



## 1 Under-the-Radar U.S. Stock to Buy in August

### Description

The dating game has undergone a huge shift due to technological advancements in the digital space over the past 20 years. A 2017 survey from Stanford University revealed that most heterosexual couples met through their friends in the year 2000. Meeting as coworkers and at a bar or restaurant were the second and third most popular ways new couples were formed. At the time, meeting online ranked fourth but had shown a sharp growth trajectory.

Today, I want to look at a U.S. stock that has thrived on these trends: **Match Group** ([NASDAQ:MTCH](#)). This company owns and operates the largest portfolio of dating products around the world.

### Here's why investors should be excited about the online dating space

That same Stanford survey showed that in 2017, most couples met online. The online space greatly outpaced meeting at a bar or restaurant, meeting through friends, or as coworkers.

Market researcher Grand View Research estimated that the global online dating application market was valued at US\$7.5 billion in 2021. The report projected that the market would deliver a compound annual growth rate (CAGR) of 5.5% from 2022 through to 2030.

Investors should be eager to get in on this burgeoning space. Shares of Match Group have plunged 50% in 2022 as of close on August 10. [The stock is down 52%](#) year-over-year. Now is a great time to consider snatching up this under-the-radar U.S. stock on the dip.

### How does Match Group look after the first half of 2022?

This company released its second quarter fiscal 2022 results on August 2. It delivered total revenue growth of 12% to reach \$795 million. Meanwhile, adjusted operating income increased 9% year-over-year to \$286 million.

Some of Match's top dating services include Plenty of Fish, Match.com, OkCupid, and Hinge. However, it is best known for its iconic dating app Tinder. This app allows users to scroll through profiles. Users "swipe right" to like a profile or "swipe left" to dislike or reject a given profile. When users match likes, they can establish a connection.

In Q2 2022, Match reported that Tinder achieved direct revenue growth of 13%. This was driven by 14% payers growth to 10.9 million. Signing up to Tinder is free. However, users who want to make the most of the service will be compelled to upgrade their profiles. Tinder markets this service to users who are looking to make more connections. For example, a Tinder Gold profile will run a user \$29.99 per month.

The remaining Match brands delivered direct revenue growth of 12%. This was powered by revenue per payer (RPP) growth of 10% and total payer growth of 2% to 5.5 million.

## Is Match Group worth buying right now?

This U.S. stock is in a great position to benefit from the fast-growing online dating space. The pandemic inspired even more users to migrate to this method, as meeting through work or bars and restaurants was impeded due to mass closures of in-person businesses.

Match stock is currently trading in favourable value territory compared to its industry peers. It's also geared up for strong earnings growth going forward. I'm looking to snatch up Match Group on the dip in the late summer of 2022.

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1. Investing

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