

matchgroup

Q2 2018

Investor Presentation – August 7, 2018

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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.

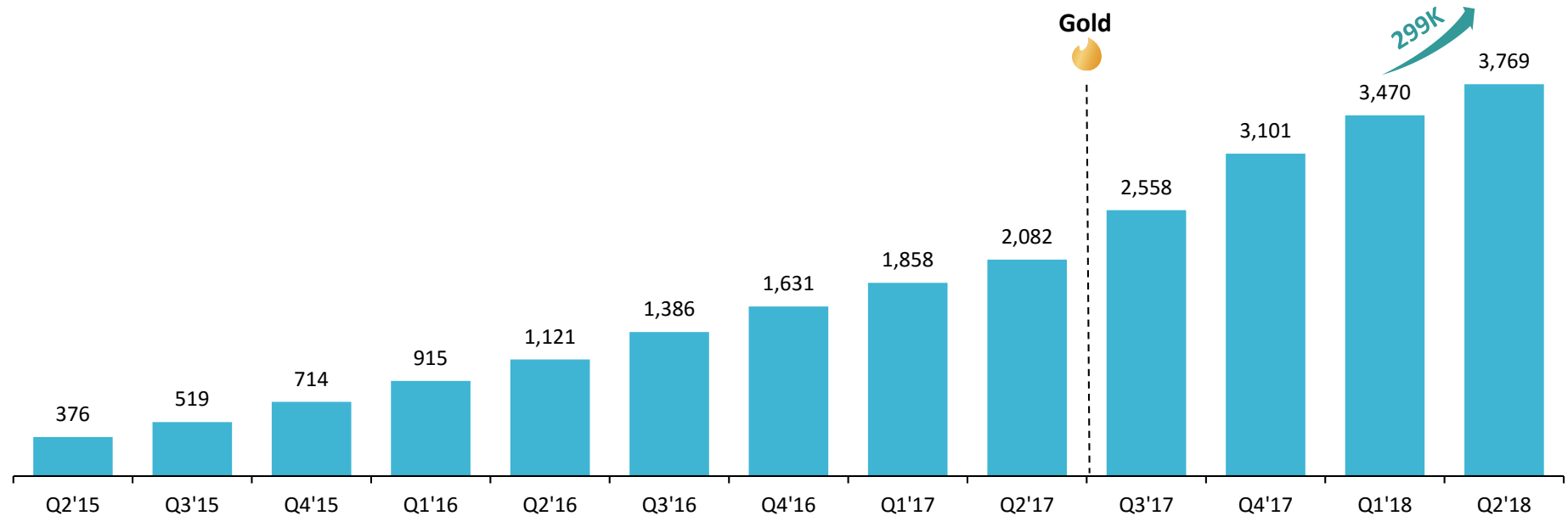
Key Business Trends

Tinder Growth Continues

Tinder direct revenue increased 136% YoY vs Q2 '17

- Revenue growth driven by 81% YoY subscriber growth and 33% ARPU growth
- Continued healthy adoption of Gold leading to rising Gold subscribers as a percent of total subscribers
- Optimizations driving improvements to new user conversion and retention
- Began testing new revenue feature (Picks) in July

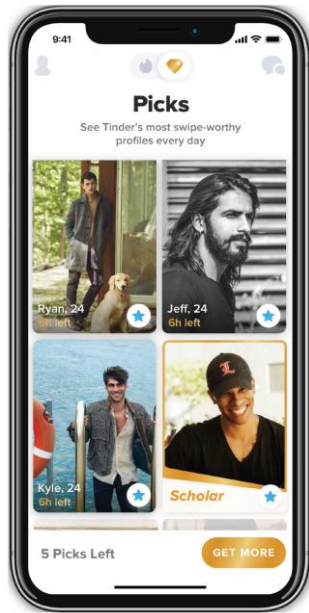
Average Subscribers (in 000's)



Tinder Product Momentum

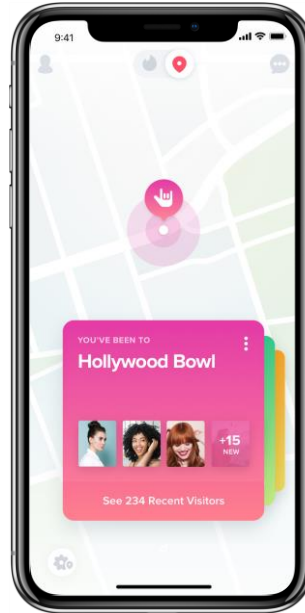
More Reasons to Use, More Frequently

Picks



- Users receive 4 – 10 curated 'picks' daily
- Testing in 9 markets on iOS and Android
- Adds further value to Gold subscription

