



# Earnings Supplement

Q2 2024

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# Q2 2024 Financial Highlights

	Q2 2024	Q2 2023
Total Certs	28,963	34,354
Revenue	\$26.7 million	\$38.2 million
Adj. EBITDA <sup>1</sup>	\$9.9 million	\$20.7 million
Adj. Operating Cash Flows <sup>2</sup>	\$7.0 million	\$26.5 million

(1) See reconciliation of GAAP to non-GAAP financial measures on page 5

(2) Defined as Adj. EBITDA, minus CAPEX, +/- change in contract assets; see reconciliation of GAAP to non-GAAP financial measures on page 5

# Key Performance Indicators

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Certs</b>				
Credit Union & Bank	22,038	27,047	43,116	53,409
OEM	6,925	7,307	14,036	13,353
<b>Total Certs</b>	<b>28,963</b>	<b>34,354</b>	<b>57,152</b>	<b>66,762</b>
<b>Unit Economics</b>				
Avg. Profit Share Revenue per Cert (1)	\$ 552	\$ 553	\$ 543	\$ 552
Avg. Program Fee Revenue per Cert	\$ 512	\$ 521	\$ 510	\$ 527
<b>Originations</b>				
Facilitated Loan Origination Volume (\$ in 000s)	\$ 819,253	\$ 1,014,727	\$ 1,607,140	\$ 1,966,665
Average Loan Size	\$ 28,286	\$ 29,537	\$ 28,120	\$ 29,458
<b>Channel Overview</b>				
New Vehicle Certs as a % of Total	12.7 %	11.8 %	11.8 %	13.2 %
Used Vehicle Certs as a % of Total	87.3 %	88.2 %	88.2 %	86.8 %
Indirect Certs as a % of Total	79.0 %	69.6 %	79.7 %	70.7 %
Direct Certs as a % of Total	18.0 %	19.8 %	17.0 %	20.0 %
Refinance Certs as a % of Total	3.0 %	10.6 %	3.3 %	9.3 %

(1) Represents average profit share revenue per certified loan originated in the period excluding the impact of profit share revenue recognized in the period associated with historical vintages. The profit share revenue impact related to change in estimates of historical vintages was a reduction of \$6.7 million and \$7.8 million for the three and six months ended June 30, 2024, respectively, and a decrease of \$1.2 million and \$0.5 million for the three and six months ended June 30, 2023, respectively.

# Financial Results

(\$ in '000s)

