

vimeo

Company Presentation | December 3, 2018

Safe Harbor Statement

Forward-Looking Statements. This presentation, dated December 3, 2018, may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as “estimates,” “expects” and “believes,” among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: Vimeo’s future financial performance, business prospects and strategy and anticipated trends in the online video market. These forward-looking statements are based on management’s current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: changes in regulatory landscape, in particular changes in laws that might increase the liability of online intermediaries for

user-generated content; reputational damage caused by problematic user content or our decisions to remove (or not remove) it; changes in policies implemented by third party platforms upon which we rely for traffic and distribution of mobile apps; increased competition in the online video category; our ability to convert visitors into uploaders and uploaders into paying subscribers; our ability to retain paying subscribers by maintaining and improving our value proposition; our ability to provide video storage and streaming in a cost-effective manner; our ability to successfully scale our enterprise business; our ability to protect sensitive data from unauthorized access; our ability to expand successfully into international markets; and adverse changes in economic conditions.

Certain of these and other risks and uncertainties are discussed in our parent company’s (IAC) SEC filings. Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time. In light of these risks and

uncertainties, these forward-looking statements may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of IAC and Vimeo management as of the date of this presentation.

Vimeo Metrics. Except as where otherwise noted, Vimeo metrics are as of Q3 2018. We do not undertake to update any metrics or forward-looking statements.



Vimeo is my storefront,
my business card, my
website, and my #1 tool
besides a camera.



Cy Kuckenbaker
Filmmaker,
Subscriber since 2010

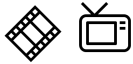


Vimeo is the creative
standard for hosting video.
There's no alternative, and
there doesn't need to be.



Meg Volk
BBH Agency,
Subscriber since 2014

We are entering a new era for video



20th Century

Video is art &
entertainment

Hollywood Studios
Audiovisual Pros



Early 2000s

Democratization of
personal video

Self-made creators
Consumers



Next Phase

Democratization of
professional video

Everyone, including
SMBs and organizations



The industry standard for video hosting

2004 - 2014

- Cloud storage
- Embeddable video player
- Ad-free alternative to YouTube
- Viewing destination

Enabling professional video at scale

Today - Tomorrow

- End-to-end workflow in the cloud
- Agnostic distribution hub (Switzerland for creators)
- Flexible monetization & smart insights
- High quality video creation

