



Fellow Shareholders,

Fiscal 2022 was a pivotal year for us. After scaling our operations to keep the world connected in FY21, FY22 saw our deliberate evolution into a multi-product platform, enabling communication, hybrid work, and an expanding number of business workflows. And as we

grew and evolved, we remained as dedicated as ever to delivering happiness, and caring for our community, customers, and employees. I'm so grateful for the trust of our customers and the hard work of our dedicated team of Zoomies.

The strong financial results for FY22 reflect the elevated value of our platform to customers. Total revenue for FY22 increased 55% year over year to approximately \$4.1 billion. We grew our GAAP operating margin by 100 basis points to 25.9%, even as we prioritized building out our technology and go-to-market motions. This strong performance led to net cash provided by operating activities exceeding \$1.6 billion or 39.2% of revenue.

Our Strategic Pillars

Our three strategic pillars, which I introduced on our Q4 FY22 earnings webinar, reflect our customer-centric and innovation-obsessed mindset, and help to frame our future growth opportunities.

Unified Communications Platform

We listen to our customers and strive to deliver innovative technologies that help them accomplish more. We endeavor to provide enterprises with a platform that is more valuable than the sum of its parts, and in turn will keep them coming back year after year. Our platform evolution is also beneficial from a cost perspective, as each of our products leverages the same video-first, modern architecture that "just works." Our multi-product platform now includes chat, phone, video conferencing, whiteboard, contact center, events, and more. Zoom Phone in particular began to show its true potential, adding more than 550,000 seats in Q4 FY22. Additionally, in July 2021, we launched Zoom Events, an easy, yet powerful solution that allows customers to produce and host both internal and external events. We have already seen Zoom Events gaining traction, as many companies seek to offer hybrid and virtual events in this new era of work. The missing piece in our communications platform was the contact center – that was until February of this year when we launched Zoom Contact Center, an omnichannel customer engagement solution that is optimized for video and integrated right

into the Zoom client. This release is just the beginning of our plan to modernize the contact center and enrich the experience for our customer and our customer's customer. Together, we believe that these products increase the attractiveness of our platform to enterprises because we can address more and more of their communication and collaboration needs, helping them to centralize and simplify these processes.

Hybrid Work

We're proud of how our products have helped so many organizations adapt and respond to the evolving nature of work caused by technological changes, generational shifts, and accelerated by the global COVID-19 pandemic. When it comes to working style, ample data suggests that knowledge workers, by and large, want flexibility and optionality in the way they work. We think the best companies listen to their employees, and we are working to help them do just that. Zoom Rooms, for example, is a key ingredient to realizing the potential of hybrid work. It unites Zoom's best-in-class software with modern, reliable and cost-effective hardware for conference rooms. Zoom Rooms grew at a steady clip in FY22, as companies began to develop and execute upon their return-to-office plans. We simultaneously launched features supported by our hardware partners such as smart gallery, companion mode, workspace reservations, digital signage, and scheduling display, which enhance equity and inclusion for remote attendees, expand virtual features such as polling to in-room attendees, and streamline the room reservation process.

Going forward, we plan to continue to contribute to the evolution of hybrid work by offering people additional tools to collaborate from wherever their workspace may be, and helping enterprises strike the right balance for their company and employees in terms of in-person, hybrid, and remote work.

Business Workflows

In FY22, Zoom made enormous progress into supporting workflows that are natural extensions of the communications experience. This meant not only developing certain solutions ourselves, but also allowing external developers to contribute their solutions. In July of last year, we launched Zoom Apps, which now brings nearly 100 apps right into the Zoom meeting experience. Zoom Apps allows our ecosystem of developers to augment our existing functionality, by building apps that support workflows, especially those closely related to meeting interactions. Now you can use Docusign to execute a contract, Asana to assign tasks, or Dropbox to take meeting notes, all within a Zoom meeting. And this is only the beginning.

In April 2022, we released Zoom Whiteboard, a persistent whiteboard tool for team collaboration in and outside of the meeting, and Zoom IQ for Sales, a conversation intelligence solution for sales professionals. By mobilizing our external developer ecosystem and harnessing our own internal engineering talent, we hope to build workflow solutions that extend the value that Zoom provides across more and more tasks, both horizontally and vertically, and in turn increase the stickiness and differentiation of our platform.

