zoominfo

# Investor Overview
# Q4 and FY 2023 Financial Results

DATE

February 12, 2024

# Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts. In some cases, you can identify these forward-looking statements by the use of words such as “outlook”, “believes”, “expects”, “potential”, “continues”, “may”, “will”, “should”, “could”, “seeks”, “predicts”, “intends”, “trends”, “plans”, “estimates”, “anticipates”, or the negative version of these words or other comparable words. Any statements in this presentation regarding future revenue, earnings, margins, financial performance, cash flow, liquidity, results of operations, free cash flow, stock based compensation expense, depreciation and amortization expense, interest expense, capital expenditures, non-GAAP tax rates, or cash tax rates (including, but not limited to, the information provided under "Financial Results Overview - 2024 Guidance” and "Guidance"), uses of cash, our total addressable market ("TAM"), our future investments in R&D, innovation and product offerings, the potential impact of macroeconomic conditions on our business, future product or service offerings, expected customer growth or net retention, the integration and anticipated benefits of acquisitions to us and our customers, our acquisition strategy, future plans for further international expansion, and any other statements that are not historical facts are forward-looking statements. We have based our forward-looking statements on beliefs and assumptions based on information available to us at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, actual results could differ materially from those expressed or implied by our forward-looking statements.

Factors that could cause actual results to differ from those expressed or implied by our forward-looking statements include, among other things: future economic, competitive, and regulatory conditions; potential future uses of cash; our ability to attract new customers, renew existing subscriptions, or expand existing subscriptions; the successful integration of acquired businesses; and future decisions made by us and our competitors. All of these factors are difficult or impossible to predict accurately and many of them are beyond our control. For a further list and description of these and other important risks and uncertainties that may affect our future operations, see Part I, Item 1A - Risk Factors in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we may update in Part II, Item 1A - Risk Factors in Quarterly Reports on Form 10-Q we have filed or will file hereafter. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments, or other strategic transactions we may make. Each forward-looking statement contained in this presentation speaks only as of the date of this presentation, and we undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law.

## ZoomInfo is the go-to-market platform for businesses to find, acquire, and grow customers.

# Delivering Durable Growth and Profitability at Scale

**Scale**

**$1.24B**

TTM Revenue

**Growth**

**5%**

Q4 2023 YoY Revenue Growth

**Retention**

**87%**

Net Revenue Retention [3]

**Cash Flow**

**$463M**

TTM Unlevered Free Cash Flow[2]

**Profitability**

**40%**

Q4 2023 Adj. Operating Income Margin[2]

**Large Customers**

**1,820**

Customers w/ >100K ACV[1]

1. As of December 31, 2023
2. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation
3. Net Revenue Retention is calculated based on customers of ZoomInfo at the beginning of the trailing twelve month period, and is calculated as: (a) the total annual contract value ("ACV") for those customers at the end of the period, divided by (b) the total ACV for those customers at the beginning of the period.

# The Modern Go-To-Market Approach

## Win Faster

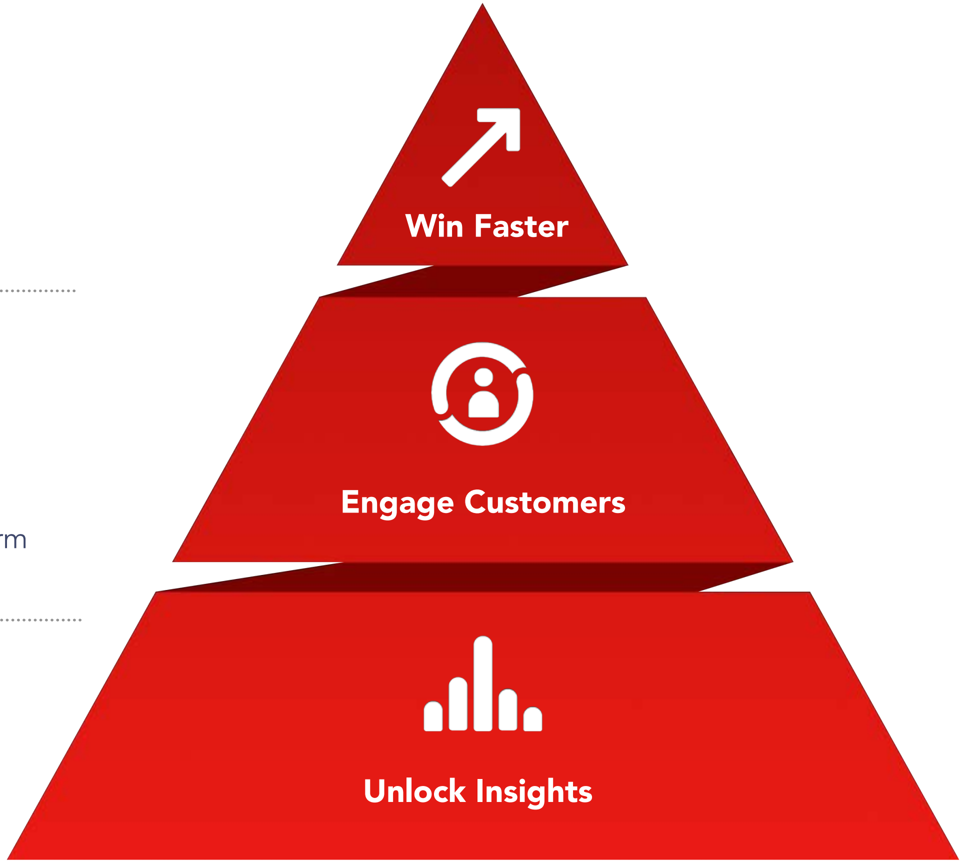
- Scale your go-to-market
- Automate customer outreach
- Simplify your tech stack

## Engage Customers

- Connect across channels
- Align Sales & Marketing
- Access unified engagement platform

## Unlock Insights

- #1 B2B data & intent
- Real-time insights




**Revenue** increase | 32% ↑

Increase in **win rates** | 18% ↑

Higher **productivity** | 64% ↑

Reps finding **new opportunities** | 75% ↑

Source: 2024 ZoomInfo Impact Survey

# The Modern Go-To-Market Platform

Our Mission: To Modernize Go-to-Market for All

Automation

## RevOS: The Modern GTM Platform

**MarketingOS**
Find, acquire, and win with actionable ABM

**SalesOS**
Find the right prospects at the right time


**TalentOS**
Control the hiring funnel for passive candidates

**OperationsOS**
Deliver engagement-ready data to GTM teams

Chat | Engage | Chorus

Access and engage inside the ZoomInfo ecosystem

## Data as a Service

APIs | Data Cubes

aws | snowflake

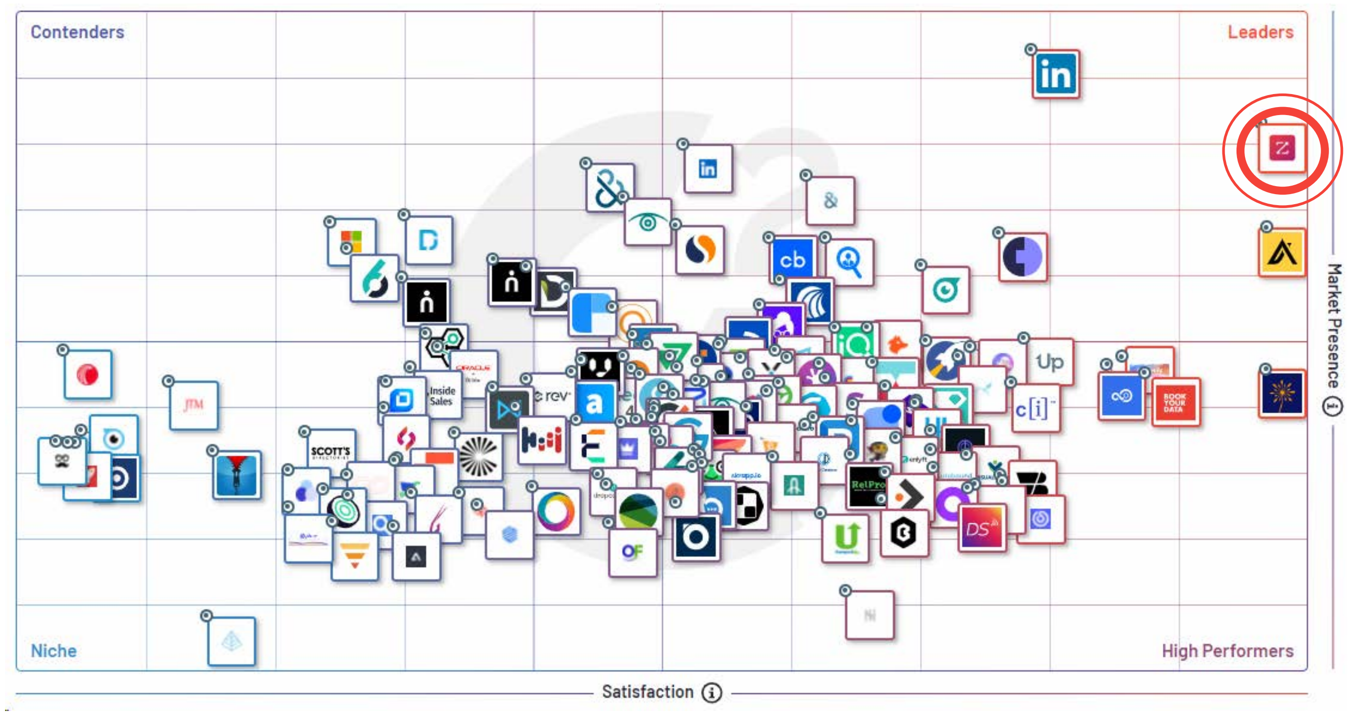
Google Cloud | databricks

Access data anywhere

**Data Foundation**

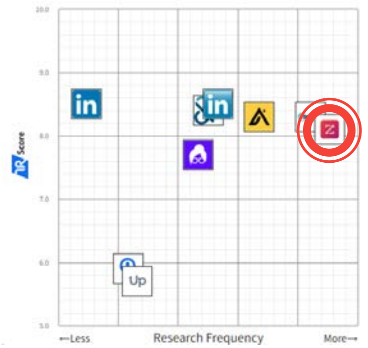
Workflows

# Consistently Ranked as a Product Leader




G2 Grid for Sales Intelligence


The Forrester Wave™: B2B Marketing Data Providers




Sales Intelligence Software TrustMap

# Best-of-Breed in a Unified Platform: RevOS

ZoomInfo Aligns Marketing and Sales Tech Stack in a Unified Platform

| Category | zoominfo Solutions |
|---|---|
| Contact Data | 340m+ Contacts |
| Company Data | 100m+ Companies |
| Technographics | 30k+ Individual Technologies |
| Intent | Streaming Intent |
| Conversation Intelligence | Chorus |
| Sales Engagement | Engage |
| Pipeline Forecasting | Chorus Momentum |
| Conversational Marketing | Chat |
| Enrichment | Enrich |
| Audience Solutions | Targeted Audiences |
| Account-Based Marketing | ABM |
| Data Orchestration | RingLead |
| Key Contact Tracking | Tracker |
| Site Visitor Identification | WebSights |

zoominfo Market Reputation

**#1** for Sales Intelligence, Buyer Intent, Email Verification, Lead Capture, Lead Intelligence, and additional categories by G2

## ZoomInfo's Product Vision

See how customers use ZoomInfo's data and insights to power the go-to-market motion for four different personas: Sales, Operations, Talent, and Marketing.

**Watch Now**

# Diverse Data Sourcing Feeds Evidence-Based AI/ML Systems

## Data Sources
We gather data from multiple sources

## Data Types
We gather a wide variety of intelligence on companies and business professionals

## Engine
Our intelligence engine brings together, processes, verifies, and publishes intelligence

**Contributory Networks**
>100 Million contact record events daily

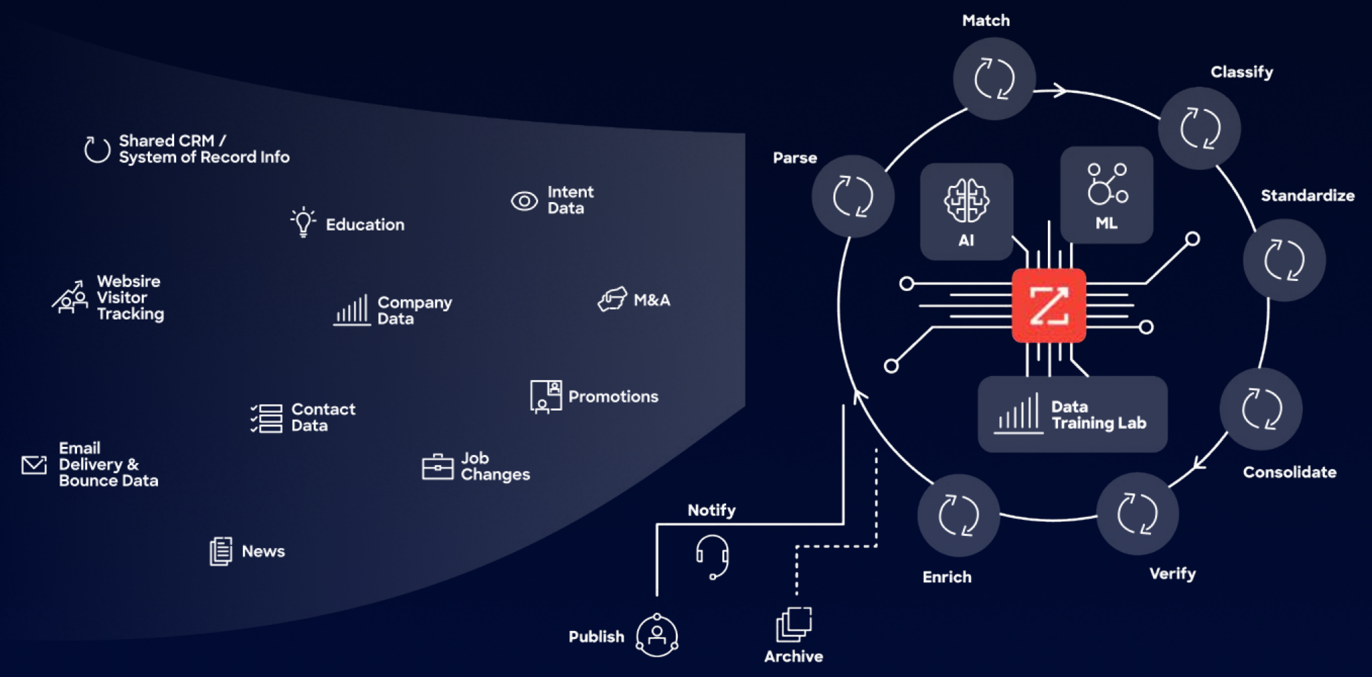
**Select First Party Data & Insights**
Hundreds of Millions daily

**Real Time Intent Signals**
>50 Million per week across >20,000 topics

**Unstructured Public Information**
Billions of web pages monitored

**Data Training Lab**
>300 human researchers

**Generally Available Information**
Limited amount of acquired data



# Addressing a Large and Growing Opportunity

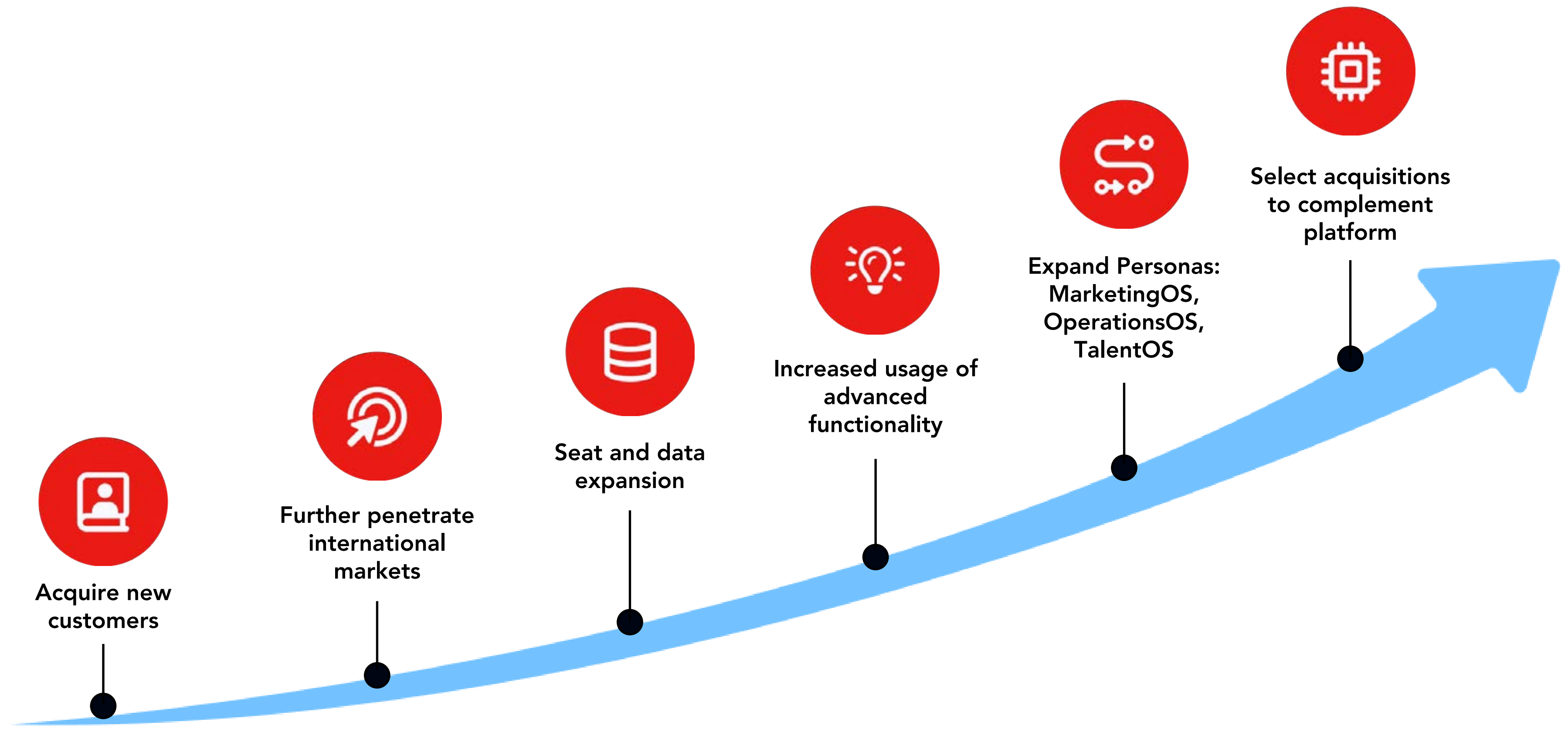
ZoomInfo's Global TAM[1]

**$100B Global TAM**

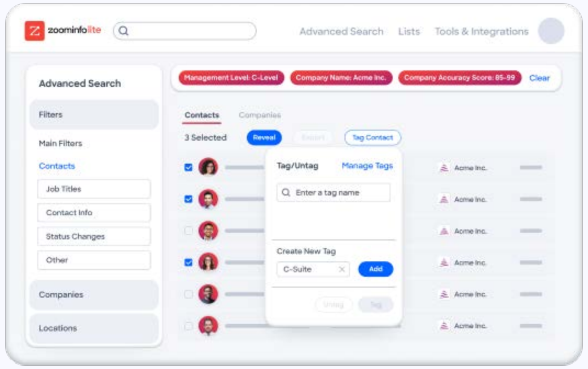
| $40B | $30B | $20B | $10B |
|---|---|---|---|
| SalesOS | OperationsOS | MarketingOS | TalentOS |

1. We calculated our TAM by estimating the total number of B2B companies by employee size for companies with 1,000 or more employees (enterprise), companies with 100 to 999 employees (mid-market), and companies with 25 to 99 employees (SMBs) and applying the ACV to each respective company using internally generated data of actual customer spend by company size. The aggregate calculated value represents our estimated TAM. Data for numbers of companies by employee count is from our ZoomInfo platform that we have identified as relevant prospects for our platform. We have applied an average ACV based on current customer spend by persona and segment. Note that the International ACV applied to company counts is assumed to be 45% of North America ACV for enterprise and 75% of North America ACV for mid-market and SMBs.

# Multiple Levers for Sustained Growth



# Supporting ZoomInfo growth through:

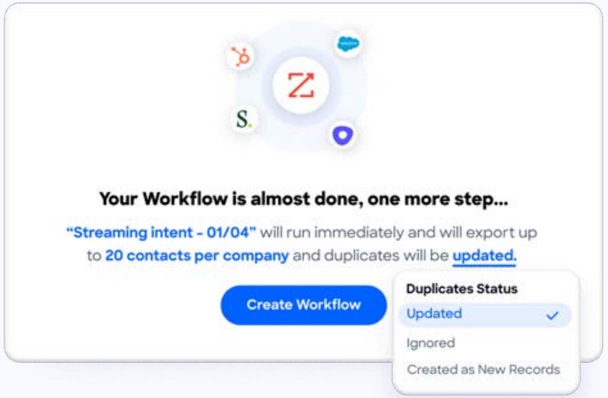



## Product Led Growth

Providing a simple, yet enticing path to drive free users to paid subscribers.

## International Expansion

Growing market opportunities through improved global data coverage, foreign language Intent & regional display availability.




## Effective Automation

Improved accessibility and optimized user experience. We saw 2.5x increase in usage in January 2024, compared to our total Q1 in 2023.

# Recent New and Expansion Customers

More than 35,000 Customers from Small, Mid-sized, and Large Organizations Across a Diverse Set of Industries

HEI HOTELS+RESORTS
Johnson Controls
OpenAI
INTERSTATE ALL BATTERY CENTER
ShipBob
xe
EQUITABLE ADVISORS
Jobot
TE connectivity
TPC WIRE & CABLE
titus Talent Strategies
TEREX
SOULCYCLE
fIRST first financial bank
NurseRegistry
Astound Broadband
R SYSTEMS
PEACHTREE HOTEL GROUP
PANTHEON The Platform for Extraordinary Websites
NURTURE MARKETING
KraftHeinz
TRAVEL EDGE
Opal Group
Deephaven

# ZoomInfo Copilot

| SalesOS Today | | ZoomInfo Copilot |
|---|---|---|
| Prospecting | Use Cases | Full-funnel Incl. AE/AM |
| All accounts | Market Focus | Recommended accounts in ICP |
| Active / pull information | User Experience | Proactive push |
| Manual | Engagement | AI-generated |
| Manual, OOTB | Setup | AI-configured GTM setup |

# Overview of Selected Functionality

Introducing ZoomInfo Copilot

Connecting a CRM system to ZoomInfo

MarketingOS Campaign Use

# Customer Case Study - Arena

## The Results

Immediate impact after switching to ZoomInfo

| | |
|---|---|
| **Industry** | Software |
| **Segment** | Small |
| **Location** | Santa Clara, California |

### About the Company

Arena is a market-leading communication platform focused on creating meaningful community connections in a digital world.

### The Challenge

To build on their early success and make a strategic shift upmarket, Arena needed to establish scalable, repeatable go-to-market (GTM) motions. However, their tech stack wasn't up to the challenge - especially when it came to unlocking key insights needed to identify and engage with best fit accounts.

> "ZoomInfo's impact was immediate. In just the first month, we generated enough business to cover the entire contract cost. We've grown faster with ZoomInfo than any other solution we've employed."

### The Solution

While cost savings played a role in this switch, the primary driver was improving the data fueling Arena's GTM motions. ZoomInfo replaced Apollo for sales intelligence and engagement, ClearBit for website visitor tracking, and SimilarWeb for technographic data. "Instead of juggling different platforms and contracts, we now have everything under one roof making it much easier to take action and scale our efforts," Rice says.

With ZoomInfo powering their sales and marketing efforts, Arena is armed with the data, insights, and tools required to execute a highly effective GTM strategy. The team has now launched a comprehensive account-based marketing (ABM) strategy, which hinges on the ability to target high-value accounts with personalized messages at exactly the right moment. ABM had been a top priority for Arena's leadership team, but was not something they were able to accomplish prior to bringing on ZoomInfo.

"Apollo's data was decent, but it couldn't support our scalability needs. It didn't give us the depth of data we needed to focus on our ICP," Rice says. "They had a broad range of SMB companies in their database, but the data often led to high bounce rates and deliverability issues."

Instead of casting a wide net, Arena now has the data and insights needed to successfully identify, engage and convert high-fit accounts.

"ZoomInfo is just as important to us as our Salesforce instance. It has empowered us to unite our sales and marketing teams under a single strategy, dataset, and platform, all while offering our leadership team transparent insights into performance. It's a powerhouse," he says.

### The Results

Arena is now poised to efficiently scale its enterprise sales motion and continue rapidly growing the business.

"Our choice to bring on ZoomInfo has enables us to explore untapped markets, optimize productivity, and achieve unprecedented revenue milestones," Rice says. "We've consolidated our tech stack into a unified, user-friendly platform, significantly boosting team efficiency and providing us with a wealth of data-driven insights and buying signals right at our fingertips.

# Customer Case Study - Cradles to Crayons

| | |
|---|---|
| **Industry** | Non-Profit Organization |
| **Segment** | Small |
| **Location** | Boston, Massachusetts |

## The Results

Reaching sustainable growth with ZoomInfo

### About the Company

Cradles to Crayons (C2C), founded in 2002, provides children from birth through age 12, living in homeless or low-income situations, with the essential items they need to thrive - at home, at school, and at play. Cradles to Crayons distributes clothing, shoes, diapers, school supplies, and more, free of charge, via a collaborative network of Service Partners including schools, hospitals, community centers, and others. The organization works to fight Children's Clothing Insecurity, and focuses on raising awareness about this urgent crisis nationally.

"We have connected with more people than ever since starting with ZoomInfo. It's now much easier to identify enterprise companies with corporate philanthropy departments who may be actively looking for nonprofits to support."

### The Challenge

As a non-profit organization, C2C prioritizes fundraising and raising awareness about their mission and community work. To be sustainable, they must develop effective fundraising strategies and cultivate strong donor relationships.

"My team is responsible for securing and expanding corporate partnerships to fuel our donations, sponsorships, and fundraising initiatives," says Robin Elliott, Associate Director of Corporate Relations and Foundations. "We rely heavily on these contributions to maximize the impact of our programs. The competition for donor dollars is fierce, and attracting and retaining donors requires ongoing effort."

Elliot was looking to expand her team's funding sources and increase their donor pipeline. To achieve this, she searched for ways to access contact information more efficiently and came across ZoomInfo.

### The Solution

"Prior to ZoomInfo we spent a lot of time and resources manually searching for companies and contacts who may be interested in becoming corporate partners," says Elliot.

To improve their sales efforts, C2C uses Engage by ZoomInfo to automate their outreach and eliminate manual tasks. Now they can concentrate on building meaningful relationships with potential donors and expanding their portfolio of prospects. The donor team now works with ease, sophistication, and efficiency.

### The Results

Cradles to Crayons experienced record-breaking engagement in their first year of using ZoomInfo. "We shared the mission of our work with more people than ever before in the history of the organization. ZoomInfo has transformed our donor pipeline," says Elliot.

Thanks to the ZoomInfo platform, they're able to consistently and effectively reach out to new donors. Developing relationships is essential for Cradles to Crayon's sustainability.

"The financial support Cradles to Crayons receives from individuals, families, and companies is what sustains our year-round mission. As you can imagine, fueling our donor pipeline is a top priority. With ZoomInfo we are able to maximize these efforts, paving the way for sustainable growth.

# Q4 and FY 2023 Financial Results

# Financial Results Overview


## Financial Results

"We ended the year strong, with better-than-expected sequential revenue growth, while we delivered another year of profitability and free cash flow," said Henry Schuck, ZoomInfo Founder and CEO. "I am excited to introduce ZoomInfo Copilot, our GenAI-powered solution that turns every seller into your best seller. Copilot delivers AI powered recommendations about who to contact, when to engage them, and even what to say across channels. It gives revenue teams a substantial advantage so they can get to buyers faster."


## 2024 Guidance[2]

We expect 2024 revenue in the range of $1.26 - $1.28 billion and Adjusted Operating Income in the range of $492 - $502 million.

For the full year 2024 we expect Unlevered Free Cash Flow in the range of $445 - $465 million.

**>35,000**

**Paying Customers[1]**

**1,820**

**Customers with > $100K in ACV[1]**

**FY 2024 Guidance (as of 2/12/24)**

**$1.26 - $1.28 billion**

**Revenue**

**$492 - $502 million**

**Adjusted Operating Income[2]**

1. As of or through December 31, 2023 as applicable
2. Guidance as of 2/12/2024. We do not provide a quantitative reconciliation of the forward-looking non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures due to the high variability and difficulty to predict certain items excluded from these non-GAAP financial measures; in particular, the effects of stock-based compensation expense, taxes and amounts under the exchange tax receivable agreement, deferred tax assets and deferred tax liabilities, and restructuring and transaction expenses. We expect the variability of these excluded items may have a significant, and potentially unpredictable, impact on our future GAAP financial results.

# Q4 2023 Financial Summary (Unaudited)[1]

| | GAAP | | | Non-GAAP[(1)] | |
|---|---|---|---|---|---|
| ($M, except per share amounts and percent figures) | Quarterly Results | Change YoY | | Quarterly Results | Change YoY |
| Revenue | **$316.4** | **5%** | | | |
| Operating Income | **$70.5** | **35%** | Adjusted Operating Income | **$126.5** | **(0.4)%** |
| Operating Income Margin | **22%** | | Adjusted Operating Income Margin | **40%** | |
| Net Loss Per Share (Diluted) | **$(0.01)** | | Adjusted Net Income Per Share (Diluted) | **$0.26** | |
| Cash Flow from Operating Activities | **$128.8** | **7%** | Unlevered Free Cash Flow | **$126.0** | **3%** |

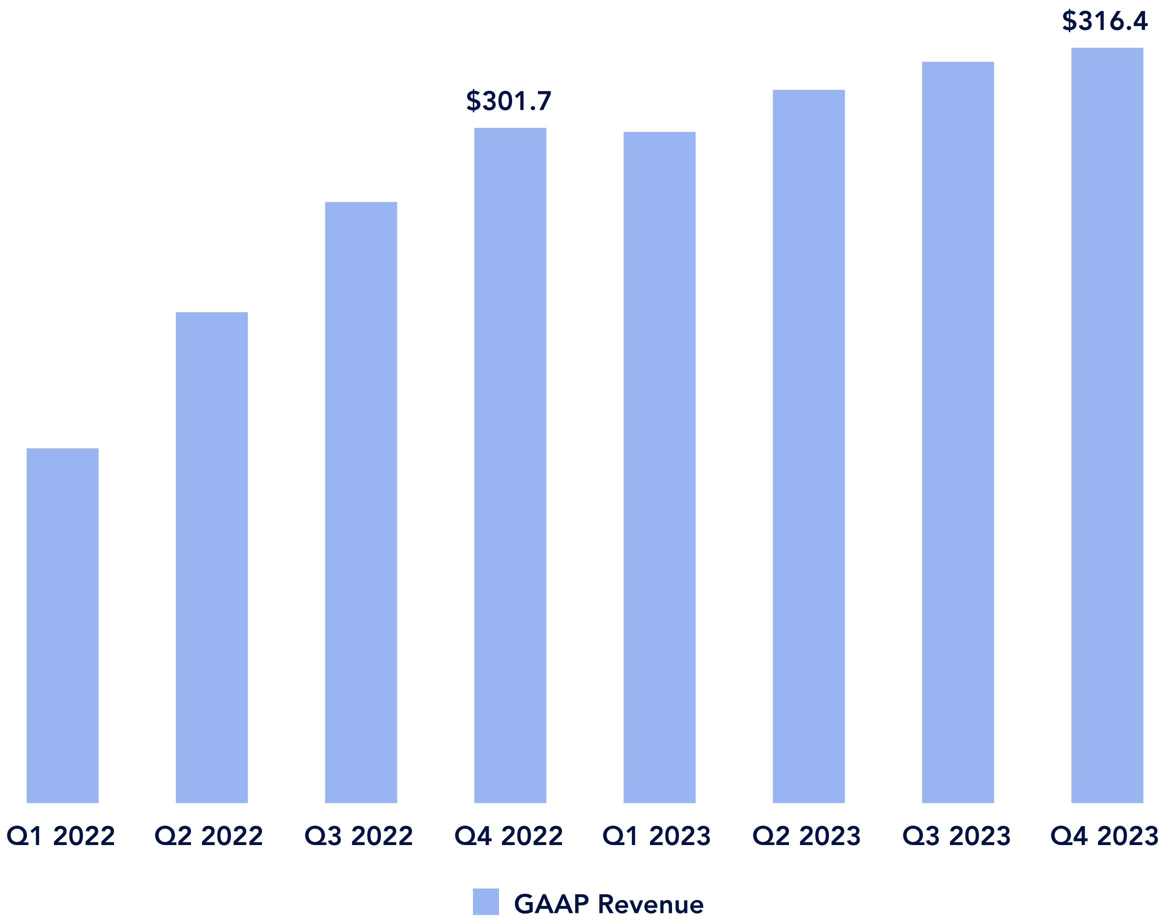
1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation

# FY 2023 Financial Summary (Unaudited)[1]

| | GAAP | | | Non-GAAP[(1)] | |
|---|---|---|---|---|---|
| ($M, except per share amounts and percent figures) | Annual Results | Change YoY | | Annual Results | Change YoY |
| Revenue | **$1,239.5** | **13%** | | | |
| Operating Income | **$259.5** | **48%** | Adjusted Operating Income | **$498.6** | **11%** |
| Operating Income Margin | **21%** | | Adjusted Operating Income Margin | **40%** | |
| Net Income Per Share (Diluted) | **$0.27** | | Adjusted Net Income Per Share (Diluted) | **$1.01** | |
| Cash Flow from Operating Activities | **$434.9** | **4%** | Unlevered Free Cash Flow | **$463.5** | **2%** |

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation

# GAAP Revenue Growth ($M)

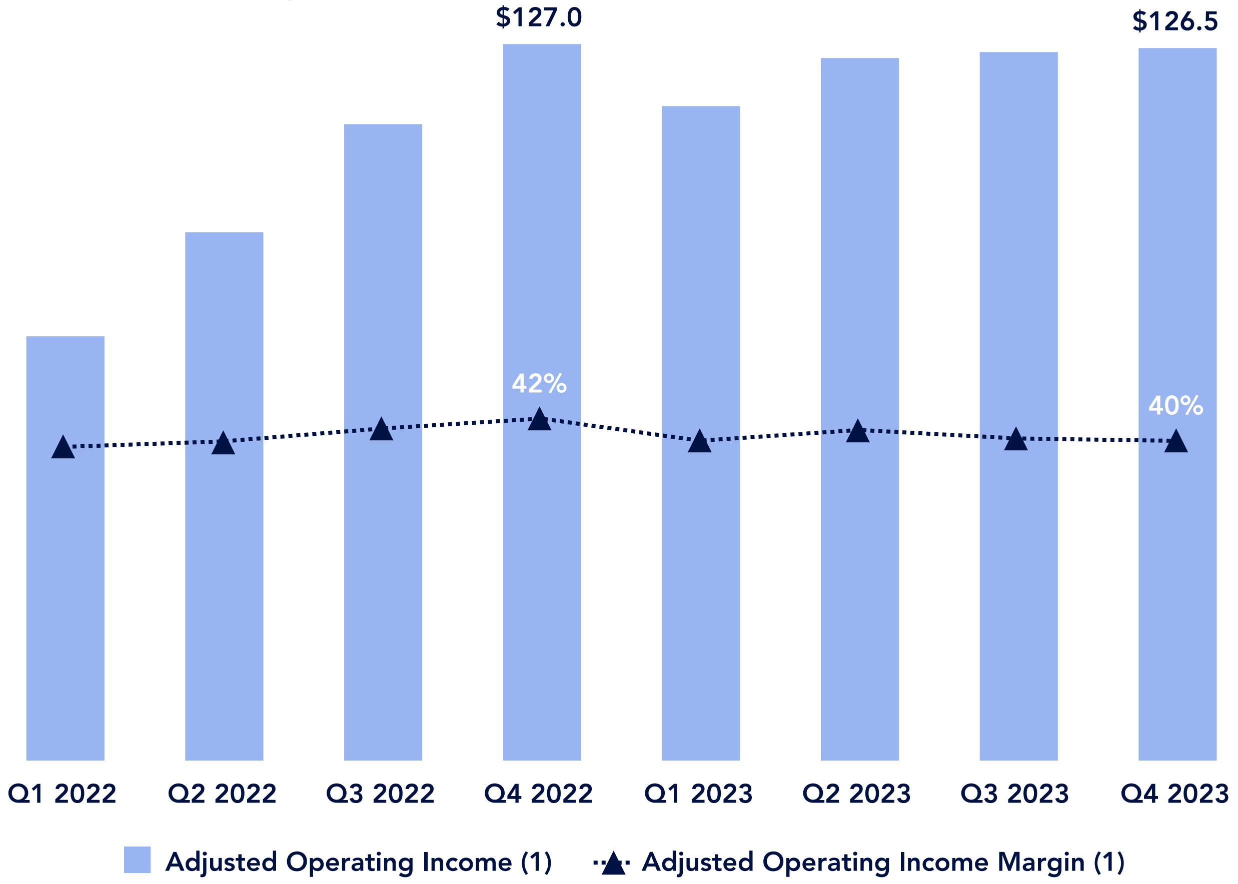



## Q4 2023

**5%**

GAAP Revenue Growth

# Adjusted Operating Income ($M) and Margin[1]



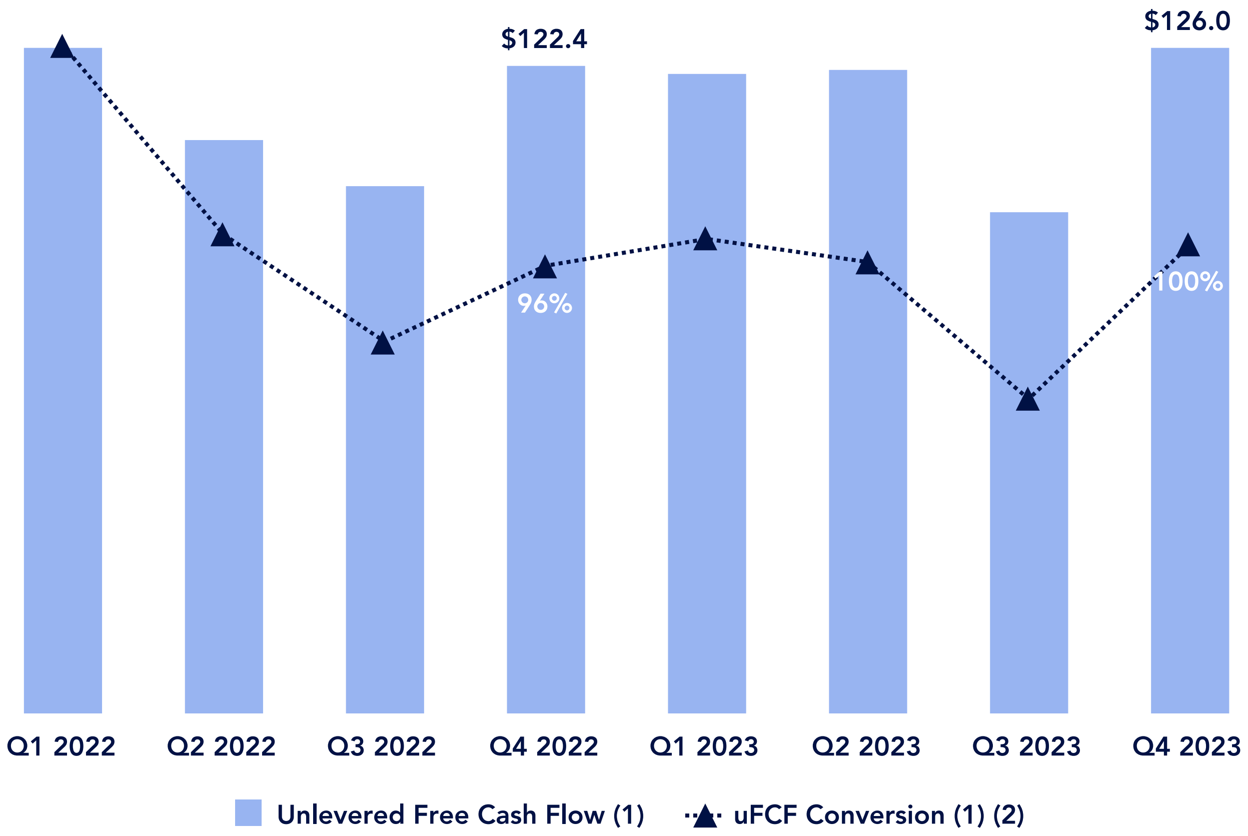

## Q4 2023

**40%**

Adjusted Operating Income Margin[1]

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation

# Unlevered Free Cash Flow (uFCF) and uFCF Conversion(1)(2)




## Q4 2023

**100%**

Unlevered free cash flow conversion(1)(2)

**40%**

Unlevered Free Cash Flow Margin(1)

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation
2. Unlevered Free Cash Flow Conversion defined as Unlevered Free Cash Flow divided by Adjusted Operating Income

# Balance Sheet Highlights and Net Leverage

| ($M, except Net Leverage Ratio) | As of December 31, 2023 | As of December 31, 2022 |
|---|---|---|
| Total contractual maturity of outstanding indebtedness | $1,244.0 | $1,250.0 |
| Cash, cash equivalents, restricted cash, and short-term investments | $538.4 | $551.8 |
| Trailing Twelve Months (TTM) Adjusted EBITDA[1] | $518.2 | $465.4 |
| Trailing Twelve Months (TTM) Cash EBITDA[1] | $542.3 | $519.1 |
| Total Net Leverage Ratio (Adjusted EBITDA)[1][2] | 1.4x | 1.5x |
| Total Net Leverage Ratio (Cash EBITDA)[1][3] | 1.3x | 1.3x |
| Total Unearned Revenue | $441.9 | $419.9 |
| Current remaining performance obligations | $856.4 | $842.2 |
| Total remaining performance obligations | $1,152.9 | $1,106.7 |

1. GAAP to non-GAAP reconciliations available in the non-GAAP reconciliations section of this presentation
2. Defined as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments divided by TTM Adjusted EBITDA, expressed as a ratio
3. Defined as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments divided by TTM Cash EBITDA (defined as Consolidated EBITDA in our Credit Agreements), expressed as a ratio

# Tax Receivable Agreement

In connection with our IPO, we entered into two Tax Receivable Agreements with certain former unit holders of DiscoverOrg Holdings LLC (the "TRA Holders"). The conversion of these pre-IPO units to common stock, as well as certain restructuring transactions created a step-up in tax basis, resulting in a deferred tax asset. The TRAs generally provide for payment by the Company to the TRA Holders of 85% of the net cash savings, if any, in U.S. federal and state income taxes that the Company realizes from the step-up. The Company benefits from the IPO-related restructuring, including the 15% of TRA savings.

- $1B benefit to ZoomInfo and ZoomInfo shareholders
- $12.2M of TRA payments made since inception of TRA agreements

From time to time, the TRA and its associated deferred tax assets are revalued depending on their future benefit as impacted by changes in tax law and the Company's overall tax posture.

The TRA payment period will span through 2036, and potentially into further years. Furthermore, the TRA payments typically only occur after the Company exhausts its own favorable tax attributes.

| ($M) | As of December 31, 2023 | As of December 31, 2022 |
|---|---|---|
| Deferred tax asset attributable to IPO-related restructurings and exchanges | $3,757.3 | $3,999.3 |
| Tax receivable agreements liability | $2,818.0 | $2,978.7 |
| Future tax benefit to ZoomInfo | $939.3 | $1,020.6 |

# Guidance (as of February 12, 2024)[1]

| | Q1 2024 | FY 2024 |
|---|---|---|
| GAAP Revenue | $307 - $310 million | $1.26 - $1.28 billion |
| Adjusted Operating Income[1] | $115 - $117 million | $492 - $502 million |
| Adjusted Net Income Per Share[1] | $0.23 - $0.24 | $0.99 - $1.01 |
| Unlevered Free Cash Flow[1] | *Not guided* | $445 - $465 million |
| Weighted Average Shares Outstanding | 396 million | 399 million |

1. We do not provide a quantitative reconciliation of the forward-looking non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures due to the high variability and difficulty to predict certain items excluded from these non-GAAP financial measures; in particular, the effects of stock-based compensation expense, taxes and amounts under the exchange tax receivable agreement, deferred tax assets and deferred tax liabilities, and restructuring and transaction expenses. We expect the variability of these excluded items may have a significant, and potentially unpredictable, impact on our future GAAP financial results.

# Non-GAAP Reconciliations

# Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with GAAP, this presentation contains non-GAAP financial measures, including Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income, Adjusted Net Income Per Share, Unlevered Free Cash Flow, Unlevered Free Cash Flow Conversion, TTM Adjusted EBITDA and Cash EBITDA, Net Leverage Ratio, Adjusted Gross Margin, Adjusted Sales and Marketing Expense, Adjusted Research and Development Expense, and Adjusted General and Administrative Expense. We believe these non-GAAP measures are useful to investors in evaluating our operating performance because they eliminate certain items that affect period-over-period comparability and provide consistency with past financial performance and additional information about our underlying results and trends by excluding certain items that may not be indicative of our business, results of operations, or outlook.

Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for the comparable GAAP measures, but rather as supplemental information to our business results. This information should be read only in conjunction with our consolidated financial statements prepared in accordance with U.S. GAAP. There are limitations to these non-GAAP financial measures because they are not prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures of other companies due to potential differences in methods of calculation and items or events being adjusted. In addition, other companies may use different measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. A reconciliation is provided at the end of this presentation for each historical non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. We do not provide a quantitative reconciliation of the forward-looking non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures due to the high variability and difficulty to predict certain items excluded from these non-GAAP financial measures; in particular, the effects of stock-based compensation expense, taxes and amounts under the exchange tax receivable agreement, deferred tax assets and deferred tax liabilities, and restructuring and transaction expenses. We expect the variability of these excluded items may have a significant, and potentially unpredictable, impact on our future GAAP financial results.

We define Adjusted Operating Income as income (loss) from operations adjusted for (i) the impact of fair value adjustments to acquired unearned revenue, (ii) amortization of acquired technology and other acquired intangibles, (iii) equity-based compensation expense, (iv) restructuring and transaction-related expenses, and (v) integration costs and acquisition-related expenses. We exclude the impact of fair value adjustments to acquired unearned revenue and amortization of acquired technology and other acquired intangibles, as well as equity-based compensation expense, because these are non-cash expenses or non-cash fair value adjustments and we believe that excluding these items provides meaningful supplemental information regarding performance and ongoing cash-generation potential. We exclude restructuring and transaction-related expenses, as well as integration costs and acquisition-related expenses, because such expenses are episodic in nature and have no direct correlation to the cost of operating our business on an ongoing basis. Adjusted Operating Income is presented because it is used by management to evaluate our financial performance and for planning and forecasting purposes. Additionally, we believe that it and similar measures are widely used by securities analysts and investors as a means of evaluating a company's operating performance. Adjusted Operating Income should not be considered as an alternative to operating income as an indicator of operating performance. We define Adjusted Operating Income Margin as Adjusted Operating Income divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define Adjusted Net Income as net income (loss) adjusted for (i) the impact of fair value adjustments to acquired unearned revenue, (ii) loss on debt modification and extinguishment, (iii) amortization of acquired technology and other acquired intangibles, (iv) equity-based compensation expense, (v) restructuring and transaction-related expenses, (vi) integration costs and acquisition-related expenses, (vii) TRA liability remeasurement (benefit) expense and (viii) tax impacts of adjustments to net income (loss). Adjusted Net Income is presented because it is used by management to evaluate our financial performance and for planning and forecasting purposes. Additionally, we believe that it and similar measures are widely used by securities analysts and investors as a means of evaluating a company's operating performance. Adjusted Net Income should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to operating income or net income as indicators of operating performance.

# Non-GAAP Financial Measures

We define Unlevered Free Cash Flow as net cash provided by (used in) operating activities less (i) purchases of property and equipment and other assets, plus (ii) cash interest expense, (iii) cash payments related to restructuring and transaction-related expenses, and (iv) cash payments related to integration costs and acquisition-related compensation. We define Unlevered Free Cash Flow Margin as Unlevered Free Cash Flow divided by the sum of revenue and the amortization of the impact of fair value adjustments to acquired unearned revenue. Unlevered Free Cash Flow is presented because it is used by management to evaluate our financial performance and for planning and forecasting purposes. Additionally, we believe that it and similar measures are widely used by securities analysts and investors as a means of evaluating a company's operating performance. Unlevered Free Cash Flow should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to operating income or net income as indicators of operating performance. Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures since, among other things, we have mandatory debt service requirements. We define Unlevered Free Cash Flow Conversion as Unlevered Free Cash Flow divided by Adjusted Operating Income.

We define Net Leverage Ratio to Adjusted EBITDA as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments, divided by trailing twelve months Adjusted EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Management further adjusts EBITDA to exclude certain items of a significant or unusual nature, including other (income) expense, net, loss on debt modification and extinguishment, impact of certain non-cash items, such as fair value adjustments to acquired unearned revenue and equity-based compensation, restructuring and transaction-related expenses, and integration costs and acquisition-related compensation. We exclude these items because these are non-cash expenses or non-cash fair value adjustments, which we do not consider indicative of performance and ongoing cash-generation potential or are episodic in nature and have no direct correlation to the cost of operating our business on an ongoing basis. Adjusted EBITDA is presented because it is used by management to evaluate our financial performance and for planning and forecasting purposes. Additionally, we believe that it and similar measures are widely used by securities analysts and investors as a means of evaluating a company's operating performance. Adjusted EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to operating income or net income as indicators of operating performance. Net Leverage Ratio should not be considered as an alternative to other ratios of GAAP earnings to indebtedness.

We define Net Leverage Ratio to Cash EBITDA as total contractual maturity of outstanding indebtedness less cash and cash equivalents, restricted cash, and short-term investments, divided by trailing twelve months Cash EBITDA. Cash EBITDA defined as Adjusted EBITDA adjusted for the unearned revenue adjustment, cash rent adjustment, pre-acquisition EBITDA, and other lender adjustments.

