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Fourth Quarter and Full Year 2023
Earnings Call

March 26, 2024, 5:00 p.m. Eastern Time

Presenters:

- **Mark Newcomer** – Paysign – Co-Founder, Chairman and Chief Executive Officer
- **Jeff Baker** – Paysign – Chief Financial Officer
- **Matt Turner** – Paysign - President of Patient Affordability
- **Matt Lanford** – Paysign - Chief Payments Officer

Q&A Participants:

- **Peter Heckmann –** D.A. Davidson
- **Gary Prestopino** – Barrington Research
- **Jon Hickman –** Ladenburg Thalmann

Operator

Good afternoon. My name is Kevin, and I'll be your conference operator, today. At this time, I'd like to welcome everyone to the Paysign, Inc. Fourth Quarter and Full Year 2023 Earnings Conference Call.

After the speakers' remarks, there will be a question-and-answer session. You may be placed in the question queue at any time by pressing "*", "1" on your telephone keypad. As a reminder, this conference call is being recorded.

The comments on today's call regarding Paysign's financial results will be on a GAAP basis, unless otherwise noted. Paysign's earnings release was disseminated to the SEC earlier today and can be found on the Investor Relations section of our website, paysign.com, which includes reconciliations of non-GAAP measures to GAAP reported amounts.

Additionally, as set forth in more detail in our earnings release, I'd like to remind everyone that today's call will include forward-looking statements regarding Paysign's future performance. Actual performance could differ, materially, from these forward-looking statements. Information about the factors that could affect future performance is summarized at the end of Paysign's earnings release and in our recent SEC filings.

Lastly, a replay of this call will be available until June 26, 2024. Please see Paysign's fourth quarter and full year earnings call announcement for details on how to access the replay.

It's now my pleasure to turn the call over to Mr. Mark Newcomer, CEO. Please go ahead.

Mark Newcomer – *Paysign – Co-Founder and Chief Executive Officer*
Thank you, Kevin. Good afternoon, everyone, and thank you for joining our earnings call. Today, we're thrilled to discuss Paysign's performance for the fourth quarter and the full year, 2023.
I'm Mark Newcomer, President and Chief Executive Officer. Joining me, today, is Jeff Baker, our Chief Financial Officer. Additionally, Matt Turner, our President of Patient Affordability and Matt Lanford, our Chief Payments Officer, will also be joining us for the Q&A session.

Earlier today, we announced our 2023 fourth quarter and full year financial results. We are extremely pleased with our performance as we continued to grow revenue, net income and adjusted EBITDA.

Our fourth quarter revenue grew to $13.7 million, a robust 29% increase, year-over-year. For the full year, we saw 24% revenue growth to $47.3 million. Most notably, our net income increased by 528% to $6.5 million, or $0.12, per fully diluted share from $1 million, or $0.02, per fully diluted share at the prior year.

Full year adjusted EBITDA also saw an increase of 21% from $5.5 million in 2022 to $6.7 million in 2023.

Our plasma donor compensation business continued its strong performance, contributing $42 million in 2023 versus $34.7 million in 2022, up 21% from 2022.

The fourth quarter alone showed a 14% increase in the average revenue, per center, from $7,293 in Q4 2022, to $8,297 in Q4 of 2023, and we expect this ongoing expansion of the revenue, per center, to continue.

In 2023, we expanded our reach to 464 centers. We onboarded 38 centers and lost 18 centers. Fourteen of the 18 lost centers were closures, and the remaining four were sales to nonclient plasma collection companies.

Following an extended period of rapid growth in new centers, in 2023, our plasma clients began to shift their focus from new center openings to increasing plasma yield per center, concentrating on donor acquisition and retention. As a result, we are expecting 15 to 25 new centers in 2024.

The Patient Affordability segment has emerged as a significant growth engine for the company, as we launched programs for some of the world's largest pharmaceutical manufacturers. In 2023, we launched 24 net new programs and ended the year with 43 active programs, marking 126% increase, over the prior year.

This segment saw s 122% rise in claims volume for 2023 with even higher expectations for 2024.

Fourth quarter claims volume increased 215% from the same period in the previous year.
Our sales cycle remained in the 90- to 120-day range, a marked improvement from prior years, and our pipeline remains extremely robust.

