

07-Nov-2023

# MoneyLion, Inc. (ML)

Q3 2023 Earnings Call

## CORPORATE PARTICIPANTS

**Sean Michael Horgan**  
*Head-Investor Relations, MoneyLion, Inc.*

**Richard Correia**  
*President, Chief Financial Officer & Treasurer, MoneyLion, Inc.*

**Diwakar Choubey**  
*Founder, Chief Executive Officer & Director, MoneyLion, Inc.*

---

## OTHER PARTICIPANTS

**Hal Goetsch**  
*Analyst, B. Riley Securities*

**Josh Siegler**  
*Analyst, Cantor Fitzgerald & Co.*

**George Frederick Sutton**  
*Analyst, Craig-Hallum Capital Group LLC*

---

## MANAGEMENT DISCUSSION SECTION

**Operator:** Greetings. Welcome to MoneyLion's Third Quarter 2023 Earnings Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] Please note this conference is being recorded.

I will now turn the conference over to Sean Horgan, Head of Investor Relations. Thank you. You may begin.

---

**Sean Michael Horgan**  
*Head-Investor Relations, MoneyLion, Inc.*

Thank you, operator. Hi, everyone. Thanks for joining us for our Third Quarter 2023 Earnings Conference Call. With me today to discuss our results are MoneyLion's CEO, Dee Choubey; and CFO, Rick Correia. You can find the presentation accompanying our earnings release on our Investor Relations website at [investors.moneylion.com](https://investors.moneylion.com). Please note that any forward-looking statements made in this commentary are subject to our Safe Harbor statement found in our SEC filings and in our earnings press release.

With that, I'll turn the call over to Dee.

---

**Diwakar Choubey**  
*Founder, Chief Executive Officer & Director, MoneyLion, Inc.*

Thank you, Sean. Good morning and thank you all for joining us for our third quarter 2023 earnings call. MoneyLion had another record quarter in Q3, demonstrating the strength and resilience of our business model. I'm pleased again to be able to say we executed like we said we would. We continue to demonstrate our ability to generate growth and drive profitability while maintaining a healthy and sustainable balance sheet. The benefits of our two-sided ecosystem are working, underscoring the durability of our business as we navigate with focus and discipline. While others are pulling back and waiting for things in the face of challenges, we are leaning in and

driving forward, optimizing our technology and building on the momentum of our mutually reinforcing businesses. That's in our DNA and we'll continue delivering on that.

Now, I'd like to highlight the key investor takeaways for the third quarter. First, we achieved record quarterly revenue of \$110 million. This was within our guidance range and represents 24% year-over-year growth, up from 22% year-over-year growth in the prior quarter. Importantly, our Consumer and Enterprise businesses both achieved record quarterly revenue.

Second, we generated record quarterly adjusted EBITDA of \$13 million. As it has been for many quarters, we are focused on cash flow generation and it's good to see we exceeded our guidance of \$6 million to \$10 million for the quarter. This represents a 12% adjusted EBITDA margin, up from 9% in the prior quarter and marks our third consecutive quarter of positive adjusted EBITDA amounting to \$30 million year-to-date.

Last, we generated \$8 million in cash flow after operating and investing activities, marking another important milestone for us as we position for self-funded growth. These are all healthy markers that should get investors excited about our progress in the quarter.

Finally, the third takeaway for the quarter is that we're rapidly scaling our marketplace network. Let me provide some metrics to illustrate how expansive our network is. We had almost 60 million total customer inquiries in Q3, which is up from roughly 50 million in Q2 2023 and 34 million in Q1 2023. This translated to over \$1 billion of financial products transacted across our network of over 1,100 enterprise partners in the third quarter alone.

We're in the enabling business, meaning that we provide the marketplace network that enables financial product providers to instantly reach the broadest set of potential customers. And correspondingly, we enable high intent consumers to easily find the product that works best for them. Our data advantage comes from our proprietary datasets. This positions us to improve monetization for all our partners and deliver better outcomes for consumers, and over time, creates opportunities for us to deliver more value through our data products.

Total customer growth continues to be an area of strength for MoneyLion. In the third quarter, we added a record 2.2 million customers, bringing our total customers to 12.1 million. Over 80% of the customers added in the third quarter took a third-party product as their first product on our platform. This speaks to our ability to attract customers with a wide array of competitive offerings through our marketplace. Our ability to consistently generate 100% year-over-year growth in total customers underscores our focus on rapidly scaling our ecosystem, which we believe provides significant revenue opportunities for the long run. We will talk more about this in our financial update as well.

Turning to total products, over 20 million total products were consumed on our platform through the third quarter, an increase of about 3 million from the prior quarter. To-date, 44% of the products consumed were third-party products, up from 39% as of Q2 2023 and 21% as of Q3 2022. Third-party products continue to make up an increasing mix of overall product consumption, reflecting our strategy to deepen the offer set to more segments of consumers.

This approach continues to allow us to provide value to three important core constituents. Number one, to our channel partners, like large digital publishers and news sites that drive consumers to our platform by providing increased ways for them to provide value to their users and in turn, monetize the impressions that they're having on their owned and operated sites. Number two, to our product partners like fintechs, banks, insurance companies and other lenders by providing high intent, in-market consumers seeking a financial product. And

finally, to consumers who now expect the same personalized financial offers and money adjacent content and education that they are accustomed to in other facets of their digital lives.

As a result, we continue to see these strong KPIs translate to financial performance marked by a healthy combination of revenue growth and margin expansion quarter-over-quarter.

Now, I'll provide an update on the progress of both our Consumer and Enterprise businesses. We've talked extensively about the flywheel effect in the past, and I continue to believe the way that we've set up our business model gives us structural advantages over fintech and marketplace peers.

Starting with our Consumer business, our first-party personal financial management products showed continued growth and performance during Q3. In the post-pandemic era with strong real wage growth and low unemployment, the average employed American consumer is performing well. This is the mass audience we primarily serve with a robust suite of personal financial management capabilities. This is critical to the success of our overall network. More engaged customers allow us to onboard a deeper set of financial institutions. Our risk management practices remain best-in-class, and Q3 was no exception. We leverage a vast set of ingested and proprietary data that informs our decision-making, and we continuously improve our risk models and optimize our payment rails. Put simply, we can underwrite risks better than those that use outdated point-in-time traditional models.

MoneyLion's predictive models are more modern, relying on multiple signals and data sources, and therefore, we're more agile and more adaptable across economic cycles. The compounding benefits of the infrastructure show up in our Q3 results. We delivered \$564 million in first-party originations in the third quarter while maintaining performance at a level we are very comfortable with.

Most of these originations came from our liquidity product Instacash. We welcome the increased popularity of the product, and again, our ability to manage the risk and operational levers is industry-leading. Our consumer-facing PFM platform is taking share with a growing number of products and services that help our customers save, borrow, spend and invest and importantly, find personalized financial insights and advice.

Now, I'll turn to our Enterprise business. In the third quarter, our Enterprise business achieved record revenue for the second quarter in a row, demonstrating the resilience of our marketplace and media divisions. Remember, MoneyLion is the marketplace solution in embedded finance that enables, not competes with financial institutions' products, solutions and brands.

In our Enterprise marketplace, we delivered another quarter of growth despite decreased industry-wide advertising spend in the face of slowing loan growth driven by higher cost of capital. We have diversified our product mix, expanding significantly into non-lending verticals in areas like high-yield savings, which has been critical to our success. Revenue from our personal loan verticals now represents 55% of our Enterprise marketplace revenue in Q3, compared to 85% in Q3 2022.

In Q3 and continuing into Q4, we have been diversifying our Enterprise marketplace revenue mix and laying the groundwork for the future to expand more into credit cards, insurance and mortgage verticals as demand for these products improve. Additionally, we now have over 1,100 enterprise partners on our embedded finance network, and we're finding the new revenue streams that leverage our data advantage, things like consumer insights and fraud signals that show lead quality and cash flow underwriting models. Our entire ecosystem and the three core constituents we outlined benefits from our proprietary datasets generated through our robust marketplace.

Our consumer marketplace is an important component of the overall product we provide our network by matching high-intent consumers with the right financial products at the right time. This portion of the overall enterprise business drives high gross margin revenue and is a key driver of margin expansion as we continue to scale.

And finally, our Media division is focused on several areas that represent untapped revenue opportunities, most notably, cross-selling media services to our existing partners throughout our network. This enhances the value proposition that we provide to our channel partners, product partners, and of course, to our consumers. Our Media business has exited the quarter with strong momentum and remains laser-focused on driving growth and profitability through its expanding list of clients, as well as continuing to enhance the value of the consumer product in the consumer marketplace.

