

Q4 2024

Shareholder Letter



Progress in Growth Pillars



WHERE WE STARTED



LAND & EXPAND

Continued to expand our Medicare guidance, more than doubling revenue year-over-year, while strengthening our audiences on external social and podcast platforms



VERTICAL INTEGRATION

Executed our integration strategy following our acquisition of Next Door Lending, now allowing NerdWallet visitors to compare 60+ wholesale lenders across 20+ states



REGISTRATIONS & DATA-DRIVEN ENGAGEMENT

Ended Q4 2024 with 25 million cumulative Registered Users



WHERE WE'RE GOING



Q4'24 Financial Highlights

19M

Monthly Unique Users (MUUs)
engaging with our content,
tools and marketplaces

(20%)

year-over-year decline in
MUUs as organic traffic
headwinds persisted in Credit
Cards and personal loans

\$183.8M

of revenue delivered

37%

year-over-year revenue growth from
growth in Insurance and banking,
partially offset by headwinds in
Loans and Credit Cards

\$30.8M

Adjusted EBITDA delivered
while strategically investing in
brand awareness, our product
vision and our Nerds

17%

Adjusted EBITDA margin,
down five points versus Q4
2023 as traffic mix pressure
and brand investments put
pressure on margin
percentage despite growth in
Adjusted EBITDA dollars

\$16.8M

Non-GAAP Operating Income

9%

Non-GAAP Operating Income
margin, consistent with Q4
2023



FEBRUARY 19, 2025

Fellow Shareholders:

At NerdWallet, we closed 2024 strong: In Q4, we exceeded our expectations, growing revenue 37% year-over-year to \$184M and delivering \$17M in non-GAAP operating income. We attribute our performance to our ability to deliver on continued consumer and partner demand in Insurance, which grew over 800% year-over-year. We also saw 5% year-over-year growth in banking products despite declining savings account rates as our funnel improvements drove outsized impact versus our expectations.

These wins in Insurance and banking more than offset softness in other parts of our business. As 10-year rates rose throughout the quarter, we saw headwinds across both consumer and SMB lending. While we grew our mortgage business 4% year-over-year, separate from our acquisition of Next Door Lending, the nearly 80 bps increase in 30-year mortgage rates since the beginning of Q4 has tempered our growth expectations for this area of our business. At the same time, our personal loans business ended the year down 51% year-over-year as we focused our efforts on Insurance; however, as we shifted resources exiting the year to capture increased partner and consumer demand, early results suggest a return to year-over-year growth in Q1. With lending remaining tight, we also saw revenue decline year-over-year in SMB, but we expect to see recovery when the broader lending environment improves.

The end of the year is a natural time to reflect on what we have learned and where we go next. In previous letters, I have written to you about NerdWallet's work to build direct, engaged relationships with consumers and SMBs in our Trusted Financial Ecosystem. We are prioritizing driving more engaged users, not more users, and our internal operational focus is aligned with this goal. As we embark on a new year, we are evolving how we talk about our business and performance to better reflect our focus and opportunities.

Specifically, we are transitioning away from an official quarterly Monthly Unique User (MUU) disclosure. While this metric was useful for sizing our opportunity as solely a digital marketplace business, it does not reflect our transition over the past two years towards focusing on higher quality relationships rather than a higher quantity of relationships. Using our acquisition of Next Door Lending to illustrate the opportunity, we believe it will be more valuable to convert even a small percentage of our existing mortgage traffic into a brokerage relationship than to triple our mortgage "learn" traffic. While we are confident that we could



meaningfully grow MUUs year-over-year, this would require reprioritizing our operational focus and would be far less impactful long-term than our Vertical Integration and re-engagement initiatives. Our strategic focus on driving engaged users will also start to influence our thinking about customer acquisition costs: While our core marketplace business will continue to optimize for in-quarter profitability, recent progress in our higher lifetime value-driving growth pillars—Vertical Integration and Registrations & Data-driven Re-engagement—may reorient how we consider and disclose the balance between in-quarter profitability and new customer acquisition costs for those initiatives. .

With that said, we provided trustworthy guidance to 19 million average Monthly Unique Users (MUUs) in Q4., declining 20% on a year-over-year basis. This is consistent with the expectations we shared last quarter, when we anticipated continued headwinds in organic traffic growth to non-monetizing pages. We expect eventual stabilization and a return to growth by early 2026, but in the near term, we foresee the year-over-year decline getting slightly worse in Q1.

I feel confident that we are well positioned to drive significant progress toward our vision in 2025. We have already started with our latest brand activation, debuting a new national campaign at the Super Bowl on February 9th and introducing millions of new consumers to NerdWallet. We also made important strides over the course of 2024 to build direct, engaged relationships with consumers and SMBs, providing us with a solid foundation on which to build this year through additional investments and hypotheses.

PROGRESS IN OUR GROWTH PILLARS: 2024 RECAP

- **Land & Expand:** Our Land & Expand efforts increase the breadth and depth of our guidance, extending NerdWallet’s reach to new categories, geographies, and platforms. In 2024, Land & Expand initiatives saw us firmly establish our presence in Medicare, launch our first comparison shopping marketplaces in Australia, and grow the organic reach of our offsite platforms (e.g., YouTube, TikTok, Smart Money podcast) to 14M views and downloads.
- **Vertical Integration:** Vertical Integration is a key hypothesis for driving engaged users: These experiences pair NerdWallet’s trusted brand and distribution advantage with best-in-class experiences that tend to establish direct relationships with consumers and SMBs, whom we can then re-engage in the future with timely, personalized offers. In 2024, our next step in Vertical Integration was our acquisition of Next Door Lending, a mortgage brokerage.



