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TREE - Q4 2019 LendingTree Inc Earnings Call

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the LendingTree Fourth Quarter 2019 Earnings Conference Call. (Operator Instructions) As a reminder, this conference call is being recorded.

I would now like to turn the conference over to your host, Trent Ziegler, Head of Investor Relations. Please go ahead.

Trent Ziegler - *LendingTree, Inc. - VP of Finance & IR*

Thanks, operator, and thanks to everyone for joining the call this morning to discuss LendingTree's fourth quarter 2019 financial performance.

I'm joined here in the room this morning by LendingTree's Chairman and CEO, Doug Lebda; and Chief Financial Officer, J. D. Moriarty.

Before I hand the call over, I'll quickly remind everyone that during today's call, we may discuss LendingTree's expectations for future performance. Forward-looking statements are typically preceded by words such as we expect, we believe, we anticipate or other similar statements.

These forward-looking statements are subject to risks and uncertainties, and LendingTree's actual results could differ materially from the views expressed today. Many but not all the risk we face are described in LendingTree's periodic reports filed with the SEC.

We'll also discuss a variety of non-GAAP measures on the call today. And I refer you to today's press release available on our Investor Relations website at investors.lendingtree.com for the comparable GAAP measures, definitions and full reconciliations of non-GAAP measures to GAAP.

And with that, I'll turn it to Doug.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Thank you, Trent, and thanks, everyone, for joining the call today. I'd like to start the conversation by recapping some of our major accomplishments in 2019 so you have a sense for what I'm excited about and where we are heading. Then I'll turn it over to J. D. to walk through the fourth quarter financials and our guidance for the first quarter.

As I look back on 2019, I'm most proud of the fact that we made incredible progress in improving the financial wellness of millions of customers through My LendingTree. More than half of our users improved their credit scores within 6 months of sign up. Of those who saw improvement, their credit score improved by more than 50 points. We look at My LendingTree through 2 lenses: first, are we adding value to the customer; second, is it adding value for LendingTree. And the answer to both is an unequivocal yes.

During the year, we added more than 3.6 million new users to the platform, and the revenue contribution from My LendingTree was more than $80 million and grew more than 30%. That is particularly impressive when you consider we have just recently begun to integrate insurance, and credit card still represents a small piece of that total despite terrific progress towards better alignment throughout 2019.

Midway through the year, we rolled out a complete redesign of our app, enabling us to promote holistic financial wellness to our user base, well beyond the scope of a free credit score and savings on existing loans. The new platform is now capable of providing users with guidance around not only their credit profile and existing liabilities, but also positions us to engage with the consumer on their financial future by providing visibility into savings and investments as well as monthly cash flows.

My LendingTree has become an increasingly important component of our business throughout the past year, and I firmly believe we're just scratching the surface. We've learned a tremendous amount in 2019, and our user base has grown, and it also has driven significant engagement. And I'm excited to share more with you all throughout the year as we continue to launch new features.

As we discussed at our Investor Day in December, we're also executing on a B2B strategy for distribution, where we have 6 live partner integrations and 2 other partners actively integrating as we speak. These partnerships put My LendingTree in the hands of more users and the acquisition costs to us are largely risk-free. We expect that this will continue to be an important channel for us as My LendingTree continues to scale.

Additionally, we're now putting real investment behind advertising the My LendingTree offering in 2020. As I mentioned on our last call, we ran a series of regional tests in Q3 of last year that promoted My LendingTree as a stand-alone offering. The results of those tests were very positive and informed our strategy heading into this year. While we're just 1.5 months into the new year, and it would be premature to offer too much information, I'm happy to report that the early readouts on the advertising is encouraging in terms of new app stalls and engaging the existing base.

Moving on from My LendingTree, I'd also like to highlight the success of our ongoing diversification strategy. Our foray into the insurance business has clearly been a successful one as we acquired a terrific business at an opportune time. While the industry is growing nicely as insurers increasingly find value in online channels, the execution of the QuoteWizard team has been impeccable, and the integration of the ValuePenguin team was seamless. Insurance is now our single biggest business and fortunately, does not carry the same risks as our other businesses related to interest rates and consumer credit.

While insurance was the big headline, some of our other acquired businesses performed extremely well in 2019. After acquiring SnapCap in the fall of 2017 and taking some time for integration, our small business offering grew 74% in 2019. This is another terrific example of our ability to acquire high-quality assets in an attractive space and leverage our scale and marketing progress to accelerate growth.

While our diversification strategy has added nicely to the company's growth prospects, it has also provided for a substantially more durable business model. Our diversified portfolio of businesses enabled us to weather an extremely difficult environment for mortgage in 2018. And in 2019, it enabled us to navigate some real challenges in the personal loan space.

In the most recent quarter, we encountered some unforeseen difficulties in the often volatile credit card business, which J. D. will discuss. And despite this, we still hit our numbers. Our diversification helps us to deliver, and I am very, very pleased with our execution.

In closing, I'm incredibly pleased with all the accomplishments in 2019, and I've never been more excited about what the future has in store. As a marketplace business designed to serve both consumers and partners, we are increasingly focused on engaging in -- the consumer in a way that's beneficial to both them and our partners.

We have laid the rails to expand how we engage with the consumer, and we'll continue to look for ways to drive a more comprehensive relationship. This will no doubt benefit our partners over time as well.

There's been no shortage of interesting M&A activity in the FinTech space over the last few weeks, and I am excited, as I've ever been in a long time, about our unique positioning in this space. Our marketing machine and deep lender network across all categories are second to none. But our journey to becoming a legitimate one-stop destination for consumers is only just beginning.

And with that, I'll hand it to J. D.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Thanks, Doug. I couldn't agree more on the progress. I'd like to spend a few minutes walking through the fourth quarter's financial results and provide some color on our first quarter guidance before we open up the call for Q&A.

I'll discuss our Q4 results in the context of our newly introduced segment reporting, which I hope you'll find helpful in understanding the underlying drivers of performance. As a reminder, we introduced this segment framework at our Investor Day in December, and provided a restatement of historical results under the new framework via an 8-K filing last week. Our goal is to give investors more transparency into segment level profitability and to isolate discretionary brand spend and its impact on the overall results.

The definitions of these new measures and the products encompassed by each segment are clearly outlined in this morning's press release, and you can reach out to Trent after the call with any specific questions.

Let me first start with our Insurance segment, which continued its run of impressive results, delivering revenue in the quarter of $70.9 million, up 127% over the prior period or 37% on a pro forma basis. The profitability of the Insurance segment remains strong, with segment profit of $28 million or 39% of revenue. Many of the new initiatives we put in place throughout 2019 are beginning to materialize, and Insurance business is off to a terrific start as we enter 2020.

