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1Q 2016 Financial Results

May 5, 2016

web.com®

Forward-Looking Statements

This presentation includes certain "forward-looking statements" including, without limitation, statements regarding the size of the market opportunity for Web.com's products, including Yodle solutions, to small businesses, and whether such products can generate improved revenue growth and profitability for Web.com, statements regarding the expected benefits to be obtained from the acquisition of Yodle, and statements regarding whether Web.com's products, including Yodle solutions, are a unique value proposition, that are subject to risks, uncertainties and other factors that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts. These statements are sometimes identified by words such as "believe," "opportunities," or words of similar meaning. As a result of the ultimate outcome of such risks and uncertainties, Web.com's actual results could differ materially from those anticipated in these forward-looking statements. These statements are based on Web.com's current beliefs or expectations, and there are a number of important factors that could cause the actual results or outcomes to differ materially from those indicated by these forward-looking statements, including, without limitation: the risk that Web.com's expectations as to demand for its products may not be accurate; consumers may not perceive the value of Web.com's products to be the same as Web.com does; Web.com may not realize the benefits it expects from the acquisition of Yodle; and other risks that may impact Web.com's business. Other risk factors are set forth under the caption, "Risk Factors," in Web.com's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission, which are available on a website maintained by the Securities and Exchange Commission at www.sec.gov. Web.com expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein as a result of new information, future events or otherwise.

Non-GAAP Measures

Some of the measures in this presentation, including adjusted EBITDA, are non-GAAP financial measures within the meaning of the SEC Regulation G. Web.com believes presenting non-GAAP financial measures is useful to investors, because they describe the operating performance of the company, in ways that management views, or uses to assess, the performance of the company. Company management uses these non-GAAP measures as important indicators of the company's past performance and in planning and forecasting performance in future periods. The non-GAAP financial information Web.com presents may not be comparable to similarly-titled financial measures used by other companies, and investors should not consider non-GAAP financial measures in isolation from, or in substitution for, financial information presented in compliance with GAAP. You are encouraged to review the reconciliation of non-GAAP financial measures to GAAP financial measures included in this presentation and in Web.com's press releases on May 5, 2016, and filings it makes with the Securities and Exchange Commission, which are available at www.sec.gov as well as in this presentation.

Agenda

- **Corporate Overview**

- Business Highlights
- Quarterly Financial Summary
- Operating Highlights
- Yodle

- **Financial Review**

- 1Q 2016 Financial Performance
- 2Q & Full-Year 2016 Financial Guidance

- **Q&A**



David Brown
CEO & Chairman



Kevin Carney
CFO

1Q 2016 Business Highlights

Closed on Yodle acquisition

**Repurchased \$11.2 million (\$72.6 since authorization¹)
of stock as part of \$100 million buyback authorization**

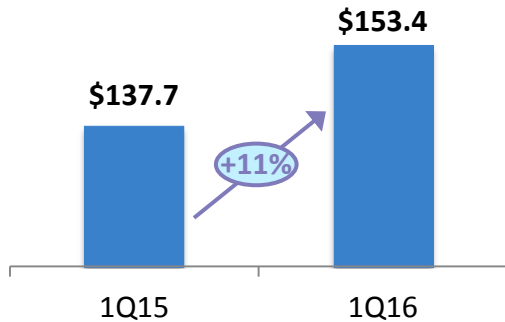
\$12.5 million debt pay down

Strength in value added digital marketing solutions

1. As of March 31, 2016

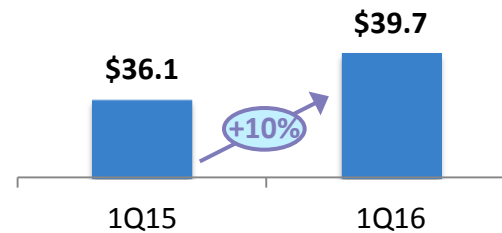
1Q 2016 Financial Highlights

Non-GAAP Revenue (\$mm)



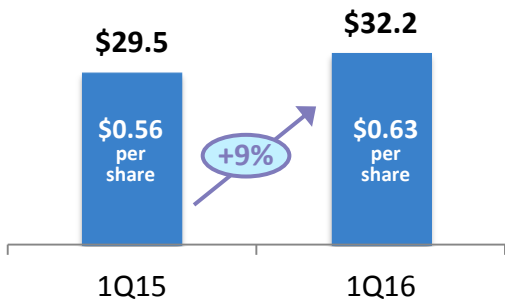
High end guidance range & includes Yodle Revenue

Adjusted EBITDA (\$mm)



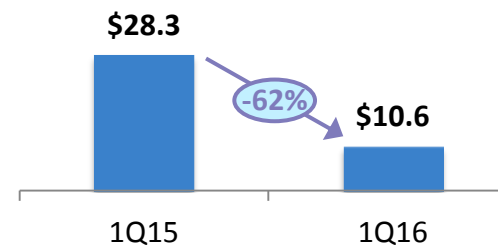
Represents 26% adjusted EBITDA margin

Non-GAAP Net Income (\$mm)



Above / At high end of guidance range

Free Cash Flow (\$mm)



