



# Q1 2025 Earnings Results

**May 1, 2025**

# Legal Disclaimer

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

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

This presentation and the accompanying conference call also contain non-GAAP financial measures. The non-GAAP financial measures, including non-GAAP gross profit, non-GAAP gross margin, non-GAAP income (loss) from operations, non-GAAP operating margin, non-GAAP net income (loss) per share attributable to common stockholders, diluted (which we refer to as non-GAAP diluted earnings per share), organic revenue, organic revenue growth, free cash flow and free cash flow margin, are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. More information about and definitions of these non-GAAP financial measures, and reconciliations to their most directly comparable GAAP measures, can be found in the Appendix.



# Financial Overview

# Total Company Results

Q1 2025

**\$1,172M**

Total  
Revenue

**12%**

Y/Y Revenue  
Growth

**\$602M**

Non-GAAP Gross  
Profit

**51.3%**

Non-GAAP Gross  
Margin

**\$213M**

Non-GAAP Income  
from Operations

**\$178M**

Free Cash  
Flow

**107%**

Dollar-Based Net  
Expansion Rate

**335,000+**

Active Customer  
Accounts

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

# Communications Results

Q1 2025

**\$1,097M**

Communications  
Revenue

**13%**

Y/Y  
Communications  
Revenue Growth

**\$546M**

Communications  
Non-GAAP Gross  
Profit

**49.8%**

Communications  
Non-GAAP Gross  
Margin

**\$277M**

Communications  
Non-GAAP Income  
from Operations

**25.3%**

Communications  
Non-GAAP  
Operating Margin

**108%**

Communications  
Dollar-Based Net  
Expansion Rate

**328,000+**

Communications  
Active Customer  
Accounts

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

Note: Numbers are rounded to the nearest million (other than percentages and Active Customer Accounts).

Note: Aggregating Communications and Segment non-GAAP income (loss) from operations will not equate to total company non-GAAP income (loss) from operations given certain costs are considered corporate costs and are not allocated to either segment.

# Segment Results

## Q1 2025

**\$76M**

Segment Revenue

**1%**

Y/Y Segment  
Revenue Growth

**\$56M**

Segment  
Non-GAAP Gross  
Profit

**74.0%**

Segment  
Non-GAAP Gross  
Margin

**(\$2M)**

Segment  
Non-GAAP Loss  
from Operations

**(2.0%)**

Segment  
Non-GAAP  
Operating Margin

**94%**

Segment  
Dollar-Based Net  
Expansion Rate

**7,200+**

Segment  
Active Customer  
Accounts

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

Note: Numbers are rounded to the nearest million (other than percentages and Active Customer Accounts).

Note: Aggregating Communications and Segment non-GAAP income (loss) from operations will not equate to total company non-GAAP income (loss) from operations given certain costs are considered corporate costs and are not allocated to either segment.

# Q2 2025 & Full Year 2025 Guidance

## Q2 2025 Guidance:

- Total revenue: \$1.180 billion to \$1.190 billion, up 9% to 10% year-over-year
- Non-GAAP income from operations: \$195 million to \$205 million
- Non-GAAP diluted earnings per share<sup>1</sup>: \$0.99 - \$1.04
- Non-GAAP weighted average diluted shares outstanding: 157 million

## Full Year 2025 Guidance:

- Organic revenue growth: 7.5% to 8.5% year-over-year, up from 7% to 8% previously
- Non-GAAP income from operations: \$850 million to \$875 million, up from \$825 million to \$850 million previously
- Free cash flow: \$850 million to \$875 million, up from \$825 million to \$850 million previously

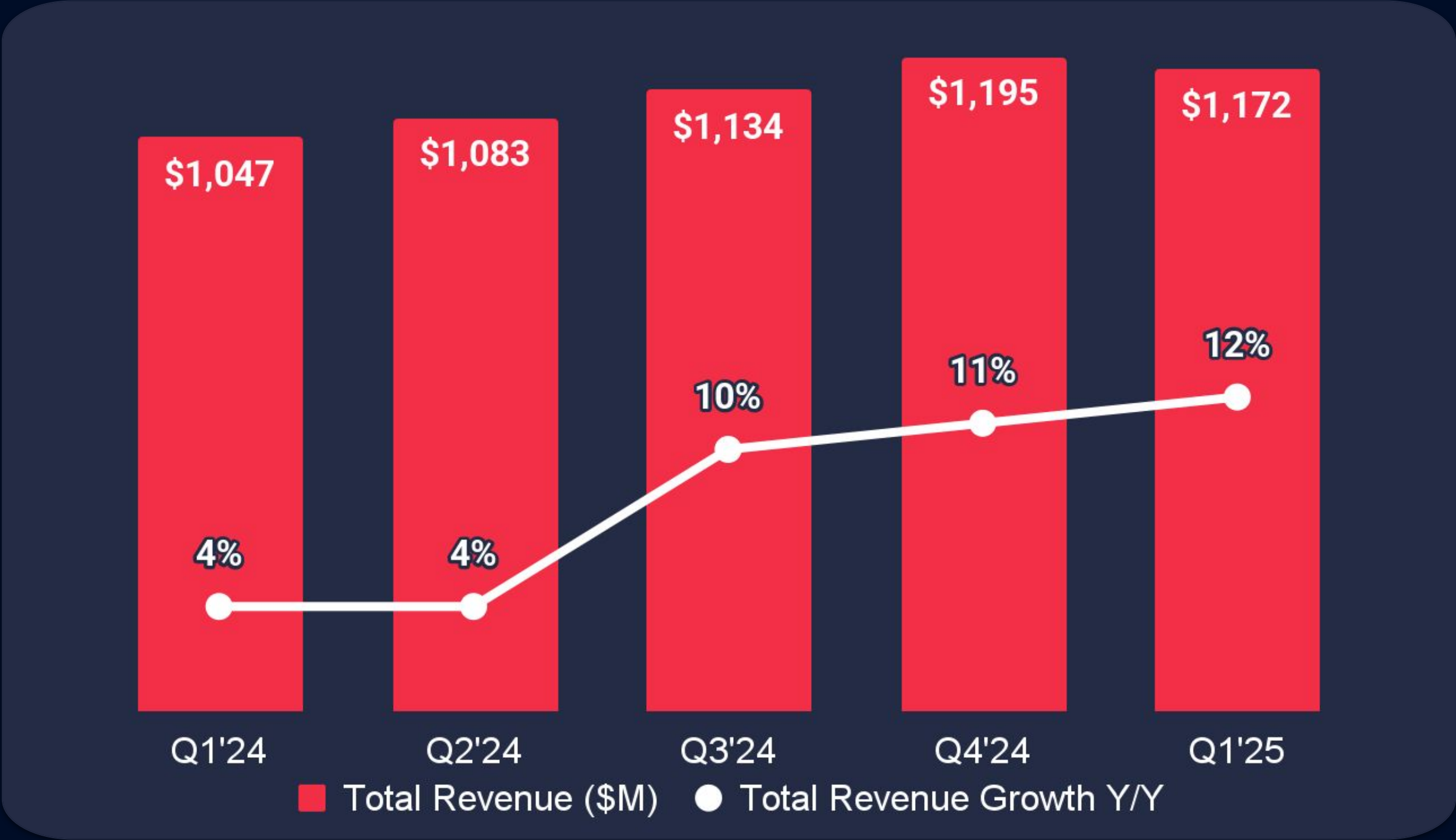
<sup>1</sup> Non-GAAP diluted earnings per share guidance assumes no impact from volatility of foreign exchange rates.

