Q2 2021 Earnings Results

July 29, 2021

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This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements as to future results of operations and financial position, planned products and services, business strategy and plans, objectives of management for future operations of Twilio Inc. and its subsidiaries ("Twilio" or the "Company"), market size and growth opportunities, competitive position, technological and market trends, the Company's expected business benefits and financial impacts from its acquisitions, and the Company's expected business benefits and financial impacts from investments and the partnerships associated with such transactions, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "may," "can," "will," "would," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "forecasts," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Twilio has based these forward-looking statements largely on its current expectations and assumptions and on information available as of the date of this presentation. The Company assumes no obligation to update any forward-looking statements after the date of this presentation, except as required by law.

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This presentation also includes certain guidance on non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company's non-GAAP financial measures as tools for comparison. The Company provides a reconciliation of certain non-GAAP measures to the most directly comparable GAAP measures, which are available in the earnings press release for the relevant period.

For further information with respect to Twilio, we refer you to our most recent annual report on Form 10-K and our most recent quarterly report on Form 10-Q, filed with the SEC. In addition, we are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and, accordingly, we file periodic reports, current reports, proxy statements and other information with the SEC. These periodic reports, current reports, proxy statements and other information are available for review at the SEC's website at http://www.sec.gov.

FINANCIAL OVERVIEW

Results Highlights
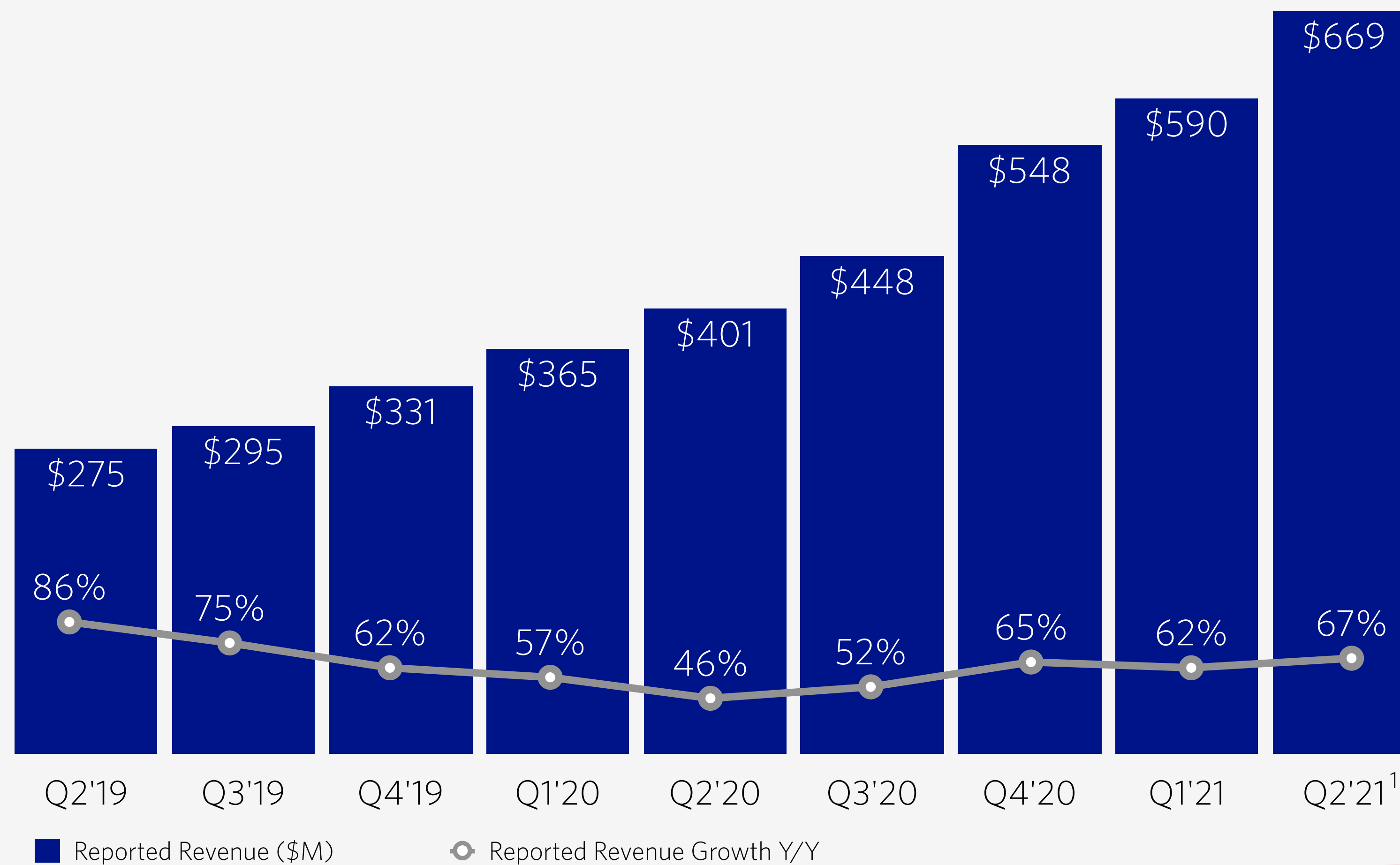
- **Second quarter revenue of $669 million,** up 67% year-over-year

