

Zoom Communications

Q2 FY27 Earnings

August 25, 2026



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: Revenue in Constant Currency, non-GAAP gross profit, non-GAAP gross margin, non-GAAP R&D expense, non-GAAP S&M expense, non-GAAP G&A expense, non-GAAP operating margin, non-GAAP income from operations, non-GAAP net income, non-GAAP net income per share or EPS, free cash flow and free cash flow margin. 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 contain express and implied “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding Zoom’s financial outlook for the third quarter of fiscal year 2027 and full fiscal year 2027; Zoom’s expectations regarding financial and business trends, as well as impacts from macroeconomic developments; Zoom’s market position, stock repurchase program, opportunities, go-to-market initiatives, growth strategy and business aspirations; and product initiatives, including future product and feature releases, and the expected benefits of such initiatives, pace of development, adoption, or performance of our AI capabilities. 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. 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, including: declines in new customers, renewals or upgrades, or decline in demand for our platform, difficulties in evaluating our prospects and future results of operations given our continuing growth in scale, complexity and scope, competition from other providers of communications platforms, the effect of macroeconomic conditions on our business, including tariffs and trade tensions, inflationary pressures, foreign currency exchange and market volatility, lengthening sales cycles with large organizations, delays or outages in services from our co-located data centers, failures in internet infrastructure or interference with broadband access, compromised security measures, including ours and those of the third parties upon which we rely, and global security concerns and their potential impact on regional and global economies and supply chains.

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 for the fiscal quarter ended April 30, 2026. 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.

Elevating Workplace with AI

zoom Workplace

MAUs of AI features **+125%** YoY

zoom Phone

ARR grew **teens** YoY



Surpassed **\$100M** ARR

Q2 wins:

Leading U.S. Tech Company

Major U.S. Wealth Manager



Leading U.S. Insurer

Global Luxury Retail Brand

Scaling AI-first customer experience

zoom CX

- ZCX ARR growth continued in **high double digits** YoY
- Record # of **7-figure ARR** ZCX deals in a quarter
- **9/10** top ZCX deals involved paid AI
- # of ZVA customers grew **>250%** YoY

Q2 wins:

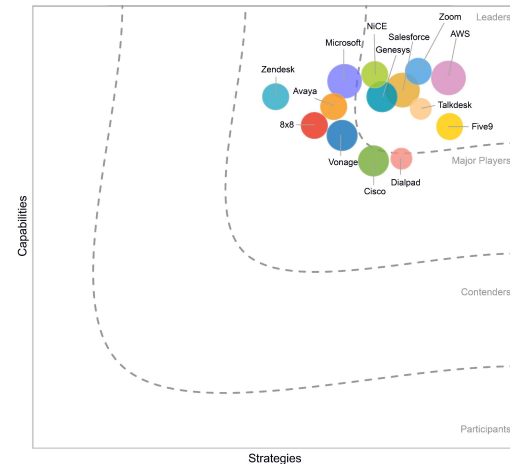
Leading SaaS Co.

Large U.S. Bank

Major U.S. Cybersecurity Co.

Zoom named a leader in IDC MarketScape

IDC MarketScape worldwide agentic contact center-as-a-service platforms, 2026



Source: IDC, 2026

IDC MarketScape vendor analysis model is designed to provide an overview of the competitive fitness of technology and suppliers in a given market. The research methodology utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each supplier's position within a given market. The Capabilities score measures supplier product, go-to-market and business execution in the short-term. The Strategy score measures alignment of supplier strategies with customer requirements in a 3-5-year timeframe. Supplier market share is represented by the size of the icons.
Source: IDC MarketScape: Worldwide Agentic Contact Center-as-a-Service Platforms 2026 Vendor Assessment (Doc #US54117326 August 2026). ©2026 IDC.

