

matchgroup

## Business Overview

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*March 2018*

# Safe Harbor Disclosure and Definitions

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 financials 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.

# Who We Are

Global leader in dating products with a portfolio of well-recognized brands

tinder

match

PlentyOfFish

okcupid

pairs

ParPerfeito

mestic

matchaffinity

LOVE  
SCOUT 24

TWO

lexa.nl  
die hier om alleen gaat

DisonsDemain

Ourtime

lexamore.nl  
wij matchen, jij kiest

amoureux  
BY MEETIC

NEU.DE

partner.de

OurTime

BlackPeopleMeet

PetPeopleMeet.com

LDSPlanet.com

BBPeopleMeet

BabyBoomerPeopleMeet.com

InterracialPeopleMeet.com

LatinoPeopleMeet.com

DemocraticPeopleMeet.com

RepublicanPeopleMeet.com

- ✓ We offer products in 42 languages in 190+ countries
- ✓ 7.0 million+ Average Subscribers<sup>1</sup>
- ✓ \$1.3 billion Revenue and \$469 million Adjusted EBITDA<sup>2</sup>
- ✓ 60% of dates, relationships & marriages that originated on a dating site / app began on a Match Group product<sup>3</sup>
- ✓ **tinder** is the #1 downloaded and top grossing dating app worldwide<sup>4</sup>
- ✓ **tinder** is the 2nd highest grossing app overall worldwide<sup>5</sup>

<sup>1</sup> Average Subscribers as of Q4 2017

<sup>2</sup> For FY 2017

<sup>3</sup> Per Research Now U.S. survey as of November 2017

<sup>4</sup> Per AppAnnie for the last twelve months through December 31, 2017

<sup>5</sup> Per AppAnnie for the last twelve months through December 31, 2017 across all apps, excluding games

# Our Largest Brands

match<sup>♥</sup>

- Launched in 1995
- #1 in unaided brand awareness in the U.S.<sup>1</sup>
- Higher relationship intent

meetic

- Operates a portfolio of leading online dating brands throughout Europe
- Higher relationship intent, similar to Match

OurTime

- Largest brand within Match Affinity
- Largest community of singles over age 50 of any dating product in the U.S.

tinder<sup>™</sup>

- Mobile app launched in 2012
- Available in 196 countries
- Grew virally to become the largest dating app in the world

