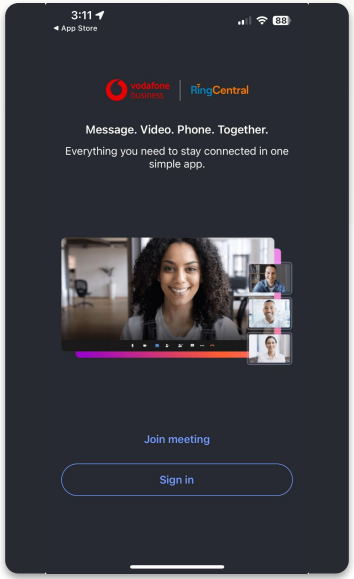
Zayo

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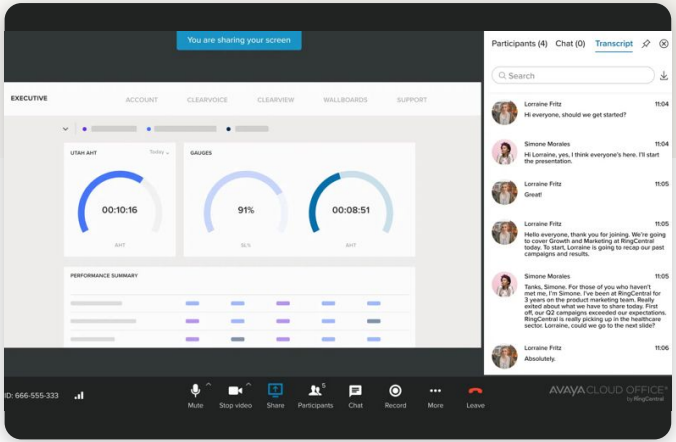
Powered by RingCentral



Office@Hand - powered by RingCentral



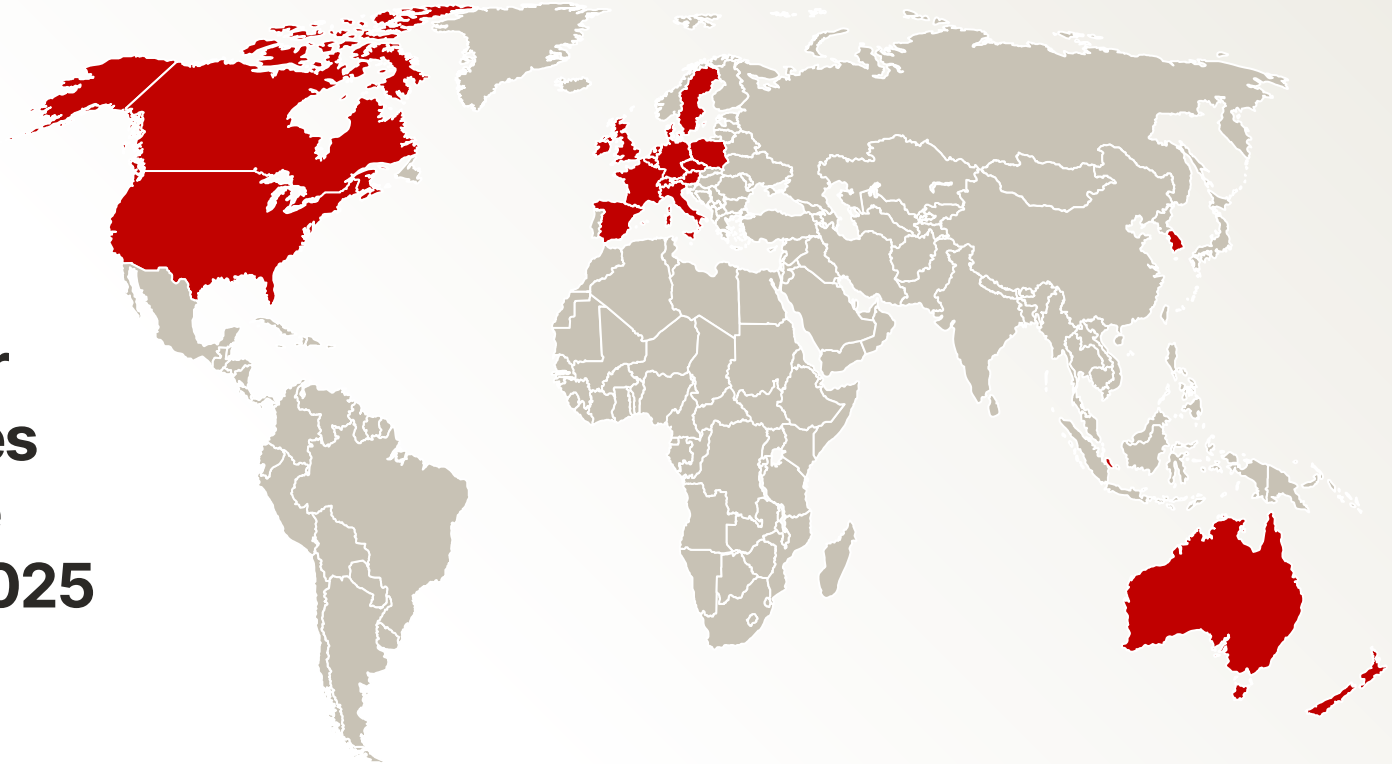
Vodafone Business UC with RingCentral



Avaya Cloud Office by RingCentral

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Access to over 30 geographies with Vodafone Business by 2025



