NerdWallet 2024 Investor Video Transcript - March 4, 2024

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Tim Chen (Co-founder & Chief Executive Officer):

I started NerdWallet with a simple goal: Help people find the right credit cards for them. Today, we play across a wide range of categories, including loans, insurance, banking and personal finance; with trusted guidance and best in class user experiences that make it easy for consumers to not only answer their questions, but also take action. In the process, we believe we have created unique, competitive advantages in reach and brand.

In 2023, 23 million users turned to NerdWallet each month to answer their money questions and we proved our Brand is resilient by achieving record aided brand awareness, even as we pulled back Brand spend amid macroeconomic challenges. In fact, our aided brand awareness has increased by 20 points since 2019, from 42% to 62%, which speaks to our growing consumer mindshare.

We are continuously pushing ourselves to leverage our reach and brand in order to help more people in more ways with more frequency while maintaining our long-term orientation and focus on sustainable growth. In particular, we are focused on fostering deeper, loyalty-based relationships with consumers so they come back to us directly for all their money questions.

We're achieving this by building a trusted financial ecosystem, a single platform where consumers can learn about finance, shop for financial products and manage their money. This is all in pursuit of our mission: to provide clarity for all of life's financial decisions, so anyone and everyone can make financial decisions with confidence. Succeed and our efforts will result in a win-win-win—for the consumers we match with the best products, for the financial institutions who offer those products and for NerdWallet's business.

When I founded NerdWallet in 2009, shopping for financial products was complicated. In many ways, it's only become more complicated, as the proliferation of consumer fintech and the offline to online shift have led to an explosion of choice for consumers. As a result, consumers are looking for a one stop shop—someone they can trust to help them make decisions about their finances. And as consumers have become accustomed to more choices across financial products, it's becoming a lot more difficult and expensive for financial institutions to cut through the noise. To stay competitive, they must focus on offering the best possible products and letting people know about them efficiently.

In this climate, we know financial institutions value the NerdWallet stamp of approval, given the trusted reputation we've built with high value, high intent consumers. With our competitive advantages in reach and brand, we believe we are well-positioned to be both a one stop shop for consumers and the preferred partner for financial institutions. We're already seeing this happen. Our primary addressable market is US financial services' digital advertising, which, according to eMarketer, is projected to be more than $33 billion in 2024 and has been growing with a 2023 four-year compounded annual growth rate of approximately 15%.

Meanwhile, NerdWallet's share in this growing market has also increased with a four-year revenue compounded annual growth rate of 27%. And in 2023, the percentage of consumers who recalled using NerdWallet in the past 12 months more than tripled versus 2019, with 83% of those consumers reporting that NerdWallet provides guidance they can trust. We see a connection between this success and our long-term orientation.

There have always been a ton of people offering financial guidance and given the enormous commissions involved, it's always been hard to trust the people behind that guidance. Our key insight was by keeping our cost to acquire and serve incremental customers low, we could provide a more trustworthy resource. The favorable incremental unit economics would ultimately allow us to focus on investing in the consumer relationship rather than just closing the transaction.

Prioritizing trust has compounded over time like interest into the brand and reach we have today and we have reinforced that trust with brand marketing that doubles down on our nerdiness to ensure a growing share of consumers prefer NerdWallet as their brand of choice for financial decisions. These competitive advantages have enabled us to grow NerdWallet efficiently from cycle to cycle. At the same time, we've remained disciplined and leveraged our favorable unit economics to invest opportunistically in our strategy of becoming a trusted financial ecosystem.

NerdWallet's trust financial ecosystem is a single platform where consumers and SMBs can learn, shop, connect their data and make decisions about their money. Historically, NerdWallet has excelled at the learn and shop components of our budding ecosystem. Our editorial content and shopping marketplaces help millions of consumers answer questions and select financial products every year across a diversified portfolio of categories.

We'll always seek to strengthen our learn and shop experiences. But we are increasingly focused on developing additional capabilities to create stickier, loyalty-based experiences that bring users back to us directly. We want to own the consumer relationship and have more control over our growth levers. As we've ramped our investment in new user experiences, we are seeing results that suggest this is the right strategy.

