

matchgroup

Q2 2019

Investor Presentation – August 6, 2019

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This presentation contains forward-looking statements. The use of words such as "anticipates," "estimates," "expects," "plans" and "believes," among others, generally identify forward-looking statements. Similarly, statements herein that describe Match Group's future financial performance, prospects, strategy, outlook, objectives, plans, intentions or goals, or anticipated trends and other similar matters are also forward-looking statements. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: competition, our ability to maintain user rates on our higher monetizing dating products, our ability to attract users to our dating products through cost-effective marketing and related efforts, foreign currency exchange rate fluctuations, our ability to distribute our dating products through third parties and offset related fees, the integrity and scalability of our systems and infrastructure (and those of third parties) and our ability to adapt ours to changes in a timely and cost-effective manner, our ability to protect our systems from cyberattacks and to protect personal and confidential user information, risks relating to certain of our international operations and acquisitions and certain risks relating to our relationship with IAC/InterActiveCorp, among other risks. Certain of these and other risks and uncertainties are discussed in Match Group's filings with the Securities and Exchange Commission. Other unknown or unpredictable factors that could also adversely affect our 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 Match Group management as of the date of this presentation. Match Group does not undertake to update these forward-looking statements.

This presentation includes certain non-GAAP financial measures in addition to financial measures presented in accordance with U.S. GAAP. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. See the Appendix for a reconciliation of the non-GAAP financial measures to their most comparable GAAP measure.

This presentation contains statistical data that we obtained from third party publications, surveys and reports. Although we have not independently verified the accuracy or completeness of the data contained in these industry publications, surveys and reports, we believe the publications, surveys and reports are generally reliable, although such information is inherently subject to uncertainties and imprecise.

"Average Subscribers" is the number of Subscribers at the end of each day in the relevant measurement period divided by the number of calendar days in that period. Subscribers as of any given time represent the number of users who purchased a subscription to one of our products at that time. Users who purchase only à la carte features are not included in Subscribers. Unless otherwise noted, Subscribers refers to Average Subscribers in this presentation. "Ending Subscribers" is the number of Subscribers at the end of the relevant measurement period. "ARPU" or Average Revenue per Subscriber, is Direct Revenue from Subscribers in the relevant measurement period (whether in the form of Subscription or à la carte) divided by the Average Subscribers in such period and further divided by the number of calendar days in such period. Direct Revenue from users who are not Subscribers and have purchased only à la carte features is not included in ARPU. Direct Revenue is revenue that is received directly from end users of our products and includes both subscription and à la carte revenue. "North America" or "NA" as used in this presentation refers to the United States and Canada.

