



Q2 2024 Earnings Results

August 1, 2024

Cherilyn Yazzie
Coffee Pot Farms
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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: our business outlook; launches of new or expansion of existing products or services, including GoDaddy Airo™, 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, partnerships and partner integrations and marketing strategy; future financial results; our ability to integrate acquisitions and achieve desired synergies and vertical integration; the expected impacts of our restructuring efforts and our debt repricing; our forecasted levels of future taxable income and ability to realize our deferred tax assets; and assumptions underlying any of the foregoing.

Actual results could differ materially from our current expectations as a result of many factors, including, but not limited to: the unpredictable nature of our rapidly evolving market; fluctuations in our financial and operating results; our rate of growth; interruptions or delays in our service or our web hosting; our dependence on payment card networks and acquiring processors; breaches of our security measures; the impact of any previous or future acquisitions or divestitures; our ability to continue to release, and gain customer acceptance of, our existing and future products and services; our ability to deploy new and evolving technologies, such as artificial intelligence, machine learning, data analytics and similar tools, in our offerings; 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; impacts of our restructuring efforts and debt repricing; macroeconomic conditions and developments in the economy, financial markets and credit markets; continued escalation of geopolitical tensions; the level of interest rates and inflationary pressures; execution of share repurchases; and our ability to remediate the identified material weakness in our internal control over financial reporting and to maintain effective internal control over financial reporting.

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 March 31, 2024 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, 2023 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, which are available on GoDaddy's website at <https://investors.godaddy.net> and on the SEC's website at www.sec.gov. Additional information will also be set forth in 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 and business metrics. We believe that these non-GAAP financial measures and other operating and business metrics are useful as a supplement in evaluating our ongoing operational performance and enhancing an overall understanding of our past financial performance. The non-GAAP financial measures included in this presentation should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition, similarly titled measures may be calculated differently by other companies and may not be comparable. A reconciliation between each non-GAAP financial measure and its nearest GAAP equivalent is included at the end of this presentation. We use both GAAP and non-GAAP measures to evaluate and manage our operations. GoDaddy does not provide reconciliations from non-GAAP guidance to GAAP equivalents, because projections of changes in individual balance sheet amounts are not possible without unreasonable effort, and presentation of such reconciliations would imply an inappropriate degree of precision.

Our vision

Radically shift the global economy toward life-fulfilling entrepreneurial ventures.

Our mission

Empower entrepreneurs everywhere, making opportunity more inclusive for all.

Our strategy

Everyday entrepreneurs trust their ideas with us. We guide them to build their business digitally. Our global solutions seamlessly connect their identity and presence with commerce, leading to profitable growth.



Cherilyn Yazzie
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Q2 progression towards GoDaddy's North Star

35%

Free cash flow
growth

24%

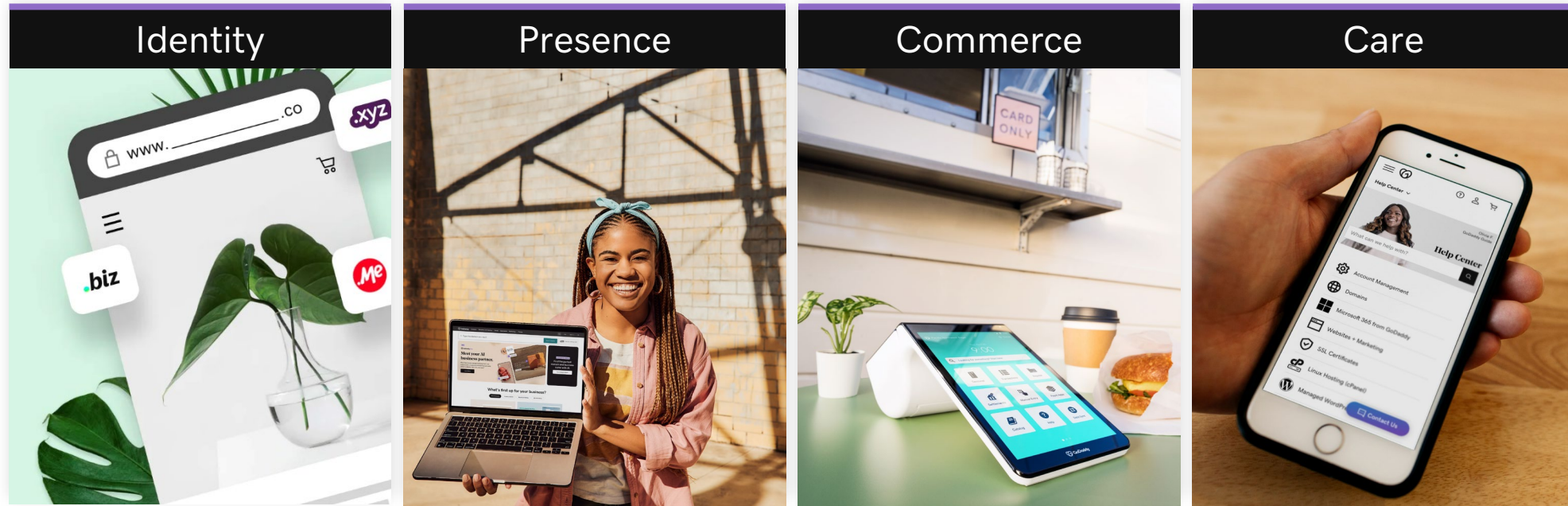
A&C bookings
growth

400 bps+

Normalized
EBITDA margin
expansion

Deploying the power of the GoDaddy software platform throughout our ecosystem

Fast-tracking our customers' journey from product **discovery** to **engagement** to **monetization**
Increased bundling opportunities | Increased product attach



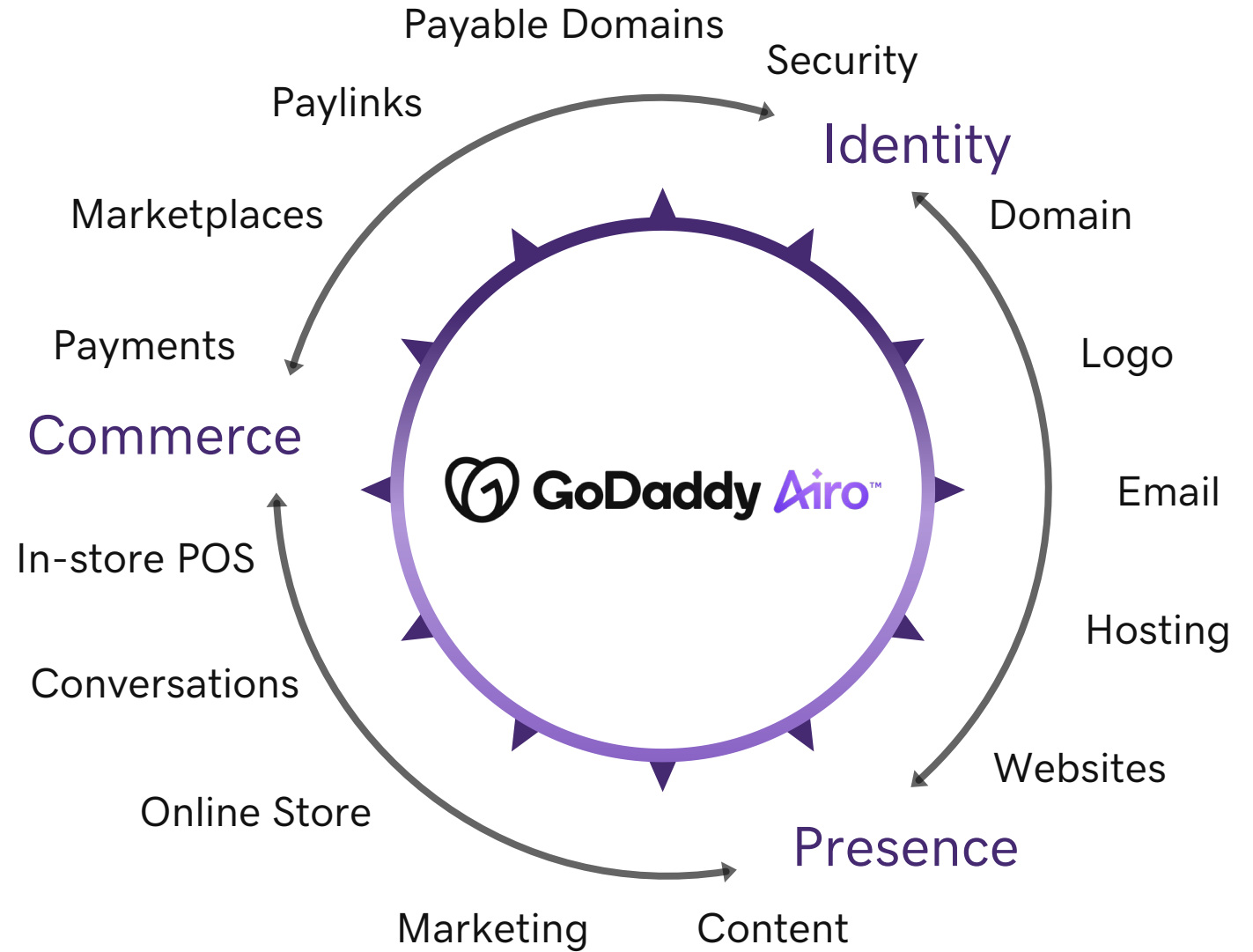
GoDaddy Airo

Over 1 million new customers have discovered Airo; over 500K engaged in the experience since launch

Rolled out to all new and existing customers in our English-speaking markets

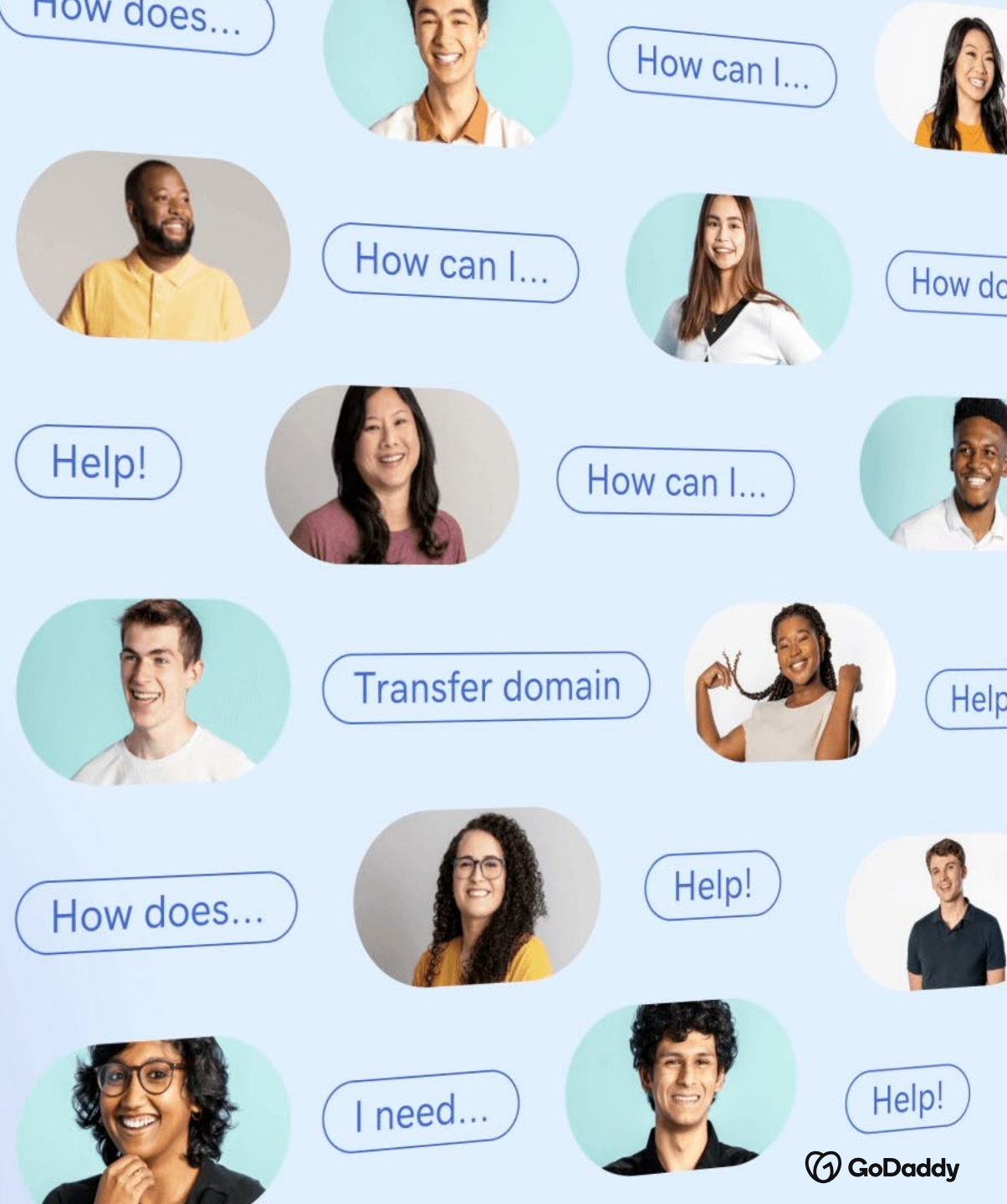
Poised to launch in over 90 additional countries