**... and accelerated growth trajectory
in \$50 billion market**

We build tools that empower creators to tell exceptional stories

Creation

Make better videos, faster



Find & license premium content



Produce & manage videos at scale



Review & collaborate with teams



Host Videos

Distribution

Maximize audience & revenue



Reach your audience, everywhere



Engage & convert viewers

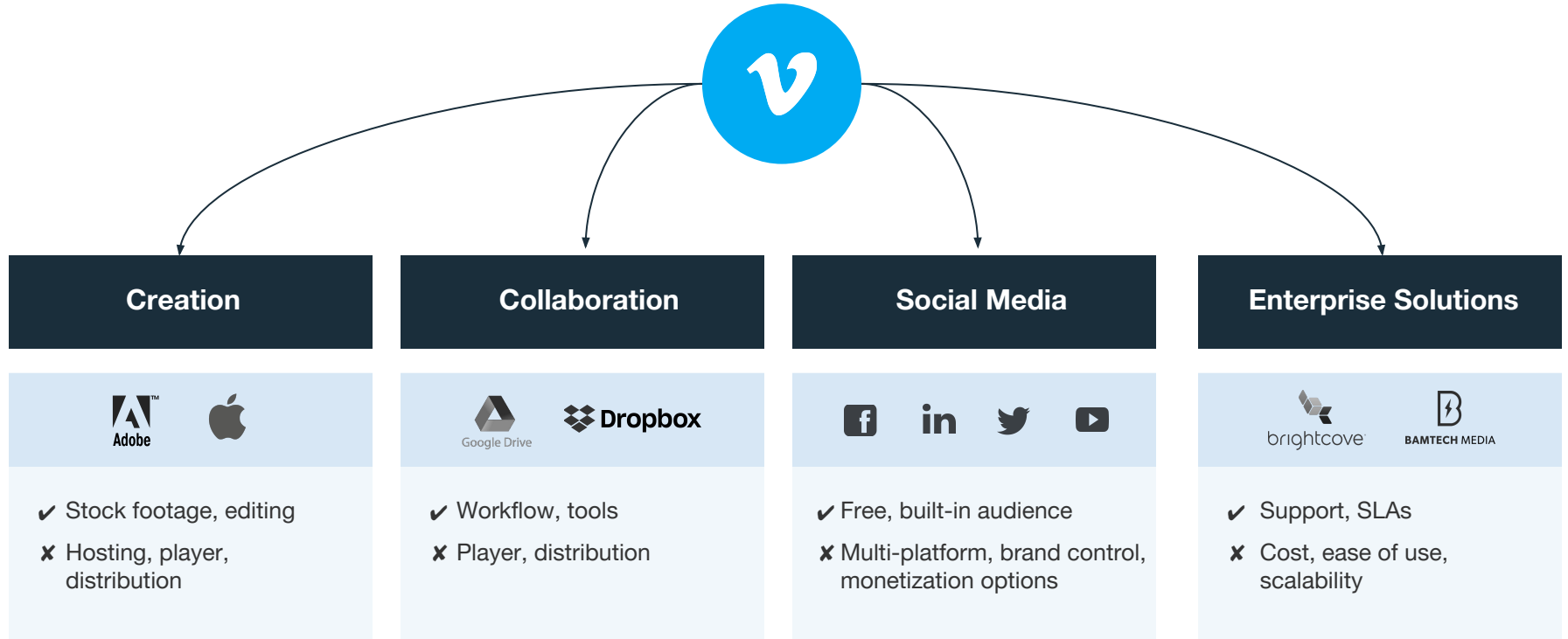


Monetize & measure results

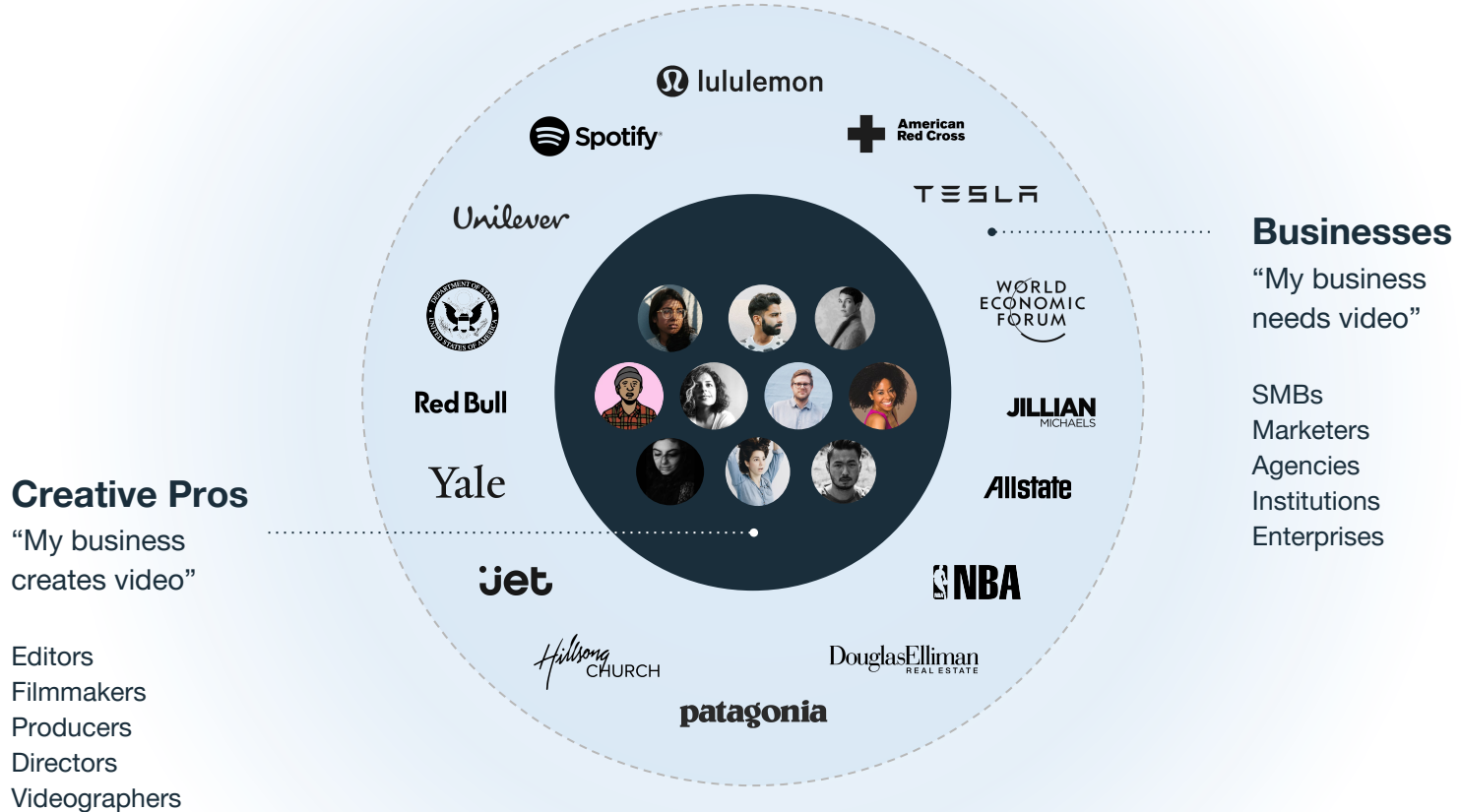
Freemium model fuels land & expand strategy

