Background: I started diligencing GRND as a long in September, however during the course of my process insiders announced a non-binding buyout proposal at $18 a share. While the market seems skeptical about the credibility of the offer, I believe this is an asymmetric opportunity to purchase an unusually high quality dating company (22% IRR / 2.73x MoM @ $13.71 a share) in a great secular theme with a nuanced short-term merger opportunity. This memo first presents our long thesis & then double clicks into the current buyout

1/ Grindr is the market leading dating app for queer men domestically & internationally, levered towards favorable online dating tailwinds and increased LGBTQ awareness

- Younger generations have 4-5x the share of queer men, a global secular trend driven by major judicial and societal changes that have made it easier for men to grow up and identify as queer. This trend alone is expected to increase the share of queer men globally from ~2% to 3%.
- Moreover, online dating has become popular for younger generations –with queer men being more intense users of online dating apps. Within this market, Grindr has carved out dominant domestic market share (80%+) and >2.5x RMS

2/ Grindr's critical mass in their domestic network and SoW gain within demographic tailwinds should help drive +12-13% ARPU growth ('24-'30) over the hold via a-la-carte launches and like-for-like pricing

- Grindr has built a sticky network due to their users who stays single for longer and use online apps for hook-ups – resulting in 60-70 minutes of daily Grindr usage for the average user.
- Demographically, Grindr's users should be able to support best-in-class ARPUs when compared to their hetero counter-parts due to their competitive positioning and higher SoW to entertainment budgets
- Their first a-la-carte offering, Boost, has shown strong attach with paying subscribers in North America (we estimate ~60-70% of paying subscribers purchase both), and subsequent launches of "Right Now" & "Roam" should help drive ARPUs at lower rates of attach

3/ Grindr has cultivated a truly global base – with a large set of international users. Increased product localization and secular tailwinds should enable Grindr to convert free international users to paid users driving +8% of PAU growth ('24-'30)

- While 75% of MAUs are international they only make up 42% of paying users. Certain international markets like India, are early in their online dating maturity – and over time this pool of free users should continue to expand and convert to paid driven due to product localization via tailored marketing, live translation, and local grids and continued acceptance of queer men.

4/ Advertising revenue has grown quickly over the past few years, with an opportunity to improve the quality, delivery, and throughput of ads via LLMs / Gen AI.

- Grindr currently outpaces peers in their proportion of indirect revenue (15% vs. 2% in the industry). This has been achieved through increased domestic ad loads, which users & formers have characterized as low-quality / buggy ads. LLMs should help balance private user information with granular cohort targeting to help increase the share of higher margin 1P ads, and improve throughput for 3P ads
- Grindr has best-in-class margins for their peer set, enabled by the organic intent the business has built and lean operating functions the management team has implemented. The business should access continued operating leverage due to SBC metering + G&A FTEs, driving 6pts of GAAP EBITDA leverage and 3pts of CAGR contribution to the 23% EBITDA CAGR ('24-'30)

5/ Management team feedback has been mixed and there has been moderate levels of ELT turn-over with the CFO recently announcing their departure. Moreover, ~60% of ownership is concentrated in three key individuals

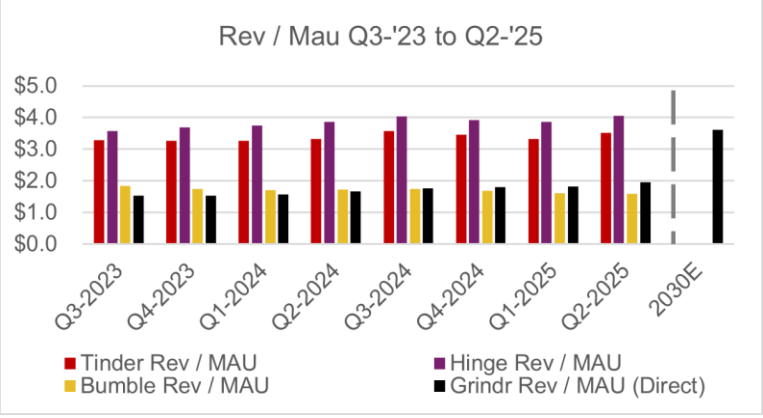
- Despite the current opportunity for ALC attach – slow implementation has given competitors the chance to take share (e.g., Sniffies). This is likely the result of technical debt and massive team turnover, with 80% of FTEs having turned over since COVID.

While the team and the ownership set-up requires further diligence, we lean into the secular tailwinds of queer male online dating, Grindr's dominant position globally, and the continued growth opportunities in a-la-carte purchases, international monetization, and advertising.

Product 101 / Reason for Existing: Grindr is a mobile application that queer users leverage to find their next dating / hook-up partner. Users can freely message potential partners without matching, and the only restriction is the number of profiles in your vicinity (Grindr has reduced this count from 500 → 100). This monetization model is inherently different than hetero apps, which rely on a "pay-to-play" method with men trying to escape the gender imbalance and power law of dating apps. Instead, Grindr has chosen to push users to upgrade by a) increasingly restricting the number of profiles you can interact with, b) worsening the free user experience with ads, and c) launching intent specific a-la-carte items like "right now" or "travel". We do not spend too much time on the product background, and recommend reading Bristlemoon's write-up for more product background.

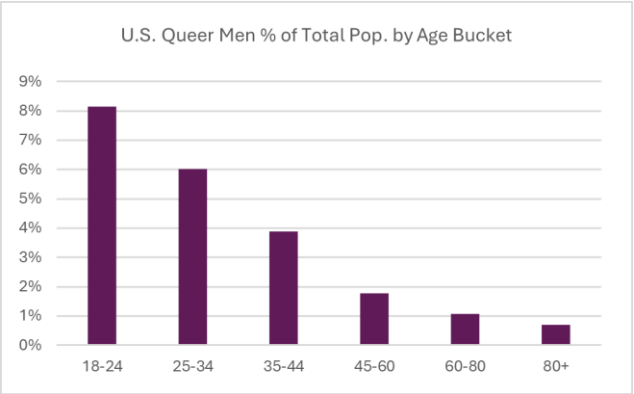
Framework: Dating apps are defined by three main characteristics that express themselves in the following ways in Grindr

- **Positive Churn**: Unlike other consumer products, churn is inherent to the dating app model, whenever a user finds a partner they *hopefully* leave the platform. This makes the typical dating app lower quality vs. other consumer internet / software businesses where margins are not compressed by continuous marketing outlays to capture new users. While no dating app reports their retention rate, Grindr should have a structurally higher retention rate vs. their hetero peers for three reasons. a) The vast majority of Grindr's users leverage the platform for hook-ups and therefore have a much higher positive churn bar given success on Grindr is not inherently tied to leaving the platform (91% vs. <40% on Tinder / Hinge), b) Queer men couple later in their lives meaning more time spent being single and therefore addressable for the platform, and c) more balanced supply / demand vs. hetero apps, which reduces the risk of disillusionment prominent in hetero men who have impaired rizz (*short for charisma*).
- **Marketing Dollars**: The basic operational model is that these dating apps spend on advertising to acquire a certain number of customers, retain them at a certain clip, and amortize the marketing cost via paying conversion + ARPU expansion. Grindr spent 2.4% of their revenue on advertising vs. IMG / Bumble who both spent 15%+. Qualitatively, this financial reality is a function of the "organic intent" that Grindr has built in the community, it's almost guaranteed that if you are a queer online dater you will download Grindr at some point. Said differently, Grindr has a stronger right to win the incremental customer vs. hetero apps — tied to the customer SLA (service level agreement) that emphasizes minimum viable liquidity of the network. Hook-up based apps have stronger returns to scale vs. more relationship oriented apps because an incremental user past your partner in more relationship oriented apps yield little to no utility for users. This organic intent mechanism is highlighted through the relative scale of Grindr's network in Core markets like the U.K. (3x RMS) and U.S. (2x RMS)
- **Monetization**: The high level growth algorithm is the conversion of paying users * their ARPUs. In order to disaggregate these variables we look at Revenue / MAU across the whole online dating basket. Grindr's Revenue / MAU[1] lags Tinder and Hinge by nearly 50% due to lower payer adoption vs. Tinder and an equal mix of lower adoption + lower ASPs vs. Hinge. Over time, Grindr should reach similar levels of Revenue / MAU as hetero dating apps, driven by stable payer adoption and best-in-class ARPU performance. An element that highlights the "bones" of monetization are the substantial number of hours that users spend on the platform (60 mins+) nearly 2x other dating apps — indicating multi-purpose use with highly addictive usage. This is further evidenced by the daily usage metrics — Tinder tends to hover around 30-40% whereas Grindr seems to consistently perform at above 40% based on company disclosures.



1/ **Grindr is a part of a secular-growing market in a growing category that should support MSD MAU growth**

Grindr is the leading dating app for queer men, who make up ~98% of users2. Queer men have become a larger share of the population in the U.S. as judicial and cultural factors have made it easier to identify and live as a gay/bi man. There around ~9-10M self-identified3 bisexual / gay men >18 years old, composing 3.5% of the population, with 10% of the adult population identifying as LGBTQ+. Queer men will gain population share over time as younger generations have higher rates of queer identification vs. older generations (18-24 = 23% LGBTQ+ vs. 45+ = 3-5%), we forecast queer men gaining 70-80bps of population share purely from aging cohorts.



