



**EZCORP<sup>®</sup>**

# FIRST QUARTER FISCAL 2022 EARNINGS

FEBRUARY 2022

# PRELIMINARY STATEMENTS

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## **FORWARD LOOKING STATEMENTS**

This document contains certain forward-looking statements. These statements are based on the company's current expectations as to the outcome and timing of future events. All statements, other than statements of historical facts, that address activities or results that the company plans, expects, believes, projects, estimates or anticipates will, should or may occur in the future are forward-looking statements. Actual results for future periods may differ materially from those expressed or implied by these forward-looking statements due to a number of uncertainties and other factors, including operating risks, liquidity risks, legislative or regulatory developments, market factors and current or future litigation. For a discussion of these and other factors affecting the company's business and prospects, see the company's annual, quarterly and other reports filed with the Securities and Exchange Commission. The company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

## **OTHER AVAILABLE INFORMATION**

This information should be read in conjunction with, and not in lieu of, the company's annual, quarterly and other reports filed with the Securities and Exchange Commission. Those reports contain important information about the company's business and performance, including financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP), as well as a description of the important risk factors that may materially and adversely affect our business, financial condition or results of operations.

## **ADJUSTED INFORMATION**

Unless otherwise specified, all amounts in this presentation reflect certain non-GAAP adjustments for various discrete items and constant currency. For a discussion of the comparable GAAP amounts, see "EZCORP GAAP Results" and "GAAP to Non-GAAP Reconciliation" in the Appendix.

## **MARKET COMPARISONS**

All market comparisons are based on available information from similar publicly traded companies.

## **DEFINED TERMS**

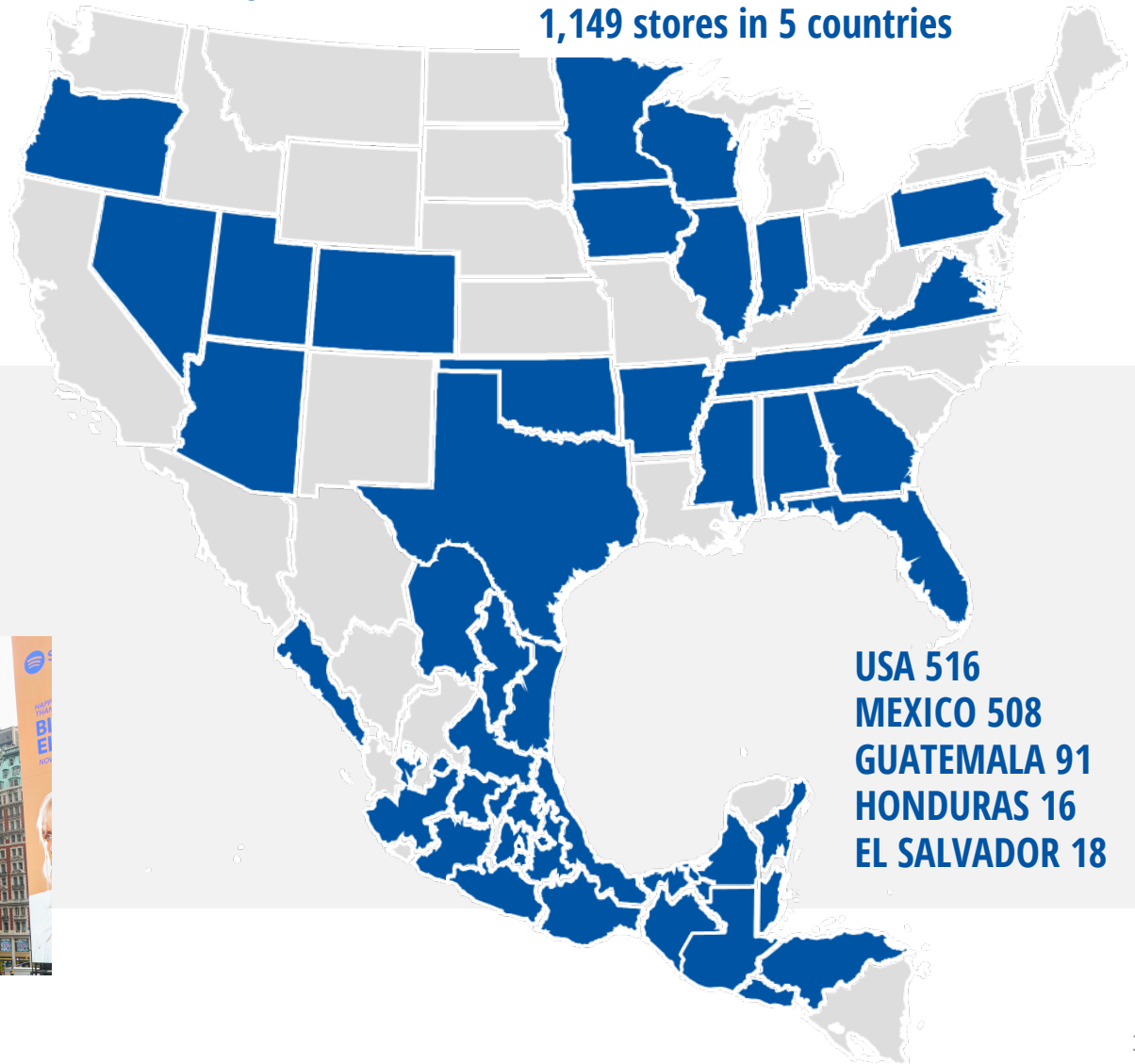
See Appendix for definition of terms and acronyms used in this presentation.

# COMPANY OVERVIEW

## Leader in Pawn and Pre-Owned and Recycled Retail

Formed in 1989, EZCORP has grown into a leading provider of pawn transactions in the United States and Latin America. We also sell pre-owned and recycled merchandise through a broad network of retail locations. We are dedicated to building shareholder value by satisfying the short-term cash needs of our customers, focusing on an industry-leading experience that is fueled by continuous innovation.

1,149 stores in 5 countries







# COMPANY OVERVIEW

## People, Pawn, Passion

- Engaged workforce
- Refined talent and performance management programs
- Enhanced staffing strategies
- Strengthened cultural alignment

## Ready to Meet Our Customers' Needs

- Cash on hand to fund pawn demand
- Provider of affordable pre-owned and recycled general merchandise and jewelry

## Scale-Enabled

- 1,149 stores and 6,500 team members in 5 countries providing unique and essential services
- Proprietary POS system

## Diversified

- U.S. Pawn — 516 stores
- Latin America Pawn — 633 stores

## Positioned for Core Pawn Growth

- Strong balance sheet and liquidity
- Able to operate successfully through economic cycles
- Differentiated digital and IT platform



# OUR PATH TO STRENGTHEN AND GROW THE CORE

## Q1 FY22 Progression Toward Our Strategic Goals

### Team Members

The most passionate, productive and tenured team in the industry

- Engaged & incentivized workforce
- Global development programs
- Enhanced staffing and retention activities
- Demonstrated cultural & productivity improvements

### Strengthen the Core

Renewed focus on the unique and essential elements of our pawn business

- Growing PLO & PSC
- Focus on inventory turnover in the first 90 days
- Continued aged inventory reduction

### Financial Performance

Realize operational efficiency, bottom line growth and strong return on capital

- Adjusted Diluted EPS of \$0.22, up 69% Y/Y
- Adjusted EBITDA of \$31.2M, up 81% Y/Y
- ROEA remains healthy at 177%



### Customer Focus

A passion for pawnbroking and solving customer needs

- Launched points-based loyalty program
- Improved online payment experience

### Cost Management & Simplification

Management of cost base through ongoing simplification

- Continued optimization of store operating costs
- Building a culture of cost consciousness

### Innovate & Grow

Broaden customer engagement to service more customers, more frequently in more locations

- Invested \$15.0M in a company that owns more than 20 pawn stores primarily in the Caribbean
- Opened one de novo store in LatAm
- Developing EZ+ digital customer experience

# Q1 FY22 KEY FINANCIAL THEMES

## PLO Continues to Increase, Driving Higher Revenue & Earnings

### EARNINGS

- Net revenue of \$132.3M up 22% driven by higher PSC and higher sales gross profit
- Adjusted EBITDA of \$31.2M up 81%
- Adjusted Diluted EPS of \$0.22 compared to \$0.13

### FOCUS ON INVENTORY MANAGEMENT

- Merchandise sales gross profit up 27% (same store sales up 22%) due to higher sales and strong consistent margins of 40% driven by ongoing focus on effective inventory management
- Inventory turnover 3.0x up from 2.9x
- Healthy inventory profile with less than 1% of GM aged over one year old; down from 5% last year

### STRONG BALANCE SHEET

- \$233.3M cash balance down from \$253.7M last quarter primarily due to growth in earning assets and strategic investment activity
- No near-term debt maturities or restrictive debt covenants
- Ample liquidity to fund PLO, de novo stores and inorganic growth opportunities

### PLO IMPROVEMENT

- PLO balance of \$177.3M, up 20%, leading to a 20% increase in PSC
- Continue to make ground versus end of FY19. PLO is now within 14% compared to 16% last quarter, on a same store basis
- PLO has continued to improve even with the headwinds of seasonality and expanded Child Tax Credit payments; 1% higher sequentially

### ACHIEVING COST EFFICIENCIES

- In line with expectations, store expenses increased 10% Y/Y and G&A expenses increased 21% Y/Y primarily due to store growth. However, annual expenses as a % of net revenue have declined
- Same store expenses increased 4% Y/Y with transaction volume increasing



*Accomplishments in Q1 FY22 on this slide unless otherwise stated. Amounts in this presentation are continuing operations only and comparisons are relative to same period in prior year unless otherwise stated. Amounts in this presentation are adjusted for discrete items and constant currency unless otherwise identified. EZCORP Same Store amounts in this presentation exclude pawn stores acquired unless outstanding for the entire periods presented. See "EZCORP GAAP Results" in "Additional Information" and "GAAP to Non-GAAP Reconciliation."*

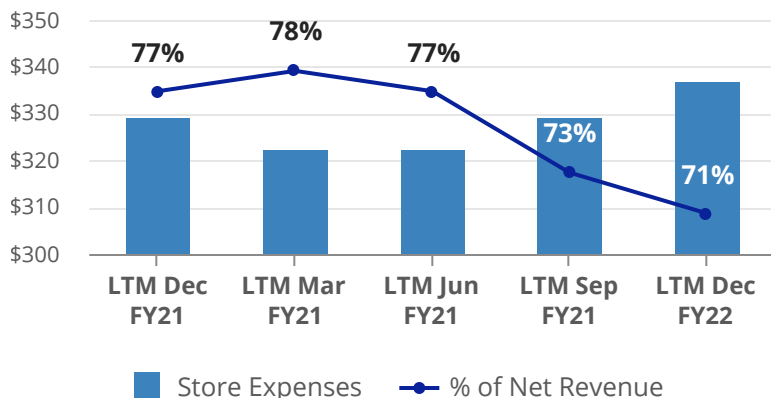
# COST EFFICIENCY AND SIMPLIFICATION

(\$ millions)

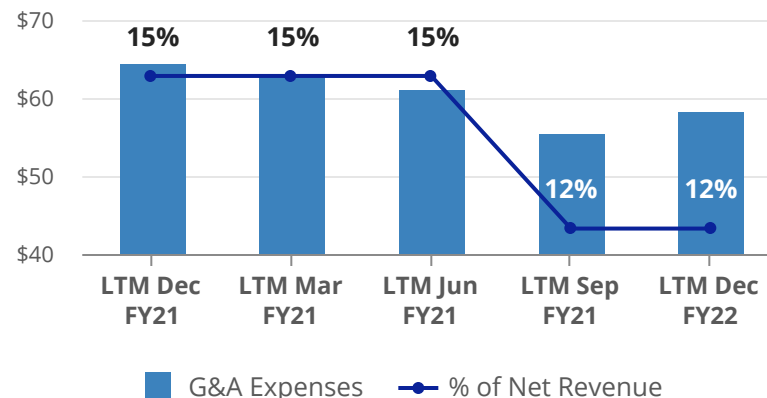
## Cost Ratio Reductions

- Q1 total expenses increased \$10.4M Y/Y, mainly due to increase in transaction volume, but total expenses as a percent of net revenues for the last 12 months (LTM) as compared to LTM Dec FY21<sup>1</sup> decreased from 92% to 84%.
- Due to transaction volume growth and a 14% store count increase, Q1 store expenses increased \$7.7M Y/Y, but store expenses as a percent of net revenues LTM Dec FY22 as compared to LTM Dec FY21<sup>2</sup> decreased from 77% to 71%.
- Q1 G&A expenses increased \$2.7M Y/Y, but G&A expenses as a percent of net revenues LTM Dec FY22 as compared to LTM Dec FY21<sup>3</sup> decreased from 15% to 12%.

### STORE EXPENSES



### G&A EXPENSES

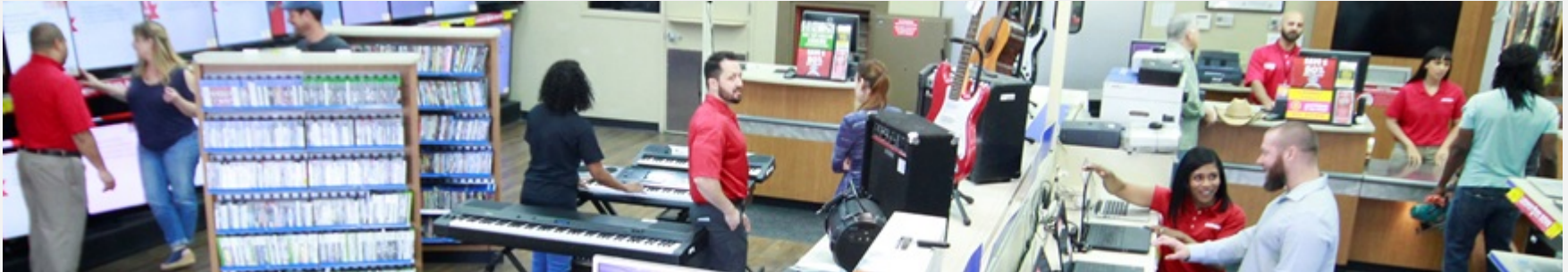


- Adds back \$20.9M reversal of incentive compensation in FY20 for total expenses in Q4 FY20
- Adds back \$3.9M reversal of incentive compensation in FY20 for store expenses in Q4 FY20
- Adds back \$17.0M reversal of incentive compensation in FY20 for G&A expenses in Q4 FY20



# STRENGTHEN THE CORE

## Focus on People and Systems to Drive Increased Earnings



### People, Pawn, Passion

- Enhanced staffing strategies used to attract and retain talent to positively impact store vacancy rates
- Global implementation of operational talent review and performance calibration sessions, ensuring we engage Team Members at all levels to understand their professional and personal goals, identify high potential future leaders to strengthen our internal bench and consistently reward performance
- Continued focus on furthering inclusion initiatives and cultural transformation through Team Member training, Leadership communications and heightened expectations for Team Member alignment to EZCORP's Guiding Principles: Leadership, Customer Service, Accountability, Respect, Diversity, and Sustainability

### Technology, Process Efficiency

- Launched the fully POS-integrated EZ+ Rewards program
- Improved online customer experience for Lana, with over 360,000 customer interactions in Q1 and \$5M revenue collected
- Continued to focus on driving greater efficiencies in stores by:
  - Automated ID scanners in use at 437 U.S. stores, improving efficiency and accuracy of gathering customer information
  - Service Desk Self-Service Portal piloted in U.S. and LatAm, offering online Chat and Self-Help for more efficient problem resolution
- Improved resiliency and quality of store infrastructure
  - On track with migration of all Cash Apoyo Efectivo stores to corporate standard POS and store infrastructure by end of Q2
  - Deployed enhanced WiFi to all LatAm stores and U.S. stores to better support digital initiatives

# INNOVATE AND GROW

## Broaden Customer Engagement to Serve More Customers, More Frequently

### LANA → EZ+

- Online extensions grew to 13% of total extension payments with more than 356,000 payments made online in the quarter
- Over 9,000 layaway payments made online, with participation growing each month
- Converting to EZ+ brand in late Q2 for a streamlined digital customer experience

### IMPROVING THE CUSTOMER EXPERIENCE

- EZ+ Rewards program launched in U.S. and Mexico during Q1, with 521,000 customers enrolled in the quarter
- More than 12,000 Google reviews in the quarter averaging 4.9 stars in the U.S.
- Digitization of payment transactions and some in-store processes will drive productivity gains in stores over time
- Learning from early traffic counter data and setting benchmarks for store-level conversion objectives

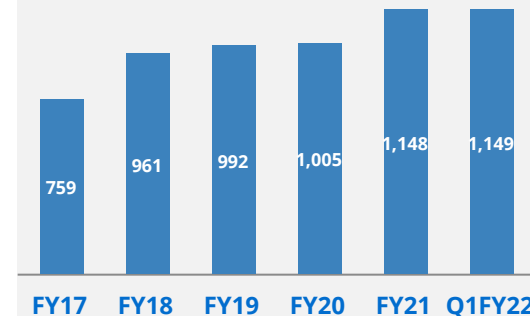
### GROW CUSTOMER BASE

- Online inventory showcase test continues, we have listed over 33,000 items online and over 140 stores participating
- Mexico eCommerce test began in November 2021 in thirteen stores
- Driving social media engagement in each neighborhood we serve with individual store Facebook page being rolled out

### GROWTH

- Opened one de novo store in LatAm
- Increased our stake in CCV to 38% from 36% (cost of \$2.5M of which \$1.7M was funded through the recent CCV dividend)
- Invested \$15.0M in a company that owns more than 20 pawn stores primarily in the Caribbean with a strategy to increase store count through de novos and acquisitions
- Invested \$3.0M in The Cobblers, a leading artisan repair platform

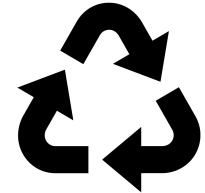
### STORE COUNT



# Q1 FY22 ESG HIGHLIGHTS

## Our Business is Part of the Circular Economy

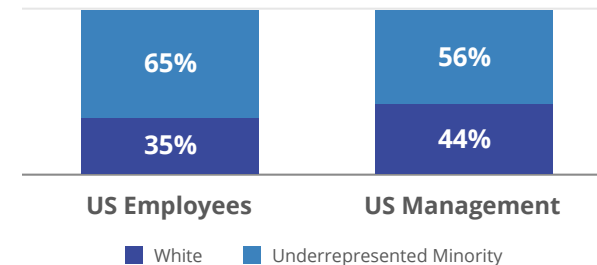
- Procured over 1.7 million pre-owned items through pawn forfeitures and direct purchasing from customers
- Sold more than 1.4 million pre-owned items:
  - Over 0.8 million items in the consumer electronics, camera and household goods categories
  - 0.4 million other general merchandise items (such as tools and musical instruments)
  - Over 0.2 million jewelry items



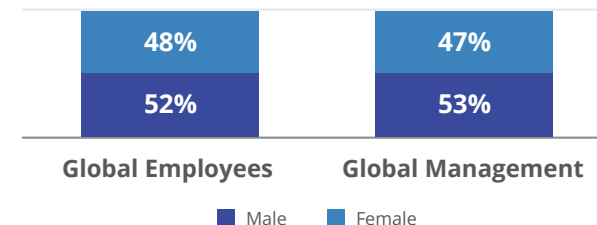
## We Promote Health and Safety, Diversity and Inclusion

- Reinforced the health and safety of our Team Members and customers through ongoing vaccine awareness communications and paid time off for Team Member vaccinations
- Continue to execute on a two-year Diversity and Inclusion Strategic Plan with goals of Commitment and Accountability, Workplace Inclusion, a Diverse Workforce and Sustainability

### Q1FY22 US RACE & ETHNICITY



### Q1FY22 GLOBAL GENDER DEMOGRAPHICS





# Adoption of New Convertible Accounting Rules

(\$ millions, except per share amounts)

Q1	
FY22	FY21

## Basic earnings per common share:

Net income - Basic (Adjusted)	16.0	7.2
Weighted shares outstanding - Basic	56.2	55.4
<b>Basic earnings per common share</b>	<b>0.28</b>	<b>0.13</b>

## Diluted earnings per common share:

Net income - Basic (Adjusted)	16.0	7.2
Add: Convertible Notes interest expense, net of tax	1.9	—
<b>Net income - Diluted (Adjusted)</b>	<b>17.9</b>	<b>7.2</b>
Weighted shares outstanding - Basic	56.2	55.4
Effect of dilution from if-converted Convertible Notes	25.2	—
Effect of dilution from equity-based compensation awards	0.5	0.1
<b>Weighted shares outstanding - Diluted</b>	<b>81.9</b>	<b>55.4</b>
<b>Diluted earnings per common share</b>	<b>0.22</b>	<b>0.13</b>

- Adoption of new accounting standards for convertible notes in ASU 2020-06
- Under the new standard the dilutive effect of the Convertible Notes<sup>1</sup> on EPS is accounted for by the if-converted method
  - This method requires that the numerator be adjusted by the interest expense on an after-tax basis
  - This method also assumes the notes are converted at the beginning of the period and the resulting common shares should be included in the denominator
- Application of the if-converted method is only applicable if impact is dilutive
- The if-converted calculations are not affected by the company's current stock price in relation to the conversion price
- Impact to diluted EPS is only accounted for on a prospective basis (not retroactive)

1. As noted in the 2021 10-K, we have \$316.3 million of convertible notes:

- 2024 Convertible Notes of \$143.75 million at 2.875% pa with an initial conversion price of \$10.00 per share
- 2025 Convertible Notes of \$172.50 million at 2.375% pa with an initial conversion price of \$15.90 per share

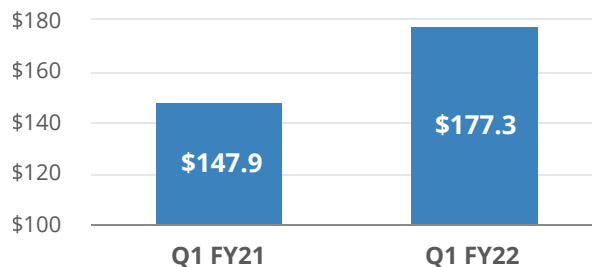
# FINANCIAL RESULTS - CONSOLIDATED

(\$ millions)

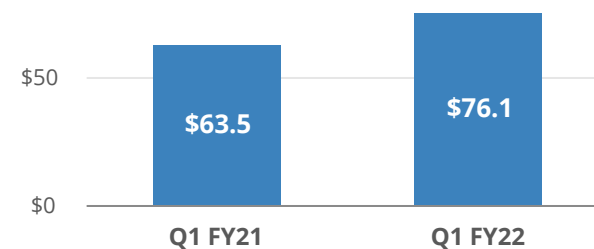
## Q1 HIGHLIGHTS

- PLO balance of \$177.3M, up 20% Y/Y. On a same store basis, PLO increased 16% Y/Y and 1% sequentially. Now within 14% of end of FY19 same store PLO balances as compared to 16% last quarter
- PSC up 20% Y/Y driven by increase in store count and higher average PLO for the quarter
- Merchandise sales up 28%, and same store sales up 22% Y/Y
- Merchandise sales gross profit up 27% Y/Y due to increased sales. Margins were flat at 40%.
  - Inventory turnover improved to 3.0x from 2.9x Y/Y
  - Aged GM inventory improved to \$0.2M (0.4% of GM inventory) from \$2.1M (5% of GM inventory)
- Store expenses up 10% Y/Y due to the addition of 142 stores and increased transaction volume. Same store expenses up 4% Y/Y
- EBITDA improved \$14M or 81% Y/Y primarily due to higher PSC and increased merchandise sales gross profit offset by increased expenses

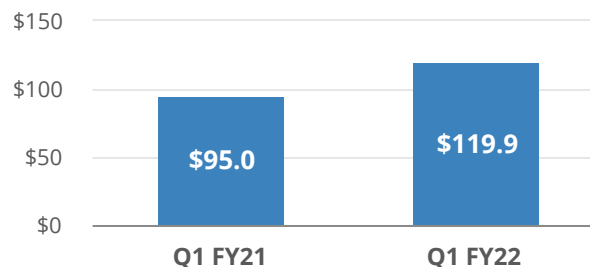
## PAWN LOANS OUTSTANDING



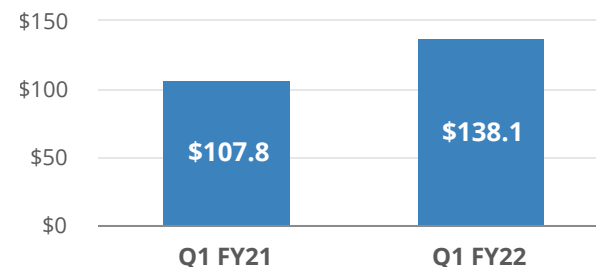
## PAWN SERVICE CHARGES



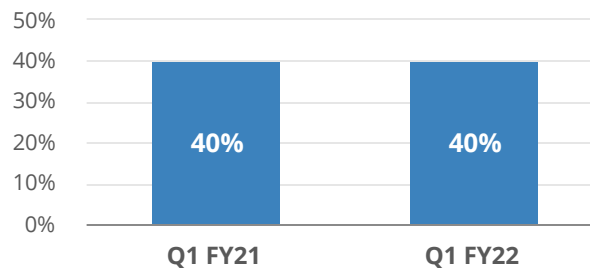
## INVENTORY



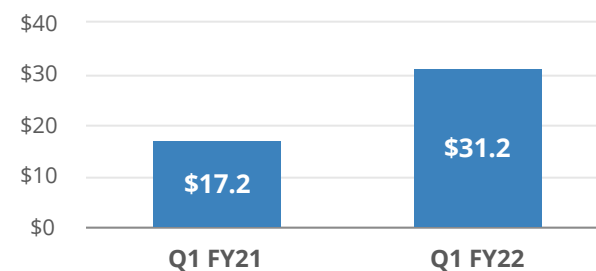
## MERCHANDISE SALES



## MERCHANDISE MARGINS



## EBITDA



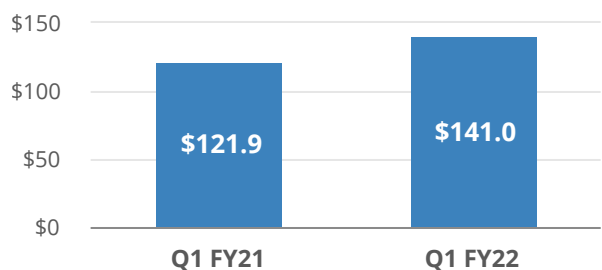
# FINANCIAL RESULTS – U.S. PAWN

(\$ millions)

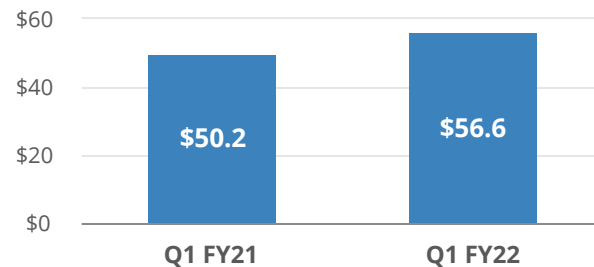
## Q1 HIGHLIGHTS

- PLO balance of \$141.0M, up 16% Y/Y. On a same store basis, PLO increased 15% Y/Y and 4% sequentially
- PSC up 13% Y/Y driven by higher average PLO for the quarter
- Merchandise sales up 24% and same store sales up 23% Y/Y
- Merchandise sales gross profit up 29% Y/Y due to increased sales and related margins up 177 bps driven by effective inventory management
  - Inventory turnover improved to 2.8x from 2.6x Y/Y
  - Aged GM inventory improved to \$0.1M (0.4% of GM inventory) from \$1.0M (3% of GM inventory)
- Store expenses up 4% Y/Y due to increased transaction volume
- EBITDA improved \$13.6M or 58% Y/Y primarily due to higher PSC and increased merchandise sales gross profit offset by increased expenses

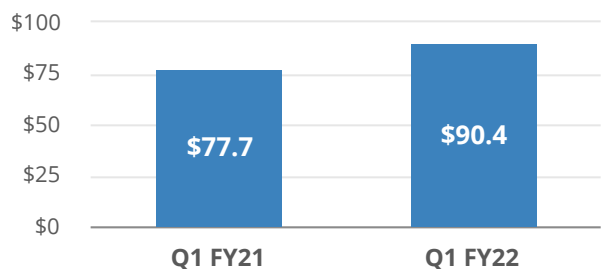
## PAWN LOANS OUTSTANDING



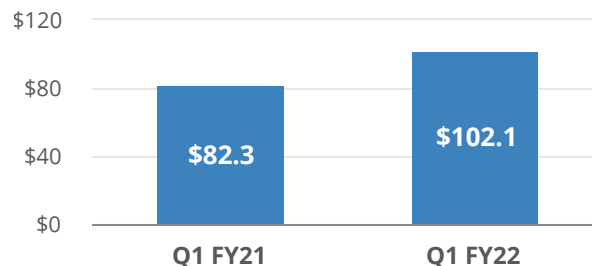
## PAWN SERVICE CHARGES



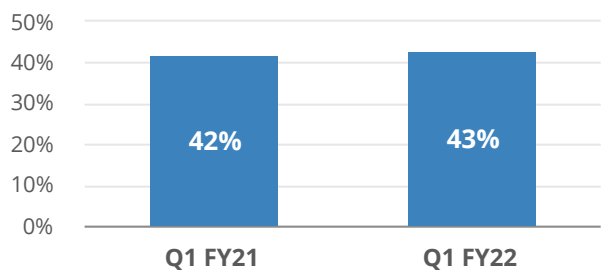
## INVENTORY



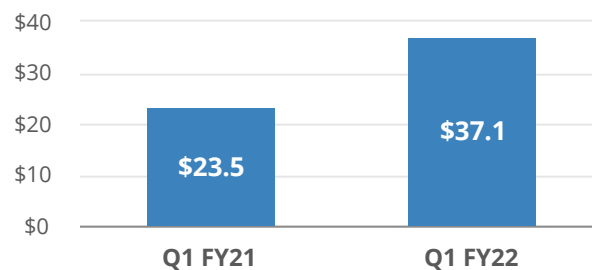
## MERCHANDISE SALES



## MERCHANDISE MARGINS



## US PAWN EBITDA





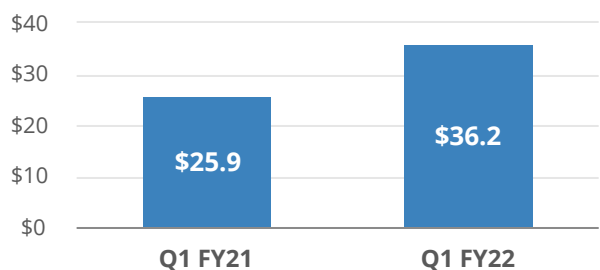
# FINANCIAL RESULTS – LATIN AMERICA PAWN

(\$ millions)

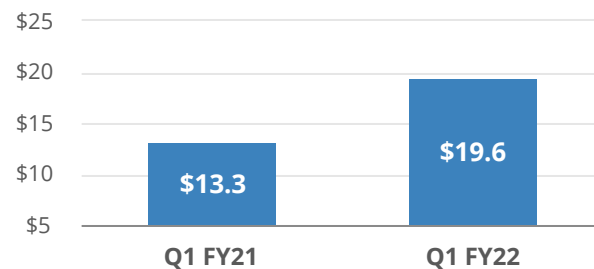
## Q1 HIGHLIGHTS

- PLO balance of \$36.2M, up 40% Y/Y. On a same store basis, PLO increased 20% Y/Y and 8% decrease sequentially consistent with seasonality
- PSC up 47% Y/Y driven by increase in store count of 26% and higher average PLO for the quarter
- Merchandise sales up 41% and same store sales up 16%
- Merchandise sales gross profit up 17% Y/Y due to increased sales, offset by lower margins down 637 bps
  - Inventory turnover decreased to a strong 3.7x from 3.8x Y/Y
  - Aged GM inventory improved to \$0.1M (0.5% of GM inventory) from \$1.2M (10% of GM inventory)
- Store expenses up 29% Y/Y, due to the addition of 131 stores and increased transaction volume. Same store expenses up 6% Y/Y
- EBITDA improved \$2.5M or 42% primarily due to higher PSC and increased merchandise sales gross profit offset by increased expenses

