



Needham Growth Conference

January, 2015

LendingTree, Inc.

Nasdaq: TREE

# Forward-Looking Statements

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

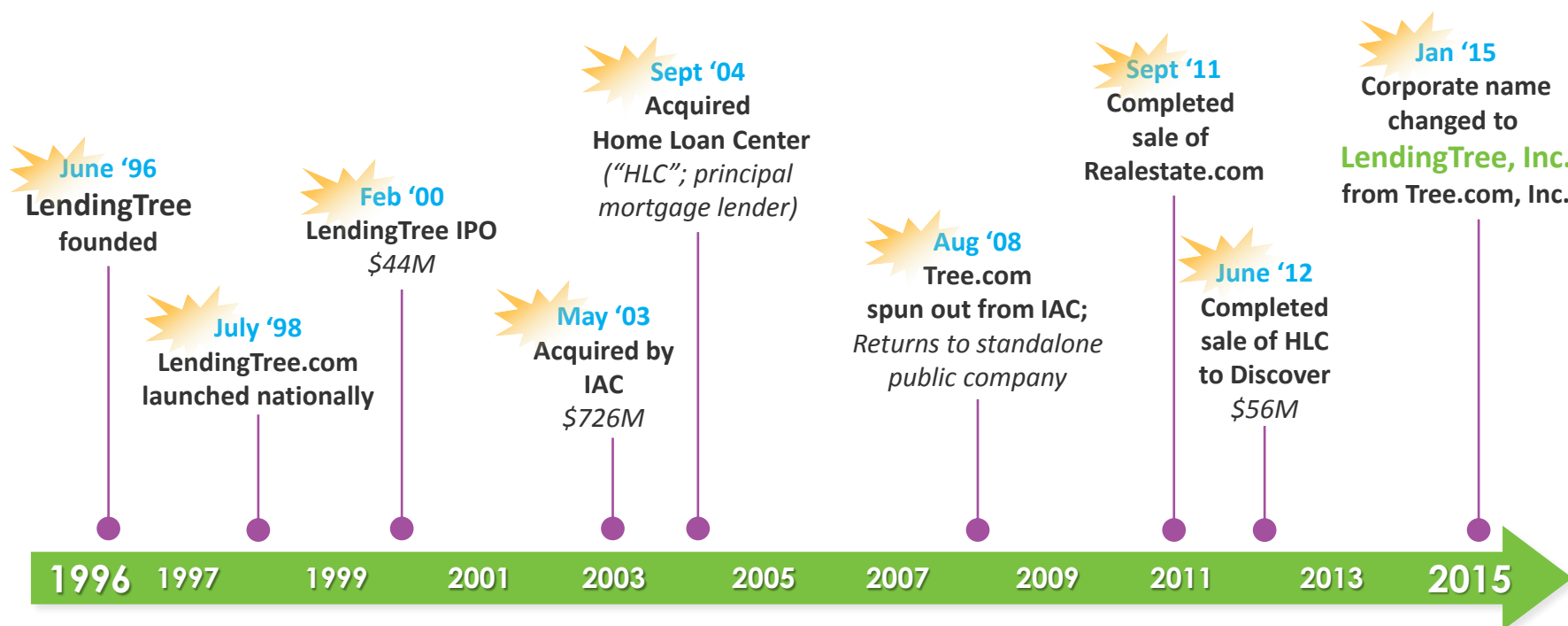
The matters contained in this presentation may be considered to be "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Those statements include statements regarding the intent, belief or current expectations or anticipations of LendingTree and members of our management team. Factors currently known to management 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 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 changes in management. 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, 2013, our Quarterly Report on Form 10-Q for the period ended September 30, 2014 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, Inc. (NASDAQ: TREE) is the parent of several brands and businesses including LendingTree, LLC, the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information for consumers. Since inception, LendingTree has facilitated more than 32 million loan requests. LendingTree provides access to lenders offering home loans, home equity loans/lines of credit, personal loans, auto loans, student loans and more. For more information, go to [www.lendingtree.com](http://www.lendingtree.com) or call Investor Relations at 877-640-4856.

LendingTree, Inc. is headquartered in Charlotte, N.C. and maintains operations solely in the United States.

# Company History



# A True Online Marketplace

## Matching Consumers with Lenders and Other Service Providers



# Where Consumers Shop for Money

## THE Online Marketplace for Consumer Loan Shopping

### Your Free Personal Loan Offers

3-Year

Offers for the exact amount requested (2)

#### Consolidated Bank & Loan

★★★★★  
124 Reviews

APR

6.78%

Est. Payments

\$152/mo.

Loan Amount

\$5,000

#### Northwest Loans

★★★★★  
76 Reviews

APR

11.55%

Est. Payments

\$158/mo.

Loan Amount

\$5,000

Offers for amounts different than requested (4)

#### Hampton Lending

★★★★★  
240 Reviews

APR

9.07%

Est. Payments

\$234/mo.

Loan Amount

\$7,500

Analogous to other marketplaces for Travel, Retail, etc.

Hotel avg \$264 3 star avg \$236 4 star avg \$285

Hotel Hugo: Excellent 4.3/5 (127 reviews) \$419 \$335  
W New York - Downtown: Very good 4.2/5 (107 reviews) \$625 \$258  
The Paramount - A Times Square, New York Hotel: Good! 3.6/5 (817 reviews) \$232 \$217  
Hotel Chandler: Excellent 4.4/5 (183 reviews) \$262 \$252

CLT → CHI Dec 12 → Dec 15 Economy 1 traveler

Check Rates Southwest Airlines

\$356 American Airlines 6:35a CLT → 9:05a MKE 3h 30m 1 stop (ORD) morning

\$356 American Airlines 6:35a CLT → 11:30a MKE 5h 55m 1 stop (ORD) morning

\$412 Delta 6:05a CLT → 8:47a MDW 3h 42m 1 stop (DTW) morning

355,152 results for Golf Clubs

GET FESTIVE WITH UP TO 40% OFF

golf club \$8.00 \$14.00

New TaylorMade RocketBladez Irons Set 4 PW & AW Steel Soft Flex Men's \$600.00

Cobra AMP Offset Driver Golf Club \$31.00

1-40 of 655,886 results for Clothing, Shoes & Jewelry



Showing results for Clothing, Shoes & Jewelry

Brand: Timberland, Puma, Adidas Performance, Clarks, Converse, Skechers, etc.

Price: Under \$25, \$25 to \$50, \$50 to \$100, \$100 to \$200

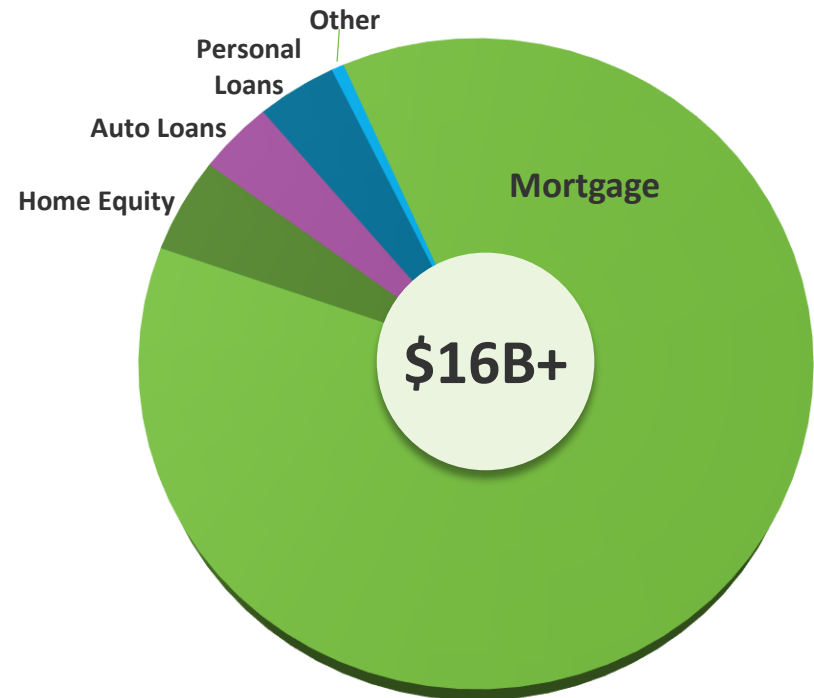
# Working With Top-Tier Lenders...

