Q1 2024 Results

May 9th, 2024

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This presentation includes non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures. For example, other companies may calculate similarly-titled non-GAAP financial measures differently. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures.

Key Q1 Highlights and Themes

Q1 2024 Results

Results were generally in line with internal expectations. The company faced headwinds from client de-conversions in 2023 and elevated regulatory and compliance spend while benefitting from cost savings associated with the card processing conversion and other efficiency initiatives.

Non-GAAP Revenue[1] up 9%

Adjusted EBITDA[1] down 28%

Non-GAAP EPS[1] down 40%

Continuing to Focus on Efficiency

Consumer and B2B segments realized substantial savings with card processing expenses down over 50% from the prior year.

Compensation expense was down year over year and headcount is down ~6% since the beginning of 2024 as we enacted a modest reduction in force (RIF) in 1Q24.

Company realized the positive impact of cost-cutting efforts in 2023 and continues its focus on cost management in 2024.

Stability in Direct, Momentum in B2B, Solid Tax Season

While still facing tough comparisons, BaaS has seen improving momentum with revenue and active accounts up over 40% and PV up 20%.

The tax division, TPG, had a solid start to the year with revenue up 12% in the quarter.

After several years of revenue declines in the Direct channel due to a deliberate effort to deemphasize legacy brands and focus only on the GO2bank brand, revenue appears to be stabilizing.

Reallocating Resources to Drive Growth in 2024

Business development pipelines are gaining momentum across a wide range of potential customers and business cases, particularly in the BaaS and Green Dot Network business.

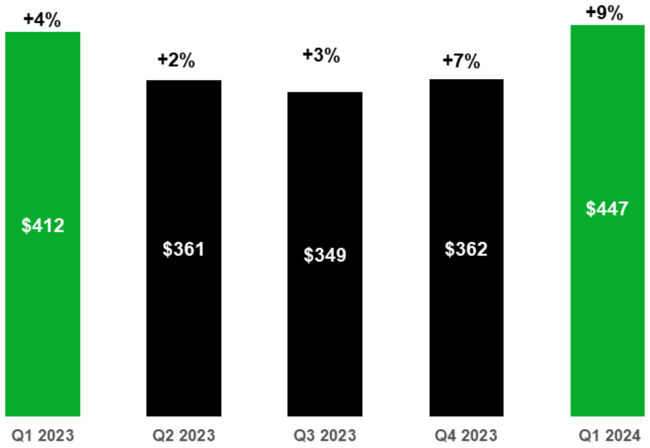
New partner, PLS, was recently launched in the Consumer Services segment and should begin to have a positive impact in the segment beginning in 2Q24.

Making investments to more efficiently launch partners, expand money movement capabilities and enhance core product suite to drive engagement.

[1] Please see appendix at end of presentation for a reconciliation of GAAP to Non-GAAP Measures

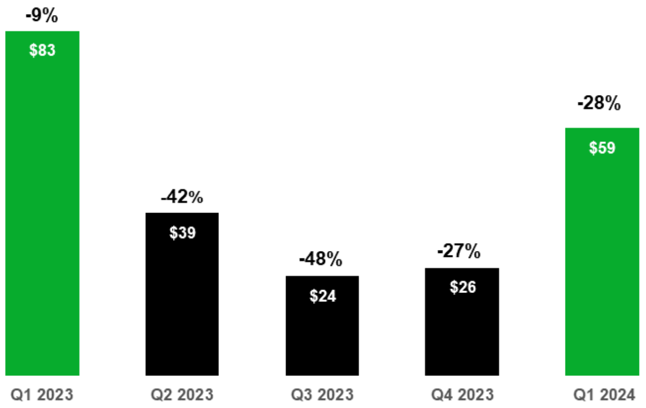
Consolidated Results

Non-GAAP Revenue[1]

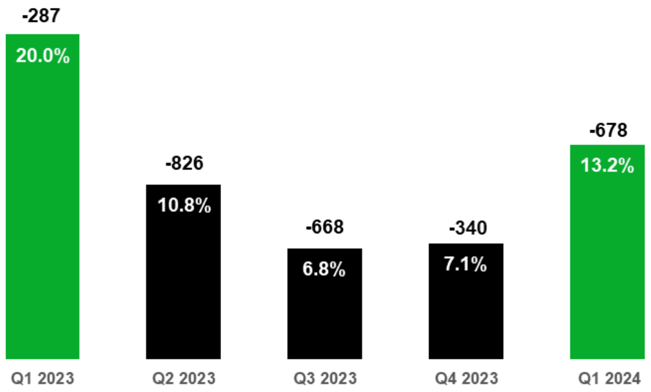


in millions, reflects change versus the prior year

Adjusted EBITDA[1]

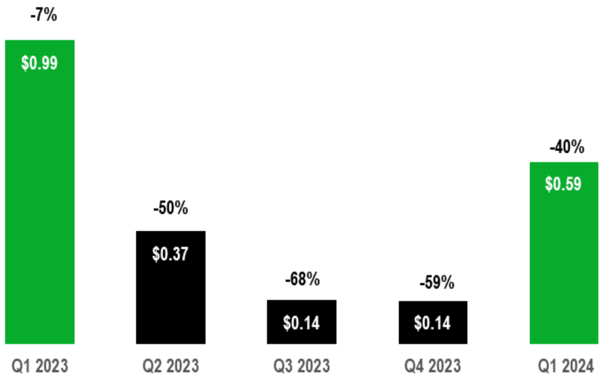


Adjusted EBITDA Margin[1]



reflects change in basis points versus the prior year

Non-GAAP EPS[1]



reflects change versus the prior year

Non-GAAP Revenue[1] increased 9%

- Consumer Services down 28%.
- B2B Services up 41%.
- Money Movement up 5%.

Adjusted EBITDA[1] down 28%

- Adjusted EBITDA margin of ~13.2%, down 678 bps as we still faced tough comparisons due to customer de-conversions and elevated levels of spending on regulatory and compliance infrastructure.
- Consumer Services segment profit down 37%.
- B2B Services segment profit was down 18%.
- Money Movement segment profit up 8%.

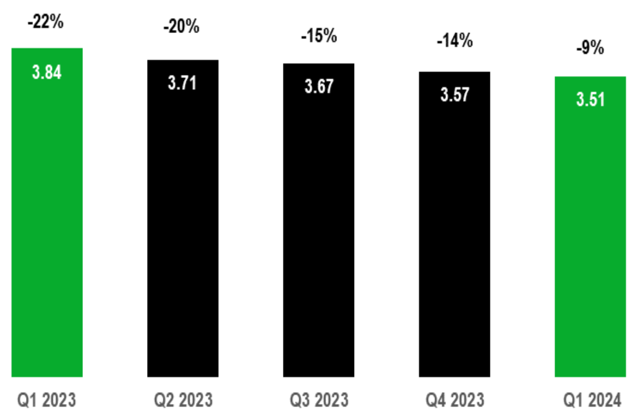
Non-GAAP EPS[1] declined 40%

- Non-GAAP effective tax rate of ~24% was up slightly from the prior year, while share count of 53.3M was up from 52.0M last year.

[1] Please see appendix at end of presentation for a reconciliation of GAAP to Non-GAAP Measures

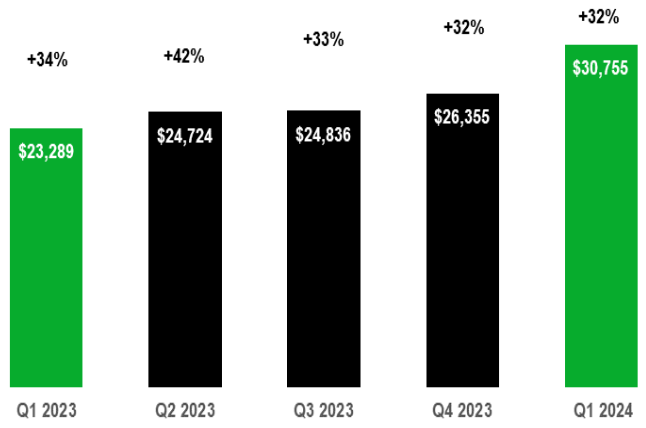
Consolidated Key Metrics

Active Accounts[1]



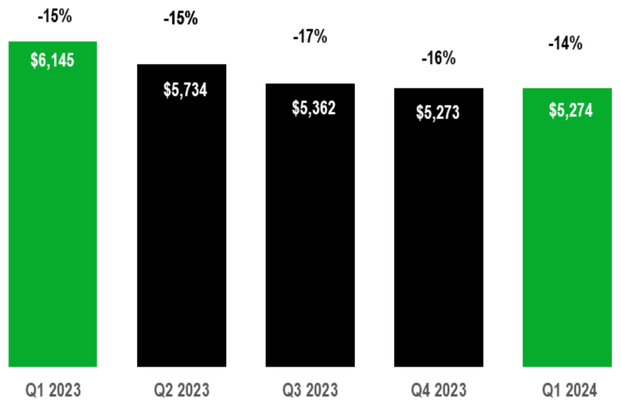
in millions, reflects change versus the prior year

