



# Q3 2024 Earnings Results

October 30, 2024



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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 achieve desired synergies and vertical integration; the expected impacts of our restructuring efforts; 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; cyberattacks or breaches of our security measures; the impact of any previous or future acquisitions or divestitures; our ability to innovate and 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; litigation and government inquiries; privacy, legislative and regulatory concerns or developments; impacts of our restructuring efforts; 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 Securities and Exchange Commission ("SEC") from time to time, including those described in "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 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 June 30, 2024, 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 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.



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# Q3 progression towards GoDaddy's North Star

**29%**

Free cash flow  
growth

**20%**

A&C bookings  
growth

**400 bps+**

Normalized  
EBITDA margin  
expansion

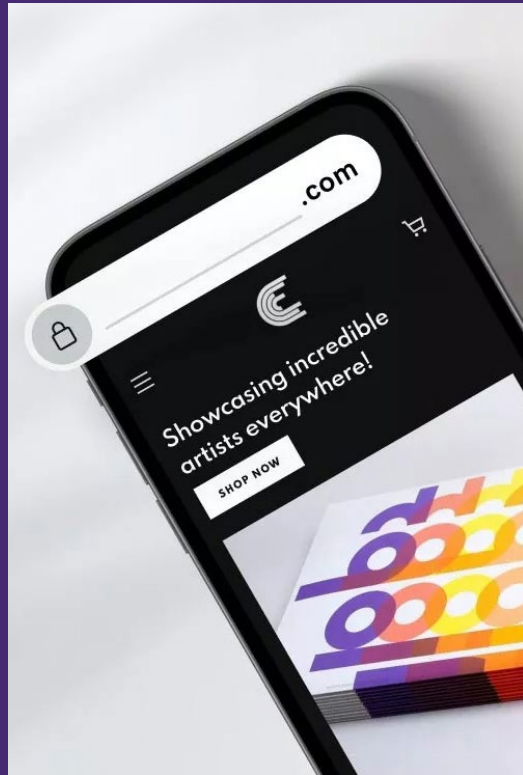
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All comparisons are year-over-year.

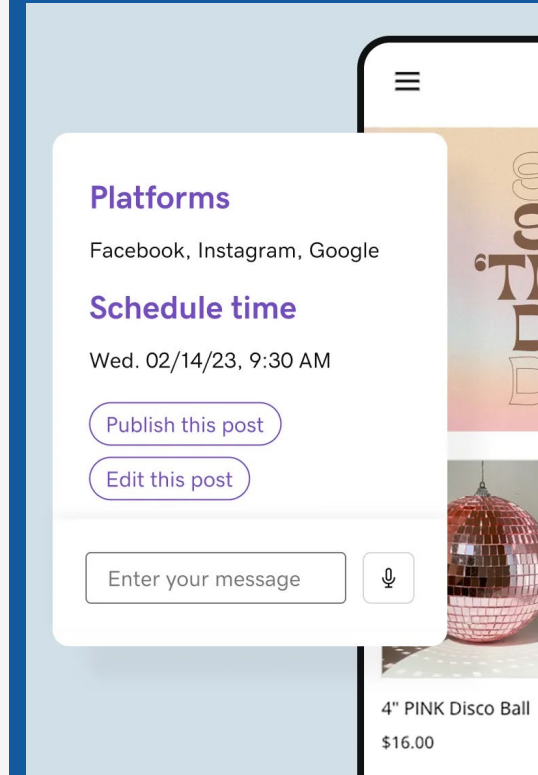
# Key initiatives: growth & margin drivers

Q3 2024 highlights

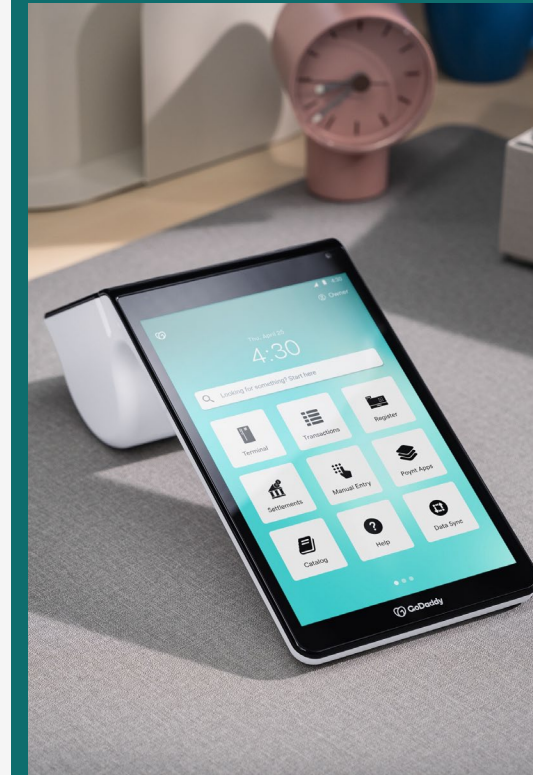
## Pricing & bundling



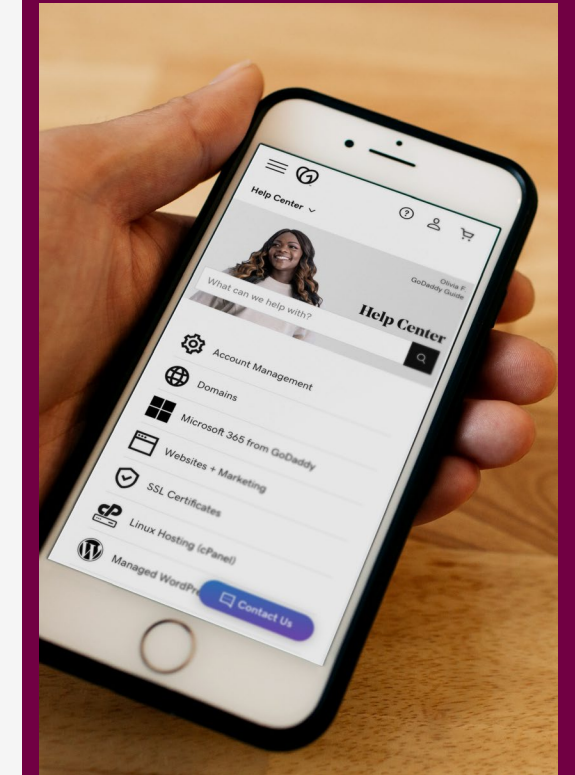
## Seamless experience



## Commerce



## Cost optimization



# Key initiatives: growth & margin drivers

Q3 2024 highlights

## Pricing & bundling

- Key contributor to 20% A&C bookings growth
- Productivity-focused in 2024
- Multiyear journey to drive growth in both A&C and Core Platform