...of all models...

Banks	  
Mortgage Lenders/ Brokers	  
P2P & Specialty Finance	    
Student Loan Refi	 
Small Business	  

...across loan categories

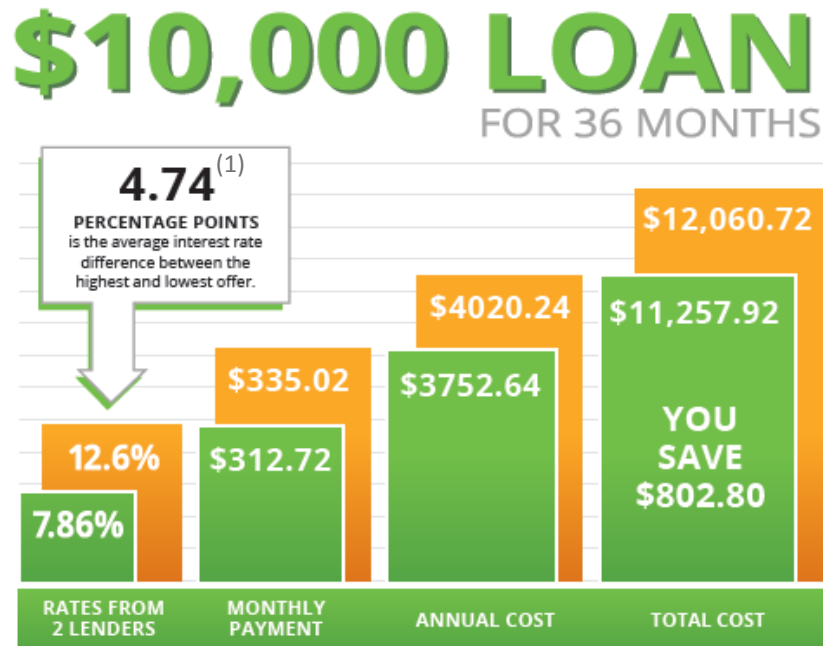
\$16B+ Annual Loan Originations<sup>(1)</sup>  
Facilitated by **lendingtree**



1) Annual run-rate based on lender-reported funding data and internal estimates.

# Providing Value to Both Borrowers and Lenders

**Borrowers** can save by comparison-shopping



**Lenders** receive predictable, targeted, cost-efficient volume

**Highly-Targeted “Filters”**

canopy

Campaign Name  
LT CPR 1 (p)

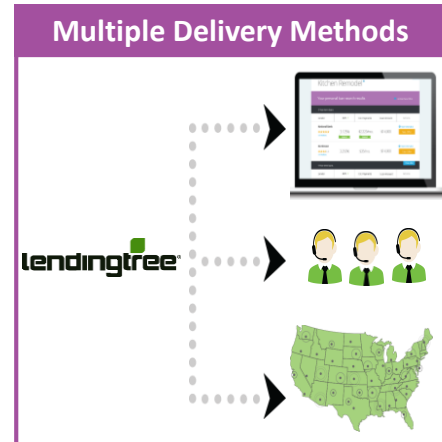
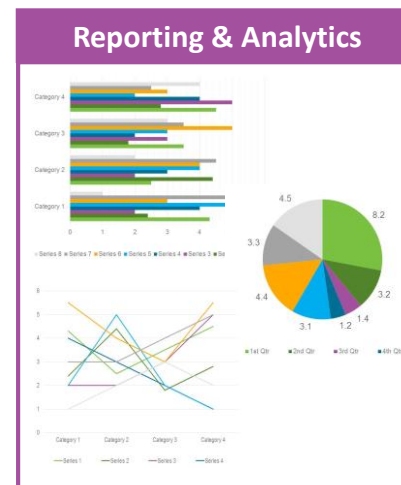
Campaign ID: 850209

Form Type Product Type Campaign Type  
Long Form Refinance Custom

Credit Score From 620 to Unlimited

Loan Amount From \$125K to \$1M

Proposed CLTV From 0% to 80%



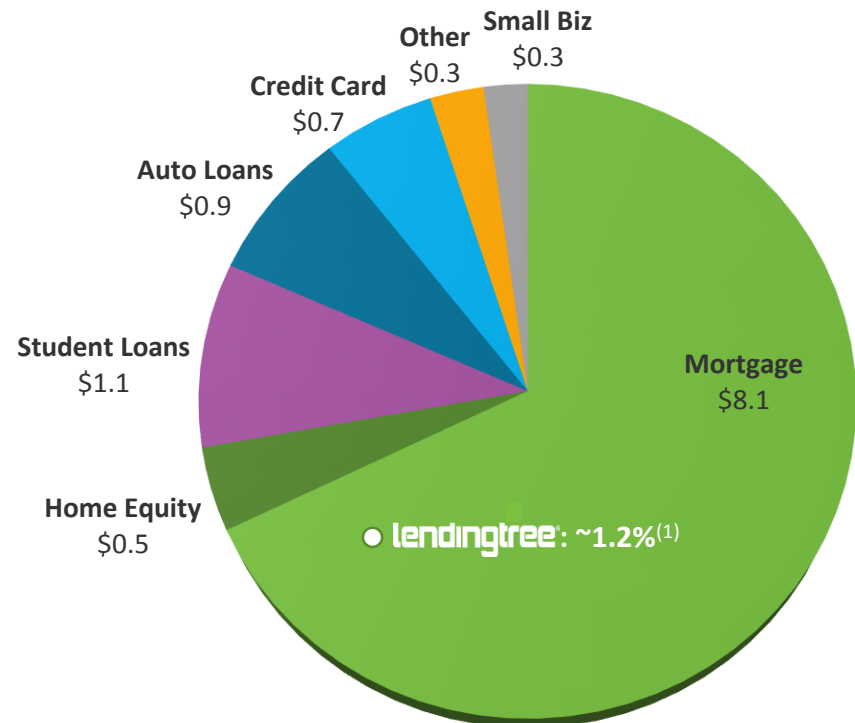
1) Source: LT press release (10/15/14) – “In the third quarter, borrowers with a ‘good’ credit rating (as measured by a credit score between 690 and 719) seeking a \$10,000, 36-month personal loan who received offers from at least two lenders experienced an average interest rate differential of 4.74 percentage points, or 474 basis points, between the highest and lowest offers presented to them in their My LendingTree accounts.”

