

Zoom buying Five9 in \$14.7B all-stock transaction

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This April 18, 2019, file photo shows a sign for Zoom Video Communications ahead of the company's Nasdaq IPO in New York. Videoconferencing service Zoom is buying cloud contact center provider FiveTh9 in an all-stock deal valued at about \$14.7 billion. Zoom Video Communications Inc. founder and CEO Eric Yuan said in a blog post that the acquisition will allow the company to accelerate its long-term growth by adding the \$24 billion contact center market. Credit: AP Photo/Mark Lennihan, File

Zoom, the videoconferencing company whose growth was supercharged by the pandemic over the past year, will buy the cloud call center company Five9 in an all-stock deal valued at about \$14.7 billion.

That is far greater than Zoom's market valuation a little over two years ago when it went public for slightly more than \$9 billion.

Zoom founder and CEO Eric Yuan said in a blog post Sunday that the acquisition will accelerate the company's long-term growth by adding the \$24 billion contact center market. That will give Zoom greater exposure to more business clients. Yuan added that it also the deal also complements the Zoom Phone, a cloud phone system that is seeing strong demand.

The size of the deal would have seemed unthinkable when Zoom Video Communications Inc. went public in early 2019, before it became a household name. With the arrival of the pandemic and a global shift to working from home, Zoom is everywhere.

Its stock, which could be bought for less than \$70 each at the start of 2020 just before the detection in the U.S. of COVID-19, is now worth five times that.

There was indications that Zoom might be in the hunt for acquisitions early this year that would accommodate more growth. In January, the company announced a secondary offering of shares that could raise up to \$1.5 billion for, among other things, "acquisitions or strategic investments."

Shares dipped almost 4% at the opening bell Monday, trading for \$348.88.

Shareholders of Five9 Inc. stockholders will receive 0.5533 shares of

Class A common stock of Zoom for each share of Five9. Based on Zoom's closing price on Friday, this represents a per share price for Five9 common stock of \$200.28.

Five9 will become a unit of [Zoom](#) once the transaction closes. Rowan Trollope will become a president of Zoom and continue as Five9 CEO.

The deal is expected to close in the first half of 2022. It still needs approval from Five9 shareholders.

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