RingCentral®

Q1 2017 EARNINGS CALL

April 25, 2017

Safe Harbor and Non-GAAP Measures

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 channel partners, and our future financial and operating results, including our GAAP and non-GAAP guidance.

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-K for the year ended December 31, 2016. 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.

In this presentation, we provide certain non-GAAP financial measures, which are reconciled to their directly comparable GAAP financial measures. These reconciliations are presented in the Appendix at the end of this presentation.

We also provide guidance on forecasted non-GAAP EPS and non-GAAP operating margin. We have not reconciled the forecasted non-GAAP EPS to its respective forecasted GAAP measure because we do not provide guidance on it. We do not provide guidance on forecasted GAAP EPS because of the inherent uncertainty and complexity involved in forecasting the intercompany remeasurement gain (loss), which is a significant reconciling item between the non-GAAP and respective GAAP measure. The intercompany remeasurement gain (loss) is impacted by the movement in various exchange rates relative to the USD, which is difficult to predict and subject to constant change. The actual amount of intercompany remeasurement gain (loss) in the fiscal second quarter and full fiscal year of 2017 may have a significant impact on the Company's GAAP net income (loss) per diluted share. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

Q1 2017 Business Highlights

- Midmarket and Enterprise shows momentum
  - ARR over $115 million and grew 86% year-over-year
- Channel partners switching to cloud
  - Channel partners had a record quarter in new bookings, driving key deals in midmarket and enterprise
  - Financial troubles of legacy on-premise vendors helping RingCentral rapidly ramp up these partners
- Record enterprise bookings quarter
  - Closed six 7-figure total contract value deals
- Global Office traction continues
  - Introduced European offering allowing businesses headquartered in thirteen European countries to purchase RingCentral
  - Increased the number of Global Office enterprises to 700 from 600 last quarter

Q1 2017 Financial Highlights

- Annualized exit recurring software subscriptions (ARR)
  - RingCentral Office® up 39% year-over-year to $373 million
  - Total up 32% year-over-year to $451 million
- Revenue growth
  - Software Subscriptions up 30% year-over-year to $104 million
  - Total up 29%(1) year-over-year to $112 million
- Channel momentum
  - Strongest bookings quarter for channel partners
  - Growth of over 100% year-over-year and represents more than 60% of total indirect bookings
- Land and expand
  - Over 40% of new RC Office business from existing customers
- Software subscription gross margin
  - GAAP: 80.5% up 140 basis points year-over-year
  - Non-GAAP: 81.3% up 120 basis points year-over-year

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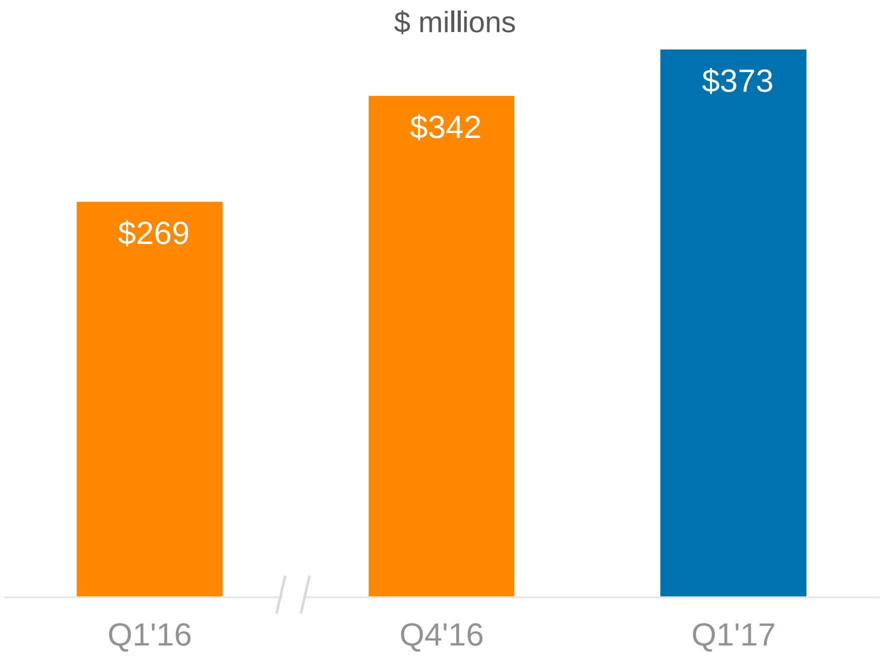
(1) In 1Q'17, RingCentral transitioned from an agency model to a direct phone sales model, in which RingCentral will be recognizing the full sale price and cost of the product instead of receiving a commission for phone sales. The impact of transition resulted in a 2% increase in year on year revenue growth for Q1'17.

