

matchgroup

Q1 2019

Investor Presentation – May 7, 2019

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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.

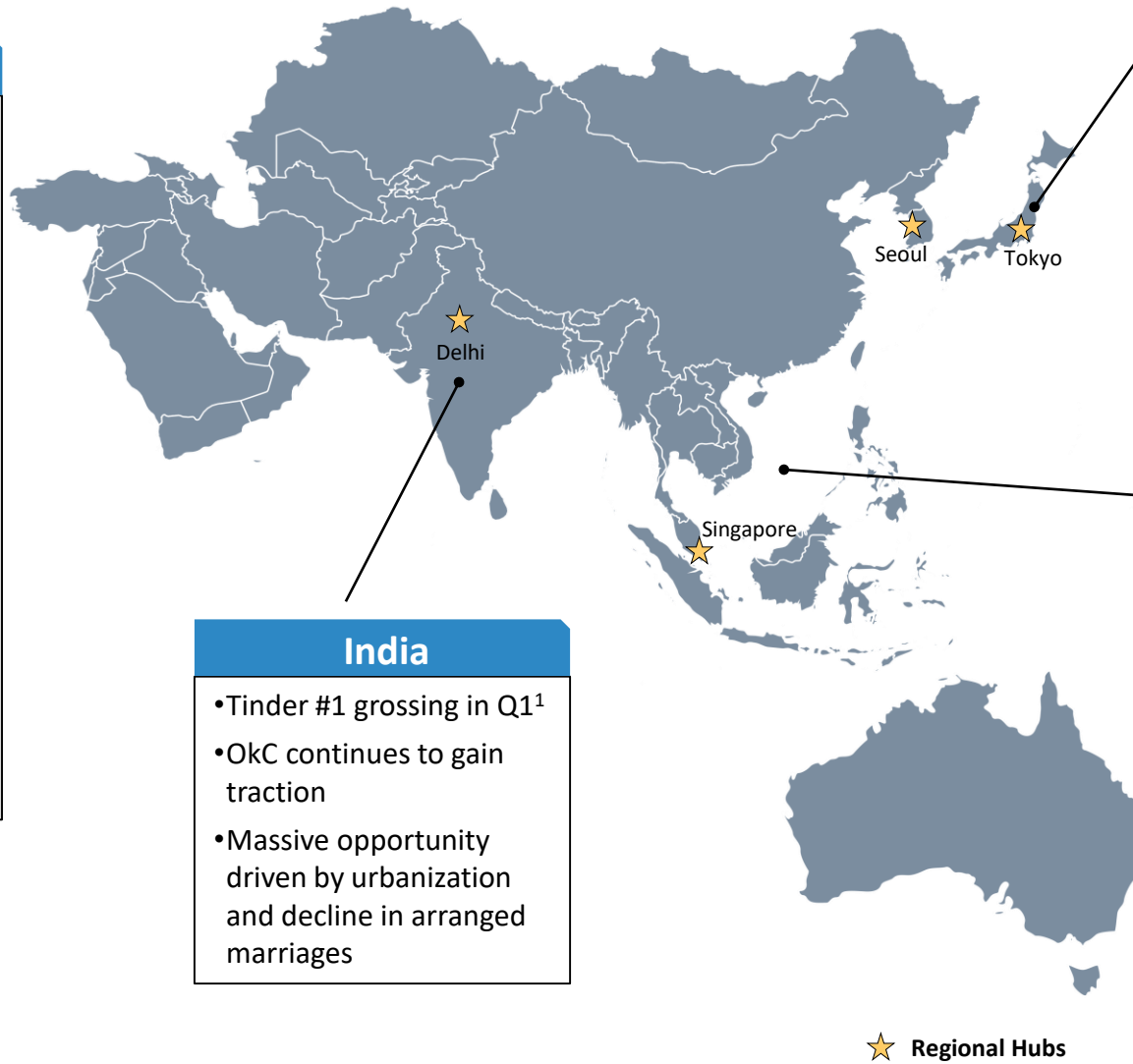
Business Update

Positioning for Growth in APAC

Targeting half of global TAM (roughly 300mm people) that is currently underpenetrated

Strategy

- Realigned management to focus on major opportunities across 3 key regions
- Strategic focus on:
 - Localizing Tinder for further market penetration, including the introduction of Tinder Lite
 - Introducing / building our other brands to gain share
 - Seeking acquisition and new brand-build opportunities



