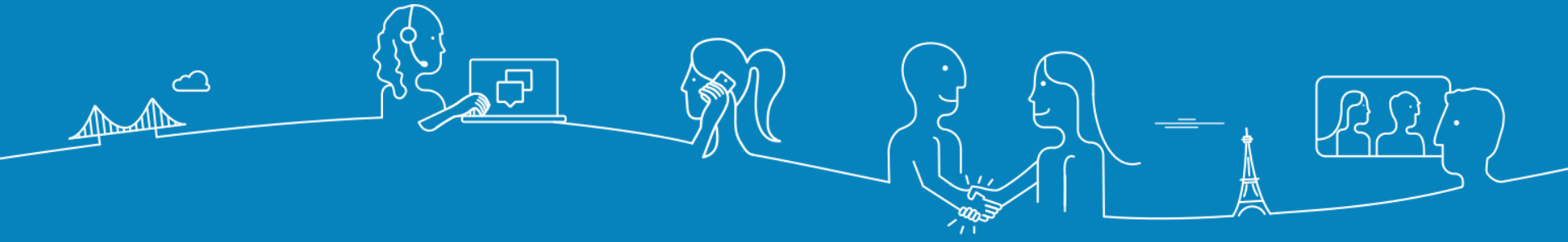


Q1 2018 Earnings Presentation

Strong results | Increasing FY18 guidance | May 9, 2018



RingCentral[®]

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 and goals, our momentum with mid-market and enterprise customers, 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, 2017. 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 historical 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. In addition, prior-period information has been restated for the adoption of ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on January 1, 2018.

We also provide guidance on forecasted core subscription revenue growth, non-GAAP operating margin, and non-GAAP EPS. Reconciliations of our forecasted non-GAAP operating margin and core subscription revenue growth to the most directly comparable GAAP financial measures are presented in the Appendix at the end of this presentation. 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 could be 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. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

We also provide other measures such as software subscriptions annualized exit monthly recurring subscriptions (ARR), RingCentral Office® ARR, mid-market and enterprise business ARR, enterprise business ARR and channel partner ARR and bookings.

Q1 2018 Business Highlights

- **Strong revenue growth**
 - Total revenue of \$150M, up 34% Y/Y, up from 30% in Q1 of the previous year
 - Software subscriptions revenue of \$137M, up 32% Y/Y, and up from 30% in Q1 of the previous year
 - Core⁽¹⁾ subscriptions revenue growth of 37% Y/Y, up from 32% in Q1 of the previous year
- **Mid-market and enterprise business⁽²⁾ momentum**
 - Grew 77% year over year and contributed over 50% of new Office business
 - ARR of \$205 million
- **Enterprise business⁽³⁾ ARR over \$100M**
 - Grew more than 110% Y/Y
 - ARR of \$102M
- **Channel partners continue to deliver**
 - Grew ~100% Y/Y
 - ARR of \$116M

(1) Core Subscriptions is defined as Software Subscriptions Revenue excluding the impact of AT&T

(2) Mid-market and enterprise business is defined as subscribers of 50 seats or greater

(3) Enterprise business is defined as RingCentral Office customers who generate \$100,000 or greater annualized recurring revenue (ARR)