We define Adjusted Gross Profit as gross profit plus (i) equity-based compensation expense included as part of Cost of Service, and (ii) integration and deal related compensation included as part of Cost of Service, and (iii) amortization of acquired technology. Adjusted Gross Margin is Adjusted Gross Profit divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define Adjusted Sales and Marketing Expense as sales and marketing expense less (i) integration and deal related compensation expense, and (ii) the equity-based compensation expense included as part of sales and marketing expense. Adjusted Sales and Marketing as a percentage of Adjusted Revenue is Adjusted Sales and Marketing divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define Adjusted Research and Development Expense as research and development expense less (i) integration and deal related compensation expense, and (ii) the equity-based compensation expense included as part of research and development expense. Adjusted Research and Development as a percentage of Adjusted Revenue is Adjusted Research and Development divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

We define Adjusted General and Administrative Expense as general and administrative expense, less (i) integration and deal related compensation expense, and (ii) the equity-based compensation expense included as part of general and administrative expense. Adjusted General and Administrative as a percentage of Adjusted Revenue is Adjusted General and Administrative divided by the sum of revenue and the impact of fair value adjustments to acquired unearned revenue.

Net revenue retention is a metric that we calculate based on customers of ZoomInfo at the beginning of the twelve-month period, and is calculated as: (a) the total annual contract value ("ACV") for those customers at the end of the end of the twelve-month period, divided by (b) the total ACV for those customers at the beginning of the twelve-month period.

# Reconciliation from GAAP Income from Operations to Adjusted Operating Income

| ($M except percent figures) | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| **Income (Loss) from operations (GAAP)** | **$70.5** | **$52.1** | **$259.5** | **$175.8** |
| Impact of fair value adjustments to acquired unearned revenue | — | 0.1 | 0.2 | 2.1 |
| Amortization of acquired technology | 9.6 | 12.4 | 39.1 | 48.2 |
| Amortization of other acquired intangibles | 5.4 | 5.6 | 21.9 | 22.0 |
| Equity-based compensation expense | 40.7 | 54.7 | 167.6 | 192.3 |
| Restructuring and transaction-related expenses | 0.4 | 0.3 | 10.3 | 4.1 |
| Integration costs and acquisition-related expenses | — | 1.8 | — | 3.3 |
| **Adjusted Operating Income (Non-GAAP)** | **$126.5** | **$127.0** | **$498.6** | **$447.8** |
| Revenue (GAAP) | 316.4 | 301.7 | 1,239.5 | 1098.0 |
| Impact of fair value adjustments to acquired unearned revenue | — | 0.1 | 0.2 | 2.1 |
| Revenue for adjusted operating margin calculation (Non-GAAP) | 316.4 | 301.8 | 1,239.7 | 1100.1 |
| *Adjusted Operating Income Margin (Non-GAAP)* | *40%* | *42%* | *40%* | *41%* |

# Reconciliation from GAAP Net Income to Cash EBITDA

| ($M) | Trailing Twelve Months as of December 31, 2023 | Trailing Twelve Months as of December 31, 2022 |
|---|---|---|
| **Net income (loss) (GAAP)** | **$107.3** | **$63.2** |
| Provision (Benefit) for income taxes | 281.5 | 131.4 |
| Interest expense, net | 45.2 | 47.6 |
| Loss on debt modification and extinguishment | 4.3 | — |
| Depreciation expense | 19.6 | 17.6 |
| Amortization of acquired technology | 39.1 | 48.2 |
| Amortization of other acquired intangibles | 21.9 | 22.0 |
| Other (income) loss, net | (178.8) | (66.4) |
| Impact of fair value adjustments to acquired unearned revenue | 0.2 | 2.1 |
| Equity-based compensation expense | 167.6 | 192.3 |
| Restructuring and transaction related expenses | 10.3 | 4.1 |
| Integration costs and acquisition-related expenses | — | 3.3 |
| **Adjusted EBITDA (Non-GAAP)** | **$518.2** | **$465.4** |
| Unearned revenue adjustment | 21.8 | 46.7 |
| Cash rent adjustment | 1.8 | 1.5 |
| Pre-Acquisition EBITDA | 0.0 | 1.4 |
| Other lender adjustments | 0.5 | 4.0 |
| **Cash EBITDA (Non-GAAP)**[1)] | **$542.3** | **$519.1** |

1. Defined as Consolidated EBITDA in our Credit Agreements

# Reconciliation from Non-GAAP Leverage Ratios

| ($M, except Leverage Ratios) | Trailing Twelve Months as of December 31, 2023 | Trailing Twelve Months as of December 31, 2022 |
|---|---|---|
| **Total Net Leverage Ratio (Adjusted EBITDA)** | | |
| Total contractual maturity of outstanding indebtedness | $1,244.0 | $1,250.0 |
| Less: Cash and cash equivalents, restricted cash, and short-term investments | 538.4 | 551.8 |
| Net Debt | 705.6 | 698.2 |
| Trailing Twelve Months (TTM) Adjusted EBITDA | 518.2 | 465.4 |
| **Total Net Leverage Ratio (Adjusted EBITDA)** | 1.4x | 1.5x |
| | | |
| **Total Net Leverage Ratio (Cash EBITDA)** | | |
| Total contractual maturity of outstanding indebtedness | 1,244.0 | 1,250.0 |
| Less: Cash and cash equivalents, restricted cash, and short-term investments | 538.4 | 551.8 |
| Net Debt | 705.6 | 698.2 |
| Trailing Twelve Months (TTM) Cash EBITDA [1] | 542.3 | 519.1 |
| **Total Net Leverage Ratio (Cash EBITDA)** | 1.3x | 1.3x |

1. Defined as Consolidated EBITDA in our Credit Agreements

# Reconciliation from GAAP Operating Cash Flow to Unlevered Free Cash Flow

| ($M except percent figures) | Q4 2023 | Q4 2022 | FY 2023 | FY 2022 |
|---|---|---|---|---|
| **Net cash provided by (used in) operating activities** | **$128.8** | **$120.2** | **$434.9** | **$417.0** |
| Purchases of property and equipment and other assets | (8.9) | (6.5) | (26.5) | (28.9) |
| Interest paid in cash | 5.5 | 6.0 | 48.5 | 50.0 |
| Restructuring and transaction-related expenses paid in cash | 0.6 | 2.1 | 6.1 | 14.6 |
| Integration costs and acquisition-related compensation paid in cash | — | 0.6 | 0.5 | 3.7 |
| **Unlevered Free Cash Flow (Non-GAAP)** | **$126.0** | **$122.4** | **$463.5** | **$456.5** |
| Adjusted Operating Income | 126.5 | 127.0 | 498.6 | 447.8 |
| **Unlevered Free Cash Flow conversion** | **100%** | **96%** | **93%** | **102%** |
| Revenue | 316.4 | 301.7 | 1,239.5 | 1,098.0 |
| Impact of fair value adjustments to acquired unearned revenue | — | 0.1 | 0.2 | 2.1 |
| Revenue for uFCF margin calculation | 316.4 | 301.8 | 1,239.7 | 1,100.1 |
| **Unlevered Free Cash Flow Margin** | **40%** | **41%** | **37%** | **41%** |

# Reconciliation from GAAP Net Income (Loss) to Adjusted Net Income Per Share

| Three months ended December 31, 2023 ($M) | GAAP | Margin% | Equity-based Compensation | Amortization of Acquired Intangibles and Fair Value Adjustments from Acquisitions | Restructuring and Transaction Related Expenses | Tax Impacts of Adjustments and TRA | As Adjusted | Adjusted Margin% |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **$316.4** | | **$—** | **$—** | **$—** | **$—** | **$316.4** | |
| Cost of service | 35.0 | 11% | (3.9) | | — | — | 31.1 | 10% |
| Amortization of acquired technology | 9.6 | 3% | — | (9.6) | — | — | — | |
| **Gross profit** | **271.8** | **86%** | **3.9** | **9.6** | **—** | **—** | **285.2** | 90% |
| Sales and marketing | 98.3 | 31% | (16.7) | — | — | — | 81.6 | 26% |
| Research and development | 48.2 | 15% | (11.1) | — | — | — | 37.2 | 12% |
| General and administrative | 49.0 | 15% | (9.0) | — | — | — | 40.0 | 13% |
| Amortization of other acquired intangibles | 5.4 | | — | (5.4) | — | — | — | |
| Restructuring and transaction related expenses | 0.4 | | — | — | (0.4) | — | — | |
| Total operating expenses | 201.3 | | (36.8) | (5.4) | (0.4) | — | 158.8 | |
| **Income from operations** | **$70.5** | **22%** | **$40.7** | **$15.0** | **$0.4** | **$—** | **$126.5** | **40%** |
| Interest expense, net | 11.4 | | — | — | — | — | 11.4 | |
| Loss on debt modification and extinguishment | 2.1 | | — | — | (2.1) | — | — | |
| Other (income) expense, net, excluding TRA liability remeasurement (benefit) expense | (149.7) | | — | — | — | 146.8 | (2.9) | |
| **Income (Loss) before income taxes** | **206.7** | | **40.7** | **15.0** | **2.5** | **(146.8)** | **117.9** | |
| Provision (Benefit) for income taxes | 212.2 | | — | — | — | (196.4) | 15.8 | |
| **Net income (loss)** | **$(5.5)** | (2)% | **$40.7** | **$15.0** | **$2.5** | **$49.6** | **$102.1** | **32%** |
| **Diluted net income (loss) per share** | **$(0.01)** | | | | | | **$0.26** | |
| Common Stock WASO – diluted (in millions) | 386 | | | | | | 400 | |

