

BUMBLE INC.

Strategic Analysis & Recommendations

MCM: TMT Group

Joseph Weissberg



Education:

University of St Andrews
MA, 2nd Year International Relations & Management

Key Experiences:

- *Cruiser Capital*, Connecticut | Summer Intern
- *Mercury Capital Management*, St Andrews | Team Head

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Joseph is a second-year student at the University of St Andrews. This past summer, he interned for Cruiser Capital, an activist hedge fund, and in the finance department of Similarweb, a data analytics company. He has completed the WSO Financial Modeling and Investment Banking Prep courses. Joseph has participated in externships at various notable firms including Morgan Stanley, Allianz GI, and BTIG. When he's not working, Joseph enjoys playing golf, cooking for his friends and family, and supporting Chelsea FC.

Michael Lyakutin



Education:

University of St Andrews
BSc, 2nd Year Financial Economics & Mathematics

Key Experiences:

- *Brookfield Private Equity*, Toronto | Incoming Summer Intern
- *Burgundy Asset Management*, Toronto | Business Analyst Intern

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Michael is a second-year student at the University of St Andrews. This past summer he completed an internship at Burgundy Asset Management, where he led AI research initiatives and optimized data management for the investment team. Moreover, he gained practical sales experience working as an Asics representative at the National Bank Open in Toronto. Next summer, Michael will join Brookfield Private Equity as a summer intern.

Trajan Nader



Education:

University of St Andrews
BSc, 2nd Year Financial Economics & Mathematics

Key Experiences:

- Breinrock, Cyprus | Compliance Officer
- Mercury Capital Management, St Andrews | Team Head

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Trajan is a second-year student at the University of St Andrews. He has gained practical experience as a compliance officer during a six-month full-time role at Breinrock, a fintech bank, and as a summer intern at RiverGroup, an investment boutique. Trajan serves as the Director of the St Andrews Formula 1 Team and is an Officer Cadet in the British Army, UOTC. Beyond academics, he is an active member of the St Andrews Senior Rowing Team, a Wim Hof enthusiast, and is currently training for an Ironman in 2025.

Avital Anoff



Education:

University of St Andrews
MA, 2nd Year Economics & Management
UC Berkley study abroad offer

Key Experiences:

- *Vanguard Asset Management*, London | Summer intern
- Incoming *EMEA Blackstone*, London | Spring intern
- *MCM*, St Andrews | Digital Assets Analyst

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Avital gained hands-on experience through a 6-week internship on the trading floor at Vanguard Asset Management's London office and completed Bloomberg terminal training at their London headquarters. In 2025, she will join Blackstone's London office, further advancing her skills in a dynamic, high-stakes environment. Outside of academics and finance, she enjoys tennis and cheerleading, bringing teamwork, and discipline to all her pursuits.

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Corporate Walkthrough

- Bumble, founded in 2014 by Whitney Wolfe Herd, redefining the online dating industry with Bumble, where women make the first move.
- As of 2023, Bumble Inc. operates five key platforms: **Bumble App**, **Bumble For Friends**, **Badoo**, **Fruitz**, and **Official**, collectively drawing in over **42 million monthly active users**
- Bumble has embraced **horizontal integration**, targeting niche user segments such as friendship-building (Bumble For Friends) and professional networking (Bumble Bizz).
- The company has positioned itself as a leader in fostering **safe, meaningful, and inclusive connections** not only in dating but also in friendships and professional networks.
- Bumble's innovative monetization strategies, including **freemium models** with premium subscriptions, account for a significant portion of its revenue, alongside advertising and in-app purchases.

2

Industry Overview

- The dating app industry has seen a notable surge in demand, fueled by the steady growth of social media users worldwide.
- Tinder continues to dominate the market, holding the largest share, but its growth is plateauing, allowing competitors like Bumble to steadily close the gap.
- The pandemic acted as a catalyst for the industry, driving a significant increase in social media usage. While the initial momentum has subsided, the industry has maintained elevated growth levels in the years since.
- However, the competitive landscape poses challenges. Low switching costs lead to high churn rates, resulting in poor user retention across the industry. Additionally, the average revenue per user is experiencing declining growth, intensifying pressure on platforms to innovate and differentiate.

3

Valuation & Analysis

- Due to Bumble's strong value proposition, strong market positioning, and proven positive cash flows, Bumble is currently undervalued. However, the competitiveness and slowing growth prospect of the industry may explain the market's sentiment on Bumble; Analysts currently list Bumble at 3 Buy Ratings, 14 Holds, 1 Sells
- MCM came to a weighted valuation of **\$9.95** per share for Bumble
 - **Discounted Cash Flow Analysis:** EV/EBITDA exit implies a share price of **\$14.31**; EV/Revenue implies a share price of **\$7.77**
 - **Trading Comparables:** EV/EBITDA implies a share price of **\$17.46.**; EV/Revenue implies a share price of **\$10.77**
 - **Precedent Transactions:** EV/EBITDA implies a share price of **\$66.01.**; EV/Revenue implies a share price of **\$34.67**

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Strategic Review & Recommendations

Mercury Capital Management recommends the following:

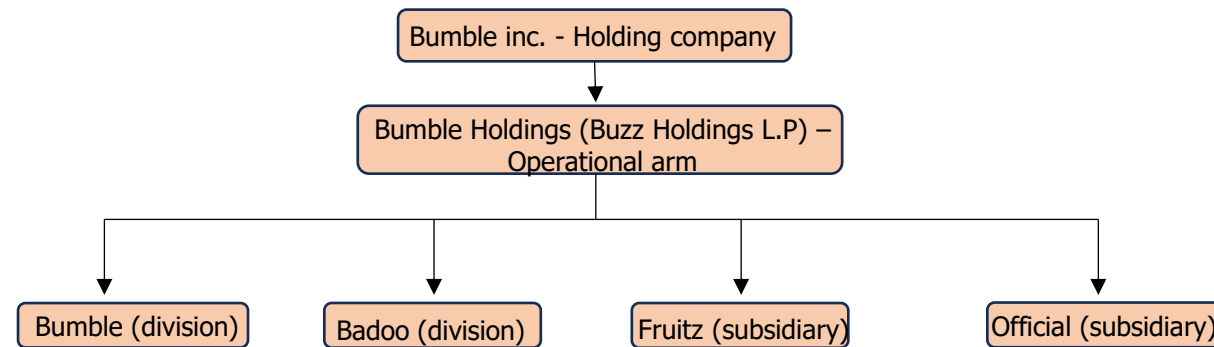
- **Annual dividends in 2028 and increased share repurchases:** Key pillar of capital allocation philosophy, given Bumble's healthy cash flows capital should be returned to shareholders
- **Strategic Partnerships for Diversification:** Develop partnerships to diversify income streams and leverage Bumble's data and technological strengths
- **Potential Sale Exploration:** Consider selling to a buyer offering strong synergies, such as one with expertise in monetization, AI infrastructure, and a scalable user base

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| 3 | Technology Breakdown |
| 4 | Marketing Strategy |
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Company Background

- **Bumble Inc. (BMBL)** is a dating services company based in Austin, Texas, in the United States
- Formerly known as Magic lab, Bumble is the parent company of popular apps: **Bumble, Badoo, Official, Geneva, and Fruitz**
- Niche positioning as a feminist dating platform within the freemium dating market
- Operating in over **150 countries** with 1.2 billion iOS users and 1.6 billion Android users
- **Finances (Q3 2024):** Revenue: US\$1,051.8 million | Net Profit: US\$ -4.21 million | Enterprise Value: US\$1,903 million | Shares Outstanding: 108 million | Number of Employees: 1,200

Org Chart



| 2006 | 2014 | 2019 | 2021 | 2022 | 2023 | 2024 | 2024 |
|--|--|---|---|---|--|---|---|
| Parent company MagicLab was founded by Andrey Andreev. | Bumble was founded by Whitney Wolfe Herd. Funded by Andreev. | Blackstone acquires Andreev's majority stake in Magic Lab for \$3bn. Changes parent name to Bumble Inc. | Successfully completed its IPO on the NASDAQ stock exchange at a \$4bn valuation. | First acquisition- Fruitz, a Gen Z focused dating app | Whitney Wolfe Herd steps down as CEO. In May, the company acquired Official. | \$17m Geneva acquisition and Achieving 735,000 downloads as of June | Announcement of AI and chatbot features |

Management & Board

Key management

Lidiane S. Jones: CEO, director and former CEO of Slack.

Anuradha B. Subramanian: Chief Financial Officer

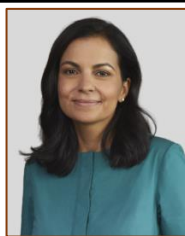
Ali Rayl: Chief Product Officer

Selby Drummond: Chief Marketing Officer

Antoine Leblond: Chief Technology Officer

Neil Shah: Chief Business Officer

David Ard: Chief People Officer



Board of directors

Executive Board:

Lidiane Jones: Chief Executive Officer and Director

Whitney Wolfe Herd: Chairman

Non-Executive Board:

Pamela A. Thomas-Graham: Director

Elisa A. Steele: Director

Matthew S. Bromberg: Director

Amy M. Griffin: Director

Jennifer B. Morgan: Director

Sachin J. Bavishi: Director

Jonathan C. Korngold: Director

Sissie Hsiao: Director

Ann Mather: Director

Martin Brand: Director

R. Lynn Atchison: Director

Bumble aims to create a world where all relationships are healthy and equitable, through Kind Connections

Key Aspects of Bumble's Philosophy

Women-Centric Empowerment:

- Bumble was one of the first dating platforms where women make the first move
- Bumble has been described as feminist platform because it shifts traditional power dynamics in dating
- Bumble's women's first approach challenges outdated gender norms by requiring women to initiate conversations
- Based on Data commissioned by Bumble **60%** of women surveyed prefer Bumble because of its tailored experience
- Women reported higher success rates in Bumble, with a match-to-like ratio of **45%**

Promoting Healthy & Equitable Relationships:

- Bumble' approach is grounded in creating space where users can build meaningful connections on their own terms

Safety & Accountability:

- Emphasizes authenticity and safety in platform design
- Was first company in dating industry to develop technology to proactively blur lewd photos
- Continuously working in new AI capabilities to enhance user safety, such as the "Deception Detector", which uses AI to identify scams, spam, and fake profiles
- Bumble's data security policy emphasizes protecting user privacy by implementing robust encryption, limiting data access, and adhering to compliance standards like GDPR and CCPA.

Promoting Safety & Mission-Driven Business Strategy:

- Integrates its mission into business strategy by advocating for public policy changes that align with its values
- Supported legislation against nonconsensual intimate image abuse
- Engages in nonprofit partnerships to promote equity



Bumble's Founding

Bumble Founder Anna Wolfe Herd

Herd decided to start Bumble while working on an early version of tinder. Her vision was to create a dating app that empowered women and fostered respectful interactions. This vision would become Bumble.

*"When I founded Bumble, it was because I saw a problem I wanted to help solve... so many of the smart, wonderful women in my life were still waiting around for men to ask them out... For all the advances women had been making in workplaces and corridors of power, the gender dynamics of dating and romance still seemed so outdated. I thought, what if I could flip that on its head? **What if women made the first move, and sent the first message?**"*

- A Letter From Whitney Wolfe Herd, Bumble Founder and former CEO

The Problems Bumble Addresses






Gender Inequality & Power Dynamics in Dating:

- Traditional dating norms often place the burden of initial contact on men, leaving women in a passive role
- Societal expectations often stigmatize women who lead in romantic interactions

Harassment and Toxic Behavior:

- Dating platforms have been criticized for fostering environments of harassment
- Pew Research study showed **60%** of women aged 18-34 experiend continued unwanted contact after expressing disinterest, while **57%** received unsolicited sexually explicit images or messages
- **85%** of victims of sexual offences linked to online dating were female

Bumble Operates five main platforms, each catering to different niches and user needs

| App | How it Works | Premium Tiers | Niche | Value Contribution | Paying Users/Revenue |
|--|--|---|--|---|---|
|  <p>Bumble</p> | <p>Users create profiles by inputting information, photos, and preferences</p> <p>Bumble uses a matching algorithm based on user preferences</p> <p>Users swipe right to like or left to pass on profiles</p> <p>In heterosexual matches, women must initiate the conversation within 24 hours of a connection</p> | <p>Bumble Boost</p> <p>Bumble Premium</p> <p>Bumble Premium +</p> | <p>Focuses on women’s first matchmaking experience</p> <p>Also offers friendship (BFFs) and professional networking modes (Bizz)</p> | <p>Bumble’s core brand identity and its biggest brand</p> | <p>2.5 Million</p> <p>~70%</p> |
|  <p>Badoo</p> | <p>Users create profiles with photos and personal details</p> <p>Unique features like “Moods” allow users to share their emotions/intentions</p> <p>Users swipe left or right on profiles, but can also directly message without a mutual match</p> | <p>Badoo Premium</p> <p>Badoo Premium +</p> <p>Badoo Credits</p> | <p>Aimed at mainstream audience</p> <p>Popular in Europe and Latam</p> | <p>Serves as a key platform outside North America, particularly emerging markets</p> | <p>1.2 Million</p> <p>~20%</p> |
|  <p>FruitZ</p> | <p>User select a fruit on sign up to represent their intention:</p> <ol style="list-style-type: none"> Cherries: Looking for a serous relationship Grapes: Open to dating Watermelons: Not seeking anything serious Peaches: Casual relationships only | <p>FruitZ Premium</p> <p>FruitZ Golden</p> | <p>Targets Gen Z users with a focus on transparency and simplicity in dating intentions</p> | <p>Integrated into Bumble’s ecosystem in early 2023</p> | <p>Integrated Q4</p> <p>Growing (~5%)</p> |
|  <p>Official</p> | <p>Designed for couples rather than singles</p> <p>Users link profiles with partners to access shared features like daily check-ins and quizzes</p> | <p>Premium content features</p> | <p>Focuses on helping couples build healthy habits and strengthen their relationships over time</p> | <p>Aligns with Bumble’s broader mission of fostering healthy relationships</p> | <p>Early Monetization</p> <p>Minimal</p> |
|  <p>BFF App</p> | <p>Standalone app spun off from Bumble’s BFF mode</p> <ul style="list-style-type: none"> Users swipe to connect with potential friends Unique features include group chats for mutual connections and “Plans” to organize meet-ups | <p>Still evolving but expected to mirror core Bumble app</p> | <p>Targets people seeking platonic friendships at various life stages, addressing loneliness and social isolation</p> | <p>Potential lies in expanding Bumble’s user base beyond dating into broad social networking categories</p> | <p>Early Stage</p> <p>Minimal</p> |

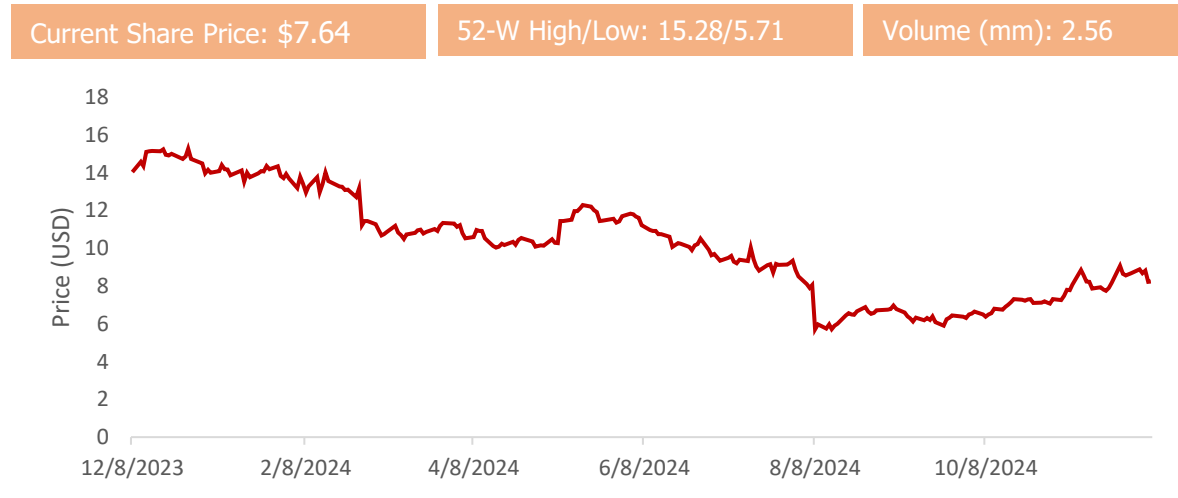
Data from: Bumble 2023 Annual Report, Appendix: App Overview

Valuation Summary & Ownership

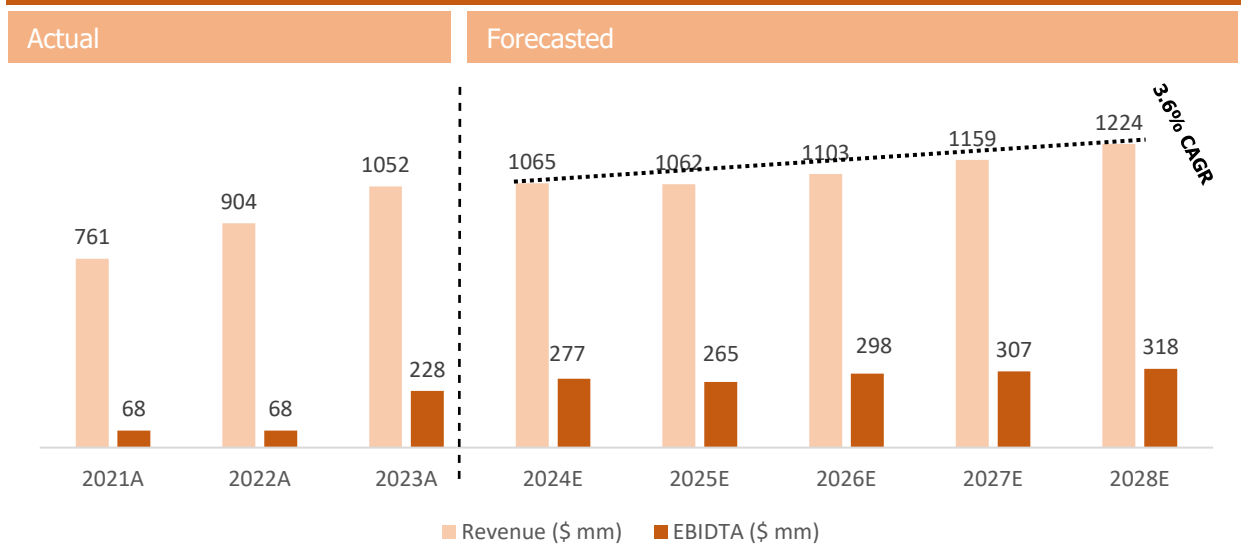
| Valuation Statistics (\$mm) | | Top Shareholders | | | |
|-----------------------------|-----------|------------------|---|---------------|------------|
| Valuation (m) | | Number | Name | Owernship (%) | Change (%) |
| Share price: | \$7.64 | 1 | Blackstone Inc. | 27.84 | - |
| Shares Outstanding: | 108.18 | 2 | Vanguard Group Inc. | 9.84 | 7.99 |
| Market Cap: | \$892.50 | 3 | BlackRock Inc. | 9.59 | (6.15) |
| Net Debt: | \$265 | 4 | FMR LLC | 5.56 | (31.17) |
| Enterprise Value: | \$1,799.1 | 5 | Columbia Management Investment Advisers | 4.70 | 46.87 |
| | | 6 | Accel Partners | 4.67 | - |
| | | 7 | Susquehanna International Group LLP | 4.30 | 308.85 |
| | | 8 | Dimensional Fund Advisors LP | 3.64 | (3.98) |
| | | 9 | State Street Gloal Advisors Inc. | 2.40 | (1.47) |
| | | 10 | Geode Capital Management LLC | 2.15 | 0.64 |

| Multiples | |
|--------------|--------|
| Forward P/E: | 13.39x |
| EV/EBITDA: | 5.72x |
| EV/REV: | 1.17x |

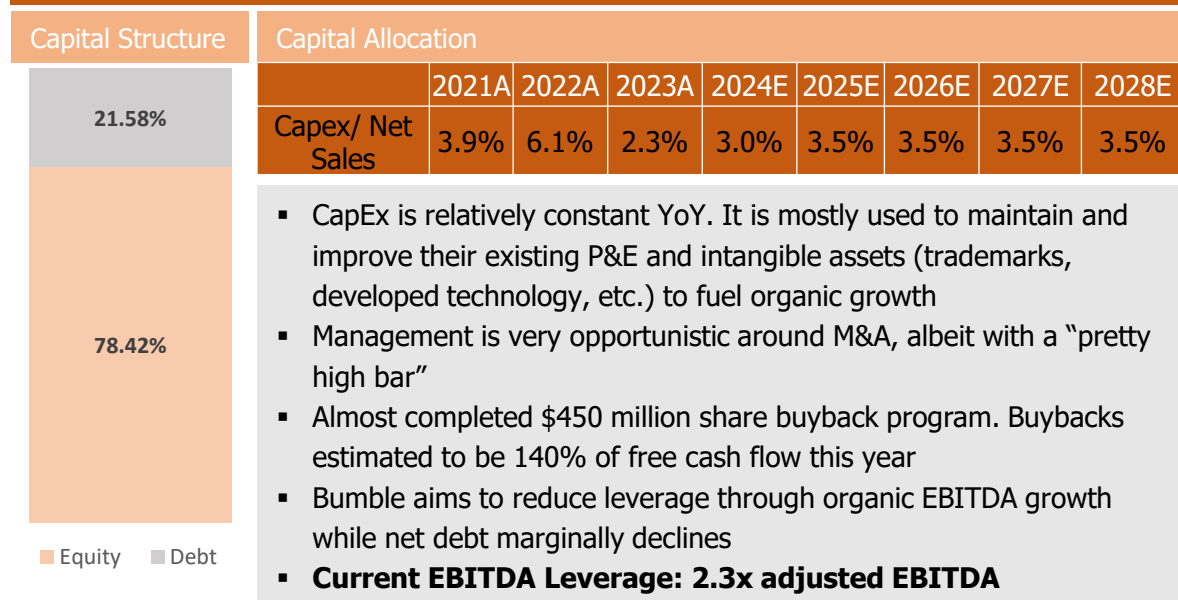
Historical Share Price Performance



Key Financials



Capital Structure & Allocation



Data from: Bumble 2023 Annual Report, Bumble Q3 2024 Quarterly Report, Cap IQ, Factiva

Priced as of: December 18, 2024

Customer Experience – Top of Funnel Marketing - Strategic Acquisitions

Bumble App Revenue (mm USD) & Marketing Expense Margin

| | Bumble Revenue | Badoo & Other Revenue | Marketing Margin |
|-------|----------------|-----------------------|------------------|
| 2021A | 533 | 233 | 27.8% |
| 2022A | 694 | 209 | 27.6% |
| 2023A | 845 | 207 | 25.7% |
| 2024E | 865 | 200 | 24.0% |

Bumble & Badoo Subscription Tiers

| App | Bumble | Badoo | Fruitz | BFF | Official |
|---------------------------------|--|---|---------------------------------|--|----------------|
| Subscription Tiers (Monthly) | Boost:£12.99 Premium:£22.99 Premium+:£39.99 | Extra:£11.99 Premium:£19.99 | Premium:£11.49 Golden:£27.49 | Premium:£4.99 | Premium:£14.99 |
| In App purchases (Most Popular) | Spotlight: £49.99 for 30 Spotlights Super Swipe: £29.99 for 30 Super Swipes | Badoo Credits: £49.99 for 3,050 credits | None offered | Spotlight: £7.99 for 30 Super Swipe: £5.99 for 30 Compliments: £11.99 for 30 | None offered |

Key Business Facts

Dual brand strategy:

- Bumble operates with two core brands;
- Bumble- 2.869 1.38 million paying users as of Q3,
- Badoo- 1.38 million paying users as of Q3,

Other products:

- Official App, Bumble for Friends, Fruitz.

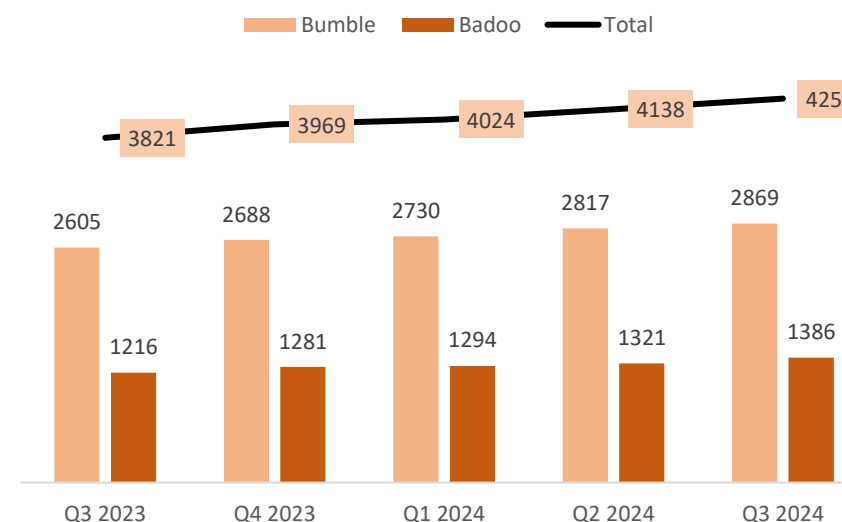
Freemium model:

- Bumble generates revenue from premium subscription plans which offer enhanced features, such as advanced filters, visibility into likes, and profile boosts.
- Bumble also generates revenue from in-app purchases where users can purchase virtual goods to improve visibility or interaction on the platform.

Paying user growth:

- 52,000 Q/Q for bumble
- 65,000 Q/Q for Badoo and other apps
- Offset by a 10% Y/Y fall in ARPPU

Paying Users (Thousands)



Data from: Bumble 2023 Annual Report, Bumble Q3 2024 Earnings Transcript, Cap IQ, Factiva

Bumble's cost structure reflects focus on technology-driven innovation and user acquisition through marketing

Cost of Revenue

Third-party Fees:

- Cost of revenue primarily made up of in-app purchase fees due on payments processed through the Apple App Store and Google Play Store
- Bumble pays up to 30% of revenue received from transactions processed on through in-app payment systems (as of January 1st 2022, Google reduced their fees to 15%)

Data Center Expenses:

- Data center expenses, such as rent, power & bandwidth, cloud hosting costs, and employee related costs

Customer Support:

- Salaries and operational costs for teams handling user inquires and issues
- Other auxiliary costs that provide customers things like fraud protection

Sales and Marketing

Performance Marketing:

- Centralized campaigns across platforms like Google Ads and other social media

Brand Campaigns:

- Initiatives like "Believe Women" and "Love Letters to Black Women"

Sponsorships and Influencers:

- Partnerships with brand ambassadors, spokespersons, and influencers, such as Serena Williams,

Localized Marketing:

- Hyperlocal campaigns tailored to specific regions or demographics

Community Building:

- Grassroot efforts to grow user engagement

Summary Table

| Category | Total Cost (2023) | Key Components |
|--------------------------|-------------------|--|
| Cost of Revenue | \$307.85M | In app purchase fees, hosting services, moderation tools |
| Product Development | \$130.57M | AI/ML development, app updates, infrastructure improvements |
| Sales & Marketing | \$270.37M | Performance marketing, brand campaigns, localized efforts |
| General & Administrative | \$221.65M | Employee salaries, legal/compliance costs, professional services |

Product Development & General and Administrative

Product Development:

- Consists primarily of compensation and other-employee related costs for personnel engaged in design, development, testing and enhancement of product offerings and other related technology

General & Administrative:

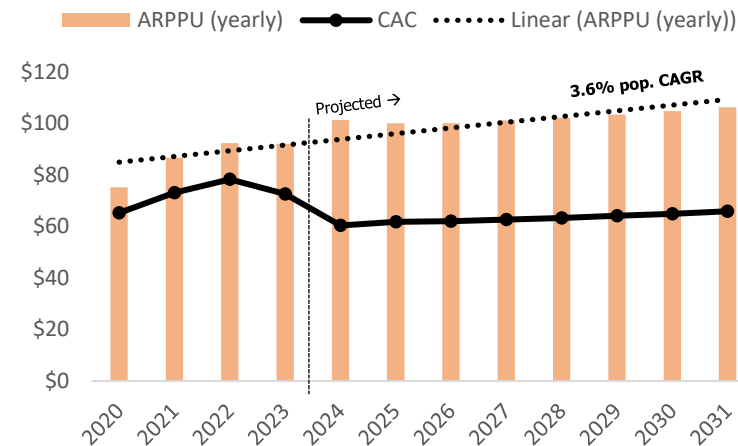
- Compensation for personnel engaged in executive management, finance, legal, tax and human resources makes up the bulk of G&A

KPIs reflect monetization efficiency, marketing effectiveness, user retention, and brand awareness & perception

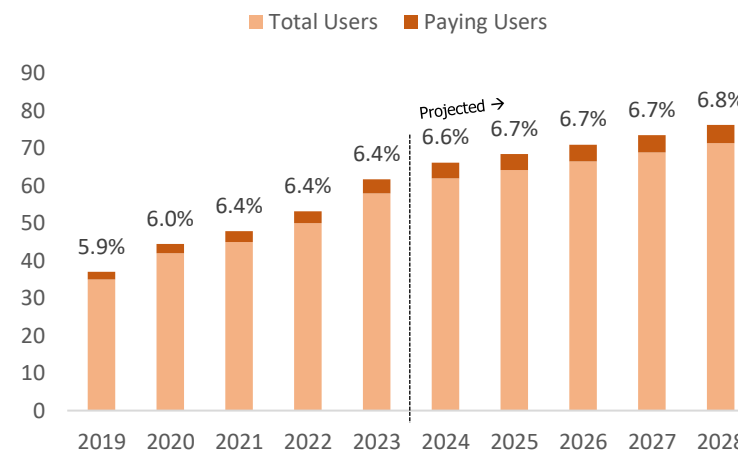
Key Performance Indicators

- ARPPU (Average revenue per paying user)**
 - ARPU measures the **average revenue generated per paying user over a specified time**
 - It reflects how effectively a platform monetizes its user base
 - Bumble's ARPPU is expected to see modest declines through 2027, and then is expected to grow at a CAGR of approximately **1.2%**
 - This reflects some of the key challenges in the industry:
 - 1) Increased Competition
 - 2) Regional Pricing Pressures
 - 3) and User Sensitivity to price increases
- CAC (Customer acquisition cost)**
 - The **amount of money spent to acquire a customer** on average
 - Reflects the effectiveness of marketing and advertising
 - We estimate Bumble's CAC (paying users) to be approximately **\$72.67**, with a payback period of three months, a gross margin of **73%**, an estimated Lifetime Value (LTV) to CAC ratio of **2.68**, based off an estimated average customer lifetime of 12 months
- Retention Rate**
 - Measures how many users return after a specific period
 - Directly impact revenues stability and reduces reliance on pure user acquisition strategies
 - Given that Bumble's average customer lifetime is 12 months, they have a monthly churn rate of **8.33%**
 - This implies a monthly retention rate of **91.67%**
 - Only **15% of US online dating users** report being likely to use Bumble again
- Monetization Rates**
 - Measures paying users as a percent of total users
 - Bumble currently has a very slight positive trend in expected monetization rates (CAGR of **0.5%**)
 - While trend indicates some progress in improved revenue generation, its modest nature compared to industry averages suggest underlying challenges that may limit Bumble's ability to fully capitalize on its large user base
- Brand Perception**
 - Bumble has high level of brand recognition, with **69% of US online dating users** aware of the platform
 - Only **27% of users** express favourable opinion for the brand - gap between awareness and positive sentiment
 - Negative sentiments arise from technical issues, inappropriate user behaviour, pricing increases, and controversies

CAC & ARPU



Total Users (mm) & Monetization Rate (%)

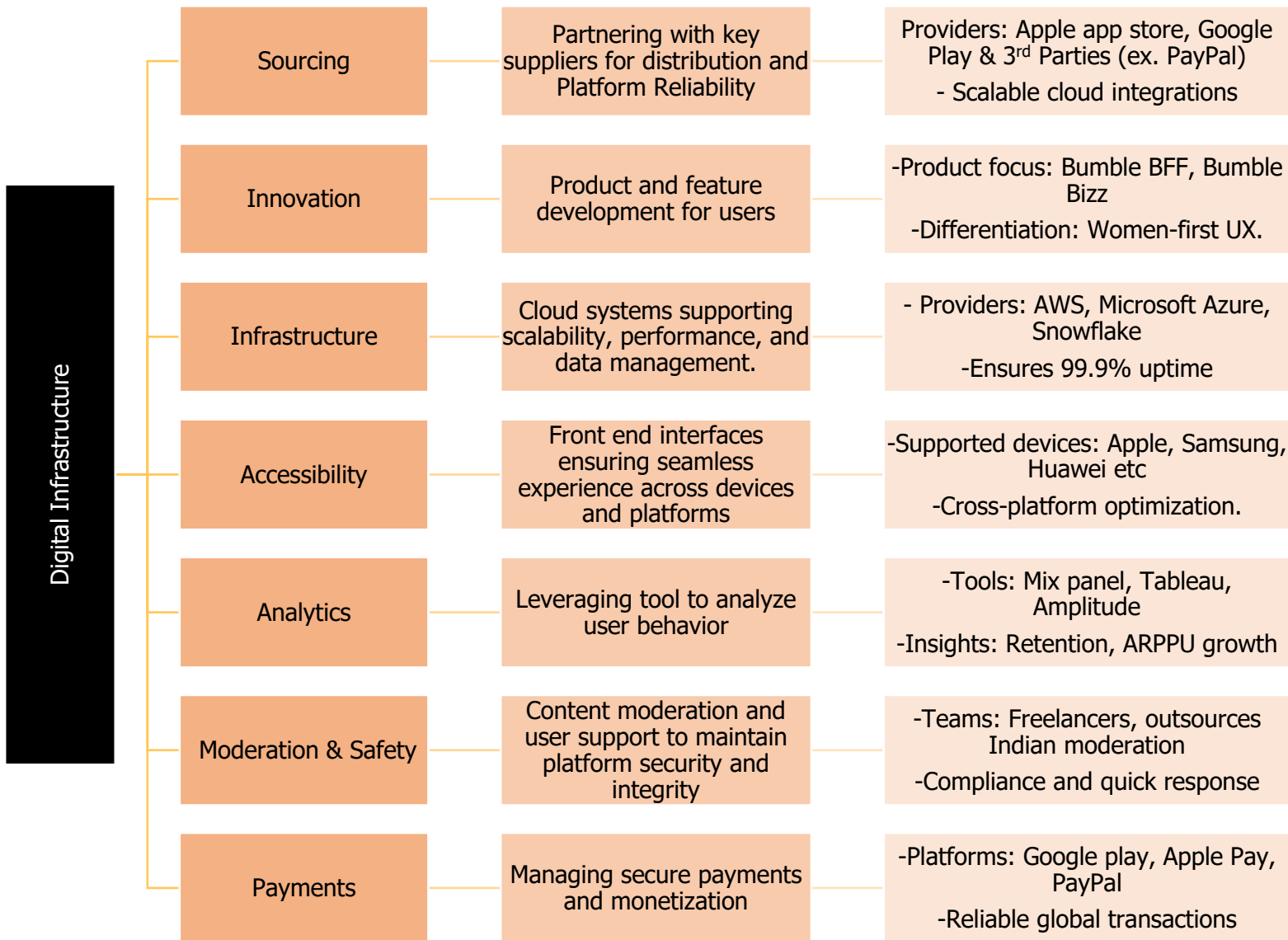


Data from: Bumble 2023 Annual Report, Cap IQ, Appendix: KPIs

Bumble relies on an ecosystem of digital and service-based partnerships.

Tech & Data

- Bumble operates on a **shared infrastructure**
- **Core functionalities** such as matchmaking algorithms, safety tools, and machine learning models are **centralized**
- This enables **faster feature development** and cost savings through economies of scope
- Bumble **leverages AI** to personalize user experiences, improve matchmaking, and enhance safety through fraud detection and content moderation
- Bumble **follows stringent data protection standards** such as the GDPR in the EU & UK
- Bumble has advanced encryption protocols in place to safeguard user data, though continually evolving regulations pose potential risks



Data from: Bumble 2023 Annual Report, Bumble Q3 2024 Quarterly Report, Cap IQ, Appendix: Technological Infrastructure

Bumble aims to lower customer acquisition costs through strategic collaborations and enhanced user experiences







Lowering CAC (Customer acquisition costs)

- Bumble combines **organic growth tactics**, such as word of mouth and user-generated content (USG), with **strategic paid marketing**
- **The Freemium model** provides free access to core functionalities of their apps; This allows users to gradually invest in the platform as they see value in the enhanced experience such as **Spotlight** (boosting profile visibility)
- **Cross-use benefits** retain customers in the ecosystem through the promotion of Bumble BFF and Bumble Bizz
- **Centralised performance marketing**, partnership and creative functions to optimise marketing spend and ensure the broadest application of successful strategies

Campaigns

- **"Make the First Move" (Ongoing)** - highlights their signature ethos that had become synonymous with their brand
- **"Queen Bee"** program (Ongoing) - fostering brand ambassadors and grassroots marketing
- **"The Ball is in Her Court" (2019)** - featuring Serena Williams in a Super Bowl cross-promotional advertisement of Bumble date, BFF and Bizz

Notable Collaborations

| | | | |
|---|--|---|---|
|  | (2021)- "Bumble Mixers" music-sharing with Bumble dates |  | (2020)- integrated Bumble's "Private Detector" feature on iOS |
|  | (2020) - "Virtual First Date" during the COVID-19 pandemic |  | (2020)- "Bumble Bizz 30 Under 30" promoting Bumble Bizz |
|  | (2019)- "Stay Home to the Movies" |  | (2018)- pop-up experience based on "Nailed It!" |

2024 Backlash

- **Anticelibacy campaign-** "Thou shalt not give up on dating and become a nun" - Brand sentiment plummeted, **positive sentiment dropped to 2.2% and negative sentiment reached 77.4%**
- Consequently, a pledge was made to donate to the **National Domestic Violence hotline**
- Underwhelming relaunch in 2024- perceived as a 'reskin' by customers

Bumble's Marketing Campaigns Through Time

"Find Them on Bumble" (2018) Campaign | "Believe Women" Campaign (2018) | "The Ball is in Her Court" (2019) | "Be the CEO Your Parents Wanted You to Marry" (2022) | "CyberFlashing Is Flashing" Campaign (2022) | "Love Letters to Black Women" (2023) | "Dating is Exhausting" Campaign (2024)

Data from: Bumble 2023 Annual Report, Cap IQ, Factiva

Bumble is prioritizing leveraging AI, returning capital to shareholders, and differentiating themselves with their brand

Strategic Objectives

Leveraging AI

- Winter release includes **AI-driven features**: ID verification, "share my date," and AI-powered photo selection
- August 2024: Chatbot development to aid users with authentic flirting
- Deception Detector™ launched across platforms to combat **fake profiles and scams: 45% reduction in reports**

Returning value to shareholders

- August 2024: **\$450M share buyback program**, with \$361M executed since
- Despite past profitability challenges, Bumble **projects turning a profit this year**, supported by a **70.34% gross profit margin (Q3 2024)**

Value proposition

- Differentiated by authenticity and women-first brand promoting safety and inclusivity in dating
- Expanded into friendship (BFF) and professional networking (Bizz) markets

ESG Overview

Environment

- 2021 commitment to achieve a net zero carbon footprint by 2025
- National Geographic Society partnership announced in **2022** to "Save the Bees"

Social

- Diversity and inclusion: **82%** of board and over **50%** of management are women
- Combatting cyber-flashing through public policy and advocacy
- Developing tools and features to make the platform more accessible to the disabled

Governance

- Supplemental Code of Ethics for upper management
- Robust focus on data protection and compliance with global standards
- Commit to developing and using AI responsibly, in line with guidelines like the Responsible Practices for Synthetic Media

Risks

Strategic Risks

- **Rising competition**: Bumble's North American segment contributes over 65% of total revenue
- **Market saturation**: Bumble's North American segment contributes over 65% of total revenue due to higher ARPU
- **International Expansion Risks**: growing its presence in India, Latin America, and Asia-Pacific, but cultural barriers, monetization challenges, and local competition
- **Brand Value**: Failure to maintain the value and reputation of Bumble's brand could impair user growth and engagement

Operational Risks

- **Cybersecurity risk**: Breaches, improper access, or other cybersecurity incidents could harm Bumble's reputation and user trust and result in litigation
- **User retention risk**: Failure to retain existing users, attract new users, or maintain user engagement levels will harm business performance
- **Third party dependencies**: Dependence on service providers (e.g., data centres, cloud infrastructure, payment aggregators) introduces operational vulnerabilities - Bumble experienced several minor outages in 2023
- **Restructuring Risks**: Workforce reductions and operational restructuring efforts may fail to achieve desired efficiencies

Financial Risks

- **Stock Volatility**: Reduced revenue forecasts resulted in a >30% decline in Bumble's stock. Year-to-date, the stock has declined approximately 45%
- **Economic Environment**: Global economic changes, including foreign currency fluctuations, could adversely affect spending and revenue
- **Principal Stockholders**: Control by major shareholders may conflict with broader investor interests, impacting governance and decision-making
- **Foreign Exchange Risk**: 43.2% of Bumble's total revenue is international, exposing the company to significant currency fluctuations

| | |
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| 4 | Competitive Landscape |
| 5 | M&A Overview |

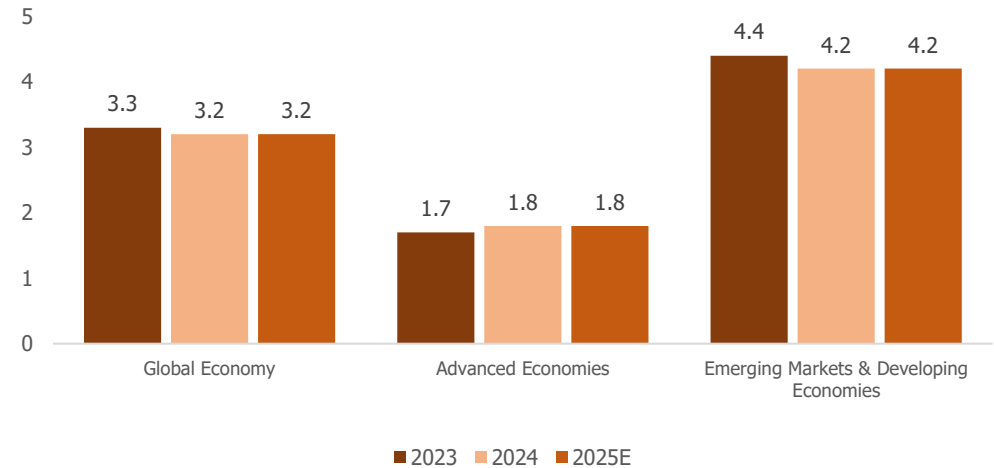
Global Economic Overview

IMF Growth Outlook: The IMF predicts global economic growth will continue its slowing trajectory from 3.3% growth in 2023, to 3.2% in 2024 and an expected 3.3% in 2025. A significant decrease from the previous 20 years average of 3.8%. This downward trajectory is reflected in emerging economies; however, not in advanced economies, collectively seeing a 1.8% growth rate in 2024 and 2025 expectations

2024 Global Economic Survey: Based on a McKinsey Survey, economic conditions reveals more cautious sentiments from respondents on both current global conditions and domestic economies than seen in the previous two quarters, though many expect each to improve in the next six months.

Social Media Overview: Social media usage is one of the most popular online activities, with the number of users worldwide steadily increasing each year by an annual average of 7%. In 2024, over five billion people were using social media globally, projected to rise by approximately 20% to over six billion by 2028

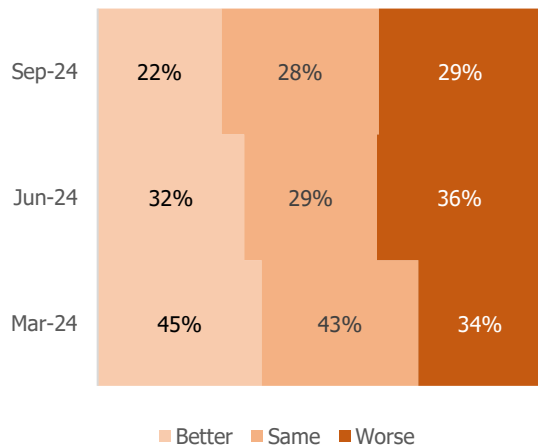
IMF Outlook – Global Growth



2024 Global Economic Survey

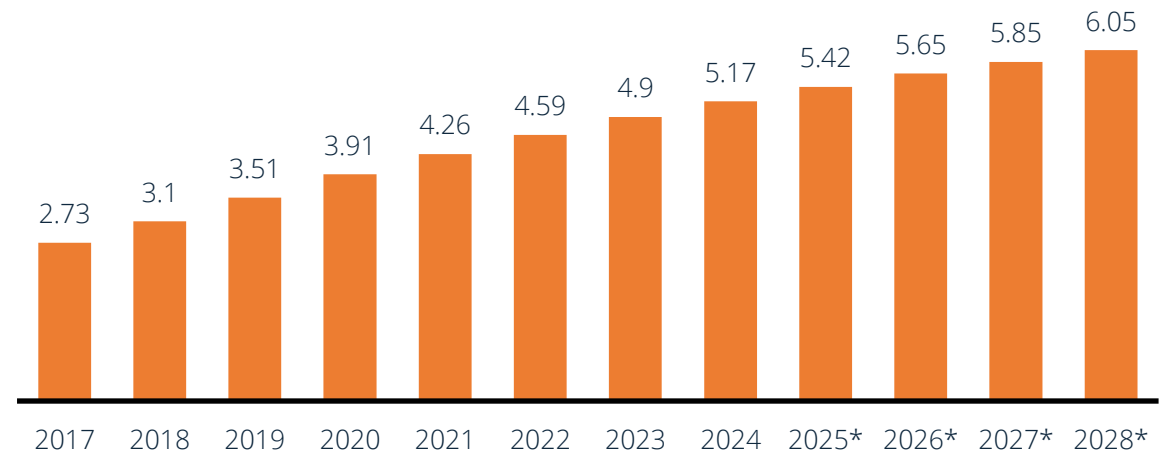
US Spotlight — Social Media Users Worldwide (bn)

Current Conditions Compared to 6 Months Ago



The Next 6 Months:

Respondents are slightly more optimistic about the next six months, expecting improvements in both the global economy and their own countries' economies compared to the current situation. Similar to findings in March and June, 42% expect the global economy to improve, while smaller groups predict stability or decline. Domestically, 47% expect improvement—almost double those who anticipate worsening conditions. Across all regions, more respondents expect better conditions than those who foresee a decline.



Data from: IMF, ISWR, McKinsey, WorldBank

Overview

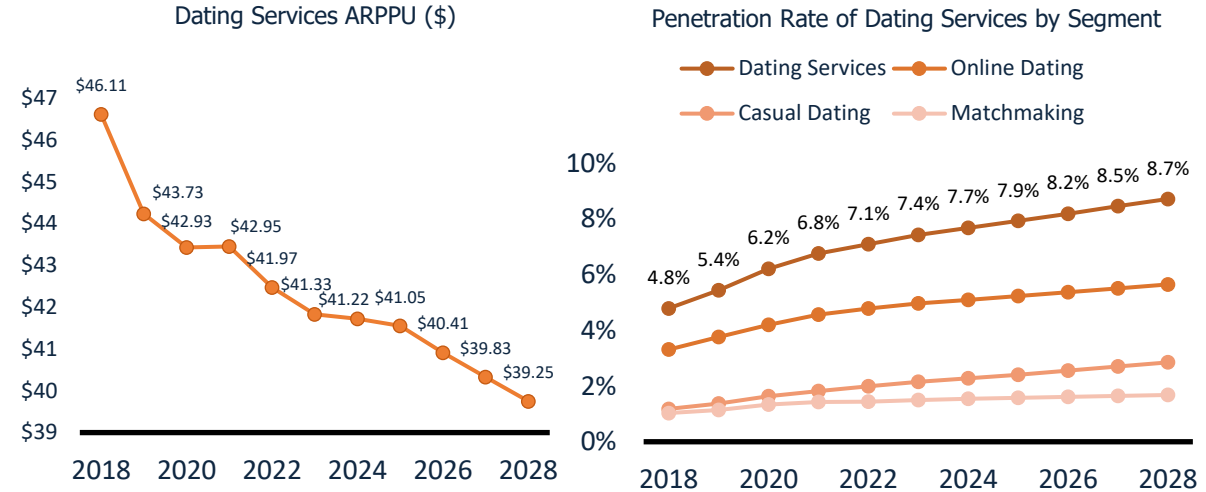
Social Media Growth Outlook: In 2024, the number of global social media users is projected to reach 5.1 billion, marking a 4.3% increase from 2023. With social media penetration expected to exceed 65% of the global population by the end of 2024.

Dating Services Industry Maturity: The dating services industry has begun to exit its growth phase and reach maturity. Industry growth rates will stagnate through 2029 as key external drivers such as growth in number of mobile internet connections and per capita disposable income taper off.

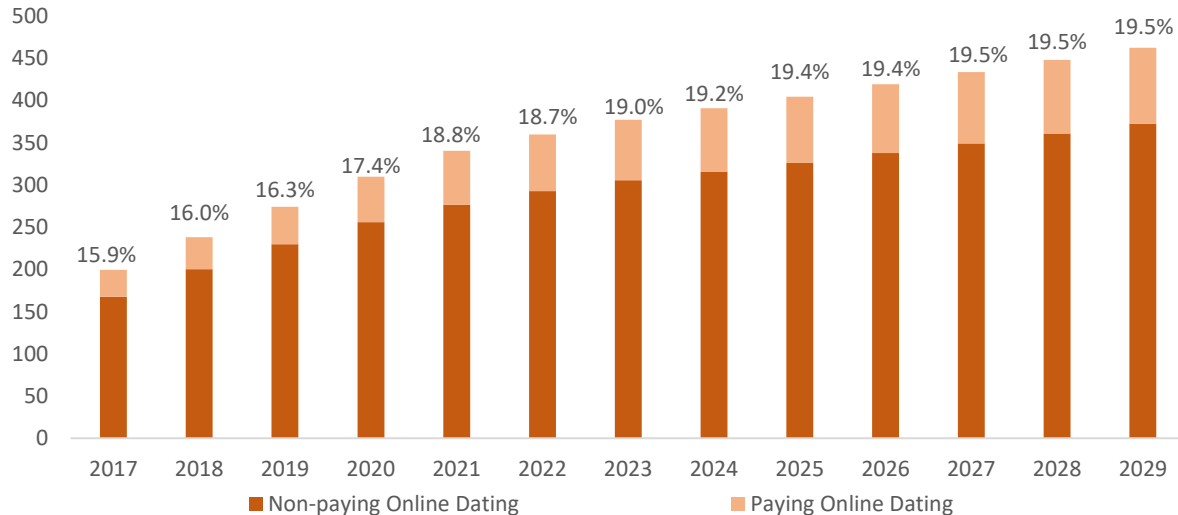
US Spotlight: The U.S. remains the largest online dating market, generating \$829 million in annual revenue and boasting a penetration rate of 15.7%. Growth is attributed to the popularity of mobile apps and shifting societal attitudes toward online dating.

Segments: The matchmaking market encompasses dating services that use algorithms to facilitate long-term committed relationships. The online dating market focuses on casual interactions, flirting, and connecting users. Casual dating services, on the other hand, cater to forming sexually oriented contacts outside of romantic relationships.

Global ARPPU & Penetration Rate



Online Dating Services Users Globally (mm) & % Paying



Industry SWOT Analysis

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none"> Sustainable freemium revenue models Low capex requirements High margins Diverse customer segments | <ul style="list-style-type: none"> Declining revenue per user Difficulty in geographical expansion High Competition Low Barriers to Entry Low Switching Costs |
| Opportunities | Threats |
| <ul style="list-style-type: none"> AI and Machine Learning Integration Virtual Dating and Gamification Increasing global internet connectivity Niche Market Growth | <ul style="list-style-type: none"> Social media companies incorporating dating services features Cyber security and data leaks Regulation |

Data from: IMF, ISWR, McKinsey, Statista, WorldBank

Key trends are monetization schemes, niche targeting and AI integration to address user fatigue and industry competition

Niche platforms & targeted user bases

- In 2022, Grindr went public with LGBTQ+ users, who are twice as likely to use dating apps compared to heterosexual users
- Fruitz, acquired in 2022 is a niche app acquired using playful metaphors for dating intentions, driving higher average revenue per paying user (ARPU) compared to more general platforms



Match Group's "Stir" app focuses on single parents, addressing an underserved demographic

'Dating app fatigue' & the rise of matchmaking

- A **10%** year-on-year **decline in subscription renewals** among U.S. dating app users, attributed to "overwhelming choice and repetitive experiences"
- A rise in "digital detox" trends among users seeking to reduce time spent on apps.
- Higher and increasing ARPPU and customer retention in Matchmaking apps designed to facilitate long term relationships



Hinge's "Designed to Be Deleted" campaign (2020) directly addressed user fatigue with swiping and temporary connections.

Consumer safety and Content Moderation

- Bumble added anti-harassment filters and blurred unsolicited image detection in 2022, with a reported **90% success rate** in detecting and flagging inappropriate content
- AI-driven safety tools like real-time anti-catfishing measures. Tinder reported that **40%** of its users use photo verification features.



Bumble introduced its Private Detector feature, which uses AI to detect and blur unsolicited explicit images

AI Implementation

- Tinder's "Smart Photos" feature, which uses AI to select a user's most appealing photo, increased match rates **by 12%** for those who enabled it
- Match.com has begun integrating generative AI chat assistants to support users in crafting profiles and responding to matches



Match Group acquired Hyperconnect for its video and AI-driven features which will be integrated into Match's portfolio.

Horizontal M&A

- Acquisitions target niche dating platforms to cater to specific user preferences, such as religion, ethnicity, or shared interests



Spark Networks acquired Zoosk in 2019 to strengthen its portfolio of niche dating apps, including Christian Mingle and Swipe.

Focus and Investment in Monetization Schemes

- Microtransactions and virtual goods: Increasing focus on revenue from in-app purchases, such as "boosts" and virtual gifts



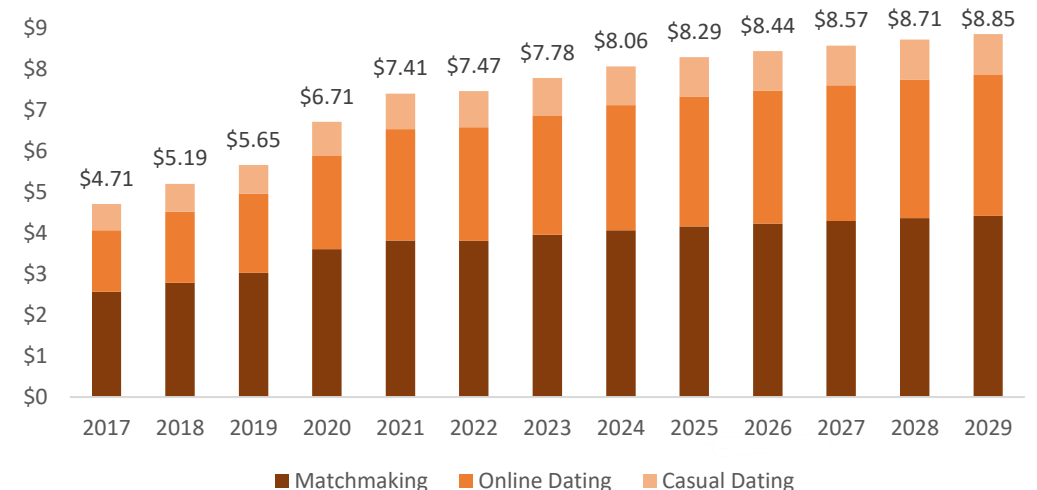
Hyperconnect's Azar app allows users to purchase virtual gifts, contributing to its \$200 million annual revenue before Match Group's acquisition.

Data from: Cap IQ, Grand View Research, Statista, TechCrunch

| Industry Overview | |
|--|------------|
| Global Revenue by Major Segment (2023) | |
| Casual Dating | \$940.1mm |
| Match Making | \$4071.3mm |
| Online Dating | \$3050.2mm |
| Total Revenue | \$8061.6mm |
| 5 Year Historical Revenue Growth | 6.95% |
| Forecasted 5-year Revenue CAGR | 2.28% |
| Industry Multiples | |
| Total Debt / EBITDA | 3.9x |
| EBITDA / Interest Expense | 12.7x |
| Price / Earnings | 10.6x |
| EV / Forward Revenue | 2.7x |
| EV / EBITDA | 12.5x |
| User Revenue Metrics | |
| Average Paid User CAC | \$55.75 |
| Average Revenue Per User (monthly) | \$13.72 |
| Revenue Profile | |
| COVID-19 pandemic caused industry growth by eroding stigmas around meeting people online. | |
| Industry growth will to taper off towards 2029 as key external driver growth, including the number of mobile internet connections and per capita disposable income, slows. | |

| Industry Segment Breakdown | | | |
|------------------------------------|---------------|--------------|---------------|
| Segment | Casual Dating | Match Making | Online Dating |
| Market Share by Revenue (%) | 11.7% | 50.5% | 37.8% |
| Forecasted 3-year Revenue CAGR (%) | 1.05% | 1.77% | 2.76% |
| Average Revenue per User (US\$) | \$5.28 | \$34.68 | \$7.8 |
| Total Users (in millions) | 176.7 | 119.4 | 395.2 |

Dating Services Industry Revenue (\$bn)



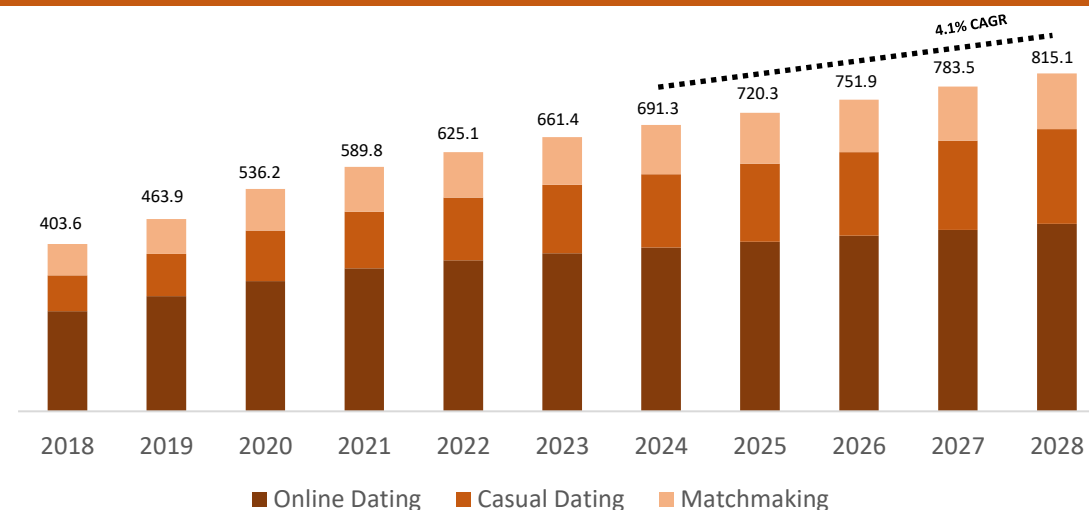
Data from: Cap IQ, Statista

Brand Share

| Brand | Market Share 2023 |
|----------------|-------------------|
| Tinder | 16% |
| Bumble | 9% |
| Tantan | 5% |
| Hinge | 5% |
| Badoo | 5% |
| MeetMe | 4% |
| Soul | 3% |
| MOMO | 3% |
| Grindr | 2% |
| Plenty of Fish | 3% |
| OTHER | 45% |