Second, the Home segment posted revenue of $65.5 million in the quarter, up 3% compared to the prior year. Within Home, revenue from our traditional mortgage products, purchase and refi, continued to accelerate, growing 16% year-over-year after just returning to positive year-on-year growth in third quarter.

As a reminder, the Home segment includes purchase and refinance mortgage, home equity and reverse mortgage. The latter 2 were down significantly from Q4 '18, and that's really a reflection of the market environment. More importantly, the profitability of the home segment has rebounded incredibly well, with segment profit of $26.9 million, representing 41% margin and year-on-year growth of 25%.

While we've certainly seen some favorability in the macro environment for mortgage, the team has executed incredibly well on a number of fronts to drive this return to growth and improved profitability. We spent much of the year discussing our efforts to better segment traffic at the top of the funnel and to use those learnings to improve our matching algorithms and optimize pricing. Those efforts have clearly begun to pay off, and we're encouraged to see continued signs of strength in the mortgage business as we start the new year.

And finally, in the Consumer segment, revenue of $113.4 million grew 15% year-on-year, while segment profit of $43.3 million declined 9% year-over-year.

Let's put this drop in segment profitability in context. The challenges in the personal loan space were well-documented last year, and we covered this extensively at our Investor Day. They did persist in the fourth quarter as revenue growth slowed to 5% year-on-year. As we've discussed at length, personal loans are both incredibly strategic and a very profitable business for us.

The slowing growth in that business has a material impact on overall profitability. On the positive side, as we progress through Q1, we've begun to see some encouraging signs of a turn in that business, and we're optimistic that the worst is behind us. Clearly, improvement in that key business will be hugely beneficial to our full year picture.

The aspect of consumer that we've not discussed in as much detail is the credit card business.

Strategically, we were very happy with the top line growth in card in 2019 as the team posted better than 27% growth in revenue. But as we scale to take market share with key issuers, the profitability in the credit card business lagged the top line performance.

We acknowledged this at Investor Day. And we said that accepting lower card -- lower margin in card was a strategic decision to take market share with key issuers. We've often spoken to the potential volatility in the card business and the fact that investors can and will -- pardon me, issuers, can and will flex budgets, many times irrespective of the performance we deliver for them. That volatility was on display in Q4 as a couple issuers pulled back budget materially towards the end of the quarter.

In addition, we ran some challenges with certain marketing partners in the quarter, which caused our unit costs to increase materially in the short run. Some of those cost challenges have extended into the early part of Q1. We think we have a handle on these issues on the cost side, but they did impact the business in the first half of the quarter. So this weakness is reflected in our first quarter guidance, which I'll discuss in a moment.

On a much brighter note within consumer, our small business offering continues to scale nicely, with revenue growth of 61% year-on-year. We've highlighted the small business vertical often throughout 2019 and continue to be incredibly enthusiastic about our prospects in that business. It is clearly an underserved category for small business borrowers, and there's a visible opportunity for us to expand the number and types of lenders we work with.

Very briefly on the other category, which consists of non-core revenue streams, primarily the reselling of ads to third parties, we recorded revenue of $5.4 million and a loss of $100,000. For context, 1 year ago, this revenue number was $9.9 million. Given some of the marketing mix decisions we are making this year, we anticipate that this revenue will largely go away moving forward.

Summing everything up. Consolidated revenue of $255.2 million was up 26% versus the prior year. Layering in brand expense of $4.2 million in the quarter to the sum of the segment profits, variable marketing margin of $93.8 million was up 19% over last year. And finally, in terms of adjusted EBITDA, we delivered $45.9 million, growth of 17% over the same period last year and well within our guidance range provided in October.

On a GAAP basis, net income from continuing operations came in at $1.5 million or $0.10 per diluted share. Our GAAP results were, in part, affected by a $7.2 million charge to write-up in fair value, the contingent consideration related to the QuoteWizard earnout. On a non-GAAP basis, adjusted net income per share was $1.12.

Now moving on to guidance. The trends we're seeing as we start out the year are encouraging and give us confidence to maintain the full year 2020 outlook we provided just a couple of months ago at our Investor Day. As a reminder, the outlook calls for approximately 15% growth on both revenue and adjusted EBITDA and for the first time in the last several years, does not include the benefit of acquisitions.

Looking more specifically at our first quarter guidance introduced this morning. Our overall outlook is in line with our internal plan for the year. Our full year plan contemplated muted EBITDA growth in Q1, given both the Q4 trend in card and the typical step-up in OpEx that we always experience in Q1. We are confident that we've taken the right steps to address the marketing issue in part and do not expect them to persist throughout the remainder of the year.

On the positive side, both our insurance and mortgage businesses are trending ahead of the growth trajectories we provided with our initial 2020 guide at Investor Day. Outperformance in these 2 businesses will be far more relevant to our overall 2020 financial performance, and we are also hopeful about an improvement in personal loans.

For the first quarter, we expect revenue to fall in the range of $296 million to $306 million, which at the midpoint, represents growth of 15% over the first quarter of last year. Variable marketing margin is expected to be in the range of $97 million to $104 million, representing 9% growth at the midpoint, and adjusted EBITDA is expected in the range of $43 million to $46 million, representing growth of 3% at the midpoint.

Before we open the line for questions, I'd echo Doug's prior point about the importance of diversification. We are bound to feel volatility in any given business from time to time, but the diversification that we've put in place enables us to weather those blips, time and again. While our marketplace continues to improve, what is most exciting at LendingTree is the opportunity to capitalize on our unique ability to engage the consumer across all of their financial needs. We are making big progress there and very excited about where we're heading.

And with that, operator, we can open the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question is from Youssef Squali with SunTrust Robinson Humphrey.

Youssef Houssaini Squali - *SunTrust Robinson Humphrey, Inc., Research Division - MD & Senior Analyst*

Great. It's Youssef Squali. Just a couple questions here. I was wondering, J. D., if you can go back and just go over the 2 issues related to the profitability in the credit card. I'm not sure I fully understood that, and what exactly are you doing to remedy that? And then maybe, Doug, there was an announcement of a pretty large transaction yesterday. I was wondering how that is likely, at least in your mind, likely to change the competitive landscape, in particular around verticals like credit cards. And whether your customer acquisition cost assumptions basically had already taken into account the potential increase in competitiveness in that sector?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Sure. Youssef, let me start with the first one. In the card business, you have to think about both sides. You have to think about the payout environment from issuers and how desirous they are of growing certain card portfolios. And we've talked historically about rewards and balance transfers. That wasn't really the issue in 2019.

