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4Q 2016 FINANCIAL RESULTS
February 9, 2017

Welcome to Web.com's Quarterly Earnings Call

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Forward-Looking Statements

This presentation includes "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, and other statements regarding Web.com's plans, expectations and intentions, 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 statements are sometimes identified by words such as "expect," "believe," "opportunities," "guidance," 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 and on Form 10-Q for the quarter ended September 30, 2016, 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 release on February 9, 2017, 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**
- **2017 Objectives**

Financial Review

- **4Q 2016 Financial Performance**
- **1Q & Full Year 2017 Financial Guidance**

Q&A

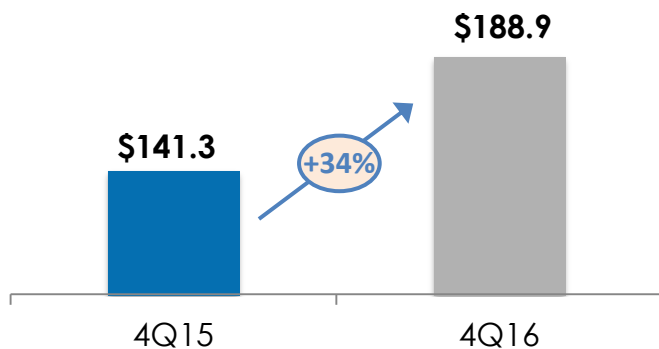
4Q 2016 Business Highlights

- **Yodle integration underway**
- **\$25 million debt pay down**
- **Repurchased \$11.1 million (\$90 million since authorization¹) of stock as part of \$200 million buyback authorization**

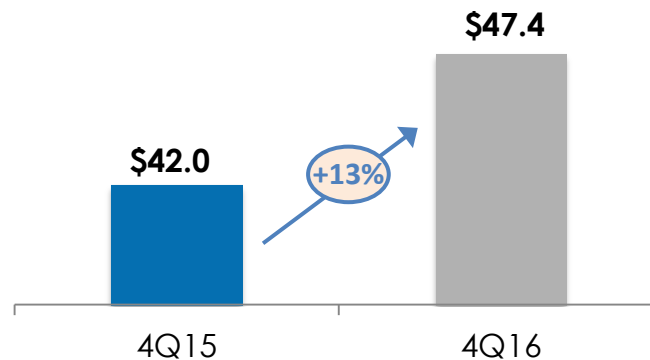
1. As of December 31, 2016

4Q 2016 Financial Highlights

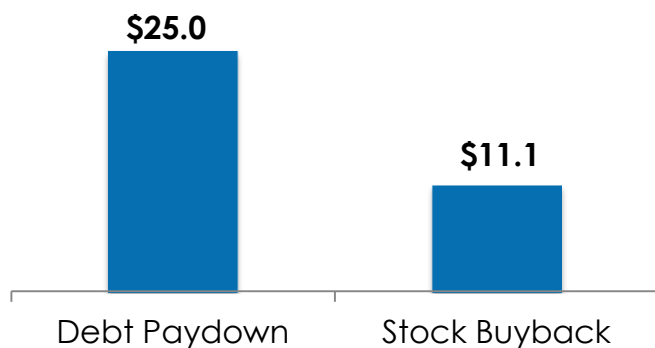
Non-GAAP Revenue (\$mm)



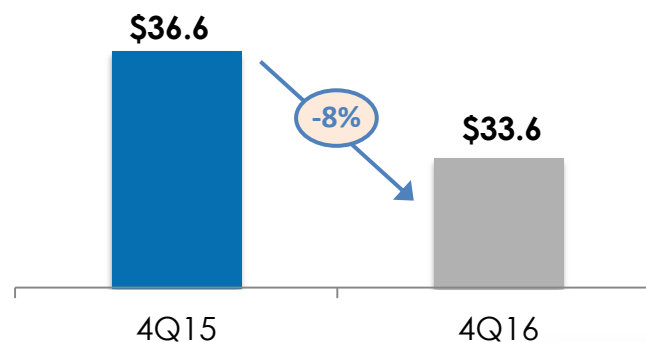
Adjusted EBITDA (\$mm)



Capital Deployment (\$mm)



