

Oportun Financial Corp.
Nasdaq: OPRT

December 5, 2024

Price (as of close Dec 5, 2024)
\$3.98

Rating
BUY

12- Month Target Price
\$7.00

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Turnaround Visible; Robust Preliminary FY:25 outlook, Maintain Buy Rating. Q3 results exceeded expectations as the Company delivered higher profitability amid improving credit quality and indications of a resumption in loan growth. After a challenging last few years, we see clear signs of a turnaround as improving credit metrics and return to loan expansion gives us confidence in the future growth trajectory. **We increase our target price to \$7.00 (earlier \$5.50) and maintain our BUY rating.**

52-Week Range	\$2.05 – \$4.60	Total Debt	\$2.8 billion
Shares Outstanding	35.9 million	Debt/Equity	8.7x
Insider/Institutional	9.7% / 79.6%	ROE (LTM)	(0.1)%
Public Float	32.2 million	Book Value/Share	\$8.20
Market Capitalization	\$147 million	Daily Volume (90-day)	141,006

FYE Dec Adj. EPS (\$)	FY 2023A ACTUAL	FY 2024E CURRENT	FY 2024E PREVIOUS	FY 2025E CURRENT	FY 2025E PREVIOUS
Q1 Mar	\$(1.70)A	\$0.09A	\$0.09A	\$0.25E	\$0.08E
Q2 Jun	\$0.17A	\$0.08A	\$0.08A	\$0.26E	\$0.08E
Q3 Sep	\$(0.31)A	\$0.02A	\$(0.04)E	\$0.31E	\$0.10E
Q4 Dec	\$(0.21)A	\$0.15E	\$0.09E	\$0.38E	\$0.16E
Year*	\$(1.93)A	\$0.35E	\$0.22E	\$1.20E	\$0.42E
P/E Ratio	NM	11.7x		3.4x	
Change	NM	NM		244%	

FYE Dec Revenue (\$ mil.)	FY 2023A ACTUAL	FY 2024E CURRENT	FY 2024E PREVIOUS	FY 2025E CURRENT	FY 2025E PREVIOUS
Q1 Mar	\$259.5A	\$250.4A	\$250.4A	\$249.6E	\$248.9E
Q2 Jun	\$266.5A	\$250.4A	\$250.4A	\$250.1E	\$247.2E
Q3 Sep	\$268.2A	\$249.9A	\$247.8E	\$258.6E	\$251.0E
Q4 Dec	\$262.6A	\$248.7E	\$251.4E	\$269.5E	\$257.4E
Year*	\$1,056.9A	\$999.5E	\$1,000.1E	\$1,027.9E	\$1,004.5E
Change	11.0%	(5.4)%		2.8%	

* Numbers may not add up due to rounding and changes in diluted shares outstanding.

Company Description

Oportun Financial Corp is a financial services Company focused on providing credit to thin-file or no file borrowers who are underserved by the traditional financial institutions. The primary offerings of the Company comprise unsecured personal loans, secured personal loans, and Set & Save savings product, intended for low-to-moderate-income (LMI) individuals who have limited or no credit history and may not meet the requirements for standard financial products.

Q3:24 Highlights

- The Company delivered a solid Q3:24 earnings led by lower charge-offs, continued cost reduction, and higher profitability. The annualized net charge-off rate stood at 11.9%.
- Total originations for the third quarter were \$480 million, flat year-over-year. This result is a significant milestone given the declining originations for several quarters prior to this quarter.
- Total revenue for the second quarter was \$250 million, marking a 7% decline from the \$268 million recorded in the preceding year's quarter as a result of prior credit tightening actions. Adjusted operating expenses (excluding stock-based compensation and certain non-recurring charges) were \$96 million, down 17% YOY.
- The decreasing volume of loans in the back book and strong performance of the front book gives us confidence in OPRT's credit quality. Moreover, after experiencing several quarters of declining loan growth, the Company has indicated that it will return to the typical seasonal patterns of loan expansion.
- We are impressed by the attractive unit economic model which targets a long-term ROE in the range of 20%-28%. We believe this result is achievable once the back book shrinks and operating expenses as a percent of sales comes down further.
- We increase our target price to \$7.00, implying a capital appreciation potential of 71% and maintain a Buy rating on the stock.

Primary Risks

- Inability to accurately assess the credit risk profile of the borrower could result in higher delinquencies and charge-off rates which may result in higher losses.

