



Transforming financial services for **the better.**

Second Quarter 2023 Review

August 2023

Disclaimer

Information in this presentation and the accompanying oral presentation, including any statements regarding MeridianLink's customer data and other metrics, is based on data and analyses from various sources as of December 31, 2022, unless otherwise indicated.

Information in this presentation and the accompanying oral presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. All statements other than statements of historical fact included in this presentation and the accompanying oral presentation, including statements regarding, and guidance with respect to, our strategy, future operations, financial position, projected costs, projected long-term operating model, our future financial and operational performance, prospects, market size and growth opportunities, future economic conditions, competitive position, strategic initiatives, development or delivery of new or enhanced solutions, technological capabilities, plans, and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. These forward-looking statements reflect our predictions, expectations, or forecasts. Actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, risks related to economic and market conditions, including interest rate fluctuations; our ability to retain and attract customers; our ability to expand and evolve our offerings, features, and functionalities or respond to rapid technological changes; our ability to identify and integrate strategic initiatives, including anticipated benefits of an acquisition; our restructuring plan, including expected associated timing, benefits, and costs; our stock repurchase program, including the execution and amount of repurchases; our ability to compete in a highly-fragmented and competitive landscape; market demand for our products and solutions; our ability to effectively implement, integrate, and service our customers; our ability to retain and attract product partners; our commercial disputes, including potential losses related thereto; our future financial performance, including, but not limited to, trends in revenue, costs of revenue, gross profit or gross margin, operating expenses, and number of customers; and our high levels of indebtedness; as well as those set forth in Item 1A. Risk Factors, or elsewhere, in our Annual Report on Form 10-K for the most recently ended fiscal year, any updates in our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K, and our other SEC filings. These forward-looking statements are based on reasonable assumptions as of the date hereof. The plans, intentions, or expectations disclosed in our forward-looking statements may not be achieved, and you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, other than as required by applicable law, to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

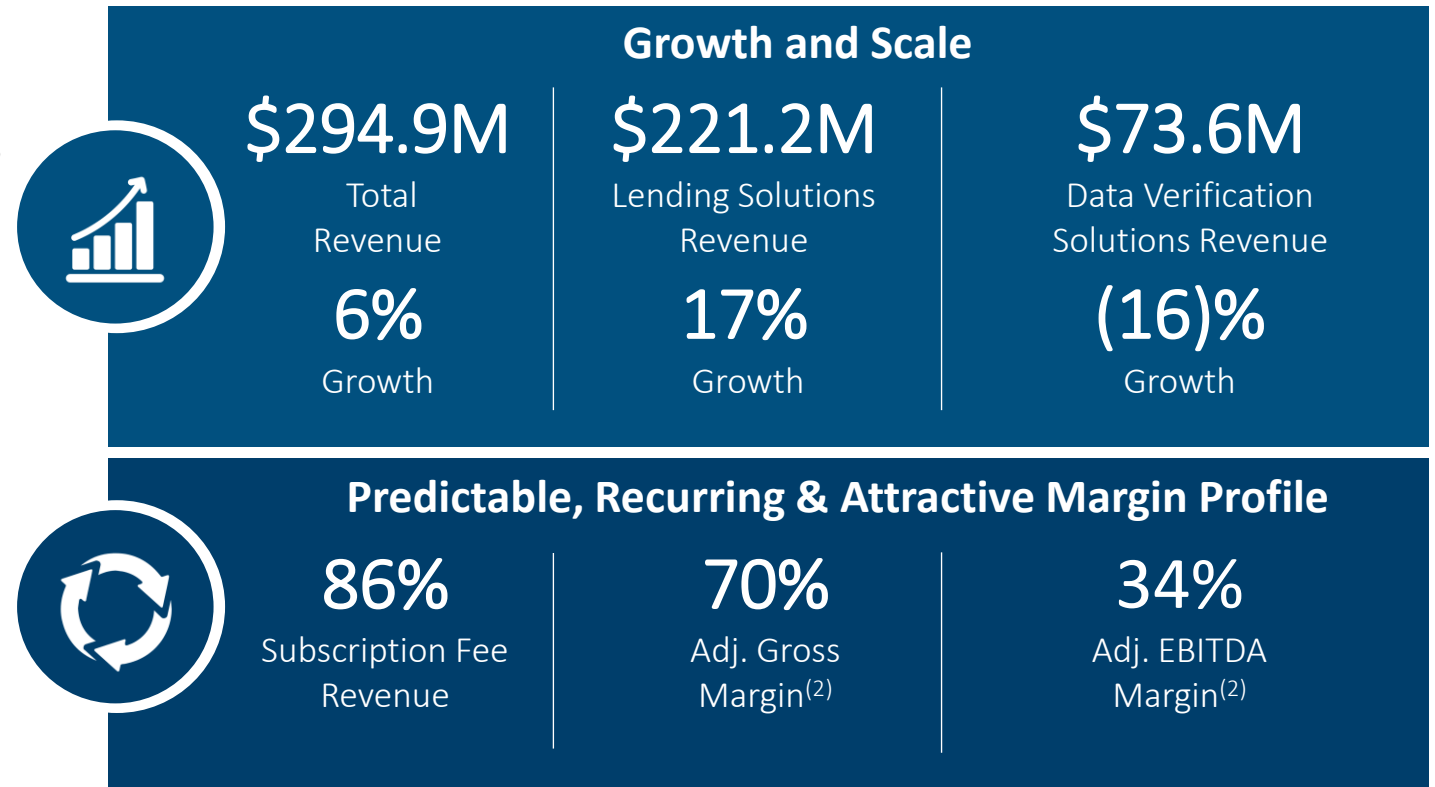
This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

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MeridianLink at a Glance

A leading provider of cloud-based software solutions for financial institutions

- ✓ Provider of SaaS-based lending, credit data and account opening solutions to financial institutions
- ✓ #54 on the IDC Global FinTech 100⁽¹⁾
- ✓ Headquartered in Costa Mesa, CA
- ✓ Founded in 1998
- ✓ Accelerating platform adoption and capabilities through recently completed acquisitions



Note: Financial data as of the LTM period ending June 30, 2023.

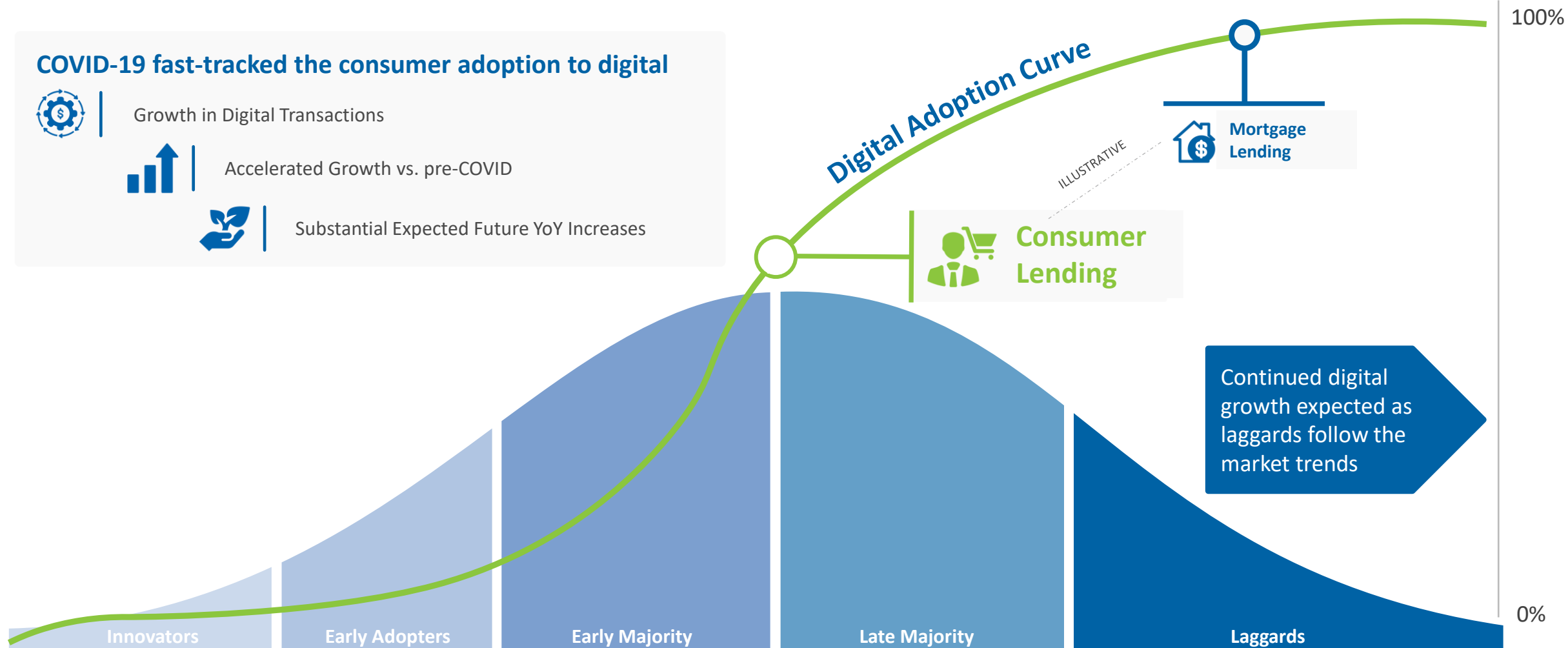
(1) Source: 2022 IDC FinTech Rankings Top 100, as of September 2022

