

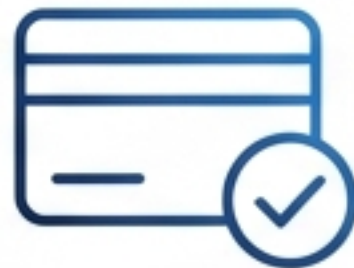
The Anatomy of a Platform Pivot: GoDaddy's Embedded Finance Transformation

How a legacy domain registrar built a high-margin financial ecosystem for 20 million small businesses.



138%

A&C Revenue
Growth
(2022–2025)



\$3.4B

Gross Payments
Volume (2025)



\$1.6B

Free Cash Flow
(2025)

The Baseline vs. The Pivot

The Core Platform



- **Focus:** Domains, Hosting, Security.



- **Metrics:** 62% of 2025 Revenue (\$3.06B).



- **Status:** Slower growth (+4.9% YoY) in a highly commoditized market.

Applications & Commerce (A&C)

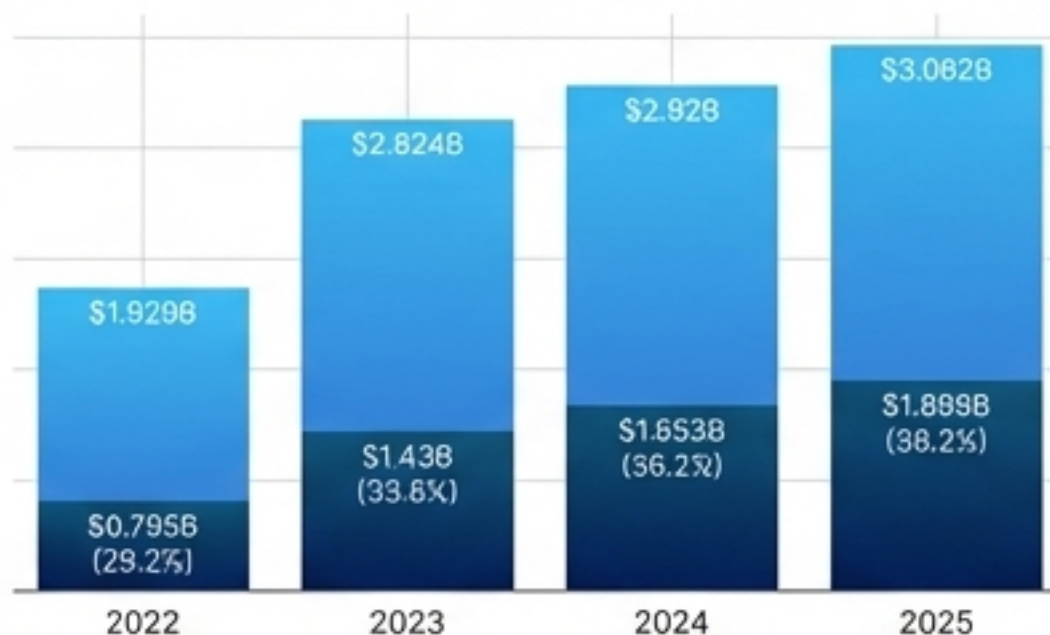


- **Focus:** Website Building, GoDaddy Payments, POS, Capital.



- **Metrics:** 38% of 2025 Revenue (\$1.89B).

- **Status:** Explosive growth engine (historically up to 79.9% YoY) driving a high-margin ecosystem.



The Catalyst: Acquiring the Payment Rails

The December 2020 \$365M acquisition of Poynt fundamentally changed GoDaddy's trajectory.

"Poynt accelerates our strategy to provide a complete suite of commerce and payment services to address this critical customer need." — Aman Bhutani, CEO



PayFac Status

Ability to process payments directly, bypassing third-party processors like Stripe.



Omnichannel Capability

Bridging the gap for the 50% of commerce clients operating physical stores.



Revenue Model Expansion

Earning scalable, transaction-based fees on every sale instead of static annual subscriptions.

The Engine: Core Payments & Point-of-Sale

Combining the lowest industry transaction fees with seamless physical and digital hardware.



