

Match Group Inc MTCH

Last Close
20 Apr 2018
46.71

Fair Value^Q
21 Apr 2018 02:00 UTC
35.33

Market Cap
20 Apr 2018
12,814.0 Mil

Sector
Technology

Industry
Internet Content & Information

Country of Domicile
USA United States

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Company Profile

Match Group Inc primarily offers online dating products and services through over 45 online dating brands, Tinder being the most well known. The company also has a non-dating business which provides test preparation and tutoring services.

Quantitative Scores

		Scores		
		All	Rel Sector	Rel Country
Quantitative Moat	Narrow	99	99	97
Valuation	Overvalued	1	1	1
Quantitative Uncertainty	High	97	99	95
Financial Health	Moderate	53	38	53



Source: Morningstar Equity Research

Valuation	Current		5-Yr Avg		Sector Median	Country Median
	Current	5-Yr Avg	Sector Median	Country Median		
Price/Quant Fair Value	1.32	—	0.89	0.85		
Price/Earnings	38.9	—	25.0	21.8		
Forward P/E	37.0	—	18.0	15.7		
Price/Cash Flow	43.9	—	17.4	13.7		
Price/Free Cash Flow	48.3	—	25.1	20.3		
Trailing Dividend Yield %	—	—	1.70	2.11		
Price/Book	25.6	—	2.6	2.5		
Price/Sales	10.4	—	1.8	2.3		

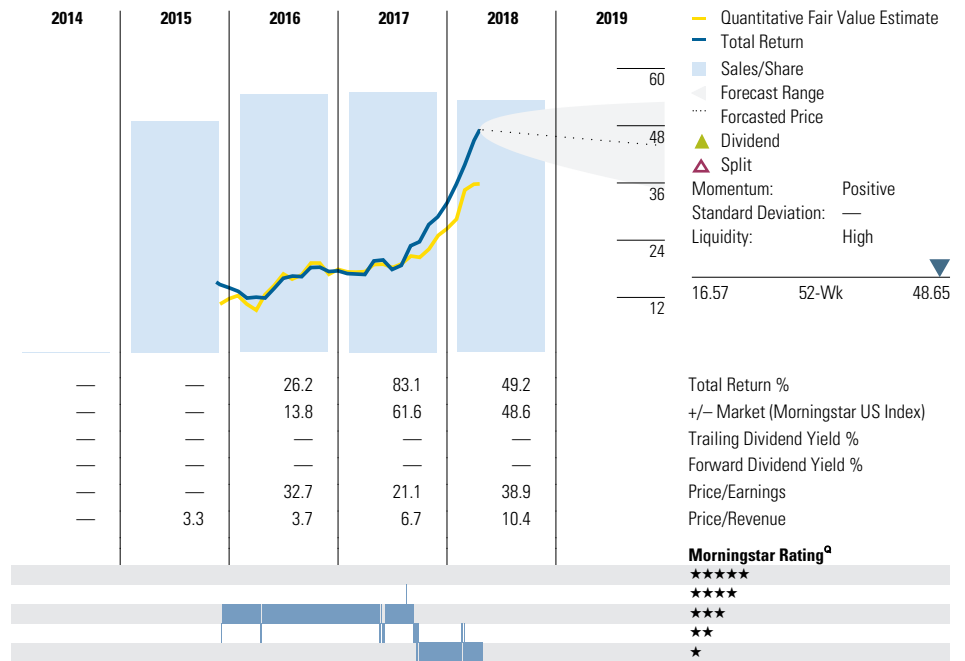
Profitability	Current		5-Yr Avg		Sector Median	Country Median
	Current	5-Yr Avg	Sector Median	Country Median		
Return on Equity %	70.2	34.0	12.3	12.4		
Return on Assets %	16.8	10.8	6.4	4.9		
Revenue/Employee (K)	950.5	—	445.3	315.0		

Financial Health	Current		5-Yr Avg		Sector Median	Country Median
	Current	5-Yr Avg	Sector Median	Country Median		
Distance to Default	0.5	—	0.6	0.5		
Solvency Score	463.3	—	463.5	555.1		
Assets/Equity	4.2	3.7	1.6	1.7		
Long-Term Debt/Equity	2.5	1.9	0.1	0.4		

