



**lendingtree**<sup>®</sup>



**Needham Growth Conference**  
January 10, 2017



Contact Investor Relations at (877) 640-4856 or [investors@lendingtree.com](mailto:investors@lendingtree.com)

# Forward Looking Statements



## Forward Looking Statements

Certain statements herein are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Statements contained herein that are not clearly historical in nature are forward-looking. In many cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or the negative of these terms or other comparable terminology. These forward-looking statements speak only as of the date hereof and are based on the Company’s current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond the Company’s control. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ significantly from those expressed in any forward-looking statements in the presentation. You should consider the risks in the Company’s periodic reports filed with the U.S. Securities and Exchange Commission (the “SEC”), including those described under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements”. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented herein and we do not intend to update any of these forward-looking statements except as may be required by applicable law.

## Non-GAAP Financial Measures

This presentation includes unaudited non-GAAP financial measures, including Adjusted EBITDA, and the ratios based on these financial measures. We present non-GAAP measures herein because our management believes that such information provides useful information about our operating performance. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See the Appendix for a reconciliation of non-GAAP financial measures to the comparable GAAP measures.

## Industry Data

This presentation also contains industry data, forecasts and other information that we obtained from industry publications and surveys, public filings and internal company sources. Statements as to our ranking, market position and market estimates are based on independent industry publications, government publications, third-party forecasts and management’s estimates and assumptions about our markets and our internal research. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors.

# Proven Leadership Team



**Doug Lebda**  
*Chief Executive Officer  
& Founder*



**Gabe Dalporto**  
*Chief Financial Officer*



**Neil Salvage**  
*President*



**Nikul Patel**  
*Chief Product &  
Strategy Officer*



**Sam Yount**  
*Chief Marketing Officer*



**Paul Tyma**  
*Chief Technology Officer*



**Claudette Parham**  
*Chief People Officer*



**Kate Pierce**  
*SVP, General Counsel*



**Carla Shumate**  
*Chief Accounting Officer*





1996      2000      2003      2008      2012      2012-16      Today      Tomorrow





## Leading Online Loan Marketplace

#1 in Mortgages; Leading Player in Credit Cards, Personal Loans, Auto Loans, Small Business Loans and Student Loans



## Dominant Brand Drives Sustainable Competitive Advantage and Expansion Opportunities



## Massive Industry Shift to Online

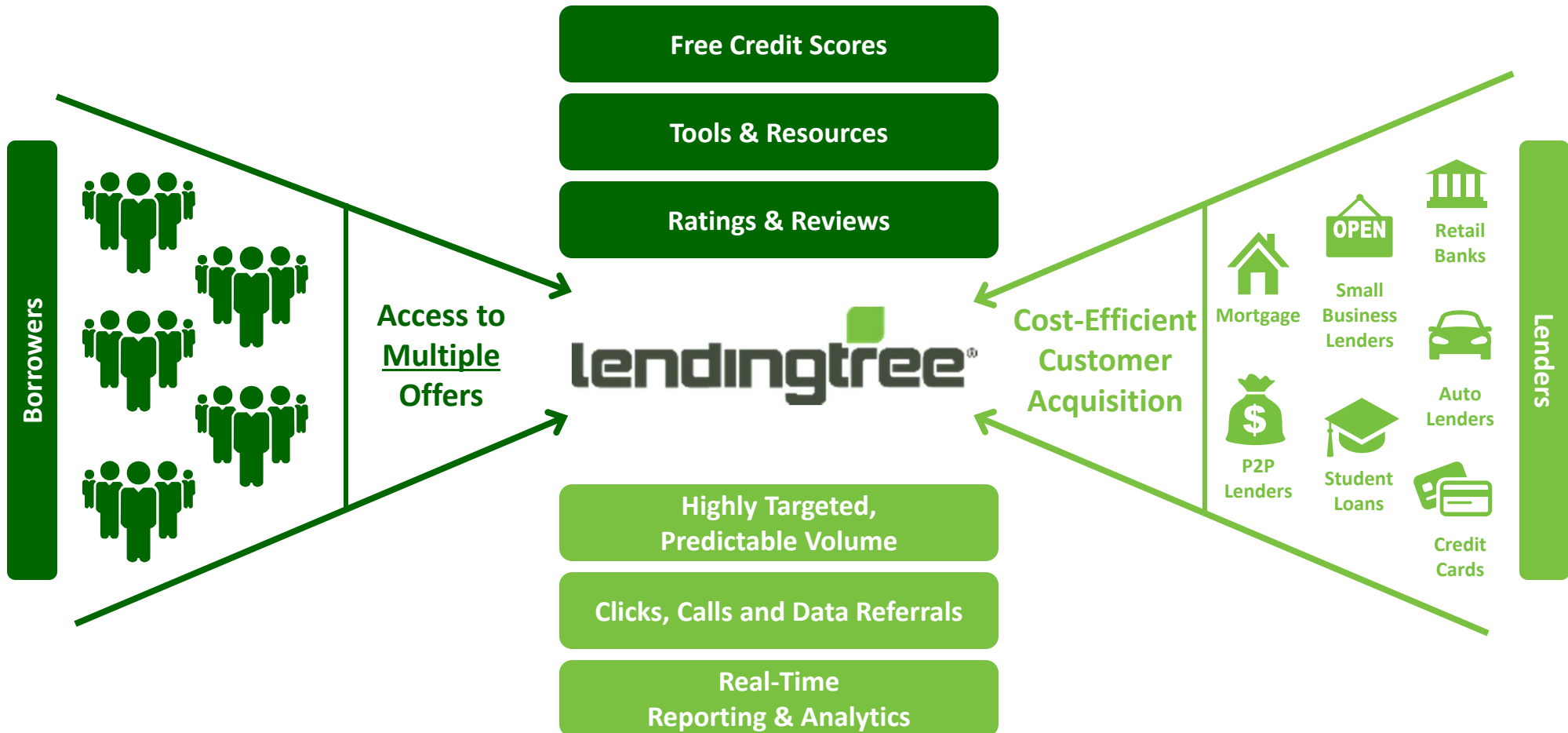


## Robust Growth and Profitability

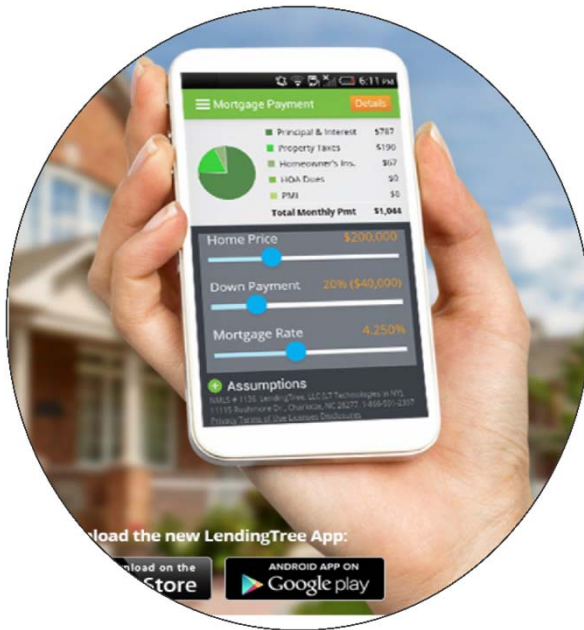


## Results Driven Leadership Team with Proven Track Record

## An Online Marketplace Enabling Consumers and Lenders to Shop for Each Other



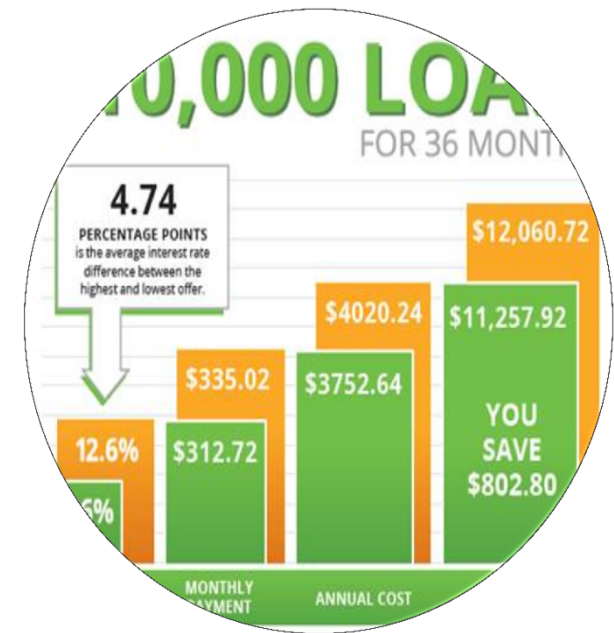
## Easy Three Minute Process



## Live Competitive Quotes

	3 Year Term	4 Year Term	5 Year Term	
<b>omPlus</b>				
★★★★★ (12)	\$10,000	8.47%	\$316	3 Year
All Offers	Amount	7.49% APR Rate	Est. Payment	Term
<b>Prosper Marketplace Inc</b>				
★★★★★ (679)	\$10,000	8.35%	\$309	3 Years
All Offers	Amount	6.98% APR Rate	Est. Payment	Term
<b>Lending Club</b>				
★★★★★ (552)	\$10,000	8.61%	\$308	3 Years
All Offers	Amount	6.89% APR Rate	Est. Payment	Term
<b>opot, LLC</b>				
★★★★★ (357)	\$10,000	9.68%	\$310	
All Offers	Amount	7.25% APR Rate	Est. Payment	

