The following prepared remarks are an excerpt from the 2018 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. These prepared remarks should be read in conjunction with Endurance's 2018 Fourth Quarter and Full Year Earnings Presentation slides, which are available at the same location.

These prepared remarks contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements concerning: our financial guidance for fiscal year 2019; the fact that our plan calls for the company to return to growth in the second half of 2019; our belief that we are positioned to return to growth in 2019; our belief that there is continued opportunity to capture additional market share; our investment and operational plans for 2019 and beyond, including our ability to execute these plans and expectations that these plans will increase customer value, simplify our business, and deliver future value and growth; our plans to increase our investments in our international business; our plans to build out product capabilities, integrate our assets, or enhance our service offerings; our expectations that our investments in engineering and marketing will deliver improvements to our products and the customer experience, including driving geographic, channel and solutions expansion; our ability to expand the brand positioning and brand awareness of our strategic brands through incremental marketing investments in these brands; our ability to operate our business at scale or to simplify our operations; our ability to improve the customer experience including expanding our product offerings, leveraging our capabilities across brands, and integrating third-party functionality; our ability to expand our customer acquisition funnel; our ability to generate cash flow and our plans to pay down debt; our ability to attract higher lifetime revenue customers; and our expected financial and operational performance in general. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions and other statements contained in these prepared remarks that are not historical facts, and statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "feels," "seeks," "future," "strives," "sees," "estimates," "should," "may," "will," "continues," "confident," "positions," "invests," "commits," and variations of such words or words of similar meaning and the use of future dates. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that these plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, the possibility that our financial guidance may differ from expectations; the possibility that we may not be able to execute our investment or operational plans or that these plans will not result in the anticipated benefits to our business; the possibility that we will continue to experience decreases in our subscriber base; an adverse impact on our business from litigation or regulatory proceedings; an adverse impact on our business from our substantial indebtedness and the cost of servicing our debt; the rate of growth of the Small and Medium Business ("SMB") market for our solutions; our inability to grow our subscriber base, increase sales to our existing subscribers, or retain our existing subscribers; system or Internet failures; our inability to maintain or improve our competitive position or market share; and other risks and uncertainties discussed in our filings with the SEC, including the ""Risk Factors" in our Quarterly Report on Form 10-Q for the three months ended September 30, 2018 filed with the SEC on November 2, 2018 and other reports we file with the SEC. You can obtain copies of our filings with the SEC for free at the SEC's website (www.sec.gov). We do not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

These prepared remarks include 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 these prepared remarks or to be part of these prepared remarks.

Non-GAAP Financial Measures: these prepared remarks contain non-GAAP financial measures as defined by the SEC in Regulation G, including adjusted EBITDA, free cash flow, net debt, and bank adjusted EBITDA. Definitions of these non-GAAP financial measures and reconciliations to their comparable GAAP measures are included in our 2018 fourth quarter and full year earnings release and presentation, each dated February 7, 2019, and available in the investor relations section of our website at www.endurance.com.

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Angela White, VP, Investor Relations

Good morning. It is my pleasure to welcome you to our fourth quarter and full year 2018 earnings call. First, we will go through some prepared remarks after which we will turn to Q&A. We have prepared a presentation to accompany our comments, which is available in the investor relations section of our website at ir.endurance.com. While not necessary to follow along, we recommend referencing the presentation slides alongside our prepared remarks. As is customary, let me now read 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 November 2, 2018 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 reference several non-GAAP financial measures, including adjusted EBITDA, free cash flow (FCF), net debt, and bank adjusted EBITDA. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is available in the presentation located in the investor relations section of our website.

With that, I will turn the call over to Jeff Fox, our president and CEO.

Jeffrey H. Fox – President and CEO

Slide 5 Thanks Angela and good morning. Before Marc and I dive into details, I'd like to put our 2018 progress into strategic context. We are a scale multi-brand platform in the large and growing SMB solutions marketplace. We have a set of valuable market-leading assets that generate significant cash flow on a base of approximately 4.8 million customers. In 2018, we focused on integrating assets we had acquired over multiple years and increased investment in our strategic brands to position the company for a return to growth.