The issue in the fourth quarter was essentially issuers reining in their budgets late in the quarter. That's the top line side of it. On the cost side, we've got to drive high-quality traffic, that when it gets to issuers' converts, and you have good approval ratings. We had a couple marketing partners that simply were not performing for us, and we've recut some of those deals to improve the economics and better reflect the quality traffic that they were driving.

In certain cases, we've cut off those marketing partners, and we won't be utilizing those traffic sources any longer. So effectively, we are constantly trying to optimize the marketing mix to make sure that we're driving traffic that converts for our issuer partners. Again, throughout 2019, in the big picture, we took market share in card. We're confident there. We drove revenue growth of 27%. We're confident there. We did make some conscious decisions to operate at lower margins in card throughout the year because that was the right thing for the strategy of the business to gain presence with issuers.

Late in the quarter, some of those cost challenges -- and actually, as I said, it carried in through January, some of those cost challenges became things that we had to address. And so we feel very confident that we've addressed the cost side of the equation. Issuer behavior, it continues to be very much a month-to-month business. And so that's the piece that we have to be -- that we have to work with issuers on payouts and approval rates and otherwise, but we feel very confident that we've addressed the cost side of the equation.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

And then this is Doug. On the strategy side, to answer your specific question on customer acquisition costs, I don't anticipate anything different there. And the reason is LendingTree has so many things that we can market. Kudos to Credit Karma for building a member base around free credit score. LendingTree, by having all of our products, plus the My LendingTree App, plus having all the brands, plus having our great SEO strategy, helps us to not just drive app downloads, but also helps us drive first time customers, and we think that's a competitive advantage.

We're continuing to add new features throughout this year, and our engagement numbers are actually very, very ambitious. And to the extent it's going to make sense, I'm really hoping in the future, we're going to be talking to you guys about weekly and daily engagement of customers, and again, to the extent it makes sense. In some ways, for loan products, you actually don't need to engage a lot, but for other types of products that we're thinking about, more frequent engagement might actually make sense as well, too. But no, we feel great about our strategic positioning. None of this was a surprise to us, and it's a go-forward for us, and we feel great.

Operator

The next question is from Eric Wasserstrom with UBS.

Eric Edmund Wasserstrom - *UBS Investment Bank, Research Division - MD & Consumer Finance Analyst*

A couple of questions, please. The first, Doug, you mentioned the B2B partnerships. Can you just go back to that for a moment and help us understand what's occurring there?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Sure. Essentially, what you do is you work with people like Fidelity, H&R Block, et cetera, to bring alerts effectively to My LendingTree alerts for other financial products to their user bases. And we think just like Google had a syndication strategy, we think that's an integral part to doing that, and we've got a lot of plans for that this year.

Eric Edmund Wasserstrom - *UBS Investment Bank, Research Division - MD & Consumer Finance Analyst*

Got it. Okay. And maybe just moving to the personal loan environment. It sounds like, J. D., there's some expectation of maybe some improvement there, and I just want to understand what end market dynamics are changing to -- that caused you to feel that way?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Yes. Sure. So as we talked about at Investor Day, you're talking about a marketplace that was growing 30% in 2018. I think TransUnion data suggested it grew 9% last year. So that sort of marketplace deceleration is going to ripple through our business. Now when we look out on the year, we look at lender -- what we call lender wins, where we feel really good about our progress in terms of adding unique lender capacity and then how that will project through the year. So we're obviously monitoring performance.

We are encouraged when we look at particularly January and February data on the stability of the business and how our lenders are performing. And so that's, when I say that we're encouraged, we know that our lenders are seeing good profitability, again, and that's encouraging. That's a good read through or leading indicator for our business.

As we've talked about in many of our marketplaces, we really focus on lender health. And lender health leads to stability and durability in each of our marketplaces. And so I think we feel on balance better about lender health in personal loans. I would also say that just purely for us, our comparison will get a little bit easier going forward. Realize that when we're talking about the fourth quarter, we're comparing to fourth quarter of '18 when our growth in margin and personal loans was -- and it was -- it's a difficult comparison. Those comparisons will get a little bit easier as we go through the year.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

And the only other thing I'd add on to what J. D. said in personal loans, we're making a lot of product progress as well, and it really goes to how we integrate and work with our lending partners, and it's important that it helps drive conversion rates, but it's also, at least for me, a really important indicator that these lenders are seeing this as a significant-enough channel they're really increasingly working on integration with us.

Eric Edmund Wasserstrom - *UBS Investment Bank, Research Division - MD & Consumer Finance Analyst*

But in terms of -- this will be my last question and I'll hop off. But just in terms of the secular margin, because you guys have been very transparent about it, it's a very margin-rich product for you. Should we think about there being any change outside of some of these cyclical dynamics in terms of the secular margin contribution from the product?

J. D. Moriarty - *LendingTree, Inc. - CFO*

A little bit. There's a little bit of a normalization, I would call it, Eric. But fundamentally, that business is a good margin business for us. We're very transparent with the reason why, right? We're benefiting from repeat users, and we're benefiting from My LendingTree.

So that is a structural advantage that we have in that business. I think that our margins in 2018 were probably higher than they will be going forward in that business, but we're happy to grow that business at margins that we're having today. So that's the way that I would think about it. It's still a very healthy margin, it will continue to be a healthy margin, and we just want to grow the business and grow the lender business.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

And the only other thing I'd add there is keep in mind that you've got personal loans getting a lot of so-called draft traffic from My LendingTree. And then in addition to that, we're marketing personal loans. However, the mix of that is obviously more weighted towards a second transaction at LendingTree. But increasingly, as monetization improves, then we can go market that product even more.

Eric Edmund Wasserstrom - *UBS Investment Bank, Research Division - MD & Consumer Finance Analyst*

Got it. Got it. So in other words, I guess so maybe just quickly to summarize, it sounds like while there may be some like -- end market pressure that's being partially mitigated through some of these strategic actions that you've taken. Is that a fair summary?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Yes. I believe so. Well better put than me.

Operator

The next question is from Jed Kelly with Oppenheimer.

Jed Kelly - *Oppenheimer & Co. Inc., Research Division - Director and Senior Analyst*

First one just on the margins. Guidance does imply that, that margins start to expand year-over-year. Can you talk about the drivers of that? Is that more of an impact from My LendingTree, of the overall environment improving? And then is there any way to quantify the impact these marketing partnerships had on 1Q and 4Q even?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Sure. Let me take the second question first. And I think specifically, what you're referring to is in card. Had the card business, it's -- let me give you a range of that impact because some of this is a real-time decision that we're making intra-quarter as to -- we're constantly going after VMD, right? And we're making real-time trade-offs. But the impact -- had the card business hit its targets in the quarter, you would have been looking at an incremental, call it, $5 million to $8 million of VMD. Okay?

So you could think about that relative to our quarter in terms of that impact. Now some of that, obviously, we would have accepted for gains with certain issuers. And some of it, we obviously -- we have standards where we want to operate certain businesses. But had they hit their targets, had the card business hit targets, that's pretty much the impact, $5 million to $8 million of incremental VMD.

As it relates to margins go-forward throughout the year, clearly, as you know well, we have certain businesses that will contribute meaningfully in Q3 that will impact margin, that will be the most impactful thing. And what we're tracking closely is the health in our -- in mortgage, obviously, we're very happy with that. In insurance, where we're happy with that margin profile. As we said, we think personal loans is stabilizing. And then basically, getting back to a standard within card of reasonable margin, which we think we should be able to do through improved marketing on the cost side. You're going to see that normalization in margin profile and the improvement quarter-on-quarter.

Jed Kelly - *Oppenheimer & Co. Inc., Research Division - Director and Senior Analyst*

So and just to follow-up, I guess there's nothing that's changed structurally in cards going forward on customer acquisition? This is mostly, you think, onetime in nature?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Yes. Within our control on the cost side, for sure, yes.

Jed Kelly - *Oppenheimer & Co. Inc., Research Division - Director and Senior Analyst*

All right. And then just one more for me. The Home VM end margins were strong this quarter. Is this 40% the right way to look at it into 2020, just given that the environment's improved?

J. D. Moriarty - *LendingTree, Inc. - CFO*

It's interesting, the mortgage business is the one that we've encouraged you all to think about the quarter-on-quarter progress, right, because it really is the business that's influenced by the capacity of our lenders and the organic volume that they have. And so we're obviously in a very low rate environment. That has its pluses and minuses. It's a good macro environment for us. At the same time, a lot of our lenders are going to be getting an awful lot of organic volume, so that doesn't necessarily always help us.

Our margin improvement here is really driven by improved monetization. As we said at the top of the funnel, we're segmenting the traffic ever more intelligently. And we're giving lenders -- this is the thing that I'm really excited about. We're giving lenders different products, different solutions that meet their needs as opposed to being one LendingTree mortgage solution.

So that's where you're seeing that profitability improvement. So we're in a scenario where the lenders are benefiting because they're getting what they want, and we're benefiting because we're segmenting the traffic. That is a repeatable margin improvement. It's not a zero-sum game where we're making margin at the expense of lenders. So I feel very good about the health of that.

And then there's just the sequential how this plays out relative to rates and how much volume they have organically, that's the part that's harder to call. Obviously, we're in an extremely low rate environment right now. On balance, it's helping us. We're just -- we're very focused on driving incremental quarterly improvement in the mortgage business, and we're doing it through product innovation. And that's what we're really happy with.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

And the only thing I'd add is over the years of our business, you will see variable marketing margin percentages go -- sometimes go up and sometimes go down based on the dynamics of that individual market. However, if you look at variable margin dollars, that is showing the, call it the marketing profitability, contribution margin before fixed costs, and that number is what we focus on every day, every month, every week.

Operator

Our next question is from John Campbell with Stephens Inc.

John Robert Campbell - *Stephens Inc., Research Division - MD*

On the 2020 guidance, you left that intact. I just want to check on the inputs. J. D., it sounds like you've kind of tempered your expectations a bit for credit card, but mortgage is incrementally better, maybe acting, I guess somewhat as an offset. Is that a fair characterization?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Yes. Listen, I think the guide sort of -- the guide, in part, contemplated some of the difficulty in card in the fourth quarter. The mortgage is definitively better. Insurance, we talked about at Investor Day, we talked about implied growth rate there, that is better. So some of our bigger businesses are definitely trending better, and we feel really good about that. As we've said, as it relates to guidance, we're going to amend guidance when we see a material change, right? The good news, and what I would be focused on if you're thinking about how our year progresses, is that those businesses are seeing better trends than they were when we spoke at Investor Day. So we feel really good about that.

John Robert Campbell - *Stephens Inc., Research Division - MD*

Okay. And then on the other route, it sounds like you're not going to really see much of that this year. Was that a decision that was made kind of early this year? Was that reflected originally in your guidance when you issued it back in December?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Yes. Recognize that other category. Yes, we knew that, that line item was going to be pretty much going away. It's not as clean as going away December 31. So that other category was never really strategic. It was a marketing decision that we would take on certain marketing inventory. If we could utilize it ourselves, great. If not, we were reselling it, and we were trying to be overly transparent in giving you visibility into that line item. And now is -- but at the end of the day, what we're focused on is a marketing mix that drives our core business. And if that is not working for our core business, then we're not going to take on that net revenue and in turn, resell it. So that's why it's going away.

John Robert Campbell - *Stephens Inc., Research Division - MD*

Okay. Last one for me. On the credit card challenges and I guess some of the broader profit pressure in consumer, how much of that do you think is driven by the CECL accounting changes? Is there an impact to the pricing? Just overall on the channel as -- I don't know if the ROI just kind of declines a bit for the larger issuers. I don't know how much of an impact that has on pricing. Are you seeing anything there?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

No. I think -- listen, credit card in Q4 is always interesting. And card is -- keep in mind, with cards in all of our businesses, a card issuer may switch from one type of card to another, and that card has a lower conversion rate with customers, and you're also going up against Q4 noise, et cetera. So we continue to think our credit card penetration is going very, very well, continue to clean up and make changes to the user experience. And I wouldn't read anything into much of anything over the long term. J. D.?

J. D. Moriarty - *LendingTree, Inc. - CFO*

I couldn't agree more. I don't think it's -- yes, and it's not part of the discussion.

Operator

Your next question is from Mark Mahaney with RBC Capital Markets.