PlentyOfFish

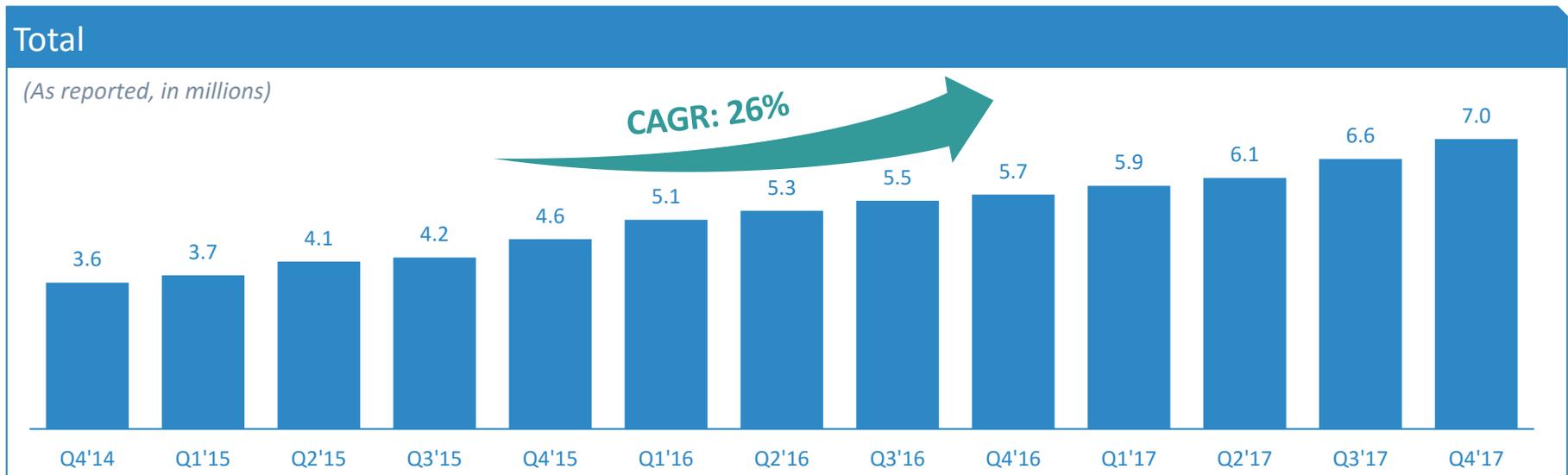
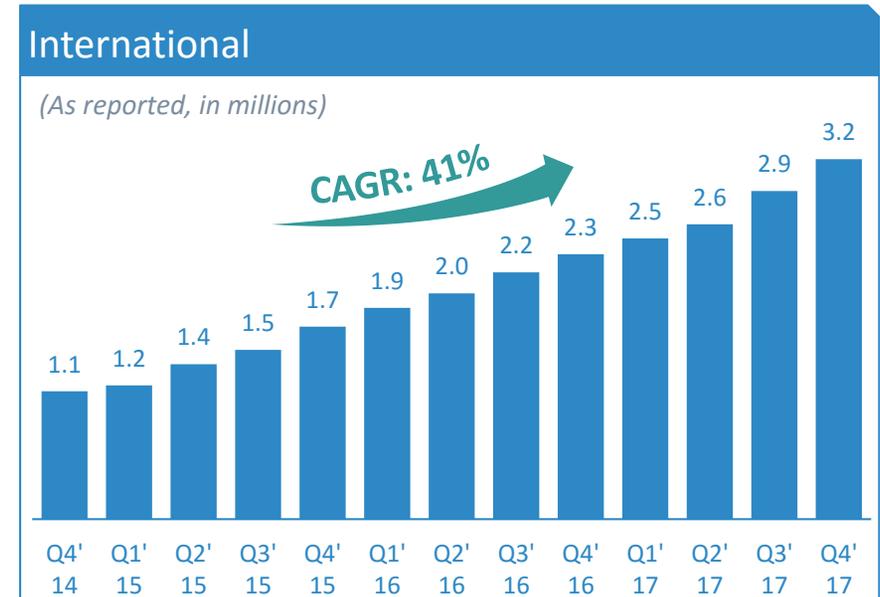
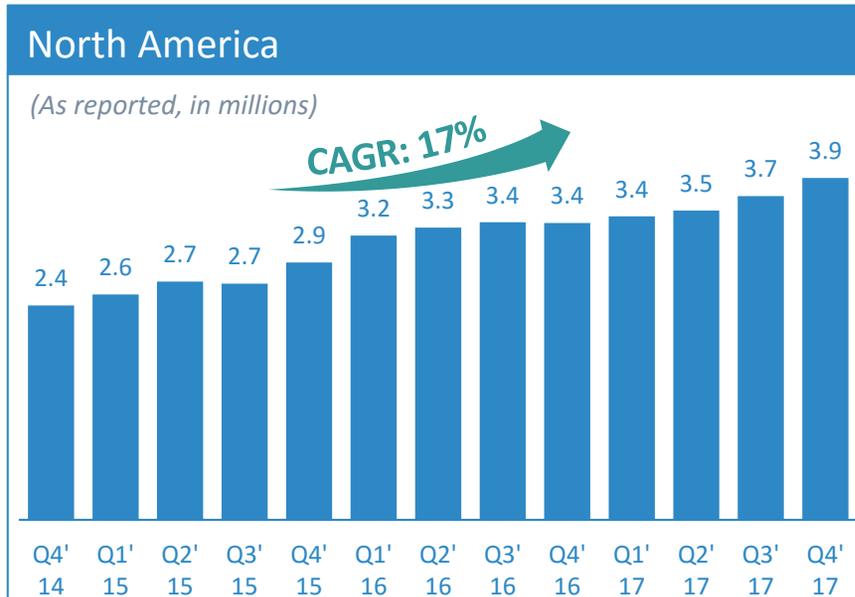
- Launched in 2003 and acquired in 2015
- Leads to more conversations than any other dating app
- Broad appeal in the central U.S., Canada, and the U.K.

okcupid

- Launched in 2004 and acquired in 2011
- User base that values individuality
- Focuses on provocative Q&A and mathematical insights into potential matches

