

Green Dot Corporation (GDOT)

\$13.31 (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$14.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/16/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: A

Growth: D

Momentum: D

Summary

We have a Neutral recommendation on GDOT shares, which has risen 24% in the year-to-date period. Green Dot is a leader in prepaid cards and Banking-as-a-Service (BaaS), partnering with major companies like Walmart, Uber, and Apple. Its asset-light model ensures high interchange fees and reduced reliance on interest income, keeping the balance sheet strong. With low debt and significant cash reserves, Green Dot is well-positioned for growth initiatives. Its expanding market through BaaS partnerships and a long-standing Walmart relationship drives revenue. However, a decline in customers and lost partnerships in BaaS challenge its growth. Additionally, Green Dot doesn't offer dividends, which may deter income-seeking investors.

Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$15.41 - \$6.12
20 Day Average Volume (sh)	1,205,290
Market Cap	\$737.7 M
YTD Price Change	25.1%
Beta	0.84
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Financial Transaction Services
Zacks Industry Rank	Bottom 29% (172 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	154.6%
Last Sales Surprise	0.9%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/26/2026
Earnings ESP	0.0%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	486 E	509 E	551 E	505 E	2,051 E
2025	556 A	501 A	492 A	437 E	1,680 E
2024	447 A	403 A	406 A	452 A	1,708 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	-0.05 E	0.02 E	0.55 E	0.83 E	1.35 E
2025	1.06 A	0.40 A	0.06 A	0.46 E	1.74 E
2024	0.59 A	0.25 A	0.13 A	0.40 A	1.37 A

*Quarterly figures may not add up to annual.

P/E TTM	6.9
P/E F1	7.7
PEG F1	-10.5
P/S TTM	0.4

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/12/2025.

(2) The report's text and the price target are as of 12/05/2025.

Overview

Headquartered in Pasadena, CA, Green Dot Corporation is a pro-consumer bank holding company and personal banking provider. The company offers products and services directly to customers through a large-scale omni-channel national distribution platform. It also allows third party partners to access its banking and technology assets for offering their own financial services directly to consumers via private distribution platforms.

The company offers a wide range of products and services managed through diverse business lines and offered to consumers through a widely-available branchless distribution network in the United States. This network comprises distribution arrangements with chain retail and financial service center locations, several Green Dot-owned and operated direct-to-consumer online and direct mail customer acquisition platforms, corporate distribution partnerships, small and large tax preparation companies and individual tax preparers, and apps compatible with Android and iOS.

The company's Banking as a Service or BaaS platform includes mobile banking, mobile P2P and money transfer services, loan disbursement accounts, instant payment and wage disbursements, GPR cards, network branded "open loop" gift cards, small business checking accounts and debit cards, and consumer checking accounts.

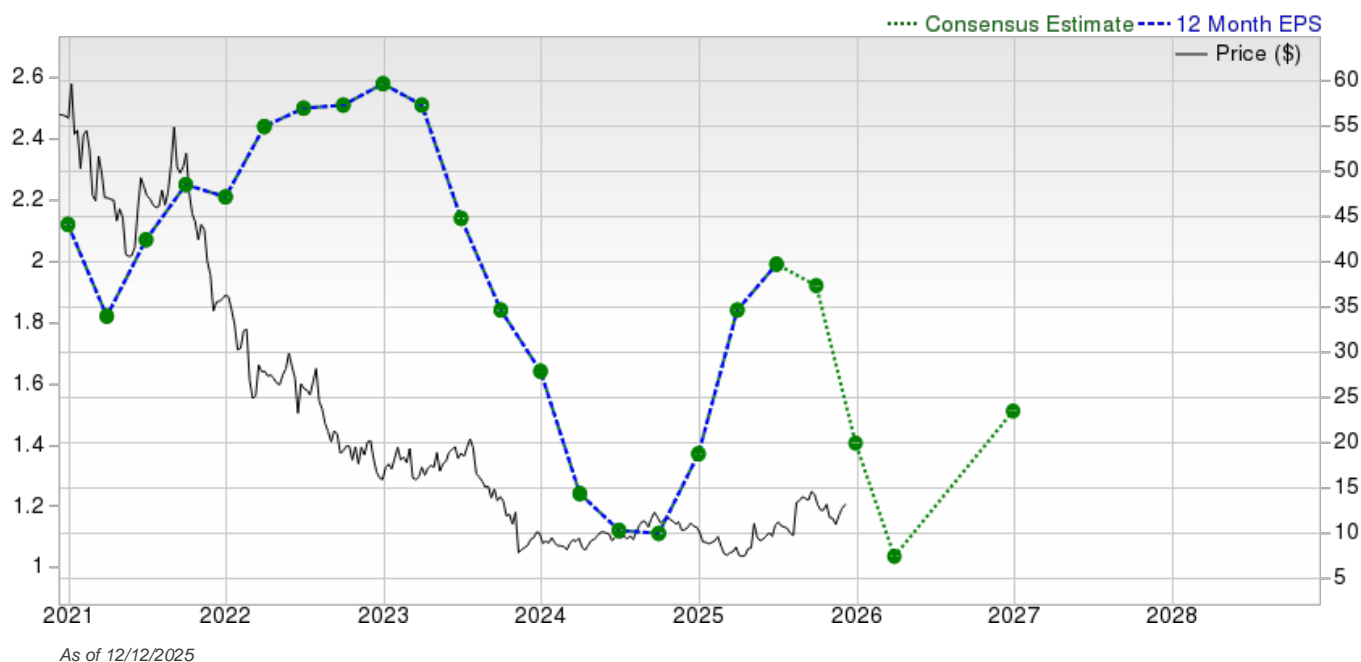
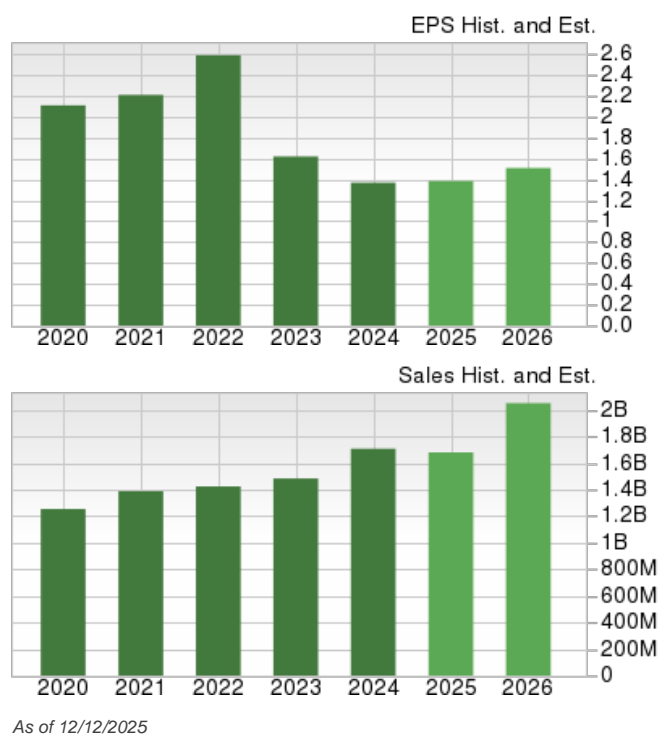
Through its subsidiary, Green Dot Bank, the company offers issuing, settlement and capital management services to support its products.

Green Dot has three reportable segments — Consumer Services, B2B Services and Money Movement Services.

Consumer Services revenues, derived from deposit account programs, accounted for 24% of Green Dot's revenues in 2024.

B2B Services revenues are generated from partnerships with companies and payroll platform services. This segment accounted for 63% of total revenues.

Revenues at the Consumer Services segment are transaction-based, derived from services that facilitate the movement of cash on behalf of consumers and businesses. This segment accounted for 13% of Green Dot's revenues.



