

**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): August 7, 2025

Twilio Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37806
(Commission
File Number)

26-2574840
(IRS Employer
Identification No.)

**101 Spear Street, Fifth Floor
San Francisco, California 94105**
(Address of principal executive offices) (Zip Code)

(415) 390-2337
(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:

- 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, par value \$0.001 per share | TWLO | New York Stock Exchange |

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 2.02 Results of Operations and Financial Condition.

On August 7, 2025, Twilio Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2025. A copy of the press release is furnished herewith as Exhibit 99.1.

The information furnished under this Item 2.02 and in the accompanying Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

[99.1](#) [Press release issued by Twilio Inc. dated August 7, 2025](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

August 7, 2025

TWILIO INC.

By: /s/ Aidan Viggiano
Name: Aidan Viggiano
Title: Chief Financial Officer

Twilio Announces Second Quarter 2025 Results

- **Revenue of \$1.23 billion, up 13% year-over-year on both a reported and organic basis**
- **GAAP Income from Operations of \$37 million, a \$56 million improvement year-over-year**
- **Non-GAAP Income from Operations of \$221 million, up 26% year-over-year**

SAN FRANCISCO--(BUSINESS WIRE)--August 7, 2025--Twilio (NYSE: TWLO), the customer engagement platform that drives real-time, personalized experiences for today's leading brands, reported financial results for its second quarter ended June 30, 2025.

"The company's focus and execution is paying off as Q2 marked another quarter of accelerated year-over-year revenue growth as well as record non-GAAP income from operations and free cash flow," said Khozema Shipchandler, CEO of Twilio. "During the quarter, Twilio showcased our latest innovations at our user conference, Signal, further cementing our place in the ecosystem as the infrastructure layer for customer experience. We continue to combine communications, data, and AI to power amazing experiences for the world's leading brands."

Second Quarter 2025 Financial Highlights

- Total revenue of \$1.23 billion, up 13% year-over-year. Communications revenue of \$1.15 billion, up 14% year-over-year. Segment revenue of \$75.5 million, flat year-over-year.
- Total organic revenue growth of 13% year-over-year. Communications organic revenue growth of 14% year-over-year.
- GAAP income from operations of \$37.0 million, compared with GAAP loss from operations of \$19.0 million for the second quarter of 2024.
- Non-GAAP income from operations of \$220.5 million, compared with non-GAAP income from operations of \$175.3 million for the second quarter of 2024.
- GAAP net income per share attributable to common stockholders, diluted, of \$0.14 based on 159.7 million weighted average shares outstanding, compared with GAAP net loss per share attributable to common stockholders, diluted, of \$0.19 based on 170.2 million weighted average shares outstanding in the second quarter of 2024.
- Non-GAAP net income per share attributable to common stockholders, diluted, of \$1.19 based on 159.7 million non-GAAP weighted average shares outstanding, compared with non-GAAP net income per share attributable to common stockholders, diluted, of \$0.87 based on 172.1 million non-GAAP weighted average shares outstanding in the second quarter of 2024.
- Net cash provided by operating activities of \$277.1 million and free cash flow of \$263.5 million, compared with net cash provided by operating activities of \$213.3 million and free cash flow of \$197.6 million for the second quarter of 2024.

Key Metrics

- More than 349,000 Active Customer Accounts as of June 30, 2025 compared to more than 316,000 Active Customer Accounts as of June 30, 2024.
- Dollar-Based Net Expansion Rate of 108% for the second quarter of 2025 compared to Dollar-Based Net Expansion Rate of 102% for the second quarter of 2024.
- 5,466 employees as of June 30, 2025.

| | Q2 2025 Results |
|--|----------------------------|
| <i>Dollars in millions, except per share amounts</i> | |
| Revenue | \$1,228 |
| Y/Y Revenue Growth | 13% |
| Y/Y Organic Revenue Growth | 13% |

| | Amount | Margin |
|--|---------------|---------------|
| GAAP income from operations | \$37 | 3.0% |
| Non-GAAP income from operations | \$221 | 18.0% |
| Net cash provided by operating activities | \$277 | 23% |
| Free cash flow | \$263 | 21% |
| GAAP net income attributable to common stockholders | \$22 | |
| Non-GAAP net income attributable to common stockholders | \$189 | |
| GAAP net income per share attributable to common stockholders, diluted | \$0.14 | |
| Non-GAAP net income per share attributable to common stockholders, diluted | \$1.19 | |

Share Repurchase Program

In January 2025, Twilio's Board of Directors authorized a share repurchase program pursuant to which Twilio may repurchase up to \$2.0 billion in aggregate value of its outstanding Class A common stock. The program is set to expire on December 31, 2027. During the second quarter of 2025, Twilio repurchased \$176.7 million in aggregate value of shares of Class A common stock.