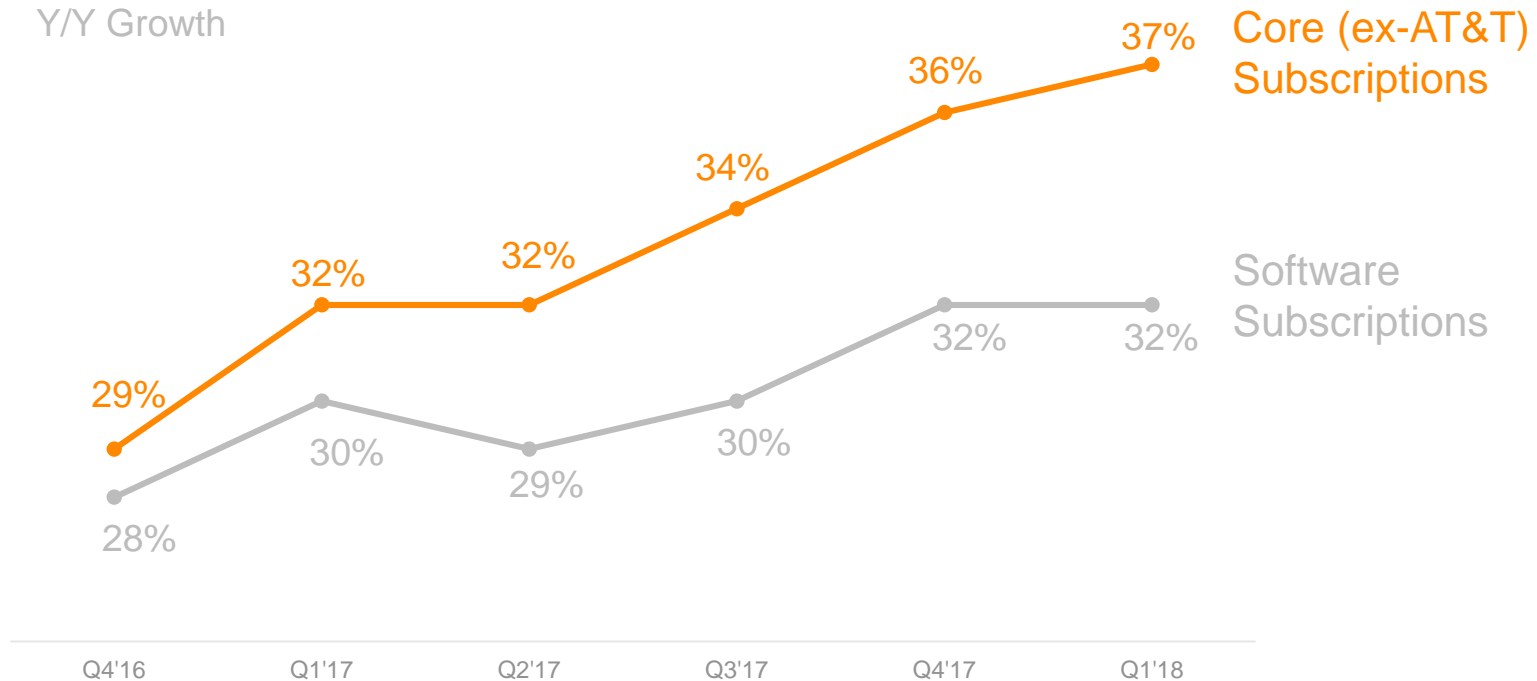
Q1 2018 Guidance and Results

\$ in millions except for EPS	Guidance	Results
Subscriptions Revenue	\$134M - \$135M	\$137M
Subscriptions Revenue Growth Y/Y	29% - 30%	32%
Core Subscriptions Revenue Growth Y/Y ⁽¹⁾	33% - 35%	37%
Total Revenue	\$144.5M - \$146.5M	\$150M
Total Revenue Growth Y/Y	29% - 31%	34%
GAAP Operating Margin	(4.4%) – (3.2%)	(0.9%)
Non-GAAP Operating Margin	7.0% - 7.6%	8.6%
Non-GAAP EPS	\$0.11 - \$0.13	\$0.16

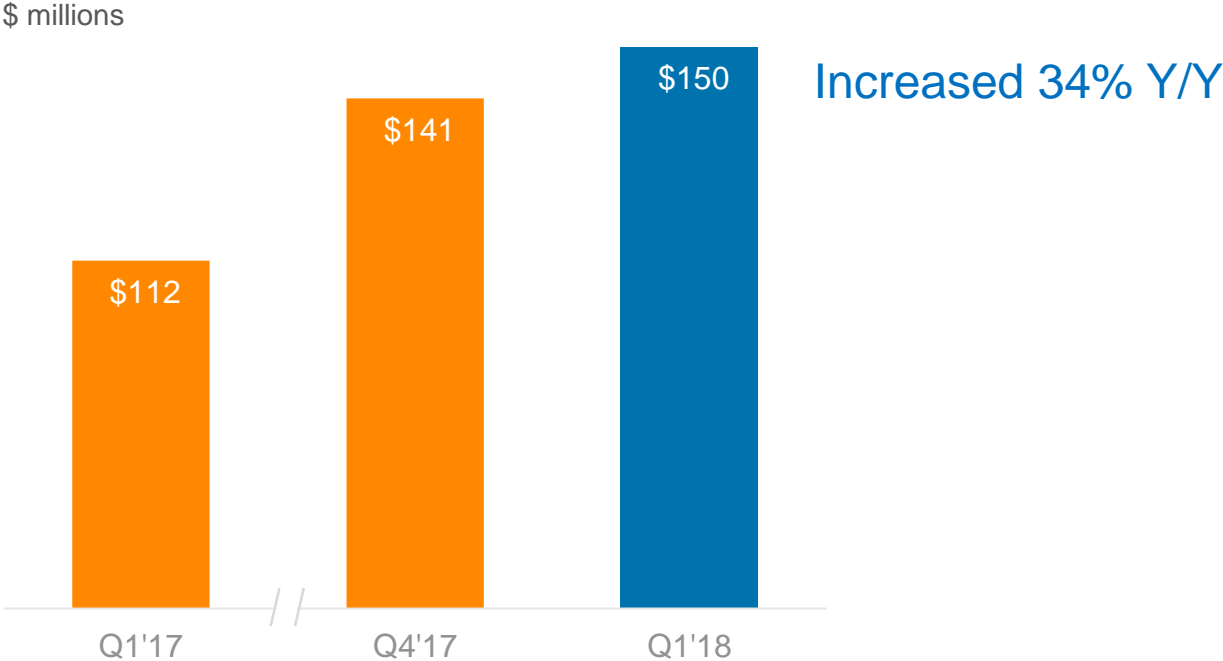
(1) Core Subscriptions Revenue Growth is defined as Subscriptions Revenue Growth excluding the impact of AT&T

