



Q1 2023 Financial Results

May 4, 2023



Henry Ho
Joyful Garden
JOYFUL BOSTON

Forward-looking statements and non-GAAP financial measures

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 any statements regarding: 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; historical results that may suggest future trends for our business; our plans, strategies or objectives with respect to future operations, partner integrations and marketing strategy; future financial results; GoDaddy's ability to integrate its acquisitions and achieve desired synergies and vertical integration; the impact of the COVID-19 pandemic on our business, customers, employees and third party partners; and 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; our ability to achieve cost savings from our restructuring plan; disruptions to our business as a result of our restructuring plan; disruptions in relationships with customers, suppliers, vendors or contractors, or employees, as a result of our restructuring plan; developments in the economy, financial markets and credit markets, including as a result of the ongoing impact of the COVID-19 pandemic, continued escalation of geopolitical tensions and increasing interest rates and inflationary pressures; and execution of share repurchases.

Additional risks and uncertainties that could affect GoDaddy's business and financial results are included in the filings we make with the SEC from time to time, including those described in the sections titled "Risk Factors" and "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, 2022, 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 subsequent filings 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. Except to the extent required by law, 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.

In addition to our financial results 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. In addition, similarly titled measures may be calculated differently by other companies and may not be comparable. A reconciliation between each non-GAAP financial measure and its nearest GAAP equivalent is included at the end of this presentation. A reconciliation between each non-GAAP financial measure and its nearest GAAP equivalent is included at the end of this presentation. We use both GAAP and non-GAAP measures to evaluate and manage our operations. GoDaddy does not provide reconciliations from non-GAAP guidance to GAAP, because projections of changes in individual balance sheet amounts are not possible without unreasonable effort, and presentation of such reconciliations would imply an inappropriate degree of precision.



Our vision is to radically shift the global economy toward life-fulfilling entrepreneurial ventures.

Our mission is to empower entrepreneurs everywhere, making opportunity more inclusive for all.

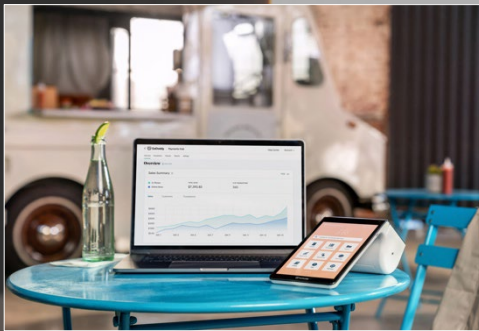
Jaqi Thompson Wright & Nikki Thompson Howard
The Furlough Cheesecake
THEFURLOUGHCHEESECAKE.COM

A vision for a one-stop shop

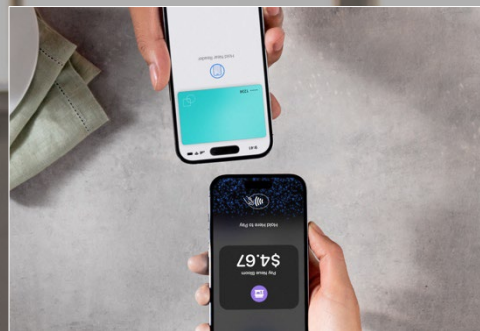
Sell anything



Sell anywhere



Tools to sell anything, anywhere



Jane Malone
Cursed Drawings
WWW.CURSEDDRAWINGS.COM

Durable and differentiated strategic position

trusted by customers for over 25 years with industry leading brand awareness

Lillian Shalom
The Flower Place
THEFLOWERPLACE.MIAMI

21M

paying
customers

85%

customer
retention

12%

application &
commerce
growth

10%

ARR growth in
Create + Grow
products

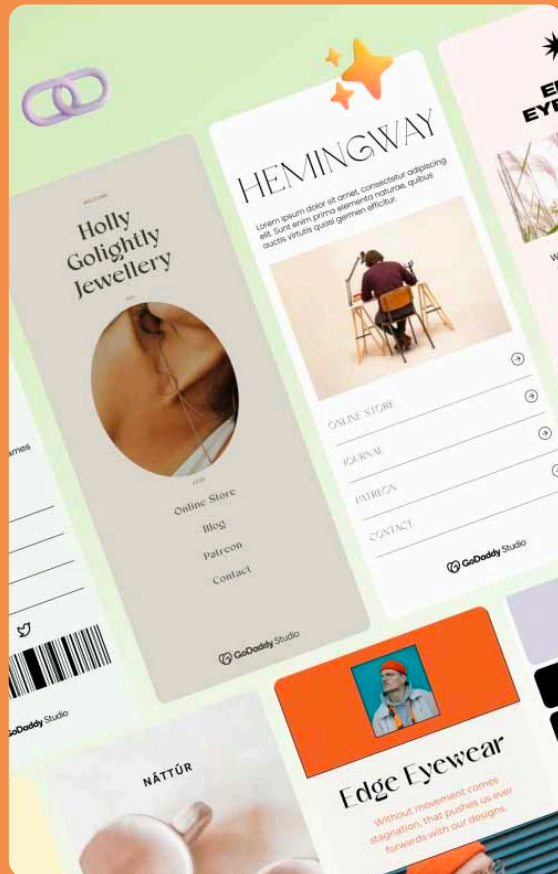
\$1B+

gross payments
volume (GFV)

As of March 31, 2023.

GoDaddy priorities

Driving commerce through presence



Delivering for GoDaddy Pros



Innovating in domains



GoDaddy priorities

Driving commerce through presence

- Launched Apple's Tap-to-Pay in the GoDaddy mobile app
- Improved configuration of Pay Buttons and added new reports for merchants assisting in taxes, fees, and payouts
- Embedded AI technology within our Websites + Marketing solution enabling customers to harness its power, save time and grow sales

