Q3 2024 Results

November 7th, 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 Q3 Highlights and Themes

Q3 2024 Results

Results were generally in line with internal expectations. After largely moving through the headwinds of client de-conversions in the first half of 2023 both revenue and adjusted EBITDA saw positive growth as new client launches and ongoing expenses management drove the return to growth.

Non-GAAP Revenue[1] up 16%

Adjusted EBITDA[1] up 19%

Non-GAAP EPS[1] down 7%

Revenue momentum continues to improve and actives grew on a sequential basis

Revenue gains remain driven by the B2B segment with growth in both BaaS and rapid! Paycard channels.

Revenue declines in the Consumer Services segment moderated after lapping tough comparisons. The Direct channel saw the slowest decline it's seen in several years and Retail saw moderation with the launch of the PLS partnership.

While revenue was down slightly, the Money Movement Services segment continues to see growth in 3rd party volumes, which were up double digits and are now ~70% of transactions.

Consolidated active accounts grew sequentially.

Focused on efficiency, adjusted EBITDA margins were up modestly in the quarter

For the quarter, adjusted EBITDA margins were up 16bps, the first time in over two years.

The Consumer and B2B segments realized substantial savings with card processing expenses down over 50% from the prior year due to our platform conversions.

Expenses associated with risk also continue to show improvement after seeing elevated levels of cost associated with the processing platform conversions in the second half of 2023.

Arc by Green Dot; A new brand positioned to capitalize on growth of the embedded finance market

Launched embedded finance brand, Arc by Green Dot. This new brand further validates the commitment to the large and growing market for embedded finance solutions.

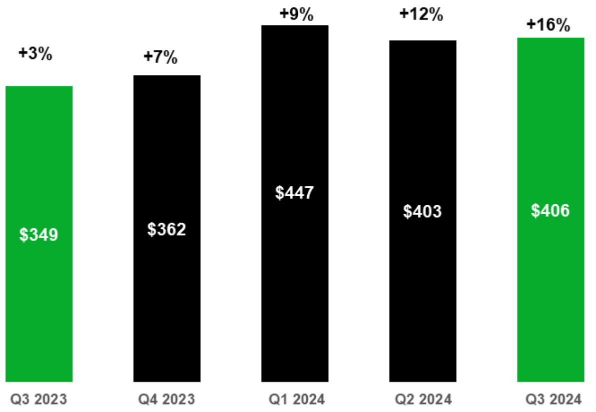
Arc is integrated with Green Dot Bank, providing partners with leading FDIC-insured products and tools plus regulatory and compliance expertise.

Arc is also built on flexible, modular technology with enterprise grade API's, comprehensive customer support and access to the Green Dot Network, the largest retail deposit and ATM network in the US.

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

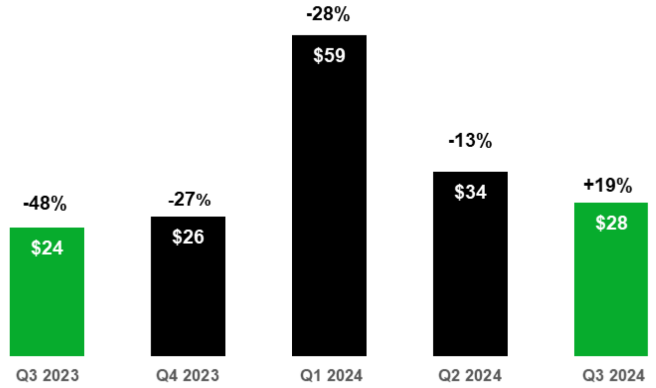
Consolidated Results

Non-GAAP Revenue[1]



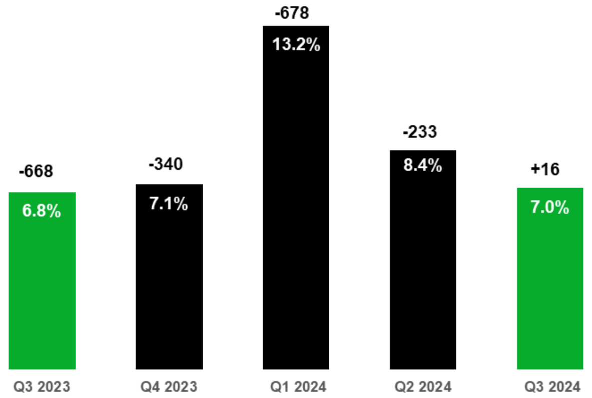
in millions, reflects change versus the prior year

Adjusted EBITDA[1]



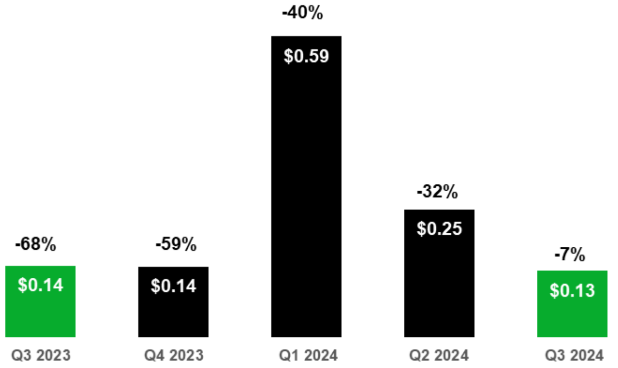
in millions, reflects change versus the prior year

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 16%

- Consumer Services down 17%.
- B2B Services up 39%.
- Money Movement down 1%.

Adjusted EBITDA[1] up 19%

- The adjusted EBITDA margin of 7% was up 16 bps as the company moved through the majority of headwinds associated with client-deconversions and an acceleration in investments in regulatory and compliance infrastructure. At the same time, the company saw reduced costs associated with risk and benefitted from a reduction in processing expenses from last year's processor conversion.
- Consumer Services segment profit down 7%.
- B2B Services segment profit was up 47%.
- Money Movement segment down 1%.

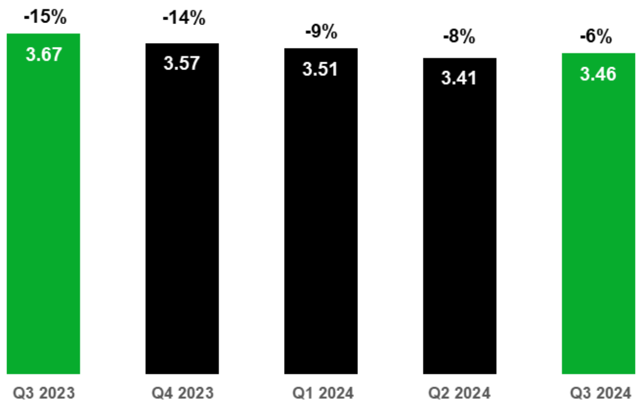
Non-GAAP EPS[1] declined 7%

- Non-GAAP effective tax rate of ~38% was up from the prior year while share count of 54.7M was up from 52.7M last year.