Outlook

Twilio is initiating guidance for the third quarter ending September 30, 2025. For fiscal year 2025, Twilio is raising its organic revenue target to 9% - 10% year-over-year, compared with 7.5% - 8.5% previously, and initiating a reported revenue target of 10% - 11% year-over-year. In addition, Twilio is reiterating its 2025 non-GAAP income from operations target of \$850 - \$875 million, and raising its 2025 free cash flow target to \$875 - \$900 million, compared to \$850 - \$875 million previously.

| | Q3 2025 Guidance |
|---|-----------------------------|
| <i>Dollars and shares in millions, except per share amounts</i> | |
| Revenue | \$1,245 - \$1,255 |
| Y/Y Revenue Growth | 10% - 11% |
| Y/Y Organic Revenue Growth | 8% - 9% |
| Non-GAAP income from operations | \$205 - \$215 |
| Non-GAAP diluted earnings per share ⁽¹⁾ | \$1.01 - \$1.06 |
| Non-GAAP weighted average diluted shares outstanding | 161 |

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

| | FY25 Guidance |
|---------------------------------|--------------------------|
| <i>Dollars in millions</i> | |
| Y/Y Revenue Growth | 10% - 11% |
| Y/Y Organic Revenue Growth | 9% - 10% |
| Non-GAAP income from operations | \$850 - \$875 |
| Free cash flow | \$875 - \$900 |

Conference Call Information

Twilio is hosting a Q&A conference call today, August 7, 2025, to discuss its second quarter financial results. The conference call will begin at 2:00 p.m. (PT) / 5:00 p.m. (ET), and investors and analysts should register for the webcast in advance by visiting <https://edge.media-server.com/mmc/p/ozvm4adz>. The live webcast of the conference call, as well as a replay, and Twilio's supplemental earnings presentation, will be available on the investor relations website.

Twilio uses its investor relations website and its X (formerly Twitter) feed (@twilio), as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

About Twilio Inc.

Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio enables companies to use communications and data to add intelligence and security to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries and territories, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers. For more information about Twilio (NYSE: TWLO) visit www.twilio.com.

Forward-Looking Statements

This press release 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 press release and the accompanying conference call include, but are not limited to, statements about: our future financial and operating performance, 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, free cash flow and stockholder returns and increase our market share; the timing of future investments or expenses; our expectations regarding carrier fees and the impact of such fees on our financial and operating results; our expectations regarding our gross margin, price and cost actions, product mix and growth in higher-margin products; our expectations regarding capital returns to shareholders, including share repurchases; our expectations regarding our relationships with ISVs, partners and resellers; our expectations regarding our self-service, cross-sell and upsell efforts; our ability to expand into new and existing markets, including international markets; the development, release and adoption of our products (and the timing thereof), including related to AI and machine learning; the effects of our go-to-market efforts to drive profitable growth and capture market share; our strategy for streamlining and adding value to the customer experience; our ability to deliver on our product roadmap and our focus on innovation; our expectations regarding disclosure of results by business unit; and our expectations regarding the macroeconomic environment and the impact of global economic, political and industry conditions on our business, customers and partners. 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: our ability to attract and retain customers and expand their usage of our platform; our ability to realize the anticipated benefits of changes to our operating model and organizational structure; our ability to successfully implement our cost-saving initiatives and to capture expected efficiencies; our ability to form and expand partnerships; our ability to successfully enter into new markets and manage our international expansion; the impact of macroeconomic and political conditions and market volatility; our ability to compete effectively in intensely competitive markets; our financial performance, including expectations regarding our results of operations and the assumptions underlying such expectations, and ability to achieve and sustain profitability; our ability to manage changes in network service provider fees and optimize our network service provider coverage and connectivity; and our ability to comply with modified or new industry standards, laws and regulations applying to our business, and increased costs associated with regulatory compliance.