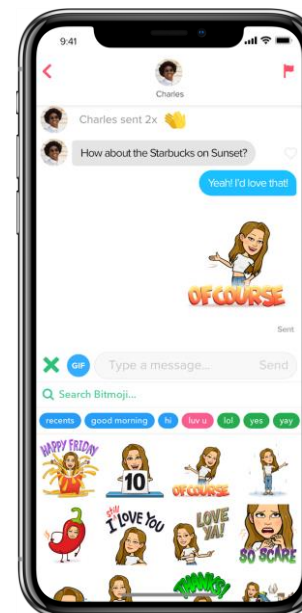
Places (Location)



- Available in 4 large cities on iOS and Android
- Places matches are 20% more likely to result in a conversation
- Strong feature retention

Rich User-Generated Content

Snap Integration



- Bitmoji integration into Tinder chat function
- Currently testing in 2 markets on iOS and Android
- First dating app to go-to-market with Snap Kit

New Experience for College Students

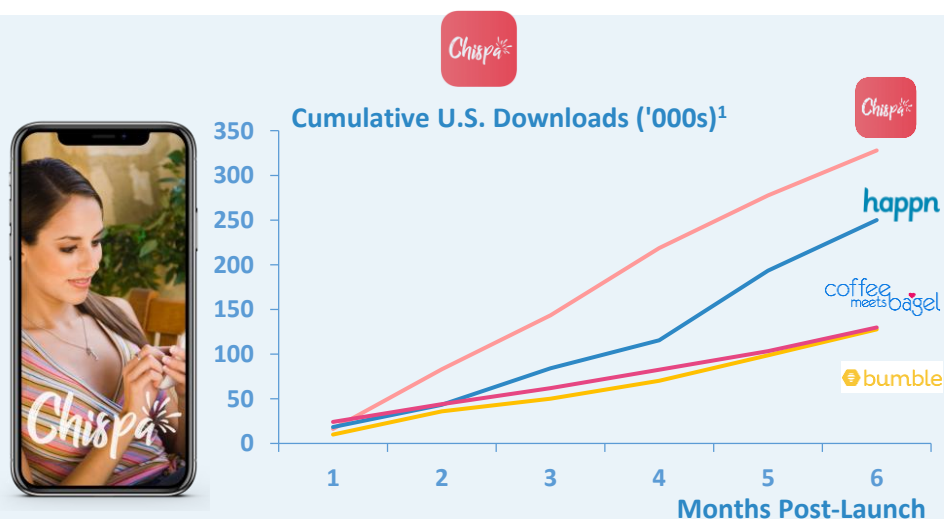
Tinder U



- Student-focused in-app experience
- Matches extend to all university students in your area
- Launching product and marketing for back to school

Growth Potential via Internal Incubation and M&A

Internal Incubation



- Strong initial user growth; not yet monetizing
- Leveraging Univision as distribution partner



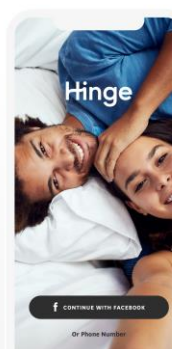
- Users are presented with daily brackets of 16 matches and choose between two people at a time
- Marketing launch in LA in Q2 2018
- Push to other top markets in the coming months

M&A

Hinge

The Relationship App

Redesigned for people who are ready for more.



Share Your Story

You are more than 3 pictures and a swipe.



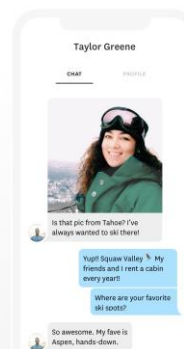
No Swiping Games

A brand new way to connect for dates, not dead ends.



Curated Community

A community of people who want what you want.