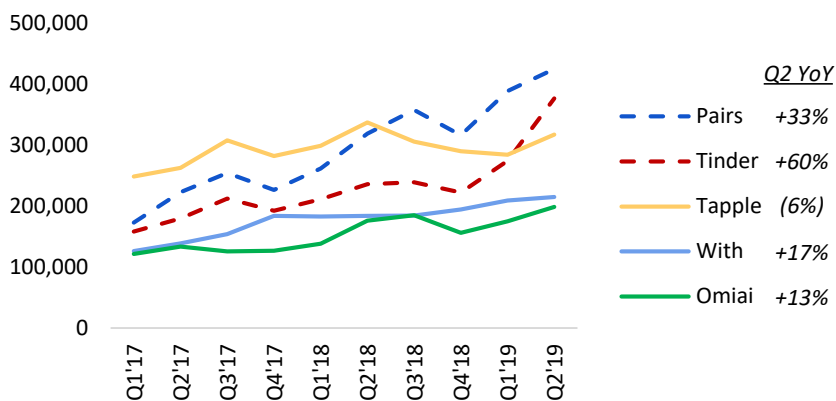
Business Update

APAC: Executing on Our Growth Strategy

Building on Our Leading Position in Japan

Japan: Quarterly App Downloads for Top 5 Brands¹

Pairs and Tinder continue to outpace the market

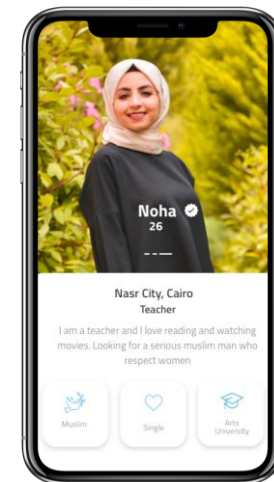
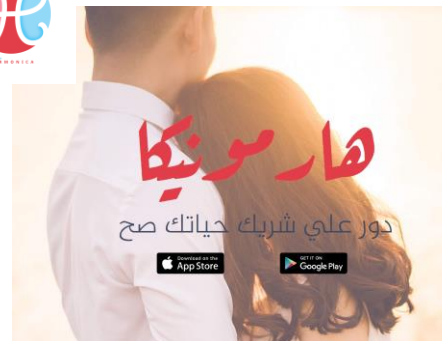


- Launching Pairs Engage, a digital product for the \$500 million² matrimony market in Japan



Harmonica App to Address Global Muslim Demographic

- Invested in and brought on team behind Harmonica, an app based in Egypt
 - Connects singles while respecting cultural norms, traditions, and values
- We will bring our resources to further develop this app and invest in talent, product and marketing
- Provides a new capability to serve 33 countries in Asia and MENA that are predominantly Muslim



Tinder: Significant Product Momentum

Optimizations of Existing Features

- Improved recommendation engine to drive more meaningful interactions
- Ongoing enhancements to paywall and pricing
- Improved Gold merchandising

New Features Serving Unparalleled Global User Base

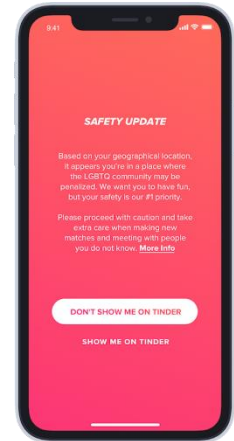
- Launching Tinder Lite for Android in SE Asia and South America
 - 25x smaller than full version of the app
 - Consumes less battery and data
- Customized features tailored to diverse communities
 - Traveler Alert for safety of LGBTQ community
- Additional a la carte features to further improve user experience (currently only on iOS)
 - Super Boost, available only to subscribers
 - Read Receipts, available to all users



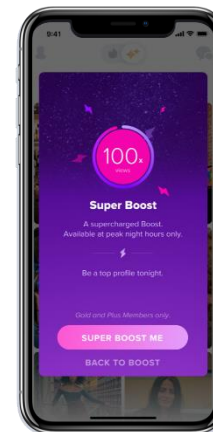
Gold Merchandising



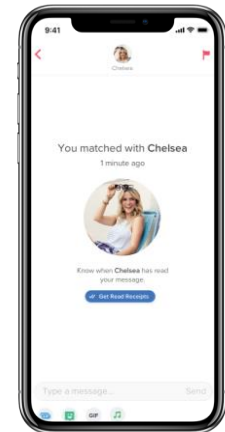
Tinder Lite



Traveler Alert



Super Boost



Read Receipts

OkCupid: Renewed Success in North America, Building Internationally

North America

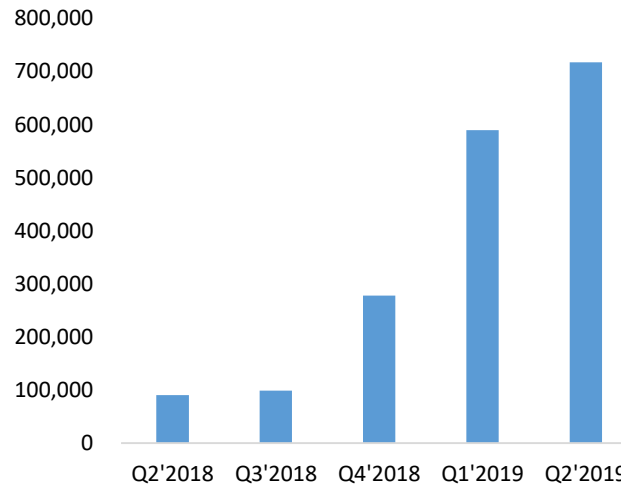
- 2018 product and brand marketing revamp reinvigorated growth
- Additional traction through optimizations in 2019
- Led to 6 consecutive quarters of YoY direct revenue growth



