matchgroup

Q4 2018

Investor Presentation – February 6, 2019

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 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.

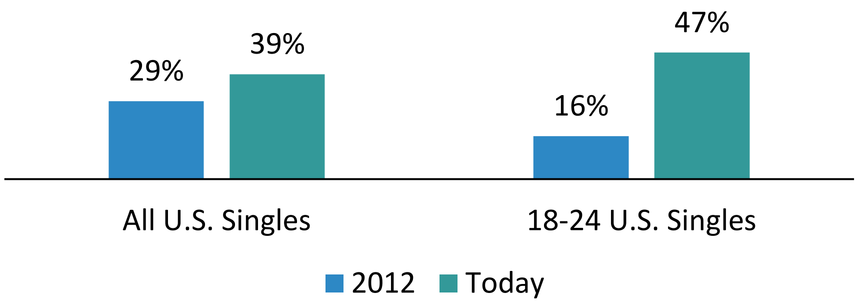
Category and Business Trends

Underpenetrated Category Provides Secular Tailwinds

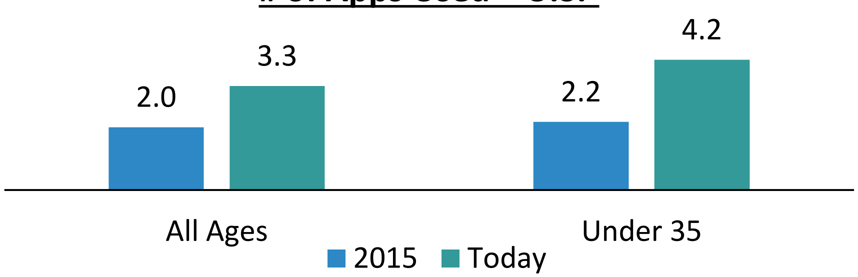
North America and Europe

- Significant runway remains – ***more than half of singles have never tried dating products***
- Category usage continues to grow
  - More singles using dating products
  - Increasing multiple-app usage

Dating Product Usage[1]



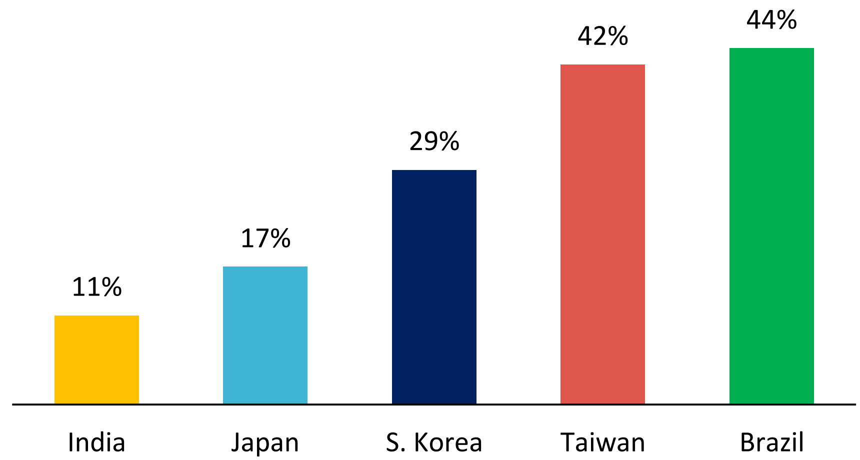
# of Apps Used – U.S.[2]



APAC / Africa / Middle East / LatAm

- Massive opportunity, ~75% of global singles
- ***2/3 of singles have never tried dating products***
  - Comparable to US and Europe usage prior to 2012
- Young and very mobile-savvy population

Dating Product Usage in 2018[1]



[1] Match survey. Percent of respondents that have ever used a dating app or site (single, and not in a relationship).
[2] Match survey.

