Agenda

11:00am - 11:40am Welcome
- Growth Strategy, Kelly Steckelberg, CFO
- Zoom Phone Update, Graeme Geddes, Head of Zoom Phone

11:40am - 12:05pm Break/Box lunches served

12:05pm - 1:45pm Afternoon Session
- Zoom's Technology Strategy, Oded Gal, Chief Product Officer
- Executive Q&A with Eric Yuan, Zoom CEO, and Kelly Steckelberg
- Customer Panel hosted by Ryan Azus, Chief Revenue Officer, featuring Craig Williams, CIO of Ciena and Prakash Kota, CIO of Autodesk

1:45pm Closing Remarks
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

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 September 13, 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.
Growth Strategy

Kelly Steckelberg
Chief Financial Officer, Zoom
It All Starts With

Delivering Happiness to our Customers

- 95% CSAT Score
- 85% Annual meeting minutes run-rate
- ~80B
- 70+ Net promoter score
- Increased video usage upon switching to Zoom
Unique Financial Profile

Total 1H Revenue (in millions)
- 1H FY19: $135
- 1H FY20: $268
- Increase: 99%

Total 1H Non-GAAP Operating Income (in millions)
- 1H FY19: $4
- 1H FY20: $29
- Increase: 680%

1H Free Cash Flow
- 1H FY19: $7
- 1H FY20: $32
- Increase: 358%

See appendix for a reconciliation of non-GAAP to GAAP financial measures. We define FCF as GAAP net cash provided by operating activities less purchases of property and equipment.
Enormous Opportunity

- $43B Total Addressable Market\(^1\)
- 200M Global Businesses\(^2\)
- 1.1B Knowledge Workers Worldwide\(^3\)
- 90M Conference Rooms Globally\(^4\)
- 480M Desktop Phones\(^5\)
- 195 Countries in the World\(^6\)

Note:
1) TAM is as of 2022. International Data Corporation (IDC), Worldwide Unified Communications and Collaboration Forecast, 2018-2022, May 2018
4) Provided by Frost and Sullivan Research (base year 2018)
5) Provided by Frost and Sullivan Research (base year 2018)
6) Based on United Nations memberships
Zoom Growth Strategy

Upmarket
International
zoomphone
zoomrooms
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 trailing 12 months.

TTM Net Dollar Expansion Rate\(^1\)  
130%+
How it Works

Case Study: Large Retail Company

(Number of Licenses)

- Organic Growth
- Meetings Pilot
- Initial Meetings Purchase
- Zoom Rooms Expansion
- Initial Phone Purchase + Additional Meetings

- 260+ Q2 'FY18
- 6,000 Q3 'FY18
- 150,000 Q1 'FY19
- 152,000+ Q3 'FY19
- 192,000+ Q2 'FY20

10K Phone
2K+ Rooms
180K Meetings
Up Market Opportunity

FORTUNE 500

55%+
With at least one paid Zoom host

5%
With >$100k in TTM Revenue

Customers with >$1M in ARR

Q2 FY19: 7
Q2 FY20: 27

286%
International Expansion

Top 10 International Markets by Revenue Share

- United Kingdom
- Canada
- Australia
- Japan
- Germany
- France
- Mexico
- China
- New Zealand
- India

% of Revenue

INT’L Sales Offices

- Q2 FY19: 3
- Q2 FY20: 8

Revenue Mix 1H FY20

- INT’L: 20%
- AMER: 80%

INT’L Revenue Growth 1H FY20

120%
Upselling the Platform: Zoom Phone

10K+ Largest # of Zoom Phone licenses deployed to date

Q2 FY20 Top Industries as % of ARR

- Technology: 24%
- Retail/Wholesale: 11%
- Manufacturing: 10%
- Professional Services & Consulting: 9%
- Communications: 8%

Note: Mass market includes companies with <1,000 employees, up-market includes companies with >1,000 employees and industry verticals
Upselling the Platform: Zoom Rooms

Market Opportunity

90M
Number of Global Meeting Rooms (2018)

37%
Zoom Room Attach Rate in Existing Upmarket Customers

Note: All figures are rounded. The base year is 2018. Source: Frost & Sullivan

Note: Up-market includes companies with >1,000 employees and industry verticals
Zoom Team Focused on Growth and Scale

