matchgroup

Q3 2018

Investor Presentation – November 6, 2018

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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 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.

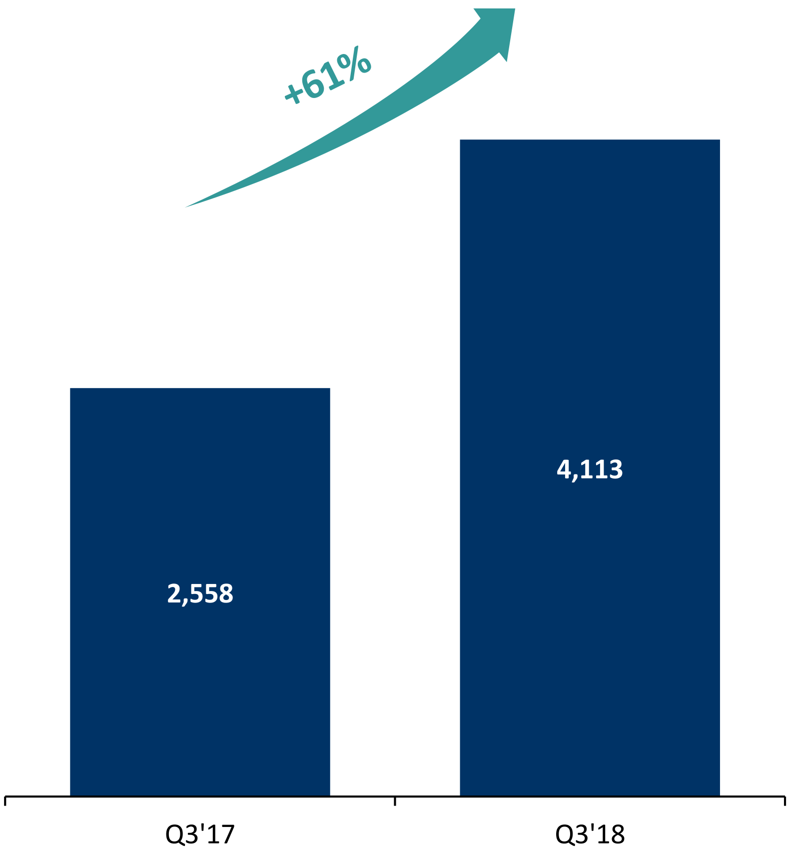
Key Business Trends

Tinder Monetization Strength Continued in Q3

Direct revenue growth of ~100% YoY

- Gold subscribers further increased as a percentage of total Tinder subscribers
- ‘Picks’ rolled out globally as incremental feature within Gold, enhancing its attractiveness
- Ongoing product optimizations
  - Auth and onboarding
  - Recommendation engine
  - Messaging
  - Merchandising / paywall / pricing

Average Subscribers (in 000’s)



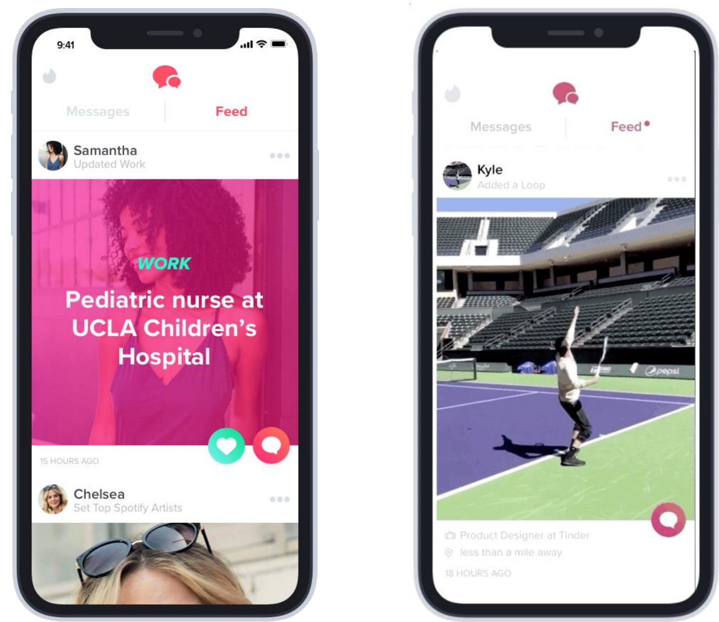
YoY ARPU growth of 24%

Tinder Product Innovation

TinderU

- Student-only feature to discover students at their schools and around them
- Available at 1,200+ colleges in the U.S.
- Higher swipe right rates and higher retention rates

