



# Company Overview

November 2023



Cheryl Yazzie  
Coffee Pot Farms  
COFFEEPOTFARMS.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; and assumptions underlying any of the foregoing.

Actual results could differ materially from our current expectations as a result of many factors, including, but not limited to: the unpredictable nature of our rapidly evolving market; fluctuations in our financial and operating results; our rate of growth; interruptions or delays in our service or our web hosting; breaches of our security measures; the impact of any previous or future acquisitions; our ability to continue to release, and gain customer acceptance of, our existing and future products and services; our ability to manage our growth; our ability to hire, retain and motivate employees; the effects of competition; technological, regulatory and legal developments; intellectual property litigation; macroeconomic conditions and developments in the economy, financial markets and credit markets, continued escalation of geopolitical tensions and increasing interest rates and inflationary pressures; and execution of share repurchases.

Additional risks and uncertainties that could affect GoDaddy's business and financial results are included in the filings we make with the SEC from time to time, including those described in "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended September 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 September 30, 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 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 specified or as of the date hereof. Except to the extent required by law, GoDaddy does not assume any obligation to update forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

In addition to our financial results prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), this presentation includes certain non-GAAP financial measures and other operating metrics. We believe that these non-GAAP financial measures and other operating metrics are useful as a supplement in evaluating our ongoing operational performance and enhancing an overall understanding of our past financial performance. The non-GAAP financial measures included in this presentation should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition, similarly titled measures may be calculated differently by other companies and may not be comparable. A reconciliation between each non-GAAP financial measure and its nearest GAAP equivalent is included at the end of this presentation. We use both GAAP and non-GAAP measures to evaluate and manage our operations. GoDaddy does not provide reconciliations from non-GAAP guidance to GAAP, because projections of changes in individual balance sheet amounts are not possible without unreasonable effort, and presentation of such reconciliations would imply an inappropriate degree of precision.

References in this presentation to financial guidance are based on GoDaddy's 2023 Q3 Earnings Release dated November 2, 2023, and are not updated or reaffirmed by this presentation.





# Who we are



Cherilyn Yazzie  
Coffee Pot Farms  
COFFEEPOTFARMS.COM



# Empowering entrepreneurs everywhere

Making opportunity  
more inclusive for all

Cherilyn Yazzie  
Coffee Pot Farms  
COFFEEPOTFARMS.COM



**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.



Cherilyn Yazzie  
Coffee Pot Farms  
COFFEEPOTFARMS.COM



# 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.



# How we deliver shareholder value

Driving profitable  
growth



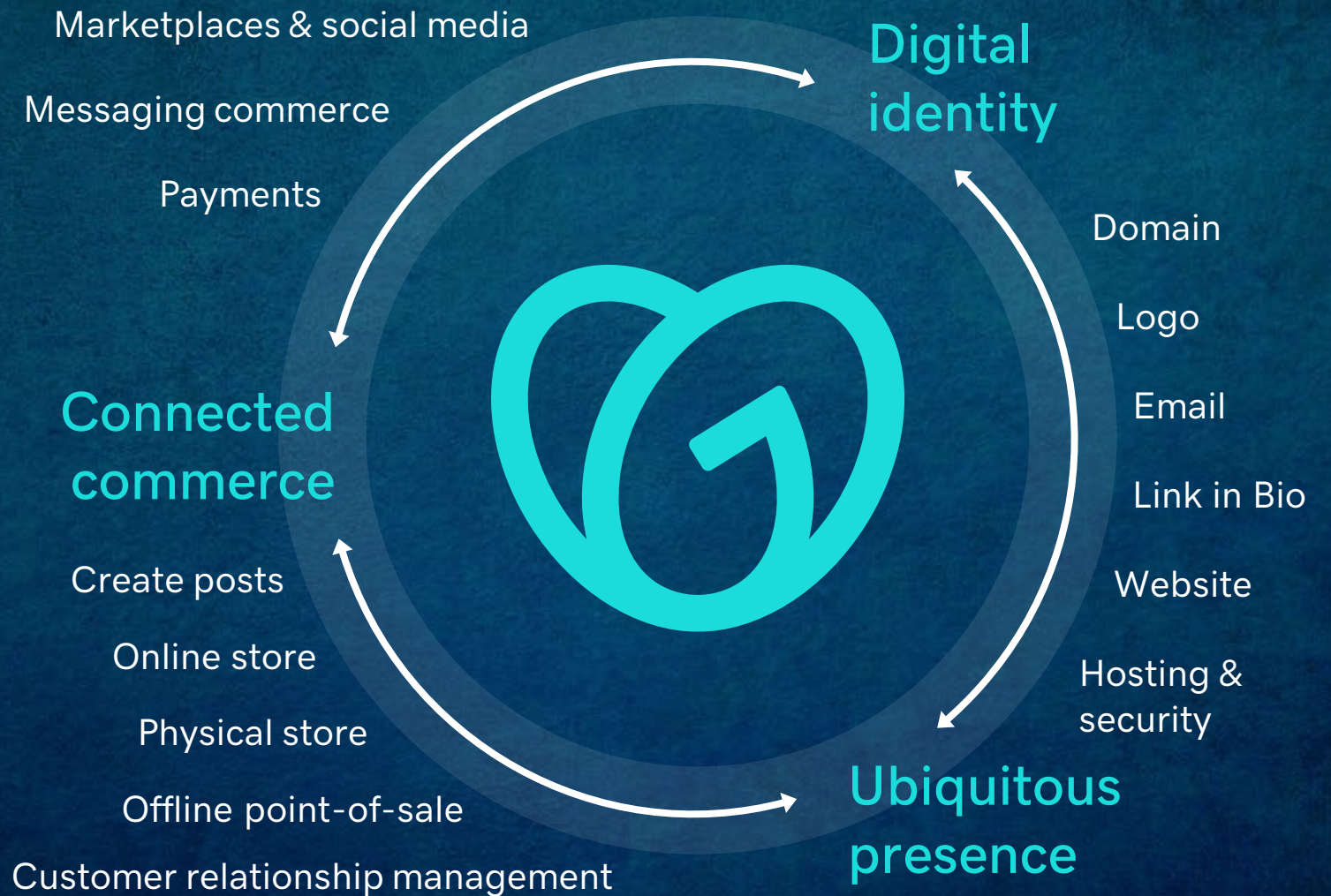
Expanding  
Normalized EBITDA  
margins



Compounding free  
cash flow per share



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





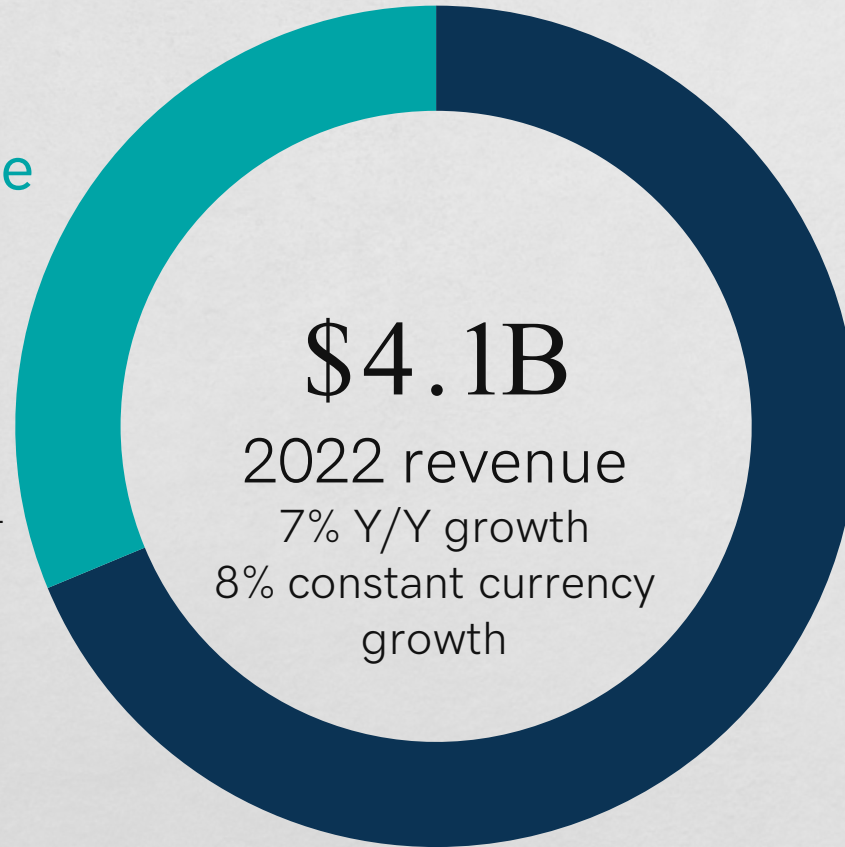
# What we do

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%**

Q3 2023 applications &  
commerce  
bookings growth

**28%**

Q3 2023 Normalized  
EBITDA margin

**~31%**

Targeted Q4 2024  
Normalized EBITDA  
margin\*

As of September 30, 2023  
\*As of November 2, 2023



# 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.

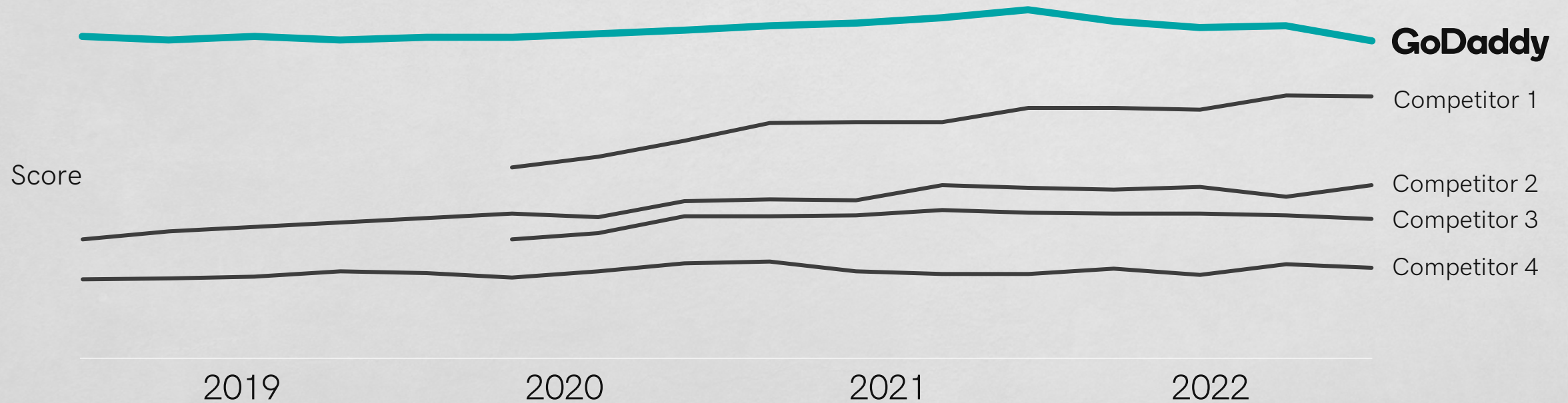


Enkidu D.  
GoDaddy Guide



# Strong and steady brand awareness

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







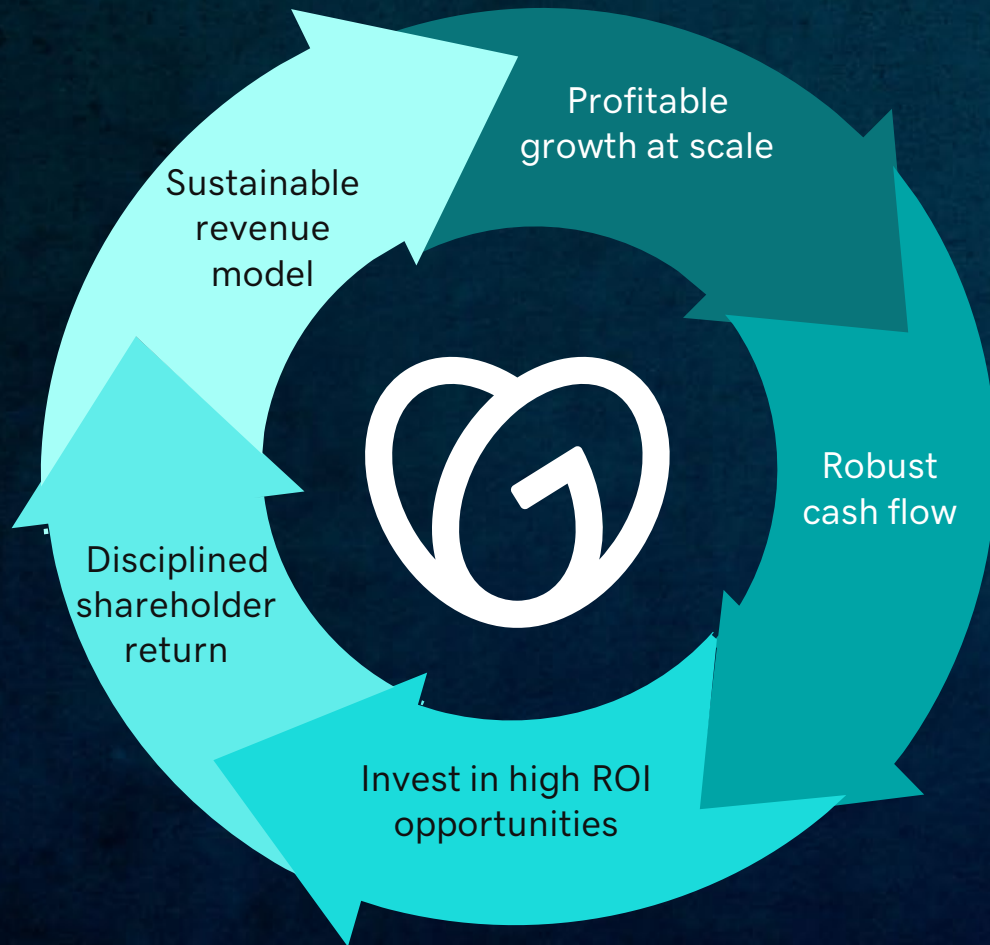
# Our business model

Sarah Babineau  
La Babineau  
LABABINEAU.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  
Creating a one-stop shop solution for customers