	Free			
SELF-SERVE	\$7 /mo	\$20 /mo	\$50 /mo	\$75 /mo
	Plus	Pro	Business	Premium
	For solo creators and freelancers.	For creative pros and agencies.	For SMBs and marketers.	For teams and live streaming professionals.
	<ul style="list-style-type: none">• 250GB every year• Advanced privacy	<ul style="list-style-type: none">• 1TB every year• Branded player• Video review	<ul style="list-style-type: none">• 5TB total storage• 10 team members• Marketing tools• Social distribution	<ul style="list-style-type: none">• 7TB total storage• Unlimited live streaming• Stream to multiple places• Advanced analytics• Live event support
SALES	Enterprise Solutions			

Differentiated position as only all-in-one video solution



Rapidly expanding universe of creators



The SaaS solution for video

~250 Million

Videos uploaded

~90 Million

Registered members

~1 Million

SaaS subscribers

99%

Subs are self-serve

90%

Subs on annual plans

50%

Subs outside U.S.

1%

Top 10 customers as % of revenue

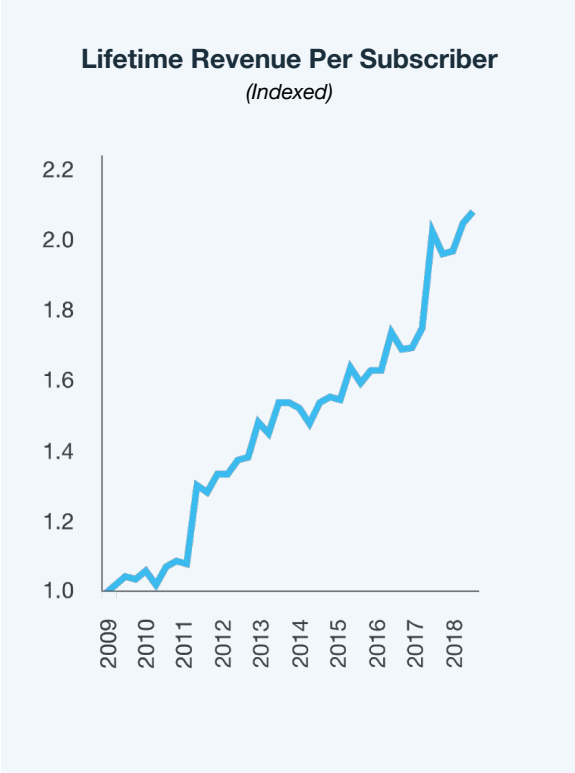
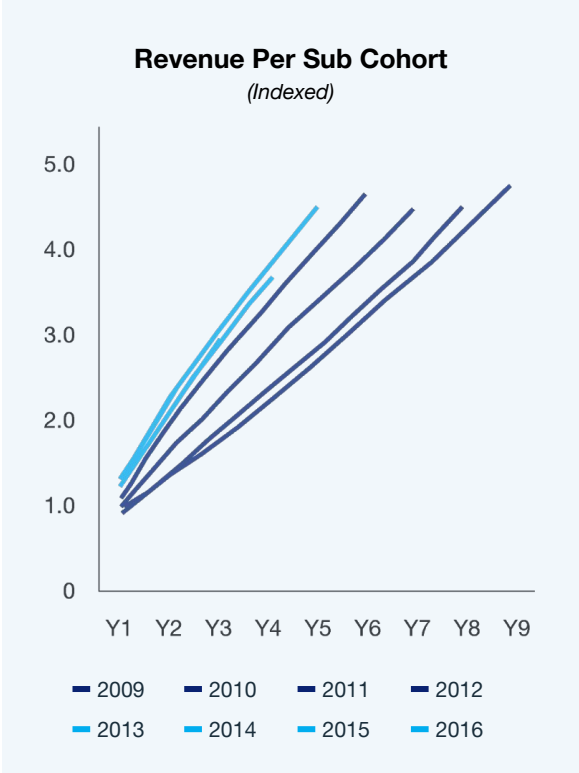
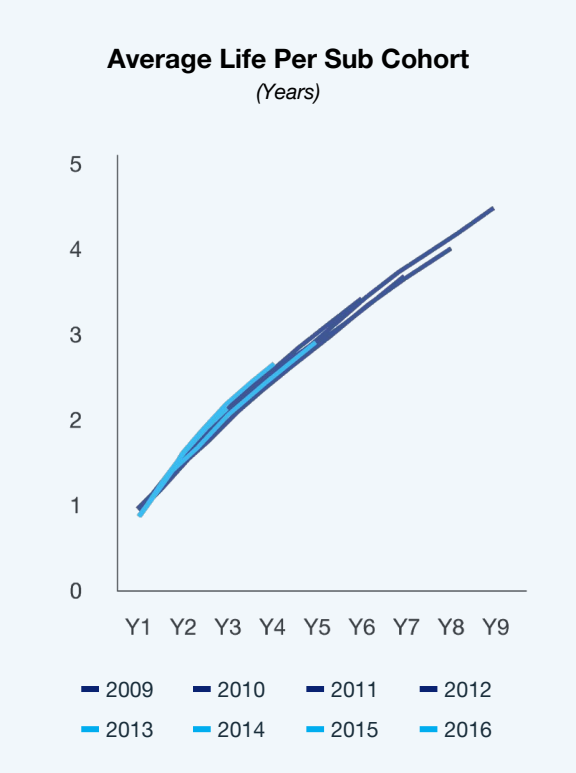
~5 Years