Investment Thesis

Oportun Financial Corporation offers personal loans and various financial services mainly to low-to-moderate-income (LMI) individuals who frequently encounter difficulties in accessing traditional banking services. OPRT prioritizes financial inclusion by striving to offer responsible and cost-effective credit options to individuals with limited to no credit backgrounds and assisting them in establishing a credit history.

The potential market is large, with millions of low to moderate income (LMI) individuals in the United States who do not have access to conventional financial services. This particular demographic represents a substantial opportunity for growth, as Oportun has the ability to address the void left by traditional banking institutions. Oportun's AI-driven technology and proprietary algorithms give it a competitive edge in evaluating the creditworthiness of individuals with minimal or nonexistent credit backgrounds, enabling it to efficiently handle risk.

This technology not only ensures accuracy in credit evaluations but also provides improved operational efficiency and scalability. Consequently, Oportun is able to provide cost-effective financial products that are more accessible and affordable for consumers with limited financial options. Moreover, OPRT continuously updates these models with the latest financial data, further strengthening its competitive position.

The decreasing volume of loans in the back book and strong performance of the front book gives us confidence in OPRT's credit quality. Moreover, after experiencing several quarters of declining loan growth, the Company has indicated that it will return to the typical seasonal patterns of loan expansion. The Company anticipates that loan originations in Q4:24 to be up 10% YOY. This result is particularly encouraging following declining YOY originations growth for several quarters. A combination of improved loan quality and growth in originations is expected to enhance future profitability. This result is evident in the Company's guidance which indicates a 389% YOY increase in adjusted EBITDA in FY:24.

We are impressed by the attractive unit economic model which targets a long-term ROE in the range of 20%-28%. We believe this result is achievable once the back book shrinks and operating expenses come down further.

We increase our target price to \$7.00 (earlier \$5.50) and maintain our Buy rating on the stock.

Q3:24 Financial Performance

The Company delivered a solid Q3:24 earnings led by lower charge-offs, continued cost reduction, and higher profitability. The annualized net charge-off rate was 11.9%, reflecting an improvement of 26 basis points compared to the lower end of the Company's guidance range. In terms of dollar value, the net charge-offs for Q3:24 experienced a decrease for the fourth consecutive quarter, declining by 6% YOY.

Total originations for the third quarter were \$480 million, flat year-over-year despite a reduction in average loan size, which decreased from \$3,975 to \$3,244 due to a more conservative credit posture. This result is a significant milestone given the declining originations for several quarters prior to this quarter. The yield on the loan portfolio increased by 69 basis points YOY to 33.2% in Q3:24.

Total revenue for the second quarter was \$250 million, marking a 7% decline from the \$268 million recorded in the preceding year's quarter. The decrease was predominantly due to a 7% reduction in Average Daily Principal Balance, partially offset by an uptick in portfolio yield (up 69 basis points to 33.2%). Net revenue was \$62.6 million, down 26.4% YOY, primarily due to fair value mark-to-market adjustment of \$38.6 million, charge offs of \$82.3 million along with higher interest expense. Interest expense was \$55.7 million, up 18.7% YOY as the cost of debt rose to 7.8% versus 6.3% in the year-ago period.

Total operating expenses during the quarter were \$102 million, a decrease of 17% YOY driven by cost-saving initiatives. Adjusted operating expenses (excluding stock-based compensation and certain non-recurring charges) were \$96 million, down 17% YOY. Adjusted operating expense as a percent of average daily principal balance was 13.9% in Q3:24, a 170 basis points improvement YOY. Management expects further reduction in operating expenses during Q4:24 and noted that it remains on track to deliver \$97.5 million in GAAP operating expenses by Q4:24.

Adjusted EBITDA, excluding the impact of fair value mark-to-market adjustments on the loan portfolio totaled \$31 million in the third quarter, an increase of 117% YOY led by a significantly reduced cost structure and lower net charge-offs on a

dollar basis. The annualized net charge-off rate was 11.9%, while dollar net charge-offs were down by 6.4% YOY to \$82 million.

Adjusted net income was \$0.9 million or \$0.02 per share, compared to a loss of \$11.8 million or \$(0.31) per share in Q3:23.

Improving credit performance. The front book loans originated since July 2022 is demonstrating strong performance, whereas the back book loan portfolio underwritten prior to that date is gradually diminishing. The Company noted that the losses associated with the front book, 12 months or more after disbursement, remain approximately 400 basis points lower than those observed in the back book. Furthermore, the front book had an annualized net charge-off rate of 10.4% in Q3:24, which is within the Company's target of 9% to 11% net charge-off range.

