Vermögen. Richtig. Gestalten.

Ein Investorenbrief der aufhorchen lässt.

InterActiveCorp (IAC) – an der NASDAQ gelistet und ein weltweit führendes und innovatives Unternehmen im Bereich „Onlinehandel und Dienstleistungen“. Mit Unternehmensbeteiligungen und Entwicklungen wie Vimeo, Expedia, Trip Advisor kann man die Holding durchaus als Branchenkenner und „Frontrunner“ bezeichnen.

Im aktuellen Investoren Brief (Stand 09.05.2022) gibt das Management eine Einschätzung zu den aktuellen „Abwertungen“ von „Techunternehmen“.

Das Management sieht den Grund hierfür weniger in exogenen „Black-Swan-Events“ sondern als Folge sich nachhaltig verändernder Bewertungsmechanismen an den Märkten (in Folge von steigenden Zinsen und Veränderung des monetären Umfelds).

Auf den Seiten 1 und 7 des Investorenbriefes wird deutlich, dass nach Einschätzung des Managements diese niedrigeren Bewertungslevels eher auf Jahre zu erwarten sind (die nicht mal so schnell mit einem schnellen „Schuss in den Arm“ geheilt werden können).

Wir sehen uns in unserer strategischen Erwartung für die Märkte bestätigt, dass Investoren in Folge höherer Inflationen und steigender Zinsen eher gut beraten sind „Growth Werte“ z.G. „Value“ und „Dividendentitel“ umzuschichten.

Nähere Details können auch unserem Positionspapier vom 01.04.2022 entnommen werden.

Alexander Sindermann B.A.

IAC Q1 2022 Shareholder Letter

May 9, 2022

Dear Shareholders,

Approximately two years ago, we were in the depths of a pandemic that few people had seen coming and no one could have certainty on where it was going. *Exactly* two years ago this week, we bought our first share of MGM Resorts International for $12.17. We went on to buy another $1 billion worth of MGM shares over the following twelve weeks because the market provided us with what we described at the time as a once-in-a-decade opportunity to own the largest stake in a category leader at an unreasonably low price relative to risk. I don't retell that story for a victory lap, but to contrast the situation at that time – the onset of the global pandemic – with the current market, where war, inflation, and a global re-pricing of risk have reduced the valuation of many companies, including ours (by more than a third since last quarter's letter to shareholders.) Both now and then, the drop in valuations was steep and swift. This time, however, the market reaction is driven by an appropriate resetting in valuation frameworks rather than an exogenous "black swan" event. And this time there's no "shot-in-the-arm" (literally or figuratively) on the horizon to snap things back – we expect the stepped-down valuations to last for a while for companies like ours with something to prove. At Dotdash Meredith and Angi, our two biggest controlled businesses, it's now time for us to start proving. We are ahead of plan on the Meredith integration and are confident we'll exceed $300 million of Adjusted EBITDA there this year, and at Angi we are now past peak investment in Services, lapping the rebrand, and expect improved profitability from here.

Dotdash Meredith

Dotdash Meredith, the recent combination of Dotdash and Meredith, will be our biggest cashflow contributor for the next several years, and we're beginning to see the value we imagined in the

combination. The work ahead is crystal clear, similar to work we've done in the past, and proceeding on schedule. Barry Diller and I spent last week with colleagues in Birmingham and Des Moines, two key Meredith hubs, now bubbling with activity building the future front door of e-commerce. We walked through 50 kitchens creating recipes, sampling ingredients, and testing appliances. We visited dozens of labs where reviewers were dropping scorching hot pans into ice water, running robot vacuums through syrup and past baby toys, and hanging and peeling removable wallpaper – all documented step-by-step with photographs, video, and painstakingly detailed reviews to identify the best product in each category for audiences across our properties. Seeing the operation in action, I can't imagine making a future purchase without consulting our content on the topic. This proprietary content investment is a fundamental competitive advantage for Dotdash Meredith, and the company's technology infrastructure can, for the first time in a very long time, make Meredith's iconic brands grow.

Five months since closing, we've advanced the four key elements of the Dotdash Meredith integration:

- **Digital Platform:** A fundamental value driver is applying the Dotdash principles to the Meredith digital properties: *Best (Content), Fastest (Site), Fewest (Ads)*. That starts with migrating the Meredith sites to Dotdash's digital platform. Last week, we completed the first migration, *Health.com*, with immediate results. Health.com now hosts 30% fewer ads and the site loads 5x faster – a materially better experience for both readers *and* advertisers. Fewer, better, faster ads enhance performance for each advertiser, and while we took a quick hit to revenue, the increased ad yield brought us back to neutral within a week, the fastest recovery we've ever seen. The best and highest-paying advertisers reward the publishers that clear out the junk. Migration of the remaining properties should now quickly follow.