Public surveys (*as of 2022)* estimate that ~30% of queer men have / had used an online dating app over the past year. To adjust for '22-'25 growth, we apply the Grindr MAU growth over those three years to the share of online queer daters, resulting in an estimate ~35% of queer men using online dating apps. This squares with comparable stats for hetero adults and queer men's higher propensity to use apps. Thus, we estimate Grindr has 80-90% market share in North America, clearly establishing it as the leading vendor domestically.

Internationally, we estimate queer male identification and online dating adoption are slightly lower (North American countries account for the top 2/5 LGBTQ+ identifying countries in global surveys) – take for instance Great Britain where only ~2% of the population identifies as queer men (vs. 3.5% in the U.S.) or Germany where only 1.8% of men identify as Gay (vs. 1.9% in the U.S.). For the rest of the global population, we estimate that the share of queer men is half the U.S. proportion and that online dating is around 2/3rds the percentage of the more mature North American market. Grindr still makes up the majority of market share for queer male online dating, but share is closer to 55-65%.

The "age up" effect also exists in online dating rates given the wide dispersion of online dating across generations, which acts as a secondary tailwind to MAU growth. We estimate that 50% of queer men aged 18-24 use dating apps / 40% of 25-34 users / 27% of 35-44 / 10% of 45-60 / and 3% of 60+. When applied to the U.S. queer population, this results in a +600bps increase in online dating (35%→41%) and adds +200bps to the addressable queer male population.

On an RMS basis, Grindr has ~5x the number of installs (*Google Play*) vs. their largest LGBTQ focused competitors (Sniffies, Jack'd, Archer) in the U.S. and 3x the number of users in the U.K.. Moreover, surveys indicate that Grindr has at least 1.5x more lifetime users than Tinder amongst queer men4. Several of the users we spoke with emphasized that you simply have to download Grindr because "everyone uses it."

While we think Grindr has clearly outpaced old-school apps, an emerging competitor has started to gain traction called Sniffies, a web-only5 site that targets the "quick / straightforward" hook-up portion of the Grindr market. Based on web data, they seem to have ~4M-4.5M unique active visitors making them 0.4x the size of Grindr, with indications that growth seems to be slowing to HSD / LDD. While the scale is significantly smaller than Grindr's total network, the flow share for younger folks seems to be narrowing.

	GRND	Sniffies	Sniffies Sensitivity				
Total MAUs	14.248	4.5	4.5	4.5	4.5	4.5	4.5
% U.S.	*24%*	*70%*	*60%*	65%	70%	75%	80%
# of U.S. MAUs	**3.4**	**3.2**	**2.70**	**2.93**	**3.15**	**3.38**	**3.60**
% <30	*58%*	60%	60%	60%	60%	60%	60%
# of <30 Domestic MAUs	**2.0**	**1.9**	**1.62**	**1.76**	**1.89**	**2.03**	**2.16**
% Difference	*104%*		*121%*	*112%*	*104%*	*97%*	*91%*
Avg. Time Spent (Mins)	60	40					

Many of the users we chatted with under 30 mentioned multi-housing these apps for different uses, something we have seen historically in the queer dating space (2015: 3.11 apps on average) and the hetero dating app scene (see: Match Group investor day = 3.2 apps on avg T3M). Thus, we do not think this is a significant shift in the multi-homing dynamic and hypothesize that Sniffies' impact will be most acute for a-la-carte items. However, we think the impact is limited with Sniffies serving a niche segment of the Grindr population which

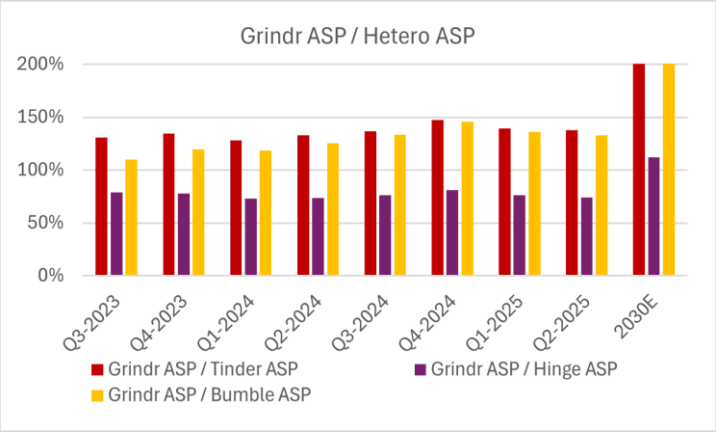
almost structurally limits their inclusion in app stores, limited their international expansion, and has led most people under 30 to leverage both apps vs. exclusively using one[6].

For our global estimates, we model the "TAM" as a function of queer men share gain, total population growth, and online dating adoption. U.N. forecasts suggest that the global adult population should compound at 1.2% over the next 10 years ('24-'34), and we model queer men share growing from ~1.6% in 2024 to ~2.3% in 2034 resulting in a ~3% N.A. CAGR and a ~5% Intl. CAGR, informed by the ~50-70bps share gain purely from aging cohorts. Any increased identification of Gay/Bi men in younger cohorts we leave as upside to TAM growth. Moreover, the share gain in online dating representation contributes +200-300bps, resulting in a 5.0% N.A. CAGR / 6.1% Intl. CAGR. Lastly in our analysis, we are conscious that these surveys rely on self-reporting, and there are several closeted users in the queer male community. We model ~20% of the queer male population as closeted in North America and 30% Internationally, which decays to 10% and 15% respectively.

Growth De-construction: ~60-70% of the MAU growth is driven by queer identification holding constant and "age-ups", where younger cohorts with higher rates of queer IDing replace aged out populations. The remainder is driven by the same effect for online dating. The fundamental claim we are making in our MAU growth is the sustained flow share in a) queer identification & b) on-line dating. On the former, it's difficult to ascertain what exactly has driven the rise in queer identification — if it's even apt to characterize it that way. We hypothesize some portion of this "increased" identification is merely more open-answering given the regulatory wins that have reduced fear of discrimination. Additionally, the rise of queer safe spaces have made it easier for individuals to explore their sexuality.

2/ Grindr's ARPUs should expand at a 12% CAGR due to the strength of their user network (*income +SoW*) and the expansion of ALC products — which are early in their development cycle with green shoots in boost attach

ARPU[7] / Customer: Hinge has the best ASPs per paying customer – an output of the app's more balanced gender dynamics and relationship-oriented branding, which users leverage to justify higher prices (i.e., the subscription is worth it if I find my life partner). While Grindr targets a wider breadth of "intent" vs. the more relationship-oriented Hinge users, Grindr's users allocate a larger share of dollars towards entertainment budgets and income gaps between queer men and straight men should narrow over time. As the default queer dating platform Grindr is well positioned to capture a similar SoW as Hinge and surpass their Rev / PAU.



Gay Men Income: Evidence largely points towards queer men income lagging their straight counterparts by ~5-7% due to discriminatory and industry mix factors. However, several of these studies rely on historical data for queer men – which we know has turned over substantially. For instance, rolling back the current estimates of the gay population 10 years would yield 33% fewer queer men – said differently nearly 1/3 of queer men today have aged into the adult population over the past 10 years. This massive turnover, likely driven by the legalization of gay marriage 10 years ago, makes historical data less reliable for gay men income and we supplement this longitudinal data with forward indicators. Gay men tend to graduate and hold advanced degrees at higher rates (52% of queer men vs. 36% of straight men / 6% of queer men vs. 4% of straight men). On average, men who hold advanced degrees tend to earn 20-30% on median earnings, and college degrees drive a 60% increase in annual wages vs. non-graduated college attendees. We model queer men's post-tax income at a 5% discount to straight men to bake in conservatism, but we are confident that the income gap should narrow over time given the leading indicators on educational attainment and same-sex household income outpacing hetero couples.