**These key brands contribute a substantial portion of our Revenue and EBITDA**

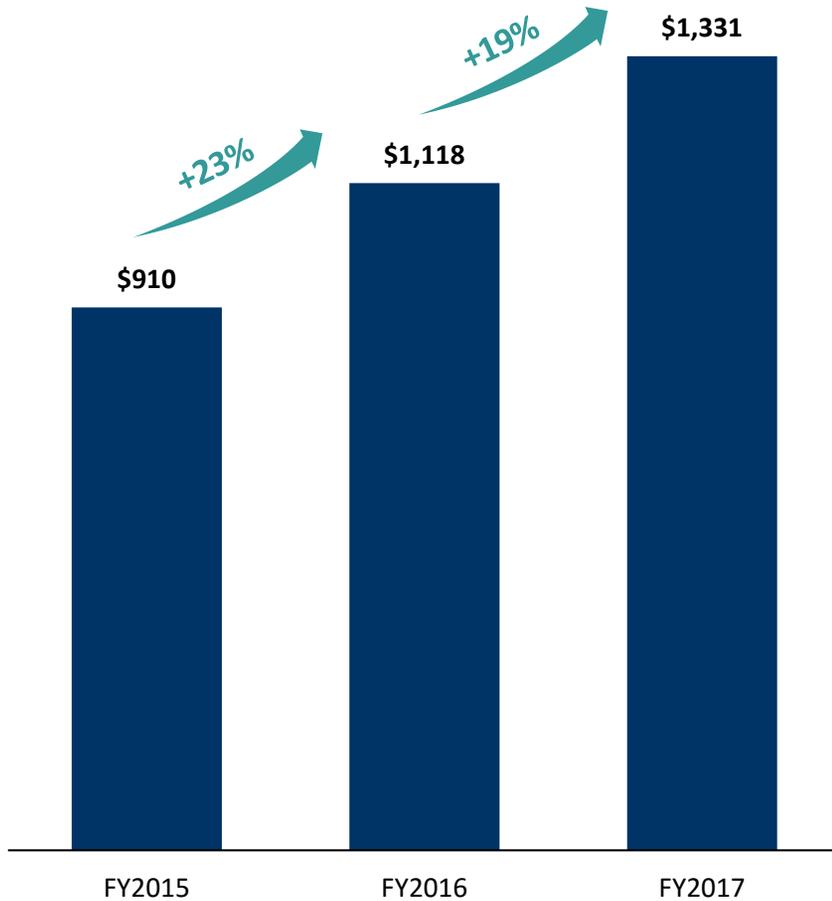
# Strong Average Subscriber Growth Across Geographies



# Strong Financial Performance

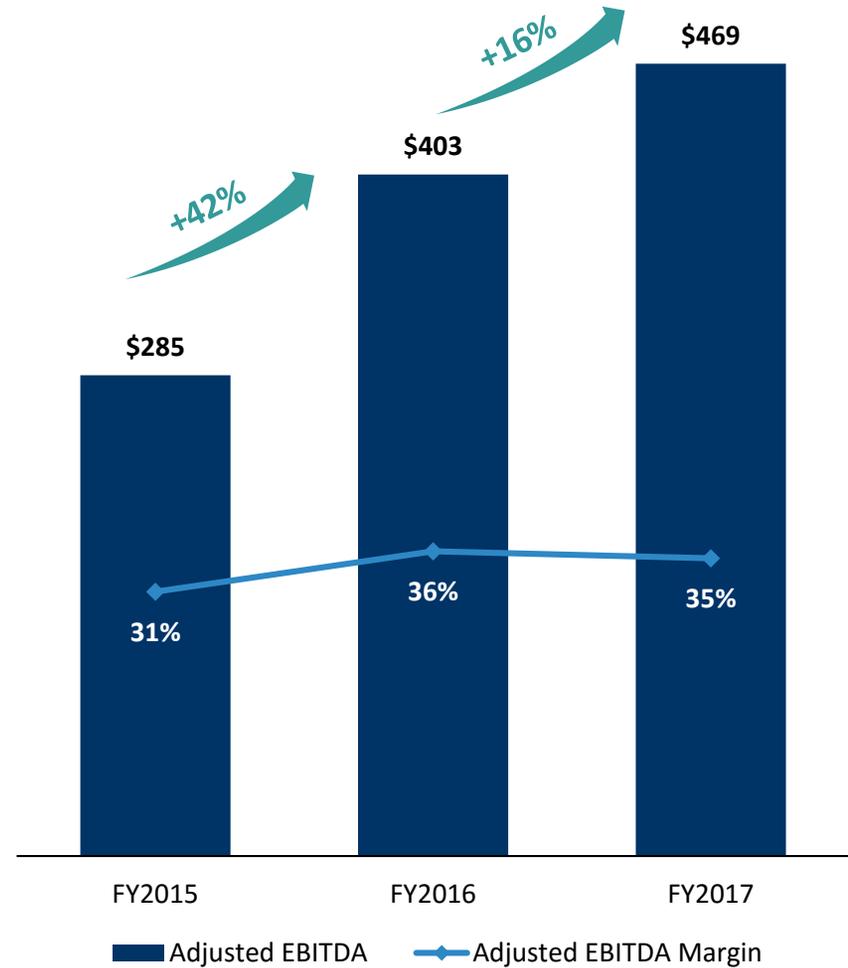
## Continued Revenue Growth

(As reported, in millions)



## Stable Adjusted EBITDA Margin

(As reported, in millions)



# Tinder: Global Success Story



- Incubated internally and launched in 2012
- Revolutionary dating product with strong adoption by millennials
- Launched as mobile-only product with unique user interface and swiping feature
- Monetization of users began in Q1 2015 and has grown to over 3.1 million Average Subscribers globally
- Introduced à la carte features in Q1 2016

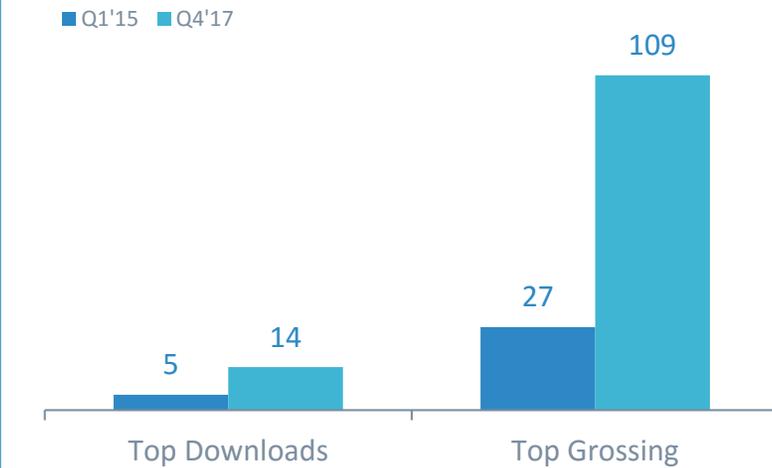
## Massive Growth in Subscribers

Tinder Average Subscribers (000s)



## Strong Global Presence

Countries where Tinder has #1 App Store ranking<sup>1</sup>



# Tinder Monetization

## Subscription

### Tinder Plus

- First subscription product launched in March 2015
- Unlimited right swipes, rewind, incognito mode, passport to any location, no ads and additional Boosts / Super Likes

### Tinder Gold

- Global rollout on iOS on 8/31/2017 and on Android on 9/20/2017
- Includes all Tinder Plus functions in addition to new 'Likes You' feature
- Priced at premium to Tinder Plus
- Net effect is higher ARPU, higher conversion – more than offsetting lower duration

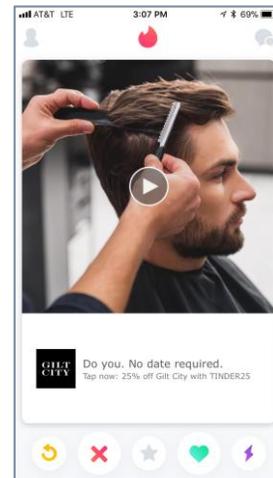
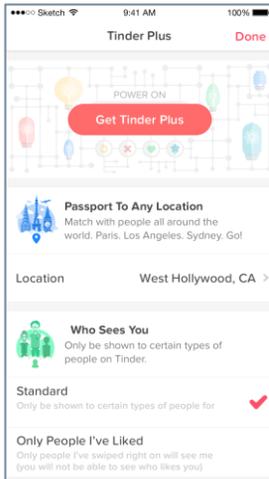
Focus remains on overall revenue maximization

## À la carte

- Super Likes and Boost
- Available for purchase to all users (subscribers and non-subscribers)
- Non-subscribers a relatively small portion of à la carte purchasers

