



Green Dot Corporation Q3 Investor Presentation

Supplemental Earnings Call Deck

Understanding Green Dot's Consumer Business
and Platform Services Business

November 7, 2019

Legal Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, among other things, projected 2019 financial performance and 2020 revenue mix contained under “Trends in Green Dot’s Consumer Business and Platform Business” and statements regarding the impact of new product/account launches on the trends in the key performance indicators of Green Dot Corporation (“we,” “our” or “us”), anticipated revenue contribution from accounts based on deposit behavior, the projected “lifetime net revenue” and “lifetime margin” from new products/accounts and other future events that involve risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements contained in this presentation, and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from those projected include, among other things, the timing and impact of revenue growth activities, successful development of new products and services and the degree to which these products and services gain market share, impact of competition, continued and improving returns from our investments in new growth initiatives, our dependence on revenues derived from Walmart, our reliance on retail distributors for the promotion of our products and services, changes in usage patterns by consumers of our products and services, demand for our new and existing products and services, our ability to operate in a highly regulated environment, changes to existing laws or regulations affecting our operating methods or economics, our reliance on third-party vendors, changes in credit card association or other network rules or standards, changes in card association and debit network fees or products or interchange rates, instances of fraud developments in the banking and electronic payments industries that impact account usage generally, business interruption or systems failure, and our involvement litigation or investigations. These and other risks are discussed in greater detail in our Securities and Exchange Commission filings, including our most recent annual report on Form 10-K and quarterly report on Form 10-Q, which are available on our investor relations website at ir.greendot.com and on the SEC website at www.sec.gov. All information provided in this presentation is as of November 7, 2019, and we assume no obligation to update this information as a result of future events or developments.

About Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP), we use measures of operating results that are adjusted to exclude commissions and certain processing-related costs associated with BaaS products and services where we do not control customer acquisition. This presentation includes historical and projected non-GAAP total operating revenues. This financial measure is not calculated or presented in accordance with, and is not an alternative or substitute for, a financial measure prepared in accordance with GAAP, and should be read only in conjunction with our financial measures prepared in accordance with GAAP. Our non-GAAP financial measures may be different from similarly-titled non-GAAP financial measures used by other companies. For additional information regarding our use of non-GAAP financial measures and the items excluded by us from one or more of our projected non-GAAP financial measures, investors are encouraged to review the reconciliations of our projected non-GAAP financial measures to the comparable GAAP financial measures, which are included in this presentation, and which can be found by clicking on “Financial Information” in the Investor Relations section of our website at <http://ir.greendot.com/>

UNLIMITED by the numbers



Total New
UNLIMITED
Accounts



Not all Active Accounts are Equal

One-Time Use Accounts acquired through the retail channel generate approximately 10% of Consumer Business revenues.

Accounts that receive a monthly deposit (“Monthly Depositing Actives”) acquired through either the retail or digital channel generate approximately 90% of Consumer Business revenues.

