



Helping Your Business Succeed Online

1Q 2013 Update

May 2, 2013



Use of Non-GAAP Financial Measures

Some of the measures in this presentation are non-GAAP financial measures within the meaning of the SEC Regulation G. Web.com believes presenting non-GAAP measures is useful to investors, because it describes the operating performance of the company, excluding some recurring charges that are included in the most directly comparable measures calculated and presented in accordance with GAAP. Web.com's 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 elsewhere in this presentation and the additional disclosures in the Company's press release dated May 2, 2013 containing Web.com Group, Inc.'s results of operations for the fiscal quarter ended March 31, 2013 and available at <http://ir.web.com>.

1Q 2013 Highlights

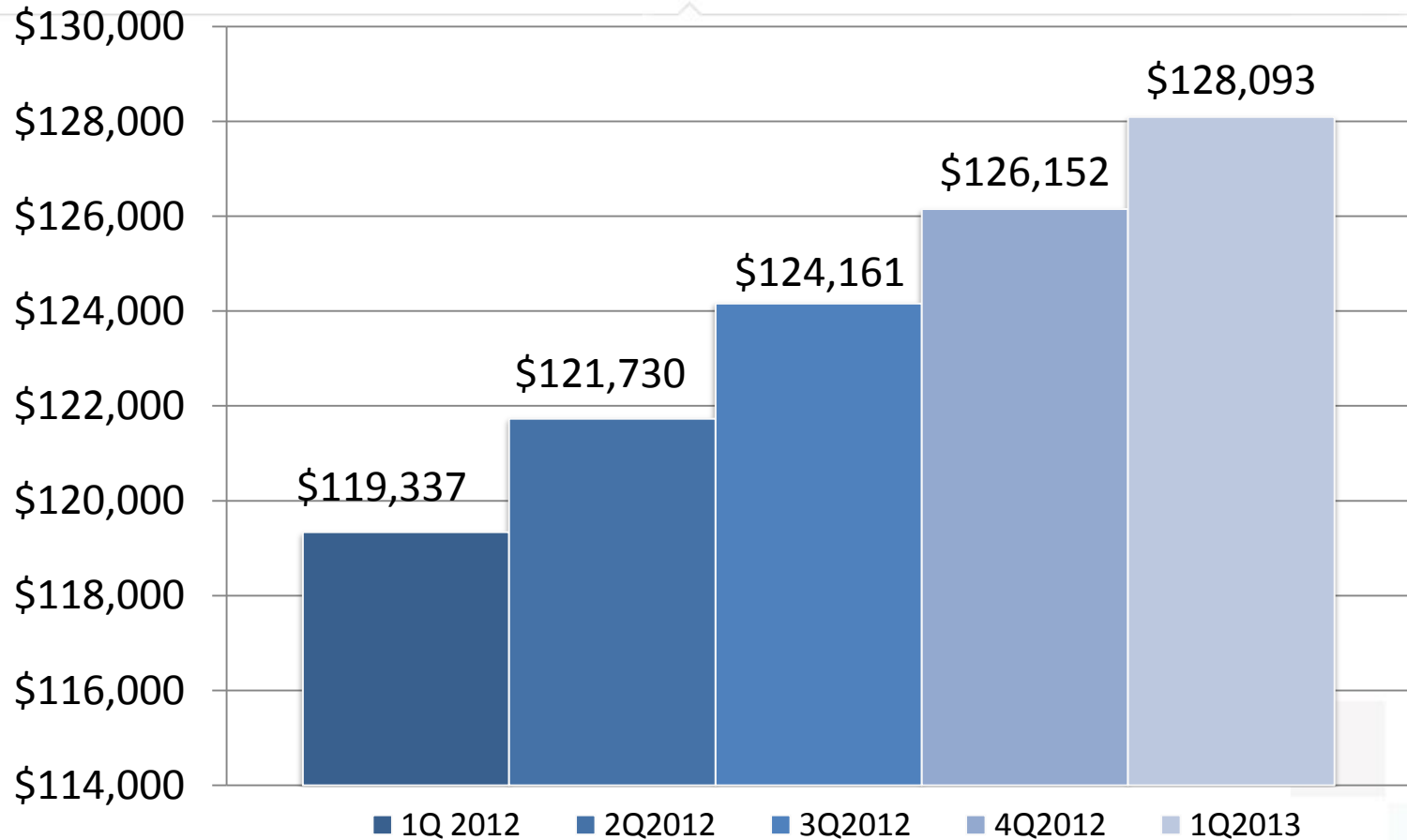
- Non-GAAP Revenue = \$128.1MM (+7.3% Y-O-Y)
 - Above company guidance of \$126.5 - \$128MM
- Non-GAAP Net Income = \$24.5MM or \$0.48 per diluted share
 - Above company guidance of \$22.6 - \$23.4MM or \$0.44 - \$0.46 per diluted share
- Adjusted EBITDA = \$36.9MM
 - Adjusted EBITDA margin = 29%
- Pro Forma Cash from Operations = \$18.2MM
- Unlevered Pro Forma Free Cash Flow = \$23.1 million

