



## ***INVESTMENT RESEARCH***

***APR 24, 2024 09:55 PM***

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Initiation of Coverage — December 7, 2023

## Internet

## Bumble Inc. (BMBL)

BMBL: Optimistic on the Sustainability of Bumble App Growth, Initiate at Overweight, \$19 PT

## Our Call

We struggle to reconcile BMBL's current multiple (8x '25 EBITDA) w/ consistent share gain in online dating, so we initiate OW w/ \$19 PT. While Bumble isn't a structural share gainer, it is benefiting from underinvestment at industry incumbent Tinder.

**We believe Bumble app can continue to add ~500k payers/year over the medium term, despite a slowing online dating market.** In our view, Bumble is taking meaningful share at top of funnel, primarily due to Tinder underinvesting on marketing. We estimate BMBL would need to take ~200bps of industry payer share per year to continue on the 500k payer net add trajectory, which appears reasonable. Hinge represents a competitive threat, but we believe share has mostly come at the expense of Tinder.

**Bumble app ARPU has come under pressure due to geo-mix, but we believe Premium Plus can stabilize growth.** Bumble announced testing of a new third subscription tier, 'Premium Plus' on 3Q earnings. We note Tinder already has three subscription tiers, whereas Bumble only has two. Premium Plus will be Bumble's highest ASP product. We believe Premium Plus could be MSD accretive to Bumble App ARPU, even with relatively modest (5%) adoption rates, which could offset geo-mix pressure in 2H:24.

**Less optimistic on Badoo, 'other' opportunities, but don't think they need to 'hit' for the stock to work at 8x '25E EBITDA.** On Badoo, we appreciate that fundamentals have stabilized somewhat (3Q:23 payers +1% y/y vs. 2022 -11% y/y) & mgmt's tone is constructive ["strong contributor to revenue" UBS 11/28], but note it's been historically challenging to reverse multi-year deteriorating trends at social network assets. See BFF, Fruitz, etc. as too early/speculative to ascribe meaningful value.

**Where we could be wrong: Tinder reinvestment, slower-than-expected market growth, ownership concentration, management transition.** On Tinder, note that MTCH mgmt. has indicated modest step-up in 2024 mktg intensity; could spend more at the expense of margins to stabilize share. On ownership concentration, see 4M repo from Blackstone as right step (12/04), but Blackstone still accounts for ~20% of common shares out. Recent CEO transition (11/06) raises risks on execution, in our view.

**Estimates, valuation, & price target.** Our 2024 / 2025 revenue estimates are 1% / 3% above consensus, respectively, driven by higher Bumble App payer net adds and ARPU, partially offset by lower Badoo and Other revenue estimates. Our 2024 / 2025 EBITDA estimates are 3% / 5% above consensus, respectively; our model implies 132 / 117bps of 2024 / 2025 EBITDA margin expansion. We initiate coverage of BMBL at OW, with a price target of \$19, implying 10x 2025E EBITDA (vs. MTCH PT @ 9x 2025E EBITDA).

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	Rating	Overweight
Ticker	<b>BMBL</b>	<b>\$19.00</b>
Price Target:	<b>\$19.00</b>	
Upside/(Downside) to Target	<b>36.4%</b>	
Price (12/06/2023)	<b>\$13.93</b>	
52 Week Range	\$12.29 - 27.92	
Shares Outstanding	136,751,377	
Market Cap (MM)	\$1,905	
Enterprise Value (MM)	\$2,088	
Average Daily Volume	2,280,612	
Average Daily Value (MM)	\$32	
Dividend (NTM)	\$0.00	
Dividend Yield	0.0%	
Net Debt (MM) - last reported	\$183	
ROIC - Current year est.	4%	
3 Yr EPS CAGR from current year (unless otherwise noted)	57%	

\$ Rev. (MM)	2023E	2024E	2024E	2025E	2025E
	Curr.	Prior	Curr.	Prior	Prior
Q1 (Mar)	243.0 A	277.0 E	NE	-	NE
Q2 (Jun)	260.0 A	292.0 E	NE	-	NE
Q3 (Sep)	276.0 A	318.0 E	NE	-	NE
Q4 (Dec)	275.0 E	323.0 E	NE	-	NE
FY	1,053.0 E	1,210.0 E		NE1,384.0 E	NE
EV/Revenue	2.0x	1.7x		1.5x	

Source: Company Data, Wells Fargo Securities estimates, and Refinitiv.  
NA = Not Available, Volatility = Historical trading volatility

## Wells Fargo Express Takeaways

**Bumble Inc. (BMBL) | Rating: Overweight | Price Target: \$19.00**

**Analyst:** Ken Gawrelski

### Financials

FY (Dec) \$	2023E	2024E	2025E
<b>ESTIMATES</b>			
<b>Rev. (MM)</b>			
Q1	243.0 A	277.0 E	-
Q2	260.0 A	292.0 E	-
Q3	276.0 A	318.0 E	-
Q4	275.0 E	323.0 E	-
AN	1,053.0 E	1,210.0 E	1,384.0 E
<b>EBITDA (MM)</b>	274.0 E	331.0 E	395.0 E

### WELLS FARGO vs. CONSENSUS

Consensus Estimate	276.00 E	321.00 E	377.00 E
Difference from Consensus		3.0%	5.0%

### VALUATION

EV/Revenue	2.0x	1.7x	1.5x
EV/EBITDA	7.6x	6.3x	5.3x

*Consensus Estimate: Consensus EBITDA Estimate; Source: Visible Alpha  
Source: Company Data, Wells Fargo Securities estimates, and Refinitiv.  
NA = Not Available, NE = No Estimate*

### Investment Thesis

We struggle to reconcile BMBL current multiple (8x '25E EBITDA) w/consistent share gain in online dating, and therefore rate the stock OW with a \$19 price target (implies 10x WFSe 2025 EBITDA of \$395M). While Bumble isn't a structural share gainer, it is benefiting from underinvestment at industry incumbent Tinder and see opportunities to improve the trajectory of Bumble App ARPU in 2024 with products like Bumble Premium Plus.

### Risk vs. Reward – Upside/Downside Price Target Scenarios



\*As of 12/06/23  
Source: Wells Fargo Securities, LLC estimates and Refinitiv.

### Base Case | \$19.00

Our \$19 price target implies 10x our 2025 EBITDA estimate of \$395M. Our 10x EBITDA multiple implies a slight premium vs. peer MTCH (9x), accounting for faster growth at BMBL.

### Upside Scenario | \$21.00

In a scenario where payer and pricing growth is stronger than anticipated, we believe BMBL could trade at 11x 2025E EBITDA of \$414M, implying a \$21 PT.

### Downside Scenario | \$13.00

In a scenario where payer and pricing growth is weaker than anticipated, we believe BMBL could trade at 9x 2025E EBITDA of \$335, implying a \$13 PT.

### Upcoming Catalysts

4Q:23 Earnings: Late February

### Company Description

Bumble Inc. is the parent company of Bumble, Badoo, Fruitz and Official. The Bumble platform enables people to build healthy and equitable relationships, through Kind Connections. Founded by CEO Whitney Wolfe Herd in 2014, Bumble was one of the first dating apps built with women at the center and connects people across dating (Bumble Date), friendship (Bumble BFF) and professional networking. Badoo, which was founded in 2006, is one of the pioneers of web and mobile dating products.

## Our Call: Key Conclusion

BMBL is trading at 7.8x / 9.4x consensus 2025 EBITDA / FCF, which suggests the market has significant doubts regarding the company's ability to continue growing ~low-teens while expanding margins over the next two years. Said otherwise, we believe investors are skeptical Bumble can continue to gain share in an online dating market that has slowed from 25% y/y growth in 2019 to 8% growth in 2023. We don't see Bumble as a structural share gainer, but we do believe it's benefiting from swipe app incumbent Tinder over-earning, a condition that we believe is likely to persist over the medium term. Additionally, we see a latent payer opportunity in the delta between current market share of app downloads and MAU, which could be captured even absent additional market share gains. With regard to margin expansion, we don't see any reason why Bumble can't achieve ~100-150bps of margin expansion per year over time, given that 2023 EBITDA margin is 26% vs. Hinge ~30% and Tinder ~50%.

As a result, we initiate BMBL with an Overweight rating and \$19.00 price target, implying 10.0x WFS 2025 EBITDA.

### Exhibit 1 - Key Debates, WFS View

Key Question	Wells Fargo View	Wells Fargo Explanation
Can Bumble app continue to add ~500k payers / year?	Yes	<ul style="list-style-type: none"> <li>There is a significant gap between Bumble share of app downloads (30%) vs. app MAU (24%); we believe this gap represents an 860k payer opportunity</li> <li>We believe Hinge market share growth is disproportionately coming at the expense of Tinder</li> <li>Bumble top of funnel share loss in 1H:23 was a function of outsized mktg. spend at Tinder, which we believe is unlikely to recur. As of 4Q:23, we believe Bumble has returned to top of funnel share gains.</li> </ul>
Can Bumble app stabilize ARPU growth, despite negative geographic mix shift?	Yes	While we don't expect Bumble 'Premium Plus' (currently in testing) to have significant user adoption, we do believe introducing a third premium tier will give Bumble the opportunity to increase 'base' (Bumble Boost) pricing. We note that Tinder already has three tiers, with its 'base tier', Tinder Gold, priced at \$39.99 in the US vs. Bumble Boost \$29.99 (prices may vary based on demo/geo).
Can Badoo return to meaningful growth?	Unlikely	We appreciate management attempting to refresh the Badoo brand & product, as well as a stabilization of fundamentals over the last several quarters (1Q:23 revenue ex. F/X -11% y/y, 3Q:23 -3%) but we see signs of longer term structural pressure that we believe will be difficult to reverse, even with strong execution. We assume LSD Badoo growth in 2024 and beyond (2-3% y/y).

### Exhibit 2 - WFS vs. Consensus

\$m, except per share figures

	WFS Estimates			Consensus			Internal vs. Consensus		
	CY2023	CY2024	CY2025	CY2023	CY2024	CY2025	CY2023	CY2024	CY2025
Bumble Payer Adds	0.46	0.50	0.50	0.46	0.40	0.44	0.00	0.10	0.06
<b>Revenue</b>									
Bumble	846	996	1,163	848	974	1,115	-0.2%	2.3%	4.3%
Badoo	180	186	193	182	190	203	-0.7%	-2.2%	-5.0%
Other	26	27	29	24	30	31	7.7%	-7.6%	-7.7%
Total	1,053	1,210	1,384	1,054	1,194	1,349	-0.1%	1.3%	2.6%
<b>Y/Y Growth</b>									
Bumble	21.9%	17.7%	16.7%	22.1%	14.9%	14.4%	N/A	N/A	N/A
Badoo	-2.4%	3.2%	3.5%	-1.7%	4.8%	6.5%	N/A	N/A	N/A
Other	7.7%	5.0%	5.0%	0.0%	22.4%	5.1%	N/A	N/A	N/A
Total	16.5%	14.9%	14.4%	16.6%	13.4%	12.9%	N/A	N/A	N/A
Adjusted EBITDA	274	331	395	276	321	377	-0.7%	2.9%	4.7%
Y/Y Growth	20.7%	20.7%	19.3%	21.6%	17.3%	14.0%	N/A	N/A	N/A
Margin	26.0%	27.3%	28.5%	26.2%	26.9%	27.9%	(17)	43	55

Source: Wells Fargo Securities, LLC, estimates, Company Reports, Visible Alpha

## Key Debate: Can Bumble App Continue to Add 500k Payers / Year

We believe investor skepticism regarding Bumble's ability compound low-teens growth is a function of pessimistic perspectives on Bumble payer growth in 2024 and 2025. To grow low-teens, we believe Bumble app would need to add roughly 500k payers / year. As we demonstrate below, this would imply Bumble's share of industry payers increases ~200bps / year through the forecast period. While this is consistent with payer share growth from 2021 - 2023E, we believe the emergence of Hinge has created doubts regarding Bumble's ability to continue growing share linearly over time.

### Exhibit 3 - WFS Payer Estimates by App

Payers (000)

	2021A	2022A	2023E	2024E	2025E
<u>WFSe EoP Payers</u>					
Tinder	10,560	10,825	10,062	10,012	9,962
Hinge	700	1,000	1,422	1,838	2,264
Other Match	4,989	4,240	3,950	3,750	3,550
<b>Bumble</b>	<b>1,641</b>	<b>2,221</b>	<b>2,680</b>	<b>3,135</b>	<b>3,635</b>
Badoo	1,338	1,188	1,216	1,276	1,311
Total Revenue	19,228	19,474	19,330	20,011	20,722
<u>Y/Y Payer Growth</u>					
Tinder	N/A	2.5%	-7.0%	-0.5%	-0.5%
Hinge	N/A	42.9%	42.2%	29.3%	23.2%
Other Match	N/A	-15.0%	-6.8%	-5.1%	-5.3%
<b>Bumble</b>	<b>N/A</b>	<b>35.4%</b>	<b>20.7%</b>	<b>17.0%</b>	<b>15.9%</b>
Badoo	N/A	-11.2%	2.3%	4.9%	2.7%
Total Revenue	N/A	1.3%	-0.7%	3.5%	3.6%
<u>Market Share of Payers</u>					
Tinder	54.9%	55.6%	52.1%	50.0%	48.1%
Hinge	3.6%	5.1%	7.4%	9.2%	10.9%
Other Match	25.9%	21.8%	20.4%	18.7%	17.1%
<b>Bumble</b>	<b>8.5%</b>	<b>11.4%</b>	<b>13.9%</b>	<b>15.7%</b>	<b>17.5%</b>
Badoo	7.0%	6.1%	6.3%	6.4%	6.3%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%

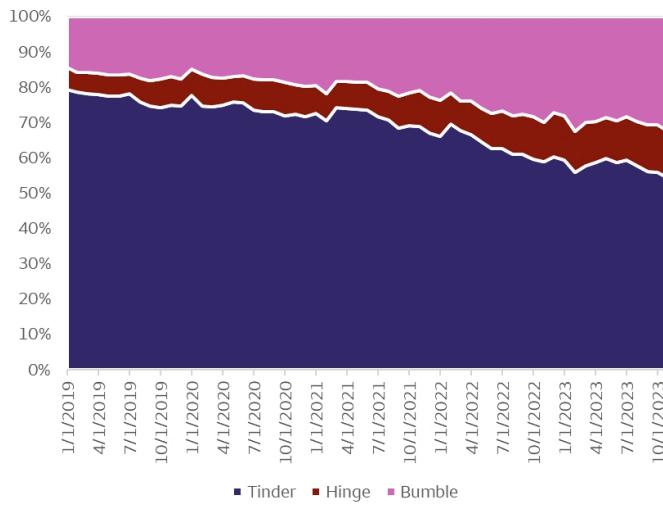
Source: Wells Fargo Securities, LLC, estimates, Company Reports

As noted above, we don't see a market share threat from Hinge, and we see latent opportunities to add payers, absent additional market share gains that we don't believe are appreciated by the market.

We opine on Hinge market share in greater detail in our [MTCH initiation](#), but in summary, we believe Hinge has disproportionately taken share from Tinder (also owned by MTCH) at the top of the funnel, suggesting that growth isn't coming at Bumble's expense.

