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TREE - Q2 2015 LendingTree Inc Earnings Call

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PRESENTATION

Operator

Good day, ladies and gentlemen and welcome to the LendingTree second-quarter 2015 earnings conference call.

(Operator Instructions)

As a reminder, this conference is being recorded. I would now like to introduce your host for today's conference, Gabe Dalporto, Chief Financial Officer. Sir, you may begin.

Gabe Dalporto - *LendingTree, Inc. - CFO*

Thanks, operator, and thanks to everyone for joining us today for LendingTree's second-quarter 2015 earnings conference call. First, a quick disclaimer. During this call, you may -- we may discuss LendingTree's plans, expectations, outlook, or forecast for future performance.

These forward-looking statements are typically preceded by words such as we expect, we believe, we anticipate, we are looking to, or other similar statements. These forward-looking statements are subject to risks and uncertainties and LendingTree's actual results could differ materially from the views expressed today. Many, but not all, of the risks we face are described in LendingTree's periodic reports filed with the SEC.

On this call, we will discuss a number of non-GAAP measures. And, I refer you to today's press release available on our website at Investors. LendingTree.com for the comparable GAAP measures, definitions, and full reconciliations of non-GAAP measures to GAAP. To put my remarks from the earnings release in context, the second quarter marks our third consecutive quarter of record revenue and our fifth consecutive quarter of record variable marketing margin. A huge accomplishment for our team and a testament to our strategic growth initiative.

Looking first at our mortgage products, we recorded revenue of $37.2 million. Representing an increase of over 7% over second quarter of 2014. Compared to the first quarter, our mortgage results were somewhat indicative of the broader market. As revenue from our refinance products was essentially flat and our purchase revenue grew modestly, as we entered the summer homebuying season. Also, during the quarter and into July, we landed several key sales wins which have positioned us for continued growth in the second half. These impacts will be reflected in our forward-looking guidance which Doug will discuss in a moment.

Moving to our non-mortgage products. Our growth story continued in the second quarter. With revenue climbing 139% year over year and 29% sequentially to a record $17.9 million. Non-mortgage revenue now comprises 32% of our total revenue. Inside of non-mortgage, we are especially pleased to see the ongoing success of our personal loans marketplace at $11.5 million. Revenue from our personal loans marketplace was up 46% quarter over quarter and an impressive 393% over the second quarter of 2014.

Additionally we're seeing material growth in several other non-mortgage revenue streams. Most notably, our credit cards offering is starting to show significant signs of traction after more than two years of development and investment. More broadly, what we're seeing, is continued growth across a more fullsome suite of loan and credit-based offerings. As we saw year-over-year growth in each of our non-mortgage lending categories.

All in, our consolidated revenue of $55.1 million in Q2 was up $13 million, or, 31% over Q2 2014. Exceeding our prior guidance and reaching a new record for the Company. From a profitability standpoint, the Company delivered a new record of $21.4 million in variable marketing margin. Up 35% over second quarter 2014, which also exceeds our previous guidance. At 39% of revenue, this reflects a substantial portion of the expense associated with the production of several new TV spots in the quarter, which came in under budget. These new commercials began airing in late July -- June and July. And, according to Ace Metrix, are among the highest scoring ads we have produced.

Adjusted EBITDA of $8.9 million in the quarter exceeded the high end of our previous guidance and represents an increase of 62% year over year. Adjusted net income, which includes certain amounts expensed under GAAP, and is reconciled to our earnings release. Registered $7.8 million, or, $0.63 per diluted share. An increase of $0.24, or, 62% over second quarter 2014. And, for the second consecutive quarter, we demonstrated significant in GAAP earnings potential. As we converted EBITDA into $6.4 million of net income from continuing operations, or, $0.52 per diluted share. From a balance sheet perspective, our working capital position increased to $88.7 million at June 30, 2015. Compared to $86.4 million at March 31.

Working capital is calculated as current assets, including unrestricted and restricted cash, minus current liabilities, including loan loss reserves. In conclusion, we believe our second quarter demonstrated an incredibly strong performance as we exceeded prior guidance on revenue, VMM, adjusted EBITDA, and continued to gain share and scale our business. Most importantly, we continued to make measurable progress, both operationally and financially, in growing the suite of loan-based comparison shopping offerings we provide. Reflecting our strategic focus on diversifying the business and to new, sustainable, and high-growth revenue streams. Thank you for your time today. And now, I would like to turn it over to Doug for his comments.

