



THE **#1** HOME SERVICES MARKETPLACE

December 6, 2016

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The Leading Marketplace for Home Services

8M+

HOMEOWNERS LTM



**NATIONWIDE
MARKETPLACE**

400+ MSAs COVERED



142K+

SERVICE PROVIDERS
("SPs")



\$12B+

SP PROJECT VALUE
LTM

12M+

SERVICE REQUESTS ("SRs")
LTM



Number One HOME SERVICES MARKETPLACE and Pulling Away

#1 in REVENUE

#1 in SERVICE PRO NETWORK

#1 in SERVICE PRO NETWORK GROWTH

#1 In SALES FORCE SIZE

#1 in SERVICE REQUESTS

#1 in ON-DEMAND CONNECTIONS
(Only national platform)



Straight Forward Business Model Driven by Customer Success

Service professional connection fees tied to project value and geographic locale



**HOMEOWNER
SUBMITS SERVICE
REQUEST**

~\$3K Avg Project Value



**SERVICE PRO
COMPLETES
PROJECT**

~\$30 Avg Connect Fee



~3-4% Effective HomeAdvisor Take Rate



HOMEOWNER BENEFITS

THE BEST WAY TO GET HOME PROJECTS DONE

Unparalleled in convenience, safety and ease for doing home projects.



➤ LARGEST PRO NETWORK

142K+ paying & engaged service pros

➤ SAFETY AND SECURITY

Criminal & financial background checks on pros

➤ ADVANCED MATCHING

Connect with pros available to take on new work in your zip code

➤ ON-DEMAND SERVICE (IB/IC)

Only national scale solution providing on-demand services

➤ BEST RESEARCH TOOLS

Most comprehensive reviews and project cost guide



THE BEST WAY TO CONNECT WITH NEW CUSTOMERS

Largest & most effective marketing platform for
home service providers



SERVICE PRO BENEFITS

➤ LARGEST CONSUMER AUDIENCE

Leading online destination for homeowners seeking service pros

➤ TRACKABLE ROI

Measure win rate and specific return of marketing spend

➤ TOTAL CONTROL

Turn on and off homeowner project requests as needed

➤ ON-DEMAND

Synchronized calendar & instant phone connections

➤ TAILORED FOR HOME SERVICE PROS

Customer management tools go beyond generic keyword bidding & directory listings



Similar Characteristics Compared with Other Leading Marketplaces

Significant upside on take rate and brand awareness



Vertical	Home Services	Crafts & Handmade	Restaurant Reservations	Food Delivery	Vacation Rentals	Real Estate	Travel	eCommerce
TAM	\$400B	\$34B	\$3T	\$54B	\$100B	\$77B	\$1.4T	\$1.7T
GMV (Transaction Value)	\$12B	\$2.7B	\$12B	\$2.4B	\$4.7B	\$3.2B	\$61B	\$82B
Market Share	3.0%	8.1%	0.4%	4.4%	4.7%	4.2%	4.4%	4.9%
Take Rate	3-4%	12%	2-3%	15%	10%	15%	11%	8%
Adjusted EBITDA (LTM)	\$42M	\$56M	\$81M	\$118M	\$118M	\$148M	\$1.3B	\$3.5B

(1) Domestic for all metrics excl. EBITDA

(2) Company reports; TAM: Fung Global Retail & Technology report: Crafts, Fine Arts & Jewelry & beads spend; Techcrunch: Unpacking Etsy's S1

(3) TAM: Global restaurant industry; equity analyst research reports mid-2013; EBITDA LTM as of Q2 2014

(4) Company reports; TAM: Euromonitor & MS 2013: Independent & Chain Delivery & Takeaway Market (Excl. Amazon Inventory Sales)

(5) TAM: Skift (Global) (All metrics 2014 pre-Expedia acquisition); Techcrunch: Unpacking Etsy's S1

(6) TAM represents total real estate agent commissions; Equity Research Reports (BofA Merrill Lynch; Needham); EBITDA Capital IQ \$5.5M + \$142.5M legal settlement Q2 '16 per company reports

(7) Company reports; eMarketer: 2015 Digital Travel Sales Worldwide; Phocuswright: 2015 Global Online Travel Spending

