



Angi Inc. Q4 2025 Shareholder Letter

To our shareholders,

We are pleased to report that as of January our year over year revenue has now stabilized and we are on the verge of growth again.

- the 4th quarter number was our third consecutive quarterly acceleration; and
- the first quarter of 2026 will mark the fourth in a row, and we generally expect that pattern to continue through the year.

We began 2025 with a plan to move the customer experience to homeowner choice, which meant removing all automatic matches of homeowners to pros and, instead, only creating a match and a lead when a homeowner definitively chooses a specific pro.

- As a result, in the first quarter of 2025 we began cutting – intentionally – over \$(270) million of revenue from our network channel, which had been 100% “automatched.” In its place, we added over \$120 million of higher quality proprietary revenue year over year after the 1st quarter and finished the full year 2025 in line with our expectations.
 - The better matches materially improved our customer success rates over the course of the year. In the 4th quarter,
 - homeowner NPS jumped +7 full points year over year;
 - homeowner repeat rate has turned up nearly 10% over the prior year;
 - estimated win rates for pros are up +10% year over year; and
 - pro churn is +8% better year over year.
 - The network business is nearing a stable, right-sized trajectory, delivering win rates on par with our other channels, and an acceptable source of cashflow; we do not expect growth long term. We generally expect network revenue to be flattish year on year in the second half of 2026.
- We still expect some overhang on revenue growth in quarters one and two as network volume fell sequentially across 2025, exiting at a materially lower run rate at the end of

the year versus the beginning. In the first quarter, we expect year over year revenue change in the range of (1)% to (3)% and as the comparables get easier toward the back half of the year, we still expect to finally get back to revenue growth for the year overall, led by the proprietary revenue we've prioritized for a while.

Over the last two years we have made a strong commitment to improving our unit economics, margin structure and overall profitability and are pleased to be in position to deliver consistent profitability and cash flow growth going forward.

- Our target for 2025 was to hold profit at 2024 levels while materially upgrading the quality of our revenue base, and we accomplished that goal: Adjusted EBITDA was \$140 million (excluding two \$5 million one-time income items we discussed a quarter ago) versus \$145 million in 2024.
- We held our profit steady while dropping \$(270) million of network revenue through three core levers:
 - flipping our year over year proprietary revenue performance from a (24)% decline in 2024 to +17% growth in 2025;
 - transforming both our paid marketing unit economics and our sales force value creation; and
 - strong fixed cost discipline.
- Cost discipline has been a critical element of our turnaround: between January 2024 to January 2026, we removed roughly \$100 million combined in operating expenses and capital expenditures.
 - Three quarters of that number came from our recent reduction in force; 85% to 90% of those savings will come in fiscal year 2026 given timing and transition arrangements, a portion of which will show up in lower capitalized labor.
 - We executed the reduction in force to free up capital to invest in core growth initiatives. With our customer experience materially improved, we will now lean into the opportunity to grow our leading market share position aggressively. We will reinvest roughly half of the in-year savings into
 - (1) brand marketing, pro marketing and sales; and
 - (2) AI staffing, training, and tools.
- We now project full year 2026 adjusted EBITDA in the range of \$145 to \$150 million (the two one-time items falling out of 2025 are excluded from this estimate).

- We expect \$55 million in capital expenditures in 2026, down from \$60 million in 2025.
- We look at capital expenditures and fixed expenses together; we believe that growth in Adjusted EBITDA minus capital expenditures is an effective way to look at performance – and we expect growth in this measure of 12% to 18% in 2026 versus 2025
- We plan to be particularly aggressive on marketing investment in the 1st quarter and by doing so will intentionally bring down our Adjusted EBITDA year over year to \$15 to \$17 million.

In terms of our balance sheet, as of December, we have bought back the full volume of share repurchases allowable post spin off.

