

Founded in 1993, The Motley Fool is a financial services company dedicated to making the world smarter, happier, and richer. The Motley Fool reaches millions of people every month through our premium investing solutions, free guidance and market analysis on Fool.com, top-rated podcasts, and non-profit The Motley Fool Foundation.

Founded in 1993, The Motley Fool is a financial services company dedicated to making the world smarter, happier, and richer. The Motley Fool reaches millions of people every month through our premium investing solutions, free guidance and market analysis on Fool.com, personal finance education, top-rated podcasts, and non-profit The Motley Fool Foundation.

Founded in 1993, The Motley Fool is a financial services company dedicated to making the world smarter, happier, and richer. The Motley Fool reaches millions of people every month through our premium investing solutions, free guidance and market analysis on Fool.com, top-rated podcasts, and non-profit The Motley Fool Foundation.

Founded in 1993, The Motley Fool is a financial services company dedicated to making the world smarter, happier, and richer. The Motley Fool reaches millions of people every month through our premium investing solutions, free guidance and market analysis on Fool.com, personal finance education, top-rated podcasts, and non-profit The Motley Fool Foundation.

You're reading a free article with opinions that may differ

from The Motley Fool's Premium Investing Services. Become a Motley Fool member today to get instant access to our top analyst recommendations, in-depth research, investing resources, and more. [Learn More](#)

Image source: The Motley Fool.

Thursday, August 14, 2025 at 5 p.m. ET

Chief Executive Officer ? Nick Laousa

Chief Financial Officer ? Chris Moe

Chief Accounting Officer ? Tiffany Milton

Need a quote from a Motley Fool analyst? Email

CEO Laousa stated, "the market has been challenging due to higher interest rates, affecting both refinance and purchase transactions."

CFO Moe said, While this loss was significant, it marks an improvement over our fiscal Q1 2025 net loss from continuing operations of \$6,700,000 (GAAP). explicitly referencing ongoing losses from operations despite improvement.

Revenue-- \$1,700,000 in total net revenues, primarily from mortgage activities, which accounted for over 74% of total revenue; the remainder originated from title and tech/data businesses.

Mortgage loan volume-- \$52,000,000 funded, representing a 31% increase from fiscal Q1 2025 (period ended March 31, 2025).

Operating expenses-- \$5,600,000, including \$2,200,000 in salaries and benefits, \$1,200,000 in professional fees, \$800,000 in marketing and advertising, and \$800,000 in depreciation and amortization.

Net loss from continuing operations-- \$4,000,000 net loss from continuing operations (GAAP), improving from \$6,790,000 net loss from continuing operations for fiscal Q1 2025.

Adjusted EBITDA-- \$(2,800,000) non-GAAP adjusted EBITDA loss, compared to a \$(3,500,000) non-GAAP adjusted EBITDA loss in fiscal Q1 2025.

Cash position-- \$6,300,000 in cash at quarter end, up from \$1,500,000 in cash in fiscal Q1 2025.

Debt reduction-- \$2,700,000 paid down, with total non-warehouse line debt under \$800,000 and a year-to-date debt reduction of \$6,200,000 in 2025.

Title revenue-- 64% increase in title revenue versus fiscal Q2 2024 (period ended June 30, 2024); 24% increase in title revenue versus fiscal Q1 2025.

Average revenue per loan-- 11% rise in average revenue per loan year-over-year; 5% decline in average revenue per loan compared to fiscal Q1 2025.

Origination growth-- 44% sequential increase in originations from fiscal Q1 2025 to fiscal Q2 2025; 6% year-over-year rise in originations.

Net cash used in operations-- \$5,600,000.

Net cash from financing activities-- \$10,900,000 in net cash provided by financing activities.

Beeline Equity launch-- First Beeline Equity transaction closed; a further 10 to 15 transactions planned within 30-45 days (as discussed on the fiscal Q2 2025 earnings call), with wider launch targeted for October.

Profitability target-- Management expects to be debt-free by November 1, 2025, and cash flow positive by January 2026.

Operational streamlining-- Bridgetown Spirits divested in July, eliminating non-core operations and allowing exclusive focus on digital mortgage activities.

AI sales agent (Bob)-- 123 applications, handling 636 more conversations compared to fiscal Q1 2025.

Workflow engine (Hive)-- Enables closing loans in 14-21 days, about twice as fast as traditional lenders.

