UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2023
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File No. 001-34063

LendingTree, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**26-2414818**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1415 Vantage Park Dr., Suite 700, Charlotte, North Carolina 28203
(Address of principal executive offices)(Zip Code)

(704) 541-5351
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	TREE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 26, 2023, there were 12,910,742 shares of the registrant's common stock, par value $.01 per share, outstanding, excluding treasury shares.

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PART I—FINANCIAL INFORMATION

Item 1. *Financial Statements*

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
	(in thousands, except per share amounts)	
Revenue	**$ 200,508**	**$ 283,178**
Costs and expenses:		
Cost of revenue *(exclusive of depreciation and amortization shown separately below)*	13,760	15,561
Selling and marketing expense	137,111	204,157
General and administrative expense	36,683	35,977
Product development	14,655	14,052
Depreciation	4,795	4,854
Amortization of intangibles	2,049	7,917
Restructuring and severance	4,454	3,625
Litigation settlements and contingencies	12	(27)
Total costs and expenses	**213,519**	**286,116**
Operating loss	**(13,011)**	**(2,938)**
Other income (expense), net:		
Interest income (expense), net	25,029	(7,505)
Other income (expense)	1,834	(1)
Income (loss) before income taxes	**13,852**	**(10,444)**
Income tax expense	(395)	(382)
Net income (loss) and comprehensive income (loss)	**$ 13,457**	**$ (10,826)**
Weighted average shares outstanding:		
Basic	12,846	12,901
Diluted	12,935	12,901
Net income (loss) per share:		
Basic	$ 1.05	$ (0.84)
Diluted	$ 1.04	$ (0.84)

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2023	December 31, 2022
	(in thousands, except par value and share amounts)	
ASSETS:		
Cash and cash equivalents	$ 150,074	$ 298,845
Restricted cash and cash equivalents	34	124
Accounts receivable (net of allowance of $2,688 and $2,317, respectively)	83,662	83,060
Prepaid and other current assets	28,231	26,250
Assets held for sale (Note 7)	—	5,689
Total current assets	**262,001**	**413,968**
Property and equipment (net of accumulated depreciation of $34,925 and $33,851, respectively)	57,411	59,160
Operating lease right-of-use assets	65,578	67,050
Goodwill	420,139	420,139
Intangible assets, net	56,266	58,315
Equity investments	174,580	174,580
Other non-current assets	6,319	6,101
Total assets	**$ 1,042,294**	**$ 1,199,313**
LIABILITIES:		
Current portion of long-term debt	$ 2,500	$ 2,500
Accounts payable, trade	4,473	2,030
Accrued expenses and other current liabilities	84,829	75,095
Liabilities held for sale (Note 7)	—	2,909
Total current liabilities	**91,802**	**82,534**
Long-term debt	625,356	813,516
Operating lease liabilities	86,685	88,232
Deferred income tax liabilities	7,143	6,783
Other non-current liabilities	329	308
Total liabilities	**811,315**	**991,373**
Commitments and contingencies (Note 13)		
SHAREHOLDERS' EQUITY:		
Preferred stock $.01 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock $.01 par value; 50,000,000 shares authorized; 16,265,177 and 16,167,184 shares issued, respectively, and 12,909,711 and 12,811,718 shares outstanding, respectively	163	162
Additional paid-in capital	1,198,836	1,189,255
Accumulated deficit	(701,842)	(715,299)
Treasury stock; 3,355,466 and 3,355,466 shares, respectively	(266,178)	(266,178)
Total shareholders' equity	**230,979**	**207,940**
Total liabilities and shareholders' equity	**$ 1,042,294**	**$ 1,199,313**

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

	Total	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock Number of Shares	Treasury Stock Amount
				(in thousands)			
Balance as of December 31, 2022	**$ 207,940**	**16,167**	**$ 162**	**$ 1,189,255**	**$ (715,299)**	**3,355**	**$ (266,178)**
Net income and comprehensive income	13,457	—	—	—	13,457	—	—
Non-cash compensation	11,274	—	—	11,274	—	—	—
Issuance of common stock for stock options, restricted stock awards and restricted stock units, net of withholding taxes	(1,693)	98	1	(1,694)	—	—	—
Other	1	—	—	1	—	—	—
Balance as of March 31, 2023	**$ 230,979**	**16,265**	**$ 163**	**$ 1,198,836**	**$ (701,842)**	**3,355**	**$ (266,178)**

	Total	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock Number of Shares	Treasury Stock Amount
				(in thousands)			
Balance as of December 31, 2021	**$ 447,992**	**16,071**	**$ 161**	**$ 1,242,794**	**$ (571,794)**	**2,976**	**$ (223,169)**
Net loss and comprehensive loss	(10,826)	—	—	—	(10,826)	—	—
Non-cash compensation	15,080	—	—	15,080	—	—	—
Purchase of treasury stock	(43,009)	—	—	—	—	379	(43,009)
Issuance of common stock for stock options, restricted stock awards and restricted stock units, net of withholding taxes	(3,086)	49	—	(3,086)	—	—	—
Cumulative effect adjustment due to ASU 2020-06	(65,303)	—	—	(109,750)	44,447	—	—
Balance as of March 31, 2022	**$ 340,848**	**16,120**	**$ 161**	**$ 1,145,038**	**$ (538,173)**	**3,355**	**$ (266,178)**

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2023	**2022**
	(in thousands)	
Cash flows from operating activities:		
Net income (loss) and comprehensive income (loss)	**$ 13,457**	**$ (10,826)**
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss on impairments and disposal of assets	5,027	431
Amortization of intangibles	2,049	7,917
Depreciation	4,795	4,854
Non-cash compensation expense	11,274	15,080
Deferred income taxes	360	326
Bad debt expense	963	850
Amortization of debt issuance costs	1,959	2,467
Write-off of previously-capitalized debt issuance costs	2,373	—
Amortization of debt discount	—	879
Reduction in carrying amount of ROU asset, offset by change in operating lease liabilities	(877)	(49)
Gain on settlement of convertible debt	(34,308)	—
Changes in current assets and liabilities:		
Accounts receivable	(211)	(17,488)
Prepaid and other current assets	(1,882)	(3,666)
Accounts payable, accrued expenses and other current liabilities	8,559	9,322
Income taxes receivable	42	48
Other, net	(424)	(146)
Net cash provided by operating activities	**13,156**	**9,999**
Cash flows from investing activities:		
Capital expenditures	(2,452)	(3,465)
Equity investments	—	(15,000)
Net cash used in investing activities	**(2,452)**	**(18,465)**
Cash flows from financing activities:		
Repayment of term loan	(625)	—
Payments related to net-share settlement of stock-based compensation, net of proceeds from exercise of stock options	(1,693)	(3,085)
Purchase of treasury stock	—	(43,009)
Repurchase of 0.50% Convertible Senior Notes	(156,294)	—
Payment of debt issuance costs	(953)	(4)
Net cash used in financing activities	**(159,565)**	**(46,098)**
Net decrease in cash, cash equivalents, restricted cash and restricted cash equivalents	**(148,861)**	**(54,564)**
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	298,969	251,342
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	**$ 150,108**	**$ 196,778**

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1—ORGANIZATION

Company Overview

LendingTree, Inc. is the parent of LT Intermediate Company, LLC, which holds all of the outstanding ownership interests of LendingTree, LLC, and LendingTree, LLC owns several companies (collectively, “LendingTree” or the “Company”).

LendingTree operates what it believes to be the leading online consumer platform that connects consumers with the choices they need to be confident in their financial decisions. The Company offers consumers tools and resources, including free credit scores, that facilitate comparison-shopping for mortgage loans, home equity loans and lines of credit, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans, insurance quotes, sales of insurance policies, and other related offerings. The Company primarily seeks to match in-market consumers with multiple providers on its marketplace who can provide them with competing quotes for loans, deposit products, insurance, or other related offerings they are seeking. The Company also serves as a valued partner to lenders and other providers seeking an efficient, scalable, and flexible source of customer acquisition with directly measurable benefits, by matching the consumer inquiries it generates with these providers.

The consolidated financial statements include the accounts of LendingTree and all its wholly-owned entities. Intercompany transactions and accounts have been eliminated.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements as of March 31, 2023 and for the three months ended March 31, 2023 and 2022, respectively, have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). In the opinion of management, the unaudited interim consolidated financial statements have been prepared on the same basis as the audited financial statements, and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of the Company's financial position for the periods presented. The results for the three months ended March 31, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023, or any other period. The accompanying consolidated balance sheet as of December 31, 2022 was derived from audited financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2022 (the “2022 Annual Report”). The accompanying consolidated financial statements do not include all of the information and footnotes required by GAAP for annual financial statements. Accordingly, they should be read in conjunction with the audited financial statements and notes thereto included in the 2022 Annual Report. The Company reclassified certain amounts in the prior year consolidated statement of operations and comprehensive income and consolidated statement of cash flows to be consistent with the current year presentation.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

Management is required to make certain estimates and assumptions during the preparation of the consolidated financial statements in accordance with GAAP. These estimates and assumptions impact the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. They also impact the reported amount of net earnings during any period. Actual results could differ from those estimates.

Significant estimates underlying the accompanying consolidated financial statements include: the recoverability of long-lived assets, goodwill and intangible assets; the determination of income taxes payable and deferred income taxes, including related valuation allowances; fair value of assets acquired in a business combination; litigation accruals; contract assets; various other allowances, reserves and accruals; assumptions related to the determination of stock-based compensation; and the determination of right-of-use assets and lease liabilities.

The Company considered the impact of the current economic conditions, including interest rates, inflation, and the COVID-19 pandemic on the assumptions and estimates used when preparing its consolidated financial statements including, but not limited to, the allowance for doubtful accounts, valuation allowances, contract asset, and the recoverability of long-lived assets, goodwill and intangible assets. These assumptions and estimates may change as new events occur and additional information is obtained. If economic conditions worsen, such future changes may have an adverse impact on the Company's results of operations, financial position and liquidity.

Certain Risks and Concentrations

LendingTree's business is subject to certain risks and concentrations including dependence on third-party technology providers, exposure to risks associated with online commerce security and credit card fraud.

Financial instruments, which potentially subject the Company to concentration of credit risk at March 31, 2023, consist primarily of cash and cash equivalents and accounts receivable, as disclosed in the consolidated balance sheet. Cash and cash equivalents are in excess of Federal Deposit Insurance Corporation insurance limits, but are maintained with quality financial institutions of high credit. The Company requires certain Network Partners to maintain security deposits with the Company, which in the event of non-payment, would be applied against any accounts receivable outstanding.

Due to the nature of the mortgage lending industry, interest rate fluctuations may negatively impact future revenue from the Company's marketplace.

Lenders and lead purchasers participating on the Company's marketplace can offer their products directly to consumers through brokers, mass marketing campaigns or through other traditional methods of credit distribution. These lenders and lead purchasers can also offer their products online, either directly to prospective borrowers, through one or more online competitors, or both. If a significant number of potential consumers are able to obtain loans and other products from Network Partners without utilizing the Company's services, the Company's ability to generate revenue may be limited. Because the Company does not have exclusive relationships with the Network Partners whose loans and other financial products are offered on its online marketplace, consumers may obtain offers from these Network Partners without using its service.