# Key Investment 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 attaching more integrated solutions for our loyal base of high-quality customers

Sarah Babineau  
La Babineau  
LABABINEAU.COM





# Strategic objectives are key to value creation

## Redefine existing categories while disruptively entering adjacencies

### Key metrics

Customers with 2+ products

International revenue

Average revenue per user (ARPU)

Annualized recurring revenue (ARR)

Gross payment volume (GPV)

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

### Key metrics

Care NPS

Brand awareness & affinity

Retention rate

## Maximize our customers' success through presence and commerce

### Key metrics

Gross merchandise volume (GMV)

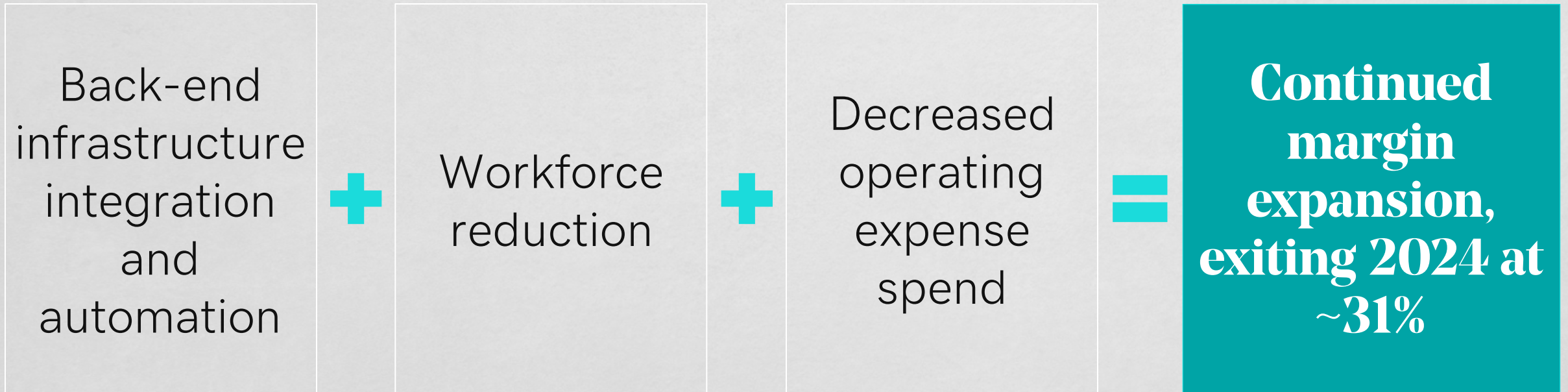
Cross-selling into existing customer base of 21M customers

Share of application-built websites

Email seats



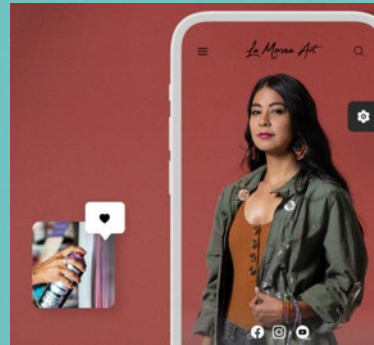
# Driving margin expansion into 2024 and beyond



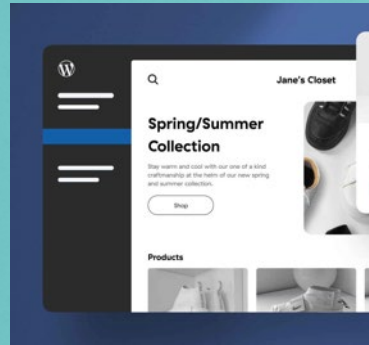


# Two operating segments that bring our strategic vision to life

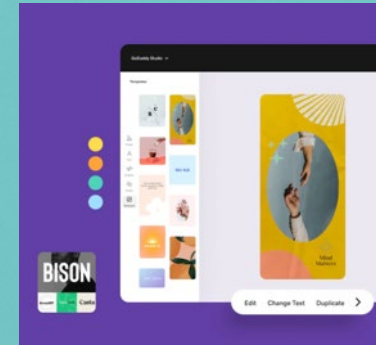
## Applications & commerce



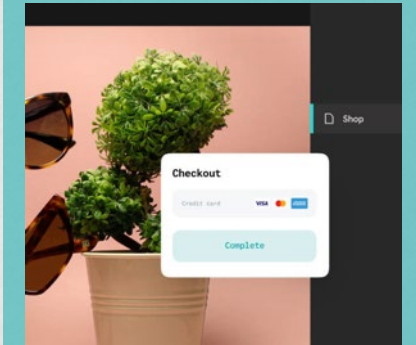
Websites + Marketing



Managed WordPress



Productivity apps

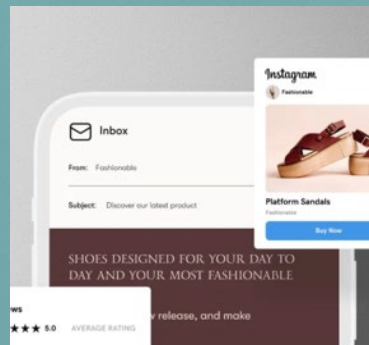


Payments & commerce

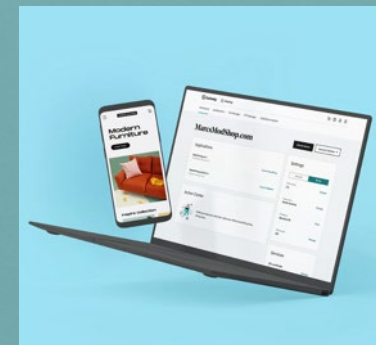
## Core platform



Domains



Aftermarket



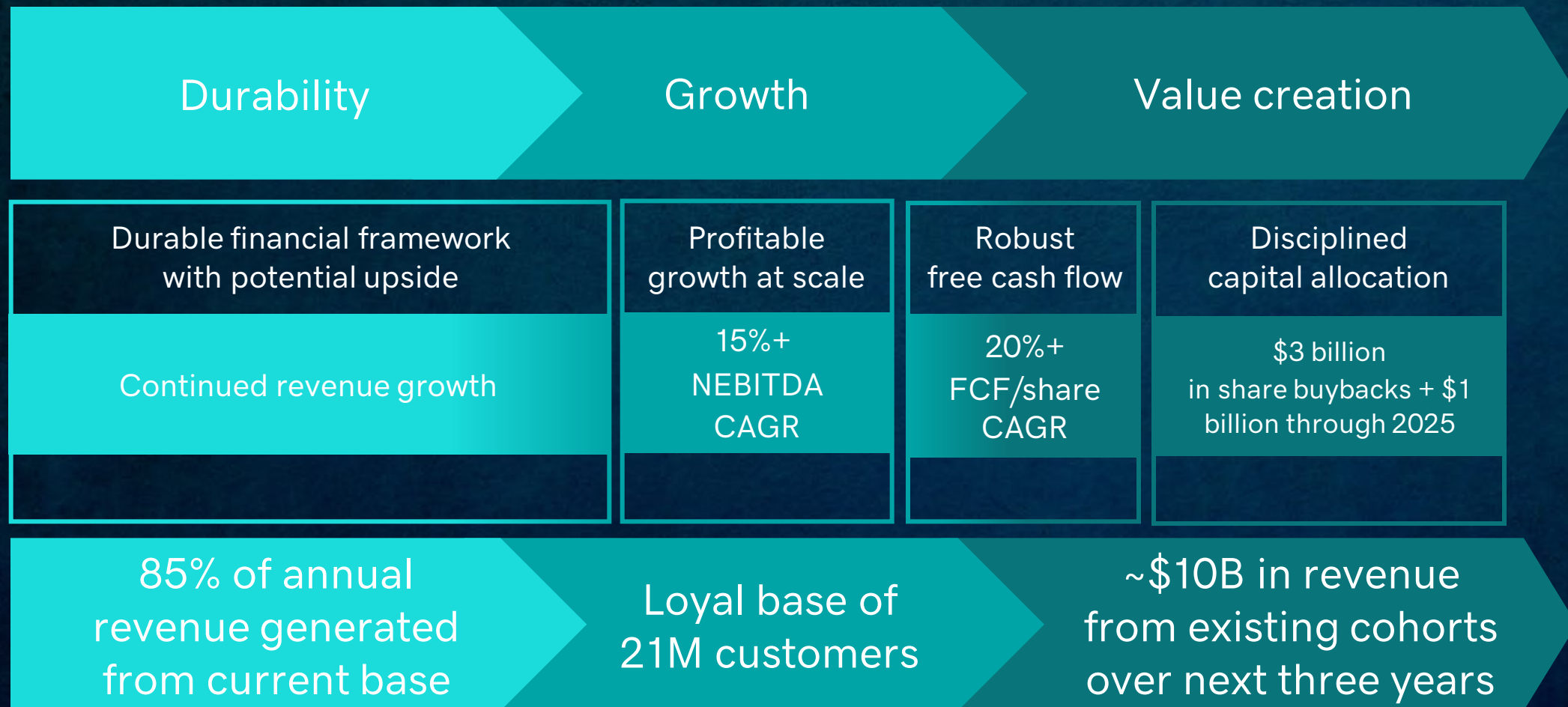
Hosting



Security



# GoDaddy investment thesis





Sofia Car  
Sofia Car Hair  
SOFIACARHAIR.COM



# Product excellence





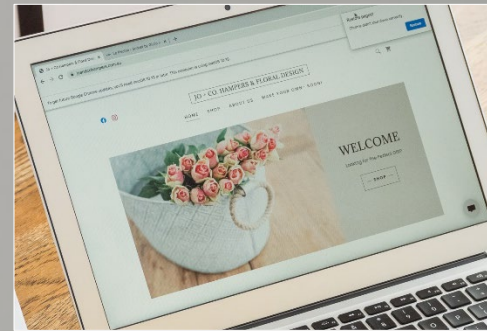
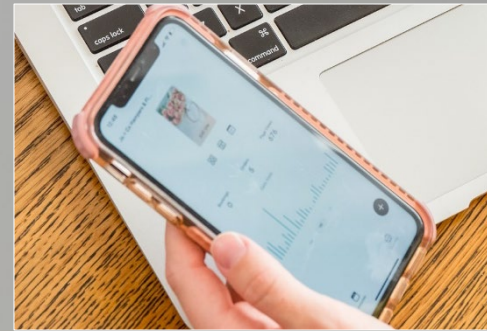
# Delivering a one-stop shop for small businesses



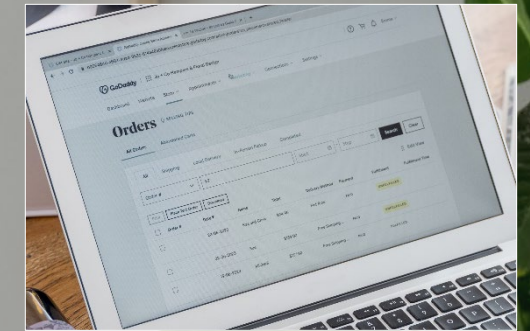
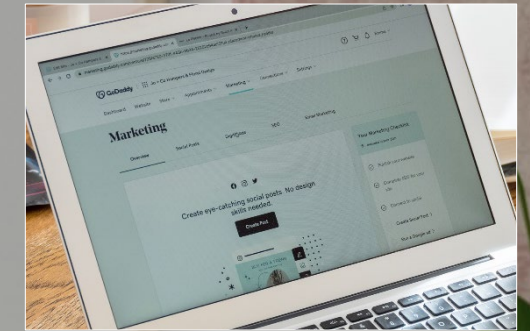
## Sell anything



## 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

- Launched GoDaddy Airo experience to drive increased product attach at the domain purchase
- Strong early momentum in Payable Domains adoption as well as user enhancements

## Driving commerce through presence

- Strong traction in commerce adoption with both new and existing customers, driving GPV growth
- Delivered multiple generative AI- powered tools within Websites + Marketing and Commerce solution

## Delivering for GoDaddy Pros

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

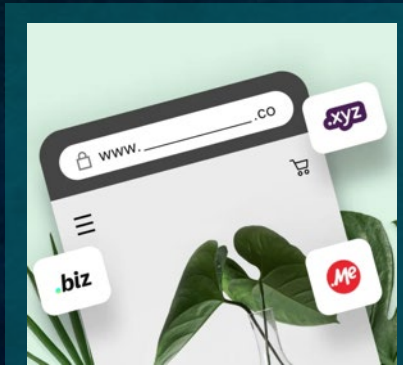


# GoDaddy Airo: Revolutionizing the domain with the power of AI

Every new domain purchase now includes a fully enabled, AI-generated website and personalized logo for your business. **Created automatically by GoDaddy's Airo**

**From**

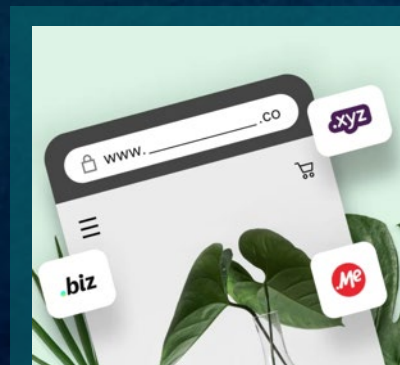
Purchasing a domain equals...



