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 March 31, 2018

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	**46-5769934**
(State or other jurisdiction of incorporation or organization)	(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	☒	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 May 3, 2018 , there were 148,775,280 shares of GoDaddy Inc.'s Class A common stock, $0.001 par value per share, outstanding and 22,058,628 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 March 31, 2018

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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 acquisitions, including our acquisition of Host Europe Holdings Limited (HEG) and our proposed acquisition of Main Street Hub, 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, growth 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, as KKR. We refer to Silver Lake Partners, together with its affiliates, as Silver Lake. We refer to YAM Special Holdings, Inc., of which Robert R. Parsons, our founder and a member of our board of directors, is the sole beneficial owner, as YAM.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 710.7	$ 582.7
Short-term investments	18.8	12.3
Accounts and other receivables	24.0	18.4
Registry deposits	41.2	34.7
Prepaid domain name registry fees	365.9	351.5
Prepaid expenses and other current assets	60.7	59.9
Total current assets	1,221.3	1,059.5
Property and equipment, net	295.3	297.9
Prepaid domain name registry fees, net of current portion	184.9	180.8
Goodwill	2,898.3	2,859.9
Intangible assets, net	1,317.4	1,326.0
Other assets	13.8	14.2
Total assets	$ 5,931.0	$ 5,738.3
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 57.9	$ 59.6
Accrued expenses and other current liabilities	492.3	469.6
Deferred revenue	1,345.6	1,264.8
Long-term debt	16.7	16.7
Total current liabilities	1,912.5	1,810.7
Deferred revenue, net of current portion	622.9	596.8
Long-term debt, net of current portion	2,406.6	2,410.8
Payable to related parties pursuant to tax receivable agreements	167.6	153.0
Other long-term liabilities	78.1	75.0
Deferred tax liabilities	147.0	145.5
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value - 50,000 shares authorized; none issued and outstanding	—	—
Class A common stock, $0.001 par value - 1,000,000 shares authorized; 148,359 and 132,993 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	0.1	0.1
Class B common stock, $0.001 par value - 500,000 shares authorized; 22,081 and 35,006 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	—	—
Additional paid-in capital	537.6	484.4
Retained earnings	91.0	87.7
Accumulated other comprehensive loss	(80.4)	(85.7)
Total stockholders' equity attributable to GoDaddy Inc.	548.3	486.5
Non-controlling interests	48.0	60.0
Total stockholders' equity	596.3	546.5
Total liabilities and stockholders' equity	$ 5,931.0	$ 5,738.3

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2018	**2017**
Revenue:		
Domains	$ 291.7	$ 240.8
Hosting and presence	239.8	178.3
Business applications	101.7	70.6
Total revenue	633.2	489.7
Costs and operating expenses [(1)] :		
Cost of revenue (excluding depreciation and amortization)	215.3	176.8
Technology and development	102.0	80.2
Marketing and advertising	74.5	67.4
Customer care	80.4	67.0
General and administrative	76.4	61.0
Depreciation and amortization	57.8	31.6
Total costs and operating expenses	606.4	484.0
Operating income	26.8	5.7
Interest expense	(23.8)	(12.8)
Tax receivable agreements liability adjustment	(0.1)	5.0
Loss on debt extinguishment	—	(1.7)
Other income (expense), net	1.0	1.7
Income (loss) before income taxes	3.9	(2.1)
Benefit (provision) for income taxes	0.3	(1.0)
Net income (loss)	4.2	(3.1)
Less: net income (loss) attributable to non-controlling interests	0.9	(3.7)
Net income attributable to GoDaddy Inc.	$ 3.3	$ 0.6
Net income attributable to GoDaddy Inc. per share of Class A common stock:		
Basic	$ 0.02	$ 0.01
Diluted	$ 0.02	$ 0.01
Weighted-average shares of Class A common stock outstanding:		
Basic	137,841	89,600
Diluted	178,787	100,242

(1) Costs and operating expenses include equity-based compensation expense as follows:		
Technology and development	$ 13.7	$ 8.4
Marketing and advertising	2.9	1.7
Customer care	1.2	0.4
General and administrative	13.7	5.9

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2018	2017
Net income (loss)	$ 4.2	$ (3.1)
Foreign exchange forward contracts gain (loss), net	(0.7)	(2.0)
Unrealized swap gain (loss), net	3.0	—
Change in foreign currency translation adjustment	5.6	—
Comprehensive income (loss)	12.1	(5.1)
Less: comprehensive income attributable to non-controlling interests	3.5	—
Comprehensive income (loss) attributable to GoDaddy Inc.	$ 8.6	$ (5.1)

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						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
Balance at December 31, 2017	132,993	$ 0.1	35,006	$ —	$ 484.4	$ 87.7	$ (85.7)	$ 60.0	$ 546.5
Net income	—	—	—	—	—	3.3	—	0.9	4.2
Equity-based compensation expense	—	—	—	—	31.5	—	—	—	31.5
Stock option exercises	1,632	—	—	—	24.4	—	—	(3.7)	20.7
Effect of exchanges of LLC Units	12,925	—	(12,925)	—	11.8	—	—	(11.8)	—
Liability pursuant to the tax receivable agreements resulting from exchanges of LLC Units	—	—	—	—	(14.5)	—	—	—	(14.5)
Gain (loss) on swaps and foreign currency hedging, net	—	—	—	—	—	—	2.3	—	2.3
Change in foreign currency translation adjustment	—	—	—	—	—	—	5.6	—	5.6
Accumulated other comprehensive income (loss) attributable to non-controlling interests	—	—	—	—	—	—	(2.6)	2.6	—
Vesting of restricted stock units	809	—	—	—	—	—	—	—	—
Balance at March 31, 2018	148,359	$ 0.1	22,081	$ —	$ 537.6	$ 91.0	$ (80.4)	$ 48.0	$ 596.3

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2018	**2017**
Operating activities		
Net income (loss)	$ 4.2	$ (3.1)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	57.8	31.6
Equity-based compensation	31.5	16.4
Other	1.9	2.7
Changes in operating assets and liabilities, net of amounts acquired:		
Registry deposits	(6.4)	1.9
Prepaid domain name registry fees	(17.4)	(22.8)
Accrued expenses and other current liabilities	(16.8)	(1.4)
Deferred revenue	103.1	94.7
Other operating assets and liabilities	(9.5)	6.6
Net cash provided by operating activities	148.4	126.6
Investing activities		
Purchases of short-term investments	(6.9)	(6.4)
Maturities of short-term investments	0.4	0.6
Business acquisitions, net of cash acquired	(6.6)	(4.0)
Payment of PlusServer sales price adjustment	(4.3)	—
Purchases of property and equipment	(16.1)	(19.8)
Net cash used in investing activities	(33.5)	(29.6)
Financing activities		
Proceeds received from:		
Stock option exercises	20.7	13.9
Payments made for:		
Financing-related costs	—	(9.1)
Distributions to holders of LLC Units	—	(7.0)
Repayment of term loans	(6.2)	—
Capital leases and other financing obligations	(2.6)	(2.7)
Net cash provided by (used in) financing activities	11.9	(4.9)
Effect of exchange rate changes on cash and cash equivalents	1.2	—
Net increase in cash and cash equivalents	128.0	92.1
Cash and cash equivalents, beginning of period	582.7	566.1
Cash and cash equivalents, end of period	$ 710.7	$ 658.2
Supplemental cash flow information:		
Cash paid during the period for:		
Interest on long-term debt, net of swap benefit	$ 20.5	$ 8.8
Income taxes, net of refunds received	$ 5.3	$ 1.4
Supplemental information for non-cash investing and financing activities:		
Fair value of contingent consideration in connection with business acquisitions	$ 2.2	$ —
Accrued capital expenditures at period end	$ 10.5	$ 8.0

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

We are the sole managing member of Desert Newco, and as a result, we consolidate its financial results and report non-controlling interests representing the economic interests held by its other members. Non-controlling interests excludes any net income (loss) attributable directly to GoDaddy Inc. We owned approximately 87% of Desert Newco's limited liability company units (LLC Units) as of March 31, 2018 .

Basis of Presentation

Our 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.

Our interim financial statements are unaudited, and in our opinion, include all adjustments of a normal recurring nature necessary for the fair presentation of the periods presented. The results for the interim periods are not necessarily indicative of the results to be expected for any subsequent period or for the year ending December 31, 2018 .

