
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **February 1, 2019**

Twilio Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction
of Incorporation)

001-37806
(Commission
File Number)

26-2574840
(IRS Employer
Identification No.)

375 Beale Street, Suite 300
San Francisco, California 94105
(Address of Principal Executive Offices) (Zip Code)

(415) 390-2337
Registrant's telephone number, including area code

Not Applicable
(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As previously disclosed in the Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) by Twilio Inc., a Delaware corporation (“Twilio”) on October 16, 2018, Twilio, SendGrid, Inc., a Delaware corporation (“SendGrid”), and Topaz Merger Subsidiary, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Twilio (“Merger Sub”), entered into an Agreement and Plan of Merger and Reorganization, dated as of October 15, 2018 and amended on December 13, 2018 (the “Merger Agreement”). On February 1, 2019, pursuant to the terms and conditions of the Merger Agreement, Merger Sub was merged with and into SendGrid (the “Merger”), with SendGrid surviving as a wholly-owned subsidiary of Twilio.

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each issued and outstanding share of common stock of SendGrid, par value \$0.001 per share (each, a “SendGrid Share”), was cancelled and converted into the right to receive (a) 0.485 (the “Exchange Ratio”) of a share of Twilio’s Class A Common Stock, par value \$0.001 per share (the “Merger Consideration”) plus (b) any cash payable in lieu of fractional shares of Twilio’s Class A Common Stock otherwise issuable as Merger Consideration.

In addition, at the Effective Time, each stock option to purchase SendGrid Shares (each, a “SendGrid Stock Option”) that was outstanding and unexercised immediately prior to the Effective Time (whether or not then vested) other than (i) any SendGrid Stock Option held by a former employee or former service provider of SendGrid, or subsidiary of SendGrid and (ii) any SendGrid Stock Option granted under the UK Schedule to SendGrid’s 2012 Equity Incentive Plan and UK CSOP Sub-Plan to SendGrid’s 2017 Equity Incentive Plan (each, a “SendGrid UK Option”) was assumed by Twilio and converted into an option to acquire a number of shares of Twilio Class A Common Stock (each, an “Assumed Option”). Each Assumed Option will be subject to the same terms and conditions as applied to the SendGrid Stock Option immediately prior to the Effective Time (including vesting terms), except that (a) the number of shares of Twilio Class A Common Stock subject to such Assumed Option will be equal to (i) the number of SendGrid Shares subject to the corresponding SendGrid Stock Option as of immediately prior to the Effective Time multiplied by (ii) the Exchange Ratio (with the resulting number rounded down to the nearest whole share of Twilio Class A Common Stock), and (b) the per share exercise price of each Assumed Option will be equal to (i) the per share exercise price of the corresponding SendGrid Stock Option immediately prior to the Effective Time divided by (ii) the Exchange Ratio (with the resulting price per share rounded up to the nearest whole cent).

Also, at the Effective Time, each unvested SendGrid Stock Option that was outstanding and unexercised immediately prior to the Effective Time and was held by a former employee or former service provider of SendGrid, or subsidiary of SendGrid, was not assumed by Twilio and was cancelled without the payment of any consideration. Each vested SendGrid Stock Option held by any former employee or former service provider of SendGrid, or subsidiary of SendGrid, that was outstanding and unexercised as of immediately prior to the Effective Time (each, a “Non-Employee Vested Option”) together with all outstanding and unexercised SendGrid UK Options, were cancelled and converted into the right to receive the number of shares of Twilio Class A Common Stock equal to (x) the number of SendGrid Shares subject to the vested portion of the SendGrid Stock Option immediately prior to the Effective Time multiplied by the excess, if any, of (I) \$50.5770 (the “SendGrid Share Value”) over (II) the per share exercise price for SendGrid Shares subject to the corresponding SendGrid Stock Option immediately prior to the Effective Time, divided by (y) the SendGrid Share Value multiplied by (z) the Exchange Ratio, with any fractional shares rounded down to the nearest whole share.