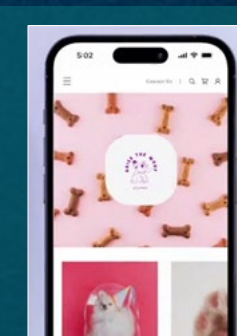
A Domain

**To**

Purchasing a domain equals...



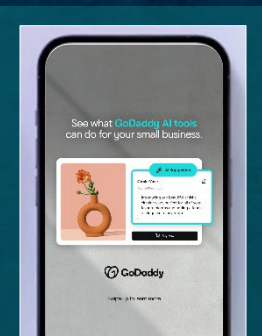
A Domain



Auto-generated Website



Auto-generated Logo



Social media branding + more

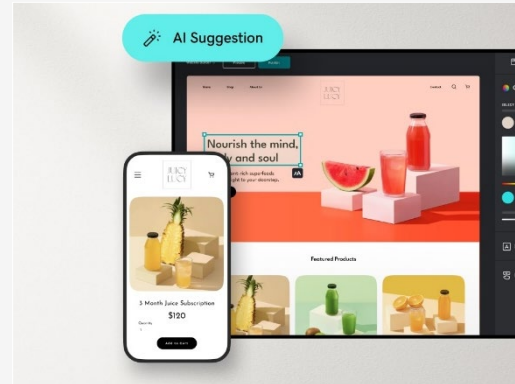


# Leveraging the power of generative AI

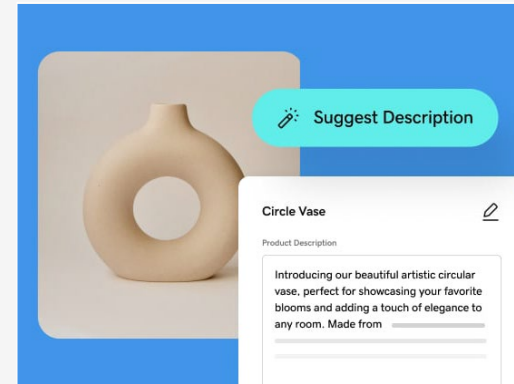
- Build a simple website with our website copy tool, which creates business and industry-specific content for your website in just minutes
- Generate custom product descriptions that inspire customers to buy more of what you sell
- Create social ads with pre-populated ad titles, descriptions and captions, as well as a suggested ad budget and duration
- Use the social calendar to track upcoming promo opportunities and create content based on your past posts and your industry
- Turn simple responses into natural-sounding long-form responses with customer conversations

# GoDaddy.ai

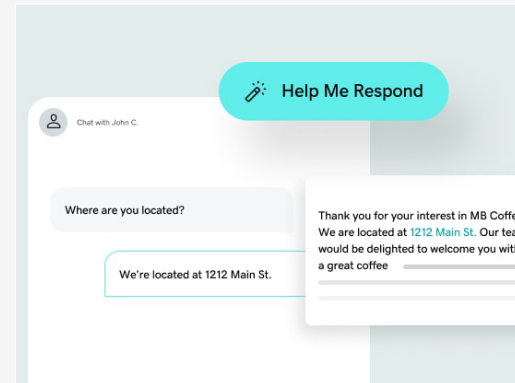
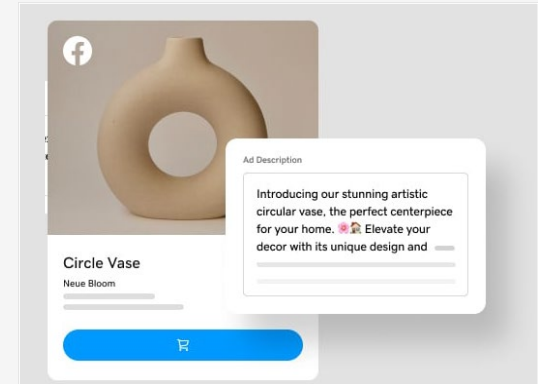
Website copy tool



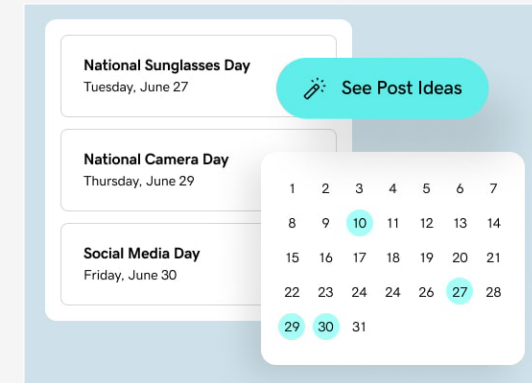
Product descriptions



Social ads



Customer conversations



Social calendar

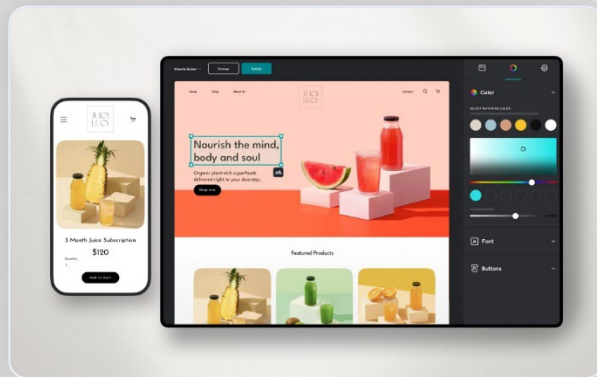


# Commerce Revenue Drivers

## GoDaddy Payments

2.3% + \$0.30 online

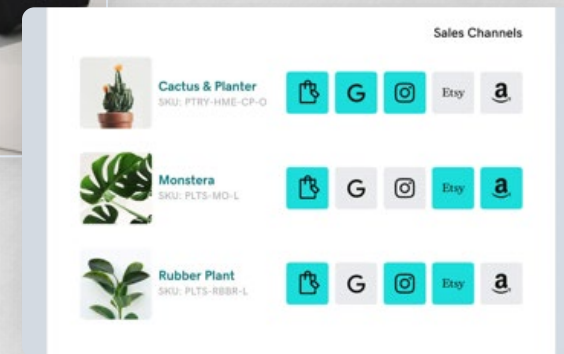
2.3% in store



Attach in Websites +  
Marketing &  
Managed WordPress



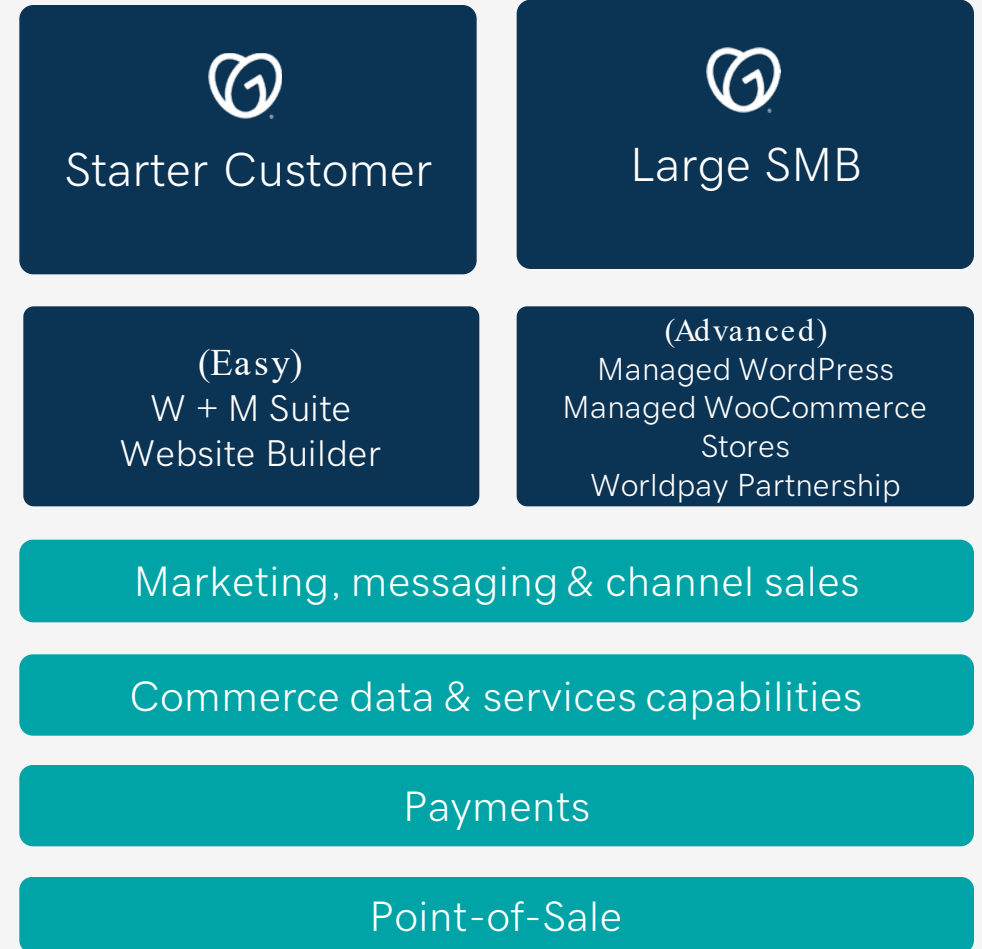
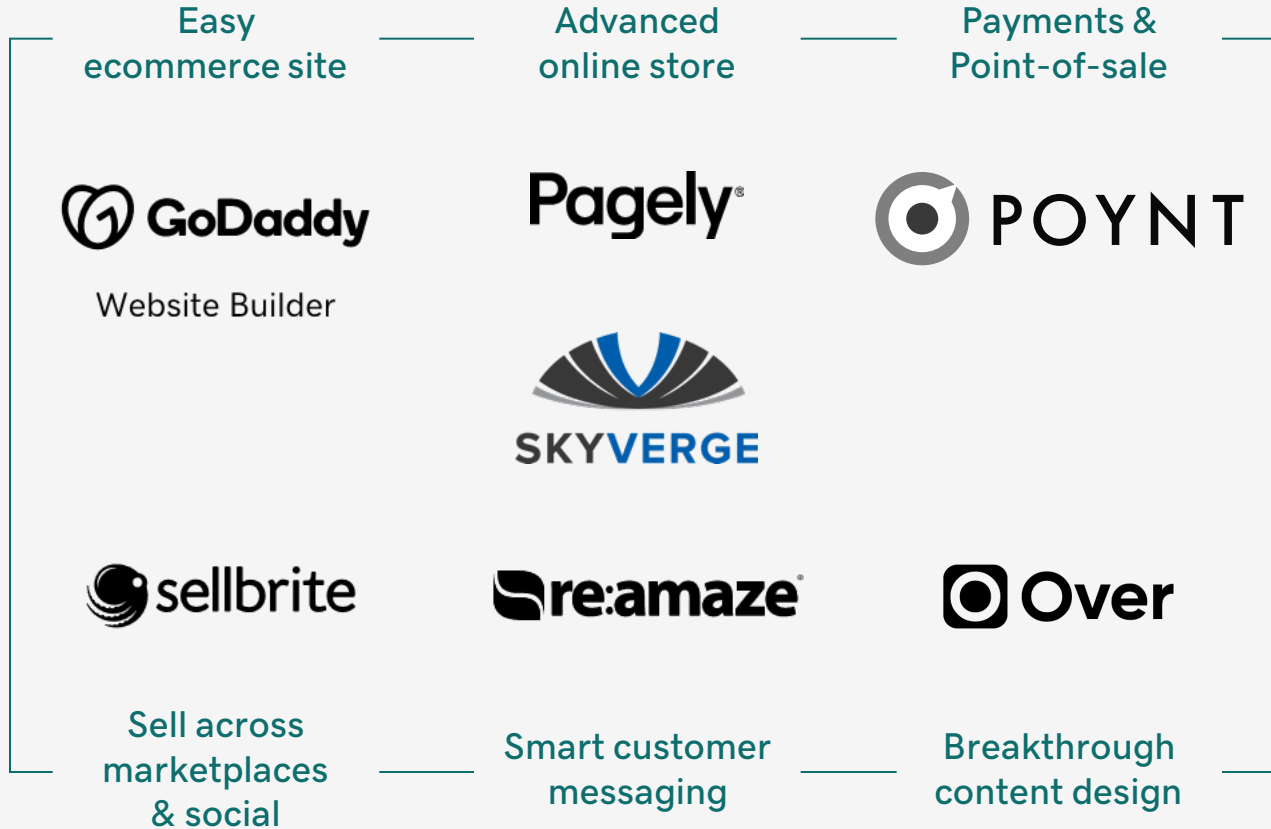
Hardware &  
Software Sales



Partnership & Reseller  
Agreements



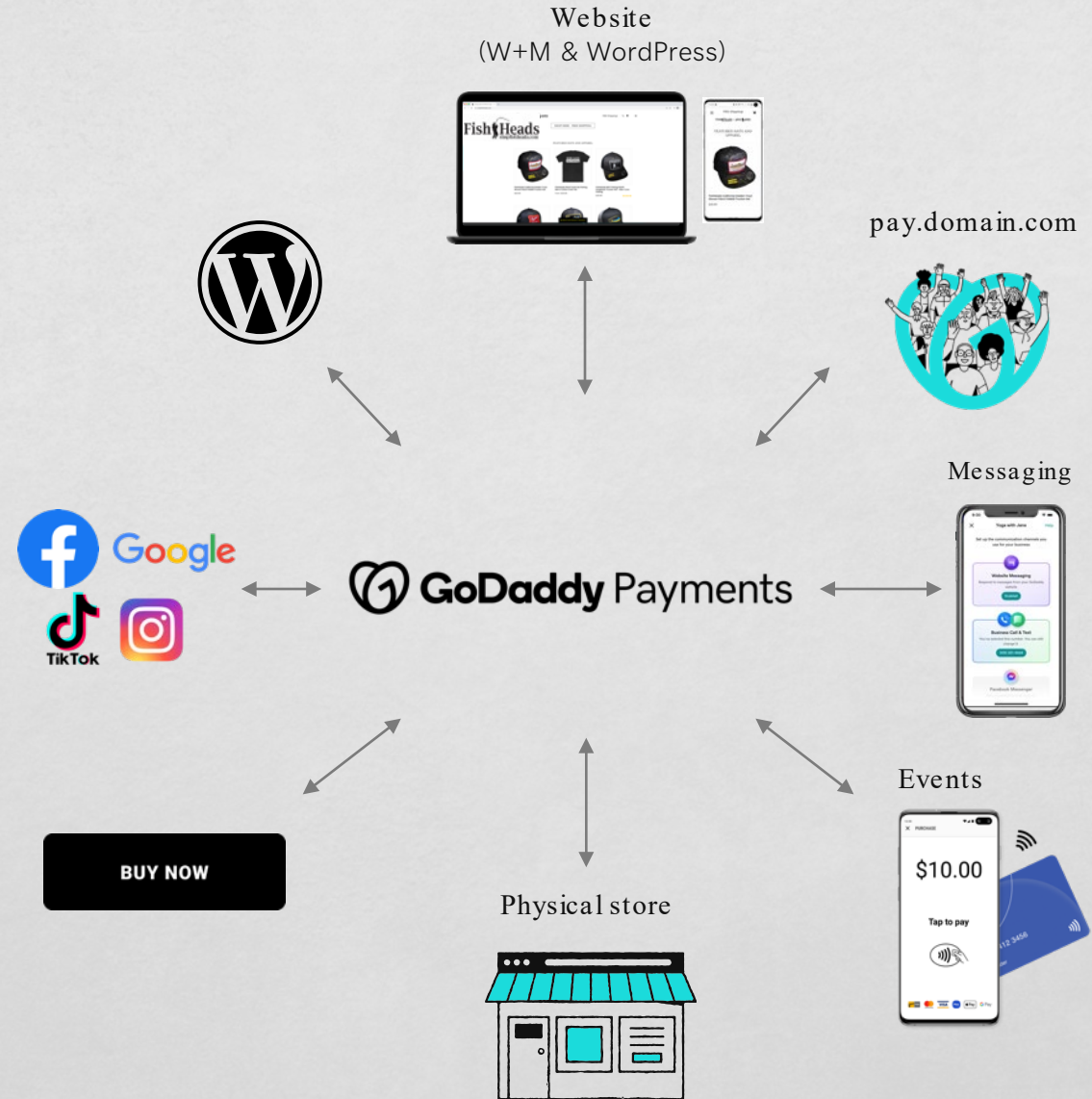
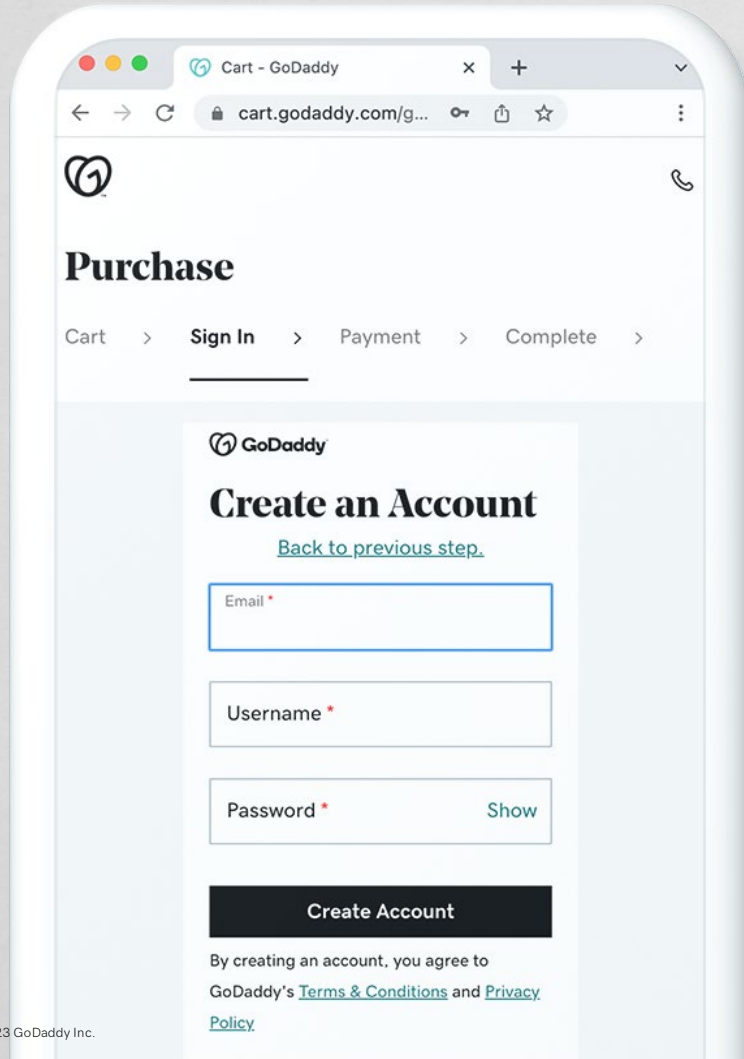
# Any channel, one solution





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

Planned international expansion of GoDaddy Payments







# The numbers



Karl Baluca  
BubbaLab  
BUBBALAB.COM



# Durable and profitable revenue model with loyal customer base

**42%**

Applications &  
Commerce segment  
EBITDA margin

**50%+**

Customers with  
two or more products

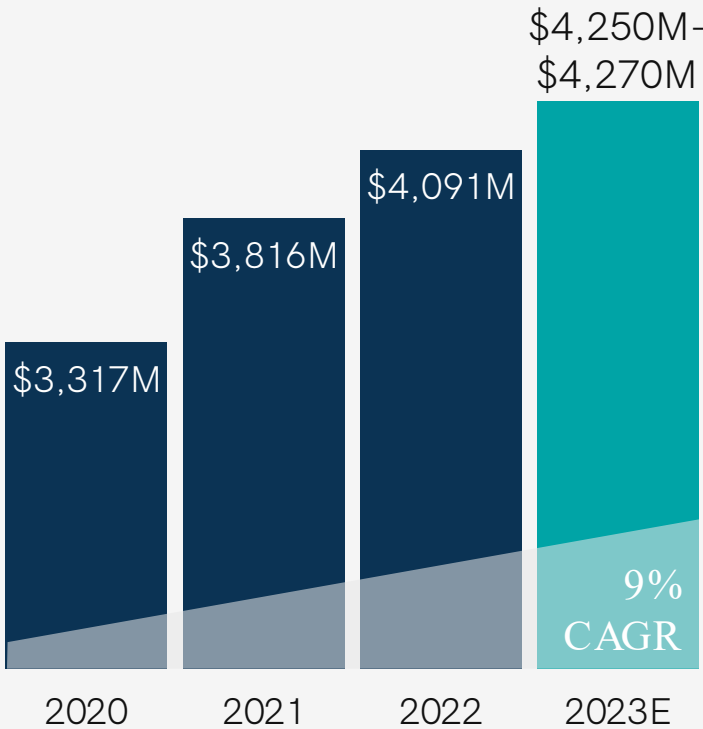
**~85%**

Customer  
retention  
rate

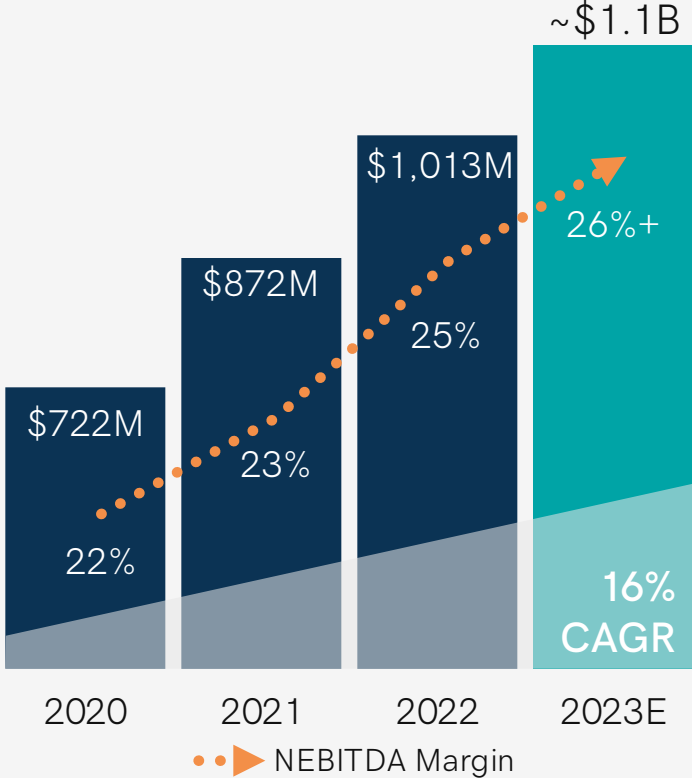


# GoDaddy investment thesis: 4 Year lookback

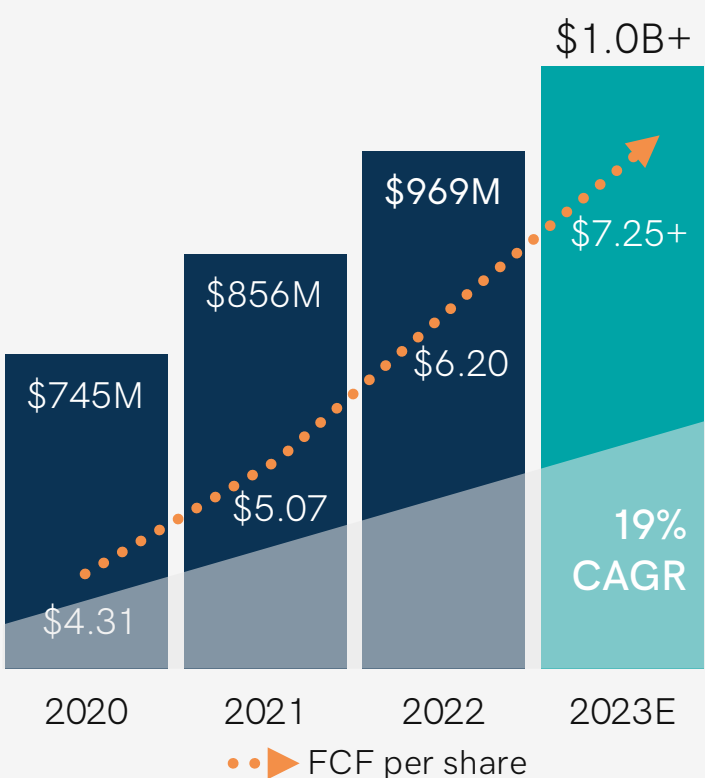
Sustainable revenue growth



Growing NEBITDA and expanding margins



Durable FCF growth





# Accelerating profitability and strong cash flow generation during Q3

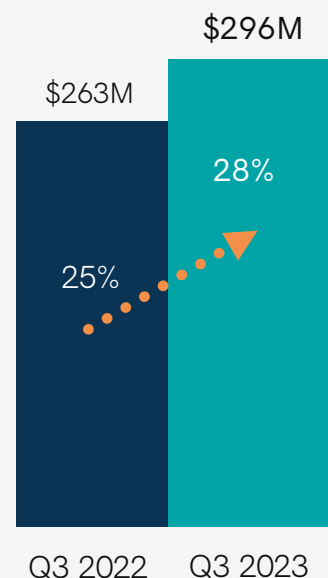
Bookings  
5% increase  
4% constant  
currency



