



## ANGI INC. REPORTS Q1 2022 – Q1 REVENUE INCREASES 13% TO \$436 MILLION

DENVER— May 9, 2022—Angi Inc. (NASDAQ: ANGI) released its first quarter results today. Monthly metrics for Angi Inc. through April 2022 are included on page 3 of this release. A letter to IAC shareholders from Angi Inc. Chairman and IAC CEO Joey Levin is available on the Investor Relations section of IAC’s website at [ir.iac.com](http://ir.iac.com).

<b>ANGI INC. SUMMARY RESULTS</b>			
<i>(\$ in millions except per share amounts)</i>			
	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Growth</b>
Revenue	\$ 436.2	\$ 387.0	13%
Operating (loss) income	(34.0)	0.1	NM
Net (loss) earnings	(33.4)	1.9	NM
Diluted (loss) earnings per share	(0.07)	0.00	NM
Adjusted EBITDA	(3.2)	23.2	NM

*See reconciliations of GAAP to non-GAAP measures beginning on page 9.*

### Q1 2022 HIGHLIGHTS

- Revenue increased 13% year-over-year, the 6<sup>th</sup> consecutive quarter of double-digit growth reflecting:
  - 107% growth from Angi Services to \$113 million, which is due to the acquisition of Angi Roofing on July 1, 2021 and continued investment
    - 4<sup>th</sup> consecutive quarter of greater than 100% year-over-year growth
    - Angi Services comprised 26% of total revenue as compared to 14% in Q1 2021
    - Angi Services revenue totaled \$416 million over the trailing twelve months, up 126% year-over-year
  - 3% declines from Angi Ads and Leads and 4% declines in Europe
- Operating loss was \$34 million (\$30 million loss at North America) and Adjusted EBITDA loss was \$3 million including breakeven results at North America.
- Transacting Service Professionals were 204,000 and Advertising Service Professionals were 35,000.
- Monetized Transactions were nearly 4 million in Q1 2022 with nearly 18 million for the trailing twelve months.
- Angi ended Q1 2022 with over 260,000 Angi Key members, up over 3x year-over-year.

**Revenue**

	Q1 2022	Q1 2021	Growth
<i>(\$ in millions; rounding differences may occur)</i>			
Angi Ads and Leads	\$ 298.0	\$ 306.3	-3%
Angi Services	113.1	54.7	107%
Total North America	411.2	361.0	14%
Europe	25.0	26.0	-4%
Total Revenue	\$ 436.2	\$ 387.0	13%

**Operating (Loss) Income and Adjusted EBITDA**

	Q1 2022	Q1 2021	Growth
<i>(\$ in millions; rounding differences may occur)</i>			
Operating loss (income):			
North America	\$ (29.7)	\$ 9.6	NM
Europe	(4.3)	(9.5)	55%
Total	\$ (34.0)	\$ 0.1	NM
Adjusted EBITDA:			
North America	\$ 0.3	\$ 31.2	-99%
Europe	(3.5)	(8.0)	56%
Total	\$ (3.2)	\$ 23.2	NM

- Operating loss was \$34.0 million as compared to income of \$0.1 million in Q1 2021 reflecting:
  - Adjusted EBITDA declining \$26.4 million to a loss of \$3.2 million due to increased selling and marketing expense due primarily to a return to pre-COVID TV advertising spending and the consolidation under a single brand on March 17, 2021, which has adversely affected both free and paid search engine marketing efforts, as well as continued investment in Angi Services
  - \$11.0 million higher stock-based compensation expense due primarily to the forfeiture of certain awards in Q1 2021

### ***Income Taxes***

The Company recorded an income tax benefit of \$6.1 million in Q1 2022 for an effective tax rate of 15%, which is lower than the statutory rate due to stock-based award settlements and foreign income taxed at different rates. The Company recorded an income tax benefit of \$9.3 million in Q1 2021 due primarily to excess tax benefits generated by the exercise and vesting of stock-based awards.