The Intangibles

FY22 marked our ten-year anniversary and gave us a chance to celebrate and reflect. So much has changed and so quickly, but despite our growth and evolution, the intangibles that helped drive our success every step of the way are stronger than ever.

Culture of delivering happiness

Our success rests on our culture. We believe that by creating an environment where people love to work and where all employees feel a sense of belonging, we can attract the best talent and realize the greatest benefits from their hard work. Our achievements have only been possible through the dedication and perseverance of our highly motivated and passionate team, which grew by 53% in FY22 to 6,787 – a stunning achievement.

We don't just pay lip service to culture. Amid the Great Resignation, the competition for talent has only grown more intense. We realize that attracting and retaining the best talent requires more than financial incentives. Employees also want freedom, inclusion, and empowerment. In late FY22, we announced that we would be allowing almost all Zoomies to choose their work style from among in-person, remote and hybrid (most chose hybrid). We also launched several career development and mentorship programs to ensure we provide ample opportunities for Zoomies to learn and grow. Furthermore, promoting Diversity, Equity, and Inclusion (DEI) remains of paramount importance to us. We were proud to release our first DEI Report last week, which includes a breakdown of our employees across various diversity metrics – an important step as we look to further enhance the diversity and sense of belonging across our expanding employee base.

Embedding trust in everything we do

Making video communications frictionless and secure is our enduring mission. To accomplish our mission, it is absolutely crucial that customers feel safe and secure transmitting their confidential information over our platform. Trust is embedded in our culture and everything we do; it is an essential feature of our platform and

service. In FY22, following a year of significant security investments, we more than doubled the size of our security team. We also released Transparency Reports summarizing global government requests and our actions taken in response, expanded our list of third-party security certifications and attestations, and continued to enhance security features for all users with the introduction of recent innovations such as automatic updates. We remain steadfastly committed to being a platform that users can trust for all of their online communications needs.

Living our core value of Care

We are dedicated to delivering happiness to and caring for our community, customers, and employees. We seek to make the world a better place by providing technology that connects people and organizations, fosters open dialogue, enables education and inclusivity, enhances productivity, facilitates reductions in carbon emissions, and much more. In FY22, Zoom and Zoom employees provided over \$16.5 million of funding and in-kind product donations. While our platform has allowed companies to significantly reduce their carbon footprint through reducing the need for travel, we also want to also ensure the sustainability of our operational footprint, and as such are committing to reaching 100% renewable electricity in our operations by 2030.

We are committed to maintaining a strong Environmental, Social, and Governance (ESG) program and reporting transparently on our ESG initiatives. Following the filing of our annual proxy statement, we will be releasing our inaugural ESG Report, which will include information regarding our ESG initiatives and policies, environmental performance and targets, diversity metrics, and an index providing standardized reporting of ESG issues according to the Sustainability Accounting Standards Board (SASB) framework.

Zoom's Bright Future

We believe the world wants a full communications platform; one that is integrated with other workflows, supports hybrid work, and is secure and easy to use. Zoom is hard at work ensuring our customers exceed the soaring expectations of how businesses collaborate internally and communicate externally. The future is bright and we are excited about Zoom's position and opportunities ahead.

Looking Forward,



Eric S. Yuan
Zoom Founder, CEO, and Stockholder

About Zoom

Zoom is for you. Zoom is a space where you can connect to others, share ideas, make plans, and build toward a future limited only by your imagination. Our frictionless communications platform is the only one that started with video as its foundation, and we have set the standard for innovation ever since. That is why we are an intuitive, scalable, and secure choice for large enterprises, small businesses, and individuals alike. Founded in 2011, Zoom is publicly traded (NASDAQ:ZM) and headquartered in San Jose, California. Visit [zoom.com](https://zoom.us) and follow @zoom.

Forward-Looking Statements

This stockholder letter contains express and implied “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding Zoom’s growth strategy and business aspirations for its video-first unified communications platform, and its market position. 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. 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 annual report on Form 10-K for the year ended January 31, 2022. 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.