

matchgroup

Q3 2016

Investor Presentation – November 1, 2016

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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. These statements may include, among others, statements relating to: Match Group's future financial performance, Match Group's business prospects and strategy, anticipated trends and other similar matters. 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.

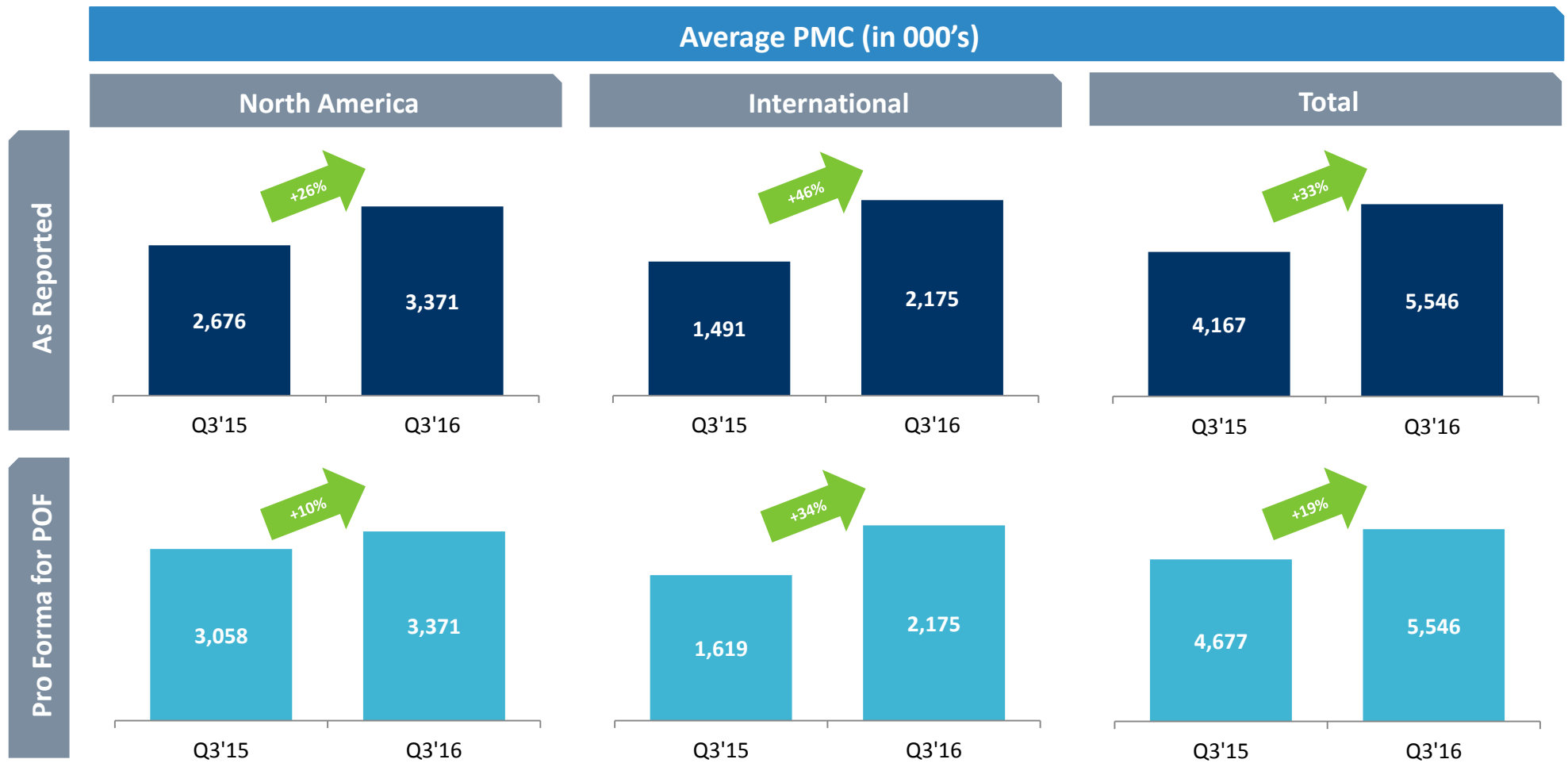
This presentation contains statistical data that we obtained from third party publications, surveys and reports. Although we have not independently verified the accuracy or completeness of the data contained in these industry publications, surveys and reports, we believe the publications, surveys and reports are generally reliable, although such information is inherently subject to uncertainties and imprecise.

"MAU" or "monthly active users," means users who logged in through our mobile or web applications in the last 28 days as of the date of measurement (reported MAU is the sum total of MAUs of each of our individual brands, and users active on multiple brands are counted in the MAU of each brand). "Average PMC" is calculated by summing the number of paid members, or paid member count ("PMC"), at the end of each day in the relevant measurement period and dividing it by the number of calendar days in that period. Unless otherwise noted, PMC refers to Average PMC in this presentation. "Ending PMC" is calculated by taking the number of paid members, or paid member count ("PMC"), at the end of the relevant measurement period. "ARPPU" or Average Revenue per Paying User, is Direct Revenue in the relevant measurement period divided by the Average PMC in such period divided by the number of calendar days in such period. Direct Revenue is revenue that is directly received from an end user of our products. "North America" or "NA" as used in this presentation refers to the United States and Canada.

Key Business Trends

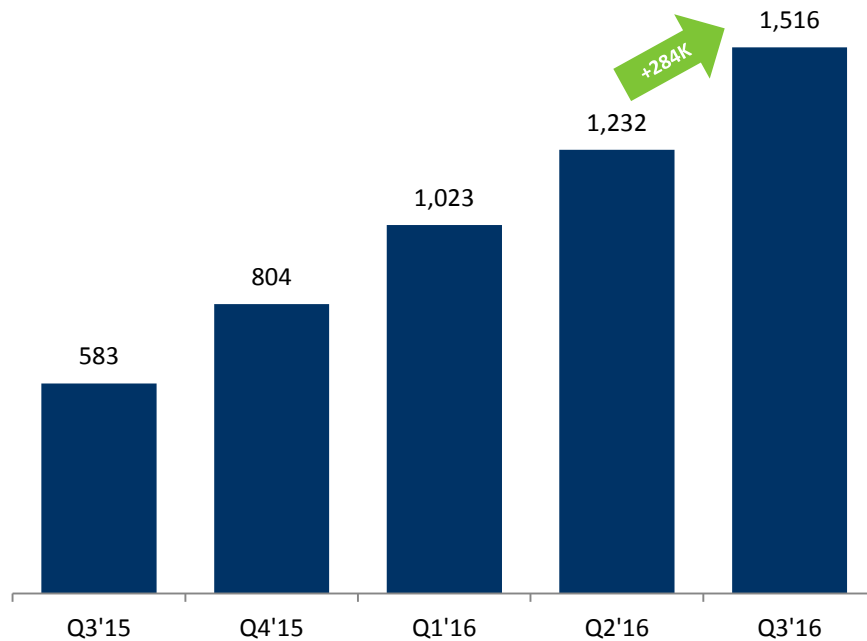
Q3 2016 PMC Trends

- Strong PMC growth at Tinder across all markets
- International driven by Meetic, which reached an all-time high in PMC, and Pairs in Japan
- PlentyOfFish (POF) performing as expected with strong growth globally
- Match progressing as expected; OkCupid and Affinity seeing continued challenges

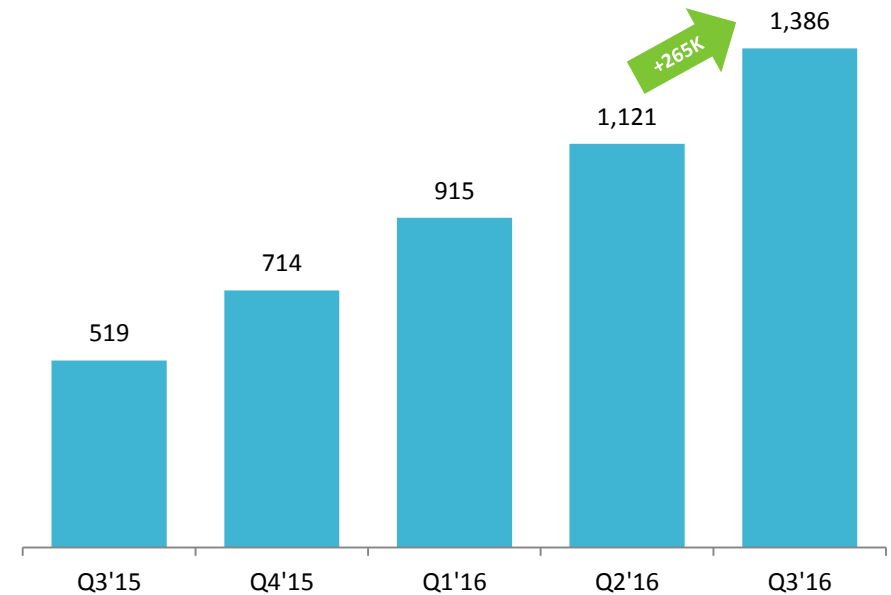


Momentum Continues at Tinder

Ending PMC (in 000's)



Average PMC (in 000's)



- On track to more than double Ending PMC in 2016
- Q3 net adds reflect impact of Tinder Plus update launched in June
- Strong PMC growth across all geographies
 - Top grossing “Lifestyle” app in 99 countries, up from 74 countries in Q1 ¹
 - Spain, Germany, Brazil, and Japan are exhibiting the fastest PMC growth

Tinder Product Strategy

“Under the Hood”

- Major investments globally in:
 - Speed, reliability
 - Security, integrity
 - Spam-fighting
 - Artificial intelligence / machine learning

Widening the Top of the Funnel

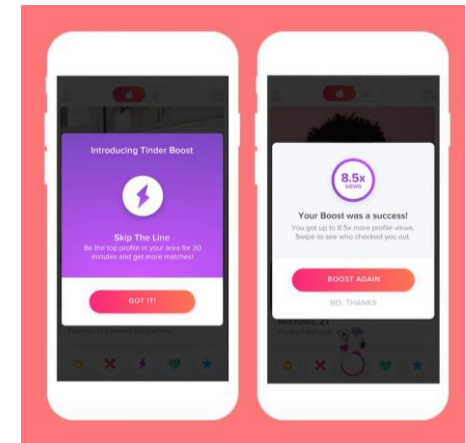
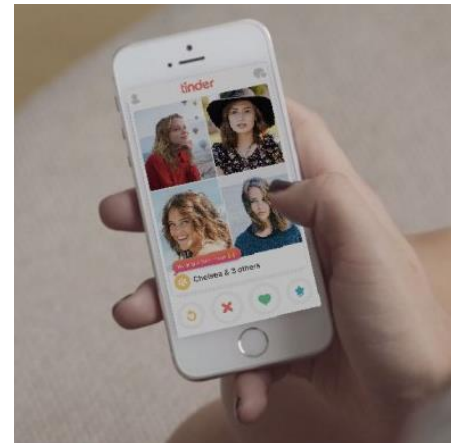
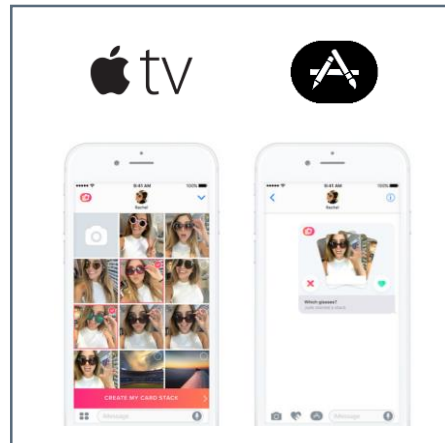
- Alternative sign-up (non-Facebook)
- Web application
- Localization
- Apple TV / Messenger

Product Experience

- Evolution of Tinder Social
- Other cool stuff we can't talk about

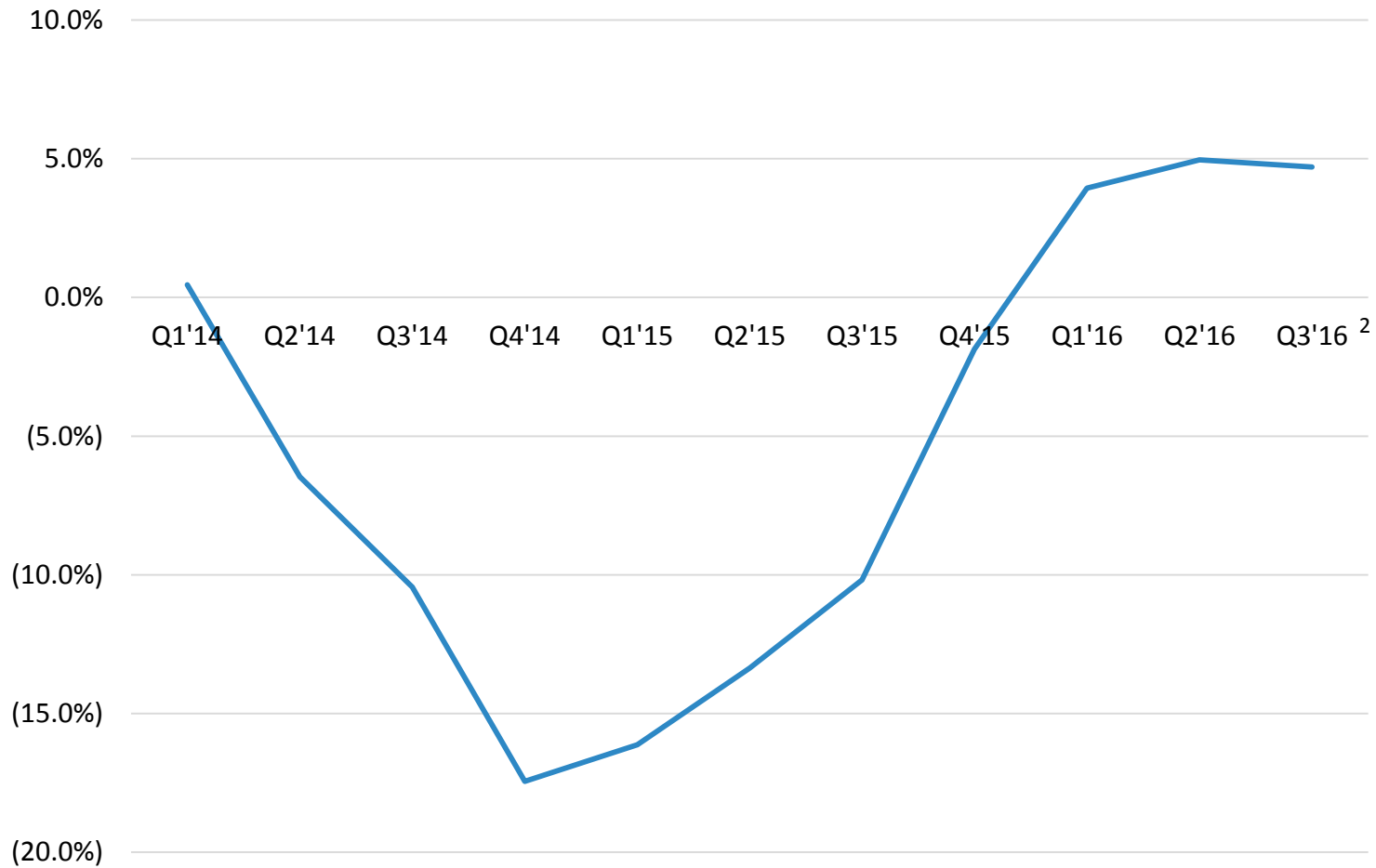
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- Boost
- Advertising



Global Conversion Trends

YoY Change in Conversion ¹
(Excludes Tinder and POF)



Q3 was the third straight quarter that YoY conversion increased worldwide

One Year In...

Meeting or Exceeding Our 2016 Expectations

tinder

match

meetic

POF

ePairs

TWOO

Behind Our 2016 Expectations

matchaffinity 

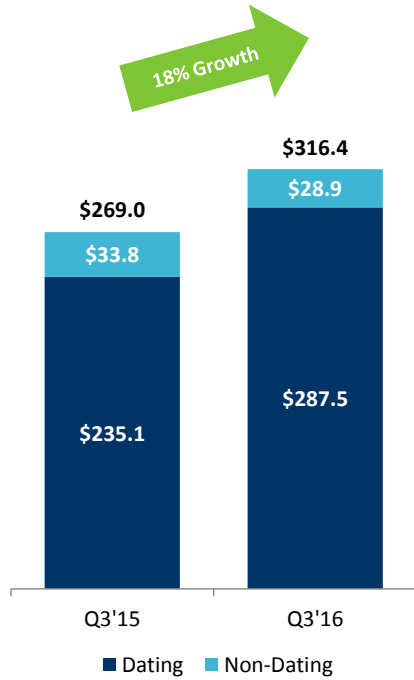
okcupid

ADVERTISING

Financial Overview and Outlook

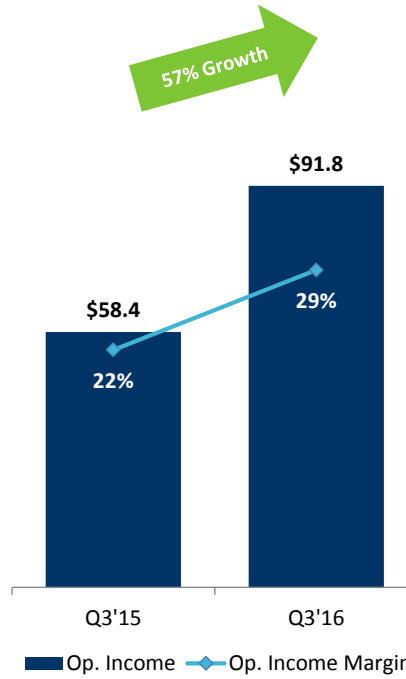
Q3 2016 Results

Revenue (\$M)



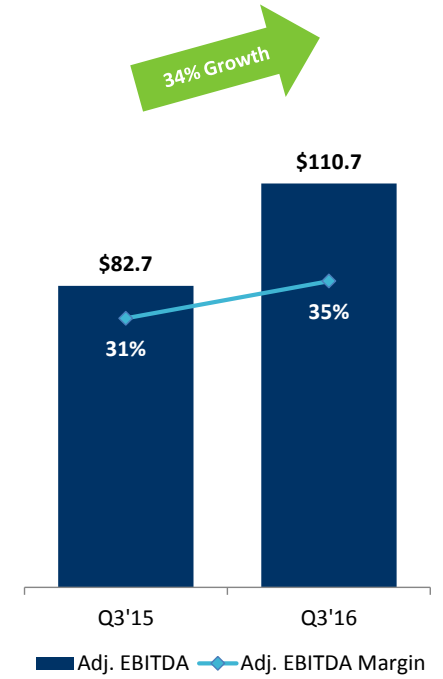
Dating +22%

Operating Income (\$M)



