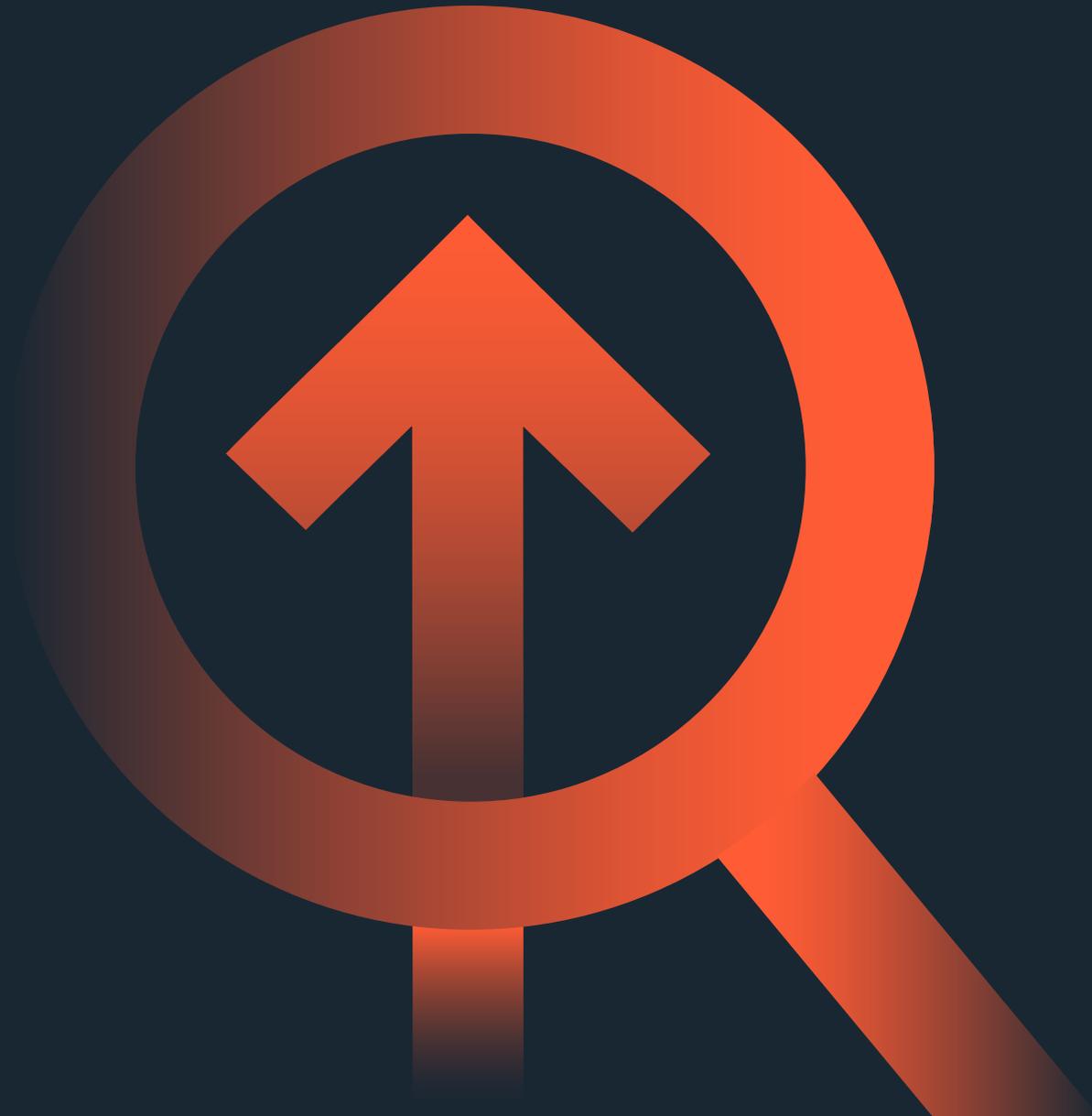


HubSpot

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

HubSpot's Vision

for Durable and Efficient Growth





Mission
and market

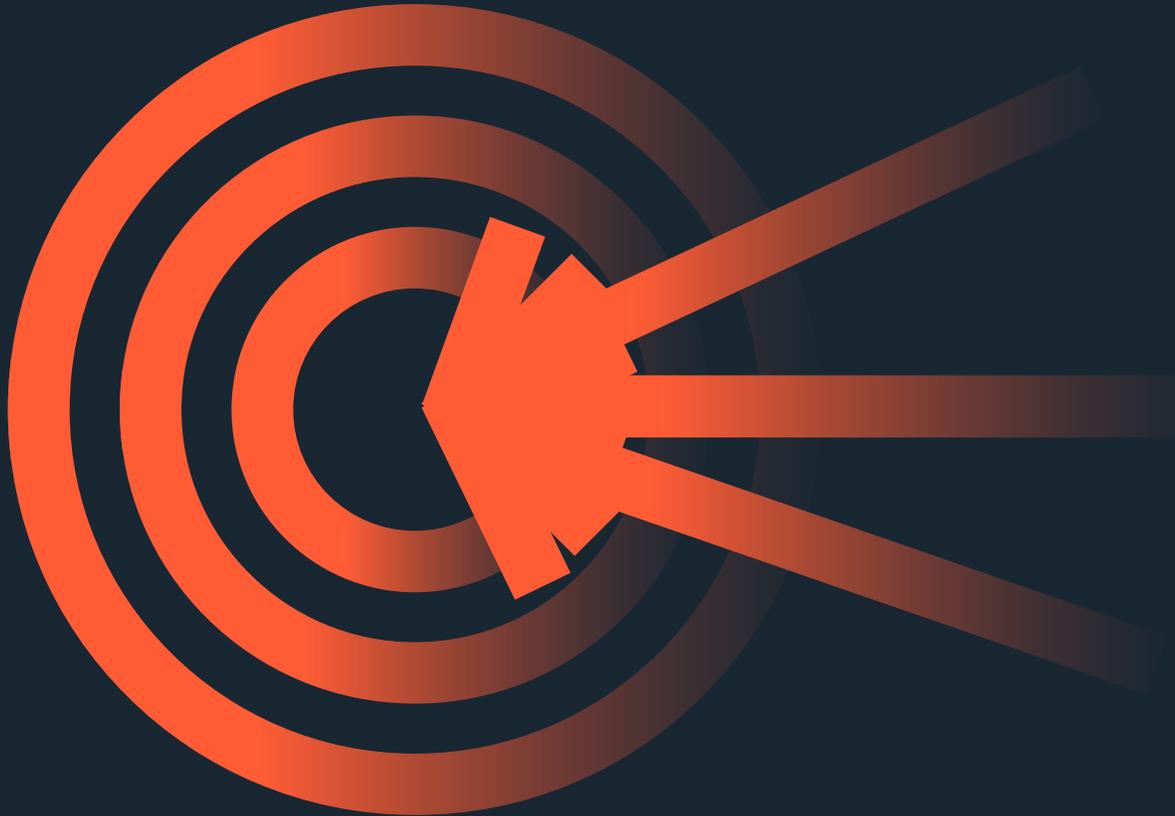


Product and
growth strategy



Balancing growth, efficiency
and culture

Our Mission



Why

Help millions of organizations grow better

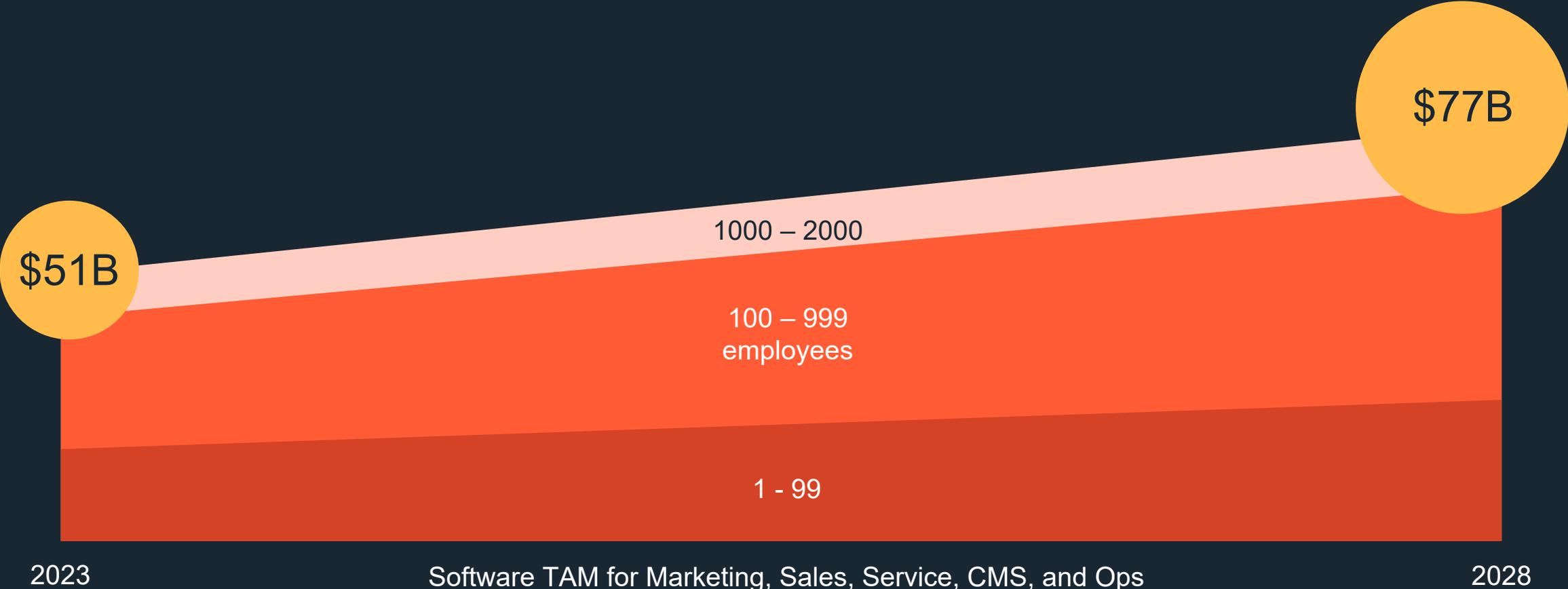
How

Become the #1 Customer Platform for scaling companies

What

- Engagement Hubs
- Smart CRM
- Connected Ecosystem

We are in massive markets



What matters to our customers?

Acquire
customers



Quality rather
than quantity.

Sr. CRM Manager,
Cambridge
University Press
(EE: 2000+)

Make
data-driven
decisions



Being smarter
with our data.

Marketing Manager,
Safe Contractors
(EE 101-500)

Improve
customer
experience



Winning where
winning matters.

COO,
Owl Cyber Defence
(EE 101-500)

Increase
efficiency



Don't scale
chaos.

Director Client Success,
Sandler EAM Consulting
(EE: 1-10)

Thrive with AI



We want to show
up like people, not
bots.

CIO,
IDEO
(EE 101-500)