Other than a support services office in India, the Company's operations are geographically limited to and dependent upon the economic condition of the United States.

Litigation Settlements and Contingencies

Litigation settlements and contingencies consists of expenses related to actual or anticipated litigation settlements.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, which simplifies the accounting for convertible instruments, amends the derivatives scope exception guidance for contracts in an entity’s own equity, and amends the related earnings-per-share guidance. Under the new guidance, the embedded conversion features are no longer separated from the host contract for convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, or that do not result in substantial premiums accounted for as paid-in capital. As a result, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. Additionally, the new guidance requires the if-converted method to be applied for all convertible instruments when calculating diluted earnings per share. The Company adopted ASU 2020-06 on January 1, 2022 using the modified retrospective transition approach and recognized the cumulative effect of initially applying ASU 2020-06 as a $44.4 million adjustment to the opening balance of accumulated deficit, comprised of $60.8 million for the interest adjustment, net of $16.4 million for the related tax impacts. The recombination of the equity conversion component of our convertible debt remaining outstanding caused a reduction in additional paid-in capital and an increase in deferred income tax assets. The removal of the remaining debt discounts recorded for this previous separation had the effect of increasing our net debt balance. ASU 2020-06 also requires the dilutive impact of convertible debt instruments to utilize the if-converted method when calculating diluted earnings per share and the result is more dilutive. The adoption of ASU 2020-06 did not impact our cash flows or compliance with debt covenants.

Recently Issued Accounting Pronouncements

The Company has considered the applicability of recently issued accounting pronouncements by the Financial Accounting Standards Board and have determined that they are either not applicable or are not expected to have a material impact on our consolidated financial statements.

NOTE 3—REVENUE

Revenue is as follows *(in thousands)*:

	Three Months Ended March 31,	
	2023	2022
Home	$ 43,675	$ 101,944
Credit cards	18,288	29,822
Personal loans	23,599	35,210
Other Consumer	37,822	36,036
Total Consumer	79,709	101,068
Insurance	77,082	80,038
Other	42	128
Total revenue	**$ 200,508**	**$ 283,178**

The Company derives its revenue primarily from match fees and closing fees. Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied and promised services have transferred to the customer. The Company's services are generally transferred to the customer at a point in time.

Revenue from Home products is primarily generated from upfront match fees paid by mortgage Network Partners that receive a loan request, and in some cases upfront fees for clicks or call transfers. Match fees and upfront fees for clicks and call transfers are earned through the delivery of loan requests that originated through the Company's websites or affiliates. The Company recognizes revenue at the time a loan request is delivered to the customer, provided that no significant obligations remain. The Company's contractual right to the match fee consideration is contemporaneous with the satisfaction of the performance obligation to deliver a loan request to the customer.

Revenue from Consumer products is generated by match and other upfront fees for clicks or call transfers, as well as from closing fees, approval fees and upfront service and subscription fees. Closing fees are derived from lenders on certain auto loans, business loans, personal loans, and student loans when the lender funds a loan with the consumer. Approval fees are derived from credit card issuers when the credit card consumer receives card approval from the credit card issuer. Upfront service fees and subscription fees are derived from consumers in the Company's credit services product. Upfront fees paid by consumers are recognized as revenue over the estimated time the consumer will remain a customer and receive services. Subscription fees are recognized over the period a consumer is receiving services.

The Company recognizes revenue on closing fees and approval fees at the point when a loan request or a credit card consumer is delivered to the customer. The Company's contractual right to closing fees and approval fees is not contemporaneous with the satisfaction of the performance obligation to deliver a loan request or a credit card consumer to the customer. As such, the Company records a contract asset at each reporting period-end related to the estimated variable consideration on closing fees and approval fees for which the Company has satisfied the related performance obligation but are still pending the loan closing or credit card approval before the Company has a contractual right to payment. This estimate is based on the Company's historical closing rates and historical time between when a consumer request for a loan or credit card is delivered to the lender or card issuer and when the loan is closed by the lender or approved by the card issuer.

Revenue from the Company's Insurance products is primarily generated from upfront match fees and upfront fees for website clicks or fees for calls. Match fees and upfront fees for clicks and call transfers are earned through the delivery of consumer requests that originated through the Company's websites or affiliates. The Company recognizes revenue at the time a consumer request is delivered to the customer, provided that no significant obligations remain. The Company's contractual right to the match fee consideration is contemporaneous with the satisfaction of the performance obligation to deliver a consumer request to the customer.

The contract asset recorded within prepaid and other current assets on the consolidated balance sheets related to estimated variable consideration was $13.4 million and $12.2 million at March 31, 2023 and December 31, 2022, respectively.

The contract liability recorded within accrued expenses and other current liabilities on the consolidated balance sheets related to upfront fees paid by consumers was $1.0 million and $0.9 million at March 31, 2023 and December 31, 2022, respectively. During the first three months of 2023, the Company recognized revenue of $0.8 million that was included in the contract liability balance at December 31, 2022. During the first three months of 2022, the Company recognized revenue of $0.7 million that was included in the contract liability balance at December 31, 2021.

Revenue recognized in any reporting period includes estimated variable consideration for which the Company has satisfied the related performance obligations but are still pending the occurrence or non-occurrence of a future event outside the Company's control (such as lenders providing loans to consumers or credit card approvals of consumers) before the Company has a contractual right to payment. The Company recognized increases to such revenue from prior periods. This increase was $0.2 million in the first quarter of 2023, and $0.2 million in the first quarter of 2022.

NOTE 4—CASH AND RESTRICTED CASH

Total cash, cash equivalents, restricted cash and restricted cash equivalents consist of the following *(in thousands)*:

	March 31, 2023	December 31, 2022
Cash and cash equivalents	$ 150,074	$ 298,845
Restricted cash and cash equivalents	34	124
Total cash, cash equivalents, restricted cash and restricted cash equivalents	**$ 150,108**	**$ 298,969**

NOTE 5—ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts.

The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time accounts receivable are past due, previous loss history, current and expected economic conditions and the specific customer's current and expected ability to pay its obligation. Accounts receivable are considered past due when they are outstanding longer than the contractual payment terms. Accounts receivable are written off when management deems them uncollectible.

A reconciliation of the beginning and ending balances of the allowance for doubtful accounts is as follows *(in thousands)*:

	Three Months Ended March 31,	
	2023	2022
Balance, beginning of the period	**$ 2,317**	**$ 1,456**
Charges to earnings	963	850
Write-off of uncollectible accounts receivable	(963)	(503)
Recoveries collected	—	—
Assets held for sale (Note 7)	371	—
Balance, end of the period	**$ 2,688**	**$ 1,803**

NOTE 6—GOODWILL AND INTANGIBLE ASSETS

The balance of goodwill, net and intangible assets, net is as follows *(in thousands)*:

	March 31, 2023	December 31, 2022
Goodwill	$ 903,227	$ 903,227
Accumulated impairment losses	(483,088)	(483,088)
Net goodwill	**$ 420,139**	**$ 420,139**
Intangible assets with indefinite lives	$ 10,142	$ 10,142
Intangible assets with definite lives, net	46,124	48,173
Total intangible assets, net	**$ 56,266**	**$ 58,315**

Goodwill and Indefinite-Lived Intangible Assets

The Company's goodwill at each of March 31, 2023 and December 31, 2022 consists of $59.3 million associated with the Home segment, $166.1 million associated with the Consumer segment, and $194.7 million associated with the Insurance segment.

At June 30, 2022, the Company assessed the qualitative factors in its impairment testing of goodwill and determined that the effects of the challenging interest rate environment, consumer price inflation, and the decline in the Company's market capitalization required a quantitative impairment test be performed. The quantitative goodwill impairment test found that the fair value of each reporting unit exceeded its carrying amount, indicating no goodwill impairment. The Company will monitor the recovery of the Insurance reporting unit and the Mortgage reporting unit. The property and casualty auto industry is experiencing challenges caused by inflation, supply chain challenges, and rising severity and frequency of claims. Additionally, the significant increase in mortgage interest rates have had a negative impact on the Mortgage reporting unit. Changes in the timing of the recovery compared to current expectations could cause an impairment to the Insurance or Mortgage reporting unit.

Intangible assets with indefinite lives relate to the Company's trademarks.

Intangible Assets with Definite Lives

Intangible assets with definite lives relate to the following *(in thousands)*:

	Cost	Accumulated Amortization	Net
Customer lists	77,300	(32,303)	44,997
Trademarks and tradenames	9,100	(7,973)	1,127
Balance at March 31, 2023	**$ 86,400**	**$ (40,276)**	**$ 46,124**

	Cost	Accumulated Amortization	Net
Customer lists	$ 77,300	$ (30,775)	$ 46,525
Trademarks and tradenames	10,100	(8,452)	1,648
Balance at December 31, 2022	**$ 87,400**	**$ (39,227)**	**$ 48,173**

Amortization of intangible assets with definite lives is computed on a straight-line basis and, based on balances as of March 31, 2023, future amortization is estimated to be as follows *(in thousands)*:

	Amortization Expense
Remainder of current year	$ 5,646
Year ending December 31, 2024	5,889
Year ending December 31, 2025	5,830
Year ending December 31, 2026	5,504
Year ending December 31, 2027	5,198
Thereafter	18,057
Total intangible assets with definite lives, net	**$ 46,124**

See Note 7—Assets and Liabilities Held for Sale for intangible assets with definite lives classified as held for sale.

NOTE 7—ASSETS AND LIABILITIES HELD FOR SALE

In the fourth quarter of 2022, the Company approved a plan to sell its Ovation credit services business, an asset group associated with the Company's Consumer segment. The asset group was expected to be sold in 2023 to an unrelated third party and is classified, at its carrying value, as current assets held for sale and current liabilities held for sale in the consolidated balance sheet as of December 31, 2022.

In the first quarter of 2023, the third party withdrew the letter of intent to purchase the asset group held for sale. The Company made the decision to close the Ovation credit services business. As a result, the Company recorded asset impairment charges of $4.2 million, of which $2.1 million related to intangible assets, $1.7 million related to property and equipment, and $0.4 million related to an operating lease right-of-use asset.

The carrying value of the accounts receivable, prepaid and other assets, and other non-current assets previously held for sale, and the liabilities previously held for sale approximate their fair value and are no longer classified as assets and liabilities held for sale in the consolidated balance sheet as of March 31, 2023.

