![Twilio logo]

Twilio
2025 Investor Day

January 23, 2025

Legal Disclaimer

This presentation and the accompanying oral presentation contain forward-looking statements within the meaning of the federal securities laws, including statements about our future performance, including our expected financial results, our guidance, and our long-term targets and goals. These statements involve substantial risks and uncertainties, as further described in "Forward-Looking Statements" 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.

This presentation and the accompanying oral presentation also contain operating metrics, including Active Customer Accounts. 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 the operating metrics we use in this presentation and the accompanying oral presentation can be found in "Operating Metrics" in the Appendix.

This presentation and the accompanying oral presentation also contain non-GAAP financial measures, including those listed in "Non-GAAP Financial Measures" in the Appendix. These 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 these non-GAAP financial measures and reconciliations to their most directly comparable GAAP measures are included in the Appendix.

This presentation and the accompanying oral presentation contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on Twilio's internal sources. This information involves many assumptions and limitations, and we caution you not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data, nor do we undertake to update such data after the date of this presentation or the accompanying oral presentation.

The preliminary estimated financial and other data for the quarter and year ended December 31, 2024 included in this presentation and the accompanying oral presentation is subject to the completion of our financial closing procedures. This data reflects management's current views as of the date hereof. Our independent registered public accounting firm, KPMG LLP, has not audited, reviewed or performed any procedures with respect to the accompanying preliminary estimated financial and other data, and accordingly does not express an opinion or any other form of assurance with respect thereto. We currently expect that our final results of operations and other data will be consistent with the estimates set forth herein, but such estimates are preliminary and our actual results of operations and other data could differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time our audited consolidated financial statements are issued.

Investor Day Agenda

01 **New Twilio: Our Vision and Path Ahead**

Khozema Shipchandler - Chief Executive Officer

02 **Our Innovation Engine**

Inbal Shani - Chief Product Officer

03 **Our Market Opportunity**

Chris Koehler - Chief Marketing Officer

04 **Our Growth Engine**

Thomas Wyatt - Chief Revenue Officer

05 **Durable, Profitable Growth**

Aidan Viggiano - Chief Financial Officer

06 **Concluding Remarks**

Khozema Shipchandler - Chief Executive Officer

07 **Q&A**

Twilio Executive Team

Today's Speakers

Khozema Shipchandler

Chief Executive Officer

Inbal Shani

Chief Product Officer

Chris Koehler

Chief Marketing Officer

Thomas Wyatt

Chief Revenue Officer

Aidan Viggiano

Chief Financial Officer

New Twilio: Our Vision and Path Ahead

Khozema Shipchandler
Chief Executive Officer

Twilio's Vision

Communications **+** Contextual Data **+** AI
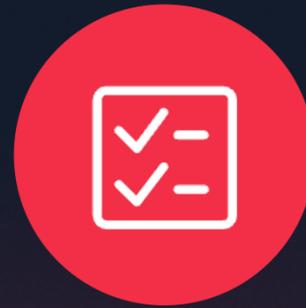
We envision a world
in which **every digital interaction** between businesses and consumers **is amazing.**

How We've Improved Performance

Core Operating Principles

Focused Innovation

Disciplined Execution

Financial Rigor

Key Areas of Focus

2023 & 2024

- Right-sized our cost base
- Stabilized our growth
- Delivered meaningful non-GAAP operating profitability and FCF
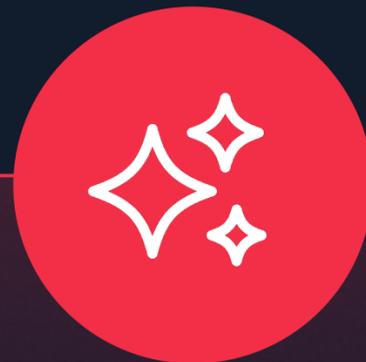
2025 & Beyond

- Continuing to invest in innovation
- Accelerating growth
- Driving further margin expansion, FCF, and GAAP operating profitability

Why Twilio is Positioned to Win

Innovation
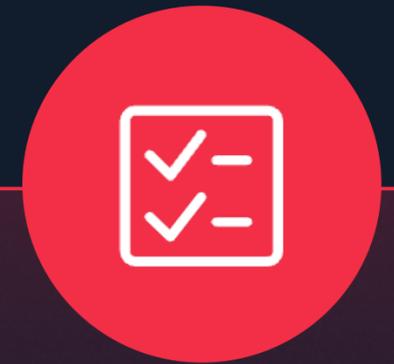Engine

Unique Position
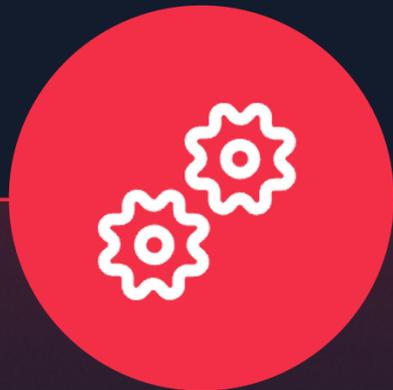in an Attractive Market

Multiple
Growth Levers

Distribution
Advantage

Execution

Why Twilio is Positioned to Win
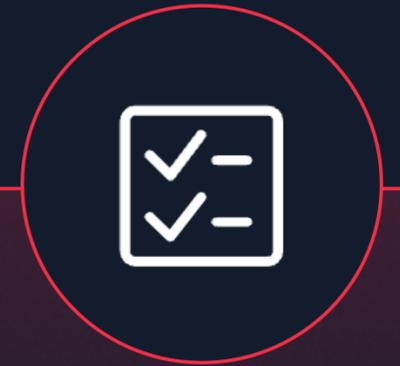
Innovation
Engine

Unique Position
in an Attractive Market

Multiple
Growth Levers

Distribution
Advantage

Execution

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Recent Product Innovations and Integrations

Products

Voice, Phone Numbers — 2008

SMS — 2010

Video — 2015

2016

Studio — 2017

Flex — 2018

SendGrid Email — 2019

Segment CDP — 2020

2023

Twilio founded

IPO

H1 2023
Voice Intelligence
Fraud Guard for Verify
Segment Unify

H2 2023
Traffic Optimization Engine
Branded Calling
SendGrid Engagement Quality
Predictions
Recommendations
SMS Pumping Protection

2024

H1 2024
RCS for Verify & Messaging
Generative Audiences
Unified Profiles and Agent Copilot
Linked Audiences
Personalized Virtual Agent
Data Graph
Engagement Suite

H2 2024
ConversationRelay
Messaging Deliverability Score
Intelligent Alerts & Discovery AI Assistant

On track to deliver more — 2025

Integrations

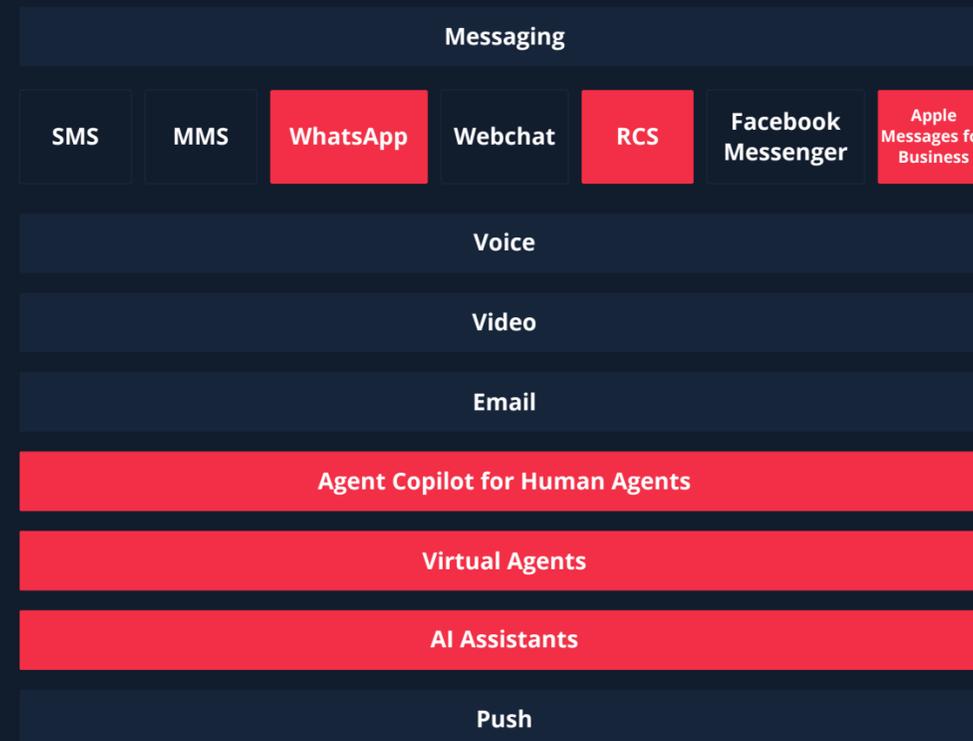Amazon   Databricks   Google   LinkedIn   Meta   Microsoft   OpenAI   Snowflake

Twilio Can Uniquely Maximize Customer Value by Combining:

Contextual Data

Behavioral
Activity on web, apps, and communications interactions

Objective
Systems of record

Conversational
Context of customer interactions

Communications

Messaging						
SMS	MMS	WhatsApp	Webchat	RCS	Facebook Messenger	Apple Messages for Business

Voice
Video
Email
Agent Copilot for Human Agents
Virtual Agents
AI Assistants
Push

Artificial Intelligence

Generative
Generate audiences, content, and surface insight

Predictive
Predict customer behaviors and impact

Automation
Create and proactively apply next best action (NBx) recommendations

✓ Marketing ✓ Notifications ✓ Customer Sales ✓ Customer Service ✓ Authentication & Security

◼ Indicates Newest Additions in Communications

Twilio's Focused AI Innovations

Driving greater customer value, high CSAT scores, and increased ROI

Verify Fraud Guard

569M

Fraud attempts blocked from June 2022 to October 2024[1]

Unified Profiles & Agent Copilot

70%

Of support cases deflected[2]

AI-Powered Predictions

70%

Increased accuracy of audience segments[3]

Predictive Audiences

102%

Higher conversion rate than the average search engine marketing performance[4]

AI Builders Scaling with Twilio

90%

Of Forbes 50 AI Startups are building on Twilio[5]

9,000+

Companies building in the AI space and utilizing Twilio services in 2024[6]

Twilio's AI Products & Features

Communications
- ✓ SMS Pumping Protection
- ✓ Verify Fraud Guard
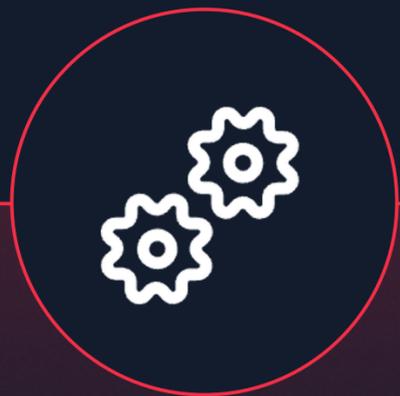- ✓ Voice Intelligence
- ✓ Traffic Optimization Engine

Data
- ✓ Generative Audiences
- ✓ Predictions
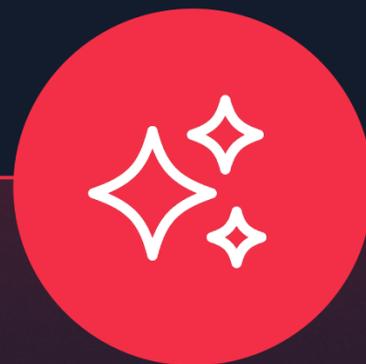- ✓ CDP Copilot

Comms + Data + AI:
- ✓ Agent Copilot
- ✓ Personalized IVR

Why Twilio is Positioned to Win

Innovation
Engine

Unique Position
in an Attractive Market

Multiple
Growth Levers

Distribution
Advantage

Execution

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Current TAM[1]: Communications + Data

$86B
2025

$119B
2028

11% CAGR

$119B
market by 2028

---

1. TAM based on industry analyst estimates and internal Twilio analysis. Communications TAM includes CPaaS and CCaaS, and Data TAM includes CDP.

Industry Analysts Agree, Twilio is a Leader in CPaaS

Twilio named a Leader in the 2024 Gartner Magic Quadrant for CPaaS[1]

Twilio named a Leader in the IDC MarketScape for CPaaS 2023[2]

Twilio named a Leader in the Omdia CPaaS Universe 2023-2024[3]

And... #1 in Market Share
Gartner Market Share Analysis: Communications Platform as a Service, Worldwide, 2023.

Top Five Communications Platform as a Service Providers, Worldwide, 2023
Revenue (Millions of U.S. Dollars)

● Positive year-over-year change   ● Negative year-over-year change

	Twilio $2,717	**Sinch $1,570**	**Infobip $1,507**	**Vonage $746**	**LINK Mobility $567**
CPaaS	● 2,717	● 1,570	● 1,507	● 746	● 567

Source: Gartner (July 2024)
Note: The value and size of the bubbles represent 2023 revenue (millions of U.S. dollars), and the color coding represents positive or negative year-over-year change
CPaaS = Communications Platform as a Service

Twilio a Leader in CDP for B2C Users and Financial Services

Source: IDC, 2024

IDC MarketScape

Twilio Named a Leader in IDC's Worldwide Customer Data Platforms Focused on B2C Users 2024-2025[1]

Source: IDC, 2023

IDC MarketScape

Twilio Named a Leader in IDC's Worldwide Customer Data Platforms Focused on the Financial Services Industry, 2023[2]

What's Next: Customer Experience as a Service (CXaaS)

CXaaS is the convergence of...

- CPaaS
- CCaaS
- CDP
- AI

CXaaS

With the promise to deliver...

Automated rich conversations at scale

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Engine

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Advantage
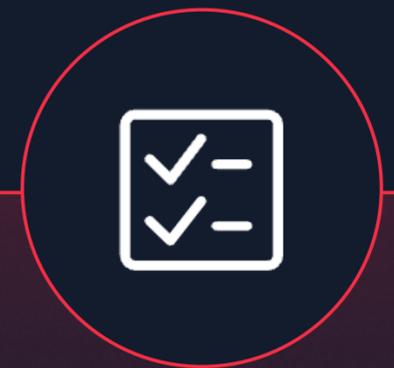
Execution

Executing Against our Growth Levers

Market Levers

Natural Growth in TAM

Expanding Market Share

International

Innovation Levers

Trusted Channels

Simple Builder Experience

Smart (Data + AI) Capabilities

GTM Levers

Self Serve

Cross-Sell

ISV / Partner Ecosystem

Innovation and GTM Levers

Short Term

→ **Innovation**: Unified Profile, core communications channels and advanced messaging (RCS, WhatsApp)

→ **GTM**: Growth in self serve and cross-sell, continue to leverage ISVs and partners

Medium/Long Term

→ **Innovation:** Core platform integrations, AI assistants, channel orchestration, CXaaS, center of AI value chain

→ **GTM**: International expansion, platform partners and system integrators

Why Twilio is Positioned to Win

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Engine

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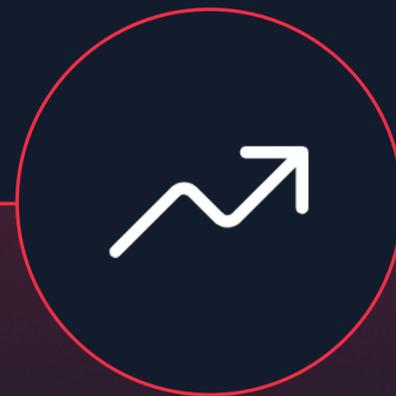
Multiple
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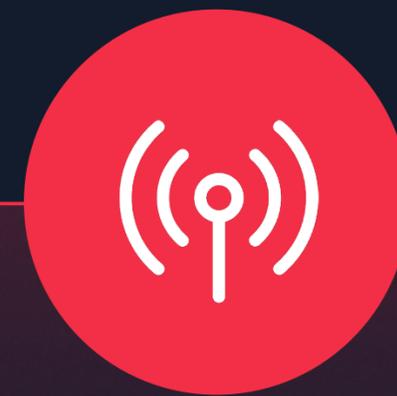
Distribution
Advantage
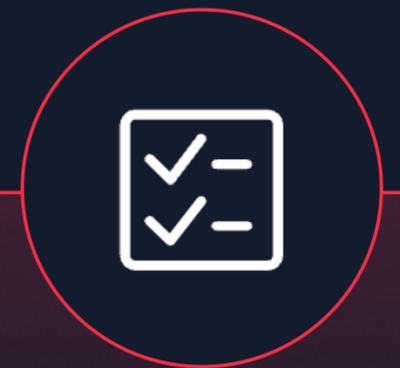
Execution

Twilio's Distribution Advantage

GTM Levers

Self Serve

Cross-Sell

International Expansion

ISVs & Partners

Scale & Efficiency

320K+ Active Customer Accounts	**10M+** Developers	**9K+** Companies building in the AI space and utilizing Twilio services
3K+ ISV & Tech Partners	**180+** Countries Reached	**4.8K+** Global Carrier Connections

Note: All data points as of the end of Q3'24.

Partnerships with Established AI Players

Why Twilio is Positioned to Win

Innovation
Engine

Unique Position
in an Attractive Market
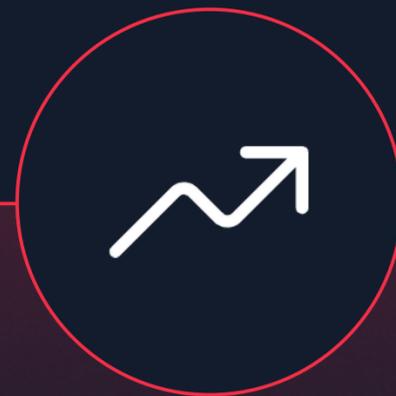
Multiple
Growth Levers
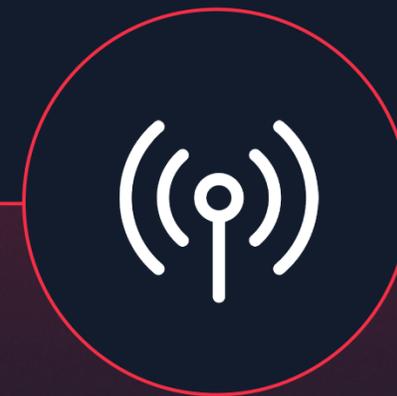
Distribution
Advantage
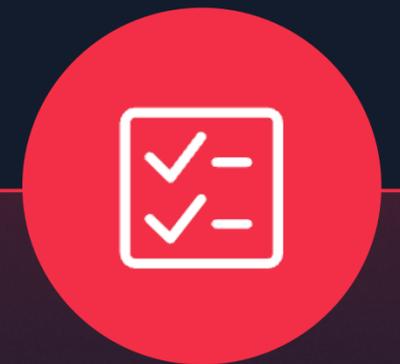
Execution

Stabilizing and Recently Accelerated Revenue Growth

Total revenue ($ in millions)
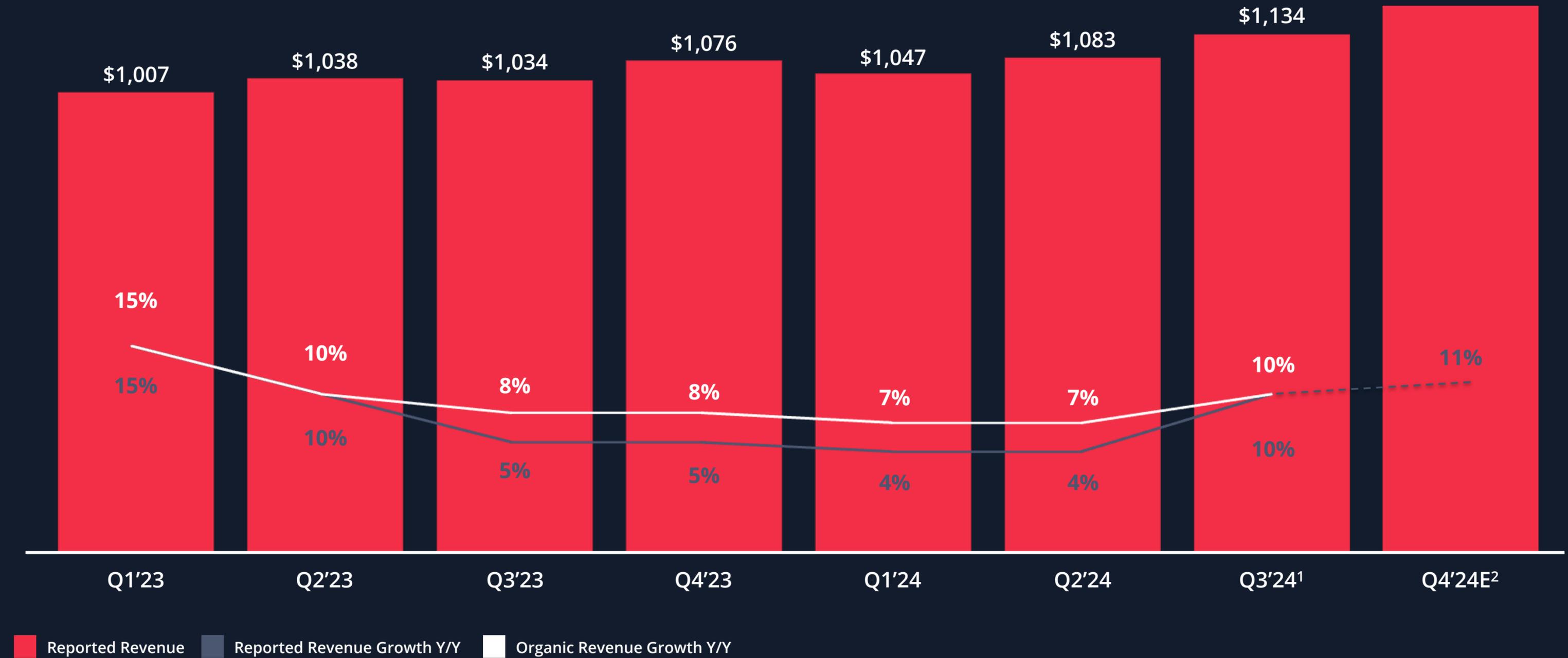
	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24[1]	Q4'24E[2]
Reported Revenue	$1,007	$1,038	$1,034	$1,076	$1,047	$1,083	$1,134	
Organic Revenue Growth Y/Y	15%	10%	8%	8%	7%	7%	10%	11%
Reported Revenue Growth Y/Y	15%	10%	5%	5%	4%	4%	10%	

Reported Revenue **Reported Revenue Growth Y/Y** **Organic Revenue Growth Y/Y**

1. As a full year has elapsed since Twilio's 2023 divestitures, starting in the third quarter of 2024, reported and organic revenue growth rates are equivalent.
2. We will report our Q4 2024 and full year 2024 earnings on February 13, 2025, however we're providing updated expectations for Q4 reported revenue growth guidance originally provided on October 30, 2024.
Note: Organic revenue growth is a non-GAAP financial measure. See Appendix for non-GAAP definitions and reconciliations.

