Intellicheck
Q1 2023 Earnings
Call May 9, 2023

<u>Presenters</u>
Gar Jackson, Global IR Group
Bryan Lewis, CEO and Director
Jeffrey Ishmael, CFO

<u>Q&A Participants</u>
Scott Buck – H.C. Wainwright & Co.
Lucas Horton – Northland Capital Markets
Daniel Hibshman – Craig Hallum

Operator
Hello, and welcome to the Intellicheck First Quarter 2023 Earnings Call and Webcast. If anyone should require operator assistance, please press "*" "0" on your telephone keypad. A question and answer session will follow the formal presentation. As a reminder, this conference is being recorded. It's now my pleasure to turn the call over to Gar Jackson, Investor Relations. Please go ahead, sir.

Gar Jackson
Thank you, operator. Good afternoon, and thank you for joining us today for the Intellicheck First Quarter 2023 Earnings Call. Before we get started, I will take a few minutes to read the forward-looking statements. Certain statements in this conference call constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended. When used in this conference call, words such as will, believe, expect, anticipate, encourage, and similar expressions as they relate to the company or its management as well as assumptions made by and information currently available to the company's management, identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are based on management's current expectations and beliefs about future events. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the company undertakes no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether resulting from such changes, new information, subsequent events or otherwise. Additional information concerning forward-looking statements is contained under the headings of Safe Harbor Statement and Risk Factors listed from time to time in the company's filings with the Securities and Exchange Commission.

Statements made on today's call are as of today, May 9, 2023. Management will use the financial term adjusted EBITDA in today's call. Please refer to the company's press release issued this afternoon for further definition, reconciliation, and context for the use of this term.

We will begin today's call with Bryan Lewis, Intellicheck's Chief Executive Officer; and then Jeff Ishmael, Intellicheck's Chief Financial Officer, who will discuss the Q1 2023 financial results. Following their prepared remarks, we will take questions from our analysts and institutional investors. Today's call will be limited to one hour, and I will now turn the call over to Bryan.

Bryan Lewis
Thank you, Gar, and welcome, everyone, to the Q1 2023 Earnings Call. As you saw from the earnings release, total revenue was $4.25 million, up 25% year-over-year, and SaaS revenue was $4.22 million, up 26% year-over-year. As expected, this is down 5% from Q4 2022 when our retail store revenue is typically sequentially down, given the seasonality of the peak holiday shopping season. The fact that we are down less sequentially than we have been historically illustrates that we are delivering on an increasingly diversified client base, which I will be speaking about later.

Adjusted EBITDA was a negative $556,000 , down from a negative $807,000 in Q1 2022. As I've said on previous calls, we will be watching expenses very closely this year with the continued focus of getting back to EBITDA breakeven over time. Our top line revenues continue to grow, and I'm happy to say that our trailing 12-month SaaS revenues have increased each month for the past 39 months.

In looking at the numbers, we're going to first look at the importance of the growing diversity of our client base, which is a primary growth brokerage for us and what we are seeing year-over-year with the existing and new customers across some of our major verticals. Overall, apparel stores are down 3% versus Q1 of 2022. Most of that is driven by a few retailers that I'm sure you're hearing about in the media.

As you have no doubt heard, some are down as much as 30%. That has largely been offset, however, by apparel retailers that we added throughout the year and with those who are not fully implemented in Q1 last year. Furniture is down 7% for the period comparison. It's important to recognize, however, that since these tend to be low-volume accounts, it is better for us to charge a fixed fee each month per location so the decline does not have a significant impact on revenue.

Turning to verticals where we saw growth. Cosmetics and beauty products were up 3% versus Q1 2022 as this space continues to perform well post pandemic. Automotive volumes more than doubled versus Q1 2022 and are up 117%. Revenue from a leading reseller partner in this space was up 93% for the same period comparison, and we are in discussions with them to find ways to work even more closely together as this has been a fruitful partnership for both companies.
Banking and lending, which includes use cases like teller workstation, online and mobile apps, call centers, and buy now pay later, were up 40% versus Q1 2022.

As I said on the last call, we're getting a lot of interest from title companies. In this last quarter, we signed over a dozen title companies, including a cash flow solutions provider who will be acting as a reseller in this space. Resellers will continue to be a large focus for our growth efforts going forward. I should also point out that we continue to see strong inbound leads and interest in the title space that has also benefited from referrals from other users.

