HubSpot, Inc. (HUBS)

Not Worth All the Hubbub

We are short shares of HubSpot, Inc. (HUBS), an unprofitable SaaS company that, despite the recent downward re-rating of the tech sector, still trades at 20x forward revenue. HubSpot is not worth anything close to its current valuation. The company is a COVID beneficiary whose future growth will likely pale in comparison to its pandemic-fueled pull-forward in sales. Its expensive products face an increasing plethora of dramatically lower-priced and often superior alternatives, backed by billions of dollars of free-flowing venture capital. Top executives are selling shares and departing. Naturally, HubSpot doesn't turn a profit. Should it ever try to, its margins will likely disappoint.

HubSpot made a name for itself more than a decade ago by developing a distinctive approach to online marketing and creating products that were easy to adopt for less tech-savvy users. But the company didn't garner a super-premium valuation relative to its SaaS peers. That all changed when COVID hit, sending droves of mid-sized businesses in search of ways to quickly improve their online marketing and thereby giving HubSpot a new lease on life – and a significantly higher multiple.

But HubSpot faces difficult challenges as it enters a risky, uncertain new phase of its existence, in which the COVID tailwind will fade and future growth will depend on expansion into already crowded markets. Though HubSpot does have some devoted fans, its core technology – a database that can be used to create customized emails and web pages – is nothing special. Thus HubSpot faces an abundance of both incumbent and up-and-coming competitors, from ActiveCampaign to Klaviyo to Mailchimp (now owned by Intuit) and beyond, each of which has its own strengths and specialties, but all of which testify to HubSpot's lack of a real moat.

Even if HubSpot's revenue continues to grow, the company has never really proven that it has a viable long-term business model, keeping itself alive only by selling shares and convertible bonds to investors and by handing out piles of stock to its employees, the cost of which it conveniently excludes from its preferred non-GAAP earnings metrics. Even if it one day achieves its stated "long term" goal of a 20-25% non-GAAP operating margin, that equates to a thin ~9% *true* operating margin – consistent with its competitive, increasingly commodified end markets and its ongoing reliance on expensive salespeople and developers.

We wonder if, on some level, HubSpot's leadership agrees with our assessment of the risks ahead. That might explain why, over the past few years, it has lost its chief sales officer, chief operating officer, chief strategy officer, and chief executive officer, many of whom (along with other HubSpot executives and directors) have been busy selling their shares, even at prices far lower than today's. Perhaps they realize something that the market doesn't – that HubSpot is in a tough spot.

Table of Contents

Company Background

HubSpot, Inc.: Capitalization and Financial Results						
Capitalization			**Financial results ($ mm)**			
				2019	2020	2021*
Share price ($)	$680.20		Revenue	$ 675	$ 883	$ 1,288
Fully diluted shares (mm):			EBIT	(46)	(51)	(54)
Shares O/S	47.1					
Dilutive impact of converts	2.4		EPS	$ (1.28)	$ (1.90)	$ (1.52)
Dilutive impact of RSUs/options	2.1					
Total	51.6		Customers	73,483	103,994	128,144
			ASRPC	$ 9,920	$ 9,582	$ 10,536
Fully diluted market cap ($mm)	$ 35,095					
Less: cash and investments	1,285					
Enterprise value	$ 33,810					
EV to 2021E revenue	26.2x					

Note: "ASRPC" = average subscription revenue per customer. Customers and ASPRC are as shown, not in millions.
** 2021 values shown equal mid-points of 2021 guidance, except for customers/ASRPC, which are 2021 Q3 values.*
Source: company filings, Capital IQ, Kerrisdale analysis

Founded in 2006 by two MIT business-school classmates and based in Cambridge, Mass., HubSpot was built on the concept of "inbound marketing" for mid-sized businesses. Instead of bombarding potential customers with banner ads, HubSpot advocated putting useful free content online to lure in prospects, then closely tracking subsequent contacts with those prospects in the hopes of ultimately closing a sale. This approach, managed and automated via HubSpot's cloud-based subscription software, has clicked with a subset of B2B firms (and the agencies they outsource their digital marketing to, who make commissions by getting their clients to use HubSpot's products). Today, HubSpot has 128k customers paying an average of ~$10k per year.