Japan

- 2 top-5 dating apps (Pairs #1, Tinder #4)
- Online dating stigma continuing to erode
- Product usage comparable to U.S. 7 years ago

SE Asia

- Tinder top-10 grossing in Q1 in 6 countries¹
- Smartphone adoption to increase 25%+ by 2025 in key countries²
- 12 mega-cities and 4 cities larger than NYC³

India

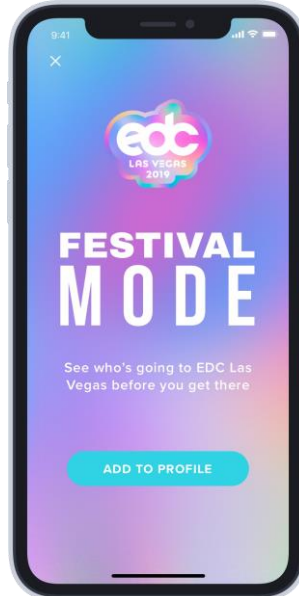
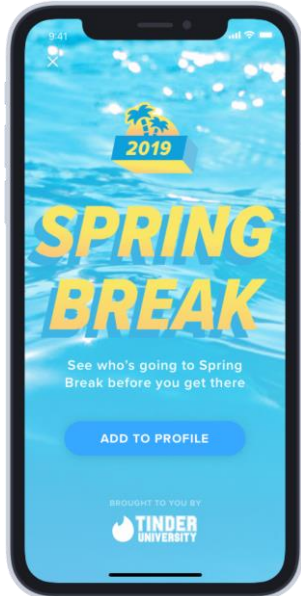
- Tinder #1 grossing in Q1¹
- OkC continues to gain traction
- Massive opportunity driven by urbanization and decline in arranged marriages

★ Regional Hubs

Tinder: Reinforcing Brand Leadership with Young Singles

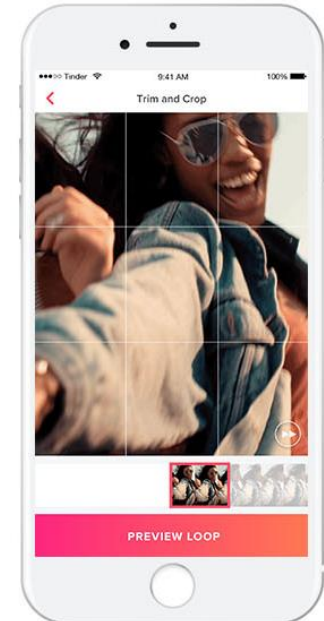
Cultural Events / Live Experiences

- **Spring Break Mode** introduced on Tinder U in March, allowed users to connect ahead of their trip
- **Festival Mode** introduced May 2nd, enables users to connect before heading to concerts and music festivals
 - Launched in partnership with AEG and Live Nation
- **College Swipe Off** bracket-style competition among 100+ U.S. colleges to win a concert by Juice WRLD



Richer Content

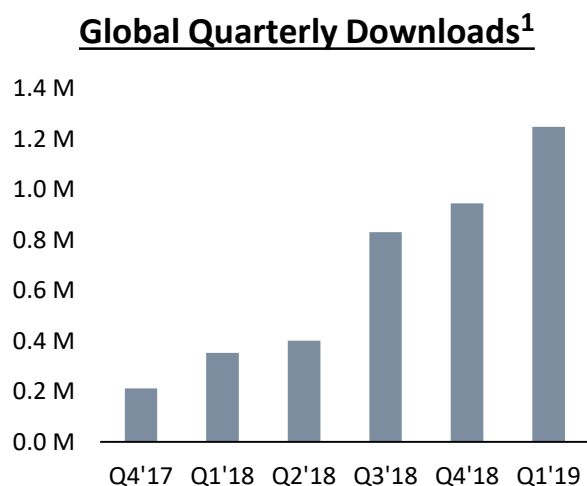
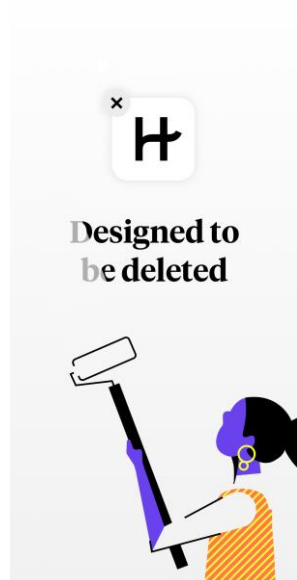
- Increasing focus on video content
 - **Loops**, Tinder's first video feature, is driving strong engagement
 - **Snap Stories** integration with Tinder has been announced
- Planning additional product features to further enhance native content



