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Web.com Completes Acquisition of Yodle

Deal strengthens Web.com's portfolio of products that help small businesses compete and succeed online

JACKSONVILLE, Fla. – March 9, 2016 – Web.com Group, Inc. (Nasdaq: WEB), a leading provider of Internet services and online marketing solutions for small businesses, today announced it has completed the acquisition of 100% of the outstanding shares of Yodle, a leader in local digital marketing, in an all cash transaction.

"We are excited to have Yodle join the Web.com family. Yodle has a strong track record of developing and selling innovative internet based marketing solutions that help small businesses drive new business and retain existing customers. I expect great things from combining the talent and products of Yodle and Web.com. We will be better positioned to fulfill our mission of helping small businesses succeed using the internet and technology," said David L. Brown, chairman, chief executive officer and president of Web.com.

Brown continued, "This acquisition builds on our strategic position as a leading provider of value added digital marketing solutions, increases Web.com's exposure to higher growth markets and adds new products and capabilities. Specifically, we will be gaining cloud based marketing solutions that are vertically focused, office automation business applications and a marketing platform dedicated to franchise businesses."

In connection with the Yodle acquisition, Web.com entered into an amended five-year senior secured credit facility comprised of a $390 million term loan and a $150 million revolving credit facility priced at LIBOR plus 300 basis points with step downs upon deleveraging. Borrowings of $200 million from the term loan and $110 million from the revolver were used to pay Yodle shareholders $300 million and cover approximately $10 million of deal related costs at closing. An additional $20 million will be paid at the first anniversary of the closing date, and $22 million will be paid at the second anniversary of the closing date.

Outlook

Web.com is updating its previously issued guidance taking into account the closing of the Yodle acquisition. Based on the information available as of March 9, 2016 Web.com is issuing the following guidance for the first quarter and full year 2016.

	Guidance As of March 9, 2016 Web.com + Yodle		Guidance As of February 11, 2016 Stand-Alone Web.com	
($ in millions, except per share data)	**Q1 2016**	**FY 2016**	**Q1 2016**	**FY 2016**
Non-GAAP Revenue	$150.5 to $153.5	$748 to $763	$138 to $140	$570 to $580
Adjusted EBITDA Margin	~ 26%	~ 23%		
Non-GAAP Net Income	$30.0 to $32.0	$125.5 to $135.5	$31.4 to $32.4	$135 to $142
Non-GAAP Net Income Per Diluted Share	$0.59 to $0.63	$2.46 to $2.66	$0.61 to $0.63	$2.62 to $2.76
Diluted Weighted Average Common Shares (millions)	51.1	51.0	51.4	51.5
Free Cash Flow		~ $114		~ $130

Stand-alone Web.com guidance from February 11, 2016 remains unchanged, and the revised guidance reflects the expected financial impact of the Yodle acquisition. Web.com anticipates the transaction will be slightly accretive to non-GAAP earnings per share over the first twelve months, but dilutive in the first three to six months of ownership. As synergies are realized, Web.com expects low teens percentage accretion to non-GAAP earnings per share in 2017. The updated share count reflects recent share repurchases.

About Web.com

Web.com Group, Inc. (Nasdaq: WEB) provides a full range of Internet services to small businesses to help them compete and succeed online. Web.com meets the needs of small businesses anywhere along their lifecycle with affordable, subscription-based solutions including domains, hosting, website design and management, search engine optimization, online marketing campaigns, local sales leads, social media, mobile products and eCommerce solutions. For more information, please visit www.web.com; follow Web.com on Twitter @webdotcom or on Facebook at facebook.com/web.com.

Note to Editors: Web.com is a registered trademark of Web.com Group, Inc.

Use of Non-GAAP Financial Measures

Some of the measures in this press release 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, in ways that management views or uses to assess the performance of the Company. 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 press release.

Relative to each of the non-GAAP measures Web.com presents, management further sets forth its rationale as follows:

- *Non-GAAP Revenue*. Web.com excludes from non-GAAP revenue the impact of the fair value adjustment to amortized deferred revenue because management believes that excluding such measures helps management and investors better understand Web.com's revenue trends.
- *Non-GAAP Net Income and Non-GAAP Net Income Per Basic and Diluted Share*. Web.com excludes from non-GAAP net income and non-GAAP net income per basic and diluted share amortization of intangibles, asset impairment, income tax provision, fair value adjustment to deferred revenue and deferred expense, restructuring expenses, corporate development expenses, amortization of debt discounts and fees, loss on debt extinguishment, and stock-based compensation, and includes estimated cash income tax payments, because management believes that adjusting for such measures helps management and investors better understand the Company's operating activities.
- *Adjusted EBITDA and Adjusted EBITDA Margin*. Web.com excludes from adjusted EBITDA and adjusted EBITDA margin depreciation expense, amortization of intangibles, asset impairment, stock-based compensation, fair value adjustments to deferred revenue and deferred expense, corporate development expenses and restructuring expenses, because management believes that excluding such items helps investors better understand the Company's operating activities.
- *Free Cash Flow.* Free cash flow is a non-GAAP financial measure that Web.com uses and defines as net cash provided by operating activities less capital expenditures. The Company considers free cash flow to be a liquidity measure which provides useful information to management and investors about the amount of cash generated by the business after the acquisition of property and equipment, which can then be used for investment opportunities.

In respect of the foregoing, Web.com provides the following supplemental information to provide additional context for the use and consideration of the non-GAAP financial measures used elsewhere in this press release:

- *Stock-based compensation*. These expenses consist of expenses for employee stock options and employee awards under Accounting Standards Codification ("ASC") 718-10. While stock-based compensation expense calculated in accordance with ASC 718-10 constitutes an ongoing and recurring expense, such expense is excluded from non-GAAP results because such expense is not used by management to assess the core profitability of the Company's business operations. Web.com further believes these measures are useful to investors in that they allow for greater transparency to certain line items in our financial statements. In addition, when management performs internal comparisons to Web.com's historical operating results and compares the Company's operating results to the Company's competitors, management excludes this item from various non-GAAP measures.
- *Amortization of intangibles*. Web.com incurs amortization of acquired intangibles under ASC 805-10-65. Acquired intangibles primarily consist of customer relationships, customer lists, non-compete agreements, trade names, and developed technology. Web.com expects to amortize for accounting purposes the fair value of the acquired intangibles based on the pattern in which the economic benefits of the intangible assets will be consumed as revenue is generated. Although the intangible assets generate revenue, the Company believes the non-GAAP financial measures excluding

this item provide meaningful supplemental information regarding the Company's operational performance. In addition, when management performs internal comparisons to Web.com's historical operating results and compares the Company's operating results to the Company's competitors, management excludes this item from various non-GAAP measures.