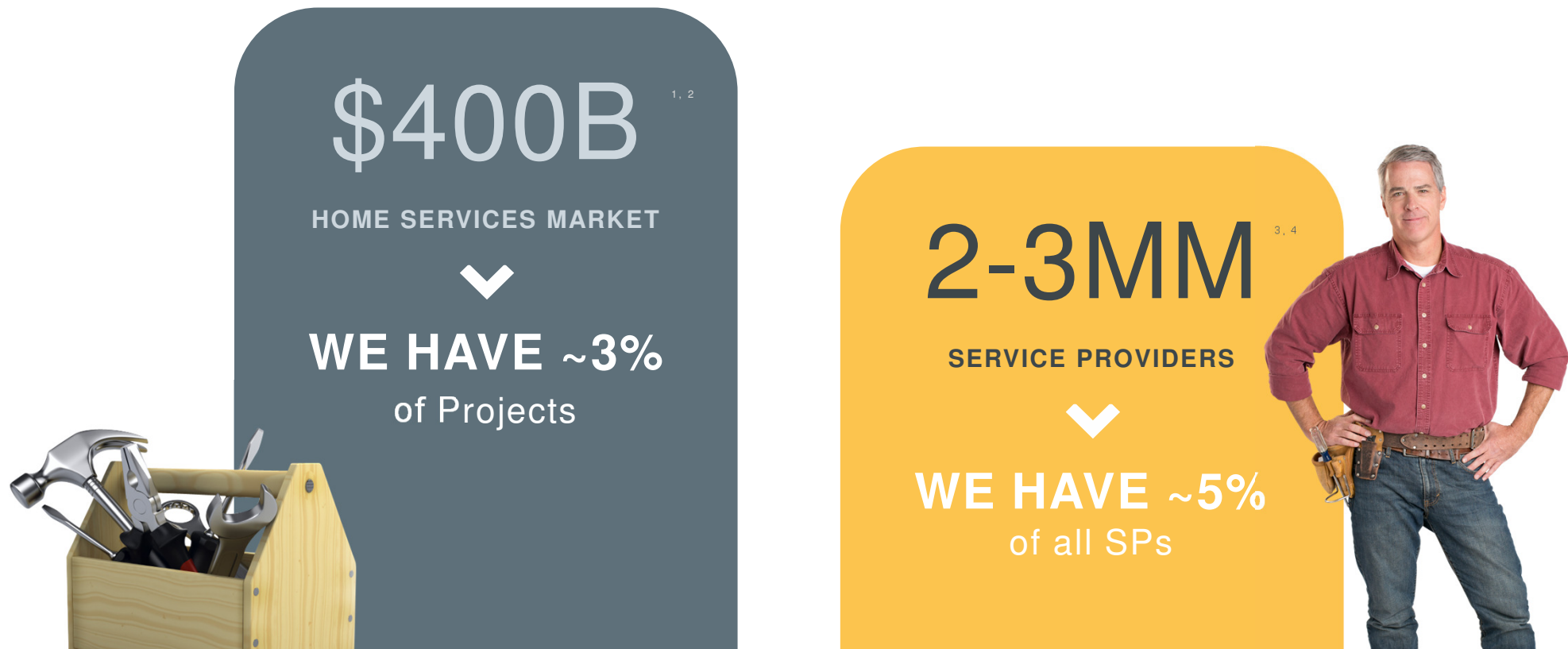
(8) Company reports; eMarketer: Total Retail Sales Worldwide (Includes StubHub)



An aerial photograph of a suburban neighborhood, likely in Europe, showing a dense collection of houses with red-tiled roofs and lush green trees. The houses are mostly two-story buildings with varying architectural styles. The trees are mature and green, suggesting a summer or late spring setting. In the background, a larger urban area is visible under a hazy, golden sky, possibly during sunrise or sunset. The overall scene conveys a sense of a well-established, green residential area.

MARKET SIZE & OPPORTUNITY

A Very Large Market Size in Terms of Total Spend on Projects



(1) NYTimes

(2) \$12B GMV / \$400B Market

(3) Our network of 142K service providers / 2-3M service providers

(4) Census Bureau Business & Industry: Industry Snapshot: Construction NAICS 23 (2012)

Two Major Market Opportunities: Online Migration & Millennials Buying Homes



~90%

² of homeowners use
**WORD OF MOUTH
& OFFLINE**
when hiring a home pro



~2X¹

homeowners ages
18-34 willingness to
HIRE A PRO ONLINE
vs. homeowners aged 50+

(1) 11% of homeowners surveyed found their pro online (HomeAdvisor quarterly survey of homeowners)

(2) Farnsworth Online Home Study





FORMULA FOR GROWTH

3 Key Drivers of Growth in the Business

Strong Product Innovation supported by investment in Brand Marketing and Sales



PRODUCT INNOVATION

OPERATING LEVERAGE through increased repeat use & retention



SALES FORCE

Grow the **HIGHEST QUALITY** SP network

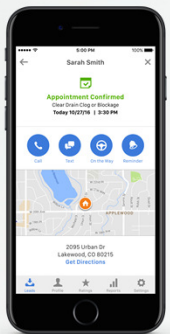


BRAND MARKETING

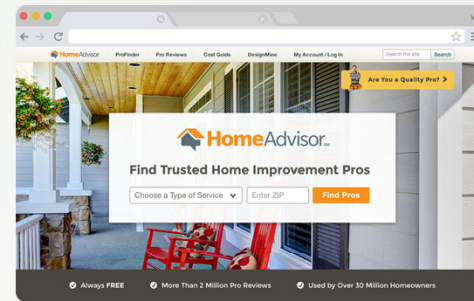
Drive **PROFITABLE, BRAND-FOCUSED** marketing