Emerging Brands Gaining Traction

Hinge

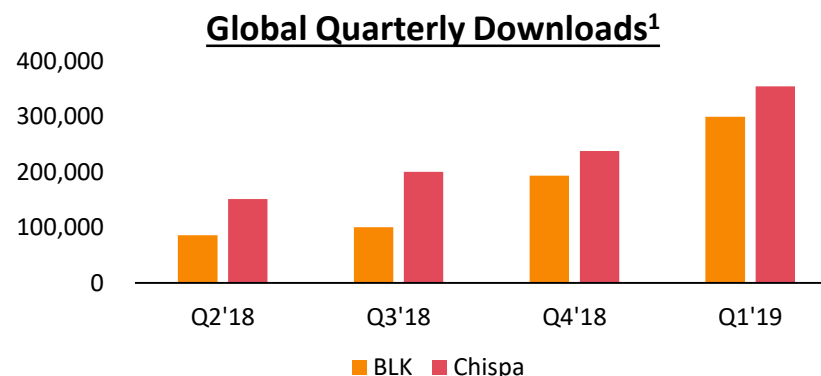
- Priority is on user experience and growth, with monetization to follow
- Continues to scale rapidly domestically and in key international markets – London now Hinge's #2 market
- New brand campaign “Designed to be Deleted” resonating with users and the press