Adjusted recurring expense reduction-- \$225,000 monthly recurring expense reduction to be fully realized by September 2025.

Tech investments-- MagicBlocks now live with 15 clients; Beeline owns 47.6% of MagicBlocks.

New product margins-- CEO Laousa stated, From an economic standpoint, our margins will be a little higher than on our mortgage products, and the amount of work required will be a little less, which we're excited about. We're underwriting the property rather than the consumer as much, so

there's less work involved. As a result, the expense associated with the product is lower, and we expect about 33% on average more revenue per file than we see on the mortgage side.

Beeline Holdings(BLNE 10.45%) completed its transition to a pure-play digital mortgage business, accompanied by the divestiture of Bridgetown Spirits in July. Management introduced the Beeline Equity product, closing its first fractional real estate equity transaction, with additional closings expected in the near term and a broader launch scheduled for October. Quarter-end cash position improved to \$6,300,000 following debt paydown and significant net cash provided by financing activities. Technology initiatives, including AI agent Bob and workflow platform Hive, are credited with driving lead generation, shortened loan cycles, and early-stage revenue growth directly linked to these systems.

CFO Moe noted, "Total equity at period end was \$55,500,000, up from \$48,100,000 in fiscal Q1 2025."

Net cash provided by investing activities amounted to \$59,000.

CEO Laousa said, We have denied about a thousand people over the last twelve months who would qualify for this product instantly. indicating pent-up demand not yet captured in revenue.

MagicBlocks, in which Beeline holds a minority stake, has expanded to 15 clients with a majority outside the U.S., supporting Beeline's exposure to international tech-driven mortgage solutions.

Non-QM mortgage products: Non-qualified mortgage loans that do not meet standard agency underwriting guidelines, typically intended for borrowers with alternative documentation or unique financial profiles.

Beeline Equity: A newly launched proprietary product offering fractional sale of home equity, providing liquidity to homeowners without traditional refinancing or HELOC structures, leveraging blockchain technology.

HELOC: Home Equity Line of Credit, a revolving source of funds secured by the borrower's home, typically with variable interest rates.

MagicBlocks: An AI-enabled underwriting and automated workflow technology platform in which Beeline maintains a 47.6% stake, serving international mortgage and real estate markets.

Bob: Beeline's AI sales agent designed for lead generation, mortgage application assistance, and customer engagement through automated digital communications.

Hive: Beeline's proprietary workflow management engine facilitating expedited closing of mortgage loans via process automation.

Tiffany Milton: Thank you. Good evening, everyone, and thank you for joining us today to discuss Beeline's financial results for 2025. I'm Tiffany Milton, Beeline's Chief Accounting Officer. Joining us on today's call to discuss these results is Nick Laousa, our Chief Executive Officer, and Chris Moe, our Chief Financial Officer. Following our remarks, we will open the call to your questions. Now before we begin with prepared remarks, we submit for the record the following statement. This conference call contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Including, but not limited to, statements regarding Beeline Holdings' expected future growth,

expected future operating results and financial condition, including projections concerning our ability to be cash flow positive, profitable, and debt-free within a specified time frame, expected lower interest rates and the impact on our business, the anticipated Beeline equity closings, the future development and potential of our technology offering, creation of long-term shareholders' value, and the timing of and the eliminating of our indebtedness. Forward-looking statements are typically identified by words such as believe, expect, anticipate, plan, intend, seek, estimate, will, would, could, may, continue, forecast, target, potential, project, undertake, and similar expressions.

These statements are based on management's current assumptions, beliefs, and expectations and are not guarantees of future performance. Actual results may differ materially from those described in forward-looking statements, due to various risks and uncertainties. These include, without limitation, the risk factors we provided in our 2024 Form 10-Ks and the prospective supplements. In addition, there is a risk that our new technologies we are developing may not work as expected. We caution investors not to place undue reliance on any forward-looking statements made during this call. All forward-looking statements speak only as of the date of this presentation and are based on information available to Beeline as of today.

We undertake no obligation to publicly update or revise these statements to reflect events or circumstances occurring after today's date, except as required by law. Now with that said, I'd like to turn the call over to Nick Laousa. Nick, please proceed.