Named best AI website builder for small businesses



Guide Assist Bot

Our long-standing **best-in-class**
Care & Services model
boosted by **GABI**



Key initiatives: growth & margin drivers

Q2 2024 highlights

Pricing & bundling

- Contributed significantly to 24% Applications & Commerce bookings growth and margin expansion
- Leveraged data, machine learning and experimentation across our product suite

Seamless experience

- Removed friction in purchase and renewal paths across multiple products
- Expanded AI generated content into Managed WordPress
- Continued platform simplification

Commerce

- Launched two new SaaS plans offering premium features and discounted fees:
 - Point-Of-Sale
 - Invoicing Plus
- Continued strong growth in annualized Gross Payments Volume

GoDaddy investment thesis

Delivering long-term shareholder value

Sustaining strong growth in our
Applications & Commerce segment

Driving margin expansion with our
seamless technology platform

Delivering compounding free cash flow

Executing a disciplined capital allocation
framework

Samantha Chua
Hands on Klay
HANDSONKLAY.COM

Q2 progression towards GoDaddy's North Star

\$323M free cash flow

145M fully diluted shares outstanding

15%

A&C revenue growth

29%

Normalized EBITDA margin



Key strategic focus

Enhancing our pricing & bundling capabilities

Removing friction through seamless experiences

Driving better attach, conversion, and retention

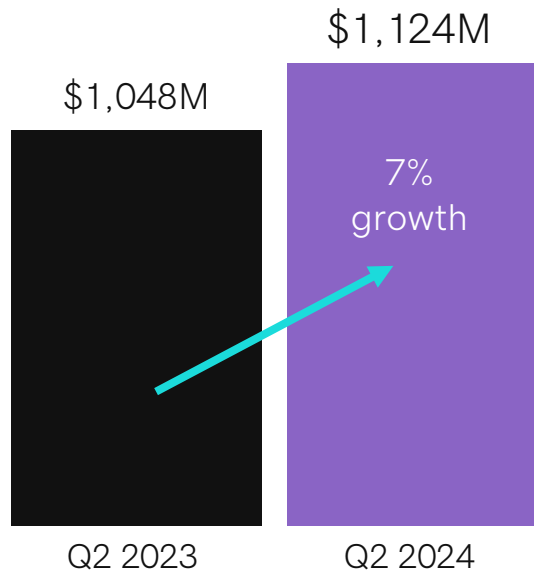
Q2 2024 revenue

7% revenue growth with 250 bps mix shift trending towards increasing A&C revenue

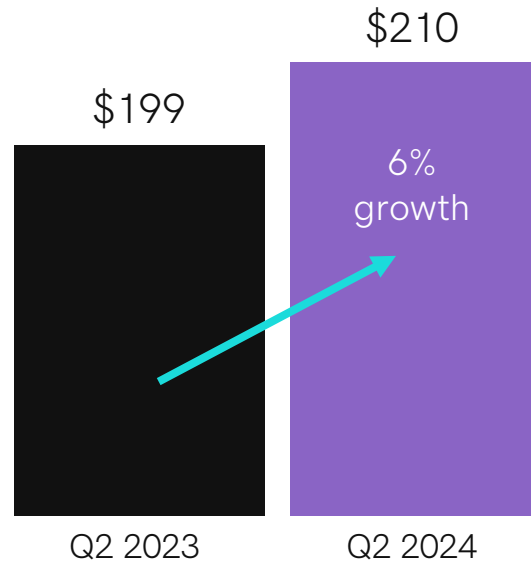


Q2 2024 financial results

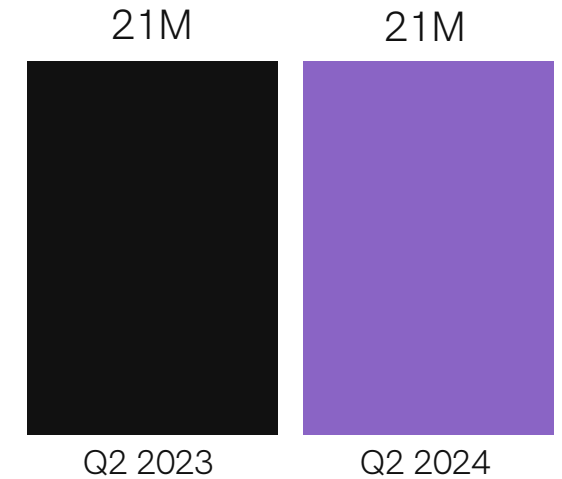
Revenue



ARPU



Customers

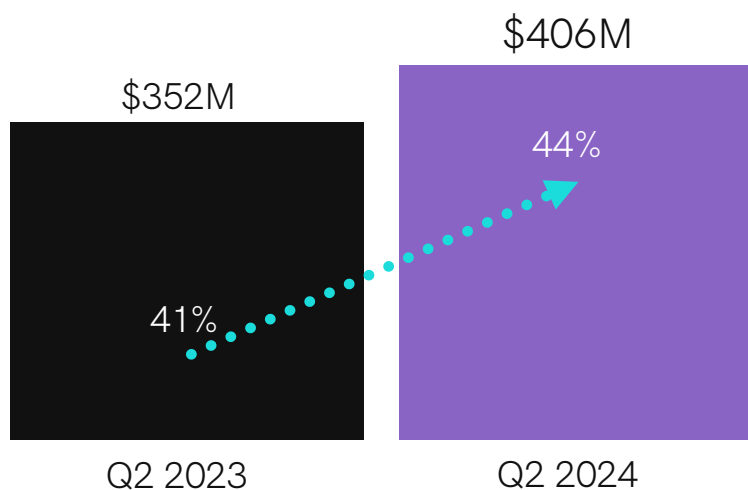


Impressive growth in high-margin Applications & Commerce

A&C ARR up 14% to \$1.5B

Q2 2024 revenue

15% increase | ~300 bps of segment EBITDA margin improvement



••▶ Segment EBITDA Margin

Websites | Productivity | Commerce

Growth levers

Metrics

Product attach

Customers with 2+ products

International expansion

International revenue

Pricing & bundling

ARPU

Subscriptions

ARR

Payments Volume

GPV

Renewals

Retention rate

Profitability

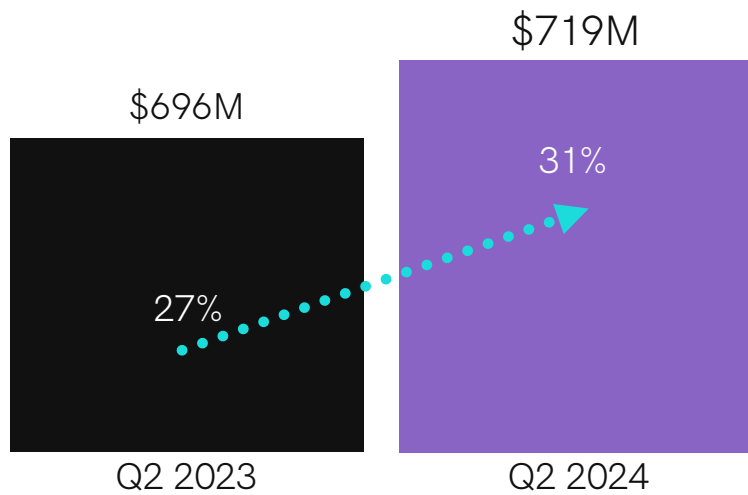
Segment EBITDA margin

Core Platform segment delivers consistent stable base

Core Platform ARR up 2% to \$2.3B

Q2 2024 revenue

3% increase | ~300 bps of segment EBITDA margin improvement



●●▶ Segment EBITDA Margin

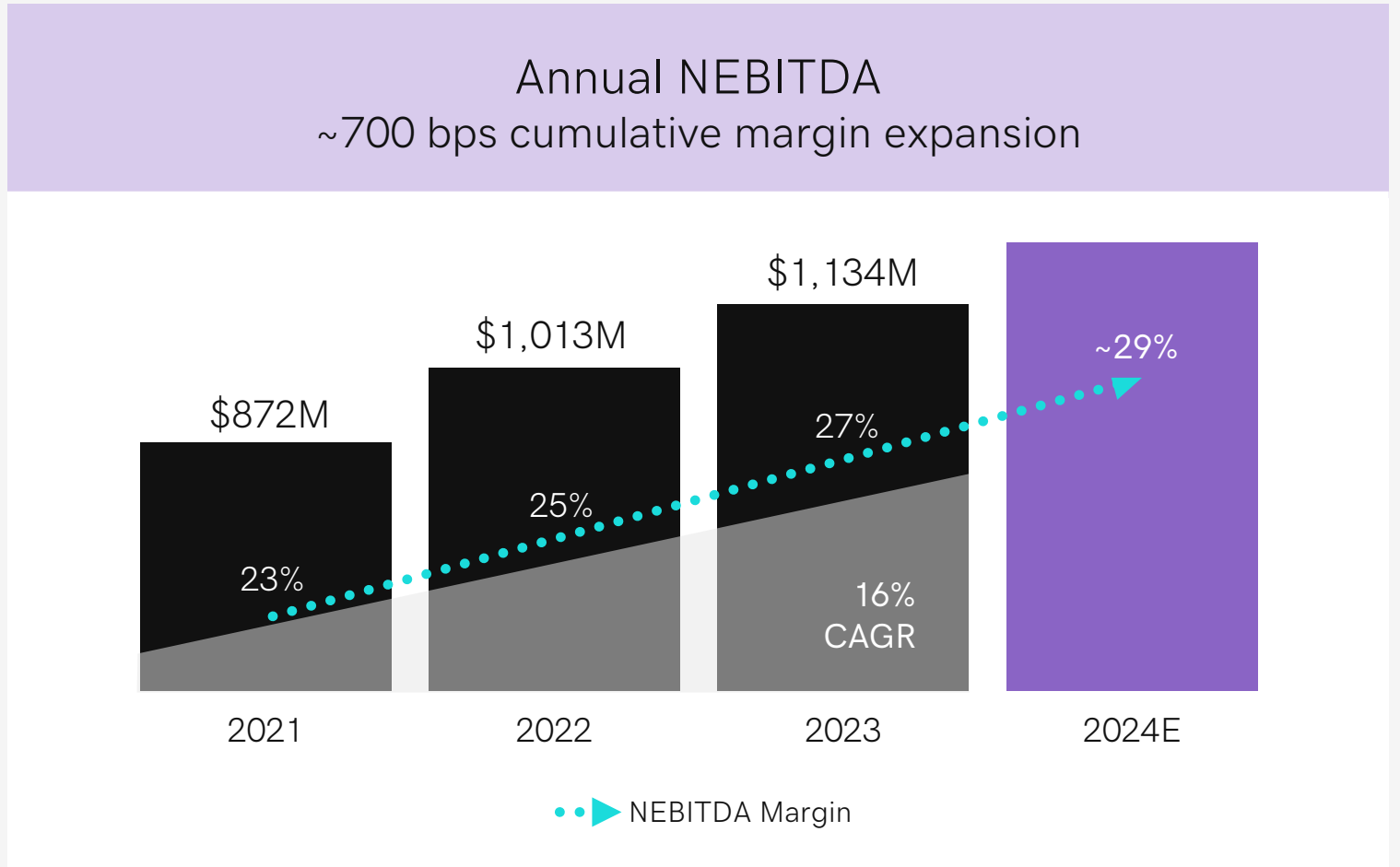
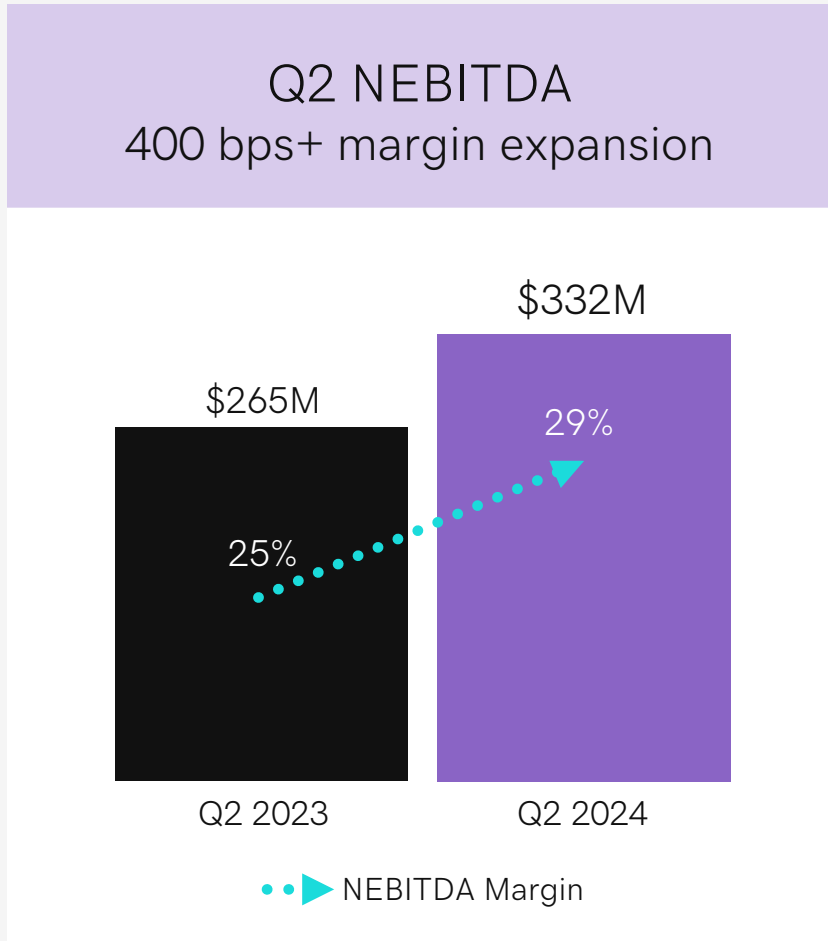
Domains | Aftermarket | Hosting | Security