- Highly relevant and well-received product, particularly among young, cosmopolitan singles looking for relationships
- Monthly downloads up 400%+ over last twelve months,¹ with meaningful traction in major cities, particularly NYC
- 51% ownership as of June 2018 with right to acquire remaining shares
- Planning significant marketing push for 2H'18

Evolution of Dating Category and Match Group Portfolio

Founded the Dating Category



- Evolved from desktop to mobile
- High unaided awareness¹ and older, more serious user base
- Working to increase perceived product value

Launch date

Mid-1990s / Early 2000s

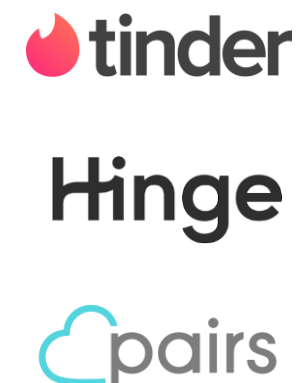
First Wave of Disruptors



- Initially ad-supported
- Expanded the category
- Appeal to certain demographic groups and sensibilities
- High margin businesses with limited marketing spend historically

2003 / 2004

Mobile-First Apps

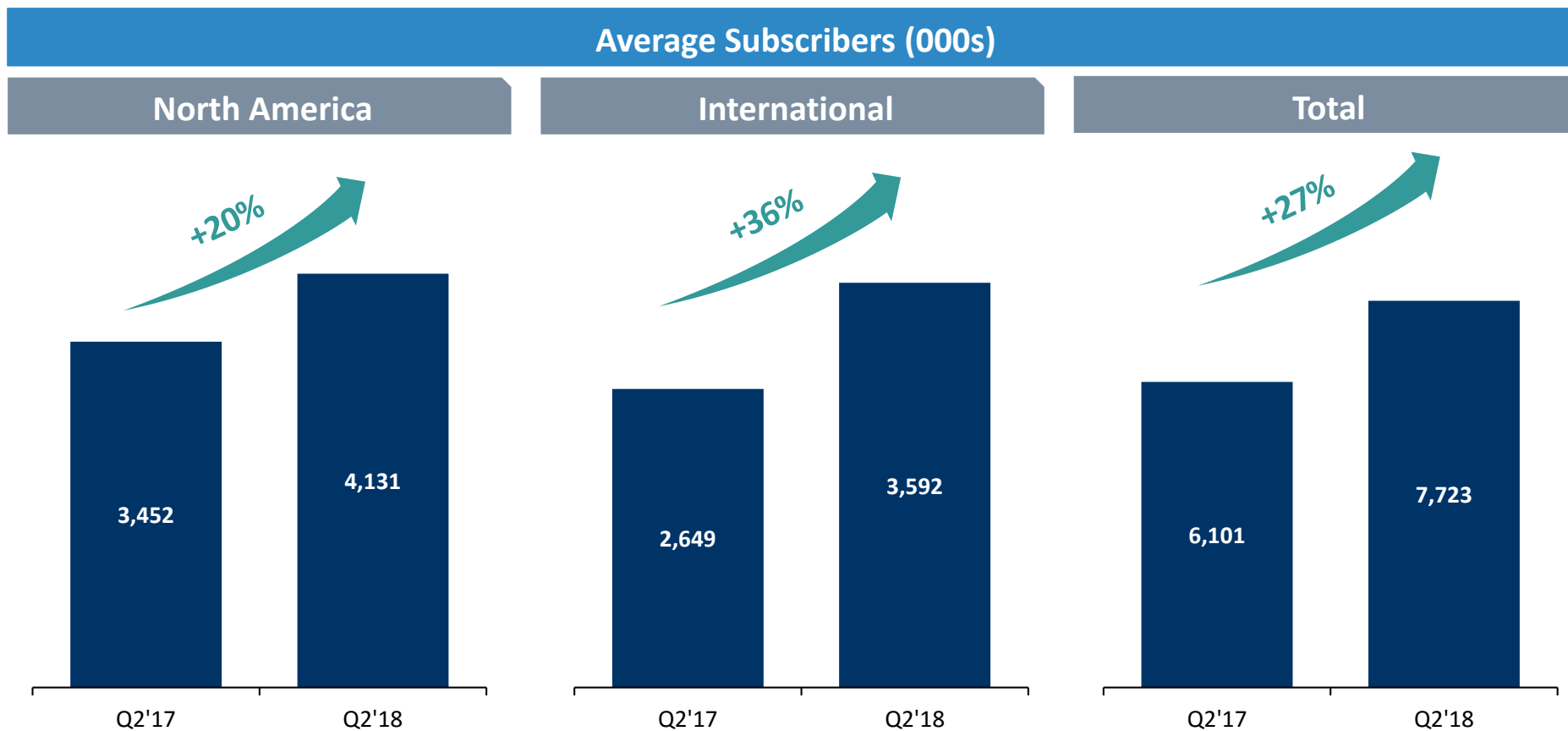


- Tinder grew globally and virally, expanding the category to singles in their 20s
- Hinge has differentiated its product from competing mobile apps
- Pairs well-positioned in Japan as market continues to open

