

matchgroup

Q3 2019

Investor Presentation – November 5, 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. These forward-looking statements include, among others, statements relating to: Match Group's future financial performance, prospects, strategy, outlook, objectives, plans, intentions or goals, anticipated trends, the possibility of separating Match Group from IAC/InterActiveCorp, whether any agreement will be reached with respect to any separation transaction, the potential terms of any such transaction, and other similar matters. 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, certain risks relating to our relationship with IAC, and the risks inherent in separating Match Group from IAC (including uncertainties related to, among other things, whether any agreement will be reached to proceed with a transaction, whether IAC will determine to proceed with any such transaction if an agreement can be reached, the final terms and conditions of any such transaction if such an agreement is reached, the costs and expected benefits of the proposed transaction, the expected timing of the transaction or whether it will be completed, whether any conditions to the transaction can be satisfied, the expected tax treatment of the transaction, and the impact of the transaction on the businesses of IAC and Match Group). 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.

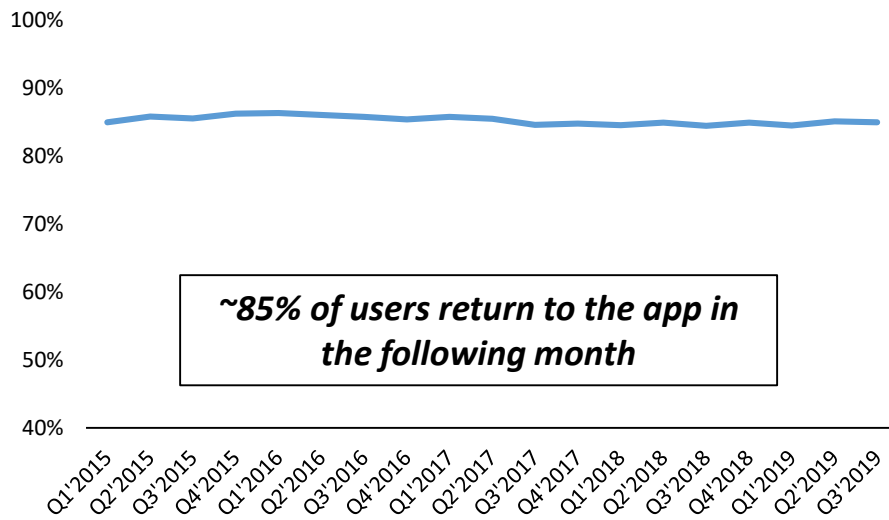
Business Update

Tinder: Strong Engagement, Retention and Growth Globally

Increasing Engagement & Persistently High Retention Globally

- Continuous product innovation drives increased usage, leading to better user outcomes and improved monetization
 - On average, users are active more than 5 days per week
 - Number of users active 7 days per week increased 30% YTD vs. 2018

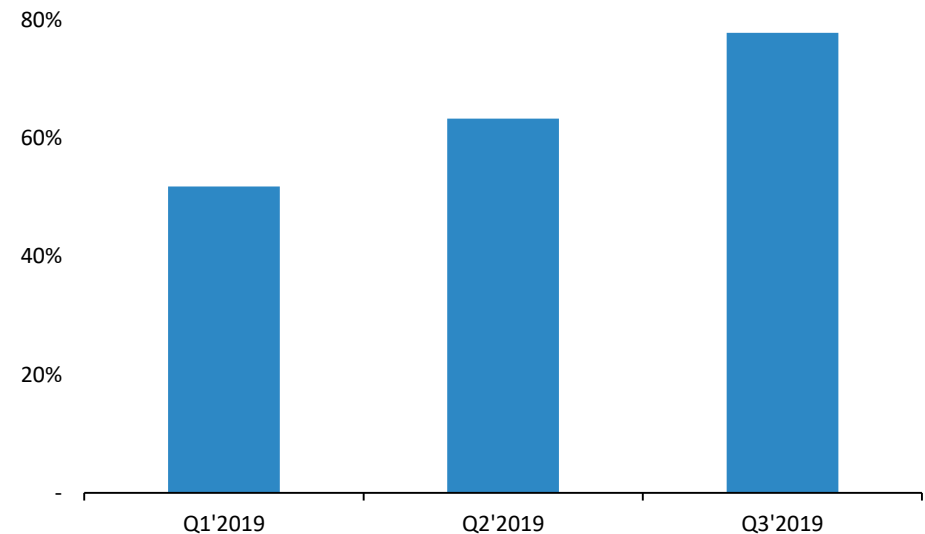
Global User Retention¹



Accelerating International Growth

- Product localization and marketing efforts driving growth, especially in APAC and Latin America, with a focus on:
 - Growing brand awareness and shaping brand perception
 - Tapping into local consumer purchasing behavior