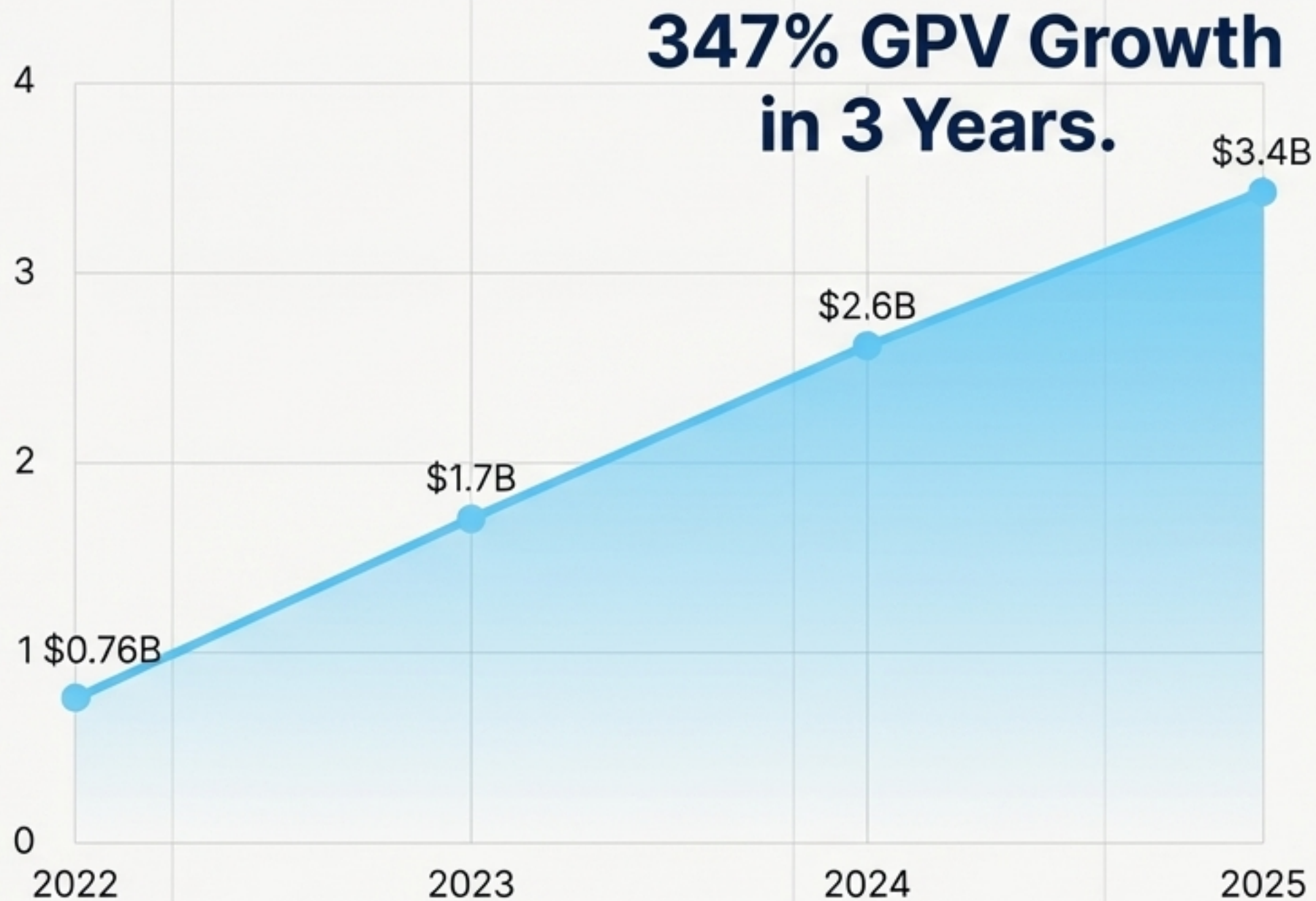
Online Checkouts



Smart Terminal POS



Tap to Pay
(iPhone/Android)



The Margin Accelerator: GoDaddy Capital

Merchant Cash Advances up to \$1M, funded in 24 hours, with zero paperwork or credit checks.



Zero CAC

Distributing directly to an existing base of 20.4 million merchants.



Real-Time Data

Underwriting instantly using live sales data instead of archaic credit applications.



