

IAC
Q1 2017 Earnings
Supplemental Financial Information and Operating Metrics

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Financial Results and Reconciliations

(\$ in millions, except per share amounts; rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Match Group	\$ 909.7	\$ 260.4	\$ 275.3	\$ 287.5	\$ 294.9	\$ 1,118.1	\$ 298.8				
HomeAdvisor	361.2	111.5	130.2	133.6	123.7	498.9	150.7				
Video	213.3	55.1	47.3	60.0	66.3	228.6	50.6				
Applications	760.7	159.8	143.2	142.8	158.4	604.1	158.9				
Publishing	691.7	166.0	85.3	74.9	81.1	407.3	78.1				
Other	294.8	66.5	64.3	65.5	87.0	283.4	24.0				
Intercompany Elimination	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.6)	(0.2)				
Total revenue	<u>\$ 3,230.9</u>	<u>\$ 819.2</u>	<u>\$ 745.4</u>	<u>\$ 764.1</u>	<u>\$ 811.2</u>	<u>\$ 3,139.9</u>	<u>\$ 760.8</u>				
Adjusted EBITDA											
Match Group	\$ 284.6	\$ 67.3	\$ 101.5	\$ 107.1	\$ 127.5	\$ 403.4	\$ 86.2				
HomeAdvisor	18.5	5.0	15.0	16.0	12.6	48.5	11.1				
Video	(38.4)	(16.9)	(4.0)	(0.9)	0.5	(21.2)	(14.7)				
Applications	184.3	31.1	29.1	34.6	37.6	132.3	34.9				
Publishing	87.8	11.4	(11.8)	(6.2)	(0.9)	(7.6)	1.2				
Other	4.7	(1.6)	(2.3)	2.8	2.9	1.8	(1.5)				
Corporate	(55.7)	(10.3)	(15.4)	(14.3)	(15.9)	(56.0)	(15.2)				
Total Adjusted EBITDA	<u>\$ 485.8</u>	<u>\$ 85.9</u>	<u>\$ 112.0</u>	<u>\$ 139.0</u>	<u>\$ 164.3</u>	<u>\$ 501.2</u>	<u>\$ 102.0</u>				
Stock-based compensation expense											
Match Group	\$ (49.4)	\$ (17.4)	\$ (12.6)	\$ (10.7)	\$ (11.6)	\$ (52.4)	\$ (18.0)				
HomeAdvisor	(1.6)	(0.4)	(0.4)	(0.4)	(0.4)	(1.6)	(0.7)				
Video	(0.4)	-	-	(0.6)	-	(0.6)	-				
Applications	-	-	-	-	-	-	-				
Publishing	-	-	-	-	-	-	-				
Other	(0.7)	(0.1)	(0.1)	(0.4)	(0.1)	(0.6)	(1.7)				
Corporate	(53.4)	(13.3)	(14.7)	(11.5)	(10.2)	(49.6)	(13.5)				
Total stock-based compensation expense	<u>\$ (105.4)</u>	<u>\$ (31.2)</u>	<u>\$ (27.8)</u>	<u>\$ (23.7)</u>	<u>\$ (22.2)</u>	<u>\$ (104.8)</u>	<u>\$ (34.0)</u>				
Depreciation											
Match Group	\$ (19.8)	\$ (5.8)	\$ (7.2)	\$ (7.2)	\$ (7.6)	\$ (27.7)	\$ (7.6)				
HomeAdvisor	(6.6)	(1.9)	(1.9)	(2.0)	(2.6)	(8.4)	(3.0)				
Video	(1.1)	(0.4)	(0.5)	(0.4)	(0.5)	(1.8)	(0.5)				
Applications	(4.6)	(1.1)	(1.1)	(1.1)	(1.8)	(5.1)	(1.0)				
Publishing	(9.6)	(2.2)	(2.1)	(2.0)	(2.2)	(8.5)	(2.0)				
Other	(8.7)	(1.5)	(1.6)	(1.5)	(1.7)	(6.2)	(0.8)				
Corporate	(11.9)	(3.0)	(3.2)	(3.7)	(4.0)	(13.9)	(4.9)				
Total depreciation	<u>\$ (62.2)</u>	<u>\$ (15.8)</u>	<u>\$ (17.6)</u>	<u>\$ (18.0)</u>	<u>\$ (20.4)</u>	<u>\$ (71.7)</u>	<u>\$ (19.9)</u>				
Amortization of intangibles											
Match Group	\$ (13.4)	\$ (6.7)	\$ (4.9)	\$ (3.4)	\$ (1.9)	\$ (16.9)	\$ (0.4)				
HomeAdvisor	(3.8)	(0.8)	(0.8)	(0.7)	(0.9)	(3.2)	(1.4)				
Video	(1.6)	(0.4)	(0.6)	(0.7)	(2.5)	(4.2)	(0.3)				
Applications	(6.3)	(1.5)	(1.5)	(1.5)	(0.9)	(5.5)	(0.6)				
Publishing	(104.9)	(2.4)	(27.6)	(6.3)	(6.6)	(42.9)	(4.9)				
Other	(10.0)	(2.0)	(1.6)	(1.6)	(1.5)	(6.7)	(1.5)				
Corporate	-	-	-	-	-	-	-				
Total amortization of intangibles	<u>\$ (140.0)</u>	<u>\$ (13.8)</u>	<u>\$ (37.0)</u>	<u>\$ (14.3)</u>	<u>\$ (14.4)</u>	<u>\$ (79.4)</u>	<u>\$ (9.2)</u>				

