



# Company Overview

May 2023



Kim Flores  
Fit Phoenix  
FITPHX.COM

# 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 or our 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" 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](http://www.sec.gov). Additional information will also be set forth in other 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. 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.

References in this presentation to financial guidance are based on GoDaddy's 2023 Q1 Earnings Release dated May 4, 2023, and are not updated or reaffirmed by this presentation.



# Who we are



Priscylla Guesser  
Portal Da Mandala  
[PORTALDAMANDALA.COM.BR](http://PORTALDAMANDALA.COM.BR)

# Empowering entrepreneurs everywhere

Making opportunity  
more inclusive for all

Priscylla Guesser  
Portal Da Mandala  
PORTALDAMANDALA.COM.BR



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

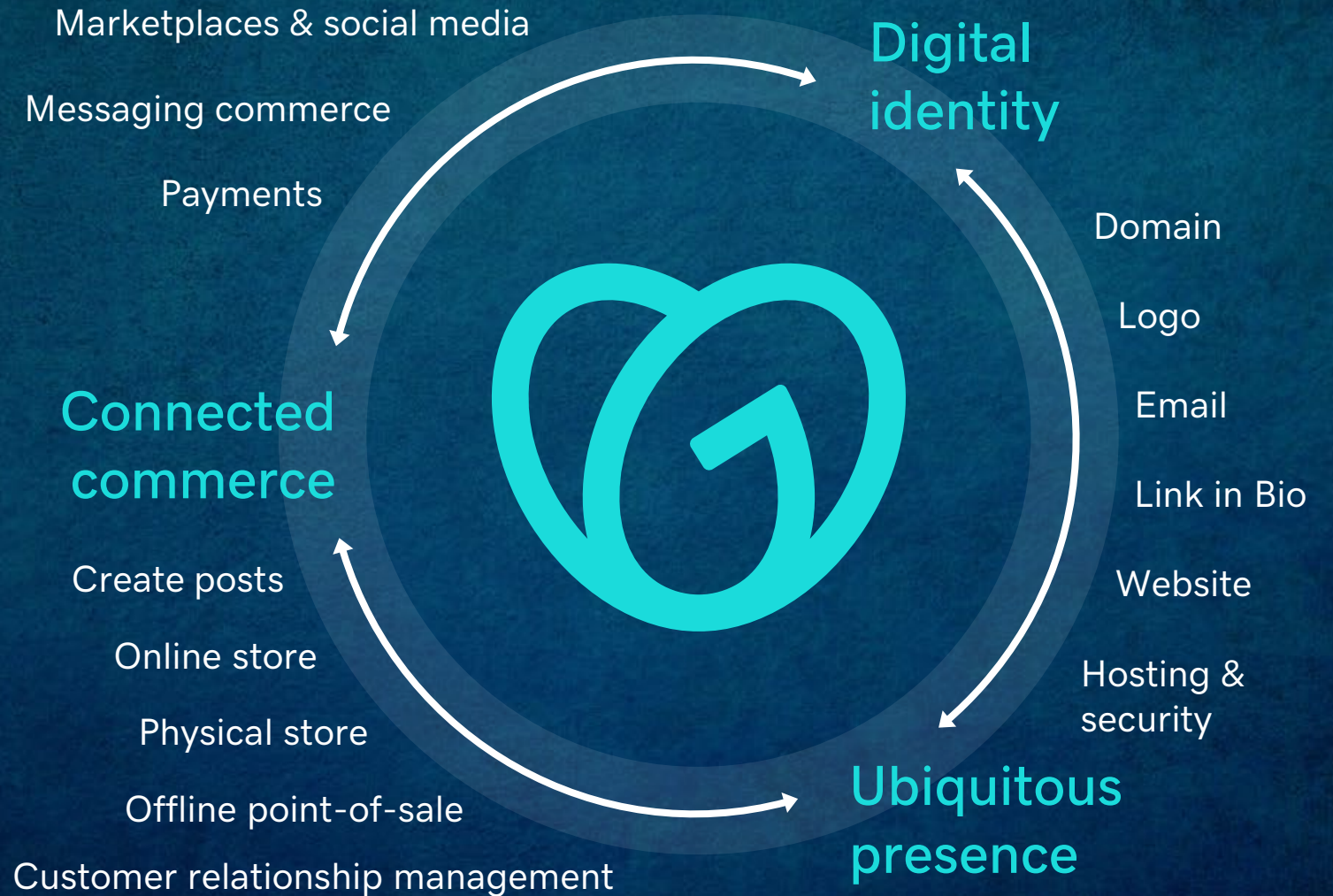
**Our mission** is to empower entrepreneurs everywhere, making opportunity more inclusive for all

Johanna Boccardo  
JOHANNA.MIAMI

# Our strategy

We champion everyday entrepreneurs by empowering them with sage guidance set in seamlessly intuitive experiences to securely name, create, and grow their ventures in select markets; leveraging the exponential power of our community at global scale to deliver profitable revenue growth.

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

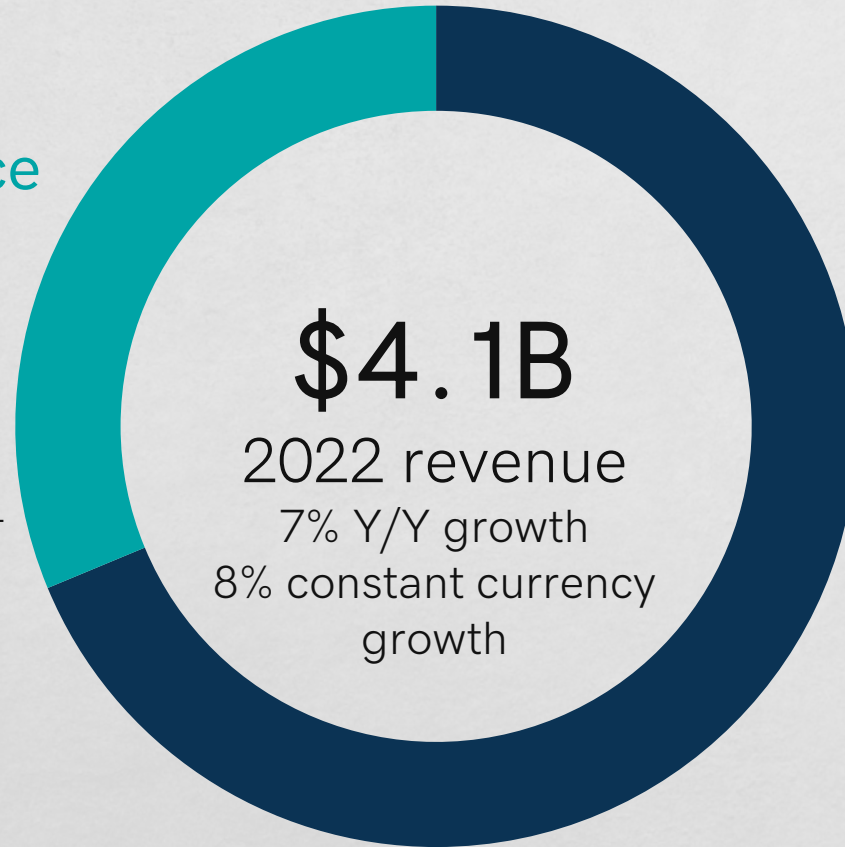


# What we do

Applications & Commerce  
31%

**\$1.3B**  
13% Y/Y growth

Website building + Commerce +  
Payments + Productivity



Core platform  
69%

**\$2.8B**  
5% Y/Y growth

Domains + Hosting + Security



# Durable and differentiated strategic position

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

**21M**

paying  
customers

**85%**

customer  
retention

**12%**

applications & commerce  
growth

**10%**

ARR growth in  
Create + Grow products

**\$1B+**

gross payments volume  
(GPV)

# Customer Care: Our Special Sauce

## 6,100+

Customer Care Pros  
around the world

Dedicated to providing a personalized care experience to each of our 21M customers

Localized care agents to optimize efficiency around the globe

14M+\* human-guided moments with customers per month

Generated 10% of 2022 total bookings

Incentivized by customer satisfaction and increased NPS

Maintaining goal of delivering best-in-class service with a 65+ NPS

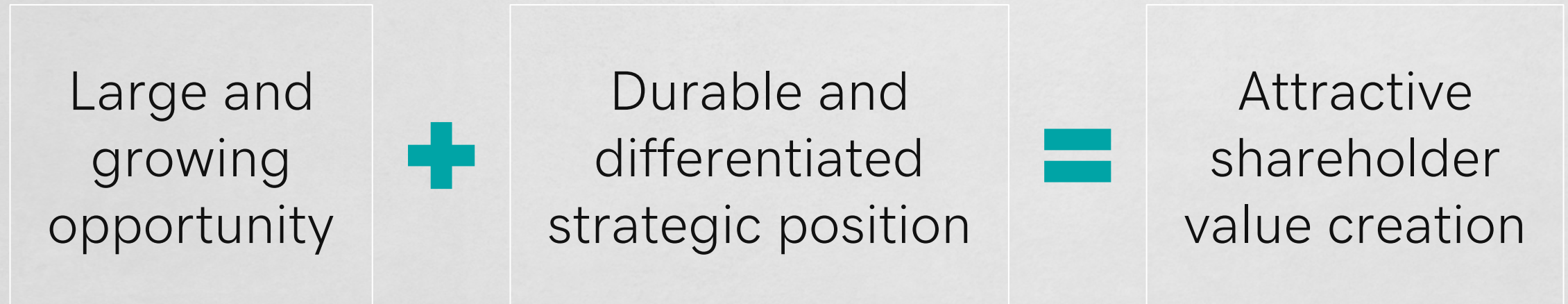
As of December 31, 2022.

\*Annual number of chat and voice contacts responded to by our Care guides.



Dejay M.  
GoDaddy Guide

# Unique, differentiated and highly profitable model

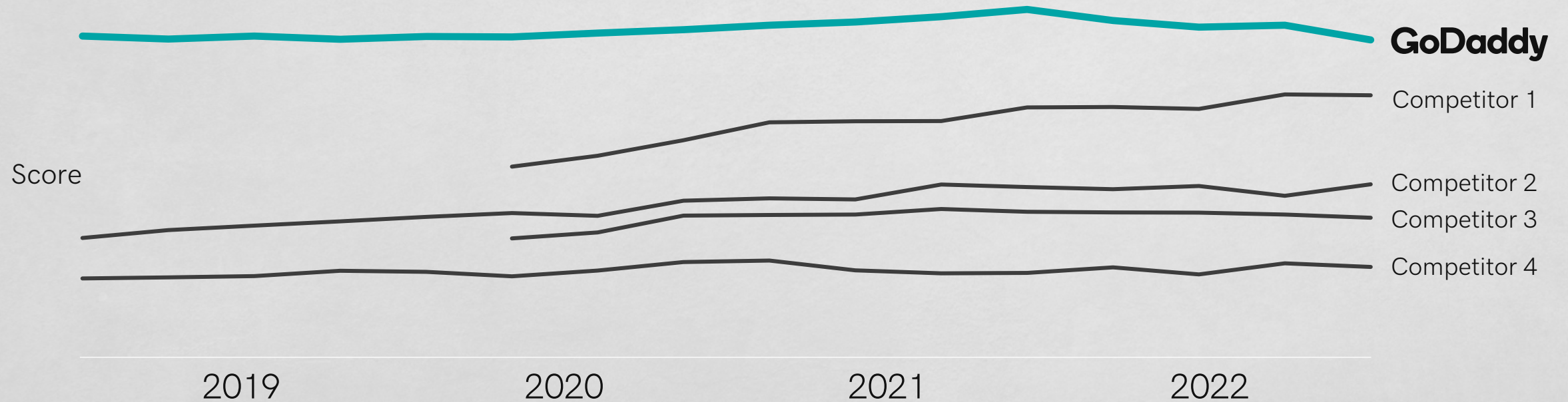


Diverse, durable revenue growth, attractive unit economics and a management team committed to delivering free cash flow (FCF) per share and normalized EBITDA (NEBITDA) margin growth to shareholders

# High brand awareness

Our brand awareness remains strong and steady

## GoDaddy's high brand awareness sets us apart from the competition





# Our business model



Jason Vigil & Jenna Stewart  
Canyon Adventure Vans  
[CANYONADVENTUREVANS.COM](https://www.canyonadventurevans.com)

# Key Investment Highlights

Market-leading solutions for SMBs for a one-stop shop experience

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

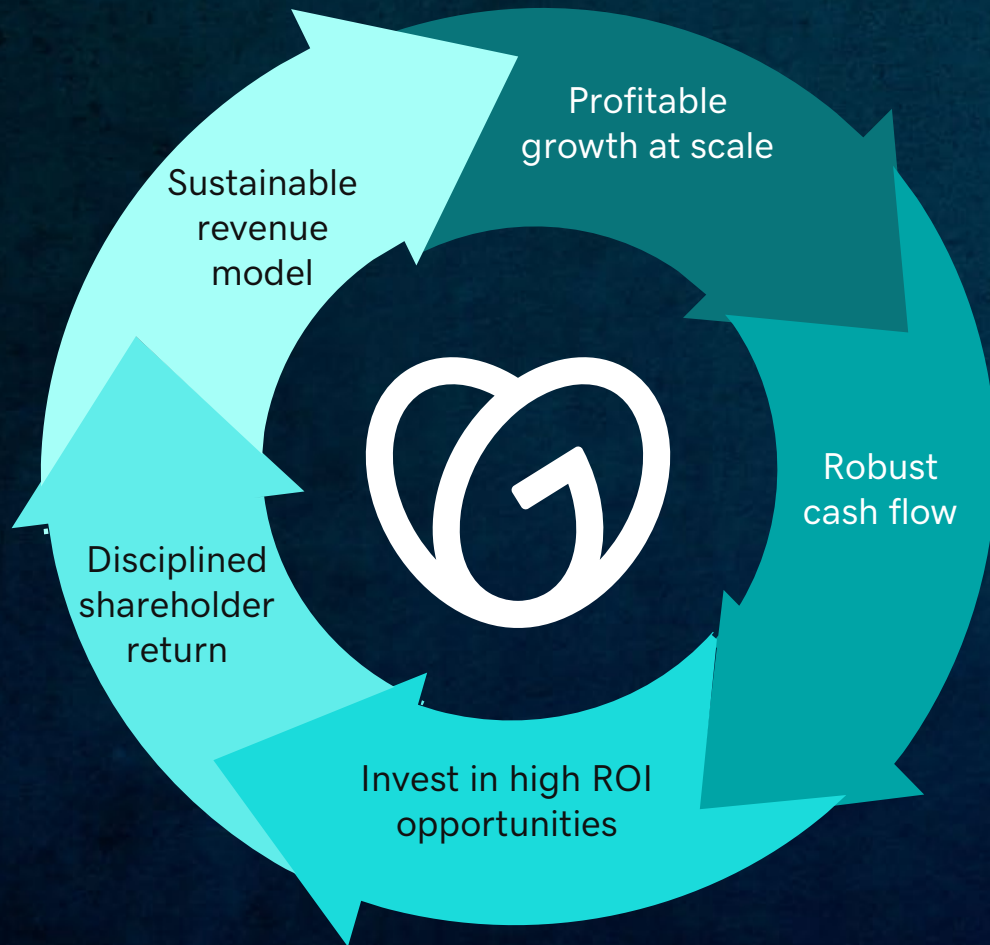
Focused on delivering a balanced combination of durable top-line growth, 15%+ NEBITDA CAGR, and 20% FCF per share CAGR