### ***Operating Metrics***

	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Growth</b>
Angi Service Requests (in thousands)	6,701	7,709	-13%
Angi Monetized Transactions (in thousands)	3,889	4,193	-7%
Angi Transacting Service Professionals (in thousands)	204	212	-4%
Angi Advertising Service Professionals (in thousands)	35	40	-11%

### ***Monthly Metrics (year-over-year growth trends) <sup>(a)</sup>***

	<b>Jan '22</b>	<b>Feb '22</b>	<b>Mar '22</b>	<b>Apr '22</b>
Angi Ads and Leads	-2%	1%	-7%	-2%
Angi Services (b)	91%	132%	102%	111%
Total North America Revenue	13%	20%	10%	17%
Europe Revenue	0%	-3%	-8%	-7%
<b>Total Revenue</b>	<b>12%</b>	<b>18%</b>	<b>9%</b>	<b>16%</b>
Angi Service Requests	-5%	-11%	-20%	-14%
Angi Monetized Transactions	-2%	-2%	-14%	-8%
Angi Transacting Service Professionals	-2%	-3%	-4%	-4%
Angi Advertising Service Professionals	-5%	-6%	-11%	-15%

(a) As of the date of this document, the Company has not yet completed its financial close process for April 2022. As a result, the information herein for April 2022 is preliminary and based upon information available to the Company as of the date of this document. During the course of the financial close process, the Company may identify items that would require it to make adjustments, which may impact growth rates and be material to the information presented above.

(b) Includes revenue from Angi Roofing, which was acquired on July 1, 2021.

**Free Cash Flow**

For the three months ended March 31, 2022, net cash from operations decreased \$16.1 million to negative \$0.7 million and Free Cash Flow decreased \$24.2 million to negative \$27.6 million due primarily to lower Adjusted EBITDA and higher capital expenditures.

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
(\$ in millions; rounding differences may occur)		
Net cash (used in) provided by operating activities	\$ (0.7)	\$ 15.3
Capital expenditures	(26.9)	(18.7)
Free Cash Flow	\$ (27.6)	\$ (3.4)

**LIQUIDITY AND CAPITAL RESOURCES**

As of March 31, 2022:

- Angi Inc. had 502.2 million Class A and Class B common shares outstanding.
- IAC's economic interest in Angi Inc. was 84.5% and IAC's voting interest in Angi Inc. was 98.2%.
- Angi Inc. had \$391 million in cash and cash equivalents and \$500 million of debt, which was held at ANGI Group, LLC (a subsidiary of Angi Inc.).

Angi Inc. has 15.0 million shares remaining in its stock repurchase authorization.

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

**VIDEO CONFERENCE CALL**

IAC and Angi Inc. will live stream a joint video conference call to answer questions regarding their first quarter results on Tuesday, May 10, 2022, at 8:30 a.m. Eastern Time. This live stream will include the disclosure of certain information, including forward-looking information, which may be material to an investor's understanding of IAC and Angi Inc.'s business. The live stream will be open to the public at [ir.angi.com](http://ir.angi.com) or [ir.iac.com](http://ir.iac.com).

**DILUTIVE SECURITIES**

Angi Inc. has various dilutive securities. The table below details these securities as well as potential dilution at various stock prices (shares in millions; rounding differences may occur).

	<b>Shares</b>	<b>Avg. Exercise Price</b>	<b>As of 5/6/22</b>	<b>Dilution at:</b>				
Share Price			<b>\$4.11</b>	<b>\$ 5.00</b>	<b>\$ 6.00</b>	<b>\$ 7.00</b>	<b>\$ 8.00</b>	
Absolute Shares as of 5/6/22	502.3		<b>502.3</b>	<b>502.3</b>	<b>502.3</b>	<b>502.3</b>	<b>502.3</b>	<b>502.3</b>
SARs	0.7	\$ 2.85	0.1	0.2	0.2	0.2	0.2	0.3
Options	0.7	\$13.33	0.0	0.0	0.0	0.0	0.0	0.0
RSUs and subsidiary denominated equity awards	20.9		5.5	5.5	5.5	5.5	5.5	5.5
Total Dilution			<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>
% Dilution			1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Total Diluted Shares Outstanding			<b>508.0</b>	<b>508.1</b>	<b>508.1</b>	<b>508.1</b>	<b>508.1</b>	<b>508.1</b>

The dilutive securities presentation is calculated using the method and assumptions described below, which are different from those used for GAAP dilution, which is calculated based on the treasury stock method.

The Company currently settles all equity awards on a net basis; therefore, the dilutive effect is presented as the net number of shares expected to be issued upon exercise or vesting, and in the case of options, assuming no proceeds are received by the Company. Any required withholding taxes are paid in cash by the Company on behalf of the employees assuming a withholding tax rate of 50%. In addition, the estimated income tax benefit from the tax deduction received upon the exercise or vesting of these awards is assumed to be used to repurchase Angi Inc. shares. Assuming all awards were exercised or vested on May 6, 2022, withholding taxes paid by the Company on behalf of the employees upon net settlement would have been \$44.1 million, assuming a stock price of \$4.11 and a 50% withholding rate. The table above assumes no change in the fair value estimate of the non-publicly traded subsidiary denominated equity awards from the values used at March 31, 2022.

**GAAP FINANCIAL STATEMENTS****ANGI INC. CONSOLIDATED STATEMENT OF OPERATIONS**  
(\$ in thousands except per share data)

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Revenue	\$ 436,159	\$ 387,029
Operating costs and expenses:		
Cost of revenue (exclusive of depreciation shown separately below)	98,998	53,828
Selling and marketing expense	225,801	205,840
General and administrative expense	109,655	88,162
Product development expense	17,859	18,047
Depreciation	13,999	15,969
Amortization of intangibles	3,804	5,074
Total operating costs and expenses	470,116	386,920
Operating (loss) income	(33,957)	109
Interest expense	(5,022)	(6,617)
Other expense, net	(391)	(767)
Loss before income taxes	(39,370)	(7,275)
Income tax benefit	6,083	9,289
<b>Net (loss) earnings</b>	<b>(33,287)</b>	<b>2,014</b>
Net earnings attributable to noncontrolling interests	(103)	(83)
<b>Net (loss) earnings attributable to Angi Inc. shareholders</b>	<b>\$ (33,390)</b>	<b>\$ 1,931</b>
<b>Per share information attributable to Angi Inc. shareholders:</b>		
Basic (loss) earnings per share	\$ (0.07)	\$ 0.00
Diluted (loss) earnings per share	\$ (0.07)	\$ 0.00
<b>Stock-based compensation expense by function:</b>		
Selling and marketing expense	\$ 1,239	\$ 1,017
General and administrative expense	9,635	84
Product development expense	2,111	933
Total stock-based compensation expense	\$ 12,985	\$ 2,034

## ANGI INC. CONSOLIDATED BALANCE SHEET

(\$ in thousands)

	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 391,286	\$ 428,136
Accounts receivable, net of reserves	100,043	84,387
Other current assets	67,646	70,548
<b>Total current assets</b>	<b>558,975</b>	<b>583,071</b>
Capitalized software, leasehold improvements and equipment, net	138,032	118,267
Goodwill	913,384	916,039
Intangible assets, net	189,819	193,826
Deferred income taxes	131,240	122,693
Other non-current assets	73,373	76,245
<b>TOTAL ASSETS</b>	<b>\$ 2,004,823</b>	<b>\$ 2,010,141</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 56,558	\$ 38,860
Deferred revenue	55,255	53,834
Accrued expenses and other current liabilities	194,499	183,815
<b>Total current liabilities</b>	<b>306,312</b>	<b>276,509</b>
Long-term debt, net	494,730	494,552
Deferred income taxes	2,269	1,883
Other long-term liabilities	87,079	91,670
Commitments and contingencies		
<b>SHAREHOLDERS' EQUITY:</b>		
Class A common stock	100	100
Class B common stock	422	422
Class C common stock	-	-
Additional paid-in capital	1,361,540	1,350,457
Accumulated deficit	(95,019)	(61,629)
Accumulated other comprehensive income	2,506	3,309
Treasury stock	(166,184)	(158,040)
<b>Total Angi Inc. shareholders' equity</b>	<b>1,103,365</b>	<b>1,134,619</b>
Noncontrolling interests	11,068	10,908
<b>Total shareholders' equity</b>	<b>1,114,433</b>	<b>1,145,527</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 2,004,823</b>	<b>\$ 2,010,141</b>

