



**Q1 2018**

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*Investor Presentation – May 8, 2018*

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"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.

## Key Business Trends

# Tinder: Multiple Drivers of Revenue Growth

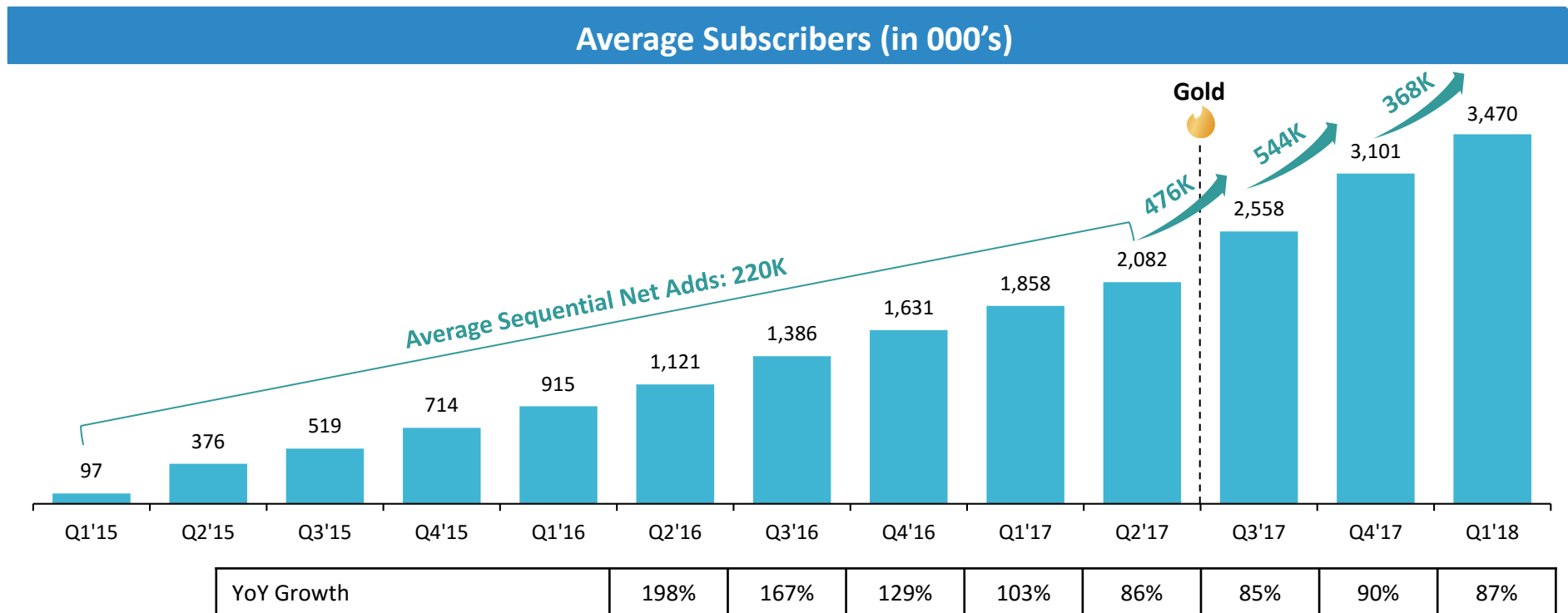
150%+ YoY revenue growth in Q1, driven by:

## 1 Subscribers up 87% YoY

- Sequential growth of 368K average subscribers in Q1 (total of 1.4M added over last 3 quarters)
- Continued strength in Gold renewal rates

## 2 ARPU up 37% YoY

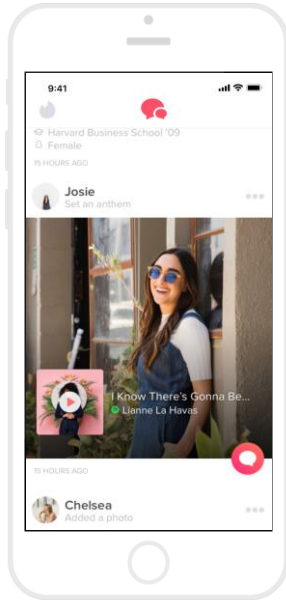
- Accelerated YoY growth due to Gold and a la carte
- A la carte revenue growth exceeded subscriber growth on a sequential basis