## Proven Savings



*Intuitive Mobile Experience*

# Unparalleled Scale and Brand



**\$27bn+**

Annual Loan Originations  
Facilitated<sup>(1)</sup>



**450+**

Strategic Relationships  
with Top Tier Lenders



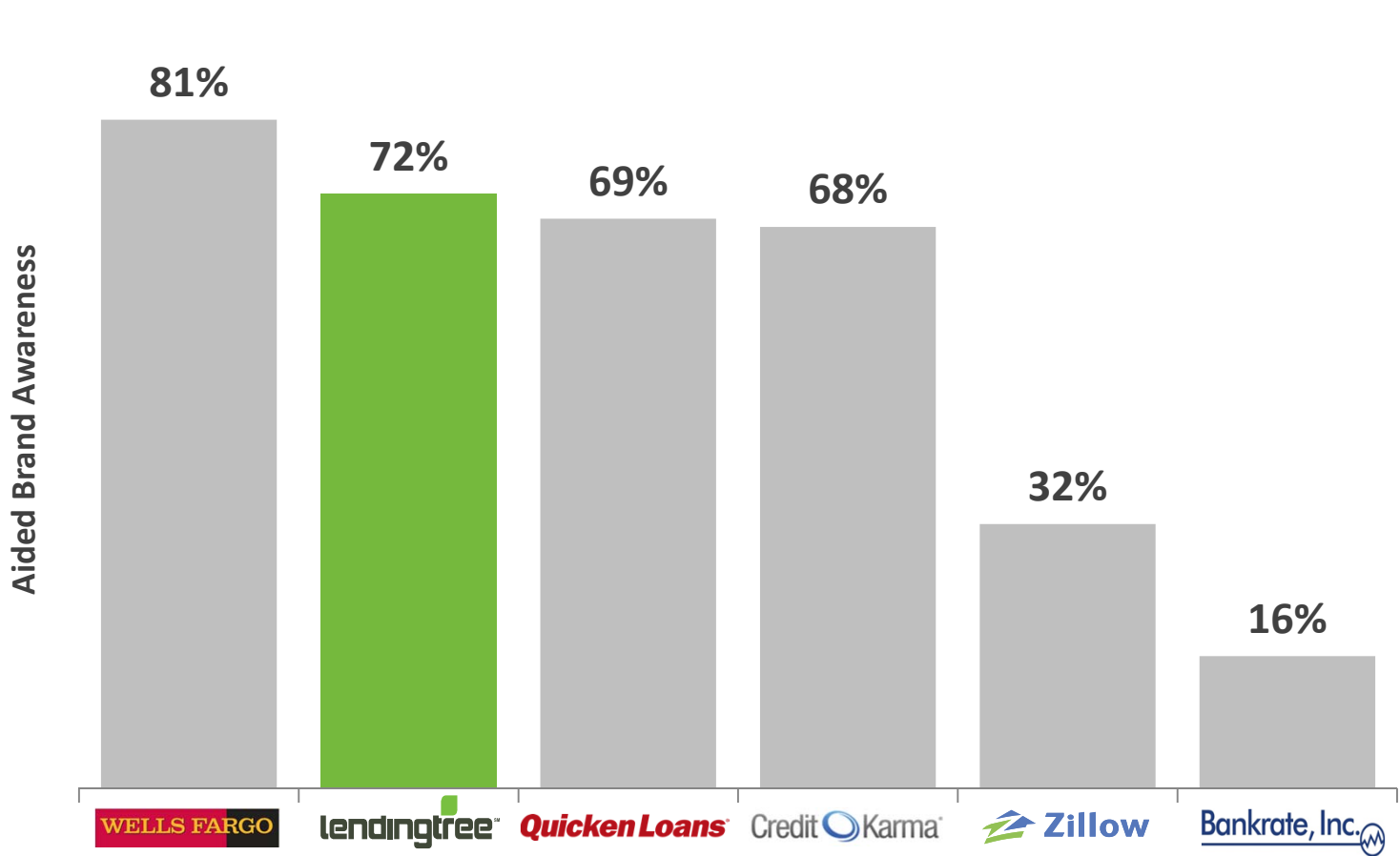
**~\$1.5bn**

Lifetime Brand  
Investment

1) Last 12 months originations based on lender-reported funding data and internal estimates.



~\$1.5 billion Lifetime Brand Investment



↑ Click Through Rate



↑ Conversion Rate



↑ Revenue Per Lead



**Our Sustainable  
Competitive  
Advantage**

Source: LendingTree Consumer Research Study conducted by Brand Canvas in Q1 2016. 639 total online interview respondents were familiar with financial services and recruited to participate in a 28-minute online interview exploring current awareness, impressions, product knowledge, purchase intent, satisfaction, net promoter scores, attributes, personality metrics and ad awareness of LendingTree and competitors. Sample for all weeks was balanced on age, gender, household makeup, income, online behavior and primary decision maker. Respondents were required to have at least a moderate propensity to transact for financial products online to qualify for survey.

# Large Scale, Fully Diversified Marketing Mix

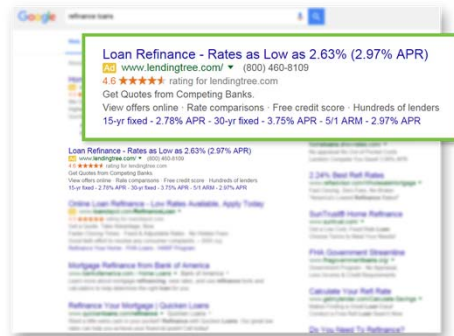


## Fully Mobile-Enabled Marketing Strategy to Strengthen Brand and Leadership

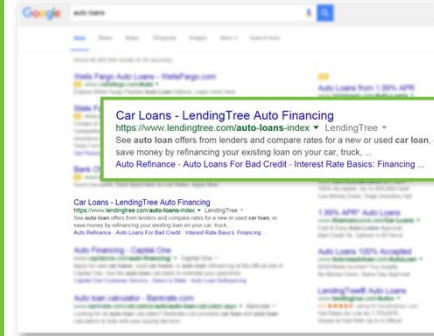
### Television



### SEM



### SEO



### Display

Compare Mortgage Offers in Minutes

Select Loan Amount  
\$325,000

Mortgage Rates Hit  
**2.88% APR**

15-Year Fixed	3.13% APR
30-Year Fixed	3.99% APR
5/1 ARM	2.88% APR

Calculate Payment

Terms & Conditions apply. NMLS#1138

### Partnerships



From our partners

Healthgrades

LendingTree

Mortgage rates hit 2.78% APR (15 yr). See if you're eligible

Cut credit card debt with a 5.99% APR loan

See your credit score w/o harming it. Free

Why waiting to refinance could cost you \$21k

The fastest way to pay off \$10,000 in credit card debt

### Native Advertising

The plane is envisioned as the eventual successor to the It's being designed to carry both guided conventional and long-range nuclear cruise missile.

Read More Air Force, Lockheed Martin Corp, Northrop Grumman Co Risk Reduction

#### From The Web



Go Digital or Go Home: Why Your Company Needs a Digital Supply...  
DSI Global



An Extremely Brilliant Way To Pay Off Your Mortgage  
Lending Tree

### Social Media

facebook

twitter

Instagram

LinkedIn

Small Business Loans

Get Small Business Funding FAST

### Email

You have a savings alert on your [year], [make], [model]

You can lower your monthly payment by \$20.00 per month!

Existing Loan Payment: 2.12% APR, \$250/mo, 52 months

Monthly savings of \$30.00

Overall loan increase of \$2

Now, take charge of your financial life by creating an account to track your credit scores. Don't be part of the majority who doesn't know their own credit score!

59.1% of Americans stated they do not know their credit score!

