



Q3 2023 Financial Results

November 2, 2023



Joanne Diver
The Backyard Garden Enthusiast
BACKYARDGARDENENTHUSIAST.COM.AU

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 expected impacts of our restructuring efforts; 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; our dependence on payment card networks and acquiring processors; 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; 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 June 30, 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 June 30, 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 and business metrics. We believe that these non-GAAP financial measures and other operating and business 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 equivalents, 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.

Joanne Diver
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Delivering shareholder value

Driving profitable
growth



Expanding
Normalized EBITDA
margins



Compounding free
cash flow per share

Jeremy Strebel
Jammin On
JAMMINON.COM

As of September 30, 2023

Third quarter turning point

12%

Application & Commerce
Bookings growth

28%

Q3 2023
Normalized EBITDA
margin

~31%

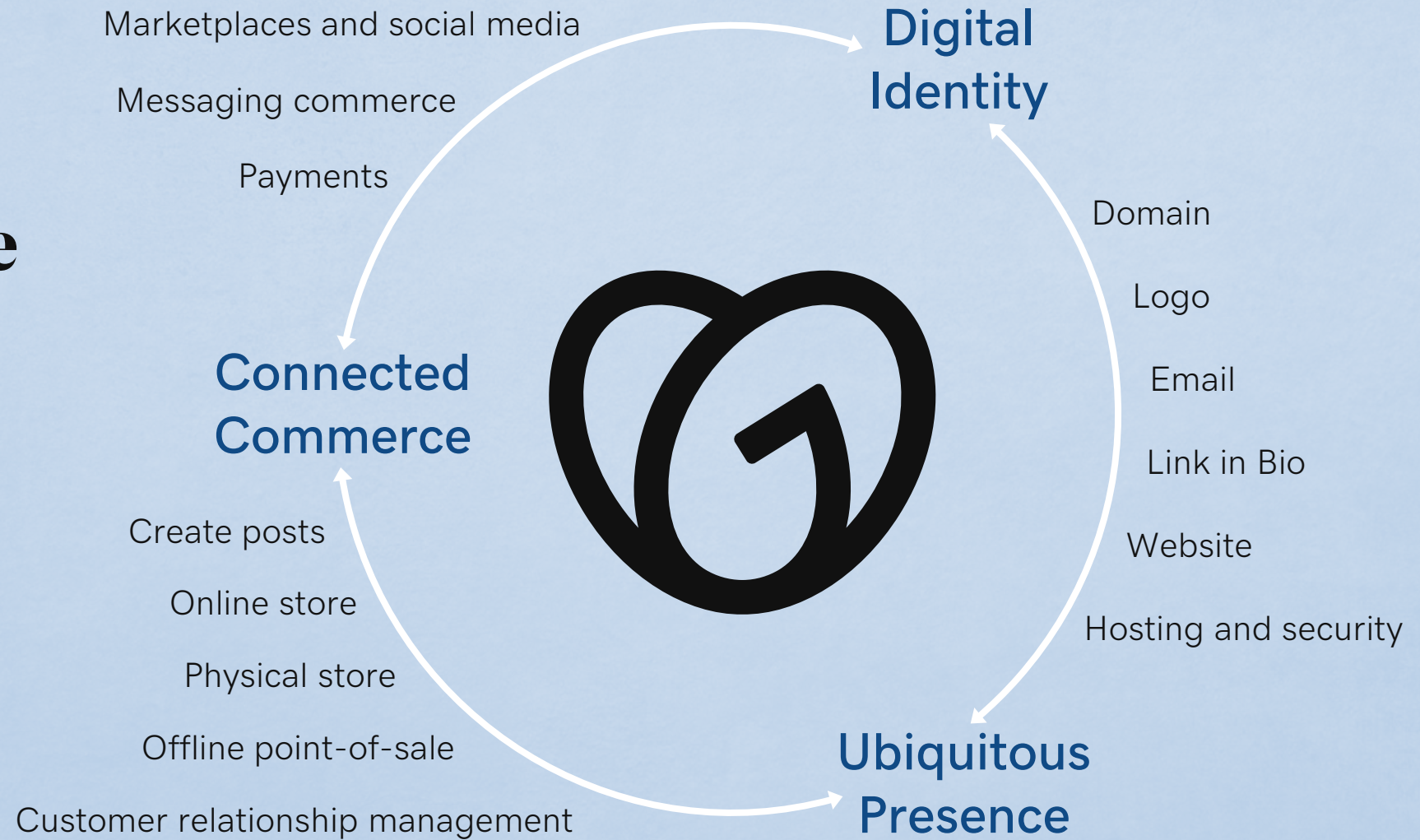
Targeted Q4 2024
Normalized EBITDA
margin

As of September 30, 2023

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Jeremy Strebel
Jammin On
JAMMINON.COM

Partnering with our customers at every point on the Entrepreneur's Wheel

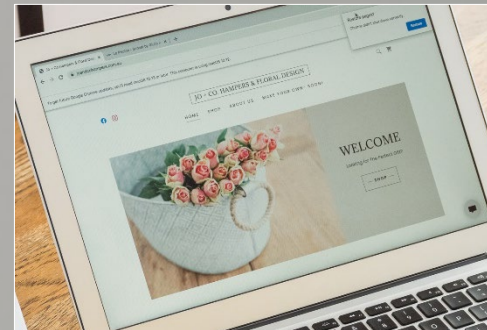
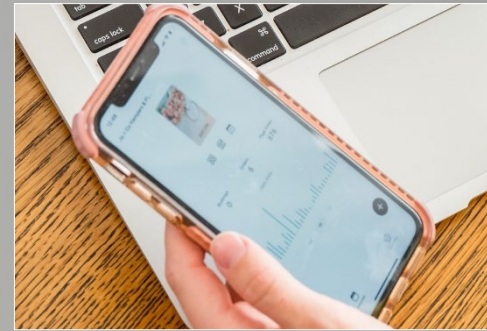


Delivering a one-stop shop for small businesses

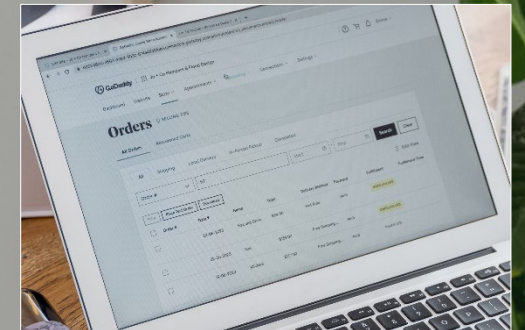
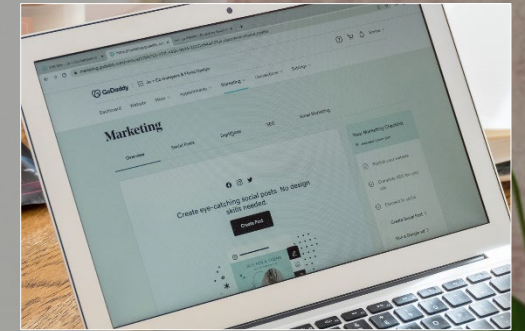
Sell anything