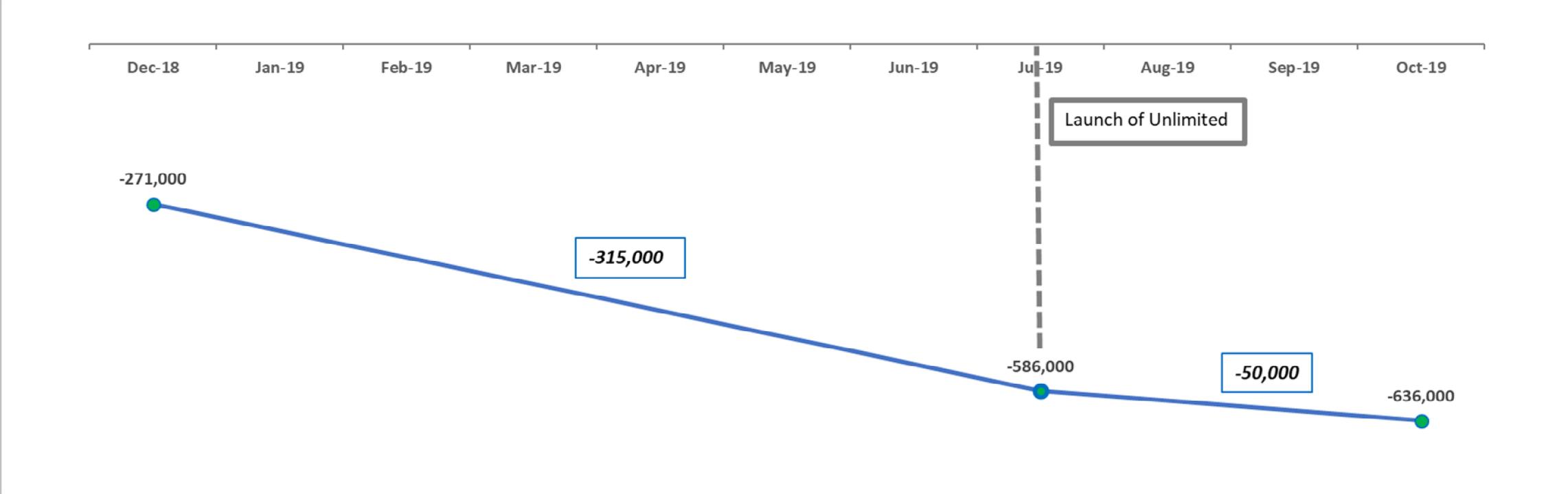
*Monthly Depositing Actives defined as accounts with at least one deposit transaction in the past 30 days, excluding initial deposits for products sold in Retail.
Note: Estimated revenue contribution based on revenues and mix of accounts as of Q3 2019.*

Consumer Business Active Account Trends



90-day Consumer Business Active Account Trends

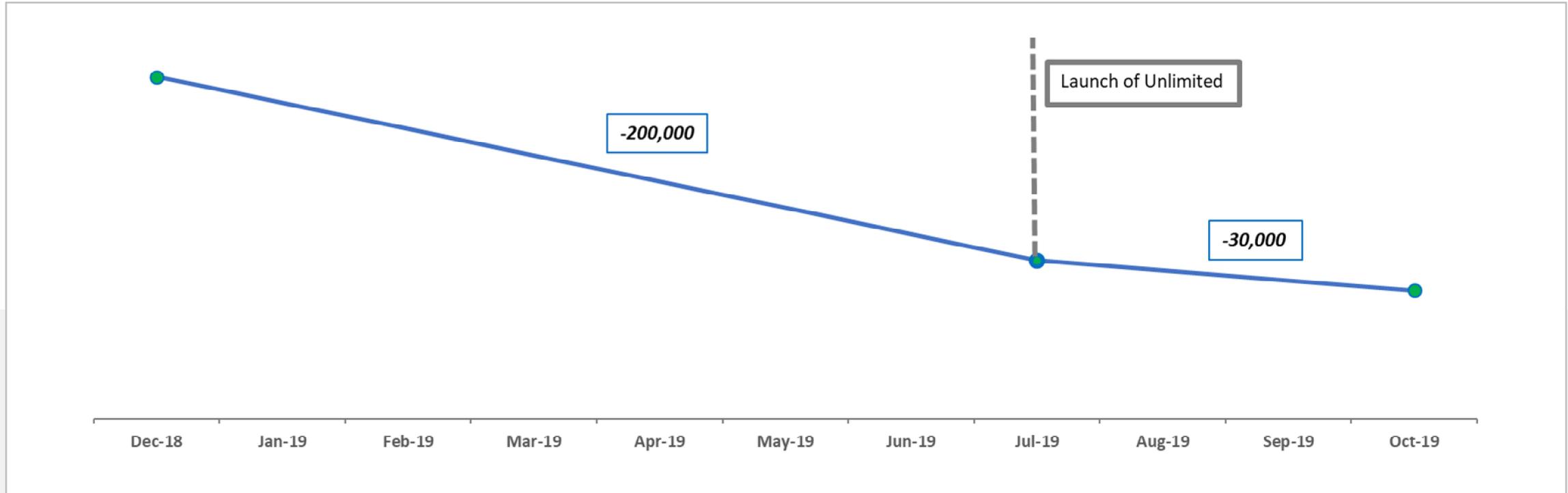
Year-over-Year Change in Accounts



In just the first 13 weeks since its launch, “Unlimited by Green Dot” has added enough new 90-Day active accounts to slow the acceleration of year over year losses across all six branded portfolios.