Cash Dominion

Eliminating collection risk by automatically deducting repayments from daily sales.

"Distribution beats product every time. When GoDaddy can approve you in minutes from your dashboard, what's the point of paying a middleman?"

The Omnichannel Ecosystem Flywheel



Core Concept Text

As merchants connect more channels, GoDaddy captures more transaction data. This strengthens Capital underwriting, increases GPV, and dramatically deepens platform stickiness.

Instant Payout:

Merchants can access their funds in as little as 20 minutes, locking them into the ecosystem.

Financial Output I: The A&C Growth Engine

A&C vs Core Platform Revenue Mix (2022–2025)

Source: GoDaddy earnings | A&C segment share growing from 29% to 38%



A&C segment share grew from 29.2% (\$795M) in 2022 to 38.2% (\$1.89B) in 2025.

Q4 2025 A&C EBITDA margin reached 47.1% (proving financial services drive extreme profitability).

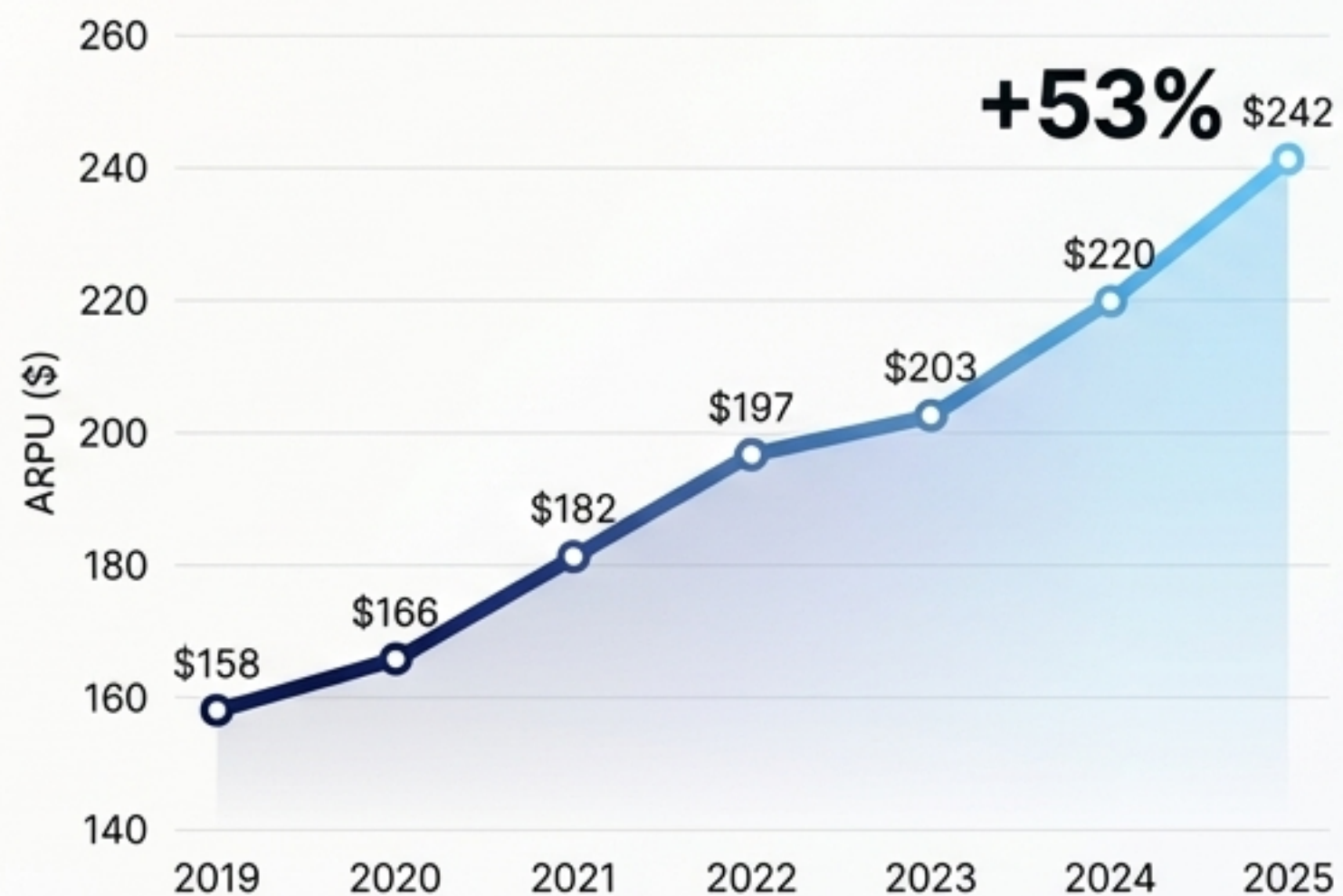
Financial Output II: Expanding ARPU & Cash Flow