Create Account

# Partnering with Top Tier Lenders Across the Spectrum

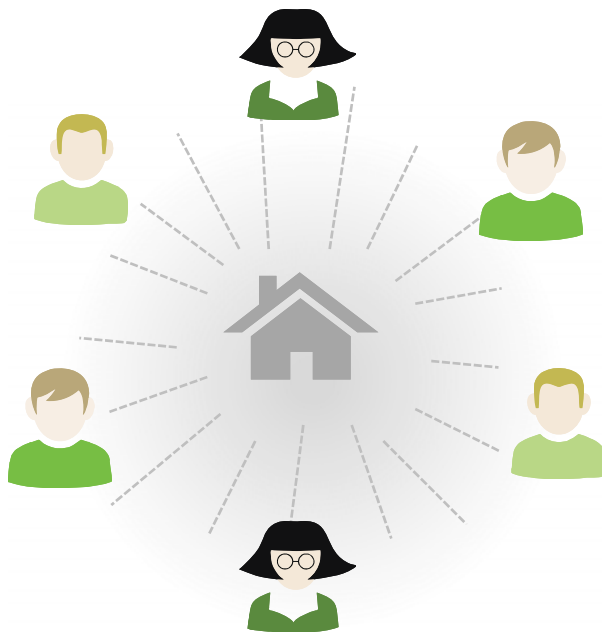


# Increasing Consumer Lifetime Value Through My LendingTree



## From the Old Transaction Model...

Periodic, mortgage-centric transactions



## ...To the New Relationship Model

Recurring, highly diversified transactions



**Building Strong, Recurring User Engagement**

## My LendingTree

- Product Breadth & Smart Alerts Driving Customer Retention
- Delivering Engaging Consumer Experiences
- Proactive Savings Recommendations Through Rich Data & Analytics
- Providing Leverage to Paid Marketing

## My LendingTree Cumulative User Growth

4.0+ million users



- Leveraging data to provide real time, market-based pricing and savings alerts



- Seamless transaction



- Delivering targeted transaction-ready consumers to lenders

Source: Internal data.



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**Our Market Opportunity**

## Leveraged Squarely to Key Consumer Trends



**Simplification**

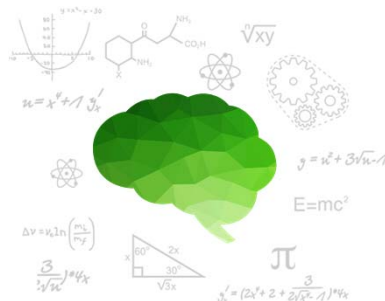


**Transparency**

Lender 1	Lender 2	Lender 3
7.16%	7.28%	7.19%
8.55%	8.45%	8.24%
\$1	\$	\$5,000
		\$122/mo.
		\$188/mo.
		\$7,000

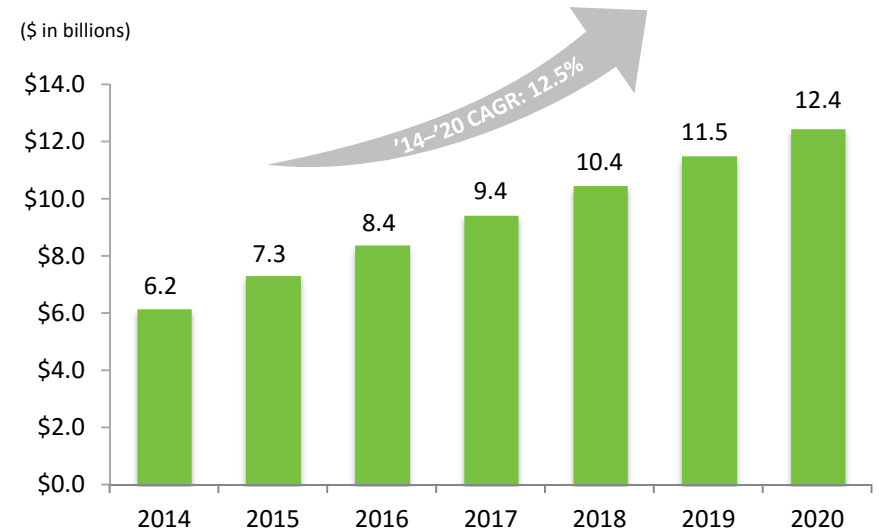


**Insights**



## Benefiting From Secular Shift Towards Online

### US Financial Services Industry Digital Ad Spend<sup>(1)</sup>



Digital ad spending by the financial services industry should continue to grow at a healthy clip



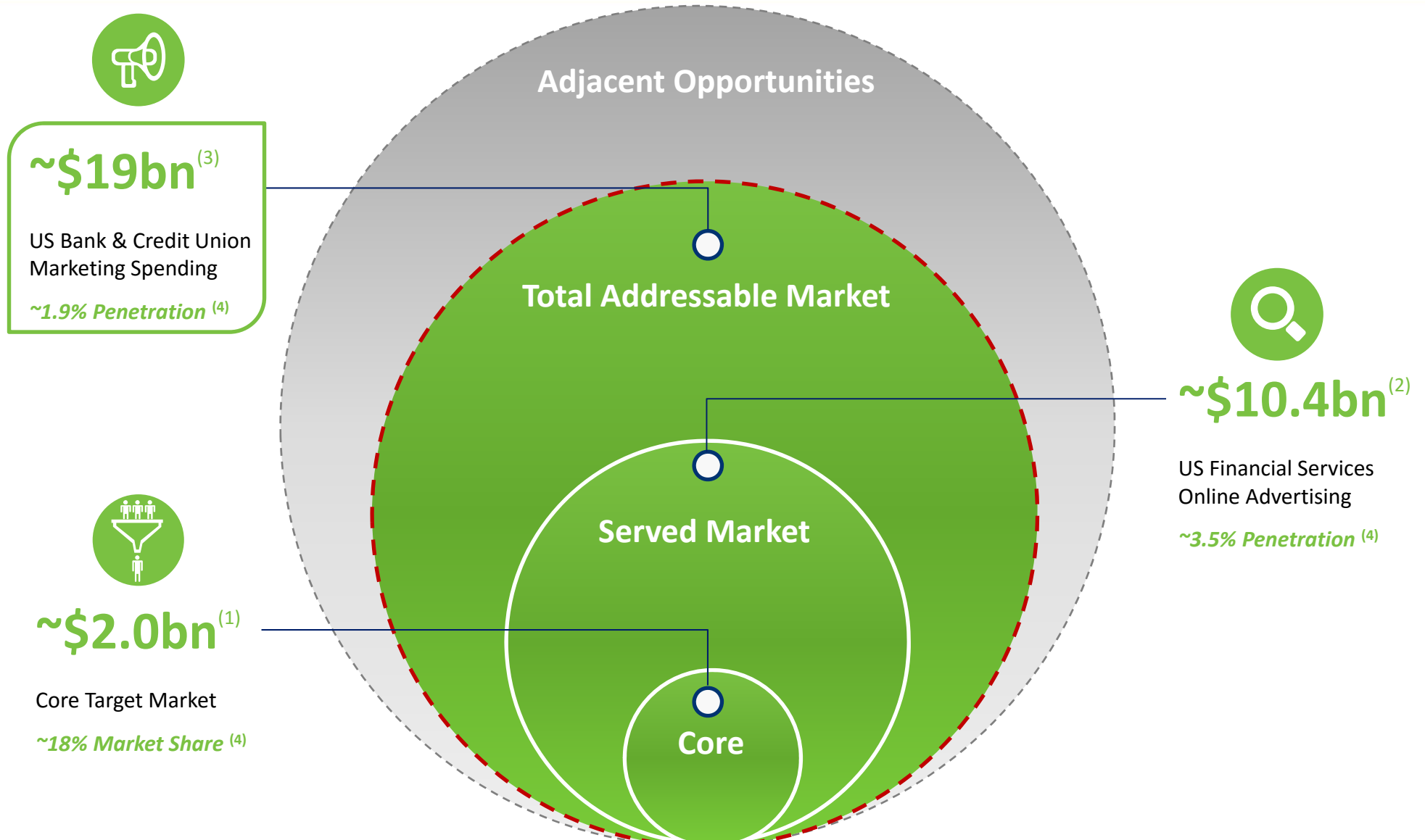
The number of US mobile financial services users to double from 45 million in 2012 to nearly 90 million in 2017



Nearly half (49.4%) of all consumer interactions with banks and financial services companies now occur online

1) Frost & Sullivan, "Financial Services Digital Marketers: Four Opportunities to Improve the Customer Experience," June 2015, eMarketer: "US Financial Services Industry Digital Ad Spending, 2014-2020," March 2016.

# Massive Market Opportunity



Sources:

- 1) Mortgage Brokers Association, Wall Street research, Wall Street Journal, Department of Education, Federal Reserve, Scotsman Guide, RealtyTrac, Booz & Co., company filings, internal estimates.
- 2) eMarketer, May 2015, includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets; inclusive of \$2.0bn core target market as per internal estimates.
- 3) The Financial Brand and Aite Group, "2015 State of Bank & Credit Union Marketing" as cited in Aite Group blog post, Jan 28, 2015.
- 4) Market share and penetration percentages are based on LTM revenue (as of September 30, 2016) of \$361.9mm.



# Highly Attractive Vertical with Ample Growth Runway



	Travel	Lending
Total Market Size	\$1.3tr <sup>(1)</sup>	1 \$2.4tr <sup>(2)</sup>
Est. Online Ad Market	\$13bn <sup>(1)</sup>	2 \$10bn <sup>(3)</sup>
Fragmented Suppliers / Buyers	Medium	High
High Value Purchase	Medium	High
Frequency	High	Medium
Mobile Adoption	Medium	Medium
Inventory Differentiation	Medium	Medium
Key Online Players		
Market Cap <sup>(4)</sup>	\$97.6bn <sup>(5)</sup>	3 \$2.2bn <sup>(6)</sup>

1 Significant loan origination volume to drive TAM expansion

2 Meaningful opportunity for increased digital penetration

3 Substantial value upside relative to similar markets

High
 Medium
 Low

Source: Capital IQ and Wall Street Research.

