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<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Okay, outstanding. Thank you all for joining us. I'm Tom Roderick with Stifel. Welcome again to the Second Annual Stifel CSI Conference. So, a big honor this morning in software land. It's an exciting day in software land. Wake up with \$15 billion acquisition on the tape. So, never a dull day. But a big honor in that, here having the conference in Boston, we've got the largest and leading SaaS company in Boston, the Founder, Dharmesh Shah, Founder and CTO of HubSpot.

We did this a little bit last year Dharmesh and it was fun. So, we're going to do it again. I think everyone loves a good founder story. I'd love, if you could take us back 2006, I think was when you started the company. Take us back to the idea of why HubSpot, why inbound marketing and a pretty fascinating say, 13 years since that moment, where a lot has evolved, not just to your own company, but in software in general and the acceptance of the way you sort of foresaw the marketing world. Let's go through the founder story. Take us back to how you came up with the idea and how it's evolved surprisingly or unsurprisingly in front of you.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Sure. Thanks, Tom, and thanks for having me back. So, it turns out HubSpot turned 13 years old yesterday.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Congratulations.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Thank you. So, Brian Halligan, my Co-Founder and I actually met in grad school at MIT. And HubSpot kind of founded on two fundamental things. Number one, one of the observations we had about the market at the time was that a human behavioral change was increasingly difficult to reach people by a classical marketing methods. Because I'm going to buy this e-mail list, I'm going to spam with them. I'm going to my own or bank of telemarketers that are just going to call people all day. And few humans have gotten really good at creating kind of bubble around them and protected them from marketers and marketing messages.

And we call that kind of classical approach of marketing, outbound marketing. And that we think, we thought that a better way for businesses to kind of get customers and grow was to do what we call inbound marketing. We coined the term and inbound marketing was about taking your budget and saying, let's create content. Let's add value to our customers and we'll pull them in through blogs and social media and things like that. That turns out we were right. Lots

about we had to back, it's like, well, it doesn't make sense. I don't answer the phone calls anymore. I don't open spammy e-mails. That's not a way to get to me that, so that's worked out.

So that's part one of the thesis, which is, okay. Well, this is what businesses should be doing. And we were very, very passionate and still are about SMBs. The other problem that we thought, okay, great. This is the way to do it. You should be leveraging the internet to kind of pull people through into blogs and social media and such. The problem was not a dearth of good products that individual categories in that market. There was just too hard for mere mortal businesses to kind of put all the pieces together. It's like, how do we do this?

So, HubSpot decided to build an all in one offering for marketers like here's everything you need for website, for social media, for blogging, for SEO, for analytics, all of it, all of one simple platform built from the ground up for small and medium sized businesses. And I think where things that made HubSpot TV was that we didn't grow as a result of, okay, we think this is the idea and overtime we're going to kind of do a bunch of acquisitions and pull things together. We thought in order to get SMBs, which have a very low tolerance for complexity has to be very simple, and very easy to use that we took the kind of the apple approach, which is what way to build this from the ground up. We're going to control the batteries. And we're going to create a user experience at SMBs will gravitate towards. So, those are the two fundamental theses. One is that the market had changed. And number two is that the SMB world with a much less tolerant of complexity than enterprise customers would likely to do so.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Well, so an answer that you mentioned this concept of delaying a flywheel, building more products around it. And so, at the origins of HubSpot, it was a lot about customer acquisitions and still is today, and I think customer, still acquiring growth has been in the 36% ballpark or so. But let's talk about what that flywheel means, because it gets at the heart of customer retention, not just customer acquisition. And as you balance those two things, how does that sort of change the vision or the philosophy of HubSpot and the company?

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes. One of the things we found is that as HubSpot evolved in groups, we started off in marketing, but that same underlying kind of philosophy of the fact that humans have changed and how we kind of shop for things and buy things has changed. We grew from just marketing to sales and CRM as well. And that seem idea kind of resonated, which is okay, there's a better way to do sales, a better way for your CRM to run, especially for SMB. So, we've kind of been continually expanding the product portfolio, which has helped, because there's definitely precedence for this. We are not the first ones to think that marketing and sales kind of go together from a tech perspective. So – and then subsequently added the third piece of that kind of customer engagement puzzle, which was a service product with our service hub.

So, what we found now is that, so we made this shift from a marketing application to a full on CRM or customer enabled in suite. So, we have the full line of products and that's helped in multiple ways. One is from the customer's perspective they can go look to HubSpot to solve

those kind of quantities all in one place. Still with the same founding thesis and we're going to build it simply, we're going to build it kind of organically and health, and make the user experience incomparable in our industry. And so that's been great. And that's kind of carried us for another five years at a shift, where in the middle of right now is going from that kind of all in one platform to what we call it all on one. I mean all in one suite with all on one platform to say, okay, yes, we've got the core solve here, but there is still an in facial appetite in the SMB world for more technology solutions, more products. And we're not going to build everything, every SMB on the planet needs. So, we're just saying, because we'll open the platform up and will allow third parties to build on top of that core that HubSpot has will be the backbone and the foundation, you can use one or more applications from us, but that we'll open it up to third parties to kind of reach our customer base and help solve those customer problems.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

So that's really good at articulation of the vision, because it kind of gets back to, if I think early days and say salesforce.com when they were trying to build out the app, the app ecosystem. And now, you've always leveraged partners very effectively. So, it gets to the question of how – how do you want to, how do you want to wall the garden off? How much do you want this product to be yours versus partner product? So, in thinking about the next three, four years, how do you think about the product vision and how do you think about what HubSpot wants to own in that product vision?

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

So, it's – I'm going to have a CTO bias on this a little bit, but that's necessarily like us. I'm lying here. So, my perspective on this is that openness over the long-term generally wins. So yes, we have our core products and super proud of our applications team that builds applications that sit on the side, the HubSpot platform. But the way we think of it is that, we've always had this, kind of maniacal obsession on the customer's like, okay, what's the best way to solve the customer problem, and if the best way to solve the customer problem is for us to continue to build, absolutely we have thousands of them, somebody or something like that. We would do that and we don't think that's what customers actually want, and what customers actually want is to say, okay, I want to use HubSpot for this, this, and this. But then I want these other five applications from other parties to pull it all in.

So, our perspective on this is that when we opened the platform up, it creates this kind of natural but very healthy tension within the organization that says oh, now we're giving customers a choice. There may be times, where we have a partner that actually has an application that competes with the application that we sell. I think that's a very healthy and good thing. From our perspective, it's like, may the best product when it helps keep our product in terms of our applications, are they keeping up with the times? But also it helps us attract partners to say, okay, well here are the whole, here's where we see white space in the market. We can encourage partners to kind of build, but let's just say, let's do what's right for the customer and things tend to work out for us when we think about that.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

I like your phrase CTO bias, which kind of gets at the heart of we like building our own products and we'd like to do it here. As we wake up on the day of a \$15 billion acquisition sales force, which, they went through their early phases of building a lot and then gradually acquiring and now it's kind of like one big one a year.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

How do you guys think about deploying your balance sheet, we can phone a friend here with Kate in the audience if you want to chime in as well. But as you think about this M&A versus build yourself versus partner, what's the philosophy of HubSpot towards M&A, because it's a tricky integration process when you built your own products for 13 years.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes. Just half a step back on the CTO bias, my bias is actually not against M&A or any particular way my bias is towards using technology to solve a problem. And there's two ways you can apply that technology, can say I can build applications, which is awesome. We know how to do that well, but it's also like it takes technology to think long-term about a platform. What does that mean in terms of API and developer experience in all of the things that make for a great platform? So, my bias is more around customers than it is actually around technology. Now having said that, so we have a healthy balance sheet, and we're – the way we think about acquisition is the same way we think about products channel leeches. What would our customers want us to do? How does this particular thing add value, we're not rough solving for revenue growth in organic growth or it's like, okay, here are the areas, where we think this should be part of HubSpot's core offering.