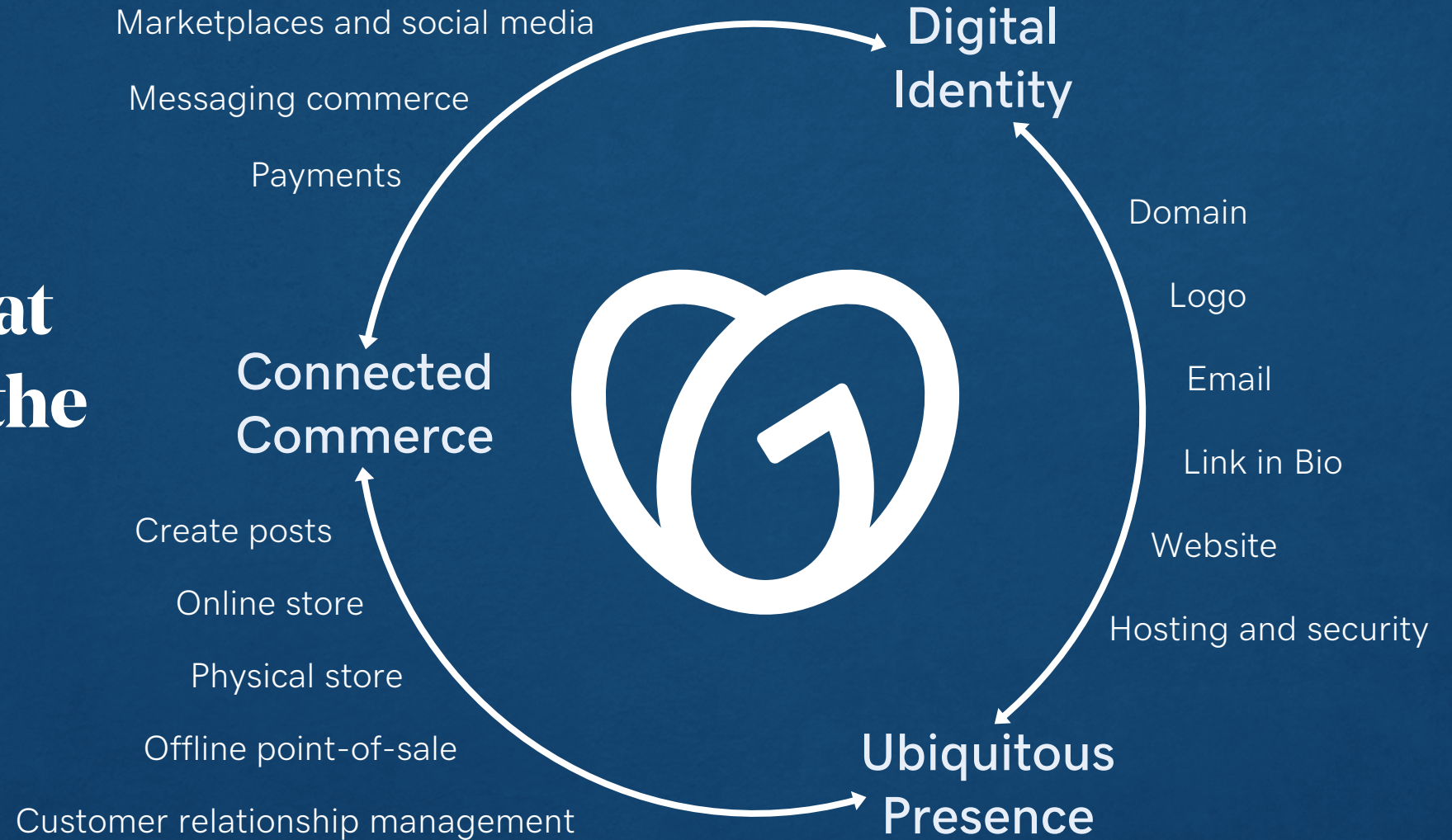
Delivering for GoDaddy Pros

- Brought more capabilities to our new Managed WooCommerce Stores offering
- Focused on optimizations in our hosting businesses by strategically integrating, retiring, or exiting specific brands

Innovating in domains

- Expanded bundling offerings, leading to increased product attach for both new and existing customers
- Continued education efforts around differentiated Payable Domain solution with good early momentum
- Integrated aftermarket 'List for Sale' feature to registrar partners

**At GoDaddy,
our goal is to
partner with
our customers at
every point on the
Entrepreneur's
Wheel**



Key Highlights

Continuing our progression towards returning to double-digit revenue growth

Executing three-year plan to expand operating margins and deliver on free cash flow per share targets

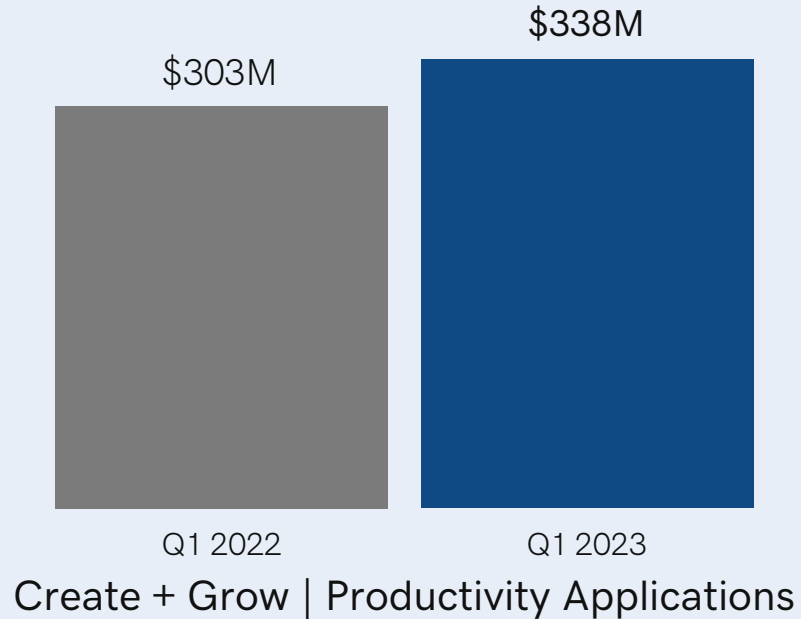
A&C growth from increases in high quality new customers and upselling existing U.S. customers to GoDaddy Payments

On target to complete restructuring action, driving better operating leverage in core platform segment and improving overall operating margins

Applications & commerce

Q1 2023 revenue

12% increase | 39% Segment EBITDA



Growth levers

New customers

International
expansion

Average revenue
per user (ARPU)

Annualized recurring
revenue (ARR)

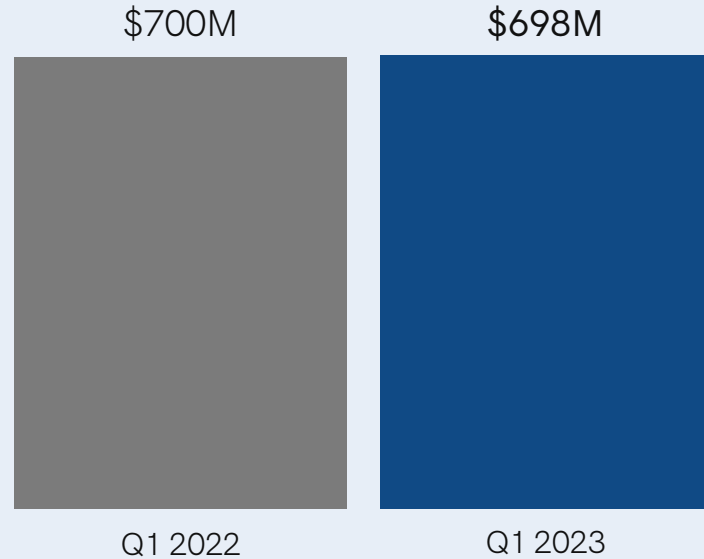
GMV/GPV

Subscriptions

Core platform

Q1 2023 revenue

~Flat | 27% Segment EBITDA



Domains | Aftermarket | Hosting | Security

Growth levers

New customers

Average revenue per user (ARPU)

