



ALPHA**CHALLENGE**
Kenan-Flagler Business School
The University of North Carolina

December 2nd, 2021

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 **LEGALZOOM**

Long: LegalZoom.com, Inc. (NASDAQ:LZ)

12-Month Target Price: \$26 (38% Return)

LegalZoom.com (LZ) – Executive Summary

The TurboTax of legal services – leading player in a digitizing market

Action: Long | 12 Month Price Target: \$26 (+38%)

LegalZoom Background

- LegalZoom (LZ) is the leading provider of digital DIY legal solutions (e.g. LLC formations, trademarks) to SMBs
- Founded in 2000, LZ was PE-owned (Francisco, Permira) until its recent IPO at \$28/share in late July
- Current CEO Dan Wernikoff, former Intuit QuickBooks and TurboTax GM, took over in late 2019 and has been remaking LZ's management team, product and marketing strategies in the mold of Intuit

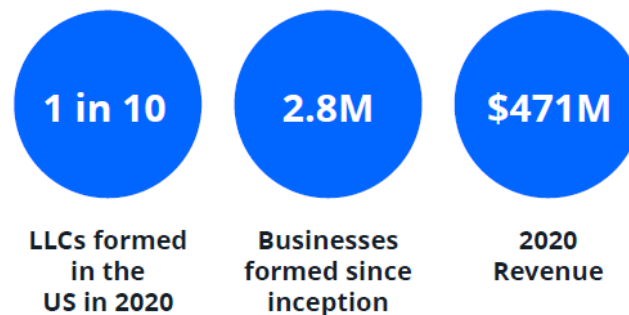
Current Situation

- LZ benefited from the pandemic as new business formations skyrocketed. The trend is now normalizing, causing deceleration and volatility leading to a disappointing first couple quarters post-IPO
- The company is also ramping investments, leading to margin compression. Unsurprisingly, the stock has reacted negatively, de-rating to 5x sales, below IPO price

Our Differentiated View

- We see a great product and secular growth story being overlooked due to these largely transitory headwinds
- Buy LZ now before growth re-accelerates, the multiple re-rates, and investor focus shifts to LZ's long-term opportunity to become the "TurboTax of legal"

The Largest Digital Player



CAPITALIZATION	
	11/19/21
Cash	\$ 311
Debt	-
Net Cash	311
Share Price	\$ 18.75
FDSO	210
Mkt Cap	\$ 3,938
EV	\$ 3,627

	2021	2022
Revenue	\$ 582	\$ 725
% Growth	23.8%	24.5%
EBITDA	53	85
% Margin	9.0%	11.8%
EV/Revenue	6.2x	5.0x
EV/EBITDA	68.9x	42.5x

STOCK STATISTICS	
IPO Date	7/29/21
IPO Price	\$ 28.00
Short Int %	2.4%
3M Avg. \$ Vol	\$ 12.3
52W High	\$ 40.94
52W Low	\$ 18.62

LegalZoom.com (LZ) – Investment Thesis

LZ is the long-term winner as the legal services market shifts online

1) Long runway for customer growth

- Underpenetrated in a growing market
- Great value proposition and product

2) Underappreciated product story

- Multiple new product growth drivers
- Improving unit economics & subscription mix

3) Strong Management, strategic asset

- Great CEO, Intuit playbook
- Positioned LZ as a strategic asset for Intuit or other SMB software vendors

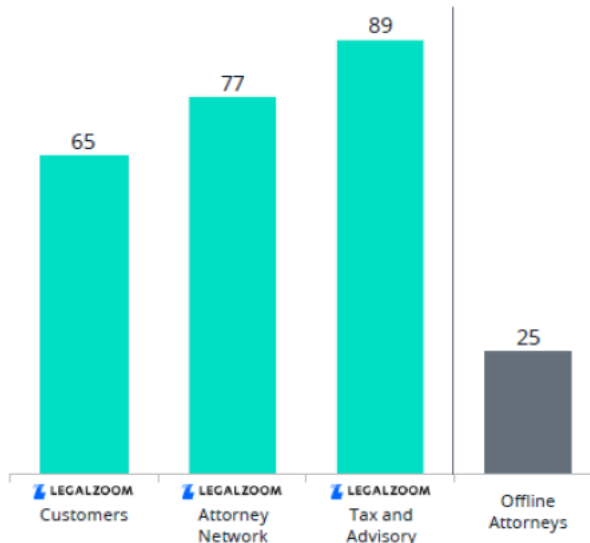
Takeaway: Underpenetrated market leader with open-ended growth prospects that will grow **faster for longer**

Thesis 1: Long Runway for Customer Growth

Great product + growth market + low penetration = long duration growth

Customers like the product

Superior NPS scores compared to offline attorneys



LegalZoom is the leader & share gainer

- LZ is the market leader and consistent share gainer within legal services
- LZ business formation growth has outpaced overall market growth for 15 consecutive years

