

**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): July 20, 2020

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**

IAC HOLDINGS, INC

(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

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 7.01 REGULATION FD DISCLOSURE.

During the quarter ended June 30, 2020, IAC/InterActiveCorp (the “Company” or the “Registrant”) realigned its reportable segments as follows:

- the ANGI Homeservices, Vimeo and Dotdash reportable segments remain unchanged;
- Search is a new reportable segment, which includes Ask Media Group, which was previously a separate reportable segment (and was reported in the Emerging & Other segment in the financial statements of Old IAC/InterActiveCorp prior to the Match Separation), and Desktop, which was previously included in the Applications reportable segment; and
- Emerging & Other, which consists of Care.com, Mosaic Group, which was previously included in the Applications reportable segment, Bluecrew, Nursefly, The Daily Beast, IAC Films and the following businesses for periods prior to their sales: College Humor Media, which was sold on March 6, 2020, and CityGrid, Dictionary.com and Electus, which were sold in the fourth quarter of 2018.

Attached and incorporated herein by reference as Exhibit 99.1 is certain supplemental financial information reflecting the realignment of the Company’s reportable segments described above. Exhibit 99.1 is being furnished by the Registrant pursuant to Regulation FD.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit No.	Description
99.1	Supplemental financial information.

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: July 20, 2020

The tables below reflect the realignment of the Company's reportable segments described in Item 7.01 of this Form 8-K.

	2018		2019				2020	
	FY	Q1	Q2	Q3	Q4	FY	Q1	
(Unaudited; in thousands)								
Revenue:								
ANGI Homeservices	\$ 1,132,241	\$ 303,443	\$ 343,896	\$ 357,358	\$ 321,508	\$ 1,326,205	\$ 343,650	
Vimeo	159,641	43,581	45,713	52,145	54,576	196,015	56,968	
Dotdash	130,991	33,961	37,728	40,285	55,620	167,594	44,120	
Search	823,950	196,044	193,900	185,664	166,576	742,184	154,419	
Emerging & Other	286,586	64,253	67,579	69,988	72,287	274,107	85,042	
Inter-segment eliminations	(361)	(62)	(131)	(58)	(53)	(304)	(75)	
Total	\$ 2,533,048	\$ 641,220	\$ 688,685	\$ 705,382	\$ 670,514	\$ 2,705,801	\$ 684,124	
Operating Income (Loss):								
ANGI Homeservices	\$ 63,906	\$ (3,641)	\$ 11,403	\$ 24,726	\$ 6,157	\$ 38,645	\$ (16,296)	
Vimeo	(35,594)	(17,784)	(11,616)	(11,155)	(11,366)	(51,921)	(14,589)	
Dotdash	18,778	3,047	7,010	3,695	15,269	29,021	2,411	
Search	151,425	40,088	31,705	28,758	21,796	122,347	(220,563)	
Emerging & Other	(26,627)	(17,252)	(12,527)	8,520	(531)	(21,790)	(17,870)	
Corporate	(136,053)	(38,641)	(39,745)	(40,632)	(47,733)	(166,751)	(45,431)	
Total	\$ 35,835	\$ (34,183)	\$ (13,770)	\$ 13,912	\$ (16,408)	\$ (50,449)	\$ (312,338)	
Stock-based compensation expense:								
ANGI Homeservices	\$ 97,078	\$ 19,282	\$ 17,520	\$ 8,784	\$ 22,669	\$ 68,255	\$ 25,575	
Vimeo	—	—	—	—	—	—	—	
Dotdash	—	—	—	—	—	—	—	
Search	—	—	—	—	—	—	—	
Emerging & Other	919	—	—	—	—	—	25	
Corporate	50,408	15,393	18,087	15,801	16,802	66,083	11,581	
Total	\$ 148,405	\$ 34,675	\$ 35,607	\$ 24,585	\$ 39,471	\$ 134,338	\$ 37,181	

	2018		2019				2020	
	FY	Q1	Q2	Q3	Q4	FY	Q1	

(Unaudited; in thousands)

Depreciation:

ANGI Homeservices	\$ 24,310	\$ 6,999	\$ 8,796	\$ 11,244	\$ 12,876	\$ 39,915	\$ 12,138
Vimeo	1,200	193	132	39	114	478	58
Dotdash	969	226	218	216	314	974	210
Search	3,311	526	486	419	385	1,816	320
Emerging & Other	969	168	175	203	169	715	302
Corporate	11,634	3,028	3,086	2,888	3,049	12,051	2,464
Total	\$ 42,393	\$ 11,140	\$ 12,893	\$ 15,009	\$ 16,907	\$ 55,949	\$ 15,492

Amortization of intangibles:

ANGI Homeservices	\$ 62,212	\$ 14,539	\$ 13,713	\$ 14,169	\$ 13,061	\$ 55,482	\$ 12,980
Vimeo	6,349	1,391	2,020	3,119	3,123	9,653	3,123
Dotdash	1,637	3,877	1,147	3,115	1,467	9,606	4,390
Search	28,169	—	—	—	—	—	21,400
Emerging & Other	8,714	2,534	2,346	2,142	2,105	9,127	3,866
Corporate	—	—	—	—	—	—	—
Total	\$ 107,081	\$ 22,341	\$ 19,226	\$ 22,545	\$ 19,756	\$ 83,868	\$ 45,759

Acquisition-related contingent consideration fair value adjustments:

ANGI Homeservices	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Vimeo	—	—	—	—	—	—	—
Dotdash	—	—	—	—	—	—	—
Search	—	—	—	—	—	—	—
Emerging & Other	1,136	1,529	1,617	(16,139)	(6,745)	(19,738)	(6,282)
Corporate	—	—	—	—	—	—	—
Total	\$ 1,136	\$ 1,529	\$ 1,617	\$ (16,139)	\$ (6,745)	\$ (19,738)	\$ (6,282)

Goodwill impairment:

ANGI Homeservices	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Vimeo	—	—	—	—	—	—	—
Dotdash	—	—	—	—	—	—	—
Search	—	—	—	—	—	—	211,973
Emerging & Other	—	—	—	—	3,318	3,318	—
Corporate	—	—	—	—	—	—	—
Total	\$ —	\$ —	\$ —	\$ —	\$ 3,318	\$ 3,318	\$ 211,973

	2018		2019				2020	
	FY	Q1	Q2	Q3	Q4	FY	Q1	
(Unaudited; in thousands)								
Adjusted EBITDA:								
ANGI Homeservices	\$ 247,506	\$ 37,179	\$ 51,432	\$ 58,923	\$ 54,763	\$ 202,297	\$ 34,397	
Vimeo	(28,045)	(16,200)	(9,464)	(7,997)	(8,129)	(41,790)	(11,408)	
Dotdash	21,384	7,150	8,375	7,026	17,050	39,601	7,011	
Search	182,905	40,614	32,191	29,177	22,181	124,163	13,130	
Emerging & Other	(14,889)	(13,021)	(8,389)	(5,274)	(1,684)	(28,368)	(19,959)	
Corporate	(74,011)	(20,220)	(18,572)	(21,943)	(27,882)	(88,617)	(31,386)	
Total	<u>\$ 334,850</u>	<u>\$ 35,502</u>	<u>\$ 55,573</u>	<u>\$ 59,912</u>	<u>\$ 56,299</u>	<u>\$ 207,286</u>	<u>\$ (8,215)</u>	

Reconciliation of net earnings (loss) attributable to IAC/InterActiveCorp equity in IAC Holdings, Inc. to operating income (loss) to Adjusted EBITDA:

	2018		2019				2020	
	FY	Q1	Q2	Q3	Q4	FY	Q1	
(Unaudited; in thousands)								
Net earnings (loss) attributable to IAC/InterActiveCorp equity in IAC Holdings, Inc.	\$ 246,772	\$ (14,247)	\$ 13,789	\$ 16,466	\$ 6,887	\$ 22,895	\$ (328,199)	
Add back:								
Net earnings (loss) attributable to noncontrolling interests	45,599	574	8,232	1,912	(1,430)	9,288	(2,372)	
Income tax provision (benefit)	13,200	(29,194)	(5,046)	(19,079)	(7,170)	(60,489)	(41,432)	
Other (income) expense, net	(282,795)	5,417	(33,982)	11,715	(17,197)	(34,047)	57,448	
Interest expense - third party	13,059	3,267	3,237	2,898	2,502	11,904	2,217	
Operating income (loss)	<u>35,835</u>	<u>(34,183)</u>	<u>(13,770)</u>	<u>13,912</u>	<u>(16,408)</u>	<u>(50,449)</u>	<u>(312,338)</u>	
Stock-based compensation expense	148,405	34,675	35,607	24,585	39,471	134,338	37,181	
Depreciation	42,393	11,140	12,893	15,009	16,907	55,949	15,492	
Amortization of intangibles	107,081	22,341	19,226	22,545	19,756	83,868	45,759	
Acquisition-related contingent consideration fair value adjustments	1,136	1,529	1,617	(16,139)	(6,745)	(19,738)	(6,282)	
Goodwill impairment	—	—	—	—	3,318	3,318	211,973	
Adjusted EBITDA	<u>\$ 334,850</u>	<u>\$ 35,502</u>	<u>\$ 55,573</u>	<u>\$ 59,912</u>	<u>\$ 56,299</u>	<u>\$ 207,286</u>	<u>\$ (8,215)</u>	

The Company's primary financial measure is Adjusted EBITDA, which is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (i) amortization of intangible assets and impairments of goodwill and intangible assets, if applicable, and (ii) gains and losses recognized on changes in the fair value of contingent consideration arrangements. The Company believes this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses. The information presented above should be read in conjunction with the Company's historical combined financial statements and notes thereto found on the U.S. Securities and Exchange Commission's website at <http://www.sec.gov>.