- Tinder remains the market leader with a **16%** share, but its growth has plateaued as competitors emerge
- While the top five platforms account for 40% of the market, the remaining 45% is fragmented among smaller, niche, **identity-based** dating platforms
- Niche players like Grindr and Soul continue to grow appealing to niche underrepresented demographics

Number of Dating Service Users Worldwide from 2018 to 2028 (mm)

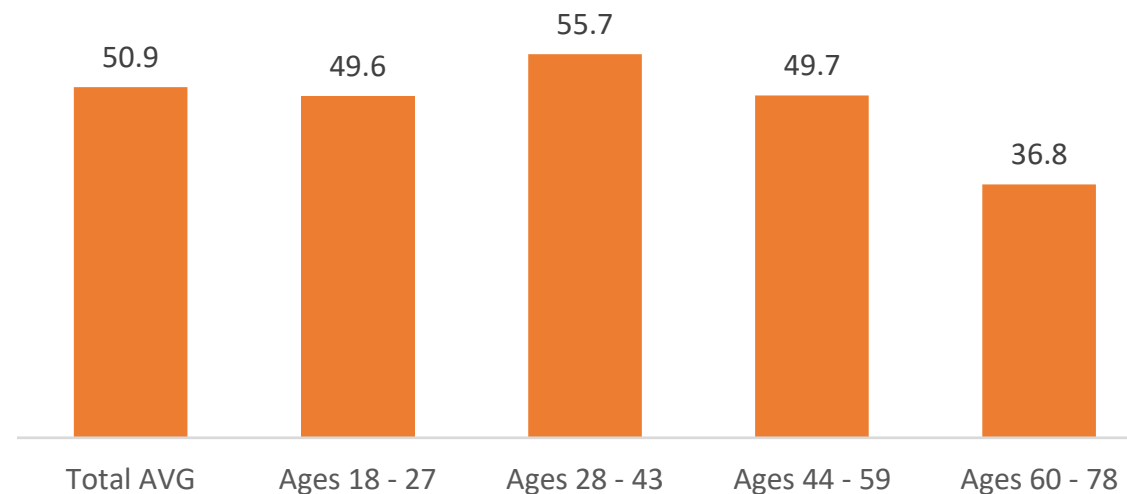


Geography

| Country | User Penetration Rate 2023 |
|----------------|----------------------------|
| United States | 17.6% |
| United Kingdom | 16.2% |
| Belgium | 16.1% |
| Netherlands | 14.1% |
| Spain | 13.2% |
| Australia | 12.4% |
| Norway | 12% |
| South Korea | 10.7% |
| Denmark | 10.1% |
| Germany | 8.9% |
| Brazil | 7.7% |
| Canada | 7.4% |

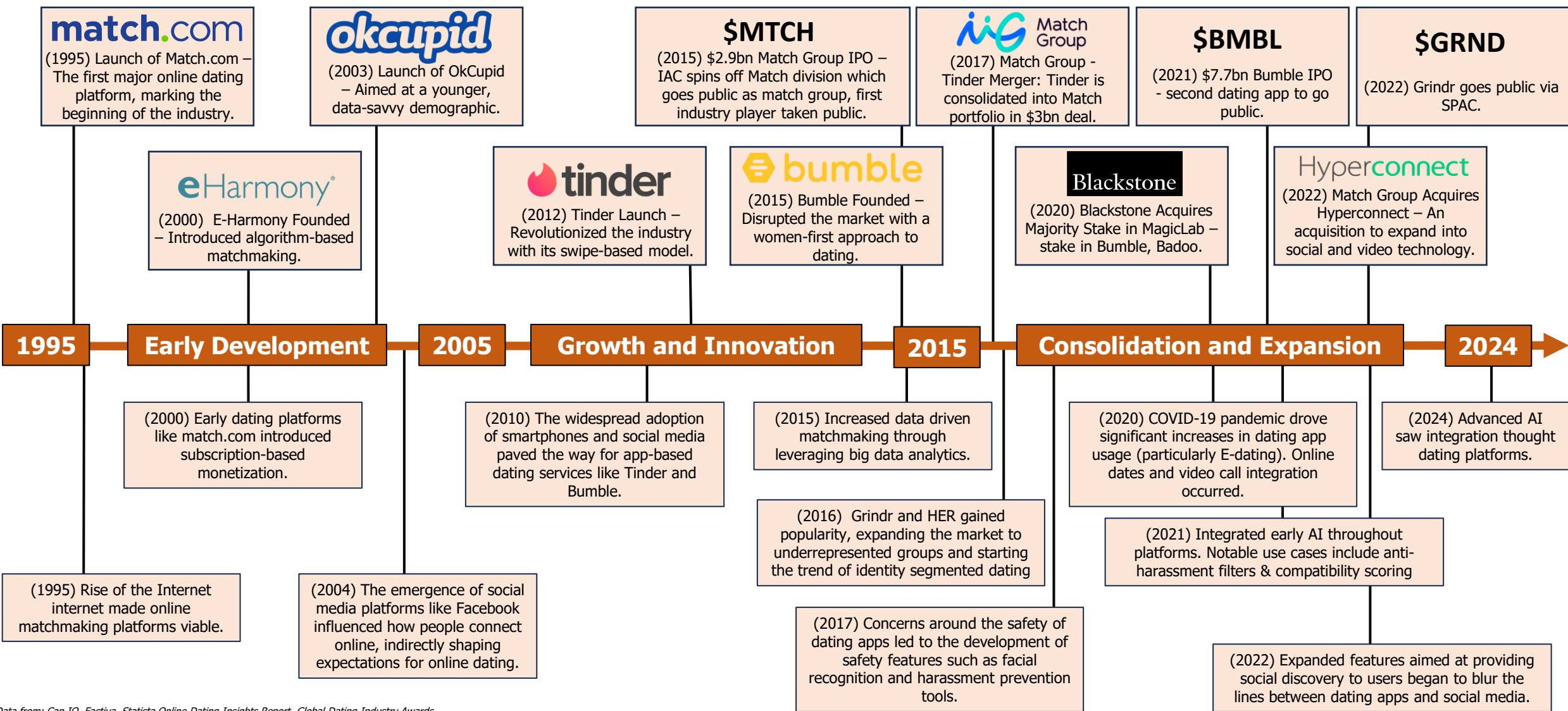
- Penetration rate worldwide has seen a steady increase from **4.79%** in 2018 to an expected **8.72%** in 2028
- With a **17.6% penetration rate**, the United States showcases cultural acceptance of online dating services
- Economies like Brazil and India present significant growth potential as **smartphone usage rises 8-10% annually**

Daily Average Time (min) Spent on Dating Apps (US)



Data from: Statista, Factiva

The dating services industry has gone through 3 distinct stages



Data from: Cap IQ, Factiva, Statista Online Dating Insights Report, Global Dating Industry Awards

| Company | Mkt Cap (USD\$ mm) | Share Price | Revenue (USD\$ mm) | Headquarter Location | Products | Product Focus | Recent Acquisition Activity | Public or Private |
|--|--------------------|-------------|--------------------|----------------------|--|--|-----------------------------|-------------------|
|  bumble | 1284.5 | \$8.68 | 1051.8 | United States | Bumble, Bumble Friends, Badoo | Female focused dating and emerging markets | Acquisitive | Public |
|  Match Group | 8,248.3 | \$32.85 | 3364.5 | United States | Tinder, Hinge, Match, Meetic, OkCupid, Pairs, Plenty Of Fish, Azar, BLK, and Hakun | Non-Specific | Highly Acquisitive | Public |
|  Grindr | 2,780 | \$15.7 | 259.6 | United States | Grindr | LGBTQ+ Dating | Non-Acquisitive | Public |
|  HELLO GROUP | 1349.3 | \$7.84 | 1696.1 | China | Momo, TanTan, SoulChill, inSpace, TieTie, TanTan Tribe Momo Pictures | Chinese and East Asian Market | Somewhat Acquisitive | Public |
|  spark networks | N/A | N/A | 187.7 | Germany | Zoosk, EliteSingles, Christian Mingle, Jdate, JSwipe, and SilverSingles | Identity Based Dating | Acquisitive | Private |
|  ParshipMeet Group | N/A | N/A | 455.7 | Germany | eHarmony, Parship, MeetMe, ElitePartner, LOVOO, Growlr, Skout, and Tagged | Non-Specific | Acquisitive | Private |
|  DatingGroup™ | N/A | N/A | 300+* | Malta | Dating.com, Dil Mil, Anastasia Date, Asian Date, Amo Latino, Arabian date, Date My Age, Your Christian Date, Your travel mates, Guys only, Cupid Media | Identity Based Dating | Acquisitive | Private |

Data from: Cap IQ, ParshipMeet, Statista, TechCrunch

Estimate from 2022*

Acquisition Themes

Diversification Beyond Traditional Dating:

- Companies are increasingly looking to tap into new revenue streams by expanding offers beyond solely romantic matchmaking

Technology-Driven Value Addition:

- Integrated technology can help increase retention rates through improving user experience in various forms, and thus can decrease customer acquisition costs

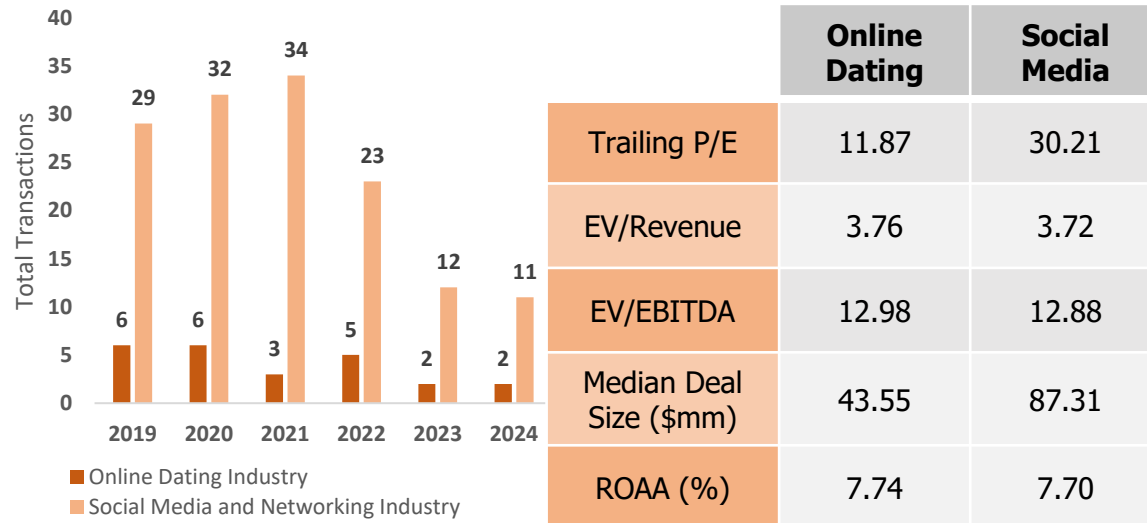
Niche Market Penetration & Consolidation for Market Dominance :

- Due to inherent need for dating services to adhere to customer preferences, dating companies are increasingly targeted niche segments of the market
- Larger players in scene, particularly Match Group, consistently acquire smaller, innovative companies in the industry to maintain market share dominance

Geographic Expansion:

- Another primary way in which companies aim to increase market share through acquisition is expanding into more untapped key markets

M&A Deal History Online Dating/Social Media & Online Networking



Deal Spotlight



GENEVA

Bumble acquires Geneva, 5/20/2024 – Transaction value: **\$17 mm**

- “Bumble aims to rapidly expand the Bumble For Friends (BFFs) experience from one-to-one connections to groups and communities to serve the many ways people seek friendships” – Whitney Wolfe Herd, Founder and Executive Chair
- The integration of Geneva’s technology is expected to accelerate Bumble’s friendship product development, allowing them to shift towards diversifying its offers beyond dating services. This allows Bumble to tap into the growing demand for online platonic matchmaking services.



THE league

Match Group acquires The League, 7/11/2022 – Transaction value: **\$29.9 mm**

- Match Group acquired exclusive dating app, The League, which a highly selective dating app designed to match ambitious and career-focused people looking for long-term relationships.
- This acquisition strengthened Match Group’s position in the high-end dating market and complements their diverse app portfolio well. Acquisition reflects Match Group’s acquisition strategy towards specialized diversification targeting more niche demographics to increase market share.



Dating Group acquires Cupid Media, 7/28/2021 - Transaction value: **\$51 mm**

- The acquisition bolstered Dating Group’s position in segmented markets within the global dating industry. By Cupid, Dating Group gained access to a diverse portfolio of niche dating platforms, including AsianDating, LatinAmericanCupid, and Muslima.
- This increased Dating Group’s userbase to over 130 million users and solidified Dating Group as the largest dating company in terms of geography, having presence in over 100 countries.



Blackstone acquires MagicLab, 11/8/2019 – Transaction value: **\$2 bn**

- MagicLab’s founder, Andrey Andreev, sold his stake and stepped down as CEO, with Whitney Wolfe Herd, Bumble’s founder, assuming the role of CEO for the entire group, which was rebranded to Bumble Inc. to reflect its main platform.
- Acquired by Blackstone growth, the rationale for the acquisition centred on the significant growth potential within the online dating industry and Bumble’s unique, women-first approach.
- Blackstone sold most of its position upon IPO, currently holding 25% of equity.

Data from: Bumble 2023 Annual Report, Cap IQ Screener, MCM, TechCrunch, Appendix: M&A Overview

| | |
|---|----------------------------------|
| 1 | Valuation Methodologies |
| 2 | Discounted Cash Flow |
| 3 | Trading Comparables |
| 4 | Precedent Transactions |
| 5 | Valuation Summary—Football Field |

Valuation Summary

- **Summary:**
- **CapIQ mean price target:** \$8.14
 - 3 Buy Ratings, 14 Holds, 1 Sells
 - Susquehanna: "BMBL's business remains in turnaround mode, and the focus is on the transformation of the core Bumble App. While management remains optimistic on this vision, it's early and will take time for this to play out. We remain Neutral." - Neutral rating with \$8.00 price target
- **Comparables:** Bumble appears to be undervalued on a comparable company analysis
- **Precedents:** Bumble appears to be undervalued in comparison to a select set of precedent transactions
- **DCF Summary:** Bumble appears to be undervalued relative to its intrinsic value using a DCF

Valuation Methodologies – Target Price

| Valuation Methodology | Metric | Weighting | Implied EV (\$mm) | Implied Share Price (\$/Share) |
|-----------------------|--------|-----------|-------------------|--------------------------------|
| DCF, EV/Revenue Exit | 1.9x | 70% | 1,806 | 7.77 |
| DCF, EV/EBITDA Exit | 4.8x | 10% | 2,512 | 14.31 |
| Comps, EV/Revenue | 1.6x | 10% | 2,130 | 10.77 |
| Comps, EV/EBITDA | 9.9x | 5% | 2,853 | 17.46 |
| Precedent, EV/Revenue | 3.3x | 5% | 3,416 | 34.67 |
| Bumble Weighted Price | - | - | 2042 | \$9.95 |

The valuation methodologies were ultimately weighted based on our confidence in each methodology; the blended valuation implies a share price of **\$9.95**; a **30.24%** upside from the current market price (as of December 18,2024)

Historical Share Price Performance

Current Share Price: \$8.25

52-W High/Low: 15.28/5.71

Volume (mm): 2.56



Weighting Reasoning

DCF: The DCF implied share price using both multiples made up 80pct of the weightings. Bumble has consistently generated free cash flow. As one of the key players in an industry with a small sample size of direct comparable competitors and transaction history, we place more confidence in our DCF model based on industry projected growth rates and management's recent guidelines

Comparables & Precedents: Implied share price based on comps made up 15pct of the weightings. Implied share price based on precedent transactions comps made up 5pct of weighting. We believe the selection of comparable companies and precedent transactions does not accurately capture an overlap in product group

Revenue vs EBITDA: Bumble is not a mature company yet, thus due to their inconsistent profits in so far, we opted to place more weight on revenue multiples

Lower Range: Bumble is expected to trade at a discount to peers due to its smaller serviceable addressable market as well as the smaller number of brands in its portfolio

| Company Name | Market Cap | Enterprise Value | EV/Revenue 2023A | EV/Revenue 2024E | EV/EBITDA 2023A | EV/EBITDA 2024E | EBITDA Margin (%) | Total Debt / Total Cap |
|--------------------|--------------|------------------|------------------|------------------|-----------------|-----------------|-------------------|------------------------|
| Pinterest, Inc | 19,085 | 16,797 | 5.5x | 4.0x | 15.0x | 13.7x | 28% | 0.0x |
| Snap Inc. | 17,778 | 18,827 | 4.1x | 3.1x | 28.9x | 24.9x | 11% | 0.2x |
| Kakao Corp. | 13,412 | 14,018 | 2.2x | 1.9x | 11.6x | 11.4x | 17% | 0.3x |
| Match Group, Inc. | 7,711 | 10,790 | 3.2x | 3.0x | 8.2x | 8.0x | 37% | 0.5x |
| Yelp Inc. | 2,366 | 2,016 | 1.5x | 1.4x | 5.7x | 5.6x | 24% | 0.0x |
| Tripadvisor, Inc. | 1,942 | 1,739 | 1.0x | 0.9x | 5.4x | 5.1x | 17% | 0.5x |
| Hello Group Inc. | 1,185 | 842 | 0.5x | 0.6x | 3.8x | 3.7x | 15% | 0.4x |
| Bumble Inc. | 851 | 1,746 | 1.7x | 1.7x | 6.0x | 4.3x | 28% | 0.7x |
| Average | 8,041 | 8,346 | 2.5x | 2.1x | 10.6x | 9.6x | 22% | 0.33x |

(All figures presented in USD million except per share figures or where noted)

Valuation Conclusions

- **EV/EBITDA 2024E** multiples ranged from **3.7x – 24.9x**
- **EV/Revenue 2024E** multiples ranged from **0.6x – 4.0x**

Share Price





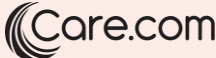

EV/Revenue Multiple
1.6x

EV/EBITDA Multiple
9.9x

Share Price: \$10.77

Share Price: \$17.46

Relative to peers, Bumble trades below revenue and EBITDA multiples. This demonstrates a relative undervaluation of the business, which can be attributed to Bumble’s smaller serviceable addressable market and smaller portfolio.

| Date | Target | Buyer | EV/Revenue | EV/EBITDA |
|-------------|---|--|------------|-----------|
| Apr-13-2022 |  Twitter |  Elon Musk | n/a | 51.2x |
| Oct-06-2021 |  mopub |  APP LOVIN | 5.6x | n/a |
| Dec-20-2019 |  Care.com |  Match Group | 2.5x | 37.5x |

Average EV/REVENUE From Precedents 4.1x

Average EV/EBITDA From Precedents (used) 44.4x

Selection Criteria

Recency – Only deals completed in the last 5 years were considered. M&A deals completed more than 5 years ago occurred in a vastly different macroeconomic environment and therefore would not reflect Bumbles current valuation

Industry Similarities – Targets were selected with a bias for similar industries. This includes companies focused on digital communication and media.