Feed



- Enriching the Feed following success of March launch
- Adding more content and context to promote engagement and conversations
- Conversations triggered by the Feed are longer, higher quality and result in 35% more offline connections

Tinder Marketing Reinforcing Our Product and Brand Momentum

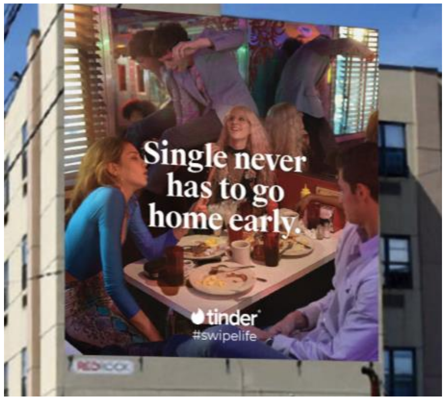
TinderU Campaign – Digital, Influencers and On-The-Ground Ambassadors

Influencers

Digital channels

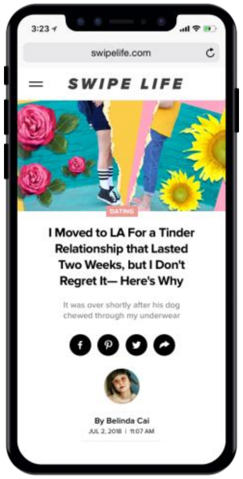
Ambassadors

National Brand Campaign – First Ever Multi-Channel Brand Campaign



High visibility out of home billboards in major U.S. cities

Focus on digital platforms



Single lifestyle stories

Investing in Our Other Brands to Drive Future Growth

match meetic

- Product improvements on track to increase value for premium, high-intent customers
  - Improved matching algo and outcomes
  - Better value for money, fewer ads
  - Less cluttered, more modern look
- Adjusting marketing to reflect current environment and drive user growth
  - Rightsizing TV spend given declining viewership
  - Focusing spend across digital channels
  - Planning major brand refresh focused on more efficient channels

okcupid

- Reimagining core questions platform to make it more regional and topical
- Expanding provocative ad campaign

Chispa

- Continued strong user momentum; early monetization launched

pairs

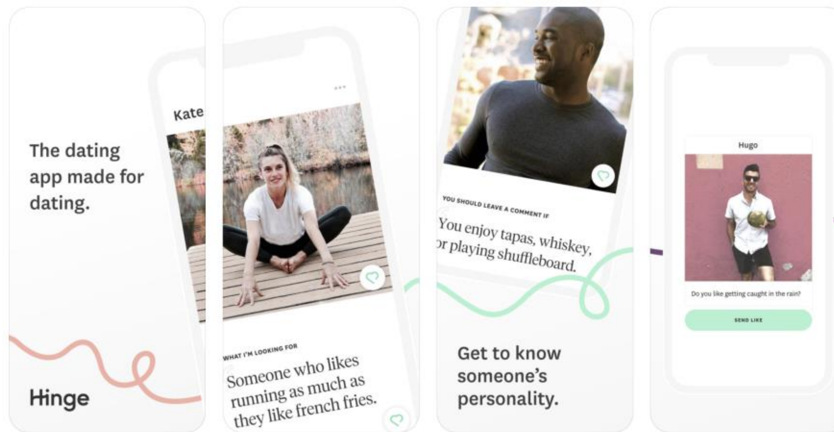
- Top dating business in fast-growing Japanese market; expanding marketing channels