We have the choice that build it or buy it, there's something out there that kind of fits. We like to believe we're open-minded around that. So, but we're not chasing, so we have no quota that says, we shall deploy X amount of capital over nine, over the next N number of months. We're solving for the customer, but we remain opportunistic, it's our good opportunities, good teams, good technology that we think kind of fit in the HubSpot kind of portfolio facilities that we have. We'll do that, but there's no aggressive push towards M&A.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Okay. I think we see a lot of software companies that start in the SMB world and they test and then they grow, and then they naturally gravitate towards going upstream, going after larger enterprises. And eventually they either achieve exit velocity or where they don't, right? It's rare to see a company and software that finds their niche in SMB and stays there and says we love this space. You guys have been the rarity on that. I think that's pretty fascinating. Why have you

succeeded in SMB where others have failed? Why do you see that as a larger market where others have gravitated upstream?

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Towards the market's credit, SMB is not obvious. Certainly wasn't obvious when HubSpot was starting. There were very few multibillion dollar internationally household brands created the software industry that we're focused on SMB into. It's the one that kind of jumps to mind back when we were starting. So SMB is hard. It's always been hard. This thing – and this is a weird kind of twist of fate thing. So, the early observation that HubSpot was born on was this kind of notion of inbound marketing. A byproduct of that notion is as much more efficient to acquire customers than historically had ever been before, because of the Internet. Because you can, you don't have to have multimillion dollar budgets to go out there and acquire it. So, we eat our own cooking so to speak.

So, HubSpot was able to get to very good growth rates with economics that made sense. Our customer acquisition costs versus lifetime value relatively early in our history, it's because we were taking a different – we did not apply the old enterprise go-to-market models to try and break into SMB. We invented for our purposes, both inbound marketing and then our agency channel to say how can we efficiently reach customers in a way that makes economic sense. And once we kind of figured out how to kind of work out at high altitude and where the air is asking very, very thin, now it's kind of I would say we're enjoying the nice position of saying, okay, we've figured out a business model that works in economics that work much less competition SMB than you see in the enterprise, everyone in some great companies up in the enterprise. And one of the benefits of being an SMB once you do figure it out is, it's – more joyful exists.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Well, part of, I think what you guys have figured out is this, again, back to the flywheel approach and back to the growth stack. This is more products to have means more products, adopted means lower churn rates means happier customers.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

So in that regard, take us through how your customers are seeing the full growth stack and in terms of adopting multiple products, how are we doing in terms of driving multiple products across individual customers?

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

It's going well better than we expected, because it's relatively early in our kind of evolution in terms of having the full product suite in the grand scheme of things. What we're finding is that that kind of message around simplicity.

So, we see an increasing number of customers purchasing more than one product. Because like, okay, it just makes sense if you're an SMB, yes. Some of them will say, I want this particular thing for service or sales or something else. But a large number of SMBs don't have the time, resources or money to say, well, we're going to go do due diligence on every individual product categories. It's like, okay, we trust HubSpot. We like HubSpot, we're using them for X, or we chose them for X already. Why not just go ahead and buy the full growth, sweeter, or multiple products. It's been a great source of enthusiasm within the companies that we're not pushing it hard. Our customers are kind of pulling us and say, yes, this makes sense for us to buy multiple products with the entire – and we think that trend, our hope is that, that will continue.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Can you talk a little bit more about – and we've talked about inbound marketing, we've talked about marketing as a whole? Let's talk about which sales and support mean for HubSpot, perhaps you could just even address what those products are for people that aren't as familiar and then how your customers are leveraging those and even the freemium CRM product to drive further adoption.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Sure. So, one of the atypical moves HubSpot made, this was five odd years ago, because that when we branched out from the kind of pure marketing software space into sales and CRM, and this is actually a good story. So, do we start, it's like, okay, well, we haven't had a fair amount of success in the marketing space. So, we could have chosen to kind of do what most companies would do, which is get let them get settled, get pulled up market essentially in MBA marketing enterprise software company. That was certainly one path. We decided not to do that we decided to go broad across SMB and have – and do the full kind of customer engagement suite.

And when we look to the market at that time, this is right before we were going public is we looked at our customer base and we discovered that roughly, 20% of our customers used salesforce.com, not surprising market leading application, 20% use to some other CRM, and the remaining 60 odd percent did not use a CRM at all. And this was startling to us, because these were not like random companies. These were our customers paying us money for marketing software. It's like, okay, how can you be paying for marketing software and not be using a CRM? And so two realizations that we had, one is that they were actually using HubSpot's database as their de facto CRM.

We just didn't call it that at the time. And number two was like, okay, well a lot of, so we said, okay, well how do we, every company, every SMB on the planet should be using a CRM, ours or someone else's that we think it's just good business, a good clean-living. And so we made – so we asked ourselves like how do we get all these SMBs to use a CRM? And the answer is like remove the things that keep them from doing it.

Number one is, make it the simplest CRM ever made, right? And make it for SMBs, specifically for SMBs. We did that. And number two, it's like, okay, this was a less obvious one. In case, price was a barrier, we'll make it free. No one had ever really thought about it that way, right? And so since the question is what do we get this from investors, which are good questions like why would you do that? That seems crazy. There's massive multibillion dollar TAM, why would you have a free CRM?

And the answer is, so the base of CRM itself, this is a very mature industry and I think is awesome, within SMB is there and everyone should have it. But once someone is armed the HubSpot CRM, our odds of selling them our sales product, which is for a customer, sales reps are even higher in a CRM kind of features or marketing or service go up. So, we want it to say, okay, how do we get hundreds of thousands of millions of companies using HubSpot CRM, enjoying it for free? We're completely okay with that, because we think some percentage of those that we know this now will eventually buy a paid HubSpot product. So, we think as a go-to-market mechanism that's a powerful way to go about it. So, it's working.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

It's working, good. I'm going to have you put on your CTO hat here again and address a topic that everybody's talking about. But I don't think anyone's really realized what it means in software, our artificial intelligence.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

So, I think a lot of smart companies are dipping their toe in the water. Talk about what HubSpot is doing to dip of toe in the water. And then if you look at again, three, four years, how do you see AI playing a role in what HubSpot does in the market, both from a marketing and customer support standpoint?

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes. So let's, without getting into a long rant. So, there's artificial intelligence, which is sort of how itself. And I think as an industry we struggle with even natural intelligence sometimes, but well, I think what I'm – what's more practical and pragmatic as machine learning, which is a component of artificial intelligence and machine learning is instead of programming computers to solve specific problems in a specific way, can you actually have them learn based on past behaviors and past kind of data that's come in and artificial intelligence, it's super cool. I get super excited about, but the machine learning is the thing that I think that's most applicable to most software companies right now.

And the way HubSpot approach machine learning, we have a large and growing team on the machine learning front is what we think of as an applied machine learning. So it's not a bunch of Ph.D.'s running around. It's like, oh, here's some really cool technology stuff. It's like we have 65,000 plus customers. We have these products. How can we use machine learning to make those products better for our customers? It's like, oh, look, we have a practice sentence e-mail out to some e-mail marketing, marketing automation product. So, we use machine learning to say, okay, well what's the best time to send type of message? Like, oh, based on his past behavior, he seems to click on messages more often when those are sent between 7:00 PM and 11:00 PM versus this. So, it's like, okay, well.

So, the idea behind machine learning is that you kind of tell the computer what your goal is. And so in that particular example, the goal is to get a higher engagement rate from the people that are being sent e-mails and then let the machine figure out, like, we don't program and just say, oh, we'll do this and figure it out. And we'd like, here's what I'm solving for. Look at the data; try the things you do to try and let's optimize for that outcome. Now take that one example multiplied by 100 times and that's what HubSpot's doing. Say, okay, we every PM at HubSpot has a machine learning kind of meeting with our MLC is like, here's how I think machine learning can help my product – our product roadmap and make my product better. And so that's what's happening. It's very exciting. The number of use cases is actually sort of mind boggling. It's like where machine learning can be applied.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Is there a reason to think for any particular purpose that in the SMB community, there's a higher demand for AI, machine learning technology, just given that if I think about a typical 10% or 50% company, they don't have the resources. So, I had to go and do e-mail response management or live chat or things like that, which would otherwise take more resources.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

So, are your customers pushing for that? And maybe, it's something that's the opportunity also to talk about chatbots.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

As a technology...