Now, a few updates on some of our pilot programs. Unfortunately, the regional banking pilots were delayed. That isn't surprising given all that's going on in that space, currently. The 1400 location bank looking to do the 3 month pilot with our products integrated into their bank system was not able to roll out the software update from their scanning vendor into their tech scanners for the date they initially targeted causing the delay. However, I think the delay will actually prove our worth much more quickly. They had planned on updating the software in just a few branches for the pilot. Now they want to go system wide in every branch, which will delay the pilot until June, but we can now show them a much broader solution to stop fraud attacks.

The second regional bank was the 2700 location and a 30-day proof of concept that wanted to begin their pilot in April, but it will be delayed until the middle of May. A couple of reminders on renewal. We renewed the 2700 location retailer to a new 2-year effective February 1st with a 20% price increase each year. And remember, financial services company number three renewed for a guaranteed increase in volume of 20% and a price increase that was effective January 1 of this year.

Also during the quarter, the omnichannel multi biometric platform for banks, marketplaces, and health care systems reselling our core ID validation products more than doubled their commitment to us. Given current transaction volumes, it appears they will burn through that prepaid bucket well before year-end.

There are a few other new wins that also demonstrate the growing diversity of the client base. In the financial services space, we signed a financial services provider headquartered in the Northwest with branches in five states and one Canadian province. This company offers payday loans, installment loans, prepaid debit cards, and money orders, amongst other financial services. They will be using our direct product to initially validate people applying to open an account online with the intent to bring us in store at a later date.

In the automotive space, we signed a company that works with automotive groups and power sports to drive their digital customer experience, which is really so much of car buying today. They are working with a very large automotive manufacturer with 2,700 dealerships and have incorporated Intellicheck into their system to check IDs, both in-person and online. They started a pilot with 11 stores and have already caught fake licenses, as we knew they would. So they were very excited about the success so far.

We continue to sign with big concessions companies for the hospitality space at sports and concert venues. We just added another concessions company serving a Big 10 school in the Midwest with over 75,000 seats in its football stadium alone. Our speed and accuracy were the big winners here. The last thing they wanted were long lines at the concession stand or kids being served who were underage.

As I said earlier, we signed up over a dozen new title companies. This is in addition to over 20 bars and restaurant groups, 4 cannabis dispensaries, multiple tobacco and vape sellers, multiple auto dealerships, and 2 small auto rental companies. Also of note on the last call, I spoke about our completion rates. That is the percentage of time we can render decision on the license. It continued in Q1 at the exceptionally high rate of 99.25% of the time. This is important because it underscores our ability to deliver results over 99% of the time. These are standout numbers that we believe distinguishes our technology solutions from competitors.

I believe the word is getting out that we are different and we are clearly better. Our speed, accuracy, the benefit of no need for new hardware or no need for human intervention are all major differentiators that people are beginning to notice.

As the sales show, we can close the larger long-cycle financial institutions while, at the same time, closing the smaller and midsized deals, increasing SaaS revenue each month. We continue to penetrate new markets and, given the amount of clients we are signing who are either only in the digital market or choosing to start there and then move in-store, substantiates that we are not just the brick-and-mortar services provider.

I said this last call and it's--nothing about it has changed since then, it's an irrefutable fact is that the identity theft and identity fraud continue to spiral. As bad actors continue to expand their efforts at every turn, there is no question that what we do is becoming increasingly more necessary.

At the same time, we recognize our customers and prospects want to realize two key value-adds. They want to improve their process and make it easier for them to gain new clients at the same time they are making sure they are not the victim of fraud or doing business with people that they shouldn't. We believe, and my sense is that our clients would agree, that nobody does that better than Intellicheck, both in person and digitally. With that, I will turn it over to Jeff for some details on the financials.

Jeffrey Ishmael

Thank you, Bryan. I'm pleased with the continued progress that we have been making since I joined Intellicheck a year ago. Our first quarter SaaS revenue saw growth across our top accounts versus the prior year, continuing to report a higher average price per scan versus the prior year, and we continued the diversification of our business while decreasing the revenue concentration among our top accounts.

As Bryan mentioned earlier, we're pleased to see the continued trailing 12-month growth progression in SaaS revenues each month, which has been achieved consecutively for the last 39 months. As we have discussed previously, to drive sales, we are shifting our expense focus to have a greater emphasis on SG&A, specifically our investment in sales and marketing. We are also maintaining our focus on our operating expenses to ensure that we achieve the expected return on our investments in this area.