1) Wall Street Research.

2) Board of Governors of the Federal Reserve System, Department of Education, Federal Reserve Bank of New York, Mortgage Brokers Association, Scotsman Guide, Wall Street Journal, internal data.

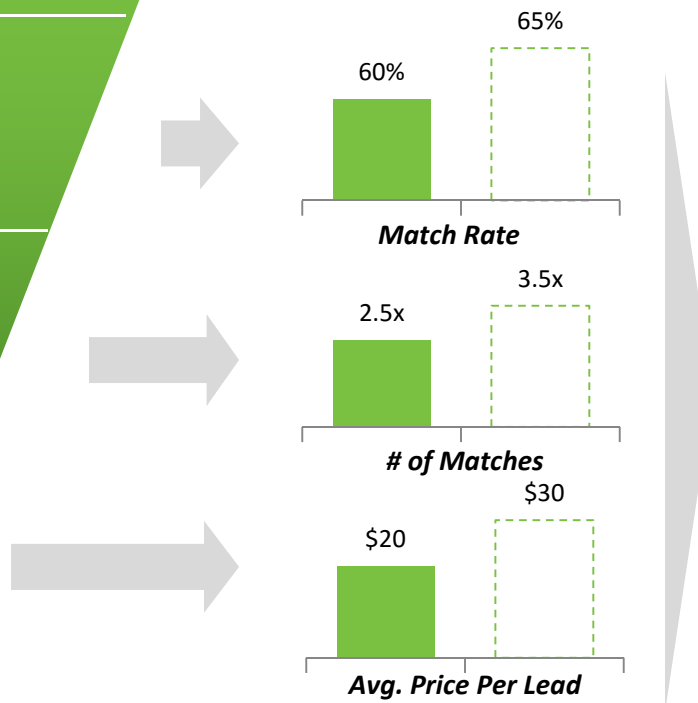
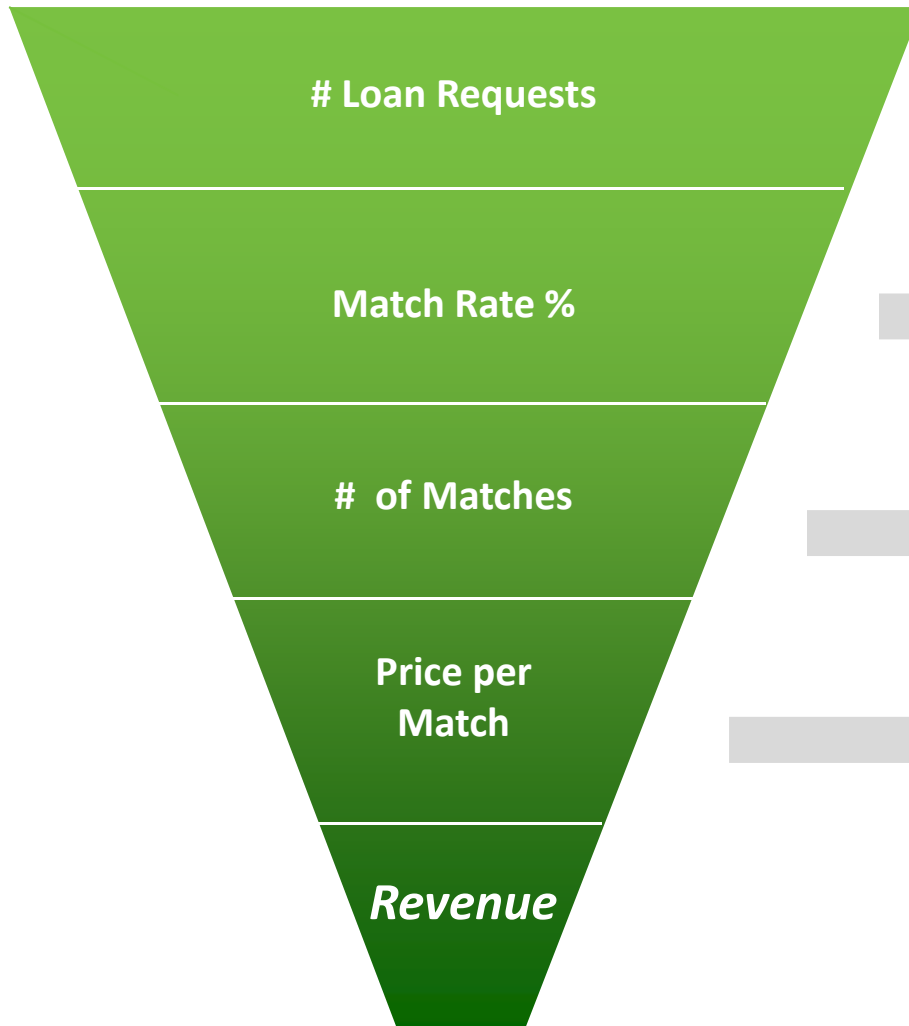
3) eMarketer, U.S. Financial Services Industry Digital Ad Spending, 2014-2020, March 2016. Inclusive of internal estimate of ~\$2.0bn for online lead generation.

4) Capital IQ.

5) Combination of Priceline market cap: \$73.4bn, Expedia market cap: \$17.1bn and TripAdvisor market cap: \$7.1bn. Market cap as of January 4, 2017.

6) Combination of LendingTree market cap: \$1.2bn and Bankrate market cap: \$1.0bn. Market cap as of January 4, 2017.

# Attractive Revenue Model Highly Levered to Exponential Growth



## Factors Driving Our Operational Improvements & Expansion:

- Matching the right people with the right lenders to optimize traffic quality
- Expansion opportunity for new and existing lenders
- Focus on improved lender conversion rates

**Exponential EBITDA Improvement From Operating Leverage**

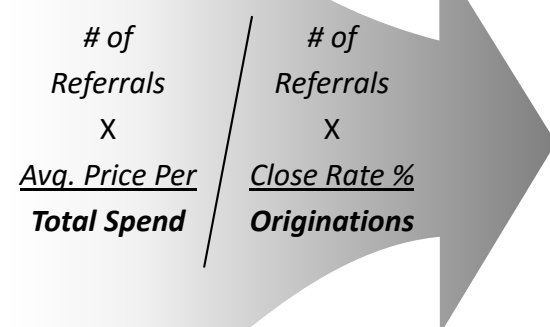
Source: Internal data.

# Enabling Lenders to Grow in a Cost-Effective Way



## Facilitating Highly Cost Efficient Loan Volume for Our Marketplace Lenders

Products	Match Fees <sup>(1)</sup>	Close Fees <sup>(1)</sup>	Lender Cost per Funded Loan (bps) <sup>(2)</sup>
 Refinance Mortgage	\$10 – \$55	–	20 – 180
 Purchase Mortgage	\$3 – \$35	–	35 – 240
 Home Equity	\$10 – \$35	–	5 – 170
 Auto Loans	\$1 – \$12	\$135 – \$180	75 – 130
 Personal Loans	\$5 – \$15	\$25 – \$200	140 – 650
 Small Biz Loans	–	\$180 – \$2,500	200 – 375



Source: Internal data.

1) Reflects 10th / 90th percentiles as of October 26, 2015.

2) Reflects 70th percentile as of Q1 2015.



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## Financial Highlights



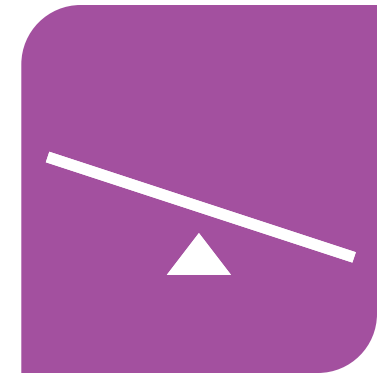
**Strong and Consistent  
Revenue Growth Across Cycles**