Note: Raising full year 2025 guidance ranges as previously provided on February 13, 2025.

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



# Quarterly Revenue



**12%**

Q1'25 Total Revenue Growth Y/Y

**13%**

Q1'25 Communications Revenue Growth Y/Y

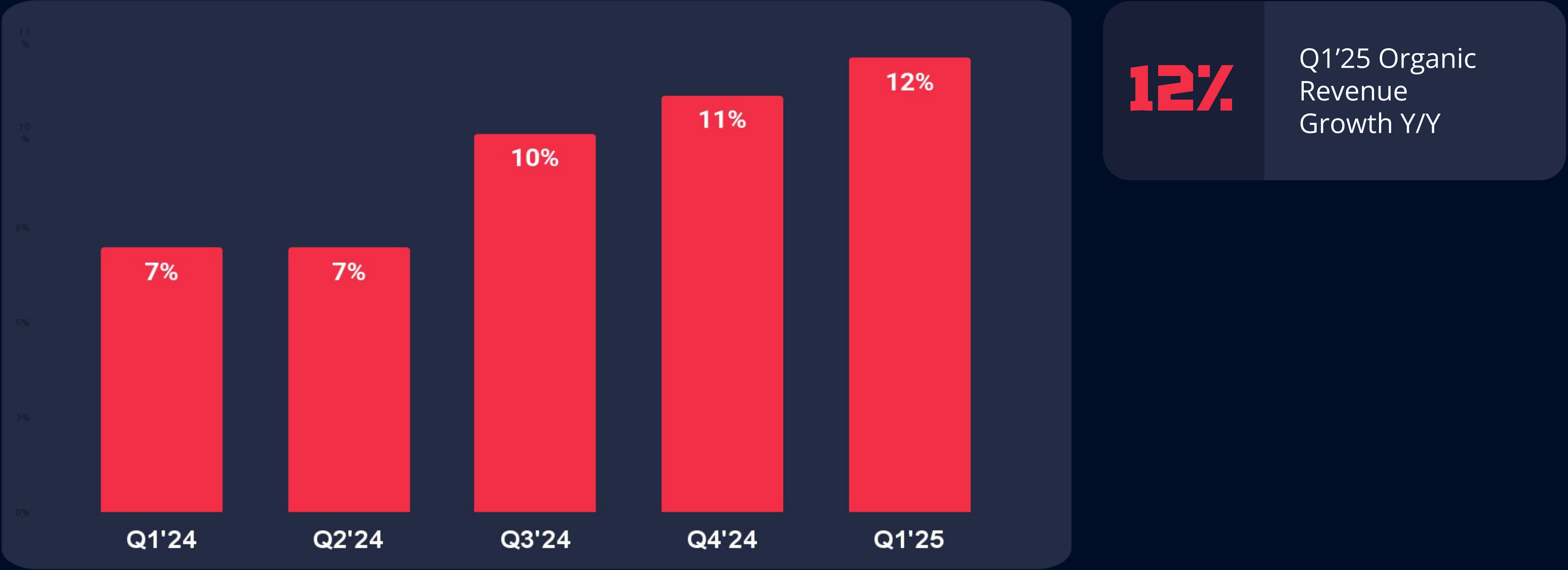
**1%**

Q1'25 Segment Revenue Growth Y/Y

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