Latino Dating App
1.2mm cumulative downloads



Dating App for Black Singles
900k cumulative downloads



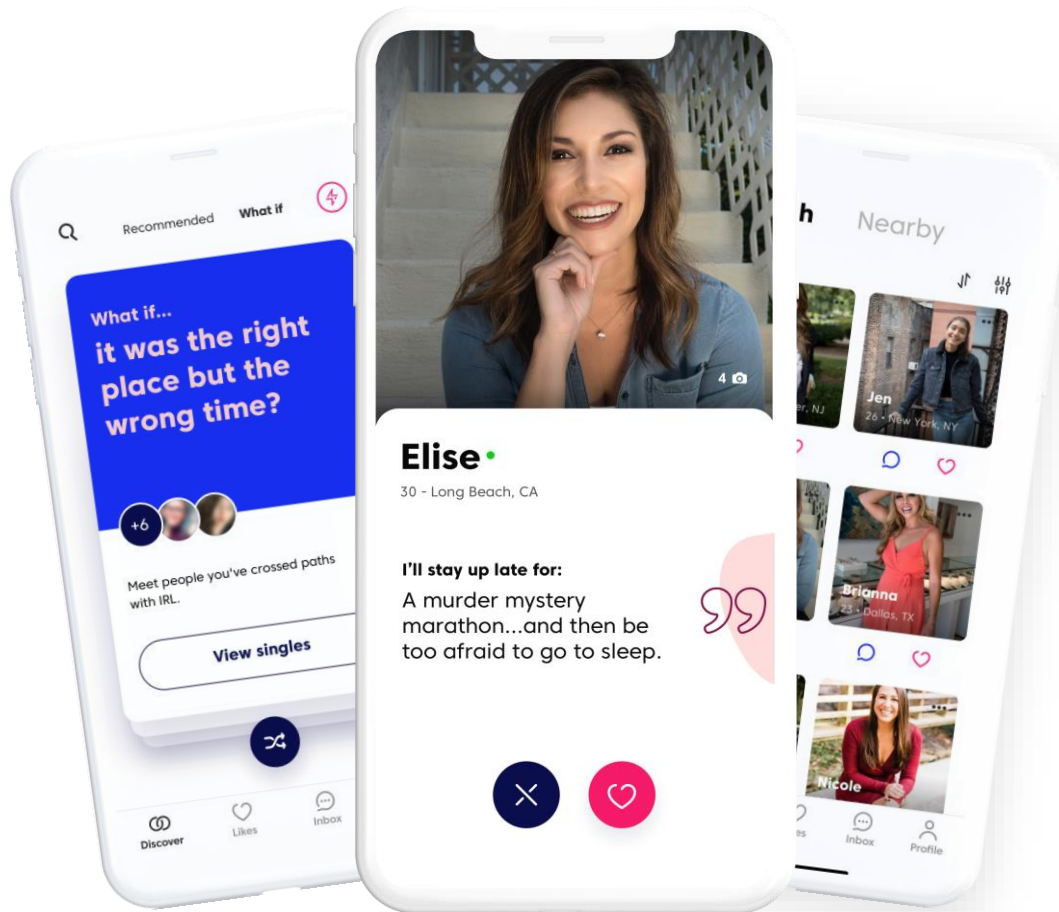
ship

The hook (your friends) up app



- Seeing strong engagement and retention in key markets, including NYC, Boston and DC
- Women are embracing the social aspect of Ship – 70% of registrations to date have been female
- ~60% of all matches are made by ‘crews’

Match Redesign



Initial Rollout Seeing Promising Results

- Modern, simple UI with a bold new look
- More engaging profiles with customized topics to keep them fresh
- Better quality of matches through algorithmic improvements
- Innovative 'What If' feature to enable serendipitous matches



- **Higher product engagement:** 20% increase in likes and 10% increase in messages initiated
- **Improved customer satisfaction:** 20% increase in 4+ star reviews in the iOS App Store

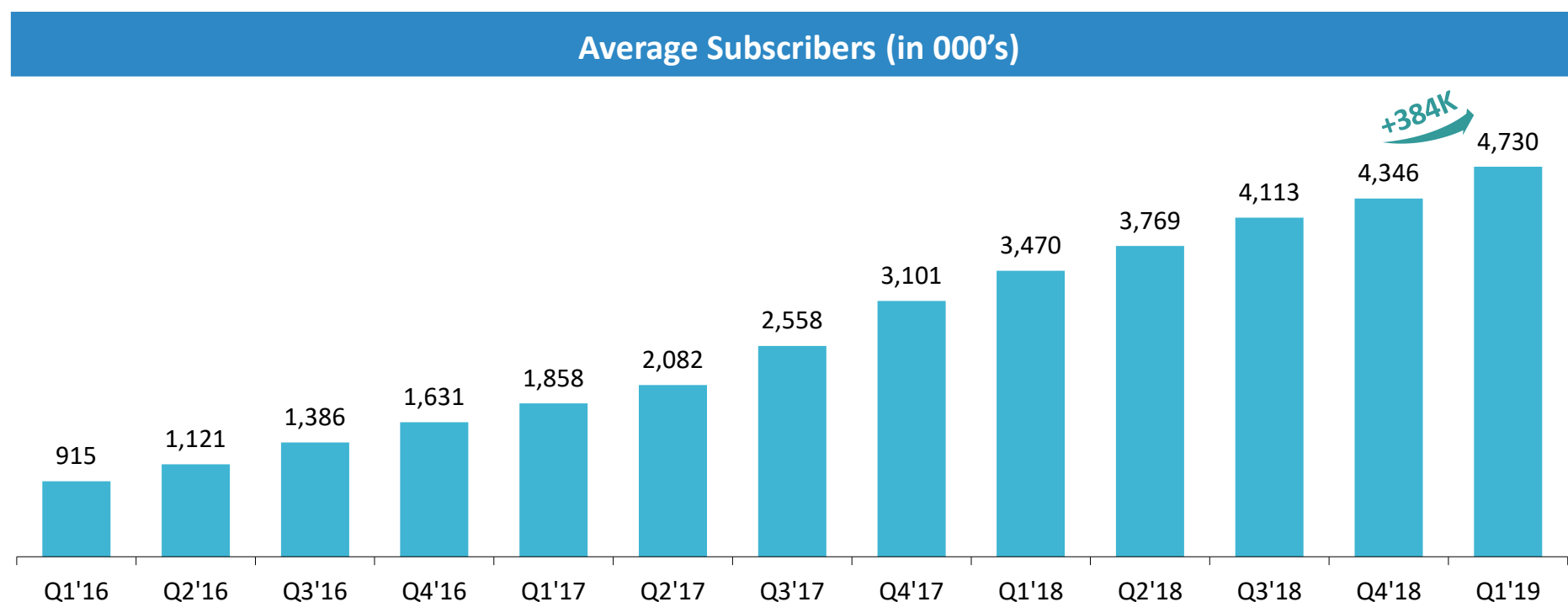
Goal is to provide a premium customer experience targeting relationship-minded singles in their 30's/40's

Financial Overview and Outlook

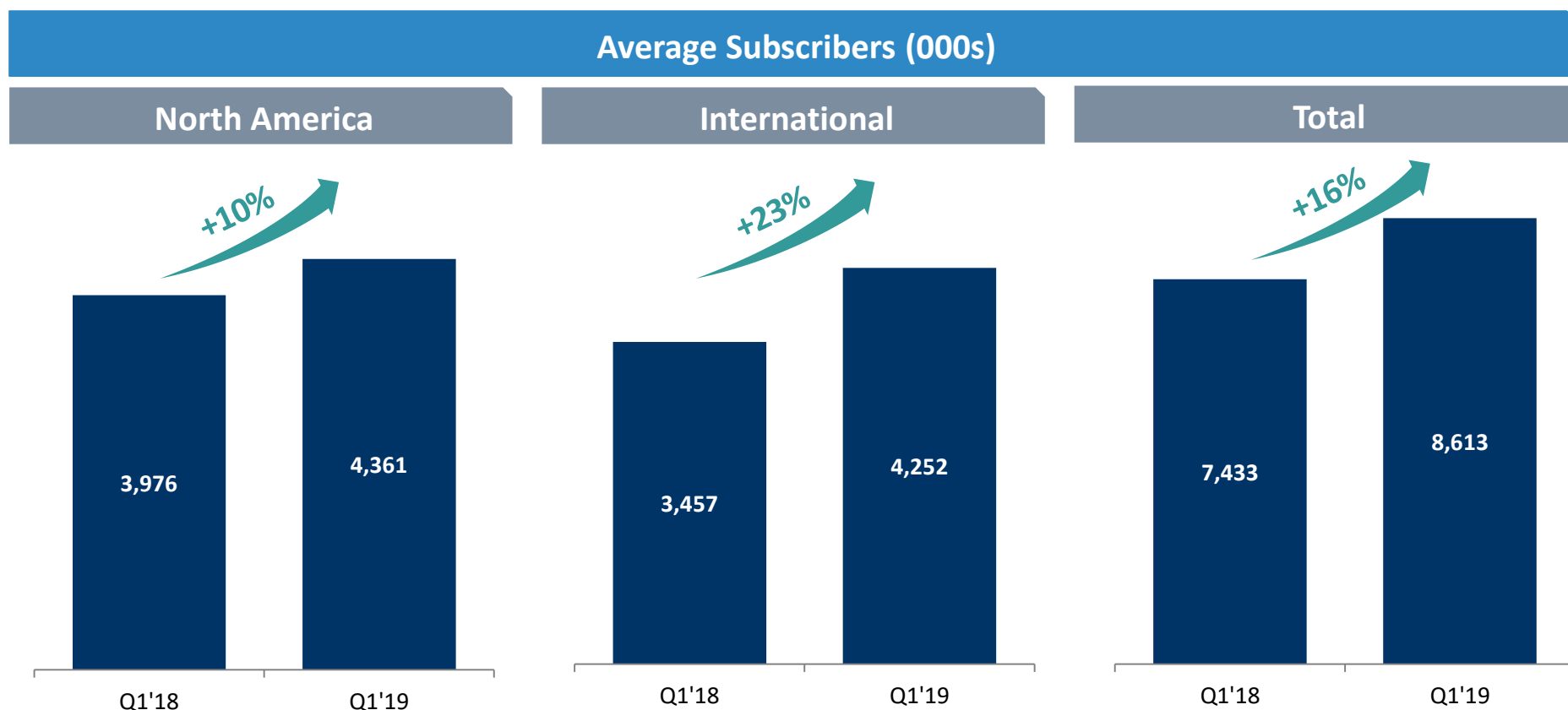
Tinder: Strong Start to the Year in Direct Revenue Growth

Direct Revenue growth of 38% YoY in Q1

- Optimizations contributed to 36% YoY Average Subscriber growth
- Tinder ARPU up 2% YoY (meaningfully higher on an F/X neutral basis)
- Marketing as a percentage of revenue down over 200 bps vs. a year ago