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



• Jason Vigil & Jenna Stewart  
Canyon Adventure Vans  
CANYONADVENTUREVANS.COM

# Our strengths enable our disciplined approach



Our 25-year history of supporting entrepreneurs  
High brand and product awareness  
Expanding international presence  
Large, loyal and growing customer base  
Exceptional customer guidance and support  
Focus on rigorous experimentation and scale

# Strategic objectives are key to value creation

**Redefine existing categories while disruptively entering adjacencies**

Key metrics

Attach and usage rates

Gross payment volume (GPV)

**Move up market; serve customers from idea to single digit millions in sales**

Key metrics

Care NPS

Brand awareness & affinity

**Maximize our customers' success through presence and commerce**

Key metrics

Gross merchandise volume (GMV)

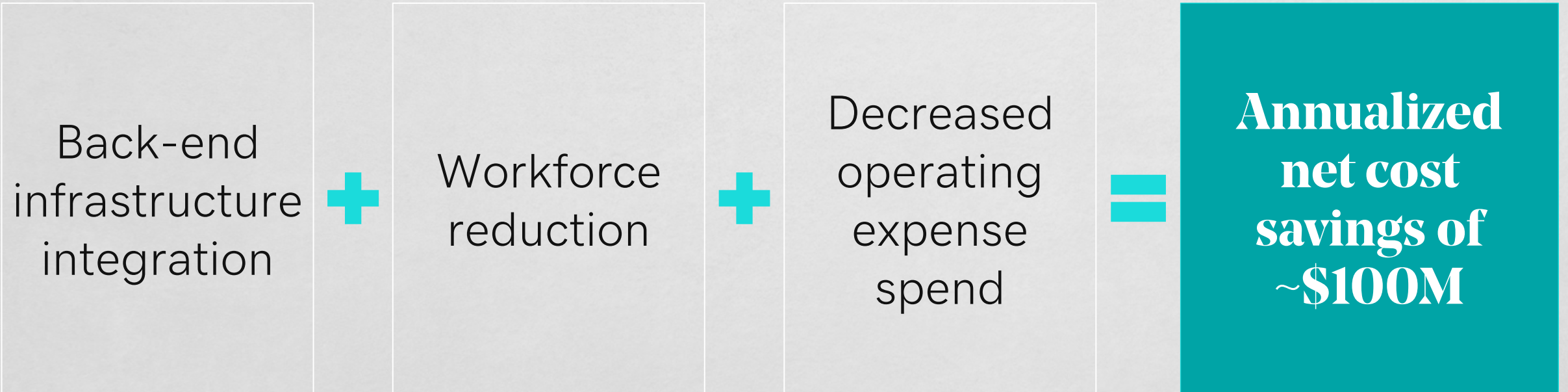
Cross-selling into existing customer base of 21M customers