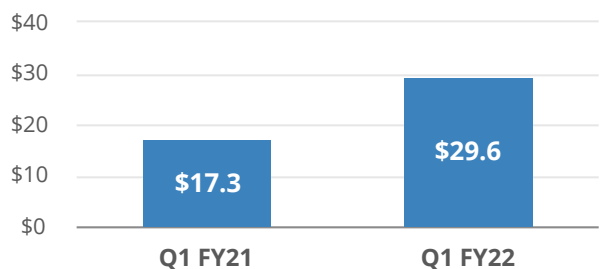
## PAWN LOANS OUTSTANDING



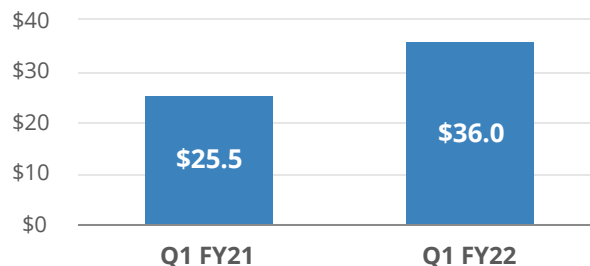
## PAWN SERVICE CHARGES



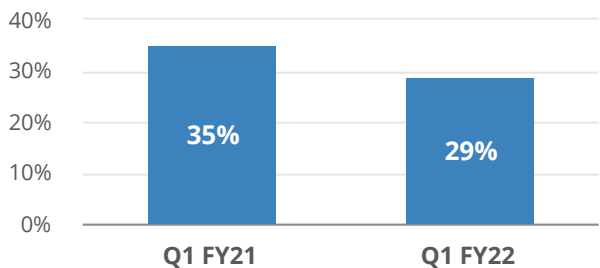
## INVENTORY



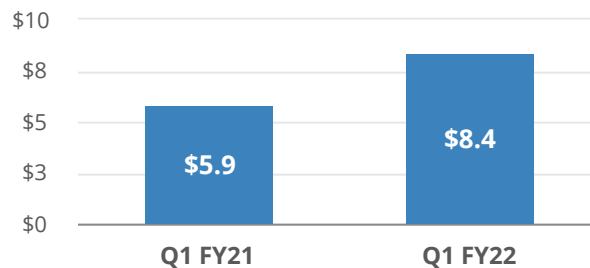
## MERCHANDISE SALES



## MERCHANDISE MARGINS



## LATAM PAWN EBITDA



***EZCORP***

**APPENDIX**



# HIGHER PLO & REVENUE DRIVE INCREASED EARNINGS

(\$ millions, except per share amounts)

## Q1 GAAP Results

	Q1		%Δ
	FY22	FY21	B/(W)
<b>Pawn Loans Outstanding</b>	<b>\$ 176.6</b>	<b>\$ 147.9</b>	<b>19%</b>
Total Revenue	\$ 221.0	\$ 178.1	24%
<b>Net Revenue</b>	<b>\$ 132.1</b>	<b>\$ 108.4</b>	<b>22%</b>
Equity in Net (Income) Loss of Investments	\$ (1.1)	\$ (0.5)	121%
Store Expenses	\$ 86.8	\$ 79.2	(10)%
General and Administrative Expenses	\$ 15.6	\$ 12.6	(24)%
Other (Income)/Expense	\$ (0.2)	\$ (0.6)	(71)%
<b>EBITDA</b>	<b>\$ 31.0</b>	<b>\$ 17.7</b>	<b>75%</b>
Depreciation/Amortization	\$ 7.6	\$ 7.6	—%
Interest Expense, Net	\$ 2.1	\$ 4.6	54%
<b>Profit (Loss) Before Tax</b>	<b>\$ 21.3</b>	<b>\$ 5.5</b>	<b>286%</b>
Income Tax Expense (Benefit)	\$ 5.6	\$ 1.2	(368)%
<b>Net Income (Loss)</b>	<b>\$ 15.7</b>	<b>\$ 4.3</b>	<b>266%</b>
<b>Diluted EPS</b>	<b>\$ 0.21</b>	<b>\$ 0.08</b>	<b>175%</b>

Net revenue improvement primarily driven by higher PSC as a result of higher average PLO, and higher sales gross profit leading to a 22% improvement

Expenses increased with higher activity, but expenses as a percent of net revenue decreased for the LTM as of December FY21 from 92% to 84% LTM December FY22

Change in accounting standards, removes the non-cash interest expense related to the equity bifurcation of the convertible debt. Change is effective for FY22 and has no impact on FY21

Diluted EPS impacted in FY22 by change in accounting standards noted above. New accounting standard requires "if-converted" method which adds back to net income interest expense (net of tax) related to the convertible debt and adds 25 million to the outstanding shares assuming the convertible debt is converted

# HIGHER PLO & REVENUE DRIVE INCREASED EARNINGS

(\$ millions, except per share amounts)

## Q1 Adjusted Results

	Q1		%Δ
	FY22	FY21	B/(W)
<b>Pawn Loans Outstanding</b>	<b>\$ 177.3</b>	<b>\$ 147.9</b>	<b>20%</b>
Total Revenue	\$ 221.5	\$ 178.1	24%
<b>Net Revenue</b>	<b>\$ 132.3</b>	<b>\$ 108.4</b>	<b>22%</b>
Equity in Net (Income) of Investments	\$ (1.1)	\$ (0.5)	(120)%
Store Expenses	\$ 86.9	\$ 79.2	(10)%
General and Administrative Expenses	\$ 15.6	\$ 12.9	(20)%
Other (Income)/Expenses	\$ (0.2)	\$ (0.4)	NM
<b>EBITDA</b>	<b>\$ 31.2</b>	<b>\$ 17.2</b>	<b>81%</b>
Depreciation/Amortization	\$ 7.6	\$ 7.6	—%
Interest Expense, Net	\$ 2.1	\$ 1.3	(62)%
<b>Profit Before Tax</b>	<b>\$ 21.5</b>	<b>\$ 8.3</b>	<b>159%</b>
Income Tax Expense (Benefit)	\$ 5.4	\$ 1.1	(391)%
<b>Net Income</b>	<b>\$ 16.0</b>	<b>\$ 7.2</b>	<b>122%</b>
<b>Adjusted Diluted EPS</b>	<b>\$ 0.22</b>	<b>\$ 0.13</b>	<b>69%</b>

Net revenue improvement primarily driven by higher PSC as a result of higher average PLO, and higher sales gross profit leading to a 22% improvement

Expenses increased with higher transaction volume, but expenses as a percent of net revenue decreased for the LTM as of December FY21 from 92% to 84% LTM December FY22

Diluted EPS impacted in FY22 by change in accounting standards. New accounting standard requires "if-converted" method which adds back to net income interest expense (net of tax) related to the convertible debt and adds 25 million to the outstanding shares assuming the convertible debt is converted

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## Our Business is Unique, Essential and Sustainable

We are committed to meeting our customers' needs in a responsible manner and contributing to a sustainable future by limiting our environmental impact, serving underserved customers and communities and maintaining sound governance practices



### ENVIRONMENTAL SUSTAINABILITY

- We run a neighborhood-oriented business, reducing the need for customer travel and delivery services
- Each store serves as its own "supply chain." We do not rely on mass supply, distribution or warehousing facilities
- The merchandise we sell is pre-owned, which contributes to second-hand goods recycling and the circular economy. This extends the useful life of millions of products, reducing waste and lessening demand for new manufacturing and mining
- Our store operations leave a small carbon footprint when compared to big-box or other mass retailers. We promote environmental stewardship by reducing consumption, recycling paper products and responsibly disposing of computers, electronics and related accessories



### SOCIAL RESPONSIBILITY

- Our business serves as an essential and responsible financial resource for customers who are predominantly underserved by traditional sources
- We improve the reach and access to financial services through neighborhood-based stores, supported by digital offerings. Our transactions are simple, transparent, regulated and safe
- We foster an environment that values diversity, inclusion and development for all. We have a Diversity and Inclusion Strategic Plan with emphasis on Commitment and Accountability, Workplace Inclusion, a Diverse Workforce and Sustainability



### GOVERNANCE

- "The Way We Do Business is as Important as the Business We Do." That is the theme of our Code of Conduct, forming the foundation for how we govern our business
- Independent directors hold four of six seats on our Board of Directors
- All of our standing committees (Audit, People and Compensation, Nominating) are comprised of solely independent directors
- We satisfy Nasdaq's recently enacted board diversity rules, with two of our six Board members being diverse
- We maintain a strong compliance culture that is monitored and overseen by our Board
- Protecting the privacy, integrity and security of our customers' data and our enterprise network is a top priority that is also monitored and overseen by our Board