We believe that these efforts will drive increases in our effective price per scan, which, for the last two quarters, has increased on a year-over-year basis. This is especially encouraging as it speaks to the testament of value realized by our customers. We also have a focus on ensuring that renewals across the entire customer landscape are including annualized CPI increases or that we continue the rightsizing of legacy customers that are entering renewal periods.

Turning now to our first quarter results. Revenue for the first quarter of 2023 increased 25% to a record $4.254 million compared to $3.395 million in the same period of 2022. Our SaaS revenue for the first quarter of 2023 grew 26% to $4.228 million from $3.353 million during the same period of 2022.

Gross profit as a percentage of revenues was 92.2% for the first quarter of 2023, compared to 90.7% for the same period of 2022. The increase was driven by a higher concentration of SaaS revenues, a nominal decrease in hardware revenue, as well as an improved cloud cost structure.

Operating expenses, which consist of selling, general and administrative, marketing and research and development expenses increased $685,000 or 15% from $5.232 million for the first quarter of 2023 compared to $4.547 million for the same period of 2022. This increase was primarily driven by higher general and administrative costs, specifically head count-related expenses, as well as higher accounting and professional fees, in part related to the prior restatement.

Included within operating expenses for the first quarter of 2023 and 2022 were $682,000 and $592,000, respectively, of noncash equity compensation expense. It's worth noting that the current quarter noncash equity compensation figure was negatively impacted by a mark-to-market liability adjustment for certain equity awards that was approximately $40,000.

With respect to our overall operating expenses, we made additional investments in our systems that we believe are now largely complete, enhanced our internal control processes, including SaaS readiness during the first quarter, and incurred additional expenses tied to our full year audit work, which are confined in the first quarter period. We do not anticipate that a continuation of these costs will impact our results going forward.

The company reported a net loss of $1.316 million for the first quarter of 2023, compared to a net loss of $1.468 million for the same period of 2022. The net loss per diluted share for the first quarter of 2023 was $0.07, compared to the net loss per diluted share of $0.08 for the same period of 2022. The weighted average diluted common shares were $19.1 million for the first quarter of 2023, compared to $18.7 million for the same period of 2022. Adjusted EBITDA for the first quarter of 2023 improved by $251,000 or 31%, resulting in a loss of $556,000, compared to a loss of $807,000 for the same period of 2022.

Turning to the company's liquidity and capital resources. As of March 31, 2023, the company had cash and short-term investments in the form of U.S. treasuries that totaled $10.2 million that is currently on deposit at Citibank and Capital One. Working capital, defined as current assets minus current liabilities of $8.8 million, total assets of $23.6 million, and stockholders' equity of $17.8 million. The company has a $2 million revolving credit facility with Citibank that is secured by collateral accounts. There are no amounts outstanding under this facility, and the facility was not utilized during the quarter.

As of March 31, 2023, we had net operating loss carryforwards of approximately $20.3 million. Our first quarter continued to maintain a focus on improving our operational effectiveness and ensuring that we have the proper foundation in place to concentrate on revenue and the path towards being EBITDA positive while continuing to invest in the business. We also continue to build out revenue and performance reporting to closely monitor the transactional health of our key customers and the key industries that we're targeting and serving.

The focus will continue to be on driving revenue productivity across our key customers and ensuring that our sales team has the proper data and support they need. We have further improved our reporting capabilities to effectively track our entire quote-to-cash process from the initial recording of the marketing qualified lead through qualification by the sales department to a final closed one stage and tracking the effectiveness of our increased marketing investment. We intend to continue improving our performance in this area and ensure investments are yielding the expected results.

As we continue to improve our corporate performance, we anticipate that we will see growth in our trailing 12-month revenues, growth in our price per transaction, improvement of our SQL and CAT costs, and that we will shorten the ROI window for the smaller accounts that we are onboarding. We've made a very material shift in our spend towards sales and marketing and need to ensure that we realize the expected return. We look forward to sharing our Q2 '23 results in August, and I'll now turn the call over to the operator to take your questions.

Operator
Thank you. We'll now be conducting a question and answer session. If you'd like to be placed in the question queue, please press "*" "1" at this time. If you'd like to remove your question, please press "*" "2." One moment, please, while we poll for questions. Our first question is coming from Scott Buck from H.C. Wainwright. Your line is now live.

Scott Buck
Hey. Good afternoon, guys. Thanks for taking my question. First one, Bryan, when we think about the legacy business in the store branded card space, you know, there's a small handful of players

that make up the vast majority of that business. When we expand outside of that, some of the new verticals, are we just talking about hitting singles and doubles or are there some real move-the-needle type potential customers out there?