Deal costs and incentive payment

1Q 2016 Operating Highlights



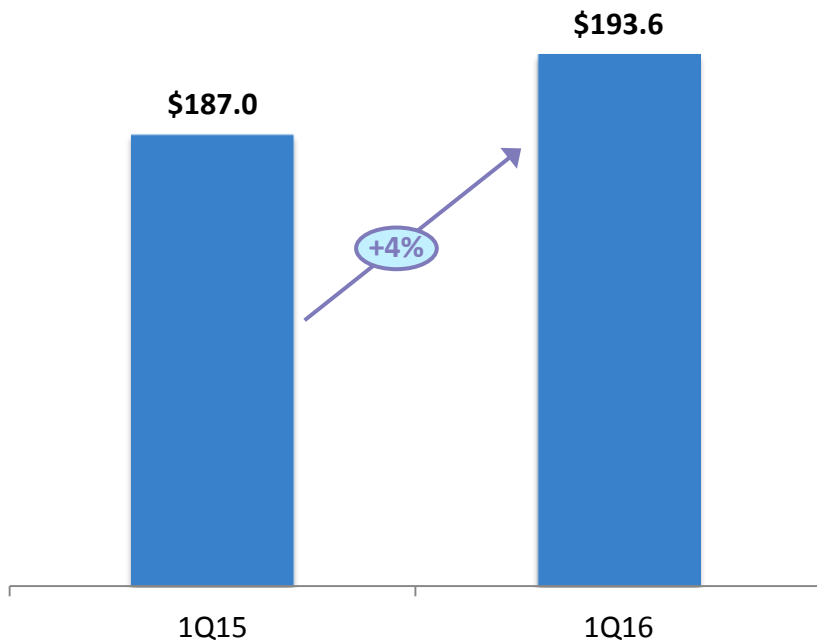
Note: Customer retention rate is a trailing twelve month retention metric calculated as subscribers at the end of the period less acquired subscribers divided by the sum of subscribers at the beginning of the period and the new subscribers added during the last twelve months.

1. 1Q16 net subscriber adds includes approximately 53,000 customers acquired as part of the Yodle acquisition. Yodle subscriber count changed to Web.com definition, which is not comparable to the 58,000+ subscribers from the 4Q15 earnings materials and press release.

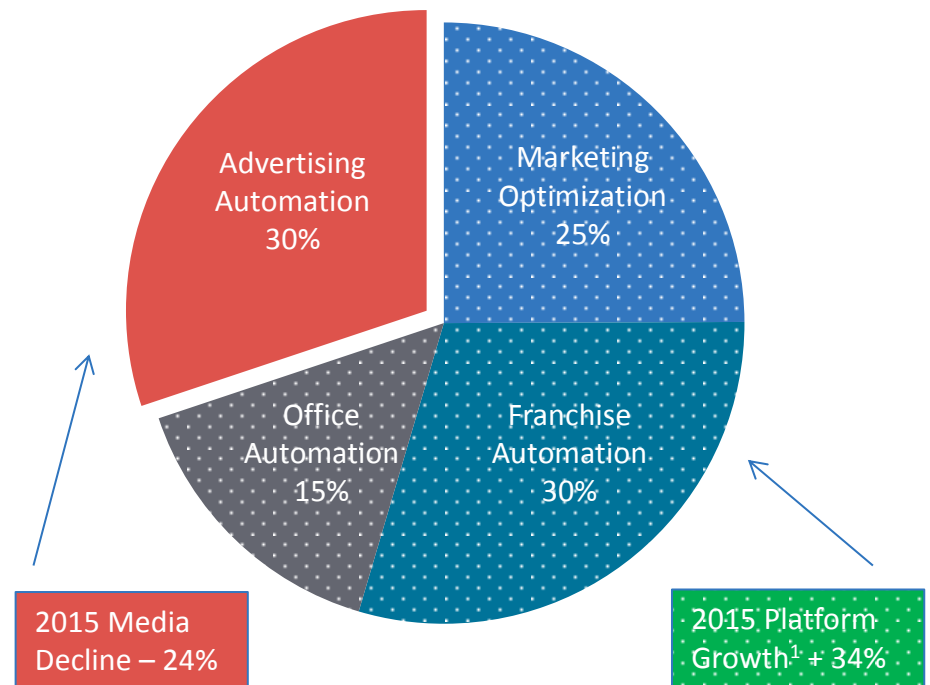
Growth Dynamics

Q1 Pro-Forma Non-GAAP Revenue (\$mm)