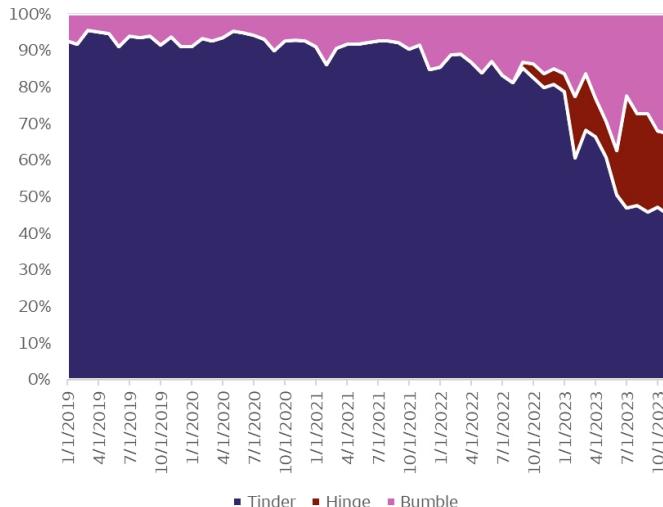
Below, we demonstrate that point by comparing global share of app downloads to share of app downloads in three of Hinge's fastest growing markets: France, Italy, and Sweden. We observe that Tinder share during 2023 in these three markets deteriorated to a far greater extent than Tinder share globally, while the trajectory of Bumble share in two of the three markets (France & Italy) was similar or better than the global average.

**Exhibit 4 - Global Share of Downloads**



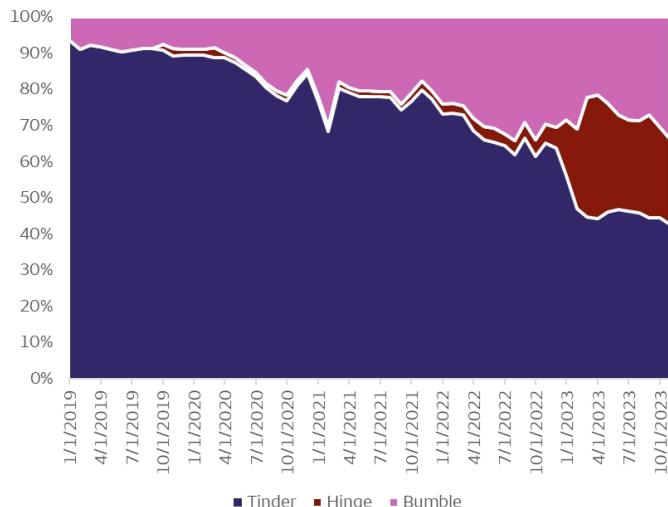
Source: Wells Fargo Securities, LLC, estimates, Sensor Tower

**Exhibit 6 - Italy Share of Downloads**



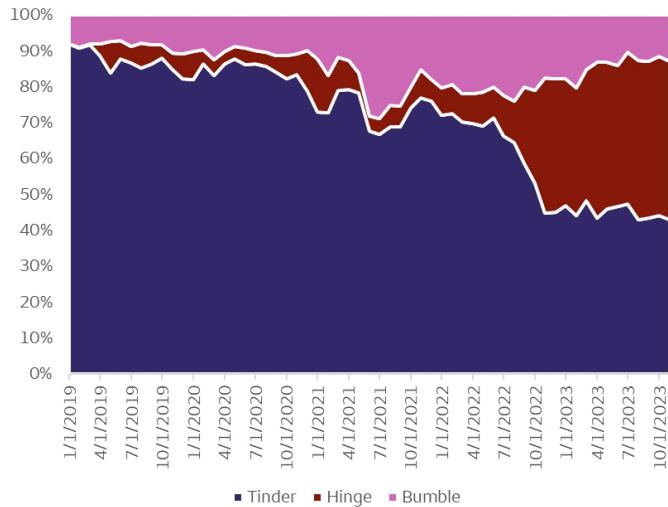
Source: Wells Fargo Securities, LLC, estimates, Sensor Tower

**Exhibit 5 - France Share of Downloads**



Source: Wells Fargo Securities, LLC, estimates, Sensor Tower

**Exhibit 7 - Sweden Share of Downloads**



Source: Wells Fargo Securities, LLC, estimates, Sensor Tower

As noted above, we believe that there is a 6pts delta between Bumble's share of downloads (30%) and MAUs (24%). Over time, as growth at Bumble slows, we would expect share of MAU to converge on share of downloads. Said otherwise, Bumble has an opportunity to increase MAU without a commensurate improvement in its top of funnel share position. Assuming the incremental MAU converted at the industry average paid conversion rate for swipe apps (around 15%), we estimate this is an 860k payer opportunity, or just under two years of payer adds, assuming Bumble continues to grow at 500k payers / year.

#### Exhibit 8 - Bumble Latent Payer Opportunity Calc

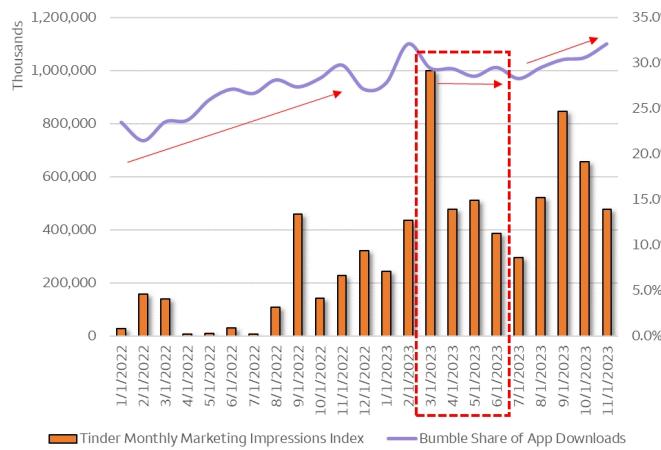
\$m, except per share figures

Bumble App MAU	21,552
( / ) Worldwide Swipe App MAU	91,370
(=) Bumble Share of MAU	23.6%
Bumble App Downloads	8,480
( / ) Worldwide Swipe App Downloads	28,663
(=) Bumble Share App Downloads	29.6%
Bumble Share of Downloads	29.6%
( - ) Bumble Share of MAU	-23.6%
(=) D/L vs. MAU Share Delta	6.0%
Worldwide Swipe App MAU	91,370
(x) D/L vs. MAU Share Delta	6.0%
(=) Latent MAU Opportunity	5,479
(x) WFSe Payer Penetration	15.7%
<b>(=) Bumble Latent Payer Oppy</b>	<b>860</b>
( / ) 4Q:23 Bumble Payers	2,680
(=) Latent Payer Accretion	32.1%

Source: Wells Fargo Securities, LLC, estimates, Sensor Tower, Company Reports

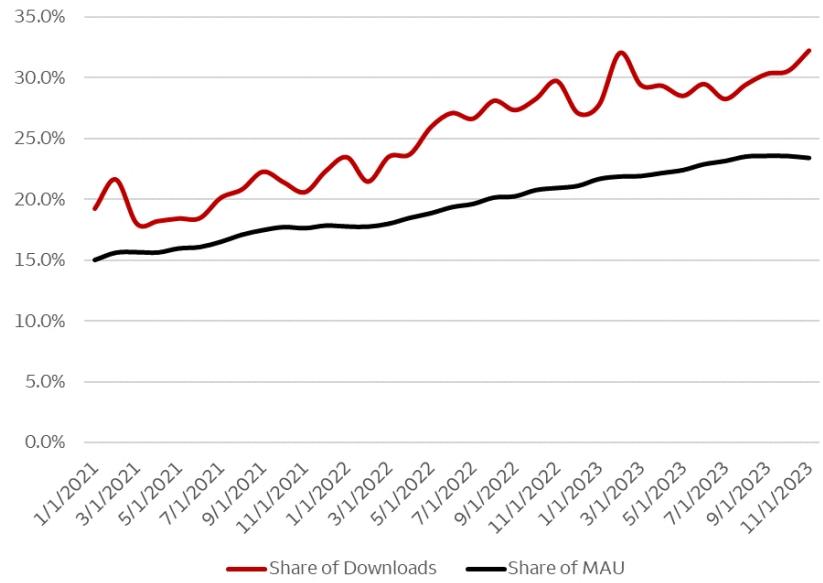
Lastly, we believe there is investor concern with respect to Bumble share of top of funnel during 2023 specifically. We do believe Bumble lost share to Tinder during 1H:23, but believe the share loss was specifically related to outsized marketing spend around Tinder's "It Starts with a Swipe" brand campaign. Tinder pulled back on this campaign over the summer, and we don't believe Tinder is likely to spend at those elevated levels going forward (MTCH has indicated modest Tinder margin contraction in 2024, similar to 2023). We can already observe improvement in Bumble share position exiting 2024.

#### Exhibit 10 - Tinder Marketing Spend Index vs. Bumble Share of D/Ls



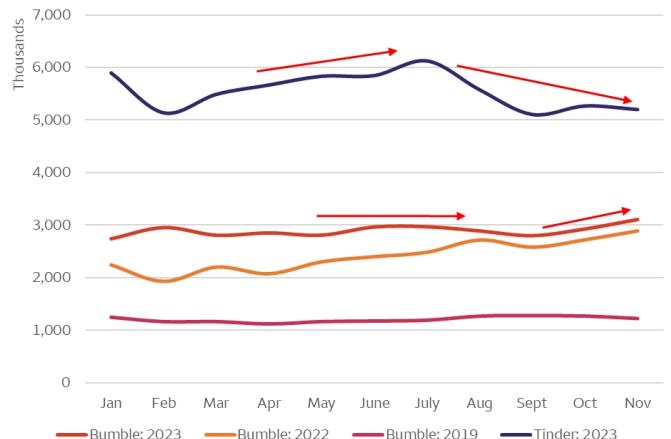
Source: Wells Fargo Securities, LLC, estimates, Pathmatics, Sensor Tower

#### Exhibit 9 - Bumble Share of Downloads vs. MAU Over Time



Source: Wells Fargo Securities, LLC, estimates, Sensor Tower

#### Exhibit 11 - Absolute # of App Downloads

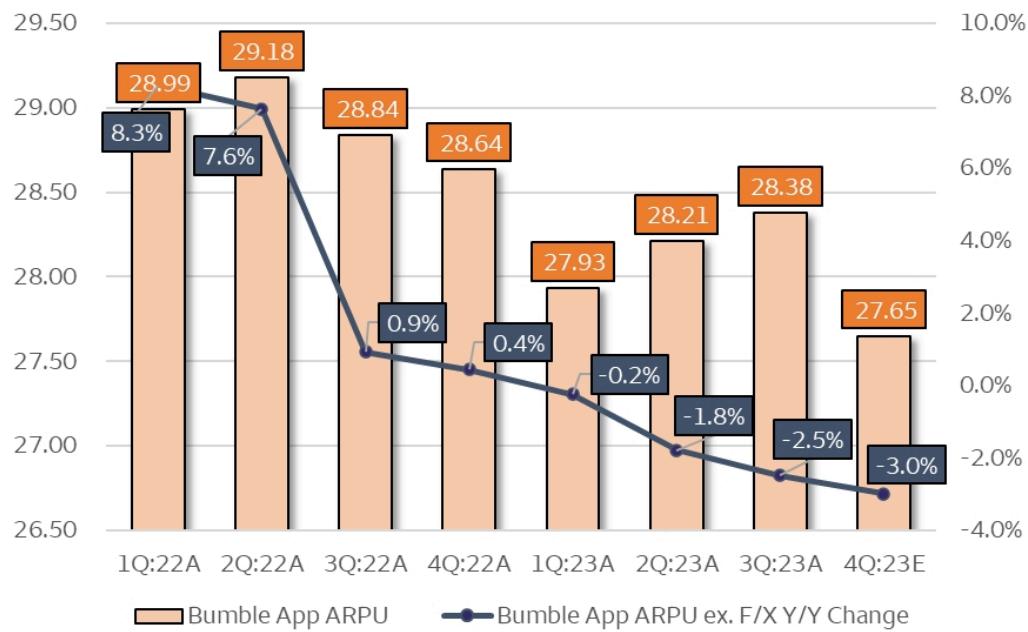


Source: Wells Fargo Securities, LLC, estimates, Sensor Tower

## Key Debate: Can Bumble Stabilize ARPU Growth, Despite Negative Geographic Mix Shift

As Bumble app growth has shifted internationally ARPU has come under pressure. Notably, 1H:22 Bumble app ARPU ex. F/X grew HSD y/y, declining to negative LSD growth in 2H:23. We believe for Bumble to achieve low-teens growth over the medium term ARPU has to at least stabilize at negative LSD levels, if not slightly improve. We don't see any evidence that geographic mix shift is likely to abate over the next 2-3 years, suggesting that to achieve ARPU stabilization the company will need to increase like-for-like pricing, or extract value in other ways.

Exhibit 12 - Bumble App ARPU and Growth Over Time



Source: Wells Fargo Securities, LLC, estimates, Company Reports

We believe Bumble's recently announced experiment with a third subscription tier called 'Premium Plus' offers a lever to improve the trajectory of ARPU growth during 2024. We note that Tinder currently offers three subscription tiers: Tinder Plus, Tinder Gold, and Tinder Platinum. We believe the majority of subscribers are on the 'Tinder Gold' tier. Currently, Bumble offers two subscription tier options: Bumble Boost and Bumble Premium, with most subscribers on the Bumble Boost tier.

Bumble Premium Plus will be offered at a price above the existing Bumble Premium tier, which we believe is currently priced at \$59.99. Assuming Premium Plus is offered at \$79.99, even modest adoption (5% mix) of the subscription tier yields meaningful (5%) ARPU accretion.

Additionally, we note that in our tests we found that Bumble Boost (\$29.99) was priced at a \$10 discount relative to Tinder Gold (\$39.99). We note that swipe app pricing fluctuates based on age, gender, and geography, so it's possible this delta isn't reflective of all users experiences. We think creating a third, premium tier, could give Bumble room to increase base pricing. Even if Bumble only captured 50% of the \$10 implied base tier ASP opportunity (Bumble Boost pricing increases from \$29.99 to \$34.99), we believe Bumble like-for-like ASP could increase as much as ~20%.

Exhibit 13 - Bumble Premium Plus Scenario Analysis

Tier	Base Tier Px Unchanged		50% Base Tier Px Increase	
	Base Price	Weight	Base Price	Weight
<u>Existing Subscription Pricing</u>				
Bumble Boost	\$29.99	90.0%	\$29.99	90.0%
Bumble Premium	\$59.99	10.0%	\$59.99	10.0%
Implied ARPU	N/A	32.99	N/A	32.99
<u>Pro-Forma Subscription Pricing</u>				
Bumble Boost	\$29.99	87.5%	\$34.99	87.5%
Bumble Premium	\$59.99	7.5%	\$59.99	7.5%
Bumble Premium Plus	\$79.99	5.0%	\$79.99	5.0%
Implied ARPU	N/A	34.74	N/A	39.12
<b>% ASP Uplift</b>	<b>N/A</b>	<b>5.3%</b>	<b>N/A</b>	<b>18.6%</b>

#### Memo

Tinder Gold Price	\$39.99	\$39.99
(-) Bumble Boost Price	\$29.99	\$29.99
(-) Bumble Boost ASP Oppy	\$10.00	\$10.00
(x) % Price Taken	0.0%	50.0%
(=) Bumble Boost ASP Increase	\$0.00	\$5.00
Existing Bumble Boost Price	\$29.99	\$29.99
(+) Bumble Boost ASP Increase	\$0.00	\$5.00
(=) PF Bumble Boost Price	\$29.99	\$34.99
% Like for Like ASP Uplift	0.0%	16.7%

Source: Wells Fargo Securities, LLC, estimates, Company Reports

Exhibit 14 - US Swipe Apps Subscription Pricing

Subscription Tier	Monthly Price
Tinder Plus	\$24.99
Tinder Gold	\$39.99
Tinder Platinum	\$49.99
Hinge+	\$32.99
HingeX	\$49.99
Bumble Boost	\$29.99
Bumble Premium	\$59.99

Source: Wells Fargo Securities, LLC, estimates, Company Reports

Swipe app prices variable based on age, gender, & location. Listed prices collected during WFS app testing.