At the Effective Time, (a) each SendGrid restricted stock unit (each, a “SendGrid RSU”), other than any SendGrid RSU held by a current or former non-employee director of SendGrid, that was outstanding immediately prior to the Effective Time (whether or not vested or issuable) was assumed and converted automatically into a restricted stock unit with respect to a number of shares of Twilio Class A Common Stock (each, an “Assumed RSU”) equal to (i) the total number of SendGrid Shares subject to the SendGrid RSU immediately prior to the Effective Time multiplied by (ii) the Exchange Ratio, with any fractional shares rounded down to the nearest whole share, and (b) each SendGrid RSU held by a current or former non-employee director of SendGrid was cancelled and converted into a right to receive the number of fully-vested shares of Twilio Class A Common Stock equal to (i) the number of SendGrid Shares subject to such SendGrid RSU immediately prior to the Effective Time multiplied by (ii) the Exchange Ratio, with any fractional shares rounded down to the nearest whole share.

The foregoing summary description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the terms of the Merger Agreement, a copy of which was filed as Exhibit 2.1 to Twilio's Current Report on Form 8-K filed with the SEC by Twilio on October 16, 2018, the amendment of which was included in the definitive joint proxy statement/prospectus filed by Twilio and SendGrid with the SEC on December 18, 2018 (the "Joint Proxy Statement/Prospectus"), the terms of which are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On February 1, 2019, Twilio issued a joint press release with SendGrid announcing the completion of the Merger. A copy of the joint press release is attached hereto as Exhibit 99.1.

The information under this Item 7.01 of this Current Report on Form 8-K, including the exhibit attached hereto, is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The financial statements of SendGrid required by this item were previously filed and incorporated by reference in Twilio's Registration Statement on Form S-4 dated December 14, 2018.

(b) Pro Forma Financial Statements.

The pro forma financial information required by this item was previously filed and incorporated by reference in Twilio's Registration Statement on Form S-4 dated December 14, 2018.

(d) Exhibits. The following exhibits are included with this report:

<u>Exhibit No.</u>	<u>Description</u>
2.1	<u>Agreement and Plan of Merger and Reorganization, dated as of October 15, 2018, by and among SendGrid, Twilio and Merger Sub (incorporated by reference to Exhibit 2.1 to Twilio's Current Report on Form 8-K filed with the SEC on October 16, 2018).</u> *
2.2	<u>First Amendment to Agreement and Plan of Merger and Reorganization, dated as of December 13, 2018, by and among SendGrid, Twilio and Merger Sub (incorporated by reference to Amendment No. 1 to Form S-4 filed by Twilio and SendGrid with the SEC on December 14, 2018).</u>
99.1	<u>Joint press release of Twilio and SendGrid, dated as of February 1, 2019.</u>

* Schedules omitted pursuant to Item 601(b)(2) of Regulation S-K. Twilio hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC; provided, however, that Twilio may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any schedule so furnished.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 1, 2019

TWILIO INC.

By: /s/ Khozema Shipchandler
Khozema Shipchandler
Chief Financial Officer

Twilio Completes Acquisition of SendGrid

SAN FRANCISCO, Feb. 1, 2019 — Twilio (NYSE:TWLO), the leading cloud communications platform, today announced the successful completion of its previously announced acquisition of SendGrid, Inc., the leading email API platform. This follows approval by the stockholders of both companies at separate meetings on Jan. 30, 2019. This transaction is valued at approximately \$3 billion. Based on the closing price of Twilio Class A common stock on Jan. 31, 2019 and the exchange ratio of 0.485 shares of Twilio Class A common stock per share of SendGrid common stock, SendGrid stockholders received approximately \$53.99 of aggregate value per share of SendGrid common stock. As a result of the acquisition, shares of common stock of SendGrid ceased trading prior to the open of the market on Feb. 1, 2019 and will no longer be listed on the New York Stock Exchange.

“Effective customer engagement is a strategic imperative for every company. With SendGrid now a part of Twilio, our goal is to provide a complete platform for every form of customer engagement,” said Jeff Lawson, Twilio co-founder and CEO. “Through our mutual developer-first approach, we empower the builders of the world to create magical customer experiences unique to every interaction.”