2015 Yodle Revenue (\$mm)
Mix & Growth

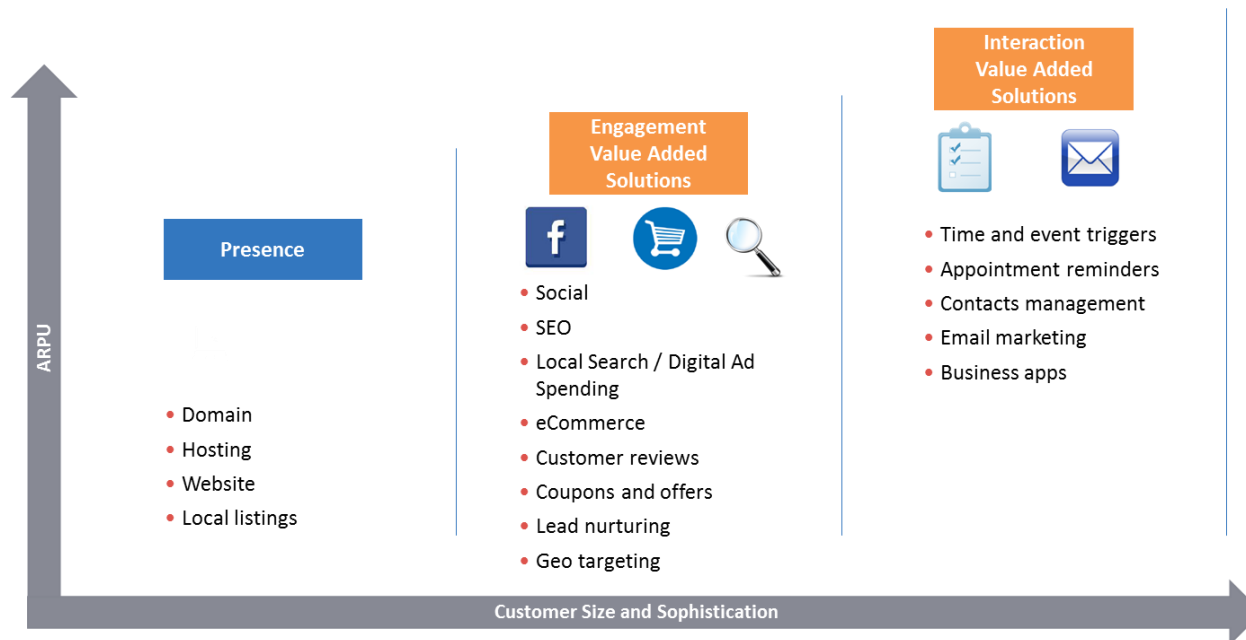


\$208 Million (9% YOY Growth)



