

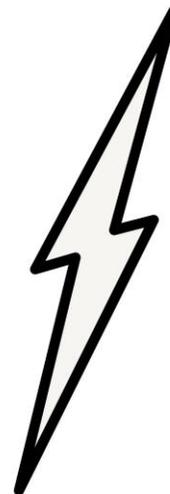
\$7.5bn Take-Private Acquisition of



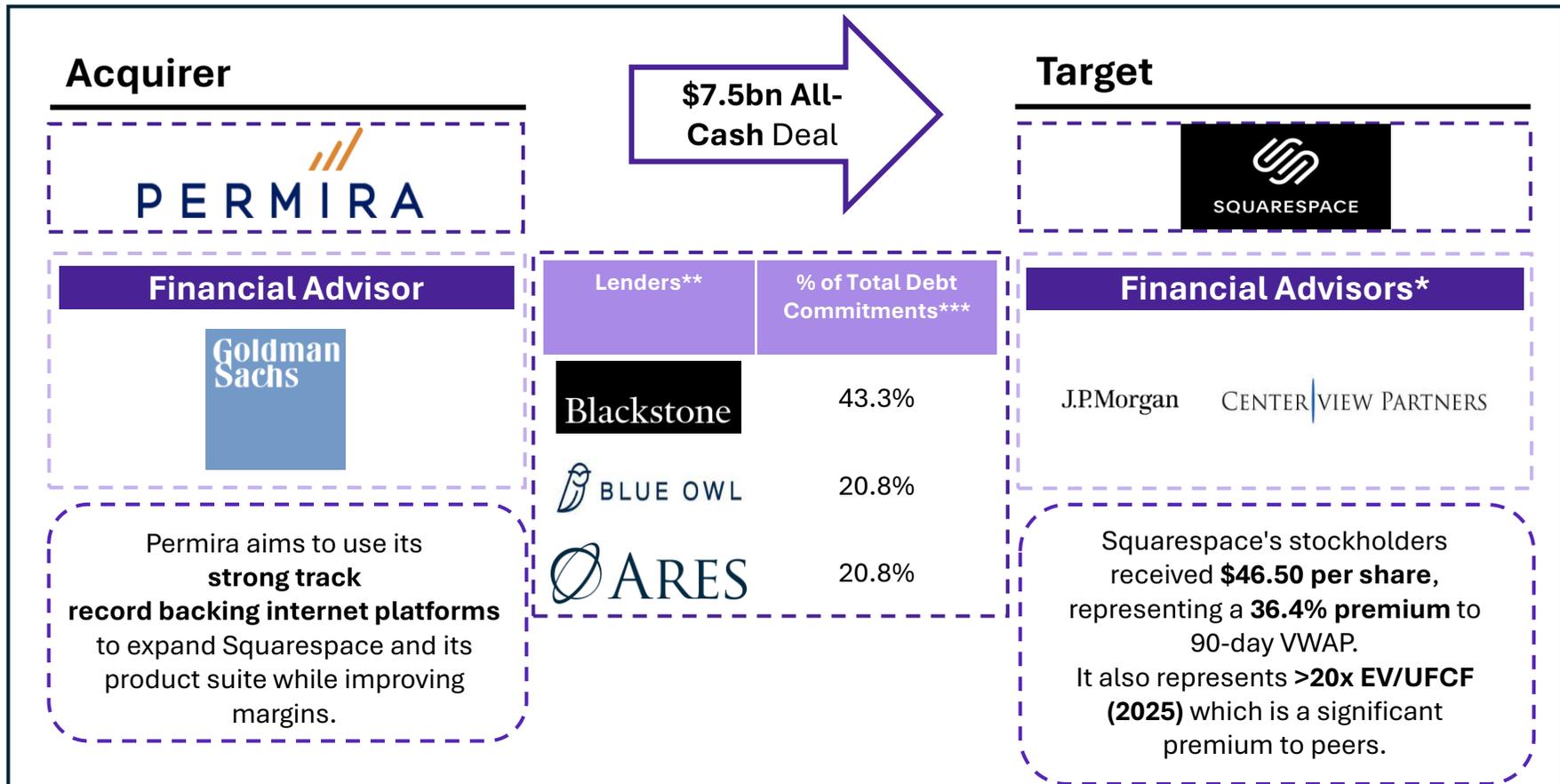
by



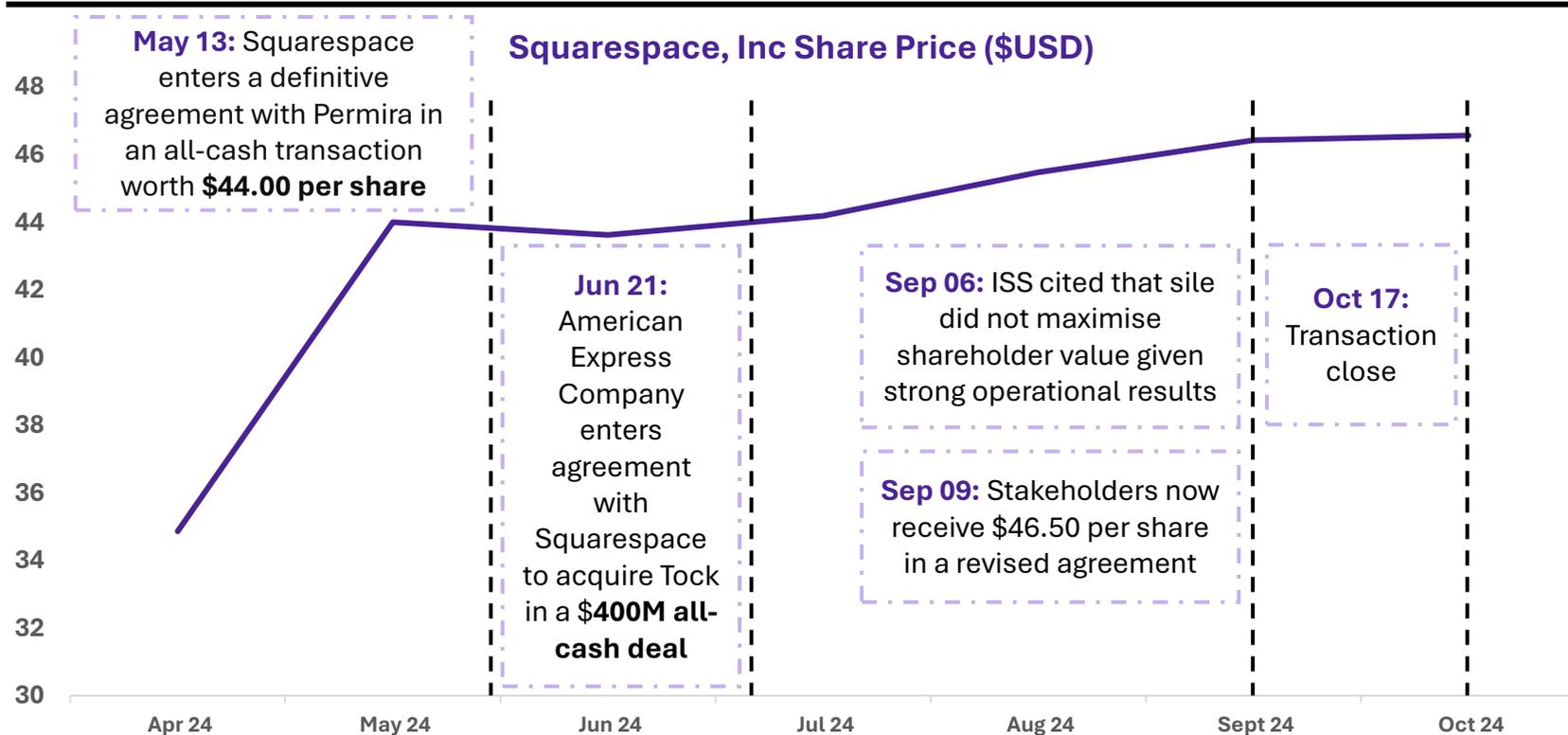
*Private
Equity
Society*



Deal Overview



Strategic Timeline



Sources: Refinitiv, Squarespace Investor Relations, Commitment Letter

*Centerview Partners served as financial advisor to the Special Committee of the Squarespace Board of Directors

**Lenders include the top 3 of 8 lenders involved (Blackstone, Blue Owl, Ares)

***Total Debt Commitments include Term Facility, Revolving Facility and DDTL Facility (% for each firm is the sum of all Debt Commitments)

Squarespace Overview

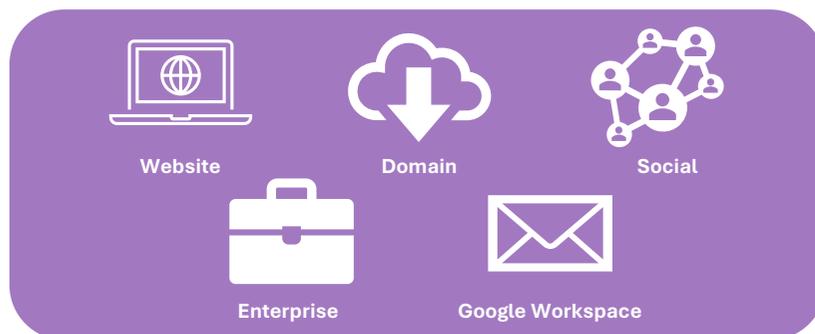
All-in-one-platform enabling SMBs to establish a modern, low-code online presence via offerings of website, social media and commerce (marketing & analytics) tools.

Products

Presence

Build, manage online presence

Includes drag-and-drop websites, AI-powered content, customizable domains, social media tools and Google Workspace.



Commerce

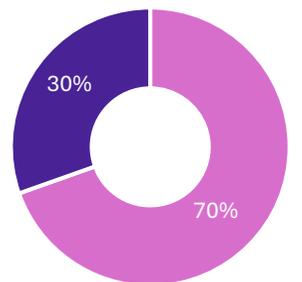
Drive online sales

Includes Appointment/reservations scheduling, digital product sales, payments and invoicing inventory management and CRM tools.



Revenue and EBIT Analysis

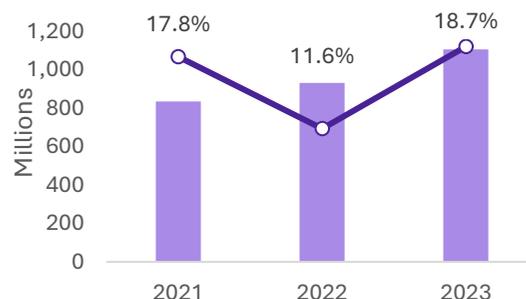
Revenue by Product Type (2023):



■ Presence ■ Commerce

Primary fixed-fee subscriptions with differentiated tools

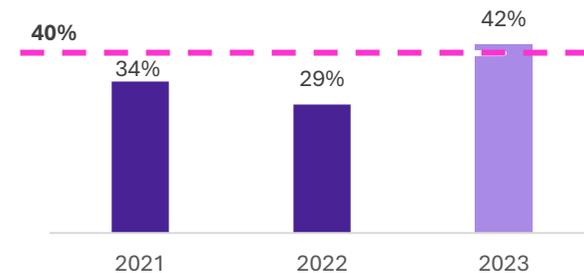
ARRR Evolution:



■ ARRR — ARRR % growth (on last year)

Improved future revenue potential

Rule of 40 Analysis (using EBITDA):



■ SUM % of ARRR and EBITDA margin

Improved financial discipline in balancing profitability and growth

Evolution of the SaaS Leader

From a blogger's haven to an enterprise-level platform:

2004

- Anthony Casalena launched Squarespace from his university dorm room, borrowing **\$30,000** from his dad to buy the first servers and Google Adwords.



2010

- Received first backing of **\$38.5M** from VCs Accel and Index Ventures and expanded beyond blog focus by introducing e-commerce tools.



2014

- Aired first SuperBowl commercial, “A Better Web Awaits”, highlighting its fresh, bold culture vs competitors. Since featured in (almost) every SuperBowl.



2019

- Announces string of acquisitions:
 - **Acuity Scheduling** - To expand from its blog-centric offerings.
 - **Unfold** - To build social media vertical.
 - **Google Domains Assets** - To cement leadership in domains platform.



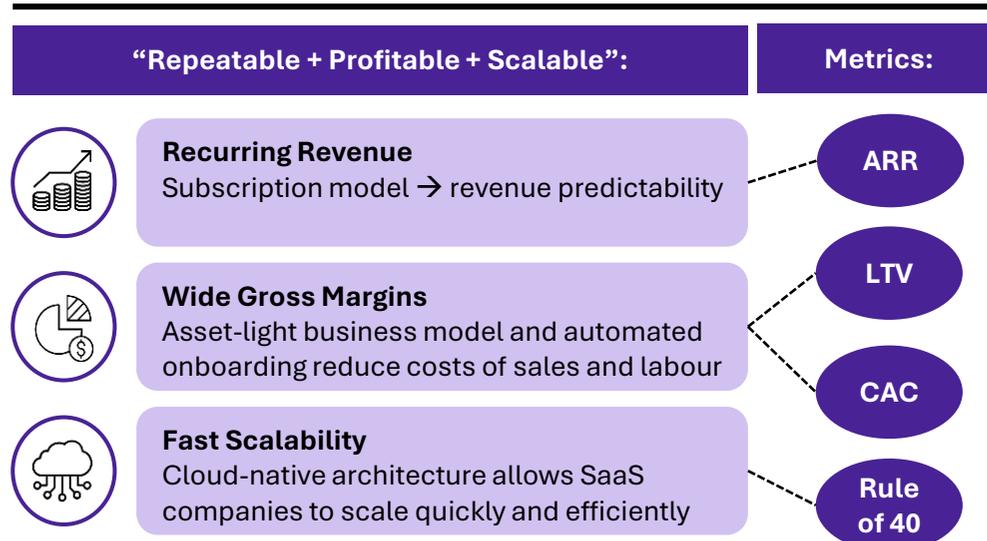
2021

- Went public on the NYSE at a **\$6.8B** valuation via direct listing. This was supported by prior fundraise of **\$305M** at a **\$10B** valuation and **\$152M** free cash flow generated in 2020.
- However, notable decline in share price due to poor market timing (broad tech sell-offs) and competitive pressure from high-growth SaaS peers Wix, GoDaddy and Shopify.

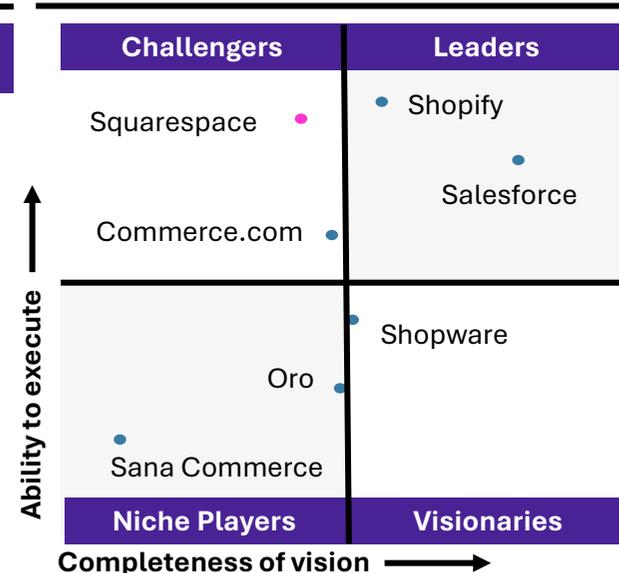


B2B SaaS Industry Overview

The Appeal = “Cash Machine”