Overall, our registered user base is up 37% year over year. This is important because our registered users have five times the lifetime value of a visitor, signaling the compelling value these relationships create for consumers and for the NerdWallet business.

We've achieved this through successful execution of our growth strategy over the past several years, which is focused in three pillars. The first, Land and Expand, is our strategy for executing our playbook to launch in new markets and categories and with new audiences. The second, Vertical Integration, is the process by which we pair our advantages in brand and reach with best in class user experiences. And the third, Registrations & Data-driven Engagement, encompasses our efforts to register visitors to NerdWallet and continuously engage them with valuable insights.

Across these three pillars, we strategically leverage two unfair advantages: The NerdWallet brand and our organic reach, which we've built over the past 15 years and which allow us to invest in building our trusted ecosystem efficiently.

BRAND & ORGANIC REACH

Alison McCoy (VP, Brand Marketing):

We believe our unfair advantages empower us to capture more consumers within our ecosystem. Our first unfair advantage is the NerdWallet brand. From the beginning, NerdWallet's product has always spoken for itself. Our guidance is trustworthy, deeply knowledgeable and unbiased and we believe the work of our Nerds helps millions of consumers make financial decisions with more clarity and confidence. Our inherently strong brand is a key competitive advantage. We recognized an opportunity to reinforce it through thoughtful brand marketing, aimed at making NerdWallet a household name as the brand of choice that you can turn to and return to for all of your money questions.

Collectively, our brand investments have been incredibly successful. In 2023, we achieved all time highs in aided brand awareness, up four points versus 2022. What more, we've achieved these results despite pulling back spending during 2023 as we navigated a more difficult macroeconomic environment. We've also seen the value of our brand resonate with our partners. Every year, our Best of Awards campaign assesses hundreds of products across different financial categories and our partners increasingly recognize the NerdWallet seal of approval as crucial to their own marketing.

Over 100 partner advertising campaigns leveraged our 2023 Best-of Awards badge to capitalize on the strength of our brand endorsement. Our brand investments compound over time, generating a long-tail halo effect. We believe this enhances the efficiency of all of our marketing efforts, boosts conversion rates across both organic and paid acquisition channels and continuously underpins NerdWallet as the preferred brand for trustworthy, knowledgeable financial guidance.

Keely Spillane (VP, Communications & Organic Growth):

Our second unfair advantage is organic reach. As Tim shared, in 2023, 23 million users visited NerdWallet on average every month and over 70% of that traffic came to us organically with a high incremental margin. This organic top of funnel creates more conversion opportunities, whether that's through immediate monetization or registration while reinforcing NerdWallet as the brand of choice for financial guidance as more people find answers to their money questions with us.

We've achieved this advantage with our organic playbook, which combines our editorial and organic growth strategies to provide consumers with reliable expert guidance for all of their financial decisions. This playbook has allowed us to expand horizontally and vertically more efficiently. But our playbook isn't static and our years of experience allow us to adapt quickly. We relentlessly improve to protect our competitive advantage and help more consumers in more ways as the search landscape evolves. With the recent advancements in artificial intelligence, our editorial and organic growth teams partnered to develop Nerd AI, a chatbot trained on NerdWallet content, giving our consumers a new way to engage with our guidance and get answers to their questions.

We've even experimented with incorporating registration prompts to funnel these users into NerdWallet registered user experiences. Organic traffic drives higher margin revenue and there's a low cost to serving incremental organic visitors, giving us meaningful margin leverage as we grow organic traffic. The efficiency of both our brand and reach gives us an out-sized ability to leverage these advantages for long-term sustainable growth from cycle to cycle, whether that's through marketing efforts, new product initiatives or M&A opportunities.

Alison McCoy (VP, Brand Marketing):

Going forward, we will continue iterating on our strategy to meet our consumers where they are, so that they come to know, trust and love NerdWallet as their preferred source of financial guidance—whether through compelling new brand stories or exploring new frontiers with our organic playbook.