Over time, as HubSpot's initial focus on inbound/content marketing[1] has become less distinctive and more commodified, it has expanded its offerings into a "suite" of related products, including Marketing Hub, Sales Hub, Service Hub, CMS Hub, and Operations Hub, each with "starter," "professional," and "enterprise" pricing tiers – a complex, confusing tangle. Back at the time of its 2014 IPO, HubSpot characterized itself, relatively straightforwardly, as the provider of "a cloud-based marketing and sales software platform"; now it uses vague, broad language like "the customer relationship management (CRM) platform for scaling companies," "a modern CRM platform," and "a world-class front-office platform," seemingly aiming to be all things to all businesses.

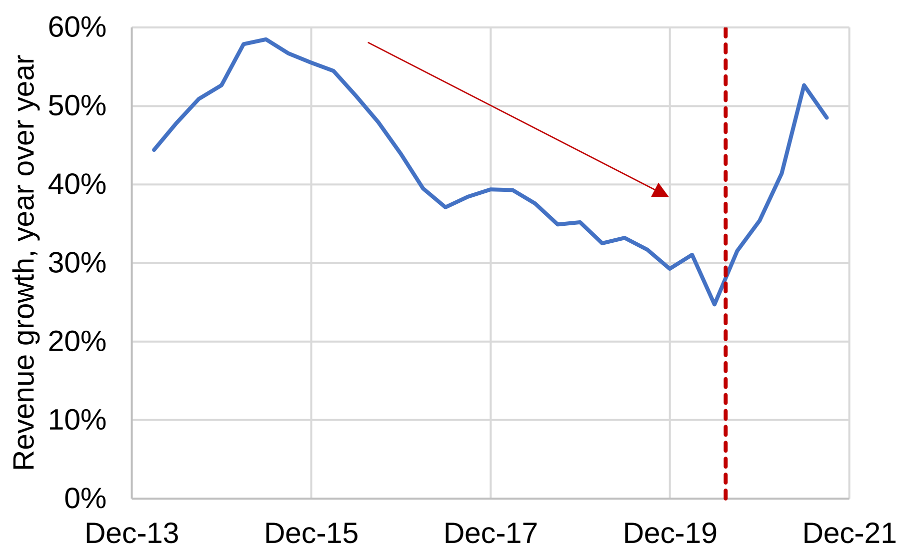
[1] What the difference, if any, is between these terms was the subject of an inconclusive HubSpot blog post in 2014. In our view the main difference is that HubSpot likes to say "inbound" because that's the one it came up with.

Therein lies a fundamental problem with HubSpot's business and the valuation currently afforded it. HubSpot's various end markets are becoming more and more commoditized, with dozens of well-funded players offering comparable products, targeting the same end markets. Multiple software behemoths are vying to become the same sort of all-in-one platform as HubSpot, while legions of VC-backed providers are crafting superior solutions in each of HubSpot's niches. This fierce competitive landscape will ultimately yield a predictable result for HubSpot: lame growth and blah margins. Investors have taken recent metrics and assumed them to be sustainable over the future, mistakenly believing them to be the product of some sort of competitive advantage that HubSpot will maintain over time. But recent financial trends haven't been driven by the uniqueness of HubSpot's products or winner-take-all network effects – the business has merely benefited from a one-time boost from the pandemic.

The COVID Bump is Over

While HubSpot's revenue growth in absolute dollars has been impressive over the long run, it's striking that the *rate* of revenue growth steadily declined for years; it was only during mid-2020, when COVID fears were at their height and mid-sized businesses were frantically scrambling to go digital, that revenue growth finally turned around:

HubSpot's Revenue Growth Decelerated for Years Prior to COVID



Source: company filings, Capital IQ, Kerrisdale analysis

Consistent with its poor margins and long-running growth deceleration, until quite recently HubSpot traded at a revenue multiple that was, for a SaaS company, relatively modest; only since the post-COVID growth spurt, which we expect to be short-lived, has its multiple expanded to exorbitant levels:

