



Q4 2025 Earnings Results

February 12, 2026

Legal Disclaimer

This presentation and the accompanying conference call contain forward-looking statements within the meaning of the federal securities laws, including statements about our future performance and goals. These statements involve substantial risks and uncertainties that may cause our actual results, performance or achievement to differ materially, as further described in the Appendix, as well as in our most recent periodic reports filed with the SEC, including our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, which are available on our website and at [sec.gov](https://www.sec.gov).

This presentation and the accompanying conference call also contain operating metrics, including Active Customer Accounts and Dollar-Based Net Expansion Rate. We rely on assumptions to calculate these metrics, they are calculated using internal company data that has not been independently verified, and they are not based on any standardized industry methodology. More information about these operating metrics can be found in the Appendix.

This presentation and the accompanying conference call also contain non-GAAP financial measures. The non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. More information about and definitions of these non-GAAP financial measures, and reconciliations to their most directly comparable GAAP measures, can be found in the Appendix.



Financial Overview

Company Results

Q4 2025

\$1,366M

Reported Revenue

14% / 12%

Reported / Organic Revenue Growth Y/Y

\$682M

Non-GAAP Gross Profit

49.9%

Non-GAAP Gross Margin

\$256M

Non-GAAP Income from Operations

\$256M

Free Cash Flow

109%

Dollar-Based Net Expansion Rate

402,000+

Active Customer Accounts

Note: Organic revenue growth, non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, and free cash flow are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.
Note: Numbers are rounded to the nearest million (other than percentages and Active Customer Accounts).

Company Results

2025

\$5,067M

Reported Revenue

14% / 13%

Reported / Organic Revenue Growth Y/Y

\$2,559M

Non-GAAP Gross Profit

50.5%

Non-GAAP Gross Margin

\$924M

Non-GAAP Income from Operations

\$945M

Free Cash Flow

108%

Dollar-Based Net Expansion Rate

402,000+

Active Customer Accounts

Note: Organic revenue growth, non-GAAP gross profit, non-GAAP gross margin, non-GAAP income from operations, and free cash flow are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.
Note: Numbers are rounded to the nearest million (other than percentages and Active Customer Accounts).

Execution Since Investor Day

2025 Y/Y Growth

24%

ISV Revenue

21%

Self Serve Revenue¹

21%

Software Add-On Revenue²

24%

Verify Revenue

17%

International Revenue

26%

Multi-Product Customer Count³

14%

\$1M+ Customer Count⁴

49%

Voice AI Customer Revenue⁵

1. Self Serve Revenue includes revenue from customer accounts acquired and managed through our self-service platform. Self serve status is assessed periodically and customers are recategorized based upon transition into or out of direct account management.

2. Software Add-on Revenue includes revenue from software attach products to core communications channels. Examples include: Verify, Lookup, Engagement Suite, Conversational Intelligence, etc.

3. Multi-Product Customer Count reflects customer accounts at the end of the period that generated revenue during the period in more than one of the following product categories:

1) Core Messaging (e.g., SMS, MMS); 2) Advanced Messaging (e.g., WhatsApp, RCS); 3) Voice; 4) Video; 5) Email; 6) Segment; 7) Other (e.g., Flex, User Authentication and Identity).

4. \$1M+ Customer Count represents Active Customer Accounts that generated revenue equal to or exceeding \$1M in the year.

5. Voice AI Customer Revenue reflects Voice revenue attributable to customer accounts where (i) the customer's primary product and business model are AI/ML models or the platforms themselves and (ii) the account existed as of June 2025.

Q1 2026 & Full Year 2026 Guidance

Q1 2026 Guidance:

- Reported revenue: \$1.335 billion to \$1.345 billion, up 14% to 15% year-over-year
- Organic revenue growth: 10% to 11% year-over-year
- Non-GAAP income from operations: \$240 million to \$250 million
- Non-GAAP diluted earnings per share¹: \$1.21 - \$1.26
- Non-GAAP weighted average diluted shares outstanding: 158 million

Full Year 2026 Guidance:

- Reported revenue growth: 11.5% to 12.5% year-over-year
- Organic revenue growth: 8% to 9% year-over-year
- Non-GAAP gross profit growth similar to organic revenue growth
- Non-GAAP income from operations: \$1.04 billion to \$1.06 billion
- Free cash flow: \$1.04 billion to \$1.06 billion

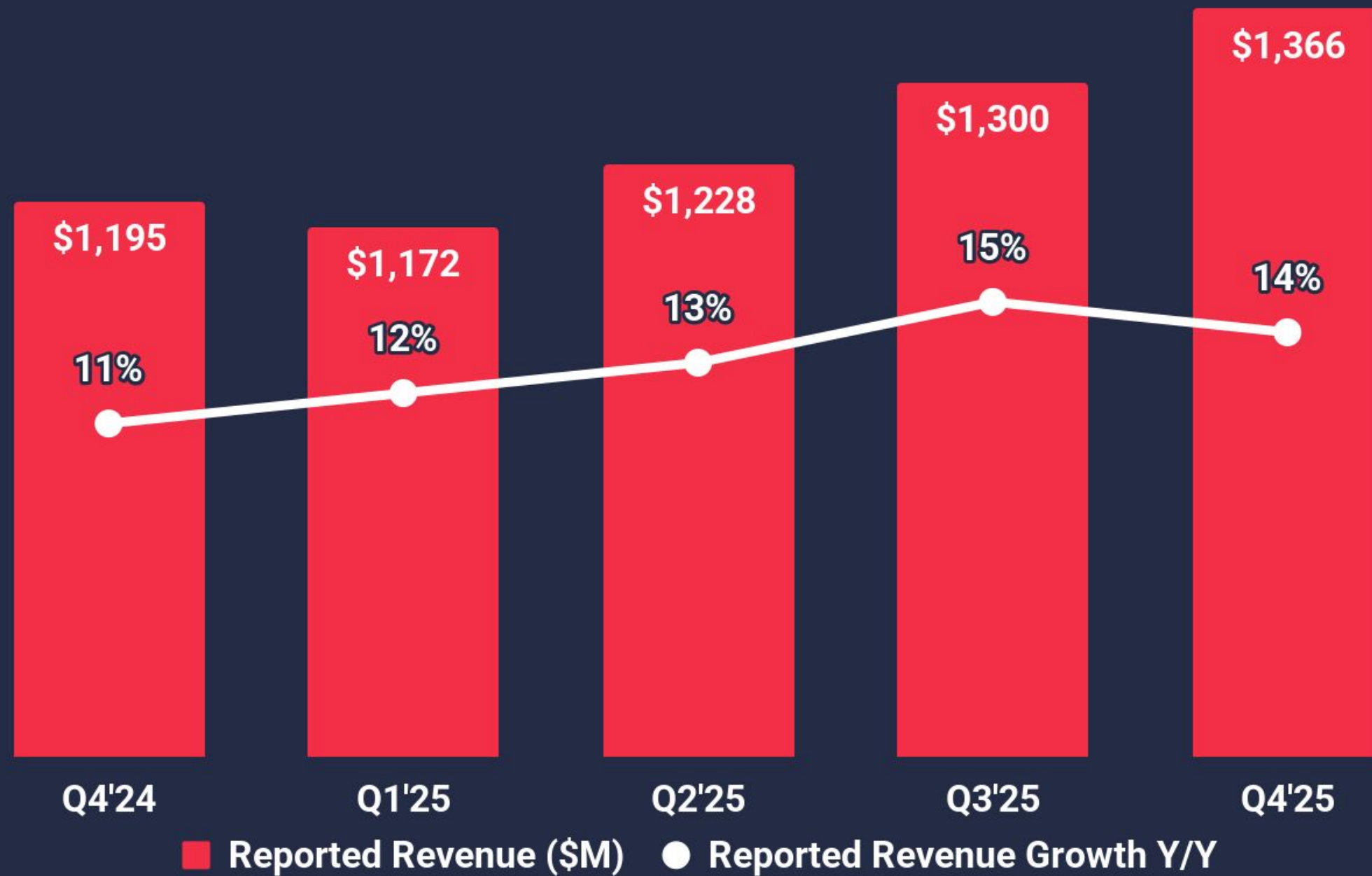
Full Year 2027 Guidance:

- Non-GAAP income from operations: At least \$1.23 billion

¹ Non-GAAP diluted earnings per share guidance assumes no impact from volatility of foreign exchange rates.

Note: Organic revenue growth, non-GAAP income from operations, non-GAAP diluted earnings per share, non-GAAP gross profit growth and free cash flow are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.