YoY Direct Revenue Growth Ex N. America & W. Europe

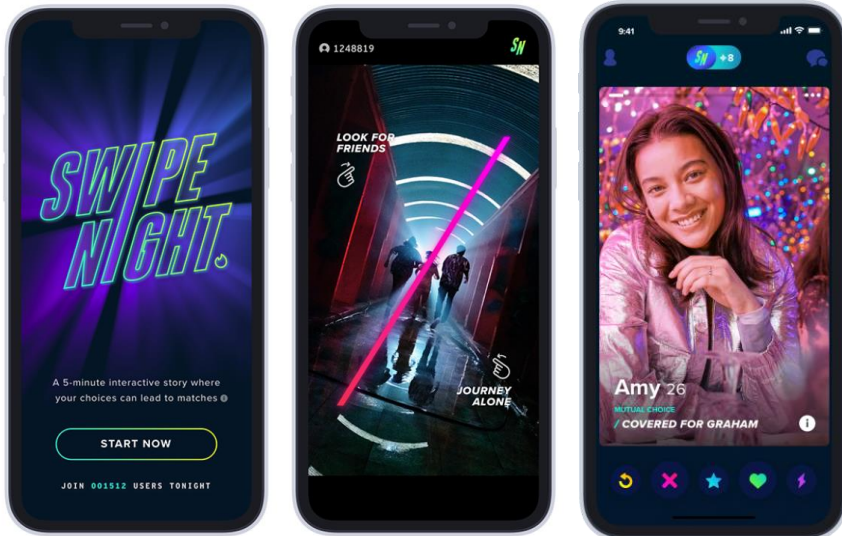


1) Percent of all users active on a given day who were active 28 – 55 days later. Average for Q3'2019 includes data through 9/9/2019.

Tinder: Swipe Night

Original Interactive Content Targeted to Gen Z

- Weekly 5-minute interactive video series
- New episodes ran every Sunday night in October, from 6pm – midnight
- First-person apocalyptic adventure, where users decide what happens next by using the Swipe® feature
- Story choices added to users' profile, facilitating connections




Exciting Experience That Increased Engagement and Created Buzz

- Significant engagement, particularly among Gen Z and females
- Millions tuned in for the episodes
- Drove double-digit increases in matches and messages
- Planning international launch in early 2020

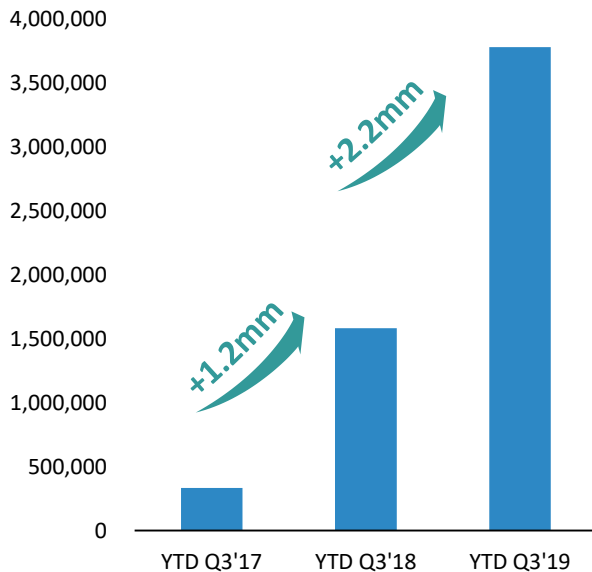


New Bets Continuing to Show Momentum

Hinge

- New 'Hingie' campaign further accelerating downloads 
- Planning to focus on monetization in 2020