SendGrid will operate as a wholly owned subsidiary of Twilio and will continue to be led by SendGrid CEO Sameer Dholakia, reporting to Lawson.

“Together, we serve more than 140,000 active customer accounts and power more than 600 billion annualized interactions each year. We have a shared vision, a shared model and shared values that will set us up for success,” said Dholakia. “As we join forces today, I’m more confident than ever that we can accelerate our vision of creating one unquestioned platform of choice for developers and companies around the world and help them transform the way they engage with their customers.”

Together, this acquisition will provide developers and companies:

- Access to the single, best-in-class platform to manage all important communication channels: voice, messaging, video and now, email;
- Unmatched scalability and reliability to ensure their businesses are supported as they grow; and
- The ability to deliver consistent and personalized messaging based on the customers’ preferred form of communication.

“As a customer of both Twilio and SendGrid, we couldn’t be more excited for two of the leading customer communication platforms in the market to come together,” said Matthew Daimler, VP of Strategic Initiatives at Zillow Group. “Purchasing a home is one of the most important decisions that a person will make in their lifetime therefore, our customers expect to communicate with our realtors in a timely and personalized manner whether it be via phone, text or email. Having one seamless customer communication platform that offers omnichannel engagement transforms the way we interact with our customers.”

“The acquisition of SendGrid signals that Twilio is redefining its position in the market, enhancing its customer engagement capabilities with a comprehensive omnichannel offering,” said Raul Castanon-Martinez, senior analyst, 451 Research. “The deal should also help cement its position in the enterprise. This could give Twilio added momentum for expanding its customer base and support continued revenue growth.”

With SendGrid, developers and businesses can use Twilio to reach their customers over any channel - voice, SMS, Facebook Messenger, WhatsApp, video, and now email. Across a wide variety of customer touchpoints, companies can now trust one platform to deliver the right communication, on the right channel, without having to setup different vendors for each approach.

“As the leading independent provider of identity for the enterprise, Okta enables organizations to secure and manage their workforces while transforming their customers’ identity experience,” said Hector Aguilar, CTO of Okta. “We have built a seamless, easy-to-use service that leverages email, messaging and voice for notifications and verification actions with our customers. Twilio’s and SendGrid’s services truly are mission-critical to our business, making the acquisition an opportunity for greater innovation and long-term benefits to joint customers like Okta.”

About Twilio

Millions of developers around the world have used Twilio to unlock the magic of communications to improve any human experience. Twilio has democratized communications channels like voice, text, chat, video and email by virtualizing the world's communications infrastructure through APIs that are simple enough for any developer to use, yet robust enough to power the world's most demanding applications. By making communications a part of every software developer's toolkit, Twilio is enabling innovators across every industry — from emerging leaders to the world's largest organizations — to reinvent how companies engage with their customers.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. The words such as “will,” “expected,” “could,” and similar phrases that denote future expectations or intent are intended to identify forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. These statements are based on management's current expectations, assumptions, estimates and beliefs. While Twilio believes these expectations, assumptions, estimates and beliefs are reasonable, such forward-looking statements are only predictions, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: adverse changes in general economic or market conditions; changes in the market for communications; Twilio's ability to adapt its products to meet evolving market and customer demands and rapid technological change; Twilio's ability to generate sufficient revenues to achieve or sustain profitability; Twilio's ability to retain customers and attract new customers; Twilio's limited operating history, which makes it difficult to evaluate its prospects and future operating results; Twilio's ability to effectively manage its growth; Twilio's ability to compete effectively in an intensely competitive market, and risks that the anticipated benefits of the acquisition of SendGrid may not be fully realized or may take longer to realize than expected.

The forward-looking statements contained in this press release are also subject to additional risks, uncertainties, and factors, including those more fully described in Twilio's most recent filings with the Securities and Exchange Commission. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that Twilio makes with the Securities and Exchange Commission from time to time. Forward-looking statements speak only as of the date such statements are made. Except as required by law, Twilio undertakes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

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