



2019 Q4 Earnings Results

February 2020

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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 adoption and expansion of existing products or services, any projections of product or service availability, technology developments and innovation, customer growth, addressable market size, market acceptance of products 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; any statements regarding integration of recent or planned acquisitions, any statements regarding our future financial results; statements concerning GoDaddy's ability to continue to integrate its acquisition of Over and the expected acquisition of Uniregistry's domain registrar and marketplace businesses, and the projected impact of the acquisition on GoDaddy's business and results of operation; 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 those described in "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 as well as those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Annual Report on Form 10-K for the year ended December 31, 2018, which are available on GoDaddy's website at <https://investors.godaddy.net> and on the SEC's website at 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 14-17 of this presentation.

Themes

Platform

- Increase velocity of innovation, build robust and flexible products globally, quickly and seamlessly acquire and integrate brands in the future

Seamlessly Intuitive Experiences

- Making everything online easy, from site building to marketing

Brand

- Bringing together humanity and technology to serve everyday entrepreneurs



Platform

Great progress at aligning engineering priorities and resources.

Consistent deliberate progress on strengthening platform.

Launched holistic structure for a single global product catalog.



Phil
GoDaddy Engineering Team

Intuitive Simplicity

Continuing to deliver on commitments to embed simplicity as a feature of all GoDaddy Experiences

Websites + Marketing

- Launched innovative content, templates and media tools
- Launching Instagram Shopping, Facebook Developer Platform and Google Shopping

Managed WordPress

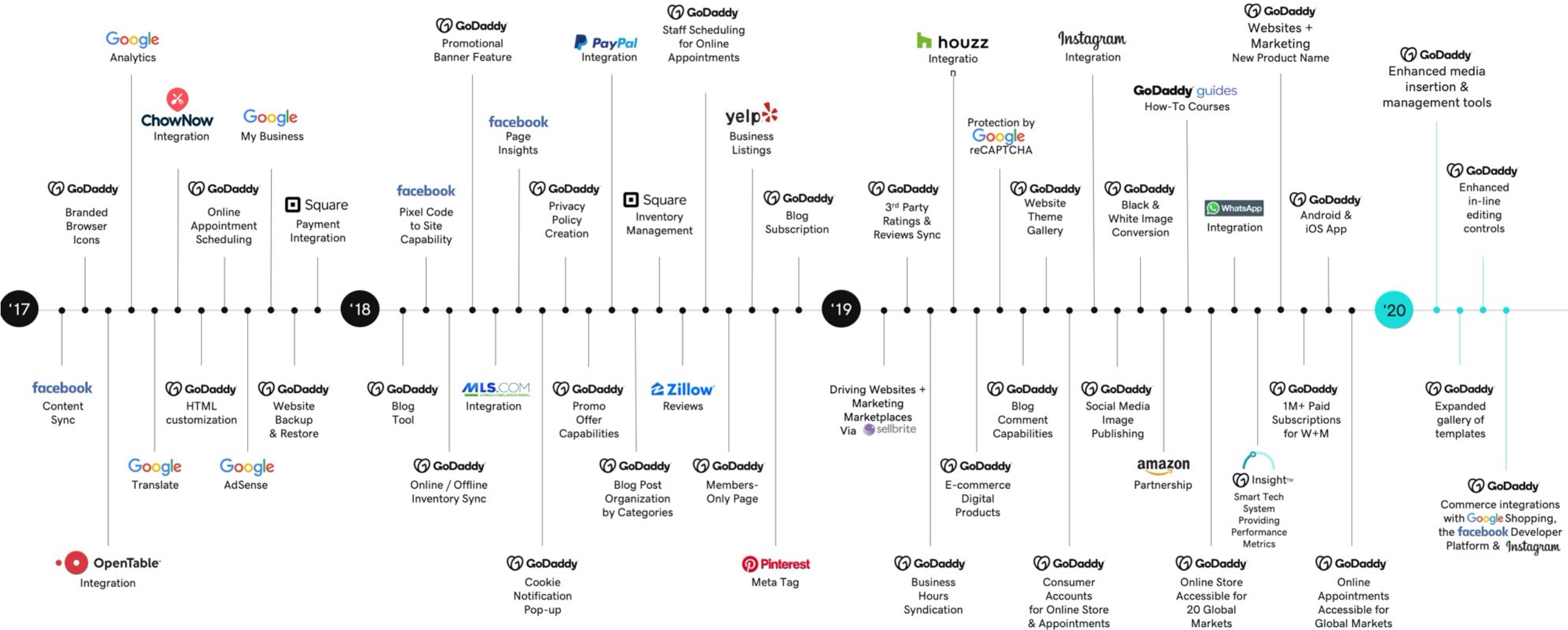
- Design tools
- Refreshed commerce solutions lineup via WooCommerce
- Record sales