# Tinder: Robust Product Roadmap for 2018

## More Reasons to Use, More Frequently

### Feed (Post-Match)



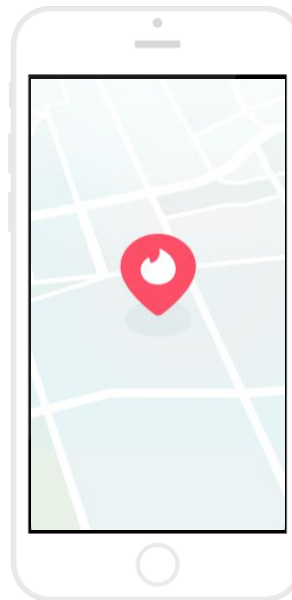
- Global rollout in March 2018
- Increased time on app, return visits and conversations

### Loops (Video)



- User-generated looping videos to enhance profile
- Currently testing

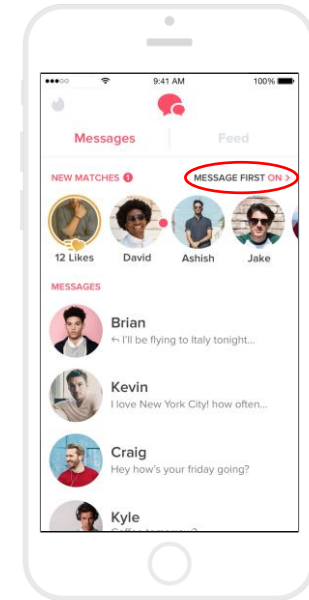
### Places (Location)



- Leverage location data to extend further into the social lives of singles
- First of numerous opt-in location features
- In private beta

## User Control

### Message First



- Allows women to control who sends the first message
- Optional control can be switched on / off
- Currently testing

New revenue feature actively in development and on track for second half '18 launch

# Tinder: Marketing Into Massive Momentum to Drive Brand Mission

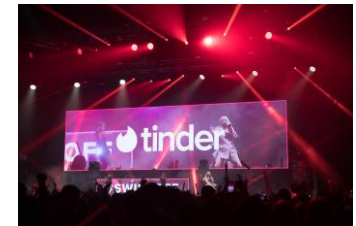
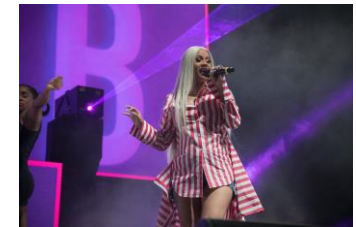
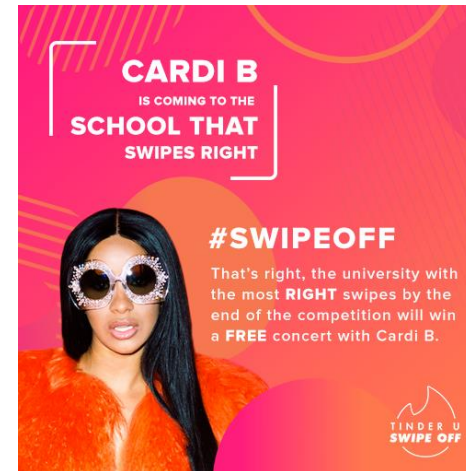
Spontaneous, Fun and Adventurous Lifestyle for Singles 18 – 30



Adam Levine – Postmates  
Valentine's Day Promotion



Tinder-U Initiative



Cardi B Concert College Competition

## Global Relevance



Manchester City Soccer Team Partnership



Carnival Event Sponsor in  
Brazil



"Start Something Epic" campaign in  
India

# Other Brands Stable in Q1, Investing for Long-Term Growth

## Product Investment to Sustain Long-Term Appeal



- Premium brands with high awareness and relevance, especially among serious-intent users
- Increase value delivered to paid users:
  - More features included in subscription
  - Fewer ads
  - Higher service levels
- Drive word of mouth to offset lower TV marketing efficiency
- Maintain premium positioning in app-centric world

