RingCentral®

Q1 2024 Earnings Presentation

May 7, 2024

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, expected contributions from new products, as well as macroeconomic factors, including Russia's ongoing invasion of Ukraine and the armed conflict involving Israel.

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 provide guidance on forecasted non-GAAP operating margin, non-GAAP tax rates, non-GAAP EPS, free cash flow and free cash flow margin. Reconciliations of our forecasted non-GAAP operating margin 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. We have not reconciled free cash flow or free cash flow margin guidance to net cash provided by (used in) operating activities because we do not provide guidance on the reconciling items between net cash provided by (used in) operating activities and free cash flow due to the uncertainty regarding, and the potential variability of, these items. Accordingly, a reconciliation of net cash provided by (used in) operating activities to free cash flow or free cash flow margin guidance is not available without unreasonable effort.

We also provide other measures such as software subscriptions annualized exit monthly recurring subscriptions (ARR), mid-market and enterprise ARR, enterprise ARR, and bookings.

RingCentral at a Glance

Global Scale	**400K+** Customers	**#1** In UCaaS Revenue Market Share (1)	**~4K** Employees (2)	**18** Languages + 46 MVP Countries
Expanding Profitability with Consistent Customer Retention	**82%** Q1'24 Subscription GM% (3)	**24%** Q1'24 Adj. EBITDA Margin (3) Up 340 bps Y/Y	**21%** Q1'24 Operating Margin (3) Up 350 bps Y/Y	**99%+** Q1'24 Net Monthly Subscription Dollar Retention(4)

Unless otherwise noted, company metrics as of Q1'24

1. Source: Synergy Research Group, UC Market Tracker – UCaaS Firmographics, Worldwide Revenue for Q1'22 to Q4'23, March 19, 2024
2. Full time employees, as of 12/31/2023
3. Non-GAAP financial measure; see appendix for a reconciliation to the most comparable GAAP measure
4. See appendix for definition.

Strategic Priorities

Deliver durable, profitable growth and value from core

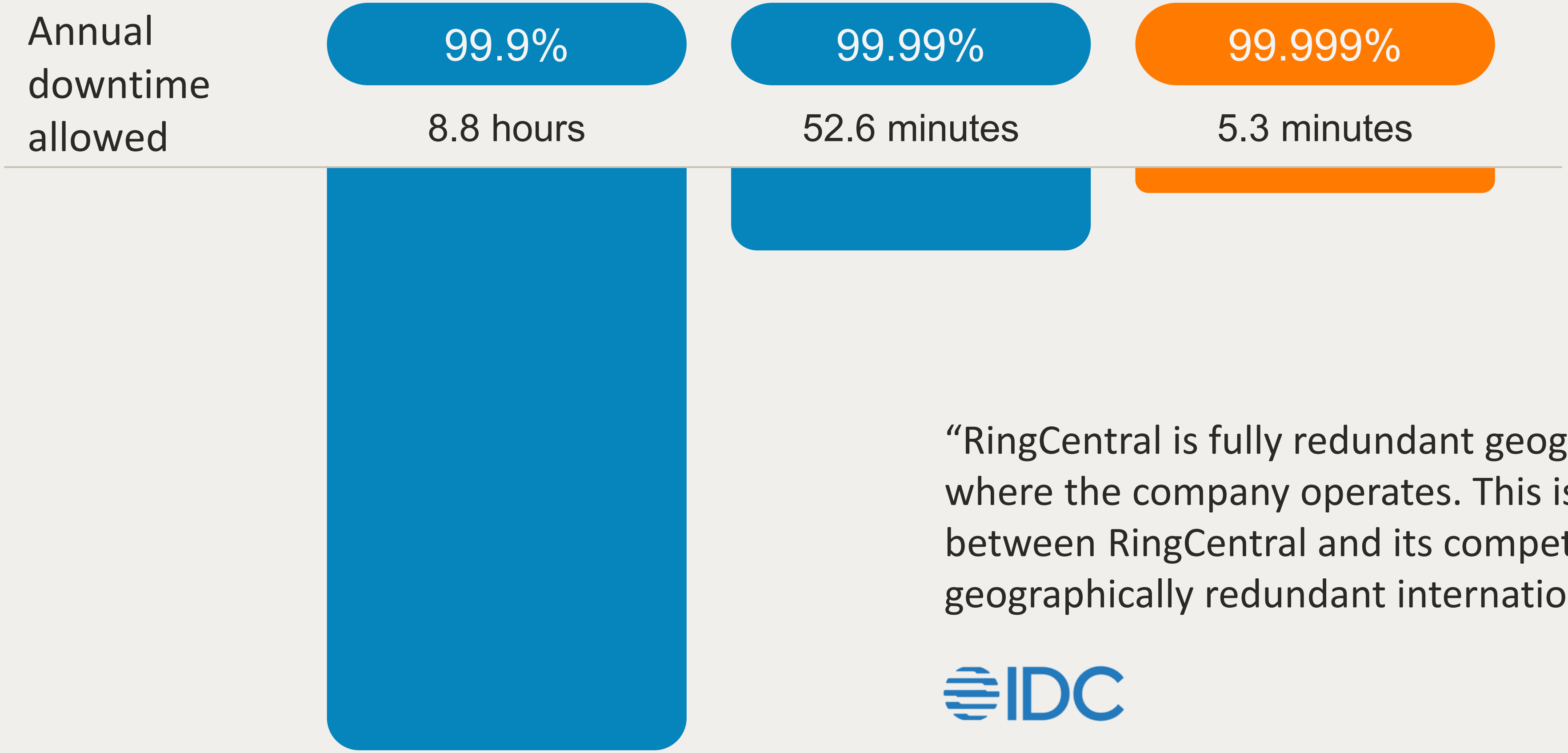
Expand Total Addressable Market through multi-product portfolio

Drive continued free cash flow (FCF) generation and materially reduce SBC

Commitment to Trust

100x Better Reliability vs Three Nines

RingCentral



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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.”

