

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 2, 2021

IAC/INTERACTIVE CORP

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39356
(Commission
File Number)

84-3727412
(IRS Employer
Identification No.)

555 West 18th Street, New York, NY
(Address of principal executive offices)

10011
(Zip Code)

Registrant's telephone number, including area code: **(212) 314-7300**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, par value \$0.001	IAC	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 8.01 Other Events.

As previously announced on December 22, 2020, IAC's Board of Directors has approved a plan to spin-off IAC's ownership interest in Vimeo to IAC shareholders. IAC's Vimeo business will be separated from the remaining businesses of IAC through a series of transactions (which we refer to as the "Spin-off") that, if completed in their entirety, will result in the transfer of IAC's Vimeo business to Vimeo Holdings, Inc. ("SpinCo"), a wholly-owned subsidiary of IAC, with SpinCo becoming an independent, separately traded public company through a spin-off from IAC, and Vimeo, Inc., the IAC subsidiary that currently holds the Vimeo business, becoming a wholly-owned subsidiary of SpinCo. The proposed transaction is subject to a number of conditions including final approval by IAC's Board of Directors, approval of the separation-related proposals by IAC stockholders, and other customary conditions and approvals and is expected to close in the second quarter of 2021.

Attached and incorporated herein by reference as Exhibit 99.1 is certain supplemental financial information of Vimeo, Inc.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This communication may contain "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, statements relating to the anticipated consummation (including anticipated timing) of the pending separation of Vimeo from IAC, and all statements (other than statements of historical facts) that address activities, events or developments that IAC intends, expects, projects, believes or anticipates will or may occur in the future. These statements are often characterized by terminology such as "believe," "may," "anticipate," "should," "intend," "plan," "will," "expect," "estimate," "project," "positioned," "strategy" and similar expressions, and are based on assumptions and assessments made by IAC's management in light of their experience and their perception of historical trends, current conditions, expected future developments, and other factors they believe to be appropriate. IAC undertakes no duty to update or revise any such statements, whether as a result of new information, future events or otherwise. Forward-looking statements are not guarantees of future performance. Whether actual results will conform to expectations and predictions is subject to known and unknown risks and uncertainties, including: risks and uncertainties discussed in reports that IAC has filed with the SEC; the risks inherent in separating Vimeo from IAC, including uncertainties related to, among other things, the costs and expected benefits of the proposed transaction, the expected timing of the transaction or whether it will be completed, whether the conditions to the transaction can be satisfied or any event, change or other circumstance occurs that could give rise to the abandonment of the proposed spin-off (including the failure to receive any required approvals from the stockholders of IAC), any litigation arising out of or relating to the proposed transaction, the expected tax treatment of the transaction, and the impact of the transaction on the businesses of IAC and Vimeo; and other circumstances beyond IAC's and Vimeo's control. You should not place undue reliance on these forward-looking statements. For more details on factors that could affect these expectations, please see IAC's filings with the SEC, including a joint registration statement on Amendment No. 3 to Form S-4 filed by IAC and Vimeo Holdings, Inc. ("Holdings") on March 12, 2021 that includes a preliminary proxy statement of IAC and a preliminary consent solicitation statement of Vimeo.

No Offer or Solicitation / Additional Information and Where To Find It

This communication is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

This communication is being made in respect of a proposed separation of Vimeo from the remaining businesses of IAC through the spin-off (the "Spin-off") of Holdings, a new Vimeo holding company, and a merger of Vimeo with a subsidiary of Holdings (the "Merger"). In connection with the Spin-off and the Merger, IAC and Holdings intend to file relevant materials with the Securities and Exchange Commission (the "SEC"), and have filed a joint registration statement on Form S-4 that includes a preliminary proxy statement of IAC and a preliminary consent solicitation statement of Vimeo and that also constitutes a prospectus of IAC and of the new Vimeo holding company. The information in the preliminary proxy statement/consent solicitation statement/prospectus is not complete and may be changed. IAC will deliver the definitive proxy statement and Vimeo will deliver the definitive consent solicitation statement to their respective stockholders as required by applicable law. This communication is not a substitute for the proxy statement/consent solicitation statement/prospectus or any other proxy statement, consent solicitation statement or any other document that may be filed with the SEC in connection with the Spin-off or the Merger.

INVESTORS AND SECURITY HOLDERS OF IAC AND VIMEO ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/CONSENT SOLICITATION STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED SPIN-OFF AND MERGER.

Investors and security holders may obtain copies of these materials and other documents filed with the SEC free of charge at the SEC's website, www.sec.gov. Copies of documents filed with the SEC by IAC (when they become available) may be obtained free of charge on IAC's website at www.iac.com.

Participants in the Solicitation

IAC, Vimeo, Holdings and IAC's directors and executive officers may be deemed to be participants in the solicitation of proxies from IAC's stockholders in favor of the proposed Spin-off and the solicitation of consents from Vimeo's stockholders in favor of the proposed Merger under the rules of the SEC. Information about IAC's directors and executive officers is available in the joint registration statement on Amendment No. 3 to Form S-4 which was filed with the SEC by IAC and Holdings on March 12, 2021. Additional information regarding participants in the solicitations and a description of their direct and indirect interests will be included in the proxy statement/consent solicitation statement/prospectus and the other relevant documents filed with the SEC when they become available.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit No.	Description
	Supplemental financial information of Vimeo, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IAC/INTERACTIVECORP

By: /s/ GLENN H. SCHIFFMAN

Name: Glenn H. Schiffman

Title: *Executive Vice President and Chief Financial Officer*

Date: April 2, 2021

VIMEO, INC.

