



Q2 2023 Financial Results

August 3, 2023




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; 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; macroeconomic conditions and developments in the economy, financial markets and credit markets, 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 "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 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 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, 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 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. 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. 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.

A woman with long dark hair, wearing a dark blue top, is sitting at a wooden table and smiling while reading a colorful children's book. A young child is partially visible behind the book. On the table next to the book is a clear glass vase filled with yellow tulips. The background shows a bright window with white curtains and a view of a city.

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.

Amy Guzman
Binibi
BINIBI.CO

Durable and differentiated strategic position

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

21M

paying
customers

85%

customer
retention

11%

Application & Commerce
revenue growth

11%

ARR growth in
Create + Grow products

\$33B+

gross merchandise
volume (GMV)



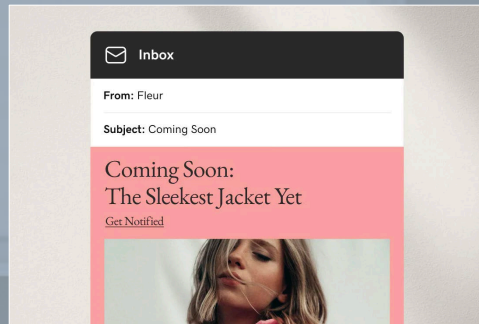
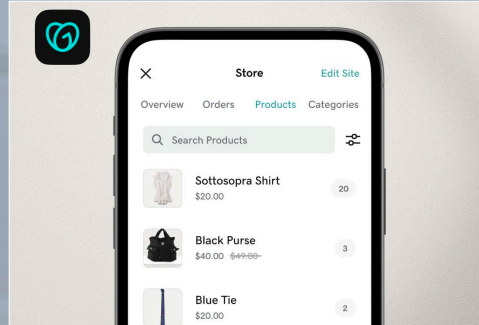
Stephen Glenn Card
New York Sailing Center
NEWYORKSAILING.CLUB

A vision for a one-stop shop

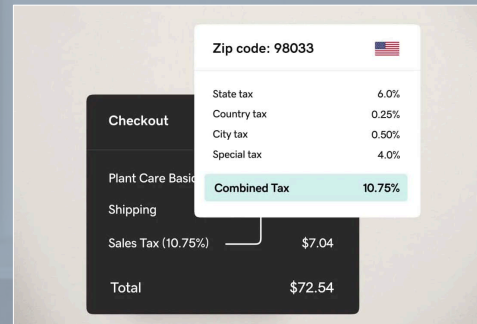
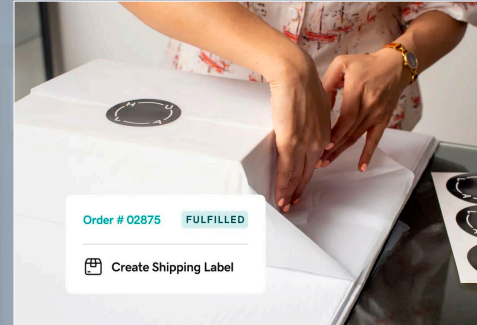
Sell anything



Sell anywhere



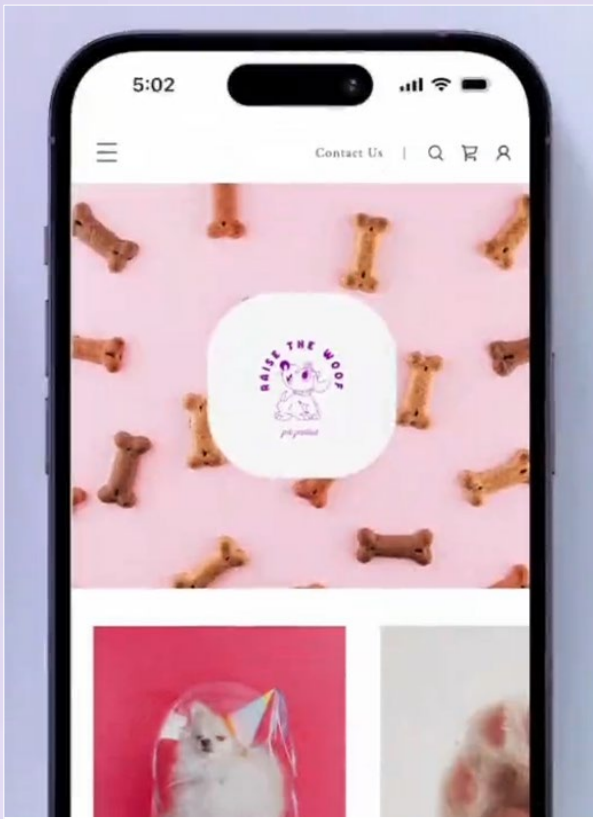
Tools to sell anything, anywhere



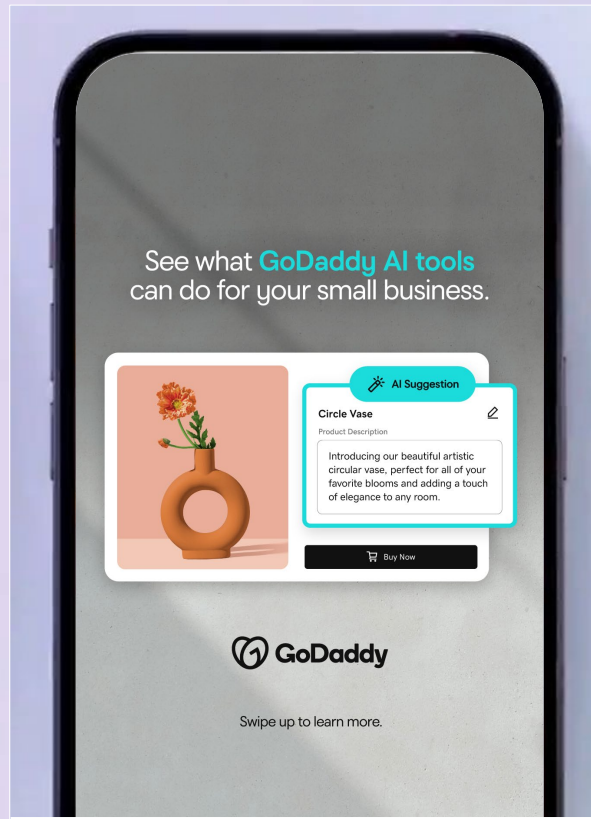
Natalie Morris
Hey Baby Consignment
HEYBABYCONSIGNMENT.COM