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

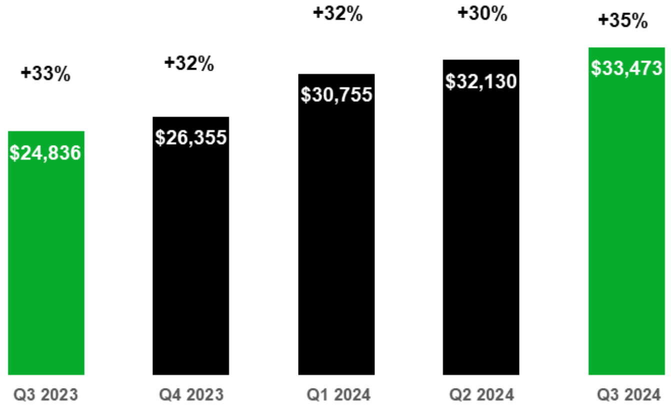
Consolidated Key Metrics

Active Accounts[1]



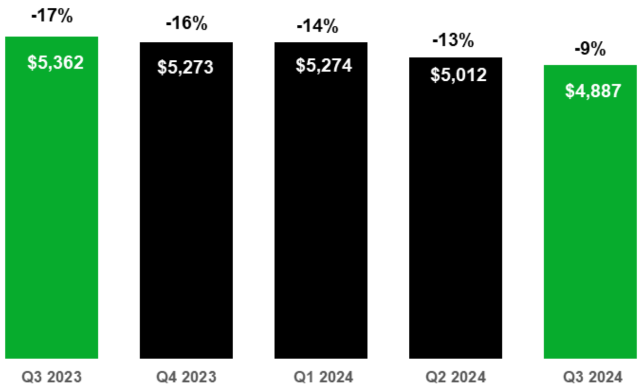
in millions, reflects change versus the prior year

Gross Dollar Volume (GDV)



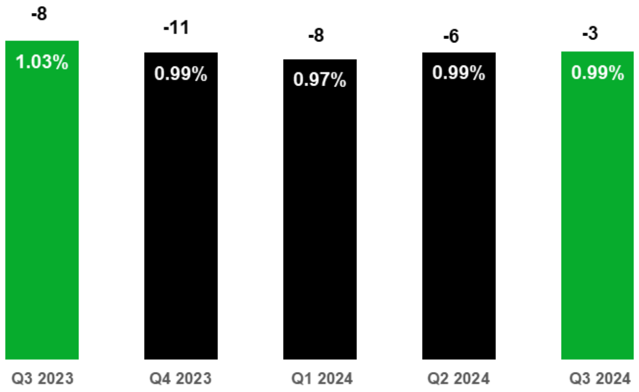
in millions, reflects change versus the prior year

Purchase Volume (PV)



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 6%

- The rate of decline for consolidated actives continues to moderate and is at its slowest rate in several years as growth in B2B Services active accounts offset a 18% decline in Consumer Services active accounts. Within Consumer Services, the Retail channel continues to face secular headwinds while the Direct channel continues to focus on growth of GO2bank while sunsetting legacy brands.
- On a sequential basis, active accounts were up modestly, the first sequential growth in over 2 years as both B2B and Consumer Services both saw sequential growth.
- Consumer Services direct deposit active accounts[1] were down 15% from the prior year but are showing sequential stabilization.
- B2B Services active accounts were up 11% as we have now lapped the de-conversion of 2 partners while launching new partners and seeing growth from existing partners.

Gross dollar volume up 35% over prior year

- Consumer Services down 14%.
- B2B Services up 46%.

Purchase volume declined 9%

- Consumer Services down 18%.
- B2B Services was up 10%.

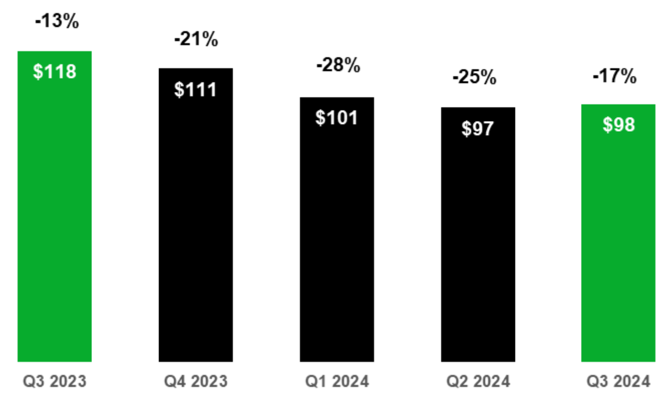
Net interchange rate[2] declined 3 bps

- Interchange rate down due to transaction mix and higher average transaction size. This was the smallest decline in over 2 years.

[1] Represents the total number of accounts that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter
[2] Net Interchange Rate equals Interchange revenues divided by Purchase Volume

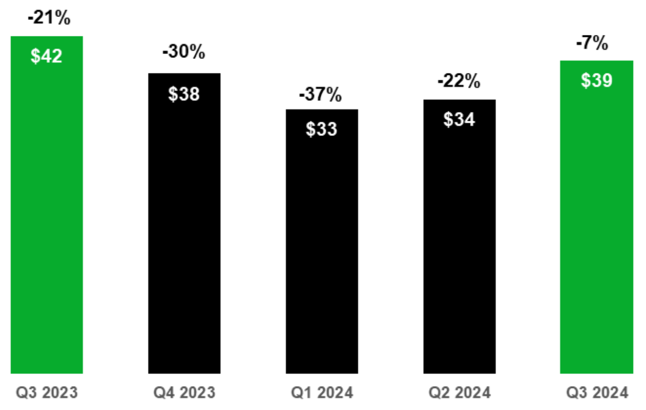
Consumer Services Segment

Segment Revenue



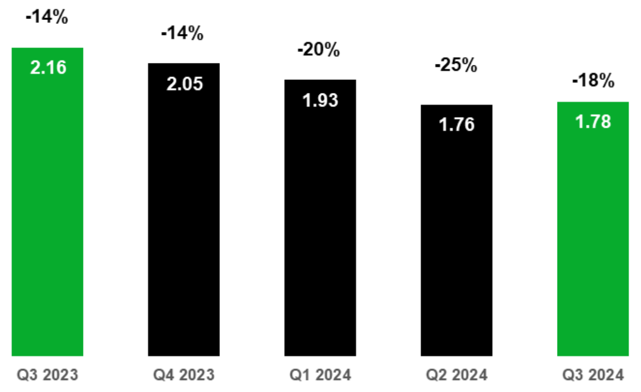
in millions, reflects change versus the prior year

Segment Profit



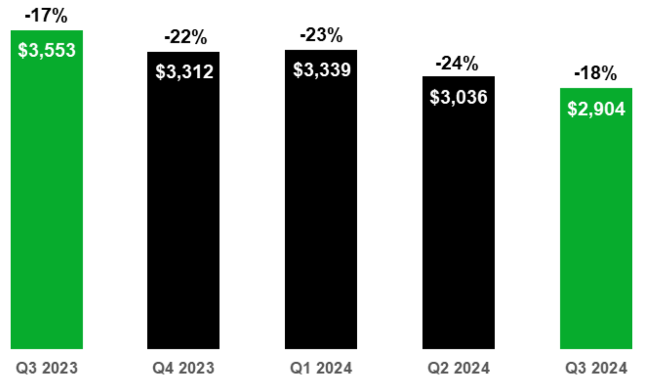
in millions, reflects change versus the prior year

Active Accounts[1]



in millions, reflects change versus the prior year

Purchase Volume (PV)



in millions, reflects change versus the prior year

Segment revenue declined 17%

- Declines continue to remain largely driven by secular headwinds in the Retail channel and the de-conversion of a retail program.
- Revenue in the Retail channel declined 24% due to de-conversion of a retail program and decline in active accounts. The Direct channel saw year-over-year revenue declines of 2% but revenues are stabilizing on a sequential basis and GO2Bank continues to see revenue growth on a year over year basis.
- Revenue per active account[1] was up 10% versus last year, excluding the impact of the program de-conversion.

