

August 2025

Investor Presentation

LEGALzoom



Forward-looking statements disclaimer

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You should read this presentation with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this presentation, whether as a result of any new information, future events or otherwise.

About non-GAAP financial measures

This presentation includes certain non-GAAP financial measures including Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP net income (loss), non-GAAP net income (loss) margin, adjusted gross profit, adjusted gross profit margin, certain non-GAAP expenses (including non-GAAP cost of revenue, non-GAAP sales and marketing, non-GAAP technology and development, and non-GAAP general and administrative), free cash flow and free cash flow margin. We use these non-GAAP financial measures to better understand and evaluate our core operating performance. We believe that these non-GAAP financial measures provide investors with useful information about our financial performance and liquidity, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to important measures used by our management for financial and operational decision-making. We also believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. These non-GAAP measures should not be considered in isolation of, or as a substitute or an alternative to, measures prepared and presented in accordance with GAAP. The tables in the Appendix contain more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures. In addition, please see our earnings release and our filings with the Securities and Exchange Commission for the definitions of certain of these non-GAAP financial measures and limitations on the use of such non-GAAP financial measures.

Third party information

This presentation includes market data and certain other statistical information and estimates that are based on reports and other publications from independent third-party sources, as well as management's own good faith estimates and analyses. We believe these third-party reports to be reputable, but have not independently verified the underlying data sources, methodologies, or assumptions. The reports and other publications referenced are generally available to the public and were not commissioned by LegalZoom. Information that is based on estimates, forecasts, projections, market research, or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances reflected in this information.

Acquisition of Formation Nation

On February 10, 2025, we acquired 100% of the equity interests of Formation Nation, Inc. The results of Formation Nation, Inc. are included in our results of operations since the date of acquisition. Prior periods have not been recast.

About LegalZoom

LEGALzoom



Our vision

To be the guardian of people's aspirations, lives, and legacies

Our mission

Transforming how people navigate the legal system



LegalZoom investment highlights

- **Category Leader in a Large, Fragmented Market**

Leading online legal services provider.

- **Efficient Growth Engine with Significant White Space**

Scalable, data-driven customer acquisition model with meaningful greenfield opportunity.

- **Sticky, High-Value Subscription Model**

Premium, solutions-based subscription offerings deliver predictable recurring revenue.

- **Artificial and Human Intelligence**

Differentiated model leverages artificial and human intelligence to deliver expertise to our customers.

- **Disciplined Financial Profile**

Strong balance sheet with ample cash reserves, zero debt, and attractive free cash flow conversion.

- **Experienced and Execution-Focused Leadership**

Proven management team with a track record of driving innovation, scale, and shareholder value.

Second quarter at a glance

(Comparisons YoY)

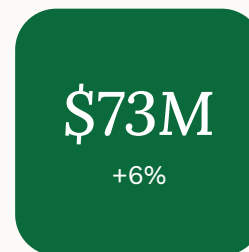
GAAP Revenue



Subscription Revenue



Transaction Revenue



Net Income/(Loss)



Non-GAAP
Net Income/(Loss)⁽¹⁾



Adjusted EBITDA⁽¹⁾



⁽¹⁾ This is a non-GAAP financial measure. Refer to the Appendix for a reconciliation of this measure to the most directly comparable GAAP measure.

Large SAM⁽¹⁾, significant opportunity

Life & Business Planning

\$13B

The largest digital formations player, with ~9% market share⁽²⁾, leveraging our capabilities for estate planning services

- Entity Creation
- Estate Planning

Business Management

\$15B

During and post-business formation, we offer a set of important services to operate a business

- Entity Compliance
- Bookkeeping
- Business Licenses
- Business Address – Virtual Mail
- Forms / eSignature⁽³⁾
- Insurance / Banking / Websites⁽⁴⁾

Expert Assistance

\$23B

We offer access to experts to help handle the most complex business matters and life events

- Intellectual Property
- Contracts and Legal Forms
- Business Tax Returns⁽⁴⁾
- Other Legal Matters

(1) Total SAM as of February 2024. U.S. Census Bureau; U.S. Small Business Administration; internal company estimates. (2) For the three months ended June 30, 2025. Market share reflects the number of LegalZoom business formations versus U.S. Census non-seasonally adjusted business formations over the same period. We define the number of business formations in a given period as the number of LLC, incorporation, not-for-profit, and DBA orders placed through our platform in such period. (3) Not included in Business management SAM. (4) Reflects partnership ecosystem.

Online legal and compliance is a big opportunity

Our market

\$51B

SAM⁽¹⁾

Little product innovation

-61

Offline Attorney
NPS⁽²⁾

Low digital penetration

35%

of solo practitioners don't
have a website⁽³⁾

Low tech adoption

~4%

legal services delivered
online in the U.S.⁽⁴⁾

Our leadership

The Largest Digital Player

4.8M

Businesses
formed since
inception

4.4M

Estate planning
solutions delivered
since inception

2.0M

Active legal
& compliance
subscriptions

1,000+

Independent
attorney network
servicing all 50
states

Efficient Payback⁽⁵⁾

<1 yr

Gross profit positive

Brand Advantage⁽⁶⁾

>1.5x

Aided Brand Awareness

Advantaged NPS⁽⁷⁾

+75

LegalZoom Attorney NPS

Unless otherwise noted, all information is as of June 30, 2025.