Select Wins

IKEA

SMYTHS TOYS SUPERSTORES

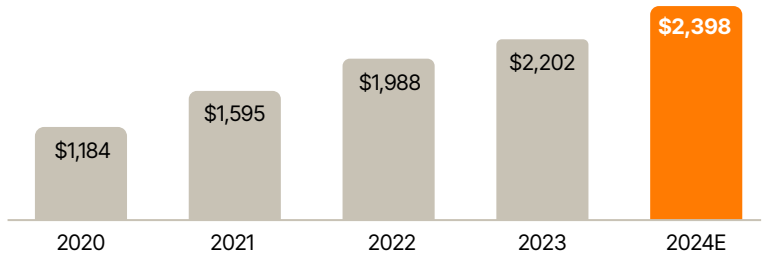
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Executing on Our Strategic Priorities Drives a Strong Financial Profile

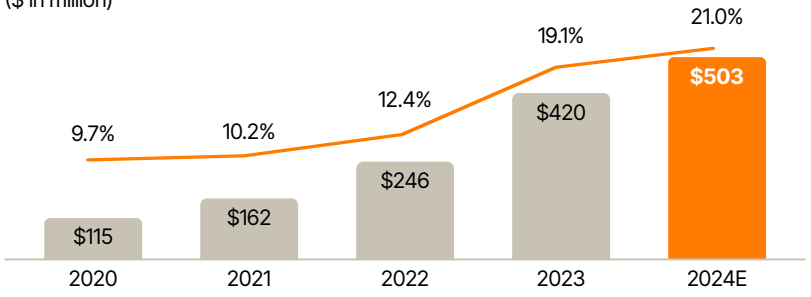
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Healthy Growth and Improving Profitability...

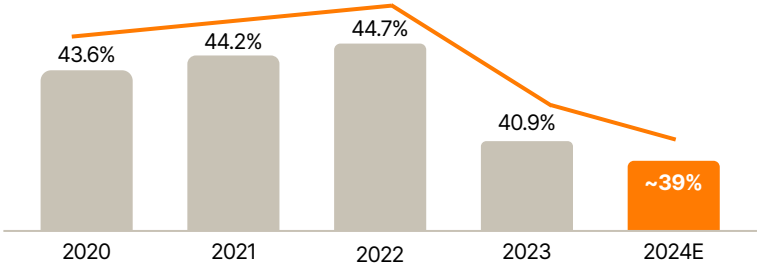
Total Revenue
($ in million)



Operating Profit ($ and % total rev)
($ in million)



Sales and Marketing Expense ($ and % total rev)
($ in million)



Continued operating income improvement driven by:

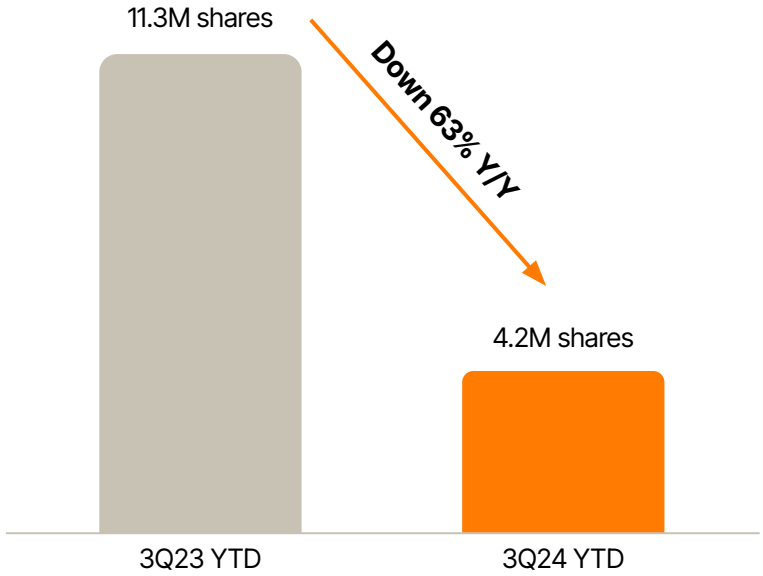
- ✓ Operating leverage
- ✓ Continued expense discipline
- ✓ Greater S&M efficiency
- ✓ Leveraging AI and automation to drive productivity

(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.

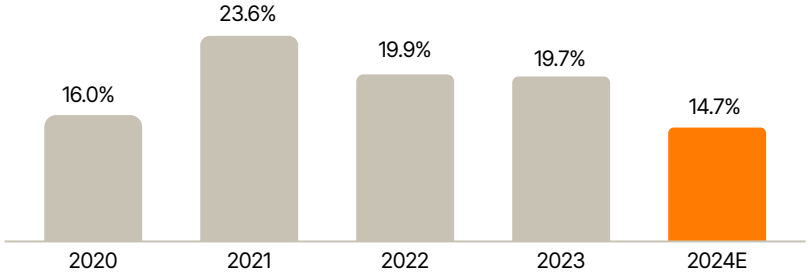
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...While Reducing SBC & Share Count...