Wallet Share: There is limited data on single queer men spend buckets, the best reference point from Nielsen is dated (2015) but suggests that gay men spend 7% more at retail locations vs. their straight counterparts. Federal Reserve research estimates that men aged 25-34 spend around 4-5% of their income on non-dining & alcohol entertainment. We sensitize around ~5% wallet share for entertainment spend and add an additional

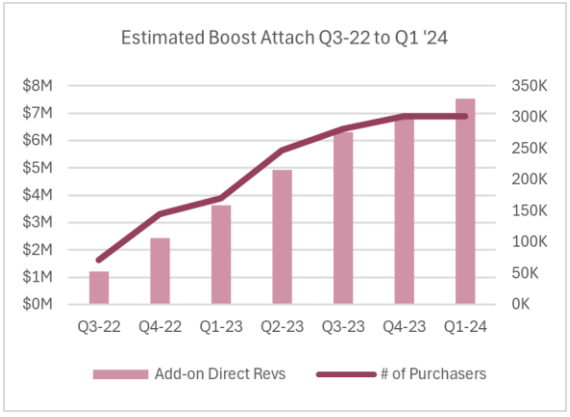
30bps (5% more) for gay men who tend to spend more in discretionary items like shopping and tourism. Leveraging these figures, we estimate that Hinge (*the highest monetized Rev / PAU*) has a ~11% wallet share for monthly entertainment expenses for actively paying users. We view this as aspirational for Grindr and model it reaching a slightly lower wallet share (*closer to 9%*), which squares with its dominance but wider audience vs. Hinge's more relationship / higher ticket focused customer

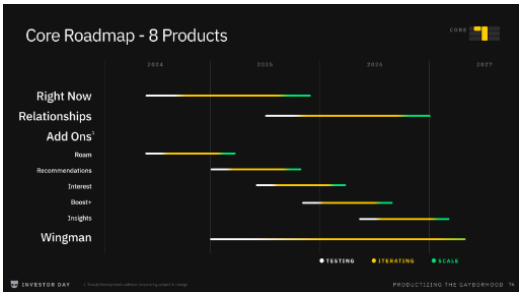
Current State	Straight Hinge	Straight Tinder	Gay
Avg. Income ($K)	$70.0	$70.0	$67.9
% Entertainment Spend	5.0%	5.0%	5.3%
Available Spend Annual	$3.50	$3.50	$3.56
Available Spend Monthly	$0.29	$0.29	$0.30
Current Monthly Spend ($K)	$0.032	$0.017	$0.024
% Wallet Share	*10.96%*	*5.88%*	7.96%
Δ in SoW Hinge vs. Grindr	**2.99%**		

Upshot: We build a back of the envelope forecast for eventual Rev / PAU benefiting from continued product development, narrowing income gaps, and strong wallet share in larger dollar pools. We end up centering around a ~$37 Rev / PAU by FY'30 for the total business, surpassing Hinge's current Rev / PAU, which sits at ~$31 Rev / PAU. For reference over the past three quarters Hinge has consistently grown Rev / PAU at 5-7%, which rolled forward to 2030 would result in a ~$40-43 Rev / PAU, still a premium to our projected Grindr Rev / PAU in 2030. While Grindr has already surpassed Tinder, a better analog for the more "casual" dating demographic – we believe they have earned the right to monetize their user base due to their comparably better competitive positioning.

Income vs. Wallet Share Sensitivity	*0.0%*	*0.8%*	*1.6%*	*2.5%*	*3.3%*	**'24-'30 Median Income CAGR**
	$67.9	$71.3	$74.9	$78.6	$82.5	**Avg. Income**
7.96%	$28.4	$29.8	$31.3	$32.8	$34.5	
8.96%	$31.9	$33.5	$35.2	$37.0	$38.8	
9.96%	$35.5	$37.3	$39.1	$41.1	$43.2	
10.96%	$39.1	$41.0	$43.1	$45.2	$47.5	
11.96%	$42.6	$44.8	$47.0	$49.4	$51.8	
Wallet Share						

Tactically, there are two different ways that Grindr can "capture price" — either a) A-la-carte attach or b) like for like pricing. The former represents the most material opportunity given the immaturity of Grindr's offerings and the increasingly adversarial sentiment on the platform (*spurred by higher ad-loads*) that will likely magnify any ambitious like-for-like price increases. Around 12% of FY'24 revenue (~$40M) was from a-la-carte items, which was mainly "Boost" (*alt data shows that >90% of ALC revenue was from Boost)* – a tool that raises your profile visibility to nearby users. We back into the number of "Boost" users via average basket size and purchase frequency estimates. For the former we assume $10 purchase price, validated via CC data and public list prices; for the latter we leverage in-app purchases for mobile games as a benchmark given the similar dopamine / low ticket nature of these micro-transactions. Paying users in mobile games on average conduct ~20 unique purchases a year[8], we think that the purchase frequency is likely half for Grindr's domestic users given its immaturity and larger ticket spend ($10 vs. $2-3) – likely even lower internationally in-line with overall monetization. Leveraging these numbers, estimated "Boost" attach on payers for domestic users is 65-75% vs. 30-40% for international users (8-12% / 1.3-2.6% respectively for MAUs).

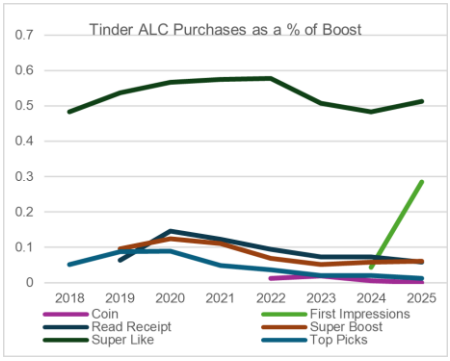




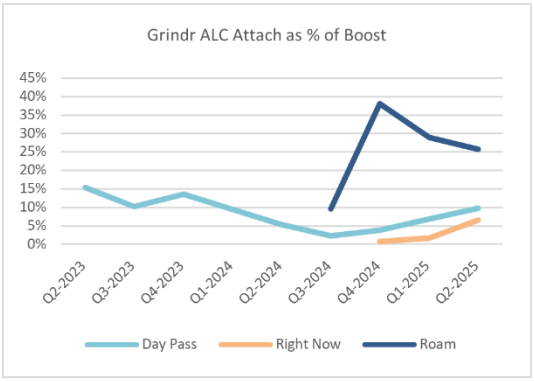
Management estimates that new a-la-carte purchases and AI product launches should make up ~30% of the ~$500M FY'27 direct revenue, in line with comparable companies (Match Group = 33%)[9]. As of this memo (*Sept 2025*) Grindr has released and monetizes roam, right now, boost+, and has started to bundle AI features to drive premium subscriptions.

The "Right Now" feature creates a feed for men looking to meet immediately and thus, should see structurally higher attach given it accelerates a key outcome for 90% of users. This is likely the most addictive micro-transaction because it tightly couples purchase with rewards, however this is a segment of the market that Sniffies has taken share in, capping the ceiling for Grindr attach. From our market interviews, Sniffies has made a few product decisions that make it more conducive to no-frill hook ups vs. Grindr's right now feature. Sniffies enables users to see if the person they are chatting with is on the app, it allows users to freely navigate a map to help find their best "cruising" partner, and users can leave notes / set up events on the map. While Grindr has tried to replicate the map feature via Right Now, their platform has a delay for "online activity" and several users we spoke to felt like Grindr's right now feature was simply too confusing.

Our benchmark for successful follow on ALC products is informed by Tinder's ALC basket, where the second-best item, the super like, has consistently achieved 50-60% the attach of Boost (*alt Data*). Thus, while we think Right Now has unique elements that hetero apps do not access, the massive base of hook-up focused users, we think the competitive dynamics limit Right Now's attach from reaching ~50-60%. We model "Right Now" reaching 30-40% the payer attach that Boost achieved (~18 months in boost had ~60-70% attach domestically / "Right Now" reaches ~25-30% attach 2 years into development, with a lower ASP but higher frequency. This adds $15-20M of revenue in 3 years, and ~$35-45M in 5 years.



The roam feature allows users to move their location and targets the 25% of monthly active users[10] that are traveling in any given week. Users we spoke to frequently categorized travel as a compelling event that justifies paying for the app and even when they were not traveling, roam allowed them to set their location in a large city, raising their profile visibility to new users. The compressing factor on attach is that Grindr partially offers this feature through their unlimited / xtra subscriptions – a self-inflected pricing and packaging foot fault. Early signals suggest that despite this pricing and packaging error, interest (*captured via alt data*) is stronger for Roam vs. right now. We model Roam reaching ~60% the attach of Boost, in line with high efficacy ALC items like super likes and attaching to 50% of payers at maturity. This adds $35-40 of revenue in 3 years, and $75-85M at exit. We model new products like insights / recommendations launching in 2027 and contributing ~25% of the revenue uplift of more robust products like Boost & Right Now.



We conservatively model like for like pricing increases given the negative sentiment **domestic ad-loads** have driven, which price increases are likely to stoke. In our voice of customer reddit scrape there were nearly 5-10x the number of mentions of the free tier being "unusable" for Grindr vs. other hetero dating apps[11]. We model 3% per annum price increases domestically / and 6% per annum price increases internationally — both decreases to historical growth (9% '21-'24 CAGR). The former is primarily in-line with inflation and purposefully metered and the latter is pulled back to encourage payer adoption. Historically, hetero apps have leaned into more like for like pricing increases — especially Tinder (*2-3x price increases*). While these showcase list prices, this crucially does not show the actual transacted price. User data is noisy, indicating pricing compressions despite Grindr's direct revenue / customer empirically increasing, but we leverage it is a comparison point to show that Grindr has grown price much slower than their hetero peers.