(1) Total SAM as of February 2024. U.S. Census Bureau; U.S. Small Business Administration; internal company estimates. (2) Net promoter score (NPS) in 2024, according to Clio Legal Trends Report. (3) In 2023, according to the American Bar Association. (4) In 2022, according to IBISWorld. (5) Estimated total net bookings per customer less cost of revenue to customer acquisition cost ratio for 2024 customer cohort. (6) Source: Dynata (LegalZoom vs. category competitors) as of December 31, 2024. (7) Source: Internal customer data as of December 31, 2024.

We solve important problems for our customers...

Entity creation and compliance is complicated, time-consuming and expensive to navigate on your own

44%

Of small businesses spend >40 hours each year dealing with regulations⁽¹⁾

10%

Of small businesses are fined for regulatory noncompliance⁽¹⁾

Small business owners have a fear of navigating complex regulatory matters, but the cost of experts isn't accessible

96%

Haven't consulted an attorney at formation⁽²⁾

92%

Haven't consulted a tax professional at formation⁽²⁾

Consumers need legal help to protect their families, but the cost of experts isn't accessible

64%

Of Americans say having a will is important, but fewer than 32% have one⁽³⁾

16%

Of Americans believe they cannot afford to create a will⁽³⁾

...through our innovative legal technology platform

Small business services



Business
formation



Business
compliance



Legal
advice



Trademark & IP



Business
management⁽¹⁾



Tax prep, banking,
insurance &
websites⁽²⁾

Consumer services



Estate
planning



Family
planning



Legal
advice



Real
estate

Three key focus areas

1

Optimize our
subscription
business

2

Reorient go-to-
market strategy

3

Leverage AI to
deliver
expertise

Optimize our subscription business

Create **scalable solutions** that deliver impactful outcomes

- Execute premium solutions-based subscription model
- Expanding suite of Do-It-For-Me (“DIFM”) customizable offerings that cater to high quality customers
- Deepen customer engagement and drive higher life-time value

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Contact a concierge at:
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Everything in Compliance Filings + Licenses & Permits, plus:

- ✓ White-glove, hands-on management of your compliance by a concierge who is trained & dedicated to your business

Compliance Concierge is one example of our recent DIFM launches already signaling strong adoption

Reorient go-to-market strategy

Position LegalZoom as the **trusted legal brand for small businesses to drive awareness and consideration**

Marketing Efforts Have Driven:

- Sequential improvement in site traffic and engagement trends in June and July
- Healthy return on ad spend (ROAS), despite longer brand payback curve
- Marketing spend is guardrail driven, automatically fluctuating with demand, and no upfront commitments

Update



Reorient go-to-market strategy: marketing campaign/partnerships

Driving **visibility** through **strategic partnerships**



Launched a tailored legal support program for Perplexity Pro users

Collaboration with Open AI demonstrates how AI-powered agents can provide personalized access to legal guidance



Leverage AI to deliver expertise:

AI Objectives

Internal Enablement

- Equip teams with AI tools that advance productivity and accelerate decision making

Intelligent fulfillment

- Automate fulfillment to increase speed, satisfaction and scalability
- Power DIFM solutions

Innovation

- Revolutionize the customer experience with AI-powered products and personalized proactive interactions
- Empower customers with tools that simplify their journey while building defensibility

LEGALZOOM

Sign in

Doc Assist AI

Let us summarize your legal document for you

Save time and easily review your legal contracts with our free document summarizing service, powered by AI.

☐ I agree to LegalZoom's [Terms of Service](#), [Privacy Policy](#), and [AI Additional Terms](#).

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Review documents quicker

Quickly obtain a summary for any legal contract or other document to help you make a more informed decision.



Gain more insight

Get clause highlights and uncover answers to common questions about the type of document you uploaded.



Stay organized

Keep and sign your documents online in one place and download your document summaries to share with others.



Get attorney help

Review your document with an experienced attorney to help protect yourself from legal risk.

Sample summarized documents

Employee Agreement

15 facts and figures
12 clause highlights
8 common questions

Independent Contractor...

16 facts and figures
16 clause highlights
10 common questions

Mutual Non disclosure agreement

9 facts and figures
12 clause highlights
10 common questions

Hi! How can we help you today?