Free Cash Flow



Note: 4Q16 includes Yodle revenue

4Q 2016 Operating Highlights

**10,000
Net New
Subscribers**

**3,458,000
Total
Subscribers**

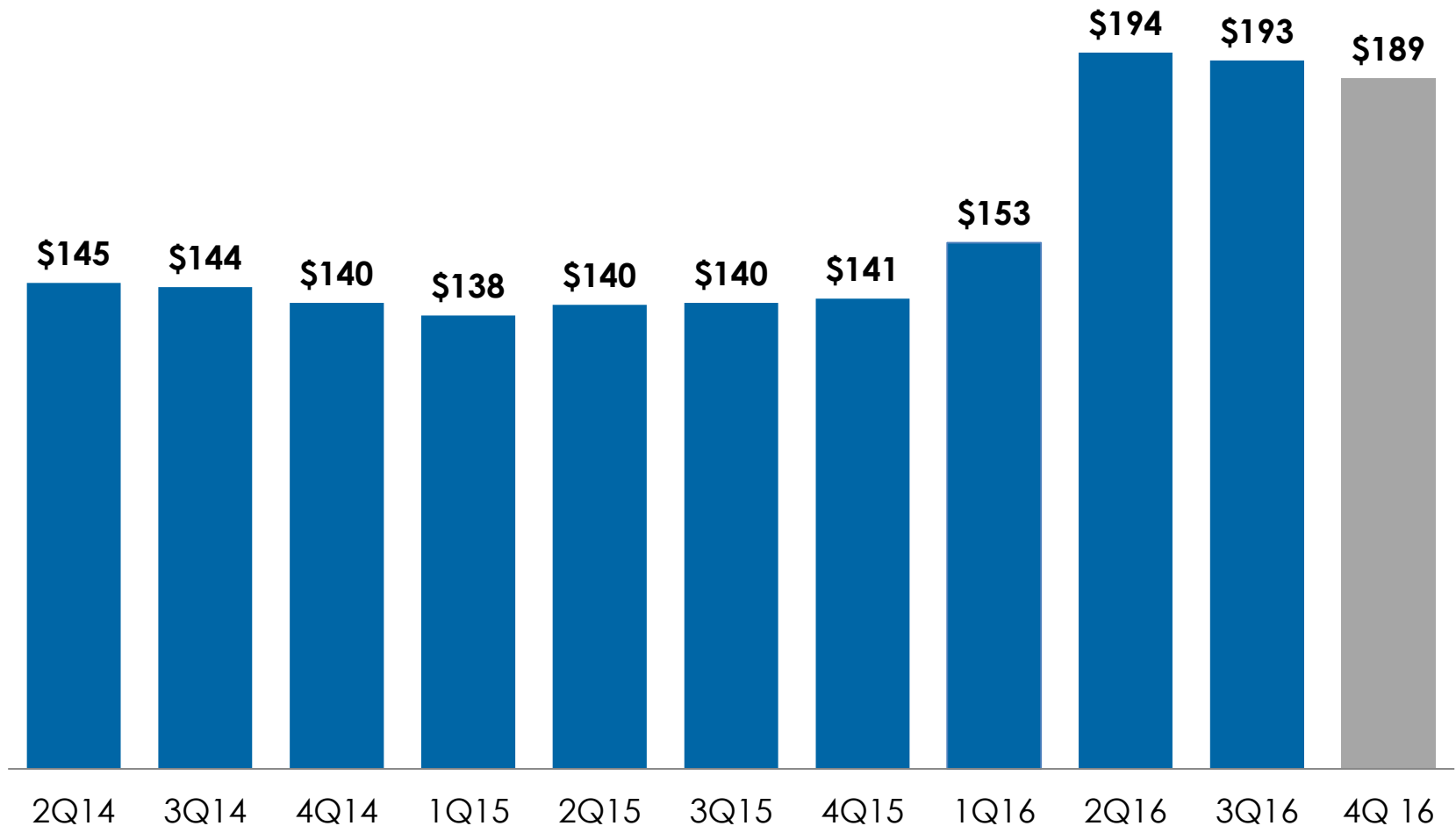
**85.4% LTM
Retention**

Note: LTM Retention is 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.