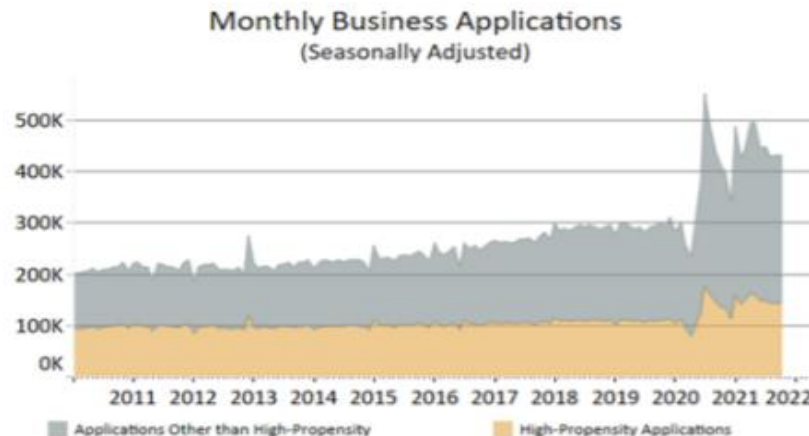
→ **Sustainable mid to high-teens customer growth outlook**

Digital is underpenetrated

- Just 8% of legal services are conducted online
- 40% of solo attorneys do not have a website
- The offline to online shift is still early, but is a durable, secular trend

Growth tailwind from gig economy

- The rise of the gig economy is driving incremental demand for business formations
- There were 38m independent workers in the U.S. in 2020



Thesis 2: Underappreciated Product Story

Augmenting growth while shifting mix towards subscription

Product Growth Drivers

LZ is building out a suite of SMB legal and compliance subscription services

- **LZ Tax**
 - Tax prep service leveraging Intuit partnership
 - Most requested adjacent service by customers
- **Integrated attorney upsell**
 - Live attorney feature, similar to Intuit's TurboTax Live



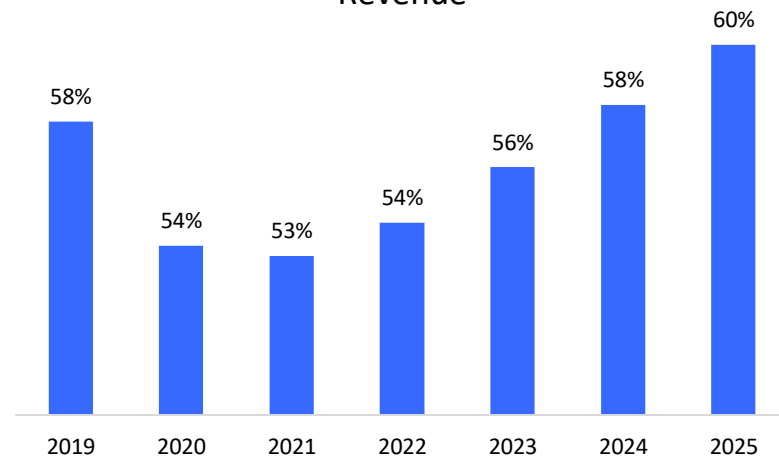
Bundle attorneys with formation products

—
Increase Total Addressable Market (TAM), conversion, and Average Order Value (AOV)

Financial Implications

- **Mix shift towards subscription from transactional revenue**
- **More profitable and predictable financial profile**
- **Low incremental CAC on subscription products**
 - Subscription products are upsold or cross-sold to customers that are acquired through the transactional (business formation) products

Subscription & Partnerships as % of Total Revenue



Thesis 3: Right CEO & Management; Strategic Asset

LZ is a powerful customer acquisition channel for other SMB vendors

We like LZ's management..

CEO Dan Wernikoff joined in September 2019

- 15 years at Intuit
- GM of \$2.5bn Small Business Group (QuickBooks)
- GM of \$2.2bn Consumer Group (TurboTax & Mint), where he launched TurboTax Live

While in a perfect world we would prefer a founder owner/operator CEO, we believe Wernikoff is exceptionally well-qualified for the LZ job

- Brings highly relevant experience (and relationships) from Intuit

Wernikoff has upgraded the C-suite

- Cleaned up what we understand was an overly lean and under-managed company under prior mgmt.

..And its strategic position

LegalZoom has the valuable position of frequently being the first software vendor an entrepreneur interfaces with when forming a new company

Wernikoff has revamped LZ's partner program to position LZ as a key referral partner

- SMB vendor partners include Intuit QuickBooks and Bill.com

We believe LZ would be worth considerably more than its current \$3.6bn EV to Intuit or potentially other SMB software strategics

- Do not expect near-term M&A as Intuit digests MailChimp and LZ's growth trough makes it less viable to some buyers
- Other logical buyers: DOCU, AVLR, XRO, BILL, SHOP, Stripe, SQ, and web presence vendors (WIX, GDDY, SQSP, Automatic/WordPress)