## Seamless experience

- Launched GoDaddy Digital Marketing Suite
- Enhanced security and AI features in Managed WordPress

## Commerce

- Positive adoption trends in new SAAS plans
  - Point-Of-Sale Plus
  - Invoicing Plus

## Cost optimization

- Rolled out Gen AI conversational bots in 20 international markets
  - Double-digit improvement in containment rates
  - Savings of 16M+ incremental contact minutes

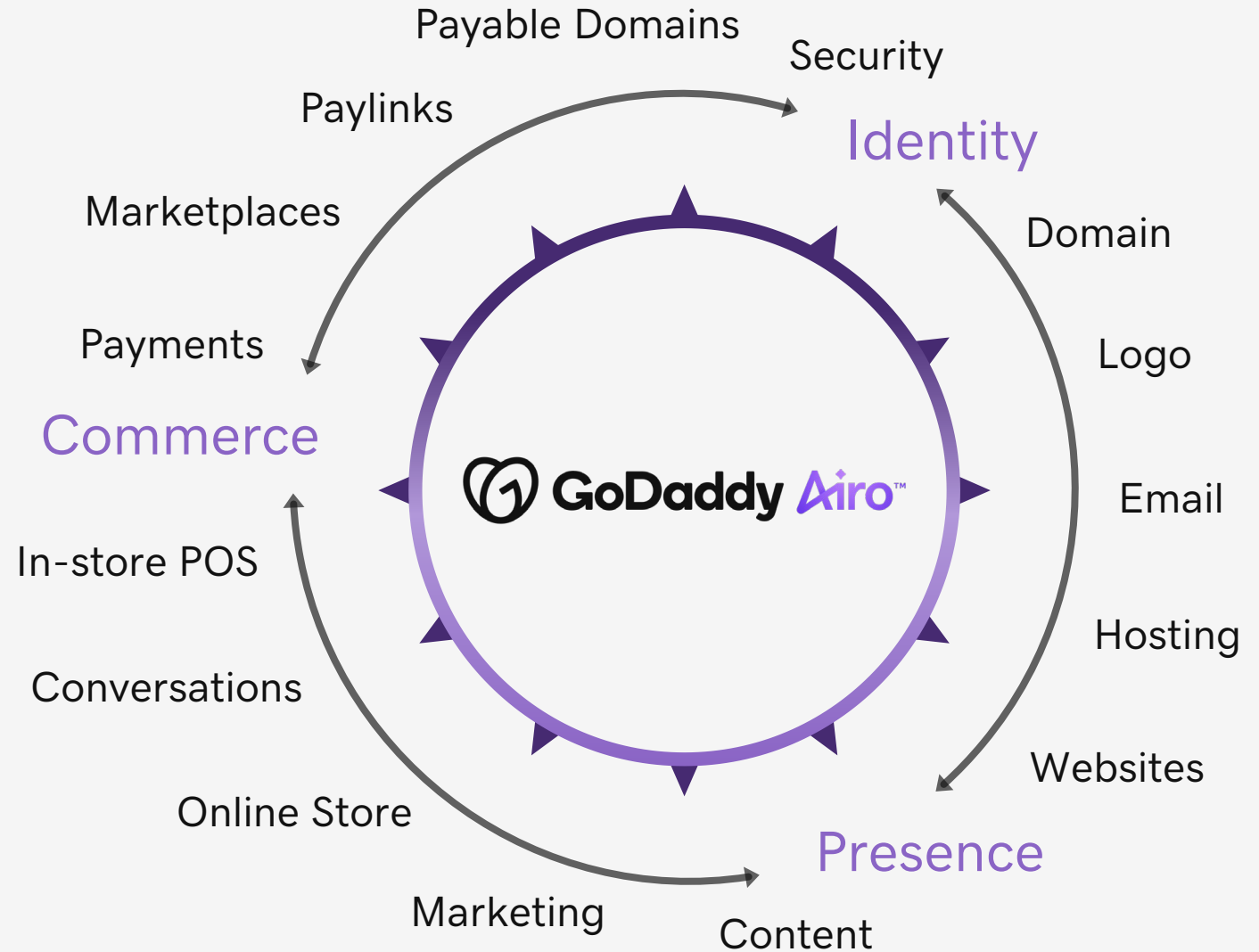
# GoDaddy Airo

~3 million new customers have discovered Airo, with 50%+ customers engaging

Now available in 180+ countries worldwide

40%+ of W+M subscriptions in Q3 originated with Airo

Named best AI website builder for small businesses

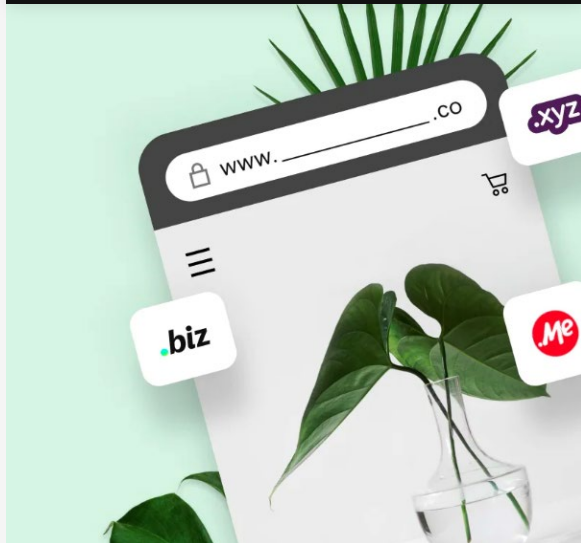


# Expanding the Airo experience across the GoDaddy ecosystem

Fast-tracking our customers' journey from product **discovery** to **engagement** to **monetization**



## Identity



## Presence



## Commerce



## Care

GoDaddy guides

**We love to help.  
Seriously.**

Still not sure what you need? Give us a call. We're happy to help, even if you're not a customer. Call us at 1-480-366-3546 and we'll chat — or get back to you as soon as we can.



