The following prepared remarks are an excerpt from the 2018 Third 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 Third 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; our investment and operational plans for 2018 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 ability to operate our business at scale; our ability to improve the customer experience including customer support, expand our product offerings, leverage our capabilities across brands, and integrate 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; our beliefs and expectations with respect to a return to revenue growth, as well as similar statements regarding setting a path to, or foundation for, a return to revenue growth; our expectations for revenue growth in our strategic brands; 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 June 30, 2018 filed with the SEC on August 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 third quarter earnings release and presentation, each dated October 25, 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 third 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 August 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. Our third quarter results reflect good progress executing our 2018 integrated operating plan. Third quarter revenue was $283.8 million and adjusted EBITDA was $87.5 million. We ended the quarter with over 4.8 million subscribers on our platform and we continued to reduce our net debt in the quarter, maintaining our commitment to use excess free cash flow to lower our debt levels.

Slide 6 We are pleased with our performance year to date. We have made significant progress across the business as we focus on simplification of operations, which we believe will support our multi-brand scale operating model. We are also delivering increased value to our customers, which we believe is fundamental to supporting future revenue growth. As our results illustrate, the team also continues to do an excellent job finding cost improvements to offset our investments in our key strategic brands. We see the market around us growing, and will continue to focus on capturing more of the opportunity as we build on our scale platform.

Turning to our segment performance on slide 7.

Slide 7 In email marketing, we continue to focus on opportunities for strategic expansion of the Constant Contact brand as a small business solutions provider. We are executing our 2018 plan, with increased investment in engineering and development, in order to deliver improvements to the customer experience, along with additional platform functionality. We also continue to invest in channel, geographic, and solution expansion as we position to grow in 2019.

Slide 8 In our web presence segment, our 2018 investment plan is focused on simplifying the business and improving the customer experience. This year we increased investment in engineering, which will position us to leverage capabilities across brands. As we continue to strengthen our core offerings, we are also adding partners that bring an expanded set of solutions including productivity tools and other value-added capabilities.

Slide 9 In our domain segment, we continue to build off of our position as a recognized market leader. Our 2018 plan is focused on improving the customer experience starting with a more intuitive domain purchase process. In addition, we are investing in a more robust set of solutions for customers who come to us through our domain-focused brands, including value-added products such as email and site builder functionality as they seek to build a web presence.

Slide 10 As we enter the final quarter of the year, I am pleased to see our continued strategic and operational progress. The teams have worked hard to execute their plans, and our investments this year have set a solid foundation for 2019. We will continue to execute with an owner-operator mindset and a long-term view as we balance our investment decisions to deliver increased value to our customers. We look forward to sharing more on the next call.

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 third quarter results.

- GAAP revenue was $283.8 million;
- Adjusted EBITDA was $87.5 million; and
- Free cash flow, defined as cash flow from operations, less capital expenditures and capitalized leases, was $40.7 million.

Before continuing, I would first like to mention that due to an unusual transaction associated with the 2017 reorganization of our Webzai entity in the UK, our NOL balance as of December 31, 2017 did not reflect an increase of $78 million related to this transaction. This change does not impact our 2017 reported income tax expense, but the new 2017 Tax Cut and Jobs Act does change how NOL carryforwards are treated. As a result, this increase in NOLs impacted our non-cash deferred tax calculations for the first and second quarter of 2018. As such, we have revised upwards our net income for the first two quarters of 2018 by $4.6 million and $2.6 million, respectively. This is a non-cash impact to our results. In our earnings release filed this morning we included a table that reconciles the difference. Previously reported totals for Adjusted EBITDA, Cash Flow from Operations and Free Cash Flow are not impacted.

GAAP cash flow from operations in Q3 2018 was $51.3 million. Capex in Q3 2018 was $10.7 million. Year over year increases in cash from operations and free cash flow were due mostly to lower year over year restructuring and interest expense.

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 and support costs. Sequentially, the increase in adjusted EBITDA was due to lower spend in G&A and sales and marketing, offsetting the drag from lower revenue.

Slide 13 We finished the third quarter with 4.852 million subscribers. Total subscribers decreased by approximately 67,000 from last quarter, mostly due to subscriber losses from our non-strategic brands. Our subscriber trend reflects our approach to de-prioritize non-strategic brands, and to focus our marketing spend on higher value customers.

In the third quarter, combined average revenue per subscriber (ARPS) was $19.36. ARPS in the web presence segment was $13.47. In email marketing, ARPS was $67.88, and in domains, ARPS was $15.71.

Slide 14 Year-to-date 2018, revenue was $862.9 million, reflecting a decline of 2 percent year over year. Adjusted EBITDA increased 1% year over year to $258.7 million, and free cash flow increased 16 percent year over year to $105.6 million.

Year over year adjusted EBITDA benefited from lower costs in data center and support, and lower expense in G&A and marketing. These costs continued to offset the lower revenue and increased investment in engineering.

Year over year increases in cash from operations and free cash flow were due mostly to lower restructuring expense, lower cash interest expense, and lower capex.

Slide 15 We are updating our revenue and adjusted EBITDA guidance for the full year 2018. Our expectations for free cash flow remain unchanged. We now expect:

- GAAP revenue of $1.140 to $1.150 billion;
- Adjusted EBITDA of $330 to $335 million; and
- Free cash flow of approximately $120 million.

As previously disclosed, our free cash flow guidance does not reflect the impact of the payment we made in the second quarter related to the settlement with the SEC, or anticipated payments for our securities class action lawsuit settlements, which will impact our actual free cash flow for 2018 if they are approved by the court and paid this year.

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

We ended Q3 with $1.880 billion in total senior debt. Including other deferred purchase obligations and capital leases of $14 million, and total cash on the balance sheet of $92 million, total net debt at the end of the period was $1.802 billion. In addition, we paid down approximately $25 million of our term loan debt in Q3. Our revolving credit facility remains at a zero balance and we maintain an available credit balance of $165 million. Year to date we have paid down approximately $76 million of the principal balance of our term loan.

Our LTM bank adjusted EBITDA for the period ending September 30, 2018 was $359.0 million. Our senior debt leverage ratio was 4.04x 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 year-to-date progress. The team is executing to our 2018 integrated operating plan which is focused on improving the customer experience and increasing the value we deliver to our customers on selected strategic brands. We are focused on finishing the year and positioning the company for a return to growth. We look forward to sharing more about our 2019 plans in a few months. Thank you for joining us this morning. Now I'll turn the call back to the operator to begin Q&A.