WordPress

- Leading the way in WordPress CMS Innovation
 - Fluidity
 - Ease of use
 - In-line editing
- Open-sourced Go template becomes fastest growing WordPress theme
- Global champion of WordPress through GoDaddy's powerful tools



Product Progress — Websites + Marketing



Acquisitions

Over

- Curated content: hand-curated videos, graphics and font collections, updated daily
- Easy to use tools: make designs pop with blending, layers and masking, and look like a pro — no experience needed
- Collaborative: give and receive feedback instantly and save time on changes by updating on the go

Uniregistry

- Industry's largest outstanding domain portfolio
- Set of businesses serving the needs of domain investors and corporate brands
- Strengthening position in the aftermarket and bring useful tools

Over Platform



Uniregistry



Brand

Influencer-driven campaign with 500 influencers championing GoDaddy's message of empowerment.

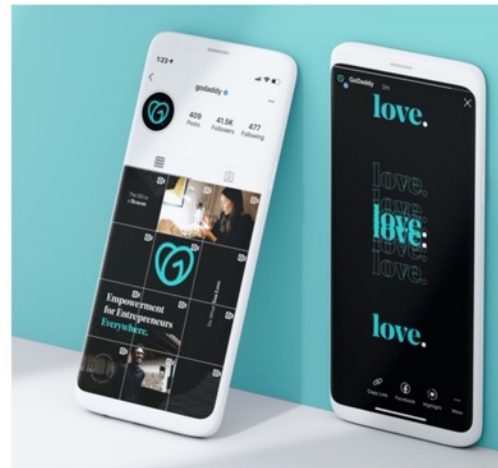
Creative strategy linked to day-to-day experiences of customers.

2019 resulted in solid performance outpacing competitors.

- Brand affinity
- Impressions
- Social Buzz

New logo launch of the "Go".

Bringing together humanity and technology to serve everyday entrepreneurs.



