UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): March 8, 2023

RED VIOLET, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**001-38407**	**82-2408531**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification Number)**

2650 North Military Trail, Suite 300, Boca Raton, FL 33431
(Address of principal executive offices)

561-757-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	RDVT	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On March 8, 2023, Red Violet, Inc., a Delaware corporation (the "Company"), issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2022 (the "Earnings Release"). A copy of the Earnings Release is furnished herewith as Exhibit 99.1.

Also on March 8, 2023, following the issuance of the Earnings Release, the Company conducted a conference call to discuss the reported financial results for the fourth quarter and year ended December 31, 2022. The Company had issued a press release on February 23, 2023 to announce the scheduling of the conference call. A copy of the transcript of the conference call is furnished herewith as Exhibit 99.2.

The information included herein and in Exhibit 99.1 and Exhibit 99.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

99.1 Press Release, dated March 8, 2023

99.2 March 8, 2023 conference call transcript

104 Cover page Interactive Data File (embedded within the inline XBRL file).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		Red Violet, Inc.
Date: March 9, 2023	By:	/s/ Derek Dubner
		Derek Dubner Chief Executive Officer (Principal Executive Officer)

Exhibit 99.1

red violet Announces Fourth Quarter and Full Year 2022 Financial Results

Fourth Quarter Revenue Increased 16% to $13.1 Million Producing $4.4 Million of Cash Flow from Operations

Full Year 2022 Revenue Increased 21% to $53.3 Million Generating Net Income of $0.6 Million

BOCA RATON, Fla. – March 8, 2023 – Red Violet, Inc. (NASDAQ: RDVT), a leading analytics and information solutions provider, today announced financial results for the quarter and full year ended December 31, 2022.

"2022 was another record year for red violet. The target markets for our solutions continue to exhibit solid fundamentals and increasing opportunity, notwithstanding the uncertain economic environment," stated Derek Dubner, red violet's CEO. "We remain intently focused on utilizing our healthy cash flow generation to strategically invest in our deep product roadmap and to further expand the capabilities and use cases of our industry-leading, cloud-native technology platform and customer-centric identity intelligence solutions."

Fourth Quarter Financial Results

For the three months ended December 31, 2022 as compared to the three months ended December 31, 2021:

- Total revenue increased 16% to $13.1 million. Platform revenue increased 19% to $12.9 million. Services revenue decreased 54% to $0.2 million.
- Gross profit increased 19% to $8.3 million. Gross margin increased to 63% from 62%.
- Adjusted gross profit increased 20% to $10.0 million. Adjusted gross margin increased to 77% from 74%.
- Net loss narrowed 13% to $1.5 million, which resulted in a loss of $0.11 per basic and diluted share.
- Adjusted EBITDA increased 16% to $1.5 million.
- Cash from operating activities increased 123% to $4.4 million.
- Cash and cash equivalents were $31.8 million as of December 31, 2022.

Full Year Financial Results

For the year ended December 31, 2022 as compared to the year ended December 31, 2021:

- Total revenue increased 21% to $53.3 million. Platform revenue increased 22% to $52.0 million. Services revenue decreased 16% to $1.3 million.
- Gross profit increased 25% to $34.7 million. Gross margin increased to 65% from 63%.
- Adjusted gross profit increased 25% to $41.1 million. Adjusted gross margin increased to 77% from 75%.
- Net income was $0.6 million, which resulted in $0.04 per basic and diluted share, compared to net income of $0.7 million (inclusive of a one-time gain of $2.2 million on the extinguishment of debt from the forgiveness of the CARES Act Loan).
- Adjusted EBITDA increased 18% to $12.9 million.
- Cash from operating activities increased 39% to $12.5 million.

Fourth Quarter and Recent Business Highlights

- Added 148 customers to IDI™ during the fourth quarter, ending the year with 7,021 customers.
- Added 6,909 users to FOREWARN® during the fourth quarter, ending the year with 116,960 users. Over 235 REALTOR® Associations are now contracted to use FOREWARN.

- Strong growth in the onboarding of higher-tier customers, with 67 customers contributing over $100,000 of revenue in 2022 compared to 47 customers in 2021.

Conference Call

In conjunction with this release, red violet will host a conference call and webcast today at 4:30pm ET to discuss its quarterly and full year results and provide a business update. Please click here to pre-register for the conference call and obtain your dial in number and passcode. To access the live audio webcast, visit the Investors section of the red violet website at www.redviolet.com. Please login at least 15 minutes prior to the start of the call to ensure adequate time for any downloads that may be required. Following the completion of the conference call, an archived webcast of the conference call will be available on the Investors section of the red violet website at www.redviolet.com.

About red violet®

At red violet, we build proprietary technologies and apply analytical capabilities to deliver identity intelligence. Our technology powers critical solutions, which empower organizations to operate with confidence. Our solutions enable the real-time identification and location of people, businesses, assets and their interrelationships. These solutions are used for purposes including risk mitigation, due diligence, fraud detection and prevention, regulatory compliance, and customer acquisition. Our intelligent platform, CORE™, is purpose-built for the enterprise, yet flexible enough for organizations of all sizes, bringing clarity to massive datasets by transforming data into intelligence. Our solutions are used today to enable frictionless commerce, to ensure safety, and to reduce fraud and the concomitant expense borne by society. For more information, please visit www.redviolet.com.

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Use of Non-GAAP Financial Measures

Management evaluates the financial performance of our business on a variety of key indicators, including non-GAAP metrics of adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and free cash flow ("FCF"). Adjusted EBITDA is a financial measure equal to net (loss) income, the most directly comparable financial measure based on US GAAP, excluding interest (income) expense, net, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, gain on extinguishment of debt, litigation costs, and write-off of long-lived assets and others. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. We define adjusted gross profit as revenue less cost of revenue (exclusive of depreciation and amortization), and adjusted gross margin as adjusted gross profit as a percentage of revenue. We define FCF as net cash provided by operating activities reduced by purchase of property and equipment and capitalized costs included in intangible assets.

FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995 (PSLRA), which statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipate," "believes," "should," "intends," "estimates," and other words of similar meaning. Such forward looking statements are subject to risks and uncertainties that are often difficult to predict, are beyond our control and which may cause results to differ materially from expectations, including whether we will be able to utilize our healthy cash flow generation to strategically invest in our deep product roadmap and to further expand the capabilities and use cases for our industry-leading, cloud-native technology platform and customer-centric identity intelligence solutions. Readers are cautioned not to place undue reliance on these forward-looking statements, which are based on our expectations as of the date of this press release and speak only as of the date of this press release and are advised to consider the factors listed above together with the additional factors under the heading "Forward-Looking Statements" and "Risk Factors" in red violet's Form 10-K for the year ended December 31, 2021 filed on March 9, 2022, as may be supplemented or amended by the Company's other SEC filings, including the Form 10-K for year ended December 31, 2022 expected to be filed today. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

RED VIOLET, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)

	December 31, 2022	December 31, 2021
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 31,810	$ 34,258
Accounts receivable, net of allowance for doubtful accounts of $60 and $28 as of December 31, 2022 and 2021, respectively	5,535	3,736
Prepaid expenses and other current assets	771	599
Total current assets	38,116	38,593
Property and equipment, net	709	577
Intangible assets, net	31,647	28,181
Goodwill	5,227	5,227
Right-of-use assets	1,114	1,661
Other noncurrent assets	601	137
Total assets	$ 77,414	$ 74,376
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	$ 2,229	$ 1,605
Accrued expenses and other current liabilities	1,845	395
Current portion of operating lease liabilities	692	617
Deferred revenue	670	841
Total current liabilities	5,436	3,458
Noncurrent operating lease liabilities	598	1,291
Deferred tax liabilities	287	198
Total liabilities	6,321	4,947
Shareholders' equity:		
Preferred stock—$0.001 par value, 10,000,000 shares authorized, and 0 shares issued and outstanding, as of December 31, 2022 and 2021	-	-
Common stock—$0.001 par value, 200,000,000 shares authorized, 13,956,404 and 13,488,540 shares issued and outstanding, as of December 31, 2022 and 2021	14	13
Additional paid-in capital	92,481	91,434
Accumulated deficit	(21,402)	(22,018)
Total shareholders' equity	71,093	69,429
Total liabilities and shareholders' equity	$ 77,414	$ 74,376

RED VIOLET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share data)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue	$ 53,318	$ 44,022
Costs and expenses(1):		
Cost of revenue (exclusive of depreciation and amortization)	12,211	11,195
Sales and marketing expenses	10,834	8,932
General and administrative expenses	23,237	19,811
Depreciation and amortization	6,675	5,399
Total costs and expenses	52,957	45,337
Income (loss) from operations	361	(1,315)
Interest income (expense), net	351	(7)
Gain on extinguishment of debt	-	2,175
Income before income taxes	712	853
Income tax expense	96	198
Net income	$ 616	$ 655
Earnings per share:		
Basic	$ 0.04	$ 0.05
Diluted	$ 0.04	$ 0.05
Weighted average number of shares outstanding:		
Basic	13,759,296	12,597,316
Diluted	14,107,144	13,403,041

(1) Share-based compensation expense in each category:

	2022	2021
Sales and marketing expenses	$ 290	$ 562
General and administrative expenses	5,215	6,053
Total	$ 5,505	$ 6,615

RED VIOLET, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Year Ended December 31, 2022	Year Ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 616	$ 655
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,675	5,399
Share-based compensation expense	5,505	6,615
Write-off of long-lived assets	177	32
Provision for bad debts	174	95
Noncash lease expenses	547	500
Interest expense	-	11
Deferred income tax expense	89	198
Gain on extinguishment of debt	-	(2,175)
Changes in assets and liabilities:		
Accounts receivable	(1,973)	(630)
Prepaid expenses and other current assets	(172)	(18)
Other noncurrent assets	(464)	2
Accounts payable	624	(470)
Accrued expenses and other current liabilities	1,450	(1,051)
Deferred revenue	(171)	337
Operating lease liabilities	(618)	(552)
Net cash provided by operating activities	12,459	8,948
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(373)	(280)
Capitalized costs included in intangible assets	(8,456)	(4,964)
Net cash used in investing activities	(8,829)	(5,244)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of shares, net of issuance costs	-	20,924
Taxes paid related to net share settlement of vesting of restricted stock units	(5,200)	(3,327)
Repurchases of common stock	(878)	-
Net cash (used in) provided by financing activities	(6,078)	17,597
Net (decrease) increase in cash and cash equivalents	$ (2,448)	$ 21,301
Cash and cash equivalents at beginning of period	34,258	12,957
Cash and cash equivalents at end of period	$ 31,810	$ 34,258
SUPPLEMENTAL DISCLOSURE INFORMATION		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ 39	$ -
Share-based compensation capitalized in intangible assets	$ 1,621	$ 1,217
Retirement of treasury stock	$ 6,078	$ 3,327

Use and Reconciliation of Non-GAAP Financial Measures

Management evaluates the financial performance of our business on a variety of key indicators, including non-GAAP metrics of adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and FCF. Adjusted EBITDA is a financial measure equal to net (loss) income, the most directly comparable financial measure based on US GAAP, excluding interest (income) expense, net, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, gain on extinguishment of debt, litigation costs, and write-off of long-lived assets and others, as noted in the tables below. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. We define adjusted gross profit as revenue less cost of revenue (exclusive of depreciation and amortization), and adjusted gross margin as adjusted gross profit as a percentage of revenue. We define FCF as net cash provided by operating activities reduced by purchase of property and equipment and capitalized costs included in intangible assets.

(In thousands)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2021
Net (loss) income	$ (1,544)	$ (1,784)	$ 616	$ 655
Interest (income) expense, net	(225)	(1)	(351)	7
Income tax (benefit) expense	(148)	198	96	198
Depreciation and amortization	1,815	1,466	6,675	5,399
Share-based compensation expense	1,439	1,418	5,505	6,615
Gain on extinguishment of debt	-	-	-	(2,175)
Litigation costs	4	-	132	126
Write-off of long-lived assets and others	171	9	178	104
Adjusted EBITDA	$ 1,512	$ 1,306	$ 12,851	$ 10,929
Revenue	$ 13,069	$ 11,258	$ 53,318	$ 44,022
Net income margin	(12%)	(16%)	1%	1%
Adjusted EBITDA margin	12%	12%	24%	25%

The following is a reconciliation of gross profit, the most directly comparable US GAAP financial measure, to adjusted gross profit:

(In thousands)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue	$ 13,069	$ 11,258	$ 53,318	$ 44,022
Cost of revenue (exclusive of depreciation and amortization)	(3,054)	(2,927)	(12,211)	(11,195)
Depreciation and amortization of intangible assets	(1,758)	(1,407)	(6,440)	(5,170)
Gross profit	8,257	6,924	34,667	27,657
Depreciation and amortization of intangible assets	1,758	1,407	6,440	5,170
Adjusted gross profit	$ 10,015	$ 8,331	$ 41,107	$ 32,827
Gross margin	63%	62%	65%	63%
Adjusted gross margin	77%	74%	77%	75%

The following is a reconciliation of net cash provided by operating activities, the most directly comparable US GAAP measure, to FCF:

(In thousands)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Year Ended December 31, 2021
Net cash provided by operating activities	$ 4,359	$ 1,951	$ 12,459	$ 8,948
Less:				
Purchase of property and equipment	(102)	(57)	(373)	(280)
Capitalized costs included in intangible assets	(2,317)	(1,415)	(8,456)	(4,964)
Free cash flow	$ 1,940	$ 479	$ 3,630	$ 3,704

In order to assist readers of our consolidated financial statements in understanding the operating results that management uses to evaluate the business and for financial planning purposes, we present non-GAAP measures of adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and FCF as supplemental measures of our operating performance. We believe they provide useful information to our investors as they eliminate the impact of certain items that we do not consider indicative of our cash operations and ongoing operating performance. In addition, we use them as an integral part of our internal reporting to measure the performance and operating strength of our business.

We believe adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and FCF are relevant and provide useful information frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies similar to ours and are indicators of the operational strength of our business. We believe adjusted EBITDA eliminates the uneven effect of considerable amounts of non-cash depreciation and amortization, share-based compensation expense and the impact of other non-recurring items, providing useful comparisons versus prior periods or forecasts. Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of revenue. Our adjusted gross profit is a measure used by management in evaluating the business's current operating performance by excluding the impact of prior historical costs of assets that are expensed systematically and allocated over the estimated useful lives of the assets, which may not be indicative of the current operating activity. Our adjusted gross profit is calculated by using revenue, less cost of revenue (exclusive of depreciation and amortization). We believe adjusted gross profit provides useful information to our investors by eliminating the impact of non-cash depreciation and amortization, and specifically the amortization of software developed for internal use, providing a baseline of our core operating results that allow for analyzing trends in our underlying business consistently over multiple periods. Adjusted gross margin is calculated as adjusted gross profit as a percentage of revenue. We believe FCF is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business. FCF is a measure used by management to understand and evaluate the business's operating performance and trends over time. FCF is calculated by using net cash provided by operating activities, less purchase of property and equipment and capitalized costs included in intangible assets.

Adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and FCF are not intended to be performance measures that should be regarded as an alternative to, or more meaningful than, financial measures presented in accordance with US GAAP. In addition, FCF is not intended to represent our residual cash flow available for discretionary expenses and is not necessarily a measure of our ability to fund our cash needs. The way we measure adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross margin and FCF may not be comparable to similarly titled measures presented by other companies, and may not be identical to corresponding measures used in our various agreements.

SUPPLEMENTAL METRICS

The following metrics are intended as a supplement to the financial statements found in this release and other information furnished or filed with the SEC. These supplemental metrics are not necessarily derived from any underlying financial statement amounts. We believe these supplemental metrics help investors understand trends within our business and evaluate the performance of such trends quickly and effectively. In the event of discrepancies between amounts in these tables and the Company's historical disclosures or financial statements, readers should rely on the Company's filings with the SEC and financial statements in the Company's most recent earnings release.

We intend to periodically review and refine the definition, methodology and appropriateness of each of these supplemental metrics. As a result, metrics are subject to removal and/or changes, and such changes could be material.

	(Unaudited)							
(Dollars in thousands)	**Q1'21**	**Q2'21**	**Q3'21**	**Q4'21**	**Q1'22**	**Q2'22**	**Q3'22**	**Q4'22**
Customer metrics								
IDI - billable customers[1]	5,902	6,141	6,314	6,548	6,592	6,817	6,873	7,021
FOREWARN - users[2]	58,831	67,578	74,377	82,419	91,490	101,261	110,051	116,960
Revenue metrics								
Contractual revenue %[3]	80 %	81 %	80 %	79 %	77 %	80 %	68 %	77 %
Revenue attrition %[4]	7 %	6 %	5 %	4 %	3 %	5 %	6 %	5 %
Revenue from new customers[5]	$ 967	$ 929	$ 876	$ 920	$ 1,014	$ 805	$ 2,016	$ 1,216
Base revenue from existing customers[6]	$ 7,351	$ 8,354	$ 9,187	$ 9,114	$ 9,721	$ 10,164	$ 10,839	$ 10,574
Growth revenue from existing customers[7]	$ 1,899	$ 1,596	$ 1,605	$ 1,224	$ 1,994	$ 1,525	$ 2,171	$ 1,279
Platform financial metrics								
Platform revenue[8]	$ 9,813	$ 10,588	$ 11,296	$ 10,787	$ 12,217	$ 12,185	$ 14,763	$ 12,854
Cost of revenue (exclusive of depreciation and amortization)	$ 2,488	$ 2,529	$ 2,525	$ 2,606	$ 2,822	$ 2,709	$ 2,895	$ 2,907
Adjusted gross margin	75 %	76 %	78 %	76 %	77 %	78 %	80 %	77 %
Services financial metrics								
Services revenue[9]	$ 404	$ 291	$ 372	$ 471	$ 512	$ 309	$ 263	$ 215
Cost of revenue (exclusive of depreciation and amortization)	$ 273	$ 191	$ 262	$ 320	$ 348	$ 211	$ 172	$ 147
Adjusted gross margin	32 %	34 %	30 %	32 %	32 %	32 %	35 %	32 %
Other metrics								
Employees - sales and marketing	56	57	49	54	59	57	64	68
Employees - support	9	9	10	10	10	9	10	10
Employees - infrastructure	15	16	16	18	23	25	25	28
Employees - engineering	31	33	35	37	50	52	52	54
Employees - administration	16	19	20	22	26	27	26	27

(1) We define a billable customer of IDI as a single entity that generated revenue in the last three months of the period. Billable customers are typically corporate organizations. In most cases, corporate organizations will have multiple users and/or departments purchasing our solutions, however, we count the entire organization as a discrete customer.

(2) We define a user of FOREWARN as a unique person that has a subscription to use the FOREWARN service as of the last day of the period. A unique person can only have one user account.

(3) Contractual revenue % represents revenue generated from customers pursuant to pricing contracts containing a monthly fee and any additional overage divided by total revenue. Pricing contracts are generally annual contracts or longer, with auto renewal.

(4) Revenue attrition is defined as the revenue lost as a result of customer attrition, net of reinstated customer revenue, and excludes expansion revenue. Revenue is measured once a customer has generated revenue for six consecutive months. Revenue is considered lost when all revenue from a customer ceases for three consecutive months; revenue generated by a customer after the three-month loss period is defined as reinstated revenue. Revenue attrition percentage is calculated on a trailing twelve-month basis, the numerator of which is the revenue lost during the period due to attrition, net of reinstated revenue, and the denominator of which is total revenue based on an average of total revenue at the beginning of each month during the period. Prior to Q1’22, FOREWARN revenue was excluded from our revenue attrition calculation. Beginning Q4’22, our revenue attrition calculation excludes Services revenue.

(5) Revenue from new customers represents the total monthly revenue generated from new customers in a given period. A customer is defined as a new customer during the first six months of revenue generation.

(6) Base revenue from existing customers represents the total monthly revenue generated from existing customers in a given period that does not exceed the customers' trailing six-month average revenue. A customer is defined as an existing customer six months after their initial month of revenue.

(7) Growth revenue from existing customers represents the total monthly revenue generated from existing customers in a given period in excess of the customers' trailing six-month average revenue.

(8) Platform revenue consists of both contractual and transactional revenue generated from our technology platform, CORE. It includes all revenue generated through our IDI and FOREWARN solutions. The cost of revenue, which consists primarily of data acquisition costs, remains relatively fixed irrespective of revenue generation.

(9) Services revenue consists of transactional revenue generated from our idiVERIFIED service. The cost of revenue, which consists primarily of third-party servicer costs, is variable.

Exhibit 99.2

Red Violet, Inc. (NASDAQ: RDVT)

Fourth Quarter 2022 Earnings Results Conference Call

COMPANY PARTICIPANTS:

Camilo Ramirez *Red Violet, Inc. – Vice President of Finance & IR*
Daniel MacLachlan *Red Violet, Inc. - CFO*
Derek Dubner *Red Violet, Inc. - Chairman & CEO*

CONFERENCE CALL PARTICIPANTS:
Brandon Osten - *Venator Capital Management*
David Polansky - *Immersion Investments Partners*

PRESENTATION
Operator
Good day ladies and gentlemen, and welcome to red violet's fourth quarter and full year 2022 earnings conference call. At this time, all participants are in a listen only mode. Later we will conduct a question and answer session and instructions will follow at that time.

As a reminder this call is being recorded.

I would now like to introduce your host for today's conference Camilo Ramirez, Vice President, Finance and Investor Relations. Please go ahead.

Camilo Ramirez ***Red Violet, Inc. – Vice President of Finance & IR***
Good afternoon and welcome. Thank you for joining us today to discuss our fourth quarter and full year 2022 financial results.

With me today is Derek Dubner, our Chairman and Chief Executive Officer, and Dan MacLachlan, our Chief Financial Officer. Our call today will begin with comments from Derek and Dan, followed by a question and answer session.

I would like to remind you that this call is being webcast live and recorded. A replay of the event will be available following the call on our website. To access the webcast, please visit our Investors page on our website www.redviolet.com.

Before we begin, I would like to advise listeners that certain information discussed by management during this conference call are forward-looking statements covered under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those stated or implied by our forward-looking statements due to risks and uncertainties associated with the company's business. The company undertakes no obligation to update the information provided on this call. For a discussion of risks and uncertainties associated with red violet's business, I encourage you to review the company's filings with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K and the subsequent 10-Qs.

During the call, we may present certain non-GAAP financial information relating to our adjusted gross profit, adjusted gross margin, adjusted EBITDA, adjusted EBITDA margin, and free cash flow. Reconciliations of these non-GAAP financial measures to their most directly comparable US GAAP financial measure are provided in the earnings press release issued earlier today. In addition, certain supplemental metrics that are not necessarily derived from any underlying financial statement amounts may be discussed and these metrics and their definitions can also be found in the earnings press release issued earlier today.

With that, I am pleased to introduce red violet's Chairman and Chief Executive Officer, Derek Dubner.

Derek Dubner *Red Violet, Inc. - Chairman & CEO*

Thanks Camilo, and good afternoon to those joining us today to discuss our fourth quarter and full year 2022 results. We are pleased to announce a strong fourth quarter, which produced another record year for red violet. Despite 2022's uncertain economic environment, red violet continued to drive healthy, double-digit percentage revenue growth while expanding gross margin and generating solid cash flow. We continued to strategically invest in our robust product roadmap and execution against our growing sales pipeline. Further, even with the investments made in 2022, we generated our first full year of GAAP profitability without a one-time gain. We remain intently focused on the execution of our long-term strategic plan and our industry-leading teams continue to outperform.

Now, turning to the numbers. For the quarter, total revenue was $13.1 million, a 16% increase over prior year and a record fourth quarter for red violet. Platform revenue increased 19% to $12.9 million. Services revenue decreased 54% to $0.2 million. We produced $10.0 million in adjusted gross profit, resulting in adjusted gross margin of 77% in the fourth quarter, up three percentage points. Adjusted EBITDA for the quarter was $1.5 million, up 16% over prior year.

Our IDI billable customer base grew by 148 customers sequentially from the third quarter, ending the fourth quarter at 7,021 customers. FOREWARN added over 6,900 users during the fourth quarter, ending the quarter at 116,960 users. Over 235 Realtor® Associations are now contracted to use FOREWARN.

For the year, revenue increased 21% to $53.3 million, generating adjusted EBITDA of $12.9 million. We generated $0.6 million in net income in 2022, our first full year of GAAP profitability without a one-time gain. Recall our 2021 net income of $0.7 million included a one-time gain of $2.2 million from the forgiveness of our CARES Act Loan.

We continue to convert our larger enterprise prospect pipeline into wins. We had 67 customers contribute over $100 thousand in revenue in 2022, a 43% increase compared to 47 customers in 2021. As well, our existing customers continue to spend more with us year over year.

With 2022 behind us, we are excited about 2023 and beyond. While many companies are retrenching and right sizing their organizations given the current climate, we are in the enviable position of being able to advance our long-term strategic plan. This consists of converting our healthy cash flow and solid balance sheet into innovative solutions, enhanced capabilities, entry into new markets, and increasing market penetration. This is a delicate balance of pressing investments for future growth while exercising financial prudence to maintain the strong financial profile of our business. We have a robust product roadmap of planned releases throughout 2023 and the next several years. These releases include enhancements to existing solutions and new solutions in identity, fraud prevention and detection, background screening support, commercial real estate analytics, marketing services and public sector. These innovations are designed to improve customer outcomes for current use cases and to address customer need where there are presently no solutions or current market solutions are inadequate. As you can imagine, developing solutions to address complex problems often takes time and multiple iterations between us and pilot project participants. Importantly, our target markets remain resilient, and we expect strong demand for existing and new solutions for the foreseeable future. The secular tailwinds that our business has are firmly in place – a digital transformation in its infancy, cybercrimes and fraud that are omnipresent, demand for integrated solutions that drive efficiency, and more. Our solutions are mission-critical -- they are used to manage risk, gain efficiency, and acquire customers – all essential, especially in a challenging economic environment.

On the whole, we are pleased with our performance in 2022. Notwithstanding the economy, we are making solid progress against our strategic plan, and nothing has altered our view regarding our product roadmap and our expectations around adoption by our target markets.

Given this, and the strong start to the year we are experiencing here in the first two months, we remain very optimistic about our prospects for 2023 and beyond.

With that, I turn it over to Dan to discuss the financials.

Daniel MacLachlan ***Red Violet, Inc. - CFO***

Thank you, Derek, and good afternoon. 2022 was a great year for red violet. We executed well against our planned initiatives laid out at the beginning of the year. While continuing to strategically invest in the business, we solidly grew revenue while maintaining healthy margins and cash flow. We added key strategic hires in several verticals and tactically built out our product development and go-to-market resources. As an organization, we added 46 team members in 2022, including 14 in sales and marketing and 27 in technology and product development. These significant additions will enable scalability across the organization.

This time last year, we explained that we would leverage our strong balance sheet and healthy cash flow to reinvest in the business in the form of human capital, expanding the capabilities, depth and efficiency of our team. We explained we could make these investments while maintaining adjusted EBITDA margin in the range of 20 to 25%. We executed well against that expectation. We grew revenue by over 20% to $53.3 million in 2022, maintaining a 24% adjusted EBITDA margin which produced $12.9 million in adjusted EBITDA. Importantly, 2022 was our first full year of GAAP profitability without a one-time gain, generating $0.6 million in net income which resulted in earnings of $0.04 per basic and diluted share.

The markets for our solutions continue to show strong fundamentals and increasing opportunity. We are releasing new features and enhancements on current solutions and developing new solutions to address additional use cases in identity, commercial property solutions, background screening support, and marketing services. With our higher-tier opportunity pipeline strong and growing, we continue to make significant progress in moving up market in both size and volume potential. We are competing successfully, converting those higher-tier private and public sector opportunities to wins. We had 67 customers contribute over $100 thousand in revenue in 2022, a 43% increase over prior year. We remain confident in our ability to drive strong growth in 2023 and beyond.

Turning now to our fourth quarter results, for clarity, all the comparisons I will discuss today will be against the fourth quarter of 2021, unless noted otherwise.

Total revenue was $13.1 million, a 16% increase over prior year. Platform revenue increased 19% to $12.9 million. Services revenue decreased 54% to $0.2 million. We produced $10.0 million in adjusted gross profit, resulting in a margin of 77% in the fourth quarter, up

3-percentage points. Adjusted EBITDA for the quarter was $1.5 million, up 16% over prior year. Adjusted EBITDA margin remained consistent at 12% for the quarter.

Continuing through the details of our P&L, as mentioned, revenue was $13.1 million for the fourth quarter, consisting of revenue from new customers of $1.2 million, base revenue from existing customers of $10.6 million and growth revenue from existing customers of $1.3 million. Our IDI billable customer base grew by 148 customers sequentially from the third quarter, ending the fourth quarter at 7,021 customers. FOREWARN added over 6,900 users during the fourth quarter, ending the quarter at 116,960 users. Over 235 Realtor® Associations are now contracted to use FOREWARN.

Our contractual revenue was 77% for the quarter, down 2-percentage points from prior year. Our revenue attrition percentage was 5%, compared to 4% in prior year. We expect our revenue attrition percentage to trend between 5% and 10% for the foreseeable future.

Moving on from our revenue metrics and down the P&L, our cost of revenue (exclusive of depreciation and amortization) increased $0.2 million or 4% to $3.1 million. This $0.2 million increase was a result of an increase in data acquisition costs. Adjusted gross profit increased 20% to $10.0 million, producing an adjusted gross margin of 77%, a 3-percentage point increase over fourth quarter 2021.

Sales and marketing expenses increased $0.8 million or 36% to $3.0 million for the quarter. The increase was due primarily to an increase in salaries and benefits and sales commissions. The $3.0 million of sales and marketing expense for the quarter consisted primarily of $1.8 million in employee salaries and benefits and $0.7 million in sales commissions.

General and administrative expenses increased $0.9 million or 14% to $7.1 million for the quarter. This increase was primarily the result of a $0.6 million increase in employee salaries and benefits and a $0.2 million write off of long-lived assets. The $7.1 million in general and administrative expenses for the quarter consisted primarily of $4.1 million of employee salaries and benefits which included year-end bonuses as part of our company’s discretionary bonus plan, $1.4 million of non-cash share-based compensation expense, and $0.9 million in accounting, IT and other professional fees.

Depreciation and amortization increased $0.3 million or 24% to $1.8 million for the quarter. This increase was primarily the result of the amortization of internally developed software.

Our net loss for the quarter narrowed $0.3 million or 13% to $1.5 million.

We reported a loss of 11 cents per basic and diluted share for the quarter based on a weighted average share count of 14.0 million shares.

Moving on to the balance sheet. Cash and cash equivalents were $31.8 million at December 31, 2022, compared to $34.3 million at December 31, 2021. Current assets were $38.1 million compared to $38.6 million and current liabilities were $5.4 million compared to $3.5 million.

We generated $12.5 million in cash from operating activities for the year ended December 31, 2022, compared to generating $8.9 million in cash from operating activities for the same period in 2021.

We generated $3.6 million in free cash flow in 2022, compared to generating $3.7 million in 2021.

Cash used in investing activities was $8.8 million for the year ended December 31, 2022, mainly the result of $8.5 million used for software developed for internal use. Cash used in investing activities in prior year was $5.2 million.

Cash used in financing activities was $6.1 million for the year ended December 31, 2022, mainly the result of two items. One, acquiring approximately 252,000 shares of company stock for $5.2 million from the net share tax settlement of employee restricted stock units and, two, purchasing 50,000 shares of company stock for $0.9 million under our stock repurchase program at an average price of $17.52 per share. These shares were withheld in treasury and retired prior to the end of the year.

During the same period 2021, cash provided by financing activities was $17.6 million. This was the result from the net proceeds of $20.9 million in growth financing raised through the sale of 552,915 shares of common stock at a price of $38.00 per share. This was offset by $3.3 million of cash used to acquire approximately 143,000 shares of company stock from the net share tax settlement of employee restricted stock units.

As it relates to our stock repurchase program, we will continue to monitor prevailing market conditions and other opportunities that we have for the use or investment of our cash balances and, as applicable, strategically acquire additional shares in accordance with our repurchase program.

In closing, we are pleased with our fourth quarter and full year results. Despite the uncertain economic environment, we are excited about what we are seeing in the first two months of this year and expect 2023 to be another great year for red violet.

With that, our operator will now open the line for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question will come from the line of Brandon Osten from Venator Capital Management.

Brandon Osten -

Obviously, a really good quarter. I mean it only compares somewhat poorly to the ridiculous quarter you guys put up in Q3. So second best quarter ever.

Derek Dubner ***Red Violet, Inc. - Chairman & CEO***

Correct.

Brandon Osten -

A couple of questions here. Just can you guys remind -- I know you grew by a good amount this year. Can you remind me what the dollar value of that headwind you guys faced this year? Because that customer that got acquired because the growth rate is probably better than maybe what the stated growth rate is. I just can't remember how much loss. Was it like $0.5 million or something? I can't remember.

Daniel MacLachlan ***Red Violet, Inc. - CFO***

Yes. It was roughly $0.5 million a quarter, right? So annualized about $2 million.

Brandon Osten -

Okay. So I mean we're really looking at -- like does this 12 8 basically, should I be comparing that 12 8 to like 10 2 or something? Does that make -- or I guess 13 with 10 7? Does that make more sense then, apples-to-apples?

Daniel MacLachlan ***Red Violet, Inc. - CFO***

Yes. Look, I think that's a good way to look at it, right? It was a larger customer that we discussed, right? And so that was $500,000 a quarter that we needed to go get. So that's a good way to look at it, for sure.

Brandon Osten -

Okay. Okay. And just a few short ones here because you guys put out a lot of detail anyways. Can you remind me -- so just the seasonal impact of the EBITDA in Q4, is that just year-end bonuses for management and employees?

Daniel MacLachlan *Red Violet, Inc. - CFO*
So yes, we have a company discretionary bonus plan. And because of the discretionary nature, a lot of that falls into the fourth quarter based on performance and such. And then from a top line perspective, and we've said this before, we always see a little bit of seasonality in the fourth quarter just based on less business days, right, when we're dealing with businesses. As a portion of our revenue still is transactional, right, with less business days and less business happening towards the end of the year, we still -- we do see some seasonality at the top line as well.

Brandon Osten -
Okay. And I guess -- I mean you guys alluded to a strong start to the year. I mean we've only got a couple of weeks left, and I know you guys don't like to guide. But is it fair to expect that Q1 is -- Q1 revenues will be above Q4 revenues? Is that a fair expectation without letting too much out of the bag?

Derek Dubner *Red Violet, Inc. - Chairman & CEO*
Yes, Brandon, I think that's a fair statement, yes.

Brandon Osten -
Okay. Okay. And two other questions here. Can you give me a feel for -- I mean you really have two markets that I would consider somewhat cyclical. I mean law enforcement isn't particularly cyclical, but like cyclical material and somewhat impacted by rules and regulations.

Can you give me a sense about how you're feeling on the repo market, which should be starting to come up; and on the other hand, the real estate market, which you are adding? You do seem to be adding customers there. But can you give me a sense of what you're seeing on that side as well?

Derek Dubner *Red Violet, Inc. - Chairman & CEO*
Sure. Absolutely. Thanks, Brandon. Yes, we have seen an uptick in the repo market, of course. What you're seeing is -- and rather not surprising is that a lot of the government support from COVID in the way of subsidies and moratoria on collections and standoff on mortgage payments and evictions, you're seeing those wear off. And you're seeing the consumer on the low end, if you will, sort of sub-prime, as they call them, having difficulty.

Inflation has impacted them significantly, as it does everybody, but more significantly to that type of base. And savings are depleted and they're turning to credit cards. You're seeing credit card delinquencies moving up, and you're also seeing reported repossessions of autos that were bought many times during the COVID period and so -- and with shortage of supply, probably paying too much for those autos, so finding themselves in difficult positions.

So the repossession market is relatively strong, and so we're seeing volumes move up there. As far as real estate, we did talk about it last year, that very swift move in mortgage rates from -- in March of last year, I believe, from about mid-3% to 6%, did slow down the real estate, I'll call it, marketing or identity side of the business. That's where we power some of the real estate software solutions to identify certain demographics of propensity to sell or -- and/or purchase. So think of identifying a deceased in a home, a multi-homeowner, age, et cetera. So we had some real estate customers in that segment that when mortgage rates spiked, when they spend with us, it's all a matter of ROI, what are they getting, what can they do with the information and how can they translate that into ROI. And so there was a pause. It did pick back up throughout the year a bit and stabilized.

That is different, I want to be very clear, that's different than FOREWARN. FOREWARN is a risk and identity product. It's a safety tool used by realtors. FOREWARN is very highly, in fact, it's entirely contractual, and so different from our FOREWARN product. So -- but we've seen relative stability in the real estate market since that impact in Q2 last year.

Brandon Osten -
Yes. Also, I saw Apple News article out of London Times or one of the European ones but real estate agents and the dangers that they face for showings when they don't know the counterparty, like physical dangers. Maybe worth looking at.

And then my last question, and I'm going to ask a stupid question. I know it's a stupid question before I ask, but I'll ask it anyway because everyone wants to hear.

Derek Dubner *Red Violet, Inc. - Chairman & CEO*
No problem.

Brandon Osten -
Yes, everyone wants to hear something. So just with regards -- I mean in terms of all the hype recently around, call it, artificial intelligence, machine learning, whatever you want to call it, you have a platform that has a major -- has a significant database. So for you guys, maybe there's an output component, but there's also the fact that you have the database. So there's sort of an

input component, right? It's all about who's got the data on one side, how they process the data in the middle and who spits out the data.

Have you guys given any thought strategically to how you use your database on behalf of your customer or on behalf of your customer base? I mean even FOREWARN is somewhat of a predictive system in terms of what might be lurking on the other side of a transaction. So just any -- I don't need detail, just any thoughts there, what you're telling people when asked.

Derek Dubner ***Red Violet, Inc. - Chairman & CEO***

Sure. I appreciate the question. It's Derek. Setting aside all of the AI talk, that's really the hot buzzword right now, as we've told the Street many times, this is the third platform we have built in this space. This platform, it was built from the cloud -- in the cloud from the ground up, and it is really the only platform that was built that way as far as the competitors we have. And we built this platform with machine learning built into it, always with the goal of analyzing data, looking for commonalities, looking for anomalies.

As you know, as consumers, we leave our footprint in society every day. The data trail, the data we leave behind grows, with our multi-year address history, with events in our lives, with bankruptcies, liens, judgments, criminal histories, you name it, with asset transfers, with businesses formed and affiliations within those businesses and those we interact with. So that's always a big component of our platform, and we believe a significant competitive advantage of what's out there and really the ability for our end users to use what we believe to be a far more intelligent interface than what's out there as well with the platform underlying and generating a lot of that knowledge, creating -- taking data and making it actually actionable.

So that's how we view our platform. That's how we've been telling our story for quite a while. We are still small. We only have 7,000 customers, and those customers are realizing the advantages of getting our platform and our solutions into their workflow. So, we feel we're very competitively differentiated from what's out there and feel great about our future.

Brandon Osten –

It’s great. Thanks guys. Keep moving forward.

Operator

Our next question will come from the line of David Polansky from Immersion Investments.

David Polansky -

Hey guys. Thanks for taking my questions. I want to talk about head count a little bit. I think you're capping off your biggest year ever for hiring. You hired about 46 net new people. Are you ready for this year with the current head count? Or should we expect similar hiring patterns in '23? And then going off of that, can you discuss how that may or may not impact your margin profile on gross margin and adjusted EBITDA?

Derek Dubner *Red Violet, Inc. - Chairman & CEO*

Sure. Thanks David. You're right. We made significant hires last year, and we looked around the organization and said, look, we see significant opportunity as we roll out the product road map and as we expand in certain verticals and as we enter new markets. So, we made hires in various parts of the organization to, for example, bolster our infrastructure, while we add to our data science team, our product development team, and build those products, to add to sales and marketing, to get out there and to tell our story and to bring these fantastic solutions to market.

So I would say there is going to be no repeat to the number of additions that we did. I think we're pretty well-positioned as far as who we've already added, so there's no intention of significantly or even insignificant -- too insignificantly adding to that position other than where we see we have nice traction. We've always said we will spend into that traction a bit to really get going.

Dan, why don't you talk a little bit about margins and what you can expect?

Daniel MacLachlan *Red Violet, Inc. - CFO*

Yes, sure. Thanks, David. Great to hear from you. Look, I think this kind of sets for us kind of that new level, if you will, that gives us a lot of leverage over the next several years. Strategically, as Derek said, we'll look at areas where we start to gain traction, potentially lean in. But the expectation is we would kind of maintain around this level for most of the year. What that means for margin, the expectation is, for this year, margins would be relatively consistent with what you saw in 2022. And then ultimately, as we're leaving '23 and seeing increasing in revenue, we'll start to see that nice leverage in that margin profile and really start to see that margin profile extraction, if you will, going into 2024, starting to hit towards those targets that we've talked about in the past, closer to the 35%. So that's kind of what the expectation is for '23 and then leaving '23 going into '24.

David Polansky -

So when you say consistent, do you mean sort of maybe in the mid-20s range? Is that right?

Derek Dubner ***Red Violet, Inc. - Chairman & CEO***

Correct.

David Polansky -

So if you are -- I just want to make sure I understand this. But if you're not making significant hires and you're largely a fixed cost business and presumably you'd be growing revenue that should flow through at a pretty high incremental margin, where are you spending, if not in head count, where? Because my thought is that if you're not spending, we should see some pretty good operating leverage, but it sounds like we'll still be sort of in the mid-20s range. So then -- can you talk about that a little bit?

Daniel MacLachlan ***Red Violet, Inc. - CFO***

Yes. So look, when we look at it, we look at it from a conservative standpoint. And as I said, as we're kind of leaving out of '23, the expectation is you'll start to see that nice leverage, right? So, when you look at last year '22 versus this year, obviously, we added a good portion of the 46 kind of in -- moving out of second quarter into third and fourth quarter, probably added half in the beginning of the year, half in the second half of the year. So the run rate based on that is really leaving the year.

So yes, I think the expectation is, from a conservative standpoint, we'll look to be kind of in the mid-20s. But ultimately, as we grow revenue, I think we have a lot of upside to that. I mean, last year, we guided around 20% to 25%. Obviously, we came on the high side of that, closer to 25%. I would have the expectation that we have more upside in that margin than downside based on our revenue growth.

David Polansky -

Okay. And then on top line, I know we've talked about this a bunch of times, but is your intent to still grow this business organically? And are you seeing anything on the M&A front that gets you a little bit excited? Because I'm just trying to think of your bridge of some of these long-term targets that you laid out. And I'd just like to get some commentary around that. That would be great.

Derek Dubner ***Red Violet, Inc. - Chairman & CEO***

Thanks, David. Yes, this is Derek. We always come into the office every day with the goal of building this business organically. That said, we do have nice relationships, banking relationships that provide us with opportunities to look at. We have said before that we have interest in a couple of areas -- that might be where we can acquire some unique data assets, perhaps some unique technology in a buy or build scenario, thought process, if you will, and/or some front-facing or end-user facing solution that may be already well branded in market and would be an interesting acquisition for us.

Given that, we are very mindful of dilution, have always been. And the last couple of years have not been interesting in the way of the valuations and the expectations from sellers of some of the assets we've seen. As you know, throughout '22 and here in '23, those valuations have come down, public market probably faster than private market, but private market is certainly getting there where they need to access capital.

So we keep our eyes open. We do review opportunities from time to time. But again, we will look at it. It's got to be some very key assets, and it needs to be at the right price, at the right valuation. And absent that, we will continue to build this organically. We feel like we have -- as we move from smaller and medium-sized customers and continue this multi-year move into larger customers, enterprise customers, if you will, in both the private and public sector, we believe just we've got a real strong runway where the latter half of the short-, medium- and long-term present opportunities to expand revenue at an even faster clip, obviously, market and economy cooperating, but we're very excited about the opportunities in front of us and meeting the targets that we've talked about.

David Polansky -

That's great. And not to be too cute about it, but maybe you can use some of those good banking relationships to get some analysts on the call and some estimates out there and maybe get the liquidity on the stock up a little bit.

Derek Dubner *Red Violet, Inc. - Chairman & CEO*

We hear your comment.

Operator

I'm not showing any further questions in the queue. I would now like to turn the conference back to Derek for closing remarks.

Derek Dubner *Red Violet, Inc. - Chairman & CEO*

Thank you. We are pleased to have reported another strong quarter and a record year for red violet. Notwithstanding the climate, we remain steadfast in operating our business with a long-term view. We continue to execute against this multi-year strategic plan that we've been discussing, and our business is financially strong. We are very excited about the prospects for 2023 and beyond. Good afternoon.

Operator

This concludes today's conference. Thank you for participating. You may now disconnect. Everyone, have a great day.