



Fellow Shareholders,

We are at a pivotal moment in human history. AI is rapidly transforming how we work and interact, and Zoom is uniquely positioned as the system of action at the center of this transformation. We capture

human interactions in the moment and convert them to action in the form of automated workflows, decisions, and outcomes. This new AI value takes us beyond communications into the higher-value execution layer, increasing our share of customer workflows, driving multi-product adoption, and creating new monetization opportunities across our platform.

Our success moving into the execution layer is driven by progress across our key priorities:

1. Elevating Workplace with AI,
2. Driving growth of new AI products, and
3. Scaling AI-first Customer Experience.

These priorities guide us as we drive top-line growth, increase customer lifetime value with higher product adoption, expand relevance across enterprise workflows, monetize AI at scale, and, most importantly, deliver enduring value to our customers.

#### *Elevating Workplace with AI*

Zoom Workplace is where our AI system of action comes to life. Spanning the full work lifecycle – from meetings and calls to chat, docs, and whiteboard – it turns everyday collaboration into completed outcomes and reduces manual work with its strong set of deeply embedded AI features.

AI Companion MAUs more than tripled during FY26, extending beyond meeting summaries into Side Panel queries, call summaries, smart compose, Zoom Docs, and more. AI Companion 3.0, released in December, further layers in web portal access, personal AI note-taking and workflow automation, giving users more tools to turn meetings from one-off events into engines of ongoing work. Powered by our federated AI architecture, customers can use Zoom's models alongside trusted third-party models, offering them flexibility, quality, and cost savings that provide advantages over closed systems. Evolving AI Companion from a productivity tool into a workflow engine, is part of our strategy to directly and indirectly monetize AI through premium capabilities, deeper

enterprise integrations, and greater platform dependency.

Zoom Phone surpassed 10 million seats in early Q3, more than doubling in three years, with ARR growing in mid-teens each quarter of FY26. We're pleased to see AI usage deepening, with Phone MAUs using AI features increasing nearly 35% sequentially in Q4; and growing strength in industries like healthcare, financial services, and retail. In Q4, we landed a Fortune 10 customer for 140,000 seats, displacing Cisco; secured two major U.S. financial institutions, displacing both Teams and Cisco; and expanded a leading global bank to 150,000 total seats. Importantly, Phone continues to serve as a strategic entry point for broader platform adoption, including Contact Center, Virtual Agent, and Revenue Accelerator.

Workvivo saw 58% growth in the number of customers with over \$100,000 ARR across FY26, demonstrating durable organic momentum even as our Meta transition partnership ended midyear. The continued success of Workvivo exemplifies our disciplined approach to M&A – identifying category-leading products that fit naturally into our global distribution and product suite, and integrating them thoughtfully to accelerate growth. In FY26, Workvivo launched new AI products and features, powered by Zoom AI, to deepen our value for users and provide differentiated analytical tools to HR leaders.

#### *Driving Growth of New AI Products*

We are reimagining the relationship between human conversation and AI action by delivering new AI value in scenarios where we have a clear competitive advantage and direct path to monetization, both horizontally and in targeted verticals.

Last April, we released Custom AI Companion, our premium paid AI add-on for Workplace. As millions of customers experience AI Companion's value, CAIC offers them a natural path to achieve even more with Zoom AI – enabling deeper customization, agent automation, AI search, and third-party integrations tailored to their unique workflows – and drives AI monetization within Workplace, moving Zoom up the value stack. We're seeing scaled adoption with several Fortune 200 companies, including Oracle and Salesforce, and wall-to-wall wins across tech, education, and other sectors.

We're also extending AI into high-value verticals where conversation-driven workflows naturally arise and where we can increase our value by delivering domain-specific outcomes. Zoom Revenue Accelerator, our AI-powered revenue orchestration platform, had a strong year, with the number of customers increasing 50% across FY26. In Q4, we acquired BrightHire, a leading AI-powered hiring intelligence platform. This acquisition accelerates our expansion into high-value hiring workflows, where we see a clear opportunity to embed Zoom earlier in decision-making processes and increase platform stickiness.

### *Scaling AI-first Customer Experience*

Zoom is reinventing the traditional contact center – reactive, siloed, and cost-driven – with a modern AI-first Customer Experience solution that addresses the complexity of customer journeys, bridges customer engagement with internal collaboration through deep integration with Workplace and Phone, and empowers seamless resolutions. Zoom Customer Experience made great strides in FY26. In Q1 it crossed \$100 million in ARR, and in each quarter of FY26 it grew in high double digits, driven by both new logos and expansions. In Q3, only three years after launch, ZCX was recognized in the 2025 Gartner® Magic Quadrant™ for Contact Center as a Service. And in Q4, growth inflected off strong AI monetization, with all top 10 ZCX deals including paid AI, such as ZCC Elite or Zoom Virtual Agent.

What further differentiates ZCX is our ability to unify human and virtual agents on a single platform – with AI guiding human agents in real time and virtual agents resolving routine inquiries or handing off with full context when needed. With the mid-year launch of ZVA Voice and the year-end launch of ZVA 3.0, we've gone from driving transactional service for Enterprises into powering connected customer relationships with autonomous agentic AI across voice and chat. Momentum is building quickly: four of our top ten ZCX deals in Q4 included ZVA Voice, and we signed a nearly seven-figure ARR deal with a leading U.S. retailer across more than 1,100 locations, demonstrating ZVA's potential as a beachhead for broader platform adoption.

### *Inflecting Growth, Profitability, and Shareholder Return*

In FY26, we demonstrated durable growth inflection, while maintaining strong profitability margins. The acceleration is encouraging, but what gives us

greatest confidence is the breadth of the drivers: Online stabilizing, diverse Zoom product adoption, channel-led deals scaling, and AI monetization. After two consecutive years of 3.1% revenue growth, FY26 growth accelerated to 4.4%, and Q4 FY26 growth exceeded 5% for the first time in 14 quarters. The acceleration in FY26 was driven by both growth in our Enterprise business, which inflected 130 basis points to 6.5% growth in FY26, as well as stability in our Online business, where average monthly churn reached all-time lows and revenue returned to growth for the first time since the post-pandemic normalization.

We also strengthened our best-in-class margins. FY26 GAAP gross margin improved 120 basis points to 77.0%, driven by our ability to optimize costs through our federated approach even as AI usage scaled rapidly. GAAP operating margin improved 570 basis points in FY26, building on a similar gain in FY25, representing a dramatic two-year transformation in our profitability profile. A key driver was our disciplined approach to stock-based compensation. In FY26, we reduced SBC by 18% and diluted weighted-average shares outstanding by 2.5% from the prior year.

In FY26, we generated \$2.0 billion in cash flow from operations, which, combined with our \$7.8 billion cash balance, enabled investments in new AI products, strategic acquisitions like BrightHire and Bonsai, and repurchases of approximately 20 million shares for \$1.6 billion. In FY27 and beyond, we've committed to at least offset dilution on an annual basis with our share buyback.

### *The System of Action for Modern Work*

Looking ahead, we expect to surpass \$5 billion in revenue in FY27 – an amazing milestone that reflects the durability of our business and the growing impact of our AI-driven system of action. Anchored in our enduring culture of delivering happiness, and grateful to our customers, partners, and Zoomies whose ingenuity makes it all possible, we remain relentlessly focused on seizing the opportunity ahead.

Looking Forward,



Eric S. Yuan  
Zoom Founder, CEO, and Stockholder

**About Zoom**

Zoom (NASDAQ: ZM) is a system of action for modern work, turning live collaboration into completed results. From entrepreneurs to global enterprises, customers choose Zoom to seamlessly collaborate, communicate, and drive outcomes across meetings, phone, contact center, and more — all with the built-in assistance of Zoom AI Companion. Founded in 2011, Zoom is headquartered in San Jose, CA. For more information, visit [zoom.com](https://zoom.com).

**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 and product strategy, business aspirations, ability to leverage new technologies and products for future growth, strategies for driving operational and financial efficiencies, 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, 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 limited operating history, competition from other providers of communications platforms, the effect of macroeconomic conditions on our business, including inflation and market volatility, lengthened 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, risks relating to our development and use of AI technologies, 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 this Fiscal 2026 Annual Report as well as under the caption “Risk Factors” and elsewhere in our most recent filings with the Securities and Exchange Commission (the “SEC”). 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.