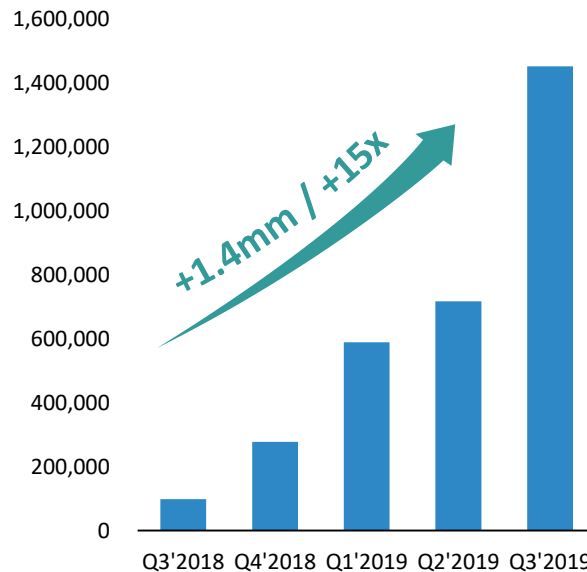
Global YTD Q3 Downloads¹



okcupid

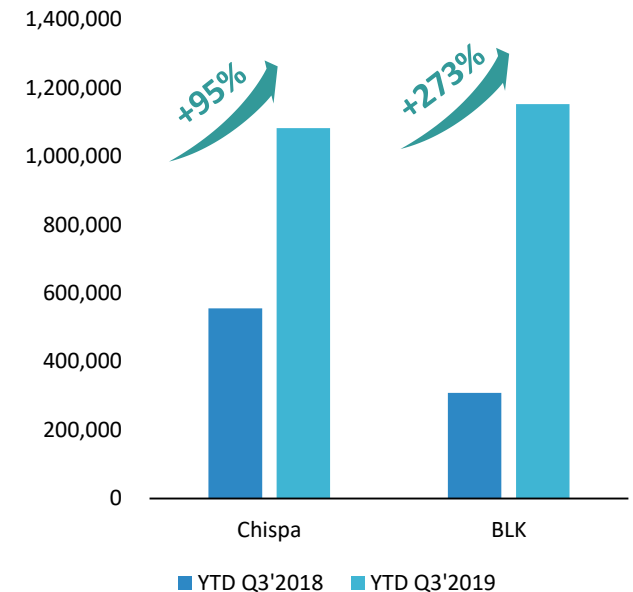
- Massive growth in India downloads
- Starting marketing investment in select Middle Eastern countries; planning for additional countries

India Quarterly Downloads¹



- Apps using the Swipe® feature targeting specific U.S. demos
- Initial monetization has begun

Global YTD Q3 Downloads¹



1) Source: App Annie.

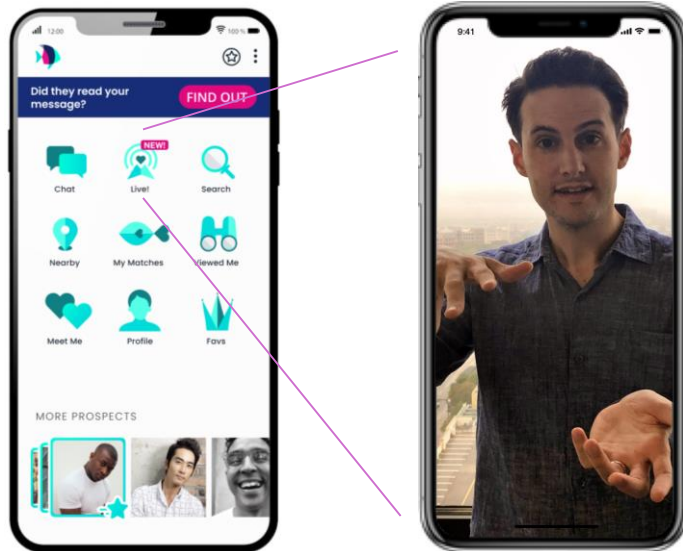
Launching Live Video Across Several Platforms

- Live video interactions increasingly ubiquitous among younger generations
- Proven monetization and synergies with dating platforms in U.S. and Europe
- Provides TAM expansion and opportunity to drive higher engagement
- Highly prevalent product feature throughout Asia, expanding in the West

1:Many Live Video



- Testing live streaming broadcasts, leveraging 3rd party platforms



1:1 Live Video



- Incubated new product enabling users to make new friends around the world through instant live chat