Core Subscriptions Revenue Growth

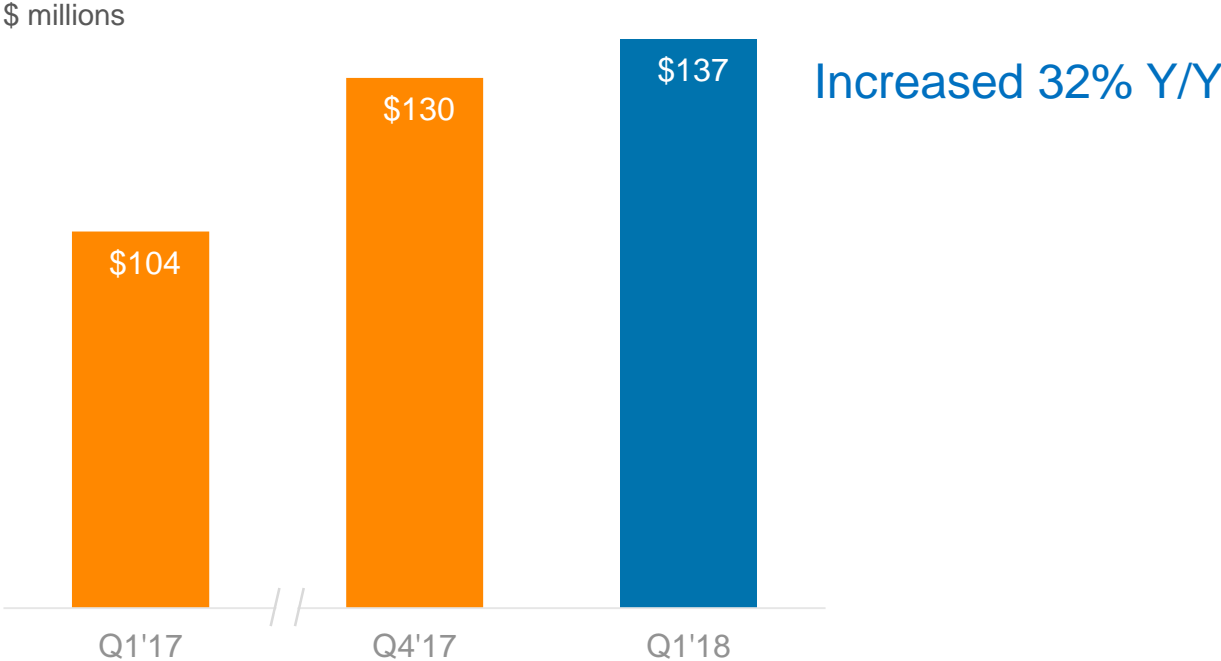
Grew 37% Y/Y, up sequentially from 36% and up from 32% in Q1 of the previous year