Sell anywhere



Tools to sell anything, anywhere



Emma McLeavy
Jo + Co. Hampers & Floral design
THEHULA.COM

Strategic priorities driving innovation and customer success

Innovating in domains & productivity

- With each new domain purchase, GoDaddy Airo™ automatically delivers:
 - Basic website
 - Tailored Logo
 - Social Posts
 - Personalized Email
 - And more
- Leader in Gen AI for our industry with customer-facing capabilities in market since April

Driving commerce through presence

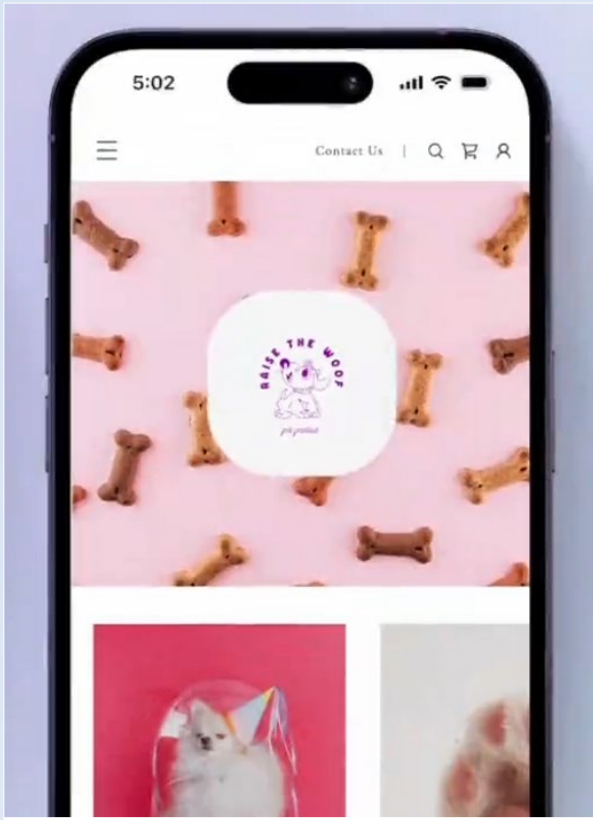
- First web builder to integrate Google's Business Messages into GoDaddy Conversations unified inbox
- Positive momentum in WorldPay partnership
- Continued impressive adoption of GoDaddy payments

Delivering for GoDaddy Pros

- Product improvements in Managed WordPress drove strong bookings growth
- Enhanced with Generative AI technologies giving GoDaddy's Managed WordPress a clear value-based advantage

GoDaddy Airo: Transforming the way successful small businesses grow using the power of AI

Commerce-enabled
personalized website



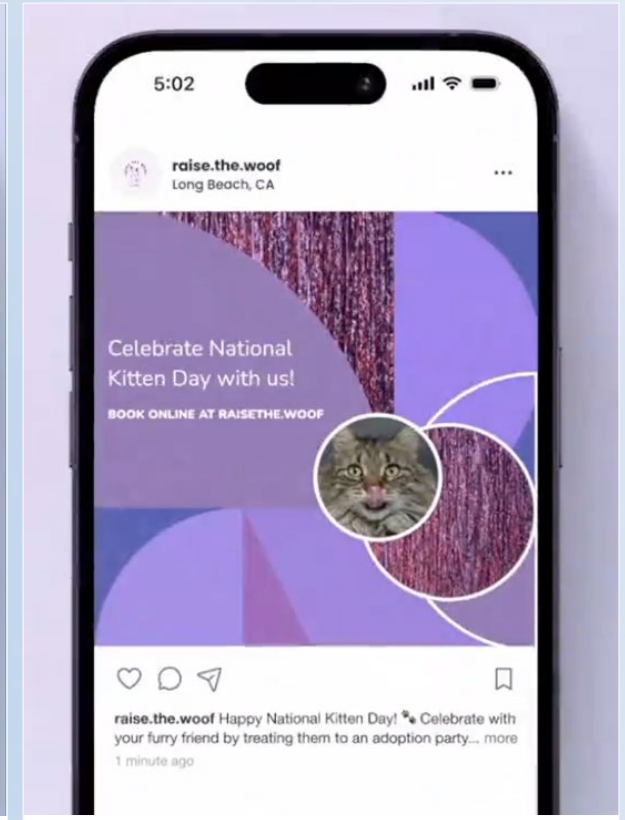
Branding



Logo



Social media
marketing messages



Key strategic highlights

Continuing margin expansion in 2024 and enhancing profitability further in 2025 and 2026

Innovating around integrated AI-powered solutions for our customers with a one-stop shop experience

Driving expanded lifetime value through bundling more integrated solutions for our loyal base of high-quality customers