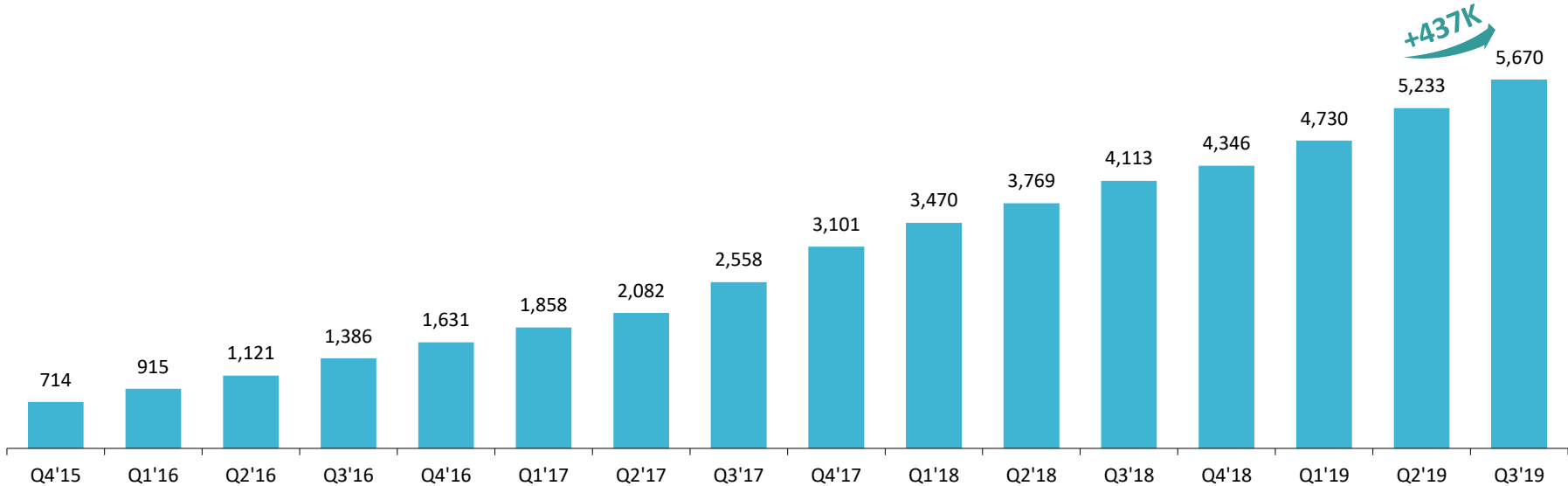
Financial Results and Outlook

Tinder: Accelerated Revenue Growth

Direct Revenue increased 49% YoY in Q3

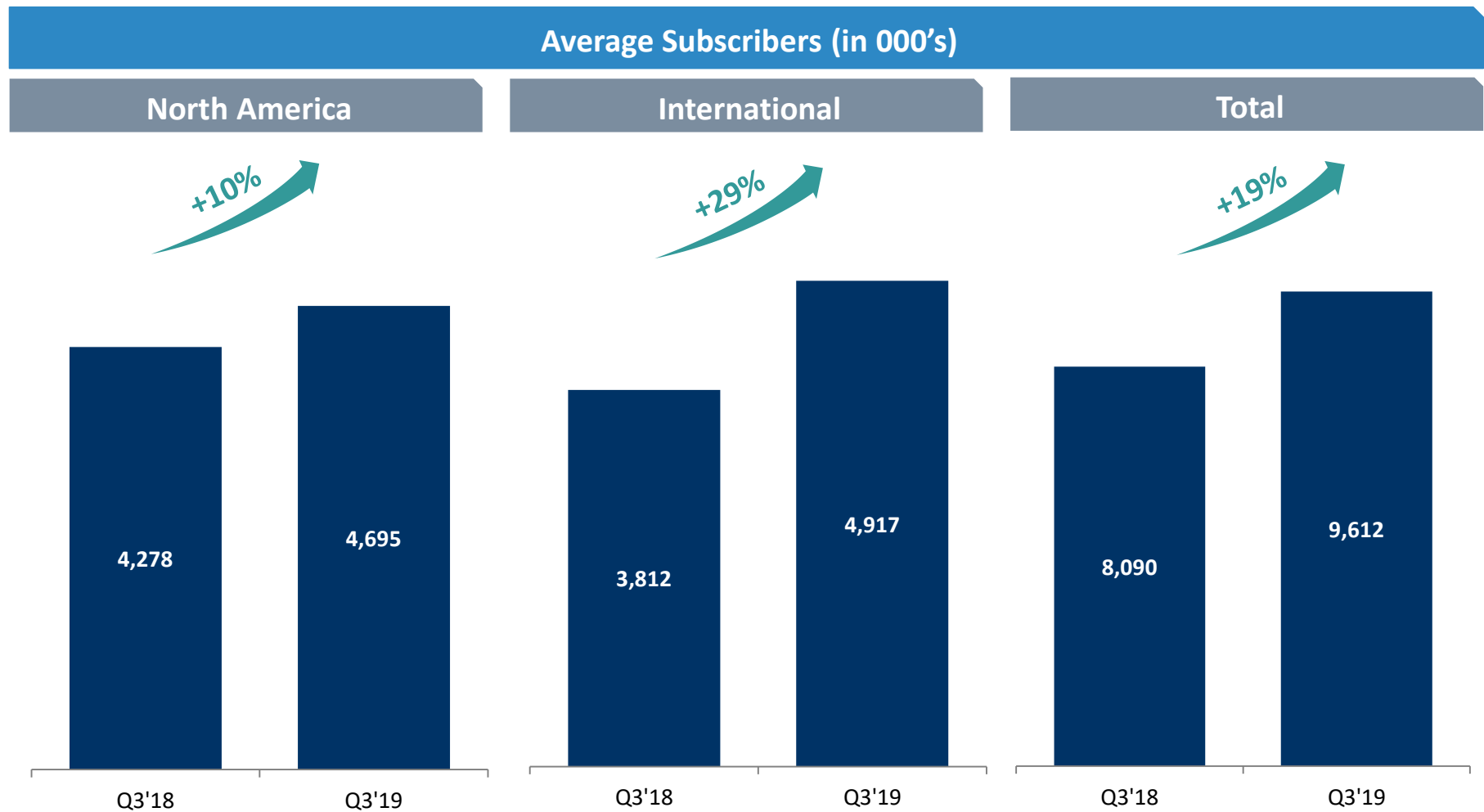
- 38% YoY Average Subscriber growth
- 9% YoY ARPU growth (higher on an F/X neutral basis)