Keely Spillane (VP, Communications & Organic Growth):

Together, these advantages provide an incredible springboard for our strategy to become a trusted financial ecosystem. Our reach and brand enable us to do more and to do it more sustainably, providing a solid foundation for product innovations and strategic investments across our Land and Expand, Vertical Integration and Registrations & Data-Driven Engagement Pillars.

OUR GROWTH PILLARS

Kevin Yuann (Chief Business Officer):

I'd like to tell you more about our first growth pillar, Land & Expand. Keely outlined our organic playbook. Land & Expand is our ability to leverage that playbook to quickly and efficiently extend NerdWallet's presence to new markets, topics and audiences, while doubling down on our existing verticals, too. For example, Tim initially founded NerdWallet to help US consumers choose the best credit card and, over the past decade, we have successfully diversified to new verticals, providing consumers with guidance across Loans, Banking, Investing and more, all while continuing to grow our significant presence in Credit Cards.

Today, our Land & Expand work typically falls into two categories, Vertical Expansion and International Expansion, and we take a modular approach, focusing on adapting and executing our playbook to quickly establish footholds in new markets and categories. With Vertical Expansion, we've continued to expand our footprint in the US by leveraging our organic playbook in new-to-us categories, further diversifying our US business and helping more consumers in more ways.

Today, we are making inroads in categories such as Medicare, social security and estate planning. We start by building an editorial team of experts, creating content to attract traffic and then thoughtfully onboarding partners for early monetization efforts. This strategy has seen great results. In fact, we've had over one million visits to our Medicare category in 2023, more than 2X the prior year.

But we've also seen these efforts support other strategic goals, particularly registrations, as NerdWallet brings consumers more clarity and confidence in categories that have historically been underserved in the offline to online shift. NerdWallet's International Expansion began in 2020 with our acquisition of Know Your Money, a UK-based comparison shopping site. Since the acquisition, we have partnered with our UK team to deploy NerdWallet's organic playbook to establish the NerdWallet brand in the UK.

M&A is not our only strategy for International Expansion. We entered Canada organically, building our presence there from the ground up by using our playbook to establish NerdWallet in key verticals like credit cards and mortgages. Our efforts to scale organically in Canada are reminiscent of our early days in the US, where the second half of 2023 saw over 20 times more visitors to our sites than the first six months after launch.

We are also in the early days of entering the Australian market and our results in Canada give us confidence that we can successfully adapt and execute our organic playbook in this market. And we plan to continue building our presence in Canada and Australia on the strength of our reach and our brand in the coming years. Strategically, our work across Vertical and International expansion plays an important role in expanding our TAM and diversifying our ecosystem. This is vital to our business. We've proved out the value of diversification time and time again, regardless of where we are at any given credit cycle.

This is because we often see how macro factors, such as rising interest rates, affect distinct verticals differently. Rising interest rates might constrict loans, but fuel our banking vertical and vice versa.

Over time, headwinds and tailwinds offset each other, so what matters to us is that we maintain a long-term orientation and execute our Land & Expand playbooks successfully to grow NerdWallet's overall business from cycle to cycle. As a result, we may continue to invest in areas of our business that are facing temporary challenges because we believe these investments will pay off on the macro shifts.

This is something we saw when our insurance vertical had extremely strong growth at the end of 2022 and the beginning of 2023. This was in part due to our diligent work to enhance our insurance vertical, even as the industry generally faced significant challenges. And, of course, this continued diversification bolsters NerdWallet's value to consumers as a one-stop shop for all their money questions, in turn, helping us to progress toward our larger goals, expanding our considerable reach and converting that reach, either through monetization or registration or both in our trusted financial ecosystem.

Our second growth pillar is Vertical Integration. This is where we pair our competitive advantages in reach and brand with best-in-class user experiences. We know from years of experience that different verticals come with different nuances.

