# 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): February 21, 2024

# FIVE9, INC.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation) 001-36383 (Commission File No.) 94-3394123 (I.R.S. Employer Identification No.)

3001 Bishop Drive, Suite 350 San Ramon, CA 94583 (Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (925) 201-2000

# Not Applicable

(Former name or former address if changed since last report)

(												
he appropriate box below if the Form 8-K filing is in g provisions:	tended to simultaneously satisfy the	e filing obligation of the registrant under any of the										
Written communications pursuant to Rule 425 under	er the Securities Act (17 CFR 230.4	225)										
Soliciting material pursuant to Rule 14a-12 under to	he 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))												
Securi	ties registered pursuant to Section 12(b) of t	he Act:										
Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered										
Common stock, par value \$0.001 per share	FIVN	The NASDAQ Global Market										
ed by check mark whether the registrant is an emergi pter) or Rule 12b-2 of the Securities Exchange Act of												
		Emerging Growth Company $\square$										
nerging growth company, indicate by check mark if the differential accounting standards provided pursuant		the extended transition period for complying with any new ct. $\Box$										

# Item 2.02 Results of Operations and Financial Condition.

On February 21, 2024, Five9, Inc. (the "Company") announced its financial results for the fiscal quarter and year ended December 31, 2023. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1 furnished herewith) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

#### Item 8.01 Other Events.

The Company's Board of Directors has determined that the Company's 2024 Annual Meeting of Stockholders (the "Annual Meeting") will be held on May 14, 2024 virtually via the Internet beginning at 8:30 a.m. Pacific Daylight Time. Stockholders of record at the close of business on the record date, March 18, 2024, may vote at the Annual Meeting, including any adjournment or postponement thereof.

#### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits	
Exhibit No.	Description
99.1	Press Release issued by the Company on February 21, 2024.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

# **SIGNATURES**

Pursuant to the requirements of the Securities Exchange hereunto duly authorized.	e Act of 1934, the registrant has duly caused this rep	ort to be signed on its behalf by the undersigned
	FIVE9, INC.	
Date: February 21, 2024	Ву:	/s/ Barry Zwarenstein
		Barry Zwarenstein
		Chief Financial Officer



#### Five9 Reports Full Year 2023 Revenue Growth of 17% to a Record \$910 Million

2023 Enterprise Subscription Revenue Growth of 25% Q4 Revenue Growth of 15% to \$239 Million Q4 Record GAAP Operating Cash Flow of \$37 Million

SAN RAMON, Calif. - February 21, 2024 - Five9, Inc. (NASDAQ:FIVN), the Intelligent CX Platform provider, today reported results for the fourth quarter and full year ended December 31, 2023.

#### **Fourth Quarter 2023 Financial Results**

- Revenue for the fourth quarter of 2023 increased 15% to a record \$239.1 million, compared to \$208.3 million for the fourth quarter of 2022.
- GAAP gross margin was 52.9% for the fourth quarter of 2023, compared to 53.8% for the fourth quarter of 2022.
- Adjusted gross margin was 61.3% for the fourth quarter of 2023, compared to 62.3% for the fourth quarter of 2022.
- GAAP net loss for the fourth quarter of 2023 was \$(12.4) million, or (5.2)% of revenue and \$(0.17) per basic share, compared to GAAP net loss of \$(13.7) million, or (6.6)% of revenue and \$(0.19) per basic share, for the fourth quarter of 2022.
- Non-GAAP net income for the fourth quarter of 2023 was \$45.1 million, or 18.9% of revenue and \$0.61 per diluted share, compared to non-GAAP net income of \$39.0 million, or 18.7% of revenue and \$0.54 per diluted share, for the fourth quarter of 2022.
- Adjusted EBITDA for the fourth quarter of 2023 was \$48.3 million, or 20.2% of revenue, compared to \$46.2 million, or 22.2% of revenue, for the fourth quarter of 2022.
- GAAP operating cash flow for the fourth quarter of 2023 was \$36.5 million, compared to GAAP operating cash flow of \$32.7 million for the fourth quarter of 2022.

#### 2023 Financial Results

- Total revenue for 2023 increased 17% to a record \$910.5 million, compared to \$778.8 million in 2023.
- GAAP gross margin was 52.5% for 2023, compared to 52.8% in 2022.

- Adjusted gross margin was 61.0% for 2023, compared to 61.3% in 2022.
- GAAP net loss for 2023 was \$(81.8) million, or (9.0)% of revenue and \$(1.13) per basic share, compared to GAAP net loss of \$(94.7) million, or (12.2)% of revenue and \$(1.35) per basic share, in 2022.
- Non-GAAP net income for 2023 was \$149.9 million, or 16.5% of revenue and \$2.05 per diluted share, compared to non-GAAP net income of \$106.7 million, or 13.7% of revenue and \$1.50 per diluted share, in 2022.
- Adjusted EBITDA for 2023 was \$166.3 million, or 18.3% of revenue, compared to \$140.4 million, or 18.0% of revenue, in 2022.
- GAAP operating cash flow for 2023 was \$128.8 million, compared to GAAP operating cash flow of \$88.9 million, in 2022.

"We are pleased to report strong revenue growth of 17% for full year 2023. This growth continues to be driven by our Enterprise business where subscription revenue grew 25% in 2023. In the fourth quarter, revenue grew 15% year-over-year, and we achieved adjusted EBITDA margin of 20%, which drove a fourth quarter record for GAAP operating cash flow. We continue to strengthen our AI leadership in CX, gaining meaningful traction with our offerings and significantly enhancing our platform throughout 2023. In addition, we are experiencing strong momentum up-market, evidenced by our fourth quarter record in Enterprise bookings, an acceleration in top-of-funnel growth, and pipeline reaching another all-time high. The market remains massive and underpenetrated, and we believe we are well positioned to capitalize on this durable, multi-year opportunity as we focus on further strengthening our platform, marching up-market and expanding internationally."

- Mike Burkland, Chairman and CEO, Five9

# **Business Outlook**

Five9 provides guidance based on current market conditions and expectations. Five9 emphasizes that the guidance is subject to various important cautionary factors referenced in the section entitled "Forward-Looking Statements" below, including risks and uncertainties associated with ongoing macroeconomic conditions.

# • For the full year 2024, Five9 expects to report:

- Revenue in the range of \$1.053 to \$1.057 billion.
- GAAP net loss per share in the range of \$(0.61) to \$(0.53), assuming basic shares outstanding of approximately 74.6 million.
- Non-GAAP net income per share in the range of \$2.14 to \$2.18, assuming diluted shares outstanding of approximately 75.9 million.

# • For the first quarter of 2024, Five9 expects to report:

- Revenue in the range of \$239.0 to \$240.0 million.
- GAAP net loss per share in the range of \$(0.34) to \$(0.28), assuming basic shares outstanding of approximately 73.6 million.

• Non-GAAP net income per share in the range of \$0.37 to \$0.39, assuming diluted shares outstanding of approximately 74.7 million.

With respect to Five9's guidance as provided above, please refer to the "Reconciliation of GAAP Net Loss to Non-GAAP net income – Guidance" table for more details, including important assumptions upon which such guidance is based.