**ANGI INC. CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(\$ in thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
<b>Net (loss) earnings</b>	\$ (33,287)	\$ 2,014
Adjustments to reconcile net (loss) earnings to net cash (used in) provided by operating activities:		
Provision for credit losses	21,611	19,118
Stock-based compensation expense	12,985	2,034
Depreciation	13,999	15,969
Amortization of intangibles	3,804	5,074
Deferred income taxes	(8,133)	(10,268)
Impairment of long-lived assets and right-of-use assets	22	2,503
Non-cash lease expense	3,352	3,275
Revenue reserves	1,506	2,910
Other adjustments, net	(215)	1,586
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable	(37,757)	(34,638)
Other assets	1,930	(2,702)
Accounts payable and other liabilities	20,601	8,804
Operating lease liabilities	(4,454)	(4,265)
Income taxes payable and receivable	1,909	938
Deferred revenue	1,392	2,993
<b>Net cash (used in) provided by operating activities</b>	<b>(735)</b>	<b>15,345</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(26,903)	(18,743)
Proceeds from maturities of marketable debt securities	-	50,000
Proceeds from sale of fixed assets	87	-
<b>Net cash (used in) provided by investing activities</b>	<b>(26,816)</b>	<b>31,257</b>
<b>Cash flows from financing activities:</b>		
Principal payments on Term Loan	-	(6,875)
Purchase of treasury stock	(8,144)	(4,916)
Withholding taxes paid on behalf of employees on net settled stock-based awards	(1,322)	(48,168)
Purchase of noncontrolling interests	-	(22,938)
<b>Net cash used in financing activities</b>	<b>(9,466)</b>	<b>(82,897)</b>
<b>Total cash used</b>	<b>(37,017)</b>	<b>(36,295)</b>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(205)	384
<b>Net decrease in cash and cash equivalents and restricted cash</b>	<b>(37,222)</b>	<b>(35,911)</b>
Cash and cash equivalents and restricted cash at beginning of period	429,485	813,561
<b>Cash and cash equivalents and restricted cash at end of period</b>	<b>\$ 392,263</b>	<b>\$ 777,650</b>



**RECONCILIATIONS OF GAAP TO NON-GAAP MEASURES**  
*(\$ in millions; rounding differences may occur)*

**RECONCILIATION OF OPERATING (LOSS) INCOME TO ADJUSTED EBITDA**

For the three months ended March 31, 2022						
	Operating loss	Stock-based compensation expense	Depreciation	Amortization of intangibles	Adjusted EBITDA	
North America	\$ (29.7)	\$ 13.0	\$ 13.2	\$ 3.8	\$	0.3
Europe	(4.3)	-	0.8	-		(3.5)
Total	\$ (34.0)	\$ 13.0	\$ 14.0	\$ 3.8	\$	(3.2)

For the three months ended March 31, 2021						
	Operating income (loss)	Stock-based compensation expense	Depreciation	Amortization of intangibles	Adjusted EBITDA	
North America	\$ 9.6	\$ 1.9	\$ 14.6	\$ 5.1	\$	31.2
Europe	(9.5)	0.1	1.4	-		(8.0)
Total	\$ 0.1	\$ 2.0	\$ 16.0	\$ 5.1	\$	23.2

## ***ANGI INC. PRINCIPLES OF FINANCIAL REPORTING***

Angi Inc. reports Adjusted EBITDA and Free Cash Flow, both of which are supplemental measures to U.S. generally accepted accounting principles (“GAAP”). These are among the primary metrics by which we evaluate the performance of our businesses, on which our internal budgets are based and by which management is compensated. 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. These non-GAAP measures 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. Angi Inc. endeavors to compensate for the limitations of the non-GAAP measures presented by providing the comparable GAAP measures with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measures. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measures, which are included in this release. Interim results are not necessarily indicative of the results that may be expected for a full year.

### ***Definitions of Non-GAAP Measures***

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 amortization of intangible assets and impairments of goodwill and intangible assets, 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.

Free Cash Flow is defined as net cash provided by operating activities, less capital expenditures. We believe Free Cash Flow is useful to investors because it represents the cash that our operating businesses generate, before taking into account non-operational cash movements. Free Cash Flow has certain limitations in that it does not represent the total increase or decrease in the cash balance for the period, nor does it represent the residual cash flow for discretionary expenditures. For example, it does not take into account mandatory debt service requirements. Therefore, we think it is important to evaluate Free Cash Flow along with our consolidated statement of cash flows.

### **Non-Cash Expenses That Are Excluded from Adjusted EBITDA**

Stock-based compensation expense consists of expense associated with the grants, including unvested grants assumed in acquisitions, of stock appreciation rights (SARs), restricted stock units (RSUs), stock options and performance-based RSUs and market-based awards. 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. Performance-based RSUs and market-based awards are included only to the extent the applicable performance or market condition(s) have been met (assuming the end of the reporting period is the end of the contingency period). The Company is currently settling all stock-based awards on a net basis and remits the required tax-withholding amounts from its current funds.