Match On What Matters

India and International

OkCupid India Quarterly App Downloads¹



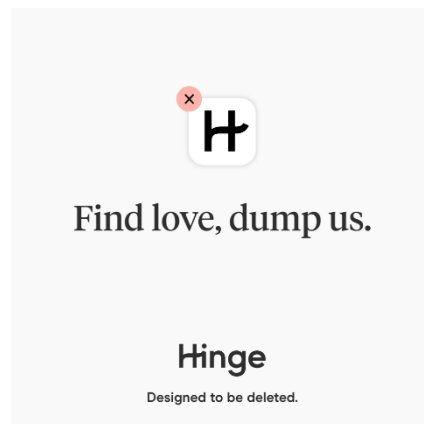
India Marketing Campaign (launching shortly)

- Localized product and starting to invest marketing behind recent viral success in India
 - Localized questions driving increased matching
 - Now top 5 downloaded dating app in India²
- Plan to replicate India approach to expand in other international markets

Hinge and Match: Solid Progress

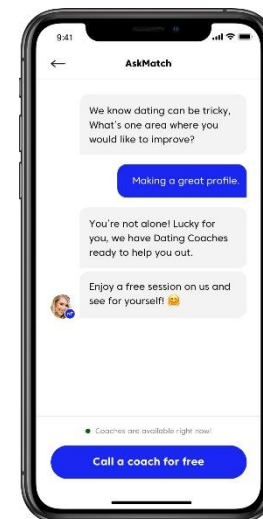
Continued Momentum at Hinge

- Global downloads increased >3x YoY in Q2'19
 - Strong traction in largest U.S. cities, now spreading to smaller cities
- Expanding 'Designed to be Deleted' marketing campaign
- Becoming a larger part of the national conversation



Match Product Improvements

- Initial focus on modernizing and improving core product seeing positive user response
- Continuing product evolution with launch of differentiated date coaching feature, AskMatch
- Launched brand refresh featuring celebrity Rebel Wilson



Providing a premium experience for relationship-minded singles in their 30's/40's