HomeAdvisor is Emerging as the Go-To Provider for Home Services Anywhere, Anytime



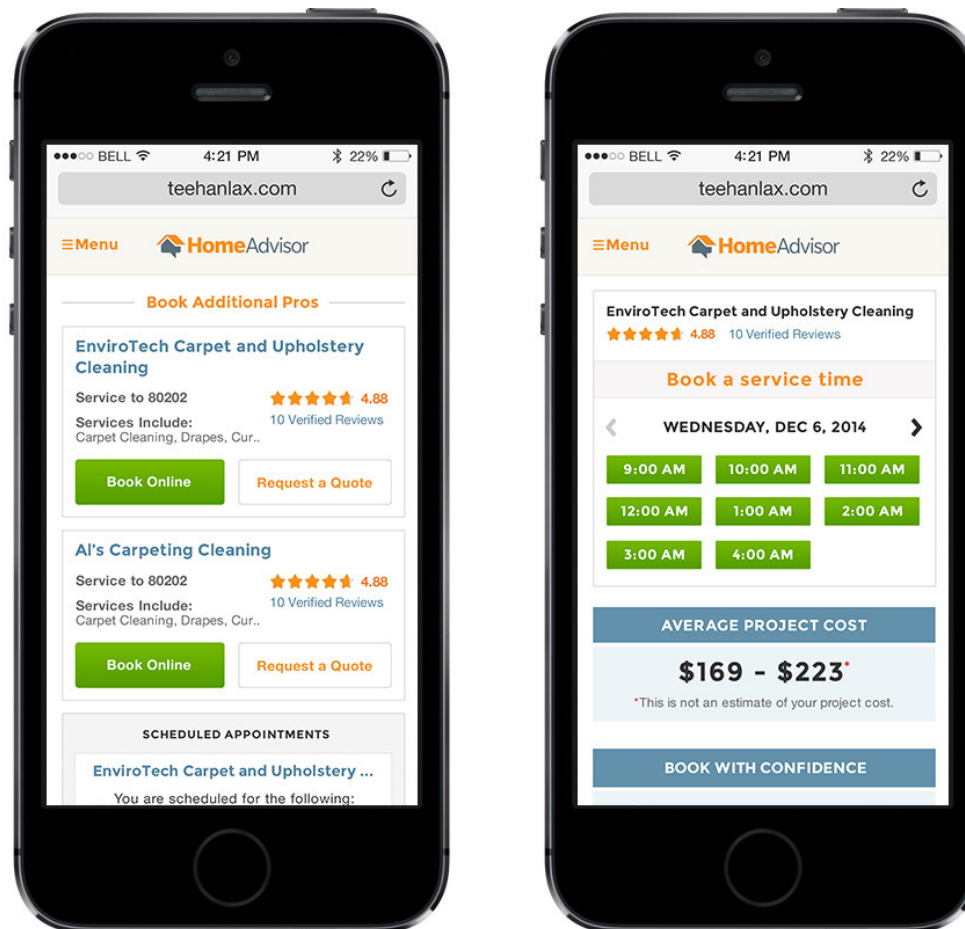
"I found you a pre-screened handyman"



INSTANT BOOKING, The Only Nationwide On-Demand Platform

Book an appointment directly

- Schedule service or in-person estimate
- See average project costs in advance
- Nearly 1M appointments in 2016



