



ZoomInfo Announces Second Quarter 2024 Financial Results

August 5, 2024

VANCOUVER, Wash.--(BUSINESS WIRE)--Aug. 5, 2024-- ZoomInfo, (NASDAQ: ZI) the go-to-market platform to find, acquire, and grow customers, today announced its financial results for the second quarter ended June 30, 2024.

"In the second quarter, we implemented a number of initiatives to position the company for long-term success," said Henry Schuck, ZoomInfo founder and CEO. "Having successfully launched ZoomInfo Copilot, our AI-powered go-to-market platform, we are further accelerating a shift upmarket. To that end, in the quarter we grew our \$100k ACV customer cohort sequentially, had our best new business quarter in the mid-market and enterprise, while we stabilized net revenue retention.

Schuck continued, "We deployed a new business risk model to reduce write-offs and made a change in estimates related to the collectibility of receivables. I am confident that this will strengthen our future financial position and enable the company to deliver strong and growing free cash flow."

During the quarter, the company made a change in estimates related to the collectibility of receivables from customers and changed operational procedures to require upfront pre-payment for services from certain smaller customers. As a result, the company recorded incremental charges of \$33 million primarily related to the change in estimates. Of the \$33 million, \$15 million was recorded against revenue, \$14 million was recorded as bad debt expense, and \$4 million was related to other discrete items.

Second Quarter 2024 Financial Highlights:

- GAAP Revenue of \$291.5 million, a decrease of 6% year-over-year.
- GAAP Operating loss of \$20.0 million and Adjusted operating income of \$81.6 million.
- GAAP Operating loss margin of 7% and Adjusted operating income margin of 28%.
- GAAP Cash flow from operations of \$126.3 million and Unlevered free cash flow of \$120.0 million.

Recent Business and Operating Highlights:

- The company released ZoomInfo Copilot, its AI-powered platform bringing insights and actions to sales teams, driving outreach to the most qualified leads at the right time with the right message, to drive more sales.
- Closed the quarter with 1,797 customers with \$100,000 or greater in annual contract value, an increase of 37 from the prior quarter.
- ZoomInfo is one of the first companies to collaborate with Google Cloud to provide specialized third-party datasets for Google's Vertex AI, enhancing the grounding capabilities of generative AI models. This partnership will help enterprises integrate third-party data into their generative AI agents to unlock unique use cases, and drive greater enterprise truth across their AI experiences by incorporating reliable, up-to-date information from ZoomInfo's extensive data assets.
- ZoomInfo is the first data company to earn TrustArc's first-ever AI certification focused on data protection and privacy. This recognition demonstrates ZoomInfo's commitment to accountability, transparency, and responsible use of AI.
- ZoomInfo received the TrustRadius Top Rated Award for customer satisfaction in all eligible categories. More than 1,600 ratings of ZoomInfo products reflect best-in-class customer satisfaction, with honors in the Intent Data, Sales Intelligence Software, and Market Intelligence Software categories.
- Completed a repricing of its First Lien Credit Agreement to S+175, which resulted in a 50 basis point reduction in interest rate and will reduce interest expense by approximately \$3 million annually.
- During the three months ended June 30, 2024, the Company repurchased 10,799,791 shares of Common Stock at an average price of \$13.65, for an aggregate \$147.4 million.

Q2 2024 Financial Highlights (Unaudited)

(\$ in millions, except per share amounts)

| | GAAP Quarterly Results | Change YoY | | Non-GAAP Quarterly Results | Change YoY |
|------------------------------|------------------------------|------------|---|----------------------------------|------------|
| Revenue | \$291.5 | (6)% | | | |
| Operating Loss | \$(20.0) | NM* | Adjusted Operating Income | \$81.6 | (35)% |
| Operating Loss Margin | 7% | | Adjusted Operating Income Margin | 28% | |
| Net Loss Per Share (Diluted) | \$(0.07) | | Adjusted Net Income per share (Diluted) | \$0.17 | |

| | | | | | |
|-------------------------------------|---------|----|--------------------------|---------|------|
| Cash Flow from Operating Activities | \$126.3 | 8% | Unlevered Free Cash Flow | \$120.0 | (1)% |
|-------------------------------------|---------|----|--------------------------|---------|------|