HubSpot's Super-Premium Valuation Is Entirely a Post-COVID Phenomenon

Source: Capital IQ, Kerrisdale analysis

Not only does HubSpot now trade rich relative to its own history, but it also trades rich relative to other marketing-tech firms. Though HubSpot enthusiasts claim the company's product suite is unique, the basic value proposition of helping small and mid-sized businesses acquire customers online is nothing special. Squarespace and Wix operate in overlapping markets (creating easy-to-use tools for doing business digitally) and have attained similar scale in revenue terms, with rapid recent growth – yet these companies trade at half of HubSpot's revenue multiple and even less in terms of EV to gross profit:

HubSpot Trades at a Large, Unwarranted Premium to Peers

	2019-21 rev. CAGR	EV to NTM rev.	EV to gross profit (TTM)
SQSP	26%	5.1x	7.2x
WIX	28%	5.7x	10.9x
HUBS	36%	20.2x	33.4x

Note: 2021 revenue based on consensus estimates.
Source: company filings, Capital IQ, Kerrisdale analysis

We believe this premium valuation is unsustainable. In a new world where investors have finally begun calling into question the high prices of persistently unprofitable software companies, HubSpot deserves a serious downward re-rating – especially in light of its mediocre products and uncertain growth outlook.

HubSpot's Products Are Nothing Special

In April, the Reddit user U_lad22, apparently perplexed by HubSpot, posted the following question on the r/marketing message board:

> In layman terms, what exactly does hubspot do? I see a lot of jargon…being tossed around online as to what it does. Isn't it just a glorified crm software and other ecosystem softwares ?
>
> Can someone who's used one explain in the simplest terms as to how it's better ? And how they use it personally?
>
> Also, marketing hub, sales hub , service hubs are also glorified softwares for basic things like analytics , post service contacting etc. ?
>
> Not trying to be a bummer, like honestly asking. TIA !

Some of the responses were enthusiastic about HubSpot, some less so, but all seemed to agree that nothing in particular stood out about HubSpot's technology, with comments like this:

> Basically what others said, like an all-in-one platform for marketing and a bit of sales. My company uses it for emails, websites (landing pages, CTA [call-to-action] buttons, forms, live chat & analytics), sales tracking, and social media. We used different platforms before (Mailchimp for email, Unbounce for landing pages, Hootsuite for social media) but ended up settling with Hubspot because it had everything we needed combined in one.

"itsMalarky" concurred, albeit with a slightly more negative spin:

> It's an all in one sales/marketing/support ecosystem. Plenty of alternatives without using them if you know what you're doing. I've always thought hubspot was for people who didn't know enough of the basics to build their own martech "stack"

Based on our research, including conversations with online marketing professionals, this perception is common: HubSpot's products are "good enough" for many purposes but don't possess any sort of commanding lead in capabilities or ease of use. In the words of a recent customer review on TrustRadius, "Hubspot does a lot of things well but only some things really well." Many attractive alternatives exist. Indeed, HubSpot itself has an extensive "software comparisons library" that attempts to prove that its products are superior to those of, by our count, 25 different competitors:

1. Salesforce vs HubSpot
2. Mailchimp vs HubSpot
3. Zoho vs HubSpot
4. WordPress vs HubSpot
5. Pardot vs HubSpot
6. Zendesk vs HubSpot
7. ActiveCampaign vs HubSpot
8. Marketo vs HubSpot
9. Mixmax vs HubSpot
10. Calendly vs HubSpot
11. Drupal vs HubSpot
12. Eloqua vs HubSpot
13. Microsoft Dynamics vs HubSpot
14. Insightly vs HubSpot
15. RD Station vs HubSpot
16. Agile CRM vs HubSpot
17. Act-On vs HubSpot
18. Acuity Scheduling vs HubSpot
19. Wufoo vs HubSpot
20. Craft CMS vs HubSpot
21. Sitecore vs. HubSpot
22. Instapage vs HubSpot
23. Unbounce vs HubSpot
24. Pipedrive vs HubSpot
25. HubSpot vs Zapier

Not all of these competitors provide the full set of features that HubSpot's product suite does, but that same breadth of features also creates complexity and confusion. In the words of one recent review on MarketingTechStack.com, "since this platform is so big, it can get overwhelming, and there is a learning curve — even for experienced marketing technology professionals… there may be too much functionality to get your arms around and figure out how to use it all to its best advantage… It's a platform that's trying to be everything to everyone." The marketing agency Accelity made a similar remark in its review: "The other thing that stands out to me is how daunting this system can seem at first…[I]t's a big system and it's easy to get lost in all the minute details." Smaller competitors often target this complexity in their own marketing messages: Jumplead, for instance, contends that "while HubSpot has pretty much any feature you might ever need, you are likely to be paying for features you may never actually use. It makes more sense to choose a system that covers the features you know you will use."