2011 – Today

Financial Overview and Outlook

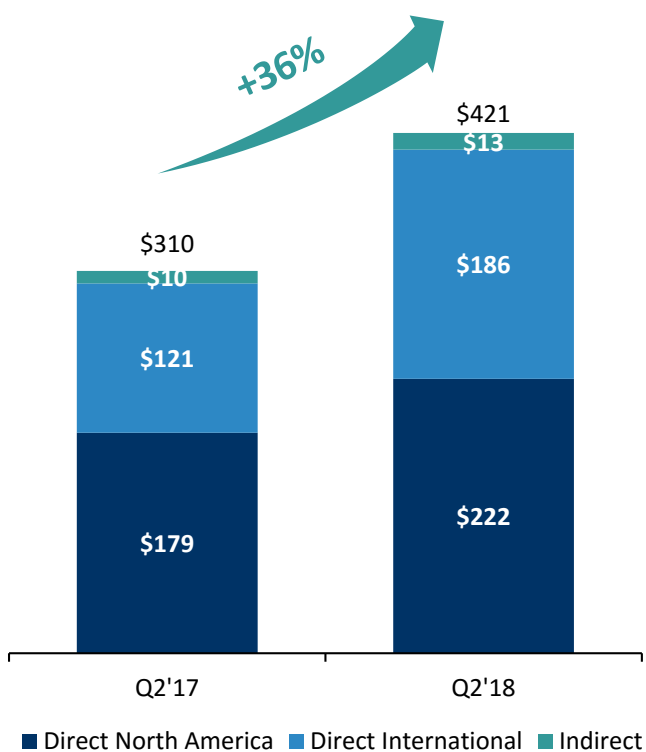
Q2 2018 Average Subscribers and ARPU



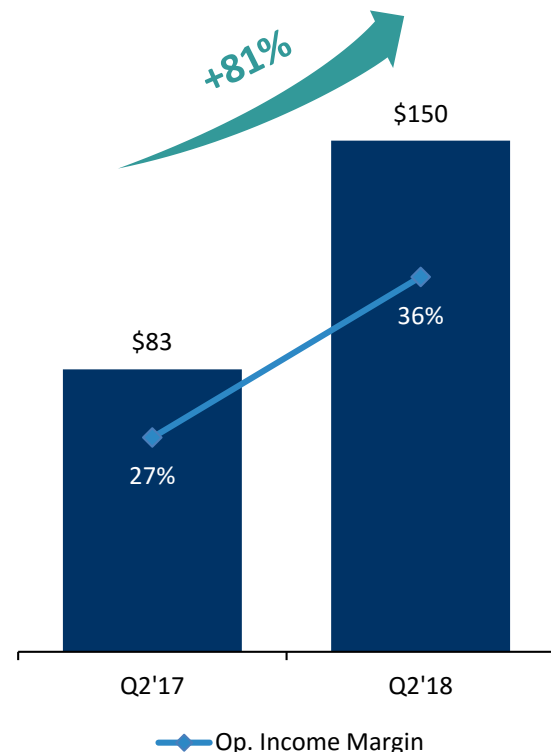
ARPU	Q2 2017	Q2 2018	YoY Change
North America	\$0.56	\$0.58	4%
International	\$0.49	\$0.56	14%
Total	\$0.53	\$0.57	8%