# Addressable Markets

## Well-positioned to capture share across lending categories

- Mortgage – the largest component of US consumer debt
  - ▶ 7x larger than the #2 category
  - ▶ LendingTree facilitating ~1.2% of total Mortgage originations<sup>(1)</sup>
    - ⇒ Significant share expansion opportunity
- Other loan categories smaller, but poised for growth with advent of Alternative Lending platforms
  - ▶ Personal Loans
  - ▶ Small Business Loans
  - ▶ Student Loans

\$12 Trillion Debt Outstanding  
(US Consumer<sup>(2)</sup> + Small Business<sup>(3)</sup>)



1) Estimated share of mortgage originations facilitated by LendingTree based on lender-reported funding data, internal estimates and market data from Mortgage Banker's Association.

2) FRB of NY – Quarterly Report on Household Debt & Credit, November 2014.

3) FDIC Statistics on Depository Institutions Report (C&I loans of \$1.0M or less to U.S. addressees) as of 9/30/14.



# Continuous Product Innovation

## Reverse Mortgage – Q1 '13



**Reverse Mortgage Loans**

**Start Enjoying Retirement**  
How much money can you get with a Reverse Mortgage?

How do you use this property?  
Primary residence [Start Request](#)

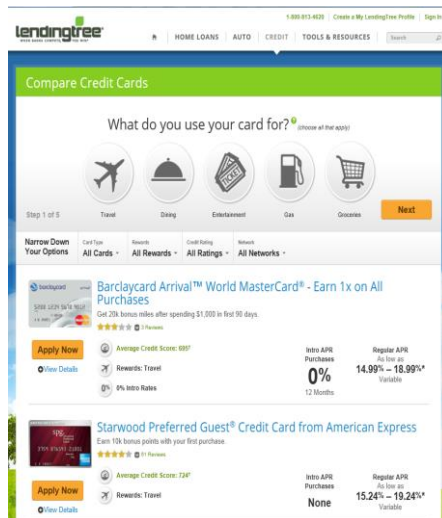
**Put the Gold in Your Golden Years**  
For seniors who were hit hard by the recession in what was supposed to be their prime earning years, retirement isn't all roses and Cañillas. Did you know that the average Social Security income for American retirees is just \$1,234 per month? Insufficient retirement income can cause folks to neglect their health, become isolated from family and friends, and deprive themselves of culture and recreation. If you're experiencing these or other cash flow problems, a reverse mortgage may be able to help.

**What is a Reverse Mortgage?**  
A reverse mortgage is simply a loan program that allows you to trade some of your home equity for cash – similar to a home equity loan or line of credit. What's different about reverse mortgages is that as long as the borrower continues to live in the house, repayment is not required.

**Reverse Mortgage Benefits**

- Get cash in a lump sum
- No mortgage payments
- Still own and live in your house
- Does not affect your Social Security
- No credit score or income requirements

## Credit Cards – Q2 '13



**Compare Credit Cards**

What do you use your card for? (Choose all that apply)

Travel Dining Entertainment Gas Groceries [Next](#)

Step 1 of 5

Narrow Down Your Options

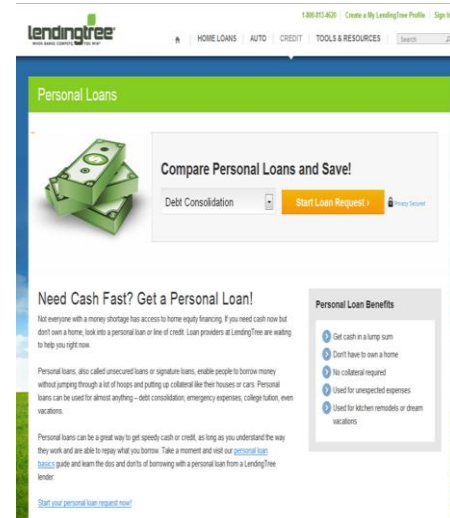
Barclaycard Arrival™ World MasterCard® - Earn 1x on All Purchases  
Get 20% bonus miles after spending \$1,000 in first 90 days.  
Average Credit Score: 690\*  
Intro APR Purchases: 0%  
Regular APR: 14.99% - 18.99%  
Variable

Starwood Preferred Guest® Credit Card from American Express  
Earn 10k bonus points with your first purchase.  
Average Credit Score: 720\*  
Intro APR Purchases: None  
Regular APR: 15.24% - 19.24%  
Variable

## Mobile Experience – Q2 '13



## Personal Loans – Q3 '13



**Personal Loans**

**Compare Personal Loans and Save!**  
Debt Consolidation [Start Loan Request](#)

**Need Cash Fast? Get a Personal Loan!**  
Not everyone with a money shortage has access to home equity financing. If you need cash now but don't own a home, look into a personal loan or line of credit. Loan providers at LendingTree are waiting to help you right now.

Personal loans, also called unsecured loans or signature loans, enable people to borrow money without putting through a lot of hoops and putting up collateral like their houses or cars. Personal loans can be used for almost anything – debt consolidation, emergency expenses, college tuition, even vacations.

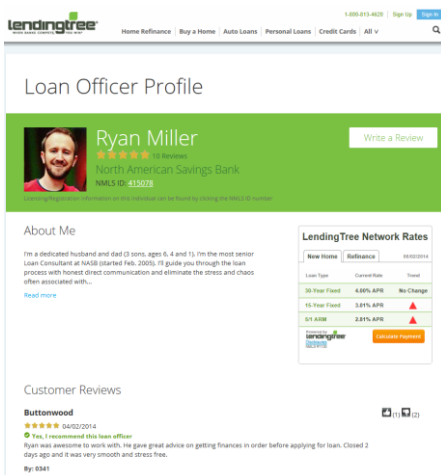
Personal loans can be a great way to get speedy cash or credit, as long as you understand the way they work and are able to repay what you borrow. Take a moment and visit our [personal loan basics](#) guide and learn the dos and don'ts of borrowing with a personal loan from a LendingTree lender.

[Start your personal loan request now!](#)

**Personal Loan Benefits**

- Get cash in a lump sum
- Don't have to own a home
- No collateral required
- Used for unexpected expenses
- Used for kitchen remodels or dream vacations

## Loan Officer Directory – Q1 '14



**Loan Officer Profile**

**Ryan Miller**  
★★★★★ 16 Reviews  
North American Savings Bank  
NMLS ID: 115072

[Write a Review](#)

**About Me**  
I'm a dedicated husband and dad (3 sons, ages 6, 4 and 13). I'm the most senior Loan Consultant at NASB (started Feb. 2005). I guide you through the loan process with honest direct communication and eliminate the stress and chaos often associated with it.

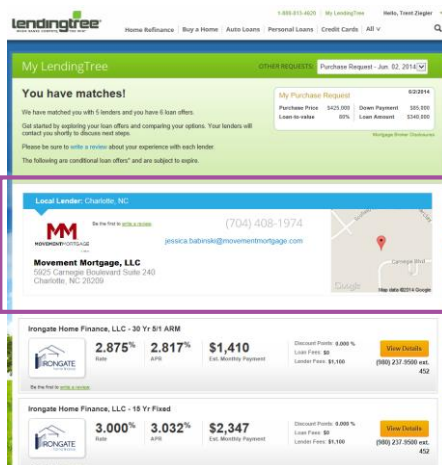
**LendingTree Network Rates**

Loan Type	Current Rate	Trend
30 Year Fixed	4.88% APR	No Change
15 Year Fixed	3.81% APR	▲
5/1 ARM	3.81% APR	▲

**Customer Reviews**

**Buttwood**  
★★★★★ 04/02/2014  
Yes, I recommend this loan officer. Ryan was awesome to work with, he gave great advice on getting finances in order before applying for loan. Closed 2 days ago and it was very smooth and stress free.

