As filed with the Securities and Exchange Commission on May 9, 2023

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2023
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________to__________

Commission File No. 001-38220

Angi

Angi Inc.
(Exact name of Registrant as specified in its charter)

Delaware	82-1204801
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3601 Walnut Street, Denver, CO 80205
(Address of Registrant's principal executive offices)
(303) 963-7200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Class A Common Stock, par value $0.001	ANGI	The Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 5, 2023, the following shares of the Registrant's common stock were outstanding:

Class A Common Stock	84,547,999
Class B Common Stock	422,019,247
Class C Common Stock	—
Total outstanding Common Stock	506,567,246

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FINANCIAL INFORMATION

Item 1. ***Consolidated Financial Statements***

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2023	December 31, 2022
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	$ 314,960	$ 321,155
Marketable debt securities	12,495	—
Accounts receivable, net	92,303	93,880
Other current assets	66,574	69,167
Total current assets	486,332	484,202
Capitalized software, leasehold improvements and equipment, net	139,055	153,855
Goodwill	883,734	882,949
Intangible assets, net	175,592	178,105
Deferred income taxes	144,309	145,460
Other non-current assets, net	59,883	63,207
TOTAL ASSETS	$ 1,888,905	$ 1,907,778
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable	$ 31,017	$ 30,862
Deferred revenue	50,244	50,907
Accrued expenses and other current liabilities	188,875	200,015
Total current liabilities	270,136	281,784
Long-term debt, net	495,469	495,284
Deferred income taxes	2,932	2,906
Other long-term liabilities	72,031	76,426
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Class A common stock, $0.001 par value; authorized 2,000,000 shares; issued 104,119 and 102,810 shares, respectively, and outstanding 83,908 and 82,599, respectively	104	103
Class B convertible common stock, $0.001 par value; authorized 1,500,000 shares; 422,019 and 422,019 shares issued and outstanding	422	422
Class C common stock, $0.001 par value; authorized 1,500,000 shares; no shares issued and outstanding	—	—
Additional paid-in capital	1,416,748	1,405,294
Accumulated deficit	(205,404)	(190,079)
Accumulated other comprehensive loss	(711)	(1,172)
Treasury stock, 20,211 and 20,211 shares, respectively	(166,184)	(166,184)
Total Angi Inc. shareholders' equity	1,044,975	1,048,384
Noncontrolling interests	3,362	2,994
Total shareholders' equity	1,048,337	1,051,378
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,888,905	$ 1,907,778

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
	(In thousands, except per share data)	
Revenue	$ 392,407	$ 436,159
Cost of revenue (exclusive of depreciation shown separately below)	42,041	98,998
Gross Profit	350,366	337,161
Operating costs and expenses:		
Selling and marketing expense	204,909	225,801
General and administrative expense	102,518	109,655
Product development expense	25,312	17,859
Depreciation	25,435	13,999
Amortization of intangibles	2,662	3,804
Total operating costs and expenses	360,836	371,118
Operating loss	(10,470)	(33,957)
Interest expense	(5,029)	(5,022)
Other income (expense),net	3,811	(391)
Loss before income taxes	(11,688)	(39,370)
Income tax (provision) benefit	(3,312)	6,083
Net loss	(15,000)	(33,287)
Net earnings attributable to noncontrolling interests	(325)	(103)
Net loss attributable to Angi Inc. shareholders	$ (15,325)	$ (33,390)
Per share information attributable to Angi Inc. shareholders:		
Basic loss per share	$ (0.03)	$ (0.07)
Diluted loss per share	$ (0.03)	$ (0.07)
Stock-based compensation expense by function:		
Selling and marketing expense	$ 1,280	$ 1,239
General and administrative expense	8,898	9,635
Product development expense	2,699	2,111
Total stock-based compensation expense	$ 12,877	$ 12,985

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Net loss	$ (15,000)	$ (33,287)
Other comprehensive income (loss):		
Change in foreign currency translation adjustment	502	(746)
Change in unrealized gains on available-for-sale marketable debt securities	2	—
Total other comprehensive income (loss)	504	(746)
Comprehensive loss	(14,496)	(34,033)
Components of comprehensive income attributable to noncontrolling interests:		
Net earnings attributable to noncontrolling interests	(325)	(103)
Change in foreign currency translation adjustment attributable to noncontrolling interests	(43)	(57)
Comprehensive income attributable to noncontrolling interests	(368)	(160)
Comprehensive loss attributable to Angi Inc. shareholders	$ (14,864)	$ (34,193)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three Months Ended March 31, 2023 and 2022
(Unaudited)

	Class A Common Stock $0.001 Par Value		Class B Convertible Common Stock $0.001 Par Value		Class C Common Stock $0.001 Par Value								
	$	Shares	$	Shares	$	Shares	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
	(In thousands)												
Balance as of December 31, 2022	$ 103	102,811	$ 422	422,019	$ —	—	$ 1,405,294	$ (190,079)	$ (1,172)	$ (166,184)	$ 1,048,384	$ 2,994	$ 1,051,378
Net (loss) earnings	—	—	—	—	—	—	—	(15,325)	—	—	(15,325)	325	(15,000)
Other comprehensive income, net of tax	—	—	—	—	—	—	—	—	461	—	461	43	504
Stock-based compensation expense	—	—	—	—	—	—	13,870	—	—	—	13,870	—	13,870
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	1	1,308	—	—	—	—	(2,411)	—	—	—	(2,410)	—	(2,410)
Other	—		—	—	—	—	(5)	—	—	—	(5)	—	(5)
Balance as of March 31, 2023	$ 104	104,119	$ 422	422,019	$ —	—	$ 1,416,748	$ (205,404)	$ (711)	$ (166,184)	$ 1,044,975	$ 3,362	$ 1,048,337
Balance as of December 31, 2021	$ 100	99,745	$ 422	422,019	$ —	—	$ 1,350,457	$ (61,629)	$ 3,309	$ (158,040)	$ 1,134,619	$ 10,908	$ 1,145,527
Net (loss) earnings	—	—	—	—	—	—	—	(33,390)	—	—	(33,390)	103	(33,287)
Other comprehensive (loss) income	—	—	—	—	—	—	—	—	(803)	—	(803)	57	(746)
Stock-based compensation expense	—	—	—	—	—	—	13,556	—	—	—	13,556	—	13,556
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	681	—	—	—	—	(2,473)	—	—	—	(2,473)	—	(2,473)
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	(8,144)	(8,144)	—	(8,144)
Balance as of March 31, 2022	$ 100	100,426	$ 422	422,019	$ —	—	$ 1,361,540	$ (95,019)	$ 2,506	$ (166,184)	$ 1,103,365	$ 11,068	$ 1,114,433

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (15,000)	$ (33,287)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Provision for credit losses	24,872	21,611
Stock-based compensation expense	12,877	12,985
Depreciation	25,435	13,999
Amortization of intangibles	2,662	3,804
Deferred income taxes	1,147	(8,133)
Non-cash lease expense (including impairment of right-of-use assets)	3,672	3,352
Other adjustments, net	(433)	(193)
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable	(23,187)	(37,769)
Other assets	1,740	1,930
Accounts payable and other liabilities	(9,829)	22,119
Operating lease liabilities	(5,074)	(4,454)
Income taxes payable and receivable	843	1,909
Deferred revenue	(665)	1,392
Net cash provided by (used in) operating activities	19,060	(735)
Cash flows from investing activities:		
Capital expenditures	(11,862)	(26,903)
Purchases of marketable debt securities	(12,362)	—
Proceeds from sales of fixed assets	68	87
Net cash used in investing activities	(24,156)	(26,816)
Cash flows from financing activities:		
Purchases of treasury stock	—	(8,144)
Withholding taxes paid on behalf of employees on net settled stock-based awards	(1,379)	(1,322)
Net cash used in financing activities	(1,379)	(9,466)
Total cash used	(6,475)	(37,017)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	179	(205)
Net decrease in cash and cash equivalents and restricted cash	(6,296)	(37,222)
Cash and cash equivalents and restricted cash at beginning of period	322,136	429,485
Cash and cash equivalents and restricted cash at end of period	$ 315,840	$ 392,263

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Angi Inc. connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. During the three months ended March 31, 2023, over 206,000 transacting service professionals actively sought consumer matches, completed jobs, or advertised work through Angi Inc. platforms. Additionally, consumers turned to at least one of our brands to find a service professional for approximately 29 million projects during the twelve months ended March 31, 2023.

The Company has four operating segments: (i) Ads and Leads; (ii) Services; (iii) Roofing; and (iv) International (consisting of businesses in Europe and Canada) and operates under multiple brands including Angi, HomeAdvisor, Handy, Total Home Roofing, and Angi Roofing.

Ads and Leads provides service professionals the capability to engage with potential customers, including quote and invoicing services, and provides consumers with tools and resources to help them find local, pre-screened and customer-rated service professionals nationwide for home repair, maintenance and improvement projects. Services consumers can request household services directly through the Angi platform and Angi fulfills the request through the use of independently established home services providers engaged in a trade, occupation and/or business that customarily provides such services. The matching and pre-priced booking services and related tools and directories are provided to consumers free of charge. Roofing provides roof replacement and repair services through its wholly-owned subsidiary Angi Roofing, LLC.

As used herein, “Angi,” the “Company,” “we,” “our,” “us,” and similar terms refer to Angi Inc. and its subsidiaries (unless the context requires otherwise).

At March 31, 2023, IAC Inc., formerly known as IAC/InterActiveCorp (“IAC”) owned 83.9% and 98.1% of the economic interest and voting interest, respectively, of the Company.

Basis of Presentation and Consolidation

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”). The consolidated financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. All intercompany transactions and balances between and among the Company and its subsidiaries have been eliminated. See “Note 10—Related Party Transactions with IAC” for information on transactions between Angi and IAC.

The Company is included within IAC’s tax group for purposes of federal and consolidated state income tax return filings. For the purpose of these financial statements, income taxes have been computed on an as if standalone, separate return basis. Any differences between taxes currently payable to or receivable from IAC under the tax sharing agreement between the Company and IAC and the current tax provision or benefit computed on an as if standalone, separate return basis for GAAP are reflected as adjustments to additional paid-in capital and as financing activities within the statement of cash flows.

In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all adjustments, consisting of normal and recurring adjustments, necessary for the fair presentation of the Company's consolidated financial position, consolidated results of operations and consolidated cash flows for the periods presented. Interim results are not necessarily indicative of the results that may be expected for the full year. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Segment Changes

As a result of management’s continued assessments of reporting structure, there was a decision in the fourth quarter of 2022 to refine segments to more effectively measure the businesses’ performance. Management has identified four reportable segments with discrete financial results to appropriately match operating costs to the revenues generated for these businesses (Ads and Leads, Services, Roofing and International). Our financial information for the first quarter of 2022 has been recast to conform to the current period presentation.

Accounting Estimates

Management of the Company is required to make certain estimates, judgments, and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments, and assumptions impact the reported amounts of assets, liabilities, revenue, and expenses and the related disclosure of assets and liabilities. Actual results could differ from these estimates.

On an ongoing basis, the Company evaluates its estimates and judgments, including those related to: the fair values of cash equivalents and marketable debt securities; the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of the customer relationship period for certain costs to obtain a contract with a customer; the recoverability of right-of-use assets ("ROU assets"); the useful lives and recoverability of definite-lived intangible assets and capitalized software, leasehold improvements, and equipment; the recoverability of goodwill and indefinite-lived intangible assets; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates and judgments on historical experience, its forecasts and budgets, and other factors that the Company considers relevant.

General Revenue Recognition

The Company accounts for a contract with a customer when it has approval and commitment from all parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when control of the promised goods or services is transferred to the Company's customers and in the amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The Company's disaggregated revenue disclosures are presented in "Note 7—Segment Information."

From January 1, 2020 through December 31, 2022, Services recorded revenue on a gross basis. Effective January 1, 2023, we modified the Services terms and conditions so that the service professional, rather than Angi Inc., has the contractual relationship with the consumer to deliver the service and our performance obligation to the consumer is to connect them with the service professional. This change in contractual terms requires revenue be reported as the net amount of what is received from the consumer after deducting the amounts owed to the service professional providing the service effective for all arrangements entered into after December 31, 2022. This change in accounting treatment resulted in a decrease in revenue of $25.7 million for the three months ended March 31, 2023. There is no impact to operating loss or Adjusted EBITDA from this change in revenue recognition.

