



THE **#1** HOME SERVICES MARKETPLACE

December 6, 2016

Non-GAAP Financial Measures. This presentation contains references to certain non-GAAP measures. These measures should be considered in conjunction with, but not as a substitute for, financial information presented in accordance with GAAP. The location of reconciliations to GAAP measures of non-GAAP measures are referenced on the page on which such non-GAAP measure appears, or are included in the Appendix to this presentation.

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The Leading Marketplace for Home Services

8M+

HOMEOWNERS LTM

142K+

SERVICE PROVIDERS
("SPs")

**NATIONWIDE
MARKETPLACE**

400+ MSAs COVERED

\$12B+

SP PROJECT VALUE
LTM

12M+

SERVICE REQUESTS ("SRs")
LTM



Number One HOME SERVICES MARKETPLACE and Pulling Away

#1 in REVENUE

#1 in SERVICE PRO NETWORK

#1 in SERVICE PRO NETWORK GROWTH

#1 In SALES FORCE SIZE

#1 in SERVICE REQUESTS

#1 in ON-DEMAND CONNECTIONS
(Only national platform)



Straight Forward Business Model Driven by Customer Success

Service professional connection fees tied to project value and geographic locale



**HOMEOWNER
SUBMITS SERVICE
REQUEST**

~\$3K Avg Project Value



**SERVICE PRO
COMPLETES
PROJECT**

~\$30 Avg Connect Fee



~3-4% Effective HomeAdvisor Take Rate



HOMEOWNER BENEFITS

THE BEST WAY TO GET HOME PROJECTS DONE

Unparalleled in convenience, safety and ease for doing home projects.



➤ LARGEST PRO NETWORK

142K+ paying & engaged service pros

➤ SAFETY AND SECURITY

Criminal & financial background checks on pros

➤ ADVANCED MATCHING

Connect with pros available to take on new work in your zip code

➤ ON-DEMAND SERVICE (IB/IC)

Only national scale solution providing on-demand services

➤ BEST RESEARCH TOOLS

Most comprehensive reviews and project cost guide



THE BEST WAY TO CONNECT WITH NEW CUSTOMERS

Largest & most effective marketing platform for
home service providers



SERVICE PRO BENEFITS

➤ LARGEST CONSUMER AUDIENCE

Leading online destination for homeowners seeking service pros

➤ TRACKABLE ROI

Measure win rate and specific return of marketing spend

➤ TOTAL CONTROL

Turn on and off homeowner project requests as needed

➤ ON-DEMAND

Synchronized calendar & instant phone connections

➤ TAILORED FOR HOME SERVICE PROS

Customer management tools go beyond generic keyword bidding & directory listings



Similar Characteristics Compared with Other Leading Marketplaces

Significant upside on take rate and brand awareness



| Vertical | Home Services | Crafts & Handmade | Restaurant Reservations | Food Delivery | Vacation Rentals | Real Estate | Travel | eCommerce |
|----------------------------|---------------|-------------------|-------------------------|---------------|------------------|-------------|--------|-----------|
| TAM | \$400B | \$34B | \$3T | \$54B | \$100B | \$77B | \$1.4T | \$1.7T |
| GMV (Transaction Value) | \$12B | \$2.7B | \$12B | \$2.4B | \$4.7B | \$3.2B | \$61B | \$82B |
| Market Share | 3.0% | 8.1% | 0.4% | 4.4% | 4.7% | 4.2% | 4.4% | 4.9% |
| Take Rate | 3-4% | 12% | 2-3% | 15% | 10% | 15% | 11% | 8% |
| Adjusted EBITDA (LTM) | \$42M | \$56M | \$81M | \$118M | \$118M | \$148M | \$1.3B | \$3.5B |

(1) Domestic for all metrics excl. EBITDA

(2) Company reports; TAM: Fung Global Retail & Technology report: Crafts, Fine Arts & Jewelry & beads spend; Techcrunch: Unpacking Etsy's S1

(3) TAM: Global restaurant industry; equity analyst research reports mid-2013; EBITDA LTM as of Q2 2014

(4) Company reports; TAM: Euromonitor & MS 2013: Independent & Chain Delivery & Takeaway Market (Excl. Amazon Inventory Sales)

(5) TAM: Skift (Global) (All metrics 2014 pre-Expedia acquisition); Techcrunch: Unpacking Etsy's S1

(6) TAM represents total real estate agent commissions; Equity Research Reports (BofA Merrill Lynch; Needham); EBITDA Capital IQ \$5.5M + \$142.5M legal settlement Q2 '16 per company reports

(7) Company reports; eMarketer: 2015 Digital Travel Sales Worldwide; Phocuswright: 2015 Global Online Travel Spending

(8) Company reports; eMarketer: Total Retail Sales Worldwide (Includes StubHub)



An aerial photograph of a residential neighborhood, likely in a suburban or urban area. The houses are mostly two-story structures with red-tiled roofs, interspersed with lush green trees. In the background, a large, multi-story building with a red roof is visible, possibly a school or a community center. The sky is hazy, suggesting a bright day or a light mist. The text "MARKET SIZE & OPPORTUNITY" is centered over the image in a bold, black, sans-serif font.