# 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



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# Key strategic focus

Enhancing our pricing & bundling capabilities

Removing friction through seamless experiences

Driving better conversion, attach and retention

# Q3 progression towards GoDaddy's North Star

**\$363M free cash flow**

144M fully diluted shares outstanding

**16%**

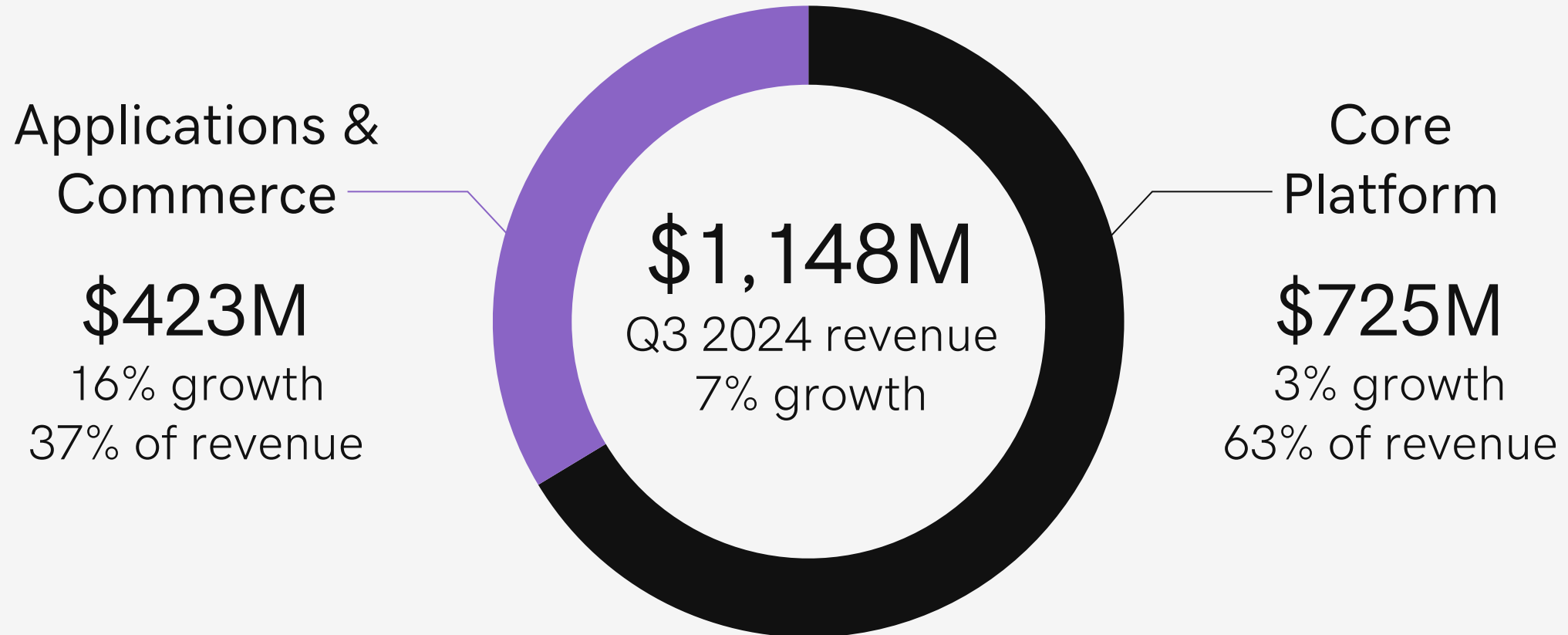
A&C revenue growth

**32%**

Normalized EBITDA margin

# Q3 2024 revenue

7% revenue growth with a ~300 bps mix shift trending towards increasing A&C revenue

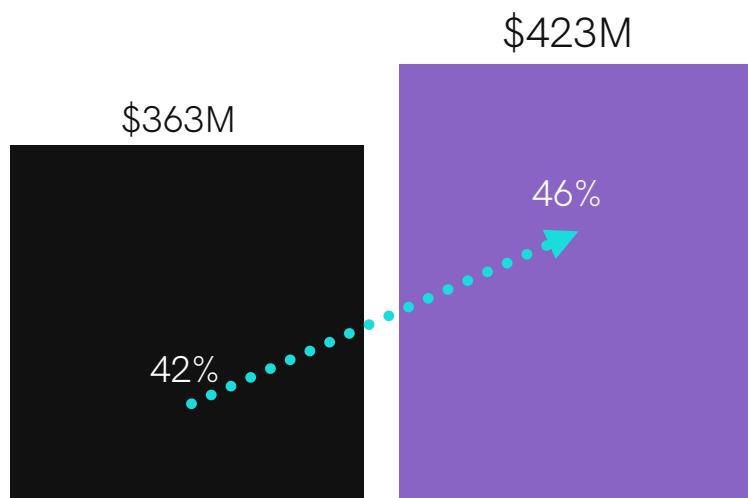


# Impressive growth in high-margin Applications & Commerce

A&C ARR up 15% to \$1.6B

## Q3 2024 revenue

16% increase | ~350 bps of segment EBITDA margin improvement



Q3 2023

Q3 2024

••▶ Segment EBITDA Margin

Websites | Productivity | Commerce

## Growth levers

## Metrics

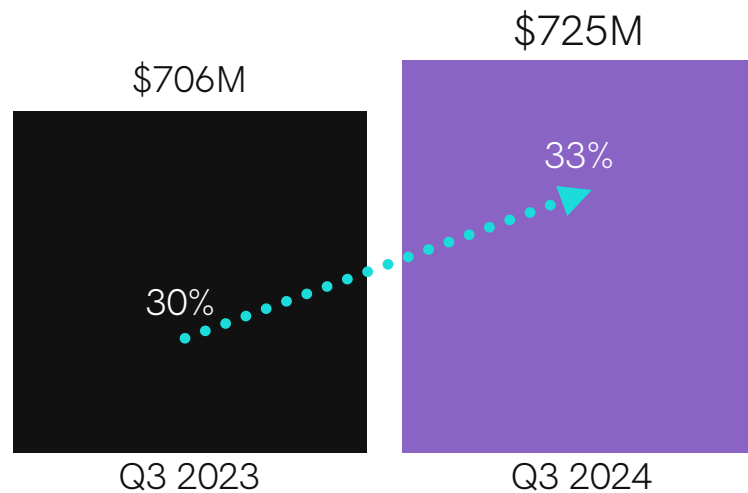
Product attach	Customers with 2+ products
International expansion	International revenue
Pricing & bundling	ARPU
Subscriptions	ARR
Payments volume	GPV
Renewals	Retention rate
Profitability	Segment EBITDA margin