Deferred Revenue

Deferred revenue consists of payments that are received or are contractually due in advance of the Company's performance obligation. The Company's deferred revenue is reported on a contract-by-contract basis at the end of each reporting period. The Company classifies deferred revenue as current when the remaining term or expected completion of its performance obligation is one year or less. At December 31, 2022, the current and non-current deferred revenue balances were $50.9 million and $0.1 million, respectively, and during the three months ended March 31, 2023, the Company recognized $31.9 million of revenue that was included in the deferred revenue balance as of December 31, 2022. At December 31, 2021, the current and non-current deferred revenue balances were $53.8 million and $0.1 million, respectively, and during the three months ended March 31, 2022, the Company recognized $35.5 million of revenue that was included in the deferred revenue balance as of December 31, 2021.

The current and non-current deferred revenue balances at March 31, 2023 are $50.2 million and less than $0.1 million, respectively. Non-current deferred revenue is included in "Other long-term liabilities" in the accompanying consolidated balance sheet.

Practical Expedients and Exemptions

For contracts that have an original duration of one year or less, the Company uses the practical expedient available under Accounting Standards Codification ("ASC") ASC 606, applicable to such contracts and does not consider the time value of money.

In addition, as permitted under the practical expedient available under ASC 606, the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which the Company recognizes revenue at the amount which the Company has the right to invoice for services performed.

Assets Recognized from the Costs to Obtain a Contract with a Customer

The Company uses a portfolio approach to assess the accounting treatment of the incremental costs to obtain a contract with a customer. The Company recognizes an asset for these costs if we expect to recover those costs. To the extent that these costs are capitalized, the resultant asset is amortized on a systematic basis consistent with the pattern of the transfer of the services to which the asset relates.

The Company has determined that commissions paid to employees pursuant to certain sales incentive programs meet the requirements to be capitalized as the incremental costs to obtain a contract with a customer. When customer renewals are expected and the renewal commission is not commensurate with the initial commission, the average customer life includes renewal periods. Capitalized commissions paid to employees pursuant to these sales incentive programs are amortized over the estimated customer relationship period and are included in "Selling and marketing expense" in the accompanying statement of operations. The Company calculates the anticipated customer relationship period as the average customer life, which is based on historical data.

For sales incentive programs where the anticipated customer relationship period is one year or less, the Company has elected the practical expedient to expense the commissions as incurred.

The current capitalized sales commissions are $33.8 million and $37.2 million at March 31, 2023 and December 31, 2022, respectively. The non-current capitalized sales commissions are $2.5 million and $1.9 million at March 31, 2023 and December 31, 2022, respectively. The current and non-current capitalized sales commissions are included in "Other current assets" and "Other non-current assets" in the accompanying balance sheet.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.
- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.
- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

The Company's non-financial assets, such as goodwill, intangible assets, ROU assets, capitalized software, leasehold improvements and equipment are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Recent Accounting Pronouncements

There are no recently issued accounting pronouncements adopted or that have not yet been adopted by the Company that are expected to have a material effect on the results of operations, financial condition, or cash flows of the Company.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2—INCOME TAXES

The Company is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In all periods presented, the income tax provision and/or benefit has been computed for the Company on an as if standalone, separate return basis and payments to and refunds from IAC for the Company's share of IAC's consolidated federal and state tax return liabilities/receivables calculated on this basis have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows. The tax sharing agreement between the Company and IAC governs the parties' respective rights, responsibilities and obligations with respect to tax matters, including responsibility for taxes attributable to the Company, entitlement to refunds, allocation of tax attributes and other matters and, therefore, ultimately governs the amount payable to or receivable from IAC with respect to income taxes. Any differences between taxes currently payable to or receivable from IAC under the tax sharing agreement and the current tax provision or benefit computed on an as if standalone, separate return basis for GAAP are reflected as adjustments to additional paid-in capital in the consolidated statement of shareholders' equity and financing activities within the consolidated statement of cash flows.

At the end of each interim period, the Company estimates the annual expected effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects are individually computed and recognized in the interim period in which they occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of a beginning-of-the-year deferred tax asset in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

The computation of the annual expected effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of the realization of deferred tax assets generated in the current year. The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or the Company's tax environment changes. To the extent that the expected annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in income tax provision or benefit in the quarter in which the change occurs.

For the three months ended March 31, 2023, the Company recorded an income tax provision of $3.3 million, despite a pre-tax loss, due primarily to nondeductible stock-based compensation, foreign income taxed at different rates, and state taxes, partially offset by research credits. For the three months ended March 31, 2022, the Company recorded an income tax benefit of $6.1 million, which represents an effective income tax rate of 15%. For the three months ended March 31, 2022, the effective income tax rate is lower than the statutory rate of 21% due primarily to tax shortfalls generated by the exercise and vesting for stock-based awards and foreign income taxed at different rates.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. Accruals for interest are not material and there are currently no accruals for penalties.

The Company's income taxes are routinely under audit by federal, state, local and foreign authorities as a result of previously filed separate company and consolidated tax returns with IAC. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service ("IRS") has completed its audit of IAC's federal income tax returns for the years ended December 31, 2013 through 2019, which includes the operations of the Company. The settlement of these tax years has been submitted to the Joint Committee of Taxation for approval. The statutes of limitations for the years 2013 through 2019 have been extended to

December 31, 2023. Returns filed in various other jurisdictions are open to examination for various tax years beginning with 2014. Income taxes payable include unrecognized tax benefits considered sufficient to pay assessments that may result from examination of prior year tax returns. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may not accurately anticipate actual outcomes and, therefore, may require periodic adjustment. Although management currently believes changes in unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

At March 31, 2023 and December 31, 2022, the Company has unrecognized tax benefits of $6.6 million and $6.2 million, respectively; all of which are for tax positions included in IAC's consolidated tax return filings. If unrecognized tax benefits at March 31, 2023 are subsequently recognized, the income tax provision would be reduced by $6.2 million. The comparable amount as of December 31, 2022 is $5.8 million.

The Company regularly assesses the realizability of deferred tax assets considering all available evidence including, to the extent applicable, the nature, frequency and severity of prior cumulative losses, forecasts of future taxable income, tax filing status, the duration of statutory carryforward periods, available tax planning and historical experience. At March 31, 2023, the Company has a U.S. gross deferred tax asset of $205.6 million that the Company expects to fully utilize on a more likely than not basis. Of this amount, $22.8 million will be utilized upon the future reversal of deferred tax liabilities and the remaining net deferred tax asset of $182.8 million will be utilized based on forecasts of future taxable income. The Company's most significant net deferred tax asset relates to U.S. federal net operating loss ("NOL") carryforwards of $108.0 million. The Company expects to generate sufficient future taxable income of at least $514.5 million prior to the expiration of these NOLs, the majority of which expire between 2032 and 2037, and a portion of which never expire, to fully realize this deferred tax asset.

NOTE 3—FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Marketable Debt Securities

At March 31, 2023, current available-for-sale marketable debt securities were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Treasury discount notes	$ 12,493	$ 2	$ —	$ 12,495
Total available-for-sale marketable debt securities	$ 12,493	$ 2	$ —	$ 12,495

The contractual maturities of debt securities classified as current available-for-sale at March 31, 2023 are within one year.

The Company did not hold any available-for-sale marketable debt securities at December 31, 2022.

Fair Value Measurements

Instruments measured at fair value on a recurring basis

Cash and cash equivalents are measured at fair value and classified within Level 1 and Level 2 in the fair value hierarchy, because we use quoted prices for identical assets in active markets.

The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

	March 31, 2023			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 213,747	$ —	$ —	$ 213,747
Treasury discount notes	—	24,917	—	24,917
Marketable debt securities:				
Treasury discount notes	—	12,495	—	12,495
Total	$ 213,747	$ 37,412	$ —	$ 251,159

	December 31, 2022			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 189,000	$ —	$ —	$ 189,000
Treasury discount notes	—	24,961	—	24,961
Total	$ 189,000	$ 24,961	$ —	$ 213,961

Assets measured at fair value on a nonrecurring basis

The Company’s non-financial assets, such as goodwill, intangible assets, ROU assets, capitalized software, leasehold improvements and equipment are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Financial instruments measured at fair value only for disclosure purposes

The following table presents the carrying value and the fair value of financial instruments measured at fair value only for disclosure purposes:

	March 31, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, net [(a)]	$ (495,469)	$ (386,250)	$ (495,284)	$ (368,750)

(a) At March 31, 2023 and December 31, 2022, the carrying value of long-term debt, net includes unamortized debt issuance costs of $4.5 million and $4.7 million, respectively.

The fair value of long-term debt is estimated using observable market prices or indices for similar liabilities, which are Level 2 inputs.

NOTE 4—LONG-TERM DEBT

Long-term debt consists of:

	March 31, 2023	December 31, 2022
	(In thousands)	
3.875% ANGI Group Senior Notes due August 15, 2028 ("ANGI Group Senior Notes"); interest payable each February 15 and August 15	$ 500,000	$ 500,000
Less: unamortized debt issuance costs	4,531	4,716
Total long-term debt, net	$ 495,469	$ 495,284

ANGI Group Senior Notes

ANGI Group, LLC ("ANGI Group"), a direct wholly-owned subsidiary of Angi Inc., issued the ANGI Group Senior Notes on August 20, 2020. At any time prior to August 15, 2023, these notes may be redeemed at a redemption price equal to the sum of the principal amount thereof, plus accrued and unpaid interest and a make-whole premium. Thereafter, these notes may be redeemed at the redemption prices, plus accrued and unpaid interest thereon, if any, to the applicable redemption date set forth in the indenture governing the notes.

The indenture governing the ANGI Group Senior Notes contains a covenant that would limit ANGI Group's ability to incur liens for borrowed money in the event a default has occurred or ANGI Group's secured leverage ratio exceeds 3.75 to 1.0, provided that ANGI Group is permitted to incur such liens under certain permitted credit facilities indebtedness notwithstanding the ratio, all as defined in the indenture. At March 31, 2023, there were no limitations pursuant thereto.

NOTE 5—ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following tables presents the components of accumulated other comprehensive (loss) income and items reclassified out of accumulated other comprehensive (loss) income into earnings:

	Three Months Ended March 31,				
	2023			2022	
	Foreign Currency Translation Adjustment	Unrealized Gains on Available-For-Sale Debt Securities	Accumulated Other Comprehensive Loss	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income
	(In thousands)				
Balance at January 1	$ (1,172)	$ —	$ (1,172)	$ 3,309	$ 3,309
Other comprehensive income (loss)	459	2	461	(803)	(803)
Balance at March 31	$ (713)	$ 2	$ (711)	$ 2,506	$ 2,506

At March 31, 2023 there was an inconsequential amount of tax provision on the accumulated other comprehensive income.

At March 31, 2022 there was no tax benefit or provision on the accumulated other comprehensive loss.

NOTE 6—LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:

	Three Months Ended March 31,			
	2023		2022	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator:				
Net loss	$ (15,000)	$ (15,000)	$ (33,287)	$ (33,287)
Net earnings attributable to noncontrolling interests	(325)	(325)	(103)	(103)
Net loss attributable to Angi Inc. Class A and Class B Common Stock shareholders	$ (15,325)	$ (15,325)	$ (33,390)	$ (33,390)
Denominator:				
Weighted average basic Class A and Class B common stock shares outstanding	505,033	505,033	502,005	502,005
Dilutive securities [(a) (b)]	—	—	—	—
Denominator for loss per share—weighted average shares	505,033	505,033	502,005	502,005
Loss per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:				
Loss per share	$ (0.03)	$ (0.03)	$ (0.07)	$ (0.07)

(a) If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock options and subsidiary denominated equity and vesting of restricted stock units ("RSUs"). For the three months ended March 31, 2023 and 2022, 29.6 million and 25.1 million of potentially dilutive securities, respectively, were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding were used to compute all earnings per share amounts.

(b) Market-based awards and performance-based stock units ("PSUs") are considered contingently issuable shares. Shares issuable upon exercise or vesting of market-based awards and PSUs are included in the denominator for earnings per share if (i) the applicable market or performance condition(s) has been met and (ii) the inclusion of the market-based awards and PSUs is dilutive for the respective reporting periods. For the three months ended March 31, 2023 and 2022, 0.9 million and 4.5 million underlying market-based awards and PSUs, respectively, were excluded from the calculation of diluted earnings per share because the market or performance condition(s) had not been met.

