

ANGI Homeservices
Q4 2017 Earnings
Supplemental Financial Information and Operating Metrics

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ANGI Homeservices
Financial Results and Reconciliations
(\$ in millions; rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
North America	\$ 329.9	\$ 102.1	\$ 121.0	\$ 125.2	\$ 113.6	\$ 461.8	\$ 138.1	\$ 165.5	\$ 167.1	\$ 208.2	\$ 678.9
Europe	31.3	9.4	9.2	8.3	10.1	37.0	12.7	15.2	14.6	15.0	57.5
Revenue	361.2	111.5	130.2	133.6	123.7	498.9	150.7	180.7	181.7	223.2	736.4
Operating costs and expenses											
Cost of revenue (exclusive of depreciation shown separately below)	22.9	6.0	6.7	6.8	6.3	25.9	6.8	7.6	8.0	11.7	34.1
Selling and marketing expense	225.9	74.4	79.6	80.3	72.4	306.7	95.9	110.9	130.9	126.4	464.0
General and administrative expense	86.7	24.3	26.4	29.5	29.9	110.1	36.7	52.2	129.1	82.5	300.4
Product development expense	16.8	4.6	5.2	5.4	5.5	20.6	5.6	6.9	20.0	15.4	47.9
Depreciation	6.6	1.9	1.9	2.0	2.6	8.4	3.0	3.2	3.5	4.8	14.5
Amortization of intangibles	3.8	0.8	0.8	0.7	0.9	3.2	1.4	2.7	2.8	16.4	23.3
Total operating costs and expenses	362.8	112.0	120.7	124.7	117.5	474.8	149.4	183.5	294.2	257.1	884.3
Operating (loss) income (a) (b) (c)	(1.6)	(0.5)	9.5	8.8	6.2	24.1	1.4	(2.8)	(112.5)	(33.9)	(147.9)
Interest expense—third party	-	-	-	-	-	-	-	-	-	(1.8)	(1.8)
Interest expense—related party	(0.3)	(0.1)	-	(0.2)	(0.6)	(0.9)	(1.6)	(2.1)	(1.9)	(0.4)	(6.0)
Other (expense) income, net	(0.4)	(0.3)	(0.2)	0.2	(0.4)	(0.7)	0.2	0.5	1.4	(0.1)	2.0
(Loss) earnings before income taxes	(2.2)	(0.9)	9.3	8.9	5.2	22.5	-	(4.4)	(113.0)	(36.2)	(153.6)
Income tax (provision) benefit	(1.8)	(0.4)	(3.9)	(4.4)	(3.1)	(11.8)	25.9	4.4	40.8	(22.0)	49.1
Net (loss) earnings	(4.0)	(1.2)	5.4	4.5	2.1	10.6	25.9	-	(72.2)	(58.2)	(104.5)
Net loss attributable to noncontrolling interests	2.7	0.6	0.7	0.6	0.7	2.5	0.7	0.3	0.4	-	1.4
Net (loss) earnings attributable to ANGI Homeservices Inc. shareholders	\$ (1.3)	\$ (0.7)	\$ 6.0	\$ 5.1	\$ 2.7	\$ 13.1	\$ 26.6	\$ 0.3	\$ (71.8)	\$ (58.2)	\$ (103.1)
Stock-based compensation expense by function:											
Cost of revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Selling and marketing expense	0.5	0.2	0.2	0.2	0.2	0.9	0.5	0.2	19.7	5.4	25.8
General and administrative expense	6.1	1.7	1.6	1.8	1.7	6.8	3.6	11.3	71.7	21.0	107.7
Product development expense	1.2	0.3	0.3	0.3	0.3	1.2	0.3	0.3	12.5	2.6	15.8
Total stock-based compensation expense	\$ 7.9	\$ 2.2	\$ 2.1	\$ 2.4	\$ 2.2	\$ 8.9	\$ 4.5	\$ 11.8	\$ 104.0	\$ 29.0	\$ 149.2
Net (loss) earnings attributable to ANGI Homeservices Inc. shareholders	\$ (1.3)	\$ (0.7)	\$ 6.0	\$ 5.1	\$ 2.7	\$ 13.1	\$ 26.6	\$ 0.3	\$ (71.8)	\$ (58.2)	\$ (103.1)
Stock-based compensation expense	7.9	2.2	2.1	2.4	2.2	8.9	4.5	11.8	104.0	29.0	149.2
Amortization of intangibles	3.8	0.8	0.8	0.7	0.9	3.2	1.4	2.7	2.8	16.4	23.3
Impact of income taxes and noncontrolling interests	(5.4)	(1.0)	(1.0)	(1.1)	(1.1)	(4.2)	(30.0)	(10.5)	(42.8)	(17.2)	(100.5)
Adjusted Net Income	\$ 5.0	\$ 1.2	\$ 7.9	\$ 7.1	\$ 4.7	\$ 21.0	\$ 2.5	\$ 4.3	\$ (7.8)	\$ (30.1)	\$ (31.1)

