

MTCH: Stable outlook and FCF make MTCH interesting in a downturn

If things get volatile, MTCH should be a safe haven

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US Internet

Research Analysts

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What's New: Our target increases to \$33 from \$31 on slightly higher estimates. We also extended the model – and DCF portion of the target methodology - out to 2030. For our first take on results where we discuss Tinder's turnaround, whether Hinge could be bigger than Tinder one day, and MTCH's increased dividend and significant capital return policy, please click [HERE](#).

Investment Thesis: If macro and market conditions remain benign, we think Neutral-rated MTCH should remain in a high-\$20s to mid-\$30s range, with potential upside in 2027 if Tinder turnaround product changes can turn into meaningful new monetization.

- **However, if either the markets or macro turn negative, we think MTCH is a great stock to own within SMID cap Internet.** It showed this resilience last week as the software sell-off leaked into SMID Cap Internet. In a recession scenario, valuation and FCF generation would be supportive owing to lack of cyclical advertising exposure. To be sure, some discretionary premium online dating would be curtailed, but this business model (including the ability to manage margin pressure through marketing cuts) would become relatively more attractive, while the management and the Board would likely salivate at the opportunity to dollar cost average down on share buyback.
- **Estimate Changes:** Limited changes as both 1Q26 and 2026 revenue, adjusted EBITDA and FCF guidance were all roughly inline with our estimates. We estimate 1Q26 revenue of \$852M (middle of the guidance range) on a 200K net payer loss at Tinder. We continue to model Tinder payer losses through 3Q26 and assume a slight increase in 4Q26.

For our latest model, please click [HERE](#).

Quarterly Estimate Changes

	4Q25A					1Q26E				
	Est	Actual	% ▲	Cons.	Guide	Prior	New	% ▲	Cons.	Guide
Tinder Payers	9,298	8,769	(5.7%)			9,323	8,569	(8.1%)		
net adds	40	-489	(1322.5%)			25	-200	(900.0%)		
y/y growth %	(2.0%)	(7.6%)	-557 bps			2.4%	(5.9%)	-828 bps		
Hinge Payers	1,893	1,886	(0.4%)			1,943	1,971	1.4%		
y/y growth %	16.9%	16.5%	-43 bps			14.5%	16.1%	165 bps		
Total Payers	14,482	13,839	(4.4%)	14,050		14,587	13,769	(5.6%)	13,792	
net adds	-45	-688	1428.9%	-477		105	-70	(166.7%)	-47	
y/y growth %	(0.9%)	(5.3%)	-440 bps			2.7%	(3.0%)	-576 bps		
Tinder RPP	\$16.18	\$17.63	9.0%			\$15.44	\$16.95	9.8%		
y/y growth %	(3.3%)	5.7%	904 bps			(5.7%)	3.5%	922 bps		
Hinge RPP	\$32.84	\$32.96	0.4%			\$32.15	\$32.74	1.9%		
y/y growth %	8.0%	8.4%	40 bps			7.5%	9.5%	200 bps		
Total RPP	\$19.65	\$20.72	5.5%	\$20.27		\$19.05	\$20.14	5.7%	\$20.16	
y/y growth %	1.8%	7.6%	575 bps	5.1%		(0.1%)	5.6%	570 bps	5.7%	
Tinder Direct Revenue	\$451	\$464	2.8%	\$460		\$432	\$436	0.9%	\$416	
y/y growth %	(5.3%)	(2.3%)	296 bps	(3.9%)		(3.5%)	(2.6%)	87 bps	(6.8%)	
Hinge Direct Revenue	\$186	\$187	0.0%			\$187	\$194	3.3%		
y/y growth %	26.3%	26.3%	0 bps			23.1%	27.2%	410 bps		
Revenue	\$871	\$878	0.9%	\$872	\$865M-\$875M	\$853	\$852	(0.2%)	\$854	\$850M to \$860M
y/y growth %	1.2%	2.2%	104 bps	1.3%		2.7%	2.5%	-22 bps	2.8%	
y/y cons. curr. growth %	0.0%	(0.1%)	-10 bps			0.7%	(0.7%)	-142 bps		
Operating profit	\$269	\$285	5.7%	\$261		\$225	\$208	(7.5%)	\$223	
% margin	31.0%	32.4%	147 bps	30.0%		26.4%	24.4%	-192 bps	26.2%	
Tinder Adj EBITDA	\$250	\$263	5.2%			\$219	\$220	0.2%		
y/y growth %	(3.5%)	1.4%	497 bps			(4.1%)	(3.9%)	20 bps		
Hinge Adj EBITDA	\$56	\$68	20.6%			\$59	\$68	14.8%		
y/y growth %	27.5%	53.9%	2633 bps			38.6%	59.2%	2053 bps		
Adj. EBITDA	\$350	\$370	5.7%	\$352	\$350M-\$355M	\$321	\$315	(1.8%)	\$318	\$315M to \$320M
% margin	40.2%	42.1%	192 bps	40.4%	40.5%	37.7%	37.0%	-61 bps	37.2%	37.0%
Net Income	\$194	\$210	8.2%	\$184		\$158	\$141	(10.8%)	\$154	
y/y growth %	22.2%	33.5%	1131 bps	16.4%		34.2%	19.8%	-1444 bps	30.8%	
EPS	\$0.77	\$0.83	7.8%	\$0.70		\$0.63	\$0.56	(10.3%)	\$0.61	
y/y growth %	31.5%	43.2%	1161 bps	19.3%		45.5%	30.5%	-1498 bps	38.4%	
FCF	\$342	\$308	(9.9%)	\$256		\$152	\$249	64.1%	\$226	
FCF conversion	97.7%	83.3%	(14.7%)	72.6%		47.2%	78.9%	67.1%	71.1%	
y/y growth %	38.3%	24.7%	-1364 bps	3.5%		(14.6%)	40.1%	5472 bps	27.0%	