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, 2017 (the 2017 Form 10-K).

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 relative stand-alone selling price of the indicated performance obligations included in revenue arrangements with multiple performance obligations;
- 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 fair value of financial instruments;
- 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

As of March 31, 2018 , our chief operating decision maker function was comprised of our Chief Executive Officer who reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance for the entire company. Accordingly, we have a single operating segment and reporting unit.

2. Summary of Significant Accounting Policies

Revenue Recognition

Adoption of New Standard on Revenue from Contracts with Customers

On January 1, 2018, we adopted the Financial Accounting Standards Board's (FASB) new revenue recognition standard using the modified retrospective method applied to those contracts not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under the new standard, while prior period amounts were not adjusted and continue to be reported in accordance with our historic accounting.

The adoption of the new standard did not have a material impact to our financial statements.

Revenue Recognition

Revenue is recognized when control of the promised services is transferred to our customers, in an amount reflecting the consideration we expect to be entitled to in exchange for those services.

We typically receive payment at the time of sale, the purpose of which is to provide our customers with a simplified and predictable way of purchasing our services. We have determined that our contracts do not include a significant financing component. Payments received in advance of our performance are recorded as deferred revenue. Revenue is recognized net of allowances for returns and applicable transaction-based taxes collected from customers.

Our products are generally sold with a right of return within our policy, which are accounted for as variable consideration when estimating the amount of revenue to recognize. Refunds are estimated at contract inception using the expected value method based on historical refund experience and updated each reporting period as additional information becomes available and only to the extent it is probable a significant reversal of any incremental revenue will not occur. Refunds reduce deferred revenue at the time they are granted and resulted in a reduced amount of revenue recognized over the contract term of the applicable service compared to the amount originally expected.

Our revenue is categorized and disaggregated as reflected in our statements of operations, as follows:

Domains . Domains revenue primarily consists of domain registrations and renewals, domain privacy, domain application fees, domain back-orders, aftermarket domain sales and fee surcharges paid to ICANN. 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. Consideration is recorded as deferred revenue when received, which is typically at the time of sale, and revenue, other than for aftermarket domain sales, is recognized over the period in which the performance obligations are satisfied, which is generally over the contract term. Aftermarket domain revenue is recognized when ownership of the domain is transferred to the buyer.

Hosting and presence . Hosting and presence revenue primarily consists of website hosting products, website building products and services, website security products, an online shopping cart and online visibility products. Consideration is recorded as deferred revenue when received, which is typically at the time of sale, and revenue is recognized over the period in which the performance obligations are satisfied, which is generally over the contract term.

Business applications . Business applications revenue primarily consists of third-party productivity applications, email accounts and email marketing tools. Consideration is recorded as deferred revenue when received, which is typically at the time of sale, and revenue is recognized over the period in which the performance obligations are satisfied, which is generally over the contract term.

See Note 6 for additional information regarding our deferred revenue. See Note 14 for our revenue disaggregated by geography.

Arrangements with Multiple Performance Obligations

Our contracts with customers may include multiple performance obligations, which are generally capable of being distinct, including a combination of some or all of the following: domain registrations, website hosting products, website building products and services, website security products and other cloud-based products. For such arrangements, we allocate revenue to each distinct performance obligation based on its relative stand-alone selling price (SSP). We generally determine SSP based on prices charged to customers for individual products and services, taking into consideration factors including historical and expected discounting practices, the size, volume and term length of transactions, customer demographics, the geographic areas in which our products and services are sold and our overall go-to-market strategy.

Principal versus Agent Considerations

We sell our products and services directly to customers and also through a network of resellers. In certain cases, we act as a reseller of products provided by others. The determination of gross or net revenue recognition is reviewed on a product-by-product basis and is dependent on whether we act as principal or agent in the transaction. Revenue associated with sales through our network of resellers, for certain aftermarket domain sales and for third-party offerings is recorded on a gross basis as we have determined that we control the product before transferring it to end customers.

Assets Recognized from the Costs to Obtain a Contract with a Customer

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect to receive the benefit of those costs. Commissions paid to our resellers are capitalized and then expensed to cost of revenue consistent with the pattern of transfer of the service to which the asset relates.

Fair Value Measurements

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

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents:				
Reverse repurchase agreements [1]	$ —	$ 145.0	$ —	$ 145.0
Commercial paper	—	69.9	—	69.9
Short-term investments:				
Certificates of deposit and time deposits	1.0	—	—	1.0
Commercial paper	—	17.8	—	17.8
Derivative assets	—	1.9	—	1.9
Total assets measured and recorded at fair value	$ 1.0	$ 234.6	$ —	$ 235.6
Liabilities:				
Contingent consideration liabilities	$ —	$ —	$ 24.2	$ 24.2
Derivative liabilities	—	246.3	—	246.3
Total liabilities measured and recorded at fair value	$ —	$ 246.3	$ 24.2	$ 270.5

(1) Reverse repurchase agreements include a $70.0 million repurchase agreement with Morgan Stanley, callable with 31 days notice, and a $75.0 million one-week repurchase agreement with Wells Fargo.

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents:				
Reverse repurchase agreements [1]	$ —	$ 130.0	$ —	$ 130.0
Commercial paper	—	50.0	—	50.0
Short-term investments:				
Certificates of deposit and time deposits	0.4	—	—	0.4
Commercial paper	—	11.9	—	11.9
Total assets measured and recorded at fair value	$ 0.4	$ 191.9	$ —	$ 192.3
Liabilities:				
Contingent consideration liabilities	$ —	$ —	$ 20.7	$ 20.7
Derivative liabilities	—	206.4	—	206.4
Total liabilities measured and recorded at fair value	$ —	$ 206.4	$ 20.7	$ 227.1

(1) Reverse repurchase agreements include a $70.0 million repurchase agreement with Morgan Stanley, callable with 31 days notice, and a $60.0 million one-week repurchase agreement with Wells Fargo.

No material adjustments were made to the fair values of our Level 3 contingent consideration liabilities during any of the periods presented. We have no other material assets or liabilities measured at fair value on a recurring basis.

Recent Accounting Pronouncements

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 . Lessees will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. While we continue to evaluate the effect of adopting this guidance, we expect our operating leases will be subject to the new guidance. We will recognize right-of-use assets and lease liabilities in our consolidated balance sheets upon adoption, which will increase our total assets and liabilities.

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.

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. Our adoption of this new guidance on January 1, 2018 , did not 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. Our adoption of this new guidance on January 1, 2018 , did not have a material impact.

3. Goodwill and Intangible Assets

The following table summarizes changes in our goodwill balance:

Balance at December 31, 2017	$	2,859.9
Goodwill related to acquisitions [1]		4.8
Impact of foreign currency translation		33.6
Balance at March 31, 2018	$	2,898.3

(1) Goodwill related to acquisitions includes measurement period adjustments related to acquisitions completed in 2017 .

Intangible assets are as follows:

	March 31, 2018							
	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		171.0		n/a	$	(19.5)		151.5
Finite-lived intangible assets:								
Customer-related		886.2	$	(340.9)		n/a		545.3
Developed technology		177.8		(80.7)		n/a		97.1
Trade names		96.8		(18.3)		n/a		78.5
	$	1,776.8	$	(439.9)	$	(19.5)	$	1,317.4

	December 31, 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		171.0		n/a	$	(18.8)		152.2
Finite-lived intangible assets:								
Customer-related		868.0	$	(320.4)		n/a		547.6
Developed technology		184.5		(82.2)		n/a		102.3
Trade names		94.4		(15.5)		n/a		78.9
	$	1,762.9	$	(418.1)	$	(18.8)	$	1,326.0

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 was $33.2 million and $13.9 million for the three months ended March 31, 2018 and 2017 , respectively. The weighted-average remaining amortization period for amortizable intangible assets was 84 months as of March 31, 2018 .

Based on the balance of finite-lived intangible assets at March 31, 2018 , expected future amortization expense is as follows:

Year Ending December 31:		
2018 (remainder of)	$	100.6
2019		114.8
2020		108.1
2021		85.5
2022		83.8
Thereafter		228.1
	$	720.9

4. Stockholders' Equity

Secondary Offering

In March 2018 , we completed an underwritten public offering in which KKR, SLP and YAM sold an aggregate of 16,916 shares of our Class A common stock at a public offering price of $55.53 per share. We did no t receive any proceeds from the shares sold by the selling stockholders. The offering included the exchange of 12,821 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 $11.2 million increase in additional paid-in capital, with an offsetting reduction in non-controlling interests, and a $14.5 million increase to the liability under the TRAs as described in Note 12 .

5. Equity-Based Compensation Plans

As of December 31, 2017 , 16,024 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, 2018 , an additional 6,720 shares were reserved for issuance pursuant to the automatic increase provisions of the 2015 Plan. As of March 31, 2018 , 19,967 shares were available for issuance as future awards under the 2015 Plan.

As of December 31, 2017 , 2,551 shares of Class A common stock were available for issuance under the 2015 Employee Stock Purchase Plan (the ESPP). On January 1, 2018 , an additional 1,000 shares were reserved for issuance pursuant to the ESPP. As of March 31, 2018 , 3,551 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. 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, 2017	13,460		18.63
Granted	965	20.96	58.78
Exercised	(1,632)		12.74
Forfeited	(91)		25.25
Outstanding at March 31, 2018	12,702		22.39
Vested at March 31, 2018	7,345		13.71

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, 2017	4,199	
Granted	1,986	59.20
Vested	(809)	
Forfeited	(83)	
Outstanding at March 31, 2018	5,293	

At March 31, 2018 , total unrecognized compensation expense related to non-vested stock options and RSUs was $46.8 million and $161.0 million , respectively, with expected remaining weighted-average recognition periods of 2.3 years and 2.8 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 for performance awards not expected to vest, and will reverse any previously recognized expense on such awards.

6. Deferred Revenue

Deferred revenue consists of the following:

	March 31, 2018	December 31, 2017
Current:		
Domains	$ 676.4	$ 638.5
Hosting and presence	470.1	444.7
Business applications	199.1	181.6
	$ 1,345.6	$ 1,264.8
Noncurrent:		
Domains	$ 355.0	$ 341.3
Hosting and presence	188.9	183.2
Business applications	79.0	72.3
	$ 622.9	$ 596.8

The increase in the deferred revenue balance is primarily driven by payments received in advance of satisfying our performance obligations, offset by $457.0 million of revenue recognized during the three months ended March 31, 2018 that was included in the deferred revenue balance as of December 31, 2017 . The deferred revenue balance as of March 31, 2018 represents our aggregate remaining performance obligations that will be recognized as revenue over the period in which the performance obligations are satisfied.

Deferred revenue as of March 31, 2018 is expected to be recognized as revenue as follows:

	Remainder of 2018	2019	2020	2021	2022	Thereafter	Total
Domains	$ 583.9	$ 244.9	$ 87.5	$ 48.6	$ 27.9	$ 38.6	$ 1,031.4
Hosting and presence	411.7	160.5	58.9	15.0	7.3	5.6	659.0
Business applications	175.0	66.7	25.2	6.5	2.8	1.9	278.1
	$ 1,170.6	$ 472.1	$ 171.6	$ 70.1	$ 38.0	$ 46.1	$ 1,968.5

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2018	December 31, 2017
Derivative liabilities	$ 246.3	$ 206.4
Accrued payroll and employee benefits	65.5	93.6
Tax-related accruals	53.0	55.5
Accrued acquisition-related expenses and acquisition consideration payable	28.7	32.9
PlusServer transaction tax and bonus accruals	23.6	28.1
Accrued marketing and advertising expenses	17.5	10.3
Current portion of capital lease obligation	5.0	4.8
Accrued other	52.7	38.0
	$ 492.3	$ 469.6

8. Long-Term Debt

Long-term debt consisted of the following:

	March 31, 2018	December 31, 2017
Term Loans (effective interest rate of 4.2% at March 31, 2018 and 4.1% at December 31, 2017)	$ 2,476.1	$ 2,482.3
Revolving Credit Loan	—	—
Total	2,476.1	2,482.3
Less: unamortized original issue discount on long-term debt (1)	(31.8)	(33.0)
Less: unamortized debt issuance costs (1)	(21.0)	(21.8)
Less: current portion of long-term debt	(16.7)	(16.7)
	$ 2,406.6	$ 2,410.8

(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 secured credit agreement (the Credit Facility) includes an aggregate of $2,497.5 million in seven -year term loans (the Term Loans) and a $200.0 million five -year revolving credit facility (the Revolving Credit Loan).

The Term Loans mature on February 15, 2024 and bear interest at a rate equal to, at our option, either (a) LIBOR plus 2.25% per annum or (b) 1.25% 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% . We are eligible for a 0.25% reduction in the interest rate margins upon improvement in our corporate credit rating. A portion of the Term Loans are hedged by an interest rate swap. See Note 9 for discussion of this hedging instrument.

The 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 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).

At March 31, 2018 , 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 $2,483.9 million at March 31, 2018 based on observable market prices for these loans, which are traded in a less active market and therefore classified as a Level 2 fair value measurement.

Future Debt Maturities

Aggregate principal payments, exclusive of any unamortized original issue discount and debt issuance costs, due on long-term debt as of March 31, 2018 are as follows:

Year Ending December 31:		
2018 (remainder of)	$	18.8
2019		25.0
2020		25.0
2021		25.0
2022		25.0
Thereafter		2,357.3
	$	2,476.1

9. 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:

	Notional Amount		Derivative Assets				Derivative Liabilities			
	March 31, 2018	December 31, 2017	March 31, 2018		December 31, 2017		March 31, 2018		December 31, 2017	
			Balance Sheet Location (2)	Fair Value	Balance Sheet Location (2)	Fair Value	Balance Sheet Location (2)	Fair Value	Balance Sheet Location (2)	Fair Value
Derivative Instrument:										
Level 2:										
Foreign exchange forward contracts	$ 179.0	$ 241.3	PP	$ 0.2	PP	$ —	ACC	$ 4.3	ACC	$ 4.4
Cross-currency swap (1)	1,516.4	1,478.3	PP	—	PP	—	ACC	242.0	ACC	182.9
Interest rate swap	1,312.2	1,315.5	PP	1.7	PP	—	ACC	—	ACC	19.1
Total hedges	$ 3,007.6	$ 3,035.1		$ 1.9		$ —		$ 246.3		$ 206.4

(1) The notional values of the cross-currency swap have been translated from Euros to U.S. dollars at the foreign currency rates in effect at March 31, 2018 and December 31, 2017 of approximately 1.23 and 1.20 , respectively.

(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 accumulated other comprehensive income (loss) (AOCI):

	Unrealized Gains (Losses) Recognized in Other Comprehensive Income	
	Three Months Ended	
	March 31, 2018	March 31, 2017
Derivative Instrument:		
Foreign exchange forward contracts [1]	$ (0.7)	$ (2.0)
Cross-currency swap	(17.8)	—
Interest rate swap	20.8	—
	$ 2.3	$ (2.0)

(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 March 31, 2018			Three Months Ended March 31, 2017		
	Revenue	Interest Expense	Other Income (Expense), Net	Revenue	Interest Expense	Other Income (Expense), Net
Foreign Exchange Forward Contracts:						
Reclassified from AOCI into income	$ (0.9)	$ —	$ —	$ 0.7	$ —	$ —
Cross Currency Swap:						
Reclassified from AOCI into income [1]	—	6.5	(42.0)	—	—	—
Interest Rate Swap:						
Reclassified from AOCI into income	—	(2.9)	—	—	—	—
	$ (0.9)	$ 3.6	$ (42.0)	$ 0.7	$ —	$ —

(1) The amount reflected in other income (expense), net for 2018 includes $41.4 million reclassified from AOCI to offset the earnings impact of the remeasurement of the Euro-denominated intercompany loan hedged by the cross-currency swap.

As of March 31, 2018 , we estimate that approximately $12.7 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 March 31, 2018 , the total notional amount of such contracts was $179.0 million , all having maturities of nine 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 , 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 LIBOR-based borrowings 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.

10. 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 March 31, 2018 and December 31, 2017 .

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 March 31, 2018 and December 31, 2017 .

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 March 31, 2018 and December 31, 2017 , our accrual for estimated indirect tax liabilities was $20.2 million and $18.8 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 liabilities are reasonable, the final determination of indirect tax audits, litigation or settlements 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, based on currently available information and analysis, that we may incur additional losses related to indirect taxes, which management estimates to be within the range of $0 to $10.0 million as of March 31, 2018 .