*Change YoY as a percentage is not meaningful

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 August 5, 2024, ZoomInfo is providing guidance for the third quarter and full year 2024 as follows:

| | Q3 2024 | Prior FY 2024 | FY 2024 |
|--|-----------------------|--------------------------|---------------------------|
| GAAP Revenue | \$298 - \$301 million | \$1.255 - \$1.27 billion | \$1.190 - \$1.205 billion |
| Non-GAAP Adjusted Operating Income | \$107 - \$109 million | \$488 - \$495 million | \$412 - \$418 million |
| Non-GAAP Adjusted Net Income per share | \$0.21 - \$0.22 | \$1.00 - \$1.02 | \$0.86 - \$0.88 |
| Non-GAAP Unlevered Free Cash Flow | <i>Not Guided</i> | \$440 - \$455 million | \$420 - \$430 million |
| Weighted Average Shares Outstanding | 366 million | 394 million | 375 million |

Conference Call and Webcast Information:

ZoomInfo will host a conference call today, August 5, 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, Adjusted Net Income 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, as applicable, (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, (v) integration costs and acquisition-related expenses, and (vi) legal settlement. 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, as applicable, (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) legal settlement, (viii) TRA liability remeasurement (benefit) expense, (ix) other (income) loss, net and (x) 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, (iv) cash payments related to integration costs and acquisition-related compensation, and (v) legal settlement payments. 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 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, expenses, estimates, cash flow, growth in free cash flow, results of changes in operational procedures, 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/>.

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

| | June 30, 2024 | December 31, 2023 |
|---|--------------------------|------------------------------|
| | (unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 385.9 | \$ 447.1 |
| Short-term investments | 13.4 | 82.2 |
| Restricted cash, current | — | 0.2 |
| Accounts receivable, net | 189.9 | 272.0 |
| Prepaid expenses and other current assets | 64.9 | 59.6 |
| Income tax receivable | 5.5 | 3.2 |
| Total current assets | \$ 659.6 | \$ 864.3 |
| Restricted cash, non-current | \$ 8.9 | \$ 8.9 |
| Property and equipment, net | 84.1 | 65.1 |
| Operating lease right-of-use assets, net | 117.2 | 80.7 |
| Intangible assets, net | 305.7 | 334.6 |
| Goodwill | 1,692.7 | 1,692.7 |
| Deferred tax assets | 3,698.1 | 3,707.1 |
| Deferred costs and other assets, net of current portion | 117.2 | 114.9 |
| Total assets | \$ 6,683.5 | \$ 6,868.3 |
| Liabilities and Stockholders’ Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 20.3 | \$ 34.4 |

