

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2017
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 001-36904



GoDaddy Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

46-5769934

(I.R.S. Employer Identification Number)

14455 N. Hayden Road

Scottsdale, Arizona 85260

(Address of principal executive offices, including zip code)

(480) 505-8800

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 3, 2017, there were 126,735,354 shares of GoDaddy Inc.'s Class A common stock, \$0.001 par value per share, outstanding and 39,995,820 shares of GoDaddy Inc.'s Class B common stock, \$0.001 par value per share, outstanding.

GoDaddy Inc.
Quarterly Report on Form 10-Q
For the Quarterly Period Ended September 30, 2017

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains certain forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, involving substantial risks and uncertainties. The words "believe," "may," "will," "potentially," "plan," "estimate," "continue," "anticipate," "intend," "project," "expect" and similar expressions conveying uncertainty of future events or outcomes are intended to identify forward-looking statements. These statements include, among other things, those regarding:

- our ability to continue to add new customers and increase sales to our existing customers;
- our ability to develop new solutions and bring them to market in a timely manner;
- our ability to timely and effectively scale and adapt our existing solutions;
- our dependence on establishing and maintaining a strong brand;
- the occurrence of service interruptions and security or privacy breaches;
- system failures or capacity constraints;
- the rate of growth of, and anticipated trends and challenges in, our business and in the market for our products;
- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, including changes in technology and development, marketing and advertising, general and administrative and Customer Care expenses, and our ability to achieve and maintain, future profitability;
- our ability to continue to efficiently acquire customers, maintain our high customer retention rates and maintain the level of our customers' lifetime spend;
- our ability to provide high quality Customer Care;
- the effects of increased competition in our markets and our ability to compete effectively;
- our ability to grow internationally;
- the impact of fluctuations in foreign currency exchange rates on our business and our ability to effectively manage the exposure to such fluctuations;
- our ability to effectively manage our growth and associated investments;
- our ability to integrate recent or potential future acquisitions, including our recent acquisition of Host Europe Holdings Limited (HEG) and to deliver a broader range of cloud-based products built on a single global technology platform;
- our ability to maintain our relationships with our partners;
- adverse consequences of our substantial level of indebtedness and our ability to repay our debt;
- our ability to maintain, protect and enhance our intellectual property;
- our ability to maintain or improve our market share;
- sufficiency of cash and cash equivalents to meet our needs for at least the next 12 months;
- beliefs and objectives for future operations;
- our ability to stay in compliance with laws and regulations currently applicable to, or which may become applicable to, our business both in the United States (U.S.) and internationally;
- economic and industry trends or trend analysis;
- our ability to attract and retain qualified employees and key personnel;
- the amount and timing of any payments we make under tax receivable agreements (TRAs) or for tax distributions;
- the future trading prices of our Class A common stock;

as well as other statements regarding our future operations, financial condition and prospects and business strategies.

NOTE ABOUT FORWARD-LOOKING STATEMENTS (continued)

We operate in very competitive and rapidly-changing environments, and new risks emerge from time-to-time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report may not occur, and actual results could differ materially and adversely from those implied in our forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Neither we, nor any other person, assume responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements for any reason after the date of this report to conform such statements to actual results or to changes in our expectations, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context suggests otherwise, references to GoDaddy, we, us and our refer to GoDaddy Inc. and its consolidated subsidiaries, including Desert Newco, LLC and its subsidiaries (Desert Newco). We refer to Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, KKR), Silver Lake Partners (together with its affiliates, Silver Lake) and Technology Crossover Ventures (together with its affiliates, TCV) collectively as the Sponsors. We refer to YAM Special Holdings, Inc. as YAM. We refer to Robert R. Parsons, the sole beneficial owner of YAM, our founder and a member of our board of directors, as Bob Parsons.

Part I - FINANCIAL INFORMATION**Item 1. Financial Statements**

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

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 536.9	\$ 566.1
Short-term investments	16.4	6.6
Accounts and other receivables	17.3	8.0
Registry deposits	25.6	20.6
Prepaid domain name registry fees	357.6	307.0
Prepaid expenses and other current assets	49.8	24.5
Total current assets	1,003.6	932.8
Property and equipment, net	296.3	231.0
Prepaid domain name registry fees, net of current portion	185.0	172.1
Goodwill	2,882.0	1,718.4
Intangible assets, net	1,316.8	716.5
Other assets	11.3	16.1
Total assets	<u>\$ 5,695.0</u>	<u>\$ 3,786.9</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 49.5	\$ 61.7
Accrued expenses and other current liabilities	430.6	143.0
Payable to related parties for tax distributions	—	10.0
Deferred revenue	1,254.3	1,043.5
Long-term debt	16.1	4.0
Total current liabilities	1,750.5	1,262.2
Deferred revenue, net of current portion	594.8	532.7
Long-term debt, net of current portion	2,415.8	1,035.7
Payable to related parties pursuant to tax receivable agreements	220.1	202.6
Deferred tax liabilities	172.6	—
Other long-term liabilities	72.0	39.5
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; 126,211 and 88,558 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	0.1	0.1
Class B common stock, \$0.001 par value - 500,000 shares authorized; 40,000 and 78,554 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	—	0.1
Additional paid-in capital	451.6	608.3
Accumulated deficit	(4.9)	(48.7)
Accumulated other comprehensive income (loss)	(51.6)	2.7
Total stockholders' equity attributable to GoDaddy Inc.	395.2	562.5
Non-controlling interests	74.0	151.7
Total stockholders' equity	469.2	714.2
Total liabilities and stockholders' equity	<u>\$ 5,695.0</u>	<u>\$ 3,786.9</u>

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended		September 30,	
	2017	2016	2017	2016
Revenue:				
Domains	\$ 271.5	\$ 236.6	\$ 775.6	\$ 685.3
Hosting and presence	225.9	174.1	619.1	502.0
Business applications	84.8	61.4	235.0	174.7
Total revenue	582.2	472.1	1,629.7	1,362.0
Costs and operating expenses ⁽¹⁾ :				
Cost of revenue (excluding depreciation and amortization)	200.3	169.2	573.5	485.7
Technology and development	91.0	72.3	261.3	214.2
Marketing and advertising	58.8	53.4	188.7	170.9
Customer care	74.6	59.8	217.0	183.6
General and administrative	65.4	52.8	198.2	153.8
Depreciation and amortization	60.0	43.4	147.1	121.6
Total costs and operating expenses	550.1	450.9	1,585.8	1,329.8
Operating income	32.1	21.2	43.9	32.2
Interest expense	(24.4)	(14.4)	(59.2)	(43.0)
Tax receivable agreements liability adjustment	—	1.3	37.0	(9.4)
Loss on debt extinguishment	(5.3)	—	(7.0)	—
Other income (expense), net	1.7	(0.7)	6.1	(0.8)
Income (loss) from continuing operations before income taxes	4.1	7.4	20.8	(21.0)
Benefit (provision) for income taxes	3.0	0.9	6.6	(0.1)
Income (loss) from continuing operations	7.1	8.3	27.4	(21.1)
Income from discontinued operations, net of income taxes (includes \$36.7 gain on disposal, net of tax)	22.9	—	17.6	—
Net income (loss)	30.0	8.3	45.0	(21.1)
Less: net income (loss) attributable to non-controlling interests	7.6	3.5	1.2	(6.5)
Net income (loss) attributable to GoDaddy Inc.	\$ 22.4	\$ 4.8	\$ 43.8	\$ (14.6)
Net income (loss) attributable to GoDaddy Inc. per share of Class A common stock—basic:				
Continuing operations	\$ 0.05	\$ 0.06	\$ 0.31	\$ (0.19)
Discontinued operations	0.15	—	0.12	—
Net income (loss) attributable to GoDaddy Inc.	\$ 0.20	\$ 0.06	\$ 0.43	\$ (0.19)
Net income (loss) attributable to GoDaddy Inc. per share of Class A common stock—diluted:				
Continuing operations	\$ 0.04	\$ 0.05	\$ 0.15	\$ (0.19)
Discontinued operations	0.13	—	0.10	—
Net income (loss) attributable to GoDaddy Inc.	\$ 0.17	\$ 0.05	\$ 0.25	\$ (0.19)
Weighted-average shares of Class A common stock outstanding:				
Basic	114,836	83,733	102,171	77,170
Diluted	175,219	175,932	177,009	77,170

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

Technology and development	\$ 9.3	\$ 7.0	\$ 26.6	\$ 16.9
Marketing and advertising	2.0	2.3	5.2	5.8
Customer care	1.0	1.6	2.6	3.0
General and administrative	7.5	6.6	20.8	14.6

See accompanying notes to condensed consolidated financial statements.

GoDaddy Inc.
Condensed Consolidated Statement of Stockholders' Equity (unaudited)
(In millions, except share amounts in thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non- Controlling Interest	Total
	Shares	Amount	Shares	Amount					
Balance at December 31, 2016	88,558	\$ 0.1	78,554	\$ 0.1	\$ 608.3	\$ (48.7)	\$ 2.7	\$ 151.7	\$ 714.2
Net income (loss)	—	—	—	—	—	43.8	—	1.2	45.0
Equity-based compensation expense	—	—	—	—	55.2	—	—	—	55.2
Sales of Class A common stock	671	—	—	—	19.4	—	—	—	19.4
Stock option exercises	4,683	—	—	—	65.1	—	—	(17.2)	47.9
Issuance of Class A common stock under employee stock purchase plan	325	—	—	—	9.2	—	—	—	9.2
Repurchases of LLC Units	—	—	(7,345)	—	(275.0)	—	—	—	(275.0)
Effect of exchanges of LLC Units	31,209	—	(31,209)	(0.1)	23.9	—	—	(23.9)	(0.1)
Liability pursuant to the tax receivable agreements resulting from exchanges of LLC Units	—	—	—	—	(54.5)	—	—	—	(54.5)
Gain (loss) on swaps and foreign currency hedging, net	—	—	—	—	—	—	(47.0)	—	(47.0)
Change in foreign currency translation adjustment	—	—	—	—	—	—	(45.1)	—	(45.1)
Accumulated other comprehensive income (loss) attributable to non- controlling interests	—	—	—	—	—	—	37.8	(37.8)	—
Vesting of restricted stock units	765	—	—	—	—	—	—	—	—
Balance at September 30, 2017	126,211	\$ 0.1	40,000	\$ —	\$ 451.6	\$ (4.9)	\$ (51.6)	\$ 74.0	\$ 469.2

See accompanying notes to condensed consolidated financial statements.

GoDaddy Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited)
(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income (loss)	\$ 30.0	\$ 8.3	\$ 45.0	\$ (21.1)
Foreign exchange forward contracts gain (loss)	(1.7)	(0.2)	(6.5)	(0.4)
Unrealized swap gain (loss), net	(9.9)	—	(40.5)	—
Change in foreign currency translation adjustment	(45.0)	—	(45.1)	(0.1)
Comprehensive income (loss)	(26.6)	8.1	(47.1)	(21.6)
Less: comprehensive income (loss) attributable to non-controlling interests	(20.2)	—	(36.6)	—
Comprehensive income (loss) attributable to GoDaddy Inc.	<u>\$ (6.4)</u>	<u>\$ 8.1</u>	<u>\$ (10.5)</u>	<u>\$ (21.6)</u>

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2017	2016
Operating activities		
Net income (loss)	\$ 45.0	\$ (21.1)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	147.1	121.6
Equity-based compensation	55.2	40.3
Loss on debt extinguishment	7.0	—
Tax receivable agreements liability adjustment	(37.0)	9.4
Deferred taxes	(15.9)	(2.4)
Gain on sale of PlusServer	(36.7)	—
Other	10.6	13.5
Changes in operating assets and liabilities, net of amounts acquired:		
Registry deposits	(4.1)	(2.9)
Prepaid domain name registry fees	(24.3)	(26.6)
Deferred revenue	208.4	156.6
Other operating assets and liabilities	16.0	9.0
Net cash provided by operating activities	371.3	297.4
Investing activities		
Purchases of short-term investments	(16.3)	(10.5)
Maturities of short-term investments	6.6	5.4
Business acquisitions, net of cash acquired	(1,875.7)	(57.9)
Proceeds received from sale of PlusServer	447.7	—
Purchases of property and equipment, excluding improvements	(50.2)	(37.8)
Purchases of leasehold and building improvements	(10.0)	(5.0)
Net cash used in investing activities	(1,497.9)	(105.8)
Financing activities		
Proceeds received from:		
Acquisition Term Loan	1,421.4	—
Bridge Loan	531.7	—
Stock option exercises	47.9	45.9
Sale of Class A common stock, net of expenses	22.1	—
Issuance of Class A common stock under employee stock purchase plan	9.2	—
Payments made for:		
Repurchases of LLC Units	(275.0)	—
Financing-related costs	(38.9)	—
Distributions to holders of LLC Units	(10.0)	(10.8)
Repayment of Bridge Loan	(596.6)	—
Repayment of term loan	(9.0)	(8.2)
Capital leases and other financing obligations	(8.8)	(10.3)
Net cash provided by financing activities	1,094.0	16.6
Effect of exchange rate changes on cash and cash equivalents	3.4	—
Net increase (decrease) in cash and cash equivalents	(29.2)	208.2
Cash and cash equivalents, beginning of period	566.1	348.0
Cash and cash equivalents, end of period	\$ 536.9	\$ 556.2
Supplemental cash flow information:		
Cash paid during the period for:		
Interest on long-term debt, net of swap benefit	\$ 59.3	\$ 35.0
Income taxes, net of refunds received	\$ 12.6	\$ 2.7
Supplemental information for non-cash investing and financing activities:		
Fair value of contingent consideration in connection with business acquisitions	\$ 11.6	\$ 1.0

Accrued capital expenditures at period end	\$	7.1	\$	13.5
Property and equipment acquired under capital leases	\$	6.3	\$	7.0

See accompanying notes to condensed consolidated financial statements.

GoDaddy Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)
(In millions, except share amounts in thousands and per share amounts)

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1. Organization and Background

Organization

Following the completion of our IPO and other related organizational transactions in 2015 , we became the sole managing member of Desert Newco. As a result, we consolidate its financial results and report a non-controlling interest representing the economic interest held by its other members. Non-controlling interest excludes any net income (loss) attributable directly to GoDaddy Inc. As of September 30, 2017 , we owned approximately 76% of Desert Newco's limited liability company units (LLC Units).

Basis of Presentation

Our condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP), and include our accounts and the accounts of our subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Our interim condensed consolidated financial statements are unaudited, and in our opinion, include all adjustments of a normal recurring nature necessary for the fair presentation of the interim periods presented. The results for the interim periods are not necessarily indicative of the results to be expected for any subsequent quarter or for the year ending December 31, 2017 .

These financial statements should be read in conjunction with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2016 (the 2016 Form 10-K).

Prior Period Reclassifications

Reclassifications of certain immaterial prior period amounts have been made to conform to the current period presentation.

Use of Estimates

GAAP requires us to make estimates and assumptions affecting amounts reported in our financial statements. Our more significant estimates include:

- the determination of the best estimate of selling price of the deliverables included in multiple-deliverable revenue arrangements;
- the fair value of assets acquired and liabilities assumed in business acquisitions;
- the assessment of recoverability of long-lived assets, including property and equipment, goodwill and intangible assets;
- the estimated reserve for refunds;
- the estimated useful lives of intangible and depreciable assets;
- the grant date fair value of equity-based awards;
- the recognition, measurement and valuation of current and deferred income taxes;
- the recognition and measurement of amounts payable under TRAs or as tax distributions to Desert Newco's owners; and
- the recognition and measurement of loss contingencies, indirect tax liabilities and certain accrued liabilities.

We periodically evaluate these estimates and adjust prospectively, if necessary. We believe our estimates and assumptions are reasonable; however, actual results may differ from our estimates.

Segment and Reporting Unit

Our chief operating decision maker function is comprised of our Chief Executive Officer and Chief Operating Officer. These individuals collectively review financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance for the entire company. Accordingly, for the periods presented, we have concluded we continue to have a single operating segment and reporting unit.

2. Summary of Significant Accounting Policies

Derivative Financial Instruments

We are exposed to changes in foreign currency exchange rates as well as changes in interest rates associated with our variable-rate debt. Consequently, we use derivative financial instruments to manage and mitigate such risks. We do not enter into derivative transactions for speculative or trading purposes.

Our derivative financial instruments include foreign exchange forward contracts with financial institutions to hedge certain forecasted sales transactions denominated in currencies other than the U.S. dollar. In addition, we have entered into an interest rate swap on a portion of our long-term debt and a cross-currency swap on our intercompany debt to manage the variability of cash flows due to movements in interest rates and foreign currency exchange rates. We have designated each of these instruments as a cash flow hedge.

We expect each derivative instrument qualifying for hedge accounting will be highly effective at reducing the risk associated with the exposure being hedged. For each derivative instrument designated as a hedge, we formally document the related risk management strategy and objective, including identification of the hedging instrument, the hedged item and the risk of exposure, as well as how hedge effectiveness will be assessed prospectively and retrospectively over the instrument's term. To assess effectiveness of our swap instruments, we use regression analysis performed utilizing the Hypothetical Derivative Method to compare the change in fair value of the derivative instrument designated as the hedging instrument to the change in the fair value of a similarly modeled hypothetical derivative using the same discount rate. Following our initial quantitative assessment, we may perform subsequent assessments on a qualitative basis unless facts and circumstances change such that we can no longer qualitatively assert that our hedges are highly effective.

We reflect unrealized gains or losses on our cash flow hedges as a component of accumulated other comprehensive income (loss) (AOCI). Gains and losses, once realized, are recorded as a component of AOCI and are amortized to earnings

over the same period in which the underlying hedged amounts are recognized. At inception, and each reporting period, we evaluate the effectiveness of each of our hedges, and all hedges were determined to be effective.

The fair values of our derivative instruments are recorded in our balance sheet on a gross basis. For cash flow reporting purposes, proceeds received or amounts paid upon the settlement of a derivative instrument are classified in the same manner as the related item being hedged, primarily within cash flows from operating activities.

Fair Value Measurements

We hold certain assets required to be measured at fair value on a recurring basis. These may include reverse repurchase agreements, commercial paper or other securities, which are classified as either cash and cash equivalents or short-term investments. We classify these assets within Level 1 or Level 2 because we use either quoted market prices or alternative pricing sources utilizing market observable inputs to determine their fair value. In addition, Level 2 assets and liabilities include derivative financial instruments associated with hedging activity, as further discussed in Note 11. Derivative financial instruments are measured at fair value on the contract date and are subsequently remeasured each reporting period using inputs such as spot rates, discount rates and forward rates. There are not active markets for the hedge contracts themselves; however, the inputs used to calculate the fair value of the instruments are tied to active markets.

Our contingent consideration liabilities are classified within Level 3 and valued using discounted cash flow valuation methods encompassing significant unobservable inputs. The inputs include estimated operating results scenarios for the applicable performance periods, probability weightings assigned to operating results scenarios and the discount rates applied. Our contingent consideration liabilities relate to future earn-out payments associated with our acquisitions. No material adjustments to the fair value of contingent consideration were made during any of the periods presented.

The following tables set forth assets and liabilities measured at fair value on a recurring basis:

	September 30, 2017			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents:				
Reverse repurchase agreements ⁽¹⁾	\$ —	\$ 100.0	\$ —	\$ 100.0
Commercial paper	—	49.9	—	49.9
Short-term investments:				
Certificates of deposit and time deposits	6.4	—	—	6.4
Commercial paper	—	10.0	—	10.0
Derivative assets	—	—	—	—
Total assets measured and recorded at fair value	<u>\$ 6.4</u>	<u>\$ 159.9</u>	<u>\$ —</u>	<u>\$ 166.3</u>
Liabilities:				
Contingent consideration liabilities	\$ —	\$ —	\$ 20.6	\$ 20.6
Derivative liabilities	—	184.9	—	184.9
Total liabilities measured and recorded at fair value	<u>\$ —</u>	<u>\$ 184.9</u>	<u>\$ 20.6</u>	<u>\$ 205.5</u>

(1) Reverse repurchase agreements include a \$50.0 million repurchase agreement with Morgan Stanley, callable with 31 days notice, and a \$50.0 million one-week repurchase agreement with Wells Fargo.

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents:				
Reverse repurchase agreements ⁽¹⁾	\$ —	\$ 130.0	\$ —	\$ 130.0
Commercial paper	—	55.9	—	55.9
Short-term investments:				
Certificates of deposit and time deposits	6.6	—	—	6.6
Derivative assets	—	0.7	—	0.7
Total assets measured and recorded at fair value	\$ 6.6	\$ 186.6	\$ —	\$ 193.2
Liabilities:				
Derivative liabilities	\$ —	\$ 0.1	\$ —	\$ 0.1
Total liabilities measured and recorded at fair value	\$ —	\$ 0.1	\$ —	\$ 0.1

(1) Reverse repurchase agreements include an \$80.0 million repurchase agreement with Morgan Stanley, callable with 31 days notice, and a \$50.0 million one-week repurchase agreement with Wells Fargo.

We have no other material assets or liabilities measured at fair value on a recurring basis.

Foreign Currency

Our functional and reporting currency is the U.S. dollar. Assets denominated in foreign currencies are remeasured into U.S. dollars at period-end exchange rates. Foreign currency-based revenue and expense transactions are measured at transaction date exchange rates. Foreign currency remeasurement gains and losses are recorded in other income (expense), net and were not material in any of the periods presented.

The functional currency of certain of our foreign subsidiaries is their respective local currency. For these subsidiaries, we translate revenue and expense transactions at average exchange rates. We translate assets and liabilities at period-end exchange rates and include foreign currency translation gains and losses as a component of AOCI.

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued a new standard on revenue recognition from contracts with customers. The new standard requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount reflecting the consideration to which the entity expects to be entitled to in exchange for those goods or services. The FASB has issued several amendments to the new standard, including clarification on identifying performance obligations, principal-versus-agent implementation guidance, collectability assessment, sales taxes and other similar taxes collected from customers, noncash consideration, contract modification and completed contracts at transition. These amendments are intended to address implementation issues raised by stakeholders and provide additional practical expedients to reduce the cost and complexity of applying the new standard.

The new standard permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective method). We will adopt the new standard effective January 1, 2018.

We have substantially completed our assessment of the new standard and do not currently anticipate any changes to have a material impact. We plan to adopt the standard under the modified retrospective approach and will recognize the cumulative effect of initially applying the standard, if any, as an adjustment to the opening balance of retained earnings at the date of initial application.

Other Accounting Standards

In February 2016 , the FASB issued new guidance related to accounting for leases. The new standard requires the recognition of assets and liabilities arising from lease transactions on the balance sheet and the disclosure of key information about leasing arrangements. For leases with a term of 12 months or less, a lessee can make an accounting policy election by class of underlying asset to not recognize an asset and corresponding liability. We will adopt the new standard on January 1, 2019 . In transition, lessees are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. We are currently evaluating the expected impact of this standard.

In March 2016 , the FASB issued new guidance changing the accounting for certain aspects of share-based payments to employees. The guidance allows for a policy election to account for forfeitures as they occur rather than on an estimated basis and allows for an employer to repurchase more of an employee's shares for tax withholding purposes without triggering liability accounting. In addition, the guidance requires recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid-in capital pools. We elected to continue to account for forfeitures on an estimated basis, and accordingly, our adoption of this guidance on January 1, 2017 did not have a material impact.

In June 2016 , the FASB issued new guidance for the accounting for credit losses on instruments that will require entities to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial instruments measured at amortized cost and also applies to some off-balance sheet credit exposures. The guidance is effective for annual and interim reporting periods beginning after December 15, 2019 , with early adoption permitted. We are currently evaluating the timing of our adoption and the expected impact of this new guidance on our consolidated financial statements.

In November 2016 , the FASB issued new guidance requiring amounts generally described as restricted cash and restricted cash equivalents to be included with cash and cash equivalents when reconciling the amounts shown on the statement of cash flows. This new guidance is effective for us on January 1, 2018 , and our adoption is not expected to have a material impact.

In January 2017, the FASB issued new guidance clarifying the definition of a business for determining whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The guidance provides a screen for an entity to use to determine when a set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the asset is not a business. If the screen is not met, the guidance requires that to be considered a business, a set of assets and activities must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The guidance also removes the evaluation of whether a market participant could replace missing elements. This new guidance is effective for us on January 1, 2018 , and our adoption is not expected to have a material impact.

In January 2017 , the FASB issued new guidance simplifying the goodwill impairment test, eliminating the requirement for an entity to determine the fair value of its assets and liabilities (including unrecognized assets and liabilities) at the impairment testing date following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, an entity will be required to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity will be required to recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to the reporting unit. The guidance is effective for annual and interim reporting periods beginning after December 15, 2019 , with early adoption permitted. We are currently evaluating the timing of our adoption and the expected impact of this new guidance.

In May 2017 , the FASB issued new guidance to amend the scope of modification accounting for share-based payment arrangements. The amendment provides guidance on the types of changes to the terms or conditions of share-based payment awards which would require an entity to apply modification accounting. This new guidance is effective for us on January 1, 2018 , and our adoption is not expected to have a material impact.

In August 2017, the FASB issued new guidance simplifying the rules around hedge accounting to better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation and disclosure of hedging results. In

addition, certain targeted improvements eased the application of current guidance related to the assessment of hedge effectiveness. Our adoption of this new guidance effective July 1, 2017 did not have a material impact.

3. Business Acquisitions

Acquisition of Host Europe Holdings Limited

On April 3, 2017, we completed the acquisition of HEG, a United Kingdom-based provider of domains, web hosting, applications hosting and managed hosting services to small and medium-sized customers throughout Europe. Pursuant to the terms of the purchase agreement, we purchased all of the outstanding shares of HEG and certain loan notes issued by Host Europe Finance Co. Ltd. for total consideration transferred of €1.7 billion. We funded the acquisition with the proceeds from the Acquisition Term Loan and the Bridge Loan, both of which are further described in Note 10, and incurred \$18.6 million in nonrecurring transaction costs in connection with the acquisition, which were recognized within general and administrative expense. As a result of the acquisition, HEG became our wholly-owned subsidiary. We believe the acquisition will allow us to leverage HEG's existing footprint to accelerate our expansion in Europe through the delivery of a broader range of cloud-based products, built on a single global technology platform, and supported by a high level of customer care to help small businesses and web designers succeed online.

Our operating results include HEG's results from the closing date. The purchase price was preliminarily allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date, with the excess recorded to goodwill. The recognition of goodwill, none of which is deductible for income tax purposes, was made based on the strategic and synergistic benefits we expect to realize from the acquisition. During the measurement period, which will not exceed one year from closing, we will continue to obtain information to assist us in finalizing the acquisition date fair values. Any qualifying changes to our preliminary estimates will be recorded as adjustments to the respective assets and liabilities, with any residual amounts allocated to goodwill. During the three months ended September 30, 2017, we recorded certain measurement period adjustments primarily related to acquired deferred tax liabilities and the net assets held for sale. These adjustments resulted in a \$22.7 million reclassification of goodwill from discontinued operations to continuing operations.

The following table summarizes the preliminary estimated fair values of the HEG assets acquired and liabilities assumed, as adjusted:

Total purchase consideration ⁽¹⁾	\$	1,849.5
Fair value of assets acquired:		
Cash and cash equivalents		27.2
Other current assets		66.3
Assets held for sale ⁽²⁾		497.5
Property and equipment, net		61.9
Intangible assets, net		595.7
Other assets		9.3
Amount attributable to assets acquired		1,257.9
Fair value of liabilities assumed:		
Accounts payable and accrued expenses		61.9
Current portion of deferred revenue		45.5
Liabilities directly associated with the assets held for sale ⁽²⁾		93.0
Other long-term liabilities		14.0
Deferred tax liabilities		186.6
Amount attributable to liabilities assumed		401.0
Goodwill	\$	992.6

(1) The purchase consideration was translated using the Euro to U.S. dollar exchange rate in effect on the closing date, April 3, 2017, of approximately 1.066.

(2) Assets held for sale and liabilities directly associated with the assets held for sale, represented those of HEG's PlusServer managed hosting business, which met the criteria for held for sale designation at the acquisition date and was sold in August 2017. See Note 4 for further discussion.

The preliminary purchase price allocation to identifiable finite-lived intangible assets acquired was as follows:

Finite-lived Intangible Assets	Preliminary Estimated Useful Life	HEG Continuing Operations
Trade names	10 years	\$ 75.2
Developed technology	6 years	62.4
Customer relationships	9 years	458.1
		\$ 595.7

We preliminarily valued trade names by applying the relief-from-royalty method, which is a variation of the income approach. This valuation method is based on the application of a royalty rate to the forecasted revenue expected from the trade names. Projected cash flows were then discounted using a rate of return reflecting the relative risk of achieving the cash flows as well as the time value of money. Our preliminary valuation of developed technology also used the relief-from-royalty method, in which the forecasted revenue associated with each of the domain and hosting technologies was estimated assuming useful lives ranging from six to eight years. A royalty rate, calculated considering factors such as market competition, profitability and market share, was applied to the forecasted revenue. The projected cash flows were then discounted using a rate of return reflecting the risk and uncertainty of their achievement relative to the overall business. Customer relationships were preliminarily valued using the multi-period excess earnings method under the income approach, which reflects the present value of the projected cash flows expected to be generated by the customer relationship assets less charges representing the contribution of other assets to those cash flows. We determined the assumptions used in developing these valuations based on our future plans, historical data, current and anticipated market conditions, estimated growth rates and market comparables. The acquired finite-lived intangible assets have a total weighted-average amortization period of 8.8 years.

Preliminary valuation of property and equipment was valued using the cost approach, which estimates value by determining the current cost of replacing an asset with another of equivalent economic utility. The cost to replace a given asset reflects the estimated reproduction or replacement cost for the property, less an allowance for loss in value due to depreciation. Deferred revenue was valued using the income approach, in which we estimated costs required to fulfill the obligation associated with the deferred revenue and then applied an appropriate profit margin. The result was then discounted to represent value at a risk adjusted rate. Preliminary deferred tax liabilities primarily represent the expected future tax consequences of temporary differences between the fair values of the assets acquired and liabilities assumed and their respective tax bases.

The determination of fair value requires considerable judgment and is sensitive to changes in the underlying assumptions. Our estimates are preliminary and subject to adjustment, which may result in material changes to the final valuation.

HEG contributed the following to our consolidated results since the date of acquisition:

	Total Revenue	Net Loss from Continuing Operations
For the three months ended:		
June 30, 2017 (as revised) ⁽¹⁾	\$ 45.9	\$ (9.4)
September 30, 2017	52.8	(6.1)
Total HEG contribution	\$ 98.7	\$ (15.5)

(1) HEG's net loss from continuing operations for the three months ended June 30, 2017 was revised to exclude intercompany expenses, which eliminated in consolidation.

The following pro forma consolidated results of operations for the three and nine months ended September 30, 2017 and 2016 assume the closing of the HEG acquisition occurred as of January 1, 2016. The unaudited pro forma results include certain preliminary purchase accounting adjustments, which are primarily comprised of amortization of acquired intangible assets, fair value adjustments to reduce deferred revenue assumed in the acquisition and interest expense on the Acquisition Term Loan and the Bridge Loan. For the purpose of the pro forma, the one -year Bridge Loan was assumed to commence on January 1, 2016 and therefore no interest expense on this loan is included in 2017. In addition, we have made pro forma adjustments in 2017 to exclude nonrecurring transaction costs directly attributable to the acquisition. As required by U.S. GAAP, we have made pro forma adjustments to include these deal costs in 2016. The pro forma results of operations are presented for informational purposes only and do not include any anticipated cost savings or other effects of future integration.

efforts. As such, they may not be not indicative of the results we would have achieved if the acquisition had taken place on January 1, 2016 , nor are they intended to be a projection of our future results.

<i>Pro forma Consolidated Results of Operations</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Total revenue	\$ 589.5	\$ 526.1	\$ 1,707.9	\$ 1,515.7
Net income (loss) attributable to GoDaddy Inc.	25.9	(1.8)	47.5	(29.0)
Net income (loss) from continuing operations attributable to GoDaddy Inc.	2.9	(3.0)	28.8	(38.4)
Net income (loss) from continuing operations attributable to GoDaddy Inc. per share of Class A common stock - basic	0.08	(0.03)	0.35	(0.50)
Net income (loss) from continuing operations attributable to GoDaddy Inc. per share of Class A common stock - diluted	0.07	(0.03)	0.18	(0.50)

Other Acquisition

In April 2017 , we completed an acquisition for consideration consisting of cash of \$45.7 million , \$9.0 million payable in future periods upon expiration of the contractual holdback period, \$15.0 million of time-based milestone payments and additional contingent earn-out payments of up to \$15.0 million subject to the achievement of certain revenue and integration milestones. We recognized a liability of \$33.7 million representing the estimated aggregate acquisition-date fair value of the future payments. Pro forma financial information is not presented because this acquisition was not material to our results of operations.

The aggregate purchase price was allocated based upon our assessment of acquisition-date fair values with \$64.1 million allocated to goodwill, none of which is tax deductible, \$28.5 million to identified finite-lived intangible assets and \$13.2 million of net liabilities assumed. Identified finite-lived intangible assets, which were valued using income-based approaches, consist of developed technology, customer relationships and trade names. The acquired finite-lived intangible assets have a total weighted-average amortization period of 5.5 years .

4. Sale of PlusServer

In connection with the HEG acquisition, we committed to a formal plan to sell PlusServer as its business model differs from ours. The operating results of PlusServer from the acquisition date to the date of its sale are reported within discontinued operations in our condensed consolidated statements of operations. On August 31, 2017 , we sold all of the outstanding shares of PlusServer, receiving net proceeds of \$447.7 million . As a result of the sale, we recorded a gain on disposal of \$36.7 million , which includes the release of the associated cumulative translation adjustment on PlusServer's net assets.

5. Goodwill and Intangible Assets

The following table summarizes changes in our goodwill balance:

Balance at December 31, 2016	\$ 1,718.4
Goodwill related to acquisitions	1,056.7
Impact of foreign currency translation	106.9
Balance at September 30, 2017	<u>\$ 2,882.0</u>

Intangible assets are as follows:

	September 30, 2017			
	Gross Carrying Amount	Accumulated Amortization	Domains Sold	Net Carrying Amount
Indefinite-lived intangible assets:				
Trade names and branding	\$ 445.0	n/a	n/a	\$ 445.0
Domain portfolio	120.5	n/a	\$ (18.2)	102.3
Finite-lived intangible assets:				
Customer-related	872.6	\$ (295.8)	n/a	576.8
Developed technology	184.8	(74.7)	n/a	110.1
Trade names	95.3	(12.7)	n/a	82.6
	<u>\$ 1,718.2</u>	<u>\$ (383.2)</u>	<u>\$ (18.2)</u>	<u>\$ 1,316.8</u>

	December 31, 2016			
	Gross Carrying Amount	Accumulated Amortization	Domains Sold	Net Carrying Amount
Indefinite-lived intangible assets:				
Trade names and branding	\$ 445.0	n/a	n/a	\$ 445.0
Domain portfolio	120.5	n/a	\$ (14.4)	106.1
Finite-lived intangible assets:				
Customer-related	367.4	\$ (245.4)	n/a	122.0
Developed technology	226.0	(187.0)	n/a	39.0
Trade names	11.9	(7.5)	n/a	4.4
	<u>\$ 1,170.8</u>	<u>\$ (439.9)</u>	<u>\$ (14.4)</u>	<u>\$ 716.5</u>

Customer-related intangible assets, developed technology and trade names have weighted-average useful lives from the date of purchase of 104 months, 73 months and 111 months, respectively. Amortization expense attributable to continuing operations was \$36.2 million and \$25.7 million for the three months ended September 30, 2017 and 2016, respectively, and was \$82.9 million and \$69.4 million for the nine months ended September 30, 2017 and 2016, respectively. The weighted-average remaining amortization period for amortizable intangible assets was 88 months as of September 30, 2017.

Based on the balance of finite-lived intangible assets at September 30, 2017, expected future amortization expense attributable to continuing operations is as follows:

Year Ending December 31:

2017 (remainder of)	\$ 34.1
2018	130.8
2019	111.6
2020	105.3
2021	82.8
Thereafter	304.9
	<u>\$ 769.5</u>

6. Stockholders' Equity

Secondary Offerings and LLC Unit Repurchase

In May 2017, we completed an underwritten public offering in which the Sponsors and YAM sold an aggregate of 27,615 shares of our Class A common stock at a public offering price of \$38.50 per share. We did not receive any proceeds from the shares sold by the selling stockholders; however, we received \$3.7 million in proceeds from our sale of 100 additional shares of Class A common stock in the offering, which were fully offset by expenses incurred in connection with the offering. The offering included the exchange of 16,701 LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock by the selling stockholders, which resulted in a \$10.8 million increase in additional paid-in capital, with an offsetting reduction in non-controlling interests, and a material increase to the liability under the TRAs. See Note 14.

In May 2017, we repurchased 7,345 LLC units from the Sponsors and YAM for an aggregate of \$275.0 million, or \$37.44 per share, which is the same per share price, net of discounts and commissions, paid by the underwriters to the selling stockholders in the offering. In connection with this repurchase, the corresponding shares of Class B common stock held by the Sponsors and YAM were canceled.

In May 2017, we sold an aggregate of 521 shares of Class A common stock to certain members of HEG's management team for total proceeds of \$19.2 million.

In September 2017, we completed an underwritten public offering in which the Sponsors and YAM sold an aggregate of 20,000 shares of our Class A common stock at a public offering price of \$44.00 per share. We did not receive any proceeds from the shares sold by the selling stockholders; however, we received \$2.2 million in proceeds from our sale of 50 additional shares of Class A common stock in the offering, which were offset by \$1.8 million of expenses incurred in connection with the offering. The offering included the exchange of 13,774 LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock by the selling stockholders, which resulted in a \$10.8 million increase in additional paid-in capital, with an offsetting reduction in non-controlling interests, and a material increase to the liability under the TRAs. See Note 14.

7. Equity-Based Compensation Plans

As of December 31, 2016, 12,579 shares of Class A common stock were available for issuance as future awards under the 2015 Equity Incentive Plan (the 2015 Plan). On January 1, 2017, an additional 6,684 shares were reserved for issuance pursuant to the automatic increase provisions of the 2015 Plan. As of September 30, 2017, 15,870 shares were available for issuance as future awards under the 2015 Plan.

As of December 31, 2016, 2,123 shares of Class A common stock were available for issuance under the 2015 Employee Stock Purchase Plan (the ESPP). On January 1, 2017, an additional 1,000 shares were reserved for issuance pursuant to the ESPP. As of September 30, 2017, 2,797 shares were available for issuance under the ESPP.