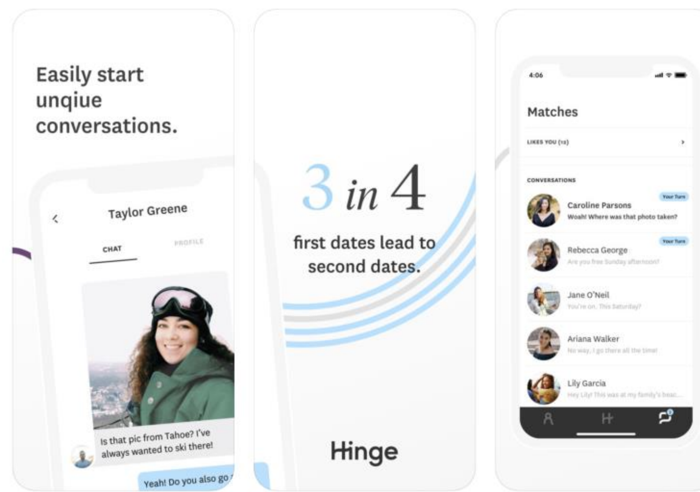
Ourtime

- Building share in key European markets

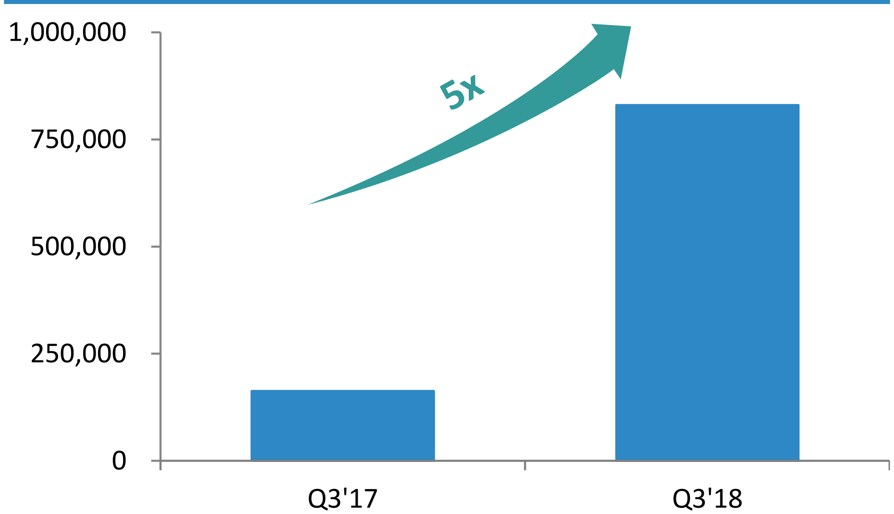
Hinge – Investing Into a Truly Differentiated Product

- Lightweight product that still enables depth
  - Profile is clean and modern
  - Pictures are juxtaposed with three icebreaker questions to show personality and engage users
  - Commenting on pictures and icebreakers facilitates natural conversations for millennials
- Large presence in New York, and gaining traction in other major U.S. cities and international cultural hubs such as London