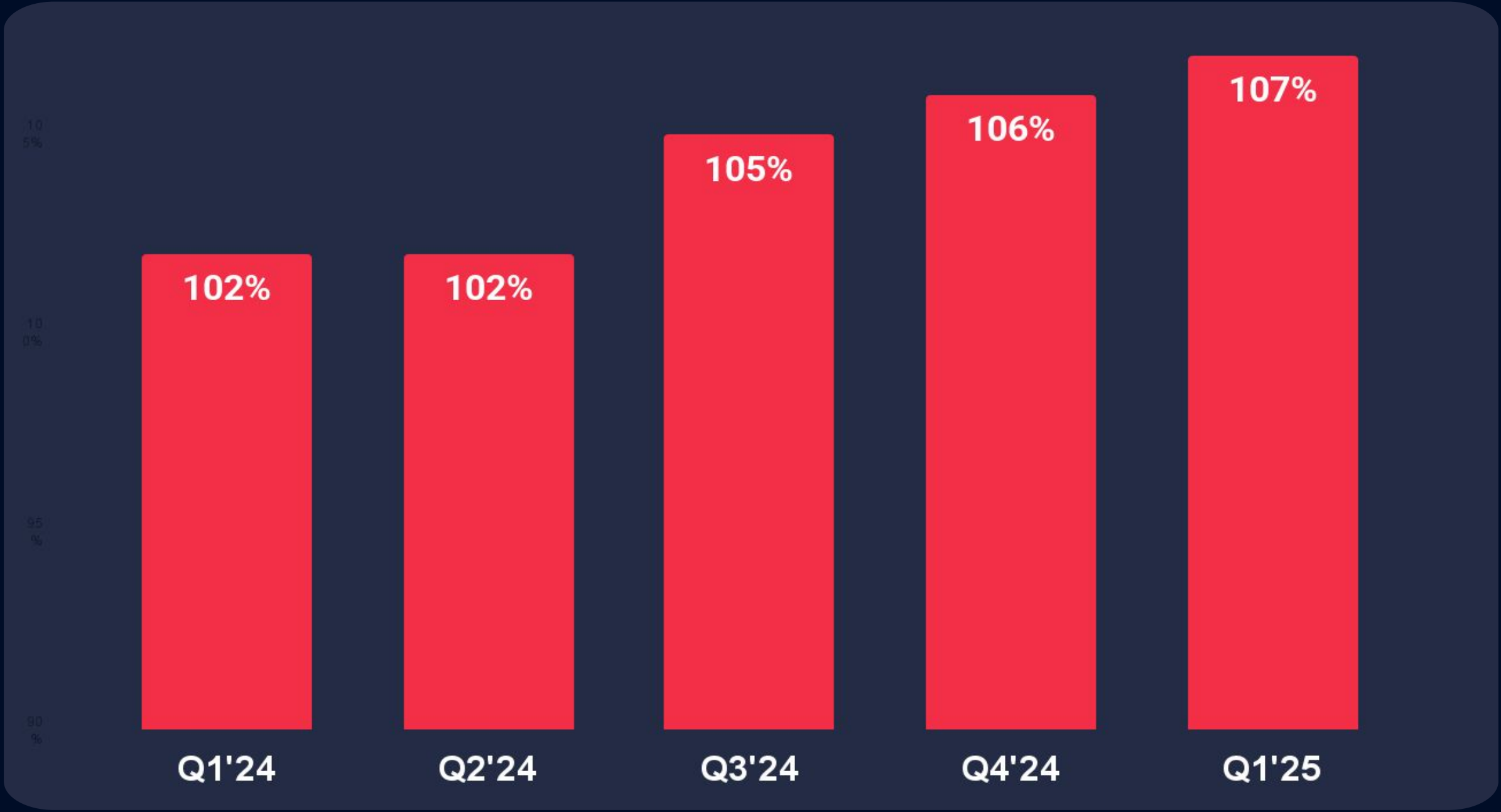


# Quarterly Organic Revenue Growth



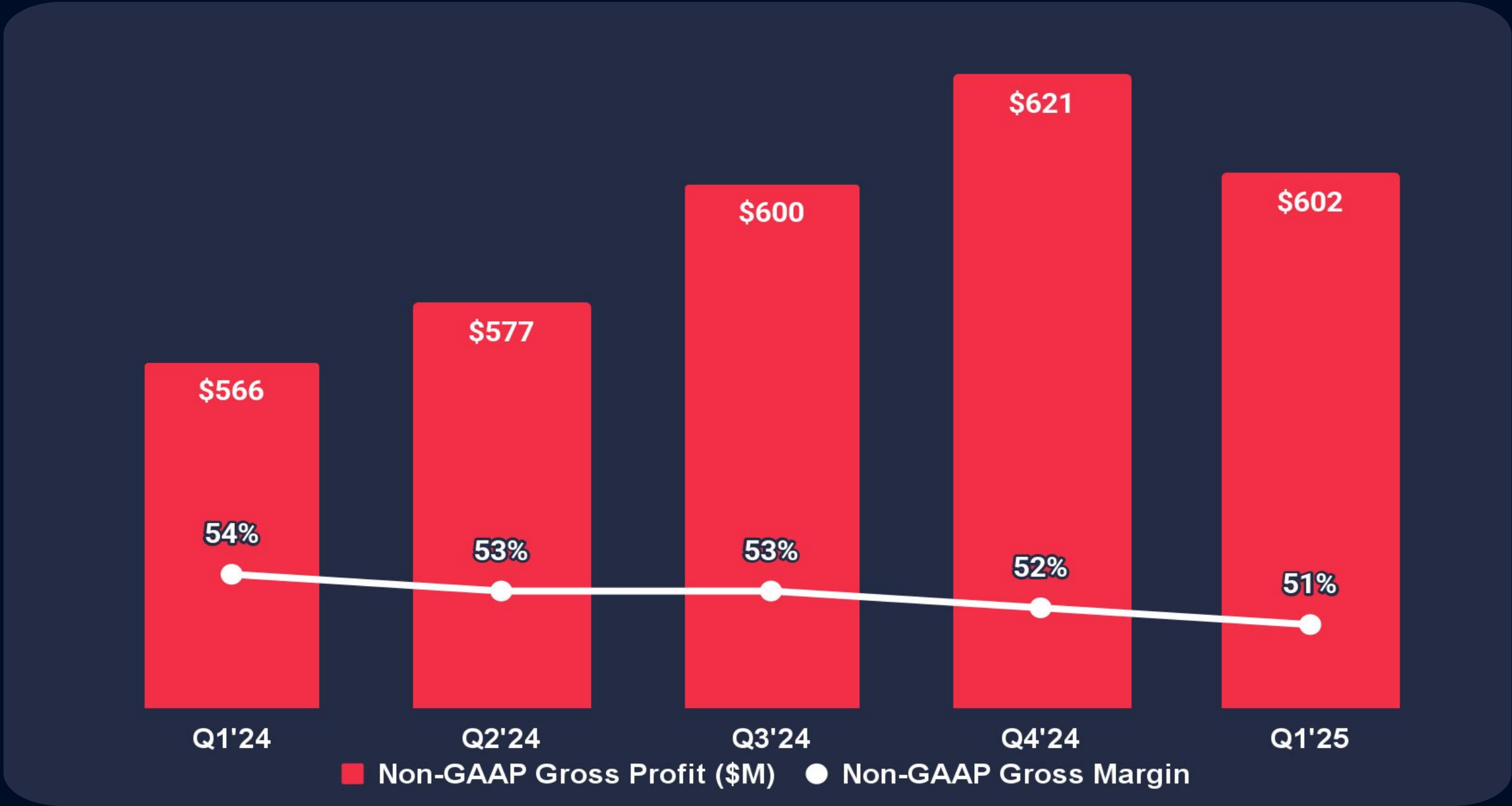
Note: Organic revenue is a non-GAAP financial measure. See Appendix for non-GAAP definitions and reconciliations.  
Note: As a full year has elapsed since Twilio's 2023 divestitures, starting in the third quarter of 2024, reported and organic revenue growth rates are equivalent.