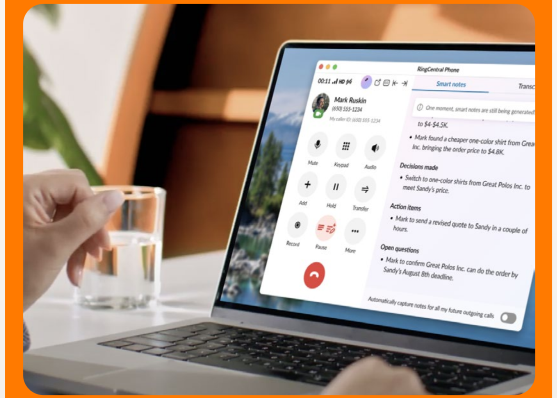
IDC

Trusted communications for everyone

Innovation
Leader

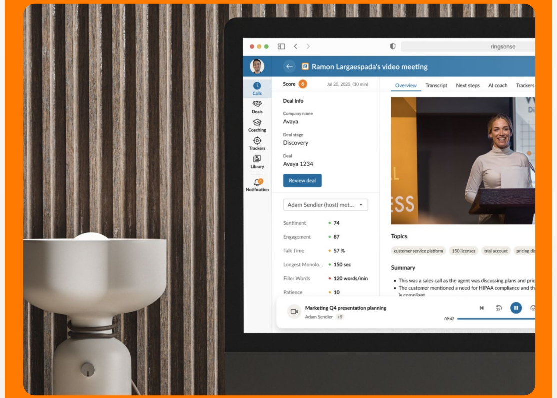
RingSense AI

New RingSense AI Capabilities in RingEX



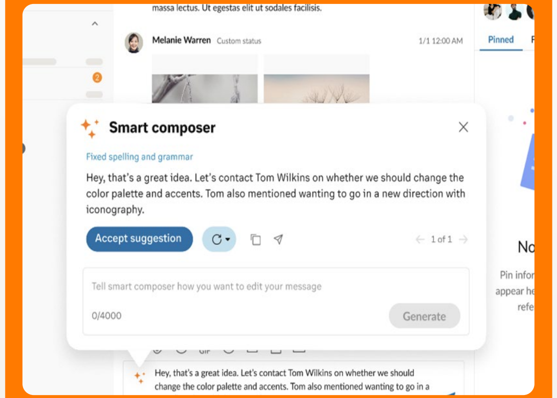
Real-time smart notes

Instantly captures call notes, key updates, decisions taken, and action items for on-the-spot reference, boosting accuracy and engagement in conversations.



Post-call highlights

Enrich recordings with AI-generated distilled summaries, topics, coaching tips, and recording highlights



AI writer

AI speeds up work by composing messages tailored to customers input and recent chats, in a customizable tone and length

Generative AI search

Simplify search by naturally asking AI questions for fast, intuitive info retrieval from real-time and historical conversations across calls, SMS, and voicemail.

AI for Personal Productivity

Why RingCX wins

AI-powered

- Before, during and post interactions
- AI-based Workforce Engagement

Rich omnichannel

- Single pane of glass for voice and all digital
- Omnichannel reporting and analytics

Easy-to-deploy

- Administer from single interface
- Pre-packaged deployment options

Simple-to-use

- Unified with RingEx App
- Key CRM integrations

Best value

- Unlimited minutes
- Lowest total cost of ownership

EX+CX | Trusted Communications

What RingCX customers are saying

“**What amazes me is how intuitive RingCX is.** It provides voice and all digital channels in a single pane of glass.”

“We switched to RingCX, which translated to **$1000/agent cost savings** per year.”

“RingCX gives us everything we need - voice call routing, fantastic analytics, and digital options **all in a single package**.”

“RingCX enabled a seamless transition from our legacy system and will deliver significant cost-savings as we **transform our service operations**.”

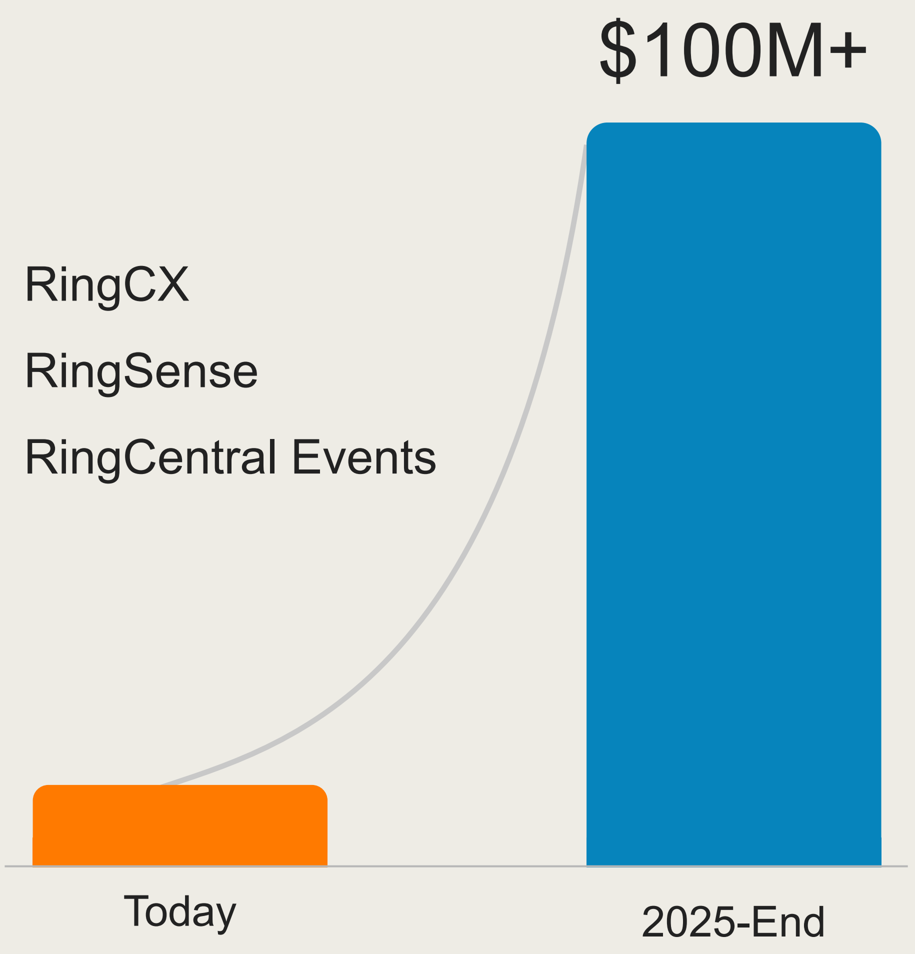
“Our decision to upgrade to RingCX was driven by the desire to leverage the **cutting-edge technologies** of voice, digital and AI.”