As a team, we made a lot of progress, and I am pleased with our financial and operational performance. Specifically, the team executed with an owner-operator mindset, and with focus on driving long-term value on our strategic assets. The team effectively managed expenses and made progress simplifying operations while delivering adjusted EBITDA above the top end of expectations we set out a year ago.

Slide 6 Turning now to results. Full year 2018 revenue was $1.145 billion and adjusted EBITDA was $338.1 million. We ended the year with approximately 4.802 million subscribers on our platform as we turned our focus to a narrowed set of strategic assets. In 2018 we reduced our debt by over $100 million, reflecting our commitment to delevering our balance sheet.

In the fourth quarter 2018 revenue was $282.4 million and adjusted EBITDA was $79.3 million. Our year over year revenue and adjusted EBITDA declines reflect our 2018 investment plan and the continued impact to revenue primarily from our declining non-strategic assets.

Slide 7 Turning to slide 7, our plan in 2019 remains focused on delivering increased value to our customers, whether starting with an idea for a business, or seeking to actively grow their business. We will build off of our 2018 investment in product and engineering as we continue to expand solutions and improve user experience across Constant Contact, Bluehost, HostGator, and Domain.com.

In 2019 we will increase our investment in analytics and test progressively into brand and channel expansion. We expect to fund this primarily through reallocation of spend from historic channels. We believe that our increasing focus on our strategic brands will drive the effectiveness of our sales and marketing spend in 2019.

Our 2019 plan includes increased investment in international operations to complement growth initiatives on our strategic brands.

- In our Latin America region, our team did an excellent job in Brazil and expanded into Chile and Colombia in 2018. In 2019, we plan to increase marketing and solution spend to drive additional growth in the region.
- In our Asia-Pacific region, we added key leadership in 2018 and made progress integrating teams while improving profitability. In 2019, we will invest in our solutions and selected brands to position the region to grow.
- We will also use our technology team in Holland as an innovation hub as we continue to expand solutions for customers across our strategic brands.

Slide 8 Turning now to our email marketing segment. In 2018 we grew revenue year over year due in part to increases in customer contact lists, driving higher per-customer revenue and price increases. We invested in rebuilding our engineering and development capabilities and the team did a great job improving our solution set by adding incremental functionality and third party integrations such as e-commerce and social media marketing.

In 2019 we will refresh our brand and will expand into new channels and new markets. We will move the Constant Contact brand beyond email and build on its position as a small business solution provider.

Slide 9 Turning now to our web presence segment. We were pleased by the progress we made in our Bluehost and HostGator brands in 2018. Revenue for the year was impacted primarily by the decline in net units on our non-strategic assets. At Bluehost, the team worked hard to deliver a simplified experience for users of the world class WordPress platform and to add value-added solutions.

In 2019, we will invest in the Bluehost brand to leverage our position as a leading WordPress hosting partner. We will continue to expand our solution set by adding additional capabilities such as e-commerce, digital advertising, and Microsoft Office 365. At HostGator, we will focus on strengthening capabilities, simplifying the business systems, and increasing investment in Latin America.

Slide 10 In 2018, our domain team did an excellent job improving the user experience by introducing a new front of site on our Domain.com brand. Late in the year, we launched Microsoft Office 365 and are pleased with the early results.

In 2019 we will add additional capabilities to our Domain.com platform allowing SMBs to get online through the domain-first experience and add products such as hosting, site builder, and security services.

Slide 11 This year we will continue to add capabilities across our strategic assets to increase the value we deliver to our customers. The team will continue to execute with an owner-operator mindset as we increase our capabilities in product and marketing.

