



Angi Inc. Q3 2025 Shareholder Letter

To our shareholders,

As we near the end of 2025, we continue to execute our plan to improve our customer experience, drive jobs done well, and return Angi to revenue growth in both the first quarter and full year of 2026.

Since implementing homeowner choice (pros who receive leads are specifically chosen by the homeowner submitting the service request to Angi), our core customer metrics have, as anticipated, shown strong improvement. In the third quarter:

- Homeowner NPS improved +7 points vs 2024 and is now up +28 points vs 2023.
 - Overall Pro churn improved +7% in the 12 months ending in the third quarter of 2025 versus the 12 months ending in the third quarter of 2024 and is now +26% better vs the comparable period ending in the third quarter of 2023.
 - Our base pro (pros acquired before the prior fiscal year) churn is up ever so slightly (overall base retention fell from 67% to 66% year over year), but has been more than offset by the material improvement in our early retention; cumulative retention of Prior Year Acquired Pros is up over +20% year over year and over +80% versus the same quarter in 2023.
- Our estimated hire rate (the rate at which homeowners placing a service request on our platform hire an Angi pro) is up nearly +10% year over year, and average pro win rate is up nearly +30% - improving value delivered to pros.

Additionally, we have continued to reap the benefits of fixing our commercial engine. In our third quarter:

- Proprietary service request growth accelerated to +11% and proprietary lead growth stayed steady at +16%, in spite of headwinds in the Google SEO channel;
- Revenue per lead growth accelerated to +11% in the third quarter, primarily because we stopped selling the legacy, high-discount Ads product in March; and
- Total pro lifetime value acquired (projected contribution over 3 years at current margins for all new pros sold) continued to grow, up +7% year over year in the quarter,

notwithstanding (45)% lower sales headcount, resulting in net lifetime value sold (total value sold less acquisition costs) up +197% year over year.

These three metrics are the key levers to revenue growth in 2026:

- We expect continued strong proprietary service request growth, driven by online marketing execution and roughly double the television spend, to more than offset softness in the network channel;
- We also expect continued growth in revenue per lead, driven pro network mix shift away from the legacy ads discount; and
- We expect to grow pro capacity, driven by strong sales performance and online self-enrollment for pros, which we launched in the third quarter and are starting to ramp up with a target of doubling nominal pro acquisition by mid-2026.

With our customer experience materially improved and the key levers for growth in 2026 and beyond in place, we are now moving to a single global platform with a targeted completion date of Q1 2027.

- After consolidating from 5 platforms to one in our international business through 5 migrations, we are now embarking on the path to consolidating the remaining 4 platforms globally (1 international and 3 in the U.S.) down to one.
- The first step in our consolidation process - eliminating the legacy Ads platform - will be done early next year. We have already migrated roughly half of our Ads pros to our core US platform; that work will be done in December.
- In the third quarter, we merged our U.S. and international product & technology organizations and shifted the focus of the international teams in particular to the required single platform work.
 - Resource shifts from the international product and business to global platform development are reflected in our higher international segment EBITDA (less expense allocation to that segment) and increased capitalized labor (more expense dedicated to long-term platform work). We expect comparable year-over-year increases in capitalization for the next three quarters and then year-over-year reductions in capital expenditures to follow.
- We expect to come out the other side of our platform transformation faster, leaner and more innovative.

To date, we have been quiet publicly on the AI front, while in the background we have built a strong AI department and applied AI in multiple areas of our product and operations. We have now moved our organization to an AI first approach.