The forward-looking statements contained in this press release 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 press release and the accompanying conference call.

All forward-looking statements contained in this press release 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.

Non-GAAP Financial Measures

In addition to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this press release and the accompanying conference call include certain non-GAAP financial measures, including those listed below. 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 (on a consolidated basis and for our Communications segment) are useful in understanding the ongoing results of our operations on a consolidated basis and for our Communications segment. 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 at the end of this press release.

We have not provided the forward-looking GAAP equivalents for certain forward-looking non-GAAP measures presented in this press release and 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 Operating Expenses. For the periods presented, we define non-GAAP operating expenses (including categories of operating expenses) as GAAP operating expenses (and categories of operating expenses) 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, and impairment of long-lived assets.

Non-GAAP Income (Loss) from Operations and Non-GAAP Operating Margin. For the periods presented, we define non-GAAP income (loss) from operations and non-GAAP operating margin as GAAP income (loss) 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, and impairment of long-lived assets.

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, 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, restructuring costs, impairment of long-lived assets and gains on or impairment of strategic investments.

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. Communications organic revenue is calculated using the same methodology, but using (and excluding, as applicable) only revenue attributable to the Communications segment.

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. Communications organic revenue growth is calculated using the same methodology, but using (and excluding, as applicable) only revenue attributable to the Communications segment.

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.

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”). Communications Active Customer Accounts and Segment Active Customer Accounts are calculated using the same methodology, but using only revenue recognized from accounts in the respective segment. The number of consolidated and Communications Active Customer Accounts is rounded down to the nearest thousand. The number of Segment Active Customer Accounts is rounded down to the nearest hundred.

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.

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. Communications Dollar-Based Net Expansion Rate and Segment Dollar-Based Net Expansion Rate are calculated using the same methodology, but using only revenue attributable to the respective segment and Active Customer Accounts and customer accounts from Zipwhip for that respective segment.

We believe that measuring Dollar-Based Net Expansion Rate, on an aggregate basis and at the segment level, 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.

Source: Twilio Inc.

TWILIO INC.**Condensed Consolidated Statements of Operations****(In thousands, except share and per share amounts)****(Unaudited)**

| | Three Months Ended June 30, | |
|--|------------------------------------|--------------|
| | 2025 | 2024 |
| Revenue | \$ 1,228,425 | \$ 1,082,502 |
| Cost of revenue | 625,685 | 526,657 |
| Gross profit | 602,740 | 555,845 |
| Operating expenses: | | |
| Research and development | 243,495 | 242,785 |
| Sales and marketing | 220,724 | 217,825 |
| General and administrative | 101,532 | 114,272 |
| Total operating expenses | 565,751 | 574,882 |
| Income (loss) from operations | 36,989 | (19,037) |
| Other expenses, net: | | |
| Share of losses from equity method investment | (25,222) | (23,940) |
| Other income, net | 21,825 | 16,734 |
| Total other expenses, net | (3,397) | (7,206) |
| Income (loss) before provision for income taxes | 33,592 | (26,243) |
| Provision for income taxes | (11,169) | (5,615) |
| Net income (loss) attributable to common stockholders | \$ 22,423 | \$ (31,858) |
| Net income (loss) per share attributable to common stockholders: | | |
| Basic | \$ 0.15 | \$ (0.19) |
| Diluted | \$ 0.14 | \$ (0.19) |
| Weighted-average shares used to compute net income (loss) per share attributable to common stockholders: | | |
| Basic | 153,228,766 | 170,222,104 |
| Diluted | 159,691,758 | 170,222,104 |

