



## Analyst & Investor Day

LendingTree, Inc.

Nasdaq: TREE

December 4, 2018

# Forward-Looking Statements

## Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

The matters contained in this presentation may be considered to be "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Those statements include statements regarding the intent, belief or current expectations or anticipations of LendingTree and members of our management team. Factors currently known to LendingTree and members of its management team that could cause actual results to differ materially from those in forward-looking statements include the following: adverse conditions in the primary and secondary mortgage markets and in the economy, particularly interest rates; seasonality of results; potential liabilities to secondary market purchasers; changes in the Company's relationships with network lenders; breaches of network security or the misappropriation or misuse of personal consumer information; failure to provide competitive service; failure to maintain brand recognition; ability to attract and retain customers in a cost-effective manner; ability to successfully integrate acquired businesses; ability to develop new products and services and enhance existing ones; competition; allegations of failure to comply with existing or changing laws, rules or regulations, or to obtain and maintain required licenses; failure of network lenders or other affiliated parties to comply with regulatory requirements; failure to maintain the integrity of systems and infrastructure; liabilities as a result of privacy regulations; failure to adequately protect intellectual property rights or allegations of infringement of intellectual property rights; and ability to attract and retain senior management and key employees. These and additional factors to be considered are set forth under "Risk Factors" in our Annual Report on Form 10-K for the period ended December 31, 2017, our Quarterly Report on Form 10-Q for the period ended September 30, 2018 and in our other filings with the Securities and Exchange Commission. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results or expectations.

## About LendingTree, Inc.

LendingTree (NASDAQ: TREE) is the nation's leading online marketplace that connects consumers with the choices they need to be confident in their financial decisions. LendingTree empowers consumers to shop for financial services the same way they would shop for airline tickets or hotel stays, comparing multiple offers from a nationwide network of over 500 partners in one simple search, and can choose the option that best fits their financial needs. Services include mortgage loans, mortgage refinances, auto loans, personal loans, business loans, student refinances, credit cards, insurance and more. Through the My LendingTree platform, consumers receive free credit scores, credit monitoring and recommendations to improve credit health. My LendingTree proactively compares consumers' credit accounts against offers on our network, and notifies consumers when there is an opportunity to save money. In short, LendingTree's purpose is to help simplify financial decisions for life's meaningful moments through choice, education and support.





# Opening Remarks

Doug Lebda – Founder, Chairman & CEO

# Goals for today

- 1. Reflect on the big picture**
- 2. Address the topics investors are asking about most:**
  - a) Insurance & QuoteWizard
  - b) Mortgage & RULO
  - c) My LendingTree
  - d) Marketing & Brand Investment
- 3. Outlook & context for 2019**



Conor Witt 3 months ago

Comment

or all of the excitement centered around fintech over the past half-decade, most venture-backed fintech companies struggle to acclimate to public markets. LendingClub and OnDeck

## LendingTree is the secret success story of fintech

Through acquisitions and a focus on cashflow, LendingTree has avoided the pitfalls plaguing the industry today

**Tech Crunch**

Conor Witt

September 9, 2018

### Seeing the Forest through the Trees

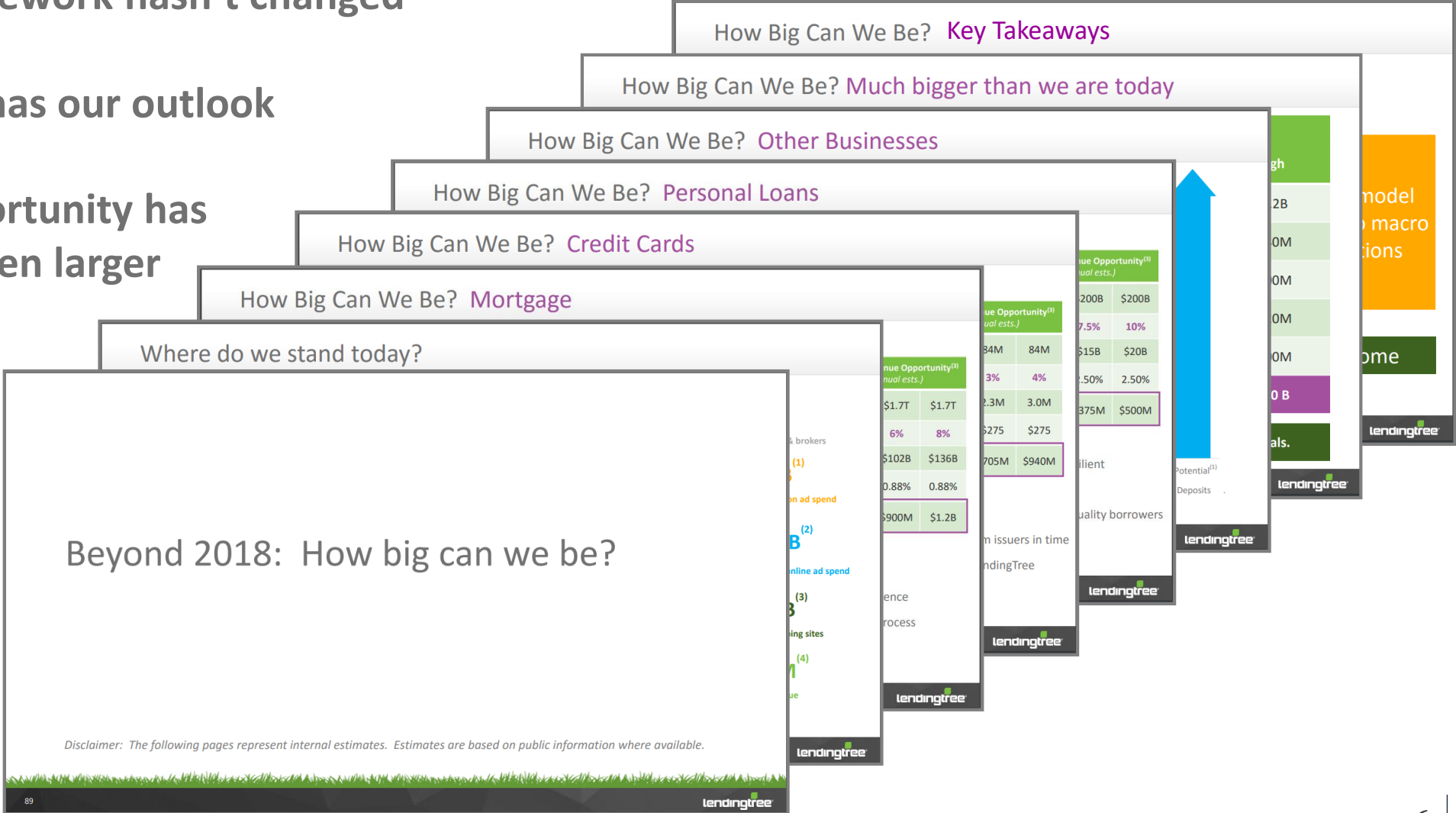
*“The tried and true strategy of most emerging financial technology startups is to focus on user growth and monetize later. LendingTree did the opposite; they created a cash-flow generating platform that served a critical purpose... They have proved their original value proposition, connecting borrowers with lenders...”*

The marketplace business model has been the darling that has driven returns like Benchmark, a16z, and Greylock. Network effects are a non-negotiable part of why. Classic success stories that have transitioned nicely into public markets (acq.), Etsy, Booking.com, and Grubhub. LendingTree is often left off of this list, yet, the business sits in a compelling space as consumers and lenders continue to manage their financial lives online.



# Recall the opportunity framework we laid out last year

- 1 The framework hasn't changed
- 2 Neither has our outlook
- 3 The opportunity has only gotten larger



# Since then, we've strengthened our position considerably

## Key Takeaways from Last Year

Large, growing, underpenetrated opportunity

Scale player in key categories. Well-positioned vs competition

Acutely focused on lender [*partner*] success

Growth model resilient to macro fluctuations

## 2018 Developments

- Consumers & advertisers continue to move online
- Expanded TAM materially
  - Insurance
  - Credit Services
  - Student Loan Refi

- 60% YTD growth in Personal
- Cont'd share gains in Card
- Leading Mortgage position generates x-sell opportunity
- Insurance represents 4<sup>th</sup> leg

- Mortgage marketing optimized for reduced CPFL
- RULO streamlines conversion and creates efficiency
- New ad units in Card
- "Right-pricing" in Insurance

- Resilient, yes. Not immune
- Flexible marketing model mitigates earnings variability
- Diversified product suite reduces dependencies
- 30%+ Adj. EBITDA growth in difficult macro



# Strategic diversification is a competitive advantage

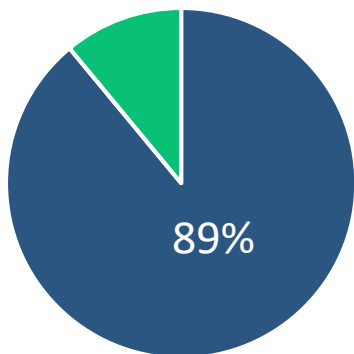
Revenue

(\$ in millions)

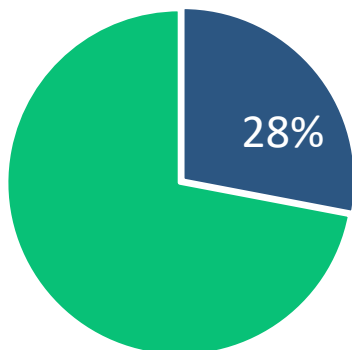
250.0

Mortgage Revenue as % of Total

FY '13



Q3 '18



200.0

150.0

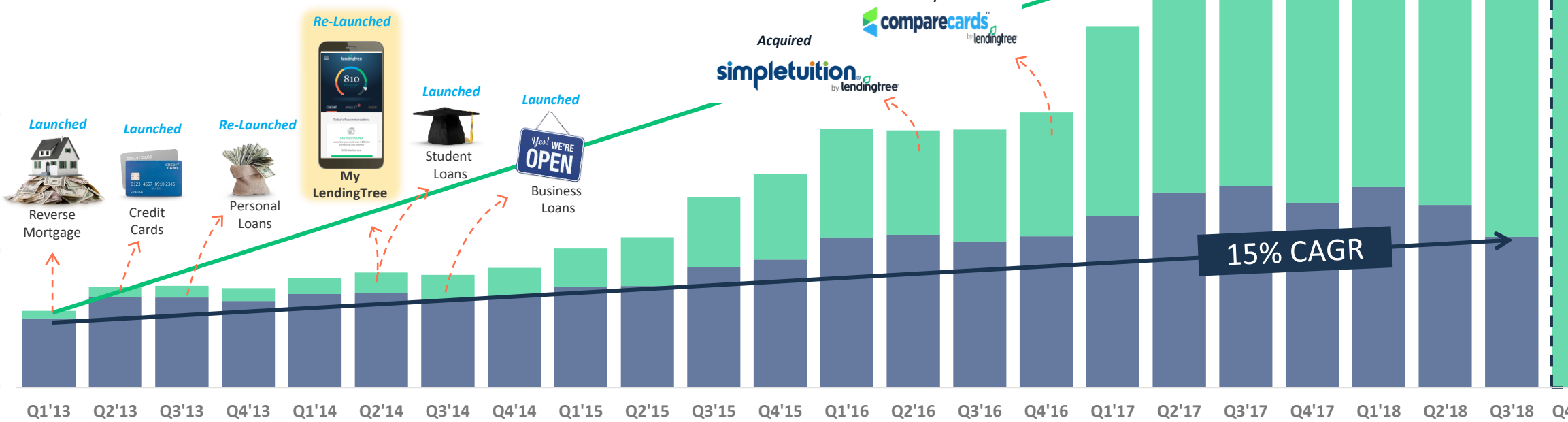
100.0

50.0

0.0

Q1'13 Q2'13 Q3'13 Q4'13 Q1'14 Q2'14 Q3'14 Q4'14 Q1'15 Q2'15 Q3'15 Q4'15 Q1'16 Q2'16 Q3'16 Q4'16 Q1'17 Q2'17 Q3'17 Q4'17 Q1'18 Q2'18 Q3'18 Q4'18<sup>(1)</sup>

Mortgage ■ Non Mortgage ■



Launched  
Reverse Mortgage

Launched  
Credit Cards

Re-Launched  
Personal Loans

Re-Launched  
My LendingTree

Launched  
Student Loans

Launched  
Business Loans

Acquired  
simpletuition  
by lendingtree

Acquired  
comparecards  
by lendingtree

Acquired  
magnifymoney  
by lendingtree

Acquired  
DepositAccounts  
by lendingtree

Acquired  
snapcap  
by lendingtree

Acquired  
ovation  
by lendingtree

Acquired  
Student Loan Hero

Acquired  
QuoteWizard®

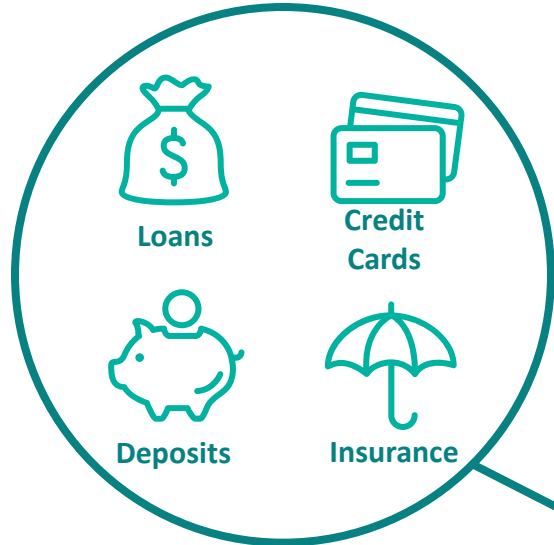
1) Reflects midpoint of company guidance as of 11/01/18 Earnings Release



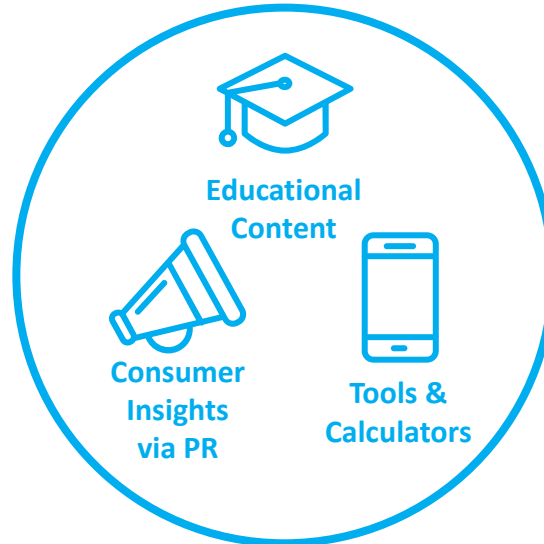
# And its crucial to delivering on our brand promise

## EDUCATION

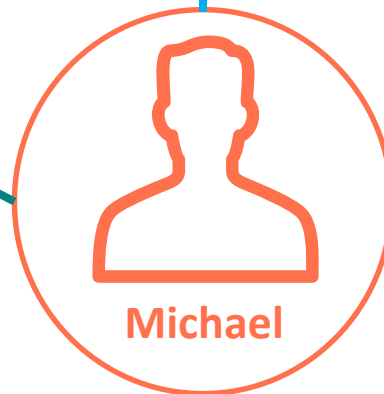
## CHOICE



Largest Network of Providers  
Across Broadest Suite of Products



## SUPPORT



# Advantage comes in many forms



Organic and acquired category expansion

Weathering tough macro

Surrounding consumers with choice, education, & support

2013

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2017

2018

2019 & Beyond

Diversification as a growth engine

Diversification as a Financial Advantage

Diversification as an Operational Advantage



# Today's Agenda

	Speakers	Topics
10:30 – 11:00	Doug Lebda – Chairman & CEO	Opening Remarks
11:00 – 11:30	Scott Peyree – President, QuoteWizard	Intro to Insurance & QuoteWizard
11:30 – 12:00	Sam Mischner – Chief Revenue Officer & Head of Mortgage	Mortgage Update & RULO
12:00 – 12:20	Vishal Garg – CEO, Better Mortgage <i>Moderated by Sam Mischner</i>	Lender Conversation: Mortgage
12:20 – 12:50	Lunch Break	
12:50 – 1:20	Sushil Sharma – Chief Product Officer Jason Simon – Senior Director, Product	My LendingTree – Progress & Vision
1:20 – 1:40	Sabrina Basht – Chief Strategy Officer, Marlette Funding <i>Moderated by Jamie Saxe – SVP, Head of Non-mortgage</i>	Lender Conversation: Personal Loans
1:40 – 2:10	Brad Wilson – Chief Marketing Officer	Amping the Brand & Accelerating the Flywheel
2:10 – 2:30	Trent Ziegler – VP, Investor Relations & Treasurer	Financial Review & Context for 2019
2:30 – 3:00	Q&A: Doug Lebda, Neil Salvage, & JD Moriarty	





# Insurance Overview

Scott Peyree – President, QuoteWizard

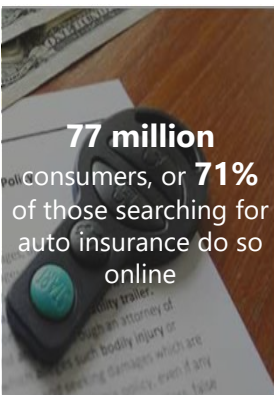
# Enormous insurance acquisition market...

The insurance advertising market is massive, and QuoteWizard is entrenched in the carrier ecosystem

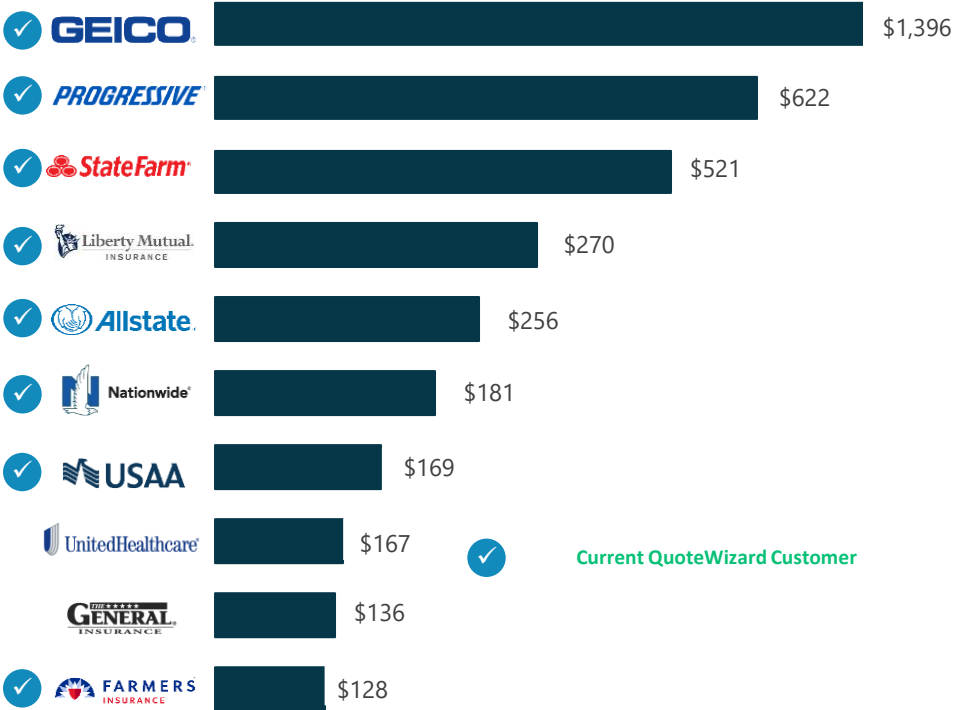
### Insurance is a required purchase for consumers...



### ...Who are turning online to make their purchase decisions



### 2017 Advertising Spend – Top 10 Insurance Brands (\$MM)



**\$9Bn+** in '17 insurance advertising spend, with **\$4Bn+** from the top 10 alone.

# ...being disrupted by tech-driven engagement...

The insurance industry is undergoing a tech-driven transformation and is “ripe” for QuoteWizard’s consumer acquisition platform

## Shifting Consumer Tech Engagement...



### DISTRIBUTION

>50% of carrier / consumer interactions are completed digitally via online, mobile, and social platforms



### SALES & MARKETING

Insurers are demanding advanced digital sales and marketing strategies, which are omni-channel, consumer-centric, and connected to consumer devices of all types



### IoT / BIG DATA

Proliferation of IoT and big data enable marketers and carriers to proactively engage consumers, better understand risk, improve pricing accuracy, and gain a complete view of consumer portfolio

## ...Is Driving Insurance Tech Transformation

### LEGACY ATTRIBUTES

### CURRENT MARKET DEMANDS

Face-to-Face Interaction



Omni-Channel Engagement



Opaque Pricing



Transparent Pricing



Slow, Paper Intensive Consumer Acquisition



Dynamic, Automated Consumer Acquisition



Manual Underwriting



Real-Time Underwriting via Multi-Source Data Pool



# ...and a number of digital marketing tailwinds

Due to its online- and mobile-optimized solutions, QuoteWizard stands to benefit as carriers shift toward digital marketing

## Insurance Industry Shifts Helping QuoteWizard

- 1 Quality, close rates and higher ROIs are resulting in insurance carriers rapidly moving dollars from 'traditional brand advertising' to 'online performance marketing'
- 2 Carriers who've invested in their own InsurTech (online / mobile experience) are finding value in performance marketing solutions. Carriers experience 30% increase in online sales by turning to performance partners
- 3 The more sophisticated the carrier, the more they spend with QuoteWizard – both in total dollars and dollars per consumer

## Performance Marketing Shifts Helping QuoteWizard

- 1 Industry consolidation has removed competitors – and barriers of entry are so significant that new competition cannot break through
- 2 Consumers are not only more comfortable shopping online for insurance, they are also becoming more brand agnostic
- 3 Consumers are actively seeking out comparison quotes online, and are more comfortable today with interactive engagement vs. traditional in-office purchasing

## Internal Items Helping QuoteWizard

- 1 QuoteWizard client relationships are built around open book & right pricing policies, resulting in significant spend and trusted relations with major carriers
- 2 Right pricing of products and feeding that data into the media tech stack has allowed QuoteWizard to dominate top quality traffic sources across the internet
- 3 QuoteWizard's breadth of carrier relationships results in an extremely effective tool for consumers to find real comparisons and price savings

# Longstanding partnerships with top carriers

QuoteWizard's tech-driven, comprehensive and highly customized, client-centric approach have made us a trusted partner with the top U.S. insurance carriers & agents



 Auto	 Allstate	 AMERICAN FAMILY INSURANCE
 Home	 COUNTRY FINANCIAL	 esurance
 Other	 FARMERS INSURANCE	 GEICO
	 Liberty Mutual INSURANCE	 Nationwide
	 PROGRESSIVE	 State Farm

 Health	 agile Health Insurance	 GoHealth
 Medicare Supplement	 health markets	 TRANZACT Direct Results
	 United Medicare Advisors	 USHEALTH ADVISORS

*30+ carrier partners with 100% retention since inception*

*In many cases QuoteWizard is the top provider of high-intent, in-market consumers*

*Massive opportunity to expand wallet share with current customers*

*11K+ agent network allows for highly scaled distribution and is a significant barrier to entry*











# The QuoteWizard insurance platform

QuoteWizard is a leading platform at scale that is able to deliver solutions that meet the unique needs of carriers and agents.