The following table presents information related to the major classes of assets and liabilities that were classified as held for sale *(in thousands)*:

	December 31, 2022
Accounts receivable, net of allowance	$ 1,353
Prepaid and other current assets	79
Property and equipment, net of accumulated depreciation of $1,102	1,665
Operating lease right-of-use assets	436
Intangible assets, net of accumulated amortization of $3,857	2,143
Other non-current assets	13
Total assets held for sale	**$ 5,689**
Accounts payable, trade	$ 253
Accrued expenses and other current liabilities	2,551
Operating lease liabilities	105
Total liabilities held for sale	**$ 2,909**

NOTE 8—ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following *(in thousands)*:

	March 31, 2023	December 31, 2022
Accrued advertising expense	$ 44,222	$ 37,703
Accrued compensation and benefits	9,398	11,444
Accrued professional fees	1,539	1,393
Customer deposits and escrows	7,253	7,273
Contribution to LendingTree Foundation	—	500
Current lease liabilities	8,901	8,513
Accrued restructuring and severance	4,446	304
Other	9,070	7,965
Total accrued expenses and other current liabilities	**$ 84,829**	**$ 75,095**

See Note 7—Assets and Liabilities Held for Sale for accrued expenses and other current liabilities classified as held for sale.

NOTE 9—SHAREHOLDERS' EQUITY

Basic and diluted income per share was determined based on the following share data *(in thousands)*:

	Three Months Ended March 31,	
	2023	2022
Weighted average basic common shares	**12,846**	**12,901**
Effect of stock options	54	—
Effect of dilutive share awards	35	—
Weighted average diluted common shares	**12,935**	**12,901**

For the first quarter of 2023, the weighted average shares that were anti-dilutive, and therefore excluded from the calculation of diluted income per share, included options to purchase 1.0 million shares of common stock and 0.4 million restricted stock units.

For the first quarter of 2022, the Company was in a net loss position and, as a result, no potentially dilutive securities were included in the denominator for computing diluted loss per share, because the impact would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding was used to compute loss per share. Approximately 0.3 million shares related to potentially dilutive securities were excluded from the calculation of diluted loss per share for the first quarter of 2022 because their inclusion would have been anti-dilutive. For the first quarter of 2022, the weighted average shares that were anti-dilutive, and therefore excluded from the calculation of diluted income per share, included options to purchase 0.9 million shares of common stock and 0.2 million restricted stock units.

The convertible notes and the warrants issued by the Company could be converted into the Company's common stock, subject to certain contingencies. *See* Note 12—Debt for additional information. On January 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective method. Following the adoption, the if-converted method is used for diluted net income per share calculation of our convertible notes. Prior to the adoption of ASU 2020-06 the dilutive impact of the convertible notes was calculated using the treasury stock method. *See* Note 2—Significant Accounting Policies for additional information.

Approximately 1.2 million shares related to the potentially dilutive shares of the Company's common stock associated with the 0.50% Convertible Senior Notes due July 15, 2025 were excluded from the calculation of diluted loss per share for the first quarter of 2023 because their inclusion would have been anti-dilutive. Approximately 2.1 million shares related to the potentially dilutive shares of the Company's common stock associated with the 0.50% Convertible Senior Notes due July 15, 2025 and the 0.625% Convertible Senior Notes due June 1, 2022 were excluded from the calculation of diluted loss per share for the first quarter of 2022 because their inclusion would have been anti-dilutive. Shares of the Company's stock associated with the warrants issued by the Company in 2020 were excluded from the calculation of diluted loss per share for the first quarter of 2023, and shares of the Company's stock associated with the warrants issued by the Company in 2017 and 2020 were excluded from the calculation of diluted loss per share for the first quarter of 2022 as they were anti-dilutive since the strike price of the warrants was greater than the average market price of the Company's common stock during the relevant periods.

Common Stock Repurchases

In each of February 2018 and February 2019, the board of directors authorized and the Company announced the repurchase of up to $100.0 million and $150.0 million, respectively, of LendingTree's common stock. During the first quarter of 2023, the Company did not purchase shares of its common stock. During the first quarter of 2022, the Company purchased 379,895 shares of its common stock pursuant to this stock repurchase program. At March 31, 2023, approximately $96.7 million of the previous authorizations to repurchase common stock remain available.

NOTE 10—STOCK-BASED COMPENSATION

Non-cash compensation related to equity awards is included in the following line items in the accompanying consolidated statements of operations and comprehensive income *(in thousands)*:

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	$ 214	$ 393
Selling and marketing expense	1,744	2,039
General and administrative expense	7,343	9,600
Product development	1,902	1,965
Restructuring and severance	71	1,083
Total non-cash compensation	**$ 11,274**	**$ 15,080**

Stock Options

A summary of changes in outstanding stock options is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value[(a)]
		(per option)	*(in years)*	*(in thousands)*
Options outstanding at January 1, 2023	**805,079**	**$ 155.10**		
Granted	—	—		
Exercised	—	—		
Forfeited	—	—		
Expired	(34,313)	239.93		
Options outstanding at March 31, 2023	**770,766**	**151.32**	**5.14**	**$ 171**
Options exercisable at March 31, 2023	**553,965**	**$ 134.08**	**3.92**	**$ 171**

(a) The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company's closing stock price of $26.66 on the last trading day of the quarter ended March 31, 2023 and the exercise price, multiplied by the number of shares covered by in-the-money options) that would have been received by the option holder had the option holder exercised these options on March 31, 2023. The intrinsic value changes based on the market value of the Company's common stock.

Stock Options with Market Conditions

A summary of changes in outstanding stock options with market conditions at target is as follows:

	Number of Options with Market Conditions		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term		Aggregate Intrinsic Value[(a)]
			(per option)	*(in years)*		*(in thousands)*
Options outstanding at January 1, 2023	**734,685**	**$**	**230.79**			
Granted	—		—			
Exercised	—		—			
Forfeited	—		—			
Expired	(16,247)		308.96			
Options outstanding at March 31, 2023	**718,438**		**229.02**	**5.43**	**$**	**—**
Options exercisable at March 31, 2023	**481,669**	**$**	**195.10**	**4.35**	**$**	**—**

(a) The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company's closing stock price of $26.66 on the last trading day of the quarter ended March 31, 2023 and the exercise price, multiplied by the number of shares covered by in-the-money options) that would have been received by the option holder had the option holder exercised these options on March 31, 2023. The intrinsic value changes based on the market value of the Company's common stock.

As of March 31, 2023, a maximum of 395,404 shares may be earned for achieving superior performance up to 167% of the remaining unvested target number of shares. As of March 31, 2023, no additional performance-based nonqualified stock options with a market condition had been earned.

Restricted Stock Units

A summary of changes in outstanding nonvested restricted stock units (“RSUs”) is as follows:

	RSUs		
	Number of Units		Weighted Average Grant Date Fair Value
			(per unit)
Nonvested at January 1, 2023	**485,053**	**$**	**127.46**
Granted	349,399		33.00
Vested	(150,097)		155.46
Forfeited	(11,427)		95.25
Nonvested at March 31, 2023	**672,928**	**$**	**72.68**

Restricted Stock Units with Performance Conditions

A summary of changes in outstanding nonvested RSUs with performance conditions is as follows:

	RSUs with Performance Conditions		
	Number of Units		Weighted Average Grant Date Fair Value
			(per unit)
Nonvested at January 1, 2023	**16,000**	**$**	**83.25**
Granted	—		—
Vested	—		—
Forfeited	(16,000)		83.25
Nonvested at March 31, 2023	**—**	**$**	**—**

Employee Stock Purchase Plan

In 2021, the Company implemented an employee stock purchase plan ("ESPP"), under which a total of 262,731 shares of the Company's common stock were reserved for issuance. As of March 31, 2023, 226,813 shares of common stock were available for issuance under the ESPP. The ESPP is a tax-qualified plan under Section 423 of the Internal Revenue Code. Under the terms of the ESPP, eligible employees are granted options to purchase shares of the Company's common stock at 85% of the lesser of (1) the fair market value at time of grant or (2) the fair market value at time of exercise. The offering periods and purchase periods are typically six-month periods ending on June 30 and December 31 of each year. No shares were issued under the ESPP during the three months ended March 31, 2023.

During the three months ended March 31, 2023 and 2022, the Company granted employee stock purchase rights to certain employees with a grant date fair value per share of $8.19 and $35.43, respectively, calculated using the Black-Scholes option pricing model. For purposes of determining stock-based compensation expense, the grant date fair value per share estimated using the Black-Scholes option pricing model required the use of the following key assumptions:

	Three Months Ended March 31,	
	2023	2022
Expected term [1]	0.50 years	0.50 years
Expected dividend [2]	—	—
Expected volatility [3]	82 %	49%
Risk-free interest rate [4]	4.76 %	0.19%

(1) The expected term was calculated using the time period between the grant date and the purchase date.

(2) No dividends are expected to be paid, resulting in a zero expected dividend rate.

(3) The expected volatility rate is based on the historical volatility of the Company's common stock.

(4) The risk-free interest rate is specific to the date of grant. The risk-free interest rate is based on U.S. Treasury yields for notes with comparable expected terms as the employee stock purchase rights, in effect at the grant date.

NOTE 11—INCOME TAXES

	Three Months Ended March 31,	
	2023	2022
	(in thousands, except percentages)	
Income tax expense	$ (395)	$ (382)
Effective tax rate	*2.9 %*	*(3.7)%*

For the first quarter of 2023, the effective tax rate varied from the federal statutory rate of 21% primarily due to the change in the valuation allowance, net of the current period change in tax effected net indefinite-lived intangibles. For the first quarter of 2022, the effective tax rate varied from the federal statutory rate of 21% primarily due to excess tax expense of $2.5 million, resulting from vesting of restricted stock in accordance with ASU 2016-09 and the effect of state taxes.

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Income tax benefit - excluding excess tax expense on stock compensation	$ (395)	$ 2,086
Excess tax expense on stock compensation	—	(2,468)
Income tax expense	$ (395)	$ (382)

NOTE 12—DEBT

Convertible Senior Notes

2025 Notes

On July 24, 2020, the Company issued $575.0 million aggregate principal amount of its 0.50% Convertible Senior Notes due July 15, 2025 (the "2025 Notes") in a private placement. The 2025 Notes bear interest at a rate of 0.50% per year, payable semi-annually on January 15 and July 15 of each year, beginning on January 15, 2021. The 2025 Notes will mature on July 15, 2025, unless earlier repurchased, redeemed or converted. The initial conversion rate of the 2025 Notes is 2.1683 shares of the Company's common stock per $1,000 principal amount of 2025 Notes (which is equivalent to an initial conversion price of approximately $461.19 per share).

On March 8, 2023, the Company repurchased approximately $190.6 million in principal amount of its 2025 Notes, through individual privately-negotiated transactions with certain holders of the 2025 Notes, for $156.3 million in cash plus accrued and unpaid interest of approximately $0.1 million. In the first quarter of 2023, the Company recognized a gain on the extinguishment of debt of $34.3 million, a loss on the write-off of unamortized debt issuance costs of $2.4 million and incurred debt repayment costs of $1.0 million, all of which are included in interest income/expense, net in the consolidated statement of operations and comprehensive income.

Holders of the 2025 Notes were not entitled to convert the 2025 Notes during the calendar quarter ended March 31, 2023 as the last reported sale price of the Company's common stock, for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on December 31, 2022, was not greater than or equal to 130% of the conversion price of the 2025 Notes on each applicable trading day.

