The following prepared remarks are an excerpt from the 2013 Fourth Quarter and Full Year Earnings Conference Call of Endurance International Group Holdings, Inc. To review the contents of the entire call, please refer to the official webcast, which is available in the investor relations section of Endurance's website at www.endurance.com.

Statements in these prepared remarks which are not statements of historical fact, including but not limited to statements concerning our expected future growth opportunities, our financial guidance for fiscal year 2014, our long term annual growth rate expectations and our expectations regarding future interest expense, 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 filings with the Securities and Exchange Commission, 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 for our solutions; our inability to maintain a high level of subscriber satisfaction; our inability to continue to add new subscribers and increase sales to our existing subscribers; 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; our inability to integrate recent or potential future acquisitions; the business risks of international operations; the loss or unavailability of any of our co-located 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 February 25, 2014, the date of the Earnings Conference Call, 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.

These prepared remarks also contain non-GAAP financial measures as defined by the Securities and Exchange Commission in Regulation G. Reconciliations of the non-GAAP financial measures to their comparable GAAP measures are included in the Fourth Quarter 2014 earnings release and presentation, each dated February 25, 2014, and available in the investor relations section of our website at www.endurance.com.

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Blake Cunneen - Endurance International Group Holdings, Inc. - SVP- Corporate Development and IR

Hi, my name is Blake Cunneen and I'm the Senior Vice President of Corporate Development and Investor Relations. On behalf of the Endurance International Group, it is my pleasure to welcome you to our fourth quarter earnings call.

We will first go through some prepared remarks, after which we will turn to Q&A. Our presentation to go alongside our comments is available at the investor relations section of our website at endurance.com. While not necessary to follow along, we recommend using the presentation slides alongside our prepared remarks.

As is customary, let me now read through the safe harbor statement. Statements made on today's call will include forward-looking statements about Endurance's future expectations, plans and prospects. All such forward-looking statements are subject to risks and uncertainties. Please refer to the cautionary language in today's earnings release and to our Form 10-Q filed with the SEC on December 6, 2013 for a discussion of the risks and uncertainties that could cause our actual results to be materially different from those contemplated in these forward-looking statements. Endurance does not assume any obligation to update any forward-looking statements.

During this call we will present several non-GAAP financial measures, including adjusted EBITDA, unlevered free cash flow, adjusted revenue and average revenue per subscriber. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure is available in the presentation located at the investor relations section of our website.

With that, I will turn you over to Hari Ravichandran, our founder and CEO.

Hari Ravichandran - Endurance International Group Holdings, Inc. - Founder and CEO

Thanks Blake. Hello, everyone, and welcome to our fourth quarter earnings call. As you may have seen from our earnings release, we had a very strong quarter to cap a great year, growing adjusted revenue, adjusted EBITDA and unlevered free cash flow to $528 million, $208 million and $166 million, respectively. Moreover, during the year we added 279,000 net new subscribers on an organic basis bringing our year-end total to just over 3.5 million, while simultaneously increasing average revenue per subscriber.

Given that we have so many new investors who are still getting to know the company, we thought it might be useful to spend some time giving a high level overview of Endurance.

Our mission is to deliver superior cloud based solutions that help small and medium- sized businesses succeed online. Our company's strategy is based on two simple principles: organically adding more high quality subscribers to our platform and selling our subscribers more value added services. This, in combination with a best in class cloud enablement platform, creates a powerful growth equation that propels our business and financial results.

Our product offerings range from a basic web presence package to more complex and managed cloud based applications. We are able to identify customer needs and provide solutions that help them not just get found, but get new business. Our subscribers can take advantage of our SMB growth focused solutions to help them succeed, including e-mail marketing tools, e-commerce solutions and virtualized and managed applications.

Our go to market strategy revolves around the two organic growth levers in the business – adding high quality subscribers and selling them more products and services. On the subscriber acquisition dimension, we have adopted a multi-channel, multi brand approach to establish relationships with SMBs. Our most powerful channel is customer advocacy and word of mouth. About 45% of new subscribers added to the Endurance platform find us through word of mouth, which does not cost us any marketing dollars. We accomplish this by focusing on delivering a superior solution fueled by our cloud enablement platform and great customer service.

Our second largest channel is our network of over 400,000 online partners who educate businesses searching online for a web presence solution and refer these businesses to us. Of course, the multi-channel approach would not be nearly as successful if not paired with multiple brands. For a targeted customer base as broad and diverse as the SMB community, we believe that offering solutions through multiple brands is critical. This approach allows us to tailor our message and yields high subscriber conversion rates. What results is a robust subscriber acquisition funnel and attractive subscriber acquisition costs.