Strong outlook. The Company is well positioned to resume originations growth which should boost profitability. OPRT noted that it expects Q4:24 originations to grow nearly 10% YOY and also guided for full year FY:25 originations to be above that of FY:24. Q4:24 revenue is expected to be in the range of \$246-\$250 million which is a slight decline sequentially mainly on account of the sale of the credit card portfolio. The annualized net charge-off rate is expected to be 11.8% (plus or minus 15 basis points), while the adjusted EBITDA is projected to range between \$28-\$30 million. Q4 adjusted EBITDA guidance at mid-point implies a jump of almost three times from last year's \$10 million.

For full year FY:24, revenue is expected to be between \$997-\$1,001 million, and adjusted EBITDA to be in the range of \$92-\$94 million. Adjusted EBITDA guidance at mid-point implies a jump of almost five times compared to FY:23. The annualized net charge-off rate is expected to be 12% (plus or minus 10 basis points). Management expects the momentum to continue in FY:25 with preliminary expectations of delivering GAAP EPS between \$0.25-\$0.50 and adjusted EPS between \$1.00-\$1.25.

Valuation

We value OPRT using industry peer companies (Price/Book and Price/Earnings multiple). We compare the Company to a group of other consumer finance lending businesses which are focused on providing credit to non-prime borrowers. We use a P/B multiple of 0.75x our 2025 book value per share of \$7.12 and a P/E multiple of 7x our 2025E adjusted EPS of \$1.20. We average the two price targets. The average of the two multiple based targets is \$6.86, which we round up to \$7.00.

Exhibit 1: OPRT Peer Group Multiples and Price Target

Company Name	Ticker		Last Price	Shares o/stand (MM)	Market Cap (\$MM)	2025E P/B	2025E P/E
OneMain Holdings	OMF	\$	57.13	119.35	\$ 6,818.47	1.97	8.21
LendingClub Corp	LC	\$	16.34	112.4	\$ 1,837	1.28	19.13
Upstart Holdings Inc.*	UPST	\$	78.51	91.2	\$ 7,162	11.56	173.84
Enova International Inc.	ENVA	\$	106.38	26.21	\$ 2,788.2	NM	9.79
OppFi Inc.	OPFI	\$	8.00	86.21	\$ 690	NM	9.23
Regional Management Corp	RM	\$	30.72	10.16	\$ 312	0.76	5.38
Average (excl outliers)						1.34	10.35
Oportun Financial Corp	OPRT	\$	4.09	35.97	\$ 147.1	0.40	3.06
Target Multiple						0.75	7.00
FY 2025 (Book value/share, Adj EPS)						\$ 7.12	\$ 1.20
Target Price						\$ 5.34	\$ 8.39
Average Target Price (US\$)		\$	6.86				

Source: Singular Research and Refinitiv

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Rating Definitions

BUY, 30% or greater increase in the next 12 months.

BUY-Long-Term, near-term EPS horizon is challenging, attractive long-term appreciation potential.

BUY-Venture, initial stages with little to no revenue and the potential for outsized returns with higher amounts of risk.

HOLD, perform in line with the market.

SELL, 30% or more declines in the next 12 months.