We grant options at exercise prices equal to the fair market value of our Class A common stock on the grant date. We grant both options and restricted stock units (RSUs) vesting solely upon the continued employment of the recipient as well as awards vesting upon the achievement of annual or cumulative financial-based targets coinciding with our fiscal year. We recognize the grant date fair value of equity-based awards as compensation expense over the required service period of each award, taking into account the probability of our achievement of associated performance targets.

The following table summarizes our option activity:

	Number of Shares of Class A Common Stock (#)	Weighted- Average Grant- Date Fair Value (\$)	Weighted- Average Exercise Price (\$)
Outstanding at December 31, 2016	18,628		14.06
Granted	2,011	14.94	37.70
Exercised	(4,683)		10.20
Forfeited	(1,010)		23.42
Outstanding at September 30, 2017	14,946		17.83
Vested and exercisable at September 30, 2017	7,687		11.76

The following table summarizes our RSU activity:

	Number of Shares of Class A Common Stock (#)	Weighted- Average Grant- Date Fair Value (\$)
Outstanding at December 31, 2016	2,757	
Granted	2,719	38.17
Vested	(765)	
Forfeited	(353)	
Outstanding at September 30, 2017	4,358	

At September 30, 2017, total unrecognized compensation expense related to non-vested stock options and RSUs was \$41.5 million and \$94.6 million, respectively, with expected remaining weighted-average recognition periods of 1.9 years and 2.7 years, respectively. We currently believe the performance targets related to the vesting of performance awards will be achieved. If such targets are not achieved, or are subsequently determined to not be probable of being achieved, we will not recognize any compensation expense relating to performance awards not expected to vest, and will reverse any previously recognized expense on such awards.

8. Deferred Revenue

Deferred revenue consists of the following:

	September 30, 2017	December 31, 2016
Current:		
Domains	\$ 634.6	\$ 531.2
Hosting and presence	441.7	370.8
Business applications	178.0	141.5
	<u>\$ 1,254.3</u>	<u>\$ 1,043.5</u>
Noncurrent:		
Domains	\$ 341.4	\$ 311.1
Hosting and presence	182.0	163.4
Business applications	71.4	58.2
	<u>\$ 594.8</u>	<u>\$ 532.7</u>

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	September 30, 2017	December 31, 2016
Derivative liabilities	\$ 184.9	\$ —
Accrued payroll and employee benefits	82.2	74.0
Tax-related accruals	66.3	15.8
Accrued acquisition-related expenses and acquisition consideration payable	32.5	13.4
Accrued marketing and advertising expenses	20.8	9.8
Current portion of capital lease obligation	5.3	6.9
Accrued other	38.6	23.1
	<u>\$ 430.6</u>	<u>\$ 143.0</u>

10. Long-Term Debt

Long-term debt consists of the following:

	September 30, 2017	December 31, 2016
Term loans (effective interest rate of 4.1% at September 30, 2017 and 4.9% at December 31, 2016)	\$ 2,488.6	\$ 1,072.5
Revolving Credit Loan	—	—
Total	2,488.6	1,072.5
Less: unamortized original issue discount on long-term debt ⁽¹⁾	(34.0)	(30.5)
Less: unamortized debt issuance costs ⁽¹⁾	(22.7)	(2.3)
Less: current portion of long-term debt	(16.1)	(4.0)
	<u>\$ 2,415.8</u>	<u>\$ 1,035.7</u>

(1) Original issue discount and debt issuance costs are amortized to interest expense over the life of the related debt instruments using the effective interest method.

Credit Facility

Our amended and restated secured credit agreement (the Credit Facility) included a \$1,100.0 million original balance term loan maturing on May 13, 2021 and an available \$150.0 million revolving credit loan maturing on May 13, 2019 .

On February 15, 2017 , we refinanced the Credit Facility to provide for: i) a \$1,072.5 million seven -year term loan (the Term Loan), ii) a second \$1,425.0 million tranche (the Acquisition Term Loan), which was issued on April 3, 2017 upon the completion of our acquisition of HEG, and iii) a \$150.0 million five -year revolving credit facility, which increased to \$200.0 million upon the completion of our acquisition of HEG (the Revolving Credit Loan). See Note 3 for further information regarding our acquisition of HEG.

The refinanced Term Loan was issued at a 0.25% discount on the face of the note at original issue for net proceeds of \$1,069.8 million and matures on February 15, 2024 . Borrowings under the Term Loan bear interest at a rate equal to, at our option, either (a) LIBOR plus 2.50% per annum or (b) 1.50% per annum plus the highest of (i) the Federal Funds Rate plus 0.5% , (ii) the Prime Rate or (iii) one-month LIBOR plus 1.0% .

The refinanced Revolving Credit Loan matures on February 15, 2022 and bears interest at a rate equal to, at our option, either (a) LIBOR plus a margin ranging from 2.00% to 2.50% per annum or (b) the higher of (i) the Federal Funds Rate plus 0.5% , (ii) the Prime Rate or (iii) the one-month LIBOR rate plus 1.0% plus a margin ranging from 1.00% to 1.50% per annum, with the margins determined based on our first lien net leverage ratio. The refinanced Revolving Credit Loan also contains a financial covenant requiring us to maintain a maximum net leverage ratio of 5.75 :1.00 when our usage exceeds

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35.0% of the maximum capacity. The net leverage ratio is calculated as the ratio of first lien secured debt less cash and cash equivalents to consolidated EBITDA (as defined in the Credit Facility).

In evaluating the refinancing, we compared the net present value cash flows of the previous term loan and the refinanced Term Loan to determine whether the terms of the new debt and original instrument were "substantially different" on a creditor-by-creditor basis. Certain of the creditors in the loan syndication did not reinvest in the refinanced Term Loan, and we accounted for their proportionate share of the unamortized original issue discount and deferred financing costs as a \$1.7 million loss on debt extinguishment. As the cash flows for all of the continuing creditors varied by less than 10% between the old and new instruments, we concluded that debt modification accounting was appropriate and fees paid to the lenders of \$2.8 million were recorded as additional discount on the Term Loan. In addition, \$3.2 million in fees paid to third parties were recorded as general and administrative expense during the first quarter of 2017 .

Pursuant to the terms of the amended credit agreement, we drew down the \$1,425.0 million Acquisition Term Loan upon completion of the HEG acquisition. This loan was issued at a 0.25% discount at original issue for net proceeds of \$1,421.4 million and has the same maturity date and interest rate as the Term Loan. A portion of the Acquisition Term Loan is hedged by an interest rate swap. See Note 11 for discussion of this hedging instrument and its impact on the interest rate associated with this loan.

At September 30, 2017 , we had \$200.0 million available for borrowing under the Revolving Credit Loan and were not in violation of any covenants of the Credit Facility.

The estimated fair value of the term loans was \$2,501.0 million at September 30, 2017 based on observable market prices for this loan, which is traded in a less active market and is therefore classified as a Level 2 fair value measurement.

Bridge Loan

On April 3, 2017 , we entered into a credit agreement pursuant to which we borrowed an aggregate principal amount of €500 million (approximately \$533.0 million on the date of issuance) (the Bridge Loan) in connection with the HEG acquisition. Following the sale of PlusServer on August 31, 2017 , as further discussed in Note 4 , we prepaid the Bridge Loan in its entirety and the underlying bridge credit agreement was canceled. Accordingly, we recognized a \$5.3 million loss on debt extinguishment, representing the remaining unamortized original issue discount and debt issuance costs on this loan, during the three months ended September 30, 2017 . As the Bridge Loan was contractually required to be repaid with any proceeds received from the sale of PlusServer, interest expense attributable to the Bridge Loan of \$5.3 million and \$12.4 million for the three and nine months ended September 30, 2017 , respectively, was recorded within the loss from discontinued operations.

Future Debt Maturities

Aggregate principal payments, exclusive of any unamortized original issue discount and debt issuance costs, due on long-term debt as of September 30, 2017 are as follows:

Year Ending December 31:

2017 (remainder of)	\$	6.2
2018		25.0
2019		25.0
2020		25.0
2021		25.0
Thereafter		2,382.4
	\$	<u>2,488.6</u>

11. Derivatives and Hedging

We are exposed to changes in foreign currency exchange rates, primarily relating to debt and certain forecasted sales transactions denominated in currencies other than the U.S. dollar, as well as to changes in interest rates as a result of our variable-rate debt. Consequently, we use derivative financial instruments to manage and mitigate such risk. We do not enter into derivative transactions for speculative or trading purposes.

The following table summarizes our outstanding derivative instruments, all of which are designated as cash flow hedges, on a gross basis:

Derivative Instrument:	Notional Amount		Derivative Assets				Derivative Liabilities			
	September 30, 2017	December 31, 2016	September 30, 2017		December 31, 2016		September 30, 2017		December 31, 2016	
			Balance Sheet Location (2)	Fair Value	Balance Sheet Location (2)	Fair Value	Balance Sheet Location (2)	Fair Value	Balance Sheet Location (2)	Fair Value
<u>Level 2:</u>										
Foreign exchange forward contracts	\$ 28.6	\$ —	PP	\$ —	PP	\$ 0.7	ACC	\$ 3.2	ACC	\$ 0.1
Cross-currency swap	1,460.0 (1)	—	PP	—	PP	—	ACC	147.5	ACC	—
Interest rate swap	1,318.8	—	PP	—	PP	—	ACC	34.2	ACC	—
Total hedges	\$ 2,807.4	\$ —		\$ —		\$ 0.7		\$ 184.9		\$ 0.1

(1) The notional value for the cross-currency swap reflects €1,237.1 million translated to U.S. dollar at the foreign currency rate in effect at September 30, 2017 of approximately 1.18.

(2) PP = Prepaid expenses and other current assets; ACC = Accrued expenses and other current liabilities.

The following table summarizes the effect of our designated cash flow hedging derivative instruments on AOCI:

Derivative Instrument:	Unrealized Gains (Losses) Recognized in Other Comprehensive Income			
	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Foreign exchange forward contracts (1)	\$ (1.7)	\$ (0.2)	\$ (6.5)	\$ (0.4)
Cross-currency swap	(12.6)	—	(6.3)	—
Interest rate swap	2.7	—	(34.2)	—
Total hedges	\$ (11.6)	\$ (0.2)	\$ (47.0)	\$ (0.4)

(1) Amounts include gains and losses realized upon contract settlement but not yet recognized into earnings from AOCI.

The following tables summarize the locations and amounts of gains (losses) recognized within earnings related to our cash flow hedging relationships:

	Three Months Ended September 30, 2017			Three Months Ended September 30, 2016		
	Revenue	Interest Expense	Other Income (Expense), Net	Revenue	Interest Expense	Other Income (Expense), Net
<u>Foreign Exchange Forward Contracts:</u>						
Reclassified from AOCI into income	\$ 0.1	\$ —	\$ —	\$ 0.5	\$ —	\$ —
<u>Cross Currency Swap:</u>						
Reclassified from AOCI into income	—	7.0	(0.3)	—	—	—
<u>Interest Rate Swap:</u>						
Reclassified from AOCI into income	—	(4.1)	—	—	—	—
Total hedges	\$ 0.1	\$ 2.9	\$ (0.3)	\$ 0.5	\$ —	\$ —

	Nine Months Ended September 30, 2017			Nine Months Ended September 30, 2016		
	Revenue	Interest Expense	Other Income (Expense), Net	Revenue	Interest Expense	Other Income (Expense), Net
<u>Foreign Exchange Forward Contracts:</u>						
Reclassified from AOCI into income	\$ 1.3	\$ —	\$ —	\$ 1.0	\$ —	\$ —
<u>Cross Currency Swap:</u>						
Reclassified from AOCI into income	—	14.5	(0.6)	—	—	—
<u>Interest Rate Swap:</u>						
Reclassified from AOCI into income	—	(8.8)	—	—	—	—
Total hedges	\$ 1.3	\$ 5.7	\$ (0.6)	\$ 1.0	\$ —	\$ —

As of September 30, 2017, we estimate that approximately \$11.4 million of net deferred gains related to our cash flow hedges will be recognized in earnings over the next 12 months. No amounts were excluded from our effectiveness testing during any of the periods presented.

Risk Management Strategies

Foreign Exchange Forward Contracts

We enter into foreign exchange forward contracts with financial institutions to hedge certain forecasted sales transactions denominated in foreign currency. We designate these forward contracts as cash flow hedges, which are recognized as either assets or liabilities at fair value. At September 30, 2017, the total notional amount of such contracts was \$28.6 million, all having maturities of three months or less.

Cross-Currency Swap Contract

In April 2017, in order to manage variability due to movements in foreign currency rates related to a Euro-denominated intercompany loan, we entered into a five-year cross-currency swap arrangement (the Cross-Currency Swap). The Cross-Currency Swap, which matures on April 3, 2022, had an amortizing notional amount of €1,243.3 million at inception (approximately \$1,325.4 million). It converts the 3.00% fixed rate Euro-denominated interest and principal receipts on the intercompany loan into fixed U.S. dollar interest and principal receipts at a rate of 5.44%. Pursuant to the contract, the Euro notional value will be exchanged for the U.S. dollar notional value at maturity. The Cross-Currency Swap has been designated as a cash flow hedge. Accordingly, it is recognized as an asset or liability at fair value and the unrealized gains and losses on the contract are included in gain (loss) on swaps and foreign currency hedging, net within AOCI. Gains and losses are reclassified to interest income or expense over the period the hedged loan affects earnings. As such, amounts recorded in Other Comprehensive Income (Loss) (OCI) will be recognized in earnings within or against interest expense when the hedged interest payment is accrued each month. In addition, an amount is reclassified from AOCI to other income (expense), net each reporting period, to offset the earnings impact of the hedged instrument.

Interest Rate Swap Contract

In April 2017, in connection with the closing of the Acquisition Term Loan, we entered into a five-year pay-fixed rate, receive-floating rate interest rate swap arrangement (the Interest Rate Swap) to effectively convert a portion of the variable-rate debt to fixed. The Interest Rate Swap, which matures on April 3, 2022, had an amortizing notional amount of \$1,325.4 million at inception and swaps the variable interest rate on our one-month LIBOR plus 2.50% debt for a fixed rate of 5.44%. The objective of the Interest Rate Swap, which is designated as a cash flow hedge and recognized as an asset or liability at fair value, is to manage the variability of cash flows in the interest payments related to the portion of the variable-rate debt designated as being hedged. The unrealized gains and losses on the contract are included in gain (loss) on swaps and foreign currency hedging, net within AOCI. Amounts recorded in OCI will be recognized in earnings within or against interest expense when the hedged interest payment is accrued each month.

12. Commitments and Contingencies

Litigation

From time-to-time, we are a party to litigation and subject to claims incident to the ordinary course of business, including intellectual property claims, putative class actions, commercial and consumer protection claims, labor and employment claims, breach of contract claims and other asserted and unasserted claims. We investigate claims as they arise and accrue estimates for resolution of legal and other contingencies when losses are probable and estimable. The amounts currently accrued for such matters are not material. While the results of such normal course claims and legal proceedings cannot be predicted with certainty, management does not believe, based on current knowledge and the likely timing of resolution of various matters, any additional reasonably possible potential losses above the amounts accrued for such matters would be material. Regardless of the outcome, legal proceedings may have an adverse effect on us because of defense costs, diversion of management resources and other factors.

Indemnifications

In the normal course of business, we have made indemnities under which we may be required to make payments in relation to certain transactions, including to our directors and officers to the maximum extent permitted under applicable state laws and indemnifications related to certain lease agreements. In addition, certain advertiser and reseller partner agreements contain indemnification provisions, which are generally consistent with those prevalent in the industry. We have not incurred material obligations under indemnification provisions historically, and do not expect to incur material obligations in the future. Accordingly, we have not recorded any liabilities related to such indemnities as of September 30, 2017 and December 31, 2016 .

We include service level commitments to our customers guaranteeing certain levels of uptime reliability and performance for our hosting and premium DNS products. These guarantees permit those customers to receive credits in the event we fail to meet those levels, with exceptions for certain service interruptions including but not limited to periodic maintenance. We have not incurred any material costs as a result of such commitments during any of the periods presented, and have not recorded any liabilities related to such obligations as of September 30, 2017 and December 31, 2016 .

Indirect Taxes

We are subject to indirect taxation in some, but not all, of the various states and foreign jurisdictions in which we conduct business. Laws and regulations attempting to subject communications and commerce conducted over the Internet to various indirect taxes are becoming more prevalent, both in the U.S. and internationally, and may impose additional burdens on us in the future. Increased regulation could negatively affect our business directly, as well as the businesses of our customers. Taxing authorities may impose indirect taxes on the Internet-related revenue we generate based on regulations currently being applied to similar, but not directly comparable, industries. There are many transactions and calculations where the ultimate indirect tax determination is uncertain. In addition, domestic and international indirect taxation laws are complex and subject to change. We may be audited in the future, which could result in changes to our indirect tax estimates. We continually evaluate those jurisdictions in which nexus exists, and believe we maintain adequate indirect tax accruals.

As of September 30, 2017 and December 31, 2016 , our accrual for estimated indirect tax liabilities was \$6.8 million and \$6.1 million , respectively, reflecting our best estimate of the probable liability based on an analysis of our business activities, revenues subject to indirect taxes and applicable regulations. Although we believe our indirect tax estimates and associated reserves are reasonable, the final determination of indirect tax audits and any related litigation could be materially different than the amounts established for indirect tax contingencies. Due to the complexity and uncertainty surrounding indirect tax laws in certain international locations, we believe it is reasonably possible we may incur additional losses related to indirect taxes, which management estimates to be within the range of \$0 to \$22.0 million as of September 30, 2017 .

13. Income Taxes

We are subject to U.S. federal income taxes, in addition to state and local income taxes with respect to our allocable share of any taxable income or loss of Desert Newco, as well as any stand-alone income or loss generated by GoDaddy Inc. GoDaddy Inc. is currently in a net operating loss position, subject to a full valuation allowance, due to a history of losses. Desert Newco has been and will continue to be treated as a partnership for U.S. income tax purposes and for most applicable state and local income tax purposes. As such, Desert Newco is considered a pass-through entity and generally does not pay income taxes on its taxable income in most jurisdictions. Instead, Desert Newco's taxable income or loss is passed through to and included in the taxable income or loss of its members, including us, on a pro rata basis. Despite its partnership treatment,

Desert Newco is liable for income taxes in certain foreign jurisdictions in which it operates, in those states not recognizing its pass-through status and for certain of its subsidiaries not taxed as pass-through entities. We have acquired the outstanding stock of various domestic entities taxed as corporations for U.S. federal and state income tax purposes, which are now owned 100% by us or our subsidiaries and are treated as an independent consolidated group for federal income tax purposes. Where required or allowed, these subsidiaries also file and pay tax as a consolidated group for state income tax purposes. In addition, during the second quarter of 2017 we acquired all of the outstanding stock of HEG, also taxed as a group of corporations for income tax purposes, and filing as consolidated groups primarily within the United Kingdom and Germany. We anticipate this structure to remain in existence for the foreseeable future.

Our effective tax rate is lower than statutory rates primarily due to Desert Newco's pass-through structure for U.S. income tax purposes, while being treated as taxable in certain states and various foreign jurisdictions as well as for certain subsidiaries. In all foreign jurisdictions where we conduct business, except for our Canadian and HEG subsidiaries, we are subject to income tax in both the U.S. and the foreign jurisdictions. HEG is taxable primarily in the United Kingdom and Germany at rates lower than U.S. statutory rates.