FINANCIAL RESULTS and RECONCILIATIONS (UNAUDITED)

(\$ in thousands, except per share amounts)

The following tables have been prepared on a standalone basis and are derived from the historical accounting records of Vimeo and IAC. The information below reflects the allocation to Vimeo of certain IAC corporate expenses relating to Vimeo based on the historical accounting records of IAC. Further, income taxes have been computed for Vimeo on an as if standalone, separate tax return basis. Accordingly, certain amounts will not agree to Vimeo's results as included in IAC's historical results due to such adjustments made for standalone presentation.

The following table presents Vimeo's consolidated statement of operations for 2019 and 2020:

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue	\$ 43,581	\$ 45,713	\$ 52,145	\$ 54,576	\$ 196,015	\$ 56,968	\$ 67,334	\$ 75,130	\$ 83,786	\$ 283,218
Cost of revenue (exclusive of depreciation shown separately below)	18,890	18,266	20,730	19,779	77,665	18,358	22,899	22,869	24,951	89,077
Gross profit	24,691	27,447	31,415	34,797	118,350	38,610	44,435	52,261	58,835	194,141
Gross profit margin %	57 %	60 %	60 %	64 %	60 %	68 %	66 %	70 %	70 %	69 %
Operating expenses:										
Research and development expense	10,461	10,547	12,305	13,633	46,946	15,293	16,262	16,476	16,207	64,238
Sales and marketing expense	23,544	20,599	21,068	22,126	87,337	25,125	26,519	25,643	28,343	105,630
General and administrative expense	8,729	9,141	8,267	8,052	34,189	12,204	10,983	10,954	15,705	49,846
Depreciation	193	132	39	114	478	58	102	106	194	460
Amortization of intangibles	1,391	2,020	3,119	3,123	9,653	3,123	2,915	6,613	2,093	14,744
Total operating expenses	44,318	42,439	44,798	47,048	178,603	55,803	56,781	59,792	62,542	234,918
Operating loss	(19,627)	(14,992)	(13,383)	(12,251)	(60,253)	(17,193)	(12,346)	(7,531)	(3,707)	(40,777)
Interest expense - related party	(1,677)	(1,955)	(2,418)	(2,488)	(8,538)	(2,453)	(2,372)	(2,160)	(2,131)	(9,116)
Other (expense) income, net (a)	(8,180)	1,872	(45)	(88)	(6,441)	(59)	(164)	89	227	93
Loss before income taxes	(29,484)	(15,075)	(15,846)	(14,827)	(75,232)	(19,705)	(14,882)	(9,602)	(5,611)	(49,800)
Income tax (provision) benefit	(29)	(122)	(72)	(122)	(345)	(555)	106	(205)	(174)	(828)
Net loss	\$ (29,513)	\$ (15,197)	\$ (15,918)	\$ (14,949)	\$ (75,577)	\$ (20,260)	\$ (14,776)	\$ (9,807)	\$ (5,785)	\$ (50,628)
Basic and diluted weighted average shares outstanding	116,305	125,261	141,010	141,020	130,994	141,063	141,247	141,282	146,083	142,426
Basic and diluted loss per share (b)	\$ (0.25)	\$ (0.12)	\$ (0.11)	\$ (0.11)	\$ (0.58)	\$ (0.14)	\$ (0.10)	\$ (0.07)	\$ (0.04)	\$ (0.36)

The following table provides a reconciliation of Vimeo's net loss to operating loss to Adjusted EBITDA:

	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Net loss	\$ (29,513)	\$ (15,197)	\$ (15,918)	\$ (14,949)	\$ (75,577)	\$ (20,260)	\$ (14,776)	\$ (9,807)	\$ (5,785)	\$ (50,628)
Add back:										
Income tax provision (benefit)	29	122	72	122	345	555	(106)	205	174	828
Other expense (income), net (a)	8,180	(1,872)	45	88	6,441	59	164	(89)	(227)	(93)
Interest expense - related party	1,677	1,955	2,418	2,488	8,538	2,453	2,372	2,160	2,131	9,116
Operating loss	(19,627)	(14,992)	(13,383)	(12,251)	(60,253)	(17,193)	(12,346)	(7,531)	(3,707)	(40,777)
Add back:										
Stock-based compensation expense	1,508	1,339	1,895	549	5,291	2,016	4,015	3,526	2,108	11,665
Depreciation	193	132	39	114	478	58	102	106	194	460
Amortization of intangibles	1,391	2,020	3,119	3,123	9,653	3,123	2,915	6,613	2,093	14,744
Adjusted EBITDA (c)	\$ (16,535)	\$ (11,501)	\$ (8,330)	\$ (8,465)	\$ (44,831)	\$ (11,996)	\$ (5,314)	\$ 2,714	\$ 688	\$ (13,908)

(a) Q1 2019 and Q2 2019, includes a realized loss of \$8.2 million related to the sale of the hardware business, and a \$2.0 million realized gain related to the sale of an investment, respectively.

(b) Quarterly per share amounts may not add up to the related annual per share amount due to differences in the average common shares outstanding during each period.

(c) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable. Vimeo believes this measure is useful for analysts and investors as this measure allows a more meaningful comparison between Vimeo's performance and that of its competitors. The above items are excluded from Vimeo's Adjusted EBITDA measure because these items are non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.