GoDaddy's AI-powered Digital Guide — Our unique opportunity

Commerce-enabled
personalized website



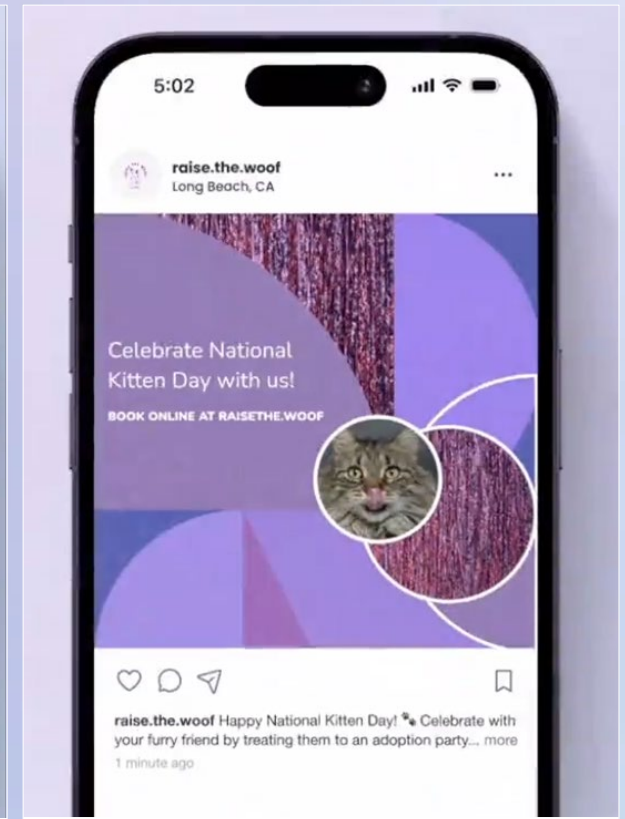
Branding



Logo



Social media
marketing messages

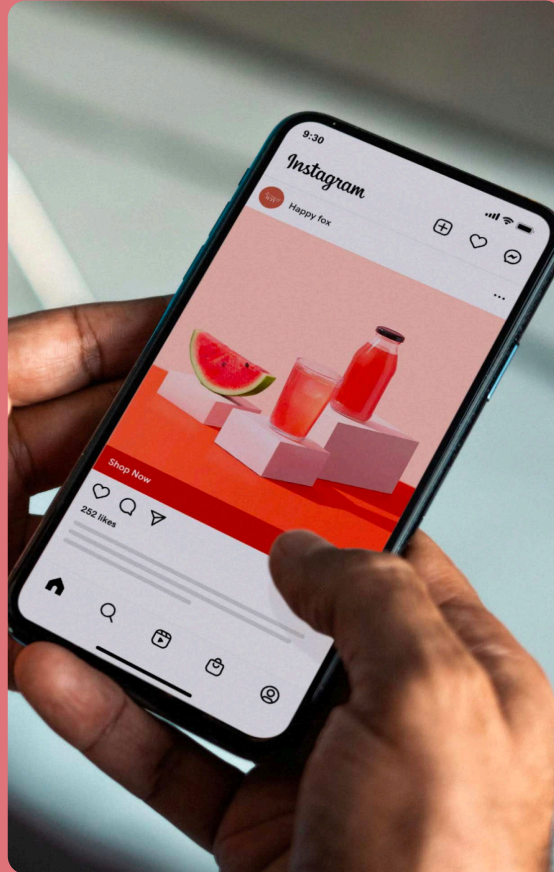


**At GoDaddy,
our goal is to
partner with
our customers at
every point on the
Entrepreneur's
Wheel**



GoDaddy priorities

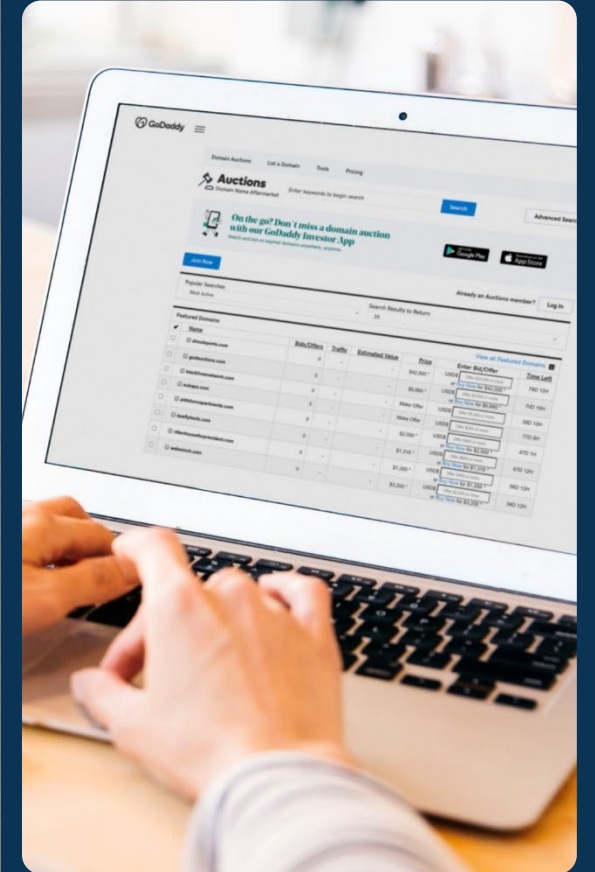
Driving commerce through presence



Delivering for GoDaddy Pros



Innovating in domains



GoDaddy priorities

Driving commerce through presence

- Strong traction in commerce adoption with both new and existing customers, driving GPV growth
- GoDaddy Payments in Canada anticipated to launch in Q3
- Delivered multiple generative AI-powered tools within Websites + Marketing and Commerce solutions

Delivering for GoDaddy Pros

- Exclusive AI-powered tools resulting in faster site creation
- Drove improved retention in Managed WordPress
- WordPress sites load up to 2x faster than competitors, resulting in improved search engine optimization

Innovating in domains

- GoDaddy Digital Guide bundled with domain purchase coming soon
- Strong early momentum in Payable Domains adoption as well as user enhancements

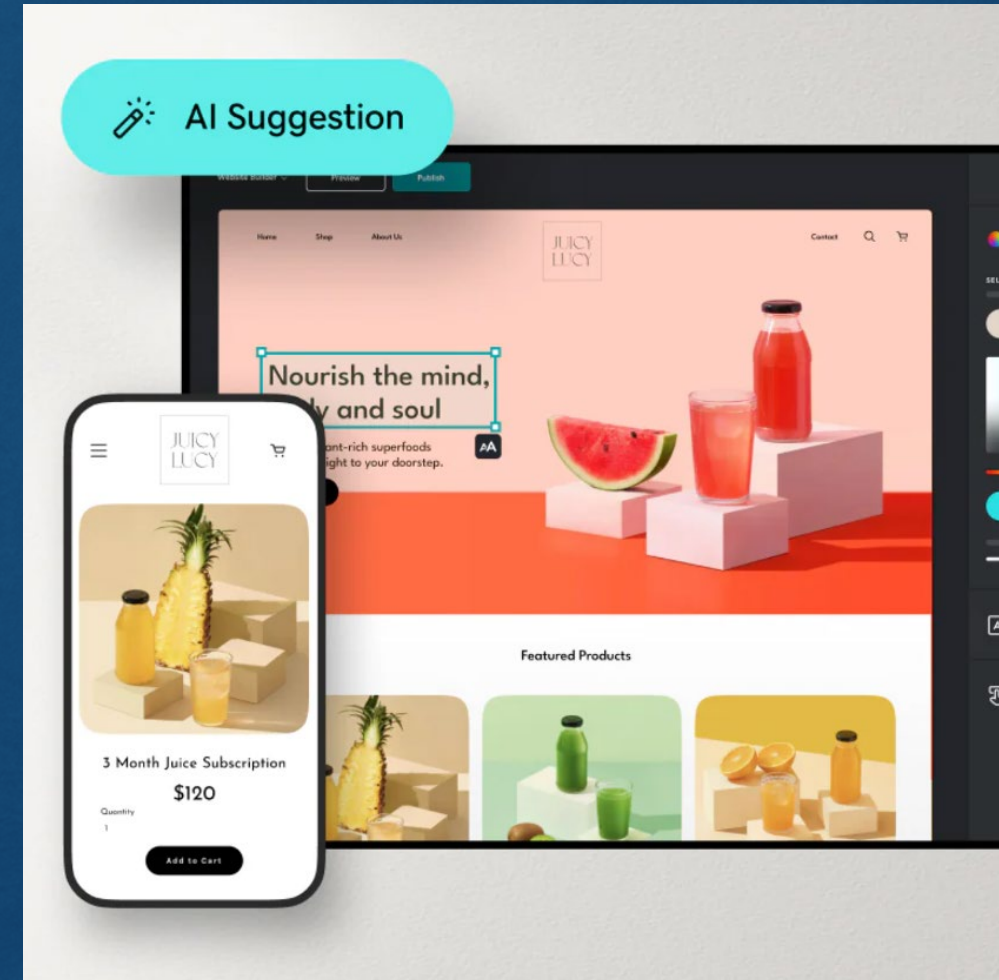
Key investment highlights

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

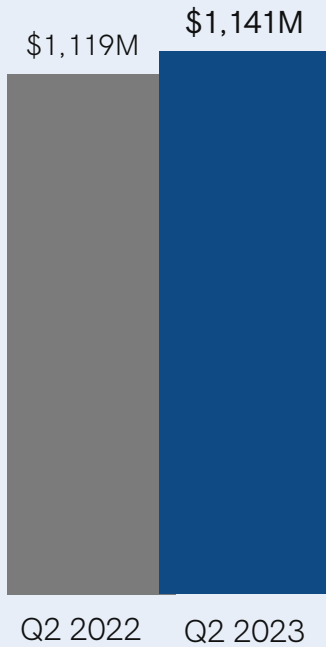
Experienced management team to execute strategy with relentless focus on creating long-term value for shareholders

AI-powered solutions for small businesses with a one-stop shop experience

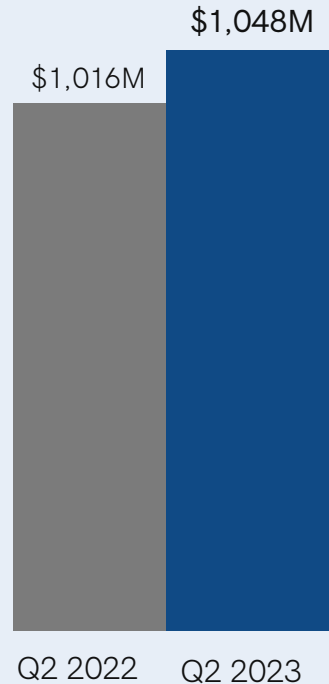


Q2 2023 results

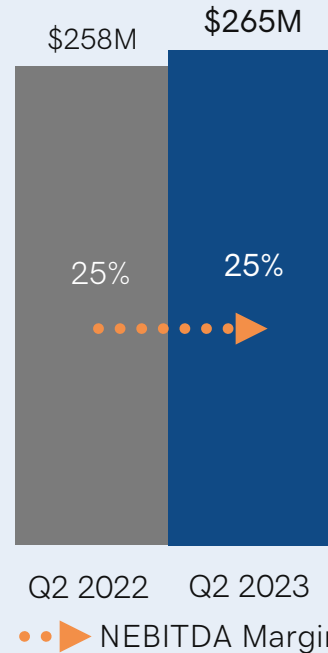
Bookings
2% increase
3% constant currency



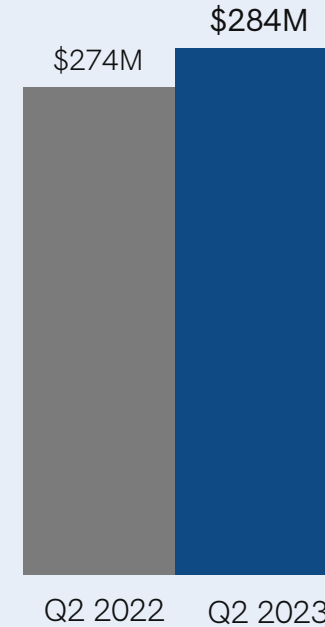
Revenue
3% increase
4% constant currency



Normalized EBITDA (NEBITDA)
2% increase



Unlevered Free Cash Flow (uFCF)
3% increase



Free Cash Flow (FCF)
14% per share increase

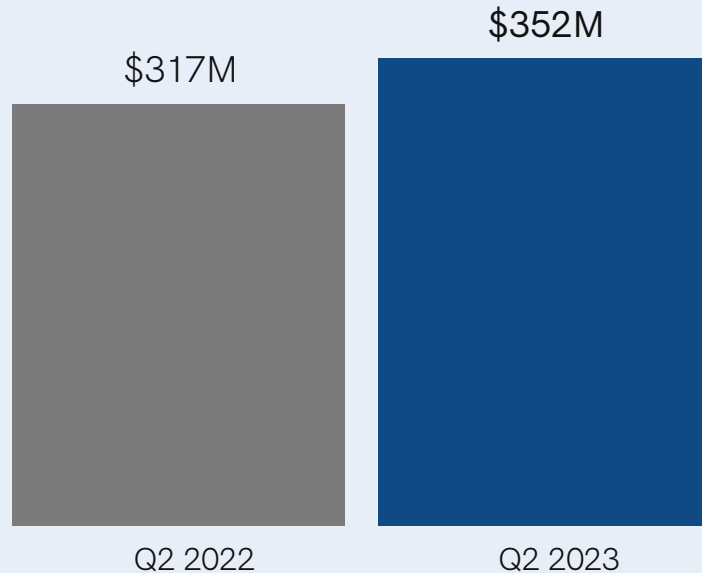


Applications & commerce

ARR: \$1.3B (+10%) | Create & Grow ARR: \$465M (+11%)

Q2 2023 revenue

11% increase | 41% segment EBITDA margin



Create + Grow | Productivity Applications | Commerce

Growth levers

New customers

International expansion

Average revenue per user (ARPU)

Annualized recurring revenue (ARR)

GMV/GPV

Subscriptions

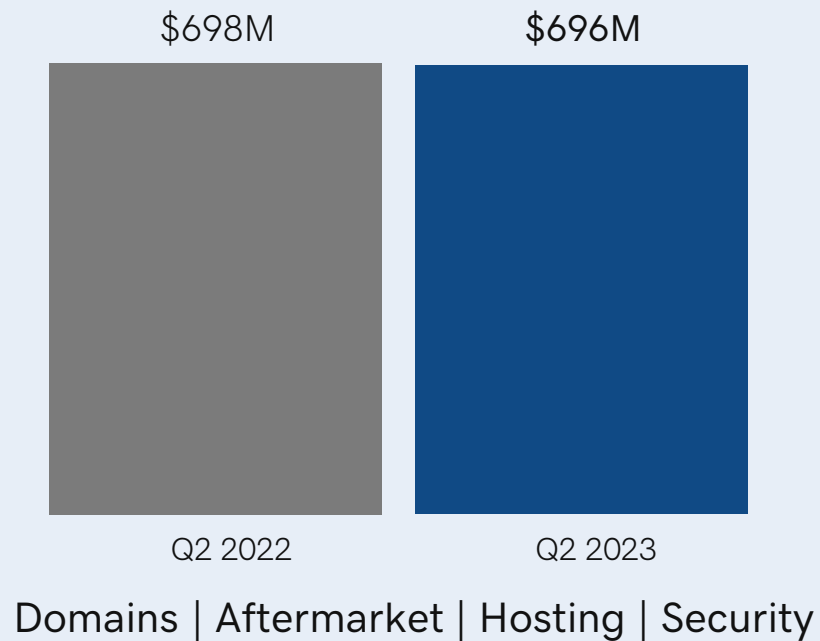
Create + Grow software includes Websites + Marketing and Managed WordPress, as well as integrated products such as GoDaddy Studio and Sellbrite.