## Local Introductions – Q1 '14



**My LendingTree**


**You have matches!**  
We have matched you with 5 lenders and you have 6 loan offers.  
Get started by exploring your loan offers and comparing your options. Your lenders will contact you shortly to discuss next steps.  
Please be sure to write a review about your experience with each lender.  
The following are conditional loan offers and are subject to review.

**Local Lender: Charlotte, NC**  
**Movement Mortgage, LLC**  
10223 Cambridge Boulevard Suite 240  
Charlotte, NC 28209  
(704) 408-1974  
jessica.babin@movementmortgage.com

**Irrogate Home Finance, LLC - 30 Yr 5/1 ARM**  
Rate: 2.875% APR  
Est. Monthly Payment: \$1,410  
Loan Fees: \$0  
Lender Fee: \$1,100  
Discount Points: 0.00%  
[View Details](#)

**Irrogate Home Finance, LLC - 15 Yr Fixed**  
Rate: 3.000% APR  
Est. Monthly Payment: \$2,347  
Loan Fees: \$0  
Lender Fee: \$1,100  
Discount Points: 0.00%  
[View Details](#)

## Small Biz Loans – Q3 '14



**Introducing Business Loans**

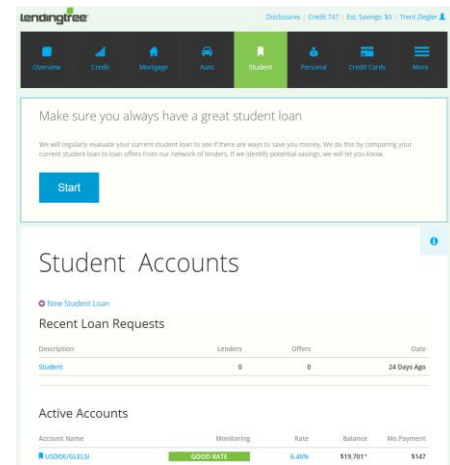
Borrow up to \$1 million at interest rates starting at just 6%!

Choose the loan that best fits your financing needs.

**Business Loans:**  
Up to \$1 million for qualified business with at least \$100,000 in annual revenue and one year of operating history.  
[Apply for a Business Loan](#)

**Personal Loans:**  
Up to \$50,000 for qualified borrowers investing in a new or smaller business.  
[Continue with Personal Loan](#)

## Student Loan Refi – Q4 '14



**Student Loan Refi**

Make sure you always have a great student loan

[Start](#)

**Student Accounts**

**Recent Loan Requests**

Description	Lenders	Offers	Date
Student	0	0	24 Days Ago

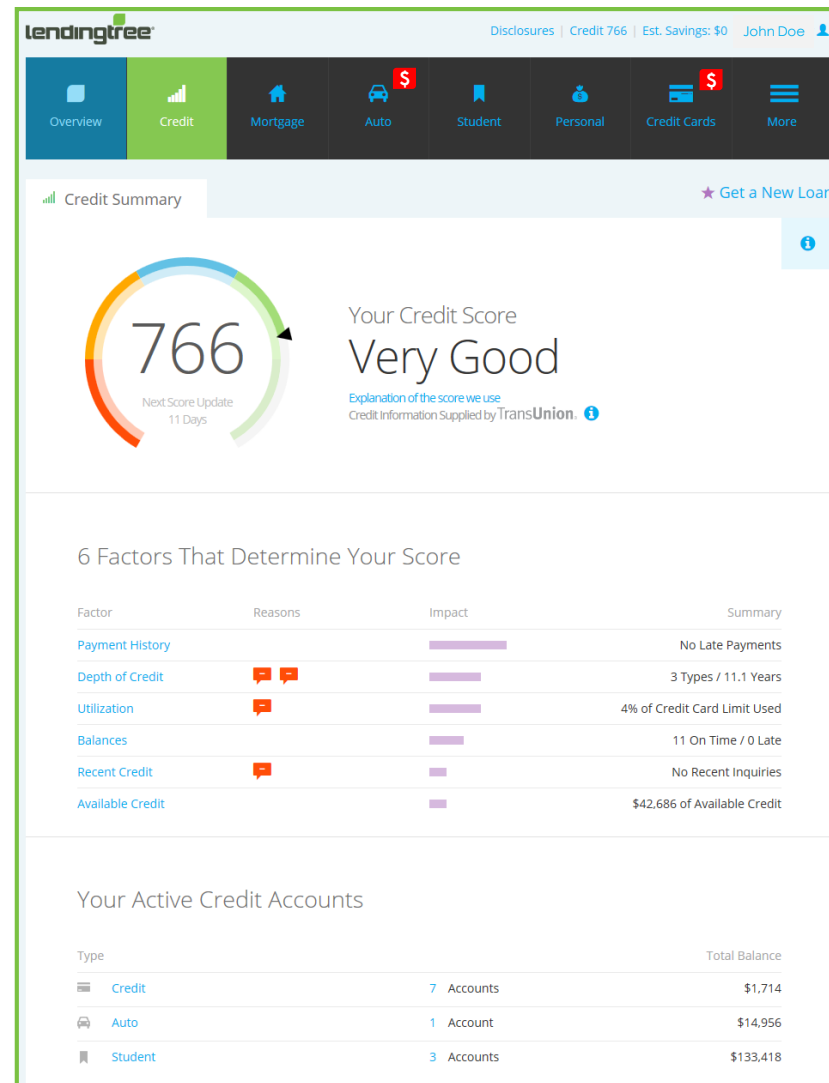
**Active Accounts**

Account Name	Monitoring	Rate	Balance	Min Payment
USDK004LEU01	GOOD RATE	6.45%	\$19,701*	\$147