- **Print:** Consistent with our plan, we have reduced circulation while improving print quality and Meredith's carbon footprint. We stopped printing seven titles and reduced frequency in others, cutting our total paper demand by more than a third on an annualized basis. This allowed us to invest in the paper quality and editorial of our remaining print titles – making the issues we print worth buying – and has set the business on a path for sustainable profits.

- **Sales Force:** We have successfully unified the sales force, bringing Dotdash's digital performance measurement to Meredith's customers, and the response from key advertisers and agencies has been overwhelmingly positive, especially in an environment where advertisers are proactively seeking alternatives to the digital market giants. We know we can't buy lunch with positive sentiment, and we expect that pipeline to turn into revenue over the course of 2022.

- **Cost Savings:** We have taken more than $90 million of annualized costs out of the business, primarily related to duplicative corporate overhead and rationalizing the magazine business. These savings will start to show up in our Q2 financial results and should be fully reflected by the fourth quarter this year. Not every dollar of cost savings shows up in profit, however, as we reinvest some savings in Digital content and manage the expected decline in the Print segment.

As we have said previously, the 2022 financial statements paint a muddled picture, but internally we are focused on two important signals: resumption of Digital revenue growth and stabilization of Print earnings. Digital revenue growth should continue to improve throughout the year, reaching 15-20% by year end. The Digital revenue decline in Q1 2022 was driven by a combination of the prior year's unusual COVID-related behavior (many people spent Q1 2021 at home with their devices shopping online) and the changes we've made to the business that reduce short-term revenue. The good news for the world but less good news for Dotdash Meredith's year-over-year comparisons is that the world is out and about again. That reality does not impair our ability to grow Digital from here, and the year-over-year financial growth outlook is unusually back-end weighted as a result, with revenue acceleration and growing profits in the second half of the year. In the Print segment, we expect the changes will lead to positive Adjusted EBITDA this year.

"Adjusted" financials are always good reason to be skeptical, but given all the moving pieces at Dotdash Meredith, we try to look at a set of financials that are indicative of the future state of the business. When we exclude what we consider the one-time charges related to restructuring and the Meredith acquisition, we believe we are on pace for over $300 million of Adjusted EBITDA

this year. We remain, however, more focused on 2023 and beyond and will continue to make the changes and take the charges necessary to set up a cleaner and clearer future for the business.

Angi

A year following the rebrand, the improvements over last year's lows are starting to show and momentum in Services continues. The monthly comps so far are idiosyncratic as a result of both the March 2021 post-lockdown demand surge and the impact of the rebrand to Angi, which occurred in mid-March 2021 but didn't reduce traffic to our sites until April 2021. We are seeing positive momentum in the Angi brand, along with strong monetization, and a continued drag from the legacy HomeAdvisor brand. Service requests are still down as a result of changes we've made and likely some macro-economic softness in consumer demand for home services, but the Ads and Leads business is naturally hedged – revenue can grow despite service request declines – because service professionals depend on Angi more when consumer demand softens and less when demand surges (a dynamic that was clearly evident over the course of the pandemic).

The Services business grew over 100% for the fourth straight quarter in Q1 2022. Gross margins that range from 15% to 35% across the different Services offerings are well below the 95% gross margins in the Ads and Leads business, but given the generally higher gross profit per job, offering Services enables us to maximize profitability for each visitor to our sites. Most importantly, however, we now have more ways to satisfy consumers and service professionals, resulting in higher repeat and retention rates.

We still need to prove that we can scale the gross profits in Services above the remaining operating expenses, and the timeline for those proof points have certainly tested shareholders' patience, but the 85% shareholder continues to believe. Here's why:

- We are past the point of peak investment, which is the hardest part. As Services scales from here, we expect losses to narrow.
- We are delivering an experience that makes homeowners and service professionals happier than any experience we've previously seen in the category, as measured by both feedback and customer retention, which should only get better as job density improves.

- The Services business expands Angi's portfolio to offer homeowners the most complete solution in the market. We believe homeowners and service professionals want access to Services, Ads and Leads products in one platform, and we are the only company capable of offering it.

We know we're addressing a larger portion of the market, and we know we're delivering a compelling experience – now we need to prove we can make it a profitable business at scale and in the meantime, we expect to grow Adjusted EBITDA at Angi for the year.

Care

When we bought Care.com two years ago, it had a massive market opportunity but needed significant investments in platform, product, and management. The focus since then has been on improving safety, upgrading the user experience, and optimizing customer acquisition, all to lay the foundation for transformational product innovations. These efforts have largely worked. The core Consumer business, which represents nearly half of Care's revenue, has grown subscribers 30% since acquisition despite the immediate negative impact of the pandemic. All providers are background-checked, largely funded by the providers themselves. More judicious matching has made interactions between seekers and providers more efficient. And we now have the tools and metrics in place to scale the core business and gain a clearer understanding of the existing market opportunity as we start to press on customer acquisition.

