



GoDaddy Inc. Q4 2025 Financial Results Prepared Remarks

Aman Bhutani, GoDaddy Chief Executive Officer

Intro & Performance Summary

Good afternoon and thank you for joining us.

At GoDaddy, our mission is to empower everyday entrepreneurs and make opportunity more inclusive for all. We serve millions of micro businesses around the world who rely on us to power their digital presence. By seamlessly connecting identity, presence and commerce into a unified technology platform at a compelling value, we give entrepreneurs the infrastructure they need to manage their ventures.

Starting with 2025 results, we delivered bookings growth of 7 percent and expanded normalized EBITDA margin to 32 percent for the full year. This margin expansion reflects ongoing operational execution, reduced cycle times and improved structural leverage, driving strong free cash flow growth of 19 percent. Importantly, we achieved this while continuing to embrace and develop AI tools and innovative solutions for our customers. These results demonstrate the strong earnings power of our integrated platform and the progress we are making towards our financial North Star.

As we look ahead, the pace of change driven by AI continues to accelerate. AI is reshaping how businesses are built and run. Customer expectations around speed, automation and integration are unprecedented. Our global brand, domain leadership, platform scale, engineering talent, velocity of execution and Care organization provide competitive advantages that will continue to differentiate us as the landscape evolves. GoDaddy is adapting with a sharpened and deliberate strategy that builds on these competitive advantages and drives long term shareholder value.

Typically, I walk through our initiatives including Pricing and Bundling, Seamless Experience and Commerce. We continue to execute well on these priorities, and they remain foundational to how we run and grow the business every day. Today, I am focusing the conversation on the forces reshaping the world, including our AI Journey, our competitive positioning and why we believe GoDaddy is positioned to win.

AI Journey at GoDaddy

We have accelerated our path to offering the best AI-native products and experiences for our current and future customers. Over the last quarter, we have made strong progress on the following three components of our AI Journey.

1. Evolving Airo to be the agentic operating system for small businesses, brought to life on Airo.ai;
2. Driving efficiency by leveraging AI adoption across all functions; and
3. Powering AI agents on the Agentic Open Internet with Agent Name Service.

Agentic Experiences Designed for Entrepreneurs

Beginning with Airo, we have made meaningful progress evolving Airo from a generative AI experience into the agentic operating system for small businesses. Our team is building agentic AI experiences that feel like magic, by effortlessly handling customers' jobs-to-be-done, then suggesting the next best action it can take for them. Airo.ai brings this to life. We launched Airo.ai in beta late last year and are ramping traffic this quarter. Airo.ai already has 25 agents live, and more are on the way, these agents autonomously perform tasks across the Entrepreneur's Wheel, including business idea validation, domain registration, website building, application building, marketing tools, compliance and much more.

What differentiates GoDaddy is our more than 20 million customers, decades of proprietary behavioral data and deep relationships across identity, presence and commerce, and we are uniquely positioned to train, refine and scale these agents in ways that are grounded in real customer needs. Our distribution at the top of the funnel, combined with an integrated platform and 24/7 Care uniquely positions us to deploy agentic capabilities at scale while maintaining trust and reliability.

Creating and optimizing this experience is a meaningful part of the opportunity at GoDaddy, and we are capturing value through paywalls within the experience. Engagement continues to build, and as adoption scales and monetization becomes more meaningful, we will provide greater visibility into the underlying performance metrics.

Driving Efficiency with AI Adoption

Second, as we embed AI across the company, we are reducing cycle times and improving how work gets done. AI tools are now generating the majority of our code. New codebases are almost entirely AI generated shipping new features at breathtaking velocity, and multiple experiments on agent-only dev teams are underway.

In our operations, we are excited about our internal AI sales agent, which handles one of our most complex sales use cases without human intervention. In the first six weeks of 2026, the sales agent handled thousands of voice calls and text chats with healthy conversion rates and very high engagement rates. As we scale this, we expect to build on the leverage we have already seen in Care over the last few years and create new opportunities for sales as well. We have also built AI agents to handle tasks spanning from financial planning to compliance to marketing reviews and much more.

As these examples demonstrate, AI adoption gives us confidence that we can drive further efficiencies in our business that will build on the margin improvement we have delivered over the last few years.

Leading through the Emerging Agentic Era: Agentic Open Internet

The third update builds on our global domain leadership to extend digital identity into the agentic era through Agent Name Service, or ANS. ANS is designed to anchor agent identity to the global and public domain-based infrastructure called Domain Name System, or DNS. This is a unique aspect of our solution that provides multiple benefits and leverages existing internet infrastructure.

By linking agents to domain-based identity, ANS introduces a verifiable layer of trust in an increasingly automated environment. And, because ANS publishes to DNS, verified agent identities are discoverable worldwide within seconds, using infrastructure that already supports identity and authentication across the internet today.

We are pleased to announce that last week MuleSoft, a Salesforce company, and GoDaddy launched an integration between MuleSoft's Agentic Fabric and GoDaddy ANS. This represents an important step in validating the framework and extending ANS into enterprise-grade workflows. ANS has the potential to create monetization similar to domain registration, extending GoDaddy's infrastructure leadership into the agentic economy while reinforcing our position at the center of digital identity.

Go-To-Market and Product Evolution

I also want to share a couple of updates on our evolving go-to-market and product efforts.

Domains has been, and will continue to be, GoDaddy's strong, durable, cash-generative engine, serving as a long-term funnel to drive GoDaddy's growth. To further build on this resilient foundation and bring more quality customers onto the platform, this quarter, we expanded our go-to-market approach with a streamlined purchase experience for new domain customers. Our objective is to broaden the top of funnel while strengthening the long-term opportunity for lifetime value expansion.

We activated our marketing channels on this streamlined experience and introduced a promotional price for .com domains with a one-year term. The approach successfully increased new customer volume that purchased domain units with one-year terms. But the demand for this offer was greater than we expected, and the shift in term mix combined with the promotional price reduced upfront bookings and near-term revenue. Mark will cover the numbers on this in his section.

This new cohort of customers had solid attach behavior and post-purchase activation, close to our other one-year cohorts. This early data and our history of strong cross-sell capabilities and customer retention gives us confidence that with iteration we can optimize this path. We are refining our approach in a manner that balances increased acquisition of new high-intent customers on one side with longer term and higher attach on the other, creating overall greater long-term value. In February, we saw improvement with this effort and our team is focused on unlocking this value.

On the product side, we are excited to share a significant upgrade to Websites + Marketing with a new website builder that brings together powerful AI features and a powerful editor as well. The experience starts with a fully built website based on a description and then allows easy editing with an expanded set of design options in the editor or, if the customer prefers, they can continue with an AI powered chat-based interface. Optimized for GoDaddy customers, the new builder creates design-led sites with amazing ease and at a cost that meets our and our customers' expectations. I am excited to share that new customers are already being opted into this experience. We plan to move fast on this transition, but given the scale of Websites + Marketing, we expect it to take a few months. I look forward to sharing a broader update on this next quarter.

Closing Remarks

In closing, we are executing a sharpened and deliberate strategy in a period of rapid technological change, leveraging the trust we have built with more than 20 million customers. We are leaning into our competitive strengths of domain leadership, global brand awareness, platform scale, engineering talent, velocity of execution and Care. We are advancing our AI Journey, evolving our go-to-market engine and scaling innovation in our products with measurable proof points and financial discipline.

As we look to 2026 and beyond, our path forward is clear, the market opportunity is significant, our competitive position is strong and we have the financial flexibility to win.

With that, here's Mark.

Mark McCaffrey, GoDaddy Chief Financial Officer

Thanks, Aman, and good afternoon, everyone.

As Aman mentioned, we are operating from a position of strength. We have a business with strong operating leverage that drives meaningful compounding free cash flow. This foundation provides us with the flexibility to invest in high-conviction opportunities while continuing to expand margins.

And our fourth quarter results demonstrate that. We delivered revenue at the high end of our guidance and exceeded our normalized EBITDA margin and free cash flow targets.

Our new one-year domain offer is driving strong subscription unit growth and solid attach. At the same time, we are building AI tools that enable customers to thrive in the agentic world. While small relative to our overall business, Airo.ai is already monetized with growing adoption. Through ANS, we are expanding our existing digital identity infrastructure for the long-term. We believe this creates an opportunity for GoDaddy to expand our infrastructure offerings beyond hosting and the primary and secondary domain markets.

With that, let me first cover our financial results.

Q4 2025 Results

Beginning with Q4 results, total revenue grew 7 percent on a reported and constant currency basis to \$1.3 billion, coming in at the high end of our guided range. International revenue grew 10 percent to \$420 million and ARR grew 7 percent to \$4.3 billion.

For the Applications & Commerce segment, we drove 13 percent growth in revenue to \$498 million on continued solid adoption and attach of our subscription-based solutions. Segment EBITDA margin improved 40 basis points to 47 percent. A&C ARR grew 12 percent. Our Core Platform segment delivered revenue growth of 3 percent to \$776 million, driven by continued strength in Aftermarket, up 8 percent, as well as 5 percent growth in primary domains, partially offset by softness in non-core GoDaddy Hosting. Segment EBITDA margin expanded 70 basis points to 35 percent.

We drove Normalized EBITDA growth of 12 percent in the fourth quarter to \$431 million and delivered an expanded margin of 34 percent, up 160 basis points and exceeding our guide. Continued operational execution, aided by AI-driven efficiencies, were the main drivers of expansion.

Total bookings grew 5 percent to \$1.3 billion, largely reflecting headwinds from .CO and the mix shift toward shorter initial contract terms. A&C bookings grew 11 percent, and Core Platform bookings grew 1 percent. Free cash flow grew 8 percent to \$370 million.

2025 Annual Results

Moving to our annual financial results, we delivered approximately \$5 billion in revenue, representing growth of 8 percent on a reported and constant currency basis. International revenue grew 11 percent to \$1.6 billion. A&C revenue grew 14 percent to \$1.9 billion and Core

Platform revenue grew 5 percent to \$3.1 billion. Total bookings grew 7 percent on both a reported and constant currency basis. Growth spanned across our business, reflecting continued solid adoption of our solutions as well as strength in primary domains and strong Aftermarket performance.

2025 Financial Metrics

Driving this growth is stronger customer engagement across our products including productivity and websites. Domains remain the front door to our platform, attracting high-intent customers at a pivotal moment in their journey.

Airo personalizes the experience that follows, accelerating discovery and increasing attach across identity, presence and commerce. Since its launch, the cumulative annual spend from Airo cohorts has grown in the high-teens. Additionally, the velocity of a second product attach accelerated by nearly 30 percent relative to non-Airo cohorts. This dynamic is expanding lifetime value across our customer base. We see this most clearly in our highest-value cohorts who spend more than \$500 annually, which grew 11 percent and now represent approximately 10 percent of our total base. These customers have meaningfully higher second and third product attach rates and near-perfect retention. The result is compounding value creation, with ARPU increasing 10 percent to \$242, and overall retention rates rising above 85 percent.

FCF and Capital Efficiency

Turning to margin and free cash flow, our performance reflects the health of our model.

Full year Normalized EBITDA grew 14 percent to \$1.6 billion at a margin of 32 percent, representing 150 basis points of expansion over the prior year. Over the past five years, cumulative margin expansion of 1,000 basis points reflects our ability to scale efficiently while continuing to invest in the business.

This margin expansion flows through directly to cash generation. Free cash flow grew a robust 19 percent to \$1.6 billion, with a Normalized EBITDA to free cash flow conversion of greater than one-to-one.

Balance Sheet

We exited the year with \$1.1 billion in cash and total liquidity of \$2.1 billion. Net debt was \$2.7 billion, representing net leverage of 1.6 times on a trailing twelve-month basis, and within our target range.

On shareholder returns, we remained active and opportunistic. In 2025, we deployed one hundred percent of our free cash flow, repurchasing 10.2 million shares totaling \$1.6 billion while maintaining our balance sheet strength. Since 2021, our share repurchase programs have resulted in a gross reduction in fully diluted shares outstanding of approximately 33 percent and we ended the year with 136 million shares outstanding.

2026 Outlook

Before turning to detailed guidance, let me outline the impact of the go-to-market and product evolution we spoke about earlier.

The evolved go-to-market approach increased the mix of one-year contract terms and reduced initial order sizes for the new cohort. This created a near-term trade-off in our bookings and revenue that carries into our 2026 outlook.

As a result, we expect bookings growth rates to trail revenue growth rates in the first quarter by a few points from the combined effect of this go-to-market evolution, the .co contract termination and tough compare on a strong Aftermarket performance last year. For the full year, we expect bookings and revenue growth rates to be relatively on par.

We also anticipate a modest impact on reported revenue growth rates for the year in both Core Platform and A&C segments as the promotional price is allocated to all products included in the initial purchase. Importantly, total bookings dollars are expected to remain ahead of total revenue dollars throughout the year.

With this, our full year revenue outlook incorporates just over 200 basis points of cumulative impact from the expiration of the .co registry contract, the continued exclusion of high-value Aftermarket transactions, and the go-to-market and product evolution we spoke about. The .co and Aftermarket impacts represent approximately two thirds of this amount while one third is from the go-to-market and product evolution.

For the full year, we expect total revenue to be within a range of \$5.195 to \$5.275 billion, representing growth of approximately 6 percent at the midpoint, with A&C revenue growth in the low double digits and Core Platform growth in the low single digits.

We expect Normalized EBITDA margin to exceed our Investor Day target of approximately 33 percent. This reflects continued operational efficiencies and AI-driven productivity gains, slightly offset by increased AI costs. We expect to drive free cash flow of approximately \$1.8 billion, maintaining greater than one-to-one conversion for the full year. The model continues to demonstrate structural cash generation strength, and we continue to be on track to exceed our Investor Day North Star CAGR of 20 percent.

For Q1 2026, we expect total revenue of \$1.250 to \$1.270 billion, representing approximately 6 percent growth at the midpoint of the range, with A&C growth in the low double digits and Core Platform growth in the low single digits.

We project a Q1 Normalized EBITDA margin of approximately 32 percent, an expansion of about 150 basis points over the prior year.

On capital allocation, we maintain our returns-based framework and will carefully evaluate all opportunities to drive shareholder return.

Closing Remarks

In closing, let me reinforce three key points:

First, we operate a durable, cash-generative model supported by strong customer cohorts, expanding ARPU and consistently high customer retention. We are ahead of the financial North Star target CAGR we laid out at our last Investor Day.

Second, the near-term impact on bookings reflects deliberate decisions. The underlying engagement metrics remain strong, and the structural advantages of our integrated platform position us well for sustained growth.

Third, we are executing from a position of financial strength. We are expanding margins, generating robust compounding free cash flow with a strong balance sheet that creates long-term value for shareholders.

We look forward to talking about these and other updates at an investor event later this year

Forward Looking Statements

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

These remarks include forward-looking statements, such as those related to future financial results and our strategies or objectives with respect to future operations. These forward-looking statements are subject to risks and uncertainties that are discussed in detail in our periodic SEC filings. Actual results may differ materially from those contained in forward-looking statements. Any forward-looking statements that we make in these remarks are based on assumptions as of February 24, 2026, and except to the extent required by law, we undertake no obligation to update these statements because of new information or future events.