# All-New My LendingTree

## 100% free credit score...“with a brain”

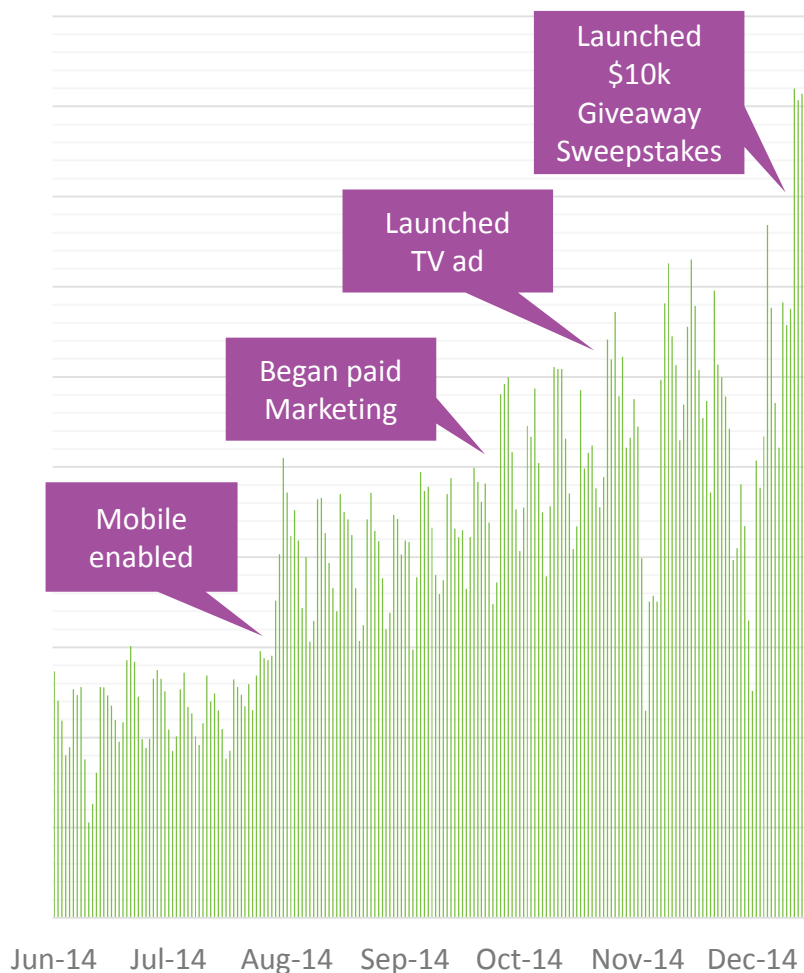
- Free credit score for consumers enables:
  - ▶ Proactive, market-based savings alerts to consumers
  - ▶ Exposure to broader set of LT offerings
- Reduces dependence on paid marketing
  - ▶ Repeat user engagement – lifetime value
- 400,000+ users enrolled
- Launched late Q2 ‘14



# My LendingTree (cont'd)

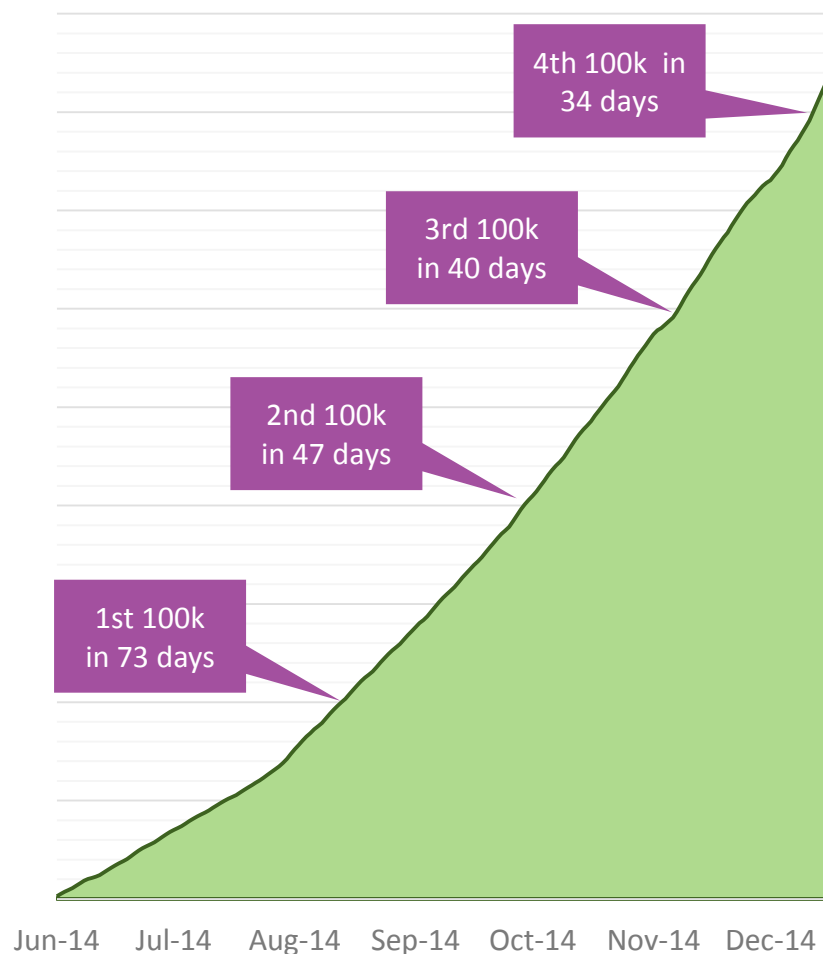
## New user growth accelerating

Daily New Users



## 400k+ users in 194 days

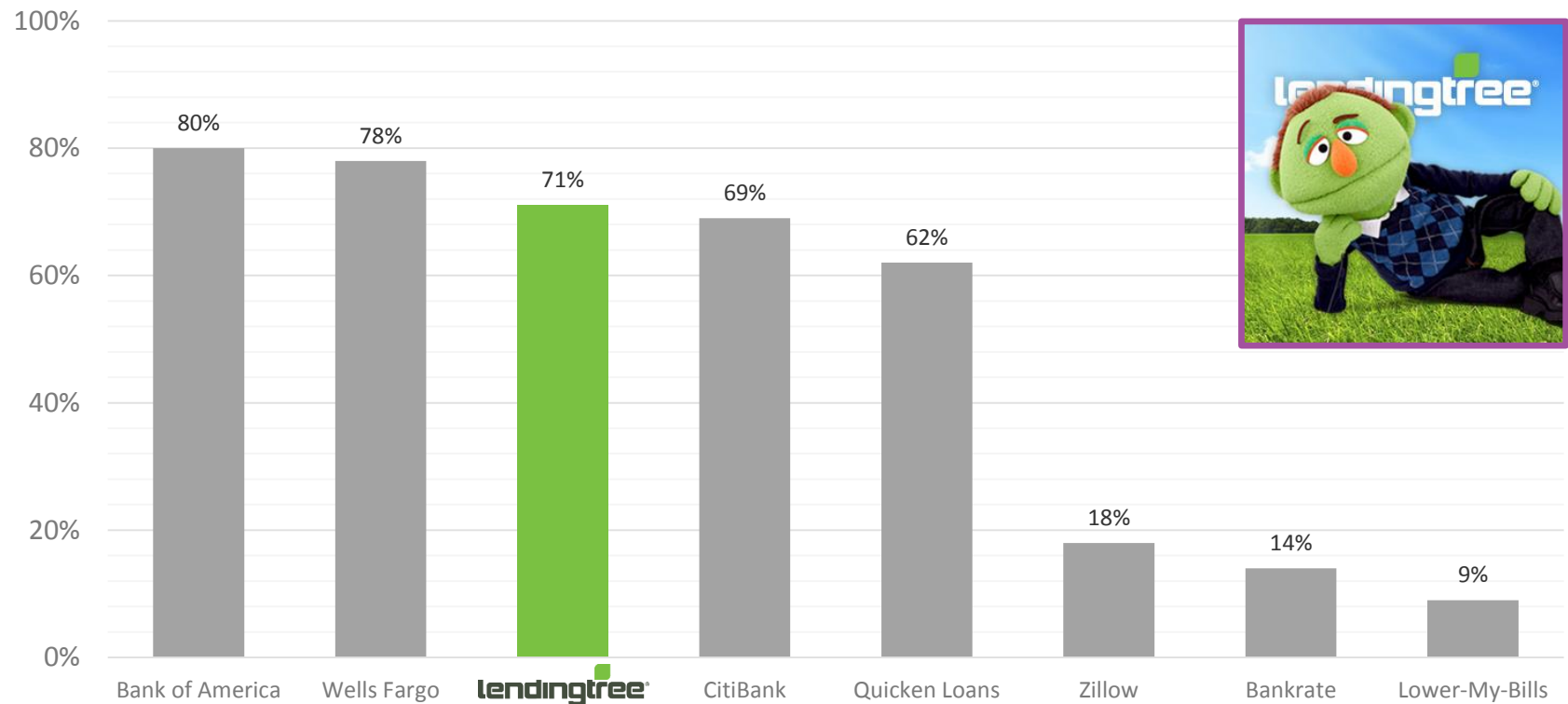
Cumulative New Users



# The Iconic **lendingtree**® Brand

- 71% brand awareness
- \$1+ billion lifetime investment
- Q3 '14 - first TV spot targeting personal loans
- Nov '14 - "Free credit score with a brain" targeting My LendingTree enrollment

## Aided Brand Awareness<sup>(1)</sup>



Source: LendingTree Consumer Research Study conducted by S. Radoff Associates, LLC, January 2014. 1,860 online surveys. Prospects defined as creditworthy current or prospective homeowners who are in the market for either a primary mortgage or refinancing.