Dating Op. Income +54%

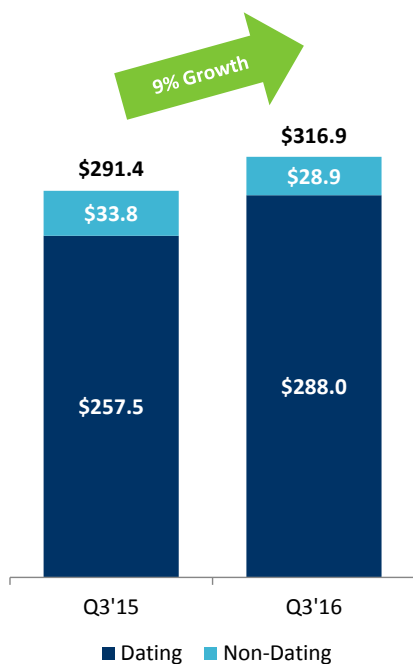
Adjusted EBITDA (\$M)



Dating Adj. EBITDA +33%

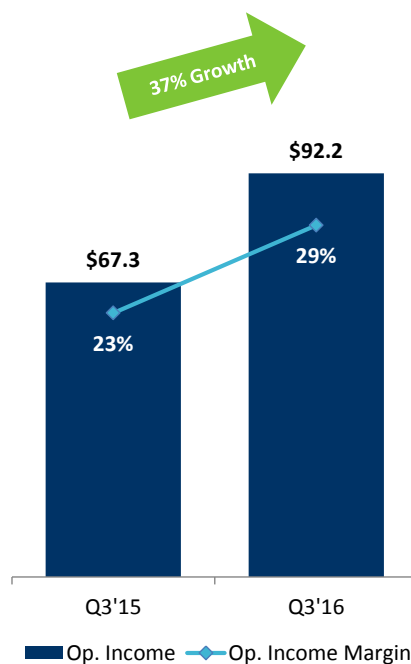
Q3 2016 Results Pro Forma for PlentyOfFish Acquisition¹

Revenue (\$M)



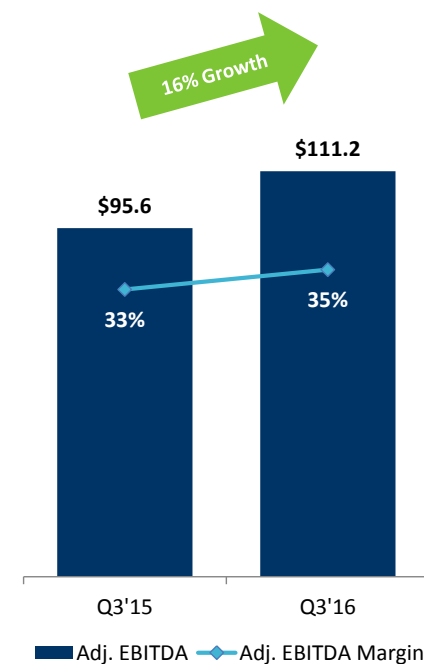
Dating +12%

Operating Income (\$M)²



Dating Op. Income +34%

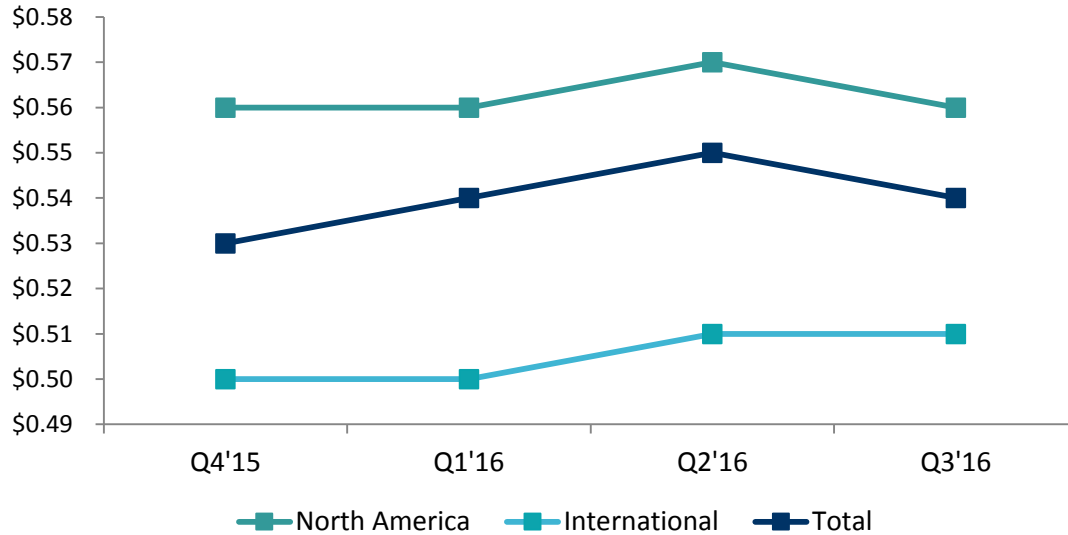
Adjusted EBITDA (\$M)



