



Squarespace

Permira Tender Offer

A compelling opportunity to maximize value for shareholders

September 2024



Transaction highlights

Received revised (and best and final) proposal from Permira for \$46.50 per share

Highly attractive transaction price providing certain and immediate value to Squarespace shareholders

Thorough process managed by fully independent Special Committee of the Board of Directors

Deliberate process, with ability to review and act upon superior proposal as warranted



Transaction overview

1 \$7.2B ALL-CASH TRANSACTION

- On September 9, 2024, Squarespace announced a revised proposal by which stockholders may receive **\$46.50 per share in cash** by tendering their shares into the offer, an increase of \$2.50 per share over the transaction price of \$44.00 per share announced on May 13, 2024
 - Revised proposal is structured as a tender offer and reflects Permira's best and final offer price, which delivers certain value and a significant premium to shareholders
- Transaction valued at **approximately \$7.0 billion** on an equity value basis and **approximately \$7.2 billion** on an enterprise value basis¹

2 \$46.50 REPRESENTS AN ATTRACTIVE PREMIUM

- Premium of ~22% over Squarespace's 52-week high prior to original agreement, **the highest 52-week high premium of all tech take-privates in the last 24 months**
- Premium of ~22% over Squarespace's closing share price² of \$38.19 on May 10, 2024
- Premium of ~36% over Squarespace's 90-day volume weighted average trading price on May 10, 2024

3 TRANSACTION DETAILS

- Fully independent Special Committee led the process and unanimously approved and recommended the transaction
 - Special Committee had independent advisors (Financial advisor: Centerview Partners; Legal advisor: Richards, Layton & Finger)
 - Board of Directors unanimously approved the transaction after the recommendation of the Special Committee
- Anthony Casalena is rolling over a substantial majority of his existing equity and will continue to lead Squarespace as Chief Executive Officer
- General Atlantic and Accel to roll over a portion of their equity and/or re-invest as part of the transaction

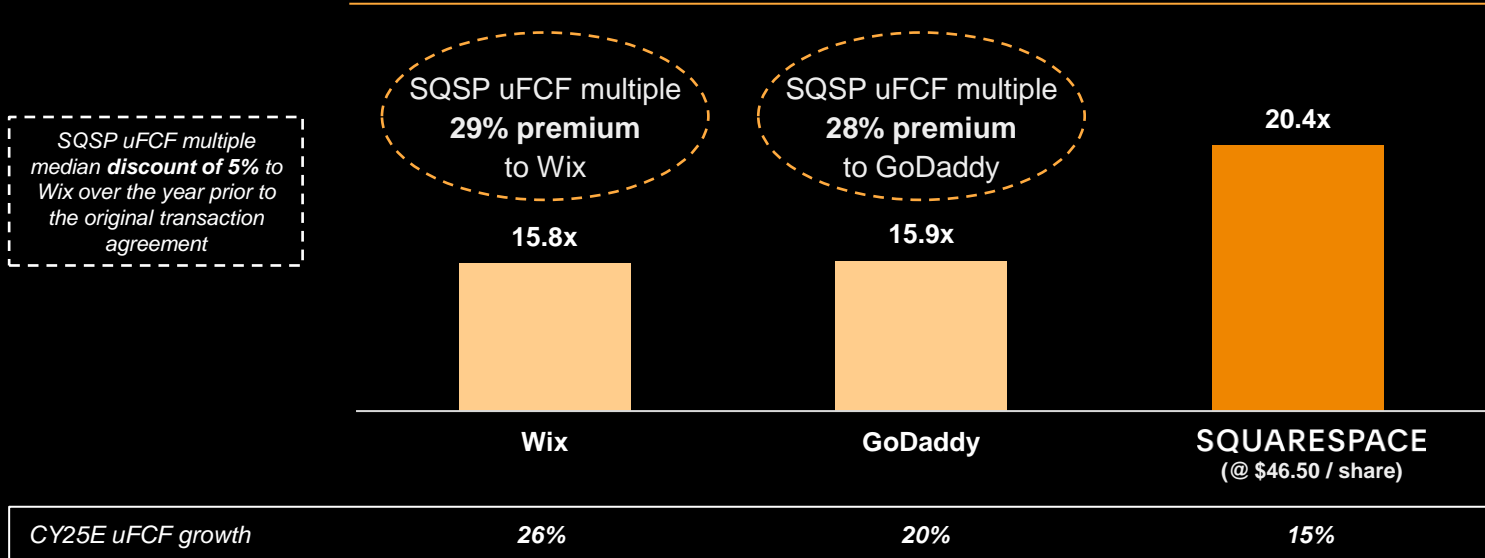
¹ Reflects share count data and balance sheet as of 06/30/24

