

IAC
Q1 2019 Earnings
Supplemental Financial Information and Operating Metrics

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IAC

Financial Results and Reconciliations

(\$ in millions, except per share amounts; rounding differences may occur)

	2017	2018					2019				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
Match Group	\$ 1,330.7	\$ 407.4	\$ 421.2	\$ 443.9	\$ 457.3	\$ 1,729.9	\$ 464.6				
ANGI Homeservices	736.4	255.3	294.8	303.1	279.0	1,132.2	303.4				
Vimeo	103.3	35.6	39.6	40.3	44.2	159.6	43.6				
Dotdash	90.9	30.0	30.8	30.1	40.2	131.0	34.0				
Applications	578.0	132.0	143.1	154.0	153.3	582.3	143.5				
Emerging & Other	468.6	134.9	129.8	133.3	130.2	528.3	116.7				
Inter-segment eliminations	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)				
Total revenue	<u>\$ 3,307.2</u>	<u>\$ 995.1</u>	<u>\$ 1,059.1</u>	<u>\$ 1,104.6</u>	<u>\$ 1,104.1</u>	<u>\$ 4,262.9</u>	<u>\$ 1,105.8</u>				
Operating income (loss)											
Match Group	\$ 360.5	\$ 112.2	\$ 150.2	\$ 139.9	\$ 151.0	\$ 553.3	\$ 118.8				
ANGI Homeservices (a) (b)	(149.2)	(10.8)	23.3	33.5	17.9	63.9	(3.6)				
Vimeo	(27.3)	(9.7)	(9.6)	(6.2)	(10.1)	(35.6)	(17.8)				
Dotdash	(15.7)	3.2	1.3	2.4	11.8	18.8	3.0				
Applications	130.2	25.5	33.1	33.0	3.3	94.8	25.4				
Emerging & Other	17.4	6.5	6.1	10.9	6.5	30.0	(2.5)				
Corporate	(127.4)	(36.9)	(35.9)	(40.8)	(46.5)	(160.0)	(43.4)				
Total operating income (loss)	<u>\$ 188.5</u>	<u>\$ 90.0</u>	<u>\$ 168.4</u>	<u>\$ 172.8</u>	<u>\$ 133.9</u>	<u>\$ 565.1</u>	<u>\$ 79.9</u>				
Stock-based compensation expense											
Match Group	\$ (69.1)	\$ (17.0)	\$ (16.7)	\$ (16.1)	\$ (16.2)	\$ (66.0)	\$ (28.0)				
ANGI Homeservices (a) (b)	(149.2)	(24.9)	(22.1)	(22.5)	(27.6)	(97.1)	(19.3)				
Vimeo	-	-	-	-	-	-	-				
Dotdash	-	-	-	-	-	-	-				
Applications	-	-	-	-	-	-	-				
Emerging & Other	(2.1)	(0.1)	(1.3)	(0.3)	0.8	(0.9)	-				
Corporate	(44.2)	(17.1)	(17.5)	(16.4)	(23.4)	(74.4)	(20.2)				
Total stock-based compensation expense	<u>\$ (264.6)</u>	<u>\$ (59.1)</u>	<u>\$ (57.6)</u>	<u>\$ (55.4)</u>	<u>\$ (66.4)</u>	<u>\$ (238.4)</u>	<u>\$ (67.4)</u>				
Depreciation											
Match Group	\$ (32.6)	\$ (8.1)	\$ (8.4)	\$ (8.5)	\$ (7.9)	\$ (33.0)	\$ (7.8)				
ANGI Homeservices	(14.5)	(6.2)	(5.9)	(6.1)	(6.1)	(24.3)	(7.0)				
Vimeo	(1.4)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	(0.2)				
Dotdash	(2.3)	(0.2)	(0.2)	(0.2)	(0.2)	(1.0)	(0.2)				
Applications	(3.9)	(0.8)	(0.8)	(0.6)	(0.5)	(2.6)	(0.4)				
Emerging & Other	(4.1)	(0.8)	(0.3)	(0.3)	(0.3)	(1.7)	(0.3)				
Corporate	(15.5)	(2.8)	(2.8)	(2.9)	(3.1)	(11.6)	(3.0)				
Total depreciation	<u>\$ (74.3)</u>	<u>\$ (19.3)</u>	<u>\$ (18.8)</u>	<u>\$ (18.9)</u>	<u>\$ (18.4)</u>	<u>\$ (75.4)</u>	<u>\$ (19.0)</u>				
Amortization of intangibles											
Match Group	\$ (1.5)	\$ (0.2)	\$ (0.2)	\$ (0.4)	\$ (0.4)	\$ (1.3)	\$ (0.4)				
ANGI Homeservices	(23.3)	(16.3)	(15.8)	(15.6)	(14.5)	(62.2)	(14.5)				
Vimeo	(2.3)	(1.6)	(1.6)	(1.6)	(1.4)	(6.3)	(1.4)				
Dotdash	(10.7)	(0.4)	(0.4)	(0.4)	(0.4)	(1.6)	(3.9)				
Applications	(2.2)	(0.5)	(1.6)	(1.3)	(29.8)	(33.3)	(2.4)				
Emerging & Other	(2.3)	(0.8)	(0.6)	(0.7)	(1.5)	(3.6)	(0.2)				
Corporate	-	-	-	-	-	-	-				
Total amortization of intangibles	<u>\$ (42.1)</u>	<u>\$ (20.0)</u>	<u>\$ (20.2)</u>	<u>\$ (20.2)</u>	<u>\$ (48.1)</u>	<u>\$ (108.4)</u>	<u>\$ (22.8)</u>				