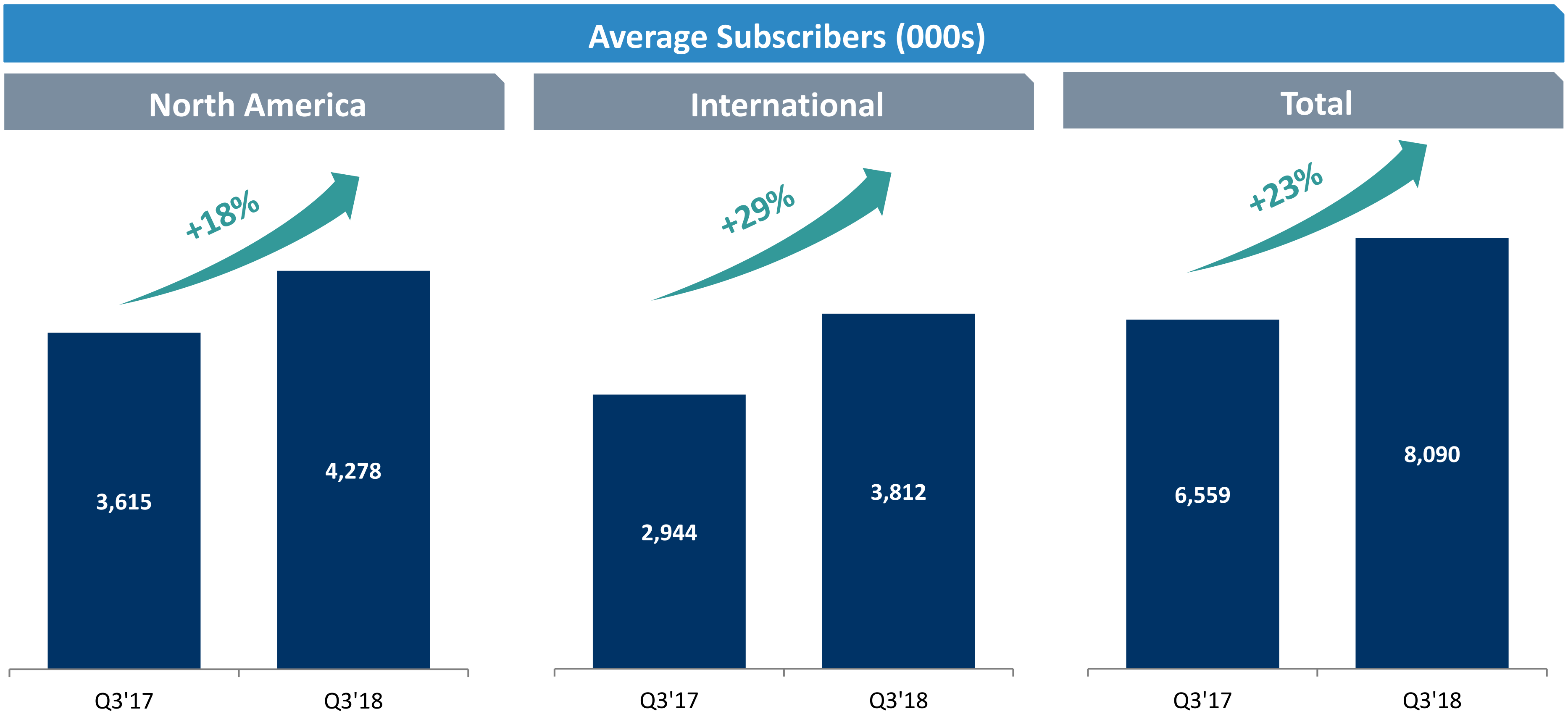
Quarterly Downloads Since Match Group Investment[1]



1. Source: AppAnnie

Financial Overview and Outlook

Q3 2018 Average Subscribers and ARPU

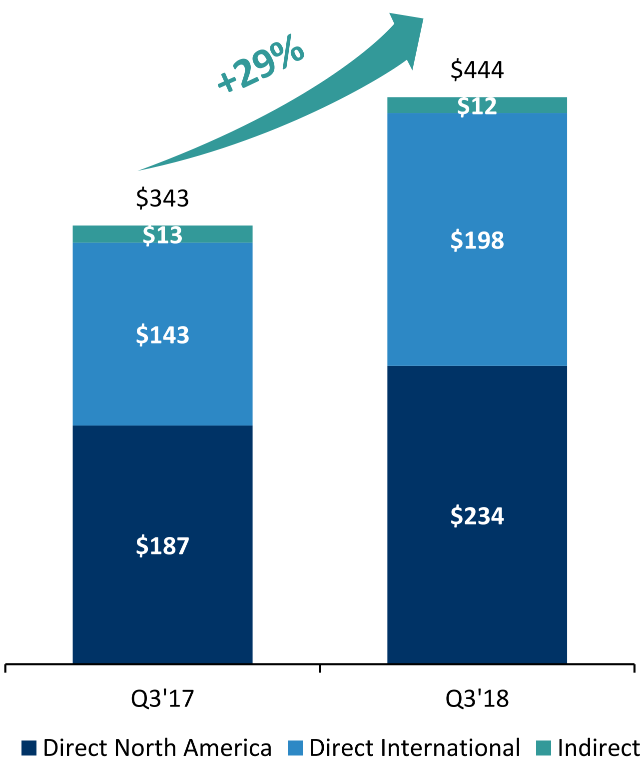


ARPU	Q3 2017	Q3 2018	YoY Change
North America	$0.56	$0.59	6%
International	$0.52	$0.55	7%
Total	**$0.54**	**$0.57**	**6%**

