

# Investment Banking Update

August 11, 2021

**\$850 MILLION**

The logo for Avalara, featuring the word "Avalara" in a bold, orange sans-serif font. A blue checkmark is integrated into the letter 'A'.

**CONVERTIBLE SENIOR  
NOTES OFFERING**

## Stephens served as Co-Manager on the offering

### Transaction Details

- On August 11, 2021, Avalara, Inc. ("Avalara" or the "Company") announced the pricing of \$850 million aggregate principal amount of 0.25% Convertible Senior Notes due 2026 (the "Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended
  - The Company also granted the initial purchasers a 13-day option to purchase up to an additional \$127.5 million aggregate principal amount of the Notes
- The conversion rate for the Notes will initially be 4.1940 shares of Avalara common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$238.44 per share of common stock)
- The Company expects to use approximately \$65.5 million of the net proceeds from the offering to pay the cost of capped call transactions
- Avalara intends to use the remainder of the net proceeds for general corporate purposes, which will likely include funding acquisitions or investments in complementary businesses, products, services, technologies, or other assets, and may include continued investment in its sales and marketing efforts, product development, general and administrative matters, and working capital

### According to the Company's Website

Avalara, Inc. (NYSE: AVLRL) is a leading provider of cloud-based tax compliance solutions. Avalara delivers solutions for global transaction taxes, including sales and use, VAT, GST, excise, communications, lodging, and other indirect tax types, that are designed to help businesses achieve and maintain compliance.

Sources: Company website, filings and press release.

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The offering of the convertible notes was made only by means of an offering memorandum in a private offering to qualified institutional buyers (as defined in Rule 144A under the Securities Act of 1933). The notes and the shares of the Company's common stock issuable upon conversion of the notes, if any, have not been registered under the Securities Act of 1933 or any state securities laws and the Company does not intend to file a shelf registration statement for resale of the notes or such common stock, if any.

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