Leveraging market-leading position in domain registration

International expansion

Strong ARR, GPV and GMV growth signal higher customer lifetime value

	Applications & commerce	Core platform
ARR	\$1.3B (+9% Y/Y)	\$2.2B (+1% Y/Y)
Create + Grow ARR	\$450M (+10% Y/Y)	
GPV	+\$1B	
GMV	\$28B (+18% Y/Y)	

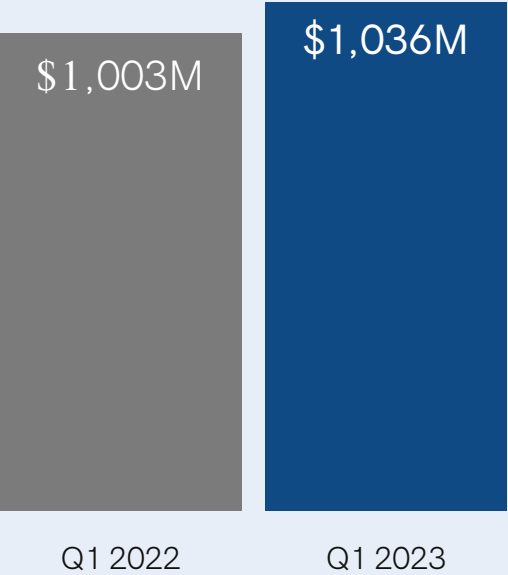


Samantha Chua
Hands on Klay
HANDSONKLAY.COM

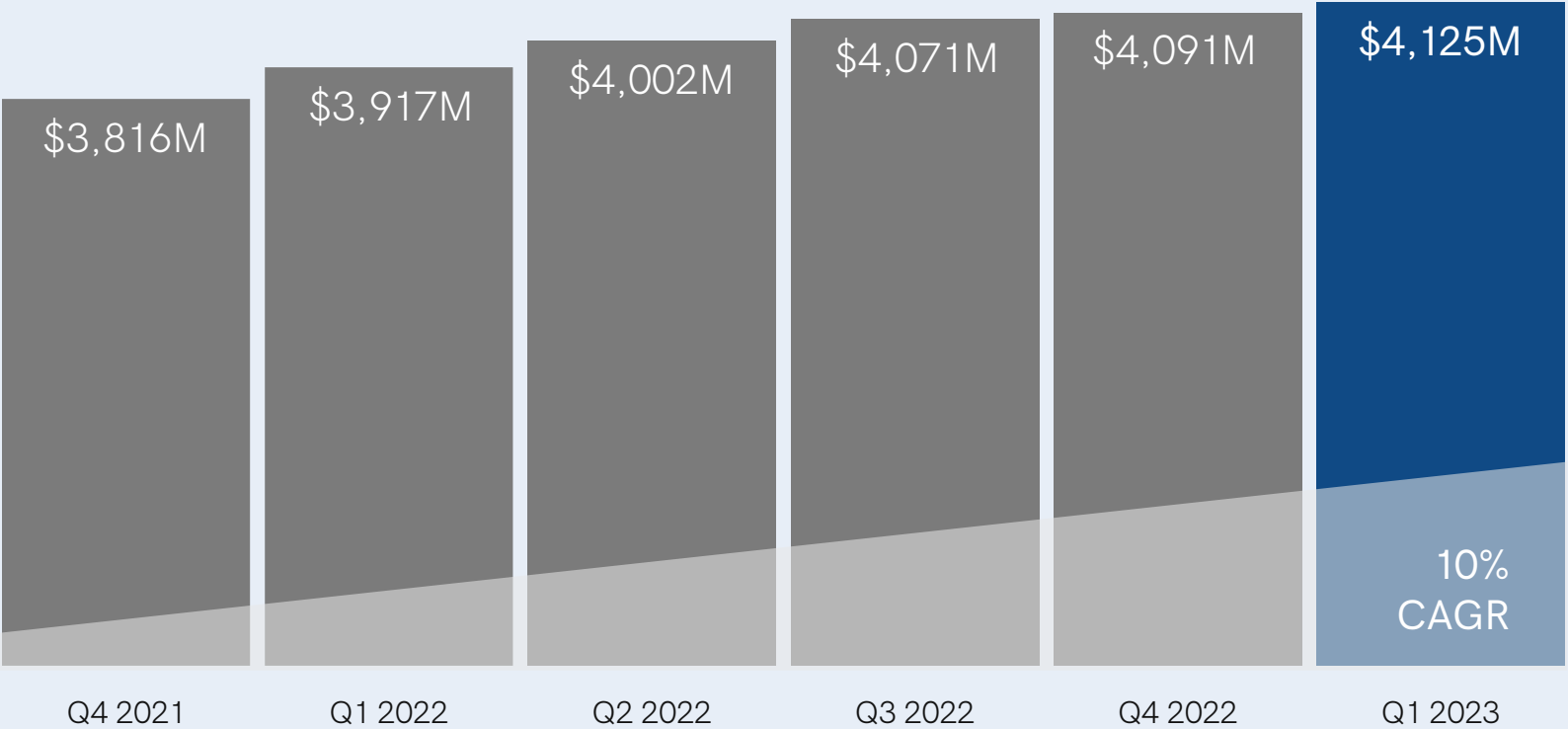
Annualized recurring revenue (ARR), gross merchandise volume (GMV), and gross payments volume (GPV) are as of March 31, 2023. Create + Grow ARR includes ARR from Websites + Marketing (W+M) and Managed WordPress (MWP), as well as integrated products such as GoDaddy Studio and Sellbrite. Create + Grow ARR also includes ARR from one domain per W+M or MWP subscription, excluding contributions from additional domains owned by these customers.