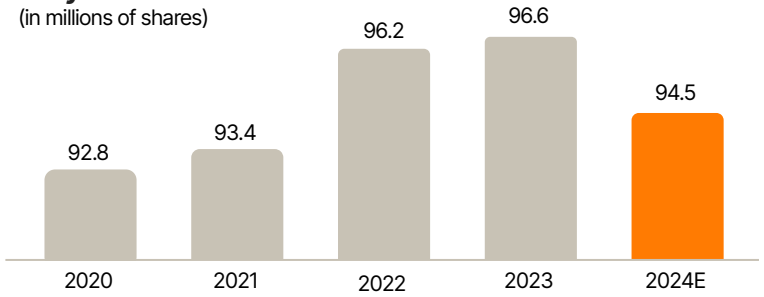
Net Shares Granted
(in millions of shares)



Stock Based Compensation
(% of total revenue)



Fully Diluted Share Count
(in millions of shares)



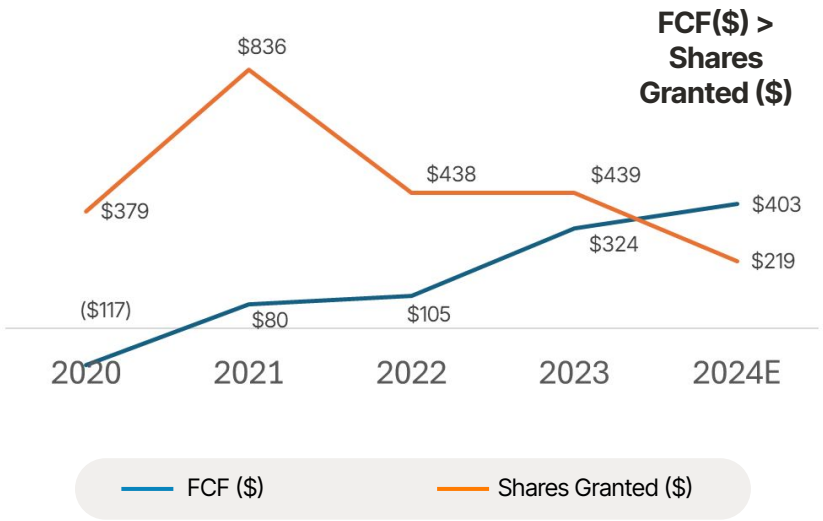
2024E represents midpoint of guidance for stock-based compensation (SBC) as % of total revenue and fully diluted share count, as of November 7, 2024.
Net Shares Granted represents actual as of September 30, 2024. Note grant refresh cycle takes place in 1H24.

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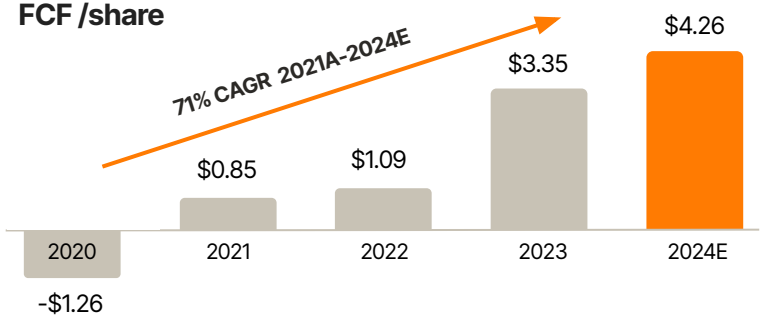
… Resulting in Expanding FCF Per Share

FCF vs. Shares Granted ($)[1]

($ in million)

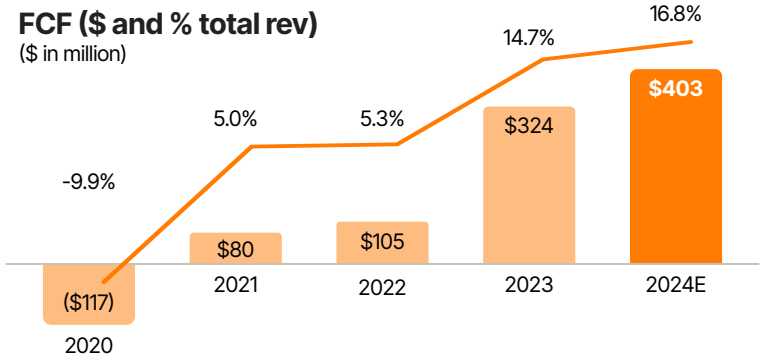


FCF /share



FCF ($ and % total rev)

($ in million)

