

## Pro forma long-term debt

	Payments due by period				
	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Long-term debt(1)(2)	\$ 143,301	\$ 222,389	\$ 213,574	\$ 1,200,579	\$ 1,779,853

(1) Assumes long-term debt includes \$800 million Term Loan Facility, the issuance of \$443.5 million of Match Notes, \$61.7 million of outstanding borrowings under the Revolving Credit Facility and the repayment of existing long-term debt to a related party. The amounts in the table above are inclusive of interest.

(2) Borrowings under the Revolving Credit Facility and \$800 million Term Loan Facility will be at variable rates of interest. Assumes the full \$500 million Revolving Credit Facility is drawn down, with interest at LIBOR plus 2%. Interest on the \$800 million Term Loan Facility is LIBOR plus 4.5%. Assuming a 100 basis point increase (decrease) in LIBOR rates, the annual interest payments on the Revolving Credit Facility and \$800 million Term Loan Facility will increase (decrease) \$5 million and \$8 million, respectively. Such potential increases or decreases are based on certain simplifying assumptions, including a constant level and rate of variable-rate debt and an immediate across-the-board increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period.

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## Off-balance sheet arrangements

Other than the items described above, we have no significant off-balance sheet arrangements.

## Principles of financial reporting

We report Adjusted EBITDA as a supplemental measure to GAAP. This measure is one of the primary metrics by which we evaluate the performance of our businesses, on which our internal budgets are based and by which management is compensated. We believe that investors should have access to, and we are obligated to provide, the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We endeavor to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which we discuss below.

Adjusted EBITDA is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (i) amortization of intangible assets and impairments of goodwill and intangible assets and (ii) gains and losses recognized on changes in the fair value of contingent consideration arrangements. We believe this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our business as a whole. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, and we believe that by excluding these items, Adjusted EBITDA corresponds more closely to the cash operating income generated from our business, from which capital investments are made and debt is serviced. Adjusted EBITDA has certain limitations in that it does not take into account the impact to our combined statement of operations of certain expenses.

### **Non-cash expenses that are excluded from Adjusted EBITDA**

*Stock-based compensation expense* consists principally of expense associated with the grants of stock options, restricted stock units, or RSUs, and performance-based RSUs. These expenses are not paid in cash. Upon the exercise of certain stock options and vesting of RSUs and performance-based RSUs, the awards are settled, at the Company's discretion, on a net basis, with the Company remitting the required tax-withholding amount from its current funds.

*Depreciation* is a non-cash expense relating to our property and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives.

*Amortization of intangible assets and impairments of goodwill and intangible assets* are non-cash expenses. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as customer lists, content, trade names, technology and franchise rights are valued and amortized over their estimated lives. Value is also assigned to acquired indefinite-lived intangible assets, which comprise trade names and trademarks, and goodwill that are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. While it is likely that we will have significant intangible amortization expense as we continue to acquire companies, we believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairment charges of goodwill or intangible assets, if applicable, are not ongoing costs of doing business.

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*Gains and losses recognized on changes in the fair value of contingent consideration arrangements* are accounting adjustments to report contingent consideration liabilities at fair value. These adjustments can be highly variable and are excluded from our assessment of performance because they are considered non-operational in nature and, therefore, are not indicative of current or future performance or ongoing costs of doing business.

We define Free Cash Flow as net cash provided by operating activities, less capital expenditures. We believe Free Cash Flow is useful to investors because it represents the cash that our operating businesses generate, before taking into account cash movements that are non-operational. Free Cash Flow has certain limitations in that it does not represent the total increase or decrease in the cash balance for the period, nor does it represent the residual cash flow for discretionary expenditures. Therefore, we think it is important to evaluate Free Cash Flow along with our combined statements of cash flows. Free Cash Flow