Proprietary Matching Algorithm Superior to Static Directories

Delivers screened pros who are available to do work now



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RATINGS & REVIEWS



OVERALL RATING **4.5**

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RATINGS & REVIEWS



OVERALL RATING **4.9**

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RATINGS & REVIEWS



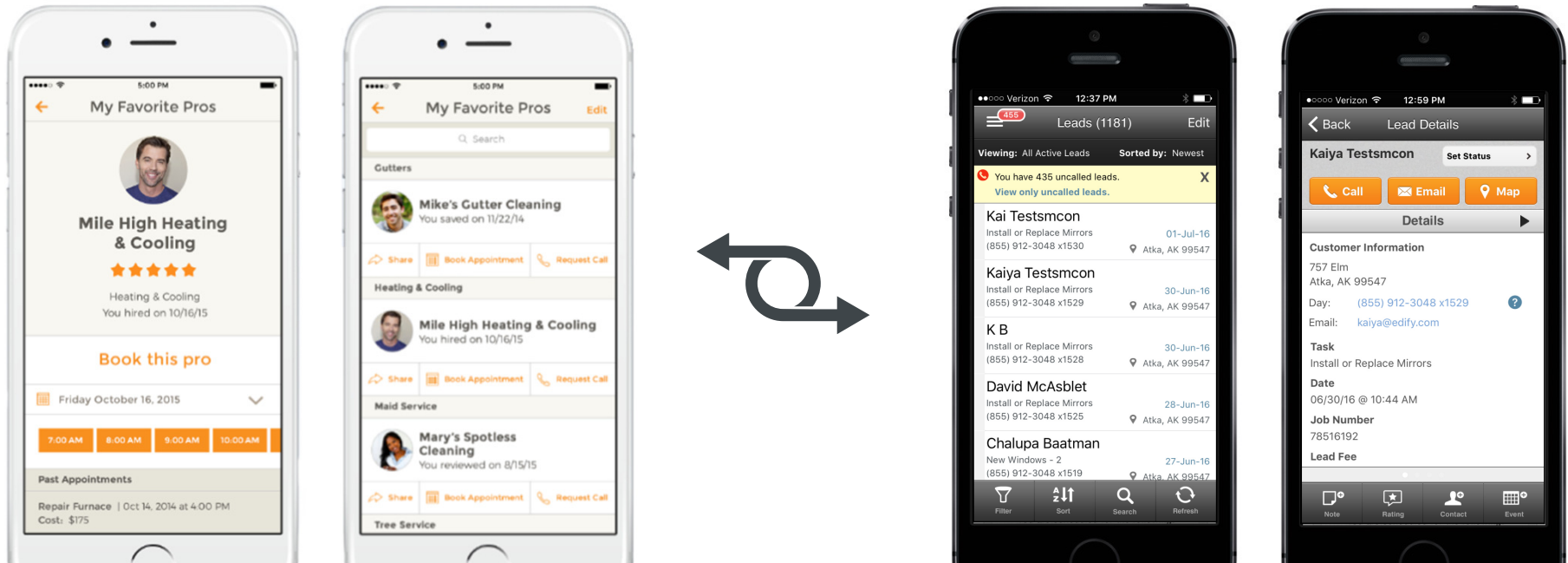
OVERALL RATING **4.1**

BOOK NOW



Product Innovation Driving Homeowner and Service Pro Success

Higher connection and success rates driving significant economic growth



My HomeAdvisor

Homeowner Portal to manage and optimize projects

Service Pro Tools

Manage and optimize homeowner requests



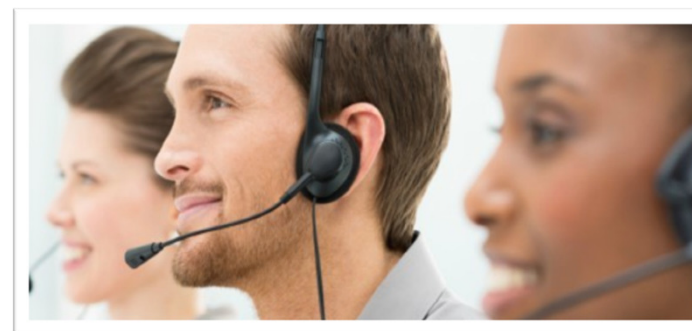
Marketing and Sales Investment Drives Marketplace Growth