Yodle Strategic Fit

Competitive Positioning

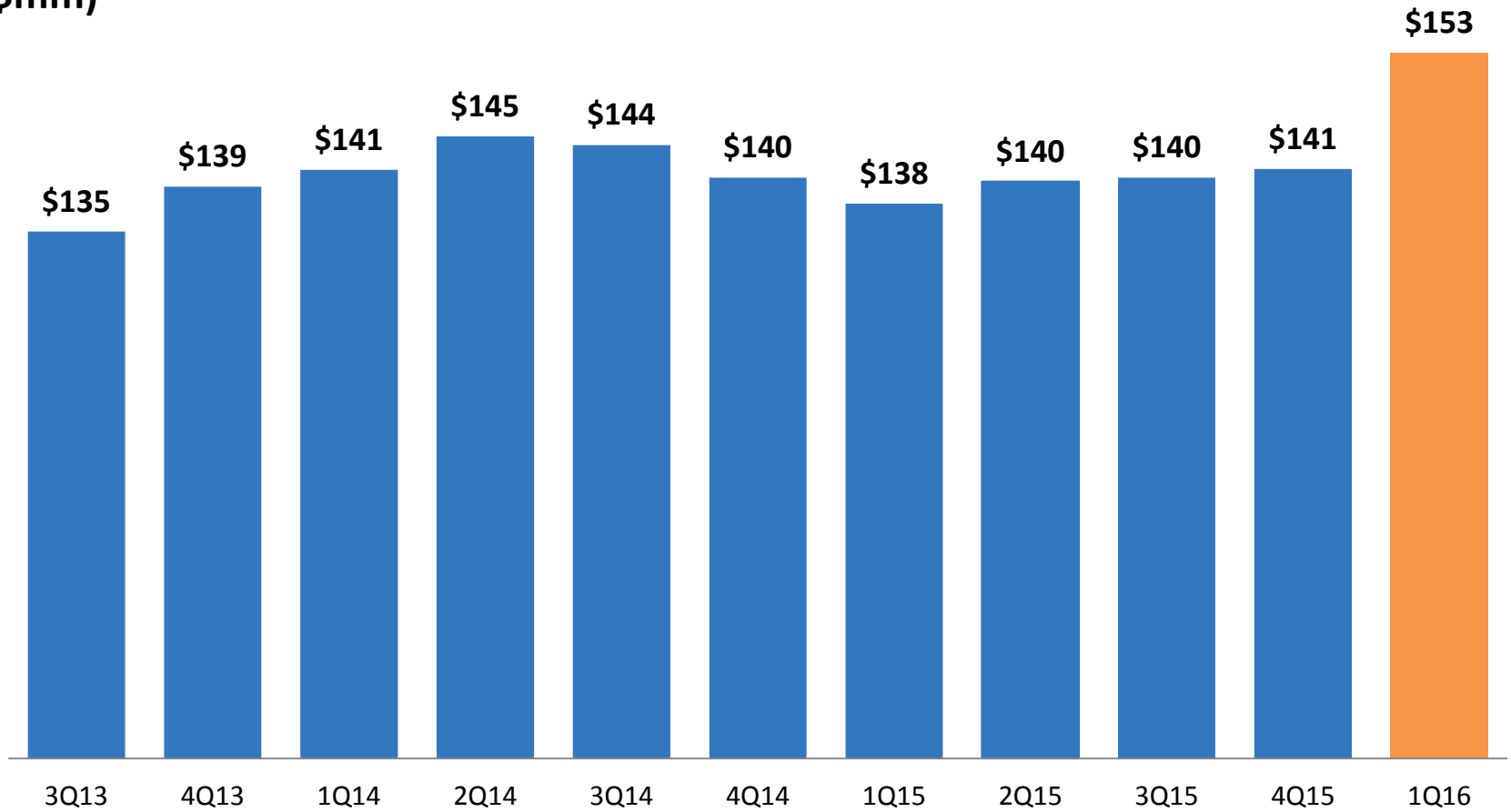


Rationale

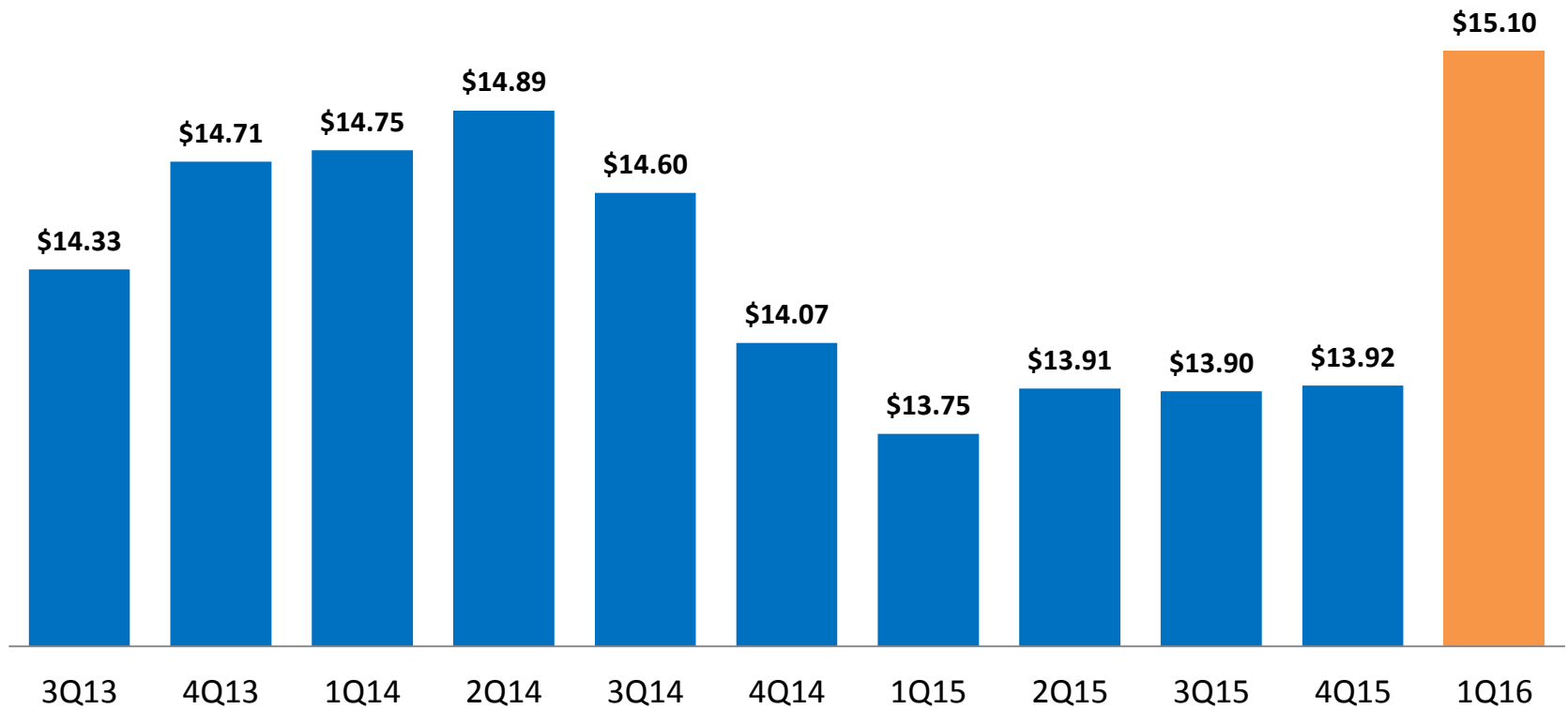
- Higher growth business
- Complementary Value Added Solutions – Products, Channels, & Marketing expertise
- Robust, cloud based marketing platform
- Strong R&D competency
- Opportunity to build out verticals
- Synergies

Non-GAAP Revenue

(\$mm)