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Financial Results and Reconciliations

(\$ in millions, except per share amounts; rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Acquisition-related contingent consideration fair value adjustments											
Match Group	\$ 11.1	\$ (3.2)	\$ 0.8	\$ 5.1	\$ 6.5	\$ 9.2	\$ (1.3)				
HomeAdvisor	-	-	-	-	-	-	-				
Video	2.6	0.2	-	-	-	0.2	-				
Applications	1.8	(0.7)	(7.6)	(2.7)	(1.0)	(12.0)	(0.5)				
Publishing	-	-	-	-	-	-	-				
Other	-	-	-	0.1	-	0.1	-				
Corporate	-	-	-	-	-	-	-				
Total acquisition-related contingent consideration fair value adjustments	<u>\$ 15.5</u>	<u>\$ (3.7)</u>	<u>\$ (6.8)</u>	<u>\$ 2.5</u>	<u>\$ 5.4</u>	<u>\$ (2.6)</u>	<u>\$ (1.9)</u>				
Goodwill impairment											
Match Group	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
HomeAdvisor	-	-	-	-	-	-	-				
Video	-	-	-	-	-	-	-				
Applications	-	-	-	-	-	-	-				
Publishing	-	-	(275.4)	-	-	(275.4)	-				
Other	(14.1)	-	-	-	-	-	-				
Corporate	-	-	-	-	-	-	-				
Total goodwill impairment	<u>\$ (14.1)</u>	<u>\$ -</u>	<u>\$ (275.4)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (275.4)</u>	<u>\$ -</u>				
Operating income (loss)											
Match Group	\$ 213.0	\$ 34.2	\$ 77.5	\$ 90.9	\$ 112.9	\$ 315.5	\$ 58.9				
HomeAdvisor	6.5	1.9	11.9	12.8	8.7	35.3	6.0				
Video	(38.8)	(17.5)	(5.0)	(2.7)	(2.5)	(27.7)	(15.6)				
Applications	175.1	27.7	18.9	29.2	33.8	109.7	32.8				
Publishing	(26.7)	6.8	(316.9)	(14.6)	(9.7)	(334.4)	(5.8)				
Other	(28.6)	(5.1)	(5.5)	(0.7)	(0.4)	(11.7)	(5.6)				
Corporate	(120.9)	(26.6)	(33.3)	(29.5)	(30.1)	(119.4)	(33.6)				
Total operating income (loss)	<u>\$ 179.6</u>	<u>\$ 21.4</u>	<u>\$ (252.4)</u>	<u>\$ 85.6</u>	<u>\$ 112.8</u>	<u>\$ (32.6)</u>	<u>\$ 37.1</u>				
Interest expense	(73.6)	(27.9)	(27.6)	(27.1)	(26.5)	(109.1)	(24.8)				
Other income (expense), net	36.9	15.9	(7.2)	11.7	40.2	60.7	(7.7)				
Earnings (loss) before income taxes	142.9	9.5	(287.3)	70.2	126.6	(81.1)	4.6				
Income tax (provision) benefit	(29.5)	(1.5)	96.7	(17.8)	(12.5)	64.9	23.9				
Net earnings (loss)	113.4	7.9	(190.5)	52.3	114.1	(16.2)	28.5				
Net loss (earnings) attributable to noncontrolling interests	6.1	0.3	(4.2)	(9.2)	(12.1)	(25.1)	(2.3)				
Net earnings (loss) attributable to IAC shareholders	<u>\$ 119.5</u>	<u>\$ 8.3</u>	<u>\$ (194.8)</u>	<u>\$ 43.2</u>	<u>\$ 102.1</u>	<u>\$ (41.3)</u>	<u>\$ 26.2</u>				
Impact from Match Group's dilutive securities (a)	\$ (1.8)	\$ (0.5)	\$ -	\$ (3.5)	\$ (1.5)	\$ -	\$ (2.4)				
GAAP diluted weighted average shares outstanding	88.3	84.8	79.5	81.6	85.4	80.0	82.5				
GAAP diluted earnings (loss) per share	<u>\$ 1.33</u>	<u>\$ 0.09</u>	<u>\$ (2.45)</u>	<u>\$ 0.49</u>	<u>\$ 1.18</u>	<u>\$ (0.52)</u>	<u>\$ 0.29</u>				

