

HubSpot

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Jen Lo: Hi, everyone. I'm Jen Lo. I cover the US Software Group here at UBS. And with me today I have the team from HubSpot. We have Kate Bueker, the CFO; and we have Chuck MacGlashing, Treasurer and Investor Relations, Director of Investor Relations.

And maybe just to start off, maybe Kate, you could talk a little bit just at the high level, what are you seeing these days? How's the demand environment? Anything of note?

Kate Bueker: Yeah. So the demand environment is obviously critical, so we pay a lot of attention. We talked a bit about demand on the Q3 earnings call and I think the comments we made at that point were, we didn't see anything changing in the demand environment. It was still very strong.

Jen Lo: Okay. Great. And one of the things that you've talked about this year, is you had a hiring plan for the year, got a little bit behind early in the year. Now you're catching up. So maybe just to start with that first piece, what were some of the challenges that you experienced in getting the right candidates onboard?

Kate Bueker: Yeah. I mean, the good news and the bad news is that this was a self-inflicted wound. We got behind on hiring very early in the year and frankly the reason we got behind on hiring early in the year is because we didn't build a pipeline throughout Q4 of 2018. And so we obviously noticed. We took some actions in Q1 of 2019 that we thought would address the hiring challenges and frankly it just wasn't enough. And so we really stepped back and we did a couple things.

One is, we added a bunch of capacity to our recruiting team. And we -- you know, we made that necessary investment. The second thing was, that we shifted the way that we managed the recruiting organization. It is, frankly, a machine. And we moved to a much more data-driven approach to managing recruiting. We have a set of funnel metrics that we now track religiously. And so the sort of -- those changes have started to take effect.

We talked on the Q3 call. Q3 was a very strong hiring quarter for us. October was very strong. We commented that by the end of the year that we were comfortable that we'd be back on track, or back on our original hiring plan. And things -- so we still believe that is

true.

Jen Lo: Okay. Great. And maybe to just put a finer point on it, there's always these questions about talent is scarce. It's a very hot market for technology companies. Were there any challenges along those lines that just finding the right people? Or was it purely, you know, just execution, really?

Kate Bueker: I mean, fortunately -- again, fortunately and unfortunately it was really execution. HubSpot has a little bit of an advantage in terms of finding and hiring talent, in that we are based in Boston. We have a very strong brand in Boston. We have a really good recruiting engine with some of the local schools, particularly on the R&D side. So it was not -- it wasn't that we couldn't find people. It was just that we -- we didn't have the right mechanism in place to really operate.

Jen Lo: Okay. And sort of looking at, now you're catching up to that plan. Actually maybe just to go back, so if we think about the trajectory of results through 2019, obviously you continue to perform quite well on the revenue side. But as we think about the margin expansion this year, relative to what you had initially guided it to be, is it reasonable to think that ex- this -- the challenges you've had in hiring, we would be at the margins where you thought they would be and most of the upside has been related to head count coming in a bit lighter?

Kate Bueker: You want to start and then I --

Chuck MacGlashing: Yeah. Yeah. I think that's directionally correct. We definitely delivered more leverage in the first half of the year given these challenges. We talked about short-term pressure to margins as a result of catching back up, particularly towards the latter part of the year. Pretty heavy investments from a product and engineering perspective to put ourselves in a good position to execute on our product roadmap in 2020 as well as the recent acquisition of PieSync, which comes with OpEx but no revenue at least in the short term or de minimis revenue. And so generally speaking, we expect pressure to margins here in the short term and I think we'll start more explicitly about what that means for 2020 on the upcoming call.

Jen Lo: Okay.

Kate Bueker: But I think at the highest level, people are our largest expense item. And so when you get behind on hiring it has an impact on your expenses.

Jen Lo: Okay. Not to belabor the point. I'll move on after this, I promise. But if we think about it as sort of a multi-year trend line, should we think about this year being sort of out of trend because of the hiring, and next year is sort of a return to trend. Is that a fair characterization?