Source: Company reports, FactSet and New Street Research analysis.

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Annual Estimate Changes for 2025-2026

	FY25A						FY26E					
	Prior	New	% ▲	Cons.	Prior Cons.	Guide	New Guide	Prior	New	% ▲	Cons.	Guide
Tinder Payers	9,158	9,026	(1.4%)					9,348	8,395	(10.2%)		
net adds	-193	-722	274.1%					75	-445			
y/y growth %	(5.5%)	(6.9%)	-136 bps					2.1%	(7.0%)			
Hinge Payers	1,803	1,801	(0.1%)					1,998	2,050	2.6%		
y/y growth %	17.6%	17.5%	-11 bps					10.8%	13.8%			
Total Payers	14,325	14,164	(1.1%)	14,165	14,226			14,705	13,634	(7.3%)	13,800	
net adds	-416	-1,059	154.6%	-735	-674			345	-240		-365	
y/y growth %	(3.8%)	(4.9%)	-108 bps					2.6%	(3.7%)			
Tinder RPP	\$16.84	\$17.20	2.2%					\$15.97	\$17.82	11.6%		
y/y growth %	0.9%	3.2%	226 bps					(5.2%)	3.6%			
Hinge RPP	\$31.94	\$31.97	0.1%					\$34.06	\$34.66	1.8%		
y/y growth %	6.7%	6.8%	10 bps					6.6%	8.4%			
Total RPP	\$19.82	\$20.09	1.4%	\$20.09	\$19.98			\$19.85	\$20.91	5.3%	\$20.77	
y/y growth %	3.7%	5.1%	145 bps	5.1%	4.5%			0.1%	4.1%		3.4%	
Tinder Direct Revenue	\$1,850	\$1,863	0.7%	\$1,869	\$1,869			\$1,791	\$1,794	0.2%	\$1,812	
y/y growth %	(4.7%)	(3.9%)	73 bps	(5.4%)	(5.4%)			(3.2%)	(3.7%)		(3.1%)	"same y/y decline as '25"
Hinge Direct Revenue	\$691	\$691	0.0%					\$817	\$852	4.4%		
y/y growth %	25.5%	25.5%	0 bps					18.2%	23.4%			"low to mid 20s"
Revenue	\$3,480	\$3,487	0.2%	\$3,487	\$3,481	\$3,375-\$3,500		\$3,579	\$3,498	(2.2%)	\$3,500	\$3,410M to \$3,535M
y/y growth %	(0.0%)	0.3%	26 bps	0.2%	0.0%			2.8%	0.3%		0.4%	
y/y cons. curr. growth %	0.0%	0.0%	0 bps					0.0%	0.0%			
Operating profit	\$857	\$873	1.8%	\$873	\$849			\$925	\$903	(2.4%)	\$957	
% margin	24.6%	25.0%	39 bps	25.0%	24.4%			25.8%	25.8%	-4 bps	27.3%	
Tinder Adj EBITDA	\$928	\$941	1.4%					\$860	\$895	4.0%		~50% margin
y/y growth %	(8.8%)	(7.6%)	126 bps					(7.3%)	(4.9%)			
Hinge Adj EBITDA	\$204	\$215	5.7%					\$273	\$318	16.6%		"mid to high 30s" margin
y/y growth %	22.3%	29.3%	694 bps					34.0%	47.9%			
Adj. EBITDA	\$1,216	\$1,236	1.6%	\$1,236	\$1,219	\$1,232-\$1,278		\$1,329	\$1,320	(0.7%)	\$1,313	\$1,280M to \$1,325M
% margin	35.0%	35.5%	50 bps	35.5%	35.0%	36.5% ex items		37.1%	37.7%	59 bps	37.5%	37.5%
Net Income	\$597	\$613	2.7%	\$613	\$584			\$652	\$620	(4.9%)	\$653	
y/y growth %	8.3%	11.5%	320 bps	11.3%	6.0%			9.1%	1.0%		6.4%	
EPS	\$2.31	\$2.37	2.6%	\$2.38	\$2.23			\$2.69	\$2.57	(4.3%)	\$2.66	
y/y growth %	16.8%	20.1%	334 bps	17.8%	10.3%			16.4%	8.6%		11.7%	
FCF	\$1,057	\$1,024	(3.2%)	\$1,024	\$1,017	\$1.11B-\$1.14B		\$1,010	\$1,099	8.8%	\$1,047	\$1,085M to \$1,135M
FCF conversion	86.9%	82.8%	(4.7%)	82.8%	83.4%			76.0%	83.2%	9.6%	79.7%	
y/y growth %	19.9%	16.0%	-381 bps	16.0%	15.3%			4.5%	7.3%	283 bps	2.3%	