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Yes. We'll do both. So, in terms of the kind of demand, most SMBs do not have the wherewithal to invest in machine learning or AI per se. They don't know what it is. They don't like. They have businesses to run things to do, right. And so that's one thing that's different than the kind of AI and ML kind of progression in enterprise versus SMB.

On the enterprise side, large company enterprises that are buying AI and ML, they have teams, it's like, okay, here's what we're doing. We have a vendor choice we have and they have really good choices in the enterprise market. In SMB, the difference was like they just want solutions to their problems. They just want the software to work better than what their engagement rates to be higher. They want their sales reps to be more productive. They want common things. They just want things to work better, which is what we're focused on. So, the nice thing about HubSpot is we're not selling a platform for AI and ML, look we're going to give you all these tools, so then you can go off and try and do these things and get value out of it. We're saying the values embedded in the software you're already buying. There's no skew that you can buy HubSpot, this gives you ML it's kind of woven to the fabric and not a kind of add on, which takes us to kind of the world of chatbots.

I think a lot of the progressions we've seen industry wide, not just SMB, is this increasing need for automation to say, okay, well more and more of the things that historically we've had humans do, computers will be able to do more and more and people get a little bit creeped out sometimes ago, this is just replacing jobs. In my mind, it's more of a power tool thing. So your job is not going to be replaced by a computer is going to be replaced by someone that knows how to use the computer well or using machine learning.

And I think so one of the things like chatbots as a good example, like every business over time needs to be providing better access to support and services to their customers. SMBs can't afford to do that. They can't afford a staff at a website 24/7 answer questions around pricing and things like that .Chatbots give you a fighting chance as an SMB to provide your customer as a service they are increasingly looking for, they used to the consumer world. Yes, I can get this all the time when I'm buying from other places why not this 50% law firm that I'm working with. So we're kind of really excited by that kind of shift that allows – so machine learning helps, internet helps overall. Machine learning helps, SMBs have an even playing field with their larger competitors.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Amazing world we're in, they can be at that level playing field. I want to take some questions from the audience, Dharmesh has got a pretty full audience, so I'll repeat for the webcast, but go ahead.

Q&A

<Q>: [Question Inaudible]

<Q – Tom Roderick>: Yes. So the question for the webcast is, how do you use social in the context of inbound marketing and what are the tools you have and think about?

<A – Dharmesh Shah>: Sure. So there's multiple parts to social. So the way we think about social is one, it's one additional channel to reach perspective customers and customers and HubSpot grew up in social that was one of our early products. The way we think about it now is very similar to kind of other channels, it's okay, well, you have these many followers on Twitter or Facebook, what are people saying about you? But the important thing that makes HubSpot different from your classic social media focused tools is that HubSpot is social connected to a CRM to say, okay, well, yes, these 55,000 people or let's say following you, these 50 people tweeted you yesterday. Who are they? Are they customers? Have they bought? Have they mentioned a competitor? What are they saying?

So we can actually track that because we connect not just the how many did you get clicks or not? Did you get up close or not? Who are those people and how does that kind of impact the behavior? So we can influence lead scoring based on that. I hope this particular customer, so we have all the pieces, we have social, we have the website. So we can tell you like this particular prospect that you're a salesperson is talking to, first visit the website six months ago, we know that, look at the pricing page, we know that. Tweeted about a question to your company and we have all that information because it's an all in one platform where all that information is coming in. But social is a very direct and I think intimate way to kind of reach customers and done correctly works predominantly well.

<Q – Tom Roderick>: Okay. Other questions? Okay.

<Q>: [Question Inaudible]

<Q – Tom Roderick>: Yes. Can you define the upper limit of SMB, does that change or will it change as the company evolves?