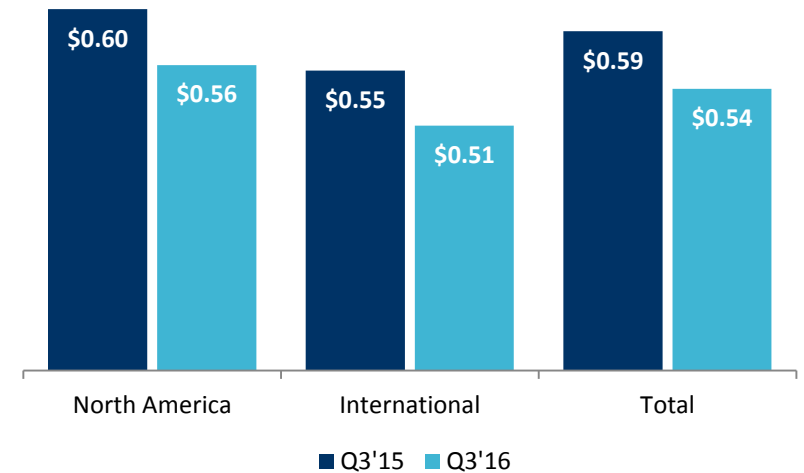
Dating Adj. EBITDA +15%

ARPPU Stable Throughout 2016

LTM Sequential ARPPU



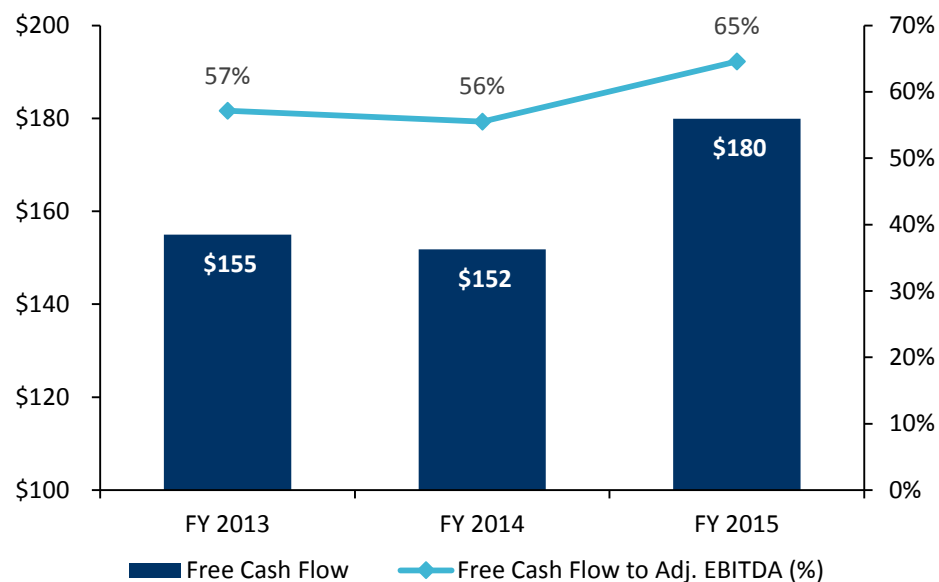
Year-over-Year ARPPU



*Stability across all brands with some mix shift decline due to Tinder and POF
Mix shift impact muted by a la carte revenue increases*

Strong Free Cash Flow and Balance Sheet Position

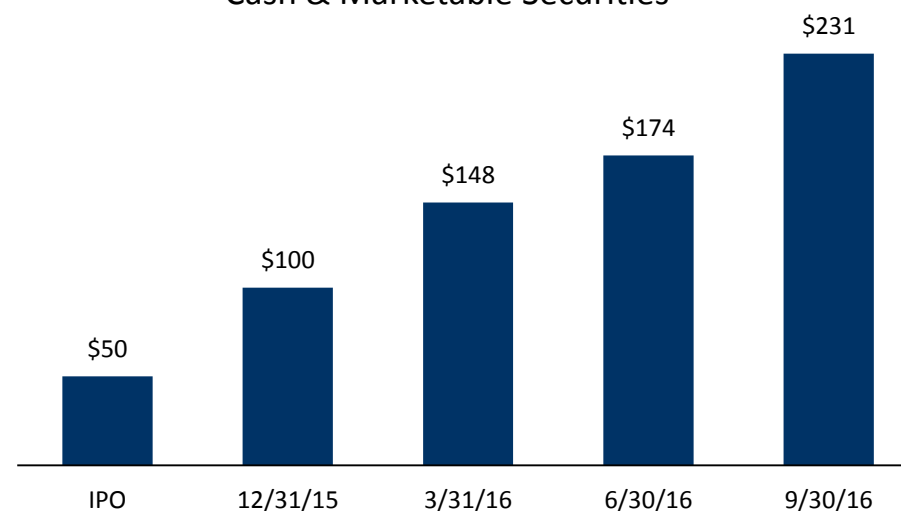
Strong and Stable Cash Flow, On Pace for mid 50s% Adj. EBITDA to FCF Conversion Rate in 2016 (\$M)



Net Cash by Op Activities	\$175	\$174	\$209
Less: CapEx	\$20	\$22	\$29
FCF	\$155	\$152	\$180

Strong Cash Position (\$M)

Cash & Marketable Securities



Current Debt Balance (9/30/16)	\$1,216
Gross Leverage	3.2x
Net Leverage	2.6x

Projected 2016 Free Cash Flow Yield of ~4.5%¹

Financial Outlook

FY 2016

- FY16 Dating Revenue near the midpoint of our previously communicated range of \$1.10 - 1.14 billion
- FY16 Dating Adjusted EBITDA in the \$400 - \$405 million range, in line with our outlook at Q2 earnings call

Q4 2016

- Dating Revenue near the midpoint of the range of \$292 - \$301 million in our outlook at Q2 earnings call
 - Key drivers: Tinder Boost launch (though slightly delayed), POF
 - Offsets: Q4 impact of lower Q3 marketing spend and lower advertising revenue
- Dating Adjusted EBITDA margins modestly below our outlook at Q2 earnings call of mid 40s%
 - Continued investment at Tinder
 - Tinder direct monetization (with IAP fees) offsetting lower ad revenue
 - Marketing spend mix shift from Q3 to Q4

