

# Q2 2014 Investor Update

## August 11, 2014

# Intersections Corporate Overview

**Statements in this presentation to future plans, results, performance, expectations, achievements and the like are considered “forward-looking statements.” These forward-looking statements involve known and unknown risks and are subject to change based on various factors and uncertainties that may cause actual results to differ materially from those expressed or implied by those statements, including the impact of the regulatory environment on our business and our ability to execute our business strategy. Factors and uncertainties that may cause actual results to differ include but are not limited to the risks disclosed in the company’s filings with the SEC, as well as the risk that the company will not adopt any new plan, the risk that the company will not successfully implement any plan (if adopted), the risk that any plan will not result in cost savings or improve operational efficiencies, and the risk that any new plan will negatively impact the company’s ability to successfully operate its business. The company undertakes no obligation to revise or update any forward-looking statements.**

# About Intersections Inc.

Intersections Inc. (Nasdaq: [INTX](#)) is a leading provider of identity risk management, privacy protection and other subscription based services for consumers. Our core services monitor personal information for our consumers, aggregate it into digestible, consumer-friendly reports and alerts, and provide personalized education and support to help our customers understand their information and take the actions they deem appropriate. Since our business was founded in 1996, Intersections has protected the identities of more than 36 million consumers. To learn more, visit [www.intersections.com](http://www.intersections.com).

## Fast Facts

Founded: 1996

NASDAQ Symbol: INTX

Headquarters: Chantilly, VA

Consumers Protected To Date: Over 36 million



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# Q2 2014 Operating Results

- ▶ Revenue for Q2 '14 was \$64.3 million, compared to \$80.7 million in Q2 '13 and \$66.0 million in Q1 '14. The decrease in revenue from the same quarter last year continued to be due to:
  - The reduction, suspension or termination of marketing as well as cancellation of certain subscriber portfolios by our U.S. financial institution clients
  - This was partially offset by increased revenue from our consumer direct product line
  
- ▶ Total subscribers decreased to approximately 2.3 million at the end of Q2 '14 compared to 3.8 million at the end of Q2'13 and 2.8 million at the end of Q1 '14.
  - On a rolling 12 month basis our overall retention as of the end of Q2 '14 was 54.6% compared to 69.3% as of Q2 '13
  - Excluding the impact of involuntary subscriber cancelations by some of our banking clients the underlying retention would have been 88.9% as of the end of Q2 '14 compared to 82.2 % as of Q1 '14

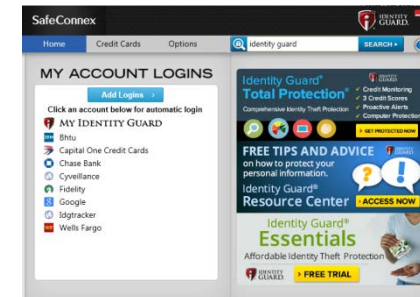
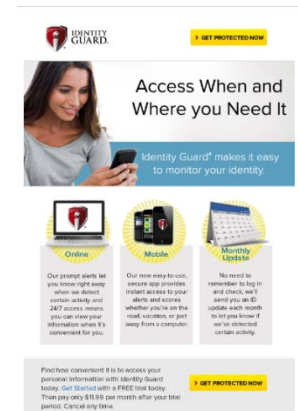
# Q1 2014 Operating Results (cont'd)

- ▶ Adjusted EBITDA before share related compensation and non-cash impairment charges for Q2 '14 was \$1.2 million, compared to \$9.5 million in Q2 '13 and \$2.1 million in Q1 '14. The primary drivers of this decrease from the same quarter as last year are:
  - A decrease in revenue and income from our U.S. financial institution clients which was partially offset by increased revenue from our consumer direct product line (in our CP&S segment)
  - A loss from operations of \$3.2 million in our Pet Health Monitoring segment
  - Partially offset by lower expenses in Corporate
- ▶ Net (loss) for Q2 '14 was \$(2.0) million compared to net income of \$1.6 million net for Q2 '13 and a net (loss) of \$(2.8) million for Q1 '14
  - Diluted loss per share was \$(0.26) for the six months ended June 30, 2014, compared to diluted earnings per share of \$0.20 for the six months ended June 30, 2013
- ▶ On June 26, 2014 Intersections entered into an amendment of its Credit Agreement that provides a \$7.5 million revolving credit facility
  - The amendment, among other things, restricts our ability to pay ordinary dividends and make share repurchases
  - We are currently able to borrow the full \$7.5 million available under the Credit Agreement
- ▶ We anticipate providing more information about our plan, as well as updated guidance in the coming weeks.

\*\* As of Q2 '14 we will no longer have a Market Intelligence segment as these operations ceased in Q2 2014.

Please see the company's release and website at [www.intersections.com](http://www.intersections.com) for **additional** details on quarterly results.

- ▶ IDENTITY GUARD® is Intersections' own brand of industry leading identity risk management and privacy protection products.
- ▶ Our strategy is to expand of IDENTITY GUARD® business, through both new partners and directly to consumers
- ▶ Our IDENTITY GUARD® branded business grew in the 2<sup>nd</sup> Quarter of 2014 by 13% compared to 2<sup>nd</sup> Quarter 2013 and over 5% compared to 1<sup>st</sup> Quarter 2014.
- ▶ In Q1 2015 we expect to launch a new suite of IDENTITY GUARD® privacy protection products to protect a much broader “mobile-centric and social media” active consumer population.



**“Count on IDENTITY GUARD® to help protect what makes you... you.” Visit [www.identityguard.com](http://www.identityguard.com) to learn more.**

- Voyce™ is our new pet health technology platform, which we expect to launch in Q4 2014.
- In 2014 we expect to invest approximately \$12 million to launch Voyce™, substantially before any revenue. In the six months ended June 30, 2014 we invested \$6.5 million (including \$1.3 expensed as incurred in G&A expenses)
- We are moving quickly to:
  - Create the next version for smaller dogs and cats
  - Create a professional version to serve the unique needs of the animal medical industry
  - Expand Internationally
- We believe that Voyce™ will provide a revolutionary new way to care for dogs and at the same time, our proprietary technology allows us to reach a wide spectrum of additional verticals across the animal care field.
- Given the estimated 83 million dogs owned in the U.S. alone, with just 5 percent penetration we believe domestically the market for Voyce™ could approach \$1 billion in revenue<sup>(1)</sup>



(1) According to the 2013-2014 American Pet Products Association National Pet Owners Survey there are approximately 83 million dogs owned in the United States.



# Thank You

 INTERSECTIONS INC.  
NASDAQ: INTX

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WHAT'S IMPORTANT TO YOU**

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