Driving growth of new AI products

Horizontal AI



ZoomMate

Launched in June 2026

Q2 win:

UNIVERSITY OF
NEWCASTLE 

Revenue Intelligence & Orchestration

Zoom Revenue Accelerator customers
+41% YoY

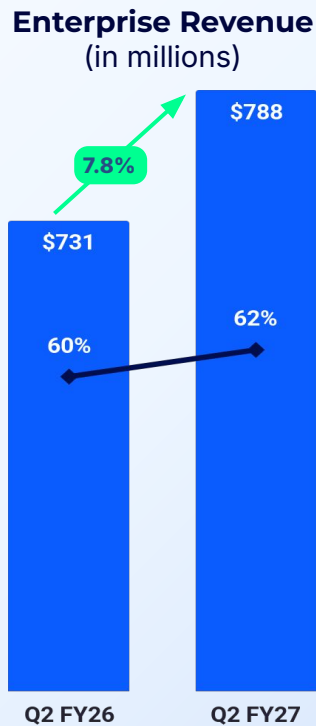
Acquired **Common Room** in July 2026

Q2 win:

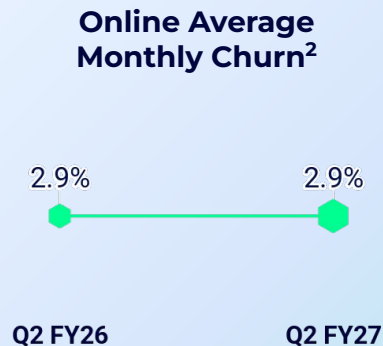


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Revenue progress continues driven by Enterprise