NOTE 7—SEGMENT INFORMATION

The Company has determined its operating segments consistent with how the chief operating decision maker views the businesses. Additionally, the Company considers how the businesses are organized as to segment management and the focus of the businesses with regards to the types of services or products offered or the target market.

As a result of management's continued assessments of reporting structure, there was a decision in the fourth quarter of 2022 to refine segments to more effectively measure the businesses' performance. Management has identified four reportable segments with discrete financial results to appropriately match operating costs to the revenues generated for these businesses (Ads and Leads, Services, Roofing and International). Our financial information for prior periods has been recast to conform to the current period presentation.

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents revenue by reportable segment:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Revenue:		
Domestic		
Ads and Leads	$ 293,506	$ 294,746
Services	32,059	76,450
Roofing	38,372	36,687
Intersegment eliminations [(a)]	(1,462)	(1,677)
Total Domestic	362,475	406,206
International	29,932	29,953
Total	$ 392,407	$ 436,159

(a) Intersegment eliminations related to Ads and Leads revenue earned from sales to Roofing.

The following table presents the revenue of the Company’s segments disaggregated by type of service:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Domestic		
Ads and Leads:		
Consumer connection revenue	$ 212,935	$ 214,347
Advertising revenue	67,181	63,902
Membership subscription revenue	13,199	16,237
Other revenue	191	260
Total Ads and Leads revenue	293,506	294,746
Services revenue	32,059	76,450
Roofing revenue	38,372	36,687
Intersegment eliminations [(a)]	(1,462)	(1,677)
Total Domestic revenue	362,475	406,206
International		
Consumer connection revenue	24,745	21,803
Service professional membership subscription revenue	5,058	7,856
Advertising and other revenue	129	294
Total International revenue	29,932	29,953
Total revenue	$ 392,407	$ 436,159

(a) Intersegment eliminations related to Ads and Leads revenue earned from sales to Roofing.

Geographic information about revenue and long-lived assets is presented below.

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Revenue		
United States	$ 362,226	$ 405,508
All other countries	30,181	30,651
Total	$ 392,407	$ 436,159

	March 31, 2023	December 31, 2022
	(In thousands)	
Long-lived assets (excluding goodwill, intangible assets, and ROU assets):		
United States	$ 133,403	$ 147,322
All other countries	5,652	6,533
Total	$ 139,055	$ 153,855

The following tables present operating income (loss) and Adjusted EBITDA by reportable segment:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Operating income (loss):		
Ads and Leads	$ 13,480	$ 15,486
Services	(12,452)	(25,750)
Roofing	411	(6,150)
Corporate	(14,939)	(13,022)
International	3,030	(4,521)
Total	$ (10,470)	$ (33,957)

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Adjusted EBITDA[(b)]:		
Ads and Leads	$ 39,851	$ 34,325
Services	$ (2,168)	$ (18,567)
Roofing	$ 821	$ (5,026)
Corporate	$ (12,354)	$ (10,450)
International	$ 4,354	$ (3,451)

(b) The Company’s primary financial measure and GAAP segment measure is Adjusted EBITDA, which is defined as operating income (loss) 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.

The following tables reconcile operating income (loss) for the Company’s reportable segments and net loss attributable to Angi Inc. shareholders to Adjusted EBITDA:

	Three Months Ended March 31, 2023				
	Operating Income (Loss)	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA[(b)]
	(In thousands)				
Ads and Leads	$ 13,480	$ 5,491	$ 18,218	$ 2,662	$ 39,851
Services	(12,452)	$ 4,209	$ 6,075	$ —	$ (2,168)
Roofing	411	$ 165	$ 245	$ —	$ 821
Corporate	(14,939)	$ 2,585	$ —	$ —	$ (12,354)
International	3,030	$ 427	$ 897	$ —	$ 4,354
Operating loss	(10,470)				
Interest expense	(5,029)				
Other income, net	3,811				
Loss before income taxes	(11,688)				
Income tax provision	(3,312)				
Net loss	(15,000)				
Net earnings attributable to noncontrolling interests	(325)				
Net loss attributable to Angi Inc. shareholders	$ (15,325)				

	Three Months Ended March 31, 2022				
	Operating Income (Loss)	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA[(b)]
	(In thousands)				
Ads and Leads	$ 15,486	$ 4,920	$ 11,257	$ 2,662	$ 34,325
Services	(25,750)	$ 4,540	$ 1,668	$ 975	$ (18,567)
Roofing	(6,150)	$ 830	$ 127	$ 167	$ (5,026)
Corporate	(13,022)	$ 2,572	$ —	$ —	$ (10,450)
International	(4,521)	$ 123	$ 947	$ —	$ (3,451)
Operating loss	(33,957)				
Interest expense	(5,022)				
Other expense, net	(391)				
Loss before income taxes	(39,370)				
Income tax benefit	6,083				
Net loss	(33,287)				
Net earnings attributable to noncontrolling interests	(103)				
Net loss attributable to Angi Inc. shareholders	$ (33,390)				

NOTE 8—CONSOLIDATED FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the accompanying balance sheet to the total amounts shown in the accompanying statement of cash flows:

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	March 31, 2023	December 31, 2022	March 31, 2022	December 31, 2021
	(In thousands)			
Cash and cash equivalents	$ 314,960	$ 321,155	$ 391,286	$ 428,136
Restricted cash included in other current assets	—	107	92	156
Restricted cash included in other non-current assets	880	874	885	1,193
Total cash and cash equivalents, and restricted cash as shown on the consolidated statement of cash flows	$ 315,840	$ 322,136	$ 392,263	$ 429,485

Restricted cash included in “Other current assets” in the accompanying consolidated balance sheets at December 31, 2022 and March 31, 2022 primarily consisted of cash reserved to fund insurance claims.

Restricted cash included in “Other current assets” in the accompanying consolidated balance sheet at December 31, 2021 primarily consisted of funds collected from services providers for disputed payments which were not settled as of the period end, in addition to cash reserved to fund insurance claims.

Restricted cash included in "”Other non-current assets” in the accompanying consolidated balance sheets for all periods presented above primarily consisted of deposits related to leases. Restricted cash included in "”Other non-current assets” in the accompanying consolidated balance sheet at December 31, 2021 also included cash held related to a check endorsement guarantee for Roofing.

Credit Losses

The following table presents the changes in the allowance for credit losses for the three months ended March 31, 2023 and 2022:

	2023	2022
	(In thousands)	
Balance at January 1	$ 43,160	$ 33,652
Current period provision for credit losses	24,872	21,611
Write-offs charged against the allowance for credit losses	(28,608)	(21,396)
Recoveries collected	1,402	1,213
Balance at March 31	$ 40,826	$ 35,080

Accumulated Amortization and Depreciation

The following table provides the accumulated amortization and depreciation within the consolidated balance sheet:

Asset Category	March 31, 2023	December 31, 2022
	(In thousands)	
Right-of-use assets (included in “other non-current assets”)	$ 65,474	$ 61,818
Capitalized software, leasehold improvements, and equipment	$ 162,645	$ 146,608
Intangible assets	$ 175,136	$ 172,341

Other income (expense), net

	Three Months Ended March 31,	
	2023	2022
Interest income	$ 3,423	$ 64
Foreign exchange gains (losses)	387	(456)
Other	1	1
Other income (expense), net	$ 3,811	$ (391)

NOTE 9—CONTINGENCIES

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes accruals for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. The total accrual for legal matters is $17.7 million at March 31, 2023. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable and, therefore, no accrual is established. Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including uncertain income tax positions and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See "Note 2—Income Taxes" for additional information related to uncertain income tax positions.

NOTE 10—RELATED PARTY TRANSACTIONS WITH IAC

Allocation of CEO Compensation and Certain Expenses

Joseph Levin, CEO of IAC and Chairman of Angi, was appointed CEO of Angi on October 10, 2022. As a result, for the three months ended March 31, 2023, IAC allocated $2.3 million in costs to Angi (including salary, benefits, stock-based compensation and costs related to the CEO's office). These costs were allocated from IAC based upon time spent on Angi by Mr. Levin. Management considers the allocation method to be reasonable. The allocated costs also include costs directly attributable to the Company that were initially paid for by IAC and billed by IAC to the Company.

Additionally, Angi and IAC have entered into certain agreements to govern their relationship. These agreements include: a contribution agreement; an investor rights agreement; a services agreement; a tax sharing agreement; and an employee matters agreement.

For the three months ended March 31, 2023 and 2022, the Company was charged $1.5 million and $0.4 million, respectively, by IAC for services rendered pursuant to the services agreement. There were no outstanding receivables pursuant to the services agreement at March 31, 2023 and December 31, 2022. There were no outstanding payables pursuant to the services agreement at March 31, 2023 and $0.8 million in outstanding payables pursuant to the services agreement at December 31, 2022.

Additionally, the Company subleases office space to IAC and charged IAC $0.4 million of rent for the three months ended March 31, 2023 and 2022. IAC subleases office space to the Company and charged the Company $0.3 million of rent for the three months ended March 31, 2023. At March 31, 2023 and December 31, 2022, there were no outstanding receivables or payables pursuant to the sublease agreements.

At March 31, 2023 and December 31, 2022, the Company had outstanding payables of $1.8 million and $1.4 million, respectively, due to IAC pursuant to the tax sharing agreement, which are included in "Accrued expenses and other current liabilities," in the accompanying consolidated balance sheet. There were no payments to or refunds from IAC pursuant to this agreement during the three months ended March 31, 2023 and 2022.

For the three months ended March 31, 2023 and 2022, no shares of Angi Inc. Class B common stock were issued to IAC pursuant to the employee matters agreement as reimbursement for shares of IAC common stock issued in connection with the exercise and vesting of IAC equity awards held by Angi Inc. employees. For the three months ended March 31, 2023 and 2022, no shares of Angi Inc. Class A common stock were issued to IAC pursuant to the employee matters agreement as reimbursement for IAC common stock issued in connection with the exercise and settlement of certain Angi Inc. stock appreciation rights.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

GENERAL

Management Overview

Angi Inc. ("Angi," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. Approximately 206,000 transacting service professionals actively sought consumer matches, completed jobs, or advertised work through Angi Inc. platforms during the three months ended March 31, 2023. Additionally, consumers turned to at least one of our brands to find a professional for approximately 29 million projects during the twelve months ended March 31, 2023.

The Company has four operating segments: (i) Ads and Leads; (ii) Services; (iii) Roofing; and (iv) International (consisting of businesses in Europe and Canada) and operates under multiple brands including Angi, HomeAdvisor, Handy, Total Home Roofing, and Angi Roofing.

Ads and Leads provides service professionals the capability to engage with potential customers, including quote and invoicing services, and provides consumers with tools and resources to help them find local, pre-screened and customer-rated service professionals nationwide for home repair, maintenance and improvement projects. Services consumers can request household services directly through the Angi platform and Angi fulfills the request through the use of independently established home services providers engaged in a trade, occupation and/or business that customarily provides such services. The matching and pre-priced booking services and related tools and directories are provided to consumers free of charge. Roofing provides roof replacement and repair services through its wholly-owned subsidiary Angi Roofing, LLC.

For a more detailed description of the Company's operating businesses, see the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Defined Terms and Operating Metrics:

Unless otherwise indicated or as the context otherwise requires, certain terms, which include the principal operating metrics we use in managing our business, are defined below:

- **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.

- **Services Revenue** primarily reflects domestic revenue from pre-priced offerings by which the consumer requests services through a Company platform and the Company connects them with a service professional to perform the service.

- **Roofing Revenue** primarily reflects revenue from the roof replacement business offering by which the consumer purchases services directly from the Company and the Company engages a service professional to perform the service.

- **Corporate** primarily reflects costs for corporate initiatives, shared costs, such as executive and public company costs, and other expenses not allocated to the operating segments.

- **International Revenue** primarily reflects revenue generated within the International segment (consisting of businesses in Europe and Canada), including consumer connection revenue for consumer matches and membership subscription revenue from service professionals and consumers.