# Dollar-Based Net Expansion Rate



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

# Non-GAAP Gross Profit

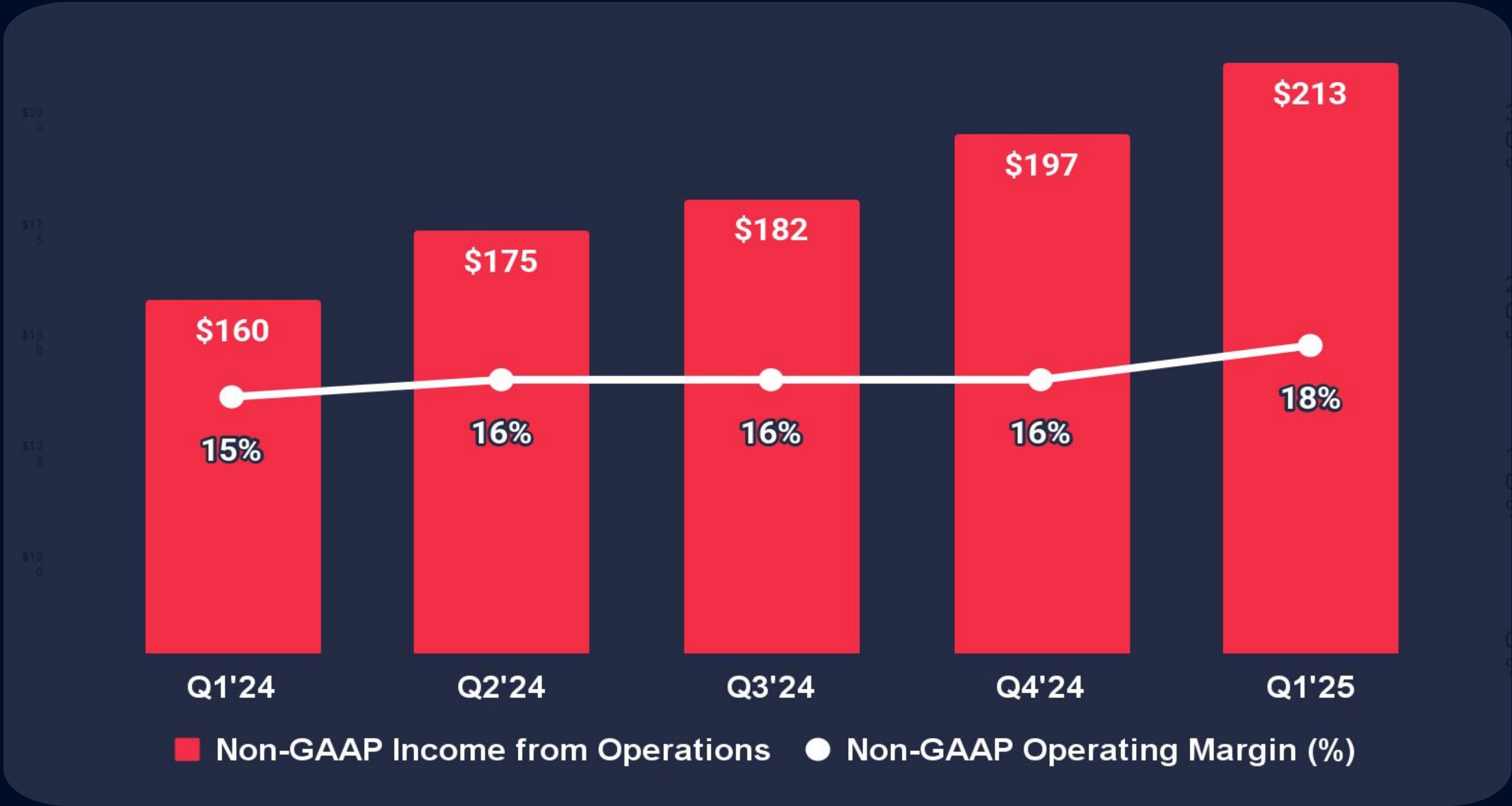


51%

Q1'25 Non-GAAP Gross Margin

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

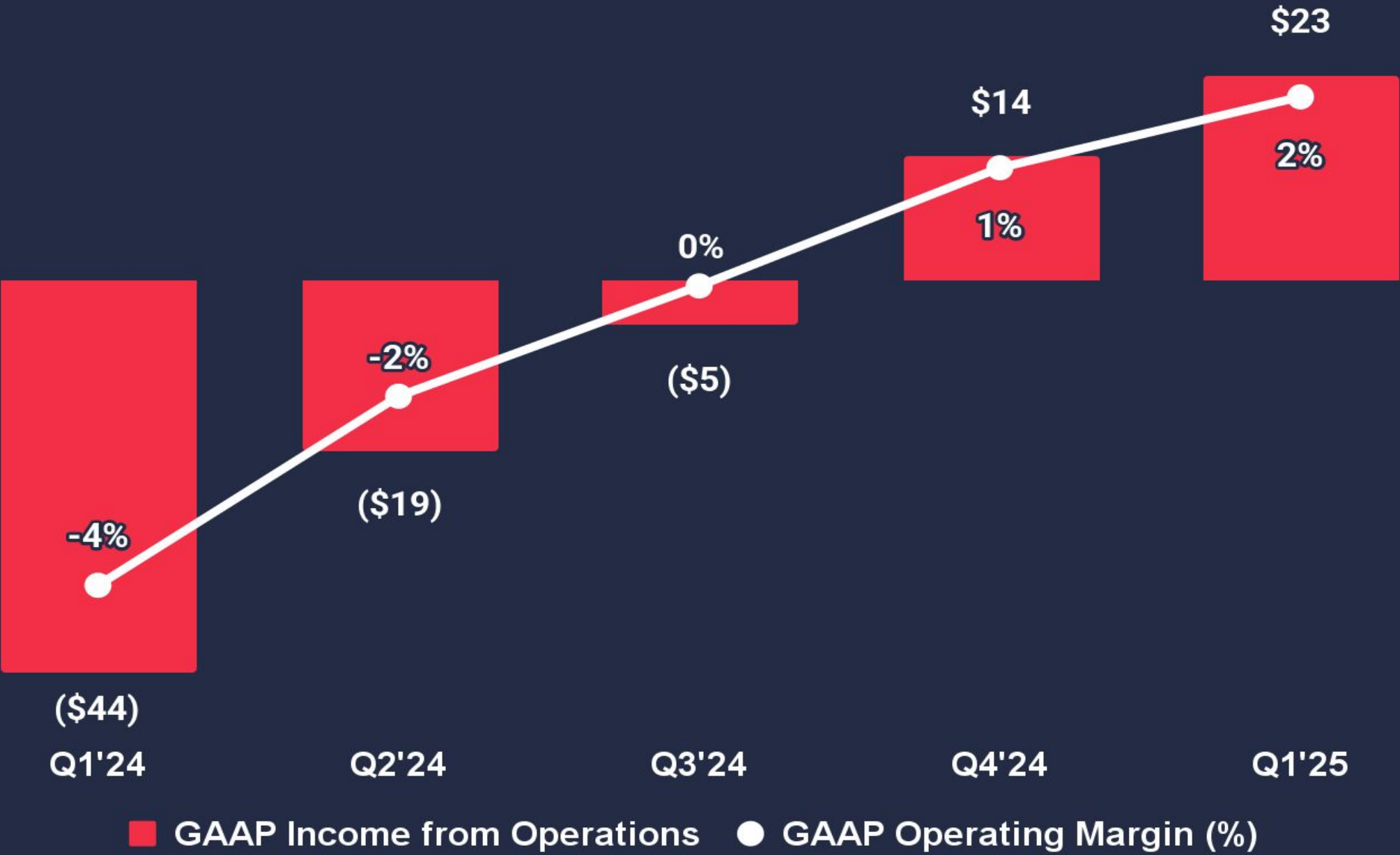
# Non-GAAP Income from Operations



**18%** Q1'25 Non-GAAP Operating Margin

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

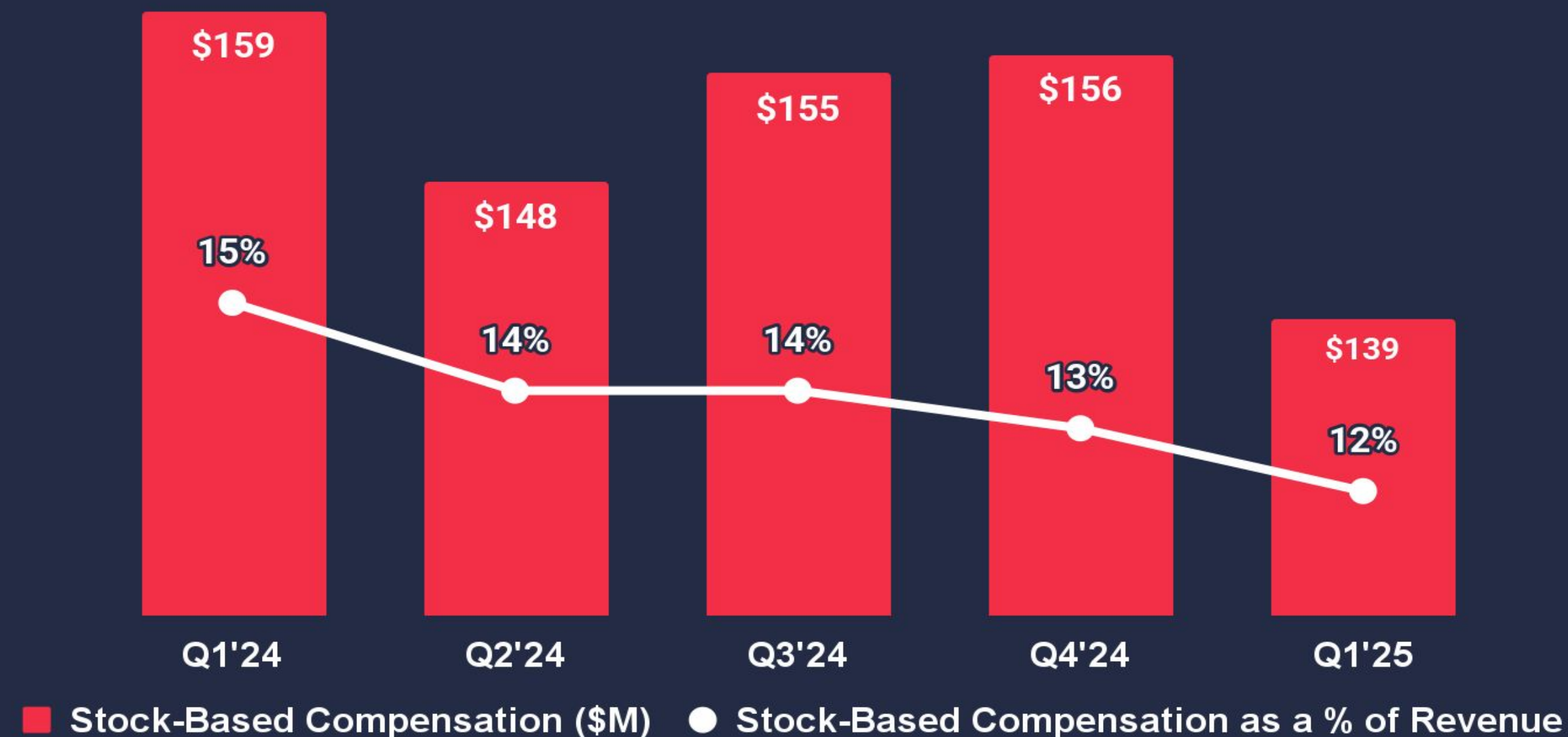
# GAAP Income from Operations



2%

Q1'25 GAAP  
Operating Margin

# Stock-Based Compensation Expense

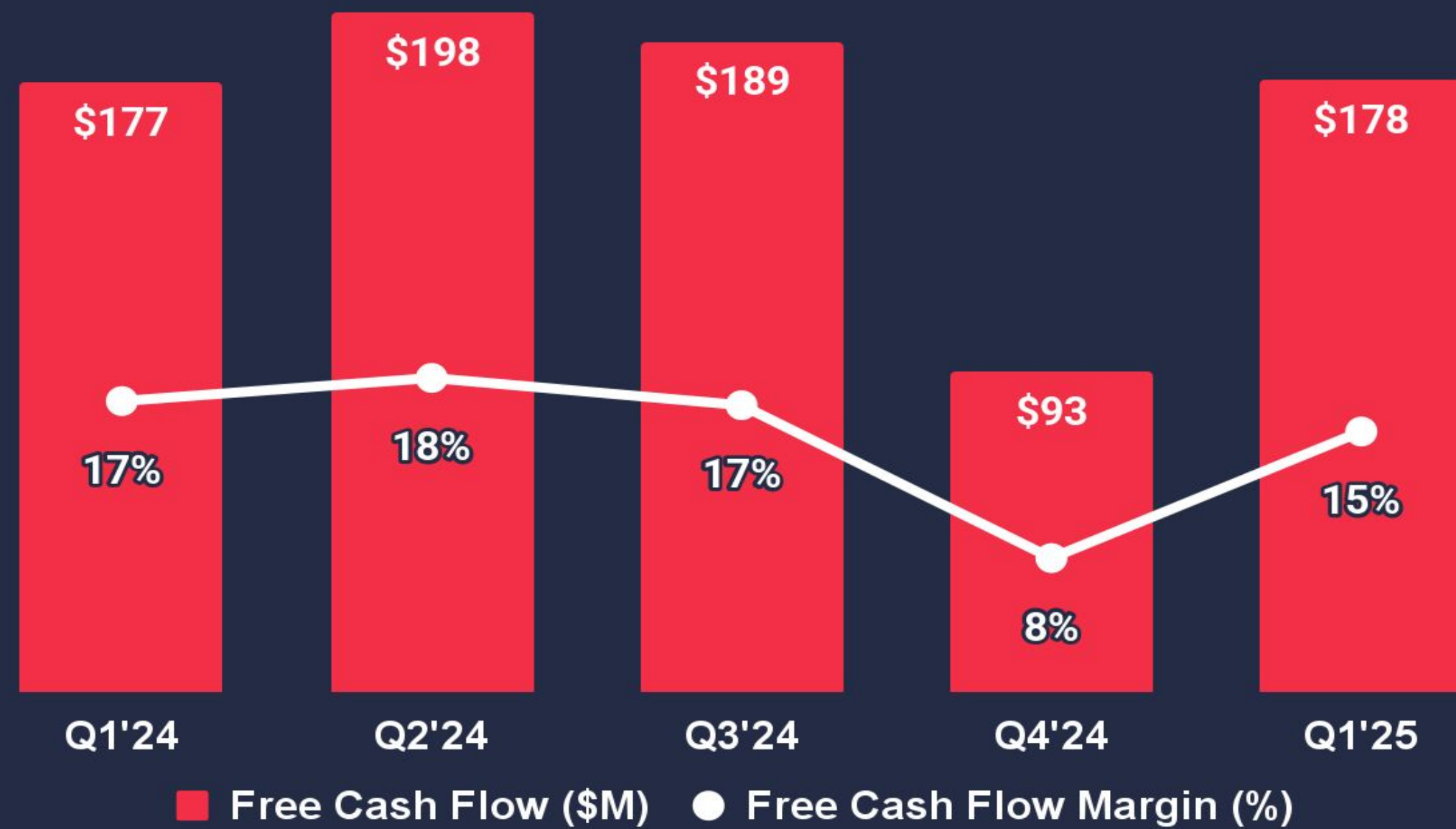


**12%**

Q1'25  
Stock-Based  
Compensation as  
a % of Revenue



# Free Cash Flow



**15%**

Q1'25 Free Cash Flow Margin

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



# **Q1 2025: Representative Customer Wins**

# Top Customer Wins from the Quarter

## Communications:

- Sierra, which helps businesses create better, more human customer experiences using AI, has become a Twilio customer. They chose Twilio's voice platform to launch their groundbreaking AI agents to the world.
- During the quarter, Twilio signed an eight figure deal with a leading identity and access management company to continue leveraging Twilio Messaging for 2FA.
- Twilio signed a new deal with a self serve customer, Synthflow, a German AI agent platform, that is integrating Twilio's Voice API into their product to power voice conversations with customers.
- Twilio signed a competitive takeout with Ylopo, a real estate digital marketing platform, to leverage Twilio's Voice APIs and Voice Software to enhance its calling capabilities. Facing issues with numbers being marked as spam, Ylopo is utilizing Twilio's Voice Integrity, a feature designed to help businesses improve call answer rates by mitigating spam labels.
- A last-mile delivery platform company signed a seven figure deal to expand Messaging into new markets. This originated from a single developer, self serve sign-up a few quarters ago. By leveraging our targeted activation and expansion strategies within Self Service, we've scaled this customer into a significant account now.

# Top Customer Wins from the Quarter (cont.)

## Communications (continued):

- Textus, a SMS engagement company, signed a deal to consolidate all of their messaging traffic onto Twilio while seeking better quality and deliverability.
- Yext is the leading digital presence platform for multi-location brands, with thousands of customers worldwide. With one central platform, brands can seamlessly deliver consistent, accurate, and engaging experiences and meaningfully connect with customers anywhere in the digital world. Expanded services include WhatsApp, Engagement Suite, and Conversations. These additions will enhance their two way messaging and voice capabilities as they look to deepen customer engagement in the financial services sector and beyond.
- Twilio signed a deal with a leading recruiting platform to strengthen its commitment to a secure and reliable hiring environment using Twilio's Verify and Lookups APIs. After a successful US rollout, they plan to expand globally.
- Twilio signed a committed deal with a leading financial technology company that leverages Twilio Flex to power their chat support. In addition, they utilize Voice APIs for their IVR and SMS for 2FA and account notifications.
- Twilio signed a deal with Retreaver, an inbound call tracking company, that is streamlining their operations by consolidating voice traffic from three vendors into a single provider. At the same time, they are enhancing their capabilities by adding voice recordings and conferencing.

