GoDaddy Inc. Q3 2026 Financial Results Prepared Remarks

Aman Bhutani, GoDaddy Chief Executive Officer

Transforming GoDaddy for an Agentic World

Good afternoon and thank you for joining us.

At GoDaddy, our purpose is to make opportunity more inclusive for all, and our strategy is to become the agentic operating system for micro and small businesses. Creating customer value and transitioning it to shareholder value over time has been our formula for success. Airo is at the heart of meeting this moment, and we are transforming GoDaddy to stay ahead of what comes next, evolving our customer experience and building the foundation for long-term growth. We are early in this journey, and the meaningful growth in Airo's adoption over the last two quarters has validated our strategy.

In Q3, we delivered bookings growth of 6 percent and expanded Normalized EBITDA margin to over 33 percent, reflecting continued operational execution and structural leverage we achieved from the strategy we launched at our 2024 Investor Day. We are excited to announce that Airo's annualized bookings run rate more than doubled to over $100 million, up from $50 million last quarter and $10 million the quarter before. Even more encouraging, Airo incrementally contributed to our bookings growth this quarter, as its bookings more than offset the impacts of migration of our legacy website products.

Looking forward, we are excited to share more about our vision for the next several years with you at our Investor Night on December 1st in Tempe, where we will lay out where we are driving this business and how we will continue to deliver value for our customers and our shareholders.

Airo

This is a pivotal moment for our industry, and for GoDaddy to help entrepreneurs succeed online. Small businesses everywhere are experimenting with AI tools, and we are bringing more capabilities and customers to Airo as fast as possible. This year, we made the strategic decision to make Airo our flagship website product, replacing Websites + Marketing. Over time, Airo will become the operating system bringing together all the products that GoDaddy offers, and in late Q3, Airo became the default option in the domains path. With that change, we are stepping up marketing, shifting planned spend and investing in brand awareness, with the incremental spend in Q4 offset by efficiencies elsewhere in the business. We have also deployed significant internal resources behind Airo as it performs more marketing and commerce jobs for our customers.

We priced Airo for broad adoption for both new and existing customers. In a competitive, agent-first and AI-native market, we are using our advantage of scale to quickly get our product in front of customers. As Airo is scaling, we are encouraged by the free-to-paid conversion rate and customer satisfaction, as well as attach rates for new and existing customers that are on par with our legacy Websites + Marketing product. There is a lot more to do, and we are excited to keep going.

Reaching a New Customer

Turning to what we are see in the broader environment. In Q3, Google quickly pivoted towards AI-mode for the bulk of search in our space. Based on early data we observed, we believe the impact to our traffic has been small, which speaks to the resilience of our direct traffic and brand. The more important development is where new demand in our space is coming from. We believe AI coding tools are driving strong growth in our industry, and we believe a broader set of customers including developers are driving that growth. New cohorts are increasingly starting inside coding assistants, command line tools and agent interfaces, and they buy differently. As this new demand grows, we are also seeing sharper discounting across the industry on products like domains, along with freemium offers on hosting.

We have moved quickly to launch and expand a suite of agent-friendly APIs spanning domains, hosting, professional email and commerce. Understanding that pricing is a critical component of going to market, as we move into 2027, we will lean into testing new bundles with competitive offers that will deliver more value. We will test these new bundles as part of our Pricing and Bundling program, which we have had success with over the last several years.

We also expect these new bundles to show up favorably in LLMs and AI agents. We are working to improve how we appear in these channels to attract more of the traffic that comes from them, with a continued focus on high-intent customers. This is an ongoing effort, and we are driving incremental progress.

Agentic Open Internet

As the agentic open web unfolds, we continue to see a long-term opportunity for GoDaddy to play a foundational role with Agent Name Service serving as a core component of the infrastructure needed to support an increasingly agentic world.

Earlier this month, we joined Infoblox, Google and Cloudflare to demonstrate Chain of Trust, an open architecture developed in collaboration with the Singapore government and informed by its AI governance framework. For the first time, agents on different platforms that had never worked together completed a simulated live purchase on the open internet using ANS, ARD and other open internet standards. The system verified agent identities and permissions in an auditable pathway, while also blocking impostor agents before they could transact. This demonstration shows the integral role that identity, Agent Name Service and GoDaddy will play in the agentic open internet.

Closing Remarks

We are transforming GoDaddy for an agentic world, and this quarter we made real progress. Airo is doing more of the work for business owners. Our expanded suite of APIs is making GoDaddy available in the tools where people now build, while our work on identity and discovery is laying the groundwork for businesses to be found and trusted as agents take on more of the customer jobs to be done. Together, we believe these efforts will continue to make GoDaddy's offering more valuable and mission-critical for our customers.

With that, here's Mark.

Mark McCaffrey, GoDaddy Chief Financial Officer

Thanks, and good afternoon, everyone. We are transforming GoDaddy with the same financial rigor that has long defined us, and our third quarter results reflect that focus. We delivered revenue above the high end of our guide and expanded our Normalized EBITDA margin by approximately 120 basis points. We generated free cash flow of $481 million, with trailing twelve-month free cash flow of $1.8 billion and fully diluted shares outstanding of 123 million. Taken together, these show strong continued progress toward our North Star.