| | | |
|---|-------------------|-------------------|
| Accrued expenses and other current liabilities | 141.8 | 113.8 |
| Unearned revenue, current portion | 438.9 | 439.6 |
| Income taxes payable | 0.9 | 2.0 |
| Current portion of tax receivable agreements liability | 63.8 | 31.4 |
| Current portion of operating lease liabilities | 9.1 | 11.2 |
| Current portion of long-term debt | 5.9 | 6.0 |
| Total current liabilities | \$ 680.7 | \$ 638.4 |
| Unearned revenue, net of current portion | \$ 1.5 | \$ 2.3 |
| Tax receivable agreements liability, net of current portion | 2,731.7 | 2,786.6 |
| Operating lease liabilities, net of current portion | 177.3 | 89.9 |
| Long-term debt, net of current portion | 1,223.8 | 1,226.4 |
| Deferred tax liabilities | 2.2 | 1.9 |
| Other long-term liabilities | 3.4 | 3.5 |
| Total liabilities | \$ 4,820.6 | \$ 4,749.0 |
| Stockholders' Equity: | | |
| Common stock, par value \$0.01 | \$ 3.6 | \$ 3.8 |
| Additional paid-in capital | 1,560.8 | 1,804.9 |
| Accumulated other comprehensive income | 24.5 | 27.3 |
| Retained earnings | 274.0 | 283.3 |
| Total stockholders' equity | \$ 1,862.9 | \$ 2,119.3 |
| Total liabilities and stockholders' equity | \$ 6,683.5 | \$ 6,868.3 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|----------------|---------------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ 291.5 | \$ 308.6 | \$ 601.6 | \$ 609.3 |
| Cost of service: | | | | |
| Cost of service ⁽¹⁾ | 36.3 | 34.1 | 70.2 | 69.1 |
| Amortization of acquired technology | 9.6 | 9.5 | 19.1 | 20.0 |
| Gross profit | \$ 245.6 | \$ 265.0 | \$ 512.3 | \$ 520.2 |
| Operating expenses: | | | | |
| Sales and marketing ⁽¹⁾ | 100.5 | 104.5 | 200.1 | 207.7 |
| Research and development ⁽¹⁾ | 48.3 | 53.3 | 92.0 | 95.6 |
| General and administrative ⁽¹⁾ | 111.3 | 42.1 | 186.4 | 79.9 |
| Amortization of other acquired intangibles | 5.5 | 5.5 | 10.8 | 11.1 |
| Total operating expenses | \$ 265.6 | \$ 205.4 | \$ 489.3 | \$ 394.3 |
| Income (loss) from operations | \$ (20.0) | \$ 59.6 | \$ 23.0 | \$ 125.9 |
| Interest expense, net | 9.8 | 12.0 | 19.9 | 21.9 |
| Loss on debt modification and extinguishment | 0.7 | — | 0.7 | 2.2 |
| Other income, net | (5.9) | (7.1) | (2.5) | (21.1) |
| Income (loss) before income taxes | \$ (24.6) | \$ 54.7 | \$ 4.9 | \$ 122.9 |
| Provision (benefit) for income taxes | (0.2) | 16.6 | 14.2 | 40.3 |
| Net income (loss) | \$ (24.4) | \$ 38.1 | \$ (9.3) | \$ 82.6 |
| Net income (loss) per share of common stock: | | | | |
| Basic | \$ (0.07) | \$ 0.09 | \$ (0.02) | \$ 0.21 |
| Diluted | (0.07) | 0.09 | (0.02) | 0.21 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------------------|-----------------------------|------|---------------------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>(in millions)</i> | | | | |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Cost of service | \$ 2.7 | \$ 3.4 | \$ 5.2 | \$ 7.5 |
| Sales and marketing | 14.0 | 17.6 | 25.8 | 37.1 |
| Research and development | 10.2 | 15.4 | 19.0 | 22.3 |
| General and administrative | 9.5 | 9.9 | 17.6 | 17.1 |
| Total equity-based compensation expense | <u>\$ 36.4</u> | <u>\$ 46.3</u> | <u>\$ 67.6</u> | <u>\$ 84.0</u> |