Q2 2018 Results

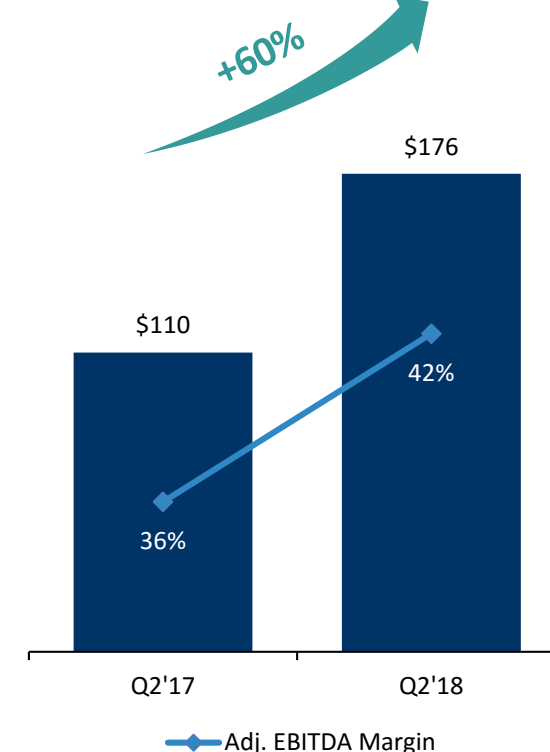
Revenue (\$M)



Operating Income (\$M)



Adjusted EBITDA (\$M)

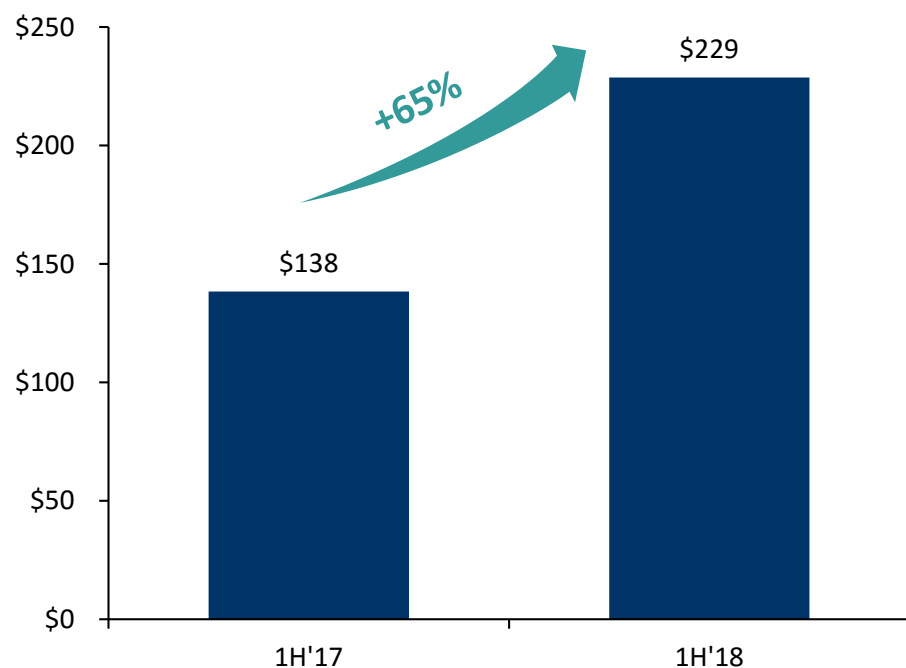


Revenue	Q2'18 YoY Change
Direct North America	24%
Direct International	53%
Total Direct Revenue	36%
Indirect Revenue	33%

Operating Expenses	Q2'17 % of Revenue	Q2'18 % of Revenue
Cost of Revenue	20%	23%
Selling and Marketing	28%	21%
G&A and Product	22%	18%
D&A	3%	2%
Total Op. Costs and Expenses	73%	64%