² Closing share price prior to original agreement was 52-week high



Transaction unlevered free cash flow (uFCF) multiple significantly above peer trading multiples

EV / CY2025E uFCF (as of 9/9/24)¹



Source: FactSet; Public filings

Note: uFCF consensus estimates calculated as cash flow from operations less capex, plus net tax impact of interest paid

¹ As of 09/06/24: Wix enterprise value of \$9,062mm and CY25E uFCF of \$575mm (\$564mm research reported uFCF, implying CY25E uFCF multiple of 16.1x), GoDaddy enterprise value of \$25,550mm and CY25E uFCF of \$1,612mm (\$1,654mm research reported uFCF, implying CY25E uFCF multiple of 15.4x), SQSP enterprise value at \$46.50 transaction price of \$7,203mm and CY25E uFCF of \$354mm (\$377mm research reported uFCF, implying CY25E uFCF multiple of 19.1x)



Attractive offer price relative to historical trading levels

~36%

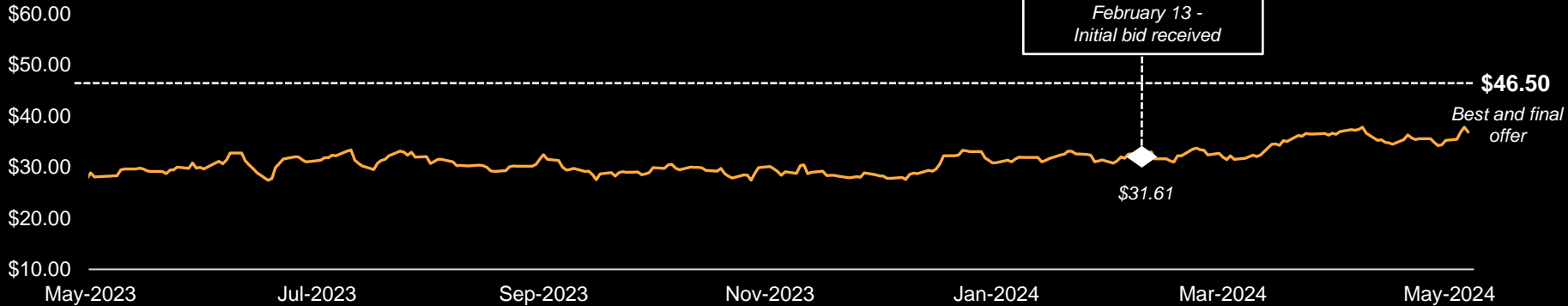
premium over 90-day VWAP¹

~22%

premium over 52-week high²

TRANSACTION DELIVERS VALUE NOT SEEN IN THE PAST YEAR

Intra-day highs



Source: FactSet as of 05/10/24

Note: ¹ As of 05/10/24; ² Closing share price prior to original agreement was 52-week high and SQSP traded up ~3.7% over the 2-days prior to original agreement