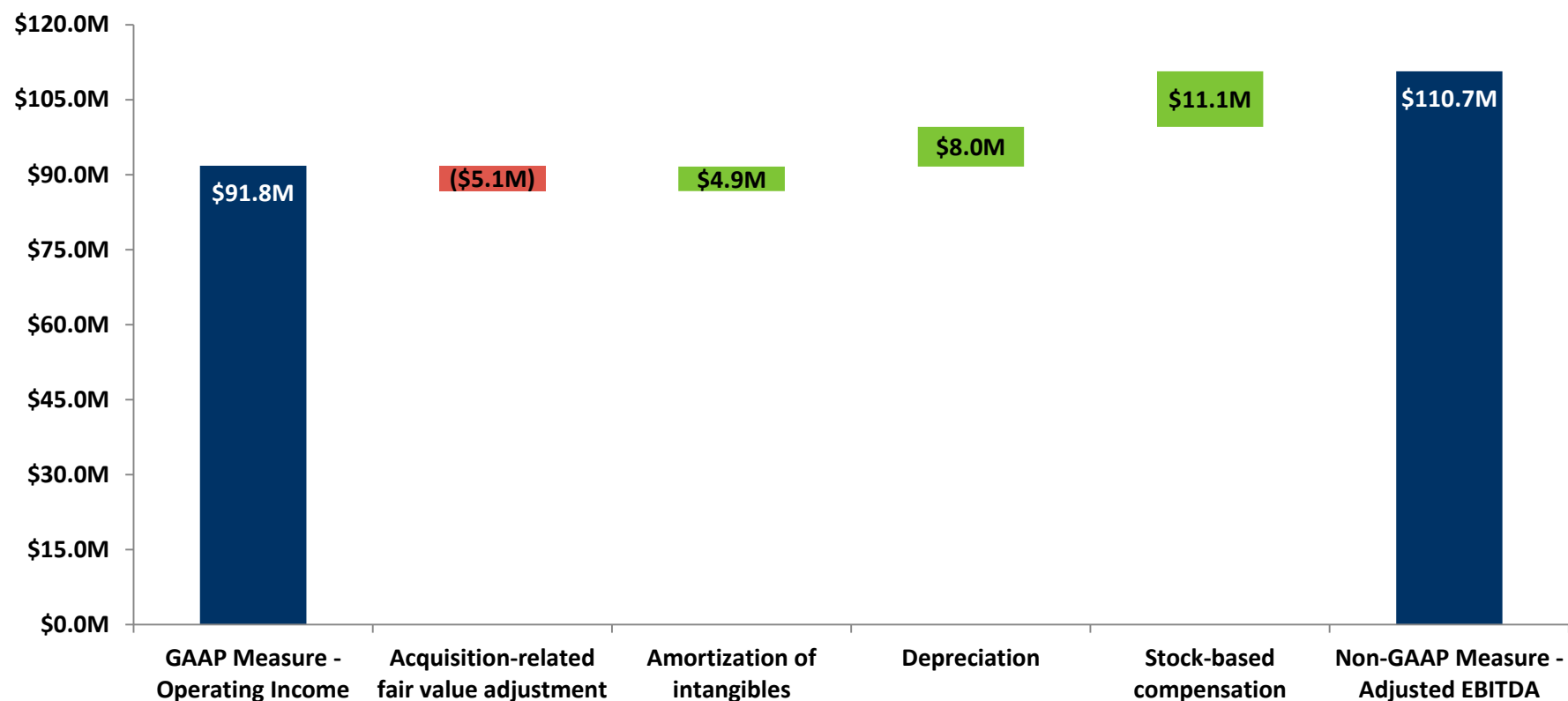
Preliminary 2017 Dating Outlook

Currently in 2017 planning process but expect:

- Revenue growth of 15% - 20%
- Adjusted EBITDA margin to depend on a number of key discretionary spend areas, including:
 - Level of headcount and “marketing” spend growth at Tinder
 - Rate of non-Tinder marketing ramp
 - Level of investment in development of new businesses

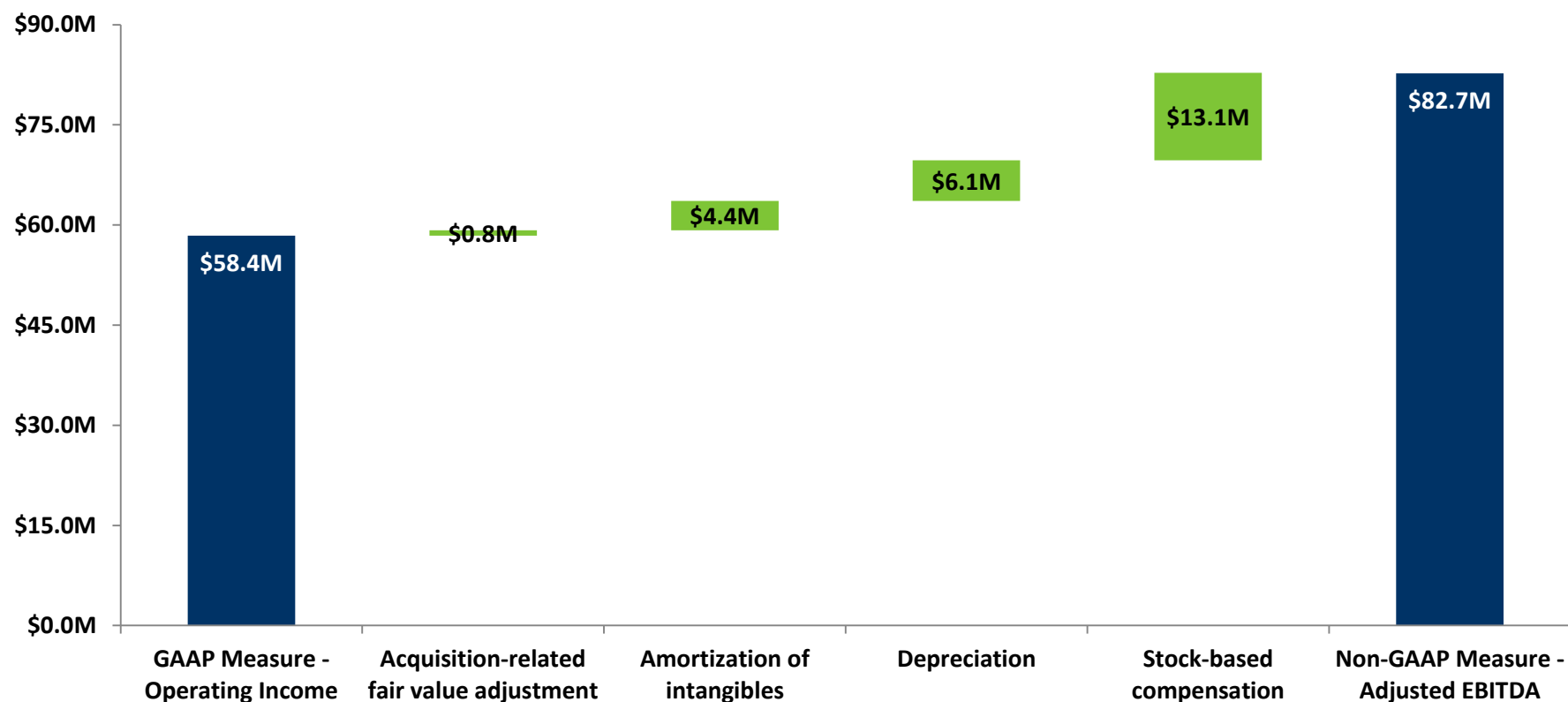
Appendix

Q3 2016 Operating Income to Adjusted EBITDA Walk



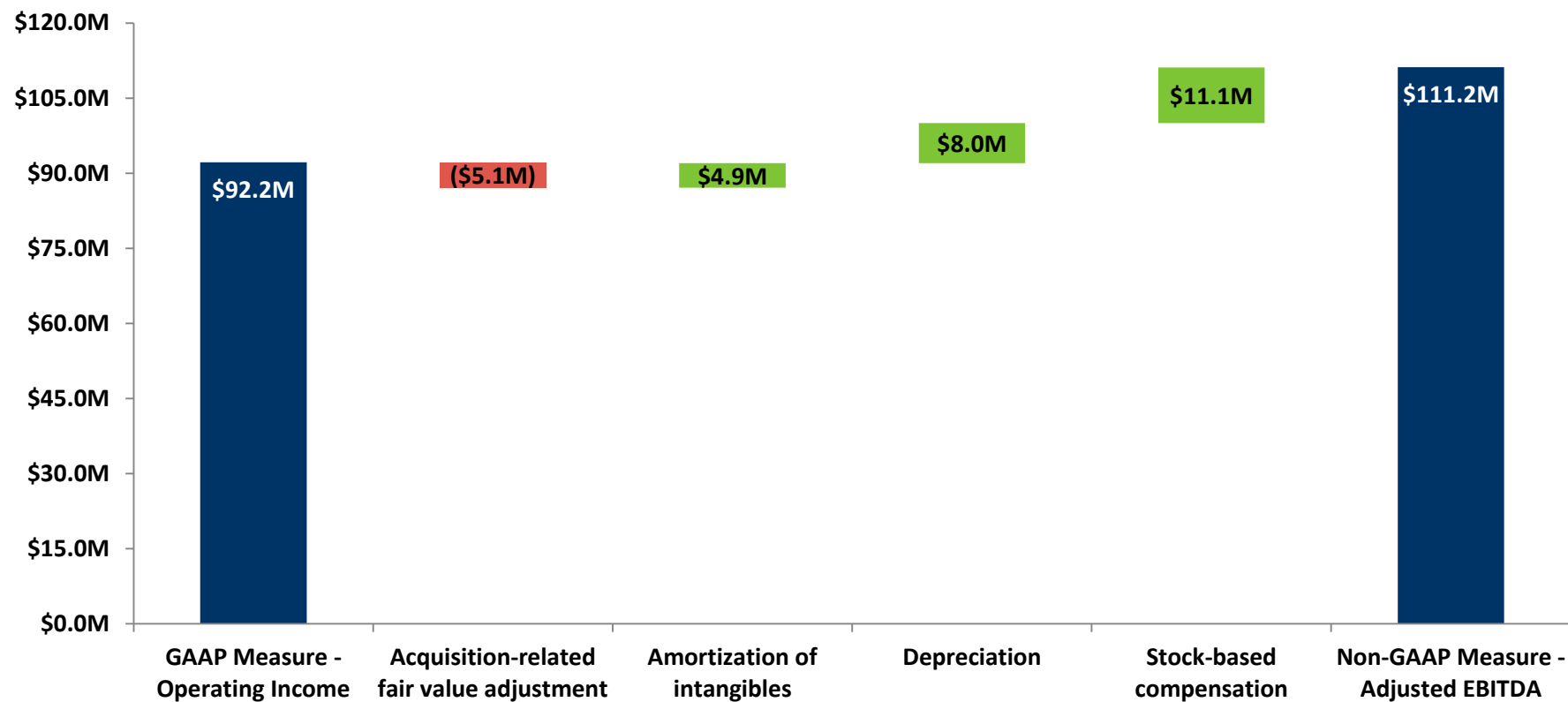
\$M (rounding differences may occur)	Operating income (loss)	Acquisition- related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA	Revenue	Operating Income Margin	Adjusted EBITDA Margin
Dating	\$ 90.9	\$ (5.1)	\$ 3.4	\$ 7.2	\$ 10.7	\$ 107.1	\$ 287.5	32%	37%
Non-Dating	0.8	-	1.5	0.8	0.4	3.6	28.9	3%	12%
Total	\$ 91.8	\$ (5.1)	\$ 4.9	\$ 8.0	\$ 11.1	\$ 110.7	\$ 316.4	29%	35%

Q3 2015 Operating Income to Adjusted EBITDA Walk



\$M (rounding differences may occur)	Operating income (loss)	Acquisition- related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA	Revenue	Operating Income Margin	Adjusted EBITDA Margin
Dating	\$ 59.1	\$ 0.8	\$ 2.7	\$ 5.0	\$ 12.8	\$ 80.3	\$ 235.1	25%	34%
Non-Dating	(0.7)	-	1.7	1.2	0.2	2.3	33.8	(2%)	7%
Total	\$ 58.4	\$ 0.8	\$ 4.4	\$ 6.1	\$ 13.1	\$ 82.7	\$ 269.0	22%	31%

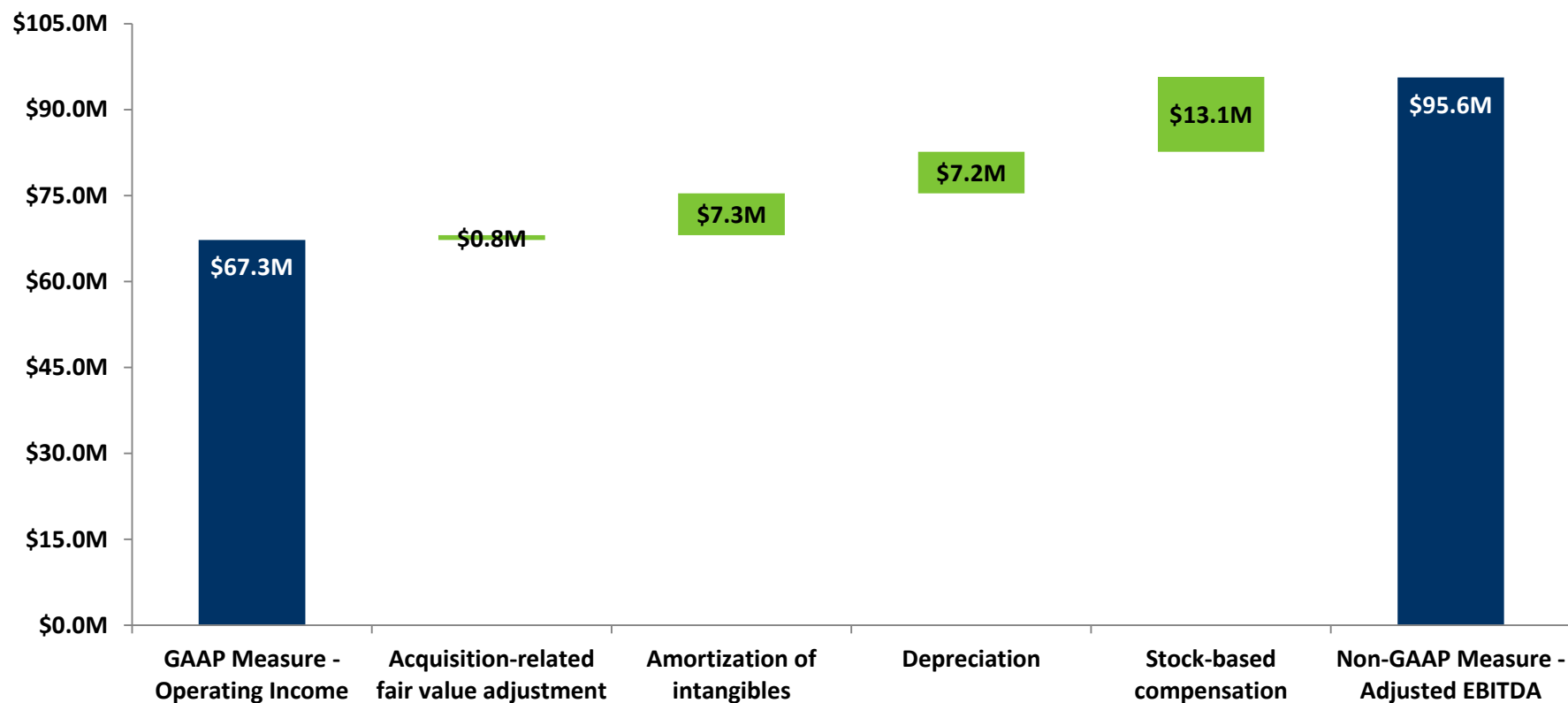
Q3 2016 Operating Income to Adjusted EBITDA Walk Pro Forma for PlentyOfFish Acquisition¹



\$M (rounding differences may occur)	Operating income (loss)	Acquisition- related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA	Revenue	Operating Income Margin	Adjusted EBITDA Margin
Dating	\$ 91.4	\$ (5.1)	\$ 3.4	\$ 7.2	\$ 10.7	\$ 107.6	\$ 288.0	32%	37%
Non-Dating	0.8	-	1.5	0.8	0.4	3.6	28.9	3%	12%
Total	\$ 92.2	\$ (5.1)	\$ 4.9	\$ 8.0	\$ 11.1	\$ 111.2	\$ 316.9	29%	35%

1) Derived from the historical unaudited financials for Match Group and PlentyOfFish.

Q3 2015 Operating Income to Adjusted EBITDA Walk Pro Forma for PlentyOfFish Acquisition¹



\$M (rounding differences may occur)	Operating income (loss)	Acquisition- related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA	Revenue	Operating Income Margin	Adjusted EBITDA Margin
Dating	\$ 68.0	\$ 0.8	\$ 5.6	\$ 6.1	\$ 12.8	\$ 93.2	\$ 257.5	26%	36%
Non-Dating	(0.7)	-	1.7	1.2	0.2	2.3	33.8	(2%)	7%
Total	\$ 67.3	\$ 0.8	\$ 7.3	\$ 7.2	\$ 13.1	\$ 95.6	\$ 291.4	23%	33%

Historical GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2015

\$M (rounding differences may occur)	Operating income (loss)	Acquisition- related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA	Revenue	Adjusted EBITDA Margin
Total	\$ 193.6	\$ (11.1)	\$ 20.1	\$ 26.0	\$ 50.1	\$ 278.7	\$ 1,020.4	27%

Year Ended December 31, 2014

\$M (rounding differences may occur)	Operating income (loss)	Acquisition- related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA	Revenue	Adjusted EBITDA Margin
Total	\$ 228.6	\$ (12.9)	\$ 11.4	\$ 25.5	\$ 20.9	\$ 273.4	\$ 888.3	31%

Year Ended December 31, 2013

\$M (rounding differences may occur)	Operating income (loss)	Acquisition- related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA	Revenue	Adjusted EBITDA Margin
Total	\$ 221.3	\$ 0.3	\$ 17.1	\$ 20.2	\$ 12.2	\$ 271.2	\$ 803.1	34%

FY 2016 GAAP to Non-GAAP Reconciliation

FY2016 Reconciliation

\$M	Operating income (loss)	Acquisition-related fair value adjustments	Amortization of intangibles	Depreciation	Stock-based compensation expense	Adjusted EBITDA
Dating	\$299 to \$310	(\$2)	\$17 to \$18	\$30 to \$31	\$50 to \$54	\$400 to \$405
Non-Dating	(\$12) to (\$7)	\$0	\$6 to \$7	\$3 to \$4	\$0 to \$1	\$0 to \$2
Total	\$287 to \$303	(\$2)	\$23 to \$25	\$33 to \$35	\$50 to \$55	\$400 to \$407

Q4 2016 Reconciliation

- For Dating in Q4, we expect depreciation & amortization to be approximately 5%, and stock-based compensation expense to be between 3% and 4%, of Dating revenue. We expect acquisition-related fair value accretion in Q4 to be approximately \$1M