“We knew we needed a more robust IVR system, and **RingCX's capabilities stood out among the competition**.”

At least $100M of ARR from new products by 2025-end

Multi-product portfolio benefits:

1. Attract new customers
2. Drive higher uptake with existing customers
3. Increase retention



New products include RingCX, RingSense and RingCentral Events

Q1’24 Highlights

ARR

$2.37B

Up 10% Y/Y

Total Revenue

$584M

Up 9% Y/Y

Operating Margin(1)

20.7%

Up 350 bps Y/Y

1. Non-GAAP Operating Margin

Q1'24 New Customer Wins

Fortune 500 retailer that generates >$20B in annual revenue

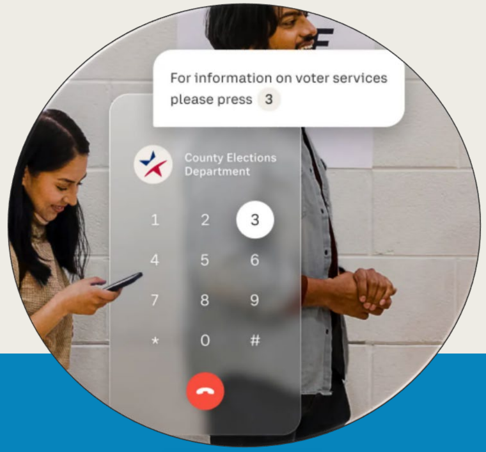
Highlights:

- *Purchased 40K RingEX seats*
- *Replacing Skype for Business*
- *Won because of our reliability, advanced call features, advanced reporting abilities*

Sanitas, a leading operator of medical centers in the U.S.

Highlights:

- *Won because of our integrated UCaaS + CCaaS and healthcare specific integrations*
- *Provide Sanitas with unified, seamless experience across interactions such as scheduling, billing and general inquiries*

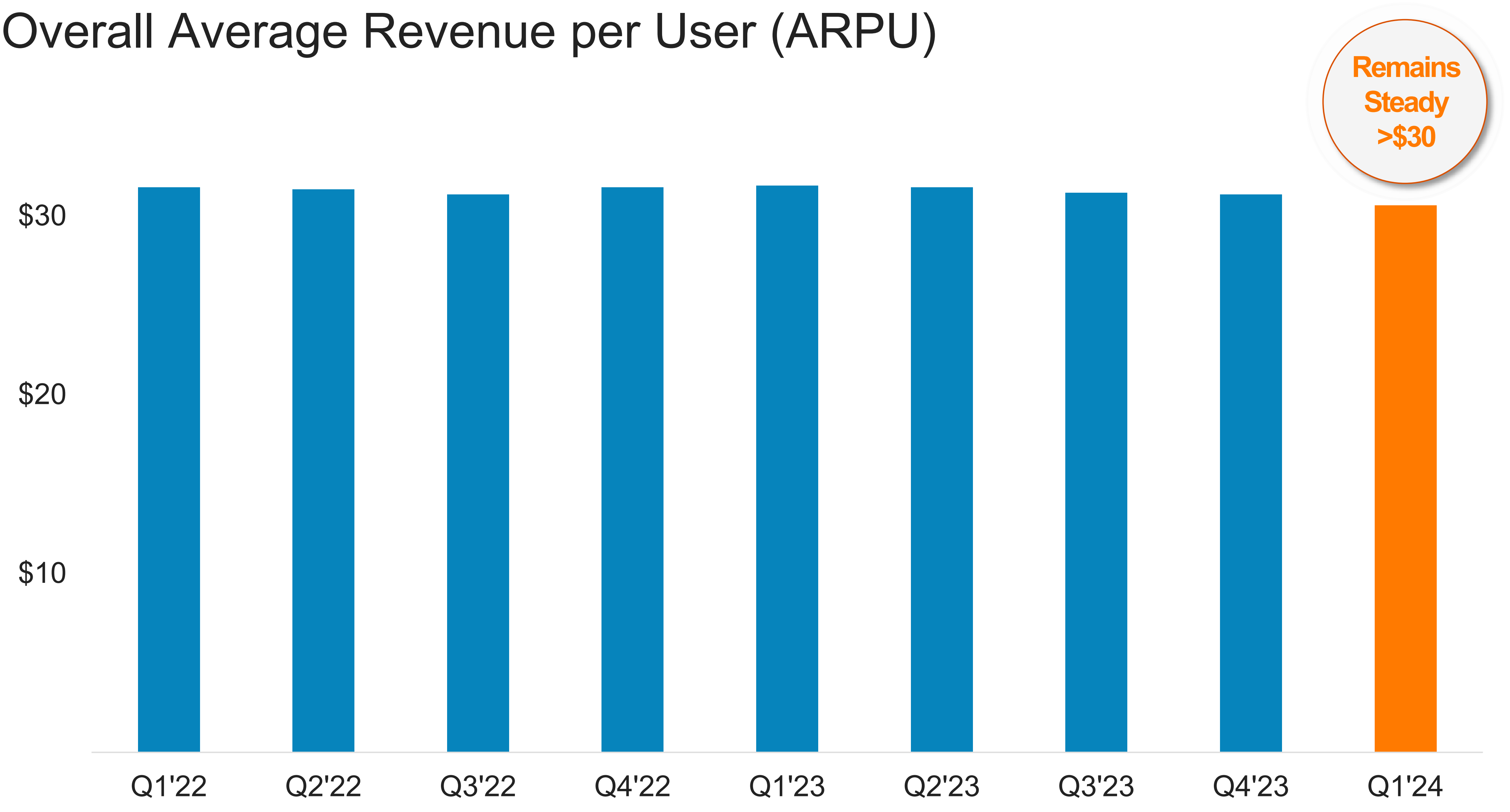


Rotherham Metropolitan Borough Council in the U.K.