- **Service Requests** are (i) fully completed and submitted domestic service requests for connections with Ads and Leads service professionals, (ii) contacts to Ads and Leads service professionals generated via the service professional directory from unique users in unique categories (such that multiple contacts from the same user in the same category in the same day are counted as one Service Request) and (iii) requests to book Services jobs in the period.

- **Monetized Transactions** are (i) Service Requests that are matched to a paying Ads and Leads service professional in the period and (ii) completed and in-process Services jobs in the period; a single Service Request can result in multiple monetized transactions.

- **Transacting Service Professionals ("Transacting SPs")** are the number of (i) Ads and Leads service professionals that paid for consumer matches or advertising and (ii) Services service professionals that performed a Services job, during the most recent quarter.

- **ANGI Group Senior Notes** - On August 20, 2020, ANGI Group, LLC ("ANGI Group"), a direct wholly-owned subsidiary of the Company, issued $500.0 million of its 3.875% Senior Notes due August 15, 2028, with interest payable February 15 and August 15 of each year.

Components of Results of Operations

Sources of Revenue

Ads and Leads Revenue is primarily derived from (i) consumer connection revenue, which is comprised of fees paid by service professionals for consumer matches (regardless of whether the service professional ultimately provides the requested service), (ii) advertising revenue, which includes revenue from service professionals under contract for advertising, and (iii) membership subscription revenue from service professionals and consumers. Consumer connection revenue varies based upon several factors including the service requested, product experience offered, and geographic location of service. Services is primarily comprised of revenue from jobs sourced directly through the platform and through retail partnerships and completed by a service professional assigned by our platform. Roofing consists of revenue from roofing projects. International is primarily comprised of revenue from consumer connection revenue for consumer matches and membership subscription from service professionals and consumers.

From January 1, 2020 through December 31, 2022, Services recorded revenue on a gross basis. Effective January 1, 2023, we modified the Services terms and conditions so that the service professional, rather than Angi Inc., has the contractual relationship with the consumer to deliver the service and our performance obligation to the consumer is to connect them with the service professional. This change in contractual terms requires revenue be reported as the net amount of what is received from the consumer after deducting the amounts owed to the service professional providing the service effective for all arrangements entered into after December 31, 2022. This change in accounting treatment resulted in a decrease in revenue of $25.7 million for the three months ended March 31, 2023. There is no impact to operating loss or Adjusted EBITDA from this change in revenue recognition.

Cost of Revenue and Gross Profit

Cost of revenue, which excludes depreciation, consists primarily of (i) roofing materials costs associated with Roofing, (ii) payments made to independent third-party service professionals who perform work contracted under Services arrangements that were entered into prior to January 1, 2023 and the change to net revenue reporting or Roofing arrangements, (iii) credit card processing fees, and (iv) hosting fees.

Gross profit is revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue.

Operating Costs and Expenses:

- **Selling and marketing expense** - consists primarily of (i) advertising expenditures, which include marketing fees to promote the brand to consumers and service professionals with (a) online marketing, including fees paid to search engines and other online marketing platforms, partners who direct traffic to our brands, and app platforms, (b) offline marketing, which is primarily television and radio advertising, (ii) compensation expense (including stock-based compensation expense) and other employee-related costs for our sales force and marketing personnel, (iii) service guarantee expense, (iv) software license and maintenance costs, and (v) outsourced personnel costs.

- **General and administrative expense** - consists primarily of (i) compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, human resources and customer service functions, (ii) provision for credit losses, (iii) outsourced personnel costs for personnel engaged in assisting in customer service functions, (iv) software license and maintenance costs, (v) fees for professional services, and (vi) facilities costs. Our customer service function includes personnel who provide support to our service professionals and consumers.

- **Product development expense** - consists primarily of (i) compensation expense (including stock-based compensation expense) and other employee-related costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology and (ii) software license and maintenance costs.

Non-GAAP financial measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) is a non-GAAP financial measure. See “Principles of Financial Reporting” for the definition of Adjusted EBITDA and a reconciliation of net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA for the three months ended March 31, 2023 and 2022.

Results of Operations for the three months ended March 31, 2023 compared to the three months ended March 31, 2022

Revenue

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Domestic				
Ads and Leads:				
Consumer connection revenue	$ 212,935	$ (1,412)	(1)%	$ 214,347
Advertising revenue	67,181	3,279	5%	63,902
Membership subscription revenue	13,199	(3,038)	(19)%	16,237
Other revenue	191	(69)	(27)%	260
Total Ads and Leads revenue	293,506	(1,240)	0%	294,746
Services revenue	32,059	(44,391)	(58)%	76,450
Roofing revenue	38,372	1,685	5%	36,687
Intersegment eliminations	(1,462)	215	13%	(1,677)
Total Domestic revenue	362,475	(43,731)	(11)%	406,206
International revenue	29,932	(21)	0%	29,953
Total revenue	$ 392,407	$ (43,752)	(10)%	$ 436,159
Percentage of Total Revenue:				
Domestic	92 %			93 %
International	8 %			7 %
Total revenue	100 %			100 %

	Three Months Ended March 31,			
	2023	Change	% Change	2022
	(In thousands, rounding differences may occur)			
Operating metrics:				
Service Requests	6,004	(814)	(12)%	6,818
Monetized Transactions	6,451	(348)	(5)%	6,799
Transacting SPs	206	(43)	(17)%	249

Ads and Leads revenue decreased $1.2 million, due primarily to decreases in membership subscription revenue of $3.0 million, or 19% and consumer connection revenue of $1.4 million, or 1%, partially offset by an increase in advertising revenue of $3.3 million, or 5% driven by a growth in sales.

Services revenue decreased $44.4 million, or 58%, due primarily to decreases of $25.7 million from the change to net revenue reporting for pre-priced product offerings and $18.0 million due to the shift away from complex and less profitable offerings.

Roofing revenue increased $1.7 million, or 5%, due primarily to the residual impact from Hurricane Ian.

Cost of revenue

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Cost of revenue (exclusive of depreciation shown separately below)	$ 42,041	$ (56,957)	(58)%	$ 98,998
As a percentage of revenue	11%			23%

Ads and Leads cost of revenue decreased $1.3 million, or 81%, and stayed consistent as a percentage of revenue, due primarily to the decrease in revenue of $1.2 million.

Services cost of revenue decreased $53.5 million, or 86%, and decreased as a percentage of revenue, due primarily to a $47.7 million decrease in payments to third-party professional service providers primarily as a result of the decrease of $25.7 million change in revenue recognition to net reporting resulting in professional payments offsetting revenue instead of being reported as a component of cost of revenue. Additionally, payments to third-party professional service providers decreased as a result of the shift away from complex and less profitable offerings.

Roofing cost of revenue decreased $2.1 million, or 8%, and decreased as a percentage of revenue, due primarily to a $1.4 million decrease in roofing material costs.

Gross profit

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Revenue	$ 392,407	$ (43,752)	(10)%	$ 436,159
Cost of revenue (exclusive of depreciation shown separately below)	42,041	(56,957)	(58)%	98,998
Gross profit	$ 350,366	$ 13,205	4%	$ 337,161
Gross margin	89%		12%	77%

Angi gross profit increased $13.2 million, or 4%, due primarily to the decreased cost of revenue as a percentage of revenue described in the cost of revenue discussion above, partially offset by a decrease in revenue described in the revenue discussion above.

Selling and marketing expense

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Selling and marketing expense	$ 204,909	$ (20,892)	(9)%	$ 225,801
As a percentage of revenue	52%			52%

Ads and Leads selling and marketing expense decreased $4.3 million, or 2%, driven by decreases in advertising expense of $10.5 million and professional fees of $1.6 million, partially offset by an increase in compensation expense of $7.6 million. The decrease in advertising expense was primarily due to a decrease in online advertising spend. The decrease in professional fees is primarily due to a decrease in marketing and branding consultancy fees. The increase in compensation is primarily due to increased sales commissions driven by sales growth and the immediate expensing of commissions for certain transactions beginning October 1, 2022 rather than recording commissions as an asset to be amortized over the duration of the related customer relationship period due to the average customer relationship being assessed as less than one year.

Services selling and marketing expense decreased $6.1 million, or 33%, driven by decreases of $4.9 million in professional fees and third-party wages, $2.9 million in compensation expense, and $1.1 million in advertising expense, partially offset by an increase of $3.5 million in service guarantee expense. The decrease in third-party wages and professional fees is primarily due to $3.6 million less in phone-based sales wages primarily resulting from increased reliance on more profitable digital conversion channels and $1.3 million less due to streamlined fulfillment operations, partially driven by fewer complex services. The decrease in compensation expense is primarily due to a reduction in headcount. The decrease in advertising expense is primarily due to a decrease in service professional marketing spend. The increase in service guarantee expense is due to the aforementioned change in contractual terms and conditions such that this expense is no longer a component of cost of revenue, which is where the expense was recorded prior to January 1, 2023.

Roofing selling and marketing expense decreased $1.1 million, or 14%, driven by a decrease in advertising expense.

International selling and marketing expense decreased $8.2 million, or 47%, driven by a decrease of $8.9 million in advertising expense. The decrease in advertising expense is primarily due to improved online efficiency and a decrease in television advertising expense.

General and administrative expense

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
General and administrative expense	$ 102,518	$ (7,137)	(7)%	$ 109,655
As a percentage of revenue	26%			25%

Ads and Leads general and administrative expense decreased $6.7 million, or 10%, due primarily to decreases of $6.3 million in compensation expense and $1.4 million in recruiting fees, partially offset by an increase of $3.1 million in the provision for credit losses. The decrease in compensation expense and recruiting fees is primarily due to a reduction in headcount. The increase in the provision for credit losses is primarily due to lower collection rates.

Services general and administrative expense decreased $2.0 million, or 14%, due primarily to decreases of $0.9 million in third-party wages and $0.9 million in the provision for credit losses. The decrease in third-party wages is primarily due to a decrease in customer care costs. The decrease in the provision for credit losses is primarily due to improved collection rates.

Roofing general and administrative expense decreased $1.6 million, or 22%, due primarily to decreases of $1.2 million in compensation expense. The decrease in compensation expense is primarily due to a decrease in stock-based compensation.

Corporate general and administrative expense increased $3.2 million, or 30%, due primarily to increases of $2.2 million in lease expense due to repurposing of real estate space for general and administrative functions in 2022.

Product development expense

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Product development expense	$ 25,312	$ 7,453	42%	$ 17,859
As a percentage of revenue	6%			4%

Product development expense increased $7.5 million, or 42%. This contrasts with a $15.0 million, or 56%, decrease in capital expenditures from March 31, 2022, which is primarily comprised of internally developed software. The increase in product development expense was driven by a decrease in the percentage of internally developed software that was subject to capitalization in the first quarter of 2023 compared to the first quarter of 2022.

Depreciation

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Depreciation	$ 25,435	$ 11,436	82%	$ 13,999
As a percentage of revenue	6%			3%

Depreciation increased primarily due to capitalized software placed in service after the first quarter of 2022.

Operating loss

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Ads and Leads	$ 13,480	$ (2,006)	(13)%	$ 15,486
Services	(12,452)	13,298	52%	(25,750)
Roofing	411	6,561	NM	(6,150)
Corporate	(14,939)	(1,917)	(15)%	(13,022)
Total Domestic	(13,500)	15,936	54%	(29,436)
International	3,030	7,551	NM	(4,521)
Total	$ (10,470)	$ 23,487	(69)%	$ (33,957)
As a percentage of revenue	(3)%			(8)%

NM = Not meaningful

Operating losses for the three months ended March 31, 2023 compared to the three months ended March 31, 2022 decreased due primarily to the factors described above in the revenue, cost of revenue, sales and marketing, general and administrative, product development, and depreciation expense discussions.

At March 31, 2023, there is $69.1 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.65 years.

Adjusted EBITDA

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Ads and Leads	$ 39,851	$ 5,526	16%	$ 34,325
Services	(2,168)	16,399	88%	(18,567)
Roofing	821	5,847	NM	(5,026)
Corporate	(12,354)	(1,904)	(18)%	(10,450)
Total Domestic	26,150	25,868	NM	282
International	4,354	7,805	NM	(3,451)
Total	$ 30,504	$ 33,673	NM	$ (3,169)
As a percentage of revenue	8%			(1)%

For a reconciliation of net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA, see "Principles of Financial Reporting." For a reconciliation of operating income (loss) to Adjusted EBITDA for the Company's reportable segments, see "Note 7—Segment Information" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

Ads and Leads Adjusted EBITDA increased $5.5 million, or 16%, to $39.9 million, and increased as a percentage of revenue, driven by lower selling and marketing expense due to improved marketing efficiency and lower general and administrative expense due to lower compensation costs and other operating expenses.

