

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K/A

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 13, 2019

Endurance International Group Holdings, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36131
(Commission
File Number)

46-3044956
(IRS Employer
Identification No.)

10 Corporate Drive, Suite 300
Burlington, MA
(Address of Principal Executive Offices)

01803
(Zip Code)

Registrant's telephone number, including area code: (781) 852-3200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	EIGI	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Introductory Note

On September 16, 2019, Endurance International Group Holdings, Inc. (the “Company”) filed a Current Report on Form8-K (the “Initial Form 8-K”) reporting that on September 13, 2019, the Company completed its acquisition of substantially all of the assets of Ecomdash, a software solutions provider that enables inventory management, distribution, and multichannel marketplace listings for ecommerce retailers, from LTD Software LLC. This Form 8-K/A amends the Initial Form 8-K to include the unaudited pro forma condensed combined financial information required by Item 9.01(b) of Form8-K that was excluded from the Initial Form 8-K in reliance on the instructions to such items.

Item 9.01. Financial Statements and Exhibits

The financial information included as an Exhibit to this Item 9.01 of Form8-K is provided due to Ecomdash meeting the “income test” set forth in Regulation S-X under the Securities Act of 1933, as amended, which is one of the prescribed tests for determining whether the financial statements of an acquired business are required to be filed.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined financial statements of the Company and Ecomdash as of June 30, 2019, for the year ended December 31, 2018, and for the six months ended June 30, 2019, and accompanying notes, are included as Exhibit 99.1 to this Current Report on Form 8-K.

(d) Exhibits

The following exhibits are included as part of this report:

Exhibit No.	Description of Exhibit
99.1	<u>Unaudited pro forma condensed combined financial statements of the Company and Ecomdash as of June 30, 2019, for the year ended December 31, 2018, and for the six months ended June 30, 2019</u>
104	The cover page from this Current Report on Form8-K, formatted in Inline XBRL

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENDURANCE INTERNATIONAL GROUP HOLDINGS, INC.

Date: October 30, 2019

/s/ Marc Montagner

(Signature)

Name: Marc Montagner

Title: Chief Financial Officer

Unaudited Pro Forma Condensed Combined Financial Information

The following unaudited pro forma condensed combined financial information is based upon the historical consolidated financial information of Endurance International Group Holdings, Inc. (hereinafter referred to as “Endurance,” “we,” “our,” “us,” and similar terms unless the context indicates otherwise) and LTD Software LLC (the “Seller”), and has been prepared to give effect to Endurance’s acquisition from the Seller of substantially all of the assets of Ecomdash (the “Acquisition”).

The unaudited pro forma condensed combined balance sheet data as of June 30, 2019 give effect to the Acquisition as if it had occurred as of June 30, 2019. The unaudited pro forma condensed combined statements of operations data for the year ended December 31, 2018 and the six months ended June 30, 2019 give effect to the Acquisition as if it had occurred as of January 1, 2018. The historical consolidated financial information has been adjusted to give effect to estimated pro forma events that are (1) directly attributable to the Acquisition, (2) factually supportable and (3) with respect to statement of operations information, expected to have a continuing impact on the combined results of operations.

The pro forma condensed combined financial information is unaudited and is presented for illustrative purposes only. This financial information (including the pro forma adjustments) is preliminary and based upon available information and various adjustments and assumptions set forth in the accompanying notes, and is not necessarily an indication of the consolidated financial position or results of operations of Endurance that would have been achieved had the Acquisition been completed as of the dates indicated or that may be achieved in the future.

The unaudited pro forma condensed combined financial information has been compiled in a manner consistent with the accounting policies adopted by Endurance. These accounting policies are similar in most material respects to those of Ecomdash before the consummation of the Acquisition, except for the accounting for amortization of intangible assets. The unaudited pro forma condensed combined financial information reflects the amortization of intangible assets as a cost of revenue, which is consistent with our historical accounting policy for this item. The unaudited pro forma condensed combined statements of operations do not reflect any integration activities or cost savings from operating efficiencies, synergies, asset dispositions or other restructurings that may or may not result from the Acquisition.

The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes and assumptions, as well as the audited consolidated financial statements and accompanying notes of Endurance for the year ended December 31, 2018 from our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on February 21, 2019; the audited financial statements and accompanying notes of LTD Software LLC for the year ended December 31, 2018 from our Current Report on Form 8-K filed with the SEC on September 16, 2019; and the unaudited consolidated financial statements and accompanying notes of Endurance for the six months ended June 30, 2019 from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the SEC on August 5, 2019.