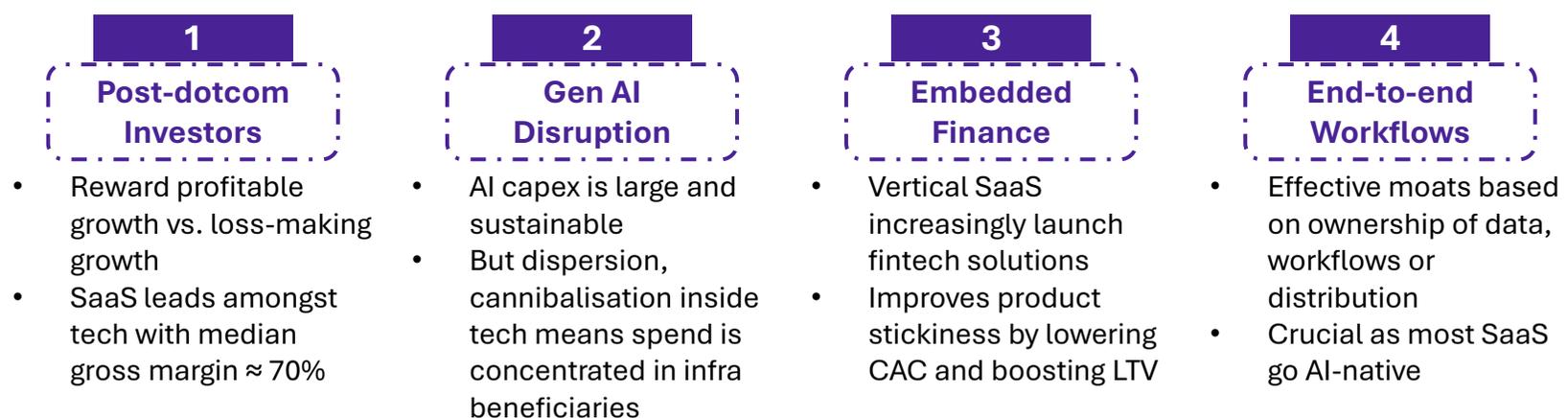
SaaS vs. Wider Software



SaaS Playbook Evolution



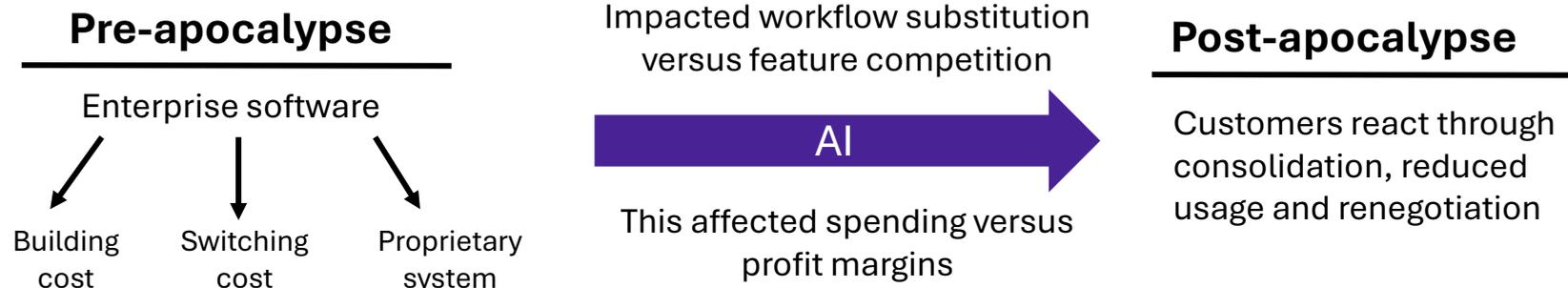
Market Growth Drivers



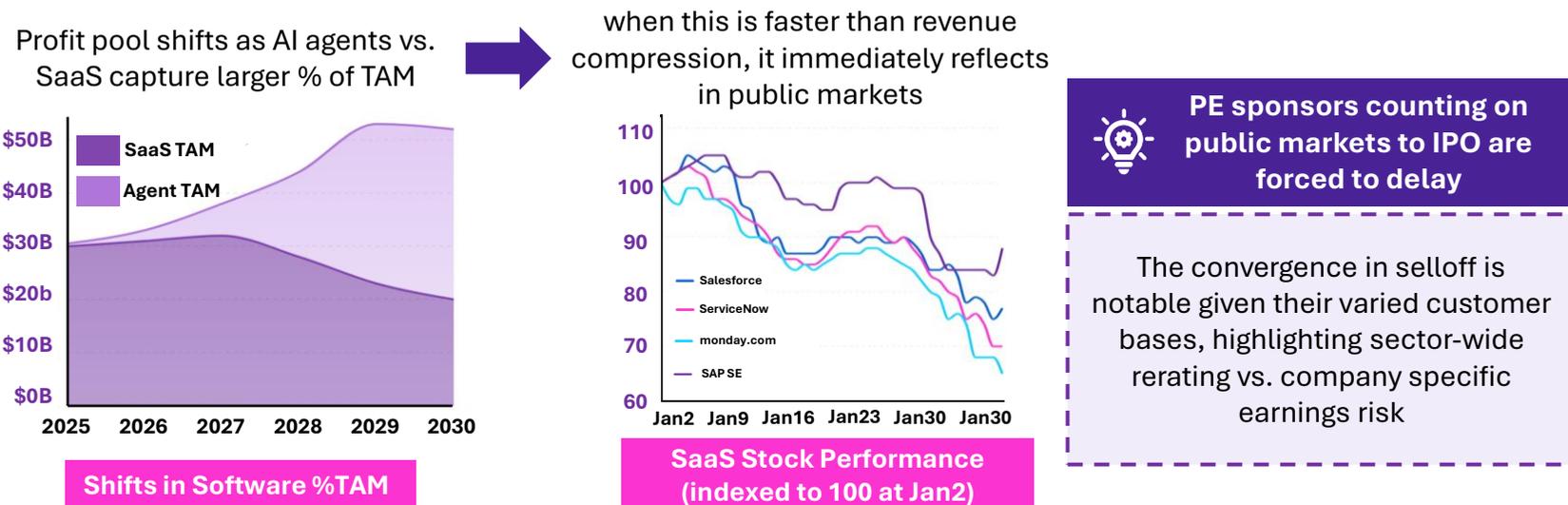
Sources: McKinsey, Sapphire Ventures, Global Macro Method, Andreessen Horowitz, Gartner Magic Quadrant

A SaaS-Pocalypse?

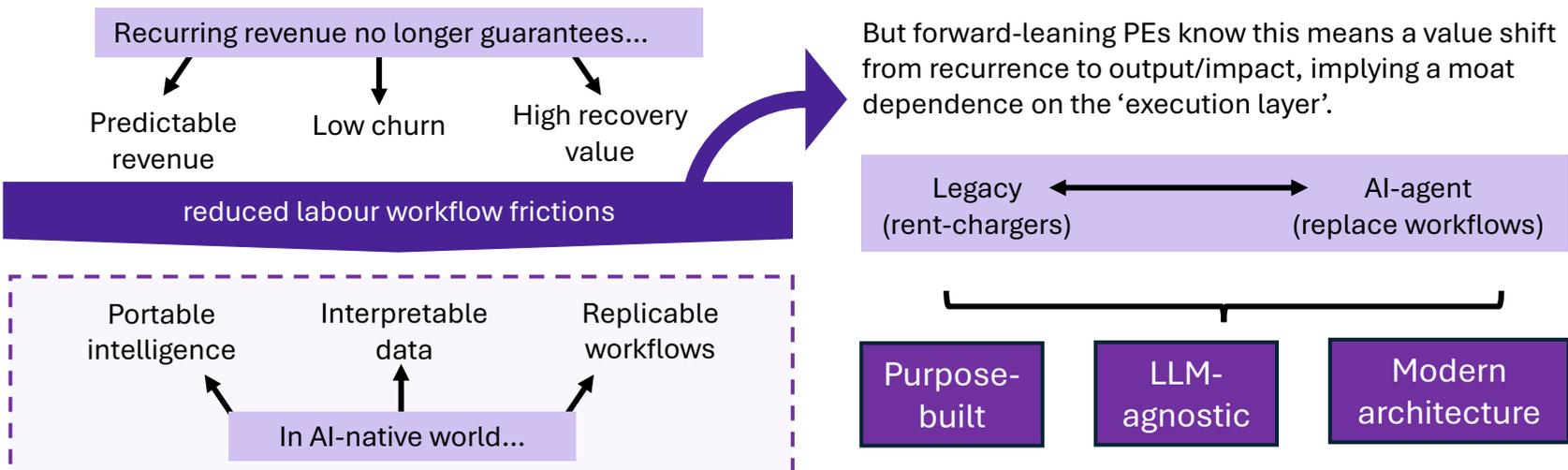
1) Unanticipated substitution risk



2) Legacies dilute within growing market



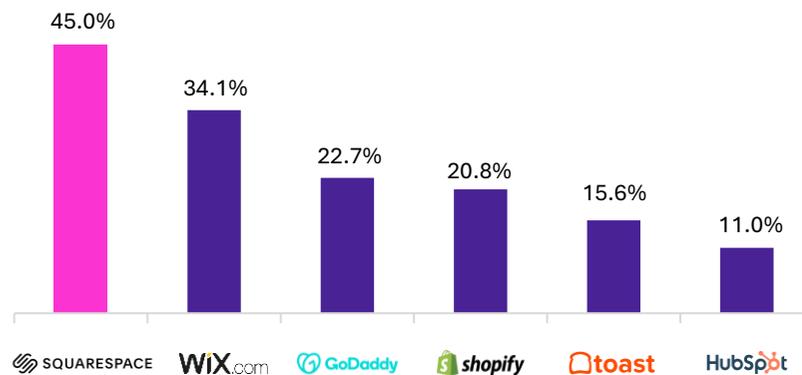
3) Implications for Private Equity



Deal Rationale

Opportunity to drive margin expansion:

Squarespace's FY24 SG&A margin is **~25%** higher than the peer average. This discrepancy is even more pronounced when looking at scaled SaaS peers (Toast, HubSpot). Under Permira's ownership, structured overhead optimisation presents an opportunity for **EBITDA margin expansion**.