Experienced management team



Jeff Stibel

Chief Executive Officer



Noel Watson

Chief Financial & Operating Officer



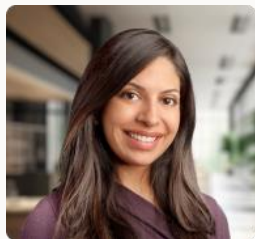
Nicole Miller

Chief Legal Officer



Pratik Savai

Chief Technology Officer



Sheily Chhabria Panchal

Chief People Officer



Kathy Tsitovich

Chief Corporate Development & Partnerships Officer



Aaron Stibel

Chief Revenue Officer



Daniel Lysaught

Chief Marketing Officer



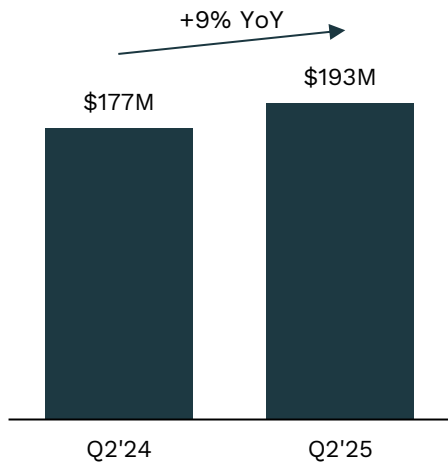
Financial update

LEGALzoom

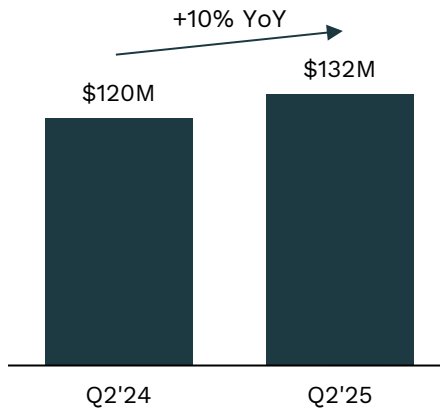


Q2 2025 snapshot

GAAP Revenue

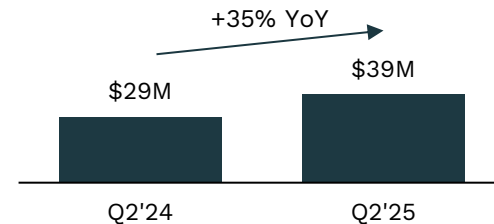


Adjusted Gross Profit⁽¹⁾



% of Revenue ⁽¹⁾	
68%	69%

Adjusted EBITDA⁽¹⁾

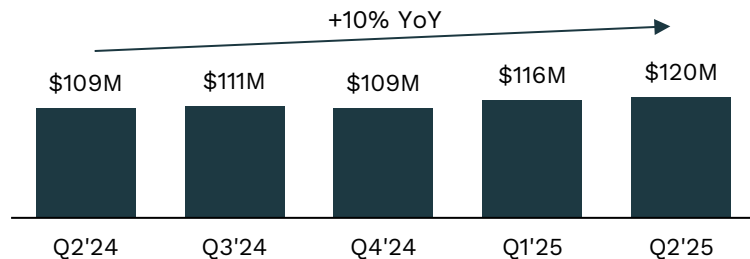


% of Revenue ⁽¹⁾	
16%	20%

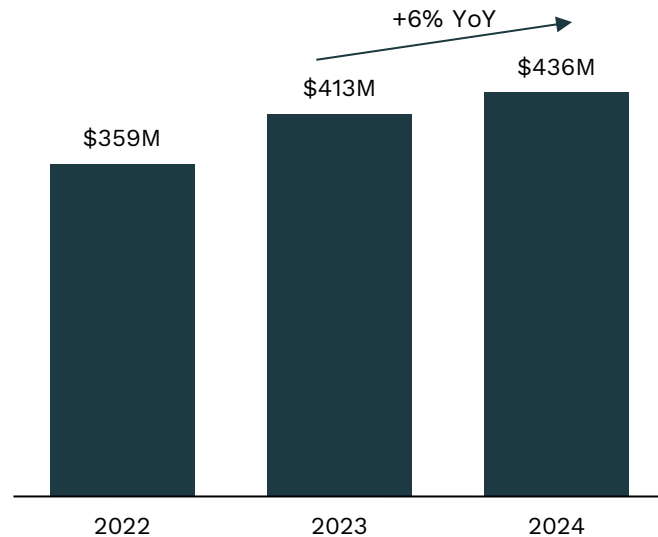
⁽¹⁾ This is a non-GAAP financial measure. Refer to the Appendix for a reconciliation of this measure to the most directly comparable GAAP measure.

Subscription revenue⁽¹⁾

Subscription revenue is primarily comprised of registered agent and compliance packages, attorney advice, virtual mail, bookkeeping, legal forms, and e-signature services.



Subscription KPIs					
Subscription Units ⁽²⁾	1,609K	1,717K	1,766K	1,924K	1,955K
ARPU ⁽³⁾	\$271	\$264	\$263	\$252	\$256



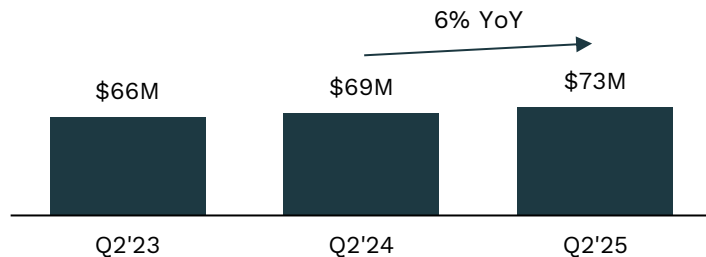
Subscription KPIs		
1,441K	1,545K	1,766K
\$259	\$277	\$263

(1) Beginning in the fourth quarter of 2023, we no longer present partner revenue on a standalone basis and partner revenue is now included within transaction and subscription revenue. This change had no impact on total revenue. Prior period disclosures and amounts have been conformed to the current period presentation. (2) We define the number of subscription units in a given period as the paid subscriptions that remain active at the end of such period, including those that are not yet 60 days past their subscription order dates, excluding subscriptions from our employer group legal plan. Refunds, or partial refunds, may be issued under certain circumstances pursuant to the terms of our customer satisfaction guarantee. (3) We define average revenue per subscription unit, or ARPU, as of a given date as subscription revenue for the 12-month period ended on such date, or LTM, divided by the average number of subscription units at the beginning and end of the LTM period.

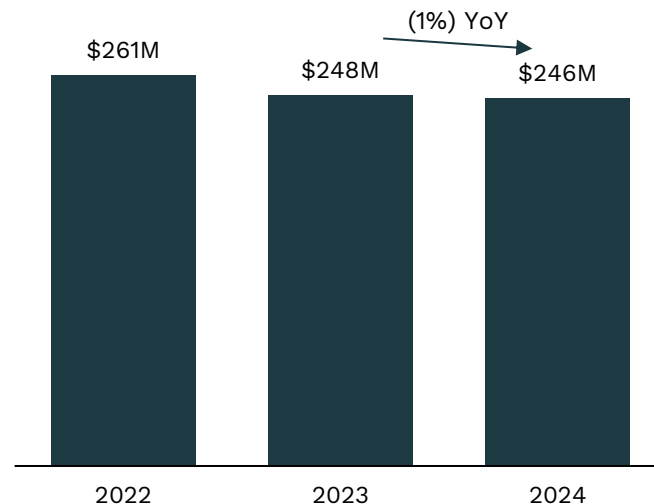
Transaction revenue⁽¹⁾

Transaction revenue is primarily generated from business formations services as well as other small business and consumer transactions including beneficial ownership information reports, annual reports, trademark filings, and estate planning solutions.

In the first quarter of 2023, we launched a free business formation filing SKU.



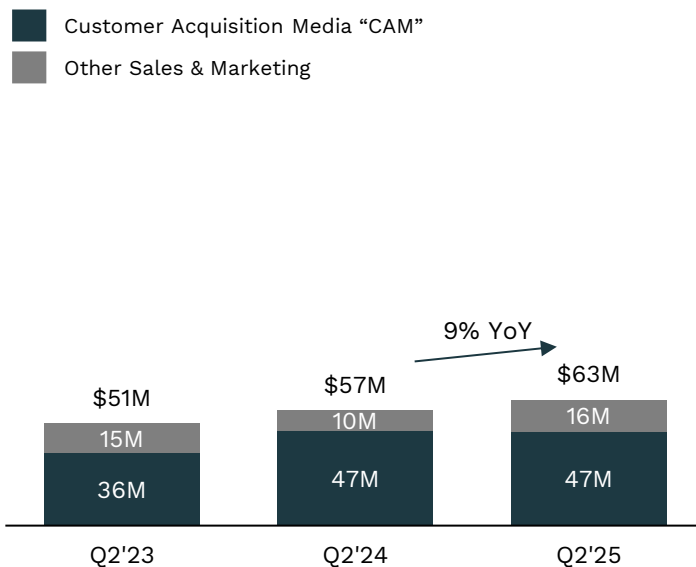
Transaction KPIs			
Business Formations ⁽²⁾	161K	134K	131K
Total Transaction Units ⁽³⁾	283K	292K	278K
AOV ⁽⁴⁾	\$233	\$234	\$262



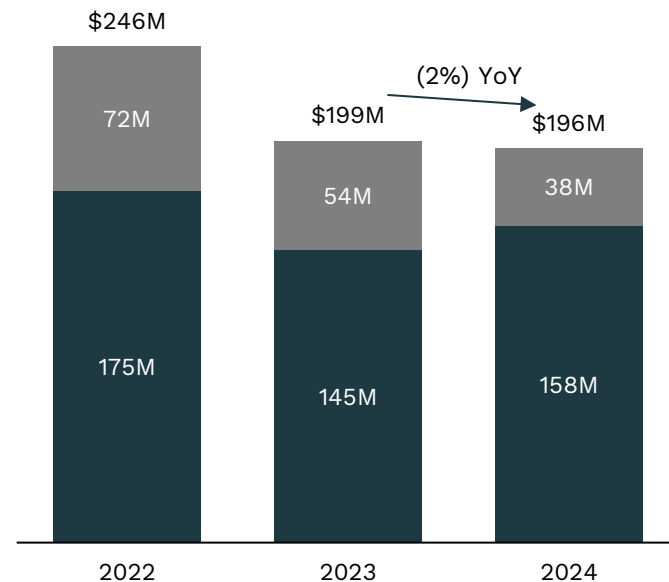
Transaction KPIs		
474K	581K	482K
929K	1,043K	1,123K
\$281	\$238	\$219

(1) Beginning in the fourth quarter of 2023, we no longer present partner revenue on a standalone basis and partner revenue is now included within transaction and subscription revenue. This change had no impact on total revenue. Prior period disclosures and amounts have been conformed to the current period presentation. (2) We define the number of business formations in a given period as the number of LLC, incorporation, not-for-profit and DBA orders placed through our platform in such period. (3) We define the number of transaction units in a given period as gross transaction order volume, prior to refunds, on our platform during such period. Transactions may include one or more services purchased at the same time. Refunds, or partial refunds, may be issued under certain circumstances, pursuant to the terms of our customer satisfaction guarantee. (4) We define average order value for a given period as total transaction revenue divided by total number of transactions in such period.

Sales & marketing⁽¹⁾



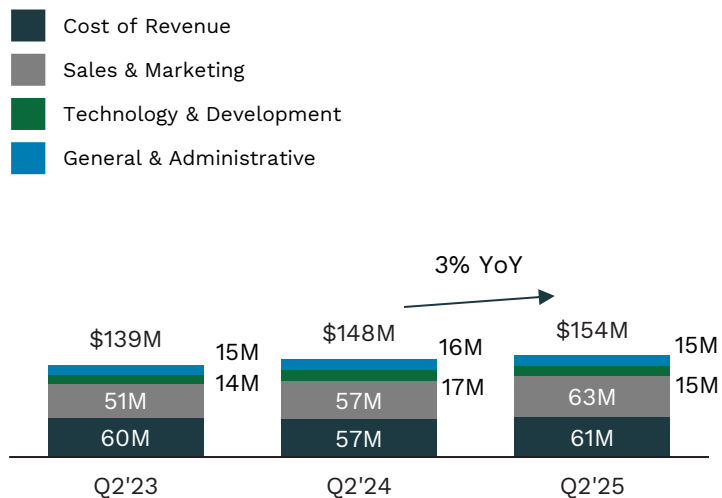
	% of Revenue		
Total Sales & Marketing	30%	32%	33%
CAM	21%	27%	24%
Other Sales & Marketing	9%	6%	8%