## Advertising

- Direct premium sales
- Facebook ad network



# Exceptional Competitive Position

## Match Group owns 4 of the top 5 brands in the US

Based on respondents who used dating products over the past 90 days (US)<sup>1</sup>

tinder

Founded in 2012

PlentyOfFish

Founded in 2003

match

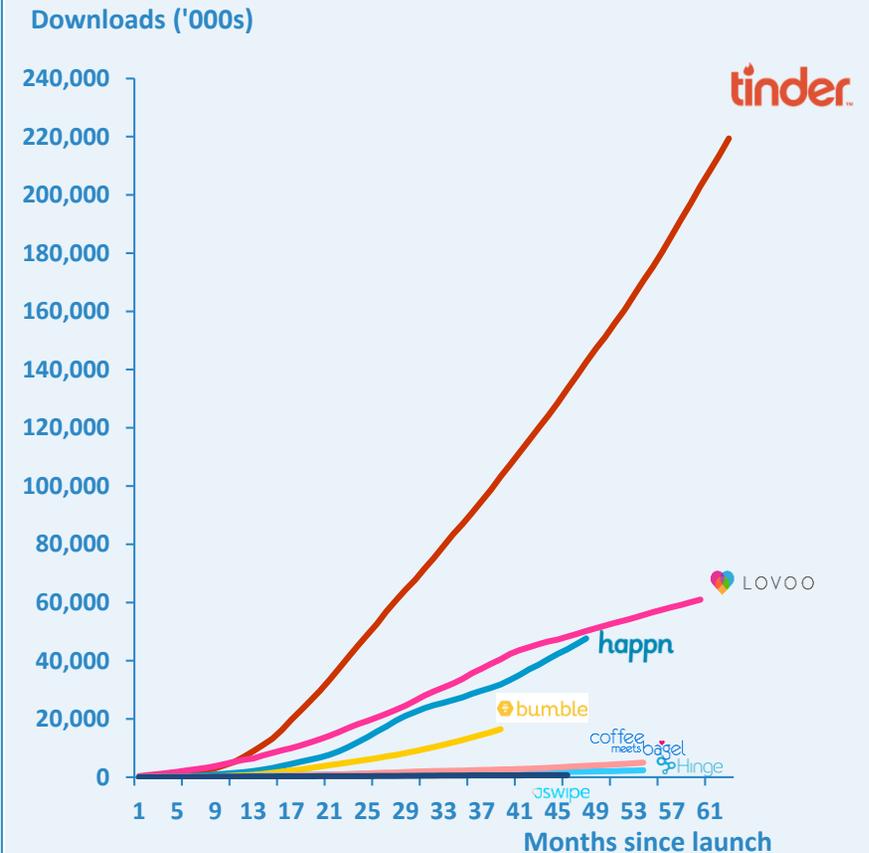
Founded in 1995

okcupid

Founded in 2004

## Tinder: Unparalleled viral growth

Global cumulative downloads (benchmarked to launch date)



Fragmented competitive landscape globally, but no brands approach the scale of Match Group

## Match Group Highlights

- ✓ World's leading provider of dating products with global footprint of marquee assets
- ✓ Significant global opportunity with strong growth drivers
- ✓ Unique portfolio approach caters to a broad spectrum of users
- ✓ Proven, highly sophisticated monetization strategy
- ✓ Strong top and bottom-line growth with expanding margins
- ✓ Robust free cash flow generation and natural deleveraging

# Appendix

# GAAP to Non-GAAP Reconciliation (FY2015 – FY2017)

**Twelve Months Ended December 31,**

*(In millions, rounding differences may occur)*

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>	\$ 1,330.7	\$ 1,118.1	\$ 909.7
<b>Operating Income</b>	\$ 360.5	\$ 315.5	\$ 213.0
Stock-based Compensation Expense	69.1	52.4	49.4
Depreciation	32.6	27.7	19.8
Amortization of Intangibles	1.5	16.9	13.4
Acquisition-related Contingent Consideration Fair Value Adjustments	5.3	(9.2)	(11.1)
<b>Adjusted EBITDA</b>	<u>\$ 468.9</u>	<u>\$ 403.4</u>	<u>\$ 284.6</u>
<b>Adjusted EBITDA Margin</b>	35%	36%	31%