Strong revenue base and positive EBITDA:

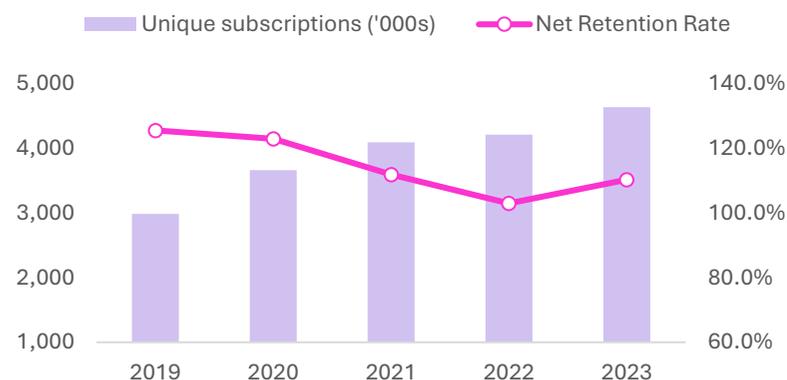
Squarespace demonstrated **resilient revenue growth** (c.11% CAGR 2021-2024E), establishing a strong and scalable revenue base. While EBITDA turned positive in 2023, margins remain below best-in-class SaaS benchmarks, representing an opportunity to drive **operational leverage** and accelerate margin expansion.



Consistent user growth and strong retention:

Consistent **subscriber growth** combined with structurally **>100% NRR** demonstrates the resilience and scalability of SQSP's recurring revenue model.

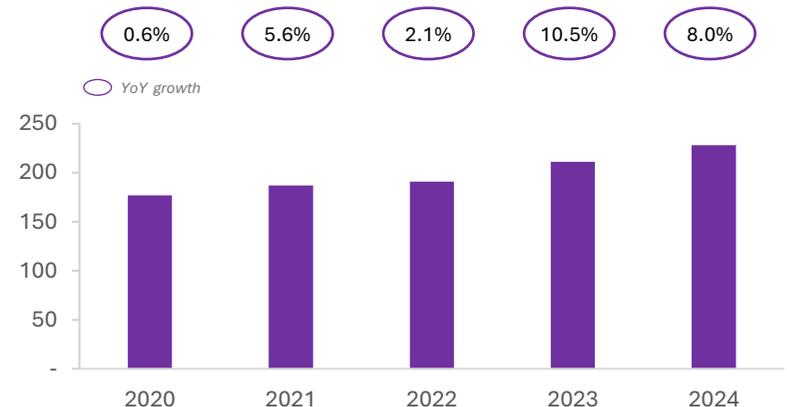
Unique subscriptions and Net Retention Rate



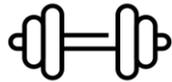
Improving ARPU reflecting pricing power:

ARPU has demonstrated sustained upward momentum, signalling **pricing power** and **upselling potential** and further reinforcing scalability and margin expansion potential under Permira's ownership.

Average revenue per subscription (\$)



SWOT Analysis



Strengths

Design-Led Differentiation

“Best-in-class” templates and strong brand equity in the SMB segment with proprietary tools like Blueprint, Fluid Engine, and integrated AI.

Predictable, High-quality SaaS Revenue

94% subscription-based revenue pre-IPO. Strong gross retention driven by mission-critical web presence.

Integrated Ecosystem and Multi-product Attach

Domains-first → website → commerce → payments expansion funnel. Native commerce, scheduling payments, and marketing tools.

Weaknesses



SMB Exposure and Lower ACV

Targets SMBs → relatively lower ACV vs enterprise SaaS. Higher churn vs enterprise-focused peers.

Margin and Cost Structure Pressure

Historically high SG&A (57% → 47% of revenue trend improving). Google Domains migration temporarily compressed margins.

Commercialisation and Execution Gaps

CEO admitted commerce monetisation was “wrong” (plan silos). Immature domain-first checkout funnel.

SWOT



Opportunities

AI Monetisation and “AI Tax”

Embed AI into core plans (design intelligence, content gen). Increase ARPU via AI-enabled premium tiers.

Payments and Take-Rate Expansion

SQSP Payments enables variable take rates. Lower take rates for high-tier sellers attracts larger merchants.

Permira Operational Playbook

Permira’s prior SaaS scaling success (e.g., Zendesk, Informatica) suggests focus on compounding unit economics.

Threats



Intense Competitive Landscape

Website builders: Wix.com, GoDaddy, Commerce platforms: Shopify, Price competition & feature replication risk.

Gen-AI Disruption

AI-native startups iterate faster than traditional SaaS. Lower switching costs if competitors innovate faster.

Macro and Valuation Risk

Higher interest rates compress SaaS multiples. Deal executed at ~20x 2025 UFCF (premium valuation).

LBO – Transaction Details

Key Transaction Details (USD '000s)

Equity Offer Value

Equity Offer Value	7,000,202
Net Debt	266,836
Implied EV Offer	7,377,392
Shares Outstanding	149,887,921
\$USD/Share Offer	\$46.50
Implied Entry EV/EBITDA	59.6x

Financing Breakdown

64.2%	35.8%	59.6x
Equity Invested	Total Debt	TEV / EBITDA



Sept 9, 2024 - Squarespace, Inc and Permira refines their original agreement (May)

Reason cited was that the sale process did not maximise shareholder value given the company's strong operational results and outlook as reasons for its recommendation

Sources of Cash	Amount	Multiple	Uses of Cash	Amount
Cash (Target)	239,372	1.9x	Equity Offer Value	7,000,202
Revolving Credit Line	50,000	0.4x	Refinance ST Debt	57,140
Term Loan	2,300,000	18.6x	Refinance LT Debt	487,846
DDTL Facility	300,000	2.4x	Fees	105,724
Sponsor Equity	4,761,540	38.5x	Total Uses	7,650,912
Total Sources	7,650,912	61.8x		

Debt Financing Assumptions

Type	Amount	%	Limit	Issuance Fee (%)	Issuance Fee	Commitment Fee (%)	Additional Fee (%)	SOFR Spread	Mandatory Prepayment	Cash Sweep	Loan Amortisation
Cash (Target)	239,372	3.1%	-	-	-	-	-	-	-	-	-
Revolving Credit	50,000	0.7%	250,000	1.0%	500	0.5%	-	SOFR + 5.0%	-	-	-
Term Loan (Senior)	2,300,000	30.1%	-	1.0%	23,000	-	2.0%	SOFR + 5.0%	50.0%	50.0%	1.0%
DDTL Facility	300,000	3.9%	-	1.0%	3,000	1.0%	2.0%	SOFR + 5.0%	50.0%	50.0%	1.0%
Sponsor Equity	4,761,540	62.2%	-	-	-	-	-	-	-	-	-
Total	7,650,912	100.0%									

Description

- **The Revolver** provides **flexible short-term liquidity** option for Permira. It has a **\$50m** draw limit on closing date, with a **\$250m** aggregate limit.
- **Term Loan** is the primary leverage component, contributing \$2.3bn. Priced at 500bps over SOFR, with mandatory prepayments of 50% and principle amortisation of 1.0%
- **Delayed Drawn Term Loan**

Interest Rates on Debt

- The interest rate on each tranche of secured debt is represented as a spread over the Secured Overnight Financing Rate (**SOFR**).
- Forecast of SOFR was derived using forward market implied yield curve (US 10Y Treasury Yield)