**MARKET SIZE &
OPPORTUNITY**

A Very Large Market Size in Terms of Total Spend on Projects

\$400B ^{1, 2}

HOME SERVICES MARKET



WE HAVE ~3%
of Projects

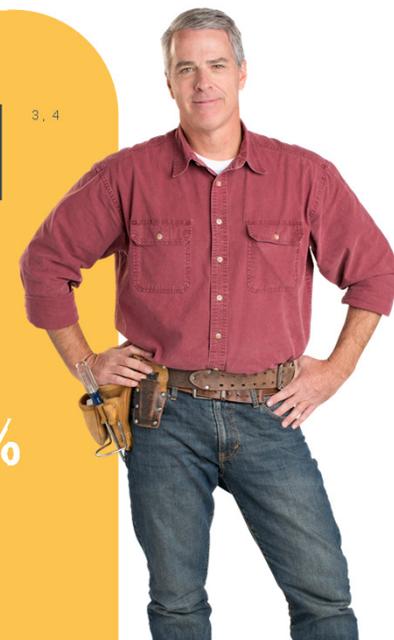


2-3MM ^{3, 4}

SERVICE PROVIDERS



WE HAVE ~5%
of all SPs



(1) NYTimes

(2) \$12B GMV / \$400B Market

(3) Our network of 142K service providers / 2-3M service providers

(4) Census Bureau Business & Industry: Industry Snapshot: Construction NAICS 23 (2012)



Two Major Market Opportunities: Online Migration & Millennials Buying Homes

~90%

of homeowners use
**WORD OF MOUTH
& OFFLINE**
when hiring a home pro

~2X

homeowners ages
18-34 willingness to
HIRE A PRO ONLINE
vs. homeowners aged 50+

(1) 11% of homeowners surveyed found their pro online (HomeAdvisor quarterly survey of homeowners)

(2) Farnsworth Online Home Study





**FORMULA FOR
GROWTH**

3 Key Drivers of Growth in the Business

Strong Product Innovation supported by investment in Brand Marketing and Sales



PRODUCT INNOVATION

OPERATING LEVERAGE through increased repeat use & retention



SALES FORCE

Grow the HIGHEST QUALITY SP network



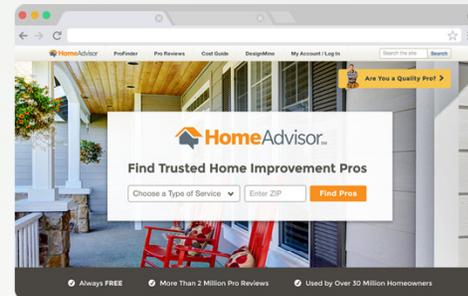
BRAND MARKETING

Drive PROFITABLE, BRAND-FOCUSED marketing

HomeAdvisor is Emerging as the Go-To Provider for Home Services Anywhere, Anytime



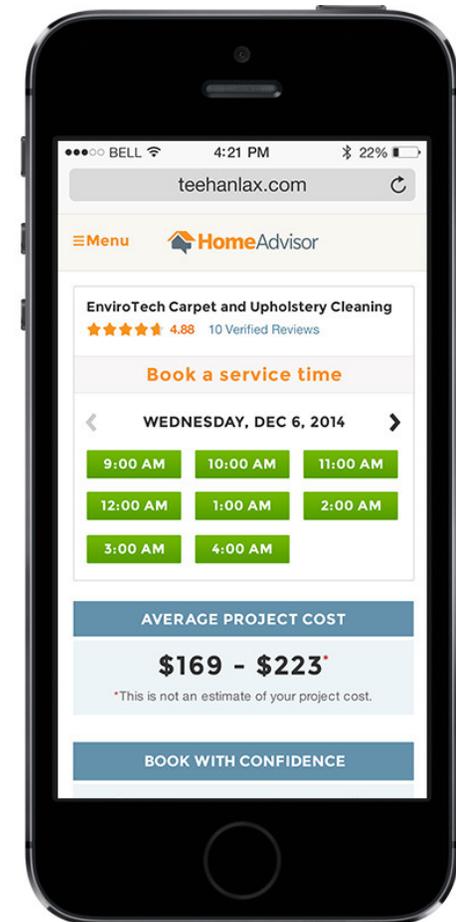
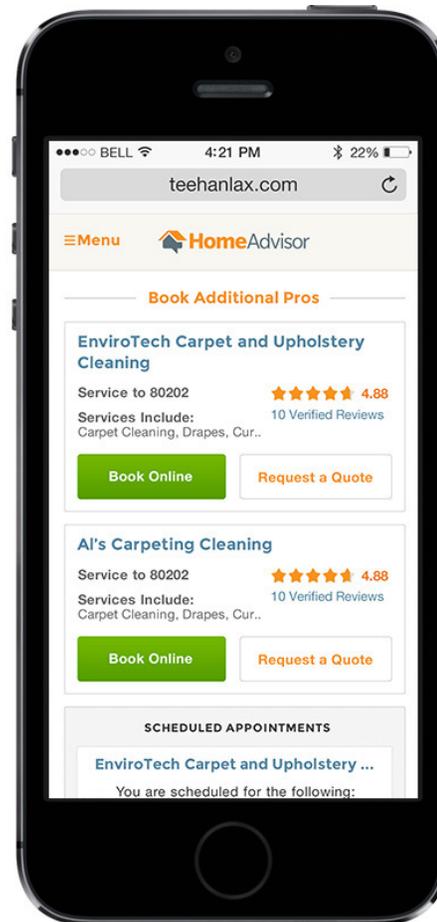
"I found you a pre-screened handyman"