Share of application-built websites

Email seats

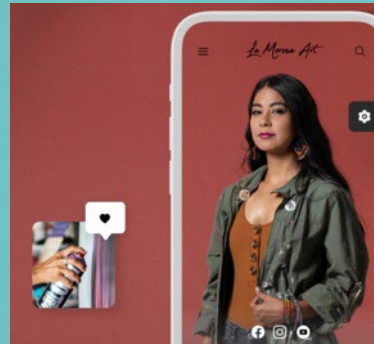


# 2023 cost savings plan

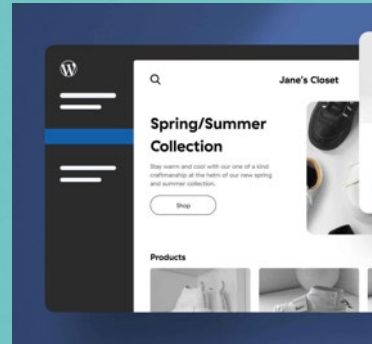


# Two segments aligned with our strategic vision

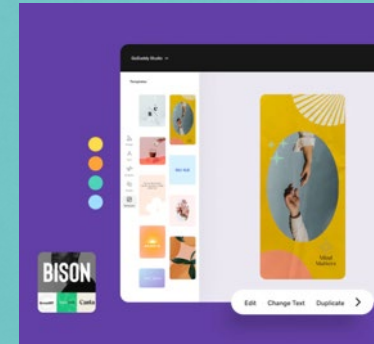
## Applications & commerce



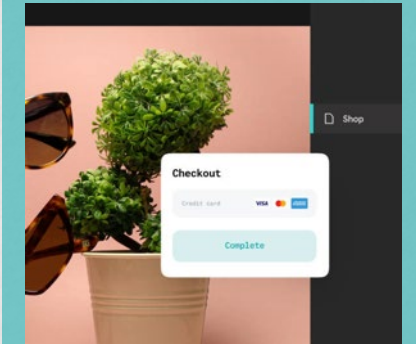
Websites + Marketing



Managed WordPress



Productivity apps

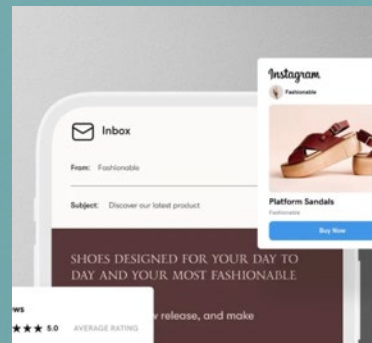


Payments & commerce

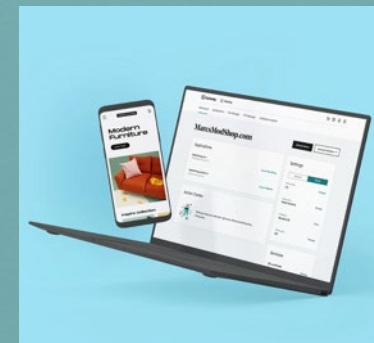
## Core platform



Domains



Aftermarket

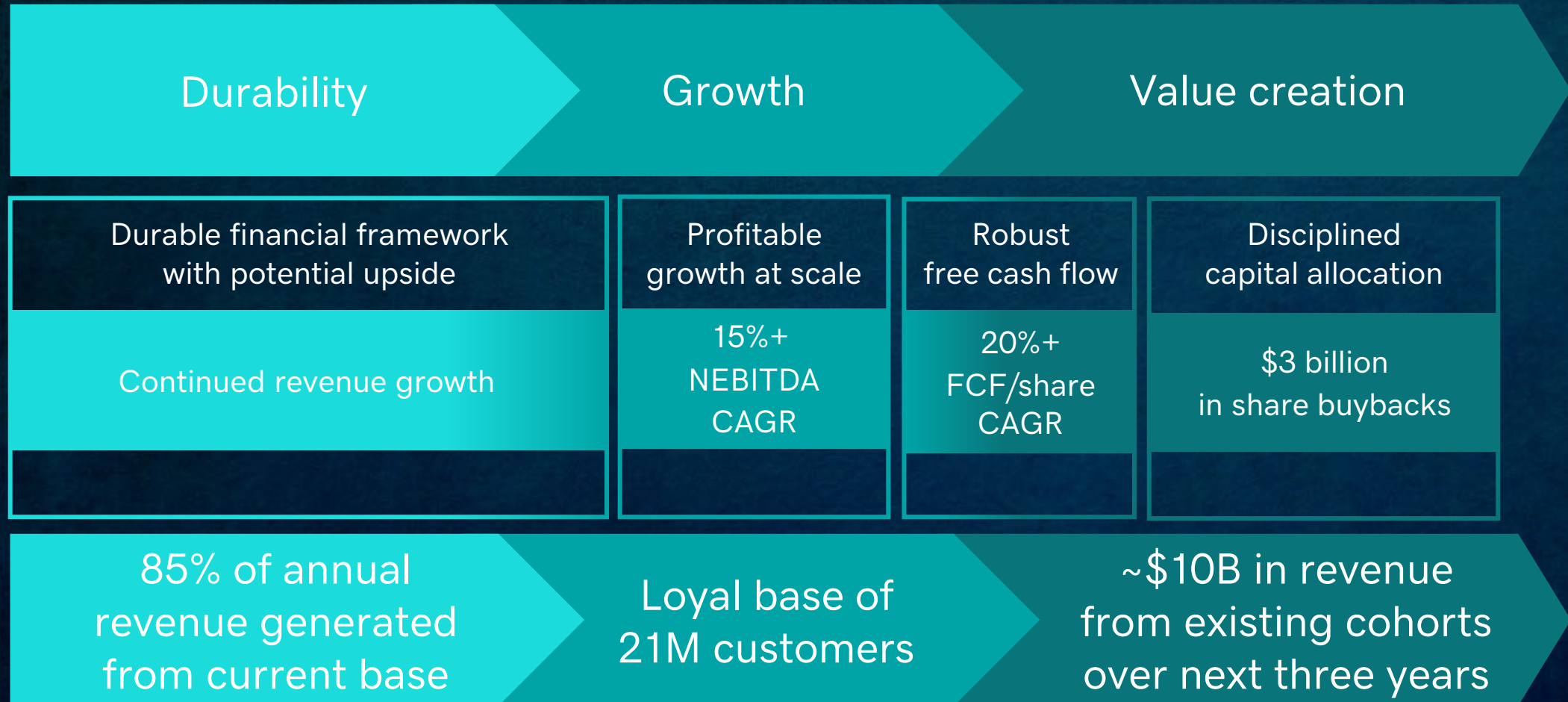


Hosting



Security

# GoDaddy investment thesis





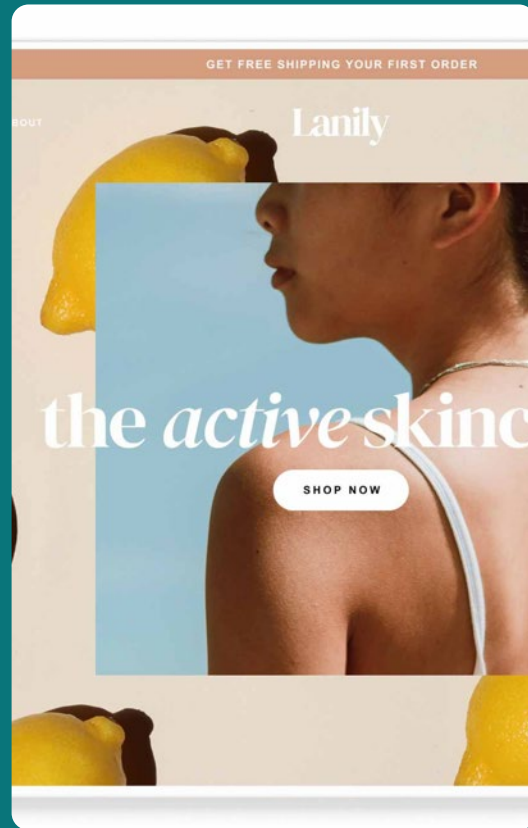
# Product excellence



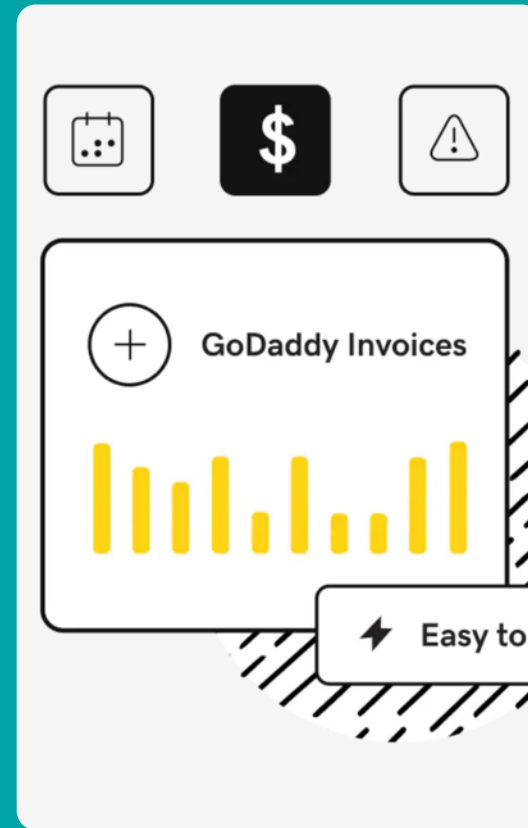
Sofia Car  
SOFIACARHAIR.COM

# GoDaddy priorities

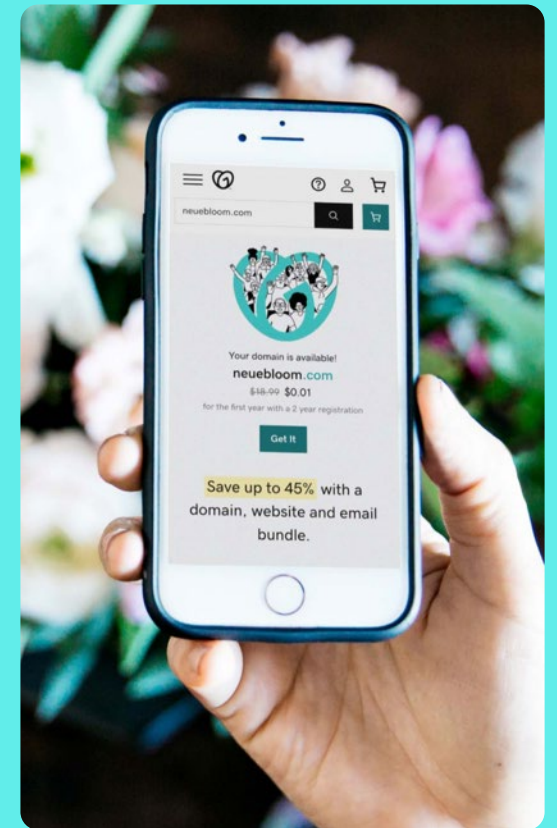
## Driving commerce through presence



## Delivering for GoDaddy Pros

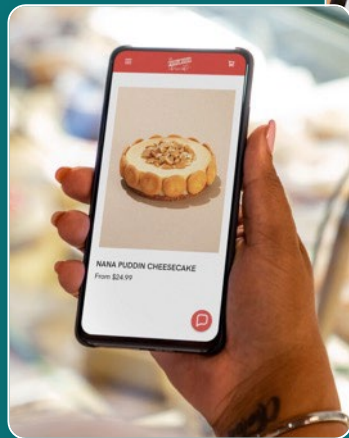
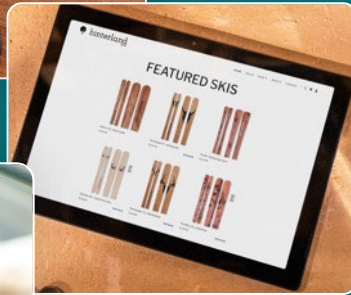
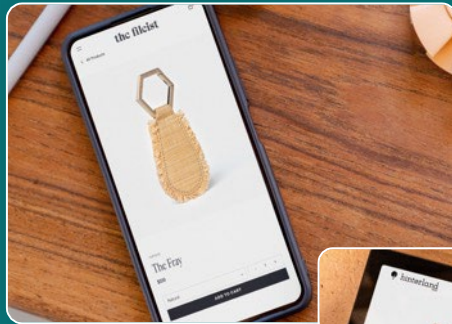


## Innovating in domains

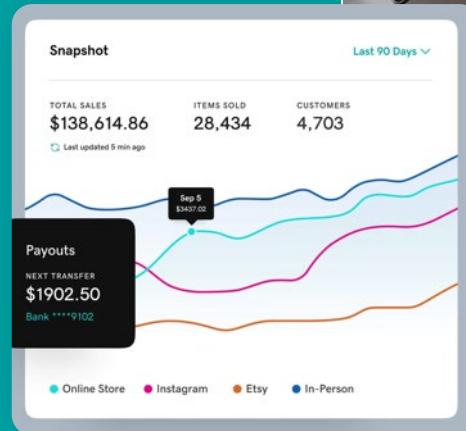
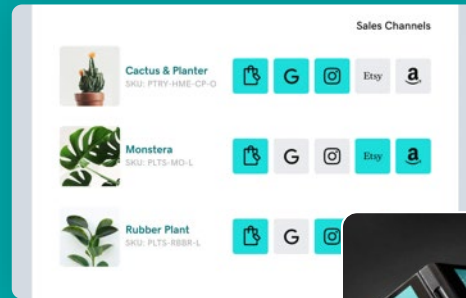


# A vision for a one-stop shop

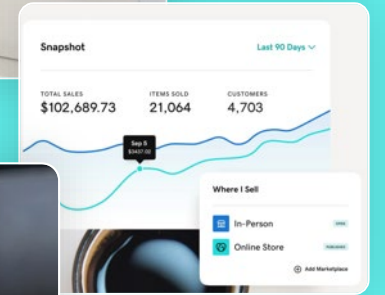
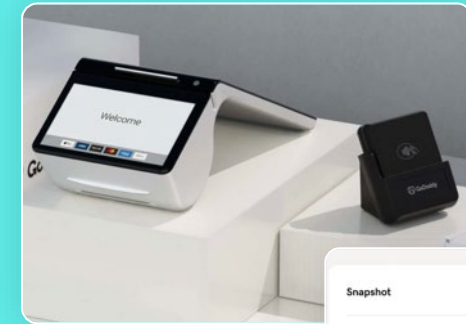
## Sell anything



## Sell anywhere



## Tools to sell anything, anywhere



# Driving commerce through presence

Saving our customers time by providing a “one-stop-shop” solution for our small business customers, so they can focus on pursuing their dreams and growing their businesses

Enabling commerce on every surface through our continuously expanding eCommerce solution:

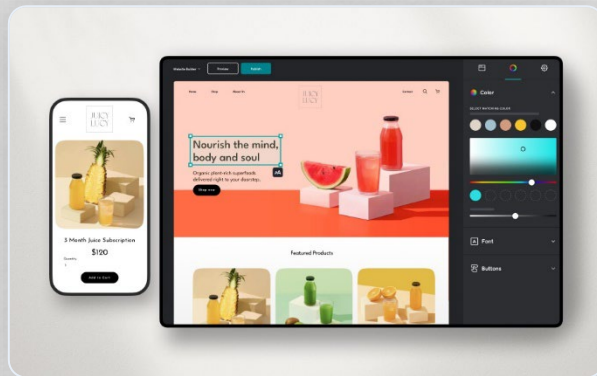
- Seamless OmniCommerce solution for online and in-store
- Point-Of-Sale hardware & software
- Payable Domains, Pay Links & Pay Buttons
- ApplePay/GooglePay & Apple Tap-to-Pay



# Commerce Revenue Drivers

## GoDaddy Payments

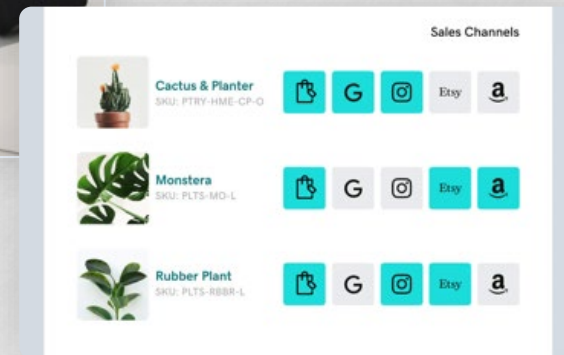
2.3% + \$0.30 online  
2.3% in store



Attach in W+M &  
Managed WordPress



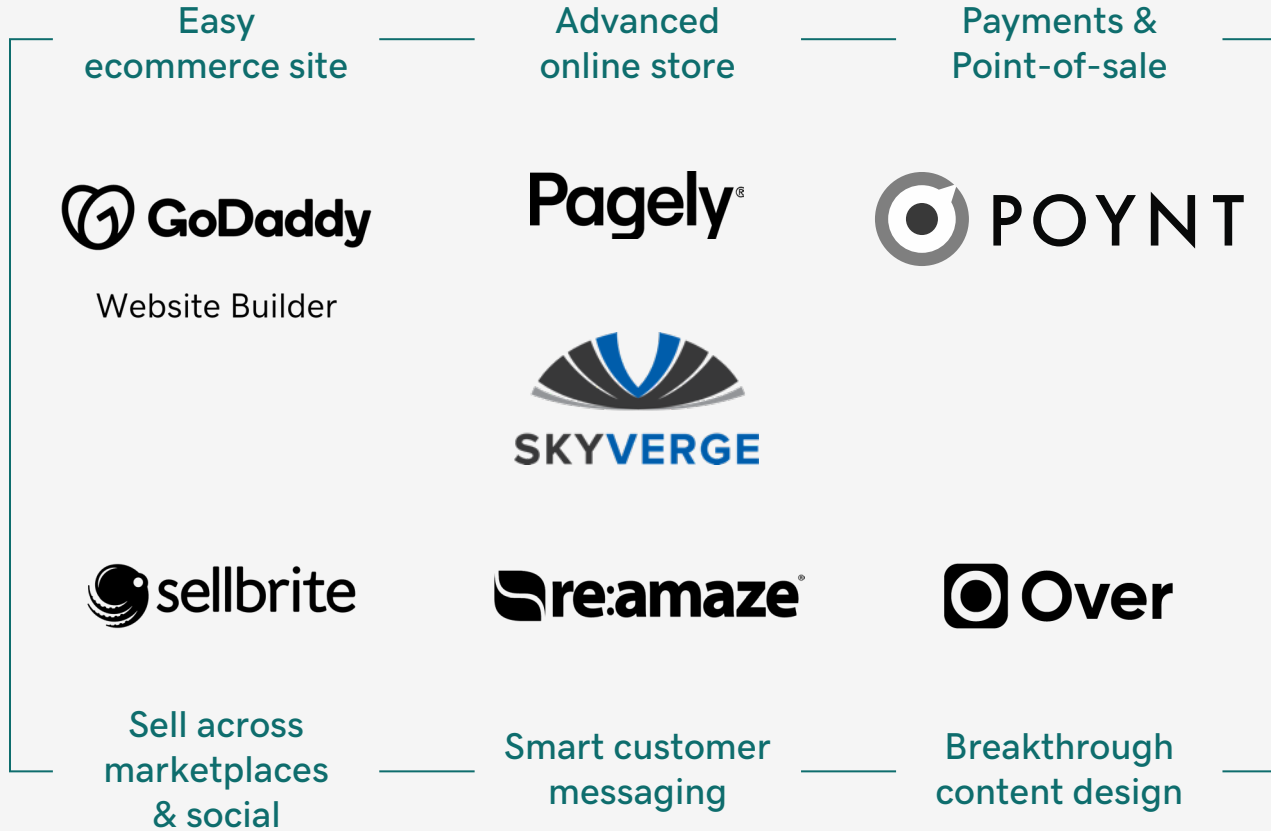
Hardware &  
Software Sales



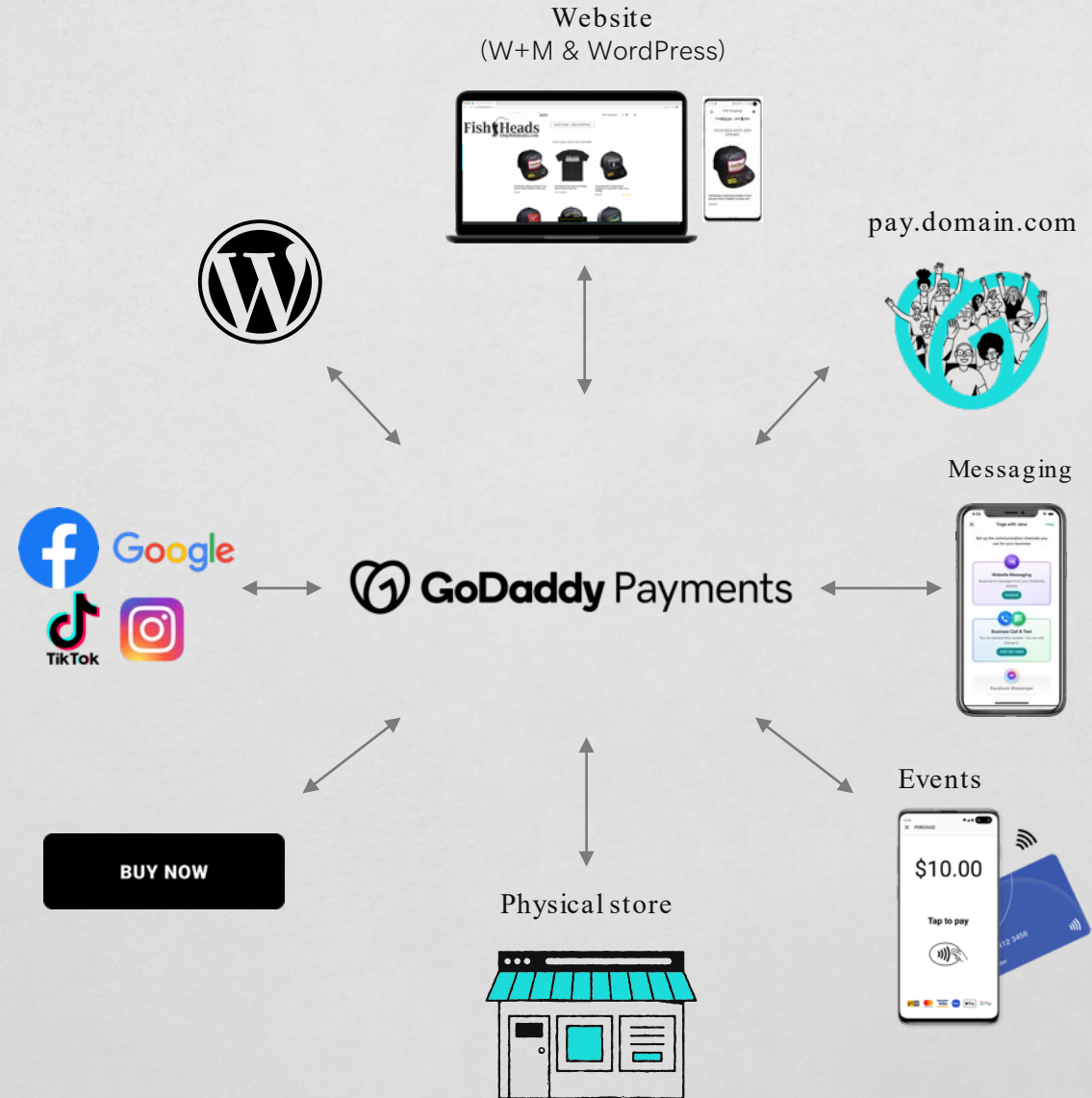
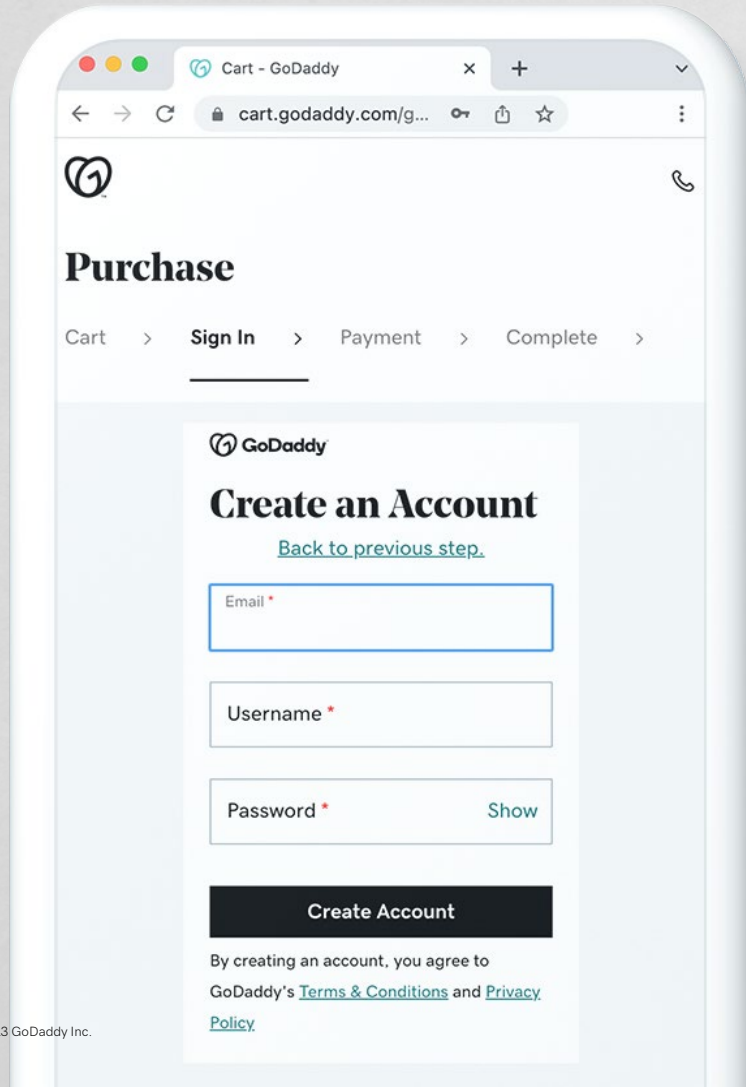
Partnership & Reseller  
Agreement