Monthly Depositing Consumer Business Active Account Trends

Number of Accounts



In just the first 13 weeks since its launch, “Unlimited by Green Dot” has added enough new monthly depositing active accounts to significantly slow the losses from the start of the year across all six branded portfolios.

Green Dot Brand Active Account Trends



90-day Green Dot Brand Active Account Trends

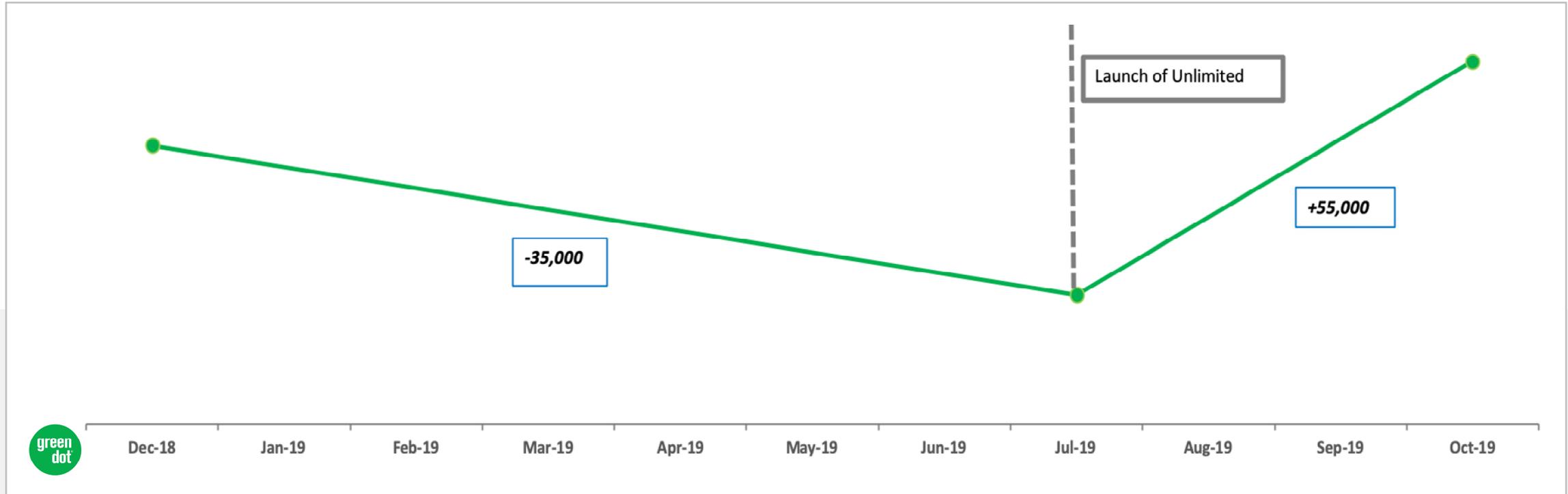
Year-over-Year Change in Accounts



In just the first 13 weeks since its launch, “Unlimited by Green Dot” has added enough new 90-Day active accounts to narrow the year over year losses by 47,000 accounts.

Monthly Depositing Green Dot Brand Active Account Trends

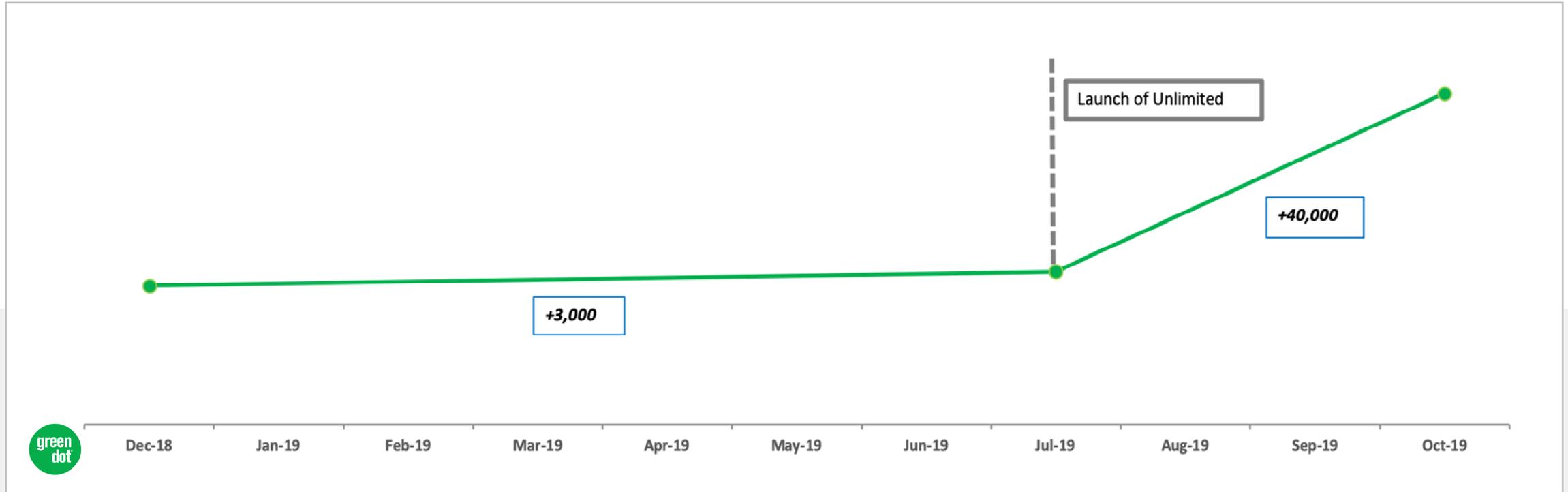
Number of Accounts



In just the first 13 weeks since its launch, “Unlimited by Green Dot” has added enough new monthly depositing active accounts to grow over and above where we started the year.