# Reconciliation from GAAP Net Income to Adjusted Net Income Per Share

| Twelve months ended December 31, 2023 ($M) | GAAP | Margin% | Equity-based Compensation | Amortization of Acquired Intangibles and Fair Value Adjustments from Acquisitions | Restructuring and Transaction Related Expenses | Tax Impacts of Adjustments and TRA | As Adjusted | Adjusted Margin% |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **$1,239.5** | | **$—** | **$0.2** | **$—** | **$—** | **$1,239.7** | |
| Cost of service | 139.0 | 11% | (15.7) | — | — | — | 123.3 | 10% |
| Amortization of acquired technology | 39.1 | 3% | — | (39.1) | — | — | — | |
| **Gross profit** | **1,061.4** | **86%** | **15.7** | **39.3** | **—** | **—** | **1,116.3** | 90% |
| Sales and marketing | 406.4 | 33% | (71.3) | — | — | — | 335.1 | 27% |
| Research and development | 189.8 | 15% | (45.1) | — | — | — | 144.7 | 12% |
| General and administrative | 173.5 | 14% | (35.5) | — | — | — | 137.9 | 11% |
| Amortization of other acquired intangibles | 21.9 | | — | (21.9) | — | — | — | |
| Restructuring and transaction related expenses | 10.3 | | — | — | (10.3) | — | — | |
| Total operating expenses | 801.9 | | (151.9) | (21.9) | (10.3) | — | 617.7 | |
| **Income (Loss) from operations** | **$259.5** | **21%** | **$167.6** | **$61.2** | **$10.3** | **$—** | **$498.6** | **40%** |
| Interest expense, net | 45.2 | | — | — | — | — | 45.2 | |
| Loss on debt modification and extinguishment | 4.3 | | — | — | (4.3) | — | — | |
| Other (income) expense, net, excluding TRA liability remeasurement (benefit) expense | (178.8) | | — | — | — | 160.7 | (18.1) | |
| **Income (Loss) before income taxes** | **388.8** | | **167.6** | **$61.2** | **14.6** | **(160.7)** | **471.5** | |
| Provision (Benefit) for income taxes | 281.5 | | — | — | — | (223.2) | 58.3 | |
| **Net income (loss)** | **$107.3** | 9% | **$167.6** | **$61.2** | **$14.6** | **$62.5** | **$413.1** | **33%** |
| **Diluted net income per share** | **$0.27** | | | | | | **$1.01** | |
| Common Stock WASO – diluted (in millions) | 397 | | | | | | 411 | |

# Reconciliation from GAAP Net Income to Adjusted Net Income Per Share

| Three months ended December 31, 2022 ($M) | GAAP | Margin% | Equity-based Compensation | Amortization of Acquired Intangibles and Fair Value Adjustments from Acquisitions | Restructuring and Transaction Related Expenses | Tax Impacts of Adjustments and TRA | As Adjusted | Adjusted Margin% |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **$301.7** | | **$—** | **$0.1** | **$—** | **$—** | **$301.8** | |
| Cost of service | 36.8 | 12% | (5.5) | — | — | — | 31.3 | 10% |
| Amortization of acquired technology | 12.4 | 4% | — | (12.4) | — | — | — | |
| **Gross profit** | **252.5** | **84%** | **5.5** | **12.5** | **—** | **—** | **270.5** | **90%** |
| Sales and marketing | 103.6 | 34% | (24.7) | — | — | — | 78.9 | 26% |
| Research and development | 55.9 | 19% | (17.8) | — | (1.8) | — | 36.3 | 12% |
| General and administrative | 35.0 | 12% | (6.7) | — | — | — | 28.4 | 9% |
| Amortization of other acquired intangibles | 5.6 | | — | (5.6) | — | — | — | |
| Restructuring and transaction related expenses | 0.3 | | — | — | (0.3) | — | — | |
| Total operating expenses | 200.4 | | (49.2) | (5.6) | (2.1) | — | 143.6 | |
| **Income (Loss) from operations** | **$52.1** | **17%** | **$54.7** | **$18.1** | **$2.1** | **$—** | **$127.0** | **42%** |
| Interest expense, net | 12.5 | | — | — | — | — | 12.5 | |
| Loss on debt modification and extinguishment | — | | — | — | — | — | — | |
| Other (income) expense, net, excluding TRA liability remeasurement (benefit) expense | (59.4) | | — | — | — | 56.2 | (3.3) | |
| **Income (Loss) before income taxes** | **99.0** | | **54.7** | **18.1** | **2.1** | **(56.2)** | **117.8** | |
| Provision (Benefit) for income taxes | 75.8 | | — | — | — | (66.8) | 9.1 | |
| **Net income (loss)** | **$23.2** | **8%** | **$54.7** | **$18.1** | **$2.1** | **$10.6** | **$108.7** | **36%** |
| **Diluted net income per share** | **$0.06** | | | | | | **$0.26** | |
| Class A WASO – diluted (in millions) | 404 | | | | | | 413 | |

# Reconciliation from GAAP Net Income to Adjusted Net Income Per Share

| Twelve months ended December 31, 2022 ($M) | GAAP | Margin% | Equity-based Compensation | Amortization of Acquired Intangibles and Fair Value Adjustments from Acquisitions | Restructuring and Transaction Related Expenses | Tax Impacts of Adjustments and TRA | As Adjusted | Adjusted Margin% |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | **$1,098.0** | | **$—** | **$2.1** | **$—** | **$—** | **$1,100.1** | |
| Cost of service | 140.2 | 13% | (20.2) | — | (0.2) | — | 119.8 | 11% |
| Amortization of acquired technology | 48.2 | 4% | — | (48.2) | — | — | — | |
| **Gross profit** | **909.6** | **83%** | **20.2** | **50.3** | **0.2** | **—** | **980.4** | **89%** |
| Sales and marketing | 379.3 | 35% | (80.4) | — | (0.5) | — | 298.4 | 27% |
| Research and development | 205.2 | 19% | (65.7) | — | (2.3) | — | 137.2 | 12% |
| General and administrative | 123.2 | 11% | (26.0) | — | (0.3) | — | 96.9 | 9% |
| Amortization of other acquired intangibles | 22.0 | | — | (22.0) | — | — | — | |
| Restructuring and transaction related expenses | 4.1 | | — | — | (4.1) | — | — | |
| Total operating expenses | 733.8 | | (172.1) | (22.0) | (7.2) | — | 532.5 | |
| **Income (Loss) from operations** | **$175.8** | **16%** | **$192.3** | **$72.3** | **$7.4** | **$—** | **$447.8** | **41%** |
| Interest expense, net | 47.6 | | — | — | — | — | 47.6 | |
| Loss on debt modification and extinguishment | — | | — | — | — | — | — | |
| Other (income) expense, net, excluding TRA liability remeasurement (benefit) expense | (66.4) | | — | — | — | 65.6 | (0.8) | |
| **Income (Loss) before income taxes** | **194.6** | | **192.3** | **72.3** | **7.4** | **(65.6)** | **401.1** | |
| Provision (Benefit) for income taxes | 131.4 | | — | — | — | (93.8) | 37.6 | |
| **Net income (loss)** | **$63.2** | **6%** | **$192.3** | **$72.3** | **$7.4** | **$28.2** | **$363.5** | **33%** |
| **Diluted net income per share** | **$0.16** | | | | | | **$0.88** | |
| Class A WASO – diluted (in millions) | 403 | | | | | | 411 | |