Average Subscribers (in 000's)



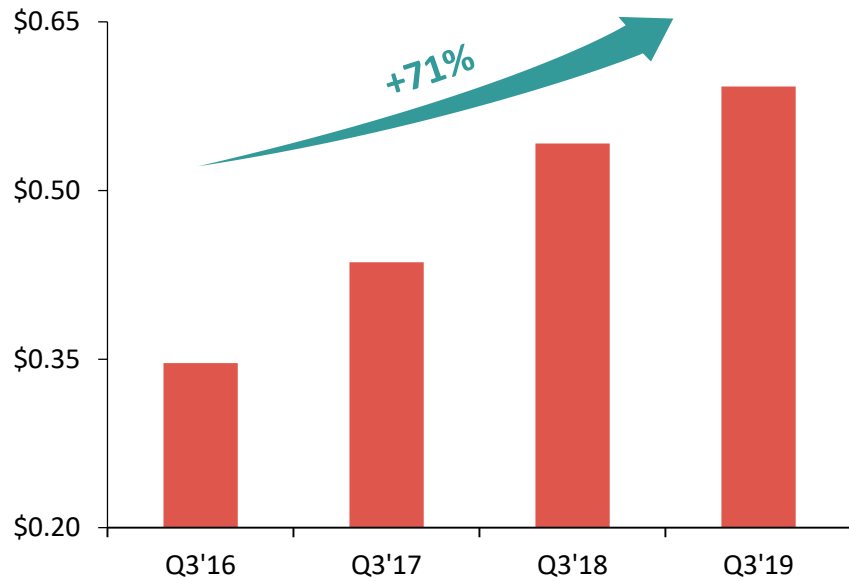
	2016	2017	2018	2019E
YoY Increase in Avg. Subs	917K	1.5M	1.2M	~1.6M