# Any channel, one solution



# Commerce launched in the U.S. on every surface



# Delivering for GoDaddy Pros

Our 1.5M Pro's loyalty depends upon trust -that the sites they build are fast, always-on and secure

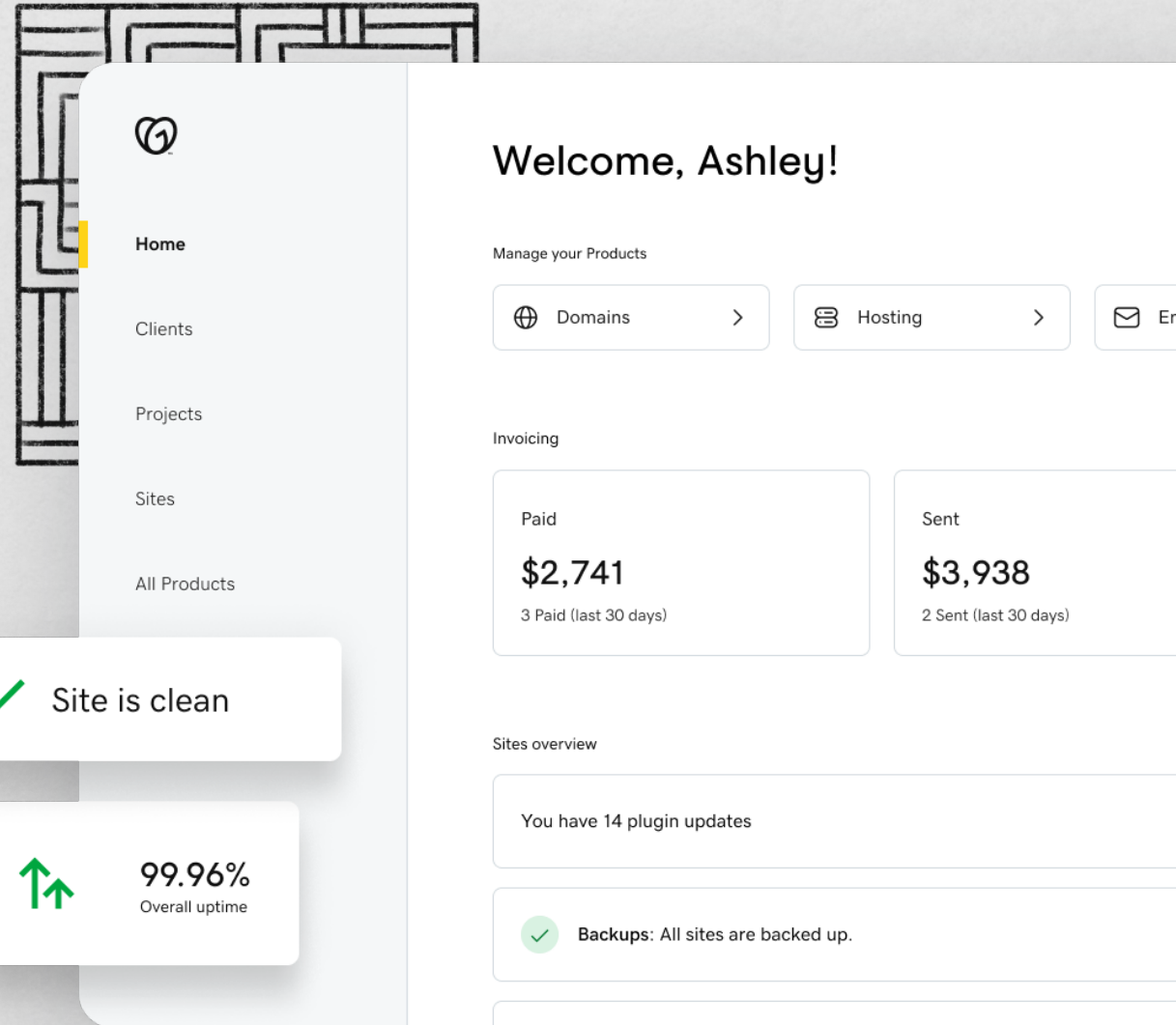
We pride ourselves in providing the tools that empower Pro's to build and manage sites, collaborate with their clients and ultimately grow their own businesses

Providing Pro's with a centralized Hub, one main dashboard to manage their clients

Help Web Designers and Developers serve their clients better while growing their own businesses

Drive speed, performance, and availability through our Hosting products

Help GoDaddy customers better secure their websites



# Innovating in domains

Expanded bundling offerings, leading to increased product attach for both new and existing customers

Differentiated Payable Domains solution enabled by default to all US domains customers, allowing for the acceptance of payments as soon as their domain is created, without the requirement of a website or online store

Robust and active aftermarket for domains buyers and sellers with a newly integrated 'List for Sale' feature to registrar partners



Sarah Fung  
The Hula  
THEHULA.COM

# Harnessing the power of AI

We see AI as one more tool in our arsenal that will save our customer's precious time, time better spent running their own businesses

From website building to customer care, AI and machine learning technologies have long been implemented across the GoDaddy ecosystem

Generative AI can add ease of use for customers by auto-populating content for them, helping them create natural language email, chat, and text messages to engage with their customers and many more

We've also launched an Essential Small Business Guide to Generative AI and a Generative AI Prompt Library, helping educate our customers on how their businesses can benefit from the advancements in AI technologies



Ana Guzman  
Binibi  
BINIBI.CO



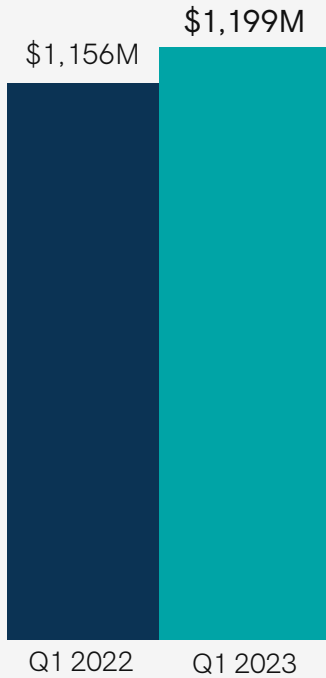
# The numbers



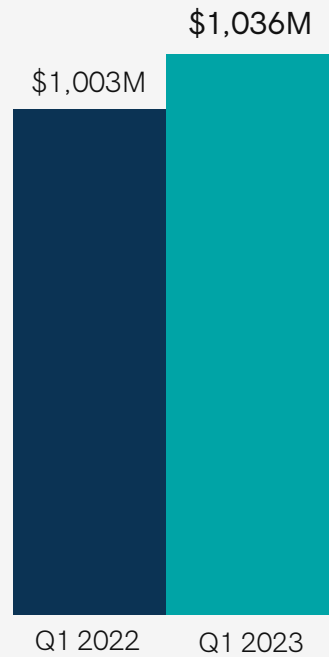
Laura Font  
Moka Design  
MOKA.DESIGN

# Q1 2023 results

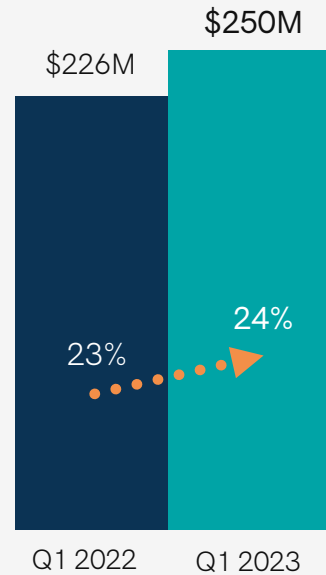
**Bookings**  
4% increase  
5% constant currency