Q1 2017 RingCentral Office ARR

RingCentral Office ARR Grew 39% Y/Y



- Office ARR
  - $373 million
  - Up 39% Y/Y
- Net Monthly Subscription Dollar Retention
  - Over 100%

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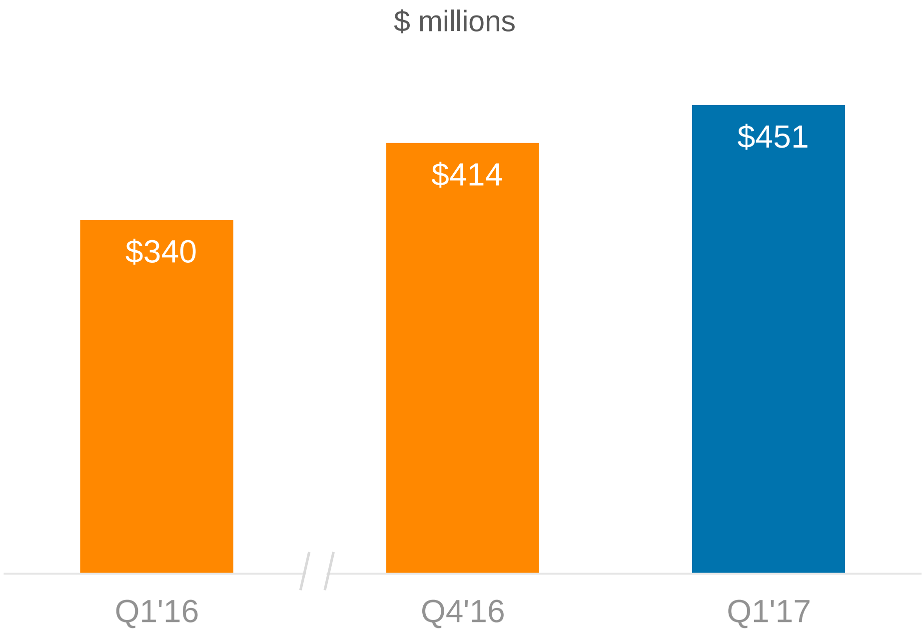
Q1 2017 Total ARR

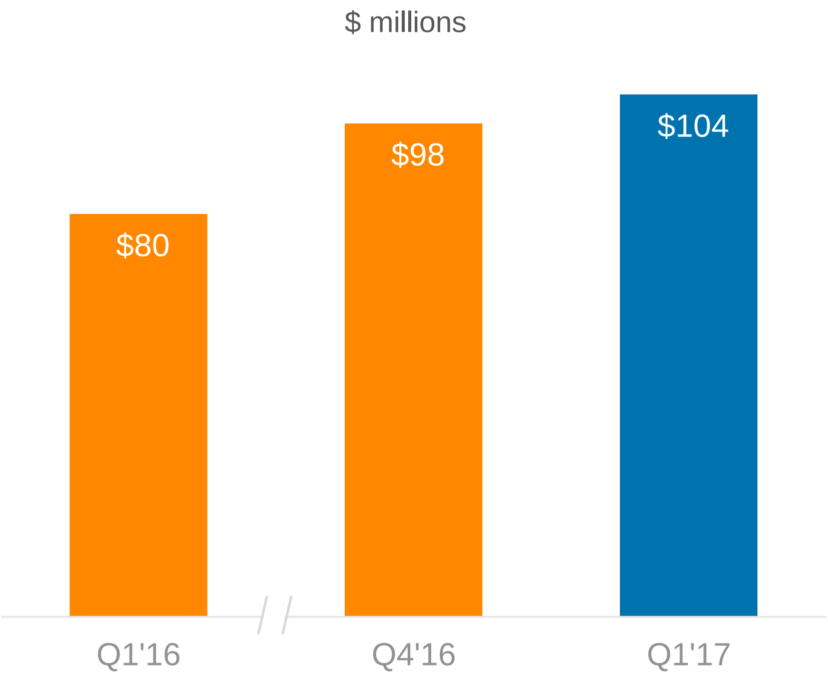
Total ARR Grew 32% Y/Y



- Total ARR
  - $451 million
  - Up 32% Y/Y
- Net Monthly Subscription Dollar Retention
  - Over 99%