Business Model Similarities – Targets were selected with a bias for similar business models (freemium) and financial condition

Transaction Themes

- Targets are chosen because they **synergize with the buyer's existing digital ecosystem** through the integration of their services, cross-selling, and by enhancing customer experiences
- Acquirers **seek proprietary technologies**, advanced data analytics, or unique user experiences that can be integrated to improve their product offerings and remain competitive
- Acquisitions are **often driven by the desire to quickly gain access to a large quantity of engaged users**, niche communities, or emerging markets
- Companies look to sell **subsidiary's that have more synergies with potential acquirers**

Key Drivers of Valuation

- ❖ Strategic Synergies
- ❖ User Metrics and Engagement
- ❖ Monetization Potential
- ❖ Data Quality & Analytics Capabilities
- ❖ M&A Macro Environment
- ❖ Perceived Brand Value

Transaction Risks

- ❖ Integration Challenges
- ❖ Brand and Cultural Misalignment
- ❖ Regulatory and Antitrust Issues
- ❖ User Retention and Experience
- ❖ Financial and Valuation Risks
- ❖ Talent Retention

Share Price

EV/Revenue Multiple
3.3x

EV/EBITDA Multiple
35.5x

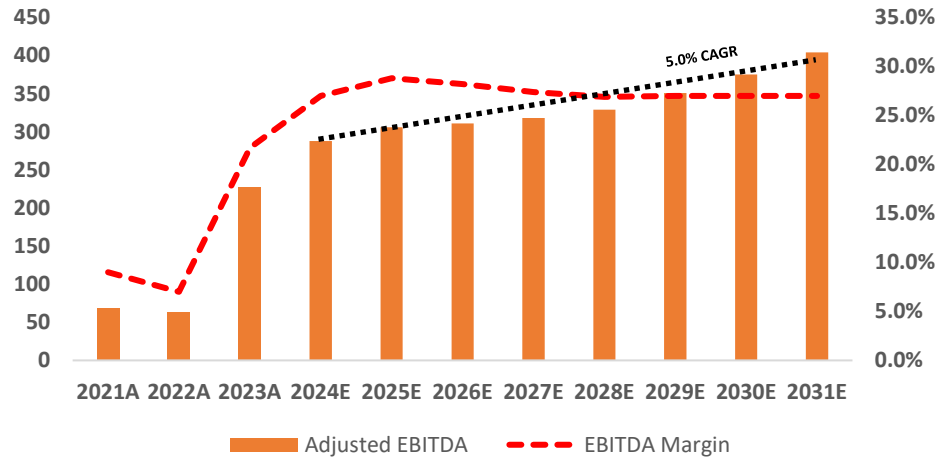
Share Price: \$34.67

Share Price: \$66.01

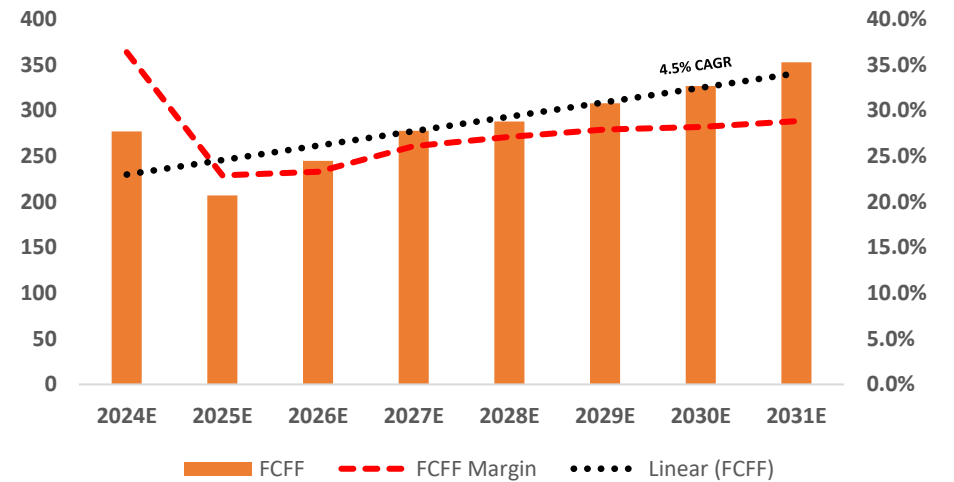
Key Metrics

- EBITDA CAGR of **4.3%** with an average margin of **27.4%** during the 8-year forecast period
 - In line with past trends, the assumption that COGS and OPEX remain at historical levels, and marketing expenses slightly increase
- WACC of **11.0%** & Beta of **1.63**
- Revenue of **4.5%** over the forecast period
 - In line with past trends and with the assumption that the global business cycles fluctuations remain minimal and growth in developing markets continues

DCF – Forecasted EBITDA (\$mm) & EBITDA Margin



DCF – Forecasted Free Cash Flow to Firm (\$mm)



DCF – EBITDA Exit

EBITDA Multiple: 4.0x
 Terminal Year EBITDA: \$404 mm
 Enterprise Value: \$2,512 mm

Price Target: \$14.31

DCF – Revenue Exit

Revenue Multiple: 1.2x
 Terminal Year FCFF: \$353 mm
 Enterprise Value: \$1,806 mm

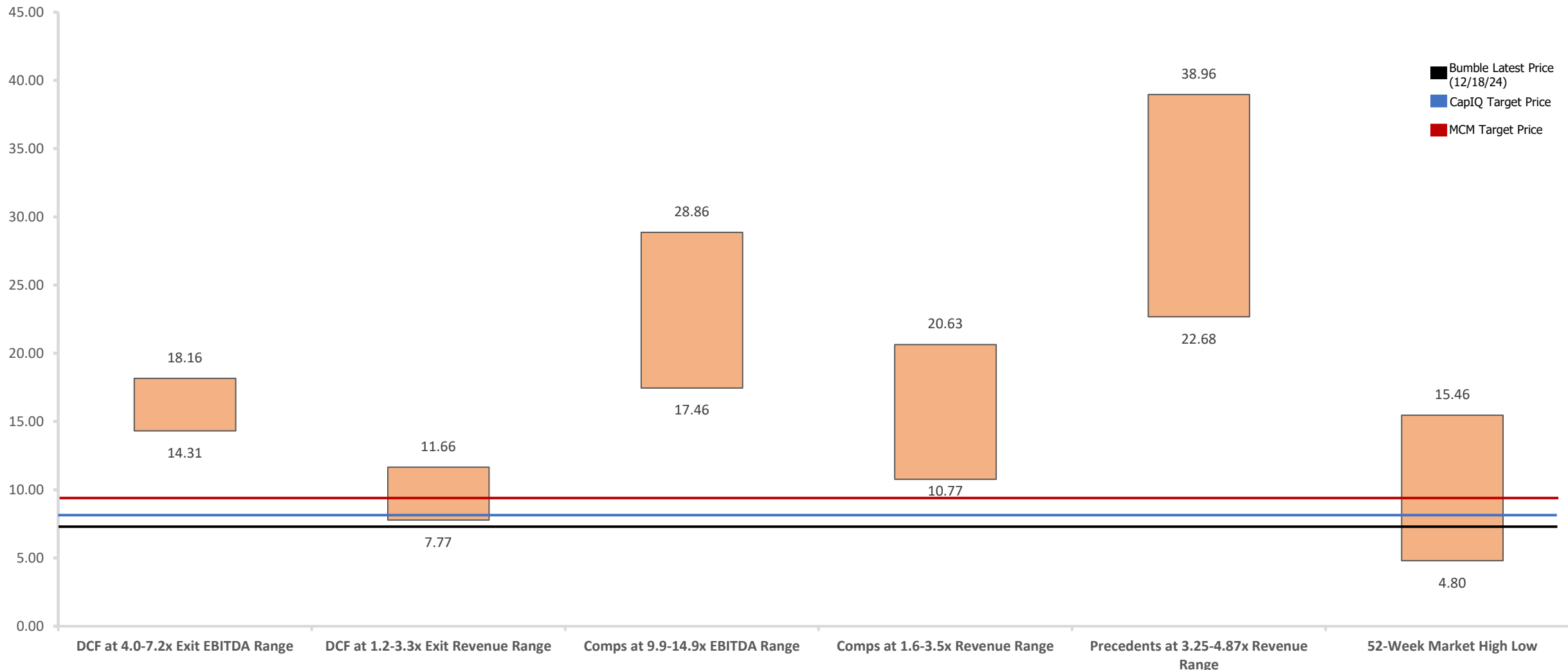
Price Target: \$7.77

WACC Assumptions

Risk Free Rate: 4.10%
 Expected Market Return: 9.7%
 Beta: 1.63
 Cost of Equity: 13.2%
 After Tax Cost of Debt: 2.7%

WACC: 11.0%

Data from: Cap IQ, Factiva, Statista, , Appendix: Discounted Cashflow Analysis 4 & 5/5 & Football Analysis



The combination of valuation methodologies imply that Bumble is slightly undervalued; the blended valuation implies a share price of **\$9.95**; a **30.24%** upside from the current market price (as of December 18, 2024)

Data from: Cap IQ, MCM, Appendix: Discounted Cashflow Analysis 5/5 & Football Analysis

| | |
|---|--------------------------|
| 1 | Recommendations Overview |
| 2 | Strategic Partnerships |
| 3 | Potential Acquirers |

Corporate Finance Recommendations

We believe that the dating services industry is exiting the growth phase and entering a more mature and stable environment. In light of this Bumble should:

- Announce a plan to **issue annual dividends starting in with \$0.18 per share in 2028** and **increase share repurchases** to signal to investors that Bumble's cashflows are mature and stable
- **Refrain from launching new marketing campaigns**, relying on proven advertising initiatives and focusing on increasing retention rates and converting free users to paid ones. The savings in marketing budget should be invested in **platform development and monetization**. This has a positive impact on both CAC and LTV
- Engage in **strategic partnerships that allow it to diversify its income sources** and through leveraging its data and technological capabilities
- Consider a **potential sale** that would quickly secure returns for investors. Strong brand perception, high data quality, and a large and stable userbase are all qualities that are attractive to acquirers

The investment narrative for Bumble (and dating services) was a historically growth-oriented thesis. As the industry reaches maturity, this narrative will no longer apply. Instead, **investors will be attracted to dating services companies for steady and predictable cashflows, high margins, and strong brand and market positioning**. We believe that the above actions best enable Bumble to demonstrate these qualities and maximize shareholder value.

Strategic Partnerships

Alternative Data Monetization:

- Partnership aims to leverage Bumble's user data to enhance its matchmaking algorithm through behavioral analytics AI models
- There is an opportunity for Bumble to come to a revenue share agreement, if these models are sold to other companies and industries

LinkedIn - Bumble Bizz Partnership:

- Partnership aligns with LinkedIn's missions of connection while providing Bumble with opportunities for growth in the professional networking space
- Associated risks include: data privacy, cultural alignment and user adoption

Bumble – Ridesharing Integration:

- Partnership aims to give Bumble users enhanced accessibility to transportation supporting safer in-person meetups and seamless connection
- Associated risks: data privacy, service reliability, and experience integration

Potential Buyers

Meta:

- Acquisition would allow Meta to diversify into the online dating market, leveraging Bumble's reputation and user base
- Meta is an expert at monetization, ad-revenue, and data/AI driven user personalization, all of which can Bumble's KPI such as retention rates, and customer acquisition cost

Private Equity:

- Bumble has a strong brand appeal and predictable freemium monetization model, ensuring steady free cash flow, scalability and strong margins
- Exit opportunities such as a re-IPO or a strategic sale provide pathways for operational improvements and higher valuations for PE firms with experience in scaling digital platforms

Partnership Overview

Overview

A strategic **partnership with companies building behavioral analytics AI models**. These companies can **leverage Bumble's unique user data** on human interaction and decision making to assist in the development of these models. The resulting model can be used to **optimize Bumble's matchmaking algorithm** in a way that can present new monetization possibilities. A **revenue share agreement or licensing scheme** between model developers and Bumble would produce a new revenue stream.

GDPR (EU) and CCPA (US) Regulatory concerns

These regulations restrict the application of users personal data. GDPR regulations require either user consent or complete data anonymization and place restrictions on the transfer of data outside the EU. CCPA regulation requirements on data anonymization are less strict and can be followed through user consent.

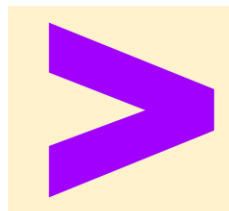
Valuation Impact

This partnership will positively impact Bumble's revenue by allowing it to optimise its user experience and through providing an alternative revenue stream through licencing the model, while not costing anything to implement. The data analytics market has an expected CAGR of 23.7%, which presents a new growth avenue.

Motivations for Partner Participation

Accesses to large quantities of behavioural data had been a major roadblock in the development of these models. By partnering with Bumble in the early stage of this technology's development the partner will be able to assert itself as one of the first to market. Behavioural models have applications in the e-commerce, healthcare, finance, education, and recruitment industries.

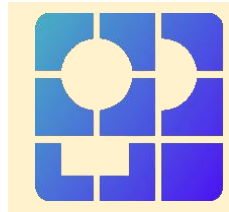
Potential Partners



Accenture – Accenture is a global leader in AI enterprise applications. Accenture already partnered with Kyoto University to develop behavioral AI models. While they have the resources and infrastructure, they likely lack reliable, sorted user data; this is where Bumble comes in. Accenture's AI solutions have improved customer engagement by **up to 30%**, which can be improved through this partnership.



Cognitive Scale - Cognitive Scale specializes in AI-driven decision-making platforms and behavioral analytics for enterprises. Bumble could partner with Cognitive Scale to monetize user behavior data while enhancing recommendation algorithms. Cognitive Scale reports improving business predictions by **up to 40%** using AI-based insights.



Pecan - Pecan serves the finance and e-commerce, helping companies predict trends and optimize engagement strategies. Bumble could collaborate with Pecan to analyze user interaction data, delivering premium behavioral insights for brands and marketers. Pecan reports an **ROI increase of 300%** within the first 12 months of data-driven campaigns, which can be applied to Bumble.

Risks

Data Security

Category: **Legal** Timeframe: **Long**

Regulatory Changes

Category: **Political** Timeframe: **Chronic**

Damage to Trust and Brand

Category: **Social** Timeframe: **Short**

KPI's Effected

- **ARPU:**
Positive effect on ARPU is likely
- **Brand Perception:**
Negative effect on brand value is possible
- **Dating Services Market Share**
Positive effect on market share is likely

Partnership Overview

Overview:

A **strategic partnership between LinkedIn and Bumble**, leveraging Bumble Bizz’s unique user data on professional interactions and decision-making to enhance LinkedIn’s job-matching algorithms. Bumble Bizz currently has over 1 million users, with a rapidly growing segment of professionals aged 18–35. Notably, 70% of Bumble Bizz users are actively seeking professional opportunities, such as networking, mentoring, and career growth. By **integrating Bumble Bizz’s intuitive swipe-based interface into the LinkedIn ecosystem**, this partnership could simplify how users connect professionally creating a more personalized, engaging, and efficient job search and recruitment process.

Valuation Impact:

This partnership would likely positively impact Bumble by optimizing its user experience through improved professional networking features. Furthermore, Bumble can monetize this partnership through a revenue-sharing model, charging for premium features like enhanced visibility or priority listings for job seekers and employers. These enhanced capabilities, alongside the extra exposure for the core Bumble ecosystem, will provide for new revenue streams and potentially increase Bumble’s market share in the professional networking space.

Motivations for Partner Participation:

Accessing Bumble Bizz’s, and potentially Bumble’s romantic matchmaking, behavioural data provides LinkedIn an upper hand in refining their job-matching algorithms. Bumble Bizz’s intuitive “swipe” interface, with 3 billion swipes monthly could stimulate daily active usage by 20-30% making the platform more engaging, specifically into the younger demographic, helping LinkedIn solidify its cross-generational user base. By offering advanced matchmaking capabilities, smaller businesses can better compete in talent acquisition, aligning with LinkedIn’s core mission, which has already helped 58 million SMBs grow.

LinkedIn Partnership History



Lynda.com - Partnership aimed at integrating professional development courses into LinkedIn’s core ecosystem, allowing LinkedIn to offer educational content directly to users, aligning with its main mission to connect professionals and enhance their skills. This ultimately led to the acquisition of Lynda.com and the creation of LinkedIn Learning.



Salesforce - Partnership aimed to streamline sales and networking activities by integrating LinkedIn Sales Navigator with Salesforce CRM. Integration was particularly beneficial for small to medium sized businesses that seek to leverage LinkedIn’s vast network without extensive resources.

Themes:

1. Enhancing user experience – Integrating tools improves LinkedIn workflow efficiency and provides personalized insights for users
2. Empowering small businesses – Partnerships usually have a focus on democratizing access to advanced tools for SMBs

Risks

Data Security

Category: Legal **Timeframe:** Long

Cultural Misalignment

Category: Ops **Timeframe:** Medium

User Adoption Challenges

Category: Market **Timeframe:** Short

KPI’s Effected

- **CAC (Customer acquisition cost)**
Decrease in CAC is likely

- **Monetization Rate**
Positive effect on monetization rate is likely

- **Brand Perception**
Positive effect on perception is likely

Data from: Bumble 2023 Annual Report, Bloomberg

Partnership Overview

Overview:

Bumble's mission to digitally facilitate real world connections is hindered by the fear that meeting people online is unsafe, a fear held by 57% of American women. A **strategic partnership between Bumble and a ride sharing company** could help enhance Bumble's platform by **facilitating real world meetings of Bumble users with enhanced safety and monitoring** through ride tracking and other safety features. This partnership would involve the integration of the ridesharing service into the Bumble UI. This presents Bumble with various **new monetization schemes**. By enabling safe travel options for users going on dates, the partnership also aligns with Bumble's mission of fostering secure and meaningful connections.

Valuation Impact:

This partnership would positively impact Bumble's core business by providing an alternative revenue stream and offering new monetization opportunities. Revenue opportunities could include in-app ride credits, premium user perks like discounted rides, and gifting features for users to send rides to dates. Additionally, it would improve user trust and engagement on Bumble's platform, increasing overall brand value.

Motivations for Partner Participation:

Motivations for a rideshare company to engage in this strategic partnership include increased ride volume and revenue from Bumble users seeking safe transportation for their dates. It would enhance brand perception by aligning with Bumble's strong association with safety and inclusivity, particularly appealing to women and young professionals. Partnering with Bumble would also expose ridesharing platforms to a new customer segment actively seeking trusted mobility solutions.

Potential Partners



Lyft: By focusing on shared safety features such as ride tracking and emergency assistance, Lyft would position itself as the "safest choice for meeting new people." This aligns with its strong reputation for ethical and community-oriented ridesharing services.



Uber: Uber's advanced platform and global reach make it a strong partner for Bumble. Uber has the most drivers and users of all ride sharing platforms. This partnership would also reinforce Uber's efforts to prioritize safety and appeal to Bumble's safety-conscious user base, although less so than Lyft.



Via: Via's rideshare pooling services offer a more affordable option for Bumble users, particularly in urban areas. Via's smaller userbase compared to Uber and inferior safety features compared to Lyft make it the least ideal partner of the three.

Risks

Limited User Adoption

Category: Market **Timeframe:** Short

User Privacy Concerns

Category: Legal **Timeframe:** Long

Integration Complexity

Category: Tech **Timeframe:** Medium

KPI's Effected

• Dates Facilitated

Increase in dates facilitated is likely

• ARPPU

Increase in ARPPU rate is very likely

• Brand Perception

Positive impact on perception is likely

Data from: Bumble 2023 Annual Report, Cap IQ, CNBC

Platform Integration

In-App Lyft Ride Integration:

Users can schedule, share, or gift Lyft rides directly within Bumble’s interface for dates. This enhances safety and user convenience, ensuring a seamless experience for users traveling to meet their connections.