In the first three months of 2023, the Company recorded interest expense on the 2025 Notes of $1.4 million which consisted of $0.7 million associated with the 0.50% coupon rate and $0.7 million associated with the amortization of the debt issuance costs. In the first three months of 2022, the Company recorded interest expense on the 2025 Notes of $1.5 million which consisted of $0.7 million associated with the 0.50% coupon rate and $0.8 million associated with the amortization of the debt issuance costs.

As of March 31, 2023, the fair value of the 2025 Notes is estimated to be approximately $286.7 million using the Level 1 observable input of the last quoted market price on March 31, 2023.

A summary of the gross carrying amount, debt issuance costs, and net carrying value of the 2025 Notes, all of which is recorded as a non-current liability in the March 31, 2023 consolidated balance sheet, are as follows *(in thousands)*:

	March 31, 2023	December 31, 2022
Gross carrying amount	$ 384,398	$ 575,000
Debt issuance costs	4,667	7,734
Net carrying amount	**$ 379,731**	**$ 567,266**

2022 Notes

In the first three months of 2022, the Company recorded interest expense on the 2022 Notes of $0.5 million which consisted of $0.3 million associated with the 0.625% coupon rate and $0.2 million associated with the amortization of the debt issuance costs. The 2022 Notes were fully settled in June 2022.

Convertible Note Hedge and Warrant Transactions

2020 Hedge and Warrants

On July 24, 2020, in connection with the issuance of the 2025 Notes, the Company entered into Convertible Note Hedge (the "2020 Hedge") and warrant transactions with respect to the Company's common stock.

The 2020 Hedge transactions cover 1.2 million shares of the Company's common stock, the same number of shares initially underlying the 2025 Notes, and are exercisable upon any conversion of the 2025 Notes. The 2020 Hedge transactions are expected generally to reduce the potential dilution to the Company's common stock upon conversion of the 2025 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the converted 2025 Notes, as the case may be, in the event that the market price per share of common stock, as measured under the terms of the 2020 Hedge transactions, is greater than the strike price of the 2020 Hedge transactions, which initially corresponds to the initial conversion price of the 2025 Notes, or approximately $461.19 per share of common stock. The 2020 Hedge transactions will expire upon the maturity of the Notes.

On July 24, 2020, the Company sold to the counterparties, warrants (the “2020 Warrants”) to acquire 1.2 million shares of the Company's common stock at an initial strike price of $709.52 per share, which represents a premium of 100% over the last reported sale price of the common stock of $354.76 on July 21, 2020. If the market price per share of the common stock, as measured under the terms of the 2020 Warrants, exceeds the strike price of the 2020 Warrants, the 2020 Warrants could have a dilutive effect, unless the Company elects, subject to certain conditions, to settle the 2020 Warrants in cash.

In connection with the March 8, 2023 repurchases of the 2025 Notes noted above, the Company entered into agreements with the counterparties for the 2020 Hedge and 2020 Warrants transactions to terminate a portion of these call spread transactions effective March 8, 2023 in notional amounts corresponding to the principal amount of the 2025 Notes repurchased. Subsequent to such termination, the outstanding portion of the 2020 Hedge covers 0.8 million shares of the Company's common stock and 2020 Warrants to acquire 0.8 million shares of the Company's common stock remain outstanding.

Credit Facility

On September 15, 2021, the Company entered into a credit agreement (the “Credit Agreement”), consisting of a $200.0 million revolving credit facility (the “Revolving Facility”), which matures on September 15, 2026, and a $250.0 million delayed draw term loan facility (the “Term Loan Facility” and together with the Revolving Facility, the “Credit Facility”), which matures on September 15, 2028.

As of March 31, 2023, the Company had $248.1 million of borrowings outstanding under the Term Loan Facility bearing interest at the LIBO option rate of 8.6% and had no borrowings under the Revolving Facility. As of December 31, 2022, the Company had $248.8 million of borrowings outstanding under the Credit Facility and no borrowings under the Revolving Facility. As of March 31, 2023, borrowings of $2.5 million under the Term Loan Facility are recorded as current portion of long-term debt on the consolidated balance sheet.

At each of March 31, 2023 and December 31, 2022, the Company had outstanding one letter of credit issued in the amount of $0.2 million.

The Company was in compliance with all covenants at March 31, 2023.

In the first three months of 2023, the Company recorded interest expense related to its Revolving Facility of $0.4 million which consisted of $0.2 million in unused commitment fees, and $0.2 million associated with the amortization of the debt issuance costs. In the first three months of 2023, the Company recorded interest expense related to the Term Loan Facility of $5.2 million associated with borrowings bearing interest at the LIBO rate.

In the first three months of 2022, the Company recorded interest expense related to its revolving credit facilities of $0.4 million which consisted of $0.2 million in unused commitment fees, and $0.2 million associated with the amortization of the debt issuance costs. In the first three months of 2022, the Company recorded interest expense related to the Term Loan Facility of $5.1 million which consisted of $3.0 million in unused commitment fees, $1.2 million associated with the amortization of the debt issuance costs, and $0.9 million associated with the amortization of the original issue discount.

NOTE 13—CONTINGENCIES

Overview

LendingTree is involved in legal proceedings on an ongoing basis. In assessing the materiality of a legal proceeding, the Company evaluates, among other factors, the amount of monetary damages claimed, as well as the potential impact of non-monetary remedies sought by plaintiffs (e.g., injunctive relief) that may require it to change its business practices in a manner that could have a material and adverse impact on the Company's business. With respect to the matters disclosed in this Note 13, unless otherwise indicated, the Company is unable to estimate the possible loss or range of losses that could potentially result from the application of such non-monetary remedies.

As of March 31, 2023 and December 31, 2022, the Company had litigation settlement accruals of $0.2 million and $0.1 million, respectively. The litigation settlement accruals relate to litigation matters that were either settled or a firm offer for settlement was extended, thereby establishing an accrual amount that is both probable and reasonably estimable.

NOTE 14—FAIR VALUE MEASUREMENTS

Other than the convertible notes and warrants, as well as the equity interests, the carrying amounts of the Company's financial instruments are equal to fair value at March 31, 2023. *See* Note 12—Debt for additional information on the convertible notes and warrants.

NOTE 15—SEGMENT INFORMATION

The Company manages its business and reports its financial results through the following three operating and reportable segments: Home, Consumer, and Insurance. Characteristics which were relied upon in making the determination of the reportable segments include the nature of the products, the organization's internal structure, and the information that is regularly reviewed by the chief operating decision maker for the purpose of assessing performance and allocating resources.

The Home segment includes the following products: purchase mortgage, refinance mortgage, and home equity loans and lines of credit. The Company ceased offering reverse mortgage loans in the fourth quarter of 2022. The Consumer segment includes the following products: credit cards, personal loans, small business loans, student loans, auto loans, deposit accounts, and other credit products such as credit repair and debt settlement. The Insurance segment consists of insurance quote products and sales of insurance policies in the agency businesses.

The following tables are a reconciliation of segment profit, which is the Company's primary segment profitability measure, to income before income taxes. Segment marketing expense represents the portion of selling and marketing expense attributable to variable costs paid for advertising, direct marketing and related expenses, that are directly attributable to the segments' products. This measure excludes overhead, fixed costs and personnel-related expenses.

	Three Months Ended March 31, 2023				
	Home	**Consumer**	**Insurance**	**Other**	**Total**
			(in thousands)		
Revenue	$ 43,675	$ 79,709	$ 77,082	$ 42	$ 200,508
Segment marketing expense	28,567	44,833	46,930	221	120,551
Segment profit (loss)	**15,108**	**34,876**	**30,152**	**(179)**	**79,957**
Cost of revenue					13,760
Brand and other marketing expense					16,560
General and administrative expense					36,683
Product development					14,655
Depreciation					4,795
Amortization of intangibles					2,049
Restructuring and severance					4,454
Litigation settlements and contingencies					12
Operating loss					**(13,011)**
Interest income, net					25,029
Other income					1,834
Income before income taxes					**$ 13,852**

	Three Months Ended March 31, 2022				
	Home	Consumer	Insurance	Other	Total
			(in thousands)		
Revenue	$ 101,944	$ 101,068	$ 80,038	$ 128	$ 283,178
Segment marketing expense	66,035	58,561	58,935	183	183,714
Segment profit (loss)	**35,909**	**42,507**	**21,103**	**(55)**	**99,464**
Cost of revenue					15,561
Brand and other marketing expense					20,443
General and administrative expense					35,977
Product development					14,052
Depreciation					4,854
Amortization of intangibles					7,917
Restructuring and severance					3,625
Litigation settlements and contingencies					(27)
Operating loss					**(2,938)**
Interest expense, net					(7,505)
Other income					(1)
Loss before income taxes					**$ (10,444)**

NOTE 16—RESTRUCTURING ACTIVITIES

On March 24, 2023, the Company committed to a workforce reduction plan (the “Reduction Plan”), that is intended to reduce operating costs. The Reduction Plan includes the elimination of approximately 158 employees, or 13%, of the Company’s current workforce. As a result of the Reduction Plan, the Company estimates that it will incur approximately $5.6 million in severance charges in connection with the workforce reduction, consisting of cash expenditures for employee separation costs of approximately $4.6 million and non-cash charges for the accelerated vesting of certain equity awards of approximately $1.0 million.

The Company incurred restructuring expense of $4.3 million in the first quarter of 2023 and expects to incur an additional $1.3 million of restructuring expense in the second quarter of 2023 related to the Reduction Plan. The Reduction Plan, including cash payments, is expected to be completed by the end of the second quarter of 2024.

During 2022, the Company completed workforce reductions in each of the first, second, and fourth quarters of approximately 75 employees, 25 employees, and 50 employees, respectively. In the first quarter of 2022, the Company incurred total expense of $3.6 million consisting of employee separation costs of $2.5 million and non-cash compensation expense of $1.1 million due to the accelerated vesting of certain equity awards. All employee separation costs for 2022 actions are expected to be paid by the third quarter of 2023.

	Accrued Balance at December 31, 2022	Income Statement Impact	Payments	Non-Cash	Accrued Balance at March 31, 2023
2023 action					
Employee separation payments	$ —	$ 4,260	$ —	$ —	$ 4,260
Non-cash compensation	—	71	—	(71)	—
2022 action					
Employee separation payments	304	25	$ (237)	—	92
	$ 304	**$ 4,356**	**$ (237)**	**$ (71)**	**$ 4,352**

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Cautionary Statement Regarding Forward-Looking Information

This report contains “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. These forward-looking statements include statements related to our anticipated financial performance, business prospects and strategy; anticipated trends and prospects in the various industries in which our businesses operate; new products, services and related strategies; and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as “anticipates,” “estimates,” “expects,” “projects,” “intends,” “plans” and “believes,” among others, generally identifies forward-looking statements.

Actual results could differ materially from those contained in the forward-looking statements. Factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include those matters discussed or referenced in Part II, Item 1A. *Risk Factors* included elsewhere in this quarterly report and Part I, Item 1A. *Risk Factors* of the 2022 Annual Report.

Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of LendingTree, Inc.'s management as of the date of this report. 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, except as required by law.

Company Overview

LendingTree, Inc. is the parent of LT Intermediate Company, LLC, which holds all of the outstanding ownership interests of LendingTree, LLC, and LendingTree, LLC owns several companies.

We operate what we believe to be the leading online consumer platform that connects consumers with the choices they need to be confident in their financial decisions. Our online consumer platform provides consumers with access to product offerings from our Network Partners, including mortgage loans, home equity loans and lines of credit, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans, insurance quotes, sales of insurance policies and other related offerings. In addition, we offer tools and resources, including free credit scores, that facilitate comparison shopping for loans, deposit products, insurance, and other offerings. We seek to match consumers with multiple providers, who can offer them competing quotes for the product(s) they are seeking. We also serve as a valued partner to lenders and other providers seeking an efficient, scalable and flexible source of customer acquisition with directly measurable benefits, by matching the consumer inquiries we generate with these Network Partners.

Our MyLendingTree platform offers a personalized comparison-shopping experience by providing free credit scores and credit score analysis. This platform enables us to monitor consumers' credit profiles and then identify and alert them to loans and other offerings on our marketplace that may be more favorable than the terms they may have at a given point in time. This is designed to provide consumers with measurable savings opportunities over their lifetimes.

We are focused on developing new product offerings and enhancements to improve the experiences that consumers and Network Partners have as they interact with us. By expanding our portfolio of financial services offerings, we are growing and diversifying our business and sources of revenue. We intend to capitalize on our expertise in performance marketing, product development and technology by leveraging the widespread recognition of the LendingTree brand.

We believe the consumer and small business financial services industry is still in the early stages of a fundamental shift to online product offerings, similar to the shift that started in retail and travel many years ago and is now well established. We believe that like retail and travel, as consumers continue to move towards online shopping and transactions for financial services, suppliers will increasingly shift their product offerings and advertising budgets toward the online channel. We believe the strength of our brands and of our Network Partners place us in a strong position to continue to benefit from this market shift.

Economic Conditions

We continue to monitor the impact of the COVID-19 pandemic, government actions and measures taken to prevent its spread, and the potential to affect our operations. We are also monitoring the current global economic environment, specifically including inflationary pressures and interest rates, and any resulting impacts on our financial position and results of operations. Refer to Part I, Item 1A. “Risk Factors” of our 2022 Annual Report for additional information.

Of our three reportable segments, the Consumer segment was impacted the most from the COVID-19 pandemic as unsecured credit and the flow of capital in certain areas of the market contracted. Most of our selling and marketing expenses are variable costs that we adjust dynamically in relation to revenue opportunities to profitably meet demand. Thus, as our revenue was negatively impacted during the COVID-19 pandemic and the macro-economic conditions that followed, our marketing expenses generally decreased in line with revenue.

During the first quarter of 2023, the challenging interest rate environment and inflationary pressures have continued to present challenges for many of our mortgage lending and insurance partners. In our Home segment, mortgage rates have remained relatively consistent in the first quarter of 2023 compared to the fourth quarter of 2022, but nearly doubled compared to the first quarter of 2022. The significant increases in mortgage rates caused a sharp decline in refinance volumes and are putting pressure on purchase activity. In our Insurance segment, demand from our carrier partners remains volatile as they continue to deal with persistent industry headwinds.

Segment Reporting

We have three reportable segments: Home, Consumer, and Insurance.

Recent Business Acquisitions

In January 2022, the Company acquired an equity interest in EarnUp for $15.0 million. EarnUp is a consumer-first mortgage payment platform that intelligently automates loan payment scheduling and helps consumers better manage their money and improve their financial well-being.

North Carolina Office Properties

Our new corporate office is located on approximately 176,000 square feet of office space in Charlotte, North Carolina under an approximate 15-year lease that contractually commenced in the second quarter of 2021.

With our expansion in North Carolina, in December 2016, we received a grant from the state that provides up to $4.9 million in reimbursements through 2029 beginning in 2017 for investing in real estate and infrastructure in addition to increasing jobs in North Carolina at specific targeted levels through 2021, and maintaining the jobs thereafter. We have received approximately $0.7 million related to the December 2016 grants. If we are unable to maintain the specified target levels, our ability to earn further reimbursements could be limited. Additionally, the city of Charlotte and the county of Mecklenburg provided a grant that will be paid over five years and is based on a percentage of new property tax we pay on the development of a corporate headquarters. In December 2018, we received an additional grant from the state that provides an aggregate amount up to $8.4 million in reimbursements through 2032 beginning in 2021 for increasing jobs in North Carolina at specific targeted levels through 2024, and maintaining the jobs thereafter. We have currently not met the specified target levels set forth in the December 2018 grant and may not realize any reimbursements from this grant.

Recent Mortgage Interest Rate Trends

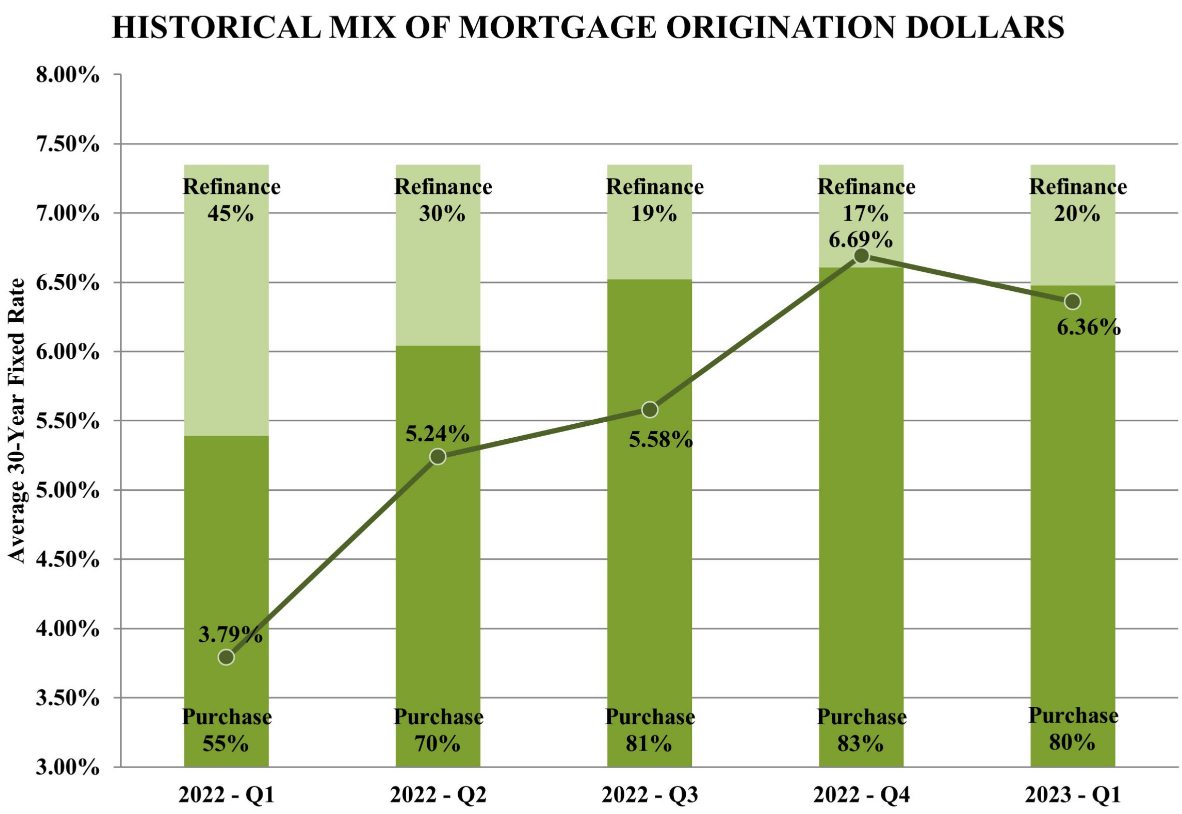
Interest rate and market risks can be substantial in the mortgage lead generation business. Short-term fluctuations in mortgage interest rates primarily affect consumer demand for mortgage refinancings, while long-term fluctuations in mortgage interest rates, coupled with the U.S. real estate market, affect consumer demand for new mortgages. Consumer demand, in turn, affects lender demand for mortgage leads from third-party sources, as well as our own ability to attract online consumers to our website.

Typically, when interest rates decline, we see increased consumer demand for mortgage refinancing, which in turn leads to increased traffic to our website and decreased selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically decreases, as there are more consumers in the marketplace seeking refinancings and, accordingly, lenders receive more organic mortgage lead volume. Due to lower lender demand, our revenue earned per consumer typically decreases, but with correspondingly lower selling and marketing costs.

Conversely, when interest rates increase, we typically see decreased consumer demand for mortgage refinancing, leading to decreased traffic to our website and higher associated selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically increases, as there are fewer consumers in the marketplace and, accordingly, the supply of organic mortgage lead volume decreases. Due to high lender demand, we typically see an increase in the amount lenders will pay per matched lead, which often leads to higher revenue earned per consumer. However, increases in the amount lenders will pay per matched lead in this situation is limited by the overall cost models of our lenders, and our revenue earned per consumer can be adversely affected by the overall reduced demand for refinancing in a rising rate environment.

We dynamically adjust selling and marketing expenditures in all interest rate environments to optimize our results against these variables.

According to Freddie Mac, 30-year mortgage interest rates increased from a monthly average of 6.36% in December 2022 to a monthly average of 6.54% in March 2023. On a quarterly basis, 30-year mortgage interest rates in the first quarter of 2023 averaged 6.36%, compared to 3.79% in the first quarter of 2022 and 6.69% in the fourth quarter of 2022.



Typically, as mortgage interest rates rise, there are fewer consumers in the marketplace seeking refinancings and, accordingly, the mix of mortgage origination dollars will move toward purchase mortgages. According to Mortgage Bankers Association ("MBA") data, total refinance origination dollars increased to 20% of total mortgage origination dollars in the first quarter of 2023 compared to 17% in the fourth quarter of 2022 but decreased from 45% in the first quarter of 2022. In the first quarter of 2023, total refinance origination dollars did not change from the fourth quarter of 2022 and decreased 79% from the first quarter of 2022. Industry-wide mortgage origination dollars in the first quarter of 2023 decreased 16% from the fourth quarter of 2022 and 52% from first quarter of 2022.

In April 2023, the MBA projected 30-year mortgage interest rates to an average 5.5% for the 2023 year, consistent with the average rates in 2022. According to MBA projections, the mix of mortgage origination dollars is expected to continue to be weighted towards purchase mortgages with the refinance share representing approximately 24% for 2023.

The U.S. Real Estate Market

The health of the U.S. real estate market and interest rate levels are the primary drivers of consumer demand for new mortgages. Consumer demand, in turn, affects lender demand for purchase mortgage leads from third-party sources. Typically, a strong real estate market will lead to reduced lender demand for leads, as there are more consumers in the marketplace seeking financing and, accordingly, lenders receive more organic lead volume. Conversely, a weaker real estate market will typically lead to an increase in lender demand, as there are fewer consumers in the marketplace seeking mortgages.

According to Fannie Mae data, existing home sales increased 3% in the first quarter of 2023 compared to the fourth quarter of 2022, and decreased 28% compared to the first quarter of 2022. Fannie Mae predicts an overall decrease in existing-home sales of approximately 16% in 2023 compared to 2022.

MyLendingTree

We consider certain metrics related to MyLendingTree set forth below to help us evaluate our business and growth trends and assess operational efficiencies. The calculation of the metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts or investors.

We continued to grow our user base and added 1.0 million new users in the first quarter of 2023, bringing cumulative sign-ups to 25.8 million at March 31, 2023. We attribute $20 million of revenue in the first quarter of 2023 to registered MyLendingTree members across the LendingTree platform.

Our focus on improving the MyLendingTree experience for consumers remains a top priority. Becoming an integrated digital advisor will greatly improve the consumer experience, which we expect to result in higher levels of engagement improved membership growth rates, and ultimately stronger financial results.

Cost Reductions and Simplification of Business

On March 24, 2023, we committed to a workforce reduction plan (the “Reduction Plan”), that is intended to reduce operating costs. The Reduction Plan includes the elimination of approximately 13% of the Company’s current workforce. As a result of the Reduction Plan, we expect to incur approximately $5.6 million in severance charges in connection with the workforce reduction, $4.3 million of which was incurred in the first quarter of 2023. Part of this Reduction Plan included the shut down of our LendingTree customer call center as well as our Medicare insurance agency operations within QuoteWizard. We anticipate the Reduction Plan will reduce annual compensation expense by approximately $14 million, comprised of $2 million in cost of revenue, $4 million in selling and marketing expense, $3 million in general and administrative expense, and $5 million in product development.

Separately, we made the decision to close our Ovation credit services business, an asset group within our Consumer segment, by mid- 2023. As a result, the Company recorded an asset impairment charge of $4.2 million in the first quarter of 2023 related to the write-off of certain long-term assets. We acquired Ovation in 2018 to better serve those customers who come to LendingTree and receive suboptimal offers of credit. The business grew for a number of years before running into challenges in the wake of COVID-19, and more recently the industry has faced increased regulatory pressure. The business is capital-intensive, requires elevated overhead, and future prospects were becoming uncertain.

The Ovation business accounted for approximately 3% of total Revenue and 3% of Total Costs and Expenses, with an immaterial impact to Net Income on the Consolidated Statement of Operations and Comprehensive Income (Loss) for the year ended December 31, 2022.

Results of Operations for the Three Months ended March 31, 2023 and 2022

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(Dollars in thousands)			
Home	$ 43,675	$ 101,944	$ (58,269)	(57) %
Consumer	79,709	101,068	(21,359)	(21) %
Insurance	77,082	80,038	(2,956)	(4) %
Other	42	128	(86)	(67) %
Revenue	**200,508**	**283,178**	**(82,670)**	**(29) %**
Costs and expenses:				
Cost of revenue *(exclusive of depreciation and amortization shown separately below)*	13,760	15,561	(1,801)	(12) %
Selling and marketing expense	137,111	204,157	(67,046)	(33) %
General and administrative expense	36,683	35,977	706	2 %
Product development	14,655	14,052	603	4 %
Depreciation	4,795	4,854	(59)	(1) %
Amortization of intangibles	2,049	7,917	(5,868)	(74) %
Restructuring and severance	4,454	3,625	829	23 %
Litigation settlements and contingencies	12	(27)	39	144 %
Total costs and expenses	**213,519**	**286,116**	**(72,597)**	**(25) %**
Operating loss	**(13,011)**	**(2,938)**	**(10,073)**	**(343) %**
Other income (expense), net:				
Interest income (expense), net	25,029	(7,505)	32,534	433 %
Other income (expense)	1,834	(1)	1,835	183,500 %
Income (loss) before income taxes	**13,852**	**(10,444)**	**24,296**	**233 %**
Income tax expense	(395)	(382)	(13)	(3) %
Net income (loss) and comprehensive income (loss)	**$ 13,457**	**$ (10,826)**	**$ 24,283**	**224 %**

Revenue

Revenue decreased in the first quarter of 2023 compared to the first quarter of 2022 due to decreases in our Home, Consumer, and Insurance segments.

Our Consumer segment includes the following products: credit cards, personal loans, small business loans, student loans, auto loans, deposit accounts, and other credit products such as credit repair and debt settlement. Many of our Consumer segment products are not individually significant to revenue. Revenue from our Consumer segment decreased $21.4 million, or 21%, in the first quarter of 2023 from the first quarter of 2022 primarily due to decreases in our personal loans and credit cards.

Revenue from our personal loans product decreased $11.6 million, or 33%, to $23.6 million in the first quarter of 2023 from $35.2 million in the first quarter of 2022 primarily due to a decrease in the number of consumers completing request forms and a decrease in revenue earned per consumer.

Revenue from our credit cards product decreased $11.5 million, or 39%, to $18.3 million in the first quarter of 2023 from $29.8 million in the first quarter of 2022 primarily due to a decrease in the number of consumer clicks and in revenue earned per click.

For the periods presented, no other products in our Consumer segment represented more than 10% of revenue.

Our Home segment includes the following products: purchase mortgage, refinance mortgage, and home equity loans and lines of credit. We ceased offering reverse mortgage loans in the fourth quarter of 2022. Revenue from our Home segment decreased $58.3 million, or 57%, in the first quarter of 2023 from the first quarter of 2022 primarily due to decreases in revenue from our refinance and purchase mortgage products.

Revenue from our mortgage products decreased $58.0 million, or 74%, to $20.0 million in the first quarter of 2023 from $78.0 million in the first quarter of 2022. Revenue from our refinance mortgage product decreased $48.2 million in the first quarter of 2023 compared to the first quarter of 2022 due to a decrease in the number of consumers completing request forms and a decrease in revenue earned per consumer, as interest rates have risen. Revenue from our purchase mortgage product decreased $9.8 million in the first quarter of 2023 compared to the first quarter of 2022, primarily due to a decrease in the number of consumers completing request forms and a decrease in revenue earned per consumer. Revenue from our home equity loans product increased $0.5 million, or 2%, to $23.7 million in the first quarter of 2023 from $23.2 million in the first quarter of 2022.

Revenue from our Insurance segment decreased $3.0 million, or 4%, to $77.1 million in the first quarter of 2023 from $80.0 million in the first quarter of 2022 due to a decrease in revenue earned per consumer, partially offset by an increase in the number of consumers seeking insurance.

Cost of revenue

Cost of revenue consists primarily of costs associated with compensation and other employee-related costs (including stock-based compensation) relating to internally-operated customer call centers, third-party customer call center fees, credit scoring fees, credit card fees, website network hosting, and server fees.

Cost of revenue decreased in the first quarter of 2023 from the first quarter of 2022 by $1.8 million, primarily due to a $1.3 million decrease in website network hosting and server hosting fees.

Cost of revenue as a percentage of revenue increased to 7% in the first quarter of 2023 compared to 5% in the first quarter of 2022.

Selling and marketing expense

Selling and marketing expense consists primarily of advertising and promotional expenditures and compensation and other employee-related costs (including stock-based compensation) for personnel engaged in sales or marketing functions. Advertising and promotional expenditures primarily include online marketing, as well as television, print, and radio spending. Advertising production costs are expensed in the period the related ad is first run.

Selling and marketing expense decreased in the first quarter of 2023 compared to the first quarter 2022 by $67.0 million primarily due to the changes in advertising and promotional expense discussed below. Additionally, compensation and benefits decreased $2.4 million in the first quarter of 2023 compared to the first quarter 2022.

Advertising and promotional expense is the largest component of selling and marketing expense, and is comprised of the following:

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(Dollars in thousands)			
Online	$ 120,720	$ 182,473	$ (61,753)	(34) %
Broadcast	306	840	(534)	(64) %
Other	3,373	5,763	(2,390)	(41) %
Total advertising expense	**$ 124,399**	**$ 189,076**	**$ (64,677)**	**(34)%**

In the periods presented, advertising and promotional expenses are equivalent to the non-GAAP measure variable marketing expense. *See* Variable Marketing Expense and Variable Marketing Margin below for additional information.

Revenue is primarily driven by Network Partner demand for our products, which is matched to corresponding consumer requests. We adjust our selling and marketing expenditures dynamically in relation to anticipated revenue opportunities in order to ensure sufficient consumer inquiries to profitably meet such demand. An increase in a product’s revenue is generally met by a corresponding increase in marketing spend, and conversely a decrease in a product’s revenue is generally met by a corresponding decrease in marketing spend. This relationship exists for our Home, Consumer, and Insurance segments.

We adjusted our advertising expenditures in the first quarter of 2023 compared to the first quarter of 2022 in response to changes in Network Partner demand on our marketplace. We will continue to adjust selling and marketing expenditures dynamically in response to anticipated revenue opportunities.

General and administrative expense

General and administrative expense consists primarily of compensation and other employee-related costs (including stock-based compensation) for personnel engaged in finance, legal, tax, corporate information technology, human resources and executive management functions, as well as facilities and infrastructure costs and fees for professional services.

General and administrative expense remained relatively consistent in the first quarter of 2023 compared to the first quarter of 2022. Compensation and benefits, other tax expense, and facilities expense decreased in the first quarter of 2023 compared to the first quarter of 2022 by $1.7 million, $1.5 million, and $0.8 million, respectively. We incurred a $4.2 million loss on the impairment of assets for our Ovation business in the first quarter of 2023.

General and administrative expense as a percentage of revenue in the first quarter of 2023 was 18% compared to 13% for the first quarter of 2022.

Product development

Product development expense consists primarily of compensation and other employee-related costs (including stock-based compensation) and third-party labor costs that are not capitalized, for employees and consultants engaged in the design, development, testing and enhancement of technology.

Product development expense remained relatively consistent in the first quarter of 2023 compared to the first quarter of 2022 as we continued to invest in internal development of new and enhanced features, functionality and business opportunities that we believe will enable us to better and more fully serve consumers and Network Partners.

Amortization of intangibles

The decrease in amortization of intangibles in the first quarter of 2023 compared to the first quarter of 2022 was primarily due to certain intangible assets associated with our recent business acquisitions becoming fully amortized.

Restructuring and severance

On March 24, 2023, we committed to the Reduction Plan that is intended to reduce operating costs. The Reduction Plan includes the elimination of approximately 13% of the Company’s current workforce. As a result of the Reduction Plan, we estimate that we will incur approximately $5.6 million in severance charges in connection with the workforce reduction, consisting of cash expenditures for employee separation costs of approximately $4.6 million and non-cash charges for the accelerated vesting of certain equity awards of approximately $1.0 million.

We incurred restructuring expense of $4.3 million in the first quarter of 2023 and expect to incur an additional $1.3 million of restructuring expense in the second quarter of 2023 related to the Reduction Plan. We anticipate that the execution of the Reduction Plan, including cash payments, will be completed by the end of the second quarter of 2024.