The MoneyLion ecosystem continues to rapidly evolve and drive innovation forward. Since our last update, we've added intuitive product applications like savings and loan calculators that make it easy for users to find the products they need. We've rolled out AI-powered search and insights within our app, leveraging our vast proprietary data set. We are providing customers with insights into their spending habits that can help them better budget, save and invest for the future.

As we previewed last quarter, we are providing this technology to any financial institution looking to build the marketplace capabilities. We use behavioral insights like our Driver Score, which helps match good driving behavior with personalized offers for related financial products like auto insurance. We provide credit monitoring and insights that help customers improve their credit score and find personalized offers that fit their needs.

Finally, we unlocked new social features in the Discover Feed that drive engagement and a sense of community. We are starting conversations about money, their prompts and polls and start conversations with and amongst users.

In addition to these capabilities, we are building the most engaging tools, widgets and calculators in the industry, helping our customers learn about products and make their best product decisions. These experiences are distributable anywhere across our enterprise network, enabling our partners to maximize the value of their product offerings. Because of these innovations and building unique products, we're driving more consumers to our platform, which makes our marketplace deeper and attracts more enterprise partners to our network. This is the structural advantage we've been talking about, and we believe the flywheel effect significantly differentiates our business model and it will propel our growth for years to come.

So, what is MoneyLion doing in Q4 and beyond, as other marketplaces are just waiting for the market to shift? We're building. We're innovating. We're playing offense. We're executing and gaining momentum. We're shortening the distance between consumers and the products they want. That means taking market share no matter the market.

Now, I'll turn the call over to Rick to walk through our financials in detail.

---

## Richard Correia

*President, Chief Financial Officer & Treasurer, MoneyLion, Inc.*

Thanks, Dee, and good morning to everyone. I look forward to sharing details about our financial performance for the third quarter ending September 30, 2023. I will also discuss our guidance and outlook for the full year of 2023. For more information, please refer to our GAAP consolidated financial statements and non-GAAP reconciliations, which are available in today's earnings release and our 10-Q filing.

Turning to our customer acquisition and lifecycle strategy, our top of funnel drove approximately 60 million total customer inquiries, up from roughly 50 million in Q2 2023. These customer inquiries converted into a record 2.2 million new total customers, up from 2.1 million in Q2 2023. Similarly, this resulted in 3 million total products consumed during the quarter, compared to roughly 2.7 million in Q2 2023.

As Dee mentioned earlier, over 80% of customers added in the third quarter took a third-party product as their first product and demonstrates the importance of our marketplace approach. This approach differentiates us from those who offer first-party products only, and it allows us to scale with incredibly attractive unit economics and future lifetime value potential.

So how are these unit economics in the third quarter? We added 2.2 million new customers at a CAC that remains under \$15. And all of our markers tell us our low CAC profile will continue in the near-term. Importantly, we've seen our CAC decline each quarter year-to-date in 2023. Our payback period continues to be around three months.

ARPU was \$40 in the third quarter compared to \$48 in Q2 of 2023. Of course, adding a record number of customers over the quarters skews the ARPU calculation. However, as we have said over the past few quarters, our \$40 ARPU is also the result of a strategic decision to focus on a larger TAM and lifetime value, and it's working. The directional trends of our unit economics are aligned with our strategy to scale today while monetizing at attractive margins as you can see from our expanding margin profile. Again, this provides us with an opportunity to cross-sell when these less mature cohorts need their second, third and fourth financial products.

Our unit economics underpin our strong business equation and reflect our deliberate decision to bring as many people into our ecosystem as possible. We believe this positions MoneyLion for long-term sustainable growth.

As you can see, our historical cohorts once again demonstrate our ability to drive lifetime value and generate repeat product consumption and revenue. Starting with Consumer, in the third quarter, over 80% of our consumer revenue came from historical cohorts, and we continue to see the majority of our revenue come from cohorts that we acquired in prior years, which illustrate the highly recurring nature of our consumer revenue.

In our Enterprise business, over 90% of revenue from our Enterprise marketplace came from prior-year cohorts. This is what gives us the encouragement to invest in our Enterprise sales efforts. We know that when we onboard a new partner, they're likely to have a high lifetime value by virtue of the fact that most of our Enterprise revenue today is from partners we onboarded in prior years.

Shifting gears to Originations, total originations were \$564 million, up 26% year over year. And in the last four quarters, we've seen over \$2 billion in total originations. Our provision expense as a percentage of originations was 3.7%, which is flat compared to the second quarter. Two primary drivers are contributing to our performance. One, we are continuously implementing changes to optimize our credit performance. Specifically, we've enacted operational improvements in 2022 and 2023 that have also supported the positive results we've seen. Two, as Dee mentioned, most of our consumer originations come from our liquidity product, Instacash. The health of the customers engaging with this product and helping these customers meet liquidity needs drives positive performance.

In combination, these two drivers abstract us away from the macro environment. Going forward, we will continue to manage originations to balance growth, cash flow and credit performance with a high degree of confidence given the operational levers we have.

Revenue for the quarter grew 24% year-over-year to \$110 million, marking another quarter of record revenue. This was driven by strength across our entire business. As Dee mentioned, we achieved record quarterly revenue in both our Consumer and Enterprise divisions while realizing gross profit and adjusted EBITDA margin expansion.

Turning to gross profit, Q3 2023 marked our second consecutive quarter of gross profit margin expansion. We generated \$67 million of gross profit in the third quarter, representing a 61% gross profit margin compared to our guidance range of 55% to 60%. Our gross margin expansion reflects the higher gross margin from our enterprise revenue as we continue to drive higher margin consumer marketplace revenue.

Now, on to our path to profitability. Q3 2023 was our third consecutive quarter of positive adjusted EBITDA and continued margin expansion. Adjusted EBITDA in the third quarter was \$13 million compared to \$9 million in the second quarter of 2023, representing an adjusted EBITDA margin of 12% in the third quarter compared to 9% in the second quarter of 2023. Notably, we've generated \$30 million of adjusted EBITDA year-to-date, demonstrating significant progress as we scale. We closed the quarter with \$94 million of cash compared to \$97 million in Q2, while also paying down \$10 million of senior debt in Q3, meaning we generated \$8 million of cash before paying down debt, further validating that our unique business model is working.

Importantly, we also paid down another \$10 million of senior debt in October of 2023, bringing our secured loan balance to \$65 million, which comes due in Q1 of 2026.

While we don't plan on making any payments on our senior debt until March 2026, going forward, our lower overall debt balance will reduce our quarterly interest expense with the full impact beginning in Q1 of 2024. Similarly, the absence of these repayment commitments will allow us to allocate more cash to invest in organic growth and strategic investments going forward.

Shifting gears to guidance, in the third quarter, revenue was \$110 million within our guidance range of \$110 million to \$115 million. Gross profit margin was 61%, exceeding the high end of our guidance of 55% to 60%. And adjusted EBITDA was \$13 million, exceeding the high end of our guidance of \$6 million to \$10 million. This represents a 12% adjusted EBITDA margin, a 5 percentage point improvement relative to the midpoint of our guidance.

For the full year of 2023, we expect revenue between approximately \$420 million to \$425 million, representing a 23% to 25% year-over-year growth. We expect gross profit margin between 58% and 59% and adjusted EBITDA of approximately \$39 million to \$45 million, representing a 9% to 11% adjusted EBITDA margins.

To put this into perspective, at the midpoint of our guidance, we expect \$42 million of adjusted EBITDA or 10% adjusted EBITDA margin in fiscal year 2023, which compared to an adjusted EBITDA loss of \$63 million in fiscal year 2022, represents an improvement to adjusted EBITDA margin of 28 percentage points.

All of this together reflects a financial profile that is rapidly approaching the rule of 40. Our full year 2023 guidance reflects 24% year-over-year revenue growth and 10% adjusted EBITDA margin at the midpoint. This is a great outcome and we believe we are rapidly approaching the optimal balance of growth and margin. As we look to close out the remainder of 2023, we're proud of the progress we've made and feel incredibly well-positioned for the quarters and years ahead.

With that, I'll turn it back to Dee for closing remarks.

## Diwakar Choubey

*Founder, Chief Executive Officer & Director, MoneyLion, Inc.*

Thanks, Rick. Our third quarter performance speaks for itself. Our progress year-to-date reflects MoneyLion's ability to pull the right levers to strike the right balance of growth and profitability. We are gaining momentum and we're positioned for [ph] outsized (00:23:02) growth in the long run. We have a durable and nimble business model with many levers to pull in order to navigate through an uncertain macroeconomic environment.

We did what we said we would. We reached all-time high quarterly revenue of \$110 million, while, as Rick said, adjusted EBITDA margins expanded quarter-over-quarter. The strength of our ecosystem is past the point of proof of concept. We are now expanding our footprint. We continue to innovate our technology, our proprietary data sets continue to compound, and we continue to develop and release innovated embedded marketplace product features that exist within our own PFM product set and available to any one of our enterprise clients. All the pipes are laid across our network. We're leaning into areas of strength and positioning for the rebound.

Strategy is everything in this moment. And while some are positioning for survival in a down market, we're positioning to pull ahead of the pack and become the market leader.

In closing, we've never felt better about MoneyLion's competitive position than we do today. Our marketplace strategy has proven to be the right one. We have a capital-light model where we don't rely on us having to have a massive marketing spend. We continue to see record customer adds due to the flywheel between our PFM, our consumer capabilities and our enterprise marketplaces. Moreover, we have a strong balance sheet going into Q4 and 2024 that gives us a lot of confidence to execute. The strategic bets we made are bearing fruit and we're incredibly excited about the opportunities in front of us.

Thank you all so much for joining today and we look forward to taking your questions.



## QUESTION AND ANSWER SECTION

**Operator:** Thank you. [Operator Instructions] Our first question is from Hal Goetsch with B. Riley. Please proceed.

**Hal Goetsch**

*Analyst, B. Riley Securities*

Q

Hey, good morning, everyone. Great quarter. [ph] Rick (00:25:19), I got a question for you, guys. You just said all the pipes are laid for a rebound. And then earlier in your comments, you said your personal loan business was down 85% – from 85% down to 55%. I was hoping you could just give us more color on the declines you might have seen or the pressure you might have seen in this business over the year that [ph] just, hey (00:25:41), you guys are fighting through a very difficult time. And I'm just hoping you could give us more color or more numbers on the stress that's seen in that personal loan market over the last year. Thanks.

**Diwakar Choubey**

*Founder, Chief Executive Officer & Director, MoneyLion, Inc.*

A

Hey, Hal, thanks for the question. Good morning. So one clarification. It's not that our personal loan business is declining. What we said was a year ago...

**Hal Goetsch**

*Analyst, B. Riley Securities*

Q

Sure.

**Diwakar Choubey**

*Founder, Chief Executive Officer & Director, MoneyLion, Inc.*

A

...85% of the revenue was from personal loans. We've diversified so much that this quarter, 55% of the Enterprise marketplace revenue were from personal loans. What that means is that we're getting into more asset classes now. And remember [ph] what (00:26:18) we've historically been really, really strong, we have APIs that connect publishers to financial institutions, and through those APIs we have been historically incredibly strong connecting that personal loan product. Now, what we're trying to do is get more and more verticals.

What do they really mean? It could be credit cards, it could be other types of loans. It could be the financial wellness bundle. They could be credit builders. And that's what we're seeing a lot of progress that the team is making in terms of making those connections between both sides of the marketplace. And look, as it relates to the macro, lenders need really to have a – really to have more certainty in the rate environment, right. So we are seeing that lenders are pulling back because there's just uncertainty around interest rates, the cost of capital industry-wide is increasing. But as soon as we start seeing markers where that doesn't necessarily have to go super down on interest rates, but the feedback that we're getting from our lenders is that as soon as we see a modicum of stability in the rate forecast, we actually anticipate personal loans also to come back at some point in 2024.

**Hal Goetsch**

*Analyst, B. Riley Securities*

Q

And I guess one follow-up. These new verticals, like, do they follow a kind of a predictable maturation of the cohort – on a cohort basis that you add them, [ph] do they (00:27:44) kind of start slowly and grow as -? Give us a feel for how like new verticals kind of scale when you onboard them on the Enterprise side.

**Diwakar Choubey**

*Founder, Chief Executive Officer & Director, MoneyLion, Inc.*

A

Yeah, look, I think the new verticals really are TAM expansion opportunity for us, right. So we talked a lot about customer growth. We were very confident in our ability to increase the overall aperture of users that come into our ecosystem. We've always said that the investments that we've made, the bets that we've made, allow us to really provide substitution products for our consumers, both financial and non-financial, right. So, the expansion into verticals allow us to really serve the customer multiple times in our relationship with them. It increases lifetime value. It increases the number of times we can have conversations with them through our lifecycle and our product capabilities. So it's really more of a TAM expansion point. And Rick can translate in – translate that in terms of how it translates into ARPU. So, Rick, I don't know if you want to add a little bit there.

**Richard Correia**

*President, Chief Financial Officer & Treasurer, MoneyLion, Inc.*

A

Yeah. So, hey, Hal. So, you can see, given our unique business model that this quarter was interesting because we were both like revenue and growth greedy. And so, we added 2.2 million customers at a sub-\$15 CAC. We had over 3 million products in some of the platform, all while generating record revenue, record gross profit, record adjusted EBITDA and record cash flows.

And so, I think your question is important because this happens as we tap into a larger TAM and then after acquiring the customers, we have the most full featured PFM experience and breadth of marketplace. So your question around, as customers are on the platform and we're expanding into verticals, yes, we're able to acquire customers who historically may have been coming for a loan, but now they're coming for the savings product and we're able to market to them and lifecycle to them. And you can see from the past few quarters and our Q4 guidance that tapping into this larger TAM, it's fueling our business equation. It's gaining momentum and we continue to expect this to work as we continue to add even more verticals going forward.

**Hal Goetsch**

*Analyst, B. Riley Securities*

Q

[ph] Okay (00:29:50). Thank you very much.

**Operator:** Our next question is from George Sutton with Craig Hallum Capital Group. Please proceed.

**George Frederick Sutton**

*Analyst, Craig-Hallum Capital Group LLC*

Q

Thanks, guys. Great EBITDA. So, you talked about leaning in versus the rest of the market pulling back. I was wondering if there was a way for you to quantify for us what you're seeing from the pulling back perspective and how that is providing you unique opportunities.

**Richard Correia**

*President, Chief Financial Officer & Treasurer, MoneyLion, Inc.*

A

Yeah, George. How are you? Good morning. Look, I think it's a similar response to Hal's question is that the diversification outside from personal loans into other verticals is really the quantification here, right. That 85% of

the mix of Enterprise revenue from a year ago that was credit and personal loan oriented has decreased to 55% this quarter, right. So, I think that just shows you the expansion that we're seeing in those other verticals. And we see that trend continuing into Q4 and into 2024 as well.

Yeah. And the interesting thing about this question is if you look at our business model, we are an embedded finance platform. And so, our enterprise customers that are having to kind of pull back because of credit and risk constraints, we're able to help them with the completion strategy. We're able to give them alternative product that they can help monetize and offset their risk constraints at this time.

And so, that's an opportunity for us. We're having more engaging conversations with our enterprise clients because we're actually able to help them, given the fact that we can efficiently get them our embedded finance products that help them monetize their customers away from credit. And we're seeing that momentum continue. The powerful thing about that model is as those headwinds diminish, those macro headwinds diminish, we're going to have that elastic bounceback across all of those verticals plus credit, which for us represents significant upside going forward.

---

**George Frederick Sutton**

*Analyst, Craig-Hallum Capital Group LLC*

Q

Thanks, Rick. Really helpful. You had mentioned that with the debt paydown and the cash flows you're generating, your ability to invest in organic growth is better. You did mention potentially investing more in Enterprise sales. Just curious how you're looking to capture this bigger organic opportunity with the cash flows that you're generating?

---

**Richard Correia**

*President, Chief Financial Officer & Treasurer, MoneyLion, Inc.*

A

Yes. So, yes, I think it's going to be more of the same, meaning those conversations that I was just mentioning are happening more and more. And so, there's a significant amount of inbound that are happening. But on top of that, once we actually have those initial kind of sales conversations, there's an undertaking around integration. So the investment is around our integration team, our partner solutions team, the inside sales team that allow us to kind of have those fruitful conversations convert, integrate, and then help our clients actually monetize their customer base. And so, that's where you going to see us continue to focus.

You're also seeing, as Dee talked about, a lot of investment being made in terms of taking a lot of the tech IP that we've created. We have the most full feature app that exists in the country. And so, we're taking all of that technology and that IP and making it available to our Enterprise customers to enable them to be more successful at retaining and monetizing their client base.

