

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 7, 2023

Zoom Video Communications, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38865
(Commission
File Number)

61-1648780
(IRS Employer
Identification No.)

55 Almaden Boulevard, 6th Floor
San Jose, California 95113
(Address of principal executive offices and Zip Code)

(888) 799-9666
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value per share	ZM	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On February 7, 2023, Zoom Video Communications, Inc. (the “Company”) announced a restructuring plan (the “Plan”) intended to reduce operating costs and continue advancing the Company’s ongoing commitment to profitable growth. The Plan includes a reduction of the Company’s current workforce by approximately 15 percent. Decisions regarding the elimination of positions are subject to local law and consultation requirements in certain countries, as well as the Company’s business needs.

The Company estimates that it will incur approximately \$50 million to \$68 million in charges in connection with the Plan, which will be substantially incurred in the first quarter of fiscal 2024. These charges primarily relate to employee transition, severance payments, employee benefits, and stock-based compensation. Of the aggregate amount of charges that the Company estimates it will incur in connection with the Plan, the Company expects that approximately \$43 million to \$59 million will be in future cash expenditures.

The actions associated with the employee restructuring under the Plan are expected to be substantially complete by the first quarter of fiscal 2024, subject to local law and consultation requirements.

The estimates of the charges and expenditures that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual amounts may differ materially from estimates. In addition, the Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Item 5.02 Appointment of Certain Officers; Election of Directors; Departure of Directors or Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the Plan, the Company temporarily reduced the base salaries of its executive officers by 20% for fiscal 2024, and temporarily reduced the base salary of Eric S. Yuan, the Company’s founder and CEO, by 98% to \$10,000 for fiscal 2024. The Compensation Committee of the Company’s Board of Directors may review, change or end the temporary salary reduction program at its discretion in the future.

Item 7.01 Regulation FD Disclosure.

On February 7, 2023, Eric S. Yuan, the Company’s Founder and Chief Executive Officer, sent a communication to Company employees. A copy of the communication is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01 and Exhibit 99.1 attached hereto are furnished to, but not “filed” with, the SEC and shall not be deemed to be incorporated by reference into any of the Company’s filings with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, including, but not limited to, statements related to the expected benefits of and timing of completion of the Plan, and the expected costs and charges of the Plan. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements are based upon the Company’s current plans, assumptions, beliefs, and expectations. Forward-looking statements are subject to the occurrence of many events outside of the Company’s control. Actual results and the timing of events may differ materially from those contemplated by such forward-looking statements due to numerous factors that involve substantial known and unknown risks and uncertainties. These risks and uncertainties include, among other things, the risk that the restructuring costs and charges may be greater than anticipated; the risk that the Company’s restructuring efforts may adversely affect the Company’s internal programs and the Company’s ability to recruit and retain skilled and motivated personnel, and may be distracting to employees and management; the risk that the Company’s restructuring efforts may negatively impact the Company’s business operations and reputation with or ability to serve customers; the risk that the Company’s restructuring efforts may not generate their intended benefits to the extent or as quickly as anticipated; and other risks and uncertainties included in the reports on Forms 10-K, 10-Q and 8-K and in other filings the Company makes with the Securities and Exchange Commission from time to time, available at www.sec.gov. Forward-looking statements should be considered in light of these risks and uncertainties. Investors and others are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements contained herein speak only as of the date hereof. The Company assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Item 9.01 Financial Statements And Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Message to Zoom Video Communications, Inc. employees from Eric S. Yuan on February 7, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Zoom Video Communications, Inc.

Dated: February 7, 2023

By: /s/ Aparna Bawa
Aparna Bawa
Chief Operating Officer

Date: Feb 7 @ 9:15 am PT
Author: Eric Yuan
Subject: [Important] Changes to Zoom

Zoomies,

Over the past few years, Zoom has become an indispensable source of connection for businesses and individuals as well as a globally recognized brand. Whether you have been at Zoom since the beginning or joined us more recently, you've played an important role in our evolution, and that makes today's announcement particularly difficult. We have made the tough but necessary decision to reduce our team by approximately 15% and say goodbye to around 1,300 hardworking, talented colleagues.

I know this is a difficult message to hear, and certainly not one I ever wanted to deliver. **If you are a US-based employee who is impacted, you will receive an email to your Zoom and personal inboxes in the next 30 minutes that reads [IMPACTED] Departing Zoom: What You Need to Know. Non-US employees will be notified following local requirements.** For those Zoomies waking up to this news or reading this after normal work hours, I am sorry you are finding out this way but we felt it was best to notify all impacted Zoomies as soon as possible.

How we got here

We built Zoom to remove the friction that businesses felt when collaborating. Our trajectory was forever changed during the pandemic when the world faced one of its toughest challenges, and I am proud of the way we mobilized as a company to keep people connected. To make this possible, we needed to staff up rapidly to support the quick rise of users on our platform and their evolving needs. Within 24 months, Zoom grew 3x in size to manage this demand while enabling continued innovation.

We worked tirelessly and made Zoom better for our customers and users. But we also made mistakes. We didn't take as much time as we should have to thoroughly analyze our teams or assess if we were growing sustainably, toward the highest priorities.

As the world transitions to life post-pandemic, we are seeing that people and businesses continue to rely on Zoom. But the uncertainty of the global economy, and its effect on our customers, means we need to take a hard—yet important—look inward to reset ourselves so we can weather the economic environment, deliver for our customers and achieve Zoom's long-term vision.

Steps we are taking

Each organization across Zoom will be impacted by these changes. We did not take a single departure lightly – our leadership carefully examined and made decisions based on critical priorities for long-term growth, and also looked for functions that have become overly complex or duplicative. Some teams will also be adjusting their structures to allow us to better invest in the opportunities ahead. But today we are focused on supporting those leaving Zoom and making the transition as respectful and compassionate as possible.

As the CEO and founder of Zoom, I am accountable for these mistakes and the actions we take today— and I want to show accountability not just in words but in my own actions. To that end, I am reducing my salary for the coming fiscal year by 98% and foregoing my FY23 corporate bonus. Members of my executive leadership team will reduce their base salaries by 20% for the coming fiscal year while also forfeiting their FY23 corporate bonuses.

Supporting departing Zoomies

I want to focus on what matters most; you. We know that getting this news by email is not ideal. Impacted employees will also receive outreach from a leader in your organization offering to have a 1:1 check-in should you want it; they are here to offer support during this transition.

Departing full-time Zoomies in the U.S. will be offered the following support:

- Up to 16 weeks' salary and healthcare coverage
- Payment of your earned FY'23 annual bonus based on company performance
- RSU and stock option vesting for 6 months for US employees and through August 9, 2023 for non-US employees
- Outplacement services that include 1:1 coaching, workshops, networking groups, and more

Support for Zoomies outside the U.S. will be similar and will take into account local laws.

If you are departing, please know that you will always be part of the Zoom family, and we are here to support you as you navigate what's next. Your dedication and talent will be amazing assets to any company, and I am deeply appreciative that you shared that talent with Zoom.

Zoom's future & my commitment

We are humbled to be realizing Zoom's platform vision, but we still have a lot of hard work ahead of us to ensure we're delivering an experience that enables a new kind of productivity – one that brings all the best tools and applications for modern, engaging collaboration into one destination. While we have to take these steps today, we will continue to invest in key strategic areas to help us reach our vision.

My commitment to you is that we will make sure the changes we are making to our team today are not made in vain. We will learn from the past to set ourselves up for future success, and redouble our efforts to help evolve Zoom to tomorrow.

As always, thank you, Zoomies. I am grateful for your imprint on Zoom's legacy.

Eric