The second important aspect to our strategy involves increasing our average revenue per subscriber, or ARPS, which we accomplish by distributing a broad portfolio of products across multiple points of engagement. We regularly add products to our broad portfolio, and deploy those products via highly engaging customer touchpoints. Combined with our robust subscriber acquisition funnel, this strategy has a compounding effect that helps drive sustainable organic revenue growth.

The driving engine behind our strategy is our best in class cloud enablement technology platform. Through this platform we can support multiple brands, attract customers through multiple channels, and seamlessly deploy multiple products while allowing our customers to scale and to grow. Our technology platform has taken many years to build and we believe it serves as a great differentiator and a competitive barrier to entry.

By delivering cloud based solutions quickly, reliably and safely, we seek to attract high quality subscribers who view their web presence as mission critical. These subscribers then demand high quality products, creating a natural alignment with our corporate strategy of adding subscribers and upselling products. Taken together, this strategy yields the strong performance driving both the revenue and cash flow growth seen in 2013.

As we examine the fourth quarter and 2013 in greater detail, momentum built during the year not only allowed us to exceed the guidance we provided during the quarter, but also positions us for future success in 2014 and beyond. In Q4 we generated adjusted revenue of $137 million, adjusted EBITDA of $46 million and unlevered free cash flow of $38 million. During this time we organically added 62,000 net new subscribers, bringing the total to over 3.5 million high quality subscribers on platform. Further, during the period we grew average revenue per subscriber and maintained a 99% monthly recurring revenue, or MRR, retention rate.

In addition to our initial public offering in October, we closed a refinancing of our senior bank debt and revolving credit facility in late November. Using proceeds from the IPO, cash on hand, and incremental first lien facilities, we retired our $315 million second lien term loan and reduced annual interest expense by approximately $35 million. Finally, on January 23 of this year we closed the Directi transaction, substantially expanding our footprint in emerging markets.

With that, I'd like to hand it over to Tiv Ellawala, our CFO, who will run through the financials and operating metrics in greater detail. Tiv.

Tiv Ellawala - Endurance International Group Holdings, Inc. – CFO

Thanks Hari. As mentioned before, our two key levers for growing revenues are adding subscribers and increasing our average revenue per subscriber. Q4 represented another quarter of steady organic subscriber growth as we added 62,000 net new paying subscribers to our platform.

Over the last 8 quarters, we have grown our subscriber base by a compounded annual growth rate of 11% on an organic basis. Our average revenue per subscriber for the fourth quarter was $13.15 per month, increasing both sequentially and over the prior year fourth quarter.

As noted previously, we completed two large acquisitions in 2012, which we successfully migrated onto our platform over the course of 2013. During migrations we typically manage our investment in the migrating brand to allow us to focus on onboarding these new subscribers to our cloud enablement platform. Excluding the impact of our 2012 acquisitions, our average revenue per subscriber grew by 5% over the fourth quarter of 2012. Finally, we maintained our 99% monthly recurring revenue retention rate in Q4 2013 consistent with our MRR in Q4 2012.

For the year, we added 279,000 net new subscribers on an organic basis. Subscriber growth remains our highest priority growth lever, due to our proven ability to gradually increase our average revenue per subscriber throughout the customer lifecycle. Our average revenue per subscriber grew to $13.09 per month for the year. Excluding the impact of the 2012 acquisitions the year over year growth was 9%. Underlying this increase in average revenue per subscriber is strong growth amongst those subscribers paying $500 or more per year with us, which increased by approximately 20,000 in 2013 to nearly 100,000 by year end. Growing adoption rates in e-commerce, managed marketing and advanced hosting solutions have fueled this growth. Further, we were able to increase the number of additional products we sell to our subscriber base above the initial web presence solution from 3.3 products on average at the end of 2012 to over 4.1 products at the end of 2013. Finally, as previously mentioned, our MRR retention rate remained at 99%.

Turning to the financial results, our GAAP revenue for the fourth quarter of 2013 was $136.4 million, growing 17% over the fourth quarter of 2012. On an adjusted revenue basis, we generated $136.9 million of revenue, almost $3 million ahead of our expectations of $134 million. Excluding the impact of the 2012 acquisitions, our adjusted revenue was $83.2 million, a 12% increase over the fourth quarter of 2012. Now that the migrations of HostGator and Homestead are complete, we expect that we will revert to our historic norms for annual organic growth going forward, starting with approximately 14% in 2014.

Our adjusted EBITDA for Q4 was $46.2 million, growing 40% over Q4 2012. Costs came in line with estimates, allowing for the growth in revenue to convert to adjusted EBITDA and exceed expectations by $3 million as well. Net loss in Q4 was $67.5 million, or $0.57 per share, and was impacted by certain charges related to our IPO that totaled $33.6 million.

Our unlevered free cash flow for the quarter was $37.5 million, a 37% increase over Q4 2012, and ahead of expectations of $33 million. Our capital expenditures for Q4 were $8.1 million, or approximately 6% of adjusted revenue.