1Q 2013 Highlights

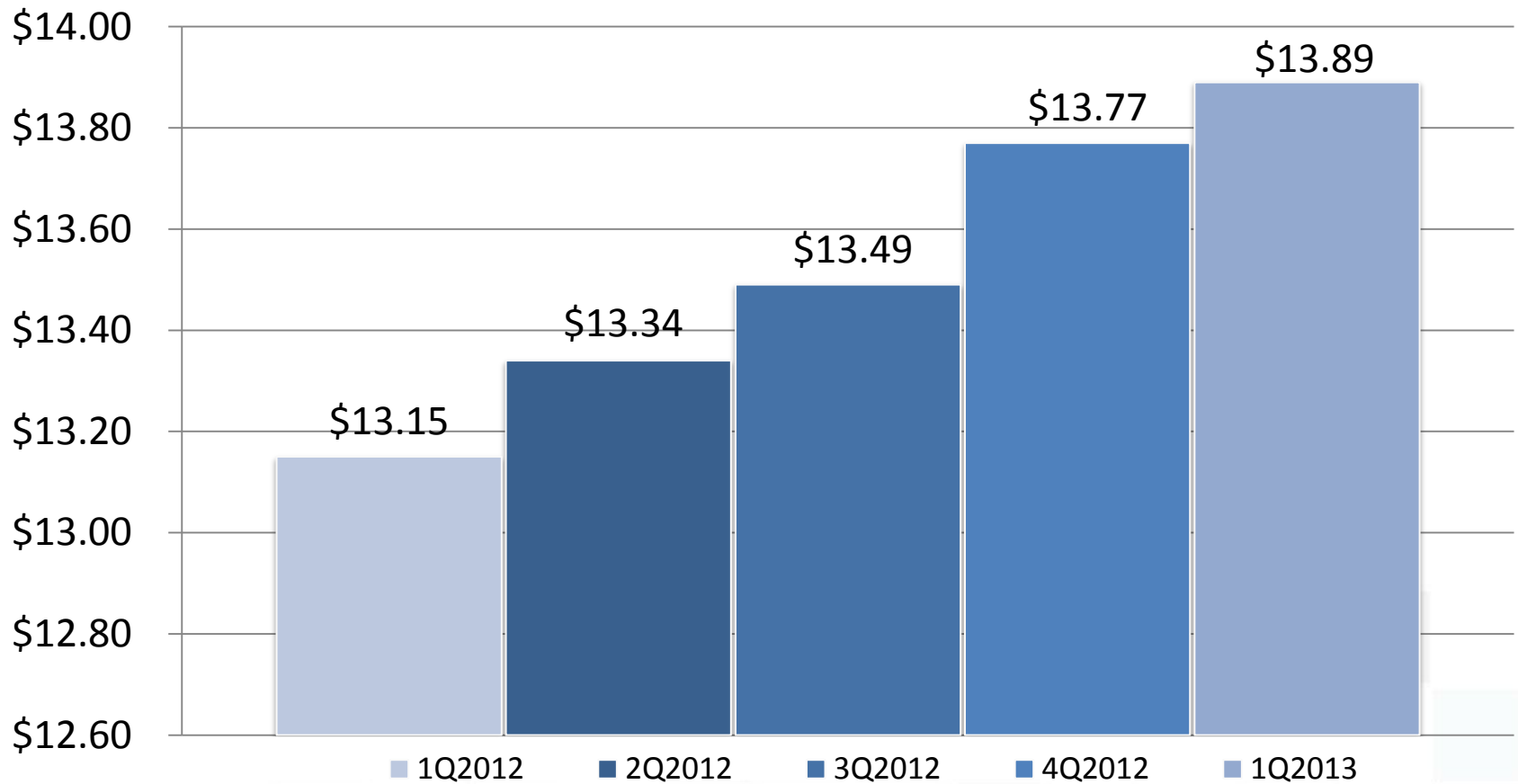
- Total subscribers: 3,030,000
- Net new subscribers = ~21,000
- Average Revenue per User (ARPU) = \$13.89, up \$0.12 from 4Q 2012 ARPU of \$13.77
- Customer retention = 99% per month, continued at record high levels