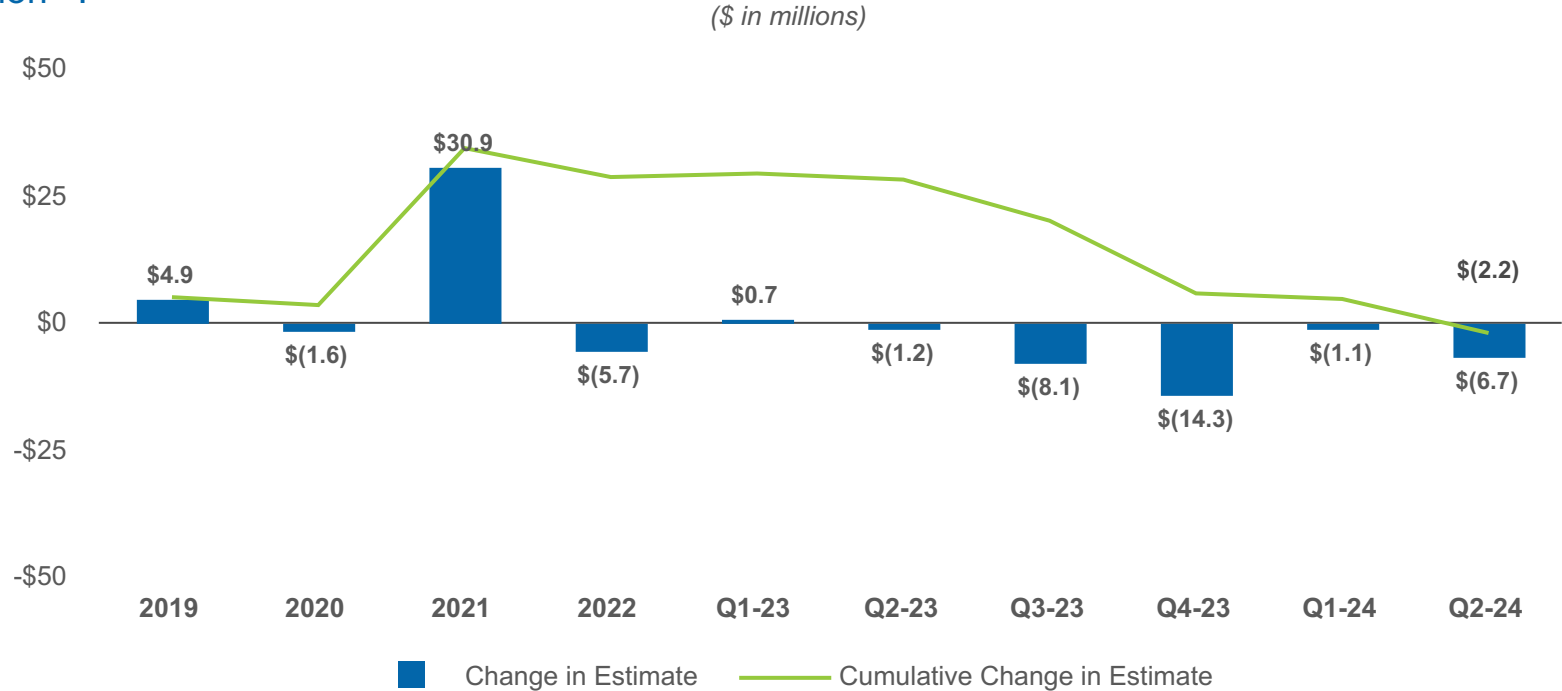
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Program fees	\$ 14,836	\$ 17,893	\$ 29,145	\$ 35,194
Profit share	9,333	17,809	23,215	36,411
Claims administration and other service fees	2,558	2,452	5,112	4,910
<b>Total revenue</b>	<b>26,727</b>	<b>38,154</b>	<b>57,472</b>	<b>76,515</b>
<b>Cost of services</b>	<b>5,713</b>	<b>6,117</b>	<b>11,463</b>	<b>11,548</b>
<b>Gross profit</b>	<b>21,014</b>	<b>32,037</b>	<b>46,009</b>	<b>64,967</b>
<b>Operating expenses</b>				
General and administrative	11,745	10,971	23,724	21,166
Selling and marketing	4,149	4,218	8,363	8,627
Research and development	1,130	1,128	2,609	2,358
<b>Total operating expenses</b>	<b>17,024</b>	<b>16,317</b>	<b>34,696</b>	<b>32,151</b>
<b>Operating income</b>	<b>3,990</b>	<b>15,720</b>	<b>11,313</b>	<b>32,816</b>
Interest expense	(2,736)	(2,655)	(5,506)	(5,042)
Interest income	3,086	2,452	6,057	4,516
Other expense, net	—	(6)	—	(6)
<b>Income before income taxes</b>	<b>4,340</b>	<b>15,511</b>	<b>11,864</b>	<b>32,284</b>
<b>Income tax expense</b>	<b>1,438</b>	<b>4,140</b>	<b>3,875</b>	<b>8,375</b>
<b>Net income</b>	<b>\$ 2,902</b>	<b>\$ 11,371</b>	<b>\$ 7,989</b>	<b>\$ 23,909</b>

# Reconciliation of GAAP to Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Adjusted EBITDA</b> <i>(\$ in 000's)</i>				
<b>Net income</b>	\$ 2,902	\$ 11,371	\$ 7,989	\$ 23,909
Non-GAAP adjustments:				
Interest expense	2,736	2,655	5,506	5,042
Income tax expense	1,438	4,140	3,875	8,375
Depreciation and amortization of fixed assets	415	252	787	496
Share-based compensation expense	2,368	2,319	4,222	4,163
<b>Total adjustments</b>	<b>6,957</b>	<b>9,366</b>	<b>14,390</b>	<b>18,076</b>
<b>Adjusted EBITDA</b>	<b>\$ 9,859</b>	<b>\$ 20,737</b>	<b>\$ 22,379</b>	<b>\$ 41,985</b>
<b>Total revenue</b>	<b>\$ 26,727</b>	<b>\$ 38,154</b>	<b>\$ 57,472</b>	<b>\$ 76,515</b>
<b>Adjusted EBITDA margin</b>	<b>37 %</b>	<b>54 %</b>	<b>39 %</b>	<b>55 %</b>
<b>Adjusted operating cash flows</b> <i>(\$ in 000's)</i>				
<b>Adjusted EBITDA</b>	<b>\$ 9,859</b>	<b>\$ 20,737</b>	<b>\$ 22,379</b>	<b>\$ 41,985</b>
CAPEX	(1,086)	(508)	(1,728)	(843)
Decrease (increase) in contract assets, net	(1,803)	6,287	(4,417)	15,775
<b>Adjusted operating cash flows</b>	<b>\$ 6,970</b>	<b>\$ 26,516</b>	<b>\$ 16,234</b>	<b>\$ 56,917</b>