# DEFINITION OF TERMS

<b>CCV</b>	Cash Converters International Limited, a publicly-traded company based in Australia, in which EZCORP holds a minority interest
<b>ESG</b>	Environmental, Social and Governance
<b>GM</b>	General merchandise (non-jewelry)
<b>LatAm</b>	Latin America, including Mexico, Central America and South America
<b>LTM</b>	Last Twelve Months
<b>Net Debt</b>	Par value of debt less cash and cash equivalents
<b>PLO</b>	Pawn loans outstanding
<b>POS2</b>	Second generation point-of-sale system
<b>PSC</b>	Pawn service charges
<b>Same Store</b>	Stores open the entirety of the comparable periods

$$\text{Monthly PLO Yield} = \frac{\left( \frac{\text{pawn service charges}}{\text{days in period}} \right) \times 365}{\text{average PLO}} / 12$$

$$\text{Inventory Yield} = \frac{\left( \frac{\text{sales gross profit}}{\text{days in period}} \right) \times 365}{\text{average net inventory}}$$

$$\text{Return on Earning Assets} = \frac{\left( \frac{\text{sales gross profit} + \text{PSC}}{\text{days in period}} \right) \times 365}{\text{average net inventory} + \text{average PLO}}$$

$$\text{Inventory Turnover} = \frac{\left( \frac{\text{total cost of sales}}{\text{days in period}} \right) \times 365}{\text{average net inventory}}$$

$$\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{net revenue}}$$

# GAAP TO NON-GAAP RECONCILIATION

In addition to the financial information prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP"), we provide certain other financial information that is adjusted to exclude the impact of restructuring and restatement charges and other discrete items and to reflect the results of our Latin America Pawn operations on a constant currency basis. We believe that presentation of the non-GAAP financial information is meaningful and useful in evaluating and comparing our operating results across accounting periods and understanding the operating and financial performance of our business. We believe that the non-GAAP financial information reflects an additional way of viewing aspects of our business that, *when viewed with our GAAP results*, provides a more complete understanding of factors and trends affecting our business. We provide non-GAAP financial information for informational purposes and to enhance understanding of our GAAP consolidated financial statements.

You should consider the non-GAAP information in addition to, but not instead of or superior to, our results prepared in accordance with GAAP. Non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of that information for comparative purposes.



# GAAP TO NON-GAAP RECONCILIATION Q1 – CONSOLIDATED\*

(\$ millions, except per share amounts)

	Base FY22	Item Adjustments FY22	Adjusted Base FY22	Constant Currency Impact FY22	Adjusted Constant Currency FY22	Base FY21	Item Adjustments FY21	Adjusted Base FY21
<b>Revenues</b>	<b>221.0</b>	—	<b>221.0</b>	<b>0.5</b>	<b>221.5</b>	<b>178.1</b>	—	<b>178.1</b>
PSC Revenue	76.0	—	76.0	0.1	76.1	63.5	—	63.5
Merchandise Gross Profit	54.6	—	54.6	0.1	54.7	43.2	—	43.2
<i>Merchandise Margin</i>	40 %		40 %		40 %	40 %	—	40 %
Scrap Gross Profit	1.2	—	1.2	—	1.2	1.6	—	1.6
<i>Scrap Gross Margin</i>	17 %		17 %		17 %	23 %	—	23 %
<b>Net Revenue</b>	<b>132.1</b>	—	<b>132.1</b>	<b>0.2</b>	<b>132.3</b>	<b>108.4</b>	—	<b>108.4</b>
Store Expenses	86.8	—	86.8	0.2	86.9	79.2	—	79.2
General and Administrative Expenses	15.6	—	15.6	—	15.6	12.6	0.4 (C)	12.9
Other (Income)/Expense	(1.3)	(0.1) (A)	(1.4)	—	(1.4)	(1.1)	0.2 (D)	(0.9)
<b>EBITDA</b>	<b>31.0</b>	<b>0.1</b>	<b>31.1</b>	<b>0.1</b>	<b>31.2</b>	<b>17.7</b>	<b>(0.5)</b>	<b>17.2</b>
Depreciation and Amortization	7.6	—	7.6	—	7.6	7.6	—	7.6
<b>EBIT</b>	<b>23.5</b>	<b>0.1</b>	<b>23.5</b>	—	<b>23.6</b>	<b>10.1</b>	<b>(0.5)</b>	<b>9.6</b>
Interest	2.1	—	2.1	—	2.1	4.6	(3.3) (E)	1.3
<b>Profit (Loss) Before Tax</b>	<b>21.3</b>	<b>0.1</b>	<b>21.4</b>	—	<b>21.5</b>	<b>5.5</b>	<b>2.8</b>	<b>8.3</b>
Income Tax Expense (Benefit)	5.6	(0.2) (B)	5.5	—	5.4	1.2	(0.1) (F)	1.1
<b>Net Income (Loss)</b>	<b>15.7</b>	<b>0.2</b>	<b>16.0</b>	<b>0.1</b>	<b>16.0</b>	<b>4.3</b>	<b>2.9</b>	<b>7.2</b>
<b>Diluted EPS</b>	<b>0.21</b>	—	<b>0.21</b>	—	<b>0.22</b>	<b>0.08</b>	<b>0.05</b>	<b>0.13</b>
Diluted Shares Outstanding	81.9	81.9	81.9	81.9	81.9	55.4	55.4	55.4
Pawn Loans Outstanding	176.6	—	176.6	0.7	177.3	147.9	—	147.9
Inventory, Net	119.3	—	119.3	0.6	119.9	95.0	—	95.0
<b>Net Earning Assets</b>	<b>295.9</b>	—	<b>295.9</b>	<b>1.3</b>	<b>297.2</b>	<b>242.8</b>	—	<b>242.8</b>

Footnote \* - Includes immaterial presentation reclassifications. Numbers may not foot or cross foot due to rounding.

Footnote (A) Amount includes \$0.1 million FX loss

Footnote (B) Amount includes FY22 tax impact of items listed above

Footnote (C) Amounts includes \$0.4 million credit for contract write-off over-accrual from prior year

Footnote (D) Amount includes \$0.2 million FX gain

Footnote (E) Amount includes \$3.3 million non-cash interest

Footnote (F) Amount includes FY21 tax impact of items listed above

# GAAP TO NON-GAAP RECONCILIATION Q1 – U.S. PAWN

(\$ millions)

	Base FY22	Item Adjustments FY22	Adjusted Base FY22	Constant Currency Impact FY22	Adjusted Constant Currency FY22	Base FY21	Item Adjustments FY21	Adjusted Base FY21
<b>Revenues</b>	<b>163.6</b>	—	<b>163.6</b>	—	<b>163.6</b>	<b>136.5</b>	—	<b>136.5</b>
PSC Revenue	56.6	—	56.6	—	56.6	50.2	—	50.2
Merchandise Gross Profit	44.2	—	44.2	—	44.2	34.2	—	34.2
<i>Merchandise Margin</i>	43 %		43 %		43 %	42 %		42 %
Scrap Gross Profit	1.0	—	1.0	—	1.0	1.2	—	1.2
<i>Scrap Gross Margin</i>	20 %		20 %		20 %	29 %		29 %
<b>Net Revenue</b>	<b>101.8</b>	—	<b>101.8</b>	—	<b>101.8</b>	<b>85.6</b>	—	<b>85.6</b>
Store Expenses	64.7	—	64.7	—	64.7	62.1	—	62.1
<b>EBITDA</b>	<b>37.1</b>	—	<b>37.1</b>	—	<b>37.1</b>	<b>23.5</b>	—	<b>23.5</b>
Depreciation and Amortization	2.7	—	2.7	—	2.7	2.7	—	2.7
<b>EBIT</b>	<b>34.5</b>	—	<b>34.5</b>	—	<b>34.5</b>	<b>20.7</b>	—	<b>20.7</b>
Interest	—	—	—	—	—	—	—	—
<b>Profit Before Tax</b>	<b>34.5</b>	—	<b>34.5</b>	—	<b>34.5</b>	<b>20.7</b>	—	<b>20.7</b>
Pawn Loans Outstanding	141.0	—	141.0	—	141.0	121.9	—	121.9
Inventory, Net	90.4	—	90.4	—	90.4	77.7	—	77.7
<b>Net Earning Assets</b>	<b>231.4</b>	—	<b>231.4</b>	—	<b>231.4</b>	<b>199.6</b>	—	<b>199.6</b>