Revenue  
4% increase  
4% constant currency



Normalized EBITDA  
(NEBITDA)  
13% increase



Unlevered Free  
Cash Flow (uFCF)  
8% increase



Free Cash Flow  
(FCF)  
14% per share  
increase



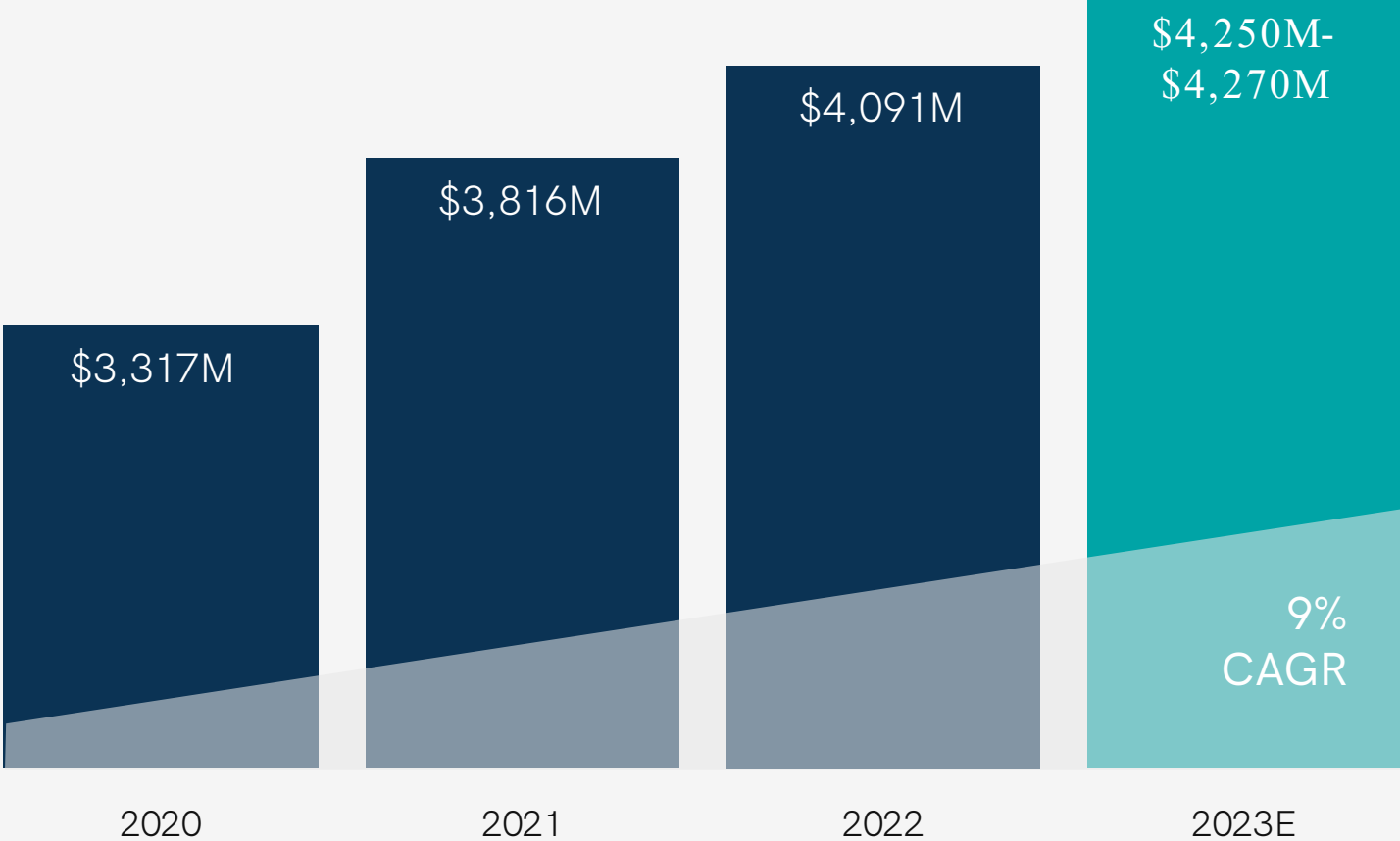
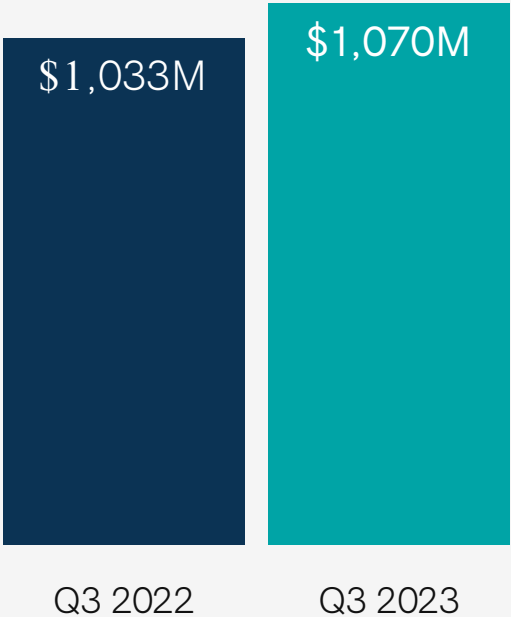
●●▶ NEBITDA Margin

●●▶ TTM FCF per share



# Durable track record of revenue growth over time

4% increase  
4% constant currency

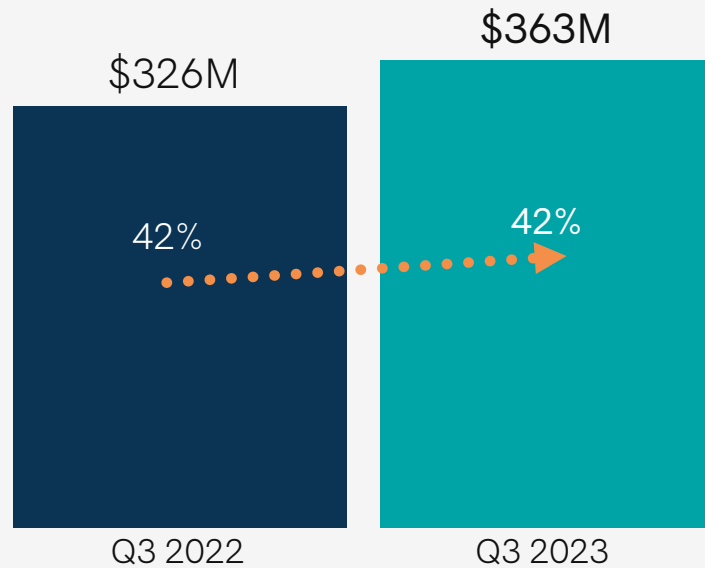


Represents revenue CAGR.

# 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



●▶ Segment EBITDA Margin

Create + Grow | Productivity Applications | Commerce

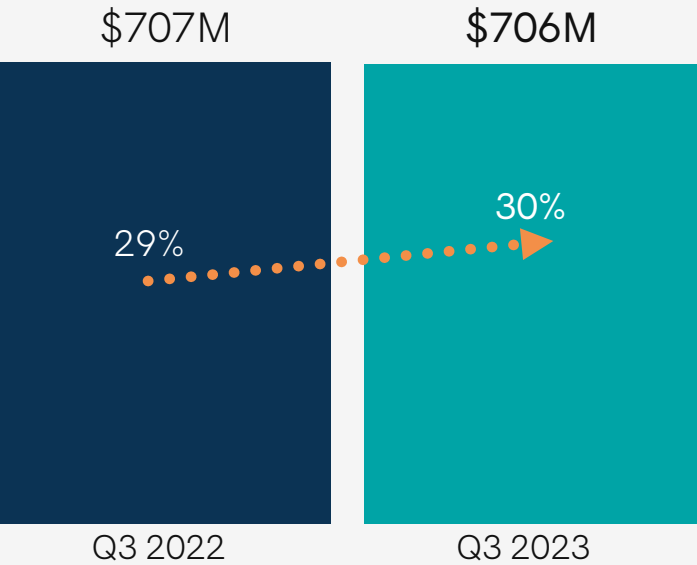
Growth levers	Metrics
Product attach	Customers with 2+ products
International expansion	International revenue
Bundling/pricing	Average revenue per user (ARPU)
Subscriptions	Annualized recurring revenue (ARR)
GPV	Gross payment volume (GPV)
Renewals	Retention rate
Margin expansion	Segment EBITDA margin



# Core platform delivers consistent stable base

Comparative growth impacted by divestitures of two of our hosting brands

Q3 2023 revenue  
 ~Flat | ~90 bps of segment EBITDA margin improvement



●▶ Segment EBITDA Margin

Domains | Aftermarket | Hosting | Security

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

# Strong ARR & GPV growth signal higher customer lifetime value

	Applications & commerce	Core platform
ARR	\$1.4B (+11% Y/Y)	\$2.3B (~Flat Y/Y)
Create & grow ARR	\$478M (+9% Y/Y)	N/A
GPV	On pace to more than double last year's exit rate of ~\$760M by year end	N/A

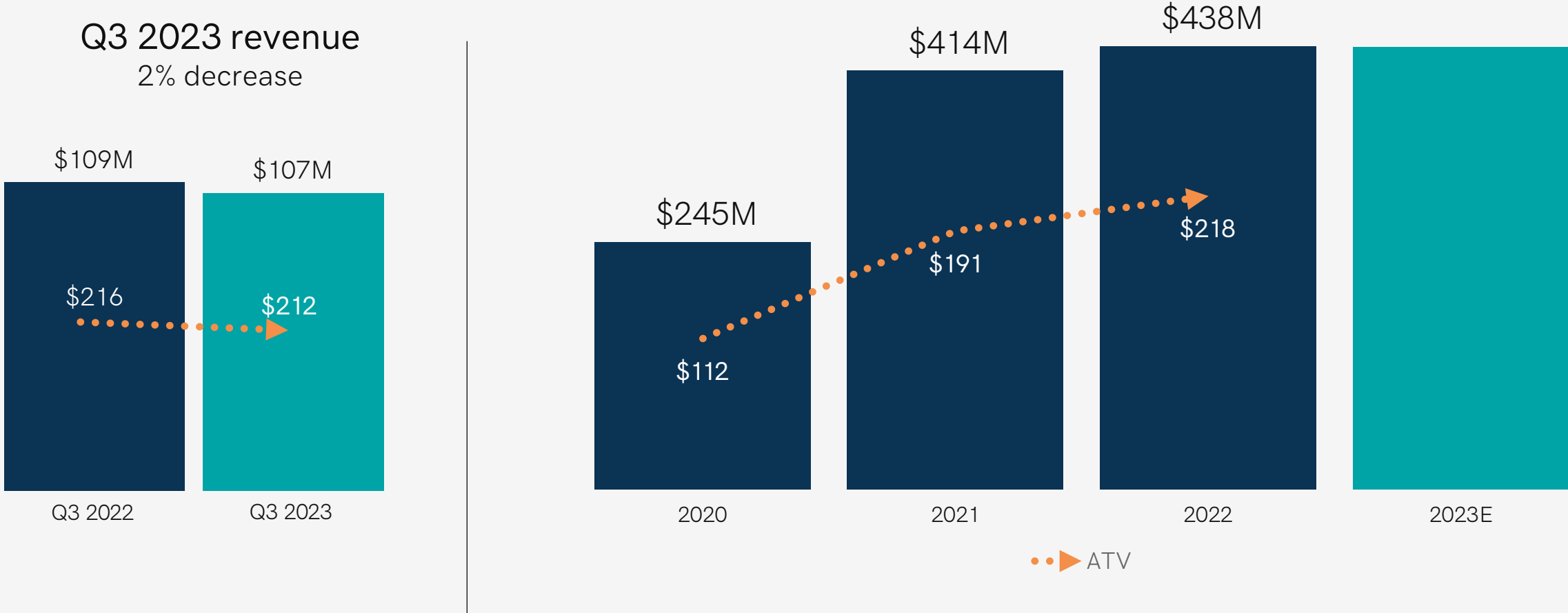


Annualized recurring revenue (ARR) and gross payments volume (GPV) are as of September 30, 2023. Create & Grow ARR includes ARR from Websites + Marketing (W+M) and Managed WordPress (MWP), as well as integrated products such as GoDaddy Studio and Sellbrite. Create & Grow ARR also includes ARR from one domain per W+M or MWP subscription, excluding contributions from additional domains owned by these customers.