Investment in growing both sides of marketplace



MARKETING

Grow branded Service Requests



SALES FORCE

Grow quality Service Provider Network

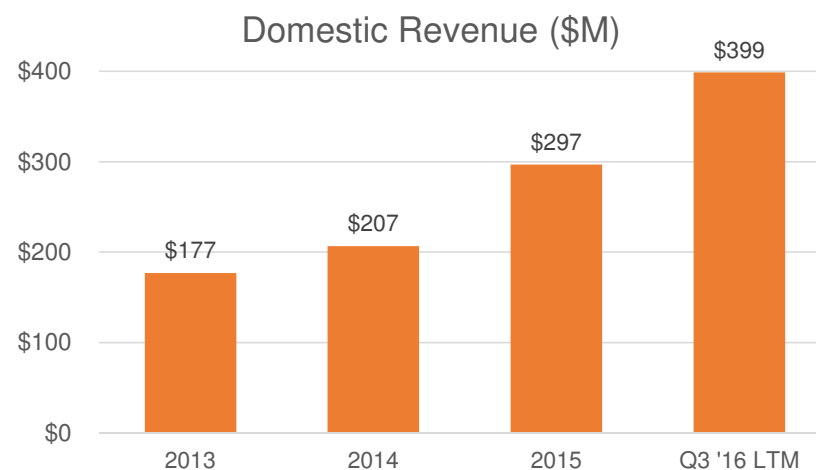
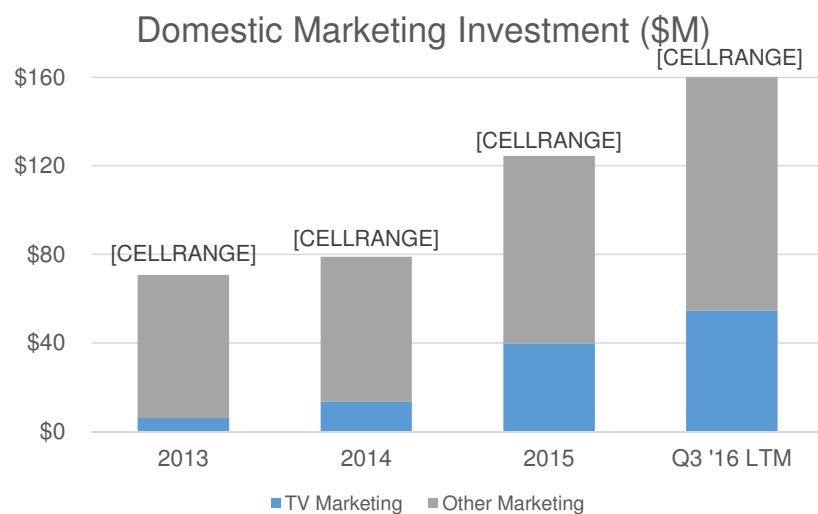
\$160M+ Spend Q3 2016 LTM

~1000 Sales Reps



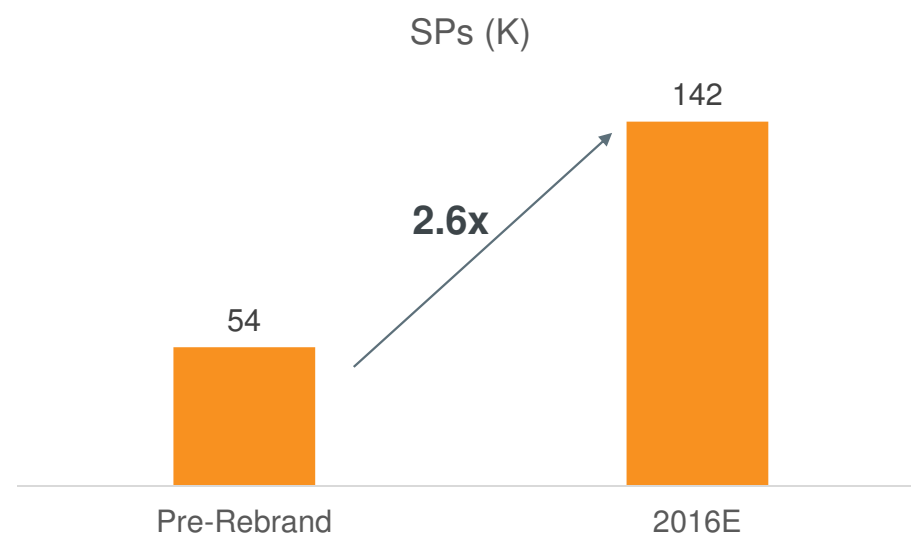
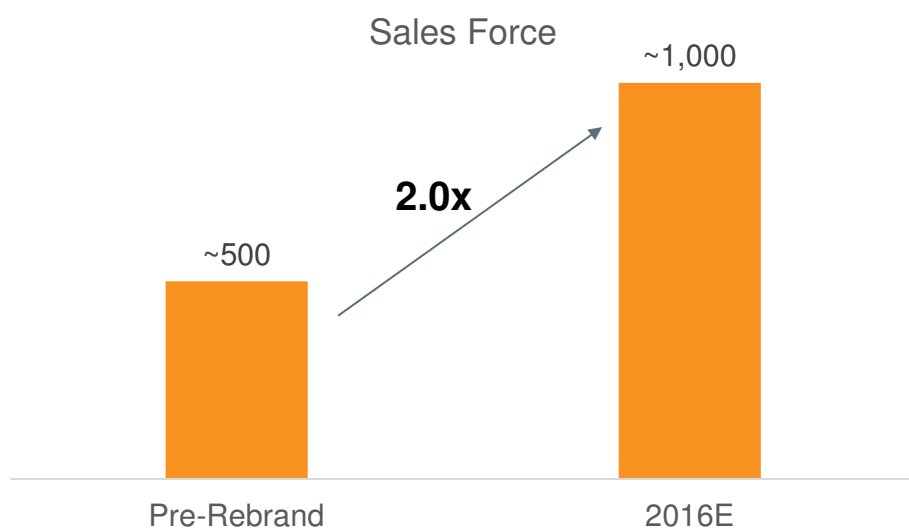
Accelerating Growth Through Profitable Marketing Investment