Gross Dollar Volume



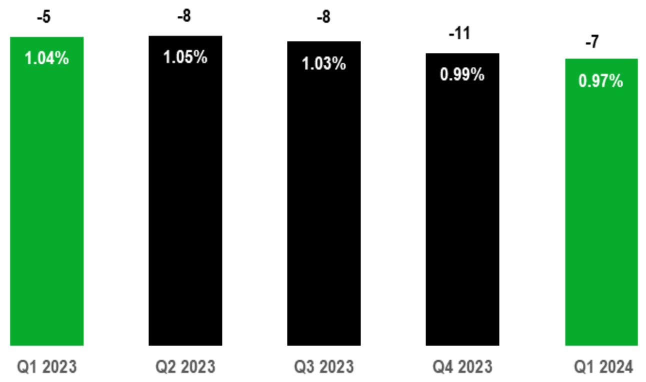
in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Net Interchange Rate[2]



reflects change in basis points versus the prior year

Active accounts[1] declined 9%

- Consolidate actives declines moderated to the slowest rate in several years though Consumer Services active accounts were down 20%, The Retail channel continues to face secular headwinds while the Direct channel continues to focus on growth of GO2bank while sunsetting legacy brands.
- Consumer Services direct deposit active accounts[1] were down 23% from prior year due to impact of sunsetting legacy brands in the Direct channel.
- B2B Services active accounts were up 11% as we begin to lap the de-conversion of 2 partners while launching new partners and seeing growth from existing partners.

Gross dollar volume up 32% over prior year

- Consumer Services down 21%.
- B2B Services up 49%.

Purchase volume declined 14%

- Consumer Services down 23%.
- B2B Services was up 7%.

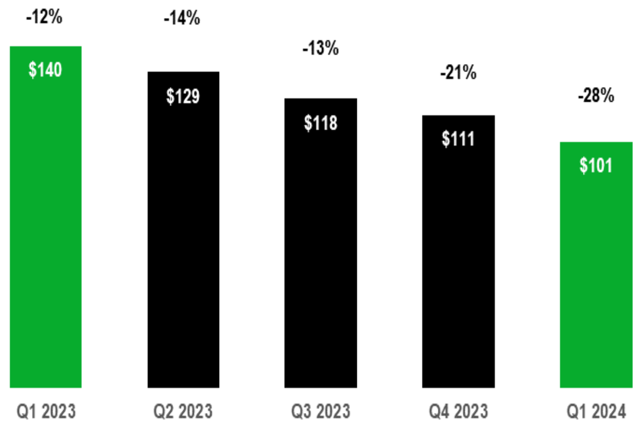
Net interchange rate[2] declined 7 bps

- Rate down due to transaction mix and higher average transaction size.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end
[2] Net Interchange Rate equals Interchange revenues divided by Purchase Volume

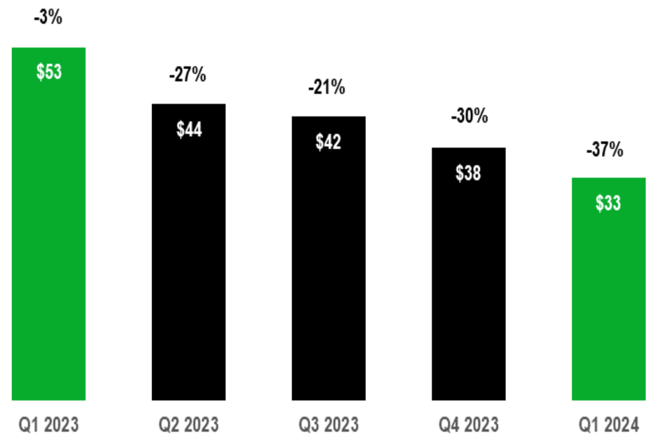
Consumer Services Segment

Segment Revenue



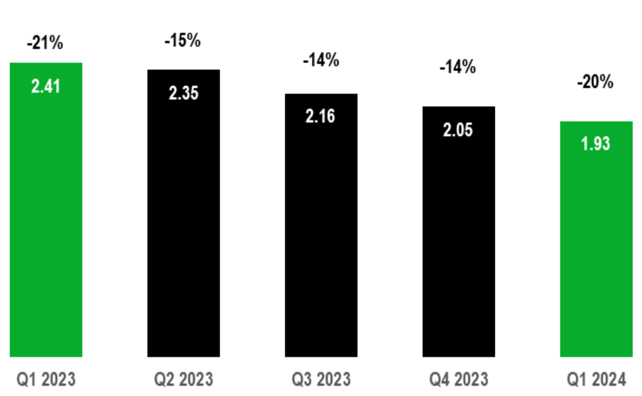
in millions, reflects change versus the prior year

Segment Profit



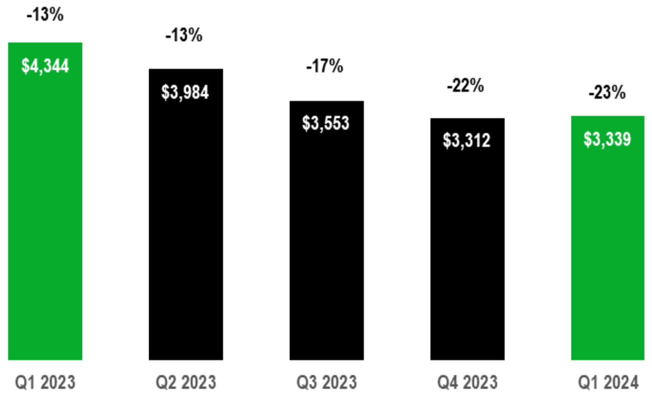
in millions, reflects change versus the prior year

Active Accounts[1]



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Segment revenue declined 28%

- Declines were driven largely by secular headwinds in Retail channel, the de-conversion of a retail program and sunsetting products in the Direct channel.
- Revenue in the Retail channel declined ~34% due to de-conversion of a retail program and decline in active accounts. The Direct channel saw year over year revenue declines of 15% but revenues are stabilizing on a sequential basis and GO2bank continues to see sequential growth quarter on quarter.
- Revenue per active account[1] was stable, excluding the impact of the program de-conversion.

Segment profit decreased 37%

- Segment profit was under pressure and margins declined 467 bps points due to revenue declines. Excluding the impact of the program deconversions, we estimate profit was down low double-digits.

Active accounts[2] declined 20%; Direct deposit active accounts declined 23%

- The rate of decline in active accounts remains relatively stable while the Retail channel saw a slight acceleration in the rate of decline. The impact of sunsetting certain products impacted the year over year growth rates in the Direct channel and aggregate direct deposit active accounts.

Purchase volume declined 23% and gross dollar volume declined 21%

- Declines were slightly greater than the decline in active accounts as the sunset products had higher GDV and PV levels than average.

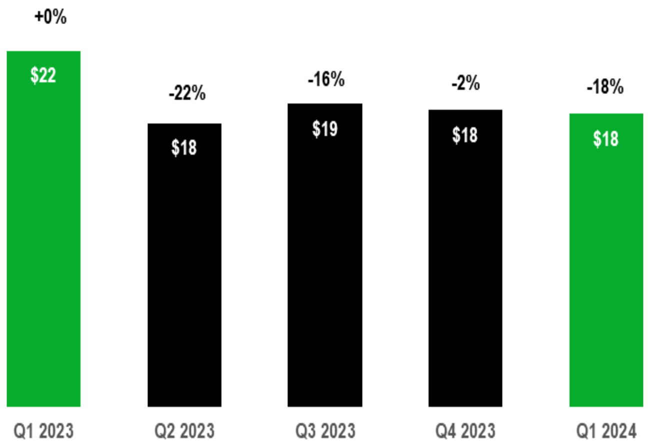
[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

B2B Services Segment

Segment Revenue

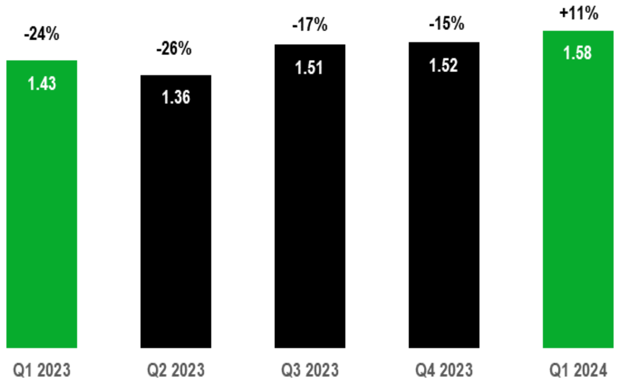
in millions, reflects change versus the prior year

Segment Profit



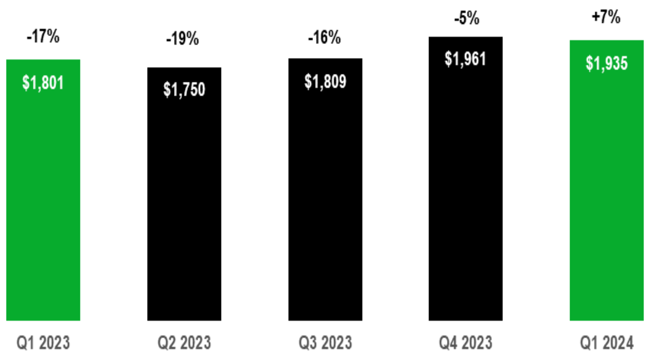
in millions, reflects change versus the prior year

Actives[1]



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Segment revenue increased 41%

- Strong growth from a key BaaS partner, new partner launches and the Rapid! PayCard program were partly offset by previously announced partner de-conversions.
- rapid! PayCard saw solid growth driven by price actions in the taken in the second half of 2023.

Segment profit declined 18%

- Segment profit margin declined 539bps
- Margin pressure was driven by growth of a key BaaS partner with lower margin characteristics. In addition, segment profits and margins in the remaining BaaS business were under pressure due to partner de-conversions.
- PayCard margin was up sharply due to the growth in revenue and minimal growth in operating expenses.

Active accounts[1] were up 11%

- While the de-conversion of BaaS partners presented a substantial headwind for growth in actives on a year over year basis, the launch of new partners and growth of existing partners resulted in year over year growth and 3 quarters of sequential increases.

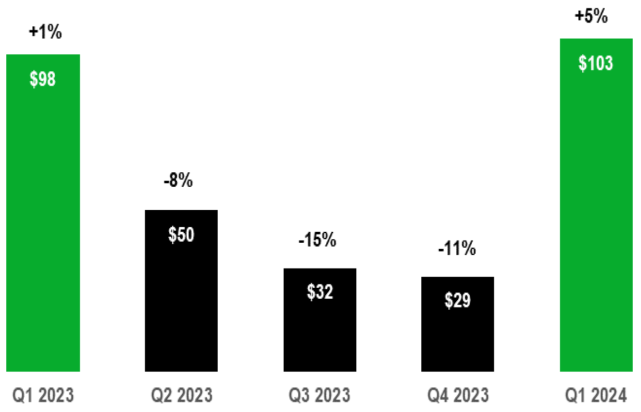
Gross dollar volume increased 49% and purchase volume increased 7%

- Growth in GDV was driven by several key BaaS partners with increases in PV driven by growth in actives.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

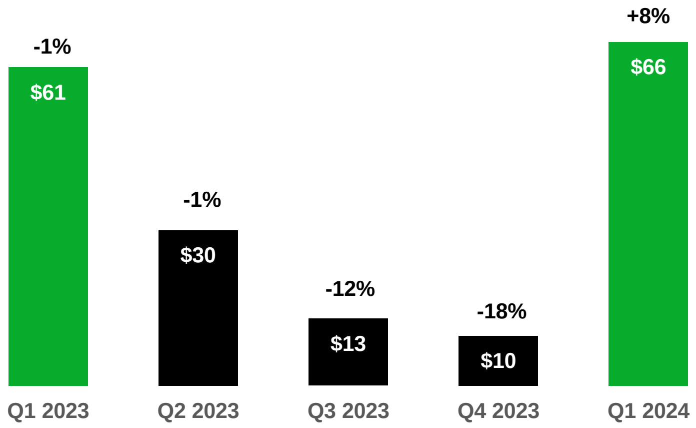
Money Movement Services Segment

Segment Revenue



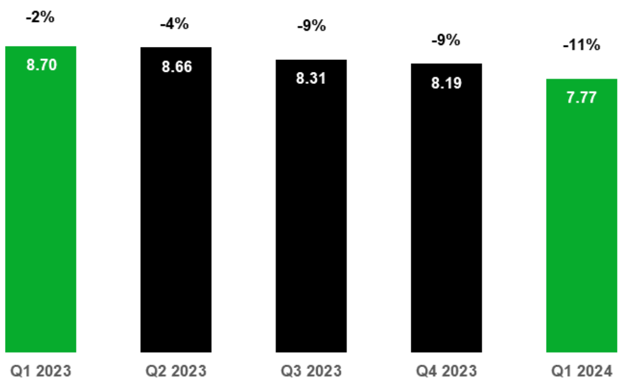
in millions, reflects change versus the prior year

Segment Profit



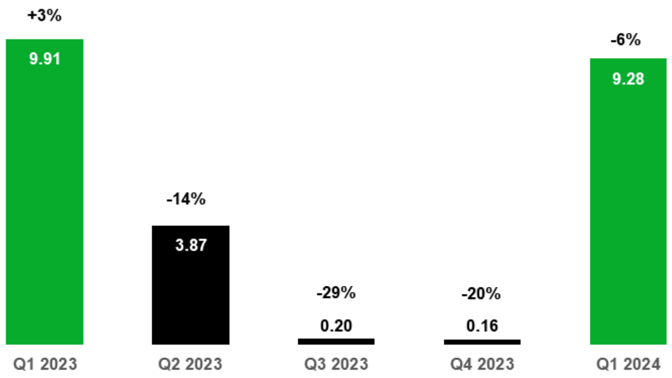
in millions, reflects change versus the prior year

Cash Transfers



in millions, reflects change versus the prior year

Tax Refunds



in millions, reflects change versus the prior year

Segment revenue increased 5%

- Growth was driven by the tax operation, which had a strong start to the tax season while the Green Dot Network (GDN) continues to see year over year declines as transactions from Green Dot Issued accounts remain under pressure due to the decline in actives.

Segment profit increased 8%

- Segment profit margin was up 172bps due to stable margins in tax and expansion in Green Dot Network margins.

Cash transfers were down 11%

- While the decline in actives remains a headwind for transactions, contributions from 3rd party partner volumes has helped to moderate the rate of decline.
- 3rd party volumes were down 2% and now account for ~65% of total transactions.

Tax refunds declined 6%

- While transactions were down, due to pricing actions and favorably channel mix, revenue per transaction was up.

2024 Guidance and Outlook

Projected Non-GAAP Revenue[1] of $1.55B-$1.60B

Projected Adjusted EBITDA[1] of $170M-$180M

Projected Non-GAAP EPS[1] of $1.45-$1.59

2024 Considerations and Outlook

1Q23 and 2Q23 had benefit from de-converting programs creating headwinds for 1Q24 and 2Q24.

Spending on regulatory infrastructure expected to peak in 1H24.

Recently launched BaaS partners expected to continue to ramp up and PLS was launched in early 2Q24.

Assuming 2-3 modest rate cuts in 2H24.

Non-GAAP Revenue[1] projections; Growth in each quarter with momentum building through the year.

Adjusted EBITDA[1]projections; Slightly more than half of EBITDA in 1H24

Adjusted EBITDA margin projections; Flattish to down with, modest pressure in 2Q and 2H24 up 200-250bps year over year.

Consumer Segment

Secular headwinds, sunsetting direct portfolios in 2023 and program deconversion expected to result in low double-digit revenue declines.

Revenue in 2Q24 expected to be down similar to 1Q24.

Launch of PLS, growing contribution from GO2bank and lapping headwinds is expected to drive improved revenue momentum in 2H24.

Margins, actives and volumes expected to exhibit similar pattern as revenue.

B2B Segment

Revenue growth is expected in the mid-30% range with generally consistent performance throughout the year driven by both BaaS and rapid! Paycard.

Margins are expected to be down ~150-200bps with margins showing sequential improvement throughout the year though 2Q and 3Q will likely be down on year over year basis.

Actives are expected to continue to see strong growth and PV is expected to see mid-to-upper single digit growth.

Money Movement Segment

Full year revenue growth is expected to be in the mid-to-high single digits driven by both tax and Green Dot Network.

Revenue in 1H24 is expected to be in the low-single digits with expected growth in 2H24 in the mid-to-high single digits as Green Dot Network benefits from the launch of PLS in the Consumer Services segment and numerous Green Dot Network partner launches scheduled over the course of the year.

Margins expected to be up 500-600bps driven by revenue growth and operating leverage.

[1] Please see appendix at end of presentation for a reconciliation of GAAP to Non-GAAP Measures

Appendix

Segment Information

Reconciliation of Segment Revenues

	2023				2024
	Q1	Q2	Q3	Q4	Q1
Segment Revenue					
Consumer Services	$ 139.8	$ 129.1	$ 118.2	$ 111.5	$ 100.6
B2B Services	171.3	180.7	199.2	221.8	241.2
Money Movement Services	98.2	50.0	32.1	29.4	103.2
Corporate and Other	3.0	1.4	(0.9)	(1.0)	2.5
Total segment revenues	412.4	361.1	348.6	361.7	447.4
BaaS commission and processing expenses (8)	4.8	5.4	5.2	5.1	5.1
Other income (9)	(0.7)	(0.7)	(0.7)	(0.8)	(0.5)
Total operating revenues	$ 416.4	$ 365.9	$ 353.0	$ 366.0	$ 452.0

Green Dot's segment reporting is based on how its Chief Operating Decision Maker (“CODM”) manages its businesses, including resource allocation and performance assessment. Its CODM (who is the Chief Executive Officer) organizes and manages the businesses primarily on the basis of the channels in which its product and services are offered and uses net revenue and segment profit to assess profitability. Segment profit reflects each segment's net revenue less direct costs, such as sales and marketing expenses, processing expenses, third-party call center support and transaction losses. Green Dot’s operations are aggregated amongst three reportable segments: 1) Consumer Services, 2) Business to Business ("B2B") Services and 3) Money Movement Services.