## Marketing Investment Into Momentum



- Investing in marketing following 2017 product revamp
- Recent marketing campaign grew brand awareness and registrations meaningfully in 3 test markets



- Accelerating growth in Japan; pushing into South Korea
- Expanding marketing channels and spend levels





# Well Prepared for a Changing Environment

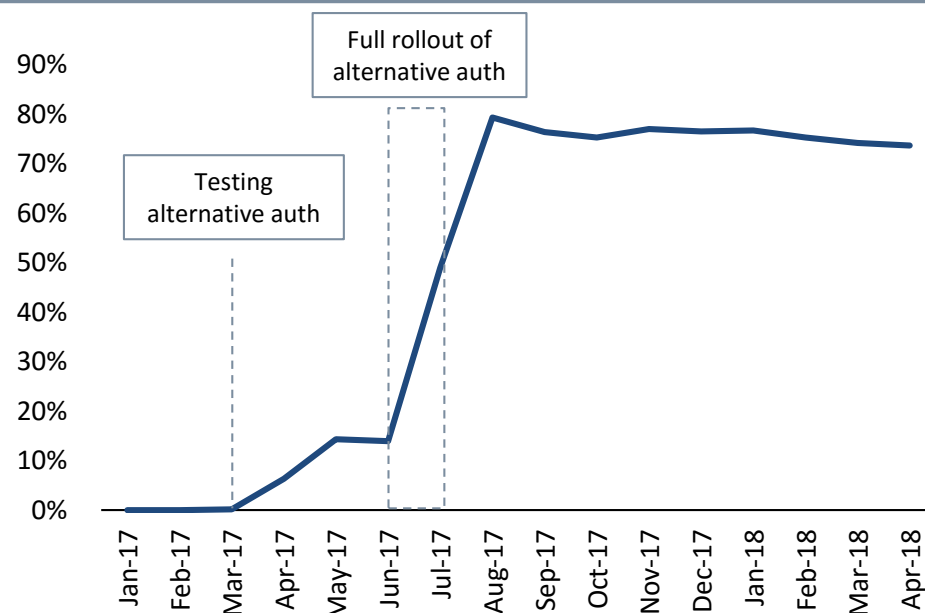
## Data Privacy and Protection

- Significant effort over last 18 months across applicable brands to meet GDPR standards by May 25th
- Tinder applying GDPR standards globally
- Implementing similar privacy standards across all businesses not subject to GDPR

## Facebook

- Data indicates that many prefer to keep their dating lives separate
- ~600M unattached singles globally <sup>(2)</sup>
  - Low category penetration
  - Not a winner-take-all market
  - Average user is on ~3 dating products
- Tinder not reliant on Facebook data
  - Alternate sign-up available since July 2017
  - Profile content largely user-generated
  - Proprietary matching algorithms do not rely on Facebook or third-party data

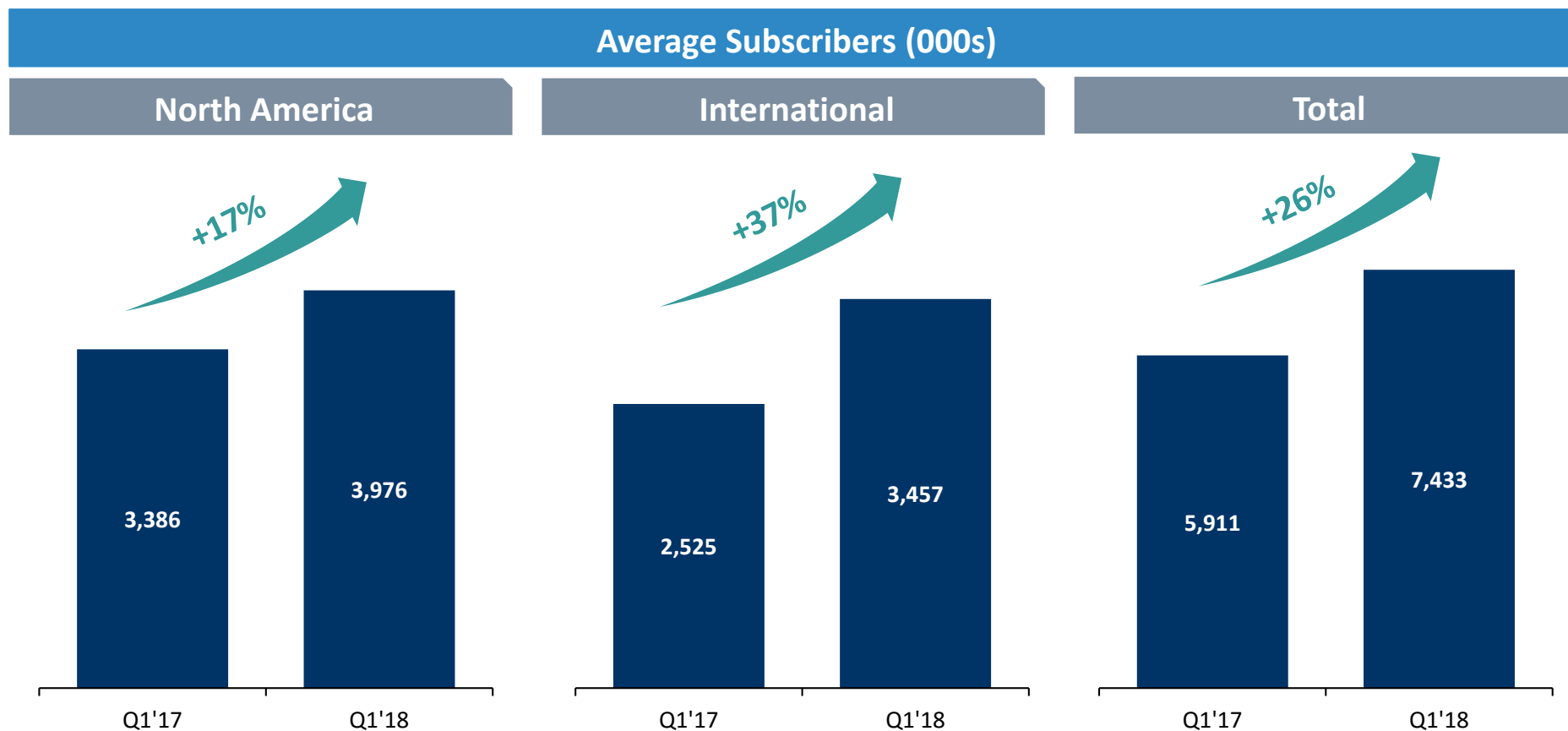
### ~75% of Tinder Regs Do Not Use Facebook Sign-Up <sup>(1)</sup>