11. Income Taxes

We are subject to U.S. federal, state and foreign 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 we generate. Desert Newco is treated as a partnership for U.S. income tax purposes and for most applicable state and local income tax purposes and generally does not pay income taxes in most jurisdictions. Instead, Desert Newco's taxable income or loss is passed through to its members, including us. 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 and foreign entities taxed as corporations, which are now wholly-owned by us or our subsidiaries. Where required or allowed, these subsidiaries also file and pay tax as a consolidated group for U.S. federal and state income tax purposes and internationally, primarily within the United Kingdom and Germany. We anticipate this structure to remain in existence for the foreseeable future.

Based primarily on our limited operating history and our historical losses, we believe there is significant uncertainty as to when we will be able to utilize our 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.

Based on our analysis of tax positions taken on income tax returns filed, we have determined no material liabilities related to uncertain income tax positions were required. Although we believe the amounts reflected in our tax returns substantially comply with applicable U.S. 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.

Tax Cuts and Jobs Act of 2017

On December 22, 2017 , the Tax Cuts and Jobs Act of 2017 (the TCJA) was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a U.S. federal corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017 , the transition of U.S international taxation from a worldwide tax system to a territorial system and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings. We recorded the estimated impact in accordance with our understanding of the TCJA and guidance available as of December 31, 2017 , as shown in the 2017 10-K.

On December 22, 2017 , the SEC issued guidance to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the TCJA. The completion of our 2017 income tax returns, future guidance and additional information and interpretations with the respect to the TCJA may cause us to adjust the recorded provisional amounts in a future period. We made no such adjustments during the three months ended March 31, 2018 .

In January 2018, the FASB released guidance on the accounting for the global intangible low-taxed income (GILTI) provisions of the TCJA. The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The guidance allows an accounting policy election either to account for deferred taxes related to GILTI inclusions or to treat any taxes on GILTI inclusions as period costs. We have not yet made a policy election with respect to GILTI and have determined its impact to be immaterial.

12. Payable to Related Parties Pursuant to the TRAs

As of December 31, 2017 , our liability under the TRAs was $153.0 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 three months ended March 31, 2018 , we increased this liability primarily through a $14.5 million reduction in additional paid-in capital resulting from the exchange of LLC Units in the secondary offering discussed in Note 4 . As of March 31, 2018 , our liability under the TRAs was $167.6 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. 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 $791.4 million as a result of basis adjustments under Code Section 754 and up to an additional $273.2 million related to the utilization of NOL and credit carryforwards, which will be recorded through charges to our statements 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 statements of operations.

13. 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 unless their effect is antidilutive.

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 March 31,	
	2018	2017
Numerator:		
Net income (loss)	$ 4.2	$ (3.1)
Less: net income (loss) attributable to non-controlling interests	0.9	(3.7)
Net income attributable to GoDaddy Inc.	$ 3.3	$ 0.6
Denominator:		
Weighted-average shares of Class A common stock outstanding—basic	137,841	89,600
Effect of dilutive securities:		
Class B common stock	31,275	—
Stock options	7,604	9,705
RSUs and ESPP shares	2,067	937
Weighted-average shares of Class A Common stock outstanding—diluted	178,787	100,242
Net income attributable to GoDaddy Inc. per share of Class A common stock—basic	$ 0.02	$ 0.01
Net income attributable to GoDaddy Inc. per share of Class A common stock—diluted (1) :	$ 0.02	$ 0.01

(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 March 31,	
	2018	2017
Class B common stock	—	78,457
Stock options	—	—
RSUs and ESPP shares	—	—
	—	78,457

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:

	March 31, 2018	December 31, 2017
Class A common stock	148,359	132,993
Class B common stock	22,081	35,006
	170,440	167,999

14. Geographic Information

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

	Three Months Ended March 31,	
	2018	2017
U.S.	$ 406.6	$ 355.4
International	226.6	134.3
	$ 633.2	$ 489.7

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

Property and equipment, net by geography was as follows:

	March 31, 2018	December 31, 2017
U.S.	$ 217.5	$ 221.2
France	32.6	31.6
All other international	45.2	45.1
	$ 295.3	$ 297.9

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

15. Related Party Transactions

As of March 31, 2018 , affiliates of KKR held $17.4 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.

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 March 31, 2018 and 2017 , we paid $4.6 million and $3.0 million , respectively, to Dell.

16. Accumulated Other Comprehensive Income (Loss)

The following table presents OCI activity accumulated in equity:

	Foreign Currency Translation Adjustments	Net Unrealized Gains (Losses) on Cash Flow Hedges (1)	Total Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2017	$ (86.8)	$ (45.5)	$ (132.3)
Other comprehensive income (loss) before reclassifications	5.6	41.6	47.2
Amounts reclassified from AOCI	—	(39.3)	(39.3)
Other comprehensive income (loss)	5.6	2.3	7.9
	$ (81.2)	$ (43.2)	$ (124.4)
Less: AOCI attributable to non-controlling interests			(44.0)
Balance as of March 31, 2018			$ (80.4)
Balance as of December 31, 2016	$ (0.3)	$ 3.0	$ 2.7
Other comprehensive income (loss) before reclassifications	—	(2.7)	(2.7)
Amounts reclassified from AOCI	—	0.7	0.7
Other comprehensive income (loss)	—	(2.0)	(2.0)
	$ (0.3)	$ 1.0	$ 0.7
Less: AOCI attributable to non-controlling interests			—
Balance as of March 31, 2017			$ 0.7

(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.

See Note 9 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.

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 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 2017 Form 10-K.

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

First Quarter Financial Highlights

Below are our key financial highlights for the three months ended March 31, 2018 , with comparisons to the three months ended March 31, 2017 .

- Total revenue of $633.2 million , an increase of 29.3% .
- International revenue of $226.6 million , an increase of 68.7% .
- Total bookings [1] of $783.1 million , an increase of 25.3% .
- Net income of $4.2 million .
- Total customers increased 17.4% to 17.7 million .
- ARPU increased 5.8% to $138 .
- Net cash provided by operating activities was $148.4 million , an increase of 17.2% .

[1] A reconciliation of total bookings to total revenue, its 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 following operating metrics are useful as supplements in evaluating our ongoing operational performance and help provide an enhanced understanding of our business:

	Three Months Ended March 31,	
	2018	2017
Total bookings	$ 783.1	$ 624.8
Total customers at period end (in thousands)	17,705	15,085
Average revenue per user [1]	$ 138	$ 130

(1) The calculation of ARPU for the period ended March 31, 2018 includes approximately 1.6 million customers added with our April 3, 2017 acquisition of HEG, as if the acquisition had been completed as of March 31, 2017, to better align with the revenue included in the calculation.

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 25.3% from $624.8 million for the three months ended March 31, 2017 to $783.1 million for the three months ended March 31, 2018 . This increase was primarily driven by our April 2017 acquisition of HEG, increases in total customers and domains under management, continued increases in aftermarket domain sales, broadened customer adoption of non-domains products, an increased growth rate associated with our greater international presence and the impact of 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 17.4% from 15,085 as of March 31, 2017 to 17,705 as of March 31, 2018 . 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 . 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 5.8% from $130 for the period ended March 31, 2017 to $138 for the period ended March 31, 2018 , primarily due to broadened customer adoption of our products resulting in increased customer spend and revenue from acquired businesses.