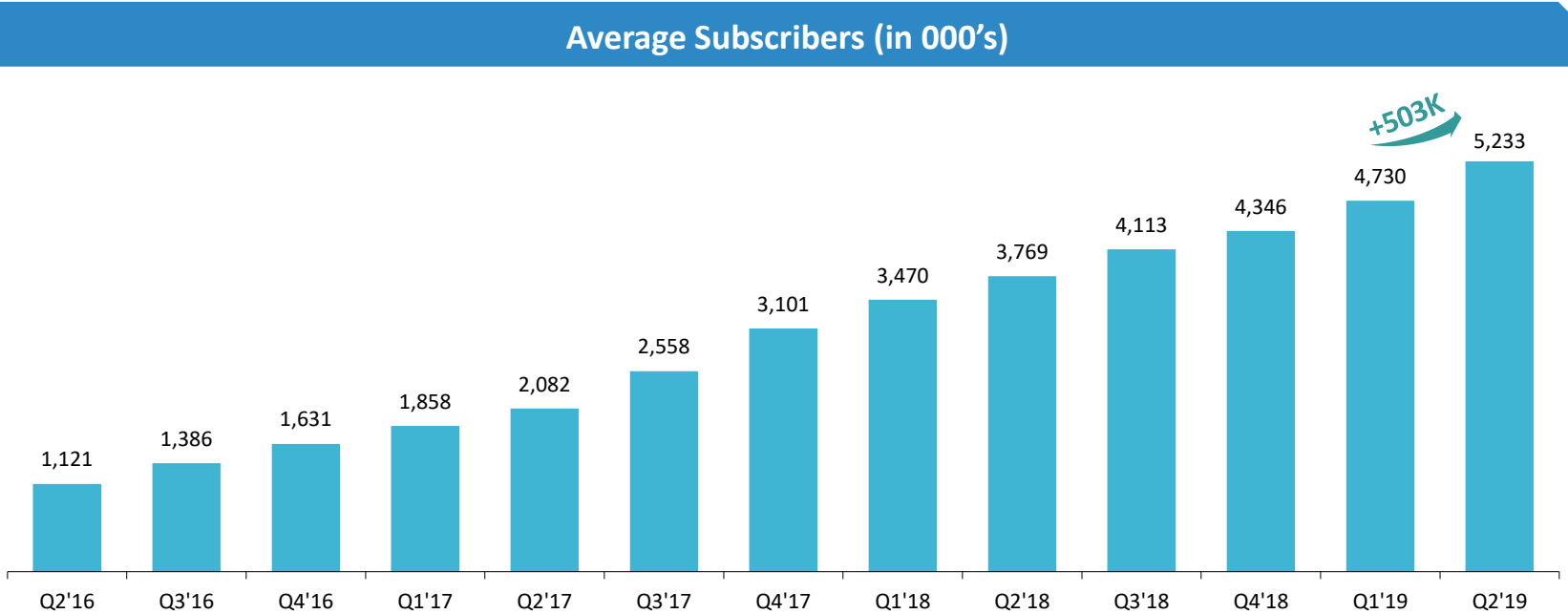
Financial Results and Outlook

Tinder: Continued Outstanding Performance

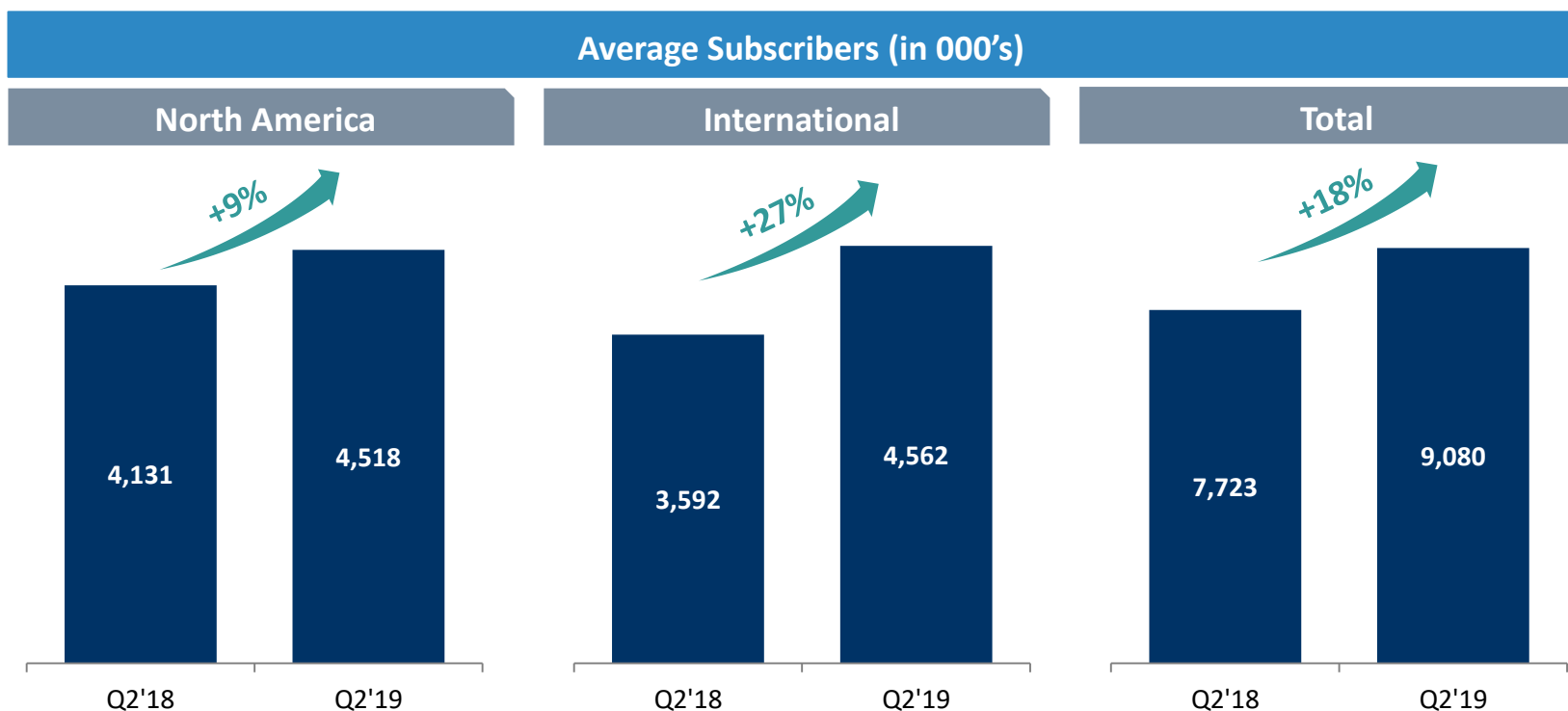
Direct Revenue growth of 46% YoY in Q2

- 39% YoY Average Subscriber growth
- 6% YoY ARPU growth (meaningfully higher on an F/X neutral basis)

Second highest ever sequential increase in Average Subscribers