In the first quarter of 2022, we completed a workforce reduction of approximately 75 employees. We incurred total expense of $3.6 million consisting of employee separation costs of $2.5 million and non-cash compensation expense of $1.1 million due to the accelerated vesting of certain equity awards. All employee separation costs were paid by the first quarter of 2023.

Interest income/expense

In the first quarter of 2023, we repurchased approximately $190.6 million in principal amount of our 2025 Notes for $156.3 million plus accrued and unpaid interest of approximately $0.1 million. As a result of the repurchase, we recognized a gain on the extinguishment of $34.3 million, a loss on the write-off of unamortized debt issuance costs of $2.4 million, and incurred debt repayment costs of $1.0 million, all of which are included in interest income/expense, net in the consolidated statement of operations and comprehensive income. *See* Note 12—Debt for additional information.

Other income

For the first quarter of 2023, other income primarily consists of dividend income.

Income tax expense

For the first quarter of 2023, the effective tax rate varied from the federal statutory rate of 21% primarily due to the change in the valuation allowance, net of the current period change in tax effected net indefinite-lived intangibles.

For the first quarter of 2022, the effective tax rate varied from the federal statutory rate of 21% primarily due to excess tax expense of $2.5 million, resulting from vesting of restricted stock in accordance with ASU 2016-09 and the effect of state taxes.

Segment Profit

	Three Months Ended March 31,			
	2023	2022	$ Change	% Change
	(Dollars in thousands)			
Home	$ 15,108	$ 35,909	$ (20,801)	(58) %
Consumer	34,876	42,507	(7,631)	(18) %
Insurance	30,152	21,103	9,049	43 %
Other	(179)	(55)	(124)	(225) %
Segment profit	**$ 79,957**	**$ 99,464**	**$ (19,507)**	**(20) %**

Segment profit is our primary segment operating metric. Segment profit is calculated as segment revenue less segment selling and marketing expenses attributed to variable costs paid for advertising, direct marketing and related expenses that are directly attributable to the segments' products. *See* Note 15—Segment Information in the notes to the consolidated financial statements for additional information on segments and a reconciliation of segment profit to pre-tax income.

Home

Revenue in the Home segment decreased 57% to $43.7 million in the first quarter of 2023, with segment profit of $15.1 million in the first quarter of 2023, a decrease of 58% from the first quarter of 2022. Despite the sharp decrease in revenue in the first quarter of 2023, our variable marketing model generated a 35% segment margin, which was consistent with the first quarter of 2022. Our home equity business again produced the majority of the Home segment's revenue, growing 2% in the first quarter of 2023 from the first quarter of 2022. Consumer demand to borrow against a near record level of equity in their homes remains strong, with volume for the product increasing 20% in the first quarter of 2023 compared to the first quarter of 2022.

Our team is focused on operating efficiently in this difficult period, helping our lending partners improve conversion rates for our customers that are in the market to purchase a home. The 30-year fixed mortgage rate fluctuated between a range of 6.09% and 6.73% during the quarter, according to the Freddie Mac Mortgage Market Survey. Interest rates for new home loans remain at the highest level recorded since 2006. Home affordability, as measured by the National Association of Realtors (“NAR”) Composite Index, remains at the lowest level since it began the benchmark dating back to 1986.

In addition to affordability concerns, current homeowners appear patient with regard to moving during the typically busy spring selling season. Existing for-sale home inventory remains exceptionally low at just under 1 million homes in the U.S., according to NAR, up only modestly from the all-time low of 0.85 million homes for sale recorded in January, 2022. Current mortgage rates that are much higher than the average homeowner has today are creating a "lock-in" effect, discouraging those who desire a change in their current living situation from moving. Many homeowners instead are exploring renovation projects to accommodate changes in lifestyle. This phenomenon has likely led to the increased demand we have seen for Home Equity loans, and we have been shifting more of our team and resources to focus on this opportunity.

Consumer

Our Consumer segment experienced a continued slowdown in revenue due to stricter underwriting criteria at many of our partners and decreased new loan appetite across multiple product lines. Revenue of $79.7 million in the first quarter of 2023 decreased 21% from the first quarter of 2022, and profit of $34.9 million in the first quarter of 2023 decreased 18% from the first quarter of 2022. Consumer segment margin increased to 44% in the first quarter of 2023 from 42% in the first quarter of 2022 due to a mix-shift towards higher earning products, as well as continued operating discipline as we moved away from underperforming marketing partners, publishers and channels.

Personal loans revenue of $23.6 million decreased 33% in the first quarter of 2023 from the first quarter of 2022 as lending standards continued to tighten, a trend that began to emerge in the second-half of 2022. Close rates have declined at most issuers, leaving more of our customers who are looking for a loan without an offer. We are working to assist this growing pool of borrowers who are being turned down by pairing them with debt relief partners to help improve their credit profile.

Small business revenue also slowed, with revenue decreasing 11% in the first quarter of 2023 from the first quarter of 2022. The causes were similar to those experienced in personal loans. Tighter credit conditions are decreasing conversion rates at our lending partners. We are primarily focused on optimizing our marketing mix to increase the quality of our potential borrowers to drive higher conversion rates, and negotiating better terms from our lending partners as a result of those improvements.

Our credit card business generated revenue in the first quarter of 2023 of $18.3 million, a decrease of 39% from the first quarter of 2022. At the end of the quarter we had completed our transition to a new tech platform for our credit card business, LightSpeed. This new platform provides faster page load speeds and improved routing flexibility. Initially we expect to see improved throughput for our customers to partner application pages, which should result in improved margins and conversion. The LightSpeed implementation has also allowed us to begin transitioning all of our credit card traffic from the Compare Cards brand to our core LendingTree experience. Over time we expect improved marketing efficiencies and reduced costs from this shift will help stimulate improvement in results.

Insurance

Revenue of $77.1 million in the first quarter of 2023 decreased 4% from the first quarter of 2022 as our carrier partners remain cautious in their desire for new auto and home policyholders. However, disciplined operating improvements the team implemented over the second-half of last year generated segment profit of $30.2 million in the first quarter of 2023, an increase of 43% from the first quarter of 2022. The realized 39% segment margin in the first quarter of 2023 is a testament to the quality of our Insurance business.

We experienced an uptick in partner spend for new auto policies during the quarter, an encouraging sign after six straight quarters of reduced demand. However, loss ratios at major personal auto insurers remain elevated. As such, we do not expect this uptick in demand for new customers from our carrier partners to continue. We are now forecasting segment revenue to decline somewhat from the first quarter of 2023 for the remainder of the year given this development.

Variable Marketing Expense and Variable Marketing Margin

We report variable marketing expense and variable marketing margin as supplemental measures to GAAP. These related measures are the primary metrics by which we measure the effectiveness of our marketing efforts. Variable marketing expense represents the portion of selling and marketing expense attributable to variable costs paid for advertising, direct marketing, and related expenses, and excludes overhead, fixed costs, and personnel-related expenses. Variable marketing margin is a measure of the efficiency of our operating model, measuring revenue after subtracting variable marketing expense. Our operating model is highly sensitive to the amount and efficiency of variable marketing expenditures, and our proprietary systems are able to make rapidly changing decisions concerning the deployment of variable marketing expenditures (primarily but not exclusively online and mobile advertising placement) based on proprietary and sophisticated analytics. We believe that investors should have access to the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP but should not be considered a substitute for or superior to GAAP results. We provide and encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measures discussed below.

Variable marketing expense is defined as the expense attributable to variable costs paid for advertising, direct marketing and related expenses, and excluding overhead, fixed costs and personnel-related expenses. The majority of these variable advertising costs are expressly intended to drive traffic to our websites and these variable advertising costs are included in selling and marketing expense on our consolidated statements of operations and comprehensive income (loss). Variable marketing margin is defined as revenue less variable marketing expense.

The following shows the calculation of variable marketing margin:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Revenue	$ 200,508	$ 283,178
Variable marketing expense	124,399	189,076
Variable marketing margin	**$ 76,109**	**$ 94,102**

Below is a reconciliation of selling and marketing expense, the most directly comparable GAAP measure, to variable marketing expense:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Selling and marketing expense	$ 137,111	$ 204,157
Non-variable selling and marketing expense	(12,712)	(15,081)
Variable marketing expense	**$ 124,399**	**$ 189,076**

The following is a reconciliation of net income (loss), the most directly comparable GAAP measure, to variable marketing margin:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Net income (loss)	**$ 13,457**	**$ (10,826)**
Adjustments to reconcile to variable marketing margin:		
Cost of revenue	13,760	15,561
Non-variable selling and marketing expense [(1)]	12,712	15,081
General and administrative expense	36,683	35,977
Product development	14,655	14,052
Depreciation	4,795	4,854
Amortization of intangibles	2,049	7,917
Restructuring and severance	4,454	3,625
Litigation settlements and contingencies	12	(27)
Interest (income) expense, net	(25,029)	7,505
Other (income) expense	(1,834)	1
Income tax expense	395	382
Variable marketing margin	**$ 76,109**	**$ 94,102**

(1) Represents the portion of selling and marketing expense not attributable to variable costs paid for advertising, direct marketing and related expenses. Includes overhead, fixed costs and personnel-related expenses.

Adjusted EBITDA

We report Adjusted EBITDA as a supplemental measure to GAAP. This measure is the primary metric by which we evaluate the performance of our businesses, on which our marketing expenditures and internal budgets are based and by which, in most years, management and many employees are compensated. We believe that investors should have access to the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP but should not be considered a substitute for or superior to GAAP results. We provide and encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measures discussed below.

Definition of Adjusted EBITDA

We report Adjusted EBITDA as net income adjusted to exclude interest, income tax, amortization of intangibles and depreciation, and to further exclude (1) non-cash compensation expense, (2) non-cash impairment charges, (3) gain/loss on disposal of assets, (4) gain/loss on investments (5) restructuring and severance expenses, (6) litigation settlements and contingencies, (7) acquisitions and dispositions income or expense (including with respect to changes in fair value of contingent consideration), (8) contributions to the LendingTree Foundation, (9) dividend income, and (10) one-time items. Adjusted EBITDA has certain limitations in that it does not take into account the impact to our statement of operations of certain expenses, including depreciation, non-cash compensation and acquisition-related accounting. We endeavor to compensate for the limitations of the non-GAAP measures presented by also providing the comparable GAAP measures with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measures. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

One-Time Items

Adjusted EBITDA is adjusted for one-time items, if applicable. Items are considered one-time in nature if they are non-recurring, infrequent, or unusual and have not occurred in the past two years or are not expected to recur in the next two years, in accordance with SEC rules. For the periods presented below, one-time items consisted of the franchise tax caused by the equity investment gain in Stash Financial, Inc. in 2021.

Non-Cash Expenses that are Excluded from Adjusted EBITDA

Non-cash compensation expense consists principally of expense associated with grants of restricted stock, restricted stock units and stock options, some of which awards have performance-based vesting conditions. Non-cash compensation expense also includes expense associated with employee stock purchase plans. These expenses are not paid in cash, and we include the related shares in our calculations of fully diluted shares outstanding. Upon settlement of restricted stock units, exercise of certain stock options or vesting of restricted stock awards, the awards may be settled, on a net basis, with us remitting the required tax withholding amount from our current funds.