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

Thanks, Gabe, and thanks to everyone for joining the call today. With Gabe having discussed our financial results for the quarter, I'd like to share some perspective on the business and provide an update on our outlook for the remainder of the year. First, I'd like to welcome Gabe for his first earnings call as CFO. Internally, the transition at CFO has been seamless and other executive appointments announced a couple months ago are all going absolutely terrifically. The business is humming across the board and this team is successfully scaling our business.

In our mortgage business, I'm very pleased with our results. We're now serving 11 of the top mortgage originators in the country and we continued to make inroads with large national and regional banks with other new lenders signing up literally every week. We're rapidly scaling our call center capabilities. Enabling us to better serve large banks and transfer very high quality, high intent consumers to their loan officers. We think this offering provides a key point of differentiation from many of our competitors.

And, as many of these institutions move into their annual planning seasons, we continue to see a great deal of interest from them as they look to increase their online presence. We're all seeing increased -- we're also seeing increased demand from existing lenders. And, the fact that Discover Home Loans exited the mortgage business and there is no hiccup in our results is a testament to the value that we provide. In short, we are definitely seeing lenders increasingly use us to access customers and we're feeling the effects of both a growing market transitioning to online and deeper penetration into our lenders' marketing budgets. Going forward, we expect the growth rate of our mortgage business to accelerate in the third quarter. Even as the industry volumes are projected to soften.

Moving into our non-mortgage products. I'm even more filled -- more thrilled with our progress there. In personal loans we continue to grow volume month over month. With the substantial increases from paid search, SEO, off-line, and CRM. We have been investing heavily in growing revenue for this product and cross-selling personal loans to our existing customer base through email and My LendingTree. We remain acutely focused to -- on improving conversion rates from leads to closed loans. And, in the second quarter we facilitated an estimated $375 million in personal loan originations. And, our network of personal loan lenders, now at 22 lenders, continues to grow. Providing expanded coverage for consumers across the credit spectrum.

In our other non-mortgage businesses, we continue to be to particularly encouraged by our prospects in the credit card and small business loan arenas. Our credit card revenue grew 75% quarter over quarter. Mainly driven by our ability to secure improved monetization. Certain issuers have provided us with higher payouts, which enabled us to ramp up our marketing efforts.

And, in small business loans. We continue to focus on improving our matching algorithm. Matching small business owners with the proper array of lenders to suit their specific needs.

Switching gears to My LendingTree. We've now grown the user base to more than 1.4 million consumers. We've recently rolled out the release of the new alert functionality within My LendingTree as well. This new logic creates a much improved user experience. Providing precise calculations of savings opportunities that consumers can realize and follow a recommended course of action. To date, we've identified nearly $500 million in potential savings opportunities for consumers and we'll be continuing to roll out new features and alert functionality in the coming months.

Now, onto marketing. As Gabe mentioned we expense -- we expensed much of the production of our new round of TV commercials in Q2. We've got four new spots in market already and the early results have been encouraging. The new round of creative aims to continual -- to continue to establish LendingTree as the brand that consumers see as the place to shop for money across all lending categories.

Also worth noting, is the fact that, for the first time, all of our new spots were entirely written and produced by our team internally. We have actually done, for the first time in 20 years, not had an agency help us with our marketing. By decreasing our reliance on outside agencies, we've drastically improved our speed to market, while reducing online -- or, offline production expenses. And, I think you'll find the quality of this new creative; it's as good, if not better, than anything we've done to date. We continue to believe that the LendingTree brand is one of our key competitive advantages and main -- and we're maintaining a strong offline presence that reinforces our name with consumers and provides tremendous efficiency in our digital marketing efforts.

With that context in hand, I'd like to provide our expectations for Q3 and the rest of the year. For Q3 we anticipate top-line revenue to come in between $60 million and $62 million. Representing year-over-year growth of 45% to 50%. As previously noted, the strong sequential growth is attributable to progress in both mortgage and non-mortgage. With the cost of new TV spots behind us, and those new spots now in market, we anticipate variable marketing margin to be in the range of the $22.5 million to $23.5 million. An increase from $1 million to $2 million over the first quarter of this year. And, adjusted EBITDA is anticipated to be in the range of $9.2 million to $9.7 million representing year-over-year growth of 59% to 67%.