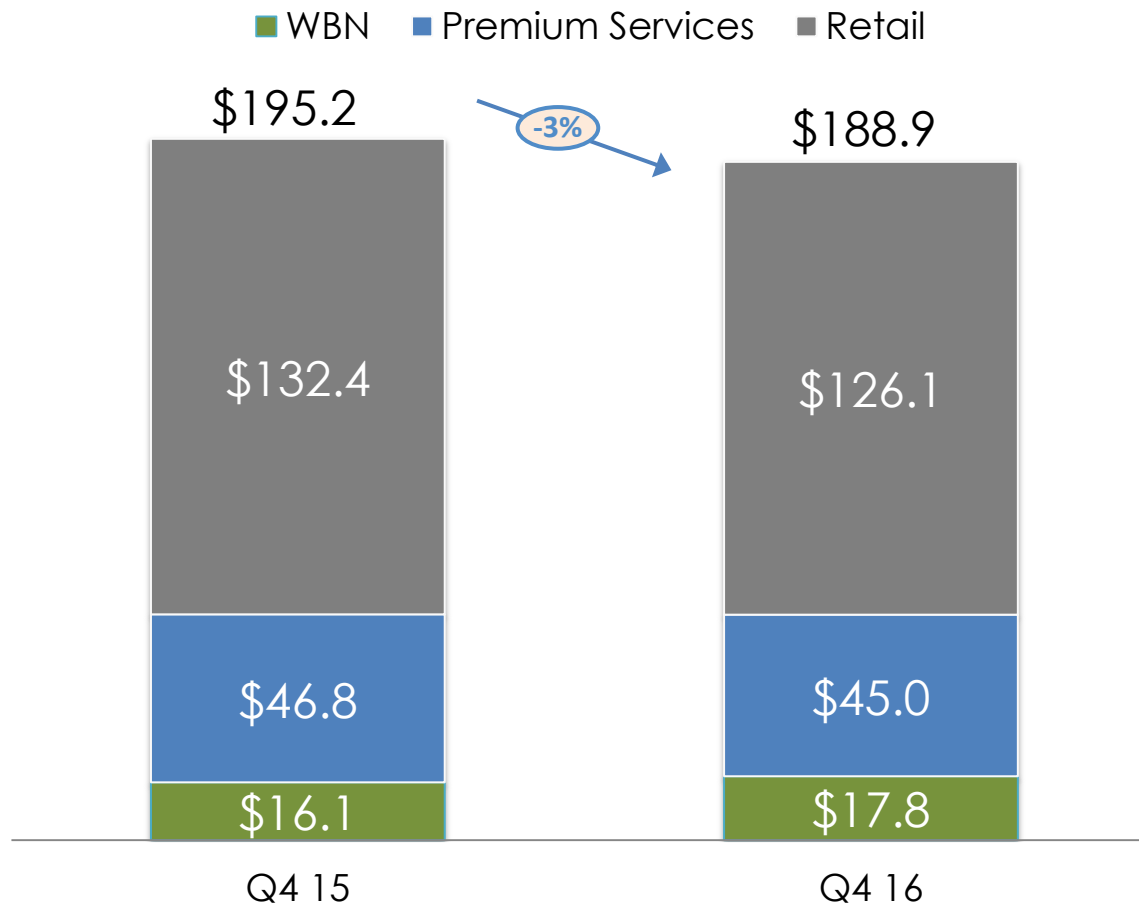
2017 Objectives

- **Stabilize and Optimize**
- **Integrate**
- **Invest & Grow**
- **International**

Non-GAAP Revenue (\$mm)

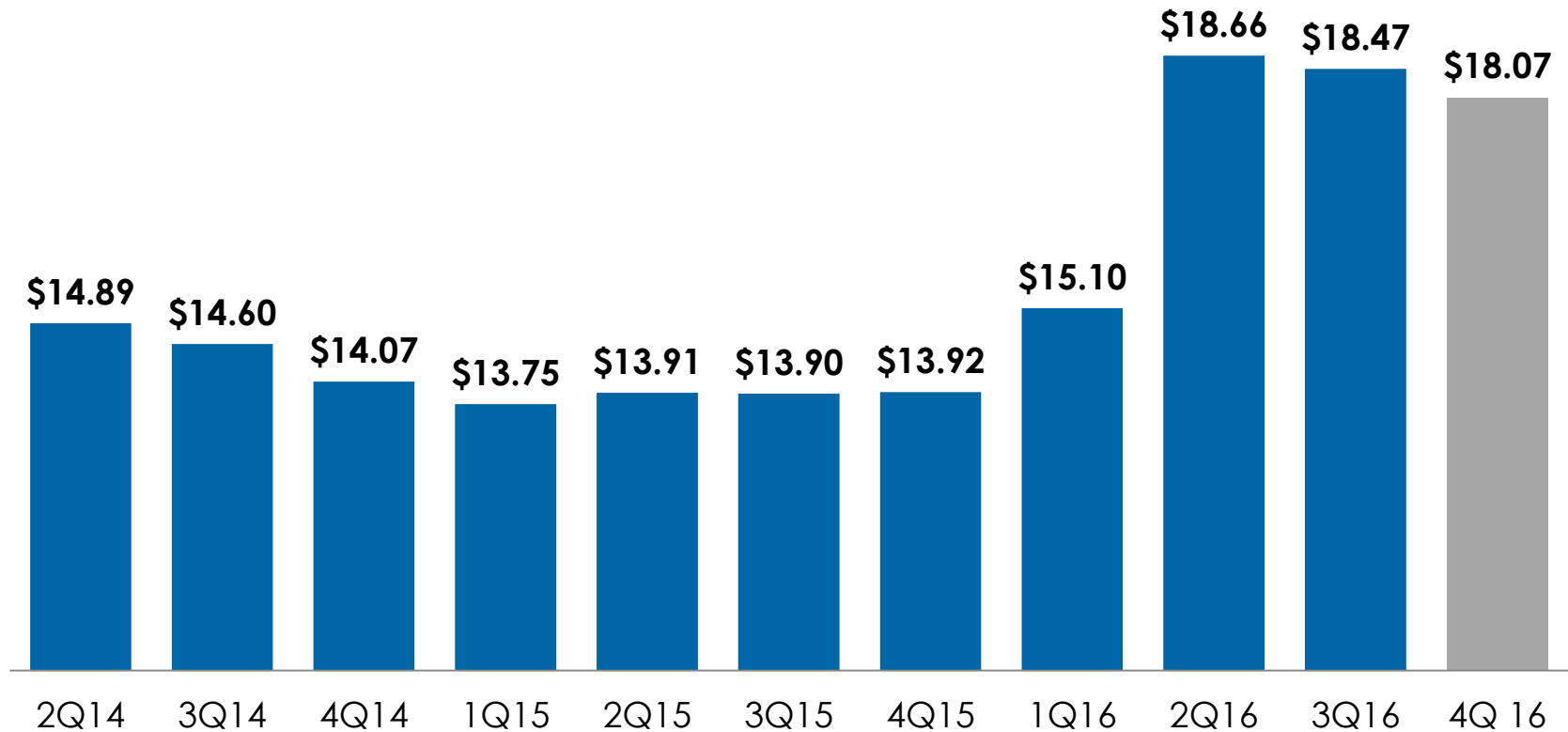


4Q Pro-Forma Non-GAAP Revenue (\$mm)



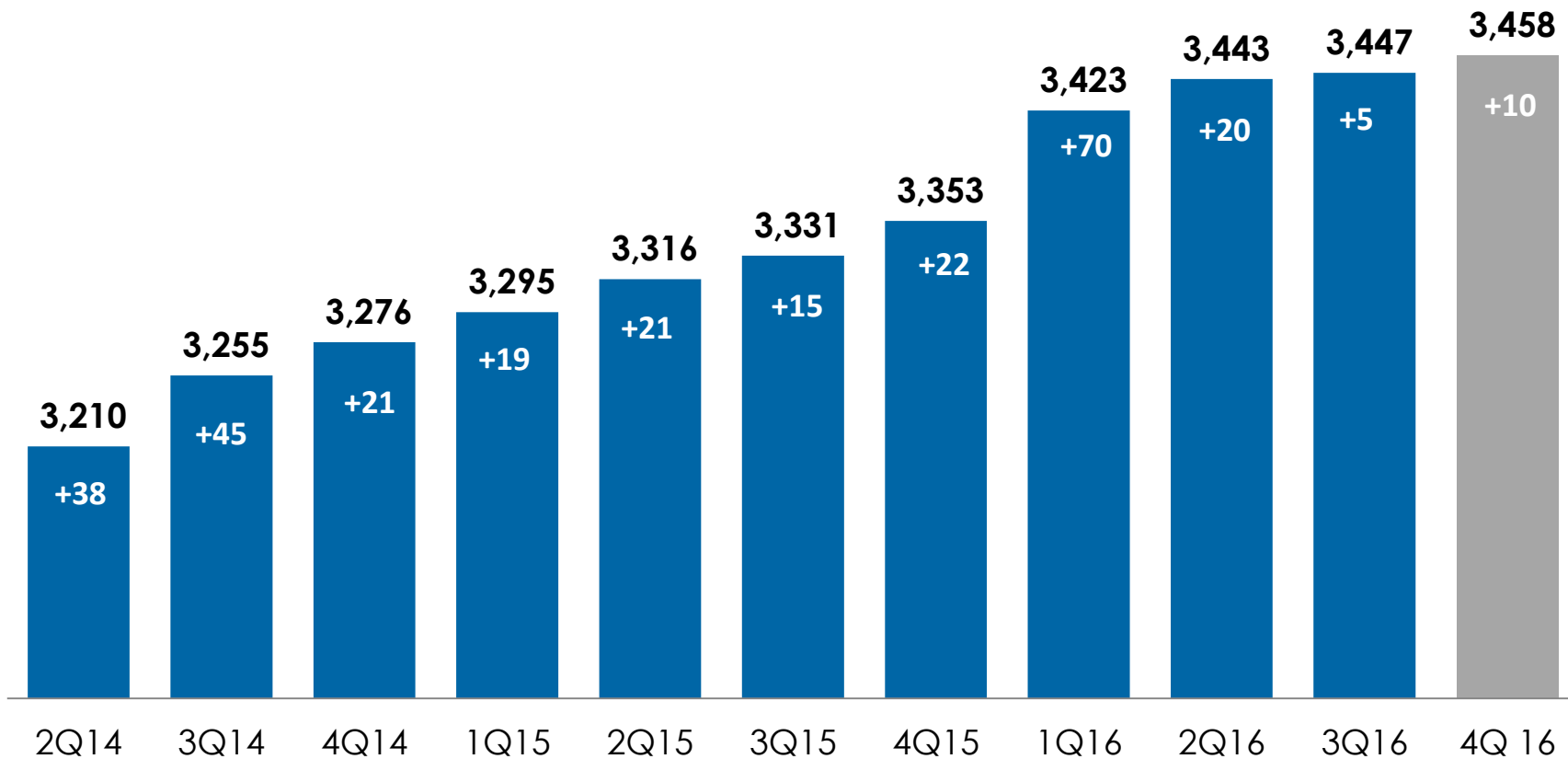
Note: Numbers may not add due to rounding. Pro-forma includes revenue as if Yodle was owned in Q4 2015.