The Corporate and Other segment primarily consists of net interest income, certain other investment income earned by Green Dot's bank, interest profit sharing arrangements with certain BaaS partners (a reduction of revenue), eliminations of inter-segment revenues and expenses, and unallocated corporate expenses, which include Green Dot's fixed expenses, such as salaries, wages and related benefits for its employees, professional services fees, software licenses, telephone and communication costs, rent, utilities, and insurance that are not considered when Green Dot's CODM evaluates segment performance. Non-cash expenses such as stock-based compensation, depreciation and amortization of long-lived assets, impairment charges and other non-recurring expenses that are not considered by Green Dot's CODM when it is evaluating overall consolidated financial results are excluded from its unallocated corporate expenses. Green Dot does not evaluate performance or allocate resources based on segment asset data, and therefore such information is not presented.

Reconciliation of Segment Profits

	2023				2024
	Q1	Q2	Q3	Q4	Q1
Segment Profit					
Consumer Services	$ 52.8	$ 44.3	$ 42.4	$ 37.7	$ 33.3
B2B Services	22.2	17.7	18.9	18.5	18.3
Money Movement Services	61.0	29.8	12.9	9.5	65.8
Corporate and Other	(53.5)	(52.9)	(50.4)	(40.0)	(58.2)
Total segment profit*	82.5	38.9	23.7	25.7	59.2
Reconciliation to income (loss) before income taxes					
Depreciation and amortization of property, equipment and internal-use software	13.7	13.9	14.7	16.4	16.4
Stock based compensation and related employer taxes	9.5	10.7	8.0	6.0	8.7
Amortization of acquired intangible assets	5.7	7.3	5.6	5.7	5.7
Impairment charges	-	-	-	-	6.4
Legal settlement expenses	0.1	1.3	0.5	21.7	5.9
Other expense	2.5	0.9	1.7	2.2	5.6
Operating income (loss)	51.0	4.8	(6.8)	(26.3)	10.6
Interest expense, net	1.6	0.2	0.2	0.9	1.5
Other income (expense), net	(3.0)	(2.2)	(0.8)	1.0	(1.8)
Income (loss) before income taxes	$ 46.3	$ 2.3	$ (7.9)	$ (26.1)	$ 7.3

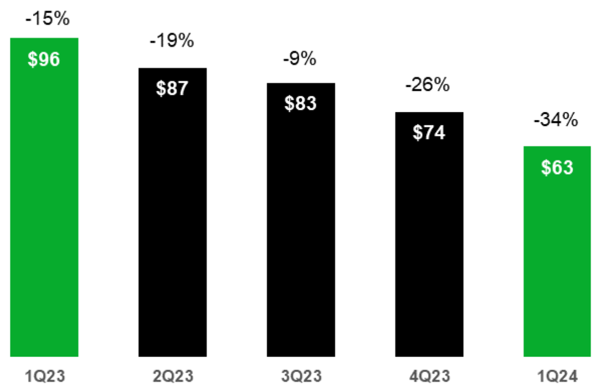
* Total segment profit is also referred to herein as adjusted EBITDA in its non-GAAP measures. Additional information about the Company's non-GAAP financial measures can be found under "About Non-GAAP Financial Measures."

Appendix

Division Information

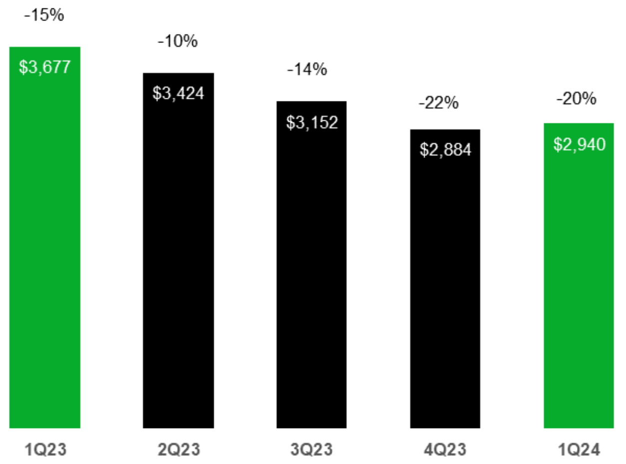
Retail division

Revenue



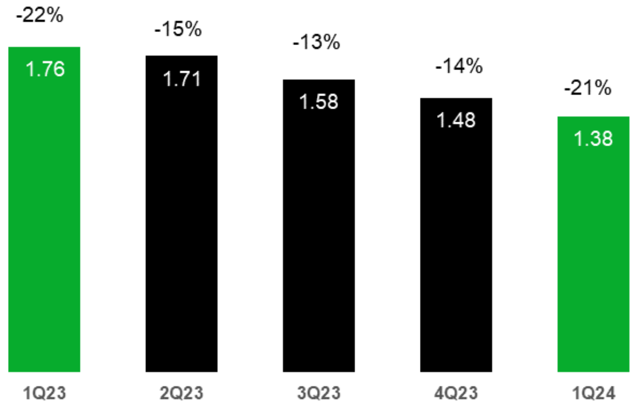
in millions, reflects change versus the prior year

GDV



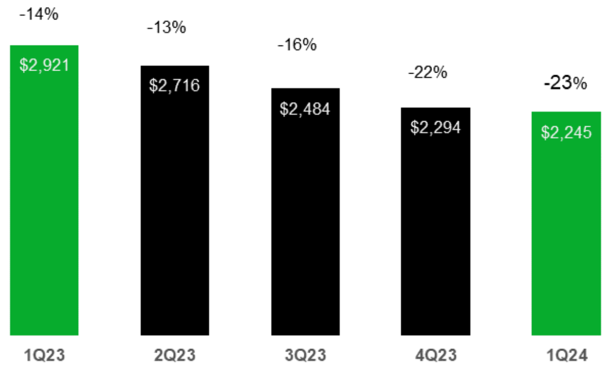
in millions, reflects change versus the prior year

Active Accounts[1]



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Division revenue declined 34%

- Declines were driven largely by secular headwinds and the de-conversion of a retail program that will still present a headwind in 2Q24.
- Revenue per active[1] was relatively stable excluding the impact of the program de-conversion which created a revenue headwind but does not impact actives.
- The initial launch of PLS is underway and is expected to help reduce the rate of decline in the coming quarters.

Active accounts[1] declined 21%

- Active accounts continue to decline due to secular changes in consumer behavior and increased competition from digital-first offerings.

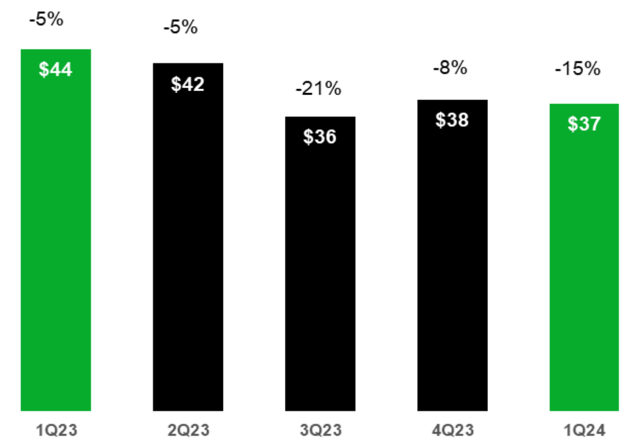
Purchase volume declined 23% and gross dollar volume declined 20%

- Declines in volumes generally mimic the decline in actives with no changes in consumer behavior.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