Amortization of intangibles are non-cash expenses relating primarily to intangible assets acquired through acquisitions. At the time of an acquisition, the intangible assets of the acquired company, such as purchase agreements, technology and customer relationships, are valued and amortized over their estimated lives.

The following table is a reconciliation of net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA.

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Net income (loss)	**$ 13,457**	**$ (10,826)**
Adjustments to reconcile to Adjusted EBITDA:		
Amortization of intangibles	2,049	7,917
Depreciation	4,795	4,854
Restructuring and severance	4,454	3,625
Loss on impairments and disposal of assets	5,027	431
Non-cash compensation expense	11,203	13,997
Franchise tax caused by equity investment gain	—	1,500
Acquisition expense	(9)	9
Litigation settlements and contingencies	12	(27)
Interest (income) expense, net	(25,029)	7,505
Dividend income	(1,834)	—
Income tax expense	395	382
Adjusted EBITDA	**$ 14,520**	**$ 29,367**

Financial Position, Liquidity and Capital Resources

General

As of March 31, 2023, we had $150.1 million of cash and cash equivalents, compared to $298.8 million of cash and cash equivalents as of December 31, 2022.

On March 8, 2023, we repurchased approximately $190.6 million in principal amount of our 2025 Notes, through separate transactions with certain holders of the 2025 Notes, for $156.3 million plus accrued and unpaid interest of approximately $0.1 million. In the first quarter of 2023, we recognized a gain on the extinguishment of $34.3 million, a loss on the write-off of unamortized debt issuance costs of $2.4 million and incurred debt repayment costs of $1.0 million, all of which are included in interest income/expense, net in the consolidated statement of operations and comprehensive income. *See* Note 12—Debt for additional information.

We expect our cash and cash equivalents and cash flows from operations to be sufficient to fund our operating needs for the next twelve months and beyond. Our credit facility described below is an additional potential source of liquidity. We will continue to monitor the impact of the current economic conditions, including interest rates, inflation, and ongoing COVID-19 pandemic on our liquidity and capital resources.

Credit Facility

On September 15, 2021, we entered into a credit agreement (the “Credit Agreement”), consisting of a $200.0 million revolving credit facility (the “Revolving Facility”), which matures on September 15, 2026, and a $250.0 million delayed draw term loan facility (the “Term Loan Facility” and together with the Revolving Facility, the “Credit Facility”), which matures on September 15, 2028. The proceeds of the Revolving Facility can be used to finance working capital, for general corporate purposes and any other purpose not prohibited by the Credit Agreement. We borrowed $250.0 million under the delayed draw term loan on May 31, 2022 and used $170.2 million of the proceeds to settle the Company’s 2022 Notes, including interest. The remaining proceeds of $79.8 million may be used for general corporate purposes and any other purposes not prohibited by the Credit Agreement. *See* Note 12—Debt for additional information.

As of May 2, 2023, we have outstanding $248.1 million under the Term Loan Facility, a $0.2 million letter of credit under the Revolving Facility and the remaining borrowing capacity under the Revolving Facility is $199.8 million.

Cash Flows

Our cash flows are as follows:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Net cash provided by operating activities	$ 13,156	$ 9,999
Net cash used in investing activities	(2,452)	(18,465)
Net cash used in financing activities	(159,565)	(46,098)

Cash Flows from Operating Activities

Our largest source of cash provided by our operating activities is revenues generated by our products. Our primary uses of cash from our operating activities include advertising and promotional payments. In addition, our uses of cash from operating activities include compensation and other employee-related costs, other general corporate expenditures, litigation settlements and contingencies, and income taxes.

Net cash provided by operating activities increased in the first three months of 2023 from the first three months of 2022 primarily due to favorable changes in accounts receivable.

Cash Flows from Investing Activities

Net cash used in investing activities in the first three months of 2023 of $2.5 million consisted of capital expenditures of $2.5 million primarily related to internally developed software.

Net cash used in investing activities in the first three months of 2022 of $18.5 million consisted of capital expenditures of $3.5 million primarily related to internally developed software, as well as the purchase of a $15 million equity interest in EarnUp.

Cash Flows from Financing Activities

Net cash used in financing activities in the first three months of 2023 of $159.6 million consisted primarily of the repurchase of our Convertible Senior Notes for $156.3 million and $1.7 million in withholding taxes paid upon surrender of shares to satisfy obligations on equity awards, net of proceeds from the exercise of stock options.

Net cash used in financing activities in the first three months of 2022 of $46.1 million consisted primarily of $43.0 million for the repurchase of our stock and $3.1 million in withholding taxes paid upon surrender of shares to satisfy obligations on equity awards, net of proceeds from the exercise of stock options.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements other than a letter of credit and our funding commitments pursuant to our surety bonds, none of which have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

New Accounting Pronouncements

For information regarding new accounting pronouncements, *see* Note 2—Significant Accounting Policies, in Part I, Item 1 *Financial Statements*.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Other than our Credit Facility, we do not have any financial instruments that are exposed to significant market risk. We maintain our cash and cash equivalents in bank deposits and short-term, highly liquid money market investments. A hypothetical 100-basis point increase or decrease in market interest rates would not have a material impact on the fair value of our cash equivalents securities, or our earnings on such cash equivalents, but would have a $2.5 million annual effect on the interest paid on borrowings under the Credit Facility. As of May 2, 2023, the Company had $248.1 million outstanding on its Term Loan Facility, and there were no outstanding borrowings under its Revolving Facility.

Fluctuations in interest rates affect consumer demand for new mortgages and the level of refinancing activity which, in turn, affects lender demand for mortgage leads. Typically, when interest rates decline, we see increased consumer demand for mortgage refinancing, which in turn leads to increased traffic to our website and decreased selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically decreases, as there are more consumers in the marketplace seeking refinancings and, accordingly, lenders receive more organic lead volume. Due to lower lender demand, our revenue earned per consumer typically decreases but with correspondingly lower selling and marketing costs. Conversely, when interest rates increase, we typically see decreased consumer demand for mortgage refinancing, leading to decreased traffic to our website and higher associated selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically increases, as there are fewer consumers in the marketplace and, accordingly, the supply of organic mortgage lead volume decreases. Due to high lender demand, we typically see an increase in the amount lenders will pay per matched lead, which often leads to higher revenue earned per consumer. However, increases in the amount lenders will pay per matched lead in this situation is limited by the overall cost models of our lenders, and our revenue earned per consumer can be adversely affected by the overall reduced demand for refinancing in a rising rate environment.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), management, with the participation of our principal executive officer (our Chief Executive Officer) and principal financial officer (our Chief Financial Officer), evaluated, as of the end of the period covered by this report, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective, as of March 31, 2023, to reasonably ensure that information required to be disclosed and filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified, and that management will be timely alerted to material information required to be included in our periodic reports filed with the Securities and Exchange Commission.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. *Legal Proceedings*

In the ordinary course of business, we are party to litigation involving property, contract, intellectual property, data privacy and security, and a variety of other claims. The amounts that may be recovered in such matters may be subject to insurance coverage. We have provided information about certain legal proceedings in which we are involved in Part I, Item 3. *Legal Proceedings* of our 2022 Annual Report and updated that information in Note 13—Contingencies to the consolidated financial statements included elsewhere in this report.

Item 1A. *Risk Factors*

There have been no material changes to the risk factors included in Part I, Item 1A. *Risk Factors* of our 2022 Annual Report.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Issuer Purchases of Equity Securities

In each of February 2018 and February 2019, the board of directors authorized and we announced a stock repurchase program which allowed for the repurchase of up to $100.0 million and $150.0 million, respectively, of our common stock. Under this program, we can repurchase stock in the open market or through privately-negotiated transactions. We have used available cash to finance these repurchases. We will determine the timing and amount of any additional repurchases based on our evaluation of market conditions, applicable SEC guidelines and regulations, and other factors. This program may be suspended or discontinued at any time at the discretion of our board of directors. During the quarter ended March 31, 2023, no shares of common stock were repurchased under the stock repurchase program. As of April 26, 2023, approximately $96.7 million remains authorized for share repurchase.

Additionally, the LendingTree Seventh Amended and Restated 2008 Stock Plan allowed employees to forfeit shares of our common stock to satisfy federal and state withholding obligations upon the exercise of stock options, the settlement of restricted stock unit awards and the vesting of restricted stock awards granted to those individuals under the plans. During the quarter ended March 31, 2023, 52,098 shares were purchased related to these obligations under the LendingTree Seventh Amended and Restated 2008 Stock Plan. The withholding of those shares does not affect the dollar amount or number of shares that may be purchased under the stock repurchase program described above.

The following table provides information about the Company's purchases of equity securities during the quarter ended March 31, 2023.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
				(in thousands)
1/1/2023 - 1/31/2023	1,739	$ 23.58	—	$ 96,655
2/1/2023 - 2/28/2023	6,198	$ 32.50	—	$ 96,655
3/1/2023 - 3/31/2023	44,161	$ 33.09	—	$ 96,655
Total	**52,098**	**$ 32.70**	**—**	**$ 96,655**

(1) During January 2023, February 2023 and March 2023, 1,739 shares, 6,198 shares and 44,161 shares, respectively (totaling 52,098 shares), were purchased to satisfy federal and state withholding obligations of our employees upon the settlement of restricted stock units, all in accordance with our Seventh Amended and Restated 2008 Stock Plan, as described above.

(2) See the narrative disclosure above the table for further description of our publicly announced stock repurchase program.

Item 5. ***Other Information***

None.

Item 6. *Exhibits*

Exhibit	Description	Location
3.1	Amended and Restated Certificate of Incorporation of LendingTree, Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed August 25, 2008
3.2	Fourth Amended and Restated By-laws of LendingTree, Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed November 15, 2017
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	†
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	†
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	††
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	††
101.INS	XBRL Instance Document — The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	†††
101.SCH	XBRL Taxonomy Extension Schema Document	†††
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	†††
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	†††
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	†††
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	†††
104	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101)	†††

† Filed herewith.

†† Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

††† Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 2, 2023

LENDINGTREE, INC.

By: **/s/ TRENT ZIEGLER**
Trent Ziegler
Chief Financial Officer
(principal financial officer and duly authorized officer)

Exhibit 31.1

CERTIFICATION

I, Douglas R. Lebda, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2023 of LendingTree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2023

/s/ Douglas R. Lebda

Douglas R. Lebda
Chairman and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Trent Ziegler, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2023 of LendingTree, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2023

/s/ Trent Ziegler

Trent Ziegler
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas R. Lebda, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 of LendingTree, Inc. (the “Report”) which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LendingTree, Inc.

Date: May 2, 2023

/s/ Douglas R. Lebda

Douglas R. Lebda
Chairman and Chief Executive Officer
(principal executive officer)

Exhibit 32.2

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Trent Ziegler, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 of LendingTree, Inc. (the “Report”) which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LendingTree, Inc.

Date: May 2, 2023

/s/ Trent Ziegler

Trent Ziegler
Chief Financial Officer
(principal financial officer)