Core platform

ARR: \$2.3B (~Flat)

Q2 2023 revenue

~Flat | 27% segment EBITDA margin



Growth levers

New customers

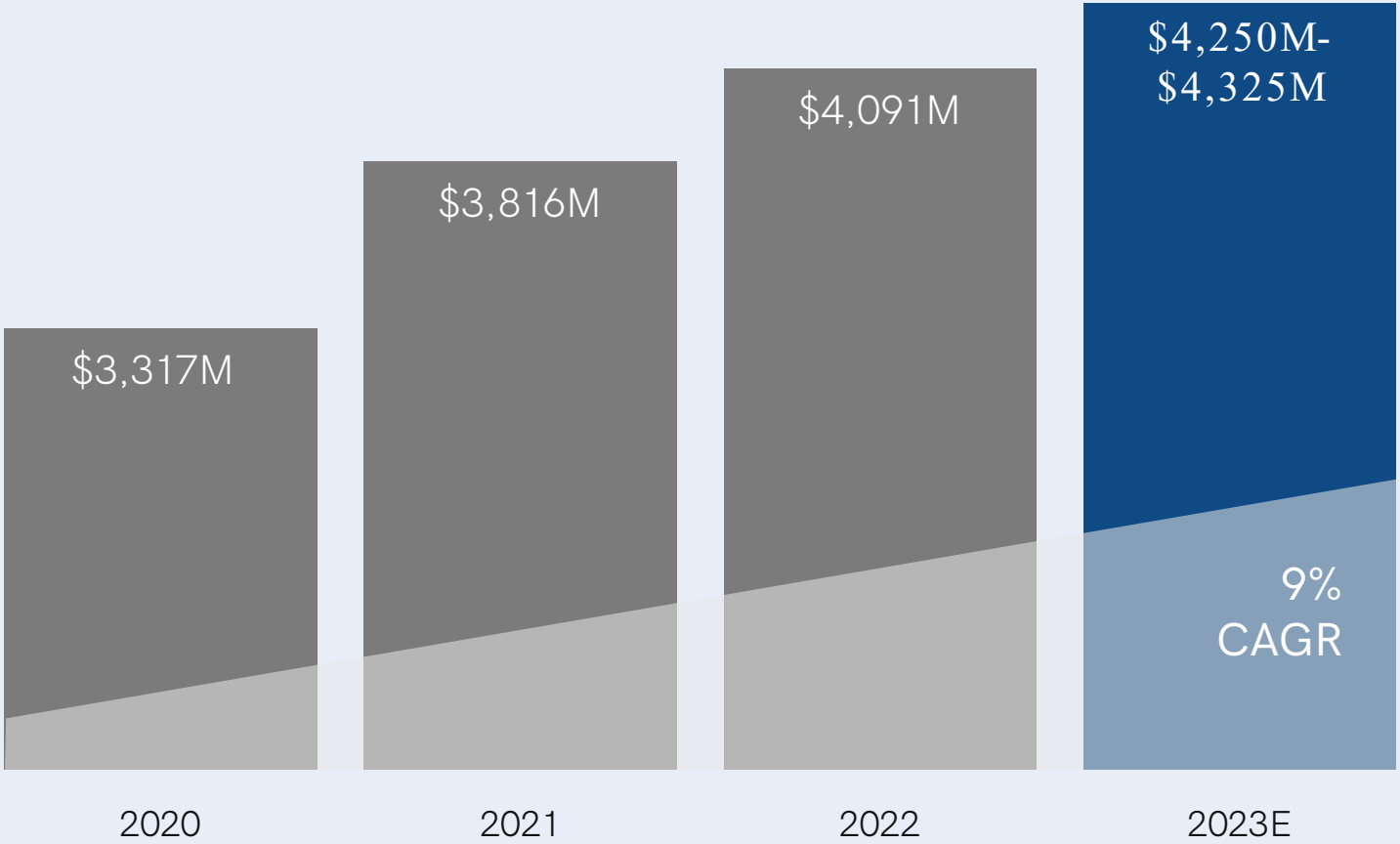
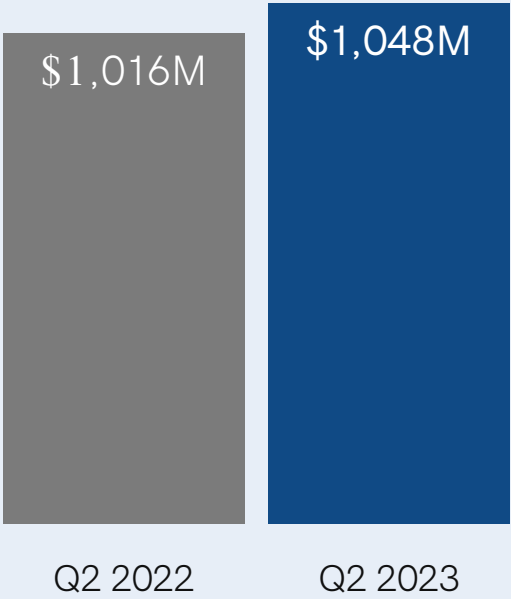
Average revenue per user (ARPU)

Leveraging market-leading position in domain registration

International expansion

Sustainable revenue growth

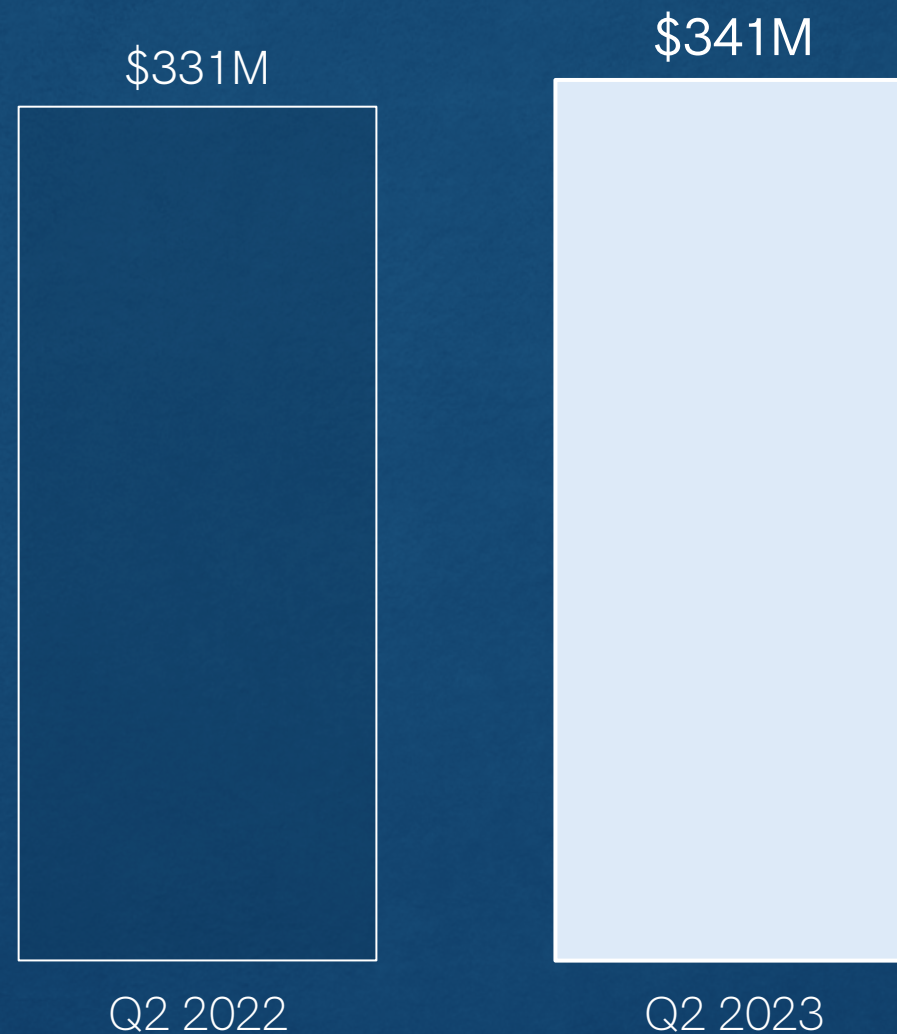
3% increase
4% constant currency



Represents revenue CAGR.