1 Month List Price

	2021A	2024A	'21-'24 CAGR
Tinder ASP			
Plus	$15.00	$24.99	*19%*
Gold	$20.00	$39.99	*26%*
Platnium	$25.00	$49.99	*26%*
Grindr Total			
Domestic	$19.36	$25.38	*9%*
Intl	$12.82	$16.38	*9%*
Hinge			
Base	$30.0	$30.0	*0%*
HingeX		$50.0	N/A

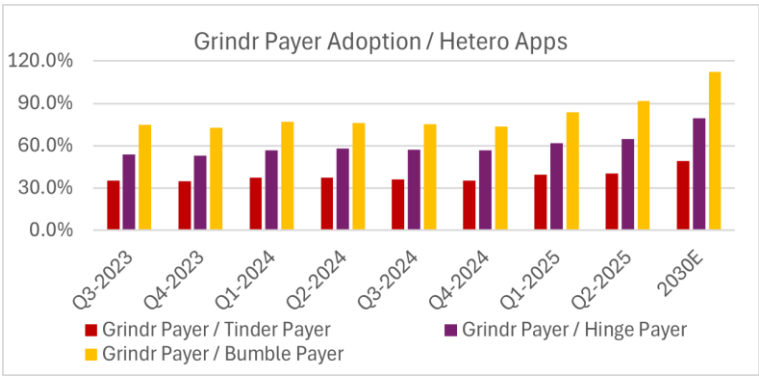
CC Data	'21-'25
Tinder	*-0.1%*
Grindr	*-9.5%*
Hinge	*1.5%*

The faster growing intl. pricing tightens the spread from 65% of Revenue / Direct MAU in '24 to 75% in '30. Admittedly, we have limited visibility into what L4L price increases this market can sustain but we lean into a) Grindr's competitive positioning that should not materially erode over the hold given the inherent constraints their strongest competitors have entered and b) the launch of new non-paid features like AI recommendations and improved user-experience that should help smooth the perceived value curve

Growth De-construction: ARPU accounts for ~55-60% of the 20% Revenue CAGR, and within this >80% of ARPU is driven by ALC attach that has been under-developed / 20% is driven by L4L price increases (*range given the co-variance of MAUs who adopt the ALC item, we feel comfortable placing the bulk of the growth into ARPU given the existing base is more likely to attach vs. new paying customers*). We model L4L price increases, and ultimately this only drives 100 / 200bps of growth in the business.

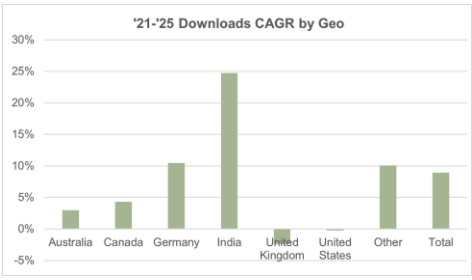
3/ Grindr's Payer Adoption is set to CAGR at +5pts from '24-'30 driven by maturing international markets, judicial / regulatory wins, and improved product tailoring for these locales

Payer Adoption: Hetero apps benefit from skewed gender dynamics where the majority of purchases are driven by men[12], who are the bulk of users, attempting to raise their organic visibility. This results in structurally higher payer adoption as many men view this as a necessity to stay competitive in the market and drive outcomes. Grindr's monetization model to date has relied more on higher ad-loads that incent users to subscribe and escape ads – as evidenced by the voice of customer describing the free version as "unusable." This difference in monetization strategy caps Grindr's payer attach rate, which we believe has begun to asymptote domestically near ~14% resembling **global** hetero app adoption rates



(*Global Attach: Hinge — 13%, Tinder — 20%, and Bumble — 9-9.5%*). Thus, we model >80% of the 11% PAU CAGR being driven by international adoption with online dating tailwinds driving domestic MAU / PAU growth at ~6% over the hold.

International payer attach is ~5.5% of total international MAUs, with much higher payer adoption in Europe (*Europe + North America make up 85% of* revs). We segment international markets based on their level of maturity: highly mature (U.K / U.S.) established (India / Brazil / Germany), and emerging (Philippines, Thailand) and focus on established nations given their stronger user growth profiles that typically precede payer adoption. App download data corroborates these buckets, with India as the clear growth driver in the established markets.



While Grindr should benefit from de-regulation and continued cultural acceptance of queer men internationally, these emerging geos will take a while to produce high rates of paid attach. As I described in the opening — Grindr fundamentally monetizes in a different manner than hetero apps. However, an underappreciated element of their monetization strategy was called out by George (*their CEO*) at the recent Goldman conference

"If we had any trouble in driving more MAU through things like monetization, that would be most impactful on young users because ***our payer penetration among young users is by far lower than it is for older users****, which obviously makes total sense because they have less money and they are more successful in the product, even just using the free product because they're able to get what they want out of it. Versus if you're older, you might need to get paid because you're less successful in the product…****The last point on that is internationally, it's even more over-indexed on younger people. If you look at India, like two-thirds of the app is under 35****, which is not surprising because it was illegal to be gay in India until 10 or 12 years ago. Older men are less likely to be using the product versus younger men*."

Management has specifically called out India and Brazil as long term monetization opportunities– both of which sit in respective regions that make up <10% of total revenue but carry large queer male populations. These markets are immature in their online app usage, with nearly 40% of queer Indian men still using Facebook / social media still being the best way to reach gay men in Brazil[13]. Europe / North America provide solid precedents for online app share gain as queer dating markets mature (Europe 2017, split was 60% mobile app: 40% Other Internet; U.S. online dating app usage for meeting partners has increased from 66% to 85%).

Despite the immaturity, Grindr is the leading app for Queer men in both of these geographies with local competitors like Blued (China / HK based) and Hornet being the major alternatives. For reference, within India Grindr was used 1.5x more often vs the closest alternative amongst queer men in public health surveys and sub-reddit analysis showed nearly 5x the number of posts / comments related to Grindr vs. other apps. Thus, we hypothesize that part of the monetization immaturity has been Grindr's own slowness to drive product localization that can act as a rise in tide. Grindr does not currently provide live app translation for users chatting in different languages & their app store advertising is still primarily geared towards western / English speaking nations. While these are not 2025 specific targets, Grindr's management has been taking steps to tailor versions of Grindr for these geos – which alongside the cultural tailwinds should help drive increased adoption of paid features, especially as more folks move to online dating apps. We model payer adoption reaching ~7.5% by 2030, driving +160 bps of attach in 4 years vs. 3 years historically, catalyzed by large maturing queer. In FY'30 International payer adoption reaches 8.7% (+300 bps) driven by a) "age-up" impact of maturing markets where older users became a larger portion of users and b) regulatory / cultural wins combined with product tailoring to drive and 8% CAGR (*below the '21-'24 CAGR of 14%*).

4/ Indirect Revenue presents upside node due to unique user base, but we model it growing at a ~14% CAGR (+2pts to Revenue CAGR)

Grindr generates indirect revenue via ads at much higher rates than industry peers (~15% of FY'24 revenue was from ads vs. 2% from the IMG / "immaterial" contribution from Bumble). This is the result of higher ad-loads, 4x increase[14] over the past 2 years domestically, and new advertising partners. While ad revenue has grown substantially over the past year, these ads have significantly degraded user experience, with several users calling out the bugginess[15], number, and lack of personalization from ads. In our analysis of different dating subreddits, the number and low quality of ads was mentioned in 4% of Grindr posts vs. nearly 0% of Tinder and Hinge subreddits. Former employees categorize the inventory of ads that Grindr currently serves as "*run of network ads. All the worst ads that you can imagine fall into this bucket*."

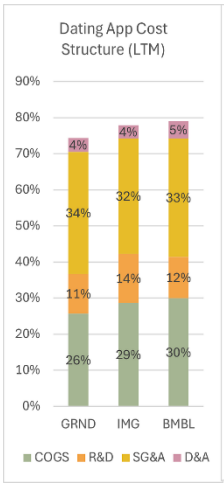
While the management team has outlined a few key growth drivers in this segment over the next 12 months, like more native ads and rewarded videos – AI could fundamentally transform Grindr's ad experience. LLMs / Gen AI can help transform the fulfillment rate and mix of ads by enabling improved semantic embeddings, which help deliver the right ad at the right time. Grindr right now must wrestle with user privacy requirements and brand sensitivity (i.e., Gap ad next to a user's explicit photo) – which means they can't share enough data to incentivize high quality brands in a 3P context and first-party brands are wary of misplaced ads. LLMs help break this tradeoff by tagging and identifying user data more accurately, which helps provide the proper "context" for advertisers bidding on a spot. This helps mix into 1P channels as advertisers can ensure that their brand will be shown with a specific set of keywords / user interactions in the app. Moreover, this helps improve the model for serving ads at the right time because prior user actions & reactions to content can help Grindr target a specific ad type & format.

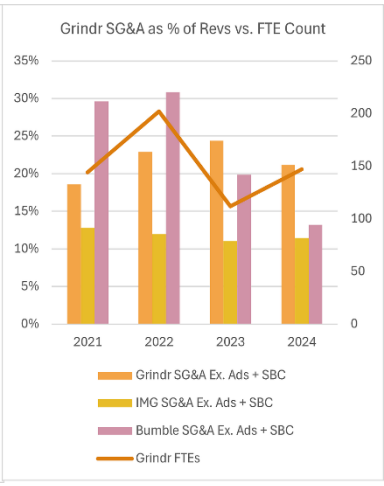
Management forecasts ad-revenue reaching ~$90M of revenue by 2027 in their investor day, we have them in line with this estimate. We calculate that Domestic CPMs are ~$15-18 and ~$8-10 internationally[16], and as the mix of 1P ads increases (*we model it increasing from ~5% to ~15% domestically*) and the fill rate improves (*+250bps improvement, conservative given more work required*)domestic CPMs reach ~$20 on a higher throughput of impressions. Internationally, ads are less mature with significantly fewer ad-loads, but a lot larger of a base to start advertising through. There are around 4.8-5M DAUs who are eligible to receive ads, and Grindr has recently onboarded several international ad partners. Thus, we forecast ads / session as the primary growth driver for the international indirect business, increasing from 3 to 6 over the hold period, with a slower ramp vs. domestic ads / session given the product localization is still early in its journey and Grindr wants to create the same global network density that they have been able to achieve domestically.