**Revenue**  
3% increase  
5% constant currency



**Normalized EBITDA (NEBITDA)**  
11% increase



●●▶ NEBITDA Margin

**Unlevered Free Cash Flow (uFCF)**  
6% increase



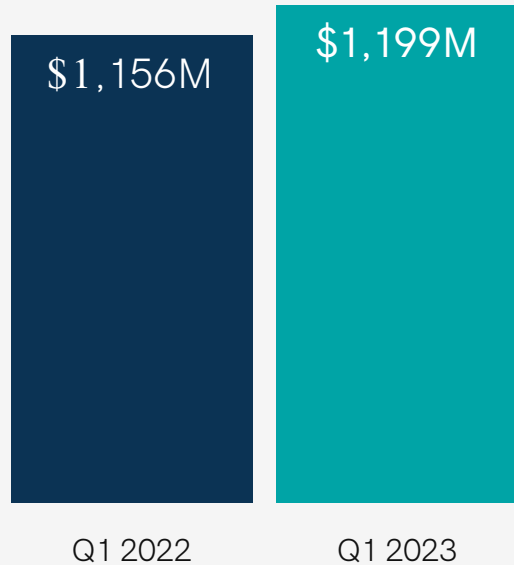
**Free Cash Flow (FCF)**  
~Flat



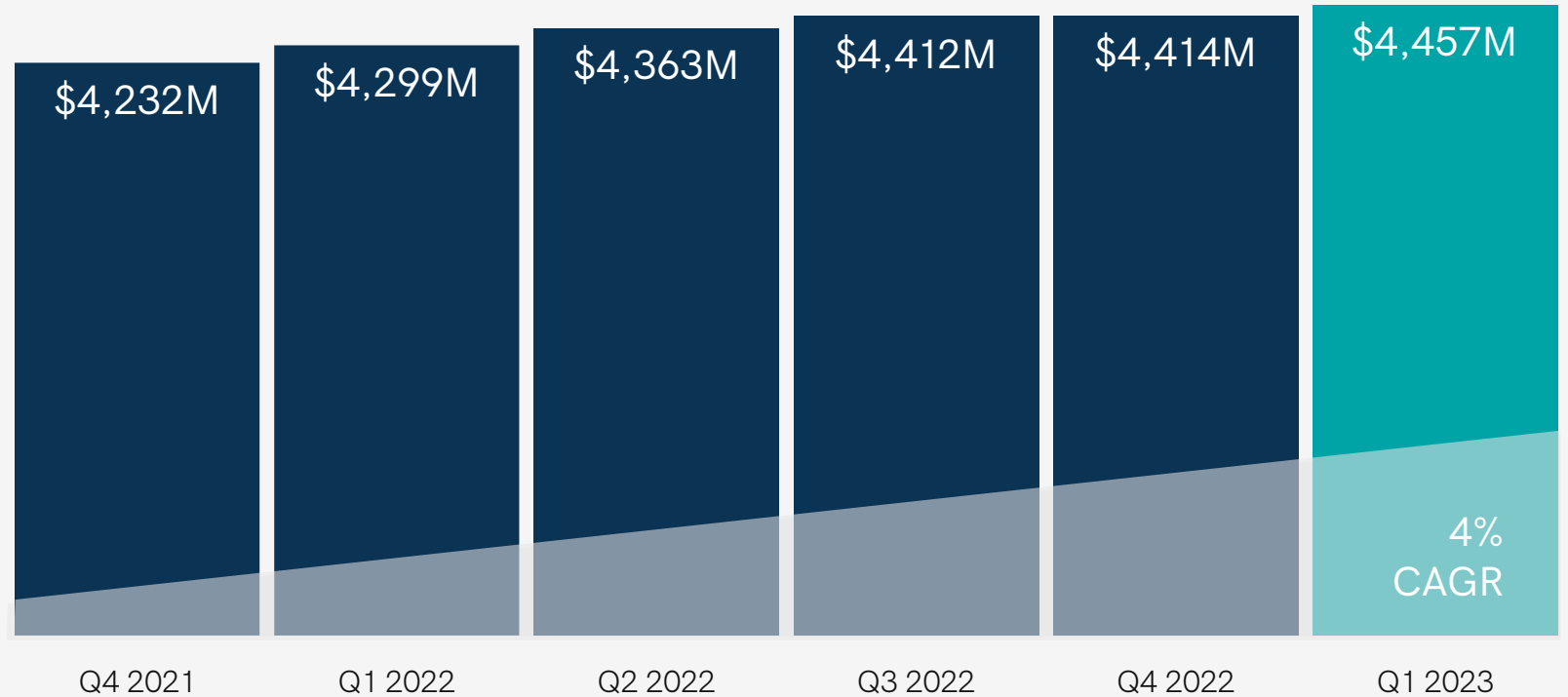
●●▶ TTM FCF per share

# Bookings

4% increase  
5% constant currency



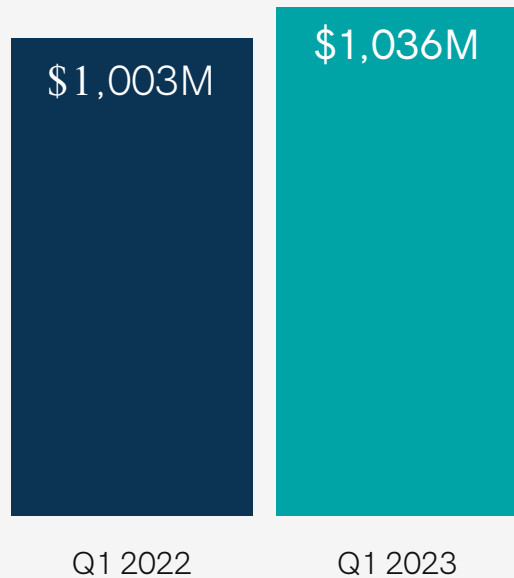
Trailing twelve months



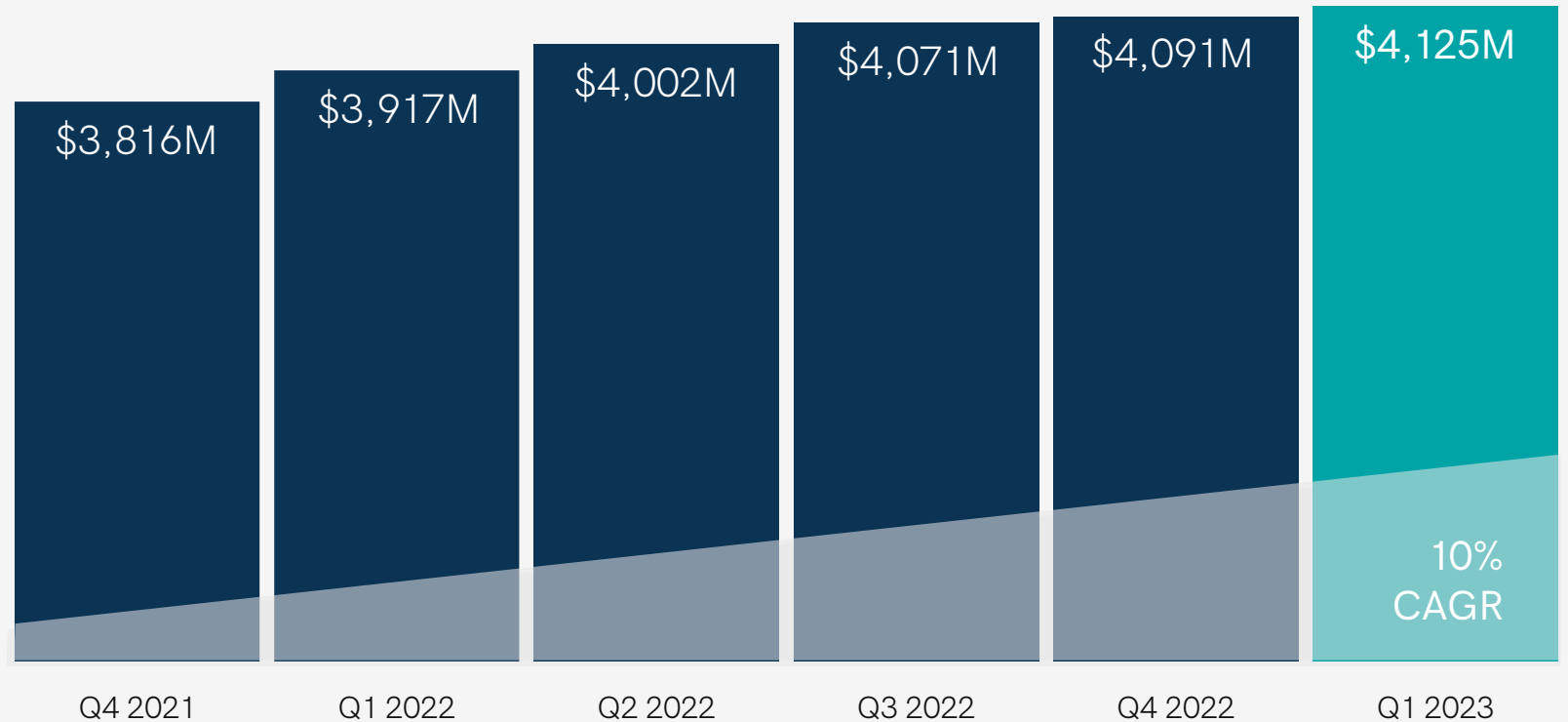


# Consistent revenue growth

3% increase  
5% constant currency



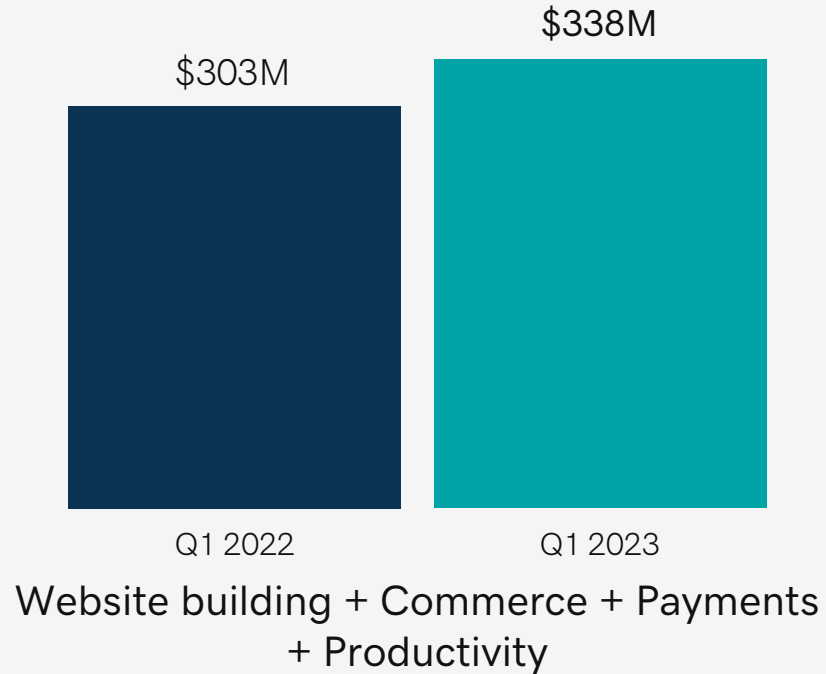
Trailing twelve months



# Applications & commerce revenue

## Q1 2023 revenue

12% increase | 39% Segment EBITDA



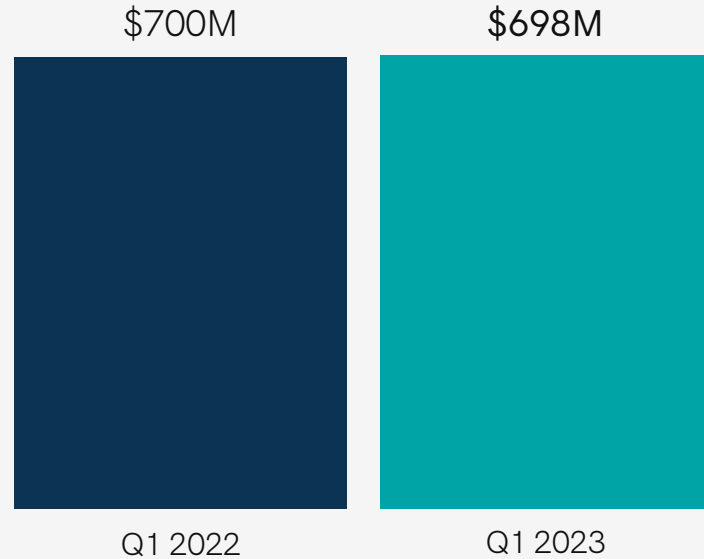
## Growth levers

New customers	International expansion
Average revenue per user (ARPU)	Annualized recurring revenue (ARR)
GMV/GPV	Subscriptions

# Core platform revenue

## Q1 2023 revenue

~Flat | 27% Segment EBITDA



Domains | Aftermarket | Hosting | Security

## Growth levers

New customers

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Average revenue per user (ARPU)

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Leveraging market-leading position in domain registration

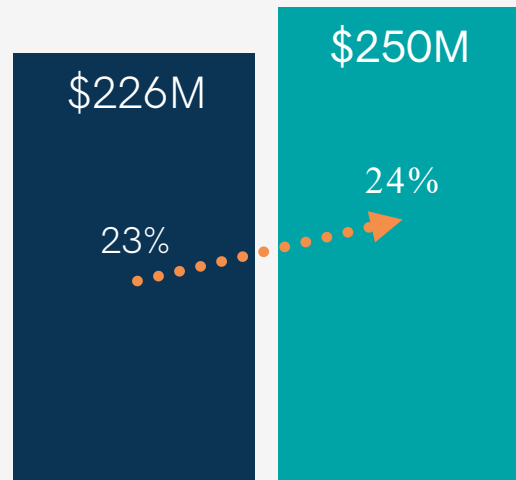
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International expansion

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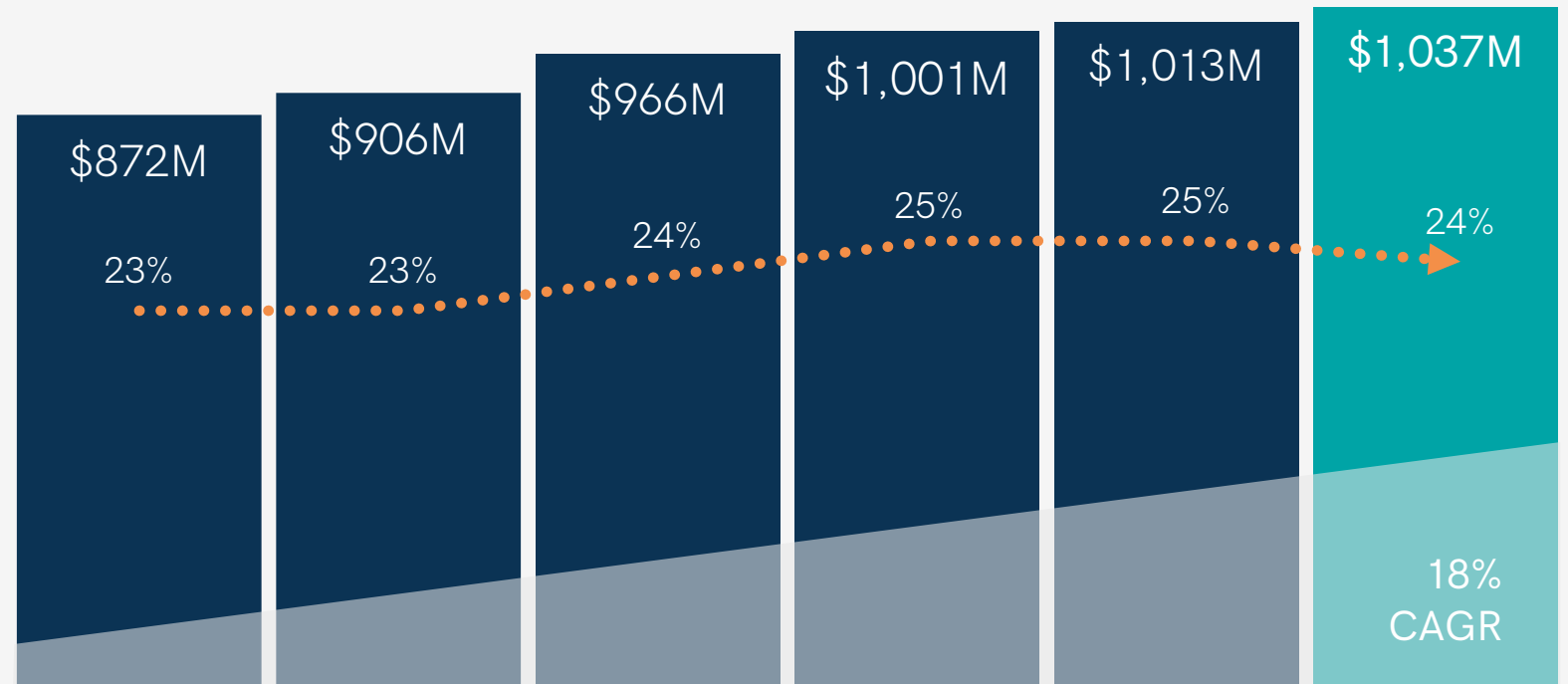
# Growing NEBITDA and expanding margin