# **Conference Call Details**

Five9 will discuss its fourth quarter 2023 results today, February 21, 2024, via Zoom webinar at 4:30 p.m. Eastern Time. To access the webinar, please register by <u>clicking here</u>. A copy of this press release will be furnished to the Securities and Exchange Commission on a Current Report on Form 8-K and will be posted to our website, prior to the conference call.

A live webcast and a replay will be available on the Investor Relations section of the Company's web-site at http://investors.five9.com/.

#### **Non-GAAP Financial Measures**

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), this press release and the accompanying tables contain certain non-GAAP financial measures. We calculate adjusted gross profit and adjusted gross margin by adding back the following items to gross profit: depreciation, intangibles amortization, stock-based compensation, exit costs related to the closure and relocation of our Russian operations, acquisition and related transaction and one-time integration costs, lease amortization for finance leases and refund for prior year overpayment of USF fees. We calculate adjusted EBITDA by adding back or removing the following items to or from GAAP net loss: depreciation and amortization, stock-based compensation, interest expense, interest (income) and other, exit costs related to closure and relocation of our Russian operations, acquisition and related transaction costs and one-time integration costs, contingent consideration expense, refund for prior year overpayment of USF fees, lease amortization for finance leases and provision for income taxes. We calculate non-GAAP operating income by adding back or removing the following items to or from GAAP loss from operations: stockbased compensation, intangibles amortization, exit costs related to the closure and relocation of our Russian operations, acquisition and related transaction costs and one-time integration costs, contingent consideration expense and refund for prior year overpayment of USF fees. We calculate non-GAAP net income by adding back or removing the following items to or from GAAP net loss: stock-based compensation, intangibles amortization, amortization of discount and issuance costs on convertible senior notes, exit costs related to the closure and relocation of our Russian operations, acquisition and related transaction costs and one-time integration costs, contingent consideration expense, refund for prior year overpayment of USF fees and tax provision associated with acquired companies. For the periods presented, these adjustments from GAAP net loss to non-GAAP net income do not include any presentation of the net tax effect of such adjustments given our significant net operating loss carryforwards. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. The Company considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the Company, exclusive of factors that do not directly affect what we consider to be our core operating performance, as well as unusual events. The Company's management uses these measures to (i) illustrate underlying trends in the Company's business that could otherwise be masked by the effect of income or expenses that are excluded from non-GAAP

measures, and (ii) establish budgets and operational goals for managing the Company's business and evaluating its performance. In addition, investors often use similar measures to evaluate the operating performance of a company. Non-GAAP financial measures are presented only as supplemental information for purposes of understanding the Company's operating results. The non-GAAP financial measures should not be considered a substitute for financial information presented in accordance with GAAP. Please see the reconciliation of non-GAAP financial measures set forth in this release.

#### **Forward-Looking Statements**

This news release contains certain forward-looking statements within the meaning of Private Securities Litigation Reform Act of 1995, including the statements in the quote from our Chairman and Chief Executive Officer, including statements regarding Five9's enterprise growth market opportunity and size and ability to capitalize on that opportunity, up-market momentum and outlook, market position, AI and automation initiatives, results and outlook, platform strengthening initiatives, international expansion, and the first quarter and full year 2024 financial projections set forth under the caption "Business Outlook," that are based on our current expectations and involve numerous risks and uncertainties that may cause these forward-looking statements to be inaccurate. Risks that may cause these forward-looking statements to be inaccurate include, among others: (i) the impact of adverse economic conditions, including the impact of macroeconomic deterioration, including continued inflation, increased interest rates, supply chain disruptions, decreased economic output and fluctuations in currency rates, the impact of the Russia-Ukraine conflict, the impact of the conflict in Israel, and other factors, that may continue to harm our business; (ii) if we are unable to attract new clients or sell additional services and functionality to our existing clients, our revenue and revenue growth will be harmed: (iii) if our existing clients terminate their subscriptions or reduce their subscriptions and related usage, or fail to grow subscriptions at the rate they have in the past or that we might expect, our revenues and gross margins will be harmed and we will be required to spend more money to grow our client base; (iv) because a significant percentage of our revenue is derived from existing clients, downturns or upturns in new sales will not be immediately reflected in our operating results and may be difficult to discern; (v) if we fail to manage our technical operations infrastructure, our existing clients may experience service outages, our new clients may experience delays in the deployment of our solution and we could be subject to, among other things, claims for credits or damages; (vi) we have established, and are continuing to increase, our network of technology solution distributors and resellers to sell our solution; our failure to effectively develop, manage, and maintain this network could materially harm our revenues; (vii) our quarterly and annual results may fluctuate significantly, including as a result of the timing and success of new product and feature introductions by us, may not fully reflect the underlying performance of our business and may result in decreases in the price of our common stock; (viii) our historical growth may not be indicative of our future growth, and even if we continue to grow rapidly, we may fail to manage our growth effectively: (ix) failure to adequately retain and expand our sales force will impede our growth; (x) further development of our AI solutions may not be successful and may result in reputational harm and our future operating results could be materially harmed; (xi) the AI technology and features incorporated into our solution include new and evolving technologies that may present both legal and business risks; (xii) the use of AI by our workforce may present risks to our business; (xiii) the contact center software solutions market is subject to rapid technological change, and we must develop and sell incremental and new cloud contact center solutions, which we refer to as our solution, in order to maintain and grow our business;

(xiv) our growth depends in part on the success of our strategic relationships with third parties and our failure to successfully maintain, grow and manage these relationships could harm our business; (xv) the markets in which we participate involve a high number of competitors that is continuing to increase, and if we do not compete effectively, our operating results could be harmed; (xvi) we continue to expand our international operations, which exposes us to significant macroeconomic and

other risks: (xvii) security breaches and improper access to, use of, or disclosure of our data or our clients' data, or other cyber attacks on our systems, could result in litigation and regulatory risk, harm our reputation, our business or financial results; (xviii) we may acquire other companies, or technologies, or be the target of strategic transactions, or be impacted by transactions by other companies, which could divert our management's attention, result in additional dilution to our stockholders or use a significant amount of our cash resources and otherwise disrupt our operations and harm our operating results; (xix) we sell our solution to larger organizations that require longer sales and implementation cycles and often demand more configuration and integration services or customized features and functions that we may not offer, any of which could delay or prevent these sales and harm our growth rates, business and operating results; (xx) we rely on third-party telecommunications and internet service providers to provide our clients and their customers with telecommunication services and connectivity to our cloud contact center software and any failure by these service providers to provide reliable services could cause us to lose clients and subject us to claims for credits or damages, among other things; (xxi) we have a history of losses and we may be unable to achieve or sustain profitability; (xxii) our stock price has been volatile, may continue to be volatile and may decline, including due to factors beyond our control; (xxiii) we may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs; (xxiv) failure to comply with laws and regulations could harm our business and our reputation; (xxv) we may not have sufficient cash to service our convertible senior notes and repay such notes, if required, and other risks attendant to our convertible senior notes and increased debt levels; and (xxvi) the other risks detailed from time-to-time under the caption "Risk Factors" and elsewhere in our Securities and Exchange Commission filings and reports, including, but not limited to, our most recent annual report on Form 10-K and quarterly reports on Form 10-Q. Such forward-looking statements speak only as of the date hereof and readers should not unduly rely on such statements. We undertake no obligation to update the information contained in this press release, including in any forward-looking statements.