- Multiple AI enabled features are live in our core product today, including:
 - AI helper in the service request path: 33% of homeowners submit a service request through the helper today and convert at a 2.7x higher rate than those who do not - and are an additional 10% more likely to select an Angi pro.
 - The AI helper is a fine-tuned LLM - we have deployed a partner's LLM in combination with our proprietary Q&A and domain knowledge library to more effectively engage with and match the homeowner to the right pro. This approach is core to our strategy in the new AI-powered landscape.
 - Last week we began starting the homeowner immediately in the AI helper, rather than making usage effectively optional;
 - AI enabled software to block spam service requests, reducing spam-related refund requests by +33% and improving the likelihood that an Angi pro will win any given lead we send; and
 - Paid marketing bidding optimization enabled by AI across multiple channels.
- Currently, we are building an AI native application to offer the Angi network to users of the largest LLMs, and we are in discussions with multiple partners on deployment of the technology.
- We are constantly deploying AI in workflows around the company. Examples include coding, design, product prototyping, tools for content creation and marketing assets, tools to identify and prioritize sales prospects, and internal LLMs to accelerate knowledge transfer and strategic alignment.
- We expect to progressively deliver a modern AI-first platform and materially accelerate software development over the next 18 months, improving both customer experience and business efficiency while we do it. We plan to keep our headcount costs flat and scale our productivity with an AI-First approach.

While we work to embed AI in our own products, we are also focused on how we embed Angi into an increasingly AI enabled world. Angi has always delivered the right conversations with first the homeowner and then the pro online to arrange the right offline experience - a job done well. While we have historically helped provide homeowners and pros the bridge from search engines and digital devices to the physical world, we now have the key building blocks to do the same on AI-first platforms - Google's and others. In the end, a pro always needs to get to a home to get a job done well, and our platform, our domain expertise, and our network of skilled,

reliable pros are critical assets well positioned to not only enable that offline connection at a global scale, but also hold the participating parties accountable.

With all of this effort in motion, we still expect to deliver our full year 2025 revenue growth and adjusted EBITDA to end up within our previous ranges of expected outcomes - minus (11)% to minus (13)% on revenue growth and \$140 million to \$145 million on adjusted EBITDA.

- We expect our fourth quarter revenue decline to again improve sequentially from the third quarter, although at the lower end of prior expectations.
- In the third quarter, our revenue decline improved quarter-over-quarter from (12)% to (10)% and we earned \$40 million of adjusted EBITDA. Our growth was impacted, however, by roughly (200) bps of negative impact in our network (80%) and unbranded SEO (20%) channels, and we expect these trends to pull the fourth quarter and the full year to the lower end of our previously stated range.
 - We have already discussed the significant impact we expected and are experiencing on the network channel as a result of the implementation of homeowner choice. In the third quarter, however, our volumes came down more than expected because our partners had less quality volume available which we could buy profitably.
 - As we discussed in our 2nd quarter letter, SEO is declining across the industry and is now down below 10% of our service requests. As Google takes a greater share of the Search Engine Results Page to drive its own revenue and shifts traffic to AI Overviews, the channel is now significantly less important to our future.
- Adjusted EBITDA in the third quarter was above our expectations, given better than expected margin performance, some of which will reverse in the fourth quarter given timing. We continue to expect full year adjusted EBITDA in our previously stated \$140 million to \$145 million range, dependent on the resolution of two matters included in our prior guidance, both of which we had very much believed would finalize earlier this year. While we still have the highest confidence in prevailing in both matters, either or both may slip out of 2025 into 2026, shifting the timing of approximately \$5 million to \$10 million of income, decreasing 2025 and increasing 2026 adjusted EBITDA.

Our overall expectations for growth in 2026 remain unchanged, and we expect to grow revenue in the first quarter and full year of 2026. Additionally, we currently expect modest margin leverage in 2026, with the majority coming through fixed cost discipline, rather than contribution margin expansion, as we expand investment TV and online marketing.

Finally, in terms of capital allocation, we completed our prior repurchase authorization, buying approximately 1.3 million shares for approximately \$20 million between August 4 and October 31; our Board has now approved an incremental authorization of 3.2 million shares.

Over the last two years, we have both materially improved our customer experience and the attendant key metrics and fixed Angi's commercial engine and execution - and we have now put ourselves in position to consolidate our technology platform and move to an AI first organizational approach. We look forward to delivering jobs done well and revenue growth at an accelerating pace in 2026 and beyond.