While we've been very successful with our traditional marketplaces, not every financial shopping decision is best made in a marketplace. Instead, certain products and services require a different experience to give consumers the clarity and confidence they need to make an informed choice. So our Vertical Integration efforts essentially boil down to answering a simple question, how can we direct our massive top-of-funnel to more effective experiences? Effective could mean a more engaging experience or an experience that monetizes at a higher rate.

Regardless, these best-in-class experiences are key to our vision for a trusted financial ecosystem because they not only reinforce NerdWallet as a brand-of-choice for financial clarity, they also allow us to register and collect data from users within each experience. And that enables us to engage and re-engage these consumers on our platform over the long run.

We've pursued both organic and inorganic Vertical Integration. In 2023, we launched NerdUp by NerdWallet, a secured credit card that is our first branded product. This initiative stemmed from identifying a gap in our existing credit cards experiences. While our marketplaces are effective in helping prime consumers choose the right credit cards, they're not as effective in serving another set of consumers. With this realization, we designed NerdUp to assist users in building their credit history with a unique set of features.

Outside of organic initiatives, we've leveraged M&A effectively to drive Vertical Integration. For example, while NerdWallet had an established presence in the SMB category in 2020, we saw an opportunity to more effectively monetize the traffic that came to us. We had done this with other verticals, but given the complexities of the category, our traditional marketplace approach did not seem like it offered small and mid-sized businesses the right level of clarity to make decisions.

Enter Fundera, a company that had developed a concierge sales model, building ongoing relationships with SMBs and re-occurring revenue with hands-on guidance in a category that has historically been marked by egregious rates and commissions. NerdWallet had the top-of-funnel traffic, Fundera had the down-funnel experience and monetization figured out. So in 2020, we acquired Fundera with confidence that our combined strengths would accelerate our collective growth and offer SMBs a true one-stop shop for their financial questions.

Today, Fundera is known as Fundera by NerdWallet and has woven seamlessly in our operations. Working hand in hand, we turned SMB into a major growth area for the company. SMB products have grown more than three times since the pre-acquisition pro forma revenue and we're also continuing to see benefits of the power that Fundera plays in Vertical Integration. Despite some near-term tightening in SMB loans underwriting, we still see recent 12-month cohorts with net dollar repeat rates as high as 50% and three-year cohorts which nearly doubled the revenue of the initial transaction and continue to improve as the cohorts mature.

More recently, we acquired On the Barrelhead, a data-driven platform specializing in credit-driven product recommendations. We integrated their team and technology into our loans and credit card verticals to provide consumers with more personalized offers, aligned with their needs.

Sam Yount (VP, Consumer Credit):

I was the CEO at On the Barrelhead, where we created tech solutions that used credit profile data to surface personalized product recommendations, aiming to save consumers money and help them optimize their debt. NerdWallet acquired On the Barrelhead in July 2022 and integrated our team into their existing loans team. Historically, NerdWallet has excelled at providing consumers with high-quality marketplaces, where they can compare and shop for different products. But these marketplaces work best for consumers who want to do the research or who aren't as worried about qualification.

But we also believe there are a lot of consumers, including those with prime credit, who want more personalized support through the shopping experience. They want someone to do the research with them or for them. At the same time, for consumers with sub or near-prime credit, a marketplace doesn't solve their primary consideration, which is qualification. Using our technology, we believe we can offer consumers a more dynamic and targeted shopping experience that matches them with the best product recommendations for their unique needs without requiring them to spend hours on product comparisons and without the fear of rejection.

With the information we collect about consumers in our funnel, we also believe we can create a solid infrastructure for future cross-sell opportunities. When a person comes to us looking for a personal loan, we want to be able to assess their profile and offer them not only the personal loan, but also other financial products they may benefit from. Perhaps they're overpaying on their auto loan. Can we point them to a better option for that as well? Or maybe they tell us they're looking for a personal loan to pay down debt. But when we look at their profile, we notice that they'd qualify for a balance transfer card and we can tell them that could be a better option for them than a personal loan.

