IAC Q4 2024 Shareholder Letter

February 11, 2025

Dear Shareholders,

When I arrived on March 31, 2003 to USA Interactive, the predecessor to IAC, I knew that the company had a pretty interesting collection of assets, big ambitions for the highly controversial Internet, and that its Chief Executive didn't wear socks in the only meeting I had ever seen him in person. What was this mysterious company that controls so many different businesses, follows no conventions, wants me to take a pay cut to show up, and couldn't get socks for its Chief Executive? I've now spent 22 years answering that unanswerable question, and while I still may be wondering, as IAC announced last month, soon I won't be answering in an official capacity any longer.

What an incredible journey—for the first 12 years in a half dozen different roles, each of which helped me get to know more people and taught me something new about the world, about IAC, and about myself, and in the next 10 years driving the company forward as CEO. I've watched so many leaders learn, grow, and thrive—challenging themselves and each other to constantly raise the bar for themselves and this company. Nothing makes me happier than seeing the success so many IAC people have found here, and many more have carried on elsewhere. I deeply believe that the opportunity at IAC for anyone to achieve new goals is unmatched in the world. I have learned from so many people along the way, and I wish I could name them and thank them all here, but our modern attention spans won't allow a list that long without pictures.

So, I'll focus on the one lifelong learner who brought all of us together with his brilliant vision, his endless ambition, and insatiable appetite for change, and who continues to raise the bar every day still. In fact, he has never seen a bar set high enough. He has never seen a plan ambitious enough. He has never seen a product good enough or a story well enough told. And he has gotten so many of us to think bigger and better as a result. As George Bernard Shaw said, "The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to himself.

Therefore, all progress depends on the unreasonable man." I have so much gratitude for the most unreasonable person in my life: Barry Diller. Thank you, Barry, on behalf of all of us at IAC.

Of course, I'm not leaving IAC because Barry is an unreasonable man—that's what kept me here for 22 years. I'm leaving because he made me unreasonable too: to leave an incredible company with brilliant, ambitious people and unlimited potential, to challenge myself to build and create something on my own, and to drive progress for the world. So that's what I intend to do.

I know I will be leaving IAC in unbelievably capable minds with Barry Diller, Chris Halpin, and Kendall Handler leading the Corporate operation, and all the leaders at IAC who constantly raise the bar on every business we own. We have so much pent up value in IAC, and I will be thrilled to see it unleashed over the next few years.

I excerpted the text above from the note I sent to all IAC employees announcing my departure, but I think it's just as relevant here. In this 37th, and final, letter to the shareholders of IAC, I also want to express my enormous gratitude to IAC shareholders for your partnership, insights and patience, and provide a brief final update on the businesses.

IAC ended 2024 in a great place, with substantial growth in cashflow and a very healthy balance sheet. Angi is ready to stand on its own as an independent company—working and plotting patiently to win this category for the long-term. We finished the year with 23% Adjusted EBITDA growth, a significantly better customer experience on both sides of the marketplace, and more cash flow. We have a clear trajectory for returning to growth next year and remain entirely focused on building a world class product that puts the needs of pros and homeowners front and center. I will remain an active driver in Angi post-spin as Executive Chairman, where Jeff Kip, the entire Angi team and I have a world of opportunity to pursue, and we intend to get after it aggressively.

Dotdash Meredith, our biggest business, continues to grow revenue and profit, outpacing the competition with world-class brands, better content, and industry leading technology. This year, Dotdash Meredith grew Core Sessions (+8%), Digital revenue (+13%), and Adjusted EBITDA (+15% excluding certain items in both periods), but there is no secret formula: trusted brands that deliver valuable content attract loyal, high-quality audiences valued by advertisers. In the fourth quarter we did especially well with the consumer. Performance Marketing bounced back to 22%

growth and ad performance remained healthy. We still see a constructive ad market, steady Core traffic growth, and expect solid consumer spending (absent a trade war or similar).

D/Cipher, with OpenAI's technology now integrated, gives us a richer understanding of audience intent across the Dotdash Meredith content universe, and in Q4 we saw continued strong performance for advertisers as a result. We will extend the core D/Cipher offering with the launch of D/Cipher+ this year to provide similar targeting and performance across the entire open web, not just our owned inventory. We're piloting it with select advertisers now with plans to significantly scale the effort by offering advertisers new ways of transacting beyond premium inventory.

You will also see Dotdash Meredith lean heavily into engaging consumers directly and more deeply as we launch new branded consumer products and experiences this year. Growing our direct relationships with consumers will be essential for Dotdash Meredith, and we have invested heavily in content on our owned sites as well as email, Apple News+, social media, video and events to expand our consumer touch points. We see an opportunity to cut out the middleman—both from an advertising technology and audience perspective—and own our future directly.