Our 2019 plan calls for growth in the second half, a result of the work completed in 2018, and our investments in 2019. At the same time, we are committed to continuing to reducing our debt with our excess free cash flow in 2019. We are looking forward to the new year. With that, I will turn the call over to Marc Montagner, our CFO.

Marc Montagner, Chief Financial Officer

Slide 12 Thank you Jeff.

Slide 13 I am pleased to review our fiscal year 2018 and fourth quarter results. Starting with the full year:

- GAAP revenue was $1.145 billion
- Adjusted EBITDA was $338.1 million
- Free cash flow, defined as cash flow from operations, less capital expenditures and financed equipment, was $129.2 million after the payout of an $8 million fine to the SEC.

GAAP cash flow from operations in 2018 was $182.6 million. Capex was $53.3 million. Revenue was in line with our expectations for the year and we exceeded our adjusted EBITDA expectations through disciplined cost control and the delay of some investments into 2019. Free cash flow was higher than expected due to the higher adjusted EBITDA and slightly lower than expected capex.

Our year over year decline in adjusted EBITDA was due mostly to the impact of lower revenue and our planned increases in E&D expense. This was offset by the benefit from lower data center costs, lower customer support costs, and lower G&A.

Slide 14

For the fourth quarter of 2018:

- GAAP revenue was $282.4 million

- Adjusted EBITDA was $79.3 million
- and free cash flow was $23.6 million.

GAAP cash flow from operations in the fourth quarter was $49.0 million. Capex was $25.4 million. Declines in adjusted EBITDA year over year in Q4 were due mostly to a decrease in quarterly revenue year over year and an increase in E&D investment.

Slide 15 We finished the fourth quarter and the year with 4.802 million subscribers. Total subscribers decreased by approximately 50,000 from the third quarter. In fiscal 2018, total subscribers decreased by 249,000. As we have consistently communicated, our decision to de-prioritize non-strategic brands, and to focus our marketing spend on higher value customers, has been the primary driver of the declines in subscribers throughout the year.

In the fourth quarter, combined average revenue per subscriber (ARPS) was $19.50. ARPS in the web presence segment was $13.45. In email marketing, ARPS was $69.22, and in domains, ARPS was $15.63.

For the fiscal year, ARPS was $19.37 versus $18.82 last fiscal year. ARPS in the web presence segment for the year was $13.47. In email marketing, ARPS was $67.28, and in domains, ARPS was $16.05.

Slide 16 As of the date of this call, our guidance for 2019 is the following:

- GAAP revenue of $1.140 to $1.160 billion;
- Adjusted EBITDA of $310 to $330 million; and
- Free cash flow of $115 to $125 million.

Free cash flow guidance for 2019 includes a $7 million impact for the expected payment of the previously disclosed settlement of our two shareholder class action lawsuits. We expect capital expenditures of approximately $55 million in 2019. We intend to use our excess free cash flow to pay down approximately $100 million of debt in 2019.

Slide 17 We ended the year with $1.855 billion in total senior debt. Including other deferred purchase obligations and capital leases of $12 million, and total cash on the balance sheet of $91 million, total net debt at the end of the period was $1.776 billion.

During the fourth quarter we paid down approximately $25 million of our term loan debt. In the full year 2018, we paid down over $100 million in our term loan debt and reduced our deferred consideration by $4.5 million. Interest payments over the year totaled approximately $134 million. Our revolving credit facility remains at a zero balance and we maintain an available credit balance of $165 million.

Our LTM bank adjusted EBITDA for the period ending December 31, 2018 was $340.2 million. Our senior debt leverage ratio was 4.19x and remains well below our maximum senior secured leverage ratio of 6.0x.

Thank you for joining us today, and now I'll turn the call back over to Jeff to close out the call.

Jeffrey H. Fox – President and CEO

Slide 18 Thanks Marc. We have turned our focus to our 2019 integrated operating plan. We will continue to drive investment in our strategic brands and focus on the value we deliver to our customers. Thank you for joining us this morning. Now I'll turn the call back to the operator to begin Q&A.