Kate Bueker: Yeah. I want to be careful not to -- not to imply anything for 2020. As Chuck said, we'll do that in February. But yeah, before my time at HubSpot, the team outlined a long-term financial framework. And with the long-term financial framework, a set of growth and margin pairs that set an expectation around how much margin we would deliver at different growth rates. I think that's still the right framework in which to evaluate things over the longer term. I just -- I don't think the expectation should be that it is quarter in

and quarter out, following that pattern.

Jen Lo: Okay. Fair enough. Okay, moving on. So maybe just going into the evolution of the product portfolio, so you've gone from being a single product/single price point company to a single product/multi price point company. Now you're a very full, multi-product, multi-price point business. And you know, if we sort of look at that progression, where do you feel that you are now? Do you have sort of the right portfolio and we're going to see a little bit more of a digestion of all the stuff that you've launched over the last couple years? Or should we expect to see a return to continuing to launch new hubs, innovating on the pricing model. Where are you in that evolution?

Kate Bueker: Yeah. So if you step back just a little bit, 2018 was a really big year for us in terms of innovation and new product introduction. We really went from -- well, we call it filling out the suite. But we went from marketing only, to marketing sales and service with a full product at the starter level, at the professional level, and at the enterprise level. There is still a lot of innovation to do within that framework of the suite. This year, we sort of took a pause a little bit coming off of an outage at the very end of Q1. We stepped back to really look at the foundation on which we're building our products and services, and focus really on performance, reliability, security, usability of the product. Make sure that we are innovating with that framework and set of standards in mind.

So 2019 was a year where we're seeing less new product introduction, but we are seeing improvements in the core product that are driving increases in our overall net promoter score which is something that we track very closely. And it's also I think creating a foundation for us to innovate faster going forward because we have that sort of sured-up foundation on which to build.

Chuck MacGlashing: And Jen, the other thing I would add is, you've covered us for a long time. I think to Kate's point, there are years where we introduce a lot of new stuff. There are years of refinement. This year is clearly a year of refinement but by no means do we feel like the opportunity to introduce new and interesting things into the existing products plus newer hubs is -- there's clearly a lot of opportunity in front of us.

Jen Lo: Okay. And Kate, you kind of touched on a little bit, but with Project Mainsail, there was this idea that it was a little bit of a response to some outages early in the year. But it seems like there's some benefits too and some of the you touched on, the Net Promoter Score. But there's also potential implications for retention. Net dollar retention has been a big focus for you.

Kate Bueker: Yep.

Jen Lo: Just any observations there? I mean, are you seeing -- I know it's still kind of early in that project's life cycle, but are you seeing any tangible impacts from putting this re-emphasis on the core platform?

Kate Bueker: Yeah. So the way that our engineering team operates, we try to give a lot of autonomy to the individual teams. And we actually have 100-plus individual teams that we said you know, you need to get your own house in order before you can go back and do fun stuff, and fun stuff in the engineering world is new product features, new product introductions. And so we set effectively some standards for reliability, performance, usability, sort of

how natural is a product for the end user to use. And each of those teams is navigating first to make sure that they're meeting these minimum standards, and then moving forward to -- back into sort of new feature development.

And frankly we thought this could have some impact on sort of the motivation of an engineering team. If you're a new kid coming out of school who wants to go build some stuff, I might come in and say, first make sure you shore up your foundation. We are a little bit worried around the retention on the R&D employee side. Quite the opposite has happened. People have been really energized around this Mainsail initiative. It's allowing them to make the -- we call it smoothing out the edges, but to make sort of the polishing actions that they've been wanting to do. It gives them a really good reason to do that.

And we've seen, I alluded to the fact -- well, I've said the fact that our NPS scores have come up relatively consistently week in, week out, month in and month out, since over the last six months -- since the outage. The other thing is that we have seen some increases in our gross churn rates, or our -- increases in our gross retention rates, so churn -- churn going down.

Jen Lo: It's an important distinction.

Kate Bueker: Yes. So I do think it has some benefits. And then you know, again, I do also believe that it will allow us to go faster coming out of the Mainsail.

Jen Lo: Great. And sorry I got taken aback by the churn.

Kate Bueker: Yep, I know. We all did, sorry.

Chuck MacGlashing: Stock just fell a dollar. Just coming back.

Jen Lo: It might have, no joke. But actually so maybe going back to analyst day, one of the things you -- and you kind of hit on it a bit as well as you know, JD did seem to have an explicit view that there should be a certain number -- I mean, not a hard and fast, but you know, a substantial number of new hub opportunities for you over a certain timeframe. Have you given any color on what areas may or may not make sense? I'm sure people can kind of spitball other areas that marketing companies have gone into over time.

Kate Bueker: Yep.

Jen Lo: But are there any sort of directions that you've pushed people in to think about it?

Kate Bueker: Do you want to start?

Chuck MacGlashing: Yeah. I mean, we haven't really tipped our hand too much on this one, Jen. I mean, the one thing that we've said is that you know, we are quite focused on the SMB and midmarket opportunity. We're very focused on the front office, not so much the back office. And yeah. I mean, we feel like there's an opportunity for another couple of hubs over the next three to five years that we can bring to market that we feel like will resonate quite well with both our existing customer base but also with prospective customers as well.

Jen Lo: So maybe just looking at your newest hub, which is ServiceHub, and I guess actually -- and maybe just using it as an example, but as you do launch a new hub I know Brian and Darmesh have a very strong philosophy of whatever you do needs to be made better because it's part of the HubSpot ecosystem. So maybe as a starting spot, place, you know, as you identify those opportunities where that can happen, what's sort of the development pipeline like? I mean, getting a little outside of this (inaudible) realm here, sorry. But you know, I mean, just -- you're funding it, so.

Kate Bueker: Yeah.

Jen Lo: What's sort of the time horizon on identifying those new opportunities -- I feel like with customer service, I mean, it's still pretty early but you've seen a lot of early momentum. Where are the points where you've identified it, comes to market, and then we start to hit commercial viability? What are those sort of milestones look like?

Kate Bueker: So we obviously pay a lot of attention. We're very customer-focused organization. We pay a lot of attention to customer feedback as a mechanism to drive innovation. And if you think about the ServiceHub, in a lot of ways the ServiceHub is a direct result of customer asks.

A few years ago, HubSpot created what we refer to as the HubSpot framework. And so if you think about the way that our underlying technology platform works, it's sort of a series of modules so you'll have an email module, you'll have a conversation module, you'll have a contact module. And MarketingHub, SalesHub and ServiceHub are really sort of combinations, different combinations of those sets of building blocks. And it allows us to sort of create and innovate more closely -- more quickly. It also allows us to create really a unified experience regardless of where you are in the overall suite.

Do you want to talk a little bit about ServiceHub in particular and the secret sauce there?

Chuck MacGlashing: The secret sauce. Yeah. I mean, I think to your point, it was the number one requested feature and products from our customers that we had been hearing. And quite often -- you know, there are a lot of point solutions in the market. You know, down market from us there's point solutions that exist up in the enterprise. But interestingly enough, and not all that different from when we decided to get into the sales and CRM market, the vast majority of SMBs weren't using a CRM at that time. And even within our existing base of paying customers for all of the service solutions that you guys know and invest in, the vast majority of them had single-digit percentage of our paid install base.

In some cases it was because of price. In some cases it was because of complexity. But we think more and more it's -- it comes down to having each of those front office applications on the same technology stack with the same UI and the same bill tied into one another so that your customer service representative has all of the context in a single, unified customer view that comes from every touchpoint that a customer had on the sales side of the equation and ultimately how they were found, you know, from -- from a marketing perspective.

And so you know I think that's a big reason for the success that we've seen with sales now, \$100 million ARR business growing 100% as of our analyst day and you know, a

ServiceHub business that basically went from zero to \$50 million in ARR growing substantially faster with more than 5,000 customers that in many cases is getting tied in to multi-product deals up front at the time of purchase.

Jen Lo: In terms of falling on that thought, one of the assets you do have, is you have this existing base of marketing customers that you can go back into and offer new products as well as landing with a fuller suite out of the gate. But you know, just again because it's the newest one, but you mentioned that ServiceHub did have a very strong trajectory out of the gate. How much of it was because of that, that customers were asking for it, to the instant it was available there was just a natural pull versus what you think you created by putting marketing weight behind a new product and bringing it out. And I'm just curious. Again, I guess it's sort of hard to know.

Kate Bueker: I think actually a good portion of the ServiceHub success is a result of the fact that we have this really strong install base, that frankly was asking for a way to create this unified view. It's obviously the -- having the SalesHub for example and the ServiceHub on the same underlying platform makes the tradeoffs easier across apartments, so when somebody signs up for your product the expectations that were set during the sales process are handed off seamlessly to the service person who's going to integrate the offering, for example.

Just to get back to that question, there's a little bit of -- we have a general manager of the ServiceHub, we have a general manager of the SalesHub and the ServiceHub general manager is -- will often brag about the relative growth of the ServiceHub at that point in time relative to the SalesHub and the SalesHub leader will say, well, of course you have more growth, we have a much bigger customer base.

And there's some truth to that. The vast majority of ServiceHub customers are still multi-product customers.

Jen Lo: And -- sorry, we --

Chuck MacGlashing: No, it was a phone over there.

Kate Bueker: There's some shock and awe in the audience.

Jen Lo: Hitting on some other pieces, so within the platform business you've been building out this fairly robust partnership ecosystem. You just acquired one of those partners with PieSync. So we just sort of touching on that, you know, as you look at -- we've seen other companies that have used their platform ecosystem as a way of identifying what their customers are using and asking for, and figuring out what opportunities are. Was that kind of what happened in the case of PieSync? And do you see potential for a platform to be that channel of identifying what your customers want next, and where they're engaging?

Kate Bueker: I mean, we always want to make sure that at the core of our acquisitions strategy is, is this going to add value to our customers. And so there would be a natural overlap there. But that is not the primary reason that we're building a platform. If you turn back the clock a few years, I think the vision for HubSpot moving from a marketing-only app into sales and then service, was that we could be the one platform that sort of did it all for our

customers. I think over time, we have recognized that that's sort of a fool's errand; that we want to be that center that allows our customers -- enables our customers to leverage our own tools and the best-of-breed that's out there where to -- to serve their, you know, whole need.

So we don't -- internally we talk about it as going from all on one, to all in one, meaning we want to be integrated with all of the best software applications that can support the growth of small or medium businesses.

Chuck MacGlashing: Yeah. I think that's important because it might surprise some people to hear this, but for the average 50 to 100-person company out there, in their environment today they're using anywhere from 30, 40, 50 different SaaS applications. And you know, one of the real pain points that PieSync helps to solve is the bidirectional sync of data between HubSpot and our CRM as kind of the center of gravity, and then all these disparate third-party applications. And they do it in a way that kind of sits behind the scenes, that doesn't sort of clog up the -- the UI. It does it in real time, so dynamically. And you know, this is just -- it's a big pain point for customers today and it's only going to become a larger pain point over time as people are tying more of these applications into their environments.

Jen Lo: Just broadly on that, we've seen for companies like Salesforce and Adobe, they talk a lot about unifying that customer data platform and having that one view of the customer has been very resonant with large enterprises. When you look at your customers in the mid market and the SMB space, do they have that same passion for that 360 view? And are they putting investments into achieving that vision?

Kate Bueker: By definition, the small and medium companies that we serve are going to be less sophisticated than the big enterprises. And so having a unified view that exists for them is frankly more important, even than at the enterprise level. And the single CRM that underlies sales, service and marketing is a huge start in that direction. And PieSync allows the other pieces to come together in a really easy way.

Chuck MacGlashing: The average HubSpot customer has five integrations, just within our environment 94% of customers have at least one integration. And we believe that there's an opportunity for tens of other applications to get tied in. And for small, mid-market businesses to generate the same value out of that data that their enterprise counterparts do.

Jen Lo: And I had one from the audience, but it just sort of slots in well here. But the question was, what's the financial impact of PieSync on the business, to the extent that you --

Kate Bueker: Yeah. So we haven't shared specifics. The acquisition you can see in the 10-Q is a \$26 million acquisition. It's got very little revenue. It has a little bit more on the expense side. And so over the short term, it's going to have some increased pressure on the overall margin profile for the company.

Jen Lo: Okay. So now we're shifting gears a little bit and we talked about the different layers of the enterprise, the pro, the starter. But maybe on -- just starting with the starter, can you just -- you know, I mean, we were talking after the Q3 earnings call and talking about, you know, as you bring in a new Chief Commercial Officer, what's the profile of that person. And you said it was somebody who really understands how to scale a freemium business. So clearly that's a focus. I guess why -- what are sort of the proof points you're

seeing with the existing low end of the offerings that make that sort of rise, and -- or maybe not rise in priors but remain a big priority in terms of how you acquire your customers.

Kate Bueker: You know, I think I tried to address some of this at the analyst day, but if you think about the history of HubSpot it was really in that professional addition. So we have Starter, which is the low end, professional which is the mid market, and we call enterprise, which is frankly businesses between 200 and 2,000 employees. At the high end of our product suite. And we started in the middle and we innovated down and we innovated up. And the primary reason we innovated up is because a lot of our customers were sort of graduating from HubSpot as they grew. And we wanted to develop a set of tools that allowed us to retain those businesses longer.

And we innovated down because we wanted to attract those customers early on, and have them grow with us throughout their life cycle. And because we believe that's the way that businesses really want to buy these days. It's not -- people want to be able to try a product, see how it works, see how they like it, you know. They'd love to be able to just click and buy, and not have to talk to a sales rep. And so the innovation on the low end is to enable customer acquisition at a higher scale, and with a much more modern experience.

Jen Lo: Okay. And you know, now that -- you know, that Starter is becoming a bigger part of the business, freemium continues to be part of the business. What are you sort of seeing at this point in terms of customers that come in through those channels that convert up to the higher price SKUs? I mean, it's been a couple years, so what's sort of the data trend been so far?

Kate Bueker: Yeah. Go ahead.

Chuck MacGlashing: You want me to start?

Kate Bueker: Yep.

Chuck MacGlashing: I mean, if you kind of take a step back three, four, five years ago, at IPO 100% of our -- single-app marketing only, 100% of the business came through our content funnel, 30- to 40-day sales cycle, utilizing a pretty heavy inside sales touch to land that business. If you fast forward to today, more than half of the net new bookings that we book in a given quarter are coming from customers that are starting on some version of a free product. And then ultimately upgrading into a paid version of the product which you know, is a fantastic trend. We've seen that move up over time. It tends to result in a lot of goodness when you think about cost of acquisition and moving up (inaudible) economics. And so we're quite happy with that.

I think the next chapter for us with freemium is going to be around optimizing not only the top of the funnel and how to find free customers, but moving them from free to starter, and starter up into the core versions of the product. And then also sort of east-to-west across marketing, sales and service in a way that has less friction than today. And so we're investing quite heavily in that.

I think the Chief Customer Officer will be a big piece of the direction that we ultimately

take our go-to-market in that respect, and ultimately feel like there's a ton of opportunity for improvement.

Jen Lo: And as you look at the product and as it's evolved and maybe even related to some of the tuning that's happened with Project Mainsail, what's sort of your granularity or ability to see those trigger points where a customer would convert from freemium or starter up the tier, or up to other price tiers? Do you have good visibility into what customers look prime to make that expansion?

Kate Bueker: We have -- I -- I'm not the one doing this but yes, we have a team that we call the growth team who is specifically focused on sort of optimizing that. I mean, you can -- there are a lot of levers to bring value down to set limits in different ways, to drive different actions. And they have a set of goals and will move those levers to try to optimize that behavior.

Jen Lo: Okay.

Chuck MacGlashing: Yeah. The one thing I would add is we often get asked about our conversion rates, and how they compare to best-in-class and we've been at this for a few years. I think we're doing a good job. The rates have moved up. But interestingly enough you can make the conversion rates what you want them to be, right. Like by putting in enough paywalls and limits, ultimately you can get the conversion rates up quite -- quite fast. The issue is that of course you slow the velocity of free users that are coming to the platform because they ultimately view it as a bit of a bait-and-switch.

And so I think we're trying to be mindful and thoughtful of both of those levers such that we continue to build the free user base that I think (inaudible) something like 400,000 for users versus 65,000 or 70,000 paying customers. So, build out that free user base so that we can monetize it thoughtfully over time.

Jen Lo: And I think one of the interesting things from earlier this year, I think it was earlier this year, it's hard to keep track. But was when you decided to make email in the free version of marketing --

Kate Bueker: You're right. It was July.

Jen Lo: Yeah. Okay. It feels like it was a year ago.

Kate Bueker: I know.

Chuck MacGlashing: We get it confused all the time too.

Jen Lo: But you know, looking at things like that, how does that sort of factor into this -- I guess it's not really a trade-off, but you know, getting customers in by giving them something compelling for free versus being able to monetize. What impact did that have? I mean, it seemed like it showed up in the (inaudible).

Kate Bueker: Chuck is describing the situation exactly right. We want to make sure that our free products actually have enough value for the end customer so that if somebody wants to stay on the free product forever, they can. But they're going to -- we're going to limit the amount that they actually can use the product. The introduction of email to free did have

a modest impact and we talked about it on the Q3 call, around new customer acquisition. And again, we have the set of levers that the team is moving to optimize against sort of a desired outcome. And so --

Chuck MacGlashing: Yeah. I mean, I would say having been with the company now for four years, we tend to err on the side of giving more away for free even if there is a bit of a short-term trade-off from a growth perspective. I think email into free was a big step in that regard. A free CRM that is as good as it is, I think is a really big step in that regard as well. And I think we're trying to optimize these levers to set our business and ourselves up for strong and durable growth over the next 10 years as opposed to trying to solve for anything, to Kate's point, in a given quarter.

Jen Lo: Okay. So I have more questions but just a reminder to those in the audience, if you want to send your questions in through the conference app please feel free to do so. And so one thing we didn't touch on in terms of your go-to-market is the partner strategy which historically has been a big part of the business, and maybe has evolved a bit as you start to have a broader product portfolio. Can you just talk about the state of the partner network today, how many are largely focused on marketing, how many are embracing the broader product set?

Chuck MacGlashing: Yeah. I mean, I think the state of the partner program is that it's doing great. You know, once again to kind of take a step back, four and five years ago it was almost entirely focused on marketing agencies and SEO consultants, website redesign firms, and it drove 40% of our business. And I think there was an open question with the introduction of sales and the move into service is to whether or not these marketing-focused agencies could make the leap with us. And I think for the most part, the successful ones have made that leap. And I think they've made the leap because they see the same benefits that we do, through higher levels of retention and most cases through happier customers they're utilizing multiple applications and standardizing on the suite. And third, they're able to wrap larger retainers around full front office suite software sales than they would otherwise be able to do with just standalone marketing.

So I think that's been -- it's been a really good story. And I think more recently we've seen some momentum with sales and service-oriented agencies finding us. In some cases it's CRM redesign firms. It's IT, former IT implementation firms that are ramping up with our ServiceHub offering. And it's anecdotal and it's early, but what we often hear from these agencies once they get in and they get ramped up and start to sell sales and services, like, why can't I sell marketing too? And so in some cases, you see a bit of a blurring of the lines between what would be traditionally marketing and traditionally sales and service selling full suite.

Jen Lo: And I have this vague recollection, but it feels like at least a couple years ago there was some discussion of trying to take a more active role, of if you have customers that you've seen, have purchased, and maybe aren't getting the usage or engagement that you hope, trying to bring in the partner to get that happening and that flywheel going. Is that something that's seen more focus or investment? I just -- I feel like we had a conversation about it a couple years ago, so --

Chuck MacGlashing: Yeah. We have. We've definitely moved more in that direction. We've begun to actually commission agencies to the extent that they weren't the original agency on the sale of

HubSpot software in the event that they cross-sell or upsell an existing customer. And so yeah, we've absolutely moved in that direction.

- Jen Lo: Okay. Great. And maybe just to wrap it up, international has been kind of a standout, and has been consistently your fastest-growing region for some time. And maybe just to start, I mean, it's almost unusual to see the level of growth on international that you guys are seeing. So why do you think the product seems to be resonating so much overseas?
- Chuck MacGlashing: I suppose like small-medium businesses in the UK and in Singapore and Australia have many of the same aspirations and issues that small-medium businesses have here in the US. And the ROI on HubSpot's product and the standardizing in our software is, we think, quite high and so I think that's a part of it. Like, there's a big opportunity out there. And the second is, I think we've put a lot of investment into our go-to-market initiatives and have had some success in some of the more mature markets, like the UK and Australia. Out of the gate we've invested quite heavily into Singapore and Japan to serve Japan and Southeast Asia, and that's begun to come together. We've invested quite tactically into places like Berlin where Germany has been a big market for us for a while. But it was sort of hard to attract and retain talent in Dublin to serve there, and so we've opened up an office in Berlin that's gone quite well in its first year out of the gate.
- And more recently, with markets like Bogota, to serve Latin America and go after that opportunity. And so I wouldn't say there's like, any one thing, but I think there's ultimately a big opportunity out there. The software in the suite is quite compelling and we've executed well. I don't know if you'd add anything, Kate.
- Kate Bueker: No. I think that's exactly right. I think generally, how you think about the concentration of enterprises, there may be a bit more US-concentrated. I think there's you know, SMBs are distributed all over the globe. And so there's a lot of opportunity. And we're making a lot of investment.
- Jen Lo: And just on that, looking at the act of creating marketing content and some of the analytics you have within the product to help understand how content will land and how it will help your product get discovered. I guess sort of two questions on that. I mean, have you found any difference from a regional perspective on -- on how behaviors -- how, you know, customers go out and organically discover products that mean the product needs to be tuned any differently from a HubSpot perspective to work, have the same efficacy in those markets? And then related, does language create any challenges in terms of identifying content that will screen well and get the desired impact and pull of customers out there looking to learn more?
- Kate Bueker: Yeah. It's definitely a bit of an art as it relates to the language. I think there's -- inbound is in some geographies less well-understood than it is in the US, so it's probably a couple years behind. And therefore there's a big more of an opportunity, but also a bit more of education. And we have made investment in sort of that academy, education side of things. Language is also a place where we've made a lot of investments. The message translates more easily in certain languages than in others, and we've made some investments in local content development to help augment where it does not.
- Jen Lo: Okay, great. Well, I think we're out of time, so thank you both for joining us.

Chuck MacGlashing: Thank you, Jen. Appreciate it.

Kate Bueker: Thank you.

Jen Lo: And thank you, everyone in the audience.

Chuck MacGlashing: Thank you.