Profitable marketing growth in line with revenue growth



Investment in Sales Driving Network Growth

Growth in paying SPs outpacing growth in sales force due to strong productivity & higher quality SPs



2X increase in Sales Force

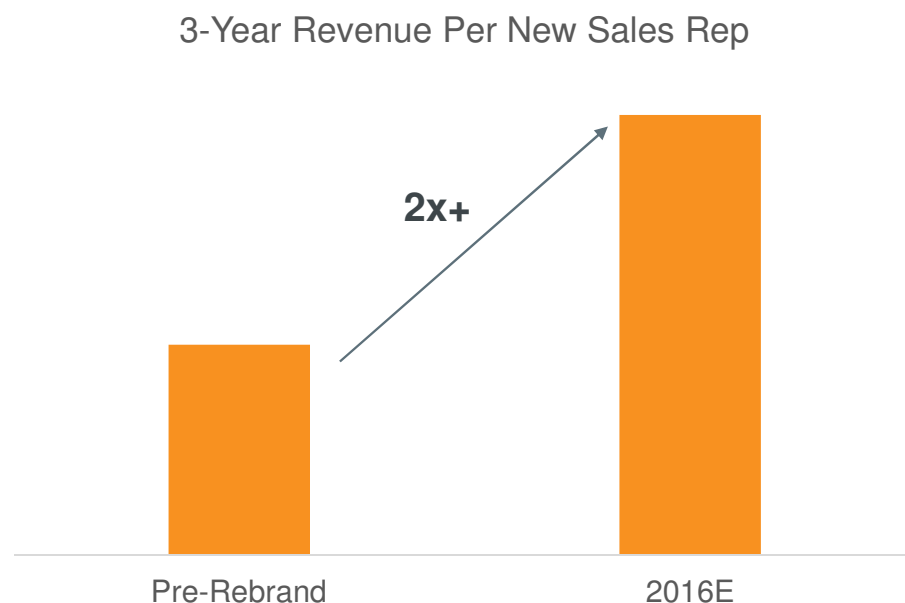
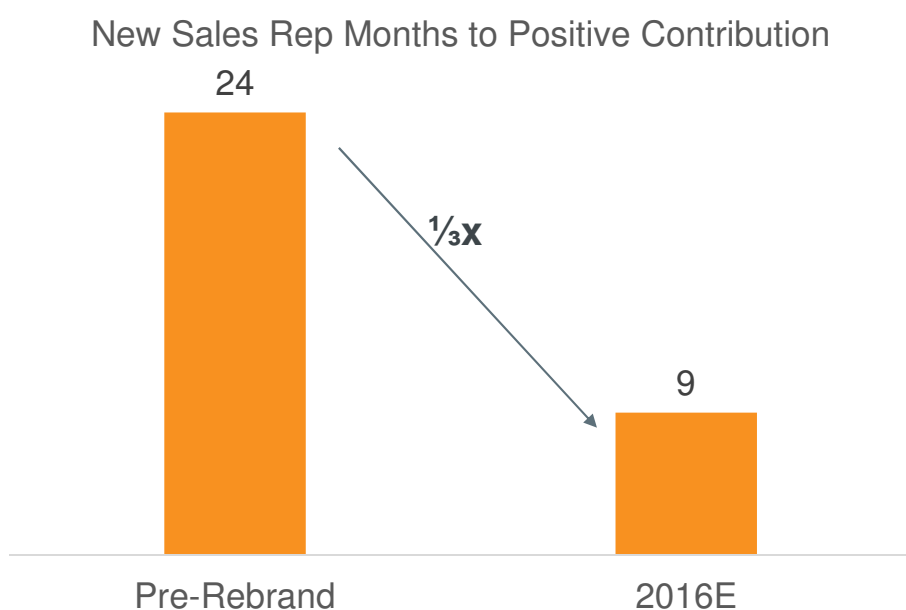