INSTANT BOOKING, The Only Nationwide On-Demand Platform

Book an appointment directly

- Schedule service or in-person estimate
- See average project costs in advance
- Nearly 1M appointments in 2016



Proprietary Matching Algorithm Superior to Static Directories

Delivers screened pros who are available to do work now





LNL PAINT & FINISHING CO.
SERVING DENVER | (303) 555-4567

RATINGS & REVIEWS
 OVERALL RATING **4.5**

BOOK NOW



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RATINGS & REVIEWS
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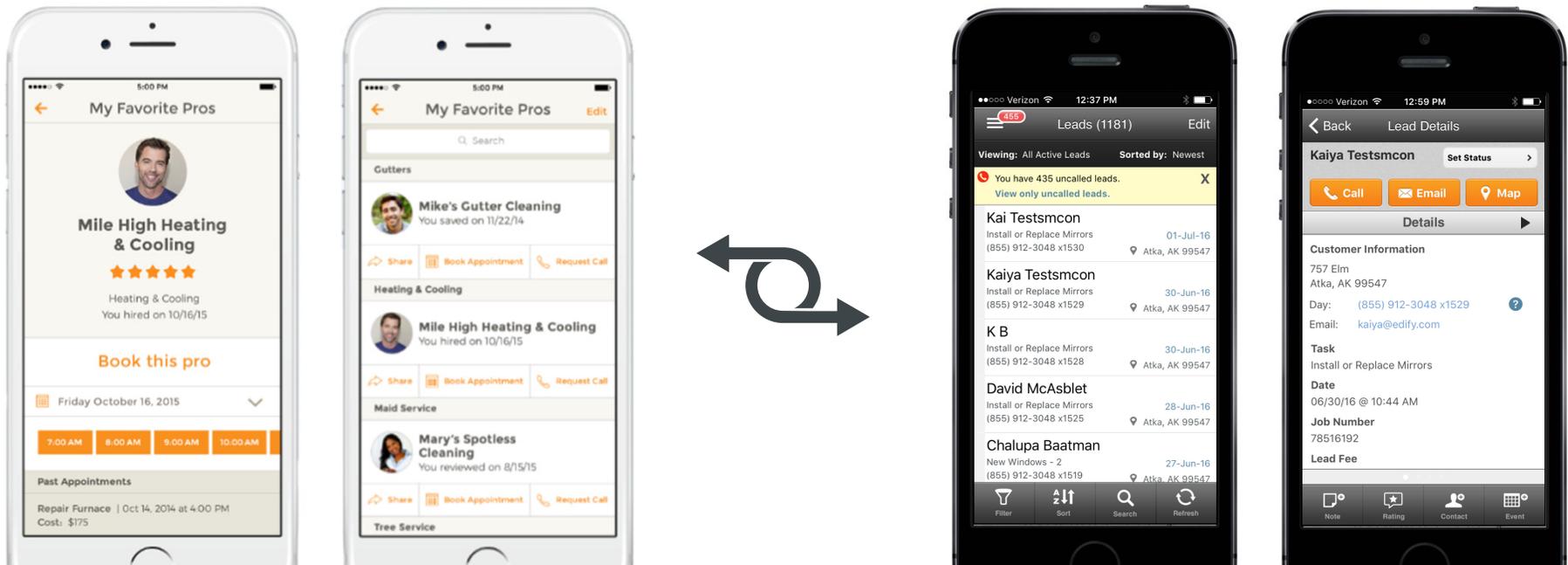
RATINGS & REVIEWS
 OVERALL RATING **4.1**

BOOK NOW



Product Innovation Driving Homeowner and Service Pro Success

Higher connection and success rates driving significant economic growth



My HomeAdvisor

Homeowner Portal to manage and optimize projects

Service Pro Tools

Manage and optimize homeowner requests



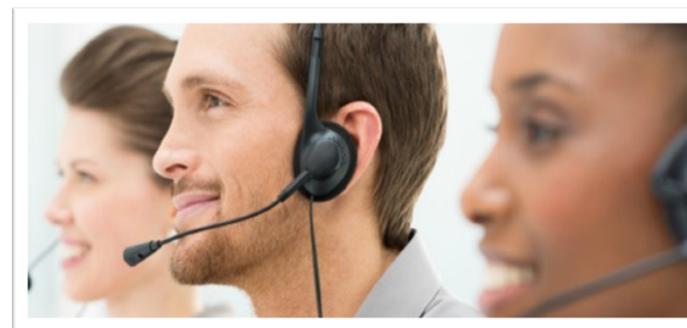
Marketing and Sales Investment Drives Marketplace Growth