- **Second quarter revenue dollar-based net expansion of 135%**

- More than **240,000 active customer accounts,** as of June 30, 2021

- **Initiates Q3'21 guidance**

  - **Total revenue[1]:** $670 million to $680 million, including Segment, up 50% to 52% year-over-year

  - **Non-GAAP loss from operations:** ($30) million to ($25) million

  - **Non-GAAP loss per share:** ($0.17) - ($0.14)

View Twilio's prepared remarks for its Q2'21 earnings here.

[1] Total revenue guidance does not include any contribution from the Zipwhip acquisition, which closed July 14, 2021.
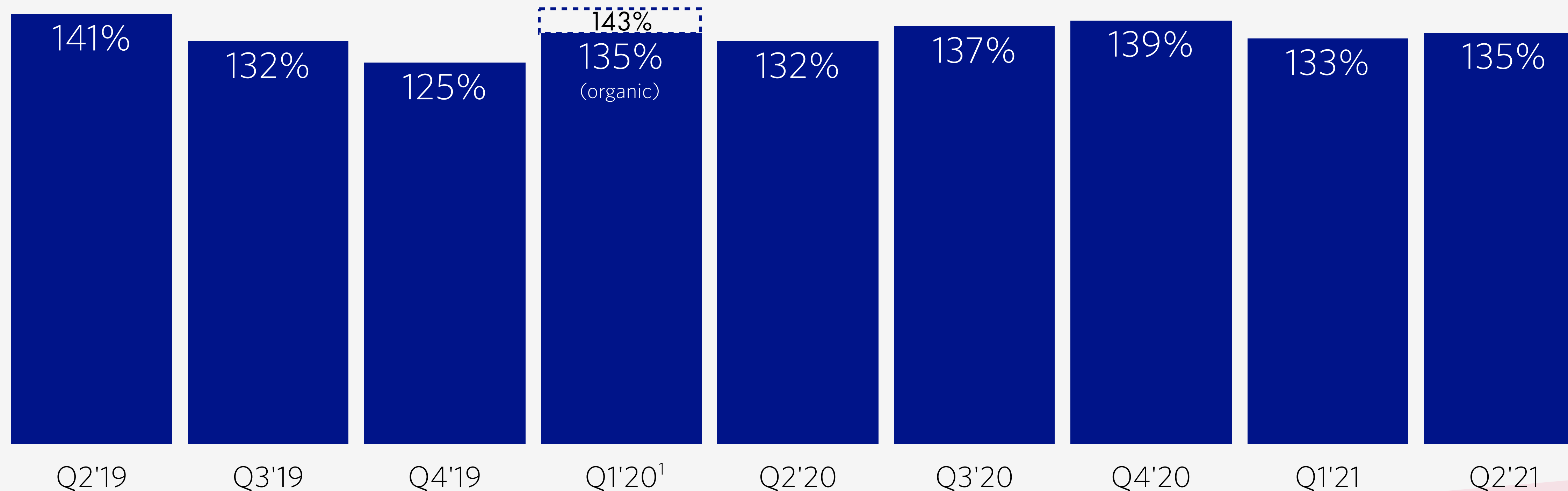
Quarterly Revenue

67%

Q2'21 REVENUE GROWTH Y/Y

Quarter	Reported Revenue ($M)	Reported Revenue Growth Y/Y
Q2'19	$275	86%
Q3'19	$295	75%
Q4'19	$331	62%
Q1'20	$365	57%
Q2'20	$401	46%
Q3'20	$448	52%
Q4'20	$548	65%
Q1'21	$590	62%
Q2'21[1]	$669	67%

■ Reported Revenue ($M)   ○ Reported Revenue Growth Y/Y

[1] Includes revenue from the acquisition of Segment, which closed November 2, 2020. Q2'21 includes $47 million, Q1'21 included $45 million, and Q4'20 included $23 million.