Q3 2019 Average Subscribers

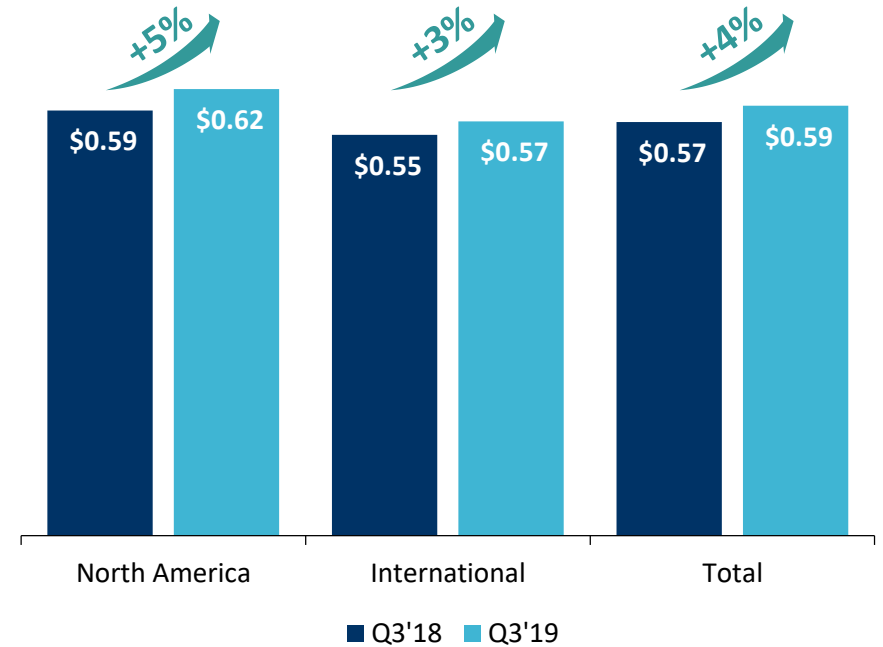


ARPU

Tinder

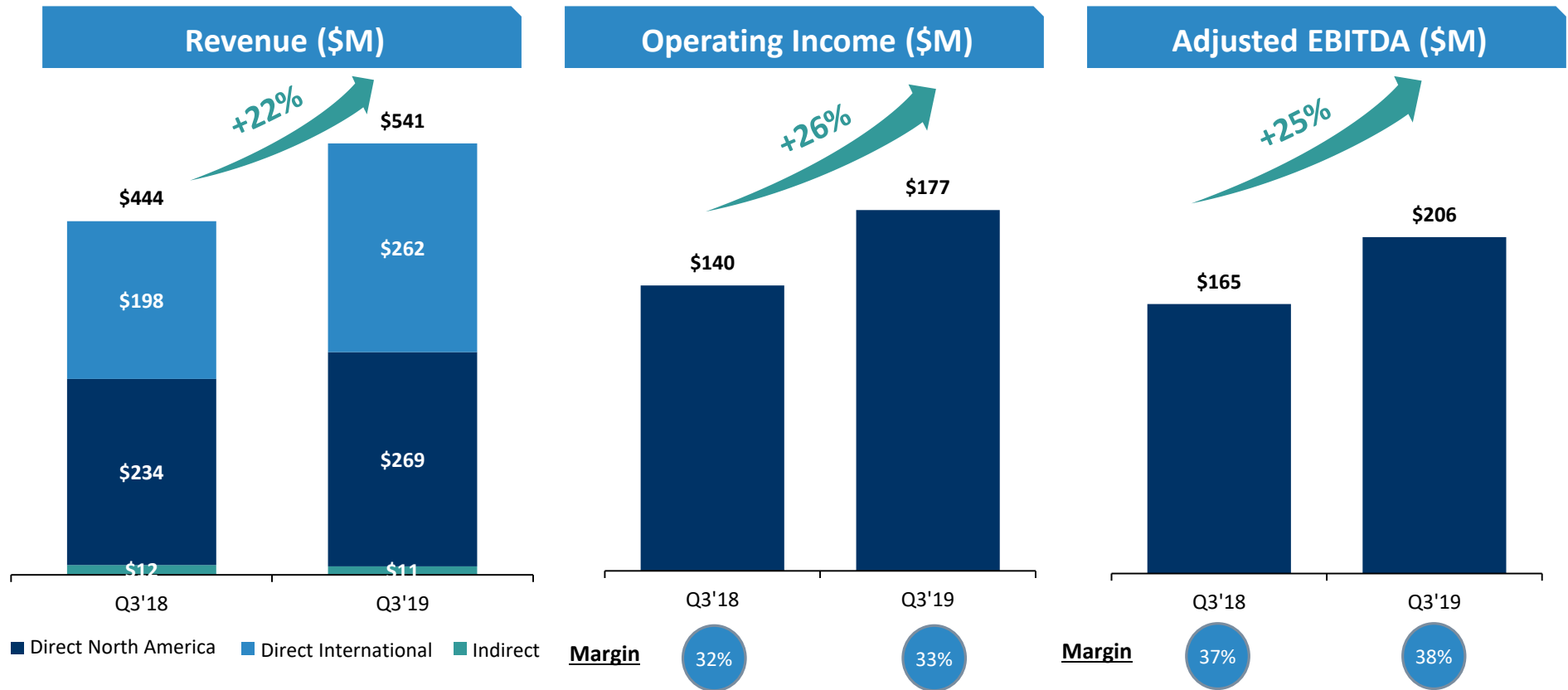


Match Group



Tinder ARPU now equivalent to aggregate ARPU at other Match Group brands, with further room to grow