# Maturing aftermarket revenue

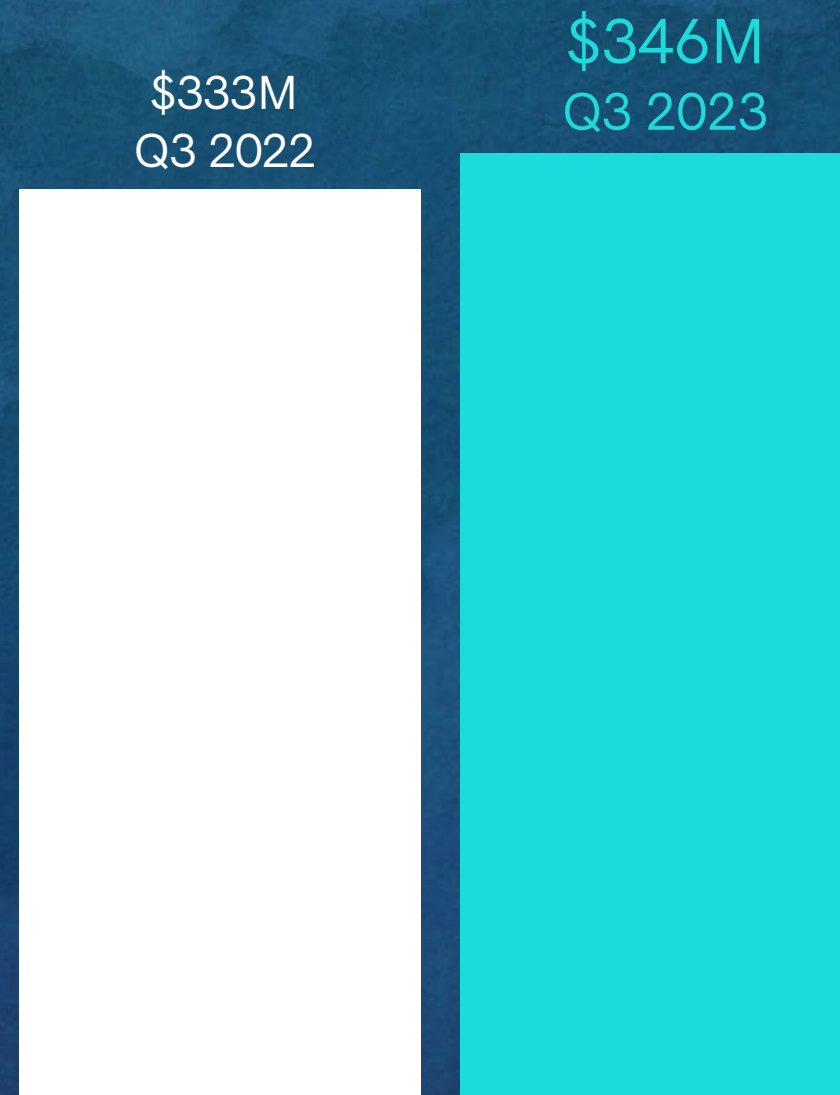
Transactional business subject to global macro-economic conditions



Bars without numbers are intended to be illustrative

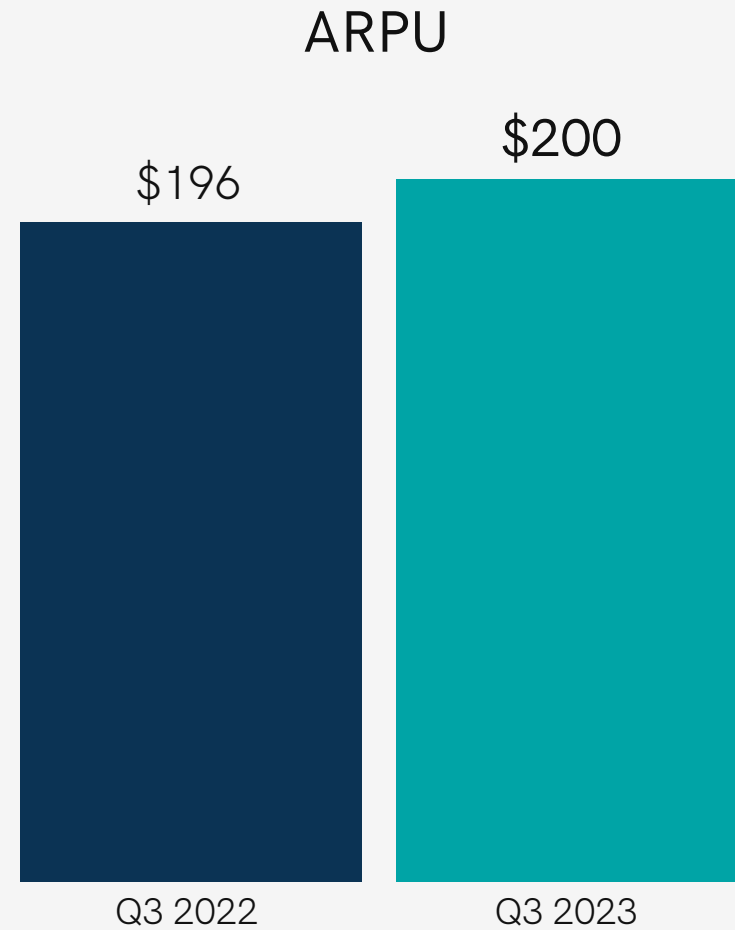
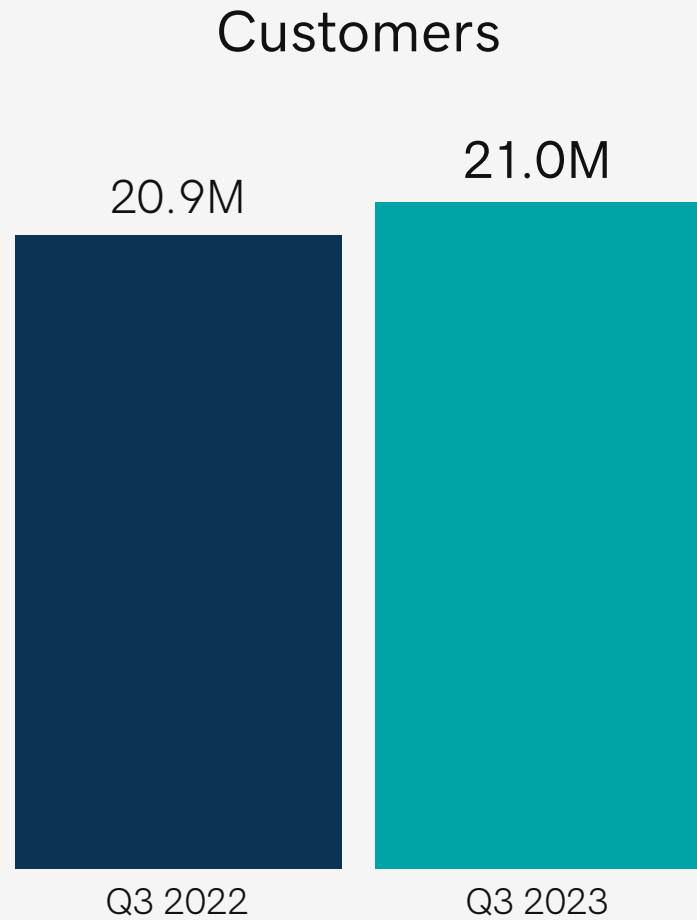
# Continuing to expand our global footprint