Segment profit decreased 7%

- Segment profit was under pressure due to revenue declines though margins improved by 428 bps primary due to reduced processing and risk expenses.

Active accounts[1] declined 18%; Direct deposit active accounts declined 15%

- The rate of decline in active accounts moderated as the Retail channel began to benefit from the launch of the PLS partnership. Direct deposit accounts remained under pressure but appear to be stabilizing on a sequential basis.

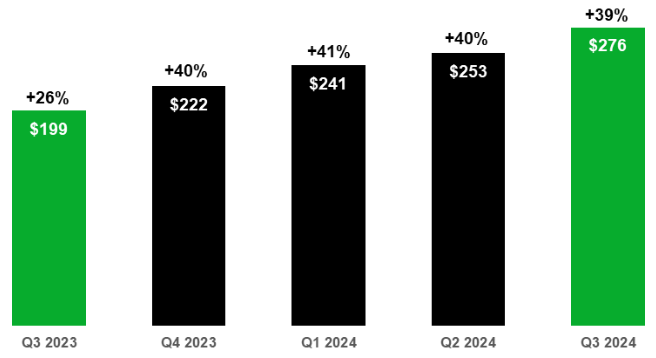
PV declined 18% and gross dollar volume (GDV) declined 14%.

- GDV declines were driven by the reduction in active accounts while reductions in PV were slightly less than the decline in active accounts as the remaining customers base continues to have a more attractive profile and spending activity.

[1] Represents the total number of accounts that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter

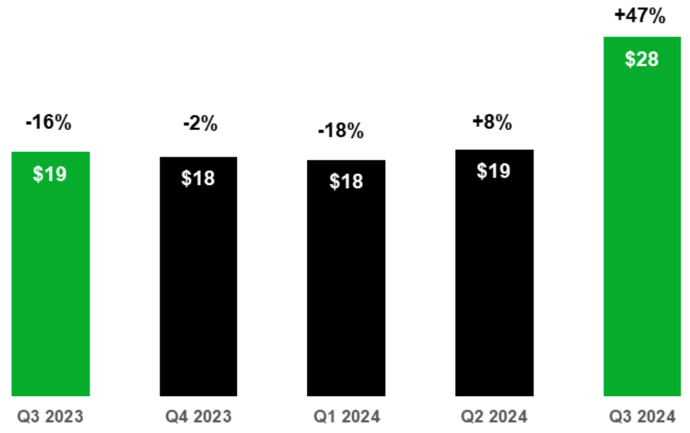
B2B Services Segment

Segment Revenue



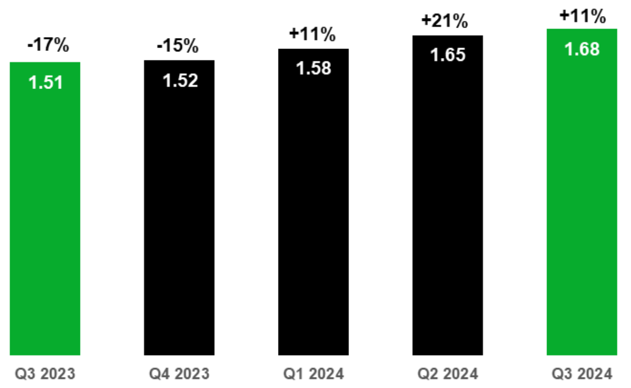
in millions, reflects change versus the prior year

Segment Profit



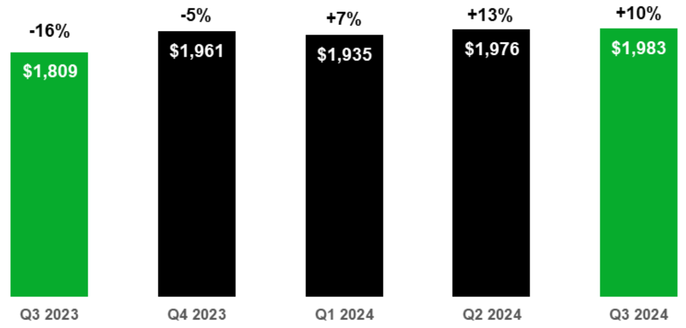
in millions, reflects change versus the prior year

Active Accounts[1]



in millions, reflects change versus the prior year

Purchase Volume (PV)



in millions, reflects change versus the prior year

Segment revenue increased 39%

- Growth remains largely driven by a key BaaS partner and rapid! PayCard. Excluding the growth from a key BaaS partner, the rest of the BaaS channel continued to see stabilization.
- rapid! PayCard saw solid growth driven by pricing strategies implemented in the second half of 2023, offsetting pressure on active accounts.

Segment profit increased 47%

- Segment profit margin increased 56 bps
- Margins were up modestly as the division benefited from lower-than-normal costs associated with risk and customer losses.

Active accounts[1] were up 11%

- The launch of new partners and growth of existing partners resulted in year over year growth and 5 consecutive quarters of sequential increases.

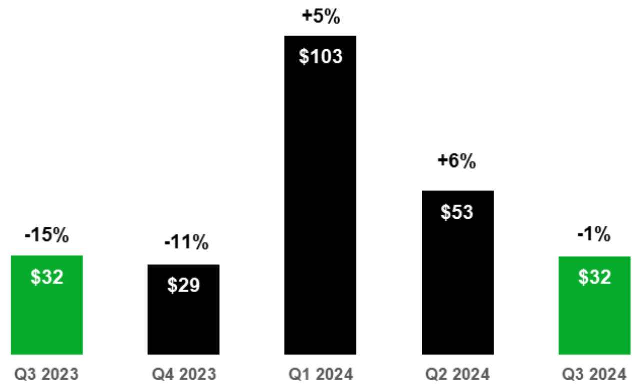
PV increased 10% and gross dollar volume (GDV) increased 46%

- Growth in PV is driven by growth from new partners and existing partners while growth in GDV was driven by several key BaaS partners that have programs that are more GDV-centric.