Reasons To Buy:

- ▲ Green Dot remains focused on ensuring **long-term growth of its businesses**. The company's efforts are toward the acquisition of long-term users by issuing prepaid cards both under its brand, sold in stores, and through co-branded cards like the Walmart Money Card. Valuation. In addition to its core offerings like prepaid cards and tax processing services, Green Dot utilizes its technology and FDIC-insured banking license to provide "Banking-as-a-Service." This essentially involves Green Dot offering white-label banking products to large corporations such as Walmart, Uber, and Apple. In return for delivering these financial products, the company gains access to a substantial customer base from these global firms, many of which have large and loyal customer followings. Once these customers adopt banking products powered by Green Dot, the company can generate revenue through interchange fees when customers use their debit cards and by retaining deposits, which generate additional interest income. Green Dot has a unique position among banks offering Banking-as-a-Service. This uniqueness stems from its asset-light balance sheet, which allows for higher interchange rates and reduces its reliance on interest income as a revenue source. This approach keeps the company's balance sheet efficient and allows Banking-as-a-Service to remain a significant and profitable. Partly due to these positives, the shares have gained 26% in a year.
- ▲ Green Dot is **expanding its addressable market** with the help of its banking-as-a-service (BaaS) account programs. The company partners with some top consumer and technology companies, including Amazon, Apple, Intuit and Uber to design and develop their fintech banking solutions through its BaaS platform. These solutions are then made available by the partners to their consumers and partners again through integration with the BaaS program, eventually expanding Green Dot's spectrum of consumers.
- ▲ Green Dot's **long-standing relationship with Walmart** is a key driver of its operating revenues. The company has been providing Walmart-branded GPS cards since the launch of the Walmart MoneyCard program in 2007. Green Dot Bank has been issuing those card accounts since 2014. Green Dot designs and delivers the Walmart MoneyCard product and provides all ongoing program support, including network IT, website functionality, regulatory and legal compliance, customer service and loss management. Walmart provides it with shelf space to offer Green Dot-branded cards and GoBank checking account products. Green Dot's operating revenues derived from products and services offered through Walmart represented 21%, 17%, and 10% of total operating revenues for 2022, 2023 and 2024, respectively.
- ▲ Green Dot has a strong balance sheet with **low debt**. Cash and equivalents were \$1.6 billion as of Sep 30, 2025. During the third quarter of 2025, the company generated an operating cash flow of \$23 million. Since the company carries minimal debt, the cash is available for investments in growth initiatives and distribution to shareholders.

Green Dot focuses on long-term growth through prepaid cards, BaaS partnerships, and a strong balance sheet.

Reasons To Sell:

- ▼ The company is facing some challenges. A decrease in customers, coupled with the **end of key partnerships** in its traditional consumer division and its Banking-as-a-Service (BaaS) sector, directly affected its revenue streams. As customer numbers dwindle, so does the transactional activity that contributes to GDOT's income. Additionally, the loss of partnerships, particularly in BaaS, undermines their business model, which depends on collaborating with other firms to offer integrated banking services.
- ▼ In the broader economic context, **rising interest rates** and geopolitical tensions compounded GDOT's issues. Higher interest rates reduce consumer borrowing and spending, limiting the use of prepaid cards and other financial services GDOT provides. Geopolitical instability can also create uncertainty in the market, further depressing consumer confidence and spending habits.
- ▼ GDOT ended the third quarter of 2025 with a current ratio of 0.54, which is lower than the industry average of 1.15. A **current ratio of less than 1** reflects the company's inability to cover its immediate liabilities.
- ▼ Green Dot has never declared and currently **does not have any plan to pay cash dividends** on common stock. The Federal Reserve Board's risk-based and leverage capital requirements, and other federal laws restrict the company's ability to pay cash dividends. Investors seeking cash dividends should avoid buying Green Dot's shares.

A decrease in customers, end of partnerships, and no dividend plans make GDOT shares less attractive to investors.