Equity Contribution

- Sponsor Equity refers to injection of capital by Permira

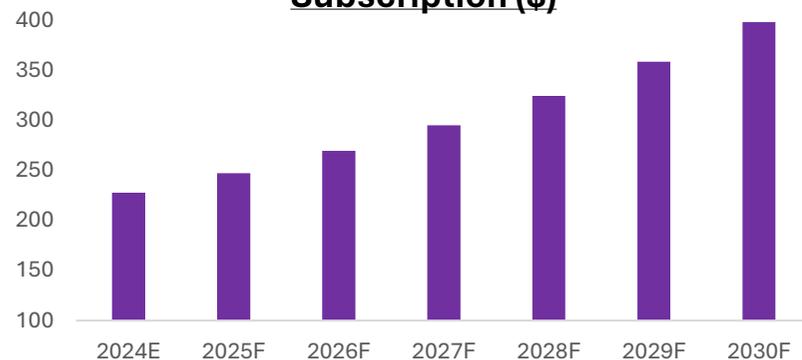
Anthony Casalena will roll over most of his existing equity and continue as CEO and Chairman of Board

Precedent Transactions by Permira: Zendesk, Carta, Housecall Pro

LBO Model - Assumptions

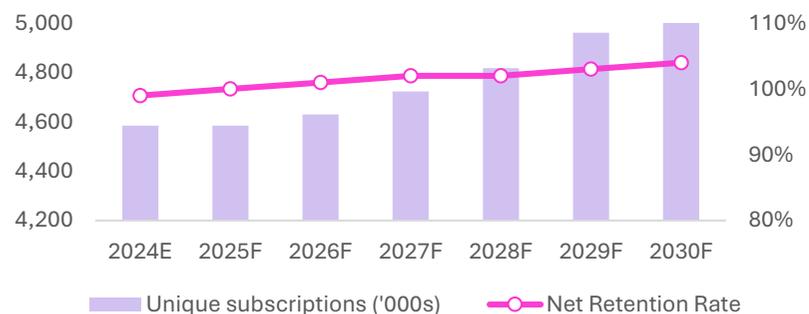
Revenue Drivers

Average Revenue per Unique Subscription (\$)



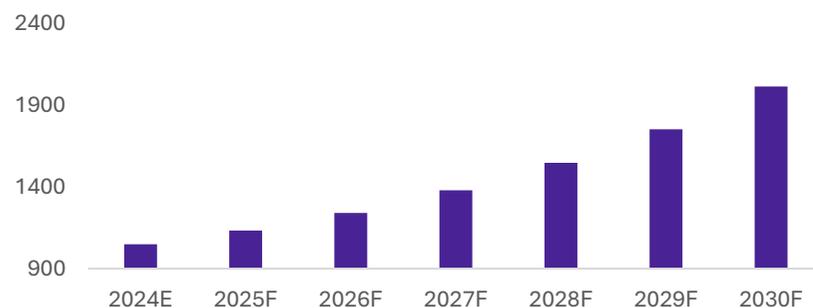
ARPU growth projected in line with core SaaS peers, supported by **pricing** optimisation, **upsell** potential and **AI-enabled** features. Towards the end of forecast period, ARPU growth converges toward mature peer benchmarks.

Unique subscriptions and Net Retention Rate



Subscriber growth forecast to remain resilient, supported by Permira's expertise in **acquiring customers** for software businesses. Base case projection assumes initial NRR at just below **100%**, and to remain in line with that of core comps throughout the projection period.

Total recurring revenue (\$m)

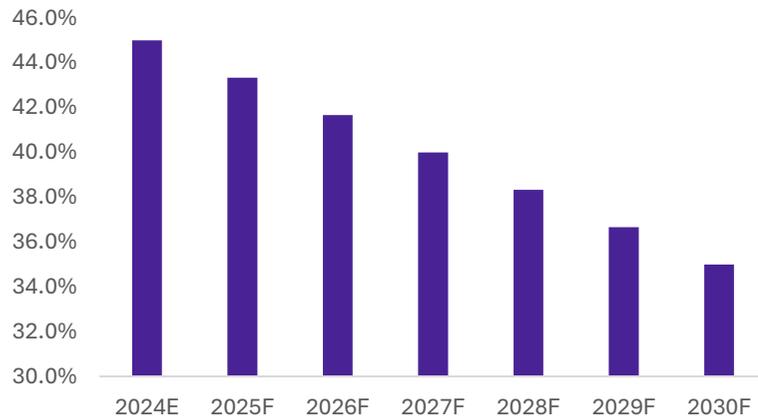


Combining ARPU and Number of Unique Subscriptions forecasts, the Total recurring revenue figure is obtained. Recurring revenue growth is in line with core comparables in the first 3 years and catches up with scaled SaaS peers toward the end of the holding period.

LBO - Assumptions and Outputs

Margin Expansion

SG&A Margin



SG&A margin forecast to **decline progressively** as Permira's operational initiatives drive higher cost efficiency. The base case assumes SG&A margins still stay slightly above core comps by the end of holding period, while best case assumes **better execution** and convergence towards high-growth scaled SaaS peers.

Outputs

Sensitivity Analysis

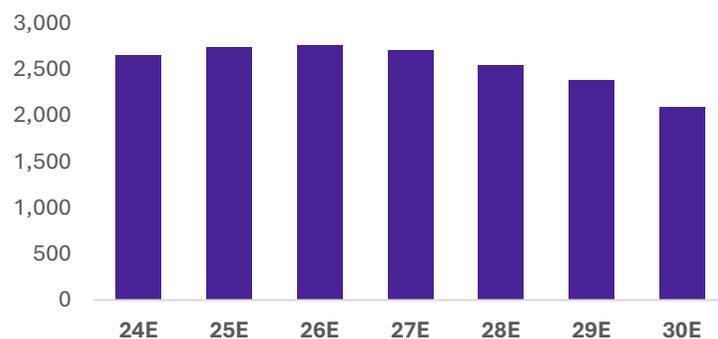
Exit Multiple, IRR and MOIC

22.5x	20.1%	3.0x
21.5x	19.6%	2.9x
21.5x	19.1%	2.9x
21.0x	18.6%	2.8x
20.5x	18.0%	2.7x

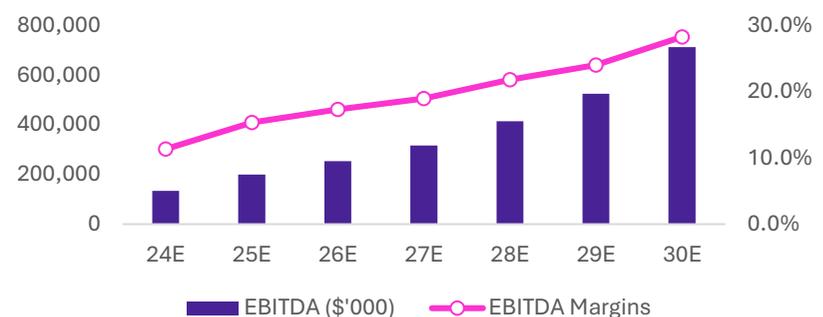
Equity Returns by Investment Horizon



Debt Paydown (\$m)