Reconciliation of Bookings

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

	Three Months Ended March 31,	
	2018	**2017**
Total Bookings:		
Total revenue	$ 633.2	$ 489.7
Change in deferred revenue [1]	102.3	93.7
Net refunds	49.9	39.9
Other	(2.3)	1.5
Total bookings	$ 783.1	$ 624.8

(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 March 31,			
	2018		2017	
	$	% of Total Revenue	$	% of Total Revenue
Revenue:				
Domains	$ 291.7	46.1 %	$ 240.8	49.2 %
Hosting and presence	239.8	37.9 %	178.3	36.4 %
Business applications	101.7	16.0 %	70.6	14.4 %
Total revenue	633.2	100.0 %	489.7	100.0 %
Costs and operating expenses:				
Cost of revenue (excluding depreciation and amortization)	215.3	34.0 %	176.8	36.1 %
Technology and development	102.0	16.1 %	80.2	16.4 %
Marketing and advertising	74.5	11.8 %	67.4	13.8 %
Customer care	80.4	12.7 %	67.0	13.7 %
General and administrative	76.4	12.1 %	61.0	12.4 %
Depreciation and amortization	57.8	9.1 %	31.6	6.4 %
Total costs and operating expenses	606.4	95.8 %	484.0	98.8 %
Operating income	26.8	4.2 %	5.7	1.2 %
Interest expense	(23.8)	(3.8)%	(12.8)	(2.6)%
Tax receivable agreements liability adjustment	(0.1)	— %	5.0	1.0 %
Loss on debt extinguishment	—	— %	(1.7)	(0.3)%
Other income (expense), net	1.0	0.2 %	1.7	0.3 %
Income (loss) before income taxes	3.9	0.6 %	(2.1)	(0.4)%
Benefit (provision) for income taxes	0.3	— %	(1.0)	(0.2)%
Net income (loss)	4.2	0.6 %	(3.1)	(0.6)%
Less: net income (loss) attributable to non-controlling interests	0.9	0.1 %	(3.7)	(0.7)%
Net income attributable to GoDaddy Inc.	$ 3.3	0.5 %	$ 0.6	0.1 %

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, while revenue is recognized over the period in which the performance obligations are satisfied, which is generally over the 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, website security products, an online shopping cart and online visibility products.

Business applications revenue primarily consists of revenue from the sale of subscriptions for third-party productivity applications, email accounts and email marketing tools.

Revenue is presented net of refunds, and we maintain a reserve to provide for refunds granted to customers. 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 months ended March 31, 2018 and 2017 :

	Three Months Ended March 31,		Change	
	2018	2017	$	%
Domains	$ 291.7	$ 240.8	$ 50.9	21.1%
Hosting and presence	239.8	178.3	61.5	34.5%
Business applications	101.7	70.6	31.1	44.1%
Total revenue	$ 633.2	$ 489.7	$ 143.5	29.3%

Total revenue increased $143.5 million , or 29.3% , from $489.7 million for the three months ended March 31, 2017 to $633.2 million for the three months ended March 31, 2018 . The increase was primarily driven by $68.5 million in total revenue from our April 2017 acquisition of HEG 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 $50.9 million , or 21.1% , from $240.8 million for the three months ended March 31, 2017 to $291.7 million for the three months ended March 31, 2018 . The increase was primarily driven by our acquisition of HEG, the increase in domains under management from 64.5 million as of March 31, 2017 to 76.2 million as of March 31, 2018 , international growth, strong renewals and increased aftermarket domain sales.

Hosting and presence

Hosting and presence revenue increased $61.5 million , or 34.5% , from $178.3 million for the three months ended March 31, 2017 to $239.8 million for the three months ended March 31, 2018 . The increase was primarily driven by our acquisition of HEG as well as increased revenue from our website hosting, website building and website security products and services.

Business applications

Business applications revenue increased $31.1 million , or 44.1% , from $70.6 million for the three months ended March 31, 2017 to $101.7 million for the three months ended March 31, 2018 . The increase was primarily driven by increased customer adoption of our email and productivity solutions as well as seasonal revenue from HEG sponsored events.

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 March 31,			Change			
	2018		2017		$	%
Cost of revenue (excluding depreciation and amortization)	$	215.3	$	176.8	$	38.5	21.8%

Cost of revenue increased $38.5 million , or 21.8% , from $176.8 million for the three months ended March 31, 2017 to $215.3 million for the three months ended March 31, 2018 . The increase was 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 as well as increased software licensing fees primarily related to increased sales of email and productivity solutions.

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 begin to migrate our infrastructure to a cloud-based third-party provider. 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 pace of our infrastructure transition. 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 March 31,				Change		
	2018		2017		$		%
Technology and development	$	102.0	$	80.2	$	21.8	27.2%

Technology and development expenses increased $21.8 million , or 27.2% , from $80.2 million for the three months ended March 31, 2017 to $102.0 million for the three months ended March 31, 2018 . The increase was 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 a variety of channels. 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 March 31,				Change		
	2018		2017		$		%
Marketing and advertising	$	74.5	$	67.4	$	7.1	10.5%

Marketing and advertising expenses increased $7.1 million , or 10.5% , from $67.4 million for the three months ended March 31, 2017 to $74.5 million for the three months ended March 31, 2018 . The increase was primarily attributable to increased discretionary advertising spend driven by our international growth 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 March 31,		Change	
	2018	**2017**	**$**	**%**
Customer care	$ 80.4	$ 67.0	$ 13.4	20.0%

Customer care expenses increased $13.4 million , or 20.0% , from $67.0 million for the three months ended March 31, 2017 to $80.4 million for the three months ended March 31, 2018 . The increase was primarily driven by the continued growth of our business and our international expansion as well as 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 March 31,		Change	
	2018	**2017**	**$**	**%**
General and administrative	$ 76.4	$ 61.0	$ 15.4	25.2%

General and administrative expenses increased $15.4 million , or 25.2% , from $61.0 million for the three months ended March 31, 2017 to $76.4 million for the three months ended March 31, 2018 . The increase was primarily due to increased costs associated with our integration of HEG, increased compensation-related costs associated with the continued growth of our business and incremental expenses from our acquisition of HEG.

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 March 31,		Change	
	2018	**2017**	**$**	**%**
Depreciation and amortization	$ 57.8	$ 31.6	$ 26.2	82.9%

Depreciation and amortization expenses increased $26.2 million , or 82.9% , from $31.6 million for the three months ended March 31, 2017 to $57.8 million for the three months ended March 31, 2018 . This increase primarily results from the finite-lived intangible assets and property and equipment acquired as part of our acquisition of HEG.

Interest expense

	Three Months Ended March 31,		Change	
	2018	**2017**	**$**	**%**
Interest expense	$ 23.8	$ 12.8	$ 11.0	85.9%

Interest expense increased $11.0 million , or 85.9% , from $12.8 million for the three months ended March 31, 2017 to $23.8 million for the three months ended March 31, 2018 . The increase was primarily driven by additional interest from the term loan issued in April 2017 to finance our acquisition of HEG.

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.

Proposed Acquisition of Main Street Hub

In January 2018, we entered into a definitive agreement to acquire Main Street Hub, a provider of social media engagement optimization services, for approximately $125.0 million in cash and additional contingent earn-out payments of up to $50.0 million. This transaction is expected to close early in the third quarter of 2018, subject to customary regulatory and other closing requirements.

Credit Facility

Our Credit Facility consists of the Term Loans maturing on February 15, 2024 and the Revolving Credit Loan maturing on February 15, 2022 . See further discussion of the Credit Facility in Note 8 to our 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 Loans are required to be repaid in quarterly installments of 0.25% of the original principal, with the balance due at maturity. The Term Loans 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 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 March 31, 2018 , we were in compliance with all such covenants and had no amounts drawn on the Revolving Credit Loan.

As further discussed in Note 9 to our 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.

Tax Receivable Agreements

As of March 31, 2018 , the liability under the TRAs was $167.6 million , as described in Note 12 to our financial statements. We currently do not expect to begin making payments related to the existing liability under the TRAs until 2021.

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 U.S. 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.

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.

No tax distributions were paid during 2018 , and an accrual for tax distributions was not required at March 31, 2018 . We may be required to make payments to Desert Newco’s owners related to taxable income allocations for the remainder of 2018 . 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:

	Three Months Ended March 31,	
	2018	**2017**
Net cash provided by operating activities	$ 148.4	$ 126.6
Net cash used in investing activities	(33.5)	(29.6)
Net cash provided by (used in) financing activities	11.9	(4.9)
Effect of exchange rate changes on cash and cash equivalents	1.2	—
Net increase in cash and cash equivalents	$ 128.0	$ 92.1

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 $21.8 million from $126.6 million during the three months ended March 31, 2017 to $148.4 million during the three months ended March 31, 2018 , primarily resulting from our bookings growth, our increased operating income 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 $3.9 million from $29.6 million during the three months ended March 31, 2017 to $33.5 million during the three months ended March 31, 2018 , primarily due to a $4.3 million payment made in February 2018 for an adjustment to the final sales price of HEG's PlusServer managed hosting business, which we sold in August 2017.

Financing Activities

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

Net cash from financing activities increased $16.8 million from $4.9 million used during the three months ended March 31, 2017 to $11.9 million provided during the three months ended March 31, 2018 , primarily due to $9.1 million paid in 2017 for financing-related costs and a $ 6.8 million increase in proceeds received from stock option exercises.