Q1 2017 Software Subscriptions Revenue

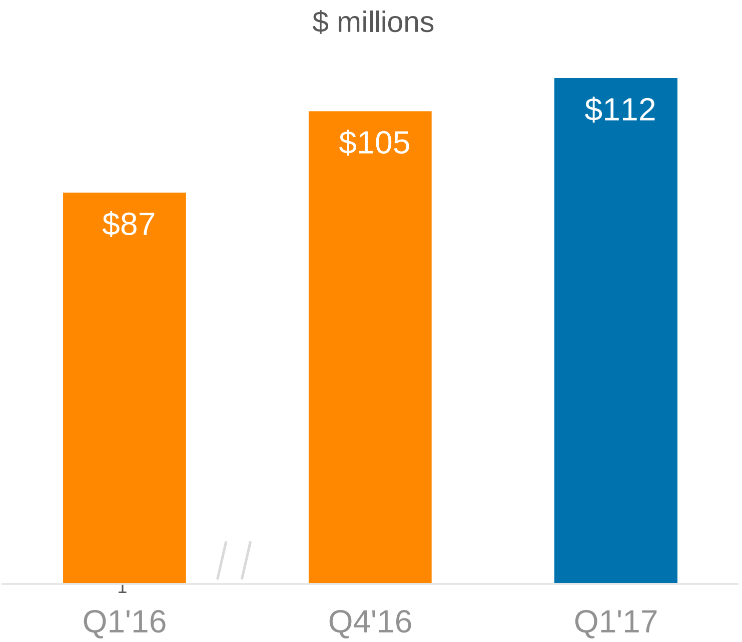
Subscriptions Revenue Grew 30% Y/Y



- Software Subscriptions Revenue
  - $104 million
  - Up 30% Y/Y

Q1 2017 Total Revenue

Total Revenue Grew 29% Y/Y



- Total Revenue
  - $112 million
  - Up 29% Y/Y(1)

(1) In 1Q'17, RingCentral transitioned from an agency model to a direct phone sales model, in which RingCentral will be recognizing the full sale price and cost of the product instead of receiving a commission for phone sales. The impact of transition resulted in a 2% increase in year on year revenue growth for Q1'17.

Q1 2017 Financial Highlights at-a-Glance

Revenue	**Software Subscriptions**	Grew 30% year-over-year to $104 million
	Total Revenue	Grew 29%[1] year-over-year to $112 million
ARR	**RingCentral Office**	Grew 39% year-over-year to $373 million
	Total ARR	Grew 32% year-over-year to $451 million
Mid-Market & Enterprise	**ARR**	Over $115 million and up 86% year-over-year
	Land and Expand	40%+ of new Office sales came from existing customers
Indirect	**Channel Partners**	Grew 100%+ year-over-year; 60% of overall indirect new bookings
Retention	**Net Retention**	Office net monthly subscription dollar retention was over 100%; overall over 99%
Non-GAAP Gross Margin	**Software Subscriptions**	Increased 120 bps year-over-year to 81.3%
	Total Gross Margin	Increased 60 bps year-over-year to 76.4%

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Q2 2017 and FY2017 Guidance

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Q2 2017 and FY2017 Guidance

Raising FY2017 Outlook

$ in millions except for EPS	Q2 2017	Previous FY2017[1]	Revised FY2017
Software Revenue	$108.5M - $109.5M	$447M - $454M	$450M - $456M
Software Revenue Growth Y/Y	26% - 27%	26% - 28%	26% - 28%
Total Revenue	$117M - $119M	$484M - $492M	$486M - $494M
Total Revenue Growth Y/Y**	27% - 30%	27% - 30%	28% - 30%
Non-GAAP Operating Margin	2.0% - 2.5%	2.5% - 3.0%	2.5% - 3.0%
Non-GAAP EPS	$0.02 - $0.04	$0.13 - $0.17	$0.14 - $0.18

(1) Previous 2017 guidance provided February 13, 2017

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Appendix-
Reconciliation of GAAP to Non-GAAP Financial Measures