EBITDA Growth



LBO – Model Extracts

Income Statement

Fiscal Year End													Stub Period	
	2019A	2020A	2021A	2022A	2023A	2024E	2025F	2026F	2027F	2028F	2029F	2030F	17/10/2024	31/12/2024
Days in FY	365	365	365	365	365	365	365	365	365	365	365	365	291	75
Fraction of FY	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.80	0.20
Units	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000								
Total														
Revenue	484,751.0	621,149.0	784,038.0	866,972.0	1,012,336.0	1,177,716.0	1,304,310.8	1,465,297.2	1,666,325.1	1,904,591.5	2,184,085.1	2,521,384.9	938,901.4	238,814.6
Cost of Goods Sold	(81,910.0)	(98,337.0)	(126,631.0)	(152,655.0)	(207,520.0)	(294,429.0)	(311,916.6)	(334,506.4)	(362,306.7)	(393,434.2)	(427,456.7)	(438,721.0)	(234,725.3)	(59,703.7)
Gross Profit	402,841.0	522,812.0	657,407.0	714,317.0	804,816.0	883,287.0	992,394.2	1,130,790.8	1,304,018.4	1,511,157.3	1,756,628.5	2,082,664.0	704,176.0	179,111.0
Operating Expenses														
R&D	(107,645.0)	(167,906.0)	(190,371.0)	(227,297.0)	(242,188.0)	(282,651.8)	(309,308.0)	(343,298.2)	(385,635.2)	(435,335.2)	(492,979.2)	(554,704.7)	(225,336.3)	(57,315.5)
Sales, General & Admin	(233,856.0)	(314,686.0)	(707,910.0)	(473,671.0)	(478,900.0)	(529,972.2)	(565,201.3)	(610,540.5)	(666,530.0)	(730,093.4)	(800,831.2)	(882,484.7)	(422,505.6)	(107,466.6)
Impairment Charges	-	-	-	(225,163.0)	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	(341,501.0)	(482,592.0)	(898,281.0)	(926,131.0)	(721,088.0)	(812,624.1)	(874,509.3)	(953,838.7)	(1,052,165.3)	(1,165,428.6)	(1,293,810.4)	(1,437,189.4)	(647,842.0)	(164,782.1)
EBIT (Operating Income)	61,340.0	40,220.0	(240,874.0)	(211,814.0)	83,728.0	70,663.0	117,884.8	176,952.1	251,853.1	345,728.7	462,818.0	645,474.5	56,334.1	14,328.9
Interest Expense	(1,080.0)	(10,043.0)	(11,081.0)	(18,207.0)	(36,768.0)	(71,075.1)	(267,947.1)	(268,360.2)	(259,018.1)	(241,730.4)	(224,662.5)	(206,049.5)	(16,249.1)	(54,826.0)
Financing Fees	-	-	-	-	-	(105,206.1)	-	-	-	-	-	-	-	(105,206.1)
Other Fees	-	-	-	-	-	(228.1)	(857.4)	(381.7)	(385.3)	(825.4)	(3,133.5)	(6,615.1)	-	(228.1)
Other Income (Loss), Net	3,815.0	(7,678.0)	6,631.0	5,030.0	3,362.0	3,533.1	3,912.9	4,395.9	4,999.0	5,713.8	6,552.3	7,564.2	2,816.7	716.4
EBT (Pre-Tax Income)	64,075.0	22,499.0	(245,324.0)	(224,991.0)	50,322.0	(102,313.2)	(147,006.7)	(87,394.0)	(2,551.3)	108,886.6	241,574.3	440,374.1	42,901.7	(145,214.9)
Provision for Income Tax	(5,923.0)	8,089.0	(3,825.0)	(27,230.0)	(57,403.0)	10,231.3	14,700.7	8,739.4	255.1	(10,888.7)	(24,157.4)	(44,037.4)	8,156.6	2,074.7
Net Income	58,152.0	30,588.0	(249,149.0)	(252,221.0)	(7,081.0)	(92,081.9)	(132,306.0)	(78,654.6)	(2,296.1)	97,997.9	217,416.9	396,336.7	51,058.3	(143,140.2)
Depreciation & Amortisation	18,309.0	21,703.0	32,720.0	31,617.0	43,927.0	62,579.2	81,720.8	76,466.5	63,596.7	68,386.1	60,831.1	65,839.0	49,889.5	12,689.7
EBITDA	79,649.0	61,923.0	(208,154.0)	(180,197.0)	127,655.0	133,242.2	199,605.6	253,418.6	315,449.8	414,114.8	523,649.1	711,313.5	106,223.6	27,018.6

Cash Flow Statement

Fiscal Year End													Stub Period	
	2019A	2020A	2021A	2022A	2023A	2024E	2025F	2026F	2027F	2028F	2029F	2030F	17/10/2024	31/12/2024
Days in FY	365	365	365	365	365	365	365	365	365	365	365	365	291	75
Fraction of FY	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.80	0.20
Units	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000	USD, \$000
Operating Activities														
Net Income	58,152.0	30,588.0	(249,149.0)	(252,221.0)	(7,081.0)	(92,081.9)	(132,306.0)	(78,654.6)	(2,296.1)	97,997.9	217,416.9	396,336.7	51,058.3	(143,140.2)
Depreciation and Amortisation	18,309.0	21,703.0	32,720.0	31,617.0	43,927.0	62,579.2	81,720.8	76,466.5	63,596.7	68,386.1	60,831.1	65,839.0	49,889.5	12,689.7
Impairment Charges	-	-	-	225,163.0	-	-	-	-	-	-	-	-	-	-
Stock based Compensation	17,975.0	31,254.0	307,924.0	102,533.0	107,749.0	-	-	-	-	-	-	-	-	-
Change in Restricted Cash	-	-	-	-	-	(2,195.0)	-	-	-	-	-	-	(2,195.0)	-
Deferred Income Taxes	(4,018.0)	(4,852.0)	3,196.0	788.0	251.0	-	-	-	-	-	-	-	-	-
Others	(310.0)	2,437.0	1,181.0	832.0	831.0	-	-	-	-	-	-	-	-	-
Non-cash Lease Income/Expense	-	-	-	2,227.0	(2,286.0)	-	-	-	-	-	-	-	-	-
Accounts Receivable and Due from Vendors	(133.0)	(2,936.0)	712.0	(5,461.0)	(15,678.0)	(718.5)	(1,620.9)	(2,105.6)	(2,577.8)	(2,825.4)	(3,000.0)	(3,315.1)	(572.8)	(145.7)
Accounts Payable and Accrued Liabilities	987.0	27,115.0	14,525.0	(2,215.0)	33,519.0	4,779.9	12,627.6	15,963.6	19,826.8	23,362.2	27,229.0	31,768.6	3,810.6	969.3
Deferred Revenue	30,347.0	40,104.0	29,364.0	39,464.0	61,364.0	55,455.3	41,776.3	53,125.5	66,339.2	78,627.9	92,232.9	111,308.9	44,210.2	11,245.1
Prepaid Expenses and Other Current Assets	(17,910.0)	8,659.0	(35,423.0)	3,699.0	(458.0)	(9,938.8)	(9,590.5)	(12,115.0)	(15,222.3)	(18,461.8)	(22,229.8)	(27,384.7)	(7,923.4)	(2,015.4)
Other Operating Assets and Liabilities	(1,266.0)	(4,042.0)	7,381.0	9,086.0	5,152.0	-	-	-	-	-	-	-	-	-