ANGI Homeservices
Financial Results and Reconciliations

(\$ in millions; rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ANGI Homeservices Reconciliation of Segment GAAP Measure to Non-GAAP Measure											
Operating income (loss)											
North America (a) (b) (c)	\$ 2.3	\$ 0.7	\$ 10.9	\$ 11.6	\$ 9.3	\$ 32.5	\$ 6.4	\$ 1.8	\$ (107.7)	\$ (29.0)	\$ (128.5)
Europe	(3.9)	(1.2)	(1.4)	(2.7)	(3.0)	(8.4)	(5.0)	(4.6)	(4.8)	(4.9)	(19.4)
Total operating income (loss)	<u>\$ (1.6)</u>	<u>\$ (0.5)</u>	<u>\$ 9.5</u>	<u>\$ 8.8</u>	<u>\$ 6.2</u>	<u>\$ 24.1</u>	<u>\$ 1.4</u>	<u>\$ (2.8)</u>	<u>\$ (112.5)</u>	<u>\$ (33.9)</u>	<u>\$ (147.9)</u>
Stock-based compensation expense											
North America (a) (b)	\$ (6.8)	\$ (1.6)	\$ (1.7)	\$ (2.0)	\$ (1.8)	\$ (7.1)	\$ (4.0)	\$ (11.4)	\$ (103.6)	\$ (28.6)	\$ (147.6)
Europe	(1.1)	(0.5)	(0.4)	(0.4)	(0.5)	(1.8)	(0.5)	(0.4)	(0.4)	(0.3)	(1.7)
Total stock-based compensation expense	<u>\$ (7.9)</u>	<u>\$ (2.2)</u>	<u>\$ (2.1)</u>	<u>\$ (2.4)</u>	<u>\$ (2.2)</u>	<u>\$ (8.9)</u>	<u>\$ (4.5)</u>	<u>\$ (11.8)</u>	<u>\$ (104.0)</u>	<u>\$ (29.0)</u>	<u>\$ (149.2)</u>
Depreciation											
North America	\$ (5.8)	\$ (1.7)	\$ (1.8)	\$ (1.9)	\$ (2.5)	\$ (8.0)	\$ (2.9)	\$ (2.9)	\$ (3.1)	\$ (4.4)	\$ (13.2)
Europe	(0.8)	(0.2)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.3)	(0.4)	(0.5)	(1.3)
Total depreciation	<u>\$ (6.6)</u>	<u>\$ (1.9)</u>	<u>\$ (1.9)</u>	<u>\$ (2.0)</u>	<u>\$ (2.6)</u>	<u>\$ (8.4)</u>	<u>\$ (3.0)</u>	<u>\$ (3.2)</u>	<u>\$ (3.5)</u>	<u>\$ (4.8)</u>	<u>\$ (14.5)</u>
Amortization of intangibles											
North America	\$ (3.3)	\$ (0.7)	\$ (0.7)	\$ (0.6)	\$ (0.5)	\$ (2.5)	\$ (0.9)	\$ (1.0)	\$ (1.1)	\$ (14.8)	\$ (17.8)
Europe	(0.5)	(0.1)	(0.1)	(0.1)	(0.3)	(0.7)	(0.5)	(1.7)	(1.7)	(1.5)	(5.4)
Total amortization of intangibles	<u>\$ (3.8)</u>	<u>\$ (0.8)</u>	<u>\$ (0.8)</u>	<u>\$ (0.7)</u>	<u>\$ (0.9)</u>	<u>\$ (3.2)</u>	<u>\$ (1.4)</u>	<u>\$ (2.7)</u>	<u>\$ (2.8)</u>	<u>\$ (16.4)</u>	<u>\$ (23.3)</u>
Adjusted EBITDA											
North America (a) (b) (c)	\$ 18.2	\$ 4.7	\$ 15.2	\$ 16.1	\$ 14.1	\$ 50.1	\$ 14.2	\$ 17.1	\$ 0.1	\$ 18.8	\$ 50.2
Europe	(1.5)	(0.4)	(0.8)	(2.1)	(2.2)	(5.5)	(4.0)	(2.1)	(2.3)	(2.6)	(11.0)
Total Adjusted EBITDA	<u>\$ 16.7</u>	<u>\$ 4.3</u>	<u>\$ 14.3</u>	<u>\$ 14.0</u>	<u>\$ 11.9</u>	<u>\$ 44.5</u>	<u>\$ 10.2</u>	<u>\$ 15.0</u>	<u>\$ (2.3)</u>	<u>\$ 16.2</u>	<u>\$ 39.2</u>