Q4 2019 Top Line

Bookings

14% Y/Y increase
14% Constant Currency



ARPU

7% Y/Y increase



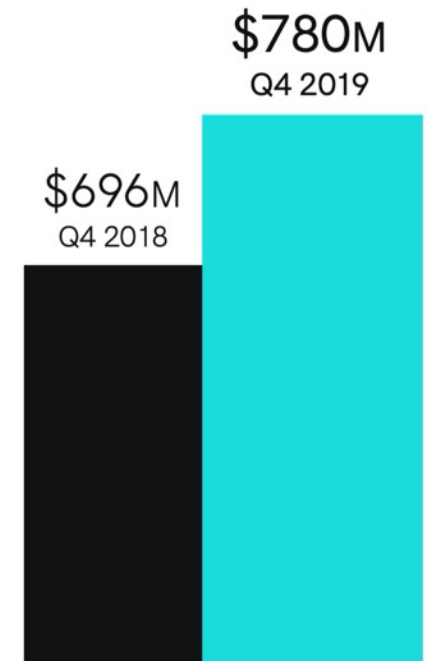
Customers

4% Y/Y Growth



Revenue

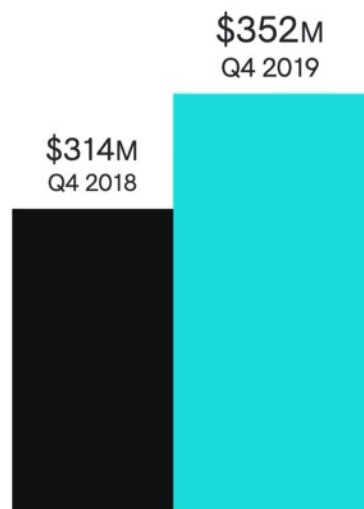
12% Y/Y increase
13% Constant Currency





Domains

12% Y/Y increase



- Continued strong renewals
- Better and differentiated search across desktop and mobile devices
- Broadest and deepest domain aftermarket marketplace



Hosting & Presence

8% Y/Y increase

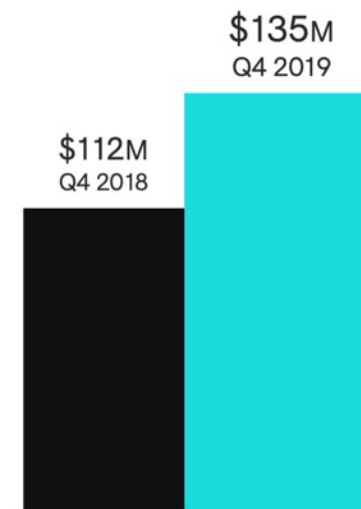


- Expanding presence suite to help entrepreneurs be everywhere they need to be to meet their customers
- Broad integrations and partnerships
- Build and customize your site on any device



Business Applications

21% Y/Y increase

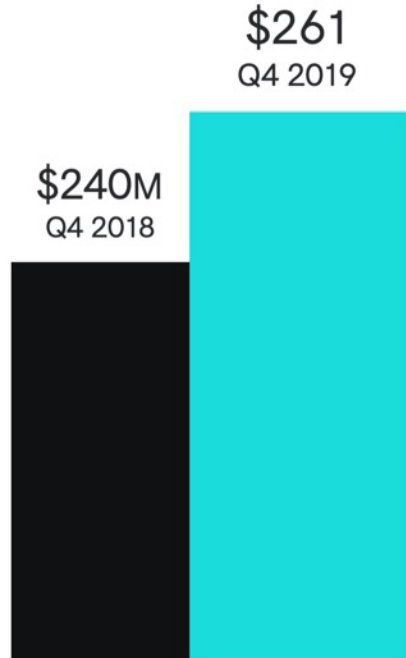


- Open-Xchange in emerging markets
- Microsoft O365 continued strong adoption
- Strong Workspace renewals