- **Vertical Integration (cont):** Through this acquisition, we are now able to provide mortgage shoppers in 20+ states with more hands-on guidance. Elsewhere in the business, we continued to relentlessly improve our concierge in SMB, using machine learning to route customers to the appropriate experience for their needs, leveraging AI to improve the team's efficiency, and refining our re-engagement strategy to drive our renewal business.
- **Registrations & Data-driven Engagement:** Similar to Vertical Integration, Registrations & Data-driven Engagement work is geared toward building experiences that encourage consumers and SMBs to register with NerdWallet and connect their data, enabling us to surface personalized guidance and drive future revenue through re-engagement. In early 2024, we launched NerdWallet+, a subscription membership product, which rewards consumers for smart money moves and provides access to unique deals and rates. Subsequently, we have developed engaging features like a treasury bills account and our Insurance Assistant, which analyzes users' existing policies and automatically shops for better options if available. At the same time, we continued investing in paths to register users, growing our cumulative registered user base to 25M in 2024, and in our CRM capabilities to re-engage these registered users.

Q4 2024 BUSINESS HIGHLIGHTS

Looking specifically at Q4, we ended the year strongly with important progress across our growth pillars.

In Land & Expand, our Vertical Expansion efforts focused on open enrollment for Medicare, more than doubling revenue year-over-year, while we also continued to build out our home warranty offerings. We also strengthened our social and Smart Money podcast audiences, providing consumers with helpful guidance on both timely topics like the election and evergreen topics like budgeting. Of particular note, we saw over 200% year-over-year growth in organic video views on Instagram and TikTok following a decision earlier in the year to invest more in this content.

Vertical Integration in Q4 centered primarily on our acquisition of Next Door Lending and executing our integration strategy. This has included integrating Next Door Lending into our digital marketplaces that allow users to match with mortgage providers. In addition, in January we built NerdWallet Mortgage Experts, a NerdWallet-branded experience that enables shoppers to connect with Next Door Lending as an option for those users who prefer a “do it for me” experience to find the right



mortgage for them. Through NerdWallet Mortgage Experts, we believe we can offer consumers the best rates for one of their most complicated transactions by comparing 60 mortgage lenders on their behalf, while also providing best-in-class service through the personalized guidance imparted by our loan officers throughout the process. Meanwhile, in SMB, we continued to fine tune our human-assisted sales concierge even as we faced macro challenges, while building out a registered user experience for SMB owners.

As noted above, we ended the year with a cumulative registered user base of 25M. We also continued to develop our NerdWallet+ membership. Going forward, the team is investigating additional features, including ways to incorporate our Vertical Integration experiences within the NerdWallet+ membership.

Q4 FINANCIAL UPDATE

In Q4, revenue grew 37% year-over-year, primarily driven by continued strength in Insurance as well as a return to growth in banking. While the lending environment remained tight and a headwind for both consumer and SMB Loans as well as Credit Cards, we believe we could see improvement during 2025.

During Q4, we generated \$17 million of non-GAAP operating income, at a 9% margin, and \$31 million of adjusted EBITDA, at a 17% margin, exceeding our expectations as we delivered higher than expected revenue growth and delivered in-quarter expense efficiencies. Despite increasing Q4 brand investment by 81% year-over-year, we were able to hold non-GAAP OI margin flat as we remain on track with the \$30 million in annualized cost reductions that we committed to achieving.

We are committed to delivering growth in non-GAAP operating income dollars and remain confident that the decisions we made to right-size our cost base, combined with continued investment in both brand and long-term product enhancements, will allow us to achieve that. As we look out past 2025, our recent success in paid has allowed us to open up our top-of-funnel at a larger scale but at lower incremental margins. As a result of this traffic mix impact, we are replacing our previously shared 2026 margin percentage target with a margin dollar target as we continue to leverage our brand strength to take share in paid channels. We plan to deliver \$50-\$60 million of non-GAAP OI in 2025 and at least \$80 million in 2026.



Additionally, as we vertically integrate more we are presented with choices between optimizing for near-term non-GAAP OI or future LTV in areas such as SMB loan brokering and mortgage brokering. We will keep you updated as we gain line of sight to new opportunities with high LTV-to-CAC, though do not expect this to be a material impact to our business in the upcoming quarters.

LOOKING AHEAD

Reflecting on the past year and the opportunities ahead, I am incredibly energized by how we have paved the way to build direct, engaged relationships with consumers and SMBs. While 2024 was not without its challenges, we tested and learned at a rapid rate, made key investments, and remained committed to relentless improvement.

Moving forward, I am thrilled to be joined on this journey by our new Chief Financial Officer, John H. Lee, who will succeed Lauren StClair in March. John joins NerdWallet from Divvy Homes, where he served as Chief Financial Officer and Chief Operating Officer. Earlier in his career, John held private equity roles at Blackstone and TPG Capital. I believe his expertise and leadership will help us take the next step in our growth journey as we increasingly pursue Vertical Integration and other re-engagement strategies to help more people in more ways.

Thank you,

Tim Chen

Co-Founder & CEO

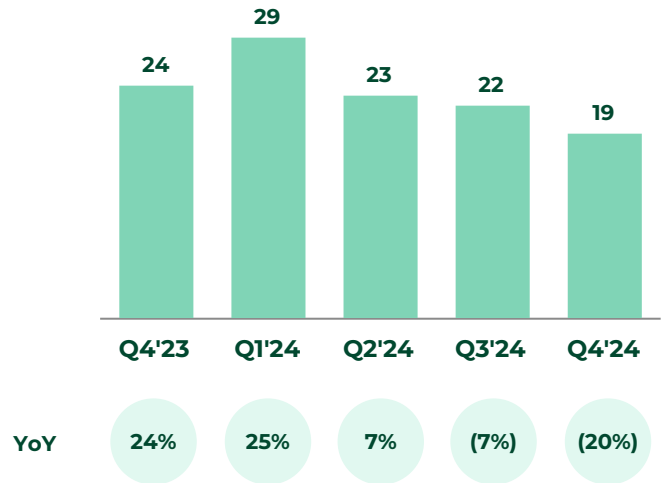
Financial Highlights



Q4 2024 RESULTS
FINANCIAL HIGHLIGHTS

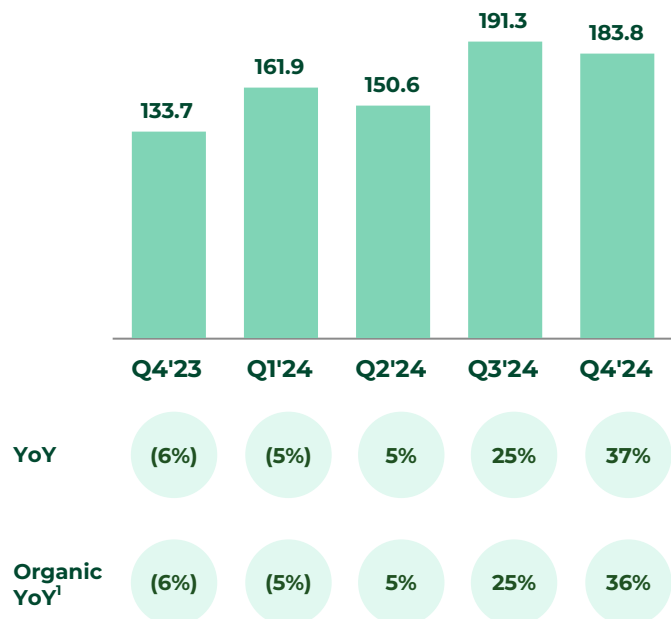
MUUs declined 20% year-over-year. While we saw strength in consumer engagement in areas such as investing and Insurance, broad organic traffic pressure to our non-monetizing “learn” traffic more than offset that growth. MUUs decreased 12% quarter-over-quarter as we saw our normal seasonal cadence amplified by continued organic traffic headwinds. During 2024, MUUs averaged 23 million, growing 1% year-over-year vs 2023 driven by interest in investing and Insurance, offset by organic traffic headwinds that increased throughout the second half of the year.

MONTHLY UNIQUE USERS (MILLIONS)



Q4 year-over-year revenue grew 37% with strength in Insurance and banking, partially offset by pressure in our Loans and Credit Cards verticals. 2024 Full Year Revenue of \$687.6 million grew 15% year-over-year vs 2023.

REVENUE (\$ MILLIONS)



¹ Organic revenue growth excludes the impact of revenue from acquisitions during the 12 months following the acquisition closing date

Q4 2024 RESULTS

SUMMARY FINANCIAL RESULTS

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	THREE MONTHS ENDED			YEAR VS. YEAR
	DEC 31, 2024	DEC 31, 2023		
Revenue	\$ 183.8	\$ 133.7		37%
Insurance ¹	72.0	7.8		821%
Credit cards ²	35.0	43.2		(19%)
SMB products ³	25.5	27.6		(7%)
Loans ⁴	17.6	23.6		(26%)
Emerging verticals ⁵	33.7	31.5		7%
Income from operations	\$ 8.7	\$ 4.6		89%
Net income (loss)	\$ 38.6	\$ (2.3)		NM
Net income (loss) per share				
Basic	\$ 0.52	\$ (0.03)		NM
Diluted	\$ 0.51	\$ (0.03)		NM
Non-GAAP financial measures⁶				
Non-GAAP operating income	\$ 16.8	\$ 12.6		35%
Adjusted EBITDA	\$ 30.8	\$ 29.3		5%
Cash and cash equivalents	\$ 66.3	\$ 100.4		(34%)
Average Monthly Unique Users⁷	19	24		(20%)

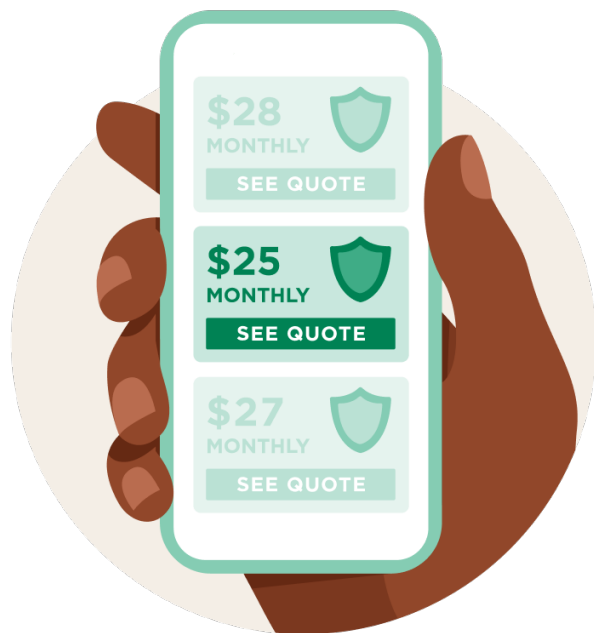
Please refer to our Investor Relations website for a Historical Financial Data spreadsheet that includes access to previously disclosed financial results and metrics. The spreadsheet can be found on the [Quarterly Results](#) section of our website and should be viewed in conjunction with our Quarterly and Annual Reports on Form 10-Q and Form 10-K filed with the Securities and Exchange Commission as they provide additional financial results, transaction details and more context on our operations.