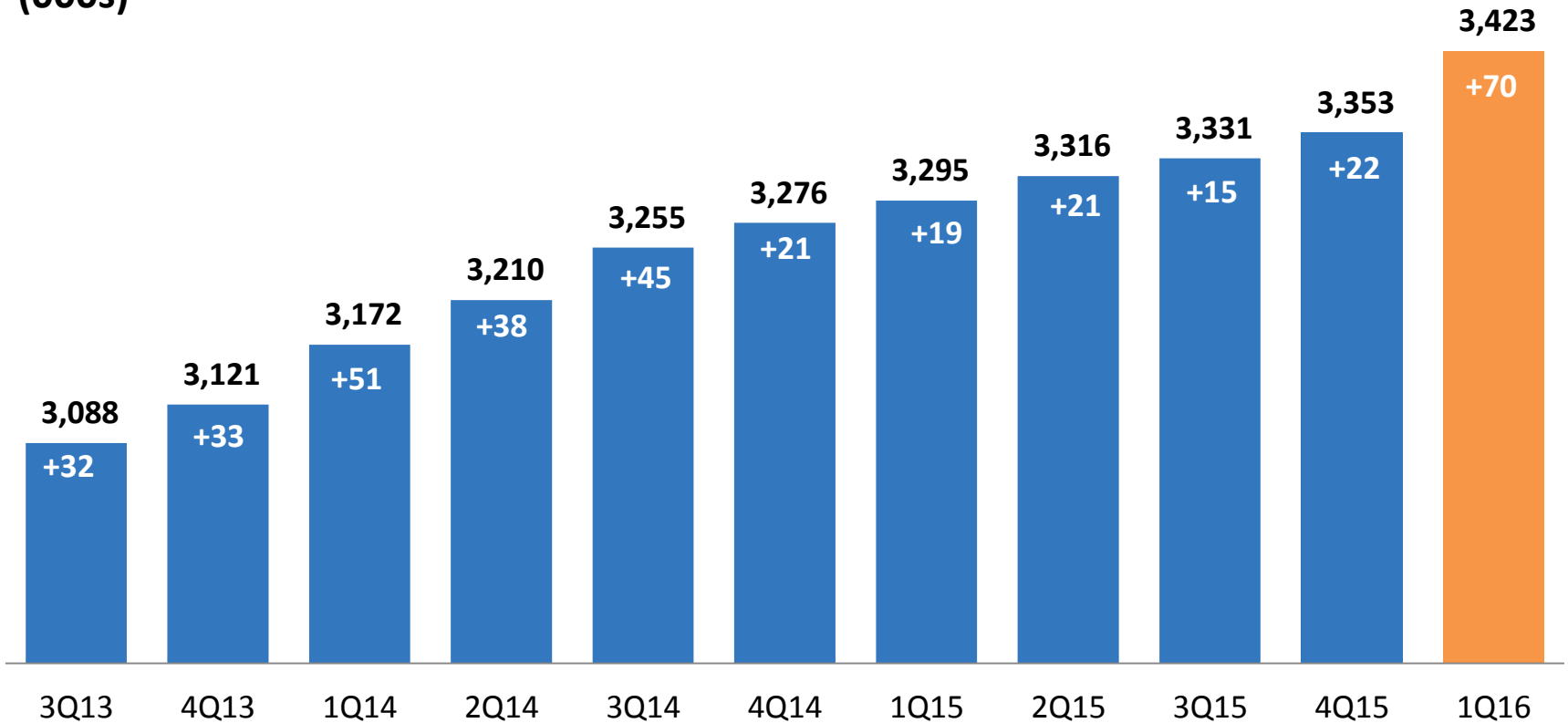
ARPU



Note: ARPU is calculated as Non-GAAP subscription revenue divided by the average number of subscribers for the period divided into a monthly average. 1Q16 ARPU Includes 23 days of Yodle activity in the quarter. Yodle acquisition closed on March 9, 2016.

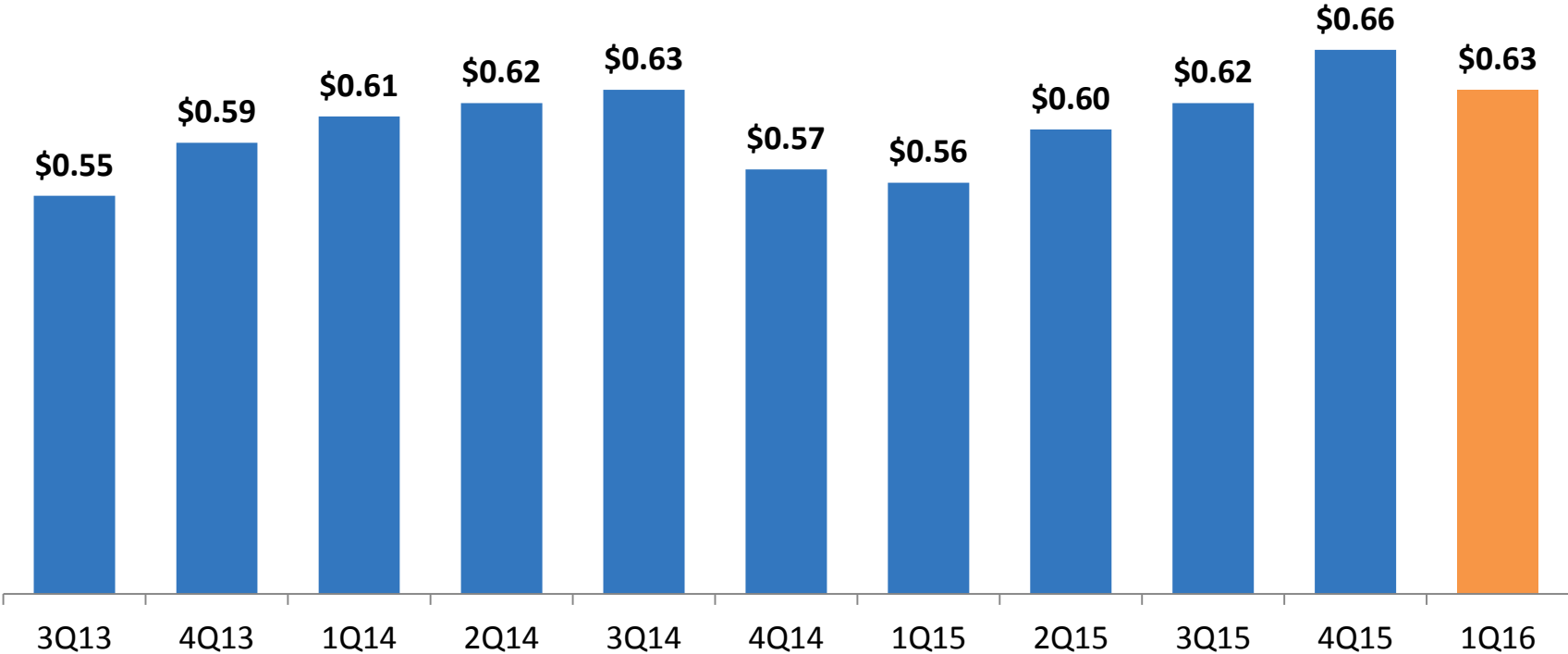
Net Subscriber Growth

(000s)