ARPU



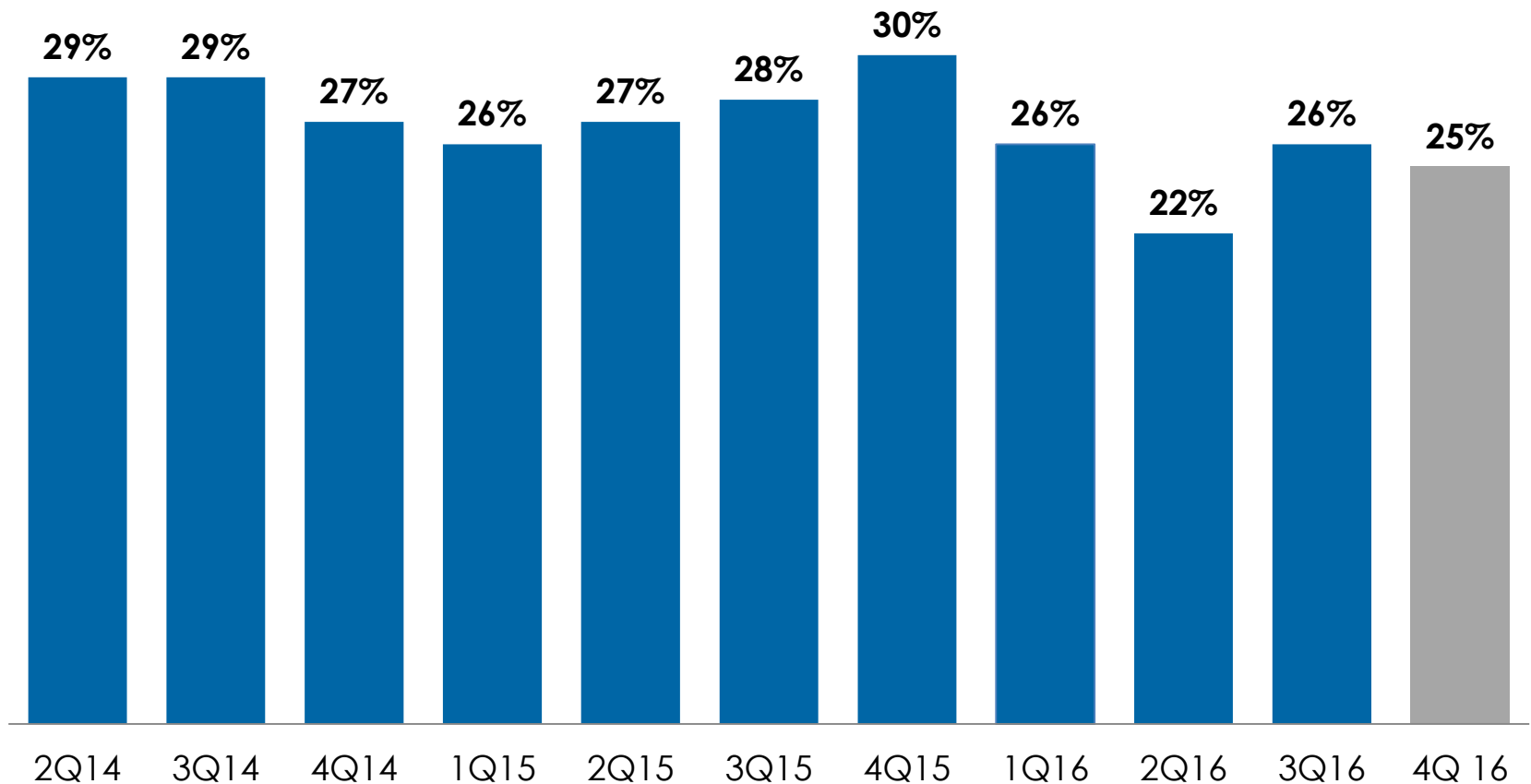
Note: ARPU is calculated as Non-GAAP subscription revenue divided by the average number of subscribers for the period divided into a monthly average. 1Q16 ARPU includes 23 days of Yodle activity in the quarter. Yodle acquisition closed on March 9, 2016.

