

Intuit Inc.
Acquisition of Mailchimp
Conference Call Remarks
September 13, 2021

Introduction

Good afternoon and welcome to Intuit's conference call to discuss the acquisition of Mailchimp. I'm here with Intuit's CEO Sasan Goodarzi, Michelle Clatterbuck, our CFO and Ben Chestnut, Co-founder and CEO of Mailchimp.

Before we start, I'd like to remind everyone that our remarks will include forward-looking statements. There are a number of factors that could cause Intuit's results to differ materially from our expectations. You can learn more about these risks in the press release we issued earlier this afternoon, our Form 10-K for fiscal 2021 and our other SEC filings. All of those documents are available on the Investor Relations page of Intuit's website at intuit.com. We assume no obligation to update any forward-looking statement.

A copy of our prepared remarks will be available on our website after this call ends.

With that, I'll turn the call over to Sasan.

Mailchimp Acquisition Overview

Thanks Kim, and thanks to all of you for joining us.

I am excited to announce that we reached an agreement to acquire Mailchimp, a global customer engagement and marketing platform for growing small and mid-market businesses, for approximately \$12 billion. I could not be more excited about this transaction, and I am thrilled to welcome the Mailchimp team to Intuit. Please refer to the press release we issued today and the slide deck we posted on our website for an overview of the transaction and additional details.

Intuit's mission is to power prosperity around the world. We deliver on that mission by working to solve consumers' and small businesses' most important problems. Today, half of small businesses fail within the first five

years. We have declared a bold goal for 2025 to improve the success rate of our small business customers to more than 10 points better than the industry average. The acquisition of Mailchimp aims to accelerate our ability to achieve this goal, and our strategy of becoming an AI-driven expert platform, by providing tools to enable small businesses to get, engage and retain customers in order to grow and run their business with less work.

The acquisition of Mailchimp seeks to significantly accelerate two of our big bets. These include our big bets to “be the center of small business growth,” and to “disrupt the small business mid-market.”

Small and mid-market businesses tell us a significant pain point is getting and engaging customers, with two-thirds of small businesses citing finding new customers as their biggest obstacle to growth. One-quarter of small businesses struggle to retain their customers. In addition, a majority of small businesses - more than three-quarters - haven't adopted a CRM, or customer relationship management solution.

We aim to become the source of truth for small and mid-market businesses, by helping them grow and run their business. Together, Intuit

and Mailchimp will work to deliver on the vision of creating an innovative, end-to-end customer growth platform for small and mid-market businesses. This allows them to get their business online, market their business, manage customer relationships, benefit from insights and analytics, get paid, access capital, pay employees, manage cash flow, and be organized and compliant with experts at their fingertips.

Delivering on the promise to be the single source of truth, small and mid-market businesses will have the power to combine their customer data from Mailchimp and QuickBooks' purchase data to get actionable insights they need to grow and run their businesses with confidence. This is where the real magic happens bringing the two platforms together.

Now let me share more about Mailchimp. Mailchimp is recognized as a leading marketing platform, and its evolution is remarkable. Founded in 2001, Mailchimp began by offering email marketing solutions, and evolved into a global leader in customer engagement and marketing automation fueled by a powerful, cutting-edge AI-driven technology. Mailchimp's digital marketing tools include:

- eCommerce, including seamless online transactions and sales through web stores, shoppable social pages, pay-enabled appointments and email.
- Marketing automation, enabling small and mid-market businesses to create campaigns that make it easy to send the right messages to the right customers at exactly the right moments. This includes digital, multi-channel promotion, which helps small and mid-market businesses build a following by targeting, reaching and engaging customers across digital channels all from one place.
- Customer relationship management, including powerful, action-oriented predictive insights, to drive customer value and loyalty.

All of these offerings are driven by more than 2 billion data points across Mailchimp's platform which creates insights, allowing small and mid-market businesses to test, track and optimize for each customer engagement.

Mailchimp brings technology at scale with global customer reach to Intuit. The company has 13 million total users and derives over half its revenue from customers outside the U.S. It has 2.4 million monthly active users and 800,000 paying customers. The platform has strong brand recognition and

a Net Promoter Score of 60. Mailchimp has 70 billion contacts and generates 2.2 million daily AI-driven predictions and has more than 250 integration partners.