During the nine months ended September 30, 2017, we increased our deferred tax liabilities by \$176.7 million, predominantly through preliminary purchase accounting for our recent acquisitions, primarily related to non-deductible intangible assets.

Based on our limited operating history and future projections of taxable income, we believe there is significant uncertainty as to when we will be able to utilize our foreign, federal and state net operating losses (NOLs), credit carryforwards and other deferred tax assets (DTAs). Therefore, we have recorded a valuation allowance against the DTAs for which we have concluded it is more-likely-than-not they will not be realized. As part of the acquisition of HEG, our valuation allowance increased as we believe there is significant uncertainty as to our ability to utilize our NOLs and other DTAs related to the HEG entities in the United Kingdom.

Based on our analysis of tax positions taken on income tax returns filed, we have determined no significant liabilities related to uncertain income tax positions are required. Although we believe the amounts reflected in our tax returns substantially comply with applicable federal, state and foreign tax regulations, the respective taxing authorities may take contrary positions based on their interpretation of the law. A tax position successfully challenged by a taxing authority could result in an adjustment to our provision or benefit for income taxes in the period in which a final determination is made.

14. Payable to Related Parties Pursuant to the TRAs

As of December 31, 2016, our liability under the TRAs was \$202.6 million, representing approximately 85% of the calculated tax savings based on the portion of the original basis adjustments we anticipated being able to utilize in future years. During the nine months ended September 30, 2017, we decreased this liability through: i) a \$33.6 million benefit to our consolidated statement of operations resulting from the impact of an Internal Revenue Service approved filing election during the period ended September 30, 2017, which had the effect of reducing the basis on which the liability under the TRAs is calculated, ii) a \$12.2 million increase in additional paid-in capital resulting from an immaterial adjustment related to our accounting for this liability and iii) a \$3.4 million benefit to our consolidated statement of operations primarily resulting from our increased ownership of Desert Newco and a reduction in forecasted taxable income. We also increased this liability through a \$66.7 million reduction in additional paid-in capital resulting from the exchange of LLC Units in the secondary offering discussed in Note 6. As of September 30, 2017, the liability under the TRAs was \$220.1 million.

The projection of future taxable income involves significant judgment. Actual taxable income may differ from our estimates, which could significantly impact the liability under the TRAs. We have determined it is more-likely-than-not we will be unable to utilize all of our DTAs subject to the TRAs; therefore, we have not recorded a liability under the TRAs related to the tax savings we may realize from the utilization of NOL carryforwards and the amortization related to basis adjustments under Code Section 754 created by exchanges of LLC Units, including those associated with the secondary offering. If utilization of these DTAs becomes more-likely-than-not in the future, at such time, we will record liabilities under the TRAs of up to an additional \$904.2 million as a result of basis adjustments under Code Section 754 and up to an additional \$350.1 million related to the utilization of NOL and credit carryforwards, which will be recorded through charges to our consolidated statement of operations. However, if the tax attributes are not utilized in future years, it is reasonably possible no amounts would be paid under the TRAs. In this scenario, the reduction of the liability under the TRAs would result in a benefit to our consolidated statement of operations.

15. Income (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) attributable to GoDaddy Inc. by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted income (loss) per share is computed giving effect to all potentially dilutive shares. In periods when we have a net loss, potentially issuable shares are excluded from the calculation of earnings per share as their inclusion would have an antidilutive effect.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net income (loss) per share is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Numerator:				
Income (loss) from continuing operations	\$ 7.1	\$ 8.3	\$ 27.4	\$ (21.1)
Income from discontinued operations, net of income taxes	22.9	—	17.6	—
Net income (loss)	30.0	8.3	45.0	(21.1)
Less: net income (loss) attributable to non-controlling interests	7.6	3.5	1.2	(6.5)
Net income (loss) attributable to GoDaddy Inc.	\$ 22.4	\$ 4.8	\$ 43.8	\$ (14.6)
Denominator:				
Weighted-average shares of Class A common stock outstanding—basic	114,836	83,733	102,171	77,170
Effect of dilutive securities:				
Class B common stock	50,601	79,189	64,510	—
Options and vesting LLC Units	8,324	12,594	9,046	—
RSUs and ESPP shares	1,458	416	1,282	—
Weighted-average shares of Class A Common stock outstanding—diluted	175,219	175,932	177,009	77,170
Net income (loss) attributable to GoDaddy Inc. per share of Class A common stock—basic:				
Continuing operations	\$ 0.05	\$ 0.06	\$ 0.31	\$ (0.19)
Discontinued operations	0.15	—	0.12	—
Net income (loss) attributable to GoDaddy Inc.	\$ 0.20	\$ 0.06	\$ 0.43	\$ (0.19)
Net income (loss) attributable to GoDaddy Inc. per share of Class A common stock—diluted: ⁽¹⁾				
Continuing operations	\$ 0.04	\$ 0.05	\$ 0.15	\$ (0.19)
Discontinued operations	0.13	—	0.10	—
Net income (loss) attributable to GoDaddy Inc.	\$ 0.17	\$ 0.05	\$ 0.25	\$ (0.19)

(1) The dilutive income per share calculations exclude the net income (loss) attributable to non-controlling interests.

The following number of weighted-average potentially dilutive shares were excluded from the calculation of diluted income (loss) per share because the effect of including such potentially dilutive shares would have been antidilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Class B common stock	—	—	—	83,236
Options and vesting LLC Units	—	—	—	14,443
RSUs and ESPP shares	—	—	—	237
	—	—	—	97,916

Shares of Class B common stock do not share in our earnings and are not participating securities. Accordingly, separate presentation of income (loss) per share of Class B common stock under the two-class method has not been presented. Each share of Class B common stock (together with a corresponding LLC Unit) is exchangeable for one share of Class A common stock. Total shares outstanding were as follows:

	September 30,	December 31, 2016
	2017	
Class A common stock	126,211	88,558
Class B common stock	40,000	78,554
	166,211	167,112

16. Geographic Information

Revenue by geography is based on the customer's billing address, and was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
U.S.	\$ 384.1	\$ 340.9	\$ 1,109.6	\$ 996.2
International	198.1	131.2	520.1	365.8
	\$ 582.2	\$ 472.1	\$ 1,629.7	\$ 1,362.0

No individual international country represented more than 10% of total revenue in any period presented.

Property and equipment, net by geography was as follows:

	September 30,	December 31,
	2017	2016
U.S.	\$ 221.1	\$ 216.7
Germany	43.9	—
All other international	31.3	14.3
	\$ 296.3	\$ 231.0

Other than Germany, no individual international country represented more than 10% of property and equipment, net in any period presented.

17. Related Party Transactions

Tax Distributions to Desert Newco's Owners

Desert Newco is subject to an operating agreement containing numerous provisions related to allocations of income and loss, as well as timing and amounts of distributions to its owners. This agreement also includes a provision requiring cash distributions enabling its owners to pay their taxes on income passing through from Desert Newco. In addition, under the tax rules, Desert Newco is required to allocate taxable income disproportionately to its unit holders. Because tax distributions are determined based on the holder of LLC Units who is allocated the largest amount of cumulative taxable income for the current year on a per unit basis, but are made pro rata based on ownership, Desert Newco is required to make tax distributions that, in the aggregate, will likely exceed the amount of taxes Desert Newco would have otherwise paid.

As of December 31, 2016, our accrual for tax distributions related to estimated taxable income allocations to Desert Newco's owners for 2016, excluding us, was \$10.0 million, which we paid in 2017 based on ownership as of the payment dates as follows: \$4.0 million to YAM, \$2.3 million to Silver Lake, \$2.1 million to KKR, \$1.2 million to TCV and \$0.4 million to other Desert Newco owners.

An additional accrual for tax distributions was not required at September 30, 2017.

Sponsors

As of September 30, 2017, affiliates of KKR held \$15.5 million of the outstanding principal balance of our term loans as part of the lending syndicate. No material amounts have been paid to KKR during any of the periods presented.

Other

In the ordinary course of business, we purchase and lease computer equipment, technology licensing and software maintenance and support from affiliates of Dell Inc. (Dell) of which Silver Lake and its affiliates have a significant ownership interest. During the three months ended September 30, 2017 and 2016, we paid \$4.3 million and \$3.0 million, respectively, to Dell. During the nine months ended September 30, 2017 and 2016, we paid \$11.9 million and \$11.3 million, respectively, to Dell.

18. Accumulated Other Comprehensive Income (Loss)

The following table presents OCI activity accumulated in equity:

	Foreign Currency Translation Gains (Losses)	Net Unrealized Gains (Losses) on Cash Flow Hedges (1)	Total Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2016	\$ (0.3)	\$ 3.0	\$ 2.7
Other comprehensive income (loss) before reclassifications	1.8	(40.6)	(38.8)
Amounts reclassified from AOCI	(46.9)	(6.4)	(53.3)
Other comprehensive income (loss)	(45.1)	(47.0)	(92.1)
	\$ (45.4)	\$ (44.0)	\$ (89.4)
Less: AOCI attributable to non-controlling interests			(37.8)
Balance as of September 30, 2017			\$ (51.6)
Balance as of December 31, 2015	\$ (0.2)	\$ 3.4	\$ 3.2
Other comprehensive income (loss) before reclassifications	(0.1)	0.6	0.5
Amounts reclassified from AOCI	—	(1.0)	(1.0)
Other comprehensive income (loss)	(0.1)	(0.4)	(0.5)
	\$ (0.3)	\$ 3.0	\$ 2.7
Less: AOCI attributable to non-controlling interests			—
Balance as of September 30, 2016			\$ 2.7

(1) Amounts shown for our foreign exchange forward contracts include gains and losses realized upon contract settlement but not yet recognized into earnings from AOCI.

The sale of PlusServer in August 2017 resulted in the reclassification from AOCI of \$46.9 million in cumulative foreign currency translation adjustments, which was reported in the gain on disposal within income from discontinued operations for the three and nine months ended September 30, 2017. The income tax impact associated with this reclassified amount was not material.

See Note 11 for the effect on net income (loss) of amounts reclassified from AOCI related to our cash flow hedging instruments. The income tax impact associated with these reclassified amounts was not material in any period presented.

19. Subsequent Events

In October 2017, we completed two domain portfolio acquisitions for aggregate cash consideration of \$50.0 million, including \$4.2 million payable upon expiration of the contractual holdback periods.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q as well as our audited consolidated financial statements and related notes and the discussion in the "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our 2016 Form 10-K.

(Throughout this discussion and analysis, dollars are in millions, excluding ARPU or unless otherwise noted.)

Third Quarter Financial Highlights

Below are our key financial highlights as of and for the three months ended September 30, 2017. All comparisons are to the three months ended September 30, 2016.

- Total revenue of \$582.2 million, an increase of 23.3%, or approximately 23.6% on a constant currency basis ⁽¹⁾.
- International revenue of \$198.1 million, an increase of 51.0%, or approximately 51.8% on a constant currency basis ⁽¹⁾.
- Total bookings ⁽²⁾ of \$668.0 million, an increase of 25.0%, or approximately 24.7% on a constant currency basis ⁽¹⁾.
- Net income was \$30.0 million.
- Total customers increased 17.7% to 17.1 million.
- Average revenue per user increased 5.1% to \$134.
- Cash and cash equivalents were \$536.9 million.
- Net cash provided by operating activities was \$131.4 million.
- Net proceeds received from the sale of PlusServer were \$447.7 million and, in combination with cash and cash equivalents of \$148.9 million, were used to prepay the Bridge Loan.
- Capital expenditures were \$23.7 million.

⁽¹⁾ Discussion of constant currency is set forth in "Quantitative and Qualitative Disclosures about Market Risk."

⁽²⁾ A reconciliation of total bookings to total revenue, the most directly comparable GAAP financial measure, is set forth in "Reconciliation of Bookings" below.

Key Metrics

In addition to our results determined in accordance with GAAP, we believe the operating metrics below are useful as supplements in evaluating our ongoing operational performance and help provide an enhanced understanding of our business:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Total bookings	\$ 668.0	\$ 534.3	\$ 1,960.3	\$ 1,630.7
Total customers at period end (in thousands)	17,123	14,547	17,123	14,547
Average revenue per user	\$ 134	\$ 127	\$ 134	\$ 127

Total bookings. Total bookings represents cash receipts from the sale of products to customers in a given period adjusted for products where we recognize revenue on a net basis and without giving effect to certain adjustments, primarily net refunds granted in the period. Total bookings provides valuable insight into the sales of our products and the performance of our business since we typically collect payment at the time of sale and recognize revenue ratably over the term of our customer contracts. We report total bookings without giving effect to refunds granted in the period because refunds often occur in periods different from the period of sale for reasons unrelated to the marketing efforts leading to the initial sale. Accordingly, by excluding net refunds, we believe total bookings reflects the effectiveness of our sales efforts in a given period.

Total bookings increased 25.0% from \$534.3 million for the three months ended September 30, 2016 to \$668.0 million for the three months ended September 30, 2017 and increased 20.2% from \$1,630.7 million for the nine months ended September 30, 2016 to \$1,960.3 million for the nine months ended September 30, 2017. These increases were primarily driven by our acquisition of HEG in April 2017, increases in total customers and domains under management, continued increases in aftermarket domain sales, broadened customer adoption of non-domains products and a higher growth rate associated with our increased international presence, partially offset by the impact of adverse movements in foreign currency exchange rates.

Total customers. We define a customer as an individual or entity, as of the end of a period, having an account with one or more paid product subscriptions. A single user may be counted as a customer more than once if the user maintains paid subscriptions in multiple accounts. Total customers is an indicator of the scale of our business and is a critical factor in our ability to increase our revenue base.

Total customers increased 17.7% from 14,547 as of September 30, 2016 to 17,123 as of September 30, 2017. Our customer growth primarily resulted from our acquisition of HEG, our increased international presence, our ongoing marketing and advertising initiatives and our enhanced and expanded product offerings.

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.

ARPU increased 5.1% from \$127 for the period ended September 30, 2016 to \$134 for the period ended September 30, 2017, primarily due to broadened customer adoption of our products resulting in increased customer spend and revenue from acquired businesses, partially offset by the impact of adverse movements in foreign currency exchange rates. Our ARPU growth is muted by the impact of the acquisition of HEG as our trailing 12 month revenue includes only six months of HEG's results, while all of HEG's customers are included in the average customers calculation.

Reconciliation of Bookings

The following table reconciles total bookings to total revenue, its most directly comparable GAAP financial measure.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Total Bookings:				
Total revenue	\$ 582.2	\$ 472.1	\$ 1,629.7	\$ 1,362.0
Change in deferred revenue ⁽¹⁾	44.5	27.3	204.3	158.3
Net refunds	43.4	35.4	125.1	108.8
Other	(2.1)	(0.5)	1.2	1.6
Total bookings	\$ 668.0	\$ 534.3	\$ 1,960.3	\$ 1,630.7

(1) Change in deferred revenue also includes the impact of realized gains or losses from the hedging of bookings in foreign currencies.

Results of Operations

The following table sets forth our consolidated results of operations for the periods presented and as a percentage of our total revenue for those periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	\$	% of Total Revenue	\$	% of Total Revenue	\$	% of Total Revenue	\$	% of Total Revenue
Revenue:								
Domains	\$ 271.5	46.6 %	\$ 236.6	50.1 %	\$ 775.6	47.6 %	\$ 685.3	50.3 %
Hosting and presence	225.9	38.8 %	174.1	36.9 %	619.1	38.0 %	502.0	36.9 %
Business applications	84.8	14.6 %	61.4	13.0 %	235.0	14.4 %	174.7	12.8 %
Total revenue	582.2	100.0 %	472.1	100.0 %	1,629.7	100.0 %	1,362.0	100.0 %
Costs and operating expenses:								
Cost of revenue (excluding depreciation and amortization)	200.3	34.4 %	169.2	35.8 %	573.5	35.2 %	485.7	35.7 %
Technology and development	91.0	15.6 %	72.3	15.3 %	261.3	16.0 %	214.2	15.7 %
Marketing and advertising	58.8	10.1 %	53.4	11.3 %	188.7	11.6 %	170.9	12.5 %
Customer care	74.6	12.8 %	59.8	12.7 %	217.0	13.3 %	183.6	13.5 %
General and administrative	65.4	11.2 %	52.8	11.2 %	198.2	12.2 %	153.8	11.3 %
Depreciation and amortization	60.0	10.3 %	43.4	9.2 %	147.1	9.0 %	121.6	8.9 %
Total costs and operating expenses	550.1	94.4 %	450.9	95.5 %	1,585.8	97.3 %	1,329.8	97.6 %
Operating income	32.1	5.6 %	21.2	4.5 %	43.9	2.7 %	32.2	2.4 %
Interest expense	(24.4)	(4.2)%	(14.4)	(3.1)%	(59.2)	(3.6)%	(43.0)	(3.2)%
Tax receivable agreements liability adjustment	—	— %	1.3	0.3 %	37.0	2.2 %	(9.4)	(0.7)%
Loss on debt extinguishment	(5.3)	(0.9)%	—	— %	(7.0)	(0.4)%	—	— %
Other income (expense), net	1.7	0.3 %	(0.7)	(0.1)%	6.1	0.4 %	(0.8)	— %
Income (loss) from continuing operations before income taxes	4.1	0.8 %	7.4	1.6 %	20.8	1.3 %	(21.0)	(1.5)%
Benefit (provision) for income taxes	3.0	0.5 %	0.9	0.2 %	6.6	0.4 %	(0.1)	— %
Income (loss) from continuing operations	7.1	1.3 %	8.3	1.8 %	27.4	1.7 %	(21.1)	(1.5)%
Income from discontinued operations, net of income taxes	22.9	3.9 %	—	— %	17.6	1.1 %	—	— %
Net income (loss)	30.0	5.2 %	8.3	1.8 %	45.0	2.8 %	(21.1)	(1.5)%
Less: net income (loss) attributable to non-controlling interests	7.6	1.3 %	3.5	0.8 %	1.2	0.1 %	(6.5)	(0.4)%
Net income (loss) attributable to GoDaddy Inc.	\$ 22.4	3.9 %	\$ 4.8	1.0 %	\$ 43.8	2.7 %	\$ (14.6)	(1.1)%

Revenue

We generate substantially all of our revenue from sales of product subscriptions, including domain registrations and renewals, hosting and presence offerings and business applications. Our subscription terms are typically one year, but can range from monthly terms to multi-annual terms of up to ten years depending on the product. We generally collect the full amount of subscription fees at the time of sale, but recognize revenue ratably over the applicable contract term.

Domains revenue primarily consists of revenue from the sale of domain registration subscriptions, domain add-ons and aftermarket domain sales. Domain registrations provide a customer with the exclusive use of a domain during the applicable contract term. After the contract term expires, unless renewed, the customer can no longer access the domain.

Hosting and presence revenue primarily consists of revenue from the sale of subscriptions for our website hosting products, website building products and services, online visibility products, security products and an online store.

Business applications revenue primarily consists of revenue from the sale of subscriptions for email accounts, online calendar, online data storage, third-party productivity applications, email marketing tools and telephony solutions.

Revenue is presented net of refunds, and we maintain a reserve to provide for refunds granted to customers. Our reserve is an estimate based on historical refund experience. Refunds reduce deferred revenue at the time they are granted and result in a reduced amount of revenue recognized over the applicable subscription terms compared to the amount originally expected.