## What Carriers / Agents Want

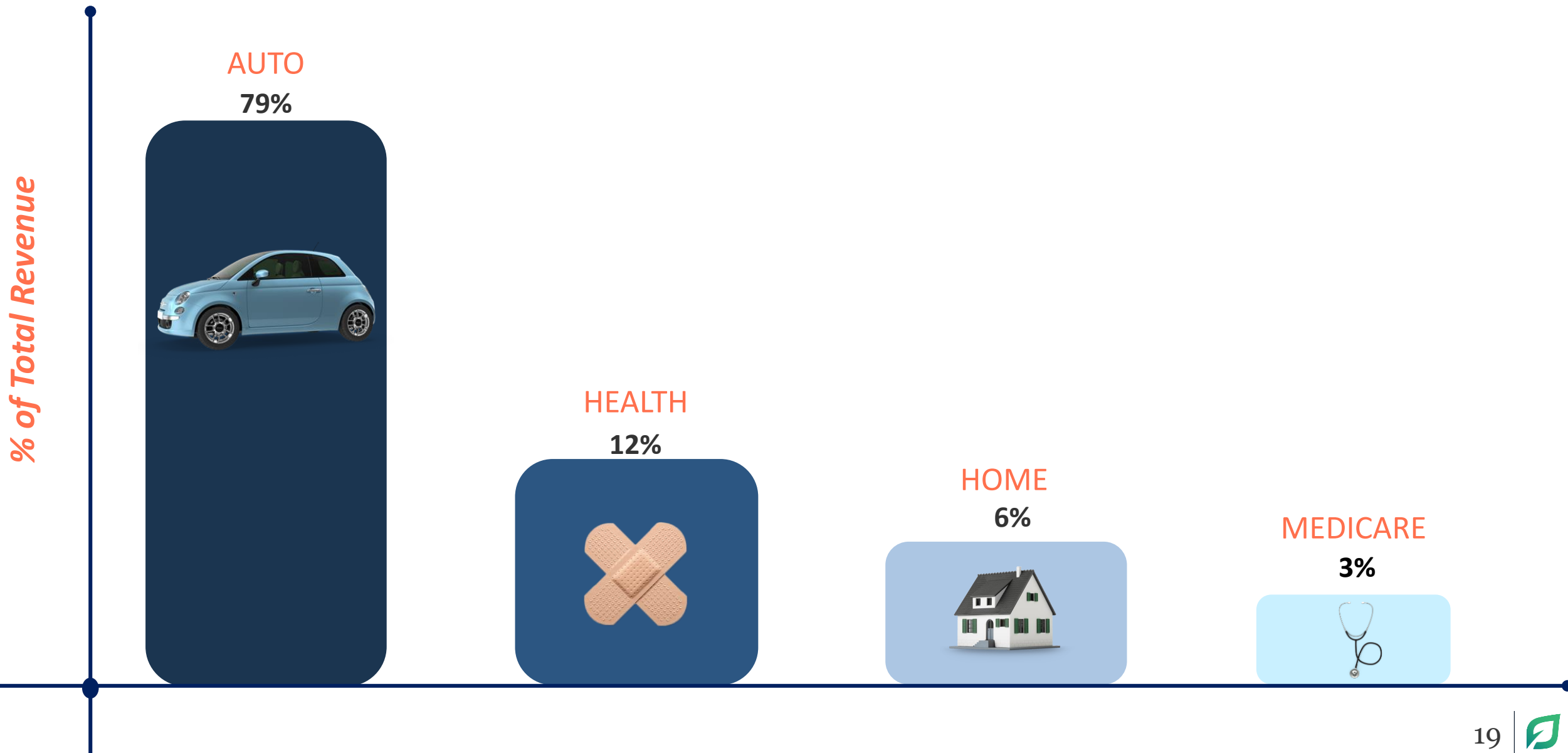
-  Deliver Mass Volume of High Quality Consumers
-  Provide High Quality Consumer Experiences Through Technology
-  Deliver Multiple Products to Right Set of Buyers
-  Deepen Integrations with Existing Vendors
-  Utilize a Transparent Pricing Model
-  Strengthen Engagement with Insurance Consumers

## What QuoteWizard Delivers

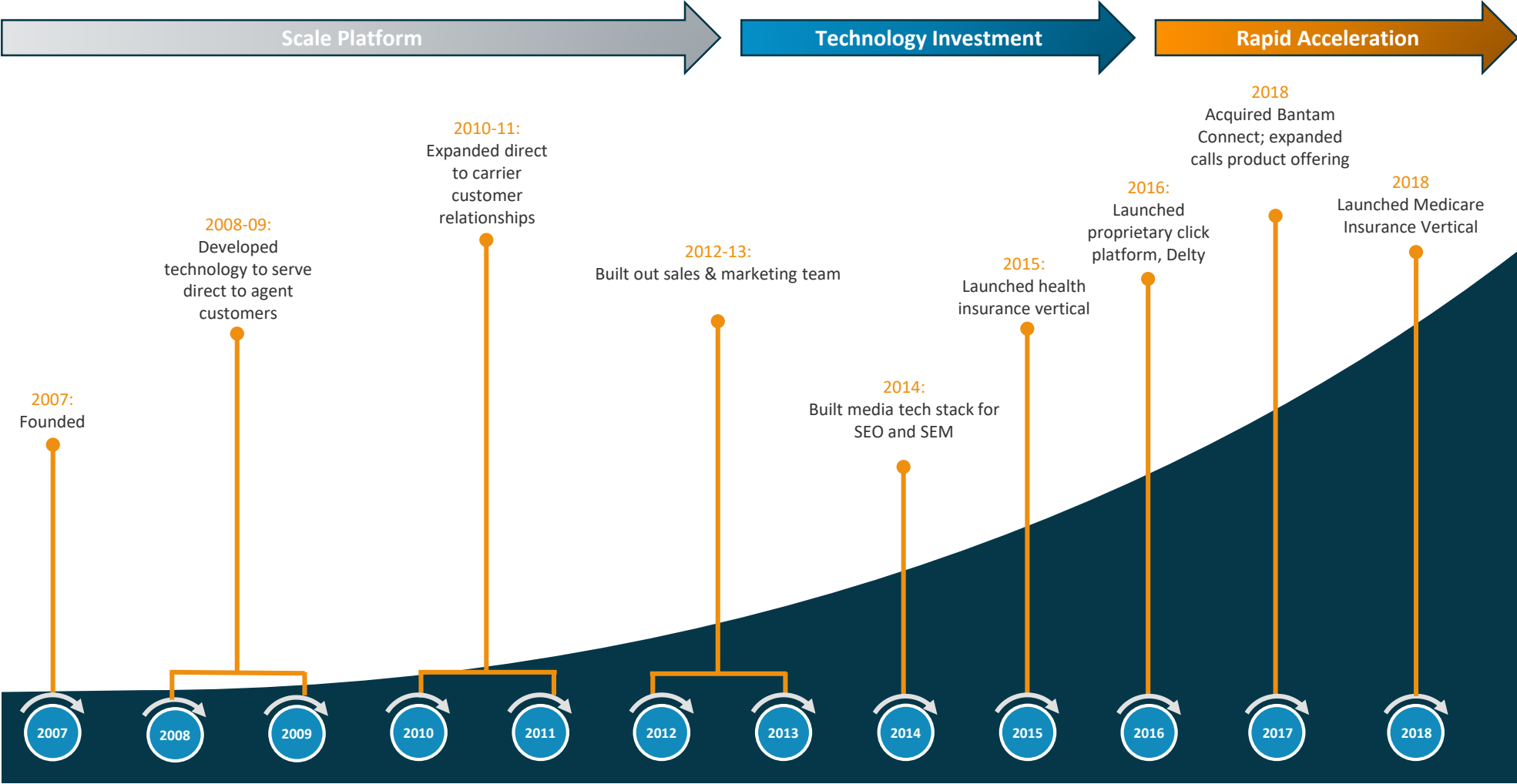
-  *7MM unique consumers delivered in '17*
-  *Engages and captures consumers utilizing multiple online and mobile marketing channels*
-  *QuoteWizard offers a comprehensive suite of proprietary leads, clicks and calls solutions to its carrier / agent partners*
-  *Technology provides a real-time data feedback loop that informs carriers' purchasing decisions*
-  *QuoteWizard offers a wide spectrum of consumers priced according to relative intent and probability of purchase*
-  *Optimized for mobile and centered around delivering a compelling consumer experience to drive quality and conversion*



# Auto insurance is today's most shopped but opportunity remains



# QuoteWizard—a brief history



# Competitive advantages



Proprietary products & core tech built in-house



Product agnostic with clients: leads, clicks & calls



Fully transparent regarding traffic and performance metrics

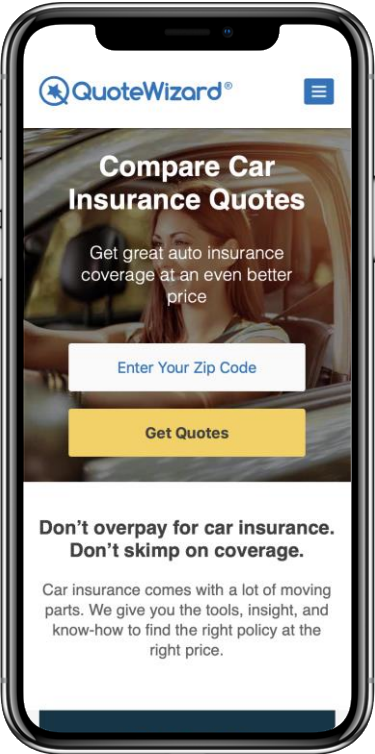
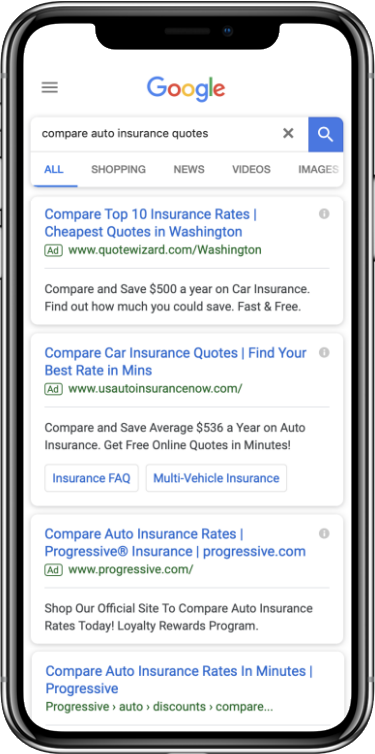


Talented leadership team with deep industry experience



# Consumer experience

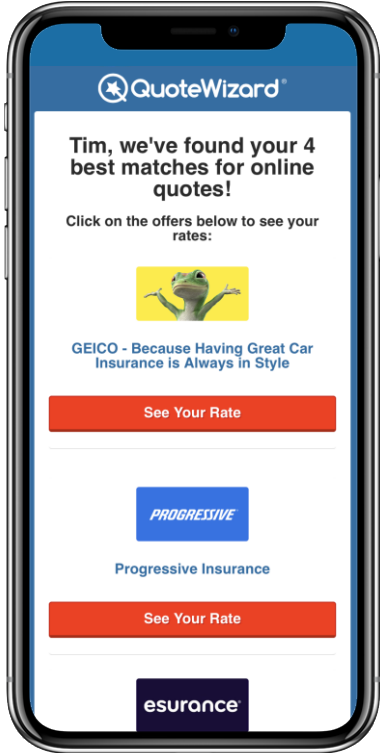
Data-driven technology delivers the industry’s highest quality consumer traffic to carriers and agents, while streamlining the consumer, carrier and agent experience and allowing QuoteWizard to control and maximize its gross margins



## Lead Network



## Click Network



## Sacramento Call Center



Sally is looking for auto insurance. She enters a Google search entitled “compare Iowa auto insurance quotes”

QuickBeam predicts Sally’s profitability based on a pre-defined gross margin hurdle, and bids on Google AdWords to ensure top placement. Sally clicks through to QuoteWizard’s website

RUBK intuitively asks customized questions designed to maximize Sally’s profitability. Sally’s info enters the Cello distribution network



# Core products

QuoteWizard is the leading provider offering 100% in-house ownership over the 3 major consumer acquisition products

Leads



*Connects carriers / agents with high intent consumers*

- Data collected from consumers via an online quote request workflow
- Information such as demographic, geographic and insurance product interest attributes are collected



**~43%**  
REVENUE

Clicks



*Click through consumers delivered at purchase decision*

- Qualified consumers delivered directly to an insurance carrier's website
- QuoteWizard generates revenue every time a consumer clicks through to carriers' website after seeing QuoteWizard's quote comparison page



**~48%**  
REVENUE

Calls



*High intent sales calls and warm transfers*

- QuoteWizard's team calls thousands of consumers per day to deliver warm call transfers to its customers
- Recent investment in the calls platform expected to drive additional growth



**~8%**  
REVENUE

# Core technologies



## Rubk

Engages consumers and customizes the experience based on demographics and carrier coverage



## Delty

Carrier-facing portal for Click Advertisers, offering fully transparent consumer targeting

DATA WAREHOUSE / BI



## QuickBeam

Proprietary bidding algorithm monetizes only the most profitable traffic

## EVEREST

### Everest

Our 11,000+ agent network is able to access their accounts, manage leads and track performance through a web-based, client facing user interface.



## Cello

Directs QuoteWizard consumers via the most profitable channels





# Transparent relationship with clients

QuoteWizard has built the industry's leading end-to-end technology that utilizes analytics and a proprietary bidding algorithm to deliver high-intent insurance consumers, which drives **transparency, predictability and loyalty.**

## Consumer Sourcing & Segmenting

*QuoteWizard engages and captures consumers utilizing multiple online and mobile marketing channels*

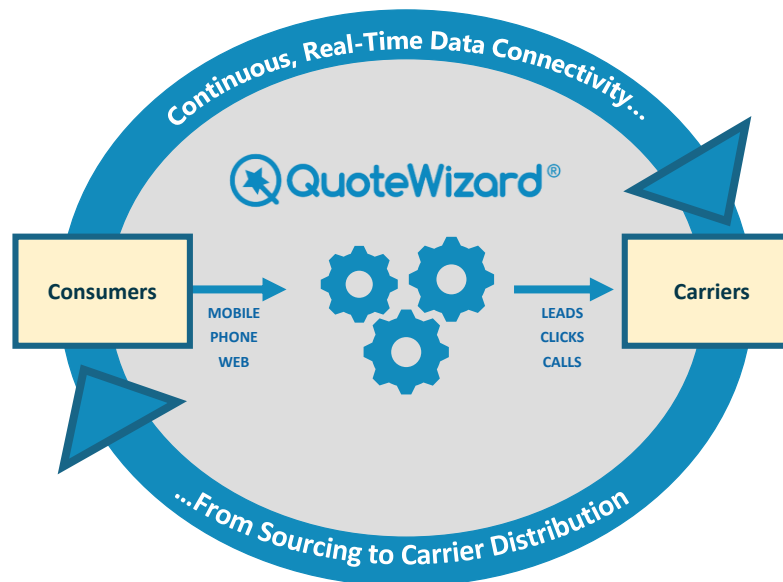
➤ Data-driven approach enables optimal sourcing based on target margin, consumer type and quality of source

➤ Scale of distribution network and traffic generated creates significant barriers to entry

➤ Highly diversified sources of traffic across paid search, display, organic and affiliate

➤ Optimized for mobile and centered around delivering a compelling consumer experience

*Carrier / Agent data feedback loop drives growth, margins and scalability*



**Proprietary, data-driven tech matches consumers in real-time to QuoteWizard's network of top insurance carriers and agents.**

## Consumer Distribution

*Longstanding client relationships and pricing transparency provide the industry's highest consumer monetization*

➤ Carriers have ability to target audience and control consumer acquisition funnel

➤ Deep tech integrations with carrier workflow

➤ Data feedback loop from carriers to QuoteWizard to continuously optimize quality and sourcing

➤ Self-service, direct to agent portal enables on-demand consumer acquisition



# Seasoned executive team

Management is passionate about the Company and has built a culture of transparency and commitment to QuoteWizard's success

Founders	 <b>SCOTT PEYREE</b> CEO	 <b>TOM PEYREE</b> CFO	 <b>ROB PEYREE</b> Partner	 <b>JOHN ANDERSON</b> CTO	
	<ul style="list-style-type: none"><li>- 12 years at QuoteWizard</li><li>- 17 years in performance marketing</li><li>- Co-founder and COO at WorldClass Strategy</li></ul>	<ul style="list-style-type: none"><li>- 12 years at QuoteWizard</li><li>- 25+ years in performance marketing</li><li>- Co-founder and CFO at WorldClass Strategy</li></ul>	<ul style="list-style-type: none"><li>- 10 years at QuoteWizard</li><li>- Previously CEO of WorldClass Strategy</li><li>- Board member at EducationDynamics</li></ul>	<ul style="list-style-type: none"><li>- 10 years at QuoteWizard</li><li>- Previously a programmer at Boeing</li><li>- Served as CTO at WorldClass Strategy</li></ul>	
	Executive Team	 <b>IAN SMITH</b> COO	 <b>DAN LIEN</b> CMO	 <b>RICK BOUFFARD</b> CRO	 <b>BRAD COOPER</b> SVP, Calls
		<ul style="list-style-type: none"><li>- 12 years at QuoteWizard</li><li>- First QuoteWizard hire</li><li>- Previously a developer at WorldClass Strategy</li></ul>	<ul style="list-style-type: none"><li>- 9 years at QuoteWizard</li><li>- 16 years in performance marketing</li><li>- Previously a Digital Marketing Executive at WorldClass Strategy</li></ul>	<ul style="list-style-type: none"><li>- 7 years at QuoteWizard</li><li>- 17 years in performance marketing</li><li>- 10 years at Efinancial as a Business Development Executive</li></ul>	<ul style="list-style-type: none"><li>- 1 year at QuoteWizard</li><li>- 17 years in performance marketing</li><li>- Previously CEO of Bantam Connect (acquired Q1 '18)</li></ul>

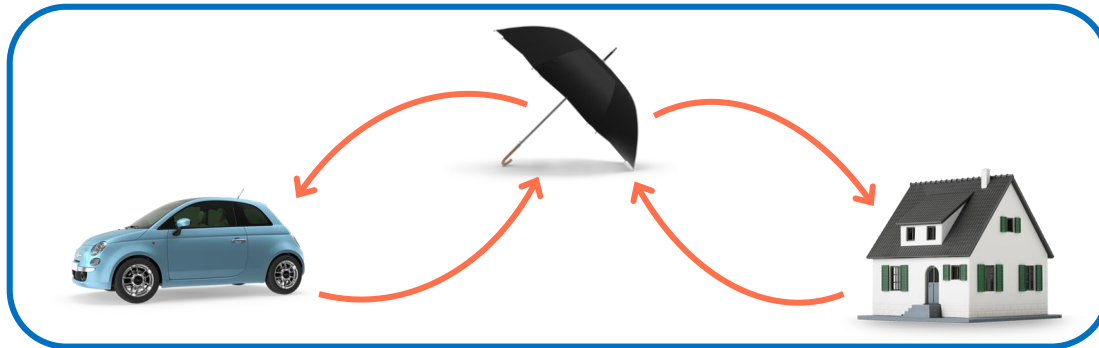


# Why LendingTree?


 Creates unmatched, full-suite of financial and insurance products




 Cross-sell opportunities




 Good cultural fit

 "Best Place I've Worked For"  
★★★★★ Current Employee - Anonymous Employee

Recommends  Positive Outlook  Approves of CEO

 It's great to have a gym, a corporate lounge, and a ping pong table. It's a great place to work. I've been able to communicate well, it's hard to pick bad things about the company.


 "Great place to work"  
★★★★★ Former Employee - Anonymous Employee

Recommends

I worked at LendingTree for 3 years. It was a great experience. The company is focused on its core business and has a strong culture. The employees are friendly and helpful. The company is a great place to work. I would recommend LendingTree to anyone looking for a job.

**Pros**

- Ability to make a difference
- Focused on the customer (work-life balance). Good benefits (no wasted time)





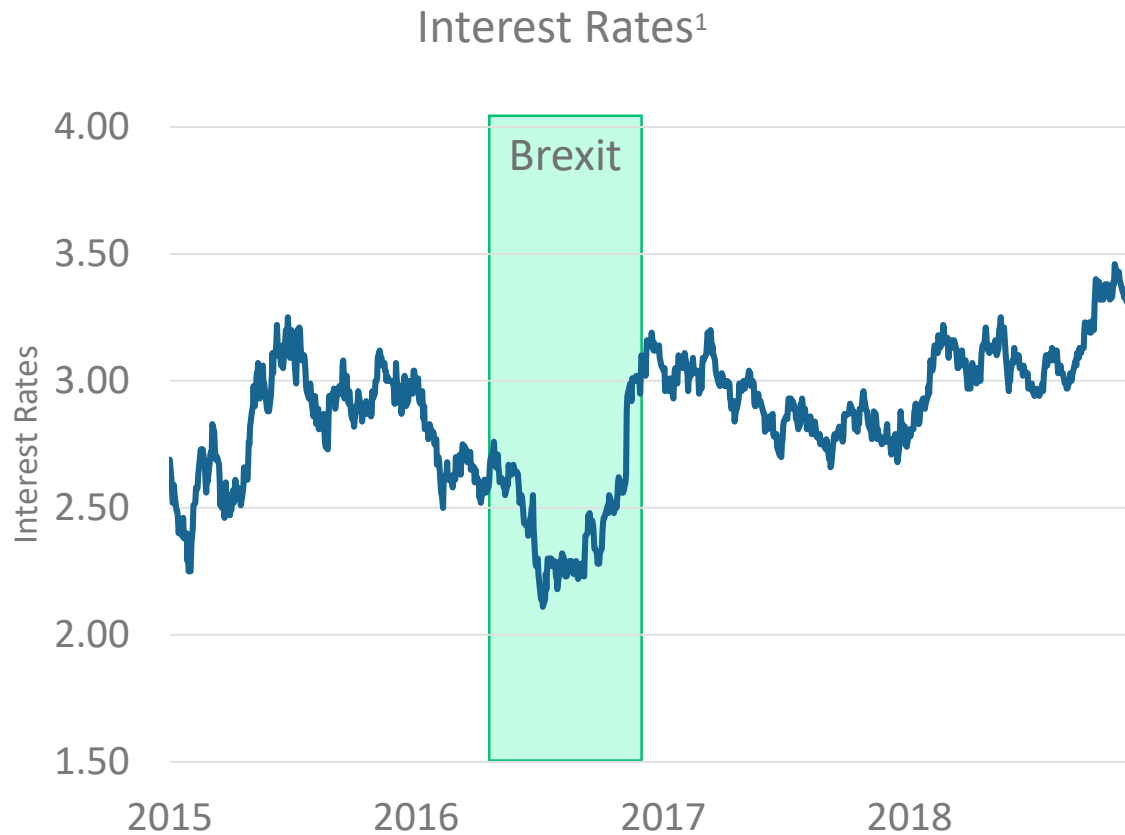


# Mortgage Update & RULO

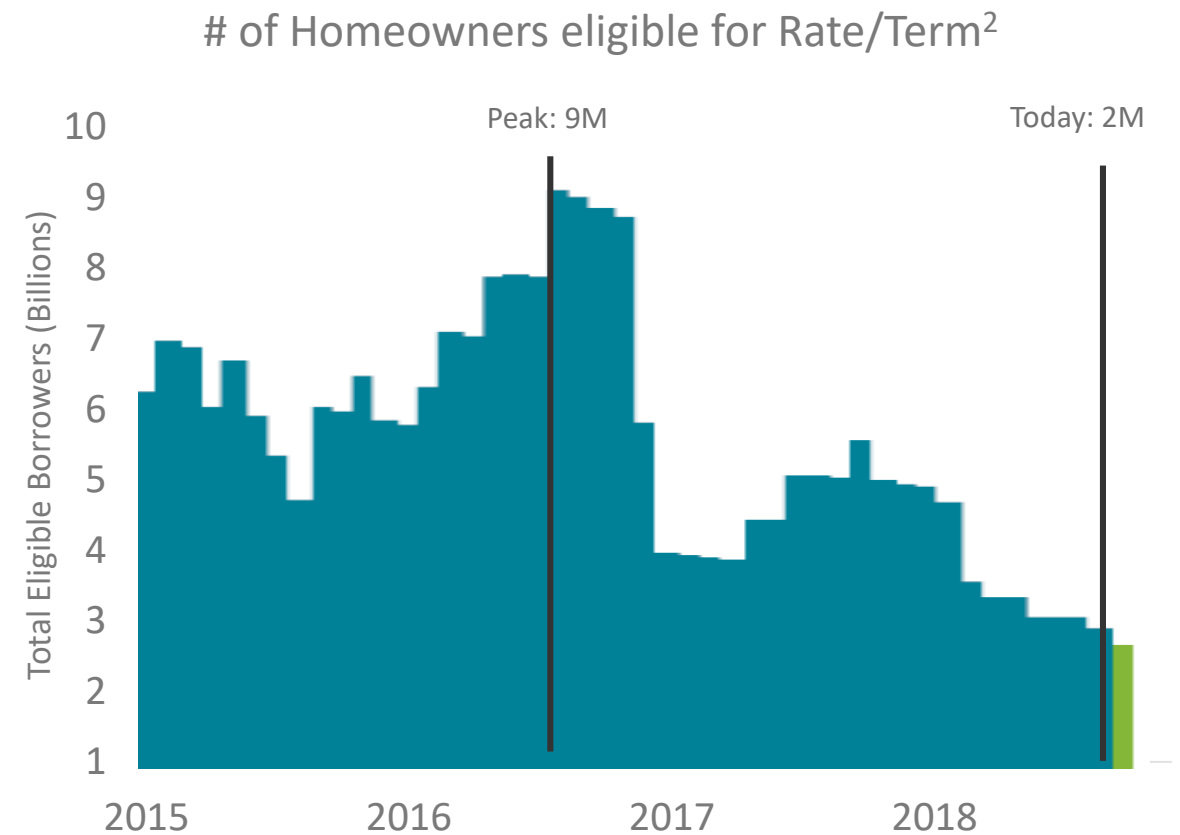
Sam Mischner – Chief Revenue Officer & Head of Mortgage

# Industry today

There have been no material rate declines in 2018...