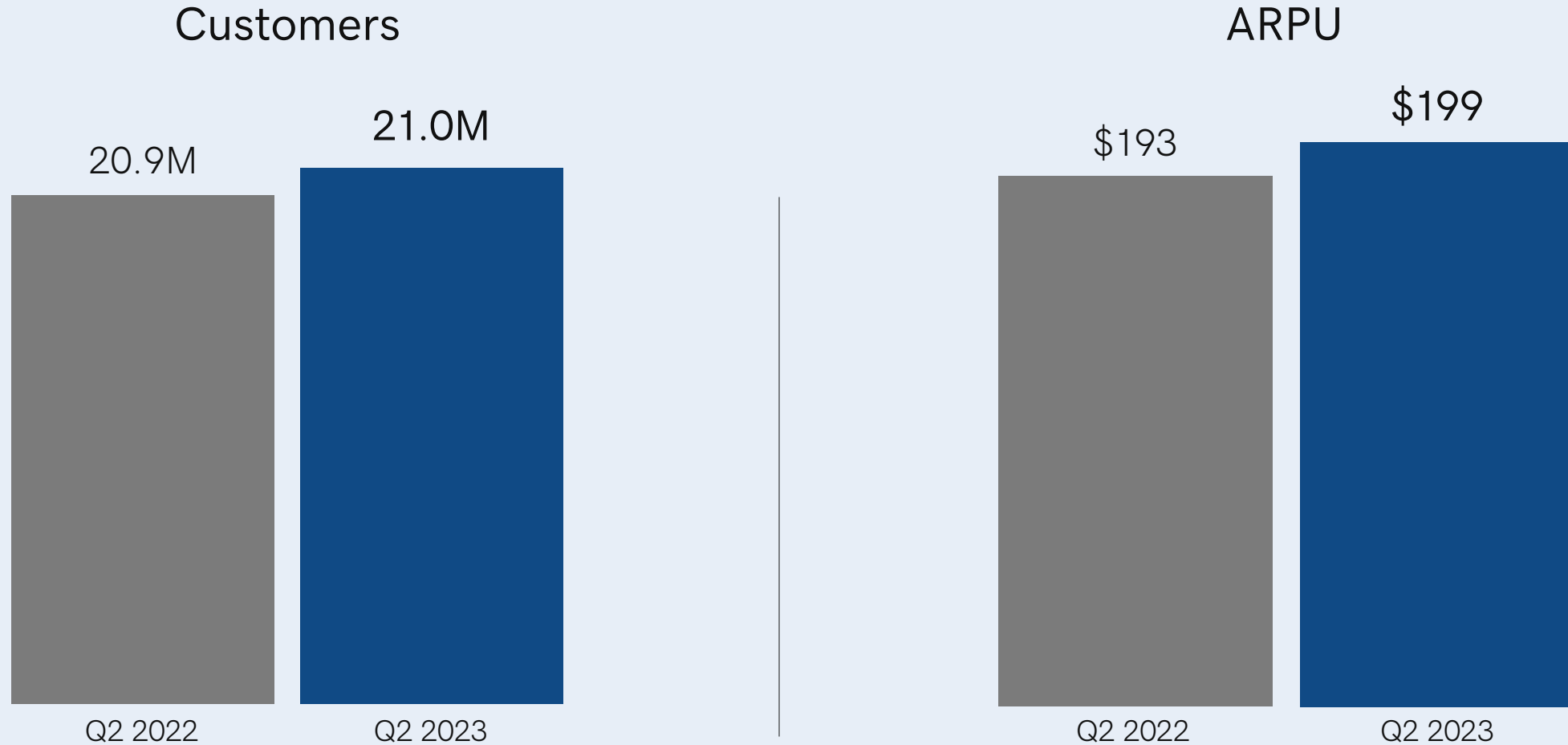
Global footprint

Q2 2023 International revenue
3% increase | 6% constant currency

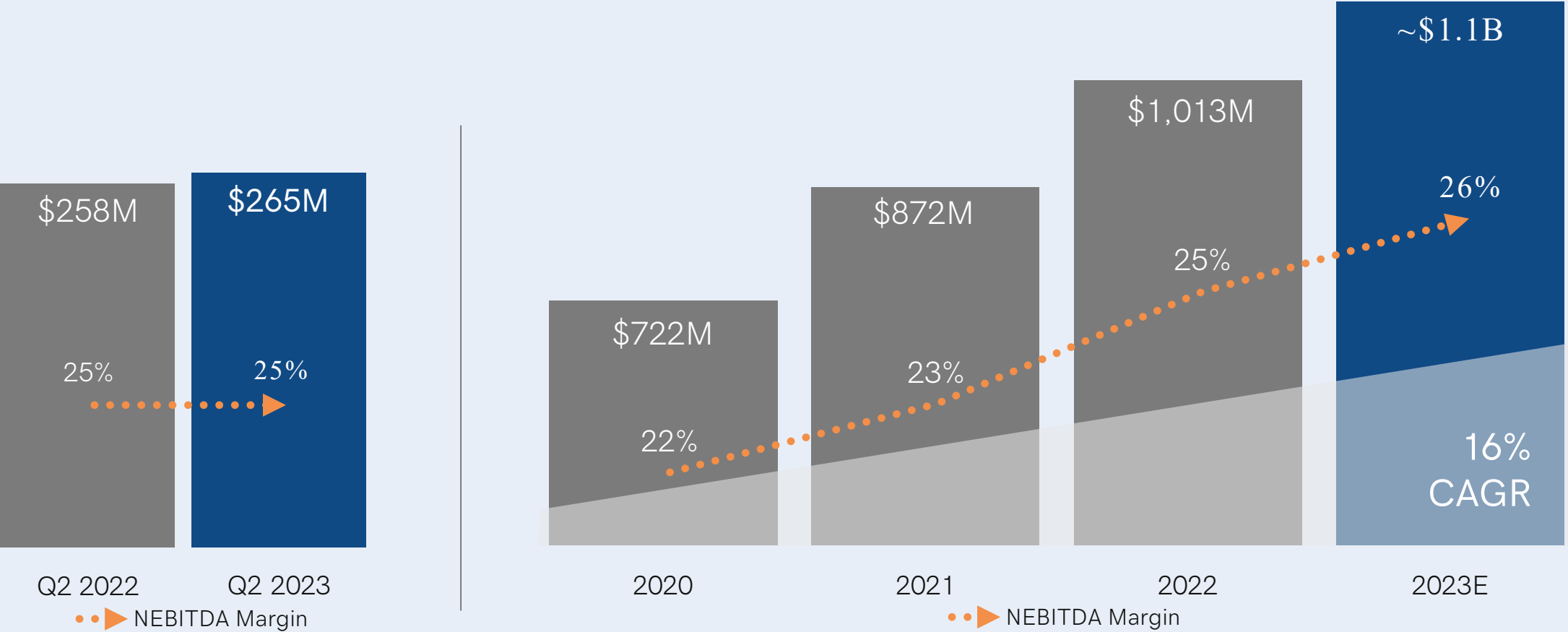


Strong customer base and growing ARPU

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



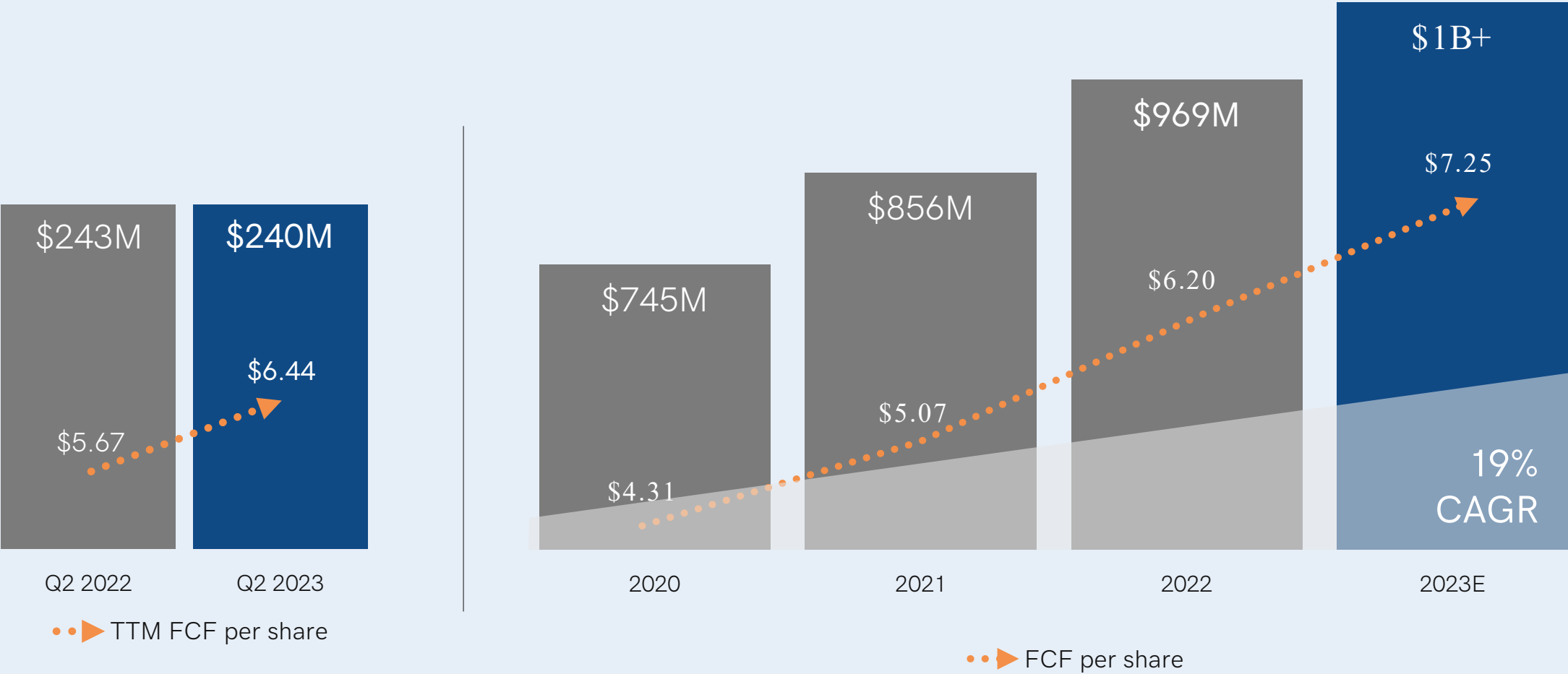
Growing NEBITDA and expanding margins



Represents Normalized EBITDA CAGR.