2012-13 Non-GAAP Revenue Growth

In thousands

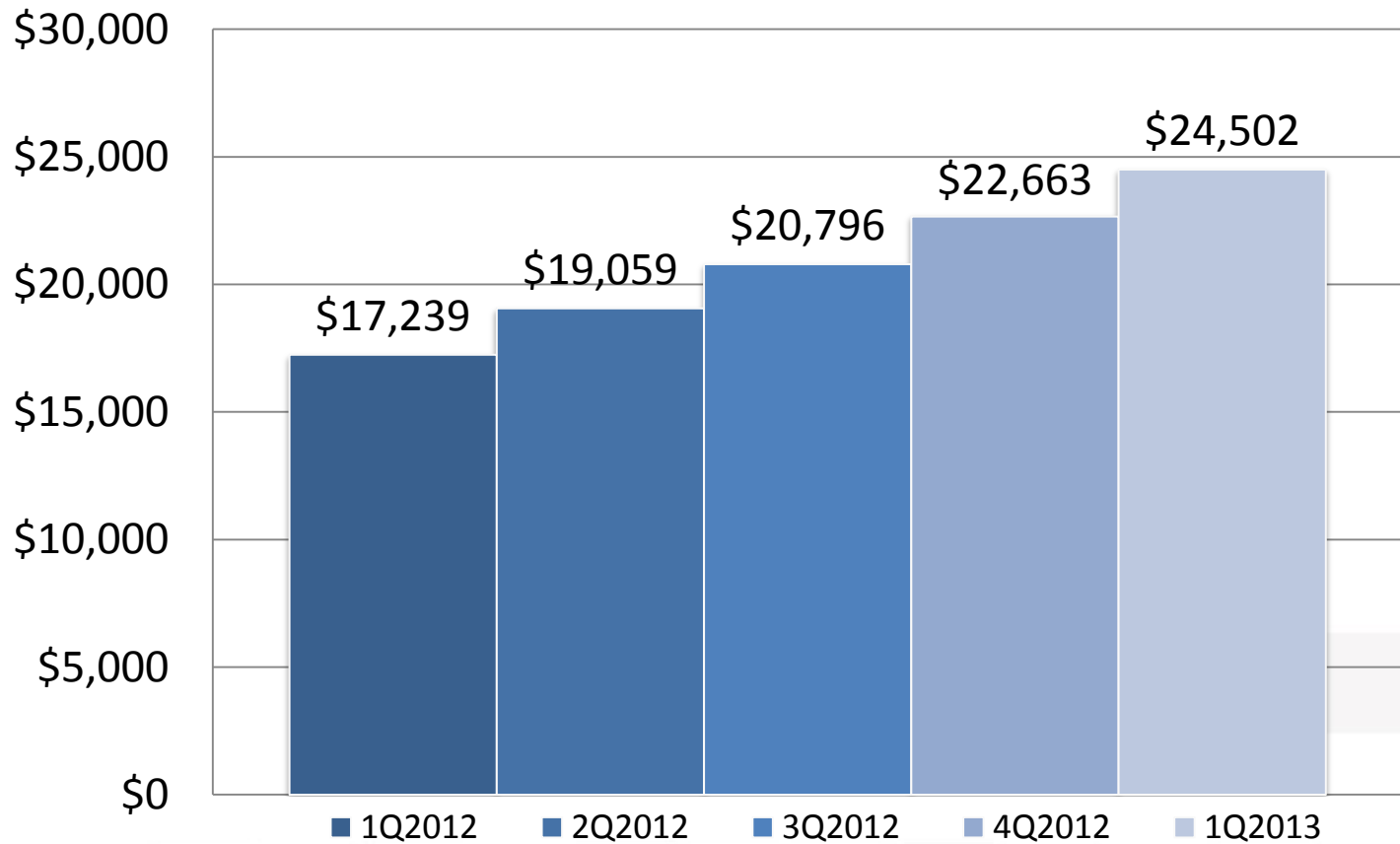


2012-13 ARPU Growth

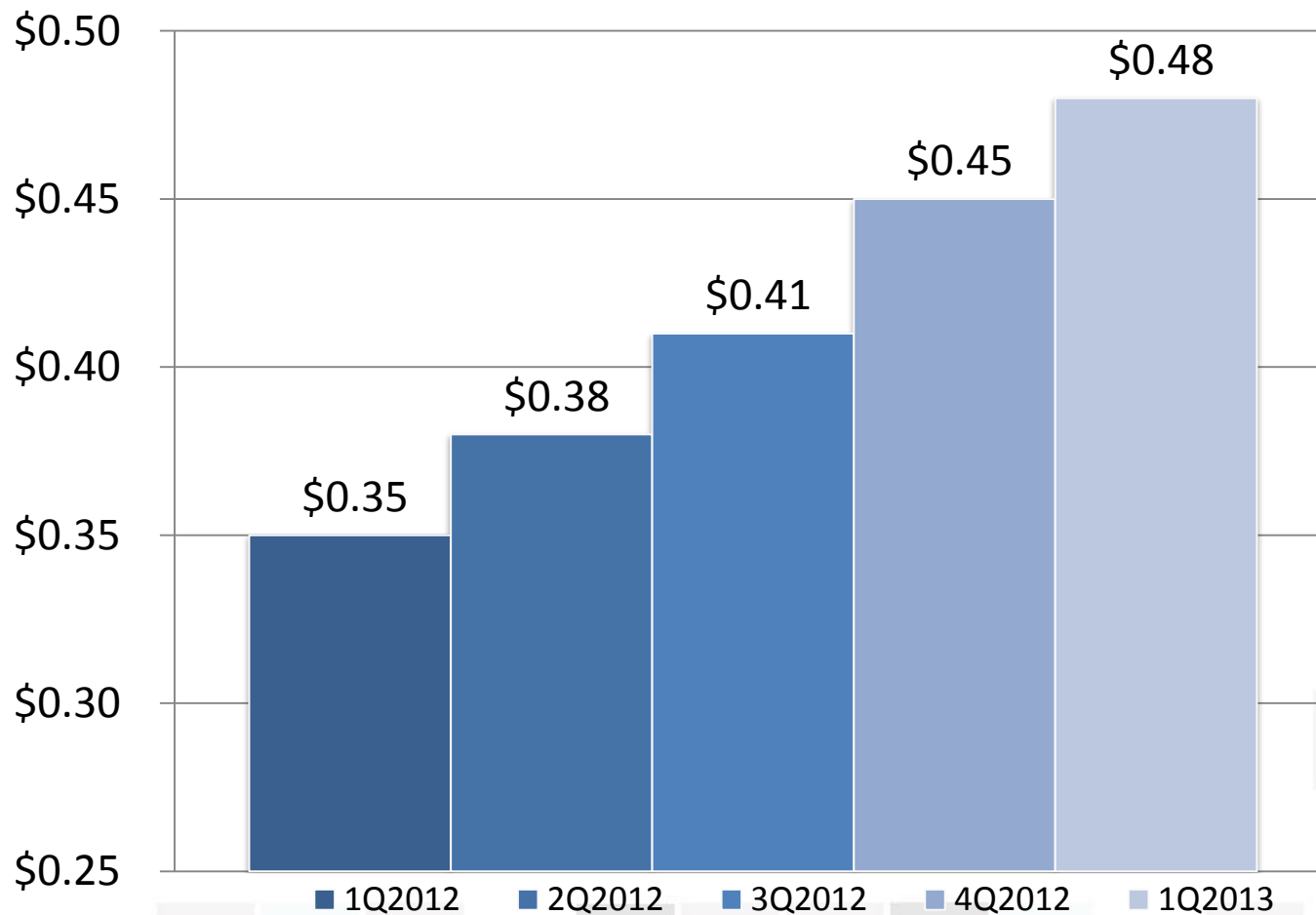


2012-13 Non-GAAP Net Income

In thousands

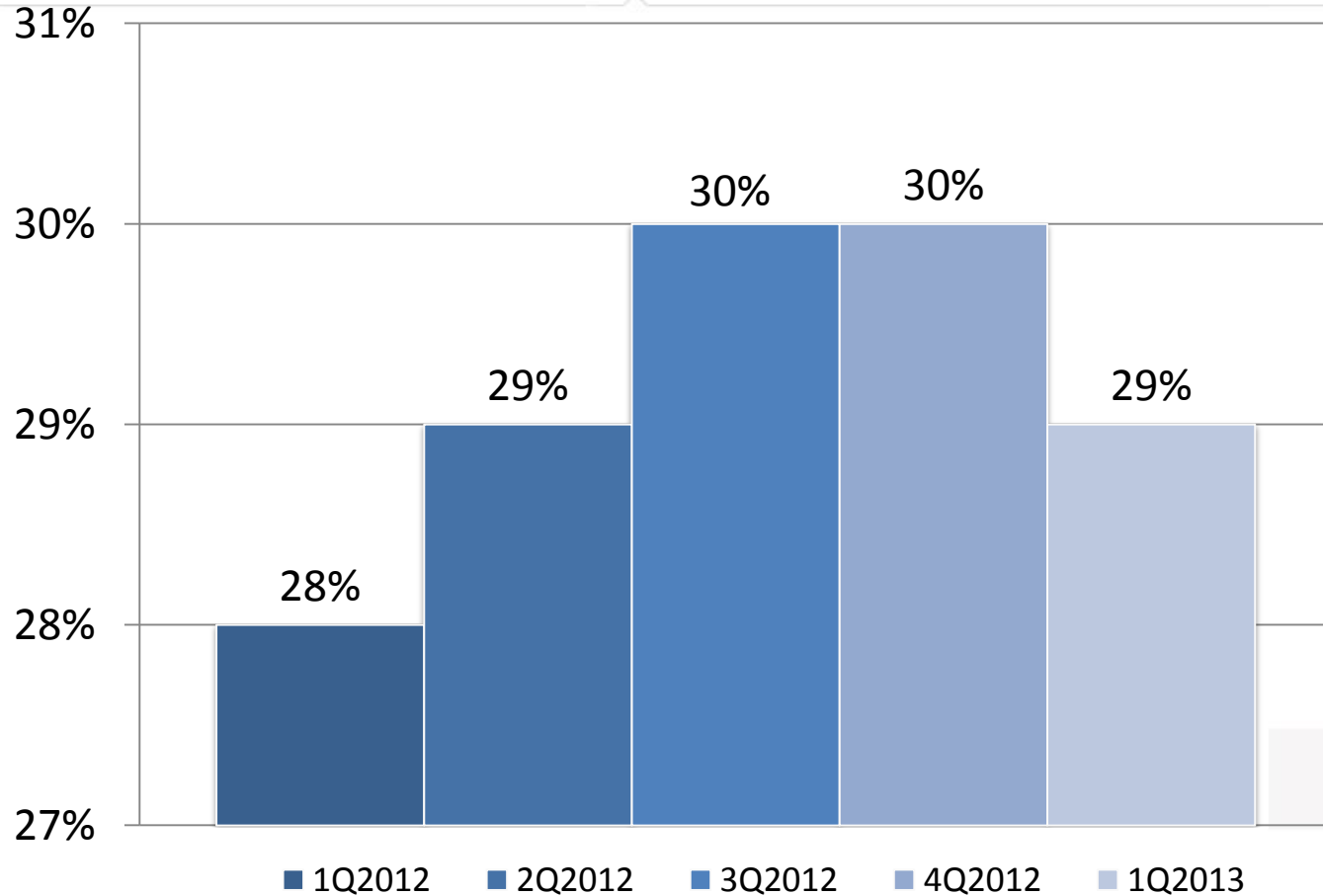


2012-13 Non-GAAP Net Income Per Diluted Share