1) Awareness and familiarity of selected companies within category defined by companies that offer mortgages online.

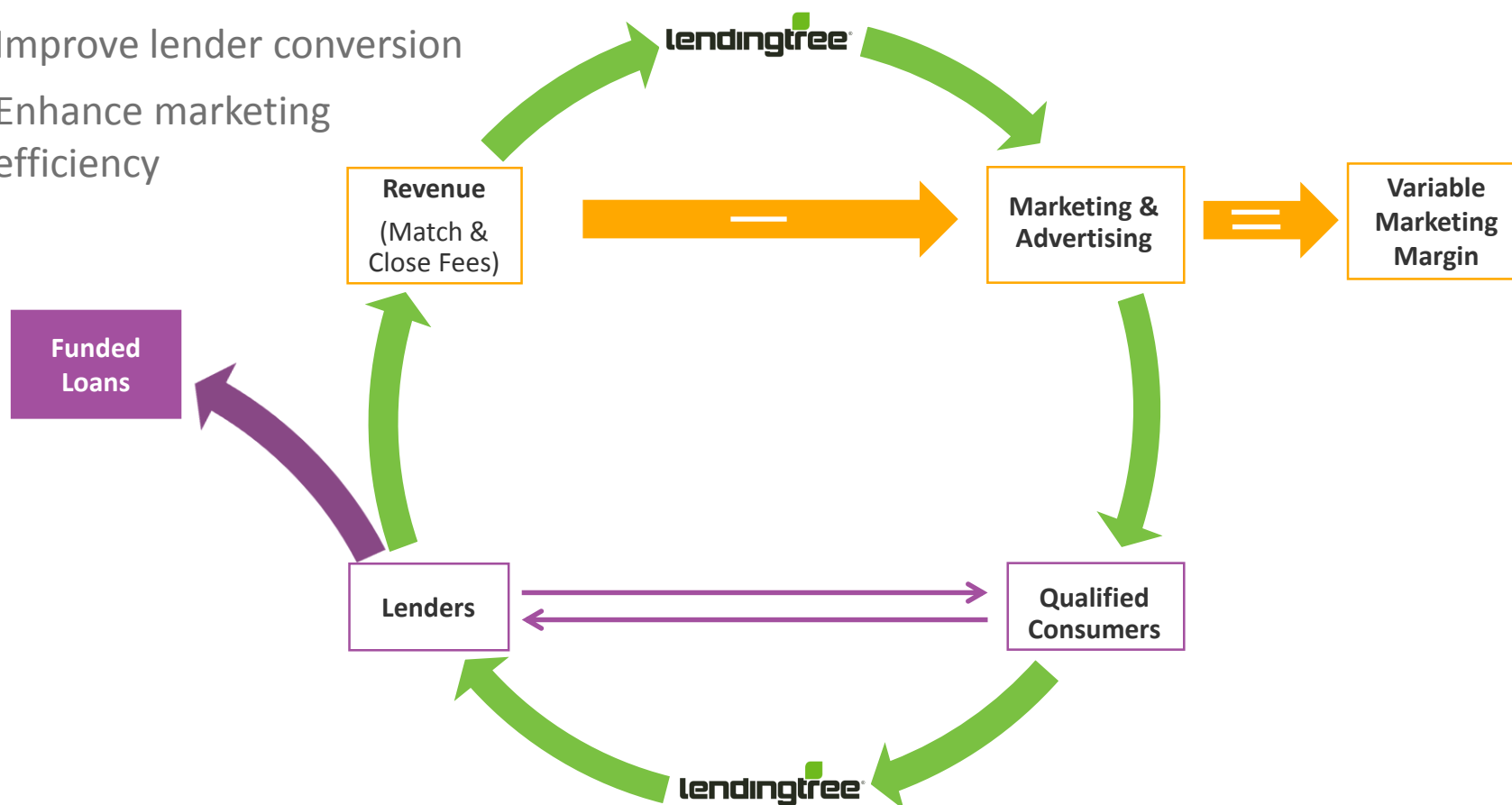
# Financial Profile

# How We Make Money

## Facilitate loan originations for our lender network

### Key Drivers

- 1) Increase lender demand
- 2) Improve lender conversion
- 3) Enhance marketing efficiency



# Operating Model

Revenue	<u>% of Revenue<sup>(1)</sup></u> <b>100%</b>	<ul style="list-style-type: none"> <li>• Transmit Fees</li> <li>• Closed Loan Fees</li> <li>• Hybrid</li> </ul>
- Working media expense	57%	<ul style="list-style-type: none"> <li>• TV</li> <li>• Radio</li> <li>• Print</li> <li>• Paid Search</li> <li>• Organic Search</li> <li>• Display</li> <li>• Social Media</li> <li>• Partnerships</li> <li>• Email</li> </ul>
- Non-media expense	3%	<ul style="list-style-type: none"> <li>• Ad Serving</li> <li>• Creative Production</li> <li>• Agency Fees</li> </ul>
<b>= Variable Marketing Margin</b>	<b>40%</b>	
- Cost of Revenue <sup>(2)</sup>	5%	<ul style="list-style-type: none"> <li>• Credit Scoring</li> <li>• Credit Card Processing</li> <li>• Lead Verification</li> <li>• Licensing</li> </ul>
- Selling & Marketing Personnel <sup>(2)</sup>	6%	
- Product Development <sup>(2)(3)</sup>	3%	
- General & Administrative <sup>(2)(4)</sup>	12%	
<b>= Adjusted EBITDA</b>	<b>14%</b>	

1) Reflects the three months ended 9/30/14.

2) Excludes non-cash compensation.

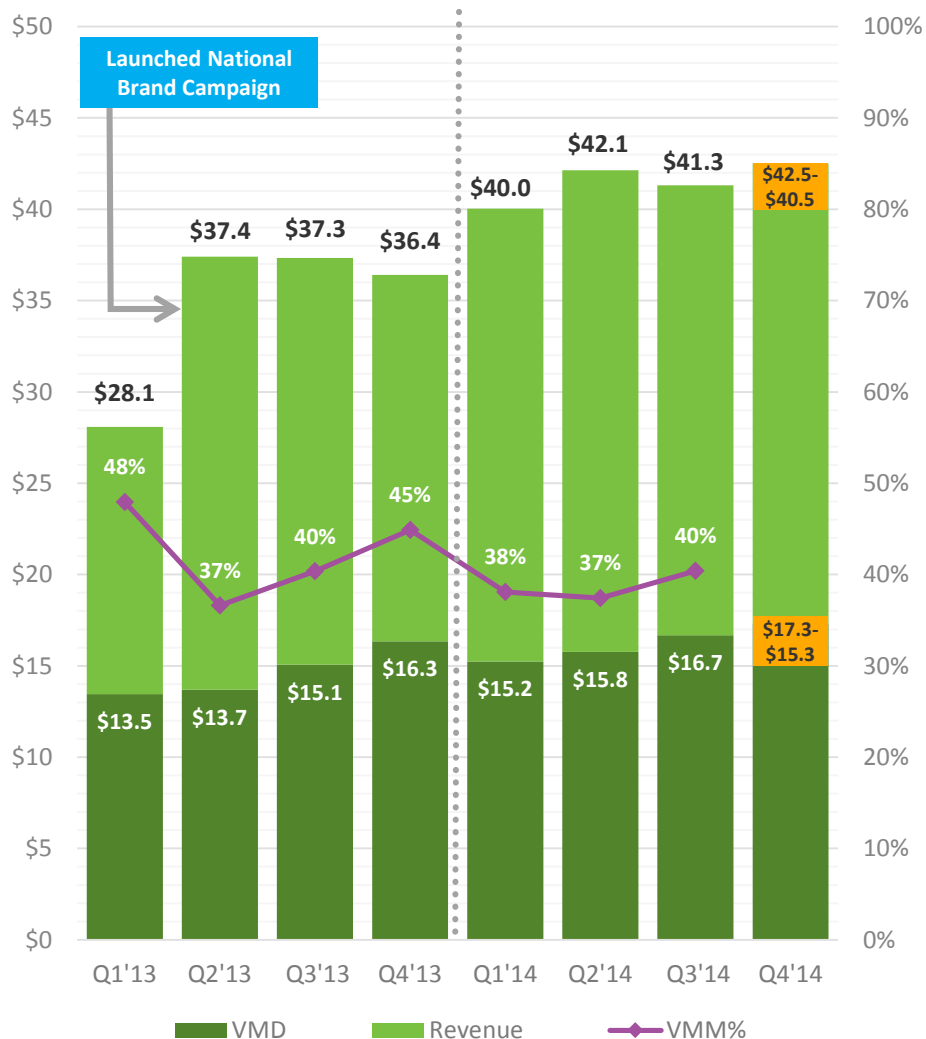
3) Net of capitalized software development expense.

4) Excludes certain adjusted items. Please see LendingTree's "Definition of Adjusted EBITDA" in our form 10-Q for the period ended September 30, 2014.

# Quarterly Financial Performance

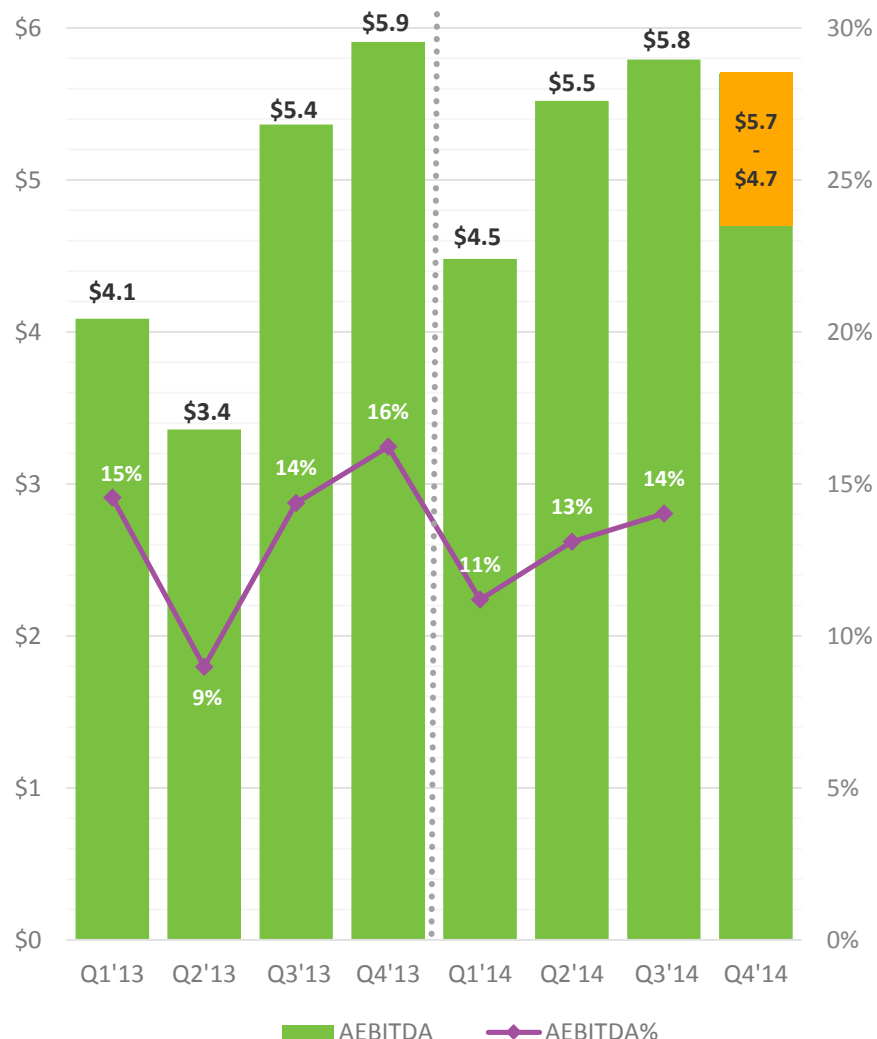
Revenue & VMM

(\$ Mil)



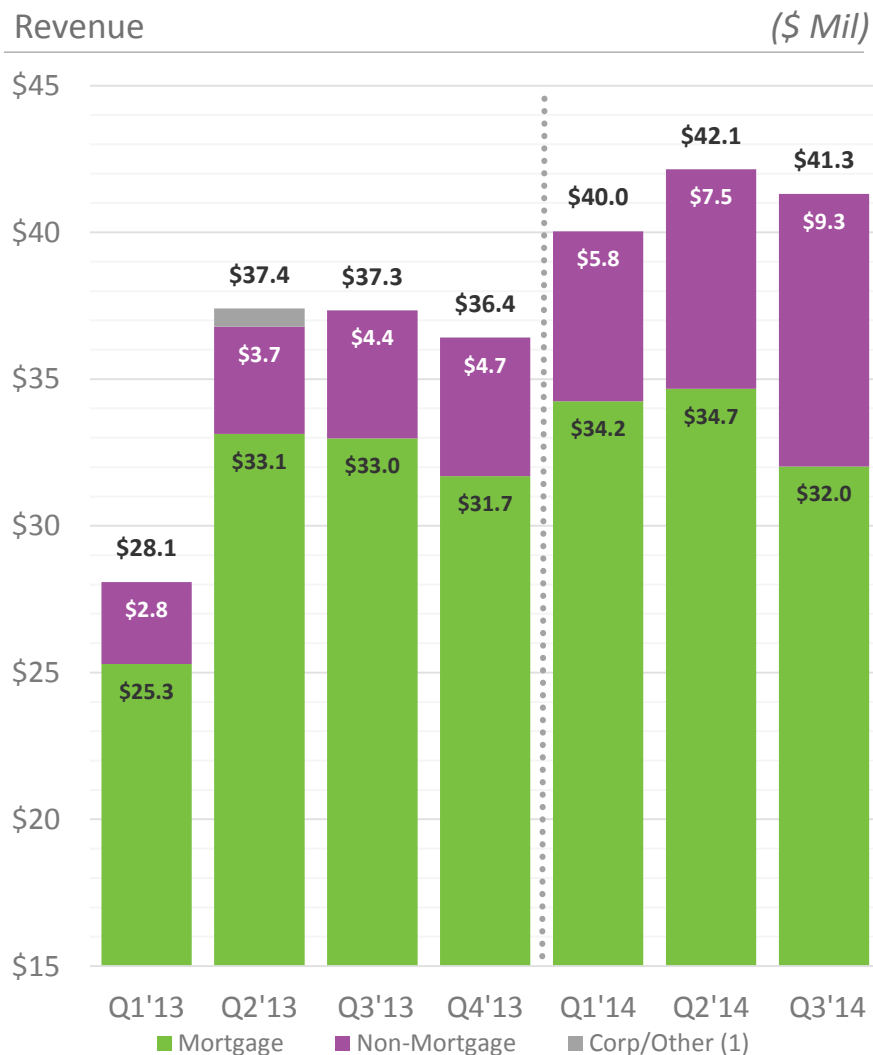
Adjusted EBITDA

(\$ Mil)

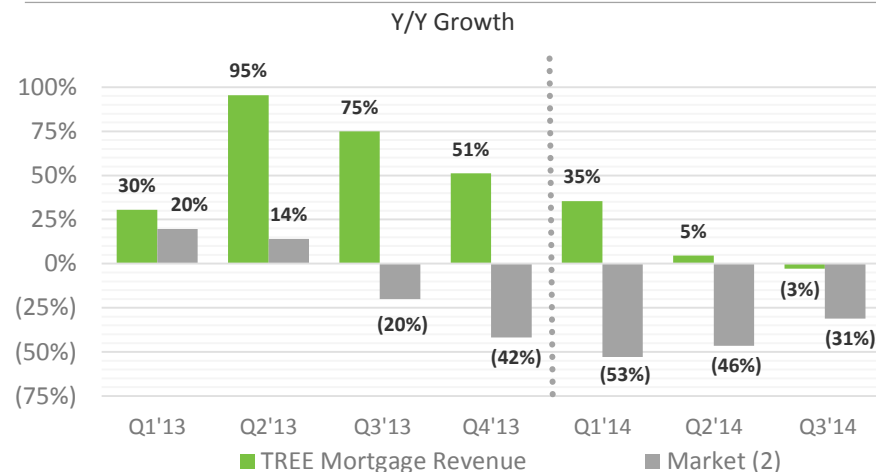




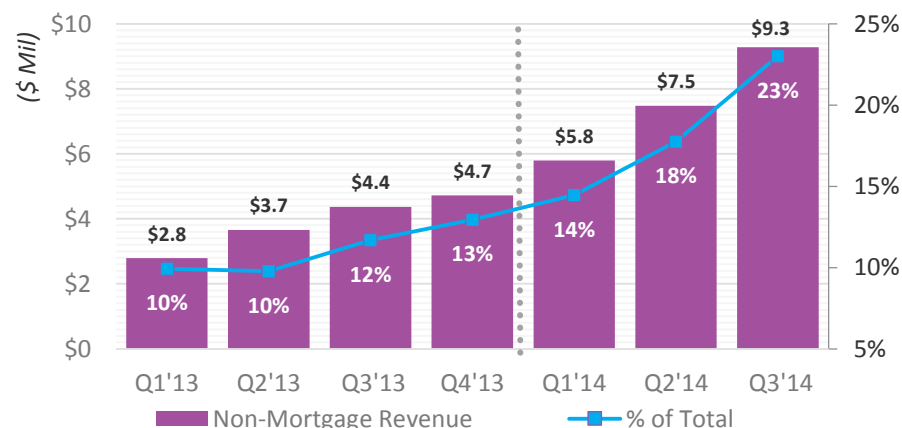
# Unpacking Growth: Mortgage vs. Non-Mortgage



## Mortgage Revenue Outperforming Market Originations



## Increasing Non-Mortgage Contribution



1) Reflects certain marketing services revenue recorded in our Corporate segment.

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

# Selected Balance Sheet Items

	(\$ Mil)
	9/30/14
Cash & Equivalents	\$83.6
Restricted Cash & Equivalents	21.9
Accounts Receivable	13.8
<b>Total Current Assets</b>	<b>121.1</b>
PP&E	5.6
Goodwill	3.6
Intangible Assets	11.6
<b>Total Assets</b>	<b>\$142.0</b>
Accounts Payable	\$2.3
Accrued Expenses & Other Current	23.6
Current Liabilities of Discontinued Ops	31.8 <sup>(3)</sup>
<b>Total Current Liabilities</b>	<b>57.7</b>
<b>Total Liabilities</b>	<b>62.7</b>
Shareholders' Equity	79.3
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$142.0</b>

■ Working capital of \$63.4M<sup>(1)</sup>

■ Significant NOLs<sup>(2)</sup>

▶ \$30M Federal

▶ \$301M State

1) Defined as current assets minus current liabilities

2) As of 12/31/13.

3) Includes loan loss reserve of \$28.4M. Recently disclosed (1/5/15) settlement anticipated to result in material reduction to loan loss reserve.


# Guidance Summary

FY 2014			
Revenue	\$164.0	-	\$166.0
<i>Y/Y Growth</i>	<i>18%</i>	-	<i>19%</i>
VMM \$	\$63.0	-	\$65.0
<i>Y/Y Growth</i>	<i>8%</i>	-	<i>11%</i>
Adj. EBITDA	\$20.5	-	\$21.5
<i>Y/Y Growth</i>	<i>10%</i>	-	<i>15%</i>

FY 2015			
Revenue <sup>(1)</sup>	\$184.8	-	\$189.8
<i>Y/Y Growth</i>	<i>12%</i>	-	<i>15%</i>
VMM \$	\$73.0	-	\$77.0
<i>Y/Y Growth<sup>(1)</sup></i>	<i>14%</i>	-	<i>20%</i>
Adj. EBITDA	\$25.5	-	\$26.5
<i>Y/Y Growth<sup>(1)</sup></i>	<i>21%</i>	-	<i>26%</i>

1) Calculated from mid-point of 2014 guidance. 2015 Guidance announced in press release 1/12/15.

# Investment Highlights

- THE marketplace for consumer loans
- Providing value to consumers & lenders
- Leader in largest loan category – Mortgage
- At forefront of high-growth lending categories
- Iconic **lendingtree<sup>®</sup>** brand
- Cutting-edge marketing & analytics
- Continuous product innovation
- New My LendingTree – personalization platform
- Sound financial model

For more information please contact:

**Trent Ziegler**

VP – Finance & Investor Relations

[trent.ziegler@lendingtree.com](mailto:trent.ziegler@lendingtree.com)

704-943-8294

**Alex Mandel**

Chief Financial Officer

[alex.mandel@lendingtree.com](mailto:alex.mandel@lendingtree.com)

**Doug Lebda**

CEO and Chairman

[doug.lebda@lendingtree.com](mailto:doug.lebda@lendingtree.com)