# Core Platform delivers consistent stable base

Core Platform ARR up 4% to \$2.4B

## Q3 2024 revenue

3% increase | ~350 bps of segment EBITDA margin improvement



••▶ Segment EBITDA Margin

Domains | Aftermarket | Hosting | Security

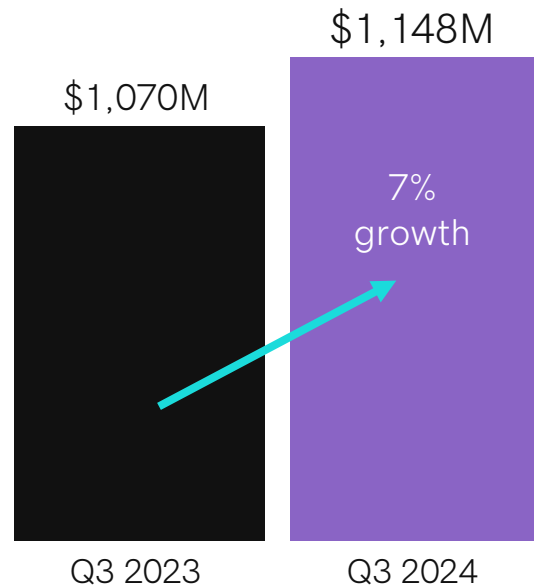
## Growth levers

## Metrics

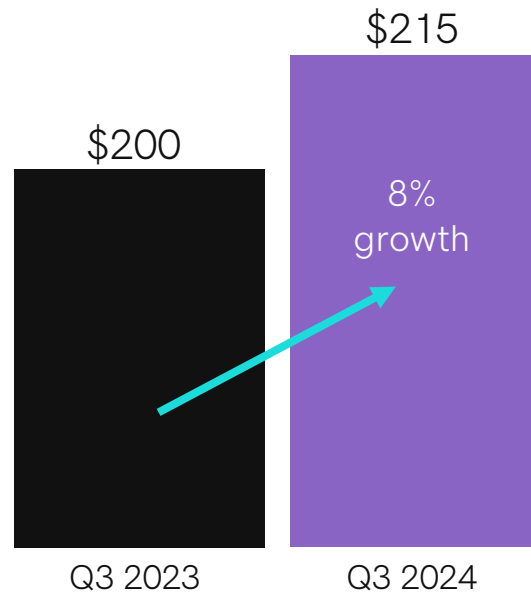
Demand	Customers
Pricing	ARPU
Subscriptions	ARR
International expansion	International revenue
Aftermarket	Average transaction value
Profitability	Segment EBITDA margin

# Q3 2024 financial results

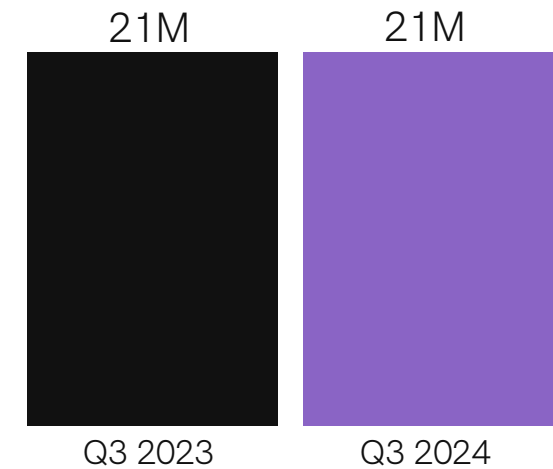
## Revenue



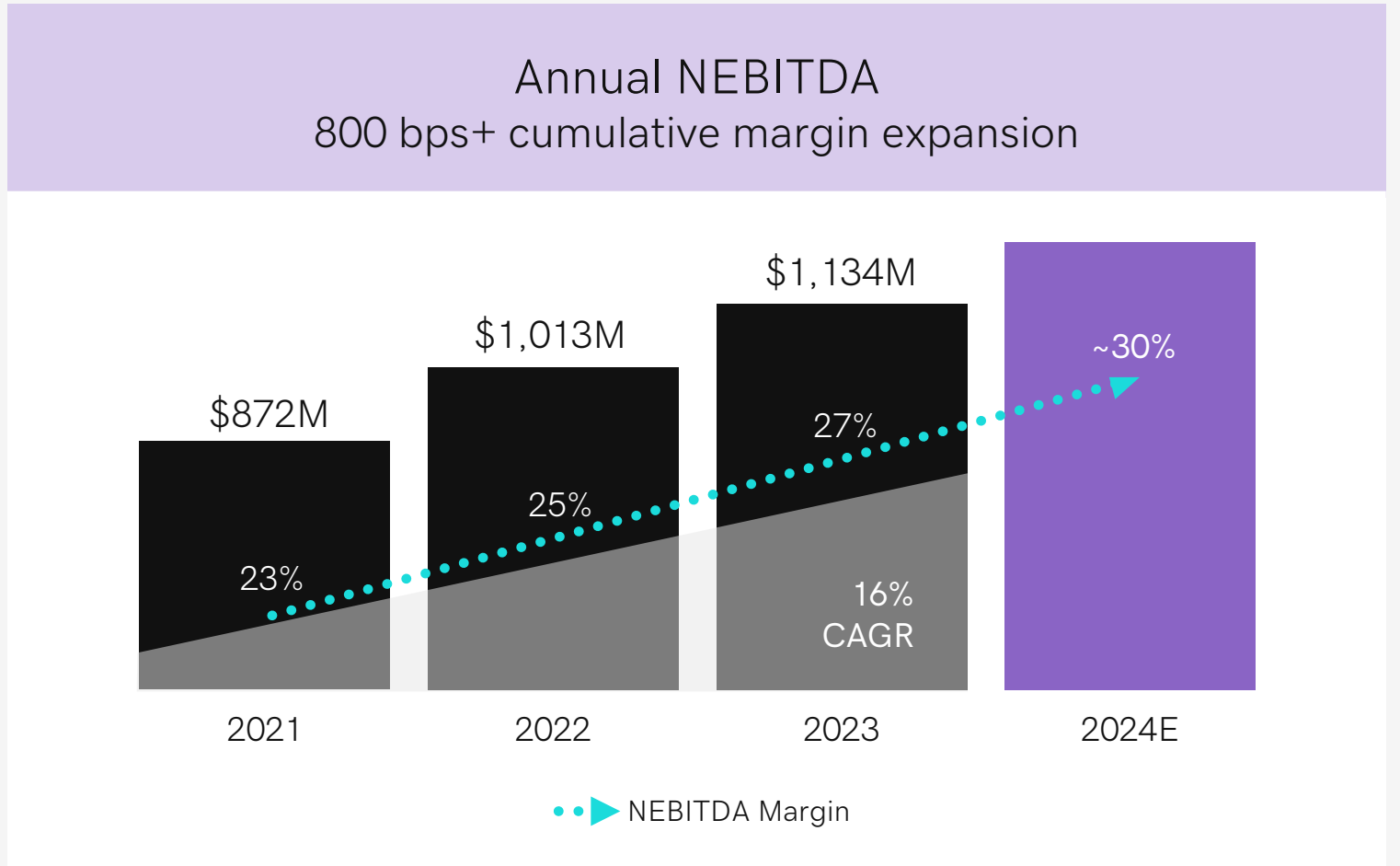
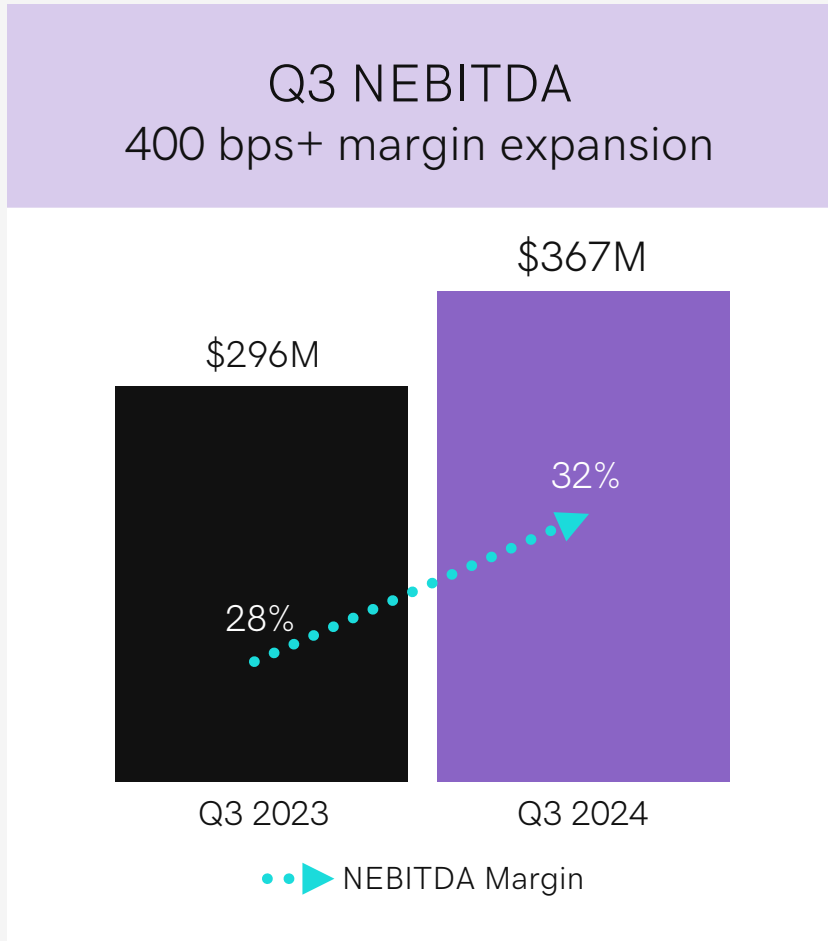
## ARPU



## Customers



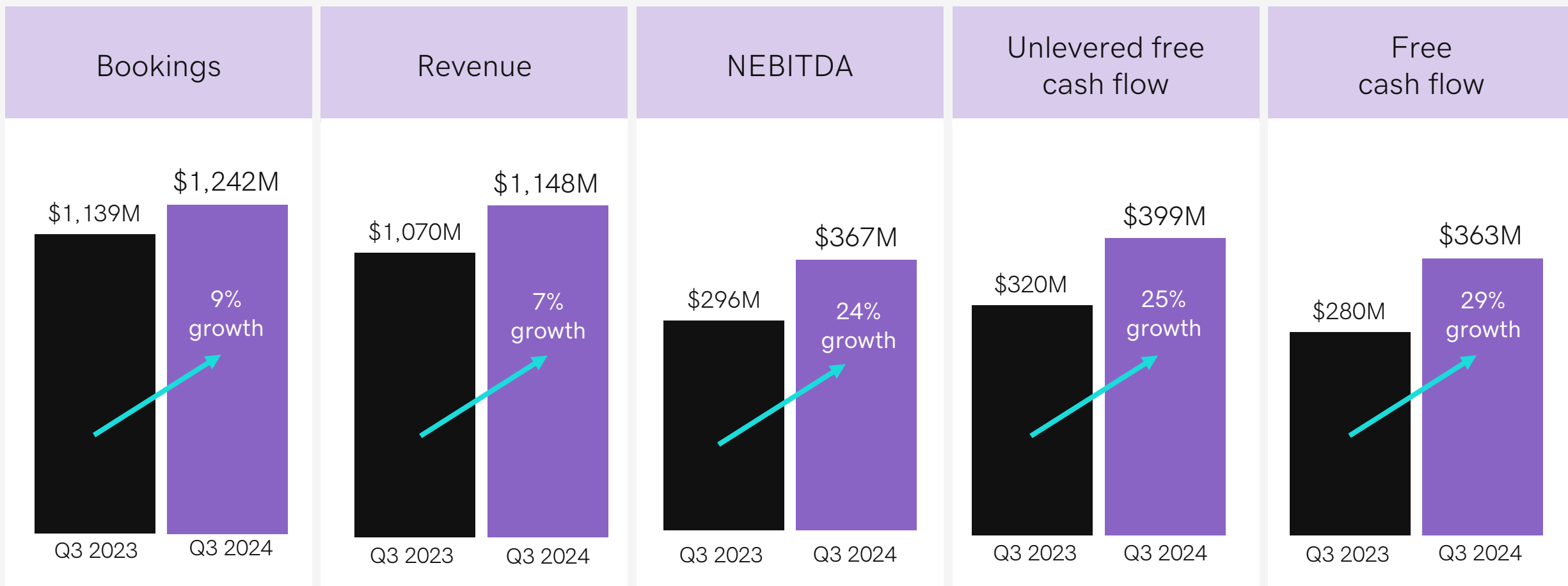
# Accelerating margin expansion and improved profitability