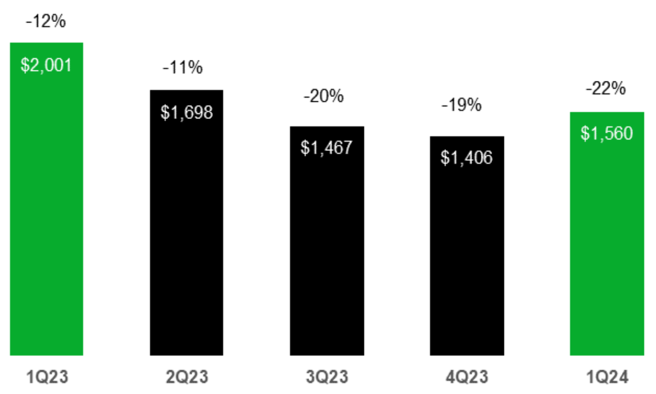
Direct division

Revenue



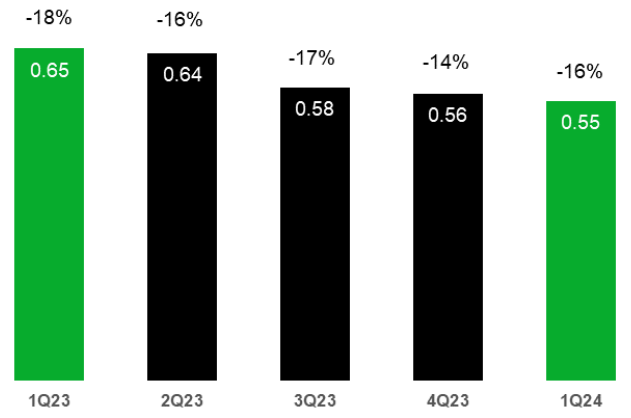
in millions, reflects change versus the prior year

GDV



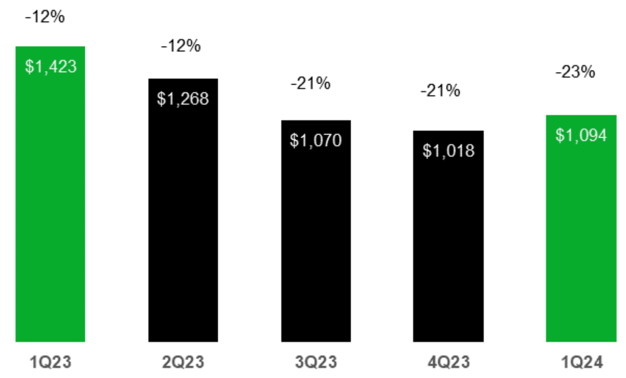
in millions, reflects change versus the prior year

Active Accounts[1]



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Division revenue declined 15%

- Declines continue due to the deliberate decision to focus growth on building out the GO2bank brand and sunsetting legacy products.
- After sunsetting several legacy brands in 2Q (with the full impact felt in 3Q) direct revenue has begun to stabilize.
- Revenue per active remains stable on a year over year basis.
- GO2bank now accounts for over 70% of the Direct division and continues to see sequential growth.

Active accounts[1] declined 16%

- The decline in active accounts reflects the deliberate decision to sunset legacy brands and focus on GO2bank, which continues to see steady growth in active accounts.

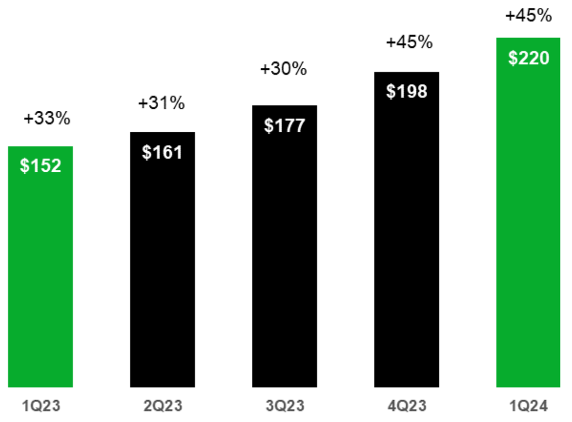
Purchase volume declined 23% and gross dollar volume declined 22%

- Volume declines are slightly larger than the decline in actives as the account mix of younger GO2bank accounts that initially have lower volumes until they become more seasoned and engaged versus legacy accounts that have attritted or were sunset.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

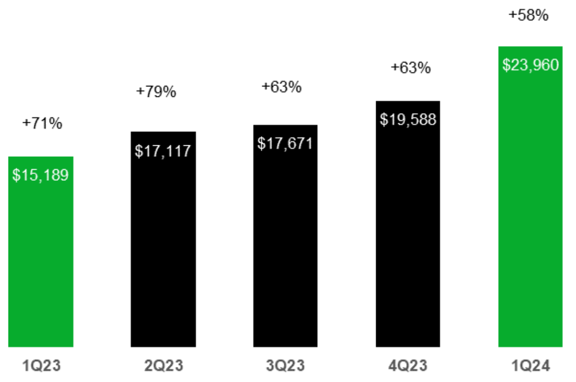
BaaS division

Revenue



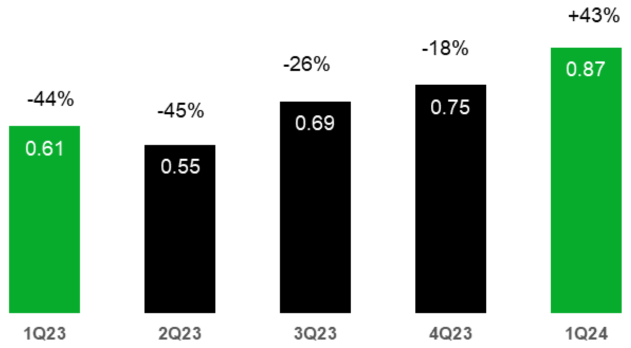
in millions, reflects change versus the prior year

GDV



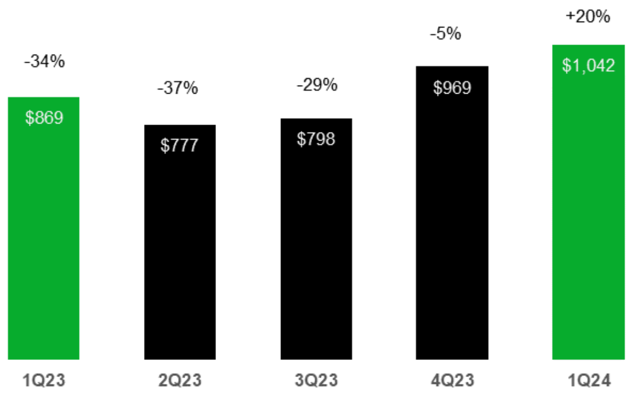
in millions, reflects change versus the prior year

Active Accounts[1]



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Division revenue increased 45%

- Despite facing headwinds from a client de-conversion in 1Q23, revenue growth was driven by a large strategic partner and the launch of new partners and growth of other existing partners.

Active accounts[1] increased 43%

- Active accounts increased due to the launch of new partners and growth of existing partners.

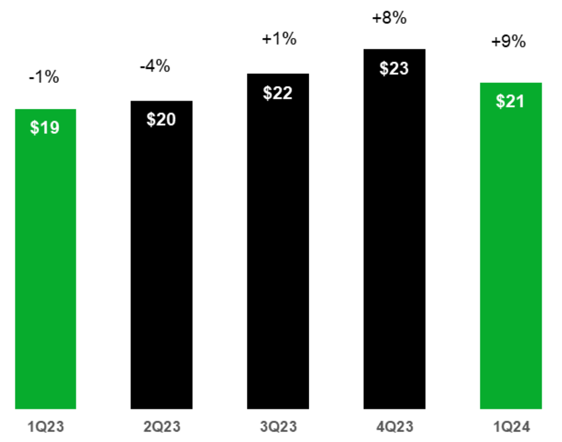
Purchase volume increased 20% and gross dollar volume increased 58%

- Growth in volumes, particularly purchase volumes, reflects the growth in actives.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

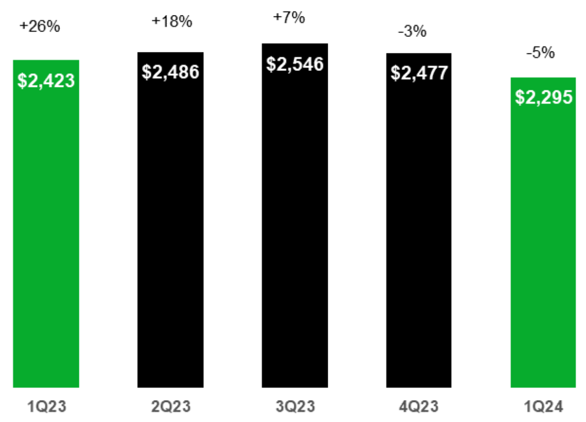
rapid! Paycard division

Revenue



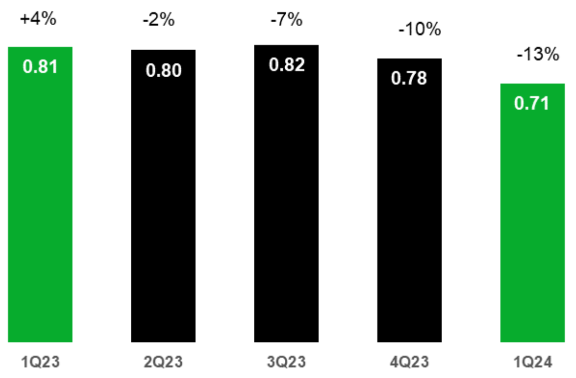
in millions, reflects change versus the prior year

GDV



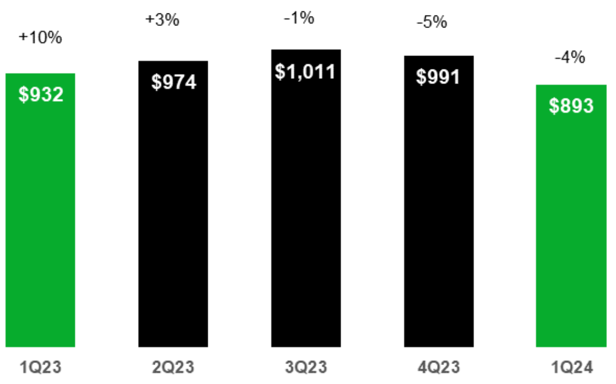
in millions, reflects change versus the prior year

Active Accounts[1]



in millions, reflects change versus the prior year

Purchase Volume



in millions, reflects change versus the prior year

Division revenue increased 9%

- Revenue was driven by changes in pricing strategies in 4Q23 which also benefits revenue per active account.