By understanding the initial reason for approaching us and their unique financial profiles, we can help guide consumers in taking informed action on these recommendations. We do this either at the same time, or as we thoughtfully re-engage them on an ongoing basis.

We were really excited about the opportunities the NerdWallet acquisition presented. From a business standpoint, we knew there was a lot of potential if you combined NerdWallet's huge audience and trusted brand with our technology capabilities, and that we could go further together towards helping consumers than if we went it alone. Given NerdWallet's focus on the long-term, we have confidence in our path forward, despite the current macroeconomic climate. We're integrating our technology and loans, recognizing that the headwinds we're currently experiencing are cyclical.

Despite the headwinds, we believe that we have seen early success as our personal loans revenue grew 21% year-over-year during the fourth quarter of 2023 in a pretty difficult end market, even as other players recently had more muted or declining growth. We've also delivered a more than 2X increase in our match rate with financial services providers and we're thinking beyond loans too.

Recently, we integrated into NerdWallet's credit card vertical to launch a new product using our technology to match consumers with personalized, pre-qualified offers for credit cards based on their credit score and preferences. With this product, we are able to extend NerdWallet's guidance to sub and near prime consumers for whom qualification is a key consideration when shopping for credit cards and we are able to register and collect date from these shoppers, creating opportunities for us to continuously engage these users over time with personalized recommendations and cross sell offerings. We plan to continue vertically integrating OTB technology in loans and other verticals.

Beyond that, we plan to leverage organic and inorganic Vertical Integration opportunities to enhance our capabilities and provide consumers and SMBs with actionable guidance that brings them back to NerdWallet for all their money questions.

Jason Rodriguez (Chief Product Officer):

Our third growth pillar, Registrations and Data-Driven Engagement, builds off NerdWallet's competitive advantages to establish loyalty based relationships with a growing percentage of our audience. We want consumers to turn to us again and again within our trusted financial ecosystem and our registrations and Data-Driven Engagement initiatives build on our Land & Expand and Vertical Integration efforts to kickstart and sustain this user behavior. This means we're working tirelessly to build compelling user experiences that give a growing number of consumers a reason to register for NerdWallet accounts, resulting in valuable data that allows us to re-engage them effectively.

To do this, we offer a wide range of registered user experiences to serve them millions of consumers who come to us every year, from in app features like Credit Score, Cash Flow and Net Worth to newsletter subscriptions to more niche offerings, like Drive Like a Nerd, which leverages telematics to reward members for safe driving behavior. As a result, we're able to register an increasing percentage of visitors to NerdWallet. In 2023, we saw a 37% year-over-year increase in our cumulative registered user base.

Registered user features provide us with an abundance of first party data. It empowers us to guide users through our trusted financial ecosystem with thoughtful, personalized nudges via email and other channels, which ensures that they come back to us directly either when we surface a recommendation to them or when they have a financial question or task. In fact, our registered users visit us more than three times a month on average. As a result, we have strong confidence in our path forward and that over time, our efforts to register and re-engage users will allow us to have more direct ownership over the consumer relationship and control more of our growth levers.

Tim Chen (Co-founder & Chief Executive Officer):

I am extremely energized by the progress we've made towards our vision for a trusted financial ecosystem over the past two years and the share we've gained. We've achieved all of this during a volatile credit cycle. I think this speaks to NerdWallet's durable, competitive advantages and our commitment to disciplined, thoughtful growth.

We're consolidating a fragmented space and have an incredible opportunity to keep doing this by leveraging our reach and brand to efficiently drive progress in our three growth pillars. More and more, we've seen that our work in any given growth pillar cross pollinates our efforts across the other pillars.

For example, our Land & Expand initiative increasingly provides new opportunities to register more users and our Vertical Integration work creates more paths to re-engage those users over time as we grow their relationship with NerdWallet. With the success we've already seen, we feel confident that our aspirations are within reach and we'll continue executing our strategy for long-term growth by methodically building our trusted financial ecosystem.