...leading to a shrinking pool of borrowers that can benefit from a rate/term refinance



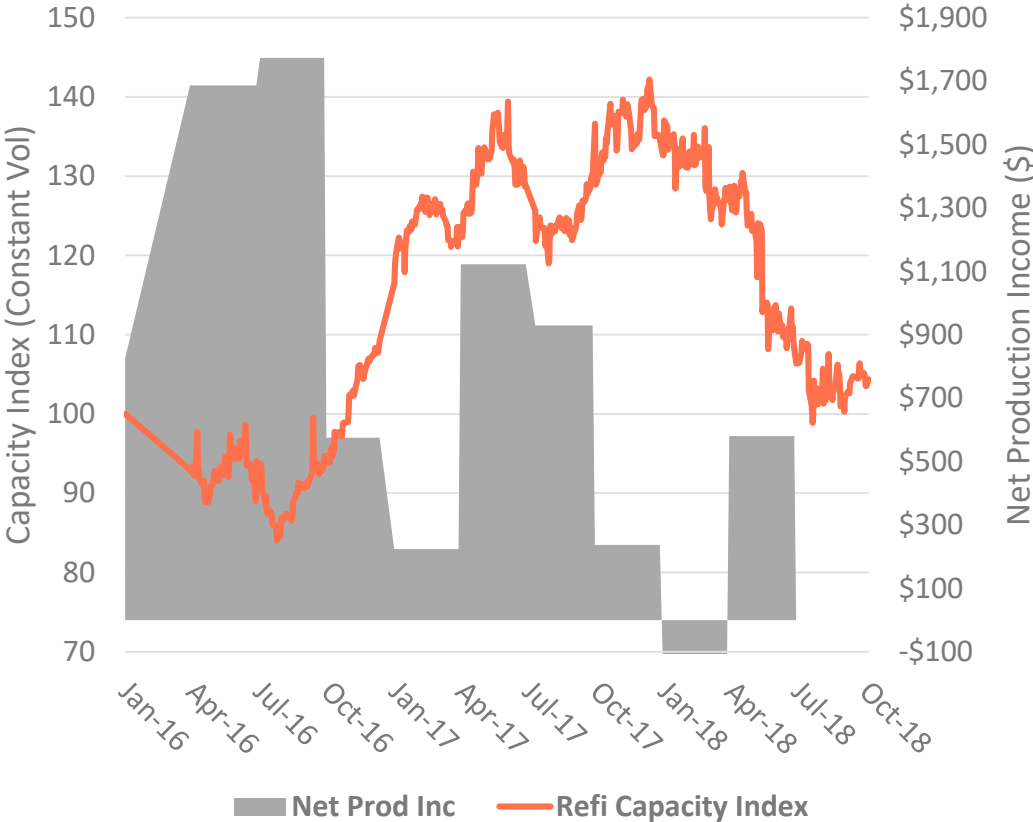
1. 10-Year Treasury Constant Maturity Rate, [fred.stlouisfed.org](http://fred.stlouisfed.org)

2. Black Knight Mortgage Monitor, [blacknightinc.com](http://blacknightinc.com)

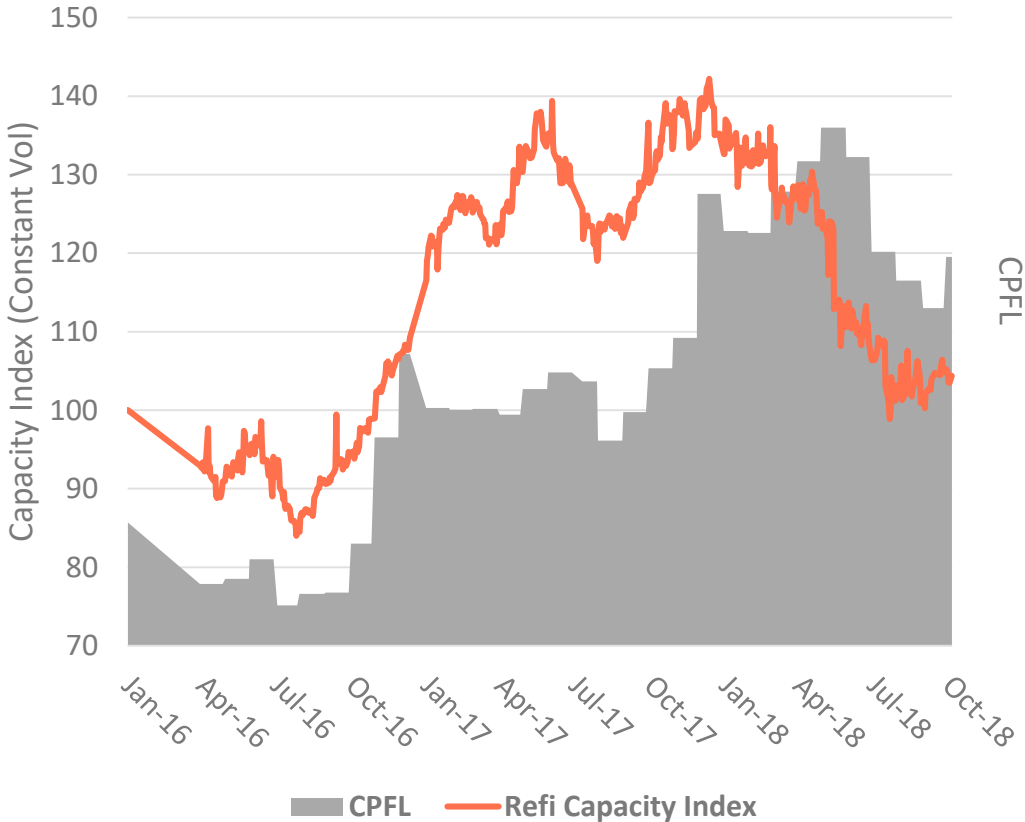
# Impact on LendingTree marketplace

Within LendingTree, capacity (lender demand) fluctuates based on lender profitability and cost to originate.

Refi Capacity vs. Industry Profitability

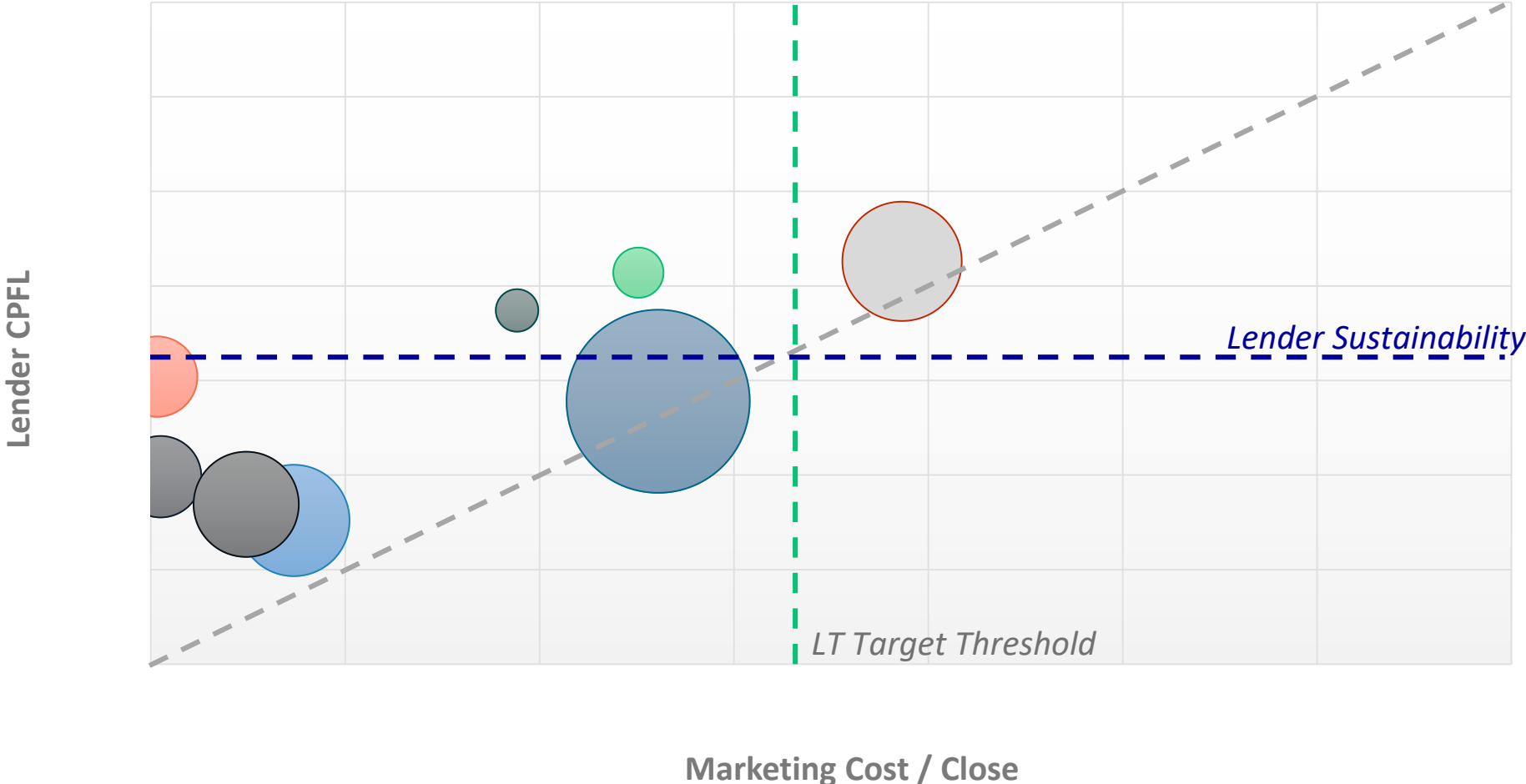


Refi Capacity vs. Refi CPFL



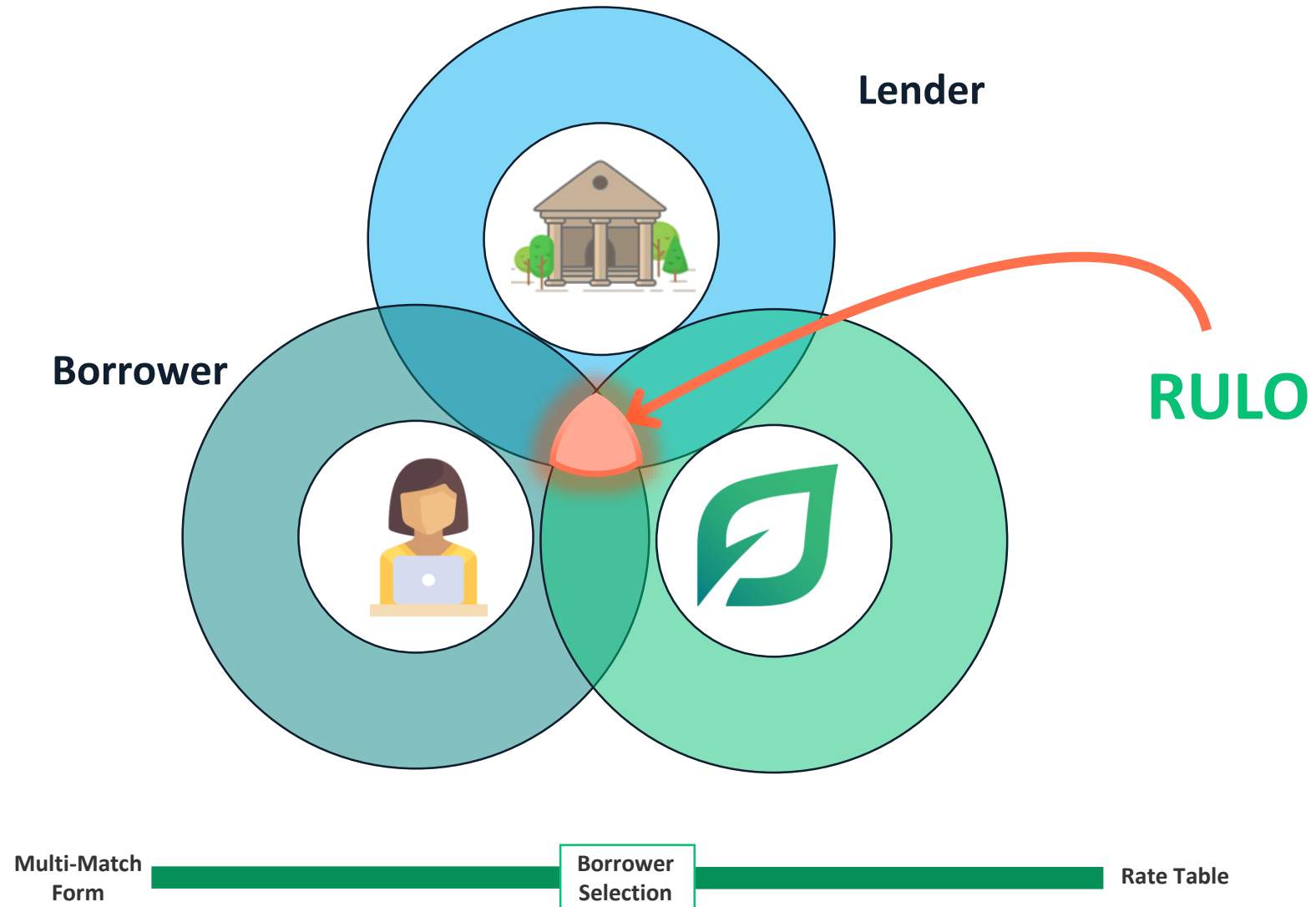
# Optimization

We are focusing on **optimizing** our marketing to **achieve lender sustainability**



1. Based on internal marketing data

# Long-term solution: borrower selection model





# RULO: benefits



- Better Customer Experience
- Increased Offer Page Engagement
- Improved NPS Scores
- Reduction on Unwanted Calls



- Better Lender Experience
- Higher Lock Rates & Close Rates
- Sustainable Economics



- Marketing Efficiency
- Expanding Capacity
- Other Vertical Monetization
- BD Partnership Expansion
- New Bank/Lender Access



# RULO: operational efficiency

RULO allows lenders to spend less time calling leads and more time helping borrowers.

## Lender Funnel

Today		RULO		
Matches	100	Matches/ Selections	40	More loans, fewer leads= Efficiency
Contacts	40	Contacts	40	
Locks	4	Locks	4-6	
Loans	2	Loans	2-3	
Conversion	2%	Conversion	5% - 8%	



# RULO: current snapshot



**NPS IMPROVEMENT**  
40% Detractors to 35% Promoters



**NUMBER OF LENDERS LIVE**  
30+ Lenders Currently in Pipeline



**PERCENT OF TRAFFIC**

## Product Roadmap

- ✓ Technology infrastructure
- ✓ Key product features
  - Enhance features:
    - Benefit Finder
    - Purchase Incubation
  - Selection Rate Optimization
  - Lender Integrations

# RULO: product highlight - Benefit Finder

Using technology to replicate loan officer sales efforts

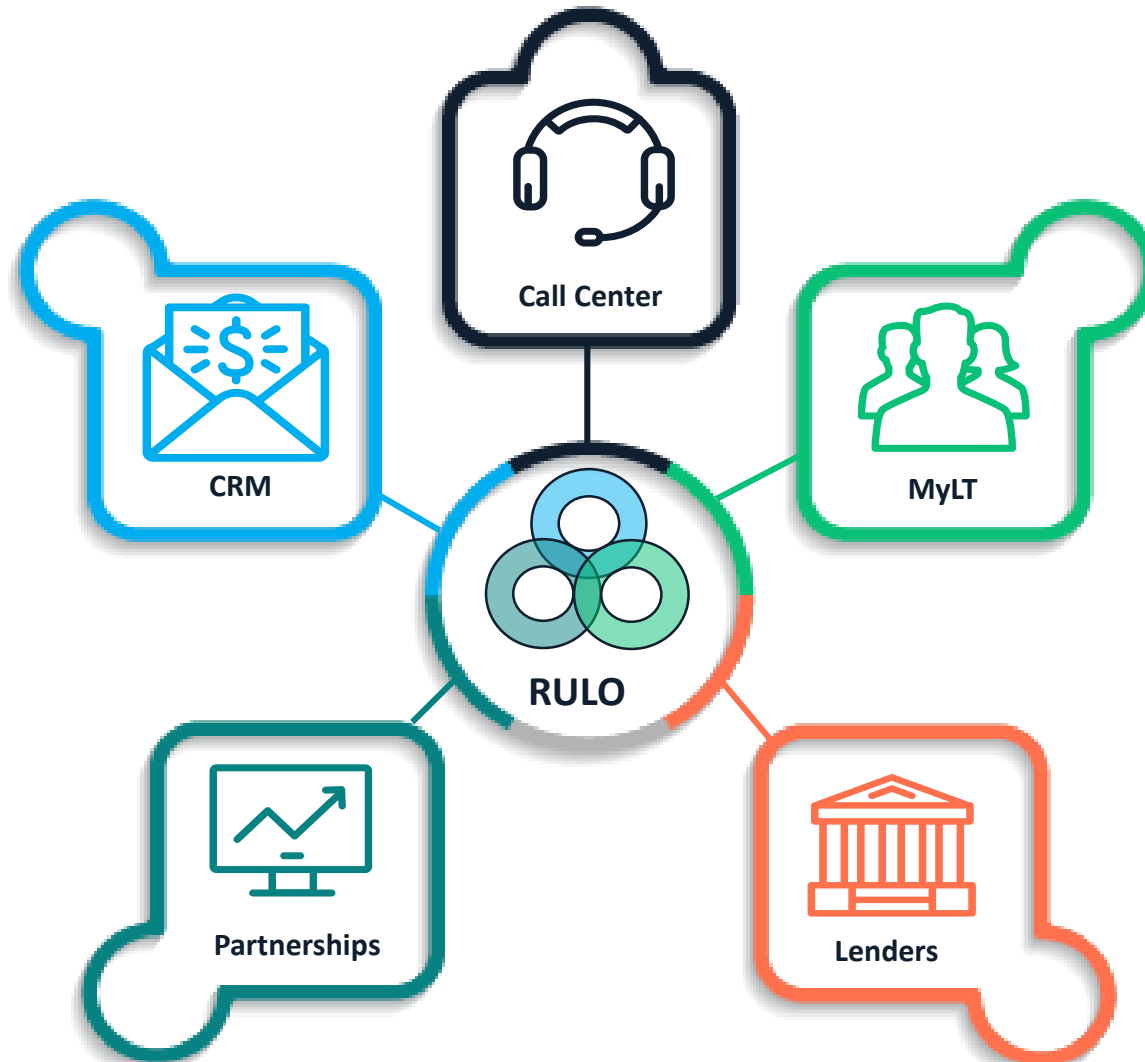
The image shows a laptop displaying the LendingTree Savings Analyzer interface. An orange arrow points from the laptop screen to a larger, zoomed-in view of the same interface. The interface features a navigation menu at the top with options like Dashboard, Mortgage, Vehicles, Student, Personal, Credit Card, Financial Help, Insurance, Business, and Academy. The main content area is titled 'LENDINGTREE SAVINGS ANALYZER' and includes a personalized message: 'Hey, Elizabeth! Here are real ways you can save by refinancing your current mortgage.' Below this, there are three green buttons with white text: 'Pay off up to \$15,000 in debt', 'Save up to \$356 per month', and 'Save up to \$21,500 in loan interest'. The interface also displays a 'TOP LENDER FOR YOU' section with a lender logo, monthly payment of \$794/mo, and various lender details and features.