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Financial Results and Reconciliations

(\$ in millions, except per share amounts; rounding differences may occur)

	2017	2018					2019				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Acquisition-related contingent consideration fair value adjustments											
Match Group	\$ (5.3)	\$ (0.2)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.3)	\$ -				
ANGI Homeservices	-	-	-	-	-	-	-				
Vimeo	-	-	-	-	-	-	-				
Dotdash	-	-	-	-	-	-	-				
Applications	(0.5)	-	-	-	(1.1)	(1.1)	(1.5)				
Emerging & Other	-	-	-	-	-	-	-				
Corporate	-	-	-	-	-	-	-				
Total acquisition-related contingent consideration fair value adjustments	<u>\$ (5.8)</u>	<u>\$ (0.2)</u>	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>	<u>\$ (1.2)</u>	<u>\$ (1.5)</u>	<u>\$ (1.5)</u>				
Adjusted EBITDA (c)											
Match Group	\$ 468.9	\$ 137.7	\$ 175.6	\$ 165.0	\$ 175.6	\$ 653.9	\$ 155.1				
ANGI Homeservices (a) (b)	37.9	36.6	67.0	77.7	66.2	247.5	37.2				
Vimeo	(23.6)	(7.8)	(7.6)	(4.2)	(8.4)	(28.0)	(16.2)				
Dotdash	(2.8)	3.8	2.0	3.1	12.5	21.4	7.1				
Applications	136.8	26.8	35.4	35.0	34.7	131.8	29.7				
Emerging & Other	25.9	8.2	8.3	12.2	7.4	36.2	(2.1)				
Corporate	(67.8)	(17.0)	(15.6)	(21.5)	(20.0)	(74.0)	(20.2)				
Total Adjusted EBITDA	<u>\$ 575.3</u>	<u>\$ 188.4</u>	<u>\$ 265.0</u>	<u>\$ 267.3</u>	<u>\$ 268.0</u>	<u>\$ 988.8</u>	<u>\$ 190.6</u>				
Net earnings attributable to IAC shareholders	\$ 304.9	\$ 71.1	\$ 218.4	\$ 145.8	\$ 191.8	\$ 627.0	\$ 88.7				
Add back:											
Net earnings attributable to noncontrolling interests	53.1	16.8	62.5	25.8	25.7	130.8	24.3				
Income tax (benefit) provision	(291.1)	(29.0)	31.4	(18.2)	19.7	3.8	(63.6)				
Other expense (income), net	16.2	4.6	(171.1)	(8.1)	(131.1)	(305.7)	(0.7)				
Interest expense	105.3	26.5	27.4	27.6	27.9	109.3	31.1				
Operating income	188.5	90.0	168.4	172.8	133.9	565.1	79.9				
Stock-based compensation expense	264.6	59.1	57.6	55.4	66.4	238.4	67.4				
Depreciation	74.3	19.3	18.8	18.9	18.4	75.4	19.0				
Amortization of intangibles	42.1	20.0	20.2	20.2	48.1	108.4	22.8				
Acquisition-related contingent consideration fair value adjustments	5.8	0.2	0.1	0.1	1.2	1.5	1.5				
Adjusted EBITDA	<u>\$ 575.3</u>	<u>\$ 188.4</u>	<u>\$ 265.0</u>	<u>\$ 267.3</u>	<u>\$ 268.0</u>	<u>\$ 988.8</u>	<u>\$ 190.6</u>				
Impact from public subsidiaries' dilutive securities (d)	\$ (33.5)	\$ (7.4)	\$ (7.0)	\$ (8.3)	\$ (5.7)	\$ (25.2)	\$ (6.7)				
GAAP diluted weighted average shares outstanding	85.3	89.1	90.9	92.0	91.0	91.3	90.3				
GAAP diluted earnings per share (e)	<u>\$ 3.18</u>	<u>\$ 0.71</u>	<u>\$ 2.32</u>	<u>\$ 1.49</u>	<u>\$ 2.04</u>	<u>\$ 6.59</u>	<u>\$ 0.91</u>				