FINANCIAL OVERVIEW

Lauren StClair (Chief Financial Officer):

NerdWallet's vision is to create a world where everyone can make financial decisions with confidence. We also aim to provide that same confidence for all current and prospective investors in our company. We always have and will continue to run the company with the mindset of being long-term owners. We believe we can maximize long-term free cash flow per share by investing against our core advantage: our trusted brand and organic reach.

We are taking share in a growing market and our past ability to grow across cycles shows that our diversified and scaled portfolio of verticals gives us a distinct advantage in the financial services space. Looking back at our growth since 2019, we've experienced periods of both headwinds and tailwinds across many of our verticals. But through all of that, we've been able to showcase a four-year revenue compounded annual growth rate of 27%. During that same time, we've compounded the growth of our traffic base or MUUs by 16% with an average of 23 million users visiting our platform each month during 2023.

The portion of our MUUs that are registered users is a relatively small percentage today but with a four-year compounded annual growth rate of 26%, the base is growing at a faster rate than overall MUUs. We think the runway for growing monthly unique registered users is long as we execute on our strategy.

Credit cards, our initial focus and currently our largest vertical, serves as an example of how both headwinds and tailwinds have influenced periods of growth both below and above trend in just the past four years. In 2020, our credit cards vertical was impacted more than any other vertical during the COVID-19 pandemic as issuers tightened underwriting and cut budgets in light of the significant increase in unemployment as well as macroeconomic uncertainty. By the end of 2021 and into 2022, we began to recover and eventually surpassed pre-COVID levels. We were able to capitalize on elevated consumer intent through continued improvements in user experiences combined with the high quality matches we delivered to our financial services partners. During these years, we also saw many offsetting headwinds and tailwinds from inversely correlated areas of our business, allowing us to grow through difficult macroeconomic cycles.

For example, during the low interest rate environment in 2020 and 2021, we saw strong growth in our mortgage vertical and then as interest rates began to rise in 2022, we saw significant strength in our banking vertical delivering five quarters of triple digit revenue growth. The cyclical nature of these trends gives us confidence that we can weather shorter term headwinds now and in the future as our growing consumer base and increasing partner demand for our high value traffic compound our franchise over time. As Kevin shared, our Vertical Integration pillar leverages best in class user experiences to register more users while helping them shop for financial products more effectively. We've seen this in SMB where we integrated Fundera's full service loan concierge with NerdWallet's top of funnel, giving us more insight into our SMB customers' needs that we can in turn use to engage them with additional product recommendations. We've taken similar steps in other verticals, like personal lending, where we've evolved our shopping experiences beyond our traditional marketplaces to register users and make product recommendations through API and rule driven matching.

As we continue this work across verticals, we're transforming the typical NerdWallet user journey. Increasingly, our experiences will convert visitors to registered users, allowing us to establish deeper relationships so that the next time they have a financing need, we become the leading candidate to serve them.

Our investments in creating an engaged registered user base through our platform experience have started to pay off. We ended 2023 with over 19 million registered users who have primarily registered organically. This is important because we see five times the lifetime value, or LTV, of a registered user versus a visitor to our site. Roughly 14% of transactions lead to subsequent transactions within 100 days, which is a great stat on its own for financial products. But our registered users do more than twice that with roughly 32% of registered transactions resulting in repeat transactions on the platform in the first 100 days. This gives us confidence that our growth pillar for data driven registration and engagement will provide us with incremental organic revenue and accelerate our ability to leverage our sales and marketing investments to drive sustainable growth and value creation.

As we look at our broader base on investments across the business, we have spent the past four years making some significant headway in a few key areas, but I'll focus on the way we think of them as they relate to our longer term margin leverage opportunity. We have costs that are relatively fixed in nature, which should not scale with revenue growth and also costs that are variable in nature, which will scale with revenue growth. Our cost base that is relatively fixed in nature consists of headcount, brand spend and miscellaneous items such as software licenses and overhead. Our variable costs comprise performance marketing and some of our human assisted and member related data costs.