Tinder: Monetization Strength Continues

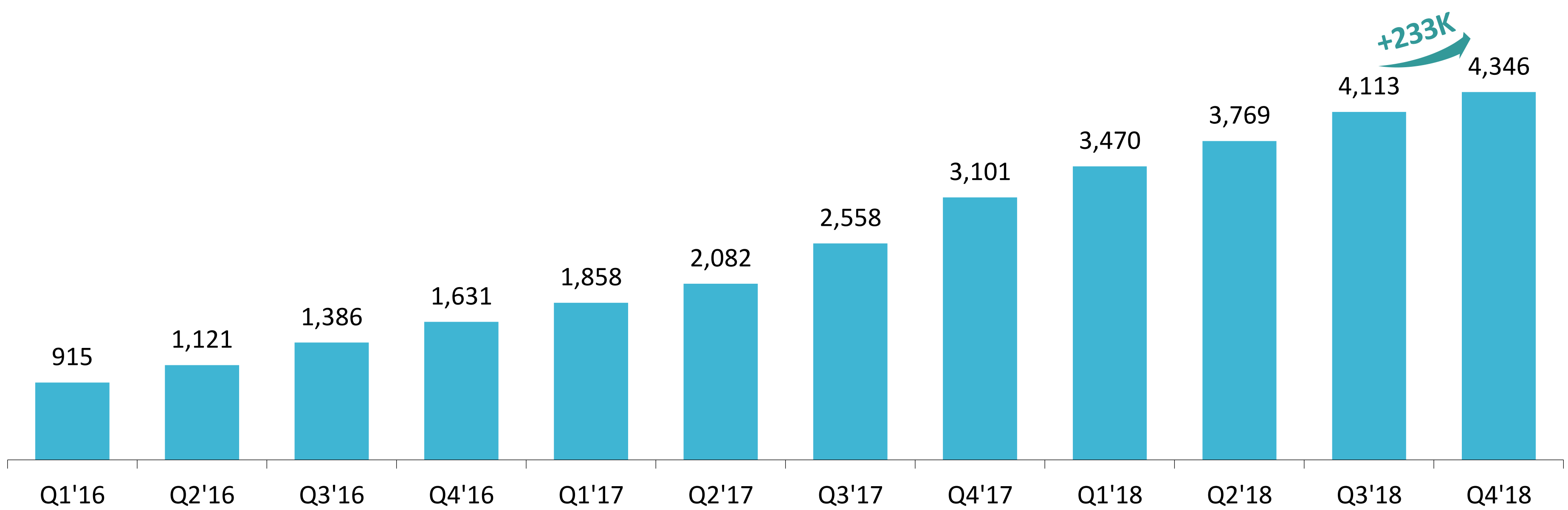
FY 2018

- Nearly doubled Direct Revenue YoY to $805 million and added 1.2 million Average Subscribers
- ARPU increased YoY by 23% primarily due to Tinder Gold

Q4 2018

- 57% YoY Direct Revenue growth
  - 40% YoY Average Subscriber growth
  - ARPU up 12% YoY driven by continued shift to Gold and record à la carte revenue

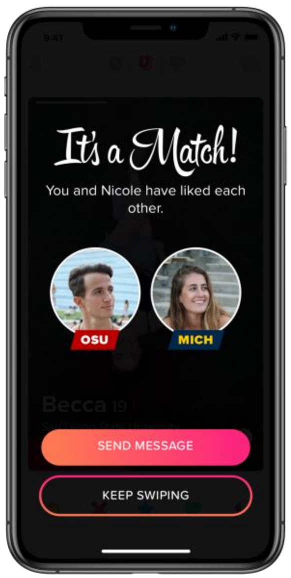
Average Subscribers (in 000's)



Tinder: Roadmap Centers on Key Objectives

1 Extend Appeal in Key Demos

- Continuing to solidify position among core 18 – 22 demo via Tinder U
- Expanding college coverage in the U.S. and internationally
- Supporting with brand ambassadors, influencers and events tied to school calendar (e.g. Rivalry Week)



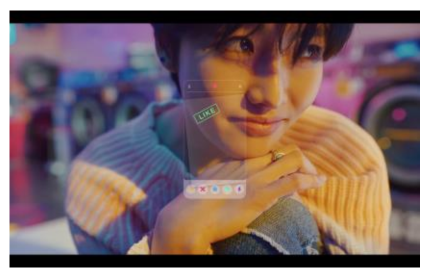
Rivalry Week

2 Fuel Underpenetrated Geos

- Focusing on high-growth emerging dating markets, including Japan, India and South Korea
- Localizing product UX and features
- Adding alternative payment methods
- Driving brand awareness and messaging with TV and influencers

India TV Campaign

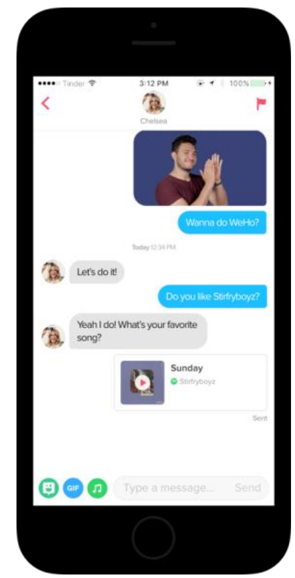
S. Korea TV Campaign



3 Most Engaging User Experience

- Relevant matches (e.g. recommendation engine)
- Fun interactions and messaging (e.g. Swipe Surge, music sharing)
- Fresh experiences reflecting cultural moments and events
- Trust and safety
- Revenue optimizations

Swipe Surge



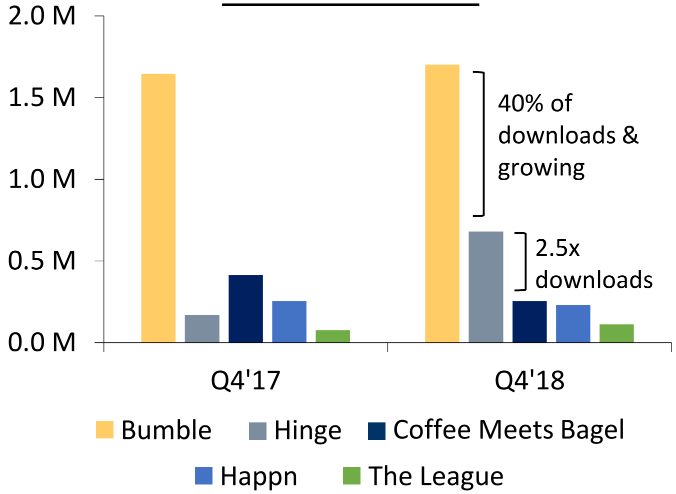
Spotify Music Sharing

Investing and Incubating to Drive Growth of New Products & Geos

Hinge

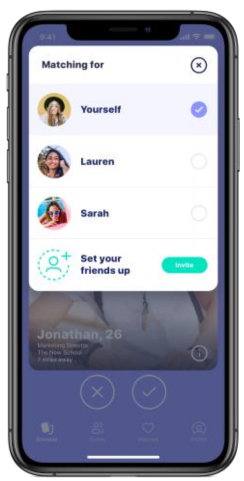
- Acquired all remaining shares in Q4
- U.S. momentum continues – downloads up 4x YoY in Q4
- Increased traction in UK with downloads up 10x YoY in Q4
- New features in 2H'18 drove sustained increase in users