---

**George Frederick Sutton**

*Analyst, Craig-Hallum Capital Group LLC*

Q

Perfect. Great job. Thanks, guys.

---

**Operator:** Our next question is from Josh Siegler with Cantor Fitzgerald. Please proceed.

---

**Josh Siegler**

*Analyst, Cantor Fitzgerald & Co.*

Q

Yeah. Hi, guys. Thanks for taking my question this morning. Congratulations on the strong EBITDA print. So you continue to experience these lower provision expenses as a percentage of originations. I was wondering if you expect that to continue, especially amidst a declining consumer credit macro backdrop. Thank you.

---

**Diwakar Choubey**

*Founder, Chief Executive Officer & Director, MoneyLion, Inc.*

A

Hey, Josh, I'll start and let Rick kind of go into the technicals here. But, from the state of the consumer, we actually feel that the liquidity products that we provide on a first-party basis continue to benefit from a consumer that is really strong, right. So again, if you think about who we service with the Instacash product, it's the policemen, it's the firemen, it's the teachers, the union worker, it's the gig economy worker. Our ability to predict when the cash flow comes into the bank account and how quickly it decays is industry leading, right. This is a piece of technology that we've been honing and making it very precise over the last 10 years.

We have a incredible data advantage here, right. And this is where we ingest data from third parties. We have a lot of data that's being created on our own, consumer-facing products as well as from the network. All of that creates incredible insights for us to know exactly how the paycheck is coming into this ecosystem. That allows us to make operational improvements, right. We talked about improving our payment rails. There's a lot of innovation happening in the payments world, right.

So again, this is where our team excels. This is the DNA of the firm and we feel really confident that despite the macro backdrop, this segment of the American population is always either having a moment of excess or a moment of deficit. And our ability to predict that is really strong. We see this – we see this trend continuing in Q4 and into the early part of next year. We don't know. We don't have a crystal ball in terms of just how deep the macro impacts 2024. But at least for the next two quarters, we feel very comfortable with our ability to manage this risk on a go-forward basis.

And as Rick said, one of the opportunities for us now is to take some of these data insights that are being generated at such a large scale and make them into data products, right, [ph] to (00:35:51) make them into consumer insights, fraud insights that anyone on our network, any financial institution on our network, whether they be fintechs, whether they be banks, whether they be lenders, whether it be mortgage companies, auto lenders can use. And we see that as an opportunity to expand our Enterprise business going forward because we're finally at the precipice of being able to commercialize a lot of these proprietary data sets that we've been honing for a long period of time.

---

**Josh Siegler**

*Analyst, Cantor Fitzgerald & Co.*

Q

Great. Thank you. Appreciate that color. And then, towards the end of Rick's remarks, you mentioned that you were reaching that ideal level growth and profitability and balancing that in the future. I was wondering if you could kind of give us an insight into how you envision balancing growth and profitability if the macro starts accelerating again? As you mentioned, some products could start accelerating beyond what we saw this year. So I was wondering what that balance would look like in a more growth-oriented environment. Thanks.

---

**Richard Correia**

*President, Chief Financial Officer & Treasurer, MoneyLion, Inc.*

A

Yeah, we love that question, of course, because this is what we've been playing for. I think what you've seen is we've been able to abstract our business away from the macro, and I'm acutely aware of what I'm saying that that is something that is unique given that there are [ph] all (00:37:07) kind of headwinds happening within the space

and the amount of uncertainty. But the benefit of our platform is that we're able to be nimble and durable during these kind of headwinds we're seeing in the macro. And there's nothing that tells us that anything's going to change on that, particularly on your question from [indiscernible] (00:37:24) our liquidity product.

In terms of going forward as we kind of see that shift, and basically what we expect to see is, the investments that we have made in the platform, the operating leverage that you guys have been a witness to over the past four quarters, is going to continue. We have built the platform. It is ready for that scale. And so, we're going to be able to extract significantly more operating leverage and cash flow and EBITDA as the kind of quarters unfold. And as the headwinds that we're seeing in the macro diminish, we expect that to actually be a multiple of where we sit today.

---

**Josh Siegler**

*Analyst, Cantor Fitzgerald & Co.*

Q

Very helpful. Thank you very much.

---

**Operator:** Thank you. That will conclude the question-and-answer session. We will end the conference. You may disconnect your lines at this time and thank you for your participation.

**Disclaimer**

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2023 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.