Revenue

3% increase
5% constant currency



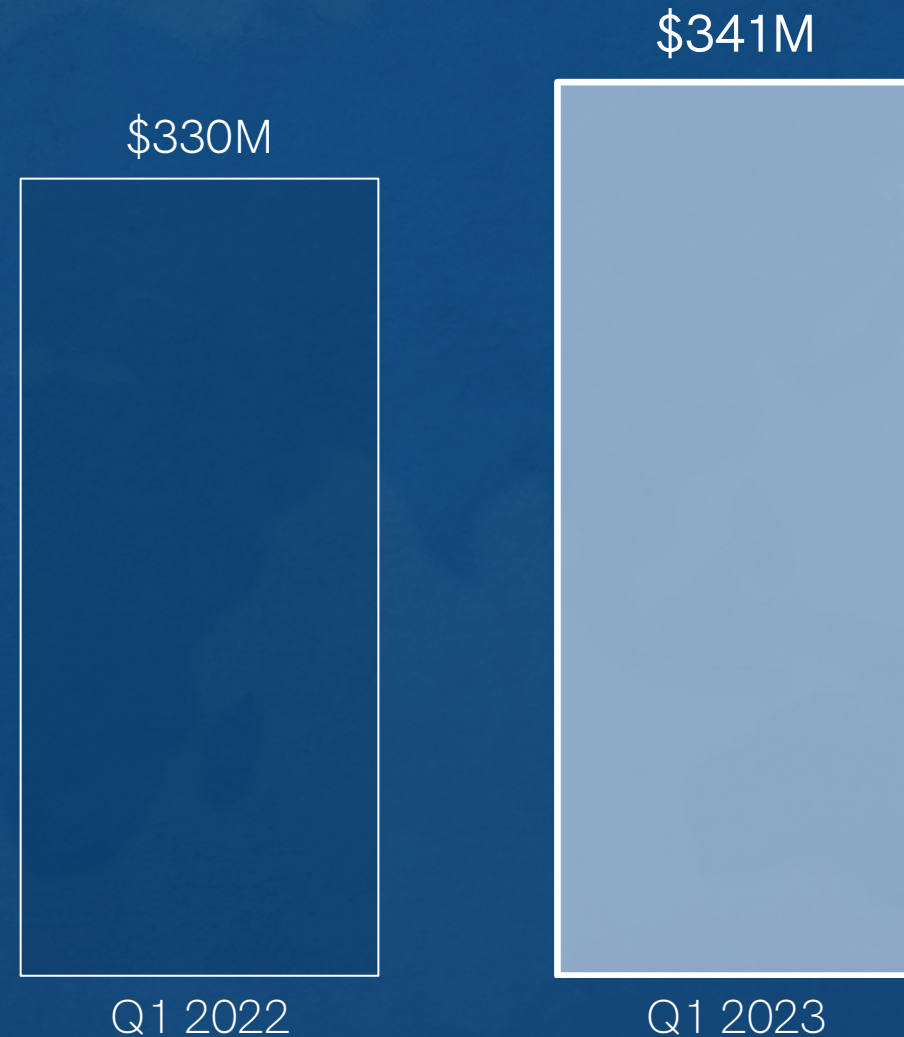
Trailing twelve months



Represents two-year revenue CAGR.

Global footprint

Q1 2023 International revenue
3% increase | 7% constant currency

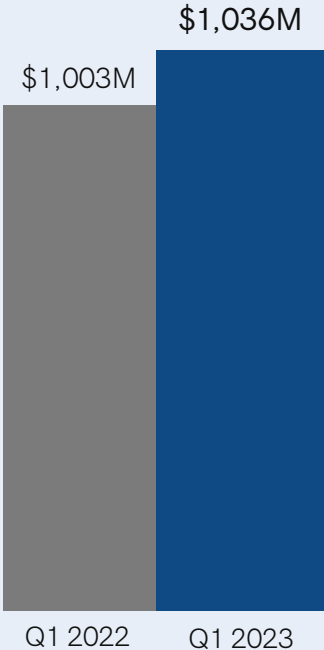


Q1 2023 results

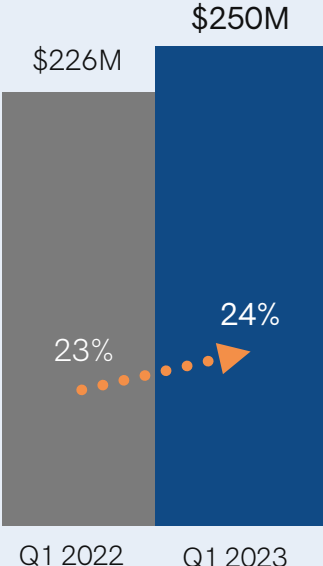
Bookings
4% increase
5% constant currency