Real-Time Ride Tracking:

Integrating Lyft’s ride-tracking features allows Bumble users to share their real-time ride status with selected connections or trusted contacts, enhancing user safety. Ride reminders and in-app notifications for date nights create a trusted ecosystem for Bumble users, particularly aligning with female user safety concerns.

Exclusive Promotions:

Bumble users can buy Lyft credits, ride discounts, or bundled memberships (e.g., Bumble Premium + Lyft Ride Pass). Users will be able to gift lift credits to potential dates. This offers unique monetization opportunities that other dating platforms lack.

Date Optimization Tools:

Lyft and Bumble could collaborate on personalized suggestions for date locations (e.g., restaurants, cafés) based on ride destinations and Bumble user preferences. This creates a more holistic experience for users planning their dates.

Synergies

Shared Audience Demographics:

- Both brands primary demographic is urban millennials and Gen Z users

Mutual Brand Enhancement:

- Lyft benefits from Bumble’s female-oriented safety branding, while Bumble enhances trust by offering a reliable, trusted rideshare partner

Increased User Engagement:

- Integrating rideshare options directly into Bumble stimulates user activity for Lyft

Revenue Growth:

- The partnership unlocks cross-promotional opportunities increasing monetization for both companies

KPI Goals & Evaluation Metrics

User Adoption Rate:

Goal: Drive Integration - **Metric:** % of Bumble users using Lyft features on Bumble app.

ARPPU:

Goal: Increase user spend **Metric:** Lyft integrated feature sales + Δ regular feature sales

Increase in Meetups Facilitated:

Goal: Increase meetups - **Metric:** Change in % of Bumble matches resulting in dates

Brand Perception Improvement:

Goal: Enhance trust & safety - **Metric:** Survey results and % change in positive mentions

Expected Partnership Timeline



Synergies & Strategic Benefits

Expansion into the Dating Market:

Meta has made previous attempts into the online dating industry with Facebook Dating but has not achieved significant market share. Acquiring Bumble provides Meta access to Bumble’s user base and brand reputation, which could offer a unique selling point to Meta’s existing offering with the emphasize on a women-first experience. Bumble would also complement Meta’s many verticals within the digital communication industry (Social Media, Virtual Reality, E-Commerce, Messaging Services, etc).

Monetization Expertise:

Meta has a well-established reputation for monetizing its platforms effectively through its expertise in freemium revenue models, digital advertising, user engagement, and data-driven strategies which could be leveraged into Bumble’s business model. Meta has advanced ad-targeting algorithms and AI-driven analytics which increase advertisers ROI and platform engagement.

AI Capabilities:

Meta some of the most sophisticated AI infrastructure and has some of the best human capital in terms of developing algorithms for content preferences. These resources would enable Meta to create a highly effective matchmaking algorithm, likely the best on the market. This would improve bumble within Metas portfolio as it would drastically reduce churn rates through a better product offering and reduce CAC through attracting competitor's users.

While Meta’s ROIC (35.51%) is greater than Bumble’s (8.23%), which suggests a dilutive acquisition, **the relative size of Meta and Bumble will result in a negligible dilutive effect which will be smaller than the potential gains Meta will realize** from entering the dating services market with Bumble’s brand and optimizing bumbles monetization and technology.

Industry Trend Alignment

Meta M&A strategy aligns with industry trends in pursuing acquisitions for these reasons

| Diversification | Freemium | Innovation | Brand |
|---|---|---|---|
| Companies in the tech and social media space are increasingly diversifying their portfolios to reduce reliance on core revenue streams to expand into new markets and address shifting consumer behaviors | After advertising revenue streams. freemium models dominates the social media and networking industry. With the commoditization of technology, freemium models have become the new business model | Innovation in AI-driven personalization, AR/VR technologies, and gamification is reshaping industries like online dating, where users increasingly demand unique and engaging experiences | High value brands in adjacent vertices that acquirers seek to enter are often attractive acquisition targets as they provide a strong platform to establish a competitive presence in new markets |

Shareholder Interests

We believe that an acquisition by Meta would be in shareholder interests as this type of strategic buyer would be willing to a premium on the market price and DCF valuation of the company. This acquisition price will likely result in returns that Bumble shareholders might not see if the company does not go through with the transaction.

Furthermore, with \$43.85 bn cash on hand and \$44 bn in FCF **Meta is very financially able to complete this transaction and is highly acquisitive** having completed 85 acquisitions.

Attractive Qualities for PE Firms

Strong and predictable revenue model:

Bumble's **freemium monetization model** ensures steady cash flow, scalability, and strong margins, due to low operating costs attributed to the business model.

Predicted market growth:

Expected CAGR of **4.5%**, reaching **\$17.28 billion** through 2030. Key drivers of industry growth are increasing smartphone penetration and changing norms surrounding social networking due to digitalization. Digital-first relationships (both platonic and romantic) are rising. Bumble has non-dating verticals that aim to diversify its total addressable market. Badoo has strong position in emerging markets, where industry growth is expected to outpace the global average; for example, APAC is projected to grow at **10% CAGR** through 2030.

Brand strength:

Bumble has a unique position as a women-first platform. This ethos resonates with Gen Z and millennial users who are much more perceptive to safety and inclusivity measures. Bumble has vast global reach with over **50 million users** in **150 countries** across its main two platforms.

Exit opportunities:

- **Re-IPO**
 - Taking Bumble private allows for operational improvements and strategic investments, improving its financial performance, and relisting it at a higher valuation
- **Strategic Sale**
 - Selling Bumble to a large tech company (e.g., Meta, Microsoft) or another digital services firm seeking to expand its ecosystem

Potential Acquirers – Silver Lake

Silver Lake has history of investing in consumer-facing platforms that leverage behavioral data an AI to enhance user experiences. They were an investor in Match Group pre-IPO, so they have familiarity with the industry.

Match Group Investment:

Silver Lake successfully scaled Tinder's ARPPU through refining premium tiers and introducing Tinder Gold. Silver Lake facilitated Match Group's entry into emerging markets, primarily India and Southeast Asia.

Silver Lake Partners VII Fund:

In May 2024, Silver Lake closed funding for its latest flagship fund at **\$20.5 billion** in capital commitments. It targets equity checks ranging from **\$400 million to \$2 billion**, with a goal of completing 15-20 investments across AI, fintech, e-commerce, and digital platforms. Given Bumble's current valuation and growth trajectory, it would fit the size and scope of SLP VII. SLP VII seeks investments with clear exit pathways, such as re-IPOs or strategic sales. Bumble offers both options given its public history and potential attractiveness to large tech acquirers, such as Meta or Tencent.

Blackstone's Majority Stake

In November 2019, Blackstone acquired a majority stake in MagicLab, the parent of Bumble & Badoo for **\$2 billion**, which valued the company at **\$3 billion**.

IPO & Profitability:

In February 2021, Blackstone took Bumble public through a **\$2.2 billion** IPO, with Bumble reaching a market cap of **\$13 billion** after its first day trading. Bumble sold **\$2 billion** worth of shares during the IPO, leaving it with **98.23 million shares**. In September 2021, in a secondary share offering, Blackstone sold another **20.7 million shares** for approximately **\$1 billion**. In March 2023 and 2024, Blackstone again reduced its stake cashing out for **\$467 million** and **\$175 million**, respectively. Prior to the IPO, Blackstone extracted a special dividend of **\$300 million**. So far, considering they are still selling in smaller tranches, Blackstone generated an estimated **\$4 billion** on a **\$2 billion** initial investment.

| | |
|---|-----------------------------|
| 1 | Team Member Accomplishments |
| 2 | Team Member Biographies |
| 3 | Company Appendix |
| 4 | Valuation Appendix |
| 5 | Advice Appendix |

Experiences

Skills and achievements



Joseph Weissberg (Undergrad | International Relations & Management, 2027)

- **Cruiser Capital** (Greenwich Connecticut & Remote): Summer Intern
- **Similar Web** (Tel Aviv): Summer Finance Intern
- **Jane Capital** (New York): Junior Team Member
- **Mercury Capital Management** (St Andrews): Team Head
- Baja & Kairo St Andrews founder & operator; £10k+ revenue
- Allianz GI Extern - Morgan Stanley Extern
- Global Boarding Surf Instructor
- Proficiency in Excel, PowerPoint, Cap IQ, AppFolio



Avital Anoff (Undergrad | Economics & Management, 2027)

- **Vanguard Asset management** (London): Intern
- **Blackstone** (London): incoming spring intern
- **Mergersight group** (St. Andrews): M&A analyst
- **Mercury Capital Management - MCM** (St. Andrews): Digital assets analyst
- Vanguard Future Leaders Scholar, Study abroad offer to UC Berkley
- Proficient in financial modelling, advanced Excel, Bloomberg Terminal, Mathematics tutor and research techniques.



Trajan Nader (Undergrad | Financial Economics & Mathematics, 2027)

- **Breinrock** (Cyprus) : Compliance Officer
- **River Group** (Cyprus): Summer Intern
- **Saint Andrews Formula 1 Team** (St Andrews): Director of Operations
- **Mercury Capital Management** (St Andrews): Team Head
- ExxonMobil Sci-Tech Challenge Champion
- British army ROTC Officer cadet
- Python, CAD & TradingView
- Ultra Marathon Runner (Ironman 2025)



Michael Lyakutin (Undergrad | Financial Economics & Mathematics, 2027)

- **Brookfield Private Equity** (Toronto): Incoming Summer Intern
- **Burgundy Asset Management** (Toronto): Business Analyst Intern
- **Merchant of Tennis** (Toronto): Store Associate
- **LM Cleaners** (Oakville, ON): Co-founder
- Java & Python
- St Andrews Poker Society
- Financial Accounting Distinction (Appleby College)
- OFSAA High School Mixed Doubles Finalist 2x



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Education & Skills

University of St Andrews

- International Relations & Management, 2027

Other Education & Skills Training

- ACT Score: 36
- WSO Financial Modeling & IB prep bootcamps

Professional Experience

Cruiser Capital

Summer Intern

- Analysed financial statements for various companies to help develop confidence in potential investments
- Crafted investor outreach content and conducted due diligence diligence for prospective investments: site visits, company leadership meetings, and assessment of key technology/IP



Similar Web

Summer Intern

- Settled \$4M+ in late or pending transactions using Zuora, YayPay, and customer payment portals
- Implemented automation systems for invoice uploads resulting in >5 hours of time savings per week



Jane Capital

Junior Team Member

- Conducted due diligence, built proforma models and pitch decks for 8 prospective building acquisitions for investors
- Performed quality and financial wellness checks on \$10M of existing properties under management



Mercury Capital Management

Team Head

- Hosted seminar on Bitcoin halving and headwinds in crypto; published research report on Dubai IPO market
- One of the youngest ever members; selected to assemble and lead second year students in investment banking competitions



Additional Information & Externships

- Externships: Allianz GI (1 week, 2024), BTIG (1 day, 2024), Morgan Stanley (3 weeks, 2021)
- Publications: Behavioral Economics Ted Talk, Jerusalem post article, "Horizons of Growth" Dubai IPO research report



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Education & Skills

University of St Andrews

- Financial Economics & Mathematics, 2027

Other Education & Skills Training

- SAT Math: 800
- Crude Oil Derivatives Course

Professional Experience

Breinrock

Compliance Officer

- Managed client documentation to ensure compliance with fintech banking regulations.
- Assembled presentations on clients' risk profiles and onboarding status.
- Liaised with financial regulators and responded to inquiries and audits.

River Group

Summer Intern

- Focused on financial analysis of public companies, PE firms and VC investments.
- Built valuation model for South-African mining company using trading comps, precedents and DCF analysis.
- Assisted in preparation and structuring of public offering documents, including IPOs, mergers, and acquisitions.

St Andrews Formula 1 Team

Director of Operations

- Leading a team of 30 engineers to design and build an electric vehicle for a 2025 racing competition.
- Sourced £10,000 from investors and was chosen to receive a £25,000 battery from Tesla.



Mercury Capital Management

Team Head

- Founded Commodities Team in multi-focus student-run research fund, receiving over 234 applicants.
- Leading Team of 6 students, focusing both on paper and physical trading, risk management and geopolitics.
- Created and presented hedging strategies, market analysis, and arbitrage opportunities to fund.



Distinctions

- ExxonMobil Sci-Tech Challenge Champion – Featured on Junior Achievement Article



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 London, UK

Education & Skills

University of St Andrews
 • Economics & Management, 2027

Other Education & Skills Training
 Bloomberg Market Concepts (BMC),
 Investment Banking Technical
 Course, Financial modelling
 Bocconi PE and VC course

Professional Experience

Vanguard

Summer Intern

- The first intern to rotate the London office trading floor, rotating both fixed-income and equity desks.
- Conducted research and proposed a trade idea on Greek sovereign bonds.



Blackstone

Incoming spring intern

- Selected to join their EMEA Spring insight program to explore their products and operations whilst engaging in skill-building sessions and networking.



Mergersight Group

Analyst

- Collaborating with analysts across top universities producing concise, high-quality analyses of global M&A transactions.
- Gained practical experience by applying advanced financial concepts, such as valuation techniques and deal rationale, to real-world mergers and acquisitions.



Mercury Capital Management

Digital assets analyst

- Engaged in weekly discussions on digital assets, analysing pivotal events like the launch of the Bitcoin ETF and its global impact.
- Published an independent research paper on "Stablecoins: The Quest for Low Volatility Crypto."



Distinctions

- Vanguard Future Leaders Scholar, Academic Excellence Scholarship, 2022 Chemistry Excellence Award, Outstanding GCSE Results Award



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Toronto, Canada

Education & Skills

University of St Andrews

- Financial Economics & Mathematics, 2027

Other Education & Skills Training

- Spotlight Program for Professional Development by Silver Line Marketing

Professional Experience

Brookfield Private Equity

Incoming Summer Intern

- Scheduled to intern with Brookfield Private Equity in Summer 2025

Burgundy Asset Management

Business Analyst Intern

- Led AI research initiatives and implemented a tagging system for the investment team's files
- Optimized data management for search-based AI solutions
- Gained exposure into equity analysis and financial modelling across diverse industries and markets

Merchant of Tennis

Store Associate

- Was Asics representative at Merchant of Tennis' store at Canada's historical 1000-level tournament, the National Bank Open
- Learned about the supply chain of retail sports stores

LM Cleaners

Co-Founder

- Co-founded a business offering marine detailing
- Offered a range of detailing services for monohulls between 20-50 feet



Distinctions

- Financial Accounting Principles Distinction (Appleby College)



Bumble

Launched in 2014, Bumble app is one of the first dating platforms built with women at the center, where women make the first move. Bumble app is a leader in the online dating sector across several countries, including the United States, the United Kingdom, Australia, and Canada. During the year ended December 31, 2023, we had approximately 2.5 million Bumble App Paying Users.

Bumble has emerged as a leader in the online dating space, offering users a dynamic and safe experience:

- **Profile Customization:** Users can personalize their profiles with photos, prompts, and unique Badges to display values or characteristics.
- **Matching System:** Bumble uses a matching algorithm and user preferences to recommend connections. Users swipe “yes” or “no” and can leave compliments on photos or bios. Matches require a chat to be initiated within 24 hours to remain active. In heterosexual matches, women make the first move, fostering respect and inclusivity.
- **Safety Measures:** Bumble prioritizes user safety with features like photo verification, voice and video chat tools, and machine-learning moderation to detect harassment.

Bumble BFF and Bumble Bizz

Bumble extends beyond dating, providing tools for platonic and professional connections while maintaining its core values of inclusivity and safety:

BFF Mode: Allows users to build friendships using the same familiar swiping interface as Bumble’s dating app.

Key Features:

- Tools to highlight interests, hobbies, aSwipe-based matching with an emphasis on friendship and shared activities.
- nd preferences for finding compatible friends.

Bizz Mode: Focuses on professional networking and mentorship, helping users connect with like-minded individuals for career opportunities or guidance.

Key Features:

- Swipe-based networking with an emphasis on mentorship and collaboration.
- Tools to showcase skills and career goals for professional connections.

Subscription Tiers:

- **Bumble Boost:** £24.99 for 3 months, includes features like Unlimited Rematch (reconnect with expired matches) and Unlimited Extends (extend conversations beyond 24 hours).
- **Bumble Premium:** £44.99 for 3 months, offers advanced features for enhanced visibility and connection.
- **Bumble Premium Plus:** £79.99 for 3 months, launched in 2023, includes expanded benefits such as the ability to see trending profiles.

In-App Purchases:

- **Spotlight:** £49.99 for 30 Spotlights, increases profile visibility for faster matches.
- **Super Swipe:** £29.99 for 30 Super Swipes, helps users stand out and catch attention in potential matches.



Bumble For Friends

Launched as a standalone app in July 2023, helps users form meaningful platonic relationships.

Key Features:

- **Connecting and Chatting:** Similar to Bumble Date and BFF modes, mutual “yes” swipes create connections where either user can start a chat.
- **Group Features:** Users with two or more connections can create group chats and utilize the Plans feature to organize real-world meetups, fostering offline friendships.

Subscription and In-App Purchases:

- **Premium:** £8.99 for 3 months, offering enhanced features for connecting with friends.
- **Spotlight:** £7.99 for 30 Spotlights, increasing profile visibility to make connections faster.
- **Super Swipe:** £5.99 for 30 Super Swipes, helping users stand out and catch attention from potential friends.
- **Compliments:** £11.99 for 30 Compliments, allowing users to send thoughtful messages to break the ice.

Data from: CapIQ, Bumble 2023 Annual Report, Bumble Q3 2024 Quarterly Report

Badoo



Launched in 2006, Badoo was one of the first web and mobile dating platforms. Badoo remains a leader in Europe and Latin America, with approximately 1.2 million Paying Users as of December 31, 2023.

Key Features:

- **Profile Features:** Users can share their mood or dating goals with the “Moods” feature.
- **Matching System:** Combines swipe-based matching with the option to message anyone directly, encouraging spontaneous interactions.
- **Safety Measures:** The Rude Message Detector flags potentially offensive messages for a safer experience.

Subscription Services and In-App Purchases:

- **Badoo Extra:** £24.99 for 3 months, offering enhanced visibility and exclusive features.
- **Badoo Premium:** £39.99 for 3 months, includes Liked You (see who has liked your profile) and Invisible Mode (browse discreetly).
- **Badoo Credits:** £49.99 for 3,050 credits, used for features like profile boosts.

FruitZ



In January 2022, Bumble acquired FruitZ, an intentions-driven dating app focused on Gen Z and operating in EMEA and Canada. FruitZ simplifies the dating experience by promoting transparency about relationship goals:

Fruit-Based Dating: Users select a fruit to symbolize their intentions:

- Cherries: Seeking serious relationships.
- Grapes: Interested in casual dating.
- Watermelons: Open to non-serious connections.
- Peaches: Looking for casual relationships.

Premium Features:

- **FruitZ Premium:** £22.49 for 3 months, includes tools like Filter by Fruit (match based on dating intentions).
- **FruitZ Golden:** £27.49 for 1 month, offers enhanced features like Who Liked Me (view admirers).

Official



Official is designed to help couples strengthen their relationships through meaningful communication, shared activities, and enhanced connection tools.

Key Features:

- Daily check-ins, shared notes, and date ideas.
- Premium content subscriptions for deeper connections.

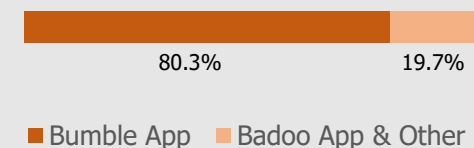
Subscription:

- **Premium:** £14.99 per month, providing exclusive tools and resources to enhance relationships.