# Financial Overview and Outlook

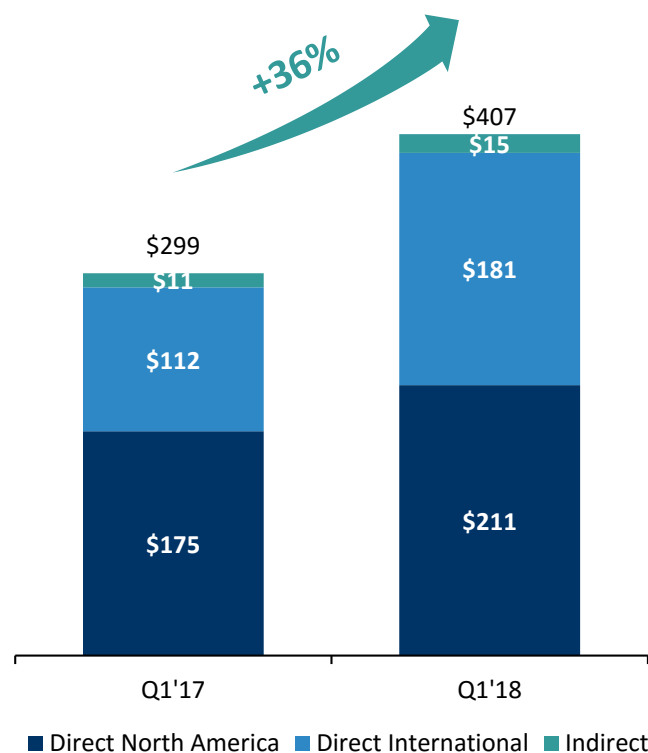
# Q1 2018 Average Subscribers and ARPU



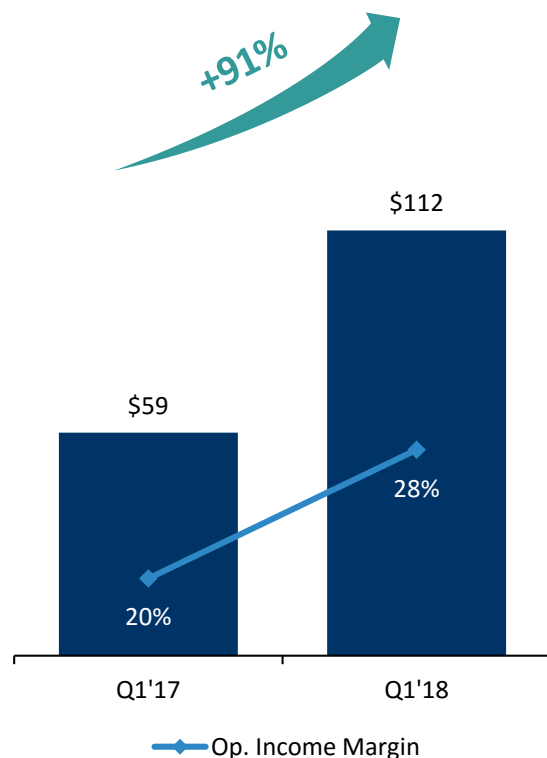
ARPU	Q1 2017	Q1 2018	YoY Change
North America	\$0.57	\$0.58	2%
International	\$0.48	\$0.57	18%
Total	\$0.53	\$0.58	8%

# Q1 2018 Results

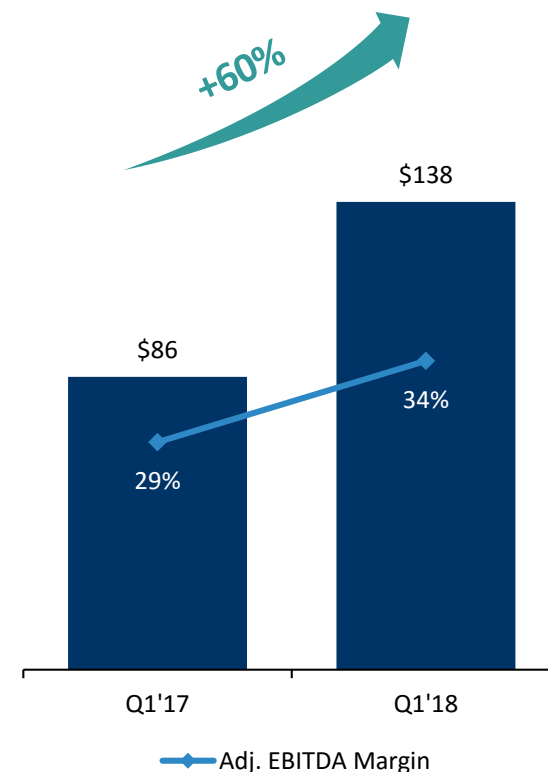
## Revenue (\$M)