Bryan Lewis
Outside the credit card space, Scott, is that what you're asking?

Scott Buck
Yes. Yes.

Bryan Lewis
Yeah, I'd say that I do think that there are some pretty big wins out there. It's one of the reasons that I'm focusing on resellers, because there are some 800-pound gorillas that control some of the different markets that you look at. And by partnering with them, where we know that identity validation is needed, makes a lot of sense, because it makes their product better. Our products is what their clients need. They want to sell it. I look at that as a way to get to certain markets. I mentioned automotive before. I think it's a way to get into title. There are a bunch of places where I do believe the right partner becomes a very big whale.

Scott Buck
Great. That's helpful. And then, I wanted to ask, the progress you're making in some of those new verticals, how much credit do you give to the changes in the sales staff you made in 2022? And I'm just kind of curious how those guys are all coming along.

Bryan Lewis
I think, certainly, they've got us into some of these spaces. They've got us into the companies that are promoting us, if you remember from the last call, the Tennessee title that sent out that letter to 500 title companies. Yes. So they're definitely making inroads. I think we're seeing it certainly in, as I pointed out, the small, midsized deals, which kind of keeps the money growing, while at the same time, there are the long-term deals of the big banks that can just always come with a lot of hair to get in there. But I'm pleased with, overall, the way the sales force is doing. Chris is a perfectionist and is always looking for better and more. But so far, so good.

Scott Buck
Great. And then, last one for me. I'm just curious if you're seeing any change in sales cycles, I guess, outside of banking because of the obvious issues in that space?

Bryan Lewis
Outside of banking, no. I mean, those sales cycles are pretty good, again, especially when you're talking, what I'd say, midsized deals. Generally, you're not going through the same type of InfoSec scrutiny, so it's a lot easier to do. And also, some of those sales that are pretty profitable for us and has fairly high volume make use of our no-integration products, so it means we can get them up and running immediately.

So I think a combination of new markets that realize they have a need that they didn't know before, like title, who realize I got to get something in very quick because one mistake is very painful. You put on top of that the fact that we've got tools to get them up and running, we can get them up same day, I think, really helps speed that cycle up.

Scott Buck
Well, that makes a lot of sense. Appreciate the time, guys. Thank you very much, and congrats on the results.

Bryan Lewis
Thanks, Scott.

Operator
Thank you. Your next question is coming from Rudy Kessinger from D.A. Davidson. Your line is now live.

Neem
Hey, guys. This is Neem (sp) on for Rudy. Congrats on the good results as well. First question is just from Q4 to Q1, this looks to be the lowest sequential decline in the last four years in SaaS growth accelerated 20% year-over-year last quarter versus 26% year-over-year this year, or next quarter, so that's all very nice to see. Just curious what the primary growth driver was. Was it new business that you brought on in the quarter, or was it higher-than-expected usage with existing customers in Q1?

Bryan Lewis
A lot of it had to do with new business. I'd say, sort of a combination of things, because I consider the kind of new business when a reseller is bringing on new clients, which we know was going on, certainly with that multichannel partner that we have. And they're in verticals that we traditionally have not been in.

It is also a combination of we continue to have pricing power. It has increased pricing, so we know that retailer we spoke about on the call as well as financial services number three had price increases. And there's also a significant amount of growth in those small and medium-sized deals, all those bars and restaurants and other things that I spoke about. While they're – individually, they're not that big, when you start adding them every month, they really compound on each other. So it's a combination of all three, and I think we'll continue to see that. And as the sales team matures, I think we'll see it skew even more to new business.

Neem
Got it. Thank you. And then, I guess on that point, of adds to the sales reps are ramping, I guess, when should we expect them to be fully productive? And what are your sales hiring plans for the rest of the year?

Bryan Lewis
Yes. I will say that finding a great salesperson is like finding a bag of gold, and I will pick it up immediately, and so we're always looking for opportunistic hiring. So if we find the people, we're going to hire the people. I know that Chris is always interviewing. It's just part of what he does to make sure that we have the right people. I think that, certainly, we've got some salespeople that are much farther along the curve than others. So it's something that we're always looking at, and I think it also depends on what verticals we've been chasing after. So we're always making sure that they're selling to their strengths.

So in a way, hard to always say when and where every single person is going to hit their full stride. But what I'm happy to see is that we've got a lot of them who are really showing a lot of good--they're getting us into meetings and accounts, and that's all that we really need. If they can get those first meetings, we can get things moving. And we're getting to the point now where I'm seeing the first meetings and the new prospects coming in the door and they all look very good.

Neem
Got it. Yeah, that all makes sense. And then, last one for me, just in terms of your broader hiring plans just as--for the company as a whole, what would you say your expectations are for the rest of the year? And I guess how should we think about OpEx and EBITDA for the next year as well? Thanks, guys.

Bryan Lewis
Yeah. Jeff, do you want to take all the OpEx-EBITDA?

Jeffrey Ishmael
Yeah, I can definitely hit that. So you know, Neem, as we start thinking about coming out of Q1 and going into the Q2 through Q4, we had a fair amount of expenses, as I mentioned, that was confined into the Q1 period. And as Bryan talked about, we're coming--we're striving for that EBITDA breakeven for the rest of the year. So again, with respect to the--one second, I'm sorry. So with respect to the EBITDA breakeven, that's not an unreasonable assumption going into the end of the year. And then, what was the second part of that question? I'm sorry, I'm just on some cold medication right now.

Neem
No worries. Yes, it was just on total hiring outside of just S&M.

Jeffrey Ishmael
Yeah--

Bryan Lewis
--Yeah. We don't--it is really no reason to hire anything outside of sales and marketing at this point in time.

Neem
Got it. It's all very helpful. Thanks, guys.

Jeffrey Ishmael
Hey, Neem, on the head count, one of the things that I took a look at relative to our head count is that we stayed pretty static over the last couple of years, 50 to 53 employees. And as Bryan said, we're going to continue to add employees opportunistically. But we're also keeping a pretty keen eye on the revenue per employee metric to ensure that we continue to see growth in that.

And I did some further research on technology services publicly held companies in that 0 to $100 million revenue range, and there was about 65 companies and we were in the upper quartile with that metric. And that was in an industry peer group where employee midpoint was 135 and top down as high as 1,200. So as Bryan mentioned, and I concur, we feel pretty good that we're rightsized from an account perspective, but we're going to continue to watch it and make sure that we continue to see upward growth in that revenue per employee metric.

Operator
Thank you. Next question is coming from Mike Grondahl from Northland Securities. Your line is now live.

Lucas Horton
Hey, guys. This is Luke on for Mike. Just wanted to start on the business intelligence. Any sort of strategy or pricing to call out there or how this will be rolled out or that will be marketed to existing clients as an additional add-on? Or just any sort of color around that would be great.

Bryan Lewis
Yeah, that's the intention for it. We've got all the data. I just want to make sure that we've got it in ways that makes it easy for clients to digest. We've got a tool that they can use to build their own. But that always can get difficult for people and we're trying to figure out how do we get it set up right. Certainly, large companies, different data needs than smaller companies or bars and restaurants.

So I'd say that there is certainly a want and need for data. Certainly, our clients are also saying that we'd want to see how we can work together to, in a way, combine our data to make--because since we see everything and they all see what they see, is there a better way that we can build fraud fighting tools by working together? So those are all the things that we're looking at.

We think there's a lot of value in the data. We're just working with our clients now to figure out what's the best way to monetize it, to give them what they need, provide the privacy and protection that also the public needs while, at the same time, again, building a tool that we think will help fight fraud.

Lucas Horton
Got it. That makes sense. And then, just quick to clarify on the SG&A, which looks like it was up quite a bit. Were you guys saying this was kind of a one-off thing with cost concentrated in Q1 here, or is this a new kind of run rate we should expect going forward? How do you see that playing out throughout the year?

Jeffrey Ishmael
No. There was a fair amount of noise inside of the first quarter. As I took a look at Q1 of last year, we had some nonrecurring reductions and a few accruals of roughly $0.25 million, $235,000 that were not coming into play this year. So we have that as a bit of a hurdle.

And as I mentioned, some accounting and professional fees were higher in the quarter, which partly a little bit of hangover from each statement, but then also still continuing to bolster our accounting foundation as it related to systems, some outside analysis related to goodwill valuations, tax provisions, also work on the proxy, but a lot of that was combined to just within Q1. So it will be non-reoccurring.

We're going to see a dip in that going into Q2, and then that will slowly ramp into the rest of the year as we continue to increase revenues. We start to see salespeople get into accelerators on commissions, what have you. As far as we'd expect, though, we're going to see that drop Q2 and gradually ramp through Q4.

Lucas Horton
Got it. Thanks for the clarification on that. That’s it for me, guys. Congrats on the quarter.

Bryan Lewis
Thank you.