Patient Affordability revenue increased 172%, year-over-year. We expect Patient Affordability revenue to continue to grow at triple-digit rates in 2024.

I would like to add some additional context regarding our claim volumes as it is a key performance indicator for our Patient Affordability business.

In simple terms, we receive medical and pharmacy claims. Medical claims are typically submitted by a doctor's office, practice or hospital and can be for physician-administered or infused drugs. Pharmacy claims are dispensed by a pharmacy and include retail claims, which are claims that originate from retail brick-and-mortar corner drug stores and specialty claims, which are being filled by mail order pharmacies that work with high-cost drugs, such as biologics.

A well-rounded portfolio is key to addressing long-term growth, as drugs gain approval or lose exclusivity. To build a well-diversified revenue model, we pursue programs in all three categories. In 2024, we expect to see an increase in retail claims, helping us diversify the balance of our mix of claims.

During the fourth quarter, we onboarded a total of nine net new Patient Affordability programs. Of note, we successfully transitioned the oncology portfolio of a major pharmaceutical manufacturer, consisting of four programs. These are mature programs that deliver claims, immediately upon onboarding.

We also launched two additional programs for this client, and they have already awarded us three more programs in 2024. It should be noted that transition programs, which is an existing program serviced by another vendor, outnumbers our program launch of new-to-market drugs. It is very important to call out that transition programs are far more difficult to win.

Transitioning a Patient Affordability program requires a detailed and comprehensive approach with 0 margin for error, as a seamless transition is of the utmost importance to the program sponsor and the patients that rely on a well-run program. We are pleased that we have been able to provide solutions where the value offered is so compelling that our clients are willing to change mid-program.

I want to take a moment to talk about the recent disruptions to the Patient Affordability sector. On February 21, there was an unprecedented cyberattack on the U.S. health system and the Change Healthcare claims and payment infrastructure. This had a substantial impact to consumers, providers and many of our competitors, leaving their pharmaceutical manufacturer clients scrambling for a solution to the prolonged outage.

As a result of the fallout, we were able to secure and launch eight new programs from two manufacturers in less than 10 days, adding substantial revenue and approximately 1 million additional claims to our 2024 claims volume. We are confident that this will lead to additional programs in 2024 from these and other manufacturers, as we continue to assist our current partners and field new requests.

Much like our payment platform, our Patient Affordability platform has been purpose built for high availability and utilizes multiple redundant network connections to assure continuity. These multiple processor connections enabled us to, quickly, move to other processors not impacted by this event.

To catapult Paysign's innovative fintech solutions to the forefront of Patient Affordability in the health care ecosystem, we made a number of executive changes, which we believe both sharpen our focus on the accelerating growth of our Patient Affordability segment and better enable us to enter new markets.

This year, Matt Turner assumed leadership of the Patient Affordability segment, being promoted to President of Patient Affordability. We appointed Cosimo Cambi, to the position of Chief Operating Officer, leveraging his 12 years of experience in both the Patient Affordability and fintech space, most recently as Director of Data Science and Vice President of Operations here at Paysign.

Mr. Cambi succeeds Matt Lanford, who transitioned to the newly formed position of Chief Payments Officer, where he will rely on his 35 years' experience in payments to lead our new product and project management office. Mr. Lanford's fintech expertise, leadership and guidance will be instrumental in the development of new products and the opening of new markets.

In summary, we are pleased with our 2023 results, as we reported another year of strong growth. We are especially pleased with the trajectory of our Patient Affordability segment, as we continue to execute on our mission to bring innovative fintech solutions to the forefront of the Patient Affordability and health care ecosystem.

We believe we have assembled an excellent team, coupled with what we believe to be a truly disruptive product portfolio that continues to gain acceptance in the industry.

Our plasma segment continues to grow at a steady pace, and we believe this will continue for the foreseeable future. We will continue to invest in our people and systems to meet the rapidly growing demand for our services, and I believe we are well positioned to capitalize on the many opportunities that lie ahead of us.

Jeff, over to you for more insight into our financials for the quarter and year-end.

