MediaAlpha Announces First Quarter 2025 Financial Results

April 30, 2025

Exceeds First Quarter Guidance with Revenue Growth of 109% and Transaction Value Growth of 116%; Delivers Record Transaction Value of $407 million in Property & Casualty Vertical

First Quarter Net Loss of $(2.3) million; Adjusted EBITDA[(1)] of $29.4 million

LOS ANGELES, April 30, 2025 (GLOBE NEWSWIRE) -- MediaAlpha, Inc. (NYSE: MAX) ("MediaAlpha" or the "Company"), today announced its financial results for the first quarter ended March 31, 2025.

“We had a record first quarter, beating expectations across the board, thanks largely to the continued strength in our P&C insurance vertical,” said MediaAlpha co-founder and CEO Steve Yi. “Transaction Value more than doubled year over year, and for the first time ever, we delivered over $100 million of Adjusted EBITDA over a trailing twelve month period. Looking ahead, we believe our unmatched scale, extensive partner network, and superior data capabilities will further differentiate us from competitors and enable us to drive long-term profitable growth and shareholder value.”

First Quarter 2025 Financial Results

- Revenue of $264.3 million, an increase of 109% year over year;
- Transaction Value of $473.1 million, an increase of 116% year over year;
  - Transaction Value from Property & Casualty up 200% year over year to $407 million
  - Transaction Value from Health down 17% year over year to $58 million
- Gross margin of 15.8%, compared with 18.7% in the first quarter of 2024;
- Contribution Margin[(1)] of 16.6%, compared with 21.9% in the first quarter of 2024;
- Net loss was $(2.3) million, compared with a net loss of $(1.5) million in the first quarter of 2024; and
- Adjusted EBITDA[(1)] was $29.4 million, compared with $14.4 million in the first quarter of 2024.
- Additionally, the Company remains in active settlement discussions with the FTC and has recorded an additional $5.0 million reserve related to this matter in accordance with U.S. GAAP, bringing the total reserve to $12.0 million as of March 31, 2025.

[(1)]A reconciliation of GAAP to Non-GAAP financial measures has been provided at the end of this press release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”

Financial Outlook

Our guidance for the second quarter of 2025 reflects a continuation of the recent trends in customer acquisition spending that we have seen in our P&C insurance vertical. Although automotive tariff developments could introduce some upward pressure on claims costs later in the year, we expect Transaction Value in our P&C insurance vertical to grow 65% - 75% year over year in the second quarter, supported by strong carrier profitability and high engagement on our platform. We expect second quarter Transaction Value in our Health insurance vertical to be down 25% - 30% year over year as stable trends in Medicare are more than offset by a significant decline in under-65 as we scale back parts of that business. We expect our decision to exit Travel by the end of the second quarter to have an immaterial impact on our consolidated results.

For the second quarter of 2025, MediaAlpha currently expects the following:

- Transaction Value between $470 million - $495 million, representing a 50% year-over-year increase at the midpoint of the guidance range;
- Revenue between $235 million - $255 million, representing a 37% year-over-year increase at the midpoint of the guidance range;
- Adjusted EBITDA between $25.0 million and $27.0 million, representing a 39% year-over-year increase at the midpoint of the guidance range. We are projecting Contribution less Adjusted EBITDA to be approximately $0.5 - $1.0 million higher than in Q1 2025.

With respect to the Company’s projections of Adjusted EBITDA and Contribution under “Financial Outlook,” MediaAlpha is not providing a reconciliation of Adjusted EBITDA to net income (loss), or of Contribution to gross profit, because the Company is unable to predict with reasonable certainty the reconciling items that may affect the corresponding GAAP measures without unreasonable effort. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, the corresponding GAAP measures for the applicable period.

For a detailed explanation of the Company's non-GAAP measures, please refer to the appendix section of this press release.

Conference Call Information

MediaAlpha will host a Q&A conference call today to discuss the Company's first quarter 2025 results and its financial outlook for the second quarter of 2025 at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time). A live audio webcast of the call will be available on the MediaAlpha Investor Relations website at https://investors.mediaalpha.com. To register for the webcast, click here. Participants may also dial-in, toll-free, at (800) 715-9871 or (646) 307-1963, with passcode 2616289. An audio replay of the conference call will be available following the call and available on the MediaAlpha Investor Relations website at https://investors.mediaalpha.com.

The Company has also posted a letter to shareholders on its investor relations website. MediaAlpha has used, and intends to continue to use, its investor relations website at https://investors.mediaalpha.com as a means of disclosing material nonpublic information and for complying with its disclosure obligations under Regulation FD.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation our belief that our unmatched scale, extensive partner network, and superior data capabilities will further differentiate us from competitors and enable us to drive long-term profitable growth and shareholder value, and our financial outlook for the second quarter of 2025. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would," and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including those more fully described in MediaAlpha's filings with the Securities and Exchange Commission ("SEC"), including the Form 10-K filed on February 24, 2025 and the Form 10-Q to be filed on April 30, 2025. These factors should not be construed as exhaustive. MediaAlpha disclaims any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of this press release.

Non-GAAP Financial Measures and Operating Metrics

This press release includes Adjusted EBITDA, Contribution, and Contribution Margin, which are non-GAAP financial measures. The Company also presents Transaction Value, which is an operating metric not presented in accordance with GAAP. See the appendix for definitions of Adjusted EBITDA, Contribution, Contribution Margin and Transaction Value, as well as reconciliations to the corresponding GAAP financial metrics, as applicable.

We present Transaction Value, Adjusted EBITDA, Contribution, and Contribution Margin because they are used extensively by our management and board of directors to manage our operating performance, including evaluating our operational performance against budget and assessing our overall operating efficiency and operating leverage. Accordingly, we believe that Transaction Value, Adjusted EBITDA and Contribution Margin provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors. Each of Transaction Value, Adjusted EBITDA and Contribution Margin has limitations as a financial measure and investors should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP.

About MediaAlpha
We believe we are the insurance industry's leading programmatic customer acquisition platform. With more than 1,200 active partners, excluding our agent partners, we connect insurance carriers with online shoppers and generated nearly 119 million Consumer Referrals in 2024. Our programmatic advertising technology over the last twelve months powered $1.7 billion in spend on brand, comparison, and metasearch sites across property & casualty insurance, health insurance, life insurance, and other industries. For more information, please visit www.mediaalpha.com.

Contacts:
Investors
Denise Garcia
Hayflower Partners
Denise@HayflowerPartners.com

MediaAlpha, Inc. and subsidiaries
Consolidated Balance Sheets
(Unaudited; in thousands, except share data and per share amounts)

	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 63,561	$ 43,266
Accounts receivable, net of allowance for credit losses of $913 and $1,005, respectively	114,846	142,932
Prepaid expenses and other current assets	4,058	3,711
Total current assets	182,465	189,909
Intangible assets, net	5,125	19,985
Goodwill	47,739	47,739
Other assets	4,654	4,814
Total assets	**$ 239,983**	**$ 262,447**
Liabilities and stockholders' deficit		
Current liabilities		

Accounts payable	$ 82,354	$ 105,563
Accrued expenses	18,203	18,542
Current portion of long-term debt	8,859	8,849
Total current liabilities	109,416	132,954
Long-term debt, net of current portion	151,375	153,596
Liabilities under tax receivables agreement, net of current portion	—	7,006
Other long-term liabilities	20,376	15,123
Total liabilities	$ 281,167	$ 308,679
Commitments and contingencies		
Stockholders' deficit		
Class A common stock, $0.01 par value - 1.0 billion shares authorized; 55.9 million and 55.5 million shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	559	555
Class B common stock, $0.01 par value - 100 million shares authorized; 11.6 million and 11.6 million shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	116	116
Preferred stock, $0.01 par value - 50 million shares authorized; 0 shares issued and outstanding as of March 31, 2025 and December 31, 2024	—	—
Additional paid-in capital	515,125	507,640
Accumulated deficit	(507,881)	(505,933)
Total stockholders' equity attributable to MediaAlpha, Inc.	$ 7,919	$ 2,378
Non-controlling interests	(49,103)	(48,610)
Total stockholders' deficit	$ (41,184)	$ (46,232)
Total liabilities and stockholders' deficit	**$ 239,983**	**$ 262,447**

MediaAlpha, Inc. and subsidiaries
Consolidated Statements of Operations
(Unaudited; in thousands, except share data and per share amounts)

	Three Months Ended March 31,	
	2025	**2024**
Revenue	$ 264,309	$ 126,649
Costs and operating expenses		
Cost of revenue	222,670	102,969
Sales and marketing	5,626	5,796
Product development	4,886	4,363
General and administrative	17,595	11,149
Write-off of intangible assets	13,416	—
Total costs and operating expenses	264,193	124,277
Income from operations	116	2,372
Other income, net	(456)	(9)
Interest expense	2,955	3,845
Total other expense, net	2,499	3,836
(Loss) before income taxes	(2,383)	(1,464)
Income tax (benefit) expense	(49)	27
Net (loss)	$ (2,334)	$ (1,491)
Net (loss) attributable to non-controlling interest	(386)	(378)
Net (loss) attributable to MediaAlpha, Inc.	$ (1,948)	$ (1,113)
Net (loss) per share of Class A common stock		
-Basic and diluted	$ (0.04)	$ (0.02)
Weighted average shares of Class A common stock outstanding		
-Basic and diluted	55,632,321	48,574,448

MediaAlpha, Inc. and subsidiaries
Consolidated Statements of Cash Flows
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities		
Net (loss)	$ (2,334)	$ (1,491)

Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Equity-based compensation expense	7,024	8,634
Non-cash lease expense	227	196
Depreciation expense on property and equipment	62	61
Amortization of intangible assets	1,444	1,609
Amortization of deferred debt issuance costs	180	191
Write-off of intangible assets	13,416	—
Credit losses	(95)	(82)
Changes in operating assets and liabilities:		
Accounts receivable	28,181	(3,640)
Prepaid expenses and other current assets	(363)	(147)
Other assets	125	125
Accounts payable	(23,209)	(2,693)
Accrued expenses	(957)	(1,085)
Net cash provided by operating activities	$ 23,701	$ 1,678
Cash flows from investing activities		
Purchases of property and equipment	(57)	(34)
Net cash (used in) investing activities	$ (57)	$ (34)
Cash flows from financing activities		
Repayments on long-term debt	(2,375)	(2,375)
Distributions to non-controlling interests	(107)	(113)
Shares withheld for taxes on vesting of restricted stock units	(867)	(1,956)
Net cash (used in) financing activities	$ (3,349)	$ (4,444)
Net increase (decrease) in cash and cash equivalents	20,295	(2,800)
Cash and cash equivalents, beginning of period	43,266	17,271
Cash and cash equivalents, end of period	$ 63,561	$ 14,471

Key business and operating metrics and Non-GAAP financial measures

Transaction Value

We define “Transaction Value” as the total gross dollars transacted by our partners on our platform. Transaction Value is an operating metric not presented in accordance with GAAP, and is a driver of revenue based on the economic relationships we have with our partners. Our partners use our platform to transact via Open and Private Marketplace transactions. In our Open Marketplace model, revenue recognized represents the fees paid by our Demand Partners for Consumer Referrals sold and is equal to the Transaction Value and revenue share payments to our Supply Partners represent costs of revenue. In our Private Marketplace model, revenue recognized represents a platform fee billed to the Demand Partner or Supply Partner based on an agreed-upon percentage of the Transaction Value for the Consumer Referrals transacted, and accordingly there are no associated costs of revenue. We utilize Transaction Value to assess the overall level of transaction activity through our platform. We believe it is useful to investors to assess the overall level of activity on our platform and to better understand the sources of our revenue across our different transaction models and verticals.

The following table presents Transaction Value by platform model for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Open Marketplace transactions	$ 258,419	$ 122,429
Percentage of total Transaction Value	54.6%	55.9%
Private Marketplace transactions	214,682	96,677
Percentage of total Transaction Value	45.4%	44.1%
Total Transaction Value	$ 473,101	$ 219,106

The following table presents Transaction Value by vertical for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Property & Casualty insurance	$ 406,847	$ 135,494
Percentage of total Transaction Value	86.0%	61.8%
Health insurance	57,679	69,087
Percentage of total Transaction Value	12.2%	31.5%
Life insurance	6,956	10,237
Percentage of total Transaction Value	1.5%	4.7%
Other[(1)]	1,619	4,288
Percentage of total Transaction Value	0.3%	2.0%
Total Transaction Value	$ 473,101	$ 219,106

(1) Our other verticals include Travel and Consumer Finance.

Contribution and Contribution Margin

We define "Contribution" as revenue less revenue share payments and online advertising costs, or, as reported in our consolidated statements of operations, revenue less cost of revenue (i.e., gross profit), as adjusted to exclude the following items from cost of revenue: equity-based compensation; salaries, wages, and related costs; internet and hosting costs; amortization; depreciation; other services; and merchant-related fees. We define "Contribution Margin" as Contribution expressed as a percentage of revenue for the same period. Contribution and Contribution Margin are non-GAAP financial measures that we present to supplement the financial information we present on a GAAP basis. We use Contribution and Contribution Margin to measure the return on our relationships with our Supply Partners (excluding certain fixed costs), the financial return on and efficacy of our online advertising costs to drive consumers to our proprietary websites, and our operating leverage. We do not use Contribution and Contribution Margin as measures of overall profitability. We present Contribution and Contribution Margin because they are used by our management and board of directors to manage our operating performance, including evaluating our operational performance against budget and assessing our overall operating efficiency and operating leverage. For example, if Contribution increases and our headcount costs and other operating expenses remain steady, our Adjusted EBITDA and operating leverage increase. If Contribution Margin decreases, we may choose to re-evaluate and re-negotiate our revenue share agreements with our Supply Partners, to make optimization and pricing changes with respect to our bids for keywords from primary traffic acquisition sources, or to change our overall cost structure with respect to headcount, fixed costs and other costs. Other companies may calculate Contribution and Contribution Margin differently than we do. Contribution and Contribution Margin have their limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results presented in accordance with GAAP.

The following table reconciles Contribution with gross profit, the most directly comparable financial measure calculated and presented in accordance with GAAP, for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
Revenue	$ 264,309	$ 126,649
Less cost of revenue	(222,670)	(102,969)
Gross profit	$ 41,639	$ 23,680
Adjusted to exclude the following (as related to cost of revenue):		
Equity-based compensation	294	1,857
Salaries, wages, and related	816	908
Internet and hosting	171	131
Other expenses	202	203
Depreciation	6	5
Other services	712	828
Merchant-related fees	142	64
Contribution	$ 43,982	$ 27,676
Gross margin	15.8%	18.7%
Contribution Margin	16.6%	21.9%

Adjusted EBITDA

We define "Adjusted EBITDA" as net income (loss) excluding interest expense, income tax expense (benefit), depreciation expense on property and equipment, amortization of intangible assets, as well as equity-based compensation expense and certain other adjustments as listed in the table below. Adjusted EBITDA is a non-GAAP financial measure that we present to supplement the financial information we present on a GAAP basis. We monitor and present Adjusted EBITDA because it is a key measure used by our management to understand and evaluate our operating performance, to establish budgets and to develop operational goals for managing our business. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in the calculations of Adjusted EBITDA. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects. In addition, presenting Adjusted EBITDA provides investors with a metric to evaluate the capital efficiency of our business.

Adjusted EBITDA is not presented in accordance with GAAP and should not be considered in isolation of, or as an alternative to, measures presented in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than net income, which is the most directly comparable financial measure calculated and presented in accordance with GAAP. These limitations include the fact that Adjusted EBITDA excludes interest expense on debt, income tax expense (benefit), equity-based compensation expense, depreciation and amortization, and certain other adjustments that we consider to be useful to investors and others in understanding and evaluating our operating results. In addition, other companies may use other measures to evaluate their performance, including different definitions of "Adjusted EBITDA," which could reduce the usefulness of our Adjusted EBITDA as a tool for comparison.

The following table reconciles Adjusted EBITDA with net (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
Net (loss)	$ (2,334)	$ (1,491)
Equity-based compensation expense	7,024	8,634
Interest expense	2,955	3,845
Income tax (benefit) expense	(49)	27
Depreciation expense on property and equipment	62	61
Amortization of intangible assets	1,444	1,609
Transaction expenses[(1)]	—	658
Write-off of intangible assets[(2)]	13,416	—
Changes in Tax Indemnification Receivable	(21)	(1)

Legal expenses[3]	6,879	1,077
Adjusted EBITDA	$ 29,376	$ 14,419

(1) Transaction expenses consist of $0.7 million of legal and accounting fees incurred by us for the three months ended March 31, 2024 in connection with resale registration statements filed with the SEC.

(2) Write-off of intangible assets for the three months ended March 31, 2025 consist of a charge of $13.4 million related to the write-off of customer relationships and trademarks, trade names, and domain names intangible assets acquired as part of the acquisition of Customer Helper Team, LLC.

(3) Legal expenses of $6.9 million for the three months ended March 31, 2025, consist of a $5.0 million increase to the loss reserve established in connection with the FTC Matter and legal fees and costs incurred in connection with such matter. Legal expenses of $1.1 million for the three months ended March 31, 2024, consist of legal fees incurred in connection with the FTC Matter.