And while HubSpot has a lot of features across its many offerings, it doesn't always implement them well. It's easy to find complaints like the following:

- "They build features too quickly so they have more to advertise and get you in a contract, but it takes them a very long time to get around to fixing the major issues in their features." (June 2020 review on Trustpilot)
- "As a marketing automation tool hubspot is above average, as a central CRM, Hubspot is adequate (meaning it will house all of your data). From a reporting and dashboard point of view the tool is absolutely and ridiculously terrible! I cannot even begin to explain how poor it is. A simple report in salesforce requires you to build around 10 reports in Hubspot to show the same data and even then it is unable to group fields properly or total amounts (really basic stuff)." (October 2021 review on Trustpilot)
- "I have an early-stage B2B SaaS startup, and have been using Hubspot for CRM for several years with no complaints… CMS Hub on the other hand sort of sucked. Hubspot's CMS and website builder are simply *bad.* The UX is totally unintuitive, everything feels clunky, and because you can integrate any other website to hubspot via forms and cookies/pixels, it doesn't feel like there is much of a benefit from having website and CRM under one roof. We recently switched to Webflow, and it is like night and day. Design and collaboration are so, so much easier, and Webflow is at about a third the cost of CMS Hub." (September 2021 post on Reddit's r/sales)

In keeping with that comment, many users – even HubSpot fans – complain about the company's surprisingly high prices. (Recall that average subscription revenue per customer runs at around $10,000/year or ~$800/month, in line with the $890/month sticker price for Marketing Hub's "professional" tier.) In the words of one reviewer in May 2021, "We use these guys at work. Expensive as hell, but it does the job pretty well." But others are less sanguine:

> DB David Bailey
> 3 reviews GB
>
> Jul 14, 2021
>
> Overrated and very overpriced
>
> Overrated and very overpriced. What was once the young innovate competitor to SalesForce has become the incumbent. We and many other users have been requested crucial features for years, which they still haven't implements. In the meantime prices have sky rocketed.

While investors might like the idea of a company with "expensive as hell" and "very overpriced" products, HubSpot doesn't have a monopoly, and we believe its premium pricing will crack under competitive pressure relatively soon. As one Reddit user put it in 2020 on the r/hubspot board:

> Sending mass, automatic emails.
>
> 800$ with hubspot, 20$ with mailchimp.
>
> I do use hubspot. But the locked features behind the pro packages really need balancing. Some make no sense. Like these.

The same themes appear in the marketing of multiple HubSpot competitors:

- EngageBay notes that “There are Plenty of HubSpot Marketing and Sales Features With Cheaper Alternatives.”
- Jumplead quotes one of its customers as saying, “Same functionality as HubSpot, better customer service, and a tenth of the cost. Can't beat that. $10,000 savings goes a long way for a small business.” (#)
- ActiveCampaign says, “HubSpot's all-in-one solution is high price, low value. What if you could pay 5x less for better features? Stop overpaying for basic all-in-one functionality, and get a tool that gives you exactly what you need.”
- Nutshell asks, “HubSpot charges way more than its competitors—sometimes ten times as much—even though it often gets trounced in head-to-head comparisons. How can it afford to do this?”

Of course, it’s only to be expected that HubSpot’s competitors would highlight its weak points and question its cost-effectiveness. But it surely says something that so many companies expect this particular marketing approach to resonate with their target customers. They recognize that HubSpot has been coasting on its early success: as Nutshell puts it, “Think back to 2006, when ads were barely targeted and Salesforce was the only CRM worth using. HubSpot provided a much-needed alternative.” Now, however, HubSpot is nothing special, awash in a sea of similar SaaS, and, while its all-in-one approach appeals to some, that’s a very thin competitive advantage to build a $34 billion, 20x-revenue valuation on.