11% increase



●●▶ NEBITDA Margin

Trailing twelve months

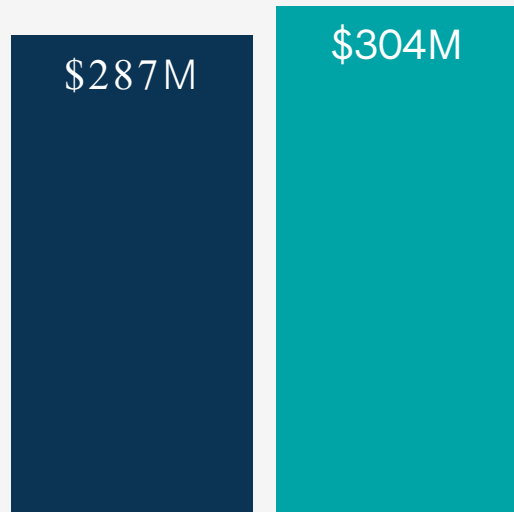


●●▶ NEBITDA Margin

18%  
CAGR

# Unlevered free cash flow

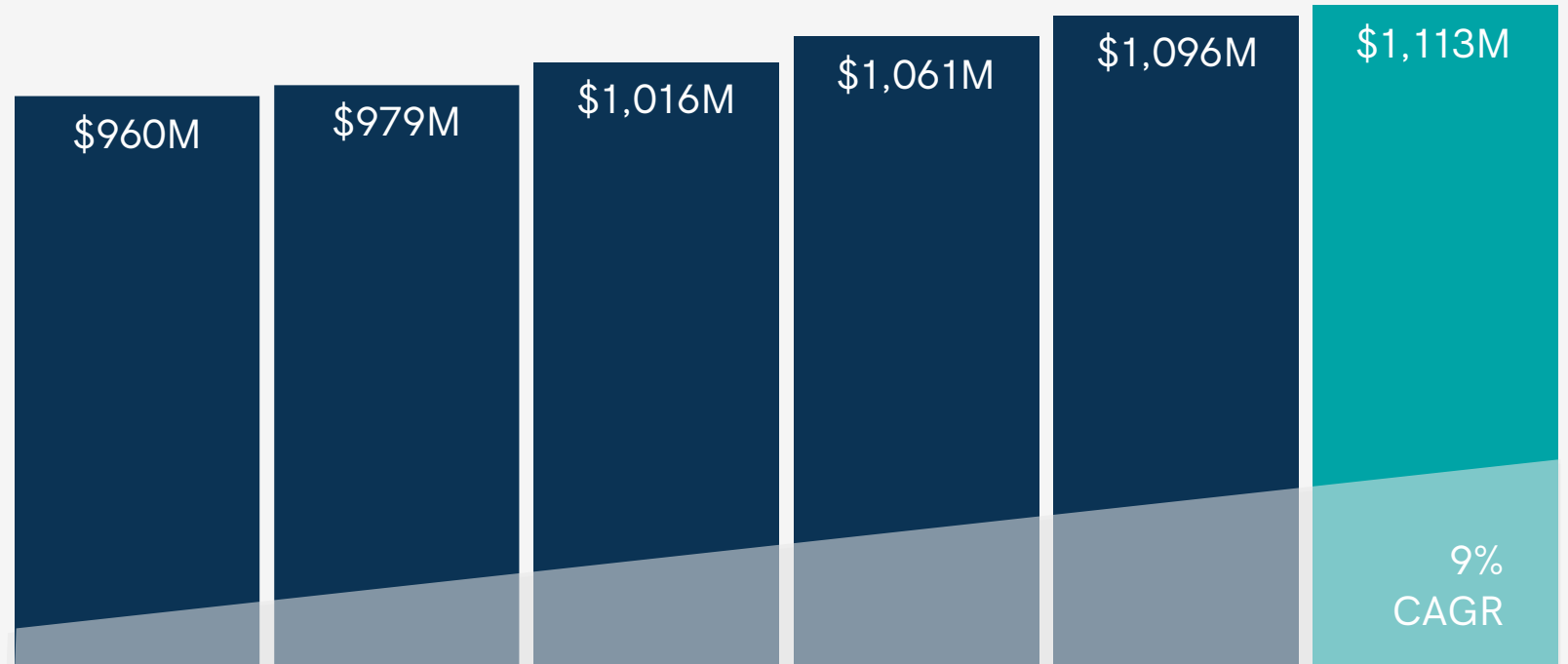
6% increase



Q1 2022

Q1 2023

Trailing twelve months



Q4 2021

Q1 2022

Q2 2022

Q3 2022

Q4 2022

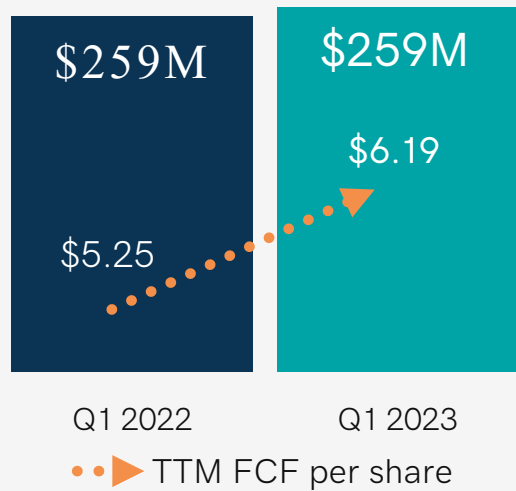
Q1 2023

9%  
CAGR

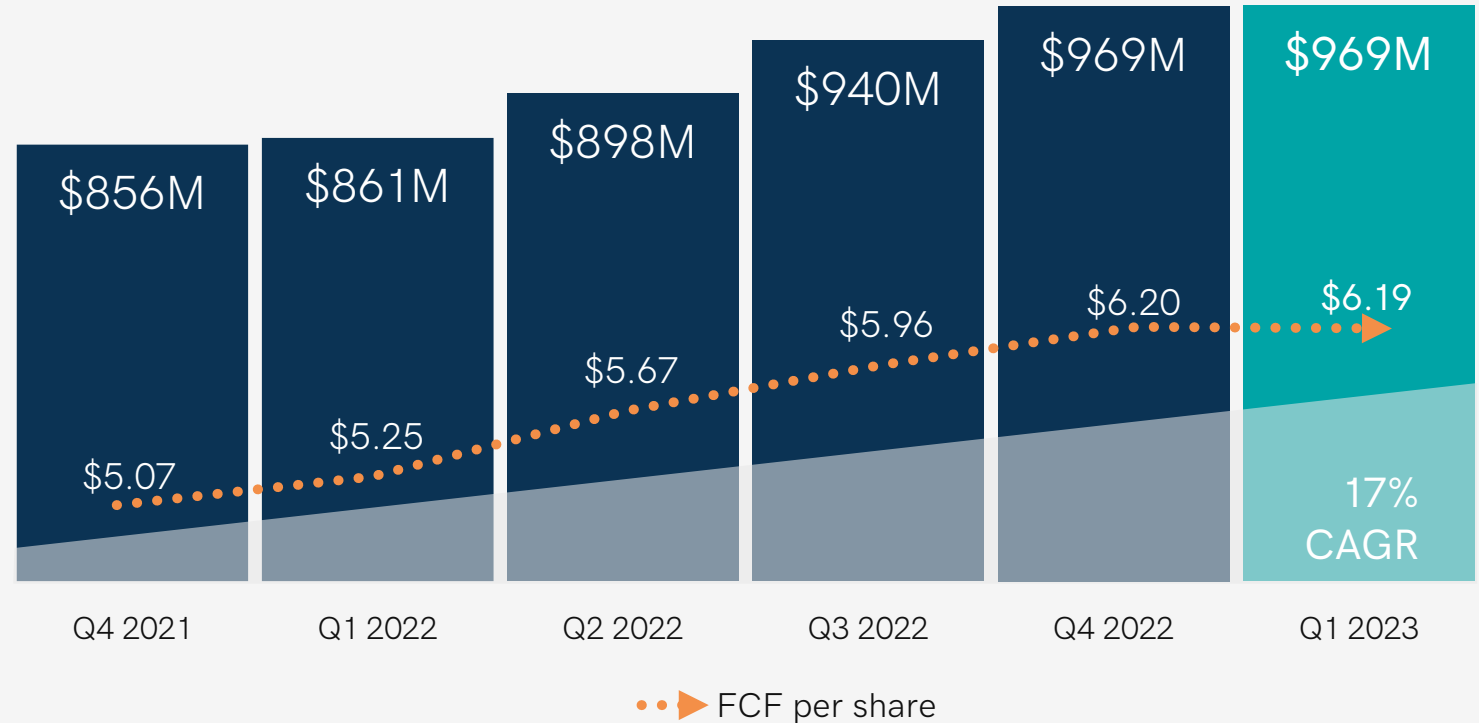
# Durable free cash flow growth

Free cash flow per share up 18%

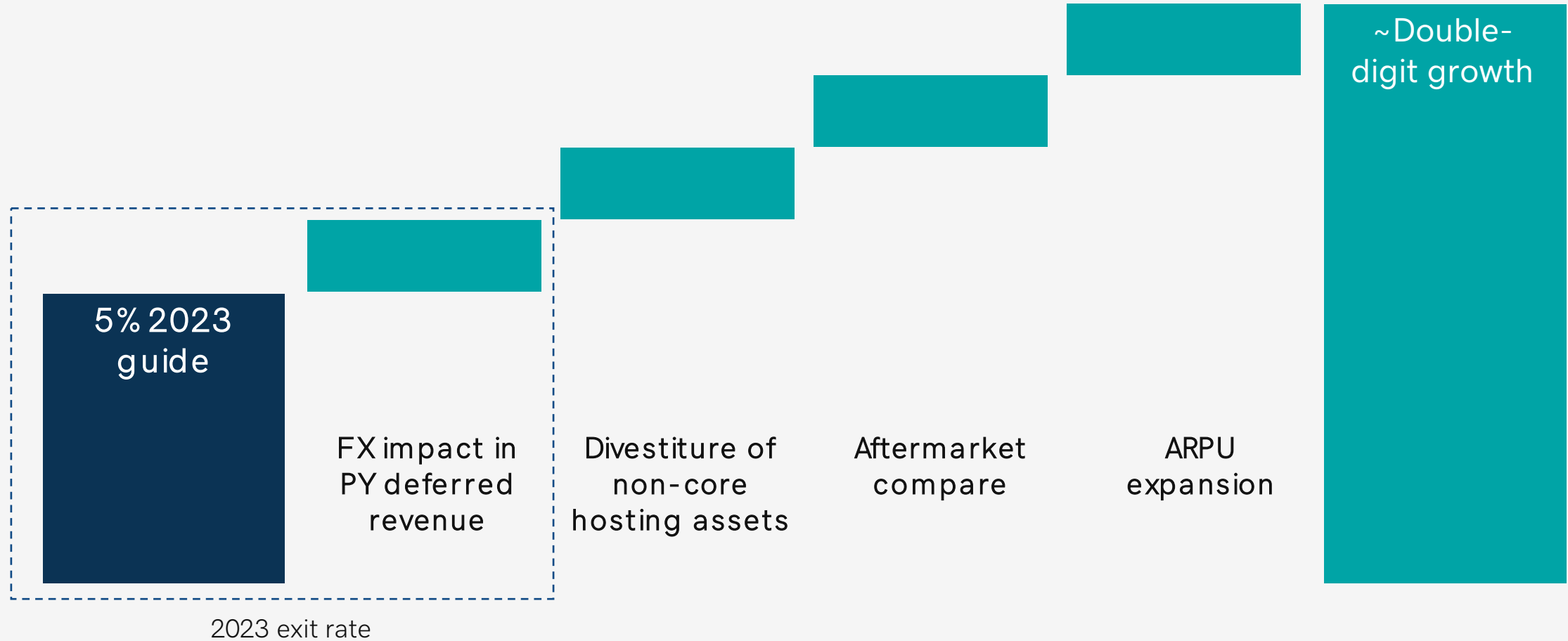
## Free cash flow



## Trailing twelve months



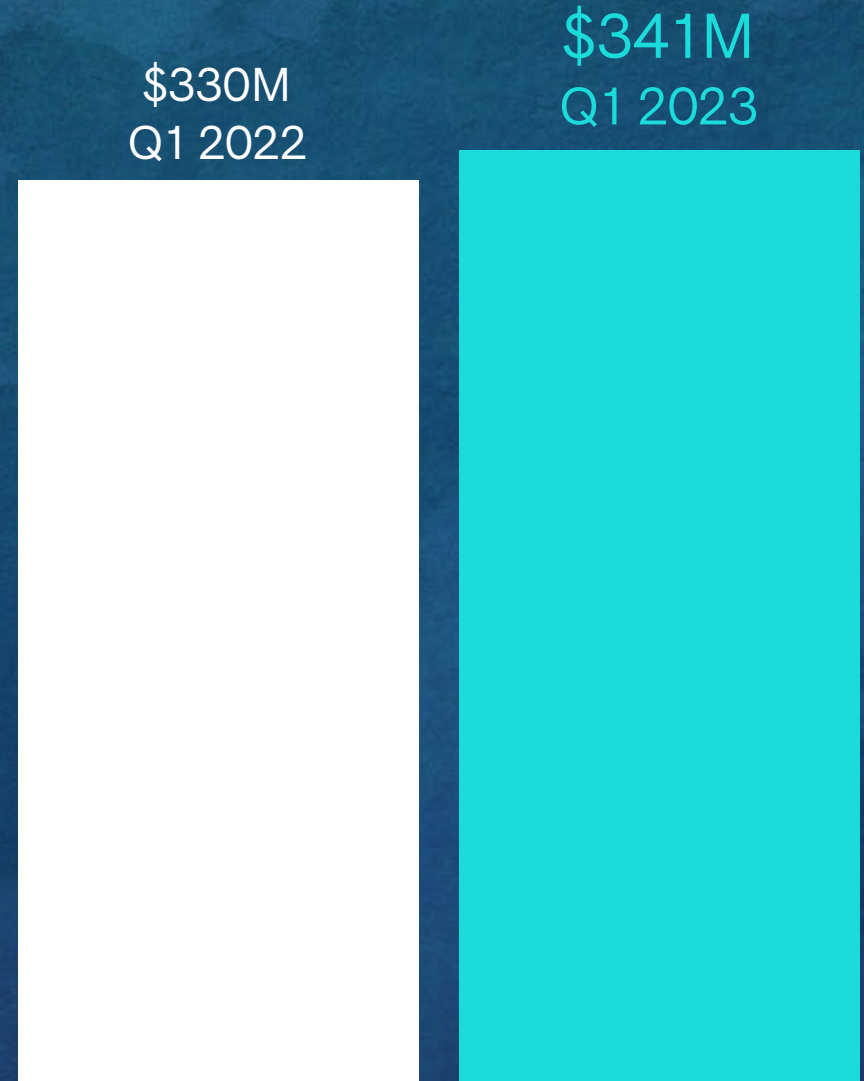
# Bridge to top-line double-digit growth



Illustrative depiction.  
Assumes no material change in FX.

# Global footprint

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





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

	Applications & commerce	Core platform
ARR	\$1.3B (+9% Y/Y)	\$2.3B (+1% Y/Y)
Create & grow ARR	\$450M (+10% Y/Y)	
GPV	+\$1B	
GMV	\$28B (+18% Y/Y)	



Dr. James Bogash  
LifeCare Chiropractic  
LIFECARECHIROPRACTIC.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.