Revenue
3% increase
5% constant currency

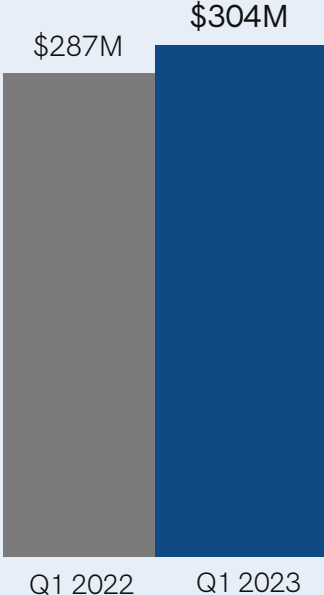


Normalized EBITDA
(NEBITDA)
11% increase



NEBITDA Margin

Unlevered Free
Cash Flow (uFCF)
6% increase



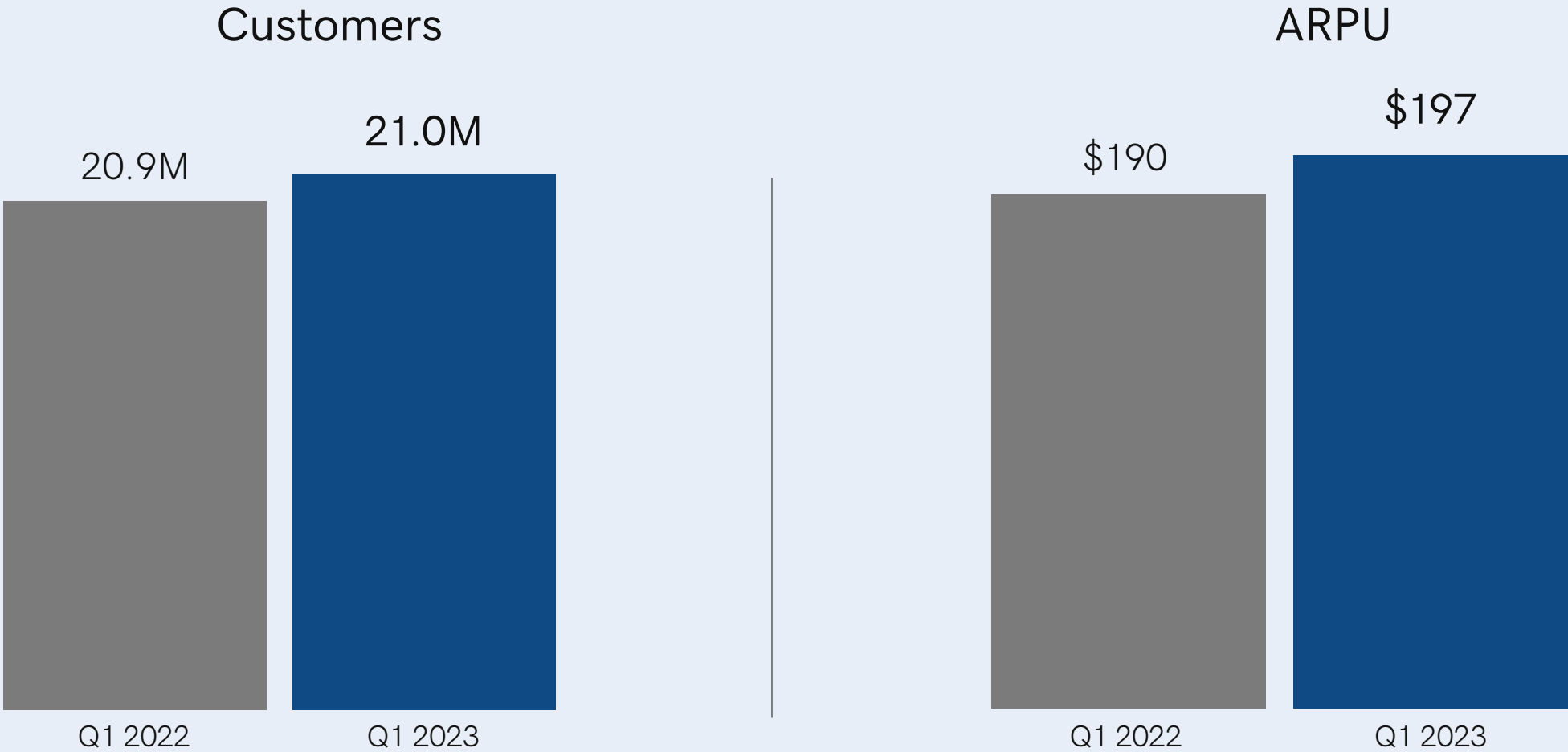
Free Cash Flow (FCF)
~Flat



TTM FCF per share

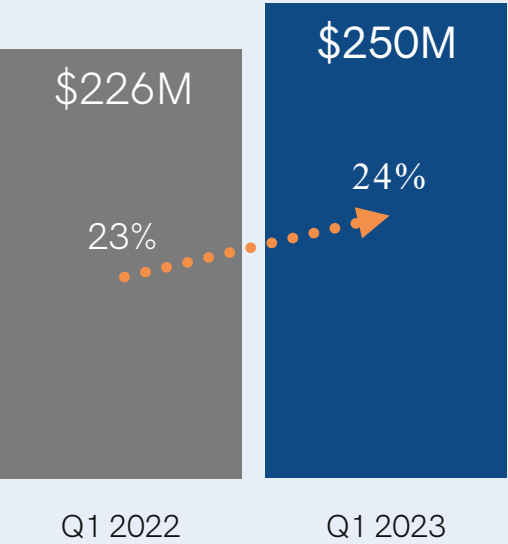
Strong customer base and growing ARPU

85% of total revenue is generated from customers in our base.

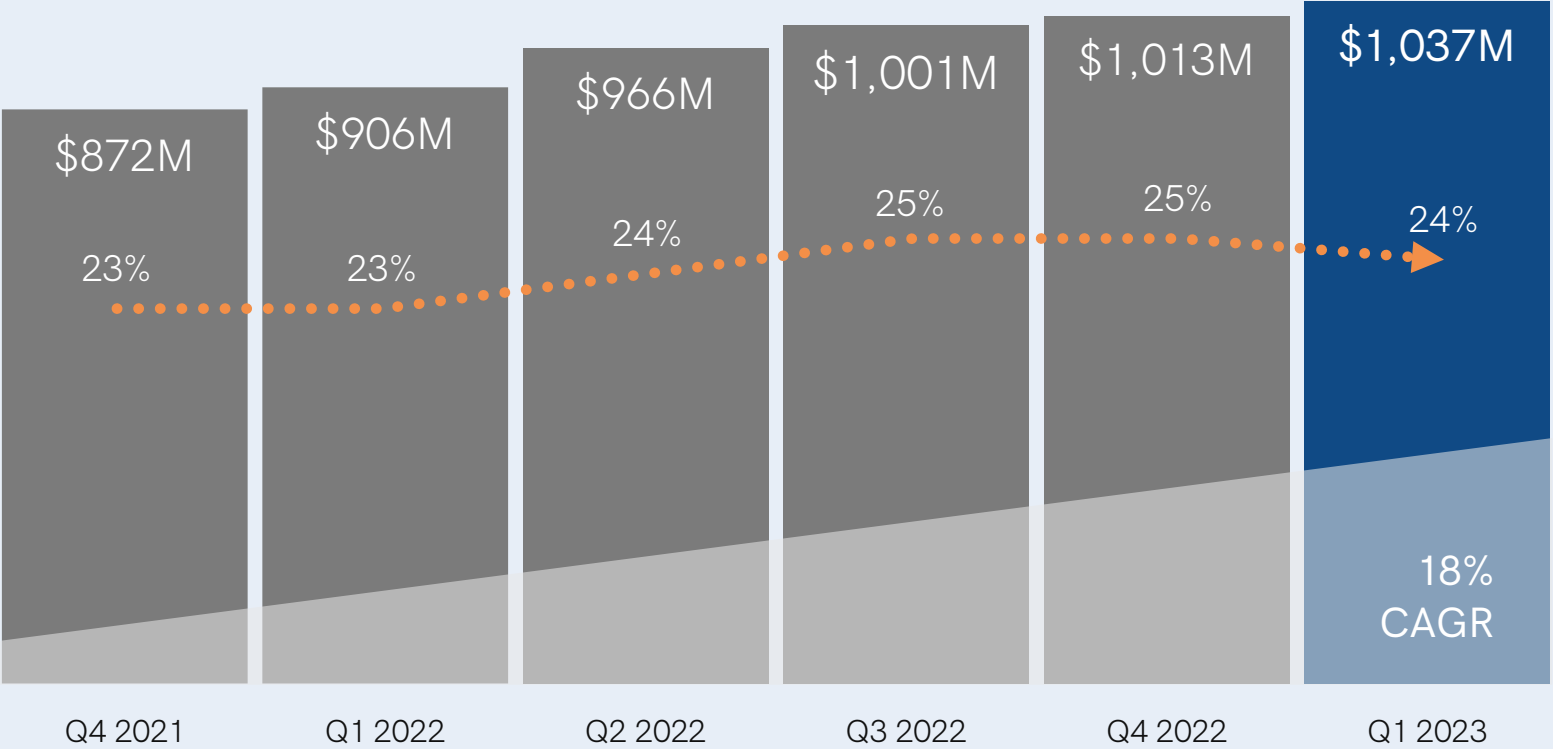


Growing NEBITDA and expanding margin

11% increase



Trailing twelve months

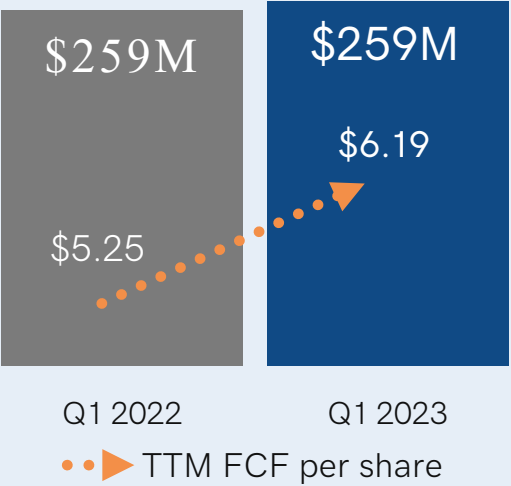


Represents two-year Normalized EBITDA CAGR.