## Operating Income (\$M)



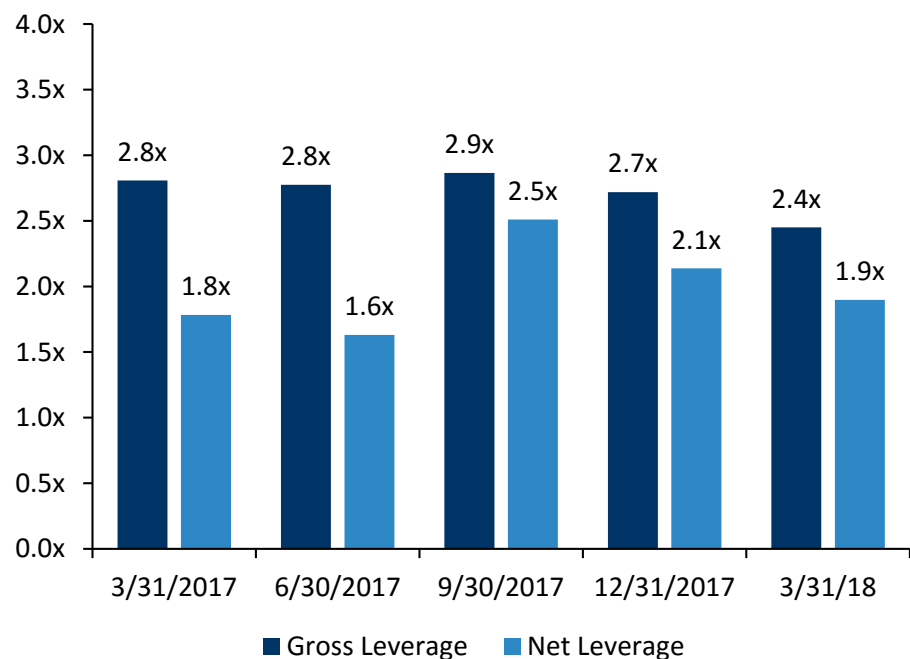
## Adjusted EBITDA (\$M)



Revenue	Q1'18 YoY Change
Direct North America	21%
Direct International	61%
Total Direct Revenue	36%
Indirect Revenue	33%

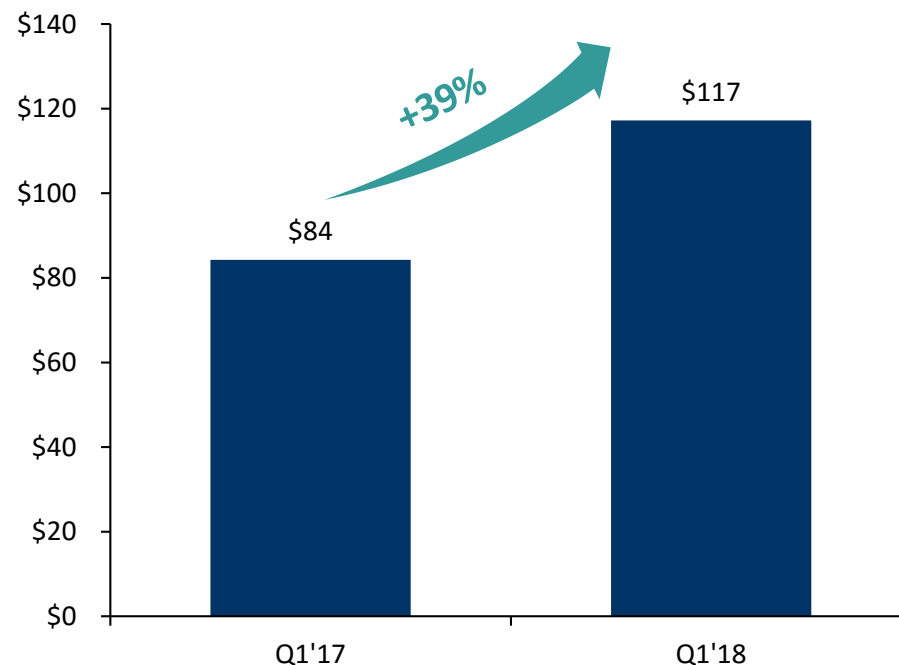
# Effective Capital Management

## Leverage



- Cash balance at 3/31/18 of \$288M <sup>(1)</sup>
- Deployed \$105 million in cash in Q1 to buy back shares and pay employee withholding taxes on options exercised, reducing share dilution
- Do not expect to be a material U.S. cash tax payer until 2020

## Free Cash Flow (\$M)



	Q1'17	Q1'18
Net Cash from Op Activities	\$90	\$122
Less: CapEx	\$6	\$5
FCF	\$84	\$117