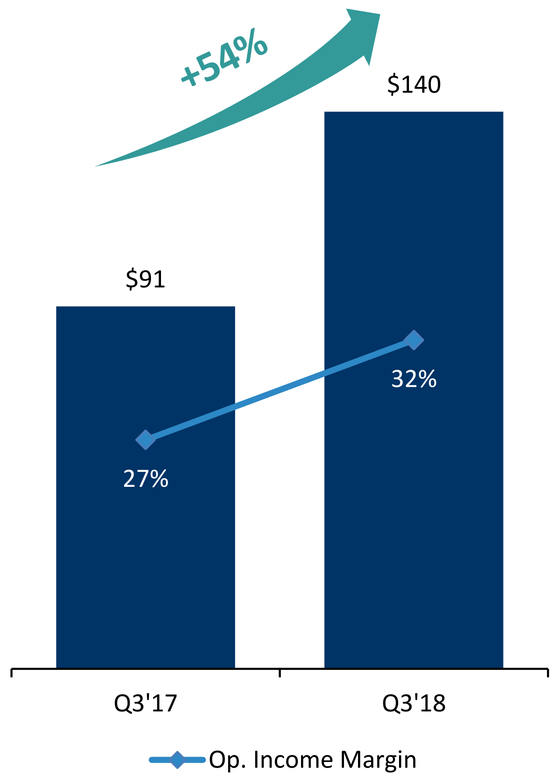
Note: Reporting of OkCupid subscribers and revenue is now allocated between North America and International based on the actual location of subscribers (OkCupid subscribers and revenue have historically been reported in North America). All prior periods have been adjusted to reflect this change to ensure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

Q3 2018 Results

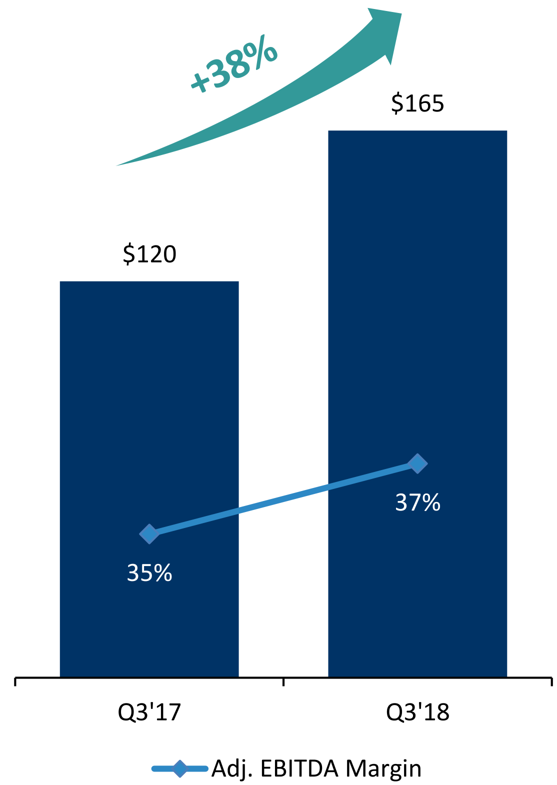
Revenue ($M)



Operating Income ($M)



Adjusted EBITDA ($M)



Revenue	Q3'18 YoY Change
Direct North America	25%
Direct International	38%
Total Direct Revenue	31%
Indirect Revenue	(7%)

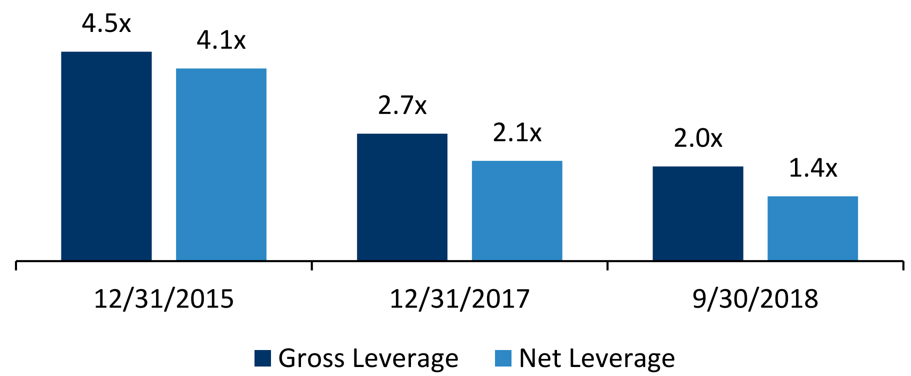
Operating Expenses	Q3'17 % of Revenue	Q3'18 % of Revenue
Cost of Revenue	21%	24%
Selling and Marketing	28%	24%
G&A and Product	22%	18%
D&A	2%	2%
Total Op. Costs and Expenses	**73%**	**68%**

Note: 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.