(2) Adj. gross profit and adj. EBITDA are non-GAAP Measures. Adj. gross profit is calculated by subtracting non-GAAP cost of revenue from net revenues. Adj. gross profit margin represents adj. gross profit as a percentage of revenues. Adj. EBITDA margin represents Adj. EBITDA as a percentage of revenues. For a definition and reconciliation of non-GAAP cost of revenue and adj. EBITDA, please refer to the Appendix.

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Digital Lending Acceleration Has Been Dramatic

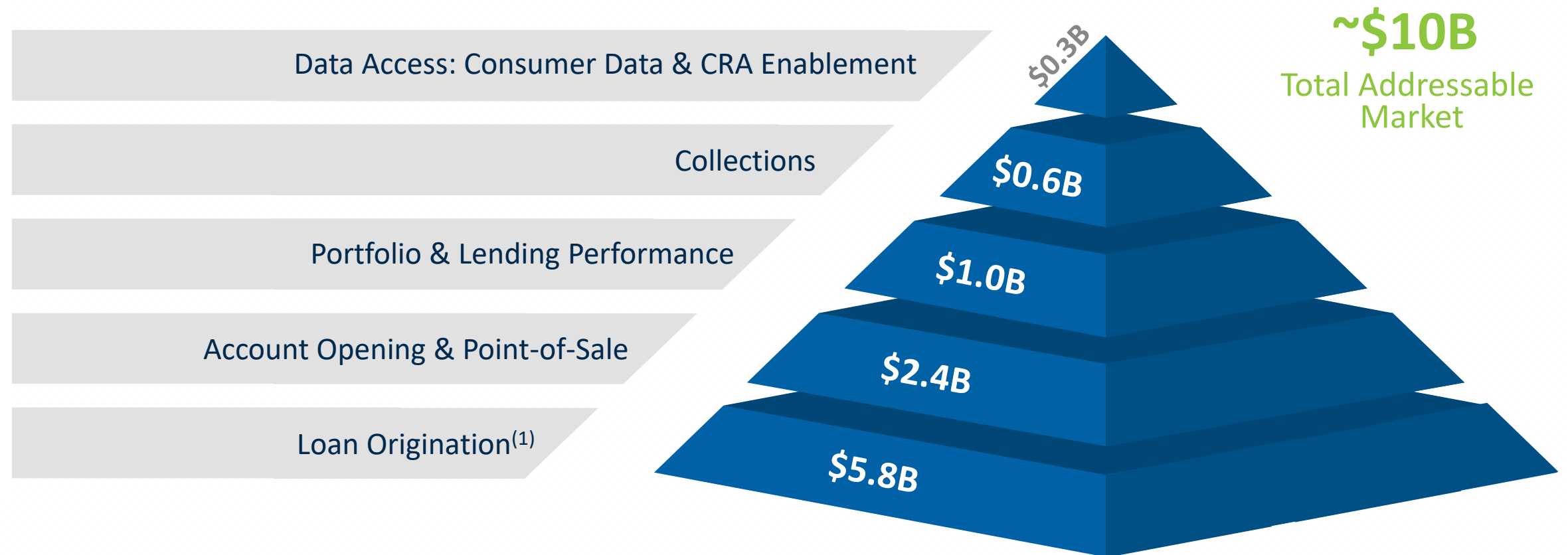
Consumer lending is at the forefront of a 10+ year digitalization opportunity



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Large TAM with Significant Runway

MeridianLink serves nearly the entire consumer lending wallet with significant opportunity to expand across the entire addressable market



Targeting New Logos and Expanding the Sweet Spot for Sales

Focused sales strategies to strategically grow FI base up and down market



Inside Sales



Multi-Pronged Direct Sales
Focused on Market Segments



Big Game Hunters

2023 and Beyond

Phase III of growth acceleration

- 1 Engage more deeply with customers through an effective Go-to-Market, platform strategy
- 2 Expand the innovative capabilities of our platform, creating a best-of-breed solution that wins in the market
- 3 Empower customer growth with frictionless software solutions and access to hundreds of partners
- 4 Strengthen competitive positioning by acquiring differentiating capabilities and increasing market share
- 5 Structure organization to serve more customers with greater efficiency and accelerate ACV released



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MeridianLink's Next-Generation Unified Platform

MeridianLink One unifies the financial institution experience with a powerful, integrated mid-market lending solution to originate consumer and mortgage loans



Multi-Vector Growth Strategy

Multiple actionable initiatives to accelerate growth



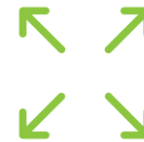
Capitalize on
Organic Volume
Growth



Add
New
Logos



Pursue
Unrealized
Upsell &
Cross-Sell



Expand
Product
Offerings



Enhance Partner
Marketplace
Monetization



Robust Pipeline
of M&A
Opportunities

Key Customer Themes Underpinning Growth



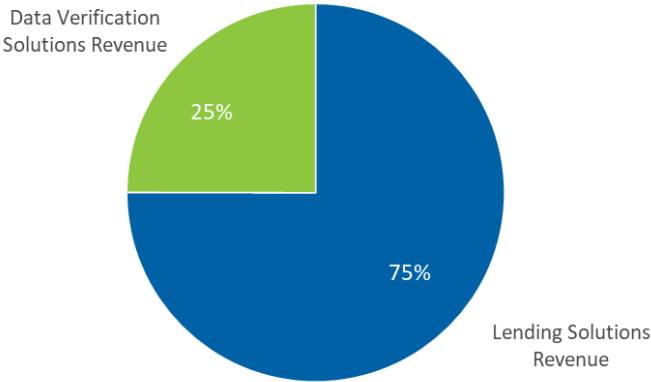
Paper-to-Digital Transition
in Target Market