Acquiring customers with domains, then expanding via commerce tools, payments, and lending

Powered by | perplexity

ARPU Growth Driven by Commerce (+53% since 2019)

Source: GoDaddy earnings | Commerce and AI drive higher customer spend










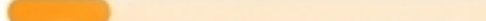


Powered by | perplexity

Free Cash Flow Nearly Doubled (2021–2025)

Source: GoDaddy earnings | FCF grew from \$829M to \$1.6B



Market Positioning vs. Peers

Metric	 GoDaddy	 Shopify	 Wix	 Squarespace
 2024 Revenue	\$4.57B 	\$8.88B 	\$1.56B 	\$1.01B 
 Customer Base	GoDaddy's 20.4M vs. Shopify's ~4.8M			



Strategic Differentiator

Targeting the 51% of SMBs with cash flow constraints by offering the lowest transaction fees.



Market Reward

Highest among peer group

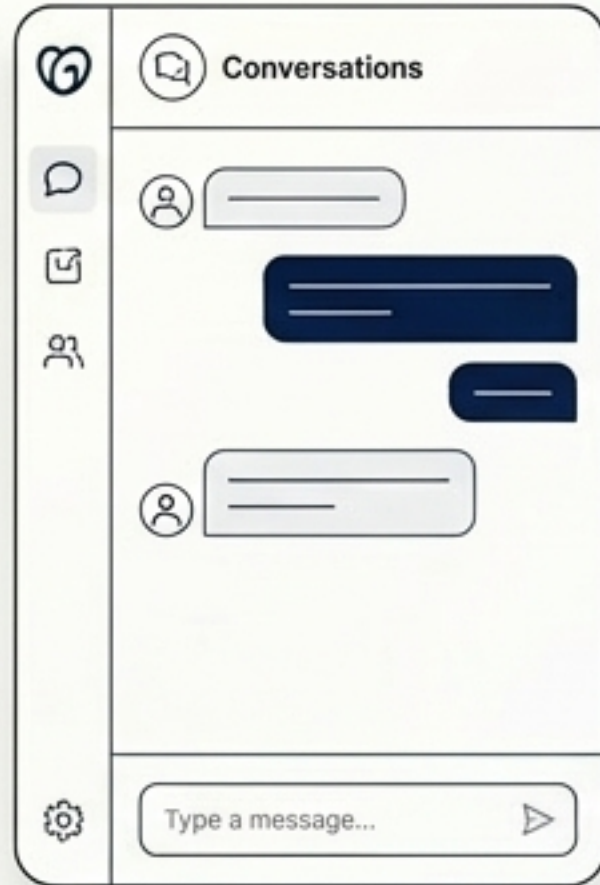
+85%

Stock Return in 2024

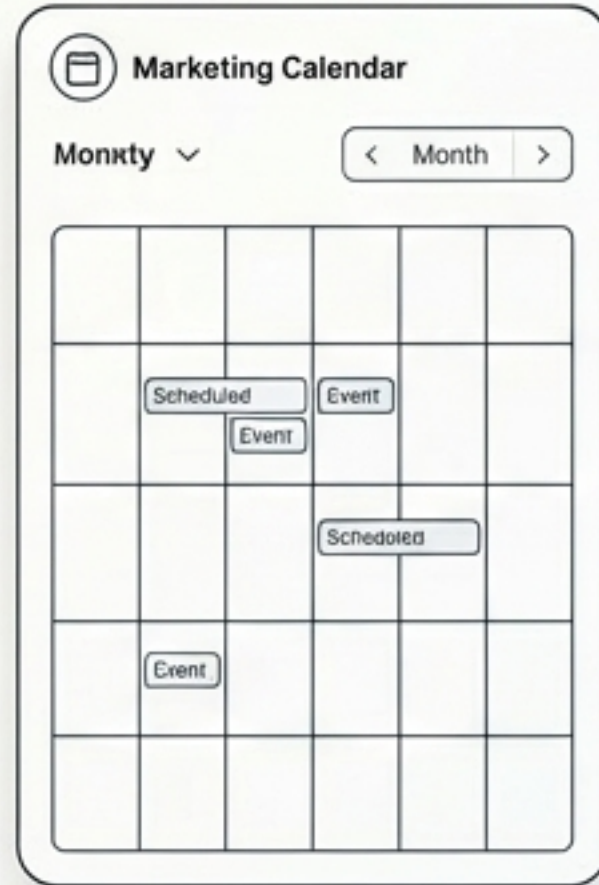


The Next Frontier: AI Convergence

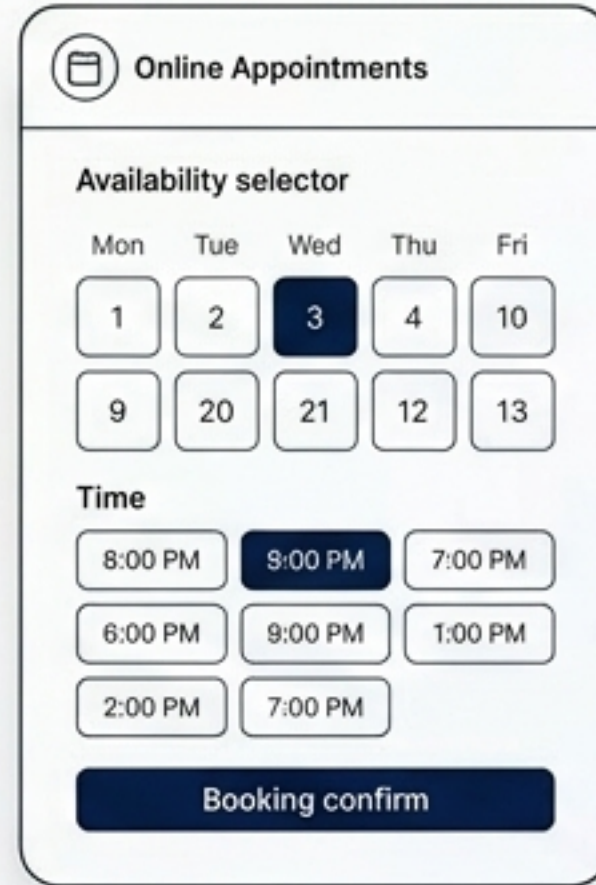
Transforming simple business ideas into full commerce setups in minutes via Airo.ai.