5/ This industry's capital light and addictive user model is conducive to high margins with peers achieving 25-30% GAAP EBITDA margins. We model Grindr's GAAP EBITDA margins expanding +600bps over the hold, due to high CM add-ons that help drive operating leverage in SBC & G&A, moving both in-line with peers

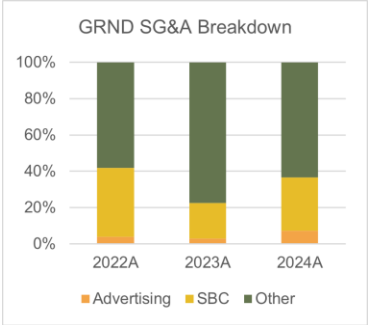
Grindr should benefit from structurally higher margins given their lower marketing spend vs. peers, a result of Grindr's dominance in the queer dating space vs. their hetero peers. In FY'24 Grindr spent 2.5% of revs on advertising vs. Match Group and Bumble who on average spent ~18% of revs on advertising. Despite this massive cost advantage Grindr's margins are only 300-400bps higher vs. Match Group. Over the next few years, Grindr should see increased operating leverage given the bulk of their recent opex investments have been focused on fixed cost buckets. SG&A is the only bucket where Grindr spends more as a % of revenue vs. peers (2pts higher.) We think this has primarily been driven by a pull-forward of hiring that occurred in 2024 and increased SBC issuance for the executive team that should lever over time. Roughly 80% of the SG&A spend increase in FY'24 came from SBC for the management team, a trend that persisted in H1 with 60% of the SG&A increase coming from SBC. Moreover, a quick look at hiring shows a huge re-basing following the COVID RTO mandate that led to massive team turnover.

The largest cost buckets are app store fees and SG&A headcount / compensation. The former grows consistently with revenue growth, making up 60-70% of the increase in COGS over the past few years, with apple and google taking ~15-30% of every in-app transaction dollar. We model gross margins staying stable at 75% of revenue due to the duopolistic nature of the Apple / Google store, which creates limited negotiating power. Recent international regulatory wins may force Apple and Google to reduce their take rates. E.U. courts recently ordered Apple to reduce their in-app take rates, dropping headline take rates by ~1000-1500bps. To access these savings, apps have to opt-in and pay other E.U. specific fees, and therefore we do not model any changes to gross margins, but as the business mixes into more paid international users, this could be a source of upside.





SG&A spend as a % of revenue (FY '24 = 33%) is 100-200bps higher than peers and has increased over the past year despite headcount staying constant. We model this dropping to 31% of revs by 2030 in line with peers as the business gains operating leverage on their sales / marketing spend with increased a-la-carte attach. Moreover, ~60% of the increase in SG&A costs over the past few years has stemmed from SBC – a trend that continued in H1 2025, with a ~$10M increase in SBC. We feel confident calling for increased leverage over the hold and reduced SBC, given nearly 80% of this SBC issuance has been tied to executive compensation in the form of modified performance RSUs – which automatically vest



Incremental margin was 44% in FY'24 aided by signs of operating leverage and 56% indirect revenue growth that flows through at ~80%+ contribution margins (*limited marketing spend, no app store fees, and limited hosting charges*). The shared cost bucket (*operating costs ex. COGS + Marketing / Advertising)* grew at half the pace of revenue growth on a GAAP basis. This ratio dropped to 10% shared cost growth vs. revenue growth when SBC was excluded. Thus, the two main tactical drivers of margin expansion should be:

- SBC Metering: Over the LTM Period, Grindr's SBC expense as a % of revenue and % of opex increased 300 bps / 800 bps respectively. SBC issuance has been concentrated in the executive team given the lower ownership the CEO retains. Match group and Bumble allocate 8% and 2% of revs to SBC, with Bumble driving down SBC from ~12% to 2% over the past 5 years. Over time we believe Grindr's SBC should match peers as options for the executive team vest and we model SBC reaching 8% of revs from 11% today – 300 pts of leverage
- Operating Leverage / ALC Growth: Roughly ~18% of revenue is spent on SG&A personnel. We think this had an outsized margin impact in FY'24 due to the massive FTE re-basing and the investment in product initiatives. While there may be some incremental headcount hiring for international initiatives and product marketing in ALC, this cost bucket should exhibit higher incremental margins over time. Assuming headcount grows at half the pace of revenue growth (*i.e., for every incremental dollars SG&A FTE expense scales at half that rate*) – SG&A alone should provide 1.5-2pts of operating leverage.

We model Grindr EBITDA Margins expanding +600pts over the hold reaching 38% LTM EBITDA Margins / 39% NTM EBITDA margins at exit (*+4pts from operating leverage, +3 pts from SBC*, -1 pts from R&D spending) with gross margins holding stable as the business mixes into lower contribution margin subscription revenue. EBITDA compounds at 23% over the hold reaching $424M (*stubbed for 9 month entry*), with 2-3pts of upside remaining from international changes to app store payments / requirements lifting gross margins

Using management's forward guidance of ~26% NTM rev growth / 43% Adj. GAAP Margins (pre-*SBC.*) the business currently trades at ~16-17x NTM GAAP EBITDA far above peers with Match Group trading at ~10-12x NTM GAAP EBITDA and Bumble trading at 6-7x NTM GAAP EBITDA. The difficulty in this comparison is that Match Group / Bumble are rule of ~25 companies (-0-2% Revenue Growth and ~25% GAAP EBITDA Margins) vs. Grindr's rule of 60 profile – and thus, while we think Grindr will trade around ~10-12x NTM EBITDA at maturity, the faster growth / better margin profile means the business has earned the right to trade

at a premium over our hold period. To bake in a bit of conservatism, we model the multiple stabilizing at 17x NTM EBITDA.

- A quick mental check we use is = (1-g/ROIC)/wacc-g) → the nuance being that these capital light models do not rely on ROIC, and therefore we take the EBITDA Margin as another metric to measure the returns on "capital spend". At maturity we believe MAUs grow 5% which we flow through to EBITDA growth / ~40% GAAP EBITDA Margins (assuming no increase in flow share, payer adoption, or incremental margin) = 0.88 / (8-5%) → 25x+ NTM EBITDA Margin. Even sensitizing to 3% EBITDA Growth and 9% WACC (0.925 / 6%)= 16x NTM EBITDA

Company Name	Current Price	Market Cap (Billions)	TEV (Billions)	Forward P/E	FWD EBITDA
Bumble Inc.	5.42	0.80	1.34	7.03	7.07
Hello Group Inc.	6.76	1.10	-1.29	5.83	
Snap Inc.	7.30	13.38	14.90	19.32	
Reddit, Inc.	196.33	36.75	36.09	293.06	
DraftKings Inc.	27.92	17.06	17.32	60.28	
Flutter Entertainment plc	216.59	43.84	53.66	30.04	61.14
Duolingo, Inc.	260.02	15.24	14.12	110.13	218.01
Spotify Technology S.A.	619.54	140.65	138.01	76.71	100.22
Pinterest, Inc.	25.74	22.52	19.42	18.40	107.10
MTCH	33.19	7.81	10.90	13.08	12.04

Our Base scenario assumes that by FY30: (*all CAGR's FY'24-FY'30)*

- Direct Revenue CAGRs at 20% / Indirect Revenue CAGRs at 14%, Total Revenue CAGRs at ~19% reaching $870M of LTM / ~$1.10B of NTM revs growing (~15% / 14%)
    - Direct Revenue split between +9% PAU CAGR / 11% ARPU CAGR
        - Core Subscription (~77% of Revs / ~11-12pts of rev contribution) : Grows at 16% CAGR — 12 pts from PAU + 4 pts of Price
            - MAUs [75% of Core Subscription / 8pts total revs] 6% CAGR in MAUs + 5% CAGR in Payer Adoption
                - 5% CAGR in Domestic MAUs / 6% CAGR in International MAUs
            - PAUs [25% of Core Subscription / 3-4pts total revs] pts 1% CAGR in Domestic Payer Adoption / 8% CAGR in International Payer Adoption
        - ALC (*allocated to Price*) (23% of Revs / ~8pts of rev contribution): 37% CAGR
- GAAP EBITDA expands from 32% in FY'24 to 38% (LTM) in FY'30 due to SG&A operating leverage netting out increased product spending, and EBITDA compounds at 23% (20pts of Revenue + 3pts from margin expansion) over the hold reaching $424M (*stubbed for 9 month entry*)
- Grindr executes ~$450M worth of buybacks over the next few years (in-line with their most recent guide), maintaining FDSO nearly flat (0.5% CAGR)
- Using a 17x NTM GAAP EBITDA multiple (*no multiple drag*), Grindr's TEV is $7.2B with ~$530M[17] of excess cash, resulting in a $7.7B market cap. With 206M shares outstanding, the imputed share price is $37.55 and returns are 2.73x MoM / 22.3% IRR at my cost basis of $13.71 a share

Risks (*slightly outdated*)

- Ownership Dynamics: (*See Common Stock Cap Table*) Raymond Zage / Tiga investments currently owns ~48% of the common stock outstanding, with Raymond, James, and Michael effectively creating the ownership coalition with ~65% ownership between these three. This creates strategy and liquidity risk related to any forced liquidation event[18]
- Leadership team / Developer: Additionally, the CEO and the broader ELT have limited skin in the game. George's ownership on a fully diluted basis is ~1.5% as of December 2024. Moreover, the CFO has recently left, the second CFO to leave over the past 3 years. While we don't think this is suggestive of

any shady financial reporting and the first CFO always planned to leave after the public listing – we do worry about the turnover in financial reporting leadership.