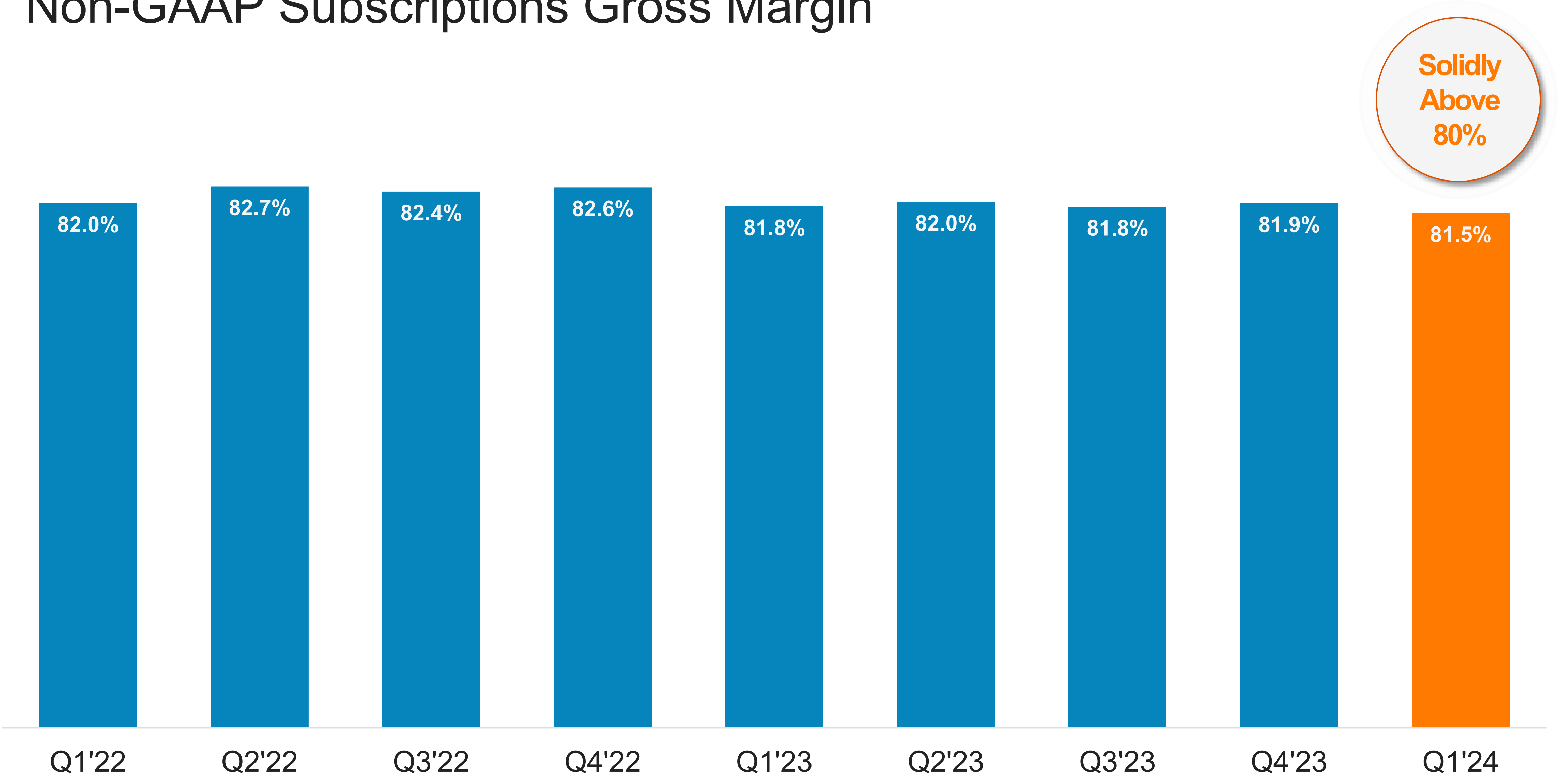
Highlights:

- *Purchased 200 RingCX seats and 3,000+ RingEX seats*
- *Won because of our unmatched reliability and fully integrated RingEX and RingCX solution*

Overall Average Revenue per User (ARPU)



Non-GAAP Subscriptions Gross Margin



Expanding Operating Margin - Quarterly[1]

Up 350 bps Y/Y in Q1'24

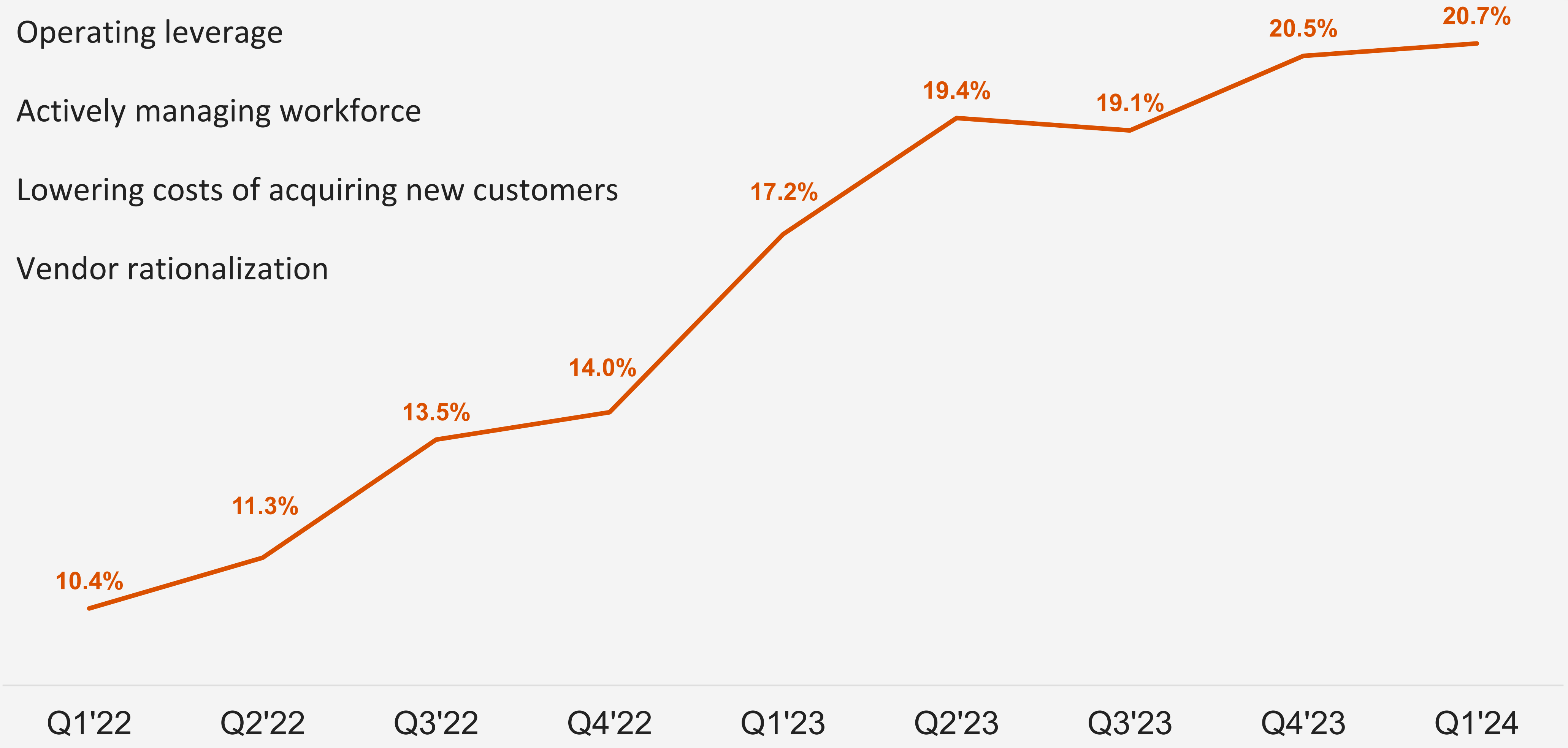
Drivers of margin expansion

Operating leverage

Actively managing workforce

Lowering costs of acquiring new customers

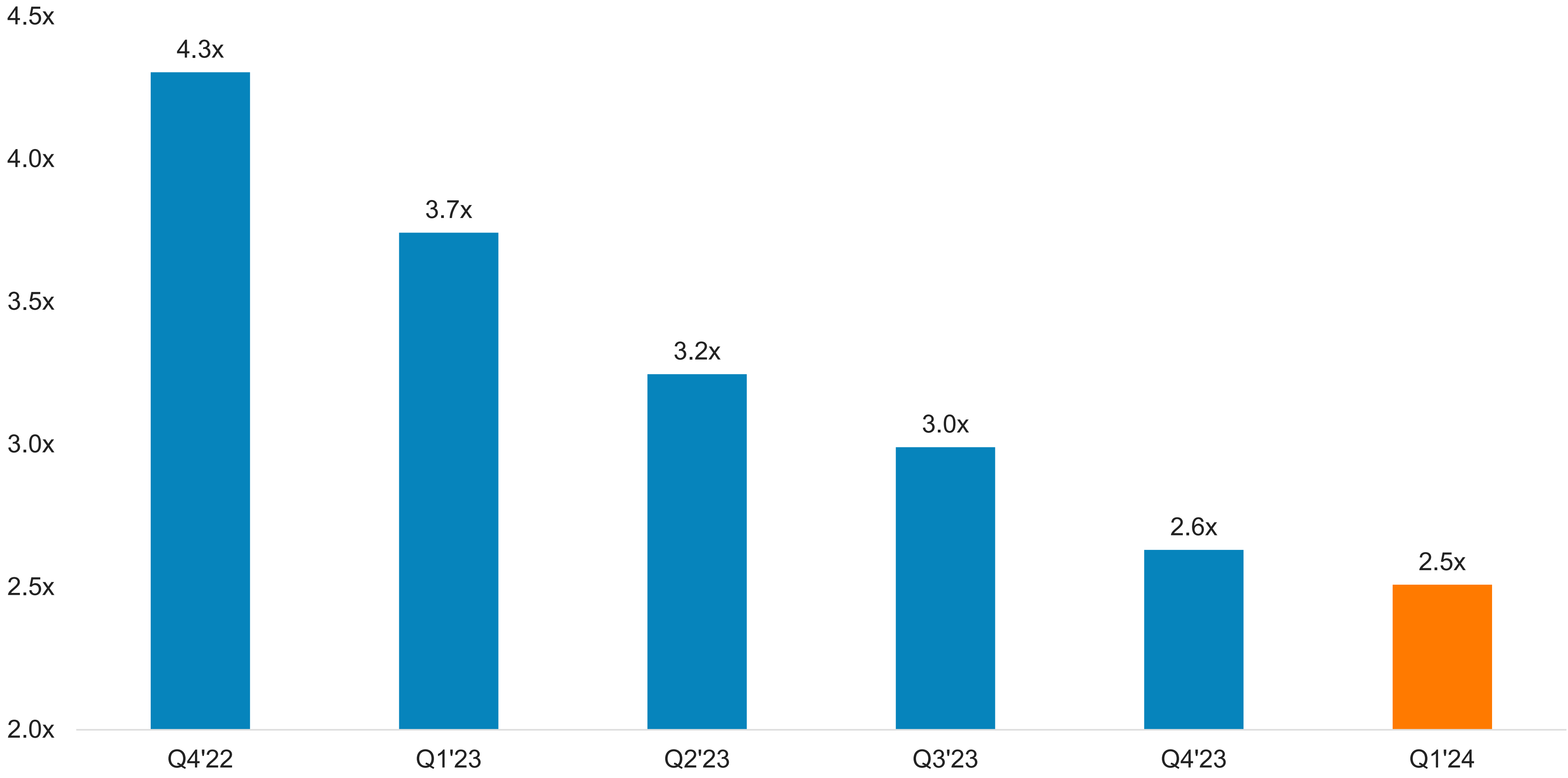
Vendor rationalization



(1) Non-GAAP Operating Margin

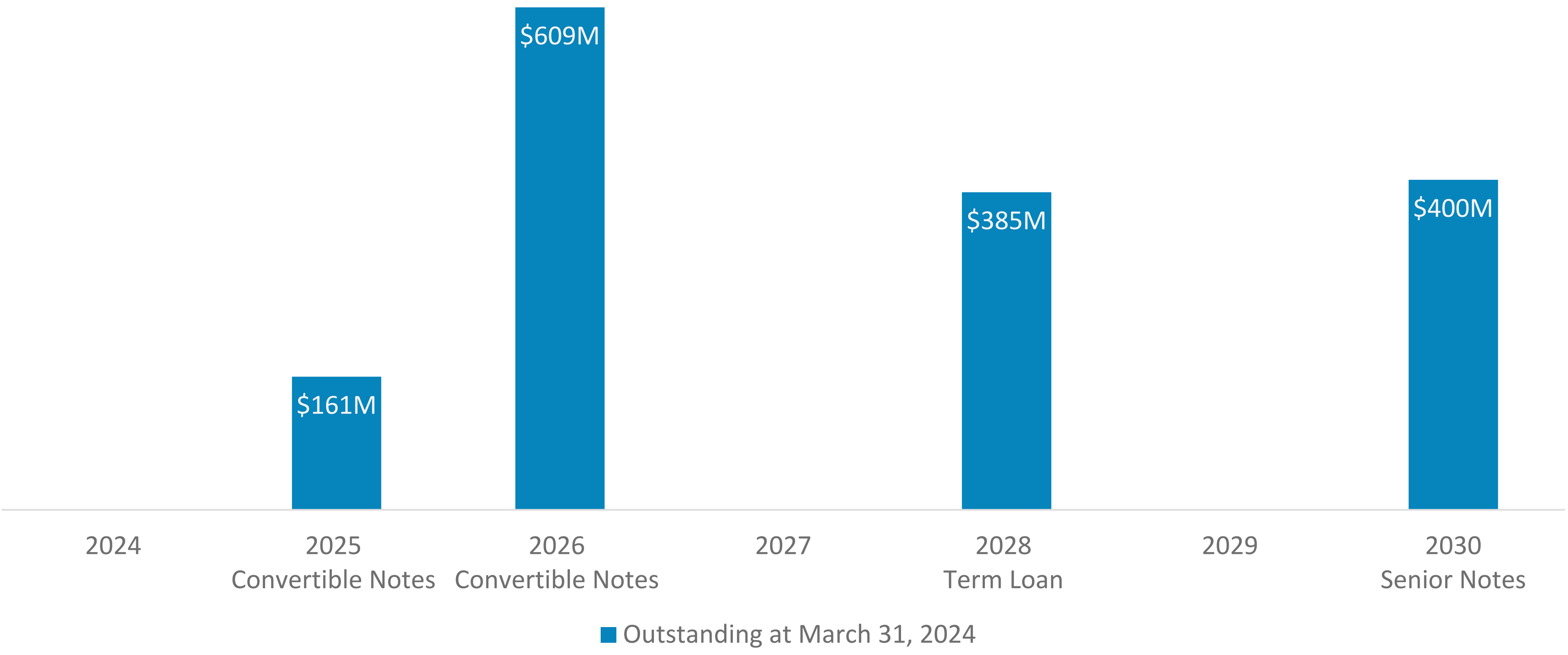
Net debt to LTM adjusted EBITDA[(1)]

Leverage ratio improvement driven by higher adjusted EBITDA



1. *See Appendix for calculation.*

Debt Maturity Profile[1]



Addressing 2025 Convertible Notes

- $75M incremental capacity from Term Loan A[2]
- Incremental free cash flow we expect to generate between now and maturity in March 2025

Addressing 2026 Convertible Notes

- Low and improving leverage ratio, strong BB credit rating, significant liquidity and strong free cash flow growth offer numerous options

Liquidity as of March 31, 2024

- $203M Cash and Cash Equivalents
- $75M Term Loan A additional commitment[2]
- $225M Revolving Credit Facility

1. *Amounts reflect outstanding balances of the 2025 Convertible Notes, 2026 Convertible Notes, Term Loan under Credit Agreement, and 2030 Senior Notes at March 31, 2024. See Appendix and Forms 10K and 10Q for additional detail.*
2. *Committed through September 1, 2024*

Q2 2024 Guidance

	Q2 2024
Subscriptions Revenue	$558.0M to $561.0M
Subscriptions Revenue Growth Y/Y	9%
Total Revenue	$584.5M to $587.5M
Total Revenue Growth Y/Y	8% to 9%
GAAP Operating Margin	(2.7%) to (1.9%)
Non-GAAP Operating Margin	20.7%
Non-GAAP Tax Rate	22.5%
Non-GAAP EPS	$0.87 to $0.88

FY 2024 Guidance

	Current	Prior
Subscriptions Revenue	$2,267M to $2,287M	$2,260M to $2,285M
Subscriptions Revenue Growth Y/Y	8% to 9%	8% to 9%
Total Revenue	$2,379M to $2,399M	$2,370M to $2,395M
Total Revenue Growth Y/Y	8% to 9%	8% to 9%
GAAP Operating Margin	(1.6%) to (0.9%)	(1.7%) to (0.9%)
Non-GAAP Operating Margin	21.0%	21.0%
Non-GAAP Tax Rate	22.5%	22.5%
Non-GAAP EPS[1]	$3.59 to $3.67	$3.50 to $3.58
Net cash provided by operating activities	$470M to $475M	--
Less: Capitalized expenditures	$85M	--
Free Cash Flow[2,3]	$385M to $390M	--

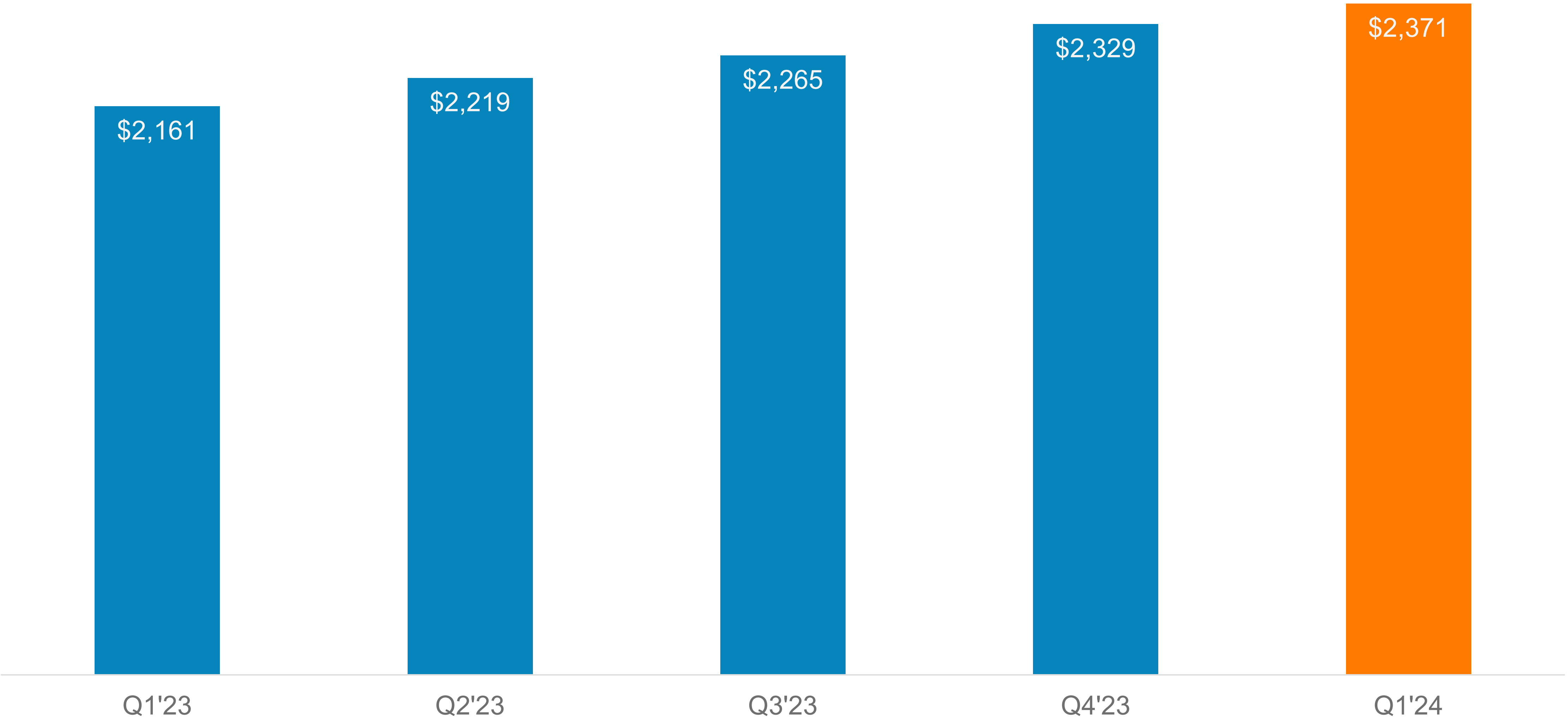
(1) Based on 97.0 to 96.0 million fully diluted shares vs. 99.0 to 98.0 million fully diluted shares previously.

(2) We are now reporting and will guide to free cash flow, defined as net cash provided by operating activities less capitalized expenditures. This more closely reflects the cash flow generation of our business in a given period, and includes cash paid for interest and non-recurring items such as restructuring.

(3) Includes cash paid for interest of $60 million, cash paid for non-recurring restructuring and other items of $20 million, and cash received from certain strategic partners of $25 million. Excluding these items, our free cash flow would be $440 to $445 million, up $25 million versus our prior outlook of $415 to $420 million. See appendix for reconciliation to GAAP measure.

Appendix

Total ARR



Q1 2024 Financial Highlights

		$ Metric	Y/Y Growth
Revenue	Subscriptions Revenue	$557.5M	10%
	Other Revenue	$26.7M	5%
	Total Revenue	$584.2M	9%
ARR	Total	$2,371M	10%
	Customer ARR by Size[1]		
	Mid-Market and Enterprise	$1,481M	11%
	Enterprise	$1,023M	13%

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.

Q1 2024 Results vs Guidance

	Q1 Guidance	Q1 Results
Subscriptions Revenue	$550.0M to $555.0M	$557.5M
Subscriptions Revenue Growth Y/Y	8% to 9%	10%
Total Revenue	$575.0M to $580.0M	$584.2M
Total Revenue Growth Y/Y	8% to 9%	9%
GAAP Operating Margin	(5.2%) to (4.3%)	(1.9%)
Non-GAAP Operating Margin	19.5%	20.7%
Non-GAAP EPS	$0.79 to $0.80	$0.87

Debt Profile as of March 31, 2024

Debt Instrument	Maturity Date	March 31, 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	385,000	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		$ 1,555,391	$ 1,560,391
Less: unamortized debt discount and issuance costs		(14,011)	(14,909)
Net carrying amount of debt		$ 1,541,380	$ 1,545,482

(1) The Company has $75.0 million available for drawdown under the Term Loan as of March 31, 2024.