Quarterly Revenue



14%

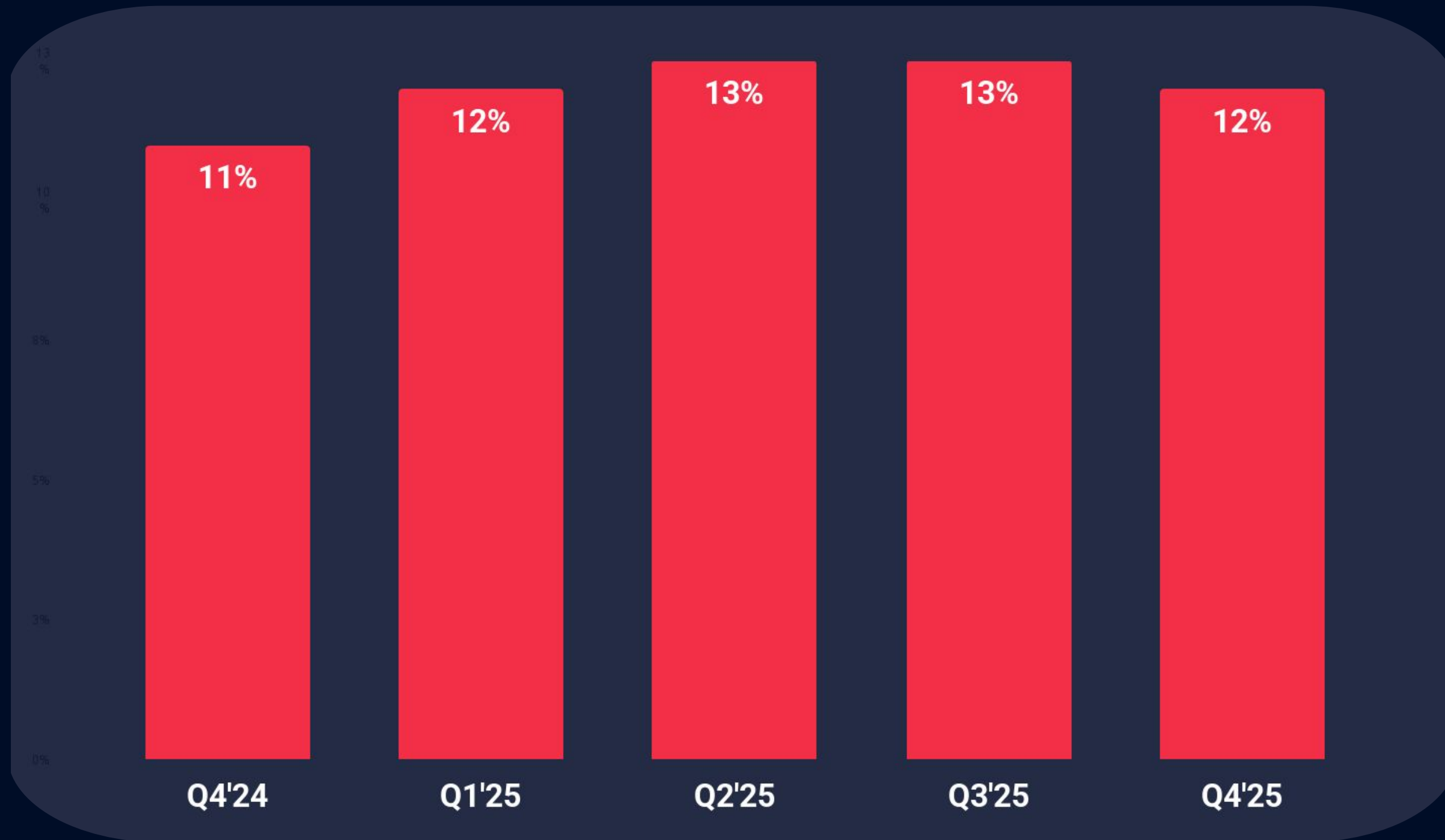
Q4'25 Reported Revenue Growth Y/Y

14%

FY25 Reported Revenue Growth Y/Y

Note: Numbers are rounded to the nearest million (other than percentages).

Quarterly Organic Revenue Growth



12%

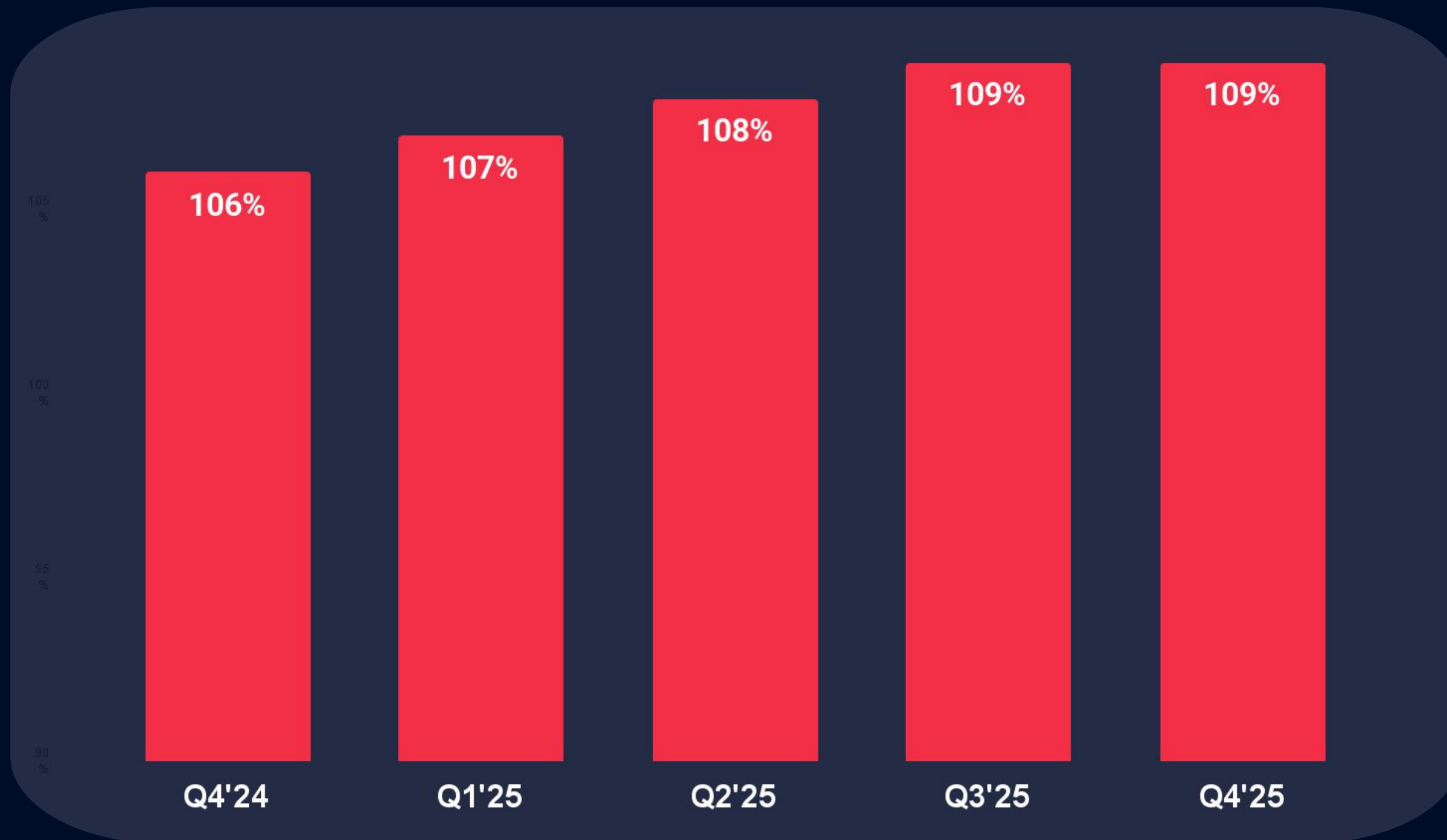
Q4'25 Organic Revenue Growth Y/Y

13%

FY25 Organic Revenue Growth Y/Y

Note: Organic revenue growth is a non-GAAP financial measure. See Appendix for non-GAAP definitions and reconciliations.