Driving Meaningful Operating Leverage
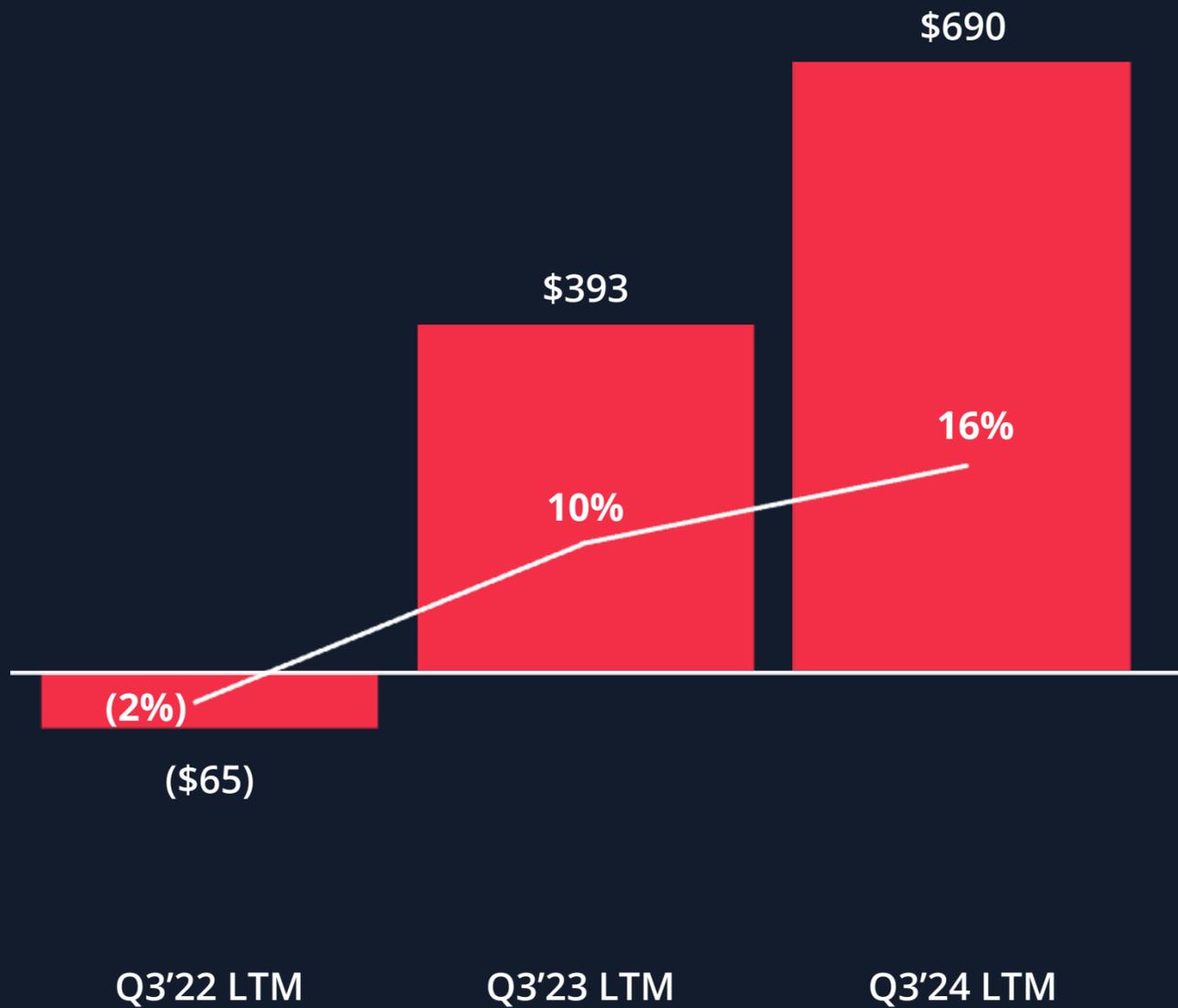
Non-GAAP Income From Operations ($ in millions)

$690

$393

16%

10%

(2%)

($65)

Q3'22 LTM   Q3'23 LTM   Q3'24 LTM

■ Non-GAAP Income from Operations   ▪ Non-GAAP Operating Margin

Free Cash Flow ($ in millions)

$775

$79

18%

2%

(9%)

($319)

Q3'22 LTM   Q3'23 LTM   Q3'24 LTM
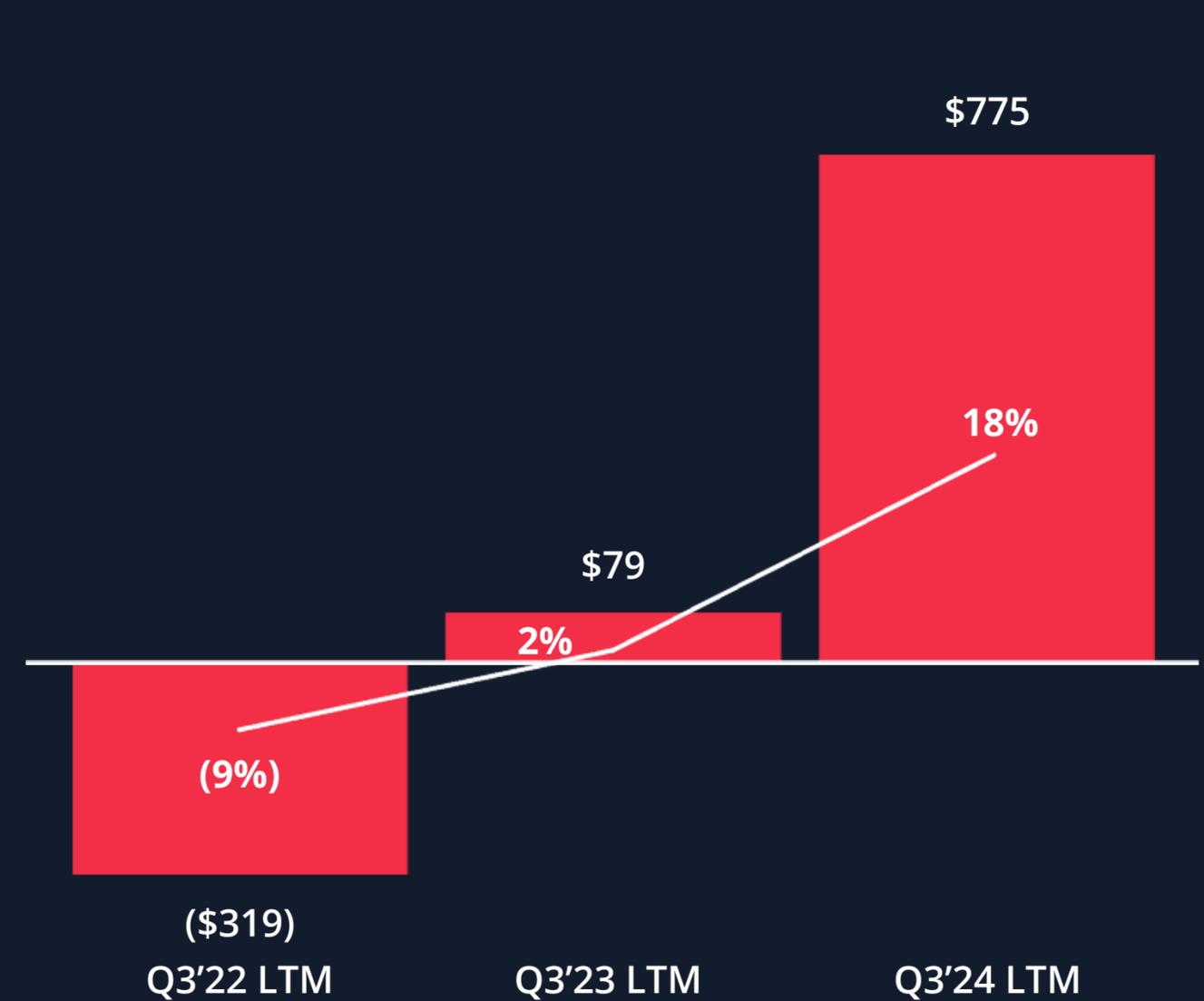
■ Free Cash Flow   ▪ Free Cash Flow Margin

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

Actions Taken to Drive Improved Performance

Strategic / Operational

✓ Reduced headcount by nearly 40% since Q3'22

✓ Streamlined GTM with a refreshed sales organization; renewed focus on self serve

✓ Continued disciplined investments in AI and product innovation

✓ Divested non-core businesses and sunsetted non-core products

✓ Completed Segment operating review; on track for non-GAAP operating income breakeven by Q2'25

✓ Completed $3B of share repurchases since beginning of Q1'23

Leadership / Governance

✓ Refreshed management team

✓ Adopted shareholder-aligned metrics (FCF and TSR) for executive incentive comp (PSUs)

✓ Added new Board members, including a shareholder representative

✓ Appointed new independent Chair, separating Chair and CEO roles

✓ Sunsetted dual-class share structure

Management Proposals for our 2025 Annual Meeting

1 Declassify our Board of Directors

2 Remove supermajority provisions from our charter[1]

We've made significant progress

And we're just getting started

Financial Framework Summary Targets: 2025 to 2027

Non-GAAP Operating Margin
: **21%-22% non-GAAP operating margin** for fiscal year 2027

GAAP Profitability
: **GAAP operating profitability for fiscal year 2025** and each year thereafter

Free Cash Flow
: **$3B+ of cumulative free cash flow** from 2025 through 2027

SBC / Dilution
: **SBC as a % of revenue of ~10% for 2027** and **net burn[1] < 3% in 2027**

Capital Allocation
: Board **recently authorized $2B share repurchase program** expiring end of 2027

Targeting average **50% of annual FCF returned to shareholders** through 2027[2]

1. Net burn is calculated as the number of employee stock units granted in a year net of estimated forfeitures and divided by the prior year ending share count. Does not include any incremental impact of potential share repurchases in a given year. Target based on today's Twilio share price.
2. The timing, manner, price and amount of any repurchases or other capital returns, are determined by Twilio at its discretion and depend on a variety of factors, including legal requirements, price, and economic and market conditions.

Financial Framework - Operating Assumptions

✓ We're **orienting the company to deliver double digit growth** over time, and our **model includes the opex investments we believe are necessary to achieve this.**

✓ But, **we have planned prudently**, and our Financial Framework **targets are based on revenue growth rates consistent with our fiscal year 2025 guidance.**

✓ Even absent revenue acceleration, **we are targeting to deliver 21%-22% non-GAAP operating margins in 2027 and $3B+ of cumulative free cash flow over the next 3 years.**

✓ **If we do deliver consistent, double-digit growth** we would expect to see **further operating leverage in the model and upside** to the current margin and free cash flow targets.

Our Innovation Engine

Why Customers Choose Twilio

Inbal Shani
Chief Product Officer

Recent Product Innovations and Integrations

Products

Voice, Phone Numbers
2008
Twilio founded

SMS
2010

Video
2015

2016
IPO

Studio
2017

Flex
2018

SendGrid Email
2019

Segment CDP
2020

2023

Voice Intelligence
Fraud Guard for Verify
Segment Unify
H1 2023

Traffic Optimization Engine
Branded Calling
SendGrid Engagement Quality
Predictions
Recommendations
SMS Pumping Protection
H2 2023

2024

RCS for Verify & Messaging
Generative Audiences
Unified Profiles and Agent Copilot
Linked Audiences
Personalized Virtual Agent
Data Graph
Engagement Suite
H1 2024

ConversationRelay
Messaging Deliverability Score
Intelligent Alerts & Discovery AI Assistant
H2 2024

On track to deliver more
2025

Integrations

Amazon   Databricks   Google   LinkedIn   Meta   Microsoft   OpenAI   Snowflake

We Innovate on
Behalf of Our Customers

We know that every single interaction between businesses and their customers matters

Topics for Discussion

1. **Innovation Engine**

2. **Platform Strategy & Roadmap**

3. **Investing for the Future**

We Always Have and Always Will be a Platform Company

We offer a **trusted, simple,** and **smart** platform
for every customer interaction

Platform Foundations

Scalability, Stability, & Ability to Innovate

Critical architecture and technology projects enable us to deliver **faster**, **safer**, and **more efficiently**.

Project Highlights

Modern cloud native stack

Builder experience

Simple and resilient

Operational excellence

Our Cyber Week Success Proves the Customer Trust We've Earned
November 26 - December 2, 2024

5.2B	65.5B	678.3M	100%
Message Segments *(29.8% YoY Increase)*	**Emails** *(15.6% YoY Increase)*	**Total Calls** *(19.0% YoY Increase)*	**Uptime for Email, Voice, & Messaging**

We are Constantly Innovating on our Trusted, Simple, & Smart Platform

Product Releases

251

Fiscal Year 2024

- Unified Profiles + Agent Copilot
- Personalized IVR
- Twilio AI Assistants
- Rich Communication Services (RCS)
- Generative Audiences
- Voice Intelligence
- Linked Audiences
- ... and more!

As the **Leading CPaaS Provider**, We Are Focused on Expanding Our Channels & Global Reach

Notable Channel Investments in FY'24:

Rich Communication Services (RCS)	WhatsApp	Apple Messages for Business (AMB)

Customer Success: Leading Germany-based Financial Services Company After Adopting RCS on Twilio

Messaging	RCS	Outcome
2.5M	**>30%**	**1.5x**
Message volume per month	RCS messaging mix	Click rates improvement

Coming Soon in FY'25

Enhancements & New Products

Established Value Drivers

CDP: Data layer | **CPaaS**: Communications at scale

Messaging · Voice · Video · Email · Push · Mobile · Software · Flex

Emerging Value Drivers

Software Attach | Traffic Intelligence & AI | Unified Profiles

Verify Fraud Guard · Lookup · Engagement Suite · SMS Pumping Protection

Voice Intelligence · Voice Recording

Long-Term Value Bets

CXaaS = Communications + Contextual Data + AI

Cross-Channel · AI Capabilities · Unified Profiles · Unified Builder Experience

Personalized Engagements

Industry Analysts Agree,
Twilio is a Leader

Gartner

Twilio named a Leader in the 2024 **Gartner® Magic Quadrant™** for **CPaaS**[1]

Gartner® • 2024

IDC

Twilio named a Leader in the 2023 IDC CDP MarketScape for **Financial Service Industry 2023**[3]

IDC MarketScape • 2023

IDC

Twilio named a Leader in 2024 IDC MarketScape for **Contact Center as a Service (CCaaS)** Report[5]

IDC MarketScape • 2024

IDC

Twilio named a Leader in IDC MarketScape: **Worldwide Customer Data Platforms Focused on B2C Users** 2024-2025 Vendor Assessment[7]

IDC

Twilio named a Leader in the IDC **MarketScape for CPaaS** 2023[2]

IDC MarketScape • 2023

OMDIA

Twilio named a Leader in the Omdia **CPaaS** Universe 2023-2024[4]

Omdia Universe • 2024

OMDIA

Twilio named a Leader in the Omdia Universe **Customer Engagement Platforms**, 2025[6]

Omdia Universe • 2025

IDC MarketScape • 2025

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1. Gartner® Magic Quadrant™ for Communications Platform as a Service, Lisa Unden-Farboud, Ajit Patankar, Pankil Sheth, Brian Doherty, June 24, 2024.
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2. IDC MarketScape: Worldwide Communications Platform as a Service 2023 Vendor Assessment, May 2023, IDC #US50607923.
3. IDC MarketScape: Worldwide Customer Data Platforms Focused on the Financial Services Industry 2023 Vendor Assessment, September 2023, IDC #US51211923.
4. Omdia Universe: CPaaS Platform Providers, 2023-24.
5. IDC MarketScape: Worldwide Contact Center-as-a-Service Applications Software 2024 Vendor Assessment, June 2024, IDC #US52302923.
6. Omdia Universe: Customer Engagement Platforms, 2025.
7. IDC MarketScape: Worldwide Customer Data Platforms Focused on B2C Users 2024-2025 Vendor Assessment, December 2024, IDC #US51778724.

Twilio is at the Center of the Industry's AI Value Chain

Customers using Twilio AI features across the Platform

Partnerships with AI organizations

Twilio is a key component of the tech stack for GenAI applications
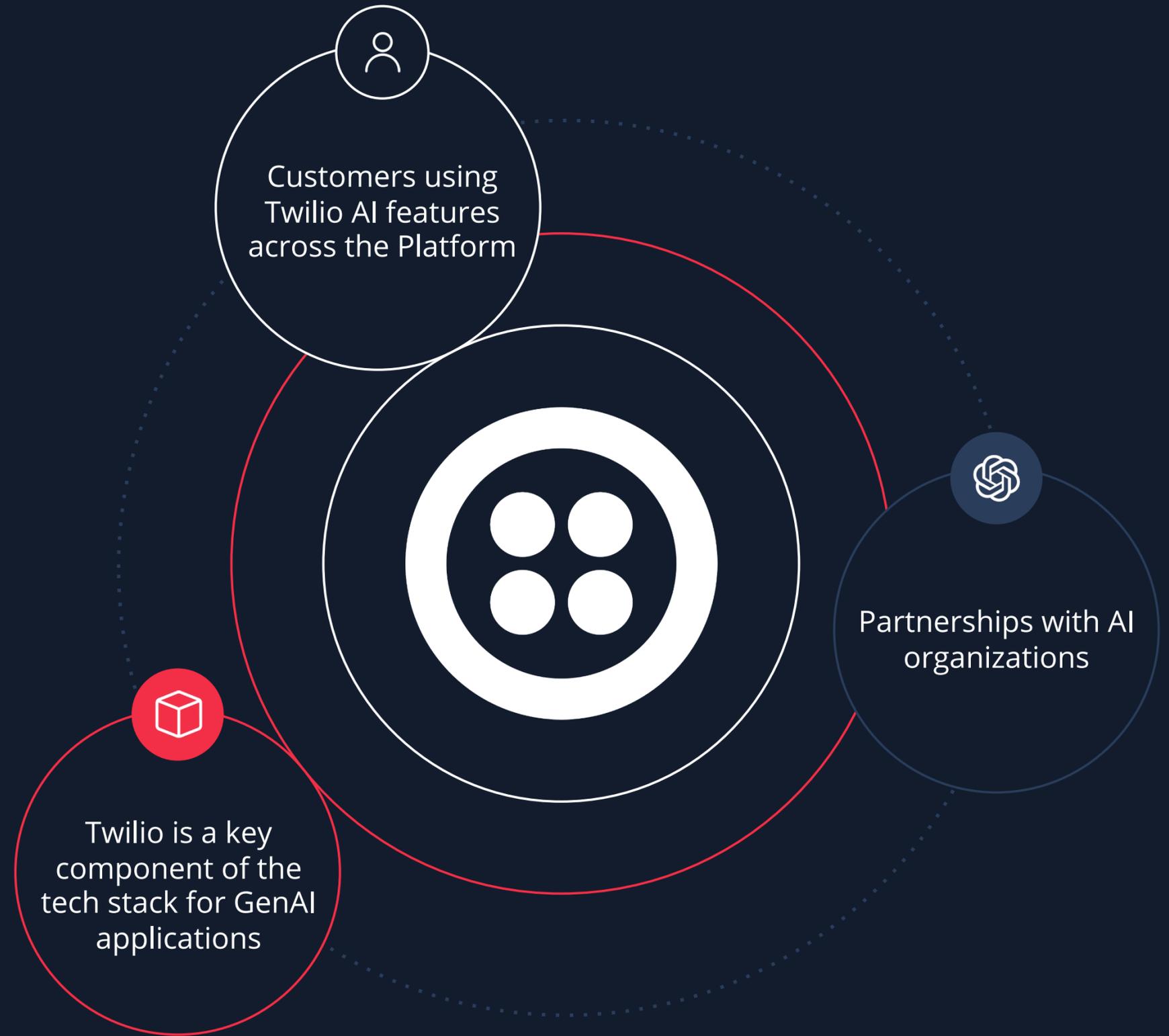
Inventing the Impossible:
Twilio's Emerging Technology & AI Innovation

Twilio AI Assistants

A platform to build smarter, more consumer-aware autonomous agents

AI Personalization Engine

Retrieval-Augmented Generation (RAG) to better personalize LLM interactions using Unified Profiles

AI Perception Engine

A tool to improve new personalizations with relevant consumer data from past communications

AI Nutrition Facts

Transparency to improve customers' insights into data handling & privacy of AI features

Twilio's Focused AI Innovations for Internal Use Cases

Driving greater internal efficiencies and productivity

AI Assistants

80%

Inbound leads from new prospects now serviced by AI assistants[1]

AI-Powered Predictions

75%

Service ticket deflection rate when AI is engaged[1]

Productivity

95%

Reduction in the time needed to ship a highly personalized email campaign using GenAI capabilities[2]

Speed

25x

Faster responses to customers who request talking to Sales (versus traditional Sales model)[3]

- ✓ 10DLC Registration
- ✓ AI Tools for Developer Productivity
- ✓ Product Insights and Research

- ✓ Marketing and Sales AI Agents
- ✓ Internal IT / Help Desk AI Agents
- ✓ Customer Support AI Agents
- ✓ Procurement AI Agents

- ✓ Vendor Bill Review and Cost Optimization
- ✓ IP Portfolio Review and Analysis
- ✓ Commercial Contract Management
- ✓ Further Back-office Processes

1. As of December 2024.
2. Reflects capability to reduce time to ship from days to minutes.
3. Speed to lead: ISA responds at 20-30 mins intervals of incoming request contacts (as of Q4'24), going to 60 mins in the most extreme cases. For baseline, using 24hrs as the SLA for DSRs (median time to first follow up) as the traditional sales baseline.

Our FY'25 Innovation Levers

Trusted Channels

Full transparency with our customers and end consumers

Simple Builder Experience

Optimized builder experience and end consumer experience

Smart (Data+AI) Capabilities

Easier to expand the value of Twilio across channels

Robin
Grochol

Vice President of Product - Data, Identity & Security

Product Demo #1

Use Case Deep Dive

Shipment Notifications

OWL CO. SHOP Now

ur order #123456 has shipped! Track your
rder now.

+12151234567 Now

Owl Co. Shop: Your order #123456 is getting ready to ship. You can track your delivery status here: https://owlco.shop.com/p8m120

Your order has been delivered

OWL CO. SHOP INBOX

Your order has been delivered! Order #123456

Tell us how we did!

OWL CO. SHOP Now

rder #123456 is getting ready to ship.
timated delivery: Feb 17

Your order #123456 confirmed

OWL CO. SHOP INBOX

Thank you for shopping with us. We'll send a confirmation when your item ships.

OWL CO. SHOP Now

You order has arrived!

+12151234567 Now

Owl Co. Shop: Hi Brenda, your order has been shipped! Track your order here: https://owlco.shop.com/p8m120

Order label created

OWL CO. SHOP INBOX

Order #123456 is getting ready to ship. You estimated delivery date is Feb 17.

+12151234567

Owl Co. Shop: We've received your order. We'll send a confirmation when your item ships. https://owlco.shop.com/p8m120

Your order has been shipped

OWL CO. SHOP IN

Hey Brenda, your order #123456 has shippe Track your order here: https://owlco.shop.co p8m120

Shipping address:

OWL CO. SHOP

Your order #123456 is confirmed.

+12151234567

Owl Co. Shop: Your package has arrived! (order #123456)

consent

compliance

preference

Owl Co. Shop

Brenda Jones

Nearest store location: **50 km**

+33 06 12 34 56 78

Owl Co. Shop: Hi Brenda, your order has been shipped! 🎉 Track your order here: https://owlco.shop.com/p8m120

Not going to be home for the delivery? Schedule your pick up at a nearby store location instead: https://owlco.shop.com/pickup/p8m120

Brenda Jones

Traits

Primary address

52 Rue des Fleurs, 33500 Libourne France

has been shipped! 🎉

livery, or see more options.

rder status

HOP   Now

43210 is ready for pick up! Tell us
utside.

+330612345678   Now

Your order #123456 has been shipped! 🎉

View order status, track the delivery, or see more options.

View order status
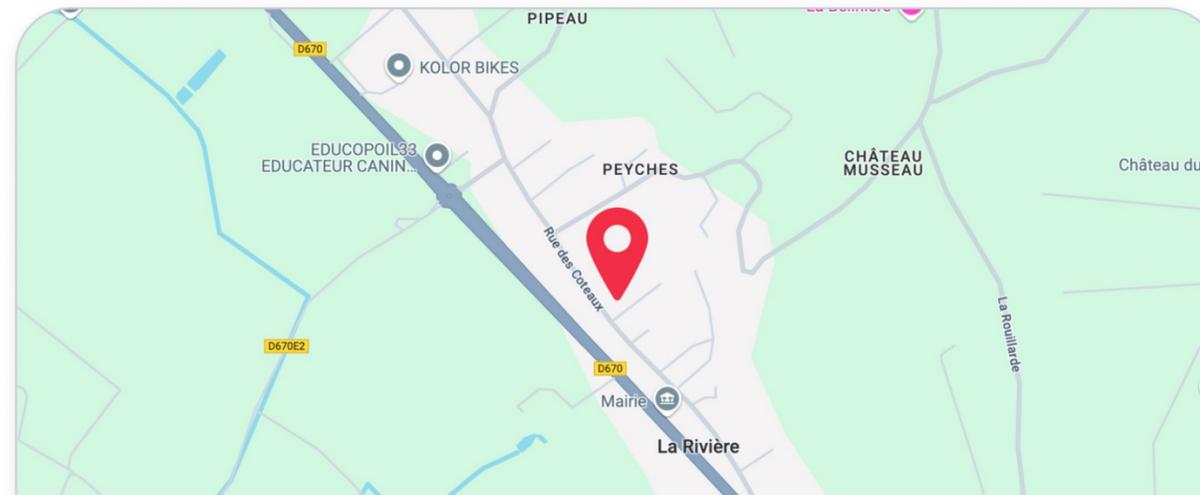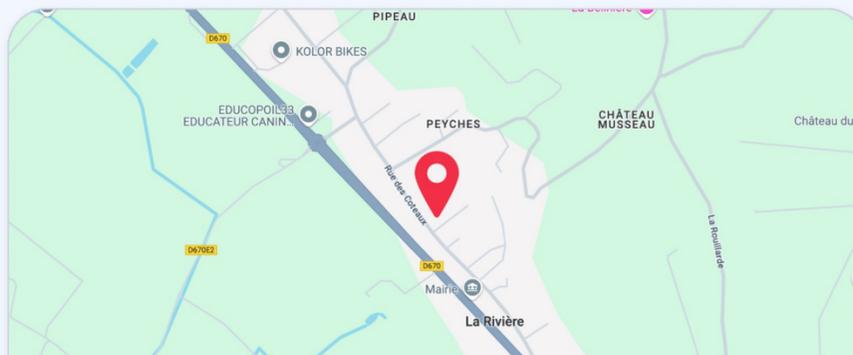
Schedule pick up instead

Find another location

Your order is on the way!

✉️ **OWL CO. SHOP**

Hey Carla, Good news! Your order #123456
your order here: https://owlco.shop.com/p8

They are being shipped via UPS to the follow

OWL CO. SHOP   Now

Your order #543210 is ready for pick up! Tell us
when you're outside.

Your order is on the way!

OWL CO. SHOP   NOW

Hey Carla, Good news! Your order #123456 has
shipped! Track your order here: https://
owlco.shop.com/p8mUZ8

They are being shipped via UPS to the following
address:

n the way!

