As filed with the Securities and Exchange Commission on November 8, 2021

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2021

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________to__________

Commission File No. 001-34148

Match Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**59-2712887**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8750 North Central Expressway, Suite 1400, Dallas, Texas 75231
(Address of registrant's principal executive offices)

(214) 576-9352
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, par value $0.001	MTCH	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 29, 2021, there were 283,085,312 shares of common stock outstanding.

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PART I
FINANCIAL INFORMATION

Item 1. ***Consolidated Financial Statements***

MATCH GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (Unaudited)

	September 30, 2021	December 31, 2020
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	$ 511,311	$ 739,164
Short-term investments	11,874	—
Accounts receivable, net of allowance of $281 and $286, respectively	182,083	137,023
Net receivable from unwind of bond hedges and warrants	200,814	—
Other current assets	145,977	144,025
Total current assets	1,052,059	1,020,212
Property and equipment, net of accumulated depreciation and amortization of $186,254 and $169,321, respectively	145,652	107,799
Goodwill	2,427,450	1,270,532
Intangible assets, net of accumulated amortization of $30,548 and $15,551, respectively	793,002	230,900
Deferred income taxes	310,034	293,487
Other non-current assets	165,429	123,524
TOTAL ASSETS	$ 4,893,626	$ 3,046,454
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Accounts payable	$ 30,256	$ 29,200
Deferred revenue	267,085	239,088
Obligation related to the repurchase of the 2022 Exchangeable Notes	121,027	—
Accrued expenses and other current liabilities	329,586	231,748
Total current liabilities	747,954	500,036
Long-term debt, net	3,847,896	3,840,930
Income taxes payable	13,339	14,582
Deferred income taxes	137,712	17,213
Obligation related to the repurchase of the 2022 Exchangeable Notes	86,002	—
Other long-term liabilities	120,199	86,428
Redeemable noncontrolling interests	1,340	640
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Common stock; $0.001 par value; authorized 1,600,000,000 shares; 277,279,133 and 267,329,284 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	277	267
Additional paid-in capital	8,110,650	7,089,007
Retained deficit	(7,975,882)	(8,422,237)
Accumulated other comprehensive loss	(203,397)	(81,454)
Total Match Group, Inc. shareholders' equity	(68,352)	(1,414,417)
Noncontrolling interests	7,536	1,042
Total shareholders' equity	(60,816)	(1,413,375)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 4,893,626	$ 3,046,454

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

MATCH GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands, except per share data)			
Revenue	$ 801,835	$ 639,770	$ 2,177,207	$ 1,739,862
Operating costs and expenses:				
Cost of revenue (exclusive of depreciation shown separately below)	232,211	169,823	604,765	462,570
Selling and marketing expense	153,388	129,859	427,294	345,150
General and administrative expense	103,502	88,961	304,560	236,484
Product development expense	66,974	39,280	174,683	124,979
Depreciation	10,104	11,221	30,622	30,284
Amortization of intangibles	15,066	459	15,521	7,262
Total operating costs and expenses	581,245	439,603	1,557,445	1,206,729
Operating income	220,590	200,167	619,762	533,133
Interest expense	(31,850)	(32,009)	(95,907)	(98,654)
Other (expense) income, net	(39,212)	(1,923)	(40,886)	19,341
Earnings from continuing operations, before tax	149,528	166,235	482,969	453,820
Income tax provision	(18,627)	(26,122)	(38,200)	(14,776)
Net earnings from continuing operations	130,901	140,113	444,769	439,044
Earnings (loss) from discontinued operations, net of tax	—	508	509	(366,070)
Net earnings	130,901	140,621	445,278	72,974
Net loss (earnings) attributable to noncontrolling interests	309	586	1,077	(59,680)
Net earnings attributable to Match Group, Inc. shareholders	$ 131,210	$ 141,207	$ 446,355	$ 13,294
Net earnings per share from continuing operations:				
Basic	$ 0.47	$ 0.54	$ 1.64	$ 1.81
Diluted	$ 0.43	$ 0.47	$ 1.46	$ 1.59
Net earnings per share attributable to Match Group, Inc. shareholders:				
Basic	$ 0.47	$ 0.54	$ 1.64	$ 0.06
Diluted	$ 0.43	$ 0.47	$ 1.46	$ 0.06
Stock-based compensation expense by function:				
Cost of revenue	$ 1,960	$ 1,007	$ 3,961	$ 3,143
Selling and marketing expense	1,760	1,402	6,112	3,844
General and administrative expense	19,709	26,870	65,769	48,385
Product development expense	16,140	8,056	36,239	25,275
Total stock-based compensation expense	$ 39,569	$ 37,335	$ 112,081	$ 80,647

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

MATCH GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
	(In thousands)			
Net earnings	$ 130,901	$ 140,621	$ 445,278	$ 72,974
Other comprehensive (loss) income, net of tax				
Change in foreign currency translation adjustment	(99,321)	16,206	(122,066)	12,746
Change in unrealized losses on available-for-sale securities	—	—	—	(1)
Total other comprehensive (loss) income	(99,321)	16,206	(122,066)	12,745
Comprehensive income	31,580	156,827	323,212	85,719
Components of comprehensive loss (income) attributable to noncontrolling interests:				
Net loss (earnings) attributable to noncontrolling interests	309	586	1,077	(59,680)
Change in foreign currency translation adjustment attributable to noncontrolling interests	13	(5)	123	1,084
Comprehensive loss (income) attributable to noncontrolling interests	322	581	1,200	(58,596)
Comprehensive income attributable to Match Group, Inc. shareholders	$ 31,902	$ 157,408	$ 324,412	$ 27,123

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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MATCH GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited)

Three Months Ended September 30, 2021

		Match Group Shareholders' Equity								
		Common Stock $0.001 Par Value								
	Redeemable Noncontrolling Interests	$	Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Match Group Shareholders' Equity		Noncontrolling Interests	Total Shareholders' Equity
						(In thousands)				
Balance as of June 30, 2021	$ 1,240	$ 277	276,653	$ 8,068,659	$ (8,107,092)	$ (104,089)	$ (142,245)		$ 7,157	$ (135,088)
Net (loss) earnings for the three months ended September 30, 2021	(550)	—	—	—	131,210	—	131,210		241	131,451
Other comprehensive loss, net of tax	—	—	—	—	—	(99,308)	(99,308)		(13)	(99,321)
Stock-based compensation expense	—	—	—	41,648	—	—	41,648		—	41,648
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	—	626	4,201	—	—	4,201		—	4,201
Adjustment of redeemable noncontrolling interests to fair value	650	—	—	(650)	—	—	(650)		—	(650)
Noncontrolling interest created by the exercise of subsidiary denominated equity awards	—	—	—	—	—	—	—		151	151
Unwind of notes hedges and warrants	—	—	—	198,365	—	—	198,365		—	198,365
Exchangeable note obligation	—	—	—	(201,824)	—	—	(201,824)		—	(201,824)
Other	—	—	—	251	—	—	251		—	251
Balance as of September 30, 2021	$ 1,340	$ 277	277,279	$ 8,110,650	$ (7,975,882)	$ (203,397)	$ (68,352)		$ 7,536	$ (60,816)

MATCH GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)
Three Months Ended September 30, 2020

		Match Group Shareholders' Equity							
		Common Stock $0.001 Par Value							
	Redeemable Noncontrolling Interests	$	Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
						(In thousands)			
Balance as of June 30, 2020	$ (156)	$ 242	241,617	$ 6,874,542	$ (8,712,479)	$ (124,312)	$ (1,962,007)	$ 337	$ (1,961,670)
Net (loss) earnings for the three months ended September 30, 2020	(617)	—	—	—	141,207	—	141,207	31	141,238
Other comprehensive income, net of tax	—	—	—	—	—	16,201	16,201	5	16,206
Stock-based compensation expense	—	—	—	38,757	—	—	38,757	—	38,757
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	5	4,803	83,220	—	—	83,225	—	83,225
Issuance of Class M common stock	—	17	17,339	(17)	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	3,013	—	—	(3,013)	—	—	(3,013)	—	(3,013)
Other	—	—	—	(2,510)	—	—	(2,510)	—	(2,510)
Balance as of September 30, 2020	$ 2,240	$ 264	263,759	$ 6,990,979	$ (8,571,272)	$ (108,111)	$ (1,688,140)	$ 373	$ (1,687,767)

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MATCH GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)

Nine Months Ended September 30, 2021

	Redeemable Noncontrolling Interests	Match Group Shareholders' Equity: Common Stock $0.001 Par Value: $	Common Stock $0.001 Par Value: Shares	Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
					(In thousands)				
Balance as of December 31, 2020	$ 640	$ 267	267,329	$ 7,089,007	$ (8,422,237)	$ (81,454)	$ (1,414,417)	$ 1,042	$ (1,413,375)
Net (loss) earnings for the nine months ended September 30, 2021	(1,485)	—	—	—	446,355	—	446,355	408	446,763
Other comprehensive loss, net of tax	—	—	—	—	—	(121,943)	(121,943)	(123)	(122,066)
Stock-based compensation expense	—	—	—	117,735	—	—	117,735	—	117,735
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	4	4,021	30,175	—	—	30,179	—	30,179
Issuance of common stock for the acquisition of Hyperconnect	—	6	5,929	890,845	—	—	890,851	—	890,851
Adjustment of redeemable noncontrolling interests to fair value	2,185	—	—	(2,185)	—	—	(2,185)	—	(2,185)
Purchase of noncontrolling interest	—			943	—	—	943	(2,571)	(1,628)
Adjustment of noncontrolling interests to fair value	—	—	—	(1,835)	—	—	(1,835)	1,835	—
Noncontrolling interest created by the exercise of subsidiary denominated equity awards	—	—	—	(7,102)	—	—	(7,102)	7,253	151
Unwind of notes hedges and warrants	—	—	—	198,365	—	—	198,365	—	198,365
Exchangeable note obligation	—	—	—	(201,824)	—	—	(201,824)	—	(201,824)
Other	—	—	—	(3,474)	—	—	(3,474)	(308)	(3,782)
Balance as of September 30, 2021	$ 1,340	$ 277	277,279	$ 8,110,650	$ (7,975,882)	$ (203,397)	$ (68,352)	$ 7,536	$ (60,816)

MATCH GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)

Nine Months Ended September 30, 2020

		Match Group Shareholders' Equity												
		Common Stock $0.001 Par Value		Former IAC Common Stock $0.001 Par Value		Former IAC Class B Convertible Common Stock $0.001 Par Value								
	Redeemable Noncontrolling Interests	$	Shares	$	Shares	$	Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
										(In thousands)				
Balance as of December 31, 2019	$ 44,527	$ —	—	$ 263	263,230	$ 16	16,157	$ 11,378,160	$ 1,725,046	$ (136,349)	$ (10,309,612)	$ 2,657,524	$ 970,276	$ 3,627,800
Net (loss) earnings for the nine months ended September 30, 2020	(2,687)	—	—	—	—	—	—	—	13,294	—	—	13,294	62,367	75,661
Other comprehensive (loss) income, net of tax	(686)	—	—	—	—	—	—	—	—	13,829	—	13,829	(398)	13,431
Stock-based compensation expense	15	—	—	—	—	—	—	111,816	—	—	—	111,816	86,363	198,179
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	5	4,803	—	—	—	—	83,220	—	—	—	83,225	—	83,225
Issuance of Former IAC common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	1	453	—	—	(34,518)	—	—	—	(34,517)	—	(34,517)
Issuance of Former Match Group and ANGI Homeservices common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	—	—	(212,270)	—	628	—	(211,642)	(11,405)	(223,047)
Purchase of redeemable noncontrolling interests	(3,165)	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	7,820	—	—	—	—	—	—	(7,820)	—	—	—	(7,820)	—	(7,820)
Purchase of Match Group and ANGI treasury stock	—	—	—	—	—	—	—	(187,735)	—	—	—	(187,735)	—	(187,735)
Retirement of treasury stock	—	—	—	(184)	(184,340)	(10)	(10,368)	194	(10,309,612)	—	10,309,612	—	—	—
Exchange Former IAC common stock and Class B common stock for Match Group common stock and completion of the Separation	(43,583)	184	183,749	(80)	(79,343)	(6)	(5,789)	(4,745,520)	—	13,781	—	(4,731,641)	(498,792)	(5,230,433)
Acquire Former Match Group noncontrolling interest	—	58	57,868	—	—	—	—	608,110	—	—	—	608,168	(608,168)	—
Issuance of Class M common stock	—	17	17,339	—	—	—	—	(17)	—	—	—	—	—	—
Other	(1)	—	—	—	—	—	—	(2,641)	—	—	—	(2,641)	130	(2,511)
Balance as of September 30, 2020	$ 2,240	$ 264	263,759	$ —	—	$ —	—	$ 6,990,979	$ (8,571,272)	$ (108,111)	$ —	$ (1,688,140)	$ 373	$ (1,687,767)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

MATCH GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

	Nine Months Ended September 30,	
	2021	2020
	(In thousands)	
Cash flows from operating activities attributable to continuing operations:		
Net earnings	$ 445,278	$ 72,974
Add back: (earnings) loss from discontinued operations, net of tax	(509)	366,070
Net earnings from continuing operations	444,769	439,044
Adjustments to reconcile net earnings from continuing operations to net cash provided by operating activities attributable to continuing operations:		
Stock-based compensation expense	112,081	80,647
Depreciation	30,622	30,284
Amortization of intangibles	15,521	7,262
Deferred income taxes	(21,749)	925
Other adjustments, net	49,761	24,211
Changes in assets and liabilities		
Accounts receivable	(26,618)	(87,920)
Other assets	17,729	(26,132)
Accounts payable and other liabilities	(4,059)	18,281
Income taxes payable and receivable	18,443	5,315
Deferred revenue	30,425	26,928
Net cash provided by operating activities attributable to continuing operations	666,925	518,845
Cash flows from investing activities attributable to continuing operations:		
Acquisitions, net of cash	(863,258)	—
Capital expenditures	(52,811)	(32,376)
Net cash distribution related to Separation of IAC	—	(3,870,550)
Purchases of investments	—	(9,115)
Other, net	26	(93)
Net cash used in investing activities attributable to continuing operations	(916,043)	(3,912,134)
Cash flows from financing activities attributable to continuing operations:		
Borrowings under the Credit Facility	—	20,000
Proceeds from Senior Notes offerings	—	1,000,000
Principal payments on Credit Facility	—	(20,000)
Principal payments on Senior Notes	—	(400,000)
Debt issuance costs	(851)	(13,517)
Proceeds from stock offering	—	1,421,801
Proceeds from issuance of common stock pursuant to stock-based awards	45,587	79,528
Withholding taxes paid on behalf of employees on net settled stock-based awards of Former Match Group and Match Group	(15,726)	(211,958)
Purchase of Former Match Group treasury stock	—	(132,868)
Purchase of noncontrolling interests	(1,473)	(15,827)
Other, net	150	(15,188)
Net cash provided by financing activities attributable to continuing operations	27,687	1,711,971
Total cash used in continuing operations	(221,431)	(1,681,318)
Net cash provided by operating activities attributable to discontinued operations	—	13,630
Net cash used in investing activities attributable to discontinued operations	—	(963,420)
Net cash used in financing activities attributable to discontinued operations	—	(110,959)
Total cash used in discontinued operations	—	(1,060,749)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(6,429)	725
Net decrease in cash, cash equivalents, and restricted cash	(227,860)	(2,741,342)
Cash, cash equivalents, and restricted cash at beginning of period	739,302	3,140,358
Cash, cash equivalents, and restricted cash at end of period	$ 511,442	$ 399,016

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Match Group, Inc., through its portfolio companies, is a leading provider of digital technologies designed to help people make meaningful connections. Our global portfolio of brands includes Tinder®, Match®, Meetic®, OkCupid®, Hinge®, Pairs™, PlentyOfFish®, OurTime®, Azar®, Hakuna Live™, and more, each built to increase our users' likelihood of connecting with others. Through our trusted brands, we provide tailored services to meet the varying preferences of our users. Our services are available in over 40 languages to our users all over the world. Match Group has one operating segment, Connections, which is managed as a portfolio of brands.