Active accounts[1] declined 13%

- The decline in active accounts is largely driven by pressure on the temporary staffing industry, which is one of the largest verticals for the division. Despite those headwinds, sales activity YTD has been solid and the division is investing its earned wage access capabilities.

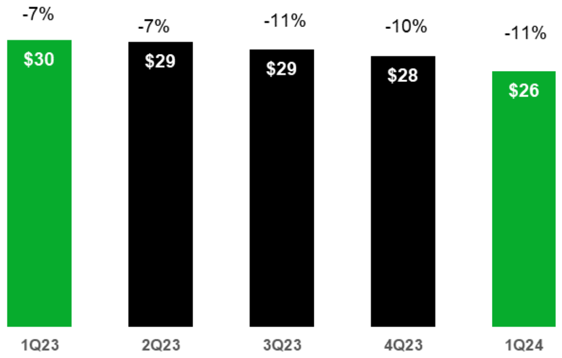
Purchase volume declined 4% and gross dollar volume declined 5%

- Declines were less than the decline in actives due principally to employment mix and wage increases.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

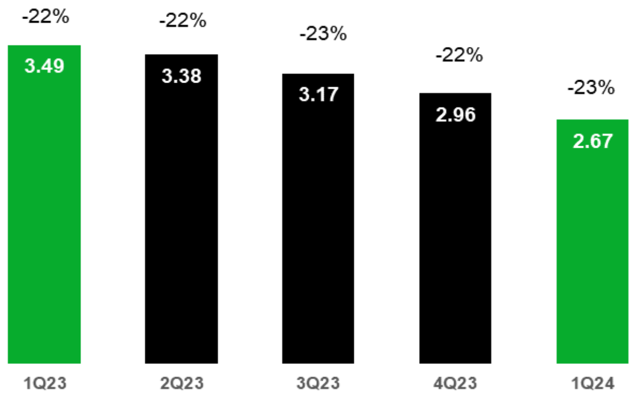
Green Dot Network division

Revenue



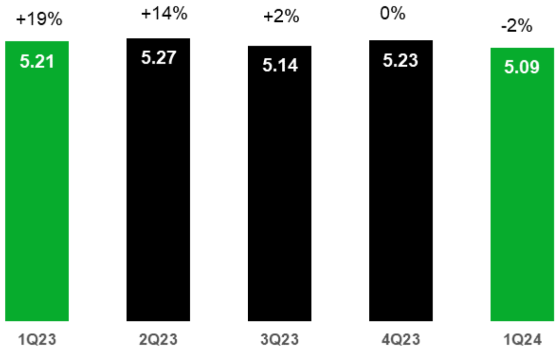
in millions, reflects change versus the prior year

Cash Transfers to GDOT-Issued Accounts



in millions, reflects change versus the prior year

Cash Transfers to Third Party Accounts



in millions, reflects change versus the prior year

Division revenue declined 11%

- Declines remain largely driven by the decline in transactions from Green Dot-issued accounts.

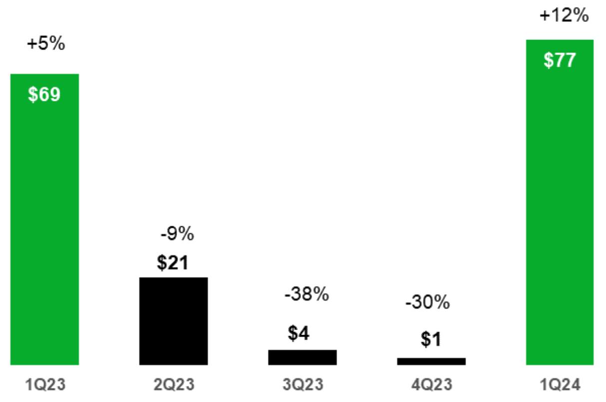
Cash transfers to GDOT-issued accounts declined 23%; Third Party volumes declined 2%

- Declines in cash transfers to Green Dot-issued accounts reflect the decline in active accounts in the Consumer Segment. The launch of PLS should provide support for these transactions and reduce the rate of decline.
- Cash transfers to third party accounts were down 2%; Now represent over ~65% of total cash transfers. A solid backlog of signed partners expected to launch in 2024 should set the stage for re-acceleration in transaction growth.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

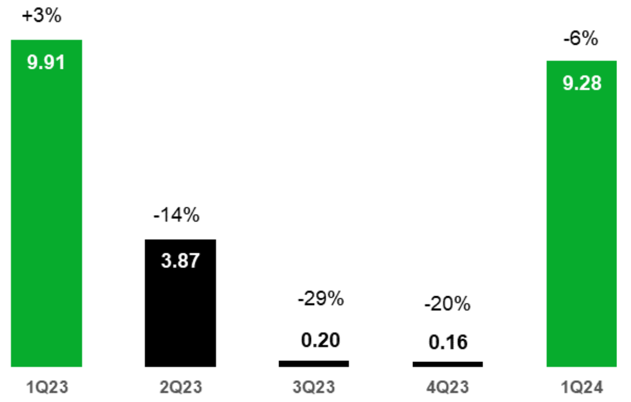
Tax Processing division (TPG)

Revenue



in millions, reflects change versus the prior year

Tax Refunds Processed



in millions, reflects change versus the prior year

Division revenue increased 12%

- The division had a strong start to the tax season with favorable transaction mix driving revenue growth.

Refunds processed were down 6%

- Volumes can be somewhat erratic between 1Q and 2Q depending upon timing of IRS processing schedules. Favorable mix resulted in revenue growth despite the decline in refunds processed.

[1] Measured as the total number of accounts that have been active in the last 90 days as of quarter end

Divisional Data

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Retail Division													
Revenue	$132.8	$127.6	$115.7	$112.8	$112.8	$106.9	$90.5	$100.4	$96.0	$87.0	$82.5	$73.8	$63.4
GDV	$6,773.0	$5,397.8	$4,485.7	$4,311.2	$4,337.9	$3,814.2	$3,667.1	$3,696.9	$3,676.8	$3,423.9	$3,151.9	$2,883.6	$2,939.8
PV	$4,890.0	$4,313.7	$3,457.4	$3,379.8	$3,400.8	$3,139.2	$2,944.7	$2,931.9	$2,921.0	$2,716.0	$2,483.6	$2,294.0	$2,245.0
Average Actives	2.94	2.84	2.41	2.30	2.25	2.02	1.82	1.72	1.76	1.71	1.58	1.48	1.38
Average Direct Deposit Actives	0.53	0.54	0.49	0.44	0.41	0.39	0.38	0.37	0.35	0.34	0.32	0.30	0.28
Direct Division													
Revenue	$51.6	$54.5	$51.7	$48.1	$45.9	$44.0	$45.2	$40.9	$43.8	$42.0	$35.7	$37.7	$37.2
GDV	$3,382.8	$2,790.3	$2,325.2	$1,988.7	$2,283.4	$1,900.4	$1,827.5	$1,759.3	$2,000.6	$1,698.0	$1,466.7	$1,405.9	$1,560.0
PV	$2,248.0	$2,141.4	$1,708.3	$1,501.5	$1,616.5	$1,448.7	$1,357.0	$1,297.3	$1,422.8	$1,267.7	$1,069.6	$1,018.4	$1,093.7
Average Actives	1.14	1.13	0.97	0.80	0.79	0.77	0.69	0.65	0.65	0.64	0.58	0.56	0.55
Average Direct Deposit Actives	0.43	0.38	0.34	0.31	0.29	0.28	0.28	0.26	0.25	0.25	0.20	0.19	0.18
BaaS Division													
Revenue	$89.5	$95.1	$99.1	$101.0	$114.3	$122.6	$136.6	$137.3	$151.8	$160.6	$177.4	$198.5	$220.0
GDV	$8,986.8	$7,575.9	$7,737.2	$8,093.7	$8,892.2	$9,538.6	$10,810.2	$12,031.2	$15,188.9	$17,116.8	$17,670.8	$19,588.5	$23,960.1
PV	$2,603.1	$1,661.2	$1,390.0	$1,295.3	$1,324.2	$1,227.2	$1,120.7	$1,023.7	$869.2	$776.5	$797.9	$969.3	$1,042.1
Average Actives	1.60	1.35	1.23	1.17	1.10	1.01	0.94	0.91	0.61	0.55	0.69	0.75	0.87
rapid! PayCard Division													
Revenue	$16.5	$17.5	$19.1	$20.8	$19.6	$20.9	$21.6	$21.6	$19.5	$20.0	$21.8	$23.4	$21.2
GDV	$1,523.6	$1,635.5	$1,856.4	$1,959.8	$1,922.0	$2,103.0	$2,377.5	$2,552.7	$2,423.1	$2,485.7	$2,546.1	$2,477.0	$2,294.7
PV	$704.3	$753.5	$800.2	$888.8	$850,766.3	$945.3	$1,020.9	$1,039.2	$932.0	$974.0	$1,011.3	$990.8	$892.9
Average Actives	0.69	0.72	0.76	0.80	0.78	0.82	0.88	0.87	0.81	0.80	0.82	0.78	0.71
Green Dot Network Division													
Revenue	$37.3	$37.8	$36.9	$36.2	$31.9	$31.6	$32.0	$30.9	$29.5	$29.4	$28.5	$27.9	$26.3
Green Dot Transactions	5.78	5.76	5.46	5.20	4.50	4.36	4.13	3.80	3.49	3.38	3.17	2.96	2.67
3rd Party Transactions	4.54	4.43	4.59	4.75	4.37	4.64	5.03	5.23	5.21	5.27	5.14	5.23	5.09
TPG Tax Processing Division													
Revenue	$53.0	$28.2	$8.7	$1.5	$65.4	$22.5	$5.7	$2.1	$68.7	$20.6	$3.6	$1.5	$76.8
Tax Refunds Processed	7.44	4.15	0.43	0.12	9.61	4.48	0.28	0.20	9.91	3.87	0.20	0.16	9.28