Dollar-Based Net Expansion Rate



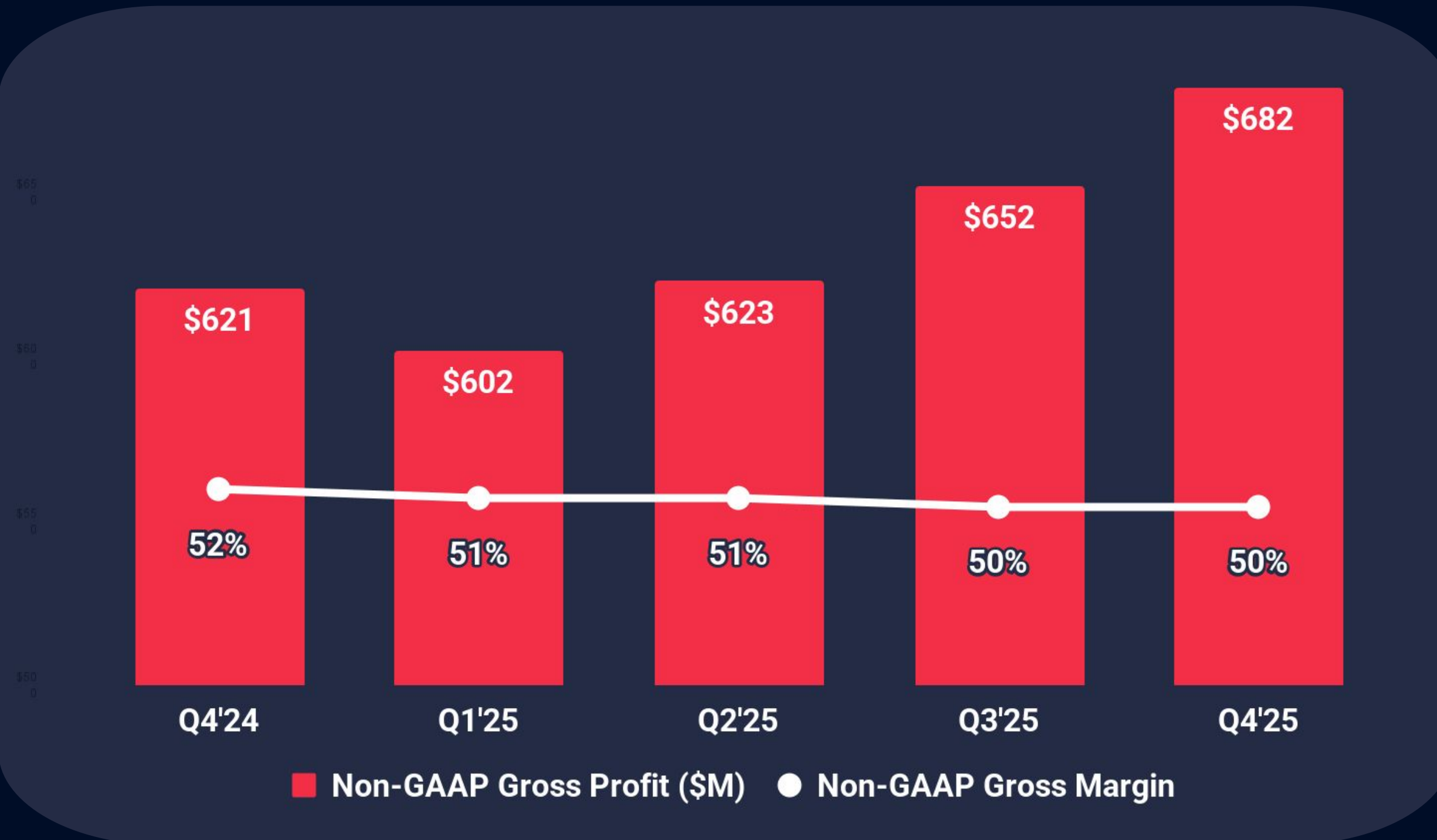
Note: See Appendix for our definition of Dollar-Based Net Expansion Rate.

Messaging Revenue Mix %



Note: Messaging Revenue Mix % refers to Messaging revenue as a percentage of revenue. RCS Messaging and WhatsApp Messaging were reclassified from Other to Messaging; prior periods were reclassified to conform with current presentation.

Non-GAAP Gross Profit



50%

Q4'25 Non-GAAP
Gross Margin

10%

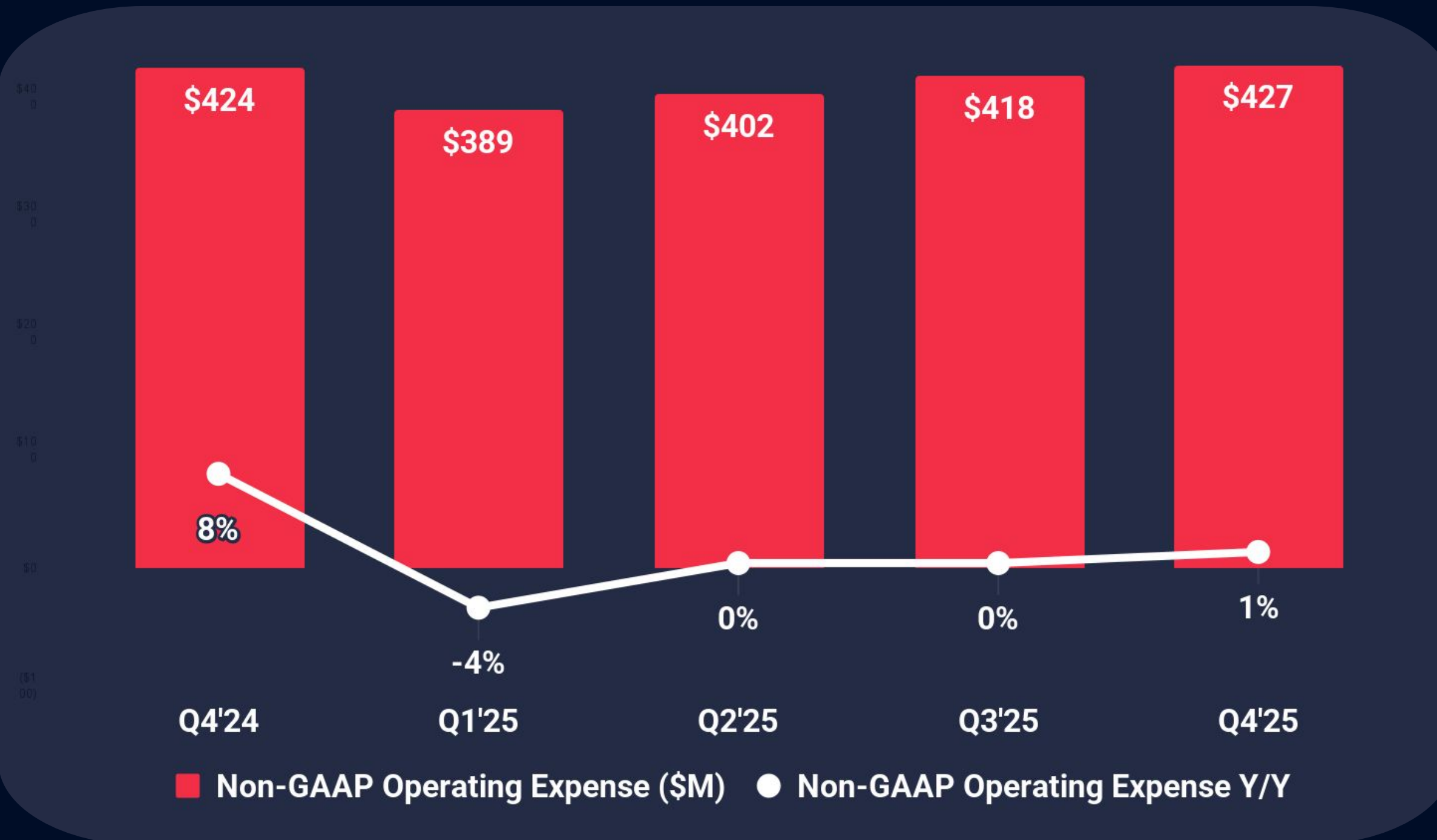
Q4'25 Non-GAAP
Gross Profit
Growth Y/Y

8%

FY25 Non-GAAP
Gross Profit
Growth Y/Y

Note: Non-GAAP gross profit and non-GAAP gross margin are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.