Endurance International Group Holdings, Inc. and LTD Software LLC
Unaudited Pro Forma Condensed Combined Balance Sheet
June 30, 2019
(in thousands)

	Historical		Pro Forma Adjustments	Pro Forma Combined
	Endurance	Ecomdash		
Assets				
Current assets:				
Cash and cash equivalents	\$ 90,818	\$ 21	\$ (8,931)(b)(c)	\$ 81,908
Restricted cash	1,832	—	—	1,832
Accounts receivable	12,989	20	—	13,009
Prepaid domain name registry fees	57,326	—	—	57,326
Prepaid commissions	41,704	—	—	41,704
Prepaid and refundable taxes	6,517	—	—	6,517
Prepaid expenses and other current assets	26,411	—	—	26,411
Total current assets	237,597	41	(8,931)	228,707
Property and equipment—net	88,700	4	—	88,704
Operating lease right-of-use assets	104,210	—	—	104,210
Goodwill	1,848,949	—	6,925(a)	1,855,874
Other intangible assets—net	292,191	—	2,835(a)	295,026
Deferred financing costs—net	2,221	—	—	2,221
Investments	15,000	—	—	15,000
Prepaid domain name registry fees, net of current portion	11,281	—	—	11,281
Prepaid commissions, net of current portion	45,160	—	—	45,160
Other assets	2,778	—	—	2,778
Total assets	<u>\$2,648,087</u>	<u>\$ 45</u>	<u>\$ 829</u>	<u>\$2,648,961</u>
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable	\$ 14,933	\$ 123	\$ (42)(a)	\$ 15,014
Accrued expenses	64,774	241	(241)(a)	64,774
Accrued taxes	2,418	—	—	2,418
Accrued interest	24,483	—	—	24,483
Deferred revenue	376,046	112	(34)(a)	376,124
Operating lease liabilities—short term	22,483	—	—	22,483
Current portion of notes payable	31,606	650	(650)(a)	31,606
Current portion of financed equipment	4,583	—	—	4,583
Deferred consideration—short term	1,408	—	750(b)	2,158
Other current liabilities	2,319	—	55(d)	2,374
Total current liabilities	545,053	1,126	(162)	546,017
Long-term deferred revenue	99,249	—	—	99,249
Operating lease liabilities—long term	90,989	—	—	90,989
Notes payable—long term	1,725,326	1,025	(1,025)(a)	1,725,326
Deferred tax liability	18,785	—	—	18,785
Other liabilities	6,460	—	—	6,460
Total liabilities	<u>2,485,862</u>	<u>2,151</u>	<u>(1,187)</u>	<u>2,486,826</u>
Stockholders' equity	<u>162,225</u>	<u>(2,106)</u>	<u>2,016(e)</u>	<u>162,135</u>
Total liabilities and stockholders' equity	<u>\$2,648,087</u>	<u>\$ 45</u>	<u>\$ 829</u>	<u>\$2,648,961</u>

See accompanying notes to the unaudited pro forma condensed combined financial information.

The unaudited balance sheet as of June 30, 2019 reflects the following pro forma adjustments:

(a) The following table reflects Endurance's preliminary purchase price allocation on a pro forma basis, as if the Acquisition had taken place on June 30, 2019:

	Preliminary purchase price allocation (in thousands)
Current assets acquired	\$ 20
Property, plant and equipment	4
Subscriber relationships	390
Developed technology	2,445
Goodwill	6,925
Current liabilities assumed	(81)
Deferred revenue	(78)
Total consideration, net of cash acquired	<u>9,625</u>
Cash acquired	<u>—</u>
Total purchase consideration	<u>\$ 9,625</u>

Goodwill related to the acquisition is deductible for tax purposes.

(b) The following table reflects Endurance's pro forma adjustments to account for the purchase consideration. The aggregate purchase price was \$9.6 million, of which approximately \$8.9 million was paid in cash at the closing. Endurance retained the remainder of the purchase price as a holdback to fund any working capital adjustment, if applicable, and to serve as security for the indemnification obligations of the Seller under the asset purchase agreement. Subject to any working capital adjustment and indemnification claims, Endurance will release the holdback funds to the Seller 12 months from the closing date.

	Sources of purchase consideration (in thousands)
Use of Endurance cash	\$ 8,875
Deferred consideration—short term	750
Total purchase consideration	<u>\$ 9,625</u>

(c) The following table reflects Endurance's pro forma adjustments to our cash and cash equivalents balance in order to account for the amounts paid with respect to the Acquisition.

	Amounts paid (in thousands)
Acquisition of Ecomdash—amounts paid at closing	\$ 8,875
Acquisition costs paid at closing	35
Elimination of Ecomdash cash not acquired	<u>21</u>
Total cash paid	<u>\$ 8,931</u>

(d) The following table reflects Endurance's pro forma adjustments to our current liabilities for amounts accrued relating to \$0.8 million of deferred consideration that was retained as a holdback and \$0.1 million for various acquisition costs, including valuation and audit fees, not paid in cash at the time of closing.