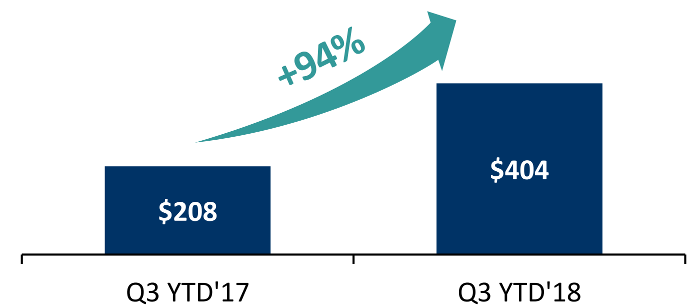
Special Dividend and Capital Return

- Declaring a special dividend of $2 per share on MTCH common stock and class B common stock
  - Record date: December 5, 2018
  - Payment date: December 19, 2018
- To be paid from cash on hand and incremental debt, as needed
- Sufficient remaining flexibility for M&A, which continues to be a primary focus
- Constantly evaluate uses of cash on hand and FCF to maximize shareholder value
- Capital allocation priorities:
  1. Organic investment
  2. M&A
  3. Return of capital, and
  4. Debt paydown

Leverage



Free Cash Flow ($M)



Capital Return in 2018 ($M)

Share Repurchases (YTD 9/30/2018)	$86
Special Dividend (Q4'2018)	$560[1]
Total Capital Return	**$646**

1. Based on current basic shares outstanding.

Financial Outlook

Metric	Q4 2018
Revenue	$440 to $450 million
Adjusted EBITDA	$165 to $170 million

Q4 2018

Revenue:

- Tinder remains growth driver; other brands stable
- ~$6 million negative FX impact since prior outlook
- Some indirect revenue softness due to GDPR, lower impressions and change to FAN economics

Adjusted EBITDA:

- Marketing spend up ~20% YoY – major marketing campaigns at Tinder plus stepped up marketing at several other brands, primarily Hinge and Pairs
- $3 million of increased litigation expense

FY 2018

- On pace to approach top end of prior revenue outlook of $1.72 billion
- Near top end of prior EBITDA outlook of $650 million
- EBITDA includes $7 million of increased litigation costs and Hinge acquisition-related expenses that were not included in previous outlook

Appendix

GAAP to Non-GAAP Reconciliations

($Ms)	Three Months Ended September 30, 2018	2017
Net Earnings attributable to Match Group, Inc. shareholders	**$130.2**	**$287.7**
Add back:		
Net loss attributable to redeemable noncontrolling interests	(2.6)	(0.0)
Loss from discontinued operations, net of tax	0.4	0.1
Income tax benefit	(5.5)	(226.2)
Other (income) expense, net	(0.9)	9.9
Interest expense	18.4	19.5
Operating Income	**139.9**	**91.0**
Stock-based compensation expense	16.1	19.9
Depreciation	8.5	8.1
Amortization of intangibles	0.4	0.4
Acquisition-related contingent consideration fair value adjustments	0.1	0.1
Adjusted EBITDA	**$165.0**	**$119.6**
Revenue	**$443.9**	**$343.4**
Operating income margin	32%	27%
Adjusted EBITDA margin	37%	35%

Note: Rounding differences may occur

GAAP to Non-GAAP Reconciliations

	Nine Months Ended September 30,	
($Ms)	**2018**	**2017**
Net cash provided by operating activities attributable to continuing operations	**$425.2**	**$229.7**
Capital expenditures	(21.3)	(21.6)
Free Cash Flow	**$404.0**	**$208.0**

GAAP to Non-GAAP Reconciliations

	2018	
($Ms)	**Q4**	**FY**
Operating Income	**$138 to $143**	**$540 to $545**
Stock-based compensation expense	17	67
Depreciation & Amortization of intangibles	10	36
Adjusted EBITDA	**$165 to $170**	**$643 to $648**

Note: Stock-based compensation and D&A at midpoint of Match Group financial outlook. FY 2018 Operating Income and Adjusted EBITDA range based on YTD actual through Q3 plus Q4 outlook.