Sources: Squarespace 10K, Model

LBO – Model Extracts

Cash Flow Statement

Deferred Rent and Lease Incentive	200.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds Payable to Customers	-	-	10,726.0	8,707.0	3,827.0	-	-	-	-	-	-	-	-	-
Cash Flow from Operating Activities	102,333.0	150,030.0	123,157.0	164,219.0	231,117.0	17,880.1	(7,392.9)	52,680.4	129,666.3	247,087.0	372,480.0	574,553.3	138,277.4	(120,397.3)
Investing Activities														
Purchase of Property and Equipment	(8,217.0)	(4,712.0)	(11,021.0)	(11,543.0)	(16,998.0)	(23,554.3)	(26,086.2)	(29,305.9)	(33,326.5)	(38,091.8)	(43,681.7)	(50,427.7)	(18,778.0)	(4,776.3)
Cash Paid for Acquisition Net of Acquired Cash	(95,744.0)	-	(202,170.0)	-	(176,721.0)	-	-	-	-	-	-	-	-	-
Purchase of Marketable Securities	(145,850.0)	(109,966.0)	(28,694.0)	(27,681.0)	(7,824.0)	-	-	-	-	-	-	-	-	-
Proceeds from the Sales and Maturities of Marketable Securities	174,583.0	148,762.0	34,155.0	27,193.0	39,664.0	-	-	-	-	-	-	-	-	-
Purchases of Intangible Assets	-	-	-	-	-	(29,442.9)	(32,607.8)	(36,632.4)	(41,658.1)	(47,614.8)	(54,602.1)	(63,034.6)	(23,472.5)	(5,970.4)
Others	(95.0)	178.0	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	(75,323.0)	34,262.0	(207,730.0)	(12,031.0)	(161,879.0)	(52,997.2)	(58,694.0)	(65,938.4)	(74,984.6)	(85,706.6)	(98,283.8)	(113,462.3)	(42,250.6)	(10,746.7)
Financing Activities														
Purchase Price (Acquisition Related Equity)	-	-	-	-	-	(7,000,202.0)	-	-	-	-	-	-	-	(7,000,202.0)
Borrowings on Term-loan	349,100.0	197,325.0	-	-	99,444.0	-	-	-	-	-	-	-	-	-
Principal Payments on Existing Debt	(556.0)	(6,563.0)	(13,586.0)	(13,586.0)	(44,867.0)	(568,793.0)	-	-	-	-	-	-	(23,807.0)	(544,986.0)
Class C Common Stock Issuance	-	-	304,409.0	-	-	-	-	-	-	-	-	-	-	-
Exercise of Stock Options	4,370.0	1,435.0	4,760.0	2,211.0	228.0	-	-	-	-	-	-	-	-	-
Payment for Tender Offer	(44,463.0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes Paid Related to Net Share Settlement of Equity Awards	(3,340.0)	(20,161.0)	(34,503.0)	(21,268.0)	(36,366.0)	-	-	-	-	-	-	-	-	-
Payments for Investor Repurchase	(350,000.0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase of Common Stock	-	-	-	(120,193.0)	(25,989.0)	-	-	-	-	-	-	-	-	-
Dividends Paid	-	(327,745.0)	(367.0)	-	-	-	-	-	-	-	-	-	-	-
Payments of Debt Issuance Costs	(938.0)	-	-	-	(637.0)	-	-	-	-	-	-	-	-	-
Sponsor Equity Contribution	-	-	-	-	-	(4,709,250.2)	-	-	-	-	-	-	-	4,709,250.2
Revolving Credit Line Issuance/ (Repayment)	-	-	-	-	-	-	161,524.7	39,258.0	(28,681.7)	(135,380.3)	(36,720.6)	-	-	-
Term Loan Issuance/ (Repayment)	-	-	-	-	-	2,300,000.0	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	(115,390.0)	(283,380.7)	-	2,300,000.0
DDTL Issuance/ (Repayment)	-	-	-	-	-	300,000.0	(2,250.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	-	300,000.0
Contingent Consideration Paid for Acquisition	-	(15,000.0)	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	(45,827.0)	(170,709.0)	260,713.0	(152,836.0)	(8,187.0)	(259,744.7)	142,024.7	13,258.0	(54,681.7)	(161,380.3)	(155,110.6)	(286,380.7)	(23,807.0)	(235,937.8)

Sources: Squarespace 10K, Model

LBO – Model Extracts

Cash Flow Statement

Other Adjustments

Foreign Exchange Rate
Effect on Cash and Cash
Equivalents

	(171.0)	659.0	(351.0)	(412.0)	614.0	-	-	-	-	-	-	-	-	
Cash Flow Net Changes in Cash	(18,988.0)	14,242.0	175,789.0	(1,060.0)	61,665.0	(294,861.8)	75,937.8	-	-	-	119,085.6	174,710.3	72,219.8	(367,081.7)
Beginning Cash Balance						257,702.0	(37,159.8)	38,778.0	38,778.0	38,778.0	38,778.0	157,863.6	257,702.0	329,921.8
Net Changes in Cash						(294,861.8)	75,937.8	-	-	-	119,085.6	174,710.3	72,219.8	(367,081.7)
Ending Cash Balance						257,702.0	(37,159.8)	38,778.0	38,778.0	38,778.0	157,863.6	332,573.9	329,921.8	(37,159.9)

Equity Returns Schedule

	Close	2024E	2025F	2026F	2027F	2028F	2029F	2030F
Fiscal Year End Units	17/12/2024 USD, \$000	31/12/2024 USD, \$000	31/12/2025 USD, \$000	31/12/2026 USD, \$000	31/12/2027 USD, \$000	31/12/2028 USD, \$000	31/12/2029 USD, \$000	31/12/2030 USD, \$000
Enterprise Value (EV) Calculation								
EBITDA		133,242.2	199,605.6	253,418.6	315,449.8	414,114.8	523,649.1	711,313.5
Exit Multiple		25.7x						
Total Enterprise Value (TEV)		3,425,416.4	5,131,501.1	6,514,935.0	8,109,646.4	10,646,146.0	13,462,077.0	18,286,590.6
Net Debt Calculation								
(+) Total Debt		2,600,000.0	2,742,024.7	2,755,282.7	2,700,601.0	2,539,220.6	2,384,110.0	2,097,729.3
(-) Cash and Cash Equivalents		37,159.8	(38,778.0)	(38,778.0)	(38,778.0)	(38,778.0)	(157,863.6)	(332,573.9)
Total Net Debt		2,637,159.9	2,703,246.7	2,716,504.7	2,661,823.0	2,500,442.6	2,226,246.4	1,765,155.4
Equity Value Bridge								
(+) Total Enterprise Value		3,425,416.4	5,131,501.1	6,514,935.0	8,109,646.4	10,646,146.0	13,462,077.0	18,286,590.6
(-) Total Net Debt		(2,637,159.9)	(2,703,246.7)	(2,716,504.7)	(2,661,823.0)	(2,500,442.6)	(2,226,246.4)	(1,765,155.4)
Total Equity Value		788,256.5	2,428,254.4	3,798,430.3	5,447,823.4	8,145,703.4	11,235,830.6	16,521,435.2
Dividends								
		-	-	-	-	-	-	-

	Close	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	(4,709,250.2)	-	-	-	-	-	-	16,521,435.2
	(4,709,250.2)	-	-	-	-	-	11,235,830.6	-
	(4,709,250.2)	-	-	-	-	8,145,703.4	-	-
	(4,709,250.2)	-	-	3,798,430.3	5,447,823.4	-	-	-
	(4,709,250.2)	-	2,428,254.4	-	-	-	-	-
	(4,709,250.2)	788,256.5	-	-	-	-	-	-

Investment Horizon	IRR	MOIC
Year 6	23.09%	3.5x
Year 5	18.83%	2.4x
Year 4	14.52%	1.7x
Year 3	4.91%	1.2x
Year 2	(10.01%)	0.8x
Year 1	(47.16%)	0.5x
Year 0	-	0.2x

LBO – Model Extracts

Debt Schedule Summary

								Stub Period	
	2024E	2025F	2026F	2027F	2028F	2029F	2030F	17/10/2024	31/12/2024
	Fiscal Year End Days in FY Fraction of FY Units	31/12/2024 365 1.00 USD, \$000	31/12/2025 365 1.00 USD, \$000	31/12/2026 365 1.00 USD, \$000	31/12/2027 365 1.00 USD, \$000	31/12/2028 365 1.00 USD, \$000	31/12/2029 365 1.00 USD, \$000	31/12/2030 365 1.00 USD, \$000	17/10/2024 291 0.80 USD, \$000
Principal Issuance									
(Repayments)									
Existing Debt Refinancing	(568,793.0)	-	-	-	-	-	-	(23,807.0)	(544,986.0)
Revolving Credit Facility	-	161,524.7	39,258.0	(28,681.7)	(135,380.3)	(36,720.6)	-	-	-
Term Loan	2,300,000.0	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	(115,390.0)	(283,380.7)	-	2,300,000.0
DDTL	300,000.0	(2,250.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	-	300,000.0
Total Principal (Repayments) / Issuances	2,031,207.0	142,024.7	13,258.0	(54,681.7)	(161,380.3)	(155,110.6)	(286,380.7)	(23,807.0)	2,055,014.0
Ending Balances									
Existing Debt (ST & LT)	-	-	-	-	-	-	-	544,986.0	-
Revolving Credit Facility	-	161,524.7	200,782.7	172,101.0	36,720.6	-	-	-	-
Term Loan	2,300,000.0	2,282,750.0	2,259,750.0	2,236,750.0	2,213,750.0	2,098,360.0	1,814,979.3	-	2,300,000.0
DDTL	300,000.0	297,750.0	294,750.0	291,750.0	288,750.0	285,750.0	282,750.0	-	300,000.0
Total Ending Debt Balance	2,600,000.0	2,742,024.7	2,755,282.7	2,700,601.0	2,539,220.6	2,384,110.0	2,097,729.3	544,986.0	2,600,000.0
Net Debt / EBITDA	19.8x	13.5x	10.7x	8.4x	6.0x	4.3x	2.5x	2.0x	97.6x
Cash Interest Expense									
Existing Debt (ST & LT)	(16,249.1)	-	-	-	-	-	-	(16,249.1)	-
Revolving Credit Facility	(522.2)	(8,101.8)	(17,686.6)	(17,702.7)	(9,633.6)	(1,644.8)	-	-	(522.2)
Term Loan	(48,038.1)	(229,863.1)	(221,749.7)	(213,471.3)	(205,316.4)	(197,284.9)	(181,348.1)	-	(48,038.1)
DDTL	(6,265.8)	(29,982.1)	(28,923.9)	(27,844.1)	(26,780.4)	(25,732.8)	(24,701.3)	-	(6,265.8)
Total Interest Expense	(71,075.1)	(267,947.1)	(268,360.2)	(259,018.1)	(241,730.4)	(224,662.5)	(206,049.5)	(16,249.1)	(54,826.0)
Fees									
Existing Debt (ST & LT)	-	-	-	-	-	-	-	-	-
Revolving Credit Facility	(228.1)	(846.2)	(344.2)	(317.8)	(727.9)	(1,158.2)	(1,250.0)	-	(228.1)
Term Loan	-	-	-	-	-	(1,847.8)	(5,207.6)	-	-
DDTL	-	(11.3)	(37.5)	(67.5)	(97.5)	(127.5)	(157.5)	-	-
Total Fees	(228.1)	(857.4)	(381.7)	(385.3)	(825.4)	(3,133.5)	(6,615.1)	-	(228.1)

