vimeo
Investor Day
March 24, 2021
Safe Harbor Statement

Forward-Looking Statements. This presentation and the accompanying oral presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as “estimates,” “expects,” “will,” “plans” and “believes,” among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: Vimeo’s future financial performance, business prospects and strategy and anticipated trends in the online video market. These forward-looking statements are based on management’s current expectations and assumptions about future events, 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: changes in regulatory landscape, in particular changes in laws that might increase the liability of online intermediaries for user-generated content; reputational damage caused by problematic user content or our decisions to remove (or not remove) it; changes in policies implemented by third party platforms upon which we rely for traffic and distribution of mobile apps; increased competition in the online video category; our ability to convert visitors into uploaders and uploaders into paying subscribers; our ability to retain paying subscribers by maintaining and improving our value proposition; our ability to provide video storage and streaming in a cost-effective manner; our ability to successfully scale our enterprise business; our ability to protect sensitive data from unauthorized access; our ability to expand successfully into international markets; the impact of the outbreak of the COVID-19 coronavirus on our business; and adverse changes in economic conditions.

Certain of these and other risks and uncertainties are discussed in our parent company’s (IAC) SEC filings, including the registration statement on Form S-4 filed on December 23, 2020, as amended. You may access these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time.

In light of these risks and uncertainties, these forward-looking statements 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 and Vimeo management as of the date of this presentation.

Market and Industry Data. This presentation also contains estimates and other statistical data made by independent parties and by Vimeo relating to market size and growth and other data about Vimeo’s industry and business. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Vimeo has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation, and accordingly cannot guarantee their accuracy or completeness.

The views, information, or opinions of third parties expressed in this presentation are solely those of the individuals involved and do not represent the opinions of any other party.

Vimeo Metrics. Except as where otherwise noted, Vimeo financials and metrics are for fiscal years 2019 and 2020 and include Livestream, Magisto and Enterprise. We do not undertake any obligation to update, alter or otherwise revise any metrics or forward-looking statements after the date of this presentation, except as required by law.

Non-GAAP Metrics. This presentation contains certain non-GAAP financial information including Adjusted EBITDA and Gross Margin. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. We provide the definitions of these items and their reconciliation to the most directly comparable GAAP measures at the end of this presentation.
Participants in the Solicitation. IAC, Vimeo, Holdings and IAC’s directors and executive officers may be deemed to be participants in the solicitation of proxies from IAC’s stockholders in favor of the proposed Spin-off and the solicitation of consents from Vimeo’s stockholders in favor of the proposed Merger under the rules of the SEC. Information about IAC’s directors and executive officers is available in the joint registration statement on Amendment No. 1 to Form S-4 which was filed with the SEC by IAC and Holdings on February 2, 2021. Additional information regarding participants in the solicitations and a description of their direct and indirect interests will be included in the proxy statement/consent solicitation statement/prospectus and the other relevant documents filed with the SEC when they become available.

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

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

The Video Software Opportunity

Anjali Sud
CEO

Our All-in-One Solution

Mark Kornfliht
President & CPO

Customer Conversations

Josh Normand
SVP Sales

Company Priorities

Anjali Sud
CEO

Financial Performance & Outlook

Narayan Menon
CFO

Analyst Q&A

Anjali Sud & Narayan Menon
Intro video
20th Century
Video is art & entertainment

Hollywood Studios
AV Pros

Early 2000’s
Video is social and democratized

Self-made creators
Consumers

Right Now
Video is essential for every business

SMBs
Enterprises
Professional quality video for all.
We believe that we can empower every professional, team and organization to use video, with tools that are far easier and more effective than ever before.
“Our first town hall was a pivotal moment. We reached more store associates than we had in a decade of in-person events.”

Peter Strella
Rite Aid
“My team is recording and sharing product demos internally. It adds a personal touch that you just can’t replicate with email or a chatroom message.”

Trevor Wolf
Mailchimp
“Video has transformed our business. We’ve grown our reach exponentially, far beyond the four walls of our studios.”

Lauren Roxborough
Y7 Studio
“We don’t have the time or money to outsource marketing videos, so being able to create them quickly and beautifully was a game changer for us.”