INBOX

+12151234567

OWL CO. SHOP   Now

! Your order #975310 has shipped! Track

Your order #642086 has shipped! Track your order

54

How is Twilio adding **contextual data** to **communications?**

Brenda Jones

Events

Consumer consent

Channels

Sentiment

Traits

Predictions

Preferences

Anonymous user 067856

Events

Added to cart
Adidas tennis shoes

Traits

Last product bought
Nike running shoes

Favorite product color
Blue

AI powered

Anonymous user
067856

Email
bjones@email.com

Phone
+33 06 98 76 54 32

WhatsApp
+33 06 98 76 54 32

📅 **Events**

Added to cart
Adidas tennis shoes

🧩 **Traits**

Last product bought
Nike running shoes

Favorite product color
Blue

🧠 AI powered

Brenda Jones

Email
bjones@email.com

Phone
+33 06 98 76 54 32

WhatsApp
+33 06 98 76 54 32

IP address
123.123.123.123

Mobile ID
AB1234CD-E123-12FG-J123

📅 **Events**

Added to cart
Adidas tennis shoes

Opened email
"Summer Wellness" campaign

Viewed product demo
Tennis shoe video

🧩 **Traits**

Last product bought
Nike running shoes

Favorite product color
Blue

🧠 AI powered

Brenda Jones

Email
bjones@email.com

Phone
+33 06 98 76 54 32

WhatsApp
+33 06 98 76 54 32

IP address
123.123.123.123

Mobile ID
AB1234CD-E123-12FG-J123

📅 **Events**

Added to cart
Adidas tennis shoes

Opened email
"Summer Wellness" campaign

Viewed product demo
Tennis shoe video

🔗 **Channels**

Best channel
🧠 **SMS** ☑ **Verified**

🧩 **Traits**

Last product bought
Nike running shoes

Favorite product color
Blue

👤 **Consumer consent**

Website	opt in ✔
Email	opt out ✖
SMS	opt in ✔
Voice	opt in ✔

🧠 AI powered | ☑ Verified

☑ **Preferences**

Best time to send
🧠 **7:00 AM - 10:00 AM ET**

Brenda Jones

Email
bjones@email.com

Phone
+33 06 98 76 54 32

WhatsApp
+33 06 98 76 54 32

Loyalty number
VIP r8765679

Loyalty points
789 pts

IP address
123.123.123.123

Mobile ID
AB1234CD-E123-1

📅 **Events**

Added to cart
Adidas tennis shoes

Opened email
"Summer Wellness" campaign

Viewed product demo
Tennis shoe video

⤳ **Channels**

Best channel
🧠 **SMS** ☑ **Verified**

🧩 **Traits**

Last product bought
Nike running shoes

Favorite product color

✅ **Preferences**

Best time to send
🧠 **7:00 AM - 10:00 AM ET**

👤 **Consumer consent**

Website   opt in ✓

Email   opt out ✗

SMS   opt in ✓

Voice   opt in ✓

😊 **Sentiment**

Detected sentiment
🧠 **Positive**

Recommended product
🧠 **Nike Air Force Ones**

✨ **Predictions**

Propensity to churn
🧠 **Bottom 25%, less than average**

Predictive lifetime value
🧠 **Top 25%, higher than average**

🧠 AI powered | ☑ Verified

Brenda Jones

Email
bjones@email.com

Phone
+33 06 98 76 54 32

WhatsApp
+33 06 98 76 54 32

Loyalty number
VIP r8765679

Loyalty points
789 pts

IP address
123.123.123.123

Mobile ID
AB1234CD-E123-12FG-J123

📅 **Events**

Added to cart
Adidas tennis shoes

Opened email
"Summer Wellness" campaign

Viewed product demo
Tennis shoe video

🔗 **Channels**

Best channel
✨ **SMS**   ☑ **Verified**

🧩 **Traits**

Last product bought
Nike running shoes

Favorite product color
Blue

Recommended product
✨ **Nike Air Force Ones**

☑ **Preferences**

Best time to send
✨ **7:00 AM - 10:00 AM ET**

👤 **Consumer consent**

Website   opt in ✔

Email   opt out ✘

SMS   opt in ✔

Voice   opt in ✔

🙂 **Sentiment**

Detected sentiment
✨ **Positive**

✨ **Predictions**

Propensity to churn
✨ **Bottom 25%, less than average**

Predictive lifetime value
✨ **Top 25%, higher than average**

✨ AI powered | ☑ Verified

Phone
+55 219 9876 5432

WhatsApp
+55 219 9876 5432

Loyalty number
VIP r1357904

Loyalty points
1204 pts

IP address
111.111.123.123

Mobile ID
AB1234CD-E123-12FG-J123

Viewed product demo
Tennis shoe video

Voice   opt in

Channels

Best channel
SMS Verified

Traits

Last product bought
Nike running shoes

Favorite product color
Blue

Recommended product
Nike Air Force Ones

Preferences

Best time to send
7:00 AM - 10:00 AM ET

Sentiment

Detected sentiment
Positive

Predictions

Propensity to churn
Bottom 25%, less than average

Predictive lifetime value
Top 25%, higher than average

AI powered | Verified

Brenda Jones

Email
bjones@email.com

Phone
+33 06 98 76 54 32

WhatsApp
+33 06 98 76 54 32

Loyalty number
VIP r8765679

Loyalty points
789 pts

IP address
123.123.123.123

Mobile ID
AB1234CD-E123-12FG-J123

Events

Added to cart
Adidas tennis shoes

Opened email
"Summer Wellness" campaign

Viewed product demo
Tennis shoe video

Channels

Best channel
SMS Verified

Traits

Last product bought
Nike running shoes

Favorite product color
Blue

Recommended product
Nike Air Force Ones

Preferences

Best time to send
7:00 AM - 10:00 AM ET

Consumer consent

Website   opt in

Email   opt out

SMS   opt in

Voice   opt in

Sentiment

Detected sentiment
Positive

Predictions

Propensity to churn
Bottom 25%, less than average

Predictive lifetime value
Top 25%, higher than average

AI powered | Verified

James Green

Email
jgreen@email.com

Phone
+1 202 132 4567

IP address
111.222.987.987

Mobile ID
AB1234CD-E123-12FG-J123

Events

Opened email
Order confirmation

Viewed page
Category page: Mens Dress Shoes

Channels

Best channel
Email Verified

Traits

Last product bought
Ted Baker Pylon Flat Front Pants

Recommended product
Cole Haan Berkley Boot

Preferences

Best time to send
5:00 PM - 11:00 PM ET

Consumer consent

Website   opt out

Email   opt in

SMS   opt out

Voice   opt out

Sentiment

Detected sentiment
Neutral

Predictions

Propensity to churn
Top 50%

Predictive lifetime value
Top 25%, higher than average

AI powered | Verified

Carla Dellarossa

Email

Events

Viewed page
Category page: Women's Suits &

Consumer consent

Website   opt out

Lee Th

Email
bjones(

Phone
+1 215

IP addre
123.12

Mobile I
AB123

Product Demo #2

Use Case Deep Dive

AI Assistant

Thank you! From our records, your 2 bags are currently stuck in transit in Frankfurt, Germany.

Would you like me to schedule a delivery to you?

That would be great. I'm staying at the Four Seasons in SF

Sorry, I don't recognize that address. Could you please confirm the full address for me?

222 Sansome St. San Francisco, CA 94104

Thank you, I've scheduled your delivery for tomorrow.

Owl Air Chat Support

Hi, there! I'm Owlbert, Owl Air's virtual agent. What can I help with?

I just landed and I can't find my bags!

Happy to help, Brenda. I'm Owlbert, Owl Air's virtual agent. Your 2 bags (ID 12345, 12387) are stuck in transit at your layover location in Frankfurt, Germany. Do you want me to schedule a delivery for you?

Yes please! I'm staying at the Four Seasons in SF

Your bags are scheduled to arrive tomorrow at the following address: 222 Sansome St. San Francisco, CA 94104

Brenda Jones

Traits

Baggage IDs: **#12345,#12387**

Events

Last hotel stay: **Four Seasons**

We are focused on **applying AI to make every engagement better**

Functions Writer / Analyzer

Generative Audiences

Write source function   Source function documentation ⧉   ✨ Get help from AI

```
1    // Learn more about source functions API at
2    // https://segment.com/docs/connections/sources/source-functions
3
4    /**
5     * Handle incoming HTTP request
6     *
7     * @param {FunctionRequest} request
8     * @param {FunctionSettings} settings
9     */
10   async function onRequest(request, settings) {
11     const body = request.json()
12
13     const endpoint = ''; // replace with your endpoint
14     let response
15
16     try {
17       response = await fetch(endpoint, {
18         method: 'POST',
19         headers: {
20           Authorization: `Basic ${btoa(settings.apiKey + ':')}`,
21           'Content-Type': 'application/json'
22         },
23         body: JSON.stringify(body)
24       });
25     } catch (error) {
26       // Retry on connection error
27       throw new RetryError(error.message)
28     }
29
30     if (response.status ≥ 500 || response.status ≡ 429) {
         // Retry on 5xx (server errors) and 429s (rate limits)
         throw new RetryError(`Failed with ${response.status}`)
       }

       // See https://segment.com/docs/connections/spec/track/
       Segment.track({
         event: 'Test Event',
         userId: 'user_id',
         properties: {
           testProperty: 'testValue',
```

✨ Get help from AI   New   ✕

Chat   Summary

```
24   429s (rate limits)
25        throw new RetryError(`Failed with
26   ${response.status}`);
27        }
28
29        event.name = 'event modified from insert
30   function';
          event['newProperty'] = response.status;

          Segment.track(event);
        }
```

📋 Copy code   ↺ Replace code   cmd or ctrl + z to undo

> How this code works

Is this helpful? 👍 👎

This assistant is powered by OpenAI and may generate information that is inaccurate or otherwise does not meet your needs or expectations. You should independently verify this generated information prior to using it, as Twilio is not responsible for your use of this generated information. Any generated information will in no way modify your agreement with Twilio covering your use of Twilio's platform. For information regarding how this Intelligent Discovery Assistant processes and protects your personal information, please review Twilio's Privacy Notice.

👤 **This audience contains...**   Documentation ⧉   ✨ Help me build

All users who...   + Add Condition

☐ Include Anonymous Users
☐ Include Historical Data
    The audience will include users who met the

✕

Build audience with AI

Describe the audience you want to create and CustomerAI will help build it. Powered by OpenAI. Learn more ⧉

Audience description

Create an audience of customers who have spent at least $50 in the last year and visited our website but didn't complete a purchase in the last 30 days

Use between 20 and 300 characters.
Character count: 151z / 300

Build

Voice Intelligence

Deliverability Score

Messaging Insights

Advanced filter

Field
Select field

Operator
Equals

Value
Type or paste to filter

Clear

+ Add filter

Overview   Delivery & Errors   Responses   OTP Conversion   Latency   Queuing ✦ Beta

Your message deliverability health is **Fair** ⓘ this week.

Twilio Messaging deliverability score is an indicator to check your messaging health at a glance.

56/100
Fair

↓ **5 points** since last week

↻ Tell me more about my score

Sent rate ⓘ	Compliance ⓘ	Fraud ⓘ	Latency ⓘ	Engagement ⓘ
15 out of 25	**12** out of 20	**12** out of 20	**10** out of 25	**13** out of 15
↑ 5	↓ 3	↑ 2	↓ 1	↑ 2
Review data →	Review data →	Review data →	Review data →	Review data →

Messaging Traffic

Past 7 days

Times shown in UTC

← Intelligent Discovery ⓘ ✕

Error codes	Impact
◆ 30003: Unreachable destination handset.	63%
◆ 30007: Message filtered	14%
◆ 30005: Unknown destination handset	8%
◆ 21602: Message body is required	5%
◆ 63030: Unsupported parameter for type of channels message.	3%

View Sent Rate across subaccounts

BT You

30005: Unknown destination handset

⏱ **Assistant**

📄 Provide Intelligent Discovery feedback

Ask any question about your messaging ➤

← Back

Agent	Customer	Service
John Smith	Elisha Su	Call center_UK	July 23 2021, 11:10 GMT+1	More

0:00:00 / 0:05:03

↶ ▶ ↷   1.0x   — 🔊 + ↓

Find keywords and phrases ⓘ

⚙ | 👍 👎

Agent 0:00:00 — Thank you for calling Assurance's enrollment center, my name is **AgentName** Jack Yoo and I'm a licensed agent in Mississippi. **RecordingDisclosure** This call is being recorded for quality assurance purposes. Who am I speaking with today?

Customer 0:01:32 — James Tyler. I'm looking to get a quote on a supplement plan.

Agent 0:02:00 — I'm happy to help you with that before I can get you a quote, I'll need to ask you a few questions.

Agent 0:02:32 — Mr Tyler, when were you born?

Customer 0:03:10 — **DoB** [Redacted:DoB]

Agent 0:03:22 — Thank you. **Smoke question** Are you a smoker or have you smoked in the last 5 years?

Customer 0:04:18 — Well, I've cut down a lot and I only smoke occasionally. I've been trying to quit for the last few years but its hard, you know.

Agent 0:05:03 — No problem. About **Alcohol question** how many alcoholic drinks a week do you have?

Customer 0:04:18 — Well, I've cut down a lot and I only drink occasionally with friends. I've been trying to quit for the last few years but its hard, you know.

Agent 0:05:03 — No problem. What's your ID number?

Operator results

☐ Show operators with undetected results

Summarization

The customer Elisha contacts the agent to request a refund. She has shipped the product and shared the shipment inform...

View more

Sentiment analysis
😊 Positive

Inferred Traits

First name	John
Last name	Smith
City	London
Zip Code	N1 2BR
Order number	0s8kb9212v

AgentIntro
AgentName — 1

Callback request
Callback request — 1

Conversation topics
Refund — 1

Predictions

Explore your prediction

This interactive chart helps you see how likely your users are to convert to your goal. Use the radio buttons to quickly select the top or bottom 10% of users, or select a custom range by using the sliders.

Top 20% ✓	Bottom 80%	Top 50%	Custom
1,236 users	4,231 users	3,526 users	-- users
3.4x likelier to convert than average	.4x likelier to convert than average	1.5x likelier to convert than average	-- likelier to convert than average

Viewing users in the `80%` - `100%`
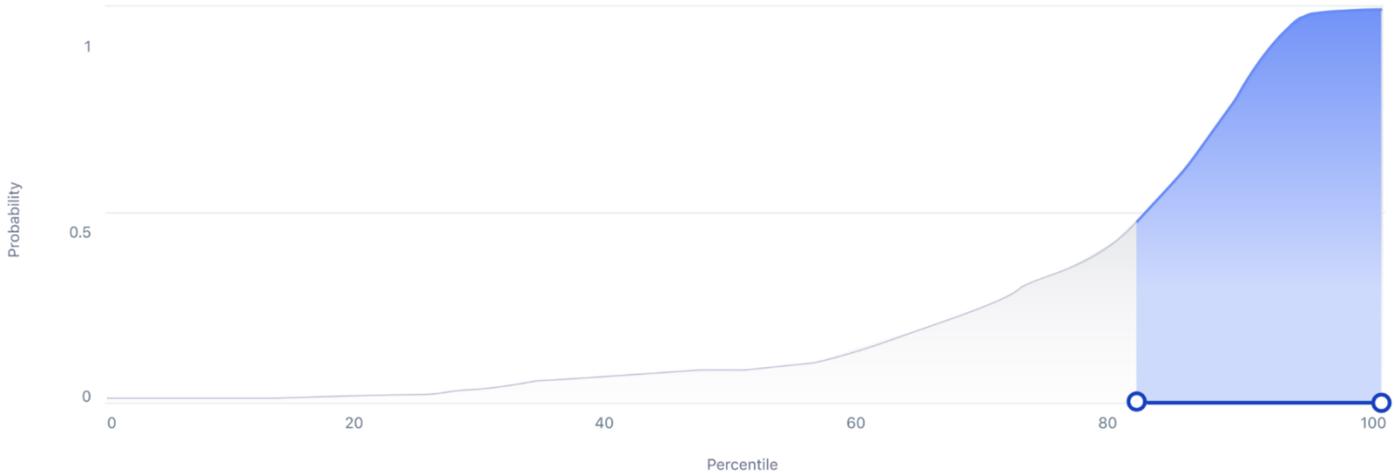
Understand your prediction

Each prediction is informed by a number of events. Certain events are more predictive of a given outcome than others. Learn more about understanding your prediction

5
Top contributing events ⓘ

■ Product added to cart	34.4%	↗	Increases goal outcome
■ Product viewed	24.2%	↗	Increases goal outcome
■ Logged out	21.0%	↘	Decreases goal outcome
■ Email link clicked	8.3%	↗	Increases goal outcome
■ Other events	12.1%		

PREDICTION QUALITY ⓘ
Excellent
Accuracy of 73.2%

TRUE POSITIVE RATE ⓘ	FALSE POSITIVE RATE ⓘ	LOG LOSS ⓘ
52%	0.132%	0.024

MODEL DETAILS ⓘ

Model type
Propensity score

Goal event
Order Completed

Data period
All historical data

Last refresh
Today

Events used in prediction
121

Recommendations

ⓘ **What types of products do you want this audience to engage with?**

Select a product type to build this audience around. For example, a product category like "women's shoes" or a brand like "Nike".

Products where... [Product category ▾] is [Enter value]

Type to enter or search value.
For example, "women's shoes".

Set audience size

Determine what percentage of your total user base to predict likelihood of purchase for. Select key segments of users, or choose a custom range by using the sliders. As audience size increases, net likelihood to purchase decreases. Learn more about Recommendations.

● Top 5%	○ Top 10%	○ Custom
Estimated 1,103 users	Estimated 2,391 users	Estimated -- users
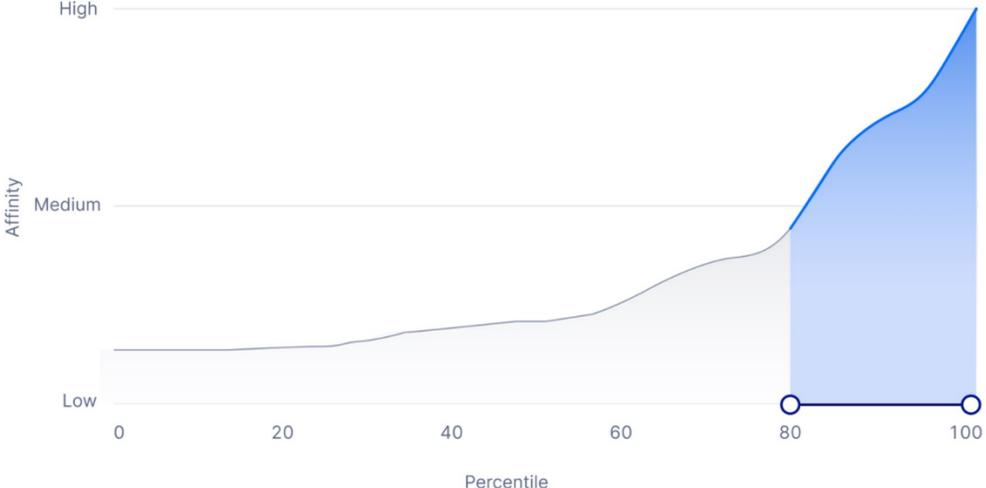
Verify Fraud Guard

Performance Metrics ⓘ

Last Updated 02/10/2025 05:30PM UTC · ⬇ Export as CSV

25.43M ⓘ	**1.16M** ⓘ	**$222,216.92** ⓘ	**84.87%** ⓘ
Allowed Verification Attempts	Fraud Blocked Attempts	Estimated cost savings (USD)	Success Rate
View all →	View all →	Learn more →	Learn more →

Performance Trends ⓘ

- ☑ Show/hide all
- ☑ ● Allowed verification attempts
- ☑ ● Fraud guard blocks
- ☑ ● Geo permissions blocks
- ☑ ◆ Success rate
- ☑ ◆ Conversion rate

Country Trends ⓘ

Estimated cost savings ▾
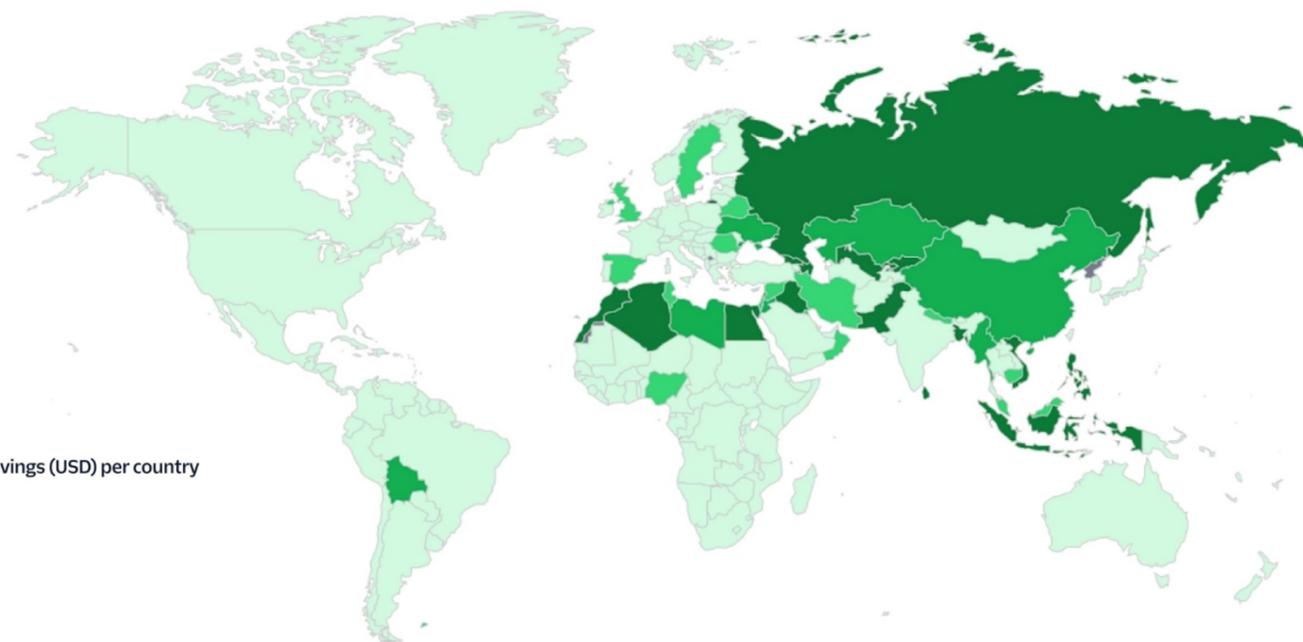
Estimated total cost savings (USD) per country
- ☑ ● Not applicable
- ☑ ● < $100
- ☑ ● $100 - $500
- ☑ ● $500 - $1000
- ☑ ● > $1000

We Always Have and Always Will be a Platform Company

We offer a **trusted, simple,** and **smart** platform
for every customer interaction

The **Four Foundational** Reasons **Customers Choose Twilio**

Consumer Engagement

- ✓ Build & offer more personalized engagements with end consumers

- ✓ Apply automation & self serve for intuitive communications experience

Developer Productivity

- ✓ Improve efficiency & collaboration across teams

- ✓ Streamline engagement using insights into end-to-end customer journeys

Data Activation

- ✓ Improve and increase data insights from across complex tech stacks

- ✓ Improve accessibility and security of customer profiles & history

Security & Compliance

- ✓ Improve compliance & enhance engagement processes

- ✓ Enhance detection & prevention of fraud & bad actors

Twilio's Platform Value Proposition

Our innovation strategy calls for these foundational product capabilities:

Cross-Channel

Seamlessly orchestrate communications across new channels consumers adopt

Data Layer

Improve engagement using insights from communications data

Unified Profiles

Use consumer insights to offer more proactive and personalized experiences

Unified Builder

Enhance customer productivity and consumer engagement using simplified builder experience

Personalized Engagements

Improve marketing & customer support using data-driven insights

AI Capabilities Throughout

Enhance productivity and time to consumer delight

2025 **Twilio's Platform**

Unified Builder Experiences

- Billing & Commerce
- KYC
- Console & API Experiences
- Partner Experiences
- Console & API Experiences

Cross-Channel Experiences

- Cross-Channel API
- Cross-Channel Orchestration
- Use Case Experiences
- Flex

Security & Identity

- Lookup
- Verify
- Authy
- Identity Graph
- Fraud Risk Engine

Trusted Channels

- Messaging
- RCS
- WhatsApp
- Email
- Voice
- Video
- Apple Messages for Business

Traffic Intelligence as Software Attach

Customer Data Platform (CDP)

CDP
- Sources
- Destinations
- ID Res/Profiles
- Predictions
- Audiences
- Journeys

Unified Profiles
- Profile API

Data Foundation

Data Substrate, Event Streams, Data Integration Services, Webhooks

Takeaways: Twilio's Innovation Engine

✓ We're continuing to invest in our core capabilities to drive even **greater customer value**. Our innovation levers include our **trusted channels**, a **simple builder experience**, and **smart (data & AI) capabilities**.

✓ Twilio can uniquely deliver more **customer value through our trusted, simple, and smart platform** powered by communications + contextual data + AI.

✓ We have been an innovative company for 16 years and **we are not done!**
We continue to invest in and drive the future of customer engagement.

Innovation is not what we do; **it's who we are!**

Alex Kvyat

Executive Director, Digital Technologies,
Business Capabilities Engineering
Kaiser Permanente

About Kaiser Permanente

Kaiser is California's largest healthcare provider, serving 12.5M members across eight states and Washington D.C. Kaiser built their Digital Notification Platform using Twilio APIs.

How Kaiser Permanente Uses Twilio

- Uses Twilio for SMS/Voice appointment reminders, RX refills, bill pay, and waitlists. With Twilio, Kaiser sends 500M+ SMS annually and 5M+ emails/month via SendGrid for patient communications.
- Uses SMS via ServiceNow for major incident response messaging to employees.

Our Market Opportunity

Chris Koehler
Chief Marketing Officer

We are a market leader in both CPaaS and CDP

Our platform innovation unlocks the even larger, emerging CXaaS market

Topics for Discussion

1 **Market Trends and Opportunity**

2 **Buyer Personas**

3 **Self Serve**

To Deliver One Integrated Experience, You Need Three Things

Communications   +   **Contextual Data**   +   **AI**
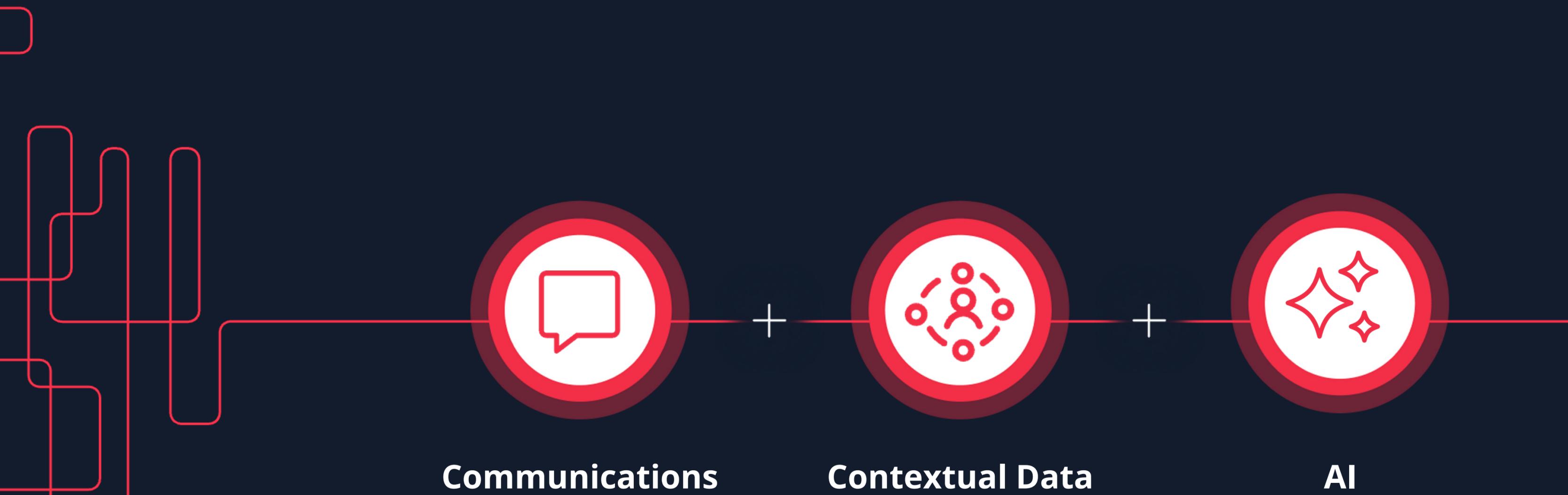
Market Trends Driving the Twilio Opportunity

(1)

Generative AI

Gen AI has unlocked an opportunity for businesses to become more efficient, scale their processes and drive better outcomes. Customer Interaction is a common first use case for businesses.

(2)

Data Deluge

Businesses are navigating a treasure trove of data, but rely on siloed data warehouses to store it. Technology that can make sense of this data - especially to help inform AI - is in high demand.

(3)

Conversational Agents

User experience is dramatically upended by AI, which is leading to a resurgence of voice and messaging as the primary interfaces.