Services Adjusted EBITDA loss decreased $16.4 million, or 88%, to a loss of $2.2 million, and decreased as a percentage of revenue, driven by higher gross profit due to pricing and fulfillment optimization efforts over the past year and lower operating expenses due to a reduced overall cost base as a result of exiting complex and less profitable offerings.

Roofing Adjusted EBITDA increased $5.8 million to $0.8 million, and increased as a percentage of revenue, driven by higher gross profit due to higher revenue and margin optimization efforts, more efficient marketing, and lower general and administrative expense due to headcount rationalization.

Corporate Adjusted EBITDA loss increased $1.9 million, or 18%, to $12.4 million, driven by an increase in general and administrative expense.

International Adjusted EBITDA increased $7.8 million, from a loss of $3.5 million to income of $4.4 million, driven by lower selling and marketing expense due to more efficient marketing spend.

Interest expense

Interest expense relates to interest on the ANGI Group Senior Notes.

For a detailed description of long-term debt, net, see "Note 4—Long-term Debt" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(In thousands)			
Interest expense	$ 5,029	$ 7	—%	$ 5,022

Interest expense remained consistent compared to the first quarter of 2022.

Other income (expense), net

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(In thousands)			
Other income (expense), net	$ 3,811	$ 4,202	NM	$ (391)

Other income (expense), net in 2023 primarily includes interest income of $3.4 million.

Income tax (provision) benefit

	Three Months Ended March 31,			
	2023	$ Change	% Change	2022
	(Dollars in thousands)			
Income tax (provision) benefit	$ (3,312)	$ (9,395)	NM	$ 6,083
Effective income tax rate	NM			15%

For further details of income tax matters, see "Note 2—Income Taxes" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

In 2023, the Company recorded a provision despite a pre-tax loss due primarily to nondeductible stock-based compensation, foreign income taxed at different rates, and state taxes, partially offset by research credits.

In 2022, the effective income tax rate was lower than the statutory rate of 21%, due primarily to tax shortfalls generated by the exercise and vesting of stock-based awards and foreign income taxed at different rates.

PRINCIPLES OF FINANCIAL REPORTING

We report Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles ("GAAP"). This measure is one of the primary metrics by which we evaluate the performance of our businesses, and our internal budgets are based and may impact management compensation. 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. This non-GAAP measure 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. We endeavor to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which we discuss below.

Definition of Non-GAAP Measure

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.

The following table reconciles net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Net loss attributable to Angi Inc. shareholders	$ (15,325)	$ (33,390)
Add back:		
Net earnings attributable to noncontrolling interests	325	103
Income tax provision (benefit)	3,312	(6,083)
Other (income) expense, net	(3,811)	391
Interest expense	5,029	5,022
Operating loss	(10,470)	(33,957)
Add back:		
Stock-based compensation expense	12,877	12,985
Depreciation	25,435	13,999
Amortization of intangibles	2,662	3,804
Adjusted EBITDA	$ 30,504	$ (3,169)

For a reconciliation of operating loss to Adjusted EBITDA for the Company's reportable segments, see "Note 7—Segment Information" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

Non-Cash Expenses That Are Excluded from Our Non-GAAP Measure

Stock-based compensation expense consists of expense associated with the grants, including unvested grants assumed in acquisitions, of stock appreciation rights, restricted stock units ("RSUs"), stock options, performance-based RSUs ("PSUs") 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. PSUs 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.

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.

FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

Financial Position

	March 31, 2023	December 31, 2022
	(In thousands)	
Cash and cash equivalents:		
United States	$ 304,521	$ 311,422
All other countries	10,439	9,733
Total cash and cash equivalents	314,960	321,155
Marketable debt securities (United States)	12,495	—
Total cash and cash equivalents and marketable debt securities	$ 327,455	$ 321,155
Long-term debt:		
ANGI Group Senior Notes	$ 500,000	$ 500,000
Less: unamortized debt issuance costs	4,531	4,716
Total long-term debt, net	$ 495,469	$ 495,284

At March 31, 2023, all of the Company’s international cash can be repatriated without significant consequences.

Cash Flow Information

In summary, the Company’s cash flows are as follows:

	Three Months Ended March 31,	
	2023	2022
	(In thousands)	
Net cash provided by (used in):		
Operating activities	$ 19,060	$ (735)
Investing activities	$ (24,156)	$ (26,816)
Financing activities	$ (1,379)	$ (9,466)

Net cash provided by operating activities consists of earnings adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments include provision for credit losses, depreciation, stock-based compensation expense, non-cash lease expense (including impairment of right-of-use assets), amortization of intangibles, and deferred income taxes.

2023

Adjustments to earnings consist primarily of $25.4 million of depreciation, $24.9 million of provision for credit losses, $12.9 million of stock-based compensation expense, $3.7 million of non-cash lease expense, and $2.7 million of amortization of intangibles. The decrease from changes in working capital consists primarily of an increase of $23.2 million in accounts receivable, a decrease of $9.8 million in accounts payable and other liabilities, and a decrease of $5.1 million in operating lease liabilities. The increase in accounts receivable is due primarily to timing of cash receipts for credit card transactions. The decrease in accounts payable and other liabilities is due, in part, to payments for accrued compensation. The decrease in operating lease liabilities is due to cash payments on leases net of interest accretion.

Net cash used in investing activities includes purchases of marketable debt securities of $12.4 million and capital expenditures of $11.9 million, primarily related to investments in capitalized software to support the Company’s products and services.

Net cash used in financing activities includes $1.4 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled.

2022

Adjustments to earnings consist primarily of $21.6 million of provision for credit losses, $14.0 million of depreciation, $13.0 million of stock-based compensation expense, $3.8 million of amortization of intangibles, and $3.4 million of non-cash lease expense, partially offset by deferred taxes of $8.1 million. The decrease from changes in working capital consists primarily of an increase of $37.8 million in accounts receivable and a decrease of $4.5 million in operating lease liabilities, partially offset by increases of $22.1 million in accounts payable and other liabilities. The increase in accounts receivable is due primarily to revenue growth, primarily attributable to Services. The decrease in operating lease liabilities is due to cash payments on leases net of interest accretion. The increase in accounts payable and other liabilities is primarily due to increases in accrued expenses related to the 2021 brand integration initiative and accrued roofing material costs related to Roofing.

Net cash used in investing activities includes $26.9 million of capital expenditures, primarily related to investments in capitalized software to support the Company's products and services.

Net cash used in financing activities includes $8.1 million for the repurchase of 1.0 million shares of Angi Inc. Class A common stock, on a settlement date basis, at an average price of $7.80 per share and $1.3 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled.

Liquidity and Capital Resources

Financing Arrangements

For a detailed description of long-term debt, see "Note 4—Long-term Debt" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

Share Repurchase Authorizations and Activity

During the three months ended March 31, 2023, the Company did not repurchase any shares of its common stock. The Company has 15.0 million shares remaining in its share repurchase authorization as of May 5, 2023. The Company may purchase their shares and debt instruments over an indefinite period of time on the open market and in privately negotiated transactions, depending on those factors the Company's management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook.

Outstanding Stock-based Awards

The Company may settle equity awards on a gross or a net basis depending upon factors deemed relevant at the time, and if settled on a net basis, Angi remits withholding taxes on behalf of the employee. At IAC's option, certain Angi stock appreciation rights can be settled in either Class A shares of Angi or shares of IAC common stock. If settled in IAC common stock, the Company reimburses IAC in either cash or through the issuance of Class A shares to IAC. The Company currently settles all equity awards on a net basis.

Pursuant to the employee matters agreement, in the event of a distribution of Angi capital stock to IAC stockholders in a transaction intended to qualify as tax-free for U.S. federal income tax purposes, the Compensation Committee of the IAC Board of Directors has the exclusive authority to determine the treatment of outstanding IAC equity awards. Such authority includes (but is not limited to) the ability to convert all or part of IAC equity awards outstanding immediately prior to the distribution into equity awards denominated in shares of Angi Class A Common Stock for no compensation, which Angi would be obligated to assume and which would be dilutive to Angi's stockholders.

The following table summarizes the aggregate intrinsic value of all awards outstanding as of May 5, 2023; assuming these awards were net settled on that date, the withholding taxes that would be paid by the Company on behalf of employees upon exercise or vesting that would be payable (assuming these equity awards are net settled with a 50% tax rate), and the shares that would have been issued are as follows:

	Aggregate intrinsic value of awards outstanding	Estimated withholding taxes payable	Estimated shares to be issued
		(In thousands)	
Other equity awards[(a)(b)]	61,846	30,410	12,884
Total outstanding employee stock-based awards	$ 61,846	$ 30,410	12,884

(a) Includes stock options and subsidiary denominated equity.

(b) The number of shares ultimately needed to settle subsidiary denominated equity awards and the cash withholding tax obligation may vary significantly as a result of the determination of the fair value of the relevant award at the time of exercise. In addition, the number of shares required to settle these awards will be impacted by movement in the Company's stock price.

Contractual Obligations

At March 31, 2023, there have been no material changes outside the ordinary course of business to the Company's contractual obligations since the disclosures for the year ended December 31, 2022, included in the Company's Annual Report on Form 10-K.

Capital Expenditures

The Company's 2023 capital expenditures are expected to be lower than 2022 capital expenditures of $116.4 million by approximately 60%, due primarily to decreased investment in capitalized software.

Liquidity Assessment

The Company's liquidity could be negatively affected by a decrease in demand for its products and services due to economic or other factors.

At March 31, 2023, IAC held all Class B shares of Angi Inc., which represent 83.9% of the economic interest and 98.1% of the voting interest of the Company. As a result, IAC has the ability to control Angi's financing activities, including the issuance of additional debt and equity securities by Angi or any of its subsidiaries, or the incurrence of other indebtedness generally. While Angi is expected to have the ability to access debt and equity markets if needed, such transactions may require the approval of IAC due to its control of the majority of the outstanding voting power of Angi's capital stock and its representation on the Angi board of directors.

The Company believes its existing cash, cash equivalents, and expected positive cash flows generated from operations will be sufficient to fund its normal operating requirements, including capital expenditures, debt service, the payment of withholding taxes paid on behalf of employees for net-settled stock-based awards, and investing and other commitments, for the next twelve months. We may elect to raise additional capital through the sale of additional equity or debt financing to fund business activities such as strategic acquisitions, share repurchases, or other purposes beyond the next twelve months.

Additional financing may not be available on terms favorable to the Company or at all, and may also be impacted by any disruptions in the financial markets. In addition, the Company's existing indebtedness could limit its ability to obtain additional financing.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

During the three months ended March 31, 2023, there have been no material changes to the Company's instruments or positions that are sensitive to market risk since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 4. ***Controls and Procedures***

The Company monitors and evaluates on an ongoing basis its disclosure controls and procedures and internal control over financial reporting in order to improve their overall effectiveness. During the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company’s management, including our principal executive and principal financial officers, or persons performing similar functions, evaluated the effectiveness of the Company’s disclosure controls and procedures as defined by Rule 13a-15(e) under the Exchange Act. Based on this evaluation, management has concluded that the Company’s disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that information we are required to disclose in our filings with the Securities and Exchange Commission (the “Commission:) under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes to the Company’s internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. *Legal Proceedings*

Overview

In the ordinary course of business, the Company and its subsidiaries are (or may become) parties to claims, suits, regulatory and government investigations, and other proceedings involving property, personal injury, intellectual property, privacy, tax, labor and employment, competition, commercial disputes, consumer protection and other claims, as well as stockholder derivative actions, class action lawsuits and other matters. Such claims, suits, regulatory and government investigations, and other proceedings could result in fines, civil or criminal penalties, or other adverse consequences. The amounts that may be recovered in such matters may be subject to insurance coverage. Although the results of legal proceedings and claims cannot be predicted with certainty, neither the Company nor any of its subsidiaries is currently a party to any legal proceedings the outcome of which, we believe, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, financial condition or results of operations. However, the outcome of such matters is inherently unpredictable and subject to significant uncertainties.