Why we win



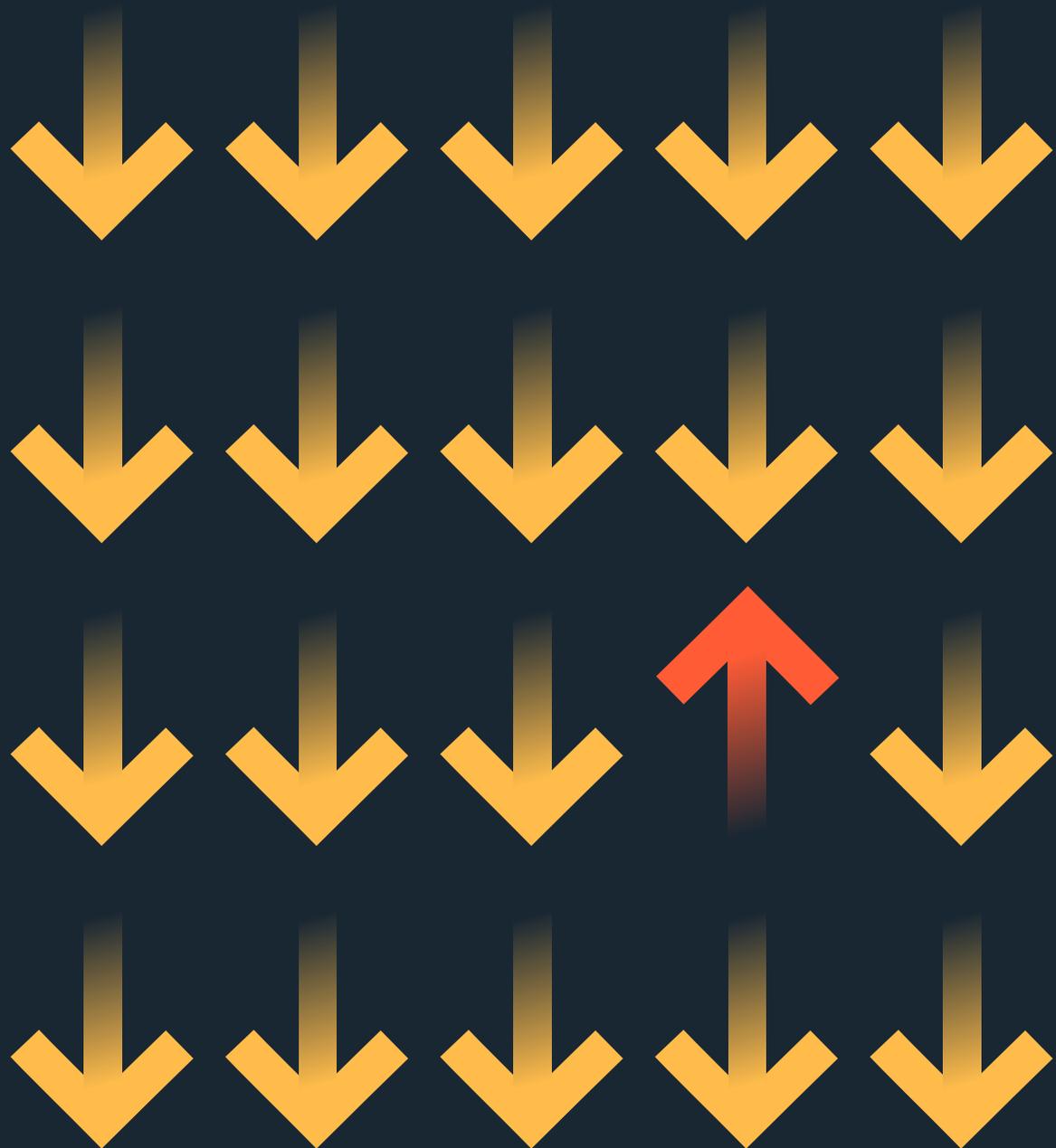
Easy to use



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

 AI-Powered

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

2014

Every organization
deserves a great **CRM**

2023

Every organization
deserves an **AI-powered**
Customer Platform

⚡ HubSpot AI: Powering all Hubs and Platform

AI Assistants

- AI Assistant in Text Editors
- AI Content Recommendations
- AI Powered Image Generation
- Content remix to ads + social
- Generate campaign + social copy
- Generate marketing + sales emails
- AI Assisted Report Creation
- AI Powered Content Ideas
- AI Knowledgebase Article Editing

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

⚡ 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

 AI-Powered

Marketing Hub™

Lead generation

Marketing
Automation

CMOs and
marketing ops

59B marketing emails
20B workflows

Sales Hub™

Prospecting

Deal Management

Sales reps
and leaders

1.1B deals created
430M deals closed won

Service Hub™

Help Desk

Self Service

Support reps
and managers

516M conversations
136M tickets closed

CMS Hub®

Content Creation

Content
Management

Marketers and
content managers

34B website visitors
45M pages published

Operations Hub™

Advanced
Reporting

Process
Automation

Ops teams and
business analysts

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:

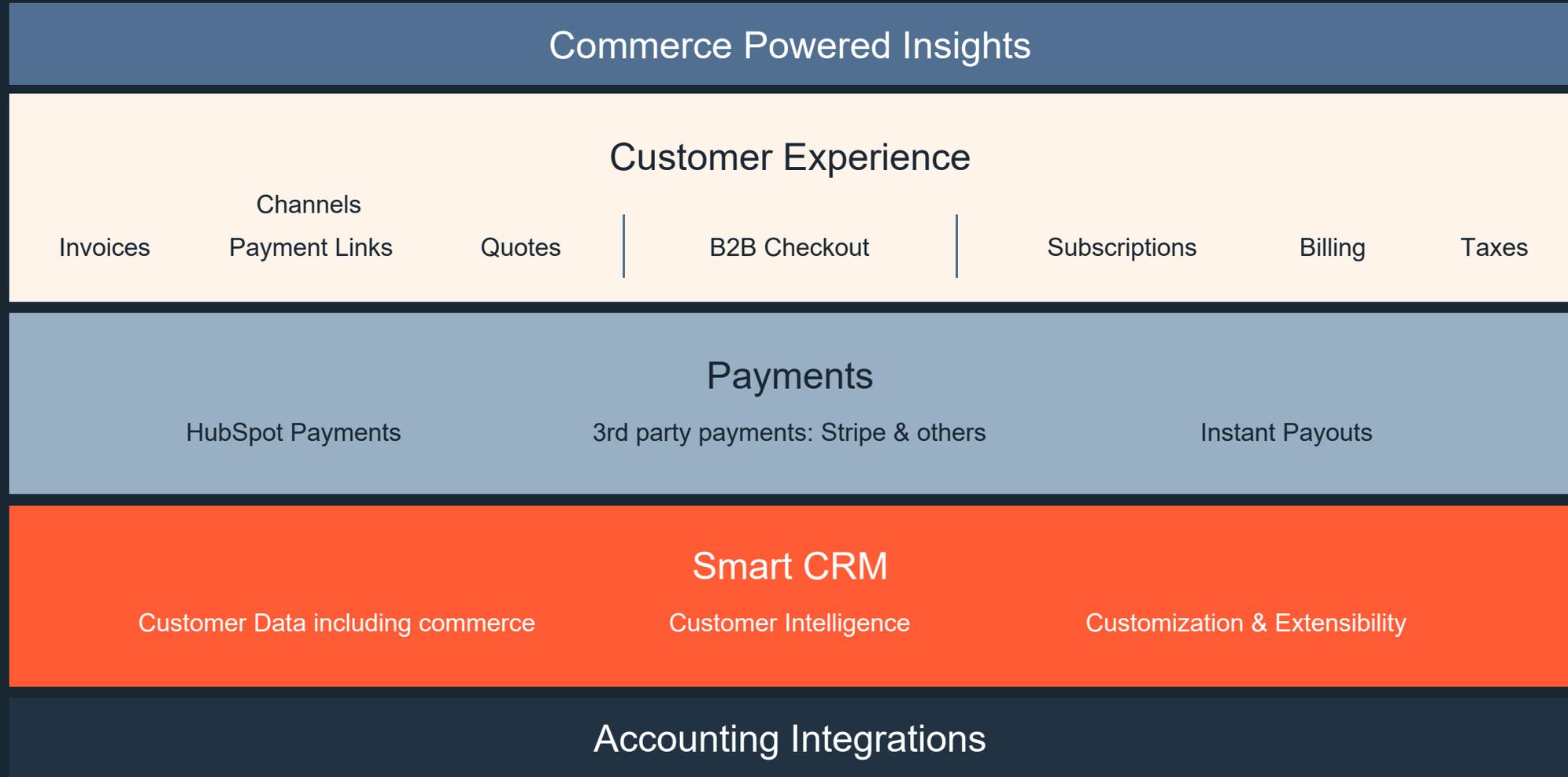
Build the single source of truth for commerce and CRM



Customer Need:

- Convert closed opportunities to revenue quickly
- Unify commerce and customer data to drive growth

Commerce Hub + Smart CRM = Connected Experience



Commerce Hub: Clear momentum across key metrics

Are we adding
customers?



activation growth
YoY

Are customers
returning?



growth in transactions/
merchants/month YoY

Is transaction
volume growing?



GPV growth YoY

Smart CRM Strategy: Become the AI-powered system of record

Smart CRM



Unified
Customer Data



Customer
Intelligence



Customization
& Extensibility

HubSpot Customer Platform

 AI-Powered

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

Our bi-modal strategy is working



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

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.

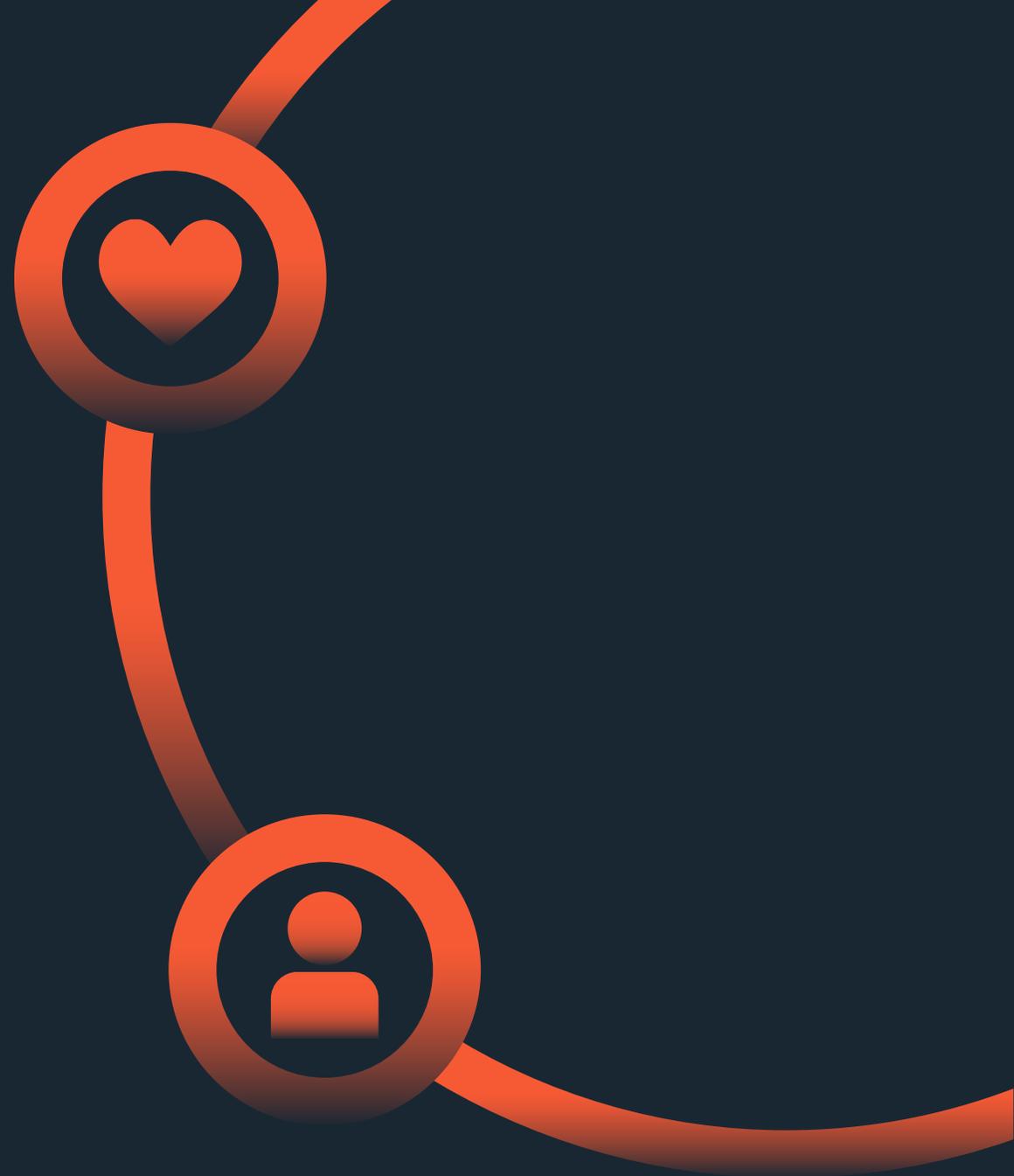
Thank You



HubSpot

Customer Platform Value

Kipp Bodnar, CMO



Today's Agenda



Why CRM is not enough:
Customer Platform



Value of
Smart CRM



Value of
Engagement Hubs



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



CRM with multiple duplicate records and outdated versions of customer data



How it's going...

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

HubSpot: The Customer Platform That Helps Your Business Connect and Grow Better

Customer Platform

⚡ AI-Powered

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 &
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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



**What is the value
of HubSpot's Customer
Platform?**

Smart CRM = Data + AI

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

Custom Objects Specific to Your Business

The screenshot displays the HubSpot CRM interface. At the top, there is a navigation bar with the HubSpot logo on the left and utility icons (phone, menu, settings, notifications) on the right, along with the text 'INBOUND 2023 Demos'. Below the navigation bar is a secondary menu with categories: 'Contacts', 'Conversations', 'Marketing', 'Sales', 'Service', 'Automation', 'Reporting', and 'CRM Development'. A search bar labeled 'Search HubSpot' is positioned on the right side of this menu.

The main content area is titled 'Select an object: Applications'. On the right side of this header, there is a prominent orange button labeled 'Create Custom Object'. Below the header, there are four tabs: 'Setup' (which is active), 'Associations', 'Pipelines', and 'Record Customization'. The 'Setup' tab contains the following content:

- A heading: 'Choose what information you collect about your Reviews and how you keep your records updated.' followed by an 'Actions' dropdown menu.
- A section titled 'Properties' with a sub-link 'Manage Review properties' and the text 'Manage the information you collect about your Reviews.'
- A section titled 'Creating Reviews' with a small thumbnail image and a sub-link 'Customize the 'Create Review' form' with the text 'Add, remove, or edit fields on the 'Create Review' form'.