Capital Has Begun to Flow Rapidly into HubSpot’s Competitors

Not only does HubSpot face intense competition; it also faces increasingly *well-funded* competition, as other firms have leapt at the business and fund-raising opportunities created by the post-COVID surge in online marketing:

- In September 2020, **Sendinblue**, a French startup offering an “all-in-one digital marketing platform,” raised $160 million, noting that “[t]he whole COVID pandemic has accelerated our business…We’ve seen a lot of SMBs finding that they need to digitize in order to survive.” Sendinblue pitches itself as “a HubSpot alternative with better value for money.”

- In November 2020, **Pipedrive**, a "CRM platform for sales and marketing teams," announced a majority investment from Vista Equity Partners at a $1.5 billion valuation. (Pipedrive's page explaining its advantages over HubSpot even includes a video case study with disappointed former HubSpot users: "*Christoffer and Todd felt let down by HubSpot's steep learning curve, complex user experience, and the baffling array of unnecessary features.")*
- In April 2021, **ActiveCampaign** raised $240 million at a $3 billion valuation in a Series C led by Tiger Global, hot on the heels of a $100 million raise in January 2020. It also announced that it had achieved ~65% growth in annual recurring revenue since 2020 and now boasts 145,000 customers (more than HubSpot).
  - On the popular business-software review-aggregation site G2, ActiveCampaign outperforms HubSpot Market Hub ("*ActiveCampaign is easier to set up and administer. Reviewers also preferred doing business with ActiveCampaign overall. Reviewers felt that ActiveCampaign meets the needs of their business better than HubSpot Marketing Hub."*)
- In May 2021, **Klaviyo**, which describes itself as "a world-leading marketing automation platform," raised $320 million at a $9.15 billion valuation and announced that its 70,000-strong customer base had doubled over the past year. (Klaviyo has a detailed guide to migrating away from HubSpot: "*Once you've pointed all of your list growth tools to your Klaviyo account, paused your HubSpot workflows, and turned your Klaviyo flows live, you can discontinue using HubSpot.*")
- In September 2021, Constant Contact, which made a name for itself in email marketing and is now owned by private-equity investors, purchased **SharpSpring**, a SaaS "revenue growth platform" that includes marketing-automation and CRM tools and explicitly positions itself as a HubSpot competitor.
- Also in September 2021, the software giant Intuit announced its $12 billion acquisition of **Mailchimp,** which has already gone beyond its popular email marketing software to create "a global customer engagement and marketing platform for growing small and mid-market businesses." Intuit plans to seamlessly integrate Mailchimp with its ubiquitous QuickBooks accounting and business products and to "disrupt the mid-market, by developing a full marketing automation, CRM and eCommerce suite for mid-market customers **at an attractive price point**" (emphasis added).

With all of these companies now receiving infusions of money, attention, and resources, they are better equipped than ever to reach potential customers and overcome the inertia that has thus far worked in HubSpot's favor. With its startup days now long behind it, HubSpot isn't the disruptor; it's the disruptee.

HubSpot Leadership Is in Flux and Has Steadily Sold Stock

As HubSpot faces an uncertain new phase in its evolution, investors likely wish that the same core team that presided over the company's initial success was still at the helm. However, that is increasingly not the case. In July 2019, HubSpot's "chief sales officer," who had been hired away from Salesforce, left. In May 2020, amid the depths of the pandemic, JD Sherman, who had been the company's president and chief operating officer for eight years, announced his intention to resign. Then, in March 2021, HubSpot announced that its co-founder and CEO, Brian Halligan, had been injured in a snowmobile accident but was "expected to make a full and complete recovery"; just a few months later, though, Halligan became executive chairman and officially stepped down as CEO. In April 2021, Chief Strategy Officer Brad Coffey, who had spent 13 years at HubSpot, also departed. Today, the company is led by CEO Yamani Rangan, who joined in a newly created "chief customer officer" role only in January 2020; she previously held the same title at Dropbox, a quite different business. With HubSpot's chief operating officer, chief strategy officer, and chief executive officer all having exited within a roughly one-year period, leaving a relative newcomer in charge, we struggle to understand investor complacency about the company's future.