# Driving innovation while delivering margin accretion

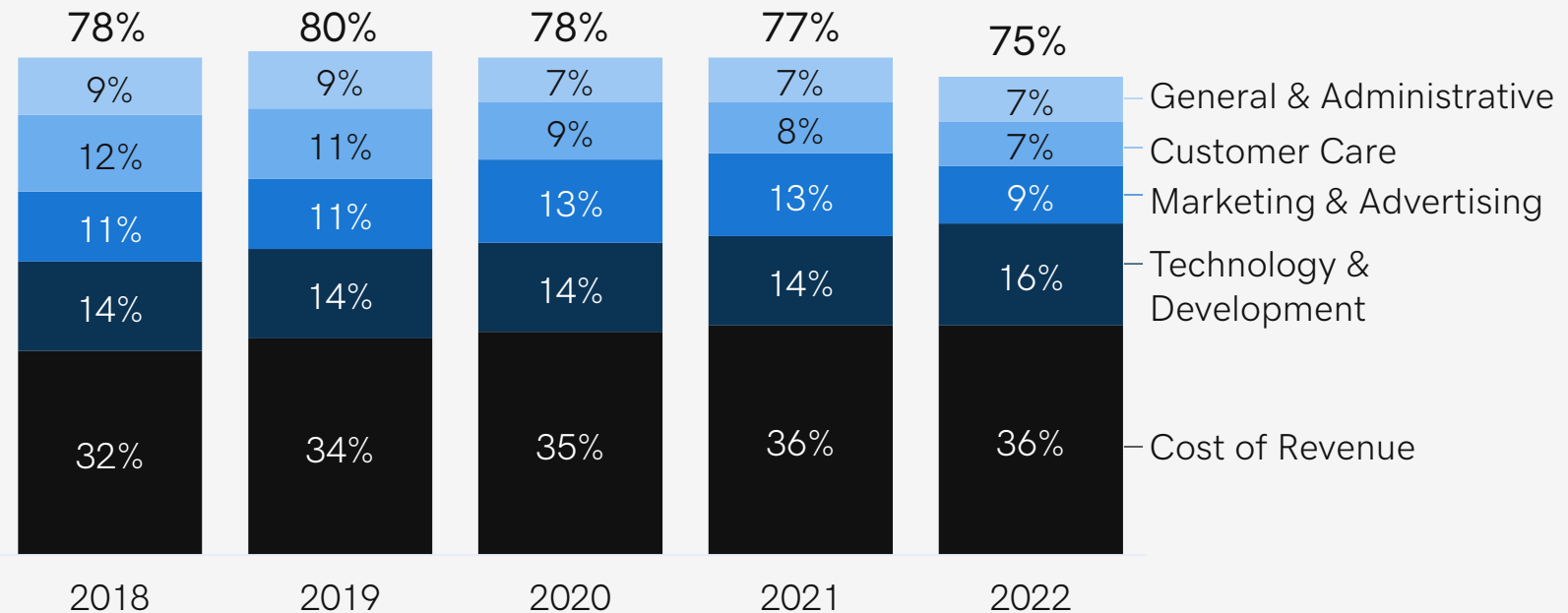
Sources of operating leverage:

- Cash flow positive business model
- High brand awareness
- Scale in Care
- Expanding product mix
- Sophisticated in-house search algorithm

# Growth model – operating leverage

Investing in future growth and delivering margin expansion

Operating expenses — % of revenue



# Balance sheet and liquidity

Total liquidity of \$1.9 billion

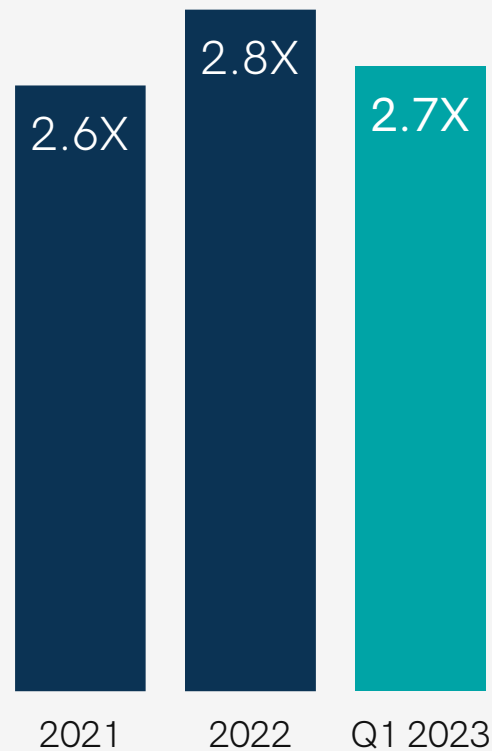
- \$892 million in cash and cash equivalents
- \$1.0 billion undrawn revolver

\$3.0 billion in net debt

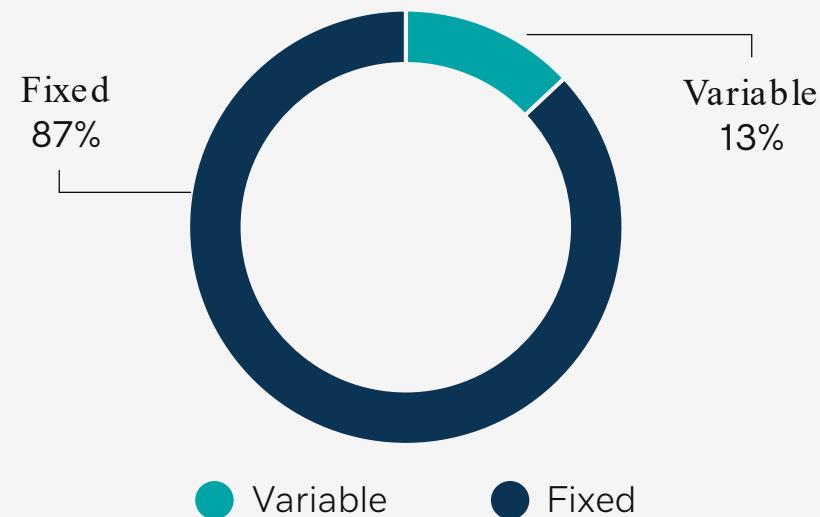
Net leverage ~2.7x

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

# Capital return strategy

Our capital allocation strategy remains unchanged

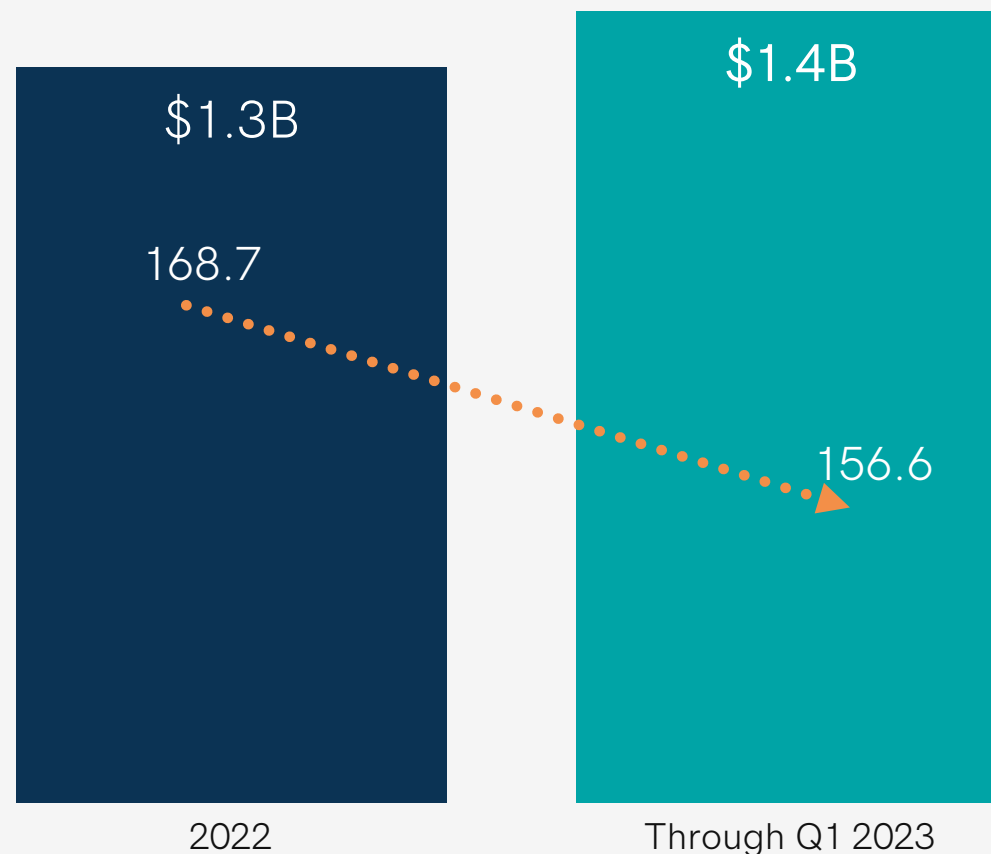
Completed \$1.4B in share buybacks under current \$3B authorization

Reduced fully diluted share count by approximately 11% since inception of \$3B authorization

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

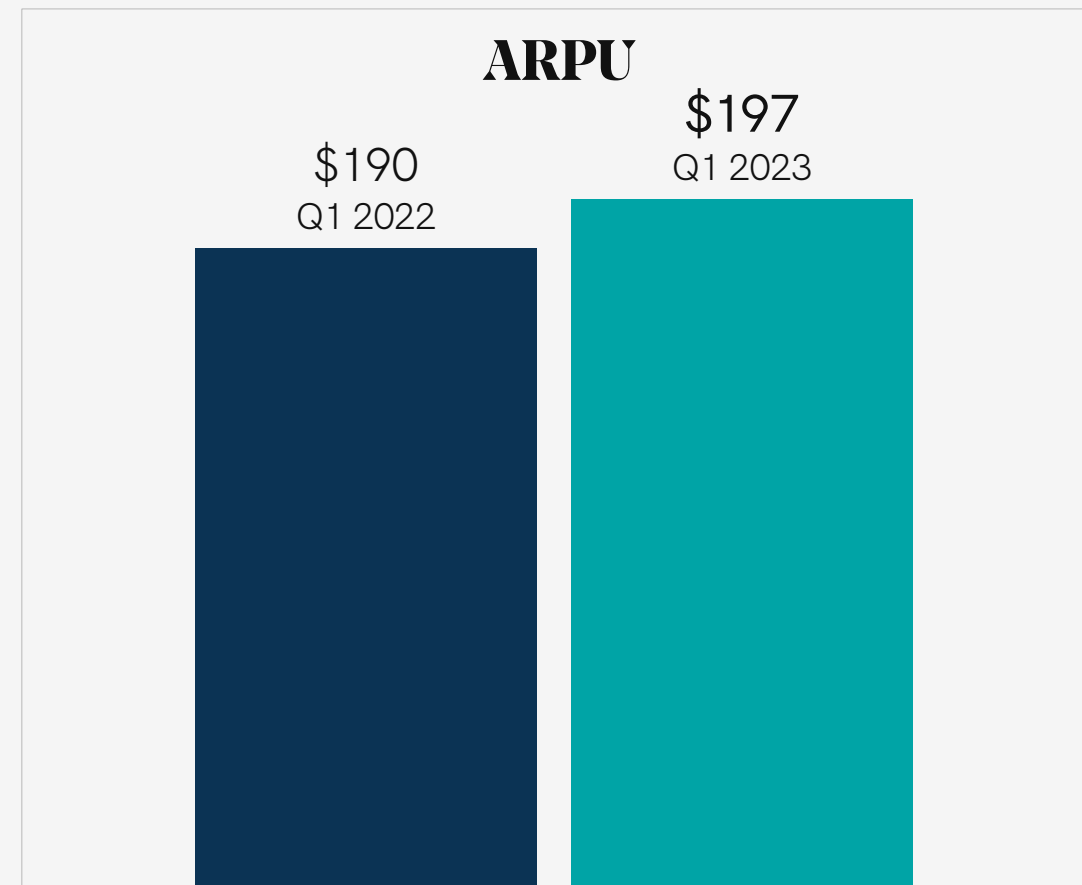
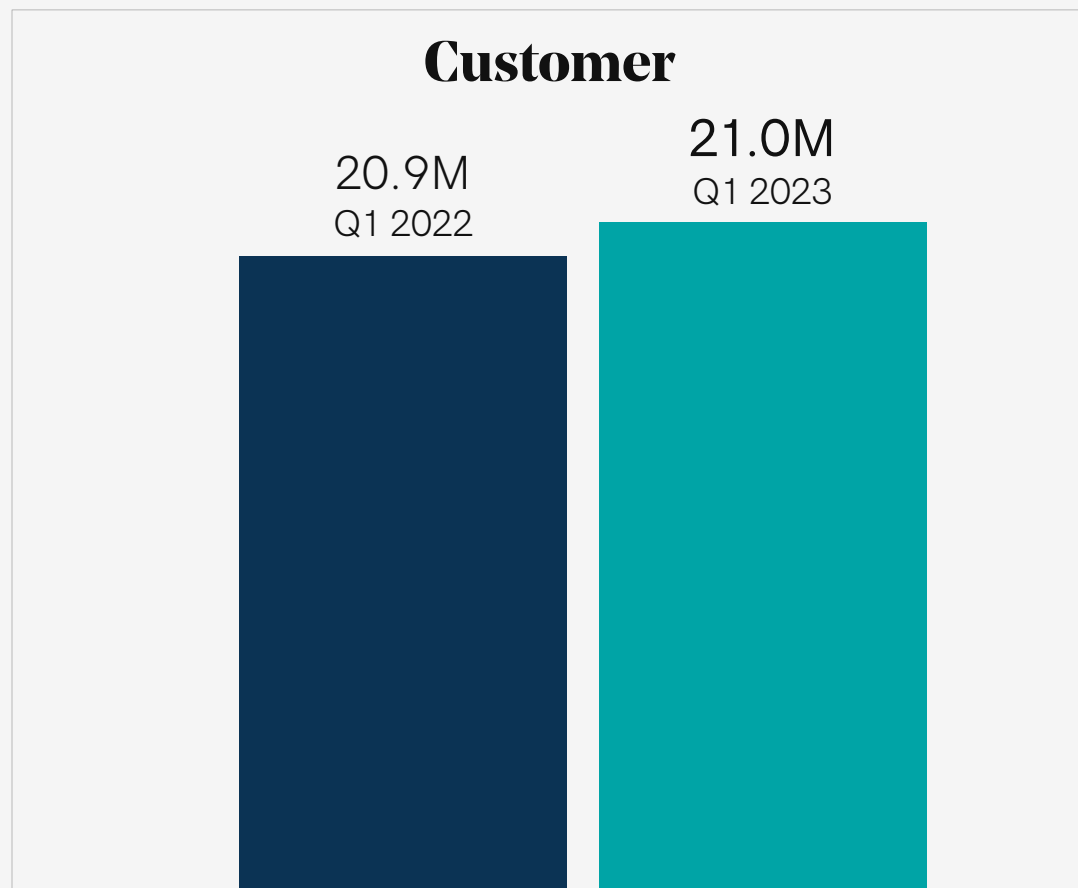
Continue to evaluate strategic acquisition opportunities that could accelerate growth and innovation

## Cumulative shares repurchased



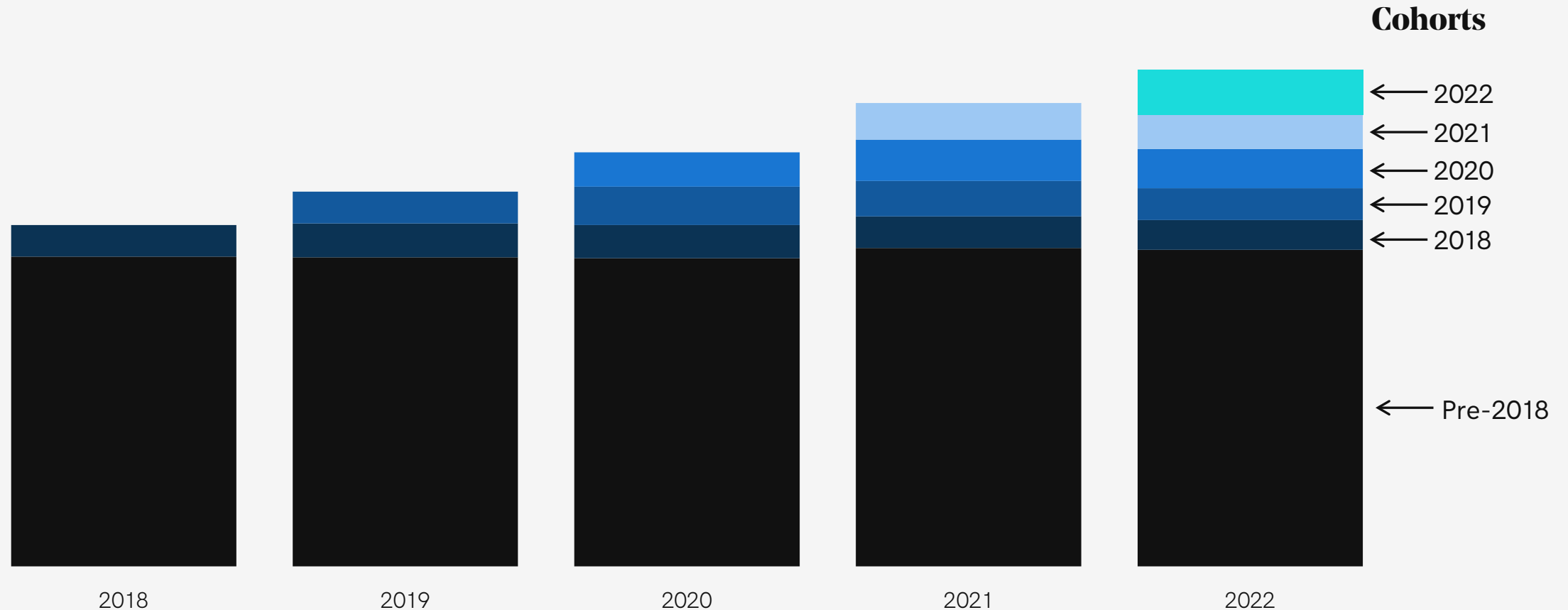
●●▶ Fully diluted shares outstanding

# Strong customer base and growing ARPU



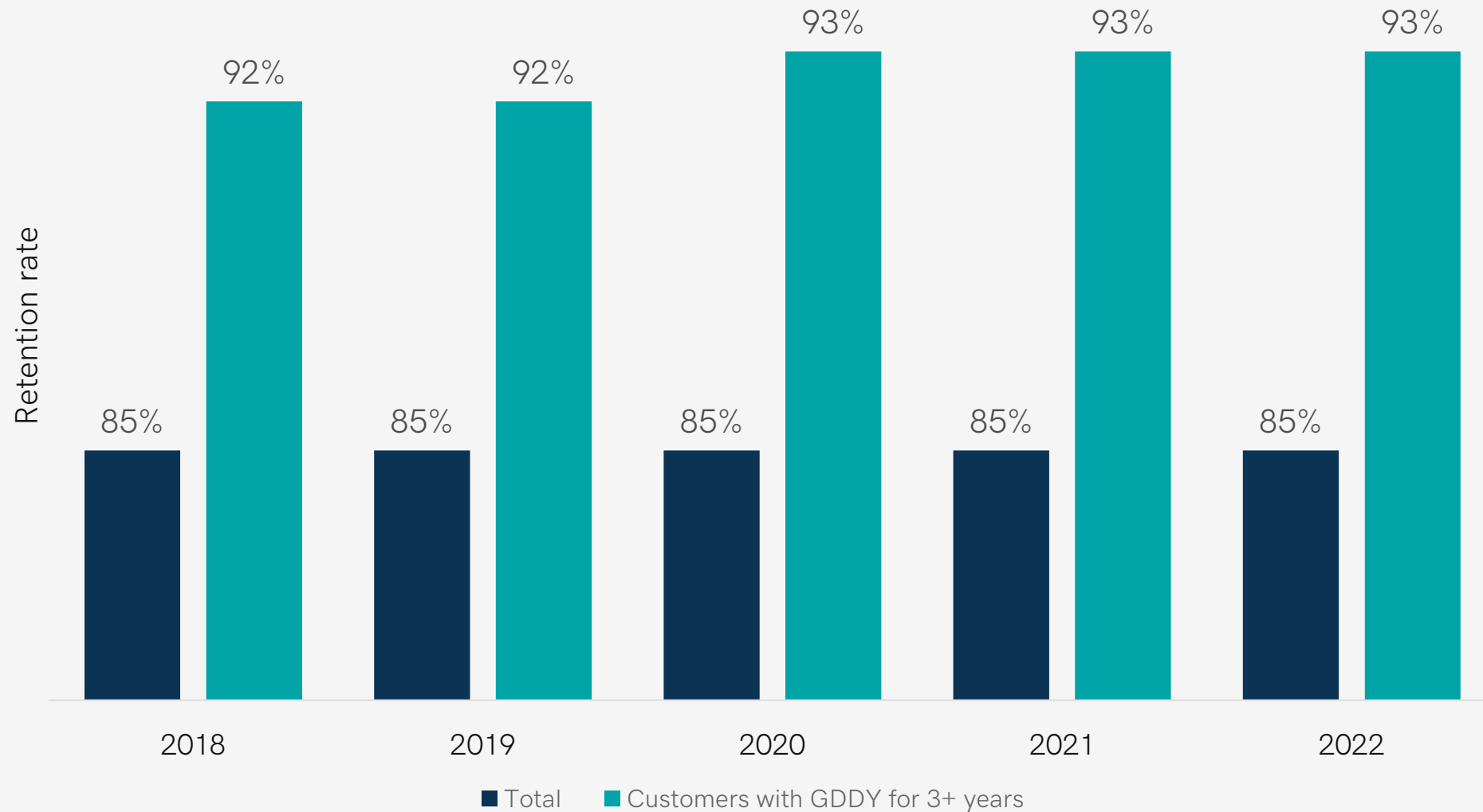
# Solid cohort performance continues to provide durable growth and cash flow generation

85% of total revenue generated from customers in our base



# Consistent cohort retention

Stable customer retention rates, with retention of 3+ year customers increasing





Nikki Quittner  
 Test Before You Invest  
 TESTBEFOREYOUINVEST.COM.AU

# 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

As of May 4, 2023.





# Appendix

Orlando Blanco  
Visualist Photography  
VISUALIST.BIZ



# 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 <sup>1</sup>	39.0	0.7
Provision for income taxes	0.2	6.3
<b>Total NEBITDA</b>	<b>\$249.7</b>	<b>\$225.9</b>

<sup>1</sup> 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 <sup>1</sup>	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)
<b>Total NEBITDA</b>	<b>\$872.2</b>	<b>\$905.9</b>	<b>\$966.0</b>	<b>\$1,001.0</b>	<b>\$1,013.0</b>	<b>\$1,036.8</b>

<sup>1</sup> 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 <sup>1</sup>	8.6	2.0
<b>Free cash flow</b>	<b>\$259.2</b>	<b>\$258.7</b>
Cash paid for interest on long-term debt	44.7	28.1
<b>Unlevered free cash flow</b>	<b>\$303.9</b>	<b>\$286.8</b>

<sup>1</sup> 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 <sup>1</sup>	12.7	12.4	14.1	14.5	10.7	17.3
<b>Free cash flow</b>	<b>\$855.8</b>	<b>\$861.2</b>	<b>\$897.7</b>	<b>\$940.4</b>	<b>\$968.6</b>	<b>\$969.1</b>

<sup>1</sup> 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 unlevered 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 <sup>1</sup>	12.7	12.4	14.1	14.5	10.7	17.3
Cash paid for interest	104.2	117.3	118.1	120.5	127.3	143.9
<b>Unlevered free cash flow</b>	<b>\$960.0</b>	<b>\$978.5</b>	<b>\$1,015.8</b>	<b>\$1,060.9</b>	<b>\$1,095.9</b>	<b>\$1,113.0</b>

<sup>1</sup> 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
<b>Constant currency bookings</b>	<b>\$1,218.1</b>
Revenue	\$1,036.0
Constant currency adjustment	13.8
<b>Constant currency revenue</b>	<b>\$1,049.8</b>



# Non-GAAP reconciliation: Operating expenses

Reconciliation of Operating Expense (\$M)	2018	2019	2020	2021	2022
<b>Cost of revenue</b>	\$839.9	\$1,026.8	\$1,158.6	\$1,372.2	\$1,484.5
Equity-based compensation: cost of revenue	—	(0.4)	(0.7)	(0.9)	(1.5)
Cost of revenue, net	\$839.9	\$1,026.4	\$1,157.9	\$1,371.3	\$1,483.0
<b>Technology and development</b>	\$434.0	\$492.6	\$560.4	\$706.3	\$794.0
Equity-based compensation: technology and development	(57.8)	(70.3)	(90.2)	(110.0)	(140.3)
Acquisition-related costs	—	—	—	(44.1)	(19.1)
Technology and development, net	\$376.2	\$422.3	\$470.2	\$552.2	\$634.6
<b>Marketing and advertising</b>	\$291.4	\$345.6	\$438.5	\$503.9	\$412.3
Equity-based compensation: marketing and advertising	(10.3)	(15.4)	(21.7)	(24.8)	(29.1)
Acquisition-related costs	—	—	—	(0.1)	(0.2)
Marketing and advertising, net	\$281.1	\$330.2	\$416.8	\$479.0	\$383.0
<b>Customer care</b>	\$323.1	\$348.7	\$316.9	\$306.1	\$305.9
Equity-based compensation: customer care	(6.2)	(9.3)	(12.0)	(14.1)	(20.0)
Acquisition-related costs	—	—	—	(1.7)	(0.4)
Customer care, net	\$316.9	\$339.4	\$304.9	\$290.3	\$285.5
<b>General and administrative (excluding depreciation &amp; amortization)</b>	\$334.0	\$362.1	\$323.8	\$345.8	\$385.5
Equity-based compensation: general and administrative	(51.2)	(51.6)	(66.9)	(58.1)	(73.5)
Acquisition-related costs	(32.7)	(9.4)	(25.0)	(32.3)	(15.4)
Other one-time costs	—	(18.1)	(10.0)	—	(5.0)
General and administrative, net	\$250.1	\$283.0	\$241.9	\$255.4	\$291.6
<b>Restructuring and other</b>	—	\$14.9	\$46.8	\$8.1	\$22.4
<b>Depreciation and amortization</b>	\$234.1	\$209.7	\$202.7	\$199.6	\$194.6

# 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.



# Our leadership team



Aman Bhutani  
Chief Executive  
Officer



Mark McCaffrey  
Chief Financial  
Officer



Michele Lau  
Chief Legal  
Officer



Monica Bailey  
Chief People  
Officer



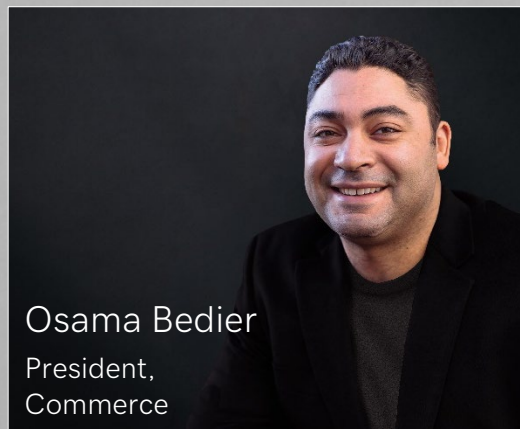
Roger Chen  
Chief Operating  
Officer



Fara Howard  
Chief Marketing  
Officer



Charles Beadnall  
Chief Technology  
Officer



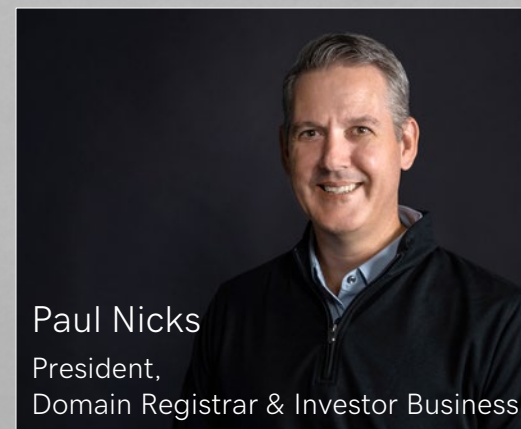
Osama Bedier  
President,  
Commerce



Auguste Goldman  
President,  
Care & Services



Gourav Pani  
President,  
US Independents



Paul Nicks  
President,  
Domain Registrar & Investor Business