Growth levers

Metrics

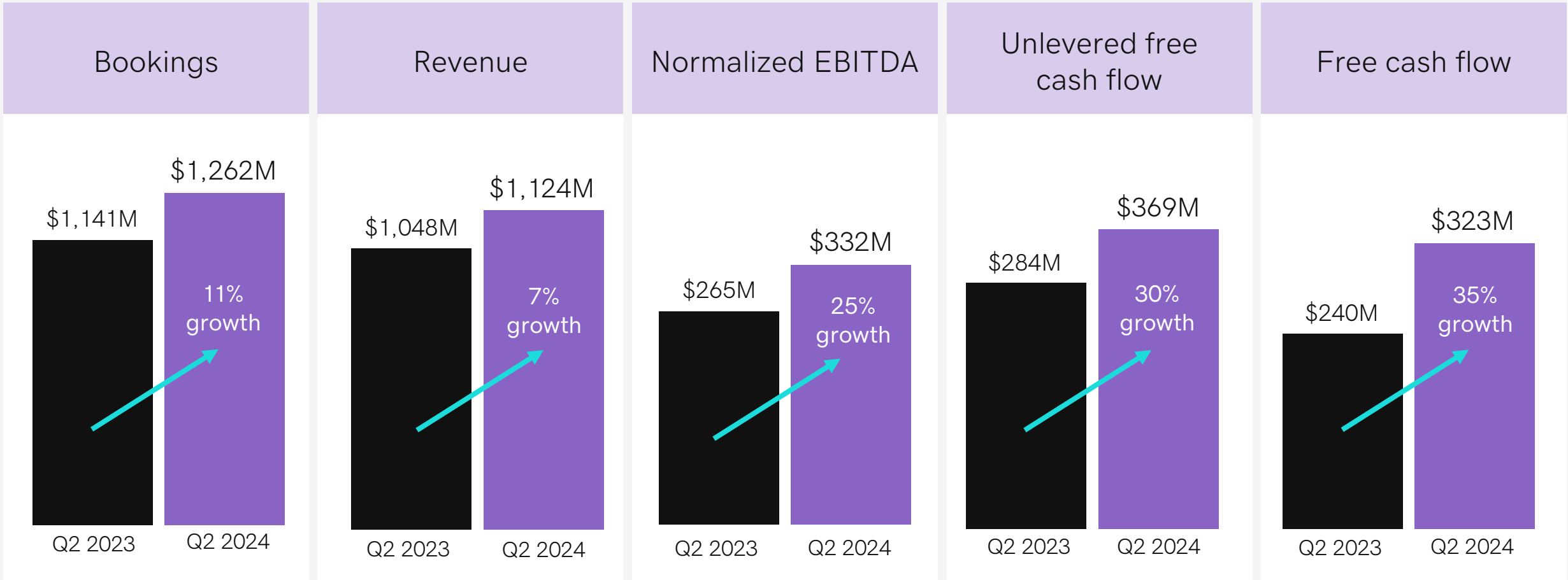
Demand	New customers
Pricing	ARPU
Subscriptions	ARR
International expansion	International revenue
Aftermarket	Average transaction value
Profitability	Segment EBITDA margin