The following table presents our revenue during the three and nine months ended September 30, 2017 and 2016 :

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30,		\$	%	September 30,		\$	%
	2017	2016			2017	2016		
Domains	\$ 271.5	\$ 236.6	\$ 34.9	14.8%	\$ 775.6	\$ 685.3	\$ 90.3	13.2%
Hosting and presence	225.9	174.1	51.8	29.8%	619.1	502.0	117.1	23.3%
Business applications	84.8	61.4	23.4	38.1%	235.0	174.7	60.3	34.5%
Total revenue	\$ 582.2	\$ 472.1	\$ 110.1	23.3%	\$ 1,629.7	\$ 1,362.0	\$ 267.7	19.7%

Total revenue increased \$110.1 million , or 23.3% , from \$472.1 million for the three months ended September 30, 2016 to \$582.2 million for the three months ended September 30, 2017 . Total revenue increased \$267.7 million , or 19.7% , from \$1,362.0 million for the nine months ended September 30, 2016 to \$1,629.7 million for the nine months ended September 30, 2017 . These increases were primarily driven by \$52.8 million and \$98.7 million for the three and nine months ended September 30, 2017 , respectively, in total revenue from our acquisition of HEG in April 2017 as well as growth in total customers and ARPU. The increase in customers impacted each of our revenue lines, as the additional customers purchased subscriptions across our product portfolio.

Domains

Domains revenue increased \$34.9 million , or 14.8% , from \$236.6 million for the three months ended September 30, 2016 to \$271.5 million for the three months ended September 30, 2017 . Domains revenue increased \$90.3 million , or 13.2% , from \$685.3 million for the nine months ended September 30, 2016 to \$775.6 million for the nine months ended September 30, 2017 . These increases were primarily driven by our acquisition of HEG, the increase in domains under management from 63.3 million as of September 30, 2016 to 72.9 million as of September 30, 2017 , international growth, strong renewals and increased aftermarket domain sales.

Hosting and presence

Hosting and presence revenue increased \$51.8 million , or 29.8% , from \$174.1 million for the three months ended September 30, 2016 to \$225.9 million for the three months ended September 30, 2017 . Hosting and presence revenue increased \$117.1 million , or 23.3% , from \$502.0 million for the nine months ended September 30, 2016 to \$619.1 million for the nine months ended September 30, 2017 . These increases were primarily driven by our acquisition of HEG as well as increased revenue from our website hosting and website building products and services.

Business applications

Business applications revenue increased \$23.4 million , or 38.1% , from \$61.4 million for the three months ended September 30, 2016 to \$84.8 million for the three months ended September 30, 2017 . Business applications revenue increased \$60.3 million , or 34.5% , from \$174.7 million for the nine months ended September 30, 2016 to \$235.0 million for

the nine months ended September 30, 2017. These increases were primarily driven by increased customer adoption of our expanded email and productivity solutions and the introduction of our telephony solutions in 2017.

Costs and Operating Expenses

Cost of revenue

Costs of revenue are the direct costs we incur in connection with selling an incremental product to our customers. Substantially all cost of revenue relates to domain registration fees paid to the various domain registries, payment processing fees, third-party commissions and licensing fees for third-party productivity applications. Similar to our billing practices, we pay domain costs at the time of purchase for the life of each subscription, but recognize the costs of service ratably over the term of our customer contracts. The terms of registry pricing are established by agreements between registries and registrars, and can vary significantly depending on the top-level domain (TLD). We expect cost of revenue to increase in absolute dollars in future periods as we expand our domains business, increase our sales of third-party productivity applications, increase our customer base and expand our international presence. Cost of revenue may increase or decrease as a percentage of total revenue, depending on the mix of products sold in a particular period and the sales and marketing channels used.

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30,				September 30,			
	2017	2016	\$	%	2017	2016	\$	%
Cost of revenue (excluding depreciation and amortization)	\$ 200.3	\$ 169.2	\$ 31.1	18.4%	\$ 573.5	\$ 485.7	\$ 87.8	18.1%

Cost of revenue increased \$31.1 million, or 18.4%, from \$169.2 million for the three months ended September 30, 2016 to \$200.3 million for the three months ended September 30, 2017. Cost of revenue increased \$87.8 million, or 18.1%, from \$485.7 million for the nine months ended September 30, 2016 to \$573.5 million for the nine months ended September 30, 2017. These increases were primarily attributable to our acquisition of HEG, increased domain costs driven by the increase in domains under management, higher registration costs associated with many new gTLDs and increased aftermarket domain sales, increased software licensing fees primarily related to increased sales of email and productivity solutions and increased third-party commissions driven by the increased aftermarket domain sales.

Technology and development

Technology and development expenses represent the costs associated with the creation, development and distribution of our products and websites. These expenses primarily consist of personnel costs associated with the design, development, deployment, testing, operation and enhancement of our products, as well as costs associated with the data centers and systems infrastructure supporting those products, excluding depreciation expense. We expect technology and development expense to increase in absolute dollars as we continue to enhance existing products, develop new products and geographically diversify our data center footprint. Technology and development expenses may increase or decrease as a percentage of total revenue depending on our level of investment in additional personnel and the expansion of our global infrastructure footprint. Our investments in additional technology and development expenses are made to enhance our integrated technology infrastructure and to support our new and enhanced product offerings and the overall growth of our business.

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30,				September 30,			
	2017	2016	\$	%	2017	2016	\$	%
Technology and development	\$ 91.0	\$ 72.3	\$ 18.7	25.9%	\$ 261.3	\$ 214.2	\$ 47.1	22.0%

Technology and development expenses increased \$18.7 million, or 25.9%, from \$72.3 million for the three months ended September 30, 2016 to \$91.0 million for the three months ended September 30, 2017. Technology and development expenses increased \$47.1 million, or 22.0%, from \$214.2 million for the nine months ended September 30, 2016 to \$261.3 million for the nine months ended September 30, 2017. These increases were primarily attributable to our acquisition of HEG as well as increased compensation-related costs driven by higher average headcount associated with the continued growth of our business.

Marketing and advertising

Marketing and advertising expenses represent the costs associated with attracting and acquiring customers, primarily consisting of fees paid to third parties for marketing and advertising campaigns across television and radio, search engines, online display, social media and event sponsorships. These expenses also include personnel costs and affiliate program commissions. We expect marketing and advertising expenses to fluctuate both in absolute dollars and as a percentage of total revenue depending on both the mix of internal and external marketing resources used and the size and scope of our future campaigns, particularly related to new product introductions and the growth of our international business.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	\$	%	2017	2016	\$	%
	Marketing and advertising	\$ 58.8	\$ 53.4	\$ 5.4	10.1%	\$ 188.7	\$ 170.9	\$ 17.8

Marketing and advertising expenses increased \$5.4 million , or 10.1% , from \$53.4 million for the three months ended September 30, 2016 to \$58.8 million for the three months ended September 30, 2017 . Marketing and advertising expenses increased \$17.8 million , or 10.4% from \$170.9 million for the nine months ended September 30, 2016 to \$188.7 million for the nine months ended September 30, 2017 . These increases were primarily attributable to increased discretionary advertising spend driven by our international growth and new product launches as well as our acquisition of HEG.

Customer care

Customer care expenses represent the costs to advise and service our customers, primarily consisting of personnel costs. We expect these expenses to increase in absolute dollars in the future as we expand our domestic and international Customer Care teams due to increases in total customers. We expect Customer Care expenses to fluctuate as a percentage of total revenue depending on the level of personnel required to support the continued growth of our business.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	\$	%	2017	2016	\$	%
	Customer care	\$ 74.6	\$ 59.8	\$ 14.8	24.7%	\$ 217.0	\$ 183.6	\$ 33.4

Customer care expenses increased \$14.8 million , or 24.7% , from \$59.8 million for the three months ended September 30, 2016 to \$74.6 million for the three months ended September 30, 2017 . Customer care expenses increased \$33.4 million , or 18.2% from \$183.6 million for the nine months ended September 30, 2016 to \$217.0 million for the nine months ended September 30, 2017 . These increases were primarily driven by the continued growth of our business, our international expansion and our acquisition of HEG.

General and administrative

General and administrative expenses primarily consist of personnel costs for our administrative functions, professional service fees, office rent for all locations, all employee travel expenses, acquisition-related expenses and other general costs. We expect general and administrative expenses to increase in absolute dollars in the future as a result of our overall growth, increased personnel costs and public company expenses.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	\$	%	2017	2016	\$	%
	General and administrative	\$ 65.4	\$ 52.8	\$ 12.6	23.9%	\$ 198.2	\$ 153.8	\$ 44.4

General and administrative expenses increased \$12.6 million , or 23.9% , from \$52.8 million for the three months ended September 30, 2016 to \$65.4 million for the three months ended September 30, 2017 . General and administrative expenses increased \$44.4 million , or 28.9% , from \$153.8 million for the nine months ended September 30, 2016 to \$198.2 million for the nine months ended September 30, 2017 . These increases were primarily due to our acquisition and integration of HEG, increased professional service fees primarily associated with our debt financings and the sale of PlusServer, increased

acquisition-related expenses primarily associated with the HEG acquisition and increased compensation-related costs associated with the continued growth of our business.

Depreciation and amortization

Depreciation and amortization expenses consist of charges relating to the depreciation of the property and equipment used in our operations and the amortization of acquired intangible assets. Depreciation and amortization may increase or decrease in absolute dollars in future periods depending on our future level of capital investments in hardware and other equipment as well as amortization expense associated with future acquisitions.

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30,				September 30,			
	2017	2016	\$	%	2017	2016	\$	%
Depreciation and amortization	\$ 60.0	\$ 43.4	\$ 16.6	38.2%	\$ 147.1	\$ 121.6	\$ 25.5	21.0%

Depreciation and amortization expenses increased \$16.6 million, or 38.2%, from \$43.4 million for the three months ended September 30, 2016 to \$60.0 million for the three months ended September 30, 2017. Depreciation and amortization increased \$25.5 million or 21.0% from \$121.6 million for the nine months ended September 30, 2016 to \$147.1 million for the nine months ended September 30, 2017. These increases were primarily due to the finite-lived intangible assets and property and equipment acquired as part of our acquisition of HEG.

Interest expense

	Three Months Ended		Change		Nine Months Ended		Change	
	September 30,				September 30,			
	2017	2016	\$	%	2017	2016	\$	%
Interest expense	\$ 24.4	\$ 14.4	\$ 10.0	69.4%	\$ 59.2	\$ 43.0	\$ 16.2	37.7%

Interest expense increased \$10.0 million, or 69.4%, from \$14.4 million for the three months ended September 30, 2016 to \$24.4 million for the three months ended September 30, 2017. Interest expense increased \$16.2 million, or 37.7%, from \$43.0 million for the nine months ended September 30, 2016 to \$59.2 million for the nine months ended September 30, 2017. These increases were primarily driven by additional interest from the Acquisition Term Loan entered into in April 2017 to finance a portion of our acquisition of HEG, partially offset by interest savings resulting from the refinancing of our Term Loan in February 2017.

Loss on Debt Extinguishment

During the three and nine months ended September 30, 2017, we recognized a loss on debt extinguishment of \$5.3 million and \$7.0 million, respectively, related to the February 2017 refinancing of our Term Loan and the August 2017 prepayment of the Bridge Loan. See Note 10 to our condensed consolidated financial statements for additional discussion.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity have been cash flow generated from operations, long-term debt borrowings and stock option exercises. Our principal uses of cash have been to fund operations, acquisitions and capital expenditures, as well as make interest payments and mandatory principal payments on our long-term debt. We have also used our cash to repurchase LLC Units and make distributions to holders of LLC Units.

In general, we seek to deploy our capital in a systematically prioritized manner focusing first on requirements for operations, then on growth investments, and finally on equity holder returns. Our strategy is to deploy capital from any potential source, whether debt, equity or internally generated cash, depending on the adequacy and availability of the source of capital and which source may be used most efficiently and at the lowest cost at such time. Therefore, while cash from operations is our primary source of operating liquidity and we believe our internally-generated cash flows are sufficient to support our day-to-day

operations, we may use a variety of capital sources to fund our needs for less predictable investment decisions such as strategic acquisitions and share repurchases.

We have incurred significant long-term debt, as described below, to fund acquisitions and for our working capital needs. As a result of our debt, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities, strategic acquisitions or share repurchases. However, the restrictions under our debt agreements are subject to a number of qualifications and may be amended with lender consent.

We believe our existing cash and cash equivalents and internally-generated cash flows will be sufficient to meet our anticipated operating cash needs for at least the next 12 months. However, our future capital requirements will depend on many factors including our growth rate, the timing and extent of spending to support domestic and international development efforts, continued brand development and advertising spend, the expansion of Customer Care and general and administrative activities, the introduction of new and enhanced product offerings, the costs to support new and replacement capital equipment, the completion of strategic acquisitions or share repurchases. Should we pursue additional strategic acquisitions or share repurchases, we may need to raise additional capital, which may be in the form of additional long-term debt or equity financings.

Acquisition of HEG

On April 3, 2017, we completed the acquisition of HEG, as described in Note 3 to our condensed consolidated financial statements, for €1.7 billion. The acquisition was financed using the Acquisition Term Loan and the Bridge Loan, both of which are discussed below.

Credit Facility

Our Credit Facility consists of the Term Loan and the Acquisition Term Loan, both maturing on February 15, 2024, and the Revolving Credit Loan maturing on February 15, 2022. See further discussion of the Credit Facility in Note 10 to our condensed consolidated financial statements.

The Credit Facility is subject to customary fees for loan facilities of this type, including a commitment fee on the Revolving Credit Loan. The Term Loan is required to be repaid in quarterly installments of 0.25% of the original principal, with the balance due at maturity. The Term Loan must be repaid with proceeds from certain asset sales and debt issuances and with a portion of our excess cash flow, up to 50.0%, depending on our net leverage ratio. The Credit Facility is guaranteed by all of our material domestic subsidiaries and is secured by substantially all of our and such subsidiaries' real and personal property.

The Credit Facility contains covenants restricting, among other things, our ability, or the ability of our subsidiaries, to incur indebtedness, issue certain types of equity, incur liens, enter into fundamental changes including mergers and consolidations, sell assets, make restricted payments including dividends, distributions and investments, prepay junior indebtedness and engage in operations other than in connection with acting as a holding company, subject to customary exceptions. The refinanced Revolving Credit Loan also contains a financial covenant requiring us to maintain a maximum net leverage ratio of 5.75 :1.00 when our usage exceeds 35.0% of the maximum capacity. The net leverage ratio is calculated as the ratio of first lien secured debt less cash and cash equivalents to consolidated EBITDA (as defined in the Credit Facility). As of September 30, 2017, we were in compliance with all such covenants and had no amounts drawn on the Revolving Credit Loan.

As further discussed in Note 11 to our condensed consolidated financial statements, we have hedged a portion of our long-term debt through the use of cross-currency and interest rate swap derivative instruments. These instruments help us manage and mitigate our risk of exposure to changes in foreign currency exchange rates and interest rates. See "*Quantitative and Qualitative Disclosures About Market Risk*" for additional discussion of our hedging activities.

Bridge Loan and Sale of PlusServer

On April 3, 2017, we entered into the Bridge Loan to finance a portion of the HEG acquisition, as described in Note 10 to our condensed consolidated financial statements. The terms of the Bridge Loan required that, in the event of a sale or other disposition of PlusServer, 100% of the net cash proceeds from such sale or disposition be used to prepay the Bridge Loan. As described in Note 4 to our condensed consolidated financial statements, on August 31, 2017, we sold all of the outstanding shares of PlusServer, receiving net proceeds of \$447.7 million. As a result of the sale, we recorded a gain on disposal of \$36.7 million, which is included in income from discontinued operations in our condensed consolidated statements of operations. The proceeds, in combination with an additional \$148.9 million of our existing cash and cash equivalents, were used to prepay the Bridge Loan.

in its entirety. Following this prepayment, the underlying bridge credit agreement was canceled. In addition, we have recorded an income tax liability of approximately €19.0 million owed under German income tax laws as a result of the sale. We expect to pay this tax in 2018.

Secondary Offerings and LLC Unit Repurchase

As discussed in Note 6 to our condensed consolidated financial statements, in May 2017, we completed an underwritten public offering in which the Sponsors and YAM sold an aggregate of 27.6 million shares of our Class A common stock at a public offering price of \$38.50 per share. We did not receive any proceeds from the shares sold by the selling stockholders; however, we received \$3.7 million in proceeds from our sale of 100,000 additional shares of Class A common stock in the offering, which were used to pay the expenses we incurred in connection with the offering. The exchange of 16.7 million LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock by the selling stockholders resulted in a material increase to the liability under the TRAs.

In May 2017, we repurchased 7.3 million LLC units from the Sponsors and YAM for an aggregate of \$275.0 million, or \$37.44 per share, which is the same per share price, net of discounts and commissions, paid by the underwriters to the selling stockholders in the offering. In connection with this repurchase, the corresponding shares of Class B common stock held by the Sponsors and YAM were canceled. The repurchase did not result in an incremental liability under the TRAs; however, it did increase the per unit basis of the remaining LLC Units held by each of the selling stockholders. This results in a deferral of the recording of the liability under the TRAs until the future exchange of LLC Units by such selling stockholders.

As discussed in Note 6 to our condensed consolidated financial statements, in September 2017, we completed an underwritten public offering in which the Sponsors and YAM sold an aggregate of 20.0 million shares of our Class A common stock at a public offering price of \$44.00 per share. We did not receive any proceeds from the shares sold by the selling stockholders; however, we received \$2.2 million in proceeds from our sale of 50,000 additional shares of Class A common stock in the offering, which were used to pay the expenses we incurred in connection with the offering. The exchange of 13.8 million LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock by the selling stockholders resulted in a material increase to the liability under the TRAs.

Tax Receivable Agreements

As of September 30, 2017, the liability under the TRAs was \$220.1 million, as described in Note 14 to our condensed consolidated financial statements.

We may record additional liabilities under the TRAs when LLC Units are exchanged in the future and as our estimates of the future utilization of the tax attributes, NOLs and other tax benefits change. We expect to make payments under the TRAs, to the extent they are required, within 150 days after our federal income tax return is filed for each fiscal year. Interest on such payments will begin to accrue from the due date (without extensions) of such tax return at a rate equal to the one year LIBOR plus 100 basis points. Under the TRAs, to avoid interest charges, we have the right, but not the obligation, to make TRA payments in advance of the date the payments are otherwise due. We currently do not expect to begin making payments related to the existing liability under the TRAs until 2020.

Because we are a holding company with no operations, we rely on Desert Newco to provide us with funds necessary to meet any financial obligations. If we do not have sufficient funds to pay TRA, tax or other liabilities or to fund our operations (as a result of Desert Newco's inability to make distributions to us due to various limitations and restrictions or as a result of the acceleration of our obligations under the TRAs), we may have to borrow funds and thus our liquidity and financial condition could be materially and adversely affected. To the extent we are unable to make payments under the TRAs for any reason, such payments will be deferred and will accrue interest at a rate equal to one year LIBOR plus 500 basis points until paid.

Tax Distributions to Desert Newco's Owners

Tax distributions are required under the terms of Desert Newco's limited liability company agreement. Any required payments are calculated each quarter based on a number of variables, including Desert Newco's taxable income or loss, allocations of taxable income among Desert Newco's owners based on principles detailed within the Treasury Regulations, tax deductions for stock option exercises and vested RSUs and changing ownership percentages among Desert Newco's owners. In addition, under the tax rules, Desert Newco is required to allocate taxable income disproportionately to its unit holders. Because tax distributions are determined based on the holder of LLC Units who is allocated the largest amount of cumulative taxable

income on a per unit basis, but are made pro rata based on ownership, Desert Newco is required to make tax distributions that, in the aggregate, will likely exceed the amount of taxes Desert Newco would have otherwise paid.

As of December 31, 2016, our accrual for tax distributions related to estimated taxable income allocations to Desert Newco's owners for 2016, excluding us, was \$10.0 million, which we paid in 2017 based on ownership as of the payment dates as follows: \$4.0 million to YAM, \$2.3 million to Silver Lake, \$2.1 million to KKR, \$1.2 million to TCV and \$0.4 million to other Desert Newco owners.

An additional accrual for tax distributions was not required at September 30, 2017. We may be required to make additional payments to Desert Newco's owners related to taxable income allocations for the remainder of 2017. However, because the calculation of such payments is based on future taxable income and other variables, there is significant uncertainty as to whether or not such distributions will be required.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Nine Months Ended September 30,	
	2017	2016
Net cash provided by operating activities	\$ 371.3	\$ 297.4
Net cash used in investing activities	(1,497.9)	(105.8)
Net cash provided by financing activities	1,094.0	16.6
Effect of exchange rate changes on cash and cash equivalents	3.4	—
Net increase (decrease) in cash and cash equivalents	<u>\$ (29.2)</u>	<u>\$ 208.2</u>

Operating Activities

Our primary source of cash from operating activities has been cash collections from our customers. We expect cash inflows from operating activities to be primarily affected by increases in total bookings. Our primary uses of cash from operating activities have been for domain registration costs paid to registries, personnel costs, discretionary marketing and advertising costs, technology and development costs and interest payments. We expect cash outflows from operating activities to be affected by the timing of payments we make to registries and increases in personnel and other operating costs as we continue to grow our business and increase our international presence.

Net cash provided by operating activities increased \$73.9 million from \$297.4 million during the nine months ended September 30, 2016 to \$371.3 million during the nine months ended September 30, 2017, primarily resulting from our bookings growth and the acquisition of HEG.

Investing Activities

Our investing activities primarily consist of strategic acquisitions and purchases of property and equipment related to growth in our data centers and to support the overall growth of our business and our increased international presence. We expect our investing cash flows to be affected by the timing of payments we make for capital expenditures and the strategic acquisition or other growth opportunities we decide to pursue.

Net cash used in investing activities increased \$1,392.1 million from \$105.8 million during the nine months ended September 30, 2016 to \$1,497.9 million during the nine months ended September 30, 2017, primarily due to a \$1,817.8 million increase in business acquisitions, partially offset by \$447.7 million in net proceeds received from the sale of PlusServer in August 2017.

Financing Activities

Our financing activities primarily consist of long-term debt borrowings, repurchases of LLC Units from the Sponsors and YAM, the repayment of principal on long-term debt, stock option activity and the payment of tax distributions to holders of LLC Units.

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Net cash provided by financing activities increased \$1,077.4 million from \$16.6 million during the nine months ended September 30, 2016 to \$1,094.0 million during the nine months ended September 30, 2017 driven by net proceeds from the issuance of the Acquisition Term Loan and Bridge Loan of \$1,421.4 million and \$531.7 million, respectively, and \$22.1 million related to sales of Class A common stock. These inflows were offset by the \$596.6 million prepayment of the Bridge Loan in August 2017, \$275.0 million of LLC Unit repurchases in May 2017 and \$38.9 million in payments of financing-related costs associated with our debt financings in 2017.

Deferred Revenue

Deferred revenue consists of sales for products not yet recognized as revenue at the end of a period. Deferred revenue as of September 30, 2017 was \$1,849.1 million, and is expected to be recognized as revenue as follows:

	<u>Remainder of 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>	<u>Total</u>
Domains	\$ 233.5	\$ 458.1	\$ 137.4	\$ 61.7	\$ 36.8	\$ 48.5	\$ 976.0
Hosting and presence	175.0	297.3	100.7	32.5	9.8	8.4	623.7
Business applications	68.7	121.4	38.8	12.9	4.4	3.2	249.4
	<u>\$ 477.2</u>	<u>\$ 876.8</u>	<u>\$ 276.9</u>	<u>\$ 107.1</u>	<u>\$ 51.0</u>	<u>\$ 60.1</u>	<u>\$ 1,849.1</u>

Off-Balance Sheet Arrangements

As of September 30, 2017 and December 31, 2016, we had no off-balance sheet arrangements that had, or which are reasonably likely to have, a material effect on our consolidated financial statements.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP, and in doing so, we have to make estimates, assumptions and judgments affecting the reported amounts of assets, liabilities, revenues and expenses, as well as the related disclosure of contingent assets and liabilities. We base our estimates, assumptions and judgments on historical experience and on various other factors we believe to be reasonable under the circumstances, and we evaluate these estimates, assumptions and judgments on an ongoing basis. Different assumptions and judgments would change the estimates used in the preparation of our consolidated financial statements, which, in turn, could change our results from those reported. We refer to estimates, assumptions and judgments of this type as our critical accounting policies and estimates, which we discuss in our 2016 Form 10-K. We review our critical accounting policies and estimates with the audit committee of our board of directors on an annual basis.

There have been no material changes in our critical accounting policies from those disclosed in our 2016 Form 10-K.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 2 to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and variable interest rates.

Foreign Currency Risk

We manage our exposure to changes in foreign currency exchange rates through the use of foreign exchange forward contracts and cross-currency swap contracts. See Note 11 to the accompanying condensed consolidated financial statements for a summary of the notional amounts and fair values of our foreign currency exchange and cross-currency swap contracts.

Foreign Exchange Forward Contracts

A portion of our bookings, revenue and operating expenses is denominated in foreign currencies, which are subject to exchange rate fluctuations. Our most significant foreign currency exposures are the Euro, the British pound, the Indian rupee and the Canadian dollar. Our reported bookings, revenues and operating results may be impacted by fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may also cause us to recognize transaction gains and losses in our consolidated statement of operations; however, to date, such amounts have not been material. With our recent acquisition of HEG, and as our international operations continue to grow, our exposure to fluctuations in currency rates will increase, which may increase the costs associated with this growth. During the three months ended September 30, 2017, our total bookings growth in constant currency would have been approximately 30 basis points lower and total revenue growth would have been approximately 30 basis points higher. Constant currency is calculated by translating bookings and revenue for each month in the current period using the foreign currency exchange rate for the corresponding month in the prior period, excluding any hedging gains or losses realized during the period.

We utilize foreign exchange forward contracts to manage the volatility of our bookings and revenue related to foreign currency transactions. These forward contracts reduce, but do not eliminate, the impact of adverse currency exchange rate fluctuations. We designate these forward contracts as cash flow hedges for accounting purposes. Changes in the intrinsic value of these hedges are recorded as a component of AOCI. Gains and losses, once realized, are recorded as a component of AOCI and are amortized to revenue over the same period in which the underlying hedged amounts are recognized. At September 30, 2017, the total notional amount of such contracts was \$28.6 million, all having remaining maturities of three months or less, and the realized and unrealized loss included in AOCI totaled \$3.5 million.

Cross-Currency Swap Contract

In order to manage variability due to movements in foreign currency rates related to a Euro-denominated intercompany loan, we entered into a five-year Cross-Currency Swap in April 2017. The Cross-Currency Swap, which matures on April 3, 2022, had a notional amount of €1,237.1 million at September 30, 2017 and converts the fixed rate Euro-denominated interest and principal receipts on the intercompany loan into fixed U.S. dollar interest and principal receipts. The Cross-Currency Swap, which is designated as a cash flow hedge and recognized as an asset or liability at fair value, effectively creates a fixed-rate U.S. dollar intercompany loan from a fixed rate Euro-denominated intercompany loan, thereby reducing our exposure to foreign currency fluctuations between the Euro and U.S. dollar. Changes to the fair value of our Cross-Currency Swap due to changes in the value of the U.S. dollar relative to the Euro would be largely offset by the net change in the fair values of the underlying hedged items.

Interest Rate Risk

Interest rate risk reflects our exposure to movements in interest rates associated with our variable-rate debt. Total borrowings under our Credit Facility were \$2,488.6 million as of September 30, 2017. These borrowings bear interest at a rate equal to, at our option, either (a) LIBOR plus 2.50% per annum or (b) 1.50% per annum plus the highest of (i) the Federal Funds Rate plus 0.5%, (ii) the Prime Rate or (iii) one-month LIBOR plus 1.0%.

In April 2017, in connection with the closing of the Acquisition Term Loan, we entered into a five-year pay-fixed rate, receive-floating rate interest rate swap arrangement to effectively convert a portion of the variable-rate debt to fixed. The interest rate swap, the notional amount of which was \$1,318.8 million at September 30, 2017, matures on April 3, 2022 and swaps the variable interest rate on our one-month LIBOR plus 2.50% debt for a fixed rate of 5.44%. The objective of the interest rate swap, which is designated as a cash flow hedge, is to manage the variability of cash flows in the interest payments related to the portion of the variable-rate debt designated as being hedged.

For the balance of our long-term debt not subject to the Interest Rate Swap, the effect of a hypothetical 10% change in interest rates would not have had a material impact on our interest expense.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (CEO) and our Chief Financial Officer (CFO), evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q.

Based on this evaluation, our CEO and CFO concluded that, as of September 30, 2017, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (SEC) rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the quarter ended September 30, 2017 that materially affected, or which are reasonably likely to materially affect, our internal control over financial reporting. Due to the timing of our acquisition of HEG, we will exclude the operations of this recently acquired company as we continue to evaluate its internal controls over financial reporting. This exclusion is in accordance with the general guidance issued by the Staff of the SEC that an assessment of a recent business combination may be omitted from management's report on internal control over financial reporting in the first year of consolidation.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

We are currently subject to litigation incidental to our business, including patent infringement litigation and trademark infringement claims, as well as putative class actions, employment, commercial and consumer protection claims and other litigation of a non-material nature. Although the results of any such current or future litigation, regardless of the underlying nature of the claims, cannot be predicted with certainty, the final outcome of any current or future claims or lawsuits we face could adversely affect our business, financial condition and results of operations.

Regardless of the final outcome, defending lawsuits, claims and proceedings in which we are involved is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our Current Report on Form 8-K filed May 3, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1 [^]	Agreement on the Sale and Purchase of all shares in PlusServer GmbH, dated as of July 15, 2017, by and between Host Europe GmbH and Blitz 17-568 GmbH.	8-K	001-36904	2.1	7/18/2017
10.1+*	Amendment to Employment Agreement by and among GoDaddy.com, LLC, Desert Newco, LLC and Blake Irving, effective as of August 21, 2017.				
10.2+*	Employment Agreement by and among GoDaddy.com, LLC, GoDaddy Inc., Desert Newco, LLC and Scott Wagner, effective as of January 1, 2018.				
31.1 *	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2 *	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1 **	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
+	Indicates management contract or compensatory plan or arrangement.				
*	Filed herewith.				
**	The certifications attached as Exhibit 32.1 accompanying this Quarterly Report on Form 10-Q, are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of GoDaddy Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.				
[^]	Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. GoDaddy Inc. agrees to furnish supplementally to the SEC a copy of any omitted schedule or exhibit upon request.				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 8, 2017

GODADDY INC.

/s/ Ray E. Winborne

Ray E. Winborne
Chief Financial Officer



This Amendment (the “ **Amendment** ”) to the Employment Agreement by and among GoDaddy.com, LLC (the “ **Company** ” or “ **GoDaddy** ”), Desert Newco, LLC (“ **Parent** ”), and **Blake Irving** (“ **Executive** ”) effective as of June 1, 2014 (the “ **Employment Agreement** ”) is being made pursuant to Section 10(b) of the Employment Agreement and is effective as of August 21, 2017. Capitalized terms used below have the meanings set forth in the Employment Agreement except as otherwise defined herein.

1. Employment Term . Effective as of December 31, 2017 (the “ **Resignation Date** ”), Executive will voluntarily resign as Chief Executive Officer of the Company and as an officer and director on all boards of directors of the Company’s subsidiaries and affiliates, except as otherwise provided in Section 2 of this Amendment. Until the Resignation Date, Executive will continue to perform the duties, consistent with his position as Chief Executive Officer. Following the Resignation Date through February 28, 2018 (the “ **Transition Period** ”), Executive will remain employed with the Company on a part-time basis providing advisory services to the Company’s Chief Executive Officer to ensure a smooth transition of the Chief Executive Officer role and such other tasks as may be reasonably assigned to Executive by the Company’s Chief Executive Officer. This Section 1 of the Amendment specifically amends Sections 1 and 2 of the Employment Agreement.

2. Director Term . Consistent with the resignation letter submitted to GoDaddy Inc. (“ **GDDY** ”) board of directors (the “ **Board** ”) on August 20, 2017, Executive will remain on the Board following the Resignation Date and voluntarily resign as a member of the Board effective as of immediately after the final adjournment of the 2018 GDDY annual meeting of stockholders (expected to occur in June 2018) (the “ **2018 Annual Meeting** ”). This Section 2 of the Amendment specifically amends the last sentence of Section 5(b) of the Employment Agreement and any other contrary provision of the Employment Agreement.

3. Employee Compensation .

(a) Until the Resignation Date, Executive will continue to be paid his base salary, vest in his GDDY equity awards in accordance with the Equity Documents, and participate in the Company’s employee benefit plans in accordance with their terms. Until the Resignation Date, the Company also shall pay all travel expenses associated with Executive’s travel to and from any of the Company’s work locations.

(b) During the Transition Period, Executive will be paid a monthly base salary of \$1,200 in accordance with the Company’s normal payroll practices and subject to the usual and required withholdings, and continue to vest in his GDDY equity awards and participate in the Company’s employee benefit plans in accordance with their terms; provided, however, that any employee benefits that Executive is receiving solely due to his role as Chief Executive Officer or member of the Company’s senior leadership team will cease as of the Resignation Date.

(c) Executive will be eligible to receive his fiscal 2017 Management by Objective bonus (the “ **2017 MBO** ”) provided he remains employed as Chief Executive Officer through the Resignation Date. The 2017 MBO will be calculated as follows (i) 80% will be determined and paid out commensurate with the Company’s level of achievement against the previously approved 2017 MBO targets as a factor in determining employee bonuses, as determined by the Compensation Committee of the Board; and (ii) 20% will be determined and paid out as if Executive had achieved 100% of his individual goals for 2017. The 2017 MBO will be paid at the same time as MBO bonuses are generally paid to other senior executives of the Company, but no later than February 28, 2018. Executive’s continued employment in 2018 during the Transition Period will not in any way make him eligible to participate in the 2018 MBO plan.

4. **Director Compensation** .

(a) From the end of the Transition Period through the date of the 2018 Annual Meeting (the “**Director Term**”), Executive will receive cash compensation for his service on the Board pursuant to the GDDY Outside Director Compensation Policy as may hereinafter be amended (the “**Director Compensation Policy**”), pro-rated for the Director Term, and payable at the same time as cash compensation is paid to other “Outside Directors” (on or about April 1, 2018) if Executive serves on the Board through such date. During the Director Term, Executive will be eligible to participate in the Company’s health plans as long as he continues to serve as an Outside Director, and thereafter by making a timely election to continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(b) In addition, during the Director Term, Executive will be eligible to receive a lump sum cash payment of \$75,000, which represents the approximate pro-rated (based on the length of the Director Term) cash value of the “Annual Award” under the Director Compensation Policy that Executive would have received thereunder had he been an “Outside Director” on the date of the 2017 annual meeting of GDDY stockholders. This cash payment will be paid on the 2018 Annual Meeting (which is expected to occur on or about June 2018) if Executive serves on the Board through the day prior to the 2018 Annual Meeting.

5. At-Will Employment. Notwithstanding anything in this Amendment or the Employment Agreement to the contrary, Executive and the Company agree that Executive's employment with the Company will be "at-will" employment and may be terminated at any time with or without cause or notice.

6. Acknowledgements. Executive acknowledges and agrees that:

(a) effective as of the Effective Date, Executive waives his right to assert “Good Reason” under Section 5 of the Employment Agreement in exchange for the promises made herein by Company, Parent, and GDDY;

(b) until the Resignation Date, Executive’s rights under Section 5 (Termination of Employment) of the Employment Agreement will remain in full force and effect subject to any conditions set forth in the Employment Agreement, and except as amended by Section 2 and Sections 6(a) and 6(c) of this Amendment;

(c) following the Resignation Date, Executive is not entitled to any additional compensation or equity from the Company or any of its subsidiaries or affiliates other than his Accrued Obligations and compensation set forth in the Amendment; and

(d) the Employment Agreement continues to remain in full force and effect, except as amended by this Amendment.

7. Entire Agreement . The Employment Agreement (as amended by the Amendment), Restrictive Covenant Agreement, the Director Compensation Policy, and the Equity Documents contain the entire understanding of the parties with respect to the subject matter of this agreement and supersede any prior agreements or understandings (including verbal agreements) between the parties relating to the subject matter of this agreement. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. Notwithstanding the foregoing, Executive shall be covered by the Company's applicable liability insurance policy and its indemnification provisions for actions taken on behalf of the Company during the course of Executive's employment and service on the Board. This Amendment may not be altered, modified, or amended except by written instrument signed by the parties that references Section 10(b) of the Employment Agreement.

8. Counterparts . This Amendment may be executed in counterparts. Each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement.

Each party is signing this Amendment on the date set out below its signature.

GoDaddy.com, LLC

/s/ Nima Jacobs Kelly

By: Nima Kelly

August 21, 2017

Executive

/s/ Blake Irving

Blake Irving

August 21, 2017

Desert Newco, LLC

/s/ Nima Jacobs Kelly

By: Nima Kelly

August 21, 2017

GoDaddy Inc.

/s/ Nima Jacobs Kelly

By: Nima Kelly

August 21, 2017



This Employment Agreement (the “ **Agreement** ”) is entered into for employment as Chief Executive Officer beginning on **January 1, 2018** (the “ **Effective Date** ”) by and among GoDaddy.com, LLC (the “ **Company** ”), GoDaddy Inc. (“ **GoDaddy** ”), Desert Newco, LLC (“ **Parent** ”) and **Scott Wagner** (“ **Executive** ”) (hereinafter collectively referred to as the “ **Parties** ”).

Summary of Material Terms

Term	Summary	Cross-Reference
Position:	Chief Executive Officer	Section 1
Reports to:	Board of Directors	Section 1
Employment Term:	Through December 31, 2020 unless extended	Section 2
Annual Salary:	\$750,000	Section 3(a)
Annual Target Bonus:	100% of annual salary	Section 3(b)
Non-Change in Control Severance:	<ul style="list-style-type: none"> • Any earned but unpaid salary or bonus • 100% of annual salary • Prorated Annual Target Bonus for year of termination • Payment equal to the cost of health insurance coverage for 18 months • Acceleration of time-based equity awards that would have vested in next 12 months • Pro-rata vesting of performance-based equity awards that would have vested for the performance period in which termination occurs, based on actual performance 	Section 5(b)(iii)
Change in Control Severance:	<ul style="list-style-type: none"> • Any earned but unpaid salary or bonus • 150% of annual salary • 150% of Annual Target Bonus for the year of termination • Payment equal to the cost of health insurance coverage for 18 months • Acceleration of all time-based and performance-based equity awards (at target) 	Section 5(b)(iv)

1. Duties and Scope of Employment. Executive will serve as the Chief Executive Officer of GoDaddy and the Company reporting to GoDaddy’s Board of Directors (the “ **Board** ”), and will perform the duties, consistent with this position, as the Board reasonably assigns. Effective as of the Effective Date, Executive will be appointed to serve as a member of the Board and during the period in which Executive is serving as Chief Executive Officer, GoDaddy shall nominate Executive to continue such service on the Board.

2. Employment Term . Subject to the provisions of Section 5, beginning on the Effective Date and, continuing until **December 31, 2020** , Executive will be employed with the Company on the terms and subject to the conditions set forth in this Agreement; provided, however, that beginning on **December 31, 2019** and on each one year anniversary thereafter (each an “ **Extension Date** ”), the Employment Term will be automatically extended for an additional one-year period, unless the Company or Executive provides the other party written notice at least 30 calendar days before the Extension Date that the Employment Term will not be extended.

3. Compensation.

(a) Base Salary. The Company will pay Executive an annual salary of \$750,000, as compensation for services (the “ **Base Salary** ”). The Base Salary will be paid according to the Company’s normal payroll practices and subject to the usual and required withholdings. Executive’s salary may be reviewed and adjusted annually by the Board.

(b) Annual Bonus.

(i) Executive is eligible to earn a target annual bonus of 100% of Executive’s Base Salary based upon achievement of performance objectives established under the Company’s executive bonus plan by the Board or Compensation Committee of the Board (either, the “ **Committee** ”) in its sole discretion after consultation with Executive and payable upon achievement of those applicable objectives, subject to minimum and maximum limits as established by the Company (the “ **Annual Bonus** ”).

(ii) For all fiscal years, if a non-individual performance target is lowered for other senior executives, then it will be lowered for Executive as well. If any Annual Bonus is earned, it will be paid when practicable after the Committee determines it has been earned, subject to Executive being employed on the date of payment (except as provided herein). For future years, the Committee may modify the structure and performance objectives used for Annual Bonus determinations.

(c) Equity Plan. As soon as practicable following, and in no event more than thirty (30) days after, the Effective Date, Executive will be granted the following equity awards (the “ **Equity Awards** ”), which will be governed by the terms and conditions of the GoDaddy Inc. 2015 Equity Incentive Plan (the “ **2015 Incentive Plan** ”) and the forms of award agreement thereunder (collectively, including the 2015 Incentive Plan, the “ **Equity Documents** ”):

- \$8 million in time-based options (the “ **Option** ”), with a per share exercise price equal to the closing price of a share of GoDaddy’s Class A common stock on the grant date. The vesting for the Option shall commence on the Effective Date and vest as follows, provided Executive continues to be a Service Provider under the 2015 Incentive Plan through each such date: 1/3 of the shares subject to the Option shall vest on the first anniversary of the Effective Date and 1/12th of the shares subject to the Option shall vest ever three months thereafter;
- \$8 million in time-based restricted stock units (“ **RSUs** ”). The vesting for the RSUs shall commence on the Effective Date and vest as follows, provided Executive continues to be a Service Provider under the 2015 Incentive Plan through each such date: 1/3 of the RSUs shall vest on the first anniversary of the Effective Date and 1/12th of the RSUs shall vest each every three months thereafter;
- \$8 million in performance-based RSUs (“ **PSUs** ”). The vesting of performance-based RSUs shall be based on GoDaddy’s achievement of its performance goals for fiscal years 2018, 2019, and 2020 achievement of which shall be determined solely by the Committee and vest as follows, provided Executive continues to be a Service Provider under the 2015 Incentive Plan through each such date: 25% of the performance-based RSUs shall vest annually on the date the Committee determines whether and to what extent performance targets have been met.
- To determine the number of shares subject to each Equity Award, the specified value will be divided by the closing price of a share of GoDaddy Class A Common Stock on the date of grant, with the result rounded down to the nearest whole share.

4. Employee Benefits.

(a) Executive will be entitled to participate in the employee benefit plans, including invention incentive programs, maintained by the Company and generally applicable to senior executives of the Company. The Company may cancel or change the benefit plans and programs it offers and those changes will not breach this Agreement.

(b) During Executive's employment by the Company, Executive will be provided coverage under the Company's directors' and officers' liability insurance policy and form of indemnification agreement as in effect for other senior executives of the Company.

5. Termination of Employment; Severance.

(a) At-Will Employment. Executive and the Company agree that Executive's employment with the Company will be "at-will" employment and may be terminated at any time with or without Cause or notice. Executive understands and agrees this at-will employment relationship will not be modified or amended unless it is done in a writing that complies with Section 10(f) and Section 10(i) and explicitly references this Section 5(a). Executive's employment will terminate upon the earlier to occur of (i) a termination by the Company with or without Cause, (ii) Executive's Disability or death, or (iii) a resignation by Executive with or without Good Reason.

(b) Terminations of Employment. Executive's employment may be terminated under various scenarios addressed in this Section 5(b). Upon any termination of employment, Executive will receive benefits described in Section 5(b)(i). Depending on the circumstances of the termination of employment, subject to the conditions in Section 6, Executive may be entitled to a lump sum payment of the amounts listed under one of Section 5(b)(ii), Section 5(b)(iii), or Section 5(b)(iv). Executive agrees that upon termination of Executive's employment for any reason, Executive will resign as of the date of such termination and to the extent applicable, from the Board (and any committees thereof), the board of directors (and any committees thereof) of any of the Company's affiliates and from any other positions Executive holds with the Company or any of its affiliates.

(i) Termination for Cause or Resignation Other Than for Good Reason. Executive's employment may be terminated for Cause, effective upon the Company's delivery to Executive of a Notice of Termination or Executive may resign. If Executive's employment is terminated for Cause or Executive resigns other than for Good Reason, Executive will receive:

(1) the Base Salary accrued through the termination date, payable under the Company's usual payment practices;

(2) reimbursement within 60 days following submission by Executive to the Company of appropriate supporting documentation for any unreimbursed business expenses properly incurred by Executive prior to the termination date; provided that claims for reimbursement are submitted, under Company policy, to the Company within 90 days following the termination date; and

(3) any fully vested and non-forfeitable employee benefits to which Executive may be entitled under the Company's employee benefit plans (other than benefits in the nature of severance pay) (the amounts described in clauses (1) through (3) above are referred to later as the "**Accrued Obligations**").

(ii) Termination by Reason of Disability or Death. Executive's employment may be terminated effective upon the Company's delivery to Executive of a Notice of Termination if Executive becomes Disabled and will automatically terminate upon Executive's death. Upon termination of Executive's employment for either Disability or death, Executive or Executive's estate (as the case may be) will receive:

(1) the Accrued Obligations;

(2) any earned but unpaid Annual Bonus for a prior year. For the avoidance of doubt, if Executive is terminated after the end of a fiscal year but before annual bonuses are approved and paid to other senior executives in the normal course of business, then Executive will receive an Annual Bonus for the prior fiscal year, the actual amount of which will still be subject to the achievement of any performance targets as established by the Company the achievement of which will be determined by the Company. Any payment under this Section 5(b)(iii)(2) will be paid no later than one day prior to the date that is 2½ months following the last day of the fiscal year in which such termination occurred; and

(3) a prorated Annual Bonus amount for the year of termination, if any would have been payable to Executive based on achievement of performance criteria if Executive had remained employed through the full fiscal year in which the termination of employment occurred. The prorated amount will be calculated based on the number of calendar days employed and any such prorated amount will be paid no later than one day prior to the date that is 2½ months following the last day of the fiscal year in which such termination occurred.

(iii) Termination Without Cause, Resignation for Good Reason. Executive's employment may be terminated without Cause effective upon the Company's delivery to Executive of a Notice of Termination, or by Executive's resignation for Good Reason effective 30 days following delivery to the Company of Notice of Termination provided such delivery is within 90 days following the occurrence of events that result in Good Reason. No resignation for Good Reason will be effective unless during the 30-day period following the delivery of the Notice of Termination, the Company has not cured the events that result in Good Reason. If Executive's employment is terminated without Cause (other than by reason of death or Disability), or if Executive resigns for Good Reason, Executive will receive:

(1) the Accrued Obligations;

(2) any earned but unpaid Annual Bonus for a prior year;

(3) an amount equal to a prorated amount of the target Annual Bonus for the year of termination;

(4) a payment equal to 100% of the annual Base Salary in effect on the termination date;

(5) a payment equal to the cost of health insurance coverage under COBRA for 18 months;

(6) accelerated vesting of the portion of each of Executive's GoDaddy equity awards that vests solely based on service (including the Option and RSUs but excluding the PSUs or any other performance-based GoDaddy equity awards) that would have vested during the 12 months following the termination date had Executive continued to be a Service Provider under the 2015 Incentive Plan through such period and

(7) vesting of the portion of each of Executive's GoDaddy equity awards that would have vested in whole or in part upon satisfaction of performance criteria (including the PSUs) for the performance period(s) ending on or within twelve (12) months following the termination date assuming Executive's continuous service through each such performance period (with any individual performance criteria deemed fully satisfied) and based on the extent, if any, that the underlying performance criteria for such performance period (s) are satisfied with respect to such awards and multiplied by a fraction, the numerator of which is the number of calendar days elapsed in each such performance period as of the date of Executive's termination of employment and the denominator of which is 365. Such awards shall be settled within five (5) days of the determination of the attainment of the performance criteria for such performance period(s).

(iv) Termination of Employment During a Change in Control Period. If Executive's employment is terminated under circumstances that would entitle Executive to payment of benefits under Section 5(b)(iii) and such termination of employment occurs during the period that begins three months prior to a Change in Control and ends

on the date that is 18 months after a Change in Control, then Executive will receive the benefits described in Section 5(b)(iii), but the payment in Section 5(b)(iii)(3) will be equal to 150% of target Annual Bonus, the payment in Section 5(b)(iii)(4) will be equal to 150% of annual Base Salary in effect on the termination date (or the date immediately prior to the Change in Control if higher), the health insurance coverage payment in Section 5(b)(iii)(5) will be for 18 months, and the vesting acceleration benefit in Section 5(iii)(6) will apply to 100% of the then-unvested portion of Executive's time-based and performance-based GoDaddy equity awards (with vesting of Executive's performance-based GoDaddy equity awards to be determined assuming attainment of target level of performance and with any individual performance criteria deemed fully satisfied, in each case, unless otherwise specified in the applicable award agreement).

(c) Exclusive Remedy. If a termination of Executive's employment with the Company occurs, the provisions of this Section 5 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement. Executive will be entitled to no severance or other benefits upon termination of employment other than those benefits expressly set forth in this Section 5.

6. Conditions to Receipt of Severance; No Duty to Mitigate.

(a) Separation Agreement and Release of Claims. Executive will not receive severance pay or benefits other than the Accrued Obligations unless (x) Executive signs and does not revoke a separation agreement and release of claims in the form attached as Exhibit A, but with any appropriate reasonable modifications, reflecting changes in applicable law, as is necessary to provide the Company with the protection it would have if the Release was executed as of the date of this Agreement (the "**Release**") and (y) such Release becomes effective and irrevocable no later than sixty (60) days following the termination date (such deadline, the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Agreement. All payments will be made upon the effectiveness of the Release but will be delayed until a subsequent calendar year if necessary so their timing does not result in the imposition on Executive of additional taxes under Section 409A. Severance payments or benefits will not be paid or provided until the Release becomes effective and irrevocable. For avoidance of doubt, although Executive's severance payments and benefits are contractual rights, not "damages," Executive is not required to seek other employment or otherwise "mitigate damages" as a condition of receiving such payments and benefits.

(b) If any amount or benefit that would constitute non-exempt "deferred compensation" under Internal Revenue Code ("**Code**") Section 409A would be payable under this Agreement by reason of Executive's "separation from service" during a period in which Executive is a "specified employee" (within the meaning of Section 409A as determined by the Company), then to the extent necessary to avoid the imposition on Executive of additional taxes under Section 409A, any payment or benefits will be delayed until the earlier of six (6) months and one (1) day following Executive's separation from service or Executive's death.

(c) Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Treasury Regulations Section 1.409A-2(b)(2).

(d) Covenants. Executive's receipt of any payment or benefits other than Accrued Obligations will be subject to Executive continuing to comply with her confidentiality obligations to the Company and Section 9.

7. Definitions .

(a) Cause means (i) willfully engaging in illegal conduct or gross misconduct that is materially injurious to the Company or any of its Subsidiaries; (ii) conviction of, or entry of a plea of nolo contendere or guilty to, a felony or a crime of moral turpitude; (iii) engaging in fraud, material misappropriation, embezzlement or any other act or acts of dishonesty resulting or intended to result directly or indirectly in a gain or personal enrichment to Executive

at the expense of the Company or any of its Subsidiaries; **(iv)** willful material breach of any written policies of the Company or any of its Subsidiaries including any agreement between Executive and the Company (which policy or policies previously was provided to Executive); or **(v)** willful and continual failure to substantially perform his or her or her duties with the Company or any of its Subsidiaries (other than a failure resulting from his or her or her incapacity due to physical or mental illness), which failure has continued for a period of at least 30 days after a written demand for substantial performance is delivered to Executive by the Company or one of its Subsidiaries which specifically identifies the manner in which the Company believes Executive has not substantially performed Executive's duties.

(b) Change in Control means Change in Control as defined in the 2015 Incentive Plan.

(c) Disabled means physically or mentally incapacitated and unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform Executive's duties (such incapacity is a "**Disability**"). Any question as to the existence of a Disability will be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each will appoint a physician and those two physicians will select a third physician who will make such determination in writing. The determination will be final and conclusive for this Agreement.

(d) Good Reason means **(i)** a significant reduction of Executive's duties, position, reporting structure, or responsibilities, relative to Executive's duties, position, reporting structure or responsibilities as of the Effective Date (including, without limitation, any requirement that Executive report to any person(s) other than the Board); **(ii)** a reduction in Executive's Base Salary or Annual Bonus as of the Effective Date; **(iii)** the relocation of Executive's place of employment to a facility or location more than thirty-five (35) miles from Executive's current place of employment; or **(iv)** the Company's or GoDaddy's material breach of this Agreement or any other agreement with Executive.

8. Limitation on Payments; Section 280G. If any severance or other benefits payable to Executive **(i)** are "parachute payments" within the meaning of Code Section 280G and **(ii)** but for this Section 8, would be subject to the "golden parachute" excise tax imposed by Section 4999 of the Code, then Executive's severance benefits will reduced to a level that will result in no tax under Code Section 4999 unless it would be better economically for Executive receive all of the benefits and pay the excise tax. If a reduction in benefits is necessary for this purpose, then the reduction will occur in the following order (1) reduction of the cash severance payments; (2) cancellation of accelerated vesting of equity awards; and (3) reduction of continued employee benefits. If the acceleration of vesting of equity award compensation is to be reduced, that acceleration of vesting will be cancelled in the reverse order of the grant date of Executive's equity awards. Any determination required under this Section 8 will be made in writing by an independent professional services firm chosen by the Company immediately prior to a Change of Control and paid for by the Company and that determination will be conclusive and binding upon Executive and the Company for all purposes.

9. Covenants.

(a) Concurrently with his entry into this Agreement, Executive has entered into the Company's confidential information and restrictive covenant agreement attached as Exhibit B ("**Restrictive Covenant Agreement**").

(b) During the Employment Term and continuing for a period of 1 year after Executive's termination date, Executive agrees not to make any public statement that is intended, or may reasonably be expected to harm the reputation, business, prospects or operations of the GoDaddy, Parent or any of their subsidiaries (including the Company), any of the investment funds invested in Parent or any affiliated funds (all of the foregoing collectively, the "**Company Group**"); provided, that the non-disparagement provisions of this Section 9(b) will not apply to any statements that Executive makes in addressing any disparaging statements made by the Company Group or their

respective officers and/or its directors regarding Executive or Executive's performance as an employee of the Company so long as Executive's statements are truthful. GoDaddy, Parent and their subsidiaries (including the Company) shall instruct their respective officers and directors to refrain from making any disparaging statements about Executive for the same period for which Executive is subject to the non-disparagement provisions of this Section 9(b); provided, however, that the non-disparagement provisions will not apply to any statements that GoDaddy, Parent or any of their subsidiaries (including the Company) or their respective officers and directors make in addressing any disparaging statements made by Executive regarding the Company Group or its officers and directors so long as such statements are truthful. Executive, Parent, GoDaddy and the Company expressly consider the restrictions contained in this Section 9(b) to be reasonable.

10. Miscellaneous.

(a) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Arizona, without regard to conflicts of laws principles thereof.

(b) Entire Agreement. This Agreement along with the Offer Letter, Restrictive Covenant Agreement, and the Equity Documents, contains the entire understanding of the parties with respect to Executive's employment and supersedes any prior agreements or understandings (including verbal agreements) between the parties relating to the subject matter of this agreement. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. Notwithstanding the foregoing, Executive shall be covered by the Company's applicable liability insurance policy and its indemnification provisions for actions taken on behalf of the Company during the course of Executive's employment. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties that references this Section 10(b).

(c) Severability. In the event that any one or more of the provisions of this Agreement will be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement will not be affected.

(d) Assignment. Neither this Agreement nor any of Executive's rights and duties under it is assignable or delegable by Executive. Any purported assignment or delegation by Executive will be null and void. This Agreement may be assigned by the Company to a person or entity which is an affiliate or a successor in interest to substantially all of its business operations. Upon such assignment, the rights and obligations of the Company hereunder will become the rights and obligations of such affiliate or successor person or entity.

(e) Successors; Binding Agreement. This Agreement will inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors and heirs.

(f) Notice. The notices and all other communications provided for in this Agreement will be deemed to have been duly given when delivered by hand or overnight courier addressed to the addresses set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address will be effective only upon receipt.

GoDaddy.com, LLC To most recent address as set forth
14455 North Hayden Road, Suite 219 in Executive's personnel records
Scottsdale, AZ 85260
Attention: General Counsel

(g) Executive Representations. Executive represents to the Company that the execution of this Agreement by Executive and the Company and the performance of Executive's duties hereunder will not breach, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound. Executive acknowledges that he or she has had the opportunity to discuss this matter with and

obtain advice from his or her private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

(h) Cooperation. Subject to the Company's compliance with Section 9(b) and this Section 10(h), Executive will provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment with the Company or its affiliates. Executive's cooperation pursuant to this Section 10(h) will be at no cost to Executive, and if such cooperation occurs after the termination of this Agreement, the Company will promptly advance or reimburse all reasonable costs incurred by Executive in connection with such cooperation. This provision will survive any termination of this Agreement. The Company will provide reasonable compensation to Executive for any services rendered at the Company's request.

(i) Amendment; Waiver of Breach. No amendment of this Agreement will be effective unless it is in writing and signed by both parties. No waiver of satisfaction of a condition or failure to comply with an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will be a waiver of satisfaction of any other condition or failure to comply with any other obligation. To be valid, any document signed by the Company must be signed by the Company's Chief Executive Officer.

(j) Counterparts. This Agreement may be executed in counterparts. Each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement.

Each party is signing this Agreement on the date set out below its signature.

GoDaddy.com, LLC

/s/ Nima Jacobs Kelly

By: Nima Kelly

August 21, 2017

Scott Wagner

/s/ Scott Wagner

August 20, 2017

GoDaddy Inc.

/s/ Nima Jacobs Kelly

By: Nima Kelly

August 21, 2017

Desert Newco, LLC (Solely for purposes of Section 9(b) hereof)

/s/ Nima Jacobs Kelly

By: Nima Kelly

August 21, 2017

EXHIBIT A
FORM OF SEPARATION AGREEMENT AND RELEASE
SEPARATION AGREEMENT AND RELEASE

This **SEPARATION AGREEMENT AND RELEASE** (this “ **Agreement** ”) is made, entered into, and effective as of the date set forth below by and between **INSERT** (“ **Employee** ”) and **GoDaddy.com, LLC** (“ **Company** ”), hereinafter collectively referred to as the “**Parties**”. This Agreement is presented to Employee on **TBD** , 20XX (the “ **Presentment Date** ”).

RECITALS

- A.** Employee’s final day of employment with Company will be effective **TBD** , 2016 (the “ **Separation Date** ”).
- B.** Employee, the Company, Desert NewCo, LLC, and GoDaddy Inc. entered into an employment agreement dated **INSERT** (the “ **Employment Agreement** ”).
- C.** Pursuant to the [Desert Newco, LLC 2011 Unit Incentive Plan] , as amended and the other Equity Documents (as defined in paragraph 12), Employee has been granted options to purchase a certain number of Class A shares of GoDaddy Inc. subject to either performance-based vesting requirements or time-based vesting requirements. As of the date this Agreement was presented to Employee, certain of the options have already vested and become exercisable pursuant to the Equity Documents, and Employee had the following equity position:

	Vested Options	Unvested Options, RSUs & PSUs

D. [This Agreement contains two separate signature pages, the first of which should be signed within 21 days of Employee’s receipt of this Agreement, and the second which should be signed on the Separation Date. The first execution of the Agreement releases any potential claims Employee may have against the Released Parties (as defined below) as of the first signature date. The second execution of the Agreement applies to all potential claims Employee may have against the Released Parties, including those occurring after the first execution of the Agreement. To be entitled to any consideration under this Agreement, both signature pages must be signed at the times described and not revoked .]

E. The Parties intend to fully, completely, and finally resolve and settle any and all claims, potential claims, disputes, or potential disputes that Employee may have against the Company and the Released Parties (as defined below), whether presently known or unknown, according to the terms and conditions of this Agreement.

NOW, THEREFORE , in consideration of the above recitals and the mutual promises, covenants, obligations, and understandings set forth below, the Parties hereby agree as follows:

1. Wages, Benefits and Accrued Vacation Pay through the Separation Date . In addition to the Separation Consideration described in Paragraph 2 below, but not in consideration of Employee’s promises to abide by all the terms and conditions of this Agreement, the Company will:

- a. continue to pay Employee’s usual wages through and until the Separation Date, in biweekly installments, on regular Company payroll dates, at Employee’s base pay rate, less the required withholdings and deductions; and
- b. [pay Employee a single lump sum equal to \$ **TBD** representing **TBD** hours of accrued vacation/paid time off, less the required withholdings and deductions; and]
- c. continue Employee’s benefits coverage through the Separation Date.

2. Separation Consideration . In exchange for Employee’s promises to abide by all the terms and conditions of this Agreement, each of which the Company deems to be material to this Agreement, GoDaddy will provide Employee the severance and other benefits promised in Section 5(b)(iii) of the Employment Agreement, subject to the terms and conditions thereof. Without limiting the scope of Section 5(b)(iii) of the Employment Agreement, the Company will :

- a. [pay Employee a single lump sum equal to \$ **TBD** representing the equivalent of the required medical, dental and vision plan COBRA premiums for **X** months, which shall cover the period of **INSERT** ;]
- b. [pay Employee a single lump sum payment equal to \$ **INSERT** , representing **XX** % of the Employee’s annual base salary in effect on the Separation Date ;]
- c. [pay employee a single lump sum payment equal to \$ **TBD** representing the prorated amount of the target annual unpaid Management By Objective (“MBO”) for 20XX (collectively with 2(a) and (2b), the “**Separation Consideration**”).]

3. Timing and other related matters . For the avoidance of doubt, Employee acknowledges and agrees that:

- a. The Company’s payment of wages [and accrued vacation pay] described in Paragraph 1(a) [and (b)] will be made on the Separation Date.
 - b. The Separation Consideration is in addition to any wages earned prior to the Separation Date.
 - c. The Company’s payment of the Separation Consideration will be made as soon as practicable after the Effective Date, as defined in Paragraph 8(e) below.
 - d. The payment described in Paragraph 2(c) will be calculated as follows: **(i)** 80% will be determined and paid out as if the Company had achieved 100% of the previously approved 20XX MBO targets; and **(ii)** 20% will be determined and paid out as if the Employee had achieved 100% of his individual goals for 20XX .]
 - e. The Separation Consideration will be made less the required federal, state and local tax withholdings and deductions.
 - f. For the avoidance of doubt: **(i)** all other unvested option and RSU grants as of the Separation Date, including those granted on **INSERT** shall be forfeited in their entirety; and **(ii)** subject to any earlier termination of post-termination exercise period set out in the Equity Documents, Employee must exercise all **INSERT** vested options no later than **INSERT** .
-

4. Payment of Salary and Receipt of All Benefits . Employee acknowledges and represents that, other than the Separation Payments and after the payment described in Section 1(b), the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, leave, relocation costs, interest, severance, reimbursable expenses, commissions, stock, stock options, vesting and any and all other benefits and compensation due to Employee. For the avoidance of doubt, other than as set out in Section 1(a), Employee will not vest in any options after the Separation Date. Employee represents that Employee has not suffered any on-the-job injury for which Employee has not already filed a claim.

5. Benefits . Regardless of whether Employee signs this Agreement, Employee's active participation in all The Company benefit plans will terminate effective 11:59 p.m. on his last day of employment and Employee shall remain entitled to any vested benefits in accordance with such plans. A letter informing Employee of Employee's rights to elect continued health coverage under COBRA will be mailed to the Employee's home, and generally arrives within 7 business days after the last day of employment.

6. Release .

a. Employee, in exchange for the Separation Payment, agrees to and hereby releases, waives and forever discharges the Company and its affiliates, parents, successors, subsidiaries, related companies, directors, officers, employees, attorneys and agents (the "Released Parties") from any and all claims or causes of action, whether known or unknown, that Employee may currently have or Employee's heirs, executors, administrators and assigns have, had or may have in the future against any of the Released Parties with respect to any and all matters arising from Employee's employment and separation from the Company. This release does not extend to any Employee rights or benefits granted pursuant to **(i)** Employee's Employment Agreement that expressly survive the termination of the Employment Agreement, **(ii)** the Equity Documents (as defined in the Employment Agreement and in Paragraph 12 below) that remain in effect after the termination of Employee's employment.

b. Scope of Release . Employee's release includes, but is not limited to, all allegations, claims, and violations related to severance, elimination of position, resignation, notice of termination, the payment of wages, salary and benefits (except any valid claim to recover vested benefits to which Employee may be entitled, if applicable) and all claims arising under the following, in each case as amended: the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990 ("ADEA"); Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Equal Pay Act of 1963; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Civil Rights Act of 1866; the Worker Adjustment and Retraining Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; all state or local counterparts, including the Arizona Civil Rights Act, Ariz. Rev. Stat. § 41-1401 et seq.; Arizona Employment Protection Act, Ariz. Rev. Stat. § 23-1501 to 23-1502; Arizona Wage Payment Law, Ariz. Rev. Stat. § 23-350 et seq.; Arizona Equal Wage Law, Ariz. Rev. Stat. § 23-341, California Fair Employment and Housing Act, Cal. Gov't Code § 12900 et seq.; Unruh Civil Rights Act, Cal. Civ. Code § 51; Moore-Brown-Roberti Family Rights Act, Cal. Gov't Code § 12945.1 et seq.; California Pregnancy Disability Leave Law, Cal. Gov't Code § 12945; the California Constitution; any applicable California Industrial Welfare Commission Wage Order, the Washington State Law Against Discrimination, Wash. Rev. Code § 49.60.010 et seq.; the Washington Equal Pay Law, Wash. Rev. Code § 49.12.175; the Washington Sex Discrimination Law, Wash. Rev. Code § 49.12.200; the Washington Age Discrimination Law, Wash. Rev. Code § 49.44.090; the Washington Family Care Act, Wash. Rev. Code §§ 49.12.265 to 49.12.295; the Washington Parental Leave Discrimination Law, Wash. Rev. Code § 49.12.360; the Washington Minimum Wage Act, Wash. Rev. Code § 49.46.005 et seq.; the Washington Wage, Hour, and Working Conditions Law, Wash. Rev. Code §§ 49.12.005 to 49.12.170; the Washington Wage Payment and Collection Law, Wash. Rev. Code § 49.48.010 et seq.

c. any other federal, state or local statute, constitution or ordinance; any public policy, contract or tort, or under any common law, including wrongful discharge; any practices or procedures of the Company; any claim for breach of contract, infliction of emotional distress, defamation, discrimination;

d. any and all claims relating to, or arising from, Employee's right to purchase or actual purchase of shares or stock of GoDaddy Inc., except pursuant to the Equity Documents if applicable, which Employee acknowledges shall govern such equity;

e. and any other federal, state or local statutes, laws, regulations or common law causes of action under which any claim may be brought, including those claims arising from Employee's employment relationship with GoDaddy or the termination of that relationship, and also including any claim for costs, fees or other expenses, including attorneys' fees and expenses, incurred in these matters (collectively, the "Released Claims").

f. *Limitations* . Employee understands that Employee is not releasing any claim that relates to: (i) the Separation Payment or the right to enforce this Agreement; (ii) Employee's right, if any, to claim government-provided unemployment benefits or worker's compensation benefits, if applicable and Employee qualifies; (iii) any rights to indemnification under any indemnification agreement with the Company or the Company's bylaws, articles of incorporation, or similar provisions and any claims under any director & officers liability insurance policy; or (iv) any rights or claims that Employee may have which arise after the date Employee executes this Agreement. Nor does this release apply to any claims that cannot be waived by law. Employee acknowledges that except as expressly provided in this Agreement or in an applicable plan document for any applicable broad-based employee benefit plans other than plans that provide severance or termination pay, Employee will not receive any additional compensation or benefits, including salary, bonus, or separation payments after the Separation Date.

g. *Release of Age Discrimination Claims* . Employee acknowledges that Employee is knowingly waiving and releasing any rights Employee may have under the ADEA, which includes age discrimination claims. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Release. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled.

h. *[Unknown Claims/California Civil Code Section 1542* . Employee acknowledges that he has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Employee, being aware of said code section and the principle that a general release does not extend to claims that the releaser does not know or suspect to exist in his/her favor at the time of executing the release, which, if known by him/her, might have materially affected his/her settlement with the releasee, and agrees to expressly waive any rights he may have thereunder, as well as under any other statute or common law principles of similar effect.]

i. *No Monetary Recovery* . Employee acknowledges and understands that this Release waives all of Employee's rights to any monetary recovery against any of the Released Parties for any potential charge, complaint, or lawsuit. Employee agrees that the Separation Payment received under this Agreement fully satisfies any potential claim for relief in connection with any charge, complaint, or lawsuit.

j. *Covenant Not to Sue* . Employee acknowledges and understands that this Release prohibits Employee from bringing any lawsuit or cause of action against any of the Released Parties for any claims covered by the Release.

7. Confidentiality .

a. Employee agrees to keep the existence and terms of this Agreement strictly confidential, including the specific information regarding the Total Consideration in Paragraphs 1 and 2 above. Except as required by law, Employee agrees not to divulge any of the terms of this Agreement to anyone, or permit them to be divulged to anyone, excluding his spouse, attorney, accountant and tax and financial advisor. Employee understands that the Company has relied on Employee's commitment to preserve the confidentiality of this Agreement in deciding whether to enter into this Agreement. Employee agrees at all times hereafter to hold in the strictest confidence, and not to use or disclose to any person or entity, any Confidential Information of the Company.

b. Employee understands that "Confidential Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product and/or personalization plans, products, services, customer lists and customers (including, but not limited to, customers of the Company on whom Employee has called or with whom Employee became acquainted during the term of Employee's employment), markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, any and all financial and accounting information, employee lists, vendor lists, recruiting information, future planned or contemplated merger and acquisition activity, or other legal or business information disclosed to Employee by the Company either directly or indirectly, in writing, orally, or by drawings or observation. Employee further understands that Confidential Information does not include any of the foregoing items that have become publicly known and made generally available through no wrongful act of Employee's or of others who were under confidentiality obligations as to the item or items involved or improvements or new versions thereof. Nothing in this Agreement is intended to limit an employee's rights with respect to any disclosure made in compliance with the Company's Notice of Immunity under the Defend Trade Secrets Act (as set forth in the Employee Handbook) or (ii) the disclosure of Confidential Information that (A) is made (1) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Employee hereby grants consent to notification by the Company to any new employer about Employee's obligations under this paragraph. Employee represents that Employee has not to date misused or disclosed Confidential Information to any unauthorized party.

8. Acknowledgments . On each signature date, Employee acknowledges that each of the following statements is true and accurate:

a. Employee would not have been entitled to receive the Separation Consideration set forth in Paragraph 2 above had Employee rejected this Agreement and agrees that the Separation Payment is adequate consideration for Employee's releases and made in this Agreement .

b. Employee has carefully read this entire Agreement and understands all the terms of this Agreement, including the release provisions set forth in Paragraph 6 above and the Confidentiality provisions set forth in Paragraph 7 above;

c. Employee has been and hereby is advised to consult with an attorney before signing this Agreement; Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has elected not to retain legal counsel.

d. Pursuant to the specific release contained in Paragraph 6(g) above, Employee has up to 21 days from the Presentment Date to consider whether to enter into this Agreement (the “ **Consideration Period** ”). If Employee signs this Agreement prior to the expiration of the Consideration Period, Employee hereby acknowledges that Employee has freely and voluntarily chosen to waive any time remaining in the Consideration Period. Employee should deliver a signed copy of this Agreement to the Company, Attn: Nima Kelly, 14455 N. Hayden Rd., Suite 209, Scottsdale, AZ 85260. If Employee does not sign this Agreement by the end of the Consideration Period, Employee understands that this Agreement shall become null and void.

e. Employee will have 7 days to revoke this Agreement after signing it, and this Agreement shall not become effective or enforceable until this revocation period has expired for the execution of the Agreement on the Separation Date (the 8th day is the “ **Effective Date** ” of this Agreement). Any revocation within this 7-day period shall be submitted in writing and mailed to the attention of the Company at the address given in subparagraph (d) of this paragraph and post-marked within 7 days of the date Employee signs this Agreement. If this Agreement is revoked in this way, Employee will forfeit the Total Consideration and the Company shall not be required to provide Employee any of the Total Consideration, or any other such payments.

f. Employee understands that this Agreement does not waive any rights or claims that may arise after the Effective Date of this Agreement, and that nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of the waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law.

g. Employee has not relied on any oral or written statements that are not set forth in this Agreement in determining whether to enter into this Agreement.

h. Employee executed this Agreement freely, voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, and with the full intent of releasing all claims against the Company and any of the other Releasees .

9. Non-Liability . This Agreement is not an admission or evidence of fault, wrongdoing or liability by GoDaddy, nor should it be construed as such, but instead reflects the desire of the Parties to resolve the Released Claims fairly and amicably.

10. Non-Disparagement . The Parties acknowledge and agree that Section 9(b) of the Employment Agreement remains in effect in accordance with its terms.

11. Prior Agreements . The Parties acknowledge that they have carefully read this Agreement, have voluntarily entered into it, and understand its contents and its binding legal effect. The Parties further acknowledge and agree that this Agreement represents the entire agreement between them with respect to Employee’s separation from GoDaddy and supersedes any and all other oral or written agreements that may exist between them except:

- a.** Employee’s continuing obligations under the Employment Agreement shall remain in full force and effect;
 - b.** Employee’s continuing obligations under the Employee Non-Compete dated **INSERT** , shall remain in full force and effect;
 - c.** Employee’s continuing confidentiality obligations to the Company as outlined in the Company handbook and other policies, shall remain in full force and effect; and
-

d. any equity awards granted to Employee under the [2011 Unit Incentive Plan] , the Management Equity and Unitholders Agreement, and any other agreements entered into in connection with any grant thereunder (collectively, the “ **Equity Documents** ”), shall remain in full force and effect.

If any conflict exists or arises between the terms of this Agreement and any prior agreement referenced in this Paragraph, the terms of this Agreement shall control.

12. Severability . If any court of competent jurisdiction declares any of this Agreement’s provisions to be unenforceable, the remaining provisions shall be enforced as though this Agreement did not contain the unenforceable provision(s), and/or be reformed so as to be enforceable.

13. Section 409A Savings Clause . It is the intention of the Parties that all compensation or benefits payable under this Agreement be exempt from Section 409A of the Internal Revenue Code (“Section 409A”) or comply with Section 409A so that no additional tax under Section 409A is imposed. To the extent such compensation or benefits could be or are found not to be exempt from Section 409A or would have additional tax under Section 409A imposed, the Parties shall cooperate to amend this Agreement to avoid such result, with the goal of giving Employee the economic benefits described herein in a manner that does not result in additional tax or interest being imposed, but without requiring the Company to pay any additional amounts.

14. Governing Law and Forum . This Agreement will be governed by and interpreted in accordance with the substantive law of the State of Arizona as though this was an agreement occurring wholly within Arizona between Arizona residents. Any action or dispute arising out of, or in any way related to, this Agreement, or the interpretation and/or application of this Agreement, must be brought in Maricopa County, Arizona.

15. Jury Trial Waiver . Employee agrees to waive Employee’s right to a trial by jury in any action relating to or arising out of this Agreement, and acknowledges that Employee’s waiver of such a right is knowing and voluntary.

16. Remedies for Breach . A breach of any provision of this Agreement may give rise to a legal action. If Employee breaches any provision of this Agreement, in addition to any other available remedies, the Company may recover the entire amount of the Separation Payment that has actually been made to Employee under this Agreement. The prevailing party in any action based on a breach of this Agreement will be entitled to recover its costs and actual attorneys’ fees incurred in any litigation relating to or arising out of this Agreement.

17. Successors and Assigns . The Parties agree that this Agreement shall inure to the benefit of, and may be enforced by, the Company’s successors, assigns, parents, subsidiaries, and related companies.

18. Return of Company Property . Employee agrees that Employee has returned, or will return within three (3) calendar days of the Separation Date, all Company property in Employee’s possession, custody, or control.

19. Counterparts . This Agreement may be executed by the Parties in one or more counterparts, including faxed copies. All such fully-executed counterparts shall be treated as originals of this Agreement.

Please read this Agreement carefully, it contains a RELEASE of all known and unknown claims.

Agreed and accepted:

INSERT GoDaddy.com, LLC

_____ By: _____

Date: _____, 201X Date: _____, 201X

EXHIBIT B
RESTRICTIVE COVENANT AGREEMENT

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Blake J. Irving, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GoDaddy Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2017

By: /s/ Blake J. Irving

Blake J. Irving

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Ray E. Winborne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of GoDaddy Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2017

By: /s/ Ray E. Winborne

Ray E. Winborne

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Blake J. Irving, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of GoDaddy Inc. for the fiscal quarter ended September 30, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of GoDaddy Inc.

Date: November 8, 2017

By: /s/ Blake J. Irving

Blake J. Irving
Chief Executive Officer
(Principal Executive Officer)

I, Ray E. Winborne, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of GoDaddy Inc. for the fiscal quarter ended September 30, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of GoDaddy Inc.

Date: November 8, 2017

By: /s/ Ray E. Winborne

Ray E. Winborne
Chief Financial Officer
(Principal Financial Officer)