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RECONCILIATION OF OPERATING INCOME (LOSS)
GAAP MEASURES TO NON-GAAP MEASURES
(Unaudited, in thousands)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues		
Software subscriptions	$ 103,687	$ 79,978
Other	8,104	6,560
Total revenues	111,791	86,538
Cost of revenues reconciliation		
GAAP Software subscriptions cost of revenues	20,263	16,723
Stock-based compensation	(725)	(634)
Amortization of acquisition intangibles	(151)	(151)
Non-GAAP Software subscriptions cost of revenues	19,387	15,938
GAAP Other cost of revenues	7,043	5,017
Stock-based compensation	(32)	(19)
Non-GAAP Other cost of revenues	7,011	4,998
Gross profit and gross margin reconciliation		
Non-GAAP Subscriptions	81.3%	80.1%
Non-GAAP Other	13.5%	23.8%
Non-GAAP Gross profit	76.4%	75.8%
Operating expenses reconciliation		
GAAP Research and development	17,087	14,926
Stock-based compensation	(1,859)	(1,638)
Acquisition related matters	(265)	(242)
Non-GAAP Research and development	14,963	13,046
As a % of total revenues non-GAAP	13.4%	15.1%
GAAP Sales and marketing	58,894	41,828
Stock-based compensation	(3,525)	(2,190)
Amortization of acquisition intangibles	(104)	(105)
Non-GAAP Sales and marketing	55,265	39,533
As a % of total revenues non-GAAP	49.4%	45.7%
GAAP General and administrative	15,805	14,024
Stock-based compensation	(2,794)	(2,256)
Acquisition related matters	-	(11)
Non-GAAP General and administrative	13,011	11,757
As a % of total revenues non-GAAP	11.6%	13.6%
Income (loss) from operations reconciliation		
GAAP loss from operations	(7,301)	(5,980)
Stock-based compensation	8,935	6,737
Amortization of acquisition intangibles	255	256
Acquisition related matters	265	253
Non-GAAP Income (loss) from operations	$ 2,154	$ 1,266
Non-GAAP Operating margin	1.9%	1.5%

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RECONCILIATION OF NET INCOME (LOSS)
GAAP MEASURES TO NON-GAAP MEASURES
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2017	**2016**
Net Income (loss) reconciliation		
GAAP Net loss	$ (7,309)	$ (6,613)
Stock-based compensation	8,935	6,737
Amortization of acquisition intangibles	255	256
Acquisition related matters	265	253
Intercompany remeasurement loss	(43)	337
Non-GAAP Net income	$ 2,103	$ 970
Basic and diluted net income (loss) per share		
Reconciliation between GAAP and non-GAAP weighted average shares used in computing basic and diluted net income / (loss) per common share:		
Weighted average number of shares used in computing net loss per share	74,682	72,114
Effect of dilutive securities	4,973	3,109
Non-GAAP weighted average shares used in computing non-GAAP net income per share	79,655	75,223
GAAP Net loss per share	$ (0.10)	$ (0.09)
Non-GAAP Net income per share	$ 0.03	$ 0.01

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RECONCILIATION OF FORECASTED GAAP OPERATING MARGIN TO

FORECASTED NON-GAAP OPERATING MARGIN

(in millions, except per share data)

(unaudited)

	Q2 2017		FY 2017	
	Low Range	**High Range**	**Low Range**	**High Range**
GAAP revenues	$ 117.0	$ 119.0	$ 486.0	$ 494.0
GAAP loss from operations	(9.4)	(7.6)	(34.7)	(27.6)
GAAP operating margin	(8.0%)	(6.4%)	(7.1%)	(5.6%)
Stock-based compensation	11.2	10.2	45.5	41.2
Amortization of acquisition intangibles and acquisition related matters	0.5	0.4	1.3	1.2
Non-GAAP income from operations	$ 2.3	$ 3.0	$ 12.2	$ 14.8
Non-GAAP operating margin	2.0%	2.5%	2.5%	3.0%

RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW
GAAP MEASURES TO NON-GAAP MEASURES
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2017	2016
Free cash flow reconciliation		
Net cash provided by operations	$ 8,710	$ 4,809
Cash outflows for capital expenditures	(6,795)	(2,462)
Free cash flow	$ 1,915	$ 2,347

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RECONCILIATION OF FORECASTED OPERATING CASH FLOW TO FREE CASH FLOW
(Unaudited, in millions)

	FY2017	
Free cash flow reconciliation	**Low Range**	**High Range**
Net cash provided by operations	$ 33.0	$ 42.0
Cash outflows for capital expenditures	(25.0)	(30.0)
Free cash flow	$ 8.0	12.0

THANK YOU

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