Hilah Stahl
Spoak Decor
The world’s leading all-in-one video solution

- **Large Market**: $70B
  Video solutions market in 2024 (est.)
- **Validated Momentum**: 44%
  2020 Revenue growth
- **Consumer Scale**: 200M+
  Registered free users
- **Self-Propelling Funnel**: 60%
  Subscribers start as free users
- **Defensible Position**: 16+
  Years as an industry leader
Every professional, team and organization in the world can be a Vimeo customer.
We built a solution that removes friction

Videos Created (thousands)

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Videos</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uploaded</td>
<td>36</td>
<td>561</td>
<td>369</td>
<td>31</td>
<td>29</td>
<td>30</td>
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<tr>
<td>(millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Videos Uploaded (millions)

<table>
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<tr>
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<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
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<tr>
<td>Uploaded</td>
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<td>18</td>
<td>20</td>
<td>30</td>
<td>29</td>
<td>31</td>
</tr>
</tbody>
</table>

Live Streams (thousands)

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
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<tr>
<td>Live</td>
<td>105</td>
<td>120</td>
<td>210</td>
<td>641</td>
<td>734</td>
<td>932</td>
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<tr>
<td>Streams</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Videos Created (thousands)

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Videos</td>
<td>36</td>
<td>177</td>
<td>369</td>
<td>561</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Created</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(millions)
Enterprise software at consumer scale

- **65%** Enterprise customers start as free and self-serve users
- **60%** Self-serve subscribers start as free users
Virtuous cycle of expanding user adoption

Create ➔ Share ➔ View & Collaborate
Differentiated value, defensible position

**Technology**
Player, encoding, live streaming, AI

**Cross-Platform**
Reach audiences everywhere

**Breadth**
All-in-one video solution across VOD and Live

**Scale**
200M+ free users
1 trillion video events

**Brand**
Consumer UX
16+ years brand equity

**Community**
Video pros, agencies & creatives
Our All-in-One Solution

Mark Kornfilt
President & Chief Product Officer
Video Tools for Creators

- Showcase a portfolio
- Host, review and publish videos

The Rise of Video for Business

- Secure Video Portal
- Training and Onboarding
- Customer Service Videos
- Town Halls
- Video Messaging

SMBs

- Virtual Events
- Monetizing Content
- Video Storefront
- Lead Generation
- Brand Marketing
- Video Ads

Enterprises

Now
Professional quality video is too hard
Our 16 years of video innovation are our foundation. In the last 3 years, we have transformed our offering.
Our solution was built to enable any business, of any size, to grow with video.

**Creation**
Make better videos, faster and cheaper
- Create and edit videos
- Stream live
- Record camera and screen

**Collaboration**
Share videos privately with teams and clients
- Manage video libraries
- Share videos securely
- Measure across platforms

**Communication**
Engage your customers and employees
- Market to customers
- Broadcast to audience
- Monetize content

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**Video Platform**
- APIs & Integrations
- Security
- Video Technology
## SMBs Deep Dive

<table>
<thead>
<tr>
<th>Company</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WHAT THEY’RE TRYING TO SOLVE</strong></td>
<td><strong>PERSONA</strong></td>
</tr>
<tr>
<td>Stand out from competition and acquire new customers</td>
<td>Solopreneur, owner/CEO or small marketing team</td>
</tr>
<tr>
<td><strong>WHAT VIMEO REPLACES</strong></td>
<td><strong>HOW THEY FIND US</strong></td>
</tr>
<tr>
<td>Images and text</td>
<td>Organic and paid traffic</td>
</tr>
<tr>
<td><strong>USE-CASES</strong></td>
<td><strong>HOW THEY BUY</strong></td>
</tr>
<tr>
<td>● Social marketing videos</td>
<td>Starts on free product, upgrades to paid product</td>
</tr>
<tr>
<td>● Product explainers</td>
<td></td>
</tr>
<tr>
<td>● Brand announcements</td>
<td></td>
</tr>
<tr>
<td>● E-learning</td>
<td></td>
</tr>
</tbody>
</table>
Case Study

Spoak Decor
Making their business stand out with video

Why Vimeo

- Simple, affordable and easy to use tools
- All-in-one solution
- Drive tangible ROI

How They Use Vimeo

- Video creation from templates
- Embed tools
- Social distribution
- Analytics

Success with Video

- 35X higher engagement on video assets than static assets
- 30% more registrations
# Enterprises Deep Dive

<table>
<thead>
<tr>
<th>Company</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WHAT THEY’RE TRYING TO SOLVE</strong></td>
<td><strong>PERSONA</strong></td>
</tr>
<tr>
<td>Improve employee and customer communication</td>
<td>Head of IT, CTO, Head of Communications, Head of HR, CMO</td>
</tr>
<tr>
<td><strong>WHAT VIMEO REPLACES</strong></td>
<td><strong>HOW THEY BUY</strong></td>
</tr>
<tr>
<td>Enterprise video platform and point solutions</td>
<td></td>
</tr>
<tr>
<td><strong>USE-CASES</strong></td>
<td></td>
</tr>
<tr>
<td>● Training and onboarding</td>
<td></td>
</tr>
<tr>
<td>● Internal town halls</td>
<td></td>
</tr>
<tr>
<td>● Video portal</td>
<td></td>
</tr>
<tr>
<td>● Video messaging</td>
<td></td>
</tr>
<tr>
<td>● Virtual events and webinars</td>
<td></td>
</tr>
</tbody>
</table>
Why Vimeo

- Centralized video solution
- Scalable, reliable video delivery
- Simple UX that employees want to use

How They Use Vimeo

- Live streaming
- Audience engagement tools
- Internal company video portal
- SSO and advanced team permissioning

Success with Video

- Average watch time of 58 minutes
- Uses Vimeo for multiple use cases: town halls, trainings, marketing launches

Case Study

Rite Aid

Uniting its team with video-first communications
Powerful Go-to-Market

Enterprise Solutions
- Security
- Service-level Agreements
- Dedicated support

**Plus** $7/mo
- 250GB every year
- Single user
- Player customization
- Privacy controls
- Limited video creation

**Pro** $20/mo
- 1TB every year
- 3 team members
- Everything in Plus +
- Video creation
- Review and approval
- Private team projects
- Customizable Showcase sites

**Business** $50/mo
- 5TB total storage
- 10 team members
- Everything in Pro +
- Creation with custom branding
- Player calls-to-action
- Lead generation
- Showcase SEO
- Google Analytics

**Premium** $75/mo
- 7TB total storage
- Unlimited live viewers
- Everything in Business +
- Unlimited live events
- Live stream to multiple destinations
- Live Q&A, graphics and polls
- Audience chat

**Free**
- 5GB total storage
- Basic embedding features
- Basic video analytics
Our Key Product Tenets Differentiate us for the Long Term

- Simplicity
- All-in-One
- Quality
- Integrated
Customer Conversations

Josh Normand
SVP, Sales
Company Priorities

Anjali Sud
CEO
Our Principles

Start with Users
Understand our users’ goals, and make them your own. Solve for what users need, not what they ask for.

Ask Why
Respectfully challenge ideas and embrace open debate. Validate intuitions with evidence.

Aim High
Be willing to take risks to deliver outsized impact. Greatness only comes from making bold decisions.

Own It
Commit to targets. Take the initiative, follow through and own the outcome. If processes are slowing you down, introduce better ones.

Be Real
Seek feedback and give it generously. Be direct. Be candid. Most of all, be you.
Our leadership

Anjali Sud
CEO

Mark Kornfilt
President & CPO

Narayan Menon
CFO

Michael Cheah
General Counsel

Courtney Sanchez
COO

Harris Beber
CMO

Josh Normand
SVP, Sales

Kathleen Barrett
SVP, Enterprise & Creator Success
Our team

700+ Employees globally
2021 Priorities

Expand in the Enterprise
- Make Video a Daily Habit
- Scale Salesforce Globally
- Organization-wide Expansion

Simplify Video for SMBs
- Free Adoption
- Product Innovation
- Power Video Everywhere

Make Video a Daily Habit
Scale Salesforce Globally
Organization-wide Expansion

Free Adoption
Product Innovation
Power Video Everywhere
Financials

Narayan Menon
CFO
Business Highlights

Large Market
$70B
Video solutions market in 2024 (est.)

Strong Growth
54%
Q4’20 Revenue growth

Excellent Unit Economics
4.8x
Q4’20 LTV/CAC

Land & Expand
113%
Q4’20 Enterprise NRR

Predictable Revenue Model
80%+
Q4’20 Subs on annual plans
## Detailed portfolio overview