# GAAP TO NON-GAAP RECONCILIATION Q1 – LATIN AMERICA PAWN\*

(\$ millions)

	Base FY22	Item Adjustments FY22	Adjusted Base FY22	Constant Currency Impact FY22	Adjusted Constant Currency FY22	Base FY21	Item Adjustments FY21	Adjusted Base FY21
<b>Revenues</b>	<b>57.3</b>	—	57.3	0.5	57.8	41.6	—	41.6
PSC Revenue	19.5	—	19.5	0.1	19.6	13.3	—	13.3
Merchandise Gross Profit	10.4	—	10.4	0.1	10.5	9.0	—	9.0
<i>Merchandise Margin</i>	29 %		29 %		29 %	35 %		35 %
Scrap Gross Profit	0.2	—	0.2	—	0.2	0.4	—	0.4
<i>Scrap Gross Margin</i>	8 %		8 %		8 %	14 %		14 %
<b>Net Revenue</b>	<b>30.2</b>	—	<b>30.2</b>	<b>0.2</b>	<b>30.4</b>	<b>22.7</b>	—	<b>22.7</b>
Store Expenses	22.1	—	22.1	0.2	22.2	17.2	—	17.2
Other (Income)/Expense	(0.1)	(0.1)	(A) (0.2)	—	(0.2)	(0.6)	0.1	(B) (0.4)
<b>EBITDA</b>	<b>8.3</b>	<b>0.1</b>	<b>8.4</b>	—	<b>8.4</b>	<b>6.1</b>	<b>(0.1)</b>	<b>5.9</b>
Depreciation and Amortization	2.0	—	2.0	—	2.0	1.9	—	1.9
<b>EBIT</b>	<b>6.3</b>	<b>0.1</b>	<b>6.4</b>	—	<b>6.4</b>	<b>4.2</b>	<b>(0.1)</b>	<b>4.1</b>
Interest	(0.2)	—	(0.2)	—	(0.2)	(0.8)	—	(0.8)
<b>Profit (Loss) Before Tax</b>	<b>6.5</b>	<b>0.1</b>	<b>6.6</b>	—	<b>6.6</b>	<b>5.0</b>	<b>(0.1)</b>	<b>4.8</b>
Pawn Loans Outstanding	35.5	—	35.5	0.7	36.2	25.9	—	25.9
Inventory, Net	29.0	—	29.0	0.6	29.6	17.3	—	17.3
<b>Net Earning Assets</b>	<b>64.5</b>	—	<b>64.5</b>	<b>1.3</b>	<b>65.8</b>	<b>43.3</b>	—	<b>43.3</b>

Footnote \* - Includes immaterial presentation reclassifications. Numbers may not foot or cross foot due to rounding.

Footnote (A) Amount includes \$0.1 million FX loss

Footnote (B) Amount includes \$0.1 million FX gain



# CONSOLIDATED GROWTH FY19-FY22 RECONCILIATION\*

(\$ millions)

	FY19 Q1	FY19 Q2	FY19 Q3	FY19 Q4	FY19 FY	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY20 FY
<b>Continuing Ops PBT</b>	(4.7)	5.0	3.1	0.3	3.7	3.0	(34.2)	(10.2)	(28.7)	(70.1)
Add Back Net Interest	5.5	5.5	6.7	4.0	21.6	4.5	4.9	4.8	5.1	19.3
Add Back Depreciation and Amortization	6.8	7.0	7.3	7.7	28.8	7.7	7.8	7.7	7.7	30.8
<b>Continuing Ops EBITDA</b>	<b>7.6</b>	<b>17.5</b>	<b>17.1</b>	<b>12.0</b>	<b>54.1</b>	<b>15.2</b>	<b>(21.5)</b>	<b>2.2</b>	<b>(16.0)</b>	<b>(20.0)</b>
Discrete Adjustments	20.7	5.3	4.7	7.3	38.1	7.7	47.4	2.9	28.2	86.2
<b>Adjusted EBITDA</b>	<b>28.3</b>	<b>22.8</b>	<b>21.7</b>	<b>19.3</b>	<b>92.1</b>	<b>22.9</b>	<b>26.0</b>	<b>5.0</b>	<b>12.3</b>	<b>66.2</b>
Constant Currency	—	—	—	—	—	—	—	0.2	—	0.1
<b>Currency Adjusted Continuing Ops EBITDA</b>	<b>28.3</b>	<b>22.8</b>	<b>21.7</b>	<b>19.3</b>	<b>92.1</b>	<b>22.9</b>	<b>26.0</b>	<b>5.1</b>	<b>12.3</b>	<b>66.3</b>
<b>Continuing Ops Net Revenue</b>	<b>130.0</b>	<b>127.7</b>	<b>115.9</b>	<b>120.9</b>	<b>494.4</b>	<b>130.1</b>	<b>127.4</b>	<b>102.2</b>	<b>89.1</b>	<b>448.7</b>
Discrete Adjustments	—	(1.1)	4.6	0.3	3.7	—	—	2.2	—	2.2
<b>Adjusted Net Revenue</b>	<b>130.0</b>	<b>126.6</b>	<b>120.4</b>	<b>121.1</b>	<b>498.2</b>	<b>130.1</b>	<b>127.4</b>	<b>104.4</b>	<b>89.1</b>	<b>451.0</b>
Constant Currency	—	—	—	—	—	—	—	—	—	—
<b>Currency Adjusted Continuing Ops Net Revenue</b>	<b>130.0</b>	<b>126.6</b>	<b>120.4</b>	<b>121.1</b>	<b>498.2</b>	<b>130.1</b>	<b>127.4</b>	<b>104.4</b>	<b>89.1</b>	<b>451.0</b>
<b>EBITDA Margin</b>	<b>22 %</b>	<b>18 %</b>	<b>18 %</b>	<b>16 %</b>	<b>18 %</b>	<b>18 %</b>	<b>20 %</b>	<b>5 %</b>	<b>14 %</b>	<b>15 %</b>

	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY21 FY	FY22 Q1
<b>Continuing Ops PBT</b>	5.5	6.8	(0.8)	4.5	16.1	21.4
Add Back Net Interest	4.6	4.9	5.1	5.1	19.7	2.1
Add Back Depreciation and Amortization	7.6	8.1	7.4	7.6	30.7	7.6
<b>Continuing Ops EBITDA</b>	<b>17.7</b>	<b>19.8</b>	<b>11.7</b>	<b>17.2</b>	<b>66.5</b>	<b>31.1</b>
Discrete Adjustments	(0.5)	0.2	0.9	1.4	1.9	0.1
<b>Adjusted EBITDA</b>	<b>17.2</b>	<b>19.9</b>	<b>12.6</b>	<b>18.6</b>	<b>68.4</b>	<b>31.2</b>
Constant Currency	—	—	—	—	—	—
<b>Currency Adjusted Continuing Ops EBITDA</b>	<b>17.2</b>	<b>19.9</b>	<b>12.6</b>	<b>18.6</b>	<b>68.4</b>	<b>31.2</b>
<b>Continuing Ops Net Revenue</b>	<b>108.4</b>	<b>113.7</b>	<b>108.1</b>	<b>119.1</b>	<b>449.4</b>	<b>132.1</b>
Discrete Adjustments	—	—	—	—	—	—
<b>Adjusted Net Revenue</b>	<b>108.4</b>	<b>113.7</b>	<b>108.1</b>	<b>119.1</b>	<b>449.4</b>	<b>132.1</b>
Constant Currency	—	—	—	—	—	0.2
<b>Currency Adjusted Continuing Ops Net Revenue</b>	<b>108.4</b>	<b>113.7</b>	<b>108.1</b>	<b>119.1</b>	<b>449.4</b>	<b>132.3</b>
<b>EBITDA Margin</b>	<b>16 %</b>	<b>18 %</b>	<b>12 %</b>	<b>16 %</b>	<b>15 %</b>	<b>24 %</b>



Footnote \* - Includes immaterial presentation reclassifications. Numbers may not foot or cross foot due to rounding. See final page of reconciliations for constant currency assumption

# PAWN BUSINESSES FY19-FY22 RECONCILIATION\*

(\$ millions)