As used herein, "Match Group," the "Company," "we," "our," "us," and similar terms refer to Match Group, Inc. and its subsidiaries, unless the context indicates otherwise.

Basis of Presentation and Consolidation

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). The consolidated financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. Intercompany transactions and accounts have been eliminated.

In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect, in management's opinion, all adjustments, consisting of normal and recurring adjustments, necessary for the fair presentation of our consolidated financial position, consolidated results of operations and consolidated cash flows for the periods presented. Interim results are not necessarily indicative of the results that may be expected for the full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the consolidated statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 included in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 17, 2021.

Accounting Estimates

Management of the Company is required to make certain estimates, judgments, and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments, and assumptions impact the reported amounts of assets, liabilities, revenue, and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

On an ongoing basis, the Company evaluates its estimates and judgments including those related to: the fair values of cash equivalents, the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of revenue reserves; the carrying value of right-of-use assets; the useful lives and recoverability of definite-lived intangible assets and property and equipment; the recoverability of goodwill and indefinite-lived intangible assets; the fair value of equity securities without readily determinable fair values; contingencies; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates and judgments on historical experience, its forecasts and budgets, and other factors that the Company considers relevant.

Accounting for Investments and Equity Securities

Investments in equity securities, other than those of our consolidated subsidiaries, are accounted for at fair value or under the measurement alternative of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, with any changes to fair value recognized within other income (expense), net each reporting period. Under the measurement alternative, equity investments without readily determinable fair values are carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or a similar investment of the same issuer; value is generally determined based on a market approach as of the transaction date. A security will be considered identical or similar if it has identical or similar rights to the equity securities held by the Company. The Company reviews its equity securities without readily determinable fair values for impairment each reporting period when there are qualitative factors or events that indicate possible impairment. Factors we consider in making this determination include negative change in industry and market conditions, financial performance, business prospects, and other relevant events and factors. When indicators of impairment exist, the Company prepares quantitative assessments of the fair value of our investments in equity securities, which require judgment and the use of estimates. When our assessment indicates that the fair value of the investment is below the carrying value, the Company writes down the security to its fair value and records the corresponding charge within other income (expense), net.

Revenue Recognition

Revenue is recognized when control of the promised services are transferred to our customers, and in the amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

Deferred Revenue

Deferred revenue consists of advance payments that are received or are contractually due in advance of the Company's performance. The Company’s deferred revenue is reported on a contract by contract basis at the end of each reporting period. The Company classifies deferred revenue as current when the term of the applicable subscription period or expected completion of our performance obligation is one year or less. The current deferred revenue balance as of December 31, 2020 was $239.1 million. During the nine months ended September 30, 2021, the Company recognized $237.7 million of revenue that was included in the deferred revenue balance as of December 31, 2020. The current deferred revenue balance at September 30, 2021 is $267.1 million. At September 30, 2021 and December 31, 2020, there was no non-current portion of deferred revenue.

Practical Expedients and Exemptions

As permitted under the practical expedient available under ASU No. 2014-09, *Revenue from Contracts with Customers,* the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which the Company recognizes revenue at the amount which we have the right to invoice for services performed.

Disaggregation of Revenue

The following table presents disaggregated revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands)			
Direct Revenue:				
Americas	$ 393,613	$ 336,792	$ 1,112,263	$ 916,730
Europe	217,680	181,627	603,281	492,167
APAC and Other	174,432	109,847	419,684	300,934
Total Direct Revenue	785,725	628,266	2,135,228	1,709,831
Indirect Revenue (principally advertising revenue)	16,110	11,504	41,979	30,031
Total Revenue	$ 801,835	$ 639,770	$ 2,177,207	$ 1,739,862

Recent Accounting Pronouncements

Accounting pronouncements adopted by the Company

In August 2020, the FASB issued ASU No. 2020-06, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the discount resulting from the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, *Derivatives and Hedging*, or (2) a convertible debt instrument was issued at a substantial premium. ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share, which results in increased dilutive securities as the assumption of cash settlement of the notes is not available for the purpose of calculating earnings per share. The provisions of ASU 2020-06 are effective for reporting periods beginning after December 15, 2021, with early adoption permitted for reporting periods beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis.

The Company early adopted ASU No. 2020-06 as of January 1, 2021 on a fully retrospective basis. The impact of adopting ASU No. 2020-06 is as follows:

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
	Prior to the adoption of ASU No. 2020-06	After adoption of ASU No. 2020-06	Effect of adoption of ASU No. 2020-06	Prior to the adoption of ASU No. 2020-06	After adoption of ASU No. 2020-06	Effect of adoption of ASU No. 2020-06
	(In thousands, except per share data)					
Statement of operations impacts						
Interest expense	$ 43,189	$ 32,009	$ (11,180)	$ 131,485	$ 98,654	$ (32,831)
Income tax provision	$ (23,568)	$ (26,122)	$ (2,554)	$ (7,257)	$ (14,776)	$ (7,519)
Net earnings from continuing operations	$ 131,487	$ 140,113	$ 8,626	$ 413,732	$ 439,044	$ 25,312
Net earnings per share from continuing operations:						
Basic	$ 0.51	$ 0.54	$ 0.03	$ 1.69	$ 1.81	$ 0.12
Diluted	$ 0.45	$ 0.47	$ 0.02	$ 1.53	$ 1.59	$ 0.06
Weighted average dilutive shares outstanding	289,950	305,696	15,746	225,399	239,398	13,999

	Prior to the adoption of ASU No. 2020-06	After adoption of ASU No. 2020-06	Effect of adoption of ASU No. 2020-06
		(In thousands)	
Balance sheet impacts at December 31, 2020:			
Non-current deferred tax asset	$ 224,013	$ 293,487	$ 69,474
Long-term debt, net	$ 3,534,706	$ 3,840,930	$ 306,224
Additional paid-in capital	$ 7,394,646	$ 7,089,007	$ (305,639)
Retained deficit	$ (8,491,126)	$ (8,422,237)	$ 68,889

The impact of the adoption of ASU No. 2020-06 at December 31, 2019 resulted in an increase to retained earnings of $35.1 million and a decrease in additional paid-in capital of $305.6 million.

As the adoption of ASU No. 2020-06 did not impact cash, the operating cash flows from continuing operations were not impacted. Certain reconciliation line items to net earnings from continuing operations were adjusted to reflect the impact of the adoption of ASU No. 2020-06.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2—INCOME TAXES

At the end of each interim period, the Company estimates the annual effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects, are individually computed and recognized in the interim period in which they occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of beginning-of-the-year deferred tax assets in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

The computation of the estimated annual effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of the realization of deferred tax assets generated in the current year. The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or our tax environment changes. To the extent that the estimated annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in the income tax provision in the quarter in which the change occurs.

For the three months ended September 30, 2021 and 2020, the Company recorded an income tax provision of $18.6 million and $26.1 million, respectively. The effective tax rates in both three month periods benefited from excess tax benefits generated by the exercise or vesting of stock-based awards. For the nine months ended September 30, 2021 and 2020, the Company recorded an income tax provision of $38.2 million and $14.8 million, respectively. The effective tax rates in both nine-month periods benefited from excess tax benefits generated by the exercise and vesting of stock-based awards, partially offset in the 2020 period by a non-recurring increase in the valuation allowance for foreign tax credits.

Match Group is routinely under audit by federal, state, local and foreign authorities in the area of income tax. These audits include a review of the timing and amount of income and deductions, and the allocation of such income and deductions among various tax jurisdictions. The Internal Revenue Service (“IRS”) has substantially completed its audit of the Company’s federal income tax returns for the years ended December 31, 2013 through 2017, resulting in reductions to the manufacturing tax deduction and research credits claimed. The statute of limitations for the years 2013 to 2017 has been extended to June 30, 2022. The IRS has begun its audit of the years ended December 31, 2018 through 2019. We are no longer subject to U.S.

federal income tax examinations for years prior to 2013. Returns filed in various other jurisdictions are open to examination for tax years beginning with 2009. Although we believe that we have adequately reserved for our uncertain tax positions, the final tax outcome of these matters may vary significantly from our estimates.

At both September 30, 2021 and December 31, 2020, unrecognized tax benefits, including interest and penalties, were $48.8 million and $46.7 million, respectively. If unrecognized tax benefits at September 30, 2021 are subsequently recognized, income tax expense would be reduced by $42.8 million, net of related deferred tax assets and interest. The comparable amount as of December 31, 2020 was $41.8 million. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by $1.8 million by September 30, 2022 due to settlements and expirations of statutes of limitations, all of which would reduce the income tax provision.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. Accruals of interest and penalties for the three months ended September 30, 2021 and 2020 were not material. At September 30, 2021 and December 31, 2020, noncurrent income taxes payable includes accrued interest and penalties of $1.5 million and $1.9 million, respectively.

As a result of the Company's separation from IAC/InterActiveCorp ("IAC"), temporary differences and tax attributes from our federal and consolidated state income tax filings were allocated between the Company and IAC. The allocation attributable to IAC resulted in an increase to the Company's net deferred tax asset and additional paid-in capital. A preliminary allocation attributable to the Company was recorded in 2020. Any subsequent adjustment to allocated tax attributes will be recognized as an adjustment to deferred taxes and additional paid-in capital. See "Note 11—Related Party Transactions" for amounts outstanding under the tax matters agreement with IAC.

NOTE 3—DISCONTINUED OPERATIONS

Pursuant to the terms of the transaction agreement dated as of December 19, 2019 (as amended, the "Transaction Agreement"), on June 30, 2020, the companies formerly known as Match Group, Inc. (referred to as "Former Match Group") and IAC/InterActiveCorp (referred to as "Former IAC") completed the separation of the Company from IAC through a series of transactions that resulted in two, separate public companies—(1) Match Group, which consists of the businesses of Former Match Group and certain financing subsidiaries previously owned by Former IAC, and (2) IAC, formerly known as IAC Holdings, Inc., consisting of Former IAC's businesses other than Match Group (the "Separation"). Accordingly, the businesses of Former IAC other than Match Group are presented as discontinued operations.

The key components of loss from discontinued operations for the three and nine months ended September 30, 2021 and 2020 consist of the following:

	Three Months Ended September 30,	Nine Months Ended September 30,	
	2020	2021	2020
		(In thousands)	
Revenue	$ —	$ —	$ 1,410,485
Operating costs and expenses	—	—	(1,840,178)
Operating loss	—	—	(429,693)
Interest expense	—	—	(3,772)
Other expense	—	—	(2,503)
Income tax benefit	508	509	69,898
Earnings (loss) from discontinued operations	$ 508	$ 509	$ (366,070)

NOTE 4—GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets, net, are as follows:

	September 30, 2021	December 31, 2020
	(In thousands)	
Goodwill	$ 2,427,450	$ 1,270,532
Intangible assets with indefinite lives	585,679	226,605
Intangible assets with definite lives, net	207,323	4,295
Total goodwill and intangible assets, net	$ 3,220,452	$ 1,501,432

The following table presents the balance of goodwill, including the changes in the carrying value of goodwill, for the nine months ended September 30, 2021:

	(In thousands)
Balance at December 31, 2020	$ 1,270,532
Additions	1,243,331
Foreign Exchange Translation	(86,413)
Balance at September 30, 2021	$ 2,427,450

On June 17, 2021, Match Group completed the acquisition of all capital stock of Hyperconnect, Inc. ("Hyperconnect"), a leading social discovery and video technology company based in Seoul, South Korea. The acquisition increases our presence in certain Asian markets and enhances the real-time video capabilities of Match Group. The accounting purchase price was $1.75 billion, net of cash acquired, which consists of $863.3 million of cash, net of cash acquired, and 5.9 million shares of Match Group common stock at a basis of the closing market price on the acquisition date. The purchase price has been preliminarily allocated to goodwill of $1.2 billion that is not deductible for tax purposes, intangible assets of $615.0 million with a related deferred tax liability of $135.4 million, and $31.2 million of other net assets. The allocation of the accounting purchase price is preliminary and will be finalized within the allowable measurement period.

Intangible assets with indefinite lives consist of trade names and trademarks acquired in various business acquisitions. At September 30, 2021 and December 31, 2020, intangible assets with definite lives are as follows:

	September 30, 2021			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Useful Life (Years)
		(In thousands)		
Customer lists	$ 128,304	$ (8,406)	$ 119,898	4.8
Patents and technology	101,001	(13,893)	87,108	4.2
Trade names	5,140	(4,946)	194	1.3
Other	3,426	(3,303)	123	2.8
Total	$ 237,871	$ (30,548)	$ 207,323	4.6

	December 31, 2020			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Useful Life (Years)
		(In thousands)		
Customer lists	$ 288	$ (288)	$ —	—
Patents and technology	11,044	(6,943)	4,101	9.3
Trade names	5,114	(5,114)	—	—
Other	3,400	(3,206)	194	3.0
Total	$ 19,846	$ (15,551)	$ 4,295	9.0

At September 30, 2021, future amortization of intangible assets with definite lives is estimated to be as follows:

	(In thousands)
Remainder of 2021	$ 12,832
2022	51,256
2023	48,989
2024	47,063
2025	34,862
2026 and thereafter	12,321
Total	$ 207,323

NOTE 5—FINANCIAL INSTRUMENTS

Equity securities without readily determinable fair values

At both September 30, 2021 and December 31, 2020, the carrying value of the Company's investments in equity securities without readily determinable fair values totaled $14.2 million, and is included in "Other non-current assets" in the accompanying consolidated balance sheet. The cumulative downward adjustments (including impairments) to the carrying value of equity securities without readily determinable fair values through September 30, 2021 were $2.1 million. For both the nine months ended September 30, 2021 and 2020, there were no adjustments to the carrying value of equity securities without readily determinable fair values.

For all equity securities without readily determinable fair values as of September 30, 2021 and December 31, 2020, the Company has elected the measurement alternative. For the three months ended September 30, 2021 and 2020, under the measurement alternative election, the Company did not identify any fair value adjustments using observable price changes in orderly transactions for an identical or similar investment of the same issuer.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.
- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded.

Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.

- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

	September 30, 2021		
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value Measurements
		(In thousands)	
Assets:			
Cash equivalents:			
Money market funds	$ 1,780	$ —	$ 1,780
Time deposits	—	6,948	6,948
Short-term investments:			
Time deposits	—	11,874	11,874
Total	$ 1,780	$ 18,822	$ 20,602

	December 31, 2020		
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value Measurements
		(In thousands)	
Assets:			
Cash equivalents:			
Money market funds	$ 147,615	$ —	$ 147,615
Time deposits	—	50,000	50,000
Total	$ 147,615	$ 50,000	$ 197,615

Assets measured at fair value on a nonrecurring basis

The Company's non-financial assets, such as goodwill, intangible assets, property and equipment, and right-of-use assets, are adjusted to fair value only when an impairment charge is recognized. The Company's financial assets, comprised of equity securities without readily determinable fair values, are adjusted to fair value when observable price changes are identified or an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Financial instruments measured at fair value only for disclosure purposes

The following table presents the carrying value and the fair value of financial instruments measured at fair value only for disclosure purposes.

	September 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, net [(a) (b)]	$ (3,847,896)	$ (6,385,431)	$ (3,840,930)	$ (6,267,976)

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(a) At September 30, 2021 and December 31, 2020, the carrying value of long-term debt, net includes unamortized original issue discount and debt issuance costs of $44.6 million and $51.6 million, respectively.

(b) At September 30, 2021, the fair value of the of the 2022 Exchangeable Notes, 2026 Exchangeable Notes, and 2030 Exchangeable Notes is $1,846.4 million, $1,080.4 million, and $1,148.0 million, respectively. At December 31, 2020, the fair value of the of the 2022 Exchangeable Notes, 2026 Exchangeable Notes, and 2030 Exchangeable Notes is $1,780.3 million, $1,052.1 million, and $1,113.9 million, respectively.

At September 30, 2021 and December 31, 2020, the fair value of long-term debt, net, is estimated using observable market prices or indices for similar liabilities, which are Level 2 inputs.

Embedded derivative associated with repurchase of 2022 Exchangeable Notes

On September 22, 2021, we entered into privately negotiated agreements with a limited number of holders of the 2022 Exchangeable Notes to repurchase a portion of the outstanding 2022 Exchangeable Notes. The Company determined that the terms of the repurchase agreements included an embedded derivative, indexed to the value of the Company's stock, that required bifurcation and separate accounting as a derivative liability under ASC Topic 815, *Derivatives and Hedging*. The Company measures embedded derivatives at their estimated fair value and recognizes changes in their estimated fair value in net income during the current reporting period.

At the inception of these agreements on September 22, 2021, the fair value of the embedded derivative was zero and the number of shares to be issued to holders of the 2022 Exchangeable Notes was not yet determinable. At September 30, 2021, under the terms of the agreements, the number of shares to be issued became fixed at 5.5 million. The corresponding loss of $38.6 million, related to the change in the fair value of the embedded derivative, which was driven by an increase in our stock price from September 22, 2021 to September 30, 2021, was recorded within other expense, net in the statement of operations. The fair value of the embedded derivative of $38.6 million is included as a liability within accrued expenses and other current liabilities on the balance sheet as of September 30, 2021.

We completed the repurchase of a portion of the 2022 Exchangeable Notes on October 4, 2021 and settled the transaction that created the embedded derivative. Refer to "Note 12—Subsequent Events" for additional information on the closing. We will recognize a gain from the decrease in our stock price from September 30, 2021 to October 4, 2021 in the fourth quarter of 2021 related to further changes in the fair value of this derivative prior to settlement of the related agreements.

NOTE 6—LONG-TERM DEBT, NET

Long-term debt consists of:

	September 30, 2021	December 31, 2020
	(In thousands)	
Revolving Credit Facility due February 13, 2025 (the “Credit Facility”)	$ —	$ —
Term Loan due February 13, 2027 (the “Term Loan”)	425,000	425,000
5.00% Senior Notes due December 15, 2027 (the “5.00% Senior Notes”); interest payable each June 15 and December 15	450,000	450,000
4.625% Senior Notes due June 1, 2028 (the “4.625% Senior Notes”); interest payable each June 1 and December 1	500,000	500,000
5.625% Senior Notes due February 15, 2029 (the “5.625% Senior Notes”); interest payable each February 15 and August 15	350,000	350,000
4.125% Senior Notes due August 1, 2030 (the “4.125% Senior Notes”); interest payable each February 1 and August 1	500,000	500,000
0.875% Exchangeable Senior Notes due October 1, 2022 (the “2022 Exchangeable Notes”); interest payable each April 1 and October 1	517,499	517,500
0.875% Exchangeable Senior Notes due June 15, 2026 (the “2026 Exchangeable Notes”); interest payable each June 15 and December 15	575,000	575,000
2.00% Exchangeable Senior Notes due January 15, 2030 (the “2030 Exchangeable Notes”); interest payable each January 15 and July 15	575,000	575,000
Total debt	3,892,499	3,892,500
Less: Unamortized original issue discount	5,422	6,029
Less: Unamortized debt issuance costs	39,181	45,541
Total long-term debt, net	$ 3,847,896	$ 3,840,930

Credit Facility and Term Loan

Our wholly-owned subsidiary, Match Group Holdings II, LLC (“MG Holdings II”) is the borrower under a credit agreement (as amended, the “Credit Agreement”) that provides for the Credit Facility and the Term Loan.

The Credit Facility has a borrowing capacity of $750 million and matures on February 13, 2025. At both September 30, 2021 and December 31, 2020, there were no outstanding borrowings under the Credit Facility. At September 30, 2021 there was $0.4 million in outstanding letters of credit and $749.6 million of availability under the Credit Facility. At December 31, 2020 there was $0.2 million in outstanding letters of credit and $749.8 million of availability under the Credit Facility. The annual commitment fee on undrawn funds, which is based on MG Holdings II’s consolidated net leverage ratio, was 25 basis points as of September 30, 2021. Borrowings under the Credit Facility bear interest, at MG Holdings II’s option, at a base rate or LIBOR, in each case plus an applicable margin, based on MG Holdings II’s consolidated net leverage ratio. If MG Holdings II borrows under the Credit Facility, it will be required to maintain a consolidated net leverage ratio of not more than 5.0 to 1.0.

At both September 30, 2021 and December 31, 2020, the outstanding balance on the Term Loan was $425 million. The Term Loan bears interest at LIBOR plus 1.75%, which was 1.87% and 1.96% at September 30, 2021 and December 31, 2020, respectively. The Term Loan matures on February 13, 2027. Interest payments are due at least quarterly through the term of the loan. The Term Loan provides for annual principal payments as part of an excess cash flow sweep provision, the amount of which, if any, is governed by the secured net leverage ratio as set forth in the Credit Agreement.

On March 26, 2021, MG Holdings II amended the Credit Agreement to provide for a $400 million Delayed Draw Term Loan, the proceeds of which could have been used only to finance a portion of the consideration for the acquisition of Hyperconnect, Inc. The Delayed Draw Term Loan was terminated effective June 18, 2021, in accordance with its terms.

The Credit Agreement includes covenants that would limit the ability of MG Holdings II to pay dividends, make distributions, or repurchase MG Holdings II's stock in the event MG Holdings II's secured net leverage ratio exceeds 2.0 to 1.0, while the Term Loan remains outstanding and, thereafter, if MG Holdings II's consolidated net leverage ratio exceeds 4.0 to 1.0, or if an event of default has occurred. The Credit Agreement includes additional covenants that limit the ability of MG Holdings II and its subsidiaries to, among other things, incur indebtedness, pay dividends or make distributions. Obligations under the Credit Facility and Term Loan are unconditionally guaranteed by certain MG Holdings II wholly-owned domestic subsidiaries and are also secured by the stock of certain MG Holdings II domestic and foreign subsidiaries. The Term Loan and outstanding borrowings, if any, under the Credit Facility, rank equally with each other, and have priority over the Senior Notes to the extent of the value of the assets securing the borrowings under the Credit Agreement.

Senior Notes

The 5.00% Senior Notes were issued on December 4, 2017. At any time prior to December 15, 2022, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The 4.625% Senior Notes were issued on May 19, 2020. At any time prior to June 1, 2023, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The 5.625% Senior Notes were issued on February 15, 2019. At any time prior to February 15, 2024, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The 4.125% Senior Notes were issued on February 11, 2020. At any time prior to May 1, 2025, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The indenture governing the 5.00% Senior Notes contains covenants that would limit MG Holdings II's ability to pay dividends or to make distributions and repurchase or redeem MG Holdings II's stock in the event a default has occurred or MG Holdings II's consolidated leverage ratio (as defined in the indenture) exceeds 5.0 to 1.0. No such limitations were in effect at September 30, 2021. There are additional covenants in the 5.00% Senior Notes indenture that limit the ability of MG Holdings II and its subsidiaries to, among other things, (i) incur indebtedness, make investments, or sell assets in the event MG Holdings II is not in compliance with specified financial ratios, and (ii) incur liens, enter into agreements restricting their ability to pay dividends, enter into transactions with affiliates, or consolidate, merge or sell substantially all of their assets. The indentures governing the 4.125%, 4.625%, and 5.625% Senior Notes are less restrictive than the indenture governing the 5.00% Senior Notes and generally only limit MG Holdings II's and its subsidiaries' ability to, among other things, create liens on assets, or consolidate, merge, sell or otherwise dispose of all or substantially all of their assets.

The Senior Notes all rank equally in right of payment.

Exchangeable Notes

During 2017, Match Group FinanceCo, Inc., a direct, wholly-owned subsidiary of the Company, issued $517.5 million aggregate principal amount of its 2022 Exchangeable Notes. During 2019, Match Group FinanceCo 2, Inc. and Match Group FinanceCo 3, Inc., direct, wholly-owned subsidiaries of the Company, issued

$575.0 million aggregate principal amount of its 2026 Exchangeable Notes, and $575.0 million aggregate principal amount of its 2030 Exchangeable Notes, respectively.

The 2022, 2026, and 2030 Exchangeable Notes (collectively the "Exchangeable Notes") are guaranteed by the Company but are not guaranteed by MG Holdings II or any of its subsidiaries.

The following table presents details of the exchangeable features:

	Number of shares of the Company's Common Stock into which each $1,000 of Principal of the Exchangeable Notes is Exchangeable[(a)]	Approximate Equivalent Exchange Price per Share[(a)]	Exchangeable Date
2022 Exchangeable Notes	22.7331	$ 43.99	July 1, 2022
2026 Exchangeable Notes	11.4259	$ 87.52	March 15, 2026
2030 Exchangeable Notes	11.8739	$ 84.22	October 15, 2029

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(a) Subject to adjustment upon the occurrence of specified events.

As more specifically set forth in the applicable indentures, the Exchangeable Notes are exchangeable under the following circumstances:

(1) during any calendar quarter (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the exchange price on each applicable trading day;

(2) during the five-business day period after any five-consecutive trading day period (the "measurement period") in which the trading price per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the exchange rate on each such trading day;

(3) if the issuer calls the notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or

(4) upon the occurrence of specified corporate events as further described in the indentures governing the respective Exchangeable Notes.

On or after the respective exchangeable dates noted in the table above, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may exchange all or any portion of their Exchangeable Notes regardless of the foregoing conditions. Upon exchange, the issuer, in its sole discretion, has the option to settle the Exchangeable Notes with cash, shares of the Company's common stock, or a combination of cash and shares of the Company's common stock. Any shares issued in further settlement of the notes would be offset by shares received upon exercise of the Exchangeable Note Hedges (described below).

The Company's 2022, 2026, and 2030 Exchangeable Notes were exchangeable as of September 30, 2021. $1,000 of the 2022 Exchangeable Notes were settled during the three and nine months ended September 30, 2021; no Exchangeable Notes were exchanged during the year ended December 31, 2020.

The following table presents the if-converted value that exceeded the principal of each note based on the Company's stock price on September 30, 2021 and December 31, 2020.

	September 30, 2021	December 31, 2020
	(In millions)	
2022 Exchangeable Notes	$ 1,329.4	$ 1,261.2
2026 Exchangeable Notes	$ 456.4	$ 418.3
2030 Exchangeable Notes	$ 496.8	$ 457.2

Additionally, each of Match Group FinanceCo 2, Inc. and Match Group FinanceCo 3, Inc. may redeem for cash all or any portion of its applicable notes, at its option, on or after June 20, 2023 and July 20, 2026, respectively, if the last reported sale price of the Company's common stock has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive), including at least one of the five trading days immediately preceding the date on which the notice of redemption is provided, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the applicable issuer provides notice of redemption, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The following table sets forth the components of the Exchangeable Senior Notes within long-term debt, net:

	September 30, 2021			December 31, 2020		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Principal	$ 517,499	$ 575,000	$ 575,000	$ 517,500	$ 575,000	$ 575,000
Less: Unamortized debt issuance costs	3,754	7,522	8,883	6,511	8,700	9,627
Net carrying value included in long-term debt, net	$ 513,745	$ 567,478	$ 566,117	$ 510,989	$ 566,300	$ 565,373

The following table sets forth interest expense recognized related to the Exchangeable Senior Notes:

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Contractual interest expense	$ 1,132	$ 1,257	$ 2,875	$ 1,132	$ 1,257	$ 2,875
Amortization of debt issuance costs	930	390	244	915	386	239
Total interest expense recognized	$ 2,062	$ 1,647	$ 3,119	$ 2,047	$ 1,643	$ 3,114

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Contractual interest expense	$ 3,396	$ 3,773	$ 8,625	$ 3,396	$ 3,773	$ 8,625
Amortization of debt issuance costs	2,757	1,178	744	2,718	1,146	711
Total interest expense recognized	$ 6,153	$ 4,951	$ 9,369	$ 6,114	$ 4,919	$ 9,336

The effective interest rates for the 2022, 2026, and 2030 Exchangeable Notes are 1.6%, 1.2%, and 2.2%, respectively.

Repurchase of 2022 Exchangeable Notes

In September 2021, we entered into agreements to repurchase approximately $414 million aggregate principal amount of our outstanding 2022 Exchangeable Notes and commenced a private offering of $500 million aggregate principal amount of senior notes due 2031.

In connection with these transactions, our balance sheet as of September 30, 2021 reflects an obligation to pay cash in excess of the principal amount of the 2022 Exchangeable Notes we agreed to repurchase, which has been allocated between current and long-term liabilities in relation to the amounts expected to be funded by short and long-term assets, respectively.

See “Note 5—Financial Instruments” for additional information regarding the embedded derivative associated with the repurchase of the 2022 Exchangeable Notes and see “Exchangeable Notes Hedges and Warrants” below for additional information regarding the unwind of the related notes hedges and warrants. See “Note 12—Subsequent Events” for additional information regarding the closing of these and related transactions.

Exchangeable Notes Hedges and Warrants

In connection with the Exchangeable Notes offerings, the Company purchased call options allowing the Company to purchase initially (subject to adjustment upon the occurrence of specified events) the same number of shares that would be issuable upon the exchange of the applicable Exchangeable Notes at the prices per share set forth below (the “Exchangeable Notes Hedge”), and sold warrants allowing the counterparty to purchase (subject to adjustment upon the occurrence of specified events) shares at the per share prices set forth below (the “Exchangeable Notes Warrants”).