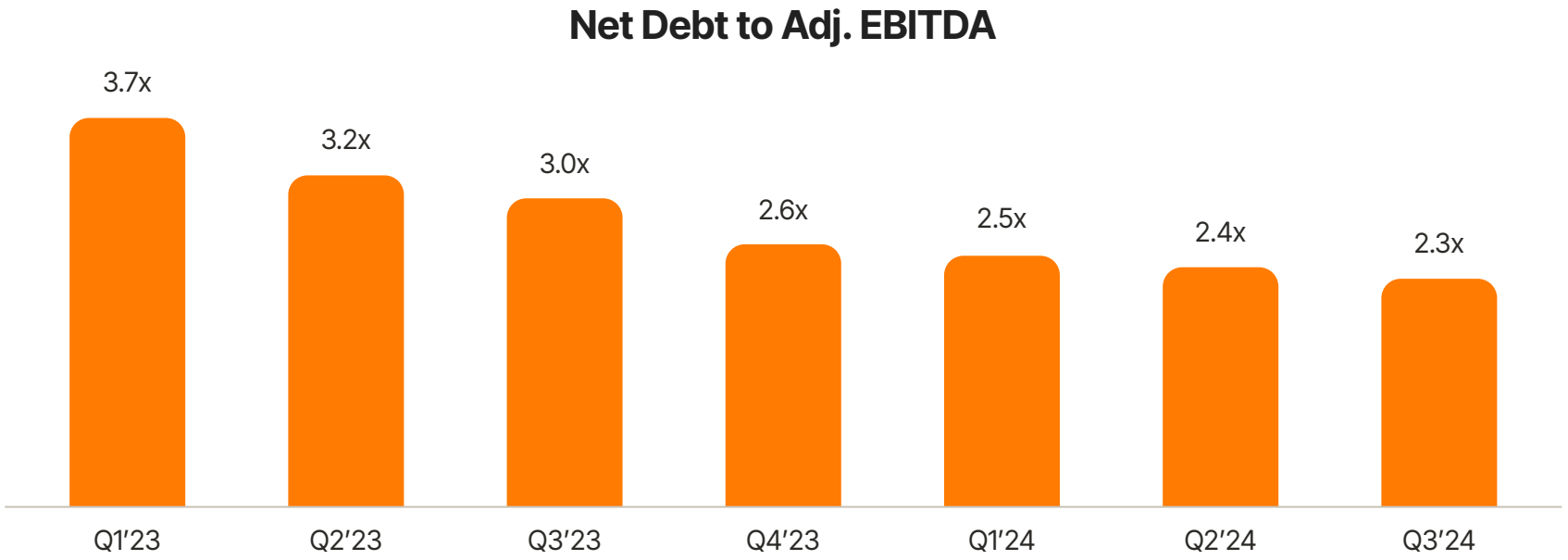


(1) 2024E represents midpoint of guidance for FCF ($) and fully diluted share count as of November 7, 2024. Shares Granted ($) represents YTD actual as of September 30, 2024, calculated as Number of RSU/PSUs granted multiplied by the Weighted Average Grant Date Fair Value Per Share. Note grant refresh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

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Strong Balance Sheet[(1)]

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

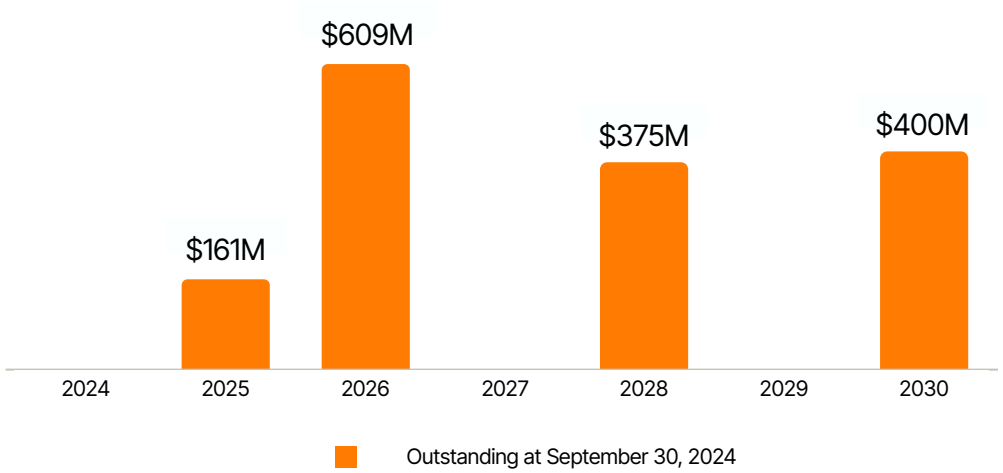


See Appendix for calculation.

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Near-term Maturities Addressed with Cash + Existing Liquidity[(1)]

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)

(1) Amounts reflect outstanding balances of the 2025 Convertible Notes, 2026 Convertible Notes, Term Loan under Credit Agreement, and 2030 Senior Notes at September 30, 2024. See Forms 10K and 10Q for additional detail.

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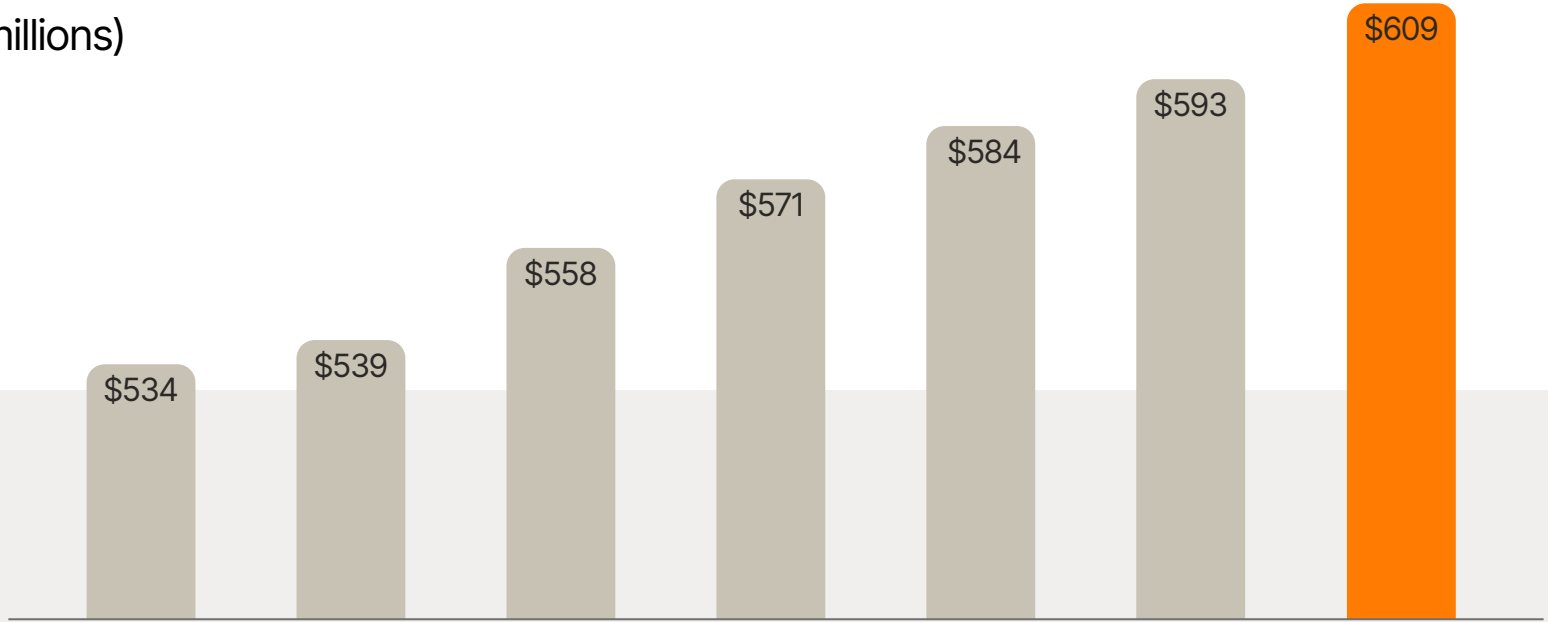
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Q3’24 Financial Highlights

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Total Revenue

($ in millions)

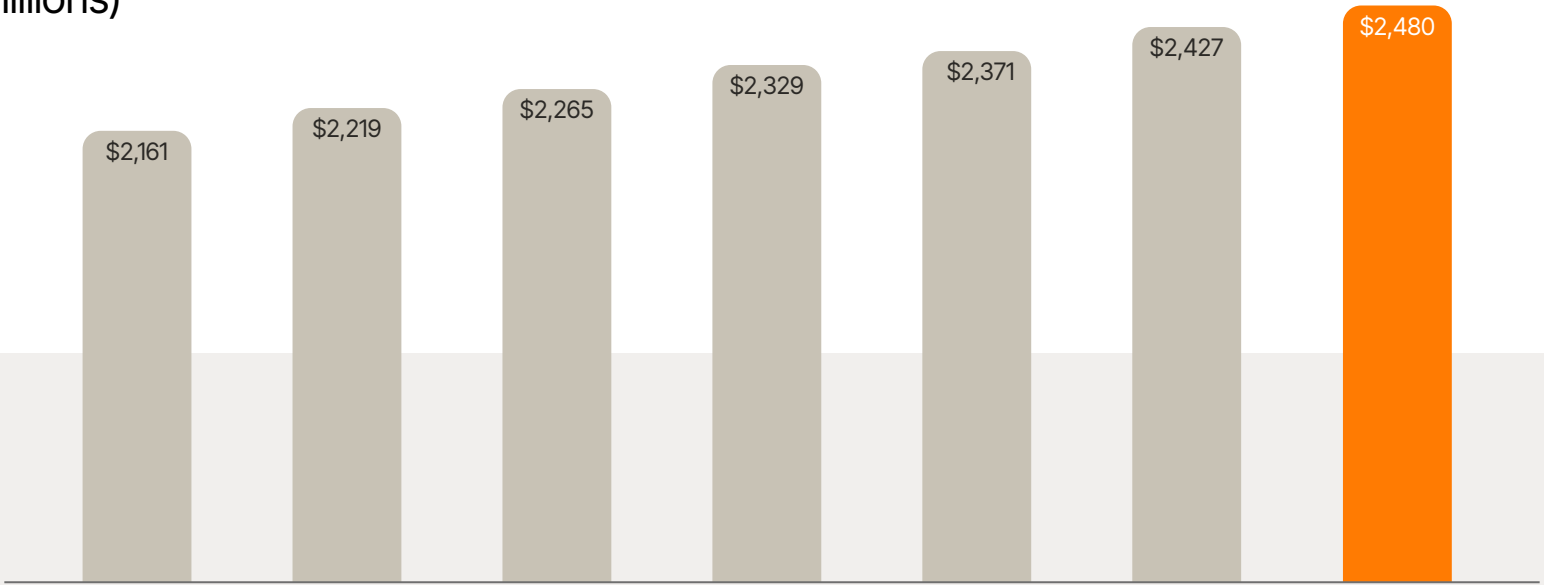


	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Y/Y Growth	14%	11%	10%	9%	9%	10%	9%

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Total ARR

($ in millions)