Growth Per Share

	1-Year	3-Year	5-Year	10-Year
Revenue %	19.0	14.4	13.3	—
Operating Income %	14.3	16.4	14.1	—
Earnings %	81.8	28.9	—	—
Dividends %	—	—	—	—
Book Value %	-5.9	—	—	—
Stock Total Return %	159.1	—	—	—

Price vs. Quantitative Fair Value

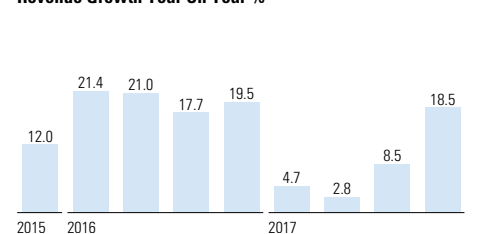


	2013	2014	2015	2016	2017	TTM	Financials (Fiscal Year in Mil)
Revenue	803	888	1,020	1,223	1,331	1,331	Revenue
% Change	12.6	10.6	14.9	19.8	8.8	0.0	% Change
Operating Income	221	229	194	306	361	361	Operating Income
% Change	18.6	3.3	-15.3	58.0	17.9	0.0	% Change
Net Income	125	148	120	171	350	350	Net Income
Operating Cash Flow	175	174	209	234	315	315	Operating Cash Flow
Capital Spending	-20	-22	-29	-49	-29	-29	Capital Spending
Free Cash Flow	155	152	180	185	286	286	Free Cash Flow
% Sales	19.3	17.1	17.6	15.1	21.5	21.5	% Sales
EPS	—	0.56	0.65	0.64	1.18	1.18	EPS
% Change	—	—	16.1	-1.5	84.4	0.0	% Change
Free Cash Flow/Share	—	—	0.60	0.80	0.79	0.97	Free Cash Flow/Share
Dividends/Share	—	—	—	—	—	—	Dividends/Share
Book Value/Share	—	—	3.88	1.74	1.90	1.82	Book Value/Share
Shares Outstanding (K)	—	—	248,263	255,717	274,290	275,053	Shares Outstanding (K)
Return on Equity %	15.0	18.1	22.3	44.2	70.2	70.2	Return on Equity %
Return on Assets %	9.7	11.4	7.4	8.6	16.8	16.8	Return on Assets %
Net Margin %	15.6	16.6	11.8	14.0	26.3	26.3	Net Margin %
Asset Turnover	0.62	0.68	0.63	0.62	0.64	0.64	Asset Turnover
Financial Leverage	1.5	1.6	6.9	4.1	4.2	4.2	Financial Leverage
Gross Margin %	89.3	86.5	82.6	80.9	79.0	79.0	Gross Margin %
Operating Margin %	27.6	25.7	19.0	25.0	27.1	27.1	Operating Margin %
Long-Term Debt	79	191	1,193	1,176	1,253	1,253	Long-Term Debt
Total Equity	835	800	279	497	501	501	Total Equity
Fixed Asset Turns	22.9	22.8	22.4	20.8	20.3	20.3	Fixed Asset Turns

Quarterly Revenue & EPS

Revenue (Mil)	Mar	Jun	Sep	Dec	Total
2017	298.8	309.6	343.4	378.9	1,330.7
2016	285.3	301.1	316.4	319.7	1,222.5
2015	235.1	248.8	269.0	267.6	1,020.4
2014	—	—	227.6	239.0	888.3
Earnings Per Share (I)					
2017	0.07	0.17	0.98	-0.05	1.18
2016	0.03	0.13	0.21	0.28	0.64
2015	—	—	—	0.36	0.65
2014	—	—	—	—	0.56

Revenue Growth Year On Year %



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i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

Narrow – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.

Wide – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.

None – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, and the Quantitative Uncertainty Rating. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

One-Star – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

Two-Star – the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

Three-Star – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

Four-Star – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative Uncertainty)*

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*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

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Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

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Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

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