(a) Q3 2017 operating loss includes \$96.9 million in stock-based compensation expense related primarily to the modification of previously issued HomeAdvisor vested awards and the acceleration of certain Angie's List equity awards in connection with the completion of the HomeAdvisor and Angie's List combination on September 29, 2017 (the "Combination"), as well as \$26.0 million of costs related to the Combination and an incremental \$1.0 million of quarterly public company costs.

(b) Q4 2017 operating loss includes \$25.1 million in stock-based compensation expense related primarily to the modification of previously issued HomeAdvisor unvested awards, which were converted into ANGI Homeservices equity awards, the expense related to previously issued Angie's List equity awards and the acceleration of certain Angie's List equity awards resulting from the termination of employees in connection with the Combination, as well as \$22.0 million of costs related to the Combination (including \$7.6 million of deferred revenue write-offs).

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

ANGI Homeservices

(rounding differences may exist)

	2015	2016					2017				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ANGI Homeservices											
<i>Revenue (\$ in millions)</i>											
Actual											
Marketplace (a)	\$ 296.9	\$ 94.3	\$ 112.8	\$ 116.4	\$ 105.3	\$ 428.9	\$ 129.6	\$ 155.8	\$ 156.6	\$ 139.4	\$ 581.4
Advertising & Other (b)	33.0	7.8	8.2	8.8	8.2	33.0	8.4	9.7	10.5	68.8	97.5
Total North America	\$ 329.9	\$ 102.1	\$ 121.0	\$ 125.2	\$ 113.6	\$ 461.8	\$ 138.1	\$ 165.5	\$ 167.1	\$ 208.2	\$ 678.9
Europe	31.3	9.4	9.2	8.3	10.1	37.0	12.7	15.2	14.6	15.0	57.5
Total ANGI Homeservices revenue	\$ 361.2	\$ 111.5	\$ 130.2	\$ 133.6	\$ 123.7	\$ 498.9	\$ 150.7	\$ 180.7	\$ 181.7	\$ 223.2	\$ 736.4
Pro forma (c)											
Marketplace (a)	\$ 296.9	\$ 94.3	\$ 112.8	\$ 116.4	\$ 105.3	\$ 428.9	\$ 129.6	\$ 155.8	\$ 156.6	\$ 139.4	\$ 581.4
Advertising & Other (b)	377.1	91.7	91.2	88.5	84.9	356.3	81.6	82.5	80.2	76.5	320.7
Total North America	\$ 674.0	\$ 185.9	\$ 204.0	\$ 205.0	\$ 190.2	\$ 785.2	\$ 211.2	\$ 238.2	\$ 236.8	\$ 215.9	\$ 902.1
Europe	31.3	9.4	9.2	8.3	10.1	37.0	12.7	15.2	14.6	15.0	57.5
Total ANGI Homeservices revenue	\$ 705.3	\$ 195.3	\$ 213.2	\$ 213.3	\$ 200.3	\$ 822.2	\$ 223.9	\$ 253.4	\$ 251.4	\$ 230.9	\$ 959.6
<i>ANGI Homeservices Operating Metrics (in thousands)</i>											
Marketplace Service Requests (a) (d)	9,831	2,732	3,695	3,684	3,097	13,208	3,656	5,223	5,023	4,227	18,129
Marketplace Paying Service Professionals (a) (e)	102	116	128	137	143	143	156	164	172	181	181
Angie's List Advertising Service Professionals (f)	50	50	50	51	49	49	49	49	47	45	45

(a) Reflects the HomeAdvisor domestic marketplace service. It excludes other North America operating subsidiaries within the segment.

(b) Includes Angie's List revenue (revenue from service professionals under contract for advertising during the period and Angie's List non-advertising revenue) as well as mHelpDesk, HomeStars and Felix.

(c) Pro Forma results reflect the inclusion of Angie's List revenue for all periods and exclude deferred revenue write-offs of \$0.1 million in Q3 2017 and \$7.6 million in Q4 2017 related to the Combination.

(d) Fully completed and submitted domestic customer service requests on HomeAdvisor.

(e) The number of HomeAdvisor domestic service professionals that had an active membership and/or paid for consumer matches in the last month of the period.

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