



GoDaddy Inc. Q1 2026 Financial Results Prepared Remarks

Aman Bhutani, GoDaddy Chief Executive Officer

Intro & Performance Summary

Good afternoon and thank you for joining us. At GoDaddy, our purpose is to make opportunity more inclusive for all. We serve over 20 million customers globally, helping them establish their identity, build their presence and grow their business. We do this through an integrated platform that brings these capabilities together in a seamless AI-powered experience, helping customers move from their idea to execution quickly and at a compelling value.

Starting with Q1 results, we delivered revenue growth of 6 percent. This performance, combined with continued operational execution and structural leverage, drove meaningful expansion in normalized EBITDA margin to 33 percent, up over 200 basis points. This underscores the durability of our model and continued progress toward our financial North Star, generating strong free cash flow growth of 15 percent, while remaining committed to delivering long-term shareholder returns.

AI Transformation at GoDaddy

As AI-driven innovation accelerates, customer expectations for speed, simplicity, and measurable outcomes are rising. Customers are increasingly using LLMs across their workflows and getting familiar with chat-based interfaces. We are leaning into this shift, positioning GoDaddy as the platform that helps entrepreneurs turn intent into action through AI-powered experiences and outcomes. Our AI transformation builds on our core strengths of a trusted global brand, leadership in domains, scaled infrastructure, proprietary data, strong engineering talent and a world-class Care organization. Together, these form a differentiated platform that allows us to deliver a seamless, one-stop shop solution for entrepreneurs.

We are moving quickly and intentionally, with focus on delivering measurable outcomes for entrepreneurs. The positive impact of our AI transformation is clear in three areas: first, the adoption and monetization of our AI-native products; second, the expansion of Agent Name Service as a new identity layer for the Agentic Open Internet; and third, the use of AI to drive operational efficiency.

AI Native Products for Customers

Airo AI Builder

First, we are making strong progress on our AI-Native products. Airo AI Builder, introduced last quarter on Airo.ai, is an AI-native experience that enables customers to move from idea to execution in minutes, automatically creating websites, applications and core business capabilities across identity, presence and commerce.

I work directly with customers using Airo AI Builder on a weekly basis, and the customer feedback is shaping our roadmap and accelerating development. Our customers are looking for simple, integrated solutions that support their core jobs to be done, and we are delivering that

through Airo AI Builder. It is delivering strong early adoption and monetization and is already scaling with customers.

This new Airo AI Builder product offering has rapidly scaled to \$10 million plus in annualized bookings run rate within weeks of its beta launch. While still early, the pace of adoption and quality of customer interaction is strong. Customers are building, publishing and purchasing incremental credits as they deepen their use of the product. Momentum continues to build week after week as we expand Airo AI Builder's functionality and distribution.

We are expanding distribution of Airo AI Builder on GoDaddy.com and have begun selling it through Care. In Care, we drive higher adoption of premium plans compared to our online channels and receive direct customer feedback both positive and constructive to improve the product. As a next step, we are ramping targeted paid marketing in May, funded through efficiencies elsewhere in the business. We are thoughtfully monitoring the mix between new and existing products as we scale, with a focus on optimizing overall customer value and maintaining margin discipline.

Websites + Marketing Upgrade

The second major product initiative we introduced last quarter is the upgrade of Websites + Marketing, bringing AI-native capabilities into the product while maintaining strong cost discipline for both customers and GoDaddy. This upgrade combines AI-driven capabilities with a powerful editor, enabling customers to create and manage their presence more efficiently. The domains funnel remains our largest distribution lever for new customers, and in this quarter, we tested the upgraded product within that path. Early results exceeded our expectations and validated the direction of the product. We are excited to get the upgraded functionality in front of all our customers and are using experimentation to inform improvements on the experience.

Our teams have embraced an AI-native approach across our customer products, and we are making meaningful progress delivering customer value. We are expanding these capabilities at a rapid pace while maintaining disciplined investment. As we scale distribution and marketing, we are confident in our ability to compete effectively.

Agent Name Service

The second component of our AI Transformation is Agent Name Service or ANS. We are working with large players and seeing continued interest in this technology. ANS extends the role of domains as a digital identity provider in an Agentic Open Web. We signed a couple of partnerships over the last quarter with real-world use cases and are working hard on aligning key players on the open standard and the use of Domain Name Service, or DNS, for agent identity and discovery. Championing the open standard and partnerships are key to getting to critical mass of support of the open standard, and we are encouraged by early results. Non-GoDaddy agents in GoDaddy's ANS implementation now number in the thousands. DNS is the foundation of identity on today's internet, and domains are uniquely positioned to play a role in agent identity and trust, extending domains relevance into the future.