Jeff Baker – *Paysign – Chief Financial Officer*
Thank you, Mark. Good afternoon, everyone. As Mark said, we closed 2023 with a solid fourth quarter, capping off what was a nice 2023. Ever since exiting from COVID, getting our plasma business back to pre-COVID results was the focus of the investment thesis, and that has materialized, as expected.

We also have been telling investors that we were committed to investing in other attractive vertical markets such as our fast-growing Pharma Patient Affordability business to help diversify the financial concentration we had with our plasma business. Today, I can tell you that that thesis has also materialized, as expected.

Our plasma business was 84% of total revenue in the fourth quarter of 2023 versus 91%, compared to the same period last year, and we expect that business mix shift to continue in 2024.

Looking more closely at our plasma business, we experienced strong growth in gross dollars loaded to cards, total number of loads, gross spend volume and the average revenue per plasma center. For the fourth quarter, gross dollars loaded to cards increased 9%. Total number of loads increased

14%. Gross spend volume increased 8%, and the average revenue per plasma center increased 14% to $8,297.

Fourth quarter plasma revenues increased 19% to $11.5 million, and we added two net new plasma centers during the quarter, exiting the year with 464 plasma centers. This equates to a 39% U.S. market share at year-end.

As Mark mentioned, we have seen a strategic shift by our plasma partners from opening new centers to increasing the plasma yield per center as financing rates remain elevated, compared to the previous 10 years. The guidance for 2024 that I will provide in just a moment reflects this strategic shift.

Moving to our Pharma Patient Affordability business, you heard Mark talk about the traction we experienced in 2023, which has continued into 2024. Fourth quarter Pharma Patient Affordability revenues of $1.7 million were 12% of total revenue versus 5%, during the same period last year.

We launched nine net new programs in the fourth quarter, exiting the year with 43 Pharma Patient Affordability programs and have already launched an additional 10 new programs in the first quarter of 2024. With the hyper growth we have experienced in our Pharma Patient Affordability business, we expect it will continue to make up a greater percentage of total revenue in 2024.

As in previous calls, with all of the details we provided in the press release and that will be available in our 10-K filing tomorrow morning, I will simply hit the financial highlights for the fourth quarter of 2023 versus the same period, last year.

Fourth quarter 2023 total revenues of $13.7 million increased $3.1 million, or 28.9%.

Gross profit margin for the quarter was 52.2% versus 51.9% during the same period last year, which marks the first quarter in which we have seen gross profit margin expansion, since exiting our pharma prepaid business in 2022.

SG&A for the quarter increased 23.2% to $4.6 million with total operating expenses increasing 25.3% to $6.5 million. We have made significant investments in IT and employees over the past year to support this continued growth of our business, exiting this year with 123 employees versus 110, during the same period last year.

For the quarter, we posted a net income of $5.6 million, or $0.10 per fully diluted share, versus $713,000, or $0.01, per fully diluted share for the same period, last year.

We recorded a tax benefit of $4.3 million during the quarter, as we released the valuation allowance on our deferred tax assets related to both, federal and state taxes. Without this benefit, net income would have been $1.4 million, or $0.03 per fully diluted share, an increase of over 90% versus the prior year period.

The fourth quarter adjusted EBITDA, which is a non-GAAP measure that adds back stock compensation to EBITDA was $2.5 million, or $0.05 per diluted share versus $1.7 million, or $0.03 per diluted share for the same period, last year. This equates to a 43% year-over-year growth in our adjusted EBITDA. The fully diluted share count for both quarters used in calculating the per share amounts was 53.8 million in both periods.

Regarding the health of our company, we exited the year with $17 million in unrestricted cash and 0 debt, a $7.3 million increase over year-end 2022. We did not complete any share repurchases during the fourth quarter, but we did use $1.1 million to repurchase almost 395,000 shares during the year.

Now turning your attention to our initial guidance for 2024. We expect total revenues to be in the range of $54.5 million to $56.7 million, reflecting year-over-year growth of 15% to 20%, with plasma making up between 80% and 85% of total revenue.

Pharma revenue is expected to grow at least 100%, year-over-year, as we receive a full year benefit for all Pharma Patient Affordability programs added in 2023 and continue to add new Pharma Patient Affordability programs, throughout 2024.