	FY19	FY19	FY19	FY19	FY19	FY20	FY20	FY20	FY20	FY20	FY21	FY21	FY21	FY21	FY21	FY22
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>U.S. Pawn PBT</b>	<b>27.4</b>	<b>28.4</b>	<b>23.6</b>	<b>22.2</b>	<b>101.7</b>	<b>28.6</b>	<b>20.4</b>	<b>16.5</b>	<b>7.7</b>	<b>73.1</b>	<b>20.7</b>	<b>25.7</b>	<b>18.2</b>	<b>20.9</b>	<b>85.5</b>	<b>34.5</b>
Add Back D&A	3.0	3.0	2.9	2.9	11.9	2.9	2.7	2.7	2.7	11.0	2.7	2.6	2.6	2.7	10.6	2.7
<b>U.S. Pawn EBITDA</b>	<b>30.5</b>	<b>31.4</b>	<b>26.6</b>	<b>25.1</b>	<b>113.6</b>	<b>31.4</b>	<b>23.1</b>	<b>19.2</b>	<b>10.4</b>	<b>84.1</b>	<b>23.5</b>	<b>28.4</b>	<b>20.8</b>	<b>23.6</b>	<b>96.2</b>	<b>37.1</b>
Discrete Adjustments	2.9	—	—	0.8	3.7	—	10.0	2.9	3.0	15.9	—	—	—	—	—	—
<b>Adjusted U.S. Pawn EBITDA</b>	<b>33.3</b>	<b>31.4</b>	<b>26.6</b>	<b>26.0</b>	<b>117.2</b>	<b>31.4</b>	<b>33.1</b>	<b>22.1</b>	<b>13.4</b>	<b>100.0</b>	<b>23.5</b>	<b>28.4</b>	<b>20.8</b>	<b>23.6</b>	<b>96.2</b>	<b>37.1</b>
<b>U.S. Pawn Net Revenue</b>	<b>101.3</b>	<b>98.9</b>	<b>92.0</b>	<b>93.8</b>	<b>386.0</b>	<b>99.5</b>	<b>100.7</b>	<b>85.8</b>	<b>73.2</b>	<b>359.2</b>	<b>85.6</b>	<b>92.1</b>	<b>83.3</b>	<b>88.6</b>	<b>349.5</b>	<b>101.8</b>
Discrete Adjustments	—	—	—	0.3	0.3	—	—	2.2	—	2.2	—	—	—	—	—	—
<b>Adjusted U.S. Pawn Net Revenue</b>	<b>101.3</b>	<b>98.9</b>	<b>92.0</b>	<b>94.1</b>	<b>386.3</b>	<b>99.5</b>	<b>100.7</b>	<b>88.0</b>	<b>73.2</b>	<b>361.4</b>	<b>85.6</b>	<b>92.1</b>	<b>83.3</b>	<b>88.6</b>	<b>349.5</b>	<b>101.8</b>

	FY19	FY19	FY19	FY19	FY19	FY20	FY20	FY20	FY20	FY20	FY21	FY21	FY21	FY21	FY21	FY22
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
<b>Latin America Pawn PBT</b>	<b>6.8</b>	<b>9.5</b>	<b>2.1</b>	<b>5.8</b>	<b>24.1</b>	<b>8.1</b>	<b>(30.1)</b>	<b>(0.7)</b>	<b>(3.9)</b>	<b>(26.7)</b>	<b>5.0</b>	<b>2.4</b>	<b>3.6</b>	<b>6.1</b>	<b>17.3</b>	<b>6.5</b>
Add Back Net Interest	(0.4)	(0.4)	1.1	(0.3)	—	(0.4)	—	(0.5)	(0.1)	(0.9)	(0.8)	(0.6)	(0.5)	(0.2)	(2.0)	(0.2)
Add Back D&A	1.4	1.5	1.6	1.7	6.3	1.9	1.9	1.6	1.8	7.3	1.9	1.8	1.8	1.9	7.4	2.0
<b>Latin America Pawn EBITDA</b>	<b>7.8</b>	<b>10.6</b>	<b>4.8</b>	<b>7.2</b>	<b>30.4</b>	<b>9.7</b>	<b>(28.2)</b>	<b>0.4</b>	<b>(2.0)</b>	<b>(20.2)</b>	<b>6.1</b>	<b>3.7</b>	<b>4.9</b>	<b>7.9</b>	<b>22.6</b>	<b>8.3</b>
Discrete Adjustments	1.7	(1.8)	4.6	0.6	5.2	(0.1)	35.7	(0.1)	2.8	38.3	(0.1)	0.2	0.5	0.6	1.0	0.1
<b>Adjusted Latin America Pawn EBITDA</b>	<b>9.5</b>	<b>8.8</b>	<b>9.4</b>	<b>7.8</b>	<b>35.6</b>	<b>9.6</b>	<b>7.5</b>	<b>0.3</b>	<b>0.8</b>	<b>18.1</b>	<b>5.9</b>	<b>3.9</b>	<b>5.4</b>	<b>8.5</b>	<b>23.6</b>	<b>8.4</b>
<b>Latin America Pawn Net Revenue</b>	<b>27.5</b>	<b>28.0</b>	<b>23.2</b>	<b>26.6</b>	<b>105.2</b>	<b>29.7</b>	<b>25.8</b>	<b>15.4</b>	<b>16.1</b>	<b>87.0</b>	<b>22.7</b>	<b>21.5</b>	<b>24.7</b>	<b>30.6</b>	<b>99.5</b>	<b>30.2</b>
Discrete Adjustments	—	(1.1)	4.6	—	3.5	—	—	—	—	—	—	—	—	—	—	—
Constant Currency Impact	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2
<b>Adjusted Latin America Pawn Net Revenue</b>	<b>27.5</b>	<b>26.9</b>	<b>27.7</b>	<b>26.6</b>	<b>108.6</b>	<b>29.7</b>	<b>25.9</b>	<b>15.4</b>	<b>16.1</b>	<b>87.1</b>	<b>22.7</b>	<b>21.5</b>	<b>24.7</b>	<b>30.6</b>	<b>99.5</b>	<b>30.4</b>

## Latin America Same Store PLO Growth

GAAP	10 %	4 %	4 %	(6)%	(6)%	2 %	(12)%	(38)%	(41)%	(41)%	(36)%	(22)%	31 %	37 %	37 %	18 %
Constant Currency	12 %	10 %	1 %	(4)%	(4)%	(3)%	(2)%	(26)%	(31)%	(31)%	(30)%	(26)%	17 %	25 %	25 %	20 %

# CONSTANT CURRENCY

In addition to the financial information prepared in conformity with generally accepted accounting principles in the United States ("GAAP"), we provide certain other non-GAAP financial information on a constant currency basis ("constant currency"). We use constant currency results to evaluate our Latin America Pawn operations, which are denominated primarily in Mexican pesos, Guatemalan quetzales and other Latin American currencies. We believe that presentation of constant currency results is meaningful and useful in understanding the activities and business metrics of our Latin America Pawn operations and reflect an additional way of viewing aspects of our business that, when viewed with GAAP results, provide a more complete understanding of factors and trends affecting our business. We provide non-GAAP financial information for informational purposes and to enhance understanding of our GAAP consolidated financial statements. We use this non-GAAP financial information to evaluate and compare operating results across accounting periods. Readers should consider the information in addition to, but not instead of or superior to, our financial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of those measures for comparative purposes.

Constant currency results reported herein are calculated by translating consolidated balance sheet and consolidated statement of operations items denominated in local currency to U.S. dollars using the exchange rate from the prior-year comparable period, as opposed to the current period, in order to exclude the effects of foreign currency rate fluctuations. We used the end-of-period rate for balance sheet items and the average closing daily exchange rate on a monthly basis during the appropriate period for statement of operations items. Our statement of operations constant currency results reflect the monthly exchange rate fluctuations and so are not directly calculable from the above rates. Constant currency results, where presented, also exclude the foreign currency gain or loss. The end-of-period and approximate average exchange rates for each applicable currency as compared to U.S. dollars as of and for the three months ended December 31, 2021 and 2020 were as follows:

	December 31,		Three Months Ended December 31,	
	2021	2020	2021	2020
Mexican peso	20.5	19.9	20.7	20.5
Guatemalan quetzal	7.5	7.6	7.6	7.6
Honduran lempira	24.1	23.8	23.9	24.1
Peruvian sol	4.0	3.6	4.0	3.6



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**THANK YOU**