Endurance International Group

Forward Looking Statements and Other Important Cautions

Statements in this presentation which are not statements of historical fact, including but not limited to statements concerning the size of our global market opportunity and our annual U.S. subscriber opportunity, our estimated economic life of our subscribers, our guidance or estimates concerning fiscal year 2015 financial performance (including 2015 estimated free cash flow per share and anticipated 2015 adjusted margin structure), our illustrative future free cash flow per share, our illustrative framework for growing our business and managing our leverage and liquidity, our opportunity to expand our solutions at scale, our ability to continue to drive growth through mergers and acquisitions, our expectations concerning tax benefits and debt levels, our investment priorities and anticipated uses of cash, our long term annual growth rate expectations and our expectations regarding our future financial and operating performance, are “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995). These forward-looking statements are based on our current expectations and beliefs, as well as a number of assumptions concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors set forth in our SEC filings, many of which are outside our control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include: the rate of growth of the SMB market; the rate of adoption of our solutions; our inability to maintain a high level of subscriber satisfaction; our inability to provide new products or services to our subscribers; our inability to continue to add new subscribers and increase sales to our existing subscribers; our inability to continue to drive growth through mergers and acquisitions, whether due to unavailability of target companies at prices and on terms we are willing or able to pay, difficulties obtaining debt or equity funding for mergers and acquisitions, regulatory constraints, our inability to integrate targets and/or realize the expected cost savings and other synergies from our acquisitions; system or Internet failures; our dependence on establishing and maintaining strong brands; our inability to maintain or improve our competitive position or market share; the loss of strategic relationships or alliances with third parties; the business risks of international operations; the loss or unavailability of any of our collocated data centers; our recognition of revenue for subscription based services over the term of the applicable subscriber agreement; the occurrence of security or privacy breaches; and adverse consequences of our substantial level of indebtedness.

You are cautioned to not place undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied. All forward-looking statements are based on information available to us on this date and we assume no obligation to, and expressly disclaim any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes data based on our internal estimates. While we believe that our internal estimates are reasonable, no independent source has verified such estimates.

The information on, or that can be accessed through, any of our websites is not deemed to be incorporated in this presentation or to be part of this presentation.
Intro & Overview
Hari Ravichandran, Founder & CEO
Large Global Opportunity

Sources: 25M SMBs is from Access Markets International (AMI) Partners, Inc. (“AMI”), as of September 24, 2013, and includes SMBs located in the United States, Canada, Brazil, Russia, India, China, Indonesia and Turkey expected by end of 2013. 75M SMBs is from AMI, as of February 12, 2014, and includes SMBs located worldwide expected by end of 2014.
Annual U.S. Subscriber Opportunity

~6M

New SMB Formation

~9M

Switchers, Offline to Online Conversion, Shadow Market

~15M

"at bats" a year

Sources: Kauffman Index of Entrepreneurial Activity, 1996-2013; company data and estimates.
## Onboarding Subscribers: Multiple Channels & Products

### Word of Mouth
- Hosting: Tech, Service, Basic, Other Niche
- Domains: HostGator, Domain.com, HostGator
- CMS: WordPress, SiteRubi, SiteBuilder
- Builders: AppMotive, Siteline, website
- Mobile: ecommerc
- Ecommerce: eCom, cstand

### Affiliate Network
- 1997-2014
- Hosting: Bluehost, HostGator, Domain.com
- Domains: 1and1, GoDaddy, NameSilo
- CMS: WordPress, Joomla, Drupal
- Builders: SiteBuilder, MediaTemple, Bluehost
- Mobile: Apple, Android, Google
- Ecommerce: Shopify, WooCommerce, Magento

### Partners
- International Partners: Bulk Buying
- Affiliate Network: Word of Mouth
- Product Lines: Hosting, Domains, CMS, Builders, Mobile, Ecommerce

### Future
- Marketing-LED Solutions
- VPN

### Analytics

### Upsell Channels
- **Order Flow**: $1-2 a month
- High adoption, high growth products
- **Sales Floor**: $20+ a month
- Targeted high price products
- **Marketplaces**: Content LED Marketing
- **Campaigns**

### Subscriber Growth
- "Q"
- "P"
- ARPS Growth

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**UPSELL CHANNELS**

<table>
<thead>
<tr>
<th>High adoption, high growth products</th>
<th>Targeted high price products</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1-2 a month</td>
<td>$20+ a month</td>
</tr>
</tbody>
</table>
Endurance Dashboard for Future Growth

**Core Business Growth**
- Word of Mouth
- Affiliates
- Partnerships
- Gateway products
- International

**Growth from M&A**
- Migration ability
- Efficient platform
- Synergies
- New products
- Better analytics
- More touchpoints
- Superior distribution

**Financial Efficiency**
- Capital Structure
- NOLs & Tax Benefits
- Cash Flow Conversion

**FCF per Share**

$1.19

**EIG FY15**

$2.30+

Future FCF per Share
1. Wide array of gateway products
2. Rapidly growing website builder offering
3. Mobile-first app solution
4. SMB-targeted cloud service provider
5. Leading hosting consolidator
Endurance Technology
John Mone, CIO
Video: What is the platform?
Endurance Platform

**DISTRIBUTION**
- Marketing Sites
- Order Flow
- Mojo App Store
- Control Panel
- Insites

**SERVICES**
- Orchestration/Billing
- Hosting Services
- Product Integration
- Scale Acquisitions

**INFRASTRUCTURE**
- Multi-geo Data Centers
  - Network | Compute | Storage | DB
- Monitoring
- Security

**ANALYTICS**
- Beacon BI | Recommendation Engine | Personalization
Analytics Depth

Automation driving the evolution of a continuous learning platform

Sales Floor
- Multichannel, cross-brand intel
- Product portfolio
- Survey results
- Historical RFM
- Industry categorization algorithm
- RFM connections using customer history
- Sales-floor lead scoring engine

Churn Reduction
- Historical chat logs
- Ticket history
- Customer value score
- Attrition score
- Historic trends
- Correlations and new trends
- Point in time churn propensity
- Value-driven save programs
Acquisition Migration

- 14+ years of experience executing and supporting scale account migrations
- Millions of sites, mailboxes, domains and other assets transitioned to the Endurance platform
- Playbook driven through Endurance Atoms, a proprietary online process that tracks every step
- Assets moved at scale via Endurance Waterwheel, our automated integration and quality control engine
- Patented technologies
Reliability and Uptime

- Global 24x7 support, network & systems operations teams monitor platform health
- Myriad internal/external monitoring tools employed to track performance

- Continuous, NPS-driven improvement cycle drives infrastructure investments
- Efficient capital deployment enabled by proprietary IP