Meanwhile, throughout this tumultuous period, HubSpot's current and former leadership has been busy selling stock. Over the past three years, according to SEC filings, HubSpot executives and board members have sold 733,763 shares in the open market, which would have been worth $499 million at today's price but actually fetched only half that amount, since the weighted average sales price was only ~$324 per share, 52% below where the stock now trades. 71% of these shares were sold by the company's co-founders, former CEO Brian Halligan and CTO Dharmesh Shah,[2] but many other leaders also got in on the act, including the CFO, the former COO, the former chief sales officer, the general counsel, three board members, and even the new CEO – not exactly a great confidence-booster during a time of transition.

HubSpot management has also jumped at the chance to raise capital even with no obvious use for it. In 2019, the company conducted a secondary equity offering, raising $343 million by selling shares at $165 each (76% lower than the current price); in 2020, it issued convertible bonds with aggregate principal of $460 million and an implied conversion price of $283 per share (58% lower than the current price). What happened to all the cash from these issuances? It still sits on HubSpot's balance sheet today, doing nothing. We suspect management was happy to extend its financial runway by taking advantage of share prices that seemed high at the time (yet now imply dramatic downside for the stock).

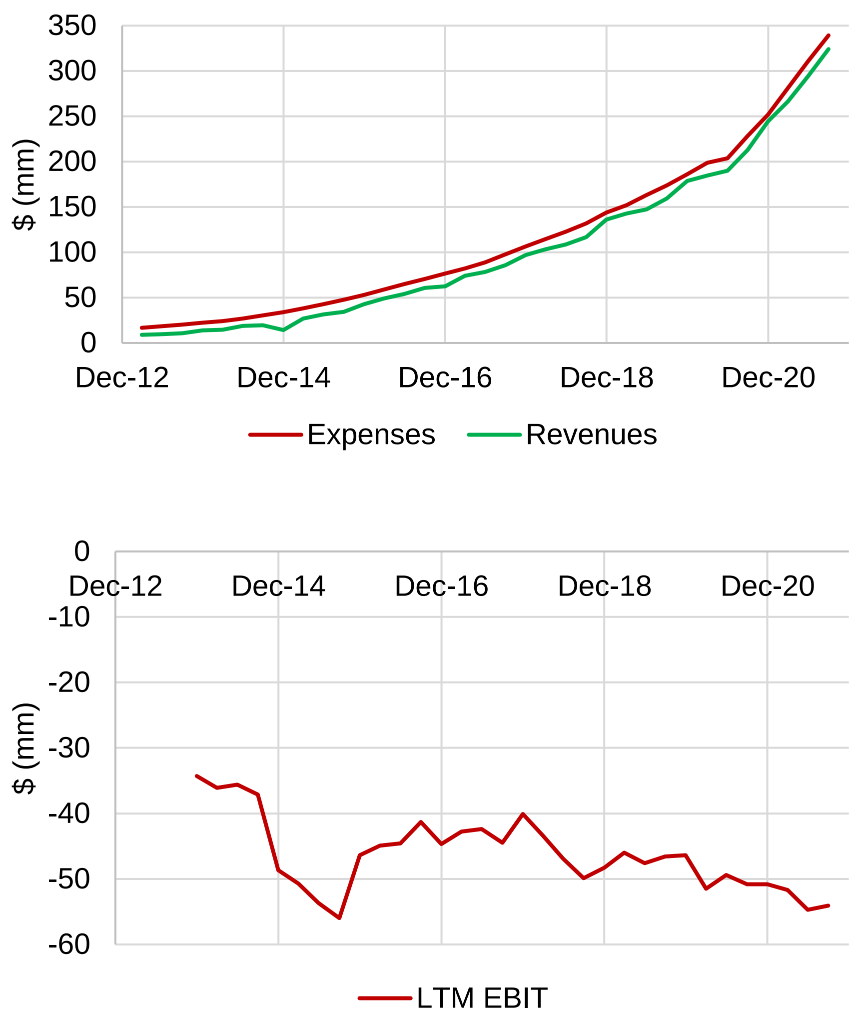
Overall, we find this fact pattern troubling. As long-run growth has become more challenging (notwithstanding the temporary COVID tailwind), insiders have sold their shares and departed – hoping, we believe, to leave on a high note rather than stick around for a potentially disappointing finale.