#### **About Five9**

The Five9 Intelligent CX Platform provides a comprehensive suite of solutions for orchestrating fluid customer experiences. Our cloud-native, multi-tenant, scalable, reliable, and secure platform includes contact center; omni-channel engagement; Workforce Engagement Management; extensibility through more than 1,000 partners; and innovative, practical AI, automation and journey analytics that are embedded as part of the platform. Five9 brings the power of people, technology, and partners to more than 3,000 organizations worldwide. For more information, visit <a href="www.five9.com">www.five9.com</a>.

# CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands) (Unaudited)

	,	Dece	ember 31, 2023	Dec	ember 31, 2022
ASSETS					
Current assets:					
Cash and cash equivalents		\$	143,201	\$	180,520
Marketable investments			587,096		433,743
Accounts receivable, net			97,424		87,494
Prepaid expenses and other current assets			34,622		29,711
Deferred contract acquisition costs, net			61,711		47,242
Total current assets			924,054		778,710
Property and equipment, net			108,572		101,221
Operating lease right-of-use assets			38,873		44,120
Finance lease right-of-use assets			4,564		_
Intangible assets, net			38,323		28,192
Goodwill			227,412		165,420
Marketable investments			_		885
Other assets			16,199		11,057
Deferred contract acquisition costs, net — less current portion			136,571		114,880
Total assets		\$	1,494,568	\$	1,244,485
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable		\$	24,399	\$	23,629
Accrued and other current liabilities			62,131		58,536
Operating lease liabilities			10,731		10,626
Finance lease liabilities			1,767		_
Deferred revenue			68,187		57,816
Convertible senior notes			_		169
Total current liabilities			167,215		150,776
Convertible senior notes - less current portion			742,125		738,376
Operating lease liabilities — less current portion			36,378		41,389
Finance lease liabilities — less current portion			2,877		_
Other long-term liabilities			7,888		3,979
Total liabilities			956,483		934,520
Stockholders' equity:					
Common stock			73		71
Additional paid-in capital			942,280		635,668
Accumulated other comprehensive income (loss)			582		(2,688)
Accumulated deficit			(404,850)		(323,086)
Total stockholders' equity			538,085		309,965
Total liabilities and stockholders' equity		\$	1,494,568	\$	1,244,485

# CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

		Three Mo	nths End	ed	Twelve Months Ended				
	Decem	nber 31, 2023	Decer	mber 31, 2022	Dece	mber 31, 2023	Dece	ember 31, 2022	
Revenue	\$	239,062	\$	208,345	\$	910,488	\$	778,846	
Cost of revenue		112,493		96,294		432,690		367,501	
Gross profit		126,569		112,051		477,798		411,345	
Operating expenses:									
Research and development		38,873		36,865		156,582		141,794	
Sales and marketing		72,956		65,928		296,713		261,990	
General and administrative		33,338		22,509		123,079		95,143	
Total operating expenses		145,167		125,302		576,374		498,927	
Loss from operations		(18,598)		(13,251)		(98,576)		(87,582)	
Other income (expense), net:									
Interest expense		(1,963)		(1,887)		(7,646)		(7,493)	
Interest income and other		8,322		2,706		26,799		4,813	
Total other income (expense), net		6,359		819		19,153		(2,680)	
Loss before income taxes		(12,239)		(12,432)		(79,423)		(90,262)	
Provision for income taxes		119		1,221		2,341		4,388	
Net loss	\$	(12,358)	\$	(13,653)	\$	(81,764)	\$	(94,650)	
Net loss per share:									
Basic and diluted	\$	(0.17)	\$	(0.19)	\$	(1.13)	\$	(1.35)	
Shares used in computing net loss per share:					-				
Basic and diluted		72,926		70,704		72,048		69,920	

# FIVE9, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands) (Unaudited)

## 1987	(Unaudited)				
Note how for momenting activities:         \$ (81,76)         \$ (94,85)           Adjustments to recencile and loss to not cash provided by operating activities:         3         4 (40,71)           Deprecision and amonization of operating leaser ight-of-use assets         12,643         10,377           Amonization of operating leaser ight-of-use assets         12,164         10,377           Amonization of deferred contrate aquisitation costs         (11,55)         (10,07)           Amonization of deferred contrate aquisitation costs         (10,15)         (10,07)           Stock-based compensation         206,522         172,507           Amonization of discount an insurance costs on convertible senior notes         3,70         3,70           Change in fair of visite of contingent consideration         3         2,00           Other contingent consideration liability in excess of aquisition-date fair value         9         4,00           Other contingent consideration liability in excess of aquisition-date fair value         9         4,00         4,00           Other assets         9         4,10         4,50         4,50           Other assets         9         4,10         4,50         4,50           Propulad expense and other current assets         1,21         4,00         4,50         4,50           Other asse					
Note bos         \$         \$1,000 (s)         \$0,000 (s)		December 31, 2023	December 31, 2022		
Aguitaments to reconcile net losts to net each provided by operating activities:   Depreciation and ameritation of operating leser right-of-use assets   1,242   10,377     Amoritation of operating leser right-of-use assets   1,242   10,377     Amoritation of objective demands augustion coxes   5,5384   41,047     Accretion of discountly marketable investments   989   10,058     Stock-based compensation   20,022   172,507     Amoritation of discount on marketable investments   20,022   172,507     Amoritation of discount on sistence costs on convertible senior notes   3,749   3,748     Deferred taxes   53   3,088     Clausge in fair of value of contingent consideration   2,000     Payment of custingent consideration lishility in excess of acquisition-date fair value   2,000     Clausge in pertaing assets and liabilities   2,000     Payment of custingent consideration lishility in excess of acquisition-date fair value   2,000     Prepaid excense and other current assets   2,000   2,000     Deferred contract acquisition costs   2,000   2,000     Deferred contractable investments					
Depocaision and anontization		\$ (81,764)	\$ (94,650)		
Amontzation of operating leser right-of-use seets         4,037           Amontzation of deferred contract equisition costs         5,538         4,01,037           Accretion of discount on marketable investments         (11,351)         (90)           Provision for credit lesses         989         1,105           Stock-based compensation         20,622         127,207           Amontziation of discount and issaance costs on convertible senior notes         33         3,088           Change in fair of value of contingent consideration         -         2600           Deferred faces         -         2,090           Other         0         0         6           Changes in operating assets and liabilities         -         6           Caccases and other current assets         (3,532)         661           Deferred corrent equisition costs         (1,548)         (3,197)           Other assets         (3,532)         661           Deferred corrent equisition costs         (1,548)         (3,197)           Other assets         (3,532)         661           Accound and other current liabilities         (3,532)         661           Accound and other current liabilities         (3,532)         661           Value         (3,988)         13,19	1 11 2				
Amontazion of deferned contract acquisition costs         \$1,334         41,034           (Accretion of discount) on martenble investments         \$989         1,105           Provision for credit bases         \$20,202         127,507           Stock-based compensation         \$20,202         127,507           Amoritzation of discount and issuance costs on convertible senior notes         3,749         3,749           Deferred bases         3,749         3,749           Change in fire of value of contingent consideration         —         6,700           Change in fire of value of contingent consideration liability in excess of acquisition-date fair value         —         6,700           Other         807         9,844         4,899           Pyment of contingent consideration liability in excess of acquisition-date fair value         8,984         4,899           Other         6,984         4,899         1,984         4,899           Pregue depenses and other current assets         1,984         4,899         1,984         4,899           Deferred contracts equisition cost         1,984         4,899         1,984         4,899           Preduct expenses and other current assets         1,984         4,899         1,989         1,899         1,899         1,899         1,899         1,899		· · · · · · · · · · · · · · · · · · ·	· ·		
Provision for certed losses	,				
Provision for credit bioses         989         1,105           Stock-based compression         26,292         12,507           Amoritzation of discount and issuance cots on convertible senior notes         3,749         3,743           Deferred baces         3,749         3,748           Change in fair of value of contingent consideration         ————————————————————————————————————	•	· ·			
Skock-based compensation         206,392         172,507           Amortization of discount and issuance costs on convertible senior notes         3,749         3,743           Deferred taxes         3,3         3,0           Change in fair of value of contingent consideration liability in excess of acquisition-date fair value         —         6,000           Other         807         188           Changes in operating assets and liability in excess of acquisition-date fair value         9,844         (4,899)           Accounts receivable         9,844         (4,889)           Prepaid expense and other current assets         9,944         (8,197)           Oberred contract acquisition costs         (91,544)         (85,197)           Other assets         (91,544)         (85,197)           Other assets         (9,954)         (8,197)           Accounts payable         29,274         (7,878)           Deferred revene         49,585         (31,176)           Other liabilities         13,814         (3,857)           Other cash provided by operating activities         128,83         8,885           Cash flows from invecting activities         13,814         (3,879)           Purchase of marketable investments         (95,002)         (35,586)           Ca					
Amontization of discount and issuance costs on convertible senior notes         3,49         3,743           Decirred claxes         53         3,088           Change in fir of value of contingent consideration liability in excess of acquisition-date fair value         —         2,600           Pyment of contingent consideration liability in excess of acquisition-date fair value         —         2,800           Changes in operating assets and liabilities:         —         9,844         4,899           Pregand expenses and other current assets         (3,532)         661           Deferred continuate acquisition costs         (9,544)         (8,992)           Offer assets         (3,988)         (3,989)           Accounts payable         2,922         845           Accread and other current liabilities         (9,274)         (7,878)           Deferred centure         4,958         13,168           Accounts payable         4,958         13,168           Accounts provided by operating activities         12,838         88,856           Exercised in mischalled investments         (95,902)         (45,788)           Porceceds from sales of marketable investments         (12)         600           Proceeds from sales of marketable investments         (12)         600           Proceeds from au					
Deferred taxes         53         3,088           Change in finit of value of contingent consideration         —         260           Payment of contingent consideration liability in excess of acquisition-date fair value         —         6,500           Other         807         188           Changes in operating assets and liabilities:         —           Accounts receivable         (9,844)         (4,899)           Prepaid expenses and other current assets         (91,544)         (85,197)           Other assets         (19,544)         (85,197)           Accounts payable         45         (9,274)         (7,878)           Account grown         (9,274)         (7,878)           Deferred account account in grown         (9,277)         (7,878)           Account grown         (9,277)         (3,285)           Proceeds from sales of marketable investments         (795,002	•				
Change in fair of value of contingent consideration         4         60           Payment of contingent consideration liability in excess of acquisition-date fair value         5         6,500           Changes in operating assets and liabilities:         8         6           Chacecents receivable         (9,844)         (4,899)           Perpaid expenses and other current assets         (3,532)         (6.61)           Deferred contract acquisition costs         (9,154)         (85,197)           Other assets         (3,988)         (1,197)           Accounts payable         4,958         (1,316)           Accrued and other current liabilities         4,958         (1,316)           Other labilities         3,814         (3,857)           Net cash provided by operating activities         128,838         8,865           Teach services         4,958         1,116         60           Other liabilities         3,814         (3,857)         8,156           Teach growthed by operating activities         12,111         600         7,950         4,576           Prichase of machine table investments         6,555         8,245         8,245           Prichase of machine table investments         6,555         8,245         9,245           Purchase of		· · · · · · · · · · · · · · · · · · ·			
Physmet of contingent consideration liability in excess of aequisition-date fair value         —         (5,900)           Other         807         188           Changes in operating assets and liabilities:         —         69,441         (4,898)           Accounts receivable         (9,844)         (4,899)         (6,61)           Prepried contract acquisition costs         (91,544)         (85,197)           Other assets         (9,98)         (1,988)         (31,97)           Accounts payable         2,932         845         (5,788)         (1,988)         (1,978)           Accrued and other current liabilities         (9,274)         (7,878)         (7,878)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,976)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)         (1,988)		53			
Other         Other         188           Changes in operating assets and liabilities:         (9,844)         (4,899)           Accounts receivable         (9,844)         (4,899)           Pepaid expenses and other current assets         (3,532)         (661)           Deferred contract acquisition costs         (30,888)         (31,992)           Oher assets         (3,988)         (31,992)           Accounts payable         2,932         (3,888)           Accrued and other current liabilities         (9,274)         (7,878)           Ober fred revenue         4,958         (3,087)           Other liabilities         3,814         (3,857)           Other liabilities         3,814         (3,877)           Net cash provided by operating activities         12,188         88,856           Cash flows from investing activities         (79,5002)         (435,768)           Proceeds from sales of marketable investments         (79,5002)         (435,768)           Proceeds from sultrities of marketable investments         (79,5002)         (435,768)           Proceeds from sultrities of marketable investments         (79,5002)         (435,768)           Purchases of property and equipment         (81,202)         (82,502)           Purchases of property and		_			
Changes in operating assets and liabilities:         (9,84)         (3,82)         (6,64)           Accounts receivable         (3,33)         (6)           Perpead econtreat caquisition costs         (6),44         (85,197)           Other assets         (3,88)         (3,198)           Accounts payable         2,932         85           Accounts payable         4,958         13,718           Deferred revene         4,958         13,718           Ober Itabilities         3,814         3,835           Ket cash provided by operating activities         12,838         88,855           Vet cash provided by operating activities         9,950         435,868           Proceeds from investing activities         1,211         6,00           Proceeds from selection investments         1,211         6,00           Proceeds from selection investments         1,211         6,00           Proceeds from maturities of marketable investments         65,588         52,458           Proceeds from maturities of marketable investments         1,211         6,00           Proceeds from maturities of marketable investments         65,588         52,458           Purchase of property and equipment         1,21         6,00           Cash paid for acquity investment in	Payment of contingent consideration liability in excess of acquisition-date fair value	_	(5,900)		