## Key Debate: Can Badoo Return to Meaningful Growth?

Badoo growth has been challenged over the last several quarters; we note that Badoo 2022 revenue declined 15% y/y, although growth has stabilized to around flat in recent quarters. Recently, BMBL management has indicated they believe a brand refresh, combined with marketing reinvestment could return Badoo to a 'strong contributor' to revenue growth in 2024.

### Exhibit 15 - Recent Bumble Mgmt. Commentary on Badoo

UBS Conference 11/28/2023

The last 12 - 18 months have been about stabilizing Badoo, and the recent results have shown that we've started to get Badoo off to a good path. **So, we're excited about that starting to become a strong contributor to revenue.**

3Q:23 Earnings Call 11/07/2023

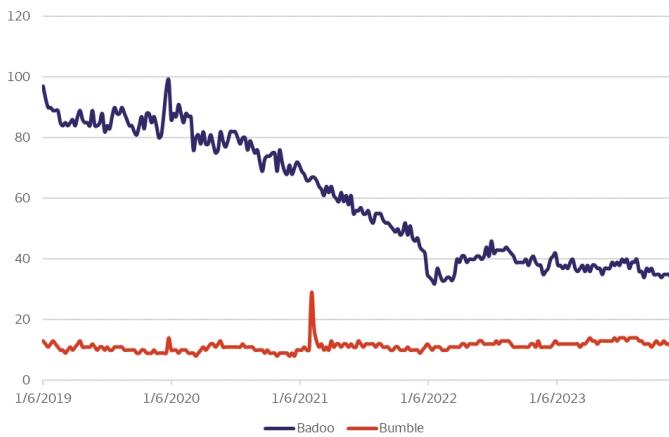
This marks two consecutive quarters of year-on-year revenue growth and sequential net add growth for Badoo, which is an exciting and encouraging milestone. We also continue to see improving trends across many metrics, including global registrations monthly active users and engagement.

As we plan for 2024, we are excited to build on this momentum with the brand and identity refresh aimed at improving awareness in key markets, especially among our women users. We intend to supplement this with targeted marketing campaigns showcasing Badoo's vision of becoming the app of confidence in 2024, enabling as highly loyal user base to express and be their real selves in a safe and trusted environment.

Source: Company Reports

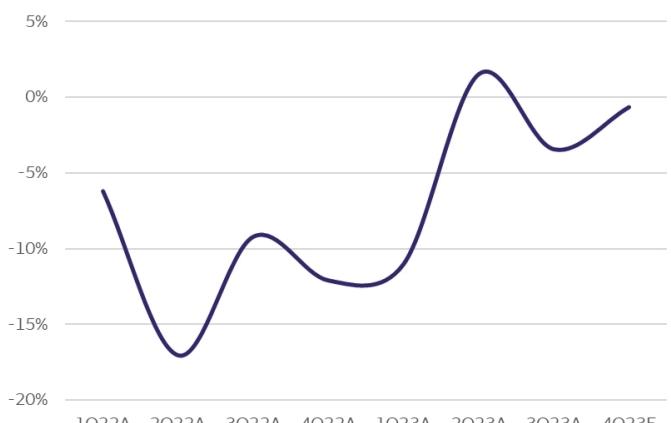
We believe it is less than likely Badoo returns to meaningful growth. We note that Google Trends indicates searches for the Badoo brand have been in significant decline since the beginning of 2019, although, to be fair, declines have slowed somewhat over the last 12 months. We observe a similar trend in monthly app downloads, although to a less significant extent relative to Google Trends. Ultimately, our perspective is that once a social network is in decline, it is hard to reverse those declines, let alone return to meaningful growth. Given Badoo has been in decline for multiple years, we believe this challenge is compounded even further. We remain skeptical Badoo will be a meaningful contributor to growth in 2024 and beyond.

### Exhibit 17 - Google Trends, Badoo vs. Bumble



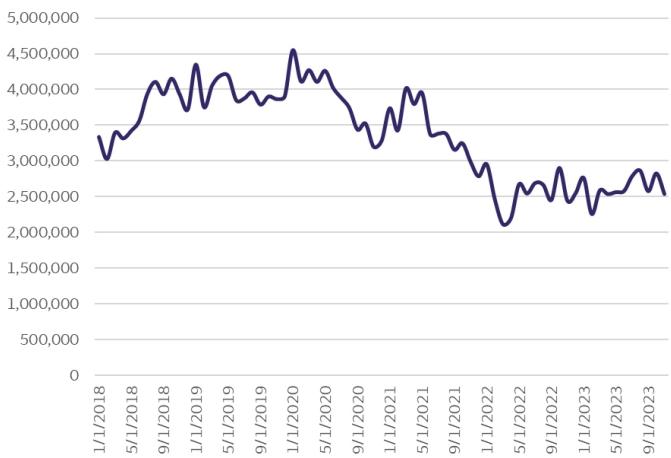
Source: Wells Fargo Securities, LLC, estimates, Google Trends

### Exhibit 16 - BMBL Quarterly Revenue Growth ex. F/X



Source: Wells Fargo Securities, LLC, estimates, Company Reports

### Exhibit 18 - Badoo Monthly App Downloads



Source: Wells Fargo Securities, LLC, estimates, Sensor Tower

## Brief Thoughts on Valuation

BMBL has persistently de-rated over the last two years and is now trading at around 8x consensus 2025 EBITDA, around the same valuation as MTCH. While our BMBL & MTCH financial projections only deviate modestly from consensus, we believe BMBL has a higher probability of positively re-rating, which drives the divergence in our stock ratings (BMBL O/W, MTCH E/W, \$32.98).

With regard to our belief BMBL has a better chance of positively re-rating, we make two points. First, while our MTCH estimates in aggregate are roughly in line with consensus, our 2024 Tinder payer net add estimate is -50k vs. Street + 394k. We believe Tinder net adds have a disproportionate impact on the MTCH trading multiple relative to other KPIs; therefore our below-Street estimate limits the opportunity for re-rating. Second, previously we noted our belief that Tinder could be over-earning by \$200M. If we adjust MTCH EBITDA for that belief, the stock is actually already trading at 10.7x 2025 EBITDA vs. 8.9x on consensus estimates.

Additionally, while we note our BMBL estimates are only modestly ahead of consensus estimates, we believe buy-side 2024 expectations are likely below consensus; we think ~in-line results over the next 12 months would be received positively.

**Exhibit 19 - BMBL vs. MTCH, EV / EBITDA Over Time**



Source: Wells Fargo Securities, LLC, estimates, Bloomberg

## Exhibit 20 - WFS Comp Table

Ticker	Rating	Price		Share		Market Cap	Enterprise Value	P/FCF		'23-'26 FCF		GAAP P/E		'23-'26 EPS		EV/EBITDA		'23-'26 EV/Sales		'23-'26 Sales CAGR	
		Target (\$)	ETR	Price (\$)	Cap			2024E	2025E	CAGR	2024E	2025E	CAGR	2024E	2025E	CAGR	2024E	2025E	CAGR		
ABNB	UW	\$107	(17%)	\$128.35	85,995	77,389	17.9x	16.4x	11%	26.4x	23.7x	(10%)	20.5x	18.3x	15%	7.3x	6.6x	10%			
AMZN	OW	\$165	15%	\$143.20	1,481,690	1,492,369	33.3x	27.1x	78%	37.2x	27.9x	31%	11.4x	9.8x	17%	2.4x	2.1x	10%			
BMBL	OW	\$19	36%	\$13.92	2,769	2,952	8.9x	7.5x	28%	27.0x	19.0x	57%	8.9x	7.5x	19%	2.4x	2.1x	14%			
BKNG	UW	\$2,402	(23%)	\$3,121	118,538	118,702	22.6x	21.8x	12%	20.8x	17.8x	16%	15.4x	13.9x	11%	5.2x	4.8x	8%			
DASH	EW	\$92	(3%)	\$95.16	42,843	39,437	43.1x	31.0x	50%	--	68.6x	--	23.0x	17.4x	32%	3.8x	3.3x	16%			
EBAY	EW	\$43	5%	\$40.62	21,975	21,169	12.2x	11.8x	4%	11.4x	10.9x	(5%)	6.2x	6.0x	4%	2.0x	2.0x	2%			
ETSY	UW	\$57	(21%)	\$71.74	10,256	11,549	25.5x	28.8x	(6%)	29.0x	30.2x	2%	14.9x	15.3x	2%	4.0x	3.9x	4%			
EXPE	UW	\$91	(31%)	\$130.33	20,524	26,222	12.8x	10.7x	15%	13.7x	10.0x	47%	9.3x	8.6x	7%	1.9x	1.8x	7%			
GOOGL	EW	\$129	(4%)	\$134.62	1,726,232	1,593,614	26.4x	21.6x	9%	18.8x	16.3x	16%	11.1x	9.9x	13%	4.7x	4.2x	10%			
LYFT	EW	\$10	(8%)	\$10.86	4,345	3,384	44.9x	27.5x	99%	--	--	--	12.8x	9.9x	28%	0.7x	0.6x	12%			
META	OW	\$380	14%	\$332.71	863,715	847,684	31.3x	21.7x	22%	17.5x	14.9x	21%	9.7x	8.3x	18%	5.6x	4.9x	12%			
MTCH	EW	\$32	(3%)	\$32.85	9,638	12,765	10.7x	9.5x	10%	14.5x	12.7x	15%	9.9x	9.2x	8%	3.6x	3.4x	7%			
PINS	OW	\$38	20%	\$31.66	22,253	19,246	--	58.4x	--	87.7x	45.4x	--	20.4x	14.8x	36%	5.3x	4.5x	18%			
SNAP	EW	\$8	(37%)	\$12.20	20,894	20,535	--	--	--	--	--	--	88.4x	37.2x	109%	4.0x	3.5x	12%			
UBER	OW	\$64	20%	\$53.76	115,789	116,162	18.8x	15.0x	39%	45.4x	29.2x	78%	18.5x	14.6x	35%	2.7x	2.3x	16%			
<b>Coverage Group Median</b>							<b>22.6x</b>	<b>21.7x</b>	<b>15%</b>	<b>23.6x</b>	<b>19.0x</b>	<b>16%</b>	<b>12.8x</b>	<b>9.9x</b>	<b>17%</b>	<b>3.8x</b>	<b>3.4x</b>	<b>10%</b>			
<b>Coverage Group Average</b>							<b>23.7x</b>	<b>22.1x</b>	<b>28%</b>	<b>29.1x</b>	<b>25.1x</b>	<b>24%</b>	<b>18.7x</b>	<b>13.4x</b>	<b>24%</b>	<b>3.7x</b>	<b>3.3x</b>	<b>11%</b>			

Source: Source: Company reports; FactSet; Wells Fargo Securities, LLC estimates.

Prices Updated as of 12/06

## Financials

### Exhibit 21 - WFS BMBL Income Statement

\$m, except per share figures

(USD Millions)	2019A	2020A	2021A	2022A	1Q23A	2Q23A	3Q23A	4Q23E	2023E	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E	2027E
<b>Income Statement</b>																	
<b>Revenue</b>	<b>489</b>	<b>582</b>	<b>761</b>	<b>903,503</b>	<b>243</b>	<b>260</b>	<b>276</b>	<b>275</b>	<b>1,053</b>	<b>277</b>	<b>292</b>	<b>318</b>	<b>323</b>	<b>1,210</b>	<b>1,384</b>	<b>1,561</b>	<b>1,737</b>
Cost of Revenue	(140)	(157)	(205)	(249)	(71)	(77)	(80)	(80)	(307)	(80)	(85)	(92)	(94)	(351)	(401)	(453)	(504)
Selling and Marketing	(143)	(164)	(212)	(249)	(64)	(65)	(69)	(70)	(268)	(68)	(72)	(76)	(81)	(297)	(342)	(383)	(430)
General and Administrative	(67)	(224)	(266)	(319)	(50)	(43)	(49)	(49)	(190)	(48)	(48)	(49)	(50)	(195)	(209)	(223)	(237)
Product Development	(39)	(51)	(106)	(99)	(33)	(36)	(31)	(30)	(131)	(36)	(37)	(35)	(36)	(143)	(163)	(179)	(197)
Depreciation and Amortization	(7)	(92)	(107)	(90)	(17)	(17)	(17)	(17)	(68)	(18)	(18)	(18)	(18)	(72)	(76)	(79)	(83)
<b>Total Costs and Expenses</b>	<b>(396)</b>	<b>(688)</b>	<b>(896)</b>	<b>(1,006)</b>	<b>(234)</b>	<b>(239)</b>	<b>(246)</b>	<b>(246)</b>	<b>(964)</b>	<b>(250)</b>	<b>(259)</b>	<b>(271)</b>	<b>(278)</b>	<b>(1,058)</b>	<b>(1,191)</b>	<b>(1,317)</b>	<b>(1,451)</b>
<b>Operating Income</b>	<b>93</b>	<b>(106)</b>	<b>(135)</b>	<b>(103)</b>	<b>9</b>	<b>21</b>	<b>30</b>	<b>29</b>	<b>89</b>	<b>27</b>	<b>34</b>	<b>47</b>	<b>45</b>	<b>152</b>	<b>194</b>	<b>244</b>	<b>285</b>
Interest Income (Expense)	0	(22)	(25)	(24)	(5)	(6)	(5)	(6)	(22)	(5)	(6)	(5)	(6)	(22)	(22)	(22)	(22)
Other, Net	(1)	(6)	3	16	(4)	(3)	0	0	(6)	(4)	(3)	0	0	(6)	0	0	0
Other Income (Expenses), Net	(1)	(28)	(21)	(8)	(9)	(9)	(5)	(6)	(29)	(9)	(9)	(5)	(6)	(29)	(22)	(22)	(22)
<b>Income Before Tax</b>	<b>92</b>	<b>(134)</b>	<b>(156)</b>	<b>(111)</b>	<b>0</b>	<b>12</b>	<b>25</b>	<b>23</b>	<b>60</b>	<b>18</b>	<b>25</b>	<b>42</b>	<b>39</b>	<b>124</b>	<b>171</b>	<b>221</b>	<b>263</b>
Provision for Income Taxes	(6)	(8)	438	(3)	(3)	(3)	(2)	(5)	(12)	(4)	(5)	(8)	(8)	(25)	(34)	(44)	(53)
% Tax Rate	7%	-6%	280%	-3%	920%	22%	7%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
<b>Net Income</b>	<b>86</b>	<b>(143)</b>	<b>282</b>	<b>(114)</b>	<b>(2)</b>	<b>9</b>	<b>23</b>	<b>18</b>	<b>48</b>	<b>15</b>	<b>20</b>	<b>34</b>	<b>31</b>	<b>99</b>	<b>137</b>	<b>177</b>	<b>210</b>
Net Earnings (Loss) Attributable to Noncontrolling Interests	20	3	(28)	(34)	(1)	3	6	0	8	0	0	0	0	0	0	0	0
<b>Net Earnings (Loss) Attributable to Bumble Inc. Shareholders</b>	<b>66</b>	<b>(145)</b>	<b>310</b>	<b>(80)</b>	<b>(2)</b>	<b>7</b>	<b>17</b>	<b>18</b>	<b>40</b>	<b>15</b>	<b>20</b>	<b>34</b>	<b>31</b>	<b>99</b>	<b>137</b>	<b>177</b>	<b>210</b>
Basic Shares Outstanding	102	1,686	121	129	132	137	137	137	135	136	135	133	132	134	129	125	121
Diluted Shares Outstanding	149	753	193	129	132	191	191	191	190	190	189	188	186	188	183	179	175
Basic EPS Attributable to Bumble Inc. Shareholders	\$0.65	(\$0.09)	\$2.55	(\$0.62)	(\$0.01)	\$0.05	\$0.12	\$0.13	\$0.30	\$0.11	\$0.15	\$0.25	\$0.23	\$0.74	\$1.06	\$1.41	\$1.74
Diluted EPS Attributable to Bumble Inc. Shareholders	<b>\$0.58</b>	<b>(\$0.09)</b>	<b>\$1.46</b>	<b>(\$0.62)</b>	<b>(\$0.01)</b>	<b>\$0.05</b>	<b>\$0.12</b>	<b>\$0.10</b>	<b>\$0.26</b>	<b>\$0.08</b>	<b>\$0.10</b>	<b>\$0.18</b>	<b>\$0.17</b>	<b>\$0.53</b>	<b>\$0.75</b>	<b>\$0.99</b>	<b>\$1.20</b>
<u>Adj. EBITDA Reconciliation:</u>																	
Net Earnings (Loss)	86	(143)	282	(114)	(2)	9	23	18	48	15	20	34	31	99	137	177	210
Income Tax Provision	6	8	(438)	3	3	3	2	5	12	4	5	8	8	25	34	44	53
Interest (income) expense	(0)	22	25	24	5	6	5	6	22	5	6	5	6	22	22	22	22
D&A	7	92	107	90	17	17	17	17	68	18	18	18	18	72	76	79	83
SBC	2	27	124	111	29	34	22	26	110	28	28	28	28	112	125	137	150
Employer Costs related to SBC	0	0	2	2	3	0	1	0	4	0	0	0	0	0	0	0	0
Litigation	0	(6)	7	23	2	7	16	0	25	0	0	0	0	0	0	0	0
FX (gain) loss	1	15	(4)	(4)	(1)	2	(4)	0	(2)	0	0	0	0	0	0	0	0
Changes in FV of interest rate swaps	0	2	(7)	(17)	4	1	4	0	9	0	0	0	0	0	0	0	0
Transaction and other costs	0	107	19	5	1	0	0	0	2	0	0	0	0	0	0	0	0
Changes in FV of contingent earn-out liability	0	28	56	(47)	(1)	(12)	(11)	0	(24)	0	0	0	0	0	0	0	0
Changes in FV of investments	0	0	(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairment loss	0	0	26	145	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	5	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>EBITDA Excluding SBC</b>	<b>102</b>	<b>152</b>	<b>199</b>	<b>227</b>	<b>59</b>	<b>67</b>	<b>75</b>	<b>72</b>	<b>274</b>	<b>70</b>	<b>77</b>	<b>93</b>	<b>91</b>	<b>331</b>	<b>395</b>	<b>460</b>	<b>519</b>
% YY - EBITDA Excluding SBC	N/A	49%	31%	14%	19%	23%	22%	19%	21%	18%	14%	24%	26%	21%	19%	17%	13%
% Q/Q - EBITDA Excluding SBC	N/A	N/A	N/A	N/A	-2%	13%	12%	-4%	N/A	-3%	10%	22%	-3%	N/A	N/A	N/A	N/A
EBITDA Margin	20.8%	26.1%	26.2%	25.1%	24.4%	25.9%	27.3%	26.2%	26.0%	25.2%	26.3%	29.4%	28.1%	27.3%	28.5%	29.5%	29.9%
Y/Y Change	N/A	N/A	5	(106)	70	91	74	119	90	80	36	206	188	132	117	99	40
Q/Q Change	N/A	N/A	N/A	N/A	(62)	147	143	(110)	N/A	(101)	103	313	(128)	N/A	N/A	N/A	N/A

Source: Wells Fargo Securities, LLC, Estimates, Company Reports

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## Bumble Inc

### International runway remains but cautious on overall dating space; Assuming Coverage at Neutral w/ \$16 Price Target

#### Key Takeaways

We assume coverage of BMBL with a Neutral rating and \$16 price target representing 20% upside potential and 1.6x risk/reward skew. While we like the longer international growth runway that the Bumble App has relative to MTCH's Tinder, we are cautious on the broader dating space which faces questions around saturation, pricing power and churn risk in the face of softening macro and dating app MAUs/DAUs which decel'ed 7pppts/3pppts to -6%/+6% YoY. We model FY24E rev/EBITDA of \$1.24B/\$335M which is 1.4%/2.6% below consensus on slower Bumble App revenue growth 19% YoY (Street 20%) associated with an ARPPU decline of 1% YoY (Street +1% YoY).

#### What could make us change our view

Factors that could make us more positive/negative include: 1) Bumble App market share changes in US and Western European markets and 2) the Bumble App's ability to pass along price and the impact to churn.

#### Expectations for 3Q23 EPS Call - 11.7.23 @ 4:30PM ET

We reduce our 4Q23 Bumble app and total rev. ests. by -1.6%/-1.5% to \$233M/\$286M (St \$234M/\$287M) on lower Bumble Payers. We believe BMBL could tighten its FY23 revenue guidance range by lowering the high-end of guidance range to \$1.065B/18% YoY implying 4Q23 revenue guidance of \$285M at the high-end. We believe BMBL could also provide a preliminary outlook on FY24 and talk to "mid-high teens" total revenue growth (St 18% YoY) and ~100bps of adj EBITDA margin expansion (St 140bps). On the call, we look for updates on (1) macro impact on user base and payer conversion / ALC spend trends (2) how Bumble plans to compete more aggressively in the US with Tinder/Hinge which are gaining share of users/downloads, and (3) investment priorities in '24.

**Valuation:** Our \$16 PT (down from \$19 prev) is based on an 8x EBITDA multiple (prior 10x) on our '25 adj. EBITDA est of \$397M (\$409M prev). Our 8x multiple equates to 2.3x EV/Rev and 0.17x EV/Rev/Growth - in-line with where BMBL is trading on '24 and '25 UBSe.

#### Equities

Americas

Internet Services

12-month rating **Neutral \***

12m price target **US\$16.00**  
*Prior : US\$19.00*

Price (27 Oct 2023) **US\$13.35**

RIC: BMBL.O BBG: BMBL US

#### Trading data and key metrics

52-wk range	US\$27.86-13.30
Market cap.	US\$1.73b
Shares o/s	130m (COM)
Free float	99%
Avg. daily volume ('000)	1,854
Avg. daily value (m)	US\$29
Common s/h equity (12/23E)	US\$1.75b
P/BV (12/23E)	1.1x
Net debt to EBITDA (12/23E)	0.3x

#### EPS (UBS, diluted) (US\$)

	12/23E		
	From	To	% ch
<b>Q1</b>	(0.01)	(0.01)	NM
<b>Q2</b>	0.05	0.05	-6
<b>Q3E</b>	0.07	0.07	2
<b>Q4E</b>	0.09	0.08	-5
<b>12/23E</b>	0.18	0.19	4
<b>12/24E</b>	0.40	0.38	-6
<b>12/25E</b>	0.92	0.85	-7

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Highlights (US\$b)	12/20	12/21	12/22	12/23E	12/24E	12/25E	12/26E	12/27E
<b>Revenues</b>	582,182	760,910	903,503	1,065,490	1,238,235	1,412,582	1,573,845	1,719,039
<b>EBIT (UBS)</b>	60,267	92,135	137,205	210,348	265,500	371,169	427,915	471,689
<b>Net earnings (UBS)</b>	(145,467)	309,815	(79,746)	27,632	58,523	135,964	161,315	180,004
<b>EPS (UBS, diluted) (US\$)</b>	-	2.11	(0.62)	0.19	0.38	0.85	0.99	1.07
<b>DPS (net) (US\$)</b>	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net (debt) / cash</b>	(702,089)	(259,806)	(222,414)	(78,919)	135,070	434,310	781,739	1,165,968
Profitability/valuation	12/20	12/21	12/22	12/23E	12/24E	12/25E	12/26E	12/27E
<b>EBIT (UBS) margin %</b>	10.4	12.1	15.2	19.7	21.4	26.3	27.2	27.4
<b>ROIC (EBIT) %</b>	4.4	3.3	5.1	7.9	10.1	14.2	16.4	18.1
<b>EV/EBITDA (UBS core) x</b>	-	37.6	20.0	9.6	7.5	5.8	4.6	4.3
<b>P/E (UBS, diluted) x</b>	-	24.5	(43.6)	72.1	35.4	15.7	13.6	12.4
<b>Equity FCF (UBS) yield %</b>	-	1.5	2.1	12.1	12.4	17.3	20.1	22.2
<b>Dividend yield (net) %</b>	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company accounts, Thomson Reuters, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US\$ 13.35 on 27-Oct-2023

This report has been prepared by UBS Securities LLC. \* Exception to core rating bands; See page 17. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 16.** UBS does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

**UBS Research THESIS MAP** a guide to our thinking and what's where in this report**PIVOTAL QUESTIONS****Q: Can Bumble deliver high-teens+ revenue growth through '25?**

Possible but not our starting point - we model a 15% 2-Yr CAGR vs St 17%. Underwriting our 15% total revenue CAGR is Bumble App revenue compounding at 18% driven by 18% Bumble App Payer growth and essentially flat ARPPU growth. This growth is offset by Badoo App & Other Revenue compounding at less than 5%. While high-teens revenue growth would not reflect an acceleration from the past two years which have been impacted by the war in Ukraine and LSD FX headwinds, Sensor Tower data shows that Bumble App is losing download share in North America to both Hinge and Tinder ([Figure 17](#)) and user growth in the dating space more broadly has slowed.

**Q: Can Bumble Inc. deliver 30%+ adj EBITDA margins by FY25?**

Possibly but this is not our starting point - we model 28% margins vs St 29%. BMBL delivered 33% EBITDA margins in 3Q20 but since then we haven't seen a quarter above 28% as BMBL invested in growth efforts. Looking beyond BMBL, we believe MTCH-owned Hinge benefits from the scale of the larger MTCH organization which allows them to talk to deliver 30%+ margins. Even getting to 29% margins in FY25 (in line with the Street) looks challenging for BMBL to achieve, as we estimate it requires incremental margins from FY23-FY25 of 35%-36% (vs. range of 28%-32% in FY19-FY23E excl. 2020 for COVID) and 10-13% YoY cash opex growth in FY25 implying sequential cash opex growth in FY25E at levels below FY24 for both scenarios.

**UBS VIEW**

We assume coverage of BMBL with a Neutral rating as we think BMBL is fairly priced at \$14, or 8x our '25E Adj. EBITDA. While we like the longer international growth runway that the Bumble App has relative to MTCH's Tinder, we are cautious on the broader dating space which faces questions around saturation, pricing power and churn risk in the face of softening macro and dating app MAUs/DAUs which decel'ed 7ppcts/3ppcts in 3Q to -6%/-6% YoY. We model FY24E rev/EBITDA of \$1.24B/\$335M which is 1.4%/2.6% below consensus on slower Bumble App revenue growth 19% YoY (Street 20%) associated with an ARPPU decline of 1% YoY (Street +1% YoY). Factors that could make us more positive/negative include: 1) Bumble App market share changes in US and Western European markets and 2) the Bumble App's ability to pass along price and the impact to churn.

**EVIDENCE**

We analyzed third party user/download data by region and did analysis around Bumble App Payers, the revenue opportunity from the premium tier yet to be launched, and level of potential for margin expansion in the medium-term. Using Bumble's disclosures as well as disclosures from MTCH, our analysis indicates that revenue growth and EBITDA margin expansion will come in below consensus estimates for FY25.

**WHAT'S PRICED IN?**

On a growth-adjusted basis, shares are currently pricing in 15% revenue growth based on the trough 0.15x EV/Revenue/growth multiple seen in FY22, vs. UBSe '24/'25 rev growth of 16%/14% vs consensus 18%/16%.

**UPSIDE/DOWNSIDE SPECTRUM**

Value drivers	FY24E Revenue Growth	FY25E Revenue Growth	Adj. EBITDA margin	Valuation Multiple
\$20 - upside	19%	17%	29.0%	10x
\$16 - base	16%	14%	28.1%	8x
\$10 - downside	13%	8%	26.5%	6x

Source: UBS estimates

## PQ1: Can Bumble sustain high teens % revenue growth through '25?

For the consolidated revenue to compound at high-teens+ over the next two years, we estimate Bumble App revenue would need to grow at least 20% through this period. Assuming Badoo & Other revenue grows MSD through this period (at a 4% CAGR, vs. St at 8%) and Bumble App ARPPU is flat, Bumble App would need to add 1.1M net payers vs Street at 1.02M and '22 and '23E combined net adds of 1.02M. Given the slowdown in the growth of Bumble App's userbase (global MAUs decelerated from 23% YoY growth in FY22 to 10% in 3Q23), we think this level of step-up in net adds will be difficult. Even if Bumble can grow its global MAUs at a 7% '23-'25E CAGR, this level of net payer additions would imply payer penetration steps up from 11% in '23E to 14% by '25E, or approximately 150bps per year. This pace of improvement in payer conversion seems too high given Bumble has historically added ~50bps per year on average to payer penetration levels and incremental MAU growth has shifted towards lower-monetizing markets that we associate with lower payer penetration.

**Figure 1: Bumble App '23-'25E Growth Scenario Analysis**

	2019	2020	2021	2022	2023E	2024E	2025E	'19-'22 CAGR	FY23 YoY %	'23-'25 CAGR
Bumble App	\$276	\$360	\$529	\$694	\$858	\$1,029	\$1,232	36%	24%	20%
Badoo & Other	\$213	\$222	\$232	\$209	\$207	\$218	\$226	-1%	-1%	4%
<b>Total Revenue</b>	<b>\$489</b>	<b>\$582</b>	<b>\$761</b>	<b>\$904</b>	<b>\$1,065</b>	<b>\$1,247</b>	<b>\$1,459</b>	<b>23%</b>	<b>18%</b>	<b>17%</b>
YoY Growth	19%	31%	19%	18%	17%	17%	17%			
<b>Bumble App</b>										
Revenue	\$276	\$360	\$529	\$694	\$858	\$1,029	\$1,232	36%	24%	20%
YoY Growth	31%	47%	31%	24%	20%	20%	20%			
<b>Payers</b>	<b>856</b>	<b>1,142</b>	<b>1,500</b>	<b>2,002</b>	<b>2,524</b>	<b>3,027</b>	<b>3,624</b>	<b>33%</b>	<b>26%</b>	<b>20%</b>
Net Adds	282	287	358	502	522	502	598			
ARPPU	\$26.84	\$26.30	\$29.37	\$28.90	\$28.33	\$28.33	\$28.33	2%	-2%	0%
YoY Growth	-2%	12%	-2%	-2%	-2%	0%	0%			
Payer Penetration	9%	9%	10%	10%	11%	13%	14%			

Source: UBS estimates, Company reports

## Sizing BMBL's new premium tier opportunity

In the US alone Raya and the League currently have 200K MAUs which represents approximately 2% of the 10M US market of singles looking for a committed romantic relationship. Considering that the League and Raya have been in the market for ~8 years, we believe that awareness around premium dating apps is already relatively high. As such we believe BMBL will need to compete for market share of the existing premium dating market. In the figure below, we estimate that BMBL could capture anywhere from 5-20% of the premium dating market, and if the subscription is \$75-200/mo, or \$900-\$2,400/year this would yield approx. 3% upside to our base case '25 revenue estimate and 4% in a bull case.

**Figure 2: New Matchmaking Premium Tier --- Sensitivity Analysis**

What if Bumble App converts x% of the ~200K US users in its target market to its new Premium tier in 2025?													
Incremental revenue (\$M)		Payer Penetration % of US Target Market					Revenue Upside as % of '24E Total BMBL Revenue						
		5%	10%	13%	15%	20%		5%	10%	13%			
<b>Cost/Mo (\$)</b>	<b>\$75</b>	\$9	\$19	\$23	\$26	\$37	<b>Cost/Mo (\$)</b>	\$75	0.7%	1.5%	1.9%	2.1%	3.0%
<u>for New</u>	\$100	\$12	\$25	\$31	\$35	\$49	<u>for New</u>	\$100	1.0%	2.0%	2.5%	2.8%	4.0%
<u>Bumble</u>	\$125	\$15	\$31	\$39	\$44	\$61	<u>Bumble</u>	\$125	1.2%	2.5%	3.1%	3.5%	5.0%
<u>Premium</u>	\$150	\$18	\$37	\$47	\$52	\$74	<u>Premium</u>	\$150	1.5%	3.0%	3.8%	4.2%	6.0%
<u>Service</u>	\$200	\$24	\$49	\$62	\$70	\$98	<u>Service</u>	\$200	1.9%	4.0%	5.0%	5.6%	7.9%

Source: UBS Estimates

**Figure 3: New Matchmaking Premium Tier could drive ~3ppts of YoY revenue growth in '25E**

Figures in millions unless otherwise stated	2022E	Comments
US adults (age 18+)	261	US Census 2022
(x) % Not Married nor Living with a Partner	39%	July 2022 Pew Research Center's American Trends Panel
US unmarried adults	102	
(x) % Not Currently in a Committed Romantic Relationship	79%	July 2022 Pew Research Center's American Trends Panel
US single adults	80	
(x) % looking for "a committed romantic relationship only"	13%	July 2022 Pew Research Center's American Trends Panel
Single US adults looking for a committed relationship only	10	Millions
(x) % willing to pay for premium online "matchmaking" services	0.2%	UBSe; 0.2% adoption = 20K US payers that end up buying Bumble's premium tier
<b>Total US Payers for Premium Tier</b>	<b>0.02</b>	BMBL's ~20K would comprise 10% of Raya + the League's combined ~200k US MAU
(x) Potential price/year for Bumble's premium tier	\$1,500	UBSe; ~3x Bumble's current pricing of \$40/mo and ~30% of The League pricing of \$99/w
<b>Estimated Serviceable US Market for Bumble's Premium Tier</b>	<b>\$31</b>	
<b>Contribution (ppts) to UBSe '25 Growth YoY</b>	<b>3%</b>	

Source: US Census, Pew Research, UBS

## PQ2: Can Bumble deliver 30%+ margins by FY25?

Unlikely. We model 28% margins in FY25E vs Street at 29%. BMBL delivered 33% adj EBITDA in 3Q20, but since then hasn't delivered a quarter above 28% which we largely attribute to COVID dynamics and geographic expansion. Looking beyond BMBL, we believe MTCH-owned Hinge benefits from the scale of the larger MTCH organization which allows them to talk to deliver 30%+ margins.

In the figure below, we lay out the FY23 guidance ranges for revenue growth (17-19% YoY) and adj EBITDA (\$276-280M assuming 100bps of YoY margin expansion for the full year) and then assume a low-revenue-growth scenario for FY24/FY25E of 16%/14% (in line with UBSe) and a high-growth scenario of 19%/17% (above Street at 18%/16%). In both scenarios we assume BMBL can deliver 30% adj EBITDA margins in FY25E, which would imply 38% incremental margins from FY23-FY25E in the high-growth scenario and 40% incremental margins in the low-growth scenario. Looking at this from a slightly different angle, the high / low growth scenarios would imply \$71M / \$54M of average annual expense growth over this period vs \$71M/\$87M sequential growth seen in FY21/FY22, and \$63M in FY19.

**Figure 4: FY25E Bumble Inc. Margin Analysis --- Getting to consensus  
30% EBITDA Margins implies incremental margins of 38-40% in FY25E**

	FY18	FY19	FY20	FY21	FY22	FY23E	FY25E	Consensus
Revenue - Low-end	\$360	\$489	\$582	\$761	\$904	\$1,055	\$1,395	
YoY Growth	36%	19%	31%	19%	19%	17%	14.0%	
<b>Revenue - High-end</b>	<b>\$360</b>	<b>\$489</b>	<b>\$582</b>	<b>\$761</b>	<b>\$904</b>	<b>\$1,072</b>	<b>\$1,493</b>	<b>\$1,068</b> <b>\$1,470</b>
YoY Growth	35.8%	19.1%	30.7%	18.7%	19%	17.0%		18% 16%
GP - High-end	\$250	\$349	\$425	\$559	\$658	\$763	\$1,066	\$759 \$1,049
Gross Margin	69.4%	71.4%	73.1%	73.5%	72.8%	71.2% 71.4%		71.1% 71.3%
GP - Low-end	\$250	\$349	\$425	\$559	\$658	\$751	\$996	
Gross Margin	69.4%	71.4%	73.1%	73.5%	72.8%	71.2% 71.4%		
Cash opex - High-end	\$184	\$247	\$273	\$360	\$431	\$483	\$626	\$481 \$629
YoY Growth	34%	10%	32%	20%	12%	11%		11% 14%
Sequential \$ Growth	\$63	\$26	\$87	\$71	\$52	\$71		\$49 \$74
Cash opex - Low-end	\$184	\$247	\$273	\$360	\$431	\$476	\$585	
YoY Growth	34%	10%	32%	20%	10%	8%		
Sequential \$ Growth	\$63	\$26	\$87	\$71	\$45	\$54		
<b>EBITDA - High-end</b>	<b>\$66</b>	<b>\$102</b>	<b>\$152</b>	<b>\$199</b>	<b>\$227</b>	<b>\$280</b>	<b>\$440</b>	<b>\$279</b> <b>\$420</b>
EBITDA Margin	18.3%	20.8%	26.2%	26.2%	25.1%	26.1% 29.5%		26.1% 28.6%
Incremental Margin	28%	54%	26%	19%	31%	38%		32% 35%
<b>EBITDA - Low-end</b>	<b>\$66</b>	<b>\$102</b>	<b>\$152</b>	<b>\$199</b>	<b>\$227</b>	<b>\$276</b>	<b>\$412</b>	
EBITDA Margin	18.3%	20.8%	26.2%	26.2%	25.1%	26.1% 29.5%		
Incremental Margin	28%	54%	26%	19%	32%	40%		

Source: Company reports, UBS estimates

Delivering even 29% margins in FY25 (in line with St) looks challenging to achieve considering BMBL would still need to sustain incremental margins of 35%/36% in the high growth/low growth scenarios, implying \$78M and \$61M of average annual sequential expense growth over this period - below levels seen in FY21 (for both

scenarios) and in the low-growth scenario, below levels seen in FY19 and FY22, as well.

**Figure 5: Estimate Changes**

Key Performance Indicators	3Q23E				4Q23E				2023E				2024E				2025E			
	Current Est	Prior Est	% Change	Visible Alpha	Current Est	Prior Est	% Change	Visible Alpha	Current Est	Prior Est	% Change	Visible Alpha	Current Est	Prior Est	% Change	Visible Alpha	Current Est	Prior Est	% Change	Visible Alpha
Bumble App Revenue	\$223	\$224	(0.4)%	\$223	22.0%	20.0%	22.6%	\$858	\$863	(0.5)%	\$859	\$1,021	\$1,037	(1.6)%	\$1,035	\$1,186	\$1,223	(3.0)%	\$1,213	
YoY Growth	23.5%	20.0%		23.7%	18.9%		22.6%	23.6%	18.6%		23.4%	18.9%	17.2%		20.4%	16.2%	15.6%		17.2%	
ex-FX YoY Growth	19.9%																			
Bumble App paying users	2,603	2,608	(0.2)%	2,604	2,718	2,728	(0.4)%	2,706	2,524	2,528	(0.1)%	2,522	3,023	3,037	(0.5)%	3,006	3,522	3,546	(0.7)%	3,497
Sequential Net Adds	145	150	(3.3)%	146	115	120	(4.2)%	102	522	526	(0.7)%	518	499	509	(2.0)%	481	499	509	(2.0)%	486
YoY Growth	24.6%	24.9%		24.7%	22.4%	20.0%		21.8%	26.1%	18.6%		25.9%	19.8%	17.2%		19.2%	16.5%	15.6%		16.3%
Bumble App ARPPU	\$28.57	\$28.63	(0.2)%	\$28.61	\$28.55	\$28.91	(1.3)%	\$28.81	\$28.33	\$28.44	(0.4)%	\$28.39	\$28.13	\$28.45	(1.1)%	\$28.69	\$28.06	\$28.75	(2.4)%	\$28.91
YoY Growth	(0.9)%	(0.7)%		(0.8)%	(0.3)%	20.0%		0.6%	(2.0)%	18.6%		(1.8)%	(0.7)%	17.2%		1.0%	(0.2)%	15.6%		0.8%
<b>Income Statement</b>																				
Total revenue	\$277	\$279	(0.7)%	\$277	\$286	\$290	(1.5)%	\$287	\$1,065	\$1,072	(0.6)%	\$1,067	\$1,238	\$1,256	(1.4)%	\$1,256	\$1,413	\$1,451	(2.7)%	\$1,451
YoY Growth	19.1%	19.5%		19.2%	18.2%	20.0%		18.8%	17.9%	18.6%		18.1%	16.2%	17.2%		17.7%	14.1%	15.6%		15.5%
ex-FX YoY Growth	19.9%			18.5%	18.9%			18.0%	20.9%			19.0%	16.2%			18.9%	14.1%			15.7%
Gross profit	\$196	\$197	(0.7)%	\$197	\$203	\$206	(1.5)%	\$205	\$754	\$759	(0.6)%	\$759	\$878	\$891	(1.4)%	\$896	\$1,005	\$1,033	(2.7)%	\$1,037
Gross Margin	70.7%	70.7%		71.1%	71.0%	71.0%		71.4%	70.8%	70.8%		71.1%	70.9%	70.9%		71.4%	71.2%	71.2%		71.5%
Total Opex - GAAP	\$155	\$158	(1.4)%	\$155	\$158	\$161	(1.7)%	\$155	\$605	\$609	(0.8)%	\$602	\$682	\$692	(1.5)%	\$674	\$716	\$734	(2.5)%	\$747
YoY Growth	29.4%	20.0%			(48.3)%	20.0%			(9.4)%	18.6%			12.8%	17.2%			4.9%	15.6%		
GAAP operating income	\$24	\$23	2.8%	\$23	\$28	\$29	(2.6)%	\$31	\$82	\$82	(0.1)%	\$84	\$127	\$132	(3.2)%	\$141	\$264	\$275	(4.0)%	\$215
GAAP operating margin	8.6%	8.3%		8.4%	9.8%	9.9%		10.8%	7.7%	7.7%		7.9%	10.3%	10.5%		11.2%	18.7%	18.9%		14.8%
Adj. EBITDA	\$73	\$72	0.9%	\$73	\$78	\$79	(1.2)%	\$79	\$278	\$278	(0.1)%	\$279	\$335	\$339	(1.3)%	\$344	\$397	\$409	(3.0)%	\$413
Adj. EBITDA margin	26.4%	25.9%		26.2%	27.4%	27.3%		27.7%	26.1%	26.0%		26.1%	27.0%	27.0%		27.4%	28.1%	28.2%		28.5%

Source: Company reports, UBS estimates

## What's the data telling us?

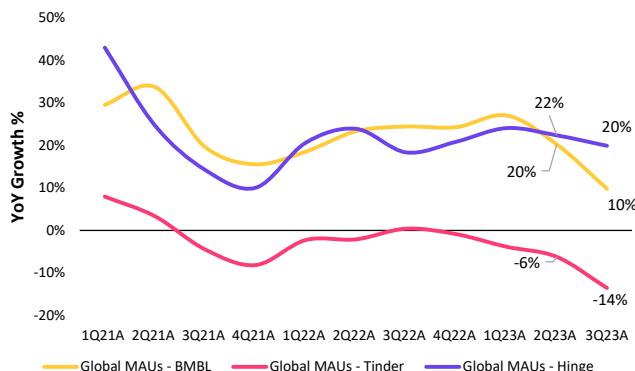
- Dating user growth and downloads continue to slow** - Combined Tinder/Bumble/Hinge 3Q23 global MAU and DAU growth decel'ed 7pppts/3pppts to -6%/-6% YoY. YoY DAU growth was negative for the third consec. quarter while MAU growth turned negative for the first time since 4Q21. Consolidated global app downloads grew 4% YoY in 3Q and decel'ed 8pppts and decel'ed 6pppts on a 2-yr basis.
- BMBL Global MAUs, DAUs and Downloads continue to decelerate** - BMBL Global MAUs decelerated 10pppts to 10% YoY in 3Q23 and decelerated 12pppts on a 2-Yr basis. On a YoY basis 3Q23 NA/Int. MAUs decelerated 10pppts/11pppts. On a 2-yr basis 3Q23 NA/Int. MAUs decelerated 13pppts/9pppts. Global DAUs decelerated for the 2nd consecutive quarter to +10% YoY, an 8ppt decel. Global Downloads of BMBL decelerated for the 3rd consecutive quarter to +11% YoY, a 16ppt decel.