Term Loan Schedule

								Stub Period	
	2024E	2025F	2026F	2027F	2028F	2029F	2030F	17/10/2024	31/12/2024
	Fiscal Year End Days in FY Fraction of FY Units	31/12/2024 365 1.00 USD, \$000	31/12/2025 365 1.00 USD, \$000	31/12/2026 365 1.00 USD, \$000	31/12/2027 365 1.00 USD, \$000	31/12/2028 365 1.00 USD, \$000	31/12/2029 365 1.00 USD, \$000	31/12/2030 365 1.00 USD, \$000	17/10/2024 291 0.80 USD, \$000
Mandatory Payments									
Term Loan									
Loan Amortisation (% of Principal Amount)	0.00	0.75	1.00	1.00	1.00	1.00	1.00	-	0.00
Cash Available After Revolving Credit Line	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	-	1.00%
Pay Down	109,999.9	-	-	-	-	211,475.6	554,176.6	-	109,999.9
Cash Available for Mandatory Cash Sweep?	Yes	No	No	No	No	Yes	Yes	-	Yes
Mandatory Sweep %	50.0%	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	-	50.0%
Cash Amount for Term Loan Paydown	55,000.0	-	55,000.0						
Beginning Balance	2,300,000.0	2,300,000.0	2,282,750.0	2,259,750.0	2,236,750.0	2,213,750.0	2,098,360.0	-	2,300,000.0
Mandatory Repayments	-	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	(23,000.0)	(23,000.0)	-	-
Mandatory Cash Sweep	-	-	-	-	-	-	-	-	-
Ending Balance	2,300,000.0	2,282,750.0	2,259,750.0	2,236,750.0	2,213,750.0	2,190,750.0	2,075,360.0	-	2,300,000.0
Interest Rate	10.30%	10.03%	9.76%	9.50%	9.23%	8.96%	8.69%	-	10.30%
Interest Expense	(48,038.1)	(229,863.1)	(221,749.7)	(213,471.3)	(205,316.4)	(197,284.9)	(181,348.1)	-	(48,038.1)
Interest Rate	10.30%	10.03%	9.76%	9.50%	9.23%	8.96%	8.69%	-	10.30%

Sources: Squarespace 10K, Commitment Letter, Model

LBO – Model Extracts

Term Loan Schedule

	Loan Amortisation	0.00	0.75	1.00	1.00	1.00	1.00	1.00	-	0.00
DDTL										
Loan Amortisation (% of Principal Amount)		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	-	1.00%
Cash Available After Term Loan Pay Down		109,999.9	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	188,475.6	531,176.6	-	109,999.9
Cash Available for Discretionary Payments?		Yes	No	No	No	No	Yes	Yes	-	Yes
Mandatory Sweep %		50.0%	50.0%	50.0%	50.0%	0.0%	0.0%	0.0%	-	50.0%
Cash Amount for DDTL Paydown		55,000.0	-	-	-	-	-	-	-	55,000.0
Beginning Balance		300,000.0	300,000.0	297,750.0	294,750.0	291,750.0	288,750.0	285,750.0	-	300,000.0
Mandatory Repayments		-	(2,250.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	-	-
Mandatory Cash Sweep		-	-	-	-	-	-	-	-	-
Ending Balance		300,000.0	297,750.0	294,750.0	291,750.0	288,750.0	285,750.0	282,750.0	-	300,000.0
Interest Rate		10.30%	10.03%	9.76%	9.50%	9.23%	8.96%	8.69%	-	10.30%
Interest Expense		(6,265.8)	(29,982.1)	(28,923.9)	(27,844.1)	(26,780.4)	(25,732.8)	(24,701.3)	-	(6,265.8)
DDTL (Undrawn)										
Beginning	Maximum	-	-	2,250.0	5,250.0	8,250.0	11,250.0	14,250.0	-	-
(Additions)/Repayments	300,000	-	2,250.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	-	-
Ending		-	2,250.0	5,250.0	8,250.0	11,250.0	14,250.0	17,250.0	-	-
DDTL Commitment Fee Rate		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	-	1.00%
DDTL Commitment Fees		-	(11.3)	(37.5)	(67.5)	(97.5)	(127.5)	(157.5)	-	-
Cash Available After DDTL Paydown		109,999.9	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	188,475.6	531,176.6	-	109,999.9
Voluntary Payments										
Term Loan										
Cash Available after Mandatory Debt Repayments		109,999.9	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	188,475.6	531,176.6	-	109,999.9
Cash Available for Voluntary Prepayments?		Yes	No	No	No	No	Yes	Yes	-	Yes
Cash Amount for Term Loan Paydown		55,000.0	-	-	-	-	94,237.8	265,588.3	-	55,000.0
Beginning Balance	Cash Sweep (Voluntary)	2,300,000.0	2,282,750.0	2,259,750.0	2,236,750.0	2,213,750.0	2,190,750.0	2,075,360.0	-	2,300,000.0
Additional Repayment Fees (%)	50.0%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	-	2.00%
Principal Repaid		-	-	-	-	-	(92,390.0)	(260,380.7)	-	-
Fees (Absolute)		-	-	-	-	-	(1,847.8)	(5,207.6)	-	-
Discretionary Prepayments (Total)		-	-	-	-	-	(94,237.8)	(265,588.3)	-	-
Ending Balance		2,300,000.0	2,282,750.0	2,259,750.0	2,236,750.0	2,213,750.0	2,098,360.0	1,814,979.3	-	2,300,000.0
Cash Available After Discretionary Term Loan Paydown		109,999.9	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	94,237.8	265,588.3	-	109,999.9
DDTL										
Cash Available after Voluntary Term Loan Prepayments		109,999.9	(17,250.0)	(23,000.0)	(23,000.0)	(23,000.0)	94,237.8	265,588.3	-	109,999.9
Cash Available for Voluntary Prepayments?		Yes	No	No	No	No	Yes	Yes	-	Yes
Cash Amount for DDTL Paydown		-	-	-	-	-	-	-	-	-
Beginning Balance	Cash Sweep (Voluntary)	300,000.0	297,750.0	294,750.0	291,750.0	288,750.0	285,750.0	282,750.0	-	300,000.0
Fees (%)	0.0%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	-	2.00%
Principal Repaid		-	-	-	-	-	-	-	-	-
Fees (Absolute)		-	-	-	-	-	-	-	-	-
Discretionary Prepayments (Total)		-	-	-	-	-	-	-	-	-
Ending Balance		300,000.0	297,750.0	294,750.0	291,750.0	288,750.0	285,750.0	282,750.0	-	300,000.0
Cash Available After DDTL Paydown		-	-	-	-	-	-	-	-	-

Glossary

ARR

- **Annualised recurring revenue (ARR)** is the total value of recurring revenue, normalised to a 1-year period

LTV

- **Lifetime customer value (LTV)** represents the total expected revenue from a single customer during the length of the customer relationship

CAC

- **Customer acquisition cost** is the average cost of acquiring one paying customer

Rule of 40

- **The Rule of 40** is a benchmark stating that a SaaS company's combined **revenue growth** and **profit margin** should be at least **40%**