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Financial Results and Reconciliations

(\$ in millions, except per share amounts; rounding differences may occur)

2017	2018					2019				
FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31

- (a) In connection with the completion of the HomeAdvisor and Angie's List combination on September 29, 2017 (the "Combination"), the HomeAdvisor segment was renamed ANGI Homeservices.

FYE 2017 operating loss of \$149.2 million at ANGI Homeservices includes \$122.0 million in stock-based compensation expense related primarily to: (i) a modification charge related to previously issued and unvested HomeAdvisor equity awards and the expense related to the conversion of previously issued and unvested Angie's List equity awards, both in connection with the Combination, and (ii) expense related to the acceleration of converted ANGI Homeservices equity awards held by Angie's List employees upon the termination of their employment in connection with the Combination, as well as \$48.0 million in costs related to the Combination (including \$7.6 million of deferred revenue write-offs).

Q1 2018, Q2 2018, Q3 2018 and Q4 2018 operating (loss) income of \$(10.8) million, \$23.3 million, \$33.5 million and \$17.9 million, respectively, at ANGI Homeservices includes \$19.1 million, \$16.7 million, \$16.0 million and \$18.8 million, respectively, in stock-based compensation expense related primarily to: (i) a modification charge related to previously issued and unvested HomeAdvisor equity awards and the expense related to the conversion of previously issued and unvested Angie's List equity awards, both in connection with the Combination, and (ii) expense related to the acceleration of converted ANGI Homeservices equity awards held by Angie's List employees upon the termination of their employment in connection with the Combination, as well as \$5.3 million, \$2.6 million, \$1.0 million and \$0.1 million, respectively, in costs related to the Combination (including \$2.8 million, \$1.8 million, \$0.7 million and \$0.1 million, respectively, of deferred revenue write-offs).

Operating income (loss) and Adjusted EBITDA for FYE 2017 will not agree to the ANGI Homeservices financial segment information on a standalone basis due to a \$1.3 million accrual that was recorded retrospectively in Q3 2016 as the standalone HomeAdvisor combined financial statements were prepared. This accrual was recorded in IAC's consolidated financial statements in Q2 2017.

- (b) Q3 2018 and Q4 2018 operating income of \$33.5 million and \$17.9 million, respectively, at ANGI Homeservices includes \$1.3 million and \$2.4 million, respectively, in transaction-related items (including \$0.4 million of deferred revenue write-offs in Q4 2018) in connection with the acquisition of Handy on October 19, 2018. Q4 2018 was further impacted by \$1.9 million in stock-based compensation expense.
- (c) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (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. 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. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.
- (d) Represents the reduction in Match Group's and ANGI Homeservices (with effect from September 29, 2017, the date of the completion of the Combination) earnings attributable to IAC from the assumed exercise of Match Group and ANGI Homeservices dilutive securities under the if-converted method. Quarterly amounts may not add to the related annual amount based on the outcome of the if-converted method calculation for each respective period.
- (e) Quarterly per share amounts may not add to the related annual per share amount due to differences in the average common shares outstanding during each period.