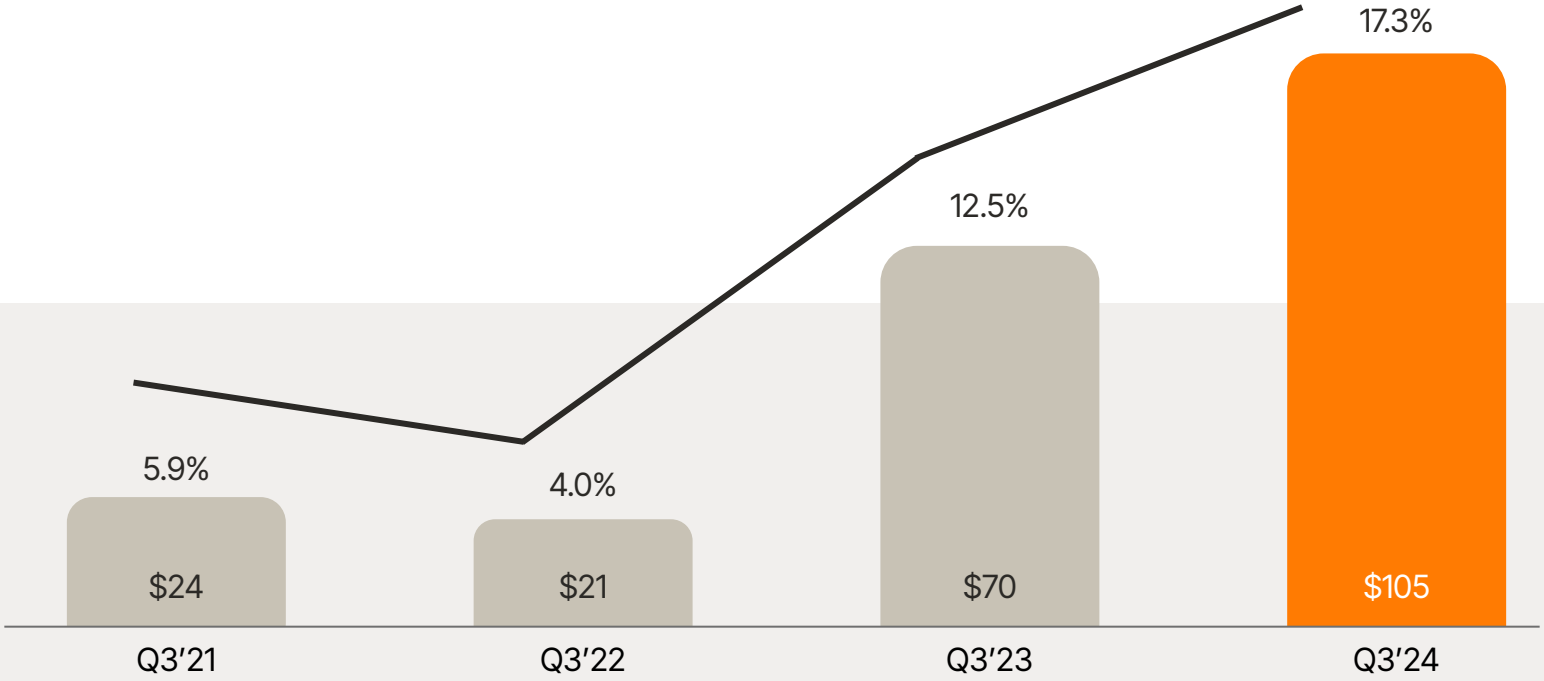


	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Y/Y Growth	14%	12%	11%	11%	10%	9%	9%

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Free Cash Flow ($ and % of total revenue)

($ in millions)