Operator
Thank you. Your next question is coming from Jeff Van Rhee from Craig-Hallum. Your line is now live.

Daniel Hibshman
Hey, this is Daniel on for Jeff. Just wondering, in terms of the smaller customers, in terms of the restaurants and the title companies and starting to bring on a greater number, you talked about how the right partner can be a whale. When we're talking about these customer adds, is this individual customers that are being hunted out, or is this a bunch of customers being acquired through, say, one or two key partners? Just sort of how does that customer count work?

And then, in terms of just the maturity of systems and processes, I know it's a little bit of a different motion bringing on a bunch of smaller customers versus a few larger ones. Just where would you say you are in terms of being ready for adding the larger numbers of these smaller customers and running them through the onboarding process?

Bryan Lewis
Right. So I'll answer those in order. So the way that it would work with some of these large resellers or clients who--our clients, who will be reselling our product, we bring them on board, they manage everything else. And they're the ones--in each one of these verticals there tend to be one or two companies that provide the software that's the backbone for that industry.

They're giving you--and you buy them from them all the tools that you need to run your business, have your compliance, whatever it is. And then we get incorporated into that process flow, and then that reseller manages it. We don't have to provision those clients. We don't have to turn them on. That's all handled by them. So for--in that case, what I like about it, one connection, and they handle it all.

Now, in terms of bringing on these other little small guys, I'd say that's a lot of what we have been building towards in the past years, changing some of our internal systems, bringing on NetSuite, bringing in Salesforce and getting it live so that it pretty much is automatic. The salesperson gets a prospect, puts it in Salesforce, it's going great. They end up--they create the work order or the order form out of it, send it out, automatically signed, comes back, goes to NetSuite and finance. They say, "Great, we got paid," and it kicks off the provisioning.

So a lot of work has gone into making it so that we can easily handle bringing on a ton of small clients. Most of that, those small clients, are coming to us. I don't want to have to go knock on every bar and restaurant, every title company. And that's why we found partners in those areas, like I said, if you have lots of clients who see the value of what we do and they're happy to sell it, because they're marking up our product and making money on it.

Daniel Hibshman
And then, just jumping back to the banking and lending, I believe that was volumes up 40%, could you just run through again what was included in the banking and lending category specifically? Does that include a lot of the major number of financial services customers, or where do they fall?

Bryan Lewis
So it includes those financial services customers. It's buy now, pay later. A lot of it has been expanded use cases with the existing clients as well as bringing on new other lenders, several in the buy now, pay later space. And again, a lot of it comes from our--once we get a financial services company in, we generally get brought in for one use case. They see how well we're stopping bad things happening for that use case and then figure out where else can they put us in that organization.

Daniel Hibshman

Okay. That’s it for me. Thanks for the answers.

Bryan Lewis
Thank you.

Operator
Thank you. We’ve reached the end of our question-and-answer session. I'd like to turn the floor back over to Bryan for any further or closing comments.

Bryan Lewis
Thanks, operator. As you bring this call to close, I just want to leave you with and sort of reiterate some key takeaways, right? First of all, fraud isn't going away, right? Our diversification has been and will continue to be an important step in our growth strategy because we are discovering that more and more places need to know that you are who you say you are. We're seeing the results from our market expansion in other verticals, such as automotive, as we saw the volumes there doubled year-over-year. Our resellers are paying off. Revenues from them are up 92%. Renewals continue to happen.

I spoke on the last call that we don't really lose clients unless they go out of business. Some of our top clients renewed to three-year and two-year agreements, both with commitments to higher volume and higher prices. We continue to sign new business across verticals, financial services, automotive, you name it, we are getting more and more traction. And I want to thank the sales team for helping us--with us to make that happen.

So in closing, as I said in the press release, an increasing number of companies and a growing range of verticals are recognizing the benefit of using Intellicheck for both in-person and digital. And I want to stress that digital, because a lot of times people think, again we're only brick-and-mortar. But as you saw, we've got many clients coming in purely to the digital space.

Our product is agile. We're easy to deploy, easy to use. We deliver better experiences for clients and their clients because they don't need as many steps in the process because we are so accurate, right? We make decisioning easier. We've got completion rates that I think are the best in the industry. We can tell you yes or no more than any one of our competitors. And I see many more good things to come. We look forward to talking to you all about Q2 '23 in August, and I want to thank you for joining us today.

Operator
Thank you. That does conclude today's teleconference. You may disconnect your line at this time, and have a wonderful day. We thank you for your participation today.