Analyst Day
2023
Ryan Burkart
Investor Relations
Safe Harbor Statement

This presentation includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding management’s expectations for future financial and operational performance and operating expenditures, expected growth, and business outlook, including our long-term financial framework; our focus on profitable growth; cash flow and margin improvement expectations; our product plans, strategies, and trends; our ability to expand our total addressable market; our position to execute on our growth strategy and related growth drivers; our opportunities in international markets; and our ability to expand our leadership position and market opportunity for our CRM platform. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this press release that are not historical facts and statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" or words of similar meaning. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control, including, without limitation, risks associated with our history of losses; our ability to retain existing customers and add new customers; the continued growth of the market for a CRM platform; our ability to differentiate our platform from competing products and technologies; our ability to manage our growth effectively to maintain our high level of service; our ability to maintain and expand relationships with our solutions partners; our ability to successfully recruit and retain highly-qualified personnel; the price volatility of our common stock; the impact of geopolitical conflicts, inflation, macroeconomic instability, and the COVID-19 pandemic on our business, the broader economy, our workforce and operations, and our ability to forecast our future financial performance; and other risks set forth under the caption “Risk Factors” in our SEC filings. We assume no obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.
Today’s Agenda

Wednesday, Sep 6, 2023

9:40 a.m. Welcome and Safe Harbor
Ryan Burkart | Investor Relations

Short Break

10:00 a.m. INBOUND Spotlight

Short Break

11:30 a.m. HubSpot’s Vision for Durable and Efficient Growth
Yamini Rangan

12:00 p.m. Customer Platform Value
Kipp Bodnar | Chief Marketing Officer

Lunch Break

12:50 p.m. Executing Durable and Efficient Growth
Kate Bueker | Chief Financial Officer

Short Break

1:20 p.m. Executive Q&A
Thank You
HubSpot’s Vision
for Durable and Efficient Growth
1. Mission and market

2. Product and growth strategy

3. Balancing growth, efficiency and culture
Our Mission

Why

Help millions of organizations grow better

How

Become the #1 Customer Platform for scaling companies

What

• Engagement Hubs
• Smart CRM
• Connected Ecosystem
We are in massive markets

- 1 - 99 employees: $51B
- 100 - 999 employees: $77B

Software TAM for Marketing, Sales, Service, CMS, and Ops

2023 - 2028
What matters to our customers?

<table>
<thead>
<tr>
<th>Acquire customers</th>
<th>Make data-driven decisions</th>
<th>Improve customer experience</th>
<th>Increase efficiency</th>
<th>Thrive with AI</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Quality rather than quantity.&quot;</td>
<td>&quot;Being smarter with our data.&quot;</td>
<td>&quot;Winning where winning matters.&quot;</td>
<td>&quot;Don’t scale chaos.&quot;</td>
<td>&quot;We want to show up like people, not bots.&quot;</td>
</tr>
</tbody>
</table>

Sr. CRM Manager, Cambridge University Press (EE: 2000+)
Marketing Manager, Safe Contractors (EE: 101-500)
COO, Owl Cyber Defence (EE: 101-500)
Director Client Success, Sandler EAM Consulting (EE: 1-10)
CIO, IDEO (EE: 101-500)
Why we win

- Easy to use
- Easy to grow
- Easy to run
Our foundational choices

• Focus on SMB
• Move from app to suite to platform
• Build products organically
• Deliver value before you monetize
TWO MAJOR
TRANSFORMATIONS
We are in the early stages of major transformations
Aspiration: #1 Customer Platform for Scaling Companies

**Marketing Hub**
- Lead generation
- Marketing Automation

**Sales Hub**
- Prospecting
- Deal Management

**Service Hub**
- Help Desk
- Self Service

**CMS Hub**
- Content Creation
- Content Management

**Operations Hub**
- Advanced Reporting
- Process Automation

**Commerce Hub**
- Payments & Subscriptions
- Billing & Invoices

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**Smart CRM**
- Unified Customer Data
- Customer Intelligence
- Customization & Extensibility