Tanika "Nika" Nelson
Nika's Cupcake Bar
NIKASCUPCAKEBAR.COM

Durable and profitable revenue model with loyal customer base

42%

Applications &
Commerce segment
EBITDA margin

50%+

Customers with
two or more products

~85%

Customer
retention
rate

Tanika "Nika" Nelson
Nika's Cupcake Bar
NIKASCUPCAKEBAR.COM

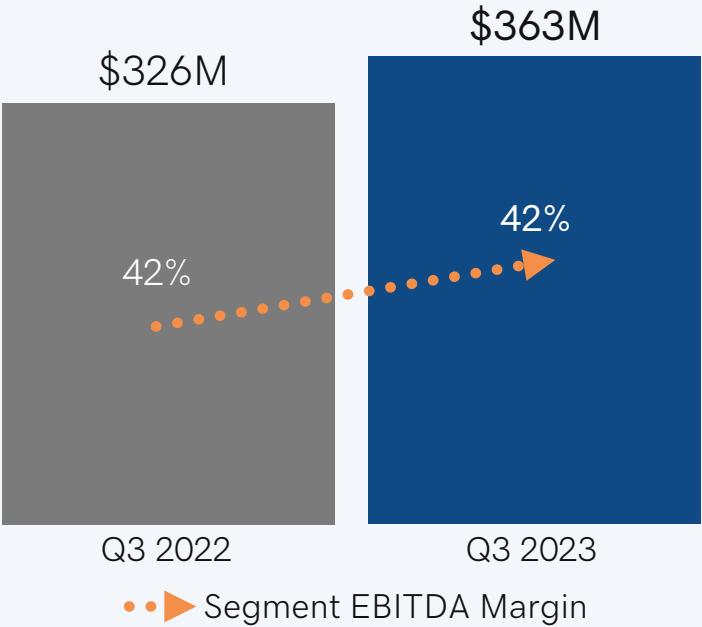
As of September 30, 2023

Impressive growth in high-margin applications & commerce

\$1.4B+ business driving accelerated profitability

Q3 2023 revenue

11% increase | ~90 bps of segment EBITDA margin improvement

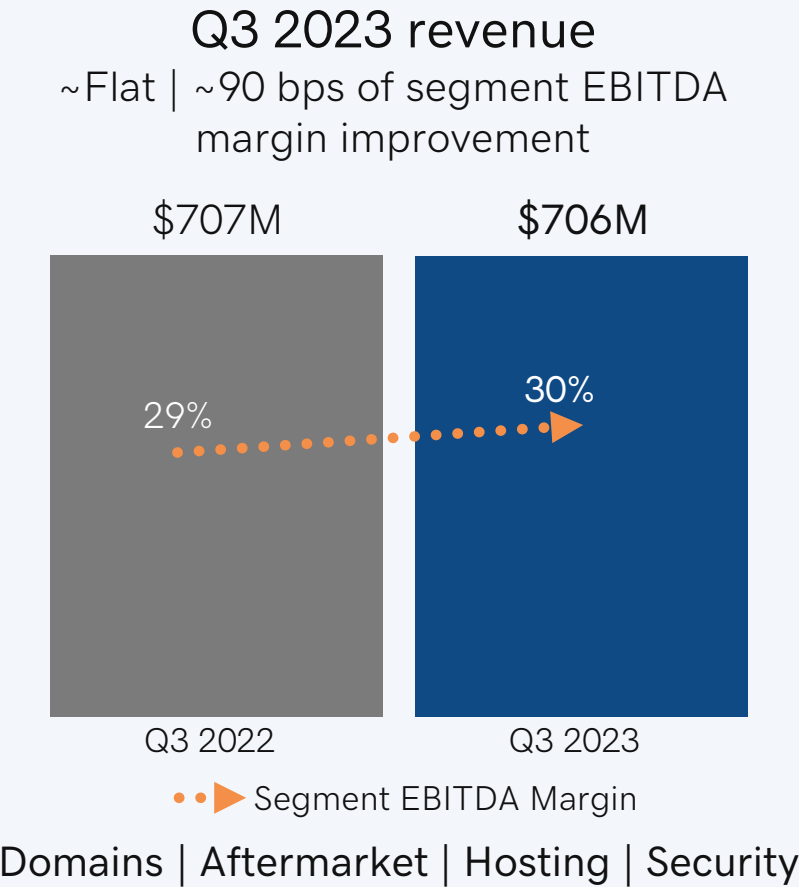


Create + Grow | Productivity Applications | Commerce

Growth levers	Metrics
Product attach	Customers with 2+ products
International expansion	International revenue
Bundling/pricing	Average revenue per user (ARPU)
Subscriptions	Annualized recurring revenue (ARR)
GPV	Gross payment volume (GPV)
Renewals	Retention rate
Margin expansion	Segment EBITDA margin

Core platform delivers consistent stable base

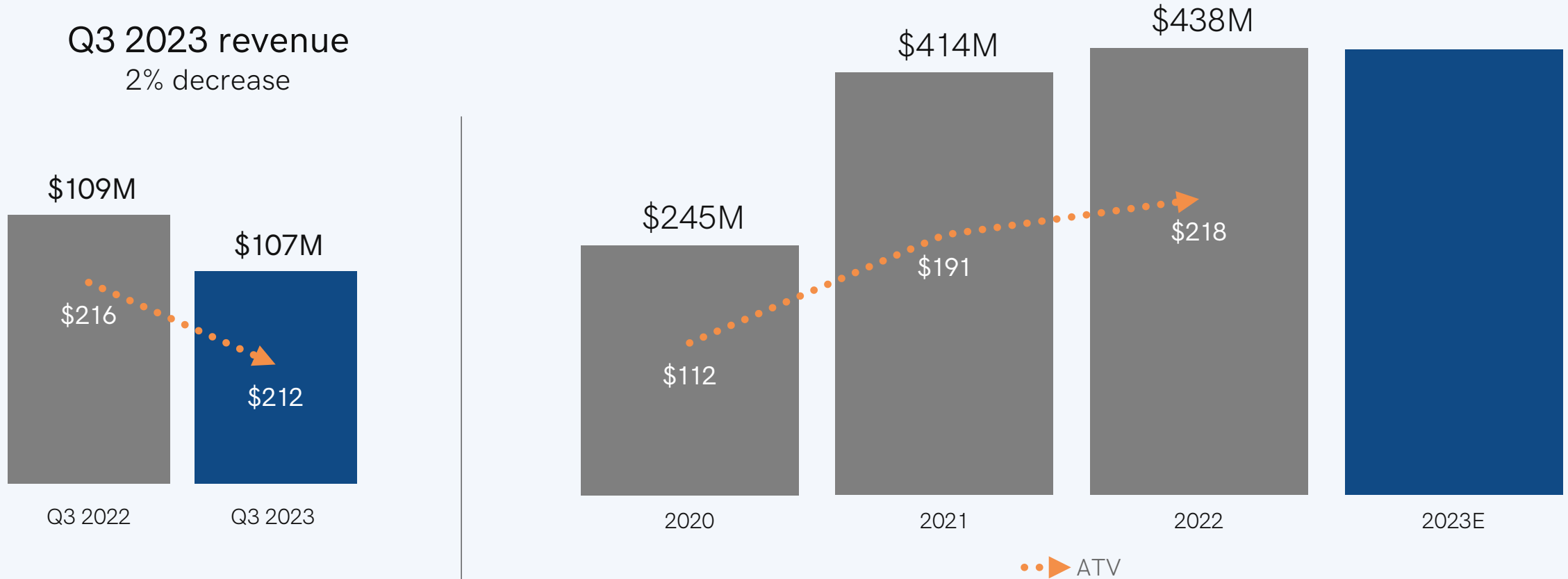
Comparative growth impacted by divestitures of two of our hosting brands



Growth levers	Metrics
Demand	New customers
Pricing	ARPU
Subscriptions	ARR
International expansion	International revenue
Aftermarket	Average transaction value (ATV)
Margin expansion	Segment EBITDA margin

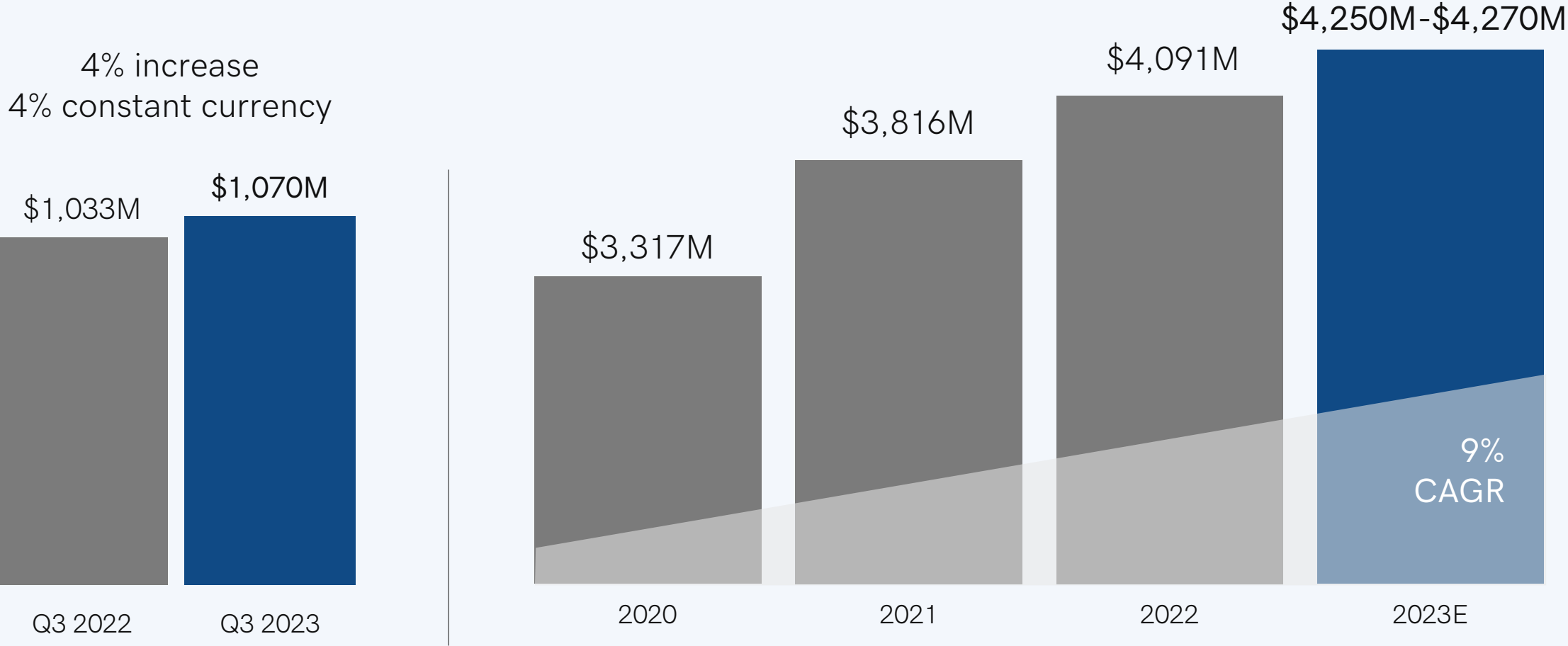
Maturing aftermarket revenue

Transactional business subject to global macro-economic conditions



Bars without numbers are intended to be illustrative

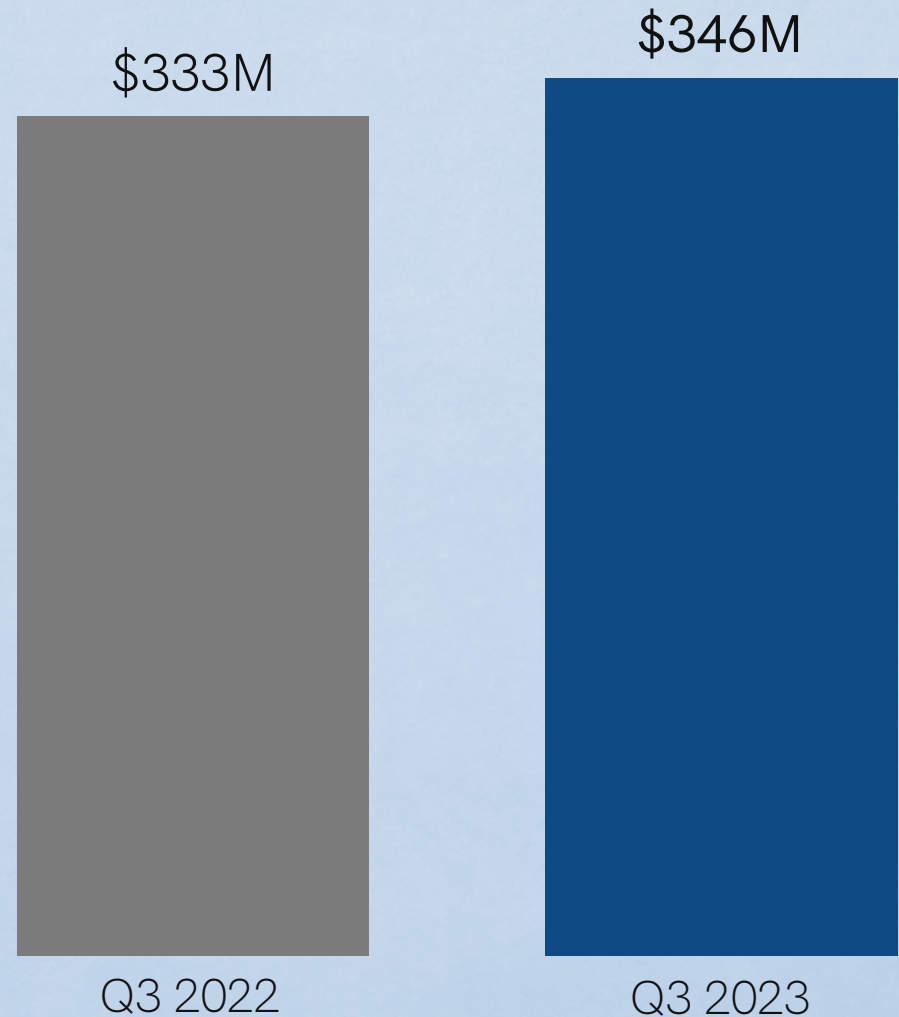
Durable track record of revenue growth over time



Continuing to expand our global footprint

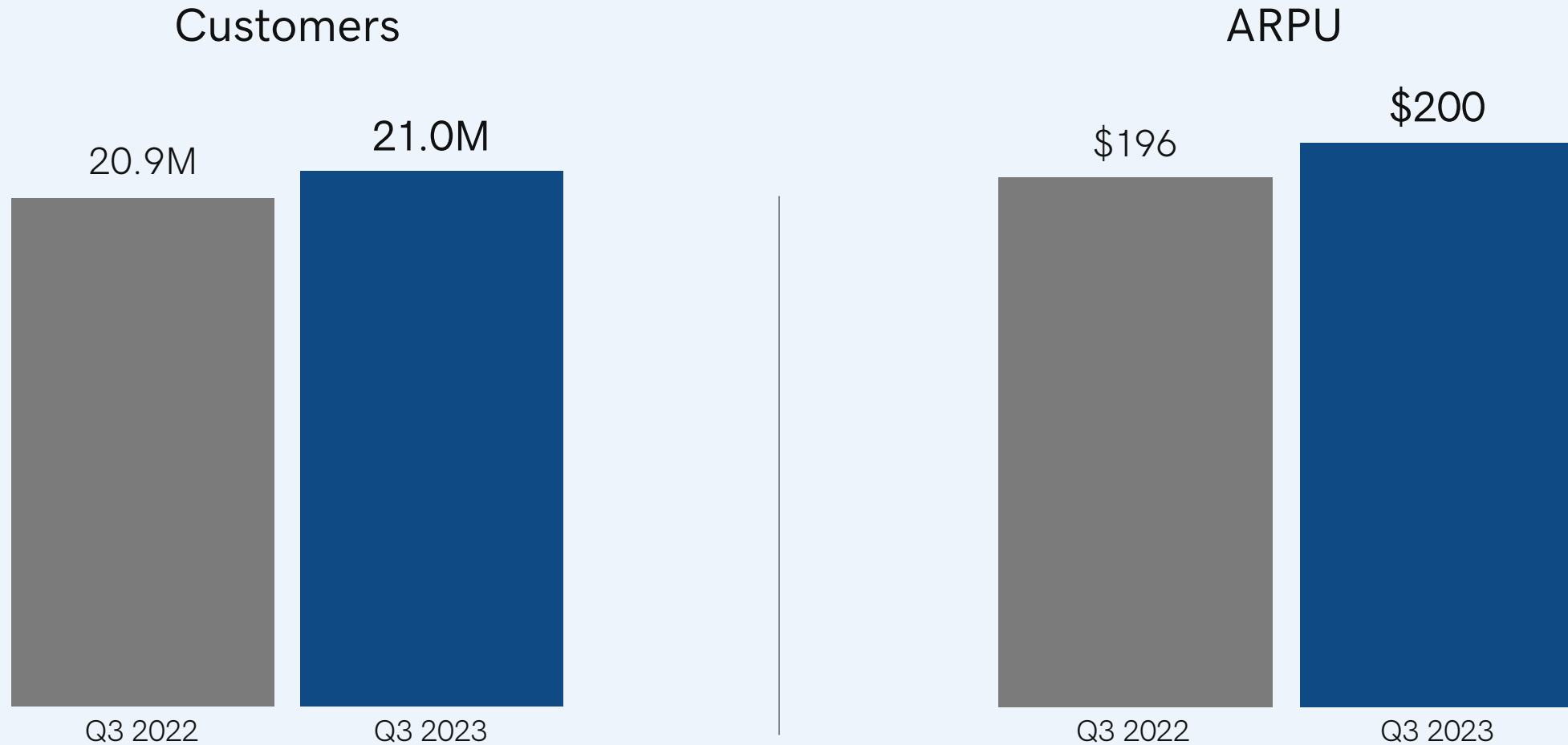
Q3 2023 International revenue

4% increase | 5% constant currency



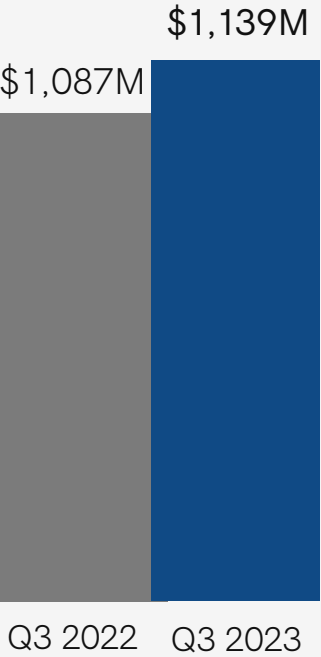
A growing loyal customer base that is spending more with us

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



Accelerating profitability and strong cash flow generation during Q3

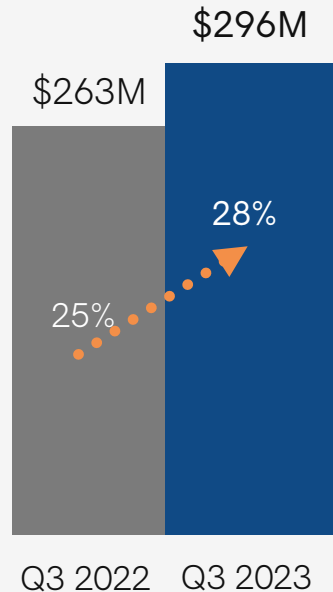
Bookings
5% increase
4% constant currency



Revenue
4% increase
4% constant currency

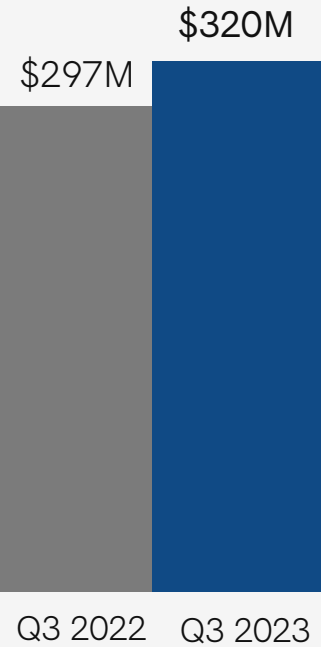


Normalized EBITDA (NEBITDA)
13% increase



NEBITDA Margin

Unlevered Free Cash Flow (uFCF)
8% increase



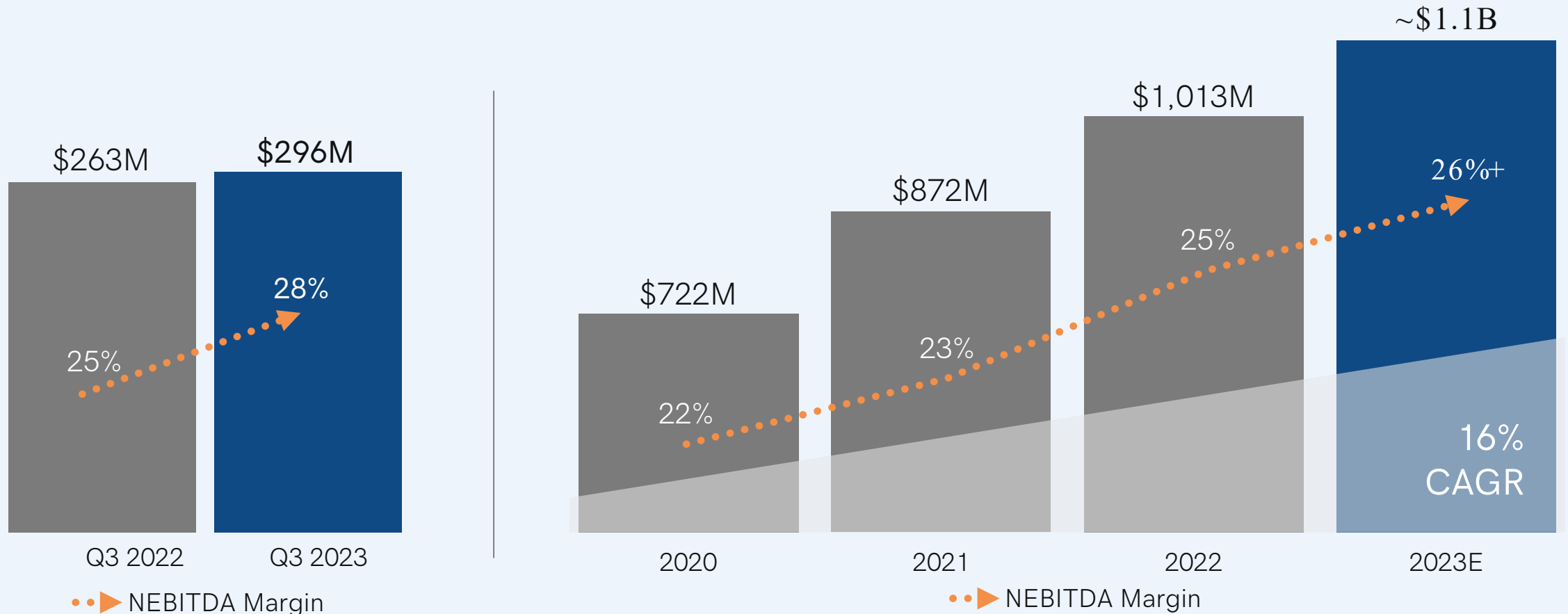
Free Cash Flow (FCF)
14% per share increase



TTM FCF per share

Accelerating margin expansion to improve profitability

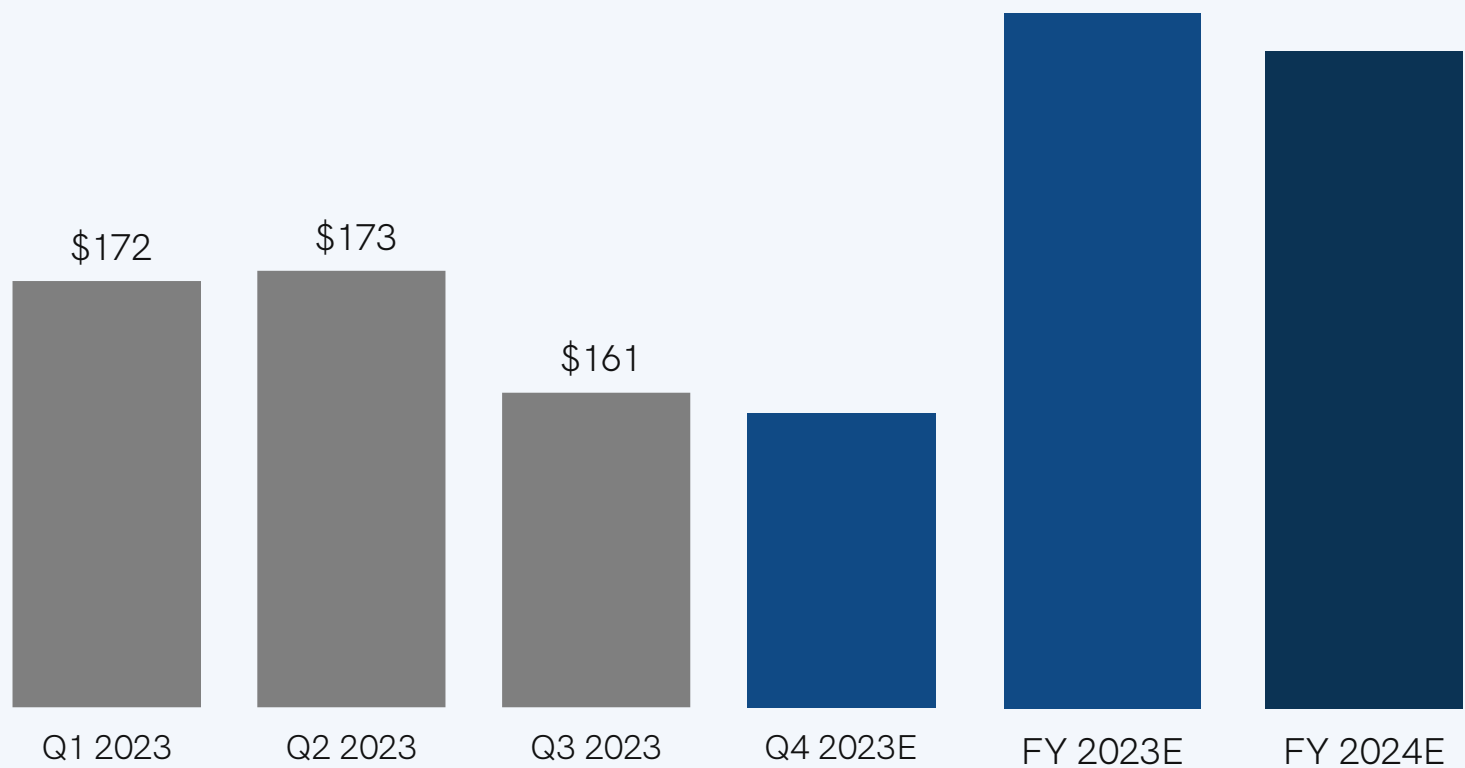
Targeting Q4 2024 exit rate NEBITDA margin of ~31%



Opportunity to drive normalized EBITDA margin expansion by managing tech & dev expense

Additionally, higher free cash flow from CapEx reduction as we move to the cloud

Normalized T&D expense

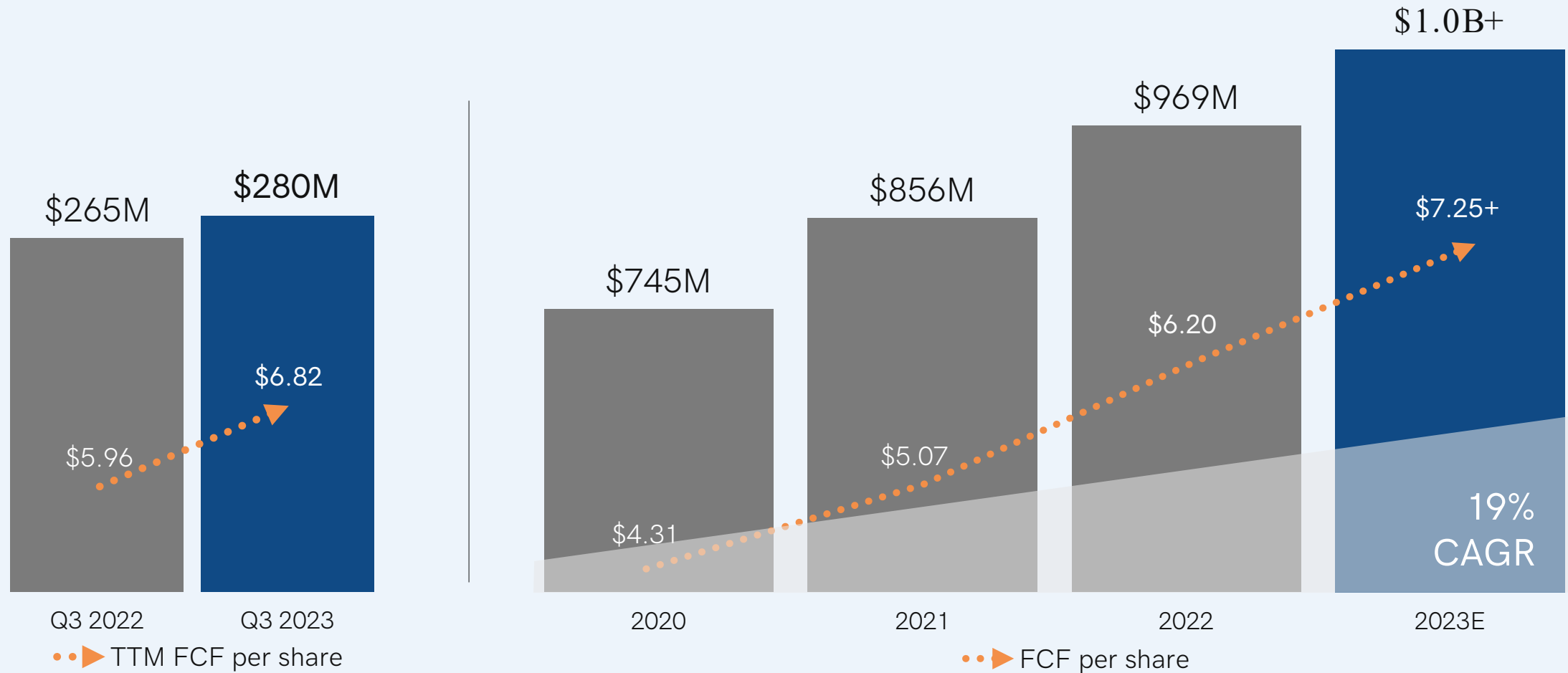


Bars without numbers are intended to be illustrative

Tech & Dev spend

Product ~47%	Infrastructure ~53%
Product innovation	Cyber
Front of site	Public cloud
Marketing Tech	Platform
Care Tech	Data centers
	Integrations

Multi-year track record of delivering strong free cash flow per share growth despite rising interest rates



Strong balance sheet and ample liquidity

Total liquidity of \$1.3B

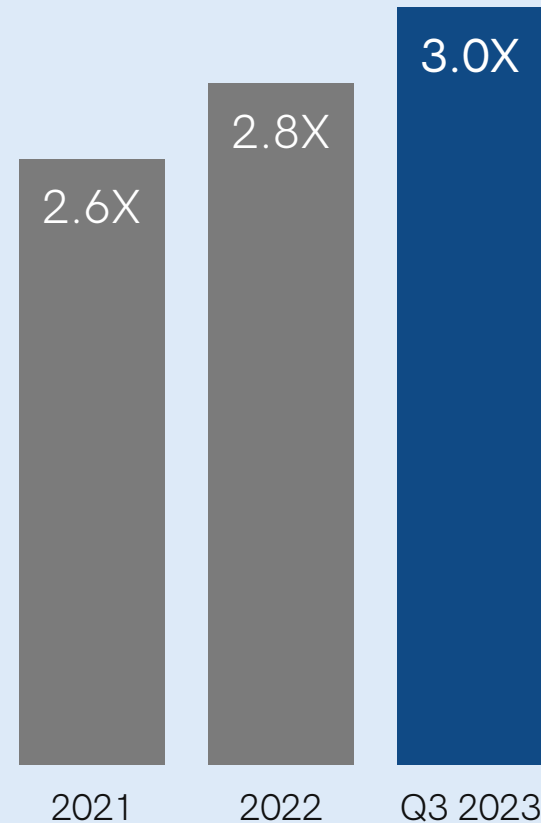
- \$329M in cash and cash equivalents
- \$1.0B undrawn revolver

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

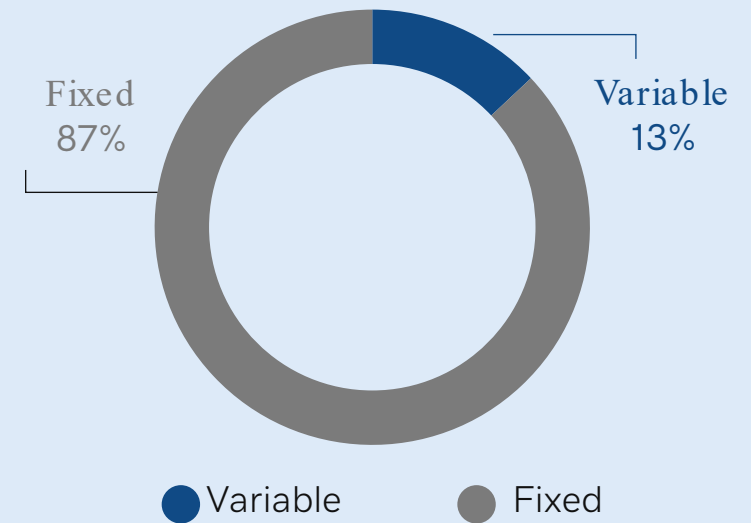
\$3.6B in net debt;
net leverage 3.0x

Committed to maintaining
leverage ratio of 2x-4x

Committed to maintaining
leverage ratio of 2x-4x



Fixed Interest rates
providing stability



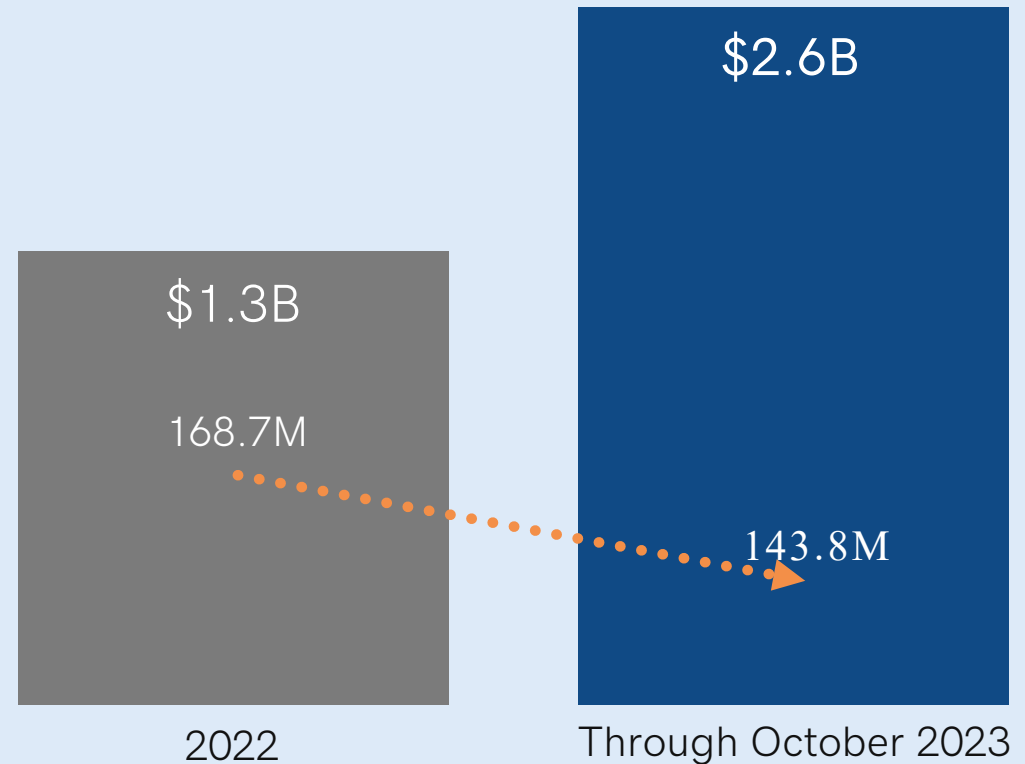
Term loan	Maturity
\$726M	2027
\$1.8B	2029
Unsecured notes	Maturity
\$600M	2027
\$800M	2029

Disciplined capital allocation strategy to drive shareholder returns

Completed \$2.6B in share buybacks under current authorization

Reduced fully diluted share count by approximately 20% since inception of the current \$4B authorization

Achieved 20% share reduction



●●▶ Fully diluted shares outstanding

Delivered on or ahead of Q3 targets

	Actual	Prior Year	Growth/ Expansion	Original Guidance
Revenue	\$1,070B	\$1,033B	4%	\$1.055 - \$1.075B
Applications & Commerce Revenue	\$363	\$326	11%	9% - 11%
Core Platform Revenue	\$706	\$707	-	~Flat
Normalized EBITDA Margin	28%	25%	~3 pts	~26%

Driving durable growth, expanding margins & attractive cash flow

	Q4 2023 Outlook	2023 Outlook
Revenue	\$1.095B - \$1.115B	\$4.250B - \$4.270B
Segment growth rates		
Applications & Commerce	~13%	~12%
Core platform	2% - 3%	Flat - 1%
NEBITDA margin	~29%	26%+
Unlevered free cash flow		\$1.2B+
Free cash flow		\$1.0B+
Share repurchase target		\$1.0B

Key financial highlights and outlook

Increasing Q4 2023 Normalized EBITDA margin target to ~29%;
full year Normalized EBITDA margin target to 26%+

Targeting Q4 2024 Normalized EBITDA margin of ~31%;
continuing expansion into 2025 and 2026

Reaffirming 2023 guidance to deliver:

- Unlevered free cash flow of \$1.2B+
- Free cash flow of \$1.0B+
- Free cash flow per share of \$7.25+

Expecting Q4 2023 revenue growth for applications & commerce
of ~13%, improving full year growth rate to ~12%

Narrowing full year 2023 revenue guide to \$4.250B - \$4.270B

Appendices

Non-GAAP reconciliation: NEBITDA

Reconciliation of NEBITDA (\$M)	Three months ended September 30	
	2023	2022
Net income	\$131.0	\$100.0
Depreciation and amortization	40.6	48.5
Equity-based compensation	76.2	65.4
Interest expense, net	39.8	32.1
Acquisition-related expenses ¹	(1.0)	8.9
Restructuring and other ²	12.5	10.6
Provision (benefit) for income taxes	(3.1)	(2.8)
Total NEBITDA	\$296.0	\$262.7
 Net income margin	 12.2%	 9.6%
 NEBITDA margin	 27.7%	 25.4%

¹ The three months ended September 30, 2023 include an adjustment of \$6.0 million to a previously-recognized acquisition milestone liability.

² In addition to 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, adjustments to the fair value of our equity investments and expenses incurred in relation to the refinancing of our long-term debt.

Non-GAAP reconciliation: NEBITDA

Reconciliation of NEBITDA (\$M)	2020	2021	2022
Net income (loss)	\$(494.1)	\$242.8	\$352.9
Depreciation and amortization	202.7	199.6	194.6
Equity-based compensation expense	191.5	207.9	264.4
Interest expense, net	86.9	124.9	135.0
Acquisition-related expenses	25.0	78.2	35.1
Restructuring and other ¹	36.8	8.0	27.4
Provision for income taxes & TRA adjustments	673.4	10.8	3.6
Total NEBITDA	722.2	\$872.2	\$1,013.0
 Net income margin	 (14.9)%	 6.4%	 8.6%
 NEBITDA margin	 21.8%	 22.9%	 24.8%

¹ Includes lease-related expenses associated with closed facilities, charges related to certain legal matters, and expenses incurred in relation to the refinancing of our long-term debt.

Non-GAAP reconciliation: free cash flow

Reconciliation (\$M)	Three months ended September 30	
	2023	2022
Net cash provided by operating activities	\$281.6	\$269.9
Capital expenditures	(9.4)	(12.4)
Cash paid for acquisition-related costs	1.3	5.2
Cash paid for restructuring and other charges ¹	6.7	2.8
Free cash flow	\$280.2	\$265.5
Cash paid for interest on long-term debt	39.9	31.1
Unlevered free cash flow	\$320.1	\$296.6

¹ In addition to payments made pursuant to our February 2023 restructuring plan, cash paid for restructuring and other charges include lease-related payments associated with closed facilities, payments related to certain legal matters as well as third party payments incurred in relation to the refinancing of our long-term debt.

Non-GAAP reconciliation: free cash flow

Reconciliation of free cash flow (\$M)	2020	2021	2022
Net cash provided by operating activities	\$764.6	\$829.3	\$979.7
Capital expenditures	(66.5)	(51.1)	(59.7)
Cash paid for acquisition-related costs ¹	27.4	64.9	37.9
Cash paid for restructuring charges ²	19.4	12.7	10.7
Free cash flow	\$744.9	\$855.8	\$968.6

¹ Cash paid for acquisition-related costs in 2021 includes \$29.4 million in compensatory payments expensed in connection with our acquisition of Poynt.

² 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)	September 30, 2023
Current portion of long-term debt	\$18.0
Long-term debt	3,802.3
Unamortized original issue discount and debt issuance costs	62.1
Total debt	<hr/> \$3,882.4
Less: cash & cash equivalents	(329.2)
Net debt	<hr/> \$3,553.2

Reconciliation:

Constant currency

Reconciliation (\$M)	September 30, 2023
Bookings	\$1,138.9
Constant currency adjustment	(5.0)
Constant currency bookings	<hr/> \$1,133.9
Revenue	\$1,069.7
Constant currency adjustment	2.4
Constant currency revenue	<hr/> \$1,072.1

Non-GAAP reconciliation: **Technology & Development**

Reconciliation of Technology & Development (\$M)	Q1 2023	Q2 2023	Q3 2023
Technology and development	\$215.0	\$219.2	\$201.6
Equity-based compensation: technology and development	(39.0)	(42.0)	(42.2)
Acquisition-related costs	(4.2)	(4.3)	1.8
Technology and development, net	\$171.8	\$172.9	\$161.2

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

NEBITDA margin

NEBITDA margin is used by management as a supplemental measure of our operating performance and refers to the ratio of NEBITDA to revenue, expressed as a percentage.

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.

Non-GAAP financial measures and other operating and business metrics

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.

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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