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Financial Results and Reconciliations

(\$ in millions, except per share amounts; rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Reconciliation of GAAP EPS to Adjusted EPS											
Net earnings (loss) attributable to IAC shareholders	\$ 119.5	\$ 8.3	\$ (194.8)	\$ 43.2	\$ 102.1	\$ (41.3)	\$ 26.2				
Stock-based compensation expense	105.4	31.2	27.8	23.7	22.2	104.8	34.0				
Amortization of intangibles	140.0	13.8	37.0	14.3	14.4	79.4	9.2				
Acquisition-related contingent consideration fair value adjustments	(15.5)	3.7	6.8	(2.5)	(5.4)	2.6	1.9				
Goodwill impairment	14.1	-	275.4	-	-	275.4	-				
Impact of income taxes and noncontrolling interests	(95.4)	(20.8)	(117.7)	(18.4)	(19.0)	(175.9)	(47.4)				
Adjusted Net Income	\$ 268.0	\$ 36.1	\$ 34.4	\$ 60.3	\$ 114.2	\$ 245.0	\$ 23.8				
Adjusted EPS weighted average shares outstanding (b)	88.1	85.4	82.0	82.1	82.7	83.0	82.8				
Adjusted EPS	\$ 3.04	\$ 0.42	\$ 0.42	\$ 0.73	\$ 1.38	\$ 2.95	\$ 0.29				
GAAP Basic weighted average shares outstanding	82.9	82.0	79.5	79.5	79.1	80.0	78.2				
Options, subsidiary denominated equity and RSUs, treasury method	5.3	2.8	-	2.1	6.2	-	4.3				
GAAP Diluted weighted average shares outstanding	88.3	84.8	79.5	81.6	85.4	80.0	82.5				
Options, subsidiary denominated equity and RSUs, treasury method not included in diluted shares above	-	-	2.0	-	-	2.5	-				
Impact of RSUs and other (b)	(0.2)	0.6	0.5	0.4	(2.7)	0.5	0.3				
Adjusted EPS weighted average shares outstanding (b)	88.1	85.4	82.0	82.1	82.7	83.0	82.8				

Note: On March 31, 2017, Match Group sold its non-dating business and has reflected it as a discontinued operation in Q1 2017 in its standalone financial statements; Match Group financial information for prior periods has been recast to conform to the current period presentation. The non-dating business does not meet the threshold to be reflected as a discontinued operation at the IAC level. IAC has moved the non-dating business to its "Other" segment in Q1 2017 and prior period financial information has been recast to conform to the current period presentation. As a result, Match Group's revenue, operating income and Adjusted EBITDA in IAC's financial results conform to the corresponding amounts in Match Group's standalone financial statements.

- (a) Represents the impact on earnings related to Match Group's dilutive securities.
- (b) For GAAP diluted EPS purposes, RSUs, as well as performance-based RSUs and market-based awards for which the applicable performance or market condition(s) have been met, are included on a treasury method basis. For Adjusted EPS purposes, the impact of RSUs on shares outstanding is based on the weighted average number of RSUs outstanding, including performance-based RSUs outstanding that the Company believes are probable of vesting. Adjusted EPS does not include any shares issuable in settlement of Match Group subsidiary denominated equity as such equity is assumed to be settled with Match Group common stock.