Top Linux Hosting Providers

<table>
<thead>
<tr>
<th>Best Response Time Providers</th>
<th>Best Uptime Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Small Change 5.34 ms</td>
<td>A Small Change 100 %</td>
</tr>
<tr>
<td>HostGator 711 ms</td>
<td>iPage 99.99 %</td>
</tr>
<tr>
<td>iANOs 764 ms</td>
<td>FatCow 99.99 %</td>
</tr>
<tr>
<td>Bluehost 785 ms</td>
<td>HostGator 99.99 %</td>
</tr>
<tr>
<td>Rackspace 862 ms</td>
<td>iANOs 92.07 %</td>
</tr>
<tr>
<td>GoDaddy 896 ms</td>
<td>eParner 99.95 %</td>
</tr>
<tr>
<td>ipower 1148 ms</td>
<td>Domain.com 99.91 %</td>
</tr>
<tr>
<td>iPage 1165 ms</td>
<td>BlueHost 99.19 %</td>
</tr>
<tr>
<td>Domain.com 1228 ms</td>
<td>GoDaddy 99.9 %</td>
</tr>
<tr>
<td>Network Solutions 1480 ms</td>
<td>RackSpace 98.94 %</td>
</tr>
<tr>
<td>iHotOffer 1960 ms</td>
<td></td>
</tr>
</tbody>
</table>

Source: April 2015 summary performance results (webhosting.cloudspectator.com/#dashboard)
Technical Innovation

Cost-effective Infrastructure
Cost synergies driven by kernel and systems design

Scale Acquisitions
Intellectual property drives ability to onboard acquired customers at scale

Flexible Architecture
One of the largest OpenStack deployments in the world

High performance at lower cost
Performant systems ▪ Greater density ▪ Lower capex ▪ Patented technologies
Opportunity to Expand Solutions at Scale

- **Solution**
  - Developer Platform
  - Database as a Service
  - Desktop as a Service
  - Big Data
  - Business Apps

- **Hosting**
  - Shared
  - VPS
  - Dedi

- **Backup**
  - Site Backup
  - Database Backup
  - Geor-redundancy

- **Email**
  - Webmail
  - Always-on Webmail
  - Dedicated Email
  - Managed Email
  - Archival Services

- **Xaas**
  - Image Backup
  - Disaster Recovery
  - Virtual Data Center
Operations
Ron LaSalvia, Chief Operating Officer
Operations at Endurance: Focus on Continuous Improvement

Integrate Technology & People

Target Brands & Products

Delivering On Subscriber Experience

Drive Financial Outcomes

Evaluate Operational & Financial Metrics
Our Culture: Focused on Helping Small Business Succeed

- **WE ARE BETTER TOGETHER**
  The best is yet to come.
- **WE CARE**
  For our customers, our peers, and our communities.
- **WE LEAVE IT BETTER THAN WE FOUND IT**
- **CUSTOMERS FIRST**
  Tough sell.
- **WE ADAPT**
  Things change, we learn.
- **WE ALWAYS FIND A WAY**
  Failure is not an option. Ignorance, perhaps.
- **WE ARE RELIABLE**
  We deliver what we promise.
# Multiple Targeted Brands and Products

## Subscriber Segments Drive Our Operations

<table>
<thead>
<tr>
<th>Recommender</th>
<th>Influencers</th>
<th>Tech expert</th>
<th>Online research</th>
<th>Branding/PPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech savvy</td>
<td>Most</td>
<td>High</td>
<td>Little</td>
<td>Varies</td>
</tr>
<tr>
<td>Selection criteria</td>
<td>Speed/Support</td>
<td>Support/Innovation</td>
<td>Price/Ease</td>
<td>Price/Tools</td>
</tr>
<tr>
<td>Purpose</td>
<td>Designer, Developer, Web Marketers</td>
<td>Online Business</td>
<td>Media &amp; Entertainment</td>
<td>Newbies, Domainers</td>
</tr>
<tr>
<td>Creation</td>
<td>Code</td>
<td>CMS</td>
<td>Builder</td>
<td>Software</td>
</tr>
<tr>
<td>Implications</td>
<td>Scope of support, Robust staffing, Thought Leadership</td>
<td>WordPress, Tech focus, Cloud</td>
<td>Simple language, Business focus, Solutions</td>
<td>Email marketing</td>
</tr>
</tbody>
</table>

*Reliability and Speed*
Delivering Great Subscriber Experience

Over 40% of subscribers reach us through word of mouth

Endurance Company-Wide NPS

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'14</td>
<td>23</td>
</tr>
<tr>
<td>Q2'14</td>
<td>22</td>
</tr>
<tr>
<td>Q3'14</td>
<td>27</td>
</tr>
<tr>
<td>Q4'14</td>
<td>28</td>
</tr>
<tr>
<td>Q1'15</td>
<td>30</td>
</tr>
</tbody>
</table>

Software & Apps Average
NPS = 23

Internet Industry Average
NPS = 0

Endurance Periodic NPS for major brands
Industry Source: satmetrix.com 2015 Net Promoter Benchmarks
NPS Allows Us to Target Capital Investments & Reduce Churn

- Tie NPS to server
- Learn limits
- Target investment

One server sample, NPS before during and after issue
Targeted Upsells Enhance Subscriber Experience & Outcomes

Support, Tools, Focused and Personalized Upsells

Site Performance
Threshold: > 3 seconds
Pain point to discuss: website speed

Mobile Site
Threshold: visual
Pain point to discuss: Google Algorithm

SEO
Threshold: SE Visibility = low, medium
Pain point to discuss: Traffic
High NPS Creates Opportunity for Upsells

Challenger Approach: Teach, Tailor and Take Control

Page Load Time 40% Abandonment Rate Impact to Customers Solution

Let’s transfer you to one of our advanced hosting experts now

OR

Offer:
WP Users: Optimized WP Hosting
Non WP Users: VPS
VPS Users: Dedicated

Increase in cash per call for agents using Challenger Approach

20%
Continuous Improvement: Better Subscriber Experience at Lower Cost

Customer Lifecycle

Focus on Contact Reduction Early in Lifecycle

Walkthroughs

1. AQUISITION
2. Self Support in Action
3. Reduction in Contacts using Self Support

How to forward your email?

Bluehost Brands – Phone Contacts per Subscriber

Focus on Contact Reduction Early in Lifecycle

How to forward your email?
How to update your credit card?
Manage Your Renewal Options

Reduction in Contacts using Self Support

Reduction in Overall Contact – Continuous Process Improvement

CPC - Contacts Per Customer

How to forward your email?
Contacts

2015
2014

Bluehost Brands – Phone Contacts per Subscriber

2015

Historical Avg
UCL

2014

2015
Endurance Support Approach

- NPS primary driver
- Right issue to the right channel
- Right channel to the right team
- Make it easy
- Contact driver reduction
Word of Mouth: Value of NPS

- Over 40% Word of Mouth
- 99% MRR
- Contact Driver Reduction

Subscriber Experience

- Reduce SAC
- Retain Revenue
- Reduce Cost to Serve
- Reduce churn
- Upsell opportunity
Marketing
Joel Rosen, EVP, Product and Marketing
Subscriber Onboarding
Subscriber Onboarding Channels

- Word of Mouth
- Affiliate Network
- Partners
- International
- Bulk Buying
Subscriber Onboarding: Segmenting Audiences
Subscriber Onboarding: Partner Funnel
Subscriber Onboarding: International

**Global: bluehost.com**

- Centralized Model
- HQ Support and Expertise

**Local: bluehost.cn**

- Native Model
- In-Market Support and Expertise
Our Products
Helping SMBs Get Online: Product Lifecycle

- **We get SMBs ONLINE**
  - Hosting / site builder / CMS / mobile
  - Domains
  - Security services
  - Site back-up