# Top Customer Wins from the Quarter (cont.)

## Segment:

- RSG Group, a global fitness company, signed a new multi year deal with Twilio's Segment to improve customer support and marketing by unifying customer profiles into a single source of truth.
- Hargreaves Lansdown, a leading provider of investment services, has entered into a multi-year agreement with Twilio Segment to further enhance customer communication and relationships.
- A senior living operations management system signed a multi-year agreement with Segment and a Messaging deal to enhance communication and strengthen nurse-patient relationships.
- Twilio signed a seven figure Segment expansion deal with a leading medical devices company, focused on being the connective tissue across their medical devices, for R&D, data, and consumer engagement teams.
- Twilio signed an expansion deal with a leading cryptocurrency exchange to leverage Segment's capabilities to focus on retention and growth of their customer base.





**THANK YOU**



# Forward-Looking Statements

This presentation and the accompanying conference call contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “can,” “will,” “would,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “forecasts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this presentation and the accompanying conference call include, but are not limited to, statements about: our future financial and operating performance, including our expected financial and operating results, guidance and targets, including the assumptions underlying such guidance and targets; our anticipated strategies and business plans and our ability to successfully execute them; our ability to drive growth, profitability, free cash flow and stockholder returns and increase our market share; our expectations regarding capital returns to shareholders, including share repurchases; our expectations regarding our relationships with ISVs, partners and resellers, and our self-service and cross-sell efforts; 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; the effects of our go-to-market focus to capture market share; our strategy for streamlining and adding value to the customer experience; our ability to deliver on our product roadmap and our focus on innovation; and our expectations regarding the macroeconomic environment and the impact of global economic, political and industry conditions on our business, customers and partners. You should not rely upon forward-looking statements as predictions of future events.

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

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

# Operating Metrics

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

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

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

# Operating Metrics

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

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

# Non-GAAP Financial Measures

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

**Non-GAAP Gross Profit and Non-GAAP Gross Margin.** For the periods presented, we define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, adjusted to exclude stock-based compensation, amortization of acquired intangibles and payroll taxes related to stock-based compensation. Segment-level non-GAAP gross profit and non-GAAP gross margin are calculated using the same methodology, but using (and excluding, as applicable) only revenue and expenses attributable to the applicable segment.

**Non-GAAP Income (Loss) from Operations and Non-GAAP Operating Margin.** For the periods presented, we define non-GAAP income (loss) from operations and non-GAAP operating margin as GAAP income (loss) from operations and GAAP operating margin, respectively, adjusted to exclude, as applicable, stock-based compensation, amortization of acquired intangibles, loss on net assets divested, acquisition and divestiture related expenses, payroll taxes related to stock-based compensation, charitable contributions, restructuring costs, and impairment of long-lived assets. Segment-level non-GAAP income (loss) from operations and non-GAAP operating margin are calculated using the same methodology, but using (and excluding, as applicable) only revenue and expenses attributable to the applicable segment.



# Non-GAAP Financial Measures

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

**Organic Revenue.** For the periods presented, we define organic revenue as GAAP revenue, excluding (i) revenue from each acquired business and revenue from 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 organic revenue growth calculation. As a result, organic revenue used in this calculation for the comparative period will not always equal organic revenue reported for the comparative period.

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

# Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
<b>Non-GAAP gross profit and Non-GAAP gross margin</b>					
Revenue	\$ 1,047,050	\$ 1,082,502	\$ 1,133,649	\$ 1,194,835	\$ 1,172,463
GAAP gross profit	\$ 544,041	\$ 555,845	\$ 578,629	\$ 599,697	\$ 581,567
GAAP gross profit growth (Y/Y)					7 %
GAAP gross margin	52.0 %	51.3 %	51.0 %	50.2 %	49.6 %
Non-GAAP adjustments:					
Stock-based compensation	5,891	5,503	5,436	5,171	4,271
Amortization of acquired intangibles	15,682	15,682	15,682	15,682	15,682
Payroll taxes related to stock-based compensation	345	283	257	248	482
<b>Non-GAAP gross profit</b>	<u>\$ 565,959</u>	<u>\$ 577,313</u>	<u>\$ 600,004</u>	<u>\$ 620,798</u>	<u>\$ 602,002</u>
<b>Non-GAAP gross profit growth (Y/Y)</b>					6 %
<b>Non-GAAP gross margin</b>	54.1 %	53.3 %	52.9 %	52.0 %	51.3 %



# Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
<b>Non-GAAP income from operations and Non-GAAP operating margin</b>					
Revenue	\$ 1,047,050	\$ 1,082,502	\$ 1,133,649	\$ 1,194,835	\$ 1,172,463
GAAP gross profit	\$ 544,041	\$ 555,845	\$ 578,629	\$ 599,697	\$ 581,567
Non-GAAP adjustments:					
Stock-based compensation	5,891	5,503	5,436	5,171	4,271
Amortization of acquired intangibles	15,682	15,682	15,682	15,682	15,682
Payroll taxes related to stock-based compensation	345	283	257	248	482
Non-GAAP gross profit	\$ 565,959	\$ 577,313	\$ 600,004	\$ 620,798	\$ 602,002
GAAP operating expenses	\$ 587,545	\$ 574,882	\$ 583,523	\$ 585,970	\$ 558,485
Non-GAAP adjustments:					
Stock-based compensation	(150,267)	(142,154)	(148,395)	(150,612)	(133,249)
Amortization of acquired intangibles	(13,257)	(12,502)	(11,755)	(11,609)	(11,457)
Payroll taxes related to stock-based compensation	(6,431)	(3,227)	(792)	1,941	(10,718)
Charitable contributions	(1,295)	(15,315)	(1,301)	(1,996)	(2,776)
Restructuring costs	(9,946)	310	(3,694)	57	(11,691)
Non-GAAP operating expenses	\$ 406,349	\$ 401,994	\$ 417,586	\$ 423,751	\$ 388,594
GAAP (loss) income from operations	\$ (43,504)	\$ (19,037)	\$ (4,894)	\$ 13,727	\$ 23,082
GAAP income from operations growth (Y/Y)					153%
GAAP operating margin	(4.2)%	(1.8)%	(0.4)%	1.1%	2.0%
Non-GAAP adjustments:					
Stock-based compensation	156,158	147,657	153,831	155,783	137,520
Amortization of acquired intangibles	28,939	28,184	27,437	27,291	27,139
Payroll taxes related to stock-based compensation	6,776	3,510	1,049	(1,693)	11,200
Charitable contributions	1,295	15,315	1,301	1,996	2,776
Restructuring costs	9,946	(310)	3,694	(57)	11,691
<b>Non-GAAP income from operations</b>	\$ 159,610	\$ 175,319	\$ 182,418	\$ 197,047	\$ 213,408
<b>Non-GAAP income from operations growth (Y/Y)</b>					34%
<b>Non-GAAP operating margin</b>	15.2%	16.2%	16.1%	16.5%	18.2%



# Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
<b>Organic revenue</b>					
Total revenue	\$ 1,047,050	\$ 1,082,502	\$ 1,133,649	\$ 1,194,835	\$ 1,172,463
<b>Organic revenue</b>	\$ 1,047,050	\$ 1,082,502	\$ 1,133,649	\$ 1,194,835	\$ 1,172,463
<b>Revenue growth</b>	4 %	4 %	10 %	11 %	12 %
<b>Organic revenue growth</b>	7% <sup>1</sup>	7% <sup>2</sup>	10% <sup>3</sup>	11% <sup>4</sup>	12% <sup>5</sup>

<sup>1</sup> Q1'23 organic revenue, when used in the calculation of Q1'24 organic revenue growth, excludes \$28 million of divestiture revenue. Q1'23 revenue was \$1,007 million.

<sup>2</sup> Q2'23 organic revenue, when used in the calculation of Q2'24 organic revenue growth, excludes \$25 million of divestiture revenue. Q2'23 revenue was \$1,038 million.

<sup>3</sup> Q3'23 organic revenue, when used in the calculation of Q3'24 organic revenue growth, is equal to reported revenue. Q3'23 revenue was \$1,034 million.

<sup>4</sup> Q4'23 organic revenue, when used in the calculation of Q4'24 organic revenue growth, is equal to reported revenue. Q4'23 revenue was \$1,076 million.

<sup>5</sup> Q1'24 organic revenue, when used in the calculation of Q1'25 organic revenue growth, is equal to reported revenue.

# Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
<b>Free cash flow and free cash flow margin</b>					
Net cash provided by operating activities	\$ 190,123	\$ 213,343	\$ 204,329	\$ 108,446	\$ 191,042
Operating cash flow margin	18.2%	19.7%	18.0%	9.1%	16.3%
Non-GAAP adjustments:					
Capitalized software development costs	(11,154)	(14,681)	(14,424)	(11,549)	(11,564)
Purchases of long-lived and intangible assets	(1,671)	(1,085)	(792)	(3,430)	(1,163)
<b>Free cash flow</b>	<u>\$ 177,298</u>	<u>\$ 197,577</u>	<u>\$ 189,113</u>	<u>\$ 93,467</u>	<u>\$ 178,315</u>
<b>Free cash flow margin</b>	<u>16.9%</u>	<u>18.3%</u>	<u>16.7%</u>	<u>7.8%</u>	<u>15.2%</u>
Net cash provided by (used in) investing activities	\$ 189,770	\$ 784,614	\$ 267,355	\$ 129,098	\$ (19,140)
Net cash used in financing activities	\$ (363,229)	\$ (897,793)	\$ (642,780)	\$ (407,770)	\$ (125,794)



# Non-GAAP Financial Measures Reconciliation

(Dollars in thousands, unaudited)



	Three Months Ended		
	March 31, 2024	December 31, 2024	March 31, 2025
<b>Communications Non-GAAP gross profit and Non-GAAP gross margin</b>			
Revenue	\$ 972,005	\$ 1,120,782	\$ 1,096,806
Communications GAAP gross profit	488,001	547,988	527,319
Communications GAAP gross margin	50.2%	48.9%	48.1%
Non-GAAP adjustments:			
Stock-based compensation	4,313	3,939	3,217
Amortization of acquired intangibles	15,117	15,118	15,117
Payroll taxes related to stock-based compensation	274	215	373
<b>Communications Non-GAAP gross profit</b>	<b>\$ 507,705</b>	<b>\$ 567,260</b>	<b>\$ 546,026</b>
<b>Communications Non-GAAP gross margin</b>	<b>52.2%</b>	<b>50.6%</b>	<b>49.8%</b>

	Three Months Ended		
	March 31, 2024	December 31, 2024	March 31, 2025
<b>Segment Non-GAAP gross profit and Non-GAAP gross margin</b>			
Revenue	\$ 75,045	\$ 74,053	\$ 75,657
Segment GAAP gross profit	56,040	51,709	54,248
Segment GAAP gross margin	74.7%	69.8%	71.7%
Non-GAAP adjustments:			
Stock-based compensation	1,577	1,232	1,054
Amortization of acquired intangibles	566	564	565
Payroll taxes related to stock-based compensation	71	33	109
<b>Segment Non-GAAP gross profit</b>	<b>\$ 58,254</b>	<b>\$ 53,538</b>	<b>\$ 55,976</b>
<b>Segment Non-GAAP gross margin</b>	<b>77.6%</b>	<b>72.3%</b>	<b>74.0%</b>



# Operating Results by Segment

(Dollars in thousands, unaudited)



	Three Months Ended March 31, 2025		
	Communications	Segment	Total
<b>Operating Results by Segment</b>			
Revenue	\$ 1,096,806	\$ 75,657	\$ 1,172,463
Cost of revenue attributable to segments	550,780	19,681	570,461
Operating expenses attributable to segments	268,564	57,494	326,058
Segment non-GAAP income (loss) from operations	\$ 277,462	\$ (1,518)	\$ 275,944
<b>Non-GAAP operating margin:</b>			
	25.3%	(2.0)%	
Reconciliation of total segment non-GAAP income (loss) from operations to income from operations:			
Total segment non-GAAP income from operations		\$	275,944
Corporate costs not allocated to segments			(62,536)
Stock-based compensation			(137,520)
Amortization of acquired intangibles			(27,139)
Payroll taxes related to stock-based compensation			(11,200)
Charitable contributions			(2,776)
Restructuring costs			(11,691)
Income from operations			23,082
Other income, net			3,502
Income before provision for income taxes		\$	26,584