Last Earnings Report

Green Dot Beats on Q3 Earnings

Green Dot reported impressive third-quarter 2025 results as both earnings and revenues beat the Zacks Consensus Estimate.

Quarterly EPS of 6 cents outpaced the consensus estimated loss of 11 cents and improved 53.9% from the year-ago quarter. Revenues of \$491.9 million beat the Zacks Consensus Estimate by 1% and increased 20% on a year-over-year basis.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Nov 10, 2025
Sales Surprise	0.94%
EPS Surprise	154.55%
Quarterly EPS	0.06
Annual EPS (TTM)	1.92

Green Dot’s Segmental Revenues

B2B Services revenues increased 32% in the third quarter of 2025 to \$364.2 million. This segment’s revenue growth was fueled by a BaaS partner and stability across the BaaS portfolio.

Money Movement Services’ revenues declined 6% from the year-ago quarter to \$29.8 million. Growth was impacted by a slight dip in Money Processing, while Tax Processing saw revenue growth.

The Consumer Services segment’s revenues amounted to \$88.3 million, down 10% on a year-over-year basis. The decline continues to stem largely from secular headwinds in the Retail channel, partially offset by the impact of the recent launch of PLS.

GDOT’s Key Metrics

GDOT’s gross dollar volume increased 18% from the year-ago quarter to \$39.5 million. Purchase volume fell 5.1% year over year to \$4.74 billion. The company ended the quarter with \$3.51 million in active accounts, up 0.9% on a year-over-year basis.

Green Dot’s Operating Results

Adjusted EBITDA totaled \$23.57 million, decreasing 17% on a year-over-year basis. The adjusted EBITDA margin plummeted 220 basis points to 4.8%.

Balance Sheet & Cash Flow of GDOT

Green Dot exited the third quarter with an unrestricted cash and cash equivalent balance of \$1.64 billion compared with \$1.59 billion at the end of the fourth quarter of 2024. GDOT had no long-term debt. It generated \$201.03 million of cash from operating activities.

Guidance Offered by GDOT

Green Dot has provided its 2025 guidance for total operating revenues to range between \$2 and \$2.1 billion. Adjusted EPS guidance is the band of \$1.31-\$1.44, up from its previous guidance range of \$1.28-\$1.42. Adjusted EBITDA is anticipated to be in the band of \$165-\$175 million, up from its previous guidance range of \$160-\$170 million.

Valuation

Green Dot's shares are up 24% year-to-date and 26% in the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Business Services sector declined 12% and 9%, respectively, in the year-to-date period. In the past year, the Zacks sub-industry and the sector declined 14% and 12%, respectively.

The S&P 500 index increased 19% in the year-to-date period and 15% in the past year.

The stock is currently trading at 8.79X price to forward 12 months' earnings, which compares to 20.23X for the Zacks sub-industry, 19.22X for the Zacks sector, and 22.98X for the S&P 500 index.

Over the past five years, the stock has traded as high as 38.83X and as low as 6.12X, with a 5-year median of 12.47X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$14.00 price target reflects 7.95X price to forward 12 months' earnings.

The table below shows summary valuation data for GDOT

Valuation Multiples - GDOT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	8.79	20.23	19.22	22.98
	5-Year High	38.83	36.94	32.38	23.81
	5-Year Low	6.12	18.85	17.11	15.73
	5-Year Median	12.47	22.66	20.82	21.2
P/S F12M	Current	0.32	5.36	3.48	5.22
	5-Year High	2.7	11.62	5.4	5.52
	5-Year Low	0.18	5.04	2.63	3.84
	5-Year Median	0.62	6.31	3.52	5.06
P/B TTM	Current	0.8	7.44	5.37	8.21
	5-Year High	3.23	9.57	6.65	9.19
	5-Year Low	0.39	5.14	3.82	6.62
	5-Year Median	1.06	7.08	5.33	8.05

As of 12/4/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 29% (172 out of 243)