Key Metrics

In 2023, Bumble Inc. operated five key platforms: **Bumble App, Bumble For Friends, Badoo, FruitZ, and Official**. According to their annual report, these platforms collectively attracted **over 42 million monthly active users** who came to connect and build relationships in a **safe, secure, and empowering environment**. This generated bumble a Total Revenue of \$1,051,830,000 from their app in 2023, with 80.3% of the revenue coming from the Bumble app, and 19.7% coming from Badoo & other apps.

Revenue Share Across Apps



Bumble's shared infrastructure allows for increased product development and deployment efficiency and cost savings

Shared Infrastructure

- Bumble's shared infrastructure operates as a unified platform where core functionalities – such as matchmaking algorithms, safety tools, content moderation, and machine learning models – are developed once and deployed across all platforms
- This enables efficient resource allocations and rapid feature development
- The infrastructure supports seamless testing of new features and allows for cross-app insights
- The infrastructure allows data sharing – such as user interaction data – across apps to improve the general algorithm

Efficiencies

Cost Saving:

- Centralized technology operations minimize redundancy costs with that come with maintaining separated infrastructures

Faster Innovation & Expansion:

- Ability to test and deploy features across multiple apps accelerates innovation
- Scalable infrastructure supports rapid entry into new markets without significant reengineering

Enhanced User Experience:

- Share infrastructure enables consistent quality and safety across apps

Machine Learning & AI Capabilities

Data:

- Bumble continually analyzes data from user interactions

AI:

- Bumble introduced AI capabilities that is leveraged to personalize matches, inform their product pipeline and generally tailor specific user experiences
- AI plays a critical role in creating a safe environment, providing protection for identity fraud and general pollution on the platform

Data Protection Standards

- Bumble **adheres to stringent privacy standards**, such as the General Data Protection Regulation in the EU & UK, and several state laws in the US
- **Regulations are still evolving** as the industry grows. This is a potential risk that Bumble must be cautious of
- Bumble employs advanced encryption protocols to safeguard user data

Scalability & Rapid Deployment

Scalability:

- Shared infrastructure allows for efficient scaling into new geographies or adjacent businesses
- In seeking acquisitions, management looks for opportunity to leverage this
- Bumble releases weekly updates and twice a day to their server backend, allowing for a rapid testing framework

Bumble has a number of risks which were not highlighted in slide 15, the following is a summary

Operational Risks: Bumble's growth depends on maintaining its user base and engagement, which is threatened by low switching costs in a competitive industry. Reliance on third-party app stores and service providers exposes the company to potential disruptions and unfavorable terms. Frequent cybersecurity threats, including data breaches and unauthorized access, pose significant risks to user trust, platform integrity, and regulatory compliance. Challenges in adapting to new technologies, such as AI and blockchain, further heighten operational complexity and cost.

Market and Competitive Risks: The online dating market is highly competitive, with constant innovation and new entrants. Bumble must differentiate itself to sustain user engagement and loyalty. Expanding internationally introduces risks like cultural differences, complex regulatory landscapes, and competitive pressures from established local players. Failure to maintain its brand reputation amid controversies or market disruptions could severely harm user acquisition and retention.

Regulatory and Legal Risks: Bumble operates under evolving global privacy laws such as GDPR, CCPA, and the EU Digital Services Act, requiring significant resources for compliance. Emerging online safety regulations increase operational costs and legal exposure, particularly regarding content moderation. Non-compliance with U.S. or international tax and trade laws may result in fines and operational disruptions, impacting financial results. Legal challenges around data security, advertising standards, and intellectual property remain ongoing risks.

Technology and Data Risks: The company's reliance on AI for matching and recommendations introduces risks of biased algorithms, reputational harm, and regulatory scrutiny under evolving AI laws. Cybersecurity risks, including ransomware and DDoS attacks, are increasing in sophistication, making Bumble a high-profile target. Errors in user metrics or data analytics may lead to inefficiencies, flawed decisions, and damage to investor confidence.

Financial Risks: Bumble's substantial indebtedness limits financial flexibility, increasing vulnerability to rising interest rates and economic downturns. With 43.2% of revenue derived internationally, foreign exchange fluctuations create significant risks for financial performance. Integration of acquisitions, such as Badoo, has historically led to asset impairments and may continue to challenge operational efficiency.

Governance and Shareholder Risks: As a controlled company, Bumble's principal stockholders exert significant influence, potentially conflicting with broader shareholder interests. Recent restructuring efforts to reduce workforce and operating costs risk damaging morale and creating short-term operational inefficiencies. The governance structure and reliance on concentrated decision-making expose the company to reputational and financial challenges.

Macroeconomic Risks: Global economic volatility, including inflation and shifts in consumer spending, directly impacts revenue. Bumble faces geopolitical risks in regions of operation, such as Europe, where economic instability, currency fluctuations, and regulatory changes may affect profitability and operational capacity. Additionally, escalating tensions and conflicts globally could disrupt key markets and partnerships.

Environment

Net Zero Commitment: Bumble aims to achieve net zero carbon emissions by **2025** for Scope 1, Scope 2, and Scope 3 (cloud and data center emissions).

Renewable Energy:

- By the end of 2023, all but one data center operated on **100% renewable energy**.
- GHG Scope 1 emissions intensity: **1.76 tonnes/\$mm**, which is **32.92% below industry average**.
- In 2023, Bumble conducted a **comprehensive carbon footprint assessment**, which enabled the company to identify its data centers as the largest contributors to its carbon footprint. Following this insight, Bumble was able to act and achieve 90% renewable energy usage for these facilities.

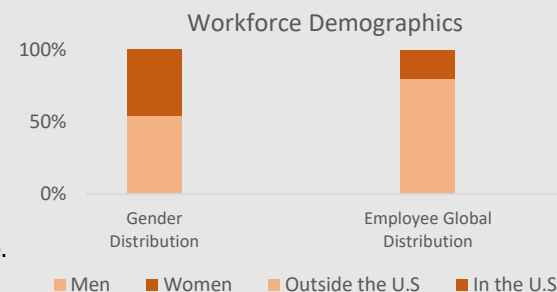
| Year | Percentage of Data Centers Operating on Renewable Energy |
|------|--|
| 2020 | 25% |
| 2021 | 50% |
| 2022 | 75% |
| 2023 | 90% (all but one data center) |

Social

Commitment to Diversity, Equity, Inclusion, and Belonging (DEI&B):

Workforce:
46% of the workforce and **73%** of board members are women, significantly higher than industry averages.
 Expanded global demographic data collection to reflect cultural nuances across the **80% of employees outside the U.S.**

- Partnerships:**
- Collaborates with organizations like **Refuge** (U.K.) and **AWARE** (Singapore) to promote safe and equitable relationships globally.
 - Supported LGBTQ+ communities with initiatives like the **Healthy Queer Dating Guide** and events tied to Pride celebrations worldwide.



Safety and Well-being:

- **Deception Detector:** AI-powered technology to proactively remove scam, spam, and fake profiles.
- **Private Detector:** AI tool to blur unsolicited explicit images, available as open-source technology on GitHub.
- **Safety Hubs:** Launch of Safety and Well-being Centers to educate members on safe dating practices, addressing digital consent and scam recognition.

Moves Making Impact™:

- Relunched in 2023 with three focus areas:
 - Healthy Relationships – Support for **The National Domestic Violence Hotline**.
 - Economic Equity – Funding for **Vital Voices’ Next Movers Program™**.
 - Environmental Conservation – Partnering with **National Geographic Society**.
- Expanded **Bloom Program** to Fruitz members in 2023, providing survivors of abuse access to therapy, affirmations, and self-guided courses.

Governance

Ethics and Compliance:

- Published a robust **Code of Conduct** addressing corruption and bribery.
- Maintains high standards of data privacy with adherence to GDPR and U.S. state-specific regulations.

Corporate Governance:

- CEO-to-employee pay ratio: **46x** (9.65% above industry average).
- Board composition reflects strong diversity with **73% female directors**.

Risk Management:

- Implemented **Kodex**, a secure portal for managing law enforcement data requests.
- Advanced AI governance practices, integrating a **Principles of Responsible AI** framework into product development.

Key Statistics & Recognition

Social Impact Reach:

- In 2023, Bumble partnered with over **10 nonprofit organizations**, including **Vital Voices, National Domestic Violence Hotline, and Mental Health Innovations**.
- Participated in advocacy efforts leading to the inclusion of cyberflashing amendments in the U.K. **Online Safety Bill**.

Member Engagement:

- Averages **3.72 million paying users monthly** across Bumble and Badoo platforms.
- Safety education initiatives localized in **100+ languages**.

Bumble’s Future Goals

Future Goals and Commitment

- **Environmental:** Publish Bumble’s first **Transparency Report** in 2025, tracking emissions and sustainability targets.
- **Social:** Expand Moves Making Impact™ globally and enhance volunteer programs with organizations like The Hotline.
- **Governance:** Integrate AI fairness frameworks into product design, ensuring equity and bias mitigation.

Summary Table – Deal Spotlight

| Company | Target | Transaction Value | Strategic Rationale | Key Implications | Acquisition Themes |
|-----------------|-------------|-------------------|---|--|---|
| Bumble | Geneva | \$17 mm | <ul style="list-style-type: none"> Bumble aims to expand beyond dating into broader social networking with its "Bumble For Friends" (BFF) platform, catering to platonic connections and community-building Geneva's focus on group communication aligns with Bumble's mission to foster meaningful relationships beyond romantic contexts This acquisition strengthens Bumble's positioning in the growing friendship and community-building segment, diversifying its revenue streams and reducing reliance on traditional dating services | <ul style="list-style-type: none"> Enhances Bumble's product development pipeline by integrating Geneva's group chat features into BFF Positions Bumble as a more holistic relationship-building platform, appealing to a wider audience | <p><i>Diversification Beyond Traditional Dating</i></p> <ul style="list-style-type: none"> Expands Bumble's offerings into friendship and social networking <p><i>Technology-Driven Value Addition:</i></p> <ul style="list-style-type: none"> Incorporates Geneva's group communication technology to improve user engagement and retention. |
| The Match Group | The League | \$29.9 mm | <ul style="list-style-type: none"> The League targets high-income professionals seeking exclusive dating experiences, complementing Match Group's diverse portfolio of apps like Tinder and Hinge This acquisition allows Match Group to penetrate a niche market segment while reinforcing its dominance across multiple demographics and preferences | <ul style="list-style-type: none"> Expands Match Group's reach into premium dating markets with higher ARPU potential Strengthens its ability to cater to users seeking curated, high-quality matchmaking experiences | <p><i>Niche Market Penetration & Consolidation:</i></p> <ul style="list-style-type: none"> Focuses on high-income professionals, a specific niche underserved by mainstream platforms <p><i>Geographic Expansion:</i></p> <ul style="list-style-type: none"> Supports Match Group's strategy of expanding its presence in premium urban markets |
| Dating Group | Cupid Media | \$51 mm | <ul style="list-style-type: none"> Cupid Media operates niche dating sites targeting specific demographics and interests, such as cultural or religious preferences. This aligns with Dating Group's strategy of diversifying its portfolio across underserved communities The acquisition bolsters Dating Group's presence in segmented markets, enabling it to compete more effectively against larger players like Match Group and Bumble | <ul style="list-style-type: none"> Enhances Dating Group's ability to cater to diverse user needs, increasing its global market share in niche segments | <p><i>Niche Market Penetration & Consolidation:</i></p> <ul style="list-style-type: none"> Focuses on cultural and religious niches underserved by mainstream platforms <p><i>Geographic Expansion:</i></p> <ul style="list-style-type: none"> Expands Dating Group's presence in international markets with specific user preferences |
| Blackstone | MagicLab | \$2,000 mm | <ul style="list-style-type: none"> MagicLab owns Bumble and Badoo, two major players in the online dating industry, making this acquisition a cornerstone investment for Blackstone in the social networking space The deal provided MagicLab with resources for scaling operations globally while allowing founder Andrey Andreev to exit the business amid controversy | <ul style="list-style-type: none"> Accelerated Bumble's growth trajectory ahead of its IPO in February 2021 by providing capital for product innovation and geographic expansion | <p><i>Geographic Expansion:</i></p> <ul style="list-style-type: none"> Supported global expansion efforts for both Bumble and Badoo |

Data from: Cap IQ Screener, MCM

Detailed KPI Explanation

ARPPU (Average Revenue Per Paying User):

ARPPU measures the average revenue generated per paying user over a specific period. It reflects how effectively a platform monetizes its paying user base. For Bumble, it is calculated based on revenue from paying users divided by the number of paying users during the specified measurement period. This indicator is important for assessing pricing strategies and success of its different premium offerings. Comparing ARPU with competitors also helps Bumble evaluate its market positioning.

CAC (Customer Acquisition Cost):

CAC measures the average cost incurred to acquire a new customer through sales and marketing efforts. It is calculated as dividing total sales and marketing costs by the number of new customers acquired. A lower CAC indicates that Bumble is acquiring new customers cost-effectively, critical in this industry with low switching costs. Efficient CAC allows scalability with marginal increased costs.

LTV:CAC:

The ratio compares the lifetime value (LTV) of a customer to the CAC, measuring profitability of customer acquisition efforts. LTV was calculated by multiplying ARPPU & Gross Margin and dividing that by the churn rate. For Bumble, the estimated LTV to CAC ratio is 2.68, based on a gross margin of 73% and an average customer lifetime of 12 months (which was stated by management in 2021), indicating that each acquired customer generated more revenue than the cost it took to acquire them.

Retention Rate:

Retention rate measures the percentage of users who continue using the platform after a specific period. To find the monthly retention rate for Bumble, we took the monthly churn rate (average customer lifetime of 12/ 12 months) and subtracted that from 100%, to get a monthly retention rate of ~91.67%. High retention rates are important because they reduce reliance on acquiring new users, and directly increases LTV.

Monetization Rate:

Monetization rate measures paying users as a percentage of total users, indication how effectively free users are converted into paying customers. The important thing to look at here is the year-over-year growth rate in monetization rates, as it reflects Bumble's effectiveness in capitalizing on its large free user base.

Brand Perception:

Brand perception captures how users view Bumble in terms of trustworthiness, satisfaction, and value compared to competitors.

Data from: MCM, Bumble 2021 Annual Report

Summary Table

| KPI | Calculation | Importance |
|-------------------|---------------------------------------|---|
| ARPPU | Revenue/Paying Users | Measures monetization efficiency; tracks pricing strategy effectiveness |
| CAC | Sales & Marketing Costs/New Customers | Indications customer acquisition efficiency; critical for profitability |
| LTV:CAC Ratio | LTV/CAC | Assesses profitability; strong indicator if >1 |
| Retention Rate | Users Retained/Users at Start (%) | Reflects loyalty; impacts LTV and revenue stability |
| Monetization Rate | Paying Users/Total Users (%) | Shows Conversion success; key for revenue growth |
| Brand Perception | User surveys/feedback | Highlights gap between awareness and satisfaction; informs marketing strategy |

| Company Name | EV/Revenue | Yes | EV/EBITDA | Yes |
|--|------------|----------|-----------|----------|
| | NTM | Incl.??* | NTM | Incl.??* |
| <i>(all figures presented in USD millions, except per share figures or where noted)</i> | | | | |
| <i>* Note: Use "Incl.?" column to indicate whether a precedent should be included in the valuation [0 - No; 1 - Yes]</i> | | | | |
| Comparable Companies | | | | |
| Meta Platforms, Inc. | 0.0x | No | 0.0x | No |
| Tencent Holdings Limited | 0.0x | No | 0.0x | No |
| Kuaishou Technology | 0.0x | No | 0.0x | No |
| Reddit, Inc. | 0.0x | No | 0.0x | No |
| Pinterest, Inc. | 4.2x | Yes | 0.0x | No |
| Snap Inc. | 3.2x | Yes | 0.0x | No |
| Kakao Corp. | 2.0x | Yes | 13.6x | Yes |
| Match Group, Inc. | 3.0x | Yes | 10.5x | Yes |
| Yelp Inc. | 1.4x | Yes | 15.9x | Yes |
| Weibo Corporation | 0.0x | No | 0.0x | No |
| Tripadvisor, Inc. | 0.9x | Yes | 0.0x | No |
| Hello Group Inc. | 0.6x | Yes | 2.5x | Yes |
| Cumulative Selection | 2.2x | | 10.6x | |
| Bumble Inc. | 1.7x | | 19.9x | |
| Selected Industry Multiple | 2.2x | | 10.6x | |
| Bumble Inc. Revenue/EBITDA | 1065 | | 288 | |
| Total Enterprise Value | 2328 | | 3058 | |
| - Debt | -621 | | -621 | |
| - Preferred & Other | (702) | | (702) | |
| + Cash | 356 | | 356 | |
| Equity Value | 1361 | | 2090 | |
| Shares Outstanding (m) | 108 | | 108 | |
| Fair Value Share Price (USD) | \$12.60 | | \$19.35 | |

Notes

Excluded: Broad focus on social networking and advertising, not aligned with Bumble's niche in online dating.

Excluded: Diversified operations in gaming and messaging, lacking relevance to Bumble.

Excluded: Focused on video-sharing and live-streaming, with no overlap in Bumble's core market.

Excluded: Community-driven content model and ad-based revenue differ significantly from Bumble's app-focused approach.

Included (EV/Revenue only): Shares user engagement and ad monetization features, but lacks profitability for EV/EBITDA relevance.

Included (EV/Revenue only): High user interaction aligns with Bumble, but negative EBITDA excludes it from EV/EBITDA.

Included (EV/Revenue and EV/EBITDA): Operates user-focused platforms with positive EBITDA and similar monetization strategies.

Included (EV/Revenue and EV/EBITDA): Direct competitor, closely aligned in business model, market, and profitability.

Included (EV/Revenue and EV/EBITDA): Similar platform monetization through subscriptions and listings, with consistent profitability.

Excluded: Microblogging platform with ad-heavy revenue, not comparable to Bumble.

Included (EV/Revenue only): Similar subscription model but excluded from EV/EBITDA due to inconsistent profitability.

Included (EV/Revenue and EV/EBITDA): Operates social platforms with strong user monetization and profitability, subscription-based revenue streams similar to Bumble.

| Target | | Buyer | | Transaction | | | | LTM | | EV/LTM ⁽¹⁾ | |
|--------------------|---------------------------|----------------------|---------------------------|-------------|------|-----------|---------------|--------------|------------|-----------------------|--------------|
| Company | Type | Company | Type | Date | Year | Rationale | Impl, EV | Revenue | EBITDA | Revenue | EBITDA |
| Twitter | Social Media | Elon Musk | Individual | Apr-13-2022 | 2022 | Strategic | 46,173 | 5,242 | 901 | 8.8x | 51.2x |
| MoPub | Mobile Monetization | AppLovin Corporation | Mobile technology | Oct-06-2021 | 2021 | Strategic | 1,050 | 188 | | 5.6x | |
| Slack Technologies | Enterprise Communication | Salesforce | Enterprise Software | Dec-01-2020 | 2020 | Strategic | 27,770 | 834 | (196) | 33.3x | N/A |
| Care.com | Care Services Marketplace | Match Group | Dating & Digital Services | Dec-20-2019 | 2019 | Strategic | 525 | 207 | 14 | 2.5x | 37.5x |
| LinkedIn | Professional Networking | Microsoft | Software | Jun-11-2016 | 2016 | Strategic | 25,880 | 3,214 | 266 | 8.1x | 97.3x |
| WhatsApp | Communication | Meta | Social Networking | Feb-19-2014 | 2014 | Strategic | 20,071 | 10 | (138) | 2007.1x | N/A |
| Tumblr | Social Networking | Yahoo! | Web Services | May-20-2013 | 2013 | Strategic | 1,100 | 13 | | 84.6x | |
| Skype | Telecommunications | Microsoft | Software | May-10-2011 | 2011 | Strategic | 8,560 | 860 | | 10.0x | |
| Average | | | | | | | 16,391 | 1,321 | 169 | 270.0x | 62.0x |

Data from: MCM

| Target | Combined Entity | | | | Relevance to Target Valuation | |
|--|---------------------|-------------------|---------------------|--------------------|--|--|
| | Incl.? [*] | EV/Revenue | | EV/EBITDA | | |
| | | LTM | Incl.? [*] | LTM | | |
| <i>(all figures presented in USD millions, except per share figures or where noted)</i> | | | | | | |
| <i>* Note: Use "Incl.?" column to indicate whether a precedent should be included in the valuation [0 - No; 1 - Yes]</i> | | | | | | |
| Twitter | No | 0.00 | Yes | 51.2x | Similarities in user-based monetization and community-focused platform strategies, recent | |
| Slack Technologies | No | 0.0x | No | 0.0x | Focuses on workplace collaboration rather than social interaction, with limited applicability to Bumble's business model | |
| LinkedIn | No | 0.0x | No | 0.0x | Professional networking platform focused on career and business-oriented interactions, too old | |
| Skype | No | 0.0x | No | 0.0x | Primarily a communication tool with no monetization model similar to Bumble, too old | |
| WhatsApp | No | 0.0x | No | 0.0x | Primarily a communication tool, with a very different user base, too old | |
| Care.com | Yes | 2.5x | Yes | 37.5x | Subscription-based revenue model and user-driven engagement align with Bumble's model, recent | |
| Tumblr | No | 0.0x | No | 0.0x | Community-driven platform, but its monetization and growth strategies differ vastly from Bumble's, too old | |
| MoPub | Yes | 5.6x | No | 0.0x | Relies on user engagement and has a freemium revenue model, with some overlap in platform growth strategies, recent | |
| Average | | 4.1x | | 44.4x | | |
| Revenue / EBITDA | | 1,052 | | 228 | | |
| Implied Enterprise Value | | 4,271 | | 10,121 | | |
| Total Enterprise Value | | \$4,271.13 | | \$10,120.82 | | |
| - Debt | | (621) | | (621) | | |
| - Preferred Equity & Other | | (702) | | (702) | | |
| + Cash | | 356 | | 356 | | |
| Equity Value | | \$3,303.59 | | \$9,153.27 | | |
| Shares Outstanding (millions) | | 108 | | 108 | | |
| Fair Value Share Price (USD) | | \$30.59 | | \$84.75 | | |

DCF Summary - Operating Cashflows

| | 2019 | 2020 | 2021 | 2022 | 2023 | Cashflow Forecast | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E |
| <i>* All amounts in millions of US dollars except per share and multiples</i> | | | | | | | | | | | | | |
| Other App Revenue | - | - | - | - | - | 865 | 862 | 892 | 937 | 990 | 1,052 | 1,124 | 1,208 |
| Badoo + Other App Revenue | - | - | - | - | - | 200 | 200 | 212 | 222 | 235 | 250 | 267 | 287 |
| Total Revenue | 489 | 582 | 761 | 904 | 1,052 | 1,065 | 1,062 | 1,103 | 1,159 | 1,225 | 1,301 | 1,391 | 1,495 |
| Net Sales Growth | | 19.1% | 30.7% | 18.7% | 16.4% | 1.3% | (0.3%) | 3.9% | 5.0% | 5.6% | 6.3% | 6.9% | 7.5% |
| Cost of Sales | (140) | (157) | (205) | (249) | (308) | (314) | (312) | (323) | (338) | (356) | (377) | (403) | (433) |
| Total Cost of Sales | (140) | (157) | (205) | (249) | (308) | (314) | (312) | (323) | (338) | (356) | (377) | (403) | (433) |
| Selling & Marketing | (143) | (164) | (212) | (249) | (270) | (256) | (266) | (276) | (290) | (306) | (325) | (348) | (374) |
| General & Administrative | (67) | (224) | (266) | (319) | (222) | (170) | (136) | (138) | (150) | (159) | (169) | (181) | (194) |
| Product Development Expense | (39) | (51) | (106) | (99) | (131) | (138) | (143) | (154) | (168) | (184) | (195) | (209) | (224) |
| Depreciation & Amortization | (7) | (92) | (107) | (90) | (68) | (80) | (90) | (39) | (83) | (77) | (82) | (93) | (100) |
| Total Operating Expense | (256) | (531) | (690) | (757) | (691) | (644) | (635) | (607) | (691) | (726) | (772) | (830) | (892) |
| EBITDA | 122 | 21 | 68 | 63 | 228 | 288 | 306 | 311 | 318 | 329 | 351 | 375 | 404 |
| Other Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adjusted EBITDA | 122 | 21 | 68 | 63 | 228 | 288 | 306 | 311 | 318 | 329 | 351 | 375 | 404 |
| EBITDA margin | 24.9% | 3.6% | 9.0% | 7.0% | 21.7% | 27.0% | 28.8% | 28.2% | 27.4% | 26.9% | 27.0% | 27.0% | 27.0% |
| EBITDA growth | | (83.0%) | 228.5% | (6.9%) | 259.2% | 26.1% | 6.4% | 1.7% | 2.1% | 3.7% | 6.7% | 6.9% | 7.5% |

Data from: MCM

DCF Summary - Financing Cashflows

| | 2019 | 2020 | 2021 | 2022 | 2023 | Cashflow Forecast | | | | | | | |
|---|----------------|-----------------|----------------|-----------------|-----------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E |
| <i>* All amounts in millions of US dollars except per share and multiples</i> | | | | | | | | | | | | | |
| Adjusted EBITDA | 122 | 21 | 68 | 63 | 228 | 288 | 306 | 311 | 318 | 329 | 351 | 375 | 404 |
| Other cashflow from operation adjustments | 19 | 41 | 64 | 46 | 9 | - | - | - | - | - | - | - | - |
| Income tax | (6) | (8) | 438 | (3) | (7) | (6) | (7) | (12) | (9) | (11) | (11) | (12) | (13) |
| Working capital and other adjustments | 7 | 34 | (52) | (29) | 12 | 29 | 0 | (3) | 6 | 7 | 8 | 10 | 12 |
| Capital Expenditure | (11) | (2,851) | (12) | (86) | (25) | (32) | (90) | (50) | (35) | (37) | (39) | (46) | (49) |
| Free Cashflows / Cashflows for Debt Service | 130 | (2,763) | 506 | (9) | 217 | 279 | 209 | 247 | 280 | 288 | 310 | 328 | 354 |
| Net Finance Income (Charges) | (1) | (29) | (21) | (8) | (48) | (28) | (27) | (24) | (21) | - | (20) | (12) | (12) |
| Issuance (repayment) of debt | - | 845 | (206) | (6) | (6) | (5) | (5) | (5) | (600) | 582 | (231) | 2 | 18 |
| Other | - | 28 | 56 | (64) | (43) | - | - | - | - | - | - | - | - |
| Cashflow Available for Equity Distributions | 129 | (1,919) | 334 | (86) | 120 | 246 | 177 | 217 | (342) | 870 | 58 | 317 | 359 |
| Equity issuance / repurchase | 0 | - | 367 | - | (113) | (260) | (76) | (61) | - | (564) | (398) | (223) | (280) |
| Dividends (incl. distributions of cash balance) | (23) | (360) | - | - | - | - | - | - | - | (56) | (40) | (22) | (28) |
| Other financing activities | (42) | 2,381 | (9) | (9) | (80) | - | - | - | - | - | - | - | - |
| Net Cashflows | 64 | 103 | 692 | (96) | (73) | (13) | 100 | 156 | (342) | 250 | (380) | 73 | 51 |
| Ending Cash Balance | 57 | 128 | 369 | 403 | 356 | 342 | 442 | 599 | 257 | 507 | 128 | 200 | 252 |
| Ending Debt Balance | 8 | 845 | 642 | 623 | 620 | 615 | 610 | 605 | 5 | 588 | 357 | 359 | 377 |
| Ending Net Debt Balance | (49) | 717 | 273 | 220 | 264 | 273 | 168 | 6 | (252) | 80 | 229 | 159 | 126 |
| Interest Expense | - | - | (25) | (24) | (22) | (28) | (27) | (24) | (21) | - | (20) | (12) | (12) |
| <i>Net Debt to EBITDA</i> | <i>(0.4 x)</i> | <i>34.5 x</i> | <i>4.0 x</i> | <i>3.5 x</i> | <i>1.2 x</i> | <i>0.9 x</i> | <i>0.5 x</i> | <i>0.0 x</i> | <i>(0.8 x)</i> | <i>0.2 x</i> | <i>0.7 x</i> | <i>0.4 x</i> | <i>0.3 x</i> |
| <i>Adjusted EBITDA / Interest Expense</i> | <i>-</i> | <i>-</i> | <i>2.8 x</i> | <i>2.6 x</i> | <i>10.6 x</i> | <i>10.4 x</i> | <i>11.1 x</i> | <i>12.8 x</i> | <i>15.1 x</i> | <i>-</i> | <i>17.2 x</i> | <i>30.5 x</i> | <i>32.7 x</i> |
| <i>Diluted shares outstanding (millions)</i> | <i>n.a.</i> | <i>2,909</i> | <i>214</i> | <i>129</i> | <i>135</i> | <i>142</i> | <i>149</i> | <i>156</i> | <i>163</i> | <i>170</i> | <i>177</i> | <i>184</i> | <i>191</i> |
| <i>Diluted adjusted earnings (loss) per share attributable to parent comp</i> | <i>n.a.</i> | <i>\$ -0.05</i> | <i>\$ 1.45</i> | <i>\$ -0.62</i> | <i>\$ -0.03</i> | <i>\$ 0.38</i> | <i>\$ 0.37</i> | <i>\$ 0.58</i> | <i>\$ 0.40</i> | <i>\$ 0.39</i> | <i>\$ 0.31</i> | <i>\$ 0.31</i> | <i>\$ 0.30</i> |

Data from: MCM

DCF Summary - Valuation Results

| * All amounts in millions of US dollars except per share and multiples | 2019 | 2020 | 2021 | 2022 | 2023 | Cashflow Forecast | | | | | | | |
|--|------|------|------|------|------|-------------------|------------|------------|------------|------------|------------|------------|------------|
| | | | | | | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E |
| Net Sales | | | | | | 1,065 | 1,062 | 1,103 | 1,159 | 1,225 | 1,301 | 1,391 | 1,495 |
| Adjusted EBIT | | | | | | 107 | 115 | 173 | 130 | 142 | 152 | 158 | 170 |
| Add: Depreciation, amortization & impairment | | | | | | 80 | 90 | 39 | 83 | 77 | 82 | 93 | 100 |
| Less: Tax (EBIT * Tax Rate) | | | | | | (9) | (9) | (14) | (10) | (11) | (12) | (13) | (14) |
| Less: Capital Expenditures including funded by share issuance | | | | | | (32) | (90) | (50) | (35) | (37) | (39) | (46) | (49) |
| Add: Change in working capital and other (cashflow statement) | | | | | | 29 | 0 | (3) | 6 | 7 | 8 | 10 | 12 |
| Free cash flows to the firm for valuation (FCFF) | | | | | | 277 | 207 | 245 | 278 | 288 | 308 | 327 | 353 |

Enterprise Value Multiple Method

| | |
|---|--------------|
| Revenue Multiple | 1.2x |
| Terminal Year Revenue | 1,495 |
| Terminal Value | 468 |
| Present Value of Terminal Value | 225 |
| Present Value of Forecast FCF | 1,581 |
| Enterprise Value | 1,806 |
| Less: Net Debt | 265 |
| Less: Unfunded Pension Liabilities (After-Tax) | - |
| Less: Non-controlling Interest | 702 |
| Add: Fair Market Value of associates and joint vent | - |
| Equity Value (Market Cap) | 839 |
| Shares Outstanding | 108 |
| Fair Value Share Price (USD) | 7.77 |

WACC Assumptions

| | |
|-------------------------------|--------------|
| Valuation date | 31-Dec-24 |
| Benchmark rate | 4.1% |
| Expected market return | 9.7% |
| Market risk premium | 5.6% |
| Beta | 1.63 |
| CAPM Cost of Equity | 13.2% |
| Cost of debt | 3.5% |
| Tax rate | 21.0% |
| After Tax Cost of Debt | 2.7% |
| Target gearing | 26.6% |
| WACC | 11.0% |

Data from: MCM

| Operating Assumptions | | |
|----------------------------------|----------|---|
| Key Metrics | CAGR/Avg | Explanation |
| Total Revenue (CAGR) | 4.5% | Early stages of a company turnaround. Next two years decreasing/negative revenue growth. However, once turnaround complete Bumble is expected to grow above (despite, potential to lose customer loyalty most due to consumers being very perceptive to things like safety, acceptance on the platform, etc.) industry revenue CAGR of 7.2% through 2030, according Dating Services Market by Type, Service, Pricing Model, Age Group, Demographics - Global Forecast 2025-2030. Through strengthening their core ecosystem, leveraging data and AI in customer experience and enhancing their revenue strategy to focus on more organic growth strategies, Bumble should be able to bring in more users from the top of the funnel into their platform whilst driving free-to-paid conversion with the improved ecosystem. |
| Adjusted EBITDA Margin (Average) | 27.4% | EBITDA margins to improve compared to historical values, albeit still lacking behind direct competitors (~35%). This is in part due to cost-cuts (i.e. cutting down on G&A costs) but is mostly due to the expected stable revenue growth once the core Bumble ecosystem fully undergoes its transformation plan. |
| Total EBITDA (CAGR) | 4.3% | Total EBITDA CAGR follows the trends of Total Revenue CAGR closely, due to (historically) consistent YoY operating costs as a percent of revenue. |
| Total EBITDA Margin (Average) | 27.4% | EBITDA margins to improve compared to historical values, albeit still lacking behind direct competitors (~35%). This is in part due to cost-cuts (i.e. cutting down on G&A costs) but is mostly due to the expected stable revenue growth once the core Bumble ecosystem fully undergoes its transformation plan. |
| Capex (% of revenue) (Average) | 3.9% | CapEx as a % of revenue is relatively constant YoY. It is mostly used to maintain and improve their existing P&E and intangible assets (trademarks, developed technology, etc.) to fuel organic growth |

| Valuation Assumptions | | |
|------------------------|------------|---|
| Key Metrics | Key Metric | Explanation |
| Beta | 1.63 | Company beta as of December 7, 2024 (YahooFinance) |
| Risk-free rate | 4.1% | US 10 Year Treasury Note yield as of December 7, 2024 (MarketWatch) |
| Cost of debt (pre-tax) | 3.5% | Interest expense divided by total debt |
| Exit EBITDA Multiple | 1.2x | Average EV/Revenue multiple chosen from a set of peers |

Data from: MCM

Detailed Explanation and Analysis of Assumptions

Net Sales Assumptions

Bumble, Badoo & Other ARPU:

- Decreasing for first 2 years due to variety of factors (FX rates, global macroeconomic conditions, and geopolitical conditions [app availability]). Furthermore, we expect that, while management is trying to pinpoint how to fine-tune their different subscription tier plans for specifically Bumble but also Badoo and their other apps, there could be frictional ARPU decreases due to people switching to lower priced models. Industry wide ARPU expected to fall each year through 2030, however brand name and customer loyalty allows Bumble for some price setting power.

Bumble, Badoo & Other Paying Users:

- Annual userbase growth through 2027 (CAGR) ~4.7. Bumble and Badoo are both two of the top 5 dating apps. Brand name reassures users' worries (industry is perceptive to potential safety concerns – in whatever form that may be). That alone should grow BMBLs overall paying user base, to a certain extent. Management experimenting how to optimize revenue through top-of-funnel trends and organic marketing on Bumble, this could lag 25FY user growth, however it should rebound if the campaign successful. Bumble very concentrated - but has big market share - in North America, while Badoo has a very big global platform, targeted for emerging markets with its cheaper pricing tiers.

Marketing and Expenses

- Marketing expenses are anticipated to slightly increase, given the needed hiring in product and technology along with incurred marketing costs with new products. Thus some of the savings from reductions in headcount may be necessary to re-invest into the business in the near future. This decrease in EBITDA margin in the coming future, will be offset because of decreases in other expenses as a proportion of net sales, which are projected to decrease slightly in the coming years and then plateau.
- All other assumptions were made with past trends in mind, often using the past four years as an average (excluding outliers)
 - By basing assumptions on past trends, the model avoided over complication and remained consistent throughout
- In the "DCF Financials" tab, Debt and Cash are supposed to be hardcoded as of the valuation date
 - The values in the tab are taken from Bumbles Q3 24 quarterly release, as we found variance between other sources

Football Field Analysis

- From the DCF price target, the lower and upper bounds of the valuation spectrum were determined by subtracting or adding 20%, respectively.
 - Example of finding the upper bound: DCF (EV/Revenue) price target = \$9.72 // $\$9.72 * 1.2 = \text{£}11.66$
 - The choice of 20% was based on its alignment with the valuation range of the selected peers, resulting in a consistent spread of values across all valuation methodologies.
- From the comparable and precedents multiple, the upper and lower pounds of the valuation spectrum were determined by subtracting adding 20%, respectively.
 - Example of finding upper bound: comparable (EV/Revenue) mean multiple = 2.5X // $2.5 * 1.2 = 3X$
- A weighted average of each price target was used to arrive at a final valuation. The low bound of the spectrum were chosen because we assumed that the multiples on comparable and precedents were higher than Bumble's should be because the majority were more mature companies in more established industries.

The following are examples of Meta completing M&A transactions with similar motivations to those that were proposed in slide 38

| Transaction Overview | Meta Rationale | Similarities to Bumble |
|--|---|---|
| Giphy (2020): Acquired for \$400 million, Giphy was a popular platform for creating and sharing GIFs. Giphy | Sought to enhance user engagement across its platforms and strengthen their advertising ecosystem through integrating Giphy's vast library of GIFs | The online dating industry's growth coincides with a shift in social interaction becoming primarily through digitalized avenues. This aligns with Meta's goal of becoming a leader in digital communication. |
| PlayGiga (2019): Acquired for \$78mm, PlayGiga was a Madrid based cloud gaming company that enabled users to stream and play high-quality video games over the internet without the need for high-end hardware. | Entered the cloud gaming market to compete with major players, leveraging PlayGiga's technology for game streaming without high-end hardware. | Meta's broader strategy of expanding beyond traditional social media into adjacent verticals that drive long-term growth would be complemented through diversification into the online dating market. |
| tbh (2017): Acquired for \$100mm, tbh was a social media app popular among teenagers that enabled users to anonymously send messages to friends. | Targeted Gen Z users through a positive, anonymous messaging platform, broadening Meta's appeal to a younger demographic moving away from Facebook. | Bumble's target demographic is Gen Z and millennials, which is Meta's target demographic. |
| WhatsApp (2014): Acquired for \$19 bn, WhatsApp was a leading encrypted messaging application with a massive user base and global adoption. | Acquired to dominate global messaging, especially in emerging markets, and strengthen Meta's position in secure, real-time communication platforms. | Bumble could be integrated into Meta's ecosystem, benefiting from user-determined cross-platform integrations whilst maintaining its standalone brand-value. |
| Instagram (2012): Acquired for approx. \$1Bn, Instagram was a rapidly growing photo-sharing social media platform which appealed to younger demographic. | Captured the younger, photo-sharing demographic, enhancing Meta's focus on mobile-first, visual content, and competing with emerging platforms like Snapchat. | Meta's Facebook Dating struggled to gain traction in the industry. Acquiring Bumble would allow Meta to be able to compete in the industry without having to create its own ecosystem in an already competitive industry. |
| Oculus VR (2014): Acquired for \$2 billion, Oculus VR was a pioneer in virtual reality technology. | Entered the virtual reality market to establish leadership in immersive experiences and lay the foundation for Meta's metaverse ambitions. | Meta allows its high brand value companies to continue to operate independently benefiting from Meta's resources and scales. Bumble's unique brand positioning with Meta's infrastructure allows for higher scalability. |

Data from: Bloomberg, CapIQ Screener, TechCrunch, Investopedia