Investment in growing both sides of marketplace



MARKETING

Grow branded Service Requests



SALES FORCE

Grow quality Service Provider Network

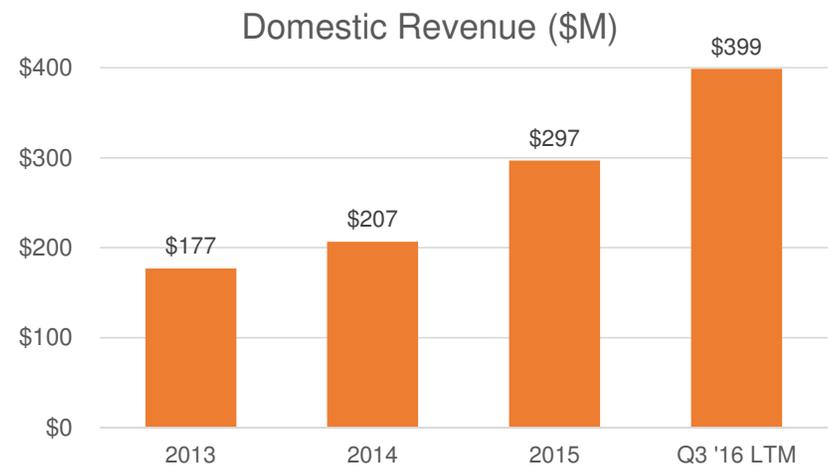
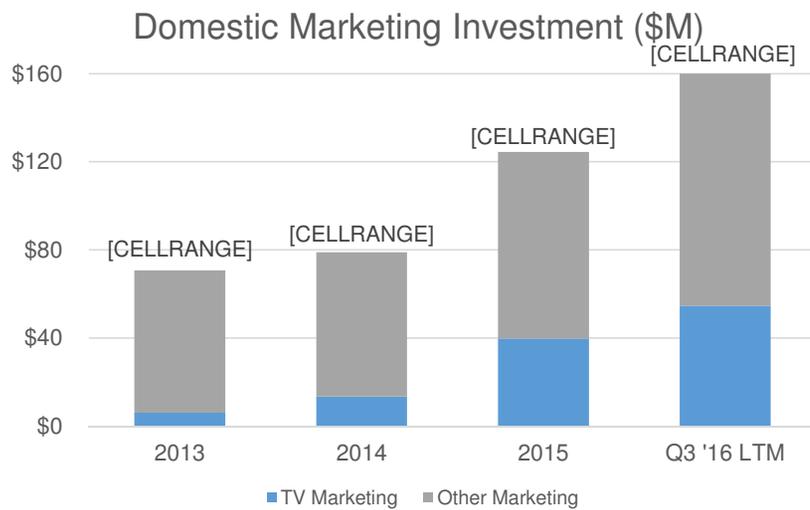
\$160M+ Spend Q3 2016 LTM