On the left side of the interface, there is a sidebar menu under the heading 'Data Management'. The menu items are: 'Properties', 'Objects' (with a dropdown arrow), 'Contacts' (highlighted with a blue bar), 'Companies', 'Leads', 'Deals', 'Tickets', 'Products', 'Quotes', 'Invoices', 'Forecast', 'Activities', 'Campaigns', 'Custom Objects', 'Import & Export', 'Audit Logs' (with a 'NEW' badge), 'Tools', 'Meetings', 'Calling', 'Inbox' (with a dropdown arrow), and 'Marketing' (with a dropdown arrow).

CRM Customization to Extend Your Data

The screenshot displays a CRM interface for a deal record. The top navigation bar includes 'Contacts', 'Conversations', 'Marketing', 'Sales', 'Service', 'Automation', and 'Reports'. The main header shows 'Deals' and 'Actions'. The deal title is 'Hub Spa - New Deal' with a 'Customize this tab' option. The deal stage is 'Qualified to buy', shown as a progress bar with two orange segments and one white segment. The deal details table includes Pipeline (Sales Pipeline), Forecast category (Most likely), Next step (Schedule follow-up), and Amount (\$12,999.50). The company details table includes Company Domain Name (hubspa.com), Number of employees (1,062), City (Cambridge), State/Region (MA), LinkedIn (linkedin.com/hubspa), Annual revenue (\$3,400,000.00), Industry (Health, Wellness, and Fitness), and Create date (10/24/21). The left sidebar shows 'About this company' with fields for Phone number (857-829-5060), Create Date (10/10/2014 11:30 AM PDT), Lifecycle stage (Customer), Became a Lead Date (08/18/2017 5:23 PM EDT), Lead status (Open), Buying role (End user), and Contact owner. The bottom section is titled 'Contacts' with a search bar and an '+ Add' button.

Deal Details:

- Amount: \$12,999.50
- Close Date: 09/05/2023
- Stage: Qualified to Buy

Deal Stage Progress: Qualified to buy

Pipeline	Forecast category	Next step	Amount
Sales Pipeline	Most likely	Schedule follow-up	\$12,999.50

Company Details:

Company Domain Name	Number of employees	City	State/Region
hubspa.com	1,062	Cambridge	MA
LinkedIn	Annual revenue	Industry	Create date
linkedin.com/hubspa	\$3,400,000.00	Health, Wellness, and Fitness	10/24/21

Company Information:

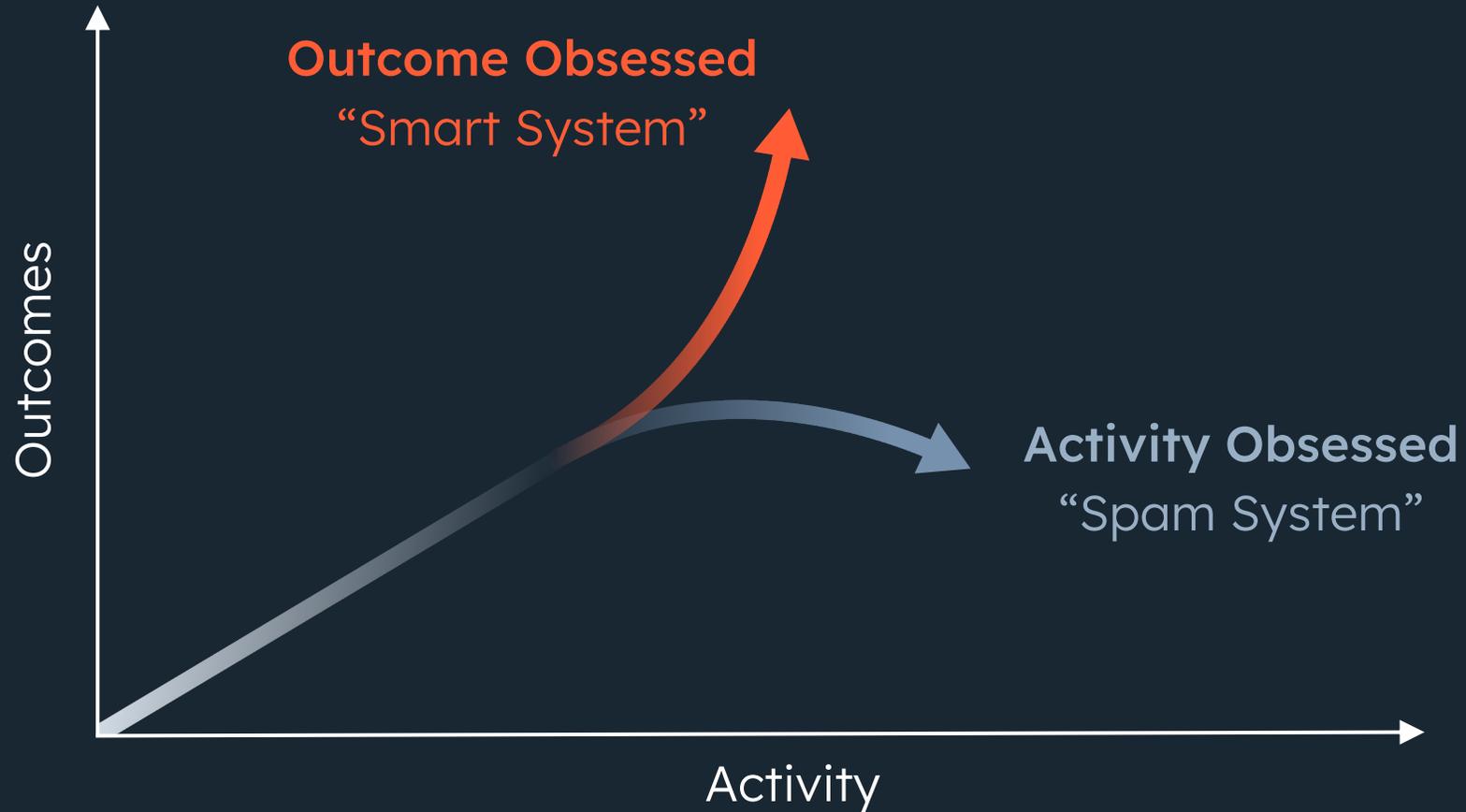
- Phone number: 857-829-5060
- Create Date: 10/10/2014 11:30 AM PDT
- Lifecycle stage: Customer
- Became a Lead Date: 08/18/2017 5:23 PM EDT
- Lead status: Open
- Buying role: End user
- Contact owner: [Name]

Contacts: Search associated contacts



Value of Engagement Hubs

Activity Armageddon



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

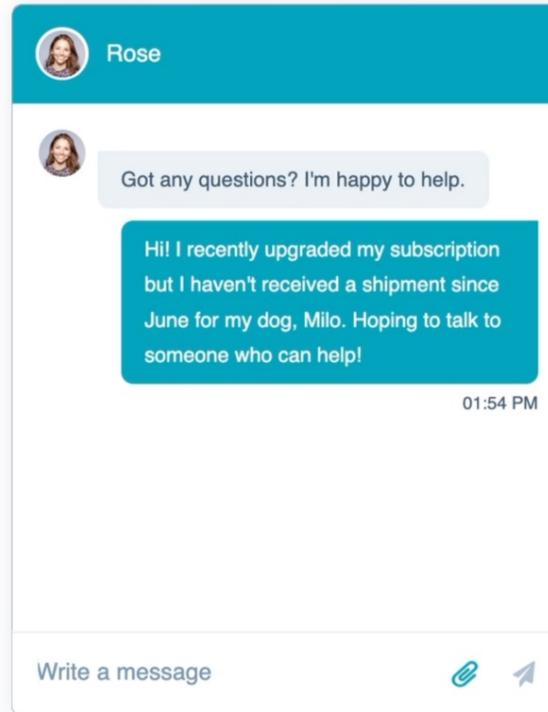
The screenshot displays a workflow editor interface. At the top, there is a navigation bar with a back arrow and the text 'Back to workflows'. The main title of the campaign is 'Campaign: Form to Meeting Scheduled'. On the right side of the top bar, it indicates 'Workflow is OFF' and provides a 'Review and publish' button. Below the title bar, there are tabs for 'Alerts', 'Details', 'Actions', 'Settings', 'Goals', and 'Changes'. The 'Actions' tab is currently selected. On the far right of this bar are buttons for 'Clean up', 'Test', and 'More'. The main workspace shows a workflow diagram starting with a 'Contact enrollment trigger' box. This box contains the instruction 'Choose the triggers that decide how a contact enters this workflow.' and a prominent orange 'Set up triggers' button. A vertical line with a plus sign connects the trigger box to an 'END' node below it. On the left side of the workspace, there is a zoom control set to 100% and a link to 'Show minimap panel'. On the right side, there is a vertical sidebar with icons for a grid and a chat window.

Prospecting Workspace to Easily Engage with Leads

The screenshot displays a CRM interface for a 'Prospecting' workspace. At the top, a navigation bar includes tabs for Contacts, Conversations, Marketing, Sales, Service, Automation, and Reports. The main content area is divided into several sections:

- Lead Profile:** A card for 'Beth Dutton' (Yellowstone Ranch) showing task progress for 'To dos', 'Emails', 'Calls', and 'LinkedIn'. 'LinkedIn' is fully completed (25 of 25).
- Task Summary:** A 'Total tasks (128)' section with sub-categories: 'Tasks due today (78)', 'Overdue tasks (50)', 'To-dos (42)', 'Emails (15)', 'Calls (18)', and 'LinkedIn (0)'. A 'Start all 78 tasks due today' button is present.
- Sequences:** A 'Sequences (4)' section with a 'Warm lead' card (23 contacts) and a 'Prospecting - Call heavy (23)' card (31 contacts).
- Calendar:** A bottom section showing a calendar with events for 8:00am (77 tasks due today) and 9:00am (Beth <> John).