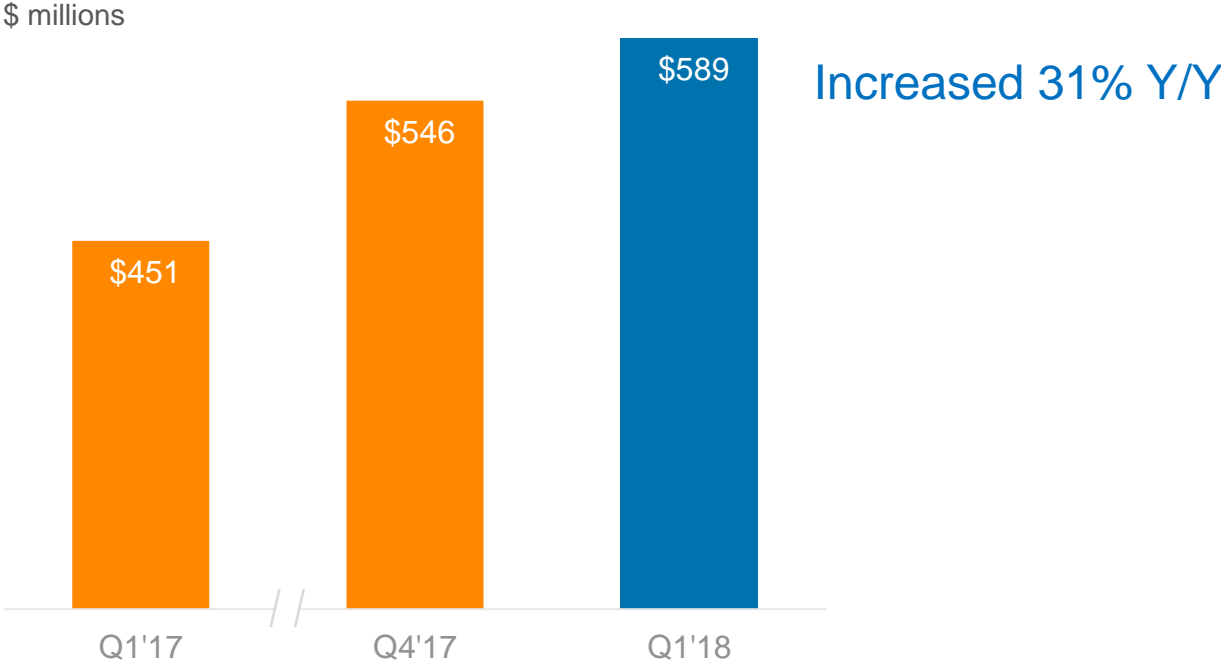
Q1 2018 Total Revenue



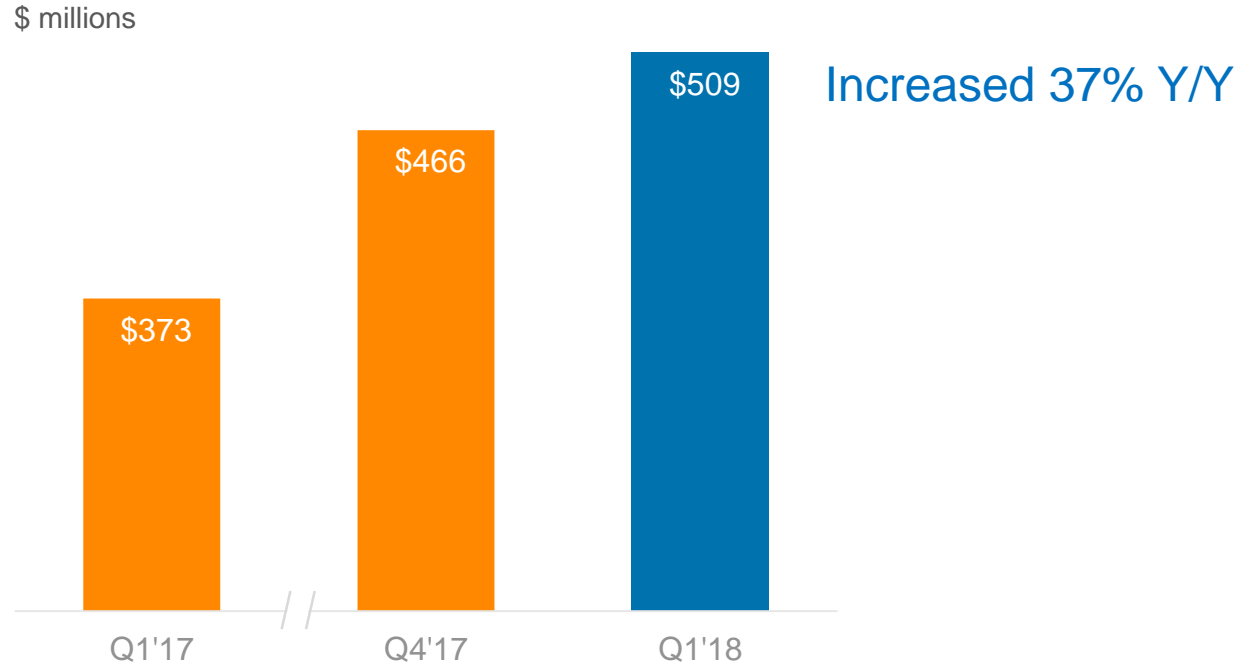
Q1 2018 Software Subscriptions Revenue



Q1 2018 Total Software Subscriptions ARR



Q1 2018 RingCentral Office ARR



Q1 2018 Financial Highlights at-a-Glance

Revenue	Total Revenue	\$150 million, 34% Y/Y growth
	Software Subscriptions	\$137 million, 32% Y/Y growth
	Core Subscriptions ⁽¹⁾	\$125 million, 37% Y/Y growth
ARR	Total ARR	\$589 million, 31% Y/Y growth
	RingCentral Office	\$509 million, 37% Y/Y growth
	Mid-Market & Enterprise ⁽²⁾	\$205 million, 77% Y/Y growth
	Enterprise ⁽³⁾	\$102 million, >110% Y/Y growth
	Channel Partners	\$116 million, ~100% Y/Y growth

(1) Core Subscriptions Revenue is defined as Software Subscriptions Revenue excluding the impact of AT&T

(2) Mid-market and enterprise business is defined as subscribers of 50 seats or greater

(3) Enterprise business is defined as RingCentral Office customers who generate \$100,000 or greater annualized recurring revenue (ARR)

Guidance



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Raising FY 2018 Guidance

\$ in millions except for EPS	Prior	Updated
Subscriptions Revenue	\$581M - \$589M	\$588M - \$594M
Subscriptions Revenue Growth Y/Y	25% - 27%	26% - 28%
Core Subscriptions Revenue Growth Y/Y ⁽¹⁾	31% - 33%	32% - 34%
Total Revenue	\$629M - \$639M	\$638M - \$647M
Total Revenue Growth Y/Y	25% - 27%	27% - 28%
GAAP Operating Margin	(4.5%) – (3.5%)	(4.0%) – (3.4%)
Non-GAAP Operating Margin	7.8% - 8.2%	8.1% - 8.3%
Non-GAAP EPS	\$0.56 - \$0.60	\$0.61 - \$0.65

(1) Core Subscriptions Revenue Growth is defined as Subscriptions Revenue Growth excluding the impact of AT&T

Q2 2018 Guidance

\$ in millions except for EPS	Q2 2018
Subscriptions Revenue	\$142.5M - \$143.5M
Subscriptions Revenue Growth Y/Y	28% - 29%
Core Subscriptions Revenue Growth Y/Y ⁽¹⁾	34% - 35%
Total Revenue	\$154.5M - \$156.5M
Total Revenue Growth Y/Y	29% - 31%
GAAP Operating Margin	(5.3%) – (4.3%)
Non-GAAP Operating Margin	7.5% - 8.0%
Non-GAAP EPS	\$0.14 - \$0.16

(1) Core Subscriptions Revenue Growth is defined as Subscriptions Revenue Growth excluding the impact of AT&T