**IAC
Match Group**

(rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match Group											
Revenue (in millions)											
North America (a)	\$ 583.2	\$ 164.4	\$ 170.5	\$ 172.4	\$ 174.5	\$ 681.8	\$ 177.4				
International (b)	283.4	84.6	92.9	101.3	106.7	385.6	110.4				
Total Direct Revenue (c)	\$ 866.6	\$ 249.0	\$ 263.4	\$ 273.7	\$ 281.2	\$ 1,067.4	\$ 287.8				
Indirect Revenue	43.1	11.4	11.9	13.8	13.7	50.7	11.0				
Total Revenue	\$ 909.7	\$ 260.4	\$ 275.3	\$ 287.5	\$ 294.9	\$ 1,118.1	\$ 298.8				
Average PMC (d) (in thousands)											
North America (a)	2,712	3,221	3,311	3,371	3,363	3,317	3,438				
International (b)	1,435	1,862	1,990	2,175	2,334	2,091	2,473				
Total Average PMC	4,147	5,083	5,301	5,546	5,697	5,408	5,911				
ARPPU (e)											
North America (a)	\$ 0.59	\$ 0.56	\$ 0.57	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.57				
International (b)	\$ 0.53	\$ 0.49	\$ 0.51	\$ 0.50	\$ 0.49	\$ 0.50	\$ 0.49				
Total ARPPU	\$ 0.57	\$ 0.54	\$ 0.54	\$ 0.53	\$ 0.53	\$ 0.54	\$ 0.53				

(a) North America consists of our businesses for customers located in the United States and Canada.

(b) International consists of our businesses for customers located outside of the United States and Canada.

(c) Direct Revenue is revenue that is directly received from an end user of our products.

(d) Average PMC is calculated by summing the number of paid subscribers, or paid member count (PMC), at the end of each day in the relevant measurement period and dividing it by the number of calendar days in that period.

(e) ARPPU, or Average Revenue per Paying User, is defined as Direct Revenue from subscribers in the relevant measurement period (whether in the form of subscription payments or à la carte payments) divided by the Average PMC in such period divided by the number of calendar days in such period.

IAC
HomeAdvisor

(rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
HomeAdvisor											
Domestic Revenue (in millions) (a)	\$ 296.9	\$ 94.3	\$ 112.8	\$ 116.4	\$ 105.3	\$ 428.9	\$ 129.6				
Domestic Service Requests (in thousands) (a) (b)	9,831	2,732	3,695	3,684	3,097	13,208	3,656				
Domestic Paying Service Professionals (in thousands) (a) (c)	102	116	128	137	143	143	156				

(a) Domestic reflects the HomeAdvisor branded marketplace service and its owned affiliates in the United States. It excludes other domestic operating subsidiaries within the segment.

(b) Fully completed and submitted customer service requests on HomeAdvisor.

(c) The number of service professionals that had an active membership and/or paid for leads in the last month of the period.

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Video

(rounding differences may exist)

	2015	2016					2017				
Vimeo (in thousands)	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Ending Subscribers (a)	676	697	720	741	768	768	800				

(a) The number of subscribers to Vimeo's Creator Platform with a Plus, Pro or Business subscription at the end of the period.

**IAC
Applications**

(rounding differences may exist)

Applications (in millions)	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
<i>Revenue</i>											
Consumer (a)	\$ 527.6	\$ 117.7	\$ 109.4	\$ 110.9	\$ 124.1	\$ 462.2	\$ 130.3				
Partnerships (b)	233.2	42.1	33.7	31.9	34.3	142.0	28.6				
Total Applications	<u>\$ 760.7</u>	<u>\$ 159.8</u>	<u>\$ 143.2</u>	<u>\$ 142.8</u>	<u>\$ 158.4</u>	<u>\$ 604.1</u>	<u>\$ 158.9</u>				

(a) Consumer revenue is composed of the direct-to-consumer downloadable desktop applications, including Apalon, which houses our mobile operations, and SlimWare.

(b) Partnerships revenue is composed of our business-to-business partnership operations.

**IAC
Publishing**

(rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Publishing (in millions)											
<i>Revenue</i>											
Premium Brands (a)	\$ 309.6	\$ 82.6	\$ 54.4	\$ 48.2	\$ 45.8	\$ 231.0	\$ 36.5				
Ask & Other (b)	382.1	83.4	30.9	26.7	35.3	176.4	41.6				
Total Publishing	<u>\$ 691.7</u>	<u>\$ 166.0</u>	<u>\$ 85.3</u>	<u>\$ 74.9</u>	<u>\$ 81.1</u>	<u>\$ 407.3</u>	<u>\$ 78.1</u>				

(a) Premium Brands revenue is composed of Dotdash (formerly About.com), Dictionary.com, Investopedia and The Daily Beast.

(b) Ask & Other revenue is principally composed of Ask.com and CityGrid.