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Technical Analysis



Oportun Financial Corp
Quarterly Results & Estimates
\$ in millions

	2022 Actual	2023 Actual	2024 Estimated					2025 Estimated				
	Fiscal 2022A	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QA Sep-24	4QE Dec-24	Fiscal 2024E	1QE Mar-25	2QE Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E
Interest Income	\$ 876.11	\$ 963.50	\$ 230.59	\$ 231.37	\$ 230.04	\$ 228.54	\$ 920.55	\$ 229.35	\$ 229.81	\$ 237.66	\$ 247.68	\$ 944.50
Non-interest Income	\$ 76.43	\$ 93.40	\$ 19.89	\$ 19.02	\$ 19.91	\$ 20.18	\$ 79.01	\$ 20.26	\$ 20.30	\$ 20.99	\$ 21.87	\$ 83.41
Revenues	\$ 952.55	\$ 1,056.90	\$ 250.48	\$ 250.40	\$ 249.95	\$ 248.73	\$ 999.56	\$ 249.61	\$ 250.10	\$ 258.65	\$ 269.55	\$ 1,027.91
Revenue Growth(y-o-y)	52.0%	11.0%	-3.5%	-6.1%	-6.8%	-5.3%	-5.4%	-0.3%	-0.1%	3.5%	8.4%	2.8%
Less:												
Interest expense	\$ 93.05	\$ 179.40	\$ 54.47	\$ 54.24	\$ 55.75	\$ 75.00	\$ 239.46	\$ 54.21	\$ 54.32	\$ 56.17	\$ 58.54	\$ 223.25
Net decrease in fair value	\$ (218.84)	\$ (596.80)	\$ (116.85)	\$ (136.12)	\$ (131.59)	\$ (90.00)	\$ (474.55)	\$ (100.00)	\$ (100.00)	\$ (100.00)	\$ (100.00)	\$ (400.00)
Net Revenue	\$ 640.66	\$ 280.70	\$ 79.17	\$ 60.03	\$ 62.62	\$ 83.73	\$ 285.55	\$ 95.40	\$ 95.79	\$ 102.47	\$ 111.01	\$ 404.67
Technology and facilities	\$ 216.12	\$ 219.40	\$ 47.11	\$ 40.63	\$ 40.56	\$ 39.30	\$ 167.59	\$ 39.19	\$ 39.02	\$ 40.09	\$ 41.78	\$ 160.08
Sales and marketing	\$ 110.03	\$ 75.30	\$ 16.00	\$ 16.26	\$ 17.40	\$ 16.91	\$ 66.58	\$ 13.73	\$ 13.76	\$ 14.23	\$ 14.83	\$ 56.54
Personnel	\$ 154.85	\$ 121.80	\$ 24.52	\$ 21.91	\$ 21.04	\$ 19.90	\$ 87.36	\$ 18.22	\$ 18.26	\$ 18.88	\$ 19.68	\$ 75.04
Outsourcing and professional fees	\$ 67.63	\$ 45.40	\$ 10.24	\$ 8.38	\$ 10.09	\$ 8.71	\$ 37.41	\$ 7.49	\$ 7.50	\$ 7.76	\$ 8.09	\$ 30.84
General, administrative and other	\$ 58.84	\$ 72.40	\$ 11.78	\$ 22.02	\$ 12.99	\$ 12.44	\$ 59.22	\$ 12.48	\$ 12.51	\$ 12.93	\$ 13.48	\$ 51.40
Goodwill impairment	\$ 108.47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating expenses	\$ 715.94	\$ 534.30	\$ 109.64	\$ 109.18	\$ 102.08	\$ 97.25	\$ 418.16	\$ 91.11	\$ 91.04	\$ 93.89	\$ 97.85	\$ 373.88
Income (loss) before taxes	\$ (75.29)	\$ (253.70)	\$ (30.48)	\$ (49.15)	\$ (39.46)	\$ (13.52)	\$ (132.61)	\$ 4.29	\$ 4.75	\$ 8.58	\$ 13.16	\$ 30.79
Income tax expense (benefit)	\$ 2.46	\$ (73.70)	\$ (4.04)	\$ (18.12)	\$ (9.51)	\$ (3.40)	\$ (35.07)	\$ 1.16	\$ 1.28	\$ 2.32	\$ 3.55	\$ 8.31
Net Income	\$ (77.74)	\$ (180.00)	\$ (26.44)	\$ (31.03)	\$ (29.96)	\$ (10.12)	\$ (97.54)	\$ 3.13	\$ 3.47	\$ 6.27	\$ 9.61	\$ 22.47
Shares for Basic (millions)	32.83	36.88	38.90	39.82	39.96	39.96	39.66	39.96	39.96	39.96	39.96	39.96
Shares for Diluted EPS (millions)	32.83	36.88	38.90	39.82	39.96	39.96	39.66	50.20	50.20	50.20	50.20	50.20
EPS Basic (\$)	\$ (2.37)	\$ (4.88)	\$ (0.68)	\$ (0.78)	\$ (0.75)	\$ (0.25)	\$ (2.46)	\$ 0.08	\$ 0.09	\$ 0.16	\$ 0.24	\$ 0.56
EPS Diluted (\$)	\$ (2.37)	\$ (4.88)	\$ (0.68)	\$ (0.78)	\$ (0.75)	\$ (0.25)	\$ (2.46)	\$ 0.06	\$ 0.07	\$ 0.12	\$ 0.19	\$ 0.45

Oportun Financial Corp
Quarterly Results & Estimates
\$ in millions except per share