Appendix

Non-GAAP Financial Measures

About Non-GAAP Financial Measures

To supplement Green Dot's consolidated financial statements presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), Green Dot uses measures of operating results that are adjusted for, among other things, non-operating net interest income and expense; other non-interest investment income earned by its bank; income tax benefit and expense; depreciation and amortization, including amortization of acquired intangibles; certain legal settlement gains and charges; stock-based compensation and related employer payroll taxes; changes in the fair value of contingent consideration; transaction costs from acquisitions; amortization attributable to deferred financing costs, impairment charges; extraordinary severance expenses; earnings or losses from equity method investments; changes in the fair value of loans held for sale; commissions and certain processing-related costs associated with Banking as a Service ("BaaS") products and services where Green Dot does not control customer acquisition; realized gains on investment securities; other charges and income not reflective of ongoing operating results; and income tax effects. This earnings release includes non-GAAP total operating revenues, adjusted EBITDA, non-GAAP net income, and non-GAAP diluted earnings per share. These non-GAAP financial measures are not calculated or presented in accordance with, and are not alternatives or substitutes for, financial measures prepared in accordance with GAAP, and should be read only in conjunction with Green Dot's financial measures prepared in accordance with GAAP. Green Dot's non-GAAP financial measures may be different from similarly-titled non-GAAP financial measures used by other companies. Green Dot believes that the presentation of non-GAAP financial measures provides useful information to management and investors regarding underlying trends in its consolidated financial condition and results of operations. Green Dot's management regularly uses these supplemental non-GAAP financial measures internally to understand, manage and evaluate Green Dot's business and make operating decisions. For additional information regarding Green Dot's use of non-GAAP financial measures and the items excluded by Green Dot from one or more of its historic and projected non-GAAP financial measures, investors are encouraged to review the reconciliations of Green Dot's historic and projected non-GAAP financial measures to the comparable GAAP financial measures, which are included herein, or can be found by clicking on “Financial Information” in the Investor Relations section of Green Dot's website at http://ir.greendot.com/.

Non-GAAP Financial Measures

Reconciliation of Total Operating Revenues to Non-GAAP Total Operating Revenues (1)	2023				2024
	Q1	Q2	Q3	Q4	Q1
	(In millions)				
Total operating revenues	$ 416.4	$ 365.9	$ 353.0	$ 366.0	$ 452.0
BaaS commission and processing expenses (8)	(4.8)	(5.4)	(5.2)	(5.1)	(5.1)
Other income (9)	0.7	0.7	0.7	0.8	0.5
Non-GAAP total operating revenues	$ 412.4	$ 361.1	$ 348.6	$ 361.7	$ 447.4

Non-GAAP Financial Measures

Reconciliation of Net Income (Loss) to Non-GAAP Net Income (1)	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
	(In millions, except per share data)				
Net income (loss)	$ 36.0	$ 0.6	$ (6.3)	$ (23.6)	$ 4.8
Stock-based compensation and related employer payroll taxes (3)	9.5	10.7	8.0	6.0	8.7
Amortization of acquired intangible assets (4)	5.7	7.3	5.6	5.7	5.7
Change in fair value of contingent consideration (4)	-	-	-	-	-
Transaction and related acquisition costs (4)	(0.0)	-	-	-	-
Amortization of deferred financing costs (5)	0.0	0.0	0.0	0.0	0.0
Impairment charges (5)	-	-	-	-	6.4
Extraordinary severance expenses (6)	1.8	0.7	1.0	1.3	5.0
Legal settlement expenses (gain) (5)	0.1	1.3	0.5	21.7	5.9
Losses (earnings) in equity method investments (5)	4.1	3.5	1.7	0.0	2.7
Change in fair value of loans held for sale (2)(5)	(0.2)	(0.7)	(0.2)	(0.3)	(0.2)
Realized gain on sale of of investment securities (5)	-	-	-	-	-
Other (income) expense, net (5)	(0.0)	(0.4)	0.0	0.1	(0.1)
Income tax effect (7)	(5.6)	(3.9)	(3.0)	(3.7)	(7.4)
Non-GAAP net income	$ 51.3	$ 19.2	$ 7.4	$ 7.3	$ 31.4
Diluted earnings (loss) per share					
GAAP	$ 0.69	$ 0.01	$ (0.12)	$ (0.45)	$ 0.09
Non-GAAP	$ 0.99	$ 0.37	$ 0.14	$ 0.14	$ 0.59
Diluted weighted-average shares issued and outstanding					
GAAP	52.0	52.4	52.4	52.6	53.3
Non-GAAP	52.0	52.4	52.7	52.9	53.3

Non-GAAP Financial Measures

Reconciliation of Net Income (Loss) to Adjusted EBITDA (1)	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
			(In millions)		
Net income (loss)	$ 36.0	$ 0.6	$ (6.3)	$ (23.6)	$ 4.8
Interest expense, net (2)	1.6	0.2	0.2	0.9	1.5
Income tax (benefit) expense	10.3	1.7	(1.6)	(2.5)	2.5
Depreciation and amortization of property, equipment and internal-use software (2)	13.7	13.9	14.7	16.4	16.4
Stock-based compensation and related employer payroll taxes (2)(3)	9.5	10.7	8.0	6.0	8.7
Amortization of acquired intangible assets (2)(4)	5.7	7.3	5.6	5.7	5.7
Change in fair value of contingent consideration (2)(4)	-	-	-	-	-
Transaction and related acquisition costs (2)(4)	(0.0)	-	-	-	-
Impairment charges (2)(5)	-	-	-	-	6.4
Extraordinary severance expenses (2)(6)	1.8	0.7	1.0	1.3	5.0
Losses (earnings) in equity method investments (2)(5)	4.1	3.5	1.7	0.0	2.7
Change in fair value of loans held for sale (2)(5)	(0.2)	(0.7)	(0.2)	(0.3)	(0.2)
Realized gain on sale of of investment securities (2)(5)	-	-	-	-	-
Legal settlement expenses (gain) (2)(5)	0.1	1.3	0.5	21.7	5.9
Other expense (income), net (2)(5)	(0.0)	(0.4)	0.0	0.1	(0.1)
Adjusted EBITDA	$ 82.5	$ 38.9	$ 23.7	$ 25.7	$ 59.2
Non-GAAP total operating revenues	$ 412.4	$ 361.1	$ 348.6	$ 361.7	$ 447.4
Adjusted EBITDA/Non-GAAP total operating revenues (adjusted EBITDA margin)	20.0%	10.8%	6.8%	7.1%	13.2%

Non-GAAP Financial Measures

Reconciliation of GAAP to Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
	(In millions)				
Diluted weighted-average shares issued and outstanding	52.0	52.4	52.4	52.6	53.3
Anti-dilutive shares due to GAAP net loss	-	-	0.4	0.2	-
Non-GAAP diluted weighted-average shares issued and outstanding	52.0	52.4	52.7	52.9	53.3