- *Depreciation expense*. Web.com records depreciation expense associated with its fixed assets. Although its fixed assets generate revenue for Web.com, the item is excluded because management believes certain non-GAAP financial measures excluding this item provide meaningful supplemental information regarding the Company's operational performance. In addition, when management performs internal comparisons to Web.com's historical operating results and compares the Company's operating results to the Company's competitors, management excludes this item from various non-GAAP measures.
- *Amortization of debt discounts and fees*. Web.com incurs amortization expense related to debt discounts and deferred financing fees. The difference between the effective interest expense and the coupon interest expense (i.e. debt discount), as well as, amortized deferred financing fees are excluded because Web.com believes the non-GAAP measures excluding these items provide meaningful supplemental information regarding the Company's operational performance. In addition, when management performs internal comparisons to Web.com's historical operating results and compares the Company's operating results to the Company's competitors, management excludes this item from various non-GAAP measures.
- *Restructuring expense*. Web.com has recorded restructuring expenses and excludes the impact of these expenses from its non-GAAP measures, because such expense is not used by management to assess the core profitability of the Company's business operations.
- *Income tax expense*. Due to the magnitude of Web.com's historical net operating losses and related deferred tax asset, the Company excludes income tax from its non-GAAP measures primarily because it is not indicative of the actual tax to be paid by the Company and therefore is not reflective of ongoing operating results. The Company believes that excluding this item provides meaningful supplemental information regarding the Company's operational performance and facilitates management's internal comparisons to the Company's historical operating results and comparisons to the Company's competitors' operating results. The Company includes the estimated tax that the Company expects to pay for operations during the periods presented.
- *Fair value adjustment to deferred revenue and deferred expense*. Web.com has recorded a fair value adjustment to acquired deferred revenue and deferred expense in accordance with ASC 805-10-65. Web.com excludes the impact of these adjustments from its non-GAAP measures, because doing so results in non-GAAP revenue and non-GAAP net income which are reflective of ongoing operating results and more comparable to historical operating results, since the majority of the Company's revenue is recurring subscription revenue. Excluding the fair value adjustment to deferred revenue and deferred expense therefore facilitates management's internal comparisons to Web.com's historical operating results.
- *Corporate development expenses*. Web.com incurred expenses relating to acquisitions and the successful integration of acquisitions. Web.com excludes the impact of these expenses from its non-GAAP measures, because such expense is not used by management to assess the core profitability of the Company's business operations.
- *Gains or losses from asset sales or impairment and certain other transactions.* Web.com excludes the impact of asset sales or impairment and certain other transactions including debt extinguishments and the sale of equity method investment from its non-GAAP measures because the impact of these items is not considered part of the Company's ongoing operations.

Forward-Looking Statements

This press release includes certain "forward-looking statements" including, without limitation, statements regarding Web.com's expectations with respect to the amount of unused revolver capacity after the Yodle closing, the amounts expected to be paid to Yodle shareholders on the first and second anniversaries of the closing, that combining of Yodle and Web.com will better position the company to help small businesses succeed using the internet and technology, whether the Yodle transaction is expected to be accretive to non-GAAP earnings per share over the first twelve months after the closing of the transaction, and all statements related to Web.com's future financial performance for the first quarter and full year 2016 under the heading "Outlook" in this press release. These statements are subject to risks, uncertainties and other factors that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements. These statements are sometimes identified by words such as "expects," "guidance," "anticipates," and "estimates." As a result of the ultimate outcome of such risks and uncertainties, Web.com's actual results could differ materially from those anticipated in these forward-looking statements. These statements are based on Web.com's current beliefs or expectations, and there are a number of important factors that could cause the actual results or outcomes to differ materially from those indicated by these forward-looking statements, including, without limitation, risks related to: the successful integration of Yodle and its products and services into Web.com; the successful offering of the combined products and services of Web.com and Yodle; and other risks that may impact Web.com's business. Other risk factors are set forth under the caption, "Risk Factors," in Web.com's Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission, which is available on a website maintained by the Securities and Exchange Commission at www.sec.gov. Web.com expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein as a result of new information, future events or otherwise.

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Web.com Group Inc.
Reconciliation of GAAP to Non-GAAP Guidance
($ in millions, except per share data)
(unaudited)

	Guidance As of March 9, 2016 Web.com + Yodle FY 2016	Guidance As of February 11, 2016 Stand Alone Web.com Q1 2016	 FY 2016
Reconciliation of forecasted GAAP revenue to forecasted Non-GAAP revenue			
GAAP revenue		$135.5 to $137.5	$562 to $572
Fair value adjustment to deferred revenue		~ $2.5	~$8
Non-GAAP revenue		$138 to $140	$570 to $580
Reconciliation of forecasted net cash provided by operating activities to forecasted free cash flow			
Net cash provided by operating activities	~$131		~$145
Capital expenditures	(~$17)		(~$15)
Free cash flow	~114		~$130