Off-Balance Sheet Arrangements

As of March 31, 2018 and December 31, 2017 , 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 2017 Form 10-K. We review our critical accounting policies and estimates with the audit and finance 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 2017 Form 10-K.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 2 to our 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. Consequently, we may employ policies and procedures to mitigate such risks, including the use of derivative financial instruments. We do not enter into derivative transactions for speculative or trading purposes.

As a result of the use of derivative instruments, we are exposed to the risk that counterparties to our contracts may fail to meet their contractual obligations. To mitigate such counterparty credit risk, we enter into contracts only with carefully selected financial institutions based upon ongoing evaluations of their creditworthiness. As a result, we do not believe we are exposed to any undue concentration of counterparty risk with respect to our derivative contracts as of March 31, 2018 .

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 9 to our 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, the Canadian dollar and the Australian 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 statements of operations; however, to date, such amounts have not been material. With our 2017 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 March 31, 2018 , our total bookings growth in constant currency would have been approximately 250 basis points lower and total revenue growth would have been approximately 120 basis points lower. 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 March 31, 2018 , the total notional amount of such contracts was $179.0 million , all having remaining maturities of nine months or less, and the realized and unrealized loss included in AOCI totaled $7.0 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 the five-year Cross-Currency Swap in April 2017. The Cross-Currency Swap, which matures on April 3, 2022, had a notional amount of €1,230.9 million at March 31, 2018 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 $2,476.1 million as of March 31, 2018 . These borrowings bear interest at a rate equal to, at our option, either (a) LIBOR plus 2.25% per annum or (b) 1.25% 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, 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 $1,312.2 million at March 31, 2018 , matures on April 3, 2022 and swaps the variable interest rate on our LIBOR-based borrowings 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 March 31, 2018 , 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 March 31, 2018 that materially affected, or which are reasonably likely to materially affect, our internal control over financial reporting.

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 potential risks and uncertainties, see the information under the heading "Risk Factors" in our 2017 Form 10-K.

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
10.1+	Offer Letter, dated January 16, 2018, between GoDaddy Inc. and Mark Garrett	8-K	001-36904	10.1	2/2/2018
10.2+	Employment Agreement, dated August 21, 2017, by and among GoDaddy.com, LLC, Desert Newco, LLC and Scott Wagner	10-Q	001-36904	10.2	11/8/2017
10.3+*	Employment Agreement, effective July 17, 2012, by and among GoDaddy.com, LLC, Desert Newco, LLC and Steven Aldrich				
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.

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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.

GODADDY INC.

Date:	May 9, 2018	/s/ Ray E. Winborne
		Ray E. Winborne
		Chief Financial Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is between Outright Inc. (the "Company"), Steven Aldrich (the "Executive"), and Go Daddy Operating Company, LLC (the "Parent").

The Company is anticipating a merger (the "Merger") in which the Company will become a wholly owned subsidiary of the Parent and an affiliate of GoDaddy.com, LLC ("Go Daddy");

Concurrent with and contingent upon the Merger, Executive has been offered the position of Senior Vice President, Applications with the Company, and the Company desires to employ Executive to serve in that position and to enter into an agreement embodying the terms of such employment;

Executive desires to accept such employment with the Company and enter into such an agreement.

In consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Effective Date. This Agreement will be effective on the closing date of the Merger ("Closing Date"), provided that this Agreement has been signed by Executive at that time. If Executive signs this Agreement following the Closing Date, this Agreement will become effective on the date it is signed by Executive.

2. Position.

   a. Executive shall serve as the Senior Vice President, Applications. In such position, Executive shall have such duties and responsibilities that are typically associated with such title, together with such other duties and responsibilities commensurate with his title that are reasonably determined from time to time by the Company.

   b. Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Company; provided that nothing herein shall preclude Executive, without the prior approval of the Company from accepting appointment to or continuing to serve (i) on up to two board of directors or trustees of any business corporation or (ii) in any capacity with any religious, civic, educational or charitable organization; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 10 (Restrictive Covenants) hereof.

3. Base Salary. The Company shall pay Executive a base salary at the annual rate of $275,000.00, payable in regular installments in accordance with the Company's regular payroll practices. If the Company significantly expands Executive's duties within three months after the Closing Date, as determined in the sole and absolute discretion of the Company and the Parent, Executive's base salary shall be increased to an annual rate of $300,000.00. Go Daddy's Chief Executive Officer ("CEO") shall review Executive's annual base salary not less than annually for possible increase, as may be determined by Go Daddy's Board of Directors ("Board") or a designated committee thereof, in its sole discretion. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary."

4. Initial Bonus. If Executive remains employed by Company at the end of the first Quarter of 2013, Executive will be paid a bonus of $50,000.00, minus required withholdings and deductions, on the first regular Company payroll date following the end of the quarter (the "Initial Bonus").

5. Annual Bonus. Effective January 1, 2013, Executive shall be eligible to earn an annual cash bonus (an "Annual Bonus") determined by the Board or a designated committee thereof, in respect of each fiscal year of Parent and its subsidiaries. The actual amount of the Annual Bonus will be based upon the achievement of individual, annual revenue and annual adjusted cash flow budget targets, as are established by the Board or a designated committee thereof, in consultation with Go Daddy's CEO and Chief Financial Officer, with an Annual Bonus equal to 25% of Executive's Base Salary payable upon achievement of applicable objectives at 100% of target, subject to minimum and maximum limits as established by the Board or a designated committee thereof. Any Annual Bonus payable hereunder shall be paid by the Company to Executive at the same time as annual bonuses are generally paid to other senior executives of the Company, subject, except as provided in Section 9 (Termination) hereof, to Executive's continued employment through the applicable payment date.

6. Equity Plan. Executive shall be entitled to participate in the Desert Newco, LLC 2011 Unit Incentive Plan (the "Incentive Plan"), subject to the terms and conditions set forth therein and in any other agreements required to be entered into in connection with any grant thereunder (collectively, with the Incentive Plan, the "Equity Documents"). Notwithstanding any provision of this Agreement to the contrary, the terms of the Equity Documents shall exclusively govern the treatment of any equity awards during Executive's employment and following any termination thereof. Executive will be granted options pursuant to the Equity Documents according to the following schedule:

a. Upon the Closing Date, 250,000 unit options with approval of Desert Newco, LLC.

b. Following approval of Desert Newco, LLC after one (1) year of Executive's employment after the Closing Date, 75,000 unit options.

c. Following approval of Desert Newco, LLC after two (2) years of Executive's employment after the Closing Date, 75,000 unit options.

The options will have an exercise price equal to the fair market value of the underlying units, as determined by the appropriate governing body of Desert Newco, LLC on the date such body approves such grants in a manner consistent with Section 409A of the Code.

7. Employee Benefits. Executive shall be entitled to participate in the Company's retirement and welfare benefit plans as in effect from time to time (collectively "Employee Benefits"), on the same basis as those benefits are generally made available to other senior executives of the Company.

8. Business Expenses. Reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by the Company in accordance with Company policies.

9. Termination. Executive's employment hereunder shall terminate upon the earlier to occur of (i) Executive's death, (ii) a termination by reason of Executive's Disability (as defined below), (iii) a termination by the Company with or without Cause (as defined below), or (iv) a resignation by Executive with or without Good Reason (as defined below). Notwithstanding any other provision of this Agreement, but except as otherwise provided in the Equity Documents, the provisions of this Section 9 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates.

a. By the Company for Cause or Resignation by Executive without Good Reason.

(i) Executive's employment hereunder may be terminated either by the Company at any time for Cause, effective upon the Company's delivery to Executive of Notice of Termination, or by Executive without Good Reason, effective 60 days following delivery to the Company of Notice of Termination; provided, however, following delivery of such Notice of Termination to the Company, the Company may, in its sole discretion, accelerate the date that such termination is effective without changing the characterization of such termination as "by Executive without Good Reason." If Executive's employment is terminated by the Company for Cause or if Executive resigns without Good Reason, Executive shall be entitled to receive:

(A) the Base Salary accrued through the date of termination, payable in accordance with the Company's usual payment practices;

(B) any unpaid Annual Bonus in respect of any completed fiscal year that has ended prior to the date of termination, determined as if Executive had remained employed hereunder through the applicable payment date, and paid in accordance with Section 5, but in no event 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 (the "Unpaid Bonus");

(C) reimbursement, within 60 days following submission by Executive to the Company of appropriate supporting documentation for any

unreimbursed business expenses properly incurred by Executive in accordance with Company policy prior to the date of Executive's termination; provided that claims for such reimbursement (accompanied by appropriate supporting documentation) are submitted to the Company within 90 days following the date of Executive's termination of employment; and

(D) such fully vested and non-forfeitable Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of the Company and its affiliates (other than benefits in the nature of severance pay) (the amounts described in clauses (A) through (C) hereof being referred to as the "Accrued Obligations").