	2022 Actual	2023 Actual	2024 Estimated					2025 Estimated				
	Fiscal 2022A	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QA Sep-24	4QE Dec-24	Fiscal 2024E	1QE Mar-25	2QE Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E
Adjusted EBITDA												
Net income (loss)	\$ (77.74)	\$ (179.95)	\$ (26.44)	\$ (31.03)	\$ (29.96)	\$ (10.12)	\$ (97.54)	\$ 3.13	\$ 3.47	\$ 6.27	\$ 9.61	\$ 22.47
Adjustments:												
Income tax expense (benefit)	\$ 2.46	\$ (73.70)	\$ (4.04)	\$ (18.12)	\$ (9.51)	\$ (3.40)	\$ (35.07)	\$ 1.16	\$ 1.28	\$ 2.32	\$ 3.55	\$ 8.31
Interest on corporate financing	\$ 17.63	\$ 51.78	\$ 13.89	\$ 13.23	\$ 12.56	\$ 10.10	\$ 49.79	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10	\$ 40.40
Depreciation and amortization	\$ 47.38	\$ 54.88	\$ 13.20	\$ 13.01	\$ 13.47	\$ 11.50	\$ 51.18	\$ 11.50	\$ 11.50	\$ 11.50	\$ 11.50	\$ 46.00
Stock-based compensation expense	\$ 27.62	\$ 18.00	\$ 3.98	\$ 3.00	\$ 3.22	\$ 3.30	\$ 13.51	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 14.40
Acquisition and integration related expenses	\$ 5.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workforce optimization expenses	\$ 1.88	\$ 22.49	\$ 0.80	\$ 2.21	\$ -	\$ -	\$ 3.01	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-recurring charges	\$ 111.22	\$ 15.52	\$ 3.53	\$ 10.27	\$ 2.94	\$ 18.46	\$ 35.20	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60	\$ 6.40
Origination fees for fair value loans, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fair value mark-to-market adjustment	\$ (119.71)	\$ 109.55	\$ (2.99)	\$ 37.65	\$ 38.64	\$ -	\$ 73.30	\$ 7.70	\$ 7.70	\$ 7.70	\$ 7.70	\$ 30.80
Adjusted EBITDA	\$ 16.58	\$ 18.56	\$ 1.94	\$ 30.22	\$ 31.37	\$ 29.83	\$ 93.36	\$ 38.79	\$ 39.25	\$ 43.08	\$ 47.66	\$ 168.79
Adjusted Net Income												
Net Income	\$ (77.74)	\$ (179.95)	\$ (26.44)	\$ (31.03)	\$ (29.96)	\$ (10.12)	\$ (97.54)	\$ 3.13	\$ 3.47	\$ 6.27	\$ 9.61	\$ 22.47
Adjustments:												
Income tax expense (benefit)	\$ 2.46	\$ (73.70)	\$ (4.04)	\$ (18.12)	\$ (9.51)	\$ (3.40)	\$ (35.07)	\$ 1.16	\$ 1.28	\$ 2.32	\$ 3.55	\$ 8.31
Stock-based compensation expense	\$ 27.62	\$ 18.00	\$ 3.98	\$ 3.00	\$ 3.22	\$ 3.30	\$ 13.51	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 14.40
Acquisition and integration related expenses	\$ 29.68	\$ 27.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workforce optimization expenses	\$ 1.88	\$ 22.49	\$ 0.80	\$ 2.21	\$ -	\$ -	\$ 3.01	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-recurring charges	\$ 111.22	\$ 15.52	\$ 3.53	\$ 10.27	\$ 2.94	\$ 18.46	\$ 35.20	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60	\$ 6.40
Net decrease (increase) in fair value of credit cards receivable	\$ -	\$ -	\$ -	\$ 36.18	\$ -	\$ -	\$ 36.18	\$ -	\$ -	\$ -	\$ -	\$ -
Mark-to-market adjustment on ABS notes	\$ -	\$ -	\$ 27.12	\$ 1.91	\$ 34.58	\$ -	\$ 63.61	\$ 7.70	\$ 7.70	\$ 7.70	\$ 7.70	\$ 30.80
Adjusted income (loss) before taxes	\$ 95.12	\$ (170.01)	\$ 4.96	\$ 4.42	\$ 1.28	\$ 8.23	\$ 18.89	\$ 17.19	\$ 17.65	\$ 21.48	\$ 26.06	\$ 82.39
Normalized income tax expense (benefit)	\$ 25.68	\$ (45.90)	\$ 1.34	\$ 1.19	\$ 0.34	\$ 2.22	\$ 5.10	\$ 4.64	\$ 4.77	\$ 5.80	\$ 7.04	\$ 22.25
Adjusted Net Income (loss)	\$ 69.44	\$ (124.11)	\$ 3.62	\$ 3.23	\$ 0.93	\$ 6.01	\$ 13.79	\$ 12.55	\$ 12.88	\$ 15.68	\$ 19.03	\$ 60.14
Adj EPS (\$)	\$ (2.49)	\$ (1.93)	\$ 0.09	\$ 0.08	\$ 0.02	\$ 0.15	\$ 0.35	\$ 0.25	\$ 0.26	\$ 0.31	\$ 0.38	\$ 1.20

Oportun Financial Corp
Balance Sheet
\$ in millions

	2022 Actual	2023 Actual	2024 Estimated					2025 Estimated				
	Fiscal 2022A	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QA Sep-24	4QE Dec-24	Fiscal 2024E	1QE Mar-25	2QE Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E
Cash and cash equivalents	\$ 98.82	\$ 91.19	\$ 69.20	\$ 72.87	\$ 71.84	\$ 3.30	\$ 3.30	\$ 85.12	\$ 67.00	\$ 51.87	\$ 40.39	\$ 40.39
Restricted cash	\$ 105.00	\$ 114.83	\$ 127.35	\$ 163.77	\$ 156.70	\$ 156.70	\$ 156.70	\$ 156.70	\$ 156.70	\$ 156.70	\$ 156.70	\$ 156.70
Loans receivable at fair value	\$ 3,175.45	\$ 2,962.35	\$ 2,841.53	\$ 2,714.41	\$ 2,728.52	\$ 2,864.94	\$ 2,864.94	\$ 2,893.59	\$ 2,922.53	\$ 2,951.75	\$ 2,981.27	\$ 2,981.27
Credit cards receivable held for sale	\$ -	\$ -	\$ -	\$ 55.72	\$ 52.58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitalized software and other intangibles	\$ 139.80	\$ 114.74	\$ 106.37	\$ 99.69	\$ 92.05	\$ 79.91	\$ 79.91	\$ 76.18	\$ 72.43	\$ 68.20	\$ 63.37	\$ 63.37
Right of use assets - operating	\$ 30.45	\$ 21.11	\$ 18.92	\$ 9.95	\$ 9.67	\$ 9.67	\$ 9.67	\$ 9.67	\$ 9.67	\$ 9.67	\$ 9.67	\$ 9.67
Other assets	\$ 64.18	\$ 107.68	\$ 114.14	\$ 133.96	\$ 139.95	\$ 139.95	\$ 139.95	\$ 139.95	\$ 139.95	\$ 139.95	\$ 139.95	\$ 139.95
TOTAL ASSETS	\$ 3,613.70	\$ 3,411.89	\$ 3,277.50	\$ 3,250.36	\$ 3,251.30	\$ 3,254.47	\$ 3,254.47	\$ 3,361.21	\$ 3,368.27	\$ 3,378.14	\$ 3,391.35	\$ 3,391.35
Secured financing	\$ 317.57	\$ 289.95	\$ 72.11	\$ 156.44	\$ 125.39	\$ 135.39	\$ 135.39	\$ 135.39	\$ 135.39	\$ 135.39	\$ 135.39	\$ 135.39
Asset-backed notes at fair value	\$ 2,387.67	\$ 1,780.01	\$ 1,701.85	\$ 1,583.09	\$ 1,386.70	\$ 1,386.70	\$ 1,386.70	\$ 1,486.70	\$ 1,486.70	\$ 1,486.70	\$ 1,486.70	\$ 1,486.70
Asset-backed borrowings at amortized cost	\$ -	\$ 581.47	\$ 787.52	\$ 836.89	\$ 1,109.37	\$ 1,109.37	\$ 1,109.37	\$ 1,109.37	\$ 1,109.37	\$ 1,109.37	\$ 1,109.37	\$ 1,109.37
Acquisition and corporate financing	\$ 222.88	\$ 258.75	\$ 243.41	\$ 230.38	\$ 215.70	\$ 215.70	\$ 215.70	\$ 215.70	\$ 215.70	\$ 215.70	\$ 215.70	\$ 215.70
Lease liabilities	\$ 37.95	\$ 28.38	\$ 25.47	\$ 21.73	\$ 19.73	\$ 19.73	\$ 19.73	\$ 19.73	\$ 19.73	\$ 19.73	\$ 19.73	\$ 19.73
Other liabilities	\$ 100.03	\$ 68.94	\$ 65.16	\$ 67.71	\$ 66.86	\$ 66.86	\$ 66.86	\$ 66.86	\$ 66.86	\$ 66.86	\$ 66.86	\$ 66.86
TOTAL LIABILITIES	\$ 3,066.10	\$ 3,007.48	\$ 2,895.53	\$ 2,896.25	\$ 2,923.74	\$ 2,933.74	\$ 2,933.74	\$ 3,033.74	\$ 3,033.74	\$ 3,033.74	\$ 3,033.74	\$ 3,033.74
Common Stock	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Additional paid-in capital	\$ 547.80	\$ 584.56	\$ 588.56	\$ 591.73	\$ 595.13	\$ 598.43	\$ 598.43	\$ 602.03	\$ 605.63	\$ 609.23	\$ 612.83	\$ 612.83
Accumulated deficit	\$ 6.10	\$ (173.85)	\$ (200.29)	\$ (231.31)	\$ (261.27)	\$ (271.39)	\$ (271.39)	\$ (268.26)	\$ (264.79)	\$ (258.53)	\$ (248.92)	\$ (248.92)
Treasury stock	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)	\$ (6.31)
TOTAL EQUITY	\$ 547.60	\$ 404.40	\$ 381.97	\$ 354.12	\$ 327.56	\$ 320.73	\$ 320.73	\$ 327.46	\$ 334.53	\$ 344.40	\$ 357.61	\$ 357.61
TOTAL LIABILITIES & EQUITY	\$ 3,613.70	\$ 3,411.89	\$ 3,277.50	\$ 3,250.36	\$ 3,251.30	\$ 3,254.47	\$ 3,254.47	\$ 3,361.21	\$ 3,368.27	\$ 3,378.14	\$ 3,391.35	\$ 3,391.35

Oportun Financial Corp
Cash Flow Statement
\$ in millions

	2022 Actual	2023 Actual	2024 Estimated					2025 Estimated				
	Fiscal 2022A	Fiscal 2023A	1QA Mar-24	2QA Jun-24	3QA Sep-24	4QE Dec-24	Fiscal 2024E	1QE Mar-25	2QE Jun-25	3QE Sep-25	4QE Dec-25	Fiscal 2025E
Net Income	\$ (77.74)	\$ (179.95)	\$ (26.44)	\$ (31.03)	\$ (29.96)	\$ (10.12)	\$ (97.54)	\$ 3.13	\$ 3.47	\$ 6.27	\$ 9.61	\$ 22.47
Depreciation and amortization	\$ 47.53	\$ 54.89	\$ 13.20	\$ 13.01	\$ 13.47	\$ 16.91	\$ 56.59	\$ 13.73	\$ 13.76	\$ 14.23	\$ 14.83	\$ 56.54
Goodwill impairment	\$ 108.47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fair value adjustment, net	\$ 218.84	\$ 596.84	\$ 116.85	\$ 136.12	\$ 131.59	\$ -	\$ 384.55	\$ -	\$ -	\$ -	\$ -	\$ -
Origination fees for loans receivable at fair value, net	\$ (26.85)	\$ (23.36)	\$ (1.60)	\$ (8.54)	\$ (2.47)	\$ -	\$ (12.61)	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on loan sales	\$ (5.70)	\$ (8.48)	\$ (1.50)	\$ (2.11)	\$ (0.66)	\$ -	\$ (4.27)	\$ -	\$ -	\$ -	\$ -	\$ -
Stock-based compensation	\$ 27.62	\$ 18.59	\$ 3.98	\$ 2.94	\$ 3.22	\$ 3.30	\$ 13.44	\$ 3.60	\$ 3.60	\$ 3.60	\$ 3.60	\$ 14.40
Other, net	\$ 30.34	\$ (53.20)	\$ (2.69)	\$ 16.88	\$ (34.17)	\$ -	\$ (19.98)	\$ -	\$ -	\$ -	\$ -	\$ -
Originations of loans sold and held for sale	\$ (52.74)	\$ (56.60)	\$ (22.24)	\$ (28.43)	\$ (32.32)	\$ -	\$ (82.98)	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from sale of loans	\$ 58.84	\$ 65.09	\$ 23.36	\$ 30.46	\$ 33.48	\$ -	\$ 87.30	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in operating assets and liabilities	\$ (80.74)	\$ (21.05)	\$ (17.04)	\$ 6.80	\$ (2.10)	\$ (83.84)	\$ (96.18)	\$ (28.65)	\$ (28.94)	\$ (29.23)	\$ (29.52)	\$ (116.33)
Operating Activities - Net Cash Flow	\$ 247.88	\$ 392.77	\$ 85.88	\$ 107.73	\$ 108.47	\$ (73.76)	\$ 228.32	\$ (8.19)	\$ (8.11)	\$ (5.13)	\$ (1.48)	\$ (22.92)
Originations and purchases of loans held for investment	\$ (2,762.83)	\$ (1,580.13)	\$ (298.14)	\$ (381.60)	\$ (424.57)	\$ -	\$ (1,104.31)	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from loan sales originated as held for investment	\$ 249.27	\$ 4.06	\$ 1.39	\$ 0.85	\$ 0.60	\$ -	\$ 2.84	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of loan principal	\$ 1,396.90	\$ 1,322.60	\$ 336.43	\$ 322.80	\$ 318.66	\$ -	\$ 977.89	\$ -	\$ -	\$ -	\$ -	\$ -
Capitalization of system development costs	\$ (48.89)	\$ (31.26)	\$ (3.10)	\$ (5.25)	\$ (4.78)	\$ (4.78)	\$ (17.91)	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (40.00)
Other	\$ (6.00)	\$ (1.44)	\$ (0.12)	\$ (0.24)	\$ (0.19)	\$ -	\$ (0.56)	\$ -	\$ -	\$ -	\$ -	\$ -
Investing Activities - Net Cash Flow	\$ (1,171.55)	\$ (286.18)	\$ 36.46	\$ (63.44)	\$ (110.28)	\$ (4.78)	\$ (142.04)	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (10.00)	\$ (40.00)
Borrowings under secured financing	\$ 1,972.00	\$ 245.70	\$ -	\$ 89.94	\$ 188.33	\$ 10.00	\$ 288.27	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of secured financing	\$ (2,050.00)	\$ (274.75)	\$ (218.25)	\$ (5.95)	\$ (216.30)	\$ -	\$ (440.49)	\$ -	\$ -	\$ -	\$ -	\$ -
Borrowings under asset-backed notes at fair value	\$ 1,262.06	\$ -	\$ 260.27	\$ 137.64	\$ (397.91)	\$ -	\$ -	\$ 100.00	\$ -	\$ -	\$ -	\$ 100.00
Repayments of asset-backed notes at fair value	\$ (232.68)	\$ (707.62)	\$ (105.27)	\$ (120.68)	\$ (230.97)	\$ -	\$ (456.92)	\$ -	\$ -	\$ -	\$ -	\$ -
Borrowings under asset-backed borrowings at amortized cost	\$ -	\$ 626.41	\$ -	\$ -	\$ 767.31	\$ -	\$ 767.31	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of asset-backed borrowings at amortized cost	\$ -	\$ (33.62)	\$ (48.75)	\$ (88.04)	\$ (94.80)	\$ -	\$ (231.58)	\$ -	\$ -	\$ -	\$ -	\$ -
Borrowings under acquisition and corporate financing	\$ -	\$ 73.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayments of acquisition and corporate financing	\$ -	\$ (28.44)	\$ (17.15)	\$ (17.12)	\$ (17.17)	\$ -	\$ (51.44)	\$ -	\$ -	\$ -	\$ -	\$ -
Payments of deferred financing costs	\$ (8.19)	\$ (2.72)	\$ (2.43)	\$ -	\$ (4.74)	\$ -	\$ (7.16)	\$ -	\$ -	\$ -	\$ -	\$ -
Net payments related to stock-based activities	\$ (8.67)	\$ (2.70)	\$ (0.23)	\$ -	\$ (0.04)	\$ -	\$ (0.27)	\$ -	\$ -	\$ -	\$ -	\$ -
Financing Activities - Net Cash Flow	\$ 934.53	\$ (104.39)	\$ (131.81)	\$ (4.20)	\$ (6.28)	\$ 10.00	\$ (132.29)	\$ 100.00	\$ -	\$ -	\$ -	\$ 100.00
Exchange Rate Effect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents - Change	\$ 10.86	\$ 2.20	\$ (9.46)	\$ 40.08	\$ (8.10)	\$ (68.53)	\$ (46.01)	\$ 81.81	\$ (18.11)	\$ (15.13)	\$ (11.48)	\$ 37.08
Cash Beginning	\$ 192.96	\$ 203.82	\$ 206.02	\$ 196.55	\$ 236.64	\$ 228.54	\$ 206.02	\$ 160.00	\$ 241.82	\$ 223.70	\$ 208.57	\$ 160.00
Cash End	\$ 203.82	\$ 206.02	\$ 196.55	\$ 236.64	\$ 228.54	\$ 160.00	\$ 160.00	\$ 241.82	\$ 223.70	\$ 208.57	\$ 197.08	\$ 197.08