Net Subscriber Growth



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. Numbers may not add due to rounding.

Adjusted EBITDA Margin

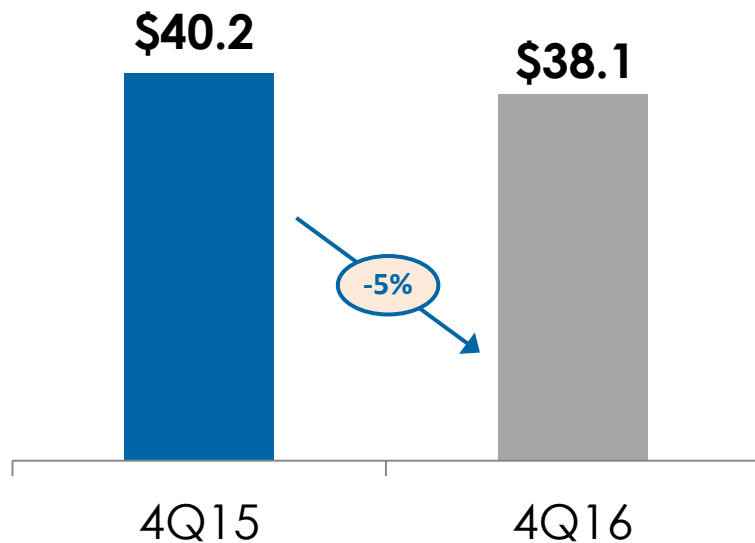


4Q 2016 GAAP Results

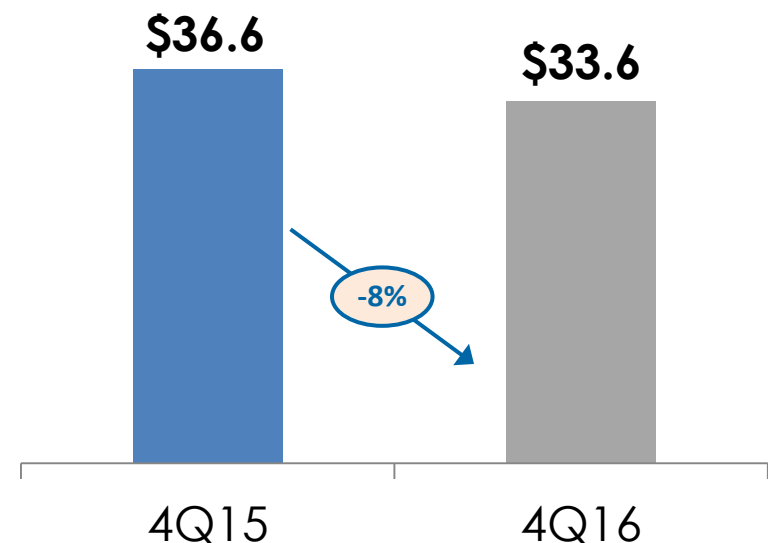
(\$ mm)	
Revenue	\$187.2
Cost of revenue (excluding depreciation & amortization)	\$56.8
Income from operations	\$12.1
Net Income	\$1.9
Diluted net income per share	\$0.04

Cash Flow Generation

Cash from Operations (\$mm)



Free Cash Flow (\$mm)