**#1 Market Share  
in Mortgage**

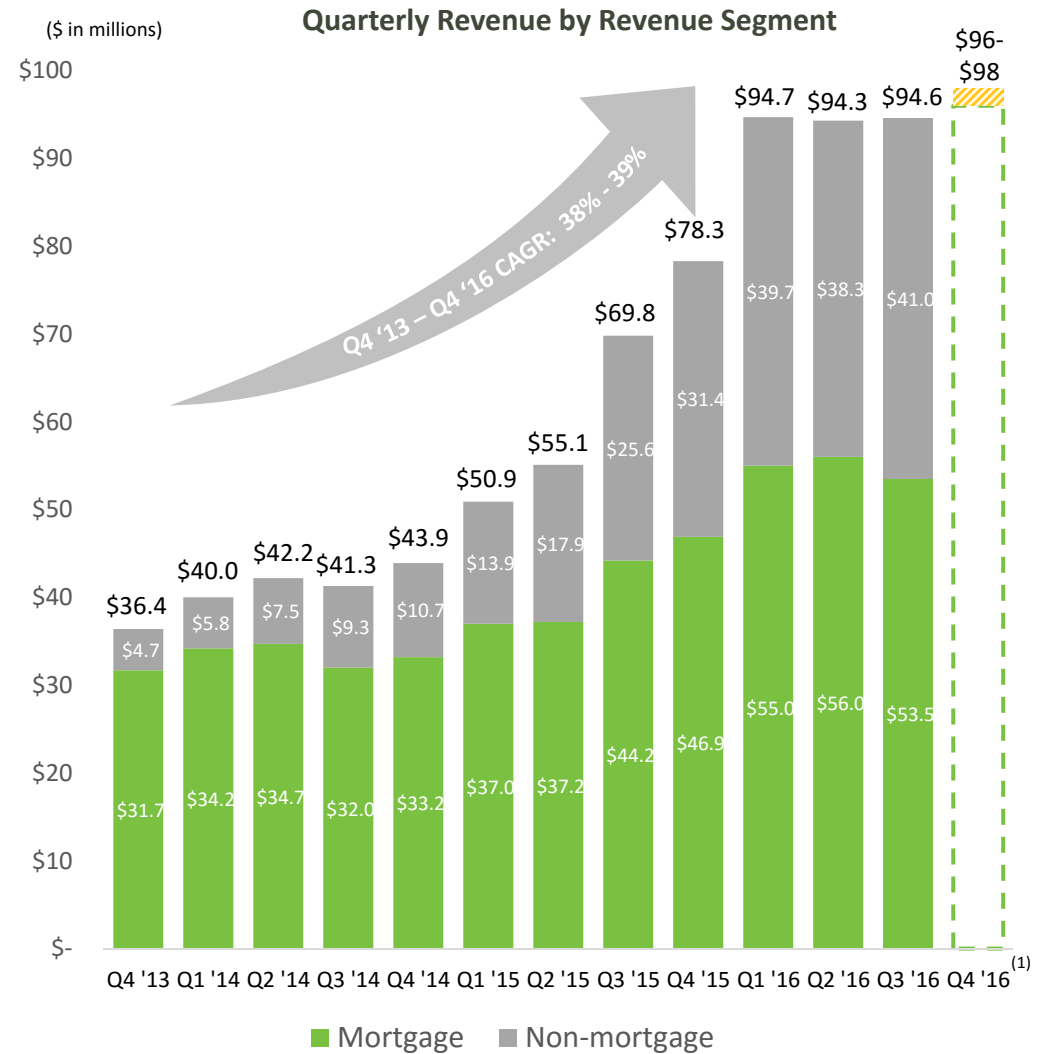
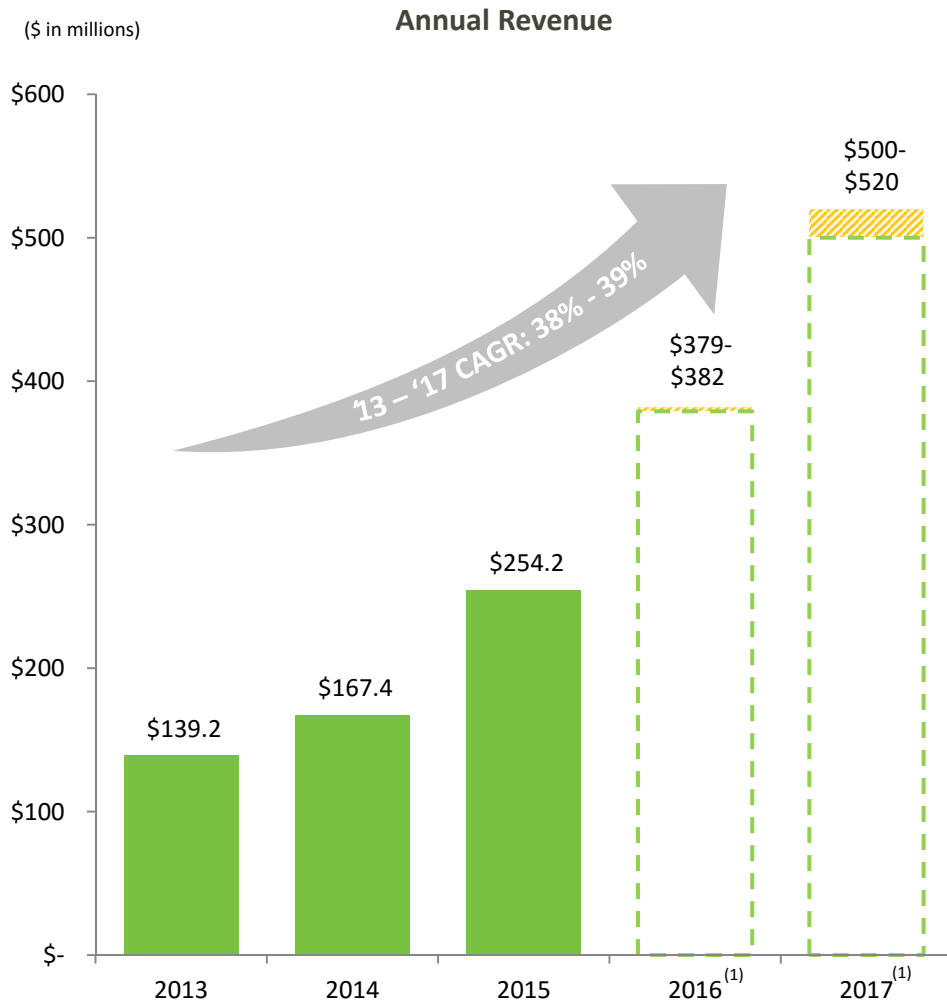


**Rapid Growth in  
Non-Mortgage**



**Attractive Operating  
Leverage Supporting Growth**

# Strong and Consistent Revenue Growth

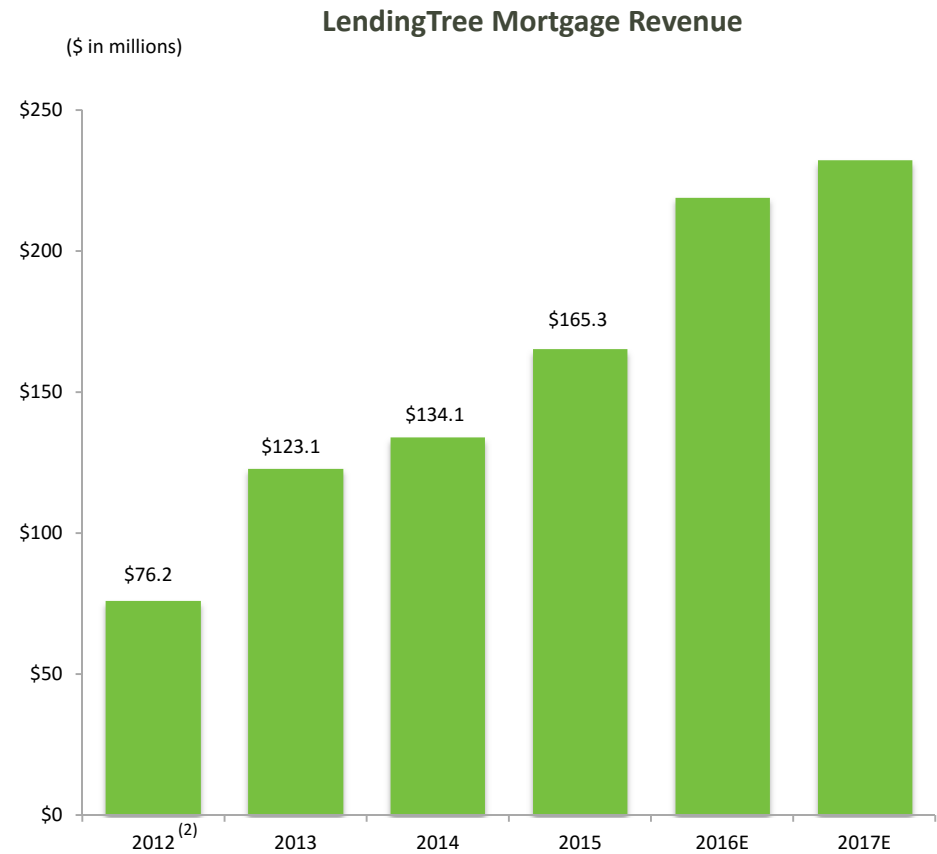
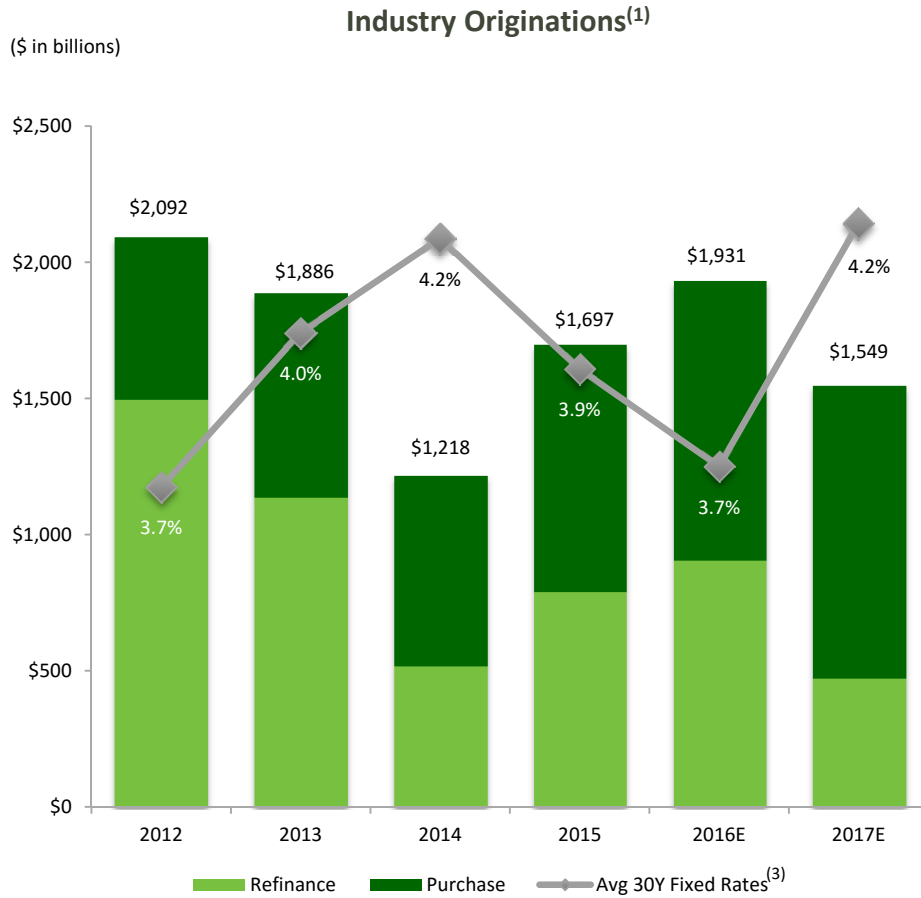


<sup>1)</sup> Reflects company guidance as of 2016 Investor Day on 12/13.

# Mortgage: Consistent Growth Through Cycles



## Mortgage Segment



1) Survey of estimates from MBA, Fannie Mae and Freddie Mac.

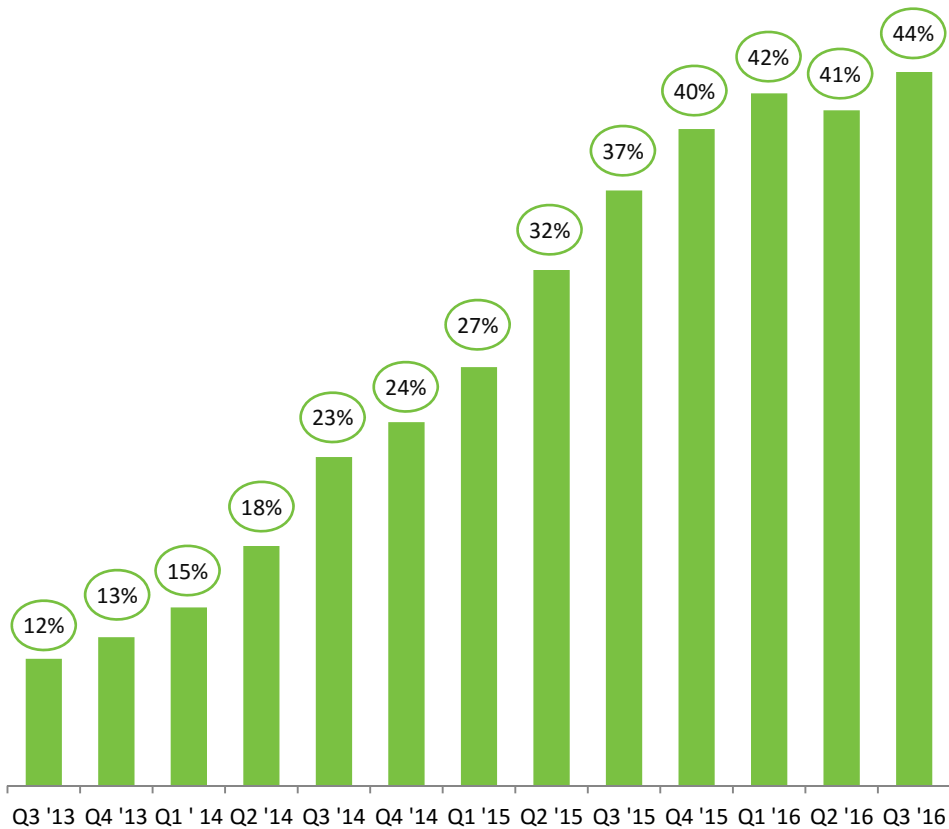
2) Reflects "Adjusted Exchanges" revenue which is non-GAAP. GAAP mortgage revenue for such period was \$61.2mm. For definitions and reconciliations of this measure, please refer to our Q4 '13 earnings press release dated 3/10/14

3) Freddie Mac

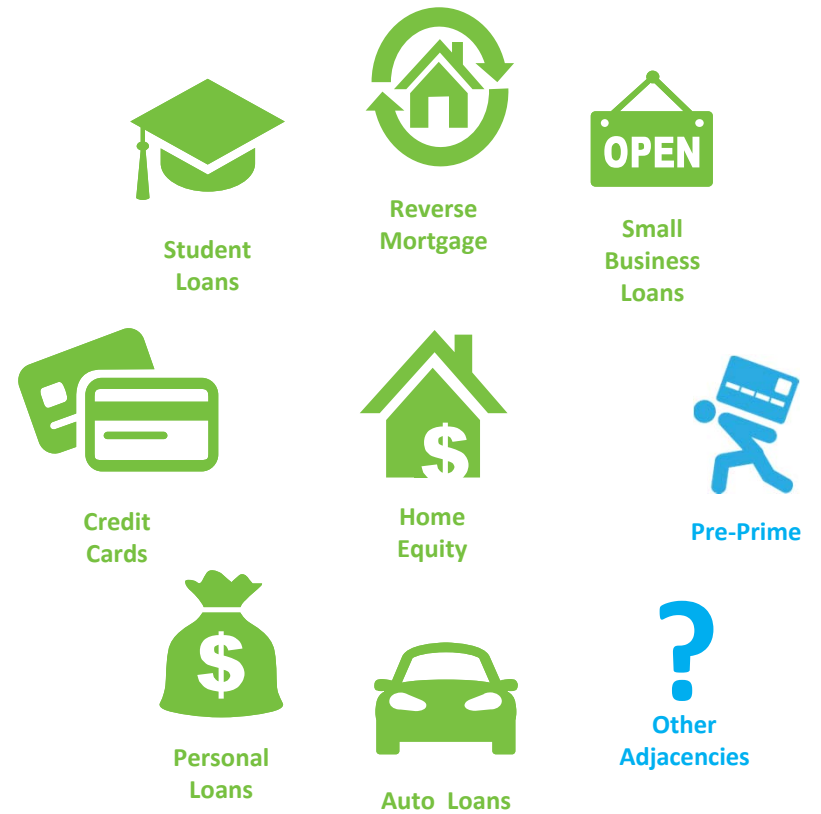
# Non-Mortgage Categories Diversifying Revenue

Interest Rates and Purchase/Refinance Mix are Becoming Less Relevant as New Products Gain Scale and Diversify Revenues

Non-Mortgage as a Percent of Total Revenue



Non-Mortgage Products



*CompareCards acquisition drives non-mortgage revenues to greater than 50%*

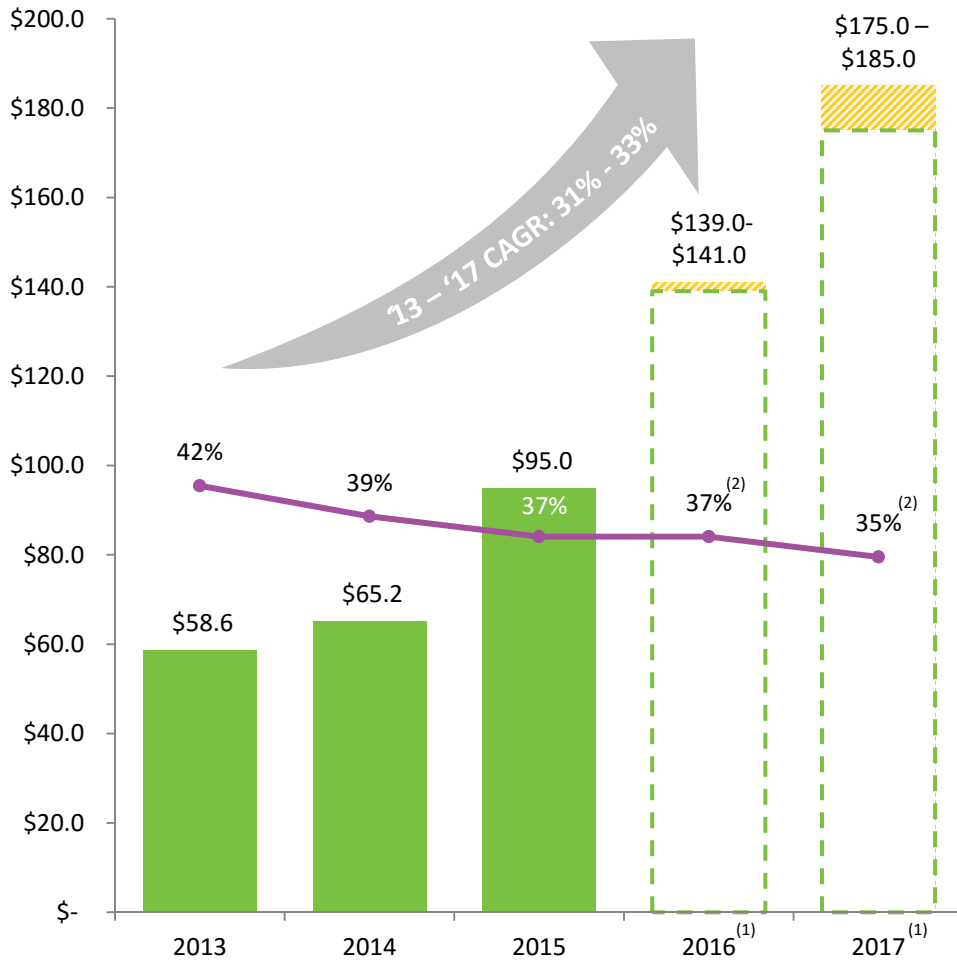


# Focus on Growing VMM Dollars



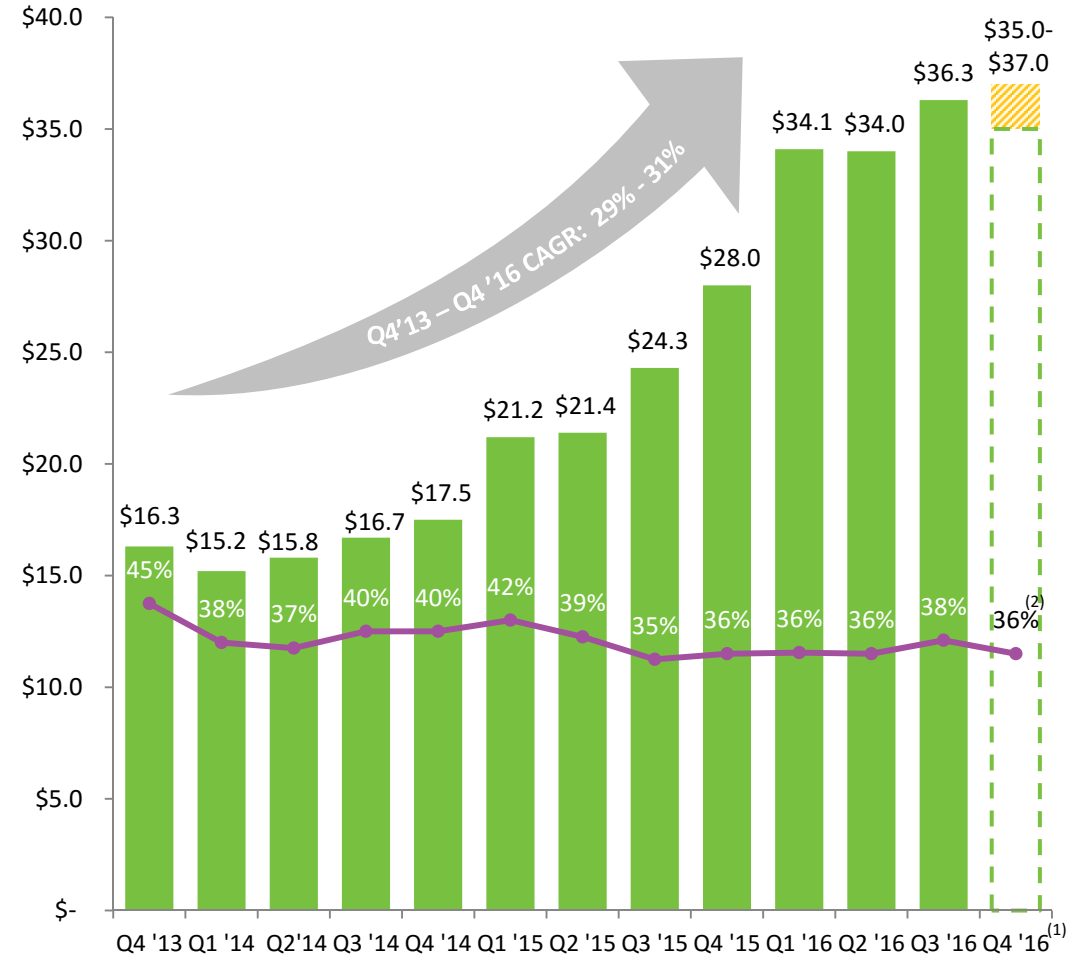
### Annual Variable Marketing Margin

(\$ in millions)



### Quarterly Variable Marketing Margin

(\$ in millions)



1) Based on company guidance as of 2016 Investor Day on 12/13.

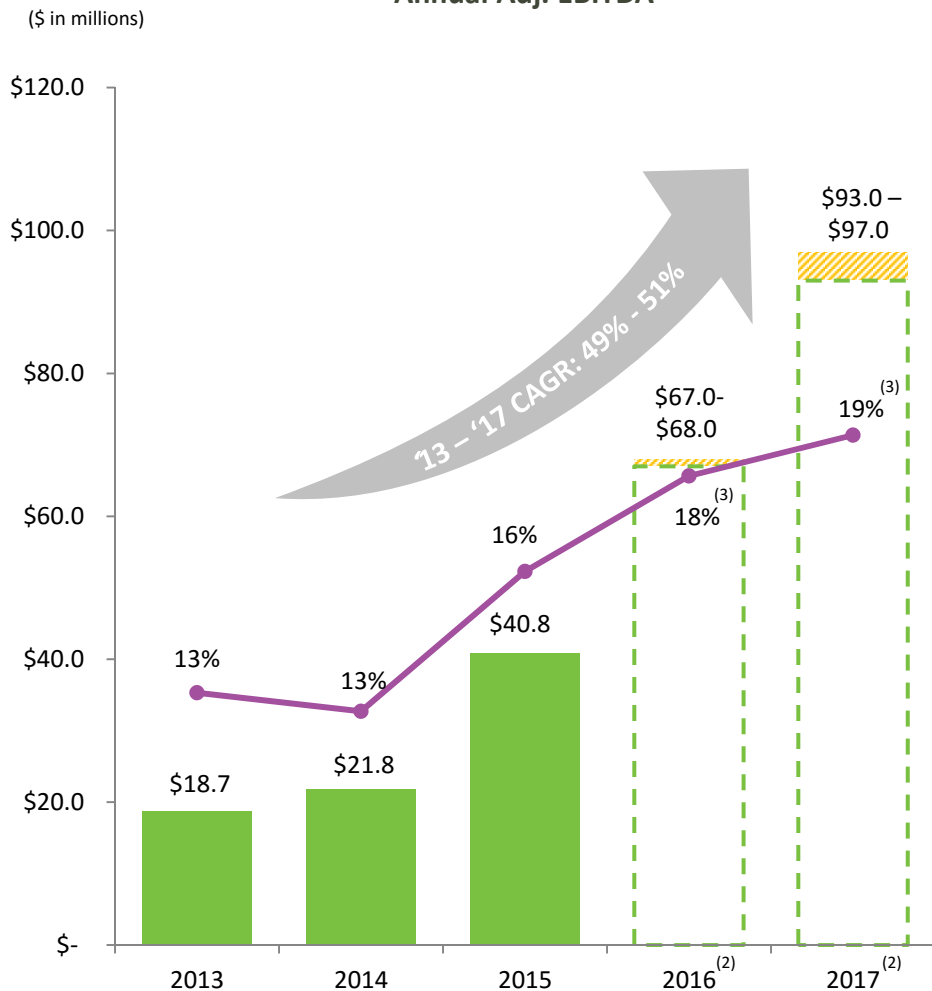
2) Calculated off of the midpoint of company VMM and Revenue guidance