Rules of the Commission require the description of material pending legal proceedings (other than ordinary, routine litigation incident to the registrant's business) and advise that proceedings ordinarily need not be described if they primarily involve damages claims for amounts (exclusive of interest and costs) not exceeding 10% of the current assets of the registrant and its subsidiaries on a consolidated basis. In the judgment of Company management, none of the pending litigation matters which we are defending, including those described below, involves or is likely to involve amounts of that magnitude. The matters described below involve issues or claims that may be of particular interest to our stockholders, regardless of whether they may be material to our financial position or operations based upon the standard set forth in the rules of the Commission.

FTC Administrative Proceeding against HomeAdvisor

On March 11, 2022, the Federal Trade Commission ("FTC") filed an administrative complaint against HomeAdvisor, alleging that certain of HomeAdvisor's business practices related to leads provided to service professionals ("SPs") and its mHelpDesk product are unfair or deceptive in violation of the FTC Act and requesting injunctive relief. The Company disputes these allegations and believes that its business practices are fully in compliance with the law. On April 7, 2022, the FTC staff filed a motion for summary decision before the Commission, which the Commissioners denied on August 2, 2022. Settlement discussions between the parties ensued. On December 2, 2022, the FTC withdrew the matter from adjudication for the purpose of considering a proposed consent order negotiated by the Company and the FTC staff, pursuant to which HomeAdvisor would undertake certain commitments concerning representations to SPs and related reporting obligations and would fund up to $7.2 million for restitutionary payments to SPs (with any unclaimed amounts reverting to HomeAdvisor) and settlement administration costs. On April 20, 2023, the Commission voted to approve the final consent order.

Service Professional Class Action Litigation against HomeAdvisor

In July 2016, a putative class action, *Airquip, Inc. et al. v. HomeAdvisor, Inc. et al.*, No. 1:16-cv-1849, was filed in the U.S. District Court for the District of Colorado. The complaint, as amended in November 2016, alleges that HomeAdvisor engages in certain deceptive practices affecting the SPs who join its network, including charging them for substandard customer leads and failing to disclose certain charges. The complaint seeks certification of a nationwide class consisting of all HomeAdvisor SPs since October 2012, asserts claims for fraud, breach of implied contract, unjust enrichment and violation of the federal RICO statute and the Colorado Consumer Protection Act ("CCPA"), and seeks injunctive relief and damages in an unspecified amount.

In July 2018, plaintiffs' counsel filed a separate putative class action in the U.S. District Court for the District of Colorado, *Costello et al. v. HomeAdvisor, Inc. et al.*, No. 1:18-cv-1802, on behalf of the same nine SPs proposed as new plaintiffs in the *Airquip* case, naming as defendants HomeAdvisor, Angi and IAC (as well as an unrelated company), and asserting 45 claims largely duplicative of those asserted in a proposed second amended complaint in the *Airquip* case. In November 2018, the judge presiding over the *Airquip* case issued an order consolidating the two cases to proceed before him under the caption *In re HomeAdvisor, Inc. Litigation*.

In January 2019, the plaintiffs renewed their motion for leave to file a consolidated second amended complaint, naming as defendants, in addition to HomeAdvisor, Angi and IAC, CraftJack, Inc. (a wholly-owned subsidiary of the Company) and two unrelated entities. In February 2019, the defendants opposed the motion on various grounds. In September 2019, the court issued an order granting the plaintiffs' motion. In October and December 2019, the four defendants affiliated with HomeAdvisor filed motions to dismiss certain claims in the amended complaint. In September 2020, the court issued an order granting in part and denying in part the defendants' motions to dismiss. In May 2022, the plaintiffs filed a motion for class certification. In June 2022, the Company opposed the motion, which remains pending.

The Company believes that the allegations in this lawsuit are without merit and will continue to defend vigorously against them.

False Advertising Litigation against HomeAdvisor

In March 2018, the San Francisco District Attorney filed a lawsuit in the Superior Court of California, *People of the State of California v. HomeAdvisor, Inc.*, No. CGC-18-565008. The lawsuit alleges that HomeAdvisor violated California's Unfair Competition Law and False Advertising Law by misleading California consumers about the scope of its background check program. The claims focus on certain television commercials, radio advertisements, and website disclosures during the 2014-18 period. In May 2018, the court issued a preliminary injunction against the Company barring it from airing the then-current versions of the advertisements. In May 2020, the state Court of Appeals affirmed the preliminary injunction. The parties have been engaged in productive settlement negotiations with the assistance of a mediator. The Company believes that the allegations in this lawsuit are without merit and will continue to defend vigorously against them, if necessary.

Item 1A. *Risk Factors*

This quarterly report on Form 10-Q contains "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," "intends," "will continue," "may", "could" and "believes," among similar expressions, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to our future business, financial condition, results of operations and financial performance, our business prospects and strategy, trends and prospects in home services industry and other similar matters. These forward-looking statements are based on Company management's expectations and assumptions about future events as of the date of this report, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

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 display of links to websites offering our products and services in a prominent manner in search results, (iv) our ability to successfully implement our brand initiative and expand Services (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 service professionals, (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 and use personal data about consumers, (viii) our continued ability to communicate with consumers and service professionals via e-mail (or other sufficient means), (xix) any challenge to the contractor classification or employment status of our service professionals, (x) our ability to compete, (xi) adverse economic events or trends (particularly those that impact consumer confidence and spending behavior), (xii) our ability to build, maintain and/or enhance our various brands, (xiii) the adverse impact of COVID-19 and other similar outbreaks on our businesses, (xiv) our ability to protect our systems, technology and infrastructure from cyberattacks and to protect personal and confidential user information (including credit card information), as well as the impact of cyberattacks experienced by third parties, (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, (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 our filings with the SEC, including in Part I-Item 1A-Risk Factors of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. Other unknown or unpredictable factors that could also adversely affect our business, financial condition and operating results may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this quarterly report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of Company management as of the date of this quarterly report. We do not undertake to update these forward-looking statements.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Unregistered Sales of Equity Securities

The Company did not issue or sell any shares of its common stock or any other equity securities pursuant to unregistered transactions during the quarter ended March 31, 2023.

Issuer Purchases of Equity Securities

The Company did not purchase any shares of its common stock during the quarter ended March 31, 2023. As of that date, 15,025,714 shares of Angi Class A common stock remained available for repurchase under the Company's previously announced March 2020 repurchase authorization. The Company may repurchase shares pursuant to this repurchase authorization over an indefinite period of time in 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.

Item 6. *Exhibits*

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith, incorporated by reference to the location indicated or furnished herewith.

Exhibit Number	Description	Location
3.1	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Angi Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on March 17, 2021.
3.2	Amended and Restated Bylaws of Angi Inc.	Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed on March 17, 2022.
10.1	Employment Agreement between David Fleischman and Angi Inc., dated as of February 6, 2023.(1)(3)(4)	
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(1)	
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(1)	
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(2)	
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(2)	
101.INS	Inline XBRL Instance (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)	
101.SCH	Inline XBRL Taxonomy Extension Schema(1)	
101.CAL	Inline XBRL Taxonomy Extension Calculation(1)	
101.DEF	Inline XBRL Taxonomy Extension Definition(1)	
101.LAB	Inline XBRL Taxonomy Extension Labels(1)	
101.PRE	Inline XBRL Taxonomy Extension Presentation(1)	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

(1) Filed herewith.

(2) Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 9, 2023

Angi Inc.

By: /s/ ANDREW RUSSAKOFF
Andrew Russakoff
Chief Financial Officer

Signature	Title	Date
/s/ ANDREW RUSSAKOFF Andrew Russakoff	Chief Financial Officer	May 9, 2023

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into as of 1/17/2023 by and between Dave Fleischman ("Executive") and Angi Inc., a Delaware corporation (the "Company"), and is effective as of February 6, 2023 (the "Effective Date").

WHEREAS, the Company desires to establish its right to the services of Executive, in the capacity described below, on the terms and conditions hereinafter set forth, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1A. EMPLOYMENT. During the Term (as defined below), the Company shall employ Executive, and Executive shall be employed, as Chief Product Officer of Angi Inc. During Executive's employment with the Company, Executive shall do and perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive's position and shall render such services on the terms set forth herein. During Executive's employment with the Company, Executive shall report directly to the Chief Executive Officer of the Company (hereinafter referred to as the "Reporting Officer").
Executive shall have such powers and duties with respect to the Company as may reasonably be assigned to Executive by the Reporting Officer, to the extent consistent with Executive's position. Executive agrees to devote all of Executive's working time, attention and efforts to the Company and to perform the duties of Executive's position in accordance with the Company's policies as in effect from time to time. Notwithstanding anything to the contrary above, Executive may participate in civic and charitable activities, and may serve as member of the board of directors of such entities as may be approved from time to time in advance by the Reporting Officer, so long as such activities do not conflict with or interfere with Executive's performance of his duties hereunder or compete with or present an actual or apparent conflict of interest for the Company, which shall be determined by the Reporting Officer and/or the Chief Legal Officer of Angi Inc. in his/her good faith judgment. Executive's principal work location shall be in Seattle, Washington; provided, however, that Executive agrees and acknowledges that the Company's business is national and reasonable travel shall be required for the performance of Executive's duties under this Agreement.

2A. TERM. The term of this Agreement shall commence on the Effective Date and shall terminate on the first anniversary thereof (the "Initial Term"); provided, that certain terms and conditions herein may specify a greater period of effectiveness; and further provided that this Agreement shall automatically renew for additional one year terms (each a "Renewal Term", and collectively with the Initial Term, the "Term"), unless terminated by either party with written notice provided not less than ninety (90) days prior to the end of the then-current Term or Renewal Term (a "Notice of Non-Renewal").

Notwithstanding any other provision of this Agreement to the contrary, Executive's employment with the Company is "at-will" and may be terminated at any time for any reason or no reason, with or without cause, by the Company or Executive, with or without notice. During the Term, Executive's right to payments upon certain terminations of employment is governed by Section 1(d) of the Standard Terms and Conditions attached hereto. Following the expiration of the Term, upon the termination of Executive's employment, the Company shall have no further obligation hereunder, except for the payment of Accrued Obligations.

3A. COMPENSATION.

(a) BASE SALARY. During the period that Executive is employed with the Company hereunder, the Company shall pay Executive an annual base salary of $400,000 (the "Base Salary"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time), which Base Salary may be increased, from time to time, as approved by the Executive Compensation Committee of the Board of Directors of the Company (the "Compensation Committee"). For all purposes under this Agreement, the term "Base Salary" shall refer to the Base Salary as in effect from time to time.

(b) DISCRETIONARY BONUS. During the period that Executive is employed with the Company hereunder, Executive shall be eligible to receive discretionary annual bonuses (the "Annual Bonuses"). The Annual Bonuses shall be of a target amount equal to 50% of your Base Salary and shall be determined by the Compensation Committee in its sole discretion, based on the factors it deems relevant, which may include, among other factors, the Company's performance against various criteria (including its competition, its prior year results, achievement of established initiatives, etc.) and the contribution and performance of Executive. Notwithstanding the foregoing, with respect to calendar year 2023, your bonus shall be prorated for a partial year of service.

(c)SIGNING BONUS. The Company shall pay you a lump sum cash signing bonus of Two Hundred Fifty Thousand Dollars and Zero Cents ($250,000.00) (the "Signing Bonus") the first pay date after your Hire Date and minus all applicable taxes and withholdings; provided that, you shall repay the gross amount of the Signing Bonus if prior to the twelfth-month anniversary of the first day of your employment, you terminate your employment without Good Reason (as defined below) or are terminated by the Company for Cause (as defined below).

(d)EQUITY AWARD. On the Effective Date, Executive shall be granted, under and subject to the provisions of the Company's 2017 Stock and Annual Incentive Plan (the "2017 Plan"), an award of Company Restricted Stock Units (the "RSU Award") with a grant date value of $5,000,000. The actual vesting and other terms and conditions of the RSU Award will be governed by the award notices and related terms and conditions attached as Exhibit A and the 2017 Plan. Executive shall remain eligible for future equity grants during the Term of his employment with the Company.

