As filed with the Securities and Exchange Commission on August 7, 2024

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2024
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________to__________

Commission File No. 001-39356

IAC Inc.
(Exact name of registrant as specified in its charter)

Delaware	**84-3727412**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

555 West 18th Street, New York, New York 10011
(Address of registrant's principal executive offices)
(212) 314-7300
(Registrant's telephone number, including area code)

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 $0.0001	IAC	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	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 ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 2, 2024, the following shares of the registrant's common stock were outstanding:

Common Stock	80,333,866
Class B common stock	5,789,499
Total	86,123,365

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PART I
FINANCIAL INFORMATION

Item 1. *Consolidated Financial Statements*

IAC INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	June 30, 2024	December 31, 2023
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	$ 1,601,775	$ 1,297,445
Marketable securities	87,210	148,998
Accounts receivable, net	489,853	536,650
Other current assets	189,450	257,499
Total current assets	2,368,288	2,240,592
Buildings, capitalized software, land, equipment and leasehold improvements, net	409,097	455,281
Goodwill	2,878,672	3,024,266
Intangible assets, net of accumulated amortization	793,523	874,705
Investment in MGM Resorts International	2,876,317	2,891,850
Long-term investments	401,491	411,216
Other non-current assets	476,759	473,267
TOTAL ASSETS	$ 10,204,147	$ 10,371,177
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Current portion of long-term debt	$ 38,750	$ 30,000
Accounts payable, trade	76,908	105,514
Deferred revenue	120,592	143,449
Accrued expenses and other current liabilities	648,769	671,527
Total current liabilities	885,019	950,490
Long-term debt, net	1,971,107	1,993,154
Deferred income taxes	172,307	164,612
Other long-term liabilities	450,504	474,540
Redeemable noncontrolling interests	29,132	33,378
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Common Stock, $0.0001 par value; authorized 1,600,000 shares; 84,683 and 84,465 shares issued and 80,333 and 80,115 shares outstanding at June 30, 2024 and December 31, 2023, respectively	8	8
Class B common stock, $0.0001 par value; authorized 400,000 shares; 5,789 shares issued and outstanding at June 30, 2024 and December 31, 2023	1	1
Additional paid-in-capital	6,363,548	6,340,312
(Accumulated deficit) retained earnings	(96,278)	923
Accumulated other comprehensive loss	(6,473)	(10,942)
Treasury stock, 4,350 shares at June 30, 2024 and December 31, 2023	(252,441)	(252,441)
Total IAC shareholders' equity	6,008,365	6,077,861
Noncontrolling interests	687,713	677,142
Total shareholders' equity	6,696,078	6,755,003
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 10,204,147	$ 10,371,177

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands, except per share data)			
Revenue	$ 949,527	$ 1,111,589	$ 1,879,207	$ 2,195,860
Operating costs and expenses:				
Cost of revenue (exclusive of depreciation shown separately below)	267,503	353,078	539,467	696,007
Selling and marketing expense	335,708	413,954	679,633	817,251
General and administrative expense	209,998	218,166	422,667	491,242
Product development expense	78,159	86,398	165,158	171,185
Depreciation	33,448	41,283	70,021	102,455
Amortization of intangibles	36,710	54,183	73,438	108,789
Total operating costs and expenses	961,526	1,167,062	1,950,384	2,386,929
Operating loss	(11,999)	(55,473)	(71,177)	(191,069)
Interest expense	(39,515)	(39,077)	(79,233)	(77,249)
Unrealized (loss) gain on investment in MGM Resorts International	(179,284)	(32,362)	(15,533)	672,478
Other income, net	54,693	10,985	89,498	34,734
(Loss) earnings before income taxes	(176,105)	(115,927)	(76,445)	438,894
Income tax benefit (provision)	34,638	24,297	(20,050)	(115,205)
Net (loss) earnings	(141,467)	(91,630)	(96,495)	323,689
Net (earnings) loss attributable to noncontrolling interests	(765)	2,585	(706)	5,041
Net (loss) earnings attributable to IAC shareholders	$ (142,232)	$ (89,045)	$ (97,201)	$ 328,730
Per share information attributable to IAC common stock and Class B common stock shareholders:				
Basic (loss) earnings per share	$ (1.71)	$ (1.07)	$ (1.17)	$ 3.77
Diluted (loss) earnings per share	$ (1.71)	$ (1.07)	$ (1.17)	$ 3.64
Stock-based compensation expense by function:				
Cost of revenue	$ 760	$ 533	$ 1,253	$ 552
Selling and marketing expense	2,372	2,198	4,013	3,941
General and administrative expense	23,115	24,040	48,069	46,884
Product development expense	2,852	3,422	4,671	7,757
Total stock-based compensation expense	$ 29,099	$ 30,193	$ 58,006	$ 59,134

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Net (loss) earnings	$ (141,467)	$ (91,630)	$ (96,495)	$ 323,689
Other comprehensive (loss) income, net of income taxes:				
Change in foreign currency translation adjustment	(199)	2,486	19	3,405
Change in net unrealized gains on interest rate swaps	574	5,639	4,271	3,352
Change in unrealized gains and losses on available-for-sale marketable debt securities	2	(11)	(20)	(37)
Total other comprehensive income, net of income taxes	377	8,114	4,270	6,720
Comprehensive (loss) income, net of income taxes	(141,090)	(83,516)	(92,225)	330,409
Components of comprehensive (income) loss attributable to noncontrolling interests:				
Net (earnings) loss attributable to noncontrolling interests	(765)	2,585	(706)	5,041
Change in foreign currency translation adjustment attributable to noncontrolling interests	41	(377)	195	(493)
Comprehensive (income) loss attributable to noncontrolling interests	(724)	2,208	(511)	4,548
Comprehensive (loss) income attributable to IAC shareholders	$ (141,814)	$ (81,308)	$ (92,736)	$ 334,957

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three and six months ended June 30, 2024
(Unaudited)

	Redeemable Noncontrolling Interests	Common Stock, $0.0001 par value		Class B common stock, $0.0001 par value		Additional Paid-in-Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total IAC Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		$	Shares	$	Shares							
							(In thousands)					
Balance at March 31, 2024	$ 32,622	$ 8	84,638	$ 1	5,789	$ 6,346,106	$ 45,954	$ (6,893)	$ (252,441)	$ 6,132,735	$ 684,107	$ 6,816,842
Net (loss) earnings	(82)	—	—	—	—	—	(142,232)	—	—	(142,232)	847	(141,385)
Other comprehensive income (loss), net of income taxes	—	—	—	—	—	—	—	418	—	418	(41)	377
Stock-based compensation expense	—	—	—	—	—	20,425	—	—	—	20,425	10,093	30,518
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	—	45	—	—	(692)	—	—	—	(692)	—	(692)
Issuance of Angi Inc. common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	4,113	—	2	—	4,115	(5,594)	(1,479)
Purchase of Angi Inc. treasury stock	—	—	—	—	—	(11,484)	—	—	—	(11,484)	—	(11,484)
Adjustment of noncontrolling interests to redemption amount	(3,337)	—	—	—	—	3,337	—	—	—	3,337	—	3,337
Adjustment to the liquidation value of Vivian Health preferred shares	—	—	—	—	—	1,699	—	—	—	1,699	(1,699)	—
Other	(71)	—	—	—	—	44	—	—	—	44	—	44
Balance at June 30, 2024	$ 29,132	$ 8	84,683	$ 1	5,789	$ 6,363,548	$ (96,278)	$ (6,473)	$ (252,441)	$ 6,008,365	$ 687,713	$ 6,696,078
Balance at December 31, 2023	$ 33,378	$ 8	84,465	$ 1	5,789	$ 6,340,312	$ 923	$ (10,942)	$ (252,441)	$ 6,077,861	$ 677,142	$ 6,755,003
Net (loss) earnings	(91)	—	—	—	—	—	(97,201)	—	—	(97,201)	797	(96,404)
Other comprehensive income (loss), net of income taxes	—	—	—	—	—	—	—	4,465	—	4,465	(195)	4,270
Stock-based compensation expense	—	—	—	—	—	39,935	—	—	—	39,935	21,112	61,047
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	—	218	—	—	(8,815)	—	—	—	(8,815)	—	(8,815)
Issuance of Angi Inc. common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	2,255	—	4	—	2,259	(7,002)	(4,743)
Purchase of Angi Inc. treasury stock	—	—	—	—	—	(18,184)	—	—	—	(18,184)	—	(18,184)
Adjustment of noncontrolling interests to redemption amount	(3,842)	—	—	—	—	3,842	—	—	—	3,842	—	3,842
Adjustment to the liquidation value of Vivian Health preferred shares	—	—	—	—	—	4,141	—	—	—	4,141	(4,141)	—
Other	(313)	—	—	—	—	62	—	—	—	62		62
Balance at June 30, 2024	$ 29,132	$ 8	84,683	$ 1	5,789	$ 6,363,548	$ (96,278)	$ (6,473)	$ (252,441)	$ 6,008,365	$ 687,713	$ 6,696,078

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three and six months ended June 30, 2023
(Unaudited)

	Redeemable Noncontrolling Interests	Common Stock, $0.0001 par value		Class B common stock, $0.0001 par value		Additional Paid-in-Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	Total IAC Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		$	Shares	$	Shares							
						(In thousands)						
Balance at March 31, 2023	$ 27,189	$ 8	84,257	$ 1	5,789	$ 6,306,229	$ 152,756	$ (14,641)	$ (177,052)	$ 6,267,301	$ 653,179	$ 6,920,480
Net loss	(288)	—	—	—	—	—	(89,045)	—	—	(89,045)	(2,297)	(91,342)
Other comprehensive income, net of income taxes	—	—	—	—	—	—	—	7,737	—	7,737	377	8,114
Stock-based compensation expense	—	—	—	—	—	20,064	—	—	—	20,064	11,268	31,332
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	—	103	—	—	(2,725)	—	—	—	(2,725)	—	(2,725)
Issuance of Angi Inc. common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	(1,875)	—	—	—	(1,875)	172	(1,703)
Purchase of IAC treasury stock	—	—	—	—	—	—	—	—	(75,450)	(75,450)	—	(75,450)
Purchase of Angi Inc. treasury stock	—	—	—	—	—	(3,397)	—	—	—	(3,397)	—	(3,397)
Adjustment of noncontrolling interests to redemption amount	7,881	—	—	—	—	(7,881)	—	—	—	(7,881)	—	(7,881)
Adjustment to the liquidation value of Vivian Health preferred shares	—	—	—	—	—	1,877	—	—	—	1,877	(1,877)	—
Other	(4)	—	—	—	—	102	—	—	—	102	(28)	74
Balance at June 30, 2023	$ 34,778	$ 8	84,360	$ 1	5,789	$ 6,312,394	$ 63,711	$ (6,904)	$ (252,502)	$ 6,116,708	$ 660,794	$ 6,777,502
Balance at December 31, 2022	$ 27,235	$ 8	84,184	$ 1	5,789	$ 6,295,080	$ (265,019)	$ (13,133)	$ (85,323)	$ 5,931,614	$ 640,920	$ 6,572,534
Net (loss) earnings	(542)	—	—	—	—	—	328,730	—	—	328,730	(4,499)	324,231
Other comprehensive income, net of income taxes	—	—	—	—	—	—	—	6,227	—	6,227	493	6,720
Stock-based compensation expense	—	—	—	—	—	36,127	—	—	—	36,127	25,138	61,265
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	—	176	—	—	(4,575)	—	—	—	(4,575)	—	(4,575)
Issuance of Angi Inc. common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	(6,574)	—	2	—	(6,572)	2,459	(4,113)
Purchase of IAC treasury stock	—	—	—	—	—	—	—	—	(167,179)	(167,179)	—	(167,179)
Purchase of Angi Inc. treasury stock	—	—	—	—	—	(3,397)	—	—	—	(3,397)	—	(3,397)
Adjustment of noncontrolling interests to redemption amount	8,089	—	—	—	—	(8,089)	—	—	—	(8,089)	—	(8,089)
Adjustment to the liquidation value of Vivian Health preferred shares	—	—	—	—	—	3,689	—	—	—	3,689	(3,689)	—
Other	(4)	—	—	—	—	133	—	—	—	133	(28)	105
Balance at June 30, 2023	$ 34,778	$ 8	84,360	$ 1	5,789	$ 6,312,394	$ 63,711	$ (6,904)	$ (252,502)	$ 6,116,708	$ 660,794	$ 6,777,502

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
	(In thousands)	
Cash flows from operating activities:		
Net (loss) earnings	$ (96,495)	$ 323,689
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:		
Amortization of intangibles	73,438	108,789
Depreciation	70,021	102,455
Stock-based compensation expense	58,006	59,134
Non-cash lease expense (including right-of-use asset impairments)	31,270	72,506
Provision for credit losses	29,648	48,608
Unrealized loss (gain) on investment in MGM Resorts International	15,533	(672,478)
Deferred income taxes	6,452	101,451
Gains on sales of businesses and investments in equity securities (including upward and downward adjustments), net	(28,203)	(1,460)
Unrealized (increase) decrease in the estimated fair value of a warrant	(20,393)	7,731
Other adjustments, net	(350)	(7,202)
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable	13,167	30,325
Other assets	65,974	45,688
Operating lease liabilities	(34,764)	(39,576)
Accounts payable and other liabilities	(50,519)	(57,504)
Income taxes payable and receivable	7,512	2,453
Deferred revenue	8,780	3,645
Net cash provided by operating activities	149,077	128,254
Cash flows from investing activities:		
Capital expenditures	(31,804)	(108,107)
Net proceeds from sales of assets	12,759	28,890
Proceeds from maturities of marketable debt securities	262,500	325,000
Purchases of marketable debt securities	(197,117)	(197,017)
Net proceeds from the sales of businesses and investments	162,179	3,491
Decrease in notes receivable	10,083	14,197
Purchases of investments	—	(103,555)
Other, net	—	9,901
Net cash provided by (used in) investing activities	218,600	(27,200)
Cash flows from financing activities:		
Principal payments on Dotdash Meredith Term Loans	(15,000)	(15,000)
Withholding taxes paid on behalf of IAC employees on net settled stock-based awards	(8,928)	(5,250)
Withholding taxes paid on behalf of Angi Inc. employees on net settled stock-based awards	(4,743)	(4,124)
Purchases of Angi Inc. treasury stock	(18,201)	(3,397)
Purchases of IAC treasury stock	—	(165,622)
Other, net	(170)	41
Net cash used in financing activities	(47,042)	(193,352)
Total cash provided (used)	320,635	(92,298)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(875)	1,724
Net increase (decrease) in cash and cash equivalents and restricted cash	319,760	(90,574)
Cash and cash equivalents and restricted cash at beginning of period	1,306,241	1,426,069
Cash and cash equivalents and restricted cash at end of period	$ 1,626,001	$ 1,335,495

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

IAC today is comprised of category leading businesses, including Dotdash Meredith, Angi Inc. and Care.com, as well as others ranging from early stage to established businesses.

As used herein, "IAC," the "Company," "we," "our," "us" and other similar terms refer to IAC Inc. and its subsidiaries (unless the context requires otherwise).

Total Home Roofing, LLC Sale

On November 1, 2023, Angi Inc. completed the sale of 100% of its wholly-owned subsidiary, Total Home Roofing, LLC ("Roofing"), and has reflected it as a discontinued operation in its standalone financial statements. Roofing does not meet the threshold to be reflected as a discontinued operation at the IAC level. During the fourth quarter of 2023, IAC moved Roofing to Emerging & Other and prior period financial information has been recast to conform to this presentation. Following IAC's move of Roofing to Emerging & Other, Angi Inc. has three operating segments: (i) Ads and Leads, (ii) Services and (iii) International (includes Europe and Canada).

Basis of Presentation

The Company prepares its consolidated financial statements (referred to herein as "financial statements") in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP"). The financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. All intercompany transactions and balances between and among the Company and its subsidiaries have been eliminated.

The unaudited interim financial statements have been prepared in accordance with GAAP for interim financial information and with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by GAAP for complete annual financial statements. In the opinion of management, the unaudited interim financial statements include all normal recurring adjustments considered necessary for a fair presentation. Interim results are not necessarily indicative of the results that may be expected for the full year. The unaudited interim financial statements should be read in conjunction with the annual audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Accounting Estimates

Management of the Company is required to make certain estimates, judgments and assumptions during the preparation of its financial statements in accordance with GAAP. These estimates, judgments and assumptions impact the reported amounts of assets, liabilities, revenue and expenses and the related disclosure of assets and liabilities. Actual results could differ from these estimates.

On an ongoing basis, the Company evaluates its estimates, judgments and assumptions, including those related to: the fair values of cash equivalents and marketable debt and equity securities; the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of the customer relationship period for certain costs to obtain a contract with a customer; the recoverability of right-of-use assets ("ROU assets"); the useful lives and recoverability of buildings, capitalized software, equipment and leasehold improvements and definite-lived intangible assets; the recoverability of goodwill and indefinite-lived intangible assets; the fair value of equity securities without readily determinable fair values; the fair value of interest rate swaps; contingencies; unrecognized tax benefits; the liability for potential refunds and customer credits; the valuation allowance for deferred income tax assets; pension and postretirement benefit expenses, including actuarial assumptions regarding discount rates, expected returns on plan assets, inflation and healthcare costs; and the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates, judgments and assumptions on historical experience, its forecasts and budgets and other factors that the Company considers relevant.

Interest Rate Swaps

In March 2023, Dotdash Meredith entered into interest rate swaps for a total notional amount of $350 million, which synthetically converted a portion of the Dotdash Meredith Term Loan B from a variable rate to a fixed rate to manage interest rate risk exposure, beginning on April 3, 2023. Dotdash Meredith designated the interest rate swaps as cash flow hedges and applies hedge accounting to these contracts in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 815, *Derivatives and Hedging*. As cash flow hedges, the interest rate swaps are recognized at fair value on the balance sheet as either assets or liabilities, with the changes in fair value recorded in "Accumulated other comprehensive loss" in the balance sheet and reclassified into “Interest expense” in the statement of operations in the periods in which the interest rate swaps affect earnings. Dotdash Meredith assessed hedge effectiveness at the time of entering into these agreements and determined these interest rate swaps are expected to be highly effective. Dotdash Meredith evaluates the hedge effectiveness of the interest rate swaps quarterly, or more frequently, if necessary, by verifying (i) that the critical terms of the interest rate swaps continue to match the critical terms of the hedged interest payments and (ii) that it is probable the counterparties will not default. If the two requirements are met, the interest rate swaps are determined to be effective and all changes in the fair value of the interest rate swaps are recorded in "Accumulated other comprehensive loss." The cash flows related to interest settlements of the hedged monthly interest payments are classified as operating activities in the statement of cash flows, consistent with the interest expense on the related Dotdash Meredith Term Loan B. See "Note 3—Long-term Debt" for additional information.

General Revenue Recognition

The Company accounts for a contract with a customer when it has approval and commitment from all authorized parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when control of the promised services or goods is transferred to the Company's customers and in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or goods.

The Company's disaggregated revenue disclosures are presented in "Note 5—Segment Information."

Deferred Revenue

Deferred revenue consists of payments that are received or are contractually due in advance of the Company's performance obligation. The Company’s deferred revenue is reported on a contract-by-contract basis at the end of each reporting period. The Company classifies deferred revenue as current when the remaining term or expected completion of its performance obligation is one year or less. The current and non-current deferred revenue balances were $120.6 million and $0.1 million, respectively, at June 30, 2024, and $143.4 million and $0.1 million, respectively, at December 31, 2023. During the six months ended June 30, 2024, the Company recognized $97.5 million of revenue that was included in the deferred revenue balance at December 31, 2023. The change in the deferred revenue balance from December 31, 2023 to June 30, 2024 also reflects the reduction of $33.2 million related to the sale of Mosaic Group in the first quarter of 2024. During the six months ended June 30, 2023, the Company recognized $127.3 million of revenue that was included in the deferred revenue balance at December 31, 2022. The current and non-current deferred revenue balances were $157.1 million and $0.2 million, respectively, at December 31, 2022. Non-current deferred revenue is included in "Other long-term liabilities" in the balance sheet.

Practical Expedients and Exemptions

For contracts that have an original duration of one year or less, the Company uses the practical expedient available under ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), applicable to such contracts and does not consider the time value of money.

In addition, as permitted under the practical expedient available under ASC 606, the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is tied to sales-based or usage-based royalties, allocated entirely to unsatisfied performance obligations, or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which the Company recognizes revenue at the amount which it has the right to invoice for services performed.

The Company also applies the practical expedient to expense sales commissions as incurred where the anticipated customer relationship period is one year or less.

Certain Risks and Concentrations—Services Agreement with Google (the "Services Agreement")

The Company and Google are parties to an amended Services Agreement, which automatically renewed effective March 31, 2023 and now expires on March 31, 2025. The Company earns certain other advertising revenue from Google that is not attributable to the Services Agreement. A portion of the Company’s net cash from operating activities that it can freely access is attributable to revenue earned pursuant to the Services Agreement and other revenue earned from Google.

For the three and six months ended June 30, 2024, total revenue earned from Google was $126.5 million and $257.9 million, respectively, representing 13% and 14%, respectively, of the Company's revenue. The total revenue earned from the Services Agreement for the three and six months ended June 30, 2024 was $98.5 million and $201.4 million, respectively, representing 10% and 11%, respectively, of the Company's total revenue. For the three and six months ended June 30, 2023, total revenue earned from Google was $197.9 million and $370.8 million, respectively, representing 18% and 17%, respectively, of the Company's revenue. The total revenue earned from the Services Agreement for the three and six months ended June 30, 2023 was $164.6 million and $303.3 million, respectively, representing 15% and 14%, respectively, of the Company's total revenue. The related accounts receivable totaled $42.5 million and $52.2 million at June 30, 2024 and December 31, 2023, respectively.