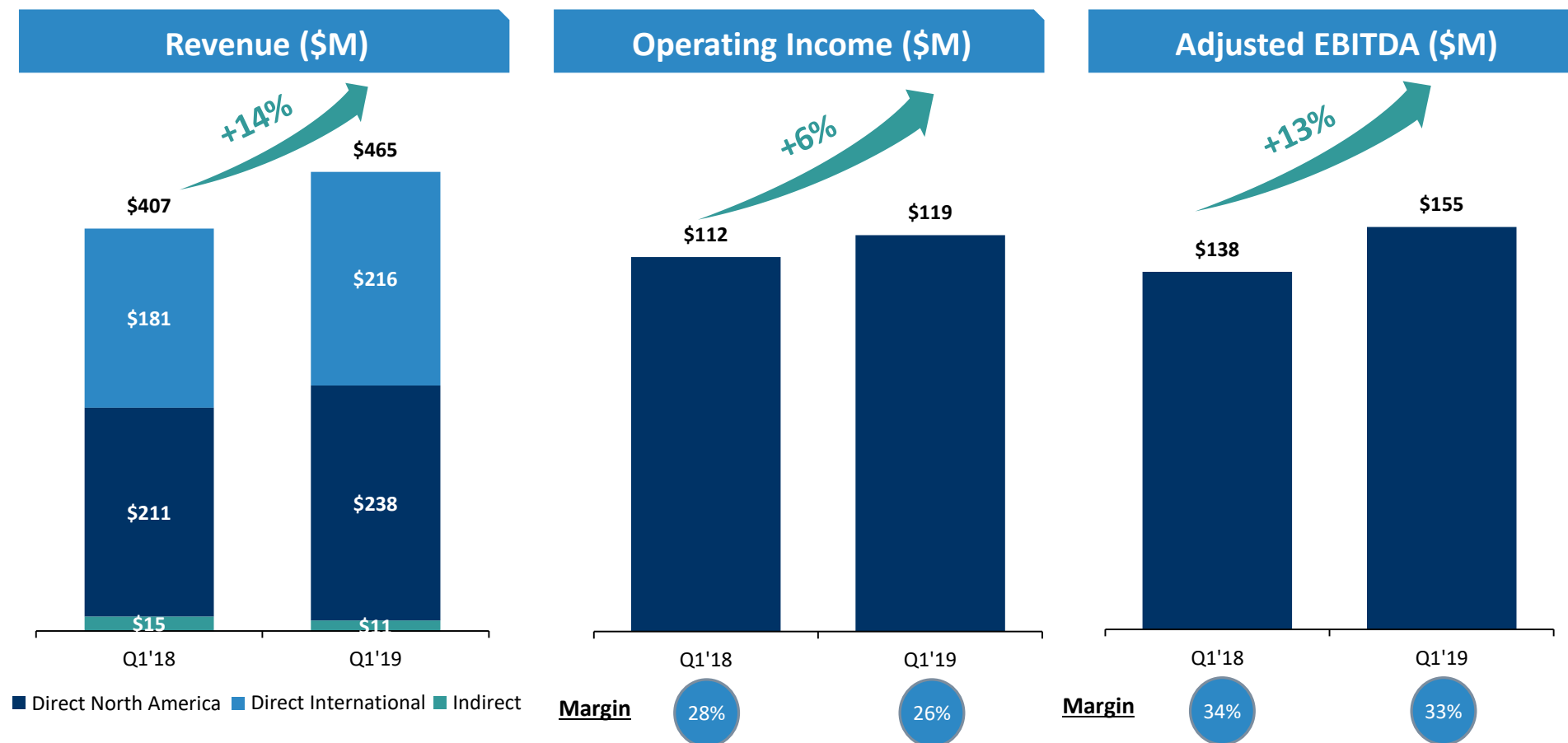
Q1 2019 Average Subscribers and ARPU



	As Reported		
ARPU	Q1 2018	Q1 2019	YoY Change
North America	\$0.58	\$0.60	2%
International	\$0.57	\$0.56	(3%)
Total	\$0.58	\$0.58	0%