[1] Represents the total number of accounts that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter

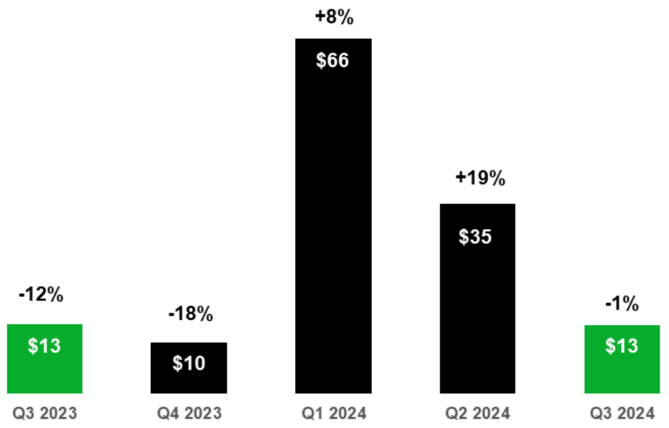
Money Movement Services Segment

Segment Revenue



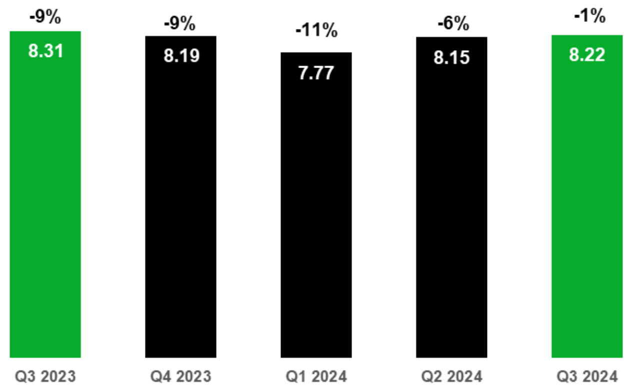
in millions, reflects change versus the prior year

Segment Profit



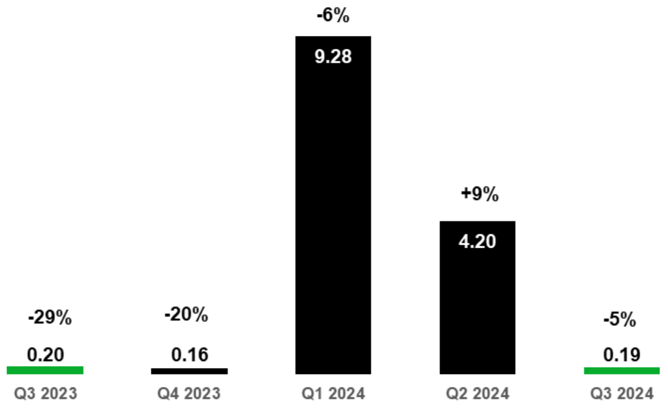
in millions, reflects change versus the prior year

Cash Transfers



in millions, reflects change versus the prior year

Tax Refunds Processed



in millions, reflects change versus the prior year

Segment revenue declined 1%

- Growth was impacted by a continued decline in revenue in the Money Processing channel while Tax Processing revenue was flat. The Green Dot Network, a component of the Money Processing channel, continues to see year-over-year declines from lower Green Dot-issued active accounts, while 3rd party transactions continue to grow.

Segment profit decreased 1%

- Segment profit was impacted by timing-related margin pressure in Tax Processing while Money Processing saw some modest margin expansion.

Cash transfers were down 1%

- While the decline in actives remains a headwind for transactions, growth in 3rd party partner volumes offset much the headwind, resulting in continued moderation in year over year declines.
- 3rd party volumes were up 12% and now account for ~70% of total transactions.

Tax refunds processed decreased 5%

- In a seasonally soft quarter, the nominal level of tax refunds was down slightly from last year

2024 Guidance and Outlook

Projected Non-GAAP Revenue[1] of $1.65B-$1.70B

Projected Adjusted EBITDA[1] of $164M-$166M

Projected Non-GAAP EPS[1] of $1.33-$1.36

2024 Considerations and Outlook

Company expects full year adjusted EBITDA of approximately of $164M-$166M as the retail channel is trailing our earlier expectations.

Program de-conversions in the first half of 2023 created headwinds for 1HQ24.

After several quarters of increased spending on regulatory infrastructure, amounts peaked in 1H24.

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

Non-GAAP Revenue[1] projections; Full year revenue growth in the mid-teens with modest acceleration from 3Q to 4Q .

Adjusted EBITDA margin projections; Full year margins are expected to be down 150-200bp, though 4Q margins are expected to be up 200-300bp.

Consumer Segment

Secular headwinds, sunsetting direct portfolios in 2023 and program deconversion expected to result in high-teens revenue declines.

Launch of PLS, growing contribution from GO2bank and lapping headwinds is expected to continue to drive improved revenue momentum. Revenue in 4Q expected to decline in the low single-digits as more normalized comparisons and the benefit of PLS are more fully realized.

Margins for the year are expected to be up 400-600bps with 4Q margins up over 1000bps due to improved revenue performance, processor conversions, lower risk management expenses and cost control efforts.

B2B Segment

Revenue growth for the full year is expected in the mid-30% range with 4Q growth in the low-30% range. For the year, growth is expected to be driven largely by the BaaS division with some modest growth expected in rapid! Paycard.

For the year, margins are expected to be down approximately 100bp with 4Q margins anticipated to be up approximately 100bp from last year.

Money Movement Segment

Full year revenue growth is expected to be in the low-single digits due to a solid season in the Tax Processing and improving momentum in Money Processing. Revenue in 4Q is expected to be flat to down slightly.

Margins for the year should up approximately 200 basis points with margins in 4Q anticipated to be down 100-200bp from last year.

[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		
	Q3	Q4	Q1	Q2	Q3
Segment Revenue					
Consumer Services	$ 118.2	$ 111.5	$ 100.6	$ 96.6	$ 98.0
B2B Services	199.2	221.8	241.2	252.1	276.4
Money Movement Services	32.1	29.4	103.2	53.0	31.9
Corporate and Other	(0.9)	(1.0)	2.5	0.9	(0.3)
Total segment revenues	348.6	361.7	447.4	402.6	406.0
BaaS commission and processing expenses (8)	5.2	5.1	5.1	5.0	4.3
Other income (9)	(0.7)	(0.8)	(0.5)	(0.5)	(0.6)
Total operating revenues	$ 353.0	$ 366.0	$ 452.0	$ 407.1	$ 409.7

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		
	Q3	Q4	Q1	Q2	Q3
Segment Profit					
Consumer Services	$ 42.4	$ 37.7	$ 33.3	$ 34.4	$ 39.4
B2B Services	18.9	18.5	18.3	19.1	27.7
Money Movement Services	12.9	9.5	65.8	35.3	12.7
Corporate and Other	(50.4)	(40.0)	(58.2)	(54.8)	(51.5)
Total segment profit*	23.7	25.7	59.2	34.0	28.3
Reconciliation to income (loss) before income taxes					
Depreciation and amortization of property, equipment and internal-use software	14.7	16.4	16.4	15.8	15.5
Stock based compensation and related employer taxes	8.0	6.0	8.7	7.5	8.2
Amortization of acquired intangible assets	5.6	5.7	5.7	5.4	5.2
Impairment charges	-	-	6.4	2.1	0.0
Legal settlement expenses	0.5	21.7	5.9	26.1	0.9
Other expense	1.7	2.2	5.6	0.7	1.4
Operating income (loss)	(6.8)	(26.3)	10.6	(23.7)	(2.9)
Interest expense, net	0.2	0.9	1.5	1.3	1.6
Other income (expense), net	(0.8)	1.0	(1.8)	(4.5)	(3.7)
Income (loss) before income taxes	$ (7.9)	$ (26.1)	$ 7.3	$ (29.5)	$ (8.2)