- On the product side, the team has either been hampered or struggled to make key product decisions like finally launching an a-la-carte service almost 7 years after Tinder launched boost. The decision to include roam in the subscription packages and miss the emerging cruising segment will cap their ALC monetization and signals weak product velocity. Part of the problem is that nearly 80% of the team turned over after mandatory RTO – and the development function has been outsourced to contractors in Colombia.

Special Sit Eval: On October 24th Raymond Zage and James Lu formally issued a non-binding and unsolicited buyout offer to the special committee at $18 / share, a 30%+ spread from the latest close price. Ultimately, I believe this is likely to close and a unique retail opportunity given some of the market mechanisms we explore below. The right way to interrogate the probability of this occurring is

- a) Intent (i.e., how credible this bid is)
    - **Fundamentals**: At $18 a share we believe that Raymond Zage + James Lu can earn a 15%+ IRR — with our conservative assumptions on pricing that are likely easier to take in a private context given the lack of public scrutiny on public financials. Below is a quick back of the envelope model

Sources	Quantum	%
Mgmt. Roll	$2,290	*60%*
Equity	$100	*3%*
Debt	$1,000	*26%*
Other	$424.24	*11%*
Total Sources	**$3,814.04**	

Uses	Quantum	%
Purchase Price	$3,776.28	*99%*
Deal Fees	$37.76	1%
Total Uses	**$3,814.04**	

Scratch			
# of shares	200.65	127.21	*63.40%*
(x) share price	$18.00		
Equity Value	$3,611.67		
(+/-) Net Debt	164.61		
TEV	**$3,776.28**		

Returns	
(=) NTM EBITDA (9 month stub)	$424
(x) Exit Multiple	17.00
TEV	**$7,203**
Net Debt	($79)
Equity Value	**$7,282**
MoM	**2.02**
IRR	***15%***

Entry Prices	$16.00	$16.50	$17.00	$17.50	$18.00	$18.50	$19.00
Equity Value	$3,210.37	$3,310.70	$3,411.02	$3,511.34	$3,611.67	$3,711.99	$3,812.32
MoM	**2.27**	**2.20**	**2.13**	**2.07**	**2.02**	**1.96**	**1.91**
IRR	***18%***	***17%***	***16%***	***16%***	***15%***	***14%***	***14%***

		2025E	2026E	2027E	2028E	2029E	2030E	2031E
GAAP EBITDA		**$143**	**$176**	**$215**	**$264**	**$316**	**$375**	**$440**
(+/-) Ch. NWC		($1)	($1)	($1)	($2)	($2)	($2)	($2)
(-) CapEx		($10)	($12)	($14)	($17)	($19)	($22)	($26)
(+) Interest Income		$3	$3	$3	$4	$6	$12	$19
(-) Taxes		($18.3)	($27.5)	($38.9)	($52.8)	($67.9)	($83.8)	($101.6)
(-) Interest		($60)	($60)	($60)	($60)	($60)	($60)	($60)
FCFF		$56	$78	$104	$137	$173	$218	$269
% Yield		*1%*	*2%*	*3%*	*4%*	*5%*	*6%*	*7%*
Net Debt								
Debt		$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Interest Rate	6%							
Cash		$100	$178	$282	$419	$592	$810	$1,079
Taxes								
GAAP EBIT		$124	$154	$193	$240	$292	$351	$417
(-) Net Interest		62.5	62.6	63.3	64.0	65.9	71.7	78.6
Pre-Tax Income		$61.05	$91.80	$129.54	$176.08	$226.33	$279.35	$338.79
Taxes	30%	$18.31	$27.54	$38.86	$52.83	$67.90	$83.80	$101.64

- **Recent Action**: Last night (11/5) James Lu submitted a letter19 that he was stepping down as Board Chair to explicitly focus on their take-private offer. This helps reduce the conflict of interest thereby increasing the probability of the transaction occurring, and is a material trade off for an individual merely trying to juice the share price. Moreover, this past summer / fall Raymond Zage made an effort to re-gain majority control on a fully diluted basis, an action that had to be approved by the special committee (*that is likely evaluating this proposal*). He regained control in September via a stock repurchase program, and one month later Raymond and James submitted the take private.
- **Strawman**: We have seen several reports pointing out that this could be a method to increase the share price and circumvent supposed margin calls from the controlling insiders. We think this is unlikely for two reasons a) limited data on margin calls — despite reports from Semafor that one of these individuals was margin called, no other news outlet has corroborated this. While this could be true, there's scant evidence in the filings that any shares have been seized over the past few months from the two major holders. In fact, we can clearly track all of James Lu's common shares outstanding via public filings and none of those filings indicate any distressed or seized sales (*all of them are marked as open market sales*). Similarly, Raymond Zage's **common** share count increased by 1M from June proxy (93.7M) + 1M from the James → Raymond transfer in 10/9. b) even if James was being margin called, temporarily raising the share price only works if the individual is able to restructure their personal loan LTV ratio or if they are able to gross down their LTV ratio via open-market sales — however, by announcing this take private both parties have effectively "locked themselves out of possibility #2" and it's unlikely a sophisticated financier wouldn't be able to look past a temporary share price increase for renegotiating terms, which hasn't even materialized

	6/25	10/9	10/10	10/13	10/13	10/15	10/16
James BoP Shares	26.59	26.59	25.59	25.29	25.19	24.94	24.54
Change		(1.0)	(0.3)	(0.1)	(0.3)	(0.4)	(0.4)
EoP	26.59	25.59	25.29	25.19	24.94	24.54	24.14
Memo: EoP		25.59	25.288	25.19	24.94	24.54	24.14
% Pledged	*100%*						

- b) Feasibility (i.e., financing + likelihood of bid acceptance)
  - The current sources have been laid out as follows and ultimately we think given the material ownership of the insiders, the EBITDA Margin on the business, and the depressed share price — there is strong feasibility of this transaction occurring
    - $100M of equity to the B/S
    - $1B of debt (*not committed but strong letters*)
      - ***In our model this would be 5.5-6x NTM EBITDA***
    - 60% management roll (63.4% to be exact)
    - Other structured equity
  - $18 / share would be 22.5x NTM GAAP EBITDA / 28X LTM GAAP EBITDA. A 35% increase over the latest trading price — a significant premium, that the committee should find favorable given it's nearly 2x the nearest comps
- c) tail risks (i.e., what could be a goal-line stopper)

- SEC filings / Transaction Block

Why does this opportunity exist:

Even if you believe all of this is true, you're left with the question why this spread still exists. We think is a perfect retail opportunity given the limited float of the business. For reference,

- There are 193M shares outstanding as of June and nearly 65-70% of these are held by insiders who are more limited in their trading

Name and Address of Beneficial Owner[1]	Number of Shares of Common Stock	Percentage of Shares of Common Stock
5% Holders		
Jeremy Leonard Brest[2]	12,536,405	6.4%
Directors and Executive Officers		
George Arison[3]	418,896	*
Austin "AJ" Balance	42,014	*
Zachary Katz	111,189	*
Raymond Zage, III[4]	93,713,454	47.8%
James Fu Bin Lu[5]	26,591,512	13.6%
J. Michael Gearon, Jr.[6]	11,574,802	5.9%
Daniel Brooks Baer[7]	25,121	*
Meghan Stabler[8]	29,838	*
Nathan Richardson[9]	16,126	*
Chad Cohen[9]	1,391	*
All current Company directors and executive officers as a group (eleven individuals)	132,837,555	67.7%

- This leaves ~60M shares outstanding, we assume that ~9M shares (15%) of these shares are held by long-term investors and that ~22M shares (36%) are shorted. This leaves ~29M shares left to trade for investors attempting to capitalize on this opportunity and daily trading volumes reflect this with only 1-2M shares traded each day since the letter was submitted.
    - Simultaneously, the short interest has increased only ~10% (since September, now these shorts could be from different parties, but we take comfort in the fact that the short position related to the perceived valuation of Grindr vs. the buyout offer.
- Thus, if you were a $250M-$500M event-driven fund looking to put 10% of the fund to work at 25M / 50M it would take you 2-4 days to build a position at 100% flow share of volume Applying a more realistic 10-20% flow share assumption, it may take you 10-20 days to build a position (*which leaves you open to the spread closing on an announcement*). Even more importantly, there simply isn't enough liquidity to support purchases at scale, there is a possibility that you end up bidding the price up given the illiquidity — as of 4a PST (*shoutout Celsius*) the most recent was 13.76 x 10,000 shares — you would need to buy 2M shares which even at limited spreads could still push the price 20 to 30% assuming most folks are not holding for $18 a share — (13.5 → 16.875) ends up compressing the arb spread from ~25% to ~7%.