	F/X Neutral		
ARPU	Q1 2018	Q1 2019	YoY Change
North America	\$0.58	\$0.60	3%
International	\$0.57	\$0.60	5%
Total	\$0.58	\$0.60	4%

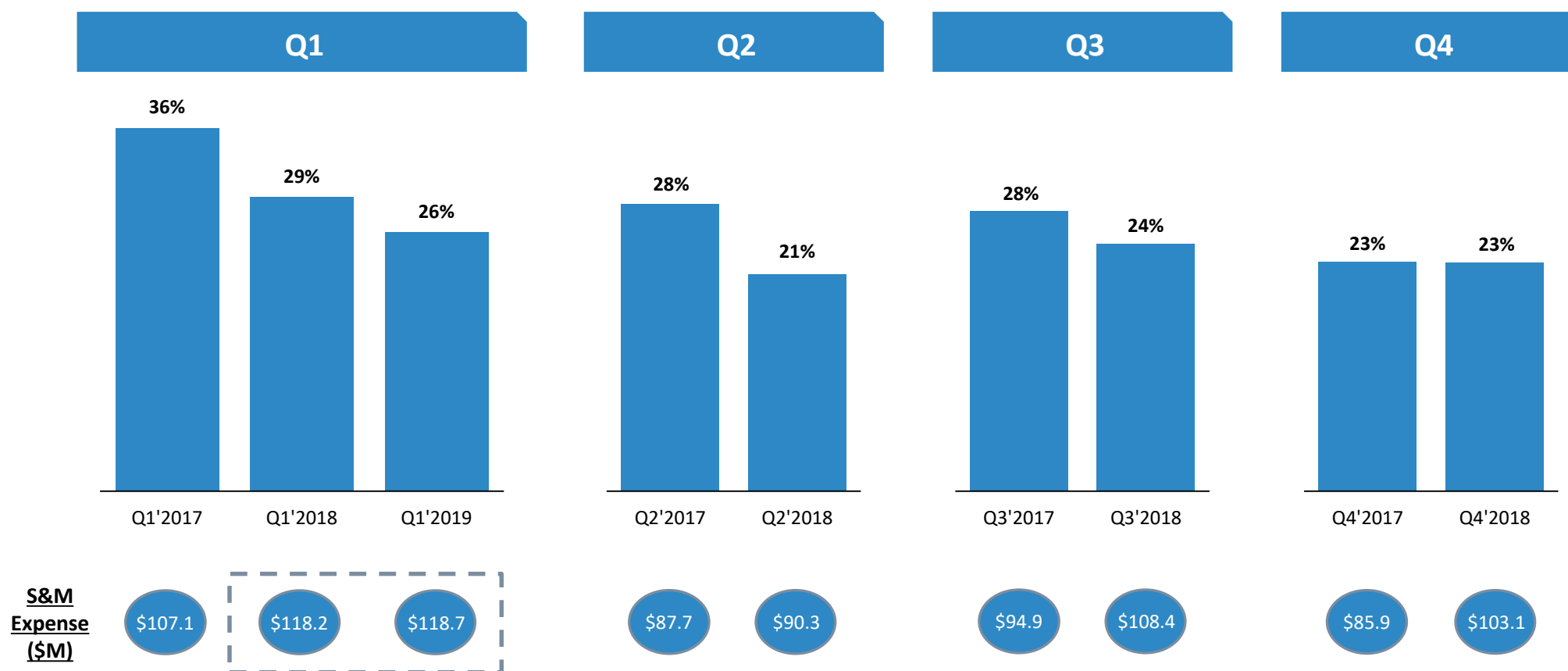
Q1 2019 Results



Revenue	Q1'19 YoY %
Direct North America	12%
Direct International	19% (29% F/X Neutral)
Total Direct Revenue	16% (20% F/X Neutral)

Marketing Spend Continues to Decline as a % of Revenue

- Over the past 2 years, Q1 marketing spend as a % of revenue is down ~10 percentage points
- Q1 Selling & Marketing expense is roughly flat vs. Q1 2018



Financial Outlook

Metric	Q2 2019
Total Revenue	\$480 to \$490 million
Adjusted EBITDA	\$190 to \$195 million

Q2 2019

- Trends remaining consistent at Tinder, Other Brands and Indirect Revenue
- Assumes YoY F/X headwinds continue
- Operating leverage continues to drive strong margins
- Continuing optimizations leading to larger sequential increase in Tinder Average Subscribers vs. Q1'19

