

EXECUTIVE SUMMARY

I am recommending a Buy of Match Group (MTCH) stock at its current price point of mid to high 30s (~\$37.50 as of writing) with a target exit price of \$44. There are three key reasons behind this recommendation. First, the company has begun a turn-around effort earlier this year in order to regain footing in the “meaningful connections” market. Second, while some of their products are struggling, Hinge is a bright spot that both shows growth potential for the firm and industry as a whole. Lastly, direct competition does not appear to be very strong, giving them opportunity to reap industry benefits if they are able to gain their desired resurgence in the space.

INVESTMENT THESIS 3 CORE FACTORS

1. **Turn-Around Efforts:** New CEO Spencer Rascoff (Previously Zillow and Hotwire founder) is leading the effort to “Reset, Revitalize, and Resurge” the company. The main focus is bringing Tinder back to growth. Tinder has been losing in both new registrations and Monthly Active Users (MAUs) for some time. Through a mix of increased development speed, attention to Trust and Safety, along with new user focused features, Tinder has begun to “stem the bleeding” of registration and MAU loss that has hampered the company’s success in recent years.
2. **Hinge Success:** Hinge has been a bright spot for the company with over 20% YoY growth. For reference, if the overall company were to grow revenue at just 5% the stock price would project closer to the mid \$50s given a re-rated multiple and still low \$40s with no assumed multiple change. This highlights the importance of getting Tinder back on track so Hinge can shine.
3. **Limited Direct Competition:** The last key point is that their direct competition is limited in the space. While they face competition from non-Dating App methods of connections, other Dating Apps are doing broadly worse relative to MTCH. I believe this positions them in a spot where, if they can revitalize the online Dating App market as a whole (Hinge is showing strong potential here), they stand to be the primary beneficiaries.

CATALYSTS

The main catalysts will come from earnings results and improvements to Revenue, Registrations, MAUs for their products signaling a strong turn-around effort and continued growth. As of 2Q25, they are still seeing declines of about 7% in both registrations and MAUs YoY, but that has improved from 15% and 10% YoY declines respectively in the first quarter. Continued movement in this direction would be a strong signal that the turn-around is proving successful as they move through the process.

CONCLUSION

MTCH offers strong upside potential as they seek to improve their specific product offerings and renew the Dating App market as a whole. The changes targeting Tinder have started to show signs of success early on, and their rising star in Hinge continues to grow at a staggering rate. If they are capable of neutralizing the Tinder drag on their portfolio, upside could be as high as a mid-50’s stock price with a low to mid 40’s target being reasonable at this point.