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History

The combination brings together two technology leaders with a shared goal to help solve the personal finance problems that consumers face today, regardless of their financial situation -- managing debt, maximizing savings, access to better credit ...

Feb. 25, 2020



Intuit, the maker of [TurboTax](#), [QuickBooks](#) and [Mint](#), will acquire Credit Karma, the consumer technology platform with more than 100 million members in the U.S.,

Canada and U.K., for approximately \$7.1 billion in cash and stock. Credit Karma has

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the household savings rate for customers on our platform,” said Sasan Goodarzi, CEO of Intuit. “We wake up every day trying to help consumers make ends meet. By joining forces with Credit Karma, we can create a personalized financial assistant that will help consumers find the right financial products, put more money in their pockets and provide insights and advice, enabling them to buy the home they’ve always dreamed about, pay for education and take the vacation they’ve always wanted.”

“We started Credit Karma with a goal to build a trusted destination for all consumers, to make financial progress regardless of where they are in life,” said Kenneth Lin, Founder and CEO of Credit Karma. “We saw the opportunity to enrich people’s financial lives through transparency, simplicity and certainty.”

Many consumers struggle with not knowing or not fully understanding where they stand with their finances. Household debt in the United States hit \$14.1 trillion including, among other sources, \$9.6 trillion in mortgage debt, nearly \$1 trillion in credit card debt and \$1.5 trillion in student loan debt.¹ In addition, 23 million people relied on at least one payday loan in 2018 to get faster access to cash.² At the same time, we know consumers want to improve. In fact, 60% of consumers say they are trying to improve their credit score.³

Intuit and Credit Karma will tackle these problems by making it simple for consumers to make better decisions with their money through a consumer finance platform that works like a personalized financial assistant, helping consumers find the right financial products, put more money in their pockets and have access to actionable insights and advice. This platform will provide consumers with transparent access to their critical personal finance information – including their income, spending, and credit history – to help them better understand their complete financial picture and use it to their advantage, such as for obtaining better interest rates, all with security in mind. The result will be a complete financial profile that

puts the power in consumers' hands so they can take the steps necessary to improve

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- Provide insights and advice to help consumers make better decisions about their money and improve their credit score.

Founded in 2007, Credit Karma has experienced remarkable success. Credit Karma presently has the largest engaged member base in consumer digital finance with more than 100 million members, with 37 million monthly active users of which 88% engage on mobile devices. The company has nearly tripled the growth of its member base over the past five years and created a marketplace comprised of more than 100 financial service providers.

“There’s a lot of innovation and investment in FinTech, but we don’t see anyone, with our collective capabilities, pursuing a personalized financial assistant to help consumers take control of their financial lives,” Goodarzi said. “Together with Ken and the Credit Karma team, we’re going to bring together consumers and financial institutions in innovative ways that lower costs for all those involved and level the playing field for consumers regardless of their economic status. We believe we can transform the personal finance industry and power the economy.”

“We could not have picked a better partner than Sasan and the Intuit team to accelerate our mission to champion financial progress for our members,” Lin added. “Together, the complementary strengths of our combined companies will help us to invest in innovation, build faster and deliver products our consumers expect and deserve.”

The transaction is expected to be neutral to accretive to Intuit’s non-GAAP earnings per share in the first full fiscal year after the transaction closes. Intuit has agreed to pay total consideration of approximately \$7.1 billion to acquire Credit Karma, subject to customary adjustments for transactions of this nature. The purchase price for Credit Karma will be payable in equal portions of cash and Intuit common stock, with the shares of Intuit common stock being valued at approximately \$299.73 per

share (which price was calculated based on the daily volume-weighted average sales

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Intuit expects the cash consideration to be financed through cash and its existing unsecured line of credit. The transaction is not expected to have an impact on Intuit's existing dividend and share repurchase principles. The transaction is expected to close in the second half of calendar year 2020, subject to receipt of required regulatory approvals and satisfaction or waiver of other customary closing conditions.

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