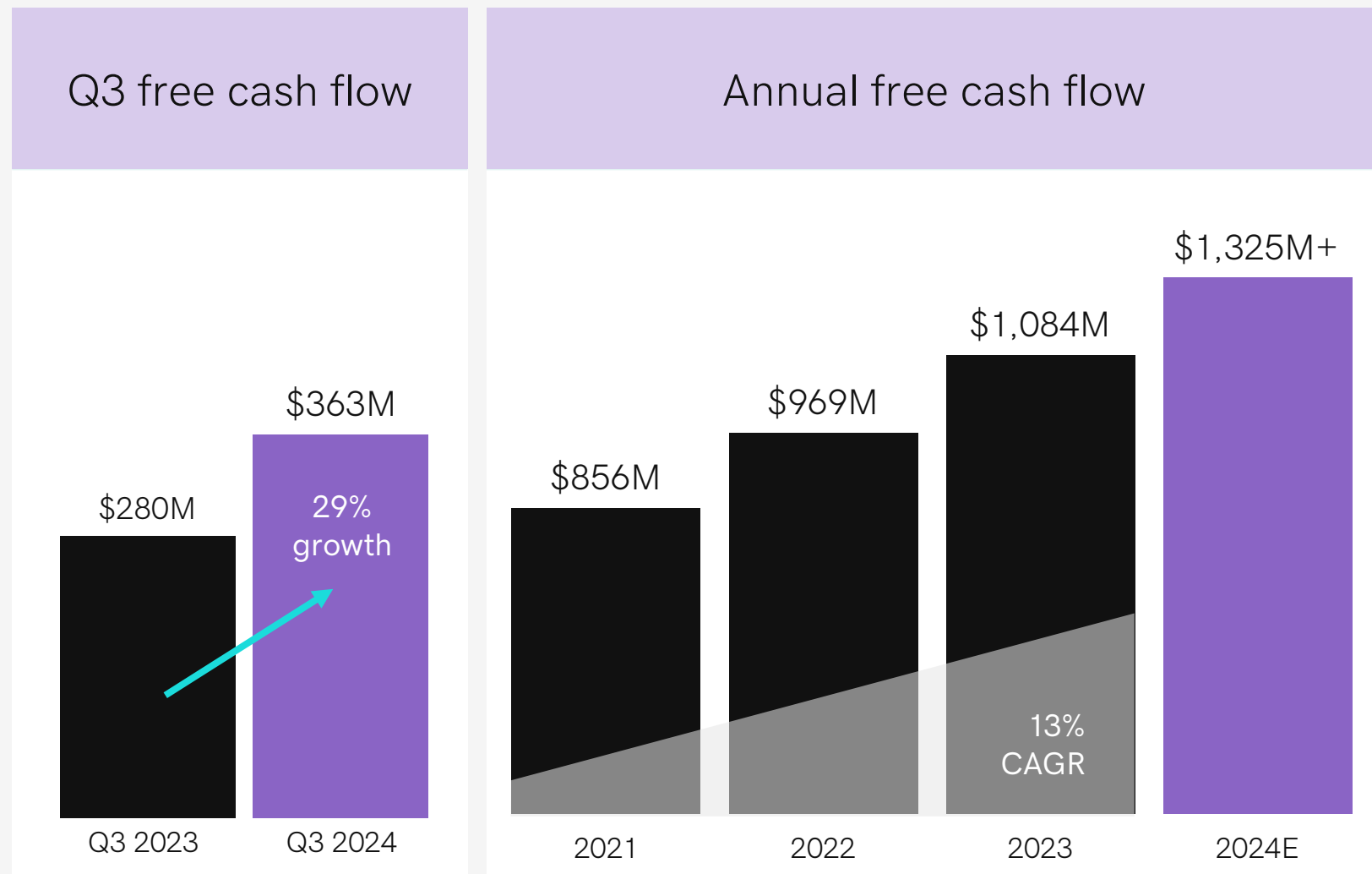
Estimated cumulative margin expansion from 2020YE through 2024E.  
Represents three-year Normalized EBITDA CAGR.



# Q3 2024 financial results



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



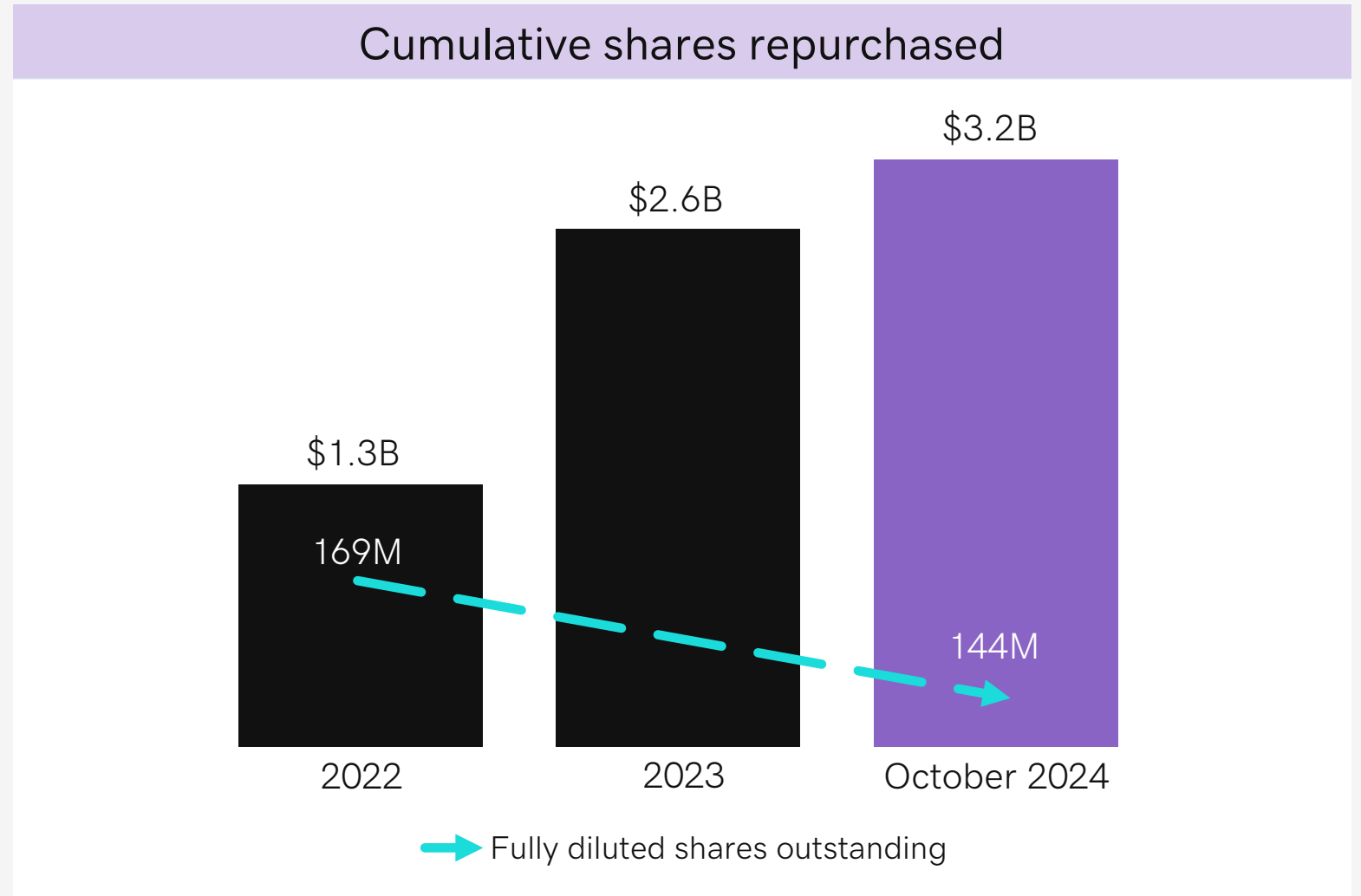
Represents three-year free cash flow CAGR.