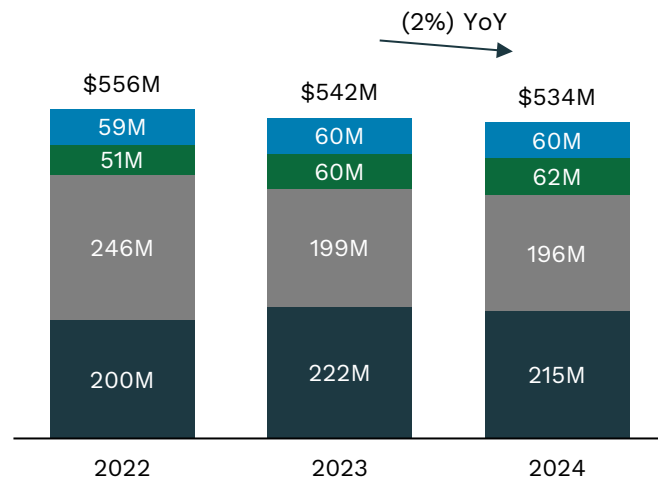
	% of Revenue		
	40%	30%	29%
	28%	22%	23%
	12%	8%	6%

(1) These are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these measures to the most directly comparable GAAP measures.

Non-GAAP expenses⁽¹⁾



	% of Revenue		
Total Non-GAAP Expense	82%	84%	80%
Cost of Revenue	35%	32%	31%
Sales & Marketing	30%	32%	33%
Tech. & Dev.	8%	10%	8%
G&A	9%	9%	8%



	% of Revenue		
	90%	82%	78%
	32%	34%	32%
	40%	30%	29%
	8%	9%	9%
	10%	9%	9%

(1) These are non-GAAP financial measures. Refer to the Appendix for a reconciliation of these measures to the most directly comparable GAAP measures.

Q3 and FY25 guidance⁽¹⁾

Q3 2025

Total Revenue

\$182M - \$184M

Adjusted EBITDA⁽¹⁾

\$44M - \$46M

FY 2025

Total Revenue

~8% YoY Growth

Adjusted EBITDA⁽¹⁾

~23% margin

FY 2025 Guidance Commentary

- Revenue growth of approximately 8% YoY
 - Expect double-digit subscription revenue growth in second half
- Commitment to Adjusted EBITDA expansion
 - Expect to achieve Adjusted EBITDA margin of 23%

(1) This is a non-GAAP financial measure. The Company has not reconciled this forward-looking non-GAAP measure to the most comparable GAAP measure because it is unable to provide a meaningful calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact the most directly comparable forward-looking GAAP financial measure that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted.

Appendix

Reconciliation of GAAP expenses to non-GAAP expenses

<i>FYE Dec 31, \$K</i>	2022	2023	2024	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Cost of revenue	\$211,095	\$239,263	\$240,093	\$63,749	\$59,123	\$55,907	\$68,384	\$63,609	\$54,715	\$53,385	\$66,560	\$67,398
Stock-based compensation ⁽¹⁾	2,931	4,318	5,833	1,105	1,115	1,224	1,593	1,747	1,165	1,328	1,260	1,478
Depreciation and amortization	8,581	12,772	18,902	3,011	3,307	3,832	4,467	4,618	4,828	4,989	5,115	5,313
Certain non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP cost of revenue	199,583	222,173	215,358	59,633	54,791	50,851	62,324	57,244	48,722	47,068	60,185	60,607
Sales and marketing	263,884	210,872	207,684	53,525	51,071	46,126	53,753	60,130	46,287	47,514	61,378	69,580
Stock-based compensation ⁽¹⁾	10,144	6,096	8,077	1,447	1,623	1,494	1,579	1,906	1,864	2,728	3,767	4,473
Depreciation and amortization	7,014	5,286	3,736	1,354	1,400	1,275	799	889	960	1,088	1,715	2,454
Certain non-recurring items ⁽²⁾	400	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP sales and marketing	246,326	199,490	195,871	50,724	48,048	43,357	51,375	57,335	43,463	43,698	55,896	62,653
Customer Acquisition Marketing⁽³⁾	174,636	145,338	157,578	36,021	35,441	33,131	40,563	47,119	33,975	35,921	44,215	46,713
Technology and development	70,434	83,181	89,584	19,900	21,491	22,107	23,957	25,798	23,179	16,650	21,322	21,635
Stock-based compensation ⁽¹⁾	16,574	18,899	19,573	4,875	4,706	4,998	5,703	6,525	6,179	1,166	4,024	4,658
Depreciation and amortization	2,834	4,184	7,688	841	1,168	1,317	1,477	1,841	2,150	2,220	2,220	2,158
Certain non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP technology and development	51,026	60,098	62,323	14,185	15,617	15,792	16,777	17,432	14,850	13,264	15,078	14,819
General and administrative	116,057	106,352	108,939	26,936	25,243	27,669	23,065	26,679	28,149	31,046	39,221	36,996
Stock-based compensation ⁽¹⁾	50,820	36,702	38,027	11,530	8,138	7,294	5,981	8,737	6,507	16,802	20,705	20,029
Depreciation and amortization	3,316	3,141	4,601	632	780	898	927	1,078	1,257	1,339	1,356	1,414
Certain non-recurring items ⁽²⁾	2,593	6,234	6,096	107	1,247	4,252	321	425	5,917	(567)	2,221	88
Non-GAAP general and administrative	59,328	60,275	60,215	14,667	15,078	15,225	15,836	16,439	14,468	13,472	14,939	15,465

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) Includes acquisition-related expenses, restructuring expenses, legal reserves and settlements, and IPO-related costs and other transaction related expenses, as detailed in Reconciliation of Net (Loss) Income to Non-GAAP Net (Loss) Income elsewhere in the appendix. (3) Customer Acquisition Marketing is a component of both GAAP and Non-GAAP sales and marketing expense.