Following such termination of Executive's employment by the Company for Cause or resignation by Executive without Good Reason, except as set forth in this Section 9a)(i), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

(ii) For purposes of this Agreement, "Cause" shall mean the Executive's (A) willfully engaging in illegal conduct or gross misconduct which is materially injurious to Parent or any of its subsidiaries; (B) conviction of, or entry of a plea of nolo contendere or guilty to, a felony or a crime of moral turpitude; (C) engaging in fraud, 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 the Executive at the expense of Parent and its subsidiaries; (D) willful material breach of any written policies of the Company (which policy or policies previously was provided to Executive); or (E) willful and continual failure to substantially perform his duties with the Company (other than a failure resulting from his 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 which specifically identifies the manner in which the Company believes that Executive has not substantially performed Executive's duties.

b. Disability or Death.

(i) Executive's employment hereunder shall automatically terminate upon Executive's death and may be terminated by the Company effective upon the Company's delivery to Executive of Notice of Termination if Executive becomes physically or mentally incapacitated and is therefore 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 herein referred to as "Disability"). Any question as to the existence of the Disability of Executive as to which Executive and the Company cannot agree shall 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 shall appoint such a physician and those two physicians shall select a third physician who shall make such determination in writing. The determination of Disability must be made in writing to the Company and Executive shall be final and conclusive for all purposes of this Agreement.

(ii) Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive:

(A) the Accrued Obligations;

(B) any Unpaid Bonus; and

(C) a prorated Annual Bonus amount for the year of termination, if any would have been determined to have been paid to Executive under Section 5 of this Agreement if Executive had remained employed hereunder through the full fiscal year in which the termination of employment occurred, with such prorated amount calculated based on the number of days during such fiscal year in which Executive was employed hereunder, relative to the number of days in the full fiscal year, with such prorated amount, if any, paid in accordance with Section 5 but in no event 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 (the "Prorated Bonus").

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 9(b)(ii) and Section 6, Executive shall have no further rights to any compensation or any other benefits under this Agreement.

c. By the Company Without Cause or Resignation by Executive for Good Reason.

(i) Executive's employment hereunder may be terminated by the Company without Cause, effective upon the Company's delivery to Executive of Notice of Termination, or by Executive's resignation for Good Reason effective 30 days following delivery to the Company of Notice of Termination within 90 days following the occurrence of the conduct giving rise to Good Reason; provided, however, that no resignation by Executive for Good Reason hereunder shall be effective unless during the 30 day period following the delivery of such Notice of Termination, the Company has not cured the conduct giving rise to Good Reason.

(ii) For the purposes of this Agreement, "Good Reason" shall mean without the Executive's prior written consent, (A) a significant reduction of Executive's duties, position, or responsibilities, relative to Executive's duties, position, or responsibilities as in effect at the commencement of Executive's employment under this Agreement; (B) a material reduction in the kind or level of retirement and welfare employee benefits relative to

those in effect at the commencement of Executive's employment under this Agreement; (C) a reduction in Executive's base salary or Annual Bonus opportunity; or (D) 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.

(iii) If Executive's employment is terminated by the Company without Cause (other than by reason of death or Disability) or if Executive resigns for Good Reason (provided that Executive does not immediately thereafter commence employment with an affiliate of the Company on terms no less favorable to Executive than the terms set forth in this Agreement), Executive shall be entitled to receive, in lieu of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Company or its affiliates:

(A) the Accrued Obligations;

(B) the Unpaid Bonus;

(C) payment on the 60th day following the date of Executive's termination of employment, equal to the sum of (x) the Executive's Base Salary for the six (6) month period ending on the date of Executive's termination of employment plus (y) Annual Bonus paid to Executive during the six (6) month period ending on the date of Executive's termination of employment; and

(D) the Initial Bonus if not yet paid.

Notwithstanding the foregoing, the payments and benefits described in clauses (B) through (C) (the "Severance Benefits") above shall immediately terminate, and the Company shall have no further obligation with respect thereto, in the event that the Company has reasonably determined that Executive has breached any provision of Section 10 hereof. Following Executive's termination of employment by the Company without Cause (other than by reason of Executive's death or Disability) or by Executive's resignation for Good Reason, except as set forth in this Section 7(c)(iii), Executive shall have no further rights to any compensation or any other benefits under this Agreement or under any other severance or termination benefit plan sponsored or maintained by the Company.

(iv) Notwithstanding anything in Section 9(c)(iii) to the contrary, the Severance Benefits shall be conditioned on Executive's execution, delivery and non-revocation of a release of claims in favor of the Company and its affiliates, within 60 days following the date of termination, 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 of claims were executed as of the date of this Agreement. If

Executive fails to execute the release of claims in such a timely manner so as to permit any revocation period to expire prior to the end of such 60 day period, or timely revokes acceptance of the release of claims following its execution, Executive shall not be entitled to any of the Severance Benefits. Further, to the extent that any of the Severance Benefits constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), any payment of any amount or provision of any benefit otherwise scheduled to occur prior to the 60th day following the date of termination, but for the condition on executing the release of claims contemplated herein, shall not be made until the first regularly scheduled payroll date following such 60th day, after which any remaining Severance Benefits shall thereafter be provided to Executive according to the applicable schedule set forth herein.

d. Notice of Termination. Any purported termination of employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11(i) (Notice) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

e. Board/Committee Resignation. Upon termination of Executive's employment from the Company for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the board (and any committees thereof) of the Company (if applicable), 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.

10. Restrictive Covenants.

a. Executive acknowledges and recognizes the highly confidential nature of the businesses of the Company and its affiliates including the Parent and its affiliates and accordingly reaffirms the covenants and obligations set forth in the Outright Inc. At-Will Employment Agreement, Confidential Information, Invention Assignment and Arbitration Agreement ("CIIA Agreement") between the Executive and the Company, the terms of which are incorporated herein by reference, and made a part hereof, which includes, among other things, a requirement to maintain the confidentiality of all company confidential information, which after the Closing will include the confidential information of Parent, its subsidiaries, affiliates and assigns, including GoDaddy.com, LLC.

b. During the Employment Term and for the period of time commencing on the date of the termination of Executive's employment and continuing for a period of 5 years, 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 Parent or any of its subsidiaries (including the Company), Gorilla Acquisition LLC, KKR 2006 Fund L.P., Silver Lake Partners III, L.P., TCV VII, L.P., TCV VII (A), L.P., TCV Member Fund, L.P., or any affiliated funds bearing their respective names (all of the foregoing collectively, the "Company Group"); provided, that the non-disparagement provisions of this Section 10(b) will not apply to any statements that Executive makes in addressing any disparaging statements made by Parent or any of its subsidiaries (including the Company), 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. Parent and its 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 10(b); provided, however, that the non-disparagement provisions will not apply to any statements that Parent or any of its subsidiaries (including the Company) or their respective officers and directors make in addressing any disparaging statements made by Executive regarding the Company or its officers and directors so long as such statements are truthful.

c. It is expressly understood and agreed that although Executive, Parent and the Company consider the restrictions contained in this Section 10 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

11. Miscellaneous.

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

b. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive by the Company and supersedes any prior agreements or understandings (including verbal agreements) between the parties relating to the subject matter of this agreement, except for Executive's CIIA Agreement and the Equity Documents. In addition, the terms of the offer letter between Executive and the Company dated June 2, 2011 providing for accelerated vesting of options granted to Executive prior to the Merger shall continue to govern such options, subject to the

terms of the rollover option agreement and management equity and unitholder agreement executed by Executive in connection with the merger. 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. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

c. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

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

e. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. 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 the business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such affiliate or successor person or entity.