For the full-year guidance, we're increasing our expectations substantially from our previous guidance. Revenue is now anticipated to be $225 million to $230 million. Up from prior guidance of $202 million to $208 million. And, now representing annual growth of 34% to 37%. Variable marketing margin is now expected to be in the range of $86 million to $89 million. And, we're taking up adjusted EBITDA to $35 million to $36 million. Up from prior guidance of $30 million to $31 million. The midpoint of our revised guidance represents growth of 63% over 2014.

Clearly, our outlook for the year continues to improve. With our reorganized executive team in place, our business is firing on all cylinders across all functional areas, and across all lines of business. I'm thrilled with our results. And even more so, with how we're positioned in a rapidly growing market for both consumers and lenders. With that, let's open it to Q&A.

QUESTIONS AND ANSWERS

Operator

Thank you.

(Operator Instructions)

Kerry Rice, Needham & Company.

Kerry Rice - *Needham & Company - Analyst*

Thanks a lot. Great quarter, guys. Maybe, touch on mortgage. And this, kind of, all relates to the strong guidance. But, is there any particular thing that you'd call it?

Is it the call center product that's really helping drive the mortgage business, kind of, above expectations? And then, on the non-mortgage business. You highlighted in the press release the better matching of customers. And, I don't know if you can talk about, just maybe, levels of conversion and how you're driving that improved matching?

And then, I guess as that relates to guidance as well? If you think about the upside in guidance, maybe, if you can split out the growth or expectations between mortgages and non-mortgage business. Thanks.

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

Thanks, Kerry. On the first one. On mortgage, it really is, quite frankly, sales wins. Neil Salvage has taken over as our Chief Revenue Officer. Our the sales team continues to execute lender -- guidelines continue to expand.

And, we're very, very focused on product from a conversion perspective. So, just like Google or any search engine, we just very focused on helping our lenders continue to convert. As they can convert customers into closed loans, it all helps. So, definitely the call center product helps, but I can't attribute anything specifically just to that. We're really also seeing great strides in purchase and lenders increasingly being able to handle purchase. In the non-mortgage categories, obviously, personal loans are doing great.

We do not give out total conversion rate data, just from a competitive standpoint. But, what I can tell you, the recent data I've seen, literally is -- later this morning. Is that we are hitting all of our lenders cost-refunded loan goals, which means they want to increasingly scale up with us. And, so as we continue to do that and as they get better at serving customers' needs, we expect that to continue and more and more lenders are coming into that market every single day.

So, it's, honestly, it's really just across the board. We're just executing on sales. We're executing on product. We're executing on marketing. And, that's the whole business and then leveraging the brand on top of that and we couldn't be happier.

Kerry Rice - *Needham & Company - Analyst*

Okay. Thanks a lot, Doug.

Operator

Thank you. John Campbell, Stephens.

John Campbell - *Stephens Inc. - Analyst*

Hello guys, good afternoon.

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

Hello, John. How are you?

John Campbell - *Stephens Inc. - Analyst*

Hello, well, I -- Gabe, congrats on the new role in your first quarter at the helm. And then, Doug, congrats to you guys and the rest of the team on just another really, really strong quarter.

Gabe Dalporto - *LendingTree, Inc. - CFO*

Thank you.

John Campbell - *Stephens Inc. - Analyst*

Yes. Absolutely. It's great that you guys have been posting these really strong results without having to lean on My LendingTree, kind of, driven rev. So, just curious, related to that. In the past you guys talked about the, kind of, long-term adjusted EBITDA margin of about 25% or so. But, it seems like to us, if My LendingTree helps to just really drive down the median margin, like we think it can, it seems like that could be a good bit higher. So, Gabe, I don't know if you've had a -- much time to dig on that -- dig in on that the long-term goal. But, just, any thoughts around that long-term margin profile?

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

Yes. On long-term margins and I'll let Gabe respond as well. What -- my perspective is we're always focused on the dollar. So, if we can -- we absolutely will see margin improvement over time.

What I'm seeing, and I'm not going to give out real numbers on this, is that our My LendingTree product is able to attract consumers at customer acquisition costs that are unprecedented compared to mortgage and other credit types. And then, as our alerts get smarter and smarter, we expect to leverage that over time. So, I would fully expect increasing margins. At the same time, I would expect us to be able to use those dollars to spend much more aggressively in marketing. As I saw some numbers, again as late as this morning, we're now looking at inside of My LendingTree, less than 1% of all the debt in the United States.

Quite frankly, we should be able to give a product to a consumer to save everybody money. We can give you recommendations on improving your credit and we should be able to give you recommendations on saving you money across all your debts. So, we want to have a bigger and bigger market share of the total debt addressable by consumers in My LendingTree. And then, that positions us perfectly with consumers to be able to make improvements to save them money. Gabe, you have any additional thoughts on that?

Gabe Dalporto - *LendingTree, Inc. - CFO*

Yes, I think that's exactly right. And, to reinforce Doug's point, we focus on variable marketing dollars on an absolute basis. And, to the extent we can drive people to our site through -- directly to My LendingTree or even through the mortgage and personal loans and credit card products and things like that. If we can get them signed up into My LendingTree that creates an annuity stream for us, ongoing revenue.

Which, means the net present value of those customers are higher. Which, means we can actually go out and afford to bid higher in paid media, capture a bigger share of voice in paid media and make more money than people that don't have that annuity stream.

John Campbell - *Stephens Inc. - Analyst*

Got it. That's all very helpful. And then, Doug, just touching back on the mortgage business for a second. I mean, you guys have obviously done a good job in the correspondent channel. That seems to be where you're growing share. That's obviously, your wheelhouse. But, how do you get better penetration in the more traditional, just, retail channels? And, maybe, more specifically, how do you grow share with the larger lenders?

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

Absolutely. A very, very great question. With bigger lenders and the non-correspondent channel, we, quite frankly, have been -- we need to continue to make steps to make our product better for them. So, somebody earlier alluded to the call channel. And, we've had very, very good success with that with certain national banks. So, the lender uses their own proprietary decisioning algorithm to actually give the consumer an offer. And then, in some instances, LendingTree or an outsourced call partner, actually uses our technology to get that person on the line, so that they can increase conversion.

Everything that we do is about conversions. So, we need to make our product work for big national lenders. What we're seeing, not only in mortgage, but also and credit card, very, very importantly. Is that national lenders want to do business with us if we can do it in a way that helps make it easy for them. That typically means they do not have high volume, outbound, technology-based call centers. It means they're either working with either inbound call centers or local loan officers. And, we're tweaking our product to make it work for them.

So, all of the advents in technology, what they'll be startups, are great. But, we're seeing bigger and bigger budgets from more traditional lenders. And basically, the way I see it, if it works they'll out keep doing it. If we hit their cost per funded loan goals, if can help them get new customers.

And, one thing I'll highlight. With one national bank we recently launched something that we call internally portfolio retention. So, some banks don't necessarily want to go get new customers, but they would like to have a look or to make an offer every customer who banks with that company. We added one quo -- question to the form. It was very easy to do. And, this bank is thrilled with the results. So, basically, we just want to make it easier and easier for banks to do business with us. And, just like Google, just like Expedia, just like every other vertical search engine, we expect to continue to get more business as long as it works.

John Campbell - *Stephens Inc. - Analyst*

Got it. Thanks for taking our questions, guys.

Operator

Thank you. Hamed Khorsand, BWS Financial.

Hamed Khorsand - *BWS Financial - Analyst*

HI. Excuse the background noise. First off, on the personal loan side. Can you talk about how much excess flow you have? And, what incremental add is from bringing on new lenders? I know you guys had one during the quarter.

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

By flow, what do you mean?

Hamed Khorsand - *BWS Financial - Analyst*

The excess amount of how many people that you have that are looking for personal loans. I know you've talked about before where you've had excess amount of people looking for -- but not enough of the credit quality to go around.

Gabe Dalporto - *LendingTree, Inc. - CFO*

Yes. So, there's two ways to think about this. One is that in the more desirable credit segment, it's really kind of a dogfight for leads. There's a lot of demand and there's really nobody falling to the floor at that point. In the, kind of, the subprime space there's good, but less, coverage. And, I think there's good opportunity for us to improve coverage there and improve revenue per lead and improve conversion rates.

So, that's a big focus for us. But, so, there will always be some consumers that it is very difficult to underwrite. But, our goal is to, across the entire credit spectrum, service as many as those as humanly possible. Prime is highly covered, kind of, that mid-prime, subprime is fairly well covered. But, there's still gaps and that's a sales focus for us.

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

And, Hamed, the only thing I would add -- this Doug -- would be that as credit standards expand; as lenders are more and more comfortable; we expect that they will take more and more volume. And, as conversion rates get better. So, as they get better with email campaigns. As they get better with reach out. As we get better with updating pricing. We get better with matching algorithms. I mean this -- for a lot of things is a matching algorithm problem.

And, just continuing to build out the marketplace, I've said to somebody recently that the percentage of people that is not matched at LendingTree is very similar to, in the early days of Google and Yahoo. When you got no paid ads when you did a search query and you only got organic results. In our instance, we don't have organic results. We only have paid ad -- paid results and we need to continue to fill that out. And, because every lender sees the market very, very -- in a very detailed way, we just continue to build that out.

But, lenders will expand. Not only because of credit, but also because they're better at converting in this outlying areas. And, as you know and you've run through in your models, that has significant returns for us. Because, we've actually paid to get those customers in the front door.

Hamed Khorsand - *BWS Financial - Analyst*

Okay. Two more questions for you. On the non-mortgage side. Can you expound, which -- if there's any change in the order in revenue? Which one's the most for you? I know you guys through out quite a few cards this quarter. So, I just want to see if there's a change in which segment's doing best for you as far as revenue.

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

Yes, I don't -- we're not going to give out details on everything. I'm thrilled with it across the board. On absolute dollars, obviously personal loans is the biggest on a percentage basis. Absolutely, credit cards has really been an upside surprise for us.

Hamed Khorsand - *BWS Financial - Analyst*

Okay. I'm all -- last question is on the mortgage side. Given the growth that you saw this quarter. Was this, primarily driven by your advertising garnering more consumer attention? And, you already had the demand on the banking side? Or, was it a mixture of both? What made up the growth for you this quarter?

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Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

It's really the continued flywheel. As we have better conversions on the lender side and we have better coverage on the lender side that enables us to go spend more money in marketing. As we spend more money in marketing, it drives in more customers. And increasingly, I think you're seeing this with some of our early reads on our competitors, or maybe, former competitors. We're just, quite frankly, taking share.

So, there's no reason, just like there's no point for most advertisers to advertise on a search engine other than Google. For many of our lenders, there's no point in working with a partner other than LendingTree. And, we're just going to continue to chip away and get more and more of their marketing spend because it works. Because it's better and more efficient for their shop. And, not only can we garner the very small percentage of people that are actually shopping today, but then, we can spend more money in advertising to perpetuate the shift to online, just as happened with travel and other categories.

Hamed Khorsand - *BWS Financial - Analyst*

Okay. Appreciate it, guys. Thank you.

Operator

Thank you.

(Operator Instructions)

Josh Goldberg, G2 Investment Partners.

Josh Goldberg - *G2 Investment Partners Management - Analyst*

Hello, guys. Congrats on the results. Just quickly, two questions. I guess, first, obviously the guidance for September is -- it shows an acceleration in your growth and you talked about a flywheel effect. I just wondered, if you can, just to comment a little bit about how the -- either the advertising, the brand recognition, the personal loan business is just causing, kind of, the growth across the board? Whether it's credit cards, auto, or mortgage? In terms of really getting this business to come alive. And, I have a follow up.

Gabe Dalporto - *LendingTree, Inc. - CFO*

So, this is Gabe. And, what I can tell you is that the -- there are significant advantages to be -- to being a monolined company. And, when we spend advertising dollars on refinance mortgage, we actually get a lot of purchase volume as well. When we spend advertising, generally on mortgage, we tend to get a lot of personal loan volume as well that we can monetize that perhaps other people can't. We get a lot of auto crossover; a lot of card crossover.

And so, to the extent that we are spending on each of these verticals individually, there's a lot of lead over in terms of the traffic to our site looking for other products as well. And, we get to monetize those better and more deeply. And, My LendingTree will just help accelerate that. So really, the way I look at it is there's significant benefits to being a multi-product lending platform and people begin to know you as a place to shop for money as opposed to a place to shop for a credit card or a place to shop for a refinance. So, the extent that we can continue to push that in our brand messaging, in our communications with our existing customers, I think that really positions us more broadly for repeat business.

Hamed Khorsand - *BWS Financial - Analyst*

Okay. And, just on the personal loan side. I mean, obviously, the growth has continued to be extremely strong. And, it's hard to -- it's really hard to argue that your -- you have -- you clearly are taking share of the market that's -- the originations are just continuing to grow. Can you comment at all about why you think that is? Is it just having more lenders on your network? Is it the overall industry growing at this pace? I mean, it just seems like -- I know there's a certain amount of time where it will slow at a certain point. But, obviously now, it's sort of hitting a key inflection point in terms of your business.

Gabe Dalporto - *LendingTree, Inc. - CFO*

It really comes back to the unit economics. And, you've probably heard me say this far too often. But, if we can make -- I'm making up numbers, but $30 from a customer coming to our site, we can invest marketing dollars that are probably 10 to 15 times what we could have invested to drive those customers before. Being in a considered purchase category where people actually don't yet know that they can comparison shop; that they can actually save money on these products. They -- we have to let them know. And so, obviously, the market is growing.

But, the market growth, in terms of overall personal loan volume, is kind of single digits, double digits, but nothing crazy. But really, the revenue per customer continues to grow as conversion rates go. And, quite frankly, it sounds boring, but this feels a lot like mortgage, in some ways, 10 years ago -- our biggest competition is direct mail. I mean, most of these companies who are multi-, multi-billion-dollar market caps are driving business through direct mail. Saying, come here to get a loan for your medical procedure. Or, whatever it is. And, we can be much, much more targeted with online marketing and that's where the brand really carries.

So, we want to be great for our partners in driving volume to them and if we can help them convert it and help them pilot it in. And, there is so much leverage, even in the approval rates, in making sure that our filters; those matching algorithms that we use to match people up lenders, that they actually get approved and bring them back to My LendingTree after that. There is so much untapped leverage in this business. It just continues to get us all thrilled and excited. And, I think, still even on personal loans, although the growth has been great, it's still so early days if you compare it to total debt outstanding on credit cards. It's early days and we haven't even seen -- I mean, we're starting to see risk-based pricing for consumers; so the consumer debt market starts to feel like the corporate debt market. But, it's really, really early days.

Hamed Khorsand - *BWS Financial - Analyst*

Doug, one last one for you. I know Credit Karma just raised money at $3.5 billion. And obviously, they're competing for some of these -- put these customers on the personal loan side and some on the mortgage side. Are you seeing anything different out of them after they capital raise? Or, do you feel like you're still gaining share versus your competition?

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

I think Credit Karma has done an absolutely terrific job. I will leave valuations to the investor class like you guys. I can tell you this. Our brand name is much, much better known.

They have done a great job at turning a high intent product in comparison shopping for loans into a low intent product of getting a credit score and then being able to make recommendations to you. There is nothing rocket science about doing that and our brand name is probably three times better known than there's. So, as our monetization improves, particularly, around credit card, which is happening already just organically. And, we've got a number of initiatives in the market to continue improve that. The unit economics on advertising free credit reports for set up an account for LendingTree will work better at LendingTree than they do on Credit Karma. Just like seeing an ad for, LowerMyBills or Quinn Street or a bank rate or one of 50 other competitors, will always be inferior to and ad for LendingTree.

And so, we expect to get our -- more than our fair share of that. It is our biggest focus. Monetizing that. That's where we're lucky and also good that we've got a brand name. And, I think we can win in that space.

There's no reason that we shouldn't absolutely dominate in any marketing technique that we can. And, even more important than that, while they've got great monetization in credit card and they've got a good personal loan business, we've got mortgage, home equity, auto, small business loans, personal loans, and a vastly improving credit card business. So, there's no reason that we cannot be the dominant player in that category. And, we fully expect to and if we don't, I've -- that's what I drive our team and I drive ourselves every single day.

Hamed Khorsand - *BWS Financial - Analyst*

Got it. Great. And Gabe, congratulations on a great first call.

Gabe Dalporto - *LendingTree, Inc. - CFO*

Thank you.

Operator

Thank you. I'm showing no further questions. I would like to turn the call back to Doug Lebda for closing remarks.

Doug Lebda - *LendingTree, Inc. - Chairman & CEO*

That you all very much. Obviously, we've had a continued good run. I really appreciate everybody on the phone.

I know a lot of our lenders listen to this. We are incredibly focused on making this work for your business. I know there are a lot of, obviously, shareholders on the phone and we take that very, very seriously and want to make your business good and the fact that you have trust in us really matters. And, I know there's a lot of employees who listen to this as well. And, I cannot thank each and every one of them enough for making this business -- just really hum.

We are at the very early days of a significant shift in this market and we look forward to continuing to report, hopefully, fantastic results next quarter and the quarters ahead. Thank you.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does conclude today's program. You may all disconnect. Everyone have a great day.