Non-GAAP Operating Expense



1%

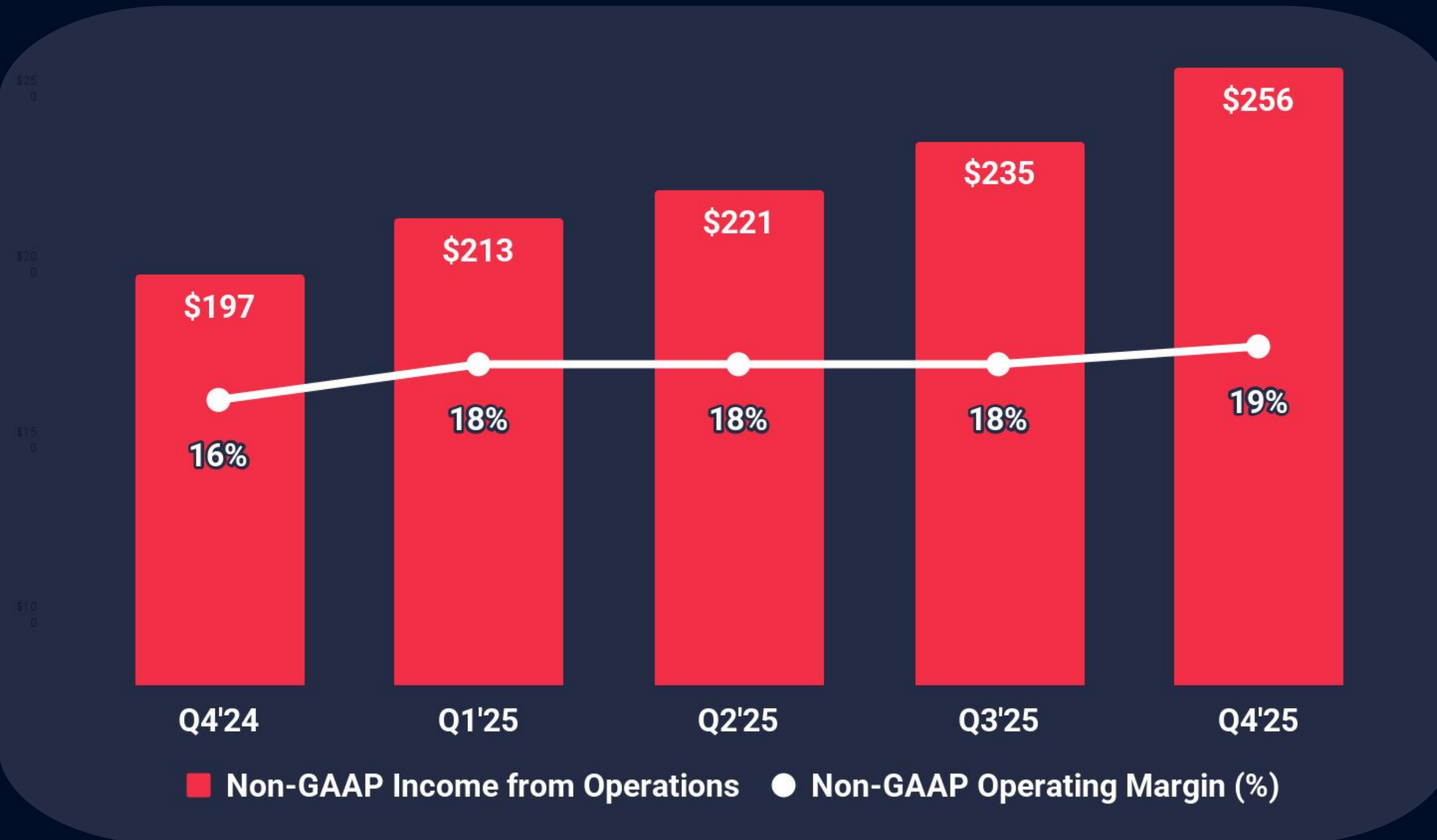
Q4'25 Non-GAAP Operating Expense Growth Y/Y

-1%

FY25 Non-GAAP Operating Expense Growth Y/Y

Note: Non-GAAP operating expense is a non-GAAP financial measure. See Appendix for non-GAAP definitions and reconciliations.

Non-GAAP Income from Operations



19%

Q4'25 Non-GAAP Operating Margin

30%

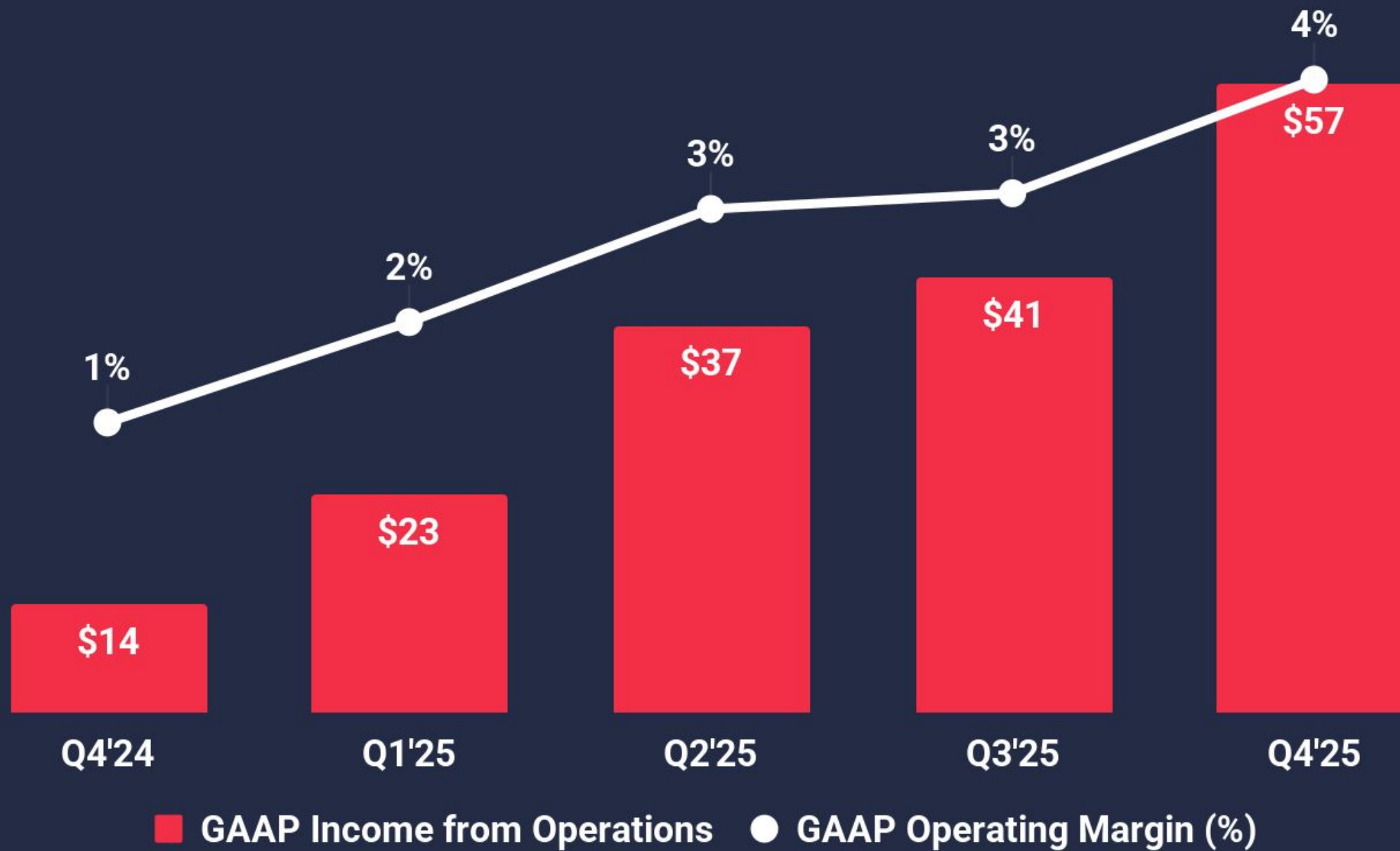
Q4'25 Non-GAAP Income from Operations Growth Y/Y

29%

FY25 Non-GAAP Income from Operations Growth Y/Y

Note: Non-GAAP income from operations and non-GAAP operating margin are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.