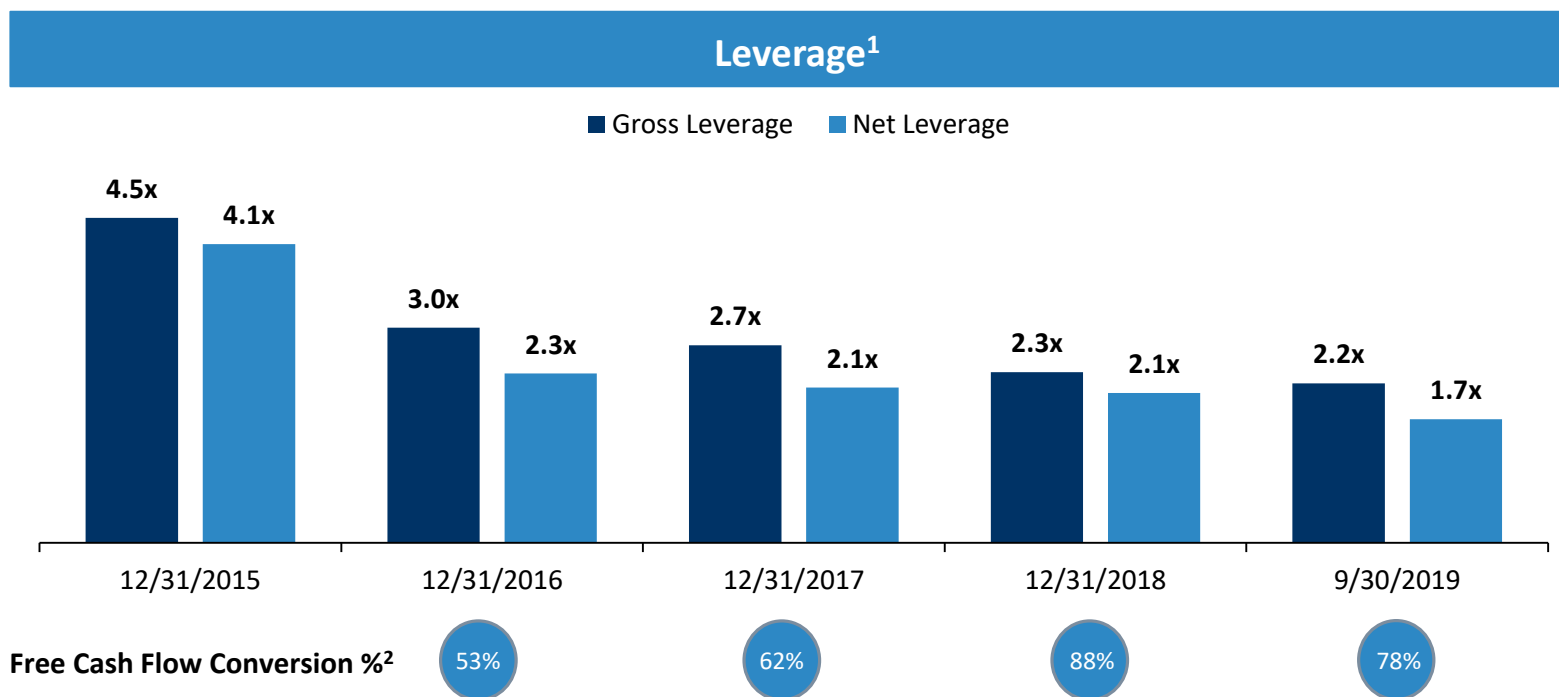
Q3 2019 Results



Revenue	Q3'19 YoY %
Direct North America	15%
Direct International	32% (37% F/X Neutral)
Total Direct Revenue	23% (25% F/X Neutral)

Operating Expenses	Q3'18 % of Revenue	Q3'19 % of Revenue
Cost of Revenue	24%	26%
Selling & Marketing	24%	21%
G&A and Product	18%	19%
D&A	2%	2%
Total Op. Costs and Expense	68%	67%

Strong Balance Sheet and Free Cash Flow



Free Cash Flow (\$M)

	FY'2016	FY'2017	FY'2018	YTD 2019
Net Cash From Op Activities	\$260	\$321	\$603	\$473
Less: CapEx	\$46	\$29	\$31	\$30
Free Cash Flow	\$213	\$292	\$573	\$443

Reduced gross leverage by half since IPO, even after \$582M in stock buybacks and a \$556M special dividend in Q4'18

Financial Outlook

Metric	Q4 2019
Total Revenue	\$545 to \$555 million
Adjusted EBITDA	\$205 to \$210 million

Q4 2019

- Strong top and bottom line growth
- Margin consistent with 2018 despite ~\$25 million of discretionary long-term investments and incremental legal costs

FY 2019

- Revenue and Adjusted EBITDA on track to achieve high-teens growth
- Adjusted EBITDA impacted by ~\$60 million of incremental investment and expenses since the beginning of year
 - Discretionary product investment and marketing spend to expand globally
 - Legal, regulatory and other non-discretionary items, such as French digital services tax

Preliminary FY 2020

- Revenue and Adjusted EBITDA growth of mid to high-teens; margins in line with 2019
- Continuing to invest in several of our new bets that are showing strong momentum
- Expect ~\$10 million in spin-off related expenses

Appendix

GAAP to Non-GAAP Reconciliations

(\$Ms)	Three Months Ended September 30,	
	2019	2018
Net Earnings attributable to Match Group, Inc. shareholders	\$151.5	\$130.2
Add back:		
Net loss attributable to noncontrolling interests	(0.1)	(2.6)
Loss from discontinued operations, net of tax	-	0.4
Income tax provision (benefit)	5.3	(5.5)
Other income, net	(2.8)	(0.9)
Interest expense	22.7	18.4
Operating Income	176.6	139.9
Stock-based compensation expense	20.8	16.1
Depreciation	8.1	8.5
Amortization of intangibles	0.6	0.4
Acquisition-related contingent consideration fair value adjustments	-	0.1
Adjusted EBITDA	\$206.1	\$165.0
Direct Revenue	530.9	431.5
Indirect Revenue	10.5	12.4
Revenue	541.5	443.9
Operating income margin	33%	32%
Adjusted EBITDA margin	38%	37%