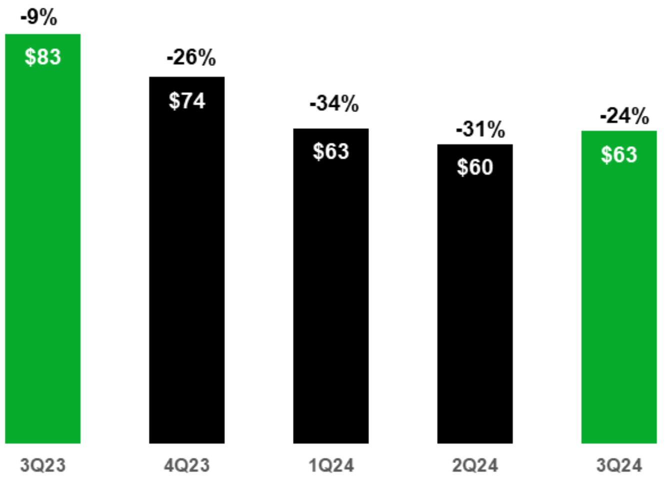
* Total segment profit is also referred to herein as adjusted EBITDA in its non-GAAP measures. Additional information about the Company's non-GAAP financial measures can be found under "About Non-GAAP Financial Measures."

Appendix

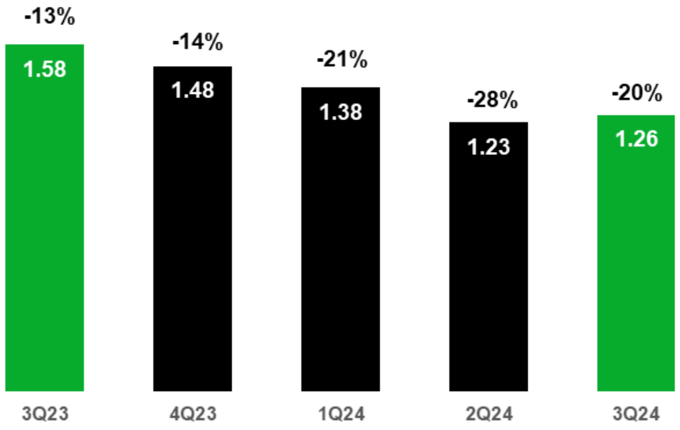
Division Information

Retail division

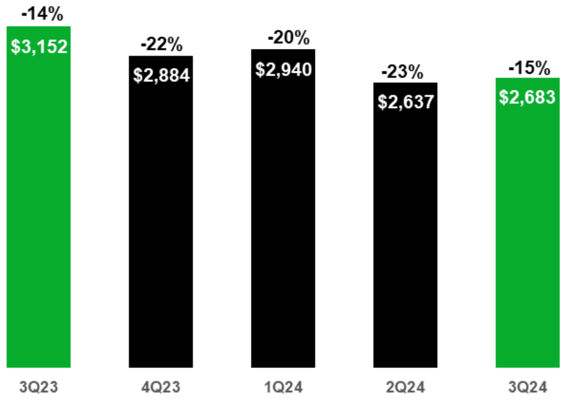
Revenue



Active Accounts[1]

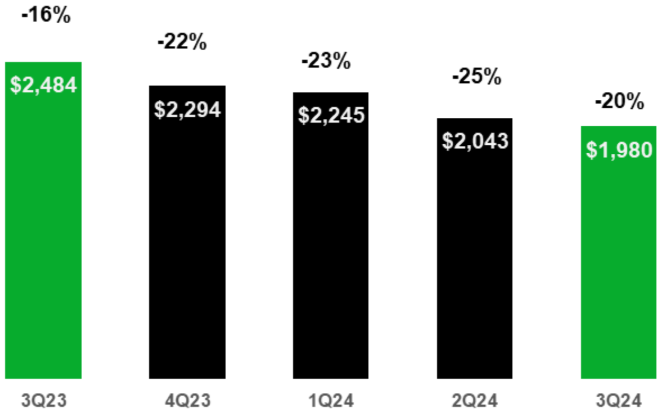


Gross Dollar Volume (GDV)



in millions, reflects change versus the prior year

Purchase Volume (PV)



in millions, reflects change versus the prior year

Revenue declined 24%

- Declines remain driven largely by secular headwinds and the de-conversion of a retail program that continued to create headwinds for 3Q24.
- Revenue per active[1] was up 9% excluding the impact of the program de-conversion, which created a revenue headwind but does not impact the number actives.
- The launch of PLS is off to a strong start and is expected to help reduce the rate of decline in the coming quarters.

Active accounts[1] declined 20%

- Active accounts continue to decline due to secular changes in consumer behavior, increased competition from digital-first offerings and improved risk management processes that is forcing out higher-risk accounts. This was offset by the positive impact of the PLS launch.
- Actives grew on a sequential basis for the first time in over 2 years.

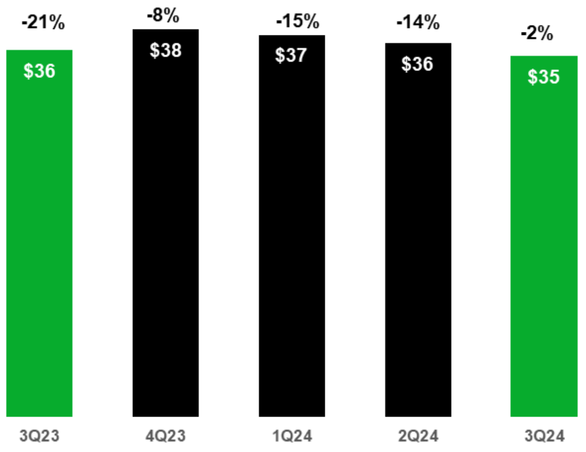
Gross dollar volume declined 15% and Purchase volume declined 20%

- Declines in volumes are generally tied to the decline in actives although average GDV per account was up slightly while PV per account was flat.

[1] Represents the total number of accounts that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter

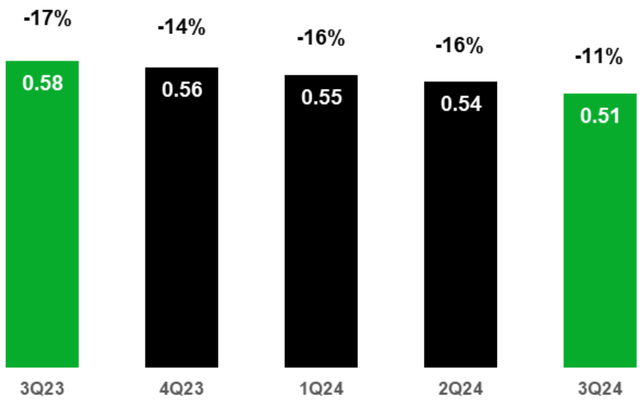
Direct division

Revenue



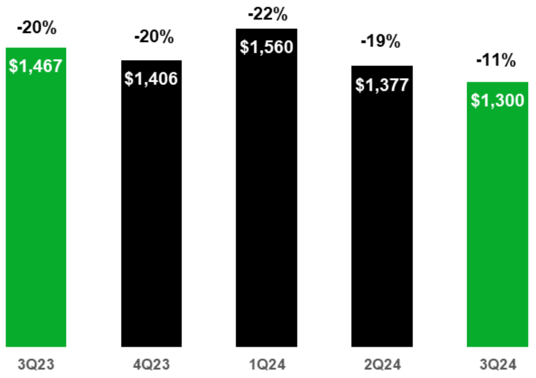
in millions, reflects change versus the prior year