Global Footprint

Bold Expansion Globally

International Revenue — 9% Y/Y growth | 11% Constant Currency



8.5M+ Int'l Customers

100+ Countries

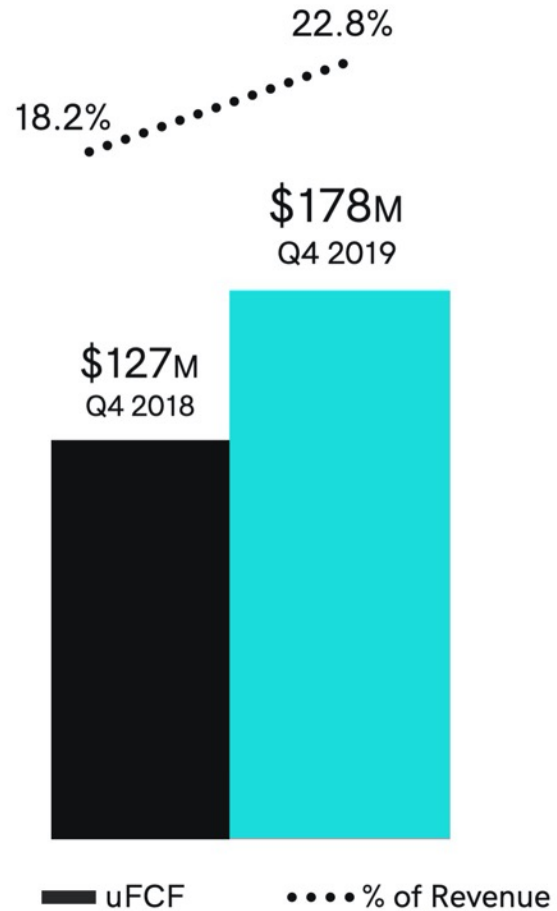
\$1B Run Rate

50+ Markets

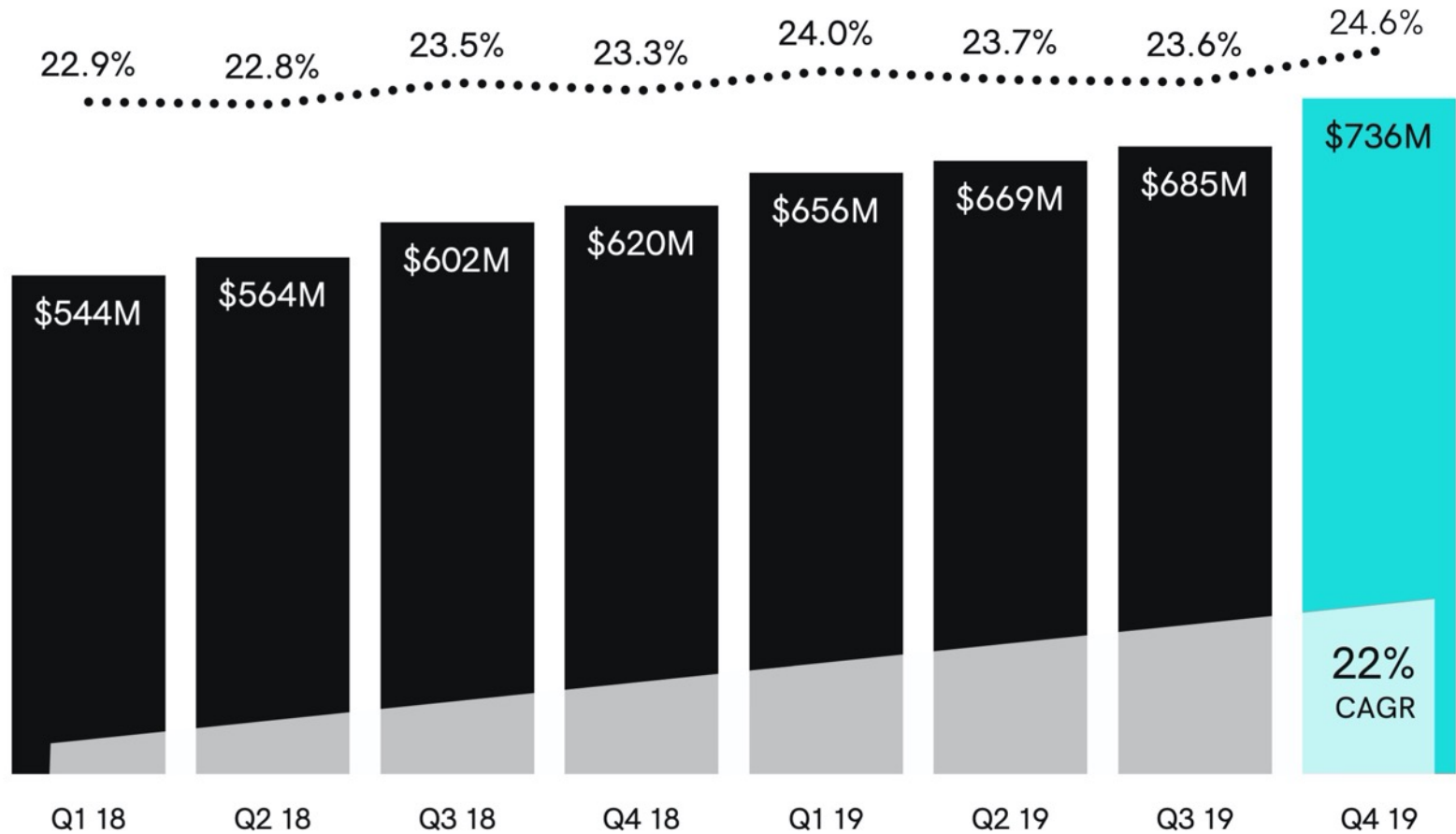


Exceptional Unlevered Free Cash Flow (uFCF)