Subscriber average life

+50% Y/Y

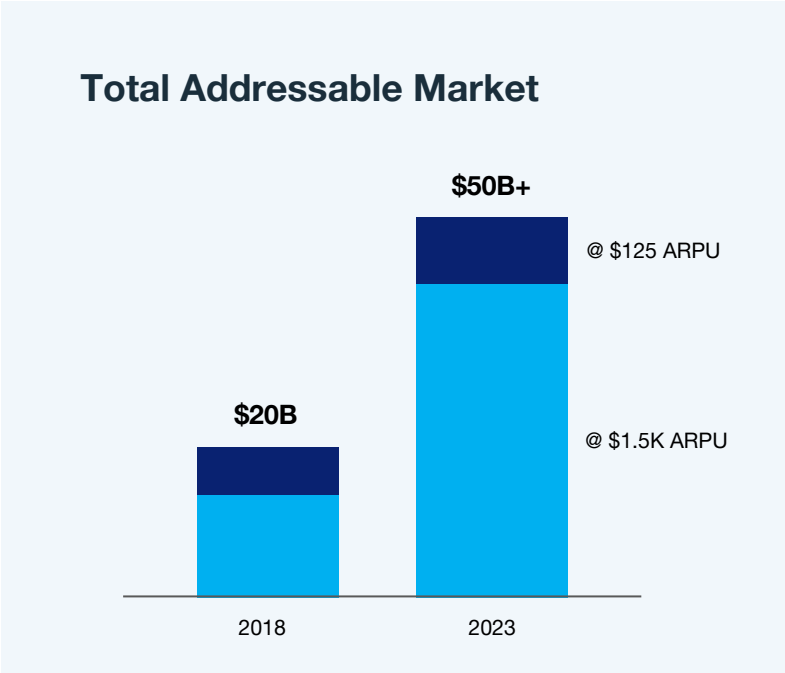
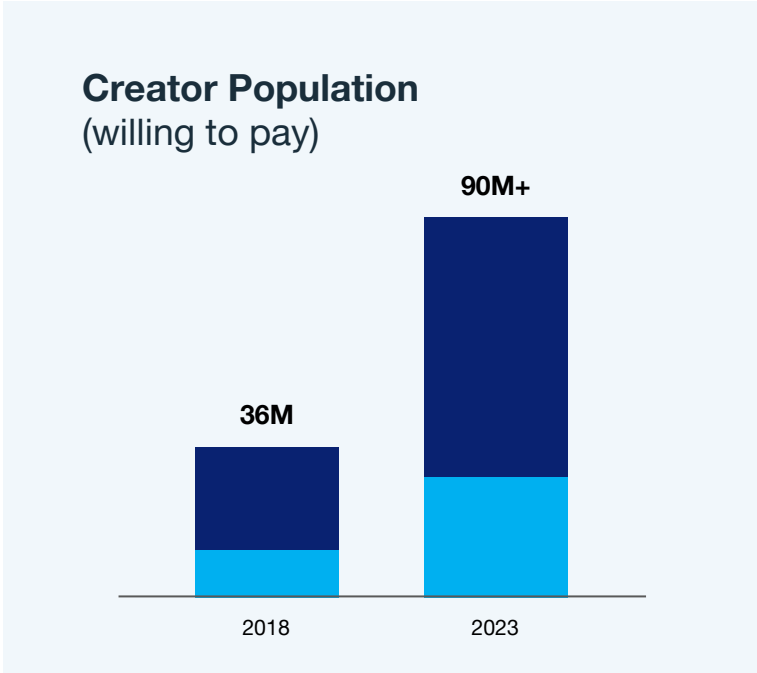
New subscriber ARPU

Customers are happy, staying and paying



Vimeo self-serve customers only.

Unstoppable tailwinds, as businesses embrace video



■ Creative Pros / Enthusiasts ■ Businesses

Consumers now expect video from every business

25M+

Website builder customers





GoDaddy  WIX

SQUARESPACE

Over **70%** of consumers are more likely to purchase after watching a product video

75M+




Social media business pages

Online video ads get **3x** more clicks than other ad formats

8M+

E-commerce marketplace listings

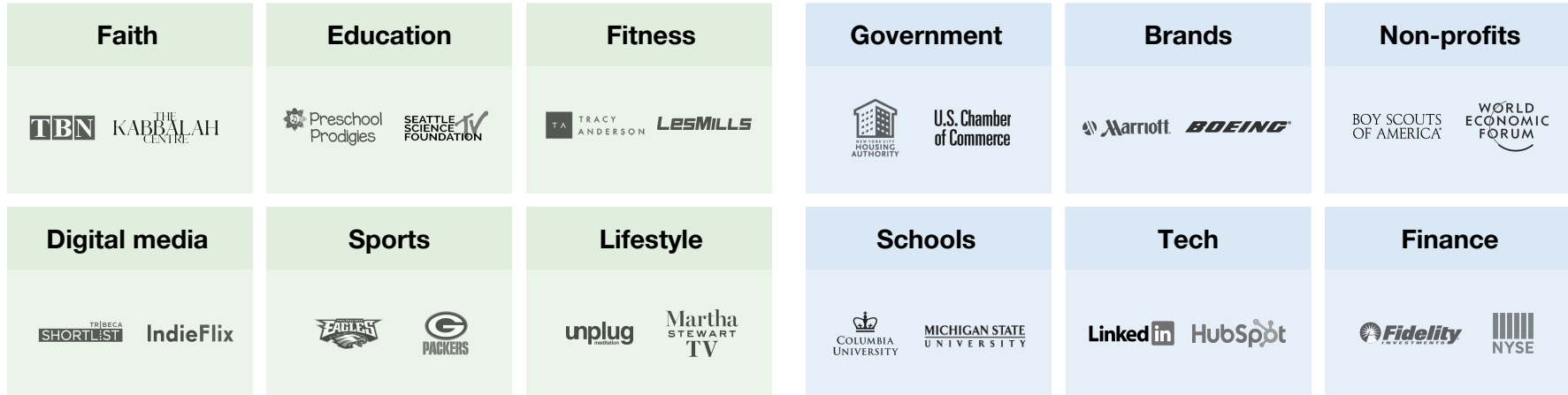
Video descriptions increased online retail conversions by **2.5x**

Estimates based on company public reports, U.S. Census data, Animoto, Business Insider, Forrester.

Advanced use cases gaining traction across verticals

\$1B+
OTT
Technology Spend

\$1B+
Corporate
Comms Spend



Estimates based on Kagan, Wainhouse. OTT = Over-the-Top providers who manage the ingest and delivery of video content.

Clear, validated growth levers

1

Grow Brand Awareness

Significant runway to scale marketing, particularly outside the U.S.

2

Unlock Freemium Funnel

Optimize tools and experience to turn millions of free users into subscribers

3

Expand Enterprise Market

Invest in product and sales force to offer every organization a turnkey and affordable solution

4

Launch More Premium Tools

Continue advancing product to increase user satisfaction, adoption and retention

1

Grow Brand Awareness

Distinctive brand, low current penetration and attractive unit economics

✓ Lots of room to grow

- TAM penetration <3%
- U.S. unaided brand awareness <8%

✓ Runway to scale profitably

- Lifetime Gross Margin to Customer Acquisition Cost = 3x
- Subscribers getting more valuable while gross margin steadily improves

✓ Big opportunity outside U.S.

- Over 50% of subscribers are outside U.S., but only a fraction of spend is translated or localized

2

Unlock Freemium Funnel

Significant room to convert more of free user base

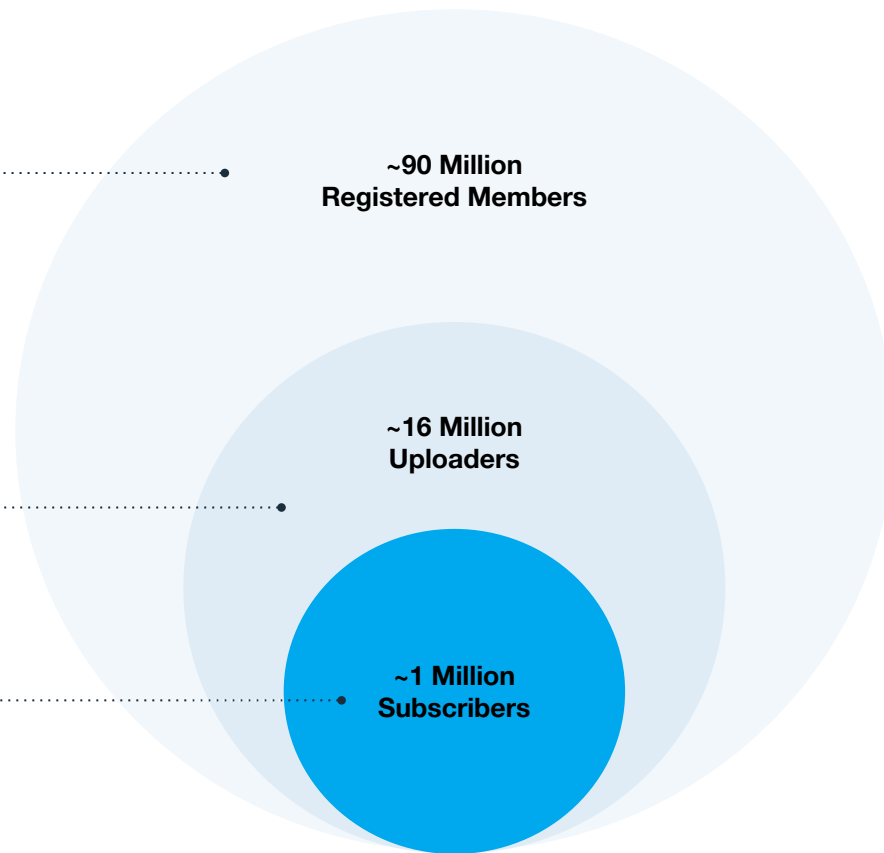
Meaningful portion of free members are creative pros & businesses

- Increase feature awareness (<30% aware of paid features)
- Launch new creation tools to drive more uploaders

Uploader conversion rate outside U.S. is ~1/2 the U.S. rate

- Localize user experience

Continue upselling subscribers to higher value tiers



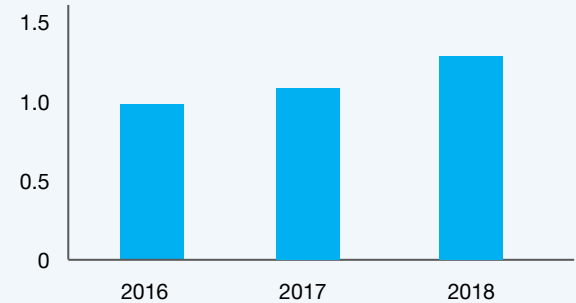
3

Expand Enterprise Market

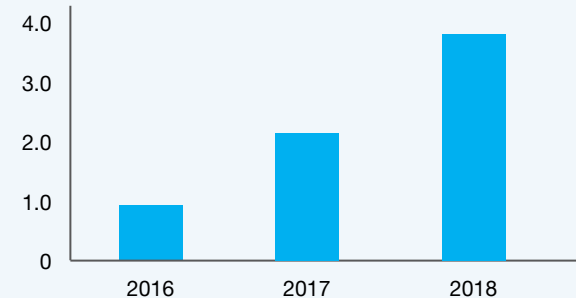
Promising early dynamics for future growth

- ✓ Large TAM driven by key verticals (Media, Faith, Sports, Fitness, Corporate Communications)
- ✓ Intuitive, feature-rich product, excellent support and accessible pricing (versus custom, expensive services)
- ✓ Unique sales model: ~\$20K average deal size with short sales cycle (< 1 month)
- ✓ Nearly 100% of pipeline today is inbound, with plenty of room to hire and scale outbound efforts

Average Deal Size
(Indexed)



New Bookings per Sales Rep
(Indexed)