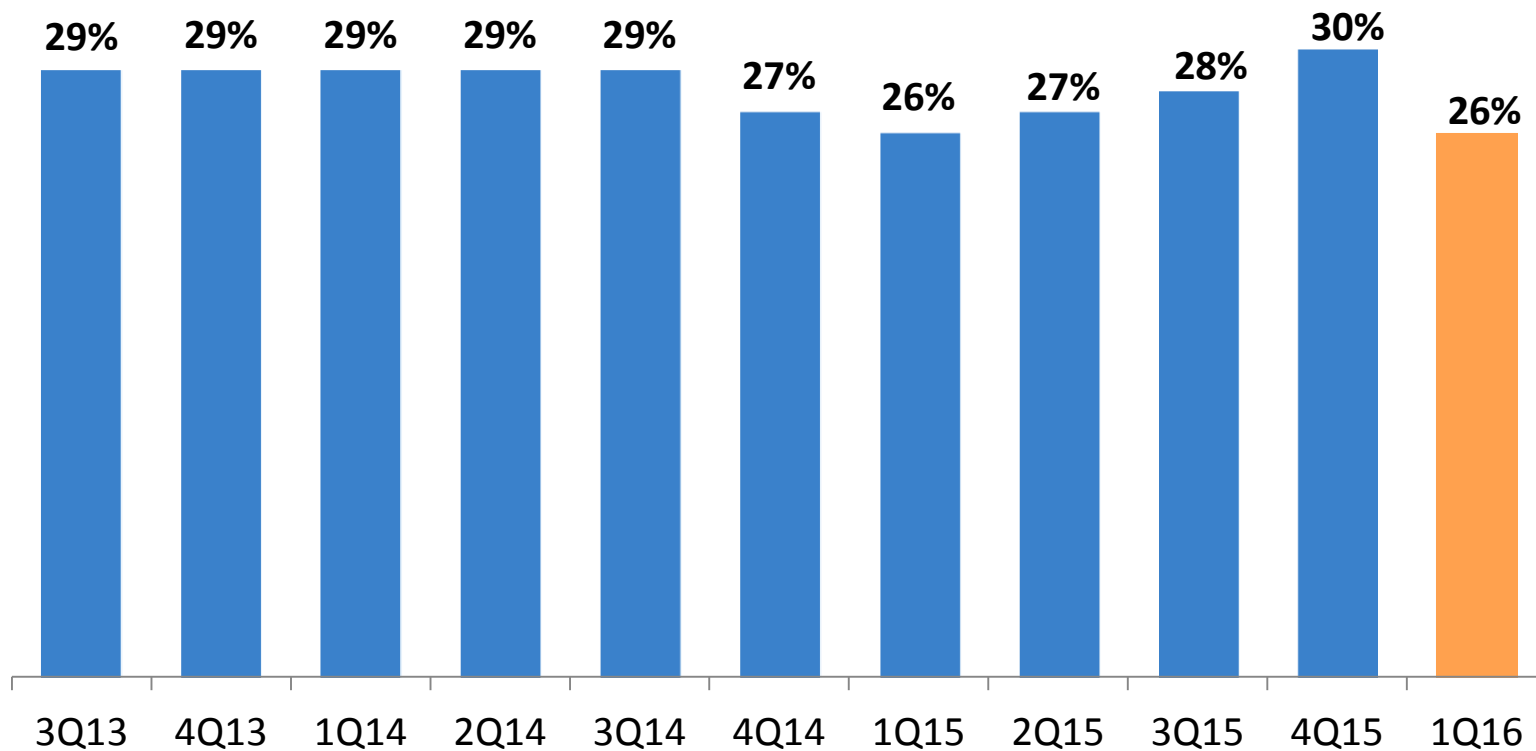


Note: 3Q14 net subscriber adds includes approximately 11,000 customers acquired as part of the Scoot acquisition. 1Q16 net subscriber adds includes approximately 53,000 customers acquired as part of the Yodle acquisition. Yodle subscriber count changed to Web.com definition, which is not comparable to the 58,000+ subscribers from the 4Q15 earnings materials and press release.

Non-GAAP EPS



Adjusted EBITDA Margin



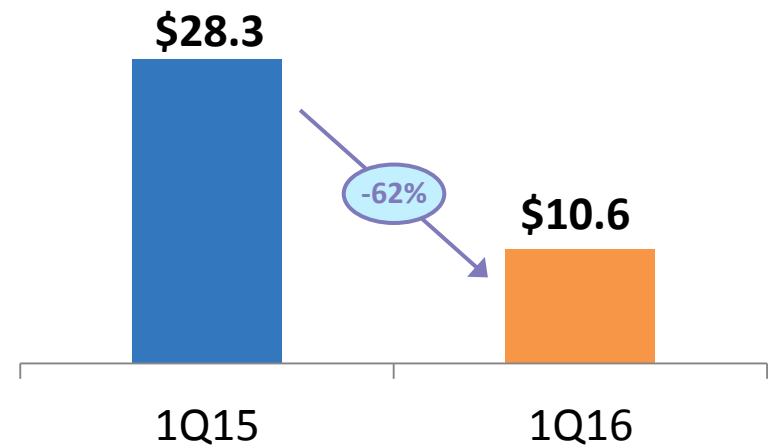
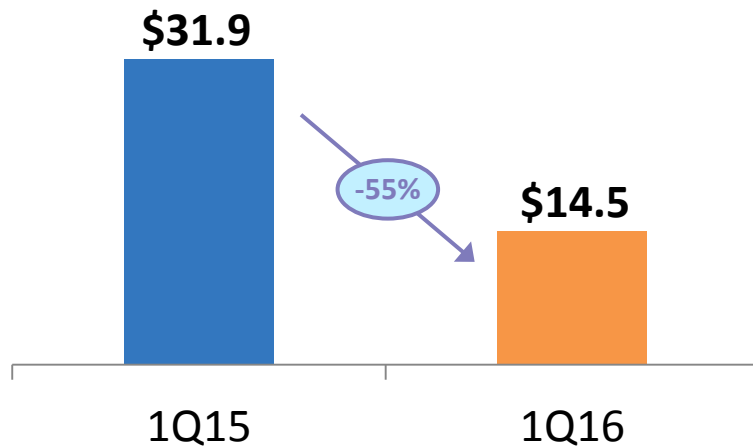
1Q 2016 GAAP Results