**Q1 2018 EBITDA to FCF Conversion of 85%**

# Financial Outlook

Metric	Q2 2018	FY 2018
Total Revenue	\$405 to \$415 million	\$1.6 to \$1.7 billion
Adjusted EBITDA	\$160 to \$165 million	\$600 to \$650 million

## Q2 2018

- Revenue growth driven by Tinder, stability at other brands
- Margin expansion driven by operating leverage at Tinder and continued discipline on marketing spend

## FY 2018

- Raising revenue outlook by \$100M, primarily due to Tinder exceeding our expectations
  - Higher than expected Gold take and renewal rates, and a la carte strength
- Raising EBITDA outlook by \$50M due to revenue strength, Tinder operating leverage and disciplined marketing spend
- Considerations for rest of FY 2018
  - Success and timing of new Tinder revenue feature
  - Impact of additional data privacy and regulatory compliance

# Appendix

# GAAP to Non-GAAP Reconciliations

(\$Ms)	Three Months Ended March 31,	
	2018	2017
<b>Net Earnings attributable to Match Group, Inc. shareholders</b>	<b>\$99.7</b>	<b>\$20.1</b>
Add back:		
Net (loss) earnings attributable to redeemable noncontrolling interests	(0.1)	0.0
Loss from discontinued operations, net of tax	-	4.5
Income tax (benefit) provision	(12.5)	9.4
Other expense, net	7.2	6.0
Interest expense	17.8	19.0
<b>Operating Income</b>	<b>112.2</b>	<b>58.9</b>
Stock-based compensation expense	17.0	18.0
Depreciation	8.1	7.6
Amortization of intangibles	0.2	0.4
Acquisition-related contingent consideration fair value adjustments	0.2	1.3
<b>Adjusted EBITDA</b>	<b>\$137.7</b>	<b>\$86.2</b>
<b>Revenue</b>	<b>\$407.4</b>	<b>\$298.8</b>
Operating income margin	28%	20%
Adjusted EBITDA margin	34%	29%



## Q1 2018 Operating Expenses

(\$Ms)	Q1 2018	% of Revenue	Q1 2017	% of Revenue	Change
Cost of Revenue	\$93.9	23%	\$58.8	20%	60%
Selling and marketing expense	118.2	29%	107.1	36%	10%
General and administrative expense	42.8	10%	43.9	15%	(3%)
Product development expense	31.9	8%	22.0	7%	45%
Depreciation	8.1	2%	7.6	3%	7%
Amortization of intangibles	0.2	0%	0.4	0%	(40%)
<b>Total Operating Costs and Expenses</b>	<b>\$295.1</b>	<b>72%</b>	<b>\$239.9</b>	<b>80%</b>	<b>23%</b>
<b>Revenue</b>	<b>\$407.4</b>	<b>100%</b>	<b>\$298.8</b>	<b>100%</b>	<b>36%</b>

## Q2 2018 and FY 2018 GAAP to Non-GAAP Reconciliation

(\$Ms)	2018	
	Q2	FY
<b>Operating Income</b>	<b>\$132 to \$137</b>	<b>\$492 to \$542</b>
Stock-based compensation expense	18	70
Depreciation & Amortization of intangibles	10	38
Acquisition-related contingent consideration fair value adjustments	-	0
<b>Adjusted EBITDA</b>	<b>\$160 to \$165</b>	<b>\$600 to \$650</b>