- We bought in 10 million shares or 19.9% of the company since the spin from IAC at an average price of \$14.
- With our cash flow significantly improved, a very low interest rate on our debt, \$304 million of cash on our balance sheet, and a new \$175 million revolver in place, we believe we are in a very solid position looking forward.

Finally, we both (1) have a clear plan to deliver against both our revenue and profit and cash flow targets in 2026, and (2) believe that we are well positioned in the AI first world.

- Our plan for 2026 is as follows:
 - (1) continuing to execute in our core paid proprietary channels, SEM and social (the drivers of our success in 2025);
 - (2) more than tripling our investment in branded spend in 2026 - across television, streaming and social;
 - (3) launching additional partnerships to grow both service requests and pros, such as our partnership with Amazon announced in December, and deploying new technology to integrate with LLM platforms;
 - (4) returning to new pro growth through:
 - strong core sales execution;
 - scaling up online enroll in the US, replicating our successful international product and approach; and
 - continuing to target higher value pros by investing against the large pro segment.

(5) positioning ourselves for success in an AI first world

- A great deal has been written recently about the changes for marketplaces and consumer discovery in a landscape with multiple LLMs available, the disintermediation of software, and the speed of new software development with agentic coding. We are excited about Angi's opportunity in all three areas.
 - LLMs are changing consumer search, discovery, traffic and behavior, particularly in categories like ours where consumers often lack the knowledge required to make choices quickly, are low frequency users, and need more education.
 - LLMs lend themselves to this use case in the same way Google always has, so for the first time in a very long time, Google now has multiple viable competitors. We are excited by new channels available to reach homeowners and match them to our pros.
 - We have always been effective at reaching homeowners in this kind of interface because we
 - (a) have a nationwide network of pros and key information on each pro's skills and
 - (b) are able to use this specific information and the context from the consumer's search to make the right match and deliver the right result for the homeowner.
 - We have now built the basic technology to work with multiple LLM players and the pros in our network are currently counting on us to deliver them leads from this channel.
 - Additionally, we have integrated LLM technology into our core user experience - a third of our revenue already touches an LLM inside the Angi product - and we are continuing to train our own AI models with our proprietary data and experience.
 - Our pros are high frequency and high engagement users, providing us with significant proprietary data. We have a material portion of our user base logging in every day, and our pro choice and matching technology drives deep engagement. Our ambition in agentic tools to serve these pros is now dramatically more achievable, more quickly, and at lower cost than we ever imagined possible.
 - Finally, the significant improvements in agentic coding that have emerged in recent months give us a great deal of leverage in moving faster to innovate at the

same time that we are working to move from our legacy technology to a modern platform.

In summary, we are extremely pleased to have stabilized our revenue and delivered against our profit and cash flow targets. Stepping back for a moment, Angi's progress over the last 3 years is remarkable:

- since 2022, while we have shed well over \$500 million of lower quality revenue, we have also more than doubled our Adjusted EBITDA while at the same time cutting our capex essentially in half;
- we've stabilized our revenue and shown a clear path to growth with continued solid proprietary revenue growth and the expected flattish network revenue year over year in the second half of 2026;
- restructured our unit economics and cost structure, placing the company on a clear path to double digit profit growth. And
- positioned ourselves for success and growth in the new AI landscape.

We look forward to again delivering against our commitments to our customers and our shareholders and getting many more Jobs Done Well in 2026.

Thank you for your continued support,
Jeff

Non-GAAP Financial Measures

This letter contains references to certain non-GAAP measures, including Adjusted EBITDA. These non-GAAP measures should be considered in conjunction with, but not as a substitute for, financial information presented in accordance with GAAP. Please refer to our Q4 2025 Earnings Release available at <https://ir.angi.com/quarterly-earnings> and furnished on Form 8-K on February 10, 2026 for a complete reconciliation of operating (loss) income to Adjusted EBITDA.