Summary Balance Sheet

	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Cash	\$18.7	\$12.0	\$9.0	\$21.8	\$20.4
Accounts Receivable, net	\$12.9	\$19.0	\$19.4	\$20.1	\$20.6
Deferred Expenses	\$109.5	\$112.5	\$112.1	\$110.5	\$109.3
Debt (current & long-term)					
Term Loan	\$192.5	\$390.0	\$387.6	\$385.1	\$382.7
Revolver	\$5.0	\$110.0	\$92.4	\$71.9	\$49.3
Convertible Debt	\$258.8	\$258.8	\$258.8	\$258.8	\$258.8
Total Debt (Gross)	\$456.3	\$758.8	\$738.8	\$715.8	\$690.8
Less: Debt Discount (OID)	(\$33.7)	(\$36.4)	(\$33.2)	(\$29.9)	(\$26.6)
Total Debt (Net)	\$422.6	\$722.4	\$705.6	\$685.8	\$664.1
Deferred Revenue	\$410.6	\$433.1	\$434.8	\$432.1	\$426.1
Stockholders' Equity	\$238.2	\$231.6	\$229.3	\$238.5	\$235.5



APPENDIX

Reconciliation of GAAP to Non-GAAP Results

(in thousands except ARPU, unaudited)

Reconciliation of GAAP revenue to non-GAAP revenue and non-GAAP subscription revenue used in ARPU	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16
GAAP revenue	\$ 138,176	\$ 137,407	\$ 134,511	\$ 132,600	\$ 135,719	\$ 136,821	\$ 138,320	\$ 144,798	\$ 187,818	\$ 190,686	\$ 187,203
Fair value adjustment to deferred revenue	6,492	6,425	5,855	5,093	4,252	3,547	3,017	8,558	6,038	2,108	1,658
Non-GAAP revenue	<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>	<u>\$ 193,856</u>	<u>\$ 192,794</u>	<u>\$ 188,861</u>
Professional services and other revenue	\$ (2,132)	\$ (2,282)	\$ (2,510)	\$ (2,139)	\$ (2,034)	\$ (1,801)	\$ (1,780)	\$ (1,606)	\$ (1,697)	\$ (1,915)	\$ (1,724)
Non-GAAP subscription revenue used in ARPU	<u>\$ 142,536</u>	<u>\$ 141,550</u>	<u>\$ 137,856</u>	<u>\$ 135,554</u>	<u>\$ 137,937</u>	<u>\$ 138,567</u>	<u>\$ 139,557</u>	<u>\$ 151,750</u>	<u>\$ 192,159</u>	<u>\$ 190,879</u>	<u>\$ 187,137</u>
Average Subscribers during period	3,191	3,232	3,266	3,286	3,305	3,323	3,342	3,350	3,433	3,445	3,452
ARPU	<u>\$ 14.89</u>	<u>\$ 14.60</u>	<u>\$ 14.07</u>	<u>\$ 13.75</u>	<u>\$ 13.91</u>	<u>\$ 13.90</u>	<u>\$ 13.92</u>	<u>\$ 15.10</u>	<u>\$ 18.66</u>	<u>\$ 18.47</u>	<u>\$ 18.07</u>

Reconciliation of GAAP to Non-GAAP Results

(in thousands except percentages, unaudited)

Reconciliation of GAAP net (loss) income to adjusted EBITDA	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16
GAAP net (loss) income	\$ (794)	\$ (3,419)	\$ (8,734)	\$ 2,339	\$ 4,550	\$ 6,094	\$ 76,977	\$ 337	\$ (1,606)	\$ 3,346	\$ 1,914
Depreciation and amortization	19,793	20,349	15,398	13,744	13,849	13,846	14,906	15,913	22,273	21,165	18,697
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	7
Asset impairment	-	-	2,040	-	-	-	-	-	-	1,979	7,111
Stock based compensation	4,939	5,085	5,040	5,047	5,137	5,067	4,813	4,808	5,392	5,008	5,506
Restructuring expense	-	-	166	313	22	-	224	136	778	1,133	1,570
Corporate development	-	459	-	597	-	-	2	3,340	529	57	706
Fair value adjustment to deferred revenue	6,492	6,425	5,855	5,093	4,252	3,547	3,017	8,558	6,038	2,108	1,658
Fair value adjustment to deferred expense	269	242	215	191	167	147	128	58	94	80	68
Interest expense, net	7,299	6,592	5,355	5,249	5,182	4,966	4,616	5,598	8,662	8,270	7,932
Income tax expense (benefit)	3,847	4,250	11,885	3,561	5,203	5,673	(62,697)	977	522	6,477	2,276
Loss from debt extinguishment	-	1,838	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$ 41,845	\$ 41,821	\$ 37,220	\$ 36,134	\$ 38,362	\$ 39,340	\$ 41,986	\$ 39,725	\$ 42,682	\$ 49,623	\$ 47,445