Accelerating margin expansion and improved profitability

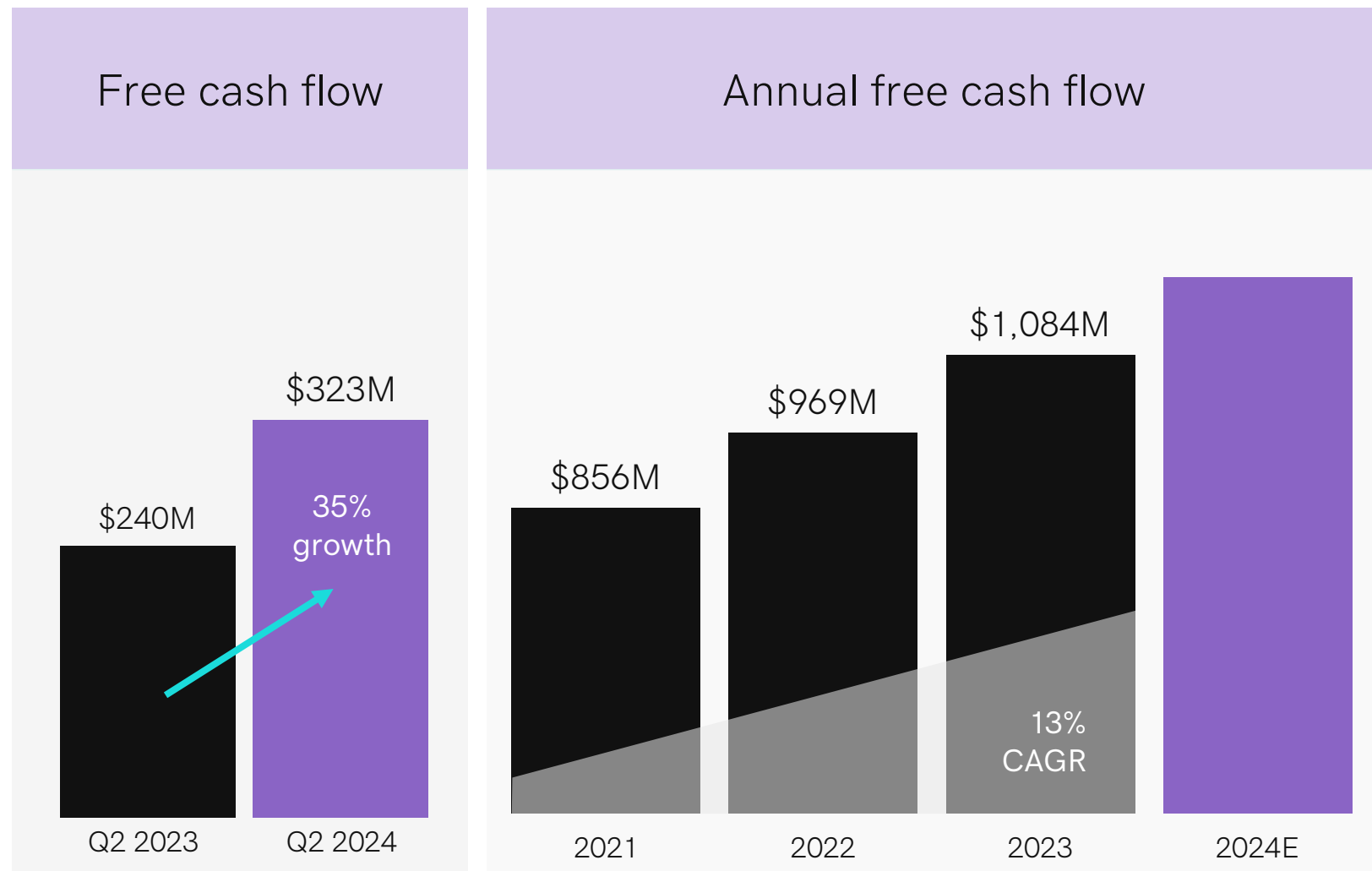


Estimated cumulative margin expansion from 2020YE through 2024E.
Represents three-year Normalized EBITDA CAGR.

Q2 2024 financial results



Multi-year track record of delivering strong free cash flow growth



Represents three-year free cash flow CAGR.

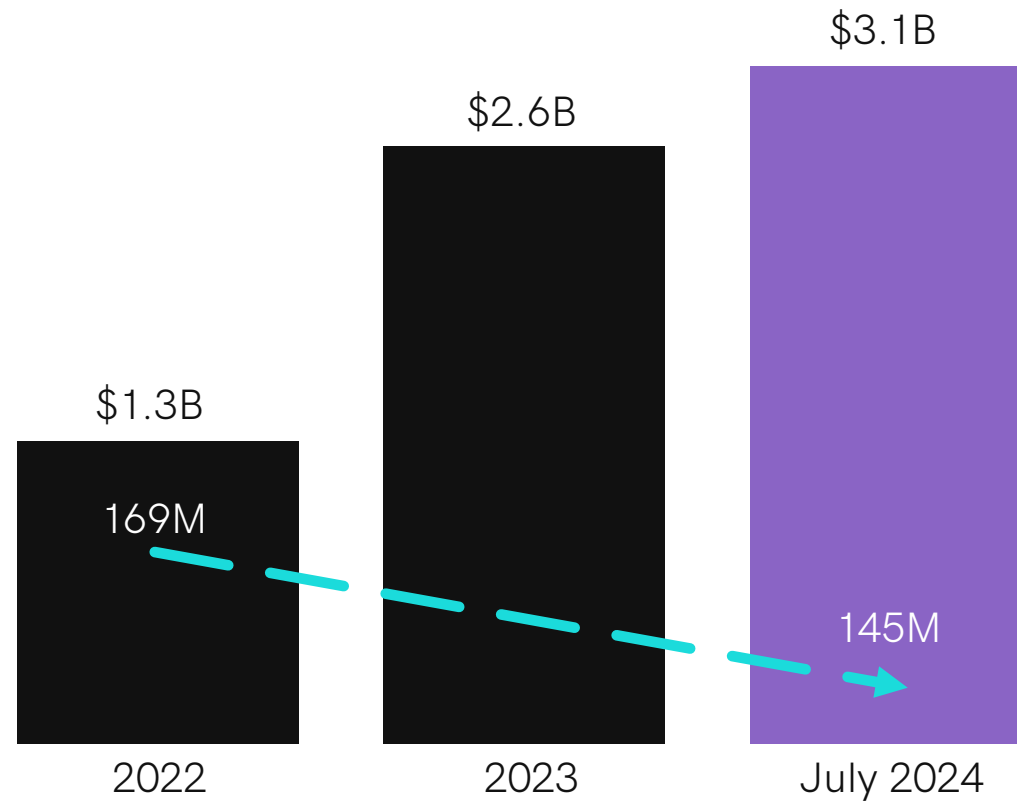
Disciplined capital allocation strategy to drive shareholder returns