~1000 Sales Reps



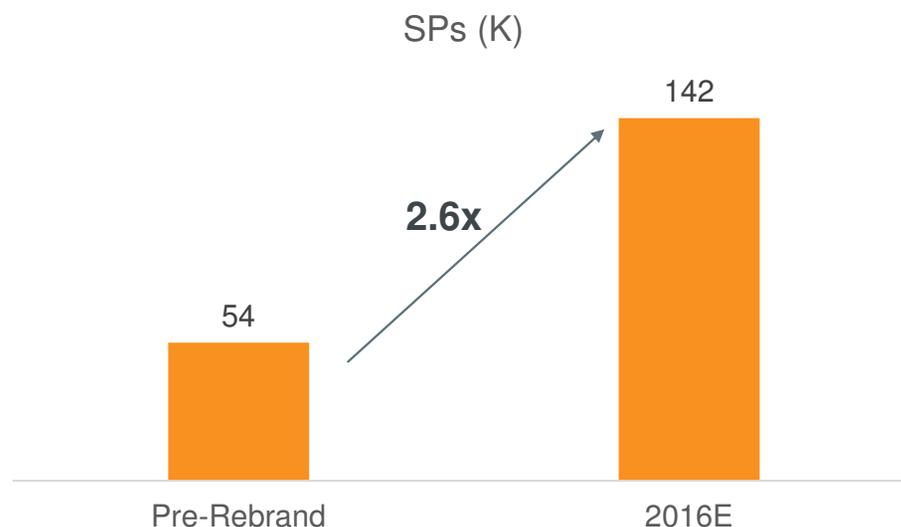
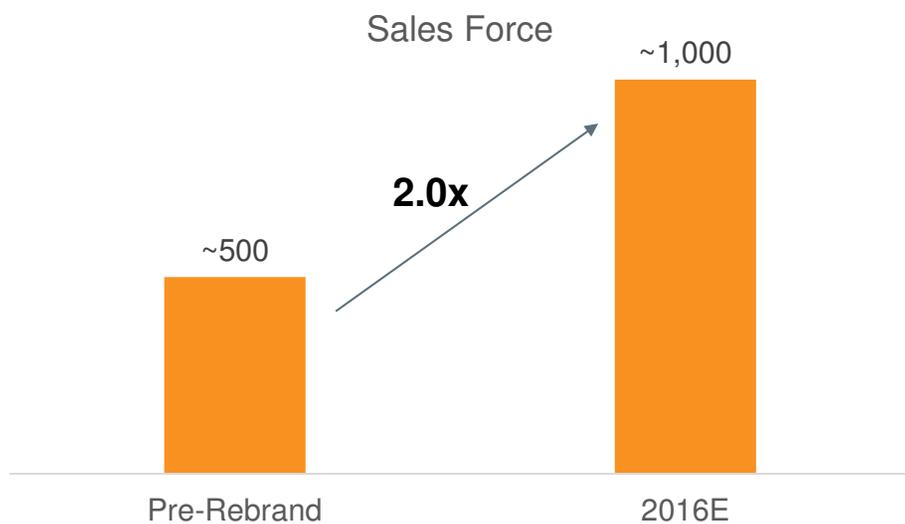
Accelerating Growth Through Profitable Marketing Investment

Profitable marketing growth in line with revenue growth



Investment in Sales Driving Network Growth

Growth in paying SPs outpacing growth in sales force due to strong productivity & higher quality SPs



2X increase in Sales Force



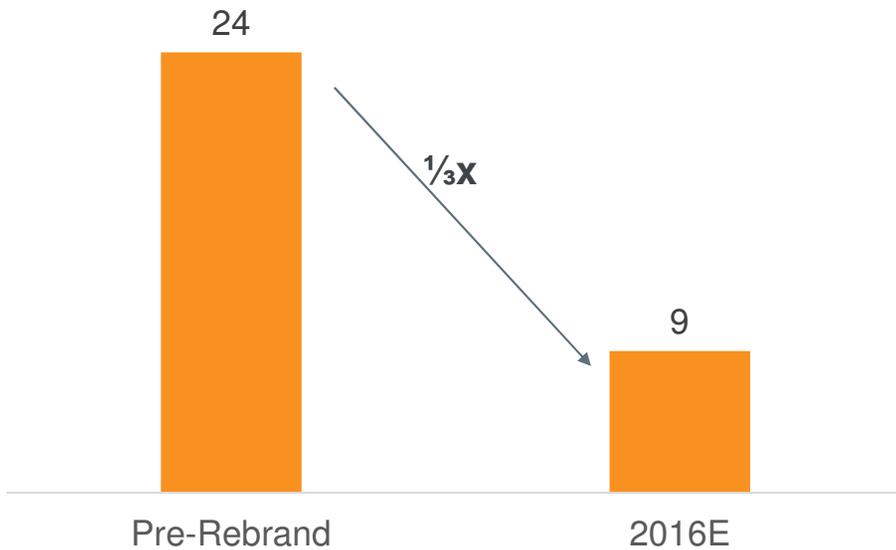
2.6X increase in paying SPs



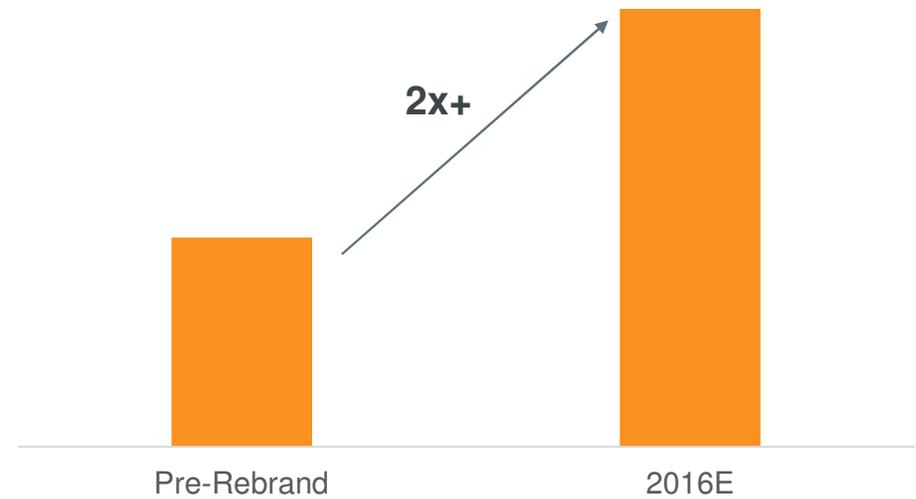
Sales Reps More Efficient

Sales reps take 1/3 of the time to positive contribution

New Sales Rep Months to Positive Contribution



3-Year Revenue Per New Sales Rep



Sales reps take a 1/3 the time to positive contribution

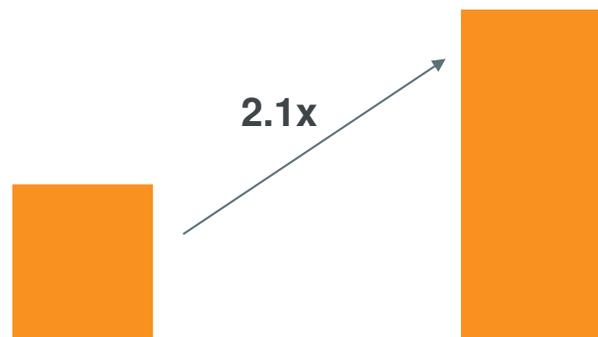


And drive 2X the revenue

SPs are Making More Money and Staying Longer

Service Provider ROI is better than ever

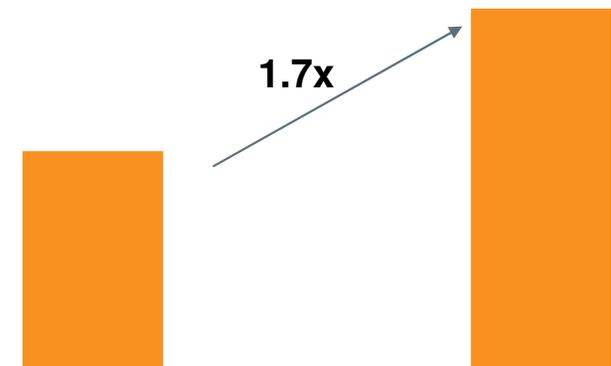
Value of Projects Won Over 3 Years by Average SP



Pre-Rebrand

2016E

SP Retention



Q4 '13

2016E

2.1X increase in Value of Projects Won



1.7X increase in Retention

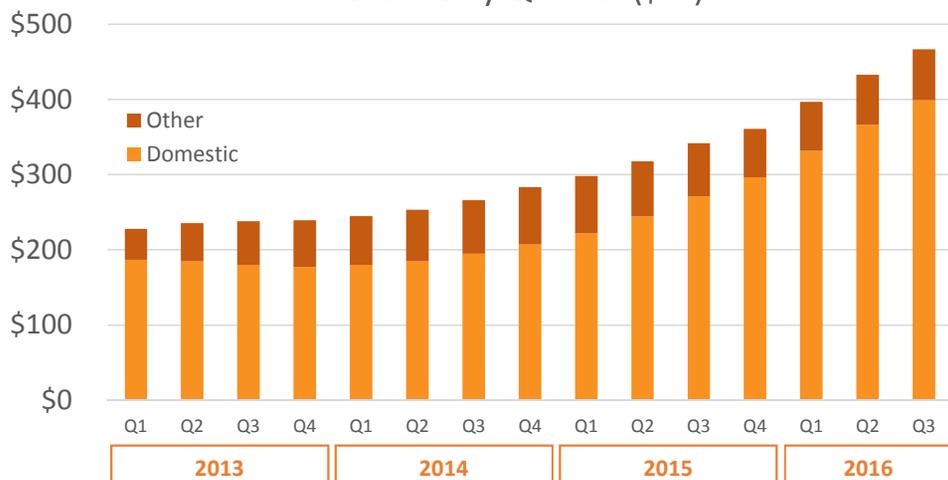


The background of the image shows several overlapping sheets of paper with various financial charts and graphs. There are bar charts with multiple colored bars (blue, green, red, yellow), line graphs, and tables of data. The text 'FINANCIAL IMPACT' is centered over these documents in a bold, black, sans-serif font.

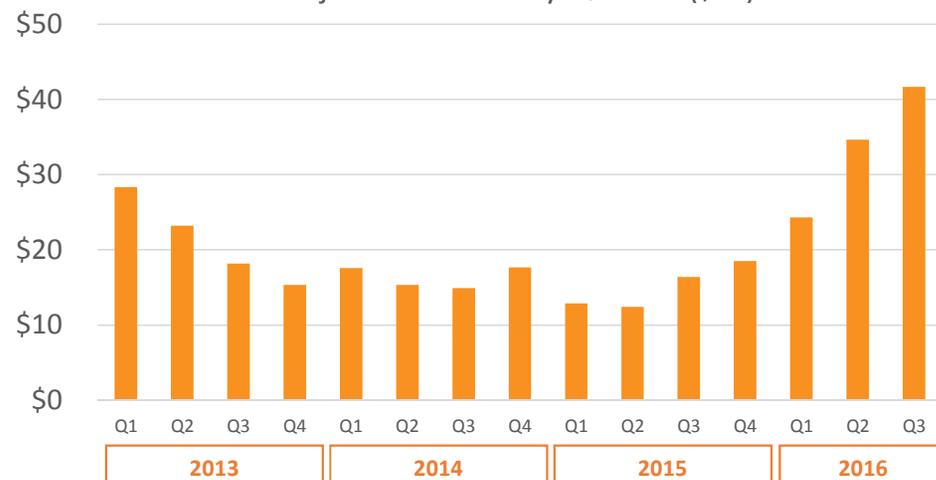
FINANCIAL IMPACT

HomeAdvisor Revenue & Adjusted EBITDA Trends

LTM Revenue by Quarter (\$M)



LTM Adjusted EBITDA by Quarter (\$M)



30% 3 Year Revenue CAGR

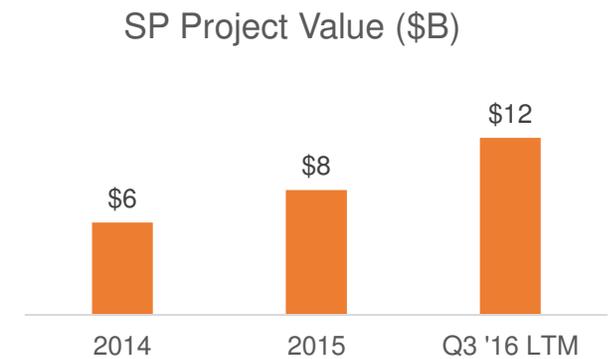
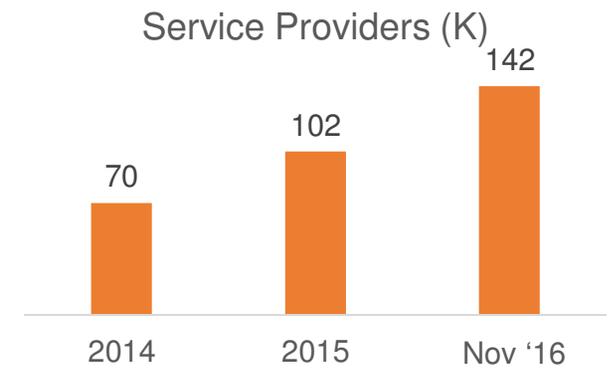
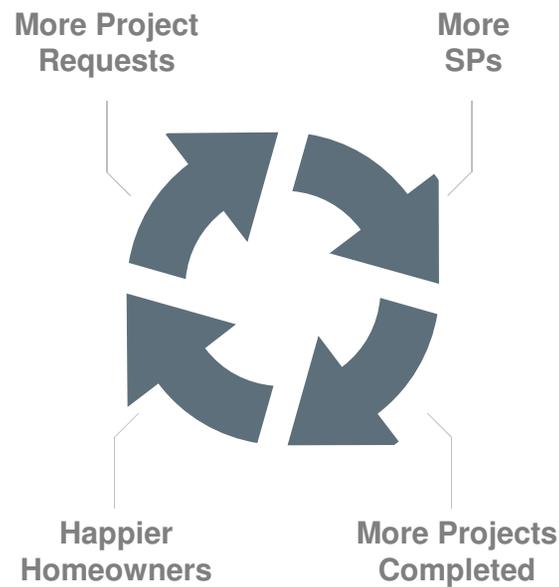
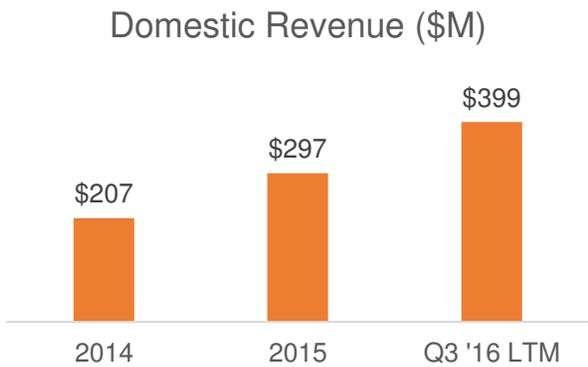
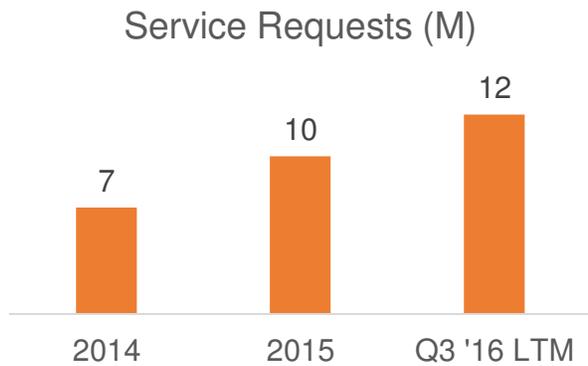