Mark Stephen F. Mahaney - *RBC Capital Markets, Research Division - MD & Lead Internet Research Analyst*

Two questions, please. This -- your My LendingTree net adds, that roughly 1.1 million adds in the quarter, I think that was a record high or as close to it. Any color on the sources of those net adds and are they acting similar to the My LendingTree new customers that you brought on in the past? That's question one. The second one is, you talked about trying to take market share with key issuers in the credit card segment in Q4. Do you feel like you were able to accomplish that? Just I know that the strategy has become maybe more expensive or less efficient than you thought that the goal of gaining greater market share with key issuers, actually -- did that actually occur?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Got it. I'll take the first one and leave the second one for J. D., if he can answer it. I believe the 1.1 million was a record. And if it's not, we will tell you. For the most part, they were still coming in through the LendingTree qualification forms and then were introducing you to My LendingTree. So I would actually read that, that number is very good, which is showing we got higher conversion rates despite the fact that the core business of LendingTree typically doesn't drive a lot of -- as much volume in Q4.

And I would say the newer cohorts, in general, when you get apples-to-apples, are actually performing better than older cohorts, and that's because the product continues to improve, the monetization continues to improve, and that should just continue to get better. And that's how we're able to market in Q1 against actual app downloads.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Mark, as it relates to your second question on card market share wins, we look at market share, obviously, throughout the year, not in a given quarter because that's great progress from a sales perspective. And if we're getting issuers who increasingly trust us to be the partner with which they test new products or give us better payouts because they value the quality of our traffic, right?

So if I look at that, you would look at our revenue gains throughout 2019, 27-plus-percent revenue in the card business and say that, that's reflective of gaining market share as we grow with issuers. Keep in mind that when we acquired CompareCards in late 2016, and we've been very open about this, greater than 60% of the business was with 1 issuer, okay?

So this is an ongoing diversify-our-issuer-base initiative -- or pardon me, strategy. And so on that score, 2019 was a very good year. The fourth quarter is always a little bit challenging in all of our businesses because somebody can cut their budget or pull back their spend materially on short notice. And so I don't look at the fourth quarter as being reflective of anything other than that volatility. At the end of the day, we have to look at the full year and what gains we made in terms of market share with issuers, and we're very happy with that.

Operator

Your next question is from Mayank Tandon with Needham & Company.

Kyle David Peterson - *Needham & Company, LLC, Research Division - Associate*

This is actually Kyle Peterson on for Mayank. Just wanted to dive into the Insurance segment. Obviously, the results there have been very strong. Is that still mostly coming from auto? Or are some of the smaller verticals like home, life and health kind of contributing there, too? Just want to kind of get the puts and takes on what's the strength is there right now.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Sure. So the smaller verticals are doing great, but auto continues to be the worst. So the overall percentage has not changed. And auto, just because the auto strength remains very healthy, so there's no material change there. We're happy with the performance in the other verticals. And we have plans for those other verticals that are very ambitious. But no, the core is still auto.

Kyle David Peterson - *Needham & Company, LLC, Research Division - Associate*

Okay. That's helpful. And then just wanted to see if you guys could touch a little on M&A. You guys have kind of talked about kind of additional points of interest kind of at your Investor Day, with areas such as kind of auto or wealth investing. Just kind of see -- want to see what, like kind of what the pipeline is, what you guys are thinking about prioritizing from that perspective kind of as we head into 2020?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Sure. Yes, absolutely. I'll take it, and Doug can add. We continue to see M&A as a huge opportunity for us. We spent a lot of time in 2019 looking at a few categories. Clearly, because of our prominence in insurance, we looked at a lot of assets there. And we will continue to look at that business, but we're very happy with the core business that we have. We spent a lot of time on real estate, thinking that there should be some adjacency to our purchase mortgage business and decided not to do anything there. We'll continue to look, but I don't see that as a huge focus area going forward.

We mentioned small business. Small business, we like as a category very much. We're thrilled with the performance of SnapCap. We would look to continue to add to that business, partially because we think it's a category where we're adding a lot of value for the small business borrower who we think is underserved. We also know that, that small business borrower is a repeat customer, and we also know that there's the ability to do more than just loans for small business. You see small business credit cards, you can see small business insurance over time. So that is an area that we're interested in.

And lastly, we talked about wealth and investing, and I think this is of particular strategic significance. As Doug said at the outset, when we think about My LendingTree, and we think about the engagement that we want to drive, we think about [gauging] the consumer on more than just credit products. And so over time, wealth and investing will be critical to that. So we continue to look at net assets in that space and how we could potentially drive -- it's everything from how do we engage with the consumer within My LendingTree to also marketplaces for financial advisors.

That is a critically important area for us and something that we'll look to grow. As Doug said, our goals for My LendingTree, in terms of engagement, are actually more ambitious than credit products, and you have to have the asset side of the balance sheet to drive that engagement. So that is one key area when we think about M&A, we continue to look at assets there.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Then the only thing I'd add on to that is M&A has worked well for us because we've got a big user base and a brand name in LendingTree that is already very well-known, and so we can bring these other companies in. And by virtue of having the entire platform and all of the products being able to surround the customer, that just gives you a much better marketing edge and a better product for consumers. So as we look to help consumers make smart decisions, help them save money, help them get on the path to financial wellness, you can imagine all of the areas that we would want to be in. And then it's a question of whether you build them or whether you do some partnerships or whether you actually take the leap and do M&A. And I would say we've got a great track record on the latter 2.

Operator

Your next question is from James Friedman with Susquehanna.

James Eric Friedman - *Susquehanna Financial Group, LLLP, Research Division - Senior Analyst*

I'll just ask the 2 upfront. J. D., in your prepared remarks, you had referenced the talented speaker you had at the Analyst Day from TransUnion. The quote that she had was that it had gone -- the end market for personal lines had decelerated from 30% growth to 9% growth.

In terms of your comments about the Q1, I thought she had said that the banks were closing the credit box. Are you seeing any improvement there? Is that -- and then I'll just get the second one in quick. Doug, in one of your previous answers, you had said that the latest cohorts in My LendingTree are better monetized. I'm botching the language, but something to that effect. Why is that happening? Could you kind of elaborate on that? So the first one on personal lines, the next on the cohorts in MLT.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Jamie, I was more commenting on the performance of lenders on our network, in terms of conversion rates, cost per funded loan, et cetera. So that's where we're seeing, I think, improvement for them. So it's less about credit box, more about kind of how they're performing from a customer acquisition perspective, and that's what's encouraging right now. We have not seen any discernible change with respect to the credit box decisions about -- whether it's banks or the more nontraditional lenders, we haven't seen a discernible change since December now.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

And then on the second question, I would say number one, our -- the so-called brain, if you will, LendingTree, continues to get smarter of how we can alert customers to actually save money or improve their credit and then save money through refinancing other loans, et cetera. And then the other thing I would say is that as we continue to diversify products, we continue to integrate them within LendingTree. All of those products drive more marketing opportunities to save the customer money and contact them via all the methods of contact to actually close more transactions.

Operator

Your next question is from Stephen Sheldon with William Blair.

Stephen Hardy Sheldon - *William Blair & Company L.L.C., Research Division - Analyst*

Wanted to ask about the Credit Karma acquisition again. And you've talked about some, but it seems like there -- they'll be trying to focus on at least some of the same consumer decisions that My LendingTree has helped consumers with. But just wanted to ask from a consumer's perspective, how you think about the value proposition of My LendingTree versus others that may be attempting to provide some more platforms that help with similar types of decisions?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Sure. So one thing I'd say at the outset, you see a lot of crossover in these apps. So for over half of people who have a My LendingTree download also have Credit Karma, and I guess it's probably not half the other way, clearly. But it's a different product. It's not mostly focused on credit score as a great way to drive people in, which obviously is a great way to drive people in.

And as J.D. talked about, we're really trying to focus on overall financial health and wellness.

And then you also, in our minds, we always focus on dollars, not necessarily numbers, just like the good old days of the Internet where traffic sort of mattered to some people. We really just focus on how can we profitably continue to go and drive this business. The consumers love our product who have it. It's saving them lots of money, it's improving their lives. And as we just as we continue to add products, which will improve monetization, which will enable us to do more marketing, we feel honestly great about our progress and great about where we're going.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Stephen, I guess I would just say, if you go to the My LendingTree app and you -- at your profile, you're going to see something that's a little bit somewhat differentiated. It's going to say ways to improve, ways to improve your financial well-being, your holistic approach, right? So we're focused on getting our consumers to plan with us on their financial goals. And you've heard us say for several years, we give Credit Karma all the credit in the world in terms of using a free credit score to drive a membership base. But we think go forward, it needs to be about way more than that. And so that's what we've been working on, and we think we're making great progress on.

Stephen Hardy Sheldon - *William Blair & Company L.L.C., Research Division - Analyst*

Got it. And then within insurance, you talked about auto still being a predominant growth driver. But on the smaller components like home and health, how much of a focus will it be to scale more in those areas over the next few years? And how are you thinking about, I guess investing into those other components?

J. D. Moriarty - *LendingTree, Inc. - CFO*

We're making investments specifically within health at the moment organically. So we're investing in that actually real-time, building out the health piece of it. This is the nice thing about how we can help catalyze and acquire business, right? We can give them the resources to make those investments that they might not otherwise make when there's money to be made in auto.

And so health specifically, we made an investment in the fourth quarter that we'll continue to back throughout 2020. And Home, we'll continue to try to find ways where QuoteWizard will benefit from draft traffic from mortgage. That will be the primary "investment of resources" that you'll see throughout 2020. That won't really be discernible, but we think that there's opportunity there over time. But health is the first real true investment that we're making.

Operator

Your next question is from Kunal Madhukar with Deutsche Bank.

Kunal Madhukar - *Deutsche Bank AG, Research Division - Research Associate*

If I may, one on the My LendingTree side and one on the small -- personal loan side. So on the My LendingTree, you talked about like how you have 6 active partners or 6 active integrations with the partners and 2 of them are testing, and yet most of the traffic or most of the app download is coming through the My LendingTree website. So how do you measure the contribution from the partners, whether it is in app downloads or the revenue contribution? How do we kind of look at the BD partners?

And then on the personal loans, small business side, you have a number of lenders out there that are like Lending Club, essentially, just bought a bank, and there are other partners who are operating or active on your side that are looking at bank charters and what have you. So with more regulatory upside, how do you see the risk appetite in the future, their ability to charge interest rates and how much they can actually spend on marketing, on the platform?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Sure. So on the partnership front, keep in mind, we did our first partnership in 2020 with H&R Block, so we've made tremendous progress in a number of those. And from a revenue standpoint, those are all on revenue shares, so obviously, no marketing risk. And the reason that most of our traffic comes from LendingTree is because we're driving people in for mortgages, home equity, auto, personal loans and credit cards, and then introducing them to our app that they can download.

J. D. Moriarty - *LendingTree, Inc. - CFO*

So let me just -- let me put a finer point on the H&R Block point. H&R Block, actually, that partnership started in 2018, and they were looking for a way to engage with their consumers.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

And then a [numerous] launch in 2020.

J. D. Moriarty - *LendingTree, Inc. - CFO*

At other points in the year, right, other than tax time. But the sign-ups that we have had thus far in 2020 via that partnership, have been extraordinary. And in fact, thus far in 2020, it's actually our #1 source of downloads for My LendingTree. Now that is exceptional.

We've got a partner that's very happy because we're giving them what they want, right, and we're still actually having revenue events from people who signed up in 2018, which is the cohort behavior that we hope for. Now more importantly, as it relates to My LendingTree, what we've built is, when we talk about these partnerships, I wouldn't focus on 6. What I would focus on is our strategy, which is we've built it so that the APIs are easily ingestible by our partners, and they can take what they want from it and build a business on the back of it.

So you're going to see partners, big brand names like H&R Block, and then you're going to see smaller partners who are going to utilize My LendingTree as well. And so that's the strategy, and that's what we've been building in the background, is something where we can really engage with partners. That's what's been going on for the last 18 months at LendingTree, right, is -- you're not just -- it's not just the -- what the consumer sees is the app, it's the ability to integrate with partners easily.

So what took time to integrate with H&R Block in 2018, the timeline from agreement to the partner being up and running has shortened significantly. And so I think what you're going to see as 2020 progresses is simply more partners and greater growth through those partnerships because we're going to be able to onboard them much more quickly.

Kunal Madhukar - *Deutsche Bank AG, Research Division - Research Associate*

Great. And in fact, coming from that, thanks for that answer, Doug and J.D. As you think of like Intuit acquiring Credit Karma and potentially building maybe a similar kind of a comprehensive financial suite of products for consumers, how do you think the competitive landscape is going to change for you?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

So this is interesting. I would give you a short-term and a long-term answer, I think. Over 25 years, we've seen Microsoft come in into mortgage and real estate. Google has tried twice. Intuit, this is their third or fourth shot, depending on how you count Mint. And we just keep chugging along. And I think there's going to be competitors, but this is a big space.

And when you think of all the financial products that are surging through consumers and your ability to add value to them, we think that we will have a product that is every bit as competitive, that is more -- that is as or more compelling to consumers that monetize as well, and that we can work with partners, and we can drive it ourselves.

