

Adjusted EBITDA	\$ 236,490	\$ 271,231	14.7%
Percentage of revenue	33.1%	33.8%	

Adjusted EBITDA increased \$34.7 million, or 14.7%, in 2013 versus 2012, primarily due to the revenue growth noted above.

Operating income

	Years ended December 31,		% change
	2012	2013	
Operating income	\$ 186,630	\$ 221,333	18.6%
Percentage of revenue	26.2%	27.6%	

82

Table of Contents

Operating income increased \$34.7 million, or 18.6%, in 2013 versus 2012, primarily due to the increase of \$34.7 million in Adjusted EBITDA described above and a decrease of \$3.8 million in stock-based compensation expense, partially offset by a \$3.9 million increase in depreciation. The decrease in stock-based compensation expense is primarily a result of the vesting of certain awards and an increase in the number of awards forfeited as compared to the prior year.

Interest expense—related party

	Years ended December 31,		% change
	2012	2013	
Interest expense—related party	\$ (29,489)	\$ (34,307)	16.3%
Percentage of revenue	(4.1)%	(4.3)%	

Interest expense—related party includes interest charged by IAC and its subsidiaries on the outstanding long-term debt—related party notes, as well as on other acquisition related loans.

Other (expense) income, net

	Years ended December 31,		% change
	2012	2013	
Other (expense) income, net	\$ (7,428)	\$ 217	NM
Percentage of revenue	(1.0)%	0.0%	

Other expense, net in 2012 includes an \$8.7 million other-than-temporary impairment charge related to a long-term marketable equity security as a result of our assessment of the investment's near-term prospects in relation to the severity and duration of its unrealized loss.

Income tax provision

	Years ended December 31,		% change
	2012	2013	
Income tax provision	\$ (59,432)	\$ (60,616)	2.0%
Effective income tax rate	39.7%	32.4%	

In 2012, the effective income tax rate was higher than the statutory rate of 35% due primarily to a valuation allowance on the deferred tax asset created by the other-than-temporary impairment charge related to a long-term marketable equity security. In 2013, the effective income tax rate was lower than the statutory rate of 35% due primarily to the settlements of uncertain tax positions.

Quarterly results of operations

The following table sets forth selected unaudited quarterly statement of operations information for each of the eleven quarters ended September 30, 2015. The information for each of these quarters has been

83

Table of Contents

prepared on the same basis as the audited annual financial statements included elsewhere in this prospectus and, in the opinion of management, includes all adjustments, which includes only normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods presented in