Angi Inc. Q2 2026 Shareholder Letter

To our shareholders,

We have spent the three months since our last letter getting off to the races on our strategic transformation: our first agent is in test in the market; we have delivered the first milestones of our AI first platform transformation; and we have been executing against the larger pro segment opportunity with enough force to bring our pro capacity back to nearly flat year-over-year after a double digit decline in the 1st quarter.

When we dropped guidance in Q1, we made a promise of consistent profitability and sufficient cash flow to fully fund the build. We are on track with that promise. After a second quarter with $28 million in Adjusted EBITDA, our first-half cumulative Adjusted EBITDA is now $51 million with $31 million of capex. We were clear at the beginning of the year that the second half of the year would deliver more profit than the first half, and we are on target with our full-year cash flow.

Our revenue was down (11)% for the quarter; starting in March, we saw a meaningful shift in mix and pressure on overall traffic as gas prices spiked and consumers moved from larger to smaller jobs. While the impact has continued, we already see recovery underway. Year-over-year revenue declines bottomed at (12.7)% in May – but improved to (8.2)% in July.

At the same time, the fundamental leading indicators of our flywheel kept improving.

- Win rate was up nearly +20% year over year in Q2;
- Pro capacity churn fell to (2.8)% as stronger larger pro retention and acquisition has shifted our pro mix; nominal churn improved by +12%;
- Marketplace new pro sales grew 53% year over year – and overall new pros acquired returned to growth at +13% year-over-year, averaged down by declines in the legacy services business;
- From the end of Q1 to the end of Q2, we grew our daily pro capacity +6% – which annualizes to +24%;
- Homeowner job completion rate was up more than 10% year over year; and
- Homeowner repeat rate grew +21% year over year in Q2, following +24% growth in Q1.

Both pros and homeowners are having more success on our platform, and pro demand for our leads is growing again.

In our last letter, we outlined our strategic thesis: the greatest technology transformation in a generation has created both the opportunity and the imperative to rebuild Angi as an AI-first platform — one that solves the pro's core problem of winning work consistently, not just connecting them with leads. Here is where we stand three months into that effort:

- As of today, we have rebuilt and migrated the homeowner account experience — including project tracking and messaging. When we fully deployed our messaging technology and product in Europe, customer usage and pro win rates jumped approximately +20% and +10%, respectively. Once the experience is stable, we will deploy AI-powered helpers in the messaging interface and expect to improve performance further – just as we have in the rest of the funnel.
    - By the end of the year, we plan to migrate the full conversion funnel — where the homeowner submits their service requests and chooses their pros — to the new platform. That journey will progressively transform into an AI homeowner agent, which will collect and deliver more job and availability information, driving the quality of our matches and, ultimately, enabling direct booking.

- The Angi Pro Chief Revenue Officer has moved from concept to product. Our first agent — the AI Front Desk — is live, making calls to homeowners on behalf of small pros to book appointments. As of today, we've booked dozens of appointments across the dozens of pros in our pilot and, thus far, retention is high: roughly 80% of pros who enabled the agent have kept it on in the ensuing weeks. Our next agents will target routing, call receiving and handling, dispatch, and appointment transcription to be used for quoting and sales coaching.
    - The smaller pro segment today is relatively underpenetrated by software solutions; it has historically been uneconomical to serve this segment at scale, but we already own the distribution assets – our installed base and our pro acquisition engine – to do exactly this.
    - We will have the opportunity to offer this product free to our customers given our distribution and we will be able to monetize over time through both improved retention and lifetime value and charging for usage.

- We have been progressively integrating a "homeowner agent" into the core customer journey.
    - To date, we have called that effort the "AI helper". 50% of homeowners touch the AI helper in the service request submission path, and those homeowners are 3x as likely to convert to monetized service requests.

    - We are now going to deploy those models post-pro selection to engage the homeowner more deeply, acquire more job details and availability information and offer the homeowner price estimates and advice based on our extensive database and domain knowledge. As we continue to build out our products for both homeowners and pros, we will be able to provide booking and other contact features like direct messaging and drive success rates for both homeowners and pros.