Revenue	\$144.8 mm
Gross Profit	\$93.7 mm
Income from Operations	\$6.9 mm
Net Income	\$0.3 mm
Diluted Net Income Per Share	\$0.01

Cash Flow Generation

Cash from Operations (\$mm)

Free Cash Flow (\$mm)



Web.com Summary Balance Sheet

(\$mm)

	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16
Cash	\$16.7	\$15.9	\$18.4	\$18.7	\$12.0
Accounts Receivable, net	\$17.2	\$14.3	\$13.2	\$12.9	\$19.0
Deferred Expenses	\$118.0	\$112.7	\$110.9	\$109.5	\$112.5
Debt (current & long-term)					
Term Loan	\$197.5	\$196.2	\$195.0	\$192.5	\$390.0
Revolver	\$77.7	\$49.0	\$30.2	\$5.0	\$110.0
Convertible Debt	\$258.8	\$258.8	\$258.8	\$258.8	\$258.8
Total Debt (Gross)	\$534.0	\$504.0	\$484.0	\$456.3	\$758.8
Less: Debt Discount (OID)	(\$41.5)	(\$38.7)	(\$35.9)	(\$33.7)	(\$36.4)
Total Debt (Net)	\$492.5	\$465.3	\$448.1	\$422.6	\$722.4
Deferred Revenue	\$413.4	\$414.5	\$411.9	\$410.6	\$433.1
Stockholders' Equity	\$164.7	\$163.2	\$165.2	\$238.2	\$231.6



Appendix

Reconciliation of GAAP to Non-GAAP Results

(in thousands, unaudited)

Reconciliation of GAAP revenue to non-GAAP revenue	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
GAAP revenue	\$ 125,197	\$ 131,125	\$ 133,843	\$ 138,176	\$ 137,407	\$ 134,511	\$ 132,600	\$ 135,719	\$ 136,821	\$ 138,320	\$ 144,798
Fair value adjustment to deferred revenue	9,590	8,328	7,391	6,492	6,425	5,855	5,093	4,252	3,547	3,017	8,558
Non-GAAP revenue	<u>\$ 134,787</u>	<u>\$ 139,453</u>	<u>\$ 141,234</u>	<u>\$ 144,668</u>	<u>\$ 143,832</u>	<u>\$ 140,366</u>	<u>\$ 137,693</u>	<u>\$ 139,971</u>	<u>\$ 140,368</u>	<u>\$ 141,337</u>	<u>\$ 153,356</u>

Reconciliation of GAAP to Non-GAAP Results

(in thousands except per share amounts, unaudited)

Reconciliation of GAAP diluted net income (loss) per share to non-GAAP diluted net income per share	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
Diluted shares:											
Basic weighted average common shares	49,243	49,770	50,334	50,809	51,234	51,295	50,872	50,362	50,035	49,716	49,376
Diluted stock options	3,502	3,305	3,546	3,250	2,166	1,623	1,354	1,800	1,907	1,886	1,404
Diluted restricted stock	810	826	703	507	381	342	266	273	370	469	326
Diluted performance shares	-	-	-	-	-	-	-	-	-	78	-
Total diluted weighted average common shares	53,555	53,901	54,583	54,566	53,781	53,260	52,492	52,435	52,312	52,149	51,106
Diluted GAAP net income (loss) per share	\$ (0.12)	\$ (0.07)	\$ 0.01	\$ (0.02)	\$ (0.07)	\$ (0.17)	\$ 0.04	\$ 0.09	\$ 0.12	\$ 1.48	\$ 0.01
Diluted equity	0.01	0.01	-	0.01	0.01	0.01	-	-	-	-	-
Amortization of intangibles	0.32	0.30	0.29	0.30	0.31	0.23	0.19	0.19	0.18	0.19	0.22
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Asset impairment	-	-	-	-	-	0.04	-	-	-	-	-
Stock based compensation	0.08	0.08	0.08	0.09	0.10	0.09	0.10	0.10	0.10	0.09	0.09
Income tax expense	0.02	0.03	0.03	0.07	0.08	0.22	0.07	0.10	0.11	(1.20)	0.02
Restructuring expense	-	0.03	-	-	-	-	0.01	-	-	-	-
Corporate development	-	-	-	-	0.01	-	0.01	-	-	-	0.07
Amortization of debt discounts and fees	0.03	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.06	0.06
Cash income tax expense	-	-	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)
Fair value adjustment to deferred revenue	0.18	0.15	0.14	0.12	0.12	0.11	0.10	0.08	0.07	0.06	0.17
Fair value adjustment to deferred expense	0.01	0.01	0.01	-	-	-	-	-	-	-	-
Loss on debt extinguishment	0.02	-	-	-	0.03	-	-	-	-	-	-
Gain on sale of equity method investment	-	-	-	-	-	-	-	-	-	-	-
Diluted Non-GAAP net income per share	\$ 0.55	\$ 0.59	\$ 0.61	\$ 0.62	\$ 0.63	\$ 0.57	\$ 0.56	\$ 0.60	\$ 0.62	\$ 0.66	\$ 0.63

Reconciliation of GAAP to Non-GAAP Results

(in thousands except percentages, unaudited)