Durable free cash flow growth

Multi-year track record of delivering strong free cash flow per share growth



Represents free cash flow per share CAGR.

Capital return strategy

Capital allocation strategy remains unchanged

Completed \$2.0B in share buybacks under current authorization

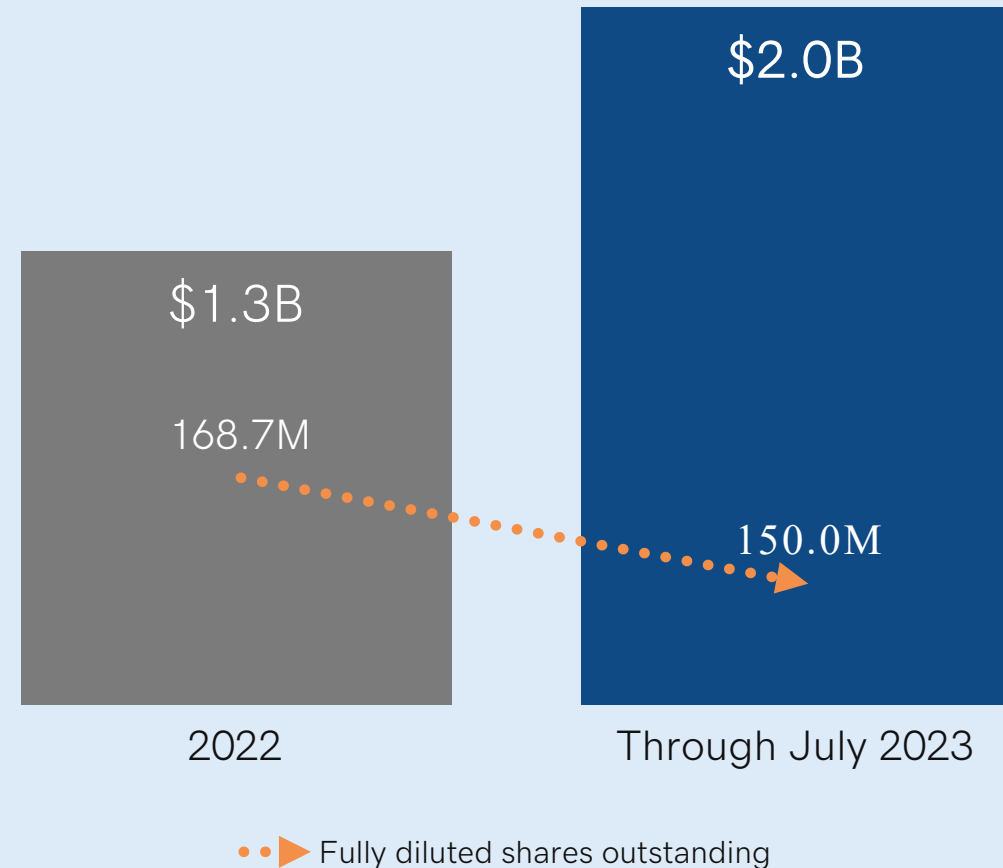
Reduced fully diluted share count by approximately 16% since \$3B authorization

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

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

Additional \$1B share buyback authorization through 2025

Cumulative shares repurchased



Balance sheet and liquidity

Total liquidity of \$1.6B

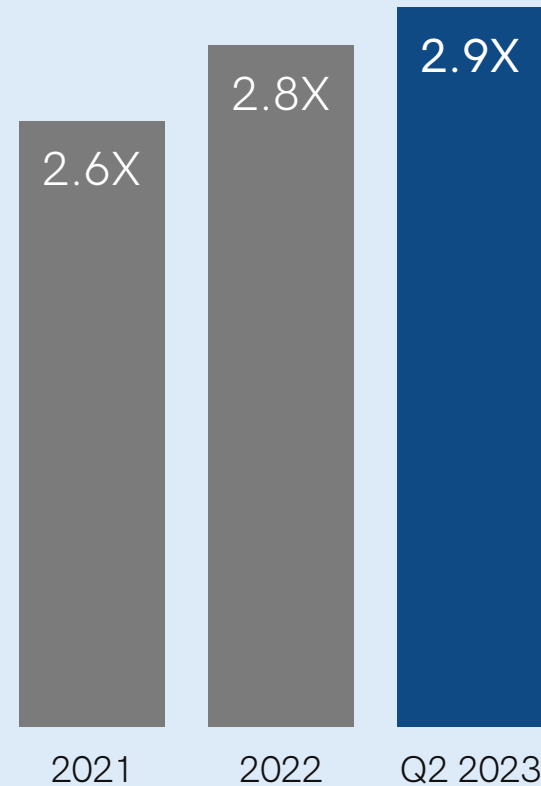
- \$583M in cash and cash equivalents
- \$1.0B undrawn revolver

Reduced interest rate by 75 bps on \$1.8B of outstanding principal

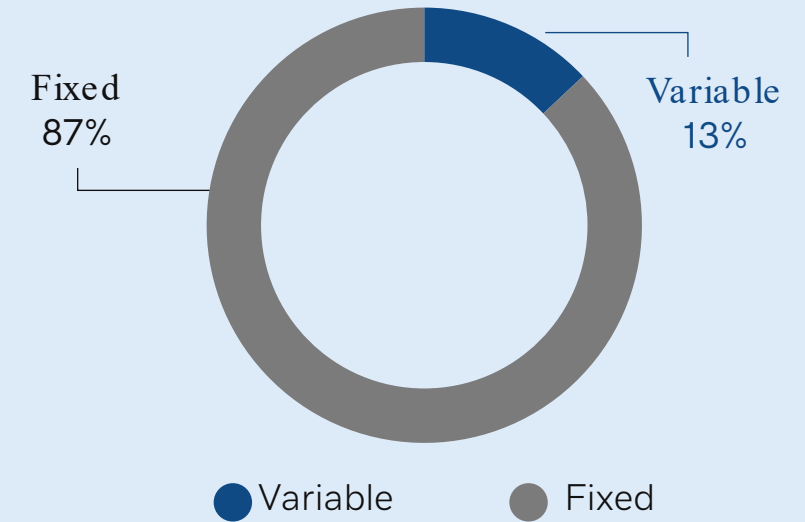
\$3.3B in net debt; net leverage 2.9x

Committed to maintaining leverage ratio of 2x-4x

Leverage ratio



Interest rate exposure



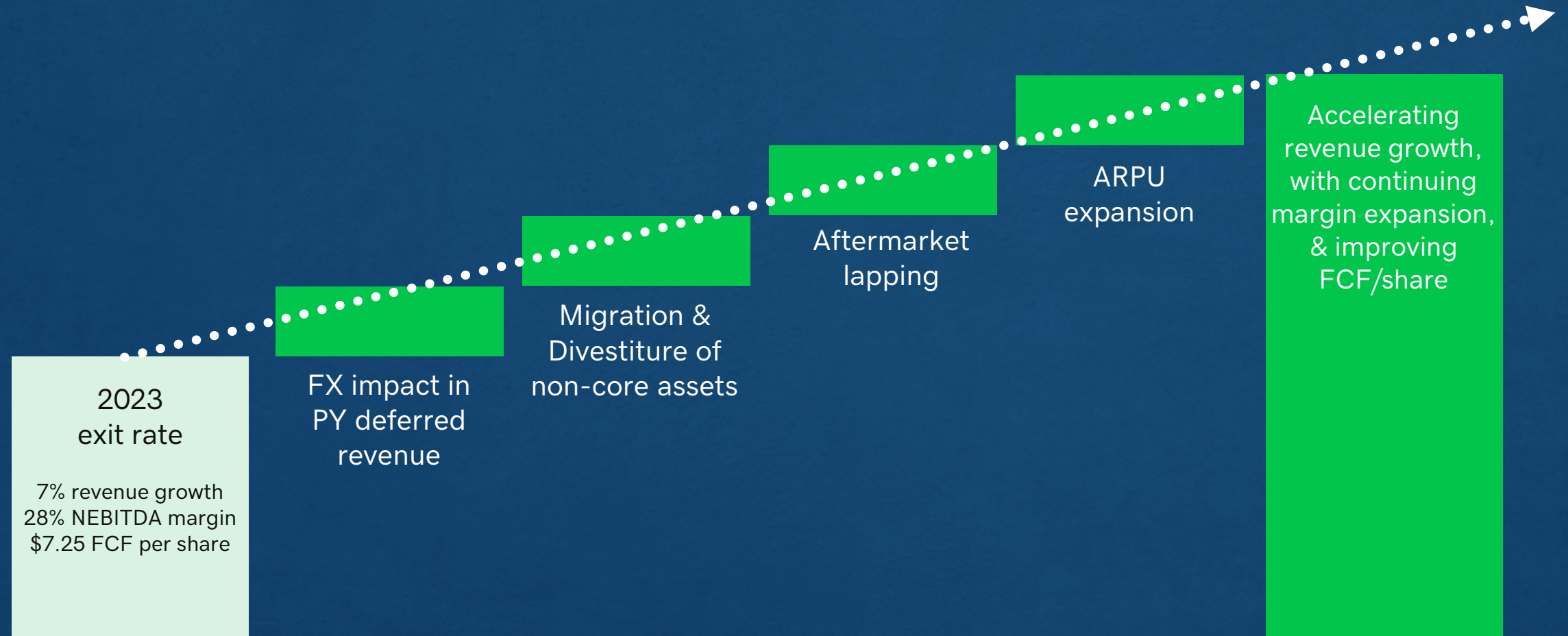
Term loan	Maturity
\$728M	2027
\$1.8B	2029
Unsecured notes	Maturity
\$600M	2027
\$800M	2029

Outlook

	Q3 2023	2023
Revenue	\$1.055B - \$1.075B	\$4.250B - \$4.325B
Segment growth rates		
Applications & commerce	9% - 11%	9% - 11%
Core platform	~Flat	~1%
NEBITDA margin	~26%	~26%
Unlevered free cash flow		\$1.2B+
Free cash flow		\$1.0B+
Share repurchase target		\$1.0B

Billie Dumaliang
Masungi Georeserve
MASUNGIGEORESERVE.COM

Bridge to continuing long-term value creation



Illustrative depiction.
Assumes no material change in FX.

