

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 4, 2023

Twilio Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37806
(Commission
File Number)

26-2574840
(IRS Employer
Identification No.)

**101 Spear Street, Fifth Floor
San Francisco, California 94105**
(Address of principal executive offices, including zip code)

(415) 390-2337
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.001 per share	TWLO	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On December 4, 2023, Twilio Inc. (the “Company,” “we” or “our”) committed to a further workforce restructuring plan (the “December Plan”) intended to streamline operations and accelerate the Company’s path to delivering profitable growth. The December Plan includes the elimination of approximately 5% of the Company’s current workforce.

As a result of the December Plan, the Company estimates that it will incur approximately \$25-\$35 million in charges in connection with the workforce reduction, consisting of expenditures for employee transition, notice period and severance payments, employee benefits, and related facilitation costs, substantially all of which are expected to result in future cash outlays.

The Company expects that the majority of the restructuring charges related to the December Plan will be incurred in the fourth quarter of 2023 and that the execution of the December Plan, including cash payments, will be substantially complete by the end of the first quarter of 2024.

Potential position eliminations in each country are subject to local law and consultation requirements, which may extend this process beyond the first quarter of 2024 in certain countries. The charges that the Company expects to incur are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual expenses may differ materially from the estimates disclosed above.

As part of the December Plan, Twilio Flex, the Company’s cloud contact center, will be reported as part of the Company’s Twilio Communications reportable segment in future periods. Prior periods presented for purposes of comparison will be recast accordingly.

Item 7.01 Regulation FD Disclosure.

On December 4, 2023, the Company began notifying team members affected by the December Plan and communicated the changes to the entire company with a letter from Jeff Lawson, the Company’s Chief Executive Officer and Co-Founder, which is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated by reference.

The Company reaffirms its guidance for the fourth quarter and fiscal year ending December 31, 2023, that was provided by the Company on November 8, 2023. For more information about this guidance, refer to the press release, included as an exhibit to the Company’s Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 8, 2023. The costs associated with the December Plan will be included in the Company’s GAAP results but will be excluded from certain of the Company’s non-GAAP results.

The information furnished under this Item 7.01 and in the accompanying Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Forward-Looking Statements

This Current Report on Form 8-K and the accompanying Exhibit 99.1 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 the Company’s 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 the Company’s expectations, strategy, plans or intentions. Forward-looking statements contained in this Current Report on Form 8-K and the accompanying Exhibit 99.1 include, but are not limited to, statements about the Company’s expectations regarding the costs, benefits, timing and financial impacts from the December Plan, the Company’s future financial performance, including the Company’s outlook for the fourth quarter of 2023 and fiscal year 2023, the Company’s expectations regarding profitability and growth, the Company’s product roadmap, including related to CustomerAI and video product, and related matters. You should not rely upon forward-looking statements as predictions of future events.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance, or achievements to differ materially from those described in the forward-looking statements, including, among other things: the Company's ability to successfully implement its cost-saving initiatives and to capture expected efficiencies; the Company's ability to realize the anticipated benefits of changes to its operating model and organizational structure; the impact of macroeconomic uncertainties and market volatility; the Company's financial performance, including expectations regarding its results of operations and the assumptions underlying such expectations, and ability to achieve and sustain profitability; the Company's ability to attract and retain customers; the Company's ability to compete effectively in an intensely competitive market; the Company's ability to comply with modified or new industry standards, laws and regulations applying to its business, and increased costs associated with regulatory compliance; the Company's ability to manage changes in network service provider fees and optimize its network service provider coverage and connectivity; the Company's ability to form and expand partnerships; and the Company's ability to successfully enter into new markets and manage its international expansion.

The forward-looking statements contained in this Current Report on Form 8-K and the accompanying Exhibit 99.1 are also subject to additional risks, uncertainties, and factors, including those more fully described in the Company's most recent filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that the Company makes with the Securities and Exchange Commission from time to time. Moreover, the Company operates 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 Current Report on Form 8-K or the accompanying Exhibit 99.1.

Forward-looking statements represent the Company's management's beliefs and assumptions only as of the date such statements are made. The Company undertakes no obligation to update any forward-looking statements made in this Current Report on Form 8-K or the accompanying Exhibit 99.1 to reflect events or circumstances after the date of this Current Report on Form 8-K or to reflect new information or the occurrence of unanticipated events, except as required by law.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Letter to Twilio team members from Jeff Lawson, dated December 4, 2023
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURES

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

TWILIO INC.

December 4, 2023

By: /s/ Aidan Viggiano

Name: Aidan Viggiano

Title: Chief Financial Officer

December 4, 2023

Organizational changes to better support our growth and profitability needs

Twilions,

Last year, we set out on a path to reorient our business toward profitable growth. Specifically, we streamlined our more mature, scaled Communications business to focus on efficiency and profit, and we organized our TD&A business to optimize for growth.

We've made tremendous progress in Communications, even overachieving on our goals; however, we've underachieved on growth in TD&A. So we're taking some steps to create a more effective GTM motion for Flex and recalibrate our investments in Segment, which combined will unfortunately mean parting ways with approximately 5% of Twilio's workforce. Those who are impacted will receive an email within the next two hours.

I want to walk you through each of these changes in more detail, as well as what impacted Twilions can expect.

Last year, we made the decision to invest, ahead of growth, in go-to-market for Segment. Unfortunately, that bet hasn't led to the growth outcome we'd hoped for. As a result, we're simply spending too much. So we've made the hard decision to eliminate some of our Segment GTM roles - right sizing the investment for the results we're seeing.

I, and the OG, believe Segment is a great product with amazing potential – I see and hear it every time I talk to Segment customers. It's critical that we have a GTM model to achieve the growth this product deserves. Meanwhile, our CustomerAI vision is resonating in the market – customers are hungry to get their hands on the products we've already introduced, and those we're still working on. And Segment is core to CustomerAI and those products.

We're also making changes to how we sell Flex, where we've seen an overlap between our Flex sales motion and many of our Communications products. Given the similar buyer personas and product synergies between voice, IVR, and Flex, we want to simplify the experience for our customers. So, we're consolidating Flex GTM into Communications and eliminating many Flex GTM roles. Account Executives in Communications can now sell Flex alongside our other contact center products – aligned with how customers want to buy. Flex R&D will also move intact to Communications to keep product development close to our customer-facing teams.

The decision to eliminate these roles was a hard one, but we're confident it's in the best interest of our customers and the long-term health of our business. At the same time, we're opening up more AE roles inside of Communications and I encourage all sellers impacted by these changes to apply.

Reducing our Segment and Flex GTM teams will also mean impacts to some supporting functions, primarily Marketing and Finance.

Lastly, we've decided to end-of-life (EOL) Twilio Programmable Video as a standalone product. Given it's such a niche area and a relatively small part of our portfolio, we believe partnering with video industry leaders is the best way to ensure long-term product innovation for our customers. Removing Programmable Video from our portfolio will also allow Communications to more effectively focus on our pillar products - Messaging, Voice, and Email.

Those Twilions impacted by our Video EOL are aware of this decision, and we'll continue working closely with them on transition plans.

For those departing Twilio

If you're in the U.S., you'll get an email within the next two hours at your personal and Twilio email addresses letting you know you're impacted. If you're outside the U.S. you'll receive a meeting invitation within the next two hours at your Twilio email address letting you know if you are or may be impacted.

All departing Twilions are eligible for severance packages similar to those we've offered recently, including at least 12 weeks of base pay, plus one week of base pay for every year of completed service, and a variety of other elements to help with this transition. You'll find all these details in the materials we'll be sharing with you today.

To each and every one of you – thank you. You've been instrumental in building Segment, Flex, and Programmable Video to where they are today, and your contributions will be felt for a long time to come.

To all remaining Twilions

I know these changes come in a year of many changes already. When we adopted our BU structure, we knew part of that would mean learning and adapting along the way, particularly when an area of our business isn't performing as well as we'd like. While I know it's hard to undergo so much change, it's all part of the necessary transition to profitable growth. Despite, and because of, these changes – I believe we are increasingly set up to balance the needs of profit and growth, and enabled to execute on the CustomerAI opportunity ahead of us.

You'll hear from your leaders tomorrow morning, and then at 8 a.m. Pacific Time, we'll hold a Company All Hands dedicated to answering your questions, followed by BU-specific all hands meetings later that day.

Thank you for continuing to build this company and serve our customers as we retool Twilio for the future.

–jeffiel