HelpDesk to Quickly Reach Your Customers





Value of a Connected Ecosystem

Philosophy on a **Connected Ecosystem**



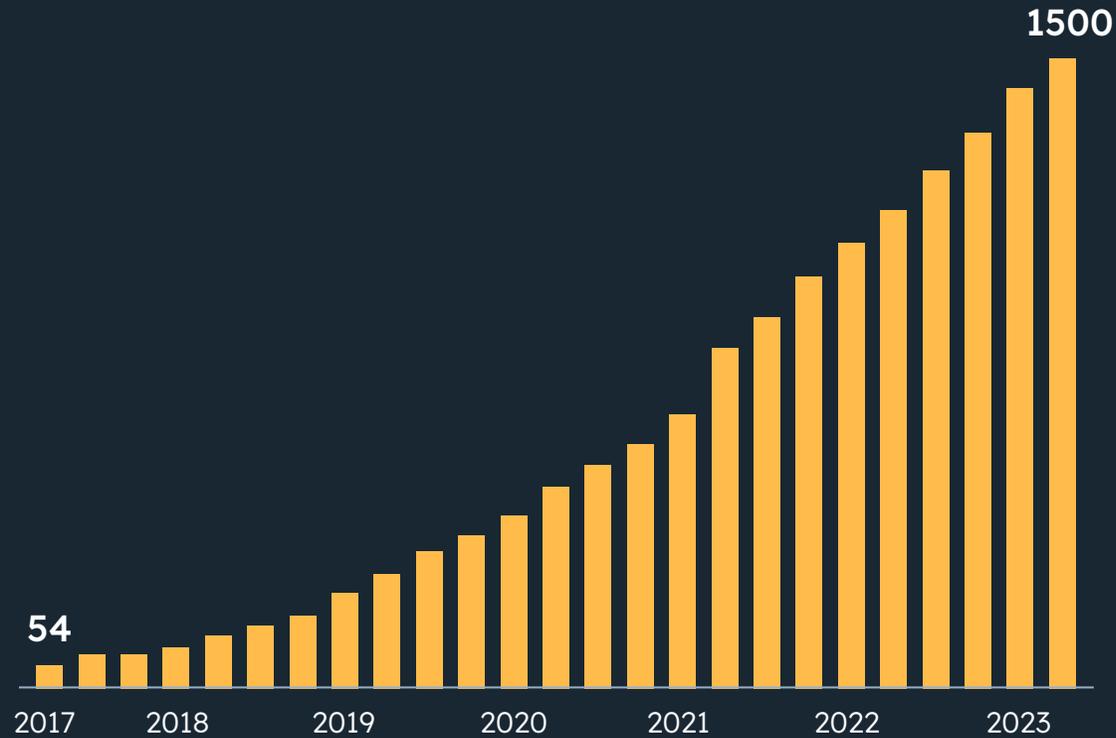
**Invest in
platform customization**



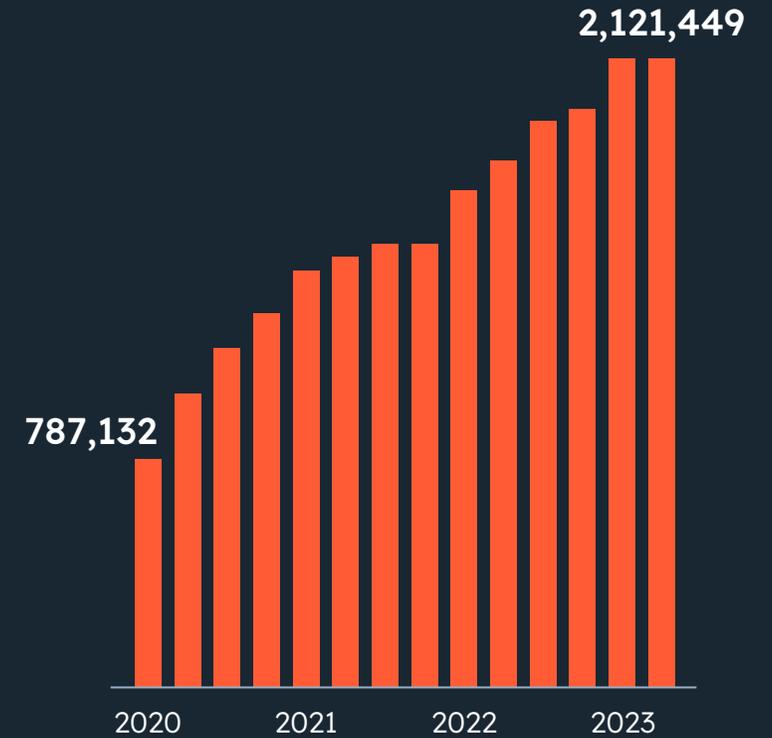
**Build for
our marketplace**

State of the app ecosystem

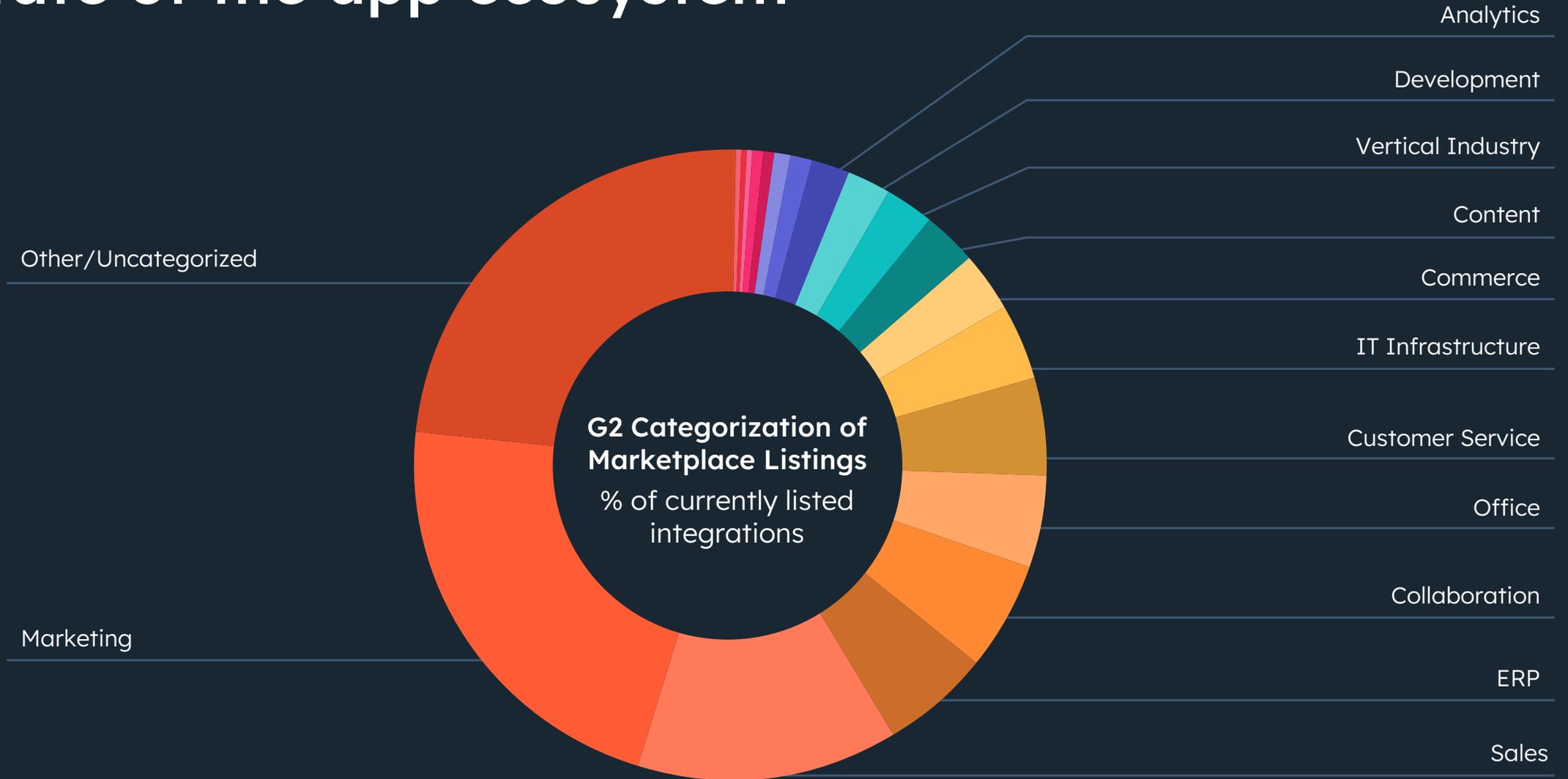
Number of Marketplace Integrations



Number of Active Marketplace Installs



State of the app ecosystem



LinkedIn CRM Sync to Save Time and Craft Better Conversations

The screenshot displays the LinkedIn CRM Sync interface. The top navigation bar includes links for Contacts, Conversations, Marketing, Sales, Service, Workflows, Reports, and CRM Development. The user profile is identified as 'linkedin-sales-nav-test-portal'. The left sidebar contains a 'Settings' menu with sections for 'Your Preferences' (General, Notifications), 'Account Setup' (Account Defaults, Users & Teams, Integrations, Marketplace Downloads, Tracking & Analytics, Privacy & Consent, Sandboxes, Security), and 'Data Management' (Properties, Objects, Import & Export, Audit Logs). The main content area is titled 'LinkedIn SMSC' and includes a 'Data Quality' section with 'Account actions'. Below this are tabs for 'Sync overview' and 'Feature discovery', along with a 'Support resources' link. A table titled 'All object syncs' lists four sync types: Company sync, Contact sync, Deal sync, and Owner sync. Each row shows the sync status, the number of records 'IN SYNC', 'FAILING', and 'EXCLUDED', and an 'Actions' button.

OBJECT SYNC	IN SYNC	FAILING	EXCLUDED	Actions
Company sync ● On Listening for changes	389	0	0	Actions
Contact sync ● On Listening for changes	1879	34	103	Actions
Deal sync ● On Scanning 2 HubSpot records	356	5	3	Actions
Owner sync ● On Listening for changes	7	0	0	Actions

Ecosystem is more Than Apps:
Academy Expansion



Today, we have:

100+ courses

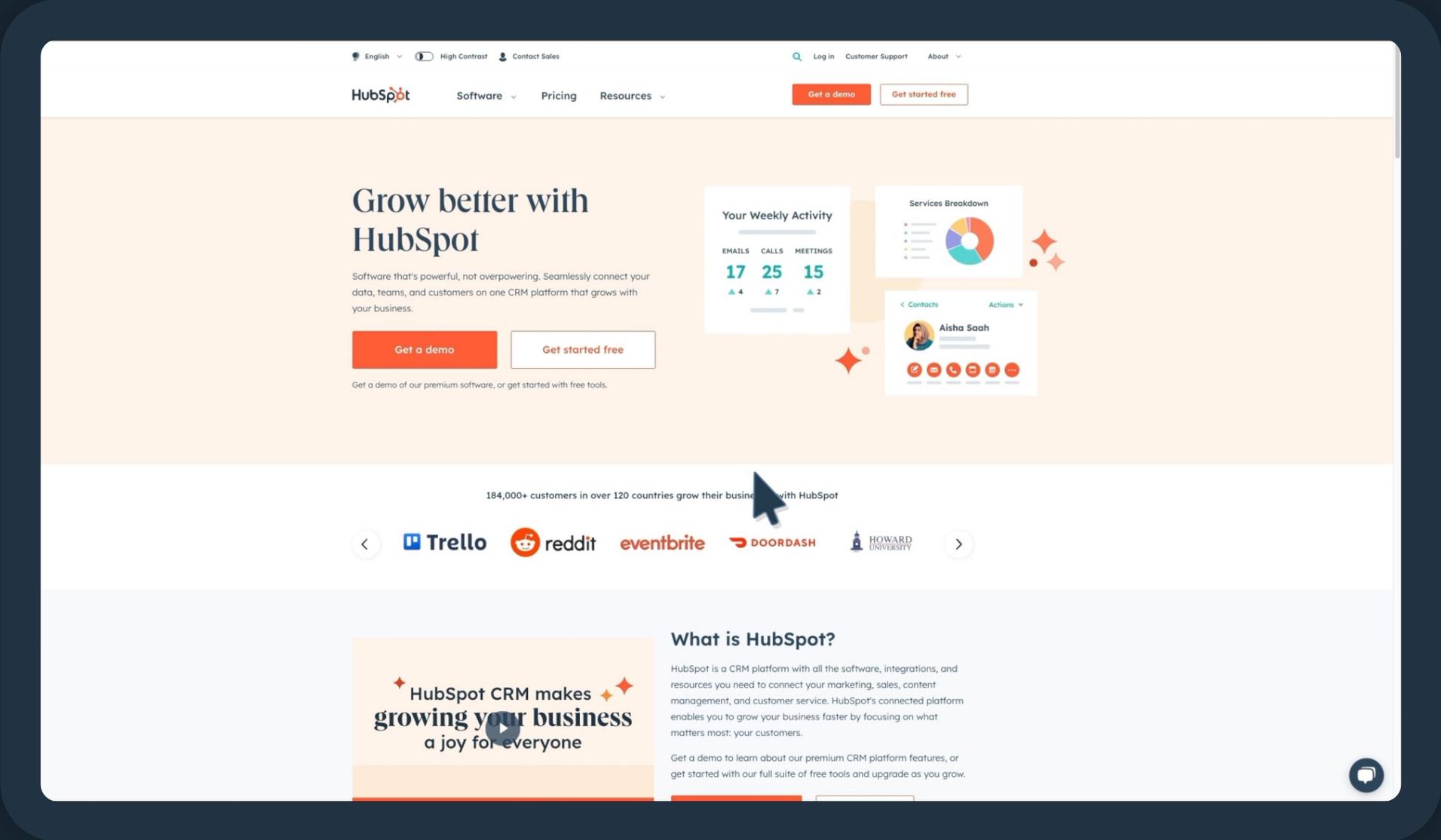
6 languages

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



Thank You



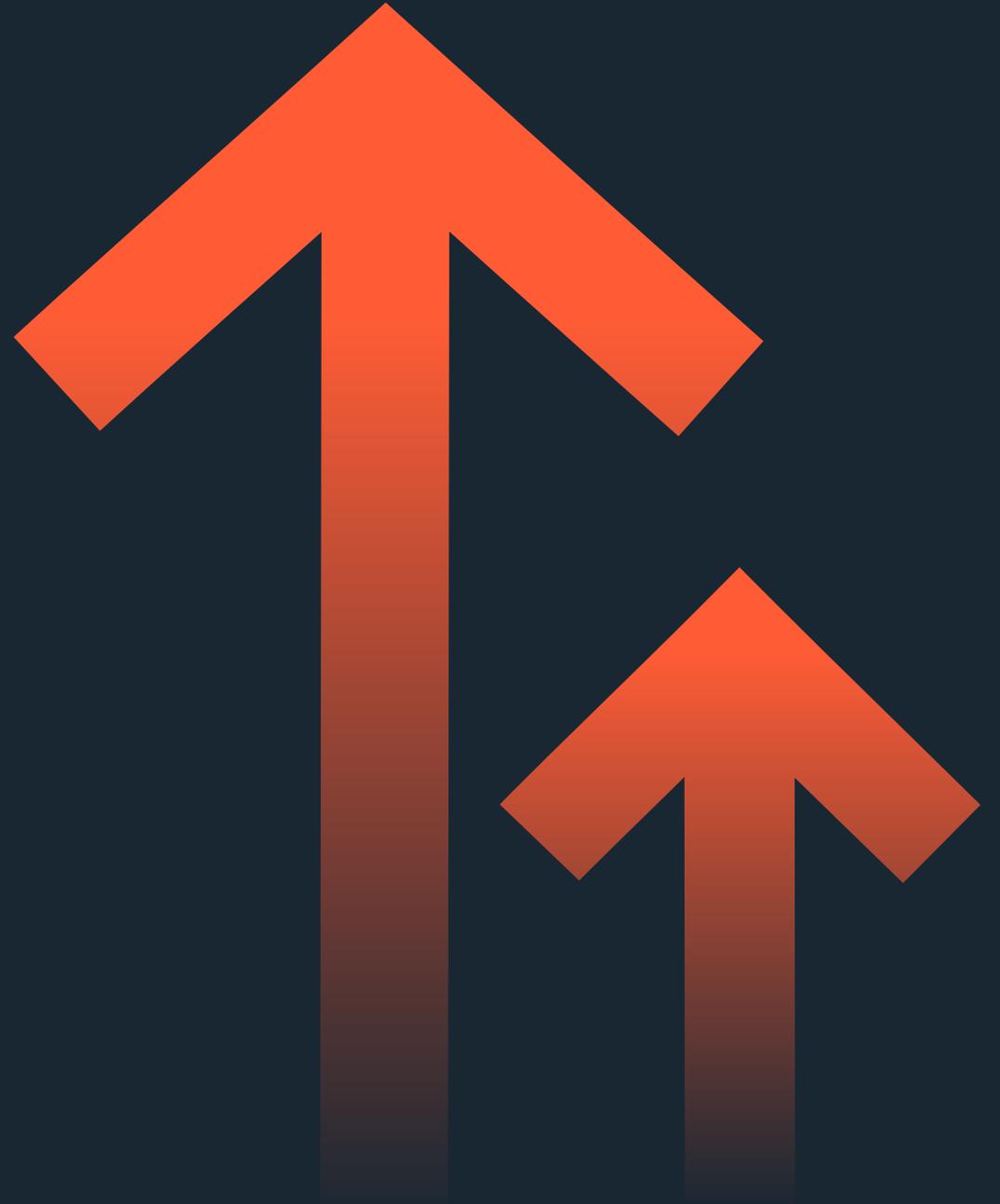


Executing Durable and Efficient

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

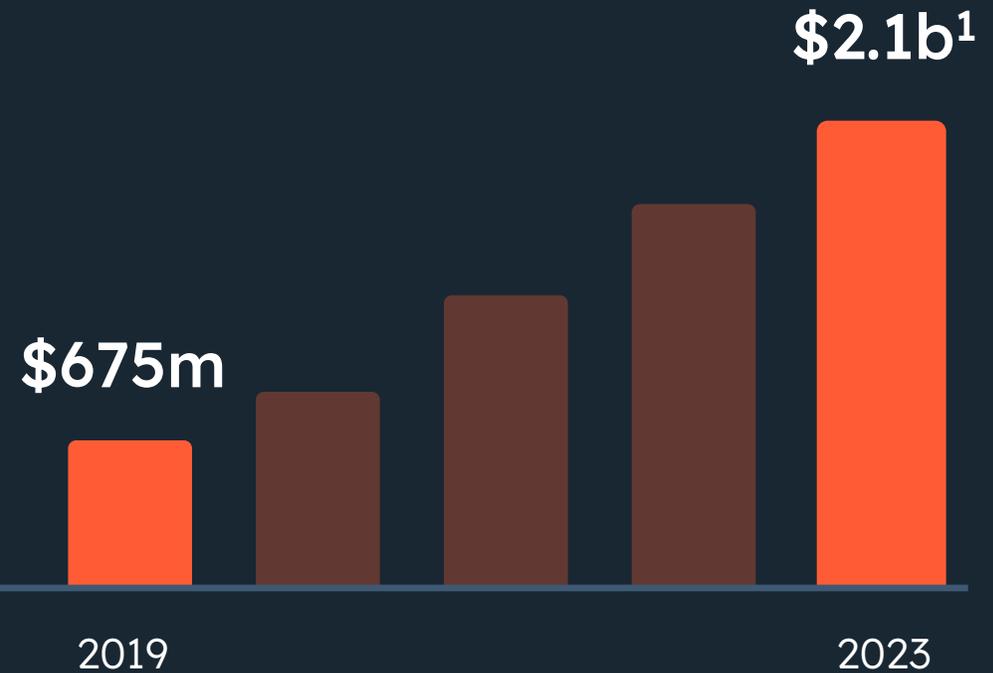


Long-term
shareholder value

Strong revenue growth

33% CAGR

2019 → 2023

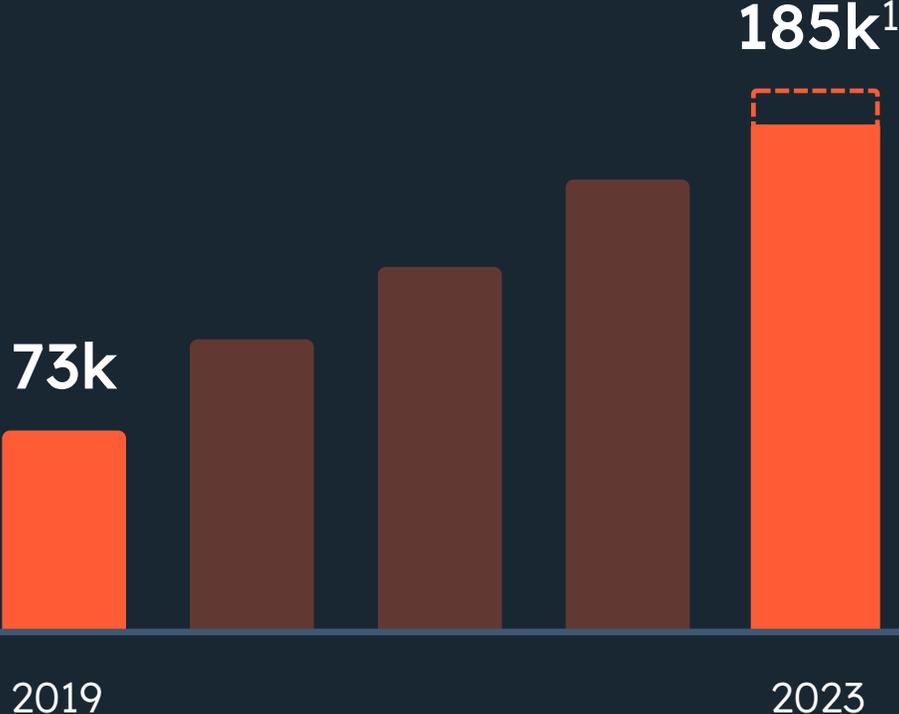


¹ Represents the mid-point of FY '23 guidance on an as-reported basis as of August 2, 2023

Strong customer growth

30% CAGR

2019 → 1H'23



¹ 185K represents customer count through June 30, 2023.

Early stages of large TAM opportunity

\$51b¹

<10%

\$77b¹

Penetration across all product
and customer segments

2023

2028

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

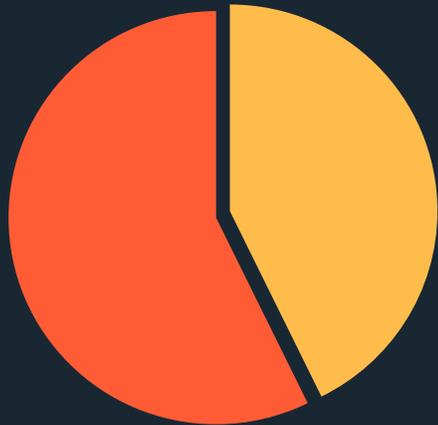


Innovate

Balanced growth drivers

57%

International

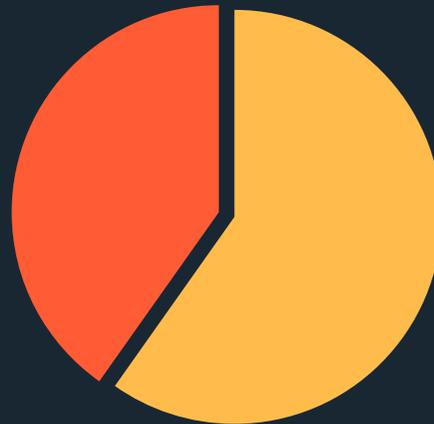


43%

U.S.

40%

Partner

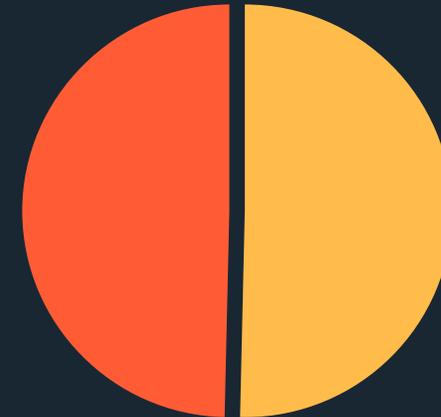


60%

Direct

50%

New

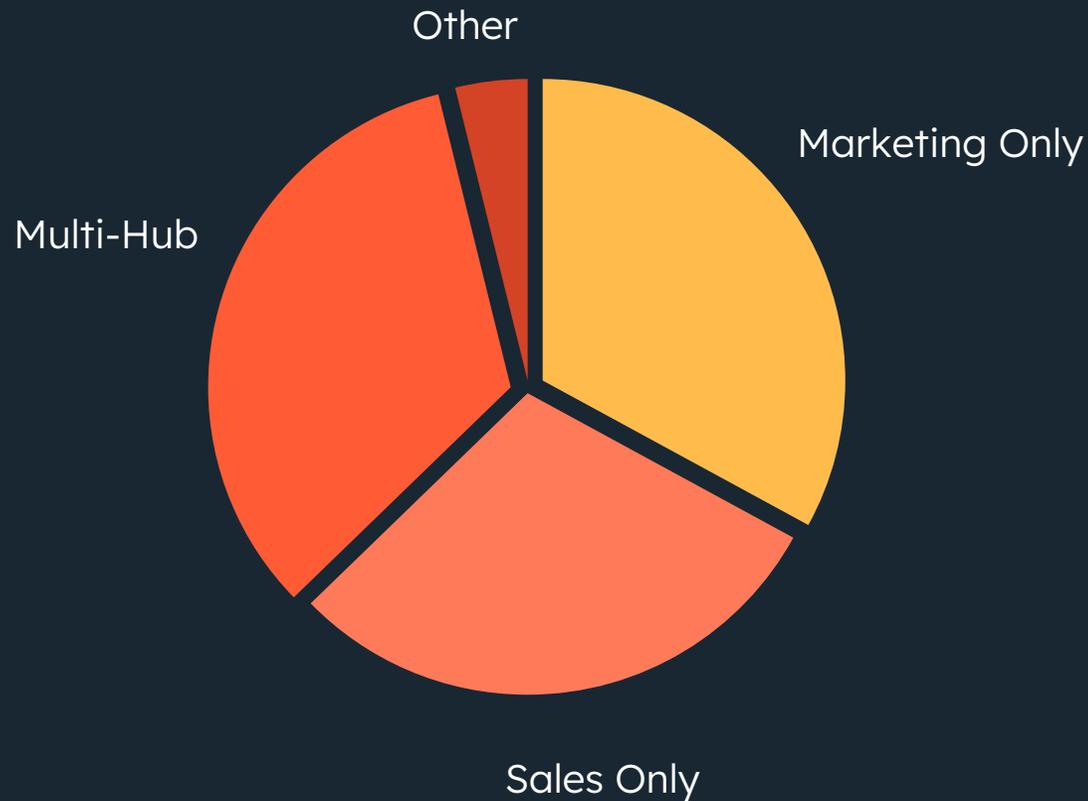


50%

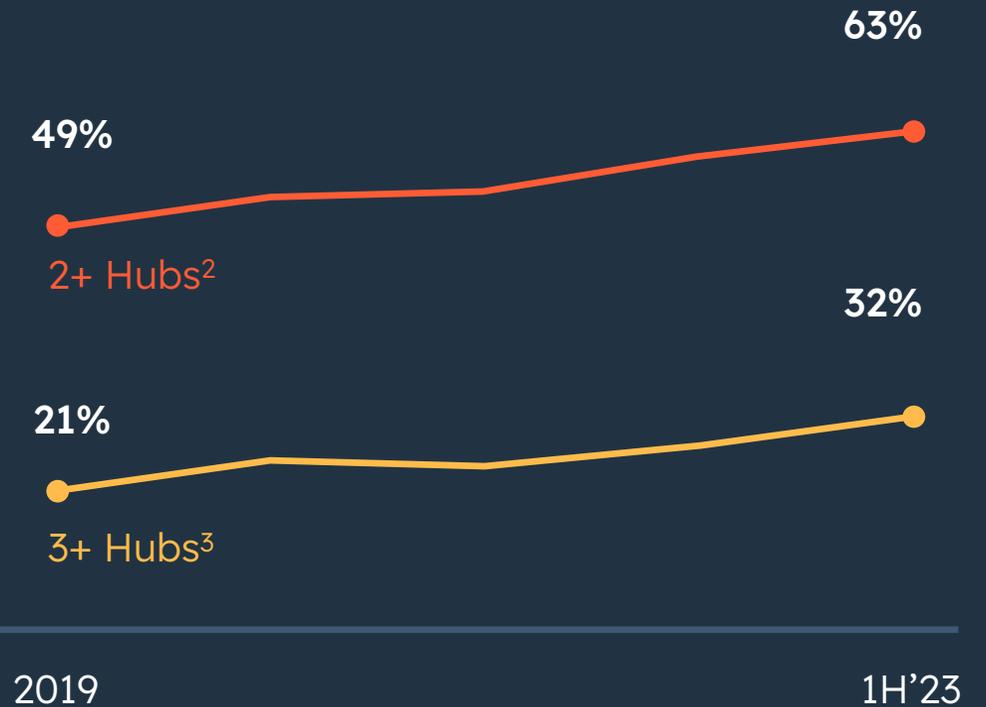
Install base

Expanding multi-hub lands

Balanced front doors¹



More multi-hub deals



¹ Professional and Enterprise Tiers only, excludes Starter.

² Designates new ARR associated with 2+ Hub

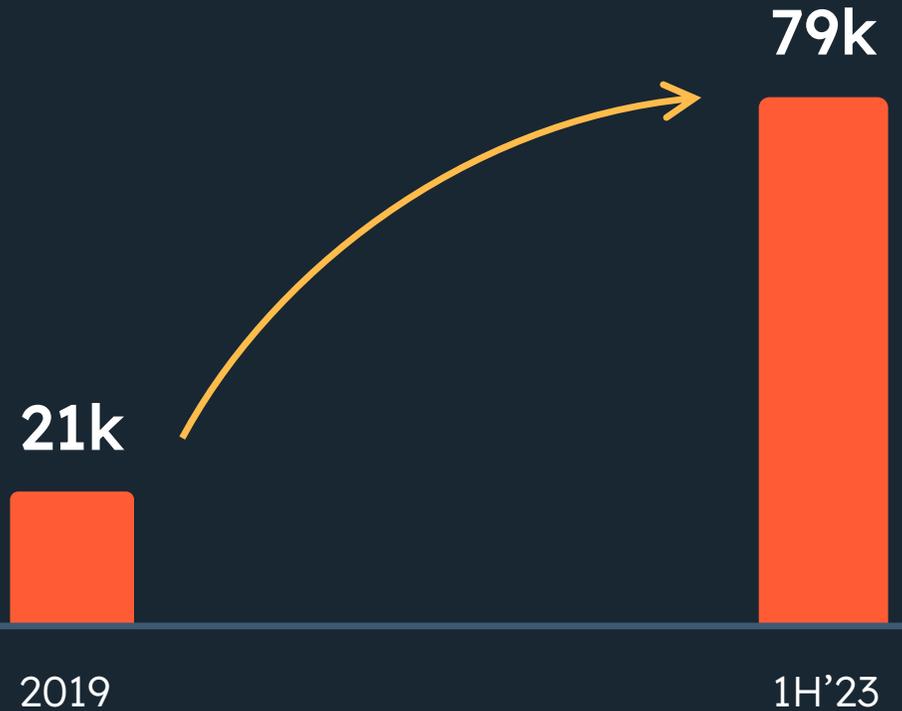
³ Designates new ARR associated with 3+ Hub

Driving volume at the low end

Strong Starter customer growth

47% CAGR

2019 → 1H'23



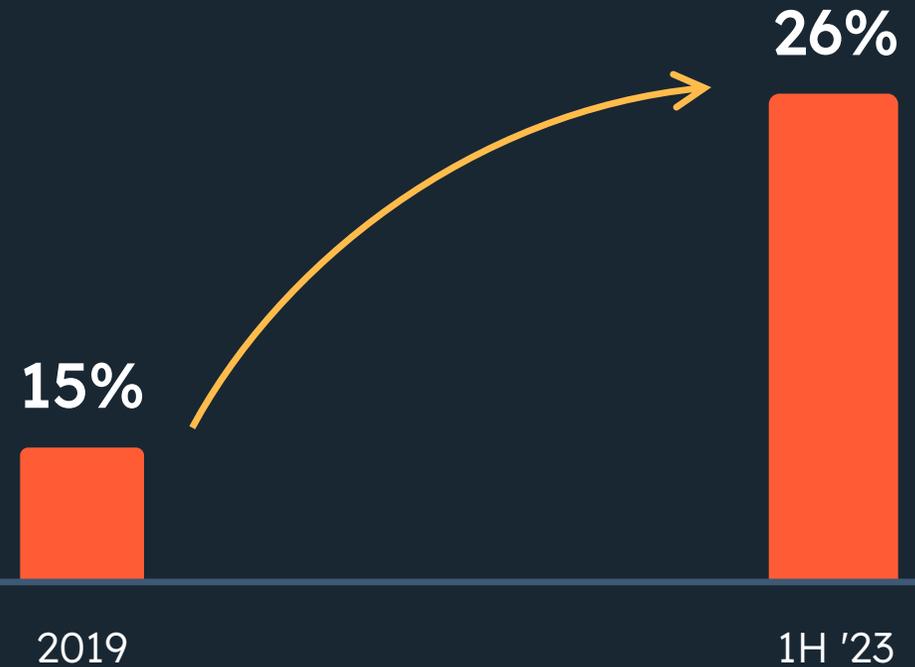
Driving value at the high end

Growing percentage of large deals

1.7x

\$3k+ MRR deals % New ARR

2019 → 1H'23



Multiple levers for growth



Land



Expand

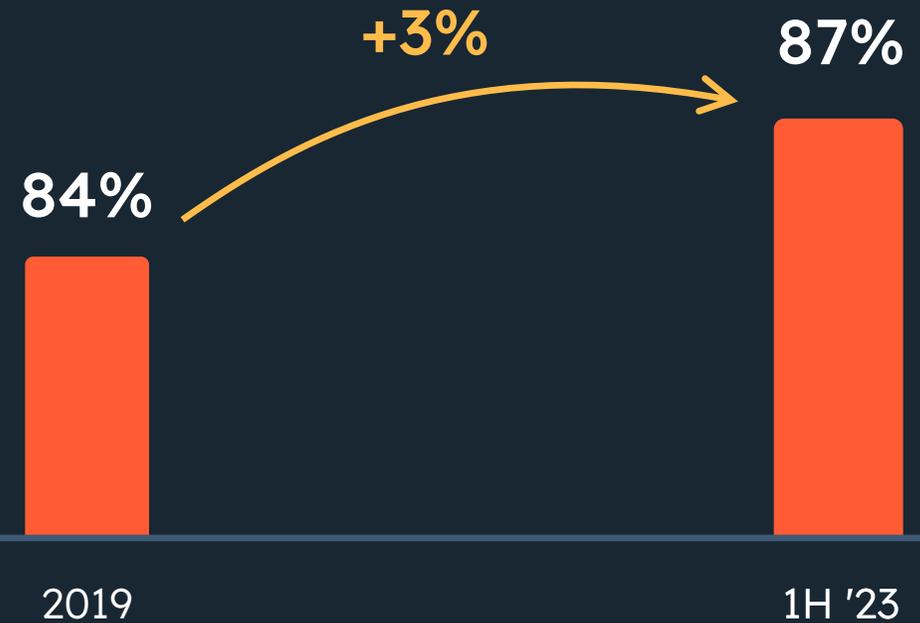


Innovate

Platform driving increased customer dollar retention

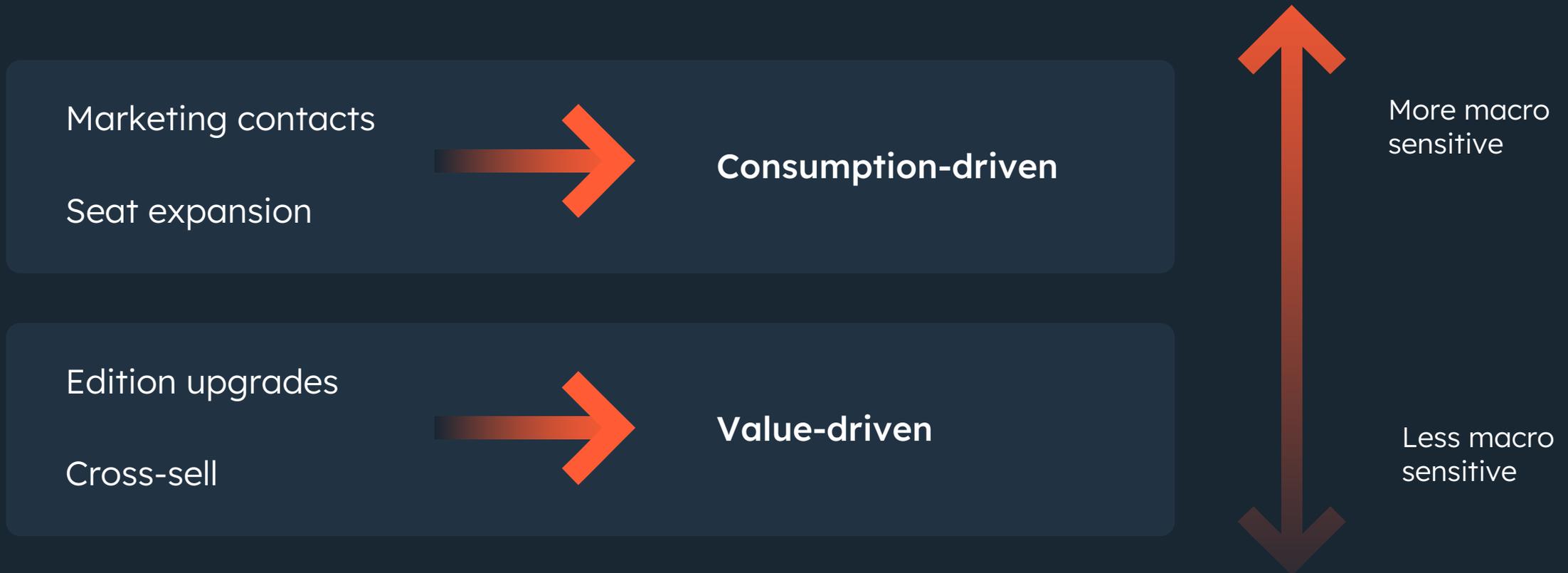
90%

3 Hub+¹ customer
dollar retention



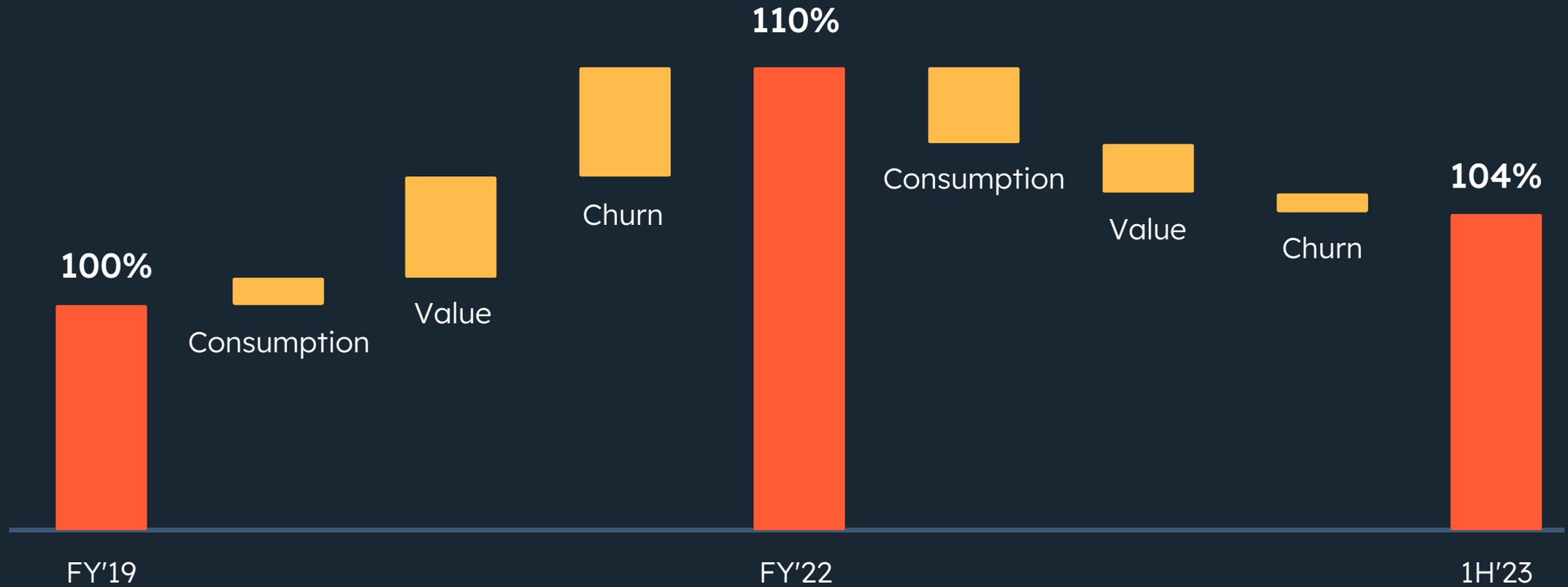
¹Customers subscribed to three or more Hubs.

Diverse upgrade and downgrade drivers



Components of Net Revenue Retention

Value and churn more resilient



World-class Engagement Hubs



Marketing Hub

20%

YoY Growth



Sales Hub

30%

YoY Growth



Service Hub

40%

YoY Growth



CMS Hub

25%

YoY Growth

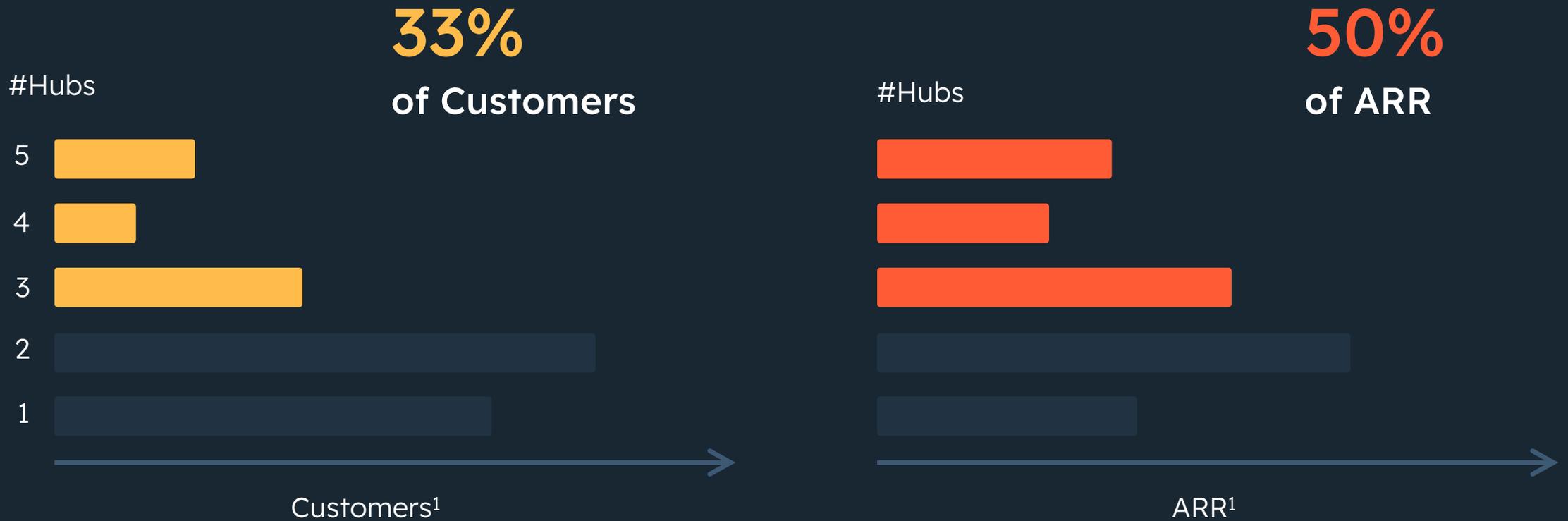


Operations Hub

100%+

YoY Growth

Significant opportunity for multi-hub adoption

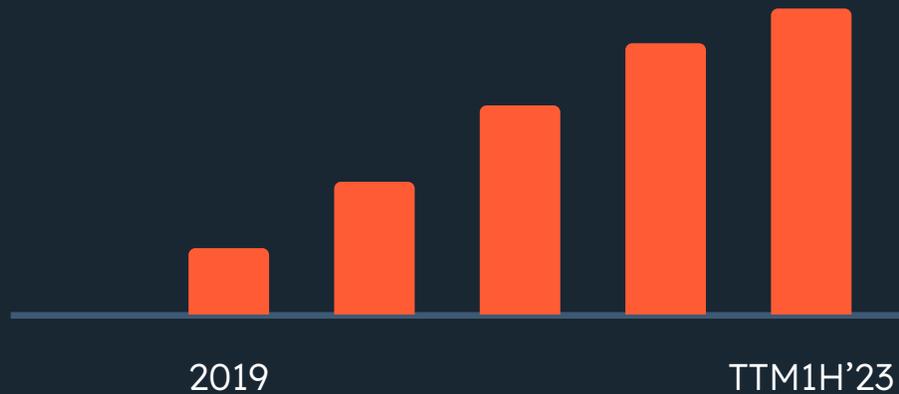


¹ Professional and Enterprise Tiers only, excludes Starter.

Upgrade motions remain resilient

53% CAGR

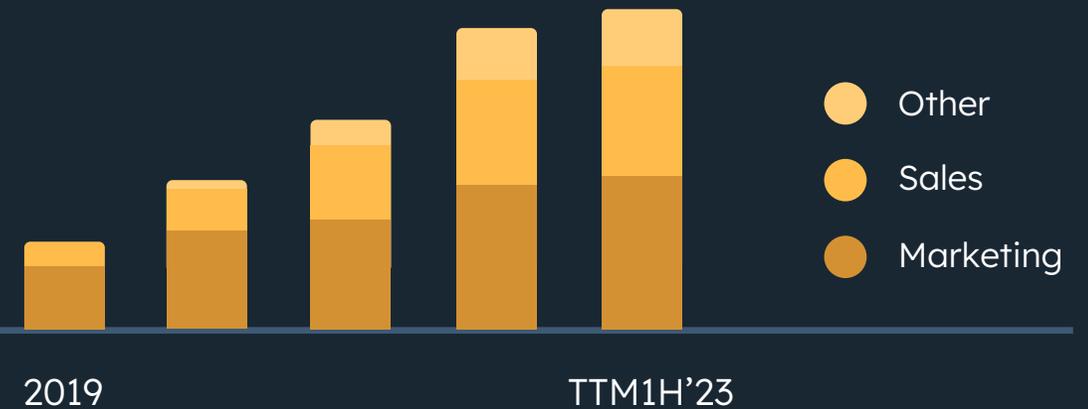
Starter to Professional¹



Starter upgrade rate holding steady, driving increased ARR

45% CAGR

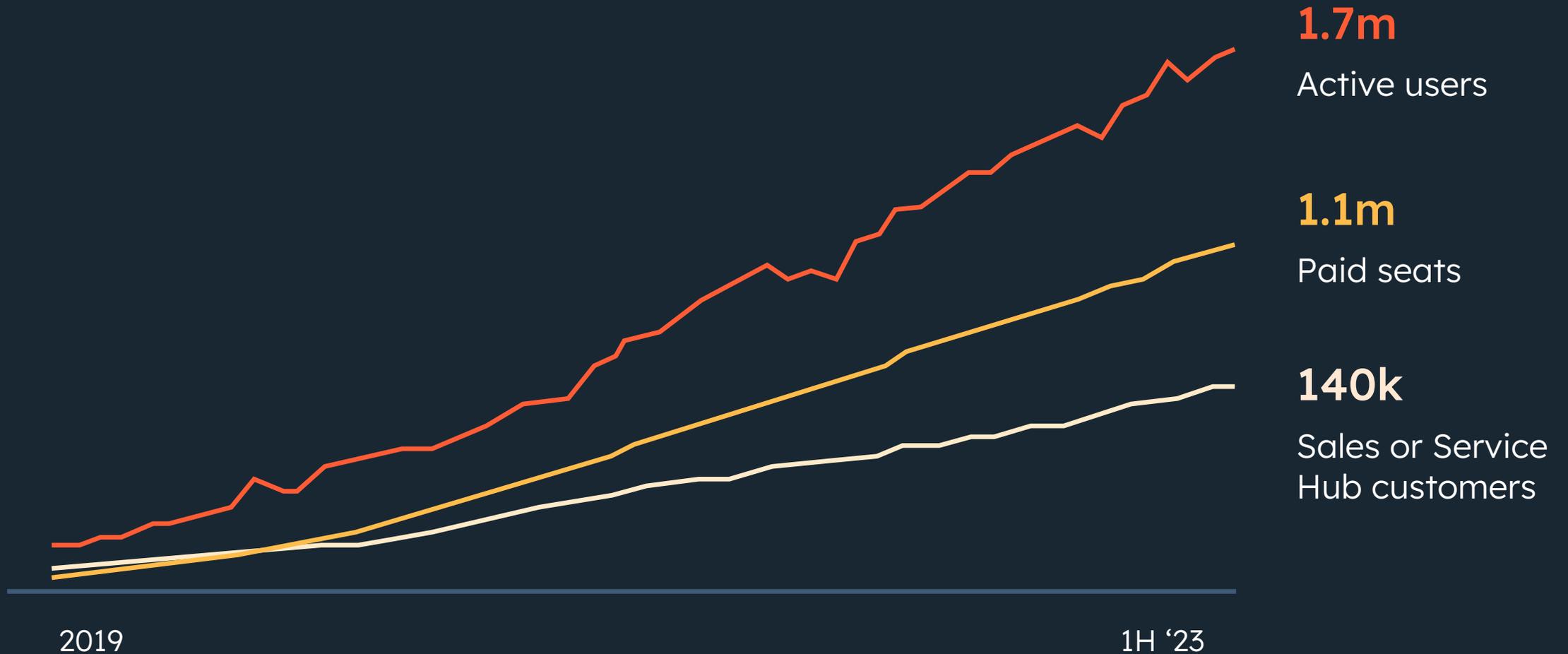
Any edition to Enterprise¹



Expanding and diversifying upgrade motions to Enterprise

¹ ARR from upgrades

Meaningful opportunity for seat expansion



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 11/1/23¹
 - New customers
 - Incremental seats for existing customers¹

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

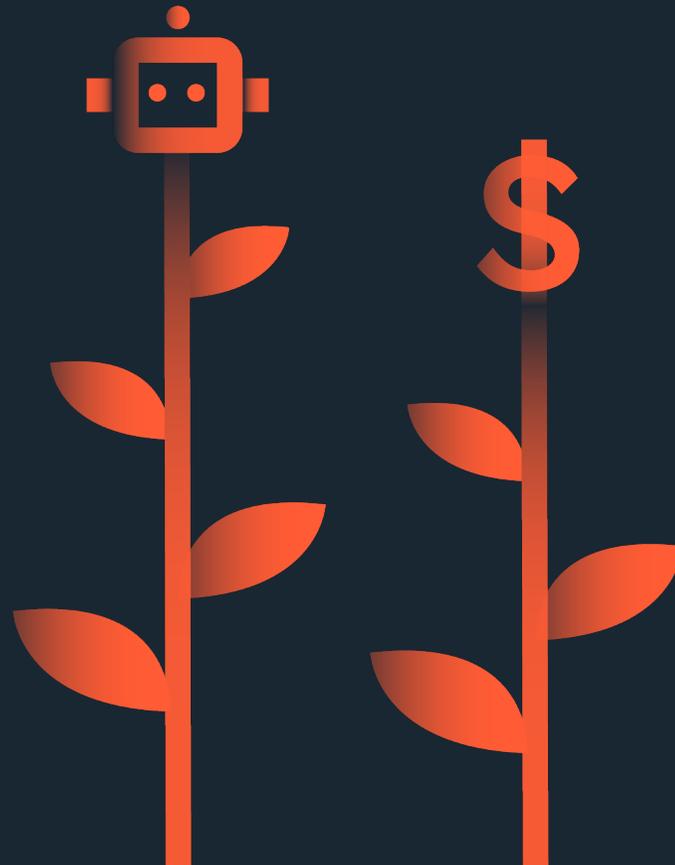
Generative AI

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



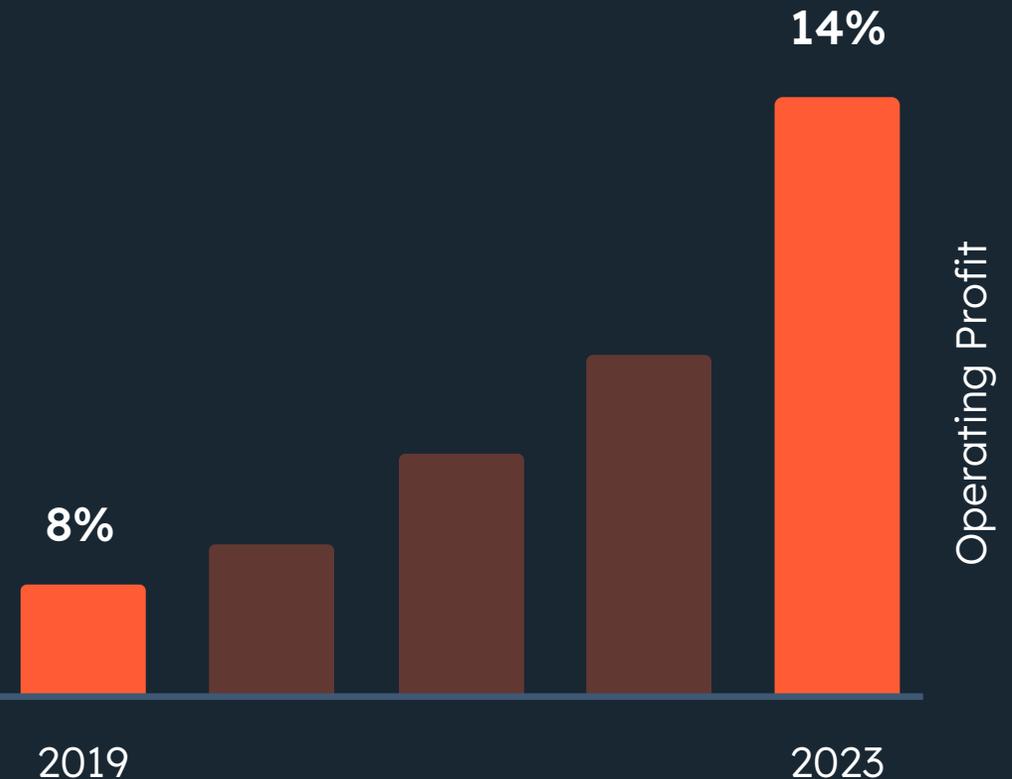
Generate operating
leverage as we scale
toward long-term
margin targets

Substantial margin expansion over the last five years

52% CAGR

OP 2019 → 1H '23

600 bps margin expansion



Long term financial targets remain unchanged

	2019	2023 ¹	Long Term Target Model
Gross Margin	82%	85%	81% - 83%
R&D % of revenue	18%	20%	20%
S&M % of revenue	45%	43%	30% - 35%
G&A % of revenue	11%	8%	8%
Operating Margin	8%	14%	20% - 25%

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.