2.6X increase in paying SPs



Sales Reps More Efficient

Sales reps take 1/3 of the time to positive contribution



Sales reps take a 1/3 the time to positive contribution



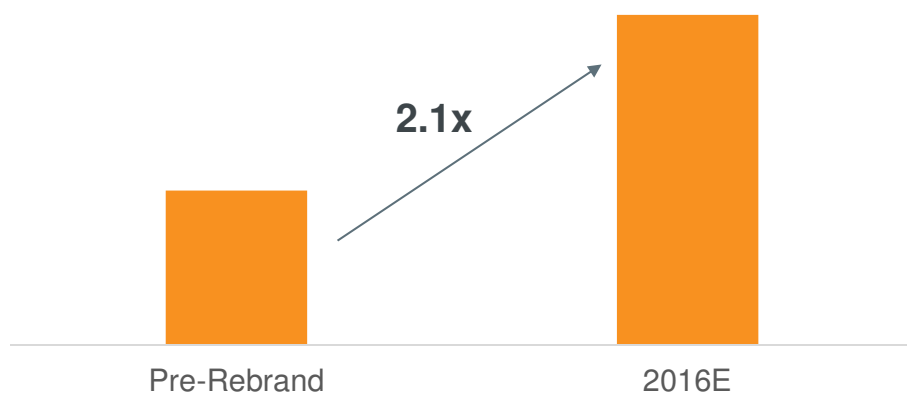
And drive 2X the revenue



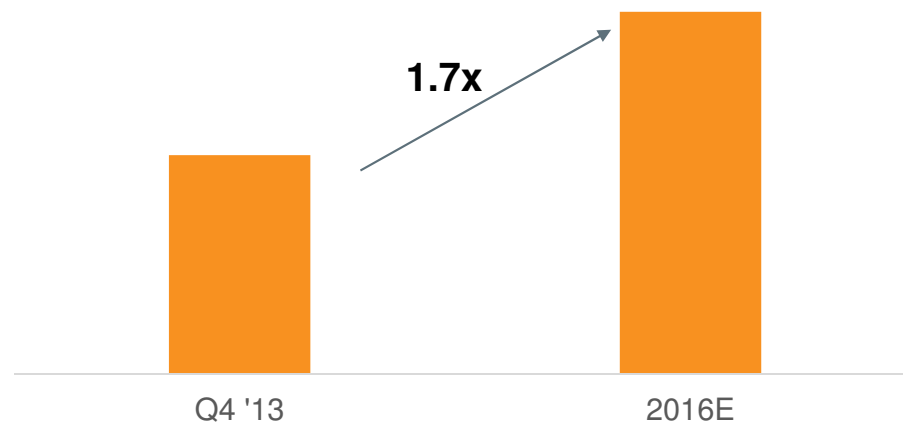
SPs are Making More Money and Staying Longer

Service Provider ROI is better than ever

Value of Projects Won Over 3 Years by Average SP



SP Retention



2.1X increase in Value of Projects Won



1.7X increase in Retention

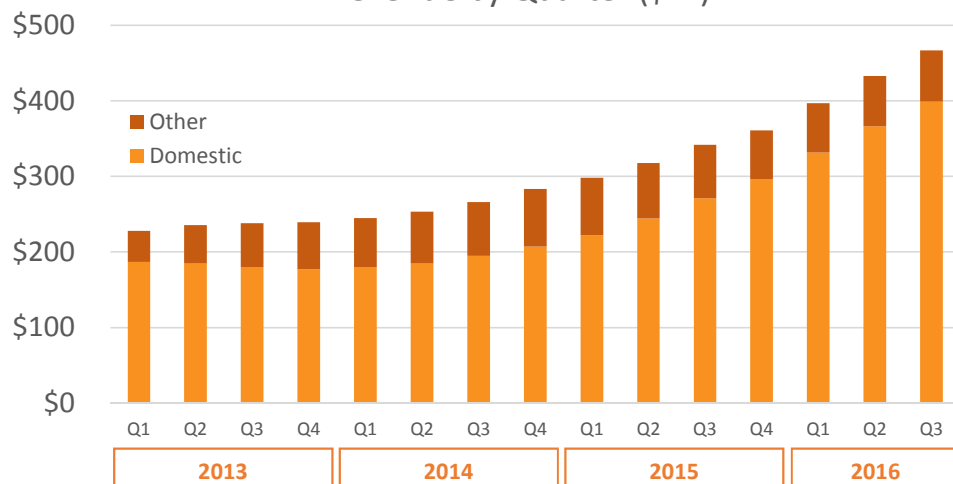


The background of the image shows several overlapping financial documents. These documents contain various types of data visualizations, including line graphs with multiple colored lines, bar charts with vertical bars in blue, red, and green, and tables of data. The documents are slightly out of focus, creating a sense of depth. The text 'FINANCIAL IMPACT' is centered over the middle of these documents.