## Benefits:

- Consolidate Debt
- Lower Your Rate
- Lower Your Monthly Payment
- Save on Your Total Interest Payments

# RULO: product highlight - platform

RULO is now the hub of the consumer journey by communicating with all internal and external systems



# Recap and moving forward

- Macro Environment & LendingTree Today
  - Purchase/Refinance volume shift strategy
  - Lender acquisition cost focus
  - LendingTree network capacity management
  
- Focal Points
  - Optimizing closed loans while gaining capacity and share
  - Business model shift to borrower selection with RULO and going deeper in the funnel

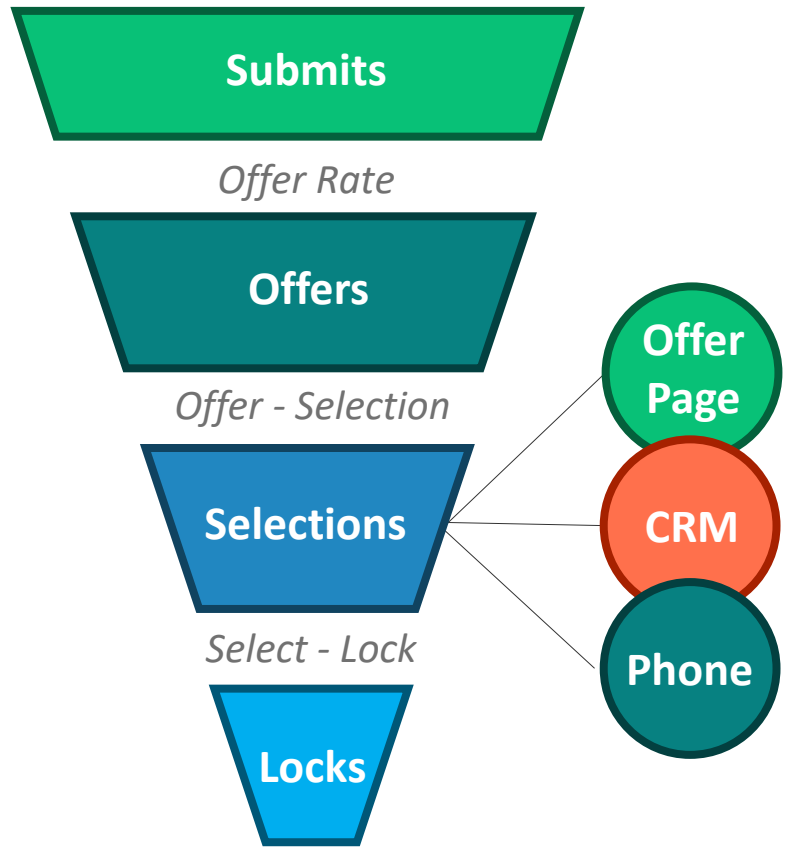
# Better Mortgage Case Study



# RULO overview

## RULO Funnel

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## better Advantages

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- ✓ Competitive Rates
- ✓ Digital First Philosophy
- ✓ Tech Savvy & Nimble

## RULO Goals

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- Selection Rate: Higher Borrower Engagement
- Select-Lock: Higher Pull-through

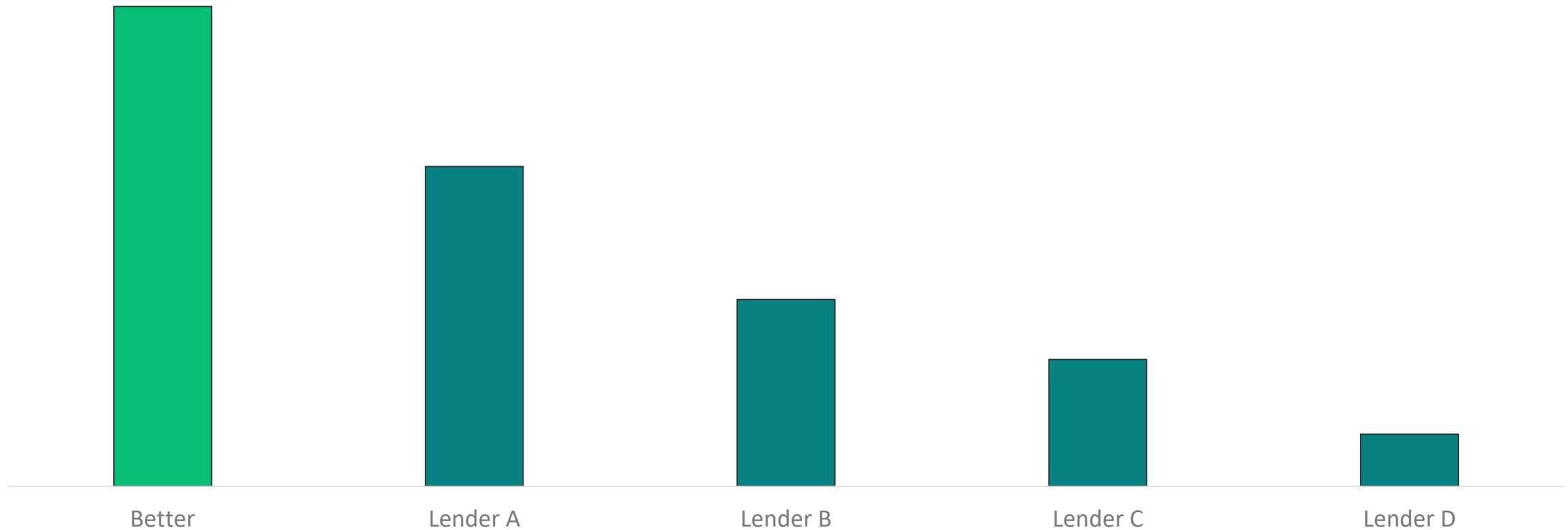


# Hypothesis: Better will have a high selection rate



Consumers selected Better at a high rate

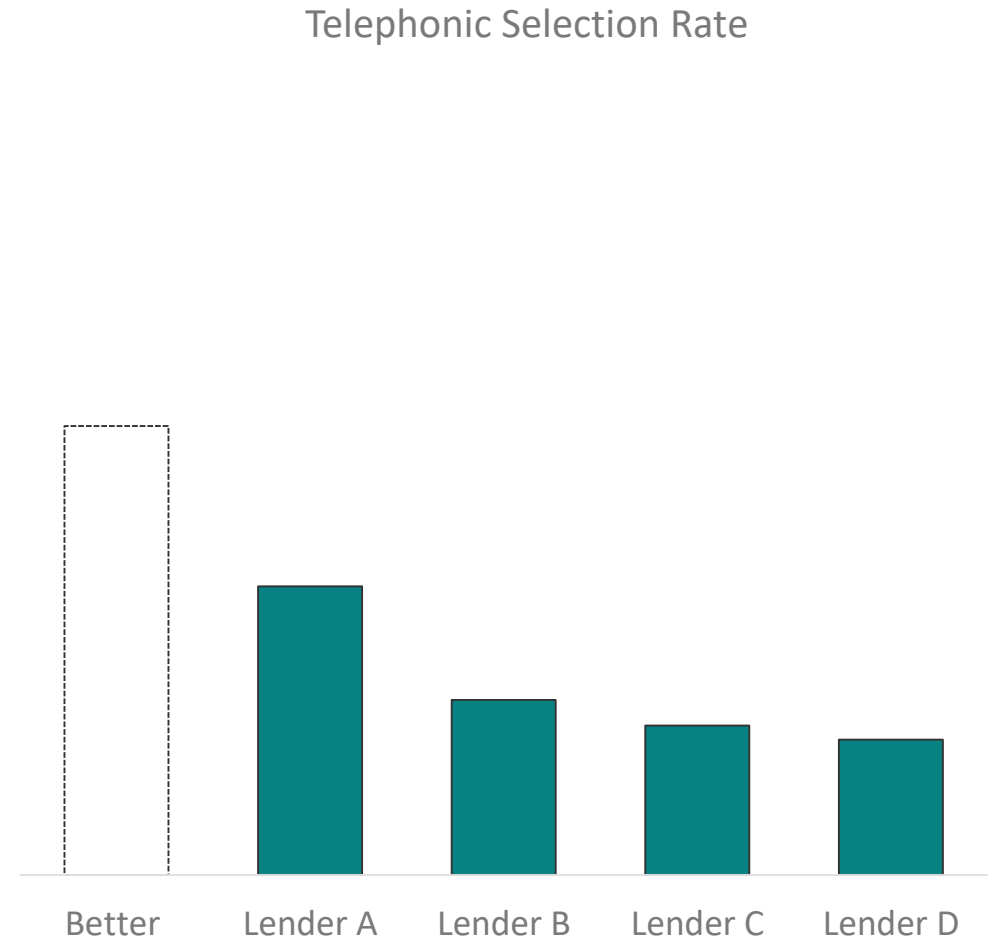
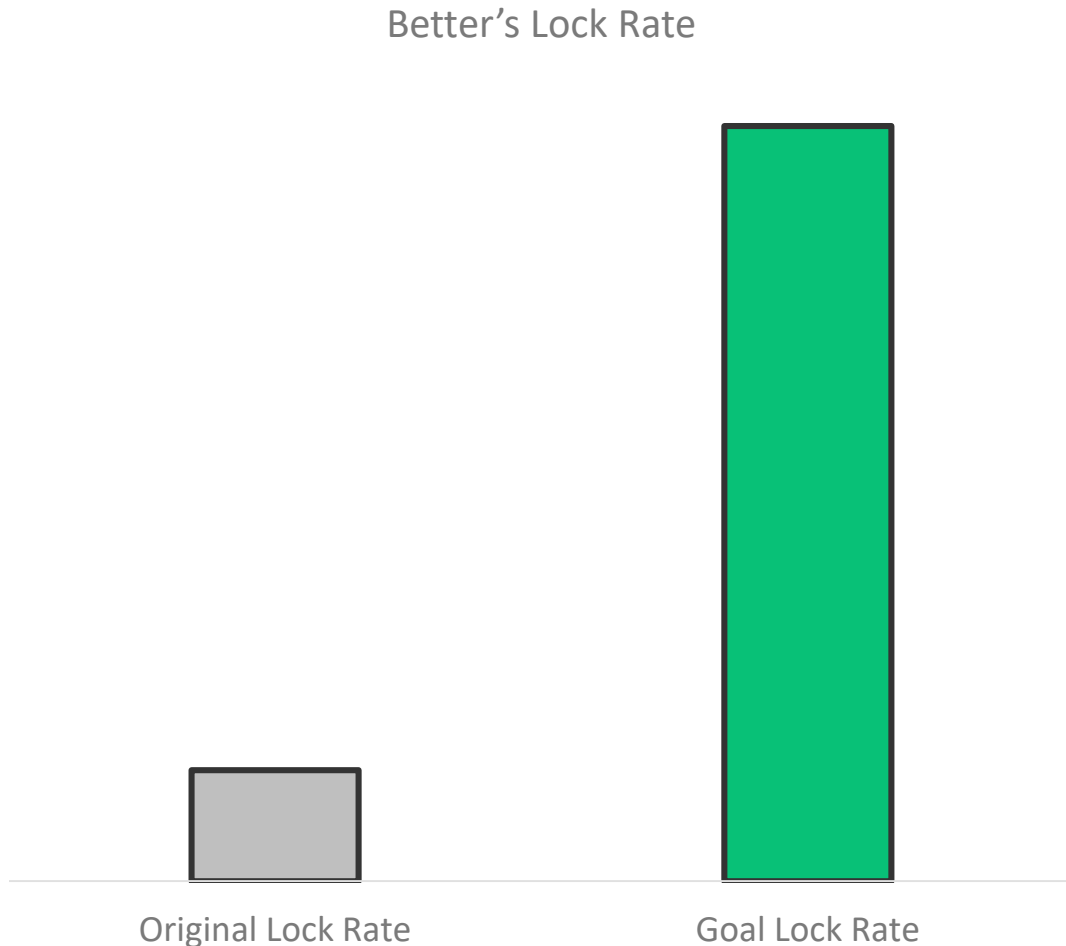
Offer Page Selection Rate



# Issues: selection-lock & offline experience

## Issue 1: Selection-Lock Pull Through

## Issue 2: Missing out on Telephonic Borrowers



# Solutions: selection-lock & offline experience

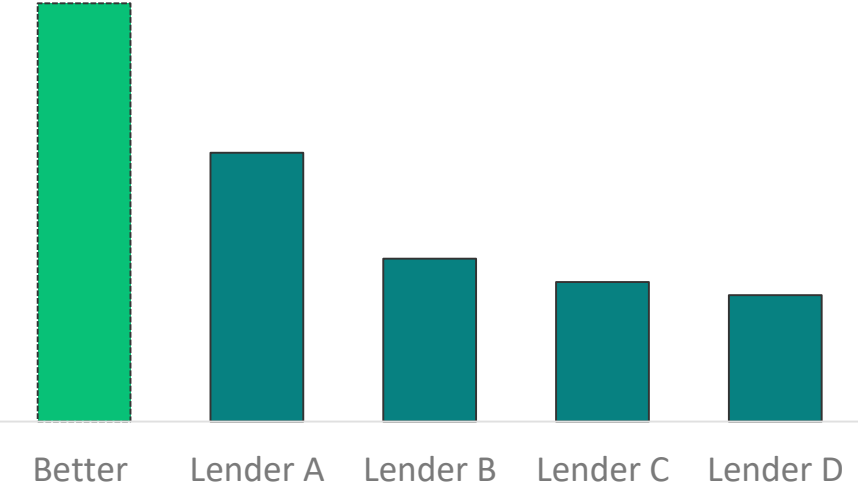


## Solution 1: Implemented Pre-population

## Solution 2: Added Call Center Capabilities

The screenshot shows a welcome message from LendingTree. At the top left is the LendingTree logo. Below it, the text reads "Welcome to Better from LendingTree" followed by "You're just a few steps away from being pre-approved." There are four key benefits listed in a 2x2 grid, each with an icon: "Honest rates" (tag icon), "Guaranteed pricing" (award icon), "Support, not sales" (headset icon), and "3 minutes" (timer icon). A "Let's go" button is located at the bottom right of the message box.

Telephonic Selection Rate

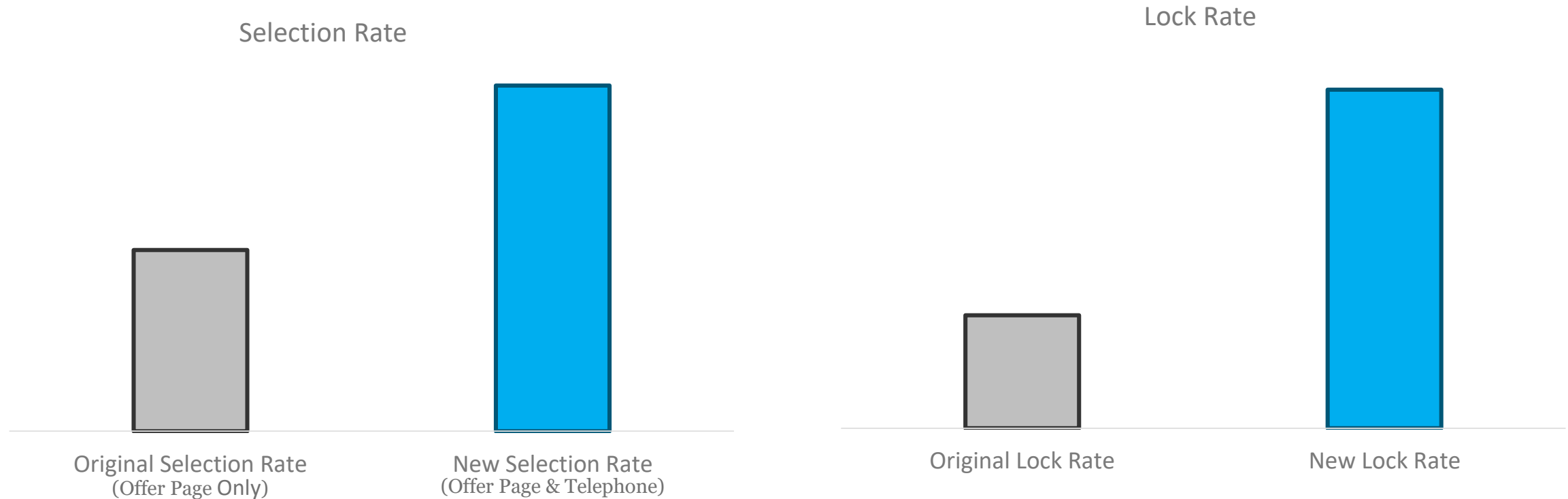


# Summary



Together, we increased Better's overall selection

...and loans originated



## Next Steps:

1. Optimize & Iterate
2. Dedicated teams focused on improving conversion



Vishal Garg

Founder & CEO, Better Mortgage Corporation

*Moderated by Sam Mischner*



Lunch Break



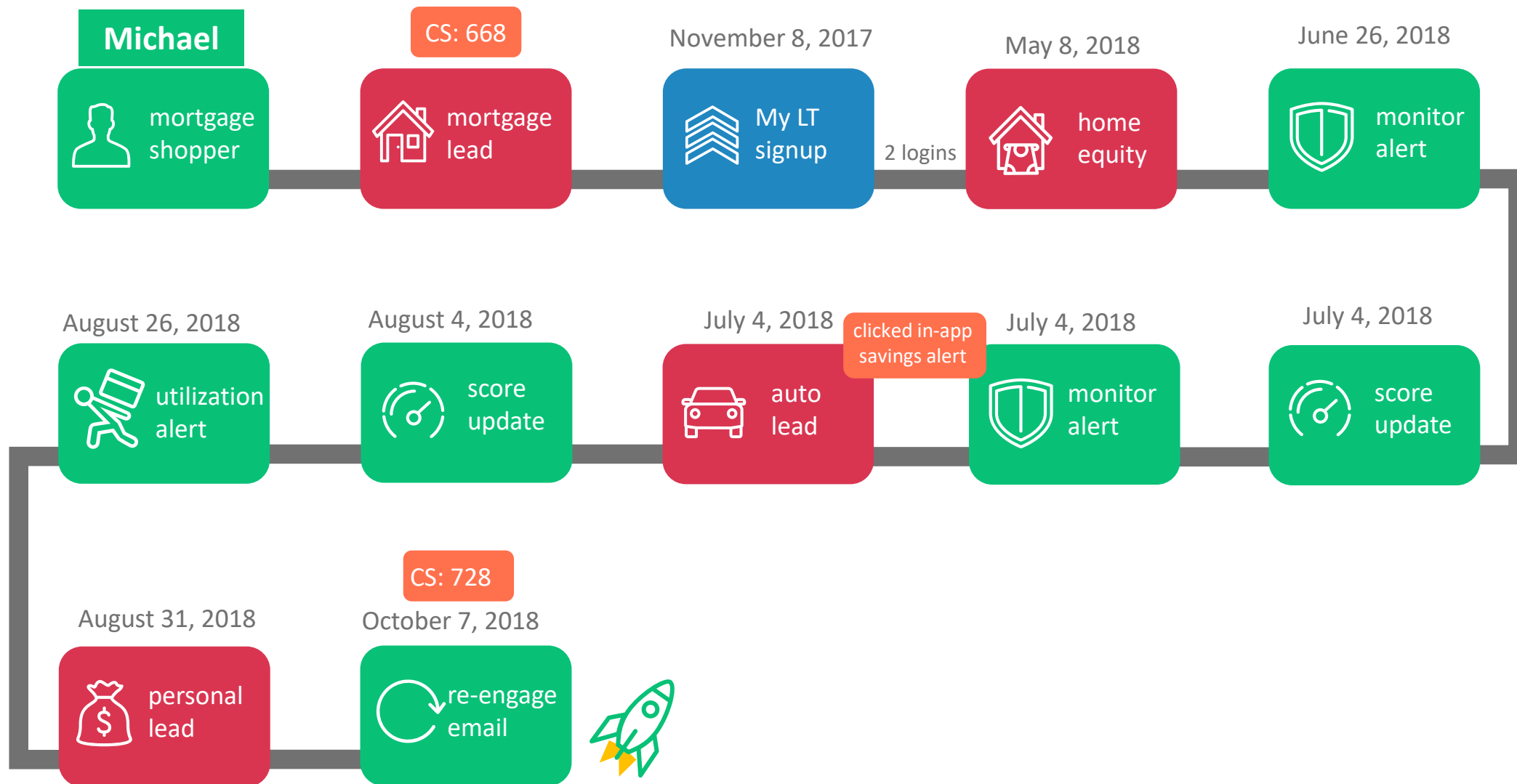
## *My* LendingTree

Sushil Sharma – Chief Product Officer

Jason Simon – Senior Director, Product

# Why did we build My LendingTree?

To empower consumers, to make the smartest financial decisions





# We're enabling users in their financial journey

And we're more than a credit score



Vast Product Offering



Data + Intelligence



Real User Value

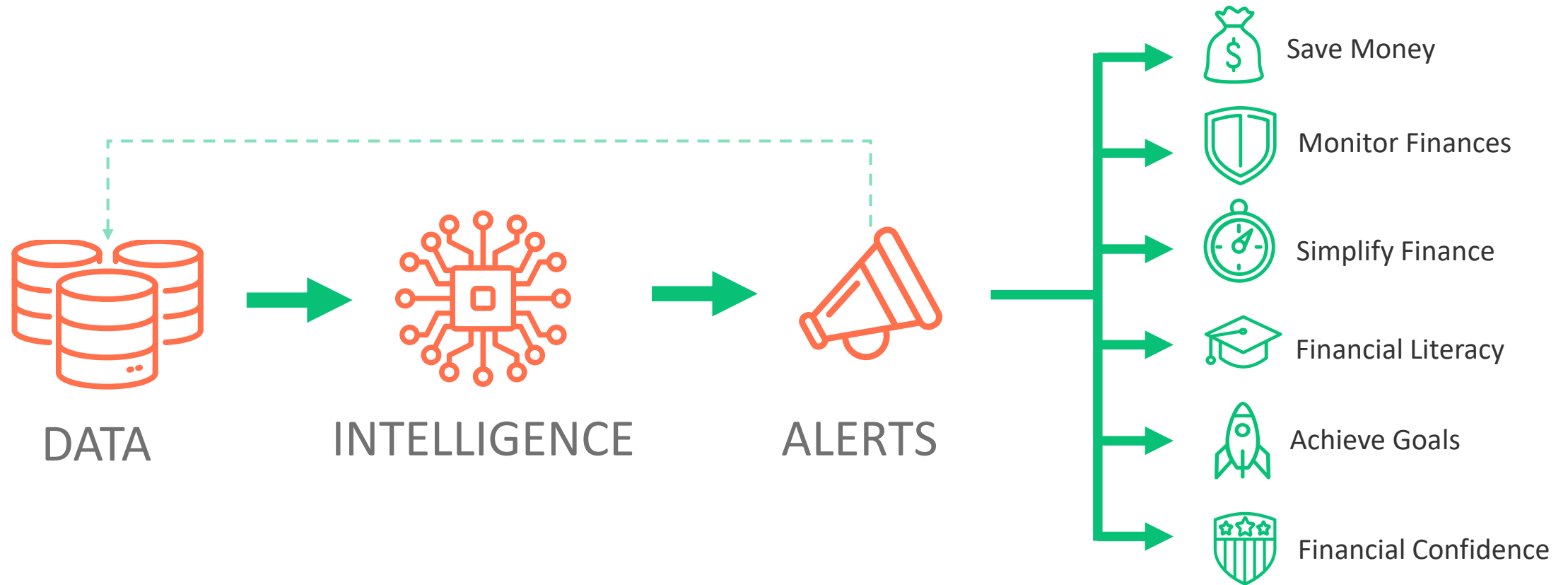


- Home ownership
- Pay off car loan
- Pay off credit cards
- Improve credit score



# How does it work?

Platform: Data > Intelligence > Alerts



# How does it look?

Web, App, Offline CRM/Notifications

The image displays a collection of digital assets for LendingTree, illustrating its multi-channel presence:

- Desktop Dashboard:** A browser window showing the user's dashboard at `my.lendingtree.com/dashboard`. The user is identified as Mary Roberts with a credit score of 824 (EXCELLENT). The dashboard includes navigation tabs for Dashboard, Mortgage, Vehicles, Student, Personal, Credit Card, Financial Help, Insurance, Business, and Academy. A prominent circular progress indicator shows the credit score of 824.
- Mobile App (Credit Summary):** A smartphone screen displaying a credit summary for a user with a score of 709. It includes a bar chart showing score trends and sections for SUMMARY and FACTORS.
- Mobile App (Accounts):** Another smartphone screen showing account balances. Total Open Balances are \$297,353, with a recent balance change of \$4,699. It lists various loan types: Credit Cards (\$2,544), Mortgage (\$149,888), Personal Loans, Student Loans (\$29,000), Vehicle Loans, and Other Loans.
- Email Notification:** An email from LendingTree to Emily Smith, dated 12/11/2018, celebrating her credit score increase. The email features the LendingTree logo and a congratulatory message: "Emily, good job increasing your credit score!".



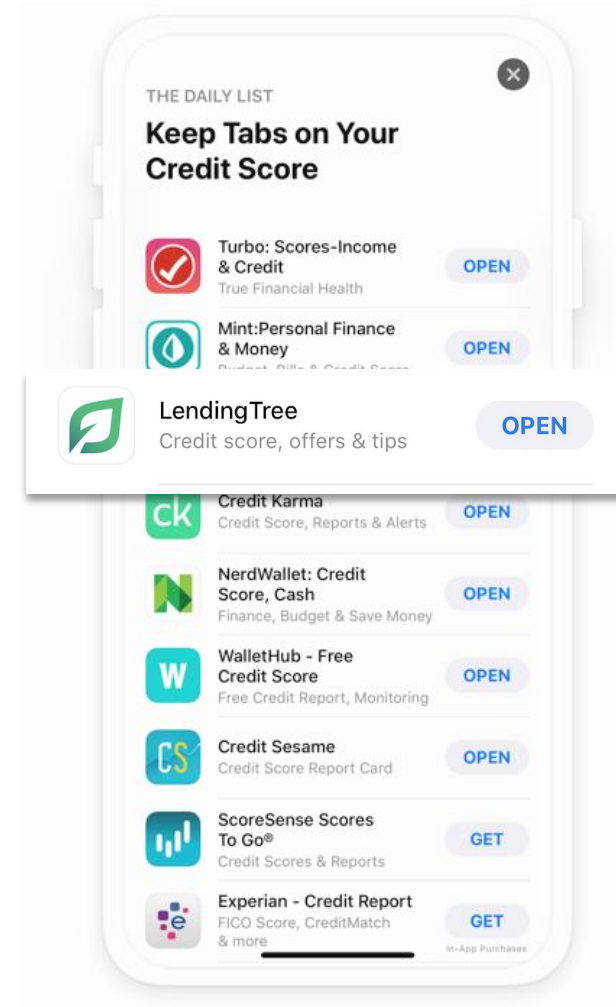
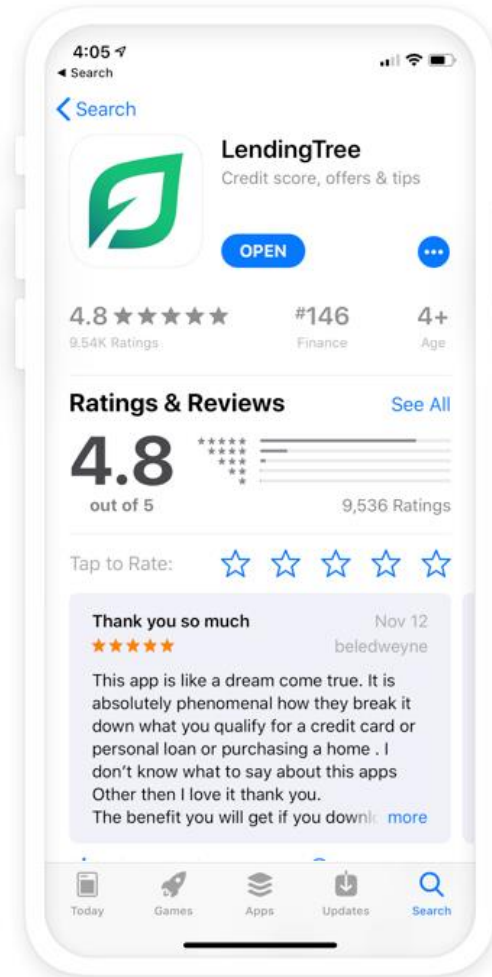
# Do users love it?

Highest NPS among all our products, 4.8/5 on Appstore



44 NPS

in Sep.

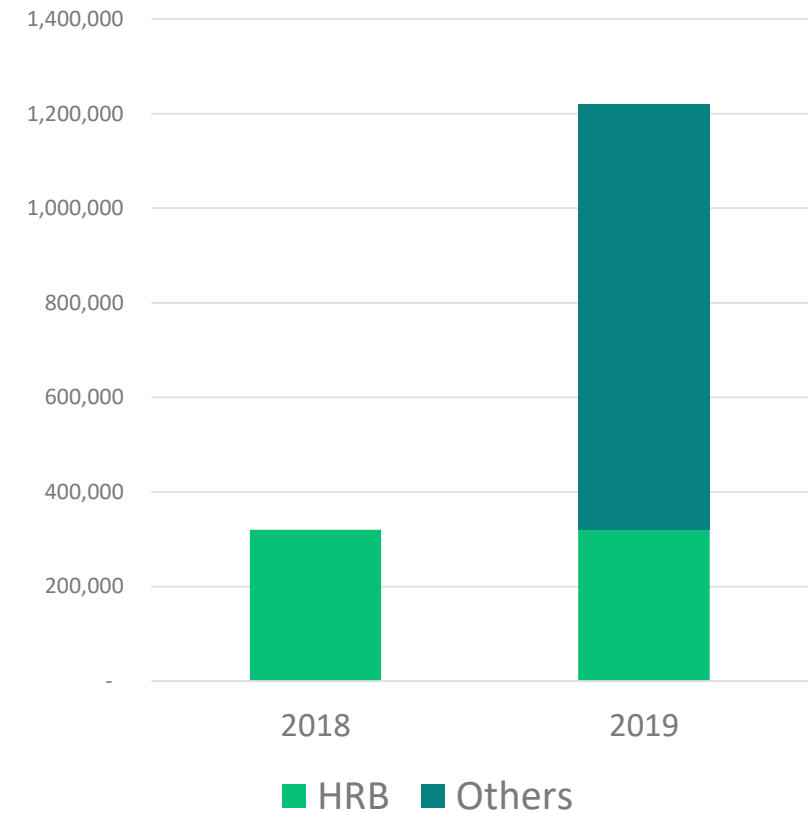


# We want everyone in US to try LendingTree

We have built a SaaS platform to power external partners



User Acquisition via partnerships



# Key metrics & KPIs



# My LendingTree in numbers



**ACQUIRE**

**9.9M+**  
users (Dec.)



**ENGAGE**

**+29%**  
MAU (Q3-YoY)



**MONETIZE**

**+68%**  
Revenue (Q3-YoY)

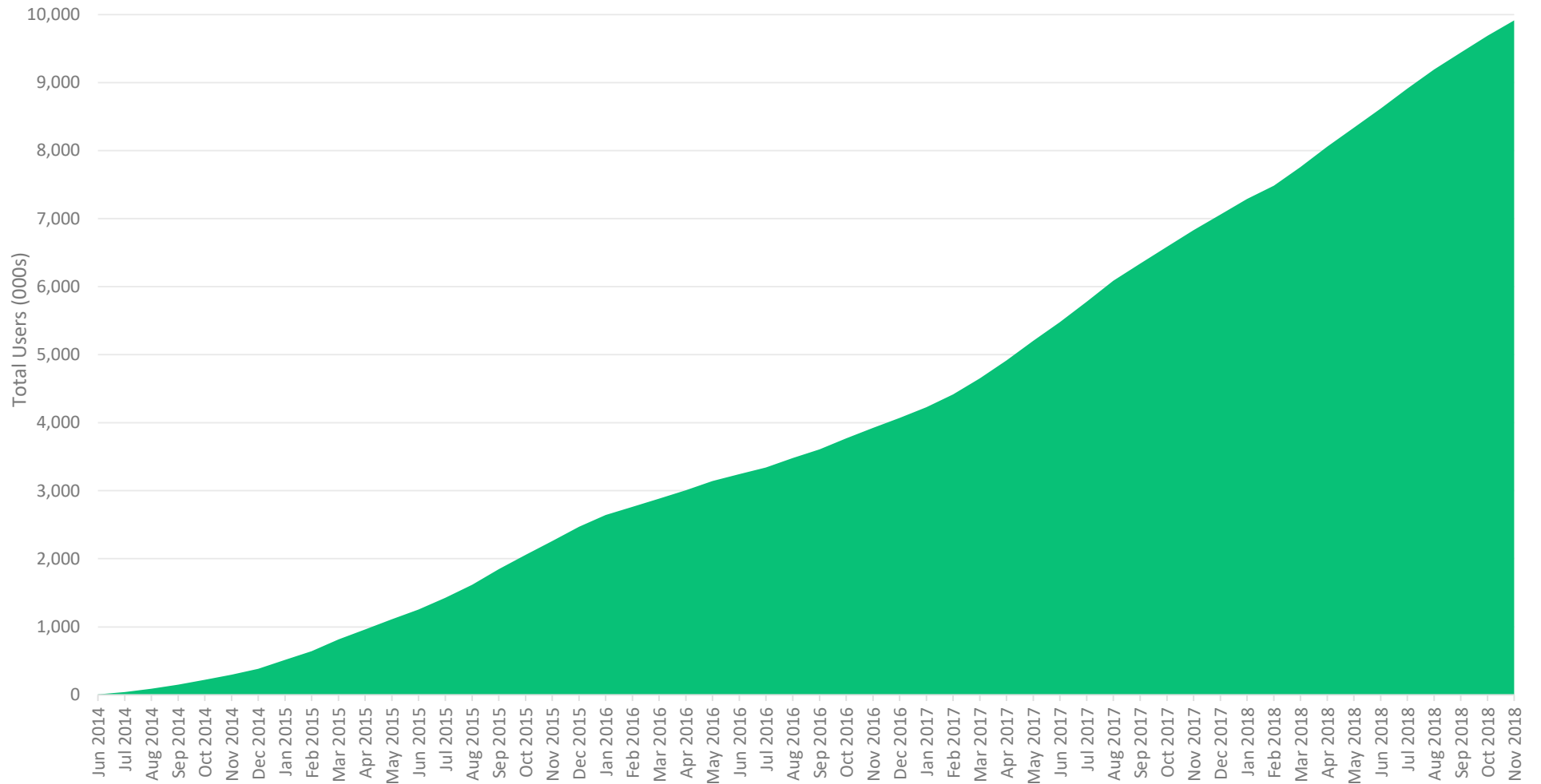




Acquire

# ~9.9M signups

Signup = Login Credentials + Identity + Consumer Report



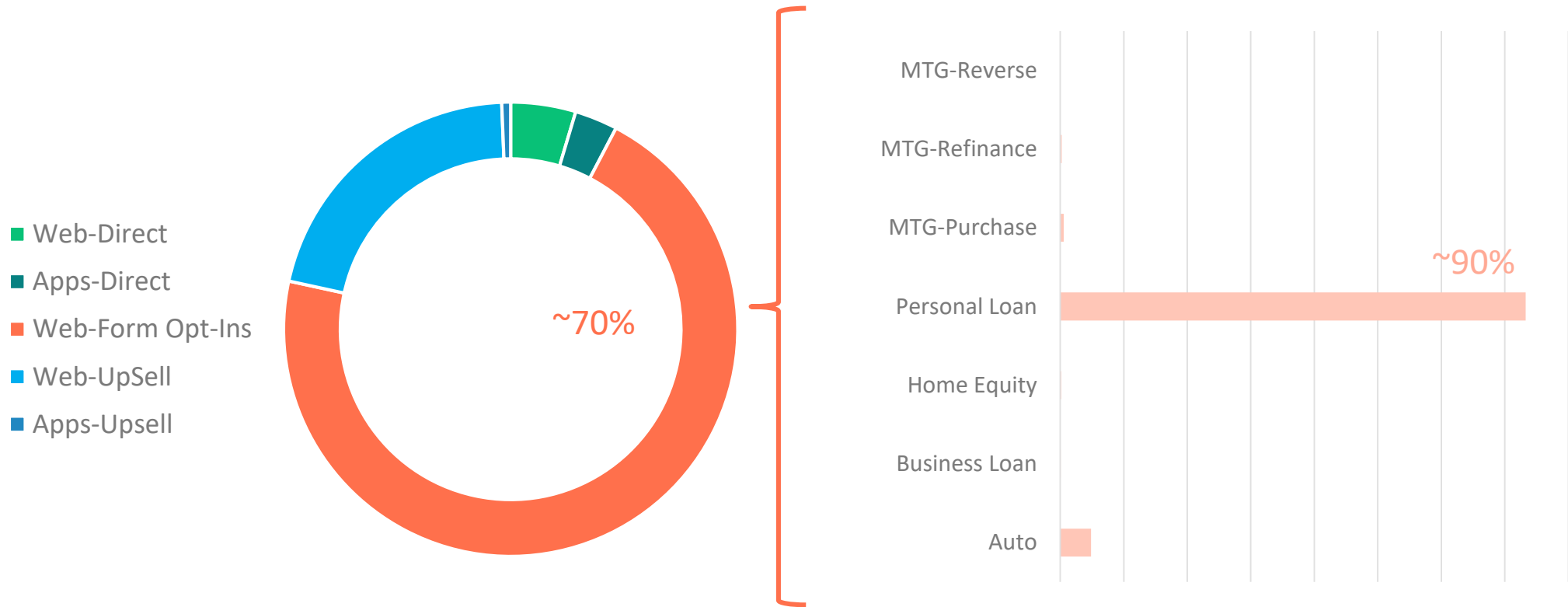




Acquire

# Most of the current signups are web > PL

Direct Signups, esp. on Apps is a very small slice



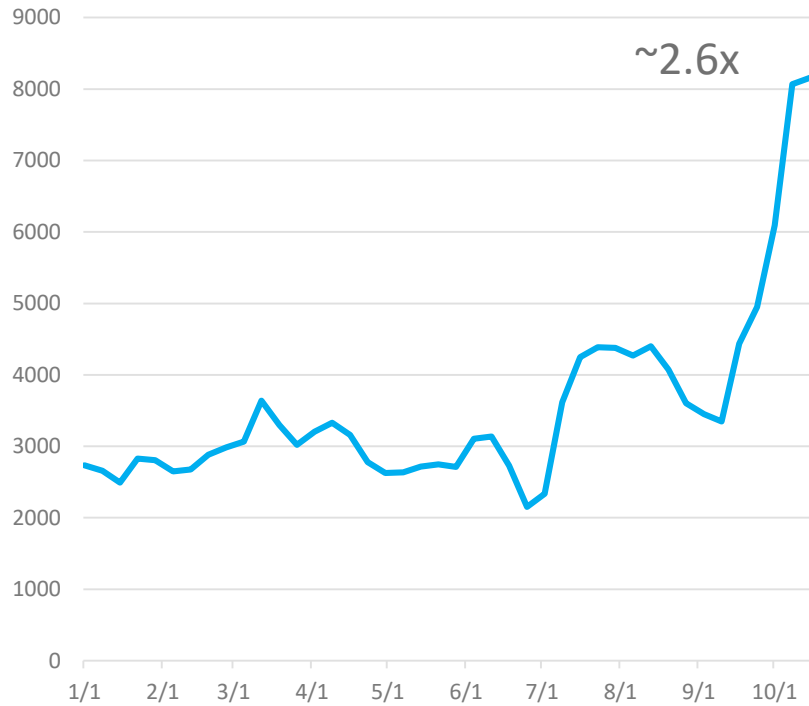


Acquire

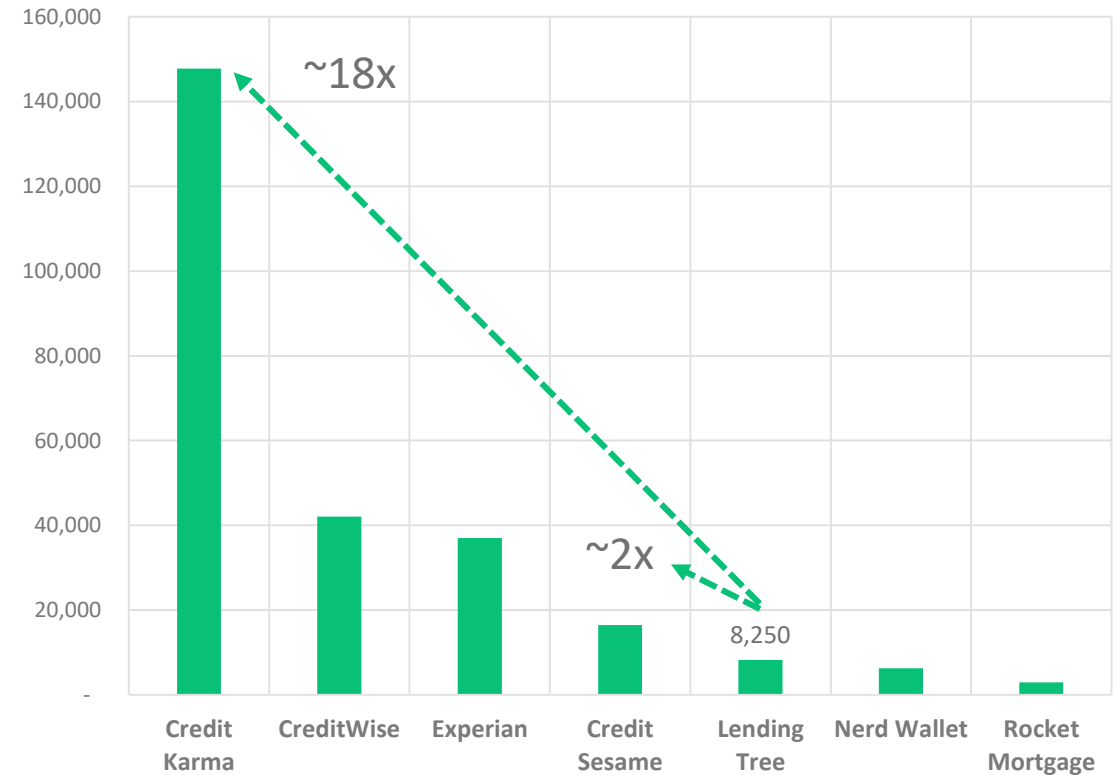
# Apps: initial tests look promising

LOTs of room to grow

app installs/week



vs comps. (app installs)



Data Source: App Annie. Full year projections extrapolated, post LT app surge, from the week of Oct 27-2018



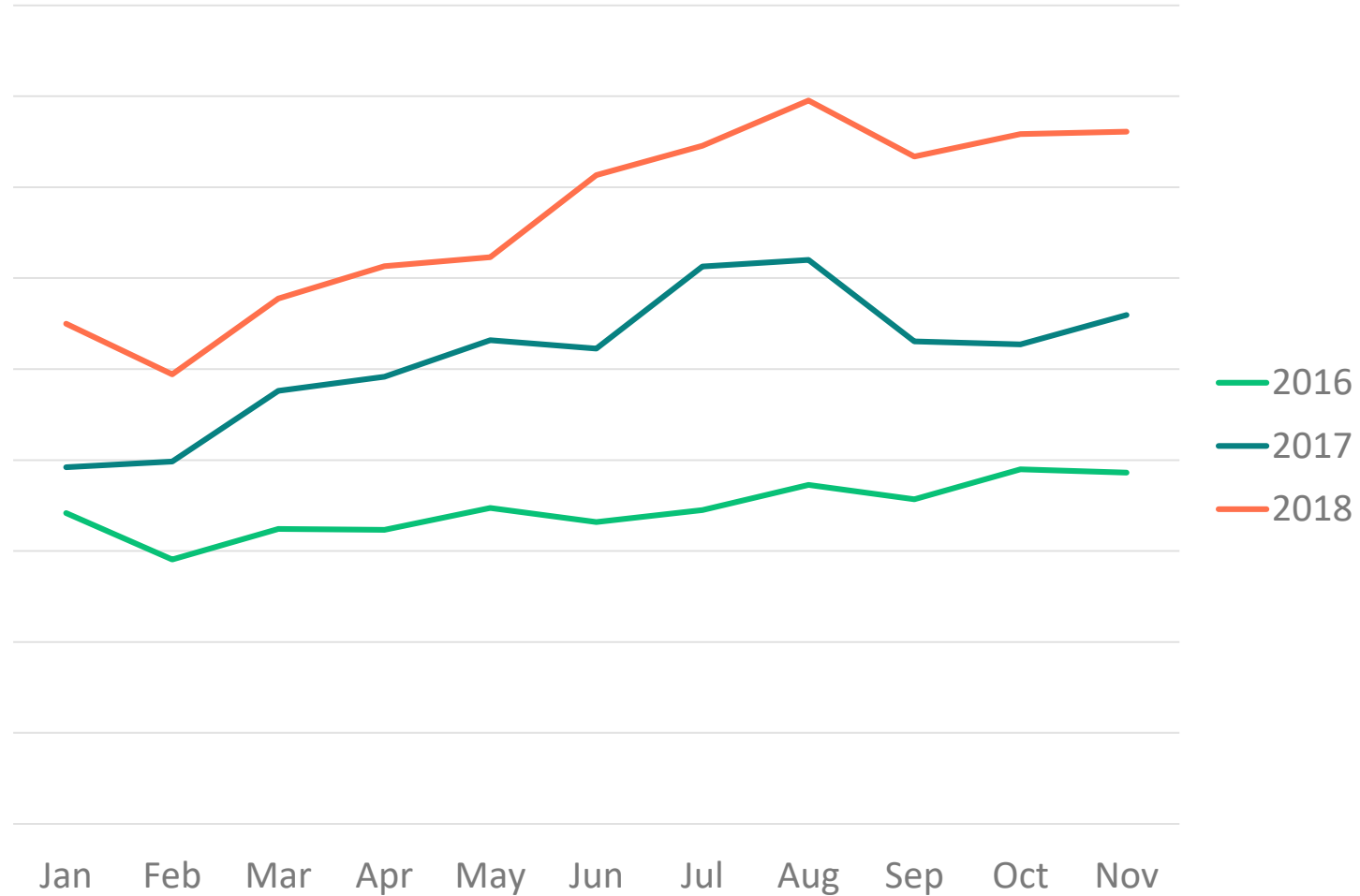
Acquire



Engage

# +29% growth in MAU (Q3-YoY)

Higher: Userbase > Engagement > Stickiness





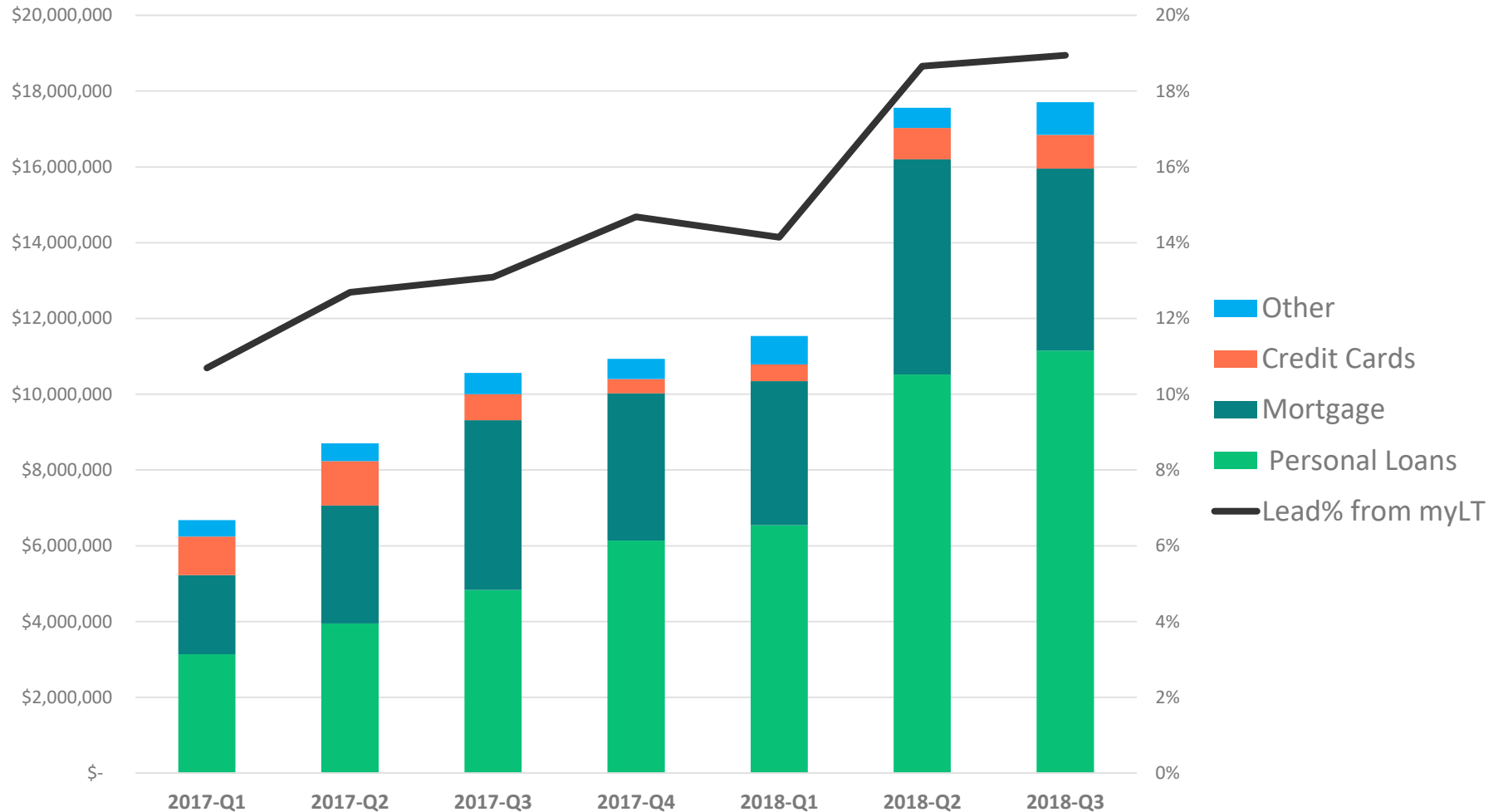
Acquire



Engage

# ~19% of LT exchange leads

PL = ~60%. CC at 5% has the biggest growth opportunity



Data : For Lead%, the scope is limited to LT branded "exchange" products only. So excludes revenue from credit card, credit services, student loan etc.



Acquire



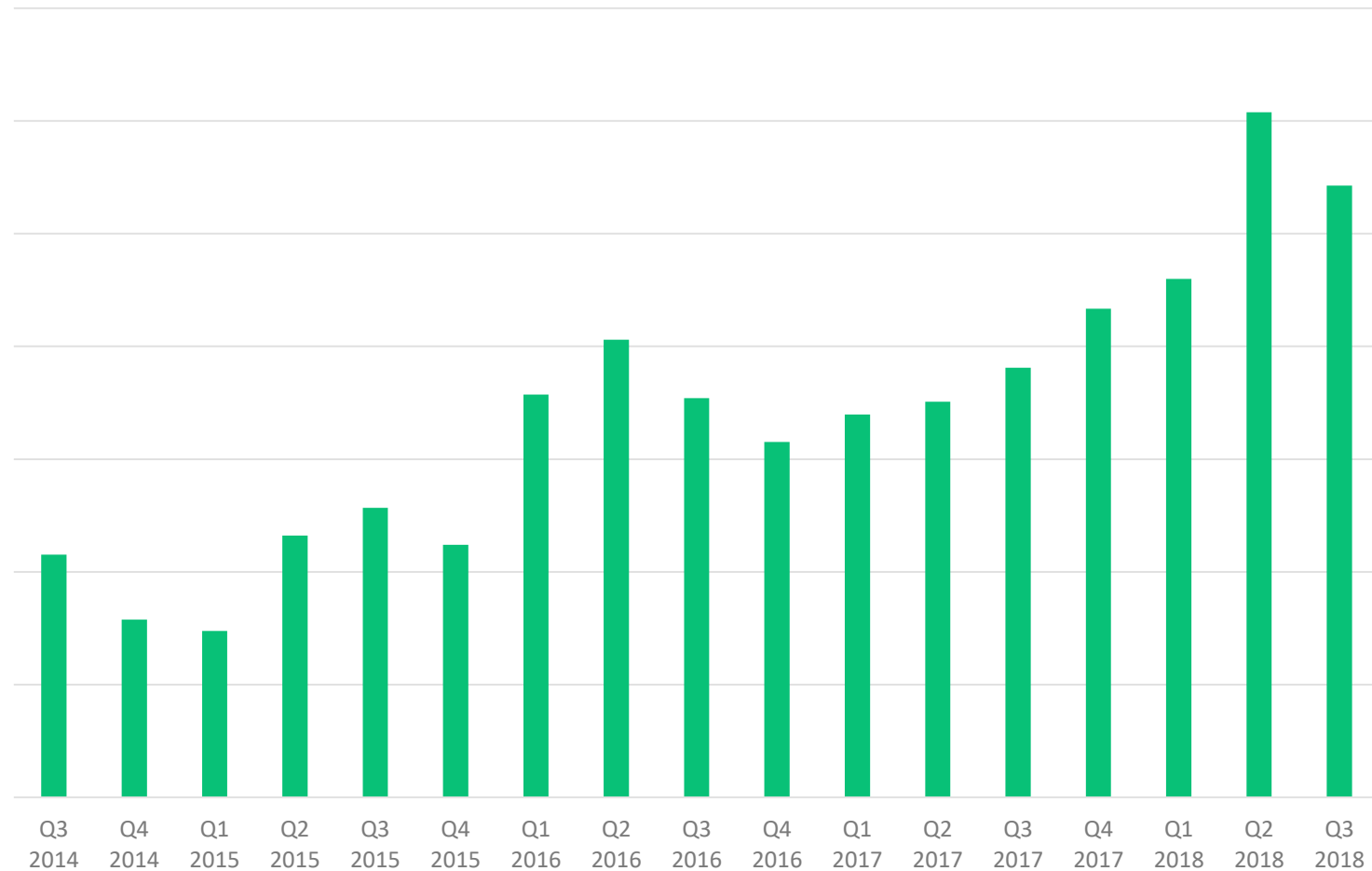
Engage



Monetize

# +42% growth in ARPU (Q3-YoY)

Focus on merchandizing & recommendations



ARPU = In-month revenue / MAU



Acquire



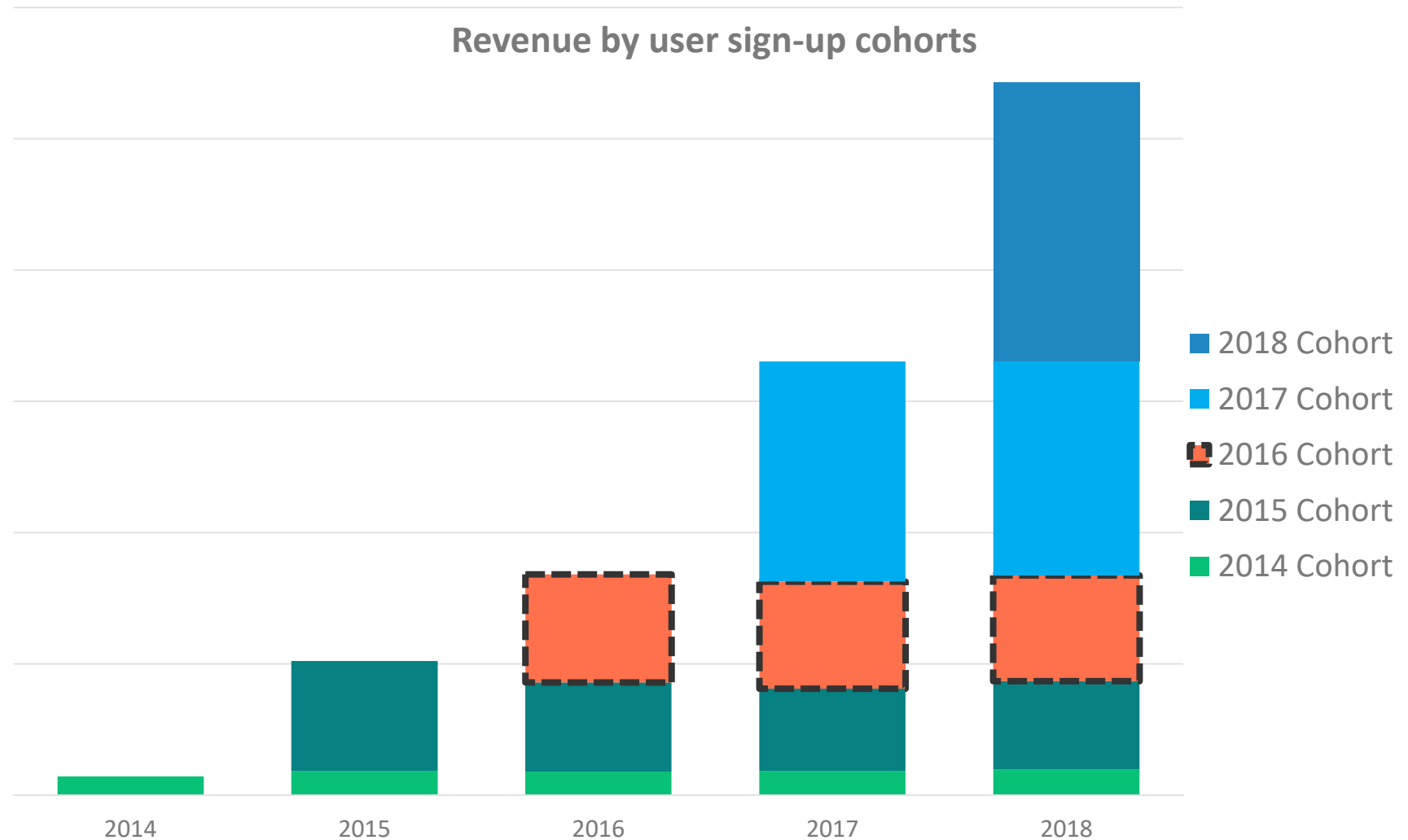
Engage



Monetize

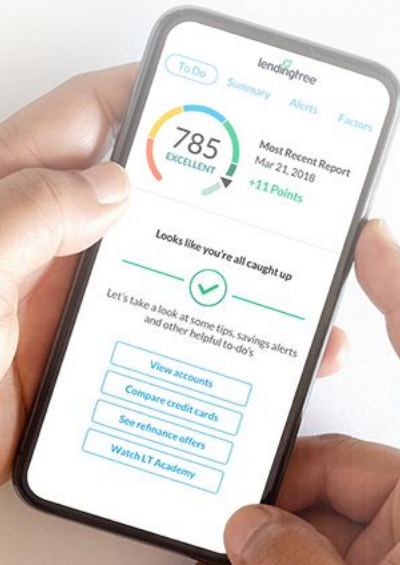
# LTV: very healthy long tail of revenue

Almost same revenue for next  $n$  years, (e.g. 2016-cohort)



Data Notes: 2018 is not completely mature since it only includes data until 11/29/2018

# Thank You



9.9M+

Users as of Dec. 2018

+29%

MAU (Q3-YoY)

+42%

ARPU (Q3-YoY)

+68%

Revenue (Q3-YoY)



## Sabrina Basht

Chief Strategy Officer, Marlette Funding

*Moderated by Jamie Saxe*





# Laying the Groundwork & Accelerating the Flywheel for our Brand

Brad Wilson – Chief Marketing Officer

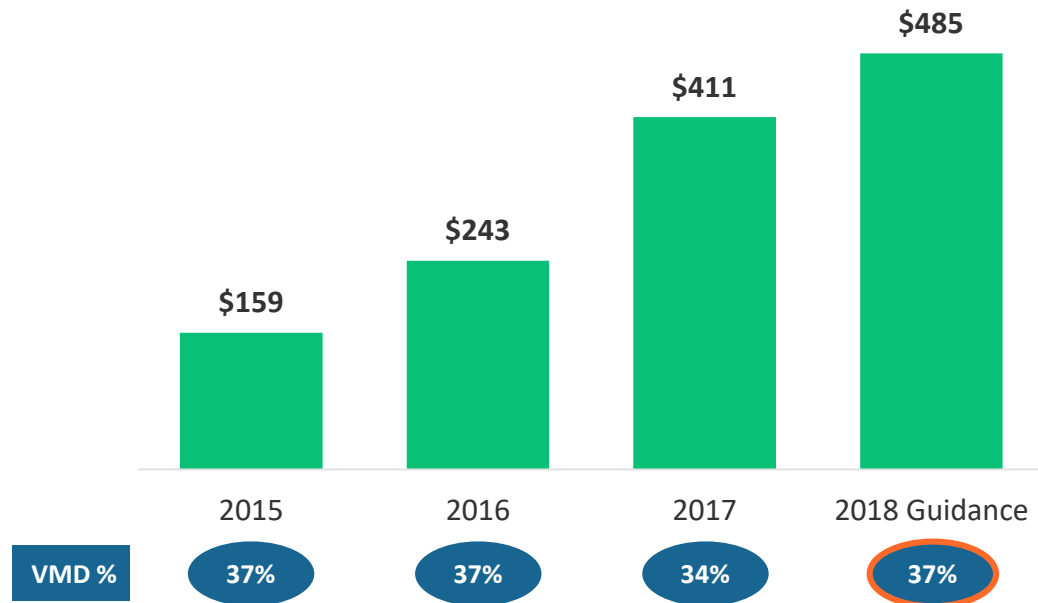
# We have improved margins, strengthened our leadership position

We continue to invest heavily in marketing...

...while bolstering our marketplace leadership position

Total Marketing Investment & Variable Margin Dollar (VMD) Contribution %

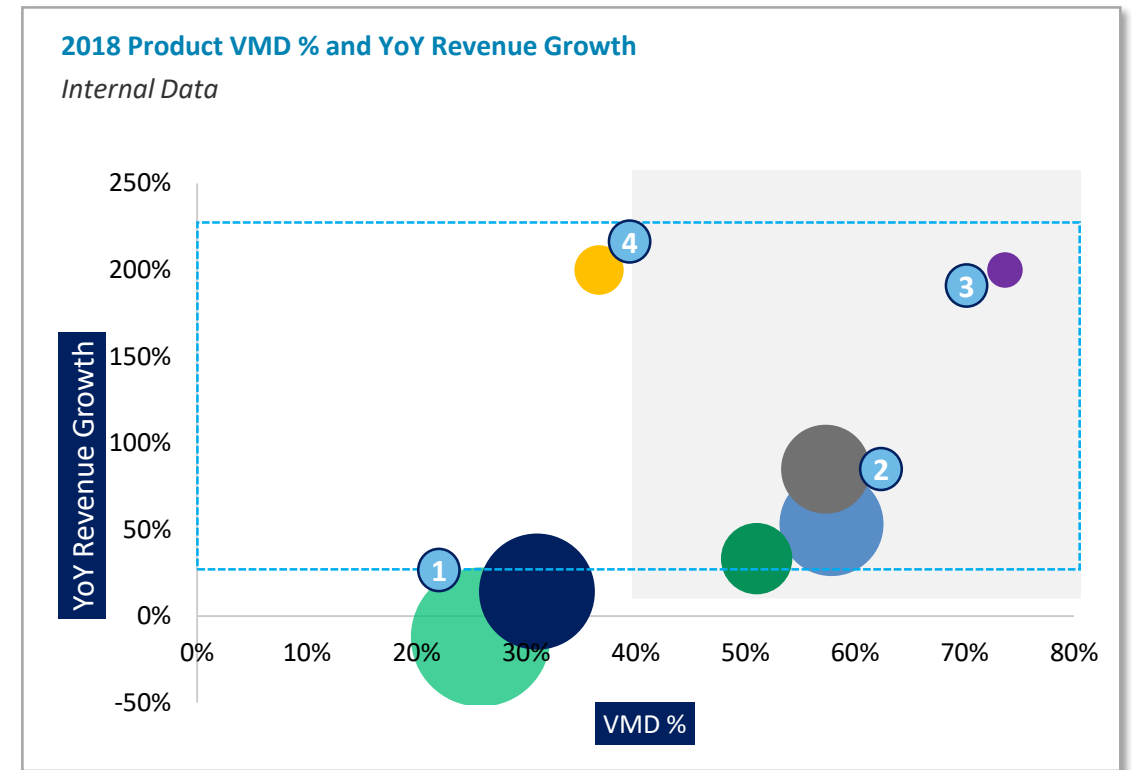
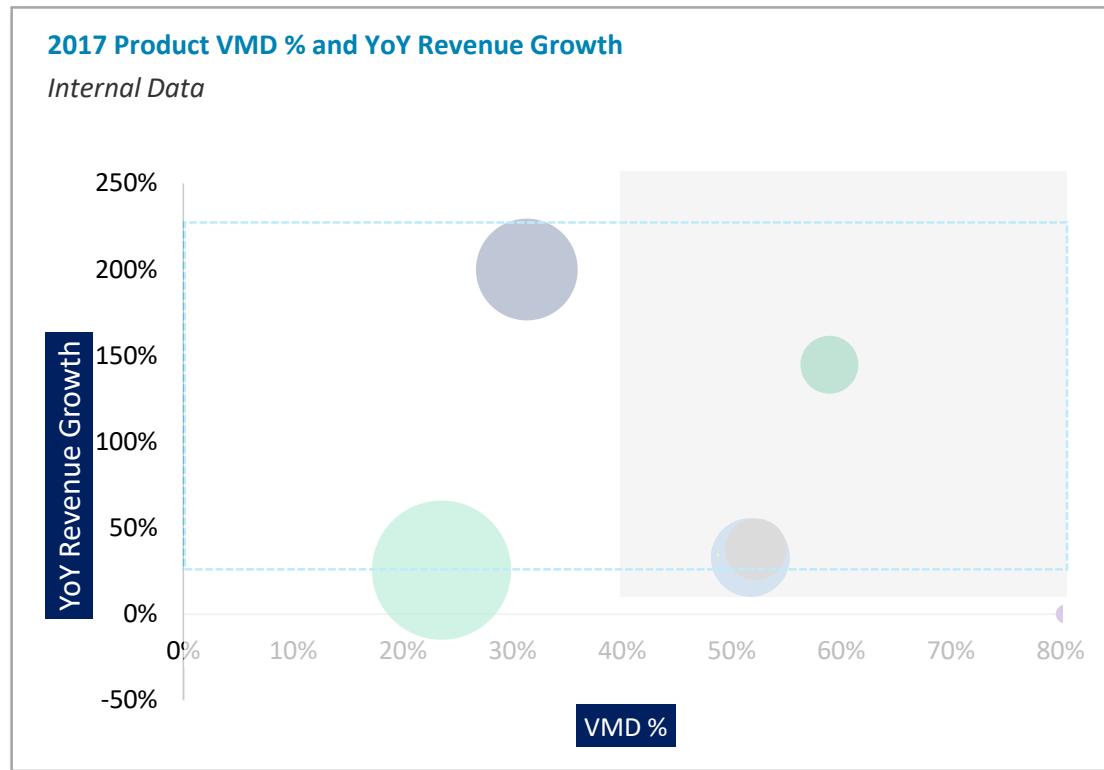
Internal Data, \$ in millions



- Diversified marketing investment in our products
- #1 Brand in financial marketplaces
- #1 in SEM share across all key products
- Improved customer relationships beyond a single transaction
- Optimized mobile investment and myLT growth
- Enhanced TV and Video model to lift Brand usage

We continue to improve our 'flywheel' – both through acquiring new customers and through improved CRM

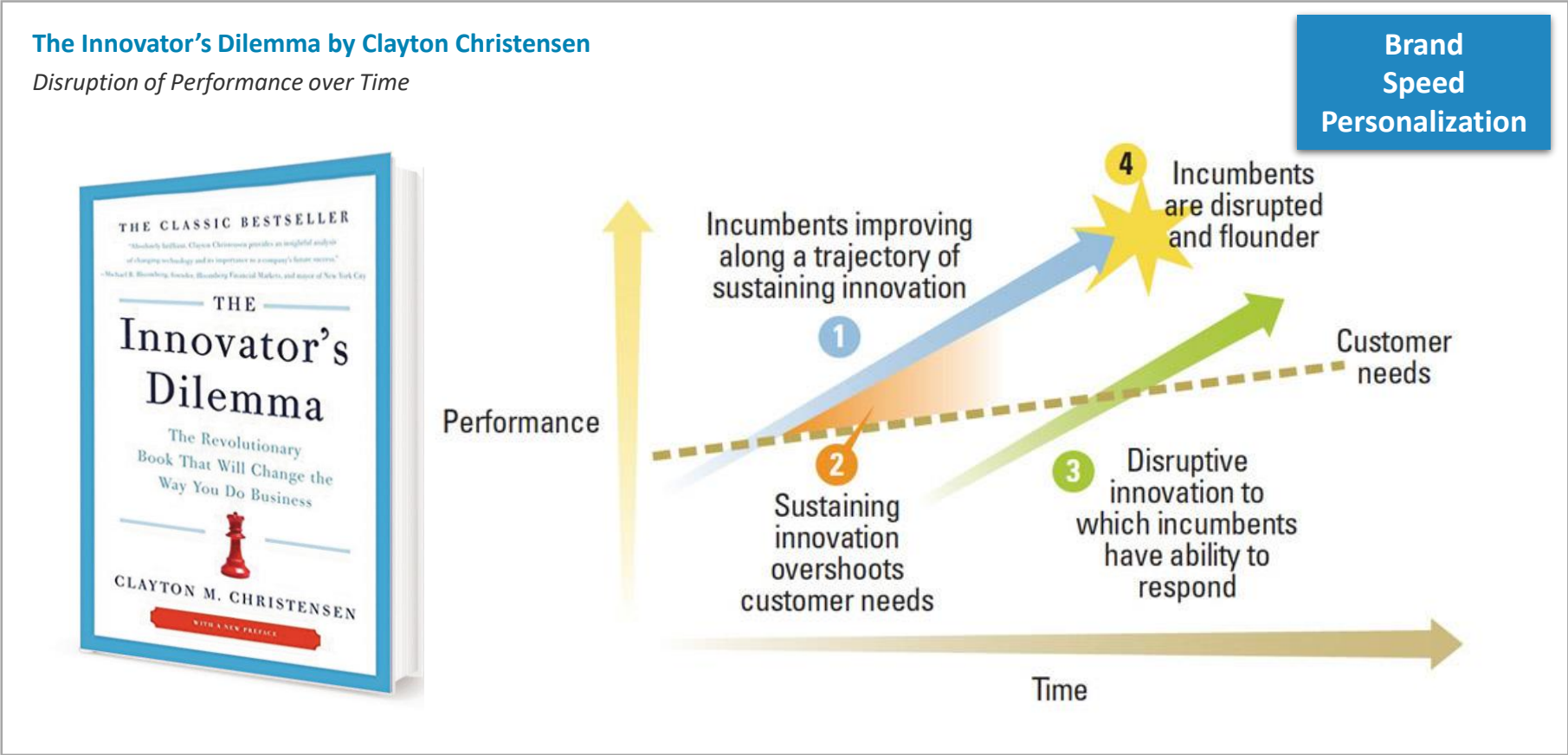
# Our diversified portfolio allows us to grow and manage VMD



- 1 Managed away from soft demand environments due to rising rates – yet still delivered growth
- 2 Accelerated investment in Non-Mortgage products
- 3 Nurtured high-growth in 'Other' products
- 4 Added high-growth, high-margin Insurance product

# Yet, we also challenged ourselves to disrupt and to evolve

- 1 Maintain 'incumbent' trajectory
- 2 ...yet never lose sight or focus of customer needs
- 3 Create and evolve – respond with innovation to meet shifting customer needs



In 2018, we pushed each other to understand new ways to attract customers beyond our existing 'pull' marketing effectiveness

What have we accomplished in 2018?



