

It's a match: Momo buys Tantan to create Chinese dating app giant

Notes & Cues:**Article:**

Love is in the air in China's online dating industry.

China's two biggest dating apps have announced their marriage. Momo has acquired the dating service Tantan for \$760m, creating a giant in the country's booming online dating market.

The matrimony, however, will not result with a Motan or a Tanmo: it is understood that the two companies will continue to operate independently. The deal is expected to be completed in Q2 of 2018.

Nasdaq-listed Momo announced the acquisition on Friday before markets opened. The deal gives the previously privately-held Tantan \$600.9m in cash and 5.3m shares in Momo. "In one deal we're creating the only player left in China's dating app market," said Jeremy Choy, head of M&A at China Renaissance, the sole bank involved in the deal.

China's worsening male-female ratio has spurred an explosion in online dating. According to some research, 43 percent of Chinese nationals have used internet dating. Momo, which started out as an app that helped young people find hook-ups, has been trying to clean up its image in past years, expanding into live-stream and social media. That opened up opportunities for smaller competitors such as Tantan, though the acquisition will now help Momo cement its market position and create a more dominant player.

Summary: