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Serving the underserved – Gusto raises \$200 million to significantly improve the status quo for small businesses in America

Company appoints its first independent member – Anne Raimondi – to Board of Directors

San Francisco – Gusto, the people platform that helps small businesses take care of their teams, today announced that it has raised \$200 million in Series D funding. Leading late-stage investor Fidelity Management & Research Company, and the dedicated sustainable investor Generation Investment Management, joined existing Gusto investors Dragoneer Investment Group, General Catalyst, and those advised by T. Rowe Price Associates, Inc. in the round. The company also announced that it has named Anne Raimondi, a SaaS industry veteran with more than 20 years of experience in scaling technology businesses, to its Board of Directors.

“As Gusto continues to scale, we’ve been intentional about choosing investors that optimize for the long term. We’ll be building Gusto for decades, and our goal is to be a durable and sustainable business,” said Josh Reeves, Gusto CEO and co-founder. “Fidelity and Generation share our belief that the best business model is to align the success of your customers with your own success. Currently, only 50 percent of small businesses in America make it past year five. This is unacceptable, and we’re here to change that. Gusto is committed to increasing the durability of small businesses everywhere by helping them build great places to work where their employees thrive.”

“Generation’s investment in Gusto is rooted in our deep research into the future of compensation. We believe Gusto’s people platform has the potential to balance the disparity in benefits access, and sets a new industry model for what total compensation can look like for employees at companies of all sizes. Gusto has simplified payroll for more than 100,000 small businesses in the U.S. and has made health coverage available to many who would otherwise not have access to it,” said Shalini Rao, Director in Growth Equity at Generation. “Josh and his team represent the model of business we look to support with our Sustainable Solutions Strategy—those accelerating the transition to a more sustainable economy.”

The investment will be used to double down on research and development as Gusto continues the expansion of the company’s people platform, enabling small business owners and operators to onboard their employees, pay them, provide health insurance, and support their teams all in one integrated solution. Gusto will also continue growing its team in Denver, San Francisco, and New York.

New Board Member

Anne Raimondi has more than two decades of experience growing B2B and B2C technology companies and turning them into household names. She currently is a board member at Asana, and was previously a board member of SendGrid, which was acquired by Twilio earlier this year.

Prior to her board seats, Anne served as SVP of Operations at Zendesk, where she helped guide the company from a venture-backed startup to being publicly traded, and held senior leadership roles at Survey Monkey, Blue Nile, and eBay, where she built products for the company’s SMB segment. She is currently a lecturer at Stanford’s Graduate School of Business, where she teaches two classes on entrepreneurship: “Startup Garage” and “POWER: Building the Entrepreneurial Mindset.”

“Anne has been a small business owner herself and understands firsthand the complex set of challenges that entrepreneurs face to get a business started and to keep it running. She’s also helped many leading companies achieve significant scale,” continued Reeves. “It’s an honor to have Anne join our team at Gusto. Her knowledge of high-growth organizations and passion for entrepreneurship will be tremendous assets as we continue our journey to create a world where work empowers a better life for everyone.”

“Small businesses play a vital role in our economy and are foundational to every community across the U.S. I’m inspired by Gusto’s dedication to empowering small businesses and how the team at Gusto has created an exceptional culture of service,” said Anne Raimondi. “I look forward to working with Josh and the team at Gusto as they continue to expand their impact on the more than 6 million small businesses nationwide.”

Launched in 2012, Gusto processes tens of billions of dollars of payroll annually and empowers small employers to provide robust benefits like health insurance, 401(k) retirement plans, and 529 college savings plans--which have traditionally only been available through larger companies. Gusto serves more than 100,000 small businesses across the U.S.

To learn more about how Gusto is creating a world where work empowers a better life, visit gusto.com.

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ABOUT GUSTO

Gusto is a modern, online people platform that helps small businesses take care of their teams. In addition to full-service payroll, Gusto offers health insurance, 401(k)s, expert HR, employee self-onboarding, and team management tools. The company serves over 100,000 businesses nationwide and has offices in Denver, New York City, and San Francisco. www.gusto.com.

ABOUT GENERATION

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