- (1) Insurance revenue consists of revenue from consumer insurance products, including auto, life and pet insurance.
- (2) Credit cards revenue consists of revenue from consumer credit cards.
- (3) SMB products revenue consists of revenue from loans, credit cards and other financial products and services intended for small and mid-sized businesses.
- (4) Loans revenue includes revenue from personal loans, mortgages, student loans and auto loans.
- (5) Emerging verticals revenue includes revenue from other product sources, including banking, investing and international.
- (6) Non-GAAP operating income (loss) and adjusted EBITDA are non-GAAP measures. See "Non-GAAP Financial Measures" for more information.
- (7) We define a Monthly Unique User (MUU) as a unique user with at least one session in a given month as determined by unique device identifiers.

REVENUE

Insurance

Insurance delivered \$72 million of Q4 revenue, an 821% increase year-over-year. Insurance revenue consists of revenue from consumer insurance products, including auto, life and pet insurance. Improving demand from both consumers and partners, as well as our investment in product improvements to better route customers to relevant products, helped deliver substantial revenue growth during the quarter. Full Year 2024 Insurance revenue reached \$192 million, up 326% compared to 2023.



REVENUE

CREDIT CARDS

Credit cards delivered \$35 million of Q4 revenue, a 19% decrease year-over-year. A tight underwriting environment, combined with downward pressure in organic search traffic, continued to weigh on our Q4 results. However, nearing the end of the quarter, we have seen improvements in our organic search and early signals that issuer appetite is improving, continuing to support our belief that these dynamics are temporal and that we will see an eventual recovery. Full Year 2024 Credit cards revenue reached \$176 million, down 16% compared to 2023.



REVENUE

SMB PRODUCTS

SMB products revenue decreased 7% year-over-year to \$26 million in Q4. SMB products revenue consists of loans, credit cards and other financial products and services intended for small and mid-sized businesses. Macroeconomic headwinds continued to put pressure on SMB loan originations, with renewals facing similar pressures due to rising rates. Despite our challenges with SMB loans, we continued to deliver growth in our other product offerings for SMBs, a further proof point that we have a substantial runway for subcategories outside of SMB loans that can provide incremental tailwinds over the long run. Full Year 2024 SMB products revenue reached \$110 million, a 9% increase from 2023.



REVENUE

LOANS

Loans revenue consists of personal, mortgage, student and auto loans. Loans delivered revenue of \$18 million in Q4, down 26% year-over-year. Personal loans declined 51% year-over-year, as high loan rates continued to depress consumer demand and underwriting remained tight. Conversely, mortgage loans partially offset personal loans with growth of 52% year-over-year, primarily attributable to our Next Door Lending acquisition and continued strength in home equity products as consumers access record levels of equity in their homes. While we still have not yet seen significant benefits from rate decreases, we continued to invest in product improvements to be in a prime position to take advantage of increased loan demand should the rate environment become more favorable. Full Year 2024 Loans revenue reached \$85 million, a 17% decrease from 2023.



REVENUE

EMERGING VERTICALS

Emerging verticals revenue increased 7% year-over-year to \$34 million in Q4. Emerging verticals revenue includes revenue from other product sources, including banking, investing and international. Banking revenue was up 5% year-over-year, an uptick from prior quarters, as the gradual decline in interest rates generated more demand for consumer re-shopping. Full Year 2024 Emerging verticals revenue reached \$125 million, a 12% decrease from 2023.



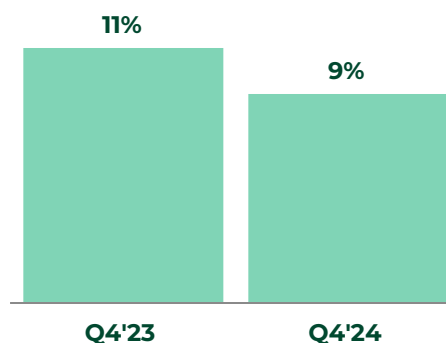
OPERATING EXPENSES

(\$ MILLIONS)	Q4'23	Q4'24	% CHANGE
Cost of revenue	\$ 13.8	\$ 16.7	20%
Research & development	20.3	16.1	(20%)
Sales & marketing	80.4	128.5	60%
General & administrative	14.6	13.8	(6%)
Total costs & expenses	\$ 129.1	\$ 175.1	36%

COST OF REVENUE

Cost of Revenue increased 20% year-over-year and was 2 points lower as a percentage of our Revenue. The increase versus prior year was primarily driven by an increase in third-party service charges. Full Year 2024 Cost of Revenue increased 17% versus 2023 and were 9% of revenue.

