

GoDaddy Inc.
Consolidated Balance Sheets
(In millions, except shares in thousands and per share amounts)

	December 31,	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 932.4	\$ 582.7
Short-term investments	18.9	12.3
Accounts and other receivables	26.4	18.4
Registry deposits	28.3	34.7
Prepaid domain name registry fees	363.2	351.5
Prepaid expenses and other current assets	58.1	59.9
Total current assets	1,427.3	1,059.5
Property and equipment, net	299.0	297.9
Prepaid domain name registry fees, net of current portion	183.6	180.8
Goodwill	2,948.0	2,859.9
Intangible assets, net	1,211.5	1,326.0
Other assets	14.0	14.2
Total assets	<u>\$ 6,083.4</u>	<u>\$ 5,738.3</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 61.6	\$ 59.6
Accrued expenses and other current liabilities	414.3	469.6
Deferred revenue	1,393.7	1,264.8
Long-term debt	16.6	16.7
Total current liabilities	1,886.2	1,810.7
Deferred revenue, net of current portion	623.8	596.8
Long-term debt, net of current portion	2,394.2	2,410.8
Payable to related parties pursuant to tax receivable agreements	174.3	153.0
Other long-term liabilities	63.2	75.0
Deferred tax liabilities	117.2	145.5
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value - 50,000 shares authorized; none issued and outstanding	—	—
Class A common stock, \$0.001 par value - 1,000,000 shares authorized; 168,549 and 132,993 shares issued and outstanding as of December 31, 2018 and 2017, respectively	0.2	0.1
Class B common stock, \$0.001 par value - 500,000 shares authorized; 6,254 and 35,006 shares issued and outstanding as of December 31, 2018 and 2017, respectively	—	—
Additional paid-in capital	699.8	484.4
Retained earnings	164.8	87.7
Accumulated other comprehensive loss	(72.1)	(85.7)
Total stockholders' equity attributable to GoDaddy Inc.	792.7	486.5
Non-controlling interests	31.8	60.0
Total stockholders' equity	824.5	546.5
Total liabilities and stockholders' equity	<u>\$ 6,083.4</u>	<u>\$ 5,738.3</u>

See accompanying notes to consolidated financial statements.

GoDaddy Inc.
Consolidated Statements of Operations
(In millions, except shares in thousands and per share amounts)

	Year Ended December 31,		
	2018	2017	2016
Revenue:			
Domains	\$ 1,220.3	\$ 1,057.2	\$ 927.8
Hosting and presence	1,017.6	847.9	678.7
Business applications	422.2	326.8	241.4
Total revenue	<u>2,660.1</u>	<u>2,231.9</u>	<u>1,847.9</u>
Costs and operating expenses ⁽¹⁾ :			
Cost of revenue (excluding depreciation and amortization)	893.9	775.5	657.8
Technology and development	434.0	355.8	287.8
Marketing and advertising	291.4	253.2	228.8
Customer care	323.1	292.3	242.1
General and administrative	334.0	282.4	221.2
Depreciation and amortization	234.1	205.8	160.1
Total costs and operating expenses	<u>2,510.5</u>	<u>2,165.0</u>	<u>1,797.8</u>
Operating income	149.6	66.9	50.1
Interest expense	(98.4)	(83.0)	(57.2)
Loss on debt extinguishment	—	(7.3)	—
Tax receivable agreements liability adjustment	14.9	123.2	(12.5)
Other income (expense), net	6.9	7.0	(1.9)
Income (loss) from continuing operations before income taxes	73.0	106.8	(21.5)
Benefit (provision) for income taxes	9.0	18.9	(0.4)
Income (loss) from continuing operations	82.0	125.7	(21.9)
Income from discontinued operations, net of income taxes (includes \$33.2 gain on disposal, net of tax)	—	14.1	—
Net income (loss)	82.0	139.8	(21.9)
Less: net income (loss) attributable to non-controlling interests	4.9	3.4	(5.4)
Net income (loss) attributable to GoDaddy Inc.	<u>\$ 77.1</u>	<u>\$ 136.4</u>	<u>\$ (16.5)</u>
Net income (loss) attributable to GoDaddy Inc. per share of Class A common stock—basic:			
Continuing operations	\$ 0.50	\$ 1.17	\$ (0.21)
Discontinued operations	—	0.08	—
Net income (loss) attributable to GoDaddy Inc.	<u>\$ 0.50</u>	<u>\$ 1.25</u>	<u>\$ (0.21)</u>
Net income (loss) attributable to GoDaddy Inc. per share of Class A common stock—diluted:			
Continuing operations	\$ 0.45	\$ 0.71	\$ (0.21)
Discontinued operations	—	0.08	—
Net income (loss) attributable to GoDaddy Inc.	<u>\$ 0.45</u>	<u>\$ 0.79</u>	<u>\$ (0.21)</u>
Weighted-average shares of Class A common stock outstanding:			
Basic	<u>155,234</u>	<u>108,779</u>	<u>79,835</u>
Diluted	<u>181,353</u>	<u>177,054</u>	<u>79,835</u>

⁽¹⁾ Costs and operating expenses include equity-based compensation expense as follows:

Technology and development	\$ 57.8	\$ 37.1	\$ 23.2
Marketing and advertising	10.3	7.3	8.1
Customer care	6.2	3.6	3.9
General and administrative	51.2	28.4	21.6
Total equity-based compensation expense	<u>\$ 125.5</u>	<u>\$ 76.4</u>	<u>\$ 56.8</u>

See accompanying notes to consolidated financial statements.

GoDaddy Inc.
Consolidated Statements of Cash Flows
(In millions)

	Year Ended December 31,		
	2018	2017	2016
Operating activities			
Net income (loss)	\$ 82.0	\$ 139.8	\$ (21.9)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	234.1	205.8	160.1
Equity-based compensation	125.5	76.4	56.8
Loss on debt extinguishment	—	7.3	—
Deferred taxes	(26.2)	(34.5)	(3.8)
Tax receivable agreements liability adjustment	(14.9)	(123.2)	12.5
Gain on sale of discontinued operations	—	(33.2)	—
Other	14.8	13.3	20.5
Changes in operating assets and liabilities, net of amounts acquired:			
Registry deposits	6.2	(10.1)	(1.9)
Prepaid domain name registry fees	(15.9)	(13.5)	(22.8)
Accounts payable	(3.4)	(8.4)	19.6
Accrued expenses and other current liabilities	14.9	32.6	10.0
Deferred revenue	158.0	220.0	160.8
Other operating assets and liabilities	(15.3)	3.3	(3.4)
Net cash provided by operating activities	559.8	475.6	386.5
Investing activities			
Purchases of short-term investments	(24.8)	(28.3)	(10.5)
Maturities of short-term investments	18.5	22.6	8.4
Business acquisitions, net of cash acquired	(147.2)	(1,876.9)	(118.5)
Purchases of intangible assets	(9.3)	(52.0)	(1.3)
Net proceeds from sale of discontinued operations, including post-closing adjustments	(4.3)	447.7	—
Purchases of property and equipment	(87.7)	(83.2)	(61.5)
Net cash used in investing activities	(254.8)	(1,570.1)	(183.4)
Financing activities			
Proceeds received from:			
Debt issued to finance HEG acquisition	—	1,953.1	—
Stock option exercises	67.2	61.1	55.0
Sales of Class A common stock, net of issuance costs	—	22.9	—
Issuance of Class A common stock under employee stock purchase plan	21.9	17.4	5.0
Payments made for:			
Repurchases of LLC Units and distributions to holders of LLC Units	—	(285.0)	(18.8)
Repayment of HEG acquisition bridge financing	—	(596.6)	—
Repayment of term loans	(25.0)	(15.3)	(11.0)
Financing-related costs	—	(39.7)	—
Other financing obligations	(17.1)	(10.4)	(15.1)
Net cash provided by financing activities	47.0	1,107.5	15.1
Effect of exchange rate changes on cash and cash equivalents	(2.3)	3.6	(0.1)
Net increase in cash and cash equivalents	349.7	16.6	218.1
Cash and cash equivalents, beginning of period	582.7	566.1	348.0
Cash and cash equivalents, end of period	<u>\$ 932.4</u>	<u>\$ 582.7</u>	<u>\$ 566.1</u>
Supplemental cash flow information:			
Cash paid during the period for:			

GoDaddy, Inc.
Consolidated Statements of Cash Flows (continued)
(In millions)

	Year Ended December 31,		
	2018	2017	2016
Interest on long-term debt, net of swap benefit	\$ 84.1	\$ 88.3	\$ 46.5
Income taxes, net of refunds received	\$ 22.8	\$ 16.6	\$ 4.0
Supplemental information for non-cash investing and financing activities:			
Acquisition date fair value of contingent consideration	\$ 45.6	\$ 14.8	\$ 5.6
Accrued capital expenditures at period end	\$ 21.9	\$ 7.4	\$ 13.1

See accompanying notes to consolidated financial statements.