Source: Company reports, FactSet and New Street Research analysis.

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2027 Estimates Changes & New 2028-2030 Estimates



	FY27E				FY28E		FY29E		FY30E	
	Prior	New	% ▲	Cons.	New	Cons.	New	Cons.	New	Cons.
Tinder Payers	9,423	8,374	(11.1%)		8,449		8,524		8,599	
net adds	75	75			75		75		75	
y/y growth %	0.8%	(0.3%)			0.9%		0.9%		0.9%	
Hinge Payers	2,183	2,247	2.9%		2,391		2,486		2,566	
y/y growth %	9.3%	9.6%			6.4%		4.0%		3.2%	
Total Payers	15,135	13,795	(8.8%)	13,910	14,137	14,058	14,477	14,410	14,817	14,671
net adds	460	300		111	350	148	340	352	340	262
y/y growth %	2.9%	1.2%			2.5%		2.4%		2.3%	
Tinder RPP	\$16.13	\$17.85	10.7%		\$18.01		\$18.33		\$18.75	
y/y growth %	1.0%	0.2%			0.9%		1.8%		2.3%	
Hinge RPP	\$36.23	\$37.16	2.6%		\$39.38		\$41.34		\$43.00	
y/y growth %	6.4%	7.2%			6.0%		5.0%		4.0%	
Total RPP	\$20.43	\$21.28	4.2%	\$21.60	\$21.62	\$22.88	\$21.95	\$23.69	\$22.30	\$24.40
y/y growth %	2.9%	1.8%		4.0%	1.6%	5.9%	1.6%	3.5%	1.6%	3.0%
Tinder Direct Revenue	\$1,824	\$1,794	(1.7%)	\$1,857	\$1,826	\$2,042	\$1,875	\$2,093	\$1,935	\$2,071
y/y growth %	1.8%	(0.0%)		2.5%	1.8%	9.9%	2.7%	2.5%	3.2%	(1.1%)
Hinge Direct Revenue	\$949	\$1,002	5.6%		\$1,130		\$1,233		\$1,324	
y/y growth %	16.2%	17.6%			12.8%		9.2%		7.3%	
Revenue	\$3,790	\$3,605	(4.9%)	\$3,638	\$3,753	\$3,841	\$3,904	\$4,160	\$4,059	\$4,361
y/y growth %	5.9%	3.1%		3.9%	4.1%	5.6%	4.0%	8.3%	4.0%	4.8%
y/y cons. curr. growth %	0.0%	0.0%			0.0%		0.0%		0.0%	
Operating profit	\$1,048	\$1,045	(0.2%)	\$1,040	\$1,092	\$1,146	\$1,140	\$1,292	\$1,190	\$1,366
% margin	27.7%	29.0%	135 bps	28.6%	29.1%	29.8%	29.2%	31.0%	29.3%	31.3%
Tinder Adj EBITDA	\$883	\$980	11.0%		\$970		\$964		\$959	
y/y growth %	2.7%	9.5%			(1.1%)		(0.6%)		(0.4%)	
Hinge Adj EBITDA	\$341	\$394	15.6%		\$467		\$534		\$600	
y/y growth %	24.9%	23.8%			18.4%		14.4%		12.3%	
Adj. EBITDA	\$1,446	\$1,475	2.0%	\$1,397	\$1,540	\$1,510	\$1,606	\$1,620	\$1,674	\$1,702
% margin	38.2%	40.9%	276 bps	38.4%	41.0%	39.3%	41.1%	38.9%	41.2%	39.0%
Net Income	\$751	\$734	(2.2%)	\$711	\$781	\$779	\$819	\$870	\$859	\$921
y/y growth %	15.2%	18.5%		8.9%	6.3%	9.5%	4.9%	11.7%	4.8%	5.9%
EPS	\$3.39	\$3.37	(0.7%)	\$3.09	\$4.06	\$3.56	\$4.97	\$3.79	\$6.32	\$4.12
y/y growth %	26.2%	31.0%		16.2%	20.5%	15.4%	22.4%	6.2%	27.3%	8.9%
FCF	\$1,059	\$1,134	7.1%	\$1,012	\$1,210	\$1,088	\$1,265	\$1,169	\$1,299	\$1,231
FCF conversion	73.2%	76.9%	5.0%	72.5%	78.6%	72.0%	78.8%	72.2%	77.6%	72.3%
y/y growth %	4.9%	3.3%	-165 bps	(3.3%)	6.7%	7.5%	4.5%	7.4%	2.7%	5.3%

Source: Company reports, FactSet and New Street Research analysis.

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Target Price: Price target rises to \$33 on mixed estimate changes



- \$33 implies 8.2x 2026 EV/adj. EBITDA and 12.7x P/E, which compares to 5.9x and 12.8x for the comparable set.
- We think MTCH should continue to trade at a slight premium to the peer group owing to its diversified portfolio strategy and scale.
- Our target averages two comparable multiple valuations (EV/adj. EBITDA and GAAP P/E) and a 10-year DCF.

New target price methodology

Valuation on 2026E	EV/Adj. EBITDA	GAAP P/E		DCF Summary		Triangulated
Adjusted EBITDA	1,320.0					Implied Tgt. Multiples
<u>Target Multiple</u>	<u>7.5x</u>	GAAP EPS	\$2.57	Terminal Mult.	7.5x	EV/Adj. EBITDA
Enterprise Value	9,899.9	Target Multiple	12.0x	Discount Rate	9.6%	FCF Yield
<u>Net cash (debt), projected</u>	<u>(2,922.8)</u>			26-'30 FCF grth	3.1%	GAAP P/E
Equity value	6,977.0					GAAP PEG
Price target	\$28.94		\$30.85		\$38.51	\$32.77
% potential appreciation	(8.5%)		(2.5%)		21.8%	3.6%