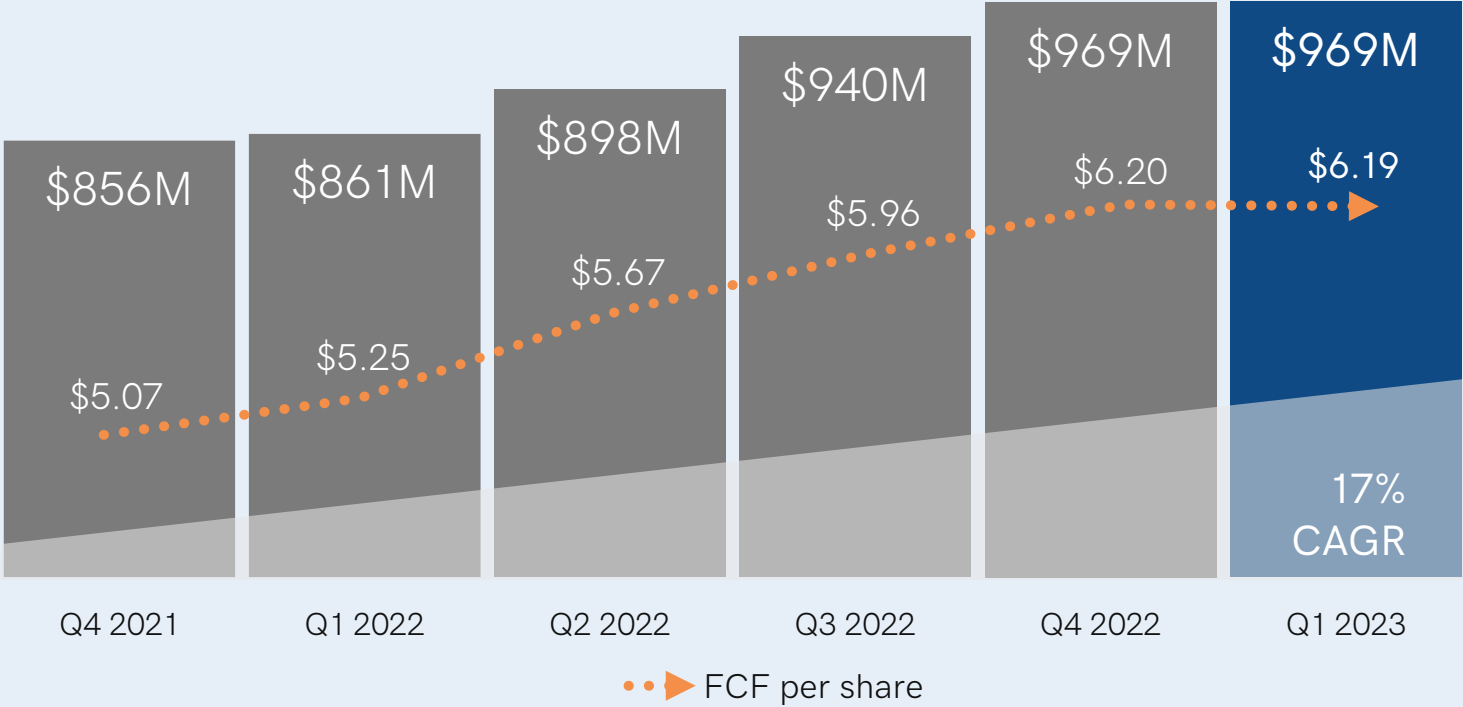
Durable free cash flow growth

Free cash flow per share up 18%.

Free cash flow



Trailing twelve months



Represents two-year free cash flow per share CAGR.

Capital Return Strategy

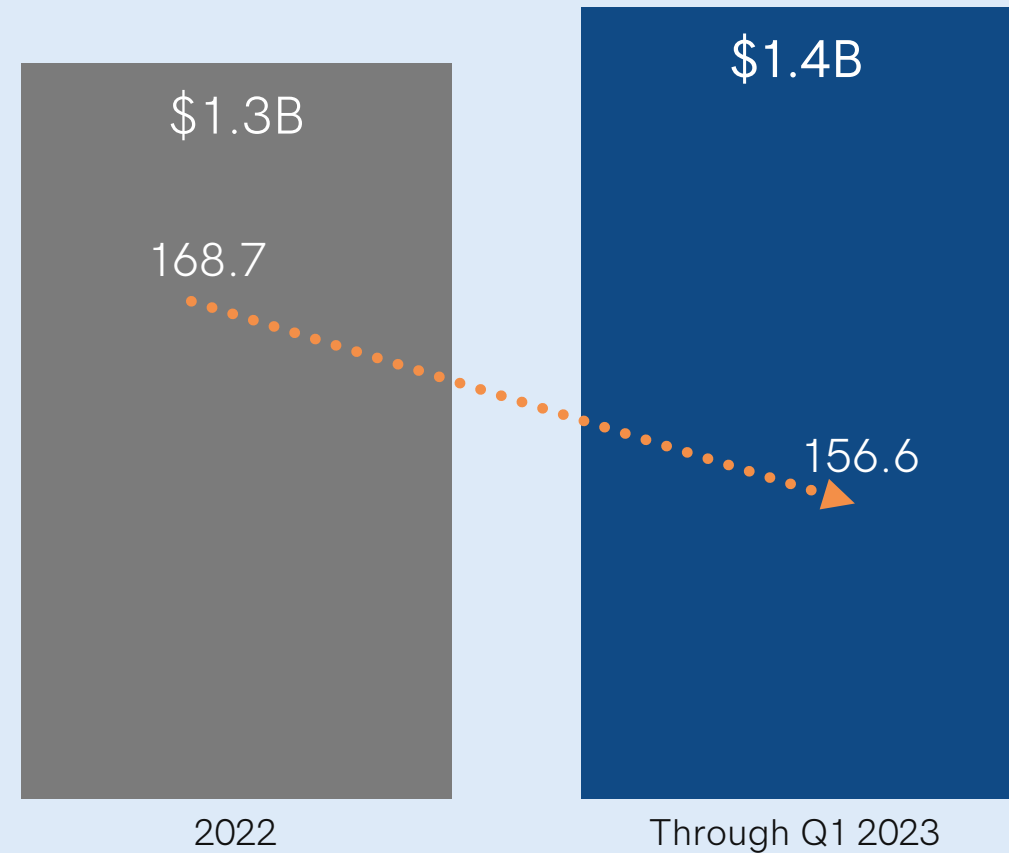
Our capital allocation strategy remains unchanged

Completed \$1.4B in share buybacks under current authorization reducing fully diluted share count by approximately 11% since \$3B authorization

On target for the 15% - 20% net share reduction through 2024

Continue to evaluate strategic acquisition opportunities that could accelerate growth and innovation

Cumulative shares repurchased



●●▶ Fully diluted shares outstanding

Balance sheet and liquidity

Total liquidity of \$1.9 billion

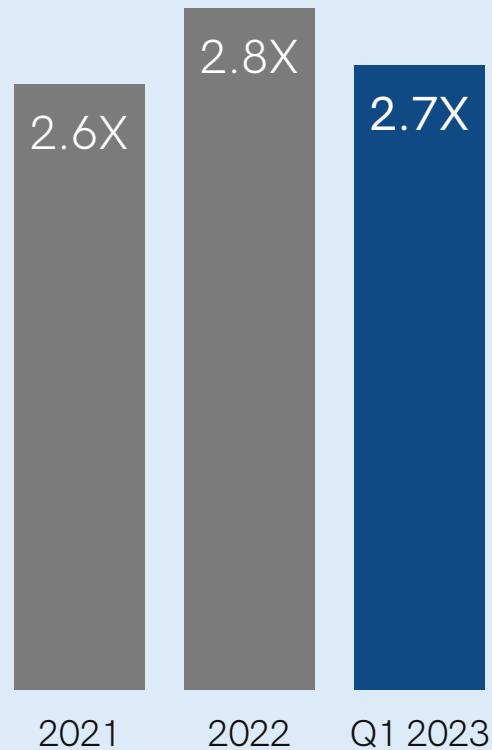
- \$892 million in cash and cash equivalents
- \$1.0 billion undrawn revolver