- Zoom Team & Culture
- Product
- Partnership Ecosystem
- Customer Happiness
Zoom consolidates many of your communications tools in one Video-First Unified Communications platform.
Modern Phone Solution
- Seamlessly integrated PBX features
- Domestic & international PSTN access
- DID provisioning & number porting

Centralized Management
- Single point administration
- Single unified app experience
- Call detail reporting & quality monitoring

Secure & Reliable
- Secure HD Voice
- QoS delivered by adaptive rate codecs
- Globally distributed datacenters
12 months of progress

GA in Jan 2019
5 major releases
7 countries & territories
Support > 50 devices
Processing millions of voice minutes per week
Zoom Phone Innovation Velocity

March
- Elevate to Meeting
- CC Partner Program
- SFDC Integration
- ZTP for Poly & Yealink

May
- Bring Your Own Carrier
- UK & AUS (beta)
- Support for > 50 devices

July
- UK & AUS
  - e911 notification
  - Active-Active architecture
  - O365 / Gmail contact integration
  - Bluetooth HID support
  - Multilingual prompts
  - Disable voicemail
  - Inbound Caller Name
  - Multitasking on Mobile Apps

2H 2019
- Shared Line Appearance
- Shared Line Groups
- Automatic Call Recording
- Shared Voicemail
- Slack integration
- CUCM & Avaya integration
- Linux app
- Citrix VDI support
- Global Dialplan
- Usage & Analytics reports
- Location-based Routing
- Dynamic e911 support
- 3rd party video endpoints
- International Expansion
Zoom Phone Announcements

CC Partner Expansion
- Current Partners: Five9, Twilio
- New Partners: Talkdesk, Genesys, NICE inContact

BYOC Direct Peering
- Partner: gtt

International Expansion
- Generally Availability: Australia, Canada, Ireland, New Zealand, Puerto Rico, United Kingdom, United States
- Beta Availability: Austria, Belgium, Denmark, France, Germany, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland
Break
Technology Strategy

Oded Gal
Chief Product Officer, Zoom
Seamless, Effortless Communications

AI/ML, NLP

Meetings  Webinars  Rooms  Messaging  Phone

Productivity, Messaging, Security, Content, Sales, Marketing, Support
App Marketplace Competition
Virtual Backgrounds

Preview Mode

Video Virtual Backgrounds

PPT Virtual Background

Virtual Background in Zoom Rooms
Empowering People to do More

University of Otago
Empowering People to do More

Simultaneous Interpretation

Live Transcription

Meeting Notes
Action Items
Timelines

Preview Mode
Zoom Client
For Meetings, Chat and Phone

Single Client for all of your Communications
Zoom Rooms 2019 Highlights

Windows IoT
All-in-one solutions and single vendor kits to simplify procurement and deployment

Enhanced Interoperability
One-click to join third party meetings

Zoom Device Management
Remotely manage iOS, MacOS, and Windows Zoom Rooms devices

“Find a Room”
Simplified room booking from Zoom Rooms scheduling display with an interactive map
zoomrooms
Appliances
Streamlined procurement

Available for purchase via e-commerce or through the channel—globally.
CIO Customer Panel

Ryan Azus  
*Chief Revenue Officer, Zoom*

Prakash Kota  
*Chief Information Officer, Autodesk*

Craig Williams  
*Chief Information Officer, Ciena*
Thanks!

Questions?

#Zoomtopia19
## GAAP to Non-GAAP Reconciliation

### Operating Income

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>1H FY19</th>
<th>1H FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$134,596</td>
<td>$267,814</td>
</tr>
<tr>
<td>GAAP Operating Profit</td>
<td>$1,738</td>
<td>$3,822</td>
</tr>
<tr>
<td>(+) Stock-based compensation expenses and related payroll taxes</td>
<td>$1,975</td>
<td>$25,131</td>
</tr>
<tr>
<td>Non-GAAP Operating Profit</td>
<td>$3,713</td>
<td>$28,953</td>
</tr>
</tbody>
</table>

### Free Cash Flow

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>1H FY19</th>
<th>1H FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operations</td>
<td>$17,110</td>
<td>$53,408</td>
</tr>
<tr>
<td>(-) Purchases of PPE</td>
<td>$(10,027)</td>
<td>$(20,937)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$7,083</td>
<td>$32,471</td>
</tr>
</tbody>
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