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Long term financial targets remain unchanged

	2019	2023 ¹	2026 Target Model	Key Variables
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Levers for S&M efficiency

	Today	Goal
 Digital-Driven	<ul style="list-style-type: none">• Starter acquisition• Commerce	<ul style="list-style-type: none">• Grow top of funnel demand• All customer segments• Consumption-based expansion• Commerce Hub
 Sales-Driven	<ul style="list-style-type: none">• Primary motion across customer journey	<ul style="list-style-type: none">• AI & systems-driven productivity growth• Higher ASP through platform selling
 Partner-Driven	<ul style="list-style-type: none">• 40%+ of deals with partner attached• Driving tighter alignment	<ul style="list-style-type: none">• 90%+ of upmarket deals with partner attached• 75%+ of customers serviced by partners

Long term financial targets remain unchanged

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G&A % of revenue	11%	8%	8%	Workforce planning Systems and Automation
Operating Margin	8%	14%		

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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 CAGR¹



600bps Margin Expansion¹



\$684m FCF¹



38%

Annualized Shareholder Return¹

>2.5x S&P 500

>2.0x NASDAQ Composite

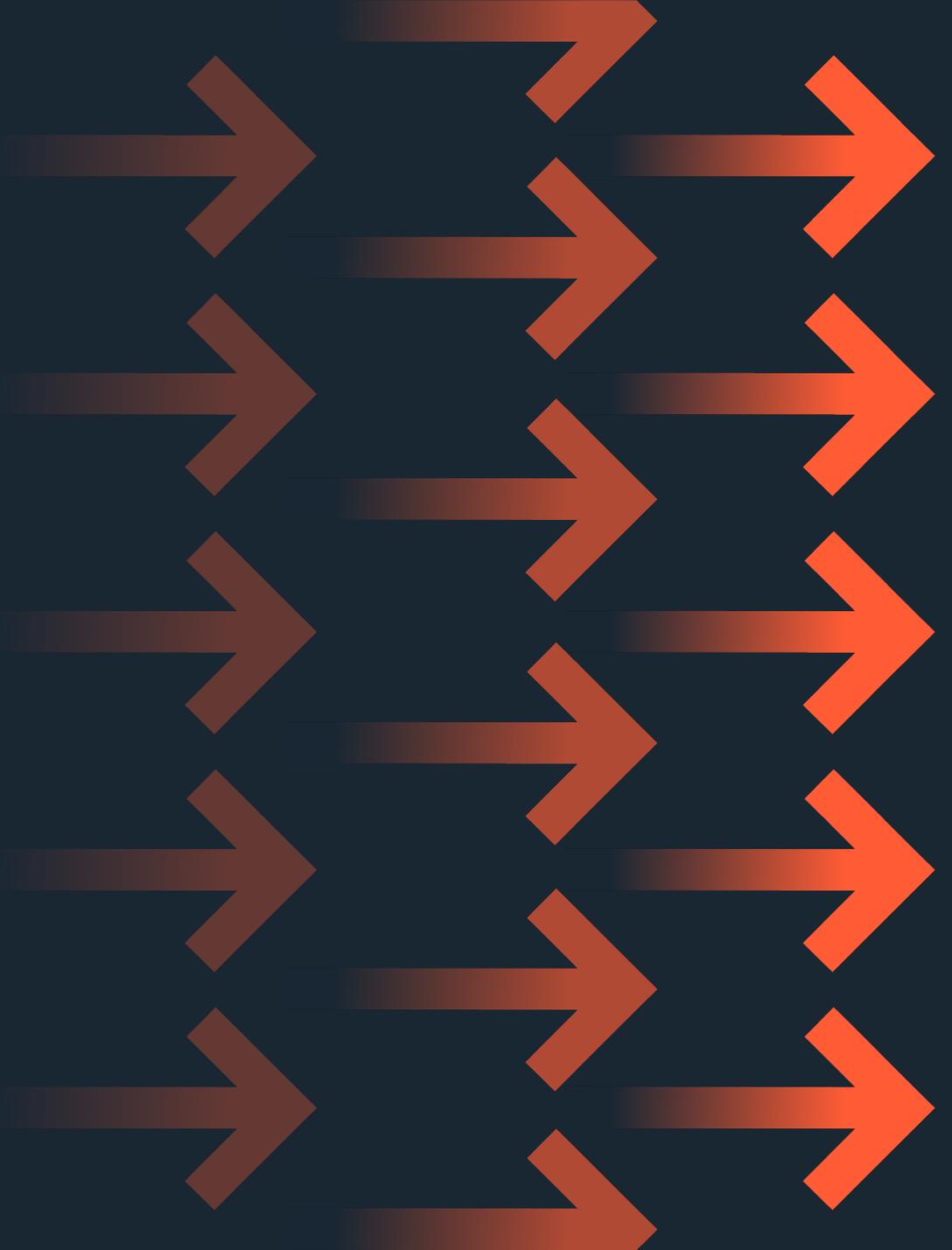
>2.0x Software Sector²

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

HubSpot, Inc.

GAAP to Non-GAAP Reconciliation

	2019		2020		2021		2022		Six Months Ended June 30, 2023	
	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues
	Cost of Revenue									
Subscription	98,510	15%	130,685	15%	211,132	16%	257,513	15%	142,163	14%
Stock-based compensation	(3,127)	0%	(4,408)	0%	(6,297)	0%	(9,076)	-1%	(6,261)	-1%
Amortization of acquired intangibles	(3,201)	0%	(2,340)	0%	(937)	0%	(1,203)	0%	(804)	0%
Gain on termination of operating leases	-	0%	-	0%	395	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	-	0%	(600)	0%	-	0%	-	0%
Non-GAAP subscription	92,182	14%	123,937	14%	203,693	16%	247,234	14%	135,098	13%
Professional services and other	31,448	5%	36,274	4%	47,725	4%	56,746	3%	27,169	3%
Stock-based compensation	(2,829)	0%	(2,536)	0%	(3,092)	0%	(4,393)	0%	(2,546)	0%
Gain on termination of operating leases	-	0%	-	0%	275	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	-	0%	(415)	0%	-	0%	-	0%
Non-GAAP professional services and other	28,619	4%	33,738	4%	44,908	3%	52,353	3%	24,623	2%
Gross Margin										
Gross margin	544,902	81%	716,067	81%	1,041,801	80%	1,416,710	82%	861,426	84%
Stock-based compensation	5,956	1%	6,944	1%	9,389	1%	13,469	1%	8,807	1%
Amortization of acquired intangible assets	3,201	0%	2,340	0%	662	0%	1,203	0%	804	0%
Gain on termination of operating leases	-	0%	-	0%	(670)	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	-	0%	1,015	0%	-	0%	-	0%
Non-GAAP gross margin	554,059	82%	725,351	82%	1,052,197	81%	1,431,382	83%	871,037	85%
Operating Expenses										
Research and development	158,237	23%	205,589	23%	301,970	23%	442,022	26%	297,638	29%
Stock-based compensation	(33,748)	-5%	(39,366)	-4%	(61,614)	-5%	(107,517)	-6%	(97,384)	-9%
Acquisition/disposition related income (expenses)	(357)	0%	(1,287)	0%	(1,152)	0%	300	0%	-	0%
Gain on termination of operating leases	-	0%	-	0%	1,346	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	-	0%	(2,036)	0%	-	0%	-	0%
Non-GAAP research and development	124,132	18%	164,936	19%	238,514	18%	334,805	19%	200,254	19%
Sales and marketing	340,685	50%	452,081	51%	649,681	50%	886,069	51%	515,977	50%
Stock-based compensation	(36,599)	-5%	(50,552)	-6%	(67,413)	-5%	(107,640)	-6%	(68,794)	-7%
Amortization of acquired intangible assets	-	0%	(79)	0%	(389)	0%	(1,426)	0%	(892)	0%
Acquisition related expenses	-	0%	-	0%	(367)	0%	-	0%	-	0%
Gain on termination of operating leases	-	0%	-	0%	1,839	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	-	0%	(2,781)	0%	-	0%	-	0%
Non-GAAP sales and marketing	304,086	45%	401,450	45%	580,570	45%	777,003	45%	446,291	43%
General and administrative	92,971	14%	109,225	12%	144,949	11%	197,720	11%	118,627	12%
Stock-based compensation	(21,451)	-3%	(24,626)	-3%	(28,345)	-2%	(47,223)	-3%	(36,055)	-3%
Acquisition related expenses	(552)	0%	(545)	0%	(568)	0%	-	0%	-	0%
Gain on termination of operating leases	-	0%	-	0%	421	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	-	0%	(636)	0%	-	0%	-	0%
Non-GAAP general and administrative	70,968	11%	84,054	10%	115,821	9%	150,497	9%	82,572	8%
Restructuring charges	-	0%	-	0%	-	0%	-	0%	92,450	9%
Loss from Operations										
Loss from operations	(46,991)	-7%	(50,828)	-6%	(54,799)	-4%	(109,101)	-6%	(163,266)	-16%
Stock-based compensation	97,754	14%	121,488	14%	166,761	13%	275,849	16%	211,040	20%
Amortization of acquired intangible assets	3,201	0%	2,419	0%	1,326	0%	2,629	0%	1,696	0%
Acquisition related expenses	909	0%	1,832	0%	2,087	0%	(305)	0%	-	0%
Gain on termination of operating leases	-	0%	-	0%	(4,276)	0%	-	0%	-	0%
Loss on disposal of fixed assets	-	0%	-	0%	6,468	0%	-	0%	-	0%
Restructuring charges	-	0%	-	0%	-	0%	-	0%	92,450	9%
Non-GAAP loss from operations	54,873	8%	74,911	8%	117,567	9%	169,072	10%	141,920	14%

GAAP to Non-GAAP Reconciliation

HubSpot, Inc.
GAAP to Non-GAAP Reconciliation

	2019		2020		2021		2022		Forecast 2023	
	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues	\$ '000s	% of Revenues
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Amortization of acquired intangible assets	3,201	0%	2,419	0%	1,326	0%	2,629	0%	3,383	0%
Acquisition/disposition related income (expenses)	909	0%	1,832	0%	2,087	0%	(305)	0%	-	0%
Gain on termination of operating leases	-	0%	-	0%	(4,276)	0%	-	0%	-	0%
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Restructuring charges	-	0%	-	0%	-	0%	-	0%	96,450	0%
Non-GAAP (loss) income from operations	<u>54,873</u>	8%	<u>74,911</u>	8%	<u>117,567</u>	9%	<u>169,072</u>	10%	<u>295,000</u>	14%

GAAP to Non-GAAP Reconciliation

	2019		2020		2021		2022	
	\$ '000s	% of Revenues						
GAAP net cash and cash equivalents provided by operating activities	118,973	18%	88,913	10%	238,728	18%	273,174	16%
Purchases of property & equipment and capitalization of software development cost	(53,846)	-8%	(58,917)	-7%	(61,865)	-5%	(81,771)	-5%
Repayment of 2022 Convertible Notes attributable to the debt discount	-	0%	49,048	6%	26,428	2%	-	0%
Free cash flow	65,127	10%	79,044	9%	203,291	16%	191,403	11%

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: 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: 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.