Thank you very much for your continued support,

Jeff

Non-GAAP Financial Measures

This letter contains references to certain non-GAAP measures, including Adjusted EBITDA. These non-GAAP measures should be considered in conjunction with, but not as a substitute for, financial information presented in accordance with GAAP. Please refer to our Q3 2025 Earnings Release available at <https://ir.angi.com/quarterly-earnings> and furnished on Form 8-K on November 4, 2025, for a complete reconciliation of operating (loss) income to Adjusted EBITDA.

Q3 2025 and FY 2025 Operating Income to Adjusted EBITDA Reconciliation:

<i>(\$ in million)</i>	Q3	2025 Outlook
	2025	FY 2025
Operating income / (loss)	\$22	\$78 - \$92
Depreciation	12	46 - 41
Stock-based compensation expense (a)	6	16 - 12
Adjusted EBITDA	\$40	\$140 - \$145

(a) Stock-based compensation expense reflects the reversal in Q1 2025 of approximately \$10 million of previously recognized stock-based compensation expense in connection with the Employment Transition Agreement, dated as of January 13, 2025, between IAC Inc. and Joseph Levin, in his capacity as CEO of IAC Inc. The expense was previously recognized from October 10, 2022 through April 8, 2024 when Mr. Levin served as CEO of Angi Inc.

Webcast and Conference Call Details

Angi Inc. will host a conference call to answer questions on November 5, 2025, at 8:30 a.m. Eastern Time. This conference call will include the disclosure of certain information, including forward-looking information, which may be material to an investor's understanding of Angi Inc.'s businesses. The conference call will be accessible to the public at ir.angi.com and a recording of the webcast will be made available at the same location. This letter will not be read on the call.

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

This letter and our conference call, which will be held at 8:30 a.m. Eastern Time on Wednesday, November 5, 2025, may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "may," "will," "should," "could," "intend," "target," "project," "continue," "anticipate," "estimate," "expect," "plan," "believe," and "potential" among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: the future financial performance of the Company and its businesses, business prospects and strategy, the timing, development, and expected impact of strategic and product initiatives, including our AI-driven product and a single global platform initiative, future marketing strategy, future capital allocation strategy, our plans and expectations concerning share repurchases, the anticipated benefits of being

an independent public company, 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: (i) the continued migration of the home services market online, (ii) our ability to market our various products and services in a successful and cost-effective manner, (iii) the continued prominence of the display of links to websites offering our products and services in search results, (iv) our ability to expand our pre-priced offerings, while balancing the overall mix of service requests and directory services on Angi platforms, (v) our ability to establish and maintain relationships with quality and trustworthy Pros, (vi) our continued ability to develop and monetize versions of our products and services for mobile and other digital devices, (vii) our ability to access, share, use and protect the personal data of consumers, (viii) our continued ability to communicate with consumers and Pros via e-mail (or other sufficient means), (ix) our ability to continue to generate leads for Pros given changing requirements applicable to certain communications with consumers, (x) any challenge to the contractor classification or employment status of our Pros, (xi) our ability to compete, (xii) unstable market and economic conditions (particularly those that adversely impact advertising spending levels and consumer confidence and spending behavior), either generally and/or in any of the markets in which our businesses operate, as well as geopolitical conflicts, (xiii) our ability to maintain and/or enhance our various brands, (xiv) our ability to protect our systems, technology and infrastructure from cyberattacks (including cyberattacks experienced by third parties with whom we do business), (xv) the occurrence of data security breaches and/or fraud, (xvi) increased liabilities and costs related to the processing, storage, use and disclosure of personal and confidential user information, (xvii) the integrity, quality, efficiency and scalability of our systems, technology and infrastructures (and those of third parties with whom we do business), (xviii) changes in key personnel, (xix) various risks related to our relationship with IAC following the spin-off, (xx) our ability to generate sufficient cash to service our indebtedness and (xxi) certain risks related to ownership of our Class A common stock. Certain of these and other risks and uncertainties are discussed in Angi Inc.'s filings with the Securities and Exchange Commission (the "SEC"), including the most recent Annual Report on Form 10-K filed with the SEC on February 28, 2025, and subsequent reports that Angi Inc. files with the SEC. 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. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed in any forward-looking statements we may make. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this letter.