GAAP Income from Operations



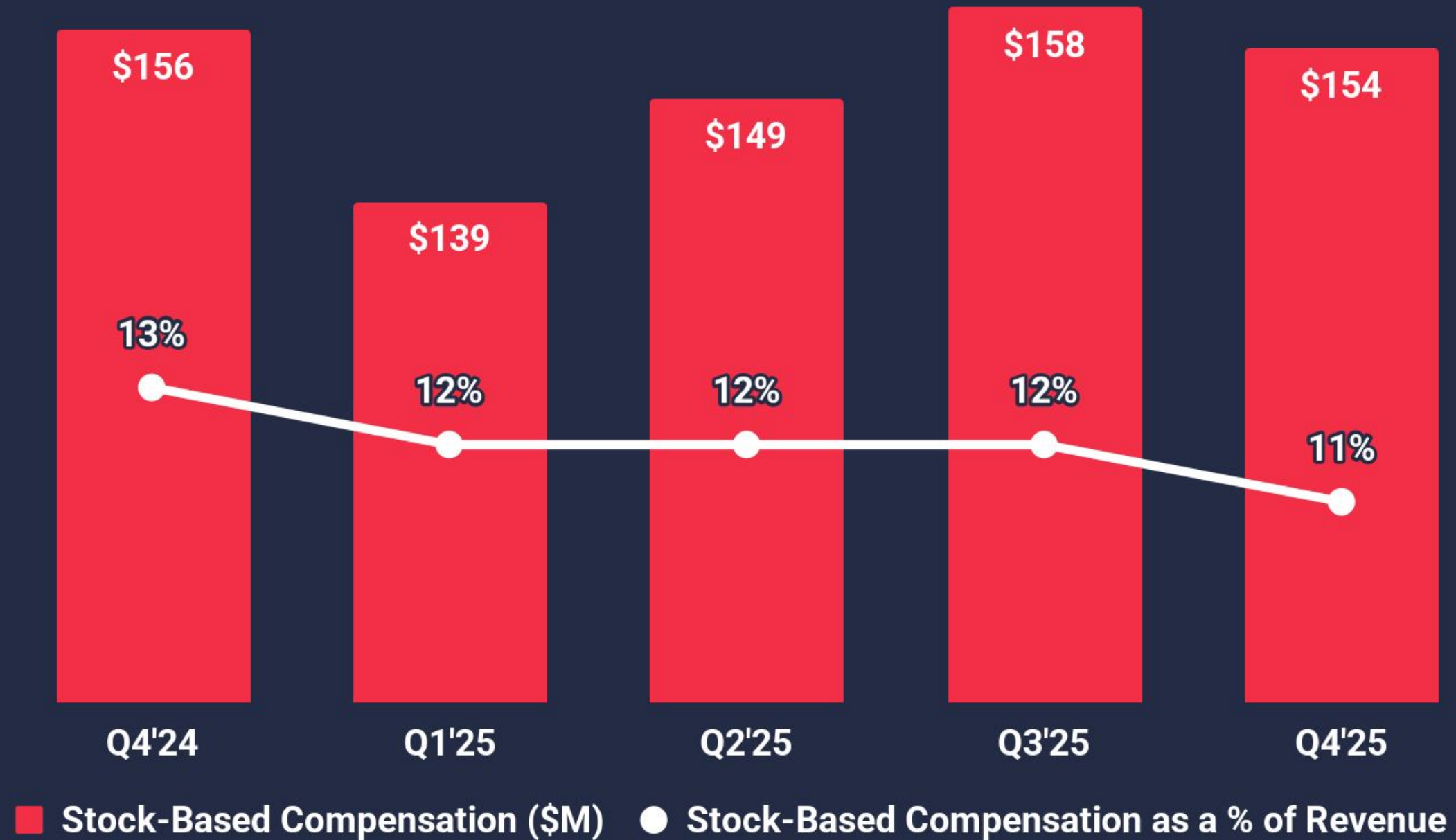
4%

Q4'25 GAAP
Operating Margin

3%

FY25 GAAP
Operating Margin

Stock-Based Compensation Expense



11%

Q4'25 Stock-Based Compensation as a % of Revenue

12%

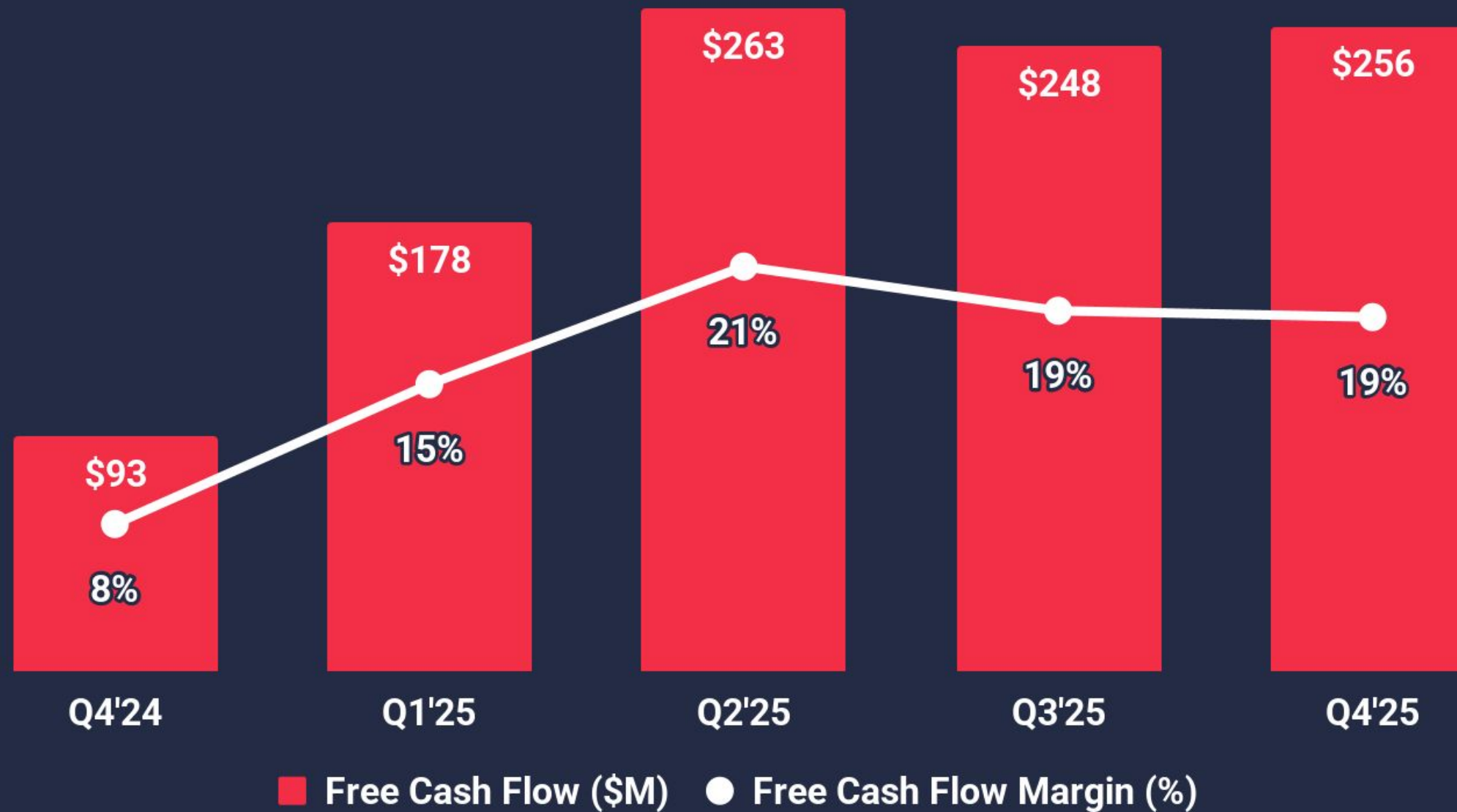
FY25 Stock-Based Compensation as a % of Revenue

1.5%

FY25 Net Burn¹ (Before Share Repurchases)

¹ Net burn is calculated as the number of employee stock units granted in a year net of forfeitures and divided by the prior year ending share count. Does not include any impact of share repurchases in a given year.

Free Cash Flow



19%

Q4'25 Free Cash Flow Margin

19%

FY25 Free Cash Flow Margin

44%

FY25 Free Cash Flow Growth Y/Y

Note: Free cash flow and free cash flow margin are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.

Q4 2025: Representative Customer Wins

Top Customer Wins from the Quarter

- Twilio signed a nine-figure renewal with a leading marketing automation platform, the largest deal in Twilio's history.
- Ramp, a leading financial operations company, signed a deal to leverage **RCS** as the branded messaging experience to power account notifications and two-way capabilities, such as adding a purchase reason or sending a receipt.
- Lofty, a real estate technology platform, signed a seven figure deal to integrate **Messaging** and **Voice** in their platform to drive scheduling reminders and account notifications.
- A leading B2C delivery company signed a seven figure deal to utilize **Messaging** and **Voice** for communications between shoppers, customers, and merchants. Additionally, they are implementing **Branded Calling** to improve answer rates for successful deliveries.
- A leading e-commerce car retailer signed a seven figure deal to use **Messaging** and **RCS** across the entire car buying journey. They plan to develop AI driven messaging to accelerate growth and enhance the car buying journey by using Twilio to create truly personalized engagements for its customers.
- Exelab, an Italian systems integrator, signed a cross-sell agreement for its client DentalPro to adopt our Agent Productivity solution powered by **Flex**, **Messaging**, and **Voice**. Together, they built a virtual agent for customer care and inbound and outbound booking management. In the first two months, clinics using **ConversationRelay** for AI Agents reported a meaningful uplift in service levels, with the virtual agent handling a significant share of booking confirmations.

Top Customer Wins from the Quarter (cont.)

- Sierra, a leading company in the customer experience AI space, signed a new deal to continue leveraging Twilio's **Voice** functionality to power their platform. Additionally, they will use voice software products like **Conferencing** to support additional use cases like multi-party calling or taking payment over the phone.
- PolyAI, an enterprise conversational AI company, signed a multi-year deal to leverage Twilio's trusted and scalable **Messaging** and **Voice** APIs in their agentic AI platform. Together, PolyAI and Twilio will make it easier than ever for PolyAI customers to launch AI agents. For example, PolyAI is leveraging the Twilio **Programmable Voice** API to help thousands of restaurants to automate table reservations around the globe, as well as thousands of healthcare providers to automate patient appointments over the phone.
- Genspark, an AI agent company, signed an upsell to expand its use of **Voice** to power AI-driven workflows, choosing Twilio for its strong AI integration and long-term scalability.
- Elise AI, an AI platform for property management, signed a seven figure deal to add voice software capabilities like **Branded Calling** and **Conferencing** to facilitate scalable multi-party calling. The partnership gives them long-term stability across **Messaging** and **Voice** so they can focus on innovation and expansion into new verticals.
- Retell AI, a Voice AI platform, signed a deal to expand into international markets with Twilio's **Messaging** and **Voice** APIs.
- Agnes AI, an AI agent platform, signed a new business deal to leverage **Verify** to power verifications with fraud prevention and trusted platform efficiency.

Top Customer Wins from the Quarter (cont.)

- Numa, an AI platform for automotive dealerships, signed a seven figure deal to leverage **Messaging, Voice**, and other Advanced Features for their AI Agents that automate appointment bookings, answer calls, detect intent, and schedule appointments.
- Credits, a leading platform for collateralized lending, insurance, and investment solutions in Latin America, is an existing Twilio **Flex, Segment**, and **Messaging** customer, using the Twilio platform to power critical customer interactions. In Q4, the company signed an agreement to begin using Twilio **Voice** and **ConversationRelay**, with a goal of further enhancing its virtual agents to accelerate the loan sales process through AI.
- A leading fintech company signed an eight figure deal to utilize **Flex** along with multiple communications channels like **WhatsApp, SMS, Email**, and **Voice** to accelerate their customer care experience. Additionally, they are leveraging **ConversationRelay** to evolve their contact center strategy with Voice AI Agents.
- A global health-tech company, signed a seven figure deal with **Flex, Voice**, and voice software products, **ConversationRelay** and **Branded Calling**, to power their outbound dialer solution.
- Nestlé, a global food and beverage company, signed an expansion deal to leverage **Segment's** unified profile to drive personalized communications, unlocking cross sell opportunities in multiple countries and all Nestlé's brands and categories.
- Grubhub, a leading U.S. ordering and delivery marketplace, signed a new business deal with **Segment** to optimize communications with personalization at scale and improve one to multiple order customer conversion.

FY25 Customer Success Stories

Click customer name to learn more

- [All My Sons](#) - With Flex and Programmable Voice, All My Sons streamlined sales outreach, simplified operations, and enhanced both customer and employee experiences—without giving up control.
- [smava](#) - With secure, verified channels and a focus on personalized messaging, smava has made every customer interaction more relevant and trusted than ever before. Teams now engage customers on their preferred platforms with timely, individualized messages—backed by a centralized data layer with Twilio Segment that keeps measurement and optimization aligned throughout the customer journey.
- [Posh](#) - With Fraud Guard, we recently blocked 97,000 bad attempts and saved \$15,000 in a single month.
- [Manus](#) - Manus successfully onboarded the bulk of its waitlist of 3.5 million users in just two months using Twilio Verify. It also used Twilio Verify Fraud Guard to detect and block fraudulent SMS pumping and fake accounts, particularly in high-risk markets. By neutralizing these attacks in real time, Manus prevented hundreds of thousands of dollars in potential losses.
- [Datacom](#) - One of the biggest advantages is Twilio's programmability, which has streamlined the deployment and modification of voice solutions like IVR systems. Previously, making changes required highly skilled engineers with expertise in session border controller infrastructure and carrier relationships. Now, routine provisioning tasks can be managed by less experienced employees, freeing senior team members to focus on more innovative, high-value projects for Datacom's customers.



THANK YOU

Appendix

Forward-Looking Statements

This presentation and the accompanying conference call contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “can,” “will,” “would,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “forecasts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this presentation and the accompanying conference call include, but are not limited to, statements about: our future financial and operating performance and outlook, including our expected financial and operating results, guidance and targets, including the assumptions underlying such guidance and targets; our anticipated strategies and business plans and our ability to successfully execute them; our ability to drive growth, profitability and free cash flow; our ability to maintain cost discipline and drive operating leverage; future investments and expenses; our expectations regarding carrier fees, and our related actions, and the impact of such fees on our financial and operating performance, including guidance; our expectations regarding our margins, including regarding price actions, product mix and growth in higher-margin products; our expectations regarding capital returns to shareholders, including share repurchases; our expectations regarding revenue from ISVs and self-serve customers; our expectations regarding our cross-sell, upsell and solution selling efforts; our pipeline of new business; the benefits our customers derive from our products; our ability to expand into new and existing markets; our innovation roadmap and the development, release and adoption of our products (and the timing thereof); the effects of our go-to-market efforts to drive profitable growth and capture market share; our expectations related to being a foundational infrastructure layer in the AI era; our expectations regarding seasonal impacts; and our expectations regarding the macroeconomic environment. You should not rely upon forward-looking statements as predictions of future events.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to differ materially from those described in the forward-looking statements, including, among other things: the impact of global economic and political conditions and uncertainties; the accuracy of our forecasts and metrics; fluctuations in our results of operations and the levels of our customers' usage of our platform; our ability to attract and retain customers and expand their usage of our platform; our ability to develop new products and integrate our products with third-party products effectively; our ability to manage our growth and strategic changes to our business; our ability to compete effectively in intensely competitive markets; the occurrence of and our ability to manage cybersecurity breaches and other incidents impacting our networks and systems or those of our third-party service providers; our ability to manage changes in network service provider fees and optimize our network service provider coverage and connectivity; and our compliance with industry standards, laws and regulations.

The forward-looking statements contained in this presentation and the accompanying conference call are also subject to additional risks, uncertainties, and factors, including those more fully described in our most recent filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Should any of these risks materialize, or should our assumptions prove to be incorrect, actual financial results could differ materially from our projections or those implied by these forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment, and new risks and uncertainties may emerge that could have an impact on the forward-looking statements contained in this presentation and the accompanying conference call. All forward-looking statements contained in this presentation and the accompanying conference call represent our management's beliefs and assumptions only as of the date such statements are made and we do not assume any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date on which the statements were made, or to reflect new information or the occurrence of unanticipated events, except as required by law.

Operating Metrics

We review a number of operational and financial metrics, including Active Customer Accounts and Dollar-Based Net Expansion Rate, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. These metrics are not based on any standardized industry methodology and are not necessarily calculated in the same manner or comparable to similarly titled measures presented by other companies. Similarly, these metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. The numbers that we use to calculate Active Customer Accounts and Dollar-Based Net Expansion Rate are based on internal data. While these numbers are based on what we believe to be reasonable judgments and estimates for the applicable period of measurement, there are inherent challenges in measuring usage. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy. If investors or analysts do not perceive our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, our reputation, business, results of operations, and financial condition would be harmed.

Active Customer Accounts. We define an Active Customer Account at the end of any period as an individual account, as identified by a unique account identifier, for which we have recognized at least \$5 of revenue in the last month of the period. A single organization may constitute multiple unique Active Customer Accounts if it has multiple account identifiers, each of which is treated as a separate Active Customer Account. Active Customer Accounts excludes customer accounts from Zipwhip, Inc. ("Zipwhip"). The number of Active Customer Accounts is rounded down to the nearest thousand.

Our business and customer relationships have grown since we began reporting the number of Active Customer Accounts using the above definition, which is anchored to a minimum \$5 monthly revenue figure. We have a large number of Active Customer Accounts with relatively low individual spend that in the aggregate do not drive a significant portion of our revenue. Due to this dynamic, we believe that the number of Active Customer Accounts, as currently defined, is less informative now as an indicator of the growth of our business and future revenue trends than it has been in prior periods.

Operating Metrics

Dollar-Based Net Expansion Rate. Our Dollar-Based Net Expansion Rate compares the total revenue from all Active Customer Accounts and customer accounts from Zipwhip in a quarter to the same quarter in the prior year. To calculate the Dollar-Based Net Expansion Rate, we first identify the cohort of Active Customer Accounts and customer accounts from Zipwhip that were Active Customer Accounts or customer accounts from Zipwhip in the same quarter of the prior year. The Dollar-Based Net Expansion Rate is the quotient obtained by dividing the revenue generated from that cohort in a quarter, by the revenue generated from that same cohort in the corresponding quarter in the prior year. When we calculate Dollar-Based Net Expansion Rate for periods longer than one quarter, we use the average of the applicable quarterly Dollar-Based Net Expansion Rates for each of the quarters in such period. Revenue from acquisitions does not impact the Dollar-Based Net Expansion Rate calculation until the quarter following the one-year anniversary of the applicable acquisition, unless the acquisition closing date is the first day of a quarter. Revenue from divestitures does not impact the Dollar-Based Net Expansion Rate calculation beginning in the quarter the divestiture closed, unless the divestiture closing date is the last day of a quarter.

We believe that measuring Dollar-Based Net Expansion Rate provides an important indication of the performance of our efforts to increase revenue from existing customers. Our ability to drive growth and generate incremental revenue depends, in part, on our ability to maintain and grow our relationships with existing Active Customer Accounts and to increase their use of the platform. An important way in which we have historically tracked performance in this area is by measuring the Dollar-Based Net Expansion Rate for Active Customer Accounts. Our Dollar-Based Net Expansion Rate increases when such Active Customer Accounts increase their usage of a product, extend their usage of a product to new applications or adopt a new product. Our Dollar-Based Net Expansion Rate decreases when such Active Customer Accounts cease or reduce their usage of a product or when we lower usage prices on a product. As our customers grow their businesses and extend the use of our platform, they sometimes create multiple customer accounts with us for operational or other reasons. As such, when we identify a significant customer organization (defined as a single customer organization generating more than 1% of revenue in a quarterly reporting period) that has created a new Active Customer Account, this new Active Customer Account is tied to, and revenue from this new Active Customer Account is included with, the original Active Customer Account for the purposes of calculating this metric.

Non-GAAP Financial Measures

In addition to financial information presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation and the accompanying conference call include certain non-GAAP financial measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating margin, non-GAAP net income attributable to common stockholders, non-GAAP net income per share attributable to common stockholders, diluted (which we refer to as “non-GAAP diluted earnings per share”), non-GAAP income from operations, organic revenue and organic revenue growth, free cash flow and free cash flow margin. We use these non-GAAP financial measures to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures may be helpful to investors because they provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of results of operations and assist in comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. We believe organic revenue and organic revenue growth are useful in understanding the ongoing results of our operations. We believe free cash flow and free cash flow margin provide useful supplemental information to help investors understand underlying trends in our business and our liquidity. These non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered substitutes for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. A reconciliation of these measures to the most directly comparable GAAP measures is included in the appendix. We have not provided the forward-looking GAAP equivalents for certain forward-looking non-GAAP measures presented in this presentation or the accompanying conference call, or a GAAP reconciliation, as a result of the uncertainty regarding, and the potential variability of, reconciling items such as stock-based compensation expense. Accordingly, a reconciliation of these non-GAAP guidance metrics to their corresponding forward-looking GAAP equivalents is not available without unreasonable effort. However, it is important to note that material changes to reconciling items could have a significant effect on future GAAP results.

Non-GAAP Gross Profit and Non-GAAP Gross Margin. For the periods presented, we define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, adjusted to exclude stock-based compensation, amortization of acquired intangibles and payroll taxes related to stock-based compensation.

Non-GAAP Income from Operations and Non-GAAP Operating Margin. For the periods presented, we define non-GAAP income from operations and non-GAAP operating margin as GAAP income from operations and GAAP operating margin, respectively, adjusted to exclude, as applicable, stock-based compensation, amortization of acquired intangibles, loss on net assets divested, acquisition and divestiture related expenses, payroll taxes related to stock-based compensation, charitable contributions, restructuring costs, impairment of long-lived assets, and gains or losses on lease termination.

Non-GAAP Financial Measures

Non-GAAP Net Income Attributable to Common Stockholders and Non-GAAP Net Income Per Share Attributable to Common Stockholders. For the periods presented, we define non-GAAP net income attributable to common stockholders and non-GAAP net income per share attributable to common stockholders, diluted (which we refer to as “non-GAAP diluted earnings per share”) as GAAP net income (loss) attributable to common stockholders and GAAP net income (loss) per share attributable to common stockholders, diluted, respectively, adjusted to exclude, as applicable, stock-based compensation, amortization of acquired intangibles, loss on net assets divested, acquisition and divestiture related expenses, losses on impairment of strategic investments, payroll taxes related to stock-based compensation, accretion of debt discount and issuance costs, provision of income tax effects related to non-GAAP adjustments, income tax benefit related to acquisitions, charitable contributions, share of losses from equity method investment, impairment of equity method investment, restructuring costs, impairment of long-lived assets, gains or losses on or impairment of strategic investments, and gains or losses on lease termination.

Organic Revenue. For the periods presented, we define organic revenue as GAAP revenue, excluding (i) revenue from each acquired business and revenue from incremental increases to application-to-person (“A2P”) fees imposed by major U.S. carriers on our core messaging business, in each case until the beginning of the first full quarter following the one-year anniversary of the closing date of such acquisition or the initial date such fees were charged and (ii) revenue from each divested business beginning in the quarter of the closing date of such divestiture; provided that (a) if an acquisition closes or such fees are initially charged on the first day of a quarter, such revenue will be included in organic revenue beginning on the one-year anniversary of the closing date of such acquisition or the initial date such fees were charged and (b) if a divestiture closes on the last day of a quarter, such revenue will be included in organic revenue for that quarter. As used in this definition, A2P fees refers to fees imposed by U.S. mobile carriers for A2P messages delivered to their subscribers, and we pass these fees to our messaging customers at cost.

Organic Revenue Growth. For the periods presented, we calculate organic revenue growth by dividing (i) organic revenue for the period presented less organic revenue in the comparative period by (ii) organic revenue in the comparative period. If revenue from certain acquisitions, divestitures or A2P fees is included or excluded in organic revenue in the period presented, then revenue from the same acquisitions, divestitures and A2P fees is included or excluded in organic revenue in the comparative period for purposes of the organic revenue growth calculation. As a result, organic revenue used in this calculation for the comparative period will not always equal organic revenue reported for the comparative period.

Free Cash Flow and Free Cash Flow Margin. For the periods presented, we define free cash flow as net cash provided by operating activities, excluding capitalized software development costs and purchases of long-lived and intangible assets, and we define free cash flow margin as free cash flow divided by revenue.

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Non-GAAP gross profit and Non-GAAP gross margin					
Revenue	\$ 1,194,835	\$ 1,172,463	\$ 1,228,425	\$ 1,300,402	\$ 1,365,930
GAAP gross profit	\$ 599,697	\$ 581,567	\$ 602,740	\$ 632,077	\$ 662,350
GAAP gross profit growth (Y/Y)					10 %
GAAP gross margin	50.2 %	49.6 %	49.1 %	48.6 %	48.5 %
Non-GAAP adjustments:					
Stock-based compensation	5,171	4,271	4,087	4,305	3,907
Amortization of acquired intangibles	15,682	15,682	15,594	15,446	15,745
Payroll taxes related to stock-based compensation	248	482	481	269	234
Non-GAAP gross profit	\$ 620,798	\$ 602,002	\$ 622,902	\$ 652,097	\$ 682,236
Non-GAAP gross profit growth (Y/Y)					10 %
Non-GAAP gross margin	52.0 %	51.3 %	50.7 %	50.1 %	49.9 %

	Year Ended	
	December 31, 2024	December 31, 2025
Non-GAAP gross profit and Non-GAAP gross margin		
Revenue	\$ 4,458,036	\$ 5,067,220
GAAP gross profit	\$ 2,278,212	\$ 2,478,734
GAAP gross profit growth (Y/Y)		9 %
GAAP gross margin	51.1 %	48.9 %
Non-GAAP adjustments:		
Stock-based compensation	22,001	16,570
Amortization of acquired intangibles	62,728	62,467
Payroll taxes related to stock-based compensation	1,133	1,466
Non-GAAP gross profit	\$ 2,364,074	\$ 2,559,237
Non-GAAP gross profit growth (Y/Y)		8 %
Non-GAAP gross margin	53.0 %	50.5 %

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Non-GAAP income from operations and Non-GAAP operating margin					
GAAP gross profit	\$ 599,697	\$ 581,567	\$ 602,740	\$ 632,077	\$ 662,350
Non-GAAP gross profit	\$ 620,798	\$ 602,002	\$ 622,902	\$ 652,097	\$ 682,236
GAAP operating expenses	\$ 585,970	\$ 558,485	\$ 565,751	\$ 591,129	\$ 605,567
Non-GAAP adjustments:					
Stock-based compensation	(150,612)	(133,249)	(145,164)	(153,864)	(149,807)
Amortization of acquired intangibles	(11,609)	(11,457)	(11,411)	(11,412)	(11,327)
Acquisition and divestiture related expenses	—	—	—	—	(486)
Payroll taxes related to stock-based compensation	1,941	(10,718)	(4,440)	(3,160)	(4,970)
Charitable contributions	(1,996)	(2,776)	(2,237)	(5,104)	(8,823)
Restructuring costs	57	(11,691)	(140)	—	(3,199)
Impairment of long-lived assets	—	—	—	—	(1,849)
Gain on lease termination	—	—	—	—	1,556
Non-GAAP operating expenses	\$ 423,751	\$ 388,594	\$ 402,359	\$ 417,589	\$ 426,662
GAAP income from operations	\$ 13,727	\$ 23,082	\$ 36,989	\$ 40,948	\$ 56,783
GAAP income from operations growth (Y/Y)					314%
GAAP operating margin	1.1%	2.0%	3.0%	3.1%	4.2%
Non-GAAP adjustments:					
Stock-based compensation	155,783	137,520	149,251	158,169	153,714
Amortization of acquired intangibles	27,291	27,139	27,005	26,858	27,072
Acquisition and divestiture related expenses	—	—	—	—	486
Payroll taxes related to stock-based compensation	(1,693)	11,200	4,921	3,429	5,204
Charitable contributions	1,996	2,776	2,237	5,104	8,823
Restructuring costs	(57)	11,691	140	—	3,199
Impairment of long-lived assets	—	—	—	—	1,849
Gain on lease termination	—	—	—	—	(1,556)
Non-GAAP income from operations	\$ 197,047	\$ 213,408	\$ 220,543	\$ 234,508	\$ 255,574
Non-GAAP income from operations growth (Y/Y)					30%
Non-GAAP operating margin	16.5%	18.2%	18.0%	18.0%	18.7%

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Year Ended	
	December 31, 2024	December 31, 2025
Non-GAAP income from operations and Non-GAAP operating margin		
GAAP gross profit	\$ 2,278,212	\$ 2,478,734
Non-GAAP gross profit	\$ 2,364,074	\$ 2,559,237
GAAP operating expenses	\$ 2,331,920	\$ 2,320,932
GAAP operating expenses growth (Y/Y)		—%
Non-GAAP adjustments:		
Stock-based compensation	(591,428)	(582,084)
Amortization of acquired intangibles	(49,123)	(45,607)
Acquisition and divestiture related expenses	—	(486)
Payroll taxes related to stock-based compensation	(8,509)	(23,288)
Charitable contributions	(19,907)	(18,940)
Restructuring costs	(13,273)	(15,030)
Impairment of long-lived assets	—	(1,849)
Gain on lease termination	—	1,556
Non-GAAP operating expenses	\$ 1,649,680	\$ 1,635,204
Non-GAAP operating expenses growth (Y/Y)		(1)%
GAAP (loss) income from operations	\$ (53,708)	\$ 157,802
GAAP income from operations growth (Y/Y)		394%
GAAP operating margin	(1.2)%	3.1%
Non-GAAP adjustments:		
Stock-based compensation	613,429	598,654
Amortization of acquired intangibles	111,851	108,074
Acquisition and divestiture related expenses	—	486
Payroll taxes related to stock-based compensation	9,642	24,754
Charitable contributions	19,907	18,940
Restructuring costs	13,273	15,030
Impairment of long-lived assets	—	1,849
Gain on lease termination	—	(1,556)
Non-GAAP income from operations	\$ 714,394	\$ 924,033
Non-GAAP income from operations growth (Y/Y)		29%
Non-GAAP operating margin	16.0%	18.2%

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended			
	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Non-GAAP operating expenses growth (Y/Y)				
GAAP operating expenses	\$ 892,893	\$ 587,545	\$ 574,882	\$ 583,523
Non-GAAP adjustments:				
Stock-based compensation	(156,905)	(150,267)	(142,154)	(148,395)
Amortization of acquired intangibles	(17,880)	(13,257)	(12,502)	(11,755)
Acquisition and divestiture related expenses	(40)	—	—	—
Payroll taxes related to stock-based compensation	(2,046)	(6,431)	(3,227)	(792)
Charitable contributions	(13,361)	(1,295)	(15,315)	(1,301)
Restructuring costs	(25,452)	(9,946)	310	(3,694)
Impairment of long-lived assets	(286,226)	—	—	—
Non-GAAP operating expenses	\$ 390,983	\$ 406,349	\$ 401,994	\$ 417,586

	Three Months Ended				
	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Non-GAAP operating expenses growth (Y/Y)					
GAAP operating expenses	\$ 585,970	\$ 558,485	\$ 565,751	\$ 591,129	\$ 605,567
GAAP operating expenses growth (Y/Y)	(34)%	(5)%	(2)%	1%	3%
Non-GAAP adjustments:					
Stock-based compensation	(150,612)	(133,249)	(145,164)	(153,864)	(149,807)
Amortization of acquired intangibles	(11,609)	(11,457)	(11,411)	(11,412)	(11,327)
Acquisition and divestiture related expenses	—	—	—	—	(486)
Payroll taxes related to stock-based compensation	1,941	(10,718)	(4,440)	(3,160)	(4,970)
Charitable contributions	(1,996)	(2,776)	(2,237)	(5,104)	(8,823)
Restructuring costs	57	(11,691)	(140)	—	(3,199)
Impairment of long-lived assets	—	—	—	—	(1,849)
Gain on lease termination	—	—	—	—	1,556
Non-GAAP operating expenses	\$ 423,751	\$ 388,594	\$ 402,359	\$ 417,589	\$ 426,662
Non-GAAP operating expenses growth (Y/Y)	8%	(4)%	—%	—%	1%

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Organic revenue					
Total revenue	\$ 1,194,835	\$ 1,172,463	\$ 1,228,425	\$ 1,300,402	\$ 1,365,930
A2P revenue	—	—	(6,161)	(20,235)	(23,074)
Acquisition revenue	—	—	—	—	(682)
Organic revenue	\$ 1,194,835	\$ 1,172,463	\$ 1,222,264	\$ 1,280,167	\$ 1,342,174
Revenue growth	11 %	12 %	13 %	15 %	14 %
Organic revenue growth	11% ¹	12% ²	13% ³	13% ⁴	12% ⁵

¹ Q4'23 organic revenue, as used in the calculation of Q4'24 organic revenue growth, is equal to reported revenue. Q4'23 revenue was \$1,076 million.

² Q1'24 organic revenue, as used in the calculation of Q1'25 organic revenue growth, is equal to reported revenue. Q1'24 revenue was \$1,047 million.

³ Q2'24 organic revenue, as used in the calculation of Q2'25 organic revenue growth, is equal to reported revenue. Q2'24 revenue was \$1,083 million.

⁴ Q3'24 organic revenue, as used in the calculation of Q3'25 organic revenue growth, is equal to reported revenue. Q3'24 revenue was \$1,134 million.

⁵ Q4'24 organic revenue, as used in the calculation of Q4'25 organic revenue growth, is equal to reported revenue.

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Year Ended December 31, 2025
Organic revenue	
Total revenue	\$ 5,067,220
A2P revenue	(49,470)
Acquisition revenue	(682)
Organic revenue	\$ 5,017,068
Revenue growth	14 %
Organic revenue growth	13%¹

¹ FY'24 organic revenue, as used in the calculation of FY'25 organic revenue growth, is equal to reported revenue. FY'24 revenue was \$4,458 million.

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Free cash flow and free cash flow margin					
Net cash provided by operating activities	\$ 108,446	\$ 191,042	\$ 277,084	\$ 263,563	\$ 271,555
Operating cash flow margin	9.1%	16.3%	22.6%	20.3%	19.9%
Non-GAAP adjustments:					
Capitalized software development costs	(11,549)	(11,564)	(12,588)	(13,812)	(14,005)
Purchases of long-lived and intangible assets	(3,430)	(1,163)	(1,004)	(2,235)	(1,446)
Free cash flow	<u>\$ 93,467</u>	<u>\$ 178,315</u>	<u>\$ 263,492</u>	<u>\$ 247,516</u>	<u>\$ 256,104</u>
Free cash flow margin	<u>7.8%</u>	<u>15.2%</u>	<u>21.4%</u>	<u>19.0%</u>	<u>18.7%</u>
Net cash provided by (used in) investing activities	\$ 129,098	\$ (19,140)	\$ 402,019	\$ (161,502)	\$ (140,429)
Net cash used in financing activities	\$ (407,770)	\$ (125,794)	\$ (175,914)	\$ (347,952)	\$ (183,435)

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Year Ended	
	December 31, 2024	December 31, 2025
Free cash flow and free cash flow margin		
Net cash provided by operating activities	\$ 716,241	\$ 1,003,244
Net cash provided by operating activities growth (Y/Y)		40%
Operating cash flow margin	16%	20%
Non-GAAP adjustments:		
Capitalized software development costs	(51,808)	(51,969)
Purchases of long-lived and intangible assets	(6,978)	(5,848)
Free cash flow	\$ 657,455	\$ 945,427
Free cash flow growth (Y/Y)		44%
Free cash flow margin	15%	19%
Net cash provided by investing activities	\$ 1,370,837	\$ 80,948
Net cash used in financing activities	\$ (2,311,572)	\$ (833,095)