The Exchangeable Notes Hedges are expected to reduce the potential dilutive effect on the Company’s common stock upon any exchange of notes and/or offset any cash payment Match Group FinanceCo, Inc., Match Group FinanceCo 2, Inc. or Match Group FinanceCo 3, Inc. is required to make in excess of the principal amount of the exchanged notes. The Exchangeable Notes Warrants have a dilutive effect on the Company’s common stock to the extent that the market price per share of the Company common stock exceeds their respective strike prices.

On September 23, 2021, we entered into agreements to unwind a portion of the 2022 Exchangeable Notes Hedges and 2022 Exchangeable Notes Warrants for cash, each representing 9.4 million underlying shares, resulting in a net asset receivable at September 30, 2021 of $200.8 million.

The following tables present details of the Exchangeable Notes Hedges and Warrants as of September 30, 2021 following the unwind transactions described above:

	Number of Shares[a]	Approximate Equivalent Exchange Price per Share[a]
	(Shares in millions)	
2022 Exchangeable Notes Hedge	2.4	$ 43.99
2026 Exchangeable Notes Hedge	6.6	$ 87.52
2030 Exchangeable Notes Hedge	6.8	$ 84.22

	Number of Shares[a]	Weighted Average Strike Price per Share[a]
	(Shares in millions)	
2022 Exchangeable Notes Warrants	2.4	$ 68.22
2026 Exchangeable Notes Warrants	6.6	$ 134.76
2030 Exchangeable Notes Warrants	6.8	$ 134.82

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[a] Subject to adjustment upon the occurrence of specified events.

NOTE 7—ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the components of accumulated other comprehensive loss and items reclassified out of accumulated other comprehensive loss into earnings.

	Three Months Ended September 30, 2021	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Loss
	(In thousands)	
Balance at July 1	$ (104,089)	$ (104,089)
Other comprehensive loss	(99,308)	(99,308)
Balance at September 30	$ (203,397)	$ (203,397)

	Three Months Ended September 30, 2020	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive (Loss) Income
	(In thousands)	
Balance at July 1	$ (124,312)	$ (124,312)
Other comprehensive income before reclassifications	16,205	16,205
Amounts reclassified into earnings	(4)	(4)
Net period other comprehensive income	16,201	16,201
Balance at September 30	$ (108,111)	$ (108,111)

	Nine Months Ended September 30, 2021	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Loss
	(In thousands)	
Balance at January 1	$ (81,454)	$ (81,454)
Other comprehensive loss	(121,943)	(121,943)
Balance at September 30	$ (203,397)	$ (203,397)

	Nine Months Ended September 30, 2020		
	Foreign Currency Translation Adjustment	Unrealized Loss on Available-For-Sale Security	Accumulated Other Comprehensive (Loss) Income
	(In thousands)		
Balance at January 1	$ (136,349)	$ —	$ (136,349)
Other comprehensive income (loss) before reclassifications	13,998	(1)	13,997
Amounts reclassified into earnings	(168)	—	(168)
Net period other comprehensive income (loss)	13,830	(1)	13,829
Allocation of accumulated other comprehensive loss related to the noncontrolling interests	628	—	628
Separation of IAC	13,780	1	13,781
Balance at September 30	$ (108,111)	$ —	$ (108,111)

At both September 30, 2021 and 2020, there was no tax benefit or provision on the accumulated other comprehensive loss.

NOTE 8—EARNINGS PER SHARE

As a result of the Separation on June 30, 2020, weighted average basic and dilutive shares outstanding for all periods prior to the Separation reflect the share position of Former IAC multiplied by the Separation exchange ratio of 2.1584. The following table sets forth the computation of the basic and diluted earnings per share attributable to Match Group shareholders:

	Three Months Ended September 30,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator				
Net earnings from continuing operations	$ 130,901	$ 130,901	$ 140,113	$ 140,113
Net loss attributable to noncontrolling interests	309	309	586	586
Impact from subsidiaries' dilutive securities from continuing operations	—	(51)	—	(395)
Interest on dilutive Exchangeable Notes, net of income tax[b]	—	4,075	—	4,070
Net earnings from continuing operations attributable to Match Group, Inc. shareholders	$ 131,210	$ 135,234	$ 140,699	$ 144,374
Net earnings from discontinued operations attributable to shareholders	$ —	$ —	$ 508	$ 508
Net earnings attributable to Match Group, Inc. shareholders	$ 131,210	$ 135,234	$ 141,207	$ 144,882
Denominator				
Weighted average basic shares outstanding	276,955	276,955	260,744	260,744
Dilutive securities[c][d]	—	14,834	—	19,790
Dilutive shares from Exchangeable Notes, if-converted[b]	—	25,162	—	25,162
Denominator for earnings per share—weighted average shares[b][c][d]	276,955	316,951	260,744	305,696
Earnings per share:				
Earnings per share from continuing operations	$ 0.47	$ 0.43	$ 0.54	$ 0.47
Earnings per share from discontinued operations, net of tax	$ —	$ —	$ 0.00	$ 0.00
Earnings per share attributable to Match Group, Inc. shareholders	$ 0.47	$ 0.43	$ 0.54	$ 0.47

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

	Nine Months Ended September 30,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator				
Net earnings from continuing operations	$ 444,769	$ 444,769	$ 439,044	$ 439,044
Net loss (earnings) attributable to noncontrolling interests	1,077	1,077	(59,999)	(59,999)
Impact from subsidiaries' dilutive securities from continuing operations[a]	—	(907)	—	(9,823)
Interest on dilutive Exchangeable Notes, net of income tax[b]	—	12,225	—	12,209
Net earnings from continuing operations attributable to Match Group, Inc. shareholders	$ 445,846	$ 457,164	$ 379,045	$ 381,431
Earnings (loss) from discontinued operations, net of tax	$ 509	$ 509	$ (366,070)	$ (366,070)
Net loss attributable to noncontrolling interests of discontinued operations	—	—	319	319
Impact from subsidiaries' dilutive securities from discontinued operations[a]	—	—	—	(240)
Net earnings (loss) from discontinued operations attributable to shareholders	509	509	(365,751)	(365,991)
Net earnings attributable to Match Group, Inc. shareholders	$ 446,355	$ 457,673	$ 13,294	$ 15,440
Denominator				
Weighted average basic shares outstanding	272,316	272,316	209,113	209,113
Dilutive securities[c][d]	—	15,439	—	11,432
Dilutive shares from Exchangeable Notes, if-converted[b]	—	25,162	—	18,853
Denominator for earnings per share—weighted average shares[b][c][d]	272,316	312,917	209,113	239,398
Earnings per share:				
Earnings per share from continuing operations	$ 1.64	$ 1.46	$ 1.81	$ 1.59
Earnings (loss) per share from discontinued operations, net of tax	$ 0.00	$ 0.00	$ (1.75)	$ (1.53)
Earnings per share attributable to Match Group, Inc. shareholders	$ 1.64	$ 1.46	$ 0.06	$ 0.06

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(a) Former IAC had the option to settle certain Former Match Group and ANGI Homeservices ("ANGI") stock-based awards with Former IAC shares. For the nine months ended September 30, 2020, it was more dilutive for Former Match Group to settle certain Former Match Group equity awards and ANGI to settle certain ANGI equity awards.

(b) The Company uses the if-converted method for calculating the dilutive impact of the outstanding Exchangeable Notes. For the three and nine months ended September 30, 2021, the Company adjusted net earnings from continuing operations attributable to Match Group, Inc. shareholders for the cash interest expense, net of income taxes, incurred on the 2022, 2026, and 2030 Exchangeable Notes and dilutive shares were included for the same set of notes at the Match Group exchange rates. For the three and nine months ended September 30, 2020, the Company adjusted net earnings from continuing operations attributable to Match Group, Inc. shareholders for the cash interest expense, net of income taxes, incurred on the 2022, 2026, and 2030 Exchangeable Notes and dilutive shares were included for the same set of notes at the Former IAC exchange rates multiplied by the Separation exchange ratio.

(c) If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock options, warrants, and subsidiary denominated equity and vesting of restricted stock units. For both the three and nine months ended September 30, 2021, 1.3 million potentially dilutive securities, and for both the three and nine months ended September 30, 2020, 13.4 million potentially dilutive securities, are excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

(d) Market-based awards and performance-based units ("PSUs") are considered contingently issuable shares. Shares issuable upon exercise or vesting of market-based awards and PSUs are included in the denominator for earnings per share if (i) the applicable market or performance condition(s) has been met and (ii) the inclusion of the market-based awards and PSUs is dilutive for the respective reporting periods. For both the three and nine months ended September 30, 2021, 0.6 million shares underlying market-based awards and PSUs, and for both the three and nine months ended September 30, 2020, 0.3 million shares underlying market-based awards and PSUs, were excluded from the calculation of diluted earnings per share because the market or performance conditions had not been met.

NOTE 9—CONSOLIDATED FINANCIAL STATEMENT DETAILS

Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheet to the total amounts shown in the consolidated statement of cash flows:

	September 30, 2021	December 31, 2020	September 30, 2020	December 31, 2019
		(In thousands)		
Cash and cash equivalents	$ 511,311	$ 739,164	$ 398,884	$ 465,676
Restricted cash included in other current assets	131	138	132	127
Cash, cash equivalents, and restricted cash included in current assets of discontinued operations	—	—	—	2,674,146
Restricted cash included in non-current assets of discontinued operations	—	—	—	409
Total cash, cash equivalents, and restricted cash as shown on the consolidated statement of cash flows	$ 511,442	$ 739,302	$ 399,016	$ 3,140,358

NOTE 10—CONTINGENCIES

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See "Note 2—Income Taxes" for additional information related to income tax contingencies.

Pursuant to the Transaction Agreement, we have agreed to indemnify IAC for matters relating to any business of Former Match Group, including indemnifying IAC for costs related to the matters described below.

The official names of legal proceedings in the descriptions below (shown in italics) reflect the original names of the parties when the proceedings were filed as opposed to the current names of the parties following the separation of Match Group and IAC.

Tinder Optionholder Litigation Against Former Match Group and Match Group

On August 14, 2018, ten then-current and former employees of Match Group, LLC or Tinder, Inc. (“Tinder”), a former subsidiary of Former Match Group, filed a lawsuit in New York state court against Former Match Group and Match Group. *See Sean Rad et al. v. IAC/InterActiveCorp and Match Group, Inc.*, No. 654038/2018 (Supreme Court, New York County). The complaint alleges that in 2017, the defendants: (i) wrongfully interfered with a contractually established process for the independent valuation of Tinder by certain investment banks, resulting in a substantial undervaluation of Tinder and a consequent underpayment to the plaintiffs upon exercise of their Tinder stock options, and (ii) then wrongfully merged Tinder into Former Match Group, thereby depriving certain of the plaintiffs of their contractual right to later valuations of Tinder on a stand-alone basis. The complaint asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, interference with contractual relations (as against Former Match Group only), and interference with prospective economic advantage, and seeks compensatory damages in the amount of at least $2 billion, as well as punitive damages. On August 31, 2018, four plaintiffs who were still employed by Former Match Group filed a notice of discontinuance of their claims without prejudice, leaving the six former employees as the remaining plaintiffs. On June 13, 2019, the court issued a decision and order granting defendants’ motion to dismiss the claims for breach of the implied covenant of good faith and fair dealing and for unjust enrichments, as well as the merger-related claim for breach of contract as to two of the remaining six plaintiffs, and otherwise denying defendants’ motion to dismiss. On July 13, 2020, the four former plaintiffs filed arbitration demands with the American Arbitration Association asserting the same valuation claims and on September 3, 2020, the four arbitrations were consolidated. The four former plaintiffs’ request to stay the arbitration was denied on January 28, 2021, and arbitration is scheduled to begin on February 7, 2022. On August 24, 2021, the arbitrator granted our summary judgement with respect to the merger claims. On June 9, 2021, the plaintiffs in *Rad* filed a Note of Issue and Certificate of Readiness for Trial in which they amended the amount of damages they are now claiming to “[m]ore than $5.6 billion”. On October 1, 2021, the court granted defendants’ motion for summary judgment on plaintiffs’ tort claims and breach of contract claims regarding the merger. Trial is scheduled to begin on November 8, 2021. Our consolidated financial statements do not reflect any provision for a loss with respect to this lawsuit, as we do not believe there is a probable likelihood of an unfavorable outcome. However, given the uncertainties inherent in jury trials and that trial is now imminent, there is at least a reasonable possibility of an exposure to loss, which could be anywhere between a nominal amount and $2.5 billion. We believe that the allegations against Former Match Group and Match Group in this lawsuit are without merit and will continue to defend vigorously against them.

FTC Lawsuit Against Former Match Group

On September 25, 2019, the United States Federal Trade Commission (the “FTC”) filed a lawsuit in federal district court in Texas against Former Match Group. *See FTC v. Match Group, Inc.*, No. 3:19:cv-02281-K (Northern District of Texas). The complaint alleges that, prior to mid-2018, for marketing purposes Match.com notified non-paying users that other users were attempting to communicate with them, even though Match.com had identified those subscriber accounts as potentially fraudulent, thereby inducing non-paying users to subscribe and exposing them to the risk of fraud should they subscribe. The complaint also challenges the adequacy of Match.com’s disclosure of the terms of its six-month guarantee, the efficacy of its cancellation process, and its handling of chargeback disputes. The complaint seeks among other things permanent injunctive relief, civil penalties, restitution, disgorgement, and costs of suit. On October 9, 2020, the court granted the Company’s motion to stay the case until the United States Supreme Court issues a decision in the consolidated appeal of *Federal Trade Commission v. Credit Bureau Center, LLC* and *AMG Capital Management, LLC v. FTC.* On April 22, 2021, the Supreme Court issued its decision, rejecting that the FTC has the ability to seek equitable monetary relief using Section 13(b) of the FTC Act. Our consolidated financial statements do not reflect any provision for a loss with respect to this lawsuit, as we do not believe there is a probable likelihood of an unfavorable outcome.

We believe that the FTC's claims regarding Match.com's practices, policies, and procedures are without merit and will defend vigorously against them.

NOTE 11—RELATED PARTY TRANSACTIONS

Relationship with IAC following the Separation

In connection with the Separation, the Company entered into certain agreements with IAC to govern the relationship between the Company and IAC following the Separation. These agreements, in certain cases, supersede the agreements entered into between Former Match Group and Former IAC in connection with Former Match Group's IPO in November 2015 (the "IPO Agreements") and include: a tax matters agreement; a transition services agreement; and an employee matters agreement. The IPO Agreements that were not superseded were terminated at closing of the Separation.

In addition to the agreements entered into at the time of the Separation, Match Group leases office space to IAC in a building owned by the Company in Los Angeles. Match Group also leased office space from IAC in New York City through June 2021. For the three and nine months ended September 30, 2021, the Company received less than $0.1 million from IAC pursuant to the Los Angeles lease. For the nine months ended September 30, 2021, the Company paid $0.3 million to IAC pursuant to the New York City lease.

Match Group has a receivable balance of $0.2 million due from IAC at September 30, 2021.