**IAC
Match Group**

(rounding differences may occur)

	2017	2018					2019				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Match Group											
Revenue (\$ in millions)											
Direct Revenue											
North America (a)	\$ 741.3	\$ 211.4	\$ 222.2	\$ 233.6	\$ 235.3	\$ 902.5	\$ 237.8				
International (b)	539.9	181.4	185.6	197.9	209.8	774.7	216.2				
Total Direct Revenue (c)	\$ 1,281.2	\$ 392.7	\$ 407.7	\$ 431.5	\$ 445.2	\$ 1,677.2	\$ 454.0				
Indirect Revenue	49.4	14.6	13.5	12.4	12.2	52.7	10.7				
Total Revenue	\$ 1,330.7	\$ 407.4	\$ 421.2	\$ 443.9	\$ 457.3	\$ 1,729.8	\$ 464.6				
Average Subscribers (d) (in thousands)											
North America (a)	3,569	3,976	4,131	4,278	4,265	4,161	4,361				
International (b)	2,839	3,457	3,592	3,812	3,968	3,712	4,252				
Total Average Subscribers	6,408	7,433	7,723	8,090	8,233	7,873	8,613				
ARPU (e)											
North America (a)	\$ 0.56	\$ 0.58	\$ 0.58	\$ 0.59	\$ 0.59	\$ 0.59	\$ 0.60				
International (b)	\$ 0.51	\$ 0.57	\$ 0.56	\$ 0.55	\$ 0.56	\$ 0.56	\$ 0.56				
Total ARPU	\$ 0.54	\$ 0.58	\$ 0.57	\$ 0.57	\$ 0.58	\$ 0.57	\$ 0.58				

(a) North America consists of our businesses for users located in the United States and Canada.

(b) International consists of our businesses for users located outside of the United States and Canada.

(c) Direct Revenue includes both subscription and à la carte revenue that is received directly from an end user of our products.

(d) Average Subscribers is calculated by summing the number of Subscribers at the end of each day in the relevant measurement period and dividing it by the number of calendar days in that period. A Subscriber is a user who purchases a subscription to one of our products. Users who purchase only à la carte features do not qualify as Subscribers.

(e) ARPU, or Average Revenue per Subscriber, is Direct Revenue from Subscribers in the relevant measurement period (whether in the form of subscription or à la carte revenue from Subscribers) divided by the Average Subscribers in such period divided by the number of calendar days in such period. Direct Revenue from users who are not Subscribers and have purchased only à la carte features is not included in ARPU.

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ANGI Homeservices

(rounding differences may occur)

	2017	2018				2019					
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ANGI Homeservices											
<i>Revenue (\$ in millions)</i>											
As Reported											
Marketplace (a)	\$ 581.4	\$ 165.6	\$ 204.7	\$ 213.0	191.1	\$ 774.5	\$ 219.9				
Advertising & Other (b)	97.5	70.4	72.8	73.5	70.9	287.7	62.1				
Total North America	\$ 678.9	\$ 236.0	\$ 277.5	\$ 286.6	\$ 262.0	\$ 1,062.2	\$ 282.0				
Europe	57.5	19.3	17.3	16.5	16.9	70.1	21.4				
Total ANGI Homeservices revenue	\$ 736.4	\$ 255.3	\$ 294.8	\$ 303.1	\$ 279.0	\$ 1,132.2	\$ 303.4				
Pro Forma (c)											
Marketplace (a)	\$ 581.4	\$ 165.6	\$ 204.7	\$ 213.0	\$ 191.5	\$ 774.9	\$ 219.9				
Advertising & Other (b)	293.8	64.8	64.5	64.1	62.8	256.2	62.1				
Total North America	\$ 875.2	\$ 230.4	\$ 269.3	\$ 277.1	\$ 254.3	\$ 1,031.1	\$ 282.0				
Europe	57.5	19.3	17.3	16.5	16.9	70.1	21.4				
Total ANGI Homeservices revenue	\$ 932.7	\$ 249.7	\$ 286.6	\$ 293.7	\$ 271.3	\$ 1,101.1	\$ 303.4				
Other ANGI Homeservices Metrics											
Marketplace Service Requests (in thousands) (a) (d)	18,129	5,031	6,799	6,405	5,254	23,488	5,797				
Marketplace Paying Service Professionals (in thousands) (a) (e)	181	194	202	206	214	214	221				
Marketplace Revenue per Paying Service Professional (a)(f)		\$ 855	\$ 1,016	\$ 1,034	\$ 893		\$ 997				
Advertising Service Professionals (in thousands) (g)	45	41	39	37	36	36	36				