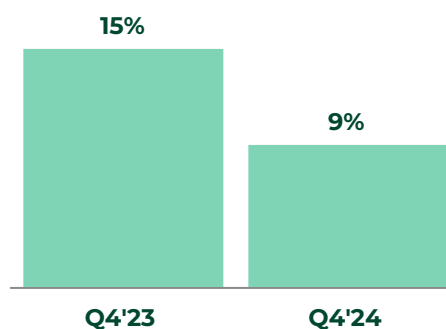
COST OF REVENUE AS % OF REVENUE



RESEARCH & DEVELOPMENT

Research & Development expenses were down 20% year-over-year and were 6 points lower as a percentage of our Revenue. The decrease versus prior year was primarily driven by lower personnel-related costs. Full Year 2024 R&D expenses increased 3% versus 2023 and were 12% of revenue.

RESEARCH & DEVELOPMENT AS % OF REVENUE

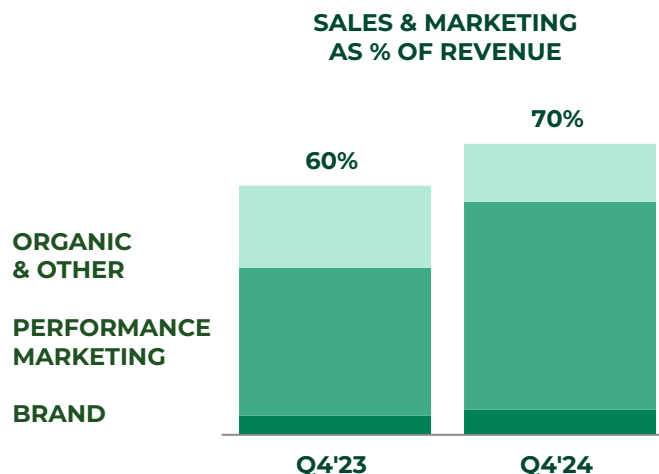


OPERATING EXPENSES

SALES & MARKETING

Sales & Marketing expenses increased 60% year-over-year and were 10 points higher as a percentage of our Revenue.

Sales & Marketing expense was comprised of \$11 million in Brand marketing, \$91 million in Performance marketing, and \$26 million in Organic & other. Our Brand marketing creates a “halo effect” across all marketing channels as we aim to improve our ability to remain top-of-mind with consumers. As a reminder, our investment in Brand marketing will have significant seasonal margin impacts as optimal timing for campaign effectiveness is not consistent across our fiscal quarters.



Performance marketing continues to be an effective channel for us to drive traffic and engagement to the NerdWallet platform, diversifying from our strong organic traffic base. For the full year, over 70% of our traffic came from direct or unpaid sources.

Organic & other expenses, primarily personnel-related costs, decreased versus the prior year driven by lower personnel-related costs, partially offset by restructuring expenses. We continue to efficiently execute on both our “Land and Expand” and “Vertical Integration” strategies.

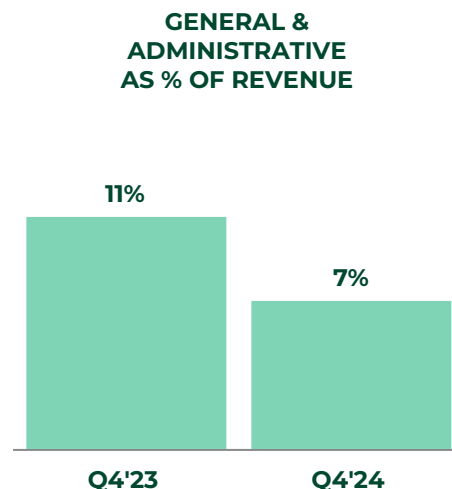
Taking a broader look at our Sales & Marketing investments through the lens of fixed versus variable costs: 37% of our full year 2024 Sales & Marketing investments were fixed in nature, mainly comprising headcount and Brand expenses. Generally, our fixed costs drive organic traffic, which has a high incremental margin; given that there is little cost associated with serving an incremental organic visitor, we should be able to deliver margin leverage as organic traffic scales and these costs remain relatively fixed. Conversely, performance marketing costs were 63% of our Sales & Marketing investment and while paid visitors have a lower incremental margin, we strive to be in-quarter profitable on average.

Full Year 2024 Sales & Marketing expenses increased 17% versus 2023 and were 69% of Revenue.

OPERATING EXPENSES

GENERAL & ADMINISTRATIVE

General & Administrative expenses decreased 6% year-over-year and were 4 points lower as a percentage of our Revenue. The decrease versus prior year was primarily driven by an impairment of a right-of-use asset in prior year and lower personnel-related costs in current period. Full Year 2024 G&A expenses increased 3% versus 2023 and were 9% of revenue.



BALANCE SHEET, LIQUIDITY & CAPITAL ALLOCATION

Our balance sheet and liquidity position remain strong. We ended the fourth quarter with \$66.3 million of cash on hand and no debt. We also ended the fourth quarter with \$25.0 million remaining in share repurchase authorization.

During the fourth quarter we experienced a \$27.2 million one-time release of a valuation allowance on certain deferred tax assets after positive indicators, including profitability, improved in recent years. With the release of the valuation allowance, we recognized corresponding deferred tax assets, primarily comprised of capitalized research and development costs, on our balance sheet.

FINANCIAL OUTLOOK

Q1 revenue: \$187-\$193 million; representing 17% increase year-over-year at the midpoint

Q1 GAAP operating loss: \$(12)-\$(8) million

Q1 non-GAAP operating income (loss): \$(3)-\$0 million

Q1 adjusted EBITDA: \$10-\$13 million

We expect a 2025 annual GAAP operating income in the range of \$21-\$31 million and non-GAAP operating income in the range of \$50-\$60 million. We also expect a 2025 annual adjusted EBITDA in the range of \$106-\$116 million.