(e) BENEFITS. From the Effective Date through the date of termination of Executive's employment with the Company for any reason, Executive shall be entitled to participate in any welfare, health and life insurance and pension benefit programs as may be adopted from time to time by the Company on the same basis as that provided to similarly situated employees of the Company. Without limiting the generality of the foregoing, Executive shall be entitled to the following benefits:

(i) Reimbursement for Business Expenses. During the period that Executive is employed with the Company hereunder, the Company shall reimburse Executive for all reasonable, necessary and documented expenses incurred by Executive in performing Executive's duties for the Company, on the same basis as similarly situated employees generally and in accordance with the Company's policies as in effect from time to time; and;

(ii) Vacation. During the period that Executive is employed with the Company hereunder, Executive shall be entitled to paid vacation each year, in accordance with the plans, policies, programs and practices of the Company applicable to similarly situated employees of the Company generally.

4A. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested, or by hand delivery, or by overnight delivery by a nationally recognized carrier, in each case to the applicable address set forth below, and any such notice is deemed effectively given when received by the recipient (or if receipt is refused by the recipient, when so refused):

If to the Company: Angi Inc.
130 E. Washington Street
Indianapolis, IN 46204
Attention: Chief Legal Officer

With a copy to:
IAC Inc.
555 West 18th Street, 6th Floor New York, NY 10011
Attention: General Counsel

If to Executive: At the most recent address for Executive on file at the Company.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW; JURISDICTION. This Agreement and the legal relations thus created between the parties hereto (including, without limitation, any dispute arising out of or related to this Agreement) shall be governed by and construed under and in accordance with the internal laws of the State of Colorado without reference to its principles of conflicts of laws.
Any such dispute will be heard and determined before an appropriate federal court located in the State of Colorado in Denver County, or, if not maintainable therein, then in an appropriate Colorado state court located in Denver County, and each party hereto submits itself and its property to the non-exclusive jurisdiction of the foregoing courts with respect to such disputes. Each party hereto (i) agrees that service of process may be made by mailing a copy of any relevant document to the address of the party set forth above, (ii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the courts referred to above on the grounds of inconvenient forum or otherwise as regards any dispute between the parties hereto arising out of or related to this Agreement, (iii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of venue in the courts referred to above as regards any dispute between the parties hereto arising out of or related to this Agreement and (iv) agrees that a judgment or order of any court referred to above in connection with any dispute between the parties hereto arising out of or related to this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

6A. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

7A. STANDARD TERMS AND CONDITIONS. Executive expressly understands and acknowledges that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to "this Agreement" or the use of the term "hereof" shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

8A. REPRESENTATION BY COUNSEL. Executive warrants that he has been individually represented by legal counsel in negotiating the terms of this Agreement, including but not limited to the provisions of Section 5A above.

[The Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Agreement on __1/17/2023____________.

Angi Inc.

/s/ Joey Levin
By: Joey Levin
Title: CEO

/s/ David Fleischman

Dave Fleischman

STANDARD TERMS AND CONDITIONS

1. TERMINATION OF EXECUTIVE'S EMPLOYMENT.

(a) DEATH. In the event Executive's employment hereunder is terminated by reason of Executive's death, the Company shall pay Executive's designated beneficiary or beneficiaries, within thirty (30) days of Executive's death in a lump sum in cash, (i) Executive's Base Salary through the end of the month in which death occurs and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness ("Disability"), Executive shall have been absent from the full-time performance of Executive's duties with the Company for a period of four (4) consecutive months and, within thirty (30) days after written notice is provided to Executive by the Company (in accordance with Section 4A hereof), Executive shall not have returned to the full-time performance of Executive's duties, Executive's employment under this Agreement may be terminated by the Company for Disability. During any period prior to such termination during which Executive is absent from the full-time performance of Executive's duties with the Company due to Disability, the Company shall continue to pay Executive's Base Salary at the rate in effect at the commencement of such period of Disability, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company. Upon termination of Executive's employment due to Disability, the Company shall pay Executive within thirty (30) days of such termination (i) Executive's Base Salary through the end of the month in which termination occurs in a lump sum in cash, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company; and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(c) TERMINATION FOR CAUSE. Upon the termination of Executive's employment by the Company for Cause (as defined below), the Company shall have no further obligation hereunder, except for the payment of any Accrued Obligations (as defined in paragraph 1(f) below). As used herein, "Cause" shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by Executive; provided, however, that after indictment, the Company may suspend Executive from the rendition of services, but without limiting or modifying in any other way the Company's obligations under this Agreement; (ii) a material breach by Executive of a fiduciary duty owed to the Company;
(iii) a material breach by Executive of any of the covenants made by Executive in Section 2 hereof; (iv) the willful or gross neglect by Executive of the material duties required by this Agreement; or (v) a violation by Executive of any Company policy pertaining to ethics, wrongdoing or conflicts of interest; provided, that in the case of conduct described in clauses (iii), (iv) or (v) above which is capable of being cured, Executive shall have a period of fifteen
(15) days after Executive is provided with written notice thereof in which to cure.

(d) TERMINATION BY THE COMPANY OTHER THAN FOR DEATH, DISABILITY OR CAUSE; RESIGNATION BY EXECUTIVE FOR GOOD REASON. If Executive's employment hereunder is terminated prior to the expiration of the Term by the Company for any reason other than Executive's death or Disability or for Cause or if Executive resigns for Good Reason (as defined below) prior to the expiration of the Term, then

(i) the Company shall continue to pay to Executive the Base Salary for 12 months from the date of such termination or resignation ("Severance Period"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time) over the course of such twelve (12) months;

(ii) any compensation awards of Executive based on, or in the form of, Company equity (e.g., restricted stock, restricted stock units, stock options or similar instruments) that are outstanding and unvested at the time of such termination but which would, but for such termination, have vested during the Severance Period shall vest as of the date of such termination of employment; provided that for these purposes, any equity awards with a vesting schedule less frequent than annual shall be treated as though the vesting occurred in equal annual installments and any portion of any such awards that would have vested by the end of the Severance Period (including any portion which would have vested prior to the date of termination of employment) shall vest as of the date of such termination of employment (e.g., if 100 restricted stock units were granted 1.7 years prior to the date of termination with a 5-year cliff vesting term then on the date of termination 40 of such units would vest); provided, further, that with respect to any awards subject to performance vesting requirements, the vesting of such awards shall in all events be subject to the satisfaction of the applicable performance goals; and

(iii) any then-vested options or stock appreciation rights of Executive (including any such awards vesting as a result of (ii) above) to acquire Company equity shall remain exercisable through the earlier of (A) the scheduled expiration date of such awards and (B) eighteen months following Executive's termination of employment; and

(iv) the Company shall pay Executive within thirty (30) days of the date of such termination or resignation in a lump sum in cash any Accrued Obligations (as defined in paragraph 1(f) below).

The payment to Executive of the severance benefits described in this Section 1(d) shall be subject to Executive's execution and non-revocation of a general release of the Company and its affiliates, in a form substantially similar to that used for similarly situated executives of the Company and its affiliates, such general release to be executed and promptly delivered to the Company (and in no event later than 21 days following Executive's termination of employment, or such longer period as may be required by applicable law) and Executive's compliance with the restrictive covenants set forth in Section 2 hereof. Such release shall make clear that Executive is not releasing his right to receive any termination benefits pursuant to this Section 1(d) above and/or under any equity incentive plan governing any outstanding equity award then held by Executive. Executive acknowledges and agrees that the severance benefits described in this Section 1(d) constitute good and valuable consideration for such release.

For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without Executive's prior written consent: (A) the reduction in Executive's Base Salary constituting a material diminution in Executive's base compensation as determined for purposes of Section 409A and regulations thereunder, (B) a material diminution in Executive's title, duties or level of responsibilities as compared to those in effect as of the Effective Date, excluding for this purpose any such change that is an isolated and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive; *provided*, *however*, that in no event shall Executive's resignation be for "Good Reason" unless (x) an event or circumstance set forth in clauses (A) and (B) above shall have occurred and Executive provides the Company with written notice thereof within thirty (30) days after Executive has initial knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Executive believes constitutes Good Reason, (y) the Company fails to correct the event or circumstance so identified within thirty days after the receipt of such notice and (z) Executive resigns within ninety (90) days after the date of delivery of the notice referred to in (x) above.

(v)Section 280G; Parachute Payments**.**

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a "280G Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then any such 280G Payment provided pursuant to this Agreement (a "Payment") shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "Reduction Method") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "Pro Rata Reduction Method").

(b) Notwithstanding any provision of subsection (a) above to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (i) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (ii) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (iii) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change in control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within 15 calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(e)OFFSET. If Executive obtains other employment during the period of time in which the Company is required to make payments to Executive pursuant to Section 1(d)(i) above, the amount of any such remaining payments or benefits to be provided to Executive shall be reduced by the amount of compensation and benefits earned by Executive from such other employment through the end of such period. For purposes of this Section 1(e), Executive shall have an obligation to inform the Company regarding Executive's employment status following termination and during the period of time in which the Company is making payments to Executive under Section 1(d)(i) above.

(f) ACCRUED OBLIGATIONS. As used in this Agreement, "Accrued Obligations" shall mean the sum of (i) any portion of Executive's accrued but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise to be paid at a later date pursuant to the executive deferred compensation plan of the Company, if any, and (iii) any reimbursements that Executive is entitled to receive under Section 3A(d)(i) of the Agreement.

(g) NOTICE OF NON-RENEWAL. If the Company delivers a Non-Renewal Notice to Executive then, provided Executive offers reasonable transition of his duties as may be requested by the Company (which such transition shall not extend beyond the then-current expiration date of the Term), effective as of Executive's separation from service from the

Company, Executive shall have the same rights and obligations hereunder as if the Company had terminated Executive's employment without Cause.

2. CONFIDENTIAL INFORMATION; NON-COMPETITION; NON-SOLICITATION; AND PROPRIETARY RIGHTS.

(a) CONFIDENTIALITY. Executive acknowledges that, while employed by the Company, Executive will occupy a position of trust and confidence. The Company, its subsidiaries and/or affiliates shall provide Executive with "Confidential Information" as referred to below. Executive shall not, except as may be required to perform Executive's duties hereunder or as required by applicable law, without limitation in time, communicate, divulge, disseminate, disclose to others or otherwise use, whether directly or indirectly, any Confidential Information regarding the Company and/or any of its subsidiaries and/or affiliates.

"Confidential Information" shall mean information about the Company or any of its subsidiaries or affiliates, and their respective businesses, employees, consultants, contractors, clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes or otherwise generally made available to the public (other than by Executive's breach of the terms hereof) and that was learned or developed by Executive in the course of employment by the Company or any of its subsidiaries or affiliates, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of Executive's employment or as soon thereafter as possible, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company and its subsidiaries or affiliates or prepared by Executive in the course of Executive's employment by the Company and its subsidiaries or affiliates. As used in this Agreement, "subsidiaries" and "affiliates" shall mean any company controlled by, controlling or under common control with the Company.

(b) NON-COMPETITION. In consideration of this Agreement, and other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that, during Executive's employment hereunder and for a period of twelve (12) months thereafter (the "Restricted Period"), Executive shall not, without the prior written consent of the Company, directly or indirectly, engage in or become associated with a Competitive Activity.

For purposes of this Section 2(b), (i) a "Competitive Activity" means any business or other endeavor involving Similar Products if such business or endeavor is in a country (including the United States) in which the Company (or any of its businesses) provides or planned to provide during Executive's employment hereunder such Similar Products; (ii) "Similar Products" means any products or services that are the same or similar to any of the types of products or services that the Company (or any of its businesses) provides, has provided or planned to provide during Executive's employment hereunder; and (iii) Executive shall be considered to have become "associated with a Competitive Activity" if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, consultant or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity.

Executive acknowledges that Executive's covenants under this Section 2(b) are a material inducement to the Company's entering into this Agreement. Further, Executive acknowledges that the restrictions set forth in this provision are reasonable and not greater than necessary to protect and maintain the proprietary and other legitimate business interests of the Company, and that the enforcement of these restrictions would not prevent Executive from earning a livelihood.