Dollar-Based Net Expansion

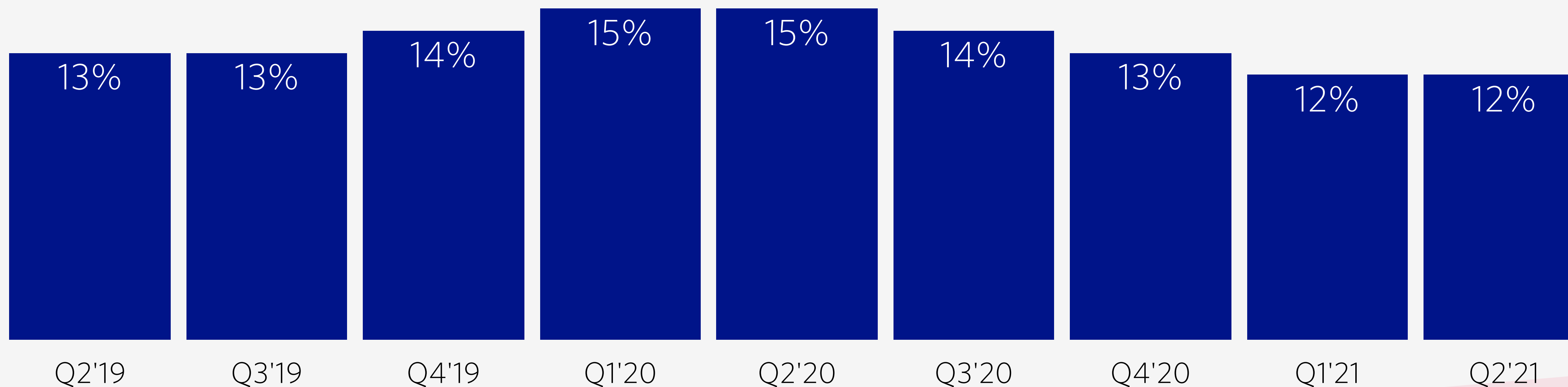| Q2'19	Q3'19	Q4'19	Q1'20[1]	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
141%	132%	125%	143% / 135% (organic)	132%	137%	139%	133%	135%

[1] Includes revenue from the SendGrid acquisition, which closed Feb. 1, 2019. Excluding the contribution from SendGrid in January 2020, dollar-based net expansion rate would have been 135%.
Note: Twilio acquired SendGrid on Feb. 1, 2019. SendGrid is not included in any period prior to Q1'20 due to the company's definition of calculating dollar-based net expansion. The acquisition of Segment, which closed on November 2, 2020, did not impact dollar-based net expansion in Q4'20, Q1'21, or Q2'21 and will not be included in the calculation until the anniversary of the acquisition date. For more information, refer to the appendix.
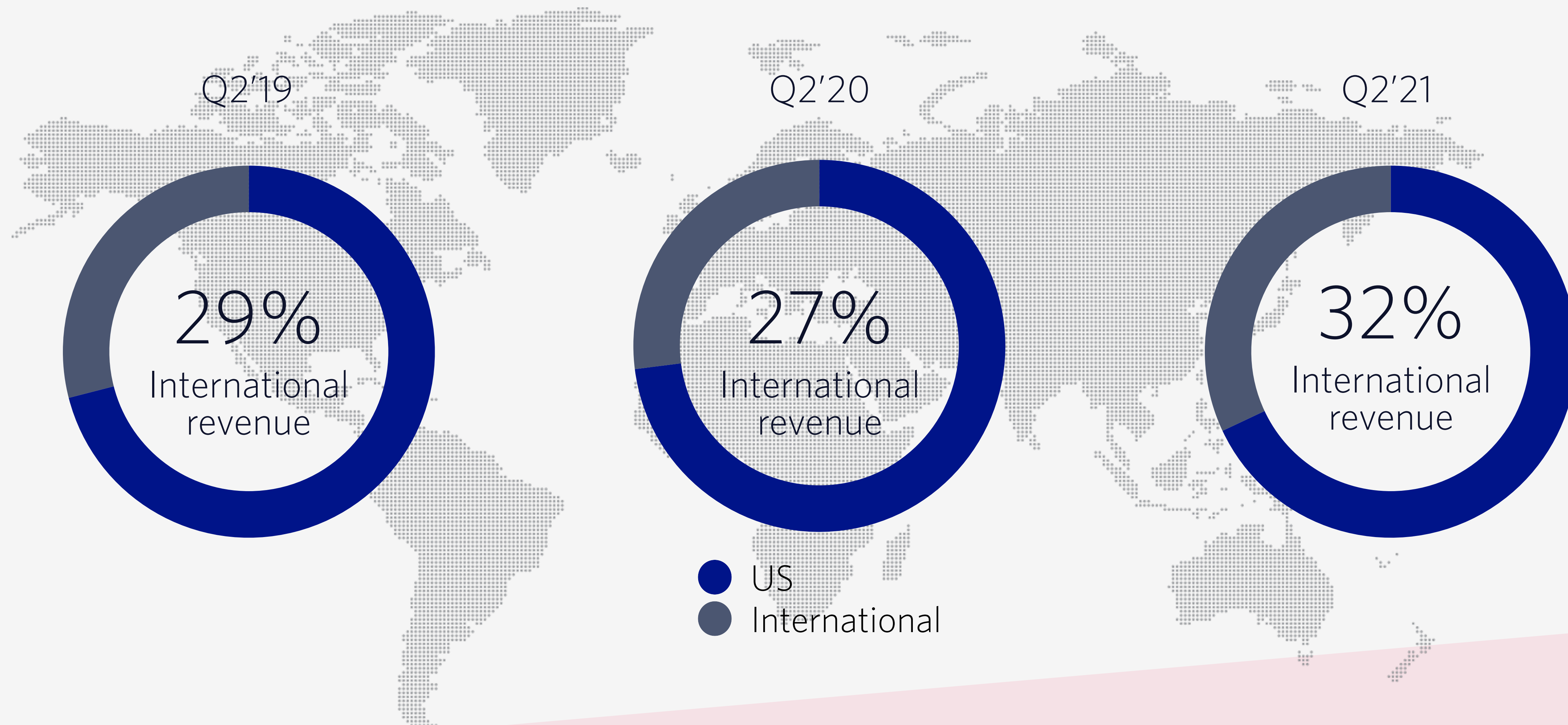
Top 10 Customer Accounts