Full year gross profit margins are expected to be between 52% and 54%, reflecting increased revenue contribution from our Pharma Patient Affordability business and stable plasma gross margins.

Operating expenses are expected to be between $29 million and $31 million, as we continue to make investments in people and technology. Of this amount, depreciation and amortization, are expected to be between $6 million and $6.5 million, while stock-based compensation is expected to be between $2.7 million and $3 million.

Given our large unrestricted and restricted cash balances and the current interest rate environment, we expect to generate interest income of $2.6 million to $2.9 million.

Taking all of the factors above into consideration, we expect net income to be in the range of $2 million to $3 million, or $0.04 to $0.06 per diluted share, and adjusted EBITDA to be in the range of $8 million to $9 million, or $0.15 to $0.17 per diluted share.

For the first quarter of 2024, we expect total revenue to be in the range of $12 million to $13 million, reflecting the seasonal impact of tax refunds on our plasma business, offset with a strong start to the year with our Patient Affordability business.

Gross profit margins are projected to be between 52% and 53%, driven largely by an increased revenue contribution from our Pharma Patient Affordability business. Operating expenses are expected to be between $7 million to $7.5 million, of which depreciation and amortization will be approximately $1.3 million. This reflects investments largely required to support our pharma Patient Affordability growth.

Adjusted EBITDA is expected to be in the range of $1.2 million and $1.5 million.

With that, I would like to turn the call back over to Kevin for question and answers.

Questions & Answers

Operator
Thank you. We will now be conducting a question-and-answer session. If you'd like to be placed in the question queue, please press "*", "1" on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press "*", "2", if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset, before pressing "*", "1". One moment, please, while we poll for questions.

Peter Heckmann – *D.A. Davidson*
Good afternoon, gentlemen. Great results and good to see the strong guidance for 2024. I want to dig into Patient Affordability a little bit more. And maybe there isn't an average program, but could you talk a little bit about kind of how you would explain to an investor the range of sizes of programs, the average term, how long they last? And then if you could go over that statistic you made with competitive takeaways versus new programs and some of the competitive advantages that allowed you to do that.

Jeff Baker
Hey, Pete, so that's a long-winded question. So let me try to answer all your points. Number one, the size of the programs can vary all over the board. We have some programs, not many, but we have some programs who have a co-pay program in place just as an insurance policy. And we may not do any claims with them, and we just receive monthly management fees. We have some programs that are generating quite an extensive number of claims that we get paid every month on top of management claims. So there is no average, unfortunately. I wish it was that easy.

Matt Turner – *Paysign - President of Patient Affordability*
Yeah, and Jeff, I can give some more color here, too, if you'd like me to.

Jeff Baker
Yeah, go ahead.

Matt Turner
Yes. I think we've talked about this kind of on previous calls, kind of going back into last year. There isn't--as you look at kind of the plasma business - one of the metrics we talk about is how much a plasma center is worth kind of on average. Unfortunately, with affordability programs, right, it's just like drugs. You have a drug that's a rare orphan drug, and you may have 50 people in the country that have that disease state and need that drug. And then you could end up with something like a blockbuster drug, right, like an Enbrel or Humira, right? Those can do ten to hundreds of thousands of claims a month.

So there's not really an example of, hey, here's what an average program looks like. I think the--when we look at the business, we do evaluate kind of what's the long-term profitability of a program versus with one that is more transactionally based versus one that's more kind of admin fees based. Does that kind of help there?

Peter Heckmann
Yeah, that does.

Matt Turner
And can you kind of rephrase the second half of the question there?

Peter Heckmann
Sure. And then just trying to talk through the term. I remember some of the older programs that were one or two years. Can you talk about kind of how you expect these terms to average? And should we think about some programs rolling off and then having to be replaced with others?

Matt Turner
Yeah, so -

Jeff Baker
I'll take that.

Matt Turner
Okay.

Jeff Baker
Let me get that. So, Pete, most of these contracts are typically a stub period if they come in during the year, and then they'll have a full year after that with evergreen terms for years beyond that. I will honestly say, we have not lost a program to competition yet, knock on wood. The only program and it's--I think it's one is that we had a provider that decided that they were no longer going to offer a co-pay program because their drug went generic. But those are far--slim and far between.

So, it's like anything else. If you do a good job for your partners, they're going to stay with you. And if you don't, then they won't be here. And we earn their business every day and every year, and hopefully, we'll continue those relationships for a long time.

Peter Heckmann
Got it. Got it. And then a follow-up, I'll get back in the queue. But I did take note of that Change Healthcare security breach and some of the ramifications. Can you talk a little bit more about how you worked around that, whether that was partners or Paysign's proprietary network?

Jeff Baker
Matt, do you want to take that?

Matt Turner
Yeah, so we were in a really good position kind of going out the door there. To our knowledge, we are the only vendor in the space that had three processor connections. So, we had a very diverse network that we could leverage to stand up programs for new clients to be able to get them onboard, very quickly.

We've also worked really hard to kind of develop better partnerships with these processors than a lot of other people have, and that really paid off here in spades because we had an existing client that had their business split between us and another company, and we were able to go over. While their current vendor was kind of floundering, for lack of a better way to put it, we were able to walk in the door and say, "Hey, we can get this set up. We can set up quick. Do you just want to go move the business over?"

So yeah, the disruption for us was minimal. On our side, we did have a few programs over on the chain side that were very small. We had all those programs transitioned over fairly quickly, and then we immediately started working on kind of the new business wins that came in. So the disruption was there but again, for us, very minimal.

Peter Heckmann
Alright, that's helpful. Thank you.

Operator
Thank you. Next question is coming from Gary Prestopino from Barrington Research. Your line is now live.

Gary Prestopino – *Barrington Research*
Hi, good afternoon, all. On this Patient Affordability business, because I'm still kind of fuzzy on it, could you give an example of how this works? I mean, does this start in the actual doctor's office where they put a prescription in and they give some kind of voucher and then you process it through the pharmacy? Can you just maybe just very simply walk us through what you're doing?

Matt Turner
Yeah, so, it does kind of initiate at the doctor's office at the time a prescription is written. There's a little bit of kind of variance there as to whether it's a specialty drug or a retail drug, right, so again, going back to Mark's comments, the specialty drug is, like SKYRIZI, Enbrel, Humira, STELARA, very expensive drug, shipped by mail order. That often happens like at the doctor's office. They say, "Hey, we need to put you on this drug because you have rheumatoid arthritis or whatever else. And hey, there's a copay coupon that's going to help buy down your insurance amount."

Retail drug is not always the same thing. You may be written a prescription for retail drug. The example I like to give people is your kid gets written Vyvanse because they have ADD, ADHD. You probably don't know there's a coupon out there, but the pharmacist does. So, when you take the prescription into the pharmacy or it comes in through Surescripts, they immediately go and pull the coupon down.

And so, it offsets your insurance copayments. So if you had a $2,000 deductible, this--depending on the program, it may pay all $2,000. It may be a portion of it. But the ultimate goal of co-pay assistance programs is to remove the financial barriers associated with patients accessing and remaining on therapy. That's the #1 thing we solve for, is financial barriers for patients to gain and stay on expensive drugs.

Gary Prestopino
Okay. So years ago, and I'm quoting this because my wife used to sell for Merck, the doctors, they would leave, let's say, typical prescription drugs, they would leave samples at a doctor's office. Is this

kind of taking the place of that in a sense of that now the pharmaceuticals have a better way to track where these prescription drugs, be it specialty or just normal prescription drugs, are going?

Matt Turner
So, yes and no. The genesis of where all this started was on the sample side. And interestingly enough, if you go back in Paysign's history back to the 3PEA days, there's running a very large sample program for Schedule II ADHD drug. It was because it was pretty dangerous to have a sales rep driving around with a carton full of Schedule II drugs in the back of their Taurus popping up to a doctor's office.

So, they came out with cards to utilize the pharmacy network to essentially be able to get these Schedule II drugs in the hands of the people who needed them.

Then everybody kind of started to figure out, "Oh, well, hey, we can start buying down the cost in other areas." Then the Affordable Care Act gets passed and now everybody--not everybody, but a good chunk of Americans now have health insurance, and have copays and deductibles and out-of-pocket maximums. And so, they started utilizing coupons to offset that.

