

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 12, 2024

ZoomInfo Technologies Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39310
(Commission File Number)

87-3037521
(IRS Employer Identification No.)

805 Broadway Street, Suite 900, Vancouver, Washington 98660
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (800) 914-1220

Not applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ZI	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 12, 2024, ZoomInfo Technologies Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and full year ended December 31, 2023. A copy of the press release is furnished as Exhibit 99.1 to this current report and is incorporated herein by reference. The information contained in Item 2.02 of this current report, including the press release furnished as Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

The following Exhibit 99.1 is furnished pursuant to Item 2.02 of this report.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated February 12, 2024 announcing ZoomInfo Technologies Inc.'s fourth quarter and full year 2023 financial results
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ZoomInfo Technologies Inc.

Date: February 12, 2024

By: /s/ P. Cameron Hyzer

Name: P. Cameron Hyzer

Title: Chief Financial Officer



ZoomInfo Announces Fourth Quarter and Full-Year 2023 Financial Results

Fourth Quarter GAAP Revenue of \$316.4 million Grows 5% year-over-year
 Fourth Quarter GAAP Operating Income Margin of 22% and Adjusted Operating Income Margin of 40%
 Fourth Quarter GAAP Cash Flow from Operations of \$128.8 million and Unlevered Free Cash Flow of \$126.0 million

Vancouver, WA, February 12, 2024 - ZoomInfo, (NASDAQ: ZI) the go-to-market platform to find, acquire, and grow customers, today announced its financial results for the fourth quarter and full-year ended December 31, 2023.

“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.”

Fourth Quarter 2023 Financial Highlights:

- GAAP Revenue of \$316.4 million, an increase of 5% year-over-year.
- GAAP Operating Income of \$70.5 million and Adjusted Operating Income of \$126.5 million.
- GAAP Operating Income Margin of 22% and Adjusted Operating Income Margin of 40%.
- GAAP Cash Flow from Operations of \$128.8 million and Unlevered Free Cash Flow of \$126.0 million.

Full-Year 2023 Financial Highlights:

- GAAP Revenue of \$1,239.5 million, an increase of 13% year-over-year.
- GAAP Operating Income of \$259.5 million and Adjusted Operating Income of \$498.6 million.
- GAAP Operating Income Margin of 21% and Adjusted Operating Income Margin of 40%.
- GAAP Cash Flow from Operations of \$434.9 million and Unlevered Free Cash Flow of \$463.5 million.

Recent Business and Operating Highlights:

- Released the ZoomInfo 2024 Customer Impact Report. Based on surveys of more than 7,000 users, the report finds that customers benefit from ZoomInfo’s ability to shorten their deal cycles, increase win rates, build out more robust pipelines, lower costs, and dramatically improve productivity:
 - ZoomInfo customers bring in 32% more revenue by closing more deals than they did prior to using the platform.
 - Sales leaders using ZoomInfo report win rates 1.5x higher.
 - Marketers decrease their Customer Acquisition Costs (CAC) by 35% by using ZoomInfo.
 - ZoomInfo customers are 64% more productive, allowing more time for building and strengthening relationships with clients.
- Introduced ZoomInfo Copilot, an AI-powered solution that unifies a company’s go-to-market (GTM) data — including first-party CRM data and ZoomInfo’s best-in-class data — and applies generative AI to sift through the noise and identify insights sellers actually want.

- During the year ended December 31, 2023, the Company repurchased and subsequently retired 22,627,664 shares of Common Stock at an average price of \$17.68, for an aggregate \$400.1 million.
- As of December 31, 2023, the company's net revenue retention rate was 87%.
- Closed the quarter with 1,820 customers with \$100,000 or greater in annual contract value.

Q4 2023 Financial Highlights (Unaudited)

(\$ in millions, except per share amounts)

	GAAP Quarterly Results	Change YoY		Non-GAAP 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 Income (Loss) Per Share (Diluted)	\$(0.01)		Adjusted Net Income (Loss) per share (Diluted)	\$0.26	
Cash Flow from Operations	\$128.8	7%	Unlevered Free Cash Flow	\$126.0	3%

FY 2023 Financial Highlights (Unaudited)

(\$ in millions, except per share amounts)

	GAAP Results	Change YoY		Non-GAAP 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 (Loss) Per Share (Diluted)	\$0.27		Adjusted Net Income (Loss) per share (Diluted)	\$1.01	
Cash Flow from Operations	\$434.9	4%	Unlevered Free Cash Flow	\$463.5	2%

The Company uses a variety of operational and financial metrics, including non-GAAP financial measures, to evaluate its performance and financial condition. The accompanying financial data includes additional information regarding these metrics and a reconciliation of non-GAAP financial information for historical periods to the most directly comparable GAAP financial measure. The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Business Outlook:

Based on information available as of February 12, 2024, ZoomInfo is providing guidance for the first quarter and full-year 2024 as follows:

	Q1 2024	FY 2024
GAAP Revenue	\$307 - \$310 million	\$1.26 - \$1.28 billion
Non-GAAP Adjusted Operating Income	\$115 - \$117 million	\$492 - \$502 million
Non-GAAP Adjusted Net Income per share	\$0.23 - \$0.24	\$0.99 - \$1.01
Non-GAAP Unlevered Free Cash Flow	<i>Not guided</i>	\$445 - \$465 million
Weighted Average Shares Outstanding	396 million	399 million

Conference Call and Webcast Information:

ZoomInfo will host a conference call today, February 12, 2024, to review its results at 4:30 p.m. Eastern Time, 1:30 p.m. Pacific Time. To participate in the live conference call via telephone, please register here. Upon registering, a dial-in number and unique PIN will be provided to join the conference call.

The call will also be webcast live on the Company's investor relations website at <https://ir.zoominfo.com/>, where related presentation materials will be posted prior to the conference call. Following the conference call, an archived webcast of the call will be available for one year on ZoomInfo's Investor Relations website.

Non-GAAP Financial Measures and Other Metrics:

To supplement our consolidated financial statements presented in accordance with GAAP, this press release contains non-GAAP financial measures, including Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income (Loss), Adjusted Net Income (Loss) Per Share, and Unlevered Free Cash Flow. 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 GAAP. There are limitations to these non-GAAP financial measures because they are not prepared in accordance with 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 press release 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 press release 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 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). We define Adjusted Net Income (Loss) Per Share as Adjusted Net Income (Loss) divided by diluted weighted average shares outstanding used for adjusted net income (loss) per share.

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. Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures since, among other things, we have mandatory debt service requirements.

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.

Cautionary Statement Regarding Forward-Looking Information:

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our forward-looking statements by the words “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “forecast”, “goal”, “intend”, “may”, “might”, “objective”, “outlook”, “plan”, “potential”, “predict”, “projection”, “seek”, “should”, “target”, “trend”, “will”, “would” or the negative version of these words or other comparable words. Any statements in this press release regarding future revenue, earnings, margins, financial performance, cash flow, liquidity, or results of operations (including, but not limited to, the guidance provided under “Business Outlook”), 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, we cannot assure you that actual results will not 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, 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 press release, 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.

About ZoomInfo:

ZoomInfo (NASDAQ: ZI) is the trusted go-to-market platform for businesses to find, acquire, and grow their customers. It delivers accurate, real-time data, insights, and technology to more than 35,000 companies worldwide. Businesses use ZoomInfo to increase efficiency, consolidate, technology stacks, and align their sales and marketing teams - all in one platform. ZoomInfo is a recognized leader in data privacy, with industry-leading GDPR and CCPA compliance measures and numerous data security and privacy certifications. For more information about how ZoomInfo can help businesses grow their revenue at scale, please visit www.zoominfo.com.

Website Disclosure:

ZoomInfo intends to use its website as a distribution channel of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company's website at <https://ir.zoominfo.com/>. Accordingly, you should monitor the investor relations portion of our website at <https://ir.zoominfo.com/> in addition to following our press releases, SEC filings, and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about ZoomInfo when you enroll your email address by visiting the "Email Alerts" section of our investor relations page at <https://ir.zoominfo.com/>.

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ZoomInfo Technologies Inc.
Condensed Consolidated Balance Sheets
(in millions, except share data; unaudited)

	December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 447.1	\$ 418.0
Short-term investments	82.2	127.7
Restricted cash, current	0.2	—
Accounts receivable	272.0	222.9
Prepaid expenses and other current assets	59.6	57.8
Income tax receivable	3.2	5.6
Total current assets	<u>\$ 864.3</u>	<u>\$ 832.0</u>
Restricted cash, non-current	8.9	6.1
Property and equipment, net	65.1	52.1
Operating lease right-of-use assets, net	80.7	63.0
Intangible assets, net	334.6	395.6
Goodwill	1,692.7	1,692.7
Deferred tax assets	3,707.1	3,977.9
Deferred costs and other assets, net of current portion	114.9	117.0
Total assets	<u>\$ 6,868.3</u>	<u>\$ 7,136.4</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 34.4	\$ 35.6
Accrued expenses and other current liabilities	113.8	104.1
Unearned revenue, current portion	439.6	416.8
Income taxes payable	2.0	5.9
Current portion of tax receivable agreements liability	31.4	—
Current portion of operating lease liabilities	11.2	10.3
Current portion of long-term debt	6.0	—
Total current liabilities	<u>\$ 638.4</u>	<u>\$ 572.7</u>
Unearned revenue, net of current portion	2.3	3.1
Tax receivable agreements liability, net of current portion	2,786.6	2,978.7
Operating lease liabilities, net of current portion	89.9	67.9
Long-term debt, net of current portion	1,226.4	1,235.7
Deferred tax liabilities	1.9	1.0
Other long-term liabilities	3.5	5.5
Total liabilities	<u>\$ 4,749.0</u>	<u>\$ 4,864.6</u>
Stockholders' Equity:		
Common Stock, par value \$0.01	\$ 3.8	\$ 4.0
Additional paid-in capital	1,804.9	2,052.1
Accumulated other comprehensive income	27.3	39.7
Retained earnings	283.3	176.0
Total stockholders' equity	<u>\$ 2,119.3</u>	<u>\$ 2,271.8</u>
Total liabilities and stockholders' equity	<u>\$ 6,868.3</u>	<u>\$ 7,136.4</u>

ZoomInfo Technologies Inc.
Consolidated Statements of Operations
(in millions, except per share amounts; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenue	\$ 316.4	\$ 301.7	\$ 1,239.5	\$ 1,098.0
Cost of service:				
Cost of service ^(a)	\$ 35.0	\$ 36.8	\$ 139.0	\$ 140.2
Amortization of acquired technology	9.6	12.4	39.1	48.2
Gross profit	\$ 271.8	\$ 252.5	\$ 1,061.4	\$ 909.6
Operating expenses:				
Sales and marketing ^(a)	\$ 98.3	\$ 103.6	\$ 406.4	\$ 379.3
Research and development ^(a)	48.2	55.9	189.8	205.2
General and administrative ^(a)	49.0	35.0	173.5	123.2
Amortization of other acquired intangibles	5.4	5.6	21.9	22.0
Restructuring and transaction-related expenses	0.4	0.3	10.3	4.1
Total operating expenses	\$ 201.3	\$ 200.4	\$ 801.9	\$ 733.8
Income (Loss) from operations	\$ 70.5	\$ 52.1	\$ 259.5	\$ 175.8
Interest expense, net	\$ 11.4	\$ 12.5	\$ 45.2	\$ 47.6
Loss on debt modification and extinguishment	2.1	—	4.3	—
Other (income) loss, net	(149.7)	(59.4)	(178.8)	(66.4)
Income (Loss) before income taxes	\$ 206.7	\$ 99.0	\$ 388.8	\$ 194.6
Provision (Benefit) for income taxes	212.2	75.8	281.5	131.4
Net income (loss)	\$ (5.5)	\$ 23.2	\$ 107.3	\$ 63.2
Net income (loss) per share of Common Stock attributable to ZoomInfo Technologies Inc.:				
Basic	\$ (0.01)	\$ 0.06	\$ 0.27	\$ 0.16
Diluted	(0.01)	0.06	0.27	0.16

(a) Amounts include equity-based compensation expense, as follows:

<i>(in millions)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Cost of service	\$ 3.9	\$ 5.5	\$ 15.7	\$ 20.2
Sales and marketing	16.7	24.7	71.3	80.4
Research and development	11.1	17.8	45.1	65.7
General and administrative	9.0	6.7	35.5	26.0
Total equity-based compensation expense	\$ 40.7	\$ 54.7	\$ 167.6	\$ 192.3

ZoomInfo Technologies Inc.
Consolidated Statements of Cash Flows
(in millions; unaudited)

	Year Ended December 31,	
	2023	2022
Operating activities:		
Net income (loss)	\$ 107.3	\$ 63.2
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	80.6	87.8
Amortization of debt discounts and issuance costs	2.4	3.0
Amortization of deferred commissions costs	75.3	65.9
Asset impairments	5.2	—
Loss on debt modification and extinguishment	4.3	—
Deferred consideration valuation adjustments	—	0.2
Equity-based compensation expense	167.6	192.3
Deferred income taxes	276.7	123.3
Tax receivable agreement remeasurement	(160.7)	(65.6)
Provision for bad debt expense	33.8	5.7
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(82.8)	(39.3)
Prepaid expenses and other current assets	(8.0)	(8.0)
Deferred costs and other assets	(78.2)	(81.9)
Income tax receivable	2.4	(0.7)
Accounts payable	(1.8)	19.5
Accrued expenses and other liabilities	(11.2)	2.8
Unearned revenue	22.0	48.8
Net cash provided by (used in) operating activities	<u>\$ 434.9</u>	<u>\$ 417.0</u>
Investing activities:		
Purchases of short-term investments	\$ (145.0)	\$ (139.3)
Maturities of short-term investments	194.5	30.8
Proceeds from sales of short-term investments	1.4	—
Purchases of property and equipment and other assets	(26.5)	(28.9)
Cash paid for acquisitions, net of cash acquired	—	(143.7)
Net cash provided by (used in) investing activities	<u>\$ 24.4</u>	<u>\$ (281.1)</u>
Financing activities:		
Payments of deferred consideration	\$ (0.4)	\$ (1.1)
Proceeds from debt issuances	—	—
Repayment of debt	(6.0)	—
Payments of debt issuance and modification costs	(3.8)	(0.4)
Proceeds from exercise of stock options	0.4	1.3
Taxes paid related to net share settlement of equity awards	(24.5)	(17.4)
Proceeds from issuance of common stock under the ESPP	7.2	4.2
Payments of equity issuance costs	—	(0.3)
Tax receivable agreement payments	—	(12.2)
Repurchase of common stock	(400.1)	—
Net cash used in financing activities	<u>\$ (427.2)</u>	<u>\$ (25.9)</u>
Net increase in cash, cash equivalents, and restricted cash	\$ 32.1	\$ 110.0
Cash, cash equivalents, and restricted cash at beginning of year	424.1	314.1
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 456.2</u>	<u>\$ 424.1</u>
Cash, cash equivalents, and restricted cash at end of period:		
Cash and cash equivalents	\$ 447.1	\$ 418.0
Restricted cash, current	0.2	—
Restricted cash, non-current	8.9	6.1
Total cash, cash equivalents, and restricted cash	<u>\$ 456.2</u>	<u>\$ 424.1</u>

Supplemental disclosures of cash flow information:			
Interest paid in cash	\$	48.5	\$ 50.0
Cash paid for taxes		12.2	11.6
Supplemental disclosures of non-cash investing and financing activities:			
Equity-based compensation included in capitalized software	\$	5.4	\$ —
Property and equipment included in accounts payable and accrued expenses and other current liabilities		1.8	0.9

ZoomInfo Technologies Inc.
Reconciliation of GAAP Cash Flow From Operations to Unlevered Free Cash Flow
(\$ in millions; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net cash provided by (used in) operating activities (GAAP)	\$ 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

ZoomInfo Technologies Inc.
Reconciliation of GAAP Income from Operations to Non-GAAP Adjusted Operating Income
(in millions; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Income (Loss) from operations (GAAP)	\$ 70.5	\$ 52.1	259.5	\$ 175.8
Impact of fair value adjustments to acquired unearned revenue ^(a)	—	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 ^(b)	0.4	0.3	10.3	4.1
Integration costs and acquisition-related expenses ^(c)	—	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	\$ 1,098.0
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	\$ 1,100.1
Adjusted Operating Income Margin (Non-GAAP)	40 %	42 %	40 %	41 %

(a) Represents the impact of fair value adjustments to acquired unearned revenue relating to services billed by an acquired company prior to our acquisition of that company. These adjustments represent the difference between the revenue recognized based on management's estimate of fair value of acquired unearned revenue and the receipts billed prior to the acquisition less revenue recognized prior to the acquisition.

(b) Represents costs directly associated with acquisition or disposal activities, including employee severance and termination benefits, contract termination fees and penalties, and other exit or disposal costs. For the year ended December 31, 2023, this expense is primarily related to costs associated with a June 2023 reduction in force, and impairment charges related to the Ra'anana office and other offices. For the year ended December 31, 2022, this expense is primarily related to transition and retention payments related to 2021 and 2022 acquisitions.

(c) Represents costs directly associated with integration activities for acquisitions and acquisition-related compensation, which includes transaction bonuses and retention awards. For the year ended December 31, 2022, this expense related to retention awards from the acquisitions of Clickagy, Everstring, and Insent, and professional fees relating to integration projects.

ZoomInfo Technologies Inc.
Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income
(in millions, except per share amounts; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income (loss) (GAAP)	\$ (5.5)	\$ 23.2	\$ 107.3	\$ 63.2
Impact of fair value adjustments to acquired unearned revenue ^(a)	—	0.1	0.2	2.1
Loss on debt modification and extinguishment	2.1	—	4.3	—
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 ^(b)	0.4	0.3	10.3	4.1
Integration costs and acquisition-related expenses ^(c)	—	1.8	—	3.3
TRA liability remeasurement (benefit) expense	(146.8)	(56.1)	(160.7)	(65.6)
Tax impacts of adjustments to net income (loss) ^(d)	196.2	66.8	223.1	93.8
Adjusted Net Income (Loss) (Non-GAAP)	<u>\$ 102.1</u>	<u>\$ 108.7</u>	<u>\$ 413.1</u>	<u>\$ 363.5</u>
Diluted Net Income (Loss) Per Share (GAAP)	\$ (0.01)	\$ 0.06	\$ 0.27	\$ 0.16
Impact of fair value adjustments to acquired unearned revenue per diluted share	—	—	—	0.01
Loss on debt modification and extinguishment per diluted share	0.01	—	0.01	—
Amortization of acquired technology per diluted share	0.02	0.03	0.10	0.12
Amortization of other acquired intangibles per diluted share	0.01	0.01	0.05	0.05
Equity-based compensation expense per diluted share	0.10	0.14	0.41	0.46
Restructuring and transaction-related expenses per diluted share	—	—	0.03	0.01
Integration costs and acquisition-related expenses per diluted share	—	—	—	0.01
TRA liability remeasurement (benefit) expense per diluted share	(0.36)	(0.14)	(0.40)	(0.17)
Tax impacts of adjustments to net income (loss) per diluted share	0.49	0.16	0.54	0.23
Adjusted Net Income (Loss) Per Share (Non-GAAP)	<u>\$ 0.26</u>	<u>\$ 0.26</u>	<u>\$ 1.01</u>	<u>\$ 0.88</u>
Shares for Adjusted Net Income Per Share ^(e)	400	413	411	411

(a) Represents the impact of fair value adjustments to acquired unearned revenue relating to services billed by an acquired company prior to our acquisition of that company. These adjustments represent the difference between the revenue recognized based on management's estimate of fair value of acquired unearned revenue and the receipts billed prior to the acquisition less revenue recognized prior to the acquisition.

- (b) Represents costs directly associated with acquisition or disposal activities, including employee severance and termination benefits, contract termination fees and penalties, and other exit or disposal costs. For the year ended December 31, 2023, this expense is primarily related to costs associated with a June 2023 reduction in force, and impairment charges related to the Ra'anana office and other offices. For the year ended December 31, 2022, this expense is primarily related to transition and retention payments related to 2021 and 2022 acquisitions.
- (c) Represents costs directly associated with integration activities for acquisitions and acquisition-related compensation, which includes transaction bonuses and retention awards. For the year ended December 31, 2022, this expense related to retention awards from the acquisitions of Clickagy, Everstring, and Insent, and professional fees relating to integration projects.
- (d) Represents tax expense associated with GAAP Net income (loss) excluded from Adjusted Net Income (Loss) (Non-GAAP). This includes the tax effects associated with equity compensation, remeasurement of deferred tax assets for the effect of state law changes, and TRA liability remeasurement.
- (e) Diluted earnings per share is computed by giving effect to all potential weighted average Common Stock, and any securities that are convertible into Common Stock, including options and restricted stock units. The dilutive effect of outstanding awards and convertible securities is reflected in diluted earnings per share by application of the treasury stock method, excluding deemed repurchases assuming proceeds from unrecognized compensation as required by GAAP.