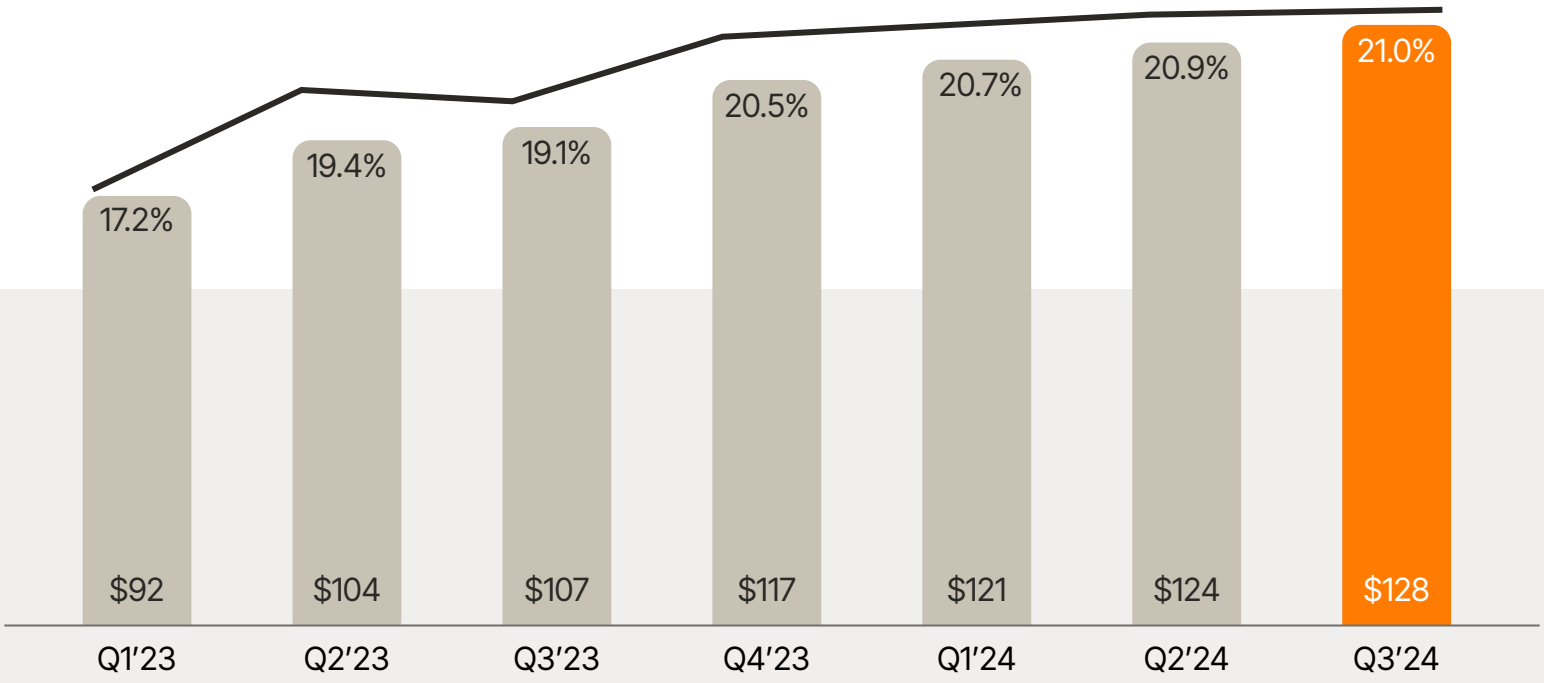


Note cash interest on notes due 2030 paid in Q1 and Q3 each year.
Free cash flow is non-GAAP, see appendix for reconciliation to the most comparable GAAP metric.

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Operating Profit ($ and % of total revenue)

($ in millions)

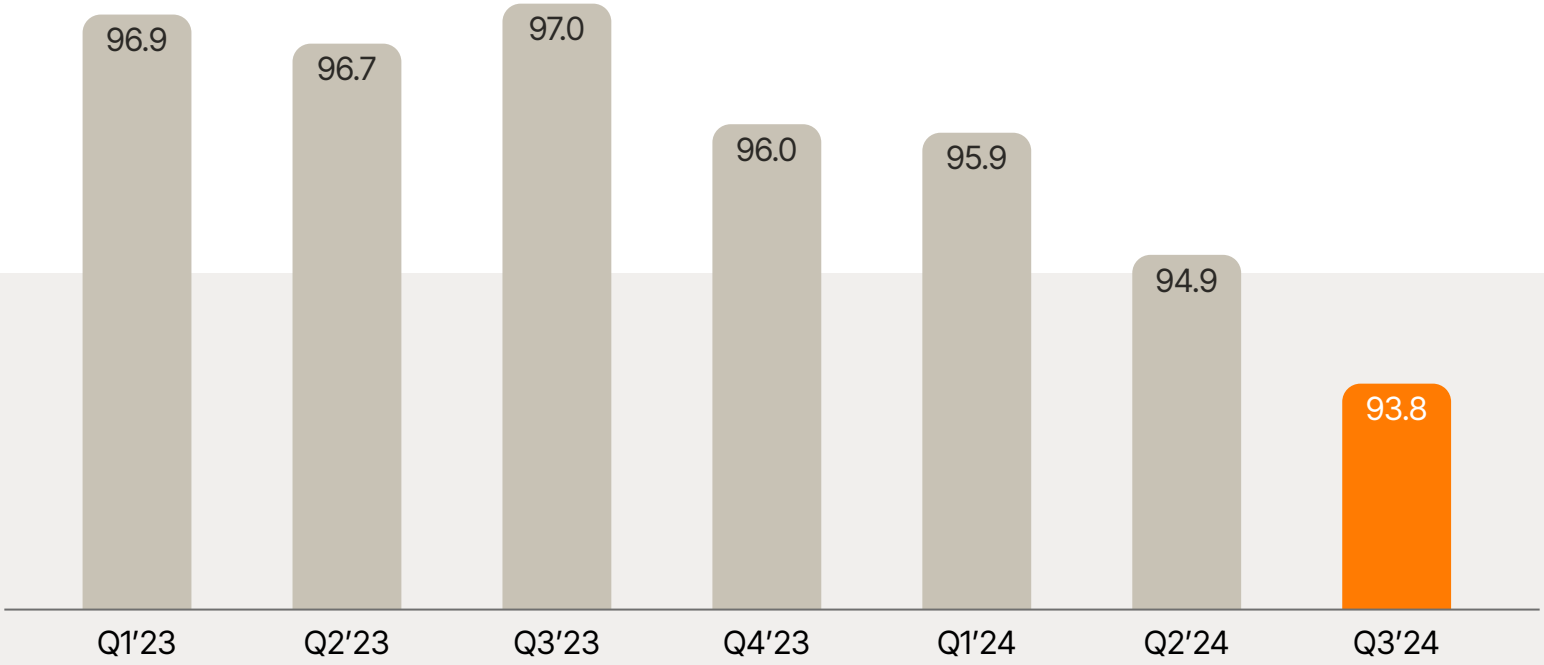


(1) Operating profit is non-GAAP, see appendix for reconciliation to the most comparable GAAP metric.