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

| | <u>Six Months Ended June 30,</u> | |
|--|----------------------------------|------------------|
| | <u>2024</u> | <u>2023</u> |
| Operating activities: | | |
| Net income (loss) | \$ (9.3) | \$ 82.6 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 40.9 | 40.7 |
| Amortization of debt discounts and issuance costs | 1.1 | 1.2 |
| Amortization of deferred commissions costs | 33.6 | 38.3 |
| Asset impairments and lease abandonment charges | 48.7 | 0.6 |
| Loss on debt modification and extinguishment | 0.7 | 2.2 |
| Equity-based compensation expense | 67.6 | 84.0 |
| Deferred income taxes | 8.3 | 42.0 |
| Tax receivable agreement remeasurement | 9.2 | (11.2) |
| Provision for bad debt expense | 32.5 | 11.3 |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable, net | 49.6 | 4.4 |
| Prepaid expenses and other current assets | (4.7) | (11.0) |
| Deferred costs and other assets, net of current portion | (35.5) | (39.2) |
| Income tax receivable | (2.3) | (2.7) |
| Accounts payable | (15.1) | (12.7) |
| Accrued expenses and other liabilities | 18.3 | (28.5) |
| Unearned revenue | (1.4) | 23.2 |
| Net cash provided by operating activities | <u>\$ 242.2</u> | <u>\$ 225.2</u> |
| Investing activities: | | |
| Purchases of short-term investments | \$ — | \$ (114.7) |
| Maturities of short-term investments | 69.0 | 94.3 |
| Purchases of property and equipment and other assets | (23.9) | (12.6) |
| Cash paid for acquisitions, net of cash acquired | (0.5) | — |
| Net cash provided by (used in) investing activities | <u>\$ 44.6</u> | <u>\$ (33.0)</u> |
| Financing activities: | | |
| Payments of deferred consideration | \$ (0.7) | \$ (0.4) |
| Repayment of debt | (3.0) | (3.0) |
| Payments of debt issuance and modification costs | (1.9) | (2.7) |
| Proceeds from exercise of stock options | — | 0.4 |
| Taxes paid related to net share settlement of equity awards | (14.6) | (8.6) |
| Proceeds from issuance of common stock under the ESPP | 2.8 | 4.4 |
| Tax receivable agreement payments | (31.6) | — |
| Repurchase of common stock | (299.2) | (87.0) |
| Net cash used in financing activities | <u>\$ (348.2)</u> | <u>\$ (96.9)</u> |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | \$ (61.4) | \$ 95.3 |
| Cash, cash equivalents, and restricted cash at beginning of period | 456.2 | 424.1 |
| Cash, cash equivalents, and restricted cash at end of period | <u>\$ 394.8</u> | <u>\$ 519.4</u> |
| Cash, cash equivalents, and restricted cash at end of period: | | |
| Cash and cash equivalents | \$ 385.9 | \$ 509.7 |
| Restricted cash, non-current | 8.9 | 9.7 |
| Total cash, cash equivalents, and restricted cash | <u>\$ 394.8</u> | <u>\$ 519.4</u> |

Supplemental disclosures of cash flow information:

| | | | | |
|-----------------------|----|------|----|------|
| Interest paid in cash | \$ | 20.3 | \$ | 24.6 |
| Cash paid for taxes | | 7.9 | | 4.7 |

Supplemental disclosures of non-cash investing activities:

| | | | | |
|--|----|-----|----|-----|
| Property and equipment included in accounts payable and accrued expenses and other current liabilities | \$ | 5.0 | \$ | 0.2 |
| Equity-based compensation included in capitalized software | | 2.9 | | 2.6 |

ZoomInfo Technologies Inc.
Reconciliation of GAAP Cash Flow from Operations to Non-GAAP Unlevered Free Cash Flow
(in millions; unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-----------------|---------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net cash provided by operating activities (GAAP) | \$ 126.3 | \$ 116.7 | \$ 242.2 | \$ 225.2 |
| Purchases of property and equipment and other assets | (11.1) | (6.2) | (23.9) | (12.6) |
| Interest paid in cash | 2.6 | 5.8 | 20.3 | 24.6 |
| Restructuring and transaction-related expenses paid in cash | 1.7 | 4.7 | 2.1 | 4.9 |
| Integration costs and acquisition-related compensation paid in cash | — | 0.5 | 1.3 | 0.5 |
| Litigation settlement payments ⁽¹⁾ | 0.5 | — | 0.7 | — |
| Unlevered Free Cash Flow (Non-GAAP) | \$ 120.0 | \$ 121.5 | \$ 242.7 | \$ 242.6 |

(1) Represents payments associated with certain legal settlements. For the three and six months ended June 30, 2024, these payments related to legal costs incurred due to the Class Actions.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-----------------|---------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Income (loss) from operations (GAAP) | \$ (20.0) | \$ 59.6 | \$ 23.0 | \$ 125.9 |
| Impact of fair value adjustments to acquired unearned revenue ⁽¹⁾ | — | 0.1 | — | 0.1 |
| Amortization of acquired technology | 9.6 | 9.5 | 19.1 | 20.0 |
| Amortization of other acquired intangibles | 5.5 | 5.5 | 10.8 | 11.1 |
| Equity-based compensation expense | 36.4 | 46.3 | 67.6 | 84.0 |
| Restructuring and transaction-related expenses ⁽²⁾ | 50.0 | 4.7 | 50.2 | 4.8 |
| Litigation settlement ⁽³⁾ | — | — | 30.2 | — |
| Adjusted Operating Income (Non-GAAP) | \$ 81.6 | \$ 125.6 | \$ 200.9 | \$ 245.9 |
| Revenue (GAAP) | \$ 291.5 | \$ 308.6 | \$ 601.6 | \$ 609.3 |
| Impact of fair value adjustments to acquired unearned revenue | — | 0.1 | — | 0.1 |
| Revenue for adjusted operating margin calculation (Non-GAAP) | \$ 291.5 | \$ 308.7 | \$ 601.6 | \$ 609.4 |
| Operating Income (Loss) Margin (GAAP) | (7)% | 19% | 4% | 21% |
| Adjusted Operating Income Margin (Non-GAAP) | 28% | 41% | 33% | 40% |

(1) 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.