We are also replacing our previously shared 2026 margin percentage target with a margin dollar target. We expect to deliver at least \$60 million of GAAP operating income, \$80 million of non-GAAP operating income and \$140 million of adjusted EBITDA in 2026.

NerdWallet has not provided a quantitative reconciliation of forecasted GAAP net income (loss) to forecasted adjusted EBITDA within this communication because the Company is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include, but are not limited to, income taxes which are directly impacted by unpredictable fluctuations in the market price of the Company's capital stock. These items, which could materially affect the computation of forward-looking GAAP net income (loss), are inherently uncertain and depend on various factors, many of which are outside of NerdWallet's control.

A reconciliation of forecasted GAAP operating loss to forecasted non-GAAP operating income (loss) for the forecasted first quarter 2025, and of forecasted GAAP operating income to forecasted non-GAAP operating income for forecasted full year 2025 and 2026, is as follows:

	Forecasted First Quarter 2025	Forecasted Full Year 2025	Forecasted Full Year 2026
<i>(in millions)</i>			
	Operating Income (Loss)	Operating Income	Operating Income
GAAP	\$(12) - \$(8)	\$21 - \$31	\$60
Estimated adjustments for:			
Depreciation and amortization	12 - 13	47 - 51	42 - 46
Acquisition-related retention	1	2	—
Capitalized internally developed software costs	(5)	(20) - (24)	(22) - (26)
Non-GAAP	\$(3) - \$0	\$50 - \$60	\$80

For more information regarding the non-GAAP financial measures discussed in this communication, please see “Non-GAAP Financial Measures” below.

QUARTERLY CONFERENCE CALL

A conference call to discuss NerdWallet's fourth quarter 2024 financial results will be webcast live today, February 19, 2025 at 1:30 PM Pacific Time (PT). The live webcast is open to the public and will be available on NerdWallet's Investor Relations website at <https://investors.nerdwallet.com>. Following completion of the call, a recorded replay of the webcast will be available on NerdWallet's Investor Relations website.

Appendix



FORWARD-LOOKING STATEMENTS

This letter to shareholders contains forward-looking statements about us and our industry that involve significant risks and uncertainties. Except for statements of historical facts, all statements contained in this letter are forward-looking, including, but not limited to, the statements in the section titled “Financial Outlook.” These statements often contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or similar terms, including their negatives. These forward-looking statements include, but are not limited to, statements regarding:

- the impact of macroeconomic developments, including inflation, interest rates, credit market conditions and overall economic uncertainty on our business, operating results, financial condition and stock price;
- our expectations regarding our future financial and operational performance, including total revenue, cost of revenue, non-GAAP operating income (loss), adjusted EBITDA and MUUs;
- our ability to grow traffic and user engagement on our platform;
- expected returns on marketing investments and brand campaigns;
- consumer demand for the products on our platform;
- our ability to increase user registrations and improve repeat usage rates;
- conversion of consumers into matches with financial services partners;
- expansion within existing and new verticals;
- geographic expansion;
- maintaining and expanding relationships with financial services partners and identifying new financial services partners;
- developing efficient and scalable technical capabilities to provide personalized guidance and engage users;
- enhancing our brand awareness and consumer trust;
- producing high quality, engaging consumer resources;
- adapting to the evolving financial interests of consumers;
- competing effectively in existing and new markets;
- maintaining the security and availability of our platform;
- protecting and enhancing our intellectual property portfolio;
- attracting and retaining highly skilled, diverse talent;
- complying with laws and regulations that currently apply or may apply in the future to our business;
- the adequacy of our cash, cash equivalents, and investments to meet liquidity needs;
- managing growth, scaling infrastructure and preserving our corporate culture;
- identifying, executing, and integrating acquisitions successfully; and
- achieving expected synergies, accretive value and other benefits from completed acquisitions;

These forward-looking statements should not be relied upon as predictions or guarantees of future events. They are based on our current expectations, estimates, and projections regarding future events and trends that may affect our business, financial condition and operating results. However, these expectations are subject to various risks, uncertainties, and assumptions, including those described in filings we make with the SEC from time to time.

Our industry is highly competitive and rapidly evolving, and new risks and uncertainties may arise that we cannot predict. As a result, actual results, events, or circumstances may differ materially from those reflected in our forward-looking statements.

The forward-looking statements made in this letter speak only as of the date hereof. We undertake no obligation to update any such statements made in this letter to reflect subsequent events, new information, unexpected developments, except as required by law. These statements also do not account for potential impacts from future acquisitions, mergers, dispositions, joint ventures, or investments.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS UNAUDITED