Q3 2023 International revenue  
4% increase | 5% constant currency



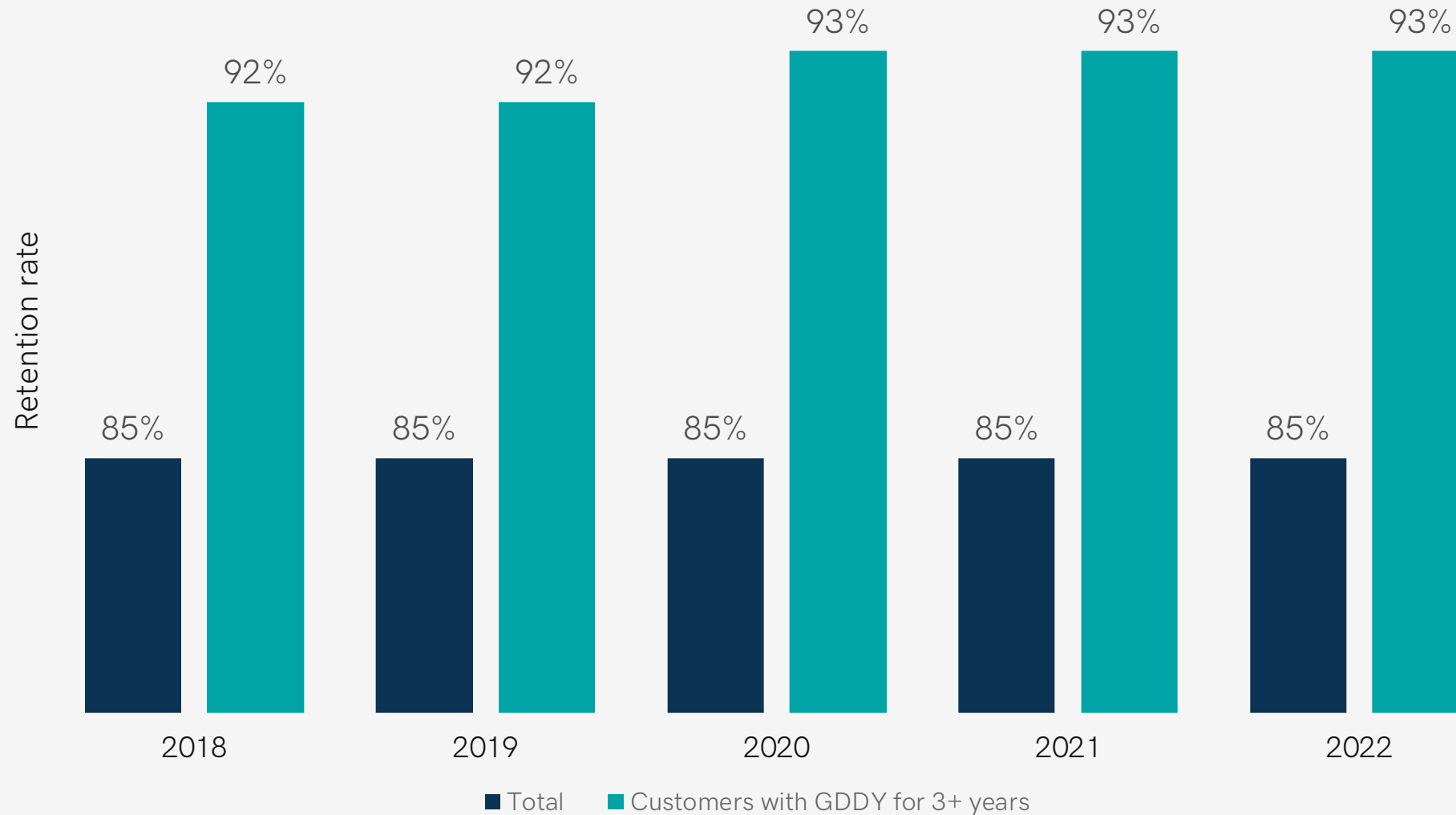


# A growing loyal customer base that is spending more with us



# Consistent cohort retention

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

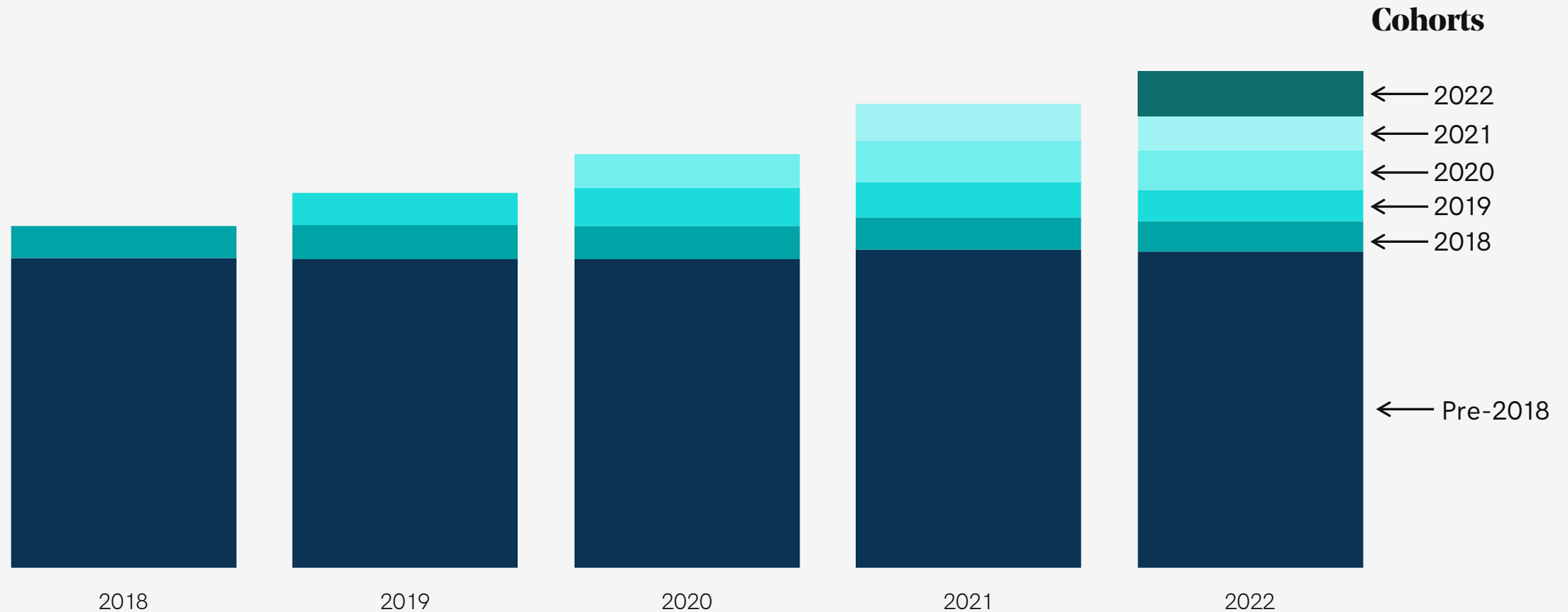


As of December 31, 2022



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

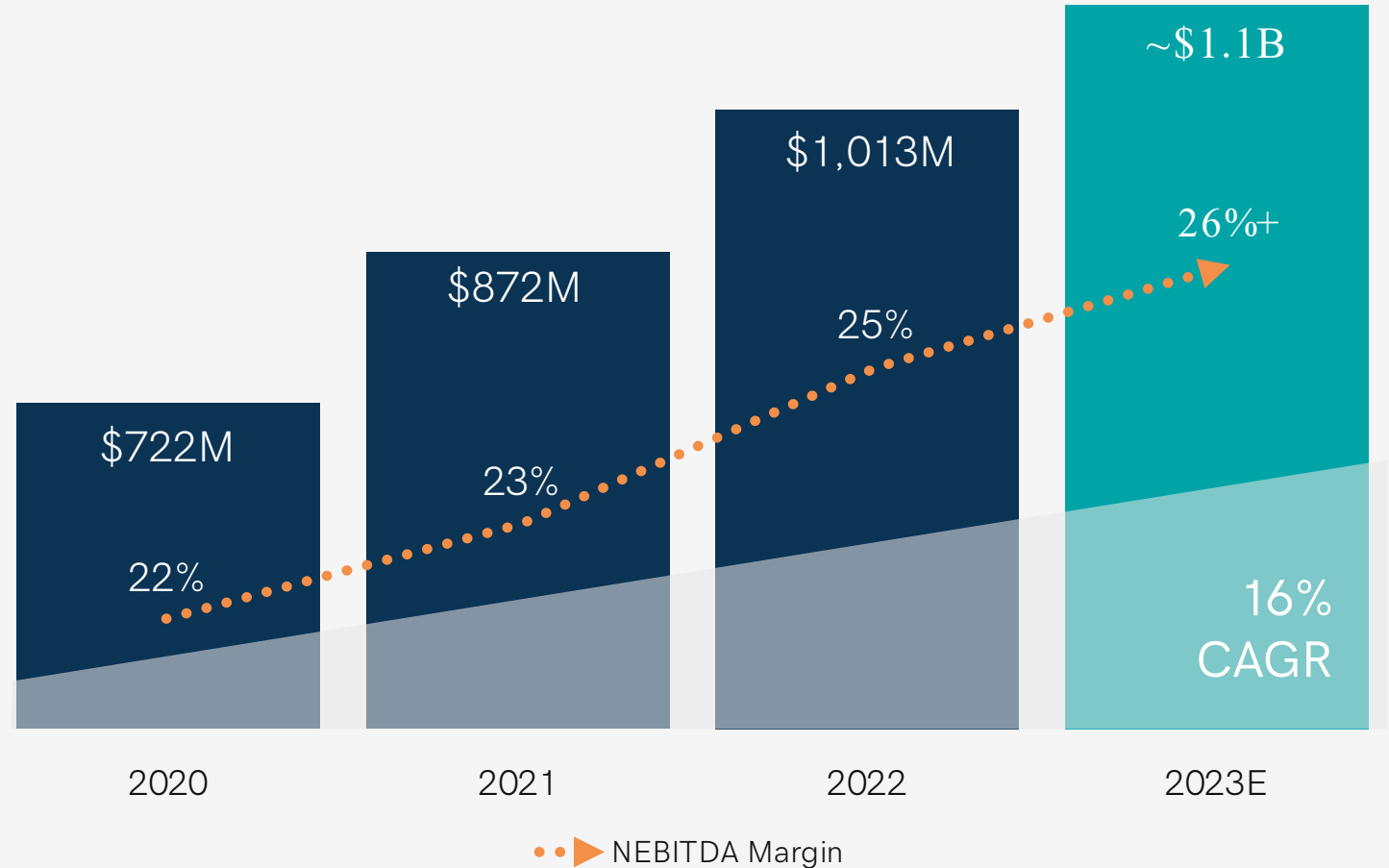
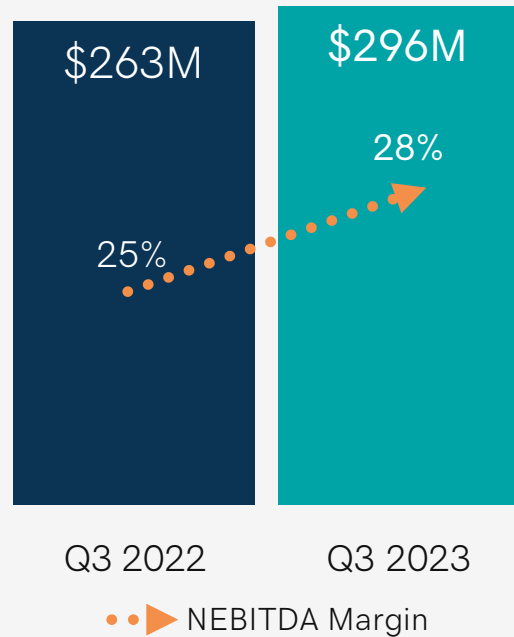
85% of total revenue generated from customers in our base



As of December 31, 2022

# Accelerating margin expansion to improve profitability

Targeting Q4 2024 exit rate NEBITDA margin of ~31%



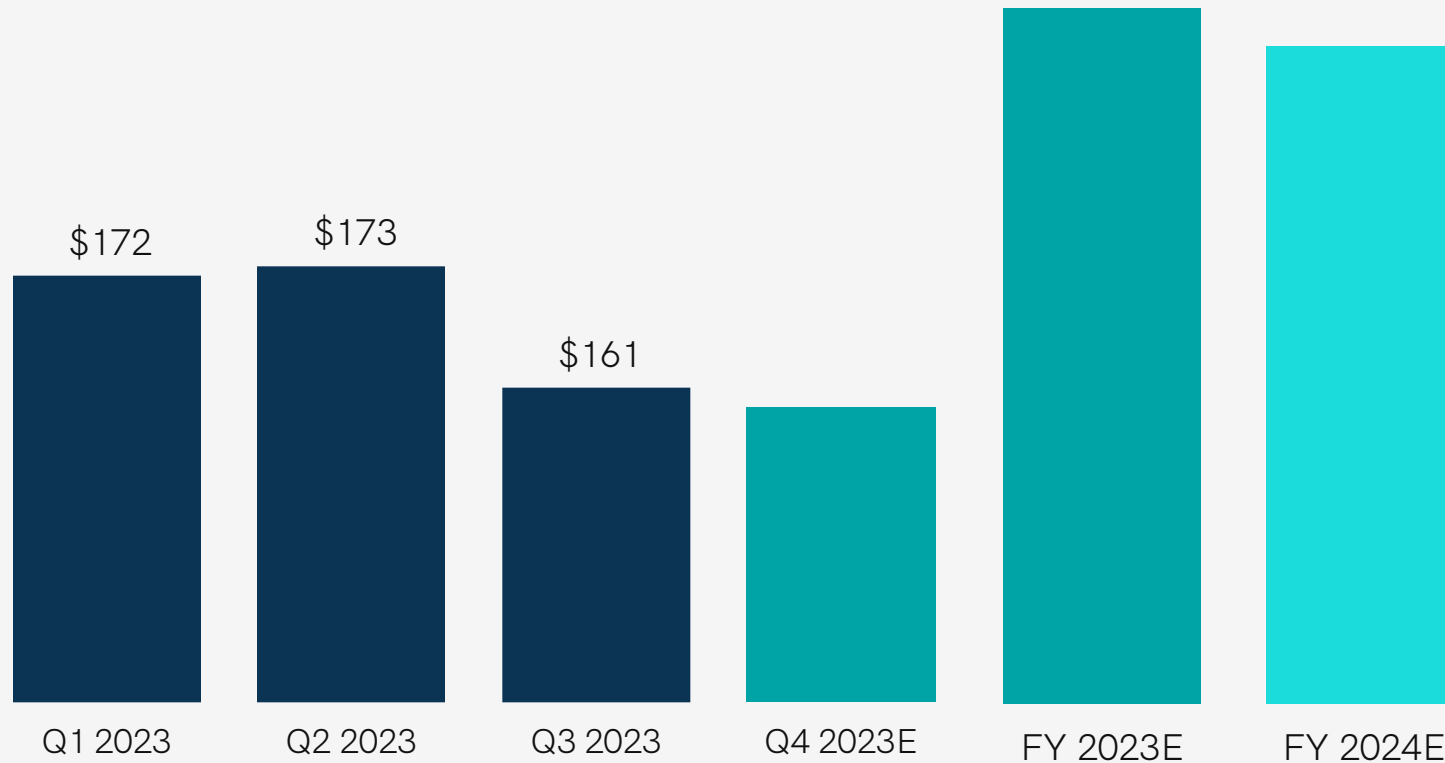
Represents Normalized EBITDA CAGR.



# 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

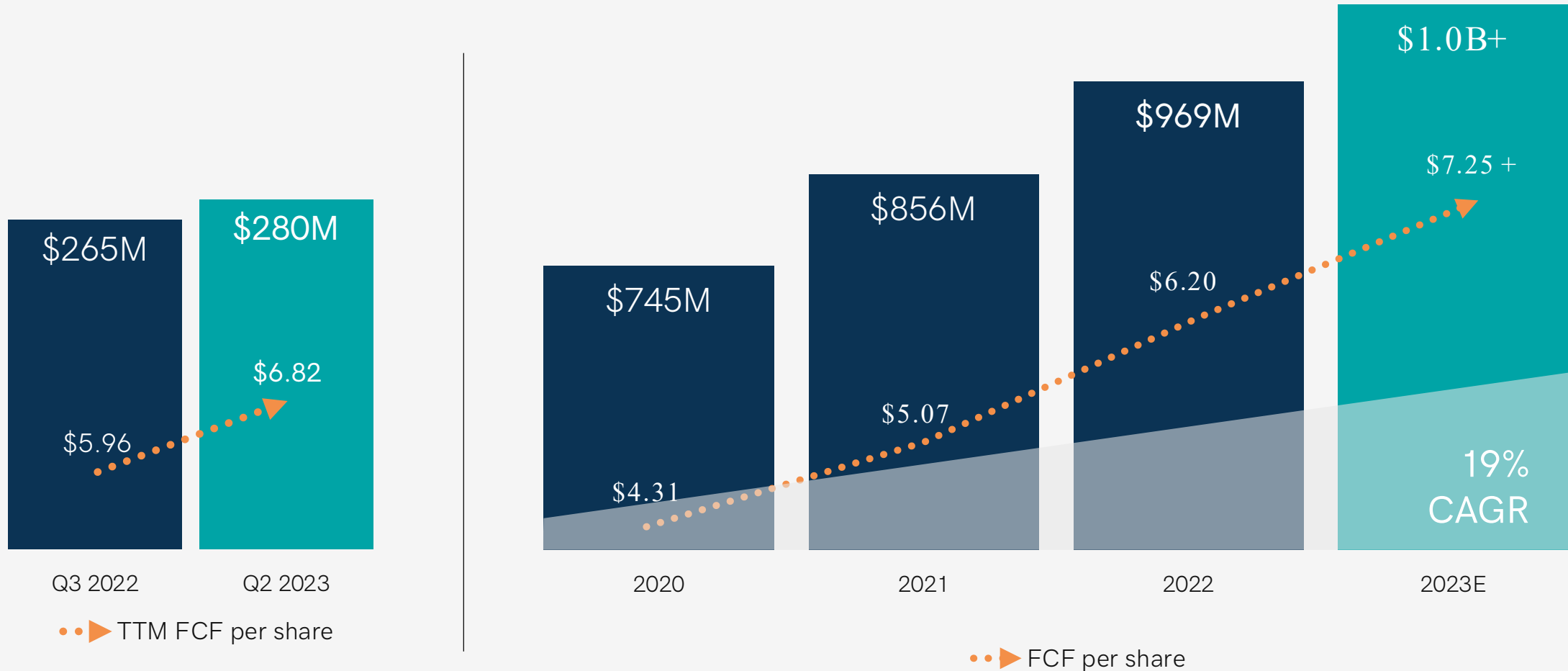


Bars without numbers are intended to be illustrative

### 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



Represents free cash flow per share CAGR.