Nick Laousa: Good afternoon, everyone, and thank you for joining us today. I'm Nick Laousa, co-founder and CEO of Beeline Holdings. With me is our CFO, Chris Moe. We appreciate you spending time with us on our second quarter 2025 earnings call. The quarter marks a pivotal moment for Beeline. By successfully divesting one of our final spirits assets, we are now fully focused on our core mission operating as a digital mortgage lender with a proprietary SaaS platform,

unencumbered by non-core operations. We want to thank our friends at Bridgetown as they embark on their own journey to grow their business now that we have formally separated.

Our efforts in Q2 have been both inspiring and productive, furthering our mission of building repeatable, predictable, and scalable products and services to drive higher volumes. We are an emerging high-growth story driving innovation at scale. And when stripping out the Bridgetown business, we saw a 27% increase in revenue and a decrease of 40% in expenses, in 2025 versus 2025. We believe my execution in Q2 will be looked back upon as the foundation for much stronger growth in future quarters, due primarily to the introduction of a new equity product, stronger execution of a top-of-the-funnel conversions through enhancements implemented with Bob, our AI sales agent.

A stronger balance sheet, a heightened discipline in the management of expenses, the elimination of distractive non-core service lines. These are facets of the business we can control. Yes, the market has been challenging due to higher interest rates, affecting both refinance and purchase transactions. Going into Q2, our goal was to position Beeline for much faster growth for future quarters without relying on interest rate cuts, while improving our financial condition with a clear strategy to cash flow positive operations. Rate cuts could be on the horizon, that will have a very positive impact on the business. But that is outside of our control.

As previously mentioned, our appetite to grow a high-demand equity product line that is not tied to interest rate provides a competitive advantage and a unique income stream to complement our mortgage business. This strategy has led us to support a fractional sale of equity products which is not tied to interest rates. We viewed Beeline equity, which has unique features not offered by other mortgage lenders, as a significant opportunity complementing our already diverse suite of conventional and non-QM mortgage products. Further distancing our offerings from the big banks

and top 50 lenders. Frankly, we are presenting diversified opportunities in one platform to the public that we believe are not being offered by banks and other lenders.

We're solving the problems of the industry with innovation and fresh products better designed for an emerging gig economy and for customers with different needs versus offering the same product and services through legacy models. Many of our competitors are trying to fit new characteristics, particularly of younger customers or customers with alternative income streams into the same old box. Beeline is different. We are positioned to capitalize through diversification and innovation. The first Beeline equity transaction has been closed in partnership with an exclusive partner leveraging a new crypto-backed coin tying dollar for dollar residential real estate recorded in the public record to the blockchain. While eliminating many of the middlemen.

As previously discussed, I own 50% of our partner. We expect to close 10 to 15 more transactions over the thirty to forty-five days and are planning a larger launch in October. We believe the passing of the Genius Act will aid our growth laying the groundwork for Beeline Equity to grow rapidly, by quickly infusing liquidity into a difficult market a product that is not tied to interest rates. Opportunity is massive. But also with several moving parts, which is why it is important we get this product right. Decision to slow play this opportunity with our partner aligns with our strategy to deliver quality at scale. More details will emerge as we get closer to a larger launch.

For now, we're perfecting the product in real-time with a select number of real estate closings. I want to be clear. Beeline is not changing its model. But it's living up to our founding principles of disruption. Beeline is and will continue to be one of the most unique mortgage lending and home equity platforms in the industry. Beeline Equity will complement our offerings not replace them. Our sales agent, Bob, continues to deliver strong results. As we mentioned on our last call, we saw a six-time increase in lead conversion and an eight-time increase in full mortgage applications. All

while operating twenty-four seven at net zero incremental cost during Q1 through the efforts of Bob.

A larger deployment of Bob in Q2, factored with more sophistication of Bob, through accelerated learning models, led to exciting and stronger results. While being responsible for generating 123 applications, Bob handled 636 more conversations in Q2, from lead gen initiatives while beating the benchmark set in Q1. We will continue to expand the possibilities with Bob as a lead gen agent. Further deployments include video and voice. Now that Bob's efforts are leading directly to revenue, we will be able to report on closing conversions related to Bob's top-of-the-funnel initiatives in future calls. It's very early for Bob, while most of his efforts are responding to customer inquiries twenty-four seven, freeing up our loan guides to do more transactions.