There are some specific examples where samples have been replaced, but it is not the most common type of co-pay program. I would say probably less than 10% to 15% of all the available copay programs out there are what we call voucher products, which would be like a sample or first fill type product. And it's mainly because of the expense.

If you leave a sample in a doctor's office, you're out the cost of producing the pills and the packaging and driving it over there, which may be $5, $10 for a pill, a capsule, or something along those lines.

If that drug is $800, then you're going to have to pay the pharmacy $800 for that product. So, there's a cost differentiator there. That's why what we would call vouchers, which is what you're referring to in the sample scenario, is a much smaller portion of the market. But, we do run several voucher programs that are designed to replace samples in first fill.

Gary Prestopino
Okay. If you look at the market, can you size the market for us in terms of—

Matt Turner
That's a great—

Gary Prestopino
—potential revenue?

Matt Turner
Yeah, so I'm going to let Jeff answer that one. But I can say that we've kind of discussed this in the past, and I think my initial commentary before getting Jeff to--Jeff and Mark to weigh in here would be that every new-to-market drug--almost every new-to-market drug, I don't want to say every, but almost every new-to-market drug is going to have some kind of a Patient Affordability program.

So, if the FDA approves 100 drugs in 2024, pretty good chance that's 100 new programs coming to market. And that grows, every year - and as far as the size, I mean, I don't know that we can put a number on it, but I'll let Jeff and Mark jump in here and see if they have a number answer for you.

Jeff Baker
Hey, Gary, we don't really know how big the market is. We do know it's bigger than the plasma market, the TAM there. It's kind of complicated because the competitors that we're winning business from offer other services that we don't. We're focused on the payment and claims processing side of it, where they may be doing other services like getting a drug to market or marketing that drug or whatever.

So what we do know is that it is bigger than the plasma TAM, which is around 120 million. Hard to guess, right now, what the Patient Affordability just on the payments and claims side as a stand-alone basis is.

Operator
Thank you. As a reminder, that's "*", "1" to be placed in the question queue. Our next question is coming from Jon Hickman from Ladenburg Thalmann. Your line is now live.

Jon Hickman – *Ladenburg Thalmann*
Hi, I could—nice quarter, guys. Good year.

Mark Newcomer
Thanks, Jon.

Jon Hickman
I was just wondering if you could talk a little bit about the competition in the plasma side. Has anything changed there with the refocus from the guys who run the centers?

Mark Newcomer
Not—I don't believe so. I mean really what we have going on in that space is we--and we've seen this over the course of the year, is we've seen the cost of money increase. We've seen people take more of an approach to bring efficiencies to the way their centers are operating and try to drive more plasma in that manner.

Rather than just going out in the like past days, past years where they would--a lot, there was a lot of new center building. I think we've seen a focus towards moving away from that and trying to improve the efficiencies of their existing centers. And that's kind of what I think is going on there.

Jeff Baker
And the other I'd add to that, Jon, I'd add to that also, I mean, I'm not mentioning any names. These are public companies. You can go do your own research. But one company recently hired a CEO, a new CEO within the past year with the plan to reduce costs and improve yields. There's another public company out there who's installing new technology to improve yield by 20%, per donation. So, that seems to be the--on the minds of the plasma companies, today.

As far as competition, it really hasn't changed. There's a handful of people that are out there. It's the same people. We've seen one bank leave. We saw a new bank come in. They've been in and out of it, before. There's us and the usual suspects we talked about in the past, but no real change from a competitor perspective.

Jon Hickmann
Okay, thank you.

Operator
Thank you. Next question is a follow-up from Gary Prestopino from Barrington Research. Your line is now live.

Gary Prestopino
Yeah, Mark, you mentioned, and I couldn't write it down quick enough, what was the growth in claims processed and the amount of claims, year-over-year? And then, and that would be for the full year and then for Q4 to Q4?

Mark Newcomer
Yeah, for Q4, it was 215%, quarter-over-quarter growth. And for 2023, we saw—you're talking—I'm sorry, Jon, let me just clarify. You're talking claims, right? Sorry, Gary.

Gary Prestopino
Right. Your Patient Affordability business, right, that's where you would have a claim. So what I'm trying to get at, what was the growth? What was the raw number that you processed for the whole year?

Mark Newcomer
I don't believe we gave the raw number for the entire year. We gave 122% rise in claim volume for 2023, and we gave a 215% claim volume rise from fourth quarter of '22 to fourth quarter of '23.

Gary Prestopino
Okay. That's good enough growth. I guess the question I would have here is you're showing some really good growth here. You obviously have competitors in the market. Why are you winning?

Mark Newcomer
I believe, and I'll let Matt address some of this, but from my perspective we're winning because we've put up some disruptive products. We've gone—it's much like our foray into the plasma market. When we got involved there, the market was a bit stagnant. There wasn't a whole lot of people doing anything innovative in that space. And what we did is we came in with a fresh look, tried to make some changes, some new offers, and those were received very well.

I believe that we're having the exact same acceptance of our products here in this space. And I believe that we're going to continue to see this into the future. There's a lot of excitement from a lot of the players. And I think, really, it's become some of the existing providers just are not taking care of their clients. And I think that always leaves an opening.

Matt Turner
Yes, and I wanted to just add—

Gary Prestopino
Is there anything?—I'm sorry, go ahead.

Matt Turner
Yeah, so I just kind of want to add in something here that I think is pretty important. A lot of the other players in the space have attempted to diversify their offerings to the point that they have watered down everything. We were at a conference last week, and we had a client tell us, well, I asked, insert name of this competitor, to come up and pitch at the same time as we were thinking about bringing you on, and we had a very specific need.

And you guys came in and you spent an hour talking about the very specific need, and you've established you were experts in that. They came in and spent seven minutes talking about the need and then tried to tell us about only the stuff they'd love to sell us.

If you kind of look at the marketing campaign that we're in now, you'll notice like the theme is the return of expertise in the market that we're in. It has all but left. Everybody is trying to go out and buy another company to kit it up to make themselves look a little better or have a stronger offering and things like that. And look, big box stores serve a purpose. But we're selling to a niche market that has incredibly specific deliverables, and the balance of these brands sometimes hangs in the affordability program.

We saw, when the Change Healthcare stuff happened, we had clients that have come onboard now that said we immediately saw a 20% loss in revenue, overnight. And it was because they're with a big box provider that wants to sell them all sorts of other things but has no expertise that when something happens, they can move quickly to address their issues.

And then Mark talked about the disruptive offerings, where we brought on some technological stuff that we're doing at our processors to identify accumulators and maximizers and to save our clients tens of millions of dollars that the other vendors in the space weren't able to do.

So we, again, took a fresh look, dove into something because this is a sole focus for us and an expertise for us, and it has certainly led to us getting in the door with some manufacturers that probably would not have looked at us in the past because of our size. And now, we've been able to demonstrate results over the last two quarters, and now they're starting to move more business our way.

Mark Newcomer
So yes, I think also, we'd like to add Matt, let's talk also a little bit. we'll just go ahead and address the fact that we brought pricing transparency, which is a huge, a huge event to this space. And previous to us doing that, there was not a whole lot of pricing transparency. As a matter of fact, there was a lot of people just being misled. So, I think that it's kind of akin to black box interchange type, and Jeff, you mentioned this earlier about the black box. I believe that this has opened it up a bit for us to take some new business in.

Gary Prestopino
Okay. I mean, the one thing I was going to ask, is there a technological moat here? You've kind of maybe said yes with what you're developing, but then you also just talked about identifying accumulators and maximizers. Are these middlemen that are in the system that are making the prices go higher? I mean, this is the first time I've heard of this so if you don't mind me asking what is—

Mark Newcomer
That's a very—it's a tough—I mean, I don't think we have the time to get into that on this call, but it's certainly something we can get on a call and discuss. It is very complex. And most of what we've done is based around technology we've developed and algorithms we developed in-house, and I'll kind of leave it at that.

Gary Prestopino
Okay. So there is some technological—there's a technological mode there.

Mark Newcomer
You're welcome.

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

Mark Newcomer
Thanks, Kevin. I'd like to thank everybody for joining us today. A special thanks goes out to all of our employees and our board for the hard work and support that they've exhibited throughout the year. I believe that 2024 will be a very exciting year for Paysign, and we're looking forward to updating everyone on the next call. Thank you all very much, and have a great day.

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

Duration: 40:24