(a) Reflects the HomeAdvisor and Handy domestic marketplace, including consumer connection revenue for consumer matches, membership subscription revenue from service professionals and revenue from completed jobs sourced through the Handy platform. It excludes revenue from Angie's List, mHelpDesk, HomeStars, Fixd Repair and Felix.

(b) Includes Angie's List revenue (revenue from service professionals under contract for advertising and membership subscription fees from consumers) as well as revenue from mHelpDesk, HomeStars, Fixd Repair (acquired on January 25, 2019) and Felix (prior to its sale on December 31, 2018).

(c) Pro Forma Revenue reflect the inclusion of Angie's List revenue for all periods and excludes:

- Deferred revenue write-offs of \$7.8 million in FY 2017, \$2.8 million in Q1 2018, \$1.8 million in Q2 2018, \$0.7 million in Q3 2018 and \$0.1 million in Q4 2018 in connection with the Angie's List transaction.

- Deferred revenue write-offs of \$0.4 million in Q4 2018 in connection with the Handy acquisition.

- Felix revenue of \$26.9 million in FY 2017, \$8.5 million in Q1 2018, \$10.0 million in Q2 2018, \$10.2 million in Q3 2018 and \$8.2 million in Q4 2018. Felix was sold on December 31, 2018.

(d) Fully completed and submitted domestic customer service requests to HomeAdvisor and completed jobs sourced through the Handy platform.

(e) The number of HomeAdvisor and Handy domestic service professionals that had an active subscription and/or paid for consumer matches or completed a job sourced through the Handy platform in the last month of the period. An active HomeAdvisor subscription is a subscription for which HomeAdvisor was recognizing revenue on the last day of the relevant period.

(f) Marketplace quarterly revenue divided by Marketplace Paying Service Professionals.

(g) Reflects the total number of Angie's List service professionals under contract for advertising at the end of the period.

IAC
Vimeo

(rounding differences may occur)

	2017	2018					2019				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Vimeo											
<i>Revenue (\$ in millions)</i>											
Platform (a)	\$ 99.7	\$ 32.9	\$ 36.3	\$ 37.2	\$ 40.2	\$ 146.7	\$ 41.3				
Hardware (b)	3.7	2.6	3.3	3.1	4.0	13.0	2.3				
Total Vimeo	\$ 103.3	\$ 35.6	\$ 39.6	\$ 40.3	\$ 44.2	\$ 159.6	\$ 43.6				
Ending Subscribers (in thousands) (c)	873	901	917	932	952	952	973				

(a) Platform Revenue primarily includes subscription SaaS and other related revenue from Vimeo subscribers.

(b) Hardware Revenue includes sales of our live streaming accessories.

(c) The number of subscribers to Vimeo's SaaS video tools at the end of the period.

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Applications

(rounding differences may occur)

	2017	2018					2019				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Applications											
<i>Revenue (\$ in millions)</i>											
Desktop (a)	\$ 522.1	\$ 117.6	\$ 114.4	\$ 118.5	\$ 108.2	\$ 458.8	\$ 96.0				
Mosaic Group (formerly Mobile) (b)	55.8	14.4	28.6	35.4	45.0	123.5	47.6				
Total Applications Revenue	\$ 578.0	\$ 132.0	\$ 143.1	\$ 154.0	\$ 153.3	\$ 582.3	\$ 143.5				

(a) Desktop is comprised of revenue generated by applications distributed through both direct-to-consumer marketing and business-to-business partnerships.

(b) Mosaic Group (formerly Mobile) includes Apalon, iTranslate, TelTech and Daily Burn (with effect from Q2 2018) and is comprised primarily of revenue generated by mobile applications distributed through iOS and Android.