**Conversations
Inbox**



**Marketing
Calendar**



**Online
Appointments**

**Up to 43%
more sales
with Airo.**

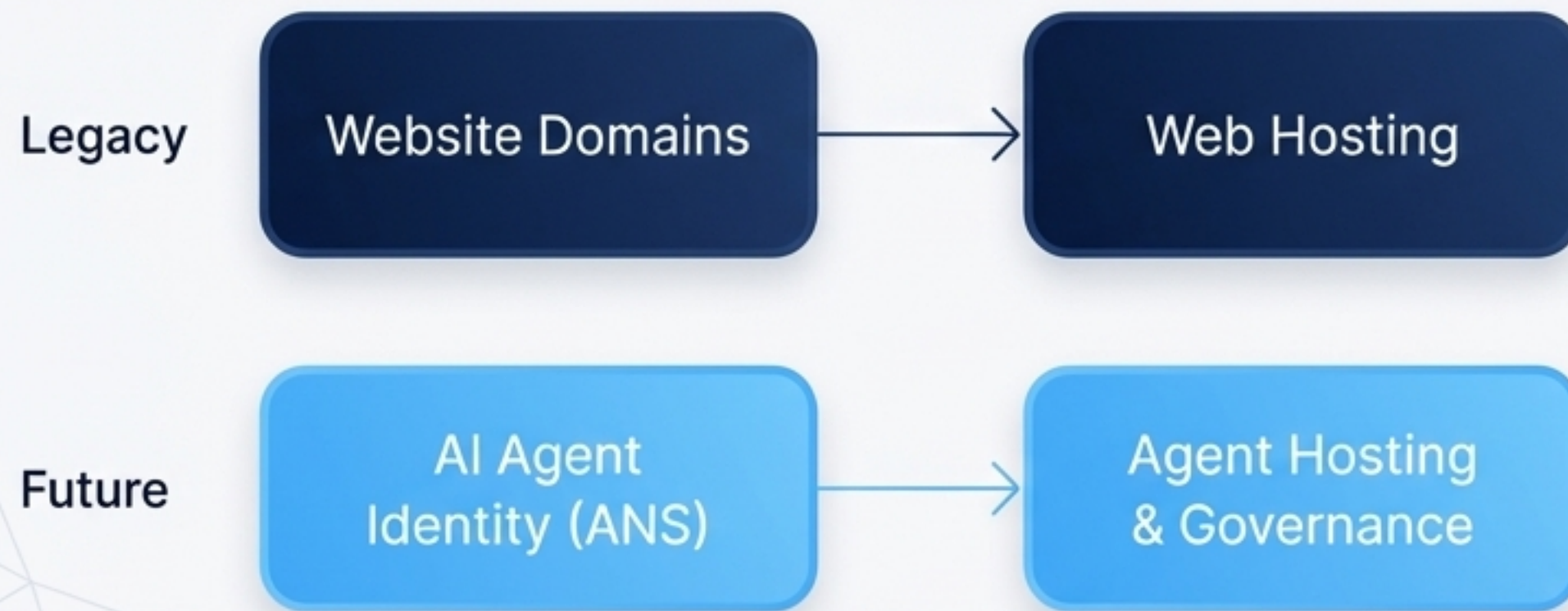
**ARPU grew
10% YoY**

to \$242 in 2025,
heavily driven by
AI upselling.

AI drives sales → generates more transaction data → enables better Capital underwriting → fuels merchant growth.

Future Infrastructure: Agent Name Service (ANS)

Transitioning from domain registration to the identity layer for the “agentic open internet.”



New Monetization Layers



Agent Registration



Certificate Management



Discovery Marketplace
(commission-based)

“We are leveraging our domain leadership... to lead in the next era of the agentic open internet.” – Aman Bhutani, CEO.

The Embedded Finance Playbook (1/2)

Strategic lessons for platform executives and strategists.



Payments as the Gateway

Control the payment rails to gain the data and cash dominion required to launch lending and insurance.



Distribution > Product

Leverage existing customer relationships. 20 million customers provide a zero-CAC structural advantage over pure-play fintechs.



Data is the New Credit Score

Use real-time operational and transaction visibility for instant, data-driven underwriting that traditional banks cannot match.

The Embedded Finance Playbook (2/2)

Strategic lessons for platform executives and strategists.



Seamless Integration

Frictionless adoption requires financial services to feel like native features (embedded in the dashboard), not standalone add-ons.



AI Amplification

Invest in AI simultaneously. AI helps merchants sell more, generating the precise transaction data needed to scale embedded lending.



Model the Margin Expansion

Financial services generate high-margin, recurring revenue that transforms software economics (A&C EBITDA hit 47.1%).

Headwinds & Risk Factors

Customer Count Pressure

Total customers saw a slight decline from 21.0M (2023) to 20.4M (2025).

Competitive Intensity

Intense pressure from Shopify and Wix who are aggressively matching AI and embedded finance capabilities.

Valuation Reset

Shares pulled back 52% from their \$193.55 peak by March 2026.

Debt Stacking Risk

Potential for systemic merchant over-leverage as multiple software platforms simultaneously offer embedded lending.

2026 Outlook & Conclusion

\$5.2B

Revenue

(+6% YoY)

>33%

NEBITDA Margin

~\$1.8B

Free Cash Flow

(+12% YoY)

By successfully converting 20 million commodity domain customers into a highly profitable, data-rich embedded finance ecosystem, GoDaddy has executed one of the most successful platform pivots in tech history.