Reconciliation of GAAP net (loss) income margin to adjusted EBITDA margin	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16
GAAP net (loss) income margin	-%	-2%	-6%	2%	3%	4%	56%	0%	-1%	2%	1%
Depreciation and amortization	14	14	12	10	9	9	11	10	12	10	10
Loss on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Asset impairment	-	-	1	-	-	-	-	-	-	1	4
Stock based compensation	3	4	4	4	4	4	3	3	3	3	3
Restructuring expense	-	-	-	-	-	-	-	-	-	1	1
Corporate development	-	-	-	-	-	-	-	2	-	-	-
Fair value adjustment to deferred revenue	5	4	4	4	3	3	2	6	3	1	1
Fair value adjustment to deferred expense	-	-	-	-	-	-	-	-	-	-	-
Interest expense, net	5	5	4	4	4	4	3	5	5	5	4
Income tax expense (benefit)	2	3	8	2	4	4	(45)	-	-	3	1
Loss from debt extinguishment	-	1	-	-	-	-	-	-	-	-	-
Adjusted EBITDA margin	29%	29%	27%	26%	27%	28%	30%	26%	22%	26%	25%

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 December 31,	
	2016	2015
GAAP operating income	\$ 12,122	\$ 18,896
Amortization of intangibles	13,197	9,817
Loss on sale of assets	7	—
Asset impairment	7,111	—
Stock based compensation	5,506	4,813
Restructuring expense	1,570	224
Corporate development	706	2
Fair value adjustment to deferred revenue	1,658	3,017
Fair value adjustment to deferred expense	68	128
Non-GAAP operating income	<u>\$ 41,945</u>	<u>\$ 36,897</u>

Reconciliation of GAAP operating margin to non-GAAP operating margin	Three months ended December 31,	
	2016	2015
GAAP operating margin	6 %	14 %
Amortization of intangibles	7 %	7 %
Loss on sale of assets	—%	—%
Asset impairment	4 %	—%
Stock based compensation	3 %	3 %
Restructuring expense	1 %	—%
Corporate development	—%	—%
Fair value adjustment to deferred revenue	1 %	2 %
Fair value adjustment to deferred expense	—%	—%
Non-GAAP operating margin	<u>22 %</u>	<u>26 %</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 December 31,	
	2016	2015
Net cash provided by operating activities	\$ 38,093	\$ 40,161
Capital expenditures	(4,466)	(3,590)
Free cash flow	<u>\$ 33,627</u>	<u>\$ 36,571</u>
Net cash used in investing activities	<u>\$ (4,470)</u>	<u>\$ (3,590)</u>
Net cash (used in) financing activities	<u>\$ (34,967)</u>	<u>\$ (36,259)</u>

Reconciliation of GAAP to Non-GAAP Results

(in millions, unaudited)

Reconciliation of GAAP revenue to Pro-Forma non-GAAP revenue	Q4/15 Web.com	Q4/15 Yodle	Q4/15 Pro-Forma
GAAP revenue	\$ 138.3	\$ 53.9	\$ 192.2
Fair value adjustment to deferred revenue	3.0	-	3.0
Non-GAAP revenue	<u>\$ 141.3</u>	<u>\$ 53.9</u>	<u>\$ 195.2</u>

Reconciliation of GAAP revenue to Pro-Forma non-GAAP revenue	Q4/16 Web.com		Q4/16 Pro-Forma
GAAP revenue	\$ 187.2	\$ -	\$ 187.2
Fair value adjustment to deferred revenue	1.7	-	1.7
Non-GAAP revenue	<u>\$ 188.9</u>	<u>\$ -</u>	<u>\$ 188.9</u>

Reconciliation of GAAP to Non-GAAP Results

(in millions, unaudited)

Reconciliation of GAAP revenue to non-GAAP revenue and non-GAAP subscription revenue used in ARPU	Guidance As of 2/9/17	
	Q1/17	FY/17
GAAP revenue	\$179.6 to \$182.6	\$740.0 to \$755.0
Fair value adjustment to deferred revenue	~ \$1.4	~ \$5.0
Non-GAAP revenue	<u>\$181.0 to \$184.0</u>	<u>\$745.0 to \$760.0</u>

Reconciliation of net cash provided by operating activities to free cash flow	Guidance As of
	2/9/17 FY/17
Net cash provided by operating activities	\$160.0 to \$167.0
Capital expenditures	~(\$27.0)
Free cash flow	<u>\$133.0 to \$140.0</u>