



GoDaddy®

# Q4 Earnings Results

February 2019

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PORTLAND



# Forward-looking Statements

This presentation contains forward-looking statements which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. Statements in this presentation involve risks, uncertainties and assumptions. If the risks or uncertainties materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact could be deemed forward-looking statements, including, but not limited to: launches of new or expansion of existing products or services, any projections of product or service availability, technology developments and innovation, customer growth, or other future events; any statements about historical results that may suggest future trends for our business; any statements regarding our plans, strategies or objectives with respect to future operations, including international expansion plans and marketing strategy; any statements regarding integration of recent or planned acquisitions, any statements regarding our future financial results; statements concerning our acquisitions of HEG and Main Street Hub, and the projected impact of the acquisitions on our business and results of operations; any statement regarding the share repurchase program; and any statements of assumptions underlying any of the foregoing.

Actual results could differ materially from our current expectations as a result of many factors, including, but not limited to: the unpredictable nature of our rapidly evolving market; fluctuations in our financial and operating results; our rate of growth; interruptions or delays in our service or our web hosting; breaches of our security measures; the impact of any previous or future acquisitions; our ability to continue to release, and gain customer acceptance of, our existing and future products and services; our ability to manage our growth; our ability to hire, retain and motivate employees; the effects of competition; technological, regulatory and legal developments; intellectual property litigation; developments in the economy, financial markets and credit markets; and execution of share repurchases.

Additional risks and uncertainties that could affect GoDaddy's financial results are included in the other filings we make with the SEC from time to time, including under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in GoDaddy's Annual Report on Form 10-K for the year ended December 31, 2017, which is available on GoDaddy's website at <https://investors.godaddy.net> and on the SEC's website at [www.sec.gov](http://www.sec.gov). Additional information will also be set forth in other filings that GoDaddy makes with the SEC from time to time. All forward-looking statements in this presentation are based on information available to GoDaddy as of the date hereof. GoDaddy does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

## Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), this presentation includes certain non-GAAP financial measures and other operating metrics. We believe that these non-GAAP financial measures and other operating metrics are useful as a supplement in evaluating our ongoing operational performance and enhancing an overall understanding of our past financial performance. The non-GAAP financial measures included in this presentation should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation between each non-GAAP financial measure and its nearest GAAP equivalent is included on slides 14-16 of this presentation.



Empowering entrepreneurs everywhere, by providing all the help and tools to succeed online.





# Strategy

## Customer Experience

Invest in how customers engage with us at all our touch points.

## Product Excellence

Continue to innovate what our customers currently do, and will do with us.

## Global Go-to-Market

Where both new and existing customers will see us, extending our distinction by meeting our customers where they are in their journey.

## Technology and Platform

Single global technology platform built around effective applications that collectively provide a highly performant, secure infrastructure and environment.



# Q4 2018 Top Line

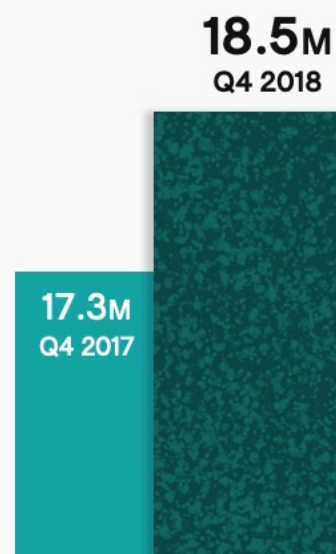
## Bookings 11% Y/Y increase



## ARPU 7% Y/Y increase



## Customers 7% Y/Y growth



## Revenue 16% Y/Y increase



\*Q4 2017 ARPU was muted by the impact of the acquisition of HEG as our trailing twelve month revenue for the period included only three quarters of HEG's results and the impact of purchase accounting adjustments for this annual measure.