### Enterprise Solutions

<table>
<thead>
<tr>
<th>Plan</th>
<th>Price</th>
<th>Storage</th>
<th>Team Members</th>
<th>Additional Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plus</td>
<td>$7/mo</td>
<td>250GB every year</td>
<td>Single user</td>
<td>Player customization, Privacy controls, Limited video creation</td>
</tr>
<tr>
<td>Pro</td>
<td>$20/mo</td>
<td>1TB every year</td>
<td>3 team members</td>
<td>Everything in Plus +, Video creation, Review and approval, Private team projects, Customizable Showcase sites</td>
</tr>
<tr>
<td>Business</td>
<td>$50/mo</td>
<td>5TB total storage</td>
<td>10 team members</td>
<td>Everything in Pro +, Creation with custom branding, Player calls-to-action, Lead generation, Showcase SEO, Google Analytics</td>
</tr>
<tr>
<td>Premium</td>
<td>$75/mo</td>
<td>7TB total storage</td>
<td>Unlimited live viewers</td>
<td>Everything in Business +, Unlimited live events, Live stream to multiple destinations, Live Q&amp;A, graphics and polls, Audience chat</td>
</tr>
</tbody>
</table>

### Free

- 5GB total storage
- Basic embedding features
- Basic video analytics
Revenue growth has accelerated

(In millions)

Self-Serve Revenue
2020 Revenue growth of 35%

Enterprise Revenue
2020 Revenue growth of 89%

Note: Legacy hardware revenue included in Self-Serve
Our subscriber base has grown significantly

(In thousands)

**Self-Serve Subscribers**
- 2020 Subscriber growth rate of 24%
- Growth accelerated in 2020 after adjusting for Magisto acquisition in 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>950</td>
<td>1,230</td>
<td>1,526</td>
</tr>
</tbody>
</table>

**Enterprise Subscribers**
- 2020 Subscriber growth rate of 87%
- Year-over-year growth rate increased in each quarter during 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.7</td>
<td>2.1</td>
<td>3.9</td>
</tr>
</tbody>
</table>
Subscribers have consistently increased spend

Self-Serve Average Revenue Per User

40% ARPU growth from 2017 to 2020 driven by mix shift to higher tier plans and launch of new tiers

Enterprise Net Revenue Retention

Over 100% NRR driven by higher usage and product expansion
A clear playbook to drive efficient acquisition

**Self-Serve LTV/CAC**

**2021 Priorities:** Creation, mobile app, live streaming, partnerships

**Enterprise LTV/CAC**

**2021 Priorities:** Expand corporate video use cases, international expansion

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*Note: LTV/CAC based on Non-GAAP S&M Expense*
And strong unit economics drove higher EBITDA
(In millions)

Gross Margin

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q19</td>
<td>60%</td>
</tr>
<tr>
<td>4Q19</td>
<td>64%</td>
</tr>
<tr>
<td>1Q20</td>
<td>68%</td>
</tr>
<tr>
<td>2Q20</td>
<td>66%</td>
</tr>
<tr>
<td>3Q20</td>
<td>70%</td>
</tr>
<tr>
<td>4Q20</td>
<td>70%</td>
</tr>
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</table>

Adjusted EBITDA

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q19</td>
<td>($8.3)</td>
</tr>
<tr>
<td>4Q19</td>
<td>($8.5)</td>
</tr>
<tr>
<td>1Q20</td>
<td>($12.0)</td>
</tr>
<tr>
<td>2Q20</td>
<td>($5.3)</td>
</tr>
<tr>
<td>3Q20</td>
<td>$2.7</td>
</tr>
<tr>
<td>4Q20</td>
<td>$0.7</td>
</tr>
</tbody>
</table>

Note: Excludes Stock Based Compensation, Depreciation & Amortization
We are continuing to invest for growth

(In millions)

Research & Development Spend

- 2021 investment priorities:
  - Innovation in virtual events
  - Enterprise use case expansion
  - Simplifying video creation
  - Partnerships & ecosystem development

Sales & Marketing Spend

- 2021 investment priorities:
  - Sales force expansion
  - International expansion
  - SEO & organic acquisition
  - Mobile acquisition
Growth and profitability accelerated in 2020

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Y/Y Growth</th>
<th>Medium Term Goals (5+ Years) (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending Subscribers</td>
<td>1.2M</td>
<td>1.5M</td>
<td>24%</td>
<td>~15% CAGR</td>
</tr>
<tr>
<td>ARPU</td>
<td>$180</td>
<td>$205</td>
<td>14%</td>
<td>~15% CAGR</td>
</tr>
<tr>
<td>Revenue</td>
<td>$196M</td>
<td>$283M</td>
<td>44%</td>
<td>30%+ CAGR</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>60%</td>
<td>69%</td>
<td>819 bps</td>
<td>75%+</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>($45M)</td>
<td>($14M)</td>
<td>$31M</td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA Margin</td>
<td>(23%)</td>
<td>(5%)</td>
<td>1,796 bps</td>
<td>20%+</td>
</tr>
</tbody>
</table>