Accounts receivable         (9,844)         (4,899)           Prepaid expenses and other current assets         (3,532)         66 for	Other	807	188		
Prepaid expenses and other current assets         (3,532)         66.1           Deferred contract acquisition costs         (91,544)         (85,197)           Other assets         (3,988)         (319)           Accounts payable         2,932         845           Accrued and other current liabilities         (9,274)         (7,878)           Deferred revenue         4,958         13,176           Other liabilities         3,814         (3,857)           Net eash provided by operating activities         128,838         88,855           Cash flows from investing activities         128,838         88,855           Cash flows from investing activities         795,002         (435,788)           Proceeds from sales of marketable investments         12,11         600           Proceeds from maturities of marketable investments         12,11         600           Proceeds from naturities of marketable investments         12,21         600           Cash paid for acquity investment in a privately-held company         -         2,	Changes in operating assets and liabilities:				
Defered contract acquisition costs         (91,544)         (85,197)           Other assets         (398)         (3197)           Accounts payable         2,932         845           Accurred and other current liabilities         (9274)         (7,878)           Deferred revenue         4,958         13,176           Other liabilities         3,814         (3,857)           Net cash provided by operating activities         128,838         88,865           Cash flows from investing activities         (795,002)         (435,768)           Proceeds from sales of marketable investments         (795,002)         (435,768)           Proceeds from sales of marketable investments         (55,588)         524,568           Purchases of property and ceptiment consistentable investments         (55,588)         524,568           Purchases of property and ceptiment consis	Accounts receivable	(9,844)	(4,899)		
Other assets         (3,988)         (319)           Accounts payable         2,932         845           Accounts and other current liabilities         (9,74)         (7,878)           Deferred revenue         4,958         13,176           Other liabilities         128,288         88,865           Cetash provided by operating activities         128,288         88,865           Cash flows from investing activities         (795,002)         (435,788)           Proceeds from maturities of marketable investments         1,211         600           Proceeds from maturities of marketable investments         655,588         524,588           Purchases of property and equipment         (31,234)         (52,272)           Quiptialization of software development costs         (9,537)         (3,899)           Payments of initial direct costs         9,537)         (3,999)           Payments of initial direct costs         9,537         (3,999)           Payments of initial direct costs         9,537         (3,999)           Responsable use of p	Prepaid expenses and other current assets	(3,532)	661		
Accounts payable         2,932         845           Accrued and other current liabilities         (9,274)         (7,578)           Deferred revenue         4,958         13,176           Other liabilities         3,814         3,857           Net cash provided by operating activities         128,838         8,865           Vest Cash flows from investing activities         128,238         8,865           Purchases of marketable investments         (795,002)         (435,768)           Proceeds from sales of marketable investments         (795,002)         (435,768)           Proceeds from maturities of marketable investments         655,588         224,568           Purchase of property and equipment         (31,234)         (52,272)           Quipliatization of software development costs         (9,537)         (3,899)           Purchase of property and equipment         (31,234)         (52,272)           Quipliatization of software development costs         (9,537)         (3,899)           Purchase of property and equipment         (80,588)         ——           Capitalization of software development costs         (9,537)         (3,899)           Payment of initial direct costs         (80,588)         ——           Capitalization of software development costs         (80,588)	Deferred contract acquisition costs	(91,544)	(85,197)		
Accrued and other current liabilities         (9,274)         (7,878)           Deferred revenue         4,958         13,176           Other liabilities         3,814         (3,857)           Net cash provided by operating activities         128,838         88,865           Cash flows from investing activities         795,002         (35,768)           Proceeds from sales of marketable investments         (795,002)         (35,768)           Proceeds from maturities of marketable investments         1,211         600           Proceeds from maturities of marketable investments         655,588         524,568           Puchases of property and equipment         (9,537)         (3,899)           Purchases of property and equipment costs         (9,537)         (3,899)           Payments of initial direct costs         (9,537)         (3,990)           Cash paid to acquire Accyus         (80,588)         —	Other assets	(3,988)	(319)		
Deferred revenue         4,958         13,176           Other liabilities         3,814         (3,857)           Net cash provided by operating activities         128,838         86,865           Cash flows from investing activities         128,838         86,865           Purchase of marketable investments         (795,002)         (435,768)           Proceeds from sales of marketable investments         1,211         600           Proceeds from maturities of marketable investments         655,588         524,568           Purchase of property and equipment         (31,234)         (52,272)           Capitalization of software development costs         9,377         (3,899)           Payments of initial direct costs         -         (2,606)           Cash paid for an equity investment in a privately-held company         -         (2,000)           Cash paid to acquire Aceyus         (80,588)         -           Net cash (used in) provided by investing activities         -         (3,000)           Cash flows from financing activities         -         (3,000)           Repayment of outstanding 2032 convertible senior notes, net of costs         -         -         (3,007)           Repayment of units anding 2032 convertible senior notes at maturity         -         -         (3,007)         -<	Accounts payable	2,932	845		
Other liabilities         3,814         (3,857)           Net cash provided by operating activities         128,838         88,865           Cash flows from investing activities            Purchases of marketable investments         (795,002)         (435,768)           Proceeds from sales of marketable investments         (795,002)         (435,768)           Proceeds from maturities of marketable investments         (555,588)         524,568           Proceeds from sales of property and equipment         (31,234)         (52,272)           Capital to acquire keyes         (9,537)         (3,899)           Payments of initial direct costs         —         (260)           Cash paid to acquire keyes         (80,888)         —           Set cash (used in) provided by investing activities         —         (2,000)           Cash flows         Formal floating activities         —         (34,077)           Repayment of ustanding 2023 convertible senior notes, net of costs         —         (34,077)         — <t< td=""><td>Accrued and other current liabilities</td><td>(9,274)</td><td>(7,878)</td></t<>	Accrued and other current liabilities	(9,274)	(7,878)		
Net cash provided by operating activities         128,885           Cash flows from investing activities         88,855           Purchases of marketable investments         (795,002)         (435,768)           Proceeds from sales of marketable investments         1,211         600           Proceeds from maturities of marketable investments         655,588         524,568           Purchases of property and equipment         (31,234)         (52,728)           Qualitation of software development costs         (9,537)         (3,899)           Payments of initial direct costs         —         (260)           Cash paid for an equity investment in a privately-held company         —         (2,000)           Cash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         (259,562)         30,963           Cash paid to acquire Aceyus         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes, net of costs         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes at maturity         —         (34,067)           Repayment of outstanding 2023 convertible senior notes at maturity         —         (34,067)           Repayment of exercise from sale of common stock under ESPP         15,927         13,413	Deferred revenue	4,958	13,176		
Cash flows from investing activities:         (795,002)         (435,788)           Purchases of marketable investments         1,211         600           Proceeds from maturities of marketable investments         655,588         524,568           Purchases of property and equipment         (31,234)         (52,272)           Capitalization of software development costs         (9,537)         (3,899)           Payments of initial direct costs         —         (2606)           Cash paid for an equity investment in a privately-held company         —         (2,000)           Ash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         (80,588)         —           Cash flows from financing activities         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes, net of costs         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes at maturity         (169)         —           Cash received from the settlement at maturity of the outstanding apped calls associated with the 2023 convertible senior notes         74,453         —           Proceeds from sale of common stock under ESPP         15,927         13,413           Payment of employee taxes related to vested RSUs         (3,270)         —           Payment o	Other liabilities	3,814	(3,857)		
Purchases of marketable investments         (795,002)         (435,788)           Proceeds from sales of marketable investments         1,211         600           Proceeds from maturities of marketable investments         655,588         524,568           Purchases of property and equipment         (31,234)         (52,272)           Capitalization of software development costs         (9,537)         (3,899)           Payments of initial direct costs         -         (2,000)           Cash paid for an equity investment in a privately-held company         -         (2,000)           Cash paid to acquire Aceyus         (80,588)         -           Net cash (used in) provided by investing activities         (80,588)         -           Repurchase of a portion of 2023 convertible senior notes, net of costs         -         (34,047)           Repayment of outstanding 2023 convertible senior notes at maturity         (169)         -           Repayment of exercise of fromm sets ethement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes         74,453         -           Proceeds from sales of common stock under ESPP         15,927         13,413           Payment of employee taxes related to vested RSUs         3(3,70)         -           Payment of fondiback related to acquisition         (500)         -      <	Net cash provided by operating activities	128,838	88,865		
Proceeds from sales of marketable investments         1,211         600           Proceeds from maturities of marketable investments         655,588         524,568           Purchases of property and equipment         (31,234)         (52,272)           Capitalization of software development costs         –         (266)           Capital for an equity investment in a privately-held company         –         (2,000)           Cash paid fo an equity investment in a privately-held company         –         (2,000)           Cash plad for an equity investment in a privately-held company         (80,588)         –           Net cash (used in) provided by investing activities         –         (34,007)           Net cash (used in) provided by investing activities         –         (34,007)           Repurchase of a portion of 2023 convertible senior notes, net of costs         –         (34,007)           Repurchase of a portion of 2023 convertible senior notes, net of costs         –         (34,007)         –           Repurchase of a portion of 2023 convertible senior notes, net of costs         –         (34,007)         –           Repurchase of a portion of 2023 convertible senior notes, net of costs         –         (34,007)         –           Repurchase of a portion of 2023 convertible senior notes, net of costs         –         (34,007)         –      <	Cash flows from investing activities:				