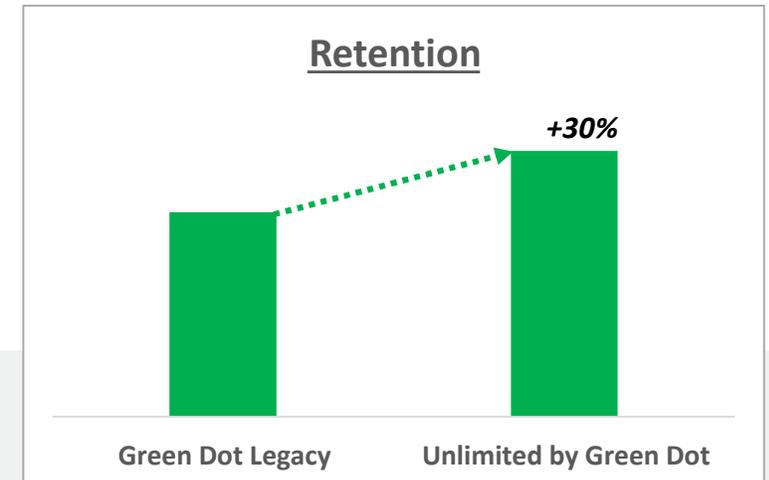
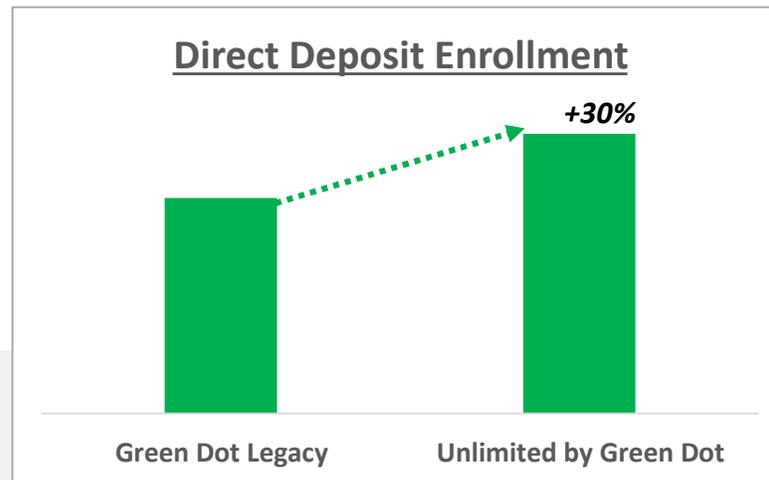
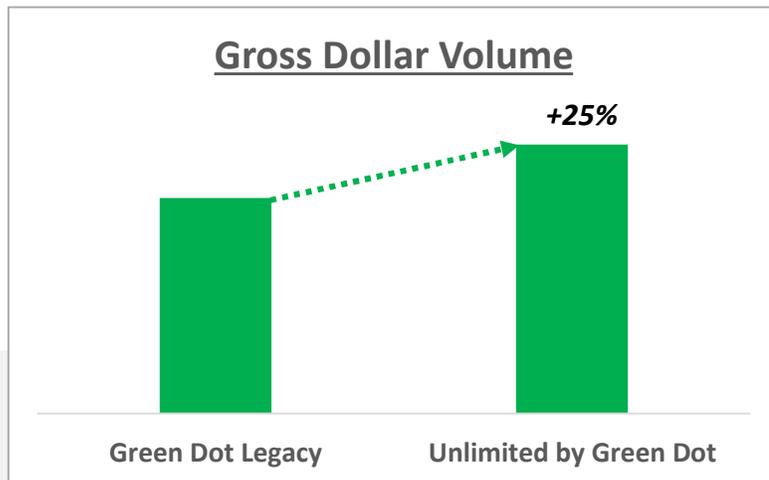
90-day Direct Deposit Green Dot Brand Active Account Trends

Number of Accounts



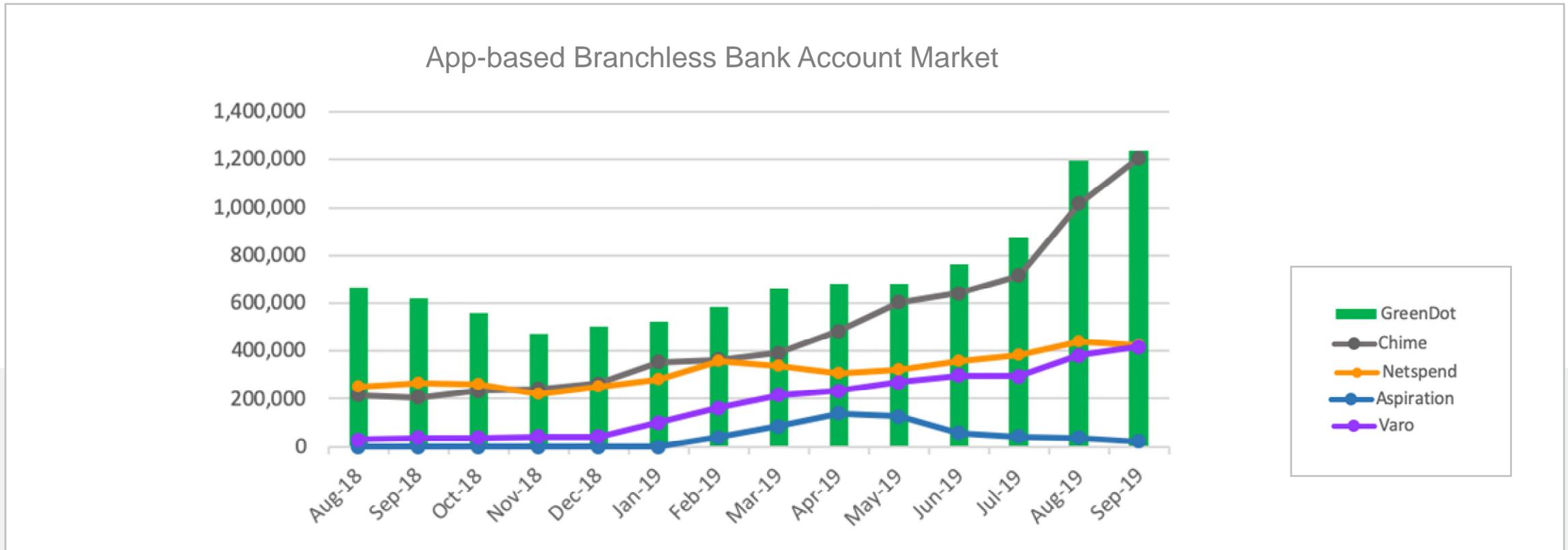
In just the first 13 weeks since its launch, “Unlimited by Green Dot” has accelerated the growth in direct depositing accounts by adding 40,000 new accounts.

Account Level Performance



Account level KPIs, which are based on a unit economic basis using the first 13 weeks as a cohort, are significantly improved over the products Unlimited replaced. The higher engagement and usage has exceeded our initial expectations, while also validating our strategy to prioritize our marketing spend to attract quality over quantity.

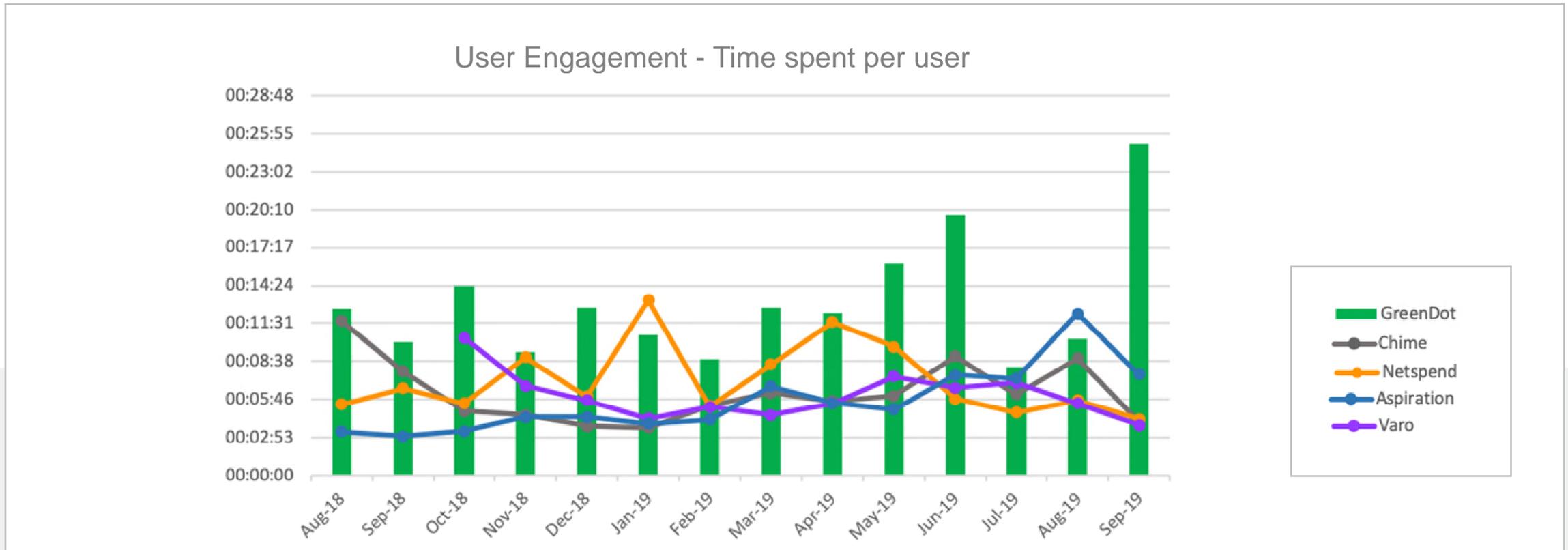
Total Number of App Downloads



Source: SimilarWeb; Includes Consumer Business brands with an app

On a year over year basis, this chart shows two notable takeaways: 1) That the confluence of better designed apps and new account features that are only available in the app have caused Green Dot's app downloads to consistently perform above its peers. 2) That the release of the new Unlimited App in late July has propelled Green Dot to become among the most downloaded banking app brands amongst its peers as of the end of Q3.

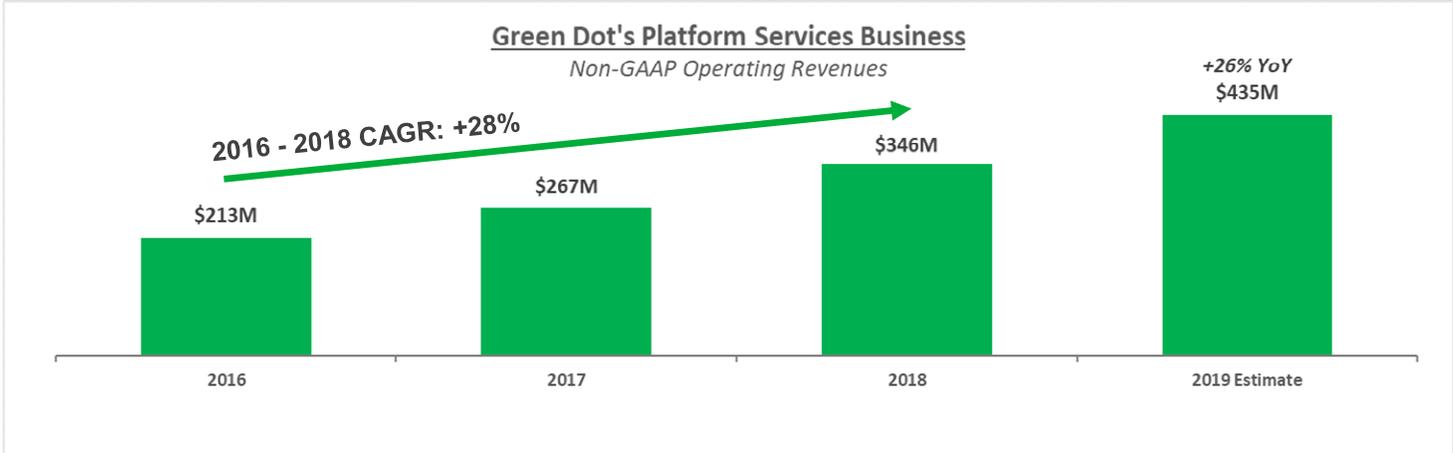
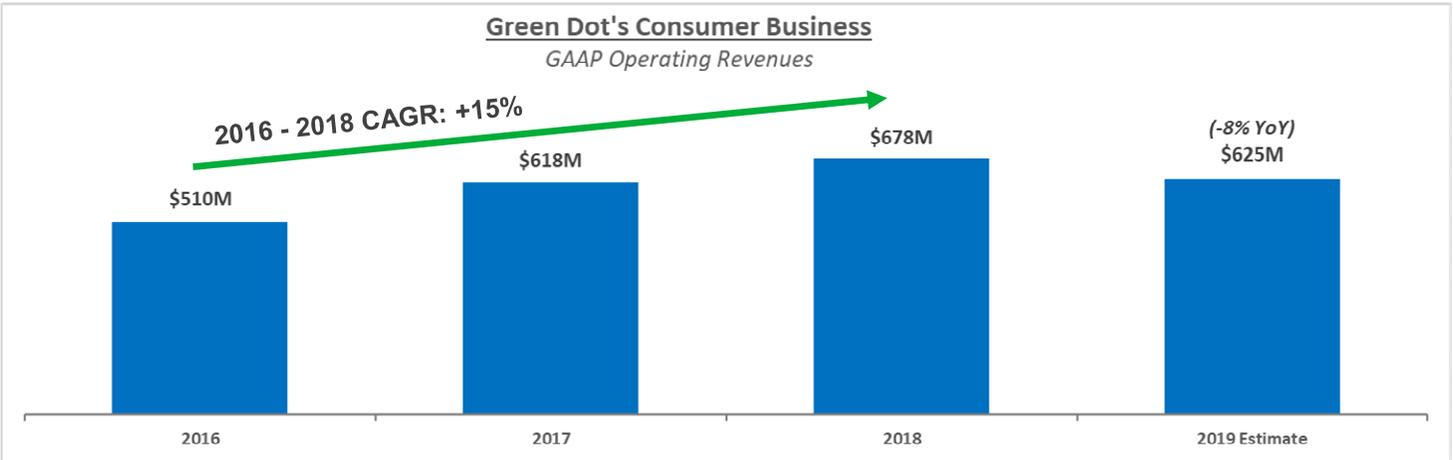
User Engagement: Time Spent With The App