Top Peers⁽¹⁾



Company (Ticker)	Rec	Rank
Affirm Holdings, Inc... (AFRM)	Neutral	3
American Express Com... (AXP)	Neutral	3
Evertec, Inc. (EVTC)	Neutral	2
Shift4 Payments, Inc... (FOUR)	Neutral	3
INTERNATIONAL MONEY ... (IMXI)	Neutral	
Marqeta, Inc. (MQ)	Neutral	3
PagSeguro Digital Lt... (PAGS)	Neutral	3
WEX Inc. (WEX)	Neutral	3

Industry Comparison ⁽¹⁾ Industry: Financial Transaction Services				Industry Peers		
	GDOT	X Industry	S&P 500	OPFI	PAGS	WEX
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	1	3	3
VGM Score	B	-	-	A	A	D
Market Cap	737.67 M	1.77 B	39.36 B	957.77 M	3.38 B	5.27 B
# of Analysts	2	3	22	2	4	8
Dividend Yield	0.00%	0.00%	1.39%	0.00%	1.36%	0.00%
Value Score	A	-	-	A	A	A
Cash/Price	2.27	0.18	0.04	0.09	0.11	1.06
EV/EBITDA	-12.73	7.17	14.58	6.10	2.12	3.47
PEG Ratio	-10.48	1.05	2.22	NA	0.52	1.05
Price/Book (P/B)	0.81	3.39	3.34	3.46	1.24	4.71
Price/Cash Flow (P/CF)	5.51	8.45	15.19	10.10	4.94	7.08
P/E (F1)	7.65	14.86	19.74	7.06	7.46	9.65
Price/Sales (P/S)	0.37	2.09	3.02	1.67	0.96	2.01
Earnings Yield	10.37%	6.56%	5.01%	14.16%	13.45%	10.37%
Debt/Equity	0.07	0.45	0.57	0.00	0.00	3.33
Cash Flow (\$/share)	2.42	1.23	8.99	1.10	2.08	21.72
Growth Score	D	-	-	B	B	F
Hist. EPS Growth (3-5 yrs)	-5.84%	17.07%	8.13%	97.50%	11.62%	23.78%
Proj. EPS Growth (F1/F0)	27.01%	17.26%	8.50%	65.26%	14.05%	4.32%
Curr. Cash Flow Growth	-4.65%	6.67%	6.86%	61.84%	9.46%	5.61%
Hist. Cash Flow Growth (3-5 yrs)	-8.63%	13.39%	7.31%	19.38%	11.93%	7.48%
Current Ratio	0.54	1.18	1.18	1.76	1.42	1.05
Debt/Capital	6.50%	32.54%	38.15%	0.00%	0.00%	76.88%
Net Margin	-2.33%	6.08%	12.78%	0.68%	11.00%	10.81%
Return on Equity	9.81%	14.73%	17.00%	55.59%	15.39%	45.10%
Sales/Assets	0.36	0.42	0.53	0.86	0.28	0.19
Proj. Sales Growth (F1/F0)	-1.60%	5.04%	5.75%	13.70%	17.00%	0.80%
Momentum Score	C	-	-	F	C	C
Daily Price Chg	-1.99%	-0.07%	-1.07%	1.00%	0.39%	-0.59%
1 Week Price Chg	3.66%	0.10%	-0.43%	2.12%	-6.49%	3.67%
4 Week Price Chg	20.02%	2.71%	1.33%	14.68%	9.27%	9.15%
12 Week Price Chg	-12.72%	-9.14%	2.95%	-8.27%	-3.57%	-8.64%
52 Week Price Chg	22.79%	-9.23%	12.83%	66.52%	47.63%	-13.66%
20 Day Average Volume	1,205,290	543,706	2,755,288	516,145	5,208,217	388,819
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	-0.72%	0.21%
(F1) EPS Est 12 week change	3.81%	0.58%	0.68%	10.56%	2.61%	1.11%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-1.72%	0.31%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	D
Momentum Score	C
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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