Tax Matters Agreement

Pursuant to the tax matters agreement, each of Match Group and IAC is responsible for certain tax liabilities and obligations following the transfer by Former IAC (i) to Match Group of certain assets and liabilities of, or related to, the businesses of Former IAC (other than Former Match Group) and (ii) to holders of Former IAC common stock and Former IAC Class B common stock, as a result of the reclassification and mandatory exchange of certain series of Former IAC exchangeable preferred stock (collectively, the "IAC Distribution"). Under the tax matters agreement, IAC generally is responsible for, and has agreed to indemnify Match Group against, any liabilities incurred as a result of the failure of the IAC Distribution to qualify for the intended tax-free treatment unless, subject to certain exceptions, the failure to so qualify is attributable to Match Group's or Former Match Group's actions or failure to act, Match Group's or Former Match Group's breach of certain representations or covenants or certain acquisitions of equity securities of Match Group, in each case, described in the tax matters agreement (a "Match Group fault-based action"). If the failure to so qualify is attributable to a Match Group fault-based action, Match Group is responsible for liabilities incurred as a result of such failure and will indemnify IAC against such liabilities so incurred by IAC or its affiliates.

Under the tax matters agreement, as of September 30, 2021, Match Group is obligated to remit to IAC $1.4 million of expected state tax refunds relating to tax years prior to the Separation. This obligation is included in "Accrued expenses and other current liabilities" in the accompanying consolidated balance sheet. Additionally, IAC is obligated to indemnify Match Group for IAC's share of tax liabilities related to various periods prior to the Separation. At September 30, 2021, a receivable of $1.9 million is included in "Other current assets" in the accompanying consolidated balance sheet representing an estimate of the amount that Match Group expects to be indemnified for under this arrangement. At September 30, 2021, Match Group has an indemnification asset of $0.6 million included in "Other non-current assets" in the accompanying consolidated balance sheet for uncertain tax positions that related to Former IAC prior to the Separation.

Transition Services Agreement

Pursuant to the transition services agreement, IAC can provide certain services to Match Group that Former IAC had historically provided to Former Match Group. Match Group can also provide certain services to IAC that Former Match Group previously provided to Former IAC. The transition services agreement also provides that Match Group and IAC will make efforts to replace, amend, or divide certain joint contracts with third-parties relating to services or products used by both Match Group and IAC. Match Group and IAC also agreed to continue sharing certain services provided pursuant to certain third-party vendor contracts that were not replaced, amended, or divided prior to closing of the Separation.

For the three and nine months ended September 30, 2021, the Company paid IAC less than $0.1 million related to services provided by IAC under the transition services agreement. For the three and nine months ended September 30, 2021, the Company received $3.7 million and $3.9 million, respectively, from IAC for services provided under the transition services agreement.

Employee Matters Agreement

Pursuant to the amended and restated employee matters agreement, Match Group will reimburse IAC for the cost of any IAC equity awards held by the Company's employees and former employees upon exercise or vesting. In addition, Match Group employees participated in IAC's U.S. health and welfare plans, 401(k) plan and flexible benefits plan through December 31, 2020, and Match Group reimbursed IAC for the costs of such participation pursuant to the amended and restated employee matters agreement. Match Group established its own employee benefit plans effective January 1, 2021.

For the three and nine months ended September 30, 2021, the Company paid IAC less than $0.1 million, and $0.1 million, respectively, for the cost of IAC equity awards held by the Company's employees upon vesting. At September 30, 2021, the Company has accrued $1.4 million as the estimated cost due to IAC for IAC equity awards held by Match Group employees.

Other Agreements

The Transaction Agreement provides that each of Match Group and IAC has agreed to indemnify, defend and hold harmless the other party from and against any liabilities arising out of: (i) any asset or liability allocated to such party or the other members of such party's group under the Transaction Agreement or the businesses of such party's group after the closing of the Separation; (ii) any breach of, or failure to perform or comply with, any covenant, undertaking or obligation of a member of such party's group contained in the Transaction Agreement that survives the closing of the Separation or is contained in any ancillary agreement; and (iii) any untrue or misleading statement or alleged untrue or misleading statement of a material fact or omission, with respect to information contained in or incorporated into the Form S-4 Registration Statement (the "Form S-4") filed with the Securities and Exchange Commission (the "SEC") by IAC and Former IAC in connection with the Separation or the joint proxy statement/prospectus filed by Former IAC and Former Match Group with the SEC pursuant to the Form S-4.

NOTE 12—SUBSEQUENT EVENTS

Repurchase of 2022 Exchangeable Notes

In September 2021, we entered into various transactions resulting in the repurchase of a portion of our 2022 Exchangeable Notes. In connection therewith, we:

- Entered into agreements to repurchase approximately $414 million aggregate principal amount of our outstanding 2022 Exchangeable Notes.
- Entered into agreements to unwind a proportionate amount of outstanding hedges and warrants corresponding to the 2022 Exchangeable Notes to be repurchased.
- Commenced a registered direct offering of shares of our common stock to the holders of the 2022 Exchangeable Notes to be repurchased.
- Commenced a private offering of $500 million aggregate principal amount of senior notes due 2031.

These transactions were completed on October 4, 2021, resulting in our:

- Issuance of 5,534,098 shares of our common stock at a price of $158.83 per share.
- Issuance of $500 million aggregate principal amount of 3.625% senior notes due 2031.
- Unwind of hedges and warrants for net cash proceeds of approximately $201 million.
- Repurchase of approximately $414 million aggregate principal amount of 2022 Exchangeable Notes for approximately $1.5 billion, including accrued and unpaid interest on the repurchased notes, funded with (i) the net proceeds from the common stock offering, (ii) approximately $420 million of

the net proceeds from the senior notes offering (with the balance of the net proceeds from the senior notes offering being used for general corporate purposes), and (iii) the net proceeds from the note hedges and warrants unwind.

- Recognizing a gain from the decrease in our stock price from September 30, 2021 to October 4, 2021 related to the settlement of the embedded derivative associated with the transaction and discussed further in “Note 5—Financial Instruments.”

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

2021 Developments

On March 26, 2021, Match Group Holdings II, LLC ("MG Holdings II"), amended its credit agreement to provide for a $400 million incremental "delayed draw" term loan facility ("Delayed Draw Term Loan"), the proceeds of which could be used only to finance a portion of the consideration for the acquisition of Hyperconnect Inc. ("Hyperconnect"). The Delayed Draw Term Loan was terminated effective June 18, 2021 according to its terms.

On June 17, 2021, Match Group completed the acquisition of Hyperconnect. The purchase price was $1.75 billion, net of cash acquired. The acquisition was funded with cash on hand and the issuance of 5.9 million shares of Match Group common stock.

Repurchase of 2022 Exchangeable Notes

In September 2021, we entered into various transactions, which ultimately resulted in the repurchase of a portion of our 2022 Exchangeable Notes. In connection therewith, we:

- Entered into agreements to repurchase approximately $414 million aggregate principal amount of our outstanding 2022 Exchangeable Notes;
- Entered into agreements to unwind a proportionate amount of outstanding hedges and warrants corresponding to the 2022 Exchangeable Notes to be repurchased;
- Commenced a registered direct offering of shares of our common stock to the holders of the 2022 Exchangeable Notes to be repurchased; and
- Commenced a private offering of $500 million aggregate principal amount of senior notes due 2031.

These transactions were completed on October 4, 2021, resulting in our:

- Issuance of 5,534,098 shares of our common stock at a price of $158.83 per share;
- Issuance of $500 million aggregate principal amount of 3.625% senior notes due 2031;
- Unwind of exchangeable note hedges and warrants for net cash proceeds of approximately $201 million; and
- Repurchase of approximately $414 million aggregate principal amount of 2022 Exchangeable Notes for approximately $1.5 billion, including accrued and unpaid interest on the repurchased notes, funded with (i) the net proceeds from the common stock offering, (ii) approximately $420 million of the net proceeds from the senior notes offering (with the balance of the net proceeds from the senior notes offering being used for general corporate purposes), and (iii) the net proceeds from the hedge and warrant unwind.

In connection with these transactions, our third quarter 2021 income statement reflects a loss of $41.3 million, included in other expense, net, primarily related to the change in fair value from September 22 through the end of the period of an embedded derivative recognized upon the execution of the agreements described above. In the fourth quarter of 2021, we will recognize a gain of $24.0 million based on the changes in fair value of this embedded derivative until its settlement on October 4. Our balance sheet as of September 30, 2021, reflects (i) a $207.0 million obligation to pay cash in excess of the principal amount of the 2022 Exchangeable Notes we agreed to repurchase (allocated between current and long-term liabilities in relation to the amount expected to be funded by short and long-term assets, respectively), (ii) a $200.8 million net receivable relating to the agreements to unwind the corresponding hedges and warrants, and (iii) a $38.6 million liability for the fair value of the embedded derivative.

Updated Operating and Financial Metrics

In 2021, we have adjusted our key operating and financial data to provide better insight into the performance of our business. We are disclosing this data in three geographic areas—Americas, Europe, and APAC and Other.

Additionally, rather than presenting Average Subscribers and Average Revenue per Subscriber ("ARPU"), we now present Payers and Revenue Per Payer ("RPP") (as defined below). Unlike Average Subscribers, which included only users who purchase a subscription and were counted on a daily basis, Payers include all users from whom we earn revenue (including those who make only à la carte purchases) and are counted as unique users in a given month. Similarly, ARPU was a daily metric and included Direct Revenue sourced from subscribers only, whereas RPP is a monthly metric and includes all Direct Revenue. We believe that Payers and RPP, which account for non-subscriber users and the associated revenue, is more useful in evaluating the performance of our business.

We believe presenting Direct Revenue, Payers, and RPP in three geographic regions enables investors to better understand our operating performance and is appropriate given our expanding global footprint. The new metrics also better account for the increasing à la carte revenue as a percentage of total revenue that the company earns and enhance comparability with our peers.

Key Terms:

Operating and financial metrics:

- **Americas** includes North America, Central America, South America, and the Caribbean islands.
- **Europe** includes continental Europe, the British Isles, Iceland, Greenland, and Russia, but excludes Turkey (which is included in APAC and Other).
- **APAC and Other** includes Asia, Australia, the Pacific islands, the Middle East, and Africa.
- **Direct Revenue** is revenue that is received directly from end users of our services and includes both subscription and à la carte revenue.
- **Indirect Revenue** is revenue that is not received directly from an end user of our services, substantially all of which is advertising revenue.
- **Payers** are unique users at a brand level in a given month from whom we earned Direct Revenue. When presented as a quarter-to-date or year-to-date value, Payers represents the average of the monthly values for the respective period presented. At a consolidated level, duplicate Payers may exist when we earn revenue from the same individual at multiple brands in a given month, as we are unable to identify unique individuals across brands in the Match Group portfolio.
- **Revenue Per Payer ("RPP")** is the average monthly revenue earned from a Payer and is Direct Revenue for a period divided by the Payers in the period, further divided by the number of months in the period.

Operating costs and expenses:

- **Cost of revenue -** consists primarily of the amortization of in-app purchase fees, compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in data center and customer care functions, credit card processing fees, hosting fees, live video costs, and data center rent, energy and bandwidth costs. In-app purchase fees are fees paid to Apple and Google in connection with the processing of in-app purchases of subscriptions and service features through the in-app payment systems provided by Apple and Google.
- **Selling and marketing expense -** consists primarily of advertising expenditures and compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in selling and marketing, and sales support functions. Advertising expenditures include online marketing, including fees paid to search engines and social media sites, offline marketing (which is primarily television advertising), and payments to partners that direct traffic to our brands.

- **General and administrative expense -** consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, and human resources, acquisition-related contingent consideration fair value adjustments (if any), fees for professional services (including transaction-related costs for acquisitions) and facilities costs.
- **Product development expense -** consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology.

Long-term debt:

- **Credit Facility** - The revolving credit facility under the credit agreement of MG Holdings II. As of September 30, 2021, there was $0.4 million in outstanding letters of credit and $749.6 million of availability under the Credit Facility. As of December 31, 2020, there was $0.2 million in outstanding letters of credit and $749.8 million of availability under the Credit Facility.
- **Term Loan** - The term loan facility under the credit agreement of MG Holdings II. At December 31, 2020, the Term Loan bore interest at LIBOR plus 1.75% and the then applicable rate was 1.96%. As of September 30, 2021, the applicable rate was 1.87% and $425 million was outstanding.
- **5.00% Senior Notes** - MG Holdings II's 5.00% Senior Notes due December 15, 2027, with interest payable each June 15 and December 15, which were issued on December 4, 2017. As of September 30, 2021, $450 million aggregate principal amount was outstanding.
- **4.625% Senior Notes** - MG Holdings II's 4.625% Senior Notes due June 1, 2028, with interest payable each June 1 and December 1, which were issued on May 19, 2020. As of September 30, 2021, $500 million aggregate principal amount was outstanding.
- **5.625% Senior Notes** - MG Holdings II's 5.625% Senior Notes due February 15, 2029, with interest payable each February 15 and August 15, which were issued on February 15, 2019. As of September 30, 2021, $350 million aggregate principal amount was outstanding.
- **4.125% Senior Notes** - MG Holdings II's 4.125% Senior Notes due August 1, 2030, with interest payable each February 1 and August 1, which were issued on February 11, 2020. As of September 30, 2021, $500 million aggregate principal amount was outstanding.
- **3.625% Senior Notes** - MG Holdings II's $500 million aggregate principal amount of 3.625% Senior Notes due October 1, 2031, with interest payable each April 1 and October 1, commencing on April 1, 2022, which were issued on October 4, 2021.
- **2022 Exchangeable Notes** - The 0.875% Exchangeable Senior Notes due October 1, 2022 issued by Match Group FinanceCo, Inc., a subsidiary of the Company, which are exchangeable into shares of the Company's common stock. Interest is payable each April 1 and October 1. As of September 30, 2021, $517.5 million aggregate principal amount was outstanding. On October 4, 2021, $414.0 million aggregate principal amount was repurchased.
- **2026 Exchangeable Notes** - The 0.875% Exchangeable Senior Notes due June 15, 2026 issued by Match Group FinanceCo 2, Inc., a subsidiary of the Company, which are exchangeable into shares of the Company's common stock. Interest is payable each June 15 and December 15. As of September 30, 2021, $575 million aggregate principal amount was outstanding.
- **2030 Exchangeable Notes** - The 2.00% Exchangeable Senior Notes due January 15, 2030 issued by Match Group FinanceCo 3, Inc., a subsidiary of the Company, which are exchangeable into shares of the Company's common stock. Interest is payable each January 15 and July 15. As of September 30, 2021, $575 million aggregate principal amount was outstanding.

Non-GAAP financial measure:

- **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")** - See "Non-GAAP Financial Measures" below for the definition of Adjusted EBITDA and a reconciliation of net earnings attributable to Match Group, Inc. shareholders to operating income and Adjusted EBITDA.

Management Overview

Match Group, Inc., through its portfolio companies, is a leading provider of digital technologies designed to help people make meaningful connections. Our global portfolio of brands includes Tinder®, Match®, Meetic®, OkCupid®, Hinge®, Pairs™, PlentyOfFish®, OurTime®, Azar®, Hakuna Live™, and more, each built to increase our users' likelihood of connecting with others. Through our trusted brands, we provide tailored services to meet the varying preferences of our users. Our services are available in over 40 languages to our users all over the world.

As used herein, "Match Group," the "Company," "we," "our," "us," and similar terms refer to Match Group, Inc. and its subsidiaries, unless the context indicates otherwise.

For a more detailed description of the Company's operating businesses, see "Item 1. Business" of the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Additional Information

Investors and others should note that we announce material financial and operational information to our investors using our investor relations website at *https://ir.mtch.com*, our newsroom website at *https://newsroom.mtch.com*, Securities and Exchange Commission ("SEC") filings, press releases, and public conference calls. We use these channels as well as social media to communicate with our users and the public about our company, our services and other issues. It is possible that the information we post on social media could be deemed to be material information. Accordingly, investors, the media, and others interested in our company should monitor the social media channels listed on our investor relations website in addition to following our newsroom website, SEC filings, press releases and public conference calls. Neither the information on our websites, nor the information on the website of any Match Group business, is incorporated by reference into this report, or into any other filings with, or into any other information furnished or submitted to, the SEC.

Results of Operations for the three and nine months ended September 30, 2021 compared to the three and nine months ended September 30, 2020

Revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(In thousands, except RPP)							
Direct Revenue:								
Americas	$ 393,613	$ 56,821	17%	$ 336,792	$ 1,112,263	$ 195,533	21%	$ 916,730
Europe	217,680	36,053	20%	181,627	603,281	111,114	23%	492,167
APAC and Other	174,432	64,585	59%	109,847	419,684	118,750	39%	300,934
Total Direct Revenue	785,725	157,459	25%	628,266	2,135,228	425,397	25%	1,709,831
Indirect Revenue	16,110	4,606	40%	11,504	41,979	11,948	40%	30,031
Total Revenue	$ 801,835	$ 162,065	25%	$ 639,770	$ 2,177,207	$ 437,345	25%	$ 1,739,862
Percentage of Total Revenue:								
Direct Revenue:								
Americas	49%			53%	51%			53%
Europe	27%			28%	28%			28%
APAC and Other	22%			17%	19%			17%
Total Direct Revenue	98%			98%	98%			98%
Indirect Revenue	2%			2%	2%			2%
Total Revenue	100%			100%	100%			100%
Payers:								
Americas	8,309	854	11%	7,455	7,935	941	13%	6,994
Europe	4,710	556	13%	4,154	4,433	472	12%	3,961
APAC and Other	3,284	867	36%	2,417	2,862	471	20%	2,391
Total	16,303	2,277	16%	14,026	15,230	1,884	14%	13,346
RPP:								
Americas	$ 15.79	$ 0.73	5%	$ 15.06	$ 15.57	$ 1.01	7%	$ 14.56
Europe	$ 15.41	$ 0.84	6%	$ 14.57	$ 15.12	$ 1.31	10%	$ 13.81
APAC and Other	$ 17.71	$ 2.56	17%	$ 15.15	$ 16.29	$ 2.30	16%	$ 13.99
Total	$ 16.06	$ 1.13	8%	$ 14.93	$ 15.58	$ 1.34	9%	$ 14.24

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

Americas Direct Revenue grew $56.8 million, or 17%, in 2021 versus 2020, driven by 11% growth in Payers and 5% growth in RPP. Growth in Payers was primarily driven by Tinder with contributions from Hinge and the Swipe Apps (BLK, Chispa, and Upward). RPP growth was driven by both subscriptions and à la carte purchases at Hinge and Tinder.

Europe Direct Revenue grew $36.1 million, or 20%, in 2021 versus 2020, driven by 13% growth in Payers and 6% growth in RPP. Growth in Payers and RPP was primarily due to Tinder and the acquisition of Hyperconnect. RPP growth was favorably impacted by the increased strength of the British pound and the Euro compared to the U.S. dollar between the two periods.

Asia and Other Direct Revenue grew $64.6 million, or 59%, in 2021 versus 2020, driven by 36% growth in Payers and 17% growth in RPP. Payer growth was primarily driven by the acquisition of Hyperconnect with additional contributions from Tinder and Pairs. RPP growth was primarily due to the acquisition of Hyperconnect.

Indirect Revenue increased primarily due to our receiving a higher rate per impression.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

All revenue categories increased primarily due to the factors described above in the three-month discussion.

Cost of revenue (exclusive of depreciation)

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Cost of revenue	$ 232,211	$ 62,388	37%	$ 169,823
Percentage of revenue	29%			27%

Cost of revenue increased primarily due to the acquisition of Hyperconnect in the second quarter of 2021, an increase of in-app purchase fees paid to mobile app stores of $25.7 million, excluding Hyperconnect; increases in compensation expense; and increased web hosting fees.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Cost of revenue	$ 604,765	$ 142,195	31%	$ 462,570
Percentage of revenue	28%			27%

Cost of revenue increased primarily due to the factors described above in the three-month discussion with an additional increase for the nine month period from partner-related cost associated with live streaming at PlentyOfFish.

Selling and marketing expense

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Selling and marketing expense	$ 153,388	$ 23,529	18%	$ 129,859
Percentage of revenue	19%			20%

Selling and marketing expense increased primarily due to the acquisition of Hyperconnect in the second quarter of 2021, increases in marketing spend primarily at Tinder, and an increase in compensation expense of $2.0 million.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Selling and marketing expense	$ 427,294	$ 82,144	24%	$ 345,150
Percentage of revenue	20%			20%

Selling and marketing expense increased primarily due to the factors described above in the three-month discussion.

General and administrative expense

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
General and administrative expense	$ 103,502	$ 14,541	16%	$ 88,961
Percentage of revenue	13%			14%

General and administrative expense increased primarily due to the acquisition of Hyperconnect in the second quarter of 2021, an increase in legal and other professional fees of $6.5 million, and increases in other miscellaneous costs, partially offset by a decrease in employee compensation as the 2020 period included an expense for the modification of a stock-based compensation award.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
General and administrative expense	$ 304,560	$ 68,076	29%	$ 236,484
Percentage of revenue	14%			14%

General and administrative expense increased primarily due to the acquisition of Hyperconnect in the second quarter of 2021, an increase in compensation expense of $14.3 million primarily related to an increase in stock-based compensation expense associated with new awards granted in the current year, partially offset by the non-recurrence of expense for the modifications of certain awards in 2020, an increase in legal and other professional fees, $7.5 million of professional fees associated with the acquisition of Hyperconnect, and other miscellaneous costs.

Product development expense

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Product development expense	$ 66,974	$ 27,694	71%	$ 39,280
Percentage of revenue	8%			6%

Product development expense increased primarily due to the acquisition of Hyperconnect and an increase in compensation expense of $12.6 million, primarily due to increases in headcount at both Tinder and Hinge, and an increase in stock-based compensation.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Product development expense	$ 174,683	$ 49,704	40%	$ 124,979
Percentage of revenue	8%			7%

Product development expense increased primarily due to the factors described above in the three-month discussion.

Depreciation

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Depreciation	$ 10,104	$ (1,117)	(10)%	$ 11,221
Percentage of revenue	1%			2%

Depreciation decreased primarily due to a decrease in computer hardware and capitalized software placed into service.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Depreciation	$ 30,622	$ 338	1%	$ 30,284
Percentage of revenue	1%			2%

Depreciation was flat compared to prior year period.

Amortization of intangibles

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Amortization of intangibles	$ 15,066	$ 14,607	NM	$ 459
Percentage of revenue	2%			—%

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NM = not meaningful

Amortization of intangibles increased primarily due to an increase in definite-lived intangibles related to the acquisition of Hyperconnect in the second quarter of 2021.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Amortization of intangibles	$ 15,521	$ 8,259	114%	$ 7,262
Percentage of revenue	1%			—%

Amortization increased as a result of the factor described above in the three-month discussion.

Operating income and Adjusted EBITDA

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
Operating income	$ 220,590	$ 20,423	10%	$ 200,167	$ 619,762	$ 86,629	16%	$ 533,133
Percentage of revenue	28%			31%	28%			31%
Adjusted EBITDA	$ 285,329	$ 36,147	15%	$ 249,182	$ 777,986	$ 126,660	19%	$ 651,326
Percentage of revenue	36%			39%	36%			37%

For a reconciliation of net earnings attributable to Match Group, Inc. shareholders to Adjusted EBITDA, see “Non-GAAP Financial Measures.”

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

Operating income and Adjusted EBITDA increased 10% and 15%, respectively, primarily driven by Payer and RPP growth at a number of brands. Operating income and Adjusted EBITDA were further impacted by the acquisition of Hyperconnect, higher product development expenses from increased headcount at Tinder and Hinge, higher general and administrative expense primarily related to higher legal and other professional fees, and higher cost of revenue primarily due to in-app purchase fees; partially offset by lower selling and marketing expense as a percentage of revenue. Operating income was further impacted by higher amortization of intangibles due to the acquisition of Hyperconnect and higher stock-based compensation expense, primarily due to new grants made during the year and new grants associated with the Hyperconnect acquisition, partially offset by expense for an award modification in 2020.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

Operating income and Adjusted EBITDA increased 16% and 19%, respectively, primarily driven by the factors described above in the three-month discussion. Operating income was further impacted by higher non-cash compensation and amortization of intangibles.

At September 30, 2021, there was $310.8 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.5 years.

Interest expense

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Interest expense	$ 31,850	$ (159)	—%	$ 32,009

Interest expense was flat compared to prior year period.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Interest expense	$ 95,907	$ (2,747)	(3)%	$ 98,654

Interest expense decreased primarily due to the lower interest rate on the 4.625% Senior Notes compared to the 6.375% Senior Notes, which were issued and redeemed, respectively, in the prior period, and a lower LIBOR rate on the Term Loan in the current period.

Other (expense) income, net

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Other expense, net	$ (39,212)	$ (37,289)	NM	$ (1,923)

Other expense, net in 2021 includes a $38.6 million loss related to the changes in fair value of an embedded derivative arising from our definitive agreements to repurchase a portion of the 2022 Exchangeable Notes (the “Repurchase Agreements”). Additionally, other expense, net includes a $5.2 million inducement expense arising from the Repurchase Agreements, offset by $2.4 million of gains on the net settlement of the bond hedge and warrants between the date of the Repurchase Agreements and the measurement date on September 30, 2021. Other expense, net also includes, foreign currency gains of $1.4 million, and gains of $0.6 million related to mark-to-market adjustments pertaining to certain equity instruments.

Other expense, net in 2020 includes foreign currency losses of $1.3 million.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Other (expense) income, net	$ (40,886)	$ (60,227)	NM	$ 19,341

Other expense, net in 2021 includes a $38.6 million loss on derivative discussed above, a $5.2 million inducement expense as we entered into definitive agreements in the third quarter of 2021 to repurchase a portion of the 2022 Exchangeable Notes, partially offset by gains of $2.4 million on the net settlement of the bond hedges and warrants between the definitive agreement date and the measurement date on September 30, 2021.

Other income, net in 2020 includes a favorable legal settlement of $35.0 million, foreign currency gains of $1.4 million, and interest income of $2.5 million, partially offset by a loss on redemption of bonds of $16.5 million.

Income tax provision

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

	Three Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Income tax provision	$ 18,627	$ (7,495)	(29)%	$ 26,122
Effective income tax rate	12%			16%

The income tax provision in each of 2021 and 2020 benefited from excess tax benefits generated by the exercise or vesting of stock-based awards.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

	Nine Months Ended September 30,			
	2021	$ Change	% Change	2020
		(Dollars in thousands)		
Income tax provision	$ 38,200	$ 23,424	159%	$ 14,776
Effective income tax rate	8%			3%

The income tax provision in each of 2021 and 2020 benefited from excess tax benefits generated by the exercise or vesting of stock-based awards, partially offset in the 2020 period by a non-recurring increase in the valuation allowance for foreign tax credits.

For further details of income tax matters see “Note 2—Income Taxes” to the consolidated financial statements included in “Item 1—Consolidated Financial Statements.”

Related party transactions

For a discussion of related party transactions see “Note 11—Related Party Transactions” to the consolidated financial statements included in “Item 1—Consolidated Financial Statements.”

NON-GAAP FINANCIAL MEASURES

Match Group reports Adjusted EBITDA and Revenue excluding foreign exchange effects, both of which are supplemental measures to U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA is among the primary metrics by which we evaluate the performance of our business, on which our internal budget is based and by which management is compensated. Revenue excluding foreign exchange effects provides a comparable framework for assessing the performance of our business without the effect of exchange rate differences when compared to prior periods. We believe that investors should have access to the same set of tools that we use in analyzing our results. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Match Group endeavors to compensate for the limitations of the non-GAAP measures presented by providing the comparable GAAP measures with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measures. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measures, which we discuss below.

Adjusted EBITDA

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (i) amortization of intangible assets and impairments of goodwill and intangible assets, if applicable, and (ii) gains and losses recognized on changes in the fair value of contingent consideration arrangements, as applicable. We believe Adjusted EBITDA is useful to analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. The above items are excluded from our Adjusted EBITDA measure because they are non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of certain expenses.

Non-Cash Expenses That Are Excluded From Adjusted EBITDA

Stock-based compensation expense consists principally of expense associated with the grants of stock options, restricted stock units ("RSUs"), performance-based RSUs and market-based awards. These expenses are not paid in cash, and we include the related shares in our fully diluted shares outstanding using the treasury stock method; however, performance-based RSUs and market-based awards are included only to the extent the applicable performance or market condition(s) have been met (assuming the end of the reporting period is the end of the contingency period). To the extent stock-based awards are settled on a net basis, the Company remits the required tax-withholding amounts from its current funds.

Depreciation is a non-cash expense relating to our property and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives or, in the case of leasehold improvements, the lease term, if shorter.

Amortization of intangible assets and impairments of goodwill and intangible assets are non-cash expenses related primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as customer lists, trade names, and technology, are valued and amortized over their estimated lives. Value is also assigned to (i) acquired indefinite-lived intangible assets, which consist of trade names and trademarks, and (ii) goodwill, which are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. We believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairment charges of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

The following table reconciles net earnings attributable to Match Group, Inc. shareholders to Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands)			
Net earnings attributable to Match Group, Inc. shareholders	$ 131,210	$ 141,207	$ 446,355	$ 13,294
Add back:				
Net (loss) earnings attributable to noncontrolling interests	(309)	(586)	(1,077)	59,680
(Earnings) loss from discontinued operations, net of tax	—	(508)	(509)	366,070
Income tax provision	18,627	26,122	38,200	14,776
Other expense (income), net	39,212	1,923	40,886	(19,341)
Interest expense	31,850	32,009	95,907	98,654
Operating Income	220,590	200,167	619,762	533,133
Stock-based compensation expense	39,569	37,335	112,081	80,647
Depreciation	10,104	11,221	30,622	30,284
Amortization of intangibles	15,066	459	15,521	7,262
Adjusted EBITDA	$ 285,329	$ 249,182	$ 777,986	$ 651,326

Effects of Changes in Foreign Exchange Rates on Revenue

The impact of foreign exchange rates on the Company, due to its global reach, may be an important factor in understanding period over period comparisons if movement in exchange rates is significant. Since our results are reported in U.S. dollars, international revenue is favorably impacted as the U.S. dollar weakens relative to other currencies, and unfavorably impacted as the U.S. dollar strengthens relative to other currencies. We believe the presentation of revenue excluding the effects from foreign exchange in addition to reported revenue helps improve investors’ ability to understand the Company’s performance because it excludes the impact of foreign currency volatility that is not indicative of Match Group’s core operating results.

Revenue excluding foreign exchange effects compares results between periods as if exchange rates had remained constant period over period. Revenue excluding foreign exchange effects is calculated by translating current period revenue using prior period exchange rates. The percentage change in revenue excluding foreign exchange effects is calculated by determining the change in current period revenue over prior period revenue where current period revenue is translated using prior period exchange rates.

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The following tables present the impact of foreign exchange effects on total revenue and Direct Revenue by geographic region, and RPP on a total basis and by geographic region, for the three and nine months ended September 30, 2021, compared to the three and nine months ended September 30, 2020:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	**$ Change**	**% Change**	**2020**	**2021**	**$ Change**	**% Change**	**2020**
				(Dollars in thousands)				
Revenue, as reported	$ 801,835	$ 162,065	25%	$ 639,770	$ 2,177,207	$ 437,345	25%	$ 1,739,862
Foreign exchange effects	(3,781)				(46,235)			
Revenue excluding foreign exchange effects	$ 798,054	$ 158,284	25%	$ 639,770	$ 2,130,972	$ 391,110	22%	$ 1,739,862
Americas Direct Revenue, as reported	$ 393,613	$ 56,821	17%	$ 336,792	$ 1,112,263	$ 195,533	21%	$ 916,730
Foreign exchange effects	(1,162)				(1,809)			
Americas Direct Revenue, excluding foreign exchange effects	$ 392,451	$ 55,659	17%	$ 336,792	$ 1,110,454	$ 193,724	21%	$ 916,730
Europe Direct Revenue, as reported	$ 217,680	$ 36,053	20%	$ 181,627	$ 603,281	$ 111,114	23%	$ 492,167
Foreign exchange effects	(5,054)				(38,138)			
Europe Direct Revenue, excluding foreign exchange effects	$ 212,626	$ 30,999	17%	$ 181,627	$ 565,143	$ 72,976	15%	$ 492,167
APAC and Other Direct Revenue, as reported	$ 174,432	$ 64,585	59%	$ 109,847	$ 419,684	$ 118,750	39%	$ 300,934
Foreign exchange effects	2,575				(5,376)			
APAC and Other Direct Revenue, excluding foreign exchange effects	$ 177,007	$ 67,160	61%	$ 109,847	$ 414,308	$ 113,374	38%	$ 300,934

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	**$ Change**	**% Change**	**2020**	**2021**	**$ Change**	**% Change**	**2020**
RPP, as reported	$ 16.06	$ 1.13	8%	$ 14.93	$ 15.58	$ 1.34	9%	$ 14.24
Foreign exchange effects	(0.08)				(0.33)			
RPP, excluding foreign exchange effects	$ 15.98	$ 1.05	7%	$ 14.93	$ 15.25	$ 1.01	7%	$ 14.24
Americas RPP, as reported	$ 15.79	$ 0.73	5%	$ 15.06	$ 15.57	$ 1.01	7%	$ 14.56
Foreign exchange effects	(0.05)				(0.03)			
Americas RPP, excluding foreign exchange effects	$ 15.74	$ 0.68	5%	$ 15.06	$ 15.54	$ 0.98	7%	$ 14.56
Europe RPP, as reported	$ 15.41	0.84	6%	$ 14.57	$ 15.12	1.31	10%	$ 13.81
Foreign exchange effects	(0.36)				(0.53)			
Europe RPP, excluding foreign exchange effects	$ 15.05	$ 0.48	3%	$ 14.57	$ 14.59	$ 0.78	6%	$ 13.81
APAC and Other RPP, as reported	$ 17.71	$ 2.56	17%	$ 15.15	$ 16.29	$ 2.30	16%	$ 13.99
Foreign exchange effects	0.27				(0.22)			
APAC and Other RPP, excluding foreign exchange effects	$ 17.98	$ 2.83	19%	$ 15.15	$ 16.07	$ 2.08	15%	$ 13.99

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	September 30, 2021	December 31, 2020
	(In thousands)	
Cash and cash equivalents:		
United States	$ 331,537	$ 581,038
All other countries	179,774	158,126
Total cash and cash equivalents	$ 511,311	$ 739,164
Short-term investments	11,874	—
Total cash and cash equivalents and short-term investments	$ 523,185	$ 739,164
Long-term debt:		
Credit Facility due February 13, 2025	$ —	$ —
Term Loan due February 13, 2027	425,000	425,000
5.00% Senior Notes due December 15, 2027	450,000	450,000
4.625% Senior Notes due June 1, 2028	500,000	500,000
5.625% Senior Notes due February 15, 2029	350,000	350,000
4.125% Senior Notes due August 1, 2030	500,000	500,000
2022 Exchangeable Notes	517,499	517,500
2026 Exchangeable Notes	575,000	575,000
2030 Exchangeable Notes	575,000	575,000
Total long-term debt	3,892,499	3,892,500
Less: Unamortized original issue discount	5,422	6,029
Less: Unamortized debt issuance costs	39,181	45,541
Total long-term debt, net	$ 3,847,896	$ 3,840,930

Long-term Debt

For a detailed description of long-term debt, see “Note 6—Long-term Debt, net” to the consolidated financial statements included in “Item 1—Consolidated Financial Statements.”

Cash Flow Information

In summary, the Company’s cash flows are as follows:

	Nine Months Ended September 30, 2021	2020
	(In thousands)	
Net cash provided by operating activities attributable to continuing operations	$ 666,925	$ 518,845
Net cash used in investing activities attributable to continuing operations	(916,043)	(3,912,134)
Net cash provided by financing activities attributable to continuing operations	27,687	1,711,971

2021

Net cash provided by operating activities attributable to continuing operations in 2021 includes adjustments to earnings of $112.1 million of stock-based compensation expense, $30.6 million of depreciation, $15.5 million of amortization, and $49.8 million of other adjustments; partially offset by deferred income taxes of $21.7 million primarily related to the net operating loss carryforward created by settlement of stock-based awards. The increase in cash from changes in working capital primarily consists of an increase from deferred revenue of $30.4 million, due mainly to growth in subscription sales, an increase in income taxes payable of

$18.4 million primarily related to the timing of payments related to international taxes, and an increase from other assets of $17.7 million primarily due to the amortization of prepaid hosting services. These changes were partially offset by an increase in accounts receivable of $26.6 million primarily related to the increase in sales and the timing of cash receipts, and a decrease in accounts payable and other liabilities of $4.1 million due mainly to the timing of payments, including interest payments.

Net cash used in investing activities attributable to continuing operations in 2021 consists primarily of cash used to acquire Hyperconnect, net of cash acquired, of $863.3 million, and capital expenditures of $52.8 million that are primarily related to internal development of software and purchases of computer hardware to support our services.

Net cash provided by financing activities attributable to continuing operations in 2021 is primarily due to $45.6 million of proceeds from the issuance of common stock pursuant to stock-based awards, partially offset by payments of $15.7 million of withholding taxes paid on behalf of employees for net settled equity awards.

2020

Net cash provided by operating activities attributable to continuing operations in 2020 includes adjustments to earnings of $366.1 million of loss related to discontinued operations, $80.6 million of stock-based compensation expense, $30.3 million of depreciation and $7.3 million for amortization of intangibles. The decrease in cash from changes in working capital primarily consists of an increase in accounts receivable of $87.9 million primarily related to the timing of cash receipts, including cash received in the fourth quarter of 2019 rather than in the first quarter of 2020, and an increase in revenue; a decrease from other assets of $26.1 million primarily due to a legal settlement. These changes were partially offset by an increase in deferred revenue of $26.9 million, due mainly to growth in subscription sales; an increase in accounts payable and other liabilities of $18.3 million, due mainly to the timing of payments, including interest payments; and an increase from income taxes payable and receivable of $5.3 million primarily due to the receipt of an income tax refund, partially offset by payments of taxes during the year.

Net cash used in investing activities attributable to continuing operations in 2020 consists primarily of the net cash distributed to IAC at the Separation of $3.9 billion, which includes $1.4 billion of net proceeds from the stock issuance in connection with the Separation, and capital expenditures of $32.4 million that are primarily related to internal development of software and computer hardware to support our products and services.

Net cash provided by financing activities attributable to continuing operations in 2020 is primarily due to proceeds of $1.0 billion from the issuance of the 4.125% and 4.625% Senior Notes and borrowings under the Credit Facility of $20.0 million, partially offset by the redemption of $400.0 million of the 6.375% Senior Notes, payments of $212.0 million for withholding taxes paid on behalf of employees for net settled equity awards of both Former Match Group and Match Group, and purchases of treasury stock of Former Match Group of $132.9 million.

Liquidity and Capital Resources

The Company’s principal sources of liquidity are its cash and cash equivalents as well as cash flows generated from operations. As of September 30, 2021, $749.6 million was available under the Credit Facility that expires on February 13, 2025.

In September 2021, we entered into various transactions, which ultimately resulted in the repurchase of a portion of our 2022 Exchangeable Notes. In connection therewith, we:

- Entered into agreements to repurchase approximately $414 million aggregate principal amount of our outstanding 2022 Exchangeable Notes.
- Entered into agreements to unwind a proportionate amount of outstanding hedges and warrants corresponding to the 2022 Exchangeable Notes to be repurchased.
- Commenced a registered direct offering of shares of our common stock to the holders of the 2022 Exchangeable Notes to be repurchased.
- Commenced a private offering of $500 million aggregate principal amount of senior notes due 2031.

These transactions were completed on October 4, 2021, resulting in our:

- Issuance of 5,534,098 shares of our common stock at a price of $158.83 per share.
- Issuance of $500 million aggregate principal amount of 3.625% senior notes due 2031.
- Unwind of exchangeable note hedges and warrants for net cash proceeds of approximately $201 million.
- Repurchase of approximately $414 million aggregate principal amount of 2022 Exchangeable Notes for approximately $1.5 billion, including accrued and unpaid interest on the repurchased notes, funded with (i) the net proceeds from the common stock offering, (ii) approximately $420 million of the net proceeds from the senior notes offering (with the balance of the net proceeds from the senior notes offering being used for general corporate purposes), and (iii) the net proceeds from the hedges and warrants unwind.

In connection with these transactions, our third quarter 2021 income statement reflects a loss of $41.3 million, included in other expense, net, primarily related to the change in fair value from September 22 through the end of the period of an embedded derivative recognized upon the execution of the agreements described above. In the fourth quarter of 2021, we will recognize a gain of $24.0 million based on the changes in fair value of this embedded derivative until its settlement on October 4. Our balance sheet as of September 30, 2021, reflects (i) a $207.0 million obligation to pay cash in excess of the principal amount of the 2022 Exchangeable Notes we agreed to repurchase (allocated between current and long-term liabilities in relation to the amount expected to be funded by short and long-term assets, respectively), (ii) a $200.8 million net receivable relating to the agreements to unwind the corresponding hedges and warrants, and (iii) a $38.6 million liability for the fair value of the embedded derivative.

The Company anticipates that it will need to make capital and other expenditures in connection with the development and expansion of its operations. The Company expects that 2021 capital expenditures will be between approximately $80 million and $85 million, an increase from 2020 cash capital expenditures primarily due to leasehold improvements in our new leased New York office space, and building improvements at our company-owned buildings in Los Angeles.

As of September 30, 2021, all of the Company's international cash can be repatriated without significant tax consequences.

Our indebtedness could limit our ability to: (i) obtain additional financing to fund working capital needs, acquisitions, capital expenditures, debt service, or other requirements; and (ii) use operating cash flow to pursue acquisitions or invest in other areas, such as developing properties and exploiting business opportunities. The Company may need to raise additional capital through future debt or equity financing to make additional acquisitions and investments or to provide for greater financial flexibility. Additional financing may not be available on terms favorable to the Company or at all.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

During the nine months ended September 30, 2021, there were no material changes to the Company's contractual obligations since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2020, except for the agreements associated with the partial repurchase of the 2022 Exchangeable Notes discussed above in "Financial Position, Liquidity and Capital Resources."

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

During the nine months ended September 30, 2021, there were no material changes to the Company's instruments or positions that are sensitive to market risk since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 4. *Controls and Procedures*

The Company monitors and evaluates on an ongoing basis its disclosure controls and procedures and internal control over financial reporting in order to improve their overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Match Group management, including our principal executive and principal financial officers, evaluated the effectiveness of the Company's disclosure controls and procedures, as defined by Rule 13a-15(e) under the Exchange Act. Based on this evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that information we are required to disclose in our filings with the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and includes controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes to the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. *Legal Proceedings*

Overview

We are, and from time to time may become, involved in various legal proceedings arising in the normal course of our business activities, such as patent infringement claims, trademark oppositions, and consumer or advertising complaints, as well as stockholder derivative actions, class action lawsuits, and other matters. The amounts that may be recovered in such matters may be subject to insurance coverage. The litigation matters described below involve issues or claims that may be of particular interest to our stockholders, regardless of whether any of these matters may be material to our financial position or operations based upon the standard set forth in the SEC's rules.

Pursuant to the Transaction Agreement, we have agreed to indemnify IAC for matters relating to any business of Former Match Group, including indemnifying IAC for costs related to the matters described below other than the matter described under the heading "Newman Derivative and Stockholder Class Action Regarding Separation Transaction".

The official names of legal proceedings in the descriptions below (shown in italics) reflect the original names of the parties when the proceedings were filed as opposed to the current names of the parties following the separation of Match Group and IAC.

Consumer Class Action Litigation Challenging Tinder's Age-Tiered Pricing

On May 28, 2015, a putative state-wide class action was filed against Tinder in state court in California. See *Allan Candelore v. Tinder, Inc.*, No. BC583162 (Superior Court of California, County of Los Angeles). The complaint principally alleged that Tinder violated California's Unruh Civil Rights Act by offering and charging users age 30 and over a higher price than younger users for subscriptions to its premium Tinder Plus service. The complaint sought certification of a class of California Tinder Plus subscribers age 30 and over and damages in an unspecified amount. On December 29, 2015, in accordance with a prior ruling sustaining Tinder's demurrer, the court entered judgment dismissing the action. On January 29, 2018, the California Court of Appeal (Second Appellate District, Division Three) issued an opinion reversing the judgment of dismissal. On May 9, 2018, the California Supreme Court denied Tinder's petition seeking interlocutory review of the Court of Appeal's decision and the case was returned to the trial court for further proceedings.

In a related development, on June 21, 2019, in a substantially similar putative class action asserting the same substantive claims and pending in federal district court in California, the court entered judgment granting final approval of a class-wide settlement, the terms of which are not material to the Company. See *Lisa Kim v. Tinder, Inc.*, No. 18-cv-3093 (Central District of California). Because the approved settlement class in *Kim* subsumes the proposed settlement class in *Candelore*, the judgment in *Kim* would effectively render *Candelore* a single-plaintiff lawsuit. Accordingly, on July 11, 2019, two objectors to the *Kim* settlement, represented by the plaintiff's counsel in *Candelore*, filed a notice of appeal from the *Kim* judgment with the U.S. Court of Appeals for the Ninth Circuit. Oral argument on the appeal occurred on January 15, 2021. On August 17, 2021, the U.S. Court of Appeals for the Ninth Circuit reversed and remanded the district court's decision. On October 4, 2021, Kim and defendants filed a motion for preliminary approval of a new settlement, the terms of which are not material to the Company.

On November 13, 2019, the trial court in *Candelore* issued an order staying the class claims in the case pending the Ninth Circuit's decision on the *Kim* appeal. On October 5, 2021, the trial court lifted the stay. We believe that the allegations in the *Candelore* lawsuit are without merit and will continue to defend vigorously against it.

Tinder Optionholder Litigation Against Former Match Group and Match Group

On August 14, 2018, ten then-current and former employees of Match Group, LLC or Tinder, Inc. ("Tinder"), a former subsidiary of Former Match Group, filed a lawsuit in New York state court against Former Match Group and Match Group. See *Sean Rad et al. v. IAC/InterActiveCorp and Match Group, Inc.*, No. 654038/2018 (Supreme Court, New York County). The complaint alleges that in 2017, the defendants: (i) wrongfully interfered with a contractually established process for the independent valuation of Tinder by certain investment banks, resulting in a substantial undervaluation of Tinder and a consequent underpayment to the plaintiffs upon exercise of their Tinder stock options, and (ii) then wrongfully merged Tinder into Former Match Group, thereby depriving certain of the plaintiffs of their contractual right to later valuations of Tinder on a stand-alone basis. The complaint asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, interference with contractual relations (as against Former Match Group only), and interference with prospective economic advantage, and seeks compensatory damages in the amount of at least $2 billion, as well as punitive damages. On August 31, 2018, four plaintiffs who were still employed by Former Match Group filed a notice of discontinuance of their claims without prejudice, leaving the six former employees as the remaining plaintiffs. On June 13, 2019, the court issued a decision and order granting defendants' motion to dismiss the claims for breach of the implied covenant of good faith and fair dealing and for unjust enrichments, as well as the merger-related claim for breach of contract as to two of the remaining six plaintiffs, and otherwise denying defendants' motion to dismiss. On July 13, 2020, the four former plaintiffs filed arbitration demands with the American Arbitration Association asserting the same valuation claims and on September 3, 2020, the four arbitrations were consolidated. The four former plaintiffs' request to stay the arbitration was denied on January 28, 2021, and arbitration is scheduled to begin on February 7, 2022. On August 24, 2021, the arbitrator granted our summary judgment with respect to the merger claims. On June 9, 2021, the plaintiffs in *Rad* filed a Note of Issue and Certificate of Readiness for Trial in which they amended the amount of damages they are now claiming to "[m]ore than $5.6 billion". On October 1, 2021, the court granted defendants' motion for summary judgment on plaintiffs' tort claims and breach of contract claims regarding the merger. Trial is scheduled to begin on November 8, 2021. We believe that the allegations against Former Match Group and Match Group in this lawsuit are without merit and will continue to defend vigorously against them.

FTC Lawsuit Against Former Match Group

On September 25, 2019, the United States Federal Trade Commission (the "FTC") filed a lawsuit in federal district court in Texas against Former Match Group. See *FTC v. Match Group, Inc.*, No. 3:19:cv-02281-K (Northern District of Texas). The complaint alleges that, prior to mid-2018, for marketing purposes Match.com notified non-paying users that other users were attempting to communicate with them, even though Match.com had identified those subscriber accounts as potentially fraudulent, thereby inducing non-paying users to subscribe and exposing them to the risk of fraud should they subscribe. The complaint also challenges the adequacy of Match.com's disclosure of the terms of its six-month guarantee, the efficacy of its cancellation process, and its handling of chargeback disputes. The complaint seeks among other things permanent injunctive relief, civil penalties, restitution, disgorgement, and costs of suit. On October 9, 2020, the court granted the Company's motion to stay the case until the United States Supreme Court issues a decision in the consolidated appeal of *Federal Trade Commission v. Credit Bureau Center, LLC* and *AMG Capital Management, LLC v. FTC*. On April 22, 2021, the Supreme Court issued its decision, rejecting that the FTC has the ability to seek equitable monetary relief using Section 13(b) of the FTC Act. We believe that the FTC's claims regarding Match.com's practices, policies, and procedures are without merit and will defend vigorously against them.

Securities Class Action Lawsuit Against Former Match Group

On October 3, 2019, a Former Match Group shareholder filed a securities class action lawsuit in federal district court in Texas against Former Match Group, its then Chief Executive Officer, and its Chief Financial Officer, on behalf of a class of acquirers of Former Match Group securities between August 6, 2019 and September 25, 2019. See *Phillip R. Crutchfield v. Match Group, Inc., Amanda W. Ginsberg, and Gary Swidler*, No. 3:19-cv-02356-C (Northern District of Texas). Invoking the allegations in the FTC lawsuit described above, the complaint alleges (i) that defendants failed to disclose to investors that Former Match Group induced customers to buy and upgrade subscriptions using misleading advertisements, that Former Match Group made it difficult for customers to cancel their subscriptions, and that, as a result, Former Match Group was likely to be subject to regulatory scrutiny; (ii) that Former Match Group lacked adequate disclosure controls and procedures; and (iii) that, as a result of the foregoing, defendants' positive statements about Former Match Group's business, operations, and prospects, were materially misleading and/or lacked a reasonable basis. On March 30, 2021, the court granted defendants' motion to dismiss with leave to amend. Plaintiff filed an amended complaint on April 23, 2021. We believe that the allegations in this lawsuit are without merit and will defend vigorously against them.

Derivative Complaint against Former Match Group

On February 28, 2020, a Former Match Group shareholder filed a shareholder derivative complaint in federal district court in Delaware against Former Match Group and its board of directors seeking to recover unspecified monetary damages on behalf of the Company and require the Company to implement and maintain unspecified internal controls and corporate governance practices and procedures. See *Michael Rubin et al. v. Match Group, Inc. et al.*, Case No. 1:20-cv-00299 (District of Delaware). Invoking the allegations of the FTC lawsuit and *Crutchfield* securities class action lawsuit described above, the complaint alleges that the defendants caused or failed to prevent the alleged issues giving rise to the FTC complaint, received or approved compensation tied to the alleged wrongful conduct and sold Former Match Group stock with inside knowledge of the purported conduct. The parties filed a proposed stipulation and order staying the case until the motion to dismiss is decided in the *Crutchfield* litigation. The court granted the stay on April 9, 2020. On February 25, 2021, another Match Group shareholder filed a shareholder derivative complaint in the Delaware Court of Chancery on behalf of nominal defendant Match Group, Inc. against its board of directors seeking to recover unspecified monetary damages. See *Daniel Ochoa v. Match Group, Inc. et al*, C.A. No. 2021-0158-MTZ (Delaware Court of Chancery). The complaint alleges federal securities laws violations and that Match Group's directors breached their fiduciary duties by purportedly exercising inadequate oversight to prevent the alleged issues giving rise to the FTC complaint and by purportedly transacting in Match Group stock while possessing knowledge of these issues. On August 25, 2021, the *Ochoa* case was stayed pending a decision in the *Crutchfield* matter. We believe that the allegations in these lawsuits are without merit and will defend vigorously against them.

House Oversight Committee Investigation of Online Dating

On January 30, 2020, Former Match Group received a letter from the House of Representatives' Subcommittee on Economic and Consumer Policy (the "Oversight Committee") regarding its inquiry into underage use of online dating services and efforts by those services to remove registered sex offenders from their platforms. The Oversight Committee is also inquiring under what circumstances online dating services share or sell sensitive user information with third parties. The Company is cooperating with the investigation.

Irish Data Protection Commission Inquiry Regarding Tinder's Practices

On February 3, 2020, we received a letter from the Irish Data Protection Commission (the "DPC") notifying us that the DPC has commenced an inquiry examining Tinder's compliance with the EU's General Data Protection Regulation, focusing on Tinder's processes for handling access and deletion requests and Tinder's user data retention policies. We are fully cooperating with the DPC in connection with this inquiry.

Newman Derivative and Stockholder Class Action Regarding Separation Transaction

On June 24, 2020, a Former Match Group shareholder filed a complaint in the Delaware Court of Chancery against Former Match Group and its board of directors, as well as Match Group, IAC Holdings, Inc., and Barry Diller seeking to recover unspecified monetary damages on behalf of the Company and directly as a result of his ownership of Former Match Group stock in relation to the separation of Former Match Group from its former majority shareholder, Match Group. See *David Newman et al. v. IAC/Interactive Corp. et al.*, C.A. No. 2020-0505-MTZ (Delaware Court of Chancery). The complaint alleges that that the special committee established by Former Match Group's board of directors to negotiate with Match Group regarding the separation transaction was not sufficiently independent of control from Match Group and Mr. Diller and that Former Match Group board members failed to adequately protect Former Match Group's interest in negotiating the separation transaction, which resulted in a transaction that was unfair to Former Match Group and its shareholders. On January 21, 2021, the case was consolidated with other shareholder actions, and an amended complaint was filed on April 14, 2021. See *In Re Match Group, Inc. Derivative Litigation*, Consolidated C.A. No. 2020-0505-MTZ (Delaware Court of Chancery). We believe that the allegations in this lawsuit are without merit and will defend vigorously against it.

Item 1A. *Risk Factors*

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements that are not historical facts are "forward-looking statements." The use of words such as "anticipates," "estimates," "expects," "plans," and "believes," among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: Match Group's future financial performance, Match Group's business prospects and strategy, anticipated trends, the effects of the separation of Match Group from IAC, and other similar matters. These forward-looking statements are based on Match Group management's current expectations and assumptions about future events as of the date of this quarterly report, 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 services, our ability to attract users to our services through cost-effective marketing and related efforts, foreign currency exchange rate fluctuations, our ability to distribute our services 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, certain risks relating to our relationship with IAC post-separation, the impact of the outbreak of COVID-19 coronavirus, the risks inherent in separating Match Group from IAC, including uncertainties related to, among other things, the expected benefits of the separation, any litigation arising out of or relating to the transaction, the tax treatment of the transaction, and the impact of the separation on the businesses of Match Group, and risks relating to the acquisition of Hyperconnect, including uncertainties related to, among other things, the expected benefits of the transaction, any litigation arising out of or relating to the transaction, and the impact of the transaction on the business of Match Group.

Certain of these and other risks and uncertainties are discussed in Match Group's filings with the Securities and Exchange Commission, including in Part I "Item 1A. Risk Factors" of our annual report on Form 10-K for the fiscal year ended December 31, 2020. Other unknown or unpredictable factors that could also adversely affect Match Group's business, financial condition, and results of operations may arise from time to time. In light of these risks and uncertainties, these forward-looking statements discussed in this quarterly report 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 quarterly report. Match Group does not undertake to update these forward-looking statements.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Unregistered Sales of Equity Securities

The Company did not issue or sell any shares of its common stock or any other equity securities pursuant to unregistered transactions during the quarter ended September 30, 2021.

Issuer Purchases of Equity Securities

The Company did not purchase any shares of its common stock during the quarter ended September 30, 2021.

Item 6. *Exhibits*

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith, incorporated by reference herein by reference to the location indicated or furnished herewith.

		Incorporated by Reference				
Exhibit No.	**Exhibit Description**	**Form**	**SEC File No.**	**Exhibit**	**Filing Date**	**Filed (†) or Furnished (‡) Herewith (as indicated)**
10.1	Second Amendment to Transition Services Agreement, dated effective as of July 22, 2021, by and between Match Group, Inc. and IAC/InterActiveCorp.					†
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					†
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					†
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					‡
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					‡
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					†
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					†
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					†
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					†
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					†
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

November 8, 2021

MATCH GROUP, INC.

By: /s/ GARY SWIDLER

Gary Swidler

Chief Operating Officer and
Chief Financial Officer

Signature	Title	Date
/s/ GARY SWIDLER Gary Swidler	Chief Operating Officer and Chief Financial Officer	November 8, 2021

Exhibit 10.1

SECOND AMENDMENT TO TRANSITION SERVICES AGREEMENT

This SECOND AMENDMENT TO TRANSITION SERVICES AGREEMENT ("Amendment") is made and entered into effective as of July 22, 2021 (the "Effective Date"), by and between Match Group, Inc., a Delaware corporation formerly known as IAC/InterActiveCorp ("New Match"), and IAC/InterActiveCorp, a Delaware corporation formerly known as IAC Holdings, Inc. ("New IAC").

RECITALS

WHEREAS, the Parties entered into a Transition Services Agreement dated as of June 30, 2020, which was amended pursuant to that certain First Amendment to Transition Services Agreement dated effective as of March 31, 2021 (as amended, the "Original Agreement"); and

WHEREAS, the Parties desire to amend the Original Agreement effective as of the Effective Date on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and terms and conditions contained herein, the Parties hereby agree as follows:

1. Definitions. Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the Original Agreement.

2. Amendments to the Original Agreement.

2.1 Schedule A to the Original Agreement shall be amended as set forth on Appendix 1.

3. Limited Effect. Except as expressly provided in this Amendment, all of the terms and provisions of the Original Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Original Agreement or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties. On and after the Effective Date, each reference in the Original Agreement to "this Agreement," "the Agreement," "hereunder," "hereof," "herein," or words of like import will mean and be a reference to the Original Agreement as amended by this Amendment.

4. Counterparts. This Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

5. Entire Agreement. This Amendment constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements among the Parties, whether written or oral, relating to the same subject matter.

6. Governing Law. This Amendment will be governed by and construed in accordance with the internal laws of the State of Delaware, as applied to agreements entered into solely between residents of, and to be performed entirely in, such state, without reference to that body of law relating to conflicts of law or choice of law.

[Signature pages follow.]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date first above written.

MATCH GROUP, INC.

By: /s/ Jared Sine
Jared Sine, Chief Business Affairs and Legal Officer

IAC/INTERACTIVECORP

By: /s/ Joanne Hawkins
Joanne Hawkins, Senior Vice President and Deputy General Counsel

Exhibit 31.1

Certification

I, Sharmistha Dubey, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2021 of Match Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2021

/s/ SHARMISTHA DUBEY

Sharmistha Dubey
Chief Executive Officer

Exhibit 31.2

Certification

I, Gary Swidler, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2021 of Match Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2021

/s/ GARY SWIDLER
Gary Swidler
Chief Operating Officer and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Sharmistha Dubey, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021 of Match Group, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Match Group, Inc.

Dated: November 8, 2021

/s/ SHARMISTHA DUBEY
Sharmistha Dubey
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Gary Swidler, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021 of Match Group, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Match Group, Inc.

Dated: November 8, 2021

/s/ GARY SWIDLER

Gary Swidler
Chief Operating Officer and
Chief Financial Officer