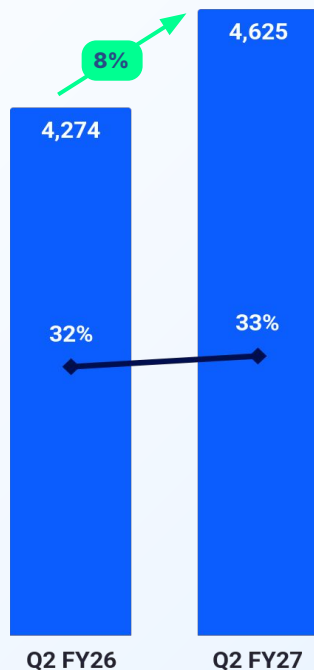


◆ Enterprise Revenue Share



Strength in up-market and continued growth internationally

of Customers Contributing >\$100k
in TTM Revenue

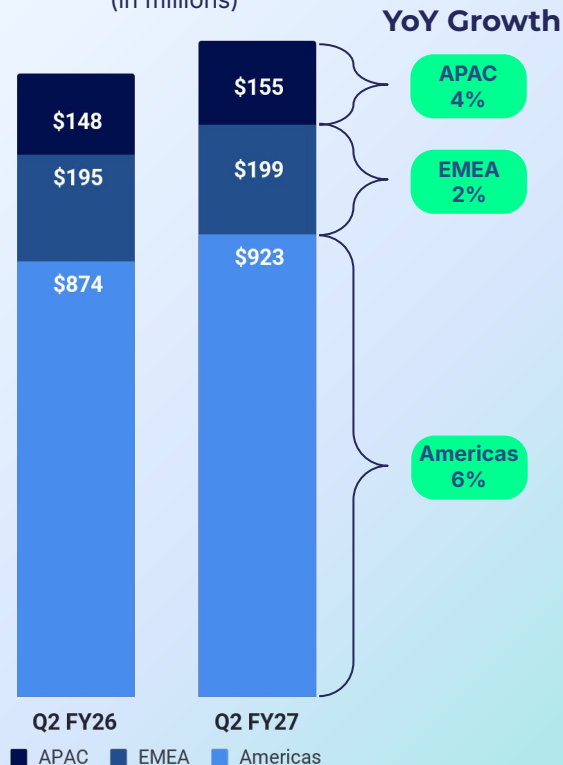


◆ Share of Total Revenue

99%

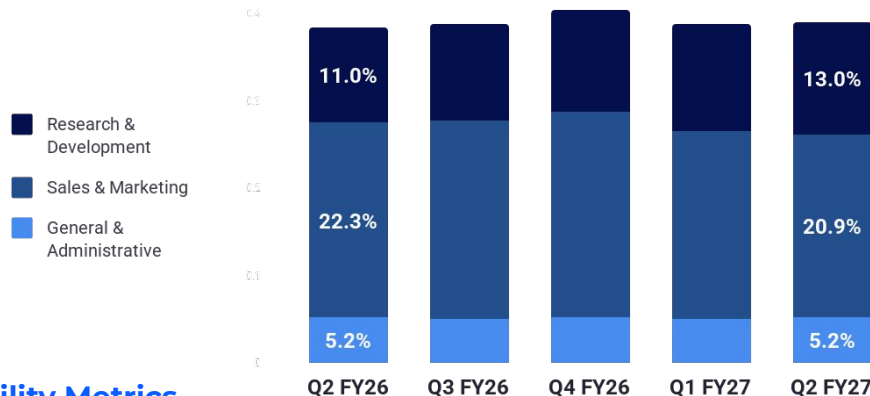
TTM Net Dollar
Expansion Rate for
Enterprise Customers¹

Revenue by Region²
(in millions)



Strong profitability

Non-GAAP¹ % of Revenue



Profitability Metrics

GAAP Gross Margin	77.6%	77.9%	76.3%	77.9%	77.2%
Non-GAAP Gross Margin	79.8%	80.0%	79.8%	79.9%	79.1%
GAAP Operating Margin	26.4%	25.2%	20.0%	25.1%	24.6%
Non-GAAP Operating Margin	41.3%	41.2%	39.3%	41.1%	40.0%
GAAP EPS - Diluted	\$1.16	\$2.01	\$2.22	\$1.42	\$5.15
Non-GAAP EPS - Diluted	\$1.53	\$1.52	\$1.44	\$1.55	\$1.55

24.6%
GAAP
Operating Margin

40.0%
Non-GAAP
Operating Margin

Growth in deferred revenue and RPO



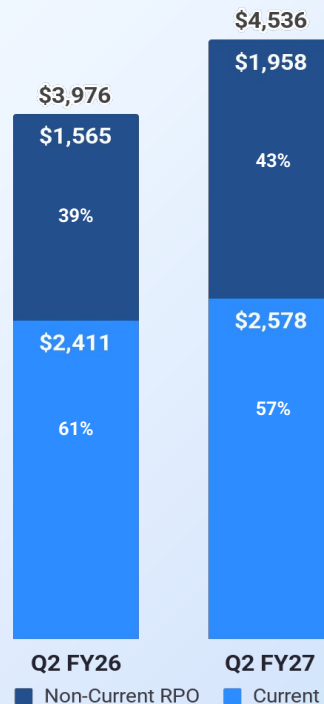
YoY Growth

Total RPO
14%

Unbilled
19%

Deferred Revenue
6%

Current² & Non-Current RPO (in millions)



YoY Growth

Total RPO
14%

Non-Current RPO
25%

Current RPO
7%

Strong cash flow, ~\$7.2B cash balance¹,
continued execution of share buyback in Q2

Operating Cash Flow
OCF Margin

\$495M
38.7%

Free Cash Flow²
FCF Margin

\$472M
37.0%

Share Repurchases (\$)

Under \$4.7B authorization



44.2M

of shares repurchased
since Q1 FY25

Q3 & fiscal year 2027 outlook

Outlook ¹	Q3 FY27	FY27
Revenue	\$1,275 - \$1,280 million	\$5,085 - \$5,095 million
Revenue (Constant Currency ²)	\$1,275 - \$1,280 million	\$5,071 - \$5,081 million
Non-GAAP Operating Income	\$510 - \$515 million	\$2,065 - \$2,075 million
Weighted Average Share Count	301 million	301 million
Non-GAAP EPS	\$1.46 - \$1.48	\$6.08 - \$6.12
Free Cash Flow ³	--	\$1,780 - \$1,820 million

~\$1.3 billion authorized share repurchase remaining as of 7/31/26
(not reflected in share count and EPS projections)



Thank you
zoom

Appendix

GAAP to Non-GAAP Reconciliation

(\$ in Thousands)

	Q2 FY26	Q2 FY27	H1 FY26	H1 FY27
Gross Profit				
Total Revenue	\$1,217,227	\$1,277,217	\$2,391,942	\$2,516,223
GAAP Gross Profit	\$944,062	\$985,495	\$1,840,375	\$1,950,214
(+) Stock-based compensation expense and related payroll taxes	\$26,582	\$22,301	\$58,570	\$45,904
(+) Acquisition-related expense	\$1,170	\$2,149	\$2,953	\$4,035
Non-GAAP Gross Profit	\$971,814	\$1,009,945	\$1,901,898	\$2,000,153
GAAP Gross Margin	77.6%	77.2%	76.9%	77.5%
Non-GAAP Gross Margin	79.8%	79.1%	79.5%	79.5%
R&D Expenses				
GAAP R&D	\$206,447	\$242,497	\$411,863	\$470,423
(-) Stock-based compensation expense and related payroll taxes	\$(71,752)	\$(75,926)	\$(147,738)	\$(149,298)
(-) Acquisition-related expense	\$(898)	\$(865)	\$(3,249)	\$(2,307)
Non-GAAP R&D	\$133,797	\$165,706	\$260,876	\$318,818
S&M Expenses				
GAAP S&M	\$338,995	\$330,521	\$685,965	\$660,571
(-) Stock-based compensation expense and related payroll taxes	\$(65,715)	\$(60,181)	\$(139,306)	\$(122,051)
(-) Acquisition-related expenses	\$(1,632)	\$(3,259)	\$(3,212)	\$(6,199)
Non-GAAP S&M	\$271,648	\$267,081	\$543,447	\$532,321
G&A Expenses				
GAAP G&A	\$76,885	\$98,161	\$179,220	\$194,431
(-) Stock-based compensation expense and related payroll taxes	\$(31,733)	\$(28,255)	\$(66,898)	\$(58,582)
(+) Litigation settlements, net	\$18,000	-	\$18,000	-
(-) Acquisition-related expense	\$(9)	\$(3,025)	\$(3,299)	\$(5,831)
Non-GAAP G&A	\$63,143	\$66,881	\$127,023	\$130,018

GAAP to Non-GAAP Reconciliation

(\$ in Thousands except EPS)

	Q2 FY26	Q2 FY27	H1 FY26	H1 FY27
Income from Operations				
Total Revenue	\$1,217,227	\$1,277,217	\$2,391,942	\$2,516,223
GAAP Income from operations	\$321,735	\$314,316	\$563,327	\$624,789
(+) Stock-based compensation expense and related payroll taxes	\$195,782	\$186,663	\$412,512	\$375,835
(-) Litigation settlements, net	\$(18,000)	-	\$(18,000)	-
(+) Acquisition-related expense	\$3,709	\$9,298	\$12,713	\$18,372
Non-GAAP Income from operations	\$503,226	\$510,277	\$970,552	\$1,018,996
GAAP Operating Margin	26.4%	24.6%	23.6%	24.8%
Non-GAAP Operating Margin	41.3%	40.0%	40.6%	40.5%
Net Income				
GAAP net income attributable to common stockholders	\$358,592	\$1,542,445	\$613,195	\$1,968,122
(+) Stock-based compensation expense and related payroll taxes	\$195,782	\$186,663	\$412,512	\$375,835
(-) Litigation settlements, net	\$(18,000)	-	\$(18,000)	-
(+) Acquisition-related expenses	\$3,709	\$9,298	\$12,713	\$18,372
(-) Gains on strategic investments	\$(45,056)	\$(1,614,203)	\$(31,437)	\$(1,766,500)
(-) Tax effects on non-GAAP adjustments	\$(23,708)	\$339,811	\$(69,371)	\$333,225
Non-GAAP net income	\$471,319	\$464,014	\$919,612	\$929,054
Earnings Per Share				
GAAP net income per share –diluted	\$1.16	\$5.15	\$1.97	\$6.56
Non-GAAP net income per share –diluted	\$1.53	\$1.55	\$2.96	\$3.10
Weighted Average Shares				
GAAP and Non-GAAP weighted-average –diluted	308,224,372	299,746,342	310,515,069	300,021,287