---

**Marketplace**
- Find integrations, templates & services

**Academy**
- Learn new skills, gain credentials

**Network**
- Join our community, grow your craft
Every organization deserves a great CRM

Every organization deserves an AI-powered Customer Platform
<table>
<thead>
<tr>
<th>HubSpot AI: Powering all Hubs and Platform</th>
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</thead>
<tbody>
<tr>
<td><strong>AI Assistants</strong></td>
</tr>
<tr>
<td>- AI Assistant in Text Editors</td>
</tr>
<tr>
<td>- AI Content Recommendations</td>
</tr>
<tr>
<td>- AI Powered Image Generation</td>
</tr>
<tr>
<td>- Content remix to ads + social</td>
</tr>
<tr>
<td>- Generate campaign + social copy</td>
</tr>
<tr>
<td>- Generate marketing + sales emails</td>
</tr>
<tr>
<td>- AI Assisted Report Creation</td>
</tr>
<tr>
<td>- AI Powered Content Ideas</td>
</tr>
<tr>
<td>- AI Knowledgebase Article Editing</td>
</tr>
</tbody>
</table>

**AI Agents**
- AI Chatbot (Available in Service Hub)
  - AI-driven chatbots that respond to incoming support inquiries.

**AI Insights**
- AI Conversation Summaries
- AI Sales Email Summaries
- AI Driven Call Summaries
- Automation Cleanup
- AI Sales Forecasts
- AI Sales Talking Points
- Action Item Identification
- Automatic CRM Associations
- Call Speaker Identification

**ChatSpot**
- Accelerated Sales Prospecting
- Integrated Content Generation
- Deep Company Insights
- SEO Analysis
- HubSpot CRM Integration

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**AI-powered Smart CRM**
- GA by end of '23
- Beta by end of '23
Approach to AI Monetization

We plan to communicate pricing when features hit GA by early 2024

Increase market share across all tiers

Drive value with Pro and Enterprise tiers

Expand with add-ons
Engagement Hub strategy: Become the AI-powered system of engagement

<table>
<thead>
<tr>
<th>Marketing Hub™</th>
<th>Sales Hub™</th>
<th>Service Hub™</th>
<th>CMS Hub™</th>
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<td>Deal Management</td>
<td>Self Service</td>
<td>Content Management</td>
<td>Process Automation</td>
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- **CMOs and marketing ops**
- **Sales reps and leaders**
- **Support reps and managers**
- **Marketers and content managers**
- **Ops teams and business analysts**

- **59B marketing emails**
- **20B workflows**
- **1.1B deals created**
- **430M deals closed won**
- **516M conversations**
- **136M tickets closed**
- **34B website visitors**
- **45M pages published**
- **4.9M active workflows**
- **43k active data syncs**
The power of connected Hubs

Multi-hub journey
- MH, SH, SvH, CMS
- Consolidated from 5 tools to 1
- 10% increase in website visits, leads, conversion

Land and expand journey
- MH, SH, SvH, CMS, Ops, Full CRM
- Decreased Cost Per Lead by 75%
- Boosted conversions by 200%
Commerce Strategy:
Build the single source of truth for commerce and CRM

Customer Need:
• Convert closed opportunities to revenue quickly
• Unify commerce and customer data to drive growth
Commerce Hub + Smart CRM = Connected Experience

Commerce Powered Insights

Customer Experience
- Channels
  - Invoices
  - Payment Links
- Quotes
- B2B Checkout
- Subscriptions
- Billing
- Taxes

Payments
- HubSpot Payments
- 3rd party payments: Stripe & others
- Instant Payouts

Smart CRM
- Customer Data including commerce
- Customer Intelligence
- Customization & Extensibility

Accounting Integrations
Commerce Hub: Clear momentum across key metrics

- Are we adding customers? 60% (Activation growth YoY)
- Are customers returning? 50% (Growth in transactions/merchants/month YoY)
- Is transaction volume growing? 240% (GPV growth YoY)
Smart CRM Strategy:
Become the AI-powered system of record

Unified Customer Data
Customer Intelligence
Customization & Extensibility
HubSpot Customer Platform

Marketing Hub™
- Lead generation
- Marketing Automation

Sales Hub™
- Prospecting
- Deal Management

Service Hub™
- Help Desk
- Self Service

CMS Hub™
- Content Creation
- Content Management

Operations Hub™
- Advanced Reporting
- Process Automation

Commerce Hub
- Payments & Subscriptions
- Billing & Invoices

Smart CRM
- Unified Customer Data
- Customer Intelligence
- Customization & Extensibility

Marketplace
- Find integrations, templates & services

Academy
- Learn new skills, gain credentials

Network
- Join our community, grow your craft

AI-Powered

Customization & Extensibility
Our bi-modal strategy is working

Drive value

Lower end:
- Acquire customers early
- Make the product easy to use
- Build a competitive moat

Upmarket:
- Scale multi-hub and full suite
- Drive Pro and Enterprise adoption
- Be the #1 platform for the mid-market

Drive volume
Our focus is on driving broad and efficient distribution.
We are scaling GTM motions for long-term durable growth

Digital-driven
Scaling from acquisition to activation and retention
85% of Starter customers purchase online

Partner-driven
Expanding and moving upmarket
~50% of services are delivered by partners

Sales-driven
Focusing on consistent execution
32% of new ARR in Pro & Ent is from 3+ Hubs
Build a company future generations will be proud of
We are balancing growth, profitability and culture

Drive diverse levers for growth

Focus on multi-year efficiency initiatives

Scale a diverse and sustainable culture
HubSpot is positioned for long-term, durable growth

**Mission**
Help millions of organizations grow better.

**Aspiration**
Become the #1 Customer Platform for scaling companies.

**Product Strategy**
Power our Engagement Hubs and Smart CRM with AI.

**Go-to-Market Strategy**
Scale breadth of distribution with multiple GTM motions.

**Company Strategy**
Build an equitable, sustainable organization.
Thank You
Today’s Agenda

1. Why CRM is not enough: Customer Platform
2. Value of Smart CRM
3. Value of Engagement Hubs
4. Value of a Connected Ecosystem
Why Customer Platform?
Why CRM is Not Enough

How it started...
CRM for Sellers: A simple system of record for sellers to track customer relationships

How it’s going...
CRM with multiple duplicate records and outdated versions of customer data
We are at a breaking point
HubSpot: The Customer Platform That Helps Your Business Connect and Grow Better

Engagement Hubs
that connect your front office with customers across the entire journey

Smart CRM
that combines customer data with artificial intelligence to power the entire platform

Ecosystem
that extends the customer platform with an app marketplace, educational content, and community network
What is the value of HubSpot’s Customer Platform?
Legacy CRM is unified by force

Smart CRM is unified by default

Legacy CRM is hard to configure

Smart CRM is easy to customize

Legacy CRM gives you information

Smart CRM gives you intelligence

Smart CRM = Data + AI
Custom Objects Specific to Your Business
CRM Customization to Extend Your Data
Value of Engagement Hubs
Engagement is Core to a Great Customer Platform

**Engagement Pre-AI**

- Data was a nice to have across several systems
- Email was king
- Human activity drove connection

**Engagement Post-AI Era**

- Data is a must have in one place
- Omni-channel rules
- Agents + Humans drive personal connection
Workflows to Automate Email Outreach
Prospecting Workspace to Easily Engage with Leads

- Task progress:
  - To dos: 0 of 42 completed
  - Emails: 0 of 15 completed
  - Calls: 3 of 21 completed
  - LinkedIn: 25 of 25 completed

- Total tasks (128):
  - Tasks due today (78):
    - To-dos: 42 to-do tasks
    - Emails: 15 email tasks
    - Calls: 18 call tasks
    - LinkedIn: You're all caught up on LinkedIn tasks
  - Overdue tasks (50):
    - To dos: 33 to do tasks
    - Emails: 15 email tasks
    - Calls: 21 call tasks
    - LinkedIn: 0 LinkedIn tasks

- Sequences (4):
  - Warm lead:
    - 33 contacts currently enrolled
  - Prospecting — Call heavy (23):
    - 31 contacts currently enrolled

- Schedule:
  - 8:00am: 77 tasks due today
  - 9:00am: Beth ↔ John
HelpDesk to Quickly Reach Your Customers

Rose

Got any questions? I'm happy to help.

01:54 PM

Hi! I recently upgraded my subscription but I haven't received a shipment since June for my dog, Milo. Hoping to talk to someone who can help!

Write a message
Value of a Connected Ecosystem
Philosophy on a Connected Ecosystem

Invest in platform customization

Build for our marketplace
State of the app ecosystem

Number of Marketplace Integrations

2017: 54
2018:
2019:
2020:
2021:
2022:
2023: 1500

Number of Active Marketplace Installs

2020: 787,132
2021:
2022:
2023: 2,121,449
State of the app ecosystem

G2 Categorization of Marketplace Listings
% of currently listed integrations
LinkedIn CRM Sync to Save Time and Craft Better Conversations

<table>
<thead>
<tr>
<th>OBJECT Syncs</th>
<th>IN SYNC</th>
<th>FAILING</th>
<th>EXCLUDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company sync</td>
<td>389</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Contact sync</td>
<td>1879</td>
<td>34</td>
<td>103</td>
</tr>
<tr>
<td>Deal sync</td>
<td>356</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Owner sync</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

- Company sync: On, Listening for changes
- Contact sync: On, Listening for changes
- Deal sync: On, Scanning 2 Multiport records
- Owner sync: On, Listening for changes
Ecosystem is more Than Apps: Academy Expansion

Today, we have:

- 100+ courses
- 6 languages
- 38% of our install base consumes that content monthly
How one of HubSpot’s biggest customers customizes the customer platform
Chatbots Built with OpenAI to Augment Human Support
Value of Customer Platform

easy to use

easy to grow

easy to run
Thank You
Executing Durable and Efficient Growth

Kate Bueker
Chief Financial Officer
Durable levers for growth

Balancing growth and profitability

Long-term shareholder value
Durable levers for growth
Balancing growth and profitability
Long-term shareholder value
Strong revenue growth

33% CAGR

2019 → 2023

$675m

2019

$2.1b

2023

1 Represents the mid-point of FY '23 guidance on an as-reported basis as of August 2, 2023
Strong customer growth

30% CAGR

2019 → 1H’23

2019: 73k
2023: 185k

1 185K represents customer count through June 30, 2023.
Early stages of large TAM opportunity

2023

Penetration across all product and customer segments

2028

$51b\textsuperscript{1}

<10%

$77b\textsuperscript{1}

\textsuperscript{1} Includes Total Addressable Market for software in HubSpot’s core product groups including Marketing Hub, Sales Hub, Service Hub, Operations Hub and CMS Hub. Does not include Commerce Hub. Source: IDC and HubSpot estimates
Multiple levers for growth

- Land
- Expand
- Innovate
Multiple levers for growth

Land
Expand
Innovate
Balanced growth drivers

57% International

40% Partner

50% New

43% U.S.

60% Direct

50% Install base

U.S. vs. International; Direct vs. Solutions Partners; New vs. Install Base are calculated based on a % Net New ARR from end of December 2022 to end of June 2023. See definition of Net New ARR appendix.
Expanding multi-hub lands

Balanced front doors¹

- Multi-Hub
- Marketing Only
- Sales Only
- Other

More multi-hub deals

- 2+ Hubs²: 49%, 32%
- 3+ Hubs³: 21%

¹ Professional and Enterprise Tiers only, excludes Starter.
² Designates new ARR associated with 2+ Hub
³ Designates new ARR associated with 3+ Hub
Driving volume at the low end

Strong Starter customer growth

47% CAGR

2019 → 1H’23

2019: 21k
1H’23: 79k
Driving value at the high end

Growing percentage of large deals

1.7x

$3k+ MRR deals % New ARR
2019 → 1H ’23

15% 26%
Multiple levers for growth

- Land
- Expand
- Innovate
Platform driving increased customer dollar retention

90%
3 Hub+¹ customer dollar retention

2019: 84%
1H '23: 87%
+3%

¹Customers subscribed to three or more Hubs.
Diverse upgrade and downgrade drivers

Marketing contacts → Consumption-driven
Seat expansion

Edition upgrades → Value-driven
Cross-sell

More macro sensitive
Less macro sensitive
Components of Net Revenue Retention

Value and churn more resilient

<table>
<thead>
<tr>
<th></th>
<th>FY'19</th>
<th></th>
<th>FY'22</th>
<th></th>
<th>1H'23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100%</td>
<td>Value</td>
<td>100%</td>
<td>Churn</td>
<td>110%</td>
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<tr>
<td>Churn</td>
<td></td>
<td>Churn</td>
<td></td>
<td>Value</td>
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<td></td>
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<td></td>
<td></td>
<td>Churn</td>
<td>104%</td>
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</table>
World-class Engagement Hubs

- **Marketing Hub**: 20% YoY Growth
- **Sales Hub**: 30% YoY Growth
- **Service Hub**: 40% YoY Growth
- **CMS Hub**: 25% YoY Growth
- **Operations Hub**: 100%+ YoY Growth
Significant opportunity for multi-hub adoption

33% of Customers

50% of ARR

1 Professional and Enterprise Tiers only, excludes Starter.
Upgrade motions remain resilient

53% CAGR
Starter to Professional

45% CAGR
Any edition to Enterprise

Starter upgrade rate holding steady, driving increased ARR

Expanding and diversifying upgrade motions to Enterprise

ARR from upgrades

1 ARR from upgrades
Meaningful opportunity for seat expansion

- **1.7m** Active users
- **1.1m** Paid seats
- **140k** Sales or Service Hub customers
Multiple levers for growth

Land

Expand

Innovate
Driving value in existing Hubs
Add value first before extracting value

Key value additions

- Custom objects
- Conversation intelligence
- Prospecting
- Crafted data management
- Granular permissions
- Scheduling Handoffs
- Reporting
- Playbooks
- Forecasting
- Pipeline health metrics
- LinkedIn integration
- AI-driven features

Sales Hub price increase

- $150 per seat (up from $120)
- Effective 11/1/23
- New customers
- Incremental seats for existing customers

1 Existing customers who are yet to purchase more than the 10 seat minimum as of November 1, 2023 will be subject to the price increase when purchasing additional seats. Existing customers who have already expanded beyond the 10 seat minimum as of November 1, 2023 will not be subject to the price increase when purchasing additional seats.
Planting new seeds

Generative AI
- Robust product pipeline
- AI embedded everywhere
- Monetization framework
  - Driving adoption at the low end
  - Differentiated value add features in higher priced tiers

Commerce
- Payments ➔ Commerce Hub
- Transaction-based monetization
- Multi-billion dollar TAM opportunity
Durable levers for growth

Balancing growth and profitability

Long-term shareholder value
Philosophy on balancing growth and profitability

Drive durable revenue growth at scale

Generate operating leverage as we scale toward long-term margin targets
Substantial margin expansion over the last five years

52% CAGR
OP 2019 → 1H '23
600 bps margin expansion
Long term financial targets remain unchanged

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2023¹</th>
<th>Long Term Target Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Margin</strong></td>
<td>82%</td>
<td>85%</td>
<td>81% - 83%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong> % of revenue</td>
<td>18%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>S&amp;M</strong> % of revenue</td>
<td>45%</td>
<td>43%</td>
<td>30% - 35%</td>
</tr>
<tr>
<td><strong>G&amp;A</strong> % of revenue</td>
<td>11%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>8%</td>
<td>14%</td>
<td>20% - 25%</td>
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¹ Long-Term Target Model: These estimates reflect our current operating plan as of September 6, 2023 and are subject to change as future events and opportunities arise. 2023 represents the current midpoint of HubSpot’s full year 2023 guidance. All percentages are non-GAAP and exclude expenses associated with stock-based compensation, amortization of acquired intangibles and acquisition related expenses. Percentages are based on actual values. Totals may not sum due to rounding. Please refer to appendix for a reconciliation of GAAP to non-GAAP figures.
### Long term financial targets remain unchanged

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<th>2023(^1)</th>
<th>2026 Target Model</th>
<th>Key Variables</th>
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<td>85%</td>
<td>84%</td>
<td>+Infrastructure optimization</td>
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<td></td>
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<td>+Services &amp; support leverage</td>
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<td></td>
<td></td>
<td></td>
<td>-Reliability, speed, security</td>
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\(^1\) Long-Term Target Model: These estimates reflect our current operating plan as of September 6, 2023 and are subject to change as future events and opportunities arise. 2023 represents the current midpoint of HubSpot’s full year 2023 guidance. All percentages are non-GAAP and exclude expenses associated with stock-based compensation, amortization of acquired intangibles and acquisition related expenses. Percentages are based on actual values. Totals may not sum due to rounding. Please refer to appendix for a reconciliation of GAAP to non-GAAP figures.
## Long term financial targets remain unchanged

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2023¹</th>
<th>2026 Target Model</th>
<th>Key Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Margin</strong></td>
<td>82%</td>
<td>85%</td>
<td>84%</td>
<td>+Infrastructure optimization</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+Services &amp; support leverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Reliability, speed, security</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Commerce</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>18%</td>
<td>20%</td>
<td>20%</td>
<td>Invest in R&amp;D to fuel growth</td>
</tr>
<tr>
<td>% of revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>S&amp;M</strong></td>
<td>45%</td>
<td>43%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td>11%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>8%</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
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</table>

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<td>36% - 38%</td>
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</tr>
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<table>
<thead>
<tr>
<th>Levers for S&amp;M efficiency</th>
<th>Today</th>
<th>Goal</th>
</tr>
</thead>
</table>
| **Digital-Driven**        | • Starter acquisition  
                           | • Commerce | • Grow top of funnel demand  
                           |       | • All customer segments  
                           |       | • Consumption-based expansion  
                           |       | • Commerce Hub |
| **Sales-Driven**          | • Primary motion across customer journey | • AI & systems-driven productivity growth  
                           |       | • Higher ASP through platform selling |
| **Partner-Driven**        | • 40%+ of deals with partner attached  
                           | • Driving tighter alignment | • 90%+ of upmarket deals with partner attached  
                           |       | • 75%+ of customers serviced by partners |
## Long term financial targets remain unchanged

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<thead>
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<td>8%</td>
<td>8%</td>
<td>Workforce planning</td>
</tr>
<tr>
<td>% of revenue</td>
<td></td>
<td></td>
<td></td>
<td>Systems and Automation</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
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<td></td>
</tr>
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</table>

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<td>8%</td>
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<tr>
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<td></td>
<td></td>
<td></td>
</tr>
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<td></td>
</tr>
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Durable levers for growth

Balancing growth and profitability

Long-term shareholder value
Strong balance sheet and financial discipline

Track record of financial stewardship

$1.7B
In cash, Q2 ‘23

$684m FCF → 1H ‘23

2–3%
Gross dilution outlook

SBC² moderating as a % of revenue
Strong shareholder value creation

- 33% Revenue CAGR\(^1\)
- 600bps Margin Expansion\(^1\)
- $684m FCF\(^1\)

Annualized Shareholder Return\(^1\)
- >2.5x S&P 500
- >2.0x NASDAQ Composite
- >2.0x Software Sector\(^2\)

---

\(^1\) Period from 1/1/2019 - 6/30/2023. Source: HubSpot and Bloomberg

\(^2\) Software sector returns based on returns of iShares Expanded Tech-Software ETF (Ticker: IGV) over the period from 1/1/2019 - 6/30/2019. Source: Bloomberg
Key takeaways

1. Customer Platform driving strong and diverse growth
2. Early in a massive opportunity
3. On path toward long term financial targets
4. Delivering shareholder value
GAAP to Non-GAAP Reconciliations
# GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Six Months Ended</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>% of Revenues</td>
<td>% of Revenues</td>
<td>% of Revenues</td>
<td>% of Revenues</td>
<td>June 30, 2023</td>
</tr>
<tr>
<td>Cost of Revenues</td>
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<td>Subscription</td>
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<td>136,645</td>
<td>211,132</td>
<td>257,513</td>
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<td></td>
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<td>15%</td>
<td>16%</td>
<td>15%</td>
<td>14%</td>
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<tr>
<td>Stock-based compensation</td>
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<td>Amortization of acquired intangibles</td>
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<td>0%</td>
<td>0%</td>
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<tr>
<td>Gain on termination of operating leases</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Non-GAAP subscription</td>
<td>92,182</td>
<td>123,937</td>
<td>209,099</td>
<td>247,234</td>
<td>159,098</td>
</tr>
<tr>
<td>Professional services and other</td>
<td>31,444</td>
<td>56,274</td>
<td>47,725</td>
<td>56,746</td>
<td>22,169</td>
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<td>Stock-based compensation</td>
<td>2,829</td>
<td>2,536</td>
<td>0%</td>
<td>(4,989)</td>
<td>(2,546)</td>
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<tr>
<td>Gain on termination of operating leases</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Non-GAAP professional services and other</td>
<td>28,615</td>
<td>58,718</td>
<td>44,908</td>
<td>52,755</td>
<td>54,625</td>
</tr>
<tr>
<td>Gross Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>544,902</td>
<td>726,067</td>
<td>1,041,801</td>
<td>1,416,713</td>
<td>843,426</td>
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<td>Stock-based compensation</td>
<td>6,964</td>
<td>6,964</td>
<td>6,964</td>
<td>6,964</td>
<td>8,807</td>
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<tr>
<td>Amortization of acquired intangible assets</td>
<td>3,201</td>
<td>2,540</td>
<td>662</td>
<td>1,203</td>
<td>804</td>
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<tr>
<td>Gain on termination of operating leases</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>Non-GAAP gross margin</td>
<td>550,209</td>
<td>725,351</td>
<td>1,052,197</td>
<td>1,431,382</td>
<td>871,057</td>
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<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Research and development</td>
<td>158,237</td>
<td>205,569</td>
<td>301,770</td>
<td>432,032</td>
<td>297,668</td>
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<td>Stock-based compensation</td>
<td>(38,746)</td>
<td>(39,266)</td>
<td>(41,817)</td>
<td>(50,387)</td>
<td>(57,394)</td>
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<td>Acquisition/disposition related income (expenses)</td>
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<tr>
<td>Gain on termination of operating leases</td>
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<td>0%</td>
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<tr>
<td>Non-GAAP research and development</td>
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<td>164,308</td>
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<td>452,081</td>
<td>649,681</td>
<td>886,069</td>
<td>515,977</td>
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<td>(36,099)</td>
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<td>(79,413)</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>Acquisition-related expenses</td>
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<td>Non-GAAP sales and marketing</td>
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<td>402,505</td>
<td>580,570</td>
<td>777,005</td>
<td>446,940</td>
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<td>General and administrative</td>
<td>92,971</td>
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<td>144,949</td>
<td>197,720</td>
<td>118,627</td>
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<td>(24,626)</td>
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<td>(543)</td>
<td>(548)</td>
<td>(549)</td>
<td>(550)</td>
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<td>0%</td>
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<td>0%</td>
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<td>0%</td>
<td>0%</td>
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<td>Non-GAAP general and administrative</td>
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<td>84,056</td>
<td>115,603</td>
<td>150,397</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Loss from Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(46,991)</td>
<td>(50,828)</td>
<td>(54,799)</td>
<td>(30,103)</td>
<td>(36,356)</td>
</tr>
<tr>
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<td>131,488</td>
<td>166,761</td>
<td>275,840</td>
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<td>2,629</td>
<td>1,066</td>
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<td>Acquisition-related expenses</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
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<td>Non-GAAP less from operations</td>
<td>54,873</td>
<td>24,911</td>
<td>117,507</td>
<td>169,972</td>
<td>141,500</td>
</tr>
</tbody>
</table>

**Note:** All figures are in thousands of dollars.
### GAAP to Non-GAAP Reconciliation

#### HubSpot, Inc.

**GAAP to Non-GAAP Reconciliation**

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<th>Loss from Operations</th>
<th>2019</th>
<th>% of Revenues</th>
<th>2020</th>
<th>% of Revenues</th>
<th>2021</th>
<th>% of Revenues</th>
<th>2022</th>
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<th>2023</th>
<th>% of Revenues</th>
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<td>(50,828)</td>
<td>-6%</td>
<td>(54,799)</td>
<td>-4%</td>
<td>(109,101)</td>
<td>-6%</td>
<td>(257,045)</td>
<td>-12%</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>97,754</td>
<td>14%</td>
<td>121,488</td>
<td>14%</td>
<td>166,761</td>
<td>13%</td>
<td>275,849</td>
<td>16%</td>
<td>452,212</td>
<td>21%</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>3,201</td>
<td>0%</td>
<td>2,419</td>
<td>0%</td>
<td>1,326</td>
<td>0%</td>
<td>2,629</td>
<td>0%</td>
<td>3,383</td>
<td>0%</td>
</tr>
<tr>
<td>Acquisition/disposition related income (expenses)</td>
<td>909</td>
<td>0%</td>
<td>1,832</td>
<td>0%</td>
<td>2,087</td>
<td>0%</td>
<td>(305)</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Gain on termination of operating leases</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>(4,276)</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>6,468</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>0%</td>
<td>96,450</td>
<td>0%</td>
</tr>
<tr>
<td>Non-GAAP (loss) income from operations</td>
<td>54,873</td>
<td>8%</td>
<td>74,911</td>
<td>8%</td>
<td>117,567</td>
<td>9%</td>
<td>169,072</td>
<td>10%</td>
<td>295,000</td>
<td>14%</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>% of Revenues</th>
<th>2020</th>
<th>% of Revenues</th>
<th>2021</th>
<th>% of Revenues</th>
<th>2022</th>
<th>% of Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP net cash and cash equivalents provided by operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP net cash and cash equivalents provided by operating activities</td>
<td>118,973</td>
<td>18%</td>
<td>88,913</td>
<td>10%</td>
<td>238,728</td>
<td>18%</td>
<td>273,174</td>
<td>16%</td>
</tr>
<tr>
<td>Purchases of property &amp; equipment and capitalization of software development cost</td>
<td>(53,846)</td>
<td>-8%</td>
<td>(58,917)</td>
<td>-7%</td>
<td>(61,865)</td>
<td>-5%</td>
<td>(81,771)</td>
<td>-5%</td>
</tr>
<tr>
<td>Repayment of 2022 Convertible Notes attributable to the debt discount</td>
<td>-</td>
<td>0%</td>
<td>49,048</td>
<td>6%</td>
<td>26,428</td>
<td>2%</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>65,127</td>
<td>10%</td>
<td>79,044</td>
<td>9%</td>
<td>203,291</td>
<td>16%</td>
<td>191,403</td>
<td>11%</td>
</tr>
</tbody>
</table>
Definitions

**Customers:** We define our Customers at the end of a particular period as the number of business entities with one or more paid subscriptions to our CRM Platform either purchased directly with us or purchased from a Solutions Partner. We do not include in Customers business entities with one or more paid subscriptions solely for our legacy Sales Hub ($10) product or any PieSync product. A single customer may have separate paid subscriptions to our CRM Platform, but we count these as one Customer if certain customer-provided information such as company name, URL, or email address indicate that these subscriptions are managed by the same business entity.

**Install Base:** Refer to definition of Annual Recurring Revenue below.

**Net Revenue Retention:** Net Revenue Retention is a measure of the percentage of recurring revenue retained from customers over a given period of time. Our Net Revenue Retention for a given period is calculated by first dividing Retained Subscription Revenue by Retention Base Revenue in the given period, calculating the weighted average of these rates using the Retention Base Revenue for the period, and then annualizing the resulting rates. A definition of each of the key terms used to calculate Net Revenue Retention is included below.

**Average Subscription Revenue per Customer (ASRPC):** We define “ASRPC” during a particular period as subscription revenue, excluding revenue from our legacy Sales Hub ($10) and PieSync products, from our Total Customers during the period divided by the average Total Customers during the same period.

**Non-GAAP Operating Income:** We define as GAAP operating income or loss plus stock-based compensation, amortization of acquired intangible assets, gain on termination of operating leases, loss on disposal of fixed assets, and acquisition related expenses.

**Free Cash Flow:** We define “FCF” as cash and cash equivalents provided by or used in operating activities less purchases of property and equipment, capitalization of software development costs, plus repayments of convertible notes attributable to debt discount.

**Annual Recurring Revenue (ARR):** We define ARR as the annual value of our customer subscription contracts as of the specified point in time excluding any commissions owed to our partners. For the purposes of this presentation, this excludes payments revenue. For each Hub, this is the sum of customer ARR for the Starter, Basic, Professional and Enterprise subscriptions, plus applicable contacts (marketing only), Seats, or Add-Ons (e.g., reporting or ads). For multi-product customers, their ARR would be distributed across based on the value of each SKU/Hub for which they pay. In 2022, we began including our payments revenue run rate, defined as, on an annualized basis, the trailing three months of payments revenue, into the annual value of our customer subscription contracts. ARR can differ from revenue due to several factors. ARR is converted into U.S. dollars at fixed rates that are held consistent over time and may vary from those used for revenue or deferred revenue. ARR would exclude any impact for bad debt and partner commissions (as noted above) and would also differ from Revenue due to timing of revenue recognition.

**Customer Dollar Retention (C$R):** Customer Dollar Retention is a measure of the percentage of the customers we retain, weighted by ARR dollars. This is calculated by summing the total dollars that were canceled in a given period, divided by the beginning of period ARR Install Base. We then express the calculated churn inversely as retention and annualize it.