uFCF (\$M)
40% Y/Y Growth



Trailing Twelve Month uFCF



A reconciliation table between uFCF and its nearest GAAP equivalent for the period presented can be found at the end of this presentation.

Q1 & Full Year 2020 Outlook

Q1 2020

Full Year 2020

Revenue

\$795M
~12% growth

\$3,315B
~11% growth

Unlevered Free Cash Flow

\$835M*
~14% growth

*uFCF estimate includes the impact of a 2020 year-end working capital headwind related to payroll, without which, uFCF guidance would have been \$850, or 15% growth year over year.

Non-GAAP Reconciliation: Bookings & uFCF

Reconciliation of Bookings (\$M)	Three Months Ended December 31		Twelve Months Ended December 31	
	2018	2019	2018	2019
Total revenue	\$695.8	\$780.4	\$2,660.1	\$2,988.1
Change in deferred revenue	(7.9)	(3.1)	163.2	180.5
Net refunds	46.8	56.6	192.6	233.4
Other	(2.3)	(0.3)	(4.4)	(0.8)
Total Bookings	\$732.4	\$833.6	\$3,011.5	\$3,401.2

Reconciliation of Unlevered Free Cash Flow (\$M)	Three Months Ended December 31		Twelve Months Ended December 31	
	2018	2019	2018	2019
Net cash provided by operating activities	\$128.5	\$162.2	\$559.8	\$723.4
Impact of discontinued operations	—	—	23.8	—
Cash paid for interest	22.3	26.9	84.1	80.3
Cash paid for acquisition and costs	12.9	5.1	32.2	19.5
Capital expenditures	(38.2)	(16.5)	(87.7)	(87.6)
Cash paid for indirect taxes	1.3	—	7.3	—
Unlevered Free Cash Flow	\$126.8	\$177.7	\$619.5	\$735.6

Non-GAAP Reconciliation: Normalized EBITDA

Reconciliation of Normalized EBITDA

	Three Months Ended				Full Year	Three Months Ended				Full Year
	Q1-18	Q2-18	Q3-18	Q4-18	2018	Q1-19	Q2-19	Q3-19	Q4-19	2019
Net income (loss)	\$4.2	\$20.2	\$14.1	\$43.5	\$82.0	\$13.2	(\$12.7)	\$76.8	\$61.1	\$138.4
Interest, net	21.9	22.1	21.4	20.4	85.8	18.6	16.6	17.1	17.6	69.9
Benefit for income taxes & TRA adjustments	(0.2)	(1.2)	(0.9)	(21.6)	(23.9)	(12.6)	(0.8)	(2.7)	(4.6)	(20.7)
Depreciation and amortization	57.8	57.0	61.3	58.0	234.1	57.2	53.8	49.9	48.8	209.7
Equity-based compensation expense ⁽¹⁾	31.5	28.2	30.6	35.2	125.5	46.9	41.6	17.7	40.8	147.0
Acquisition costs	6.3	10.2	9.2	7.0	32.7	2.6	2.6	1.5	2.7	9.4
Accrual for legal settlement expenses	—	—	—	—	—	—	18.1	—	—	18.1
Debt refinance expenses	—	—	—	—	—	—	14.5	—	0.3	14.8
Normalized EBITDA	\$121.5	\$136.5	\$135.7	\$142.5	\$536.2	\$125.9	\$133.7	\$160.3	\$166.7	\$586.6

(1) In Q3 2019 we recognized a \$20.4M credit to correct an immaterial error related to certain performance-based awards in prior periods. This adjustment increased Net Income by \$20.4M and lowered equity-based compensation by \$20.4M.