Meanwhile, MGM and Turo continue to post records, Care is generating healthy cashflow, and there is plenty of capital to work with at IAC. This team has worked incredibly hard and in this final note I need only thank everyone at IAC for making it happen. Always be building.

With unending gratitude,

Joey Levin

FY 2025 Outlook

Please refer to page 14 of the IAC Q4 2024 Earnings Release for the FY 2025 Outlook.

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 2024 Earnings Release available at https://ir.iac.com/quarterly-results and furnished on Form 8-K on February 11, 2025 for a complete reconciliation of operating (loss) income to Adjusted EBITDA.

FY 2024 and FY 2023 Operating income (loss) to Adjusted EBITDA Excluding Certain Dotdash Meredith Items Reconciliation:

($ in millions)	FY 2023	FY 2024	Y/Y Growth
Operating income (loss)	**($151)**	**$107**	**NM**
Certain Dotdash Meredith items	45	13	
Operating income (loss) excl. one-times	**($106)**	**$120**	**NM**
Amortization of intangibles	280	136	
Depreciation	70	26	
Stock-based compensation expense	24	26	
Adjusted EBITDA excl. one-times	**$267**	**$308**	**15%**

Webcast and Conference Call Details

IAC and Angi Inc. will host a joint conference call to answer questions on February 12, 2025 at 8:30 a.m. Eastern Time. The conference call will be open to the public at **ir.iac.com** or **ir.angi.com**. This letter will not be read on the call.

Cautionary Statement Regarding Forward-Looking Information

This letter and the IAC and Angi Inc. conference call, which will be held at 8:30 a.m. Eastern Time on Wednesday, February 12, 2025, may contain "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" and "believes," among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: the future financial performance of IAC and its businesses, business prospects and strategy, the contemplated Angi Inc. spin-off and anticipated benefits, the reorganization of IAC's leadership, anticipated trends and prospects in the industries in which IAC's businesses operate 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) our ability to market our products and services in a successful and cost-effective manner, (ii) the display prominence of links to websites offering our products and services in search results, (iii) changes in our relationship with (or policies implemented by) Google, (iv) our ability to compete with generative artificial intelligence technology and the related disruption to marketing technologies, (v) the failure or delay of the markets and industries in which our businesses operate to migrate online and the continued growth and acceptance of online products and services as effective alternatives to traditional products and services, (vi) our continued ability to develop and monetize versions of our products and services for mobile and other digital devices, (vii) 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, (viii) the ability of our Digital business to successfully expand the digital reach of our portfolio of publishing brands, (ix) our continued ability to market, distribute and monetize our products and services through search engines, digital app stores, advertising networks and social media platforms, (x) risks related to our

Print business (declining revenue, increased paper and postage costs, reliance on a single supplier to print our magazines and potential increases in pension plan obligations), (xi) our ability to establish and maintain relationships with quality and trustworthy professionals and caregivers, (xii) the ability of Angi Inc. to expand its pre-priced offerings, while balancing the overall mix of service requests and directory services on Angi platforms, (xiii) the ability of Angi Inc. to continue to generate leads for professionals given changing requirements applicable to certain communications with consumers, (xiv) our ability to access, collect, use and protect the personal data of our users and subscribers, (xv) our ability to engage directly with users, subscribers, consumers, professionals and caregivers on a timely basis, (xvi) the ability of our Chairman and Senior Executive and certain members of his family to exercise significant influence over the composition of our board of directors, matters subject to stockholder approval and our operations, (xvii) risks related to our liquidity and indebtedness (the impact of our indebtedness on our ability to operate our business, our ability to generate sufficient cash to service our indebtedness and interest rate risk), (xviii) our inability to freely access the cash of Dotdash Meredith and /or Angi Inc. and their respective subsidiaries, (xix) dilution with respect to investments in IAC and Angi Inc., (xx) our ability to compete, (xxi) our ability to build, maintain and/or enhance our various brands, (xxii) our ability to protect our systems, technology and infrastructure from cyberattacks (including cyberattacks experienced by third parties with whom we do business), (xxiii) the occurrence of data security breaches and/or fraud, (xxiv) increased liabilities and costs related to the processing, storage, use and disclosure of personal and confidential user information, (xxv) the integrity, quality, efficiency and scalability of our systems, technology and infrastructure (and those of third parties with whom we do business), (xxvi) changes in key personnel and risks related to leadership transitions, (xxvii) risks related to the proposed spin-off of IAC's ownership in Angi Inc. and (xxviii) changes to our capital deployment strategy. Certain of these and other risks and uncertainties are described in IAC'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 29, 2024, and subsequent reports that IAC files with the SEC. Other unknown or unpredictable factors that could also adversely affect IAC'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.