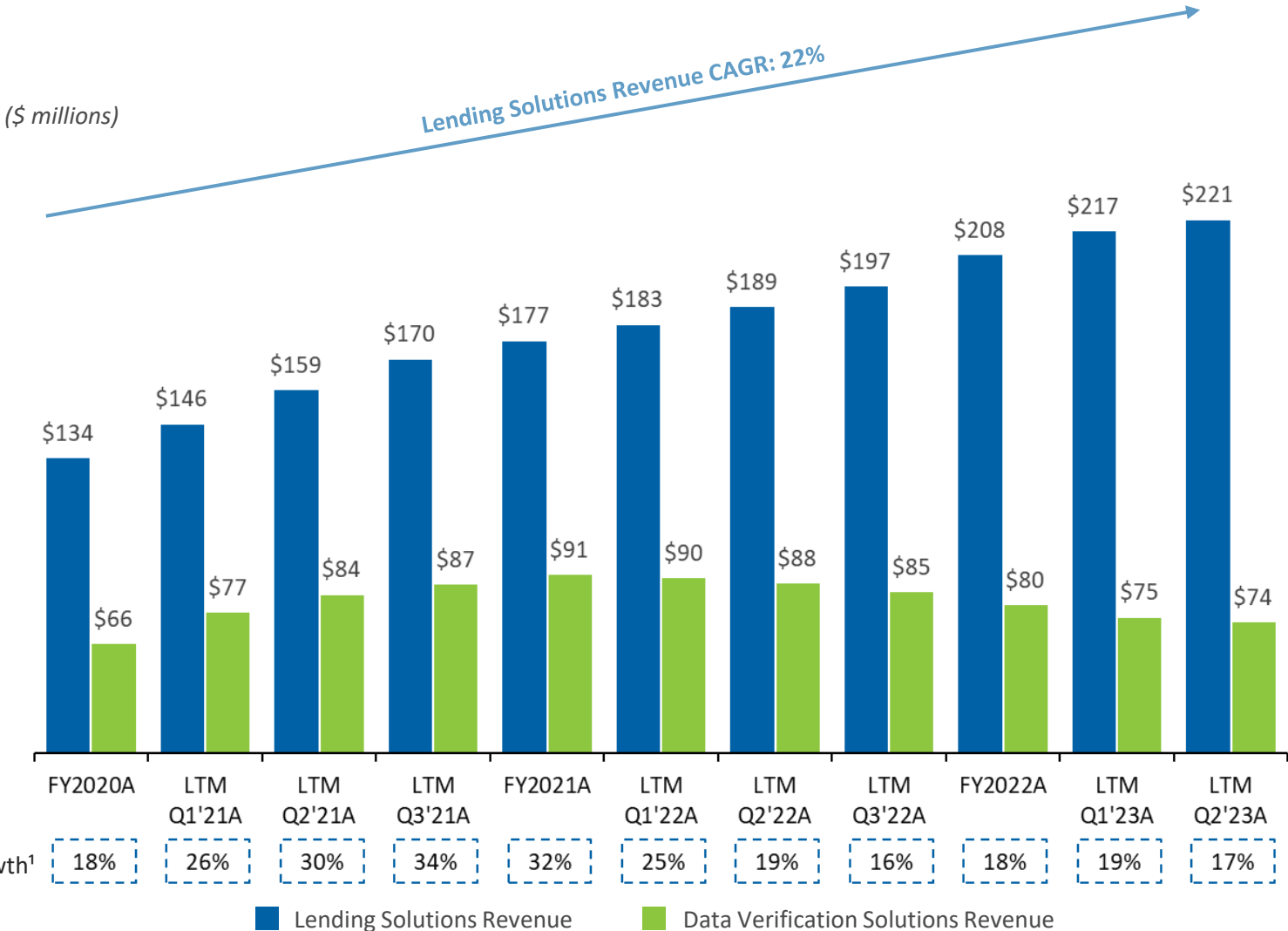
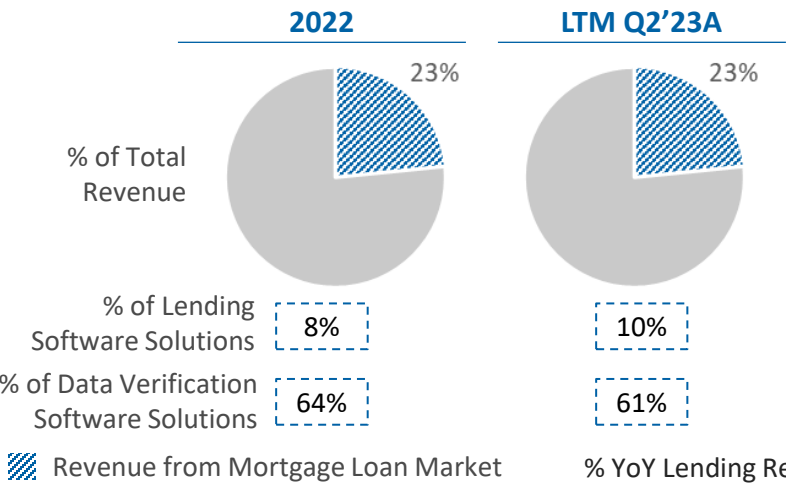
Competition Among
Financial Institutions

Lending Revenues Have Shown Continued Growth at Scale

LTM Q2'23A Total Revenue: \$295M



Mortgage Contribution to Revenue

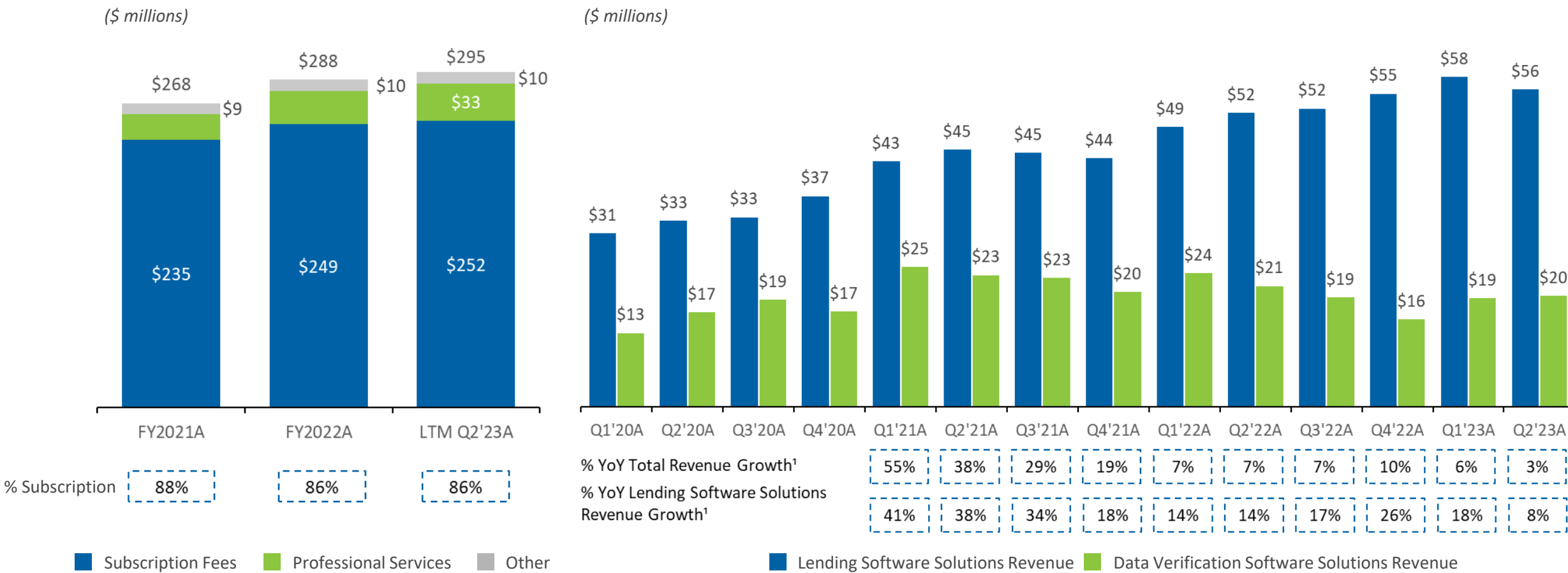


Recurring Revenue Growth at Scale

Historical Financials

Total Revenue

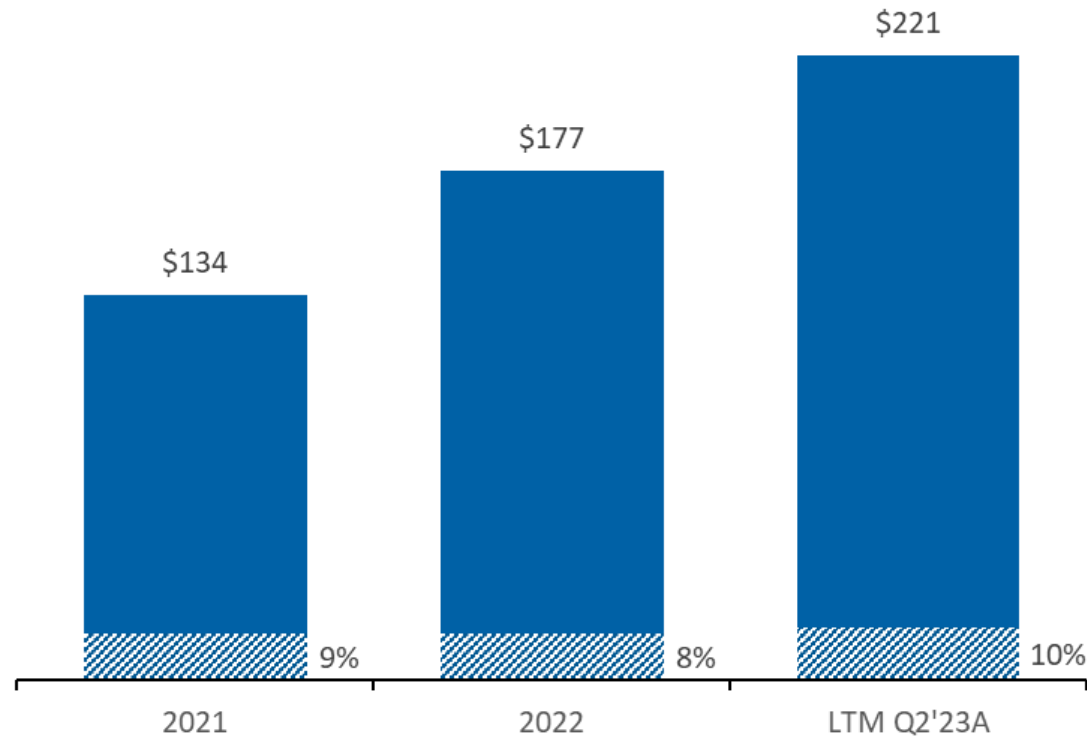
Quarterly Revenue Breakdown



Mortgage Loan Market Contribution to Revenue

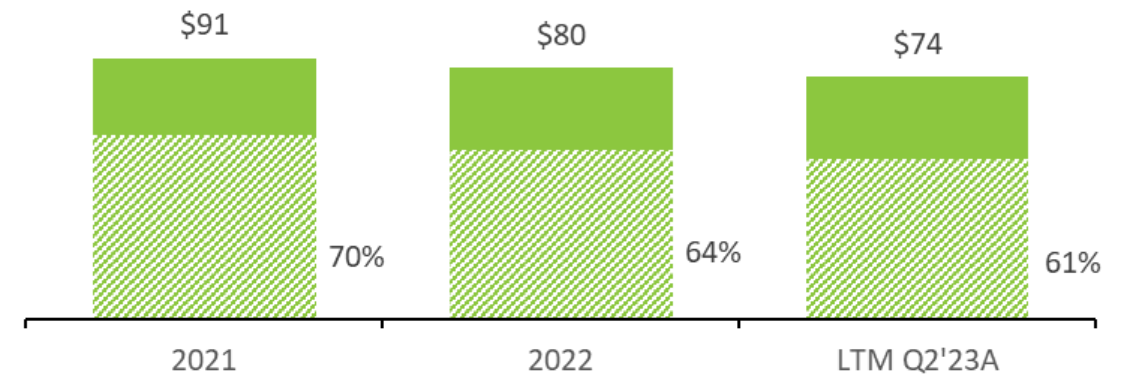
Lending Software Solutions

(\$ millions)



Data Verification Software Solutions

(\$ millions)

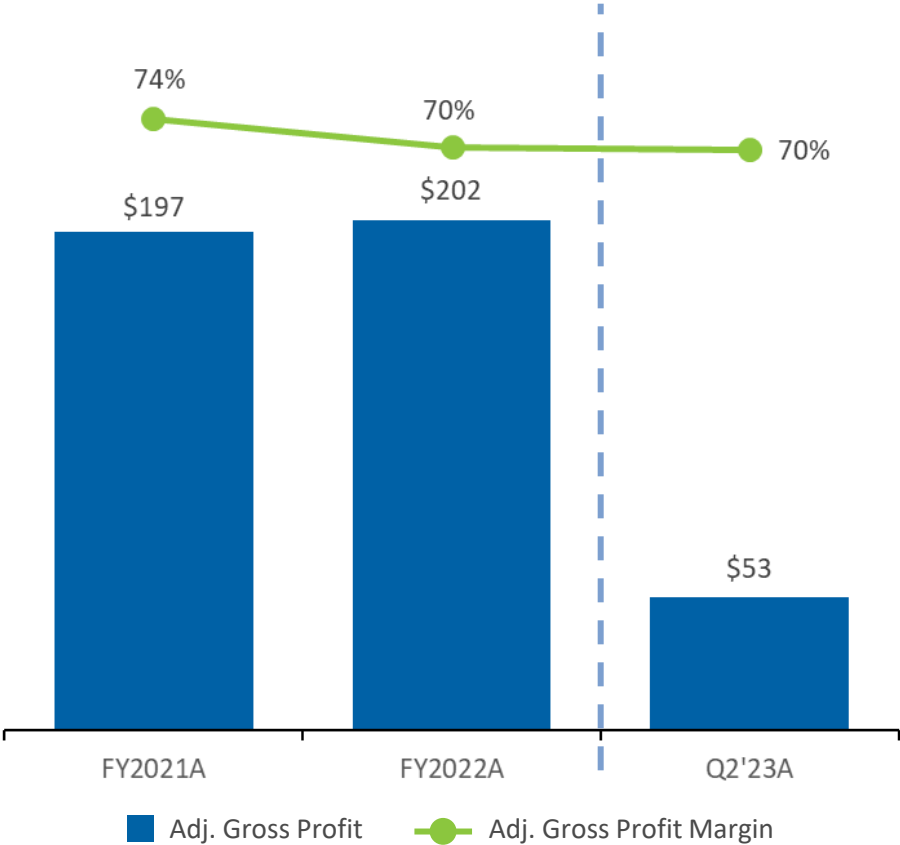


Revenue from Mortgage Loan Market

Strong Margin Profile

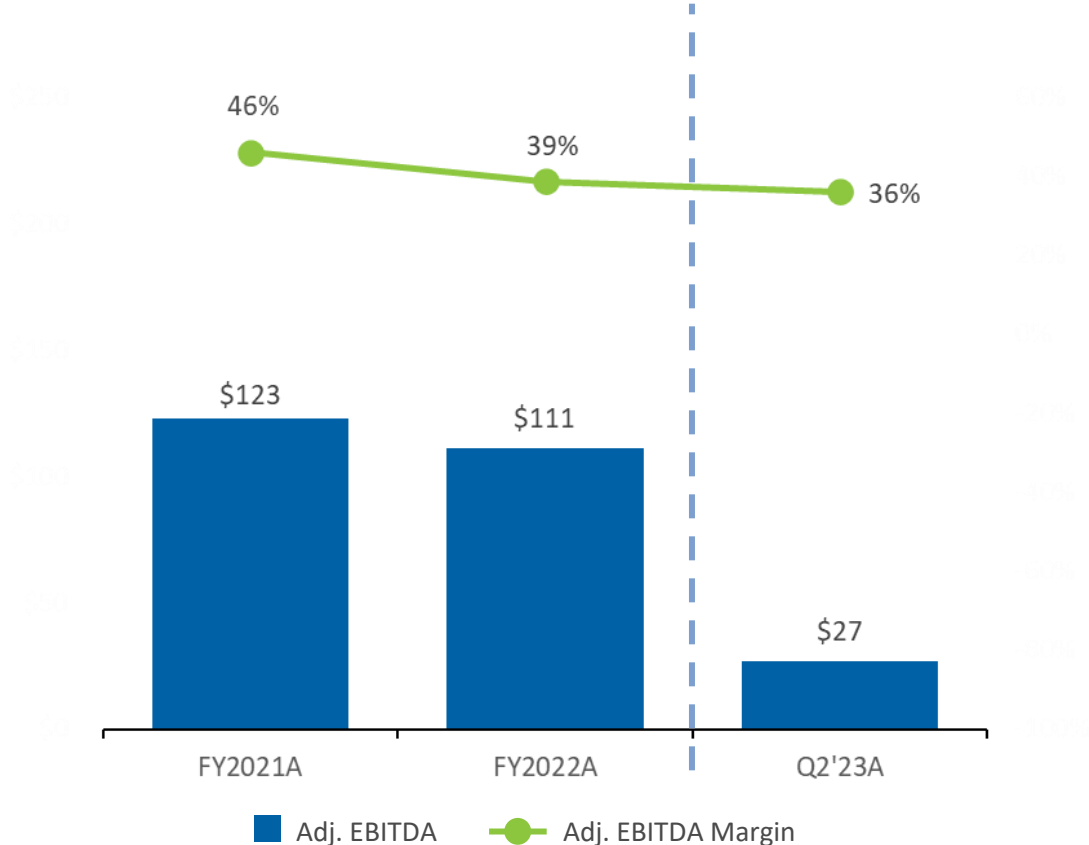
Adj. Gross Profit

(\$ millions)



Adj. EBITDA

(\$ millions)



% YoY LTM Lending Revenue Growth

32%

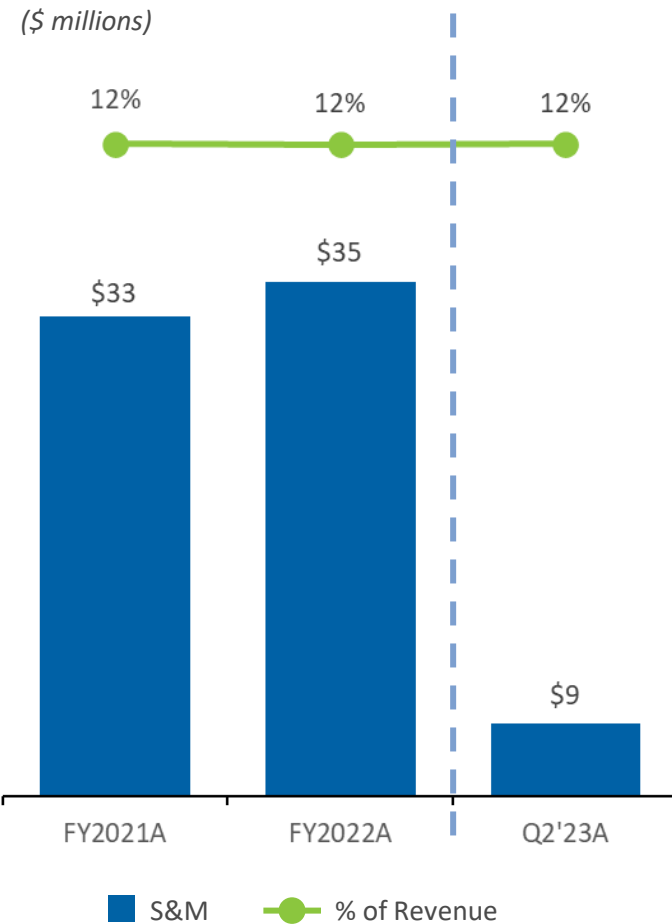
18%

17%

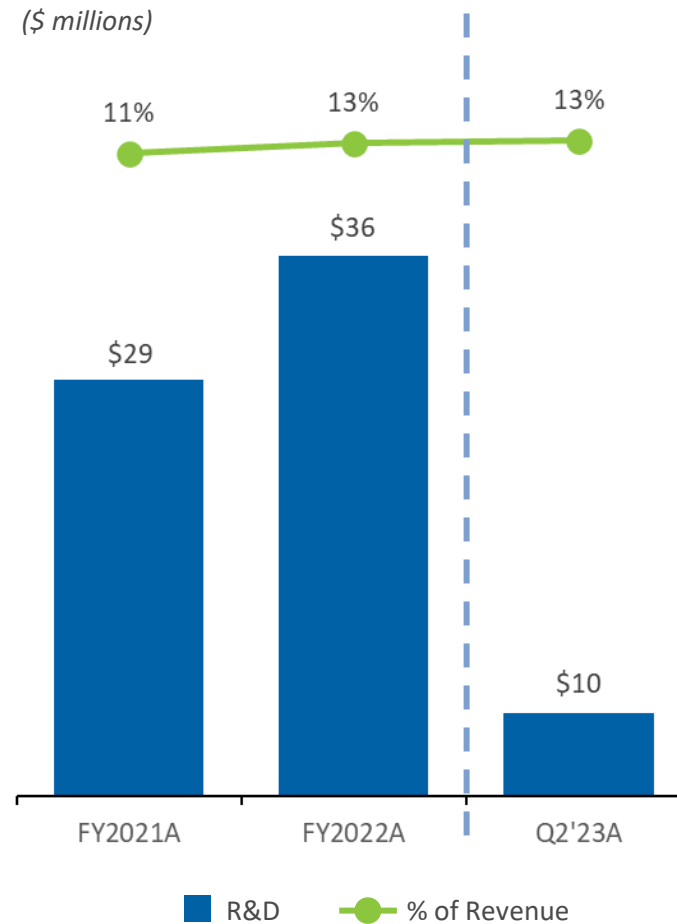
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Capitalizing on Operating Leverage and Investing in Growth

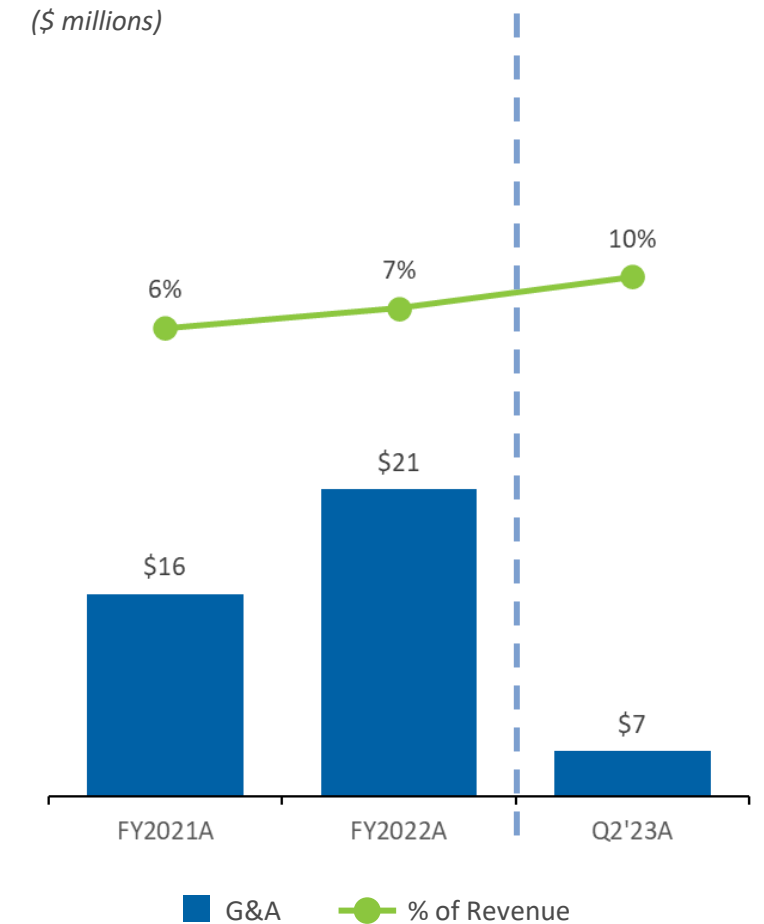
Adj. General & Administrative



Adj. Research & Development



Adj. Sales & Marketing

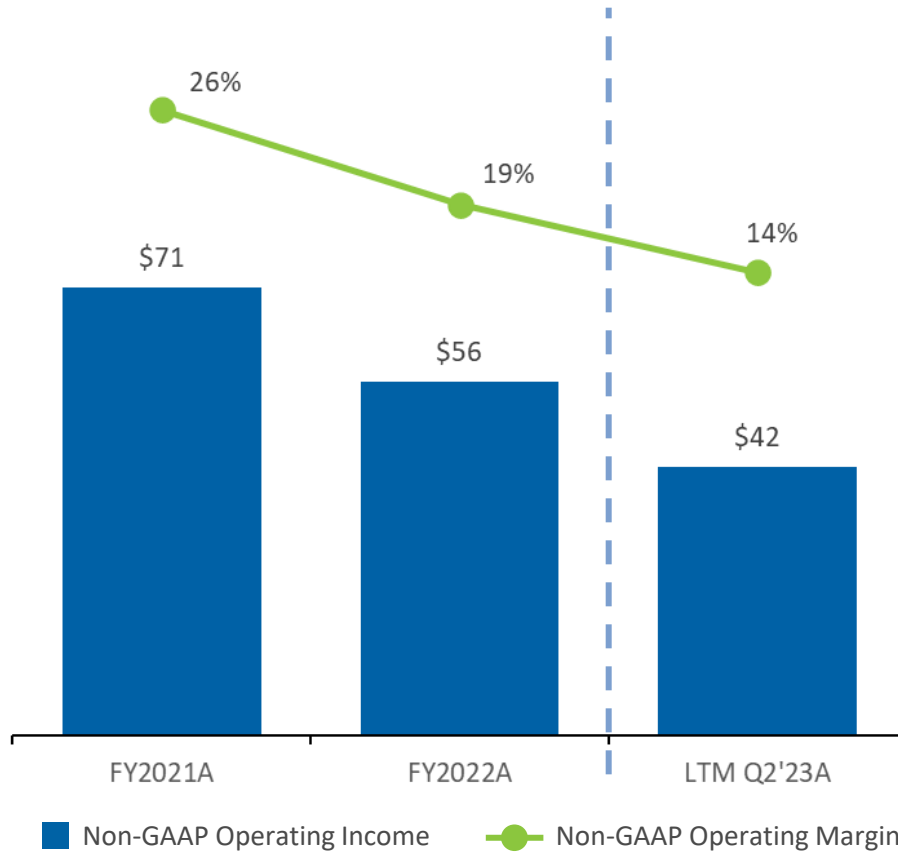


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Operating and Cash Flow Margins

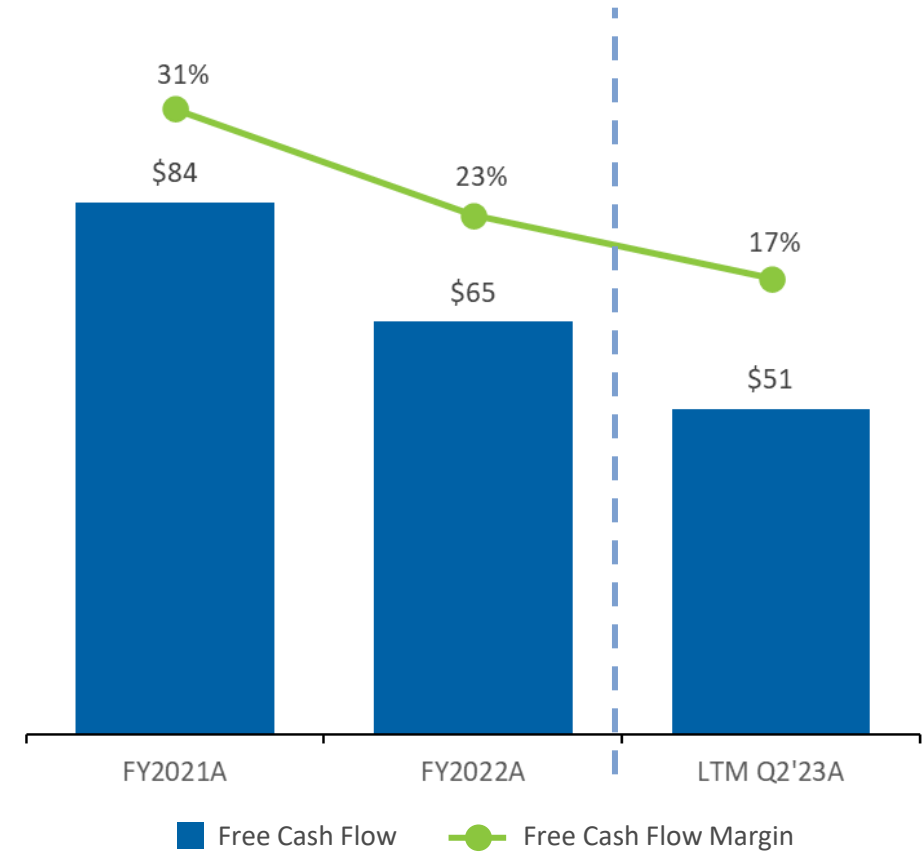
Non-GAAP Operating Income

(\$ millions)



Free Cash Flow

(\$ millions)



% YoY LTM Lending Revenue Growth

32%

18%

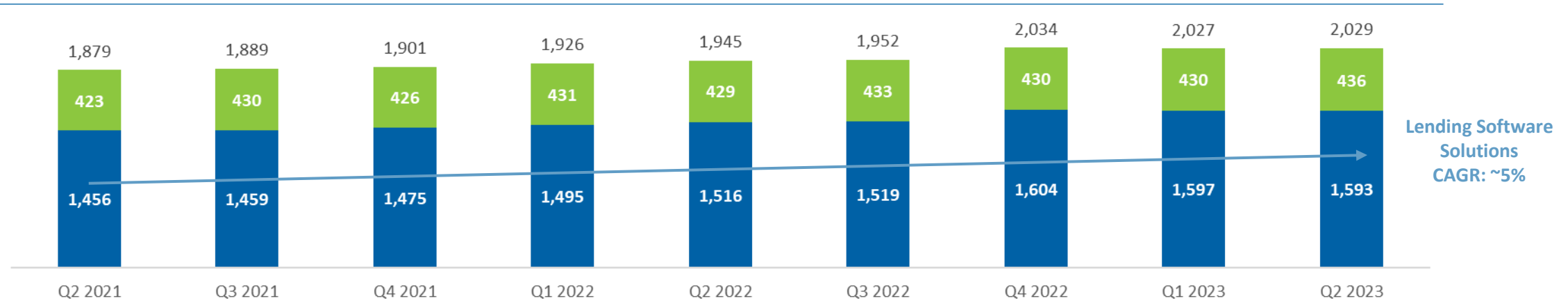
17%

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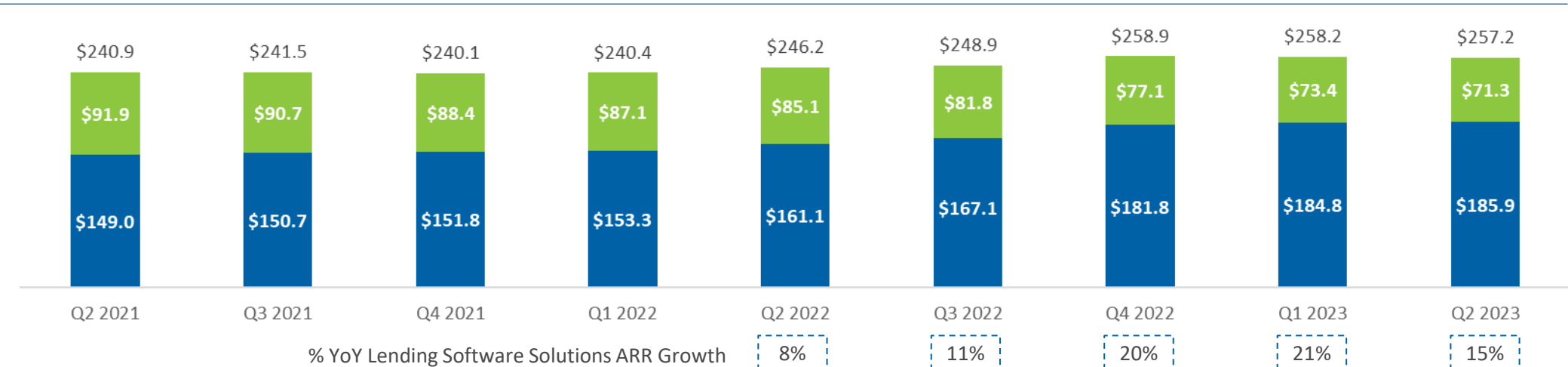
Resilient Customer Base and ARR Growth

■ Lending Software Solutions ■ Data Verification Software Solutions

Total Customers¹



Annual Recurring Revenue² (\$'s in millions)



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Q2 2023 Performance

(\$ in thousands)	Q2 2022A	Q2 2023A	Delta
Consolidated Statements of Operations Data			
Revenue	\$72,987	\$75,415	\$2,428
Gross profit	45,761	46,921	1,160
% Gross margin	62.7%	62.2%	(0.5)%
Net income (loss)	2,172	(5,230)	(7,402)
% Net income (loss) margin	3.0%	(6.9)%	(9.9)%
Non-GAAP Financial Data			
Adj. EBITDA ⁽¹⁾	28,184	27,116	(1,068)
% Adj. EBITDA margin ⁽¹⁾	38.6%	36.0%	(2.7)%

Note: This financial information has been prepared by and is the responsibility of our management. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to this preliminary financial data or the accounting treatment thereof and does not express an opinion or any other form of assurance with respect thereto.

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Guidance Update

Guidance Update <i>(\$ in thousands)</i>	<u>Three Months Ended</u> <u>September 30, 2023</u>			<u>Year Ended</u> <u>December 31, 2023</u>		
	Q3 2022A	Low (Estimated)	High (Estimated)	2022A	Low (Estimated)	High (Estimated)
Revenue	\$71,754	\$76,000	\$78,000	\$288,046	\$302,000	\$306,000
% Growth	5%	6%	9%	8%	5%	6%
Adj. EBITDA ⁽¹⁾	25,879	27,000	29,000	111,199	104,000	108,000
% Growth	(23)%	4%	12%	(10)%	(6)%	(3)%
% Margin ⁽¹⁾	36%	36%	37%	39%	34%	35%

Note: This financial information has been prepared by and is the responsibility of our management. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to this preliminary financial data or the accounting treatment thereof and does not express an opinion or any other form of assurance with respect thereto.

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Appendix

Disclaimer

To supplement the financial measures presented in accordance with United States generally accepted accounting principles, or GAAP, we provide certain non-GAAP financial measures, such as adjusted EBITDA and adjusted EBITDA margin; non-GAAP operating income (loss); non-GAAP net income (loss); non-GAAP cost of revenue; non-GAAP sales and marketing expenses; non-GAAP research and development expenses; non-GAAP general and administrative expenses; and free cash flow. The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. Rather, we believe that these non-GAAP financial measures, when viewed in addition to and not in lieu of our reported GAAP financial results, provide investors with additional meaningful information to assess our financial performance and trends, enable comparison of financial results between periods, and allow for greater transparency with respect to key metrics utilized internally in analyzing and operating our business. The following definitions are provided:

- Non-GAAP operating income (loss): GAAP operating income (loss), excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, restructuring related costs, and sponsor and third-party acquisition-related costs.
- Non-GAAP net income (loss): GAAP net income (loss), excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, restructuring related costs, sponsor and third-party acquisition-related costs, and the effect of income taxes on non-GAAP items. The effects of income taxes on non-GAAP items reflect a fixed long-term projected tax rate of 24%.

The Company employs a structural long-term projected non-GAAP income tax rate of 24% for greater consistency across reporting periods, eliminating effects of items not directly related to the Company's operating structure that may vary in size and frequency. This long-term projected non-GAAP income tax rate is determined by analyzing a mix of historical and projected tax filing positions, assumes no additional acquisitions during the projection period, and takes into account various factors, including the Company's anticipated tax structure, its tax positions in different jurisdictions, and current impacts from key U.S. legislation where the Company operates. We will reevaluate this tax rate, as necessary, for significant events such as significant alterations in the U.S. tax environment, substantial changes in the Company's geographic earnings mix due to acquisition activity, or other shifts in the Company's strategy or business operations.

- Adjusted EBITDA: net income (loss) before interest expense, taxes, depreciation and amortization, share-based compensation expense, employer payroll taxes on employee stock transactions, restructuring related costs, sponsor and third-party acquisition related costs, and deferred revenue reductions from purchase accounting for acquisitions prior to the adoption of ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," which we early adopted on January 1, 2022 on a prospective basis. As of June 30, 2023, the remaining deferred revenue from acquisitions prior to the adoption of ASU 2021-08 was less than \$0.1 million, which will be recognized on a straight line basis through December 31, 2023.
- Non-GAAP cost of revenue: GAAP cost of revenue, excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, and amortization of developed technology.
- Non-GAAP operating expenses: GAAP operating expenses, excluding the impact of share-based compensation, employer payroll taxes on employee stock transactions, and depreciation and amortization, as applicable.
- Free cash flow: GAAP cash flow from operating activities less GAAP purchases of property and equipment (Capital Expenditures) and capitalized costs related to developed technology (Capitalized Software).

Reconciliations to comparable GAAP financial measures are available in the accompanying schedules, which are included in the Appendix of this presentation. No reconciliation is provided with respect to certain forward-looking non-GAAP financial measures as the GAAP measures are not accessible on a forward-looking basis. We cannot reliably predict all necessary components or their impact to reconcile such financial measures without unreasonable effort. The events necessitating a non-GAAP adjustment are inherently unpredictable and may have a significant impact on our future GAAP financial results.

Financial Reconciliations

Non-GAAP Adjusted EBITDA

(\$ in thousands)	2021A	2022A	Q2'23A
Reconciliation of Net Loss to Adjusted EBITDA ⁽¹⁾			
Net (loss) income	(\$9,996)	\$1,294	(\$5,230)
(+) Interest expense, net	32,615	24,227	9,316
(+/-) Tax expense	5,141	4,130	(1,819)
(+) Depreciation & amortization	50,453	53,982	14,424
(+) Share-based compensation expense	30,736	22,761	9,367
(+) Employer payroll taxes on employee stock transactions	95	350	322
(+) Expenses associated with IPO	424	—	—
(+) Restructuring related costs	—	—	717
(+) Sponsor and third-party acquisition related costs	2,348	4,228	—
(+) Loss on debt prepayment	9,944	—	—
(+) Deferred revenue reduction from purchase accounting for acquisitions prior to 2022	733	227	19
(+) Lease termination charges	879	—	—
Adjusted EBITDA⁽¹⁾	\$123,372	\$111,199	\$27,116
<i>Net (loss) income margin</i>	<i>(4)%</i>	<i>0%</i>	<i>(7)%</i>
<i>Adjusted EBITDA margin⁽²⁾</i>	<i>46%</i>	<i>39%</i>	<i>36%</i>

(1) We define Adj. EBITDA as net income (loss) before interest expense, taxes, depreciation, amortization, share-based compensation expense, employer payroll taxes on employee stock transactions, certain expenses associated with our IPO, sponsor and third-party acquisition related costs, losses resulting from early repayment of debt, impairment of trademarks, lease termination charges, and deferred revenue reductions from purchase accounting.

(2) Adj. EBITDA margin represents Adj. EBITDA as a percentage of revenues.

Financial Reconciliations (Cont'd)

Adjusted Gross Profit

(\$ in thousands)	2021A	2022A	Q2'23A
Revenues, net	\$267,676	\$288,046	\$75,415
Cost of revenue	89,622	106,331	28,494
(-) Share-based compensation expense	6,478	4,630	1,157
(-) Employer payroll taxes on employee stock transactions	3	127	88
(-) Amortization of developed technology	12,519	15,553	4,510
Non-GAAP cost of revenue	70,622	86,021	22,739
Adjusted gross profit	\$197,054	\$202,025	\$52,676
<i>GAAP gross margin</i>	<i>67%</i>	<i>63%</i>	<i>62%</i>
<i>Adjusted gross margin</i>	<i>74%</i>	<i>70%</i>	<i>70%</i>

Non-GAAP Net Income

(\$ in thousands)	2021A	2022A	Q2'23A
Net (loss) income	(\$9,996)	\$1,294	(\$5,230)
(+) Share-based compensation expense	30,736	22,761	9,367
(+) Employer payroll taxes on employee stock transactions	95	350	322
(+) Restructuring related costs	—	—	—
(+) Sponsor and third-party acquisition related costs	2,348	4,228	717
(+) Income tax effect on non-GAAP items	(7,963)	(6,561)	(2,497)
Non-GAAP net (loss) income	\$15,220	\$22,072	\$2,679
Non-GAAP basic net (loss) income per share	\$0.24	\$0.27	\$0.03
Non-GAAP diluted net (loss) income per share	0.23	0.27	0.03
Weighted average shares used to compute Non-GAAP basic net income per share	63,813,770	80,454,356	80,911,113
Weighted average shares used to compute Non-GAAP diluted net income per share	67,130,479	82,403,679	83,487,132
<i>GAAP net income margin</i>	<i>(4)%</i>	<i>0%</i>	<i>(7)%</i>
<i>Non-GAAP net income margin</i>	<i>6%</i>	<i>8%</i>	<i>4%</i>

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Note: Adj. gross profit is a non-GAAP Measure. Adj. gross profit is calculated by subtracting non-GAAP cost of revenue from net revenues. Adj. gross profit margin represents adj. gross profit as a percentage of revenues.

Financial Reconciliations (Cont'd)

Non-GAAP General and Administrative Expense

(\$ in thousands)	2021A	2022A	Q2'23A
General and administrative	\$85,160	\$82,649	\$24,409
(-) Share-based compensation expense	14,558	9,499	5,231
(-) Employer payroll taxes on employee stock transactions	73	81	107
(-) Depreciation expense	2,303	2,319	495
(-) Amortization of intangibles	35,631	36,110	9,419
Non-GAAP general and administrative	\$32,595	\$34,640	\$9,157
<i>GAAP general and administrative as a % of revenue</i>	<i>32%</i>	<i>29%</i>	<i>32%</i>
<i>Non-GAAP general and administrative as a % of revenue</i>	<i>12%</i>	<i>12%</i>	<i>12%</i>

Non-GAAP Research and Development Expense

(\$ in thousands)	2021A	2022A	Q2'23A
Research and development	\$36,336	\$42,592	\$11,754
(-) Share-based compensation expense	7,453	6,472	1,875
(-) Employer payroll taxes on employee stock transactions	8	102	97
Non-GAAP research and development	\$28,875	\$36,018	\$9,782
<i>GAAP research and development as a % of revenue</i>	<i>14%</i>	<i>15%</i>	<i>16%</i>
<i>Non-GAAP research and development as a % of revenue</i>	<i>11%</i>	<i>13%</i>	<i>13%</i>

Non-GAAP Sales and Marketing Expense

(\$ in thousands)	2021A	2022A	Q2'23A
Sales and marketing	\$18,122	\$23,658	\$8,558
(-) Share-based compensation expense	2,247	2,160	1,104
(-) Employer payroll taxes on employee stock transactions	11	40	30
Non-GAAP sales and marketing	\$15,864	\$21,458	\$7,424
<i>GAAP sales and marketing as a % of revenue</i>	<i>7%</i>	<i>8%</i>	<i>11%</i>
<i>Non-GAAP sales and marketing as a % of revenue</i>	<i>6%</i>	<i>7%</i>	<i>10%</i>

Balance Sheet Highlights

(\$ in thousands)	2021A	2022A	Q2'23A
Total current assets	\$147,956	\$128,132	\$155,289
Property and equipment, net	5,989	4,245	3,491
Intangible assets, net	298,597	297,475	274,208
Goodwill	564,799	608,657	608,576
Other assets	8,552	20,648	24,560
Total assets	\$1,025,893	\$1,059,157	\$1,066,124
Total current liabilities	\$43,848	\$54,199	\$64,779
Long-term debt, net of debt issuance costs	425,371	423,404	421,808
Other liabilities	396	2,463	1,686
Total liabilities	\$469,615	\$480,066	\$488,273
Total stockholders' equity	556,278	579,091	577,851
Total liabilities and stockholders' equity	\$1,025,893	\$1,059,157	\$1,066,124

Net Leverage

(\$ in thousands)	2021A	2022A	Q2'23A
Total principal payments due	\$435,000	\$431,738	\$429,563
(-) Debt issuance costs	7,490	4,829	4,210
(-) Cash and cash equivalents	113,645	55,780	108,872
Net Leverage	\$313,865	\$371,129	\$316,481
LTM Adjusted EBITDA	123,372	111,199	101,103
<i>Leverage multiple</i>	<i>2.5x</i>	<i>3.3x</i>	<i>3.1x</i>

Financial Supplement

Annual Recurring Revenue (ARR)¹

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Lending software solutions	\$185.9	\$184.8	\$181.8	\$167.1	\$161.1	\$153.3	\$151.8	\$150.7	\$149.0
Data verification software solutions	\$71.3	\$73.4	\$77.1	\$81.8	\$85.1	\$87.1	\$88.4	\$90.7	\$91.9
Total	\$257.2	\$258.2	\$258.9	\$248.9	\$246.2	\$240.4	\$240.1	\$241.5	\$240.9

ARR Net Retention Rate²

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Lending software solutions	106.2%	111.2%	110.6%	106.0%	103.9%	101.4%	112.5%	117.0%	118.0%
Data verification software solutions	83.3%	83.7%	80.5%	85.4%	88.2%	92.3%	104.7%	122.5%	148.2%
Total	98.1%	100.9%	100.2%	98.8%	98.3%	98.1%	109.5%	118.8%	127.7%

Total Customer³ Count

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Lending software solutions	1,593	1,597	1,604	1,519	1,516	1,495	1,475	1,459	1,456
Data verification software solutions	436	430	430	433	429	431	426	430	423
Total	2,029	2,027	2,034	1,952	1,945	1,926	1,901	1,889	1,879

Organic Customer Growth Rate⁴

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Lending software solutions	(0.4)%	0.7%	2.5%	3.5%	3.5%	3.1%	2.5%	3.2%	4.1%
Data verification software solutions	1.6%	(0.2)%	0.9%	0.7%	1.4%	2.4%	0.9%	6.7%	0.0%
Total	0.1%	0.5%	2.2%	2.9%	3.0%	2.9%	2.2%	3.5%	3.7%

- (1) Annual Recurring Revenue, or ARR, is calculated as the total subscription fee revenues calculated in the latest twelve-month measurement period for those revenue-generating entities in place throughout the entire twelve-month measurement period plus the subscription fee revenues calculated on an annualized basis from new entity activations in the measurement period.
- (2) ARR Net Retention Rate takes the ARR recorded in the latest twelve-month measurement period for the cohort of revenue-generating entities in place throughout the entire prior twelve-month measurement period divided by the cohort's ARR recorded in the twelve-month period that is immediately prior to the beginning of the current measurement period.
- (3) Customer defined as a legal entity that has a contractual relationship with us to use our software solutions.
- (4) Organic Customer Growth Rate is the percentage increase in the number of total customers on the last day of the measurement period compared to the number of total customers on the day twelve months prior to the measurement date, which measures the change in total customers, net of both customer terminations and customer additions between the respective measurement periods.



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