



DigitalOcean



CLOUDWAYS

Strategic Rationale

Growth

High-growth, profitable business that expands DigitalOcean's SMB product suite and addressable market

Existing customer base

Cloudways helps tens of thousands of customers build online presence and ecommerce businesses

Financial contribution

Accretive to revenue growth rate; no impact on operating profit margin and free cash flow targets

Expanding >\$50/month customers

Strong unit economics; immediately expands DigitalOcean's high-spend customers by 19K, totaling 124K spending more than \$50/month

Financial Terms

Purchase price

\$350M total purchase price, including a significant portion in deferred consideration to be paid over a 30-month period following the closing

Growth rate

- 2022E revenue of more than \$52 million
- 3-year compound annual growth rate (CAGR) of >50%

Closing date

The transaction is expected to close in September 2022

2022 Expected impact

- DigitalOcean revenue contribution of \$13 to \$15 million
- No change to operating profit or free cash flow margin targets

Cloudways Background

- More than 70,000 total customers serving digital agencies, SMBs and individuals
- Founded in 2014 and has been a long time partner with DigitalOcean
- One of the largest DigitalOcean customers by revenue spend
- Best-in-class Net Promoter Score (NPS)
- Essential application builds: WordPress, PHP, Magento
- Co-founder & CEO who will remain with DigitalOcean: [Aaqib Gadit](#)

About DigitalOcean

DigitalOcean simplifies cloud computing so builders can spend more time creating software that changes the world. With its mission-critical infrastructure and fully managed offerings, DigitalOcean helps developers, startups and small and medium-sized businesses (SMBs) rapidly build, deploy and scale applications to accelerate innovation and increase productivity and agility. DigitalOcean combines the power of simplicity, community, open source and customer support so customers can spend less time managing their infrastructure and more time building innovative applications that drive business growth. For more information, visit digitalocean.com or follow [@digitalocean](#) on Twitter.

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