Proceeds from maturities of marketable investments         524,568           Purchases of property and equipment         (31,234)         (52,272)           Capitalization of software development costs         (9,537)         (3,899)           Payments of initial direct costs         —         (2660)           Cash paid for an equity investment in a privately-held company         —         (2000)           Cash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes, net of costs         —         (34,067)           Reparament of outstanding 2023 convertible senior notes at maturity         (169)         —           Reparament of outstanding 2023 convertible senior notes at maturity         (169)         —           Proceeds from exercise of common stock options         74,453         —           Proceeds from exercise of common stock under ESPP         15,927         13,413           Payment of employee taxes related to vested RSUs         (3,270)         —           Payment of boldback related to acquisition         (500)         —           Payment of finance leases         (88)         —           Net cash provided by (used in) financing activities         (30,232)         —	Purchases of marketable investments	(795,002)	(435,768)		
Purchases of property and equipment         (31,234)         (52,272)           Capitalization of software development costs         (9,537)         (3,899)           Payments of initial direct costs         —         (2606)           Cash paid for an equity investment in a privately-held company         (80,588)         —           Cash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         (259,562)         30,963           Cash flows from financing activities           Repayment of outstanding 2023 convertible senior notes, net of costs         —         (34,067)           Repayment of outstanding 2023 convertible senior notes at maturity         (169)         —           Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes         74,453         —           Proceeds from exercise of common stock uptions         9,127         8,522           Proceeds from exercise of common stock uptions all of common stock uptions are consideration liability up to acquisition-date fair value         (3,270)         —           Payment of employee taxes related to vested RSUs         (500)         —           Payment of finance leases         (989)         —           Net cash provided by (used in) financing activities         (36,15)         39,230	Proceeds from sales of marketable investments	1,211	600		
Capitalization of software development costs         (9,537)         (3,899)           Payments of initial direct costs         —         (266)           Cash paid for an equity investment in a privately-held company         —         (2,000)           Cash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         (259,562)         30,963           Cash (lows from financing activities         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes, net of costs         —         (34,067)           Repayment of outstanding 2023 convertible senior notes at maturity         (169)         —           Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes         74,453         —           Proceeds from exercise of common stock under ESPP         15,927         13,413           Payment of employee taxes related to vested RSUs         (3,270)         —           Payment of employee taxes related to vested RSUs         (3,270)         —           Payment of holdback related to acquisition date fair value         —         (18,100)           Payment of holdback related to acquisition         (500)         —           Ret cash provided by (used in) financing activities         94,579         (30,232) </td <td>Proceeds from maturities of marketable investments</td> <td>655,588</td> <td>524,568</td>	Proceeds from maturities of marketable investments	655,588	524,568		
Payments of initial direct costs         —         (266)           Cash paid for an equity investment in a privately-held company         —         (2,000)           Cash paid for an equity investment in a privately-held company         (80,588)         —           Cash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         (259,562)         30,963           Cash flows from financing activities         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes, net of costs         —         (34,067)           Repayment of outstanding 2023 convertible senior notes at maturity         (169)         —           Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes         74,453         —           Proceeds from exercise of common stock under ESPP         15,927         13,413           Proceeds from sale of common stock under ESPP         (32,70)         —           Payment of employee taxes related to vested RSUs         (3,270)         —           Payment of contingent consideration liability up to acquisition-date fair value         —         (18,100)           Payment of holdback related to acquisition         (500)         —           Payments of finance leases         (98)         —	Purchases of property and equipment	(31,234)	(52,272)		
Cash paid for an equity investment in a privately-held company         —         (2,000)           Cash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         (259,562)         30,963           Cash flows from financing activities         —         (34,067)           Repurchase of a portion of 2023 convertible senior notes, net of costs         —         (34,067)           Repayment of outstanding 2023 convertible senior notes at maturity         (169)         —           Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes         74,453         —           Proceeds from exercise of common stock under ESPP         15,927         13,413           Payment of employee taxes related to vested RSUs         (3,270)         —           Payment of holdback related to acquisition         (500)         —           Payment of holdback related to acquisition         (500)         —           Payments of finance leases         (989)         —           Net cash provided by (used in) financing activities         94,579         (30,232)           Net (decrease) increase in cash and cash equivalents         (36,145)         89,596           Cash, cash equivalents and restricted cash:	Capitalization of software development costs	(9,537)	(3,899)		
Cash paid to acquire Aceyus         (80,588)         —           Net cash (used in) provided by investing activities         (259,562)         30,963           Cash flows from financing activities:           Repurchase of a portion of 2023 convertible senior notes, net of costs         —         (34,067)           Repayment of outstanding 2023 convertible senior notes at maturity         (169)         —           Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes         74,453         —           Proceeds from exercise of common stock options         9,127         8,522           Proceeds from sale of common stock under ESPP         15,927         13,413           Ayment of employee taxes related to vested RSUs         (3,270)         —           Payment of contingent consideration liability up to acquisition-date fair value         —         (18,100)           Payment of finance leases         (989)         —           Net cash provided by (used in) financing activities         94,579         (30,232)           Net (decrease) increase in cash and cash equivalents         (36,145)         89,596           Cash, cash equivalents and restricted cash:           Beginning of period         180,987         91,391	Payments of initial direct costs	_	(266)		
Net cash (used in) provided by investing activities  Cash flows from financing activities:  Repurchase of a portion of 2023 convertible senior notes, net of costs  Repayment of outstanding 2023 convertible senior notes at maturity  Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes  Proceeds from exercise of common stock options  Proceeds from exercise of common stock options  Proceeds from sale of common stock under ESPP  Payment of employee taxes related to vested RSUs  Payment of employee taxes related to vested RSUs  Payment of holdback related to acquisition date fair value  Payment of holdback related to acquisition  (500)  Payment of finance leases  (989)  Cash, resh provided by (used in) financing activities  (30,232)  Net (decrease) increase in cash and cash equivalents  (30,232)  Ret (decrease) increase in cash and restricted cash:  Beginning of period  180,987  91,391	Cash paid for an equity investment in a privately-held company	_	(2,000)		
Net cash (used in) provided by investing activities  Cash flows from financing activities:  Repurchase of a portion of 2023 convertible senior notes, net of costs  Repayment of outstanding 2023 convertible senior notes at maturity  Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes  Proceeds from exercise of common stock options  Proceeds from exercise of common stock options  Proceeds from sale of common stock under ESPP  Payment of employee taxes related to vested RSUs  Payment of employee taxes related to vested RSUs  Payment of holdback related to acquisition date fair value  Payment of holdback related to acquisition  (500)  Payment of finance leases  (989)  Cash, resh provided by (used in) financing activities  (30,232)  Net (decrease) increase in cash and cash equivalents  (30,232)  Ret (decrease) increase in cash and restricted cash:  Beginning of period  180,987  91,391	Cash paid to acquire Aceyus	(80,588)	_		
Cash flows from financing activities:Repurchase of a portion of 2023 convertible senior notes, net of costs—(34,067)Repayment of outstanding 2023 convertible senior notes at maturity(169)—Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes74,453—Proceeds from exercise of common stock options9,1278,522Proceeds from sale of common stock under ESPP15,92713,413Payment of employee taxes related to vested RSUs(3,270)—Payment of contingent consideration liability up to acquisition-date fair value—(18,100)Payment of holdback related to acquisition(500)—Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391		(259,562)	30,963		
Repurchase of a portion of 2023 convertible senior notes, net of costs— (34,067)Repayment of outstanding 2023 convertible senior notes at maturity(169)—Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes74,453—Proceeds from exercise of common stock options9,1278,522Proceeds from sale of common stock under ESPP15,92713,413Payment of employee taxes related to vested RSUs(3,270)—Payment of contingent consideration liability up to acquisition-date fair value— (18,100)Payment of holdback related to acquisition(500)—Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391			,		
Repayment of outstanding 2023 convertible senior notes at maturity(169)—Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes74,453—Proceeds from exercise of common stock options9,1278,522Proceeds from sale of common stock under ESPP15,92713,413Payment of employee taxes related to vested RSUs(3,270)—Payment of contingent consideration liability up to acquisition-date fair value—(18,100)Payment of holdback related to acquisition(500)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391	-	_	(34.067)		
Cash received from the settlement at maturity of the outstanding capped calls associated with the 2023 convertible senior notes74,453—Proceeds from exercise of common stock options9,1278,522Proceeds from sale of common stock under ESPP15,92713,413Payment of employee taxes related to vested RSUs(3,270)—Payment of contingent consideration liability up to acquisition-date fair value—(18,100)Payment of holdback related to acquisition(500)—Net cash provided by (used in) financing activities94,579(30,232)Net cash provided by (used in) financing activities94,579(30,232)Cash, cash equivalents and restricted cash:Beginning of period180,98791,391		(169)	_		
Proceeds from exercise of common stock options9,1278,522Proceeds from sale of common stock under ESPP15,92713,413Payment of employee taxes related to vested RSUs(3,270)—Payment of contingent consideration liability up to acquisition-date fair value—(18,100)Payment of holdback related to acquisition(500)—Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391			_		
Proceeds from sale of common stock under ESPP15,92713,413Payment of employee taxes related to vested RSUs(3,270)—Payment of contingent consideration liability up to acquisition-date fair value—(18,100)Payment of holdback related to acquisition(500)—Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391		· · · · · · · · · · · · · · · · · · ·	8.522		
Payment of employee taxes related to vested RSUs(3,270)—Payment of contingent consideration liability up to acquisition-date fair value—(18,100)Payment of holdback related to acquisition(500)—Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391	·				
Payment of contingent consideration liability up to acquisition-date fair value—(18,100)Payment of holdback related to acquisition(500)—Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391		· · · · · · · · · · · · · · · · · · ·	_		
Payment of holdback related to acquisition(500)—Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391			(18,100)		
Payments of finance leases(989)—Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391		(500)			
Net cash provided by (used in) financing activities94,579(30,232)Net (decrease) increase in cash and cash equivalents(36,145)89,596Cash, cash equivalents and restricted cash:Beginning of period180,98791,391	•		_		
Net (decrease) increase in cash and cash equivalents  Cash, cash equivalents and restricted cash:  Beginning of period  (36,145)  89,596  180,987  91,391			(30.232)		
Cash, cash equivalents and restricted cash:Beginning of period180,98791,391					
Beginning of period         180,987         91,391	·	(50,145)	09,390		
		190 007	01 201		
End of period <u>\$ 144,842</u> <u>\$ 180,987</u>					
	End of period	p 144,842	φ 180,987		