\$3.0 billion in net debt

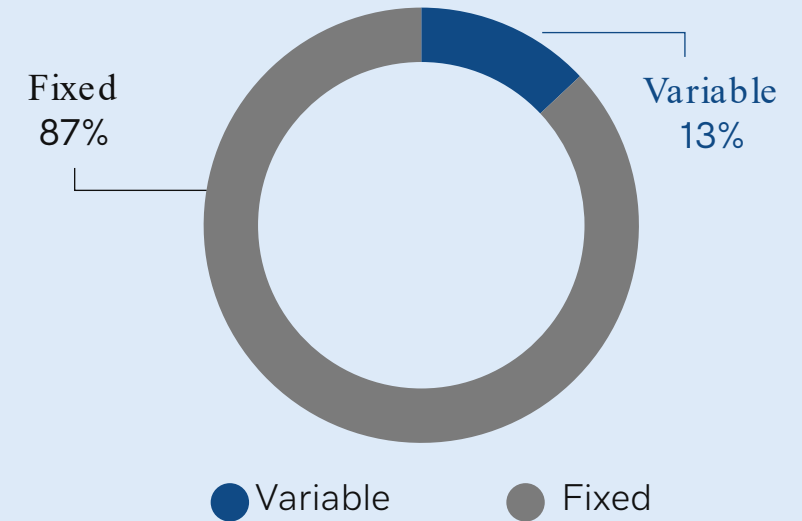
Net leverage ~2.7x

Committed to maintaining leverage ratio of 2x-4x

Leverage ratio



Interest rate exposure



Term loan	Maturity
\$729M	2027
\$1.8B	2029
Unsecured notes	Maturity
\$600M	2027
\$800M	2029

As of March 31, 2023.

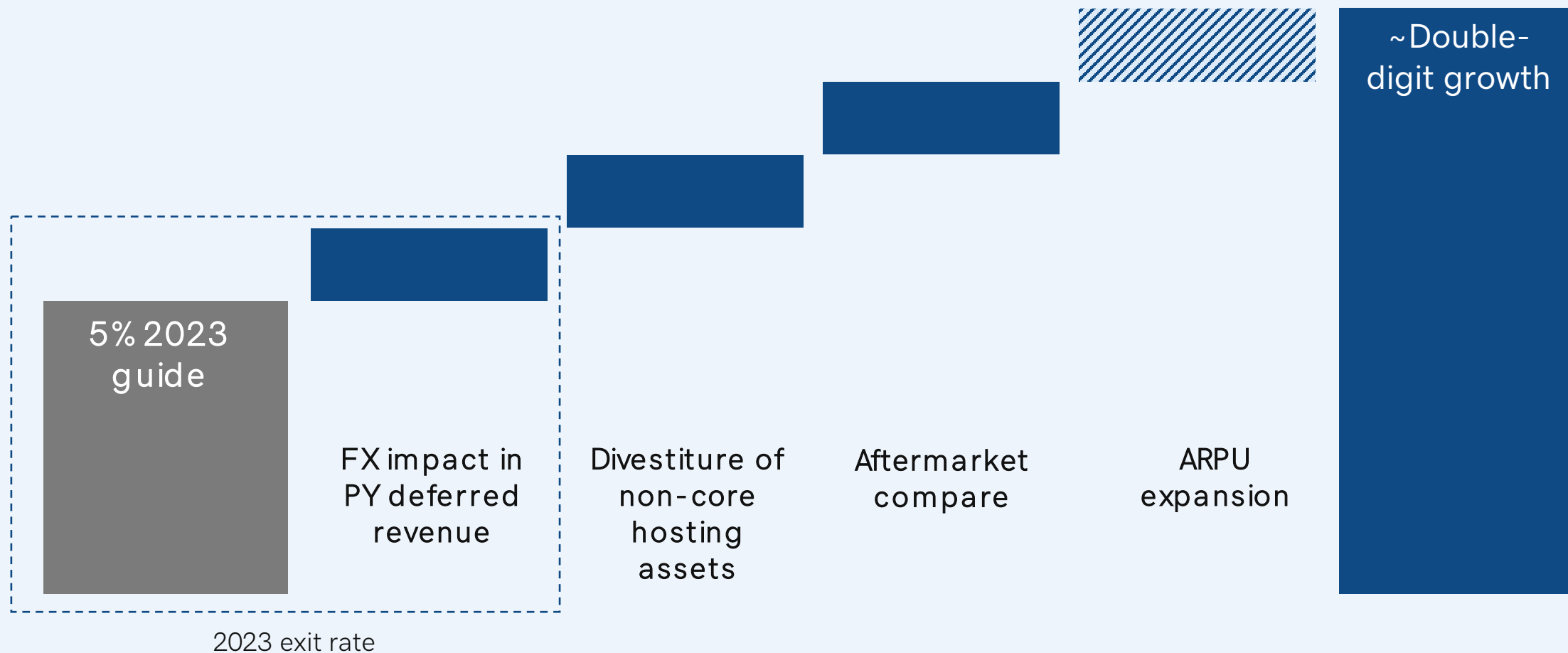


Terry Rice
TERRYRICE.CO

Outlook

	Q2 2023	2023
Revenue	\$1.045B - \$1.065B	\$4.250B - \$4.325B
Segment growth rates		
Applications & commerce	8% - 10%	8% - 10%
Core platform	1% - 3%	2% - 4%
NEBITDA margin	~25%	~26%
Unlevered free cash flow		\$1.2B+
Free cash flow		\$1.0B+
Share repurchase target		\$1.0B

Bridge to top-line double-digit growth



Illustrative depiction.
Assumes no material change in FX

Key investment highlights

Market-leading solutions for small businesses with a one-stop shop experience

Loyal base of ~21M customers expanding their digital identities with upside to attach more solutions, increase customer lifetime value, and customer retention of 85%

Focused on delivering a balanced combination of durable top-line growth, 15%+ NEBITDA CAGR, and 20% FCF per share CAGR

Experienced management team to execute strategy with relentless focus on creating long-term value for shareholders



Appendices

Non-GAAP reconciliation: **NEBITDA**

Reconciliation of NEBITDA (\$M)	Three months ended March 31	
	2023	2022
Net income	\$47.4	\$68.6
Depreciation and amortization	48.5	48.2
Equity-based compensation expense	71.6	61.2
Interest expense, net	38.0	33.2
Acquisition-related expenses	5.0	7.7
Restructuring and other ¹	39.0	0.7
Provision for income taxes	0.2	6.3
Total NEBITDA	\$249.7	\$225.9

¹ In addition to the Restructuring and other in our statements of operations, this includes lease-related expenses associated with closed facilities, charges related to certain legal matters and adjustments to the fair value of our equity investments.