Q3 2026 Results

Bookings

Total bookings grew 6 percent to $1.4 billion, in line with revenue growth.

Applications and Commerce grew 8 percent up from 7 percent in the second quarter. Airo adoption drove incremental bookings this quarter while Productivity grew on targeted pricing actions taken earlier this year, partially offset by a lower unit volume as customers renewed email accounts with fewer seats. Airo unit growth acceleration was led by our starter tier as many existing presence customers migrated to annual Airo plans. Higher unit volume and token credits more than offset the lower price point of this entry-level tier. That growth came largely before we introduced Airo in the domains purchase path, our largest funnel, in late Q3.

Core Platform grew 4 percent driven by an increased volume of high-value transactions and strength in new primary domain registrations and renewals across many of our TLDs.

Revenue

Total revenue for the quarter grew 6 percent to $1.3 billion and ARR grew 5 percent to $4.5 billion with international revenue up 3 percent to $436 million.

Our Applications and Commerce segment grew 9 percent to $524 million, on continued growth in productivity and commerce, partially offset by the ongoing transition of customers to Airo from Websites + Marketing that we began in the first quarter. Segment EBITDA margin expanded roughly 120 basis points to 47 percent.

Core Platform grew 4 percent to $818 million, on a strong Aftermarket, overcoming a tough compare, driven by increased volume of high-value transactions. Segment EBITDA margin was flat at 33 percent.

Customer and Financial Metrics

Underpinning everything we are doing is the resilience and durability of our model. Once customers are with GoDaddy, they tend to stay and do more with us. More than half of our customers have at least two paid products, and retention rates remain above 85 percent and continue to improve. For Airo customers, more than 70 percent have at least two paid products. With ARPU reaching $253 and more customers spending over $500 annually, we are now using Airo to attract and retain high-intent customers and help them adopt more of our products. Our experience shows that customers spending over $500 annually with two or more paid products have nearly perfect retention. As Airo helps us build more of these relationships, we see an opportunity to strengthen retention and customer lifetime value over the long term.

FCF and Capital Efficiency

And the strength of our model allows us to pursue these opportunities while still returning capital to shareholders. Normalized EBITDA grew 10 percent to $449 million, with margin expanding approximately 120 basis points to 33 percent, reflecting revenue growth and continued expense discipline. Free cash flow grew 9 percent to $481 million, with Normalized EBITDA converting to free cash flow at better than a one-to-one ratio.

Our healthy balance sheet gives us flexibility to move quickly as the market evolves. We ended the quarter with $1.1 billion in cash and total liquidity of $2.3 billion. Net debt was $2.7 billion, representing net leverage of 1.4 times on a trailing twelve-month basis, well within our target range. We also continued our responsible and prudent capital allocation program, repurchasing 5 million shares for $477 million during the third quarter. Year to date through October 26th we repurchased $1.4 billion, reducing our fully diluted shares outstanding by 12 percent.

Outlook

Turning to our outlook, for the full year we expect to finish toward the higher end of our $5.215 to $5.255 billion revenue range, helped by outperformance in the aftermarket in the first three quarters. We expect A&C revenue growth of approximately 10 percent and Core platform revenue growth of approximately 4 percent for the full year.

For the fourth quarter, absent any impact of FX, we expect bookings growth to accelerate and be slightly ahead of revenue growth, driven by the increasing units from adoption of Airo within our A&C segment.

We are reaffirming our Normalized EBITDA margin target of over 33 percent for the year, reflecting more than 100 basis points of expansion on continued operating leverage and AI-driven productivity alongside continued investment in AI products, platform, marketing and compute.

We are reaffirming our full year free cash flow target of approximately $1.8 billion, with a Normalized EBITDA conversion ratio of greater than one-to-one.

On capital allocation, we operate within a disciplined, returns-based framework. We remain focused on allocating capital to its highest value uses, with a priority on driving long-term shareholder returns.

Taken together, our free cash flow and approach to capital allocation keeps us on track to deliver on our free cash flow North Star of a three-year CAGR of over 25 percent, well ahead of the 20 percent target we set at our last Investor Day.

Investor Night & Closing Remarks

Finally, we look forward to hosting many of you at our Investor Night on December 1, 2026, at our Tempe, Arizona headquarters. Registration for the evening is now open, please contact our investor relations team at investors@godaddy.com to request a link for registration. We will use the evening to give you a more comprehensive view of our strategy, how we plan to invest behind it and what we expect it to deliver for our customers and our shareholders.

Forward Looking Statements

These remarks reference both GAAP and non-GAAP financial measures and other operating and business metrics. A discussion of why we use non-GAAP financial measures and reconciliations of our non-GAAP financial measures to their GAAP equivalents may be found in the presentation posted to our Investor Relations site at investors.godaddy.net or in our earnings release on our Form 8-K furnished with the SEC. Growth rates represent year-over-year comparisons, unless otherwise noted.

These remarks include forward-looking statements, such as those related to future financial results and our strategies or objectives with respect to future operations. These forward-looking statements are subject to risks and uncertainties that are discussed in detail in our periodic SEC filings. Actual results may differ materially from those contained in forward-looking statements. Any forward-looking statements that we make in these remarks are based on assumptions as of October 29, 2026, and except to the extent required by law, we undertake no obligation to update these statements because of new information or future events