f. Mitigation. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

g. Compliance with IRC Section 409A. Notwithstanding anything herein to the contrary, (i) if at the time of Executive's termination of employment with the Company Executive is a "specified employee" as defined in Section 409A of the Code and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) until the date that is six months following Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A of the Code without any accelerated or additional tax) and (ii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner,

determined by the Company, that is reasonably expected not to cause such an accelerated or additional tax. For purposes of Section 409A of the Code, each payment made under this Agreement shall be designated as a "separate payment" within the meaning of the Section 409A of the Code, and references herein to Executive's "termination of employment" shall refer to Executive's separation from service with the Company Group within the meaning of Section 409A. To the extent any reimbursements or in-kind benefits due to Executive under this Agreement constitute "deferred compensation" under Section 409A of the Code, any such reimbursements or in-kind benefits shall be paid to Executive in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv). Additionally, to the extent that Executive's receipt of any in-kind benefits from the Company or its affiliates must be delayed pursuant to this Section 11(g) due to Executive's status as a "specified employee," Executive may elect to instead purchase and receive such benefits during the period in which the provision of benefits would otherwise be delayed by paying the Company (or its affiliates) for the fair market value of such benefits (as determined by the Company in good faith) during such period. Any amounts paid by Executive pursuant to the preceding sentence shall be reimbursed to Executive (with interest thereon) as described above on the date that is six months following Executive's separation from service.

h. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

i. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, 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 shall be effective only upon receipt.

If to the Company:

Outright Inc.
14455 North Hayden Road
Suite 219
Scottsdale, AZ 85260
Attention: General Counsel

If to Executive:

To the most recent address of Executive set forth in the personnel records of the Company.

j. Executive Representation. Executive hereby represents to the Company that the execution and delivery of this Agreement by Executive and the Company and the performance by Executive of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound.

k. Cooperation. Executive shall 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 parents or affiliates. This provision shall survive any termination of this Agreement.

l. Investigations. The Company reserves the right to perform criminal background investigations, reference checks and/or credit checks on Executive as required for reasonable business purposes.

m. Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

n. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of July __, 2012.

Outright Inc.

By: Steven Aldrich
Title: CEO

Steven Aldrich (Executive)

Go Daddy Operating Company, LLC

By: WARREN ADELMAN
Title: CHIEF EXECUTIVE OFFICER

Exhibit A: Form of Release

SEPARATION AGREEMENT AND RELEASE

This SEPARATION AGREEMENT AND RELEASE (the "Agreement") is made, entered into, and effective as of the date set forth below by and between ___________ ("Employee") and Outright Inc. ("Outright" or "Company"). For the purposes of this Agreement, Outright and Employee are collectively referred to as the Parties.

RECITALS

A. For reasons discussed with Employee, Employee's employment with Outright has terminated effective ______________ (the "Termination Date").

B. 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 Outright, 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. **Separation Payment**. In exchange for Employee's promises to abide by all the terms and conditions of this Agreement, Outright will pay Employee a Separation Payment in the total amount of __________, less the required withholdings and deductions, paid out on the first regular Company payroll date following the Effective Date (see paragraph 4(e) below) of this Agreement, or if such payroll date is (3) business days or less after such Effective Date, payment will be made on the following regular Company payroll date. This payment is in addition to any wages earned prior to the Termination Date.

2. **Benefits**. Whether Employee signs this Agreement or not, Employee's participation in all Company benefit plans will terminate effective 11:59 p.m. on the Termination Date. A letter informing Employee of Employee's rights to elect continued health coverage under COBRA will be mailed to Employee's home, and generally arrives within seven (7) business days after the Termination Date.

3. **Release**. Employee, in exchange for the Separation Payment, agrees to and hereby releases, waives and forever discharges Outright 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 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 all matters arising from Employee's employment and separation from Outright.

    a. Scope of Release. Employee's release includes, but is not limited to, all allegations, claims, and violations related to severance, elimination of position, 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; 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; and all of the state or local counterparts, including the Arizona Civil Rights Act, Civil Code of California, or any other federal, state or local statute, constitution or ordinance; or under any public policy, contract or tort, or under any common law, including for wrongful discharge; or arising under any practices or procedures of the Company; or any claim for breach of contract, infliction of emotional distress, defamation, or any claim for costs, fees or other expenses, including attorneys' fees and expenses, incurred in these matters.

b. Limitations. Employee understands that Employee is not releasing any claim that relates to: (i) the Separation Payment or 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; or (iii) 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 represents that Employee has been paid all compensation owed and for all hours worked, has received all the leave and leave benefits and protections for which Employee is eligible, and has not suffered any on-the-job injury for which Employee has not already filed a claim. Employee acknowledges that except as expressly provided in this Agreement or in an applicable plan document, Employee will not receive any additional compensation or benefits, including salary, bonus, or separation payments after the Termination Date.

c. 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.

d. 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 payments received under this Agreement fully satisfy any potential claim for relief in connection with any charge, complaint, or lawsuit.

e. 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.

4. **Acknowledgments**. Employee acknowledges that each of the following statements is true and accurate:

a. Employee would not have been entitled to receive the Separation Payment set forth in paragraph 1 above had Employee rejected 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 3 above and the Confidentiality provisions set forth in paragraph 5 below;

c. Employee is advised to consult with an attorney before signing this Agreement;

d. Employee has up to (21) days to consider whether or not to enter into this Agreement. If Employee signs this Agreement prior to the expiration of the 21 day period, Employee thereby waives the remaining consideration period. Employee should deliver a signed copy of this agreement to Outright, Attn: Chief Human Resources Officer, 14455 N. Hayden Rd., Suite 209, Scottsdale, AZ 85260. If Employee does not sign this Agreement by the end of this period, Employee understands that this Agreement shall become null and void.

e. Employee will have seven (7) days to revoke this Agreement after signing it, and this Agreement shall not become effective or enforceable until this revocation period has expired (the "Effective Date" of the Agreement). Any revocation within this period shall be submitted in writing and mailed to the attention of Outright at the address given in subparagraph (d.) of this paragraph and post-marked within seven (7) days of the date Employee signs this Agreement. If this Agreement is revoked in this way, Employee will forfeit the Separation Payment and the Company shall not be required to provide Employee any 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;

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 has received adequate consideration in return for the promises made in this Agreement; and

i. Employee has freely, voluntarily, and knowingly entered into this Agreement.

5. **Confidentiality**. Employee agrees to keep the existence and terms of this Agreement strictly confidential, including the specific information regarding the Separation Payment in paragraph 1 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. Employee understands that Outright has relied on Employee's commitment to preserve the confidentiality of this Agreement in deciding whether to enter into this Agreement.

6. **Non-Disparagement**. Employee agrees to refrain from making any negative, derogatory, or disparaging statements concerning Outright and any of the Released Parties to any third party. The Parties agree that it is in their best interests to maintain an amicable termination and post-termination relationship.

7. **Future Employment**. Employee agrees not to apply for or accept any position with Outright or its affiliates, parents, successors, subsidiaries, or related companies.

8. **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 Outright and supersedes

any and all other oral or written agreements that may exist between them, except for Employee's confidentiality and non-solicitation obligations to Outright, which will remain in full force and effect.

9. **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 the Agreement did not contain the unenforceable provision(s), and/or be reformed so as to be enforceable.

10. **Governing Law and Forum**. This Agreement shall be governed by and interpreted in accordance with the substantive law of the State of California. 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 Santa Clara County, California.

11. **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.

12. **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, Outright may recover the entire amount of the payments that have 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.

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

14. **Return of Company Property**. Employee agrees that Employee has returned, or will return within 5 days of the Termination Date, all Outright property in Employee's possession, custody, or control.

15. **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.

[The remainder of this page is intentionally left blank]

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

Agreed and accepted:

Employee	Outright Inc.
______________________ Sign	By: ______________________
______________________ Print Name	Its: ______________________
Date______________________	Date: ______________________

Exhibit 31.1

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

I, Scott W. Wagner, 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: May 9, 2018

By: /s/ Scott W. Wagner

Scott W. Wagner
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**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: May 9, 2018

By: /s/ Ray E. Winborne

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

Exhibit 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

I, Scott W. Wagner, 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 March 31, 2018 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: May 9, 2018

By: /s/ Scott W. Wagner

Scott W. Wagner
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 March 31, 2018 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: May 9, 2018

By: /s/ Ray E. Winborne

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