LegalZoom.com (LZ) – Revenue Build

LZ will reaccelerate to reach its 24% revenue growth target

	FISCAL YEAR ENDED 12/31,						
	2019	2020	2021	2022	2023	2024	2025
REVENUE BUILD							
<u>Transactional Revenue</u>							
Business Formations	292	378	456	539	631	728	838
% Growth		29.4%	20.7%	18.2%	17.0%	15.4%	15.1%
Transaction Units	691	892	996	1,180	1,349	1,538	1,750
% Growth		29.1%	11.7%	18.5%	14.3%	14.0%	13.8%
Transactions/Formation	2.4	2.4	2.2	2.2	2.1	2.1	2.1
Transaction AOV	\$ 230	\$ 236	\$ 269	\$ 279	\$ 290	\$ 302	\$ 314
% Growth		2.4%	14.2%	3.6%	4.0%	4.0%	3.9%
Transaction Revenue	\$ 159	\$ 210	\$ 268	\$ 329	\$ 392	\$ 464	\$ 549
% Growth		32.2%	27.6%	22.8%	18.9%	18.6%	18.2%
<u>Subscription Revenue</u>							
Subscription Units, EOP	921	1,085	1,313	1,600	1,973	2,439	3,015
% Growth	1.7%	17.9%	21.0%	21.8%	23.3%	23.6%	23.6%
Net Adds	15	164	228	287	373	466	577
Retention Rate	64.9%	65.1%	65.0%	64.6%	64.6%	64.6%	64.6%
Gross Adds % Growth		46.0%	25.1%	23.5%	25.0%	25.1%	25.2%
Subscription ARPU (TTM)	221	223	233	241	251	261	273
% Growth		0.8%	4.5%	3.5%	4.0%	4.3%	4.4%
Subscription Revenue	\$ 202	\$ 224	\$ 279	\$ 351	\$ 448	\$ 577	\$ 745
% Growth		10.7%	24.9%	25.7%	27.5%	29.0%	29.1%
<u>Partnerships Revenue</u>							
Transaction Attach Rate	20.0%	13.5%	11.5%	13.0%	14.0%	15.0%	15.5%
Partnerships Revenue	\$ 34	\$ 29	\$ 31	\$ 43	\$ 55	\$ 70	\$ 85
% Growth		-14.7%	7.4%	39.0%	28.0%	27.0%	22.2%
Total Revenue	\$ 408	\$ 471	\$ 582	\$ 725	\$ 895	\$ 1,111	\$ 1,379
% Growth		15.2%	23.8%	24.5%	23.4%	24.2%	24.1%
\$ Growth		62	112	143	170	217	268

Commentary

- Key underlying driver is business formations, which can compound in the mid to high teens post-Covid comps (Thesis Point #1)
- Subscription retention rate remains at ~65%, which we view as respectable in context of ~20% year-1 failure rate for new startups
- Subscription gross adds growth outpaces transactional business formation growth as expanding subscription product portfolio suite enables LZ to increase cross-sells into base
- ARPU increases from mix shift to higher-value services such as Attorney Assist and LZ Tax
- Partnerships revenue modeled as attach rate to transactions; expect steady improvements as revamped partner program ramps

→ LZ will return to mid-20s growth

Growth upside + steady margin expansion leads to material EPS delta

	FISCAL YEAR ENDED 12/31,						
	2019	2020	2021	2022	2023	2024	2025
CONSOLIDATED FINANCIALS							
Revenue	\$ 408	\$ 471	\$ 582	\$ 725	\$ 895	\$ 1,111	\$ 1,379
% Growth		15.2%	23.8%	24.5%	23.4%	24.2%	24.1%
Consensus			577	690	839		
% Growth			22.5%	19.7%	21.5%		
Delta			6	35	56		
Gross Profit	278	325	401	498	622	784	986
% Margin	68.2%	69.0%	68.8%	68.6%	69.5%	70.5%	71.5%
Margin Expansion (Bps)		79	(10)	(21)	86	100	100
S&M	109	164	259	294	340	408	489
% of Revenue	26.6%	34.8%	44.5%	40.6%	38.0%	36.7%	35.5%
Leverage Y/Y		(812)	(976)	392	259	133	122
CAC		3.5	3.4	3.0	2.7	2.5	2.4
R&D	35	37	44	62	76	87	99
% of Revenue	8.7%	7.8%	7.6%	8.6%	8.5%	7.9%	7.2%
Leverage Y/Y		89	20	(98)	5	65	65
G&A	37	36	45	56	67	77	86
% of Revenue	9.1%	7.7%	7.7%	7.7%	7.5%	6.9%	6.2%
Leverage Y/Y		134	0	1	22	60	70
Total Opex Ex-D&A	181	237	348	412	483	572	674
Adj. EBITDA	97	88	53	85	139	212	312
% Margin	23.8%	18.7%	9.0%	11.8%	15.5%	19.1%	22.7%
% Growth		-9.4%	-40.2%	62.2%	62.4%	52.8%	47.4%
% Incremental Margin		-14.7%	-31.6%	23.0%	31.4%	33.8%	37.5%
Margin Expansion		(510)	(965)	274	372	358	358
Rule of 40		33.9%	32.8%	36.3%	38.9%	43.3%	46.8%
Consensus EBITDA			46	65	110		
% Margin			8.0%	9.5%	13.1%		
Delta			7	20	28		
D&A	12	17	16	19	20	25	32
Interest & Other	(39)	(36)	(28)	-	-	-	-
Income Tax Expense				(14)	(25)	(39)	(59)
Adj. Net Income				53	94	148	221
% Tax Rate				21%	21%	21%	21%
FD Sharecount			164	215	221	227	234
Adj. EPS	\$ -	\$ -	\$ 0.25	\$ 0.43	\$ 0.65	\$ 0.95	
% Growth					74%	52%	46%
% Dilution				31%	3%	3%	3%
Consensus EPS				0.14	0.29		
Delta				0.11	0.14		