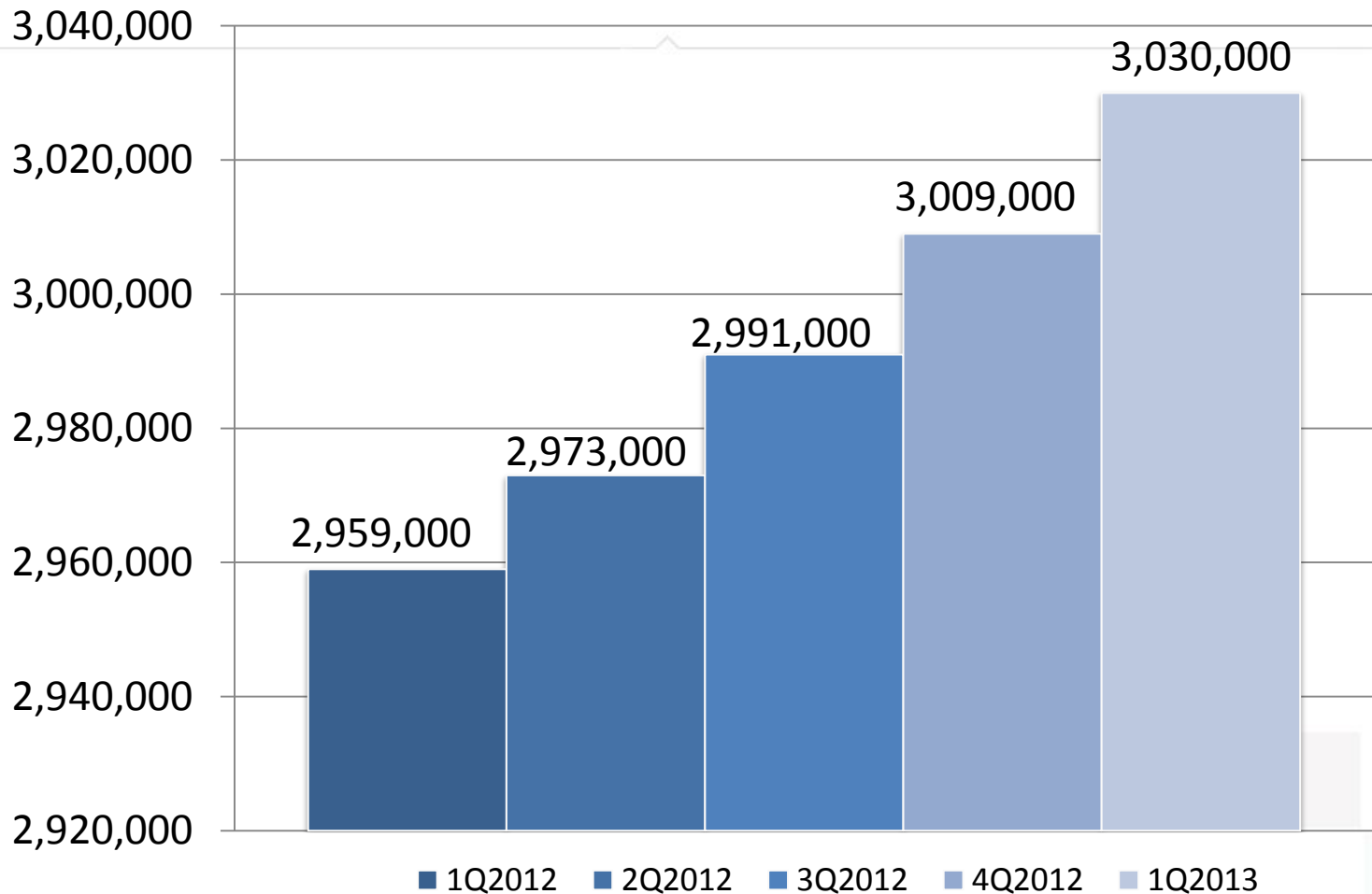


2012-13 Adjusted EBITDA Margin

In thousands



2012-13 Subscriber Growth



Reconciliation of GAAP to Non-GAAP Results

Web.com Group, Inc.
Reconciliation of GAAP to Non-GAAP Results
(in thousands, except for per share data)
(unaudited)

	Three months ended March 31,	
	<u>2013</u>	<u>2012</u>
Reconciliation of GAAP revenue to non-GAAP revenue		
GAAP revenue	\$ 115,546	\$ 91,514
Fair value adjustment to deferred revenue	<u>12,547</u>	<u>27,823</u>
Non-GAAP revenue	<u>\$ 128,093</u>	<u>\$ 119,337</u>

	Three months ended March 31,	
	<u>2013</u>	<u>2012</u>
Reconciliation of GAAP gross profit to non-GAAP gross profit		
GAAP gross profit	\$ 72,906	\$ 52,906
Fair value adjustment to deferred revenue	12,547	27,823
Fair value adjustment to deferred expense	454	676
Stock based compensation	<u>528</u>	<u>305</u>
Non-GAAP gross profit	<u>\$ 86,435</u>	<u>\$ 81,710</u>