TWILIO INC.**Condensed Consolidated Balance Sheets****(In thousands)****(Unaudited)**

| | As of June 30, | As of December 31, |
|--|-----------------------|---------------------------|
| | 2025 | 2024 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 969,229 | \$ 421,297 |
| Short-term marketable securities | 1,573,371 | 1,963,102 |
| Accounts receivable, net | 587,966 | 588,540 |
| Prepaid expenses and other current assets | 401,071 | 474,360 |
| Total current assets | 3,531,637 | 3,447,299 |
| Property and equipment, net | 177,957 | 191,042 |
| Operating right-of-use assets | 53,174 | 53,405 |
| Equity method investment | 439,011 | 485,835 |
| Intangible assets, net | 184,260 | 238,503 |
| Goodwill | 5,243,266 | 5,243,266 |
| Other long-term assets | 218,987 | 206,122 |
| Total assets | \$ 9,848,292 | \$ 9,865,472 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 76,181 | \$ 100,169 |
| Accrued expenses and other current liabilities | 461,527 | 530,686 |
| Deferred revenue and customer deposits | 148,009 | 155,680 |
| Operating lease liability, current | 34,342 | 33,685 |
| Total current liabilities | 720,059 | 820,220 |
| Operating lease liability, noncurrent | 76,819 | 85,875 |
| Long-term debt, net | 991,429 | 990,587 |
| Other long-term liabilities | 16,063 | 15,824 |
| Total liabilities | 1,804,370 | 1,912,506 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 154 | 153 |
| Additional paid-in capital | 15,805,141 | 15,476,124 |
| Accumulated other comprehensive income (loss) | 24,716 | (1,301) |
| Accumulated deficit | (7,786,089) | (7,522,010) |
| Total stockholders' equity | 8,043,922 | 7,952,966 |
| Total liabilities and stockholders' equity | \$ 9,848,292 | \$ 9,865,472 |

TWILIO INC.

Condensed Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

| | Six Months Ended June 30, | |
|---|------------------------------|-------------|
| | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 42,440 | \$ (87,207) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 99,403 | 105,383 |
| Non-cash reduction to the right-of-use asset | 10,516 | 10,064 |
| Net amortization of investment premium and discount | (8,182) | (12,572) |
| Stock-based compensation including restructuring | 288,524 | 306,263 |
| Amortization of deferred commissions | 38,387 | 37,788 |
| Provision for doubtful accounts | 3,686 | 14,365 |
| Share of losses from equity method investment | 44,693 | 53,515 |
| Other adjustments | 8,500 | 8,591 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (3,112) | 11,094 |
| Prepaid expenses and other current assets | 84,662 | 19,752 |
| Other long-term assets | (51,420) | 2,396 |
| Accounts payable | (24,323) | (59,027) |
| Accrued expenses and other current liabilities | (40,086) | 23,655 |
| Deferred revenue and customer deposits | (7,671) | (5,755) |
| Operating lease liabilities | (18,693) | (24,177) |
| Other long-term liabilities | 802 | (662) |
| Net cash provided by operating activities | 468,126 | 403,466 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of marketable securities and other investments | (408,836) | (589,995) |
| Proceeds from sales and maturities of marketable securities | 818,034 | 1,592,970 |
| Capitalized software development costs | (24,152) | (25,835) |
| Purchases of long-lived and intangible assets | (2,167) | (2,756) |
| Net cash provided by investing activities | 382,879 | 974,384 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on finance leases | (4,228) | (7,060) |
| Value of equity awards withheld for tax liabilities | (138) | (1,963) |
| Repurchases of shares of Class A common stock and related costs | (323,249) | (1,273,699) |
| Proceeds from exercises of stock options and shares of Class A common stock issued under ESPP | 25,907 | 21,700 |
| Net cash used in financing activities | (301,708) | (1,261,022) |
| NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | 549,297 | 116,828 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH—Beginning of period | 431,437 | 655,931 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH —End of period | \$ 980,734 | \$ 772,759 |

TWILIO INC.

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

(In thousands, except shares, per share amounts and percentages)

(Unaudited)

| | Three Months Ended June 30, | |
|---|-----------------------------|------------|
| | 2025 | 2024 |
| GAAP gross profit | \$ 602,740 | \$ 555,845 |
| GAAP gross margin | 49.1 % | 51.3 % |
| Non-GAAP adjustments: | | |
| Stock-based compensation | 4,087 | 5,503 |
| Amortization of acquired intangibles | 15,594 | 15,682 |
| Payroll taxes related to stock-based compensation | 481 | 283 |
| Non-GAAP gross profit | \$ 622,902 | \$ 577,313 |
| Non-GAAP gross margin | 50.7 % | 53.3 % |
| GAAP research and development | \$ 243,495 | \$ 242,785 |
| Non-GAAP adjustments: | | |
| Stock-based compensation | (80,590) | (80,790) |
| Amortization of acquired intangibles | — | (747) |
| Restructuring costs | 6 | 867 |
| Payroll taxes related to stock-based compensation | (2,530) | (2,130) |
| Non-GAAP research and development | \$ 160,381 | \$ 159,985 |
| Non-GAAP research and development as % of revenue | 13.1 % | 14.8 % |
| GAAP sales and marketing | \$ 220,724 | \$ 217,825 |
| Non-GAAP adjustments: | | |
| Stock-based compensation | (34,413) | (33,449) |
| Amortization of acquired intangibles | (11,411) | (11,755) |
| Restructuring costs | 22 | (269) |
| Payroll taxes related to stock-based compensation | (952) | (674) |
| Non-GAAP sales and marketing | \$ 173,970 | \$ 171,678 |
| Non-GAAP sales and marketing as % of revenue | 14.2 % | 15.9 % |
| GAAP general and administrative | \$ 101,532 | \$ 114,272 |
| Non-GAAP adjustments: | | |
| Stock-based compensation | (30,161) | (27,915) |
| Restructuring costs | (168) | (288) |
| Payroll taxes related to stock-based compensation | (958) | (423) |
| Charitable contributions | (2,237) | (15,315) |
| Non-GAAP general and administrative | \$ 68,008 | \$ 70,331 |
| Non-GAAP general and administrative as % of revenue | 5.5 % | 6.5 % |

TWILIO INC.

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

(In thousands, except shares, per share amounts and percentages)

(Unaudited)

| | Three Months Ended June 30, | |
|--|-----------------------------|-------------|
| | 2025 | 2024 |
| GAAP income (loss) from operations | \$ 36,989 | \$ (19,037) |
| GAAP operating margin | 3.0 % | (1.8)% |
| Non-GAAP adjustments: | | |
| Stock-based compensation | 149,251 | 147,657 |
| Amortization of acquired intangibles | 27,005 | 28,184 |
| Payroll taxes related to stock-based compensation | 4,921 | 3,510 |
| Charitable contributions | 2,237 | 15,315 |
| Restructuring costs | 140 | (310) |
| Non-GAAP income from operations | \$ 220,543 | \$ 175,319 |
| Non-GAAP operating margin | 18.0 % | 16.2 % |
| GAAP net income (loss) attributable to common stockholders | \$ 22,423 | \$ (31,858) |
| GAAP net income (loss) attributable to common stockholders as % of revenue | 1.8 % | (2.9)% |
| Non-GAAP adjustments: | | |
| Stock-based compensation | 149,251 | 147,657 |
| Amortization of acquired intangibles | 27,005 | 28,184 |
| Payroll taxes related to stock-based compensation | 4,921 | 3,510 |
| Accretion of debt discount and issuance costs | 423 | 407 |
| Provision of income tax effects related to non-GAAP adjustments | (42,245) | (36,726) |
| Charitable contributions | 2,237 | 15,315 |
| Share of losses from equity method investment | 25,222 | 23,940 |
| Restructuring costs | 140 | (310) |
| Non-GAAP net income attributable to common stockholders | \$ 189,377 | \$ 150,119 |
| Non-GAAP net income attributable to common stockholders as % of revenue | 15.4 % | 13.9 % |

TWILIO INC.

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

(In thousands, except shares, per share amounts and percentages)

(Unaudited)

| | Three Months Ended June 30, | | | |
|--|-----------------------------|--------------------|-----------|--------------------|
| | 2025 | | 2024 | |
| GAAP net income (loss) per share attributable to common stockholders, diluted* | \$ | 0.14 | \$ | (0.19) |
| Non-GAAP adjustments: | | | | |
| Stock-based compensation | | 0.93 | | 0.86 |
| Amortization of acquired intangibles | | 0.17 | | 0.16 |
| Payroll taxes related to stock-based compensation | | 0.03 | | 0.02 |
| Accretion of debt discount and issuance costs | | — | | — |
| Provision of income tax effects related to non-GAAP adjustments | | (0.26) | | (0.21) |
| Charitable contributions | | 0.01 | | 0.09 |
| Share of losses from equity method investment | | 0.16 | | 0.14 |
| Restructuring costs | | — | | — |
| Non-GAAP net income per share attributable to common stockholders, diluted | \$ | 1.19 | \$ | 0.87 |
| Weighted-average shares used to compute net income per share attributable to common stockholders, diluted | | 159,691,758 | | 172,065,764 |

* Some columns may not add due to rounding

TWILIO INC.