# RECONCILIATION OF GAAP GROSS PROFIT TO ADJUSTED GROSS PROFIT

(In thousands, except percentages)

		Three Mor	ths End	ed		Twelve Mo	Ionths Ended			
	Dec	eember 31, 2023	De	ecember 31, 2022	De	ecember 31, 2023	De	cember 31, 2022		
GAAP gross profit	\$	126,569	\$	112,051	\$	477,798	\$	411,345		
GAAP gross margin		52.9 %		53.8 %		52.5 %		52.8 %		
Non-GAAP adjustments:										
Depreciation		7,162		5,913		26,540		23,250		
Intangibles amortization		3,146		2,890		12,019		11,705		
Stock-based compensation		9,182		8,638		38,259		33,297		
Exit costs related to closure and relocation of Russian operations		12		219		105		698		
Acquisition and related transaction costs and one-time integration costs		_		86		34		401		
Lease amortization for finance leases		449		_		941		_		
Refund for prior year overpayment of USF fees		_		_		_		(3,511)		
Adjusted gross profit	\$	146,520	\$	129,797	\$	555,696	\$	477,185		
Adjusted gross margin		61.3 %		62.3 %		61.0 %		61.3 %		

# RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA

(In thousands, except percentages)

		Three Mo	nths End	led	<b>Twelve Months Ended</b>					
	Dece	ember 31, 2023	D	ecember 31, 2022	Dec	cember 31, 2023	December 31, 2022			
GAAP net loss	\$	(12,358)	\$	(13,653)	\$	(81,764)	\$	(94,650)		
Non-GAAP adjustments:		, ,		( , ,		( , ,		( , ,		
Depreciation and amortization		12,962		11,021		48,515		44,671		
Stock-based compensation		49,571		43,824		206,292		172,507		
Interest expense		1,963		1,887		7,646		7,493		
Interest (income) and other		(8,322)		(2,706)		(26,799)		(4,813)		
Exit costs related to closure and relocation of Russian operations <sup>(1)</sup>		243		2,975		2,313		7,190		
Acquisition related transaction costs and one- time integration costs		3,670		1,605		6,780		6,901		
Contingent consideration expense		_		_		_		260		
Refund for prior year overpayment of USF fees		_		_		_		(3,511)		
Lease amortization for finance leases		449		_		941		_		
Provision for income taxes		119		1,221		2,341		4,388		
Adjusted EBITDA	\$	48,297	\$	46,174	\$	166,265	\$	140,436		
Adjusted EBITDA as % of revenue		20.2 %		22.2 %		18.3 %		18.0 %		

<sup>(1)</sup> Exit costs related to the closure and relocation of our Russian operations were \$2.8 million during the year ended December 31, 2023. The \$2.3 million adjustment presented above was net of \$0.5 million included in "Interest (income) and other." Exit costs related to the closure and relocation of our Russian operations were \$7.9 million during the year ended December 31, 2022. The \$7.2 million adjustment presented above was net of \$0.8 million included in "Depreciation and amortization" and \$(0.1) million included in "Interest (income) and other."

 ${\bf FIVE 9, INC.}$  RECONCILIATION OF GAAP OPERATING LOSS TO NON-GAAP OPERATING INCOME

(In thousands)
(Unaudited)

		Three Mo	nths En	ded	Twelve Months Ended					
	Dece	ember 31, 2023	D	ecember 31, 2022	De	ecember 31, 2023	December 31, 2022			
Loss from operations	\$	(18,598)	\$	(13,251)	\$	(98,576)	\$	(87,582)		
Non-GAAP adjustments:										
Stock-based compensation		49,571		43,824		206,292		172,507		
Intangibles amortization		3,146		2,890		12,019		11,705		
Exit costs related to closure and relocation of Russian operations		243		2,975		2,313		7,964		
Acquisition and related transaction costs and one- time integration costs		3,670		1,605		6,780		6,901		
Contingent consideration expense		_		_		_		260		
Refund for prior year overpayment of USF fees		_		_		_		(3,511)		
Non-GAAP operating income	\$	38,032	\$	38,043	\$	128,828	\$	108,244		

FIVE9, INC.
RECONCILIATION OF GAAP NET LOSS TO NON-GAAP NET INCOME

(In thousands, except per share data)

		Three Moi	nths E	nded	Twelve Months Ended					
	De	cember 31, 2023		December 31, 2022		December 31, 2023	1	December 31, 2022		
GAAP net loss	\$	(12,358)	\$	(13,653)	\$	(81,764)	\$	(94,650)		
Non-GAAP adjustments:		, , ,		, ,		, ,		, ,		
Stock-based compensation		49,571		43,824		206,292		172,507		
Intangibles amortization		3,146		2,890		12,019		11,705		
Amortization of discount and issuance costs on convertible senior notes		956		947		3,749		3,743		
Exit costs related to closure and relocation of Russian operations		91		3,344		2,796		7,932		
Acquisition and related transaction costs and one- time integration costs		3,670		1,605		6,780		6,901		
Contingent consideration expense		_		_		_		260		
Refund for prior year overpayment of USF fees		_		_		_		(3,511)		
Tax provision associated with acquired companies				_		_		1,830		
Income tax expense effects (1)		<u> </u>		<u> </u>		<u> </u>		_		
Non-GAAP net income	\$	45,076	\$	38,957	\$	149,872	\$	106,717		
GAAP net loss per share:			-							
Basic and diluted	\$	(0.17)	\$	(0.19)	\$	(1.13)	\$	(1.35)		
Non-GAAP net income per share:										
Basic	\$	0.62	\$	0.55	\$	2.08	\$	1.53		
Diluted	\$	0.61	\$	0.54	\$	2.05	\$	1.50		
Shares used in computing GAAP net loss per share:					_		_			
Basic and diluted		72,926		70,704		72,048		69,920		
Shares used in computing non-GAAP net income per share:										
Basic		72,926		70,704		72,048		69,920		
Diluted		73,785		71,537		73,011		71,229		

<sup>(1)</sup> Non-GAAP adjustments do not have an impact on our federal income tax provision due to past non-GAAP losses, and state taxes are immaterial.

# SUMMARY OF STOCK-BASED COMPENSATION, DEPRECIATION AND INTANGIBLES AMORTIZATION

(In thousands)

(Unaudited)

# Three Months Ended

		Decem	ber 31, 2023			December 31, 2022							
	Stock-Based Compensation		Depreciation		Intangibles Amortization		Stock-Based Compensation		Depreciation		tangibles ortization		
Cost of revenue	\$ 9,182	\$	7,162	\$	3,146	\$	8,638	\$	5,913	\$	2,890		
Research and development	12,055		1,012		_		11,799		768		_		
Sales and marketing	15,389		27		_		15,152		1		_		
General and administrative	12,945		1,615		_		8,235		1,449		_		
Total	\$ 49,571	\$	9,816	\$	3,146	\$	43,824	\$	8,131	\$	2,890		

# Twelve Months Ended

		Decen	nber 31, 2023			December 31, 2022							
	tock-Based mpensation			Intangibles Amortization		Stock-Based Compensation		Depreciation		Intangibles Amortization			
Cost of revenue	\$ 38,259	\$	26,540	\$	12,019	\$	33,297	\$	23,250	\$	11,705		
Research and development	50,430		3,583		_		44,367		3,164		_		
Sales and marketing	66,229		65		_		59,300		4		_		
General and administrative	51,374		6,308		_		35,543		6,548		_		
Total	\$ 206,292	\$	36,496	\$	12,019	\$	172,507	\$	32,966	\$	11,705		

# RECONCILIATION OF GAAP NET LOSS TO NON-GAAP NET INCOME – GUIDANCE $^{(1)}$

(In thousands, except per share data)

	Three Months Ending March 31, 2024				Year Ending December 31, 2024			
		Low		High		Low		High
GAAP net loss	\$	(25,349)	\$	(20,855)	\$	(45,238)	\$	(39,202)
Non-GAAP adjustments:								
Stock-based compensation <sup>(2)</sup>		46,249		44,249		184,415		182,415
Intangibles amortization		2,643		2,643		10,570		10,570
Amortization of discount and issuance costs on convertible senior notes		938		938		3,808		3,808
Acquisition and related transaction costs and one-time integration costs <sup>(3)</sup>		3,159		2,159		8,817		7,817
Income tax expense effects <sup>(4)</sup>		_		_		_		_
Non-GAAP net income	\$	27,640	\$	29,134	\$	162,372	\$	165,408
GAAP net loss per share, basic and diluted	\$	(0.34)	\$	(0.28)	\$	(0.61)	\$	(0.53)
Non-GAAP net income per share:			-				-	
Basic	\$	0.38	\$	0.40	\$	2.18	\$	2.22
Diluted	\$	0.37	\$	0.39	\$	2.14	\$	2.18
Shares used in computing GAAP net loss per share and non-GAAP net income per share:								
Basic		73,600		73,600		74,600		74,600
Diluted		74,700		74,700		75,900		75,900

<sup>(1)</sup> Represents guidance discussed on February 21, 2024. Reader shall not construe presentation of this information after February 21, 2024 as an update or reaffirmation of such guidance.

Stock-based compensation expenses are based on a range of probable significance, assuming market price for our common stock that is approximately consistent with current levels.

<sup>3)</sup> Acquisition and related transaction costs and one-time integration costs are based on a range of probable significance for completed acquisitions, and no new acquisitions assumed.

<sup>(4)</sup> Non-GAAP adjustments do not have an impact on our federal income tax provision due to past non-GAAP losses, and state taxes are immaterial.

# **Investor Relations Contacts:**

Five9, Inc. Barry Zwarenstein Chief Financial Officer 925-201-2000 ext. 5959 IR@five9.com

The Blueshirt Group for Five9, Inc. Lisa Laukkanen 415-217-4967 Lisa@blueshirtgroup.com

###