Commentary

- Modest gross margin expansion in the out-years as current investments (live attorneys, tax) scale
- We do not have a differentiated view on margins, though we note that the sell-side assumptions appear typically conservative for a recent IPO
- S&M will be primary source of leverage as scaling of subscription and higher ARPU products improves subscription mix and overall CAC
- SBC (excluded in Adj. estimates) will return to ~HSD-LDD % of revenue post-IPO normalization and we assume ~3% annual share creep
- Asset-light business (very low D&A and capex)
- Now debt free; assume cash builds on B.S.
- Cash tax rate is lower in the near term as LZ has NOLs, but we assume full taxes in our model

→ LZ's growth and growth + margin profile will improve materially over the next several years

→ Substantial EPS upside to Consensus

LegalZoom.com (LZ) – Price Targets & Valuation

Attractive returns purely from business growth, not multiple expansion

PRICE TARGETS			
	Dec-22	Dec-23	Dec-24
Fwd. Revenue	895	1,111	1,379
Multiple	5.8x	5.4x	5.0x
Enterprise Value	5,225	6,006	6,897
Net Cash	350	415	500
Market Cap	5,575	6,421	7,397
FD Sharecount	215	221	227
Price Target	\$ 26	\$ 29	\$ 33
% Return	38%	55%	74%
Discount Rate	12%		
<u>Implied Valuation</u>			
EV/EBITDA	38x	28x	22x
P/E Ex-Cash	57x	42x	32x

Commentary

- We value LZ on 2025 numbers to derive a year-end 2024 price target of \$33/share, a +74% return
- Discount back at 12%, a rate we believe is appropriate for an emerging SMB software vendor with LZ's profile, to derive a 12-month price target of \$26 (+38%)
- Our out-year price target implies 22x EBITDA and 32x fully-taxed Adj. EPS ex-cash
- While we do not bake revenue multiple expansion into our base case, if LZ executes to our projections, it is likely that the multiple would re-rate significantly

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LegalZoom.com (LZ) – Risk Factors

This is a growth thesis and LZ must deliver on reacceleration promise

Risk	Mitigant
Growth disappoints	Long-term growth drivers are strong and will remain intact
Margins stay depressed as investment phase becomes permanent	Strong management who is very CAC disciplined but risk is greater if spend is more CAM than R&D
Intuit builds legal tech in-house or acquires a competitor	Unlikely given the pre-existing partnership and LZ's dominant brand
Tech debt / legacy DNA of LZ inhibits it from innovating at a rapid pace	Dan Wernikoff has spent the last two years fixing these issues
The human component of LZ's business (i.e. network of lawyers) becomes a cost issue and/or leads investors to think of LZ more like H&R Block than a software company	Emphasis on subscription business growth

Appendix – Insider Ownership Summary

No selling to-date

S-1 Cap Table

- Permira sold \$408m at \$10.48/share in 2018 to Francisco and GPI

Name of Beneficial Owner	Beneficial Ownership Prior to this Offering		Beneficial Ownership After this Offering	
	Number of Shares Beneficially Owned (#)	Percentage of Beneficial Ownership (%)	Number of Shares Beneficially Owned (#)	Percentage of Beneficial Ownership (%)
5% Stockholders				
Entities affiliated with Permira LucasZoom, LLC ⁽¹⁾	38,012,988	22.1	38,012,988	19.6
Entities affiliated with Francisco Partners ⁽²⁾	28,625,744	16.7	28,625,744	14.8
Entities affiliated with BSG ⁽³⁾	10,853,116	6.3	10,853,116	5.6
Institutional Venture Partners XIII, L.P. ⁽⁴⁾	12,940,536	7.5	12,940,536	6.7
KPCB Holdings, Inc., as Nominee ⁽⁵⁾	10,900,908	6.3	10,900,908	5.6
GPI Capital Gemini HoldCo LP ⁽⁶⁾	9,541,916	5.6	9,541,916	4.9
Entities affiliated with TCV ⁽⁷⁾	11,087,788	6.5	14,302,073	7.4
Named Executive Officers and Directors				
Dan Wernikoff ⁽⁸⁾	1,360,476	*	1,360,476	*
Shrisha Radhakrishna	—	—	—	—
Noel Watson	—	—	—	—
Jeffrey Stibel ⁽⁹⁾	10,971,676	6.4	10,971,676	5.7
Dipanjana Deb ⁽¹⁰⁾	28,625,744	16.7	28,625,744	14.8
Khai Ha ⁽¹¹⁾	9,541,916	5.6	9,541,916	4.9
John Murphy	—	—	—	—
Dipan Patel ⁽¹²⁾	38,012,988	22.1	38,012,988	19.6
Brian Ruder ⁽¹³⁾	38,012,988	22.1	38,012,988	19.6
Christine Wang	—	—	—	—
David Yuan	—	—	—	—
All executive officers and directors as a group (15 persons) ⁽¹⁴⁾	88,512,800	51.1	88,512,800	45.3%

- CEO Dan Wernikoff owns close to ~2% of LZ including all unvested options (using TSM)

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)(2)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(6)
Dan Wernikoff	9/19/2019(1)	906,984	2,720,952(3)	9.82	9/19/2029	—	—
	9/19/2019(1)	—	3,627,936(4)	9.82	9/19/2029	—	—
Shrisha Radhakrishna	9/23/2020	—	763,747(4)	9.82	9/23/2030	—	—
	—	—	—	—	—	407,332(5)	4,684,318
Noel Watson	11/18/2020	—	763,747(4)	9.82	11/18/2030	—	—
	—	—	—	—	—	509,165(5)	5,855,398

Appendix – Long-Term Targets

Re-acceleration and margin expansion over time

GAAP and Non-GAAP Long-term Financial Goals

GAAP and Non-GAAP Measures	'19A	'20A	Long-Term Target ⁽²⁾
Revenue Growth	8%	15%	24% +
Gross Margin (GAAP)	66%	67%	71-73%
Customer Acquisition Marketing "CAM"	16%	25%	18-22%
OpEx (excl. CAM) ⁽¹⁾	28%	25%	21-23%
Adj. EBITDA Margin ⁽¹⁾	24%	19%	30% +
FCF Margin ⁽¹⁾	8%	18%	25% +

- Mid 20s growth with 25%+ FCF margin would support significant multiple expansion
- Most "Rule of 50" names are trading at 12x+ sales today, with several 20x+
- Reinforces extremely attractive LZ re-rate bull case scenario

Appendix – Top Holders

Potential near-term overhang from anticipated PE secondaries

Fund		Shares Held or Principal Amt	Market Value	% of Portfolio	Prior % of Portfolio	Ranking	Change in Shares	% Ownership	Source	Source Date
FRANCISCO PARTNERS MANAGEMENT, LP		28,625,744	\$755,720,000	15.56	24.72	2		14.5379%	13F	2021-09-30
TECHNOLOGY CROSSOVER MANAGEMENT IX, LTD.		14,302,073	\$377,575,000	17.90	14.24	3	↑11,087,788	7.2634%	13F	2021-09-30
KPCB DGF ASSOCIATES, LLC		10,900,908	\$287,784,000	40.07	100.00	2		5.5361%	13F	2021-09-30
GPI CAPITAL, L.P.		9,541,916	\$251,907,000	32.29	42.47	1		4.8460%	13F	2021-09-30
TA ASSOCIATES, L.P.		7,156,492	\$168,321,000	4.57	100.00	2		3.6345%	13F	2021-09-30
PRICE T ROWE ASSOCIATES INC		5,342,554	\$141,043,000	0.01	0.01	661	↑2,964,796	2.7133%	13F	2021-09-30
BlackRock Inc.		3,431,483	\$90,591,000	0.00	0.00	2288	↑731,483	1.7427%	13F	2021-09-30
SELECT EQUITY GROUP, L.P.		2,821,113	\$74,477,383	0.25	0.37	64	↓2,918	1.4327%	13F	2021-09-30
NEUBERGER BERMAN GROUP LLC		1,998,021	\$52,748,000	0.05	0.05	451	↑335,386	1.0147%	13F	2021-09-30
LIGHT STREET CAPITAL MANAGEMENT, LLC		1,696,755	\$44,794,000	2.25	0.33	18	↑1,496,755	0.8617%	13F	2021-09-30
MASSACHUSETTS FINANCIAL SERVICES COMPANY		1,529,185	\$40,370,000	0.01	0.01	538	↑879,185	0.7766%	13F	2021-09-30
WELLS FARGO & COMPANY		1,311,025	\$34,611,000	0.01	0.00	1291	↑1,184,209	0.6658%	13F	2021-09-30
FMR LLC		946,091	\$24,977,000	0.00	0.00	1736	↓250,686	0.4805%	13F	2021-09-30
DRIEHAUS CAPITAL MANAGEMENT LLC		680,598	\$17,968,000	0.21	0.08	146	↑530,598	0.3456%	13F	2021-09-30
ALYESKA INVESTMENT GROUP, L.P.		540,000	\$14,256,000	0.18	0.07	142	↑390,000	0.2742%	13F	2021-09-30
ARROWMARK COLORADO HOLDINGS LLC		514,010	\$13,570,000	0.11	0.10	161	↑164,310	0.2610%	13F	2021-09-30
WELLINGTON MANAGEMENT GROUP LLP		511,576	\$13,506,000	0.00	0.01	1186	↓441,340	0.2598%	13F	2021-09-30
GEODE CAPITAL MANAGEMENT, LLC		361,063	\$9,532,000	0.00	0.00	2477	↑224,163	0.1834%	13F	2021-09-30
HOOD RIVER CAPITAL MANAGEMENT LLC		338,529	\$8,937,000	0.28	0.39	84	↓11,471	0.1719%	13F	2021-09-30

- TCV increased their stake via concurrent private placement at IPO

Appendix – Management Team

Strong Intuit DNA & SMB expertise

Our management team is experienced in small business and consumer innovation at scale



Dan Wernikoff
Chief Executive Officer



Noel Watson
Chief Financial Officer



John Buchanan
Chief Marketing Officer



Sheily Chhabria Panchal
Chief People Officer



Rich Preece
Chief Operating & Product Officer



Nicole Miller
General Counsel



Shrisha Radhakrishna
Chief Technology Officer



Kathy Tsitovich
Chief Partnerships Officer



Appendix – Product Offerings

Key Products

Formation Solutions

- Formation Package (LLC, INC, Non-Profit)
- DBAs and EINs
- Annual Reports, Operating Agreement