# Trended Key Metrics <sup>(a)</sup>

	2016					2017					2018
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>Average Subscribers (000s)</b>											
North America	3,170	3,263	3,322	3,313	3,268	3,386	3,452	3,615	3,816	3,569	3,976
International	1,913	2,038	2,224	2,384	2,140	2,525	2,649	2,944	3,228	2,839	3,457
<b>Total</b>	<b>5,083</b>	<b>5,301</b>	<b>5,546</b>	<b>5,697</b>	<b>5,408</b>	<b>5,911</b>	<b>6,101</b>	<b>6,559</b>	<b>7,044</b>	<b>6,408</b>	<b>7,433</b>
<b>ARPU <sup>(b)</sup> (pro forma)</b>											
North America	\$0.56	\$0.57	\$0.56	\$0.56	\$0.56	\$0.57	\$0.56	\$0.56	\$0.57	\$0.56	\$0.58
International	\$0.49	\$0.51	\$0.50	\$0.49	\$0.50	\$0.48	\$0.49	\$0.52	\$0.54	\$0.51	\$0.57
<b>Total</b>	<b>\$0.54</b>	<b>\$0.54</b>	<b>\$0.53</b>	<b>\$0.53</b>	<b>\$0.54</b>	<b>\$0.53</b>	<b>\$0.53</b>	<b>\$0.54</b>	<b>\$0.55</b>	<b>\$0.54</b>	<b>\$0.58</b>
<b>Revenue <sup>(b)</sup> (pro forma, \$Ms)</b>											
North America Direct	\$165.4	\$169.6	\$170.8	\$172.4	\$678.3	\$175.3	\$178.5	\$186.9	\$200.6	\$741.3	\$211.4
International Direct	\$87.3	\$95.1	\$103.4	\$108.8	\$394.6	\$112.4	\$120.9	\$143.2	\$163.3	\$539.9	\$181.4
<b>Total Direct</b>	<b>\$252.8</b>	<b>\$264.7</b>	<b>\$274.2</b>	<b>\$281.2</b>	<b>\$1,072.9</b>	<b>\$287.8</b>	<b>\$299.4</b>	<b>\$330.1</b>	<b>\$364.0</b>	<b>\$1,281.2</b>	<b>\$392.7</b>
Indirect Revenue	\$11.3	\$11.9	\$13.8	\$13.7	\$50.7	\$11.0	\$10.1	\$13.3	\$14.9	\$49.4	\$14.6
<b>Total Revenue</b>	<b>\$264.1</b>	<b>\$276.6</b>	<b>\$288.0</b>	<b>\$294.9</b>	<b>\$1,123.6</b>	<b>\$298.8</b>	<b>\$309.6</b>	<b>\$343.4</b>	<b>\$378.9</b>	<b>\$1,330.7</b>	<b>\$407.4</b>
<b>Revenue (as reported, \$Ms)</b>											
North America Direct	\$162.5	\$168.6	\$170.5	\$172.4	\$673.9	\$175.3	\$178.5	\$186.9	\$200.6	\$741.3	\$211.4
International Direct	\$86.6	\$94.8	\$103.3	\$108.8	\$393.4	\$112.4	\$120.9	\$143.2	\$163.3	\$539.9	\$181.4
<b>Total Direct</b>	<b>\$249.0</b>	<b>\$263.4</b>	<b>\$273.7</b>	<b>\$281.2</b>	<b>\$1,067.4</b>	<b>\$287.8</b>	<b>\$299.4</b>	<b>\$330.1</b>	<b>\$364.0</b>	<b>\$1,281.2</b>	<b>\$392.7</b>
Indirect Revenue	\$11.4	\$11.9	\$13.8	\$13.7	\$50.7	\$11.0	\$10.1	\$13.3	\$14.9	\$49.4	\$14.6
<b>Total Revenue</b>	<b>\$260.4</b>	<b>\$275.3</b>	<b>\$287.5</b>	<b>\$294.9</b>	<b>\$1,118.1</b>	<b>\$298.8</b>	<b>\$309.6</b>	<b>\$343.4</b>	<b>\$378.9</b>	<b>\$1,330.7</b>	<b>\$407.4</b>

(a) Reporting of OkCupid subscribers and revenue is now allocated between North America and International based on the actual location of subscribers (OkCupid subscribers and revenue have historically been reported in North America). All prior periods have been adjusted to reflect this change to ensure comparability.

(b) Pro forma results include revenues for PlentyOfFish of \$3.7 million, \$1.3 million, and \$0.5 million, for Q1 2016, Q2 2016, and Q3 2016 that were not recognized under Generally Accepted Accounting Principles because the associated deferred revenue was written off as of the date of the acquisition of the business.