Non-GAAP reconciliation:

Trailing twelve-months NEBITDA

Reconciliation (\$M)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net income (loss)	\$242.8	\$300.6	\$344.2	\$346.5	\$352.9	\$331.7
Depreciation and amortization	199.6	198.8	197.3	195.0	194.6	194.9
Equity-based compensation expense	207.9	216.5	231.9	246.3	264.4	274.8
Interest expense, net	124.9	129.7	131.0	130.8	135.0	139.8
Acquisition-related expenses	78.2	39.0	40.8	39.5	35.1	32.4
Restructuring and other ¹	8.0	3.4	12.4	37.3	27.4	65.7
Provision/benefit for income taxes	10.8	17.9	8.4	5.6	3.6	(2.5)
Total NEBITDA	\$872.2	\$905.9	\$966.0	\$1,001.0	\$1,013.0	\$1,036.8

¹ In addition to the Restructuring and other in our statements of operations, this includes lease-related expenses associated with closed facilities, charges related to certain legal matters and adjustments to the fair value of our equity investments.

Non-GAAP reconciliation:

Free cash flow and unlevered free cash flow

Reconciliation (\$M)	Three months ended March 31	
	2023	2022
Net cash provided by operating activities	\$270.3	\$250.9
Capital expenditures	(22.8)	(12.3)
Cash paid for acquisition-related costs	3.1	18.1
Cash paid for restructuring and other charges ¹	8.6	2.0
Free cash flow	\$259.2	\$258.7
Cash paid for interest on long-term debt	44.7	28.1
Unlevered free cash flow	\$303.9	\$286.8

¹ Cash paid for restructuring and other charges includes lease-related payments associated with closed facilities and third-party payments incurred in relation to the refinancing of our long-term debt.

Non-GAAP reconciliation:

Trailing twelve months free cash flow

Reconciliation (\$M)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Net cash provided by operating activities	\$829.3	\$858.9	\$900.4	\$943.9	\$979.7	\$999.1
Capital expenditures	(51.1)	(54.4)	(60.2)	(60.1)	(59.7)	(70.2)
Cash paid for acquisition-related costs	64.9	44.3	43.4	42.1	37.9	22.9
Cash paid for restructuring charges ¹	12.7	12.4	14.1	14.5	10.7	17.3
Free cash flow	\$855.8	\$861.2	\$897.7	\$940.4	\$968.6	\$969.1

¹ Cash paid for restructuring and other charges includes lease-related payments associated with closed facilities and third-party payments incurred in relation to the refinancing of our long-term debt.

Non-GAAP reconciliation:

Net debt

Reconciliation (\$M)

March 31, 2023

Current portion of long-term debt

\$18.3

Long-term debt

3,809.6

Unamortized original issue discount and debt issuance costs

67.1

Total debt

\$3,895.0

Less: cash & cash equivalents

(892.4)

Net debt

\$3,002.6

Constant currency reconciliation

Reconciliation (\$M)	Three months ended March 31
	2023
Bookings	\$1,199.2
Constant currency adjustment	18.9
Constant currency bookings	\$1,218.1
Revenue	\$1,036.0
Constant currency adjustment	13.8
Constant currency revenue	\$1,049.8

Non-GAAP financial measures and other operating and business metrics

Total bookings

Total bookings is an operating metric representing the total value of customer contracts entered into during the period, excluding refunds. We believe total bookings provides additional insight into the performance of our business and the effectiveness of our marketing efforts since we typically collect payment at the inception of a customer contract but recognize revenue ratably over the term of the contract.

Constant currency

Constant currency is calculated by translating bookings and revenue for each month in the current period using the foreign currency exchange rates for the corresponding month in the prior period, excluding any hedging gains or losses realized during the period. We believe constant currency information is useful in analyzing underlying trends in our business by eliminating the impact of fluctuations in foreign currency exchange rates and allows for period-to-period comparisons of our performance.

Annualized recurring revenue (ARR)

ARR is an operating metric defined as quarterly recurring revenue (QRR) multiplied by four. QRR represents the quarterly recurring GAAP revenue, net of refunds, from new and renewed subscription-based services. ARR is exclusive of any revenue that is non-recurring, including, without limitation, domain aftermarket, domain transfers, one-time set-up or migration fees and non-recurring professional website services fees. We believe ARR helps illustrate the scale of certain of our products and facilitates comparisons to other companies in our industry.

Normalized EBITDA (NEBITDA)

NEBITDA is a supplemental measure of our operating performance used by management and investors to evaluate our business. We calculate NEBITDA as net income excluding depreciation and amortization, interest expense (net), provision or benefit for income taxes, equity-based compensation expense, acquisition related costs, restructuring-related expenses and certain other items. We believe that the inclusion or exclusion of certain recurring and non-recurring items provides a supplementary measure of our core operating results and permits useful alternative period-over-period comparisons of our operations but should not be viewed as a substitute for comparable GAAP measures.

Non-GAAP financial measures and other operating and business metrics

Net debt

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

Gross merchandise volume (GMV)

GMV is a business metric calculated by annualizing the total quarterly dollar value of orders facilitated by our customers through our Commerce platform, including shipping and handling, and taxes, and is shown net of discounts, and returns (where visibility exists). While GMV is not indicative of our performance, we believe it is an indicator of the strengths of our products and platforms.

Gross payments volume (GPV)

GPV is an operating metric calculated by annualizing the total quarterly dollar value of transactions processed through our payments platform. GPV is representative of the volume of transactions in which we record transaction revenue based on our payment processing rate.

Unlevered free cash flow (uFCF)

uFCF is a measure of our liquidity used by management to evaluate our business prior to the impact of our capital structure and restructuring and after purchases of property and equipment. Such liquidity 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.

Free cash flow per share

Free cash flow per share is calculated by dividing free cash flow for the period presented by the fully dilutive shares outstanding as of the period presented. Free cash flow is defined as our unlevered free cash flow less interest payments for the period. We use free cash flow as a supplemental measure of our liquidity, including our ability to generate cash flow in excess of capital requirements and return cash to shareholders, though it should not be considered as an alternative to, or more meaningful than, comparable GAAP measures.

Non-GAAP financial measures and other operating and business metrics

Average revenue per user (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.

Total customers

We define a customer as an individual or entity with paid transactions in the trailing twelve months or with paid subscriptions as of the end of the period. A single user may be counted as a customer more than once if they maintain paid subscriptions or transactions in multiple accounts. Total customers is one way we measure the scale of our business and is an important part of our ability to increase our revenue base.



Q1 2023 Financial Results

May 4, 2023

Sophie Weston Chien
Just Practice
[JUSTPRACTICE.WORK](https://www.justpractice.work)