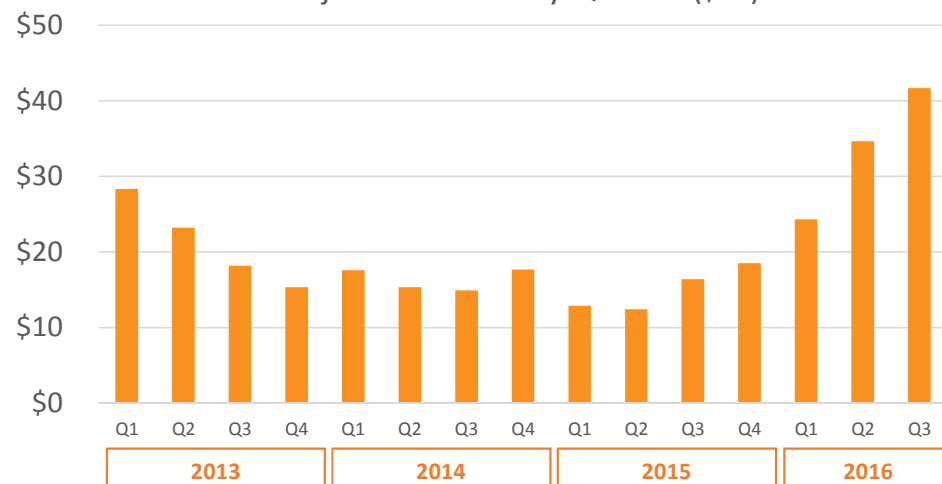
FINANCIAL IMPACT

HomeAdvisor Revenue & Adjusted EBITDA Trends

LTM Revenue by Quarter (\$M)



LTM Adjusted EBITDA by Quarter (\$M)



30% 3 Year Revenue CAGR



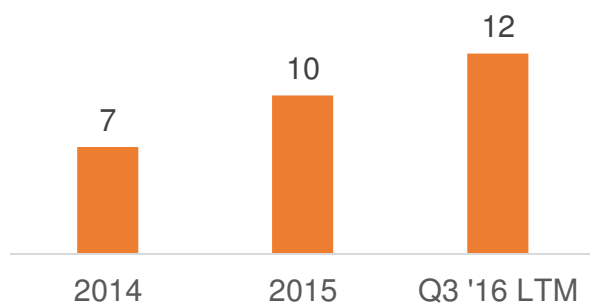
Adj EBITDA run-rate 3x over last 6 qtrs



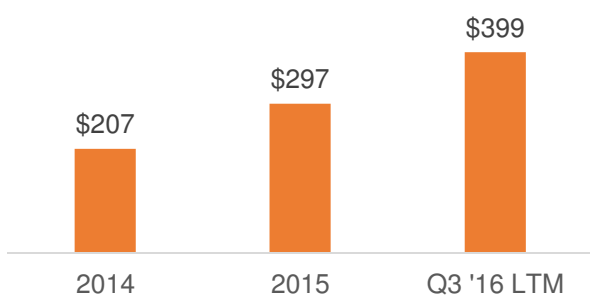
Growing Both Sides of the Marketplace Creates Network Effects

Virtuous cycle accelerates growth

Service Requests (M)



Domestic Revenue (\$M)



More Project Requests

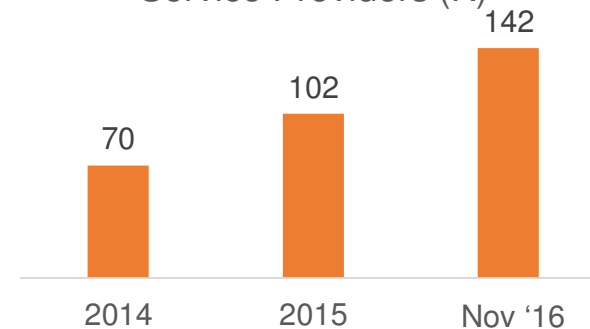
More SPs



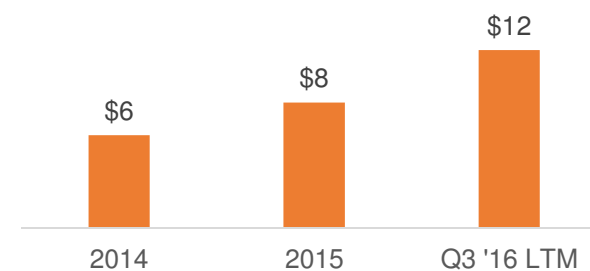
Happier Homeowners

More Projects Completed

Service Providers (K)



SP Project Value (\$B)





HomeAdvisor LTM Adjusted EBITDA Reconciliation

LTM (in thousands)	2013				2014				2015				2016		
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
Operating income	18,377	10,759	3,400	284	2,302	(205)	(1,656)	1,060	(3,018)	(2,614)	3,522	6,452	12,363	22,685	29,395
add back:															
Stock-based compensation	-	-	-	-	-	-	138	558	978	1,398	1,670	1,649	1,636	1,624	1,622
Depreciation	4,764	4,911	5,071	5,174	5,283	5,550	5,794	6,521	6,670	6,715	6,753	6,593	6,916	7,250	7,649
Amortization of Intangibles	5,202	7,585	9,733	9,916	10,038	10,020	10,654	9,562	8,287	6,922	4,496	3,835	3,416	3,087	3,042
Adjusted EBITDA	28,343	23,256	18,204	15,373	17,623	15,365	14,930	17,701	12,917	12,421	16,441	18,529	24,331	34,647	41,708