- **We help them get FOUND**
  - SEO / SEM services
  - Adwords
  - Social media
  - Directories
  - Analytics
  - Mobile enhancements

- **We help them GROW**
  - Managed hosting
  - E-commerce
  - E-mail marketing
  - Productivity suites
  - Professional services

Get Online
Drive Traffic
Increasing Productivity
Growing Business
### Upsell and Cross-Sell: Multi Product & Multi Channel

<table>
<thead>
<tr>
<th>Distribution Channel</th>
<th>Order Flow</th>
<th>In App</th>
<th>Marketplaces</th>
<th>E-Mail</th>
<th>Sale/Support</th>
<th>Content-Led Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Touchpoints</td>
<td>Hundreds of thousands</td>
<td>Millions</td>
<td>Hundreds of thousands</td>
<td>Millions</td>
<td>Hundreds of thousands</td>
<td>Hundreds of thousands</td>
</tr>
</tbody>
</table>

**$1-2 monthly**
- **High adoption, high growth products**

  - Google Apps
  - Comodo
  - Local Lift
  - GoMobi
  - CodeGuard

**$20+ monthly**
- **Targeted high price products**

  - BigCommerce
  - Bluehost
  - SiteLock
  - Constant Contact
  - Managed Hosting

**Managed Hosting**

**E-Mail Sale/Support**

**Content-Led Marketing**
Cross-Channel Case Example: Mobilegeddon
Upsell: Improving Relevance

Email-Related Revenue

Increase of 4X from Q1'14
Cohort Analysis

Average Revenue Per Subscriber Trends: Top Three Brands*

*For top 3 brands only; represented approx. 70% of FY14 revenue
Churn: MRR v. Subscriber Churn

**Subscriber Churn**
- **Gross Adds**
- **Subscriber Cancels**
- **Net Adds**

**MRR**
- **New Subscriber Revenue**
  - *Lower than average MRR*
- **Retained Subscriber Revenue**
  - *Increasing MRR*
- **Subscriber Cancels**
  - *Revenue lost from cancellations*

**Increasing ARPS**

**Cohort Churn Curve (Illustrative)**

**Survival Rate**

- YR 1
- YR 2
- YR 3
- YR 4
### Marginal Subscriber Economics (Illustrative)

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARPS per Month</td>
<td>~$14.50</td>
</tr>
<tr>
<td>(-) Marginal Cost to Serve per Month</td>
<td>~($3.00)</td>
</tr>
<tr>
<td>= Contribution Margin per Month</td>
<td>$11.50</td>
</tr>
<tr>
<td>MRR Retention Rate</td>
<td>99%</td>
</tr>
<tr>
<td>Implied Useful Economic Life per Subscriber (= 1/ annualized MRR)</td>
<td>8 Years</td>
</tr>
<tr>
<td>Subscriber Life Time Value</td>
<td>~$1,100</td>
</tr>
<tr>
<td>= Monthly Contribution Margin x 12 Months x 8 Years Useful Life</td>
<td></td>
</tr>
<tr>
<td>Average Subscriber Acquisition Cost (&quot;SAC&quot;)</td>
<td>$65</td>
</tr>
<tr>
<td>Capital Expenses</td>
<td>$10</td>
</tr>
<tr>
<td>Cash on Cash Returns Multiple</td>
<td>10x+</td>
</tr>
<tr>
<td>= Subscriber LTV / Average SAC</td>
<td></td>
</tr>
</tbody>
</table>
Innovation @ Endurance

NEW PATHWAYS

NEW PRODUCTS

NEW CONNECTIONS
Recent Examples of Innovation

**WEBZAI**
- New acquisition channel and distribution platform

**CLOUD SITES**
- New paradigm for enabling a web presence

**APPMACHINE**
- New onboarding channel and disruptive technology
Web Builders: Business Opportunity

1. SMBs are increasingly searching for do-it-yourself site builders as the first step in setting up a web presence.

2. Market being served by a wide array of solid, yet undifferentiated solutions.

Created front-door opportunity with the builder.

*Source: Google 2015. 20+ Keyword terms per category. Traditional Hosting terms include hosting, domains and WordPress.
Web Builders: Our Strategy

Acquire a nimble, cost efficient platform and team

Go-to-market with multiple brands & unique value props

Establish a new distribution point to cross sell add-ons
Webzai
Demo/Showcase
Web Builders: Expected Impact

**Today**

Ramped to **170k+** free monthly joins since launch

**5%+** Free To Paid Conversion

**135k+** Total Websites Published

**Tomorrow**

1. **millions of published websites**
2. **100Ks of subscribers**
3. **↑ ARPS v. traditional hosting**
4. **↑ add-on attachment rate**

*Ramped to 170k+ free monthly joins since launch*

*5%+ Free To Paid Conversion*

*135k+ Total Websites Published*

*53*
Cloud: Business Opportunity

Status Quo

- Shared hosting is simple and affordable but **successful SMBs** may require more robust **solutions** as they grow

- Complexity in offerings and **pricing** prevents SMBs from leveraging Cloud technology

Need for Solution Combining

- Power of Cloud
- Simplicity & Affordability of Shared Hosting
Next Generation Cloud Architecture

Cloud reliability, performance, and scalability under load

Simplified Pricing & Integrated Support

Intuitive bundling for the non-technical small business owner

Seamless Migration Path

For shared, VPS and dedicated hosting subscribers
Cloud Sites Value Proposition

Avg. Response Time v. Shared Hosting

<table>
<thead>
<tr>
<th></th>
<th>1&amp;1</th>
<th>Go Daddy</th>
<th>Media Temple</th>
<th>iPage</th>
<th>Bluehost</th>
<th>Hostgator</th>
<th>EIG Cloud Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. Resp. Time (milliseconds)</td>
<td>1,187</td>
<td>850</td>
<td>843</td>
<td>411</td>
<td>372</td>
<td>287</td>
<td>151</td>
</tr>
</tbody>
</table>

2x+ faster than our competitors and other EIG Shared brands(1)

Attractive Price Points

<table>
<thead>
<tr>
<th></th>
<th>Rackspace</th>
<th>Amazon</th>
<th>Media Temple</th>
<th>Digital Ocean</th>
<th>GoDaddy</th>
<th>EIG Cloud Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price ($ per month)</td>
<td>$150.00</td>
<td>$37.66</td>
<td>$20.00</td>
<td>$20.00</td>
<td>$9.99</td>
<td>$5.95</td>
</tr>
</tbody>
</table>

Simplified Management

2x+ faster than our competitors and other EIG Shared brands(1)

Intuitive dashboards

Inc. page speed, server uptime, visitor stats, CPU load average, RAM usage, etc.

---

(1) As part of the competitive analysis, we deploy the exact same site on multiple instances at our key Shared 2.0 competitors. Average response time value reflects the average page load speed based on polling every minute.
Cloud: Expected Impact

1. Increase ARPS

2. Reduce server hardware costs

3. Replace shared hosting as the core architecture for serving SMBs
Mobile: Business Opportunity

Mobile has become the most important “front door” for the SMB

More customers are mobile-first

Existing offerings falling short
- Too complex
- Too time-consuming
- Too expensive

SMBs need a mobile solution to
- Attract new customers
- Engage existing customers
- Manage business on the go

Market ready for disruption
Instant AppMachine demo
AppMachine: A Trifecta of Innovation

1. A mobile first channel for new subscriber acquisition

2. Deeper engagement via mobile apps and dashboards

3. New distribution platform for add-ons
What’s Next

**Product**
- Digital Advertising
- Analytics & Dashboards
- Payments
- Financing
- Branding
- Internet of Things
- Video
- CRM

**Distribution**
- App Marketplace
- Native Apps for Brands

**Pathways**
- Web Professionals
- eCommerce
- mCommerce
- Vertical Solutions

**Value to Subscriber**
- Get online
- Get traffic
- Serve customers
- Manage operations

**Value to Endurance**
- Leverage existing capabilities
- Accelerate current investments
- Develop new capabilities
M&A
Blake Cunneen, SVP Corporate Development
M&A Overview

ANALYTICS

Subscriber growth “Q”

P x Q = Revenue Growth

UPSELL CHANNELS

ORDER FLOW

SALES FLOOR

MARKETPLACES

CAMPAIGNS

CONTENT LED MARKETING

High adoption, high growth products

$1-2 a month

Targeted high price products

$20+ a month

WORD OF MOUTH

AFFILIATE NETWORK

PARTNERS

INTERNAT’L

BULK BUYING

HOSTING

DOMAINS

CMS

BUILDERS

MOBILE

ECOMMERCE

FUTURE

1997

2014

ONWARD

Tech

Service

Basic

Other

Niche

bluehost

HostGator

Page

arpixe

DOMAIN.COM

WORDPRESS

Sitelio

apprmachine

ecwid

VPN

MARKETING-LED SOLUTIONS

VPN

MARKETING-LED SOLUTIONS

MARKETING-LED SOLUTIONS

MARKETING-LED SOLUTIONS
Platform Migration Yields Cost Synergies

Lower Costs
Increase Flow-through Contribution

Substantial Margins on Non-Growth Properties Reinvested in Growth Initiatives

Past Examples of Endurance Synergies

<table>
<thead>
<tr>
<th>Non-Growth Properties</th>
<th>Adjusted Revenue ($M)</th>
<th>Adjusted EBITDA ($M)</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>$4.9</td>
<td>$3.8</td>
<td>77%</td>
</tr>
<tr>
<td>Company B</td>
<td>$1.8</td>
<td>$1.2</td>
<td>67%</td>
</tr>
<tr>
<td>Company C</td>
<td>$5.9</td>
<td>$4.4</td>
<td>74%</td>
</tr>
<tr>
<td>Company D</td>
<td>$1.9</td>
<td>$1.4</td>
<td>75%</td>
</tr>
<tr>
<td>Company E</td>
<td>$15.8</td>
<td>$8.6</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$30.3</strong></td>
<td><strong>$19.4</strong></td>
<td><strong>64%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth Properties</th>
<th>Adjusted Revenue ($M)</th>
<th>Adjusted EBITDA ($M)</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company F</td>
<td>$25.2</td>
<td>$6.8</td>
<td>27%</td>
</tr>
<tr>
<td>Company G</td>
<td>$79.7</td>
<td>$33.1</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$104.8</strong></td>
<td><strong>$39.9</strong></td>
<td><strong>38%</strong></td>
</tr>
</tbody>
</table>

Note: Adj. Revenue and Adj. EBITDA figures are approximate and reflect performance of target on EIG books in first year following acquisition; if full year data unavailable, figures are annualized.
Pre-Acquisition Add-On Cash per New Subscriber
$7.82

Post-Acquisition Add-On Cash per New Subscriber
$22.91

Full Time Employees – 2012
49 FTEs

Full Time Employees – 2015
82 FTEs

Pre Migration EBITDA Margin:
~10%

Post Migration EBITDA Margin:
~50%

* Add-On Cash Per New Subscriber represents the total cash value of products purchased per new subscriber at signup above and beyond core hosting and domain products.
### A Fragmented Industry

#### Number of Potential Subscribers (in 000s)*

<table>
<thead>
<tr>
<th>Size of Target (# of active domains)</th>
<th>Number of potential targets*</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 25K</td>
<td>~2500</td>
</tr>
<tr>
<td>25K-50K</td>
<td>~150</td>
</tr>
<tr>
<td>50K-250K</td>
<td>~100</td>
</tr>
<tr>
<td>250K-1000K</td>
<td>&lt;50</td>
</tr>
</tbody>
</table>

* Mostly US-based: info based on type of TLD (.com, .info, .net, etc.)

Numbers based on active domains
Market Intelligence: Net Growth

Domain Battlefield Summary*

*Illustrates net growth in domains over a two week period.
## Market Intelligence: Heat Map

### Inter-Host Domain Transfer Heat Map*

*Illustrates domain transfers over a two week period.

<table>
<thead>
<tr>
<th>Transfer Host</th>
<th>Low Volumes</th>
<th>Medium Volumes</th>
<th>High Volumes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GoDaddy</td>
<td>43,686</td>
<td>1,726</td>
<td>411</td>
<td>45,823</td>
</tr>
<tr>
<td>1and1</td>
<td>458</td>
<td>4</td>
<td>4</td>
<td>476</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>50</td>
<td>3</td>
<td>16</td>
<td>39</td>
</tr>
<tr>
<td>Brainhost</td>
<td>47</td>
<td>3</td>
<td>7</td>
<td>57</td>
</tr>
<tr>
<td>Cloudflare</td>
<td>5,347</td>
<td>31</td>
<td>4</td>
<td>5,702</td>
</tr>
<tr>
<td>DOMAINTOOLS</td>
<td>65</td>
<td>2</td>
<td>1</td>
<td>68</td>
</tr>
<tr>
<td>DigitalOcean</td>
<td>947</td>
<td>21</td>
<td>3</td>
<td>1,081</td>
</tr>
<tr>
<td>Dreamhost</td>
<td>2,138</td>
<td>74</td>
<td>7</td>
<td>2,219</td>
</tr>
<tr>
<td>EIG</td>
<td>26,382</td>
<td>140</td>
<td>551</td>
<td>27,033</td>
</tr>
<tr>
<td>FireHost</td>
<td>1,640</td>
<td>86</td>
<td>3</td>
<td>1,733</td>
</tr>
<tr>
<td>GoogleDomains</td>
<td>157</td>
<td>11</td>
<td>86</td>
<td>244</td>
</tr>
<tr>
<td>GreenGeeks</td>
<td>122</td>
<td>11</td>
<td>2</td>
<td>135</td>
</tr>
<tr>
<td>HostPapa</td>
<td>278</td>
<td>20</td>
<td>3</td>
<td>301</td>
</tr>
<tr>
<td>IX webhosting</td>
<td>1,014</td>
<td>54</td>
<td>4</td>
<td>1,118</td>
</tr>
<tr>
<td>Inmotion</td>
<td>1,657</td>
<td>11</td>
<td>27</td>
<td>1,795</td>
</tr>
<tr>
<td>LINODE</td>
<td>379</td>
<td>6</td>
<td>3</td>
<td>418</td>
</tr>
<tr>
<td>LunarPages</td>
<td>1,176</td>
<td>3</td>
<td>1</td>
<td>1,210</td>
</tr>
<tr>
<td>MediaTemple</td>
<td>1,176</td>
<td>11</td>
<td>27</td>
<td>1,315</td>
</tr>
<tr>
<td>OVH</td>
<td>123</td>
<td>14</td>
<td>4</td>
<td>141</td>
</tr>
<tr>
<td>PurelyHosting</td>
<td>263</td>
<td>6</td>
<td>1</td>
<td>270</td>
</tr>
<tr>
<td>Rackspace</td>
<td>2,639</td>
<td>117</td>
<td>34</td>
<td>2,880</td>
</tr>
<tr>
<td>ResellersPanel</td>
<td>832</td>
<td>2</td>
<td>1</td>
<td>835</td>
</tr>
<tr>
<td>SQUARESPACE</td>
<td>639</td>
<td>11</td>
<td>3</td>
<td>653</td>
</tr>
<tr>
<td>Shopify</td>
<td>639</td>
<td>11</td>
<td>3</td>
<td>653</td>
</tr>
<tr>
<td>Siteground</td>
<td>2,047</td>
<td>17</td>
<td>91</td>
<td>2,249</td>
</tr>
<tr>
<td>Volusion</td>
<td>2,476</td>
<td>7</td>
<td>91</td>
<td>2,558</td>
</tr>
<tr>
<td>WIX</td>
<td>5,883</td>
<td>117</td>
<td>34</td>
<td>6,134</td>
</tr>
<tr>
<td>Web.Com</td>
<td>7,771</td>
<td>26</td>
<td>34</td>
<td>8,069</td>
</tr>
<tr>
<td>WebHostingPad</td>
<td>1,429</td>
<td>14</td>
<td>4</td>
<td>1,617</td>
</tr>
<tr>
<td>Wordpress</td>
<td>1,238</td>
<td>17</td>
<td>34</td>
<td>1,389</td>
</tr>
<tr>
<td>ROW</td>
<td>1,501</td>
<td>59</td>
<td>23</td>
<td>1,883</td>
</tr>
<tr>
<td>Total</td>
<td>24,506</td>
<td>2,172</td>
<td>1,722</td>
<td>28,400</td>
</tr>
</tbody>
</table>

*Illustrates domain transfers over a two week period.
## Acquisition Candidates

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Est. Rev ($MM)</th>
<th>Cash or growth</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target 1</td>
<td>$&lt;25M</td>
<td>CF</td>
<td>Closed May 26</td>
</tr>
<tr>
<td>Target 2</td>
<td>$&lt;25M</td>
<td>Growth</td>
<td>Negotiating PA</td>
</tr>
<tr>
<td>Target 3</td>
<td>$&lt;25M</td>
<td>CF</td>
<td>Submitted LOI</td>
</tr>
<tr>
<td>Target 4</td>
<td>$&lt;25M</td>
<td>Growth</td>
<td>In discussions</td>
</tr>
<tr>
<td>Target 5</td>
<td>$&lt;25M</td>
<td>Growth</td>
<td>Submitted LOI</td>
</tr>
<tr>
<td>Target 6</td>
<td>$50-100M</td>
<td>Growth</td>
<td>Advanced discussions</td>
</tr>
<tr>
<td>Target 7</td>
<td>$25-50M</td>
<td>CF</td>
<td>In discussions</td>
</tr>
<tr>
<td>Target 8</td>
<td>$50-100M</td>
<td>Growth</td>
<td>In discussions</td>
</tr>
<tr>
<td>Target 9</td>
<td>$50-100M</td>
<td>Growth</td>
<td>In discussions</td>
</tr>
<tr>
<td>Target 10</td>
<td>&lt;$25M</td>
<td>Growth</td>
<td>In discussions</td>
</tr>
</tbody>
</table>

*Other than Target 1, these are prospective targets only and there is no assurance that we will complete these acquisitions.*
Recently acquired company

Closed May 26, 2015
Total Consideration of $13.1 million
Nearly 30K subscribers
Higher than average ARPS
Financial Framework
Tiv Ellawala, CFO
Endurance Dashboard for Future Growth

**CORE BUSINESS GROWTH**
- Word of Mouth
- Affiliates
- Partnerships
- Gateway products
- International

**GROWTH FROM M&A**
- Migration ability
- Efficient platform
- Synergies
- New products
- Better analytics
- More touchpoints
- Superior distribution

**FINANCIAL EFFICIENCY**
- Capital Structure
- NOLs & Tax Benefits
- Cash Flow Conversion

EIG FY15 FCF per Share: $1.19
Future FCF per Share: $2.30+
## Doubling Our Business: Illustrative Liquidity and Leverage

### ($ in Millions)  

<table>
<thead>
<tr>
<th></th>
<th>FY 2015E</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Free Cash Flow per Share</strong></td>
<td>$1.19</td>
<td>$2.31</td>
</tr>
<tr>
<td><strong>Total Free Cash Flow</strong></td>
<td>$160</td>
<td>~$330</td>
</tr>
<tr>
<td><strong>Acquisition Investment</strong></td>
<td>$(70)</td>
<td>$(300)</td>
</tr>
<tr>
<td><strong>FCF Available for Other Uses</strong></td>
<td>$90</td>
<td>$30</td>
</tr>
<tr>
<td><strong>Incremental Debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>~$1,000</td>
<td>~$1,200</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$280</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Leverage Ratio</strong></td>
<td>3.6x</td>
<td>2.4x</td>
</tr>
</tbody>
</table>

*Illustrative only. This slide is not guidance for future financial performance*

* Adjusted EBITDA Leverage Ratio is calculated by dividing Net Debt by Adjusted EBITDA.*
Source: FactSet, company filings and Wall Street research.
Note: Market data as of 6/19/15.
(1) Adj. EBITDA includes changes in deferred revenue.
(2) Unlevered free cash flow ("UFCF") calculated based on Company method for GDDY. Others calculated as operating cash flows (OCF) less capital expenditures plus tax affected interest.
(3) Calculated as UFCF divided by Adj. EBITDA.
(4) Levered free cash flow ("Levered FCF") calculated as OCF less capital expenditures.
Cash Return On Invested Capital (CROIC)

CROIC = \frac{\text{UFCF}}{\text{ADJUSTED INVESTED CAPITAL}}

- **FY2011**: 18.6%
- **FY2012**: 11.4%
- **FY2013**: 11.0%
- **FY2014**: 19.7%
- **TTM Q1'15**: 21.7%

\((1)\) UFCF is calculated as GAAP cash flow from operations less capital expenses and leases, or as Free Cash Flow (FCF) plus cash interest payments. Please see Non-GAAP Reconciliation slides for further details.

\((2)\) Calculated as total debt (which is the sum of short and long term notes payable, deferred consideration and capital lease obligations) plus long term deferred revenue plus total stockholders' equity, adjusted for the impact from the December 2011 leveraged buyout by Warburg Pincus and Goldman Sachs. Please see Non-GAAP Reconciliation slides for further details.
### Capital Deployment Options

**FY 2015E**

- **$1.19 of FCF per Share or $160M of FCF**
  - **Invest Back in Business**
    - Marketing
    - New product development
    - Platform enhancement
    - Product distribution
    - International expansion
  - **Invest in M&A**
    - Acquire subscribers in bulk
    - New products
    - International expansion
  - **Return to Shareholders**
    - Debt pay down
    - Share buy back
    - Dividends

**Future**

- **$2.30+ of FCF per Share**

**Favorable CROIC**
Adjusted Margin Structure

<table>
<thead>
<tr>
<th></th>
<th>FY 2014A</th>
<th>FY 2015E</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>63%</td>
<td>~ 60% – 61%</td>
<td>60% - 62%</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>22%</td>
<td>~ 19% - 20%</td>
<td>17% - 19%</td>
</tr>
<tr>
<td>Engineering &amp; Development</td>
<td>3%</td>
<td>~ 3%</td>
<td>3% - 4%</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>7%</td>
<td>~ 7%</td>
<td>6% - 7%</td>
</tr>
<tr>
<td>Changes in Deferred Revenue</td>
<td>$67M</td>
<td>$40M - $45M</td>
<td>&gt;$45M</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>36%</td>
<td>~ 37%</td>
<td>38% - 42%</td>
</tr>
<tr>
<td>Capital Expenses as % of Adj. Rev.</td>
<td>4%</td>
<td>4% - 5%</td>
<td>4% - 5%</td>
</tr>
</tbody>
</table>

Note: percentages shown are based on percentage of adjusted revenue. Please see Non-GAAP Reconciliation slides for further details. Changes in deferred revenue for FY2014 includes impact of the purchase accounting adjustment for the Directi acquisition.
NOL Balance >$150M

Shields through end of 2016

Cash Income Taxes of ~$10M per year

Future

Additional M&A + Interest Expense

>10 pts

International Expansion

~ 5 pts

Tax Planning with IP transfer

~ 10 pts

Cash Income Taxes of ~$20M - $30M
Hari Ravichandran
Endurance Today

1. Wide array of gateway products
2. Rapidly growing website builder offering
3. Mobile-first app solution
4. SMB-targeted cloud service provider
5. Leading hosting consolidator
Our Customers

---

**The Special**

**The MAC & CHEESER**

Comfort food doesn’t get more comforting than this.

---

**We Cater!**

What’s the Story?

Rob Hale lives grilled cheese. A lot.

---

**Do you remember your first kiss? Or that**

One doesn’t get to be a foodie always wanted! Rob Hale doesn’t do he does remember his first grilled cheese sandwich, but it’s not the one you might expect. He was sitting on the lawn, basking in the remaining sunshine, being warmed from the sun, and hearing the bugs whisper, when the wind came.

Rob is not a stranger to переменной, to fox, to cheese, cooking professionally for the past seven years as a sous-chef for one of Pennsylvania’s finest chefs, but this never makes the first kiss low, and Rob has described this as the “best” moment of his life, as the set of perfecting the grilled cheese sandwich that he eventually experienced in his different versions and the love of homemade comfort food and the exploration of new flavors.

In 2010, Rob opened Maltese & Baboon, a local fast casual, and malty way, of course.

Rob never meant to make history. He only wanted to make the best grilled cheese sandwich on planet, but clearly the grilled cheese lovers everywhere, didn’t think so!
Q&A Session
Non-GAAP Reconciliation Slides
## Cash Flow Reconciliation

<table>
<thead>
<tr>
<th>$ in Millions</th>
<th>FY 2012A</th>
<th>FY 2013A</th>
<th>FY 2014A</th>
<th>Q1 2014A</th>
<th>Q1 2015A</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Cash Flow from Operations</td>
<td>$55</td>
<td>$33</td>
<td>$143</td>
<td>$38</td>
<td>$50</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend from Minority Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$(0)</td>
</tr>
<tr>
<td>Capital Expenditures and Capital Lease Obligations</td>
<td>$(28)</td>
<td>$(34)</td>
<td>$(28)</td>
<td>$(7)</td>
<td>$(8)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$27</td>
<td>$(1)</td>
<td>$115</td>
<td>$31</td>
<td>$42</td>
</tr>
<tr>
<td>Plus:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Interest Paid (net of change in accrued loan interest)</td>
<td>$52</td>
<td>$83</td>
<td>$57</td>
<td>$14</td>
<td>$14</td>
</tr>
<tr>
<td>Unlevered Free Cash Flow</td>
<td>$79</td>
<td>$82</td>
<td>$172</td>
<td>$45</td>
<td>$56</td>
</tr>
</tbody>
</table>

### Adjustments

#### Plus:

<table>
<thead>
<tr>
<th></th>
<th>FY 2012A</th>
<th>FY 2013A</th>
<th>FY 2014A</th>
<th>Q1 2014A</th>
<th>Q1 2015A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Expenses and Charges</td>
<td>$12</td>
<td>$39</td>
<td>$4</td>
<td>$1</td>
<td>$2</td>
</tr>
<tr>
<td>Integration and Restructuring Expenses</td>
<td>$0</td>
<td>$46</td>
<td>$17</td>
<td>$3</td>
<td>$2</td>
</tr>
<tr>
<td>Dividend Related Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$10</td>
</tr>
<tr>
<td>Unlevered Free Cash Flow (as reported)</td>
<td>$102</td>
<td>$167</td>
<td>$193</td>
<td>$49</td>
<td>$60</td>
</tr>
</tbody>
</table>

### Free Cash Flow (as reported)

<table>
<thead>
<tr>
<th></th>
<th>FY 2012A</th>
<th>FY 2013A</th>
<th>FY 2014A</th>
<th>Q1 2014A</th>
<th>Q1 2015A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$49</td>
<td>$83</td>
<td>$137</td>
<td>$35</td>
<td>$46</td>
</tr>
</tbody>
</table>

Note: Free Cash Flow (as reported) equals Free Cash Flow plus transaction expenses and charges, integration and restructuring expenses and dividend related payments.

*Individual adjustments may not total reported numbers due to rounding.
# CROIC Reconciliation

## Calculation of Cash Return on Invested Capital

**(in $ millions)**

<table>
<thead>
<tr>
<th></th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
<th>TTM - Q1'15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Cash Flow From Operations</strong></td>
<td>46</td>
<td>55</td>
<td>33</td>
<td>143</td>
<td>155</td>
</tr>
<tr>
<td>Dividend from Minority Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0)</td>
<td>(0)</td>
</tr>
<tr>
<td>Capital Expenditures and Capital Lease Obligations</td>
<td>(7)</td>
<td>(28)</td>
<td>(34)</td>
<td>(28)</td>
<td>(29)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>40</td>
<td>27</td>
<td>(1)</td>
<td>115</td>
<td>126</td>
</tr>
<tr>
<td>Cash Interest Paid</td>
<td>24</td>
<td>52</td>
<td>83</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td><strong>UFCF</strong></td>
<td><strong>$64</strong></td>
<td><strong>$79</strong></td>
<td><strong>$82</strong></td>
<td><strong>$172</strong></td>
<td><strong>$184</strong></td>
</tr>
<tr>
<td><strong>Current Portion of Long Term Debt</strong></td>
<td>4</td>
<td>23</td>
<td>11</td>
<td>61</td>
<td>32</td>
</tr>
<tr>
<td><strong>Notes Payable, Long Term</strong></td>
<td>347</td>
<td>1,107</td>
<td>1,037</td>
<td>1,026</td>
<td>1,024</td>
</tr>
<tr>
<td><strong>Capital Leases, Short and Long Term</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td><strong>Long Term Deferred Revenue</strong></td>
<td>14</td>
<td>36</td>
<td>55</td>
<td>66</td>
<td>69</td>
</tr>
<tr>
<td><strong>Deferred Consideration</strong></td>
<td>8</td>
<td>77</td>
<td>29</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td><strong>Redeemable Non-Controlling Interest</strong></td>
<td>-</td>
<td>-</td>
<td>21</td>
<td>31</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Shareholders’ Equity</strong></td>
<td>653</td>
<td>70</td>
<td>155</td>
<td>175</td>
<td>179</td>
</tr>
<tr>
<td><strong>Total Invested Capital</strong></td>
<td>1,024</td>
<td>1,314</td>
<td>1,307</td>
<td>1,390</td>
<td>1,355</td>
</tr>
<tr>
<td>Less Adjustments Related to Sponsor Acquisition&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Consideration</td>
<td>(683)</td>
<td>(683)</td>
<td>(683)</td>
<td>(683)</td>
<td>(683)</td>
</tr>
<tr>
<td>Intangibles Amortization</td>
<td>2</td>
<td>65</td>
<td>120</td>
<td>166</td>
<td>176</td>
</tr>
<tr>
<td><strong>Adjusted Invested Capital</strong></td>
<td><strong>$343</strong></td>
<td><strong>$696</strong></td>
<td><strong>$744</strong></td>
<td><strong>$874</strong></td>
<td><strong>$848</strong></td>
</tr>
<tr>
<td><strong>CROIC</strong></td>
<td>18.6%</td>
<td>11.4%</td>
<td>11.0%</td>
<td>19.7%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> For detailed adjustments, please refer to Form S-1 filed on October 23, 2013. Includes cash paid to selling shareholders, issuance of preferred stock, deemed capital contribution for roll-over stockholders, and deferred consideration. Please see Non-GAAP and Other Financial Measures slides for definition of Sponsor Acquisition.

*Individual adjustments may not total reported numbers due to rounding.
## FY 2014 Adjusted P&L Reconciliation

### $ in Millions

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2014A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$630</td>
</tr>
<tr>
<td>Adjusted Revenue</td>
<td>$652</td>
</tr>
<tr>
<td><strong>Cost of Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>GAAP</td>
<td>$381</td>
</tr>
<tr>
<td>Stock-Based Compensation</td>
<td>(1)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(29)</td>
</tr>
<tr>
<td>Amortization</td>
<td>(103)</td>
</tr>
<tr>
<td>Integration and Restructuring Expenses</td>
<td>(10)</td>
</tr>
<tr>
<td>Adjusted Cost of Revenue</td>
<td>$239</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td></td>
</tr>
<tr>
<td>GAAP</td>
<td>$412</td>
</tr>
<tr>
<td>Stock-Based Compensation</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
</tr>
<tr>
<td>Integration and Restructuring Expenses</td>
<td></td>
</tr>
<tr>
<td>Adjusted Gross Profit</td>
<td>$412</td>
</tr>
<tr>
<td><strong>Engineering &amp; Development</strong></td>
<td></td>
</tr>
<tr>
<td>GAAP</td>
<td>$20</td>
</tr>
<tr>
<td>Stock-Based Compensation</td>
<td>(1)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(0)</td>
</tr>
<tr>
<td>Integration and Restructuring Expenses</td>
<td>(2)</td>
</tr>
<tr>
<td>Adjusted Engineering &amp; Development</td>
<td>$16</td>
</tr>
<tr>
<td><strong>Sales &amp; Marketing</strong></td>
<td></td>
</tr>
<tr>
<td>GAAP</td>
<td>$147</td>
</tr>
<tr>
<td>Stock-Based Compensation</td>
<td>(2)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1)</td>
</tr>
<tr>
<td>Integration and Restructuring Expenses</td>
<td>(2)</td>
</tr>
<tr>
<td>Adjusted Sales &amp; Marketing</td>
<td>$142</td>
</tr>
<tr>
<td><strong>General &amp; Administrative</strong></td>
<td></td>
</tr>
<tr>
<td>GAAP</td>
<td>$70</td>
</tr>
<tr>
<td>Stock-Based Compensation</td>
<td>(13)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1)</td>
</tr>
<tr>
<td>Integration and Restructuring Expenses</td>
<td>(6)</td>
</tr>
<tr>
<td>Transaction Expenses and Charges</td>
<td>(4)</td>
</tr>
<tr>
<td>Adjusted General &amp; Administrative</td>
<td>$45</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$209</td>
</tr>
<tr>
<td>Changes in Deferred Revenue</td>
<td>$67</td>
</tr>
<tr>
<td>Impact of Reduced Fair Value of Deferred Domain Registration Costs</td>
<td>(19)</td>
</tr>
<tr>
<td>Reversal of Purchase Accounting Adjustment</td>
<td>(22)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$236</td>
</tr>
</tbody>
</table>

*Individual adjustments may not total reported numbers due to rounding.*
Adjusted EBITDA, free cash flow, free cash flow (as reported), free cash flow per share, unlevered free cash flow, unlevered free cash flow (as reported), cash return on
invested capital, adjusted revenue, average revenue per subscriber, net debt, and the other non-GAAP measures listed below are non-GAAP financial measures and should
not be considered as alternatives to net income, revenue or any other measure of financial performance calculated and presented in accordance with GAAP. We believe
these non-GAAP financial measures are helpful to investors because we believe they reflect the operating performance of our business and help management and investors
gauge our ability to generate cash flow and evaluate the effectiveness of our capital deployment strategy, excluding some recurring and non-recurring expenses that are
included in the most directly comparable measures calculated and presented in accordance with GAAP.

We have not reconciled illustrative or estimated future non-GAAP metrics in this presentation to the most comparable GAAP metrics because we do not provide illustrative or
estimated future figures for the reconciling items between these non-GAAP metrics and the most comparable GAAP metrics, as certain of these items are out of our control
and/or cannot be reasonably predicted.

Adjusted EBITDA - Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss) plus (i) changes in deferred revenue, amortization, stock-
based compensation expense, loss of unconsolidated entities, net loss on sale of assets, expenses related to integration of acquisitions and restructurings, transaction
expenses and charges including costs associated with certain litigation matters, interest expense, depreciation, and income tax expense, less (ii) earnings of unconsolidated
entities, net gain on sale of assets, income tax benefit and the impact of purchase accounting related to reduced fair value of deferred domain registration costs and (iii) the
estimated tax effects of the foregoing adjustments. Due to our history of acquisitions and financings, we have incurred accounting charges and expenses that obscure the
operating performance of our business. We believe that adjusting for these items is useful to investors in evaluating the performance of our company. In addition, we manage
our business based on the cash collected from our subscribers and the cash required to acquire and service those subscribers. We believe highlighting cash collected and
cash spent in a given period provides insight to an investor to gauge the overall health of our business. Under GAAP, although subscription fees are paid in advance, we
recognize the associated revenue over the subscription term, which does not fully reflect short-term trends in our operating results.

Free Cash Flow – Free cash flow, or FCF, is a non-GAAP financial measure that we calculate as cash flow from operations less capital expenditures and capital lease
obligations and less dividend from minority interest. We believe FCF provides investors with an indicator of our ability to generate positive cash flow after meeting our
obligations with regard to capital expenses and payment of interest on our outstanding indebtedness.

Free Cash Flow (as reported) - Free cash flow (as reported) is a non-GAAP financial measure that we calculate as FCF plus transaction expenses and charges plus
integration and restructuring expenses plus dividend related payments. We believe that this presentation of free cash flow provides investors with an alternative view of FCF
by adding back expenses that we believe do not reflect the ongoing operating performance of our business.

Free Cash Flow per Share – Free cash flow per share, or FCF per share, is a non-GAAP financial measure that we calculate as free cash flow divided by the diluted
weighted-average number of common shares outstanding used in computing net income (loss) per share attributable to Endurance International Group Holdings, Inc.
Unlevered Free Cash Flow - Unlevered free cash flow, or UFCF, is a non-GAAP financial measure that we calculate as FCF plus cash interest paid, net of change in accrued loan interest. We believe UFCF provides investors with a useful indicator of our ability to generate cash flow prior to any interest payments associated with our debt.

Unlevered Free Cash Flow (as reported) - Unlevered free cash flow (as reported) is a non-GAAP financial measure that we calculate as UFCF plus transaction expenses and charges plus integration and restructuring expenses plus dividend related payments. We believe that this presentation provides investors with an alternative view of UFCF by adding back expenses that we believe do not reflect the ongoing operating performance of our business.

Cash Return on Invested Capital – Cash return on invested capital, or CROIC, is a non-GAAP financial measure that we calculate as UFCF divided by adjusted invested capital. We calculated adjusted invested capital as the sum of total debt (which is the sum of short and long term notes payable, deferred consideration and capital lease obligations) plus long term deferred revenue plus total stockholders’ equity, adjusted for the impact from the December 2011 leveraged buy-out of our company by investment funds and entities affiliated with Warburg Pincus and Goldman Sachs, which we refer to as the Sponsor Acquisition. We believe CROIC is useful to management and investors because it helps assess the effectiveness of our capital deployment strategy by measuring our ability to generate cash flow from invested capital.

Adjusted Revenue - Adjusted revenue is a non-GAAP financial measure that we calculate as GAAP revenue adjusted to exclude the impact of any fair value adjustments to deferred revenue resulting from acquisitions. Historically, we also adjusted the amount of revenue to include the revenue generated from subscribers we added through business acquisitions as if those acquired subscribers had been our subscribers since the beginning of the period presented. Since the first quarter of 2014, we have included the revenue we add through business acquisitions from the closing date of the relevant acquisition. We believe that excluding fair value adjustments to deferred revenue is useful to investors because it shows our revenue prior to purchase accounting charges related to our acquisitions.

Total Subscribers - We define total subscribers as those that, as of the end of a period, are identified as subscribing directly to our products on a paid basis. Historically, in calculating total subscribers, we included the number of end-of-period subscribers we added through business acquisitions as if those subscribers had subscribed with us since the beginning of the period presented. Since the first quarter of 2014, we have included subscribers we added through business acquisitions from the closing date of the relevant acquisition. Additionally, in the fourth quarter of 2014, we modified our definition of total subscribers to better reflect our expanding product mix by including paid subscribers to all of our subscription-based products, rather than limiting the definition to paid subscribers to our hosted web presence solutions. However, per our previous methodology, we still do not include in total subscribers accounts that access our solutions via resellers or that purchase only domain names from us. Subscribers of more than one brand are counted as separate subscribers. We believe total subscribers is an indicator of the scale of our platform and our ability to expand our subscriber base, and is a critical factor in our ability to monetize the opportunity we have identified in serving the small- and medium sized business (SMB) market. Total subscribers for a period reflects adjustments to add or subtract subscribers as we integrate acquisitions and/or are otherwise able to identify subscribers that meet this definition of total subscribers.
Average Revenue per Subscriber - Average revenue per subscriber, or ARPS, is a non-GAAP financial measure that we calculate as the amount of adjusted revenue we recognize in a period divided by the average of the number of total subscribers at the beginning of the period and at the end of the period, which we refer to as average subscribers for the period. We believe ARPS is an indicator of our ability to optimize our mix of products and services and pricing, and sell products and services to new and existing subscribers. As we on-board new subscribers, we typically on-board them at introductory prices, which negatively impacts ARPS. Furthermore, ARPS is negatively impacted by most of our acquisitions since the acquired subscribers typically have lower ARPS. See “Adjusted Revenue” and “Total Subscribers.”

Monthly Recurring Revenue Retention Rate (MRR) - We believe that our ability to retain revenue from our subscribers is an indicator of the long term value of our subscriber relationships and the stability of our revenue base. To assess our performance in this area, we measure our monthly recurring revenue, or MRR, retention rate. We calculate MRR retention rate at the end of a period by taking the retained recurring value of subscription revenue of all active subscribers at the end of the prior period and dividing it into the retained recurring value of subscription revenue for those same subscribers at the end of the period presented. We believe MRR retention rate is an indicator of our ability to retain existing subscribers, sell products and services and maintain subscriber satisfaction. MRR can be impacted by factors such as subscriber churn, new subscriber additions, and new and existing subscriber increases in pricing or product uptake.

Net Debt - Net debt is a non-GAAP financial measure that we calculate as total debt (which is the sum of short and long term notes payable, deferred consideration and capital lease obligations) less cash and cash equivalents. We use net debt to evaluate our capital structure.

Cash Income Taxes – cash income taxes is a non-GAAP financial measure that we calculate as expenses (benefit) for income taxes, excluding non-cash charges for deferred income tax expense (benefit).
Adj usted cost of revenue, adjusted sales and marketing, adjusted engineering and development and adjusted general and administrative (together the "Adjusted Operating Expenses") and adjusted operating income are non-GAAP financial measures that we believe are helpful in understanding the operating performance of our business without the impact of non-cash expenses, expenses related to integrations of acquisitions and restructurings, and transaction expenses and charges including costs associated with certain litigation matters. These measures are calculated as follows:

Adjusted cost of revenue is calculated as cost of revenue less stock-based compensation expense, depreciation, amortization and expenses related to integration of acquisitions and restructurings.

Adjusted sales and marketing is calculated as sales and marketing expense less stock-based compensation expense, depreciation and expenses related to integration of acquisitions and restructurings.

Adjusted engineering and development is calculated as engineering and development expense less stock-based compensation expense, depreciation and expenses related to integrations of acquisitions and restructurings.

Adjusted general and administrative is calculated as cost of revenue less stock-based compensation expense, depreciation, expenses related to integration of acquisitions and restructurings and transaction expense and charges including costs associated with certain litigation matters.

Adjusted operating income is calculated by subtracting the sum of the Adjusted Operating Expenses, as defined above, from adjusted revenue.

Our non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial results differently, particularly related to adjustments for integration and restructuring expenses. In addition, there are limitations in using non-GAAP financial measures because they are not prepared in accordance with GAAP, may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on our reported financial results. Furthermore, interest expense, which is excluded from some of our non-GAAP measures, has and will continue to be for the foreseeable future a significant recurring expense in our business. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. We urge you to review the reconciliations of our non-GAAP financial measures to the comparable GAAP financial measures included with this presentation, and not to rely on any single financial measure to evaluate our business.