The following prepared remarks are an excerpt from the 2018 Second Quarter 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 Second Quarter 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 2018; expectations regarding our planned investment initiatives during 2018 and beyond, including expectations that these initiatives will contribute to a growing and competitive business over time; our ability to simplify our operations, integrate our capabilities, carry out our operating plans and lay the groundwork for growth in future years; our ability to drive improvements to user experience, product capabilities and integration of third-party functionality; our expectations regarding the financial performance of non-strategic assets; our ability to operate our platform at scale and deliver future value and growth; our expectations regarding capital expenditures and the anticipated reduction in our annual interest expense as a result of our recent term loan repricing; our plans to pay down debt and reduce our leverage over the medium-term; 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," "strive," "see," "estimates," "should," "may," "continue," "confident," "positions," "committed," "looking to," "scheduled," "long-term," 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 our planned investment initiatives 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 March 31, 2018 filed with the SEC on May 4, 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 second quarter earnings release and presentation, each dated July 26, 2018, 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 second quarter 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 May 4, 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. We are pleased with our operational progress and financial performance in Q2. We are executing to our 2018 integrated operating plan, which focuses on delivering increased value to our customers in our market-leading assets and simplifying operations across the business. Second quarter revenue was $287.8 million and adjusted EBITDA was $85.0 million. We ended the quarter with approximately 4.9 million subscribers on our platform and we continued to reduce our net debt.

Slide 6 As we have stated, our investment choices in 2018 are focused primarily on our strategic assets across the email marketing, web presence, and domain segments. We are making progress simplifying selected operations as we transition to operate at scale. Our business generates significant cash flow, allowing us flexibility to invest and lay the groundwork for a return to growth.

Slide 7 Starting with email marketing, our 2018 plan includes increased investment in engineering to deliver improvements to our core platform. This year we are also investing to integrate third party functionality which over time increases the value we can deliver to customers. We also continue to invest in opportunities for channel expansion, and we remain focused on strengthening our brand as a leading provider of small business solutions.

Slide 8 In our web presence segment, we are investing to simplify the business and to improve the customer journey, specifically across our Bluehost, HostGator and site builder platforms. Our teams are making progress across the board. Starting with simplification, our investments are positioning us to expand capabilities and better connect customers with the tools and services they need to succeed online. Our engineering and support investments are positioning us for an improved customer experience with increased service levels, user interface refinements, and expansion of solutions.

Slide 9 In our domain segment, our 2018 plan is focused on integrating selected teams and enhancing the customer experience. We are executing to our plan, which leverages the scale we have in our domain business to capture more opportunity through our Domain.com platform. We are focused on delivering a simplified customer journey with the addition of value-added products and services such as email, hosting, and security.

Slide 10
We are pleased with our first half performance and the team is executing with an owner-operator mindset. We are making progress toward operating at scale and finding efficiencies that partially offset investments planned for the year. We are also managing the cash generating but declining assets of our non-strategic brands, which continue to pressure revenue and units.

Our second half adjusted EBITDA will reflect this investment strategy as we focus on expanding our offers and improving the experience for our customers across our strategic brands. As we seek to position for growth, we will continue to drive investment that we believe will increase the value of our assets over time. With that, I will turn the call over to Marc Montagner, our CFO.

Marc Montagner, Chief Financial Officer

Slide 11 Thank you Jeff.

Slide 12 I am pleased to review our second quarter results.

- GAAP revenue was $287.8 million, a decrease of 2 percent compared to the second quarter of 2017;
- Adjusted EBITDA was $85.0 million, an increase of 3 percent over the same period in 2017; and
- Free cash flow, defined as cash flow from operations, less capital expenditures and capitalized leases, was $20.1 million.

GAAP cash flow from operations in Q2 2018 was $29.9 million. Capex in Q2 2018 was $9.8 million, or 3.4% of GAAP revenue. Year over year decreases in cash from operations and free cash flow were due mostly to the payment of our SEC settlement, the purchase of interest rate cap protection on our term loan debt, and the accelerated interest payment on the term loan related to the June 2018 repricing.

Year over year, we saw lower data center costs, improved operating efficiencies in support, and lower G&A costs. These cost savings more than offset the year over year lower revenue and increased investment in engineering and fixed marketing. On a sequential basis, our increased investment in engineering and fixed marketing were partially funded by the improved efficiency in support and lower marketing spend.

Slide 13 We finished the quarter with 4.918 million subscribers. Total subscribers decreased by approximately 93,000 from last quarter, mostly due to subscriber losses from our non-strategic brands. Seasonality also contributed to the acceleration in net subscriber losses. In addition, approximately 10,500 of the subscriber losses resulted from changes we made to Constant Contact's account cancellation policy to make it more consistent with the rest of our business. Our subscriber trend reflects our approach to de-prioritize non-strategic brands, and to focus our marketing spend on higher lifetime revenue customers.

Combined average revenue per subscriber (ARPS) was $19.32. ARPS in the web presence segment in Q2 was $13.49. In email marketing, ARPS was $66.60, and in domains, ARPS was $16.13 in Q2.

Slide 14 In the first half of 2018, revenue was $579.1 million, reflecting a decline of 1 percent year over year. Adjusted EBITDA grew 5% year over year to $171.2 million, and free cash flow grew 10 percent year over year to $65.0 million. Year over year adjusted EBITDA benefited from lower G&A, marketing, data center and support costs. These costs offset the lower revenue and increased investment in engineering.

Slide 15 Our guidance for the full year 2018 is unchanged. We expect:

- GAAP revenue of $1.140 to $1.160 billion;
- Adjusted EBITDA of $310 to $330 million; and
- Free cash flow of approximately $120 million.

As previously disclosed, our free cash flow guidance does not reflect the impact of payments related to the settlement with the SEC or the potential securities class action lawsuit settlements, both of which will impact the Company's actual free cash flow for 2018.

We continue to expect capital expenditures of approximately $55-$60 million in 2018. We intend to use our excess free cash flow to pay down approximately $100 million of the principal balance of our term loan in 2018.

Slide 16 As previously announced in June, we repriced our term loan in the amount of $1.580 billion, reducing our interest rate to Libor + 375. In conjunction with the repricing, we extended the maturity of a majority of our revolving credit facility to June 2023. In addition, we purchased interest rate cap protection for $800 million of term loan debt.

We ended Q2 with $1.905 billion in total senior debt. Including other deferred purchase obligations and capital leases of $15 million, and total cash on the balance sheet of $77 million, total net debt at the end of the period was $1.844 billion. In addition, we paid down approximately $25 million of our term loan debt in Q2. 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 June 30, 2018 was

$368.2 million. Our senior debt leverage ratio was 4.05x 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 17 Thanks Marc. We are pleased with our progress year to date. We have a lot to accomplish in the back half of the year, and remain focused on execution of our plan. Thank you for joining us this morning. Now I'll turn the call back to the operator to begin Q&A.