Q2 2019 Average Subscribers and ARPU

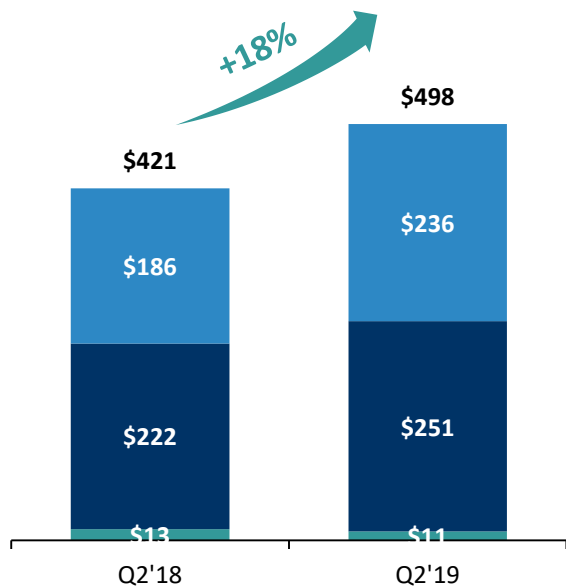


	As Reported		
ARPU	Q2 2018	Q2 2019	YoY Change
North America	\$0.58	\$0.60	4%
International	\$0.56	\$0.56	1%
Total	\$0.57	\$0.58	2%

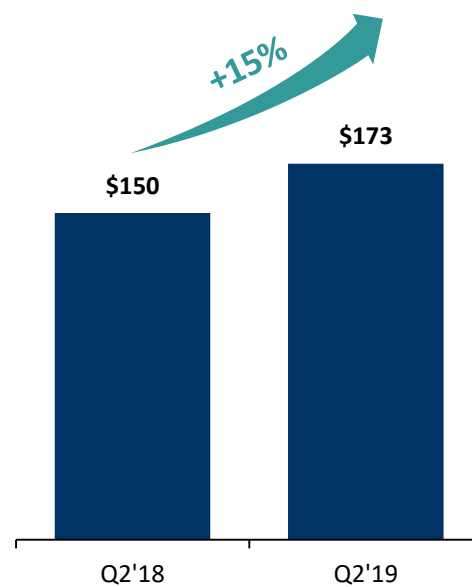
	F/X Neutral		
ARPU	Q2 2018	Q2 2019	YoY Change
North America	\$0.58	\$0.61	4%
International	\$0.56	\$0.60	7%
Total	\$0.57	\$0.60	5%

Q2 2019 Results

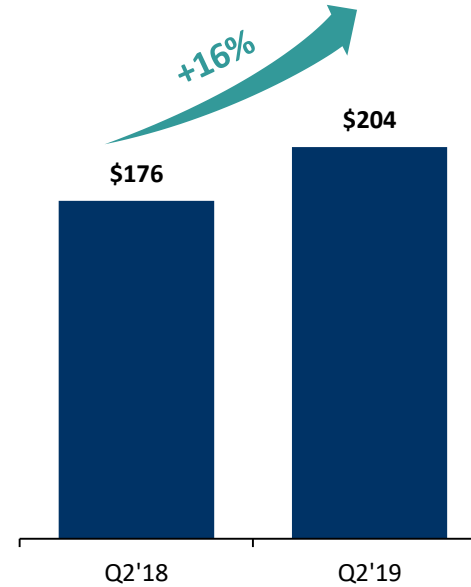
Revenue (\$M)



Operating Income (\$M)



Adjusted EBITDA (\$M)



■ Direct North America ■ Direct International ■ Indirect

Margin

36%

35%

Margin

42%

41%

Revenue	Q2'19 YoY %
Direct North America	13%
Direct International	27% (35% F/X Neutral)
Total Direct Revenue	20% (23% F/X Neutral)

Operating Expenses	Q2'18 % of Revenue	Q2'19 % of Revenue
Cost of Revenue	23%	25%
Selling & Marketing	21%	19%
G&A and Product	18%	19%
D&A	2%	2%
Total Op. Costs and Expense	64%	65%

Financial Outlook

Metric	Q3 2019
Total Revenue	\$535 to \$545 million
Adjusted EBITDA	\$200 to \$205 million

FY 2019 - Raising full year expectations

- High teens revenue growth (vs mid-teens previously)
- \$770 – 800 million of EBITDA (vs \$740 – 790 million previously)
 - Includes a number of discretionary long-term oriented investments
 - Also includes impact of rising legal and regulatory costs (for example new French digital services tax)
- Back half of the year showing meaningful acceleration in revenue and EBITDA growth vs. first half
- Expect approximately 1.6 million Average Subscriber additions at Tinder (vs >1 million previously)
 - Expect >400k sequential Average Subscriber additions at Tinder in Q3

Appendix

GAAP to Non-GAAP Reconciliations

(\$Ms)	Three Months Ended June 30,	
	2019	2018
Net Earnings attributable to Match Group, Inc. shareholders	\$128.0	\$132.5
Add back:		
Net (loss) attributable to noncontrolling interests	(0.0)	(1.1)
Income tax provision	23.7	11.5
Other income, net	(2.5)	(11.0)
Interest expense	23.8	18.3
Operating Income	172.9	150.2
Stock-based compensation expense	22.0	16.7
Depreciation	8.2	8.4
Amortization of intangibles	0.4	0.2
Acquisition-related contingent consideration fair value adjustments	-	0.1
Adjusted EBITDA	\$203.5	\$175.6
Direct Revenue	487.3	407.7
Indirect Revenue	10.7	13.5
Revenue	\$498.0	\$421.2
Operating income margin	35%	36%
Adjusted EBITDA margin	41%	42%

F/X Reconciliation

(\$Ms, except ARPU)

