



Match Draws Bullish Positioning as Shares Rest

Ticker/Price: MTCH (\$54.80)

Analysis:

Match Group (MTCH) with over 800 April \$50 calls bought on the day up to \$6.50 and still has nearly 3,500 March \$55 calls in open interest from buyers. MTCH also had 960 September \$60 calls bought recently. Shares gapped higher on earnings recently and pulling back in a narrow channel to a volume node around \$55 and the 8-week EMA. A move higher above \$57.50 has room out to \$62.50 and into space with new highs. RSI and MACD on the daily are both reset back to mid-levels and ready to run. The \$15.4B company trades 27X earnings, 8.9X sales, and 40X FCF. They expect 16.1% and 24.6% EPS growth respectively over the next two years with revenue growth between 15-16%. MTCH is benefiting from growth in subs for Tinder, up to 8.23M, and monetization efforts as they continue to see high conversion rates to Gold and growth in other merchandising efforts. They see International as a major un-tapped opportunity where 75% of the TAM lives and nearly two-thirds of people outside of the US/Europe having never tried a dating product. Analysts have an average target for shares of \$53 with 6 buy ratings, 8 hold ratings, and 1 sell rating. Short interest is 6% and falling from over 10% in early 2018. Jefferies positive on 2/27 as their new “Spring Break mode” is helping build off of Tinder U and expands their reach in the college demographic. The firm notes that looking at incoming class sizes provides a lot of upside for sub growth beyond the current TAM. They have a \$64 PT for shares. Institutional ownership fell 10% last quarter and a big drop in hedge fund ownership with Garelick, Whale Rock, Jericho, and Artisan Partners notable sellers. Sands Capital added a new 7.7M share position.

Hawk Vision:



Trading Strategy: MTCH has a beautiful chart set-up and setting alert at \$56 as it remains an excellent fundamental growth story.

Confidence Ranking: \$\$