



4Q15 and 2015 Earnings Update 1Q16 and 2016 Outlook

February 4, 2016

Safe Harbor

This presentation includes forward-looking statements within the meaning of the federal securities laws. These statements relate to, among other things, our business strategy, goals and expectations concerning our market position, the size and growth of the markets in which we compete, our expansion up-market, our carrier relationships, our phone distribution model, the benefits that our customers will realize from our services, and our future financial and operating results.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct.

Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors including those that are described in greater detail in our filings with the Securities and Exchange Commission, including our Form 10-Q for the quarter ended September 30, 2015. All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the previous statements. We undertake no obligation to update any forward-looking statements that may be made to reflect events or circumstances that occur, or that we become aware of, after the date of this presentation.

4Q15 Financial Highlights

Revenue	Software Subscription	Grew 36% year-over-year to \$76.5 million
	Total	Grew 35% year-over-year to \$83.4 million
ARR	RingCentral Office	Increased 45% year-over-year to \$247.4 million
	Total	Increased 34% year-over-year to \$317.4 million
Gross Margin	Software Subscription	Software Subscriptions Gross Margin increased 5.4 points year-over-year to 78.7%
	Total	Total Gross Margin increased 5.0 points year-over-year to 73.3%
Upmarket	Customers 50+ users	Grew by over 100% year-over-year for 7th consecutive quarter
	Deferred Revenue	Grew by 43% year-over-year to \$37 million
Retention	Net Retention	Office net monthly subscription dollar retention was over 100%; overall over 99%
2015 Churn	Gross Churn	Gross annualized dollar churn for Office 11% in 2015 vs. 14% in 2014

Agreement with Westcon to Distribute Phones

- ▶ RNG previously distributed phones to customers
 - RNG resold third-party phones
 - RNG maintained inventory, handled A/R and warranty processing
- ▶ Westcon will now distribute phones to RNG customers
 - RNG will refer phone orders to Westcon as an agent
 - Westcon will now maintain inventory, handle A/R and warranty processing
- ▶ Agreement positions RNG for international reach
 - Westcon brings physical presence in 60 countries + global deployment in 170 countries

No Change to Customer Experience: seamless ordering and plug and play phone delivery continues

Strategic Rationale and Financial Impact

- ▶ New partnership allows both parties to focus on what they do best
 - RNG is a best-in-class global cloud business communications solutions provider
 - Westcon is best-in-class global distributor
- ▶ RNG, as an agent to Westcon, earns commission on referrals
 - Will no longer have phone revenue on future P&L
 - Agency commissions will appear in “Other” revenue line on P&L
- ▶ Results in higher overall gross margin for RNG
- ▶ No change to gross or operating profit for RNG
- ▶ Typical SaaS business model and balance sheet moving forward

Q1 and 2016 Outlook

\$ in millions except for EPS	Q1 2016	FY 2016
Software Subscription Revenue	\$77.5M - \$78.5M	\$337M - \$345M
Total Revenue	\$79.5M - \$82.5M	\$347M - \$357M
Subscription Gross Margin	76.5% - 77.5%	77% - 78%
Total Gross Margin	74% - 75%	75% - 76%
Operating Margin	0.0% - 0.5%	1.0% - 1.5%
Non-GAAP EPS	(\$0.01) - \$0.01	\$0.01 - \$0.05

Q1 2016 Outlook Comparison

Guidance Midpoints

\$ in millions except for EPS	Old Model ¹	New Model	Difference
Software Subscription Revenue / Growth %	\$78M / 30%	\$78M / 30%	No Change
Other Revenue / Growth %	-- / NA	\$3M ² / NA	+\$3.0M
Product Revenue / Growth %	\$6.5M / 20%	-- / NA	-\$6.5M
Total Revenue / Growth %	\$84.5M / 29%	\$81M / NA	-\$3.5M
Subscription Gross Margin	77.0%	77.0%	No Change
Total Gross Margin	71.5%	74.5%	+ 3.0 Points
Operating Margin	0.25%	0.25%	No Change
Non-GAAP EPS	\$0.00	\$0.00	No Change

1. As if operational model had not changed

2. Other Revenue includes commissions from Westcon, phone leases, professional implementation services, and promotional phones

2016 Outlook Comparison

Guidance Midpoints

\$ in millions except for EPS	Old Model ¹	New Model	Difference
Software Subscriptions Revenue / Growth %	\$341M / 26%	\$341M / 26%	No Change
Other Revenue / Growth %	-- / NA	\$11M ² / NA	+\$11M
Product Revenue / Growth %	\$31M / 24%	-- / NA	-\$31M
Total Revenue / Growth %	\$372M / 26%	\$352M / NA	-\$20M
Subscription Gross Margin	77.5%	77.5%	No Change
Total Gross Margin	71.5%	75.5%	+4.0 Points
Operating Margin	1.2%	1.3%	+10 bps
Non-GAAP EPS	\$0.03	\$0.03	No Change

1. As if operational model had not changed

2. Other Revenue includes commissions from Westcon, phone leases, professional implementation services, and promotional phones