Note: Rounding differences may occur

F/X Reconciliation

(\$Ms, except ARPU)

	Three Months Ended September 30, 2019			
	2019	Change	% Change	2018
Revenue, as reported	\$ 541.5	\$ 97.6	22%	\$ 443.9
Foreign exchange effects	8.3			
Revenue, excluding foreign exchange effects	<u>\$ 549.8</u>	<u>\$ 105.9</u>	<u>24%</u>	<u>\$ 443.9</u>
Direct Revenue, as reported	\$ 530.9	\$ 99.4	23%	\$ 431.5
Foreign exchange effects	8.2			
Direct Revenue, excluding foreign exchange effects	<u>\$ 539.1</u>	<u>\$ 107.6</u>	<u>25%</u>	<u>\$ 431.5</u>
International Direct Revenue, as reported	\$ 262.1	\$ 64.2	32%	\$ 197.9
Foreign exchange effects	8.1			
International Direct Revenue, excluding foreign exchange effects	<u>\$ 270.2</u>	<u>\$ 72.3</u>	<u>37%</u>	<u>\$ 197.9</u>
<i>(Change calculated using non-rounded numbers)</i>				
ARPU, as reported	\$ 0.59		4%	\$ 0.57
Foreign exchange effects	0.01			
ARPU, excluding foreign exchange effects	<u>\$ 0.60</u>		<u>6%</u>	<u>\$ 0.57</u>
North America ARPU, as reported	\$ 0.62		5%	\$ 0.59
Foreign exchange effects	0.00			
North America ARPU, excluding foreign exchange effects	<u>\$ 0.62</u>		<u>5%</u>	<u>\$ 0.59</u>
International ARPU, as reported	\$ 0.57		3%	\$ 0.55
Foreign exchange effects	0.02			
International ARPU, excluding foreign exchange effects	<u>\$ 0.59</u>		<u>7%</u>	<u>\$ 0.55</u>

GAAP to Non-GAAP Reconciliations

	2019
	Q4
<i>(\$Ms)</i>	
Operating Income	\$177 to \$182
Stock-based compensation expense	18
Depreciation & Amortization of intangibles	9
Adjusted EBITDA	\$205 to \$210

Note: Rounding differences may occur

Operating Expenses

<i>(\$Ms)</i>	Q3 2019	% of Revenue	Q3 2018	% of Revenue	Change
Cost of Revenue	\$138.2	26%	\$107.5	24%	29%
Selling and marketing expense	\$113.6	21%	\$108.4	24%	5%
General and administrative expense	\$67.8	13%	\$45.2	10%	50%
Product development expense	\$36.6	7%	\$34.0	8%	8%
Depreciation	\$8.1	1%	\$8.5	2%	(5%)
Amortization of intangibles	\$0.6	0%	\$0.4	0%	47%
Total Operating Costs and Expenses	\$364.9	67%	\$304.0	68%	20%
Revenue	\$541.5	100%	\$443.9	100%	22%

Trended Key Metrics

	2017	2018				2019			
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Average Subscribers (000s)									
North America	3,569	3,976	4,131	4,278	4,254	4,161	4,361	4,518	4,695
International	2,839	3,457	3,592	3,812	3,980	3,712	4,252	4,562	4,917
Total	6,408	7,433	7,723	8,090	8,234	7,873	8,613	9,080	9,612
ARPU									
North America	\$0.56	\$0.58	\$0.58	\$0.59	\$0.59	\$0.59	\$0.60	\$0.60	\$0.62
International	\$0.51	\$0.57	\$0.56	\$0.55	\$0.56	\$0.56	\$0.56	\$0.56	\$0.57
Total	\$0.54	\$0.58	\$0.57	\$0.57	\$0.58	\$0.57	\$0.58	\$0.58	\$0.59
Revenue (\$Ms)									
North America Direct	\$741.3	\$211.4	\$222.2	\$233.6	\$235.3	\$902.5	\$237.8	\$251.5	\$268.9
International Direct	\$539.9	\$181.4	\$185.6	\$197.9	\$209.8	\$774.7	\$216.2	\$235.8	\$262.1
Total Direct	\$1,281.2	\$392.7	\$407.7	\$431.5	\$445.2	\$1,677.2	\$454.0	\$487.3	\$530.9
Indirect Revenue	\$49.4	\$14.6	\$13.5	\$12.4	\$12.2	\$52.7	\$10.7	\$10.7	\$10.5
Total Revenue	\$1,330.7	\$407.4	\$421.2	\$443.9	\$457.3	\$1,729.9	\$464.6	\$498.0	\$541.5

Note: Rounding differences may occur