Compliance Solutions

- Registered Agent / Compliance
- Legal Expertise / Legal Forms
- Tax Expertise

Intellectual Property

- Trademarks
- Copyrights
- Patents

**15
min**

Designed to
take under 15
minutes to
complete

>1.2M

Active
subscribers of
compliance &
legal solutions
at 6/30/21

28K

Trademarks
filed in 2020

All Transactional Products

Transaction Products for Small Businesses

Business Formation

Limited Liability Company (LLC) Formation
Incorporation of C and S Corporations
Nonprofit Formation
Doing-Business-As (DBA)
Corporate Changes and Filings
Business Licenses
Legal Forms

Intellectual Property

Trademark Application
Copyright Registration
Provisional Patent Application

Tax Planning and Bookkeeping and Records(1)

State and Federal Tax Preparation
Payroll
Bookkeeping

Transaction Products for Consumers

Consumer Estate Planning

Last Will and Testament
Living Will
Living Trust
Power of Attorney

Other Legal Matters

Name Change
Uncontested Divorce
Real Estate Deed Transfer
Real Estate Leases
Legal Forms

All Subscription Products

Small Business Subscriptions

Registered Agent
Compliance
Attorney Advice
Tax Advice
Legal Forms

Consumer Subscriptions

Attorney Advice through our Legal Plans
Estate Planning Bundle
Legal Forms

Appendix – TAM

S-1 TAM

	<u>Total Addressable Businesses</u> <i>(in millions)</i>	<u>Current Spending—SAM</u> <u>% Usage(1)</u>	<u>Total Spend</u> <i>(in millions)</i>
<u><i>Business Formation and Attach Opportunity</i></u>			
Business formation filings(2)	4.4	65%	\$ 2,292
Registered agents and government filings	31.7	10%	\$ 3,516
Tax planning and bookkeeping / records	31.7	21%	\$ 9,574
Intellectual property(3)	31.7	8%	\$ 2,967
			\$ 18,349
<u><i>Post-Business Formation Opportunity</i></u>			
Contracts and legal forms	31.7	10%	\$ 5,545
Business tax returns	31.7	21%	\$ 10,099
Other legal matters(4)	31.7	3%	\$ 5,905
			\$ 21,549
<i>Consumer Estate Planning(3)</i>			\$ 8,830
Total SAM			\$ 48,728

Appendix – Stock Performance

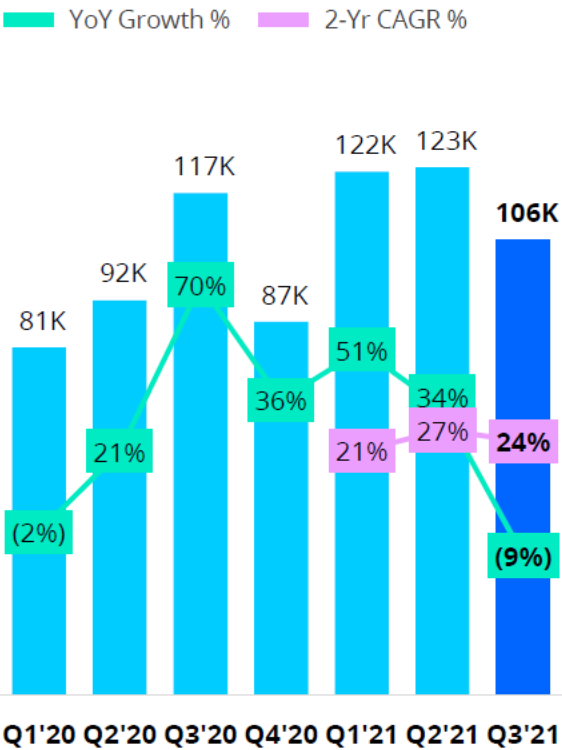
Trading at ~5x sales, and well below 7/29 IPO price of \$28/share



