

ANGI Homeservices
Q3 2020 Earnings
Supplemental Financial Information and Operating Metrics

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ANGI Homeservices
Financial Results and Reconciliations

(\$ in millions; rounding differences may occur)

	2018	2019					2020				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Revenue											
North America	\$ 1,062.2	\$ 282.0	\$ 324.4	\$ 339.1	\$ 304.4	\$ 1,249.9	\$ 324.1	\$ 357.4	\$ 372.2		
Europe	70.1	21.4	19.5	18.2	17.2	76.3	19.5	17.6	17.7		
Total Revenue	<u>\$ 1,132.2</u>	<u>\$ 303.4</u>	<u>\$ 343.9</u>	<u>\$ 357.4</u>	<u>\$ 321.5</u>	<u>\$ 1,326.2</u>	<u>\$ 343.6</u>	<u>\$ 375.1</u>	<u>\$ 389.9</u>		
Operating income (loss) (a)(b)											
North America	\$ 78.1	\$ 0.7	\$ 12.5	\$ 27.2	\$ 8.6	\$ 49.0	\$ (8.1)	\$ 16.2	\$ 0.3		
Europe	(14.2)	(4.4)	(1.1)	(2.5)	(2.4)	(10.3)	(8.2)	1.5	(3.3)		
Total operating income (loss)	<u>\$ 63.9</u>	<u>\$ (3.6)</u>	<u>\$ 11.4</u>	<u>\$ 24.7</u>	<u>\$ 6.2</u>	<u>\$ 38.6</u>	<u>\$ (16.3)</u>	<u>\$ 17.6</u>	<u>\$ (3.0)</u>		
Stock-based compensation expense (a)(b)											
North America	\$ (96.1)	\$ (19.1)	\$ (17.4)	\$ (8.6)	\$ (22.5)	\$ (67.6)	\$ (25.3)	\$ (14.5)	\$ (14.6)		
Europe	(1.0)	(0.2)	(0.1)	(0.1)	(0.1)	(0.6)	(0.3)	(0.3)	(0.1)		
Total stock-based compensation expense	<u>\$ (97.1)</u>	<u>\$ (19.3)</u>	<u>\$ (17.5)</u>	<u>\$ (8.8)</u>	<u>\$ (22.7)</u>	<u>\$ (68.3)</u>	<u>\$ (25.6)</u>	<u>\$ (14.8)</u>	<u>\$ (14.7)</u>		
Depreciation											
North America	\$ (21.9)	\$ (6.2)	\$ (8.2)	\$ (10.7)	\$ (12.4)	\$ (37.5)	\$ (11.3)	\$ (11.5)	\$ (12.8)		
Europe	(2.4)	(0.8)	(0.6)	(0.6)	(0.5)	(2.4)	(0.8)	(1.1)	(1.2)		
Total depreciation	<u>\$ (24.3)</u>	<u>\$ (7.0)</u>	<u>\$ (8.8)</u>	<u>\$ (11.2)</u>	<u>\$ (12.9)</u>	<u>\$ (39.9)</u>	<u>\$ (12.1)</u>	<u>\$ (12.6)</u>	<u>\$ (13.9)</u>		
Amortization of intangibles											
North America	\$ (57.9)	\$ (13.7)	\$ (13.5)	\$ (14.0)	\$ (12.9)	\$ (54.1)	\$ (12.9)	\$ (12.9)	\$ (12.8)		
Europe	(4.3)	(0.9)	(0.2)	(0.2)	(0.1)	(1.4)	(0.1)	(0.1)	(0.1)		
Total amortization of intangibles	<u>\$ (62.2)</u>	<u>\$ (14.5)</u>	<u>\$ (13.7)</u>	<u>\$ (14.2)</u>	<u>\$ (13.1)</u>	<u>\$ (55.5)</u>	<u>\$ (13.0)</u>	<u>\$ (13.0)</u>	<u>\$ (12.9)</u>		
Adjusted EBITDA (a)(b)(c)											
North America	\$ 254.0	\$ 39.7	\$ 51.6	\$ 60.5	\$ 56.4	\$ 208.2	\$ 41.4	\$ 55.0	\$ 40.5		
Europe	(6.5)	(2.5)	(0.2)	(1.6)	(1.6)	(5.9)	(7.0)	2.9	(2.0)		
Total Adjusted EBITDA	<u>\$ 247.5</u>	<u>\$ 37.2</u>	<u>\$ 51.4</u>	<u>\$ 58.9</u>	<u>\$ 54.8</u>	<u>\$ 202.3</u>	<u>\$ 34.4</u>	<u>\$ 57.9</u>	<u>\$ 38.5</u>		

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Financial Results and Reconciliations

(\$ in millions; rounding differences may occur)

	2018	2019					2020				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
Net earnings (loss) attributable to ANGI Homeservices Inc. shareholders	\$ 77.3	\$ 10.0	\$ 7.0	\$ 18.0	(0.1)	34.8	\$ (9.0)	\$ 12.7	\$ 4.5		
Add back:											
Net earnings (loss) attributable to noncontrolling interests	0.2	(0.1)	0.3	0.3	-	0.5	(0.2)	0.5	0.7		
Income tax (benefit) provision	(7.5)	(14.2)	2.3	4.9	5.4	(1.7)	(9.0)	3.0	(11.7)		
Other income, net	(17.7)	(2.3)	(1.0)	(1.5)	(1.7)	(6.5)	(0.4)	(0.2)	(0.2)		
Interest expense	11.6	3.0	3.0	3.0	2.5	11.5	2.3	1.6	3.7		
Operating income (loss)	63.9	(3.6)	11.4	24.7	6.2	38.6	(16.3)	17.6	(3.0)		
Stock-based compensation expense	97.1	19.3	17.5	8.8	22.7	68.3	25.6	14.8	14.7		
Depreciation	24.3	7.0	8.8	11.2	12.9	39.9	12.1	12.6	13.9		
Amortization of intangibles	62.2	14.5	13.7	14.2	13.1	55.5	13.0	13.0	12.9		
Adjusted EBITDA	\$ 247.5	\$ 37.2	\$ 51.4	\$ 58.9	\$ 54.8	\$ 202.3	\$ 34.4	\$ 57.9	\$ 38.5		
GAAP diluted weighted average shares outstanding	513.6	523.1	520.7	512.1	502.5	517.9	499.5	510.5	514.7		
GAAP diluted earnings (loss) per share (d)	\$ 0.15	\$ 0.02	\$ 0.01	\$ 0.04	\$ (0.00)	\$ 0.07	\$ (0.02)	\$ 0.02	\$ 0.01		

(a) FYE 2018 operating income of \$63.9 million includes \$70.6 million in stock-based compensation expense related primarily to: (i) a modification charge related to previously issued and unvested HomeAdvisor equity awards and the expense related to the conversion of previously issued and unvested Angie's List equity awards, both in connection with the combination of HomeAdvisor and Angie's List on September 29, 2017 (the "Combination"), and (ii) expense related to the acceleration of converted ANGI Homeservices equity awards held by Angie's List employees upon the termination of their employment in connection with the Combination, as well as \$9.0 million in costs related to the Combination (including \$5.4 million of deferred revenue write-offs).

(b) FY 2018 operating income of \$63.9 million includes \$3.7 million in transaction-related items (including \$0.4 million of deferred revenue write-offs) in connection with the acquisition of Handy on October 19, 2018. FY 2018 was further impacted by \$1.9 million in stock-based compensation expense.

(c) 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. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

(d) Quarterly per share amounts may not add up to the related annual per share amount due to differences in the average common shares outstanding during each period.

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(rounding differences may occur)

	2018	2019					2020				
	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31	Q1	Q2	Q3	Q4	FYE 12/31
ANGI Homeservices											
<i>Revenue (\$ in millions)</i>											
As Reported											
Marketplace (a)	\$ 774.5	\$ 220.5	\$ 261.3	\$ 273.5	\$ 237.4	\$ 992.7	\$ 258.8	\$ 293.2	\$ 306.7		
Advertising & Other (b)	287.7	61.5	63.1	65.7	66.9	257.2	65.4	64.2	65.5		
Total North America	\$ 1,062.2	\$ 282.0	\$ 324.4	\$ 339.1	\$ 304.4	\$ 1,249.9	\$ 324.1	\$ 357.4	\$ 372.2		
Europe	70.1	21.4	19.5	18.2	17.2	76.3	19.5	17.6	17.7		
Total ANGI Homeservices Revenue	\$ 1,132.2	\$ 303.4	\$ 343.9	\$ 357.4	\$ 321.5	\$ 1,326.2	\$ 343.6	\$ 375.1	\$ 389.9		
Other ANGI Homeservices Metrics											
Marketplace Service Requests (in thousands) (c)	23,488	5,827	7,964	7,641	6,121	27,553	5,968	9,381	9,837		
Marketplace Monetized Transactions (in thousands) (d)	14,068	3,575	4,421	4,367	3,705	16,068	3,590	4,514	4,716		
Marketplace Revenue per Monetized Transaction (e)		\$ 62	\$ 59	\$ 63	\$ 64		\$ 72	\$ 65	\$ 65		
Marketplace Transacting Service Professionals (in thousands) (f)		182	188	190	186		191	194	207		
Marketplace Revenue per Transacting Service Professional (g)		\$ 1,212	\$ 1,390	\$ 1,440	\$ 1,273		\$ 1,352	\$ 1,509	\$ 1,483		
Advertising Service Professionals (in thousands) (h)	36	36	36	37	37	37	37	37	39		

(a) Reflects the HomeAdvisor, Handy and Fixd Repair domestic marketplaces, including consumer connection revenue for consumer matches, revenue from pre-priced jobs sourced through the HomeAdvisor, Handy and Fixd Repair platforms and membership subscription revenue from service professionals. It excludes revenue from Angie's List, mHelpDesk and HomeStars. Fixd Repair was moved to Marketplace from Advertising & Other effective January 1, 2020 and prior year amounts have been reclassified to conform to the current year presentation.

(b) Includes Angie's List revenue (revenue from service professionals under contract for advertising and membership subscription fees from consumers) as well as revenue from mHelpDesk and HomeStars.

(c) Fully completed and submitted domestic customer service requests to HomeAdvisor and includes pre-priced jobs sourced through the HomeAdvisor, Handy and Fixd Repair platforms in the period.

(d) Fully completed and submitted domestic customer service requests to HomeAdvisor that were matched to and paid for by a service professional and includes pre-priced jobs sourced through the HomeAdvisor, Handy and Fixd Repair platforms in the period.

(e) Marketplace quarterly revenue divided by Marketplace Monetized Transactions.

(f) The number of HomeAdvisor, Handy and Fixd Repair domestic service professionals that paid for consumer matches or performed a job sourced through the HomeAdvisor, Handy and Fixd Repair platforms in the quarter.

(g) Marketplace quarterly revenue divided by Marketplace Transacting service professionals.

(h) The number of Angie's List service professionals under contract for advertising at the end of the period.