	<u>Liabilities</u> <u>(in thousands)</u>
Endurance purchase consideration—short term (within deferred consideration—short term)	\$ 750
Acquisition costs—accrued (within other current liabilities)	55
Total pro forma adjustment to current liabilities	<u>\$ 805</u>

(e) The following table reflects Endurance's pro forma adjustments to eliminate the shareholders' equity of Ecomdash and to account for all acquisition costs, which consist of valuation and audit fees.

	<u>Adjustments to</u> <u>stockholders'</u> <u>equity</u> <u>(in thousands)</u>
Eliminate equity of Ecomdash	\$ 2,106
Transaction costs	(90)
Total pro forma adjustment to equity	<u>\$ 2,016</u>

Endurance International Group Holdings, Inc. and LTD Software LLC
Unaudited Pro Forma Condensed Combined Statement of Operations
Twelve Months Ended December 31, 2018
(in thousands)

	<u>Historical</u>		<u>Pro Forma Adjustments</u>	<u>Pro Forma Combined</u>
	<u>Endurance</u>	<u>Ecomdash</u>		
Revenue	\$1,145,291	\$ 1,596	\$ —	\$1,146,887
Cost of Revenue	520,737	542	390(a)	521,669
Gross Profit	<u>624,554</u>	<u>1,054</u>	<u>(390)</u>	<u>625,218</u>
Operating Expense:				
Sales and marketing	265,424	—	—	265,424
Engineering and development	87,980	—	—	87,980
General and administrative	124,204	1,439	—	125,643
Total operating expense	<u>477,608</u>	<u>1,439</u>	<u>—</u>	<u>479,047</u>
Income (loss) from operations	<u>146,946</u>	<u>(385)</u>	<u>(390)</u>	<u>146,171</u>
Other income (expense):				
Interest income	1,089	—	—	1,089
Interest expense	(149,480)	(218)	—	(149,698)
Total other expense—net	<u>(148,391)</u>	<u>(218)</u>	<u>—</u>	<u>(148,609)</u>
Loss before income taxes and equity earnings of unconsolidated entities	(1,445)	(603)	(390)	(2,438)
Income tax benefit	(6,246)	—	(143)(b)	(6,389)
Income (loss) before equity earnings of unconsolidated entities	4,801	(603)	(247)	3,951
Equity loss of unconsolidated entities, net of tax	267	—	—	267
Net income (loss)	<u>\$ 4,534</u>	<u>\$ (603)</u>	<u>\$ (247)</u>	<u>\$ 3,684</u>

See accompanying notes to the unaudited pro forma condensed combined financial information.

(a) The following table reflects the pro forma adjustment relating to the amortization of intangible assets acquired, including the cost and estimated useful life in years.

	<u>Cost</u>	<u>Life (in years)</u>	<u>Amortization</u> <u>(in thousands)</u>
Amortization of intangible assets			
Subscriber relationships	390	15	41
Developed technology	2,445	7	349
Total adjustment to amortization			<u>\$ 390</u>

(b) The following table reflects the effect tax rate post acquisition, which is the blended rate for state and federal taxes.

	<u>Tax rate</u>
Effective tax rate post acquisition	14.4%

Endurance International Group Holdings, Inc. and LTD Software LLC
Unaudited Pro Forma Condensed Combined Statement of Operations
Six Months Ended June 30, 2019
(in thousands)

	<u>Historical</u>		<u>Pro Forma Adjustments</u>	<u>Pro Forma Combined</u>
	<u>Endurance</u>	<u>Ecomdash</u>		
Revenue	\$ 558,887	\$ 872	\$ —	\$ 559,759
Cost of Revenue	263,441	258	195(a)	263,894
Gross Profit	<u>295,446</u>	<u>614</u>	<u>(195)</u>	<u>295,865</u>
Operating Expense:				
Sales and marketing	132,078	—	—	132,078
Engineering and development	49,042	—	—	49,042
General and administrative	62,517	722	—	63,239
Total operating expense	<u>243,637</u>	<u>722</u>	<u>—</u>	<u>244,359</u>
Income (loss) from operations	<u>51,809</u>	<u>(108)</u>	<u>(195)</u>	<u>51,506</u>
Other income (expense):				
Interest income	605	—	—	605
Interest expense	(74,251)	(84)	—	(74,335)
Total other expense—net	<u>(73,646)</u>	<u>(84)</u>	<u>—</u>	<u>(73,730)</u>
Loss before income taxes and equity earnings of unconsolidated entities	<u>(21,837)</u>	<u>(192)</u>	<u>(195)</u>	<u>(22,224)</u>
Income tax benefit	7,879	—	41(b)	7,920
Loss before equity earnings of unconsolidated entities	<u>(29,716)</u>	<u>(192)</u>	<u>(236)</u>	<u>(30,144)</u>
Equity loss of unconsolidated entities, net of tax	—	—	—	—
Net loss	<u>\$ (29,716)</u>	<u>\$ (192)</u>	<u>\$ (236)</u>	<u>\$ (30,144)</u>

See accompanying notes to the unaudited pro forma condensed combined financial information.