- Additionally, we are extending our reach on LLM surfaces.
    - We have expanded marketing on ChatGPT and are now driving roughly $3 million in annualized lead revenue on a run rate basis – at a solid profit.
    - In addition to our ChatGPT app and our Amazon Alexa integration, we expect to announce additional major integrations in the near future.
    - Both our Pro CRO and our Homeowner Agent will provide incremental functionality and an improved customer experience to give us a competitive edge on LLM surfaces. We are seeing these models reward platforms like ours that reliably deliver customer outcomes at scale.

The final plank of the transformation is our large pro strategy, which is today validating at scale. Lead revenue from large pros and national partnerships grew 20% year over year in Q2 — our second consecutive quarter of 20%+ growth in these segments — with our large pro sales team still at roughly half its target capacity. That team ended Q1 at seven sellers; we are now at twenty and growing. Large pro capacity accelerated to 30% growth year over year in June; we have increased capacity per pro per day by more than 13% versus last year across Angi, driven by our focus on larger pros. Our current market share in the large pro segment is less than half a percent — we believe there is a 10x growth opportunity here over the next 6-8 years.

Our right to win in this market is unchanged:
- Thirty years of brand equity;
- A critical position in the core revenue funnel of nearly 200,000 pros across the US and our international markets — our leads business is the competitive wedge that opens every other door;
- Industry-leading acquisition capabilities: over 90,000 new pros added in the US alone in the last year;
- The flywheel, network effects, and data platform we have built with our homeowner and pro acquisition engines; and
- The cash flow to fund our forward innovation without external capital.

We estimate the total market for pro spending on customer acquisition exceeds $70 billion. We estimate the market for software and services for home services professionals is approximately the same size. We are building for both.

We continue to believe that we have the right strategy and assets to win the market prize available to us and reach $5 billion in revenue. Each footing of our strategy – the Angi Pro CRO, our new AI-first platform, and the large pro growth opportunity – is launched and on track. We plan to show you our progress on November 17 with the investor day we committed to in May. We will demo the working Angi Pro CRO agents and agent prototypes — what is live, what is in development, and what is planned — and lay out our full product roadmap and review progress to date across the plan.

Our competitive position is strong. Our assets are durable. Our path is clear. We are playing to win.

**Jeff Kip**
Chief Executive Officer, Angi Inc.

## 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 Q2 2026 Earnings Release available at https://ir.angi.com/quarterly-earnings and furnished on Form 8-K on August 4, 2026 for a complete reconciliation of operating (loss) income to Adjusted EBITDA.

Q2 2026 and YTD 2026 Operating Income to Adjusted EBITDA Reconciliation:

| *($ in millions; rounding differences may occur)* | **Q2 2026** | **YTD 2026** |
|---|---|---|
| **Operating income / (loss)** | **$(234)** | **$(243)** |
| Stock-based compensation expense | 5 | 8 |
| Depreciation | 21 | 36 |
| Restructuring | 1 | 16 |
| Goodwill impairment | 226 | 226 |
| Impairment of intangibles | 10 | 10 |
| **Adjusted EBITDA** | **$28** | **$51** |

## Webcast and Conference Call Details

Angi Inc. will host a conference call to answer questions on August 5, 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, August 5, 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," "would," "intend," "target," "project," "continue," "anticipate," "estimate," "expect," "plan," "believe," "potential," "underway" and "going to" 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, including our expectations regarding future profit and cash flow, our aspiration to achieve revenue of $5 billion, business prospects and strategy, the timing, development, and expected outcome of strategic and product initiatives, including our transition to an AI-native platform and offering of AI products, our ability to complete and benefit from integrations with third party AI platforms, future monetization of our products, future marketing strategy, future capital allocation strategy, details of the forthcoming investor day, anticipated trends and prospects in the home services industry, growth prospects in the large pro sector 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 pre-priced offerings, while balancing the overall mix of service requests and directory services on Angi Inc. 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) our development and use of AI and machine learning technologies and the related legal and regulatory developments, (xx) various risks related to our relationship with IAC following the spin-off, (xxi) our ability to generate sufficient cash to service our indebtedness, (xxii) the impact of our current and future indebtedness on our ability to obtain additional financing and pursue other business opportunities, (xxiii) potential impairments of our goodwill and indefinite-lived intangible assets and (xxiv) 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 20, 2026, and subsequent reports that Angi Inc. files 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.