ANCHORED IN OUR BRAND PURPOSE

Helping simplify financial decisions  
for life's meaningful moments  
through choice, education, and support

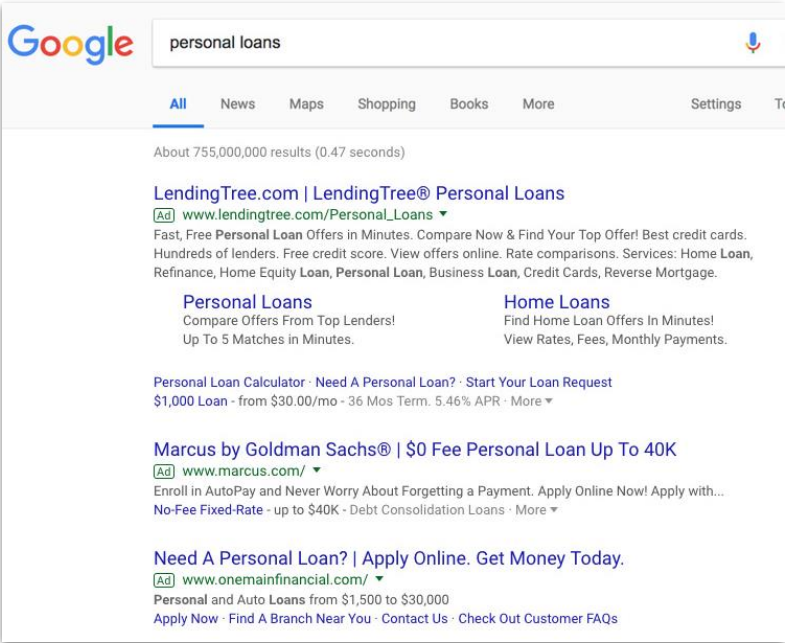


# Last year, we shared how we wanted to accelerate our 'flywheel'

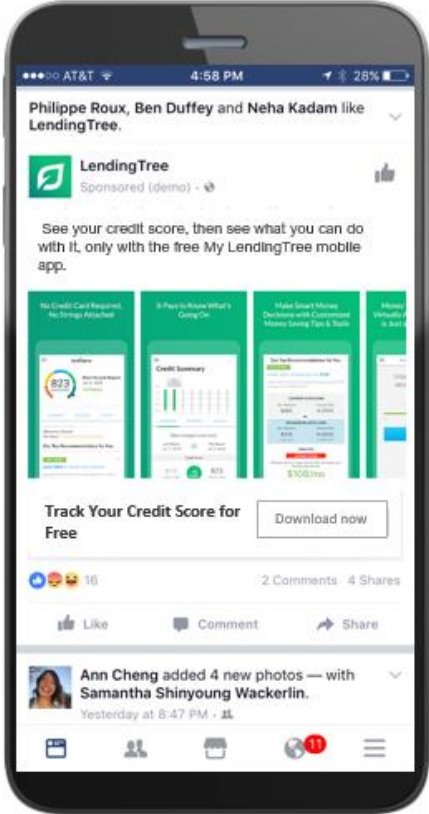


# We have become a dominant player in digital and content marketing

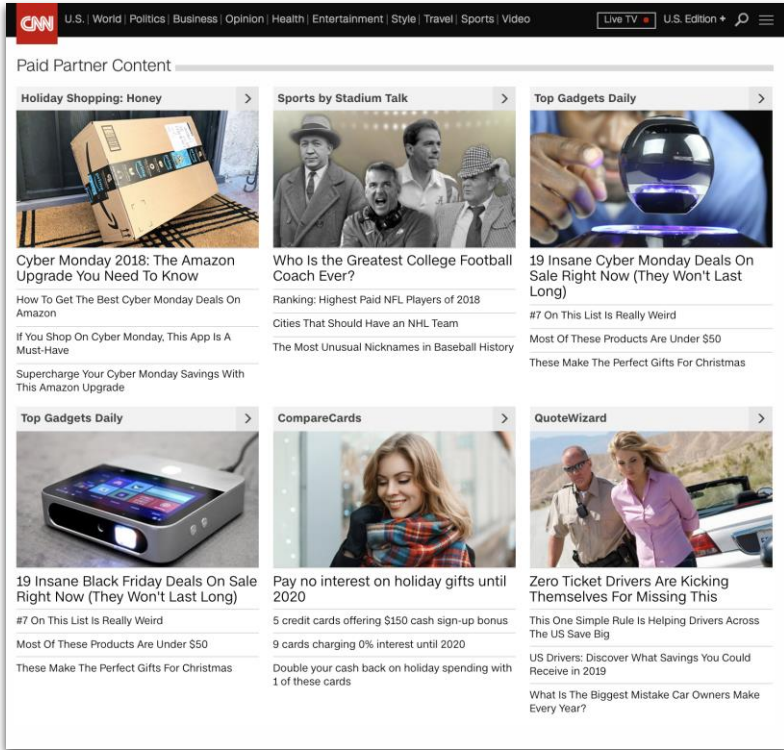
## Search Engine and Display Marketing



## Social Media and Mobile



## Content Marketing



**BRAND:** 300 (and growing) authentic articles produced per month and distributed across multiple brand sites

**SPEED:** 1000s of banners, copy points and landing pages tests executed per month

**PERSONALIZATION:** 100s of Customer behavioral 'signals' used to tailor content and experience



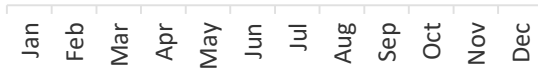
# We have sustained Share of Voice (SoV) leadership in SEM

## SEM SoV in Google

Purchase (incl. Mortgage) Search Terms

### HOME PURCHASE

- Large advantage due to monetization
- Small post-May dip due to quality and profitability pruning



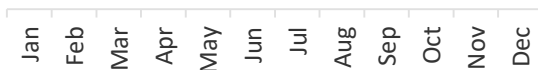
2018 and 2017, Google

## SEM SoV in Google

Home Equity Search Terms

### HOME EQUITY

- Increase in July due to testing – later paused for better profitability
- Increasing competition from new entrants and pressure from secondary competitors



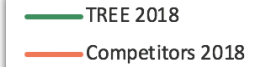
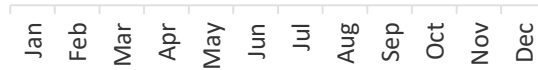
Source: Google, SoV: LendingTree paid impressions / total paid impressions for the category

## SEM SoV in Google

Personal Loans Search Terms

### PERSONAL LOANS

- Large lead in coverage
- Account restructure completed in April to focus on higher quality traffic

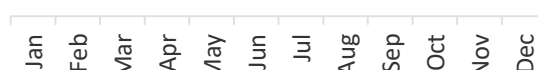


## SEM SoV in Google

Credit Cards Search Terms

### CREDIT CARDS

- Focus on profitability compounded by supply and payout volatility led to some H2 pullbacks
- Have noticed increased competition from a few key players in market



Continued #1 position across all core products

Held and increased click share – not just SOV on impressions

Accelerated adoption of My LT sign ups

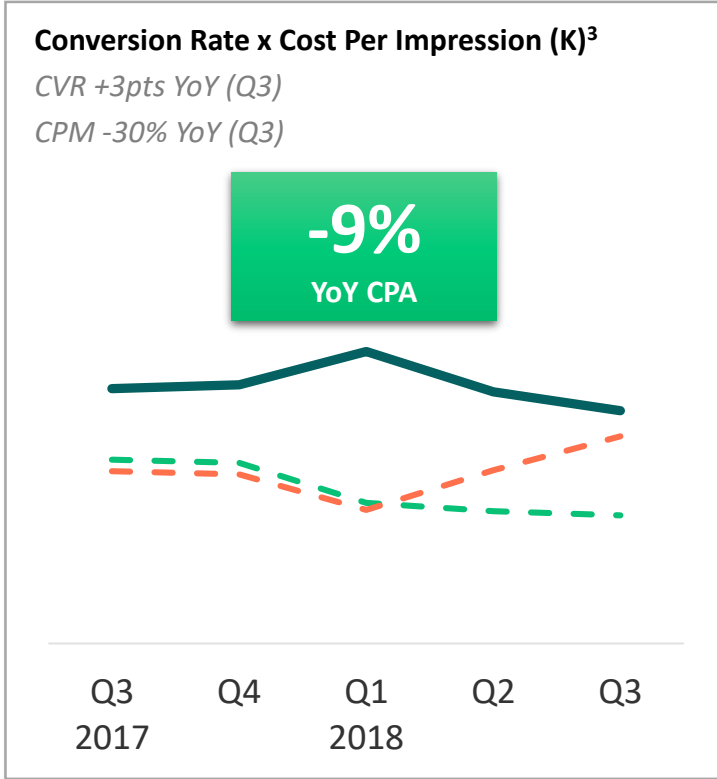
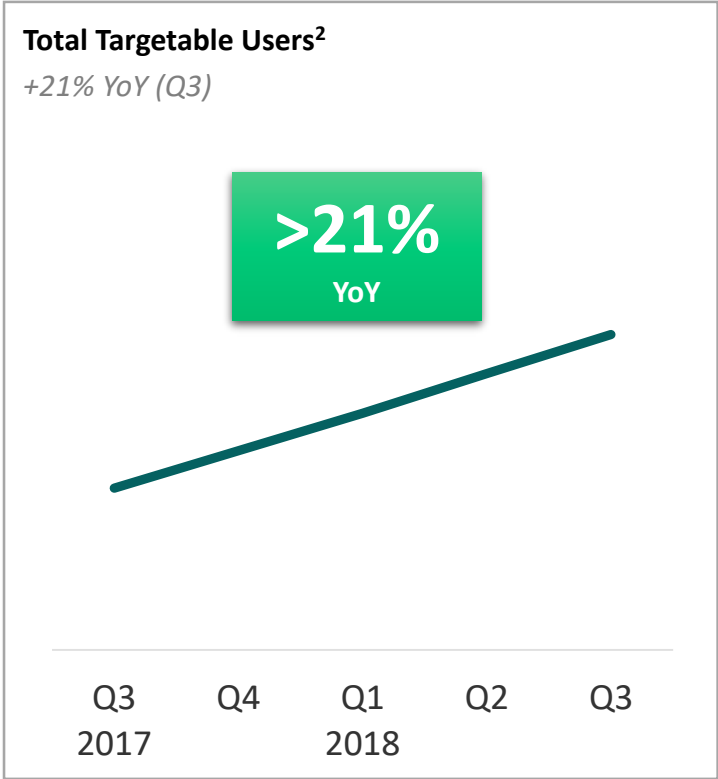
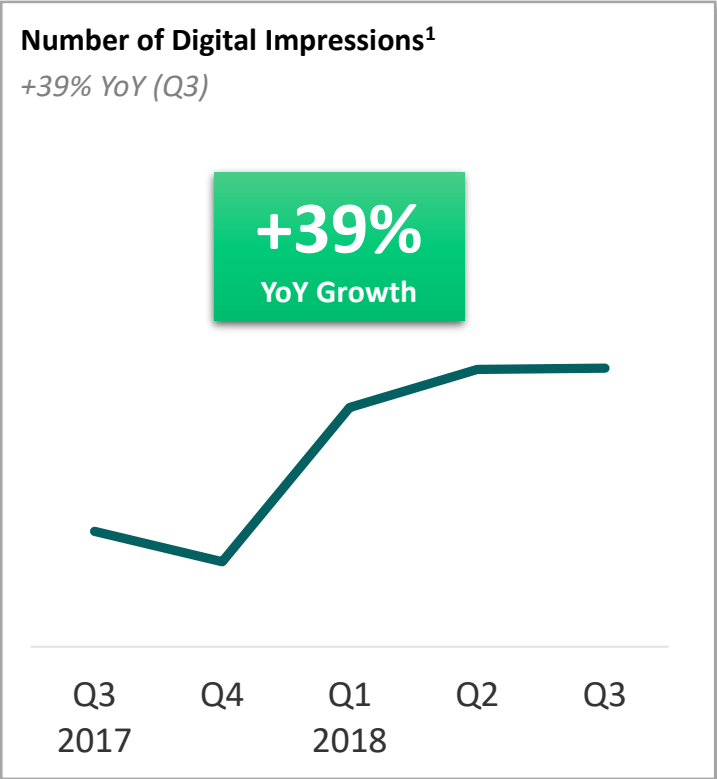


# Impressions are up and engagement continues to improve

We continue increasing digital impression share

We can personalize messaging to more targeted users

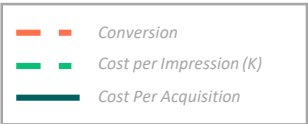
Users are converting slightly more, and at a lower cost



<sup>1</sup> Number of digital impressions is defined as number of times a LendingTree advertisement is displayed via a digital channel

<sup>2</sup> Users in LT's CRM database that can be targeted, based on one or more attributes, through digital channels

<sup>3</sup> Conversion rate is number of completed forms divided by number of form starts  
Cost Per Impression (K) or CPM: Average spend for a thousand impression  
Cost Per Acquisition (CPA): Average spend per QF generated



# We are seeing success with tailored messaging across segments

Customer Segments

## Behavioral Signal + Inferred Needs

### Personal Loan

Personal Loans

Every lender reviewed by people like you

★★★★★

HOW MUCH DO YOU NEED?

\$10,000 \$15,000

\$20,000 \$25,000

\$30,000 \$35,000

Calculate Payment ▶

**lendingtree**

Terms & Conditions apply. NMLSP1138

**Insight:**  
Ratings/Reviews extremely important

### Personal Loan – Overlapping Behaviors

An innovative, new way to get a personal loan

HOW MUCH DO YOU NEED?

\$10,000 \$15,000

\$20,000 \$25,000

\$30,000 \$35,000

Calculate Payment ▶

**lendingtree**

Terms & Conditions apply. NMLSP1138

**Insight:**  
Loves to be the first to try something new

### Mortgage Refinance

**lendingtree**

See what you could save

Mortgage amount \$200,000

630 Fair 680 Good

Total loan cost \$402,249 \$387,248

Calculate Payment ▶

**lendingtree**

Terms and Conditions apply. Assuming 30-Year term. 4.88% APR for good credit and 5.22% APR for fair credit.

**Insight:**  
Starts loan process to see what they can get

Personal loans. Thoughtfully redesigned.

HOW MUCH DO YOU NEED?

\$10,000 \$15,000

\$20,000 \$25,000

\$30,000 \$35,000

Calculate Payment ▶

**lendingtree**

Terms & Conditions apply. NMLSP1138

**Insight:**  
Well-designed site over better information

Personal Loans

Apply today. Get your money tomorrow.

HOW MUCH DO YOU NEED?

\$10,000 \$15,000

\$20,000 \$25,000

\$30,000 \$35,000

Calculate Payment ▶

**lendingtree**

Terms & Conditions apply. NMLSP1138

**Insight:**  
Instant gratification for buying things I want

**lendingtree**

Better Credit = Lower Mortgage

Mortgage amount \$200,000

630 Fair 680 Good

Total loan cost \$402,249 \$387,248

Calculate Payment ▶

**lendingtree**

Terms and Conditions apply. Assuming 30-Year term. 4.88% APR for good credit and 5.22% APR for fair credit.

**General Messaging**  
Control creative



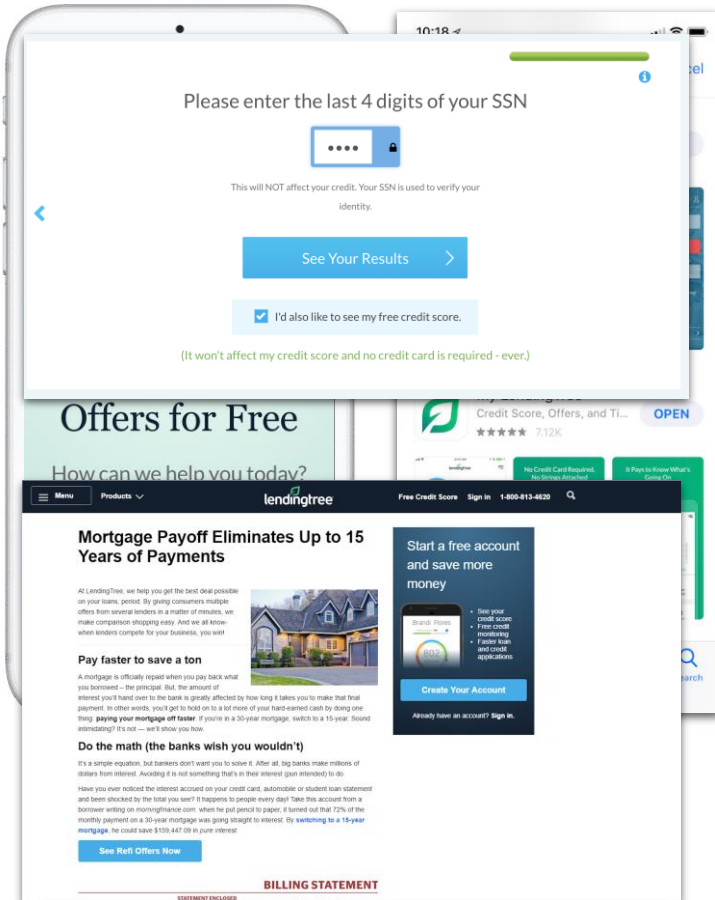
Segment A



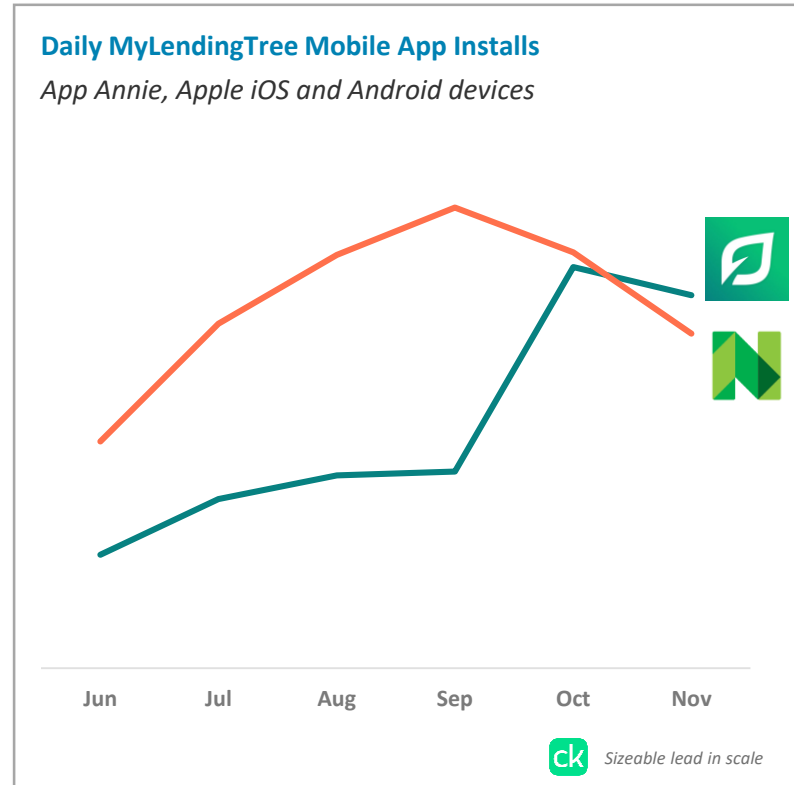
Segment B

# We have learned a new 'way in' to accelerate MyLT growth

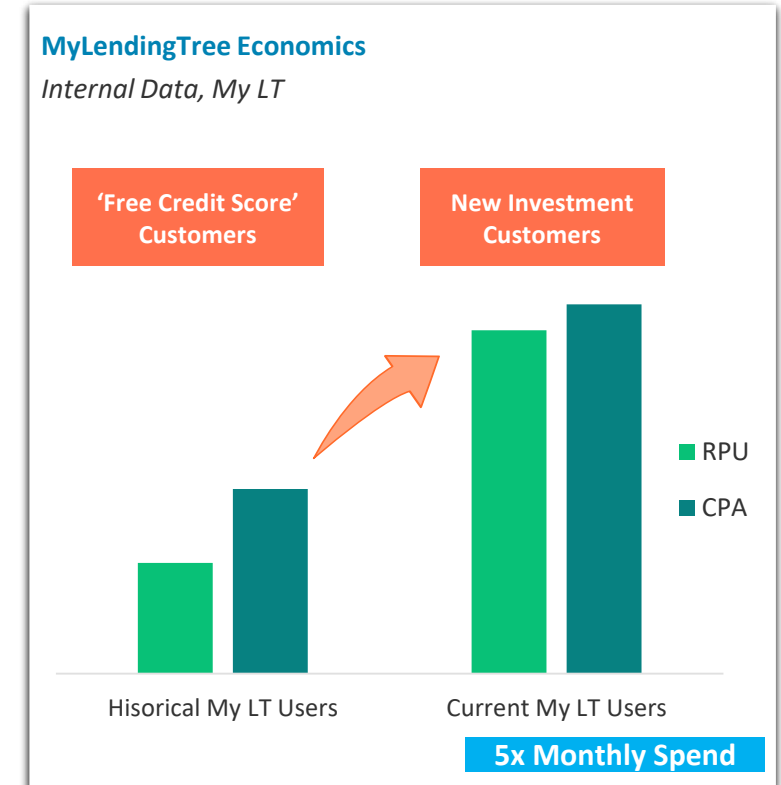
We began aggressively promoting and investing in MyLendingTree



...which demonstrated that we could jumpstart our acquisition metrics



...which gave us far better access to insights for the best MyLT customers



We disrupted our own go-to-market model – and now have confidence in a broader LTV approach

How will we extend the brand in 2019?