[2] To be fair, Shah did buy 40,000 shares in the open market in March 2020, capitalizing on overall market weakness, but he matched this trade with a 40,000-share sale in December 2020.

HubSpot Is Persistently Unprofitable

It's no secret that software investors have long prized revenue growth over other indicators of financial success, but the usual hope is that revenue growth will *eventually* translate into "old-fashioned" profitability. For HubSpot, though, "eventually" never seems to come. By software standards, it's not a young company, and, with over a billion dollars of annual revenue, it has already achieved meaningful scale. Yet it has never made money on a GAAP basis and has no near-term plan to do so. Quarter after quarter, expenses have stubbornly exceeded revenues by a similar dollar amount, producing roughly $50 million in annualized operating losses for seven years straight:

HubSpot Loses Money Like Clockwork

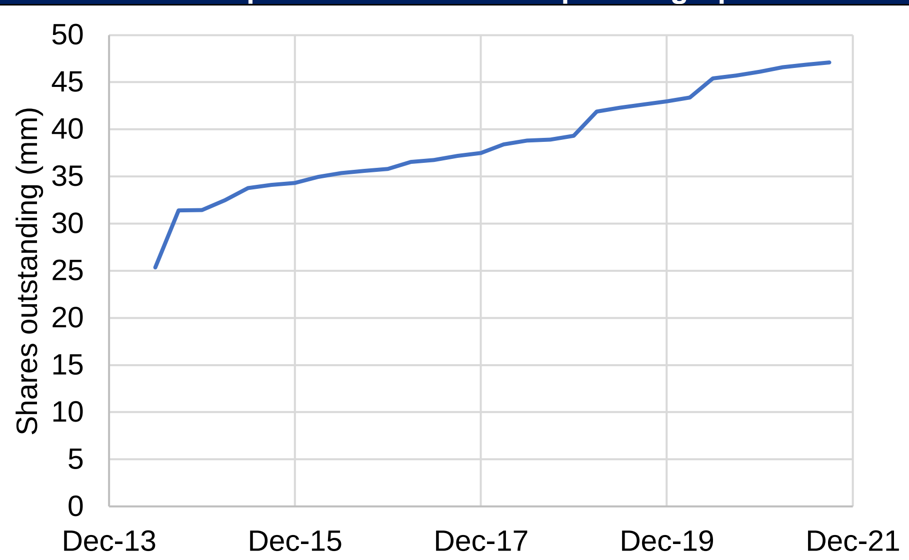


Source: company filings, Capital IQ, Kerrisdale analysis

HubSpot's long history of losses might come as a surprise to casual observers. In recent earnings presentations, for instance, the company has touted its "sustainable profitability."[3] But this is only *non-GAAP* profitability, driven almost entirely by an enormous amount of stock-based compensation, spread out across every major expense line-item and consistently totaling ~14% of revenue. HubSpot management's "long term target model" calls for the achievement of a 20-25% operating margin at some uncertain future date, but even that target is stated on a non-GAAP basis and excludes stock-based compensation; *including* the impact of stock-based compensation at the 14% level, this target amounts to a measly ~9% *aspirational* operating margin – rather unimpressive in the world of software, where established giants like Microsoft, Adobe, and Oracle are running at ~40%.

As value-minded investors never tire of pointing out, although stock-based compensation doesn't use up cash, it can't reasonably be ignored; it's not as if HubSpot's programmers and salespeople are actually working for free. It's largely because of the company's hefty stock-based compensation that its shares outstanding have steadily marched upward year after year, diluting outside shareholders at a compound annual growth rate of 9%:

HubSpot's Share Count Keeps Going Up



Source: company filings, Capital IQ, Kerrisdale analysis

Conclusion

In 2016, the journalist Dan Lyons, who also wrote for the show *Silicon Valley,* published a book about his time working for HubSpot, mocking its vapidity and cultishness. The book closed with the following rueful paragraph:

[3] See 2021 Q3 presentation, slide 21.