# Disciplined capital allocation strategy to drive shareholder returns

\$3.2B share buybacks completed under current authorizations, \$0.8B remaining

39.4M shares repurchased

23% reduction in gross shares outstanding since January 2022



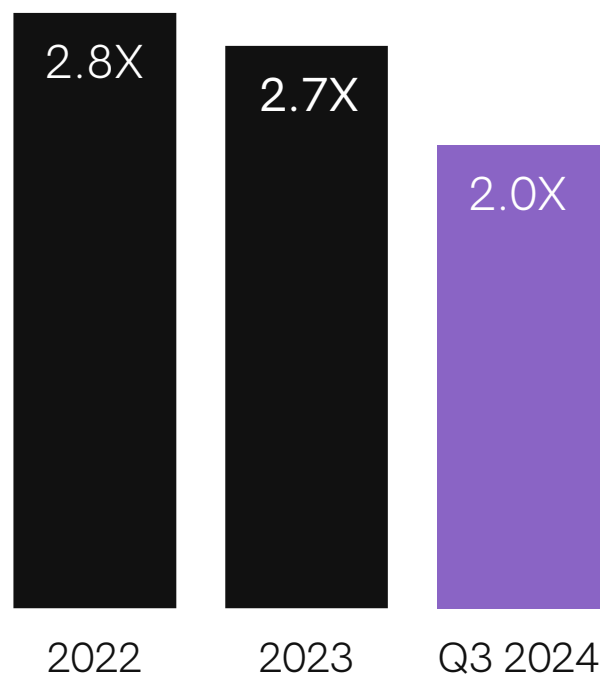
# Strong balance sheet and liquidity

\$0.8B cash

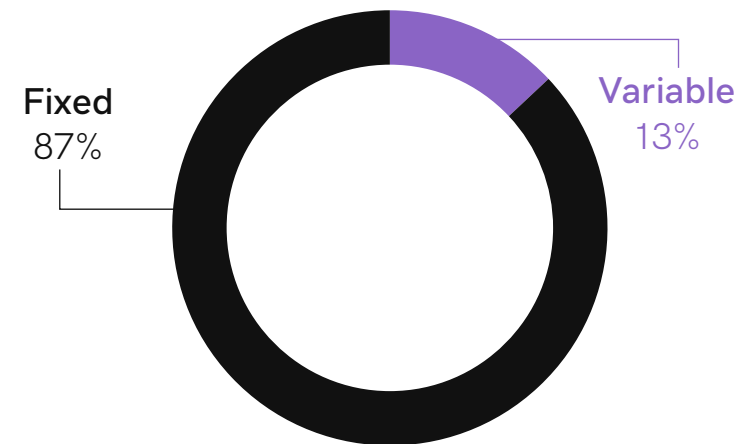
\$1.8B total liquidity

\$3.1B in net debt

## 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 September 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	Q4 2024	2024
Revenue	\$1.165B - \$1.185B	\$4.545B - \$4.565B
Segment growth rates:		
Applications & Commerce	Mid-teens	Mid-teens
Core Platform	Low single-digits	Low single-digits
NEBITDA margin	~31%	~30%
Unlevered free cash flow		\$1.475B+
Free cash flow		\$1.325B+



# Delivered at or ahead of all Q3 2024 targets

Key metrics		Q3 2024	Q3 2023	Growth/ Expansion	Q3 Guidance
Revenue	✓	\$1.15B	\$1.07B	7%	\$1.13B - \$1.15B
Applications & Commerce revenue	✓	\$423M	\$363M	16%	Mid-teens
Core Platform revenue	✓	\$725M	\$706M	3%	Low single-digits
Normalized EBITDA margin	✓	32%	28%	400 bps+	~29%
Unlevered free cash flow	✓	\$399M	\$320M	25%	
Free cash flow	✓	\$363M	\$280M	29%	
Fully diluted shares outstanding	✓	144M	144M		

Reflects guidance given during Q2 2024 Earnings Call

# 3-year path towards GoDaddy's North Star

Maximizing free cash flow over the long term

6%-8%

Annual revenue growth  
2024 -2026

~33%

2026 full year normalized  
EBITDA margin

\$4.5B+

Cumulative free cash flow  
through 2026

# Q3 2024 Earnings Results — Appendix

October 2024



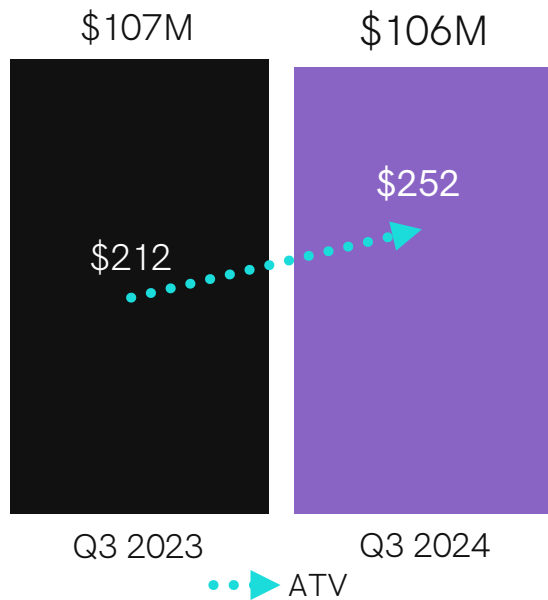
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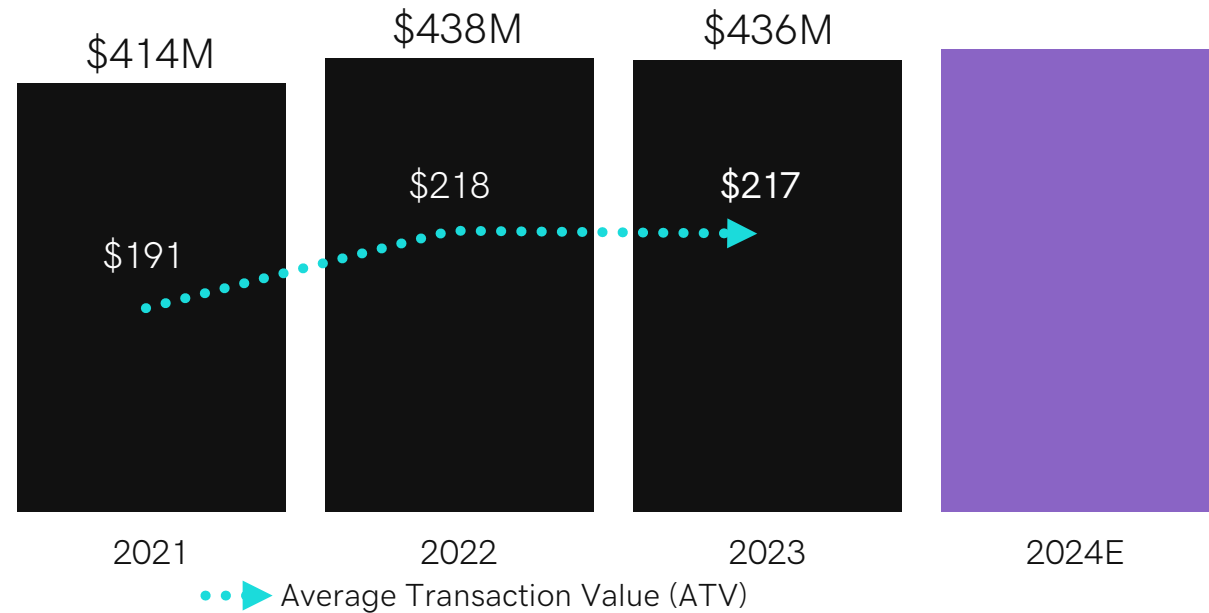
# Aftermarket revenue

Transactional business subject to global macro-economic conditions

Q3 aftermarket revenue  
~Flat



Annual aftermarket revenue



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

Reconciliation of NEBITDA (\$M)	Three months ended September 30,	
	2024	2023
<b>Net income</b>	<b>\$190.5</b>	<b>\$131.0</b>
Depreciation and amortization	32.8	40.6
Equity-based compensation expense	74.4	76.2
Interest expense, net	33.2	39.8
Acquisition-related expenses, net of reimbursements <sup>1</sup>	0.1	(1.4)
Restructuring and other <sup>2</sup>	5.0	12.9
Provision (benefit) for income taxes	30.5	(3.1)
<b>Total NEBITDA</b>	<b>\$366.5</b>	<b>\$296.0</b>
<b>Net income margin</b>	<b>16.6%</b>	<b>12.2%</b>
<b>NEBITDA margin</b>	<b>31.9%</b>	<b>27.7%</b>

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

<sup>2</sup> In 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
<b>Net income</b>	<b>\$242.8</b>	<b>\$352.9</b>	<b>\$1,375.6</b>
Depreciation and amortization	199.6	194.6	171.3
Equity-based compensation expense <sup>1</sup>	207.9	264.4	294.0
Interest expense, net	124.9	135.0	155.4
Acquisition-related expenses <sup>2</sup>	78.2	35.1	12.1
Restructuring and other <sup>3</sup>	8.0	27.4	97.9
Provision (benefit) for income taxes	10.8	3.6	(971.8)
<b>Total NEBITDA</b>	<b>\$872.2</b>	<b>\$1,013.0</b>	<b>\$1,134.5</b>
<b>Net income margin</b>	<b>6.4%</b>	<b>8.6%</b>	<b>32.3%</b>
<b>NEBITDA margin</b>	<b>22.9%</b>	<b>24.8%</b>	<b>26.7%</b>

<sup>1</sup> The 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.

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

<sup>3</sup> In 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 & Unlevered Free Cash Flow

Reconciliation of free cash flow (\$M)	Three months ended September 30,	
	2024	2023
Net cash provided by operating activities	\$355.2	\$281.6
Capital expenditures	(5.0)	(9.4)
Cash paid for acquisition-related costs	0.1	0.8
Cash paid for restructuring and other charges <sup>1</sup>	12.4	7.2
<b>Free cash flow</b>	<b>\$362.7</b>	<b>\$280.2</b>
Cash paid for interest on long-term debt	36.7	39.9
<b>Unlevered free cash flow</b>	<b>\$399.4</b>	<b>\$320.1</b>

<sup>1</sup> In addition to payments made pursuant to our restructuring activities, cash paid for restructuring and other charges includes lease-related payments associated with closed facilities, 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. For the nine months ended September 30, 2023, it also includes a payment related to the termination of a revenue sharing agreement.

# 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 <sup>1</sup>	64.9	37.9	11.2
Cash paid for restructuring charges <sup>2</sup>	12.7	10.7	67.6
<b>Free cash flow</b>	<b>\$855.8</b>	<b>\$968.6</b>	<b>\$1,084.4</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 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)	September 30, 2024
Current portion of long-term debt	\$16.5
Long-term debt	3,783.6
Unamortized original issue discount and debt issuance costs	59.9
<b>Total debt</b>	<b>\$3,860.0</b>
Less: cash and cash equivalents	(767.1)
Less: short-term investments	—
<b>Net debt</b>	<b>\$3,092.9</b>

# Reconciliation: **Constant Currency**

Reconciliation of constant currency (\$M)	September 30, 2024
Revenue	\$1,147.6
Constant currency adjustment	0.2
<b>Constant currency revenue</b>	<b>\$1,147.8</b>
Bookings	\$1,241.7
Constant currency adjustment	4.1
<b>Constant currency bookings</b>	<b>\$1,245.8</b>

# 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. NEBITDA 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 our 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.



## Q3 2024 Earnings Results

October 30, 2024



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