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	THREE MONTHS ENDED			YEAR ENDED		
	DEC 31, 2024	DEC 31, 2023	% CHANGE	DEC 31, 2024	DEC 31, 2023	% CHANGE
Revenue	\$ 183.8	\$ 133.7	37%	\$ 687.6	\$ 599.4	15%
Costs and Expenses:						
Cost of revenue	16.7	13.8	20%	63.5	54.0	17%
Research and development	16.1	20.3	(20%)	82.5	80.5	3%
Sales and marketing	128.5	80.4	60%	470.6	401.5	17%
General and administrative	13.8	14.6	(6%)	61.6	59.8	3%
Total costs and expenses	175.1	129.1	36%	678.2	595.8	14%
Income From Operations	8.7	4.6	89%	9.4	3.6	161%
Other income (expense), net:						
Interest income	0.6	0.9	(36%)	4.8	3.6	33%
Interest expense	(0.2)	(0.2)	(1%)	(0.7)	(0.8)	(8%)
Other losses, net	(8.4)	—	NM	(8.5)	(0.1)	NM
Total other income (expense), net	(8.0)	0.7	NM	(4.4)	2.7	NM
Income before income taxes	0.7	5.3	(87%)	5.0	6.3	(21%)
Income tax provision (benefit)	(37.9)	7.6	NM	(25.4)	18.1	NM
Net Income (Loss)	\$ 38.6	\$ (2.3)	NM	30.4	(11.8)	NM
Net Income (Loss) Per Share Attributable to Common Stockholders						
Basic	\$ 0.52	\$ (0.03)	NM	\$ 0.40	\$ (0.15)	NM
Diluted	\$ 0.51	\$ (0.03)	NM	\$ 0.38	\$ (0.15)	NM
Weighted-average Shares Used in Computing Net Income (Loss) Per Share Attributable to Common Stockholders						
Basic	73.7	76.5		76.5	76.7	
Diluted	75.6	76.5		78.9	76.7	

NON-GAAP FINANCIAL MEASURES

We use non-GAAP operating income (loss) and adjusted EBITDA in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our Board of Directors concerning our financial performance.

Non-GAAP operating income (loss): We define non-GAAP operating income (loss) as income (loss) from operations adjusted to exclude depreciation and amortization, and further exclude (1) impairment of right-of-use asset, (2) losses (gains) on disposals of assets, (3) change in fair value of contingent consideration related to earnouts, (4) deferred compensation related to earnouts, (5) acquisition-related costs and (6) restructuring charges. We also reduce income from operations, or increase loss from operations, for capitalized internally developed software costs.

Adjusted EBITDA: We define adjusted EBITDA as net income (loss) from continuing operations adjusted to exclude depreciation and amortization, interest income (expense), net, other gains (losses), net, and provision (benefit) for income taxes, and further exclude (1) impairment of right-of-use asset, (2) losses (gains) on disposals of assets, (3) change in fair value of contingent consideration related to earnouts, (4) deferred compensation related to earnouts, (5) stock-based compensation, (6) acquisition-related costs and (7) restructuring charges.

The above items are excluded from our non-GAAP operating income (loss) and adjusted EBITDA measures because these items are non-cash in nature, or because the amounts are not driven by core operating results and renders comparisons with prior periods less meaningful. We deduct capitalized internally developed software costs in our non-GAAP operating income (loss) measure to reflect the cash impact of personnel costs incurred within the time period.

We believe that non-GAAP operating income (loss) and adjusted EBITDA provide useful information to investors and others in understanding and evaluating our operating results and in comparing operating results across periods. Moreover, non-GAAP operating income (loss) and adjusted EBITDA are key measurements used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. However, the use of these non-GAAP measures have certain limitations because they do not reflect all items of income and expense that affect our operations. Non-GAAP operating income (loss) and adjusted EBITDA have limitations as financial measures, should be considered as supplemental in nature, and are not meant as substitutes for the related financial information prepared in accordance with GAAP. These limitations include the following:

- Non-GAAP operating income (loss) and adjusted EBITDA exclude certain recurring, non-cash charges, such as amortization of software, depreciation of property and equipment, amortization of intangible assets, impairment of right-of-use asset, and (losses) gains on disposals of assets. Although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and non-GAAP operating income (loss) and adjusted EBITDA do not reflect all cash requirements for such replacements or for new capital expenditure requirements;
- Non-GAAP operating income (loss) and adjusted EBITDA exclude acquisition-related costs, including acquisition-related retention compensation under compensatory retention agreements with certain key employees, acquisition-related transaction expenses, contingent consideration fair value adjustments related to earnouts, and deferred compensation related to earnouts;
- Non-GAAP operating income (loss) and adjusted EBITDA exclude restructuring charges primarily consisting of severance payments, stock-based compensation, employee benefits, and related expenses for impacted employees, as well as contract termination costs, associated with our Restructuring Plan;
- Adjusted EBITDA excludes stock-based compensation, including for acquisition-related inducement awards, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy; and
- Adjusted EBITDA does not reflect interest income (expense) and other gains (losses), net, which include unrealized and realized gains and losses on foreign currency exchange, as well as certain nonrecurring gains (losses).

In addition, non-GAAP operating income (loss) and adjusted EBITDA as we define them may not be comparable to similarly titled measures used by other companies. Because of these limitations, you should consider non-GAAP operating income (loss) and adjusted EBITDA alongside other financial performance measures, including income (loss) from operations, net income (loss), and our other GAAP results.