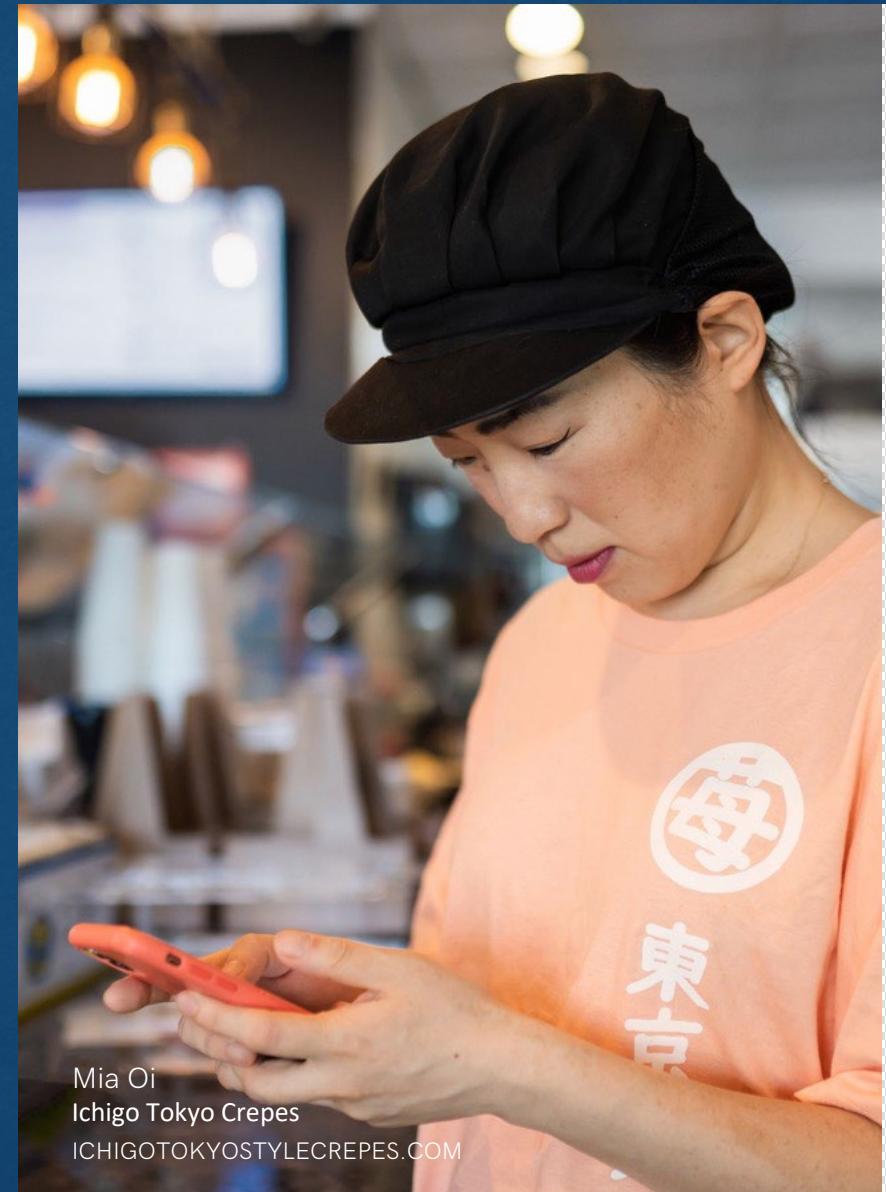
Key investment highlights

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

AI-powered solutions for small businesses with a one-stop shop experience



Mia Oi
Ichigo Tokyo Crepes
ICHIGOTOKYOSTYLECREPES.COM

Appendices

Non-GAAP reconciliation: **NEBITDA**

Reconciliation of NEBITDA (\$M)	Three months ended June 30		Six months ended June 30	
	2023	2022	2023	2022
Net income	\$83.1	\$90.5	\$130.5	\$159.1
Depreciation and amortization	43.5	48.4	92.0	96.6
Equity-based compensation ¹	77.5	66.7	149.1	127.9
Interest expense, net	37.4	33.6	75.4	66.8
Acquisition-related expenses	4.7	10.6	9.7	18.3
Restructuring and other ²	20.7	10.6	59.7	11.3
Provision (benefit) for income taxes	(2.3)	(2.0)	(2.1)	4.3
Total NEBITDA	\$264.6	\$258.4	\$514.3	\$484.3

¹ The six months ended June 30, 2023 excludes \$2.3 million of equity-based compensation expense associated with our restructuring plan, which is included within restructuring and other.

² In addition to the restructuring and other in our statements of operations, other charges included are primarily composed of 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)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net income (loss)	\$300.6	\$344.2	\$346.5	\$352.9	\$331.7	\$324.3
Depreciation and amortization	198.8	197.3	195.0	194.6	194.9	190.0
Equity-based compensation ¹	216.5	231.9	246.3	264.4	274.8	285.6
Interest expense, net	129.7	131.0	130.8	135.0	139.8	143.6
Acquisition-related expenses	39.0	40.8	39.5	35.1	32.4	26.5
Restructuring and other ²	3.4	12.4	37.3	27.4	65.7	75.8
Provision (benefit) for income taxes	17.9	8.4	5.6	3.6	(2.5)	(2.8)
Total NEBITDA	\$905.9	\$966.0	\$1,001.0	\$1,013.0	\$1,036.8	1,043.0

¹ The six months ended June 30, 2023 excludes \$2.3 million of equity-based compensation expense associated with our restructuring plan, which is included within restructuring and other.

² In addition to the restructuring and other in our statements of operations, other charges included are primarily composed of 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 June 30		Six months ended June 30	
	2023	2022	2023	2022
Net cash provided by operating activities	\$198.0	\$250.9	\$468.3	\$501.8
Capital expenditures	(5.8)	(17.9)	(28.6)	(30.2)
Cash paid for acquisition-related costs	8.5	7.4	11.6	25.5
Cash paid for restructuring and other charges ¹	39.2	2.4	47.8	4.4
Free cash flow	\$239.9	\$242.8	\$499.1	\$501.5
Cash paid for interest on long-term debt	43.7	31.5	88.4	59.6
Unlevered free cash flow	\$283.6	\$274.3	\$587.5	\$561.1

¹ In addition to payments made pursuant to our February 2023 restructuring plan, cash paid for restructuring and other charges includes a payment related to the termination of a revenue sharing agreement as well as lease-related payments associated with closed facilities.

Non-GAAP reconciliation:

Trailing twelve months free cash flow

Reconciliation (\$M)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net cash provided by operating activities	\$858.9	\$900.4	\$943.9	\$979.7	\$999.1	\$946.2
Capital expenditures	(54.4)	(60.2)	(60.1)	(59.7)	(70.2)	(58.1)
Cash paid for acquisition-related costs	44.3	43.4	42.1	37.9	22.9	24.0
Cash paid for restructuring charges ¹	12.4	14.1	14.5	10.7	17.3	54.1
Free cash flow	\$861.2	\$897.7	\$940.4	\$968.6	\$969.1	\$966.2

¹ In addition to payments made pursuant to our February 2023 restructuring plan, cash paid for restructuring and other charges includes a payment related to the termination of a revenue sharing agreement as well as lease-related payments associated with closed facilities.

Non-GAAP reconciliation:

Net debt

Reconciliation (\$M)

June 30, 2023

Current portion of long-term debt

\$18.2

Long-term debt

3,806.0

Unamortized original issue discount and debt issuance costs

64.5

Total debt

\$3,888.7

Less: cash & cash equivalents

(582.6)

Net debt

\$3,306.1

Non-GAAP reconciliation:

Constant currency

Reconciliation (\$M)	June 30, 2023
Bookings	\$1,141.1
Constant currency adjustment	6.9
Constant currency bookings	<hr/> \$1,148.0
Revenue	\$1,048.1
Constant currency adjustment	8.9
Constant currency revenue	<hr/> \$1,057.0

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

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 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

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. 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.

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.



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August 3, 2023

Junior Garcia
Laced in Love
[LACEDINLOVE.BIZ](https://lacedinlove.biz)