Non-GAAP Reconciliation: Net Debt

Reconciliation of Net Debt (\$M)

	December 31, 2019
Current portion of long-term debt	\$18.4
Long-term debt	2,376.8
Unamortized original issue discount on long-term debt	13.2
Unamortized debt issuance costs	23.9
Total debt	\$2,432.3
Less: Cash and cash equivalents	(1,062.8)
Less: Short-term investments	(23.6)
Net Debt	\$1,345.9

Non-GAAP Reconciliation: Trailing Twelve Months uFCF

Reconciliation of uFCF (\$M)	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Net cash provided by operating activities	\$497.4	\$513.0	\$535.6	\$559.8	\$611.1	\$643.5	\$689.7	\$723.4
Impact of discontinued operations	(3.5)	20.9	23.8	23.8	23.8	2.4	—	—
Cash paid for interest	92.5	86.6	83.3	84.1	85.0	83.4	75.7	80.3
Cash paid for acquisition-related costs	39.9	25.6	25.7	32.2	29.7	30.1	27.3	19.5
Capital expenditures	(79.5)	(82.6)	(72.5)	(87.7)	(101.0)	(97.7)	(109.3)	(87.6)
Cash paid for tax-related distributions	(3.0)	—	—	—	—	—	—	—
Cash paid for indirect taxes	—	—	6.0	7.3	7.3	7.3	1.3	—
Unlevered Free Cash Flow	\$543.8	\$563.5	\$601.9	\$619.5	\$655.9	\$669.0	\$684.7	\$735.6

Non-GAAP Financial Measures & Other Operating Metrics

In addition to our results determined in accordance with 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 release 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 in this release following the financial statements. We use both GAAP and non-GAAP measures to evaluate and manage our operations.

Total bookings. Total bookings represents cash receipts from the sale of products to customers in a given period adjusted for products where we recognize revenue on a net basis and without giving effect to certain adjustments, primarily net refunds granted in the period. Total bookings provides valuable insight into the sales of our products and the performance of our business since we typically collect payment at the time of sale and recognize revenue ratably over the term of our customer contracts. We report total bookings without giving effect to refunds granted in the period because refunds often occur in periods different from the period of sale for reasons unrelated to the marketing efforts leading to the initial sale. Accordingly, by excluding net refunds, we believe total bookings reflects the effectiveness of our sales efforts in a given period.

ARPU. We calculate ARPU as total revenue during the preceding 12-month period divided by the average of the number of total customers at the beginning and end of the period. ARPU provides insight into our ability to sell additional products to customers, though the impact to date has been muted due to our continued growth in total customers.

Unlevered Free Cash Flow. Unlevered free cash flow is a measure of our liquidity used by management to evaluate our business prior to the impact of our capital structure and purchases of property and equipment, such as data center and infrastructure investments, that can be used by us for strategic opportunities and strengthening our balance sheet. However, given our debt obligations, unlevered free cash flow does not represent residual cash flow available for discretionary expenses.

Normalized EBITDA. Normalized EBITDA is a supplemental measure of our operating performance used by management to evaluate our business. We believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide the most accurate measure of core operating results and permits period-over-period comparisons of our operations. We calculate Normalized EBITDA as net income excluding depreciation and amortization, interest expense (net), provision or benefit for income taxes and TRA adjustments, equity-based compensation expense, acquisition-related costs and certain other certain items.

Net Debt. We define net debt as total debt less cash and cash equivalents and short-term investments. Total debt consists of the current portion of long-term debt plus long-term debt, unamortized original issue discount and unamortized debt issuance costs. We believe the presentation of net debt provides useful information to investors because our management reviews net debt as part of its management of our overall liquidity, financial flexibility, capital structure and leverage. Furthermore, certain analysts and debt rating agencies monitor our net debt as part of their assessments of our business.

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