Reconciliation of GAAP operating income to adjusted EBITDA	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16
GAAP operating income	\$ 4,457	\$ 6,363	\$ 9,545	\$ 10,352	\$ 9,261	\$ 8,506	\$ 11,149	\$ 14,935	\$ 16,733	\$ 18,896	\$ 6,912
Depreciation and amortization	20,339	19,165	19,239	19,793	20,349	15,398	13,744	13,849	13,846	14,906	15,913
Loss on sale of assets	55	-	-	-	-	-	-	-	-	-	-
Asset impairment	-	-	-	-	-	2,040	-	-	-	-	-
Stock based compensation	4,055	4,177	4,504	4,939	5,085	5,040	5,047	5,137	5,067	4,813	4,808
Restructuring expense	-	1,689	-	-	-	166	313	22	-	224	136
Corporate development	-	-	40	-	459	-	597	-	-	2	3,340
Fair value adjustment to deferred revenue	9,590	8,328	7,391	6,492	6,425	5,855	5,093	4,252	3,547	3,017	8,558
Fair value adjustment to deferred expense	367	333	301	269	242	215	191	167	147	128	58
Adjusted EBITDA	\$ 38,863	\$ 40,055	\$ 41,020	\$ 41,845	\$ 41,821	\$ 37,220	\$ 36,134	\$ 38,362	\$ 39,340	\$ 41,986	\$ 39,725

Reconciliation of GAAP operating margin to adjusted EBITDA margin

GAAP operating margin	4%	5%	7%	7%	7%	6%	8%	11%	12%	14%	5%
Depreciation and amortization	14%	14%	13%	14%	14%	12%	10%	9%	9%	11%	10%
Loss on sale of assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Asset impairment	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Stock based compensation	3%	3%	3%	3%	4%	4%	4%	4%	4%	3%	3%
Restructuring expense	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Corporate development	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
Fair value adjustment to deferred revenue	8%	6%	6%	5%	4%	4%	4%	3%	3%	2%	6%
Fair value adjustment to deferred expense	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Adjusted EBITDA margin	29%	29%	29%	29%	29%	27%	26%	27%	28%	30%	26%

Reconciliation of GAAP to Non-GAAP Results

(in thousands except percentages, unaudited)

Reconciliation of GAAP gross profit to non-GAAP gross profit	Three months ended March 31,	
	2016	2015
Gross Profit	\$ 93,715	\$ 83,898
Fair value adjustment to deferred revenue	8,558	5,093
Fair value adjustment to deferred cost	58	191
Stock based compensation	494	509
Non-GAAP gross profit	<u>\$ 102,825</u>	<u>\$ 89,691</u>
Non-GAAP gross margin	67%	65%

Reconciliation of GAAP to Non-GAAP Results

(in thousands except percentages, unaudited)

Reconciliation of GAAP operating income to non-GAAP operating income	Three months ended March 31,	
	2016	2015
GAAP operating income	\$ 6,912	\$ 11,149
Amortization of intangibles	11,303	9,816
Asset impairment	—	—
Stock based compensation	4,808	5,047
Restructuring expense	136	313
Corporate development	3,340	597
Fair value adjustment to deferred revenue	8,558	5,093
Fair value adjustment to deferred expense	58	191
Non-GAAP operating income	<u>\$ 35,115</u>	<u>\$ 32,206</u>

Reconciliation of GAAP operating margin to non-GAAP operating margin		
GAAP operating margin	5 %	8 %
Amortization of intangibles	7 %	7 %
Asset impairment	—%	—%
Stock based compensation	3 %	4 %
Restructuring expense	—%	—%
Corporate development	2 %	—%
Fair value adjustment to deferred revenue	6 %	4 %
Fair value adjustment to deferred expense	—%	—%
Non-GAAP operating margin	<u>23 %</u>	<u>23 %</u>

Reconciliation of GAAP to Non-GAAP Results

(in thousands, unaudited)

Reconciliation of GAAP net income to non-GAAP net income	Three months ended March 31,	
	2016	2015
GAAP net income	\$ 337	\$ 2,339
Amortization of intangibles	11,303	9,816
Asset Impairment	—	—
Stock based compensation	4,808	5,047
Income tax (benefit) expense	977	3,561
Restructuring expense	136	313
Corporate development	3,340	597
Amortization of debt discounts and fees	2,998	2,798
Cash income tax expense	(325)	(267)
Fair value adjustment to deferred revenue	8,558	5,093
Fair value adjustment to deferred expense	58	191
Loss on debt extinguishment	—	—
Non-GAAP net income	<u>\$ 32,190</u>	<u>\$ 29,488</u>

Reconciliation of GAAP to Non-GAAP Results

(in thousands, unaudited)

Reconciliation of net cash provided by operating activities to free cash flow	Three months ended March 31,	
	2016	2015
Net cash provided by operating activities	\$ 14,475	\$ 31,923
Capital expenditures	(3,855)	(3,604)
Free cash flow	<u>\$ 10,620</u>	<u>\$ 28,319</u>

Reconciliation of GAAP to Non-GAAP Results

(in millions, unaudited)

Reconciliation of GAAP revenue to non-GAAP revenue	Q1/15 Web.com	Q1/15 Yodle	Q1/15 Pro- Forma
GAAP revenue	\$ 132.6	\$ 49.3	\$ 181.9
Fair value adjustment to deferred revenue	5.1	-	5.1
Non-GAAP revenue	<u>\$ 137.7</u>	<u>\$ 49.3</u>	<u>\$ 187.0</u>

Reconciliation of GAAP revenue to non-GAAP revenue	Q1/16 Web.com	Q1/16 Yodle	Q1/16 Pro- Forma
GAAP revenue	\$ 144.8	\$ 40.2	\$ 185.0
Fair value adjustment to deferred revenue	8.6	-	8.6
Non-GAAP revenue	<u>\$ 153.4</u>	<u>\$ 40.2</u>	<u>\$ 193.6</u>