Represents top 10 customer accounts as a percentage of total revenue in the respective quarter

Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
13%	13%	14%	15%	15%	14%	13%	12%	12%

Geographic Revenue Mix

Q2'19

29%
International revenue

Q2'20

27%
International revenue

Q2'21

32%
International revenue

- US
- International

THANK YOU

APPENDIX

Operating Metrics

Dollar-Based Net Expansion Rate. Twilio's ability to drive growth and generate incremental revenue depends, in part, on the Company's ability to maintain and grow its relationships with existing Active Customer Accounts and to increase their use of the platform. An important way in which Twilio has historically tracked performance in this area is by measuring the Dollar-Based Net Expansion Rate for Active Customer Accounts. Twilio's Dollar-Based Net Expansion Rate increases when such Active Customer Accounts increase their usage of a product, extend their usage of a product to new applications or adopt a new product. Twilio's Dollar-Based Net Expansion Rate decreases when such Active Customer Accounts cease or reduce their usage of a product or when the Company lowers usage prices on a product. As our customers grow their businesses and extend the use of our platform, they sometimes create multiple customer accounts with us for operational or other reasons. As such, when we identify a significant customer organization (defined as a single customer organization generating more than 1% of revenue in a quarterly reporting period) that has created a new Active Customer Account, this new Active Customer Account is tied to, and revenue from this new Active Customer Account is included with, the original Active Customer Account for the purposes of calculating this metric. Twilio believes that measuring Dollar-Based Net Expansion Rate provides a more meaningful indication of the performance of the Company's efforts to increase revenue from existing customers.

For historical periods through December 31, 2019, Twilio's Dollar-Based Net Expansion Rate compared the revenue from Active Customer Accounts, other than large Active Customer Accounts that have never entered into 12-month minimum revenue commitment contracts with the Company in a quarter to the same quarter in the prior year. For reporting periods starting with the three months ended March 31, 2020, Twilio's Dollar-Based Net Expansion Rate compares the total revenue from all Active Customer Accounts, in a quarter to the same quarter in the prior year. To calculate the Dollar-Based Net Expansion Rate, the Company first identifies the cohort of Active Customer Accounts that were Active Customer Accounts in the same quarter of the prior year. The Dollar-Based Net Expansion Rate is the quotient obtained by dividing the revenue generated from that cohort in a quarter, by the revenue generated from that same cohort in the corresponding quarter in the prior year. When Twilio calculates Dollar-Based Net Expansion Rate for periods longer than one quarter, it uses the average of the applicable quarterly Dollar-Based Net Expansion Rates for each of the quarters in such period. As a result of the change in calculation of Dollar-Based Net Expansion Rate, unless specifically identified as being calculated based on total revenue, any Dollar-Based Net Expansion Rates disclosed by our Company in SEC filings, press releases and presentations prior to the date of our press release for the three months ended March 31, 2020, will not be directly comparable to our Dollar-Based Net Expansion Rates going forward.

Number of Active Customer Accounts. Twilio believes that the number of Active Customer Accounts is an important indicator of the growth of its business, the market acceptance of its platform and future revenue trends. Twilio defines an Active Customer Account at the end of any period as an individual account, as identified by a unique account identifier, for which Twilio has recognized at least $5 of revenue in the last month of the period. Twilio believes that use of its platform by customers at or above the $5 per month threshold is a stronger indicator of potential future engagement than trial usage of its platform or usage at levels below $5 per month. A single organization may constitute multiple unique Active Customer Accounts if it has multiple account identifiers, each of which is treated as a separate Active Customer Account. Effective December 31, 2019, we round down the number of Active Customer Accounts to the nearest thousand.