Currency in USD | Download

Date	Open	High	Low	Close	Adj Close	Volume
Nov 5, 2025	13.20	13.59	13.00	13.19	13.19	1,543,461
Nov 4, 2025	13.41	13.67	13.20	13.20	13.20	1,300,400
Nov 3, 2025	13.70	13.90	13.51	13.70	13.70	1,372,400
Oct 31, 2025	14.00	14.21	13.85	13.86	13.86	1,621,300
Oct 30, 2025	14.80	14.80	13.89	13.89	13.89	2,145,600
Oct 29, 2025	14.11	14.90	13.93	14.86	14.86	2,341,500
Oct 28, 2025	14.42	14.84	14.02	14.05	14.05	2,538,600
Oct 27, 2025	15.09	15.20	14.11	14.32	14.32	4,345,000
Oct 24, 2025	14.55	16.22	14.45	15.06	15.06	11,484,300
Oct 23, 2025	12.75	12.84	12.62	12.67	12.67	1,335,300
Oct 22, 2025	13.13	13.13	12.63	12.79	12.79	1,540,300
Oct 21, 2025	12.83	13.40	12.79	13.17	13.17	3,089,300
Oct 20, 2025	12.98	13.15	12.72	12.85	12.85	2,435,100
Oct 17, 2025	12.91	13.82	12.86	12.96	12.96	4,815,500
Oct 16, 2025	12.74	13.06	12.50	12.73	12.73	2,526,800
Oct 15, 2025	13.11	13.46	12.68	12.72	12.72	4,210,300
Oct 14, 2025	13.60	13.65	11.88	12.74	12.74	7,537,800

Ultimately: The market is too illiquid for the weighing machines to express the true probability of the deal closing, given the thin volume means a) weeks to close a position at scale and b) the risk that you compress you returns via purchases. Moreover, the shorts are in a precarious position because purchasing at scale and covering could reflexively drive up the price causing them to have to cover more substantially. Thus, I believe there is a >50% chance that the market has not closed the spread due to extremely atypical circumstances around market illiquidity and a management-led buyout.

Disclaimer: The information provided is for general informational purposes only and does not constitute financial, investment, or trading advice. You should not rely on this information as a substitute for professional advice. Always do your own research or consult a qualified financial advisor before making investment decisions.

Model

(*Direct Revenue Build*)

(FY $M)	Historicals				Base							CAGR		
	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	'21-'24	24-'27	24-'30
Domestic MAUs	2,862	3,092	3,184	3,420	3,590	3,770	3,959	4,156	4,364	4,582	4,812	*6%*	*5%*	*5.0%*
International MAUs	7,937	9,154	10,084	10,828	11,532	12,224	12,958	13,735	14,559	15,433	16,359	*11%*	*6%*	*6.1%*
MAUs	**10,799**	**12,246**	**13,268**	**14,248**	**15,123**	**15,994**	**16,916**	**17,892**	**18,924**	**20,015**	**21,170**	***10%***	***6%***	***6%***
% Growth - Total		*13%*	*8%*	*7%*	*6%*	*6%*	*6%*	*6%*	*6%*	*6%*	*6%*			
% Growth - Domestic		*8%*	*3%*	*7%*	*5%*	*5%*	*5%*	*5%*	*5%*	*5%*	*5%*			
% Growth - International		*15%*	*10%*	*7%*	*6%*	*6%*	*6%*	*6%*	*6%*	*6%*	*6%*			
Domestic PAUs	301	370	412	473	505	536	569	604	641	680	722	*16%*	*6%*	*6%*
International PAUs	301	418	525	603	698	805	922	1051	1191	1344	1512	*26%*	*15%*	*14%*
PAUs	**601**	**788**	**937**	**1076**	**1203**	**1341**	**1491**	**1655**	**1832**	**2025**	**2234**	***21%***	***11%***	***11%***
% Growth - Total		*31%*	*19%*	*15%*	*12%*	*11%*	*11%*	*11%*	*11%*	*11%*	*10%*			
% Growth - Domestic		*23%*	*11%*	*15%*	*7%*	*6%*	*6%*	*6%*	*6%*	*6%*	*6%*			
% Growth - International		*39%*	*26%*	*15%*	*16%*	*15%*	*15%*	*14%*	*13%*	*13%*	*12%*			
% Payer Adoption Domestic	*10.5%*	*12.0%*	*12.9%*	*13.8%*	*14.1%*	*14.2%*	*14.4%*	*14.5%*	*14.7%*	*14.8%*	*15.0%*	10%	1%	1%
% Payer Adoption International	*3.8%*	*4.6%*	*5.2%*	*5.6%*	*6.1%*	*6.6%*	*7.1%*	*7.6%*	*8.2%*	*8.7%*	*9.2%*	*14%*	*9%*	*8%*
% Payer Adoption Total	*5.6%*	*6.4%*	*7.1%*	*7.6%*	*8.0%*	*8.4%*	*8.8%*	*9.2%*	*9.7%*	*10.1%*	*10.6%*	*11%*	*5%*	*5%*
# of ALC Options excl. Day Pass	0	1	1	1	3	3	4	4	4	4	4			
# of ALC Only Total	**-**	**47**	**26**	**50**	**52**	**57**	**62**	**68**	**74**	**81**	**88**		***8%***	***8%***
# of ALC + Subscribers Total	**601**	**741**	**911**	**1,026**	**1,151**	**1,284**	**1,429**	**1,587**	**1,758**	**1,944**	**2,146**		***12%***	***11%***
Total Boost Attach		*9%*	*26%*	*44%*	*49%*	*53%*	*56%*	*60%*	*64%*	*67%*	*71%*		*9%*	*7%*
Roam Total Attach					*11%*	*21%*	*31%*	*37%*	*40%*	*43%*	*43%*			
Right Now Total Attach					*7%*	*15%*	*21%*	*26%*	*28%*	*30%*	*30%*			
Other Attach							*4%*	*8%*	*12%*	*15%*	*16%*			
(x) Direct Revenue per PAU / Year	193.1	198.6	219.6	231.9	246.2	255.6	265.9	277.1	285.9	295.2	304.9	6%	5%	4%
% Growth - Total		*3%*	*11%*	*6%*	*6%*	*4%*	*4%*	*4%*	*3%*	*3%*	*3%*			
Memo: Per Month	16.09	16.55	18.30	19.33	20.52	21.30	22.16	23.09	23.83	24.60	25.41			
ALC Revenue	$0	$7	$19	$41	$70	$97	$133	$178	$223	$272	$316		*47%*	*37%*
Core-Subscription Revenue	$116	$156	$206	$250	$296	$343	$397	$458	$524	$598	$681	*29%*	*17%*	*16%*
Total Direct Revenue	**$116**	**$163**	**$225**	**$291**	**$366**	**$440**	**$529**	**$636**	**$747**	**$870**	**$997**	***36%***	***22%***	***20%***
% Growth - Total		*41%*	*38%*	*29%*	*26%*	*20%*	*20%*	*20%*	*17%*	*16%*	*15%*			
% of Direct Revenue - Domestic	*60%*	*63%*	*58%*	*58%*	*55%*	*53%*	*51%*	*50%*	*48%*	*47%*	*45%*			
% Direct Revenue - International	*40%*	*37%*	*42%*	*42%*	*45%*	*47%*	*49%*	*50%*	*52%*	*53%*	*55%*			