Reconciliation of GAAP expenses to non-GAAP expenses on a % of revenue basis

<i>FYE Dec 31, \$K</i>	2022	2023	2024	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Cost of revenue	34%	36%	35%	38%	35%	35%	39%	36%	32%	33%	36%	35%
Stock-based compensation ⁽¹⁾	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Depreciation and amortization	1%	2%	3%	2%	2%	2%	3%	3%	3%	3%	3%	3%
Certain non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP cost of revenue	32%	34%	32%	35%	33%	32%	36%	32%	29%	29%	33%	31%
Sales and marketing	43%	32%	30%	32%	31%	29%	31%	34%	27%	29%	34%	36%
Stock-based compensation ⁽¹⁾	2%	1%	1%	1%	1%	1%	1%	1%	1%	2%	2%	2%
Depreciation and amortization	1%	1%	1%	1%	1%	1%	0%	1%	1%	1%	1%	1%
Certain non-recurring items ⁽²⁾	0%	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP sales and marketing	40%	30%	29%	30%	29%	27%	29%	32%	26%	27%	31%	33%
Customer Acquisition Marketing⁽³⁾	28%	22%	23%	21%	21%	21%	23%	27%	20%	22%	24%	24%
Technology and development	11%	13%	13%	12%	13%	14%	14%	15%	14%	10%	12%	11%
Stock-based compensation ⁽¹⁾	3%	3%	3%	3%	3%	3%	3%	4%	4%	1%	2%	2%
Depreciation and amortization	0%	1%	1%	0%	1%	1%	1%	1%	1%	1%	1%	1%
Certain non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP technology and development	8%	9%	9%	8%	9%	10%	10%	10%	9%	8%	8%	8%
General and administrative	19%	16%	16%	16%	15%	17%	13%	15%	17%	19%	21%	19%
Stock-based compensation ⁽¹⁾	8%	6%	6%	7%	5%	5%	3%	5%	4%	10%	11%	10%
Depreciation and amortization	1%	0%	1%	0%	0%	1%	1%	1%	1%	1%	1%	1%
Certain non-recurring items ⁽²⁾	0%	1%	1%	0%	1%	3%	0%	0%	4%	(0%)	1%	0%
Non-GAAP general and administrative	10%	9%	9%	9%	9%	10%	9%	9%	9%	8%	8%	8%

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) Includes acquisition-related expenses, restructuring expenses, legal reserves and settlements, and IPO-related costs and other transaction related expenses, as detailed in Reconciliation of Net (Loss) Income to Non-GAAP Net (Loss) Income elsewhere in the appendix. (3) Customer Acquisition Marketing is a component of both GAAP and Non-GAAP sales and marketing expense.

Reconciliation of GAAP expenses to non-GAAP expenses on a year-over-year % basis

<i>FYE Dec 31, \$K</i>	2022	2023	2024	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Cost of revenue	11%	13%	0%	12%	18%	18%	13%	(0%)	(8%)	(5%)	(3%)	6%
Stock-based compensation ⁽¹⁾	76%	47%	35%	(17%)	87%	69%	82%	58%	4%	8%	(21%)	(15%)
Depreciation and amortization	33%	49%	48%	38%	68%	62%	70%	53%	46%	30%	15%	15%
Certain non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP cost of revenue	10%	11%	(3%)	11%	15%	15%	10%	(4%)	(11%)	(7%)	(3%)	6%
Sales and marketing	(6%)	(20%)	(2%)	(25%)	(24%)	(4%)	(11%)	12%	(9%)	3%	14%	16%
Stock-based compensation ⁽¹⁾	(35%)	(40%)	32%	(59%)	(45%)	192%	3%	32%	15%	83%	139%	135%
Depreciation and amortization	17%	(25%)	(29%)	(28%)	(20%)	(15%)	(36%)	(34%)	(31%)	(15%)	115%	176%
Certain non-recurring items ⁽²⁾	—	(100%)	—	—	(100%)	—	—	—	—	—	—	—
Non-GAAP sales and marketing	(4%)	(19%)	(2%)	(24%)	(23%)	(6%)	(10%)	13%	(10%)	1%	9%	9%
Customer Acquisition Marketing⁽³⁾	(11%)	(17%)	8%	(18%)	(21%)	4%	(0%)	31%	(4%)	8%	9%	(1%)
Technology and development	(16%)	18%	8%	23%	23%	17%	22%	30%	8%	(25%)	(11%)	(16%)
Stock-based compensation ⁽¹⁾	(57%)	14%	4%	18%	22%	17%	32%	34%	31%	(77%)	(29%)	(29%)
Depreciation and amortization	20%	48%	84%	22%	68%	82%	72%	119%	84%	69%	50%	17%
Certain non-recurring items ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Non-GAAP technology and development	19%	18%	4%	25%	21%	14%	16%	23%	(5%)	(16%)	(10%)	(15%)
General and administrative	9%	(8%)	2%	(7%)	(16%)	1%	(13%)	(1%)	12%	12%	70%	39%
Stock-based compensation ⁽¹⁾	(10%)	(28%)	4%	(17%)	(34%)	(30%)	(39%)	(24%)	(20%)	130%	246%	129%
Depreciation and amortization	77%	(5%)	46%	(19%)	(7%)	(7%)	11%	71%	61%	49%	46%	31%
Certain non-recurring items ⁽²⁾	1%	140%	(2%)	(90%)	(13%)	—	(49%)	297%	374%	(113%)	592%	(79%)
Non-GAAP general and administrative	30%	2%	(0%)	11%	(2%)	(5%)	3%	12%	(4%)	(12%)	(6%)	(6%)

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) Includes acquisition-related expenses, restructuring expenses, legal reserves and settlements, and IPO-related costs and other transaction related expenses, as detailed in Reconciliation of Net (Loss) Income to Non-GAAP Net (Loss) Income elsewhere in the appendix. (3) Customer Acquisition Marketing is a component of both GAAP and Non-GAAP sales and marketing expense.

Reconciliation of GAAP gross profit to non-GAAP gross profit

<i>FYE Dec 31, \$K</i>	2022	2023	2024	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Gross profit	\$408,884	\$421,464	\$441,788	\$105,106	\$108,061	\$102,756	\$105,830	\$113,753	\$113,884	\$108,321	\$116,550	\$125,111
Cost of revenue stock-based compensation ⁽¹⁾	2,931	4,318	5,833	1,105	1,115	1,224	1,593	1,747	1,165	1,328	1,260	1,478
Cost of revenue depreciation & amortization	8,581	12,772	18,902	3,011	3,307	3,832	4,467	4,618	4,828	4,989	5,115	5,313
Non-GAAP gross profit⁽²⁾	\$420,396	\$438,554	\$466,523	\$109,222	\$112,483	\$107,812	\$111,890	\$120,118	\$119,877	\$114,638	\$122,925	\$131,902
<i>Gross profit margin⁽²⁾</i>	66%	64%	65%	62%	65%	65%	67%	64%	68%	67%	64%	65%
<i>Non-GAAP gross profit margin⁽²⁾</i>	68%	66%	68%	65%	67%	68%	64%	68%	71%	71%	67%	69%

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) We define non-GAAP gross profit as gross profit adjusted to exclude amortization of acquired intangible assets from our business combinations, non-cash stock-based compensation expense, losses from impairments of goodwill, long-lived and other assets, and other non-recurring expenses associated with our cost of revenue. Our non-GAAP gross profit financial measure differs from GAAP in that it excludes certain items of income and expense. We define gross profit margin as gross profit as a percentage of revenue. We define non-GAAP gross profit margin as non-GAAP gross profit as a percentage of revenue.

Reconciliation of GAAP net (loss) income to Adjusted EBITDA

<i>FYE Dec 31, \$K</i>	2022	2023	2024	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Net (loss) income	(\$48,733)	\$13,953	\$29,963	\$1,395	\$7,534	\$7,382	\$4,744	\$1,314	\$11,051	\$12,854	\$5,127	(\$266)
Interest (income) expense, net	(1,543)	(8,814)	(7,404)	(2,152)	(2,623)	(2,457)	(2,826)	(2,203)	(1,273)	(1,102)	(1,301)	(1,904)
Provision for (benefit from) income taxes	1,060	17,541	13,120	6,127	4,463	3,114	3,230	2,046	8,232	(388)	5,487	(278)
Depreciation and amortization	21,745	25,383	34,927	5,837	6,655	7,322	7,670	8,426	9,195	9,636	10,406	11,339
Other expense (income), net	4,477	(1,621)	(98)	(625)	882	(1,185)	(93)	(11)	(1,741)	1,747	(347)	(652)
Stock-based compensation ⁽¹⁾	80,469	66,015	71,510	18,956	15,582	15,010	14,856	18,915	15,715	22,024	29,756	30,638
Impairment of goodwill, long-lived & other assets	237	—	—	—	—	—	—	—	—	—	—	—
Impairment of other equity security ⁽²⁾	3,000	—	—	—	—	—	—	—	—	—	—	—
Acquisition or transaction-related expenses	758	—	—	—	—	—	—	—	—	—	1,543	—
Gain on sale of assets held for sale	—	—	—	—	—	—	—	—	—	—	(14,337)	—
Restructuring costs ⁽³⁾	1,795	4,666	6,096	107	68	3,863	321	425	5,917	(567)	678	88
Legal reserves and settlements ⁽⁴⁾	40	—	—	—	—	—	—	—	—	—	—	—
Certain non-recurring expenses ⁽⁵⁾	400	1,568	—	—	1,179	389	—	—	—	—	—	—
Adjusted EBITDA	\$63,705	\$118,691	\$148,114	\$29,645	\$33,740	\$33,438	\$27,902	\$28,912	\$47,096	\$44,204	\$37,012	\$38,965
Revenue	619,979	660,727	681,881	168,854	167,274	158,663	174,214	177,362	168,599	161,706	183,110	192,509
<i>Adjusted EBITDA margin</i>	<i>10%</i>	<i>18%</i>	<i>22%</i>	<i>18%</i>	<i>20%</i>	<i>21%</i>	<i>16%</i>	<i>16%</i>	<i>28%</i>	<i>27%</i>	<i>20%</i>	<i>20%</i>

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) In December 2022, we fully impaired our investment in Mylo and incurred a loss of \$3.0 million as the fair value of our investment was determined to be zero based upon an observable sale of their common equity. (3) Restructuring costs relate to certain one-time severance events for different components of our business. For 2022, we incurred restructuring costs related to the reduction of our U.S. headcount. For 2023, restructuring expenses related to the reduction of our U.K. headcount, which was substantially complete by December 31, 2023. For 2024 and 2025, restructuring expenses related to the reduction of our U.S. headcount. (4) Legal reserves and settlements include costs accrued or paid for potential litigation settlements, and are net of insurance recoveries, if any. (5) In 2022, certain non-recurring expenses consisted of compensation expense was recorded in sales and marketing expenses related to the departure of a member of management. In 2023, certain non-recurring expenses included costs incurred by the Company in conjunction with the secondary offerings by a selling stockholder in September 2023 and November 2023.