And I feel great about our positioning. If anything, it makes me more confident to see that some of the big boys are ready to play ball again and -- which I think is going to get -- there's a lot of activity in this space and a lot of focus, and that means that lenders are going to start getting more automated. It means marketing partners will understand us more, and LendingTree is positioned everywhere across the board.

Kunal Madhukar - *Deutsche Bank AG, Research Division - Research Associate*

Doug, and one last one. The second question that I had initially raised was as more and more of your -- or as some of your financial partners are either becoming banks or trying to get bank charters, how does that change their risk appetite and the speed of agility and their ability to spend on the platform?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

I think it will help at the margin just because it will clean up for them, for lenders, some reporting and regulatory issues. It's not a game changer, and -- but we think, as I talked about, for example, with personal loans, they're just improving the user experience and conversion rates that, that will -- has way more juice, if you will, than people who have bank charters but bank charters certainly do help their business.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Yes. I mean, Kunal, I guess one way to look at it, I don't -- it's interesting to see isolated decisions to go down that path. And clearly, there are benefits associated -- or they're down -- their costs and their benefits associated with that decision. Why is somebody doing it? They're doing it to have greater stability and knowledge of what their cost of capital is. And so if that's more stable and for them, they can make more consistent marketing decisions with respect to acquiring customers. And so in some respects, it could actually make them a better partner for us, but I don't think that's going to play out overnight.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

No. And as I said I don't think it's going to be a major game changer, but it's certainly a help.

Operator

The next question is from Chris Gamaitoni with Compass Point.

Edward Christopher Gamaitoni - *Compass Point Research & Trading, LLC, Research Division - MD & Head of Research*

Just one follow-up. On partnership revenue, given it's a revenue split, how does the accounting work? Is it contra revenue item? Or is the split in VMM, other expense?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Off the top of my head, I believe you book the revenue and then you book it as a marketing cost. It probably tracks pretty closely to -- probably a little lower than normal VMM percentages. But also keep in mind, the great thing about that is, when you're marketing a lifetime-value product like a My LendingTree, and you're marketing that alone, that's going to have -- that's going to take a while until that first cohort makes money, and you're doing it on a rev share, you're obviously making money from Day 1 as well.

Edward Christopher Gamaitoni - *Compass Point Research & Trading, LLC, Research Division - MD & Head of Research*

Right. So just to be clear, the revenue share is whenever a product is purchased and there's an actual item? There's no initial customer acquisition cost for the download or the customer?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

No. Whenever we make money, we give them a percentage.

Operator

Your next question is from the line of Hamed Khorsand with BWS Financial.

Hamed Khorsand - *BWS Financial Inc. - Principal & Research Analyst*

So just first off, just wanted to ask, does the changes in the traffic with your partners this Q1 for credit cost, does that have any impact on the seasonality lift that you see in the segment?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

I'm just trying to dissect the question, Hamed. I apologize. With respect to card seasonality?

Hamed Khorsand - *BWS Financial Inc. - Principal & Research Analyst*

Yes. Correct. Is it right, Q1 is usually a very strong quarter for credit cards?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Yes. So right, no, we've got -- listen, if we're not happy with the performance of a given channel, we simply invest in another channel and replace that traffic. And so as we look at -- as I mentioned, some of that weakness persisted in January, and we've taken action to correct it, and we've replaced those traffic sources with other alternatives, so it's really a marketing mix issue. So no, I don't think it's going to really play out, other than we're going to fix the cost side of the equation for card.

Hamed Khorsand - *BWS Financial Inc. - Principal & Research Analyst*

And then is it purely the advertising spend that you're doing for My LendingTree that caused the subscriber numbers to increase from the Analyst Day to what you ended the year-end number with? And is that trend going to continue in Q1?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

No. The -- I believe J. D. referenced that we did some testing in Q3, and then we're doing actual spending in Q1. So Q4 was us doing good work.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Yes. I think it's -- honestly, if you think about it, right, we kind of relaunched the product middle of the year. I think we're benefiting from a better product as well.

Operator

Your next question is from Rob Wildhack with Autonomous Research.

Robert Henry Wildhack - *Autonomous Research LLP - Analyst of Payments and Financial Technology*

You talked about the macro environment and mortgage a bit, and we can obviously see the great piece. But just wanted to see where we stand today and what you're seeing in terms of lender capacity in the eligible refi population?

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Anecdotally, and then J. D. can get more specific, I'm hearing just at least, just channel checks and things that we're talking about -- hearing very good things and that our biggest lenders are, in particular, and obviously, our small ones, are asking for more volume. And I think while capacity is constrained, my gut is telling me that every time we hit these things, capacity gets a little bit better, and I think that's happening through automation. See if J. D. has any specific numbers on that, but it just seems like our lenders in refi boomlets can handle more than they could have, let's say, in the past. And then in the -- when that goes away, that there's -- that they can -- that they're even hungrier.

J. D. Moriarty - *LendingTree, Inc. - CFO*

Not surprisingly, the focus -- the lender focus is entirely on refi. I don't have a current number for you in terms of those who would benefit from a refinance. We can certainly get that but it's -- that's going to be a lagging number given the movement in rates. But no, lender health feels very, very good in mortgage, for sure.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

And yes, there will be increases in, we call that sort of lendability. And if you're getting somehow home price appreciation, obviously, a reduction in rates, and through My LendingTree, improvements in your credit score, that definitely improves the lendability.

Robert Henry Wildhack - *Autonomous Research LLP - Analyst of Payments and Financial Technology*

Great. And then just quick on the marketing partners in credit card that were underperforming. Were there any similarities between the partners there? Was that related to any specific channel? Or was it broad-based?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Sure. It's mostly in display and some of the partnerships we've had there. So if that's not working, we're not going to continue to support it. And so that's where we've made some very conscious decisions.

Operator

Your next question is from Melissa Wedel with JP Morgan.

Melissa Marie Wedel - *JP Morgan Chase & Co, Research Division - Analyst*

As we look at the new categories where you provided a little bit more transparency, and thank you for that, is there anything that you think we should be keeping in mind in terms of seasonality at the category level throughout the year, in terms of revenue growth?

J. D. Moriarty - *LendingTree, Inc. - CFO*

The biggest thing when we look at -- when I look at people's quarterly progression despite all of our efforts for communication, people continue to underestimate the impact of students in the third quarter. So that is the most obvious one when you look at our third quarter, and we always get the question of feeling like the fourth quarter is kind of falling off a cliff relative to the third, and that's really just predominantly.

It's also the strongest quarter for a number of our other businesses. That's most obvious. In the new segments, I think most of it will be somewhat muted, that student continues to live in that consumer area. I don't really see a ton otherwise in terms of specific businesses with great, great seasonality. That's the one that really impacts the quarters.

Melissa Marie Wedel - *JP Morgan Chase & Co, Research Division - Analyst*

Okay. And then I guess a follow-up on that. Within student, did you say that most of the revenue from that category is driven by in-school origination? Or are you also participating in the refi space?

J. D. Moriarty - *LendingTree, Inc. - CFO*

We certainly participate in both. Our -- the in-school was the third quarter impact. We acquired Student Loan Hero in 2018, in an effort to round out our business to have more refi presence throughout the year. It has increased our presence, obviously, with our lender partners. But no, it's -- so we're in both aspects of business, for sure.

Melissa Marie Wedel - *JP Morgan Chase & Co, Research Division - Analyst*

Okay. And then my final question would be around share repurchase. That's something you guys have done pretty opportunistically in the past. And I guess I'm trying to understand how you guys think about your willingness to repurchase shares, offset by any M&A transactions you may be contemplating. But then also I'm wondering if your assessment of the value added through share repurchase is impacted at all by some of the transaction levels that we've seen recently at some peers?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Sure. So I guess yes, it's a good question. We obviously have a view on our stock always, but our decisions around share repurchase are not solely influenced by that because we're cognizant of what we want to do on the M&A front. Now if you look back, we were a company that has acquired -- we acquired 9 businesses since 2016. Most of those have been smaller acquisitions.

And we can really move the needle with some of those smaller acquisitions, SnapCap being the most prominent example of that. But obviously as we become bigger, those acquisitions will become larger, and we'll be very conscious of having a balance sheet. We did expand our revolver in the fourth quarter, and that was probably the greatest acknowledgment of the -- what probably some of our goals are with respect to M&A and recognizing that, that's a strategic decision to make sure we have excess to capital.

We're generating cash and paying down the revolver. The revolver has served us very well. It enabled us to do -- well, the revolver, combined with the capital that we raised with the convert in 2017, enabled us to do the QuoteWizard transaction and the ValuePenguin transaction. And we're now at a point where we've paid down the vast majority of that revolver. So the revolver has served us very, very, very well. But as we go forward as a bigger entity, obviously, larger acquisitions will be part of it, and that will influence the way that we think about repurchasing stock.

We have been opportunistic. We bought our stock back very well. We have a volatile stock, and it served us well. So we'll continue with the same strategy. We have our internal kind of view on value. That's not the only way that we think about it, we have to think about what our alternatives are and what our alternatives might become.

Now part of your question is also transactions away from us, and I think the size of those acquisitions, we have to be mindful of that, but we're going to look at those opportunities in isolation, not just the market's paying this, and so we've got to pay this. That's not the way that we're going to look. We're going to look at what it does for LendingTree, and we've got a pretty good track record on the acquisition front.

Operator

Your next question is from Nat Schindler with Bank of America.

Nathaniel Holmes Schindler - *BofA Merrill Lynch, Research Division - Director*

Two quick questions. One, on the acquisition you guys alluded to of Credit Karma by Intuit. Do you have any information on the relative size of Credit Karma relative to you at this point, across their businesses? I know they're a particularly big credit card, but how have they fared in other parts of the business? Or at least, how do you believe they have?

And the second question, your QuoteWizard business has run very consistently at great -- at very solid growth rates. And we see from a competitor up in Boston, EverQuote is less consistent, but right now is showing much higher growth rates. As your 36%, they did 86% this quarter in largely the same businesses. Do you know -- do you see much what is -- anything changing in the market? Or have you seen any direct movement of advertising dollars from one to the other?

J. D. Moriarty - *LendingTree, Inc. - CFO*

Okay. Nat, it's J. D. Let me take the first -- the second question first, and then we'll get to Karma in the second. Listen, what we look at when we look at EverQuote's results is not the growth rate because, candidly, they -- if you're comparing their fourth quarter to their fourth quarter of '18, that was a pretty easy comp for them, so that percentage growth is a reflection of a weaker fourth quarter of '18.

I look at the relative scale and relative profitability, and that's what we're focused on. At the end of the day, we acquired a profitable business. And while EverQuote's had good performance, I look at how are we doing in terms of market share and how are we doing in terms of profitability.

So that's what we're focused on when we look at our insurance division. And at the end of the day, you've got, now, with our new segments, the ability to have full transparency on our insurance business, and so we're really happy with their results. I wouldn't look at growth rates because there's just a lot of noise there. The second question was around Karma, I'll let Doug address that.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Yes. And I would add, J. D. can chime in as well. Our understanding, which first off, as I said before, their numbers that came out, were not a surprise to us. We believe we're roughly comparable. But what I focus on most is the number of products, the customer experience and the amount of money we're saving people and how much we're improving, and that is going very, very well. Anything else on that, J. D.?

J. D. Moriarty - *LendingTree, Inc. - CFO*

No. Nat, I guess, I've been piecing the other data points on Karma for the last couple of years, all right? And when I say data points at a conference, they'll reveal how much revenue they've got, et cetera. So yesterday, there wasn't a whole lot in the Intuit release other than $1 billion in revenue and 20% growth.

My understanding is that the vast majority of that is in credit card and personal loan. Again, that's not terribly surprising. There wasn't a whole lot of new information there. So our point of differentiation is obviously, great diversification in terms of where our revenue sits, right? We've obviously built a very diversified business that we think leads to a more durable revenue model over time. And as you know, we're about $1.1 billion in revenue. So as Doug said, very comparable with respect to revenue. There wasn't anything in the release with respect to profitability. And obviously, we're proud of our consistency there.

Operator

I am showing no further questions at this time. I would now like to turn the conference back to Doug Lebda, CEO.

Douglas R. Lebda - *LendingTree, Inc. - Founder, Chairman & CEO*

Thank you all, and thank you all for joining us. We had a wonderful 2019, as I said, and I'm really, really thrilled with how we're hitting in 2020. We've got such deep penetration across all of our loan products and insurance products, and we are continuing to not only make product improvements in those areas, but also on the lifetime value product through My LendingTree.

Expect to see us make a lot more progress at a lot of new things so that we can surround the customer with everything that we can do to help them make smart decisions at the most critical times in our lives. And just watch us, and it's going to be quite exciting this year. Thank you all, and we'll talk to you next quarter.

Operator

Ladies and gentlemen, this concludes today's conference. Thank you for your participation, and have a wonderful day. You may all disconnect.