The Enterprise business got an enormous bump during COVID. Workplaces scrambled to offer employees a care solution, and with many kids stuck at home, utilization soared. Urgency to purchase and care day utilization have since moderated, which means Enterprise revenue is down slightly year-over-year, and we now need to prove we can grow in a normalized environment.

With the foundational elements in place, phase two of our plan has begun. More than 40% of consumers visiting Care.com look for a type of care beyond our core strength in long-term and nanny care, and we're beginning to serve them, starting with out-of-home daycare and an instant booking feature for one-time babysitters. Similar possibilities exist in senior care and pet care. In

most of these areas, we start with the leading brand in the space, a substantial free stream of potential customers, a large addressable market with secular tailwinds, and as we scale each marketplace, we improve the product, not just the price.

Vivian

Since last quarter's shareholder letter highlighting the opportunity for Vivian, a few investors bought $60 million dollars of shares in Vivian at a $400 million valuation. Besides a healthy valuation, the fundraise accomplished a few key objectives. An external investment and valuation mark from a highly credible third party such as our new partner Thoma Bravo helps reframe the narrative from "corporate subsidiary" to vaunted "startup" to retain and attract talent among entrepreneurial individuals weighing other early-stage opportunities. Additionally, while we are tremendously excited about Vivian's future, we can continue to capture a substantial majority of the upside without requiring significantly more capital. Our total capital into Vivian to date is approximately $20 million and, based on the latest investment, would currently be valued at more than $300 million. I say "would be valued" because this valuation only exists on paper – we have lots to prove at Vivian before IAC's shareholders can put that valuation in a bank. However, the new capital allows our initial capital into Vivian to go much further in creating value. Lastly, we always value smart voices around the table bringing different perspectives to the business, and Thoma Bravo's reputation and track record bode well for capturing the enormous opportunity in front of Vivian for healthcare staffing and creating real value from here.

Conclusion

When most investors ran and hid in 2020, we were obsessively scouring the landscape looking for the best opportunities to deploy capital. We didn't predict the timing of the pandemic, or the impact of government responses – we simply bet that the stresses of COVID would eventually subside without materially impairing the long-term value of great businesses with solid balance sheets. We believed we had a very short window to act and knew that few companies would convene board meetings to sell in that window. So, we focused on the only opportunities to deploy

capital at scale – stakes in public securities which required no agreements, only our conviction – ultimately resulting in our 15% stake in MGM.

We view today's environment differently. If the current valuation framework persists as we expect (years, not months), companies will eventually accept their new valuation reality, and IAC will have opportunities, for the first time in a while, to buy control positions in growing companies which still have something to prove. We'll be able to make bets on superior business models and management teams without having to make bets on future valuation multiples. For the past several years, an acquirer had to believe two things: (1) a company could execute against its market opportunity with precision, and (2) a future market would place a similar unusually high multiple on a company's revenue. For IAC, when we love a company, we've always been willing to make the first bet, but never the second. We bet on discounted future cashflows.

Amidst that previous exuberance, we looked further and wider to find businesses, often with visible flaws (Care, Meredith), or seize on brief moments of dislocation to acquire portions of companies (Turo, MGM). Though we found phenomenal opportunities over the last few years, we expect the current environment to offer the most fertile ground we've seen in a while. We recognize that the same is true for our shareholders directly –the opportunities for your investment dollars are better now than they've been in a very long time. We are grateful to all of you who entrust us with your capital to do the work necessary to sort, prioritize and capture the opportunities the current market presents. As we do that work, we will of course continue to evaluate all new opportunities against the potential to repurchase our own shares. Opportunity abounds, and we will always be building.