(2) The Company has $225.0 million available for borrowing under the Revolving Credit Facility as of March 31, 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
Adj. EBITDA	$65.5	$72.7	$87.0	$92.7	$112.3	$125.0	$127.8	$138.0	$142.8
LTM Adj. EBITDA				317.9	364.7	416.9	457.8	503.1	533.6
Total Debt				1,638.4	1,639.5	1,578.8	1,801.3	1,545.5	1,541.4
Total Cash				270.0	274.8	225.4	432.4	222.2	203.1
Net Debt				1,368.4	1,364.7	1,353.4	1,368.9	1,323.3	1,338.3
Net Debt to Adj. EBITDA				4.3x	3.7x	3.2x	3.0x	2.6x	2.5x

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues		
Subscriptions	$ 557,487	$ 508,294
Other	26,724	25,395
Total revenues	584,211	533,689
Cost of revenues reconciliation		
GAAP Subscriptions cost of revenues	143,650	136,425
Share-based compensation	(6,324)	(6,951)
Amortization of acquired intangibles	(34,083)	(36,640)
Third-party relocation and other costs	(39)	—
Restructuring costs	(235)	(405)
Non-GAAP Subscriptions cost of revenues	102,969	92,429
GAAP Other cost of revenues	26,829	24,251
Share-based compensation	(2,059)	(2,119)
Amortization of acquired intangibles	(22)	(22)
Restructuring costs	(326)	(13)
Non-GAAP Other cost of revenues	24,422	22,097
Gross profit and gross margin reconciliation		
Non-GAAP Subscriptions	81.5 %	81.8 %
Non-GAAP Other	8.6 %	13.0 %
Non-GAAP Gross profit	78.2 %	78.5 %
Operating expenses reconciliation		
GAAP Research and development	80,528	85,241
Share-based compensation	(19,993)	(23,930)
Third-party relocation and other costs	(1,068)	(59)
Restructuring costs	(1,450)	(1,434)
Non-GAAP Research and development	58,017	59,818
As a % of total revenues non-GAAP	9.9 %	11.2 %
GAAP Sales and marketing	272,730	260,212
Share-based compensation	(34,847)	(38,042)
Amortization of acquired intangibles	(812)	(561)
Third-party relocation and other costs	(294)	—
Restructuring costs	(2,162)	(2,599)
Non-GAAP Sales and marketing	234,615	219,010
As a % of total revenues non-GAAP	40.2 %	41.0 %
GAAP General and administrative	71,373	82,091
Share-based compensation	(27,793)	(30,253)
Third-party relocation and other costs	(72)	(3,087)
Restructuring costs	(409)	(424)
Non-GAAP General and administrative	43,099	48,327
As a % of total revenues non-GAAP	7.4 %	9.1 %

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

	Three Months Ended March 31,	
	2024	**2023**
Income (loss) from operations reconciliation		
GAAP loss from operations	(10,899)	(54,531)
Share-based compensation	91,016	101,295
Amortization of acquired intangibles	34,917	37,223
Third-party relocation and other costs, net	1,473	3,146
Restructuring costs	4,582	4,875
Non-GAAP Income from operations	121,089	92,008
Non-GAAP Operating margin	20.7 %	17.2 %
Depreciation and amortization	21,734	20,294
Non-GAAP Adjusted EBITDA	142,823	112,302
As a % of total revenues non-GAAP	24.4 %	21.0 %

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

	Three Months Ended March 31,	
	2024	**2023**
Net income (loss) reconciliation		
GAAP net loss	$ (28,494)	$ (54,399)
Share-based compensation	91,016	101,295
Amortization of acquired intangibles	34,917	37,223
Third-party relocation and other costs, net	1,473	(363)
Restructuring costs	4,582	4,875
Amortization of debt discount and issuance costs	1,003	1,119
Loss (gain) associated with investments	—	1,646
Intercompany remeasurement loss	262	15
Income tax expense effects	(21,025)	(18,177)
Non-GAAP net income	$ 83,734	$ 73,234
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	93,142	95,720
Effect of dilutive securities	2,807	1,163
Non-GAAP weighted average shares used in computing non-GAAP diluted net (loss) income per share	95,949	96,883
Diluted net income (loss) per share		
GAAP net loss per share	$ (0.31)	$ (0.57)
Non-GAAP net (loss) income per share	$ 0.87	$ 0.76

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

	Three Months Ended March 31,	
	2024	**2023**
Net cash provided by operating activities	$ 96,094	$ 108,533
Capitalized expenditures	(19,409)	(21,319)
Non-GAAP free cash flow	$ 76,685	$ 87,214
Non-GAAP free cash flow margin	13.1 %	16.3 %

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

	Q2 2024		FY 2024	
	Low Range	**High Range**	**Low Range**	**High Range**
GAAP revenues	584.5	587.5	2,379.0	2,399.0
GAAP loss from operations	(16.0)	(11.4)	(37.4)	(21.2)
GAAP operating margin	(2.7%)	(1.9%)	(1.6%)	(0.9%)
Share-based compensation	100.0	98.0	390.0	380.0
Amortization of acquired intangibles	35.0	35.0	140.0	140.0
Restructuring costs	2.0	—	7.0	5.0
Non-GAAP income from operations	121.0	121.6	499.6	503.8
Non-GAAP operating margin	20.7 %	20.7 %	21.0 %	21.0 %

	FY 2024	
	Low Range	**High Range**
GAAP net cash provided by operating activities	$ 470.0	$ 475.0
Capitalized expenditures	(85.0)	(85.0)
Non-GAAP free cash flow	$ 385.0	$ 390.0