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Fully Diluted Share Count

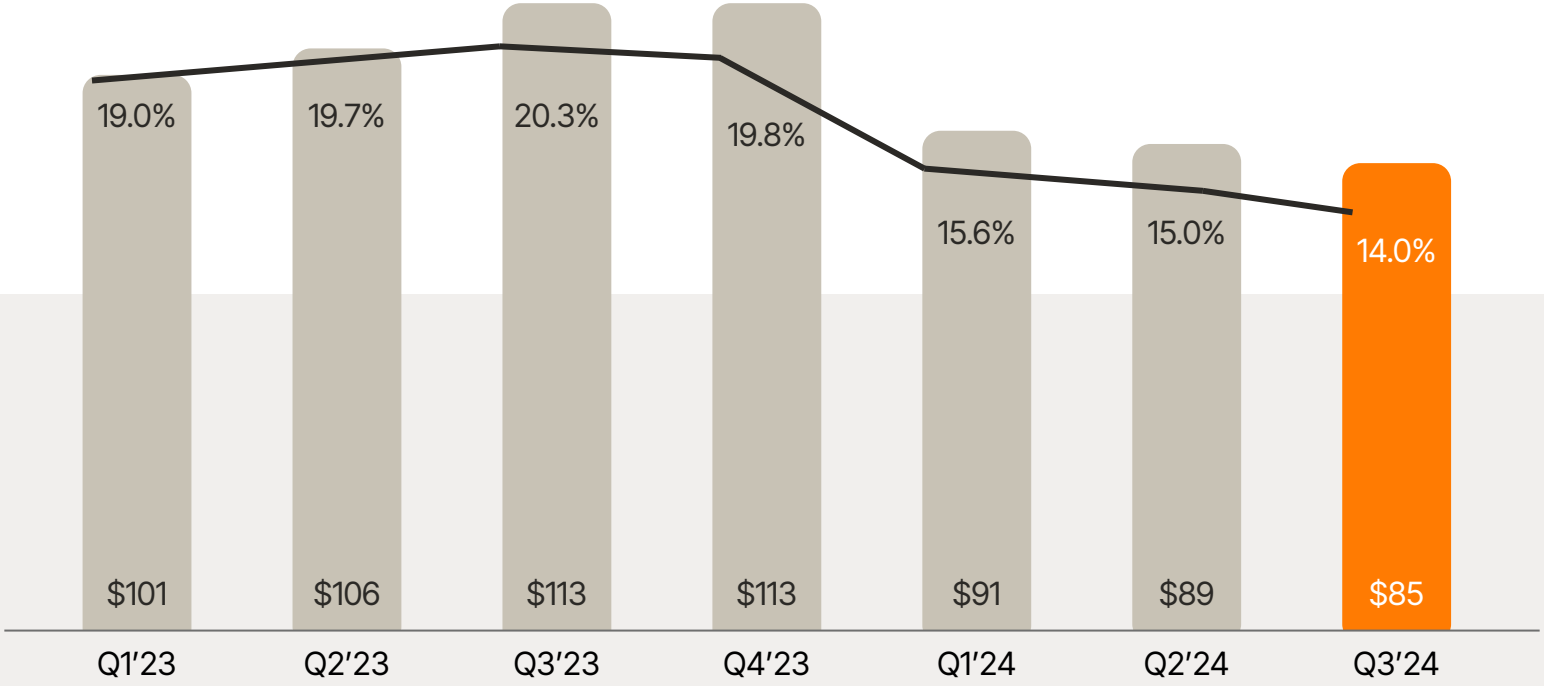
(in millions)



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Stock Based Compensation ($ and % of total revenue)

($ in millions)



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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[1]		
	Mid-Market and Enterprise	$1,553M	10%
	Enterprise	$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.

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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

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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

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FY 2024 Guidance

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

(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.

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Appendix

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Debt Profile as of September 30, 2024

Debt Instrument	Maturity Date	September 30, 2024	December 31, 2023
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 (1)	February 14, 2028	375,000	390,000
Revolving Credit Facility under Credit Agreement (2)	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
LTM Adj. EBITDA				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

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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
Revenues				
Subscriptions	$ 582,970	$ 531,030	$ 1,707,515	$ 1,552,956
Other	25,795	27,134	78,368	78,202
Total revenues	$ 608,765	$ 558,164	$ 1,785,883	$ 1,631,158
Cost of revenues reconciliation				
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	$ 113,639	$ 96,642	$ 324,744	$ 281,502
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	$ 26,980	$ 25,394	$ 77,904	$ 73,387
Gross profit and gross margin reconciliation				
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 %
Operating expenses reconciliation				
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	$ 62,323	$ 55,673	$ 179,672	$ 169,916
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	$ 237,365	$ 230,136	$ 706,396	$ 670,636
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	$ 40,566	$ 43,489	$ 123,999	$ 132,441
As a % of total revenues non-GAAP	6.7 %	7.8 %	6.9 %	8.1 %

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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
Income (loss) from operations reconciliation				
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	$ 127,892	$ 106,830	$ 373,168	$ 303,276
Non-GAAP Operating margin	21.0 %	19.1 %	20.9 %	18.6 %
Depreciation and amortization	$ 21,131	$ 20,966	$ 64,466	$ 61,804
Non-GAAP Adjusted EBITDA	$ 149,023	$ 127,796	$ 437,634	$ 365,080
As a % of total revenues non-GAAP	24.5 %	22.9 %	24.5 %	22.4 %

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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
Net income (loss) reconciliation				
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
Reconciliation between GAAP and non-GAAP weighted average shares used in computing basic and diluted net income (loss) per common share:				
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
Diluted net income (loss) per share				
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

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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	$ 105,445	$ 69,962	$ 290,919	$ 230,062
Non-GAAP free cash flow margin	17.3 %	12.5 %	16.3 %	14.1 %

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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

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