	Three Months Ended June 30, 2019			
	2019	Change	% Change	2018
Revenue, as reported	\$ 498.0	\$ 76.8	18%	\$ 421.2
Foreign exchange effects	15.8			
Revenue, excluding foreign exchange effects	<u>\$ 513.8</u>	\$ 92.6	22%	<u>\$ 421.2</u>
Direct Revenue, as reported	\$ 487.3	\$ 79.6	20%	\$ 407.7
Foreign exchange effects	15.5			
Direct Revenue, excluding foreign exchange effects	<u>\$ 502.8</u>	\$ 95.1	23%	<u>\$ 407.7</u>
International Direct Revenue, as reported	\$ 235.8	\$ 50.2	27%	\$ 185.6
Foreign exchange effects	14.9			
International Direct Revenue, excluding foreign exchange effects	<u>\$ 250.7</u>	\$ 65.1	35%	<u>\$ 185.6</u>
<i>(Change calculated using non-rounded numbers)</i>				
ARPU, as reported	\$ 0.58		2%	\$ 0.57
Foreign exchange effects	0.02			
ARPU, excluding foreign exchange effects	<u>\$ 0.60</u>		5%	<u>\$ 0.57</u>
North America ARPU, as reported	\$ 0.60		4%	\$ 0.58
Foreign exchange effects	0.01			
North America ARPU, excluding foreign exchange effects	<u>\$ 0.61</u>		4%	<u>\$ 0.58</u>
International ARPU, as reported	\$ 0.56		1%	\$ 0.56
Foreign exchange effects	0.04			
International ARPU, excluding foreign exchange effects	<u>\$ 0.60</u>		7%	<u>\$ 0.56</u>

GAAP to Non-GAAP Reconciliations

(\$Ms)	2019	
	Q3	FY
Operating Income	\$173 to \$178	\$650 to \$680
Stock-based compensation expense	18	85
Depreciation & Amortization of intangibles	9	35
Adjusted EBITDA	\$200 to \$205	\$770 to \$800

Operating Expenses

(\$Ms)	Q2 2019	% of Revenue	Q2 2018	% of Revenue	Change
Cost of Revenue	\$126.7	25%	\$97.3	23%	30%
Selling and marketing expense	\$94.9	19%	\$90.3	21%	5%
General and administrative expense	\$62.2	12%	\$42.2	10%	48%
Product development expense	\$32.7	7%	\$32.6	8%	0%
Depreciation	\$8.2	2%	\$8.4	2%	(2%)
Amortization of intangibles	\$0.4	0%	\$0.2	0%	74%
Total Operating Costs and Expenses	\$325.1	65%	\$271.0	64%	20%
Revenue	\$498.0	100%	\$421.2	100%	18%

Trended Key Metrics

	2017	2018				2019		
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Average Subscribers (000s)								
North America	3,569	3,976	4,131	4,278	4,254	4,161	4,361	4,518
International	2,839	3,457	3,592	3,812	3,980	3,712	4,252	4,562
Total	6,408	7,433	7,723	8,090	8,234	7,873	8,613	9,080
ARPU								
North America	\$0.56	\$0.58	\$0.58	\$0.59	\$0.59	\$0.59	\$0.60	\$0.60
International	\$0.51	\$0.57	\$0.56	\$0.55	\$0.56	\$0.56	\$0.56	\$0.56
Total	\$0.54	\$0.58	\$0.57	\$0.57	\$0.58	\$0.57	\$0.58	\$0.58
Revenue (\$Ms)								
North America Direct	\$741.3	\$211.4	\$222.2	\$233.6	\$235.3	\$902.5	\$237.8	\$251.5
International Direct	\$539.9	\$181.4	\$185.6	\$197.9	\$209.8	\$774.7	\$216.2	\$235.8
Total Direct	\$1,281.2	\$392.7	\$407.7	\$431.5	\$445.2	\$1,677.2	\$454.0	\$487.3
Indirect Revenue	\$49.4	\$14.6	\$13.5	\$12.4	\$12.2	\$52.7	\$10.7	\$10.7
Total Revenue	\$1,330.7	\$407.4	\$421.2	\$443.9	\$457.3	\$1,729.9	\$464.6	\$498.0

Note: Rounding differences may occur