# Expanding Our Presence Suite

## GoCentral and Managed WordPress

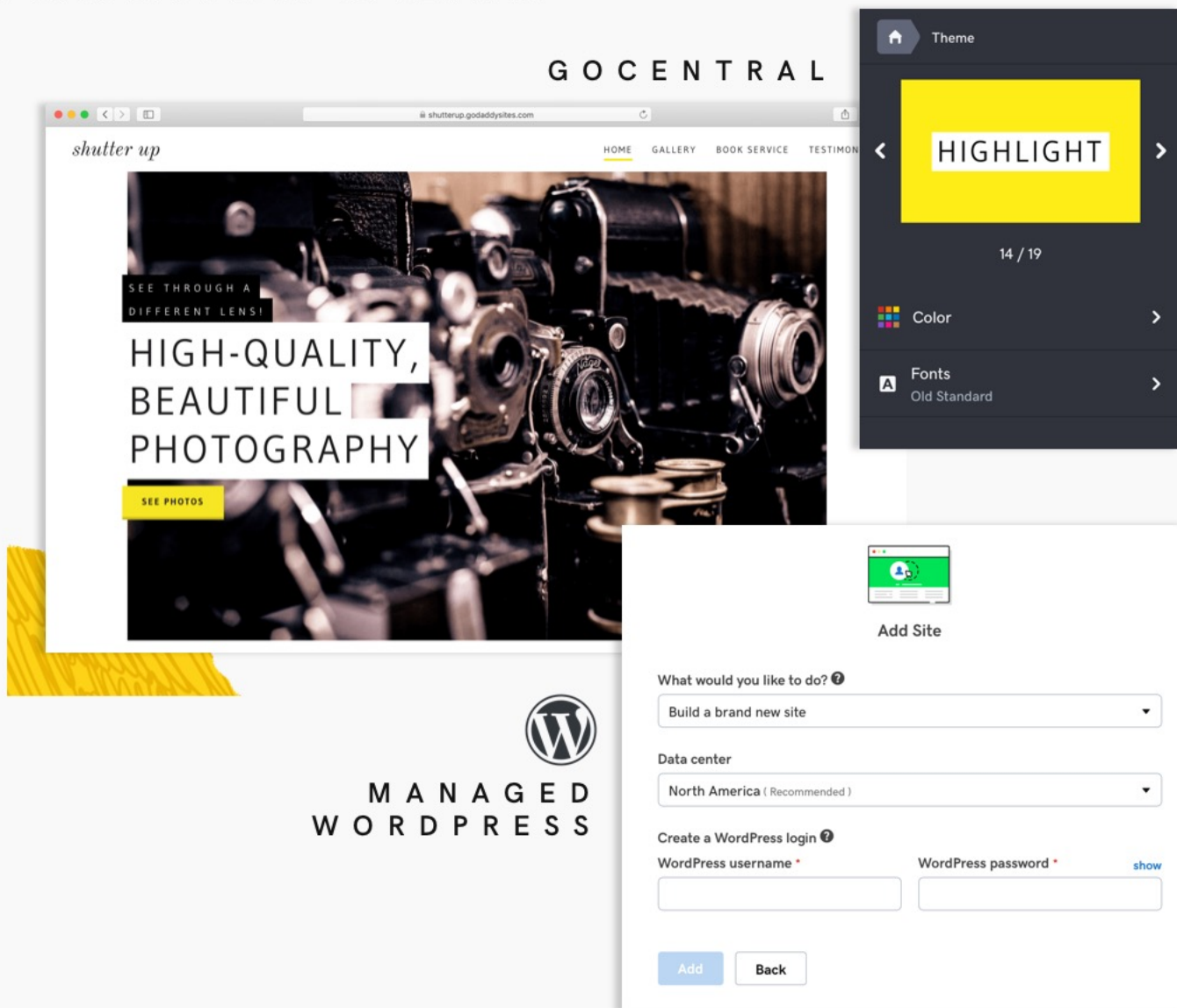
- Proprietary applications coexisting to address complimentary need states for our customers
- Subscriptions collectively growing over 40% year over year

### GoCentral

- Quickly expanding platform
- Continued solid adoption rates
- Improving cohort retention
- Rising Net Promoter Scores
- Positive customer feedback
- Manage presence across the social, reputation, and eCommerce landscape

### Managed WordPress

- Managed WordPress automates and simplifies the common pain points of basic WordPress
- Continued feature improvements aimed at performance and reliability







# Go-to-Market

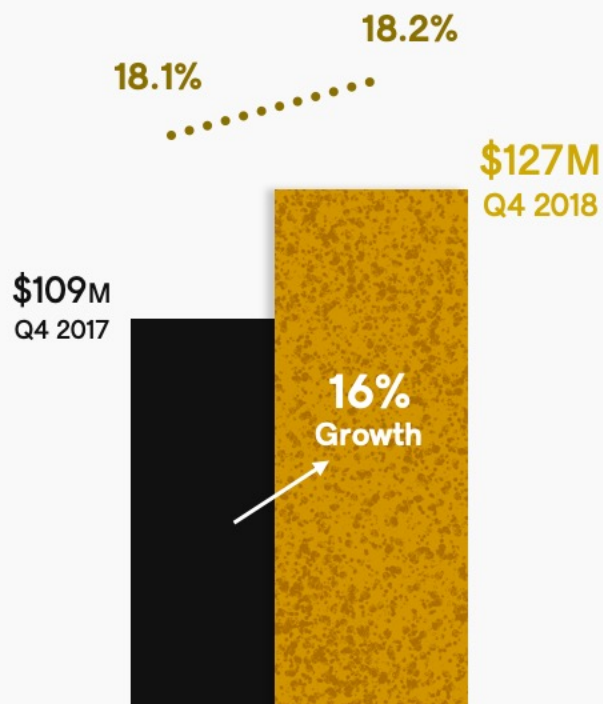
## Core Growth Driver

- Building on the brand to reach everyday entrepreneurs
- Improving conversational marketing proficiency
- Results in ability to attach new products
- Driving feature engagement
- Scaling successful campaigns
- Addressing points of shifting underlying need states

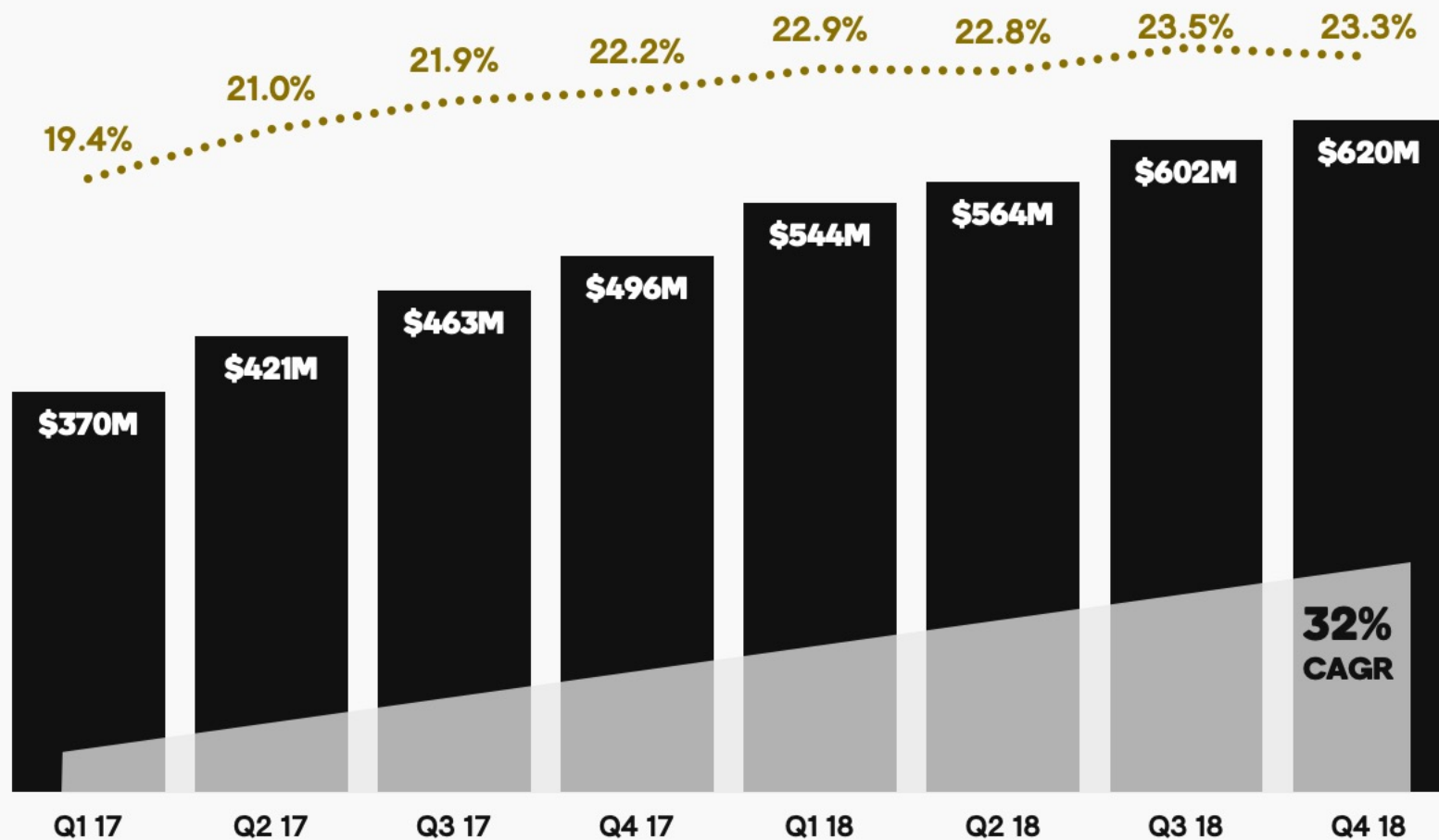
# Exceptional Unlevered Free Cash Flow (uFCF)

## uFCF

16% Growth



## Trailing Twelve Month uFCF



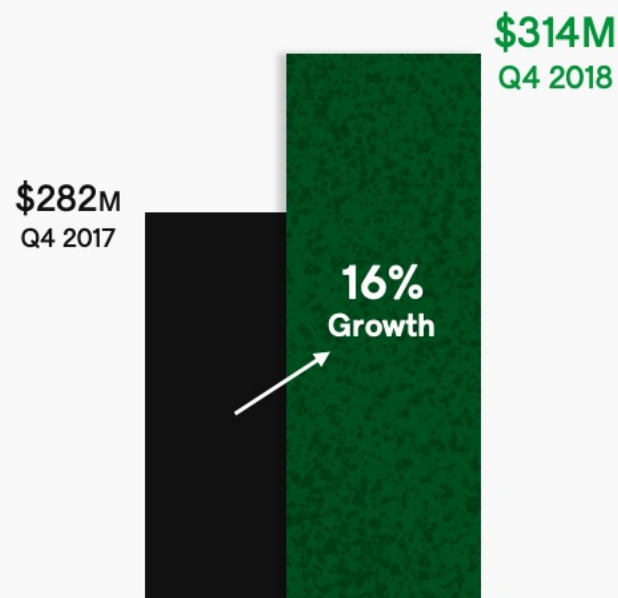
A reconciliation table of the period presented can be found in the appendix section of this presentation.



# Domains

## Outgrowing Industry

Revenue  
12% Growth



- ✓ Better and differentiated search across desktop and mobile devices.
- ✓ More inventory with hundreds of TLDs and 77M+ domains under management.