Source: SimilarWeb; Green Dot brand apps compared to competitors

The influx of new Unlimited app downloads and users causes this measure to compress in July and August. But as new apps that were downloaded in August become active, “Unlimited” is the clear leader in customer engagement and time spent.

Trends in Green Dot's Consumer Business and Platform Services Business



NOTE: Green Dot has two segments: Account Services and Processing and Settlement Services. Those segments represents its product types: Card programs and money movement services. Green Dot's go-to-market strategies for those products - either bringing products to market through its own marketing efforts, such as its branded card programs sold in retail and online, which is labeled above as its Consumer Business; or it partners with enterprises who then use its collection of unique platform assets to design and develop their own bespoke products and services and then distribute them through their own channels of trade, which is labeled above as its Platform Services Business.

The Platform Services Business consists of TPG Tax Processing, Rapid Pay Corporate PayCards, Green Dot Network Cash Processing, Banking as a Service Platform (Green Dot BaaS) and, Green Dot Bank

While Green Dot's Consumer Business line has been challenged in 2019, our Platform Services Business has accelerated to the point where it is now expected to generate roughly half of Green Dot's consolidated revenue in 2020.

Non-GAAP Reconciliations

Reconciliation of Platform Business Non-GAAP Financial Measures to GAAP Operating Revenues ¹

	Year Ended December 31,			
	2016	2017	2018	2019 Estimate
	(In millions)			
Platform business operating revenues	\$ 216	\$ 283	\$ 388	\$ 485
Platform business net revenue adjustments ²	(3)	(16)	(42)	(50)
Platform business non-GAAP operating revenues	<u>\$ 213</u>	<u>\$ 267</u>	<u>\$ 346</u>	<u>\$ 435</u>

Non-GAAP Reconciliation Notes

1) To supplement the Company's consolidated financial statements presented in accordance with GAAP, the Company 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 the Company does. These financial measures are adjusted to eliminate the impact of items that the Company does not consider indicative of its core operating performance. You are encouraged to evaluate these adjustments and the reasons the Company considers them appropriate.

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

- the Company records employee stock-based compensation from period to period, and recorded employee stock-based compensation expenses and related employer payroll taxes of approximately \$7.0 million and \$16.9 million for the three months ended September 30, 2019 and 2018, respectively. By comparing the Company's adjusted EBITDA, non-GAAP net income and non-GAAP diluted earnings per share in different historical periods, investors can evaluate the Company's operating results without the additional variations caused by employee 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 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) and is not a key measure of the Company's operations;
- 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, employee stock-based compensation and related employer payroll taxes, changes in the fair value of contingent consideration, impairment charges, severance costs related to extraordinary personnel reductions, 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; and
- securities analysts use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies.

The Company's management uses the non-GAAP financial measures:

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

The Company 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 analysis of the Company's results of operations as reported under GAAP. Some of these limitations are:

- that these measures do not reflect the Company'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, the Company's working capital needs;
- that these measures do not reflect 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 the Company's industry may calculate these measures differently than the Company does, limiting their usefulness as comparative measures.

2) Represents commissions and certain processing-related costs associated with Banking as a Service ("BaaS") products and services where Green Dot does not control customer acquisition.