(1) Ex-acquisitions
And in summary

1. Strong tailwinds in a ~$70B video solutions market
2. Platform strength and technology vision
3. Excellent unit economics and margin profile
4. Disciplined approach to M&A and investments
5. Strong balance sheet with $300M cash & $100M revolver

*As of February 2021
# Reconciliations

## Reconciliation of Net Loss to Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>(15.9)</td>
<td>(14.9)</td>
<td>(20.3)</td>
<td>(14.8)</td>
<td>(9.8)</td>
<td>(5.8)</td>
<td>(45.9)</td>
<td>(75.6)</td>
<td>(50.6)</td>
</tr>
<tr>
<td>Add back (Deduct):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax provision (Benefit)</td>
<td>0.1</td>
<td>0.1</td>
<td>0.6</td>
<td>(0.1)</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Other expense (income), net</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td>0.0</td>
<td>6.4</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Interest expense – related party</td>
<td>2.4</td>
<td>2.5</td>
<td>2.5</td>
<td>2.4</td>
<td>2.2</td>
<td>2.1</td>
<td>6.2</td>
<td>8.5</td>
<td>9.1</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(13.4)</td>
<td>(12.3)</td>
<td>(17.2)</td>
<td>(12.3)</td>
<td>(7.5)</td>
<td>(3.7)</td>
<td>(39.6)</td>
<td>(60.3)</td>
<td>(40.8)</td>
</tr>
<tr>
<td>Add back:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>1.9</td>
<td>0.5</td>
<td>2.0</td>
<td>4.0</td>
<td>3.5</td>
<td>2.1</td>
<td>4.5</td>
<td>5.3</td>
<td>11.7</td>
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<tr>
<td>Depreciation</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>1.2</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>2.9</td>
<td>6.6</td>
<td>2.1</td>
<td>6.3</td>
<td>9.7</td>
<td>14.7</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(8.3)</td>
<td>(6.5)</td>
<td>(12.0)</td>
<td>(5.3)</td>
<td>2.7</td>
<td>0.7</td>
<td>(27.5)</td>
<td>(44.8)</td>
<td>(13.9)</td>
</tr>
</tbody>
</table>

## Reconciliation of Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Revenue (GAAP)</td>
<td>20.7</td>
<td>19.8</td>
<td>18.4</td>
</tr>
<tr>
<td>Less: Stock-based compensation expense</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Non-GAAP Cost of Revenue</td>
<td>20.7</td>
<td>19.8</td>
<td>18.4</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>52.1</td>
<td>54.6</td>
<td>57.0</td>
</tr>
<tr>
<td>Less: Cost of Revenue (GAAP)</td>
<td>(20.7)</td>
<td>(19.8)</td>
<td>(18.4)</td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>31.4</td>
<td>34.8</td>
<td>38.6</td>
</tr>
<tr>
<td>As a % of Revenue</td>
<td>60%</td>
<td>64%</td>
<td>68%</td>
</tr>
</tbody>
</table>

$ in millions, rounding differences may occur
Definitions

**Adjusted EBITDA** — is operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable.

**Average Revenue per User (ARPU)** — is the annualized revenue for the relevant period divided by Average Subscribers. For periods that are less than a full year, annualized revenue is calculated by dividing the revenue for that particular period by the number of calendar days in the period and multiplying this value by the number of days in that year.

**Gross Margin** — is revenue less cost of revenue, divided by revenue.

**Subscribers** — are the number of users who have an active subscription to one of Vimeo’s paid plans measured at the end of the relevant period (including the addition of subscribers related to Magisto’s mobile app-based video creation and editing tools, which was acquired on May 28, 2019).

**LTV/CAC** — is an efficiency measure for acquiring new subscribers. Lifetime value (LTV) is calculated by estimating a subscriber’s total expected lifetime revenue, which includes assumptions for future renewals and upgrades based on historical data, and multiplying that by the current gross margin. Customer acquisition cost (CAC) is calculated by dividing total sales and marketing expenses in a period by the number of new subscribers acquired.

**Net Revenue Retention (NRR)** — is a metric we track for our enterprise subscribers that is calculated by taking the sum of (a) annualized subscription revenue for enterprise subscribers at the end of the period that also existed twelve months prior and (b) the variable revenue attributed to these same subscribers over the preceding twelve months and dividing that by the annualized subscription revenue for all subscribers that existed twelve months prior plus the variable revenue attributed to this same set of subscribers over the twelve months prior to that date.
Customer videos
Analyst Q&A
Thank You