## User trends

**Global MAUs** - Bumble's global MAU growth sees a double digit decel in 3Q, and growth nearly dips into single digits for the first time

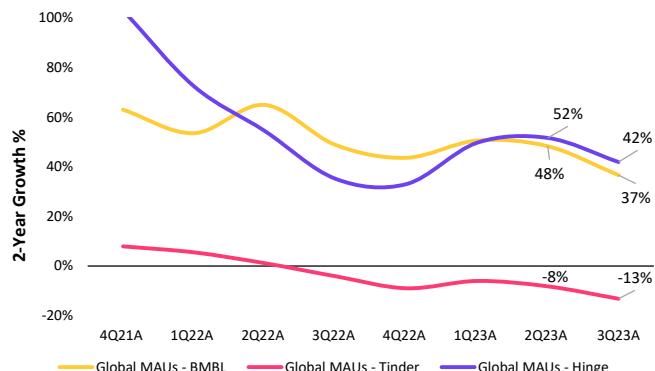
- For the second quarter in a row, Hinge is the fastest growing of the group at 20% YoY, a 2ppt decel from last quarter; on a 2-year basis Hinge grew 42%, an 10ppt decel
- Bumble's saw the biggest drop-off of the group, with global MAU growth in 3Q of 10% YoY, **an 10ppt decel; on a 2-year basis the decel was 12ppt**
- Tinder's userbase continues to contract globally with MAUs down 14% YoY, a 7ppt decel; on a 2-year basis the decel was 5ppt

**Figure 6: Global MAUs by App, YoY Growth %**



Source: Sensor Tower, UBS

**Figure 7: Global MAUs by App, 2-Year Growth %**

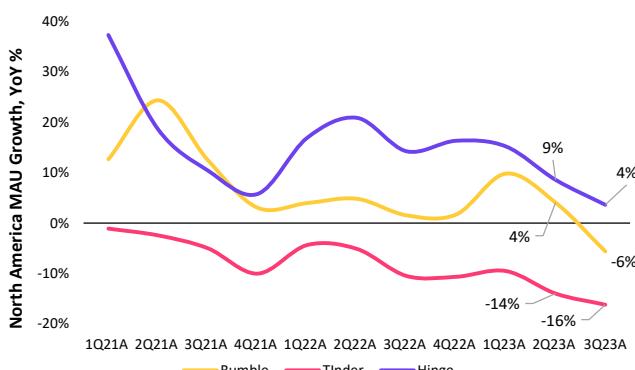


Source: Sensor Tower, UBS

**North America MAUs** - Bumble's NA MAU growth turns negative for first time and decelerates by double digits - Hinge the only app still growing its NA userbase

- Bumble's North America MAU growth turned negative in 3Q to -6% YoY, a 10ppt decel and the first time growth has been negative; on a 2-year basis the decel was even worse at 13ppt
- Tinder's MAU growth in North America was -16% YoY, a 2ppt decel; on a 2-year basis, Tinder's North America MAUs are down 25%, a 7ppt decel
- Hinge is the only grower of the group in N. America at +4% YoY, a 5ppt decel from last quarter; on a 2-year basis Hinge grew 18%, a 13ppt decel

**Figure 8: North America MAUs by App, YoY Growth %**



Source: Sensor Tower, UBS

**Figure 9: North America MAUs by App, 2-Year Growth %**



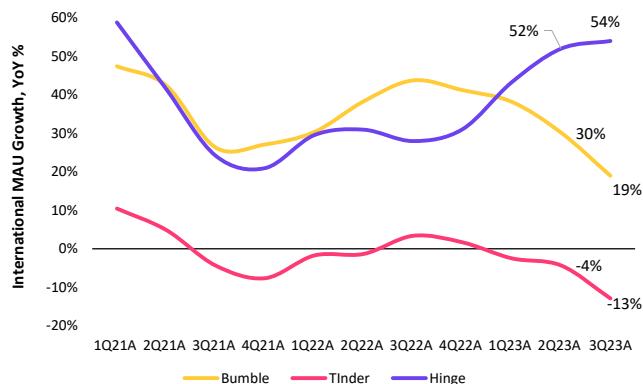
Source: Sensor Tower, UBS

**International MAUs** - growth gap between Hinge and Bumble widens out further; Bumble decelerates 11ppt in int'l markets while Hinge accelerates. That said, we still see a meaningful international growth runway for Bumble considering its market nascent vs Tinder.

- Bumble's International MAU growth saw the biggest decel in 3Q of the group, growing 19% YoY, an 11ppt decel from 30% in the prior quarter; on a 2-year basis, MAUs decel'd 9ppt
- Tinder's International MAU growth was -13% YoY, a 9ppt decel; on a 2-year basis, the decel was just 4ppt
- Hinge is the only app of the group that is seeing accelerating international MAU growth - the app grew 54% YoY in 3Q, a 2ppt accel. This widens out even further the meaningful growth gap that emerged between Bumble and Hinge last quarter - Hinge is now growing 35ppt faster than Bumble in international markets, albeit on a smaller base (though that didn't stop Bumble from growing faster than Hinge for all quarters from 2Q21 through 4Q22).

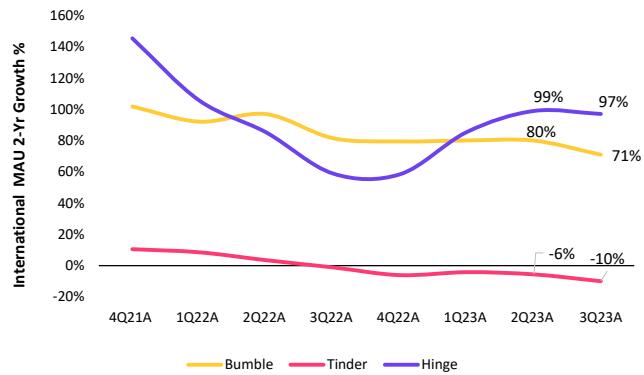
- On a 2-year basis, Hinge is up 97%, a 2ppt decel

**Figure 10: International MAUs by App, YoY Growth %**



Source: Sensor Tower, UBS

**Figure 11: International MAUs by App, 2-Year Growth %**



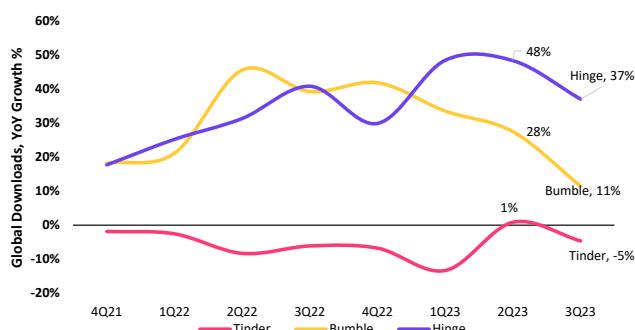
Source: Sensor Tower, UBS

## Downloads

**Global Downloads growth** - Bumble sees a 16ppt decel in 3Q on YoY growth and 30ppt decel on a 2-year basis

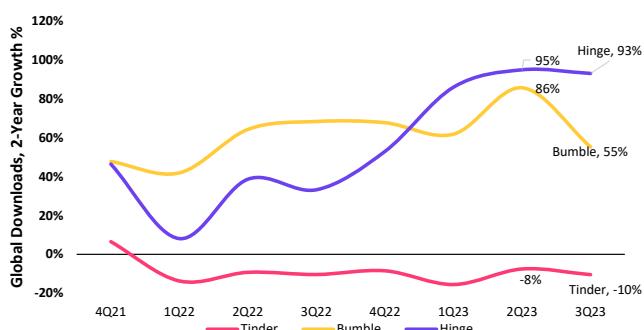
- For the third quarter in a row, Hinge is the fastest growing of the group at +37% YoY, an 11ppt decel from last quarter's growth of 48% YoY; on a 2-year basis Hinge grew 93%, a 2ppt decel
- Bumble saw the biggest drop-off of the group with a 16ppt decel to YoY downloads growth of 11%, down from 28% YoY in 2Q; on a 2-year basis, Bumble saw a 30ppt decel as growth gap to Hinge on a 2-year basis widens out to nearly 40ppt
- Tinder downloads were down 5% YoY, a 5ppt decel from last quarter; decel was 3ppt on a 2-year basis

**Figure 12: Global Downloads, YoY Growth %**



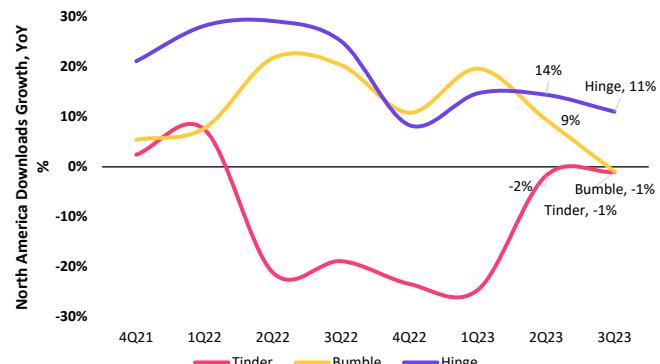
Source: Sensor Tower, UBS

**Figure 13: Global Downloads, 2-Year Growth %**



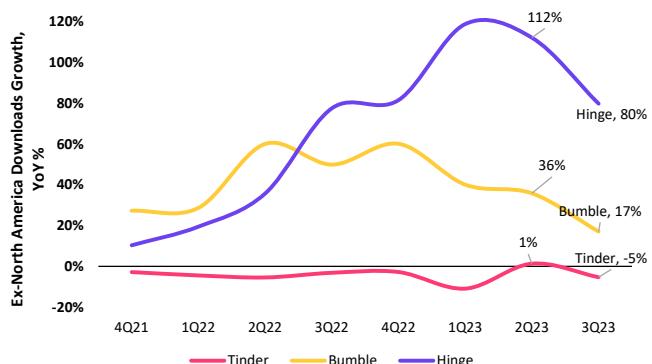
Source: Sensor Tower, UBS

**Figure 14: North America Downloads, YoY Growth %**



Source: Sensor Tower, UBS

**Figure 15: Ex-North America Downloads, YoY Growth %**



Source: Sensor Tower, UBS

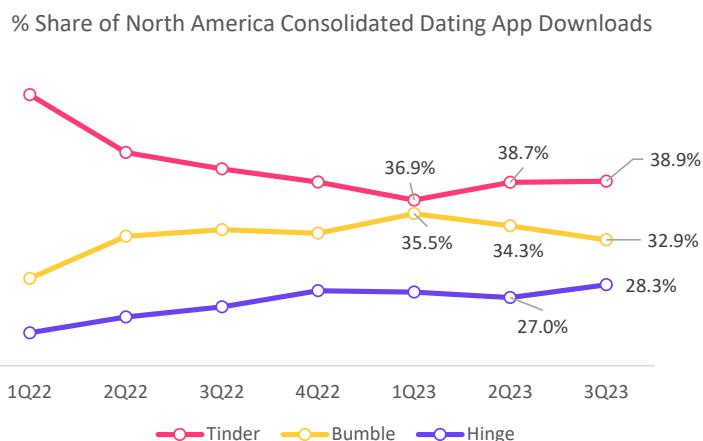
## MAU and Downloads Trends by Geo

**Figure 16: KPIs YoY Growth by Region by App -- Summary**

	MAU, Y/Y Growth							Downloads, Y/Y Growth						
	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
<b>Tinder</b>														
North America	(4)%	(5)%	(10)%	(11)%	(10)%	(14)%	(16)%	7%	(21)%	(19)%	(23)%	(25)%	(2)%	(1)%
Western Europe	(5)%	(6)%	(7)%	(6)%	(5)%	(10)%	(12)%	(8)%	(13)%	(8)%	(11)%	(9)%	1%	(5)%
APAC	(6)%	(3)%	8%	7%	5%	2%	(9)%	(6)%	(2)%	5%	10%	(19)%	4%	(5)%
LatAm	5%	6%	8%	4%	(8)%	(5)%	(11)%	(6)%	(13)%	(14)%	(16)%	(10)%	(1)%	8%
ROW	(1)%	(3)%	5%	(3)%	(2)%	(7)%	(31)%	7%	11%	8%	7%	3%	0%	(28)%
<b>Global</b>	(2)%	(2)%	0%	(1)%	(4)%	(6)%	(14)%	(3)%	(8)%	(6)%	(7)%	(13)%	1%	(5)%
<b>Bumble</b>														
North America	4%	5%	2%	2%	10%	4%	(6)%	8%	22%	20%	11%	20%	9%	(1)%
Western Europe	16%	16%	15%	23%	25%	19%	12%	1%	9%	27%	32%	51%	38%	20%
APAC	29%	41%	50%	43%	40%	27%	15%	24%	71%	58%	77%	18%	9%	(8)%
LatAm	46%	53%	65%	48%	41%	47%	27%	59%	113%	62%	70%	89%	99%	67%
ROW	113%	133%	121%	101%	78%	60%	47%	168%	193%	73%	56%	20%	26%	21%
<b>Global</b>	19%	23%	24%	24%	27%	20%	10%	21%	46%	39%	42%	34%	28%	11%
<b>Hinge</b>														
North America	17%	21%	14%	16%	15%	9%	4%	28%	29%	25%	8%	15%	14%	11%
Western Europe	15%	13%	10%	28%	48%	61%	76%	36%	39%	109%	121%	190%	179%	114%
APAC	51%	60%	55%	38%	42%	46%	36%	26%	40%	40%	30%	33%	30%	16%
ROW	8%	(6)%	(10)%	(2)%	6%	20%	41%	(75)%	(39)%	88%	136%	166%	175%	119%
<b>Global</b>	21%	24%	18%	21%	24%	22%	20%	25%	31%	41%	30%	49%	48%	37%

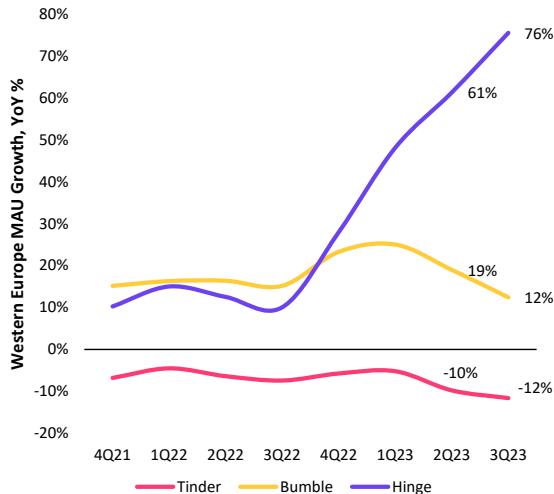
Source: Sensor Tower, UBS

**Figure 17: % Market Share of North America Dating App Downloads**



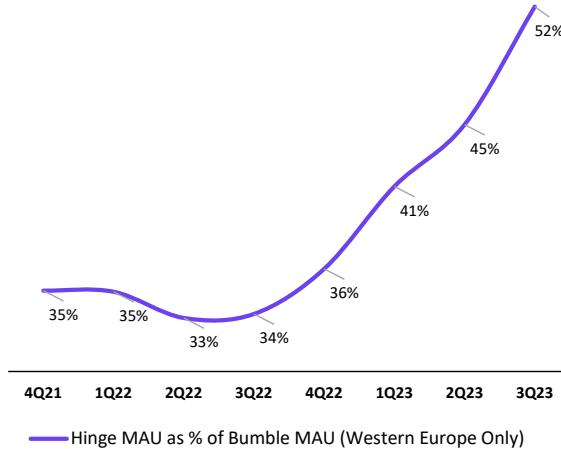
Source: Sensor Tower, UBS

**Figure 18: MAU by Dating App, Western Europe, YoY Growth %**



Source: Sensor Tower, UBS

**Figure 19: Hinge Western Europe MAU as % of Bumble's**



Source: Sensor Tower, UBS

## Valuation: PT to \$16 from \$19

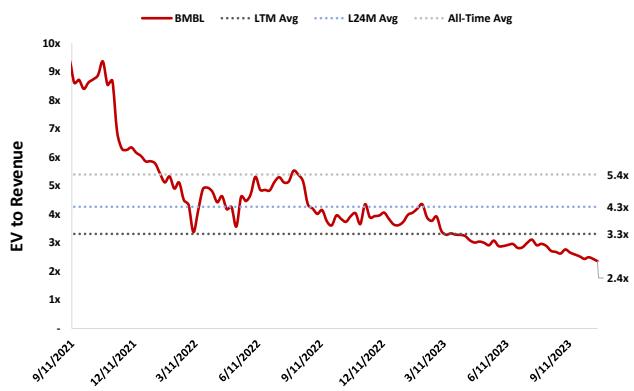
We lower our PT to \$16 (\$19 previously) based on an 8x EBITDA multiple (prior 10x) on our '25 estimate of \$397M (\$409M previously). Our 8x multiple equates to 2.3x EV/Rev and 0.17x EV/Rev/Growth, largely in line with where BMBL is currently trading on '24 and '25 UBSe but towards the low end of BMBL's historical range given softening data and evidence of market saturation. Our 8x multiple for BMBL is below our 9x adj. OI multiple for MTCH as we believe MTCH deserves a premium given its higher margins (despite slower topline growth) and ability to leverage its portfolio of apps to drive further margin expansion moving forward.