Notwithstanding the foregoing, Executive may make and retain investments during the Restricted Period, for investment purposes only, in less than one percent (1%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Executive is not otherwise affiliated with such corporation. In addition, this Section 2(b) shall not be violated by Executive commencing employment with a subsidiary, division, or unit of any entity that engages in a Competitive Activity so long as Executive and such subsidiary, division, or unit does not engage in a business in the Competitive Activity, and so long as Executive does not violate the provisions of Section 2(a) during such employment. Executive acknowledges that Executive's covenants under this Section 2(b) are a material inducement to the Company's entering into this Agreement.

(c) NON-SOLICITATION OF EMPLOYEES. Executive recognizes that Executive will possess Confidential Information about other employees, consultants and contractors of the Company and its subsidiaries or affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with suppliers to and customers of the Company and its subsidiaries or affiliates. Executive recognizes that the information Executive will possess about these other employees, consultants and contractors is not generally known, is of substantial value to the Company and its subsidiaries or affiliates in developing their respective businesses and in securing and retaining customers, and will be acquired by Executive because of Executive's business position with the Company. Executive agrees that, during Executive's employment hereunder and for a period of twelve (12) months thereafter, Executive will not, directly or indirectly, hire or solicit or recruit any employee of (i) the Company and/or (ii) its subsidiaries and/or affiliates with whom Executive has had direct contact during Executive's employment hereunder, in each case, for the purpose of being employed by Executive or by any business, individual, partnership, firm, corporation or other entity on whose behalf Executive is acting as an agent, representative or employee and that Executive will not convey any such Confidential Information or trade secrets about employees of the Company or any of its subsidiaries or affiliates to any other person except within the scope of Executive's duties hereunder.

(d) NON-SOLICITATION OF BUSINESS PARTNERS. During Executive's employment hereunder, and for a period of twelve (12) months thereafter, Executive shall not, without the prior written consent of the Company, persuade or encourage any business partners or business affiliates of (i) the Company and/or (ii) any of its subsidiaries and/or affiliates with whom Executive has direct contact during his employment hereunder, in each case, to cease doing business with the Company and/or any of its subsidiaries and/or affiliates or to engage in any business competitive with the Company and/or its subsidiaries and/or affiliates.

(e) PROPRIETARY RIGHTS; ASSIGNMENT. All Employee Developments (defined below) shall be considered works made for hire by Executive for the Company or, as applicable, its subsidiaries or affiliates, and Executive agrees that all rights of any kind in any Employee Developments belong exclusively to the Company. In order to permit the Company to exploit such Employee Developments, Executive shall promptly and fully report all such Employee Developments to the Company. Except in furtherance of Executive's obligations as an employee of the Company, Executive shall not use or reproduce any portion of any record associated with any Employee Development without prior written consent of the Company or, as applicable, its subsidiaries or affiliates. Executive agrees that in the event actions of Executive are required to ensure that such rights belong to the Company under applicable laws, Executive will cooperate and take whatever such actions are reasonably requested by the Company, whether during or after the Term, and without the need for separate or additional compensation. "Employee Developments" means any idea, know-how, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work of authorship, whether developed, conceived or reduced to practice during or following the period of employment, that (i) concerns or relates to the actual or anticipated business, research or development activities, or operations of the Company or any of its subsidiaries or affiliates, or (ii) results from or is suggested by any undertaking assigned to Executive or work performed by Executive for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours, or (iii) uses, incorporates or is based on Company equipment, supplies, facilities, trade secrets or inventions of any form or type. All Confidential Information and all Employee Developments are and shall remain the sole property of the Company or any of its subsidiaries or affiliates. Executive shall acquire no proprietary interest in any Confidential Information or Employee Developments developed or acquired during the Term. To the extent Executive may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Employee Development, Executive hereby assigns and covenants to assign to the Company all such proprietary rights without the need for a separate writing or additional compensation. Executive shall, both during and after the Term, upon the Company's request, promptly execute, acknowledge, and deliver to the Company all such assignments, confirmations of assignment, certificates, and instruments, and shall promptly perform such other acts, as the Company may from time to time in its discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Employee Developments.

(f) COMPLIANCE WITH POLICIES AND PROCEDURES. During the period that Executive is employed with the Company hereunder, Executive shall adhere to the policies and standards of professionalism set forth in the policies and procedures of the Company and IAC as they may exist from time to time.

(g) SURVIVAL OF PROVISIONS. The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by applicable law.

3. ASSIGNMENT; SUCCESSORS. This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder; provided, that the Company may assign this Agreement to, or allow any of its obligations to be fulfilled by, or take actions through, any affiliate of the Company and, in the event of the merger, consolidation, transfer, or sale of all or substantially all of the assets of the Company (a "Transaction") with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of

such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and in the event of any such assignment or Transaction, all references herein to the "Company" shall refer to the Company's assignee or successor hereunder.

4. WITHHOLDING. The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Executive hereunder, as may be required from time to time by applicable law, governmental regulation or order.

5. SECTION 409A OF THE INTERNAL REVENUE CODE.

(a) This Agreement is not intended to constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder ("Section 409A"). It is intended that any amounts payable under this Agreement and the Company's and Executive's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. In no event shall the Company be required to pay Executive any "gross-up" or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder.

(b) For purposes of this Agreement, a "Separation from Service" occurs when Executive dies, retires or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

(c) If Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of Executive's Separation from Service, Executive shall not be entitled to any payment or benefit pursuant to Section 1(d) that constitutes nonqualified deferred compensation under Section 409A until the earlier of (i) the date which is six (6) months after her Separation from Service for any reason other than death, or (ii) the date of Executive's death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A. Any amounts otherwise payable to Executive upon or in the six (6) month period following Executive's Separation from Service that are not so paid by reason of this Section 6(c) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after

Executive’s Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of Executive’s death).

(d) To the extent that any reimbursement pursuant to this Agreement is taxable to Executive, Executive shall provide the Company with documentation of the related expenses promptly so as to facilitate the timing of the reimbursement payment contemplated by this paragraph, and any reimbursement payment due to Executive pursuant to such provision shall be paid to Executive on or before the last day of Executive’s taxable year following the taxable year in which the related expense was incurred. Such reimbursement obligations pursuant to this Agreement are not subject to liquidation or exchange for another benefit and the amount of such benefits that Executive receives in one taxable year shall not affect the amount of such benefits that Executive receives in any other taxable year.

(e) In no event shall the Company be required to pay Executive any “gross-up” or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder. The Company agrees to take any reasonable steps requested by Executive to avoid adverse tax consequences to Executive as a result of any benefit to Executive hereunder being subject to Section 409A, provided that Executive shall, if requested, reimburse the Company for any incremental costs (other than incidental costs) associated with taking such steps. All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A.

(f) For purposes of Section 409A, Executive’s right to receive any “installment” payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

6. HEADING REFERENCES. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to “this Agreement” or the use of the term “hereof” shall refer to these Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

7. REMEDIES FOR BREACH. Executive expressly agrees and understands that Executive will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have thirty (30) days from receipt of Executive’s notice to cure any such breach. Executive expressly agrees and understands that in the event of any termination of Executive’s employment by the Company during the Term, the Company’s contractual obligations to Executive shall be fulfilled through compliance with its obligations under Section 1 of the Standard Terms and Conditions.

Executive expressly agrees and understands that the remedy at law for any breach by Executive of Section 2 of the Standard Terms and Conditions will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon Executive’s violation of any provision of such Section 2, the Company shall be entitled to obtain from any court of competent jurisdiction immediate injunctive relief and obtain a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation.

Nothing shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Agreement, including Section 2, which may be pursued by or available to the Company.

8. WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquish-ment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

9. SEVERABILITY. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agree- ment that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

10. INDEMNIFICATION. The Company shall indemnify and hold Executive harmless for acts and omissions in Executive's capacity as an officer, director or employee of the Company to the maximum extent permitted under applicable law; provided, however, that neither the Company, nor any of its subsidiaries or affiliates shall indemnify Executive for any losses incurred by Executive as a result of acts described in Section 1(c) of this Agreement.

[The Signature Page Follows]

ACKNOWLEDGED AND AGREED:

Date: 1/17/2023

Angi Inc.

/s/ Joey Levin

By: Joey Levin
Title: CEO

/s/ David Fleischman

Dave Fleischman

EXHIBIT A

The following sets forth terms that apply to the restricted stock unit awards approved by the Compensation Committee, unless otherwise specifically stated at the time of presentation of an award.

Award Holder	Dave Fleischman
Award Amount	$5,000,000 value of restricted stock units (“RSUs”) under the Angi Inc. 2017 Stock and Annual Incentive Plan (the “Plan”), with the number of RSUs to be calculated by dividing $5,000,000 by the closing sale price for a share of the Company’s Class A common stock on the Award Date (rounded down to the nearest whole share). Capitalized terms used (but not defined) in this Award Notice shall have the meanings set forth in the Plan.
Award Date	The date approved by the Executive Compensation Committee (the date on which the last director executes the written consent) or the Date of Hire, whichever is later.
Vest Start Date	February 6, 2023
Vesting Schedule	Subject to Award Holder’s continued employment with Angi Inc. or its subsidiaries, RSU award shall, subject to the provisions of the Plan, vest and become exercisable in four equal installments, with 1/4 vesting on each of the first, second, third and fourth anniversaries of your Vest Start Date.
Termination	Except as may be provided in Employment Agreement, all unvested RSUs shall be forfeited and canceled in their entirety upon such termination for any reason. In addition, upon termination for Cause or resignation in anticipation of being terminated for Cause, all RSUs shall be forfeited and canceled in their entirety upon such termination or resignation. In addition, if following any termination of employment for any reason, the Company becomes aware that during the two-year period prior to such termination there was an event or circumstance that constituted fraud (financial or otherwise) or that would have been grounds for termination for Cause that caused, or is reasonably likely to cause, meaningful damage (economic, reputational or otherwise) to the Company and/or any of its affiliates (the “Underlying Event”), then all RSUs that remain outstanding shall be canceled and forfeited in their entirety and if any portion of the RSUs vested after the Underlying Event, the Company shall be entitled to recover at any time within two years after such exercise any value received upon vesting.
Change in Control	Change in Control as defined in the Plan. 100% acceleration of vesting for all RSUs if, during the two-year period following a Change in Control, Award Holder’s employment is terminated by the Company other than for Cause or Award Holder resigns for Good Reason (as such terms are defined in the Plan).

Impact of Corporate Transactions on Award	In the event of a Corporate Transaction or Share Change (as such terms are defined in the Plan), the Committee may and shall, respectively, adjust the Awards as it deems equitable and appropriate in accordance with the Plan. In the event of any other transaction that results in the common stock of the Company no longer being publicly traded, the Committee shall have the ability to adjust the Awards as it deems equitable and appropriate in a manner it determines in its sole discretion. In any such case, equitable and appropriate adjustments may include, without limitation: (a) the substitution of shares of Angi Class A common stock underlying the Awards with publicly-traded shares of the ultimate parent of the Company; or (b) the creation of a valuation and/or liquidity mechanism for the underlying shares of Angi Class A common stock underlying the awards which are no longer publicly traded.
Dividend Rights	No cash dividends will be paid on RSUs and/or on the shares of Angi Class A common stock underlying the RSUs. Stock dividends, distributions and extraordinary, significant non-recurring cash dividends may result in an adjustment to the number of RSUs, as determined by the Committee or the Board and as further provided by the Plan.
Form of Payout	Vested RSUs are settled in the form of shares of Angi Class A common stock.
Withholding Taxes	Upon vesting, RSUs are settled net of amounts necessary to cover withholding taxes, with shares of Angi Class A common stock withheld from vested awards.
Terms and Conditions:	Award Holder’s RSU award is subject to the related Terms and Conditions and to the Plan, which are incorporated herein by reference. Copies of these documents are also available upon request from Angi Inc. Human Resources.

Exhibit 31.1

Certification

I, Joseph Levin, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2023 of Angi Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2023

/s/ JOSEPH LEVIN

Joseph Levin

Chief Executive Officer

Exhibit 31.2

Certification

I, Andrew Russakoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2023 of Angi Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2023

/s/ ANDREW RUSSAKOFF
Andrew Russakoff
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Levin, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal year ended March 31, 2023 of Angi Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Angi Inc.

Dated: May 9, 2023

/s/ JOSEPH LEVIN
Joseph Levin
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Russakoff, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal year ended March 31, 2023 of Angi Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Angi Inc.

Dated: May 9, 2023

/s/ ANDREW RUSSAKOFF
Andrew Russakoff
Chief Financial Officer