Non-GAAP Reconciliation Tables

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

	Three Months Ended	
	March 31,	
	2018	2017
		*As Adjusted
Revenues		
Software subscriptions	\$ 136,960	\$ 104,130
Other	13,383	8,104
Total revenues	<u>150,343</u>	<u>112,234</u>
Cost of revenues reconciliation		
GAAP Software subscriptions cost of revenues	24,526	20,263
Stock-based compensation	(876)	(725)
Amortization of acquisition intangibles	(151)	(151)
Non-GAAP Software subscriptions cost of revenues	<u>23,499</u>	<u>19,387</u>
GAAP Other cost of revenues	11,148	7,043
Stock-based compensation	(134)	(32)
Non-GAAP Other cost of revenues	<u>11,014</u>	<u>7,011</u>
Gross profit and gross margin reconciliation		
Non-GAAP Subscriptions	82.8%	81.4%
Non-GAAP Other	17.7%	13.5%
Non-GAAP Gross profit	77.0%	76.5%
Operating expenses reconciliation		
GAAP Research and development	22,651	17,087
Stock-based compensation	(3,094)	(1,859)
Acquisition related matters	-	(265)
Non-GAAP Research and development	<u>19,557</u>	<u>14,963</u>
As a % of total revenues non-GAAP	13.0%	13.3%
GAAP Sales and marketing	71,920	54,265
Stock-based compensation	(5,041)	(3,525)
Amortization of acquisition intangibles	(916)	(104)
Non-GAAP Sales and marketing	<u>65,963</u>	<u>50,636</u>
As a % of total revenues non-GAAP	43.9%	45.1%
GAAP General and administrative	21,449	15,805
Stock-based compensation	(4,122)	(2,794)
Non-GAAP General and administrative	<u>17,327</u>	<u>13,011</u>
As a % of total revenues non-GAAP	11.5%	11.6%
Income (loss) from operations reconciliation		
GAAP loss from operations	(1,351)	(2,229)
Stock-based compensation	13,267	8,935
Amortization of acquisition intangibles	1,067	255
Acquisition related matters	-	265
Non-GAAP Income from operations	<u>12,983</u>	<u>7,226</u>
Non-GAAP Operating margin	8.6%	6.4%

* Prior-period information has been restated for the adoption of ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on January 1, 2018.

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

	Three Months Ended	
	2018	2017
		*As Adjusted
Net Income (loss) reconciliation		
GAAP net loss	\$ (2,716)	\$ (2,237)
Stock-based compensation	13,267	8,935
Amortization of acquisition intangibles	1,067	255
Acquisition related matters	—	265
Amortization of debt discount and issuance costs	1,370	—
Intercompany remeasurement loss (gain)	274	(43)
Income tax expense effects **	—	—
Non-GAAP net income	<u>\$ 13,262</u>	<u>\$ 7,175</u>
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	78,341	74,682
Effect of dilutive securities	<u>6,629</u>	<u>4,973</u>
Non-GAAP weighted average shares used in computing non-GAAP net income per share	84,970	79,655
GAAP Net loss per share	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>
Non-GAAP Net income per share	<u>\$ 0.16</u>	<u>\$ 0.09</u>

* Prior-period information has been restated for the adoption of ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on January 1, 2018.

** The non-GAAP adjustments do not have an impact on our income tax provision due to our continued history of non-GAAP losses and full valuation allowance.

RINGCENTRAL, INC.
RECONCILIATION OF CORE SOFTWARE SUBSCRIPTION REVENUE
GAAP MEASURES TO NON-GAAP MEASURES
(Unaudited, in millions)

	Three Months Ended				
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018
Core subscription revenue reconciliation					
Software subscriptions	104.1	110.9	119.9	130.3	137.0
AT&T software subscriptions revenues	(12.9)	(12.9)	(13.5)	(14.2)	(12.3)
Core subscription revenue	91.2	98.0	106.4	116.1	124.7

RINGCENTRAL, INC.
RECONCILIATION OF FORECASTED GAAP OPERATING MARGIN TO
FORECASTED NON-GAAP OPERATING MARGIN
(in millions, except per share data)
(unaudited)

	Q2 2018		FY 2018	
	Low Range	High Range	Low Range	High Range
GAAP revenues	154.5	156.5	638.0	647.0
GAAP loss from operations	(8.2)	(6.8)	(25.7)	(21.7)
GAAP operating margin	(5.3%)	(4.3%)	(4.0%)	(3.4%)
Stock-based compensation	18.5	18.0	72.6	70.6
Amortization of acquisition intangibles	1.3	1.3	4.8	4.8
Non-GAAP income from operations	\$ 11.6	\$ 12.5	\$ 51.7	\$ 53.7
Non-GAAP operating margin	7.5%	8.0%	8.1%	8.3%

RINGCENTRAL, INC.
RECONCILIATION OF CORE SOFTWARE SUBSCRIPTION REVENUE
GAAP MEASURES TO NON-GAAP MEASURES
(Unaudited, in millions)

	Q2'18		FY'18	
	Low Range	High Range	Low Range	High Range
Core subscription revenue reconciliation				
Software subscriptions	142.5	143.5	588.0	594.0
AT&T software subscriptions revenues	(11.0)	(11.0)	(42.5)	(42.5)
Core subscription revenue	131.5	132.5	545.5	551.5

THANK YOU

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