GoDaddy AI Native Operational Transformation

Third, we are transforming GoDaddy into an AI-native company by deploying AI across our operations to improve speed, efficiency and customer outcomes. We are driving the most immediate impact in software development, where AI is enabling the rapid creation of customer-facing applications with fewer dedicated teams. We are also testing the replacement of smaller third-party SaaS tools with internally built solutions on Airo AI Builder, particularly across corporate functions, with the goal of reducing both cost and operational complexity.

In Care, we are advancing to the next phase of AI-powered automation. In Q1, we achieved key proof points across both support and sales. On the support side, we launched Airo Care, a new AI-native support technology across voice and chat that handles a wide range of customer queries. We validated it against our existing offering, delivering strong improvements in resolution rates. Our first test improved resolution rate by approximately 50 percent. Subsequent tests demonstrated that Airo Care can equalize the resolution rates between English and non-English markets, improving performance in non-English markets by over 150 percent, and strengthening Care as a global competitive advantage. Airo Care is now rolled out to more than 50 markets and 20 languages. We will continue to expand use cases each month while maintaining a strong focus on customer satisfaction, resolution rates, sales and cost.

On the sales side, our AI native Commerce Airo sales agent makes voice calls and handles the entire commerce sales experience without human intervention. We have optimized the agent over the last few months and last quarter it delivered conversion rates comparable to human-assisted sales for smaller leads.

These are exciting milestones and we plan to scale these capabilities throughout the year.

Go-To-Market and Executing on the Fundamentals

Alongside these AI transformation initiatives, we continue to execute on Pricing and Bundling, Seamless Experience and Commerce. These programs continue to drive improvements in conversion, attach and renewal rates.

I want to briefly revisit the promotional offer we discussed last quarter. We refined the program to better balance customer acquisition and bookings, and these efforts are delivering results. The promotions drove strong gross customer adds and resulted in new domain registrations, accelerating by 6 percent for Independent and Partner customer populations.

Our strategy remains consistent. We are focused on attracting high-intent customers who attach, convert and grow over time, optimizing for long-term value. Towards this end, we also took the opportunity to remove a lower-value product offering this quarter. This partially offset the customer growth from the promotional offer but did not materially impact bookings.

Closing Remarks

In closing, we are operating in a dynamic environment with rapid change and leaning into our strengths. We serve more than 20 million customers globally. Our domains business and our unwavering focus on microbusiness customers remain foundational, supported by our scaled, integrated platform that connects identity, presence and commerce. This combination of global reach, proprietary data, seamless technology and our Care organization creates deep customer insight and consistent execution.

Our model is built around attracting high-intent customers and helping entrepreneurs start and grow their ventures over time. This drives durable growth, an expanding margin and strong, compounding free cash flow. We continue to execute with discipline and as we look ahead, our path forward is clear. We have a large market opportunity, a strong competitive position and the financial flexibility to continue investing to deliver enduring shareholder value.

With that, here's Mark.

Mark McCaffrey, GoDaddy Chief Financial Officer

Thanks, Aman, and good afternoon, everyone.

In the first quarter, our model continued to demonstrate its durability, driving operating leverage, expanding margin and generating attractive, compounding free cash flow. Supported by a strong balance sheet, we had the flexibility to invest in innovation, while still maintaining a disciplined capital allocation framework. We delivered revenue at the high end of our guidance while expanding our Normalized EBITDA margin by over 200 basis points. At the same time, we generated strong free cash flow of \$474 million, bringing our trailing twelve-month free cash flow to \$1.68 billion. We deployed capital through share repurchases, reducing fully diluted shares outstanding to 133 million. Our focus remains on consistent execution and delivering solid financial results as we continue to advance our AI transformation.

Q1 2026 Results

For the quarter, total revenue grew 6 percent on both a reported and constant currency basis to \$1.3 billion and ARR grew 6 percent to \$4.3 billion. International revenue grew 7 percent to \$416 million.

For our high-margin A&C segment, we drove 12 percent growth in revenue to half a billion dollars on continued solid attach of our subscription-based solutions. A&C ARR grew 10 percent, and this segment now represents approximately 40 percent of our total business. Segment EBITDA margin improved 110 basis points to 45 percent on product mix.

Our Core Platform segment delivered revenue growth of 3 percent to \$769 million, on 5 percent growth in primary domains, with a stronger mix toward higher-priced non-.COM TLDs. This was partially offset by softness in non-core GoDaddy Hosting, the .CO registry contract expiration and tougher compares in Aftermarket. Segment EBITDA margin expanded 150 basis points to 33 percent on product mix.

Total bookings grew 3 percent to \$1.5 billion, reflecting a few points of impact from our promotional offer we shared last quarter, the .CO registry contract expiration and lapping of prior-year Aftermarket strength. A&C bookings grew 9 percent, and Core Platform bookings declined 1 percent. As we outlined in February, this quarter reflects the peak impact of both these dynamics, and excluding any FX impact, we expect bookings and revenue growth rates to be at or above parity for the remainder of the year.

Financial Metrics

Our focus on attracting and growing high-intent customers, combined with conversion improvements, is driving durable growth and higher customer quality. We are driving increased conversion into primary domains and higher attach through Airo. At the same time, we continue to deliberately manage our product portfolio, exiting lower-value offerings and reallocating resources toward higher-value opportunities.

And our newer Airo cohorts are demonstrating that higher value, with second product attach accelerating 30 percent faster relative to non-Airo cohorts. These cohorts are contributing to the increase in the number of customers spending more than \$500 annually, which represents approximately 10 percent of our customer base. Higher attach and retention rates above 85 percent drove ARPU growth of 9 percent to \$246.

As we look ahead, Airo AI builder is beginning to contribute directly to bookings. As Aman noted, this offering is already generating millions of dollars in annualized run-rate, organically,

and without dedicated marketing support. In parallel, ANS extends our leadership in digital identity, positioning us to participate in the next evolution of the internet infrastructure. As the architecture of the internet evolves, our current strengths remain as relevant as ever, and our AI transformation positions us to consistently deliver profitable growth and capture value going forward.

FCF and Capital Efficiency

Turning to margins and free cash flow, Normalized EBITDA grew 13 percent to \$414 million, delivering 210 basis points of margin expansion to 33 percent and exceeding our guide for the quarter. Operational execution, supported by AI-driven efficiencies and favorable product mix, continues to drive margin expansion. Our expanded margin reflects the efficiency of our model and gives us the flexibility to invest in our AI transformation while maintaining a strong balance sheet and a durable free cash flow profile. Free cash flow grew 15 percent to \$474 million, with a normalized EBITDA to free cash flow conversion of greater than one-to-one.

Balance Sheet

We exited the quarter with \$1.3 billion in cash and total liquidity of \$2.3 billion. Net debt was \$2.6 billion, representing net leverage of 1.4 times on a trailing twelve-month basis, and within our target range.

On shareholder returns, we repurchased 3 million shares during the quarter, totaling \$280 million. Since 2022, our share repurchase programs have resulted in a gross reduction in fully diluted shares outstanding of over 31 percent and we ended the quarter with 133 million shares outstanding.

Outlook

Turning to outlook, we are reaffirming our full-year 2026 guidance provided in February and expect total revenue to be within a range of \$5.195 - \$5.275 billion, representing growth of 6 percent at the midpoint of the range. As a reminder, our full year revenue guide incorporates just over 200 basis points of cumulative impact from the expiration of .CO registry contract, our consistent exclusion of high-value Aftermarket transactions and the impacts of our product evolution and our promotional offer.

For Q2, we are targeting total revenue of \$1.285 - \$1.305 billion, representing 6 percent growth at the midpoint of the range. For both the second quarter and the full year, we expect A&C revenue growth in the low double-digits and Core Platform growth in the low single-digits.

For Q2, we are projecting a Normalized EBITDA margin of approximately 33 percent, and we are reaffirming our target of over 33 percent for the full year. This reflects our ability to drive continued operational leverage and AI-driven productivity gains, while increasing our investments in our AI-native products, marketing and compute costs.

For the full year, we expect Normalized EBITDA to maintain a greater than 1:1 conversion to free cash flow, and we reaffirm our full year free cash flow target of approximately \$1.8 billion. We continue to be on track to exceed our free cash flow North Star CAGR of 20 percent.

On capital allocation, we operate within a disciplined, return-based framework and have deployed greater than 95 percent of our free cash flow over the last 4 years toward share repurchases. Our continued commitment to returning capital is a clear expression of confidence in the strength of our cash flow and the long-term value we are creating. We remain focused on

allocating capital to its highest value uses, with a priority on driving long-term shareholder returns.

Closing Remarks

In closing, the fundamentals of our business remain strong, with consistent engagement and durable drivers of ARPU supporting our long-term trajectory. As we move forward, we remain focused on disciplined execution and continued progress toward our North Star.

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 April 30, 2026, and except to the extent required by law, we undertake no obligation to update these statements because of new information or future events.