(2) 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 three and six months ended June 30, 2024, this expense is primarily related to lease impairment and abandonment charges. For the three and six months ended June 30, 2023, this expense is primarily related to costs associated with a June 2023 reduction in force.

(3) Represents charges associated with certain legal settlements. For the six months ended June 30, 2024, these charges related to costs incurred due to the Class Actions.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|------------------------------------|-----------------|----------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income (loss) (GAAP) | \$ (24.4) | \$ 38.1 | \$ (9.3) | \$ 82.6 |
| Impact of fair value adjustments to acquired unearned revenue ⁽¹⁾ | — | 0.1 | — | 0.1 |
| Loss on debt modification and extinguishment | 0.7 | — | 0.7 | 2.2 |
| Amortization of acquired technology | 9.6 | 9.5 | 19.1 | 20.0 |
| Amortization of other acquired intangibles | 5.5 | 5.5 | 10.8 | 11.1 |
| Equity-based compensation expense | 36.4 | 46.3 | 67.6 | 84.0 |
| Restructuring and transaction-related expenses ⁽²⁾ | 50.0 | 4.7 | 50.2 | 4.8 |
| Litigation settlement ⁽³⁾ | — | — | 30.2 | — |
| TRA liability remeasurement expense (benefit) | (0.2) | (1.1) | 9.2 | (11.2) |
| Other income, net | (2.6) | — | (2.6) | — |
| Tax impacts of adjustments to net income (loss) ⁽⁴⁾ | (9.0) | 3.2 | (9.4) | 12.4 |
| Adjusted Net Income (Non-GAAP) | \$ 66.0 | \$ 106.4 | \$ 166.4 | \$ 206.0 |
| Diluted Net Income (Loss) Per Share (GAAP) | \$ (0.07) | \$ 0.09 | \$ (0.02) | \$ 0.21 |
| Impact of fair value adjustments to acquired unearned revenue per diluted share | — | — | — | — |
| Loss on debt modification and extinguishment per diluted share | — | — | — | — |
| Amortization of acquired technology per diluted share | 0.02 | 0.02 | 0.04 | 0.05 |
| Amortization of other acquired intangibles per diluted share | 0.01 | 0.01 | 0.03 | 0.03 |
| Equity-based compensation expense per diluted share | 0.10 | 0.11 | 0.17 | 0.20 |
| Restructuring and transaction-related expenses per diluted share | 0.13 | 0.01 | 0.13 | 0.01 |
| Litigation settlement per diluted share | — | — | 0.08 | — |
| TRA liability remeasurement expense (benefit) per diluted share | — | — | 0.02 | (0.03) |
| Other income, net per diluted share | — | — | — | — |
| Tax impacts of adjustments to net income (loss) per diluted share | (0.02) | 0.01 | (0.02) | 0.03 |
| Adjusted Net Income Per Share (Non-GAAP) | \$ 0.17 | \$ 0.26 | \$ 0.43 | \$ 0.50 |
| Shares for Adjusted Net Income Per Share ⁽⁵⁾ | 387 | 416 | 389 | 415 |

- (1) 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.
- (2) 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 three and six months ended June 30, 2024, this expense is primarily related to lease impairment and abandonment charges. For the three and six months ended June 30, 2023, this expense is primarily related to costs associated with a June 2023 reduction in force.
- (3) Represents charges associated with certain legal settlements. For the six months ended June 30, 2024, these charges related to costs incurred due to the Class Actions.
- (4) Represents tax expense associated with GAAP Net income (loss) excluded from Adjusted Net Income (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.
- (5) 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.

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