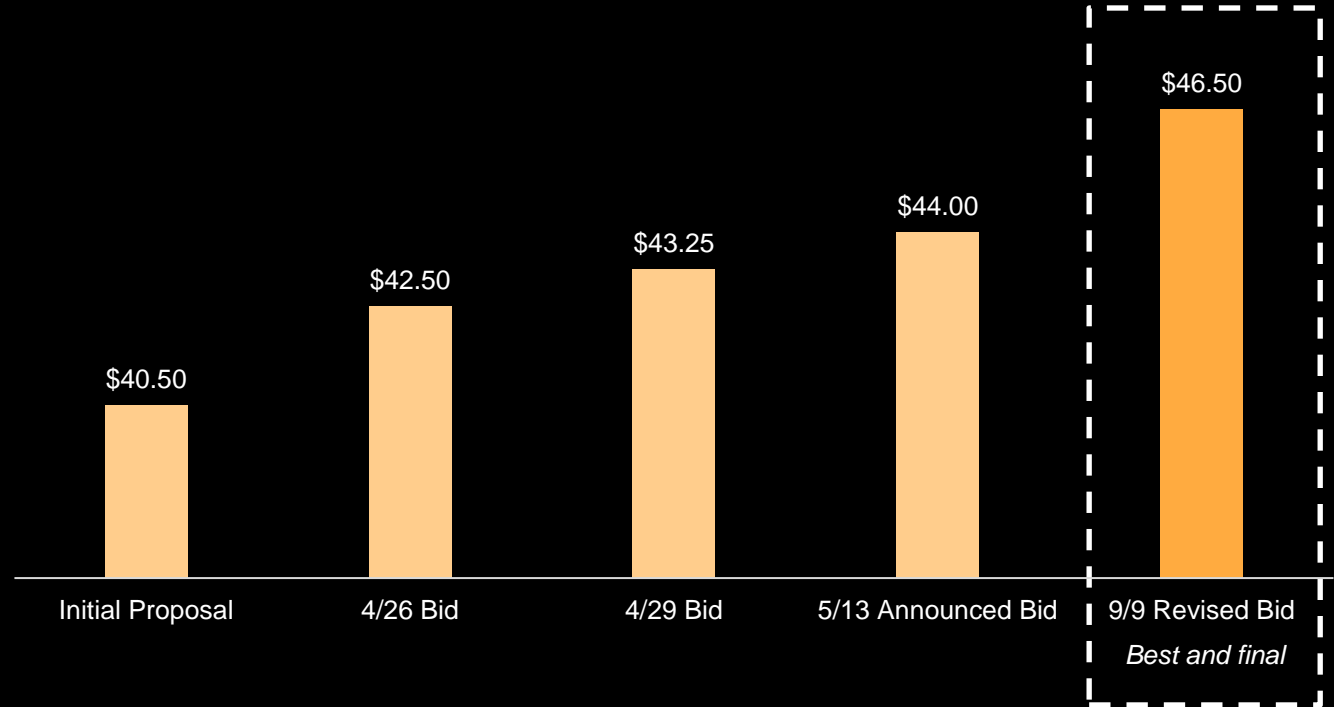
Fully negotiated transaction



4 price increases
from initial
proposal
(despite no other
bids received)



~15% increase
from initial proposal





Deal maximizes certainty of value given multiple potential risks to standalone execution

Below reflects key concerns highlighted by investors and research analysts covering the company¹

1 Commerce headwinds persist, resulting in execution risks to commerce strategy and adoption of commerce products by Squarespace customers

- Businesses reticent to adopt higher priced Commerce plans and add-ons in light of challenging macro conditions
- Heightened competition in Commerce category vs. historical Web Presence category could result in slower adoption of new offerings
- Potential Commerce pricing changes could result in churn or delays in product adoption
- Slower commerce growth in recent quarters vs. key peers
 - Q2'24 YoY Gross merchandise value² (“GMV”) growth of 4% for Squarespace (\$1.6bn GPV), relative to 20% for Shopify (\$67.2bn GMV)
 - Q2'24 YoY Commerce³ Revenue growth of 8% for Squarespace, relative to 15% for GoDaddy and 20% for Wix

2 Research analyst and public investor models do not fully appreciate potential challenges to Squarespace’s near-term organic growth profile given recent acquisition of Google Domains

- While Google Domains acquisition provides near-term new customer funnel expansion driving positive trends for 2024, continued execution is required to capitalize on this opportunity in 2025+
- Potential macro concern impacting Squarespace’s go-forward organic growth
 - SMB-focused public companies have traded down ~6% since announcement⁴

3 Peer performance since announcement not extrapolated to Squarespace as multiple company-specific events have impacted peer group

- Wix’s recent share price performance since transaction announcement is primarily driven by recent margin expansion, which we believe is a one-time lever to share price performance best evidenced by fact that current WIX share price is below 5/20/2024 (post Q1’24 earnings) share price despite another positive earnings release (in Q2’24)
 - Wix share price rose ~11% post Squarespace announcement during the week of 5/13/2024
- GoDaddy’s recent share price performance since transaction announcement is primarily driven by shareholder rotation into scaled and profitable companies

Note: ¹ Concerns raised in quarterly earnings calls and published research reports, ² Wix and GoDaddy do not regularly disclose this metric; ³ Squarespace represents Commerce revenue, Wix represents Business Solutions revenue, GoDaddy represents Application and Commerce revenue; ⁴ Represents median share price movement from 1 day period to announcement (05/10/24) to today (09/06/24) of peer group, including Bill, Intuit, Klaviyo, LegalZoom, Lightspeed, Paycom, Paycor, Paylocity, Shopify, and ZoomInfo



Highly attractive value vs. risk-adjusted standalone plan

Special Committee conducted independent, thorough review of strategic alternatives in context of standalone plan