U.S. Downloads[1]



ship

- Launched with Betches, female-focused media brand with 6.5 million Instagram followers
- Users invite friends to create a 'crew' to weigh in on profiles and provide dating advice
- Crew communicates via innovative in-app group chat feature



okcupid in India

- Launched localized product and marketing campaign in late 2018
  - Significant rise in registrations and users
  - Localized profile questions provoked media interest and widespread cultural conversations
- Higher-intent app complements Tinder's market-leading position

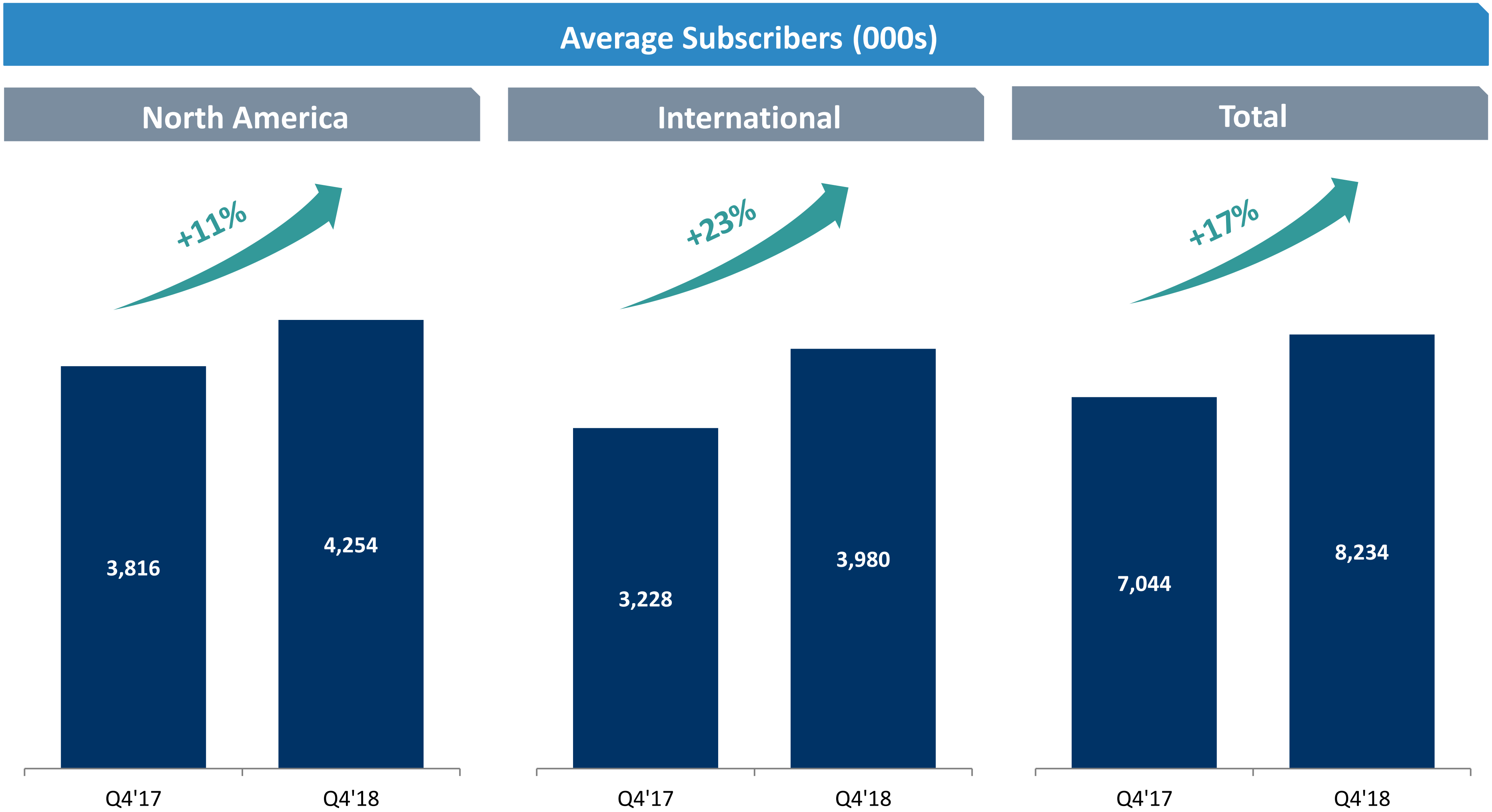
800 million PR impressions

Viral YouTube influencer marketing

1) Source: App Annie.