NON-GAAP FINANCIAL MEASURES

We compensate for the limitations on the prior page by reconciling non-GAAP operating income (loss) to income (loss) from operations, and adjusted EBITDA to net income (loss), the most comparable respective GAAP financial measures, as follows:

(IN MILLIONS)	THREE MONTHS ENDED			YEAR ENDED		
	DEC 31, 2024	DEC 31, 2023	% CHANGE	DEC 31, 2024	DEC 31, 2023	% CHANGE
Income from operations	\$ 8.7	\$ 4.6	89%	\$ 9.4	\$ 3.6	161%
Depreciation and amortization	11.4	12.2	(6%)	48.4	48.2	0%
Acquisition-related retention	0.9	1.3	(33%)	4.2	5.3	(21%)
Impairment of right-of-use asset	—	1.4	(100%)	—	1.4	(100%)
Loss on disposal of assets	—	0.2	(99%)	—	0.2	(90%)
Acquisition-related expenses	—	0.1	NM	0.6	0.1	292%
Restructuring	1.2	—	NM	9.0	—	NM
Capitalized internally developed software costs	(5.4)	(7.2)	(26%)	(24.0)	(32.4)	(26%)
Non-GAAP operating income	\$ 16.8	\$ 12.6	35%	\$ 47.6	\$ 26.4	80%
Operating income margin	5%	3%		1%	1%	
Non-GAAP operating income margin ¹	9%	9%		7%	4%	
Net income (loss)	\$ 38.6	\$ (2.3)	NM	\$ 30.4	\$ (11.8)	NM
Depreciation and amortization	11.4	12.2	(6%)	48.4	48.2	0%
Stock-based compensation	8.6	9.5	(10%)	36.3	38.8	(7%)
Acquisition-related retention	0.9	1.3	(33%)	4.2	5.3	(21%)
Impairment of right-of-use asset	—	1.4	(100%)	—	1.4	(100%)
Loss on disposal of assets	—	0.2	(99%)	—	0.2	(90%)
Acquisition-related expenses	—	0.1	NM	0.6	0.1	292%
Restructuring	1.2	—	NM	9.0	—	NM
Interest income, net	(0.4)	(0.7)	(44%)	(4.1)	(2.8)	44%
Other losses, net	8.4	—	NM	8.5	0.1	NM
Income tax provision (benefit)	(37.9)	7.6	NM	(25.4)	18.1	NM
Adjusted EBITDA	\$ 30.8	\$ 29.3	5%	\$ 107.9	\$ 97.6	10%
Stock-based compensation	(8.6)	(9.5)	(10%)	(36.3)	(38.8)	(7%)
Capitalized internally developed software costs	(5.4)	(7.2)	(26%)	(24.0)	(32.4)	(26%)
Non-GAAP operating income	\$ 16.8	\$ 12.6	35%	\$ 47.6	\$ 26.4	80%
Net income (loss) margin	21%	(2%)		4%	(2%)	
Adjusted EBITDA margin ²	17%	22%		16%	16%	

(1) Represents non-GAAP operating income (loss) as a percentage of revenue.

(2) Represents adjusted EBITDA as a percentage of revenue.

CONDENSED CONSOLIDATED BALANCE SHEETS UNAUDITED

(IN MILLIONS)	DEC 31, 2024 DEC 31, 2023	
Assets		
Current assets:		
Cash and cash equivalents	\$ 66.3	\$ 100.4
Accounts receivable—net	102.2	75.5
Prepaid expenses and other current assets	28.2	22.5
Total current assets	196.7	198.4
Property, equipment and software—net	43.0	52.6
Goodwill	112.4	111.5
Intangible assets—net	33.3	46.9
Deferred tax asset—noncurrent	45.6	—
Right-of-use assets	5.3	7.2
Other assets	1.3	2.0
Total Assets	\$ 437.6	\$ 418.6
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 8.9	\$ 1.7
Accrued expenses and other current liabilities	51.2	35.6
Total current liabilities	60.1	37.3
Other liabilities—noncurrent	13.3	14.4
Total liabilities	73.4	51.7
Commitments and contingencies		
Stockholders' equity	364.2	366.9
Total Liabilities and Stockholders' Equity	\$ 437.6	\$ 418.6

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS UNAUDITED

(IN MILLIONS)

TWELVE MONTHS ENDED DECEMBER 31,	2024	2023
Operating Activities:		
Net income (loss)	\$ 30.4	\$ (11.8)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	48.4	48.2
Stock-based compensation	37.7	38.8
Deferred taxes	(46.1)	(0.5)
Non-cash lease costs	2.2	2.8
Other losses, net	8.6	2.9
Changes in operating assets and liabilities, net of business combination:		
Accounts receivable	(27.0)	10.7
Prepaid expenses and other assets	(1.8)	(4.4)
Mortgage loans held for sale	2.1	—
Accounts payable	6.6	(1.8)
Accrued expenses and other current liabilities	12.5	(2.4)
Payment of contingent consideration	—	(14.0)
Operating lease liabilities	(3.4)	(3.1)
Other liabilities	1.6	6.7
Net cash provided by operating activities	71.8	72.1
Investing Activities:		
Purchase of investment	(8.1)	—
Capitalized software development costs	(20.7)	(28.8)
Purchase of property and equipment	(0.6)	(0.7)
Business combination, net of cash acquired	(0.3)	—
Net cash used in investing activities	(29.7)	(29.5)
Financing Activities:		
Payment of contingent consideration	—	(16.9)
Net repayment on warehouse line of credit	(2.0)	—
Proceeds from line of credit	—	7.5
Payments on line of credit	—	(7.5)
Payment of debt issuance costs	—	(1.4)
Proceeds from exercise of stock options	6.3	10.2
Issuance of Class A common stock under Employee Stock Purchase Plan	1.4	3.0
Tax payments related to net-share settlements on restricted stock units	(2.1)	(1.1)
Repurchase of Class A common stock	(80.1)	(20.0)
Net cash used in financing activities	(76.5)	(26.2)
Effect of exchange rate changes on cash and cash equivalents	0.3	0.1
Net increase (decrease) in cash and cash equivalents	(34.1)	16.5
Cash and Cash Equivalents:		
Beginning of period	100.4	83.9
End of period	\$ 66.3	\$ 100.4