# Strong balance sheet and ample liquidity

Total liquidity of \$1.3 billion

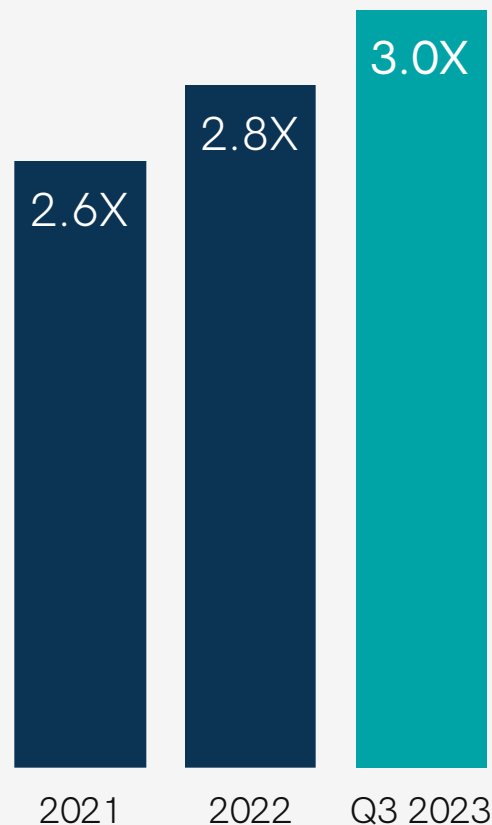
- \$329M in cash and cash equivalents
- \$1.0B undrawn revolver

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

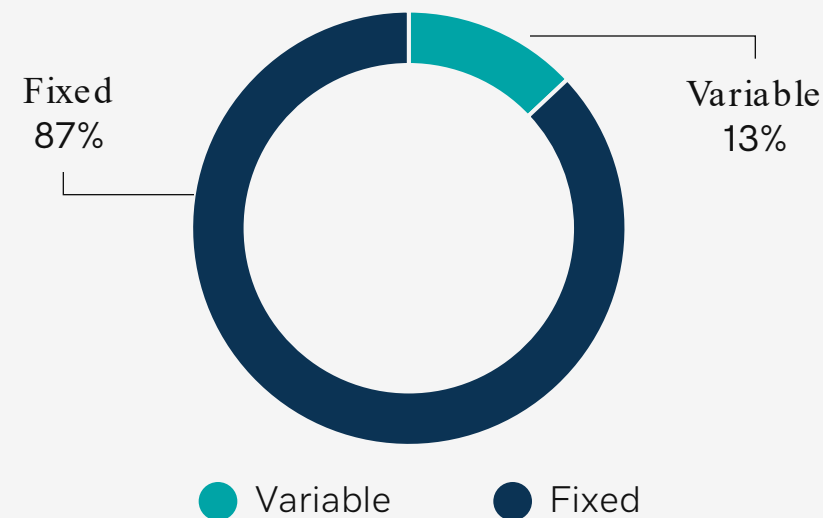
\$3.6B in net debt; net leverage 3.0x

Committed to maintaining leverage ratio of 2x-4x

## Leverage ratio



## Interest rate exposure



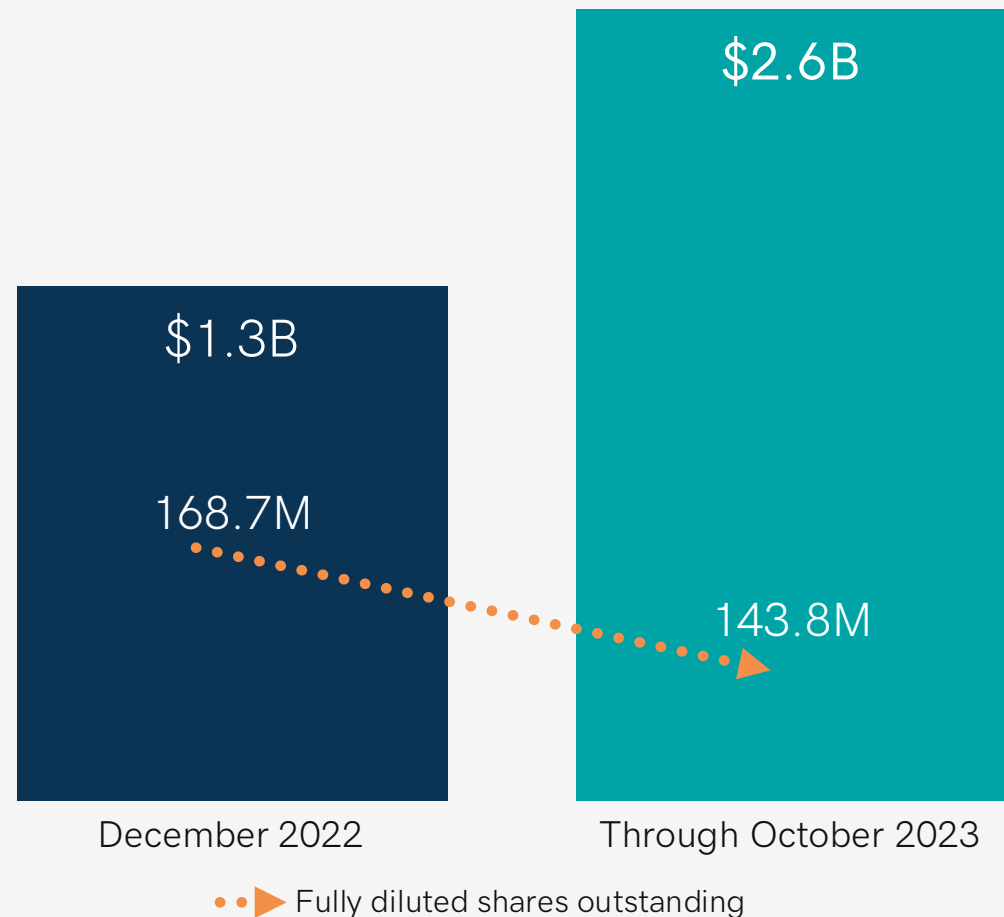
Term loan	Maturity
\$726M	2027
\$1.8B	2029
Unsecured notes	Maturity
\$600M	2027
\$800M	2029

# 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





Ben Barnett  
 Barnett Building  
 BARNETTBUILDING.COM.AU



# Outlook

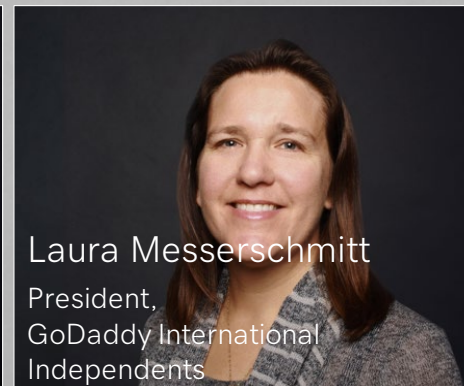
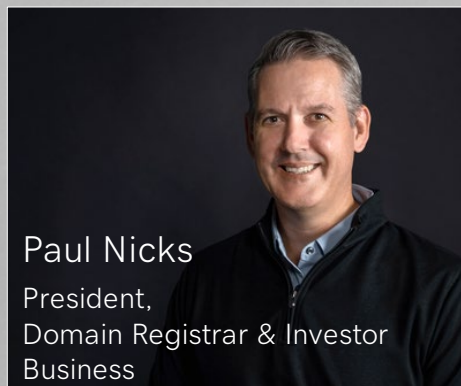
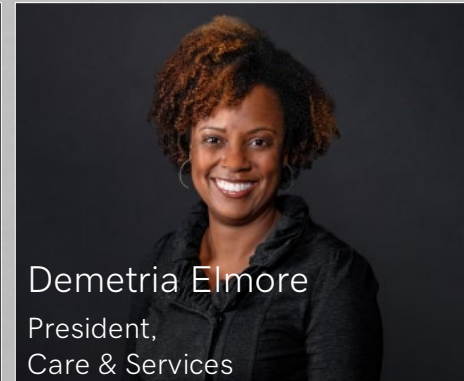
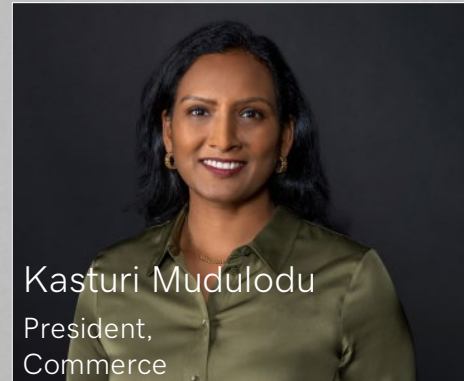
	Q4 2023	2023
Revenue	\$1.095B - \$1.115B	\$4.250B - \$4.270B
Segment growth rates		
Applications & commerce	~13%	~12%
Core platform	2%-3%	Flat - 1%
NEBITDA margin	~29%	26%+
Unlevered free cash flow		\$1.2B+
Free cash flow		\$1.0B+
Share repurchase target		\$1.0B

As of November 2, 2023





# Our leadership team







# Appendix



BE CONTENT TO PROGRESS  
IN SLOW STEPS  
UNTIL YOU HAVE LEGS  
TO RUN & WINGS  
WITH WHICH  
TO FLY  
#ANHAOWELLNESS

Estelle Neve  
Anhao Wellness  
ANHAO-WELLNESS.COM





# 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 <sup>1</sup>	(1.0)	8.9
Restructuring and other <sup>2</sup>	12.5	10.6
Provision (benefit) for income taxes	(3.1)	(2.8)
<b>Total NEBITDA</b>	<b>\$296.0</b>	<b>\$262.7</b>
<b>Net income margin</b>	<b>12.2%</b>	<b>9.6%</b>
<b>NEBITDA margin</b>	<b>27.7%</b>	<b>25.4%</b>

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

<sup>2</sup> 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 <sup>1</sup>	36.8	8.0	27.4
Provision for income taxes & TRA adjustments	673.4	10.8	3.6
<b>Total NEBITDA</b>	<b>722.2</b>	<b>\$872.2</b>	<b>\$1,013.0</b>
Net income margin	(14.9)%	6.4%	8.6%
NEBITDA margin	21.8%	22.9%	24.8%

<sup>1</sup> 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 <sup>1</sup>	6.7	2.8
<b>Free cash flow</b>	<b>\$280.2</b>	<b>\$265.5</b>
Cash paid for interest on long-term debt	39.9	31.1
<b>Unlevered free cash flow</b>	<b>\$320.1</b>	<b>\$296.6</b>

<sup>1</sup> 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 <sup>1</sup>	27.4	64.9	37.9
Cash paid for restructuring charges <sup>2</sup>	19.4	12.7	10.7
<b>Free cash flow</b>	<b>\$744.9</b>	<b>\$855.8</b>	<b>\$968.6</b>

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

<sup>2</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)

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**

**\$3,882.4**

Less: cash & cash equivalents

(329.2)

**Net debt**

**\$3,553.2**



# Reconciliation: Constant currency

## Reconciliation (\$M)

Bookings

\$1,138.9

Constant currency adjustment

(5.0)

Constant currency bookings

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\$1,133.9

Revenue

\$1,069.7

Constant currency adjustment

2.4

Constant currency revenue

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\$1,072.1

September 30, 2023

# 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.