FY 2019

- Increased confidence in FY financial performance. Expect to deliver expanded margins, even with potential additional 2H long-term investment opportunities
- Given first half strength, expect to be above 1 million Average Subscriber additions at Tinder
- SBC expectations unchanged at \$80 million
- FCF/EBITDA conversion still expected to be in the low 70% range; capex expected to be ~\$40 million

Appendix

GAAP to Non-GAAP Reconciliations

(\$Ms)	Three Months Ended March 31,	
	2019	2018
Net Earnings attributable to Match Group, Inc. shareholders	\$123.0	\$99.7
Add back:		
Net earnings attributable to noncontrolling interests	-	(0.1)
Income tax benefit	(27.8)	(12.5)
Other expense, net	1.5	7.2
Interest expense	22.1	17.8
Operating Income	118.8	112.2
Stock-based compensation expense	28.0	17.0
Depreciation	7.8	8.1
Amortization of intangibles	0.4	0.2
Acquisition-related contingent consideration fair value adjustments	-	0.2
Adjusted EBITDA	\$155.1	\$137.7
Direct Revenue	454.0	392.7
Indirect Revenue	10.7	14.6
Revenue	\$464.6	\$407.4
Operating income margin	26%	28%
Adjusted EBITDA margin	33%	34%

F/X Reconciliation

(\$Ms, except ARPU)

	Three Months Ended March 31,			
	2019	Change	% Change	2018
Revenue, as reported	\$ 464.6	\$ 57.3	14%	\$ 407.4
Foreign exchange effects	18.0			
Revenue, excluding foreign exchange effects	<u>\$ 482.6</u>	<u>\$ 75.3</u>	<u>18%</u>	<u>\$ 407.4</u>
Direct Revenue, as reported	\$ 454.0	\$ 61.2	16%	\$ 392.7
Foreign exchange effects	17.7			
Direct Revenue, excluding foreign exchange effects	<u>\$ 471.7</u>	<u>\$ 78.9</u>	<u>20%</u>	<u>\$ 392.7</u>
International Direct Revenue, as reported	\$ 216.2	\$ 34.8	19%	\$ 181.4
Foreign exchange effects	17.0			
International Direct Revenue, excluding foreign exchange effects	<u>\$ 233.2</u>	<u>\$ 51.8</u>	<u>29%</u>	<u>\$ 181.4</u>
<i>(Change calculated using non-rounded numbers)</i>				
ARPU, as reported	\$ 0.58		—%	\$ 0.58
Foreign exchange effects	0.02			
ARPU, excluding foreign exchange effects	<u>\$ 0.60</u>		<u>4%</u>	<u>\$ 0.58</u>
North America ARPU, as reported	\$ 0.60		2%	\$ 0.58
Foreign exchange effects	0.00			
North America ARPU, excluding foreign exchange effects	<u>\$ 0.60</u>		<u>3%</u>	<u>\$ 0.58</u>
International ARPU, as reported	\$ 0.56		-3%	\$ 0.57
Foreign exchange effects	0.04			
International ARPU, excluding foreign exchange effects	<u>\$ 0.60</u>		<u>5%</u>	<u>\$ 0.57</u>

GAAP to Non-GAAP Reconciliations

(\$Ms)	2019	
	Q2	FY
Operating Income	\$164 to \$169	\$625 to \$675
Stock-based compensation expense	17	80
Depreciation & Amortization of intangibles	9	35
Adjusted EBITDA	\$190 to \$195	\$740 to \$790

Q1 2019 & Q1 2018 Operating Expenses

(\$Ms)	Q1 2019	% of Revenue	Q1 2018	% of Revenue	Change
Cost of Revenue	\$120.2	26%	\$93.9	23%	28%
Selling and marketing expense	118.7	26%	118.2	29%	0%
General and administrative expense	54.4	12%	42.8	10%	27%
Product development expense	44.3	10%	31.9	8%	39%
Depreciation	7.8	2%	8.1	2%	(4%)
Amortization of intangibles	0.4	0%	0.2	0%	70%
Total Operating Costs and Expenses	\$345.8	74%	\$295.1	72%	17%
Revenue	\$464.6	100%	\$407.4	100%	14%

Trended Key Metrics

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