Reconciliation to Non-GAAP Financial Measures

(In thousands, except percentages)

(Unaudited)

| | Three Months Ended June 30, | |
|-----------------------------------|--|------------------|
| | 2025 | |
| Organic Revenue | | |
| GAAP Revenue | \$ | 1,228,425 |
| A2P Revenue | | (6,161) |
| Organic Revenue | \$ | 1,222,264 |
| GAAP Revenue Y/Y Growth | | 13 % |
| Organic Revenue Y/Y Growth | | 13% ¹ |

¹ Organic revenue for the three months ended June 30, 2024, when used as the denominator for Organic Revenue Growth for the three months ended June 30, 2025, is equal to reported revenue. Revenue for the three months ended June 30, 2024 was \$1.08 billion.

| | Three Months Ended June 30, | |
|--|--|------------------|
| | 2025 | |
| Communications Organic Revenue | | |
| GAAP Communications Revenue | \$ | 1,152,955 |
| A2P Revenue | | (6,161) |
| Communications Organic Revenue | \$ | 1,146,794 |
| GAAP Communications Revenue Y/Y Growth | | 14 % |
| Communications Organic Revenue Y/Y Growth | | 14% ¹ |

¹ Communications organic revenue for the three months ended June 30, 2024, when used as the denominator for Communications Organic Revenue Growth for the three months ended June 30, 2025, is equal to reported revenue. Communications revenue for the three months ended June 30, 2024 was \$1.01 billion.

| | Three Months Ended June 30, | | | |
|--|--|-----------|-------------|-----------|
| | 2025 | | 2024 | |
| Free cash flow | | | | |
| Net cash provided by operating activities | \$ | 277,084 | \$ | 213,343 |
| Operating cash flow margin | | 23 % | | 20 % |
| Non-GAAP adjustments: | | | | |
| Capitalized software development costs | | (12,588) | | (14,681) |
| Purchase of long-lived and intangible assets | | (1,004) | | (1,085) |
| Free cash flow | \$ | 263,492 | \$ | 197,577 |
| Free cash flow margin | | 21 % | | 18 % |
| Net cash provided by investing activities | \$ | 402,019 | \$ | 784,614 |
| Net cash used in financing activities | \$ | (175,914) | \$ | (897,793) |

TWILIO INC.**Operating Results by Segment****(In thousands)****(Unaudited)**

| | Three Months Ended June 30, 2025 | | |
|--|---|-----------------|-------------------|
| | Communications | Segment | Total |
| Revenue | \$ 1,152,955 | \$ 75,470 | \$ 1,228,425 |
| Cost of revenue attributable to segments | 586,146 | 19,377 | 605,523 |
| Operating expenses attributable to segments | 286,196 | 50,084 | 336,280 |
| Segment non-GAAP income from operations | <u>\$ 280,613</u> | <u>\$ 6,009</u> | <u>\$ 286,622</u> |
| Reconciliation of total segment non-GAAP income from operations to income from operations: | | | |
| Total segment non-GAAP income from operations | | | \$ 286,622 |
| Corporate costs not allocated to segments | | | (66,079) |
| Stock-based compensation | | | (149,251) |
| Amortization of acquired intangibles | | | (27,005) |
| Payroll taxes related to stock-based compensation | | | (4,921) |
| Charitable contributions | | | (2,237) |
| Restructuring costs | | | (140) |
| Income from operations | | | <u>36,989</u> |
| Other expenses, net | | | <u>(3,397)</u> |
| Income before provision for income taxes | | | <u>\$ 33,592</u> |

CONTACT:
Investor Contact:
Bryan Vaniman
ir@Twilio.com

or

Media Contact:
Caitlin Epstein
press@Twilio.com