Active Accounts[1]



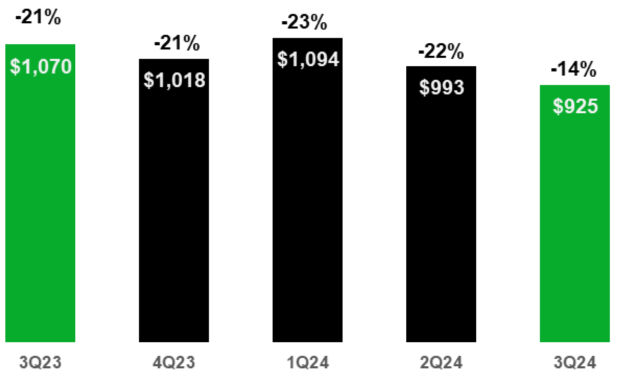
in millions, reflects change versus the prior year

Gross Dollar Volume (GDV)



in millions, reflects change versus the prior year

Purchase Volume (PV)



in millions, reflects change versus the prior year

Revenue declined 2%

- 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 2Q23 (with the full impact felt in 3Q23) direct revenue has begun to stabilize and year over year declines were the slowest in many years.
- Revenue per active was up 10% on year over year basis.
- GO2bank now accounts for ~75% of the Direct division revenue and continues to see year over year growth.

Active accounts[1] declined 11%

- The decline in active accounts reflects the deliberate decision to sunset legacy brands and focus on GO2bank.

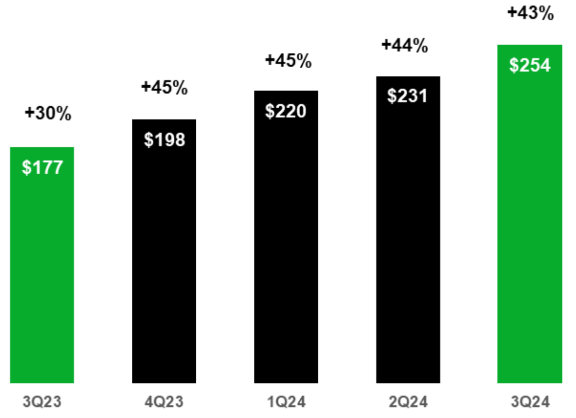
Gross dollar volume declined 11% and purchase volume declined 14%

- Volume declines are in-line or slightly larger than the decline in actives due to the mix of accounts. Older portfolios that were sunset had higher GDV and PV since they were more mature and had higher direct deposit attachment. The younger GO2bank account portfolio has modestly lower GDV and PV per account on average but is expected to continue to see increases as the portfolio matures and direct deposit penetration increases.

[1] Represents the total number of accounts that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter

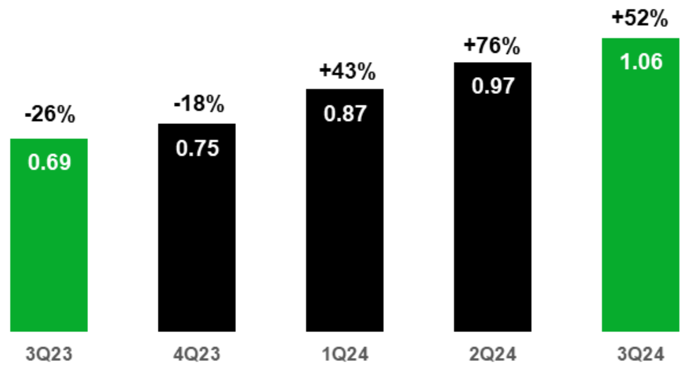
BaaS division

Revenue



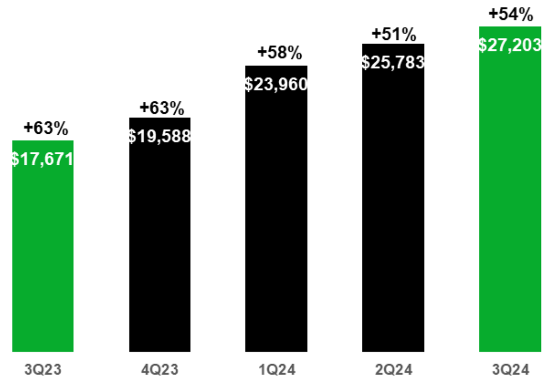
in millions, reflects change versus the prior year

Active Accounts[1]



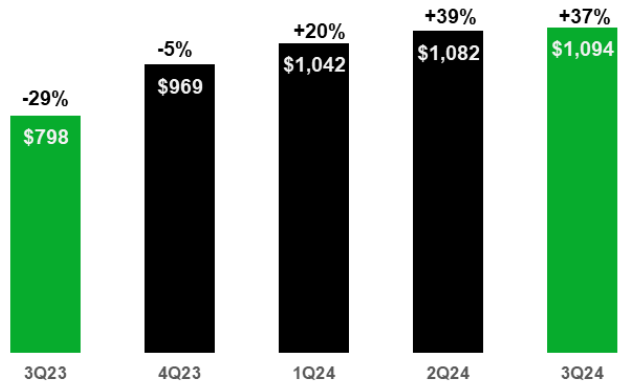
in millions, reflects change versus the prior year

Gross Dollar Volume (GDV)



in millions, reflects change versus the prior year

Purchase Volume (PV)



in millions, reflects change versus the prior year

Revenue increased 43%

- Revenue growth was primarily driven by a large strategic partner while the rest of the BaaS business continues to see stabilization.

Active accounts[1] increased 52%

- Active accounts continued to increase due to the growth of new partners and existing partners.

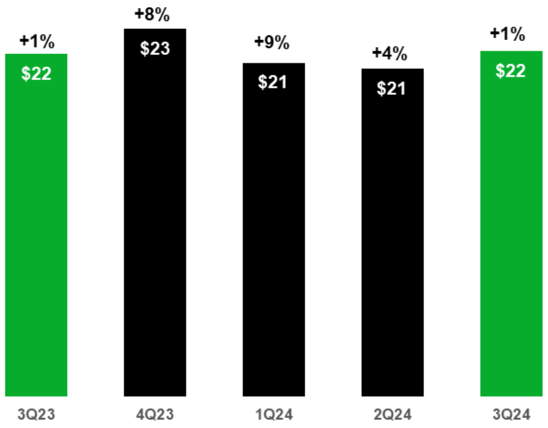
Gross dollar volume increased 54% and purchase volume increased 37%

- Growth in gross dollar volume was influenced the by impact of a couple of partners that have products that are more GDV-centric in nature. Purchase volumes continued to show growth as we launched new partners and saw growth in existing partners.

[1] Represents the total number of accounts that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter

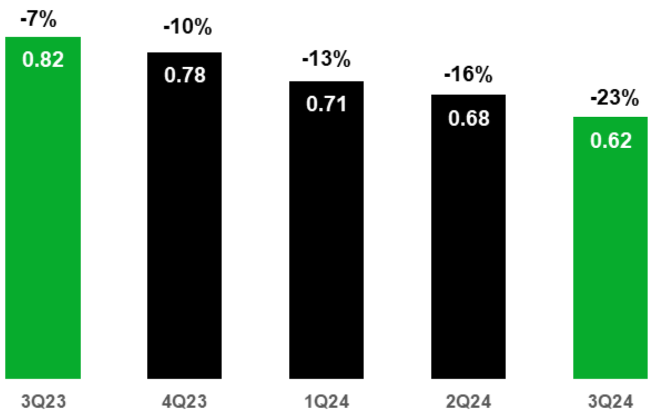
rapid! Paycard division

Revenue



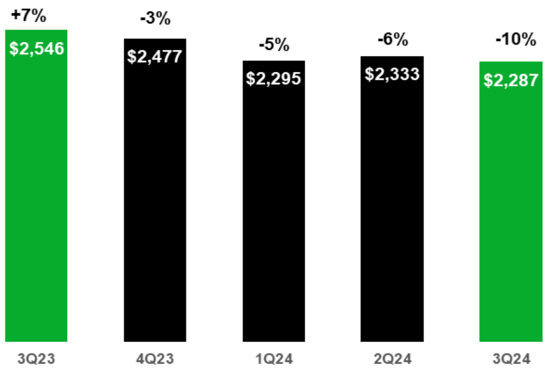
in millions, reflects change versus the prior year

Active Accounts[1]



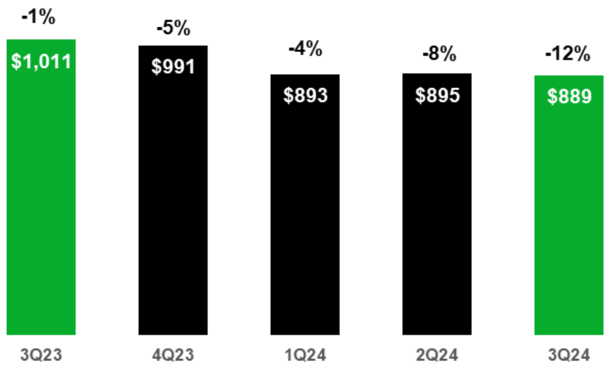
in millions, reflects change versus the prior year

Gross Dollar Volume (GDV)



in millions, reflects change versus the prior year

Purchase Volume (PV)



in millions, reflects change versus the prior year

Revenue increased 1%

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

Active accounts[1] declined 23%

- The decline in active accounts is largely driven by pressure on the temporary staffing industry, one of the largest verticals. Despite those headwinds, sales activity YTD has been solid and investments in earned wage access capabilities continue. Implementing programs and strategies to drive increased employer and employee engagement to enhance activations and improve retention.

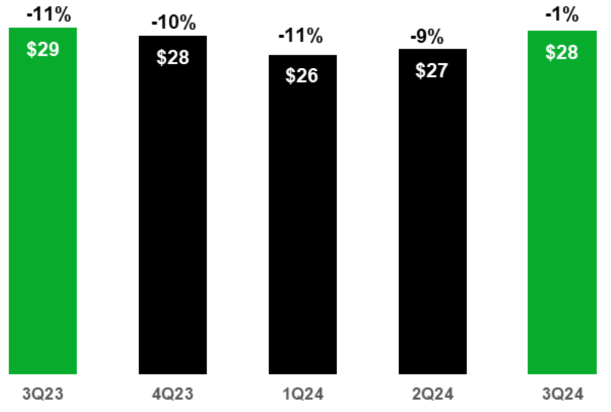
Gross dollar volume fell 10% and purchase volume declined 12%

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

[1] Represents the total number of accounts that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter

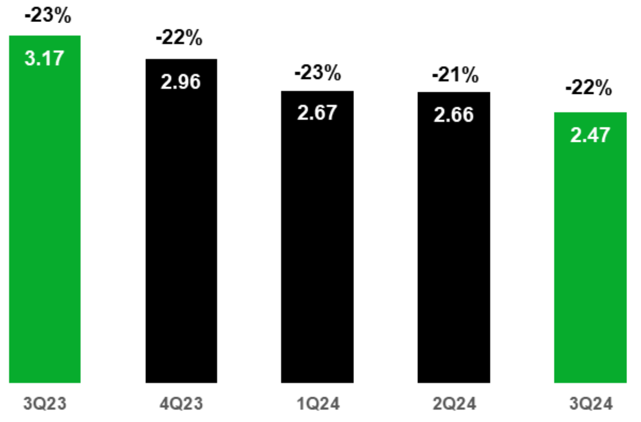
Money Processing division

Revenue



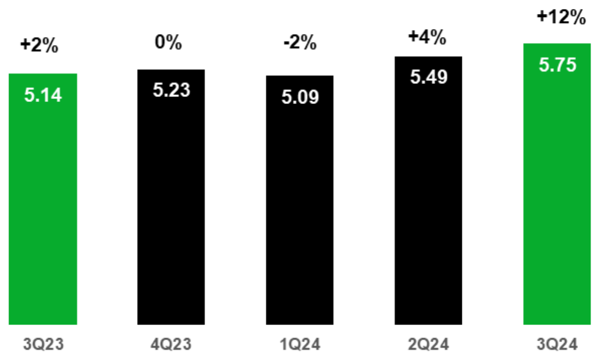
in millions, reflects change versus the prior year

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

Revenue declined 1%

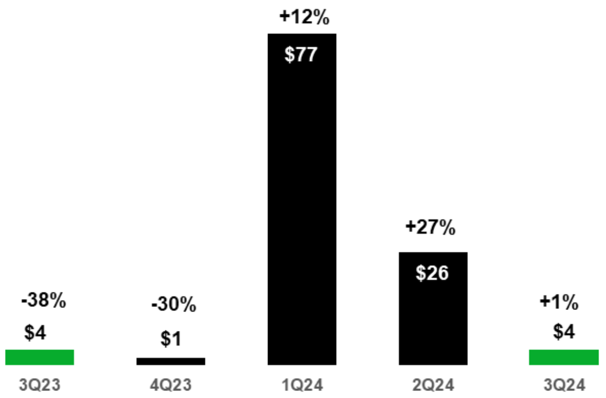
- Declines remain largely driven by the decline in transactions from Green Dot-issued active accounts in the Consumer Services segment.

Cash transfers to GDOT-issued accounts declined 22%; Third Party volumes grew 12%

- Declines in cash transfers to Green Dot-issued accounts reflect the decline in active accounts in the Consumer Services segment.
- Cash transfers to third party accounts were up 12% and now represent ~70% of total cash transfers. A solid backlog of signed partners should set the stage for continued acceleration in transaction growth.

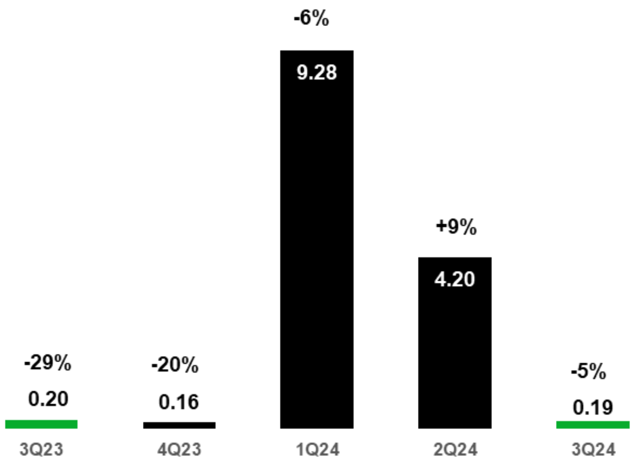
Tax Processing division

Revenue



in millions, reflects change versus the prior year

Tax Refunds Processed



in millions, reflects change versus the prior year

Revenue increased 1%

- In the seasonally soft third quarter, revenue was up slightly

Refunds processed were down 5%

- Year-over-year growth in volumes in the third and fourth quarters is hard to predict and generally comprises a minimal amount of transactions with growth rates that can bounce around due to timing and year over year comparisons.

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

	2023		2024		
	Q3	Q4	Q1	Q2	Q3
Reconciliation of Total Operating Revenues to Non-GAAP Total Operating Revenues (1)			(In millions)		
Total operating revenues	$ 353.0	$ 366.0	$ 452.0	$ 407.1	$ 409.7
BaaS commission and processing expenses (8)	(5.2)	(5.1)	(5.1)	(5.0)	(4.3)
Other income (9)	0.7	0.8	0.5	0.5	0.6
Non-GAAP total operating revenues	$ 348.6	$ 361.7	$ 447.4	$ 402.6	$ 406.0

Non-GAAP Financial Measures

Reconciliation of Net Income (Loss) to Non-GAAP Net Income (1)	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
	(In millions, except per share data)				
Net income (loss)	$ (6.3)	$ (23.6)	$ 4.8	$ (28.7)	$ (7.8)
Stock-based compensation and related employer payroll taxes (3)	8.0	6.0	8.7	7.5	8.2
Amortization of acquired intangible assets (4)	5.6	5.7	5.7	5.4	5.2
Amortization of deferred financing costs (5)	0.0	0.0	0.0	0.0	0.1
Impairment charges (5)	-	-	6.4	2.1	0.0
Extraordinary severance expenses (6)	1.0	1.3	5.0	0.4	0.6
Legal settlement expenses (gain) (5)	0.5	21.7	5.9	26.1	0.9
Losses in equity method investments (5)	1.7	0.0	2.7	4.8	4.5
Change in fair value of loans held for sale (2)(5)	(0.2)	(0.3)	(0.2)	(0.0)	(0.0)
Other (income) expense, net (5)	0.0	0.1	(0.1)	(0.0)	0.0
Income tax effect (7)	(3.0)	(3.7)	(7.4)	(4.3)	(4.7)
Non-GAAP net income	$ 7.4	$ 7.3	$ 31.4	$ 13.4	$ 7.0
Diluted earnings (loss) per share					
GAAP	$ (0.12)	$ (0.45)	$ 0.09	$ (0.54)	$ (0.15)
Non-GAAP	$ 0.14	$ 0.14	$ 0.59	$ 0.25	$ 0.13
Diluted weighted-average shares issued and outstanding					
GAAP	52.4	52.6	53.3	53.5	53.7
Non-GAAP	52.7	52.9	53.3	54.0	54.7

Non-GAAP Financial Measures

Reconciliation of Net Income (Loss) to Adjusted EBITDA (1)	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
			(In millions)		
Net income (loss)	$ (6.3)	$ (23.6)	$ 4.8	$ (28.7)	$ (7.8)
Interest expense, net (2)	0.2	0.9	1.5	1.3	1.6
Income tax (benefit) expense	(1.6)	(2.5)	2.5	(0.8)	(0.4)
Depreciation and amortization of property, equipment and internal-use software (2)	14.7	16.4	16.4	15.8	15.5
Stock-based compensation and related employer payroll taxes (2)(3)	8.0	6.0	8.7	7.5	8.2
Amortization of acquired intangible assets (2)(4)	5.6	5.7	5.7	5.4	5.2
Impairment charges (2)(5)	-	-	6.4	2.1	0.0
Extraordinary severance expenses (2)(6)	1.0	1.3	5.0	0.4	0.6
Losses in equity method investments (2)(5)	1.7	0.0	2.7	4.8	4.5
Change in fair value of loans held for sale (2)(5)	(0.2)	(0.3)	(0.2)	(0.0)	(0.0)
Legal settlement expenses (gain) (2)(5)	0.5	21.7	5.9	26.1	0.9
Other expense (income), net (2)(5)	0.0	0.1	(0.1)	(0.0)	0.0
Adjusted EBITDA	$ 23.7	$ 25.7	$ 59.2	$ 34.0	$ 28.3
Non-GAAP total operating revenues	$ 348.6	$ 361.7	$ 447.4	$ 402.6	$ 406.0
Adjusted EBITDA/Non-GAAP total operating revenues (adjusted EBITDA margin)	6.8%	7.1%	13.2%	8.4%	7.0%

Non-GAAP Financial Measures

Reconciliation of GAAP to Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
	(In millions)				
Diluted weighted-average shares issued and outstanding	52.4	52.6	53.3	53.5	53.7
Anti-dilutive shares due to GAAP net loss	0.4	0.2	-	0.5	1.0
Non-GAAP diluted weighted-average shares issued and outstanding	52.7	52.9	53.3	54.0	54.7

Supplemental Detail on Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
	(In millions)				
Total stock outstanding at end of period:	52.4	52.8	53.2	53.7	53.8
Weighting adjustment	(0.0)	(0.2)	(0.2)	(0.3)	(0.0)
Dilutive potential shares:					
Restricted and performance based restricted stock units	0.3	0.2	0.3	0.5	0.9
Employee stock purchase plan	0.1	0.0	0.1	0.0	0.0
Non-GAAP diluted weighted-average shares issued and outstanding	52.7	52.9	53.3	54.0	54.7

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	$ 1,669	$ 1,719
Adjustments (8)(9)	(19)	(19)
Non-GAAP total operating revenues	$ 1,650	$ 1,700

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Loss	FY 2024	
	Range	
	Low	High
	(In millions)	
Net loss	$ (27.3)	$ (24.9)
Adjustments (10)	191.3	190.9
Adjusted EBITDA	$ 164.0	$ 166.0
Non-GAAP total operating revenues	$ 1,700	$ 1,650
Adjusted EBITDA / Non-GAAP total operating revenues (Adjusted EBITDA margin)	9.6%	10.1%

Non-GAAP Financial Measures

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Loss and GAAP Diluted Weighted-Average Shares Issued and Outstanding	FY 2024			
	Range			
	Low		High	
	In millions, except per share data			
Net loss	$	(27.3)	$	(24.9)
Adjustments (10)		99.7		98.8
Non-GAAP net income	$	72.4	$	73.9
Diluted earnings (loss) per share				
GAAP	$	(0.51)	$	(0.46)
Non-GAAP	$	1.33	$	1.36
Diluted weighted-average shares issued and outstanding				
GAAP		53.6		53.6
Anti-dilutive shares due to GAAP net loss		0.6		0.6
Non-GAAP		54.2		54.2

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 $8.2 million and $8.0 million for the three months ended September 30, 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 and nine months ended September 30, 2024, Green Dot recorded charges of $0.6 million and $6.1 million, respectively, 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 September 30, 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).