For the year, GAAP revenue grew to $520.3 million, and adjusted revenue to $528.1 million, ahead of our adjusted revenue expectations of $525 million. Apart from the 2012 acquisitions, adjusted revenue organically grew 17%. Adjusted EBITDA increased to $207.9 million, ahead of expectations of $204 million, with the majority converting to unlevered free cash flow of $166.5 million, which was ahead of guidance of $162 million. Total capital spending for the year was $33.5 million.

Moving on to our capital structure, as Hari noted last quarter we refinanced our debt and retired in full our $315 million second lien tranche of bank debt and increased our first lien facility to $1.05 billion. As part of the refinancing and IPO we have reduced our weighted average cost of debt, resulting in annualized interest expense savings for term debt of approximately $35M, based on the current loan balance and interest rates.

Switching now to guidance, we are confident that the momentum in the business and the growth opportunities in front of us will translate to a strong 2014. Please note these figures include the impact of Directi, acquired in January of this year. For full year 2014 we are guiding to an adjusted revenue range of $630 to $635 million. This represents a 14% organic growth rate for the core business over the prior year. For the first quarter we anticipate $145 to $147 million in adjusted revenue. We expect adjusted EBITDA for full year 2014 to be $230 to $235 million. For the first quarter we anticipate $55 to $57 million in adjusted EBITDA. Adjusted EBITDA has always represented a bellwether metric for the company as it most closely represents the cash-on-cash framework by which we manage the business.

Equally crucial to that viewpoint is unlevered free cash flow. We expect UFCF for full year 2014 to be between $180 and $190 million. For the first quarter we anticipate $42 to $44 million in UFCF.

With that, I will turn you back to Hari to discuss our long term growth opportunities and why we are confident guiding to these figures.

Hari Ravichandran - Endurance International Group Holdings, Inc. - Founder and CEO

Thanks Tiv. Our primary goal has always been to add high quality subscribers onto our platform. In 2014 we anticipate the channels that have fueled subscriber growth in the past will continue to do so, most important of which is subscriber word of mouth referrals that contribute almost half of the new subscribers that sign up with us. Beyond that we are exploring new channels such as expanding our reseller network, extending our university program, and attracting subscribers via alternative products. The metrics behind these channels are also compelling, with subscriber acquisition costs and customer lifetime values comparable to our current channels. We have been extensively testing these channels for some time and believe that incremental marketing investments, while neutral to adjusted EBITDA in year one, will deliver revenue growth in 2014 and position us for strong top and bottom line growth in 2015 and beyond.

Additionally, we continue to make investments to build out our multi-brand strategy, evident in our recent acquisition of Directi's web presence business and its main brands, Big Rock, Logic Boxes and ResellerClub. These brands allow us to penetrate attractive emerging market economies such as Brazil, Russia, India, China, Indonesia and Turkey, by segmenting the potential subscriber base and catering to their unique needs in these markets. Further, the local knowledge gained via the leading positions that Directi has in its target markets aids in our expansion efforts abroad. Building upon momentum in Brazil and India, we expect to introduce more targeted and localized offerings in large markets such as China, thereby escalating our growth in international markets.

Finally, our recent re-launch of Bluehost's main website illustrates our commitment to the multi-brand / high conversion approach. The new design is not only much more modern and consistent, but also a destination designed to reinforce our targeting of more technically savvy small business owners. Though it has only been live for a short time, we are already receiving strong positive feedback from our community of subscribers.

Turning to the ARPS portion of the equation, subscriber appetite for additional products and services remain as strong as ever, growing in fact for more sophisticated cloud based solutions. To match this appetite, we are investing behind our next generation cloud infrastructure platform. This allows us not only to service the changing needs of our existing subscriber base, but also expand our market footprint to more technically sophisticated users who typically transact at higher price points.

Of course, a broad and dynamic product suite is only as good as its delivery mechanism. We continue to make investments to strengthen our existing subscriber outreach programs, particularly with our sales floor and email marketing campaigns. The focus here is on improving the timing, targeting and messaging of these campaigns to ensure they are relevant and highlight Endurance as a trusted advisor. However, the key element in any engagement strategy relies on knowing your customer. We constantly strive to learn more about our subscribers, regularly referencing and analyzing the petabytes of data at our disposal to ensure all subscriber contacts are made in a thoughtful manner. All in, we strive to improve both our first time and returning visitor experiences with more dynamic, targeted, and relevant content that allows subscribers to more easily navigate the range of solutions we offer.

Taken together, the combined impact of these growth initiatives make us confident in our 2014 guidance. Thank you all for taking the time to listen today and for your interest in Endurance. With that, I'll turn it back over to the operator for Q&A. Operator?