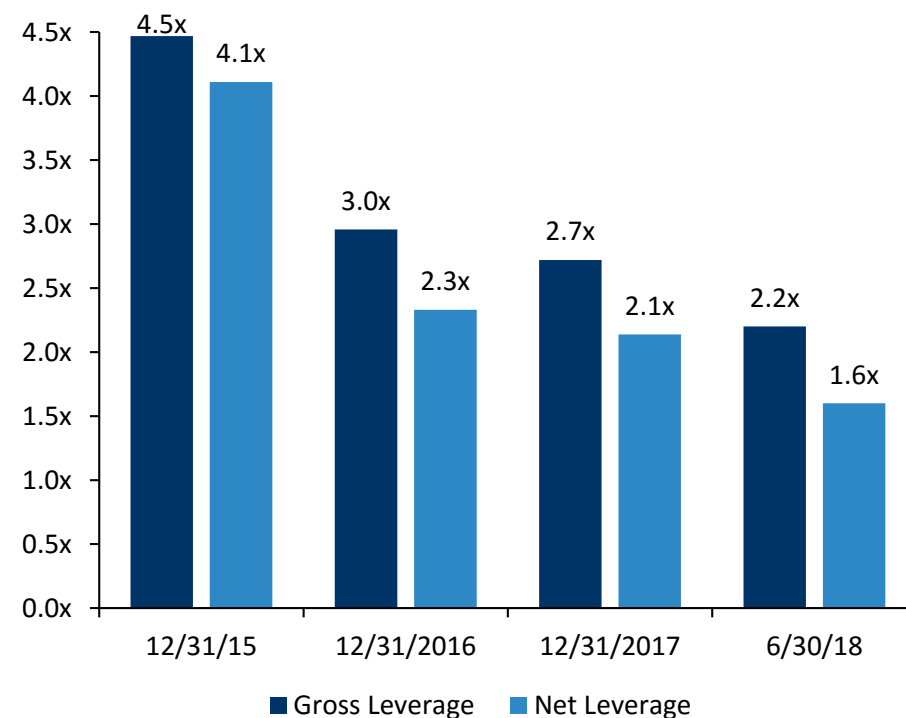
Effective Capital Management

Free Cash Flow (\$M)



	1H'17	1H'18
Net Cash from Op Activities	\$153	\$243
Less: CapEx	\$15	\$15
FCF	\$138	\$229

Leverage



- Cash balance at 6/30/18 of \$310M¹
- Deployed \$85 million in cash in Q2 2018 to buy back shares and pay employee withholding taxes on options exercised, reducing share dilution
- Expect to continue buybacks opportunistically

Financial Outlook

Metric	Q3 2018	FY 2018
Total Revenue	\$430 to \$440 million	\$1.68 to \$1.72 billion
Adjusted EBITDA	\$160 to \$165 million	\$625 to \$650 million

Q3 2018

- Revenue growth driven by Tinder, overall stability at other brands
- Marketing underspend at Tinder and OkCupid in Q2 shifted to Q3
- Tinder making large marketing push around college back-to-school period

FY 2018

- Raising top end of revenue outlook by \$20 million and bottom by \$80 million
- Raising bottom of EBITDA outlook by \$25 million; expect to be near top end of range
- Includes consolidation of Hinge, which will be a negative contributor to EBITDA as marketing ramps

Appendix

GAAP to Non-GAAP Reconciliations

(\$Ms)	Three Months Ended June 30,	
	2018	2017
Net Earnings attributable to Match Group, Inc. shareholders	\$132.5	\$51.4
Add back:		
Net (loss) earnings attributable to redeemable noncontrolling interests	(1.1)	0.0
Loss from discontinued operations, net of tax	-	0.1
Income tax (benefit) provision	11.5	2.8
Other expense, net	(11.0)	9.6
Interest expense	18.3	19.1
Operating Income	150.2	83.0
Stock-based compensation expense	16.7	15.7
Depreciation	8.4	7.9
Amortization of intangibles	0.2	0.4
Acquisition-related contingent consideration fair value adjustments	0.1	3.0
Adjusted EBITDA	\$175.6	\$109.9
Revenue	\$421.2	\$309.6
Operating income margin	36%	27%
Adjusted EBITDA margin	42%	36%

Q2 2018 Operating Expenses

(\$Ms)	Q2 2018	% of Revenue	Q2 2017	% of Revenue	Change
Cost of Revenue	\$97.3	23%	\$62.7	20%	55%
Selling and marketing expense	90.3	21%	87.7	28%	3%
General and administrative expense	42.2	10%	43.9	14%	(4%)
Product development expense	32.6	8%	24.1	8%	36%
Depreciation	8.4	2%	7.9	3%	7%
Amortization of intangibles	0.2	0%	0.4	0%	(41%)
Total Operating Costs and Expenses	\$271.0	64%	\$226.6	73%	20%
Revenue	\$421.2	100%	\$309.6	100%	36%

Q3 2018 and FY 2018 GAAP to Non-GAAP Reconciliation

(\$Ms)	2018	
	Q3	FY
Operating Income	\$132 to \$137	\$517 to \$542
Stock-based compensation expense	18	70
Depreciation & Amortization of intangibles	10	38
Adjusted EBITDA	\$160 to \$165	\$625 to \$650

Trended Key Metrics (a)

	2016					2017					2018	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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

(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.