Reconciliation of GAAP to Non-GAAP Results

	Three months ended March 31,	
	<u>2013</u>	<u>2012</u>
Reconciliation of GAAP net loss to non-GAAP net income		
GAAP net loss	\$ (46,503)	\$ (29,779)
Amortization of intangibles	17,286	17,692
(Gain) loss on sale of assets	(6)	402
Stock based compensation	6,365	2,680
Income tax expense (benefit)	14,536	(6,539)
Restructuring charges	—	912
Corporate development	—	334
Amortization of deferred financing fees	583	3,323
Cash income tax expense	(286)	(285)
Fair value adjustment to deferred revenue	12,547	27,823
Fair value adjustment to deferred expense	454	676
Loss on debt extinguishment	19,526	—
Non-GAAP net income	<u>\$ 24,502</u>	<u>\$ 17,239</u>

Reconciliation of GAAP to Non-GAAP Results

	Three months ended March 31,	
	2013	2012
Reconciliation of GAAP diluted net loss per share to non-GAAP diluted net income per share		
Diluted shares:		
Basic weighted average common shares	48,085	46,140
Diluted stock options	2,134	2,279
Diluted restricted stock	681	1,096
Total diluted weighted average common shares	<u>50,900</u>	<u>49,515</u>
Diluted GAAP net loss per share	\$ (0.97)	\$ (0.65)
Diluted equity	0.06	0.04
Amortization of intangibles	0.33	0.37
(Gain) loss on sale of assets	—	0.01
Stock based compensation	0.13	0.05
Income tax expense (benefit)	0.29	(0.13)
Restructuring charges	—	0.02
Corporate development	—	0.01
Amortization of deferred financing fees	0.01	0.07
Cash income tax expense	(0.01)	(0.01)
Fair value adjustment to deferred revenue	0.25	0.56
Fair value adjustment to deferred expense	0.01	0.01
Loss on debt extinguishment	0.38	—
Diluted Non-GAAP net income per share	<u>\$ 0.48</u>	<u>\$ 0.35</u>



Reconciliation of GAAP to Non-GAAP Results

	Three months ended March 31,	
	2013	2012
Reconciliation of GAAP operating loss to adjusted EBITDA		
GAAP operating loss	\$ (2,490)	\$ (18,542)
Depreciation and amortization	20,040	19,679
(Gain) loss on sale of assets	(6)	402
Stock based compensation	6,365	2,680
Restructuring charges	—	912
Corporate development	—	334
Fair value adjustment to deferred revenue	12,547	27,823
Fair value adjustment to deferred expense	454	676
Adjusted EBITDA	<u>\$ 36,910</u>	<u>\$ 33,964</u>

Reconciliation of GAAP to Non-GAAP Results

	Three months ended March 31,	
	<u>2013</u>	<u>2012</u>
Reconciliation of GAAP operating margin to adjusted EBITDA margin		
GAAP operating margin	(2)%	(20)%
Depreciation and amortization	16	16
(Gain) loss on sale of assets	—	—
Stock based compensation	5	2
Restructuring charges	—	1
Corporate development	—	—
Fair value adjustment to deferred revenue	10	28
Fair value adjustment to deferred expense	—	1
Adjusted EBITDA margin	<u>29%</u>	<u>28%</u>

Reconciliation of GAAP to Non-GAAP Results

	Three months ended March 31,	
	<u>2013</u>	<u>2012</u>
Revenue		
Subscription	\$ 113,280	\$ 88,850
Professional services and other	<u>2,266</u>	<u>2,664</u>
Total	<u>\$ 115,546</u>	<u>\$ 91,514</u>
Stock based compensation		
Cost of revenue	\$ 528	\$ 305
Sales and marketing	1,498	616
Research and development	833	481
General and administration	<u>3,506</u>	<u>1,278</u>
Total	<u>\$ 6,365</u>	<u>\$ 2,680</u>

Reconciliation of GAAP to Non-GAAP Results

Reconciliation of Operating Cash Flow to Unlevered Free Cash Flow	Three months ended March 31,	
	2013	2012
Operating cash flow	\$ 11,033	\$ 14,823
Less: Capital expenditures	(4,496)	(2,679)
Plus: Interest/prepayment penalties	16,607	14,453
Unlevered free cash flow	<u>\$ 23,144</u>	<u>\$ 26,597</u>