> HubSpot itself has never turned a profit. Wall Street analysts estimate that the company will continue losing money at least through the end of 2016. Most analysts recommend buying the stock.

The more things change, the more they stay the same. HubSpot still hasn't turned a profit, and most analysts still recommend buying it. In retrospect, putting a high multiple on the company might have made sense back in 2016, when HubSpot was early in its growth phase and still had a large untapped market for its then-distinctive "inbound marketing" approach. But today, faced with a host of hungry competitors and lacking any tangible long-term competitive advantage, HubSpot is no longer a symbol of wild Silicon Valley excess; it's just boring.

Full Legal Disclaimer

As of the publication date of this report, Kerrisdale Capital Management LLC and its affiliates (collectively "Kerrisdale") have short positions the stock of HubSpot, Inc. (“HUBS”). In addition, others that contributed research to this report and others that we have shared our research with (collectively with Kerrisdale, the “Authors”) likewise may have short positions in the stock of HUBS. The Authors stand to realize gains in the event that the price of the stock decreases. Following publication of the report, the Authors may transact in the securities of the company covered herein. All content in this report represent the opinions of Kerrisdale. The Authors have obtained all information herein from sources they believe to be accurate and reliable. However, such information is presented “as is,” without warranty of any kind – whether express or implied. The Authors make no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results obtained from its use. All expressions of opinion are subject to change without notice, and the Authors do not undertake to update or supplement this report or any information contained herein. This report is not a recommendation to short the shares of any company, including HUBS, and is only a discussion of why Kerrisdale is short HUBS.

This document is for informational purposes only and it is not intended as an official confirmation of any transaction. All market prices, data and other information are not warranted as to completeness or accuracy and are subject to change without notice. The information included in this document is based upon selected public market data and reflects prevailing conditions and the Authors’ views as of this date, all of which are accordingly subject to change. The Authors’ opinions and estimates constitute a best efforts judgment and should be regarded as indicative, preliminary and for illustrative purposes only.

Any investment involves substantial risks, including, but not limited to, pricing volatility, inadequate liquidity, and the potential complete loss of principal. This report’s estimated fundamental value only represents a best efforts estimate of the potential fundamental valuation of a specific security, and is not expressed as, or implied as, assessments of the quality of a security, a summary of past performance, or an actionable investment strategy for an investor.

This document does not in any way constitute an offer or solicitation of an offer to buy or sell any investment, security, or commodity discussed herein or of any of the affiliates of the Authors. Also, this document does not in any way constitute an offer or solicitation of an offer to buy or sell any security in any jurisdiction in which such an offer would be unlawful under the securities laws of such jurisdiction. To the best of the Authors’ abilities and beliefs, all information contained herein is accurate and reliable. The Authors reserve the rights for their affiliates, officers, and employees to hold cash or derivative positions in any company discussed in this document at any time. As of the original publication date of this document, investors should assume that the Authors are short shares of HUBS and stand to potentially realize gains in the event that the market valuation of the company’s common equity is lower than prior to the original publication date. These affiliates, officers, and individuals shall have no obligation to inform any investor or viewer of this report about their historical, current, and future trading activities. In addition, the Authors may benefit from any change in the valuation of any other companies, securities, or commodities discussed in this document. Analysts who prepared this report are compensated based upon (among other factors) the overall profitability of the Authors' operations and their affiliates. The compensation structure for the Authors' analysts is generally a derivative of their effectiveness in generating and communicating new investment ideas and the performance of recommended strategies for the Authors. This could represent a potential conflict of interest in the statements and opinions in the Authors' documents.

The information contained in this document may include, or incorporate by reference, forward-looking statements, which would include any statements that are not statements of historical fact. Any or all of the Authors' forward-looking assumptions, expectations, projections, intentions or beliefs about future events may turn out to be wrong. These forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors, most of which are beyond the Authors' control. Investors should conduct independent due diligence, with assistance from professional financial, legal and tax experts, on all securities, companies, and commodities discussed in this document and develop a stand-alone judgment of the relevant markets prior to making any investment decision.