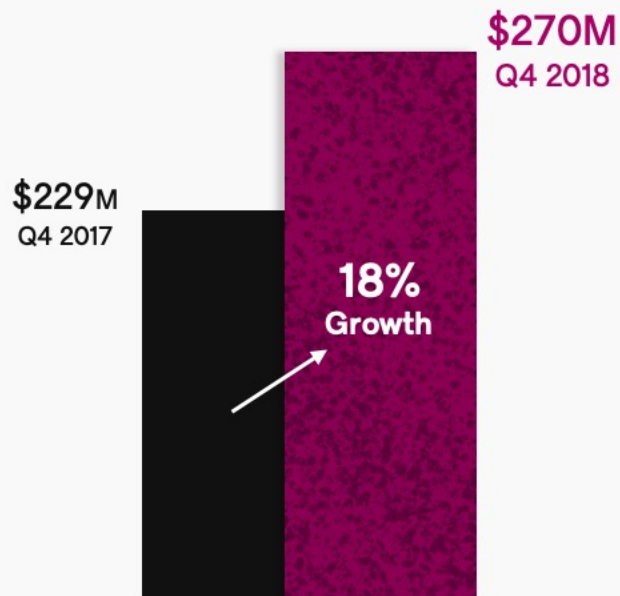
- ✓ Broader and more liquid domain aftermarket contributed incremental growth in Q4.
- ✓ Continued strong renewals.

# Hosting & Presence

## Faster Growth

### Revenue

18% Growth



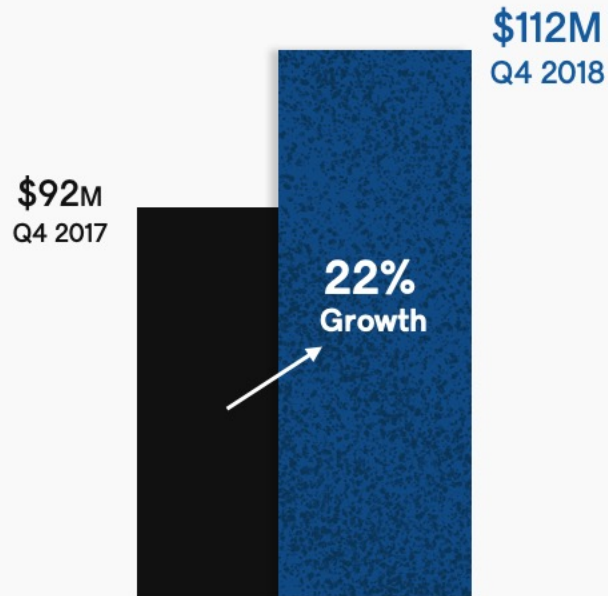
- ✓ GoCentral
- ✓ Broad solution sets.
- ✓ Effortless marketing and eCommerce.
- ✓ Dramatic growth in appointments, bookings, and other feature engagement.
- ✓ Build, customize, or update your fully mobile-responsive site on-the-go entirely from a phone or tablet.
- ✓ Amazon, eBay, Etsy, Yelp, Square, Facebook, Google My Business, Apple Pay, and OpenTable integrations.
- ✓ Simplifying WordPress experiences with Managed WordPress.



# Business Applications

## Strong Growth

**Revenue**  
22% Growth



- ✓ Microsoft O365 continued strong adoption.
- ✓ Workspace renewals remain strong.
- ✓ Email Marketing integrated with GoCentral.
- ✓ Open-Xchange in emerging markets.