Larger Market Opportunity: CXaaS[1]
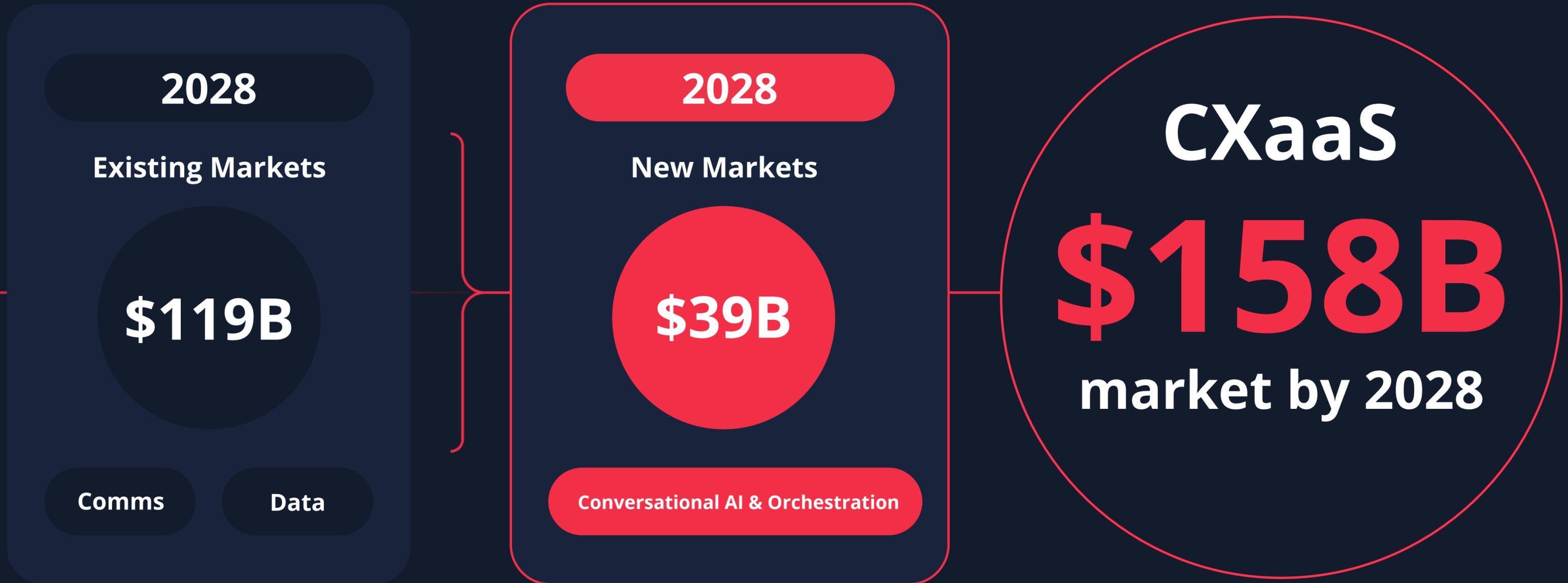
2028

Existing Markets

$119B

Comms | Data

2028

New Markets

$39B

Conversational AI & Orchestration

CXaaS

$158B

market by 2028

Twilio Sells to a Range of Buyer Personas

C-Suite
Owns the **decision**

Line of Business
Owns the **need**

Developer
Owns the **solution**

across different functions

Product & Engineering

Marketing

Customer Experience

How Allergan, Reddit, and Sweetwater Became Twilio Customers

Allergan

Customer POC: AVP

Business Problem: No direct relationships with customers

Solution: Loyalty program powered by Segment + Comms

Result: $400M+ in sales[1]

reddit

Customer POC: Product Manager

Business Problem: Complicated signup process

Solution: Simplified authentication powered by Verify + LookUp

Result: 14% increase in mobile signups[2]

Sweetwater

Customer POC: Technical

Business Problem: Company not set up for remote work during pandemic shut down

Solution: Built customer service flow using Twilio Studio

Result: Launched call center in 48 hours in response to Covid-19

1. Data as of 2021.
2. Data as of 2023.

Twilio's Growth Engine: GTM Acceleration Levers

1 — Accelerating Self Serve
2 — Cross-Sell
3 — International Expansion
4 — ISV & Partner Ecosystem
5 — Scale and Efficiency
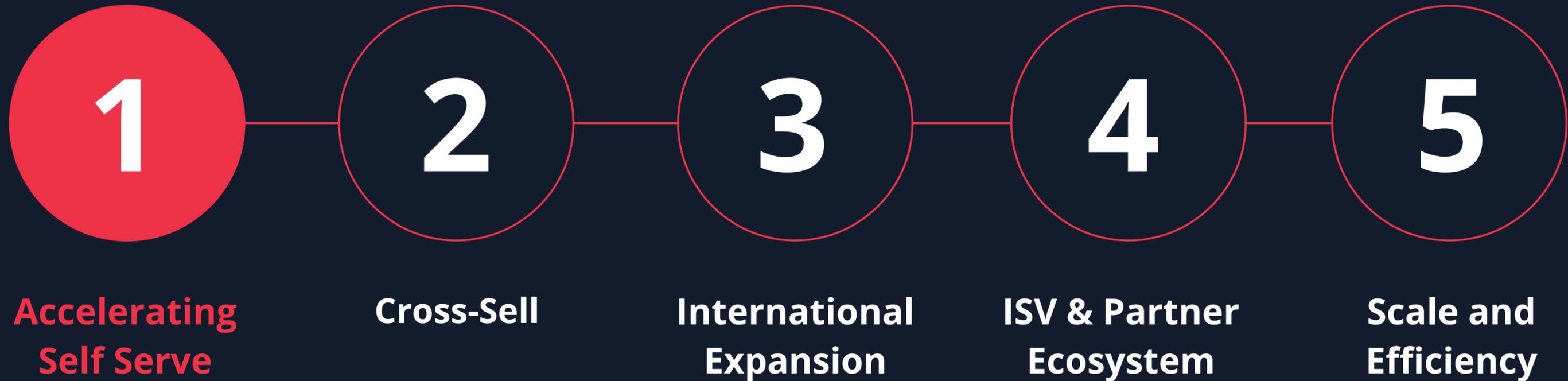
Self Serve: Current Revenue Traction

15%

of Twilio's overall revenue today[1]

Self Serve: What's Driving the Reacceleration

1

Improved Product Experience

- Guided onboarding workflows for common use cases
- Automated error remediation and new billing features
- Unified login across Twilio, Sendgrid and Segment

2

Go-To-Market Efficiency with AI

- AI agents handling new sales inbounds and customer success
- Intelligent lead identification process and shortened sales cycles

3

Enhanced Demand Generation

- AI for personalized marketing campaigns
- Developer-focused content to increase signups

Accelerating Self Serve

Self Serve is the on-ramp to Twilio

Self Serve Trajectory

13% Y/Y Revenue Growth in Q3'24

$149M — Q4'23
$152M — Q1'24
$157M — Q2'24
$168M — Q3'24
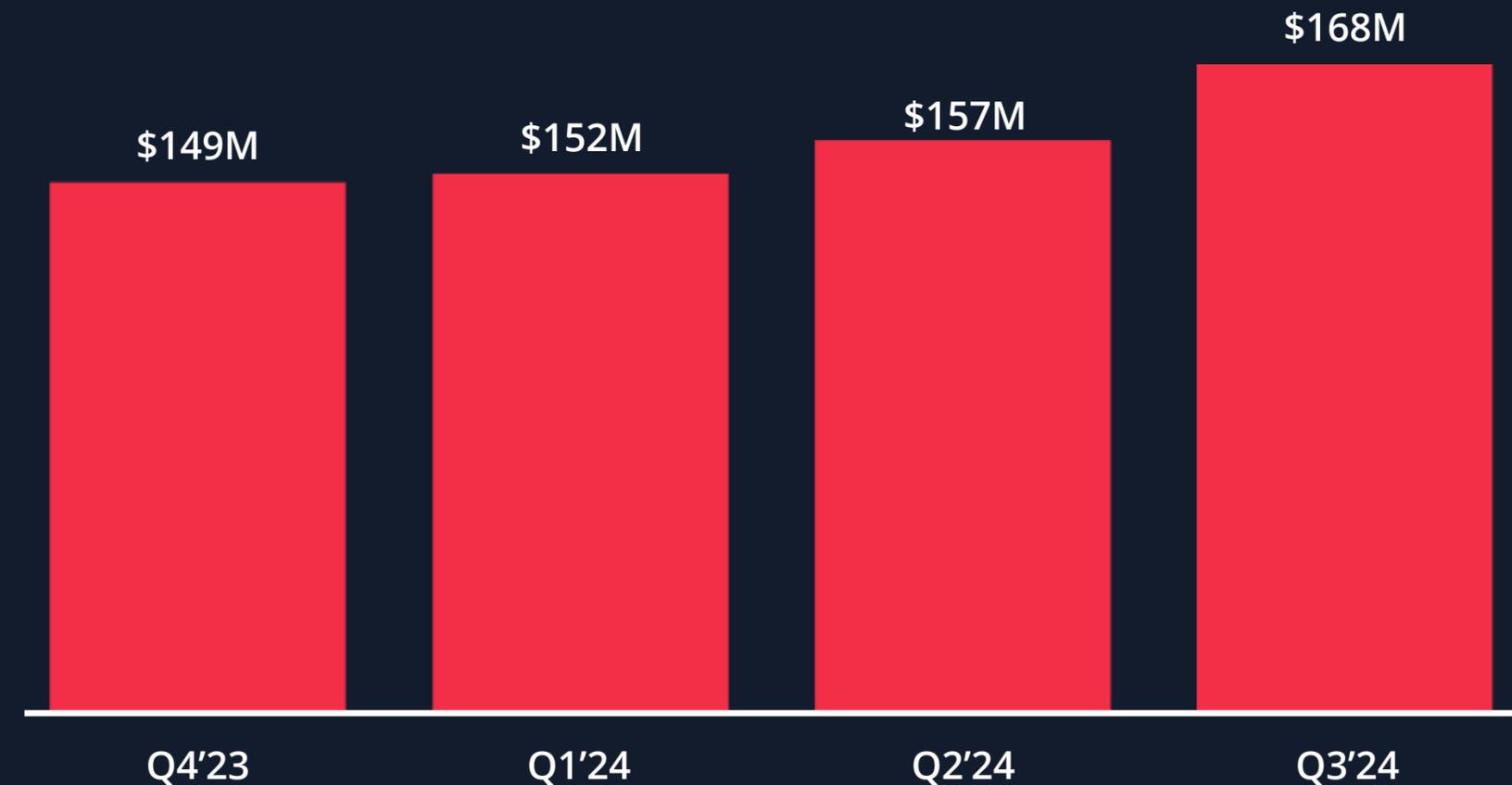
31%
Y/Y Growth
Activated sign-ups[1]

(Based on Q3'24 data)

43%
Y/Y Growth
User account upgrades to paid[2]

(Based on Q3'24 data)

1. Signup: User account has completed the entire sign up process, including email and phone verification. Activated sign up: User account has had at least 1 billable event (1 API call).
2. Upgrade: User has funded their account by adding a credit card.

Twilio is Powering the Emerging AI Ecosystem

9,000+
Companies building in the AI space and utilizing Twilio services in 2024[1]

$260M
Total revenue generated from companies building in the AI space and utilizing Twilio services[2]

90%
of Forbes 50 AI Startups are building on Twilio[3]

1. Based on companies with open Twilio accounts; 67% of these 9,000+ companies are paying customers as of September 30, 2024.
2. Based on Q3'24 LTM Revenue from companies building in the AI space.
3. Based on Forbes 50 AI list published April 2024. Based on companies with open Twilio accounts; 50% of the Forbes AI 50 list are paying customers as of September 30, 2024.

AI Searchlight Competition

500+ applications in three weeks, 16 winners, each building AI on Twilio

Twilio powers
AI-powered applications

AI Case Study: #1-800-ChatGPT

Democratizing access to AI

- OpenAI enabled access to ChatGPT via voice and messaging powered by Twilio

- Announced on a live webinar with 15K live viewers and tweeted to 3.8M followers on X

- Twilio team prepared to handle a 6000% increase in throughput on launch day

1. Data represents messages sent and calls made between 12/18/2024 and 1/10/2025.

Takeaways: Twilio's Market Opportunity

✓ We have an opportunity to gain **more market share in the growing CPaaS market** where we are the leader, and we are well positioned to lead the **emerging CXaaS market.**

✓ **Self serve motion drives substantial revenue** and has significant upside. This motion remains a core entry point for customers and **developers are a market Twilio can win.**

✓ **AI startups are building on Twilio.** We're seeing significant traction with emerging AI companies who are selecting our platform for their customer engagement layer – proving that Twilio is a core building block in the modern tech stack.

Adam Godson

CEO
Paradox.ai

PARADOX

About Paradox.ai

Paradox redefines job searching with their AI recruiting assistant, Olivia, who automates recruiting tasks and makes hiring teams more efficient. Serving 500 companies around the world, Paradox.ai is saving its customers millions of hours of manual work every year.

How Paradox.ai Uses Twilio

- Use Twilio products for nearly everything from SMS, Verify, Email, etc - Paradox.ai has been able to create seamless and tailored communication for its users.
- In 2024, Twilio powered over 808M texts for Paradox solutions
- AI Assistant Olivia schedules over 25M interviews per year for companies like McDonalds, Nestle, and Pfizer

Our Growth Engine

Thomas Wyatt
Chief Revenue Officer

Topics for Discussion

1. **Customer Base**

2. **GTM Growth Levers**

Expansive Customer Base

Active Customer Accounts

2022-2024 YTD

320K+

305K+

290K+

2022   2023   Q3 '24
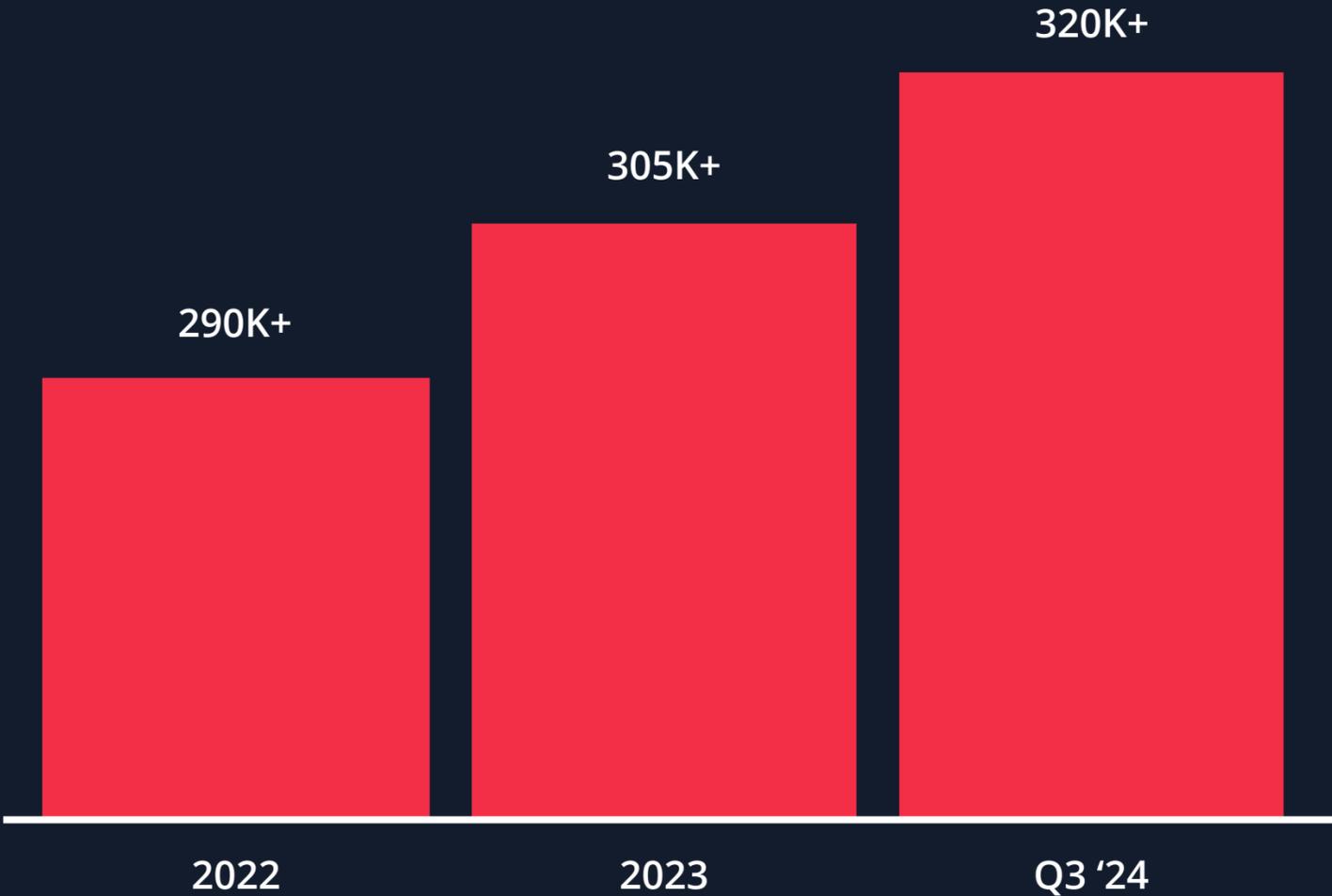
320K+
Active Customer Accounts[1]

84%
of Fortune 500[1]

54% of Global 2000[1]

Leading Brands Powered by Twilio

Strong Growth with our Largest Customers

$100k+ customer accounts[1]

4,106	4,617	5,025
Q3'22 LTM	Q3'23 LTM	Q3'24 LTM

9% Y/Y[2]

$500k+ customer accounts[1]

886	1,043	1,173
Q3'22 LTM	Q3'23 LTM	Q3'24 LTM

12% Y/Y[2]

$1M+ customer accounts[1]

419	496	572
Q3'22 LTM	Q3'23 LTM	Q3'24 LTM

15% Y/Y[2]
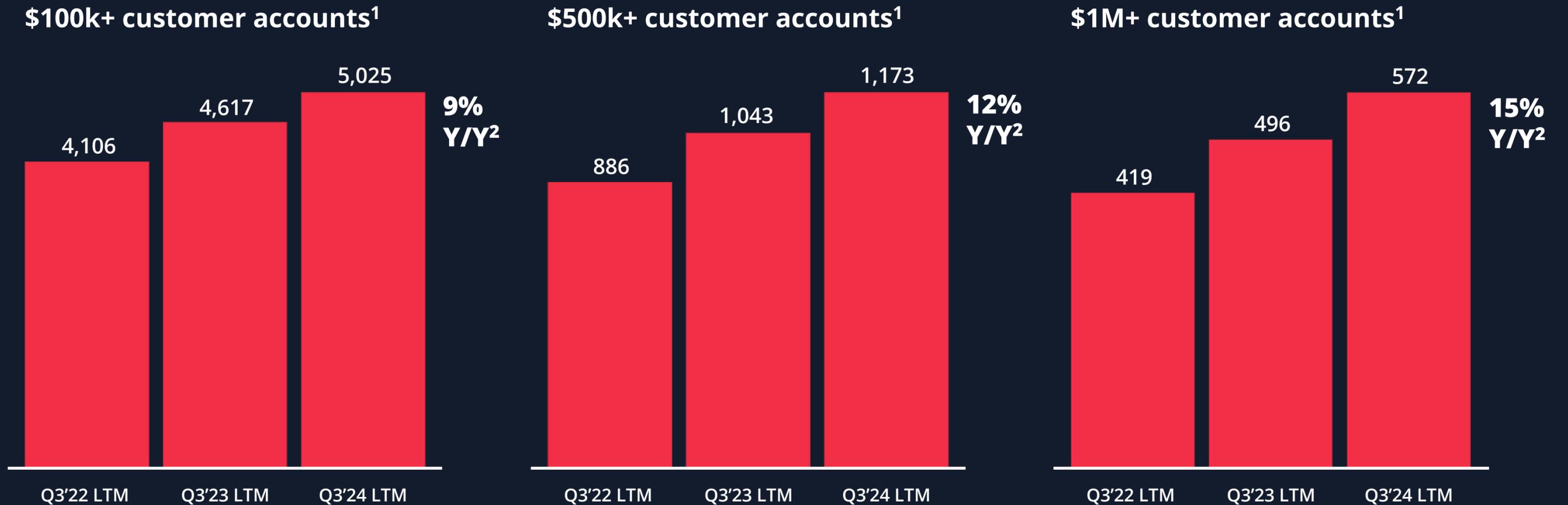
1. Represents Active Customer Accounts that generated revenue equal to or exceeding presented revenue thresholds over the trailing twelve months of each period presented.
2. Represents year-over-year growth rate observed in $100k+, $500k+ or $1M+ customer accounts, as applicable, for the 12-month period ending Q3'24.
Note: Data presented for Q3'22 LTM at 2022 Investor Day was derived by customer account ID; data shown above is derived from our Active Customer Account definition.

Twilio's Growth Engine
GTM Acceleration Levers

1 Accelerating Self Serve

2 Cross-Sell

3 International Expansion

4 ISV & Partner Ecosystem

5 Scale and Efficiency
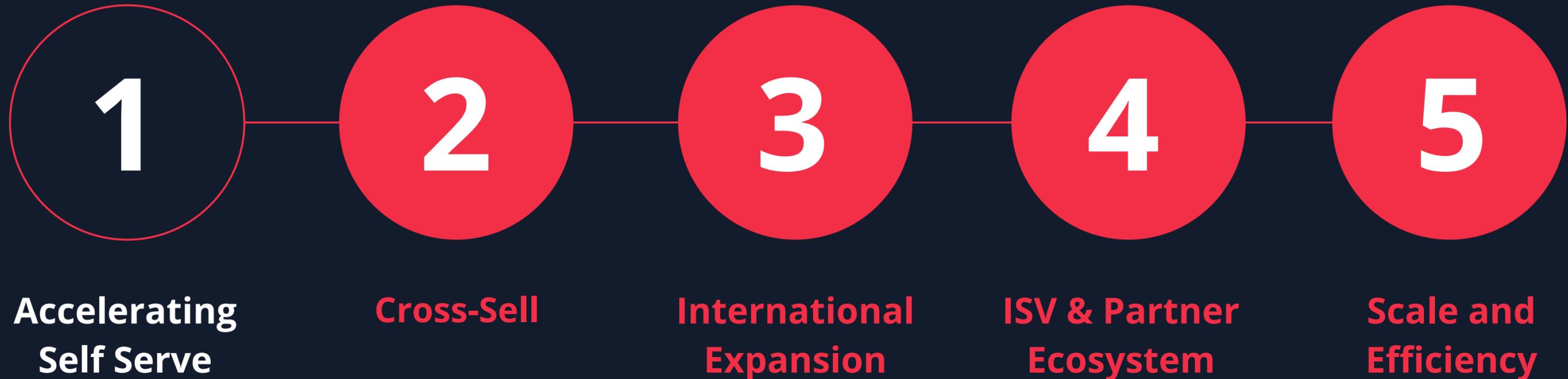
Cross-Sell: Massive Opportunity

63% of Twilio customers only purchase a single product[1]

Multi-product customers make up 90% of our revenue[1]

Single-Product to Multi-Product Revenue Uplift[2]

349x

97x

16x

3x

■ 2 products ■ 3 products ■ 4 products ■ 5+ products
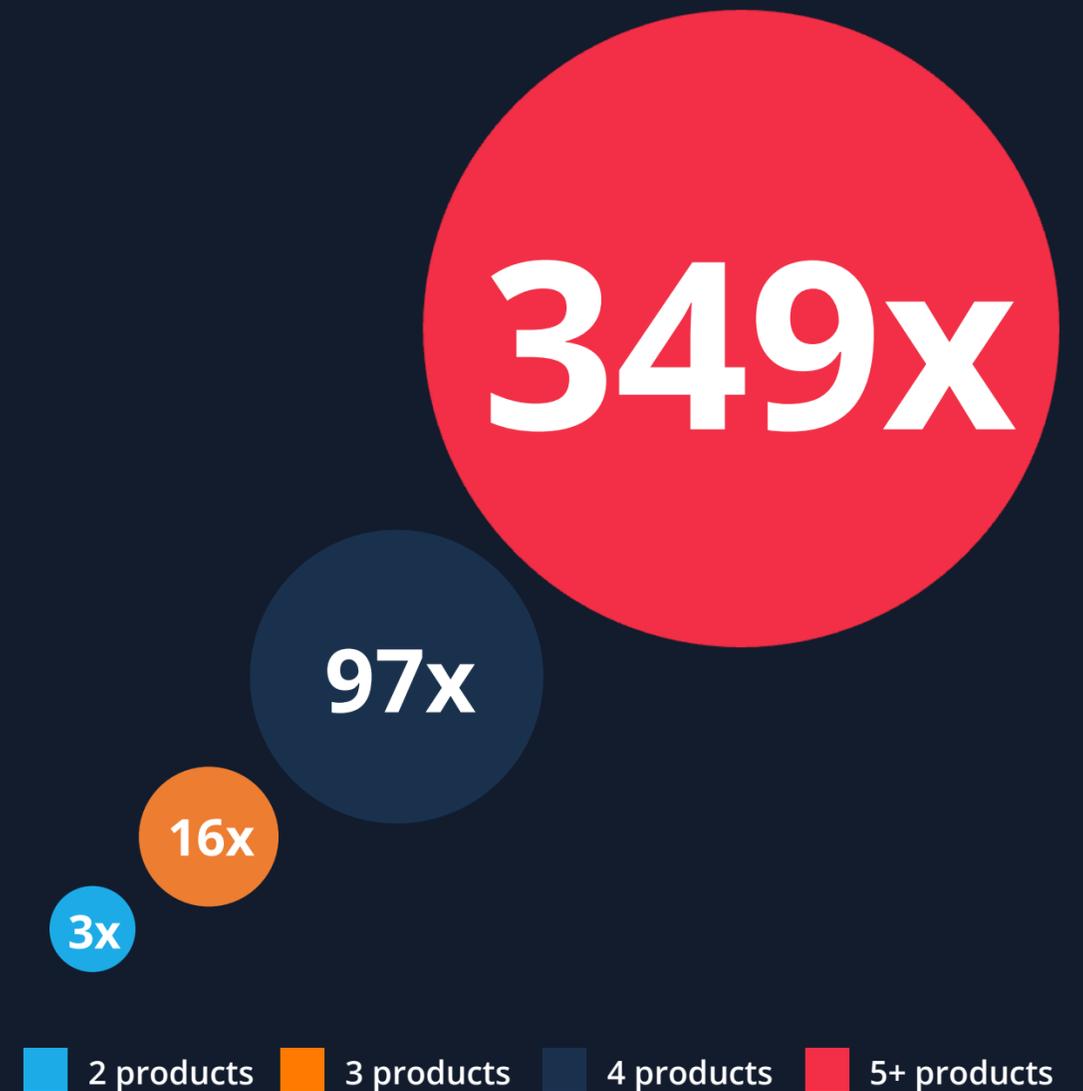
1. Data as of Q3'24. Single product refers to the following product categories: 1) Core Messaging (e.g., SMS, MMS); 2) Advanced Messaging (e.g., WhatsApp, Conversations); 3) Voice; 4) Video; 5) Email; 6) Segment; 7) Other (e.g., Flex, User Identity and Authentication).
2. Based on average revenue per account for Q3'24 and based on the product categories above.

Cross-Sell: Fast Growing Adoption of Add-ons

Active customer account add-on product penetration[1]

17k — Q3'22
19k — Q3'23 (11% Y/Y)
22k — Q3'24 (16% Y/Y)
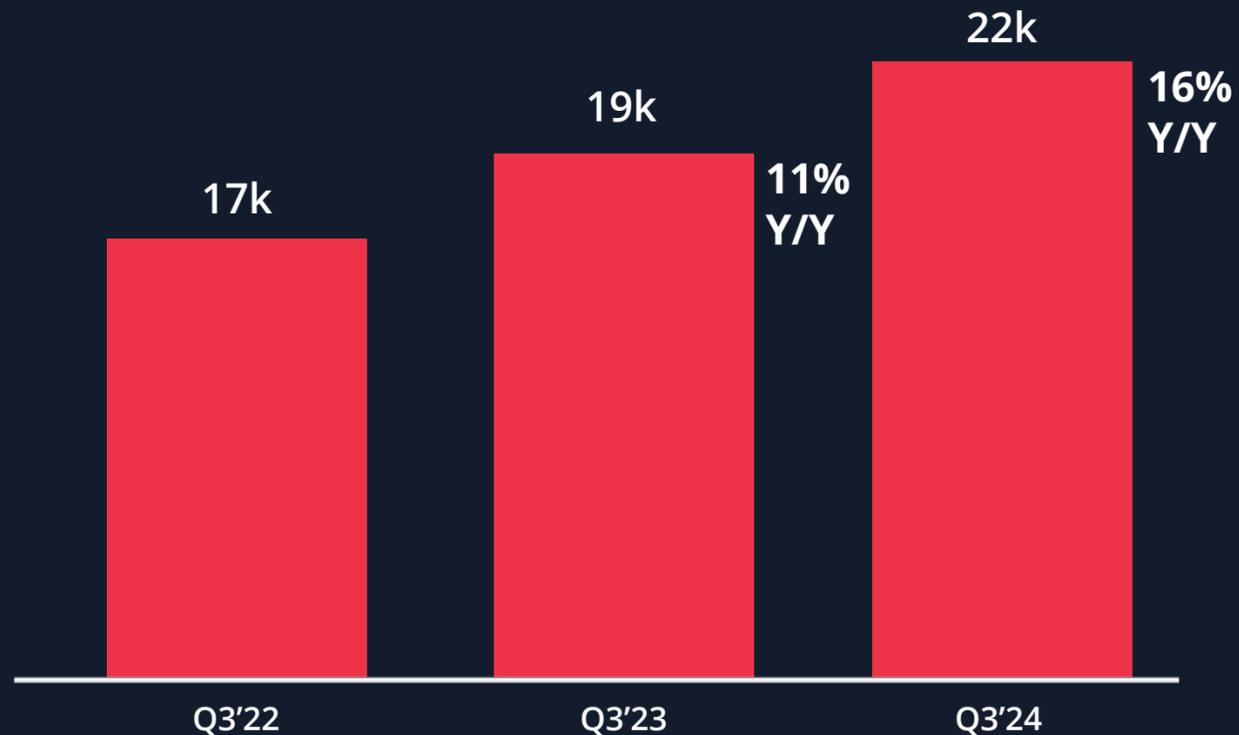
Top Performing Add-ons: Verify • Voice Recording • Lookup

Customer example: Secure users and prevent fraud with Verify

Benefits $2.4M — **ROI 174%** — **Payback <6 months**
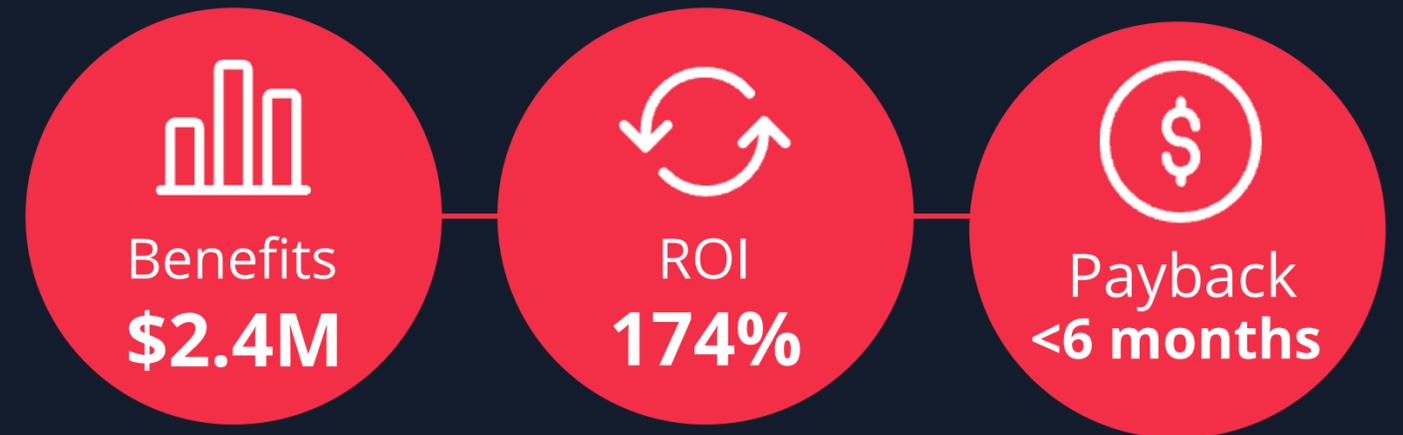
Forrester ROI Study[2]

- Global customer, 4,000 employees, $1 billion in revenue
- 8 million total SMS verifications per year
- 23% of these verifications associated with fraud
- $2.4 million in total benefit over 3 years

1. As of September 30, 2024. Includes software attach products to core Communications channels, e.g. Verify, Lookups, SMS Pumping Protection, and Voice Intelligence.
2. Results are for a composite organization based on interviewed customers. The Total Economic Impact (™) of Twilio Verify. A Forrester Consulting Total Economic Impact (™) Study commissioned by Twilio, May 2024.

Cross-Sell: The Power of Multi-Product Expansion

Leading US Airline: Customer buying journey

2018	2019	2020	2021	2022	2023	2024
$10k	$30k	$70k	$1M	$6M+	$8M+	$14M+
Land with SMS & Voice	Volume Expand	Volume Expand	Volume Expand & Personalized Support	2 -way SMS Expand	SMS Pumping Protection	Authentication, Engagement Suite, RCS
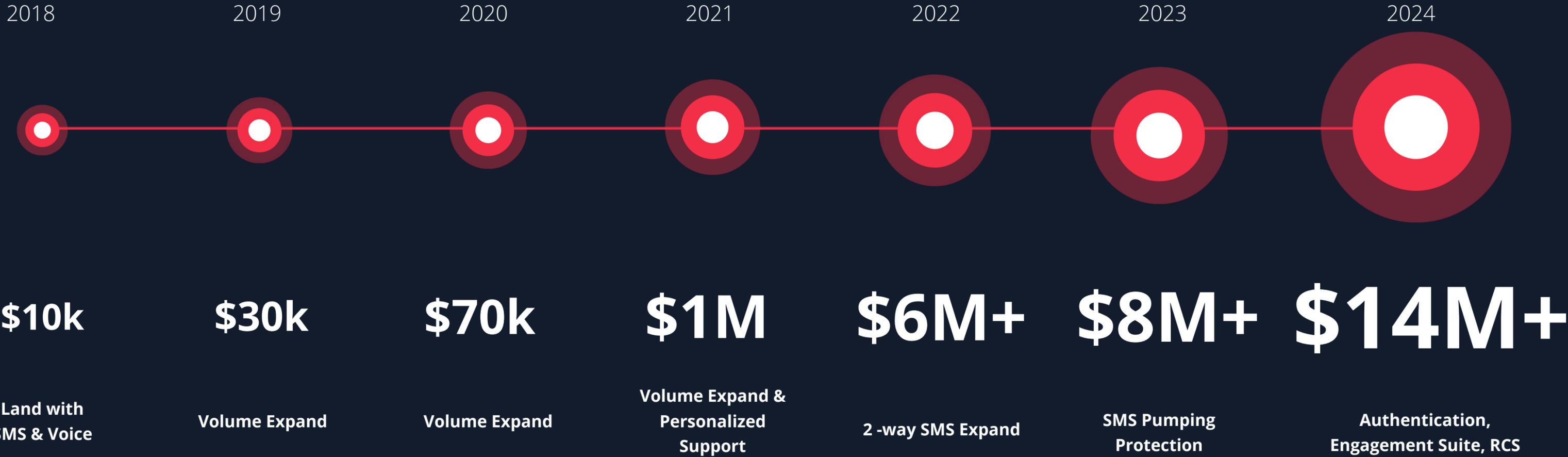
International: Underpenetrated Opportunity

35%
of revenue outside of U.S.[1]

<10%
of international TAM penetration[2]

Pursuing disciplined growth with a

targeted, country-specific

sales model in 2025

Mix % Revenue Q3'24[1]
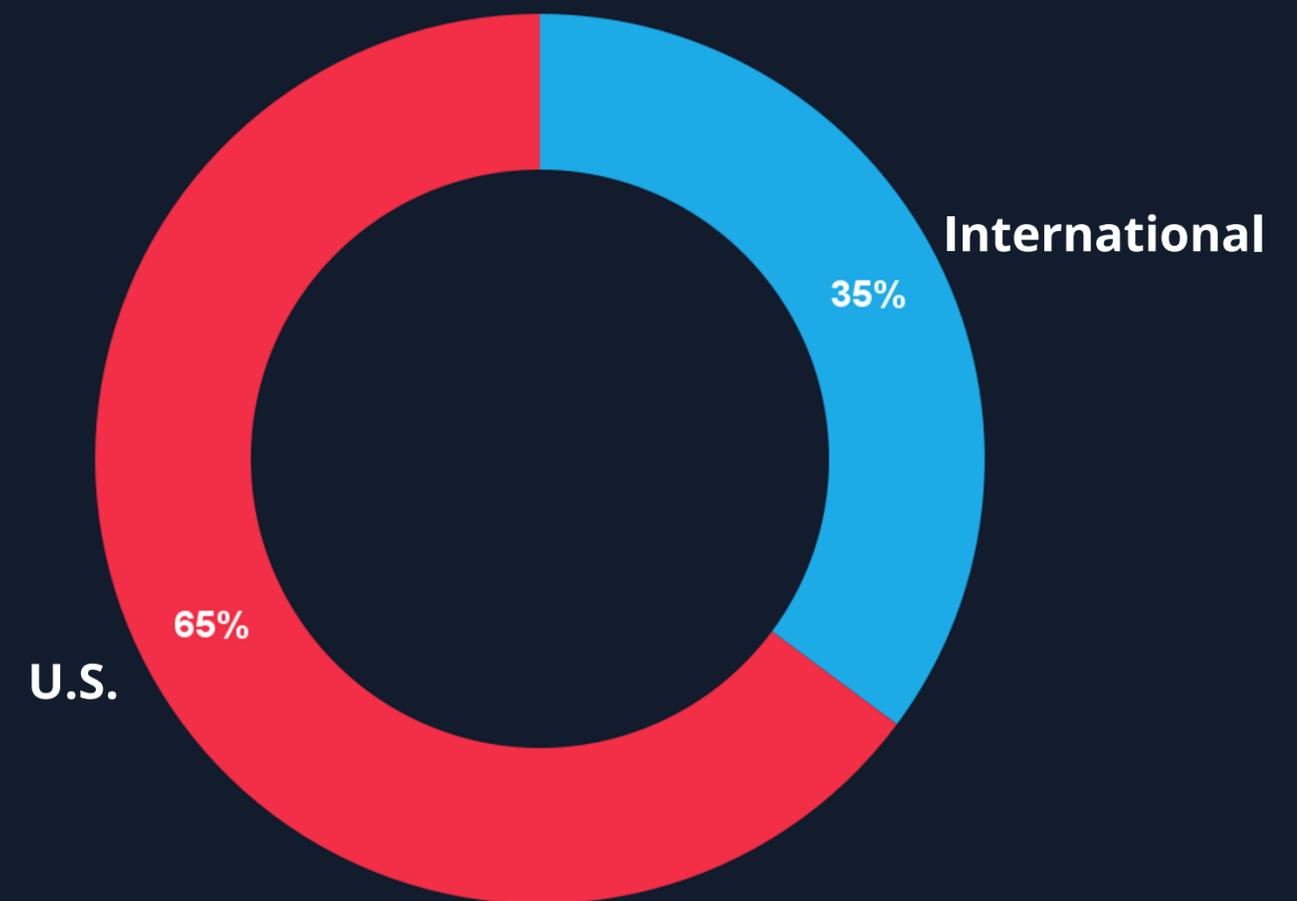
International 35%

U.S. 65%

ISVs and Partners: GTM Force Multiplier

ISVs

zendesk

klaviyo

AIRSHIP

HighLevel

Postscript

braze

Insider

Platform Partners and System Integrators

Platform partners
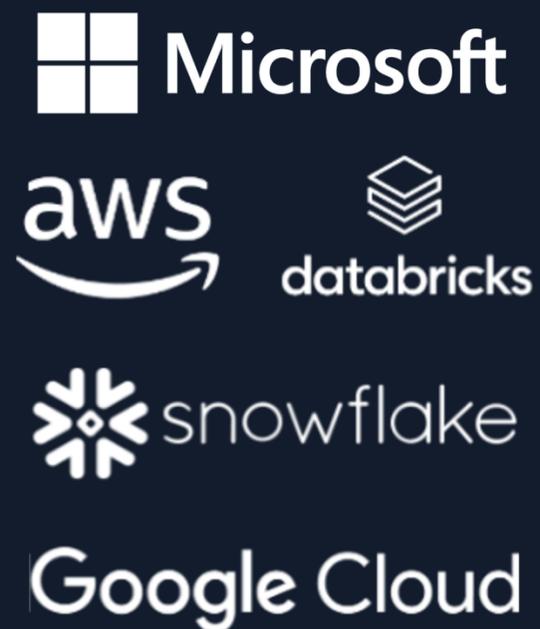
Microsoft

aws

databricks

snowflake

Google Cloud

System Integrators

accenture

Deloitte. Digital

Mundo Livre. Digital

terazo

BLACCSPOTMEDIA

GTM Levers: Seeing Progress with Focused Initiatives

Self Serve Cohort Stats

15%
% of Revenue

13%
Y/Y% Revenue Growth

Cross-Sell: Comms Attach Product Stats[1]

7%
% of Revenue

17%
Y/Y% Revenue Growth

ISV Cohort Stats

24%
% of Revenue

15%
Y/Y% Revenue Growth

1. Includes software attach products to core Communications channels, e.g. Verify, Lookups, SMS Pumping Protection, and Voice Intelligence.
Note: Percentages based on Q3'24 data.

Scale and Efficiency

GTM Coverage

Single GTM org, with focused sales teams for Comms & Segment

Cross-sell enablement & incentives

Radically More Efficient Revenue Generation

37%

reduction in Sales & Marketing spend since peak[1]

>20%

Y/Y increase in AE productivity[2]

Twilio Powered AI Agents

80%

inbound leads from new prospects now serviced by AI assistants[3]

75%

service ticket deflection rate when AI is engaged[3]

1. Comparison of quarterly GAAP sales & marketing expense between Q2'22 and Q3'24.
2. Year-over-year increase for FY 2024. Q1 2024 data for the Communications business unit is excluded as the business unit was not established until after Q1 2023.
3. As of December 2024.

Takeaways: Twilio's Growth Engine

✅ **Cross-sell and upsell** across our **large global customer base is a massive opportunity**.

✅ **International expansion** and **partner distribution** unlock an under-penetrated addressable market that could be a **force multiplier for growth over time.**

✅ **We are scaling GTM efficiency using Twilio powered AI assistants** for personalized marketing, pre-sales engagements, and to deliver world class customer care.

Tom Eggemeier

Chief Executive Officer
Zendesk

About Zendesk

Zendesk is award-winning customer service software trusted by 100K+ customers that makes customers happy via text, mobile, phone, email, live chat, social media.

How Zendesk Uses Twilio

- Uses Twilio's Programmable Voice, which has been core to their Voice platform for over a decade.
- Twilio powers calls for 78+ countries and has handled 1.3B minutes in 2024

Durable, Profitable Growth

Aidan Viggiano
Chief Financial Officer

Q4 and Full Year 2024: Expectations

	Q4'24 Guidance[1]	FY 2024 Guidance[1]	Preliminary Results
Reported Revenue Growth	7% - 8%	Not Provided[2]	11% for Q4'24
Non-GAAP Income from Operations	$185M - $195M	$700M - $710M	Exceed top-end of range for Q4 and 2024
Free Cash Flow	Not Provided	$650M - $675M	Expect to land within range
GAAP Operating Profitability	Not Provided	Not Provided	GAAP operating profitable for Q4'24

1. We will report our Q4 2024 and full year 2024 earnings on February 13, 2025, however we're providing updated expectations for Q4 and full year 2024 guidance originally provided on October 30, 2024.
2. We have not provided reported revenue growth guidance for FY 2024. We provided organic revenue growth guidance of 7.5-8% for FY 2024 on October 30, 2024.
Note: Organic revenue growth, non-GAAP income from operations, and free cash flow are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.

Transformation Since our Last Investor Day

Delivering against our financial commitments

Demonstrating operating leverage

$3.6B — Q3'22 LTM
$4.3B — Q3'24 LTM
Revenue

$1.9B — Q3'22 LTM
$1.6B — Q3'24 LTM
Non-GAAP OpEx
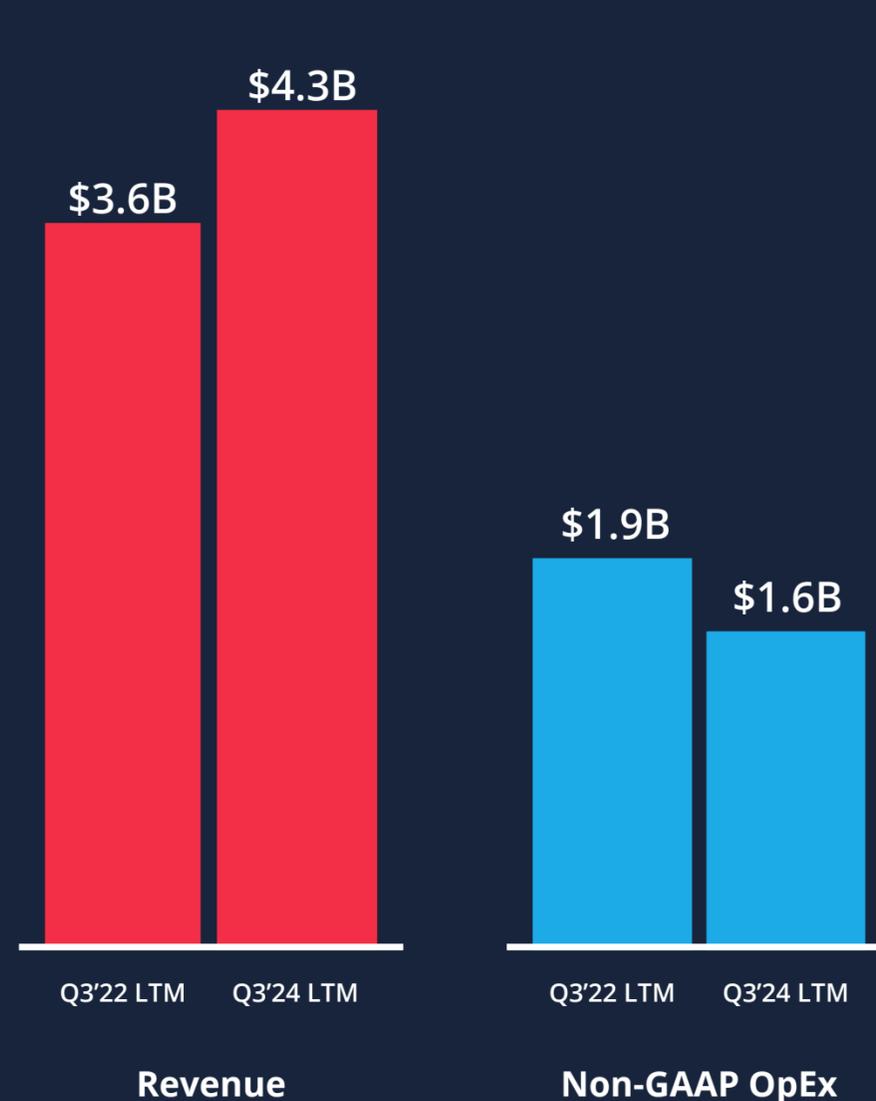
Driving meaningful free cash flow

$775M
($319M)

Q3'22 LTM FCF
Q3'24 LTM FCF

Reducing SBC

22% — Q3'22 LTM SBC % of Revenue
VS.
14% — Q3'24 LTM SBC % of Revenue
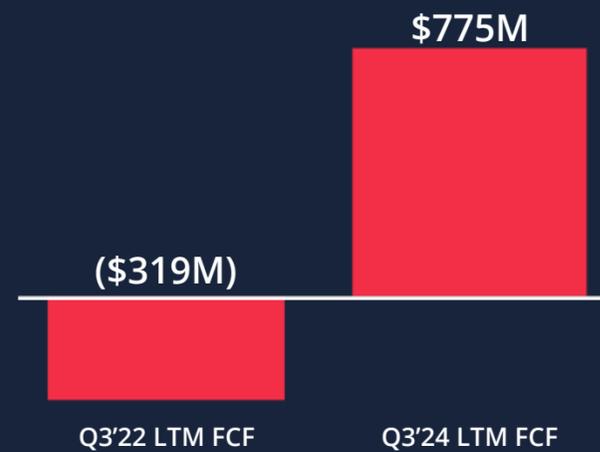
Returning capital to shareholders

$3.0 Billion

Total share repurchases over last 2 years
- reduced shares outstanding by 16%[1]

Accelerating path to GAAP profitability

($5M)
($170) Restructuring & Impairment Costs
($457M)
Q3'22 GAAP Op Loss
Q3'24 GAAP Op Loss

Topics for Discussion

1 Current Revenue Profile

2 Accelerating Growth

3 Demonstrating Operating Leverage

4 Financial Framework

Stabilizing Revenue Growth

Total revenue ($ in millions)
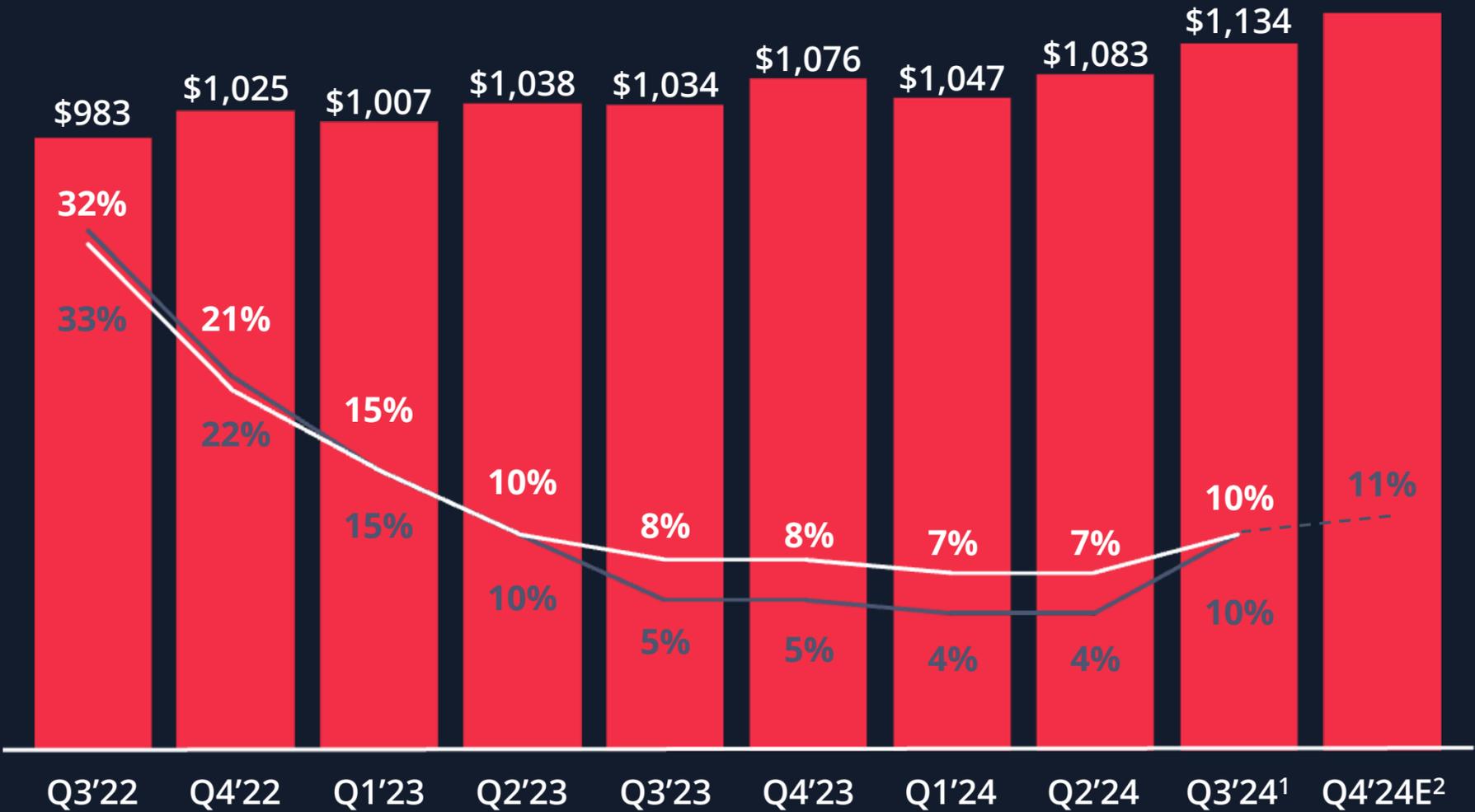
$4.3B
Q3'24 LTM Revenue

8%
Q3'24 LTM Organic
Revenue Y/Y Growth[3]

■ Reported Revenue   ■ Reported Revenue Growth Y/Y   □ Organic Revenue Growth Y/Y

1. As a full year has elapsed since Twilio's 2023 divestitures, starting in the third quarter of 2024, reported and organic revenue growth rates are equivalent.
2. We will report our Q4 2024 and full year 2024 earnings on February 13, 2025, however we're providing updated expectations for Q4 reported revenue growth guidance originally provided on October 30, 2024.
3. Organic revenue growth is a non-GAAP financial measure. See Appendix for non-GAAP definitions and reconciliations.

Revenue Diversified Across Multiple Products

Revenue mix by product (%)

Other Smaller Products[1]

17%

Segment — 7%

Email — 11%

Voice — 12%

$4.3B
Q3'24 LTM Revenue
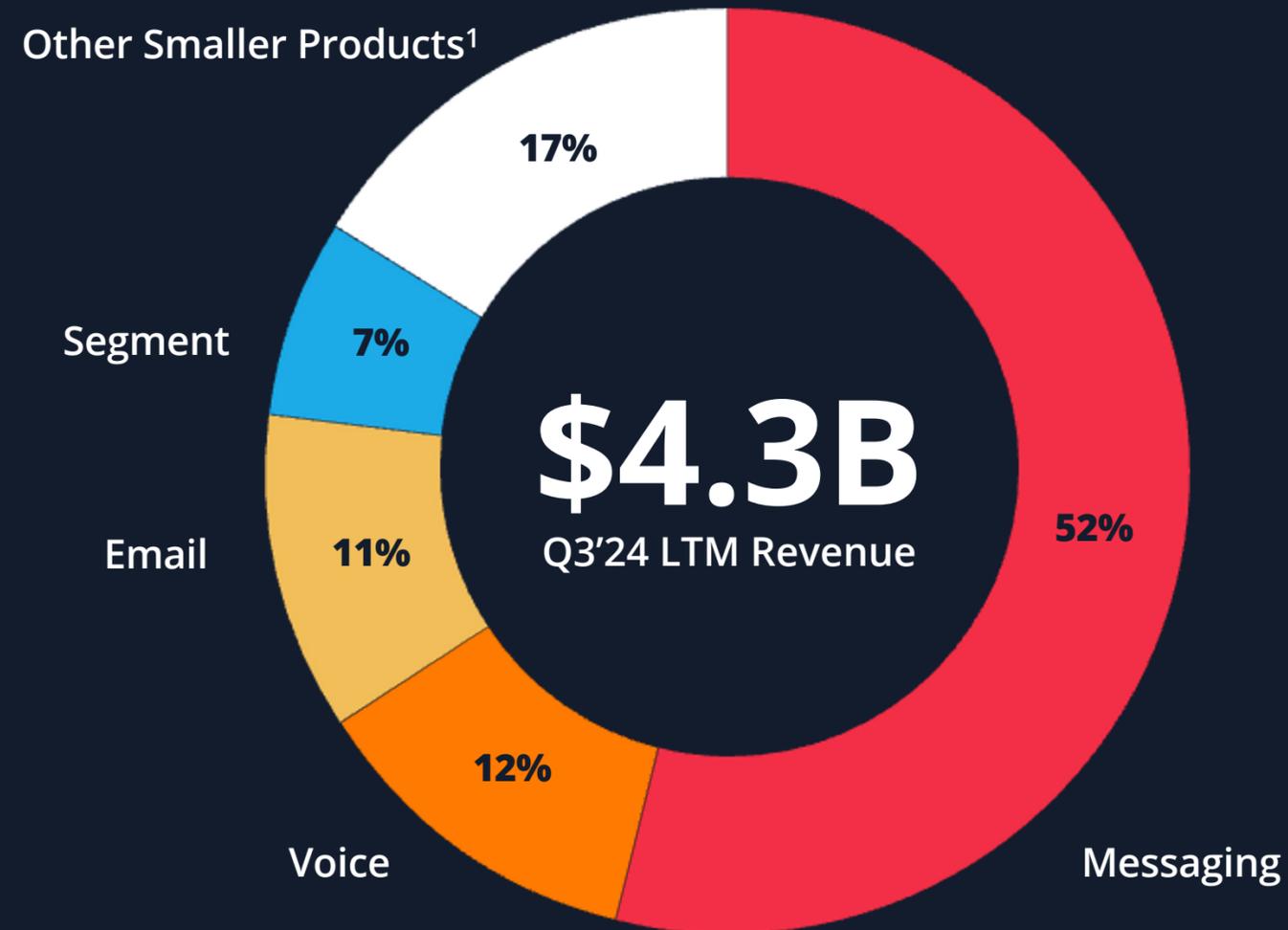
Messaging — 52%

Organic Y/Y revenue growth by product

Product	Q3'24 LTM Y/Y Organic Revenue Growth
Messaging	8%
Voice	6%
Email	11%
Segment	2%
Other Smaller Products[1]	10%
Total Twilio	**8%**

Largest Communications Verticals Demonstrating Healthy Growth

Q3'24 LTM Comms revenue mix by industry[1]

Industry	Revenue Mix
Information Technology	30%
Financial Services	13%
Professional Services	12%
Healthcare & Life Sciences	9%
Retail & eCommerce	6%
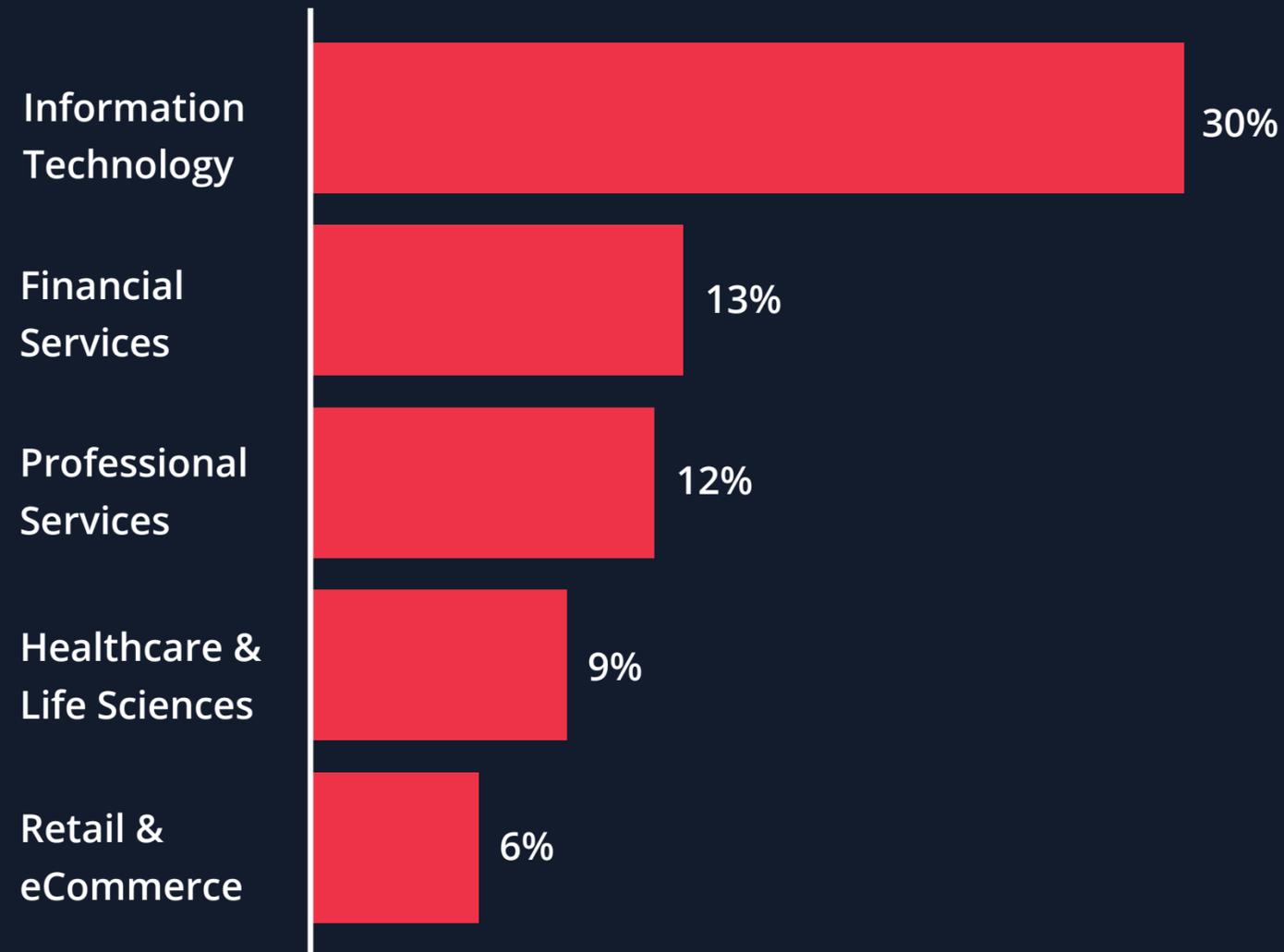
Q3'24 LTM Comms Y/Y revenue growth by industry[1]

Industry	Q3'24 LTM Revenue Growth
Information Technology	10%
Financial Services	12%
Professional Services	12%
Healthcare & Life Sciences	13%
Retail & eCommerce	14%

1. Includes Communications revenue only allocable by industry, which represents over 90% of total Communications revenue. Note that industry data is for selected industries only, and that percentages are rounded to the nearest whole number.

Topics for Discussion

1. **Current Revenue Profile**

2. **Accelerating Growth**

3. **Demonstrating Operating Leverage**

4. **Financial Framework**

Levers to Accelerate Growth

Market Levers

Natural Growth in TAM

Expanding Market Share

International

Innovation Levers

Trusted Channels

Simple Builder Experience

Smart (Data + AI) Capabilities

GTM Levers

Self Serve

Cross-Sell

ISV / Partner Ecosystem

Market Levers: Expansive TAM Opportunities

2025

Total addressable market

$86B

Comms | Data

2028

Total addressable market

$158B

CXaaS

Note: TAM based on industry analyst estimates and internal Twilio analysis. CXaaS TAM includes CPaaS, CCaaS, CDP, Conversational AI and Orchestration markets.

Innovation Levers:

Coming Soon in FY'25

Enhancements & New Products

Established Value Drivers

CDP: Data layer | **CPaaS**: Communications at scale

Messaging • Voice • Video • Email • Push • Mobile • Software • Flex

Emerging Value Drivers

Software Attach | Traffic Intelligence & AI | Unified Profiles

Verify Fraud Guard • Lookup • Engagement Suite • SMS Pumping Protection
Voice Intelligence • Voice Recording

Long-Term Value Bets

CXaaS = Communications + Contextual Data + AI

Cross-Channel • AI Capabilities • Unified Profiles • Unified Builder Experience
Personalized Engagements

GTM Levers: Seeing Progress with Focused Initiatives

Self Serve Cohort Stats

15%
% of Revenue

13%
Y/Y% Revenue Growth

Cross-Sell: Comms Attach Product Stats[1]

7%
% of Revenue

17%
Y/Y% Revenue Growth

ISV Cohort Stats

24%
% of Revenue

15%
Y/Y% Revenue Growth

1. Includes software attach products to core Communications channels, e.g. Verify, Lookups, SMS Pumping Protection, and Voice Intelligence.
Note: Percentages based on Q3'24 data.

Topics for Discussion

1. **Current Revenue Profile**

2. **Accelerating Growth**

3. **Demonstrating Operating Leverage**

4. **Financial Framework**

Continuing to Manage the Business to Gross Profit Dollar Growth

Non-GAAP gross profit and gross margin[1] ($ in millions)

Non-GAAP Gross Profit

Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
$499	$518	$526	$542	$553	$564	$566	$577	$600
51%	51%	52%	52%	53%	52%	54%	53%	53%

■ Non-GAAP Gross Profit   □ Non-GAAP Gross Margin
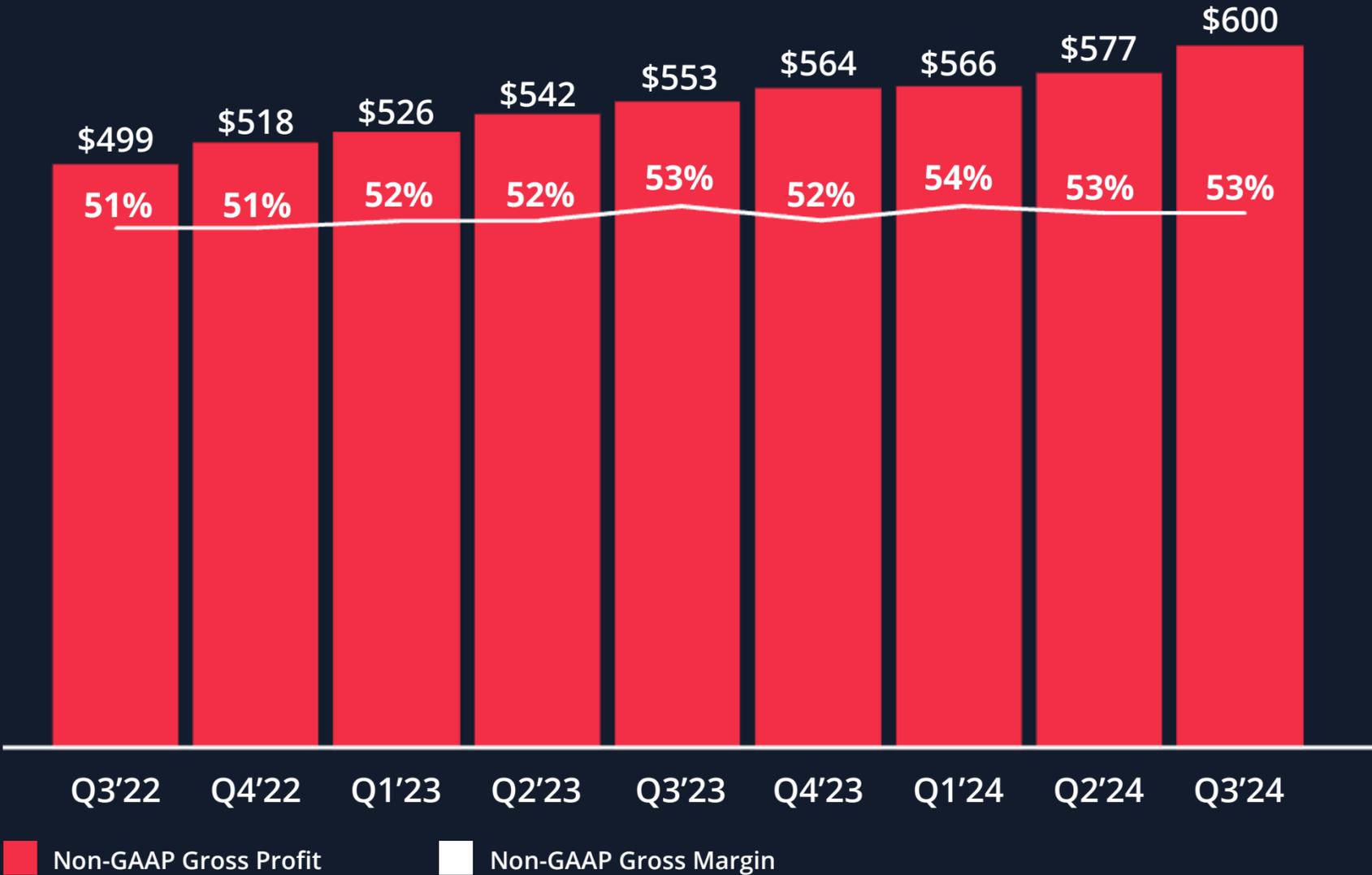
9%

Q3'24 LTM Organic Non-GAAP Gross Profit Y/Y Growth[1]

> **Company Non-GAAP Gross Margin:**

Voice   Segment   Email   Other[2]

< **Company Non-GAAP Gross Margin:**

Messaging

1. Non-GAAP gross profit, non-GAAP gross margin and organic non-GAAP gross profit growth are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.
2. Other includes Flex, User Identity and Authentication, Numbers, Video, Support, and smaller revenue line items.

Messaging Gross Margins are Stable with Attractive Unit Economics

Non-GAAP Gross Profit per Message[1]

- 2022: International $0.0072, U.S. $0.0029
- 2023: International $0.0076, U.S. $0.0032
- Q3'24 LTM: International $0.0080, U.S. $0.0031

Legend: ■ International ■ U.S.

Messaging Non-GAAP Gross Margin[2]

- 2022: 31%
- 2023: 33%
- Q3'24 LTM: 33%
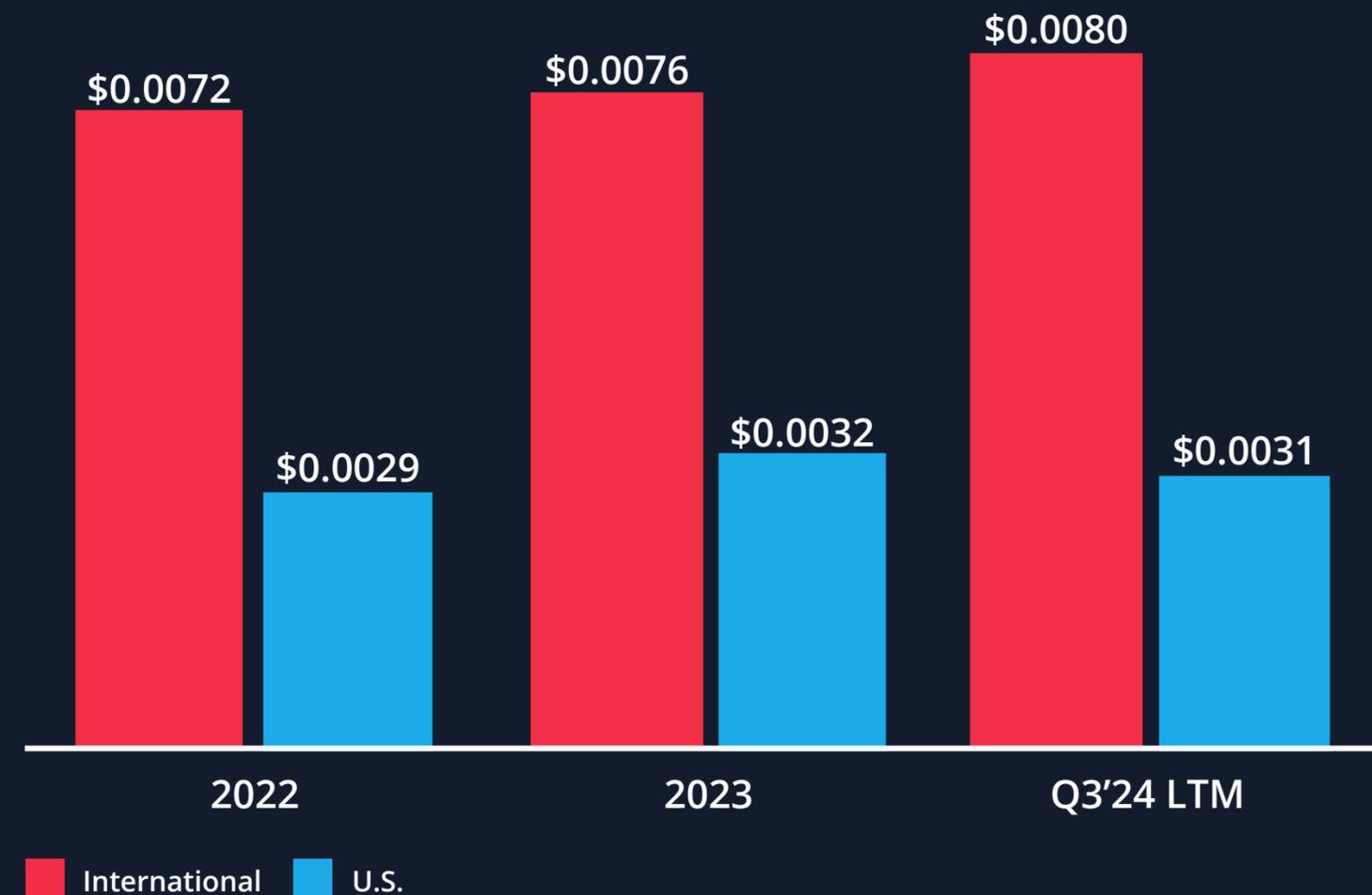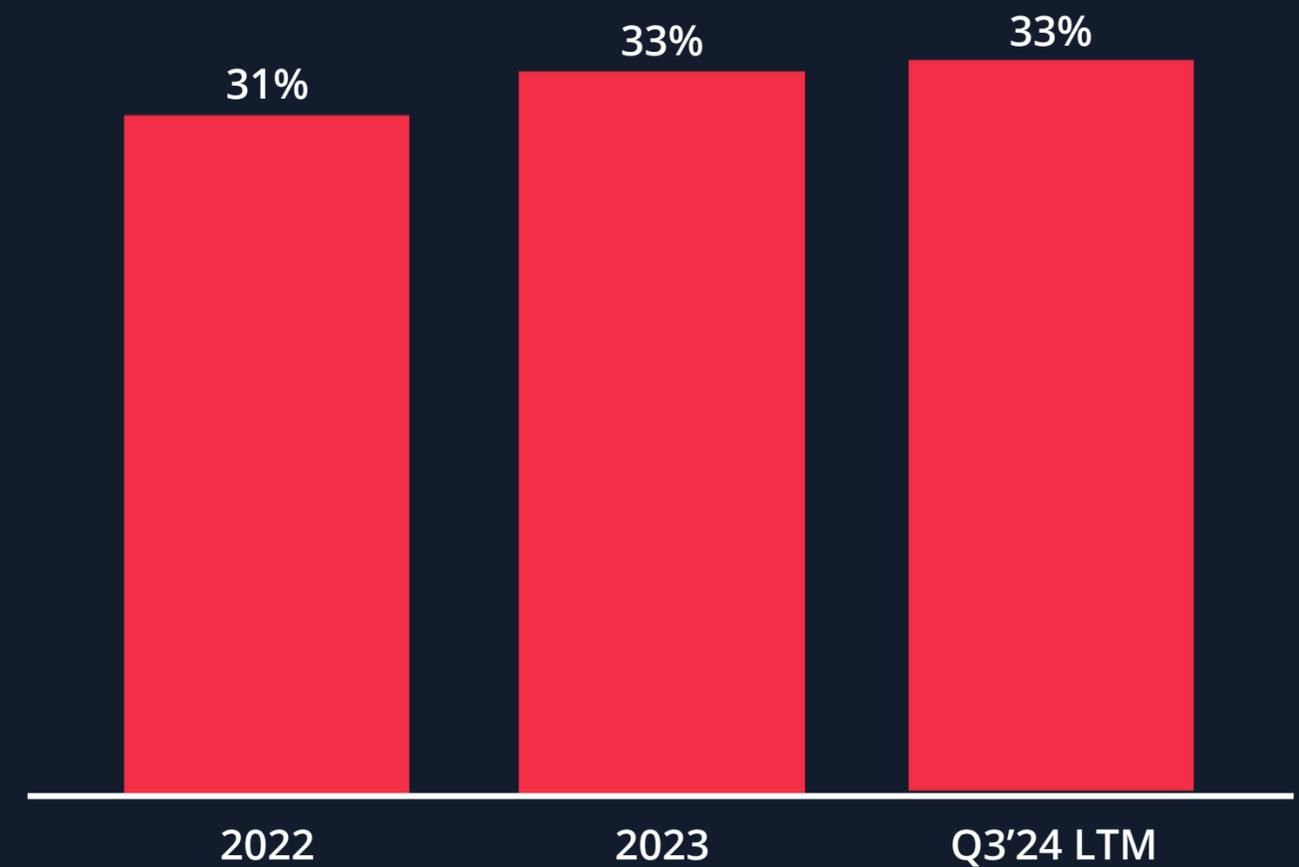
1. Includes Twilio Core messaging. Excludes data from all acquisitions since 2017. Numbers are rounded.
2. Includes all Messaging products.
Note: U.S. & international non-GAAP gross profit per message and messaging non-GAAP gross margin are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.

Delivering Meaningful Improvements in Operating Leverage

Non-GAAP income from operations and operating margin ($ millions)
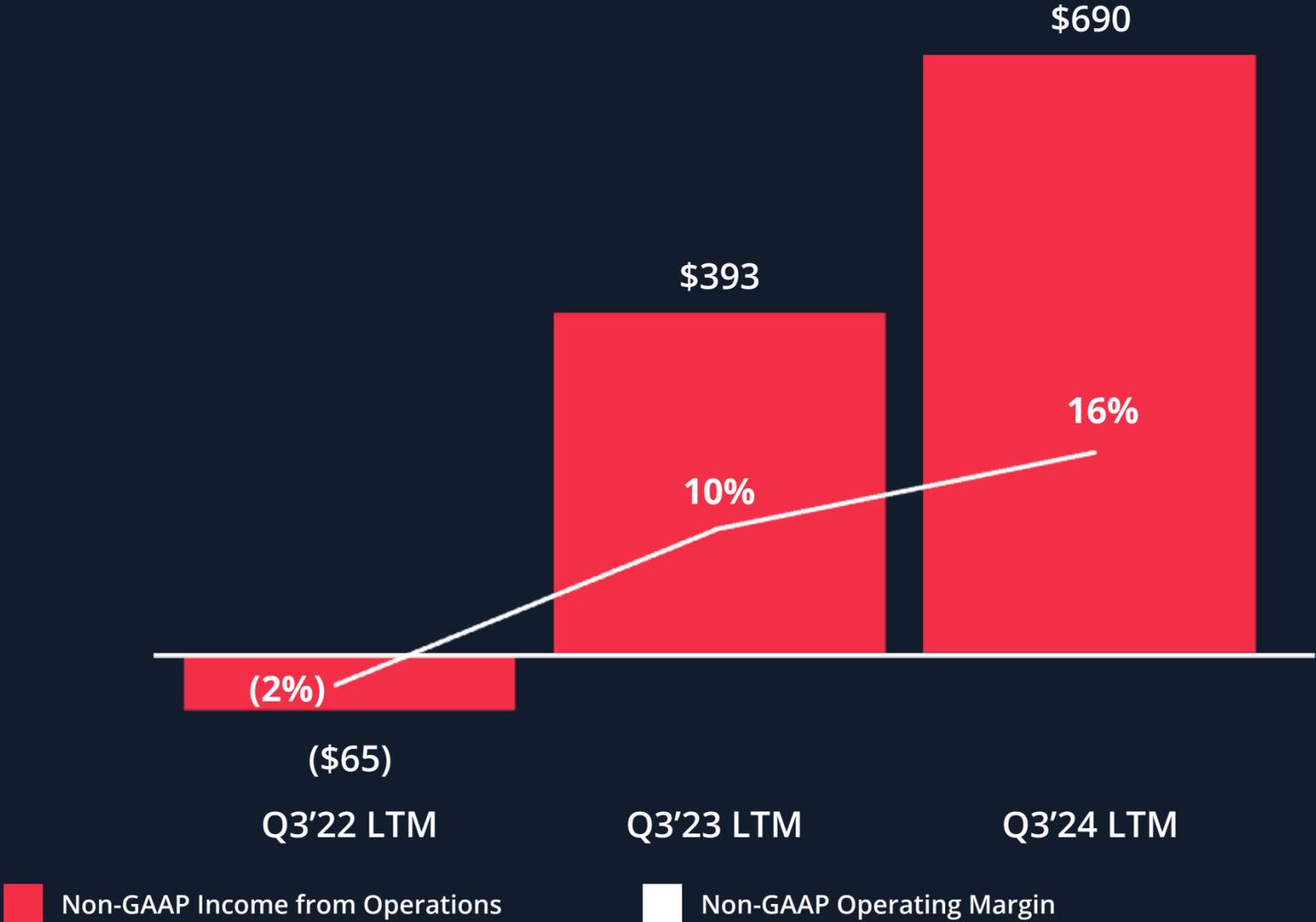
75%

Q3'24 LTM Non-GAAP Income from Operations Y/Y Growth

Since reaching peak non-GAAP operating expenses in Q3'22, we've reduced quarterly non-GAAP opex by 20%+ while adding $600M+ in annualized revenue[1]

■ Non-GAAP Income from Operations   ■ Non-GAAP Operating Margin

1. Represents difference between total Q3'22 and Q3'24 revenue multiplied by 4.
Note: Non-GAAP income from operations and non-GAAP operating margin are non-GAAP financial measures. See Appendix for non-GAAP definitions and reconciliations.

Through Disciplined Cost Management

2023 - 2024

Phase 1: Organizational Rightsizing

✓ **Restructuring Actions**
- Reduced headcount by nearly 40% since peak in Q3'22
- Focused teams on doing fewer things better

✓ **Reduced Real Estate Footprint**
- Moved to a remote first working policy
- Closed majority of our offices

✓ **Process Enhancements**
- Drove efficiencies in Support and Operations enabled by Twilio-powered AI agents
- Shifted Collections headcount to lower cost geos and rebuilt top-to-bottom processes with new AI-based tooling

2025 - 2027

Phase 2: Optimization and Efficiencies

○ **Segment Efficiency**
- On track to achieve non-GAAP income from operations breakeven by Q2'25

○ **Workforce Planning**
- Shift to lower cost geographies
- Increase span of control

○ **AI and Automation**
- Leverage AI tools for developer productivity
- Boost GTM productivity and improve customer experience
- Introduce automation / AI agents for IT, procurement, contracting and other back-office operations

Expanding Operating Margins

Non-GAAP operating margin (%)

Actuals **2027 Target**
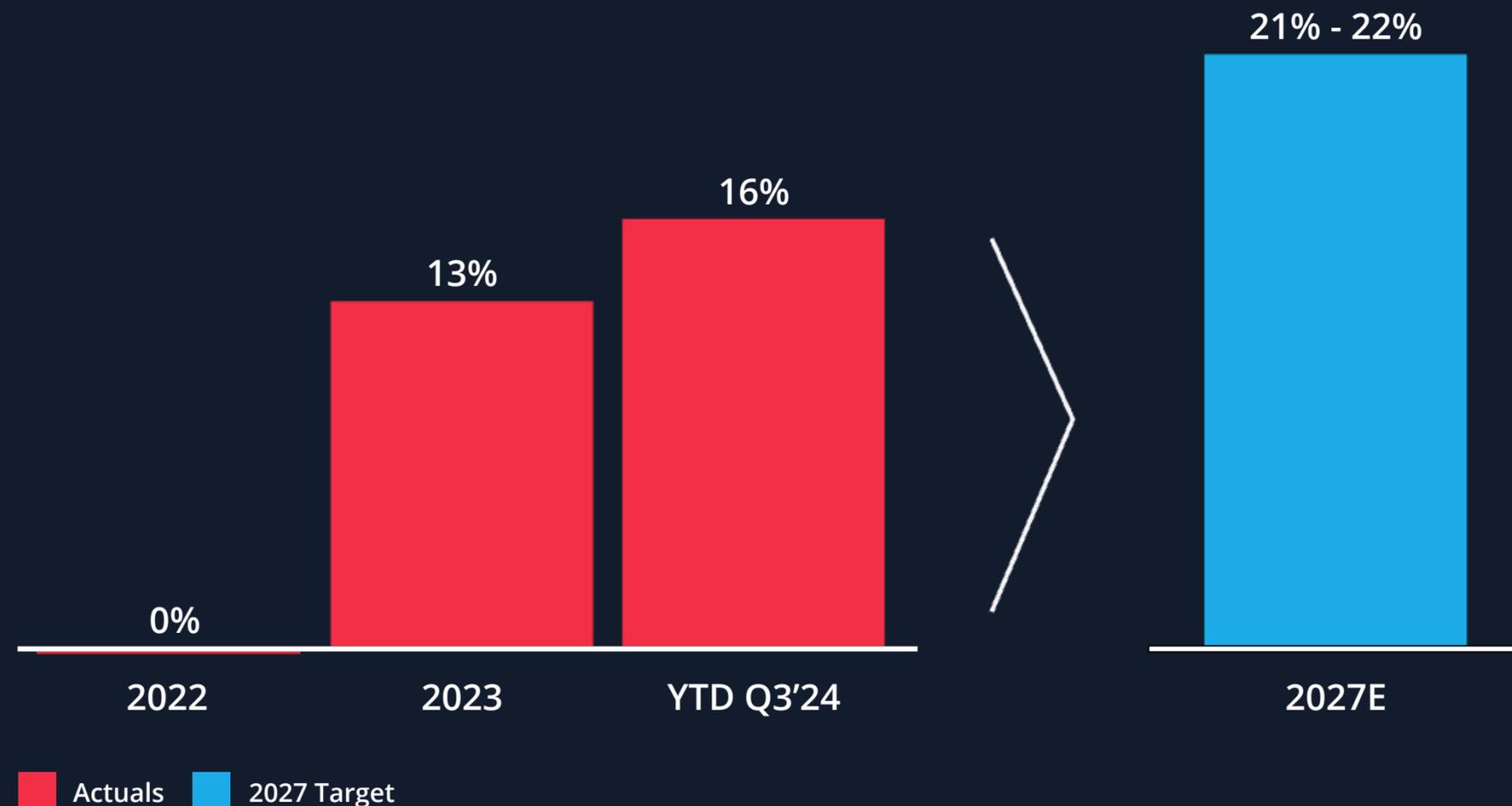
GAAP Profitability: Targeting GAAP Operating Profitability for fiscal year 2025 and each year thereafter

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

Leading to Strong Free Cash Flow Generation

Free cash flow ($ in millions)

$3,000+

$3B+

2025E - 2027E
Cumulative Free
Cash Flow

$825 - $850

$650 - $675[1]

$364

($335)

| 2022 | 2023 | 2024E | 2025E | 2025E - 2027E |

■ Actuals　■ Annual Targets　■ Cumulative 3-Year Target: 2025-2027
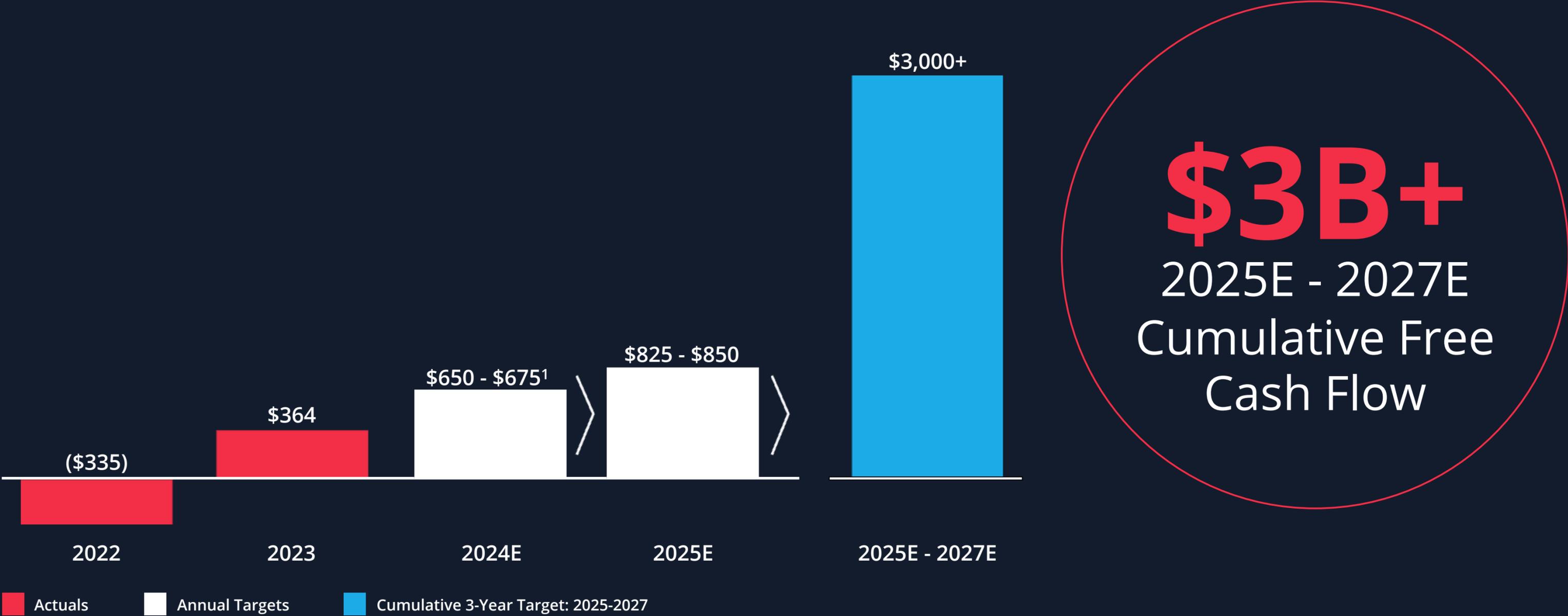
1. Represents full year 2024 free cash flow guidance originally provided on October 30, 2024. Results expected to land within this range.
Note: Free cash flow is a non-GAAP financial measure. See Appendix for non-GAAP definitions and reconciliations.

Other Drivers of Free Cash Flow to Consider

Working Capital

- Continue to conduct pre-payments to carriers and cloud providers to support favorable economics to Twilio over time, which will create some variability
- Companywide cash bonus program payout in Q1 2025; recurring annually going forward

Interest and Taxes

- NOL balance will limit cash tax profile for several years; expect annual cash tax payments of roughly $50 million through 2027
- Earning market yield on cash balance; first debt maturity in 2029

Capital Expenditures

- Remote first policy limits capital demands for offices and related equipment
- Anticipate total annual CapEx (property & equipment + capitalized software) to be 1-2% of revenue going forward

Stock-Based Compensation Expense Declining

Stock-based compensation ($ in millions)

$793
22%

$702
17%

$627
14%

Q3'22 LTM

Q3'23 LTM

Q3'24 LTM

■ SBC   □ SBC % of Revenue
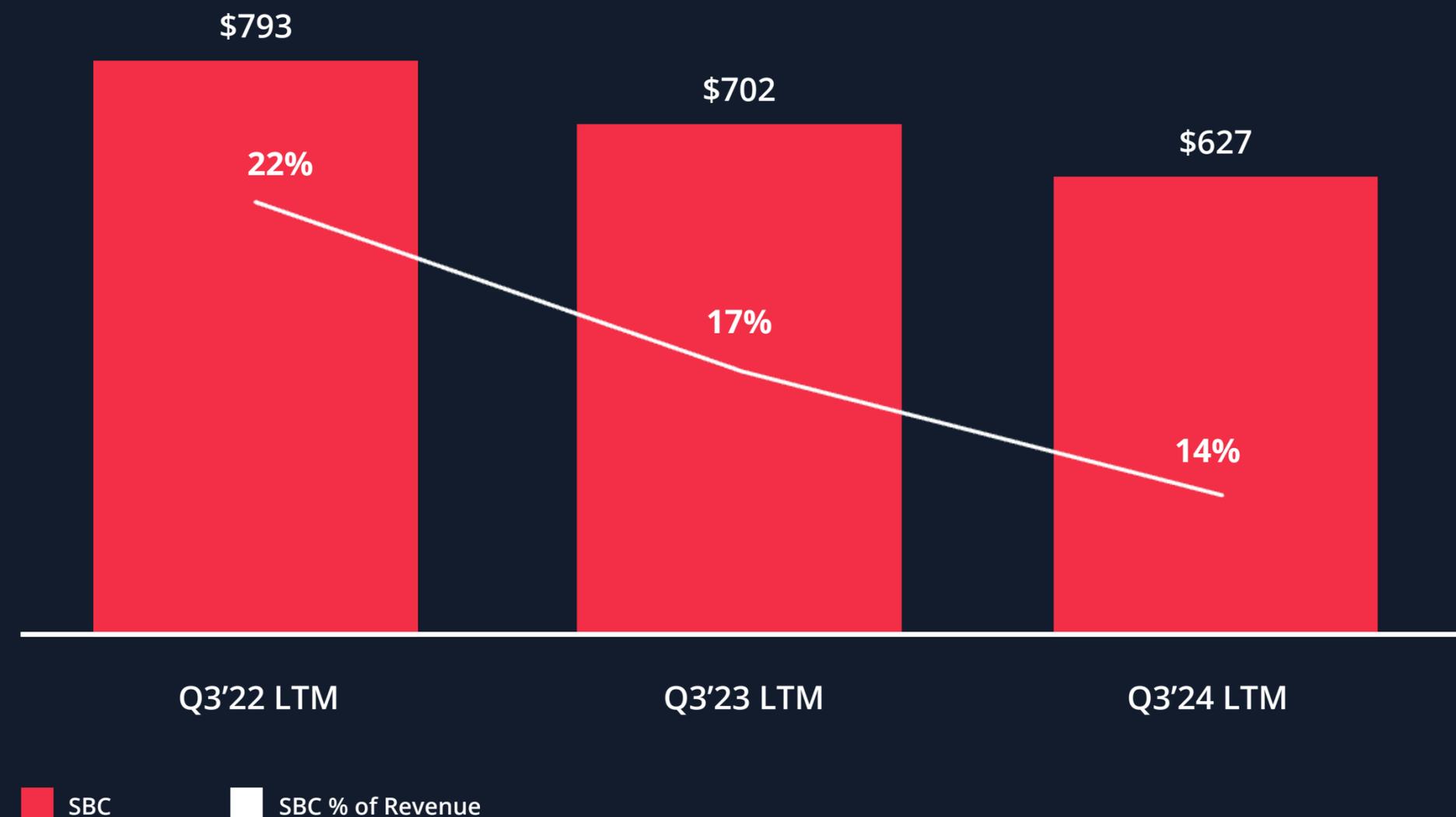
Making Continued Progress on SBC

→ SBC expense is a lagging metric and reflects costs associated with grants made over last several years

→ We've already made significant changes to reduce RSU grants, which will be reflected in SBC in future years

→ We're committed to managing grants responsibly going forward and further reducing SBC as a % of revenue and dilution

Materially Reducing Annual Equity Grants

Annual grants[1] ($ in millions)

$1,887 — 2022

$967 — 2023

$720 — Q3'24 LTM

<$500E — 2025E

(70%+ reduction)

Actual Equity Grants | **Targeted Equity Grants**
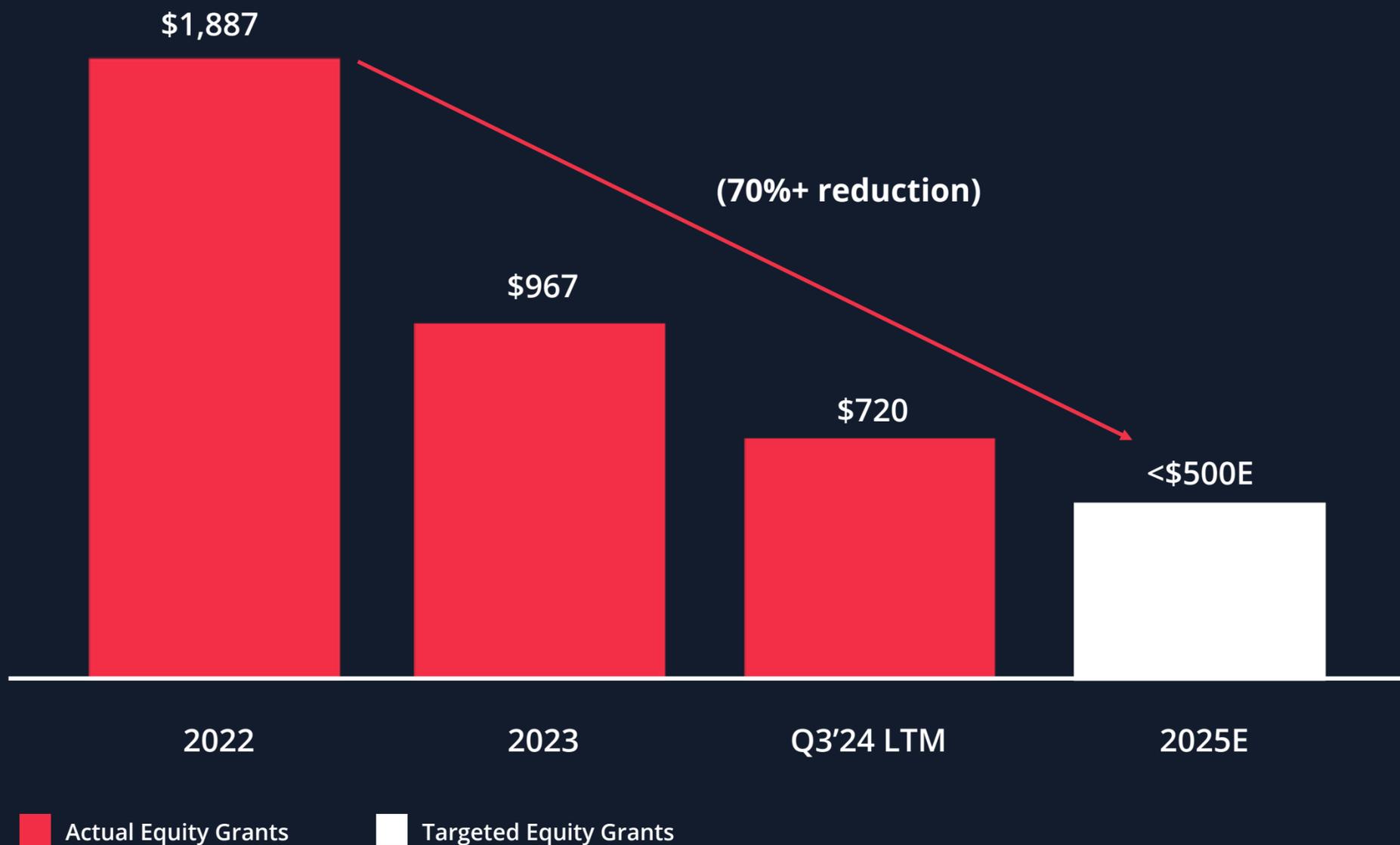
Proactively Reducing Equity Grants

→ Actions to date include headcount management, hiring in low cost geos, eliminating equity for certain roles, moving to 3-year vesting for refresh grants, and introduction of a cash bonus program

→ We estimate that we'll grant less than $500M of new equity grants in 2025, a 70%+ reduction from 2022

→ Based on today's stock price, the 2025 grants would represent a ~3% net burn rate[2]

Committed to Further Reducing SBC and Burn - Targets

SBC as a % of Revenue

2022	2023	YTD Q3'24	2027E
21%	16%	14%	~10%
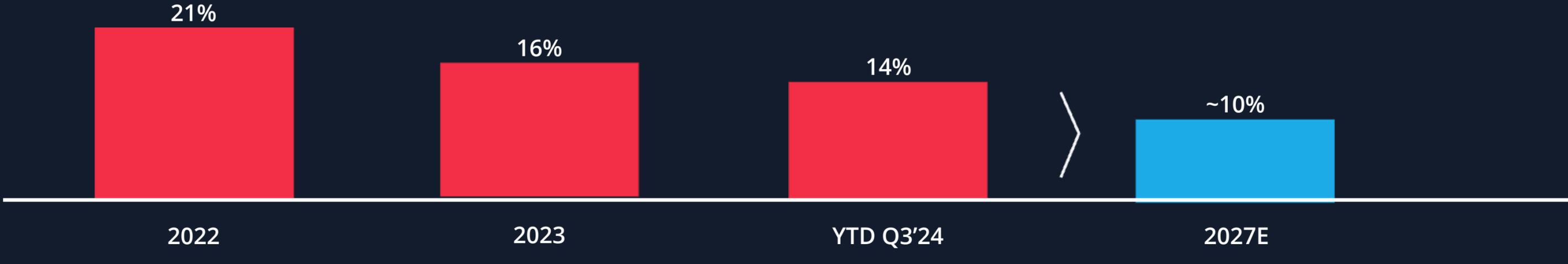
Net Burn[1] (Before Share Repurchases)
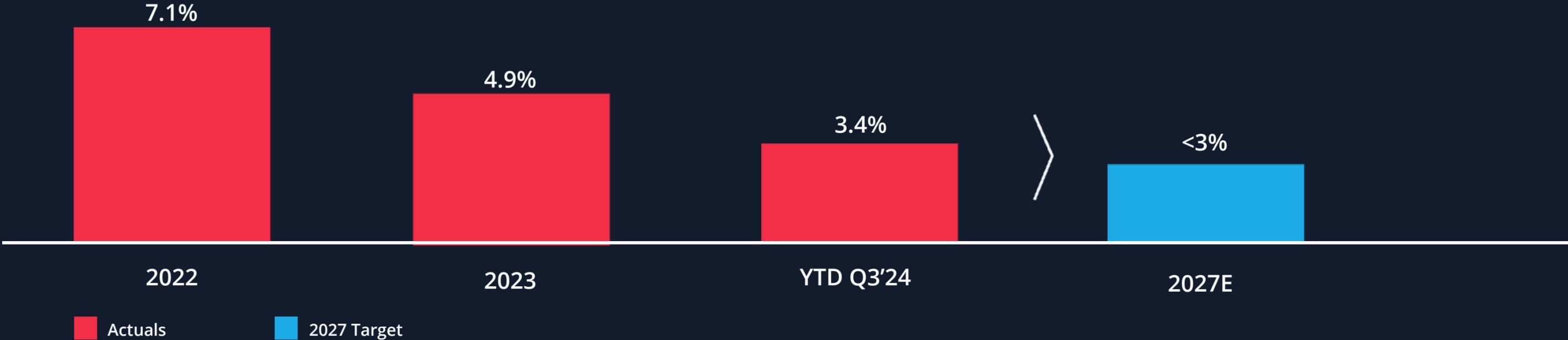
2022	2023	YTD Q3'24	2027E
7.1%	4.9%	3.4%	<3%

■ Actuals   ■ 2027 Target

1. Net burn is calculated as the number of employee stock units granted in a year net of estimated forfeitures and divided by the prior year ending share count. Does not include any incremental impact of potential share repurchases in a given year. Target based on today's Twilio share price.

Expect GAAP Operating Profitability Ahead of Schedule

GAAP income from operations ($ in millions)

Expect to achieve GAAP operating profitability in Q4'24

($170) Restructuring & Impairment Costs

($457)

($219)

($144) Restructuring & Impairment Costs

($264)

($142)

($109)

($312) Restructuring & Impairment Costs

($362)

($44)

($19)

($5)

Q3'22   Q4'22   Q1'23   Q2'23   Q3'23   Q4'23   Q1'24   Q2'24   Q3'24

Earnings call where applicable GAAP target was established

GAAP operating profitability by 2027

GAAP operating profitability by Q4'25

GAAP operating profitability for FY2025

Making Progress on Segment Turnaround

Progress Against Key Commitments

- **Customer Time to Value**: Introduced features (e.g. CDP Copilot, Use Case Accelerator program and in-product Use Case Onboarding) to improve onboarding
- **Data Warehouse Interoperability**: Enabled interoperability with major providers and introduced Linked Audiences
- **Segment + Comms**: Launched Agent Copilot and Personalized IVR; introducing Unified Profiles

Underlying Metrics Improving

- 25% reduction in non-GAAP loss from operations from Q1'24 to Q3'24; on track to reach breakeven non-GAAP income from operations by Q2'25
- FY'24 churn and contraction is down 3% Y/Y, while sales productivity is up 23% Y/Y
- Improved customer time to value by up to 4x for new customers

Provides Continued Differentiation

- Segment's Unified Profile can make our Comms products stronger and more differentiated
- Segment's data, when paired with Comms and AI, can help unlock significant additional TAM

Note: Non-GAAP loss from operations is a non-GAAP financial measure. See Appendix for non-GAAP definitions and reconciliations.

Topics for Discussion

1   **Current Revenue Profile**

2   **Accelerating Growth**

3   **Demonstrating Operating Leverage**

4   **Financial Framework**

Full Year 2025 Guidance[1]

Organic Revenue Growth	7% - 8% year-over-year growth
Non-GAAP Income from Operations	$825 Million - $850 Million
Free Cash Flow	$825 Million - $850 Million

Capital Allocation Priorities

Drive Efficient Organic Growth

- Disciplined investments in innovation to drive differentiation & organic growth

- Allocate investment resources to highest long-term ROI opportunities

- Maintain adequate level of cash to fund operations and optimize liquidity

Shareholder Returns

- Continued capital returns to optimize for long-term shareholder value - targeting an annual average of 50% of free cash flow between 2025-2027[1]

- Our Board recently authorized an additional $2B of share repurchases expiring at the end of 2027 ($5B of total share repurchases authorized since beginning of 2023)

Disciplined M&A

- Will opportunistically consider tech/talent tuck-ins that are growth accretive and/or accelerate our strategy and product roadmap

1. The timing, manner, price and amount of any repurchases or other capital returns, are determined by Twilio at its discretion and depend on a variety of factors, including legal requirements, price, and economic and market conditions.

Our Financial Framework - Targets

Guidance and Targets

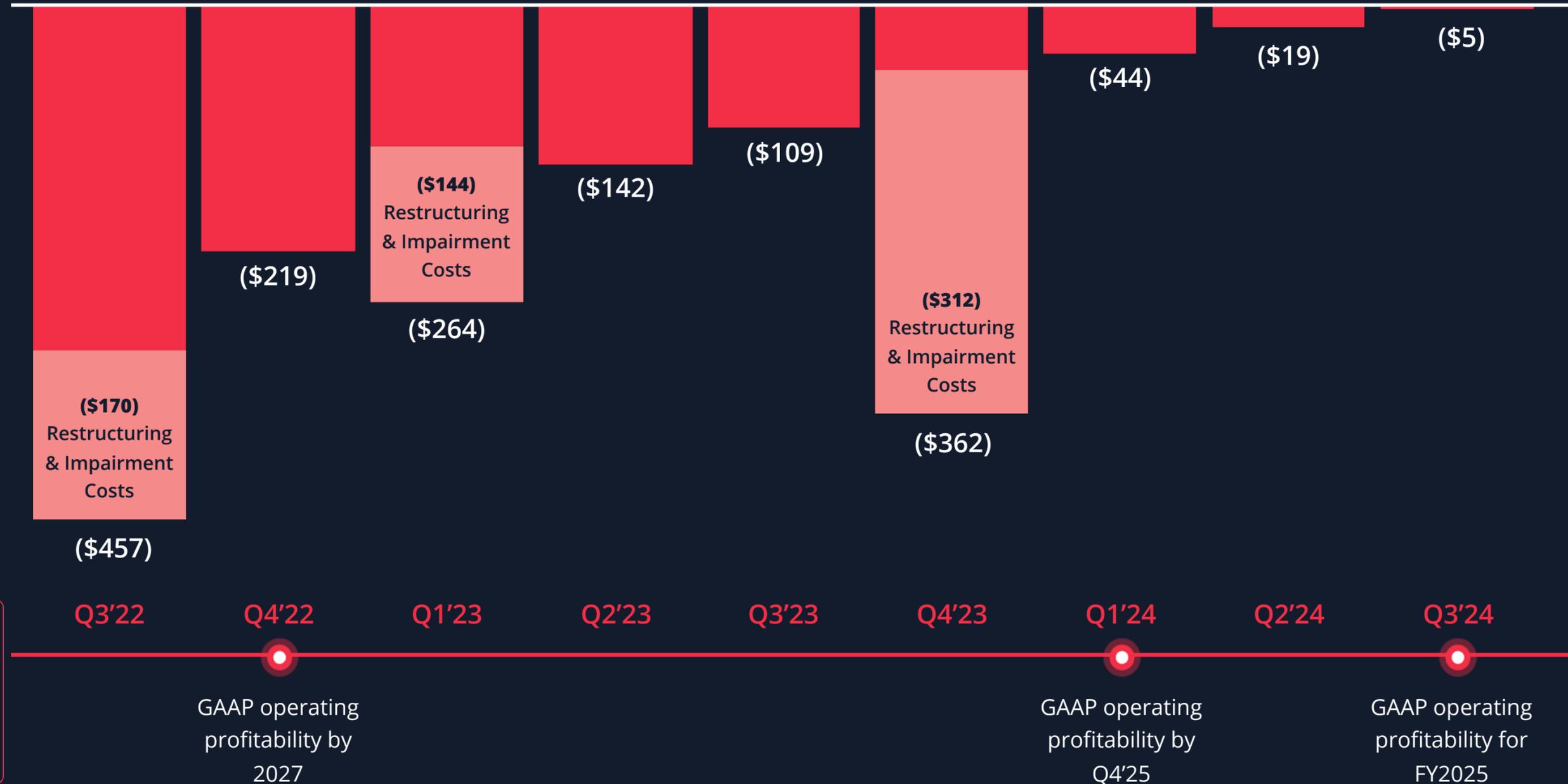| 2025 Guidance	
Organic y/y Revenue Growth	7% - 8%
Non-GAAP Op Profit	$825M - $850M
Free Cash Flow	$825M - $850M
2025 - 2027 Targets	
Non-GAAP Op Margin	21% - 22% non-GAAP operating margin for 2027
Cumulative Free Cash Flow	$3B+ cumulative free cash flow for 3-year period from 2025 through 2027
GAAP Profitability	GAAP profitability for fiscal year 2025 and each year thereafter
SBC / Dilution	~10% annual stock-based comp as a % of revenue and < 3% annual net burn[1] for 2027
Capital Allocation	Targeting to allocate an average of 50% of annual FCF to capital returns to shareholders between 2025-2027[2]; will opportunistically consider disciplined M&A

1. Net burn is calculated as the number of employee stock units granted in a year net of estimated forfeitures and divided by the prior year ending share count. Does not include any incremental impact of potential share repurchases in a given year. Target based on today's Twilio share price.
2. The timing, manner, price and amount of any repurchases or other capital returns, are determined by Twilio at its discretion and depend on a variety of factors, including legal requirements, price, and economic and market conditions..
Note: Organic revenue growth, non-GAAP income from operations, non-GAAP operating margin, and free cash flow are non-GAAP financial measures. See Appendix for non-GAAP definitions.

Recapping the Key Financial Takeaways

✓ We have made significant progress over past two years against our financial priorities, demonstrating **solid FCF generation and accelerating our path to GAAP profitability.**

✓ We believe **we can drive additional leverage in the business**, and we remain committed to delivering durable, profitable growth with continued opex discipline.

✓ We **are orienting the business to deliver double-digit growth**, but even absent revenue acceleration, **we intend to deliver $3B+ of cumulative free cash flow in next 3 years.**

✓ We will continue to **optimize our capital allocation strategy to drive long-term shareholder value**, while also **further reducing SBC and dilution over time.**

Concluding Remarks

Khozema Shipchandler
Chief Executive Officer

How We've Improved Performance
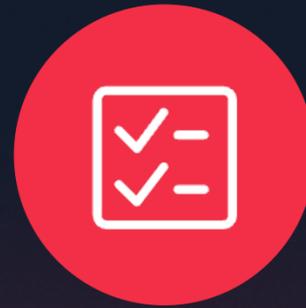
Core Operating Principles

Focused Innovation

Disciplined Execution

Financial Rigor

Key Areas of Focus

2023 & 2024

- Right-sized our cost base
- Stabilized our growth
- Delivered meaningful non-GAAP operating profitability and FCF

2025 & Beyond

- Continuing to invest in innovation
- Accelerating growth
- Driving further margin expansion, FCF and GAAP operating profitability

Financial Framework - Operating Assumptions

✓ We're **orienting the company to deliver double digit growth** over time, and our **model includes the opex investments we believe are necessary to achieve this.**

✓ But, **we have planned prudently**, and our Financial Framework **targets are based on revenue growth rates consistent with our fiscal year 2025 guidance.**

✓ Even absent revenue acceleration, **we are targeting to deliver 21%-22% non-GAAP operating margins in 2027 and $3B+ of cumulative free cash flow over the next 3 years.**

✓ **If we do deliver consistent, double-digit growth** we would expect to see **further operating leverage in the model and upside** to the current margin and free cash flow targets.

3 Year Path

1 2024 - Rebuilding the Foundation

2 **2025 - Execution**

3 2026 - Acceleration

Thank you

Appendix

Forward-Looking Statements

This presentation and the accompanying oral presentation contain forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. 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 oral presentation include, but are not limited to, statements about: our future financial and operating performance, including our expected financial and operating results, guidance and long-term targets, and the assumptions underlying such guidance and targets; our expectations regarding capital returns to shareholders, including share repurchases; our ability to maintain our leadership positions in CPaaS and CDP and to develop and maintain leadership positions in the CXaaS and AI industries; our market opportunities, including our total addressable market and the potential growth thereof; our anticipated strategies and business plans and our ability to successfully execute them; our ability to expand into new and existing markets, including international markets; the development and release of our products (and the timing thereof), including related to AI and machine learning; and our expectations regarding operating and industry conditions and the impact of such conditions on our business and customers. You should not rely upon forward-looking statements as predictions of future events. Our expectations, guidance, targets and goals are based on our current roadmap; over time, we may modify them or pursue alternative strategies and objectives.

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 successfully implement our cost-saving initiatives and to capture expected efficiencies; our ability to realize the anticipated benefits of changes to our operating model and organizational structure; the impact of macroeconomic uncertainties and market volatility; 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 attract and retain customers; our ability to compete effectively in an intensely competitive market; our ability to comply with modified or new industry standards, laws and regulations applying to our business, and increased costs associated with regulatory compliance; our ability to manage changes in network service provider fees and optimize our network service provider coverage and connectivity; our ability to form and expand partnerships; and our ability to successfully enter into new markets and manage our international expansion.

The forward-looking statements contained in this presentation and the accompanying oral presentation 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. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that we make with the Securities and Exchange Commission from time to time. 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 oral presentation. Forward-looking statements represent our management's beliefs and assumptions only as of the date such statements are made. We undertake no obligation to update any forward-looking statements made in this presentation or the accompanying conference call to reflect events or circumstances occurring after this presentation or accompanying conference call, as applicable, 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, 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 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.

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.

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 oral presentation include the non-GAAP financial measures defined 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 are useful in understanding the ongoing results of our operations on a consolidated basis and at the segment level. 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 below.

We have not provided the forward-looking GAAP equivalents for certain forward-looking non-GAAP measures presented in this presentation or the accompanying oral presentation, 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 Gross Profit Growth. For the periods presented, we calculate non-GAAP gross profit growth by dividing (i) non-GAAP gross profit for the period presented less non-GAAP gross profit in the comparative period by (ii) non-GAAP gross profit in the comparative period.

Organic Non-GAAP Gross Profit. For the periods presented, we define organic non-GAAP gross profit as GAAP gross profit, adjusted to exclude (i) stock-based compensation, (ii) amortization of acquired intangibles, (iii) payroll taxes related to stock-based compensation and (iv) revenue and any incremental cost of revenue not reflected in (i) through (iii) from each divested business beginning in the quarter of the closing date of such divestiture; provided that if a divestiture closes on the last day of a quarter, such revenue will be included in organic non-GAAP gross profit for that quarter.

Organic Non-GAAP Gross Profit Growth. For the periods presented, we calculate organic non-GAAP gross profit growth by dividing (i) organic non-GAAP gross profit for the period presented less organic non-GAAP gross profit in the comparative period by (ii) organic non-GAAP gross profit in the comparative period.

U.S. Non-GAAP Gross Profit per Message. For the periods presented, we define U.S. non-GAAP gross profit per message as: (i) revenue derived from our core messaging products related to traffic terminating in the U.S. less (ii) network service providers' costs related to such revenue, divided by the number of such messages sent. The calculation excludes data from all acquisitions since 2017.

International Non-GAAP Gross Profit per Message. For the periods presented, we define international non-GAAP gross profit per message as: (i) revenue derived from our core messaging products related to traffic terminating internationally less (ii) network service providers' costs related to such revenue, net of the impact of hedging instruments, divided by the number of such messages sent. The calculation excludes data from all acquisitions since 2017.

Non-GAAP Financial Measures

Messaging Non-GAAP Gross Margin. For the periods presented, we define messaging non-GAAP gross margin as non-GAAP gross margin adjusted to exclude non-GAAP gross margin related to non-messaging products and certain costs that are not allocated at the product level.

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 divestiture, 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 loss from operations and GAAP operating margin, respectively, adjusted to exclude, as applicable, stock-based compensation, amortization of acquired intangibles, loss on divestiture, 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 from Operations Growth. For the periods presented, we calculate non-GAAP income from operations growth by dividing (i) non-GAAP income from operations for the period presented less non-GAAP income from operations in the comparative period by (ii) non-GAAP income from operations in the comparative period.

Organic Revenue. For the periods presented, we define organic revenue as GAAP revenue, excluding (i) revenue from each acquired business and revenue from application-to-person ("A2P") 10DLC 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. A2P 10DLC fees are fees imposed by U.S. mobile carriers for A2P SMS messages delivered to its 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 10DLC fees is included or excluded in organic revenue in the period presented, then revenue from the same acquisitions, divestitures and A2P 10DLC fees is included or excluded in organic revenue in the comparative period for purposes of the denominator in the organic revenue growth calculation. As a result, the denominator used in this calculation will not always equal the organic revenue reported for the comparative period. Organic revenue growth by product is calculated using the same methodology, but using (and excluding, as applicable) only revenue attributable to such product.

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

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

		Three Months Ended		
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Non-GAAP gross profit and gross margin				
Revenue	$ 983,030	$ 1,024,574	$ 1,006,564	$ 1,037,761
GAAP gross profit	$ 462,075	$ 481,142	$ 490,690	$ 505,755
GAAP gross profit growth (Y/Y)				
GAAP gross margin	47 %	47 %	49 %	49 %
Non-GAAP adjustments:				
Stock-based compensation	6,114	6,505	5,290	6,334
Amortization of acquired intangibles	30,729	30,052	29,961	29,669
Payroll taxes related to stock-based compensation	215	82	195	123
Non-GAAP gross profit	$ 499,133	$ 517,781	$ 526,136	$ 541,881
Non-GAAP gross profit growth (Y/Y)				
Non-GAAP gross margin	51 %	51 %	52 %	52 %

			Three Months Ended		
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Non-GAAP gross profit and gross margin					
Revenue	$ 1,033,670	$ 1,075,950	$ 1,047,050	$ 1,082,502	$ 1,133,649
GAAP gross profit	$ 516,319	$ 531,166	$ 544,041	$ 555,845	$ 578,629
GAAP gross profit growth (Y/Y)	12 %	10 %	11 %	10 %	12 %
GAAP gross margin	50 %	49 %	52 %	51 %	51 %
Non-GAAP adjustments:					
Stock-based compensation	7,053	7,666	5,891	5,503	5,436
Amortization of acquired intangibles	29,045	24,591	15,682	15,682	15,682
Payroll taxes related to stock-based compensation	181	200	345	283	257
Non-GAAP gross profit	$ 552,598	$ 563,623	$ 565,959	$ 577,313	$ 600,004
Non-GAAP gross profit growth (Y/Y)	11 %	9 %	8 %	7 %	9 %
Non-GAAP gross margin	53 %	52 %	54 %	53 %	53 %

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

	Year Ended		Last Twelve Months
	December 31, 2022	December 31, 2023	September 30, 2024
Messaging Non-GAAP gross margin			
Messaging revenue	$ 2,066,040	$ 2,188,093	$ 2,277,117
Messaging non-GAAP gross profit	643,027	722,254	761,969
Other products non-GAAP gross profit	1,298,572	1,432,054	1,513,096
Unallocated non-GAAP gross profit	16,306	29,930	31,834
Non-GAAP gross profit	$ 1,957,905	$ 2,184,238	$ 2,306,899
Messaging Non-GAAP gross margin	31%	33%	33%
Reconciliation of non-GAAP gross profit to gross profit:			
Total non-GAAP gross profit	$ 1,957,905	$ 2,184,238	$ 2,306,899
Stock-based compensation	(21,136)	(26,343)	(24,496)
Amortization of acquired intangibles	(122,653)	(113,266)	(71,637)
Payroll taxes related to stock-based compensation	(539)	(699)	(1,085)
Gross profit	$ 1,813,577	$ 2,043,930	$ 2,209,681

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

		Last Twelve Months September 30, 2024
Organic Non-GAAP gross profit		
GAAP gross profit	$	2,209,681
GAAP gross profit growth (Y/Y)		11 %
Non-GAAP adjustments:		
Stock-based compensation		24,496
Amortization of acquired intangibles		71,637
Payroll taxes related to stock-based compensation		1,085
Organic Non-GAAP gross profit	$	2,306,899
Organic Non-GAAP gross profit growth (Y/Y)		9%[1]

[1] Q3'23 LTM organic non-GAAP gross profit, when used as the denominator for Q3'24 LTM Organic Non-GAAP Gross Profit Growth, excludes $25 million of stock-based compensation, $119 million of amortization of acquired intangibles, $1 million of payroll taxes related to stock-based compensation, $83 million of divestiture revenue and $63 million of other divestiture cost of revenue. Q3'23 LTM GAAP gross profit was $1,994 million.

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

	Three Months Ended	
	September 30, 2022	September 30, 2024
Non-GAAP operating expenses reduction		
GAAP operating expenses	$ 919,072	$ 583,523
GAAP operating expenses reduction		(37)%
Non-GAAP adjustments:		
Stock-based compensation	(187,507)	(148,395)
Amortization of acquired intangibles	(20,920)	(11,755)
Acquisition and divestiture related expenses	(121)	—
Payroll taxes related to stock-based compensation	(4,210)	(792)
Charitable contributions	(1,911)	(1,301)
Restructuring costs	(72,451)	(3,694)
Impairment of long-lived assets	(97,722)	—
Non-GAAP operating expenses	$ 534,230	$ 417,586
Non-GAAP operating expenses reduction		(22)%

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

	Last Twelve Months		
	September 30, 2022	September 30, 2023	September 30, 2024
Non-GAAP income from operations and Non-GAAP operating margin			
Revenue	$ 3,644,491	$ 4,102,569	$ 4,339,151
GAAP gross profit	$ 1,728,982	$ 1,993,906	$ 2,209,681
Non-GAAP adjustments:			
Stock-based compensation	19,244	25,182	24,496
Amortization of acquired intangibles	123,393	118,727	71,637
Payroll taxes related to stock-based compensation	457	581	1,085
Non-GAAP gross profit	$ 1,872,076	$ 2,138,396	$ 2,306,899
GAAP operating expenses	$ 2,999,349	$ 2,727,287	$ 2,638,843
Non-GAAP adjustments:			
Stock-based compensation	(758,661)	(666,388)	(597,721)
Amortization of acquired intangibles	(84,405)	(82,010)	(55,394)
Acquisition and divestiture related expenses	(2,850)	(5,515)	(40)
Loss on divestiture	—	(32,277)	—
Payroll taxes related to stock-based compensation	(31,535)	(12,181)	(12,496)
Charitable contributions	(15,102)	(5,010)	(31,272)
Restructuring costs	(72,451)	(144,466)	(38,782)
Impairment of long-lived assets	(97,722)	(34,278)	(286,226)
Non-GAAP operating expenses	$ 1,936,623	$ 1,745,162	$ 1,616,912
GAAP loss from operations	$ (1,270,367)	$ (733,381)	$ (429,162)
GAAP loss from operations Y/Y growth			(41)%
GAAP operating margin	(35)%	(18)%	(10)%
Non-GAAP adjustments:			
Stock-based compensation	777,905	691,570	622,217
Amortization of acquired intangibles	207,798	200,737	127,031
Acquisition and divestiture related expenses	2,850	5,515	40
Loss on divestiture	—	32,277	—
Payroll taxes related to stock-based compensation	31,992	12,762	13,581
Charitable contributions	15,102	5,010	31,272
Restructuring costs	72,451	144,466	38,782
Impairment of long-lived assets	97,722	34,278	286,226
Non-GAAP income from operations	$ (64,547)	$ 393,234	$ 689,987
Non-GAAP income from operations Y/Y growth			75%
Non-GAAP operating margin	(2)%	10%	16%

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Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

		Year Ended	Nine Months Ended
		December 31, 2022	December 31, 2023	September 30, 2024
Non-GAAP income from operations and Non-GAAP operating margin				
Revenue	$	3,826,321 $	4,153,945 $	3,263,201
GAAP gross profit	$	1,813,577 $	2,043,930 $	1,678,515
Non-GAAP adjustments:				
Stock-based compensation		21,136	26,343	16,830
Amortization of acquired intangibles		122,653	113,266	47,046
Payroll taxes related to stock-based compensation		539	699	885
Non-GAAP gross profit	$	1,957,905 $	2,184,238 $	1,743,276
GAAP operating expenses	$	3,018,885 $	2,920,471 $	1,745,950
Non-GAAP adjustments:				
Stock-based compensation		(763,149)	(636,499)	(440,816)
Amortization of acquired intangibles		(83,528)	(79,041)	(37,514)
Acquisition and divestiture related expenses		(2,621)	(5,555)	—
Loss on divestiture		—	(32,277)	—
Payroll taxes related to stock-based compensation		(23,293)	(12,286)	(10,450)
Charitable contributions		(9,541)	(17,346)	(17,911)
Restructuring costs		(76,636)	(165,733)	(13,330)
Impairment of long-lived assets		(97,722)	(320,504)	—
Non-GAAP operating expenses	$	1,962,395 $	1,651,230 $	1,225,929
GAAP loss from operations	$	(1,205,308) $	(876,541) $	(67,435)
GAAP operating margin		(32)%	(21)%	(2)%
Non-GAAP adjustments:				
Stock-based compensation		784,285	662,842	457,646
Amortization of acquired intangibles		206,181	192,307	84,560
Acquisition and divestiture related expenses		2,621	5,555	—
Loss on divestiture		—	32,277	—
Payroll taxes related to stock-based compensation		23,832	12,985	11,335
Charitable contributions		9,541	17,346	17,911
Restructuring costs		76,636	165,733	13,330
Impairment of long-lived assets		97,722	320,504	—
Non-GAAP income from operations	$	(4,490) $	533,008 $	517,347
Non-GAAP operating margin		—%	13%	16%

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

	Last Twelve Months		
	September 30, 2022	September 30, 2023	September 30, 2024
Free cash flow			
Net cash (used in) provided by operating activities	$ (234,156)	$ 133,752	$ 830,340
Operating cash flow margin	(6)%	3%	19%
Non-GAAP adjustments:			
Capitalized software development costs	(43,952)	(40,382)	(49,658)
Purchases of long-lived and intangible assets	(41,107)	(14,806)	(5,839)
Free cash flow	$ (319,215)	$ 78,564	$ 774,843
Free cash flow margin	(9)%	2%	18%
Net cash (used in) provided by investing activities	$ (720,413)	$ 431,446	$ 1,104,597
Net cash provided by (used in) financing activities	$ 90,277	$ (524,466)	$ (2,011,191)

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

		Year Ended		
		December 31, 2022		December 31, 2023
Free cash flow				
Net cash (used in) provided by operating activities	$	(254,368)	$	414,752
Non-GAAP adjustments:				
Capitalized software development costs		(45,761)		(39,925)
Purchases of long-lived and intangible assets		(34,421)		(11,310)
Free cash flow	$	(334,550)	$	363,517
Net cash (used in) provided by investing activities	$	(616,452)	$	228,603
Net cash provided by (used in) financing activities	$	45,007	$	(643,610)

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

	Three Months Ended								
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Organic revenue									
Total revenue	$ 983,030	$ 1,024,574	$ 1,006,564	$ 1,037,761	$ 1,033,670	$ 1,075,950	$ 1,047,050	$ 1,082,502	$ 1,133,649
Acquisition revenue	(36,913)	(2,152)	(2,088)	—	—	—	—	—	—
Divestiture revenue	—	—	—	(6,142)	—	—	—	—	—
Organic revenue	$ 946,117	$ 1,022,422	$ 1,004,476	$ 1,031,619	$ 1,033,670	$ 1,075,950	$ 1,047,050	$ 1,082,502	$ 1,133,649
Revenue growth	33 %	22 %	15 %	10 %	5 %	5 %	4 %	4 %	10 %
Organic revenue growth	32%[1]	21%[2]	15%[3]	10%[4]	8%[5]	8%[6]	7%[7]	7%[8]	10%[9]

[1] Q3'21 organic revenue, when used as the denominator for Q3'22 Organic Revenue Growth, excludes $24 million of acquisition revenue. Q3'21 revenue was $740 million.

[2] Q4'21 organic revenue, when used as the denominator for Q4'22 Organic Revenue Growth, is equal to reported revenue. Q4'21 revenue was $843 million.

[3] Q1'22 organic revenue, when used as the denominator for Q1'23 Organic Revenue Growth, excludes $1 million of acquisition revenue. Q1'22 revenue was $875 million.

[4] Q2'22 organic revenue, when used as the denominator for Q2'23 Organic Revenue Growth, excludes $7 million of divestiture revenue. Q2'22 revenue was $943 million.

[5] Q3'22 organic revenue, when used as the denominator for Q3'23 Organic Revenue Growth, excludes $28 million of divestiture revenue.

[6] Q4'22 organic revenue, when used as the denominator for Q4'23 Organic Revenue Growth, excludes $30 million of divestiture revenue.

[7] Q1'23 organic revenue, when used as the denominator for Q1'24 Organic Revenue Growth, excludes $28 million of divestiture revenue.

[8] Q2'23 organic revenue, when used as the denominator for Q2'24 Organic Revenue Growth, excludes $25 million of divestiture revenue.

[9] Q3'23 organic revenue, when used as the denominator for Q3'24 Organic Revenue Growth, is equal to reported revenue.

Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)

| | | Last Twelve Months September 30, 2024 | | | | |
	Messaging	Voice	Email	Segment	Other Smaller Products	Total
Organic revenue by product						
Total revenue by product	$ 2,277,117	$ 534,183	$ 477,470	$ 298,673	$ 751,708	$ 4,339,151
Organic revenue by product	$ 2,277,117	$ 534,183	$ 477,470	$ 298,673	$ 751,708	$ 4,339,151
Revenue growth by product (Y/Y)	5 %	6 %	11 %	2 %	7 %	6 %
Organic revenue growth by product (Y/Y)	8%[1]	6%[2]	11%[3]	2%[4]	10%[5]	8%[6]

[1] Q3'23 LTM Messaging organic revenue, when used as the denominator for Q3'24 LTM Messaging Organic Revenue Growth, excludes $59 million of divestiture revenue. Q3'23 LTM Messaging revenue was $2,172 million.

[2] Q3'23 LTM Voice organic revenue, when used as the denominator for Q3'24 LTM Voice Organic Revenue Growth, is equal to reported revenue. Q3'23 LTM Voice revenue was $504 million.

[3] Q3'23 LTM Email organic revenue, when used as the denominator for Q3'24 LTM Email Organic Revenue Growth, is equal to reported revenue. Q3'23 LTM Email revenue was $430 million.

[4] Q3'23 LTM Segment organic revenue, when used as the denominator Q3'24 LTM Segment Organic Revenue Growth, is equal to reported revenue. Q3'23 LTM Segment revenue was $292 million.

[5] Q3'23 LTM Other Smaller Products organic revenue, when used as the denominator for Q3'24 LTM Other Smaller Products Organic Revenue Growth, excludes $24 million of divestiture revenue. Q3'23 LTM Other Smaller Products revenue was $705 million.

[6] Q3'23 LTM organic revenue, when used as the denominator for Q3'24 LTM Organic Revenue Growth, excludes $83 million of divestiture revenue. Q3'23 LTM revenue was $4,103 million.

Operating Results by Segment

(Dollars in thousands, unaudited)

		Three Months Ended	
		March 31, 2024	September 30, 2024
Revenue:			
Communications	$	972,005	$ 1,060,250
Segment		75,045	73,399
Total	$	1,047,050	$ 1,133,649
Non-GAAP income (loss) from operations:			
Communications	$	249,010	$ 267,773
Segment		(20,994)	(15,805)
Corporate costs		(68,406)	(69,550)
Total	$	159,610	$ 182,418
Non-GAAP operating margin:			
Communications		25.6%	25.3%
Segment		(28.0)%	(21.5)%
Reconciliation of non-GAAP income from operations to loss from operations:			
Total non-GAAP income from operations	$	159,610	$ 182,418
Stock-based compensation		(156,158)	(153,831)
Amortization of acquired intangibles		(28,939)	(27,437)
Payroll taxes related to stock-based compensation		(6,776)	(1,049)
Charitable contributions		(1,295)	(1,301)
Restructuring costs		(9,946)	(3,694)
Loss from operations		(43,504)	(4,894)
Other (expenses) income, net		(1,657)	1,243
Loss before provision for income taxes	$	(45,161)	$ (3,651)