(FY $M)		Historicals				Base							CAGR		
		2021A	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**'21-'24**	**24-'27**	**24-'30**
P&L															
Direct Revenue		$116	$163	$225	$291	$366	$440	$529	$636	$747	$870	$997	*36%*	*22%*	*20%*
Indirect Revenue		$30	$32	$34	$54	$70	$79	$88	$99	$110	$118	$131	*22%*	*18%*	*14%*
Total Revenue		**$146**	**$195**	**$260**	**$345**	**$436**	**$519**	**$618**	**$735**	**$857**	**$987**	**$1,128**	***33%***	***21%***	***19%***
% Growth - Total			*34%*	*33%*	*33%*	*27%*	*19%*	*19%*	*19%*	*17%*	*15%*	*14%*			
% Growth - Direct			*41%*	*38%*	*29%*	*26%*	*20%*	*20%*	*20%*	*17%*	*16%*	*15%*			
% Growth - Indirect			*6%*	*9%*	*56%*	*31%*	*12%*	*12%*	*12%*	*11%*	*7%*	*11%*			
Gross Profit		**$108**	**$144**	**$192**	**$257**	**$326**	**$388**	**$462**	**$550**	**$642**	**$740**	**$846**	***33%***	***22%***	***19%***
% Gross Margin		*74%*	*74%*	*74%*	*75%*	*75%*	*75%*	*75%*	*75%*	*75%*	*75%*	*75%*			
% Growth			*33%*	*34%*	*34%*	*27%*	*19%*	*19%*	*19%*	*17%*	*15%*	*14%*			
Operating Costs incl. SBC															
SG&A		$31	$75	$80	$115	$140	$160	$184	$210	$234	$259	$282	*55%*	*17%*	*14%*
R&D		$11	$18	$29	$33	$42	$52	$63	$76	$91	$107	$124	*44%*	*24%*	*22%*
D&A		$43	$38	$27	$17	$20	$21	$23	$24	$24	$24	$23	*-27%*	*10%*	*6%*
Total Operating Costs		**$85**	**$131**	**$137**	**$164**	**$202**	**$233**	**$269**	**$310**	**$349**	**$389**	**$429**	***25%***	***18%***	***15%***
% Revenue		*58%*	*67%*	*53%*	*48%*	*46%*	*45%*	*44%*	*42%*	*41%*	*39%*	*38%*			
OpEx % of Revs															
SG&A		*21%*	*39%*	*31%*	*33%*	*32%*	*31%*	*30%*	*29%*	*27%*	*26%*	*25%*			
R&D		*7%*	*9%*	*11%*	*10%*	*10%*	*10%*	*10%*	*10%*	*11%*	*11%*	*11%*			
D&A		*30%*	*19%*	*10%*	*5%*	*4%*	*4%*	*4%*	*3%*	*3%*	*2%*	*2%*			
OpEx Growth vs. Rev Growth															
SG&A			4.3	0.2	1.3	0.7	0.4	0.4	0.4	0.3	0.3	0.3			
R&D			1.9	1.9	0.4	0.9	0.6	0.6	0.6	0.6	0.5	0.5			
D&A			(0.4)	(0.8)	(1.1)	0.5	0.2	0.2	0.2	0.0	(0.0)	(0.2)			
GAAP EBIT		**$24**	**$13**	**$55**	**$93**	**$124**	**$154**	**$193**	**$240**	**$292**	**$351**	**$417**	***57%***	***28%***	***25%***
% EBIT Margin		*16%*	*7%*	*21%*	*27%*	*28%*	*30%*	*31%*	*33%*	*34%*	*36%*	*37%*			
GAAP EBITDA		**$67**	**$51**	**$82**	**$110**	**$143**	**$176**	**$215**	**$264**	**$316**	**$375**	**$440**	***18%***	***25%***	***23%***
% EBITDA Margin		*46%*	*26%*	*32%*	*32%*	*33%*	*34%*	*35%*	*36%*	*37%*	*38%*	*39%*			
Interest / Other Income		(17.4)	(13.0)	(107.2)	(210.9)	(26.4)	(15.3)	(13.6)	(4.2)	5.9	11.7	18.6			
Pre-Tax Income		6	0	-52	-118	97	139	179	236	298	363	436			
(-) Tax Expense	30%	1.24	(0.86)	4.02	12.71	$29	$42	$54	$71	$89	$109	$131			
GAAP Earnings		**5.1**	**0.9**	**(55.8)**	**(131.0)**	**68.0**	**97.4**	**125.4**	**165.1**	**208.6**	**253.9**	**305.2**			
% Net Income Margins		*3%*	*0%*	*-21%*	*-38%*	*16%*	*19%*	*20%*	*22%*	*24%*	*26%*	*27%*			
GAAP EPS (Common)						$0.39	$0.56	$0.71	$0.92	$1.15	$1.38	$1.62			
GAAP EPS (Consensus)						$0.42	$0.60								
% Premium / Discount						*-8%*	*-7%*								
Common Shares Outstanding					176	173	175	178	180	182	186	191			
Weighted Average Common Shares						175	174	176	179	181	184	189			
B/S & CFS															
GAAP EBITDA						$143	$176	$215	$264	$316	$375	$440			
(+/-) Ch. NWC						(1.34)	(1.20)	(1.44)	(1.71)	(1.77)	(1.90)	(2.05)			
(-) CapEx						(9.9)	(11.8)	(14.0)	(16.7)	(19.5)	(22.5)	(25.7)			
(+) Interest Income						$2.5	$2.6	$3.3	$4.0	$5.9	$11.7	$18.6			
(-) Interest Expenses						(19.0)	(18.0)	(16.9)	(8.2)	-	-	-			
(-) Taxes						(29.1)	(41.7)	(53.7)	(70.8)	(89.4)	(109)	(131)			
(+/-) Other						-	-	-	-	-	-	-			
FCFF						**$86**	**$106**	**$133**	**$171**	**$212**	**$253**	**$300**			
EBITDA to FCF Conversion						*60%*	*60%*	*62%*	*65%*	*67%*	*68%*	*68%*			
(-) Debt Paydown						(15)	(15)	(15)	(231)	-	-	-			
(-) Buybacks						(291)	(159)	-	-	-	-	-			
(-) Other, Net						300									
FCFE						**81**	**(69)**	**118**	**(60)**	**212**	**253**	**300**			
BoP Debt	2028					$276	$261	$246	$231						
(-) Mandatory Service						(15)	(15)	(15)	(231)	-	-	-			
EoP Debt					275.58	$261	$246	$231	$0	$0	$0	$0			
EoP Debt					276	261	246	231	0	0	0	0			
(-) Cash					60	$140	$72	$189	$129	$341	$594	$894			
EoP Net Debt					216	120	174	42	(129)	(341)	(594)	(894)			

Returns BoE

(=) NTM EBITDA (*9 month stub*)	$424
(x) Exit Multiple	17.00
TEV	$7,203
Net Debt	$530.71
Equity Value	$7,733
/ FDSO	205.897143
Share Price in 5 Years	$37.56
/ Share Price Today	13.36
MoM	**2.81**
IRR	***23.0%***

Low	**Base**	**High**
12.0	17.0	20.0
5084	7203	8474
530.7	530.7	530.7
5614.9	7733.4	9004.4
205.9	205.9	205.9
$27.3	$37.6	$43.7
13.36	13.36	13.36
2.04	**2.81**	**3.27**
15.3%	**23.0%**	**26.8%**

Valuation						**Current Price**						**Cost Basis**
Share Price		**$5.5**	**$6.9**	**$8.6**	**$10.7**	$13.4	**$16.1**	**$19.3**	**$23.1**	**$27.8**	**$33.3**	**$13.7**
% Premium to Current Trading												
% Premium to 52 Week High												
% Premium to 52 Week Low												
(x) FDSO		**200.6**	**200.6**	**200.6**	**200.6**	**200.6**	**200.6**	**200.6**	**200.6**	**200.6**	**200.6**	**200.6**
Equity Value		**$1,101**	**$1,376**	**$1,720**	**$2,150**	**$2,688**	**$3,225**	**$3,870**	**$4,644**	**$5,573**	**$6,688**	**$2,751**
(+) Net Debt		164	164	164	164	164	164	164	164	164	164	164
TEV		**$1,264**	**$1,540**	**$1,884**	**$2,314**	**$2,851**	**$3,389**	**$4,034**	**$4,808**	**$5,737**	**$6,851**	**$2,915**
Valuation Multiples	**Metric**											
TEV /												
LTM Rev	$413	3.1x	3.7x	4.6x	5.6x	6.9x	8.2x	9.8x	11.6x	13.9x	16.6x	7.1x
NTM Rev	$498	2.5x	3.1x	3.8x	4.6x	5.7x	6.8x	8.1x	9.6x	11.5x	13.8x	5.8x
TEV /												
LTM GAAP EBITDA	$134.7	9.4x	11.4x	14.0x	17.2x	21.2x	25.2x	29.9x	35.7x	42.6x	50.9x	21.6x
NTM GAAP EBITDA	$167.5	7.6x	9.2x	11.2x	13.8x	17.0x	20.2x	24.1x	28.7x	34.3x	40.9x	17.4x
Returns Summary Revenue Multiples												
5-Yr Returns	GAAP EBITDA Margin											
5.9x NTM Revenue	39%	39.8%	33.7%	27.9%	22.3%	16.9%	12.7%	8.7%	4.8%	1.1%	(2.6%)	16.4%
6.6x NTM Revenue	39%	43.5%	37.3%	31.3%	25.5%	22.9%	15.8%	11.6%	7.6%	3.8%	0.1%	22.3%
7.4x NTM Revenue	39%	46.9%	40.5%	34.4%	28.5%	25.5%	18.5%	14.3%	10.2%	6.2%	2.4%	22.3%
Returns Summary GAAP EBITDA Multiples												
5-Yr Returns												
15.0x NTM GAAP EBITDA		39.8%	33.7%	27.9%	22.3%	16.9%	12.7%	8.7%	4.8%	1.1%	-2.6%	16.4%
17.0xNTM GAAP EBITDA		43.5%	37.3%	31.3%	25.5%	22.9%	15.8%	11.6%	7.6%	3.8%	0.1%	22.3%
19.0x NTM GAAP EBITDA		46.9%	40.5%	34.4%	28.5%	25.5%	18.5%	14.3%	10.2%	6.2%	2.4%	22.3%