We're starting to see Bob's efforts lead directly to revenue. For those keeping score, Bob's efforts have led to approximately \$150,000 in revenue and a limited function which will certainly grow over time. We've also seen strong performance in Hive, our workflow engine, which enables us to close loans in as little as fourteen to twenty-one days about twice as fast as traditional lenders. This efficiency allows us to handle growing volume without adding proportional cost giving us a real structural advantage. We finished Q2 with our strongest balance sheet since inception. We paid down \$2,700,000 in debt, leaving our total non-warehouse line debt owed to outsiders at less than \$800,000.

Entered 2025 with over \$7,000,000 in debt, reducing debt 2025 by \$6,200,000. We saw our net loss trend by \$2,790,000 in Q2 versus Q1. To be fair, we were able to take about \$300,000 in write-offs in Q2, we also reduced approximately \$225,000 of recurring expenses which we expect to be fully realized by September 2025. The net result of these efforts position us well towards our goal of being debt-free by November 1, 2025, and cash flow positive by January 2026. These are huge accomplishments and in a very short period of time. I'm very proud of our entire company. This was

and continues to be a strong organizational commitment from everyone at Beeline.

Our cash flow and profitability models are built on downside cases, which include running at our projected August revenue for the next twelve months. Beeline is well-positioned to grow its revenue quickly regardless of market conditions in 2026. Of course, lower rates accelerate growth. We are an emerging growth story with a focus on bottom-line operating income in an industry that typically has very strong net income margins and normal markets, and we may just be headed toward a normal market at some point next year. Beeline is still in the very early innings, but it's starting to see the cost of development pay off. We achieved meaningful milestones in Q2.

We funded loan volume of \$52,000,000 up 31% from Q1 2025. Revenues increased by 27% in Q2 versus Q1 with the spirits business stripped out. We expect monthly operating profitability by early 2026. Our net loss from continuing operations for Q2 was \$4,000,000 versus \$6,790,000 for Q1. Our adjusted EBITDA, a non-GAAP financial measure for Q2, was a \$2,800,000 loss versus a \$3,500,000 loss in Q1. We have seen improvement throughout the quarter. And while July numbers are still being reviewed, we believe it will be our strongest month in more than three years, topping April, our previous best in three years, by about 15%.

As mentioned, we paid down \$2,700,000 in debt in Q2, expecting to be debt-free by November 1. As mentioned, we closed the first fractional sale of equity in residential real estate under our new Beeline equity product supported by our crypto issuing partner. We divested Bridgetown Spirits in July 2025, paving the way for complete focus on the digital mortgage business. We launched BlinkQC into Beeline's production environment. MagicBlocks is now live with 15 clients and growing by the day. We have a 47.6% ownership in MagicBlocks. MagicBlocks is based in Australia, serving an international market with over half of its clients based outside of the US.

I would now like to turn it over to Chris who will go deeper into our Q2 performance. The future is bright for Beeline.

Chris Moe: Thanks, Nick. As a reminder, due to pro forma accounting adjustments, and GAAP purchase accounting rules, our income statement reflects the impact of our 2024 forward merger transaction and as such certain periods are not directly comparable. Additionally, MagicBlocks, our AI product technology company in which we hold a significant minority stake, is not consolidated in our income statement under GAAP. Additionally, our legacy spirits business, Bridgetown Spirits Corporation, has been reclassified during Q2 as discontinued operations and was subsequently sold early in Q3. Let me now walk you through the Q2 2025 financial highlights.

Total net revenues were \$1,700,000 for Q2 driven primarily by Beeline's mortgage activities, accounted for over 74% of revenue with the remainder from the Beeline title business and a small amount from Data and Tech. In terms of growth rates for our mortgage and title businesses, Q2 2024 versus Q2 2025, we saw a 6% increase in originations and an 11% increase in average revenue per loan and a 64% increase in title revenue. Comparing Q1 2025 versus Q2 2025, we saw a 44% increase in originations, a 5% decrease in average revenue per loan, and a 24% increase in title revenue.

On the operating expense side, expenses totaled \$5,600,000 for Q2 reflecting costs associated with staffing, and marketing and advertising. For Q2, there were \$2,200,000 in salaries and benefits, \$1,200,000 in professional fees, \$800,000 in marketing and advertising, and \$800,000 in depreciation and amortization. This resulted in a loss from operations of \$3,900,000 driven largely by scaling our mortgage platform combined with transaction expenses. Below the line, we incurred \$400,000 in interest expense, and we reported a net loss from continuing operations of \$4,000,000 for the quarter. While this loss was significant, it represents an improvement over our Q1 loss from

continuing operations of \$6,700,000 and again reflects deliberate investments and one-time capital structure effects.

Our core mortgage operations are scaling well and we are confident these investments will position us for a step change in performance in the quarters ahead. We're also seeing rapid customer revenue growth from our AI sales agent spin-out, MagicBlocks. These results are not reflected in these figures. Turning to the balance sheet, we ended the quarter with \$6,300,000 in cash, up from \$1,500,000 in cash in Q1. We made debt repayments of \$5,800,000. Total equity at period end was \$55,500,000, up from \$48,100,000 in Q1. Regarding cash flow, net cash used in operating activities was \$5,600,000. Net cash provided by investing activities was \$59,000. Net cash provided by financing activities was \$10,900,000.

For a net increase in cash of \$5,400,000 for the period. While I won't provide firm Q3 or H2 guidance, due largely to the rapid pace of transformation of the business, I agree with Nick that Beeline expects to see continuous improvement in introducing new products, growing revenues, and controlling expenses with a goal of achieving operating profitability and positive cash flow by year-end. With that, I turn it over to the operator for questions.

Operator: We will now begin the question and answer session. To join the question queue, you may press star then 1 on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing any keys. The first question comes from Glenn Mattson with Ladenburg Thalmann. Please go ahead.

Glenn Mattson: Yes. Hi, thanks for taking the questions and congrats on the result. First, I wanted to get a little more detail around the home equity cash-out product, the innovative solution that you've introduced to the market. Can you know, and you it looks like you're progressing along the path of

starting to do some early transactions and things, but it seems that, maybe you pushed out a little bit the timing on the broader launch. Can you just give us some more understanding of what your thought process is there?

Nick Laousa: Yeah. Hey, Glenn. How are you doing? Good to talk to you again. Look. We had discussed, I think, in previous course communication that we were going to launch the product in late August, early September. And we pushed that out a bit for a couple of reasons. Number one, I mean, the opportunity is massive. There's so much untapped equity in the US market. And the demand is, in our opinion, gonna be off the charts. There are a lot of individuals out there who can't qualify for a cash-out refi or need liquidity or even qualify for a HELOC. And as a result of that, you know, we have a solution that meets their needs.

And so with the Genius Act passing a little more clarity in terms of you know, how regulation is gonna come down on this particular side of the business with the crypto. We felt like it was important for us to get this product right. You know, we are very early to the market with this. I don't see anyone else doing what we're doing here. So you know, in our view, there are a lot of moving parts. Primarily around turning the crypto into cash quickly at scale. And we wanted to make sure we didn't fumble that. We didn't make any mistakes at scale.

You know, doing 10, 20, 30 transactions is certainly different than doing, you know, several thousand. So for the next thirty to forty-five days, we're gonna slow play it a bit. We're gonna do a select number of transactions which have already been identified. We've already started the title work on those transactions. And we're gonna, you know, we're gonna do them properly. And we're gonna get feedback from the customers that we do them with to make sure that when it's time to scale, you know, we meet the mark. And that's really the key reason is just to be careful, do it right, and make sure we have the consumer's best interest in mind.

Glenn Mattson: Yeah. Thanks for that color. Makes sense that big opportunities you wanna get it right. Moving on to the financials for a minute. The you know, good progress on the profitability this quarter, especially sequentially, and you kinda highlighted pointed to breakeven by late this year, early next year. Can you don't know if this is for Chris or Nick, but can you just give us some more details around your assumptions and how you think you'll get there?

Nick Laousa: Yeah. Look. I'll take that just because I like to talk. And you know? But look. I mean, we're feeling really good about a lot of things over here. Right? Our software is starting to mature, starting to, you know, to materialize. I mean, we're seeing the fruits of our labor pay off. We've been spending a lot of money creating a really good mousetrap, and we feel good about where we're headed. And so it just made sense to kind of buckle down a bit and make sure that we are really ready. I guess, to calm before the storm. We're expecting a better market next year.

And so we put a lot of focus on getting to profitability as fast as we can. And that includes, you know, cutting about \$225,000 at about a month recurring expense, which we've already done. Fully realize that in September. Our locks are, you know, our locks are way up. And, you know, we cut our marketing budget by about \$40,000 a month. And, you know, we're still seeing really strong walk performance as a result of that. Also, when you look at the Q2 numbers, we had about \$500,000 in those numbers of one-time nonrecurring expense.

So, you know, when you take that out, when you look at the fact that we're locking much higher loans, much many more loans on a reduced budget. And then you take into consideration that we cut \$225,000 of recurring cost out, we feel really good about the ability of being profitable by our net cash positive. I'm sorry. By January 2026. Interest rate cuts would just fuel the momentum. A big giant launch of our new product, a real line equity product, will just fuel the momentum. More cattle

business, we'll just fuel the momentum. At the end of the day, we kinda took a really modest approach to those points. And, you know, we feel good about it.

We also, you know, we'll be debt-free on November 1. So heading into next year, we'll be debt-free. We will be cash flow positive. And we'll be positioned for greatness.

Glenn Mattson: Thanks for that color. Yeah. No one knows the future, but you do fed candidates all seem to be outdoing each other in terms of how aggressive they wanna be on the cutting rate side. So looks like trend is going in your favor. Thanks for the call, guys. Appreciate that.

Operator: The next question is from Derek Greenberg with Maxim Group. Please go ahead.

Derek Greenberg: Hi, thanks for taking my questions. Wanted to just follow-up on the fractional product you guys are rolling out. Was wondering if you could just remind us the economics of that business that's similar to the core of mortgage or if it's a little bit different. And then I was wondering once it's fully at scale, you mentioned, you know, there's a lot of difference in thousands of transactions versus, you know, dealing with TED. But I was wondering what's fully at scale what the volumes you expect to flow through that funnel look like?

Nick Laousa: Yeah. Look. From an economic standpoint, our margins will be a little higher than on our mortgage products. And, you know, the amount of work that we're gonna do will be a little less. So we're pretty excited about that. You know, we're underwriting the property and we're not underwriting the consumer as much. So that's the reason why there's less work. So the expense associated with the product is less and we expect about 33% on average more revenue per file than we see on the mortgage side. I think it's not like a disjointment.

Chris Moe: I'm also gonna add to this. That, you know, we spend heavily in marketing to bring in the loan business. In this case and I don't think it's appropriate right now to go into the details. But we basically have in the model next to no margin expense because our partner in this thing is gonna drive the business. We're just processing it. So the margins are pretty high.

Nick Laousa: Yeah. And I don't think we're quite ready to talk about the projections of the business. But I will say this. We have denied about a thousand people over the last twelve months that would qualify for this product instantly. That's, you know, that's not even trying to drive the business. So yeah, look, we're not in a position to project or talk about projections at this point. Think that might be something for a later call.

Derek Greenberg: Got it. Thank you. That's helpful. And then just looking into '26 you had mentioned that even without rate cuts, you're expecting significant growth. Is that largely coming from this new product, or is it across all the different products? What do you think will be the main driver of growth exclusive of rate cuts?

Nick Laousa: Yeah. That's a good question. You know, I think that we are gonna see really strong demand for Beeline equity, the equity product. Because we're infusing liquidity into the market that really, you know, in a market that is where liquidity is needed. And, you know, again, the qualification is based on, you know, the equity in the home and not the individual. And as a result of that, I mean, there's just a massive amount of equity that's sitting on the sidelines that a lot of people can't do anything with. I mean, in terms of getting a cash-out refi. Right? I mean, baby boomers are living longer. They wanna stay in their homes longer.

A lot of them aren't working, and they don't, you know, they don't wanna do necessarily do a reverse mortgage. And so you know, when you start thinking through that and you start thinking through the

fact you know, there are no payments here. Right? I mean, you're basically are selling a sale of equity, and, you know, there's no repayment until the house is sold. So, you know, if you are an individual that can't qualify for a cash-out refi and need cash, you know, this is an option for you. If you don't wanna do a HELOC, this is an option for you.

If you, you know, don't want monthly payments and interest payments, this is an option for you. If you're looking at a reverse mortgage, this is an option for you. You know, there's just so much potential for this product. So I do think this product is gonna grow very quickly. At the same time, you know, we've been in the trenches a really bad market perfecting our model. For a long time on the mortgage side. And, you know, we are our nonqualified and conventional under one roof, we're getting better at what we do on a monthly basis.

I just mentioned a second ago that our locks are way up on a \$40,000 per month decrease in our budget. That's a big number. And that's a high percentage decrease in budget to see an increase in locks. So we are expecting a very strong 2026 as a result of both of those two products. I'll also mention too, you know, we have a lot of title experience over here. Our team grew and built one of the largest title agencies out there. And merged it and brought it public on the TSX back in 2016. We basically have a lot of the members of the same team over here.

And as the market improves, I expect our title business to grow. We don't talk about that much. But that is another big opportunity for Beeline as we get into next year. So I think when you look at it, it's really those three items. And I would rank, you know, the equity product as probably being our largest generator of revenue next year. With the mortgage business being second. And then the title business being third. And that'll probably change, you know, when we go into 2027.

Derek Greenberg: Okay. Got it. And then just my last question. One might be a little difficult to

answer, but I was wondering obviously, with rate cuts, that'd be a huge catalyst for the industry overall. But I was wondering if you have, like, a sensitivity analysis in place in terms of you know, how much percent basis point cut could potentially fuel growth in loan volume for you guys and revenue for you guys or if that's kind of two in the weeds and you know, it's just broader great opportunity. I was wondering if you quantified it at all.

Nick Laousa: Yeah. Look. I mean, I don't think we're prepared to provide that sort of information. At a high level, I can tell you that a 25 basis point cut will have a significant impact on our business. We are a centralized digital lender. We're not a retail lender. The retail models tend to perform better. You know, everyone performs better in a low rate environment. Right? But when rates are higher, the digital models they on a percentage basis, they don't perform as well as the retail models do. When rates come down, digital models tend to do very well.

And so, you know, we're a digital centralized model, and so a 25 basis point cut will have a big impact on our business. One point impact will have a tremendous impact on our business. I mean, we'll grow incredibly fast when that happens.

Chris Moe: Yeah. I also just wanna add a non-quantitative comment to your quantitative question. So it's interesting when you think about it. You know, a 25 or 50 basis point cut in theory equals x. But the longer rates reduced, the more buildup effect it has on the number. Think of it as kind of a dam and the water is filling up behind the dam. So if the dam opens up and the lake is only half full, we get the x amount of water rushing through the gate. The dam is almost at the top, and you open the dam a lot you know, twice the volume rushes to the gate.

So I guess what I'm trying to say is this rate that sort of know, they came down a little bit last September and nothing since then. It's been almost a year. I think a 25 basis point rate cut will be

more significant than it would be otherwise.

Derek Greenberg: Yeah. That makes sense. Definitely makes sense. Thank you.

Chris Moe: Appreciate the color. Welcome.

Operator: Once again, if you have a question, please press star then 1. Showing no further questions, this concludes the question and answer session. I would like to turn the conference back over to Nick Laousa for any closing remarks.

Nick Laousa: Thanks, operator. To wrap up, Q2 marks yet another inflection point for Beeline. We have fully transitioned into a fintech mortgage company. We operate in a 2 plus trillion dollar mortgage market. Yes, we've invested heavily. But these are intentional foundational investments aimed at capturing meaningful market share over time. We are confident the long-term payoff will be significant. We improved our balance sheet and reduced our expenses, at a time when our software costs are starting to pay off. We believe that 2025 has been inspirational and productive. And will set the foundation for faster growth in the future.

Operator: This brings to a close today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.

This article is a transcript of this conference call produced for The Motley Fool. While we strive for our Foolish Best, there may be errors, omissions, or inaccuracies in this transcript. Parts of this article were created using Large Language Models (LLMs) based on The Motley Fool's insights and investing approach. It has been reviewed by our AI quality control systems. Since LLMs cannot (currently) own stocks, it has no positions in any of the stocks mentioned. As with all our articles,

The Motley Fool does not assume any responsibility for your use of this content, and we strongly encourage you to do your own research, including listening to the call yourself and reading the company's SEC filings. Please see our Terms and Conditions for additional details, including our Obligatory Capitalized Disclaimers of Liability.

The Motley Fool has no position in any of the stocks mentioned. The Motley Fool has a disclosure policy.

Stocks Mentioned

*Average returns of all recommendations since inception. Cost basis and return based on previous market day close.

Invest better with The Motley Fool. Get stock recommendations, portfolio guidance, and more from The Motley Fool's premium services.

Making the world smarter, happier, and richer.

© 1995 - 2025 The Motley Fool. All rights reserved.

Market data powered by Xignite and Polygon.io.

About The Motley Fool

[Our Services](#)

[Around the Globe](#)

[Free Tools](#)

[Affiliates & Friends](#)