Former target price methodology

Valuation on 2026E	EV/Adj. EBITDA	GAAP P/E		DCF Summary		Triangulated
Adjusted EBITDA	1,329.2					Implied Tgt. Multiples
<u>Target Multiple</u>	<u>7.5x</u>	GAAP EPS	\$2.69	Terminal Mult.	7.5x	EV/Adj. EBITDA
Enterprise Value	9,969.1	Target Multiple	12.0x	Discount Rate	9.4%	FCF Yield
<u>Net cash (debt), projected</u>	<u>(2,962.3)</u>			26-'30 FCF grth	2.6%	GAAP P/E
Equity value	7,006.8					GAAP PEG
Price target	\$28.89		\$32.25		\$32.22	\$31.12
% potential appreciation	(8.4%)		2.2%		2.1%	(1.4%)

Valuation: Online Dating Comps and Historical EV/Adjusted EBITDA

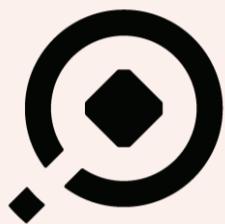


Company	Ticker	2/9/2026		Shares	Market	EV/Rev		EV/EBITDA		P/E		2026E	2026E	FCF Yield				
		Price	Target			Rating	Out (M)	Cap (M)	2025E	2026E	2025E	2026E		2025E	2026E			
Match Group	MTCH	\$32.80	\$33	Neutral	276		\$9,043	3.4x	3.4x	9.7x	9.1x	13.9x	12.8x	1.5x	0.6x	12.0%	13.9%	
Grindr	GRND	\$10.71	NR	NR	185		\$1,978	5.1x	3.9x	11.5x	9.6x	21.7x	18.7x	1.2x	0.8x	nm	nm	
Bumble	BMLB	\$3.19	NR	NR	113		\$359	0.7x	0.7x	2.3x	2.6x	nm	4.0x	0.0x	0.2x	nm	nm	
Momo	MOMO	\$6.67	NR	NR	117		\$779	0.3x	0.3x	1.8x	2.5x	9.6x	8.1x	0.4x	0.4x	nm	nm	
Matrimony.com	540704-IN	INR 540.05	NR	NR	22		\$11,665	2.4x	2.2x	nm	nm	25.6x	20.2x	0.8x	0.9x	nm	nm	
Pure Play Dating								Mean	2.4x	2.1x	6.3x	5.9x	17.7x	12.8x	0.8x	0.6x	12.0%	13.9%
Comps								Median	2.4x	2.2x	6.0x	5.8x	17.8x	12.8x	0.8x	0.6x	12.0%	13.9%



Related Research

- [MTCH: Turnaround continues but Tinder monetization inflection still not on the horizon](#) (February 3)
- [MTCH: A show-me story with green shoots for 2026](#) (November 5)
- [MTCH: Quick thoughts ahead of the print](#) (November 4)
- [MTCH: Progress continues under new CEO Rascoff](#) (August 5)
- [MTCH Mgmt. Meeting Recap: New Tinder MAU headwind, HER & more M&A coming + reorganization update](#) (May 22)
- [MTCH: A battle between short-term and long-term outlooks](#) (May 8)
- [MTCH First Take: BK out as 1Q25 guidance disappoints](#) (February 4)
- [MTCH: Downgrade to Neutral on lower Tinder monetization visibility](#) (December 16, 2024)
- [MTCH Investor Day First Take: Lower Tinder revenue outlook trumps several smaller positives](#) (December 11, 2024)
- [MTCH: Top Questions for Wednesday's Investor Day](#) (December 9, 2024)
- [MTCH First Take: Positioning for strategic alternatives?](#) (November 6, 2024)
- [Online Dating: GRND Investor Day Recap & Read Throughs to MTCH](#) (June 27, 2024)
- [MTCH: Investor Day date could be next catalyst + thoughts on Board additions, Elliott's first public comments, & implications for ads and M&A](#) (March 25, 2024)
- [Internet Policy: Previewing State Tech Policy in 2024 \(META, GOOG, AMZN, MSFT, SNAP, MTCH, PINS\)](#) (January 29, 2024)
- [AI Speaker Series Recap: Sifting through the noise - AI unlocks for Ads, eComm, and Consumer Experiences](#) (October 16, 2023)
- [The Regulatory Outlook for Online Dating, including MTCH, BML and GRND \(Expert Call Recap\)](#) (September 27, 2023)



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Disclosures



Full 12-month historical recommendation changes are available on request.

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