**Figure 20: BMBL Valuation Worksheet**

BMBL Current Valuation				
Current share price	\$14.03	10/24/2023		
(x) Diluted share count	207	as of 2Q23A		
(=) Market cap	\$2,907			
(-) Cash & cash equivalents	(381)	as of 2Q23A		
(+) Debt	623	as of 2Q23A		
(=) Enterprise value	\$3,149			
	2023E	2024E	2025E	2026E
EV/Revenue	3.0x	2.5x	2.2x	2.0x
YoY Growth	17.9%	16.2%	14.1%	11.4%
EV/Rev/Growth	0.16x	0.16x	0.16x	0.16x
EV/Adj. EBITDA	11.3x	9.4x	7.9x	7.0x
P/E - GAAP Diluted	75.8x	37.2x	16.5x	14.2x
FCF Yield	7.2%	7.4%	10.3%	12.0%
FCF Yield ex-SBC	2.9%	2.7%	6.7%	7.9%
Valuation Methodology				
EV to EBITDA	2023E	2024E	2025E	2026E
Adj. EBITDA	\$278	\$335	\$397	\$449
(x) Target multiple	8x	8x	8x	8x
(=) Enterprise Value	\$2,307	\$2,777	\$3,296	\$3,726
(-) Net debt	222	79	(135)	(202)
(=) Equity Value	\$2,084	\$2,698	\$3,431	\$3,928
(/) Diluted share count	209	211	218	220
(=) Price per share	\$10	\$13	\$16	\$18
Target price	\$16			
Current price	\$14			
Potential Upside/downside	14%			
Target Implied Multiple				
EV/Revenue	3.1x	2.7x	2.3x	2.1x
EV/Rev/Growth	0.17x	0.16x	0.17x	0.18x
EV/Adj. EBITDA	11.9x	9.9x	8.3x	7.3x
P/E - GAAP Diluted	86.5x	42.4x	18.8x	16.2x
FCF Yield	6.3%	6.3%	8.6%	9.9%
FCF Yield ex-SBC	2.5%	2.3%	5.5%	6.5%

Source: Company reports; UBS estimates; VisibleAlpha

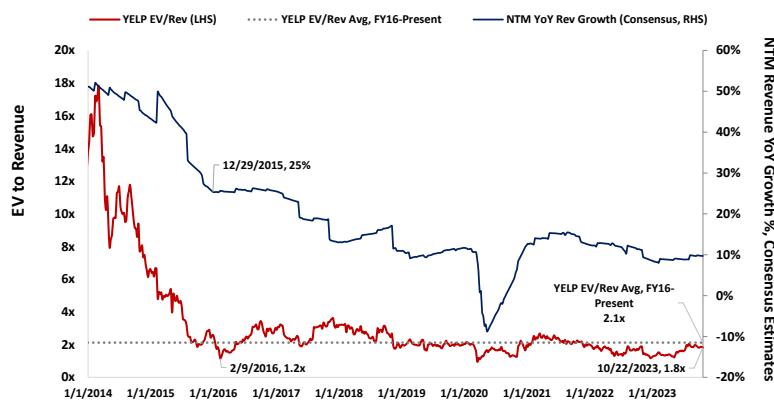
**Figure 21: BMBL NTM EV/Revenue (Consensus Estimates)**



Source: FactSet; UBS

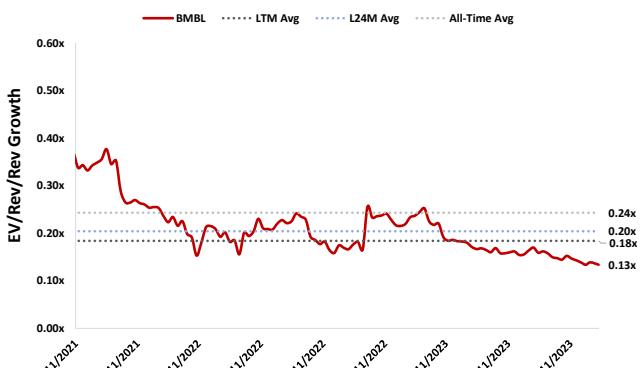
BMBL is trading well below its historical average multiples, including growth-adjusted multiples. When valuing BMBL we look to the case study of YELP which also saw its multiple fall sharply following a deterioration in go-forward topline growth expectations. Multiple fall in BMBL's (and MTCH's) case has also been driven by concerns around market saturation.

**Figure 23: YELP NTM EV/Revenue Multiple (LHS) vs. NTM Consensus Revenue Growth Estimates (%; RHS)**



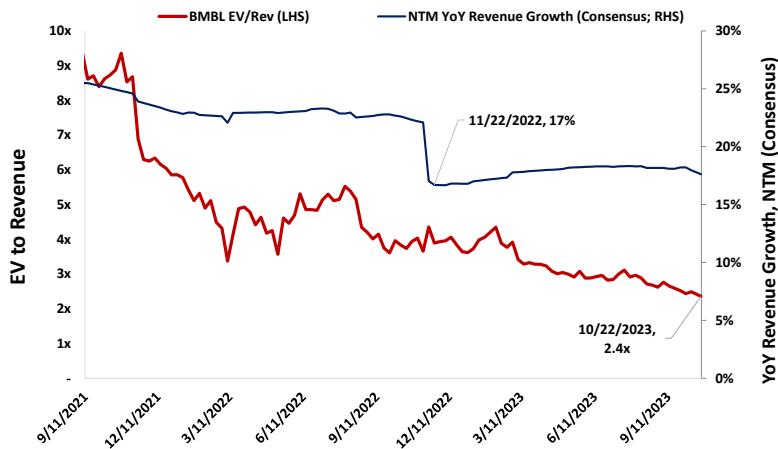
Source: FactSet; UBS

**Figure 22: BMBL NTM EV/Revenue/Growth (Consensus Estimates)**



Source: FactSet; UBS

**Figure 24: BMBL NTM EV/Revenue Multiple (LHS) vs. NTM Consensus Revenue Growth Estimates (%; RHS)**



Source: FactSet; UBS

**UPSIDE (\$20):** In our upside case, we assume BMBL delivers a high-teens revenue CAGR over the next two years and slightly above consensus EBITDA margins. In this scenario, we use a 10x multiple on EBITDA (equates to 2.9x EV/Rev, 0.17x EV/Rev/Growth, 0.6x EV/EBITDA/Growth).

**BASE (\$16):** In our base case, we apply an 8x multiple to 2025E Adj. EBITDA (equates to 2.3x EV/Rev, 0.17x EV/Rev/Growth).

**DOWNSIDE (\$10):** In our downside case, we assume revenue grows at ~8% y/y in 2025E on lower-than-expected net payer additions as international expansion efforts fail to offset inherent churn in the business as well as share gains towards Hinge, product/monetization initiatives that do not meaningfully contribute to growth, and lower profitability as a result of higher sustained investment levels from the increasingly competitive market environment. Adj EBITDA margins are 26.5%, ~150 bps below the base case, primarily on BMBL needing to increase opex/marketing spend in order to remain competitive with the market incumbent and others, as well as elevated spend going to areas that are unable to successfully diversify BMBL's rev stream or meaningfully contribute to growth (e.g. potentially Bumble BFF, Fruitz). In this scenario, we use a 6x multiple on EBITDA (equates to 1.6x EV/Rev, 0.2x EV/Rev/Growth, 0.8x EV/EBITDA/Growth).

**Figure 25: BMBL Upside/Downside -- risk to shares is skewed 1.6x to the upside**

	<b>Downside</b>	<b>Base Case</b>	<b>Upside</b>	<b>Consensus</b>	<b>Down</b>	<b>Base</b>	<b>Upside</b>
<b>Total Revenue - FY24</b>	\$1,204	\$1,238	\$1,268	\$1,263	-5%	-2%	0%
YoY growth	13%	16%	19%	18%			
<b>Total Revenue - FY25</b>	\$1,300	\$1,413	\$1,483	\$1,470	-12%	-4%	1%
YoY growth	8%	14%	17%	16%			
<b>Adj. EBITDA - FY25</b>	\$345	\$397	\$430	\$420	-18%	-5%	2%
Adj EBITDA Margins	26.5%	28.1%	29.0%	28.6%			
Incremental Margin	10%	36%	44%	35%			
<b>Target multiple</b>	6x	8x	10x	'22 - 12-22x; since Aug '23 sub-10x			
<b>Enterprise Value</b>	\$2,068	\$3,296	\$4,289				
(-) Net debt (cash)	(135)	(135)	(135)				
<b>(=) Equity Value</b>	\$2,203	\$3,431	\$4,424				
(/) Diluted shares	218	218	218				
<b>(=) Price per share</b>	\$10	\$16	\$20	'22 \$17-37; June '23 trough \$15			
Current share price		\$14					
Upside/(Downside)	(28)%	14%	44%				
<b>Skew</b>		1.6x					

Source: Company reports; UBS estimates; VisibleAlpha

# Bumble Inc (BMBL.O)

Income Statement (US\$k)	12/20	12/21	12/22	12/23E	%ch	12/24E	%ch	12/25E	12/26E	12/27E
<b>Revenues</b>	<b>582,182</b>	<b>760,910</b>	<b>903,503</b>	<b>1,065,490</b>	<b>17.9</b>	<b>1,238,235</b>	<b>16.2</b>	<b>1,412,582</b>	<b>1,573,845</b>	<b>1,719,039</b>
Gross profit	425,378	559,488	658,052	758,770	15.3	883,036	16.4	1,008,789	1,125,529	1,231,084
<b>EBITDA (UBS)</b>	<b>152,442</b>	<b>199,191</b>	<b>226,918</b>	<b>277,928</b>	<b>22.5</b>	<b>334,588</b>	<b>20.4</b>	<b>397,083</b>	<b>448,924</b>	<b>495,198</b>
Depreciation & amortisation	(92,175)	(107,056)	(89,713)	(67,580)	24.7	(69,088)	-2.2	(25,913)	(21,008)	(23,509)
<b>EBIT (UBS)</b>	<b>60,267</b>	<b>92,135</b>	<b>137,205</b>	<b>210,348</b>	<b>53.3</b>	<b>265,500</b>	<b>26.2</b>	<b>371,169</b>	<b>427,915</b>	<b>471,689</b>
Associates & investment income	0	0	0	0	-	0	-	0	0	0
Other non-operating income	(172,434)	(223,658)	(223,860)	(134,794)	39.8	(138,086)	-2.4	(107,406)	(119,667)	(130,707)
Net interest	(22,084)	(24,574)	(24,063)	(23,515)	2.3	(24,203)	-2.9	(23,978)	(23,753)	(23,527)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
<b>Pre-tax profit</b>	<b>(134,251)</b>	<b>(156,097)</b>	<b>(110,718)</b>	<b>52,039</b>	<b>-</b>	<b>103,212</b>	<b>98.3</b>	<b>239,786</b>	<b>284,495</b>	<b>317,454</b>
Tax	(8,491)	437,837	(3,406)	(13,883)	-307.6	(22,191)	-59.8	(51,554)	(61,166)	(68,253)
<b>Profit after tax</b>	<b>(142,742)</b>	<b>281,740</b>	<b>(114,124)</b>	<b>38,155</b>	<b>-</b>	<b>81,021</b>	<b>112.3</b>	<b>188,232</b>	<b>223,329</b>	<b>249,201</b>
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	(2,725)	28,075	34,378	(10,524)	-	(22,498)	-113.8	(52,268)	(62,013)	(69,197)
Extraordinary items	0	0	0	0	-	0	-	0	0	0
<b>Net earnings (local GAAP)</b>	<b>(145,467)</b>	<b>309,815</b>	<b>(79,746)</b>	<b>27,632</b>	<b>-</b>	<b>58,523</b>	<b>111.8</b>	<b>135,964</b>	<b>161,315</b>	<b>180,004</b>
<b>Net earnings (UBS)</b>	<b>(145,467)</b>	<b>309,815</b>	<b>(79,746)</b>	<b>27,632</b>	<b>-</b>	<b>58,523</b>	<b>111.8</b>	<b>135,964</b>	<b>161,315</b>	<b>180,004</b>
Tax rate (%)	0.0	0.0	0.0	26.7	-	21.5	-19.4	21.5	21.5	21.5
Per Share (US\$)	12/20	12/21	12/22	12/23E	%ch	12/24E	%ch	12/25E	12/26E	12/27E
EPS (UBS, diluted)	-	2.11	(0.62)	0.19	-	0.38	103.9	0.85	0.99	1.07
EPS (local GAAP, diluted)	-	2.11	(0.62)	0.19	-	0.38	103.9	0.85	0.99	1.07
EPS (UBS, basic)	-	2.55	(0.62)	0.20	-	0.41	100.8	0.90	1.03	1.11
DPS (net) (US\$)	-	0.00	0.00	0.00	-	0.00	-	0.00	0.00	0.00
Cash EPS (UBS, diluted) <sup>1</sup>	-	2.67	0.08	0.51	NM	0.70	37.9	0.97	1.08	1.17
Book value per share	19.18	12.45	12.56	12.50	-0.5	13.18	5.5	14.29	15.55	16.89
Average shares (diluted)	-	193	129	210	62.3	215	2.2	221	227	232
Balance Sheet (US\$k)	12/20	12/21	12/22	12/23E	%ch	12/24E	%ch	12/25E	12/26E	12/27E
Cash and equivalents	128,029	369,175	402,559	541,145	34.4	749,384	38.5	1,042,874	1,384,553	1,763,032
Other current assets	122,982	100,289	98,812	221,468	124.1	172,275	-22.2	189,857	206,120	220,762
<b>Total current assets</b>	<b>251,011</b>	<b>469,464</b>	<b>501,371</b>	<b>762,613</b>	<b>52.1</b>	<b>921,659</b>	<b>20.9</b>	<b>1,232,732</b>	<b>1,590,672</b>	<b>1,983,794</b>
Net tangible fixed assets	16,833	14,627	14,467	16,511	14.1	22,897	38.7	28,370	33,197	37,487
Net intangible fixed assets	3,352,522	3,236,910	3,104,198	3,063,776	-1.3	3,005,047	-1.9	2,992,762	2,988,209	2,983,656
Investments / other assets	17,122	55,995	72,585	56,381	-22.3	56,381	0.0	56,381	56,381	56,381
<b>Total assets</b>	<b>3,637,488</b>	<b>3,776,996</b>	<b>3,692,621</b>	<b>3,899,282</b>	<b>5.6</b>	<b>4,005,984</b>	<b>2.7</b>	<b>4,310,245</b>	<b>4,668,459</b>	<b>5,061,319</b>
Trade payables & other ST liabilities	235,641	170,220	205,918	294,793	43.2	190,018	-35.5	205,853	228,451	248,931
Short term debt	8,500	5,750	5,750	5,750	0.0	5,750	0.0	5,750	5,750	5,750
<b>Total current liabilities</b>	<b>244,141</b>	<b>175,970</b>	<b>211,668</b>	<b>300,543</b>	<b>42.0</b>	<b>195,768</b>	<b>-34.9</b>	<b>211,603</b>	<b>234,201</b>	<b>254,681</b>
Long term debt	821,618	623,231	619,223	614,314	-0.8	608,564	-0.9	602,814	597,064	591,314
Other long term liabilities	490,863	508,026	408,151	442,235	8.4	442,235	0.0	442,235	442,235	442,235
Preferred shares	0	0	0	0	-	0	-	0	0	0
<b>Total liabilities (incl pref shares)</b>	<b>1,556,622</b>	<b>1,307,227</b>	<b>1,239,042</b>	<b>1,357,092</b>	<b>9.5</b>	<b>1,246,567</b>	<b>-8.1</b>	<b>1,256,652</b>	<b>1,273,500</b>	<b>1,288,230</b>
<b>Common s/h equity</b>	<b>2,080,060</b>	<b>1,608,196</b>	<b>1,627,815</b>	<b>1,752,516</b>	<b>7.7</b>	<b>1,947,246</b>	<b>11.1</b>	<b>2,189,154</b>	<b>2,468,507</b>	<b>2,777,439</b>
Minority interests	806	861,573	825,764	789,674	-4.4	812,171	2.8	864,439	926,452	995,649
<b>Total liabilities &amp; equity</b>	<b>3,637,488</b>	<b>3,776,996</b>	<b>3,692,621</b>	<b>3,899,282</b>	<b>5.6</b>	<b>4,005,984</b>	<b>2.7</b>	<b>4,310,245</b>	<b>4,668,459</b>	<b>5,061,319</b>
Cash Flow (US\$k)	12/20	12/21	12/22	12/23E	%ch	12/24E	%ch	12/25E	12/26E	12/27E
Net income (before pref divs)	(145,467)	309,815	(79,746)	27,632	-	58,523	111.8	135,964	161,315	180,004
Depreciation & amortisation	92,175	107,056	89,713	67,580	-24.7	69,088	2.2	25,913	21,008	23,509
Net change in working capital	34,439	(83,260)	(34,928)	(19,194)	45.0	(55,582)	-189.6	(1,747)	6,335	5,838
Other operating	71,808	(228,774)	157,902	148,282	-6.1	158,704	7.0	158,211	180,052	198,125
<b>Operating cash flow</b>	<b>52,955</b>	<b>104,837</b>	<b>132,941</b>	<b>224,299</b>	<b>68.7</b>	<b>230,733</b>	<b>2.9</b>	<b>318,342</b>	<b>368,711</b>	<b>407,476</b>
Tangible capital expenditure	(11,677)	(13,653)	(16,333)	(14,408)	11.8	(16,744)	-76.2	(19,102)	(21,283)	(23,246)
Intangible capital expenditure	0	0	(44,278)	0	-	0	-	0	0	0
Net (acquisitions) & disposals	(2,837,706)	0	(25,442)	(9,877)	61.2	0	-	0	0	0
Other investing	(2,297)	1,169	0	0	-	0	-	0	0	0
<b>Investing cash flow</b>	<b>(2,851,680)</b>	<b>(12,484)</b>	<b>(86,053)</b>	<b>(24,285)</b>	<b>71.8</b>	<b>(16,744)</b>	<b>31.1</b>	<b>(19,102)</b>	<b>(21,283)</b>	<b>(23,246)</b>
Equity dividends paid	0	0	0	0	-	0	-	0	0	0
Share issues / (buybacks)	2,360,412	367,262	0	(40,131)	-	0	-	0	0	0
Other financing	(339,176)	(9,338)	(9,204)	(11,694)	-27.1	0	-	0	0	0
Change in debt & pref shares	845,000	(206,438)	(5,750)	(5,750)	0.0	(5,750)	0.0	(5,750)	(5,750)	(5,750)
<b>Financing cash flow</b>	<b>2,866,236</b>	<b>151,486</b>	<b>(14,954)</b>	<b>(57,575)</b>	<b>-285.0</b>	<b>(5,750)</b>	<b>90.0</b>	<b>(5,750)</b>	<b>(5,750)</b>	<b>(5,750)</b>
<b>Cash flow inc/(dec) in cash</b>	<b>67,511</b>	<b>243,839</b>	<b>31,934</b>	<b>142,440</b>	<b>346.0</b>	<b>208,239</b>	<b>46.2</b>	<b>293,490</b>	<b>341,678</b>	<b>378,480</b>
FX / non cash items	3,069	(2,693)	1,450	(3,854)	-	0	-	0	0	0
<b>Balance sheet inc/(dec) in cash</b>	<b>70,580</b>	<b>241,146</b>	<b>33,384</b>	<b>138,586</b>	<b>315.1</b>	<b>208,239</b>	<b>50.3</b>	<b>293,490</b>	<b>341,678</b>	<b>378,480</b>

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.<sup>1</sup> Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

# Bumble Inc (BMBL.O)

	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23E</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>
<b>Valuation (x)</b>								
P/E (local GAAP, diluted)	-	24.5	NM	72.1	35.4	15.7	13.6	12.4
P/E (UBS, diluted)	-	24.5	(43.6)	72.1	35.4	15.7	13.6	12.4
P/CEPS	-	15.1	NM	19.1	15.1	12.4	11.4	10.6
Equity FCF (UBS) yield %	-	1.5	2.1	12.1	12.4	17.3	20.1	22.2
Dividend yield (net) %	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/BV	-	4.2	2.1	1.1	1.0	0.9	0.9	0.8
EV/revenues (core)	-	9.8	5.0	2.5	2.0	1.6	1.3	1.2
EV/EBITDA (UBS core)	-	37.6	20.0	9.6	7.5	5.8	4.6	4.3
EV/EBIT (core)	-	81.3	33.1	12.7	9.5	6.2	4.8	4.5
EV/OpFCF (core)	-	37.6	20.0	9.6	7.5	5.8	4.6	4.3
EV/op. invested capital	-	2.7	1.7	1.0	1.0	0.9	0.8	0.8
<b>Enterprise value (US\$k)</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23E</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>
Market cap.	-	6,151,505	3,476,168	1,729,626	1,729,626	1,729,626	1,729,626	1,729,626
Net debt (cash)	322,320	480,948	241,110	(28,076)	(284,690)	(608,024)	(608,024)	(608,024)
Buy out of minorities	806	861,573	825,764	789,674	812,171	864,439	926,452	995,649
Pension provisions/other	0	0	0	0	0	0	0	0
<b>Total enterprise value</b>	<b>-</b>	<b>7,494,026</b>	<b>4,543,042</b>	<b>2,669,966</b>	<b>2,513,722</b>	<b>2,309,374</b>	<b>2,048,053</b>	<b>2,117,251</b>
Non core assets	0	0	0	0	0	0	0	0
<b>Core enterprise value</b>	<b>-</b>	<b>7,494,026</b>	<b>4,543,042</b>	<b>2,669,966</b>	<b>2,513,722</b>	<b>2,309,374</b>	<b>2,048,053</b>	<b>2,117,251</b>
<b>Growth (%)</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23E</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>
Revenue	19.1	30.7	18.7	17.9	16.2	14.1	11.4	9.2
EBITDA (UBS)	49.7	30.7	13.9	22.5	20.4	18.7	13.1	10.3
EBIT (UBS)	(36.6)	52.9	48.9	53.3	26.2	39.8	15.3	10.2
EPS (UBS, diluted)	-	-	-	-	103.9	125.5	15.8	8.9
Net DPS	-	-	-	-	-	-	-	-
<b>Margins &amp; Profitability (%)</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23E</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>
Gross profit margin	73.1	73.5	72.8	71.2	71.3	71.4	71.5	71.6
EBITDA margin	26.2	26.2	25.1	26.1	27.0	28.1	28.5	28.8
EBIT (UBS) margin	10.4	12.1	15.2	19.7	21.4	26.3	27.2	27.4
Net earnings (UBS) margin	NM	40.7	NM	2.6	4.7	9.6	10.2	10.5
ROIC (EBIT)	4.4	3.3	5.1	7.9	10.1	14.2	16.4	18.1
ROIC post tax	4.4	3.3	5.1	5.8	7.9	11.1	12.8	14.2
ROE (UBS)	(13.8)	16.8	(4.9)	1.6	3.2	6.6	6.9	6.9
<b>Capital structure &amp; Coverage (x)</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23E</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>
Net debt / EBITDA	4.6	1.3	1.0	0.3	(0.4)	(1.1)	(1.7)	(2.4)
Net debt / total equity %	33.7	10.5	9.1	3.1	(4.9)	(14.2)	(23.0)	(30.9)
Net debt / (net debt + total equity) %	25.2	9.5	8.3	3.0	(5.1)	(16.6)	(29.9)	(44.7)
Net debt/EV %	-	6.4	5.3	5.6	(1.1)	(12.3)	(29.7)	(46.0)
Capex / depreciation %	150.2	149.1	190.6	157.7	161.6	140.2	129.3	122.6
Capex / revenue %	2.0	1.8	1.8	1.4	1.4	1.4	1.4	1.4
EBIT / net interest	2.7	3.7	5.7	8.9	11.0	15.5	18.0	20.0
Dividend cover (UBS)	-	-	-	-	-	-	-	-
Div. payout ratio (UBS) %	-	-	-	-	-	-	-	-
<b>Revenues by division (US\$k)</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23E</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>
Others	582,182	760,910	903,503	1,065,490	1,238,235	1,412,582	1,573,845	1,719,039
<b>Total</b>	<b>582,182</b>	<b>760,910</b>	<b>903,503</b>	<b>1,065,490</b>	<b>1,238,235</b>	<b>1,412,582</b>	<b>1,573,845</b>	<b>1,719,039</b>
<b>EBIT (UBS) by division (US\$k)</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23E</b>	<b>12/24E</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>
Others	60,267	92,135	137,205	210,348	265,500	371,169	427,915	471,689
<b>Total</b>	<b>60,267</b>	<b>92,135</b>	<b>137,205</b>	<b>210,348</b>	<b>265,500</b>	<b>371,169</b>	<b>427,915</b>	<b>471,689</b>

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

## **Forecast returns**

Forecast price appreciation	+19.9%
Forecast dividend yield	0.0%
Forecast stock return	+19.9%
Market return assumption	10.0%
Forecast excess return	+9.8%

## **Company Description**

Bumble Inc. is the parent company of dating apps Bumble, Badoo, and Fruitz. The Bumble app focuses on being a safer and more equitable platform for women versus other dating apps.

## **Valuation Method and Risk Statement**

We value the shares using a 8x multiple on 2025E EBITDA. Risks to the upside include sustainability of payer growth, deepening of payer penetration, international expansion, and greater resilience of revenue per payer than what is currently expected. Risks to the downside include substantial deceleration of payer growth or if payer growth comes at the cost of declining revenue per payer, as well as unsuccessful international expansion, including efforts to deepen penetration in non-English speaking markets.

We value MTCH using a 9x multiple on 2025E Adj OI. Risks to the upside include successful execution on management initiatives at Tinder including female-oriented subscriptions, optimizations of algorithms, better merchandising for Gen Z, product launches and virtual coins, as well as potential growth from Hinge. Risks to the downside include a worsening macro environment, which could impact both subscriptions as well as a la carte transactions, as well as if management is not able to successfully reaccelerate growth at Tinder with its various product and marketing initiatives.

## Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at <https://neo.ubs.com/quantitative>, or contact your UBS sales representative for access to the report or the Quantitative Research Team on [qa@ubs.com](mailto:qa@ubs.com). A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

### Bumble Inc

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	N/A
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher, 3 = no change, 5 = getting better, N/A = no view)	N/A
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	N/A
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	N/A
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	N/A
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	

## Required Disclosures

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### UBS Global Research: Global Equity Rating Definitions

12-Month Rating	Definition	Coverage <sup>1</sup>	IB Services <sup>2</sup>
Buy	FSR is > 6% above the MRA.	54%	40%
Neutral	FSR is between -6% and 6% of the MRA.	38%	42%
Sell	FSR is > 6% below the MRA.	9%	40%
Short-Term Rating	Definition	Coverage <sup>3</sup>	IB Services <sup>4</sup>
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 30 September 2023.

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3:Percentage of companies under coverage globally within the Short-Term rating category.

4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

**KEY DEFINITIONS:** **Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months. In some cases, this yield may be based on accrued dividends. **Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium). **Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation. **Short-Term Ratings** reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case. **Equity Price Targets** have an investment horizon of 12 months.

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## Company Disclosures

Company Name	Reuters	12-month rating	Price	Price date
Bumble Inc <sup>2,4,5,16,20</sup>	BMBLO.O	Neutral (CBE)	US\$13.35	27 Oct 2023
Match Group Inc <sup>4,5,16,20</sup>	MTCH.O	Neutral (CBE)	US\$33.98	27 Oct 2023

Source: UBS Global Research; Refinitiv. All prices as of local market close. Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date.

- 2. UBS has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past 12 months.
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- 5. UBS expects to receive or intend to seek compensation for investment banking services from this company/entity within the next three months.
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- 20. Because this security exhibits higher-than-average volatility, the FSR has been set at 15% above the MRA for a Buy rating, and at -15% below the MRA for a Sell rating (compared with 6/-6% under the normal rating system).

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report. For a complete set of disclosure statements associated with the companies discussed in this report, including information on valuation and risk, please contact UBS Securities LLC, 1285 Avenue of Americas, New York, NY 10019, USA, Attention: Investment Research.

## Bumble Inc (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2020-07-27	NaN	-	No Rating
2022-12-07	23.32	24.00	Neutral
2023-02-23	25.09	25.00	Neutral

Date	Stock Price (US\$)	Price Target (US\$)	Rating
2023-04-11	18.55	20.00	Neutral
2023-08-08	17.99	19.00	Neutral

Source: UBS Global Research; Refinitiv as of 27-Oct-2023. All prices as of local market close. Ratings as of date shown.

### Match Group Inc (US\$)



Date	Stock Price (US\$)	Price Target (US\$)	Rating
2020-07-27	91.77	94.00	Neutral
2020-08-06	113.97	110.00	Neutral
2020-11-05	134.97	137.00	Neutral
2021-01-18	150.85	160.00	Neutral
2021-05-21	143.32	-	No Rating
2022-12-07	43.05	46.00	Neutral
2023-02-01	51.41	50.00	Neutral
2023-04-11	36.10	42.00	Neutral
2023-05-04	33.59	40.00	Neutral
2023-08-03	46.16	47.00	Neutral

Source: UBS Global Research; Refinitiv as of 27-Oct-2023. All prices as of local market close. Ratings as of date shown.

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