(a) The following table reflects the pro forma adjustment relating to the amortization of intangible assets acquired, including the cost and estimated useful life in years.

	<u>Cost</u>	<u>Life (in years)</u>	<u>Amortization (in thousands)</u>
Amortization of intangible assets			
Subscriber relationships	390	15	20
Developed technology	2,445	7	175
Total adjustment to amortization			<u>\$ 195</u>

(b) The following table reflects the effect tax rate post acquisition, which is the blended rate for state and federal taxes.

	<u>Tax rate</u>
Effective tax rate post acquisition	10.7%

Note 1—Basis of Presentation

The unaudited pro forma condensed combined balance sheet data as of June 30, 2019 give effect to the Acquisition as if it had occurred as of June 30, 2019. The unaudited pro forma condensed combined statements of operations data for the twelve months ended December 31, 2018 and for the six months ended June 30, 2019 give effect to the Acquisition as if it had occurred as of January 1, 2018. The historical consolidated financial information has been adjusted to give effect to estimated pro forma events that are (1) directly attributable to the Acquisition, (2) factually supportable and (3) expected to have a continuing impact on the combined results of operations.

We have accounted for the Acquisition using the acquisition method of accounting in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 805 “Business Combinations” (“ASC 805”). In accordance with ASC 805, we use our best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired.

The pro forma adjustments described above were developed based on Endurance’s assumptions and estimates, including assumptions relating to the consideration paid and the allocation thereof to the assets acquired and liabilities assumed from Ecomdash based on preliminary estimates of fair value. The final purchase price allocation may differ from what is currently reflected in the unaudited pro forma condensed combined financial information after final valuation procedures are performed and amounts are finalized. Additionally, the Acquisition and related transaction costs were funded primarily from cash and cash equivalents of Endurance, and to a lesser extent, through deferred consideration.

The unaudited pro forma condensed combined financial information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of the combined company would have been had the Acquisition occurred on the date assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

The unaudited pro forma condensed combined financial information does not reflect any integration activities or cost savings from operating efficiencies, synergies, asset dispositions or other restructurings that may or may not result from the Acquisition.

As part of the acquisition agreement, we acquired substantially all the assets and assumed certain of the liabilities of Ecomdash from the Seller.

Endurance historically has recorded all amortization expense related to acquired intangible assets as a cost of revenue. The unaudited combined condensed financial information reflects all amortization expense related to intangible assets as a cost of revenue.

Note 2—Preliminary Allocation of Purchase Consideration

The aggregate purchase price was \$9.6 million, of which approximately \$8.9 million was paid in cash at the closing. Endurance retained the remainder of the purchase price as a holdback to fund any working capital adjustment, if applicable, and to serve as security for the indemnification obligations of the Seller under the asset purchase agreement. Subject to any working capital adjustment and indemnification claims, Endurance will release the holdback funds to the Seller twelve (12) months from the closing date.

Transaction costs were expensed as incurred. Endurance has accounted for this transaction as a business combination in accordance with the acquisition method of accounting, which requires, among other things, that assets acquired and liabilities assumed be recognized at their estimated fair values as of the acquisition date.

Goodwill related to the acquisition is deductible for tax purposes.

The following table summarizes the preliminary allocation of the purchase consideration to the assets acquired and liabilities assumed at the date of acquisition:

	September 13, 2019
	(in thousands)
Working capital	\$ (163)
Goodwill	6,953
Developed technology	2,445
Subscriber relationships	390
Total	\$ 9,625

The purchase price allocation is preliminary, and will be final when Endurance has completed the valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments and from the preliminary allocation shown above.

Note 3—Expected Future Amortization

The table below reflects the expected amortization related to the preliminary fair value of the intangible assets acquired for the five years following the Acquisition (in thousands):

	Year following the Acquisition				
	Year 1	Year 2	Year 3	Year 4	Year 5
Subscriber relationships	\$ 41	\$ 46	\$ 47	\$ 43	\$ 40
Developed technology	349	350	349	349	349
Total	\$ 390	\$ 396	\$ 396	\$ 392	\$ 389