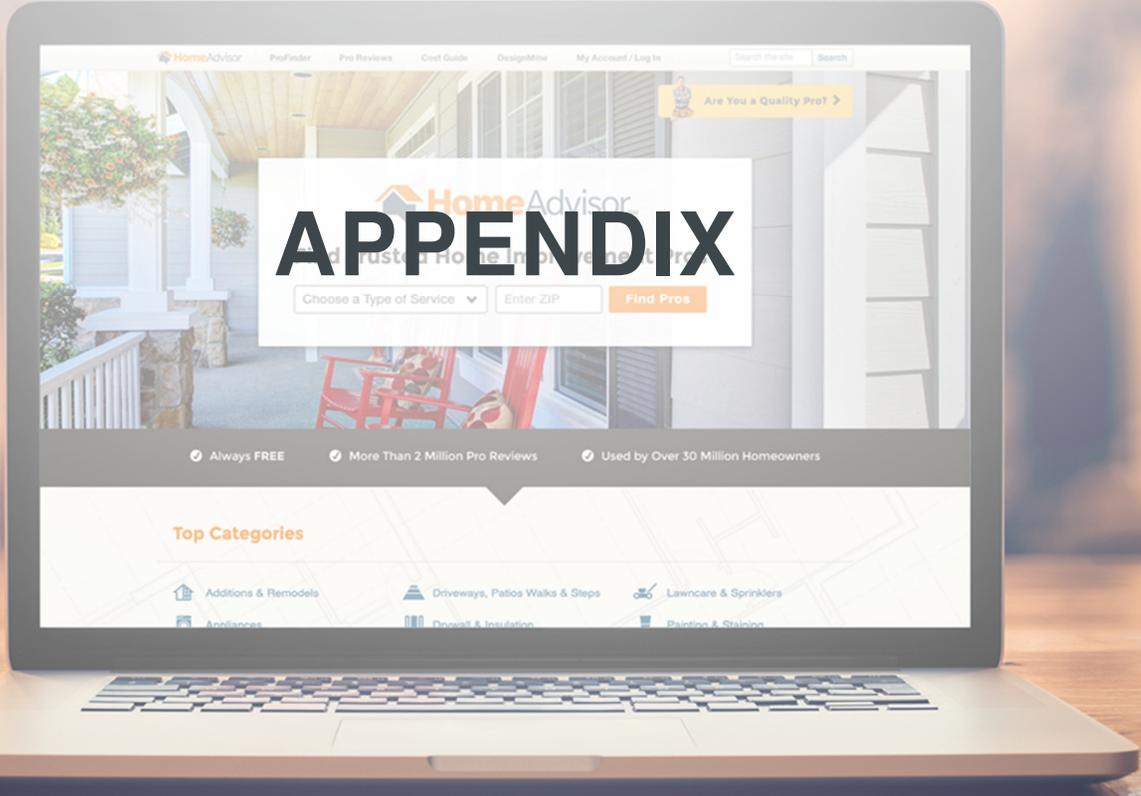
Adj EBITDA run-rate 3x over last 6 qtrs



Growing Both Sides of the Marketplace Creates Network Effects

Virtuous cycle accelerates growth





APPENDIX

HomeAdvisor ProFinder Pro Reviews Cost Guide DesignHire My Account / Log In Search the ZIP Search

Are You a Quality Pro? >

Choose a Type of Service Enter ZIP Find Pros

Always FREE More Than 2 Million Pro Reviews Used by Over 30 Million Homeowners

Top Categories

- Additions & Remodels
- Driveways, Patios Walks & Steps
- Lawncare & Sprinklers
- Appliances
- Roofing & Insulation
- Painting & Staining

HomeAdvisor LTM Adjusted EBITDA Reconciliation

| LTM (in thousands) | 2013 | | | | 2014 | | | | 2015 | | | | 2016 | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|---------|--------|---------|---------|--------|--------|--------|--------|--------|
| | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 |
| Operating income | 18,377 | 10,759 | 3,400 | 284 | 2,302 | (205) | (1,656) | 1,060 | (3,018) | (2,614) | 3,522 | 6,452 | 12,363 | 22,685 | 29,395 |
| add back: | | | | | | | | | | | | | | | |
| Stock-based compensation | - | - | - | - | - | - | 138 | 558 | 978 | 1,398 | 1,670 | 1,649 | 1,636 | 1,624 | 1,622 |
| Depreciation | 4,764 | 4,911 | 5,071 | 5,174 | 5,283 | 5,550 | 5,794 | 6,521 | 6,670 | 6,715 | 6,753 | 6,593 | 6,916 | 7,250 | 7,649 |
| Amortization of Intangibles | 5,202 | 7,585 | 9,733 | 9,916 | 10,038 | 10,020 | 10,654 | 9,562 | 8,287 | 6,922 | 4,496 | 3,835 | 3,416 | 3,087 | 3,042 |
| Adjusted EBITDA | 28,343 | 23,256 | 18,204 | 15,373 | 17,623 | 15,365 | 14,930 | 17,701 | 12,917 | 12,421 | 16,441 | 18,529 | 24,331 | 34,647 | 41,708 |