Q3 2018 Operating Expenses

($Ms)	Q3 2018	% of Revenue	Q3 2017	% of Revenue	Change
Cost of Revenue	$107.5	24%	$72.0	21%	49%
Selling and marketing expense	108.4	24%	94.9	28%	14%
General and administrative expense	45.2	10%	49.9	15%	(10%)
Product development expense	34.0	8%	27.0	8%	26%
Depreciation	8.5	2%	8.1	2%	4%
Amortization of intangibles	0.4	0%	0.4	0%	8%
Total Operating Costs and Expenses	**$304.0**	**68%**	**$252.4**	**73%**	**20%**
Revenue	**$443.9**	**100%**	**$343.4**	**100%**	**29%**

Trended Key Metrics [a]

	2016					2017					2018		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Average Subscribers *(000s)*													
North America	3,170	3,263	3,322	3,313	3,268	3,386	3,452	3,615	3,816	3,569	3,976	4,131	4,278
International	1,913	2,038	2,224	2,384	2,140	2,525	2,649	2,944	3,228	2,839	3,457	3,592	3,812
Total	**5,083**	**5,301**	**5,546**	**5,697**	**5,408**	**5,911**	**6,101**	**6,559**	**7,044**	**6,408**	**7,433**	**7,723**	**8,090**
ARPU [b] *(pro forma)*													
North America	$0.56	$0.57	$0.56	$0.56	$0.56	$0.57	$0.56	$0.56	$0.57	$0.56	$0.58	$0.58	$0.59
International	$0.49	$0.51	$0.50	$0.49	$0.50	$0.48	$0.49	$0.52	$0.54	$0.51	$0.57	$0.56	$0.55
Total	**$0.54**	**$0.54**	**$0.53**	**$0.53**	**$0.54**	**$0.53**	**$0.53**	**$0.54**	**$0.55**	**$0.54**	**$0.58**	**$0.57**	**$0.57**
Revenue [b] *(pro forma, $Ms)*													
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	$222.2	$233.6
International Direct	$87.3	$95.1	$103.4	$108.8	$394.6	$112.4	$120.9	$143.2	$163.3	$539.9	$181.4	$185.6	$197.9
Total Direct	**$252.8**	**$264.7**	**$274.2**	**$281.2**	**$1,072.9**	**$287.8**	**$299.4**	**$330.1**	**$364.0**	**$1,281.2**	**$392.7**	**$407.7**	**$431.5**
Indirect Revenue	$11.3	$11.9	$13.8	$13.7	$50.7	$11.0	$10.1	$13.3	$14.9	$49.4	$14.6	$13.5	$12.4
Total Revenue	**$264.1**	**$276.6**	**$288.0**	**$294.9**	**$1,123.6**	**$298.8**	**$309.6**	**$343.4**	**$378.9**	**$1,330.7**	**$407.4**	**$421.2**	**$443.9**
Revenue *(as reported, $Ms)*													
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	$222.2	$233.6
International Direct	$86.6	$94.8	$103.3	$108.8	$393.4	$112.4	$120.9	$143.2	$163.3	$539.9	$181.4	$185.6	$197.9
Total Direct	**$249.0**	**$263.4**	**$273.7**	**$281.2**	**$1,067.4**	**$287.8**	**$299.4**	**$330.1**	**$364.0**	**$1,281.2**	**$392.7**	**$407.7**	**$431.5**
Indirect Revenue	$11.4	$11.9	$13.8	$13.7	$50.7	$11.0	$10.1	$13.3	$14.9	$49.4	$14.6	$13.5	$12.4
Total Revenue	**$260.4**	**$275.3**	**$287.5**	**$294.9**	**$1,118.1**	**$298.8**	**$309.6**	**$343.4**	**$378.9**	**$1,330.7**	**$407.4**	**$421.2**	**$443.9**

(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.

Note: Rounding differences may occur