Sincerely,
Joey Levin
CEO

2022 Monthly Trends through April [a]:

	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22
Dotdash Meredith							
Digital Revenue	17%	13%	273%	248%	226%	219%	227%
Print Revenue	NM	NM	NM	NM	NM	NM	NM
Total Revenue	**17%**	**13%**	**569%**	**684%**	**683%**	**634%**	**618%**
Pro Forma Digital Revenue	6%	5%	-3%	2%	0%	-8%	0%
Pro Forma Print Revenue	-15%	-3%	-3%	-11%	-10%	-5%	-25%
Total Pro Forma Revenue (b)	**-7%**	**0%**	**-4%**	**-5%**	**-7%**	**-6%**	**-16%**
Angi Inc.							
Angi Ads and Leads	-2%	-2%	0%	-2%	1%	-7%	-2%
Angi Services (c)	124%	125%	101%	91%	132%	102%	111%
Total North America Revenue	15%	18%	17%	13%	20%	10%	17%
Europe Revenue	4%	1%	-4%	0%	-3%	-8%	-7%
Total Revenue	**15%**	**17%**	**16%**	**12%**	**18%**	**9%**	**16%**
Angi Service Requests	-8%	-2%	-3%	-5%	-11%	-20%	-14%
Angi Monetized Transactions	0%	5%	4%	-2%	-2%	-14%	-8%
Angi Transacting Service Professionals	4%	1%	-1%	-2%	-3%	-4%	-4%
Angi Advertising Service Professionals	-1%	-2%	-4%	-5%	-6%	-11%	-15%
Search							
Ask Media Group Revenue	109%	56%	64%	48%	37%	22%	24%
Desktop Revenue	-15%	-15%	-21%	-20%	-19%	-22%	-13%
Total Revenue	**79%**	**40%**	**47%**	**33%**	**25%**	**14%**	**17%**
Emerging & Other (d)							
Total Revenue	**33%**	**21%**	**69%**	**13%**	**1%**	**13%**	**12%**

(a) As of the date of this document, the Company has not yet completed its financial close process for April 2022. As a result, the information herein is preliminary and based upon information available to the Company as of the date of this document. During the course of the financial close process, the Company may identify items that would require it to make adjustments, which may impact growth rates and be material to the information presented above.

(b) Pro Forma reflects the inclusion of Meredith revenue for all periods prior to the to Meredith acquisition on December 1, 2021. Meredith's programmatic advertising revenue has been presented on a net basis to conform to IAC's accounting policies.

(c) Includes revenue from Angi Roofing, which was acquired on July 1, 2021.

(d) February 2021 and December 2021 include revenue from IAC Films projects recognized during the month.

Webcast and Conference Call Details

IAC and Angi Inc. will livestream a joint video conference call to answer questions on May 10, 2022 at 8:30 a.m. Eastern Time. The livestream will be open to the public at **ir.iac.com** or **ir.angi.com**. This letter will not be read on the call.

Non-GAAP Financial Measures

This letter contains references to certain non-GAAP measures. These non-GAAP measures should be considered in conjunction with, but not as a substitute for, financial information presented in accordance with GAAP.

Dotdash Meredith FY 2022 Operating income to Adjusted EBITDA Reconciliation:

($ in millions)	**FY 2022 Outlook**
Operating income (a)	**$20-$35**
Amortization of intangibles	190-200
Depreciation	55-60
Stock-based compensation expense	20
Adjusted EBITDA (a)	**$300**

(a) Excluding restructuring and transaction-related items associated with the acquisition of Meredith.

Cautionary Statement Regarding Forward-Looking Information

This letter and the livestream, which will be held at 8;30 a.m. Eastern Time on Tuesday, May 10, 2022, 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: IAC's future financial performance, business prospects and strategy, 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 of links to websites offering our products and services in a prominent manner in search results, (iii) changes in our relationship with (or policies implemented by) Google, (iv) our continued ability to market, distribute and monetize our products and services through search engines, digital app stores and social media platforms, (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) adverse economic events or trends that adversely impact advertising spending levels, (viii) risks related to our Print business (declining revenue, increased paper and postage costs, reliance on a single supplier to print our magazines and increased pension plan obligations), (ix) the ability of our Digital business to successfully expand the digital reach of our portfolio of publishing brands, (x) our ability to establish and maintain relationships with quality and trustworthy service professionals and caregivers, (xi) the ability of Angi Inc. to successfully implement its brand initiative and expand Angi Services (its pre-priced offerings), (xii) our ability to engage directly with users, subscribers, consumers, service professionals and caregivers on a timely basis, (xiii) our ability to access, collect and use personal data about our users and subscribers, (xiv) the ability of our Chairman and Senior Executive, certain members of his family and our Chief Executive Officer to exercise significant influence over the composition of our board of directors, matters subject to stockholder approval and our operations, (xv) 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), (xvi) our inability to freely access the cash of Dotdash Meredith and /or Angi Inc. and their respective subsidiaries, (xvii) dilution with respect to our investment in Angi Inc., (xviii) our ability to compete, (xix) adverse economic events or trends (particularly those that adversely impact consumer confidence and spending behavior), either generally and/or in any of the markets in which our businesses operate, (xx) our ability to build, maintain and/or enhance our various brands, (xxi) the impact of the COVID-19 outbreak on our businesses, (xxii) our ability to protect our systems, technology and infrastructure from cyberattacks and to protect personal and confidential user information, (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) and (xxvi) changes in key personnel. Certain of these and other risks and uncertainties are discussed in IAC's filings with the Securities and Exchange Commission. 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. In light of these risks and uncertainties, these forward-looking statements may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of IAC's management as of the date of this letter. IAC does not undertake to update these forward-looking