The revenue attributable to the Services Agreement is earned by Ask Media Group and the Desktop business, which comprise the Search segment. For the three and six months ended June 30, 2024, revenue earned from the Services Agreement was $81.8 million and $167.2 million, respectively, within Ask Media Group and $16.7 million and $34.2 million, respectively, within the Desktop business. For the three and six months ended June 30, 2023, revenue earned from the Services Agreement was $146.1 million and $266.4 million, respectively, within Ask Media Group and $18.4 million and $37.0 million, respectively, within the Desktop business.

The Services Agreement requires that the Company comply with certain guidelines promulgated by Google. Google may generally unilaterally update its policies and guidelines without advance notice. These updates may be specific to the Services Agreement or could be more general and thereby impact the Company as well as other companies. These policy and guideline updates have in the past and could in the future require modifications to, or prohibit and/or render obsolete certain of our products, services and/or business practices, which have been and could be costly to address or negatively impact revenue and have had and in the future could have an adverse effect on our financial condition and results of operations.

Recent Accounting Pronouncements

Recent Accounting Pronouncements Adopted by the Company

There were no recently issued accounting pronouncements adopted by the Company during the six months ended June 30, 2024.

Recent Accounting Pronouncements Not Yet Adopted by the Company

Accounting Standards Update ("ASU") 2023-07—Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU No. 2023-07*,* which is intended to provide users of financial statements with more decision-useful information about reportable segments of a public business entity, primarily through enhanced disclosures of significant segment expenses. This ASU requires annual and interim disclosures of significant expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss and an amount and description of its composition of other segment items. The provisions of this ASU also require entities to include all annual disclosures required by Topic 280 in the interim periods and permits entities to include multiple measures of a segment's profit or loss if such measures are used by the CODM to assess segment performance and determine allocation of resources, provided that at least one of those measures is determined in a way that is consistent with the measurement principles under GAAP. The amendments in ASU 2023-07 apply retrospectively and are effective for fiscal years beginning after December 15, 2023 and interim periods after December 15, 2024. Early adoption is permitted. The Company does not plan to early adopt and is currently assessing the impact of adopting the updated guidance on the financial statements.

ASU 2023-09—Income Taxes (Topic 740)—Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, which establishes required categories and a quantitative threshold to the annual tabular rate reconciliation disclosure and disaggregated jurisdictional disclosures of income taxes paid. The guidance's annual requirements are effective for the Company beginning with the December 31, 2025 reporting period. Early adoption is permitted and prospective disclosure should be applied, however, retrospective disclosure is permitted. The Company is currently assessing the pronouncement and its impact on its income tax disclosures, but it does not impact the Company's results of operations, financial condition or cash flows.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2—FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Marketable Securities

At June 30, 2024 and December 31, 2023, the fair value of marketable securities are as follows:

	June 30, 2024	December 31, 2023
	(In thousands)	
Available-for-sale marketable debt securities	$ 87,210	$ 148,998
Total marketable securities	$ 87,210	$ 148,998

Marketable securities are carried at fair value. The Company has no investments in marketable equity securities, following the change in classification of its investment in MGM Resorts International ("MGM") to an equity method investment in the fourth quarter of 2023, described below. Prior to the fourth quarter of 2023, the Company had two investments in marketable equity securities, other than its investment in MGM, including one investment that was fully impaired in the first quarter of 2023 due to the investee declaring bankruptcy and another investment that was sold in the third quarter of 2023. The Company recorded net unrealized pre-tax gains of $1.3 million and $0.1 million during the three and six months ended June 30, 2023, respectively, for these investments. The unrealized pre-tax gains related to these investments are included in "Other income, net" in the statement of operations.

At June 30, 2024 and December 31, 2023, current available-for-sale marketable debt securities are as follows:

	June 30, 2024				December 31, 2023			
	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)							
Treasury discount notes	$ 87,211	$ —	$ (1)	$ 87,210	$ 148,971	$ 27	$ —	$ 148,998
Total available-for-sale marketable debt securities	$ 87,211	$ —	$ (1)	$ 87,210	$ 148,971	$ 27	$ —	$ 148,998

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The contractual maturities of debt securities classified as current available-for-sale at June 30, 2024 and December 31, 2023 were within one year. There were no investments in available-for-sale marketable debt securities that had been in a continuous unrealized loss position for longer than twelve months at June 30, 2024 and December 31, 2023.

Investment in MGM Resorts International

	June 30, 2024	December 31, 2023
	(In thousands)	
Investment in MGM	$ 2,876,317	$ 2,891,850

At June 30, 2024, the Company owns 64.7 million common shares of MGM which represents 21.2% of MGM's common shares outstanding. During the fourth quarter of 2023, due to MGM's ongoing share repurchase program, which increased the Company's ownership interest passively, the Company determined that the equity method of accounting applied and elected to account for its investment in MGM pursuant to the fair value option. Prior to the fourth quarter of 2023, the Company's investment in MGM was accounted for as an equity security with a readily determinable fair value, with changes in fair value recognized through income each period. Since the Company has always marked its investment in MGM to fair value through income each period the election of the fair value option results in no change from its historical accounting for this investment. The fair value of the investment in MGM is remeasured each reporting period based upon MGM's closing stock price on the New York Stock Exchange on the last trading day in the reporting period and any unrealized pre-tax gains or losses are included in the statement of operations. For the three and six months ended June 30, 2024, the Company recorded unrealized pre-tax losses on its investment in MGM of $179.3 million and $15.5 million, respectively. For the three and six months ended June 30, 2023, the Company recorded an unrealized pre-tax loss and gain on its investment of MGM of $32.4 million and $672.5 million, respectively. The cumulative unrealized net pre-tax gain through June 30, 2024 is $1.6 billion. A $2.00 increase or decrease in the share price of MGM would result in an unrealized gain or loss, respectively, of $129.4 million. At August 2, 2024, the fair value of the Company's investment in MGM was $2.3 billion.

The following table presents MGM's summarized financial information for the six months ended June 30, 2024. As noted above, the Company has elected to account for its investment in MGM pursuant to the fair value option. By electing the fair value option, the Company's investment in MGM is remeasured each reporting period with any changes recognized through income based on MGM's closing stock price. As a result, the value of our investment and the financial impacts in any given period are not necessarily correlated with the income statement information presented below.

	Six Months Ended June 30, 2024
	(In thousands)
Revenues	$ 8,710,845
Expenses	$ 7,767,503
Net income	$ 582,528
Net income attributable to MGM	$ 404,548

Long-term Investments

Long-term investments consist of:

	June 30, 2024	December 31, 2023
	(In thousands)	
Equity securities without readily determinable fair values	$ 396,481	$ 404,848
Other	5,010	6,368
Total long-term investments	$ 401,491	$ 411,216

Equity Securities without Readily Determinable Fair Values

The following tables present a summary of unrealized pre-tax gains and losses recorded in "Other income, net" in the statement of operations as adjustments to the carrying value of equity securities without readily determinable fair values held at June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Upward adjustments (gross unrealized pre-tax gains)	$ —	$ 2,227	$ —	$ 2,227
Downward adjustments including impairments (gross unrealized pre-tax losses)	—	(373)	(7,867)	(1,195)
Total	$ —	$ 1,854	$ (7,867)	$ 1,032

The cumulative upward and downward adjustments (including impairments) to the carrying value of equity securities without readily determinable fair values held at June 30, 2024 were $37.8 million and $133.8 million, respectively.

Realized and unrealized pre-tax gains and losses for the Company's investments without readily determinable fair values for the three and six months ended June 30, 2024 and 2023 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Realized pre-tax (losses) gains, net, for equity securities sold	$ (18)	$ 993	$ 4,416	$ 1,000
Unrealized pre-tax gains (losses), net, on equity securities held	—	1,854	(7,867)	1,032
Total pre-tax (losses) gains, net recognized	$ (18)	$ 2,847	$ (3,451)	$ 2,032

All pre-tax gains and losses on equity securities without readily determinable fair values, realized and unrealized, are recognized in "Other income, net" in the statement of operations.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.
- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.
- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

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The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 1,095,488	$ —	$ —	$ 1,095,488
Treasury discount notes	—	199,046	—	199,046
Time deposits	—	13,493	—	13,493
Marketable securities:				
Treasury discount notes	—	87,210	—	87,210
Investment in MGM	2,876,317	—	—	2,876,317
Other non-current assets:				
Warrant	—	—	70,024	70,024
Interest rate swaps[(a)]	—	4,663	—	4,663
Total	$ 3,971,805	$ 304,412	$ 70,024	$ 4,346,241

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[(a)] Interest rate swaps relate to the $350 million notional amount entered into to hedge Dotdash Meredith's Term Loan B. The related asset at June 30, 2024 and liability at December 31, 2023 are included in "Other non-current assets" and "Other long-term liabilities," respectively, in the balance sheet. See "Note 1—The Company and Summary of Significant Accounting Policies" and "Note 3—Long-term Debt" for additional information. The fair value of interest rate swaps was determined using discounted cash flows derived from observable market prices, including swap curves, which are Level 2 inputs.

	December 31, 2023			
	Level 1	Level 2	Level 3	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 910,849	$ —	$ —	$ 910,849
Treasury discount notes	—	87,251	—	87,251
Time deposits	—	19,497	—	19,497
Marketable securities:				
Treasury discount notes	—	148,998	—	148,998
Investment in MGM	2,891,851	—	—	2,891,851
Other non-current assets:				
Warrant	—	—	49,631	49,631
Total	$ 3,802,700	$ 255,746	$ 49,631	$ 4,108,077
Liabilities:				
Other long-term liabilities				
Interest rate swaps[(a)]	$ —	$ (907)	$ —	$ (907)

The following tables present the changes in the Company's financial instruments that are measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Three Months Ended June 30,	
	2024	2023
	Warrant	
	(In thousands)	
Balance at April 1	$ 39,400	$ 52,739
Total net gains (losses):		
Fair value adjustments included in earnings	30,624	(13,671)
Balance at June 30	$ 70,024	$ 39,068

	Six Months Ended June 30,	
	2024	2023
	Warrant	
Balance at January 1	$ 49,631	$ 46,799
Total net gains (losses):		
Fair value adjustments included in earnings	20,393	(7,731)
Balance at June 30	$ 70,024	$ 39,068

Warrant

The Company owns preferred shares of Turo Inc. ("Turo"), a peer-to-peer car sharing marketplace, which are accounted for as an equity security without a readily determinable fair value, as the preferred shares are not common stock equivalents. As part of the Company's original investment in Turo preferred shares, the Company received a warrant that is recorded at fair value each reporting period with any change in fair value included in "Other income, net" in the statement of operations. The warrant is measured using significant unobservable inputs and is classified in the fair value hierarchy table as Level 3. The Company net settled its Turo warrant on July 23, 2024 (the warrant expiration date) for 4.5 million shares of Series E-2 preferred stock. The Company measured the warrant at fair value as of June 30, 2024 using the estimated settlement value of the shares received pursuant to its net exercise on July 23, 2024. The warrant is included in "Other non-current assets" in the balance sheet.

Assets measured at fair value on a nonrecurring basis

The Company's non-financial assets, such as goodwill, intangible assets, ROU assets, buildings, capitalized software, equipment and leasehold improvements, are adjusted to fair value only when an impairment is recognized. The Company's financial assets, comprising equity securities without readily determinable fair values, are adjusted to fair value when observable price changes for similar or identical securities are identified or an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

ROU Assets and Related Leasehold Improvements, Furniture and Equipment

During the first quarter of 2023, Dotdash Meredith recorded impairment charges of $70.0 million related to certain unoccupied leased office space due to the continued decline in the commercial real estate market consisting of impairments of $44.7 million and $25.3 million of an ROU asset and related leasehold improvements, furniture and equipment, respectively.

The impairment charges related to ROU assets are included in "General and administrative expense" and the impairment charges related to leasehold improvements, furniture and equipment are included in "Depreciation" in the statement of operations. The impairment charges represent the amount by which the carrying value of the asset group exceeded its estimated fair value, calculated using a discounted cash flow approach using sublease market assumptions of the expected cash flows and discount rate. The impairment charges were allocated between the ROU assets and related leasehold improvements, furniture and equipment of the asset group based on their relative carrying values.

Financial instruments measured at fair value only for disclosure purposes

The total fair value of the outstanding long-term debt, including the current portion, is estimated using observable market prices or indices for similar liabilities, which are Level 2 inputs, and was approximately $1.96 billion and $1.95 billion at June 30, 2024 and December 31, 2023, respectively.

NOTE 3—LONG-TERM DEBT

Long-term debt consists of:

	June 30, 2024	December 31, 2023
	(In thousands)	
Dotdash Meredith Debt		
Dotdash Meredith Term Loan A ("Dotdash Meredith Term Loan A") due December 1, 2026	$ 306,250	$ 315,000
Dotdash Meredith Term Loan B ("Dotdash Meredith Term Loan B") due December 1, 2028	1,218,750	1,225,000
Total Dotdash Meredith long-term debt	1,525,000	1,540,000
Less: current portion of Dotdash Meredith long-term debt	38,750	30,000
Less: original issue discount	4,047	4,470
Less: unamortized debt issuance costs	7,535	8,423
Total Dotdash Meredith long-term debt, net	1,474,668	1,497,107
ANGI Group Debt		
3.875% ANGI Group Senior Notes due August 15, 2028 ("ANGI Group Senior Notes"); interest payable each February 15 and August 15	500,000	500,000
Less: unamortized debt issuance costs	3,561	3,953
Total ANGI Group long-term debt, net	496,439	496,047
Total long-term debt, net	$ 1,971,107	$ 1,993,154

Dotdash Meredith Term Loans and Dotdash Meredith Revolving Facility

On December 1, 2021, Dotdash Meredith entered into a credit agreement ("Dotdash Meredith Credit Agreement"), which provides for (i) the five-year $350 million Dotdash Meredith Term Loan A, (ii) the seven-year $1.25 billion Dotdash Meredith Term Loan B (and together with the Dotdash Meredith Term Loan A, the "Dotdash Meredith Term Loans") and (iii) a five-year $150 million revolving credit facility ("Dotdash Meredith Revolving Facility"). The Dotdash Meredith Term Loan A bears interest at an adjusted term secured overnight financing rate ("Adjusted Term SOFR") as defined in the Dotdash Meredith Credit Agreement plus an applicable margin depending on Dotdash Meredith's most recently reported consolidated net leverage ratio, as defined in the Dotdash Meredith Credit Agreement. The adjustment to the secured overnight financing rate is fixed at 0.10% for the Dotdash Meredith Term Loan A. The Dotdash Meredith Term Loan B has a varying adjustment of 0.10%, 0.15% or 0.25% based upon the duration of the borrowing period. At June 30, 2024 and December 31, 2023, the Dotdash Meredith Term Loan A bore interest at Adjusted Term SOFR plus 2.25%, or 7.65% and 7.69%, respectively, and the Dotdash Meredith Term Loan B bore interest at Adjusted Term SOFR, subject to a minimum of 0.50%, plus 4.00%, or 9.43% and 9.44%, respectively. Interest payments are due at least quarterly through the terms of the Dotdash Meredith Term Loans.

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In March 2023, Dotdash Meredith entered into interest rate swaps on the Dotdash Meredith Term Loan B for a total notional amount of $350 million with a maturity date of April 1, 2027. The interest rate swaps synthetically converted $350 million of the Dotdash Meredith Term Loan B for the duration of the interest rate swaps from a variable rate to a fixed rate of approximately 7.92% ((i) the weighted average fixed interest rate of approximately 3.82% on the interest rate swaps plus (ii) the adjustment to the secured overnight financing rate of 0.10% plus (iii) the base rate of 4.00%), beginning on April 3, 2023.

The interest rate swaps are expected to be highly effective. See "Note 4—Accumulated Other Comprehensive Loss" for the net unrealized gains and losses before reclassifications in "Accumulated other comprehensive loss" and realized gains reclassified into "Interest expense" for the three and six months ended June 30, 2024 and 2023. At June 30, 2024, approximately $3.9 million is expected to be reclassified into interest expense within the next twelve months as realized gains.

The Dotdash Meredith Term Loan A requires quarterly principal payments of approximately $4.4 million through December 31, 2024, $8.8 million through December 31, 2025 and approximately $13.1 million thereafter through maturity. The Dotdash Meredith Term Loan B requires quarterly payments of $3.1 million through maturity. The Dotdash Meredith Term Loan B may require additional annual principal payments as part of an excess cash flow sweep provision, the amount of which, in part, is governed by the applicable net leverage ratio and further subject to the excess cash flow exceeding $80 million as defined in the Dotdash Meredith Credit Agreement. No such payment was required related to the period ended December 31, 2023.

There were no outstanding borrowings under the Dotdash Meredith Revolving Facility at June 30, 2024 and December 31, 2023. The annual commitment fee on undrawn funds is based on Dotdash Meredith's consolidated net leverage ratio, as defined in the Dotdash Meredith Credit Agreement, most recently reported and was 40 basis points at both June 30, 2024 and December 31, 2023. Any borrowings under the Dotdash Meredith Revolving Facility would bear interest, at Dotdash Meredith's option, at either a base rate or Adjusted Term SOFR, plus an applicable margin, which is based on Dotdash Meredith's consolidated net leverage ratio.

As of the last day of any calendar quarter, if either (i) $1.00 or more of loans under the Dotdash Meredith Revolving Facility or Dotdash Meredith Term Loan A are outstanding, or (ii) the outstanding face amount of undrawn letters of credit, other than cash collateralized letters of credit at 102% of face value, exceeds $25 million, subject to certain increases for qualifying material acquisitions, then Dotdash Meredith will not permit the consolidated net leverage ratio, which permits netting of up to $250 million in cash and cash equivalents, as of the last day of such quarter to exceed 5.5 to 1.0. The Dotdash Meredith Credit Agreement also contains covenants that would limit Dotdash Meredith’s ability to pay dividends, incur incremental secured indebtedness, or make distributions or certain investments in the event a default has occurred or if Dotdash Meredith’s consolidated net leverage ratio exceeds 4.0 to 1.0, subject to certain available amounts as defined in the Dotdash Meredith Credit Agreement. This ratio was exceeded for both test periods ended June 30, 2024 and December 31, 2023. The Dotdash Meredith Credit Agreement also permits the Company to, among other things, contribute cash to Dotdash Meredith which will provide additional liquidity to ensure that Dotdash Meredith does not exceed certain consolidated net leverage ratios for any test period, as further defined in the Dotdash Meredith Credit Agreement. In connection with these capital contributions, Dotdash Meredith may make distributions to the Company in amounts not more than any such capital contributions, provided that no default has occurred and is continuing. Such capital contributions and subsequent distributions impact the consolidated net leverage ratios of Dotdash Meredith. During the three and six months ended June 30, 2024, the Company contributed $50 million and $105 million, respectively, to Dotdash Meredith, which Dotdash Meredith subsequently distributed back to the Company $50 million in July 2024 and $55 million in April 2024. In addition, Dotdash Meredith distributed $105 million back to the Company in January 2024 related to its contribution in December 2023. During the three and six months ended June 30, 2023, the Company contributed $145 million and $280 million, respectively, to Dotdash Meredith, which Dotdash Meredith subsequently distributed back to the Company $150 million during the six months ended June 30, 2023.

The obligations under the Dotdash Meredith Credit Agreement are guaranteed by certain of Dotdash Meredith's wholly-owned subsidiaries and are secured by substantially all of the assets of Dotdash Meredith and certain of its subsidiaries.

ANGI Group Debt

ANGI Group, LLC ("ANGI Group"), a direct wholly-owned subsidiary of Angi Inc., issued the ANGI Group Senior Notes on August 20, 2020. These notes may be redeemed at the redemption prices, plus accrued and unpaid interest thereon, if any, as set forth in the indenture governing the notes.

The indenture governing the ANGI Group Senior Notes contains a covenant that would limit ANGI Group's ability to incur liens for borrowed money in the event a default has occurred or ANGI Group's secured leverage ratio exceeds 3.75 to 1.0 provided that ANGI Group is permitted to incur such liens under certain permitted credit facilities indebtedness notwithstanding the ratio, all as defined in the indenture. At June 30, 2024, there were no limitations pursuant thereto.

NOTE 4—ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables present the components of accumulated other comprehensive loss, net of income tax.

	Three Months Ended June 30, 2024			
	Foreign Currency Translation Adjustment	Unrealized Gains On Interest Rate Swaps	Unrealized (Losses) Gains On Available-For-Sale Marketable Debt Securities	Accumulated Other Comprehensive (Loss) Income
	(In thousands)			
Balance at April 1	$ (9,892)	$ 3,001	$ (2)	$ (6,893)
Other comprehensive (loss) income before reclassifications	(149)	1,906	2	1,759
Amounts reclassified to earnings	(9)	(1,332)	—	(1,341)
Net current period other comprehensive (loss) income	(158)	574	2	418
Accumulated other comprehensive loss allocated to noncontrolling interests during the period	2	—	—	2
Balance at June 30	$ (10,048)	$ 3,575	$ —	$ (6,473)

	Three Months Ended June 30, 2023			
	Foreign Currency Translation Adjustment	Unrealized (Losses) Gains On Interest Rate Swaps	Unrealized Gains (Losses) On Available-For-Sale Marketable Debt Securities	Accumulated Other Comprehensive (Loss) Income
	(In thousands)			
Balance at April 1	$ (12,381)	$ (2,287)	$ 27	$ (14,641)
Other comprehensive income (loss) before reclassifications	2,109	6,659	(11)	8,757
Amounts reclassified to earnings	—	(1,020)	—	(1,020)
Net current period other comprehensive income (loss)	2,109	5,639	(11)	7,737
Balance at June 30	$ (10,272)	$ 3,352	$ 16	$ (6,904)

	Six Months Ended June 30, 2024			
	Foreign Currency Translation Adjustment	Unrealized (Losses) Gains On Interest Rate Swaps	Unrealized Gains (Losses) On Available-For-Sale Marketable Debt Securities	Accumulated Other Comprehensive (Loss) Income
	(In thousands)			
Balance at January 1	$ (10,266)	$ (696)	$ 20	$ (10,942)
Other comprehensive (loss) income before reclassifications	(1,213)	6,946	(20)	5,713
Amounts reclassified to earnings	1,427	(2,675)	—	(1,248)
Net current period other comprehensive income (loss)	214	4,271	(20)	4,465
Accumulated other comprehensive loss allocated to noncontrolling interests during the period	4	—	—	4
Balance at June 30	$ (10,048)	$ 3,575	$ —	$ (6,473)

	Six Months Ended June 30, 2023			
	Foreign Currency Translation Adjustment	Unrealized Gains On Interest Rate Swaps	Unrealized Gains (Losses) On Available-For-Sale Marketable Debt Securities	Accumulated Other Comprehensive (Loss) Income
	(In thousands)			
Balance at January 1	$ (13,186)	$ —	$ 53	$ (13,133)
Other comprehensive income (loss) before reclassifications	2,912	4,372	(37)	7,247
Amounts reclassified to earnings	—	(1,020)	—	(1,020)
Net current period other comprehensive income (loss)	2,912	3,352	(37)	6,227
Accumulated other comprehensive loss allocated to noncontrolling interests during the period	2	—	—	2
Balance at June 30	$ (10,272)	$ 3,352	$ 16	$ (6,904)

The amounts reclassified out of foreign currency translation adjustment into earnings for the three and six months ended June 30, 2024 relate to the substantial liquidation of certain international subsidiaries.

At June 30, 2024 and 2023, there were deferred income tax provisions of $1.1 million and $1.0 million, respectively, related to unrealized gains and losses on interest rate swaps. At June 30, 2024, there was no deferred income tax benefit related to net unrealized losses on available-for-sale marketable debt securities, and at June 30, 2023 there was less than $0.1 million of deferred income tax provision on net unrealized gains.

NOTE 5—SEGMENT INFORMATION

Our reportable segments currently consist of Dotdash Meredith (Digital and Print), Angi Inc. (Ads and Leads, Services and International) and Search. Our CODM regularly reviews certain financial information by operating segment to determine allocation of resources and assess its performance. Segment profitability is determined by and presented on an Adjusted EBITDA basis consistent with the CODM's view of profitability of its businesses, which excludes certain expenses that are required in accordance with GAAP. While not considered a reportable segment, Emerging & Other comprises various operating segments that do not meet the quantitative thresholds that require presentation as separate reportable segments.

IAC INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents revenue by reportable segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Revenue				
Dotdash Meredith				
Digital	$ 238,081	$ 211,972	$ 447,405	$ 396,769
Print	191,681	206,771	377,581	413,787
Intersegment eliminations[(a)]	(4,601)	(4,745)	(9,285)	(8,976)
Total Dotdash Meredith	425,161	413,998	815,701	801,580
Angi Inc.				
Domestic:				
Ads and Leads	257,312	292,487	506,897	585,993
Services	24,595	29,867	45,046	61,926
Total Domestic	281,907	322,354	551,943	647,919
International	33,227	29,233	68,581	59,165
Total Angi Inc.	315,134	351,587	620,524	707,084
Search	101,756	177,036	210,229	329,511
Emerging & Other	107,536	172,385	234,077	364,788
Intersegment eliminations[(b)]	(60)	(3,417)	(1,324)	(7,103)
Total	$ 949,527	$ 1,111,589	$ 1,879,207	$ 2,195,860

(a) Intersegment eliminations primarily relate to Digital performance marketing commissions earned for the placement of magazine subscriptions for Print.

(b) Intersegment eliminations primarily relate to advertising sold by Dotdash Meredith to other IAC owned businesses for the six months ended June 30, 2024 and the three and six months ended June 30, 2023, and Ads and Leads revenue earned from sales to Roofing within Emerging & Other, prior to its sale on November 1, 2023.

The following table presents the revenue of the Company's reportable segments disaggregated by type of service:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Dotdash Meredith				
Digital:				
Advertising revenue	$ 153,429	$ 132,247	$ 286,328	$ 244,064
Performance marketing revenue	53,542	53,510	105,086	103,565
Licensing and other revenue	31,110	26,215	55,991	49,140
Total Digital revenue	238,081	211,972	447,405	396,769
Print:				
Subscription revenue	76,115	76,032	154,106	161,669
Advertising revenue	45,136	57,487	87,609	105,337
Project and other revenue	37,990	35,566	66,544	63,675
Newsstand revenue	24,132	27,174	50,418	59,420
Performance marketing revenue	8,308	10,512	18,904	23,686
Total Print revenue	191,681	206,771	377,581	413,787

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(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Intersegment eliminations[(a)]	(4,601)	(4,745)	(9,285)	(8,976)
Total Dotdash Meredith revenue	$ 425,161	$ 413,998	$ 815,701	$ 801,580
Angi Inc.				
Domestic:				
Ads and Leads:				
Consumer connection revenue	$ 167,624	$ 209,013	$ 328,155	$ 421,948
Advertising revenue	78,309	70,047	155,446	137,228
Membership subscription revenue	11,261	13,231	23,039	26,430
Other revenue	118	196	257	387
Total Ads and Leads revenue	257,312	292,487	506,897	585,993
Services revenue	24,595	29,867	45,046	61,926
Total Domestic revenue	281,907	322,354	551,943	647,919
International:				
Consumer connection revenue	27,018	23,371	56,687	48,116
Service professional membership subscription revenue	5,947	5,753	11,329	10,811
Advertising and other revenue	262	109	565	238
Total International revenue	33,227	29,233	68,581	59,165
Total Angi Inc. revenue	$ 315,134	$ 351,587	$ 620,524	$ 707,084
Search				
Advertising revenue:				
Google advertising revenue	$ 98,888	$ 166,285	$ 202,407	$ 307,019
Non-Google advertising revenue	2,494	10,097	6,936	21,070
Total advertising revenue	101,382	176,382	209,343	328,089
Other revenue	374	654	886	1,422
Total Search revenue	$ 101,756	$ 177,036	$ 210,229	$ 329,511
Emerging & Other				
Marketplace revenue	$ 52,750	$ 50,248	$ 110,342	$ 108,667
Subscription revenue	46,101	85,919	110,288	172,319
Media production and distribution revenue	4,739	7,110	6,278	10,725
Roofing revenue	—	24,482	—	62,854
Advertising revenue:				
Non-Google advertising revenue	1,747	3,458	4,464	6,357
Google advertising revenue	152	272	410	535
Total advertising revenue	1,899	3,730	4,874	6,892
Service and other revenue	2,047	896	2,295	3,331
Total Emerging & Other revenue	$ 107,536	$ 172,385	$ 234,077	$ 364,788

Revenue by geography is based on where the customer is located. Geographic information about revenue and long-lived assets is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Revenue:				
United States	$ 836,995	$ 967,051	$ 1,643,154	$ 1,919,723
All other countries	112,532	144,538	236,053	276,137
Total	$ 949,527	$ 1,111,589	$ 1,879,207	$ 2,195,860

	June 30, 2024	December 31, 2023
	(In thousands)	
Long-lived assets (excluding goodwill and intangible assets):		
United States	$ 676,298	$ 743,914
All other countries	10,989	10,964
Total	$ 687,287	$ 754,878

The following tables present operating (loss) income and Adjusted EBITDA by reportable segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Operating income (loss)				
Dotdash Meredith				
Digital	$ 26,025	$ 6,059	$ 25,845	$ (11,828)
Print	5,535	(944)	414	(6,700)
Other[(c)(d)]	(13,222)	(22,935)	(28,750)	(110,526)
Total Dotdash Meredith	18,338	(17,820)	(2,491)	(129,054)
Angi Inc.				
Ads and Leads	24,806	4,791	44,627	18,271
Services	(4,488)	(5,175)	(11,989)	(17,627)
Other[(c)]	(15,191)	(16,568)	(30,308)	(31,507)
International	4,060	1,571	9,573	4,601
Total Angi Inc.	9,187	(15,381)	11,903	(26,262)
Search	4,624	13,961	8,980	24,731
Emerging & Other	(6,445)	2,051	(14,455)	13,907
Corporate	(37,703)	(38,284)	(75,114)	(74,391)
Total	$ (11,999)	$ (55,473)	$ (71,177)	$ (191,069)

(c) Other comprises unallocated corporate expenses.

(d) Dotdash Meredith Other operating loss includes write-offs of certain leasehold improvements and furniture and equipment of $4.2 million for the three and six months ended June 30, 2023 and impairment charges of $70.0 million related to unoccupied leased office space for the six months ended June 30, 2023, of which $4.2 million and $29.6 million is presented in "Depreciation" in the statement of operations for the three and six months ended June 30, 2023, respectively, and, therefore, is excluded from Adjusted EBITDA. Impairment charges related to unoccupied leased office space included in Adjusted EBITDA are $44.7 million for the six months ended June 30, 2023. See "Note 2—Financial Instruments and Fair Value Measurements" for additional information.

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Adjusted EBITDA[(e)]:				
Dotdash Meredith				
Digital	$ 63,446	$ 50,834	$ 100,405	$ 75,237
Print	13,210	17,410	16,157	28,744
Other[(c)(d)]	(10,232)	(14,152)	(19,896)	(73,006)
Total Dotdash Meredith	66,424	54,092	96,666	30,975
Angi Inc.				
Ads and Leads	48,977	28,155	90,198	68,006
Services	1,975	1,700	1,985	(468)
Other[(c)]	(13,904)	(13,109)	(25,825)	(25,463)
International	5,135	2,837	11,787	7,191
Total Angi Inc.	42,183	19,583	78,145	49,266
Search	4,645	13,982	9,022	24,773
Emerging & Other	(3,812)	5,015	(8,018)	20,614
Corporate	(22,182)	(22,486)	(45,527)	(46,319)
Total	$ 87,258	$ 70,186	$ 130,288	$ 79,309

(e) The Company's primary financial and GAAP segment 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, if applicable.

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We consider operating income (loss) to be the financial measure calculated and presented in accordance with GAAP that is most directly comparable to our segment reporting performance measure, Adjusted EBITDA. The following tables reconcile operating income (loss) for the Company's reportable segments and net (loss) earnings attributable to IAC shareholders to Adjusted EBITDA:

	Three Months Ended June 30, 2024				
	Operating Income (Loss)	Stock-based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA [e]
			(In thousands)		
Dotdash Meredith					
Digital	$ 26,025	$ 3,436	$ 3,681	$ 30,304	$ 63,446
Print	5,535	723	1,868	5,084	13,210
Other[c]	(13,222)	2,521	469	—	(10,232)
Total Dotdash Meredith	18,338	6,680	6,018	35,388	66,424
Angi Inc.					—
Ads and Leads	24,806	5,996	18,175	—	48,977
Services	(4,488)	1,088	5,375	—	1,975
Other[c]	(15,191)	1,287	—	—	(13,904)
International	4,060	301	774	—	5,135
Total Angi Inc.	9,187	8,672	24,324	—	42,183
Search	4,624	—	21	—	4,645
Emerging & Other	(6,445)	253	1,058	1,322	(3,812)
Corporate[f]	(37,703)	13,494	2,027	—	(22,182)
Total	(11,999)	$ 29,099	$ 33,448	$ 36,710	$ 87,258
Interest expense	(39,515)				
Unrealized loss on investment in MGM Resorts International	(179,284)				
Other income, net	54,693				
Loss before income taxes	(176,105)				
Income tax benefit	34,638				
Net loss	(141,467)				
Net earnings attributable to noncontrolling interests	(765)				
Net loss attributable to IAC shareholders	$ (142,232)				

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[f] Includes stock-based compensation expense for stock-based awards granted to employees of Corporate, Search and all Emerging & Other businesses other than Vivian Health in the three and six months ended June 30, 2024 and 2023. The three and six months ended June 30, 2023 also excludes stock-based compensation granted to employees of Roofing within Emerging & Other, which was sold on November 1, 2023.

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	Three Months Ended June 30, 2023				
	Operating Income (Loss)	Stock-based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA [(e)]
	(In thousands)				
Dotdash Meredith					
Digital	$ 6,059	$ 2,092	$ 7,332	$ 35,351	$ 50,8
Print	(944)	376	3,855	14,123	17,4
Other[(c)]	(22,935)	3,102	5,681	—	(14,1
Total Dotdash Meredith	(17,820)	5,570	16,868	49,474	54,0
Angi Inc.					
Ads and Leads	4,791	5,307	15,394	2,663	28,1
Services	(5,175)	1,192	5,683	—	1,7
Other[(c)]	(16,568)	3,459	—	—	(13,1
International	1,571	339	927	—	2,8
Total Angi Inc.	(15,381)	10,297	22,004	2,663	19,5
Search	13,961	—	21	—	13,9
Emerging & Other	2,051	188	730	2,046	5,0
Corporate[(f)]	(38,284)	14,138	1,660	—	(22,4
Total	(55,473)	$ 30,193	$ 41,283	$ 54,183	$ 70,1
Interest expense	(39,077)				
Unrealized loss on investment in MGM Resorts International	(32,362)				
Other income, net	10,985				
Loss before income taxes	(115,927)				
Income tax benefit	24,297				
Net loss	(91,630)				
Net loss attributable to noncontrolling interests	2,585				
Net loss attributable to IAC shareholders	$ (89,045)				

IAC INC. AND SUBSIDIARIES
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	Six Months Ended June 30, 2024				
	Operating Income (Loss)	Stock-based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA[e]
	(In thousands)				
Dotdash Meredith					
Digital	$ 25,845	$ 5,636	$ 8,538	$ 60,386	$ 100,405
Print	414	1,169	4,405	10,169	16,157
Other[c]	(28,750)	7,224	1,630	—	(19,896)
Total Dotdash Meredith	(2,491)	14,029	14,573	70,555	96,666
Angi Inc.					
Ads and Leads	44,627	10,461	35,110	—	90,198
Services	(11,989)	2,469	11,505	—	1,985
Other[c]	(30,308)	4,483	—	—	(25,825)
International	9,573	656	1,558	—	11,787
Total Angi Inc.	11,903	18,069	48,173	—	78,145
Search	8,980	—	42	—	9,022
Emerging & Other	(14,455)	663	2,891	2,883	(8,018)
Corporate[f]	(75,114)	25,245	4,342	—	(45,527)
Total	(71,177)	$ 58,006	$ 70,021	$ 73,438	$ 130,288
Interest expense	(79,233)				
Unrealized loss on investment in MGM Resorts International	(15,533)				
Other income, net	89,498				
Loss before income taxes	(76,445)				
Income tax provision	(20,050)				
Net loss	(96,495)				
Net earnings attributable to noncontrolling interests	(706)				
Net loss attributable to IAC shareholders	$ (97,201)				

	Six Months Ended June 30, 2023				
	Operating (Loss) Income	Total Non-Cash Compensation Expense	Total Depreciation	Amortization of Intangibles	Adjusted EBITDA[(e)]
	(In thousands)				
Dotdash Meredith					
Digital	$ (11,828)	$ 3,787	$ 12,576	$ 70,702	$ 75,237
Print	(6,700)	522	6,490	28,432	28,744
Other[(c)(d)]	(110,526)	6,352	31,168	—	(73,006)
Total Dotdash Meredith	(129,054)	10,661	50,234	99,134	30,975
Angi Inc.					
Ads and Leads	18,271	10,798	33,612	5,325	68,006
Services	(17,627)	5,401	11,758	—	(468)
Other[(c)]	(31,507)	6,044	—	—	(25,463)
International	4,601	766	1,824	—	7,191
Total Angi Inc.	(26,262)	23,009	47,194	5,325	49,266
Search	24,731	—	42	—	24,773
Emerging & Other	13,907	705	1,672	4,330	20,614
Corporate[(f)]	(74,391)	24,759	3,313	—	(46,319)
Total	(191,069)	$ 59,134	$ 102,455	$ 108,789	$ 79,309
Interest expense	(77,249)				
Unrealized gain on investment in MGM Resorts International	672,478				
Other income, net	34,734				
Earnings before income taxes	438,894				
Income tax provision	(115,205)				
Net earnings	323,689				
Net loss attributable to noncontrolling interests	5,041				
Net earnings attributable to IAC shareholders	$ 328,730				

NOTE 6—PENSION AND POSTRETIREMENT BENEFIT PLANS

The following tables present the components of net periodic benefit (credit) cost for the Dotdash Meredith pension and postretirement benefit plans:

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Pension		Postretirement	Pension		Postretirement
	Domestic	International	Domestic	Domestic	International	Domestic
	(In thousands)					
Service cost	$ 51	$ —	$ —	$ 55	$ —	$ 1
Interest cost	742	4,759	52	826	4,921	58
Expected return on plan assets	(548)	(4,760)	—	(633)	(4,916)	—
Actuarial gain recognition	(841)	—	—	(404)	—	—
Net periodic benefit (credit) cost	$ (596)	$ (1)	$ 52	$ (156)	$ 5	$ 59

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	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Pension		Postretirement	Pension		Postretirement
	Domestic	International	Domestic	Domestic	International	Domestic
	(In thousands)					
Service cost	$ 102	$ —	$ —	$ 108	$ —	$ 2
Interest cost	1,471	9,546	103	1,697	9,698	116
Expected return on plan assets	(1,112)	(9,547)	—	(1,134)	(9,687)	—
Actuarial gain recognition	(1,104)	—	—	(164)	—	—
Net periodic benefit (credit) cost	$ (643)	$ (1)	$ 103	$ 507	$ 11	$ 118

The Company froze and terminated the domestic funded pension plan as of December 31, 2022. The last of the required customary regulatory approvals of the termination of this plan was received in February 2024. The Company completed the termination and settlement of this plan in July 2024 by making the final distribution to the participants through a lump sum payment or through the purchase of an annuity, as directed by the participant's election.

The following table summarizes the weighted average expected return on plan assets used to determine the net periodic benefit (credit) cost at June 30, 2024 following the remeasurements, and December 31, 2023, respectively:

	June 30, 2024	December 31, 2023
	Pension	
	Domestic	Domestic
Expected return on plan assets	5.21 %	4.48 %

The components of net periodic benefit (credit) cost, other than the service cost component, are included in "Other income, net" in the statement of operations.

NOTE 7—INCOME TAXES

At the end of each interim period, the Company estimates the annual expected effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects are individually computed and recognized in the interim period in which they occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of a beginning-of-the-year deferred tax asset in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

The computation of the annual expected effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences and the likelihood of the realization of deferred tax assets generated in the current year. The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or the Company's tax environment changes. To the extent that the expected annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in income tax provision or benefit in the quarter in which the change occurs. Included in the income tax benefit for the three months ended June 30, 2024 was a provision of $1.3 million due to a lower estimated annual effective tax rate from that applied to the first quarter's ordinary loss. The lower estimated annual effective rate was due primarily to an increase in forecasted nondeductible compensation expense.

For the three months ended June 30, 2024, the Company recorded an income tax benefit of $34.6 million, which represents an effective income tax rate of 20%, which is lower than the statutory rate of 21% due primarily to nondeductible compensation expense, partially offset by research credits and state taxes. For the six months ended June 30, 2024, the Company recorded an income tax provision, despite a pre-tax loss, of $20.0 million due primarily to the nondeductible portion of goodwill in the sale of Mosaic Group and nondeductible compensation expense, partially offset by research credits and the realization of a capital loss. For the three and six months ended June 30, 2023, the Company recorded an income tax benefit of $24.3 million and income tax provision of $115.2 million, which represents an effective income tax rate of 21% and 26%, respectively. For the three months ended June 30, 2023, the effective income tax rate was the same as the statutory rate of 21% due primarily to nondeductible compensation expense and foreign income taxed at different statutory rates, offset by research credits, the realization of a capital loss and a change in forecasted rate. For the six months ended June 30, 2023, the effective income tax rate was higher than the statutory rate of 21% due primarily to state taxes and non-deductible compensation expense, partially offset by research credits.

The Company's income taxes are routinely under audit by federal, state, local and foreign authorities as a result of previously filed separate company and consolidated tax returns for periods prior to the June 30, 2020 separation of IAC from Match Group (the "Match Separation") and for its tax returns filed on a standalone basis following the Match Separation. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Company is not currently under audit by the Internal Revenue Service. Returns filed in various other jurisdictions are open to examination for tax years beginning with 2014. Income taxes payable include unrecognized tax benefits considered sufficient to pay assessments that may result from the examination of prior year tax returns. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may not accurately anticipate actual outcomes and, therefore, may require periodic adjustment. Although management currently believes changes in unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. At June 30, 2024 and December 31, 2023, accruals for interest and penalties are not material.

At June 30, 2024 and December 31, 2023, unrecognized tax benefits, including interest and penalties, were $22.0 million and $19.6 million, respectively. Unrecognized tax benefits, including interest and penalties, at June 30, 2024 increased by $2.4 million due primarily to research credits. If unrecognized tax benefits at June 30, 2024 are subsequently recognized, $20.8 million, net of related deferred tax assets and interest, would reduce income tax expense. The comparable amount at December 31, 2023 was $18.6 million. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by $0.3 million by June 30, 2025 due to expected settlements and statute expirations, all of which would reduce the income tax provision.

NOTE 8—(LOSS) EARNINGS PER SHARE

The Company treats its common stock and Class B common stock as one class of stock for net earnings (loss) per share ("EPS") purposes as both classes of stock participate in earnings, dividends and other distributions on the same basis. The restricted stock award granted to our Chief Executive Officer ("CEO") on November 5, 2020 is a participating security and the Company calculates basic EPS using the two-class method since those restricted shares are unvested and have a non-forfeitable dividend right in the event the Company declares a cash dividend on common shares and participate in all other distributions of the Company in the same manner as all other IAC common shares. Diluted EPS is calculated, on the most dilutive basis, which excludes awards that would be anti-dilutive, including the restricted stock award granted to our CEO.

Undistributed earnings allocated to the participating security is subtracted from earnings in determining earnings attributable to holders of IAC common stock and Class B common stock for basic EPS. Basic EPS is computed by dividing net earnings (loss) attributable to holders of IAC common stock and Class B common stock by the weighted-average number of shares of common stock and Class B common stock outstanding during the period.

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For the calculation of diluted EPS, net earnings (loss) attributable to holders of IAC common stock and Class B common stock is adjusted for the impact from our public subsidiary's dilutive securities, if applicable, and the reallocation of undistributed earnings allocated to the participating security by the weighted-average number of common stock and Class B common stock outstanding plus dilutive securities during the period.

The numerator and denominator of basic and diluted EPS computations for the Company's common stock and Class B common stock are calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands, except per share data)			
Basic EPS:				
Numerator:				
Net (loss) earnings	$ (141,467)	$ (91,630)	$ (96,495)	$ 323,689
Net (earnings) loss attributable to noncontrolling interests	(765)	2,585	(706)	5,041
Net earnings attributed to unvested participating security	—	—	—	(11,296)
Net (loss) earnings attributable to IAC common stock and Class B common stock shareholders	$ (142,232)	$ (89,045)	$ (97,201)	$ 317,434
Denominator:				
Weighted average basic IAC common stock and Class B common stock shares outstanding[(a)]	83,100	83,081	83,036	84,301
(Loss) earnings per share:				
(Loss) earnings per share attributable to IAC common stock and Class B common stock shareholders	$ (1.71)	$ (1.07)	$ (1.17)	$ 3.77

IAC INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands, except per share data)			
Diluted EPS:				
Numerator:				
Net (loss) earnings	$ (141,467)	$ (91,630)	$ (96,495)	$ 323,689
Net (earnings) loss attributable to noncontrolling interests	(765)	2,585	(706)	5,041
Net earnings attributed to unvested participating security	—	—	—	(10,935)
Impact from public subsidiaries' dilutive securities[(b)]	—	—	—	—
Net (loss) earnings attributable to IAC common stock and Class B common stock shareholders	$ (142,232)	$ (89,045)	$ (97,201)	$ 317,795
Denominator:				
Weighted average basic IAC common stock and Class B common stock shares outstanding[(a)]	83,100	83,081	83,036	84,301
Dilutive securities[(b)(c)(d)]	—	—	—	2,889
Denominator for earnings per share—weighted average shares[(b)(c)(d)]	83,100	83,081	83,036	87,190
(Loss) earnings per share:				
(Loss) earnings per share attributable to IAC common stock and Class B common stock shareholders	$ (1.71)	$ (1.07)	$ (1.17)	$ 3.64

(a) On November 5, 2020, IAC's CEO was granted a stock-based award in the form of 3.0 million shares of restricted common stock. The number of shares that ultimately vests is subject to the satisfaction of growth targets in IAC's stock price over the 10-year service condition of the award. These restricted shares have a non-forfeitable dividend right in the event the Company declares a cash dividend on its common shares and participate in all other distributions of the Company in the same manner as all other IAC common shares. Accordingly, the two-class method of calculating EPS is used. While the restricted shares are presented as outstanding shares in the balance sheet, these shares are excluded from the weighted average shares outstanding in calculating basic EPS and the allocable portion of net earnings are also excluded. Fully diluted EPS reflects the impact on earnings and fully diluted shares in the manner that is most dilutive.

(b) IAC has the option to settle certain Angi Inc. stock-based awards in its shares. The impact on net earnings relates to the settlement of Angi Inc.'s dilutive securities in IAC common shares. For the three and six months ended June 30, 2024 and 2023, these Angi Inc. equity awards were anti-dilutive.

(c) If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock options and subsidiary denominated equity and vesting of restricted common stock, and restricted stock units ("RSUs"). For the six months ended June 30, 2023, 3.3 million potentially dilutive securities were excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive.

(d) For the three and six months ended June 30, 2024 and the three months ended June 30, 2023, the Company had a loss from operations and as a result approximately 8.0 million of potentially dilutive securities were excluded from computing diluted EPS for each of those periods because the impact would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding were used to compute the EPS amounts for the three and six months ended June 30, 2024 and the three months ended June 30, 2023.

NOTE 9—FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the balance sheet to the total amounts shown in the statement of cash flows:

	June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022
	(In thousands)			
Cash and cash equivalents	$ 1,601,775	$ 1,297,445	$ 1,326,988	$ 1,417,390
Restricted cash included in other current assets	23,976	8,539	8,126	1,165
Restricted cash included in other non-current assets	250	257	381	7,514
Total cash and cash equivalents and restricted cash as shown on the statement of cash flows	$ 1,626,001	$ 1,306,241	$ 1,335,495	$ 1,426,069

Restricted cash included in "Other current assets" in the balance sheet at June 30, 2024 primarily consists of cash held in an account pledged pursuant to the future purchase of certain noncontrolling interests at Angi as well as cash held in escrow related to the funded pension plan in the United Kingdom and cash held related to insurance programs at Care.com.

Restricted cash included in "Other current assets" in the balance sheet at December 31, 2023 and June 30, 2023 primarily consists of cash held in escrow related to the funded pension plan in the United Kingdom and cash held related to insurance programs at Care.com.

Restricted cash included in "Other non-current assets" in the balance sheet in all periods presented other than December 31, 2022 consists of deposits related to leases.

Restricted cash included in "Other current assets" in the balance sheet at December 31, 2022 includes cash held related to insurance programs at Care.com. Restricted cash included in "Other non-current assets" in the balance sheet at December 31, 2022 primarily consists of cash held in escrow related to the funded pension plan in the U.K. as well as a check endorsement guarantee at Roofing within Emerging & Other and deposits related to leases.

Credit Losses

The following table presents the changes in the allowance for credit losses for the six months ended June 30, 2024 and 2023, respectively:

	2024	2023
	(In thousands)	
Balance at January 1	$ 32,379	$ 50,971
Current period provision for credit losses	29,648	48,608
Write-offs charged against the allowance	(40,865)	(55,198)
Recoveries collected	2,364	3,070
Other	122	(143)
Balance at June 30,	$ 23,648	$ 47,308

Accumulated Amortization and Depreciation

The following table provides the accumulated depreciation and amortization within the balance sheet:

Asset Category	June 30, 2024	December 31, 2023
	(In thousands)	
Buildings, capitalized software, equipment and leasehold improvements	$ 409,097	$ 374,256
Intangible assets	$ 683,538	$ 636,645

Other income, net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Unrealized increase (decrease) in the estimated fair value of a warrant	$ 30,624	$ (13,672)	$ 20,393	$ (7,732)
Interest income	22,048	17,340	43,645	34,270
Net realized gain (loss) on sales of businesses, investments and (downward) upward adjustments to the carrying value of equity securities without readily determinable fair values[(a)]	2,262	2,649	28,203	1,348
Foreign exchange (losses) gains, net	(143)	1,572	(1,884)	2,081
Unrealized gain related to marketable equity securities	—	1,262	—	112
Other	(98)	1,834	(859)	4,655
Other income, net	$ 54,693	$ 10,985	$ 89,498	$ 34,734

(a) Includes a pre-tax gain of $29.2 million on the sale of assets of Mosaic Group (within Emerging & Other), which was accounted for as a sale of a business, in the six months ended June 30, 2024.

NOTE 10—CONTINGENCIES

In the ordinary course of business, the Company is subject to various lawsuits and other contingent matters. The Company establishes accruals for specific legal and other matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain legal and other matters where it believes an unfavorable outcome is not probable and, therefore, no accrual is established. Although management currently believes that resolving claims against the Company, including claims where an unfavorable outcome is reasonably possible, and for which the Company cannot estimate a loss or range of loss, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including unrecognized tax benefits and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See "Note 7—Income Taxes" for information related to unrecognized tax benefits.

IAC INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 11—RELATED PARTY TRANSACTIONS

IAC and Angi Inc.

Allocation of CEO Compensation and Certain Expenses

Joseph Levin, CEO of IAC and Chairman of Angi Inc., was CEO of Angi Inc. from October 10, 2022 through April 8, 2024. As a result, IAC allocated $0.3 million and $2.4 million for the three and six months ended June 30, 2024, respectively, and $2.3 million and $4.6 million for the three and six months ended June 30, 2023, respectively, in costs to Angi Inc. (including salary, benefits, stock-based compensation and costs related to the CEO's office). These costs were allocated from IAC based upon time spent on Angi Inc. by Mr. Levin. Management considers the allocation method to be reasonable. The allocated costs also include costs directly attributable to Angi Inc. that were initially paid for by IAC and billed by IAC to Angi Inc.

On April 8, 2024, Jeffrey W. Kip, President of Angi Inc., was appointed to succeed Joseph Levin as CEO of Angi Inc. Mr. Levin will remain Chairman of the Angi Inc. board of directors.

The Combination and Related Agreements

The Company and Angi Inc., in connection with the transaction resulting in the formation of Angi Inc. in 2017, which is referred to as the "Combination," entered into a contribution agreement; an investor rights agreement; a services agreement; a tax sharing agreement; and an employee matters agreement, which collectively govern the relationship between IAC and Angi Inc.

IAC and Vimeo Inc. ("Vimeo")

In connection with the spin-off of Vimeo from IAC, the parties entered in several agreements to govern their relationship following the completion of the transaction, certain of which remain in effect and are as follows: a separation agreement, a tax matters agreement and an employee matters agreement. Following the completion of the transaction, Vimeo and IAC entered into certain commercial agreements, including lease agreements. The Company and Vimeo are related parties because Mr. Diller is the beneficial owner of more than ten percent of the voting interests in both IAC and Vimeo.

The Company charged Vimeo rent pursuant to lease agreements of $0.8 million and $1.7 million for both the three and six months ended June 30, 2024 and 2023, respectively. The Company had non-current rent receivable amounts of $0.4 million and $0.3 million at June 30, 2024 and December 31, 2023, respectively, due from Vimeo pursuant to the lease agreements. These amounts are included in "Other non-current assets" in the balance sheet.

IAC and Expedia Group

At June 30, 2024, the Company and Expedia Group each had a 50% ownership interest in two aircraft that may be used by both companies. Members of the aircraft flight crews are employed by an entity in which the Company and Expedia Group each have a 50% ownership interest. The Company and Expedia Group have agreed to share costs relating to flight crew compensation and benefits pro-rata according to each company’s respective usage of the aircraft, for which they are separately billed by the entity described above. The Company and Expedia Group are related parties because Mr. Diller serves as Chairman and Senior Executive of both IAC and Expedia Group. For both the three and six months ended June 30, 2024 and 2023, total payments made to this entity by the Company were not material.

Expedia Group may also use certain aircraft owned 100% by a subsidiary of the Company on a cost basis. For both the three and six months ended June 30, 2024 and 2023, the payments made by Expedia Group to the Company pursuant to this arrangement were not material.

During the second quarter of 2024, the Company and Expedia Group entered into a five-year lease agreement where Expedia Group will occupy office space in the Company's New York City headquarters building. The total payments pursuant to this lease agreement are not material. There were no amounts charged to or paid by Expedia Group pursuant to this agreement for the three and six months ended June 30, 2024.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

GENERAL

Management Overview

IAC today is comprised of category leading businesses, including Dotdash Meredith, Angi Inc. and Care.com, as well as others ranging from early stage to established businesses.

As used herein, "IAC," the "Company," "we," "our" or "us" and similar terms refer to IAC Inc. and its subsidiaries (unless the context requires otherwise).

For a more detailed description of the Company's operating businesses, see "Description of IAC Businesses" included in "Item 1—Business" to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Defined Terms and Operating Metrics:

Unless otherwise indicated or as the context otherwise requires, certain terms used in this quarterly report, which include the principal operating metrics we use in managing our business, are defined below:

IAC Businesses (for additional information see "Note 5—Segment Information" to the financial statements included in "Item 1—Consolidated Financial Statements"):

- **Dotdash Meredith -** one of the largest digital and print publishers in America. Nearly 200 million people trust Dotdash Meredith to help them make decisions, take action and find inspiration. Dotdash Meredith's over 40 iconic brands include People, Better Homes & Gardens, Verywell, FOOD & WINE, The Spruce, allrecipes, Byrdie, REAL SIMPLE, Investopedia and Southern Living. Dotdash Meredith has two operating segments: (i) Digital, which includes its digital, mobile and licensing operations; and (ii) Print, which includes its magazine subscription and newsstand operations;

- **Angi Inc.** - a publicly traded company that connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. On November 1, 2023, Angi Inc. completed the sale of 100% of its wholly-owned subsidiary, Total Home Roofing, LLC ("Roofing"), and has reflected it as a discontinued operation in its standalone financial statements. Roofing does not meet the threshold to be reflected as a discontinued operation at the IAC level. During the fourth quarter of 2023, IAC moved Roofing to Emerging & Other and prior period financial information has been recast to conform to this presentation. Following IAC's move of Roofing to Emerging & Other, Angi Inc. has three operating segments: (i) Ads and Leads, (ii) Services and (iii) International (includes Europe and Canada). At June 30, 2024, the Company's economic interest and voting interest in Angi Inc. were 84.9% and 98.2%, respectively;

- **Search** - consists of **Ask Media Group**, a collection of websites providing general search services and information, and **Desktop,** which includes our direct-to-consumer downloadable desktop applications and our business-to-business partnership operations; and

- **Emerging & Other** - consists of:

  - **Care.com**, a leading online destination for families to connect with caregivers for their children, aging parents, pets and homes and for caregivers to connect with families seeking care services. Care.com's brands include *Care For Business*, Care.com offerings to enterprises and *HomePay*;

  - **Mosaic Group**, a leading developer and provider of global subscription mobile applications. The assets of Mosaic Group were sold on February 15, 2024, which was accounted for as a sale of a business, for approximately $160 million;

  - **Roofing (previously included within the Angi Inc. segment)**, a provider of roof replacement and repair services, for periods prior to its sale on November 1, 2023; and

  - **Vivian Health**, **IAC Films and The Daily Beast.**

Dotdash Meredith

- **Digital Revenue -** includes advertising revenue, performance marketing revenue and licensing and other revenue.
    - *Advertising revenue* - primarily includes revenue generated from display advertisements sold both directly through our sales team and via programmatic exchanges.
    - *Performance marketing revenue* - primarily includes revenue generated through affiliate commerce, affinity marketing channels and performance marketing commissions. Affiliate commerce commission revenue is generated when Dotdash Meredith refers users to commerce partner websites resulting in a purchase or transaction. Affinity marketing programs market and place magazine subscriptions for both Dotdash Meredith and third-party publisher titles. Performance marketing commissions are generated on a cost-per-click or cost-per-action basis.
    - *Licensing and Other revenue* - primarily includes revenue generated through brand and content licensing and similar agreements. Brand licensing generates royalties from multiple long-term trademark licensing agreements with retailers, manufacturers, publishers and service providers. Content licensing royalties are earned from our relationship with Apple News + as well as other content use and distribution relationships, including utilization in large-language models and other artificial intelligence-related activities.
- **Print Revenue** - primarily includes subscription, advertising, newsstand and performance marketing revenue.
- **Total Sessions** - represents unique visits to all sites that are part of Dotdash Meredith's network and sourced from Google Analytics.
- **Core Sessions** - represents a subset of Total Sessions that comprises unique visits to Dotdash Meredith's most significant (in terms of investment) owned and operated sites as follows:

People	InStyle	Simply Recipes
allrecipes	FOOD & WINE	Serious Eats
Investopedia	Martha Stewart	EatingWell
Better Homes & Gardens	Byrdie	Parents
Verywell Health	REAL SIMPLE	Verywell Mind
The Spruce	Southern Living	Health
TRAVEL + LEISURE		

Angi Inc.

- **Ads and Leads Revenue** - primarily comprises domestic revenue from consumer connection revenue for consumer matches, revenue from service professionals under contract for advertising and membership subscription revenue from service professionals and consumers.
- **Services Revenue -** primarily comprises domestic revenue from pre-priced offerings by which the consumer requests services through an Angi Inc. platform and Angi Inc. connects them with a service professional to perform the service.
- **International Revenue -** primarily comprises revenue generated within the International segment (consisting of businesses in Europe and Canada), including consumer connection revenue for consumer matches and membership subscription revenue from service professionals and consumers.
- **Service Requests** - are (i) fully completed and submitted domestic service requests for connections with Ads and Leads service professionals, (ii) contacts to Ads and Leads service professionals generated via the service professional directory from unique users in unique categories (such that multiple contacts from the same user in the same category in the same day are counted as one Service Request) and (iii) requests to book Services jobs in the period.

- **Monetized Transactions** - are (i) Service Requests that are matched to a paying Ads and Leads service professional in the period and (ii) completed and in-process Services jobs in the period; a single Service Request can result in multiple monetized transactions.

- **Transacting Service Professionals** ("Transacting SPs") - are the number of (i) Ads and Leads service professionals that paid for consumer matches or advertising and (ii) Services service professionals that performed a Services job, during the most recent quarter.

Operating Costs and Expenses:

- **Cost of revenue (exclusive of depreciation) -** consists primarily of traffic acquisition costs, which include (i) payments made to partners who direct traffic to our Ask Media Group websites and who distribute our business-to-business customized browser-based applications and (ii) the amortization of fees paid to Apple and Google related to the distribution of apps and the facilitation of in-app purchases. Traffic acquisition costs include payment of amounts based on revenue share and other arrangements. Cost of revenue also includes production, distribution and editorial costs at Dotdash Meredith, compensation expense (including stock-based compensation expense) and other employee-related costs, content costs, roofing material and third-party contactor costs associated with Roofing arrangements for periods prior to its sale on November 1, 2023, hosting fees, credit card processing fees, and payments made to care providers for *Care For Business*.

- **Selling and marketing expense -** consists primarily of advertising expenditures, which include online marketing expenditures, including fees paid to search engines, social media sites, other online marketing platforms, app platforms and partner-related payments to those who direct traffic to the brands within our Angi Inc. segment, offline marketing expenditures, which primarily consists of costs related to television advertising, compensation expense (including stock-based compensation expense) and other employee-related costs for sales force and marketing personnel, subscription acquisition costs related to Dotdash Meredith, outsourced personnel and consulting costs and service guarantee expense at Angi Inc.

- **General and administrative expense -** consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, human resources and customer service functions, rent expense and facilities cost (including impairments of right-of-use assets or "ROU assets"), fees for professional services, provision for credit losses and software license and maintenance costs. The customer service function at Angi Inc. and Care.com includes personnel who provide support to its service professionals and caregivers, respectively, and consumers.

- **Product development expense** - consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs and third-party contractor costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology and software license and maintenance costs.

Long-term debt (for additional information see "Note 3—Long-term Debt" to the financial statements included in "Item 1—Consolidated Financial Statements"):

- **Dotdash Meredith Term Loan A** - due December 1, 2026. At June 30, 2024 and December 31, 2023, the outstanding balance of the Dotdash Meredith Term Loan A was $306.3 million and $315 million, respectively, and bore interest at an adjusted term secured overnight financing rate ("Adjusted Term SOFR") plus 2.25%, or 7.65% and 7.69%, respectively. The Dotdash Meredith Term Loan A has quarterly principal payments.

- **Dotdash Meredith Term Loan B** - due December 1, 2028. At June 30, 2024 and December 31, 2023, the outstanding balance of the Dotdash Meredith Term Loan B was $1.22 billion and $1.23 billion, respectively, and bore interest at Adjusted Term SOFR, subject to a minimum of 0.50%, plus 4.00%, or 9.43% and 9.44%, respectively. The Dotdash Meredith Term Loan B has quarterly principal payments.

- **Dotdash Meredith Revolving Facility** - Dotdash Meredith's $150 million revolving credit facility expires on December 1, 2026. At June 30, 2024 and December 31, 2023, there were no outstanding borrowings under the Dotdash Meredith Revolving Facility.

- **ANGI Group Senior Notes -** on August 20, 2020, ANGI Group, LLC ("ANGI Group"), a direct wholly-owned subsidiary of Angi Inc., issued $500 million of its 3.875% Senior Notes due August 15, 2028, with interest payable February 15 and August 15 of each year.

Non-GAAP financial measure:

- **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")** - is a non-GAAP financial measure. See "Principles of Financial Reporting" for the definition of Adjusted EBITDA and a reconciliation of net (loss) earnings attributable to IAC shareholders to operating loss to Adjusted EBITDA for the three and six months ended June 30, 2024 and 2023.

Certain Risks and Concentrations—Services Agreement with Google (the "Services Agreement")

The Company and Google are parties to an amended Services Agreement, which automatically renewed effective March 31, 2023 and now expires on March 31, 2025. Google has made changes to the policies under the Services Agreement and has also made industry-wide changes that have in the past and could in the future require modifications to, or prohibit and/or render obsolete certain of our products, services and/or business practices, which have been and could be costly to address or negatively impact revenue and have had and in the future could have an adverse effect on our financial condition and results of operations.

See "Note 1—The Company and Summary of Significant Accounting Policies" to the financial statements included in "Item 1—Consolidated Financial Statements" for additional information on the Services Agreement with Google.

Results of Operations for the Three and Six Months Ended June 30, 2024 Compared to the Three and Six Months Ended June 30, 2023

The following discussion should be read in conjunction with "Item 1—Consolidated Financial Statements."

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Dotdash Meredith								
Digital	$ 238,081	$ 211,972	$ 26,109	12%	$ 447,405	$ 396,769	$ 50,636	13%
Print	191,681	206,771	(15,090)	(7)%	377,581	413,787	(36,206)	(9)%
Intersegment eliminations	(4,601)	(4,745)	144	3%	(9,285)	(8,976)	(309)	(3)%
Total Dotdash Meredith	425,161	413,998	11,163	3%	815,701	801,580	14,121	2%
Angi Inc.								
Domestic								
Ads and Leads	257,312	292,487	(35,175)	(12)%	506,897	585,993	(79,096)	(13)%
Services	24,595	29,867	(5,272)	(18)%	45,046	61,926	(16,880)	(27)%
Total Domestic	281,907	322,354	(40,447)	(13)%	551,943	647,919	(95,976)	(15)%
International	33,227	29,233	3,994	14%	68,581	59,165	9,416	16%
Total Angi Inc.	315,134	351,587	(36,453)	(10)%	620,524	707,084	(86,560)	(12)%
Search	101,756	177,036	(75,280)	(43)%	210,229	329,511	(119,282)	(36)%
Emerging & Other	107,536	172,385	(64,849)	(38)%	234,077	364,788	(130,711)	(36)%
Intersegment eliminations	(60)	(3,417)	3,357	98%	(1,324)	(7,103)	5,779	81%
Total	$ 949,527	$ 1,111,589	$ (162,062)	(15)%	$ 1,879,207	$ 2,195,860	$ (316,653)	(14)%

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Operating metrics:								
Dotdash Meredith								
Digital								
Total Sessions (in millions)	2,573	2,607	(34)	(1)%	5,323	5,449	(126)	(2)%
Core Sessions (in millions)	2,165	1,989	176	9 %	4,438	4,091	347	8 %
Angi Inc.								
Service Requests (in thousands)	4,939	6,862	(1,923)	(28)%	9,065	12,866	(3,801)	(30)%
Monetized Transactions (in thousands)	6,749	7,805	(1,056)	(14)%	12,260	14,256	(1,996)	(14)%
Transacting SPs (in thousands)	187	207	(20)	(10)%				

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

- Dotdash Meredith revenue increased 3% to $425.2 million due to an increase of $26.1 million, or 12%, from Digital, partially offset by a decrease of $15.1 million, or 7%, from Print.

    - The Digital increase was due primarily to increases of $21.2 million, or 16%, in Advertising Revenue and $4.9 million, or 19%, in Licensing and Other Revenue, with Performance Marketing Revenue flat compared to the prior year period. The increase in Advertising Revenue was driven primarily by higher programmatic revenue as a result of higher programmatic rates and a 9% increase in Core Sessions and an increase in premium advertising sold through the Dotdash Meredith sales team in the Home/Consumer Packaged Goods, Retail and Travel categories. The increase in Licensing and Other Revenue was due primarily to improved performance from content syndication partners including Apple News + and the addition of the OpenAI partnership, which began in May 2024. Performance Marketing Revenue was flat compared to the prior year period due primarily to a 17% increase in affiliate commerce commission revenue, offset by a decrease in Performance Marketing revenue in the Finance category.

    - The Print decrease was due primarily to decreases of $12.4 million, or 21%, in advertising revenue and $3.0 million, or 11%, in newsstand revenue. The decreases in advertising revenue and newsstand revenue are both due, in part, to a reduction in the number of issues sold in the current year compared to the prior year and the ongoing migration of audience from Print to Digital.

- Angi Inc. revenue decreased 10% to $315.1 million driven by decreases of $35.2 million, or 12%, from Ads and Leads and $5.3 million, or 18%, from Services, partially offset by an increase of $4.0 million, or 14% from International.

    - The Ads and Leads decrease was due primarily to a decrease of $41.4 million, or 20%, in consumer connection revenue, partially offset by an increase of $8.3 million, or 12%, in advertising revenue. The decrease in consumer connection revenue was driven by ongoing user-experience enhancements as well as lower sales and marketing spend, resulting in both lower Service Requests and lower acquisition of new service professionals. The increase in advertising revenue was primarily driven by continued growth in sales.

    - The Services decrease was due primarily to lower Service Requests as a result of certain efforts described in Ads and Leads above.

    - The International increase was driven by a larger service professional network and higher revenue per service professional.

- Search revenue decreased 43% to $101.8 million due to a decrease of $73.1 million, or 46%, from Ask Media Group resulting from a reduction in marketing from affiliate partners driving fewer visitors to ad supported search and content websites.

- Emerging & Other revenue decreased 38% to $107.5 million due primarily to the inclusion in the prior year period of $39.0 million in revenue from Mosaic Group, the assets of which were sold on February 15, 2024, and $24.5 million in revenue from Roofing, which was sold on November 1, 2023.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

- Dotdash Meredith revenue increased 2% to $815.7 million due to an increase of $50.6 million, or 13%, from Digital, partially offset by a decrease of $36.2 million, or 9%, from Print.
  - The Digital increase was due primarily to increases of $42.3 million, or 17%, in Advertising Revenue, $6.9 million, or 14%, in Licensing and Other Revenue and $1.5 million, or 1%, in Performance Marketing Revenue. The increase in Advertising Revenue was driven primarily by an increase in premium advertising sold through the Dotdash Meredith sales team in the Home/Consumer Packaged Goods, Retail and Technology categories and higher programmatic revenue as a result of higher programmatic rates and an 8% increase in Core Sessions. The increase in Licensing and Other Revenue was due primarily to factors described above in the three-month discussion. The increase in Performance Marketing Revenue was due primarily to an 18% increase in affiliate commerce commission revenue, partially offset by a decrease in Performance Marketing revenue in the Finance category.
  - The Print decrease was due primarily to decreases of $17.7 million, or 17%, in advertising revenue, $9.0 million, or 15%, in newsstand revenue and $7.6 million, or 5%, in subscription revenue. The decreases in advertising revenue, newsstand revenue and subscription revenue are all due, in part, to a reduction in the number of issues sold in the current year compared to the prior year and the ongoing migration from Print to Digital.
- Angi Inc. revenue decreased 12% to $620.5 million driven by decreases of $79.1 million, or 13%, from Ads and Leads and $16.9 million, or 27%, from Services, partially offset by an increase of $9.4 million, or 16% from International.
  - The Ads and Leads decrease was due primarily to a decreases of $93.8 million, or 22%, in consumer connection revenue and $3.4 million, or 13%, in membership subscription revenue, partially offset by an increase of $18.2 million, or 13%, in advertising revenue. The decrease in consumer connection revenue and the increase in advertising revenue were due primarily to the factors described above in the three-month discussion. The decrease in membership subscription revenue was due primarily to declines in Monetized Transactions and service professionals in the Angi Inc. network.
  - The Services decrease was due primarily to lower Service Requests resulting from the factors described above in the three-month discussion. In addition, the decrease in revenue reflects the residual impact from contracts entered into prior to January 1, 2023 and recognized as gross revenue in the first quarter of 2023. Effective January 1, 2023, Angi Inc. modified the Services terms and conditions resulting in net revenue reporting.
  - The International increase was due primarily to the factors described above in the three-month discussion.
- Search revenue decreased 36% to $210.2 million due to a decrease of $115.5 million, or 40%, from Ask Media Group due primarily to the factor described above in the three-month discussion.
- Emerging & Other revenue decreased 36% to $234.1 million due primarily to the inclusion of $62.9 million in revenue from Roofing in the prior year period, which was sold on November 1, 2023, and a decrease of $61.7 million in revenue ($17.8 million in 2024 compared to $79.5 million in 2023) from Mosaic Group due to the sale of its assets on February 15, 2024.

Cost of revenue (exclusive of depreciation shown separately below)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Cost of revenue (exclusive of depreciation shown separately below)	$267,503	$353,078	$(85,575)	(24)%	$ 539,467	$ 696,007	$ (156,540)	(22)%
As a percentage of revenue	28%	32%			29%	32%		

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

Cost of revenue in 2024 decreased from 2023 due primarily to decreases of $48.5 million from Search and $32.3 million from Emerging & Other.

- The Search decrease was due primarily to a decrease in traffic acquisition costs of $47.7 million at Ask Media Group due primarily to a decrease in the proportion of revenue earned from affiliate partners who direct traffic to our websites.

- The Emerging & Other decrease was due primarily to the inclusion in the prior year period of $17.0 million in expense from Roofing, which was sold on November 1, 2023, a decrease in expense of $10.8 million from Mosaic Group due to the sale of its assets on February 15, 2024, and a decrease in compensation expense of $2.7 million at Care.com due to a reduction in headcount.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

Cost of revenue in 2024 decreased from 2023 due primarily to decreases of $71.7 million from Search, $64.4 million from Emerging & Other and $15.5 million from Dotdash Meredith.

- The Search decrease was due primarily to a decrease in traffic acquisition costs of $71.4 million at Ask Media Group due primarily to the factor described above in the three-month discussion.

- The Emerging & Other decrease was due primarily to the inclusion in the prior year period of $42.1 million in expense from Roofing, a decrease in expense of $13.9 million from Mosaic Group, and a decrease in compensation expense of $5.6 million at Care.com due to a reduction in headcount.

- The Dotdash Meredith decrease was due primarily to a decrease of $20.8 million from Print, partially offset by an increase of $5.4 million from Digital.

    - The Print decrease was due primarily to a decrease of $24.5 million in production and distribution costs (postage, printing, paper and content) resulting from a reduction in circulation of certain publications and decreases in paper costs and freight surcharges.

    - The Digital increase was due primarily to an increase of $6.6 million in compensation expense due primarily to an increase in headcount.

Selling and marketing expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Selling and marketing expense	$335,708	$413,954	$(78,246)	(19)%	$ 679,633	$ 817,251	$ (137,618)	(17)%
As a percentage of revenue	35%	37%			36%	37%		

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

Selling and marketing expense in 2024 decreased from 2023 due to decreases of $50.6 million from Angi Inc., $20.6 million from Emerging & Other and $17.8 million from Search, partially offset by an increase of $7.4 million from Dotdash Meredith.

- The Angi Inc. decrease was due primarily to a decrease of $48.4 million from Ads and Leads due primarily to decreases of $41.8 million and $3.5 million in advertising expense and compensation expense, respectively. The decrease in advertising expense was due primarily to improved efficiency. The decrease in compensation expense was due primarily to a reduction in headcount.

- The Emerging & Other decrease was due primarily to a decrease in expense of $14.6 million from Mosaic Group due to the sale of its assets on February 15, 2024 and the inclusion in the prior year period of $4.8 million in expense from Roofing, which was sold on November 1, 2023.

- The Search decrease was due primarily to a decrease of $16.4 million in online marketing spend at Ask Media Group.

- The Dotdash Meredith increase was due primarily to an increase of $7.0 million from Digital due primarily to increases in online marketing spend and compensation expense of $3.4 million and $2.2 million, respectively. The increase in compensation expense was due primarily to an increase in headcount.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

Selling and marketing expense in 2024 decreased from 2023 due to decreases of $93.1 million from Angi Inc., $34.1 million from Emerging & Other and $32.3 million from Search, partially offset by an increase of $16.4 million from Dotdash Meredith.

- The Angi Inc. decrease was due primarily to decreases of $88.8 million from Ads and Leads and $5.4 million from Services.

    - The Ads and Leads decrease was due primarily to decreases of $73.7 million and $10.9 million in advertising expense and compensation expense, respectively. The decreases in advertising expense and compensation expense was due primarily to the factors described above in the three-month discussion.

    - The Services decrease was due primarily to decreases of $2.9 million and $1.5 million in compensation expense and third-party wages, respectively. The decrease in compensation expense was due primarily to a reduction in headcount. The decrease in third-party wages was due primarily to streamlined fulfillment operations.

- The Emerging & Other decrease was due primarily to a decrease in expense of $21.1 million from Mosaic Group due to the sale of its assets on February 15, 2024, and the inclusion in the prior year period of $11.6 million in expense from Roofing.

- The Search decrease was due primarily to a decrease of $29.8 million in online marketing spend at Ask Media Group.

- The Dotdash Meredith increase was due primarily to an increase of $18.7 million from Digital, partially offset by a decrease of $2.0 million from Print.

    - The Digital increase was due primarily to increases in online marketing spend and compensation expense of $10.2 million and $5.5 million, respectively. The increase in compensation expense was due primarily to an increase in headcount.

    - The Print decrease was due primarily to a decrease of $2.0 million in subscription acquisition costs. The decrease in subscription acquisition costs was driven by lower commission payments made to third-party agents that sell magazine subscriptions resulting from the shift from print to digital subscriptions.

General and administrative expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
General and administrative expense	$209,998	$218,166	$(8,168)	(4)%	$ 422,667	$ 491,242	$ (68,575)	(14)%
As a percentage of revenue	22%	20%			22%	22%		

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

General and administrative expense in 2024 decreased from 2023 due primarily to decreases of $8.8 million from Angi Inc. and $4.0 million from Dotdash Meredith, partially offset by an increase of $4.3 million from Emerging & Other.

- The Angi Inc. decrease was due primarily to a decrease of $7.5 million from Ads and Leads due primarily to decreases of $6.8 million in the provision for credit losses, $1.6 million in third-party wages, $1.3 million in compensation expense and $1.2 million in professional fees, partially offset by an impairment charge recognized in the second quarter of 2024 of $4.8 million of an ROU asset related to Angi Inc. reducing its real estate footprint. The decrease in the provision for credit losses was due primarily to lower revenue and improved collection rates. The decrease in third-party wages was due primarily to reduced costs related to customer support services. The decrease in compensation expense was due primarily to a reduction in headcount. The decrease in professional fees was due primarily to a decrease in legal fees.

- The Dotdash Meredith decrease was due primarily to decreases in legal-related expenses of $2.3 million and non-payroll taxes of $1.2 million from Other (unallocated corporate costs). The decrease in non-payroll taxes was due primarily to the reversal of indemnification liabilities established for tax contingencies in connection with the Meredith acquisition.

- The Emerging & Other increase was due primarily to an increase at Care.com in legal accruals of $9.5 million related to the anticipated resolution of certain legal matters and an increase of $2.9 million in compensation expense, partially offset by the inclusion in the prior year period of $4.1 million of expense from Mosaic Group, the assets of which were sold on February 15, 2024, and $3.8 million of expense from Roofing, which was sold on November 1, 2023.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

General and administrative expense in 2024 decreased from 2023 due primarily to decreases of $52.2 million from Dotdash Meredith and $19.9 million from Angi Inc.

- The Dotdash Meredith decrease was due primarily to the inclusion in the first quarter of 2023 of an impairment charge at Other (unallocated corporate costs) of $44.7 million of an ROU asset related to unoccupied lease space, a decrease of $2.3 million in legal-related expenses in the second quarter of 2024 and the inclusion in the first quarter of 2024 of a $2.3 million gain recognized on the sale of an aircraft. See "Note 2—Financial Instruments and Fair Value Measurements" to the financial statements included in "Item 1—Consolidated Financial Statements" for additional information about the impairment charge.

- The Angi Inc. decrease was due primarily to decreases of $15.0 million from Ads and Leads and $6.2 million from Services.

    - The Ads and Leads decrease was due primarily to decreases of $14.5 million in the provision for credit losses and $4.0 million in legal-related expenses, partially offset by impairment charges of $6.8 million recognized in 2024 of ROU assets related to Angi Inc. reducing its real estate footprint. The decrease in the provision for credit losses was due primarily to the factors described above in the three-month discussion.

    - The Services decrease was due primarily to a decrease of $4.7 million in compensation expense due primarily to a $2.6 million decrease in stock-based compensation as a result of a reduction in headcount.

Product development expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Product development expense	$78,159	$86,398	$(8,239)	(10)%	$ 165,158	$ 171,185	$ (6,027)	(4)%
As a percentage of revenue	8%	8%			9%	8%		

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

Product development expense in 2024 decreased from 2023 due primarily to a decrease of $7.3 million from Emerging & Other.

- The Emerging & Other decrease was due primarily to the inclusion of expense in the prior year period of $4.6 million from Mosaic Group, the assets of which were sold on February 15, 2024 and a decrease of $1.7 million due primarily to outsourced personnel costs at Care.com.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

Product development expense in 2024 decreased from 2023 due primarily to decrease of $5.4 million from Emerging & Other.

- The Emerging & Other decrease was due primarily to a decreases of $2.9 million in outsourced personnel costs and $1.4 million in compensation expense at Care.com and Vivian Health, respectively.

Depreciation

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Depreciation	$33,448	$41,283	$(7,835)	(19)%	$ 70,021	$ 102,455	$ (32,434)	(32)%
As a percentage of revenue	4%	4%			4%	5%		

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

Depreciation in 2024 decreased due primarily to a decrease of $10.9 million at Dotdash Meredith, partially offset by an increase of $2.3 million at Angi Inc. The decrease at Dotdash Meredith was due primarily to a decrease of $5.6 million in expense related to the acceleration of depreciation on certain assets in 2023 and the inclusion in the second quarter of 2023 of a $4.2 million write-off of certain leasehold improvements and furniture and equipment. The increase at Angi Inc. was due primarily to an impairment charge of $2.5 million recognized in the second quarter of 2024 related to certain leasehold improvements and furniture and equipment related to Angi Inc. reducing its real estate footprint.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

Depreciation in 2024 decreased from 2023 due primarily to a decrease of $35.7 million at Dotdash Meredith due primarily to the inclusion of an impairment charge of $25.3 million recognized in the first quarter of 2023 related to leasehold improvements and furniture and equipment resulting from unoccupied leased space, a $4.2 million write-off of certain leasehold improvements and furniture and equipment recognized during the second quarter of 2023 and a decrease of $4.2 million in expense related to the acceleration of depreciation on certain assets in 2023. See "Note 2—Financial Instruments and Fair Value Measurements" to the financial statements included in "Item 1—Consolidated Financial Statements" for additional information about the impairment charge recognized in the first quarter of 2023.

Operating income (loss)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Dotdash Meredith								
Digital	$ 26,025	$ 6,059	$ 19,966	330%	$ 25,845	$ (11,828)	$ 37,673	NM
Print	5,535	(944)	6,479	NM	414	(6,700)	7,114	NM
Other	(13,222)	(22,935)	9,713	42%	(28,750)	(110,526)	81,776	74%
Total Dotdash Meredith	18,338	(17,820)	36,158	NM	(2,491)	(129,054)	126,563	98%
Angi Inc.								
Domestic								
Ads and Leads	24,806	4,791	20,015	418%	44,627	18,271	26,356	144%
Services	(4,488)	(5,175)	687	13%	(11,989)	(17,627)	5,638	32%
Other	(15,191)	(16,568)	1,377	8%	(30,308)	(31,507)	1,199	4%
Total Domestic	5,127	(16,952)	22,079	NM	2,330	(30,863)	33,193	NM
International	4,060	1,571	2,489	159%	9,573	4,601	4,972	108%
Total Angi Inc.	9,187	(15,381)	24,568	NM	11,903	(26,262)	38,165	NM
Search	4,624	13,961	(9,337)	(67)%	8,980	24,731	(15,751)	(64)%
Emerging & Other	(6,445)	2,051	(8,496)	NM	(14,455)	13,907	(28,362)	NM
Corporate	(37,703)	(38,284)	581	2%	(75,114)	(74,391)	(723)	(1)%
Total	$ (11,999)	$ (55,473)	$ 43,474	78%	$ (71,177)	$ (191,069)	$ 119,892	63%
As a percentage of revenue	(1)%	(5)%			(4)%	(9)%		

NM = Not meaningful

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

Operating loss decreased $43.5 million, or 78%, due primarily to a decrease of $17.5 million in amortization of intangibles, an increase in Adjusted EBITDA of $17.1 million, described below, and decreases of $7.8 million in depreciation and $1.1 million in stock-based compensation expense. The decrease in the amortization of intangibles was due primarily to lower expense at Dotdash Meredith and Angi Inc. due in part to certain intangible assets becoming fully amortized, partially offset by an increase in expense as a result of a change in classification of certain Dotdash Meredith Digital trade name indefinite-lived intangible assets to definite-lived intangible assets, effective January 1, 2024. The decrease in depreciation was due primarily to a decrease of $5.6 million in expense related to the acceleration of depreciation on certain assets in 2023 and the inclusion in the second quarter of 2023 of a $4.2 million write-off of certain leasehold improvements and furniture and equipment at Dotdash Meredith, partially offset by an increase at Angi Inc. of $2.5 million due to a write-off of certain leasehold improvements and furniture and equipment.recognized in the second quarter of 2024 related to Angi Inc. reducing its real estate footprint.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

Operating loss decreased $119.9 million, or 63%, due primarily to an increase in Adjusted EBITDA of $51.0 million, described below, and decreases of $35.4 million in amortization of intangibles, $32.4 million in depreciation and $1.1 million in stock-based compensation expense. The decreases in the amortization of intangibles and depreciation are due primarily to the factors described above in the three-month discussion. Depreciation was further impacted by the impairment of leasehold improvements and furniture and equipment of $25.3 million related to unoccupied lease space recognized in the first quarter of 2023 at Dotdash Meredith.

At June 30, 2024, there was $255.0 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 3.8 years.

Adjusted EBITDA

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Dotdash Meredith								
Digital	$ 63,446	$ 50,834	$ 12,612	25%	$ 100,405	$ 75,237	$ 25,168	33%
Print	13,210	17,410	(4,200)	(24)%	16,157	28,744	(12,587)	(44)%
Other	(10,232)	(14,152)	3,920	28%	(19,896)	(73,006)	53,110	73%
Total Dotdash Meredith	66,424	54,092	12,332	23%	96,666	30,975	65,691	212%
Angi Inc.								
Domestic								
Ads and Leads	48,977	28,155	20,822	74%	90,198	68,006	22,192	33%
Services	1,975	1,700	275	16%	1,985	(468)	2,453	NM
Other	(13,904)	(13,109)	(795)	(6)%	(25,825)	(25,463)	(362)	(1)%
Total Domestic	37,048	16,746	20,302	121%	66,358	42,075	24,283	58%
International	5,135	2,837	2,298	81%	11,787	7,191	4,596	64%
Total Angi Inc.	42,183	19,583	22,600	115%	78,145	49,266	28,879	59%
Search	4,645	13,982	(9,337)	(67)%	9,022	24,773	(15,751)	(64)%
Emerging & Other	(3,812)	5,015	(8,827)	NM	(8,018)	20,614	(28,632)	NM
Corporate	(22,182)	(22,486)	304	1%	(45,527)	(46,319)	792	2%
Total	$ 87,258	$ 70,186	$ 17,072	24%	$ 130,288	$ 79,309	$ 50,979	64%
As a percentage of revenue	9%	6%			7%	4%		

For a reconciliation of net (loss) earnings attributable to IAC shareholders to operating loss to Adjusted EBITDA, see "Principles of Financial Reporting." For a reconciliation of operating income (loss) to Adjusted EBITDA for the Company's reportable segments, see "Note 5—Segment Information" to the financial statements included in "Item 1—Consolidated Financial Statements."

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

- Dotdash Meredith Adjusted EBITDA increased 23% to $66.4 million due to an increase in Adjusted EBITDA of $12.6 million from Digital and a decrease in Adjusted EBITDA losses of $3.9 million from Other (unallocated corporate costs), partially offset by a decrease in Adjusted EBITDA of $4.2 million from Print.

    - The Digital Adjusted EBITDA increase was due primarily to higher revenue and continued operating expense leverage.

    - The Other (unallocated corporate costs) Adjusted EBITDA loss decrease was due primarily to a decrease in legal-related expenses of $2.3 million.

- ◦ The Print Adjusted EBITDA decrease was due primarily to revenue declines, partially offset by lower operating expenses.

- Angi Inc. Adjusted EBITDA increased 115% to $42.2 million due to increases in Adjusted EBITDA of $20.8 million from Ads and Leads and $2.3 million from International.

    - ◦ The Ads and Leads Adjusted EBITDA increase was due primarily to lower selling and marketing expense due to improved marketing efficiency and lower general administrative expense due primarily to a decrease in the provision for credit losses, partially offset by lower revenue and an impairment charge recognized in the second quarter of 2024 of $4.8 million of an ROU asset related to Angi Inc. reducing its real estate footprint.

    - ◦ The International Adjusted EBITDA increase was due primarily to an increase in revenue and continued operating expense leverage.

- Search Adjusted EBITDA decreased 67% to $4.6 million due primarily to lower revenue, partially offset by lower traffic acquisition costs and selling and marketing expense.

- Emerging & Other Adjusted EBITDA decreased $8.8 million to a loss of $3.8 million due primarily to lower profits at Care.com due primarily to an increase in legal accruals of $9.5 million related to the anticipated resolution of certain legal matters and the inclusion in the prior year period of Adjusted EBITDA of $4.3 million at Mosaic Group, the assets of which were sold on February 15, 2024.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

- Dotdash Meredith Adjusted EBITDA increased 212% to $96.7 million due to a decrease in Adjusted EBITDA losses of $53.1 million from Other (unallocated corporate costs) and an increase in Adjusted EBITDA of $25.2 million from Digital, partially offset by a decrease in Adjusted EBITDA of $12.6 million from Print.

    - ◦ The Other (unallocated corporate costs) Adjusted EBITDA loss decrease was due primarily to the inclusion in the first quarter of 2023 of an impairment charge of $44.7 million of an ROU asset related to unoccupied lease space, the inclusion in the first quarter of 2024 of a $2.3 million gain recognized on the sale of an aircraft and a decrease in legal-related expenses of $2.3 million.

    - ◦ The Digital Adjusted EBITDA increase was due primarily to the factors described above in the three-month discussion.

    - ◦ The Print Adjusted EBITDA decrease was due primarily to the factors described above in the three-month discussion.

- Angi Inc. Adjusted EBITDA increased 59% to $78.1 million due to increases in Adjusted EBITDA of $22.2 million from Ads and Leads, $4.6 million from International and $2.5 million from Services.

    - ◦ The Ads and Leads Adjusted EBITDA increase was due primarily to lower selling and marketing expense and general administrative expense due primarily to the factors described above in the three-month discussion, partially offset by lower revenue and impairment charges of $6.8 million recognized in 2024 of ROU assets related to Angi Inc. reducing its real estate footprint.

    - ◦ The International Adjusted EBITDA increase was due primarily to the factor described above in the three-month discussion.

    - ◦ The Services Adjusted EBITDA increase was due primarily to lower operating expenses due to a reduced overall cost base as a result of exiting complex and less profitable offerings.

- Search Adjusted EBITDA decreased 64% to $9.0 million due primarily to factors described above in the three-month discussion.

- Emerging & Other Adjusted EBITDA decreased $28.6 million to a loss of $8.0 million due primarily to $16.5 million in severance expense and transaction-related costs related to the sale of assets of Mosaic Group on February 15, 2024 and lower profits at Care.com due to an increase in expense of $9.5 million in connection with the anticipated resolution of certain legal matters.

- Corporate Adjusted EBITDA loss decreased 2% to $45.5 million due primarily to lower legal-related expenses.

Interest expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Interest expense	$ (39,515)	$(39,077)	$(438)	(1)%	$ (79,233)	$ (77,249)	$ (1,984)	3%

For the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023

Interest expense in 2024 increased from 2023 due primarily to an increase in interest rates from 9.26% and 7.24% at June 30, 2023 to 9.43% and 7.65% at June 30, 2024 on the Dotdash Meredith Term Loan B and Dotdash Meredith Term Loan A, respectively.

Unrealized (loss) gain on investment in MGM Resorts International ("MGM")

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Unrealized (loss) gain on investment in MGM Resorts International	$(179,284)	$(32,362)	$(146,922)	(454)%	$ (15,533)	$ 672,478	$ (688,011)	NM

For the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023

During the fourth quarter of 2023, due to MGM's ongoing share repurchase program, which increased the Company's ownership interest passively, the Company determined that the equity method of accounting applied and elected to account for its investment in MGM pursuant to the fair value option. Prior to the fourth quarter of 2023, the Company's investment in MGM was accounted for as an equity security with a readily determinable fair value, with changes in fair value recognized through income each period. Since the Company has always marked its investment in MGM to fair value through income each period the election of the fair value option results in no change to the historical accounting for this investment.

The unrealized pre-tax (losses) and gains on the Company's investment in MGM were due to changes in the stock price of MGM's common stock as reported on the New York Stock Exchange. Based on the number of MGM common shares outstanding at June 30, 2024, the Company owns approximately 21.2% of MGM.

Other income, net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Dollars in thousands)			
Unrealized increase (decrease) in the estimated fair value of a warrant	$ 30,624	$ (13,672)	$ 20,393	$ (7,732)
Interest income	22,048	17,340	43,645	34,270
Net realized gain (loss) on sales of businesses, investments and (downward) upward adjustments to the carrying value of equity securities without readily determinable fair values[a]	2,262	2,649	28,203	1,348
Foreign exchange (losses) gains, net	(143)	1,572	(1,884)	2,081
Unrealized gain related to marketable equity securities	—	1,262	—	112
Other	(98)	1,834	(859)	4,655
Other income, net	$ 54,693	$ 10,985	$ 89,498	$ 34,734
$ Change	$ 43,708		$ 54,764	
% Change	398 %		158 %	

(a) Includes a pre-tax gain of $29.2 million on the sale of assets of Mosaic Group (within Emerging & Other), which was accounted for as a sale of a business, in the six months ended June 30, 2024.

Income tax benefit (provision)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Income tax benefit (provision)	$34,638	$24,297	$10,341	43%	$ (20,050)	$ (115,205)	$ 95,155	83%
Effective income tax rate	20%	21%			NM	26%		

For further details of income tax matters, see "Note 7—Income Taxes" to the financial statements included in "Item 1. Consolidated Financial Statements."

For the three months ended June 30, 2024 compared to the three months ended June 30, 2023

In 2024, the effective income tax rate is lower than the statutory rate of 21% due primarily to nondeductible compensation expense, partially offset by research credits and state taxes.

In 2023, the effective income tax rate is the same as the statutory rate of 21% due primarily to nondeductible compensation expense and foreign income taxed at different statutory rates, offset by research credits, the realization of a capital loss and a change in forecasted rate.

For the six months ended June 30, 2024 compared to the six months ended June 30, 2023

In 2024, the Company recorded an income tax provision of $20.0 million despite a pre-tax loss. The income tax provision was due primarily to the nondeductible portion of the goodwill in the sale of Mosaic Group and nondeductible compensation expense, partially offset by research credits and the realization of a capital loss.

In 2023, the effective income tax rate is higher than the statutory rate of 21% due primarily to state taxes and nondeductible compensation expense, partially offset by research credits.

Net (earnings) loss attributable to noncontrolling interests

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	2024 Change		2024	2023	2024 Change	
			$ Change	% Change			$ Change	% Change
	(Dollars in thousands)							
Net (earnings) loss attributable to noncontrolling interests	$(765)	$2,585	$(3,350)	NM	$ (706)	$ 5,041	$ (5,747)	NM

Net (earnings) loss attributable to noncontrolling interests in 2024 and 2023 primarily represents the publicly-held interest in Angi Inc.'s earnings and losses.

PRINCIPLES OF FINANCIAL REPORTING

The Company reports Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles ("GAAP"). This measure is considered our primary segment measure of profitability and one of the metrics by which we evaluate the performance of our businesses and our internal budgets are based and may also impact management compensation. We believe that investors should have access to, and we are obligated to provide, the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. The Company endeavors to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which we discuss below.

Definition of Non-GAAP Measure

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 (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, if applicable. We believe this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

The following table reconciles net (loss) earnings attributable to IAC shareholders to operating loss to Adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Net (loss) earnings attributable to IAC shareholders	$ (142,232)	$ (89,045)	$ (97,201)	$ 328,730
Add back:				
Net loss attributable to noncontrolling interests	765	(2,585)	706	(5,041)
Income tax (benefit) provision	(34,638)	(24,297)	20,050	115,205
Other income, net	(54,693)	(10,985)	(89,498)	(34,734)
Unrealized loss (gain) on investment in MGM Resorts International	179,284	32,362	15,533	(672,478)
Interest expense	39,515	39,077	79,233	77,249
Operating loss	(11,999)	(55,473)	(71,177)	(191,069)
Add back:				
Stock-based compensation expense	29,099	30,193	58,006	59,134
Depreciation	33,448	41,283	70,021	102,455
Amortization of intangibles	36,710	54,183	73,438	108,789
Adjusted EBITDA	$ 87,258	$ 70,186	$ 130,288	$ 79,309

For a reconciliation of operating (loss) income to Adjusted EBITDA for the Company's reportable segments, see "Note 5—Segment Information" to the financial statements included in "Item 1—Consolidated Financial Statements."

Non-Cash Expenses That Are Excluded from Our Non-GAAP Measure

Stock-based compensation expense consists of expense associated with awards that were granted under various IAC stock and annual incentive plans and expense related to awards issued by certain subsidiaries of the Company. These expenses are not paid in cash and we view the economic costs of stock-based awards to be the dilution to our share base; we also include the related shares in our fully diluted shares outstanding for GAAP earnings per share using the treasury stock method. The Company is currently settling all stock-based awards on a net basis; IAC remits the required tax-withholding amounts for net-settled awards from its current funds.

Depreciation is a non-cash expense relating to our buildings, capitalized software, equipment and leasehold improvements and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives, or, in the case of leasehold improvements, the lease term, if shorter.

Amortization of intangible assets and impairments of goodwill and intangible assets are non-cash expenses related primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as advertiser relationships, technology, licensee relationships, trade names, content, customer lists and user base, service professional relationships and subscriber relationships, are valued and amortized over their estimated lives. Value is also assigned to acquired indefinite-lived intangible assets, which comprise trade names and trademarks, and goodwill that are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. We believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairments of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

Gains and losses recognized on changes in the fair value of contingent consideration arrangements are accounting adjustments to report liabilities for the portion of the purchase price of acquisitions, if applicable, that is contingent upon the financial performance and/or operating targets of the acquired company at fair value that are recognized in "General and administrative expense" in the statement of operations. These adjustments can be highly variable and are excluded from our assessment of performance because they are considered non-operational in nature and, therefore, are not indicative of current or future performance or the ongoing cost of doing business.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	June 30, 2024	December 31, 2023
	(In thousands)	
Angi Inc. cash and cash equivalents:		
United States	$ 380,577	$ 354,341
All other countries	4,318	9,703
Total Angi Inc. cash and cash equivalents	384,895	364,044
Dotdash Meredith cash and cash equivalents:		
United States	241,655	243,801
All other countries	16,899	17,779
Total Dotdash Meredith cash and cash equivalents	258,554	261,580
IAC (excluding Angi Inc. and Dotdash Meredith) cash and cash equivalents and marketable securities:		
United States	914,651	642,613
All other countries	43,675	29,208
Total cash and cash equivalents	958,326	671,821
Marketable securities (United States)	87,210	148,998
Total IAC (excluding Angi Inc. and Dotdash Meredith) cash and cash equivalents and marketable securities	1,045,536	820,819
Total cash and cash equivalents and marketable securities	$ 1,688,985	$ 1,446,443
Dotdash Meredith Debt:		
Dotdash Meredith Term Loan A	$ 306,250	$ 315,000
Dotdash Meredith Term Loan B	1,218,750	1,225,000
Total Dotdash Meredith long-term debt	1,525,000	1,540,000
Less: current portion of Dotdash Meredith long-term debt	38,750	30,000
Less: original issue discount	4,047	4,470
Less: unamortized debt issuance costs	7,535	8,423
Total Dotdash Meredith long-term debt, net	1,474,668	1,497,107
ANGI Group Debt:		
ANGI Group Senior Notes	500,000	500,000
Less: unamortized debt issuance costs	3,561	3,953
Total ANGI Group long-term debt, net	496,439	496,047
Total long-term debt, net	$ 1,971,107	$ 1,993,154

The Company's international cash can be repatriated without significant tax consequences.

For a detailed description of interest rate swaps and long-term debt, see "Note 1—The Company and Summary of Significant Accounting Policies" and "Note 3—Long-term Debt" to the financial statements included in "Item 1. Consolidated Financial Statements."

Cash Flow Information

In summary, IAC's cash flows are as follows:

	Six Months Ended June 30,	
	2024	2023
	(In thousands)	
Net cash provided by (used in):		
Operating activities	$ 149,077	$ 128,254
Investing activities	$ 218,600	$ (27,200)
Financing activities	$ (47,042)	$ (193,352)

Net cash provided by operating activities attributable to continuing operations consists of net earnings adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments include the unrealized loss (gain) on the investment in MGM, amortization of intangibles, depreciation, deferred income taxes, non-cash lease expense (including ROU impairments), stock-based compensation expense, provision for credit losses, net gains on sales of businesses and investments in equity securities and unrealized (increase) decrease in the estimated fair value of a warrant.

2024

Adjustments to net earnings consist primarily of amortization of intangibles of $73.4 million, depreciation of $70.0 million, stock-based compensation expense of $58.0 million, non-cash lease expense of $31.3 million, provision of credit losses of $29.6 million, an unrealized loss on the investment in MGM of $15.5 million and deferred taxes of $6.5 million, partially offset by net gains on sales of businesses and investments in equity securities of $28.2 million primarily related to the sale of assets at Mosaic Group in February 2024 and an unrealized increase in the estimated fair value of a warrant of $20.4 million. The increase from changes in working capital include a decrease in other assets of $66.0 million, a decrease in accounts receivable of $13.2 million, an increase in deferred revenue of $8.8 million and an increase in income taxes payable and receivable of $7.5 million, partially offset by decreases in accounts payable and other liabilities of $50.5 million and operating lease liabilities of $34.8 million. The decrease in other assets is due primarily to a decrease in prepaid hosting services at Angi Inc., Dotdash Meredith and Corporate, receipt of pre-acquisition income tax refunds at Dotdash Meredith and payment received related to insurance coverage for previously incurred legal fees at Angi Inc. The decrease in accounts receivable is due primarily to a decrease in revenue in the second quarter of 2024 relative to the fourth quarter of 2023 at Dotdash Meredith and Search, and a decrease at Mosaic Group due to cash receipts prior to the sale of its assets, partially offset by an increase at Angi Inc., due primarily to timing of cash receipts. The increase in deferred revenue is due primarily to timing of annual subscription renewals at Care.com. The increase in income taxes payable and receivable is due to income tax accruals in excess of payments, primarily due to the sale of assets of Mosaic Group. The decrease in accounts payable and other liabilities is due primarily to a decrease in accrued employee compensation, due primarily to payment of 2023 bonuses in 2024, a decrease in accounts payable at Angi Inc. and Care.com due to timing of payments and at Mosaic Group due to payments prior to the sale of its assets, and a decrease in accrued traffic acquisition costs and related payables at Search and Dotdash Meredith, partially offset by an increase in accrued advertising at Angi Inc. The decrease in operating lease liabilities is due to cash payments on leases net of interest accretion.

Net cash provided by investing activities includes maturities of marketable debt securities of $262.5 million, net proceeds from the sales of businesses and investments of $162.2 million, including $155 million from the sale of assets of Mosaic Group, net proceeds from the sales of assets of $12.8 million principally from the sale of an aircraft at Dotdash Meredith, and a decrease in notes receivable of $10.1 million, partially offset by $197.1 million for the purchases of marketable debt securities and capital expenditures of $31.8 million primarily related to investments of $25.1 million in capitalized software at Angi Inc. to support its products and services.

Net cash used in financing activities includes the repurchase of 8.1 million shares of Angi Inc. Class A common stock, on a settlement date basis, for $18.2 million at an average price of $2.24 per share, principal payments on Dotdash Meredith Term Loan A and Dotdash Meredith Term Loan B of $15.0 million, withholding taxes paid on behalf of IAC employees, excluding Angi Inc., for stock-based awards that were net settled of $8.9 million and withholding taxes paid on behalf of Angi Inc. employees for stock-based awards that were net settled of $4.7 million.

2023

Adjustments to net earnings consist primarily of an unrealized gain on the investment in MGM of $672.5 million and net gains on investments in equity securities and sales of businesses of $1.5 million, partially offset by amortization of intangibles of $108.8 million, depreciation of $102.5 million, deferred income taxes of $101.5 million, non-cash lease expense of $72.5 million, stock-based compensation expense of $59.1 million, provision for credit losses of $48.6 million and an unrealized decrease in the estimated fair value of a warrant of $7.7 million. The decrease from changes in working capital include decreases in accounts payable and other liabilities of $57.5 million and operating lease liabilities of $39.6 million, partially offset by a decrease in other assets of $45.7 million and a decrease in accounts receivable of $30.3 million. The decrease in accounts payable and other liabilities is due primarily to a decrease in accrued employee compensation due primarily to payment of 2022 bonuses in 2023 and restructuring related severance payments at Dotdash Meredith. The decrease in operating lease liabilities is due to cash payments on leases net of interest accretion. The decrease in other assets is due, in part, to a decrease in prepaid hosting services at Angi Inc., Dotdash Meredith and Corporate. The decrease in accounts receivable is due primarily to a decrease in revenue relative to the fourth quarter of 2022 at Dotdash Meredith and a decrease at Care.com due to timing of cash receipts, partially offset by an increase at Angi Inc. due to timing of cash receipts.

Net cash used in investing activities includes $197.0 million for the purchases of marketable debt securities, capital expenditures of $108.1 million, primarily related to payment of approximately $80 million for the acquisition of the formerly leased land under IAC's New York City headquarters building as well as investments of $20.7 million in capitalized software at Angi Inc. to support its products and services, and $103.6 million for the purchase of additional shares of Turo, partially offset by maturities of marketable debt securities of $325.0 million, proceeds from the sales of assets of $28.9 million, including $28.2 million related to the sale of a building at Dotdash Meredith, a decrease in notes receivable of $14.2 million and net proceeds from the sale of businesses and investments of $3.5 million.

Net cash used in financing activities includes the repurchase of 3.2 million shares of IAC common stock, on a settlement date basis, for $165.6 million at an average price of $51.00 per share, principal payments on Dotdash Meredith Term Loan A and Dotdash Meredith Term Loan B of $15.0 million, withholding taxes paid on behalf of IAC employees, excluding Angi Inc., for stock-based awards that were net settled of $5.3 million, withholding taxes paid on behalf of Angi Inc. employees for stock-based awards that were net settled of $4.1 million, the repurchase of 1.1 million shares of Angi Inc. Class A common stock, on a settlement date basis, for $3.4 million at an average price of $3.22 per share.

Liquidity and Capital Resources

Investment in MGM

At June 30, 2024, the Company owns 64.7 million common shares of MGM. Based on the number of MGM common shares outstanding at June 30, 2024, the Company owns 21.2% of MGM.

Investment in Turo

At June 30, 2024, IAC's aggregate percentage ownership in Turo is approximately 29%, on an as-converted basis. The Company net settled its Turo warrant on July 23, 2024 (the warrant expiration date) for 4.5 million shares of Series E-2 preferred stock, bringing IAC's ownership percentage in Turo to approximately 31%.

Share Repurchase Authorizations and Activity

At August 2, 2024, IAC had 3.7 million shares remaining in its share repurchase authorization.

During the six months ended June 30, 2024, Angi repurchased 8.2 million shares of its Class A common stock, on a trade date basis, at an average price of $2.23 per share, or $18.2 million in aggregate. During the fourth quarter of 2023, Angi Inc. announced its intent to utilize the remaining 14.0 million shares in its stock repurchase authorization. From July 1, 2024 through August 2, 2024, Angi Inc. repurchased an additional 1.9 million shares of its common stock, on a trade date basis, at an average price of $2.17 per share, or $4.0 million in aggregate. At August 2, 2024, Angi Inc. had 0.6 million shares remaining in its previous share repurchase authorization.

On August 2, 2024, the Angi Inc. board of directors approved a new stock repurchase authorization of 25 million shares.

IAC and Angi Inc. may purchase their shares pursuant to their authorizations over an indefinite period of time in the open market and in privately negotiated transactions, depending on those factors management deems relevant at any particular time, including, without limitation, market conditions, price and future outlook.

Contractual Obligations

At June 30, 2024, there have been no material changes to the Company's contractual obligations since the disclosures for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K.

Capital Expenditures

The Company anticipates that it will need to make capital expenditures in connection with the development and expansion of its operations. The Company's 2024 capital expenditures are expected to be lower than its 2023 capital expenditures of $141.4 million by approximately 40% to 50%, due primarily to the acquisition of the formerly leased land under IAC's New York City headquarters building in 2023, partially offset by an increase related to capitalized software at Angi Inc.

Liquidity Assessment

On a consolidated basis, the Company generated positive cash flows from operating activities of $149.1 million for the six months ended June 30, 2024; excluding the positive cash flows from operating activities of $85.0 million and $53.5 million generated by Angi Inc. and Dotdash Meredith, respectively, the Company generated positive cash flows from operating activities of $10.6 million.

At June 30, 2024, the Company's consolidated cash, cash equivalents and marketable securities, excluding MGM, were $1.7 billion, of which $384.9 million and $258.6 million was held by Angi Inc. and Dotdash Meredith, respectively. The Company's consolidated debt includes approximately $1.5 billion, which is a liability of Dotdash Meredith Inc., and $500.0 million, which is a liability of ANGI Group, a subsidiary of Angi Inc. The Dotdash Meredith Credit Agreement contains covenants that would limit Dotdash Meredith’s ability to pay dividends, incur incremental secured indebtedness, or make distributions or certain investments in the event a default has occurred or if Dotdash Meredith’s consolidated net leverage ratio exceeds 4.0 to 1.0, subject to certain available amounts as defined in the Dotdash Meredith Credit Agreement. This ratio was exceeded for the test period ended June 30, 2024. The Dotdash Meredith Credit Agreement also permits IAC to, among other things, contribute cash to Dotdash Meredith which will provide additional liquidity to ensure that Dotdash Meredith does not exceed certain consolidated net leverage ratios for any test period, as further defined in the Dotdash Meredith Credit Agreement. In connection with these capital contributions, Dotdash Meredith may make distributions to IAC in amounts not more than any such capital contributions, provided that no default has occurred and is continuing. Such capital contributions and subsequent distributions impact the consolidated net leverage ratios of Dotdash Meredith. During the three and six months ended June 30, 2024, the Company contributed $50 million and $105 million, respectively, to Dotdash Meredith, which Dotdash Meredith subsequently distributed back to the Company $50 million in July 2024 and $55 million in April 2024. In addition, Dotdash Meredith distributed $105 million back to the Company in January 2024 related to its contribution in December 2023. Angi Inc. is an independent public company with its own public shareholders and board of directors and has no obligation to provide the Company with funds. As a result, the Company cannot freely access the cash of Angi Inc. and its subsidiaries.

The Company's liquidity could be negatively affected by a decrease in demand for its products and services due to economic or other factors.

The Company believes Angi Inc.'s and Dotdash Meredith's existing cash, cash equivalents and expected positive cash flows from operations, and the Company's existing cash and cash equivalents and expected positive cash flows from operations, excluding Angi Inc. and Dotdash Meredith, will be sufficient to fund their respective normal operating requirements, including capital expenditures, debt service, the payment of withholding taxes paid on behalf of employees for net-settled stock-based awards and investing and other commitments for the next twelve months. The Company may need to raise additional capital through future debt or equity financing to make acquisitions and investments. Additional financing may not be available on terms favorable to the Company, or at all, and may also be impacted by any disruptions in the financial markets. The indebtedness at Dotdash Meredith and Angi Inc. could further limit the Company's ability to raise additional financing.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Equity Price Risk

At June 30, 2024, the Company owns 64.7 million common shares of MGM. During the fourth quarter of 2023, due to MGM's ongoing share repurchase program, which increased the Company's ownership interest passively, the Company determined that the equity method of accounting applied and elected to account for its investment in MGM pursuant to the fair value option. Prior to the fourth quarter of 2023, the Company's investment in MGM was accounted for as an equity security with a readily determinable fair value, with changes in fair value recognized through income each period. Since the Company has always marked its investment in MGM to fair value through income each period the election of the fair value option results in no change from its historical accounting for this investment. For the three and six months ended June 30, 2024, the Company recorded unrealized pre-tax losses on its investment in MGM of $179.3 million and $15.5 million, respectively. For the three and six months ended June 30, 2023, the Company recorded an unrealized pre-tax loss and gain on its investment of MGM of $32.4 million and $672.5 million, respectively.

The cumulative unrealized net pre-tax gain through June 30, 2024 is $1.6 billion. At both June 30, 2024 and December 31, 2023, the carrying value of the Company's investment in MGM, which includes the cumulative unrealized pre-tax gains, was $2.9 billion, or approximately 28% of the Company's consolidated total assets. A $2.00 increase or decrease in the share price of MGM would result in an unrealized gain or loss, respectively, of $129.4 million. At August 2, 2024, the fair value of the Company's investment in MGM was $2.3 billion. The Company's results of operations and financial condition have in the past been and may in the future be materially impacted by increases or decreases in the price of MGM common shares, which are traded on the New York Stock Exchange.

Interest Rate Risk

At June 30, 2024, the principal amount of the Company's outstanding debt totals $2.03 billion, of which $1.53 billion is the Dotdash Meredith Term Loans, which bear interest at a variable rate, and $500 million is the ANGI Group Senior Notes, which bear interest at a fixed rate.

In March 2023, Dotdash Meredith entered into interest rate swaps on the Dotdash Meredith Term Loan B for a total notional amount of $350 million with a maturity date of April 1, 2027. The interest rate swaps synthetically converted $350 million of the Dotdash Meredith Term Loan B for the duration of the interest rate swaps from a variable rate to a fixed rate to manage interest rate risk exposure beginning on April 3, 2023 and applies hedge accounting to these contracts. See "Note 1—The Company and Summary of Significant Accounting Policies" and "Note 3—Long-term Debt" to the financial statements included in "Item 1—Consolidated Financial Statements" for more information. The fair value of the interest rate swaps is determined using discounted cash flows derived from observable market prices, including swap curves, and represents what Dotdash Meredith would pay or receive to terminate the swap agreements. Dotdash Meredith intends to continue to meet the conditions for hedge accounting, however, if these interest rate swaps were not highly effective in offsetting cash flows attributable to the hedged risk, the changes in the fair value of the interest rate swaps used as hedges could have a significant impact on future results of operations.

During the six months ended June 30, 2024, adjusted term secured overnight financing rate ("Adjusted Term SOFR") for the Dotdash Meredith Term Loans decreased an average of approximately two basis points relative to December 31, 2023. Had Adjusted Term SOFR been unchanged during the first half of 2024, the impact of this decrease would have had a nominal effect on interest expense. At June 30, 2024, the outstanding balance of $1.22 billion related to the Dotdash Meredith Term Loan B bore interest at Adjusted SOFR, subject to a minimum of 0.50%, plus 4.00%, or 9.43%, and the outstanding balance of $306.3 million related to the Dotdash Meredith Term Loan A bore interest at Adjusted Term SOFR plus 2.25%, or 7.65%. If Adjusted Term SOFR were to increase or decrease by 100 basis points, the annual interest expense on the Dotdash Meredith Term Loans, net of the impact related to the $350 million in notional amount of interest rate swaps, would increase or decrease by $11.7 million.

If market rates decline relative to interest rates on the ANGI Group Senior Notes, the Company runs the risk that the related required interest payments will exceed those based on market rates. A 100-basis point increase or decrease in the level of interest rates would, respectively, decrease or increase the fair value of the fixed-rate debt by $18.1 million. Such potential increase or decrease in fair value is based on certain simplifying assumptions, including an immediate increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period, nor changes in the credit profile.

Item 4. ***Controls and Procedures***

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), management, including our Chairman and Senior Executive, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), conducted an evaluation, as of the end of the period covered by this quarterly report, of the effectiveness of the Company's disclosure controls and procedures as defined by Rule 13a-15(e) under the Exchange Act. Based on this evaluation, our Chairman and Senior Executive, CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

The Company monitors and evaluates on an ongoing basis its internal control over financial reporting in order to improve its overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

During the quarter ended June 30, 2024, there have been no changes to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. *Legal Proceedings*

Overview

In the ordinary course of business, IAC and its subsidiaries may become parties to litigation involving property, personal injury, contract, intellectual property and other claims, as well as stockholder derivative actions, class action lawsuits and other matters. The amounts that may be recovered in such matters may be subject to insurance coverage. The litigation matter described below involves issues or claims that may be of particular interest to IAC's stockholders, regardless of whether such matter may be material to IAC's financial position or operations based upon the standard set forth in the rules of the Securities and Exchange Commission.

Shareholder Litigation Arising Out of the Match Separation

This shareholder class action pending in Delaware state court is described in detail under the captions Part I-Item 3-Legal Proceedings of our annual report on Form 10-K for the fiscal year ended December 31, 2023 (pages 34-35). See In re Match Group, Inc. Derivative Litigation, No. 2020-0505 (Delaware Chancery Court). This lawsuit alleges that the terms of the Match Separation (as defined on page 30 of this quarterly report) are unfair to the former Match Group public shareholders and unduly beneficial to IAC as a result of undue influence by IAC and Mr. Diller over the then Match Group directors who unanimously approved the transaction and asserts a variety of claims. As previously reported, the Delaware Chancery Court granted the defendants’ motion to dismiss the action in September 2022, and the plaintiffs appealed to the Delaware Supreme Court. Following oral argument on the plaintiffs’ appeal, in May 2023, the Delaware Supreme Court issued an order directing the parties to submit supplemental briefing on the correct legal standard governing judicial review of the Match Separation, namely whether review under the more deferential business-judgment rule is triggered when such a transaction has been approved by *either* a committee of independent directors *or* a majority vote of the minority stockholders. Supplemental briefing was completed in September 2023 and the court heard further oral argument from the parties in December 2023.

On April 4, 2024, the Delaware Supreme Court issued its decision, holding: (i) that in order to be subject to review under the more deferential business-judgment rule, rather than “entire fairness” review, the Match Separation transaction must have been approved by *both* a committee of independent directors *and* a majority vote of the Match Group minority shareholders, (ii) that the Delaware Chancery Court correctly ruled that the plaintiffs had pleaded sufficient facts to call into question the independence of one of the three members of the special committee that had negotiated and approved the transaction, (iii) that the Delaware Chancery Court had incorrectly ruled that the plaintiffs had nevertheless failed to call into question the independence of the special committee as a whole, because all members of the committee must be independent in order for the committee as a whole to be independent, and (iv) that the Delaware Chancery Court had correctly dismissed the plaintiffs’ derivative claims for lack of standing, leaving only their direct claims for adjudication. The Delaware Supreme Court remanded the case to the Delaware Chancery Court for further proceedings, and the case is now in discovery. IAC remains confident in its ability to prevail on the merits and will continue to defend vigorously against the allegations in this litigation.

Item 1A. *Risk Factors*

Cautionary Statement Regarding Forward-Looking Information

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "anticipates," "estimates," "expects," "plans" and "believes," among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: IAC's future financial performance, IAC's business prospects and strategy, anticipated trends and prospects in the industries in which IAC's businesses operate and other similar matters. These forward-looking statements are based on IAC management's expectations and assumptions about future events as of the date of this quarterly report, 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: (i) our ability to market our products and services in a successful and cost-effective manner, (ii) the display of links to websites offering our products and services in a prominent manner in search results, (iii) changes in our relationship with (or policies implemented by) Google, (iv) our ability to compete with generative artificial intelligence technology and the related disruption to marketing technologies, (v) the failure or delay of the markets and industries in which our businesses operate to migrate online and the continued growth and acceptance of online products and services as effective alternatives to traditional products and services, (vi) our continued ability to develop and monetize versions of our products and services for mobile and other digital devices, (vii) adverse economic events or trends that adversely impact advertising spending levels, (viii) the ability of our Digital business to successfully expand the digital reach of our portfolio of publishing brands, (ix) our continued ability to market, distribute and monetize our products and services through search engines, digital app stores, advertising networks and social media platforms, (x) risks related to our Print business (declining revenue, increased paper and postage costs, reliance on a single supplier to print our magazines and potential increases in pension plan obligations), (xi) our ability to establish and maintain relationships with quality and trustworthy service professionals and caregivers, (xii) the ability of Angi Inc. to expand its pre-priced offerings, while balancing the overall mix of service requests and directory services on Angi platforms, (xiii) the ability of Angi Inc. to continue to generate leads for service professionals given changing requirements applicable to certain communications with consumers, (xiv) our ability to access, collect and use personal data about our users and subscribers, (xv) our ability to engage directly with users, subscribers, consumers, service professionals and caregivers on a timely basis, (xvi) the ability of our Chairman and Senior Executive, certain members of his family and our Chief Executive Officer to exercise significant influence over the composition of our board of directors, matters subject to stockholder approval and our operations, (xvii) risks related to our liquidity and indebtedness (the impact of our indebtedness on our ability to operate our business, our ability to generate sufficient cash to service our indebtedness and interest rate risk), (xviii) our inability to freely access the cash of Dotdash Meredith and/or Angi Inc. and their respective subsidiaries, (xix) dilution with respect to investments in IAC and Angi Inc., (xx) our ability to compete, (xxi) adverse economic events or trends (particularly those that adversely impact consumer confidence and spending behavior), either generally and/or in any of the markets in which our businesses operate, as well as geopolitical conflicts, (xxii) our ability to build, maintain and/or enhance our various brands, (xxiii) our ability to protect our systems, technology and infrastructure from cyberattacks and to protect personal and confidential user information (including credit card information), as well as the impact of cyberattacks experienced by third parties, (xxiv) the occurrence of data security breaches and/or fraud, (xxv) increased liabilities and costs related to the processing, storage, use and disclosure of personal and confidential user information, (xxvi) the integrity, quality, efficiency and scalability of our systems, technology and infrastructure (and those of third parties with whom we do business) and (xxvii) changes in key personnel.

Certain of these and other risks and uncertainties are discussed in our filings with the SEC, including under the caption Part I-Item 1A-Risk Factors of our annual report on 10-K for the fiscal year ended December 31, 2023. Other unknown or unpredictable factors that could also adversely affect IAC's business, financial condition and results of operations may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this quarterly report 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 management as of the date of this quarterly report. IAC does not undertake to update these forward-looking statements.

Risk Factors

In addition to the other information set forth in this quarterly report, you should carefully consider the risk factors discussed under the caption Part I-Item 1A-Risk Factors of our annual report on 10-K for the fiscal year ended December 31, 2023, any or all of which could materially and adversely affect IAC's business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect IAC's business, financial condition and/or results of operations.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Unregistered Sales of Equity Securities

The Company did not issue or sell any shares of its common stock or any other equity securities pursuant to unregistered transactions during the quarter ended June 30, 2024.

Issuer Purchases of Equity Securities

The Company did not purchase any shares of its common stock during the quarter ended June 30, 2024. As of that date, 3,686,692 shares of IAC common stock remained available for repurchase under the Company's previously announced June 2020 repurchase authorization. The Company may repurchase shares of its common stock pursuant to this repurchase authorization over an indefinite period of time in the open market and in privately negotiated transactions, depending on those factors IAC management deems relevant at any particular time, including (without limitation) market conditions, share price and future outlook.

Item 5. ***Other Information***

Rule 10b5-1 Trading Plans

During the quarter ended June 30, 2024, none of the Company's directors or officers adopted or terminated a Rule 10b5-1 trading plan or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408(a) of Regulation S-K).

Item 6. ***Exhibits***

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith, incorporated by reference to the location indicated or furnished herewith.

Exhibit Number	Description	Location
3.1	Restated Certificate of Incorporation of IAC Inc.(1)	
3.2	Restated Certificate of Incorporation of IAC/InterActiveCorp (effective as of June 30, 2020).	Exhibit 3.1(c) to the Registrant's Current Report on Form 8-K filed on July 2, 2020.
3.3	Certificate of Amendment of Restated Certificate of Incorporation of IAC/InterActiveCorp (effective as of May 25, 2021).	Exhibit 4.2 to Post-Effective Amendment No. 1 on Form S-8 to Registration Statement on Form S-4 (File No. 333-251656), filed by the Registrant on May 26, 2021.
3.4	Certificate of Amendment of Restated Certificate of Incorporation of IAC/InterActiveCorp (effective as of August 11, 2022).	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on August 12, 2022.
3.5	Certificate of Amendment of Restated Certificate of Incorporation of IAC Inc. (effective as of June 12, 2024).	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on June 13, 2024.
3.6	Certificate of Designations of Series A Cumulative Preferred Stock.	Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on July 2, 2020.
3.7	Amended and Restated By-Laws of IAC Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on September 18, 2023.
31.1	Certification of the Chairman and Senior Executive pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.(1)	
31.2	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.(1)	
31.3	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.(1)	
32.1	Certification of the Chairman and Senior Executive pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.(2)	

32.2	Certification of the Chief Executive Officer and Acting Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.(2)	
32.3	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.(2)	
101.INS	Inline XBRL Instance.(1)	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema.(1)	
101.CAL	Inline XBRL Taxonomy Extension Calculation.(1)	
101.DEF	Inline XBRL Taxonomy Extension Definition.(1)	
101.LAB	Inline XBRL Taxonomy Extension Labels.(1)	
101.PRE	Inline XBRL Taxonomy Extension Presentation.(1)	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	

(1) Filed herewith.

(2) Furnished herewith.

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, thereunto duly authorized.

Dated: August 7, 2024

IAC INC.

By: /s/ CHRISTOPHER HALPIN
Christopher Halpin
Executive Vice President, Chief Financial Officer and Chief Operating Officer

Signature	Title	Date
/s/ CHRISTOPHER HALPIN Christopher Halpin	Executive Vice President, Chief Financial Officer and Chief Operating Officer	August 7, 2024

RESTATED CERTIFICATE OF INCORPORATION
OF
IAC INC.[1]

IAC Inc. (hereinafter called the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the corporation is: IAC Inc. IAC Inc. was originally incorporated under the name IAC Holdings, Inc. and the original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on November 19, 2019, and was subsequently amended and restated on June 30, 2020 and was further amended on June 30, 2020 at the time of which the Corporation's name was amended to IAC/InterActiveCorp. Effective May 25, 2021, the Corporation further amended its Certificate of Incorporation in connection with the spin-off of Vimeo, Inc. Effective as of August 11, 2022, the Corporation further amended its Certificate of Incorporation to amend its corporate name from IAC/InterActiveCorp to IAC Inc. Effective as of June 12, 2024, the Corporation further amended its Certification of Incorporation to provide for officer exculpation for breach of fiduciary care under Section 102(b)(7) of the General Corporation Law of the State of Delaware.

2. This Restated Certificate of Incorporation has been duly adopted by the Board of Directors of the Corporation and duly executed and acknowledged by an officer of the Corporation in accordance with Sections 103 and 245 of the General Corporation Law of the State of Delaware. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Corporation's Certificate of Incorporation as heretofore amended or supplemented, and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

3. The text of the Certificate of Incorporation of the Corporation is hereby restated to read in its entirety as follows:

ARTICLE I

The name of the Corporation is IAC Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street in the City

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[1] Compiled to comply with Item 601(b)(3) of Regulation S-K of the Securities Act of 1933, as amended. Reflects the Restated Certificate of Incorporation of IAC/InterActiveCorp (effective as of June 30, 2020), the Certificate of Amendment of Restated Certificate of Incorporation of IAC/InterActiveCorp (effective as of May 25, 2021), the Certificate of Amendment of Restated Certificate of Incorporation of IAC/InterActiveCorp (effective as of August 11, 2022) and the Certificate of Amendment of Restated Certificate of Incorporation of IAC Inc. (effective as of June 12, 2024).

of Wilmington, County of New Castle, State of Delaware 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law.

ARTICLE IV

Without regard to any other provision of the Certificate of Incorporation (including, without limitation, all of the provisions of Article IV), upon the effectiveness of the Certificate of Amendment to Restated Certificate of Incorporation containing this sentence (the "Reclassification Effective Time"), (a) each one share of Common Stock, $0.001 par value, of the Corporation that is either issued and outstanding or held by the Corporation as treasury stock immediately prior to the Reclassification Effective Time (the "Old Common Stock") shall be and hereby is automatically reclassified as and changed (without any further act) into (i) one share of Common Stock, $0.0001 par value, of the Corporation and (ii) one one-hundredth of a share of Series 1 Mandatorily Exchangeable Preferred Stock, $0.01 par value, of the Corporation, and (b) each one share of Class B Common Stock, $0.001 par value, of the Corporation, that is either issued and outstanding or held by the Corporation as treasury stock immediately prior to the Reclassification Effective Time (the "Old Class B Common Stock") shall be and is hereby automatically reclassified as and changed (without any further act) into (i) one share of Class B Common Stock, $0.0001 par value, of the Corporation and (ii) one one-hundredth of a share of Series 2 Mandatorily Exchangeable Preferred Stock, $0.01 par value, of the Corporation (collectively, the "Reclassification"). Each stock certificate that, immediately prior to the Reclassification Effective Time, represented shares of Old Common Stock or Old Class B Common Stock, as applicable, shall, from and after the Reclassification Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of shares (or fractions thereof as applicable) of Common Stock, Class B Common Stock, Series 1 Mandatorily Exchangeable Preferred Stock or Series 2 Mandatorily Exchangeable Preferred Stock, as applicable, into which the shares of Old Common Stock or Old Class B Common Stock, as applicable, represented by such certificate shall have been reclassified.

The Corporation shall have the authority to issue one billion six hundred million (1,600,000,000) shares of $0.0001 par value Common Stock, four hundred million (400,000,000) shares of $0.0001 par value Class B Common Stock and one hundred million (100,000,000) shares of $0.01 par value Preferred Stock (the "Preferred Stock") (of which 1,413,740 shares are designated as shares of Series A Cumulative Preferred Stock, 2,000,000 shares are designated as shares of Series 1 Mandatorily Exchangeable Preferred Stock of the Corporation, and 57,895 shares are designated as shares of Series 2 Mandatorily Exchangeable Preferred Stock of the Corporation).

A statement of the designations of each class and the powers, preferences and rights, and qualifications, limitations or restrictions thereof is as follows:

A. COMMON STOCK

(1) The holders of the Common Stock shall be entitled to receive, share for share with the holders of shares of Class B Common Stock, such dividends if, as and when declared from time to time by the Board of Directors.

(2) In the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive, share for share with the holders of shares of Class B Common Stock and any other class or series of stock entitled to share therewith, all the assets of the Corporation of whatever kind available for distribution to stockholders, after the rights of the holders of the Preferred Stock have been satisfied.

(3) Each holder of Common Stock shall be entitled to vote one vote for each share of Common Stock held as of the applicable date on any matter that is submitted to a vote or to the consent of the holders of the Common Stock. Except as otherwise provided herein or by the General Corporation Law of the State of Delaware, the holders of Common Stock and the holders of Class B Common Stock and any other class or series entitled to vote with the Common Stock and Class B Common Stock as a class shall at all times vote on all matters (including the election of directors) together as one class.

B. CLASS B COMMON STOCK

(1) The holders of the Class B Common Stock shall be entitled to receive, share for share with the holders of shares of Common Stock, such dividends if, as and when declared from time to time by the Board of Directors.

(2) In the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Class B Common Stock shall be entitled to receive, share for share with the holders of shares of Common Stock and any other class or series of stock entitled to share therewith, all the assets of the Corporation of whatever kind available for distribution to stockholders, after the rights of the holders of the Preferred Stock have been satisfied.

(3) Each holder of Class B Common Stock shall be entitled to vote ten votes for each share of Class B Common Stock held as of the applicable date on any matter that is submitted to a vote or to the consent of the holders of the Class B Common Stock. Except as otherwise provided herein or by the General Corporation Law of the State of Delaware, the holders of Common Stock and the holders of Class B Common Stock and any other class or series entitled to vote with the Common Stock and Class B Common Stock as a class shall at all times vote on all matters (including the election of directors) together as one class.

C. OTHER MATTERS AFFECTING SHAREHOLDERS OF COMMON STOCK AND CLASS B COMMON STOCK

(1) In no event shall any stock dividends or stock splits or combinations of stock be declared or made on Common Stock or Class B Common Stock unless the shares of Common Stock and Class B Common Stock at the time outstanding are treated equally and identically.

(2) Shares of Class B Common Stock shall be convertible into shares of the Common Stock of the Corporation at the option of the holder thereof at any time on a share for share basis. Such conversion ratio shall in all events be equitably preserved in the event of any recapitalization of the Corporation by means of a stock dividend on, or a stock split or combination of, outstanding Common Stock or Class B Common Stock, or in the event of any merger, consolidation or other reorganization of the Corporation with another corporation.

(3) Upon the conversion of Class B Common Stock into shares of Common Stock, the Corporation shall take all necessary action so that said shares of Class B Common Stock shall be retired and shall not be subject to reissue.

(4) Notwithstanding anything to the contrary in this Certificate of Incorporation, the holders of Common Stock, acting as a single class, shall be entitled to elect twenty-five percent (25%) of the total number of directors, and in the event that twenty-five percent (25%) of the total number of directors shall result in a fraction of a director, then the holders of the Common Stock, acting as a single class, shall be entitled to elect the next higher whole number of directors.

D. OTHER MATTERS AFFECTING SHAREHOLDERS OF COMMON STOCK AND CLASS B COMMON STOCK

(1) In no event shall any stock dividends or stock splits or combinations of stock be declared or made on Common Stock or Class B Common Stock unless the shares of Common Stock and Class B Common Stock at the time outstanding are treated equally and identically.

(2) Shares of Class B Common Stock shall be convertible into shares of the Common Stock of the Corporation at the option of the holder thereof at any time on a share for share basis. Such conversion ratio shall in all events be equitably preserved in the event of any recapitalization of the Corporation by means of a stock dividend on, or a stock split or combination of, outstanding Common Stock or Class B Common Stock, or in the event of any merger, consolidation or other reorganization of the Corporation with another corporation.

(3) Upon the conversion of Class B Common Stock into shares of Common Stock, the Corporation shall take all necessary action so that said shares of Class B Common Stock shall be retired and shall not be subject to reissue.

(4) Notwithstanding anything to the contrary in this Certificate of Incorporation, the holders of Common Stock, acting as a single class, shall be entitled to elect twenty-five percent (25%) of the total number of directors, and in the event that twenty-five percent (25%) of the total number of directors shall result in a fraction of a director, then the holders of the Common Stock, acting as a single class, shall be entitled to elect the next higher whole number of directors.

E. PREFERRED STOCK

The Board of Directors is authorized, by resolution, to designate the voting powers, preferences, rights and qualifications, limitations and restrictions of the Preferred Stock and any class or series thereof. Pursuant to subsection 242(b) of the Delaware General Corporation Law, the number of authorized shares of Preferred Stock or any class or series thereof may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the Corporation entitled to vote irrespective of such subsection.

Pursuant to the authority conferred by this Article IV.D, in addition to the remaining provisions of this Article IV.D, the Series A Cumulative Preferred Stock has been designated, with such series consisting of such number of shares and such voting powers, designations, preferences, limitations, restrictions, relative rights and distinguishing designation as are stated and expressed in Exhibit A attached hereto (as it may be amended from time to time) and incorporated herein by reference.

(1) SERIES 1 MANDATORILY EXCHANGEABLE PREFERRED STOCK.

(a) All shares of Series 1 Mandatorily Exchangeable Preferred Stock shall rank as to distributions of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (i) prior to all of the now or hereafter issued shares of Common Stock or Class B Common Stock of the Corporation, (ii) pair passu with the Series 2 Mandatorily Exchangeable Preferred Stock of the Corporation and (iii) junior to all other series of Preferred Stock of the Corporation.

(b) The holders of Series 1 Mandatorily Exchangeable Preferred Stock shall not be entitled to receive any dividends based on their holdings thereof.

(c) Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (i) to the holders of shares of stock ranking junior (upon liquidation, dissolution or winding up) to the Series 1 Mandatorily Exchangeable Preferred Stock unless, prior thereto, the holders of shares of Series 1 Mandatorily Exchangeable Preferred Stock shall have received $1.00 per share, or (ii) to the holders of shares of stock ranking on a parity (upon liquidation, dissolution or winding up) with the Series 1 Mandatorily Exchangeable Preferred Stock, except distributions made ratably on the Series 1 Mandatorily Exchangeable Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up.

(d) Holders of Series 1 Mandatorily Exchangeable Preferred Stock shall not have any voting rights by virtue of their ownership of any shares of Series 1 Mandatorily Exchangeable Preferred Stock except as otherwise from time to time may be required by law.

(e) Shares of Series 1 Mandatorily Exchangeable Preferred Stock are not entitled to any preemptive or subscription rights in respect of any securities of the Corporation.

(f) To the fullest extent permitted by law, at the time that is one minute following the Reclassification Effective Time (the "Mandatory Exchange Effective Time"), each outstanding one one-hundredth of a share of Series 1 Mandatorily Exchangeable Preferred Stock shall be redeemed by the Corporation, without notice, in exchange for a number of shares of common stock ("Vimeo Common Stock") of a corporation to be incorporated and subsequently renamed to Vimeo, Inc. ("Vimeo, Inc.") equal to the Spin-off Exchange Ratio (as defined in the Separation Agreement to be entered into between the Corporation and Vimeo, Inc. (as it may be amended from time to time, the "Separation Agreement")). A copy of the Separation Agreement, once entered into, shall be maintained by the Secretary of the Corporation at the principal executive offices of the Corporation and a copy thereof shall be provided free of charge to any stockholder who makes a request therefor. Any reference in this Certificate of Incorporation to the Separation Agreement shall be deemed a reference to such Separation Agreement as amended from time to time in accordance with its terms. No fractional shares of Vimeo Common Stock, or certificates representing fractional shares thereof, shall be delivered to the former holders of Series 1 Mandatorily Exchangeable Preferred Stock as a result of the Reclassification. Stockholders that otherwise would be entitled to receive fractional shares of Vimeo Common Stock shall be entitled to receive cash (without interest) as contemplated by the Separation Agreement (taking into account all shares of capital stock held by such stockholders).

(g) Shares of Series 1 Mandatorily Exchangeable Preferred Stock redeemed or otherwise acquired by the Corporation may thereafter be issued, but not as shares of Series 1 Mandatorily Exchangeable Preferred Stock and, upon their retirement, will be restored to the status of authorized and unissued shares of Preferred Stock.

(2) SERIES 2 MANDATORILY EXCHANGEABLE PREFERRED STOCK

(a) All shares of Series 2 Mandatorily Exchangeable Preferred Stock shall rank as to distributions of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (i) prior to all of the now or hereafter issued shares of Common Stock or Class B Common Stock of the Corporation, (ii) pare passu with the Series 1 Mandatorily Exchangeable Preferred Stock of the Corporation and (iii) junior to all other series of Preferred Stock of the Corporation.

(b) The holders of Series 2 Mandatorily Exchangeable Preferred Stock shall not be entitled to receive any dividends based on their holdings thereof.

(c) Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (i) to the holders of shares of stock ranking junior (upon liquidation, dissolution or winding up) to the Series 2 Mandatorily Exchangeable Preferred Stock unless, prior thereto, the holders of shares of Series 2 Mandatorily Exchangeable Preferred Stock shall have received $1.00 per share, or (ii) to the holders of shares of stock ranking on a parity (upon liquidation, dissolution or winding up) with the Series 2 Mandatorily Exchangeable Preferred Stock, except distributions made ratably on the Series 2 Mandatorily Exchangeable Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up.

(d) Holders of Series 2 Mandatorily Exchangeable Preferred Stock shall not have any voting rights by virtue of their ownership of any shares of Series 2 Mandatorily Exchangeable Preferred Stock except as otherwise from time to time may be required by law.

(e) Shares of Series 2 Mandatorily Exchangeable Preferred Stock are not entitled to any preemptive or subscription rights in respect of any securities of the Corporation.

(f) To the fullest extent permitted by law, at the Mandatory Exchange Effective Time, each outstanding one one-hundredth of a share of Series 2 Mandatorily Exchangeable Preferred Stock shall be redeemed by the Corporation, without notice, in exchange for one share of Class B common stock of Vimeo, Inc. ("Vimeo Class B Common Stock") equal to the Spin-off Exchange Ratio. No fractional shares of Vimeo Class B Common Stock, or certificates representing fractional shares thereof, shall be delivered to the former holders of Series 2 Mandatorily Exchangeable Preferred Stock as a result of the Reclassification. Stockholders that otherwise would be entitled to receive fractional shares of Vimeo Class B Common Stock shall be entitled to receive cash (without interest) as contemplated by the Separation Agreement (taking into account all shares of capital stock held by such stockholders).

(g) Shares of Series 2 Mandatorily Exchangeable Preferred Stock redeemed or otherwise acquired by the Corporation may thereafter be issued, but not as shares of Series 2 Mandatorily Exchangeable Preferred Stock and, upon their retirement, will be restored to the status of authorized and unissued shares of Preferred Stock.

ARTICLE V

The Board of Directors of the Corporation is expressly authorized to make, alter or repeal By-Laws of the Corporation, but the stockholders may make additional By-Laws and may alter or repeal any By-Law whether adopted by them or otherwise.

ARTICLE VI

Elections of directors need not be by written ballot except and to the extent provided in the By-Laws of the Corporation.

ARTICLE VII

The Corporation is to have perpetual existence.

ARTICLE VIII

Each person who is or was or had agreed to become a director or officer of the Corporation, or each such person who is or was serving or had agreed to serve at the request of the Board of Directors or an officer of the Corporation as an employee or agent of the Corporation or as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including the heirs, executors, administrators or estate of such person), shall be indemnified by the Corporation, in accordance with the By-Laws of the Corporation, to the full extent permitted from time to time by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereinafter in effect. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person that provide for indemnification greater or different than that provided in this Article VIII. Any amendment or repeal of this Article VIII shall not adversely affect any right or protection existing hereunder immediately prior to such amendment or repeal.

ARTICLE IX

A director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability (i) for any breach of the director or officer's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) of a director under Section 174 of the General Corporation Law of the State of Delaware, (iv) of a director or officer for any transaction from which the director derived an improper personal benefit, or (v) of an officer in any action by or in the right of the Corporation. Any amendment or repeal of this Article IX shall not adversely affect any right or protection of a director or officer of the Corporation existing immediately prior to such amendment or repeal. The liability of a director or officer of the Corporation shall be further eliminated or limited to the full extent permitted by Delaware law, as it may hereafter be amended.

ARTICLE X

Meetings of stockholders may be held within or without the State of Delaware, as determined by the Board of Directors. The books of the Corporation may be kept (subject to any provision contained in the Delaware General Corporation Law) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

ARTICLE XI

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by the Delaware General Corporation Law, and all rights conferred upon stockholders herein are granted subject to this reservation except that under no circumstances may such amendment be adopted except as prescribed by Article IV, above, and provided further that the rights of the Class B Common Stock may not be amended, altered, changed or repealed without the approval of the holders of the requisite number of said shares of Class B Common Stock.

ARTICLE XII

The number of directors of the Corporation shall be such number as shall be determined from time to time by resolution of the Board of Directors.

ARTICLE XIII

A. COMPETITION AND CORPORATE OPPORTUNITIES

(1) To the extent provided in the following sentence, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any Expedia Dual Opportunity about which an Expedia Dual Role Person acquires knowledge. An Expedia Dual Role Person shall have no duty to communicate or offer to the Corporation or any of its Affiliated Companies any Expedia Dual Opportunity that such Expedia Dual Role Person has communicated or offered to Expedia, shall not be prohibited from communicating or offering any Expedia Dual Opportunity to Expedia, and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, as the case may be, resulting from (i) the failure to communicate or offer to the Corporation or any of its Affiliated Companies any Expedia Dual Opportunity that such Expedia Dual Role Person has communicated or offered to Expedia or (ii) the communication or offer to Expedia of any Expedia Dual Opportunity, so long as (x) the Expedia Dual Opportunity does not become known to the Expedia Dual Role Person in his or her capacity as a director or officer of the Corporation, and (y) the Expedia Dual Opportunity is not presented by the Expedia Dual Role Person to any party other than Expedia,

Match or Vimeo and the Expedia Dual Role Person does not pursue the Expedia Dual Opportunity individually.

(2) To the extent provided in the following sentence, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any Match Dual Opportunity about which a Match Dual Role Person acquires knowledge. A Match Dual Role Person shall have no duty to communicate or offer to the Corporation or any of its Affiliated Companies any Match Dual Opportunity that such Match Dual Role Person has communicated or offered to Match, shall not be prohibited from communicating or offering any Match Dual Opportunity to Match, and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, as the case may be, resulting from (i) the failure to communicate or offer to the Corporation or any of its Affiliated Companies any Match Dual Opportunity that such Match Dual Role Person has communicated or offered to Match or (ii) the communication or offer to Match of any Match Dual Opportunity, so long as (x) the Match Dual Opportunity does not become known to the Match Dual Role Person in his or her capacity as a director or officer of the Corporation, and (y) the Match Dual Opportunity is not presented by the Match Dual Role Person to any party other than Match, Expedia or Vimeo and the Match Dual Role Person does not pursue the Match Dual Opportunity individually.

(3) To the extent provided in the following sentence, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any Vimeo Dual Opportunity about which a Vimeo Dual Role Person acquires knowledge. A Vimeo Dual Role Person shall have no duty to communicate or offer to the Corporation or any of its Affiliated Companies any Vimeo Dual Opportunity that such Vimeo Dual Role Person has communicated or offered to Vimeo, shall not be prohibited from communicating or offering any Vimeo Dual Opportunity to Vimeo, and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, as the case may be, resulting from (i) the failure to communicate or offer to the Corporation or any of its Affiliated Companies any Vimeo Dual Opportunity that such Vimeo Dual Role Person has communicated or offered to Vimeo or (ii) the communication or offer to Vimeo of any Vimeo Dual Opportunity, so long as (x) the Vimeo Dual Opportunity does not become known to the Vimeo Dual Role Person in his or her capacity as a director or officer of the Corporation, and (y) the Vimeo Dual Opportunity is not presented by the Vimeo Dual Role Person to any party other than Vimeo, Expedia or Match and the Vimeo Dual Role Person does not pursue the Vimeo Dual Opportunity individually.

B. CERTAIN MATTERS DEEMED NOT CORPORATE OPPORTUNITIES

In addition to and notwithstanding the foregoing provisions of this Article XIII, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake. Moreover, nothing in this Article XIII shall amend or modify in any respect any written contractual agreement between Expedia, Match or Vimeo on the one hand and the Corporation or any of its Affiliated Companies on the other hand.

C. CERTAIN DEFINITIONS

For purposes of this Article XIII:

"Affiliate" means with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of the foregoing definition, the term "controls," "is controlled by," or "is under common control with" means the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliated Company" means (i) with respect to the Corporation, any Person controlled by the Corporation, (ii) with respect to Expedia, any Person controlled by Expedia, (iii) with respect to Match, any Person controlled by Match, and (iv) with respect to Vimeo, any Person controlled by Vimeo.

"Expedia" means Expedia Group, Inc., a Delaware corporation, and its Affiliated Companies.

"Expedia Dual Opportunity" means any potential transaction or matter which may be a corporate opportunity for both Expedia, on the one hand, and the Corporation or any of its Affiliated Companies, on the other hand.

"Expedia Dual Role Person" means any individual who is an officer or director of both the Corporation and Expedia.

"Match" means Match Group, Inc., a Delaware corporation originally incorporated on July 28, 1986 under the name Silver King Broadcasting Company, Inc., and its Affiliated Companies.

"Match Dual Opportunity" means any potential transaction or matter which may be a corporate opportunity for both Match, on the one hand, and the Corporation or any of its Affiliated Companies, on the other hand.

"Match Dual Role Person" means any individual who is an officer or director of both the Corporation and Match.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Vimeo" means a corporation to be incorporated and subsequently renamed to Vimeo, Inc., and its Affiliated Companies.

“Vimeo Dual Opportunity” means any potential transaction or matter which may be a corporate opportunity for both Vimeo, on the one hand, and the Corporation or any of its Affiliated Companies, on the other hand.

“Vimeo Dual Role Person” means any individual who is an officer or director of both the Corporation and Vimeo.

D. TERMINATION

The provisions of this Article XIII shall have no further force or effect (i) with respect to Expedia Dual Role Persons or Expedia Dual Opportunities at such time as (a) the Corporation and Expedia are no longer Affiliates and (b) none of the directors and officers of Expedia serve as directors or officers of the Corporation and its Affiliated Companies, (ii) with respect to Match Dual Role Persons and Match Dual Opportunities at such time as (a) the Corporation and Match are no longer Affiliates and (b) none of the directors and officers of Match serve as directors or officers of the Corporation and its Affiliated Companies and (iii) with respect to Vimeo Dual Role Persons and Vimeo Dual Opportunities at such time as (a) the Corporation and Vimeo are no longer Affiliates and (b) none of the directors and officers of Vimeo serve as directors or officers of the Corporation and its Affiliated Companies; provided, however, that any such termination shall not terminate the effect of such provisions with respect to any agreement, arrangement or other understanding between the Corporation or an Affiliated Company thereof on the one hand, and Expedia, Match or Vimeo, on the other hand, as applicable, that was entered into before such time or any transaction entered into in the performance of such agreement, arrangement or other understanding, whether entered into before or after such time.

E. DEEMED NOTICE

Any person or entity purchasing or otherwise acquiring or obtaining any interest in any capital stock of the Corporation shall be deemed to have notice and to have consented to the provisions of this Article XIII.

F. SEVERABILITY

The invalidity or unenforceability of any particular provision, or part of any provision, of this Article XIII shall not affect the other provisions or parts hereof, and this Article XIII shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

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Exhibit 31.1

Certification

I, Barry Diller, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2024 of IAC Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2024

/s/ BARRY DILLER

Barry Diller
Chairman and Senior Executive

Exhibit 31.2

Certification

I, Joseph Levin, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2024 of IAC Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2024

/s/ JOSEPH LEVIN
Joseph Levin
Chief Executive Officer

Exhibit 31.3

Certification

I, Christopher Halpin, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2024 of IAC Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2024

/s/ CHRISTOPHER HALPIN

Christopher Halpin
Executive Vice President, Chief Financial Officer and Chief Operating Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Barry Diller, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of IAC Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of IAC Inc.

Dated: August 7, 2024

/s/ BARRY DILLER
Barry Diller
Chairman and Senior Executive

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Levin, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of IAC Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of IAC Inc.

Dated:	August 7, 2024	/s/ JOSEPH LEVIN
		Joseph Levin
		Chief Exectuive Officer

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Halpin, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 of IAC Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of IAC Inc.

Dated: August 7, 2024

/s/ CHRISTOPHER HALPIN
Christopher Halpin
Executive Vice President, Chief Financial Officer and Chief Operating Officer