Reconciliation of GAAP net (loss) income to non-GAAP net (loss) income

<i>FYE Dec 31, \$K</i>	2022	2023	2024	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Net (loss) income	(\$48,733)	\$13,953	\$29,963	\$1,395	\$7,534	\$7,382	\$4,744	\$1,314	\$11,051	\$12,854	\$5,127	(\$266)
Amortization of acquired intangible assets	3,532	5,165	5,082	1,291	1,292	1,291	1,270	1,271	1,275	1,266	1,647	2,381
Stock-based compensation ⁽¹⁾	80,469	66,015	71,510	18,956	15,582	15,010	14,856	18,915	15,715	22,024	29,756	30,638
Impairment of goodwill, long-lived & other assets	237	—	—	—	—	—	—	—	—	—	—	—
Impairment of other equity security ⁽²⁾	3,000	—	—	—	—	—	—	—	—	—	—	—
Acquisition or transaction-related expenses	758	—	—	—	—	—	—	—	—	—	1,543	—
Restructuring costs ⁽³⁾	1,795	4,666	6,096	107	68	3,863	321	425	5,917	(567)	678	88
Legal reserves and settlements ⁽⁴⁾	40	—	—	—	—	—	—	—	—	—	—	—
Certain non-recurring expenses ⁽⁵⁾	400	1,568	—	—	1,179	389	—	—	—	—	(14,337)	—
Income tax effects	(10,243)	(10,892)	(13,200)	(2,714)	(2,347)	(3,801)	(2,847)	(3,115)	(4,259)	(2,979)	(592)	(4,512)
Non-GAAP net income	\$31,255	\$80,475	\$99,451	\$19,035	\$23,308	\$24,134	\$18,344	\$18,810	\$29,699	\$32,598	\$23,822	\$28,329
<i>Net (loss) income margin</i>	<i>(8%)</i>	<i>2%</i>	<i>4%</i>	<i>1%</i>	<i>5%</i>	<i>5%</i>	<i>3%</i>	<i>1%</i>	<i>7%</i>	<i>8%</i>	<i>3%</i>	<i>(0%)</i>
<i>Non-GAAP net income margin</i>	<i>5%</i>	<i>12%</i>	<i>15%</i>	<i>11%</i>	<i>14%</i>	<i>15%</i>	<i>11%</i>	<i>11%</i>	<i>18%</i>	<i>20%</i>	<i>13%</i>	<i>15%</i>

(1) Stock-based compensation expense excludes amounts paid in cash to certain employees as part of a buyback program that concluded in 2022. (2) In December 2022, we fully impaired our investment in Mylo and incurred a loss of \$3.0 million as the fair value of our investment was determined to be zero based upon an observable sale of their common equity. (3) Restructuring costs relate to certain one-time severance events for different components of our business. For 2022, we incurred restructuring costs related to the reduction of our U.S. headcount. For 2023, restructuring expenses related to the reduction of our U.K. headcount, which was substantially complete by December 31, 2023. For 2024 and 2025, restructuring expenses related to the reduction of our U.S. headcount. (4) Legal reserves and settlements include costs accrued or paid for potential litigation settlements, and are net of insurance recoveries, if any. (5) In 2022, certain non-recurring expenses consisted of compensation expense was recorded in sales and marketing expenses related to the departure of a member of management. In 2023, certain non-recurring expenses included costs incurred by the Company in conjunction with the secondary offerings by a selling stockholder in September 2023 and November 2023.

Reconciliation of net cash provided by operating activities to free cash flow

<i>FYE Dec 31, \$K</i>	2022	2023	2024	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Net cash provided by operating activities	\$73,837	\$124,308	\$135,639	\$45,165	\$27,441	\$22,495	\$34,194	\$27,245	\$31,613	\$42,586	\$50,703	\$39,139
Purchase of property and equipment	(22,098)	(31,593)	(35,696)	(7,799)	(7,993)	(8,374)	(9,477)	(9,873)	(9,638)	(6,707)	(9,378)	(7,530)
Free cash flow⁽¹⁾	51,739	92,715	99,943	37,366	19,448	14,121	24,717	17,372	21,975	35,879	41,325	31,609
<i>Operating cash flow margin⁽²⁾</i>	12%	19%	20%	27%	16%	14%	20%	15%	19%	26%	28%	20%
<i>Free cash flow margin⁽²⁾</i>	8%	14%	15%	22%	12%	9%	14%	10%	13%	22%	23%	16%

(1) We define free cash flow as cash generated by operations after purchases of property and equipment including capitalized internal-use software. (2) We define operating cash flow margin as net cash provided by operating activities as a percentage of revenue. We define free cash flow margin as free cash flow as a percentage of revenue. We define unlevered free cash flow margin as unlevered free cash flow as a percentage of revenue.

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