- Fully empowered, independent Special Committee
- World class independent legal and financial advisors
- Independently analyzed the Company's underlying business, opportunities and risks
- Thoroughly reviewed and diligenced management's plan
- With advisors, formed point of view on risk-adjusted value of standalone plan
- Special Committee received fairness opinion from Centerview Partners
- **View of intrinsic value formed basis of decision framework**
- **\$46.50 per share highly attractive relative to assessment of intrinsic value**



Fully independent Special Committee led a robust strategic review process to ensure best deal for shareholders



Special Committee-led

Committee was formed at the outset of the process, following the Board's initial discussion on proposal received

Fully independent committee of directors executed a thorough consideration of strategic alternatives



Equal treatment of all bidders

All bidders provided with the same timelines, governance guidelines and opportunities for detailed diligence



Independent advisors for Special Committee

Special Committee engaged independent financial advisor (Centerview) and legal counsel (Richards, Layton and Finger)



Attractive price relative to fundamental value

Special Committee evaluated potential transaction relative to standalone value of Company

Intrinsic value was one of the key determinants of value

HIGHLY QUALIFIED AND INDEPENDENT SPECIAL COMMITTEE



Michael Fleisher

- Independent director since 2018
- Chair of Audit Committee and member of Nominating & Governance Committee
- **Experience:** Wayfair (CFO), Warner Music (Vice Chairman – Strategy & Ops), Gartner (CEO), Goat Group (Board Member)



Jonathan Klein

- Independent director since 2010
- Chair of Compensation Committee and member of Audit Committee
- **Experience:** Getty Images (Co-founder & CEO, Board Member), Etsy (Board Member), Jumia Technologies (Board Chairman)



Neela Montgomery

- Independent director since 2022
- Member of Audit Committee and Compensation Committee
- **Experience:** Orveon Global (CEO), Greycroft Partners (Board Partner), Logitech (Board Member), Fetch (Board Member), CVS Health / CVS Pharmacy (EVP)



Rigorous process maximized value

① OPTIONS ASSESSED

- The Special Committee assessed all credible alternatives to the Merger, including continuing to operate Squarespace as a stand-alone company or pursuing an alternative transaction
- The Special Committee considered the desirability and the potential benefits to the Unaffiliated Company Stockholders, along with the industry dynamics and execution risks as a stand-alone company versus alternatives

② PARTIES IN THE PROCESS

- The Special Committee initially approached eight prospective parties, consisting of sponsors it believed were the most likely to be interested in a transaction with Squarespace at an attractive valuation
- Seven parties signed an NDA and engaged in diligence
- All parties that executed an NDA received access to a data room with the same information and no party received information in advance of any others
- Ultimately, 5 of those parties held robust management meetings

③ BIDDING OUTCOMES

- The Company received one proposal on April 26th, from Permira. No other parties bid.
- The Special Committee obtained 3 price increases from Permira's initial proposal to the original announcement Per Share Price of \$44.00
- Subsequently, the Special Committee received a best and final revised offer of \$46.50 from Permira on September 6th
- The transaction reflects a fair and favorable price for the public shareholders

No strategic parties have expressed interest in submitting a bid for Squarespace before or after the deal announcement



Key takeaways



Highly attractive, immediate, and certain transaction price

Thorough review of Company's standalone prospects and value relative to a transaction. Obtained the best terms and highest price that Permira or any other financial sponsor was willing to pay for a transaction with Squarespace



Thorough process managed by fully independent Special Committee of the Board of Directors

Transaction was the culmination of a robust, fully independent Special Committee-led strategic review process



Deliberate process, with ability to review and act upon superior proposal as warranted

Standard no-shop term for marketed deal, with intentionally low termination fee of ~3%, consistent with or below similar fees payable in comparable transactions so as not to inhibit superior proposals

Thorough process timeline, providing comprehensive, and fair process to all prospective buyers

No alternative proposals have been received since announcement in May



Appendix



CY25E uFCF build for Squarespace, Wix and GoDaddy

AT ANNOUNCEMENT (9/9)

FYE 12/31, \$mm	SQUARESPACE	Wix	GoDaddy
Cash flow from operations	\$334	\$591	\$1,522
CapEx	(11)	(16)	(26)
Net tax impact of interest paid	31	–	116
uFCF	\$354	\$575	\$1,612

Source: Factset

Note: uFCF consensus estimates calculated as cash flow from operations less capex, plus net tax impact of interest paid



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