Financial Overview and Outlook

Q4 2018 Average Subscribers

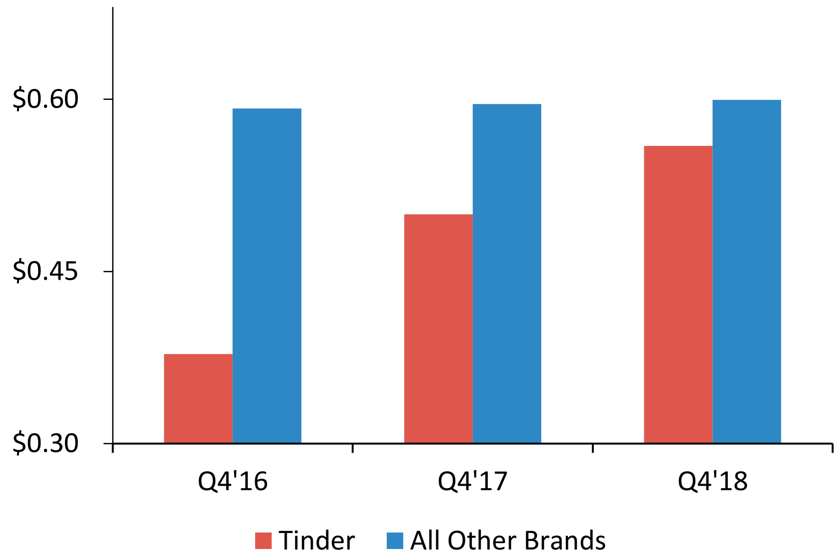


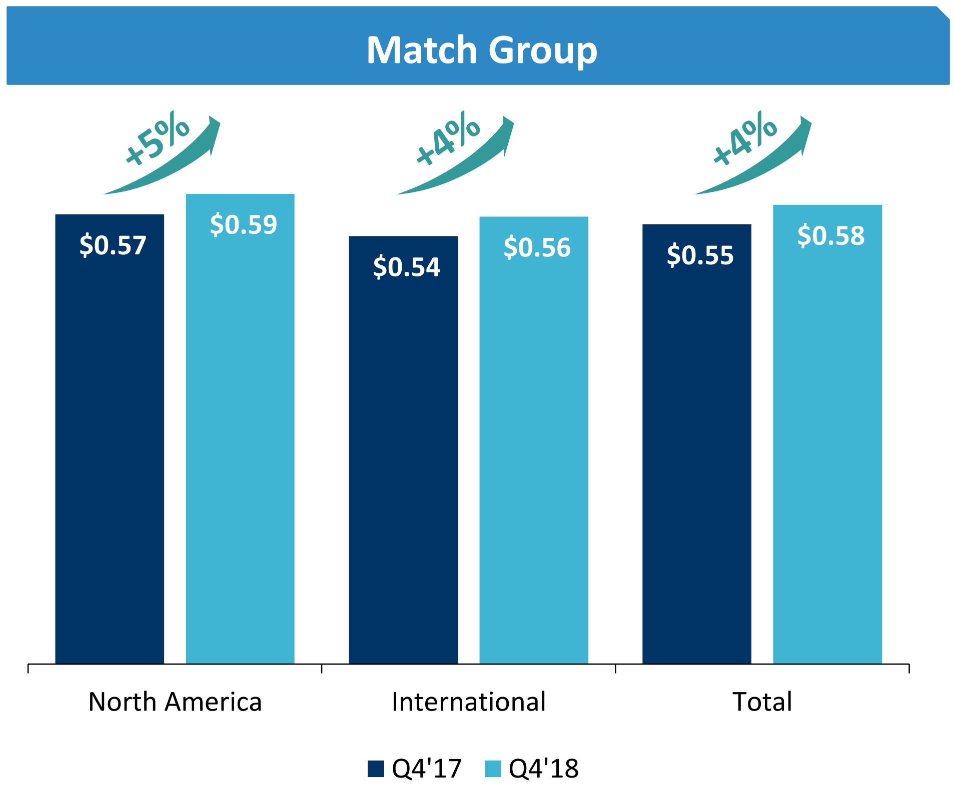
matchgroup

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.

ARPU

- Tinder ARPU has increased ~50% since 2016 while All Other Brands' ARPU has been stable



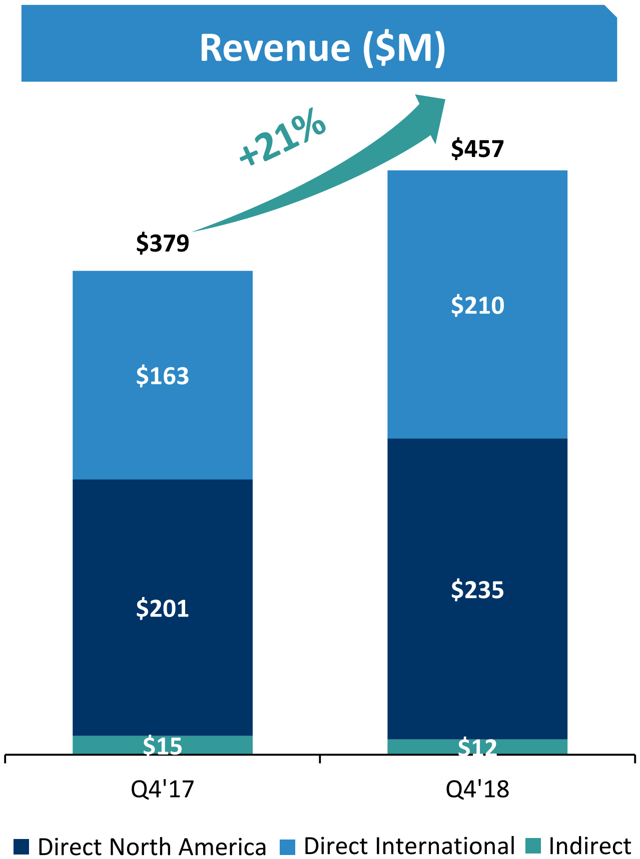


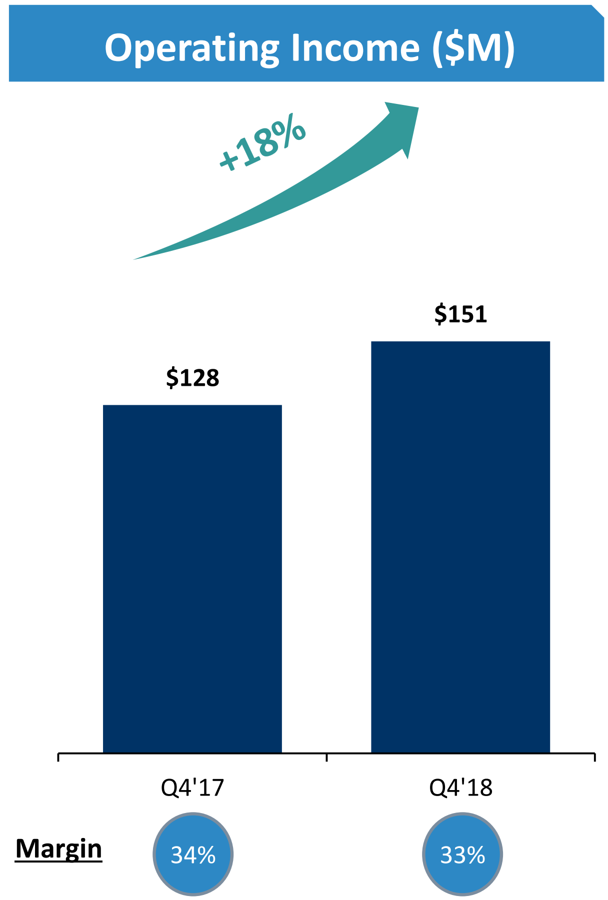
Tinder ARPU continues to approach Match Group ARPU

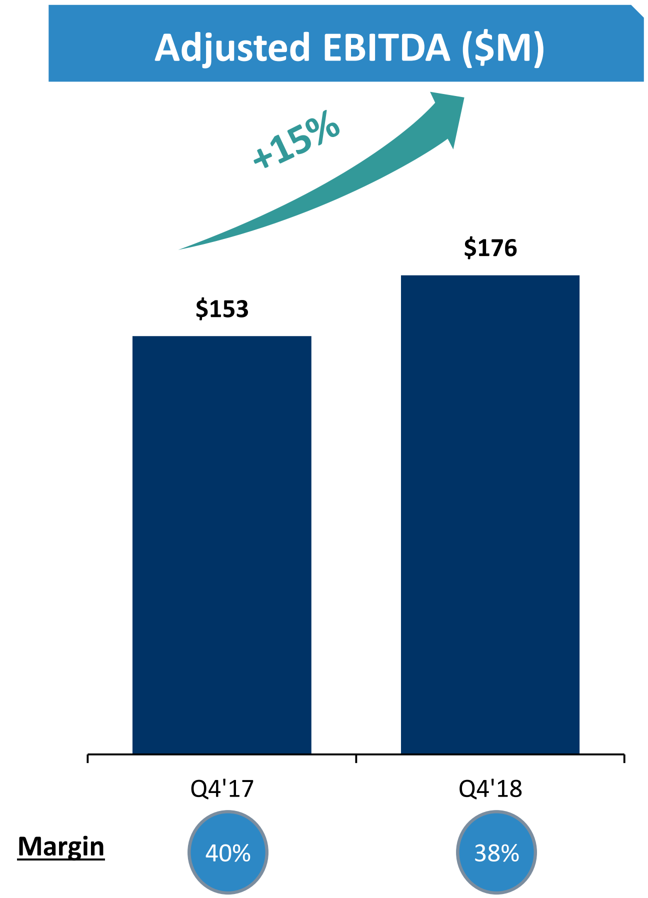
matchgroup

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.

Q4 2018 Results







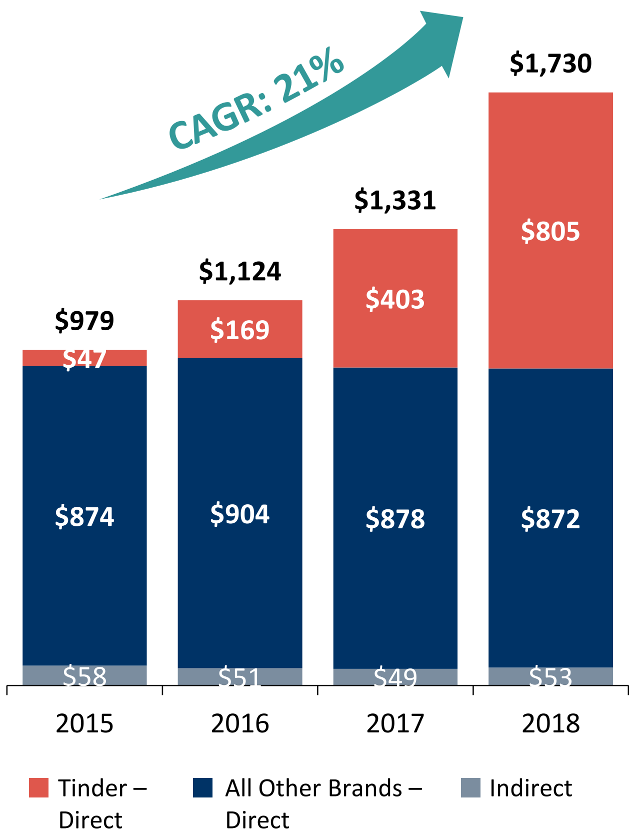
Revenue	Q4'18 YoY Change
Direct North America	17%
Direct International	28%
Total Direct Revenue	22%

matchgroup

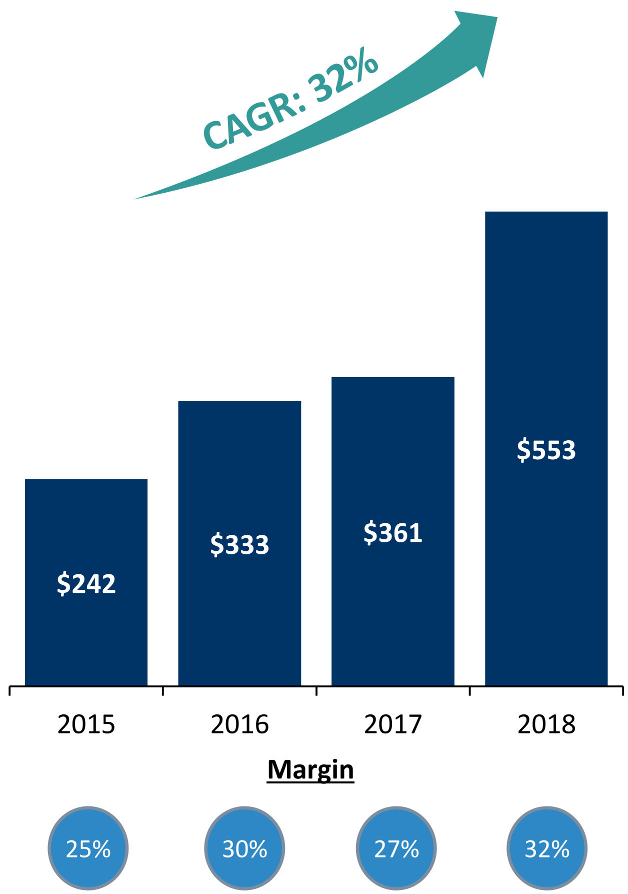
Note: Reporting of OkCupid Subscribers and revenue is now allocated between North America and International based on the actual location of Subscribers (OkCupid Subscribers and revenue have historically been reported in North America). All prior periods have been adjusted to reflect this change to ensure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

Outstanding Financial Performance

Revenue ($M)



Operating Income ($M)



Adjusted EBITDA ($M)

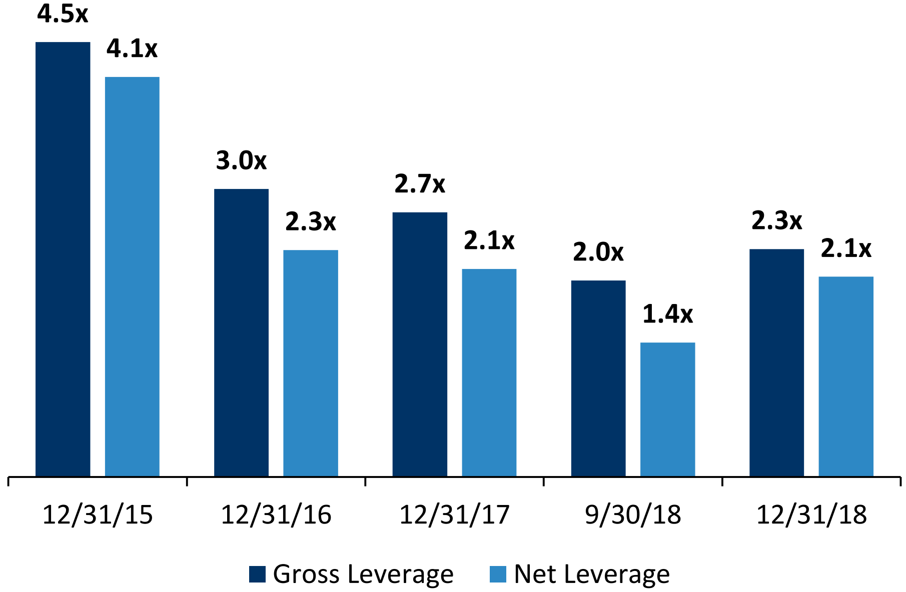
- All Other Brands stable in '18 / '17
- Affinity rundown caused decline in '17 / '16

2018 YoY margins up 250bps; continue to approach 40%+ long-term target

Note: All results are for continuing operations. 2015 and 2016 results are pro forma for POF acquisition.

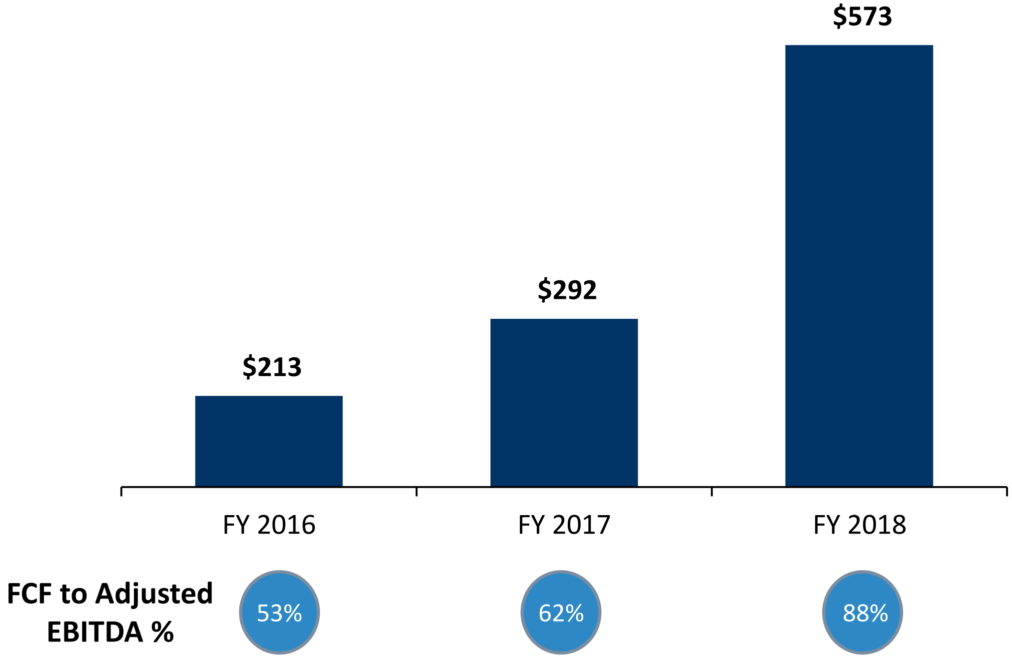
Strong Balance Sheet and FCF

Leverage



- Cash balance at 12/31/18 of $187 million[1]
- Drew $260M from our revolver in Q4 to fund dividend
  - Current amount drawn on revolver of $185 million

Free Cash Flow ($M)



	2016	2017	2018
Net Cash From Op Activities	$260	$321	$603
Less: CapEx	$46	$29	$31
FCF	**$213**	**$292**	**$573**

Note: Rounding differences may occur.
[1] Cash balance includes cash and cash equivalents.

Financial Outlook

Key Drivers for FY 2019

- Expect mid-teens revenue growth
  - Tinder to continue to drive revenue growth; overall stability at other brands
- Adjusted EBITDA of $740 – $790 million, depending on precise levels of marketing spend and investments in new and existing brands
  - YoY marketing spend increase at Tinder, Hinge and a number of other emerging growth brands, particularly concentrated in 1H’19

Other

- Capital Expenditures of ~$35 million
- Depreciation & Amortization of ~$35 million
- Stock-based compensation expense of ~$80 million
- Expect mid 20s% GAAP effective tax rate excluding the estimated tax benefit of equity award vesting and exercises; not expecting to be a material US cash tax payer until 2021
- FCF / Adjusted EBITDA conversion of 70%+

Metric	Q1 2019 Outlook
Total Revenue	$455 to $465 million
Adjusted EBITDA	$150 to $155 million

Q1 2019 Commentary

- Reflects YoY negative FX impact on revenue of ~3%
- Tinder sequential increase in Average Subscribers above historical levels of 200 – 250K

Appendix

GAAP to Non-GAAP Reconciliations

($Ms)	Three Months Ended December 31, 4Q17	4Q18
Net Earnings attributable to Match Group, Inc. shareholders	**($9.0)**	**$115.5**
Add back:		
Net earnings (loss) attributable to noncontrolling interests	0.1	(1.6)
Loss from discontinued operations, net of tax	1.0	-
Income tax provision	110.2	21.1
Other expense (income), net	5.4	(3.1)
Interest expense	20.0	19.0
Operating Income	**127.7**	**151.0**
Stock-based compensation expense	15.5	16.2
Depreciation	9.0	7.9
Amortization of intangibles	0.3	0.4
Acquisition-related contingent consideration fair value adjustments	0.9	0.1
Adjusted EBITDA	**$153.2**	**$175.6**
Direct Revenue	364.0	445.2
Indirect Revenue	14.9	12.2
Revenue	**$378.9**	**$457.3**
Operating income margin	34%	33%
Adjusted EBITDA margin	40%	38%

Note: Rounding differences may occur

GAAP to Non-GAAP Reconciliations

	As Reported				Pro Forma[a]	
	Years Ended December 31,				Years Ended December 31,	
	2015	2016	2017	2018	2015	2016
Net earnings attributable to Match Group, Inc. shareholders	**$120.4**	**$171.5**	**$350.1**	**$477.9**	**$139.7**	**$188.5**
Add back:						
Net earnings (loss) attributable to noncontrolling interests	$0.1	$0.6	$0.2	($5.3)	$0.1	$0.6
Loss from discontinued operations, net of tax	$12.7	$6.3	$5.7	$0.4	$12.7	$6.3
Income tax provision (benefit)	$65.5	$62.9	($103.9)	$14.7	$74.1	$62.9
Other (income) expense, net	($11.6)	($7.9)	$30.8	($7.8)	($11.0)	($7.9)
Interest expense	$25.9	$82.2	$77.6	$73.4	$25.9	$82.2
Operating Income	**$213.0**	**$315.5**	**$360.5**	**$553.3**	**$241.5**	**$332.6**
Stock-based compensation expense	$49.4	$52.4	$69.1	$66.0	$49.4	$52.4
Depreciation	$19.8	$27.7	$32.6	$33.0	$22.1	$27.7
Amortization of intangibles	$13.4	$16.9	$1.5	$1.3	$26.1	$5.4
Acquisition-related contingent consideration fair value adjustments	($11.1)	($9.2)	$5.3	$0.3	($11.1)	($9.2)
Adjusted EBITDA	**$284.6**	**$403.4**	**$468.9**	**$653.9**	**$328.0**	**$408.9**
Direct Revenue	$866.6	$1,067.4	$1,281.2	$1,677.2	$921.5	$1,072.9
Indirect Revenue	$43.1	$50.7	$49.4	$52.7	$57.7	$50.7
Revenue	**$909.7**	**$1,118.1**	**$1,330.7**	**$1,729.9**	**$979.2**	**$1,123.6**
Operating income margin	23%	28%	27%	32%	25%	30%
Adjusted EBITDA margin	31%	36%	35%	38%	33%	36%

Note: Rounding differences may occur

(a) Pro forma results include adjustments for the acquisition of PlentyOfFish for the years ended December 31, 2015 and 2016.

GAAP to Non-GAAP Reconciliations

($Ms)	Twelve Months Ended December 31, 2018	2017
Net cash provided by operating activities attributable to continuing operations	**$603.5**	**$321.1**
Capital expenditures	(31.0)	(28.8)
Free Cash Flow	**$572.5**	**$292.3**

GAAP to Non-GAAP Reconciliations

($Ms)	2019	
	Q1	**FY**
Operating Income	**$115 to $120**	**$625 to $675**
Stock-based compensation expense	27	80
Depreciation & Amortization of intangibles	8	35
Adjusted EBITDA	**$150 to $155**	**$740 to $790**

Q4 2018 & Q4 2017 Operating Expenses

($Ms)	Q4 2018	% of Revenue	Q4 2017	% of Revenue	Change
Cost of Revenue	$111.2	24%	$85.9	23%	29%
Selling and marketing expense	103.1	23%	85.9	23%	20%
General and administrative expense	50.2	11%	42.1	11%	19%
Product development expense	33.5	7%	28.1	7%	19%
Depreciation	7.9	2%	9.0	2%	(12%)
Amortization of intangibles	0.4	0%	0.3	0%	55%
Total Operating Costs and Expenses	**$306.3**	**67%**	**$251.2**	**66%**	**22%**
Revenue	**$457.3**	**100%**	**$378.9**	**100%**	**21%**

Trended Key Metrics [a]

	2016	2017					2018				
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Average Subscribers *(000s)*											
North America	3,268	3,386	3,452	3,615	3,816	3,569	3,976	4,131	4,278	4,254	4,161
International	2,140	2,525	2,649	2,944	3,228	2,839	3,457	3,592	3,812	3,980	3,712
Total	**5,408**	**5,911**	**6,101**	**6,559**	**7,044**	**6,408**	**7,433**	**7,723**	**8,090**	**8,234**	**7,873**
ARPU [b] *(pro forma)*											
North America	$0.56	$0.57	$0.56	$0.56	$0.57	$0.56	$0.58	$0.58	$0.59	$0.59	$0.59
International	$0.50	$0.48	$0.49	$0.52	$0.54	$0.51	$0.57	$0.56	$0.55	$0.56	$0.56
Total	**$0.54**	**$0.53**	**$0.53**	**$0.54**	**$0.55**	**$0.54**	**$0.58**	**$0.57**	**$0.57**	**$0.58**	**$0.57**
Revenue [b] *(pro forma, $Ms)*											
North America Direct	$678.3	$175.3	$178.5	$186.9	$200.6	$741.3	$211.4	$222.2	$233.6	$235.3	$902.5
International Direct	$394.6	$112.4	$120.9	$143.2	$163.3	$539.9	$181.4	$185.6	$197.9	$209.8	$774.7
Total Direct	**$1,072.9**	**$287.8**	**$299.4**	**$330.1**	**$364.0**	**$1,281.2**	**$392.7**	**$407.7**	**$431.5**	**$445.2**	**$1,677.2**
Indirect Revenue	$50.7	$11.0	$10.1	$13.3	$14.9	$49.4	$14.6	$13.5	$12.4	$12.2	$52.7
Total Revenue	**$1,123.6**	**$298.8**	**$309.6**	**$343.4**	**$378.9**	**$1,330.7**	**$407.4**	**$421.2**	**$443.9**	**$457.3**	**$1,729.9**
Revenue *(as reported, $Ms)*											
North America Direct	$673.9	$175.3	$178.5	$186.9	$200.6	$741.3	$211.4	$222.2	$233.6	$235.3	$902.5
International Direct	$393.4	$112.4	$120.9	$143.2	$163.3	$539.9	$181.4	$185.6	$197.9	$209.8	$774.7
Total Direct	**$1,067.4**	**$287.8**	**$299.4**	**$330.1**	**$364.0**	**$1,281.2**	**$392.7**	**$407.7**	**$431.5**	**$445.2**	**$1,677.2**
Indirect Revenue	$50.7	$11.0	$10.1	$13.3	$14.9	$49.4	$14.6	$13.5	$12.4	$12.2	$52.7
Total Revenue	**$1,118.1**	**$298.8**	**$309.6**	**$343.4**	**$378.9**	**$1,330.7**	**$407.4**	**$421.2**	**$443.9**	**$457.3**	**$1,729.9**

(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 adjustments for the acquisition of PlentyOfFish for the year ended December 31, 2016.