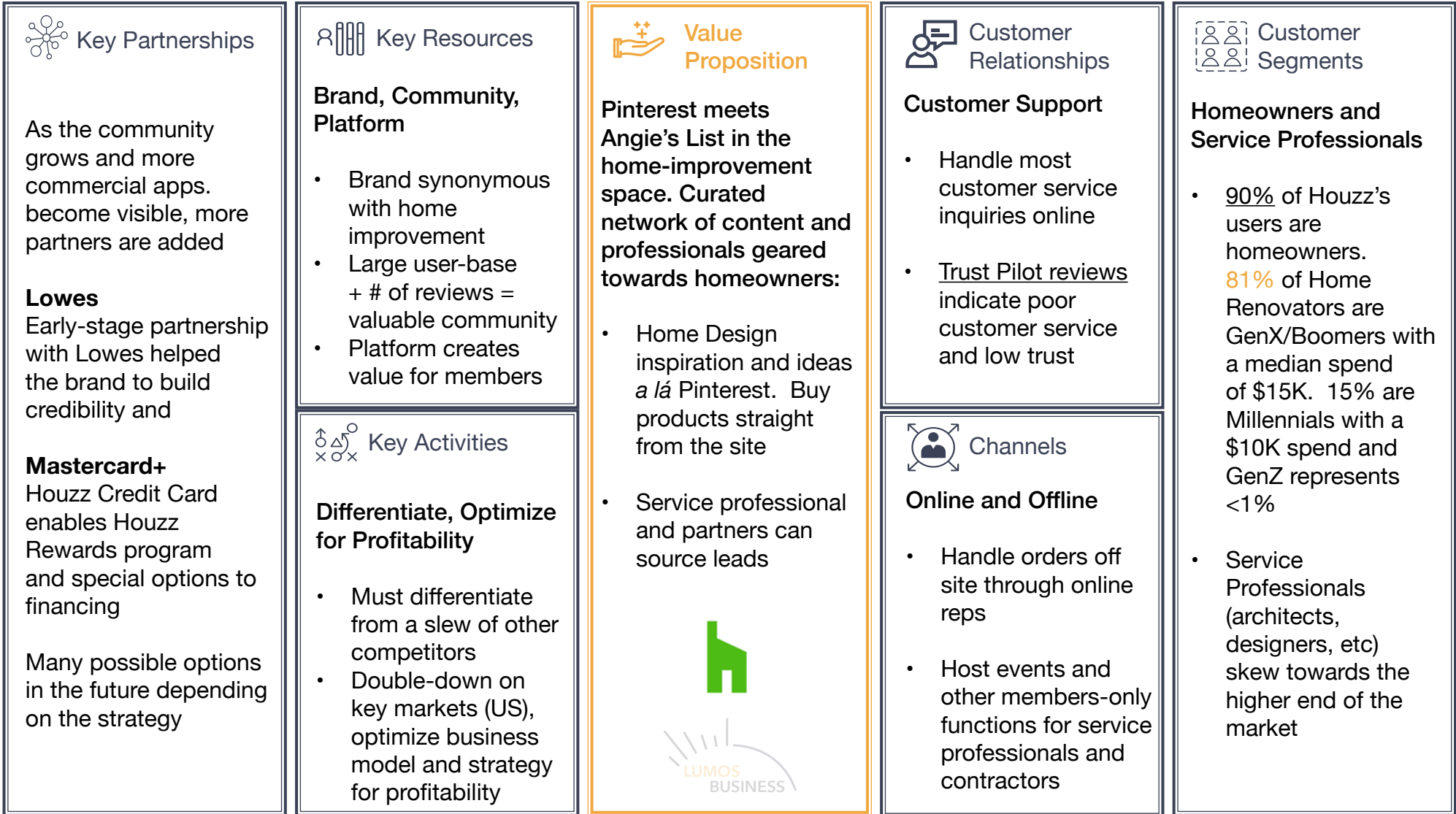
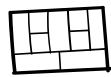


Houzz Canvas



Cost Structure

Platform- Ongoing development of features, designs, etc

Operations- Localizing ads and services across global markets requires operational teams in major markets

Marketing - as markets become more competitive, Customer Acquisition Costs (CAC) go up

Revenue Streams

Premium Memberships: depends on category, but expected to be several hundred dollars per month

Ads: display Ads are sprinkled throughout the site

Commissions: make 15% on products sold