<A – Dharmesh Shah>: I can only define it poorly in terms of SMB, because I think as an industry we haven't really settled on what SMB means industry wide. For HubSpot is we call it between like two and 2000 employees. We think about it – so the definition like HubSpot itself is powered by Hubspot as you might expect HubSpot, some of the neighborhood of 33,000 employees and we're using our own software. So one of the things that we see happening is that although we're not aggressively marching into the enterprise that has not been our strategy. As our customers are getting more sophisticated, ours is our own sales and marketing teams and service teams that are using HubSpot and get more sophisticated. The product is getting increasingly richer. So the upper end of the markets we work in tend to kind of start to overlap with the lower end of what people would consider the cutoff red mark at the enterprise market.

<Q – Tom Roderick>: I'll piggyback on that though. I think it's interesting when you've rolled that some additional skews and some higher priced skews, enterprise pricing skews, which not traditional enterprise, but enterprise as you guys to find it. It's probably an opportunity to talk about some of the price elasticities that your customers face as you rollout some higher price

skews. What has been the adoption of those higher price skews and how our customers sort of gravitating towards a different price skews?

<A – Dharmesh Shah>: That's interesting, HubSpot kind of grew up in a very – in terms of our pricing and patching this dating back 13 years, we've always been – our philosophy has always been add value before you try and extract it. So like here's what we can do. We're not trying to optimize every possible kind of penny in every possible kind of price dollar we can squeeze out, which has left us some rooms over our history. We've had a history of increasing prices and adding higher end tiers. And it's been relatively well accepted because I think there's still a gap between kind of where HubSpot sits from a kind of pricing packaging perspective and other companies. And we still think there's room for us to kind of grow into that enterprise tier across all of our products. There's a demand, it's, yes.

<Q – Tom Roderick>: Good. Other questions? Okay.

<Q>: [Question Inaudible]

<Q – Tom Roderick>: Yes. The question is more about startups. How does HubSpot offer value to startups and how do you think about that as a growth trajectory?

<A – Dharmesh Shah>: Yes, simple as a word, both Brian and I were very passionate about startups. But the more diabolical and truthful answer is that we want every startup that's in that growth space to be on HubSpot platform as early as possible because we think they are going to be the companies that we want to be on the HubSpot platform five kind years from now. Right? So if we look today, so if you look at the number of – we'll call it union of foreign companies, follow label, but a kind of high growth, high value companies, a lot of them are on HubSpot today, not as many as we would like. So we want an increasing percentage of them, the high growth companies that we all know about a year about of the future to be on the HubSpot platform. So a specific program for startups that will give you a discount on HubSpot product that discount will kind of lead over time. But we're aggressively moving after that market. So if you're in that high growth trajectory, we once using HubSpot make it easy for you to do so.

<Q – Tom Roderick>: Any questions?

<Q>: [Question Inaudible]

<Q – Tom Roderick>: Yes, good question on international. What percentage of sales today come from international, has that competitive landscape evolving for you there?

<A – Dharmesh Shah>: So, I've run my good course in terms, I've never given you an answer that has a number in it. So you have 38% of the business is international and I'll give you the narrative side of the international. So we're very excited about the potential opportunity to international and the reason we're excited is twofold. Number one, the kind of evolution we've seen in the domestic market around inbound marketing is playing itself out in other markets. And so moving into certain international markets, it's a little bit like going into a time machine based on where you go. It's like oh, well this is a lot like we went through five years ago. Oh, this

market's a lot like we went through seven years ago because they're just learning about how to go to market on the Internet, how to do blogging and social media. So things that we take for granted in other markets are not as the mainstream. So that's kind of part one.

Part two, we've had exceptional success in our agency partner channel where we have marketing agencies, design firms out, resell and support, HubSpot and we have a very strong international community of these agency partners and they allow us to move into these markets with a disproportionately lower investment that we would likely have to make. Otherwise, I would say that. So we think there's a demand we can follow that demand and we track it all over the world. In terms of our overall international expansion, but we're still very enthusiastic about the potential for growth internationally.

<<Tom Roderick, Analyst, Stifel, Nicolaus & Company, Inc.>>

Outstanding. And we could probably use about another half hour, but our shot clock has expired. So I'll stop there. Please join me and thanking Dharmesh Shah from HubSpot. Dharmesh, great job. Thank you.

<<Dharmesh Shah, Co-Founder and Chief Technology Officer>>

Thank you.