FY 2024, FY 2025, Q1 2026 Outlook and FY 2026 Outlook Operating Income to Adjusted EBITDA Reconciliation:

<i>(\$ in millions; rounding differences may occur)</i>	FY 2024	FY 2025
Operating income / (loss)	\$22	\$65
Depreciation	86	45
Stock-based compensation expense	35	15
Amortization of intangibles	3	2
Restructuring	-	13
Adjusted EBITDA	\$145	\$140

<i>(\$ in millions)</i>	2026 Outlook	
	Q1 2026	FY 2026
Operating income / (loss)	\$ (23) - \$ (11)	\$42 - \$66
Depreciation	18 - 15	70 - 60
Stock-based compensation expense	5 - 3	18 - 14
Restructuring	15 - 10	15 - 10
Adjusted EBITDA	\$15 - \$17	\$145 - \$150

Webcast and Conference Call Details

Angi Inc. will host a conference call to answer questions on February 11, 2026, at 8:30 a.m. Eastern Time. This conference call will include the disclosure of certain information, including forward looking information, which may be material to an investor's understanding of Angi Inc.'s businesses. The conference call will be accessible to the public at ir.angi.com and a recording of the webcast will be made available at the same location. This letter will not be read on the call.

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

This letter and our conference call, which will be held at 8:30 a.m. Eastern Time on Wednesday, February 11, 2026, may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "may," "will," "should,"

"could," "intend," "target," "project," "continue," "anticipate," "estimate," "expect," "plan," "believe," "potential" and "going forward" among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: the future financial performance of the Company and its businesses, business prospects and strategy, the timing, development, and expected impact of strategic and product initiatives, including our AI, pro online self-enrollment and single global platform initiatives, future marketing strategy, future capital allocation strategy, anticipated savings in operating expense and capital expenditures in connection with the reduction in force, anticipated trends and prospects in the home services industry and other similar matters. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: (i) the continued migration of the home services market online, (ii) our ability to market our various products and services in a successful and cost-effective manner, (iii) the continued prominence of the display of links to websites offering our products and services in search results, (iv) our ability to expand our prepriced offerings, while balancing the overall mix of service requests and directory services on Angi platforms, (v) our ability to establish and maintain relationships with quality and trustworthy Pros, (vi) our continued ability to develop and monetize versions of our products and services for mobile and other digital devices, (vii) our ability to access, share, use and protect the personal data of consumers, (viii) our continued ability to communicate with consumers and Pros via e-mail (or other sufficient means), (ix) our ability to continue to generate leads for Pros given changing requirements applicable to certain communications with consumers, (x) any challenge to the contractor classification or employment status of our Pros, (xi) our ability to compete, (xii) unstable market and economic conditions (particularly those that adversely impact advertising spending levels and consumer confidence and spending behavior), either generally and/or in any of the markets in which our businesses operate, as well as geopolitical conflicts, (xiii) our ability to maintain and/or enhance our various brands, (xiv) our ability to protect our systems, technology and infrastructure from cyberattacks (including cyberattacks experienced by third parties with whom we do business), (xv) the occurrence of data security breaches and/or fraud, (xvi) increased liabilities and costs related to the processing, storage, use and disclosure of personal and confidential user information, (xvii) the integrity, quality, efficiency and scalability of our systems, technology and infrastructures (and those of third parties with whom we do business), (xviii) changes in key personnel, (xix) various risks related to our relationship with IAC following the spin-off, (xx) our ability to generate sufficient cash to service our indebtedness and (xxi) certain risks related to ownership of our Class A common stock. Certain of these and other risks and uncertainties are discussed in Angi Inc.'s filings with the Securities and Exchange Commission (the "SEC"), including the most recent Annual Report on Form 10-K filed with the SEC on February 28, 2025, and subsequent reports that Angi Inc. has filed with the SEC. Other unknown or unpredictable factors that could also adversely affect Angi Inc.'s business, financial condition and results of operations may arise from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed in any forward-looking statements we may make. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this letter.