# After laying the foundation, we are ready to re-introduce the brand

## Starting point

- #1 marketplace Brand
- Best monetization
- Nascent category / low penetration online
- Low unaided brand awareness
- Consideration as a Mortgage product
- Reach gap vs. competitors (~60% vs. 85%)

NEW

### 1 Understanding Customers & Segmentation



Segmentation illustrated that we have gaps in understanding, yet significant upside in our core experience across multiple products

NEW

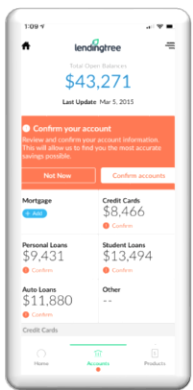
### 2 Identity, Brand Purpose, Positioning, and Messaging Hierarchy



New logo identity and positioning proved that we can appeal to new audiences; new brand messaging provided greater relevance and trust

NEW

### 4 Measurement and Collection



Capturing new users into MyLT, Collecting CRM signals, cross-selling multiple products over the life of the customer, and measurement effectiveness of customer acquired

NEW

### 3 Brand Media Go-To-Market Model



Brand messaging and new media testing proved that we can build brand trust, grow brand direct revenue and reduce Google brand SEM costs

# We are using insights to understand how we can reach new audiences and strengthen existing relationships

We have ample room to reach new customers through our core target segments alone

Modeling and machine learning has proven successful at extending relationships with our customers as we understand their 'needs'

## Target Customers



## Universal Truths

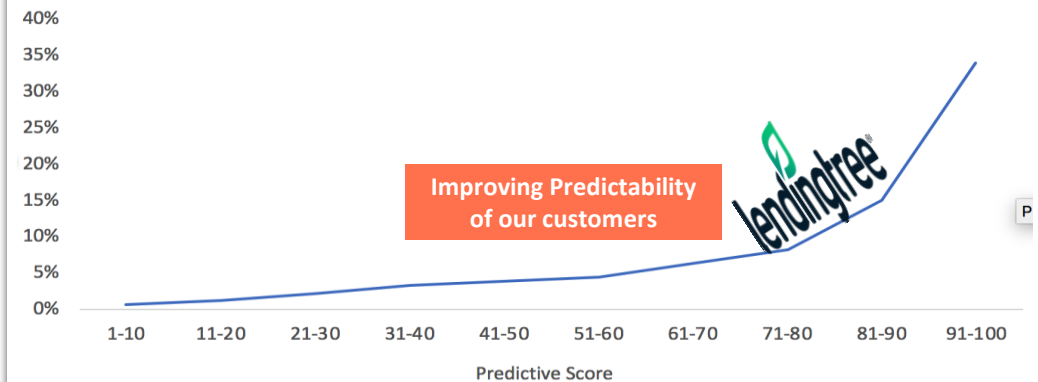
- High aided awareness / **low unaided awareness**
- **Low usage of marketplace products today**
- Love comparison shopping for everything
- Desire a MyLT Value Proposition
- Shop for loans online

## Needs, Attitudes and Beliefs

Change brands often	✓ ✓	✓ ✓ ✓
Prefer online to talking to someone	✓ ✓	✓
Start a loan process to see what they can get	✓	✓ ✓ ✓
Ratings and reviews are extremely important	✓ ✓	
Use credit cards on all purchases for rewards		✓

## QF Completion Rates

% of users completing forms across Predictive Score



- Implemented personalization across advertising, merchandising and E-mail
- Added SMS messaging as another form of lifecycle messaging
- We are increasing our targetability, and improving our predictive scoring to deliver products or 'needs' messaging against across segments

The awareness and usage gaps can be closed through Brand advertising and quick-trigger digital engagement with predictive modeling



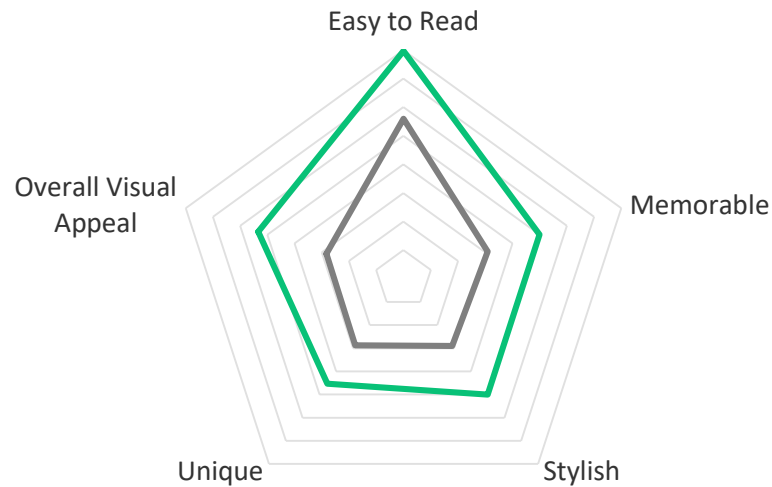
# Our new identity resonates far more meaningfully than our prior mark



Functional and emotional attributes of our new brand identity resonated far better than our previous logo – across all customer segments

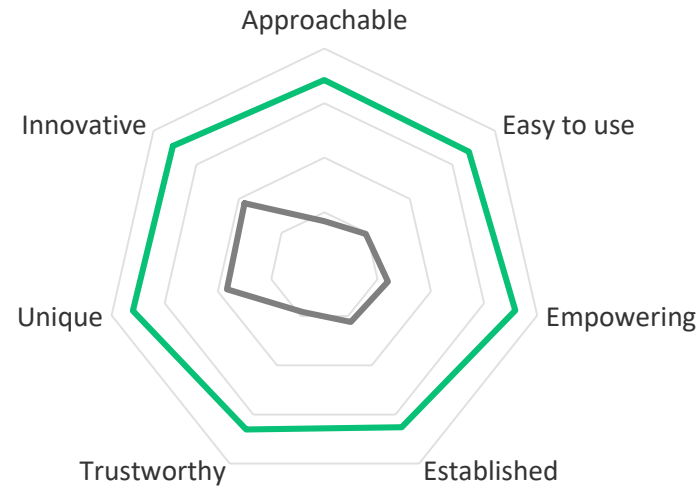
## Functional Attributes of our Brand Identity

New logo vs. Previous Logo



## Emotional Attributes of our Brand

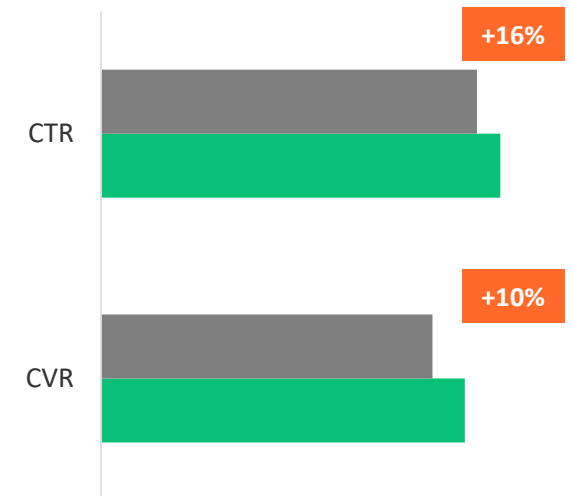
New logo vs. Previous Logo



The new logo performed equally well in paid digital ads

## Display Ad Performance

New logo vs. Previous Logo



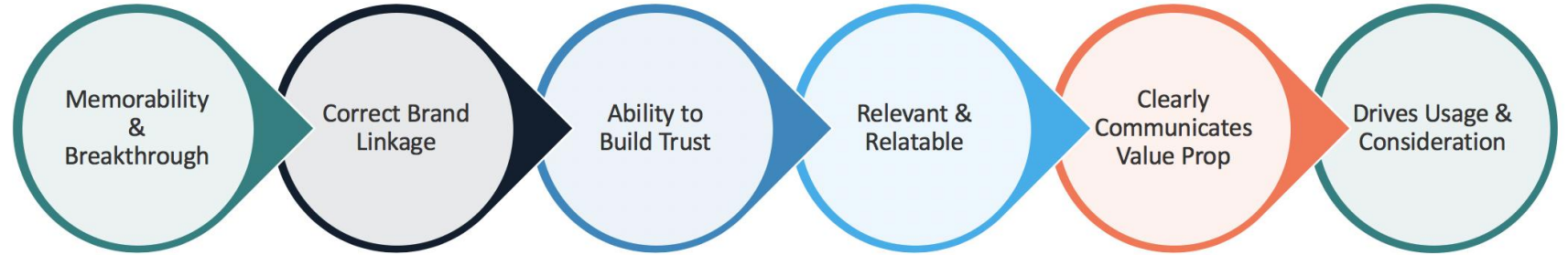
A new brand identity is necessary to move our image beyond 'mortgage'...and the new mark gives us greater latitude to re-position us as a comparison shopping 'marketplace' with new customers





# We have developed new TV and Video messaging to ‘break thru’

## Brand Measurement for ‘Break Thru’



## Campaign Concepts

NEW for 2019



Other Campaign Concepts

✓	✓	✓	✓	✓	✓
✓	✓	✓			



# We are introducing an all-new approach for our Brands in 2019

**lendingtree**

Omnibus 'Taking Control' TV spot (Q3 2018)



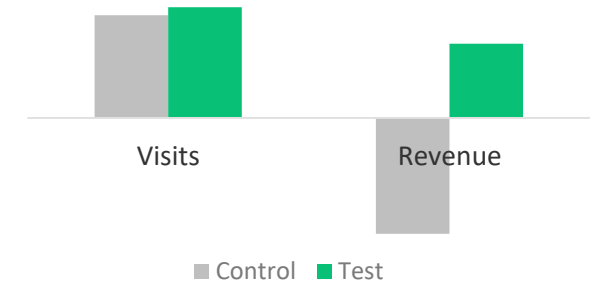
## What will be different?

### ALL NEW

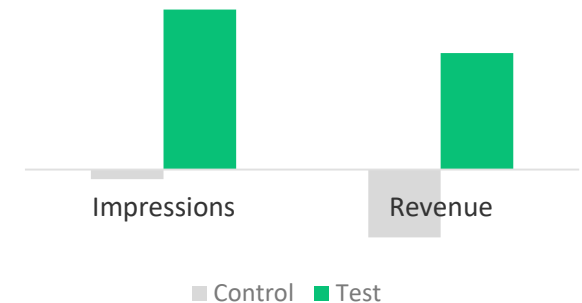
- All-new communications – greater emphasis on :15 spots
- Omnibus 'marketplace' positioning – focused on end benefits and MyLT
- Multi-brand approach
- 'Break thru' media weight...
- ...with 'pulsing' demand periods
- Campaign communications beyond TV

With this new approach across test markets in Q3, we saw positive results

We saw a sizeable jump in direct traffic and revenue



We saw a meaningful lift in Google Branded searches



**comparecards**  
by lendingtree

CompareCards 'Gary' TV spot (Q1 2019)



The new strategy and approach maximizes the significant brand dollars dedicated for 2019, while providing flexibility across our brands



ANCHORED IN OUR BRAND PURPOSE

Helping simplify financial decisions  
for life's meaningful moments  
through choice, education, and support





# Financials & 2019 Outlook

Trent Ziegler – VP, Investor Relations & Treasurer

# What did we tell you last year?

**TREE Analyst & Investor Day:  
December 2017**

## What does all of that mean for 2018?

(millions)	2018 Guidance
<b>Revenue</b>	<b>\$770 - \$790</b>
Y/Y Growth	27% - 30%
<b>VMM</b>	<b>\$270 - \$280</b>
% Margin	32% - 37%
<b>Adj. EBITDA</b>	<b>\$145 - \$150</b>
% Margin	18% - 20%
Y/Y Growth	28% - 33%

Source: Company press release dated 12/13/17

- **Robust top-line growth continues**
  - Mortgage growth anticipated >10-15% ✗
  - Non-mortgage growth >35% ✓
- **Managing for market share growth**
  - Growing contribution from high margin channels ✓
    - SEO, CRM, MyLendingTree ✓
  - Margin expansion offset by continued ramp in paid ●
- **Rapid headcount growth to support scale** ✓
  - Flexibility to manage responsibly ✓
- **Adjusted EBITDA growth of ~30%** ✓



# What have we communicated since last year?

FY18 Guidance <i>(millions)</i>	Investor Day December '17	Q1 Earnings April '18	Q2 Earnings July '18	Q3 Earnings November '18
Revenue	\$770 - \$790	\$770 - \$790	\$745 - \$765	\$765 - \$775
Y/Y Growth	25% - 28%	25% - 28%	21% - 24%	24% - 25%
VMM	\$270 - 280	\$270 - 280	\$275 - 285	\$283 - 288
% Margin	34% - 36%	34% - 36%	36% - 38%	37% - 39%
Adj. EBITDA	\$145 - \$150	\$145 - \$150	\$148 - \$152	\$152 - \$155
% Margin	18% - 20%	18% - 20%	19% - 20%	~20%
Y/Y Growth	26% - 30%	26% - 30%	29% - 32%	32% - 35%



Current guidance estimates ~\$35-\$40M of revenue & \$8-\$10M of Adj. EBITDA impact from 2018 acquisitions

# Speaking of M&A

One year look back on 2017 acquisitions



<10%

SEO contribution to  
total TREE Revenue

>20%

SEO contribution to  
total TREE VMM



>2X

DepositAccounts  
quarterly revenue  
since deal



191%

Business loan revenue  
growth since Q3 17

226%

Business loan VMD  
growth since Q3 17



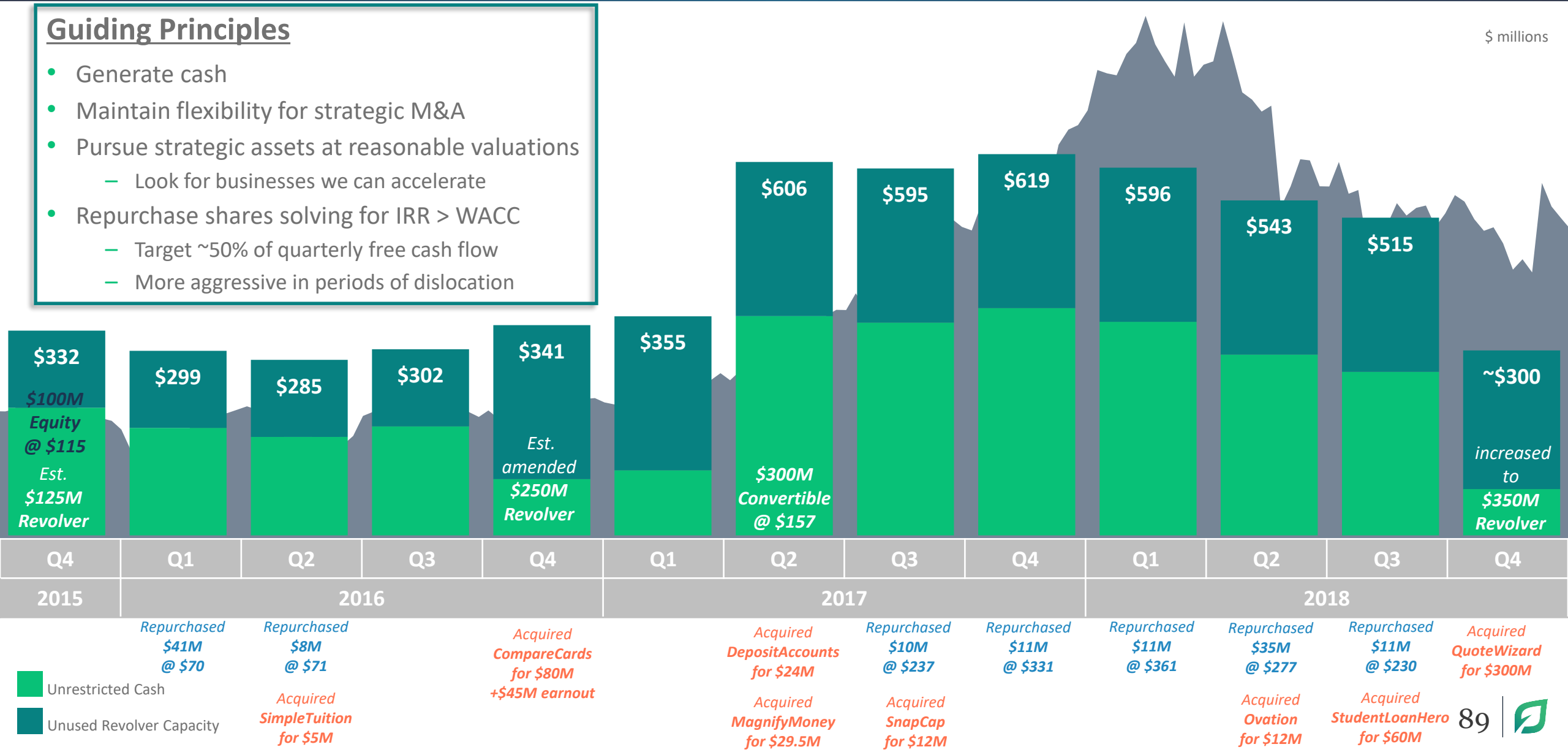


# Track record of capital allocation & value creation

## Guiding Principles

- Generate cash
- Maintain flexibility for strategic M&A
- Pursue strategic assets at reasonable valuations
  - Look for businesses we can accelerate
- Repurchase shares solving for  $IRR > WACC$ 
  - Target ~50% of quarterly free cash flow
  - More aggressive in periods of dislocation

\$ millions



# Outlook for 2019

<i>(millions)</i>	<b>2019 Guidance</b>
<b>Revenue</b>	<b>\$990 - \$1,030</b>
<i>Y/Y Growth</i>	<i>29% - 34%</i>
<b>VMM</b>	<b>\$365 – \$385</b>
<i>% Margin</i>	<i>35% - 39%</i>
<b>Adj. EBITDA</b>	<b>\$195 - \$205</b>
<i>% Margin</i>	<i>19% - 21%</i>
<i>Y/Y Growth</i>	<i>27% - 34%</i>

- **Revenue approaching \$1 Billion**

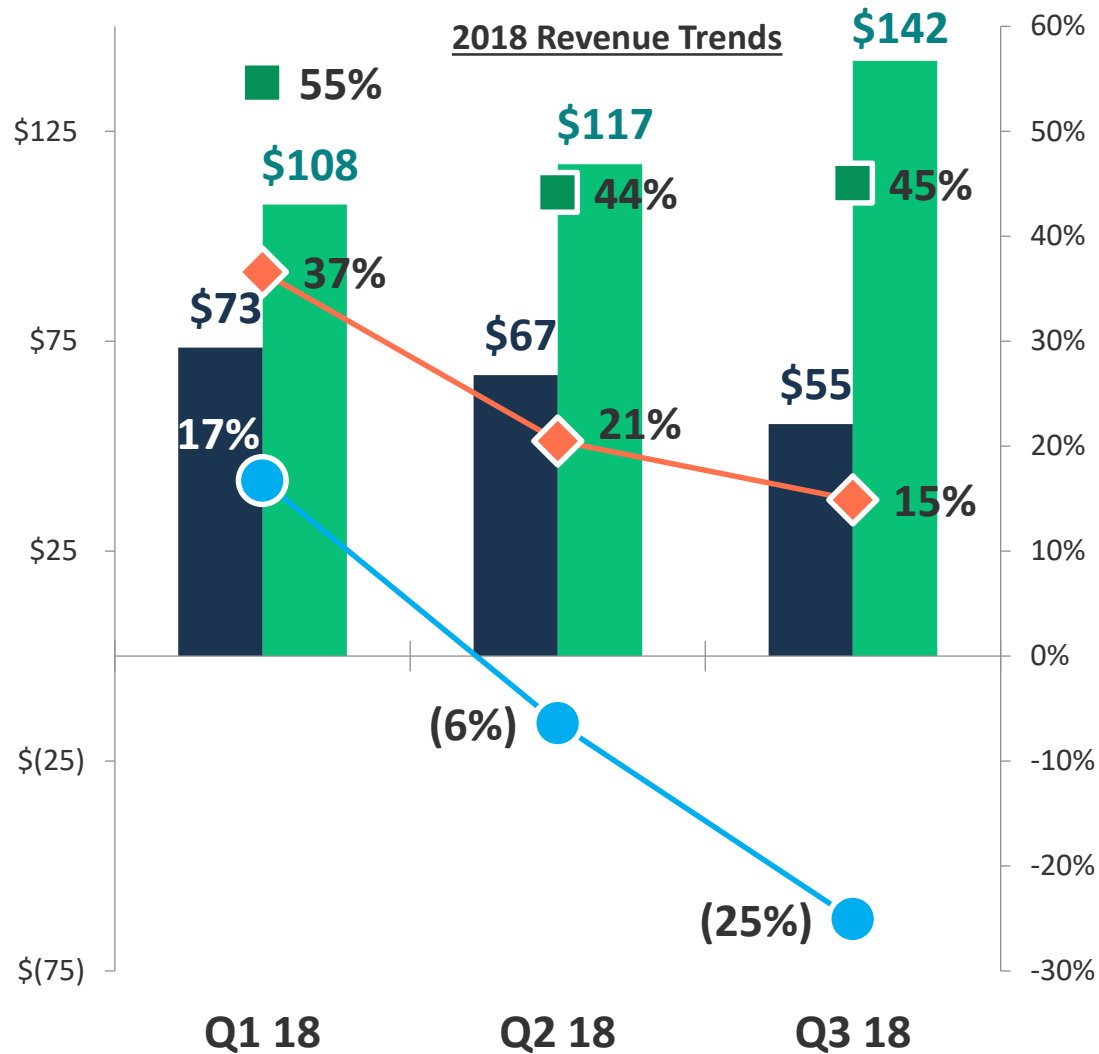
- Mortgage anticipated down ~(5% - 15%)
  - Y/Y growth in 2H 19 after lapping tough comps
- Non-mortgage excl. Insurance +20-25% growth
- Insurance +20% pro forma growth

- **Managing for market share growth**

- Increased investment in brand & category awareness
- Continued growth from high margin channels
  - SEO, CRM, My LendingTree

- **Adjusted EBITDA growth of ~30%**

# Context for 2019 guidance; tough comps early



- **Difficult 1H Mortgage comps**

- Q1 18 mortgage revenue near all-time high
- 25% reduction in scale from Q1 to Q3

- **Incremental brand spend more front-loaded**

- Fairly evenly spread through Q1-Q3; less in Q4
- Staging optimized for return over time

- **OpEx growth expected to level out**

- Seasonally higher OpEx in Q1
- Increased real estate expense
- Hiring slows, driving margin expansion with scale

**Growth should accelerate through 2019**

# Remember those 2020 targets?

**TREE Analyst & Investor Day:  
December 2016**

## Clear Path to 2020

<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>	15%	~15% - 20%
<b>VMM</b>	<b>\$175 - \$185</b>	<b>\$300 - \$325</b>
<i>% Margin</i>	35%	35% - 40%
<b>Adj. EBITDA</b>	<b>\$93 - \$97</b>	<b>\$175 - \$200</b>
<i>% Margin</i>	19%	20% - 25%
<i>Y/Y Growth</i>	17%	~25%

1) Growth rate assumes CompareCards transaction was completed on 1/1/16, subject to year-end results and audit.

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



Q&A

Doug Lebda, Chairman & CEO  
Neil Salvage, President  
JD Moriarty, CFO



[investors.lendingtree.com](https://investors.lendingtree.com)