Please see page 5 for a summary of our dilutive securities as of May 6, 2022 and a description of the calculation methodology.

Depreciation is a non-cash expense relating to our capitalized software, leasehold improvements and equipment 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 service professional relationships, technology, memberships, customer lists and user base and trade names, 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.

### ***Metric Definitions***

**Angi Ads and Leads Revenue** - Primarily reflects domestic ads and leads revenue, including consumer connection revenue for consumer matches, revenue from service professionals under contract for advertising and membership subscription revenue from service professionals and consumers.

**Angi Services Revenue** – Primarily reflects domestic revenue from pre-priced offerings by which the consumer purchases services directly from Angi Inc. and Angi Inc. engages a service professional to perform the service and includes revenue from Total Home Roofing, Inc. (“Angi Roofing”), which was acquired on July 1, 2021.

**Angi Service Requests** - Fully completed and submitted domestic customer service requests and includes Angi Service requests in the period.

**Angi Monetized Transactions** - Fully completed and submitted domestic customer service requests that were matched to and paid for by a service professional and includes completed and in-process Angi Services jobs in the period.

**Angi Transacting Service Professionals** – The number of service professionals that paid for consumer matches through Angi Leads or performed an Angi Services job during the most recent quarter.

**Angi Advertising Service Professionals** - The number of service professionals under contract for advertising at the end of the period.

## ***OTHER INFORMATION***

### **Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995**

This press release and our live stream, which will be held at 8:30 a.m. Eastern Time on Tuesday, May 10, 2022, may contain "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: the Company's future financial performance, business prospects and strategy, anticipated trends and prospects in the home services industry and other similar matters. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: the impact of the COVID-19 outbreak on our businesses, our ability to compete, the failure or delay of the home services market to migrate online, adverse economic events or trends (particularly those that adversely impact consumer confidence and spending behavior), our ability to establish and maintain relationships with quality service professionals, our ability to build, maintain and/or enhance our various brands, the impact of our brand initiative, our ability to expand Angi Services (pre-priced offerings), our ability to market our various products and services in a successful and cost-effective manner, the continued display of links to websites offering our products and services in a prominent manner in search results, our continued ability to communicate with consumers and service professionals via e-mail (or other sufficient means), our ability to access, share and use personal data about consumers, our ability to develop and monetize versions of our products and services for mobile and other digital devices, any challenge to the contractor classification or employment status of our Handy service professionals, our ability to protect our systems, technology and infrastructure from cyberattacks and to protect personal and confidential user information, the occurrence of data security breaches, fraud and/or additional regulation involving or impacting credit card payments, the integrity, efficiency and scalability of our technology systems and infrastructures (and those of third parties with whom we do business), operational and financial risks relating to acquisitions and our continued ability to identify suitable acquisition candidates, our ability to operate (and expand into) international markets successfully, our ability to adequately protect our intellectual property rights and not infringe the intellectual property rights of third parties, changes in key personnel, various risks related to our relationship with IAC and various risks related to our outstanding indebtedness. Certain of these and other risks and uncertainties are discussed in Angi Inc.'s filings with the Securities and Exchange Commission. Other unknown or unpredictable factors that could also adversely affect Angi Inc.'s 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 Angi Inc.'s management as of the date of this press release. Angi Inc. does not undertake to update these forward-looking statements.

### **About Angi Inc.**

Angi (NASDAQ: ANGI) is your home for everything home—a comprehensive solution for all your home needs. From repairs and renovations to products and financing, Angi is transforming every touch point in the customer journey. With over 25 years of experience and a network of over 200,000 pros, we have helped more than 150 million people with their home needs. Angi is your partner for every part of your home care journey.

### **Contact Us**

#### **IAC/Angi Inc. Investor Relations**

Mark Schneider  
(212) 314-7400

#### **Angi Inc. Corporate Communications**

Mallory Micetich  
(303) 963-8352

#### **IAC Corporate Communications**

Valerie Combs  
(212) 314-7251

#### **Angi Inc.**

3601 Walnut Street, Denver, CO 80205 (303) 963-7200 <http://www.angi.com>