# Cumulative Profit Share Revenue Change in Estimate

Q2 2024 negative change in estimate of \$6.7 million is associated with cumulative previously reported profit share revenue of approximately \$394 million<sup>(1)</sup>. Cumulative change in estimate at Q2 2024 is negative \$2.2 million<sup>(2)</sup>.



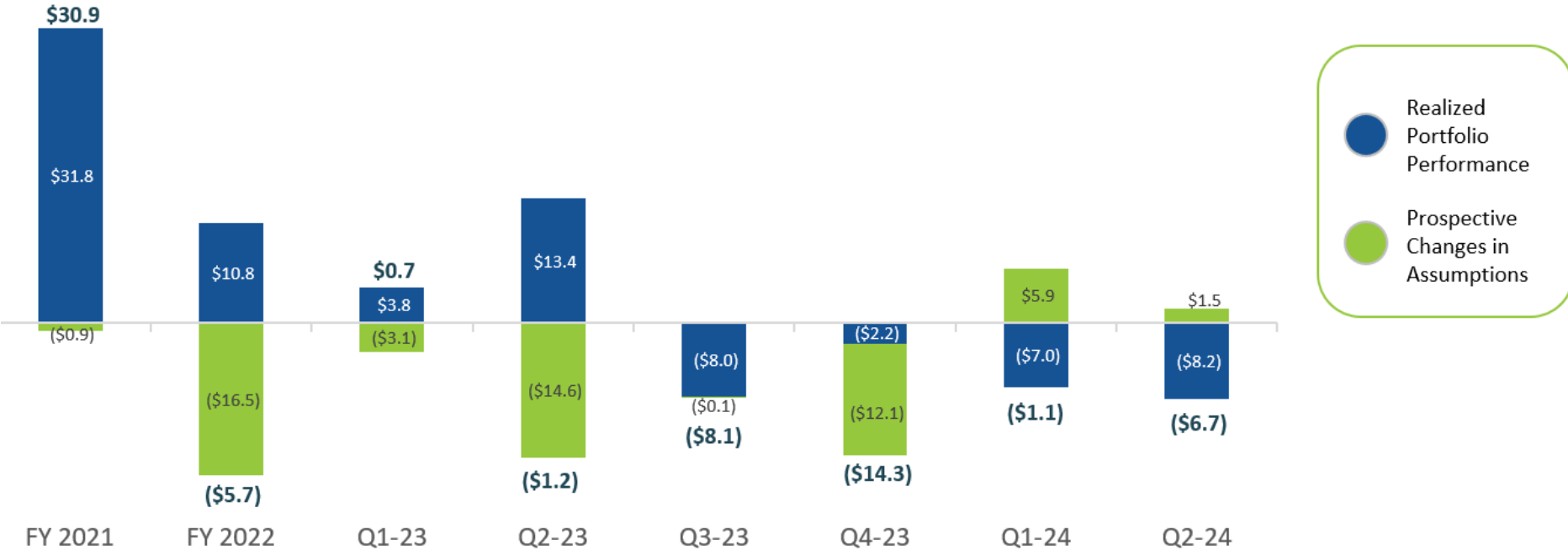
<sup>(1)</sup> Cumulative revenue from Accounting Standards Codification ("ASC") 606 implementation in 2019 through Q1 2024.

<sup>(2)</sup> Cumulative change in estimate from ASC 606 implementation in 2019 through Q2 2024.

# Changes in Contract Asset and Profit Share Revenue Estimates

Changes in Contract Asset and Profit Share Revenue Estimate attributable to *Realized Portfolio Performance* versus *Prospective Changes in Assumptions*

(\$ in millions)



## Total Current Share Count

Shares	In thousands
<b>Total Shares Outstanding August 8, 2024</b>	<b>119,252</b>
<b>Treasury Shares</b>	<b>8,946</b>
<b>Total Shares Issued</b>	<b>128,198</b>