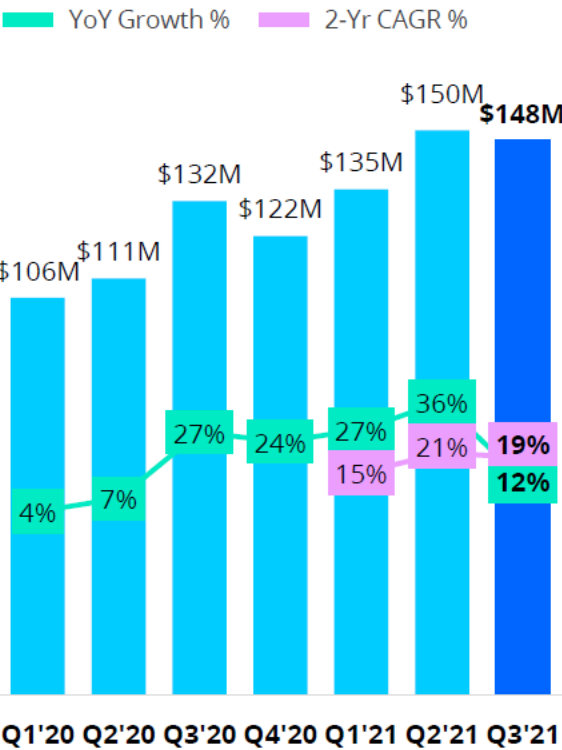
Appendix – Key Metrics

New Business Formations, the key metric, are healthy on a 2-year stack

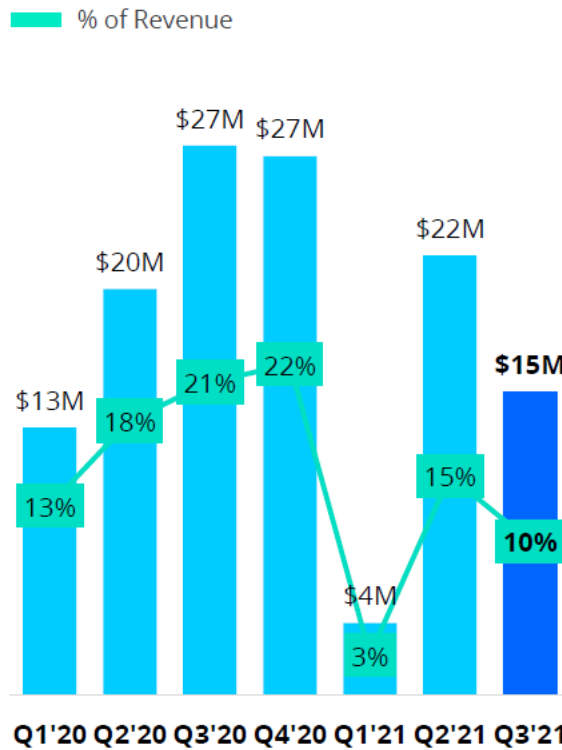
Business Formations⁽¹⁾



GAAP Revenue

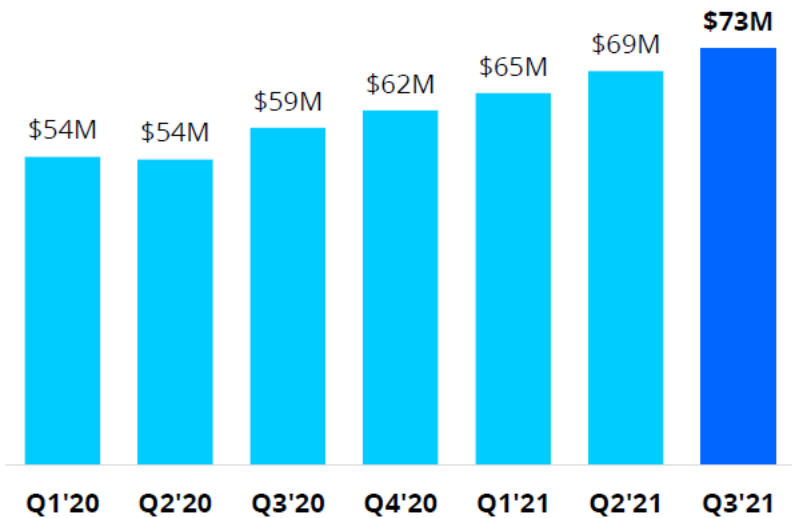


Adjusted EBITDA⁽²⁾



Subscription Revenue Details

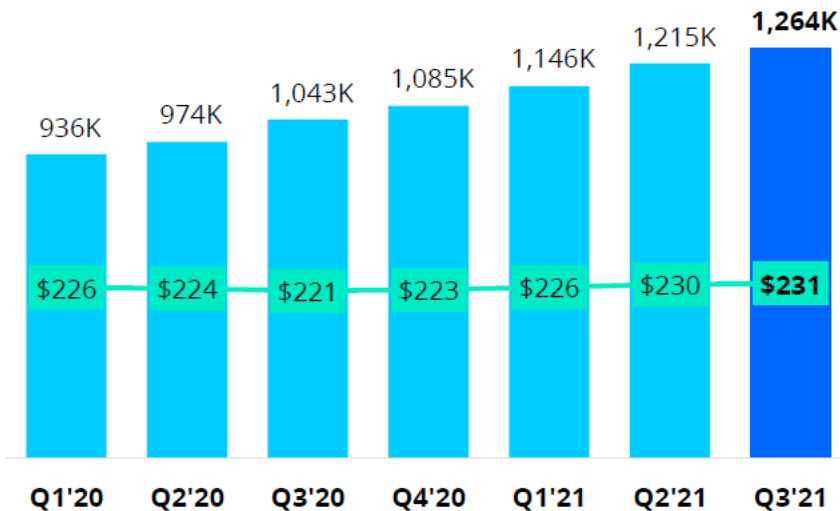
Subscription Revenue



Year-over-year Growth %						
14%	7%	10%	14%	21%	29%	24%

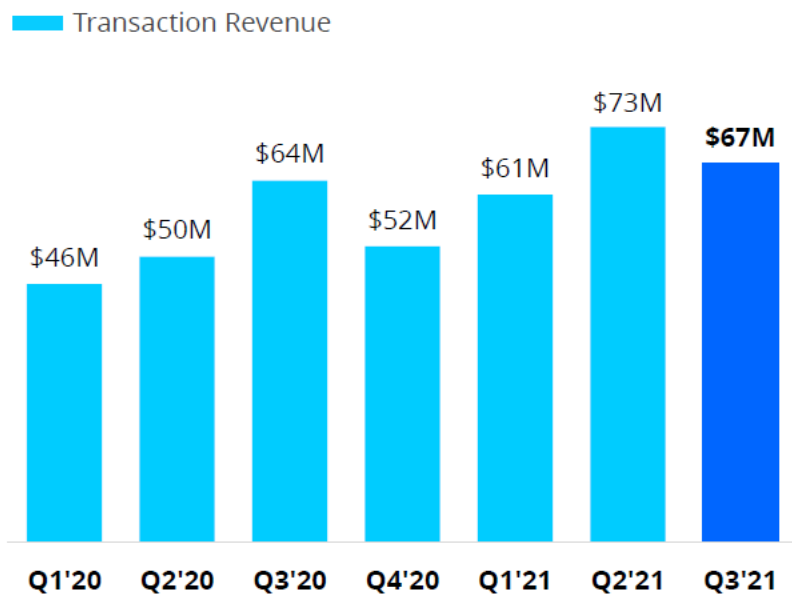
Subscription Units⁽¹⁾

ARPU⁽²⁾

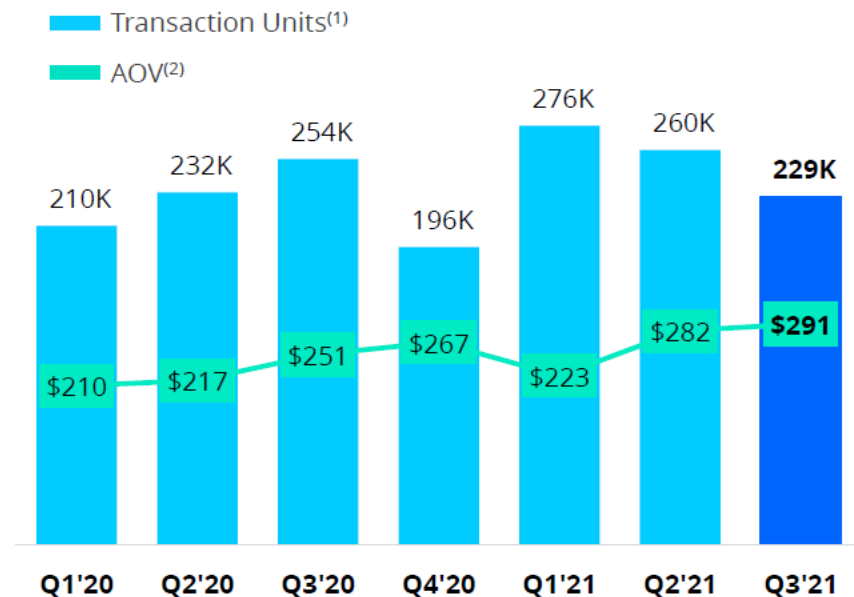


	Year-over-year Growth %						
Sub Units	3%	7%	14%	18%	22%	25%	21%
ARPU	13%	9%	4%	1%	0%	3%	5%

Transaction Revenue Details



Year-over-year Growth %							
0%	11%	54%	46%	35%	45%	5%	

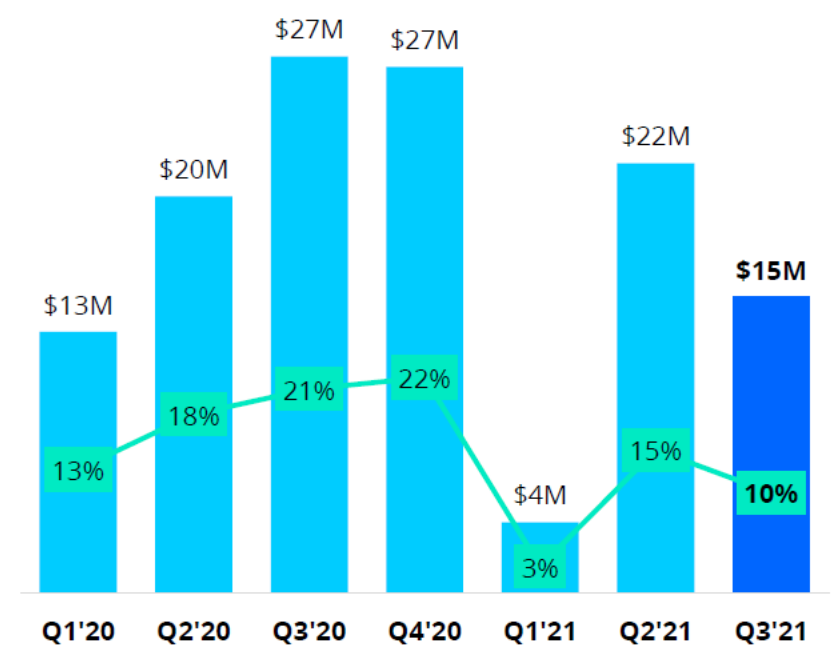


Year-over-year Growth %							
Trx Units	7%	30%	54%	31%	31%	12%	(10%)
AOV	(4%)	(9%)	6%	18%	6%	30%	16%

Profitability Metrics

Adjusted EBITDA⁽¹⁾

% of Revenue



Free Cash Flow⁽¹⁾

% of Revenue