Combining customer data from Mailchimp with purchase data from QuickBooks will create actionable insights and opportunities for small and mid-market businesses to grow. Intuit and Mailchimp will work together to:

- Deliver our vision for an end-to-end innovative customer growth platform to help customers get their business online, market their business, manage their customer relationships, get paid, access capital, pay employees, manage cash flow and be compliant,
- Disrupt the mid-market, by developing a full marketing automation, CRM and eCommerce suite for mid-market customers at an attractive price point, enabling mid-market customers to use the power of the platform to grow their business, and
- Accelerate growth globally for QuickBooks and Mailchimp with a global go-to-market approach.

Now let me introduce you to Ben Chestnut, Co-founder and CEO of Mailchimp, to share his perspective.

Thank you Sasan. I'm thrilled to be here today. We've spent the last 20 years on a mission to empower small businesses to grow. By listening to our small business customers and innovating fast to meet their needs, we've built a global customer engagement and marketing platform. I'm proud of what our team has accomplished together. I've long admired Intuit. We both share a passion for our customers, and a like-minded obsession with helping business owners solve their most pressing challenges. Even before Mailchimp started talking to Intuit about this transaction, I've had the chance to connect with Intuit leaders over the years, including the company's co-founder, Scott Cook, who has given me invaluable advice. We're excited to be joining forces with Intuit and further scale our capabilities and impact. Now I'll pass it back to you, Sasan.

Thank you Ben.

We are excited to bring Mailchimp into the Intuit family combining its global customer reach, data and technology, and AI-powered automation at scale to accelerate our ability to help small and mid-market businesses grow and run their business with confidence.

Now let me hand it over to Michelle to take you through the transaction details.

Transaction Details

Thanks, Sasan. Good afternoon everyone. Let me share more details on the proposed acquisition of Mailchimp we announced today.

Intuit has agreed to pay total consideration of approximately \$12 billion, subject to customary adjustments. This includes approximately \$300 million of assumed transaction bonuses in the form of restricted stock units, expensed over three years. The remaining consideration payable to Mailchimp's equity holders is comprised of approximately half cash and half stock. Following the close of the transaction, we will also deliver \$200 million of retention equity through restricted stock units awarded to Mailchimp employees. \$140 million of which will be expensed over four years, and \$60 million will be expensed over six months. We expect to finance the cash portion of the transaction through cash on hand and new debt of approximately \$4.5 to \$5.0 billion. We expect the transaction to close by the end of the second quarter of fiscal 2022, subject to regulatory approval and other customary closing conditions. We do not foresee an

impact on maintaining our dividend and share repurchase principles due to the Mailchimp transaction.

We expect the transaction to be accretive to Intuit's non-GAAP earnings per share in full year fiscal 2022. We will provide updated Intuit guidance once the transaction closes.

Let me provide you with some additional details on Mailchimp. The company recorded unaudited revenue of approximately \$800 million in calendar year 2020, growing 20 percent year-over-year. Approximately 95 percent of revenue is recurring and over 50 percent of revenue is outside the U.S.

With that, I'll turn it back over to Sasan.

Closing Comments

Thanks, Michelle.

I'm excited about the opportunities ahead as we join forces with Mailchimp and accelerate our ability to help small businesses grow. Now let's open it up for questions to hear what's on your mind.

Cautions About Forward-looking Statements

This communication contains forward-looking statements within the meaning of applicable securities laws. Forward-looking statements and information usually relate to future events and anticipated revenues, earnings, cash flows or other aspects of our operations or operating results. Forward-looking statements are often identified by the words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “estimate,” “outlook” and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, without limitation, the following: failure to obtain required regulatory approvals in a timely manner or otherwise; failure to satisfy any closing conditions to the proposed acquisition of Mailchimp; risks associated with tax liabilities or changes in U.S. federal tax

laws or interpretations to which the proposed transaction with Mailchimp or parties thereto are subject; risks related to pre-acquisition non-compliance by Mailchimp with applicable regulatory requirements; failure to successfully integrate any new business; failure to realize anticipated benefits of any combined operations; unanticipated costs of acquiring or integrating Mailchimp; potential impact of announcement or consummation of the proposed acquisition on relationships with third parties, including employees, customers, partners and competitors; inability to retain key personnel; changes in legislation or government regulations affecting the acquisition or the parties; and economic, social or political conditions that could adversely affect the acquisition or the parties. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2021 and in our other SEC filings. You can locate these reports through our website at <http://investors.intuit.com>. We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We do not undertake any duty to update

any forward-looking statement or other information in this communication,
except to the extent required by law.