GAAP to Non-GAAP Reconciliation

(\$ in Thousands)	Q2 FY26	Q2 FY27	H1 FY26	H1 FY27
Free Cash Flow				
Cash Flow from Operations	\$515,940	\$494,751	\$1,005,201	\$1,016,361
(-) Purchases of PPE	\$(7,966)	\$(22,353)	\$(33,876)	\$(43,466)
Free Cash Flow	\$507,974	\$472,398	\$971,325	\$972,895
Operating Cash Flow Margin	42.4%	38.7%	42.0%	40.4%
Free Cash Flow Margin	41.7%	37.0%	40.6%	38.7%
Net cash used in investing activities	\$(60,673)	\$(73,521)	\$(185,803)	\$(554,237)
Net cash used in financing activities	\$(494,862)	\$(401,111)	\$(985,392)	\$(795,221)

(\$ in Thousands)	Q2 FY27	Y/Y growth	H1 FY27	Y/Y growth
Revenue in Constant Currency				
GAAP revenue	\$1,277,217	4.9%	\$2,516,223	5.2%
(-) Constant currency impact	\$(2,751)	-0.2%	\$(12,936)	-0.5%
Revenue in constant currency (non-GAAP)	\$1,274,466	4.7%	\$2,503,287	4.7%

Historic Metrics

(\$ in millions)

	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
Revenue	\$1,177.5	\$1,184.1	\$1,174.7	\$1,217.2	\$1,229.8	\$1,247.0	\$1,239.0	\$1,277.2
<i>Y/Y growth</i>	3.6%	3.3%	2.9%	4.7%	4.4%	5.3%	5.5%	4.9%
GAAP Income (loss) from operations	\$182.8	\$225.1	\$241.6	\$321.7	\$310.4	\$249.9	\$310.5	\$314.3
Stock-based compensation and related payroll taxes, acquisition-related expenses, impairment of assets, charitable donation of common stock, and litigation settlements, net	\$275.0	\$242.9	\$225.7	\$181.5	\$196.5	\$239.8	\$198.2	\$196.0
Non-GAAP income from operations	\$457.8	\$468.0	\$467.3	\$503.2	\$507.0	\$489.7	\$508.7	\$510.3
Operating Cash Flow	\$483.2	\$424.6	\$489.3	\$515.9	\$629.3	\$354.5	\$521.6	\$494.8
Capital Expenditures	\$(25.5)	\$(8.3)	\$(25.9)	\$(8.0)	\$(15.0)	\$(16.1)	\$(21.1)	\$(22.4)
Free Cash Flow	\$457.7	\$416.2	\$463.4	\$508.0	\$614.3	\$338.4	\$500.5	\$472.4
Deferred Revenue	\$1,379.0	\$1,353.7	\$1,425.4	\$1,479.3	\$1,444.5	\$1,424.3	\$1,493.4	\$1,562.2
Unbilled Accounts Receivable	\$122.6	\$118.5	\$108.1	\$85.2	\$90.8	\$84.9	\$87.8	\$88.4
RPO	\$3,740.7	\$3,801.9	\$3,877.3	\$3,976.1	\$4,022.3	\$4,185.0	\$4,298.6	\$4,535.9
<i>Y/Y growth</i>	5%	6%	6%	5%	8%	10%	11%	14%
Customers >\$100K TTM Revenue	3,995	4,088	4,192	4,274	4,363	4,468	4,534	4,625
<i>Y/Y growth</i>	7%	7%	8%	9%	9%	9%	8%	8%
Revenue % from Customers >\$100K TTM Revenue	31%	31%	32%	32%	32%	33%	33%	33%
Revenue % from Enterprise Customers	59%	60%	60%	60%	60%	61%	61%	62%
TTM Net \$ Expansion Rate for Enterprise Customers	98%	98%	98%	98%	98%	98%	99%	99%
Online Average Monthly Churn	2.7%	2.8%	2.8%	2.9%	2.7%	2.9%	3.0%	2.9%

Endnotes

Revenue progress continues driven by Enterprise

1. Total revenue reflects GAAP revenue without an adjustment for constant currency. Not drawn to scale.
2. Zoom calculates online average monthly churn by starting with the Online customer MRR as of the beginning of the applicable quarter ("Entry MRR"). Zoom defines Entry MRR as the recurring revenue run-rate of subscription agreements from all Online customers except for subscriptions that Zoom recorded as churn in a previous quarter based on the customers' earlier indication to us of their intention to cancel that subscription. Zoom then determines the MRR related to customers who canceled or downgraded their subscription or notified us of that intention during the applicable quarter ("Applicable Quarter MRR Churn") and divides the Applicable Quarter MRR Churn by the applicable quarter Entry MRR to arrive at the MRR churn rate for Online Customers for the applicable quarter. Zoom then divides that amount by three to calculate the online average monthly churn.

Strength in up-market and continued growth internationally

1. Zoom calculates net dollar expansion rate as of a period end by starting with the annual recurring revenue ("ARR") from Enterprise customers as of 12 months prior ("Prior Period ARR"). Zoom defines ARR as the annualized revenue run rate of subscription agreements from all customers at a point in time. Zoom calculates ARR by taking the monthly recurring revenue ("MRR") and multiplying it by 12. MRR is defined as the recurring revenue run-rate of subscription agreements from all Enterprise customers for the last month of the period, including revenue from monthly subscribers who have not provided any indication that they intend to cancel their subscriptions. Zoom then calculates the ARR from these Enterprise customers as of the current period end ("Current Period ARR"), which includes any upsells, contraction, and attrition. Zoom divides the Current Period ARR by the Prior Period ARR to arrive at the net dollar expansion rate. For the trailing 12 months calculation, Zoom takes an average of the net dollar expansion rate over the trailing 12 months.
2. Subtotals revenue and revenue percent have been rounded.

Strong profitability

1. See appendix for a reconciliation of GAAP to non-GAAP financial measures.

Growth in deferred revenue and RPO

1. Remaining performance obligations (RPO) consists of both billed considerations and unbilled considerations that we expect to recognize as revenue. Subtotals have been rounded.
2. Current RPO refers to the portion of total RPO which we expect to recognize as revenue over the following 12 months period.

Strong cash flow, ~\$7.2B cash balance, continued execution of share buyback in Q2

1. Cash balance refers to cash, cash equivalents and marketable securities, excluding restricted cash at the end of the period.
2. See appendix for a reconciliation of GAAP to non-GAAP financial measures. Zoom defines free cash flow as net cash provided by operating activities less purchases of property and equipment.

Q3 & fiscal year 2027 outlook

1. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future, although it is important to note that these factors could be material to Zoom's results computed in accordance with GAAP.
2. Zoom defines revenue in constant currency as GAAP revenue adjusted for revenue reported in currencies other than United States dollars as if they were converted into United States dollars using the average exchange rates from the comparative period rather than the actual exchange rates in effect during the respective periods. See appendix for a reconciliation of GAAP revenue to non-GAAP revenue in constant currency.
3. Free cash flow is a non-GAAP financial metric. Zoom defines free cash flow as net cash provided by operating activities less purchases of property and equipment.