Since 2019, we have more than doubled our brand marketing investment as we ramped up our national campaigns, and invested significantly in growing our teams as we've integrated acquisitions and scaled content and sales. We have also increased other expense areas such as general and administrative, as part of becoming a public company. These step function increases in operating expense are largely behind us and we expect a more moderate growth rate going forward. User and consequently revenue growth comes in two forms, top of funnel paid users and organic re-engagement throughout the funnel from both new and returning users.

Incremental margins on users coming from top of funnel paid marketing are positive in-quarter, albeit marginal. We view this as a means to an end. Our user acquisitions through paid channels increases future period organic users because a portion of paid visitors register and become engaged members, while another portion have a positive experience with NerdWallet and return organically. Meanwhile, organic users drive an extremely high incremental margin given there's very low cost to serve an incremental user. This leads to our long term financial expectations for NerdWallet.

We believe we can drive long term revenue growth in the range of 15 to 20%. There will be time periods when growth is either above or below those levels as we operate within a financial services industry that will have cyclical dynamics to navigate. But as we look across cycles, this level of compounding growth should be achievable through execution of our growth pillars.

Revenue expectations start with a digital financial services market that is forecasted to outpace GDP growth, with expected near term rates in low double digits. This will be compounded by our ability to take additional market share and drive 5 to 10 points of growth from continued execution in our Land & Expand, Vertical Integration and Registration & Re-engagement pillars. Through profitable revenue growth, we expect to deliver margin accretion as we scale into our cost base. We will do this both and adjusted EBITDA, as well as our recently introduced non-GAAP operating income metric. You can broadly think of non-GAAP OI as adjusted EBITDA burdened by stock based compensation and internally developed software costs capitalized during the period. We believe this metric allows us to account for the full costs of employee compensation, and will be the profitability metric that we hold ourselves accountable to, both internally as operators and with our shareholders.

Our 2026 target for non-GAAP operating income margin is 15% of revenue, which would be roughly 11 points of margin accretion versus our 2023 non-GAAP OI margin of 4%. The majority of our expected margin leverage will come from the relatively fixed cost base that I previously mentioned, as well as from leveraging our nerds and infrastructure to gain scale across our diversified platform. As we've said in the past, we expect brand investment to reach a logical ceiling over the long term. Through 2026, our brand investment should be low double digits as a percentage of annual revenue. While our main profitability metric will be non-GAAP OI, our 2026 target for adjusted EBITDA margin is 24% of revenue.

Our financial expectations underpin our dedication to growing free cash flow per share, both through expected free cash flow per share gains, as well as an opportunistic capital return philosophy.

We will continue to be acquisitive when the timing, opportunity and price are right for accelerating our business growth. And we also plan to opportunistically repurchase our shares. We seek to allocate capital towards uses that drive the highest risk adjusted rate of return. That being said, our strategy will be to apply different discount rates to each form of discretionary capital allocation. For example, share repurchases typically have the lowest discount rate. While there's always uncertainty around our internal views of future free cash flow per share, there tends to be lower operational risk in this allocation of capital.

You can therefore expect us to take a considerate approach to other forms of capital allocation, including testing hypotheses as well as M&A to accelerate our pace of execution. We believe a holistic focus on long term value creation, leveraging our trusted brand and organic reach will deliver the win, win, win Tim spoke about.

Consumers and SMBs have a one stop shop to get unbiased guidance for all their financial decisions. Financial services providers get access to well-informed and highly qualified referrals. And all of us, shareholders and owners of NerdWallet, experience compounding value creation.

Tim Chen (Co-founder & Chief Executive Officer):

At NerdWallet, we're committed to helping consumers and SMBs answer all their money questions. And as we've shared, we're thinking bigger about how we can provide people with the confidence they need to make financial decisions. Similar to the guidance we share with our users, we're growing with the long term in mind. We believe we have competitive advantages and reach and brand that give us an unfair advantage when reinvesting in our business. To get there, we're going to continue relentlessly improving our offerings and our operations to create incredible value for consumers and the business. And I look forward to sharing our journey with you in the years to come.