\$3.1B share buybacks completed under current authorizations, \$0.9B remaining

38.3M shares repurchased

23% reduction of shares outstanding since January 2022

Cumulative shares repurchased



→ Fully diluted shares outstanding

Strong balance sheet and liquidity

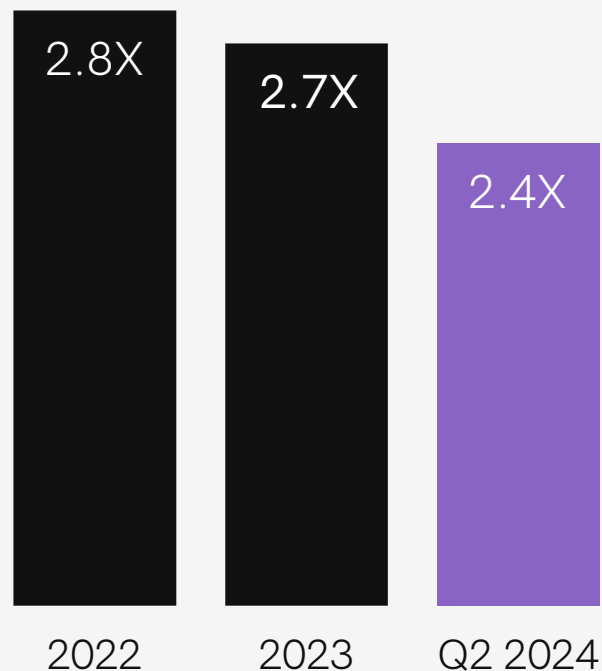
\$445M cash as of Q2

\$1.4B total liquidity

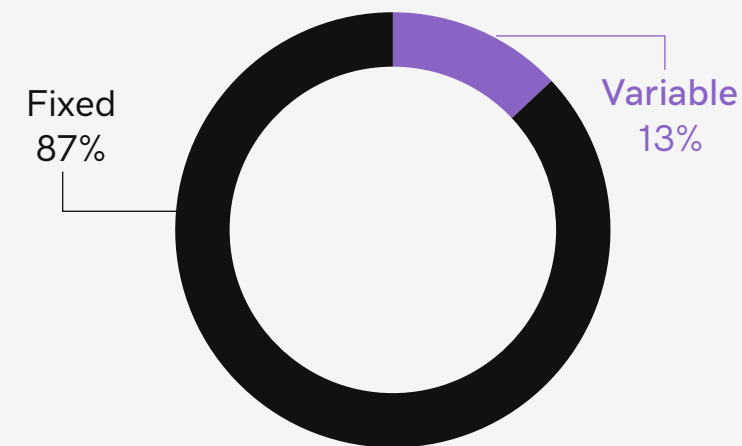
\$3.4B in net debt

25 bps reduction on \$1.0B of outstanding principal

Leverage ratio



Fixed interest rates providing stability



Term loan	Maturity
\$1.5B	2029
\$1.0B	2031
Unsecured notes	Maturity
\$600M	2027
\$800M	2029

As of June 30, 2024.

Total liquidity is calculated as the sum of (i) cash and cash equivalents (ii) short-term investments and (iii) the amount available for borrowing under our revolving credit facility.

Driving durable growth & expanding margins, generating attractive cash flow



Outlook	Q3 2024	2024
Revenue	\$1.13B - \$1.15B	\$4.525B - \$4.565B
Segment growth rates:		
Applications & Commerce	Mid teens	Mid teens
Core Platform	Low single digits	Low single digits
NEBITDA margin	~29%	~29%
Unlevered free cash flow		\$1.45B+
Free cash flow		\$1.3B+

Delivered at or ahead of all Q2 2024 targets

Key metrics		Q2 2024	Q2 2023	Growth/ Expansion	Q2 Guidance
Revenue	✓	\$1.124B	\$1.048B	7%	\$1.10B - \$1.12B
Applications & Commerce revenue	✓	\$406M	\$352M	15%	Low - mid teens
Core Platform revenue	✓	\$719M	\$696M	3%	Low single digits
Normalized EBITDA margin	✓	29%	25%	400 bps+	~28%
Unlevered free cash flow	✓	\$369M	\$284M	30%	
Free cash flow	✓	\$323M	\$240M	35%	
Fully diluted shares outstanding	✓	145M	150M		

Reflects guidance given during Q1 2024 Earnings Call

Q2 2024 Earnings Results — Appendix

August 2024



Hannah Manewell
Blooms by the Bay Florist
[BLOOMSBYTHEBAY.COM.AU](https://bloomsbythebay.com.au)

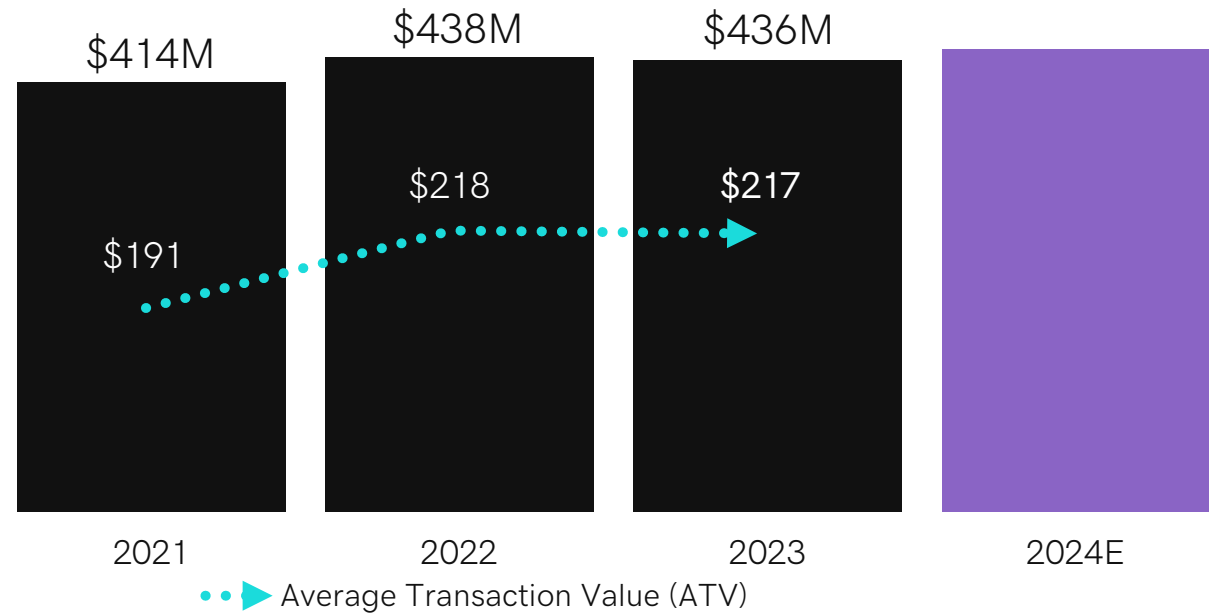
Aftermarket revenue

Transactional business subject to global macro-economic conditions

Q2 Revenue
10% increase



Annual aftermarket revenue



Non-GAAP reconciliation: **NEBITDA & NEBITDA Margin**

Reconciliation of NEBITDA (\$M)	Three months ended June 30,	
	2024	2023
Net income	\$146.3	\$83.1
Depreciation and amortization	33.1	43.5
Equity-based compensation expense	76.2	77.5
Interest expense, net	34.5	37.4
Acquisition-related expenses, net of reimbursements	(0.8)	4.2
Restructuring and other ¹	13.8	21.2
Provision (benefit) for income taxes	28.6	(2.3)
Total NEBITDA	\$331.7	\$264.6
Net income margin	13.0%	7.9%
NEBITDA margin	29.5%	25.2%

¹In addition to the 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, expenses incurred in relation to the refinancing of our long-term debt and incremental expenses associated with certain professional services.

Non-GAAP reconciliation: **NEBITDA & NEBITDA Margin**

Reconciliation of NEBITDA (\$M)	Year ended December 31,		
	2021	2022	2023
Net income	\$242.8	\$352.9	\$1,375.6
Depreciation and amortization	199.6	194.6	171.3
Equity-based compensation expense ¹	207.9	264.4	294.0
Interest expense, net	124.9	135.0	155.4
Acquisition-related expenses ²	78.2	35.1	12.1
Restructuring and other ³	8.0	27.4	97.9
Provision (benefit) for income taxes	10.8	3.6	(971.8)
Total NEBITDA	\$872.2	\$1,013.0	\$1,134.5
Net income margin	6.4%	8.6%	32.3%
NEBITDA margin	22.9%	24.8%	26.7%

¹The year ended December 31, 2023 excludes \$2.3 million of equity-based compensation expense associated with our restructuring activities, which is included within restructuring and other.

²The year ended December 31, 2023 includes an adjustment of \$6.0 million to a previously-recognized acquisition milestone liability.

³In addition to the 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, expenses incurred in relation to the refinancing of our long-term debt and incremental expenses associated with professional services.

Non-GAAP reconciliation: Free Cash Flow and Unlevered Free Cash Flow

Reconciliation of free cash flow (\$M)	Three months ended June 30,	
	2024	2023
Net cash provided by operating activities	\$294.8	\$198.0
Capital expenditures	(2.8)	(5.8)
Cash paid for acquisition-related costs	0.2	8.2
Cash paid for restructuring and other charges ¹	31.2	39.5
Free cash flow	\$323.4	\$239.9
Cash paid for interest on long-term debt	45.3	43.7
Unlevered free cash flow	\$368.7	\$283.6

¹In addition to payments made pursuant to our restructuring activities, cash paid for restructuring and other charges includes lease-related payments associated with closed facilities and lease abandonments, payments related to certain legal matters, incremental payments associated with professional services and 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)	Year ended December 31,		
	2021	2022	2023
Net cash provided by operating activities	\$829.3	\$979.7	\$1,047.6
Capital expenditures	(51.1)	(59.7)	(42.0)
Cash paid for acquisition-related costs ¹	64.9	37.9	11.2
Cash paid for restructuring charges ²	12.7	10.7	67.6
Free cash flow	\$855.8	\$968.6	\$1,084.4

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

²Cash paid for restructuring and other charges includes payments pursuant to our 2023 restructuring activities, a payment related to the termination of a revenue sharing agreement in 2023, lease-related payments associated with closed facilities and lease abandonments, payments related to certain legal matters, third party payments incurred in relation to the refinancing of our long-term debt and incremental payments associated with professional services.

Non-GAAP reconciliation: **Net Debt**

Reconciliation of net debt (\$M)	June 30, 2024
Current portion of long-term debt	\$17.0
Long-term debt	3,787.7
Unamortized original issue discount and debt issuance costs	61.5
Total debt	\$3,866.2
Less: cash and cash equivalents	(444.9)
Less: short-term investments	—
Net debt	\$3,421.3

Reconciliation: **Constant Currency**

Reconciliation of constant currency (\$M)	June 30, 2024
Revenue	\$1,124.5
Constant currency adjustment	0.2
Constant currency revenue	\$1,124.7
Bookings	\$1,261.9
Constant currency adjustment	5.3
Constant currency bookings	\$1,267.2

Non-GAAP financial measures and other operating and business metrics

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 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) is an operating metric defined as annualized 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) 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.

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.

Non-GAAP financial measures and other operating and business metrics

Net debt is defined as total debt less cash and cash equivalents and short-term investments. 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 payments volume (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 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 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.

Average revenue per user (ARPU) is calculated 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 is defined as an individual or entity, each with a unique account and paid transactions in the trailing twelve months or with paid subscriptions as of the end of the period. Total customers is one way we measure the scale of our business and can be a contributing factor to our ability to increase our revenue base.



Q2 2024 Earnings Results

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Yingzi Wang
Cacao 70
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