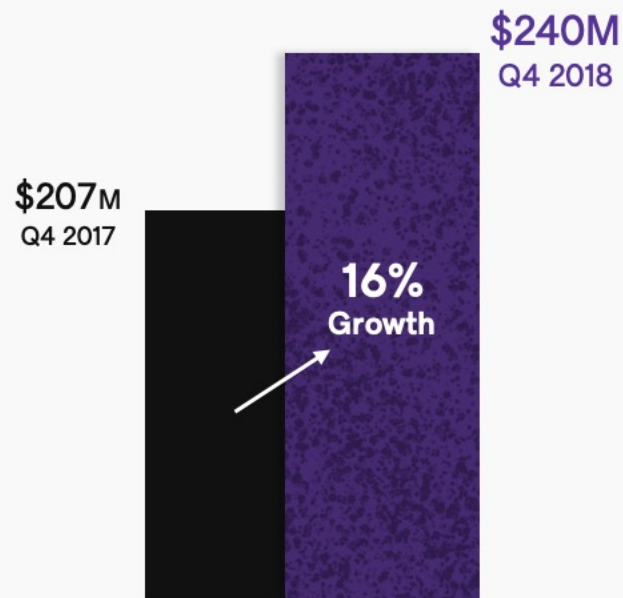




# Global Footprint

## Bold Expansion Globally

International Revenue  
16% Growth



## 50+ Markets 100+ Countries





# Q1 & Full Year 2019 Outlook

## Q1 2019

## Full Year 2019

### Revenue

**\$705M–\$715M**  
~11–13% growth

**\$2,970M–\$3,000M**  
~12–13% growth

### Unlevered Free Cash Flow

**\$730M–\$745M**  
~18–20% growth

# Non-GAAP Reconciliation: Bookings & uFCF

## Reconciliation of Bookings (\$M)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2017	2018	2017	2018
Total revenue	\$602.2	\$695.8	\$2,231.9	\$2,660.1
Change in deferred revenue	10.1	(7.9)	214.4	163.2
Net refunds	44.9	46.8	170.0	192.6
Other	0.7	(2.3)	1.9	(4.4)
Total Bookings	\$657.9	\$732.4	\$2,618.2	\$3,011.5

## Reconciliation of Unlevered Free Cash Flow (\$M)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2017	2018	2017	2018
Net cash provided by operating activities	\$104.3	\$128.5	\$475.6	\$559.8
Impact of discontinued operations	–	–	(3.5)	23.8
Cash paid for interest	21.5	22.3	80.8	84.1
Cash paid for acquisition and costs	6.4	12.9	35.8	32.2
Capital expenditures	(23.0)	(38.2)	(83.2)	(87.7)
Cash paid for tax-related items	–	–	(10.0)	–
Cash paid for indirect taxes	–	1.3	–	7.3
Unlevered Free Cash Flow	\$109.2	\$126.8	\$495.5	\$619.5



# Non-GAAP Reconciliation: Net Debt

## Reconciliation of Net Debt (in millions)

December 31, 2018

Current portion of long-term debt	\$16.6
Long-term debt	\$2,394.2
Unamortized original issue discount on long-term debt	27.9
Unamortized debt issuance costs	18.6
Total debt	\$2,457.3
Less: Cash and cash equivalents	(932.4)
Less: Short-term investments	(18.9)
Net Debt	\$1,506.0

# Non-GAAP Reconciliation: Trailing Twelve Months uFCF

Reconciliation of uFCF (\$M)	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18
Net cash provided by operating activities	\$407.8	\$428.7	\$460.4	\$475.6	\$497.4	\$513.0	\$535.6	\$559.8
Impact of discontinued operations	—	(3.0)	(3.5)	(3.5)	(3.5)	20.9	23.8	23.8
Cash paid for interest	43.7	57.9	70.8	80.8	92.5	86.6	83.3	84.1
Cash paid for acquisition-related costs	8.7	27.1	32.1	35.8	39.9	25.6	25.7	32.2
Capital expenditures	(69.3)	(71.4)	(78.9)	(83.2)	(79.5)	(82.6)	(72.5)	(87.7)
Cash paid for tax-related distributions	(20.7)	(18.0)	(18.0)	(10.0)	(3.0)	—	—	—
Cash paid for indirect taxes	—	—	—	—	—	—	6.0	7.3
Unlevered Free Cash Flow	\$370.2	\$421.3	\$462.9	\$495.5	\$543.8	\$563.5	\$601.9	\$619.5





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## 2019

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