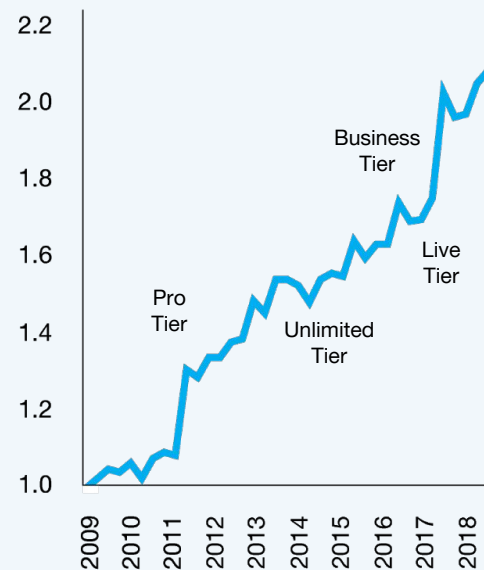
4

Launch More Premium Tools

Continuously add value to paid tiers

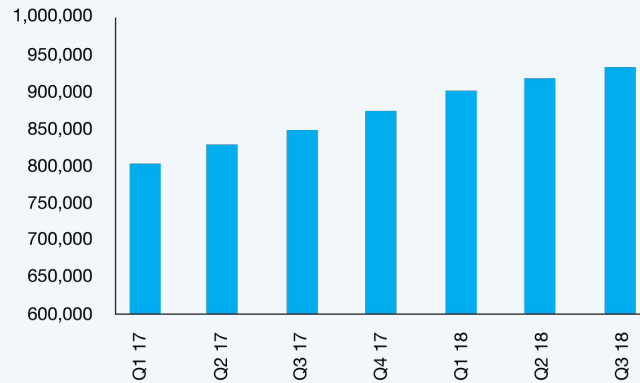
- ✓ Lifetime revenue more than 2x since 2009 as we launched new products and higher-value tiers
- ✓ Over 30% of SaaS revenue comes from tiers added in last two years
- ✓ New subscriber ARPU +50% Y/Y since launch of live streaming and enterprise offerings
- ✓ Roadmap focused on new creation and distribution tools for SMBs and expanding enterprise functionality

Lifetime Revenue Per Subscriber
(Indexed)



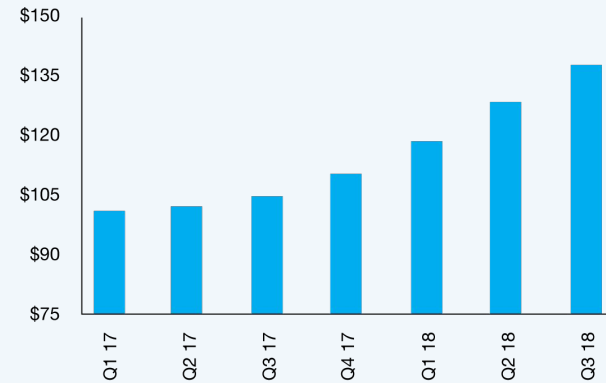
Acceleration continues across key metrics

Subscribers by Quarter



Nearly 1M subscribers

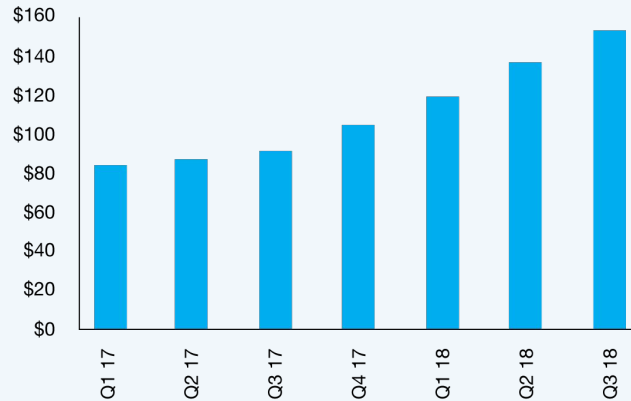
LTM SaaS ARPU by Quarter



ARPU up ~3x since inception

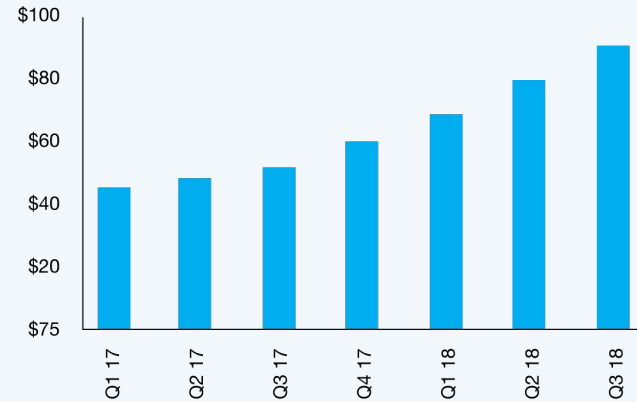
Strong growth for both top and bottom line

LTM Revenue by Quarter (\$M)



\$160M annual run rate

LTM Gross Margin by Quarter (\$M)



Margins 60%+ and scaling

Long term financial goals

Y/Y Growth

	2018	Near Term Target
Subscribers	~9%	10 - 15%
ARPU	~25%	10 - 15%
Revenue Ex-Acquisitions	~27%	20 - 30%

% of Revenue

	2018	Long Term Target
Gross Margin	~60%	70%+
Adjusted EBITDA	~(16%)	20%+