# Attractive and Expanding EBITDA Margins

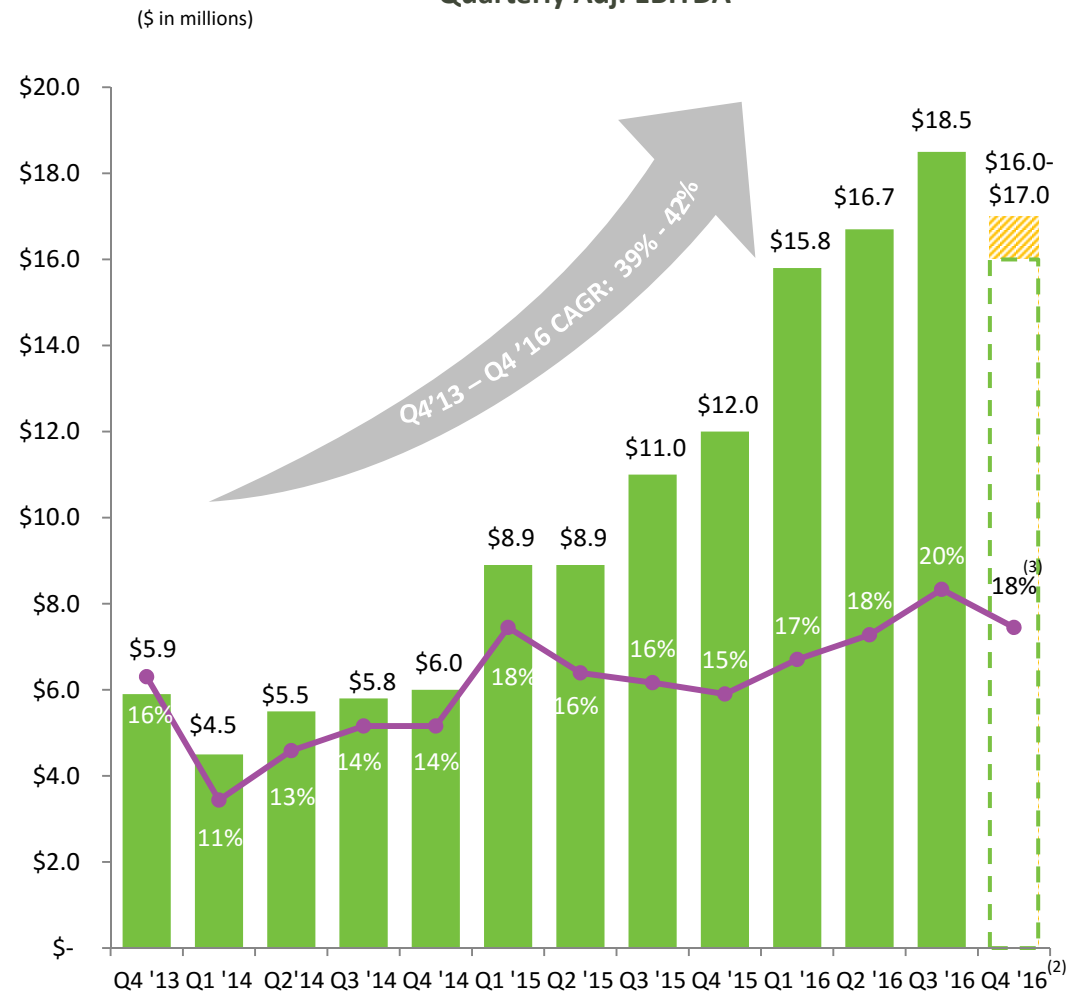


## Rapid Growth in Adjusted EBITDA Profitability<sup>(1)</sup>

Annual Adj. EBITDA



Quarterly Adj. EBITDA



<sup>1)</sup> See appendix for reconciliation to net income(loss) from continuing operations.

<sup>2)</sup> Based on company guidance as of 2016 Investor Day on 12/13.

<sup>3)</sup> Calculated off of the midpoint of company EBITDA and Revenue guidance

# Guidance Summary and Long-Term Targets



**Sustainable 15% - 20% Top-Line Growth Bolstered by Consistent Margin Expansion: Upside Opportunity Remains**

<i>(millions)</i>	2017 Guidance <sup>(1)</sup>	2020 Targets <sup>(2)</sup>
<b>Revenue</b>	<b>\$500 - \$520</b>	<b>\$800 - \$900</b>
<i>Y/Y Growth</i>	<i>34% (15% PF)</i>	<i>~15% - 20%</i>
<b>VMM</b>	<b>\$175 - \$185</b>	<b>\$300 - \$325</b>
<i>% Margin</i>	<i>35%</i>	<i>~35% - 40%</i>
<b>Adj. EBITDA</b>	<b>\$93 - \$97</b>	<b>\$175 - \$200</b>
<i>% Margin</i>	<i>19%</i>	<i>~20% - 25%</i>
<i>Y/Y Growth</i>	<i>41% (17% PF)</i>	<i>~25%</i>

1) Growth rate calculated off of the midpoint of 2016 & 2017 company guidance. Pro forma (PF) growth rate assumes CompareCards transaction was completed on 1/1/16.

2) Growth rates reflect 3-year CAGR from 2017-2020



## Leading Online Loan Marketplace

#1 in Mortgages; Leading Player in Credit Cards, Personal Loans, Auto Loans, Small Business Loans and Student Loans



Dominant Brand Drives Sustainable Competitive Advantage and Expansion Opportunities



Massive Industry Shift to Online



Robust Growth and Profitability



Results Driven Leadership Team with Proven Track Record



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## Appendix

# Non-GAAP Variable Marketing Margin Reconciliation



(Amounts in millions)	Year Ending December 31,			2016		
	2013	2014	2015	Q1	Q2	Q3
Variable Marketing Margin	\$ 58.4	\$ 65.1	\$ 94.8	\$ 34.1	\$ 34.0	\$ 36.3
Adjustments:						
Cost of revenue	\$ (6.5)	\$ (7.9)	\$ (9.4)	\$ (3.5)	\$ (3.5)	\$ (3.4)
Non-variable selling and marketing expense (1)	\$ (10.3)	\$ (10.4)	\$ (13.4)	\$ (4.5)	\$ (4.2)	\$ (4.6)
General and administrative expense	\$ (24.7)	\$ (25.9)	\$ (30.0)	\$ (9.3)	\$ (8.6)	\$ (9.0)
Product Development	\$ (5.3)	\$ (7.5)	\$ (10.5)	\$ (3.9)	\$ (3.8)	\$ (3.7)
Depreciation	\$ (3.5)	\$ (3.2)	\$ (3.0)	\$ (1.0)	\$ (1.2)	\$ (1.3)
Amortization of intangibles	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.0)	\$ (0.1)	\$ (0.2)
Restructuring and severance	\$ (0.2)	\$ (0.4)	\$ (0.4)	\$ -	\$ (0.1)	\$ -
Litigation settlements and contingencies	\$ (9.0)	\$ (10.6)	\$ 0.6	\$ (0.2)	\$ 0.1	\$ (0.0)
Interest expense	\$ (0.0)	\$ (0.0)	\$ (0.2)	\$ (0.1)	\$ (0.1)	\$ (0.1)
Income tax expense	\$ 0.4	\$ 0.5	\$ 23.0	\$ (4.8)	\$ (3.6)	\$ (6.7)
Net income (loss) from continuing operations	\$ (0.7)	\$ (0.5)	\$ 51.3	\$ 6.9	\$ 9.0	\$ 7.3

# Non-GAAP Adjusted EBITDA Reconciliation



(Amounts in millions)	Year Ending December 31,			2016		
	2013	2014	2015	Q1	Q2	Q3
<b>Adjusted EBITDA</b>	\$ 18.72	\$ 21.83	\$ 40.82	\$ 15.80	\$ 16.66	\$ 18.45
<b>Adjustments:</b>						
Depreciation	(3.50)	(3.25)	(3.01)	(1.00)	(1.17)	(1.29)
Amortization of intangibles	(0.15)	(0.14)	(0.15)	(0.03)	(0.07)	(0.17)
Interest expense	(0.02)	(0.00)	(0.17)	(0.14)	(0.14)	(0.14)
Income tax (expense) benefit	0.45	0.48	22.97	(4.80)	(3.57)	(6.73)
Impairment of long-lived assets	0.00	(0.81)	0.00	0.00	0.00	0.00
Discretionary cash bonus	(0.92)	0.00	0.00	0.00	0.00	0.00
Trust contribution	(0.35)	0.00	0.00	0.00	0.00	0.00
Non-cash compensation	(5.63)	(7.28)	(8.37)	(2.63)	(2.43)	(2.35)
Loss on disposal of assets	(0.17)	(0.28)	(0.75)	(0.13)	(0.14)	(0.12)
Estimated settlement for unclaimed property	0.00	0.00	(0.13)	0.00	0.00	0.00
Acquisition expense	0.00	(0.06)	(0.08)	0.00	(0.14)	(0.36)
Restructuring and severance	(0.16)	(0.37)	(0.42)	0.00	(0.07)	0.00
Litigation settlements and contingencies	(8.96)	10.62	0.61	(0.17)	0.08	(0.02)
<b>Net income (loss) from continuing operations</b>	\$ (0.67)	\$ (0.49)	\$ 51.32	\$ 6.91	\$ 9.00	\$ 7.28

1) 2012 figure reflects Adjusted Exchanges EBITDA which is defined as Adjusted EBITDA from continuing operations, plus modeled revenue for leads provided to HLC, minus the selling and marketing expense allocated to HLC.



  
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