Use of non-GAAP financial measures

In addition to the financials presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes the following non-GAAP metrics: non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating margin, non-GAAP operating income, non-GAAP EPS and non-GAAP Free Cash Flow. Non-GAAP metrics have limitations as analytical tools and you should not consider them in isolation or as a substitute for or superior to the most directly comparable financial measures prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of non-GAAP metrics versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP metrics differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP metrics as tools for comparison. We urge you to review the reconciliation of Zoom’s non-GAAP metrics to the most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. See the Appendix for reconciliation between each non-GAAP metric and the most comparable GAAP measure.
Safe Harbor Statement

This presentation and the accompanying oral presentation have been prepared by Zoom Video Communications, Inc. ("Zoom") for informational purposes only and not for any other purpose. Nothing contained in this presentation is, or should be construed as, a recommendation, promise or representation by the presenter or Zoom or any officer, director, employee, agent or advisor of Zoom. This presentation does not purport to be all-inclusive or to contain all of the information you may desire. Information provided in this presentation and the accompanying oral presentation speak only as of the date hereof.

This presentation and the accompanying oral presentation include express and implied “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “will,” “would,” “should,” “could,” “can,” “predict,” “potential,” “target,” “explore,” “continue,” or the negative of these terms, and similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. These statements may relate to our market size and growth strategy, our reputation in the market, our estimated and projected costs, margins, revenue, expenditures and growth rates, our future results of operations or financial condition, our plans and objectives for future operations, growth, initiatives, or strategies. By their nature, these statements are subject to numerous uncertainties and risks, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the statements. These assumptions, uncertainties and risks include that, among others, our business would be harmed by any decline in new customers and hosts, renewals or upgrades, our limited operating history makes it difficult to evaluate our prospects and future results of operations, we operate in competitive markets, we may not be able to sustain our revenue growth rate in the future, our business would be harmed by any significant interruptions, delays or outages in services from our co-located data centers, and failures in internet infrastructure or interference with broadband access could cause current or potential users to believe that our systems are unreliable. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included under the caption “Risk Factors” and elsewhere in our most recent filings with the Securities and Exchange Commission (the “SEC”), including our quarterly report on Form 10-Q filed with the SEC on June 7, 2019. Forward-looking statements speak only as of the date the statements are made and are based on information available to Zoom at the time those statements are made and/or management's good faith belief as of that time with respect to future events. Zoom assumes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, except as required by law.

This presentation and the accompanying oral presentation also contain estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we compete are necessarily subject to a high degree of uncertainty and risk.
## Zoom Snapshot

<table>
<thead>
<tr>
<th>Video-First Cloud Architecture</th>
<th>$43B+</th>
<th>Recognized Market Leader</th>
<th>Viral Business Model</th>
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<tbody>
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### Key Metrics

- **$122M**
  - Revenue in Q1 FY20

- **103%**
  - Q1 FY20 Revenue Growth

- **120%**
  - Q1 FY20 Customers >$100K Revenue

- **130%+**
  - TTM Net Dollar Expansion Rate

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**Note:**

1. TAM is as of 2022. International Data Corporation (IDC), Worldwide Unified Communications and Collaboration Forecast, 2018-2022, May 2018
2. Represents year over year revenue Growth from Q1 FY19 to Q1 FY20
3. Represents Customers contributing >$100K Revenue as of Q1 FY19
4. We calculate net dollar expansion rate as of a period end by starting with the ARR from customers with greater than 10 employees as of the 12 months prior to such period end (Prior Period ARR). We then calculate the ARR from these customers as of the current period end (Current Period ARR). The calculation of Current Period ARR includes any upsells, contraction and attrition. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the net dollar expansion rate. For the trailing 12-months calculation, we take an average of this calculation over the previous 12 months.
Our Video-first Communications Platform
The Zoom Revenue Model

**Subscription Model**

**FREE**
- Full-Featured
- Cross-Platform Video and Chat
- Access to App Marketplace

**PRO** ($14.99/mo/host)
- Unlimited Group Meetings and Minutes
- Access to Premium Services

**ENTERPRISE** ($19.99/mo/host)
- Enterprise Features

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**Zoom Phone**

**Zoom Rooms**

**Conference Room Connector**

**Zoom Video Webinars**
Growth Metrics

Total Revenue (in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q1 FY20</th>
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<tbody>
<tr>
<td>$60</td>
<td>$122</td>
<td></td>
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<tr>
<td>103%</td>
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Customers with Greater Than 10 Employees

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<tr>
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<th>Q1 FY19</th>
<th>Q1 FY20</th>
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<tr>
<td>31.5K</td>
<td>58.5K</td>
<td></td>
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<tr>
<td>86%</td>
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Free Cash Flow

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<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q1 FY20</th>
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<tr>
<td>-$1</td>
<td>$15</td>
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1 See appendix for a reconciliation of non-GAAP to GAAP financial measures. FCF is calculated as cash flow from operations minus purchase of PPE minus purchase of intangible assets.
Questions
Thank You
Appendix
GAAP to Non-GAAP Reconciliation

<table>
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<tr>
<th>Free Cash Flow ($ in thousands)</th>
<th>Q1FY19</th>
<th>Q1FY20</th>
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</thead>
<tbody>
<tr>
<td>Cash Flow from Operations</td>
<td>$2,759</td>
<td>$22,236</td>
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<tr>
<td>(−) Purchases of PPE</td>
<td>($3,850)</td>
<td>($6,897)</td>
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<tr>
<td>Free Cash Flow</td>
<td>($1,091)</td>
<td>$15,339</td>
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