Supplemental Detail on Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
	(In millions)				
Total stock outstanding at end of period:	52.0	52.3	52.4	52.8	53.2
Weighting adjustment	(0.2)	(0.1)	(0.0)	(0.2)	(0.2)
Dilutive potential shares:					
Restricted and performance based restricted stock units	0.2	0.2	0.3	0.2	0.3
Employee stock purchase plan	0.0	0.0	0.1	0.0	0.1
Non-GAAP diluted weighted-average shares issued and outstanding	52.0	52.4	52.7	52.9	53.3

Non-GAAP Financial Measures

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Total Operating Revenues	FY 2024	
	Range	
	Low	High
	(In millions)	
Total operating revenues	$ 1,567	$ 1,617
Adjustments (8)(9)	(17)	(17)
Non-GAAP total operating revenues	$ 1,550	$ 1,600

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Income	FY 2024	
	Range	
	Low	High
	(In millions)	
Net income	$ 6.5	$ 15.0
Adjustments (10)	163.5	165.0
Adjusted EBITDA	$ 170.0	$ 180.0
Non-GAAP total operating revenues	$ 1,600	$ 1,550
Adjusted EBITDA / Non-GAAP total operating revenues (Adjusted EBITDA margin)	10.6%	11.6%

Non-GAAP Financial Measures

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Income and GAAP Diluted Weighted-Average Shares Issued and Outstanding	FY 2024	
	Range	
	Low	High
	In millions, except per share data	
Net income	$ 6.5	$ 15.0
Adjustments (10)	71.8	71.1
Non-GAAP net income	$ 78.3	$ 86.1
Diluted earnings per share		
GAAP	$ 0.12	$ 0.28
Non-GAAP	$ 1.45	$ 1.59
Diluted weighted-average shares issued and outstanding		
GAAP	54.0	54.0

Non-GAAP Financial Measures

1) To supplement Green Dot's consolidated financial statements presented in accordance with GAAP, Green Dot uses measures of operating results that are adjusted to exclude various, primarily non-cash, expenses and charges. These financial measures are not calculated or presented in accordance with GAAP and should not be considered as alternatives to or substitutes for operating revenues, operating income, net income or any other measure of financial performance calculated and presented in accordance with GAAP. These financial measures may not be comparable to similarly-titled measures of other organizations because other organizations may not calculate their measures in the same manner as Green Dot does. These financial measures are adjusted to eliminate the impact of items that Green Dot does not consider indicative of its core operating performance. You are encouraged to evaluate these adjustments and the reasons Green Dot considers them appropriate.

Green Dot believes that the non-GAAP financial measures it presents are useful to investors in evaluating Green Dot's operating performance for the following reasons:

- adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items, such as non-operating net interest income and expense, income tax benefit and expense, depreciation and amortization, stock-based compensation and related employer payroll taxes, changes in the fair value of contingent consideration, transaction costs, impairment charges, extraordinary severance expenses, certain legal settlement and related expenses, earnings or losses from equity method investments, changes in the fair value of loans held for sale, and other charges and income that can vary substantially from company to company depending upon their respective financing structures and accounting policies, the book values of their assets, their capital structures and the methods by which their assets were acquired;
- securities analysts use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies; and
- Green Dot records stock-based compensation from period to period, and recorded stock-based compensation expenses and related employer payroll taxes, net of forfeitures, of approximately $8.7 million and $9.5 million for the three months ended March 31, 2024 and 2023, respectively. By comparing Green Dot's adjusted EBITDA, non-GAAP net income and non-GAAP diluted earnings per share in different historical periods, investors can evaluate Green Dot's operating results without the additional variations caused by stock-based compensation expense and related employer payroll taxes, which may not be comparable from period to period due to changes in the fair market value of Green Dot's Class A common stock (which is influenced by external factors like the volatility of the public markets and the financial performance of Green Dot's peers) and is not a key measure of Green Dot's operations.

Green Dot's management uses the non-GAAP financial measures:

- as measures of operating performance, because they exclude the impact of items not directly resulting from Green Dot's core operations;
- for planning purposes, including the preparation of Green Dot's annual operating budget;
- to allocate resources to enhance the financial performance of Green Dot's business;
- to evaluate the effectiveness of Green Dot's business strategies;
- to establish metrics for variable compensation; and
- in communications with Green Dot's board of directors concerning Green Dot's financial performance.

Non-GAAP Financial Measures

Green Dot understands that, although adjusted EBITDA and other non-GAAP financial measures are frequently used by investors and securities analysts in their evaluations of companies, these measures have limitations as an analytical tool, and you should not consider them in isolation or as substitutes for an analysis of Green Dot's results of operations as reported under GAAP. Some of these limitations are:

- that these measures do not reflect Green Dot's capital expenditures or future requirements for capital expenditures or other contractual commitments;
- that these measures do not reflect changes in, or cash requirements for, Green Dot's working capital needs;
- that these measures do not reflect non-operating interest expense or interest income;
- that these measures do not reflect cash requirements for income taxes;
- that, although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for these replacements; and
- that other companies in Green Dot's industry may calculate these measures differently than Green Dot does, limiting their usefulness as comparative measures.

2) Green Dot does not include any income tax impact of the associated non-GAAP adjustment to adjusted EBITDA, as the case may be, because each of these adjustments to the non-GAAP financial measure is provided before income tax expense.

3) This expense consists primarily of expenses for restricted stock units (including performance-based restricted stock units) and related employer payroll taxes. Stock-based compensation expense is not comparable from period to period due to changes in the fair market value of Green Dot's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of Green Dot's peers) and is not a key measure of Green Dot's operations. Green Dot excludes stock-based compensation expense from its non-GAAP financial measures primarily because it consists of non-cash expenses that Green Dot does not believe are reflective of ongoing operating results. Green Dot also believes that it is not useful to investors to understand the impact of stock-based compensation to its results of operations. Further, the related employer payroll taxes are dependent upon volatility in Green Dot's stock price, as well as the timing and size of option exercises and vesting of restricted stock units, over which Green Dot has limited to no control. This expense is included as a component of compensation and benefits expenses on Green Dot's consolidated statements of operations.

Non-GAAP Financial Measures

4) Green Dot excludes certain income and expenses that are the result of acquisitions. These acquisition-related adjustments include items such as transaction costs, the amortization of acquired intangible assets, changes in the fair value of contingent consideration, settlements of contingencies established at time of acquisition and other acquisition related charges, such as integration charges and professional and legal fees, which result in Green Dot recording expenses or fair value adjustments in its GAAP financial statements. Green Dot analyzes the performance of its operations without regard to these adjustments. In determining whether any acquisition-related adjustment is appropriate, Green Dot takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations. These items are included as a component of other general and administrative expenses on Green Dot's consolidated statements of operations, as applicable for the periods presented.

5) Green Dot excludes certain income and expenses that are not reflective of ongoing operating results. It is difficult to estimate the amount or timing of these items in advance. Although these events are reflected in Green Dot's GAAP financial statements, Green Dot excludes them in its non-GAAP financial measures because Green Dot believes these items may limit the comparability of ongoing operations with prior and future periods. These adjustments include items such as amortization attributable to deferred financing costs, impairment charges related to long-lived assets, earnings or losses from equity method investments, legal settlements, and related expenses, changes in the fair value of loans held for sale, realized gains on investment securities and other income and expenses, as applicable for the periods presented. In determining whether any such adjustment is appropriate, Green Dot takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations. Each of these adjustments, except for amortization of deferred financing costs, earnings and losses from equity method investments, fair value changes on loans held for sale, and realized gains on investment securities, which are all included below operating income, are included within other general and administrative expenses on Green Dot's consolidated statements of operations.

6) During the three months ended March 31, 2024, Green Dot recorded charges of $5.0 million related to extraordinary severance expenses, which were paid out in connection with reductions in force and other extraordinary involuntary terminations of employment. Although severance expenses may arise throughout the fiscal year, Green Dot believes the nature of these extraordinary costs are not indicative of its core operating performance. This expense is included as a component of compensation and benefits expenses on Green Dot’s consolidated statements of operations.

7) Represents the tax effect for the related non-GAAP measure adjustments using Green Dot's year to date non-GAAP effective tax rate. It also excludes both the impact of excess tax benefits related to stock-based compensation and the IRC §162(m) limitation that applies to performance-based restricted stock units expense as of March 31, 2024.

Non-GAAP Financial Measures

8) Represents commissions and certain processing-related costs associated with BaaS products and services where Green Dot does not control customer acquisition. This adjustment is netted against Green Dot's B2B Services revenues when evaluating segment performance.

9) Represents other non-interest investment income earned by Green Dot Bank. This amount is included along with operating interest income in Green Dot's Corporate and Other segment since the yield earned on these investments are generated on a recurring basis and earned similarly to its investment securities available for sale.

10) These amounts represent estimated adjustments for items such as income taxes, depreciation and amortization, employee stock-based compensation and related employer taxes, amortization attributable to deferred financing costs, impairment charges, extraordinary severance expenses, earnings and losses from equity method investments, changes in the fair value of loans held for sale, legal settlements and related expenses and other income and expenses. Employee stock-based compensation expense includes assumptions about the future fair value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers).