

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

	December 31,	
	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,062.8	\$ 932.4
Short-term investments	23.6	18.9
Accounts and other receivables	30.2	26.4
Registry deposits	27.2	28.3
Prepaid domain name registry fees	382.6	363.2
Prepaid expenses and other current assets	48.9	58.1
Total current assets	1,575.3	1,427.3
Property and equipment, net	258.6	299.0
Operating lease assets	196.6	—
Prepaid domain name registry fees, net of current portion	179.3	183.6
Goodwill	2,976.5	2,948.0
Intangible assets, net	1,097.7	1,211.5
Other assets	17.2	14.0
Total assets	<u>\$ 6,301.2</u>	<u>\$ 6,083.4</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 72.3	\$ 61.6
Accrued expenses and other current liabilities	366.0	414.3
Deferred revenue	1,544.4	1,393.7
Long-term debt	18.4	16.6
Total current liabilities	2,001.1	1,886.2
Deferred revenue, net of current portion	654.4	623.8
Long-term debt, net of current portion	2,376.8	2,394.2
Operating lease liabilities, net of current portion	192.9	—
Payable to related parties pursuant to tax receivable agreements	175.3	174.3
Other long-term liabilities	17.7	63.2
Deferred tax liabilities	100.9	117.2
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; 172,867 and 168,549 shares issued and outstanding as of December 31, 2019 and 2018, respectively	0.2	0.2
Class B common stock, \$0.001 par value - 500,000 shares authorized; 1,490 and 6,254 shares issued and outstanding as of December 31, 2019 and 2018, respectively	—	—
Additional paid-in capital	1,003.5	699.8
Retained earnings (accumulated deficit)	(153.5)	164.8
Accumulated other comprehensive loss	(78.2)	(72.1)
Total stockholders' equity attributable to GoDaddy Inc.	772.0	792.7
Non-controlling interests	10.1	31.8
Total stockholders' equity	782.1	824.5
Total liabilities and stockholders' equity	<u>\$ 6,301.2</u>	<u>\$ 6,083.4</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,		
	2019	2018	2017
Revenue:			
Domains	\$ 1,351.6	\$ 1,220.3	\$ 1,057.2
Hosting and presence	1,126.5	1,017.6	847.9
Business applications	510.0	422.2	326.8
Total revenue	2,988.1	2,660.1	2,231.9
Costs and operating expenses ⁽¹⁾ :			
Cost of revenue (excluding depreciation and amortization)	1,026.8	893.9	775.5
Technology and development	492.6	434.0	355.8
Marketing and advertising	345.6	291.4	253.2
Customer care	348.7	323.1	292.3
General and administrative	362.1	334.0	282.4
Depreciation and amortization	209.7	234.1	205.8
Total costs and operating expenses	2,785.5	2,510.5	2,165.0
Operating income	202.6	149.6	66.9
Interest expense	(92.1)	(98.4)	(83.0)
Loss on debt extinguishment	(14.8)	—	(7.3)
Tax receivable agreements liability adjustment	8.7	14.9	123.2
Other income (expense), net	22.0	6.9	7.0
Income from continuing operations before income taxes	126.4	73.0	106.8
Benefit for income taxes	12.0	9.0	18.9
Income from continuing operations	138.4	82.0	125.7
Income from discontinued operations, net of income taxes	—	—	14.1
Net income	138.4	82.0	139.8
Less: net income attributable to non-controlling interests	1.4	4.9	3.4
Net income attributable to GoDaddy Inc.	<u>\$ 137.0</u>	<u>\$ 77.1</u>	<u>\$ 136.4</u>
Net income attributable to GoDaddy Inc. per share of Class A common stock—basic:			
Continuing operations	\$ 0.79	\$ 0.50	\$ 1.17
Discontinued operations	—	—	0.08
Net income attributable to GoDaddy Inc.	<u>\$ 0.79</u>	<u>\$ 0.50</u>	<u>\$ 1.25</u>
Net income attributable to GoDaddy Inc. per share of Class A common stock—diluted:			
Continuing operations	\$ 0.76	\$ 0.45	\$ 0.71
Discontinued operations	—	—	0.08
Net income attributable to GoDaddy Inc.	<u>\$ 0.76</u>	<u>\$ 0.45</u>	<u>\$ 0.79</u>
Weighted-average shares of Class A common stock outstanding:			
Basic	<u>173,431</u>	<u>155,234</u>	<u>108,779</u>
Diluted	<u>181,721</u>	<u>181,353</u>	<u>177,054</u>

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

Cost of revenue	\$ 0.4	\$ —	\$ —
Technology and development	70.3	57.8	37.1
Marketing and advertising	15.4	10.3	7.3
Customer care	9.3	6.2	3.6
General and administrative	51.6	51.2	28.4
Total equity-based compensation expense	<u>\$ 147.0</u>	<u>\$ 125.5</u>	<u>\$ 76.4</u>

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2019	2018	2017
Operating activities			
Net income	\$ 138.4	\$ 82.0	\$ 139.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	209.7	234.1	205.8
Equity-based compensation	147.0	125.5	76.4
Loss on debt extinguishment	14.8	—	7.3
Tax receivable agreements liability adjustment	(8.7)	(14.9)	(123.2)
Gain on sale of discontinued operations	—	—	(33.2)
Other	32.7	(11.4)	(21.2)
Changes in operating assets and liabilities, net of amounts acquired:			
Registry deposits	1.1	6.2	(10.1)
Prepaid domain name registry fees	(15.1)	(15.9)	(13.5)
Accounts payable	13.6	(3.4)	(8.4)
Accrued expenses and other current liabilities	40.4	14.9	32.6
Deferred revenue	179.5	158.0	220.0
Other operating assets and liabilities	(30.0)	(15.3)	3.3
Net cash provided by operating activities	723.4	559.8	475.6
Investing activities			
Purchases of short-term investments	(64.1)	(24.8)	(28.3)
Maturities of short-term investments	59.9	18.5	22.6
Business acquisitions, net of cash acquired	(40.3)	(147.2)	(1,876.9)
Purchases of intangible assets	(4.7)	(9.3)	(52.0)
Net proceeds from sale of discontinued operations, including post-closing adjustments	—	(4.3)	447.7
Purchases of property and equipment	(87.6)	(87.7)	(83.2)
Other investing activities, net	1.5	—	—
Net cash used in investing activities	(135.3)	(254.8)	(1,570.1)
Financing activities			
Proceeds received from:			
Issuance of Senior Notes	600.0	—	—
Stock option exercises	70.7	67.2	61.1
Issuances of Class A common stock under employee stock purchase plan	28.5	21.9	17.4
Debt issued to finance HEG acquisition	—	—	1,953.1
Sales of Class A common stock, net of issuance costs	—	—	22.9
Payments made for:			
Repayment of term loans	(625.0)	(25.0)	(15.3)
Repurchases of Class A common stock	(458.6)	—	—
Contingent consideration for business acquisitions	(54.8)	(10.4)	(1.2)
Financing-related costs	(13.2)	—	(39.7)
Repurchases of LLC Units and distributions to holders of LLC Units	—	—	(285.0)
Repayment of HEG acquisition bridge financing	—	—	(596.6)
Other financing obligations	(4.5)	(6.7)	(9.2)
Net cash provided by (used in) financing activities	(456.9)	47.0	1,107.5
Effect of exchange rate changes on cash and cash equivalents	(0.8)	(2.3)	3.6
Net increase in cash and cash equivalents	130.4	349.7	16.6
Cash and cash equivalents, beginning of period	932.4	582.7	566.1
Cash and cash equivalents, end of period	<u>\$ 1,062.8</u>	<u>\$ 932.4</u>	<u>\$ 582.7</u>

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

	Year Ended December 31,		
	2019	2018	2017
Supplemental cash flow information:			
Cash paid during the period for:			
Interest on long-term debt, net of swap benefit	\$ 80.3	\$ 84.1	\$ 88.3
Income taxes, net of refunds received	\$ 6.1	\$ 22.8	\$ 16.6
Supplemental information for non-cash investing and financing activities:			
Acquisition date fair value of contingent consideration	\$ —	\$ 45.6	\$ 14.8
Accrued capital expenditures at period end	\$ 7.4	\$ 21.9	\$ 7.4
Landlord paid tenant improvements included in purchases of property and equipment	\$ 11.2	\$ 4.1	\$ —

See accompanying notes to consolidated financial statements.