UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022 or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to ____________

Commission File No. 0-19424

EZCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**74-2540145**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2500 Bee Cave Road Bldg One Suite 200 Rollingwood TX	**78746**
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: **(512) 314-3400**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Non-voting Common Stock, par value $.01 per share	**EZPW**	**NASDAQ Stock Market (NASDAQ Global Select Market)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The only class of voting securities of the registrant issued and outstanding is the Class B Voting Common Stock, par value $.01 per share, all of which is owned by an affiliate of the registrant. There is no trading market for the Class B Voting Common Stock.

As of July 29, 2022, 53,685,333 shares of the registrant’s Class A Non-voting Common Stock ("Class A Common Stock"), par value $.01 per share, and 2,970,171 shares of the registrant’s Class B Voting Common Stock, par value $.01 per share, were outstanding.

EZCORP, Inc.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EZCORP, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)	June 30, 2022	June 30, 2021	September 30, 2021
	(Unaudited)		
Assets:			
Current assets:			
Cash and cash equivalents	$ 222,342	$ 283,668	$ 253,667
Restricted cash	8,614	13,795	9,957
Pawn loans	204,155	157,155	175,901
Pawn service charges receivable, net	32,000	24,965	29,337
Inventory, net	132,713	92,242	110,989
Prepaid expenses and other current assets	29,822	28,343	31,010
Total current assets	629,646	600,168	610,861
Investments in unconsolidated affiliates	43,384	35,387	37,724
Other investments	18,000	—	—
Property and equipment, net	51,505	55,630	53,811
Right-of-use asset, net	217,506	185,467	200,990
Goodwill	286,798	283,619	285,758
Intangible assets, net	61,017	61,922	62,104
Notes receivable, net	1,207	1,173	1,181
Deferred tax asset, net	15,773	10,292	9,746
Other assets	5,991	4,992	4,736
Total assets	$ 1,330,827	$ 1,238,650	$ 1,266,911
Liabilities and stockholders' equity:			
Current liabilities:			
Accounts payable, accrued expenses and other current liabilities	$ 76,566	$ 84,966	$ 90,268
Customer layaway deposits	14,927	11,884	12,557
Lease liability	53,358	47,241	52,263
Total current liabilities	144,851	144,091	155,088
Long-term debt, net	312,521	260,632	264,186
Deferred tax liability, net	307	1,309	3,684
Lease liability	175,489	149,342	161,330
Other long-term liabilities	11,905	10,058	10,385
Total liabilities	645,073	565,432	594,673
Commitments and contingencies (Note 10)			
Stockholders' equity:			
Class A Non-voting Common Stock, par value $0.01 per share; shares authorized: 100 million; issued and outstanding: 53,685,333 as of June 30, 2022; 53,086,438 as of June 30, 2021; and 53,086,438 as of September 30, 2021	537	530	530
Class B Voting Common Stock, convertible, par value $0.01 per share; shares authorized: 3 million; issued and outstanding: 2,970,171	30	30	30
Additional paid-in capital	343,763	402,522	403,312
Retained earnings	396,461	325,228	326,781
Accumulated other comprehensive loss	(55,037)	(55,092)	(58,415)
Total stockholders' equity	685,754	673,218	672,238
Total liabilities and stockholders' equity	$ 1,330,827	$ 1,238,650	$ 1,266,911

See accompanying notes to unaudited interim condensed consolidated financial statements

EZCORP, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share amount)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Revenues:				
Merchandise sales	$ 128,334	$ 107,808	$ 399,610	$ 330,816
Jewelry scrapping sales	7,168	5,673	19,802	18,507
Pawn service charges	80,291	60,431	232,999	187,356
Other revenues, net	49	121	407	428
Total revenues	215,842	174,033	652,818	537,107
Merchandise cost of goods sold	80,167	60,539	245,524	190,872
Jewelry scrapping cost of goods sold	6,167	5,473	16,747	16,076
Gross profit	129,508	108,021	390,547	330,159
Operating expenses:				
Store expenses	89,430	81,803	261,944	242,261
General and administrative	18,715	14,589	46,487	40,870
Depreciation and amortization	7,746	7,419	22,770	23,080
(Gain) loss on sale or disposal of assets and other	—	—	(692)	90
Other charges	—	497	—	497
Total operating expenses	115,891	104,308	330,509	306,798
Operating income	13,617	3,713	60,038	23,361
Interest expense	2,693	5,569	7,651	16,542
Interest income	(190)	(512)	(749)	(1,918)
Equity in net income of unconsolidated affiliates	(1,758)	(643)	(1,457)	(2,409)
Other expense (income)	(210)	65	41	(389)
Income (loss) before income taxes	13,082	(766)	54,552	11,535
Income tax expense	867	1,804	11,729	4,476
Net income (loss)	$ 12,215	$ (2,570)	$ 42,823	$ 7,059
Basic earnings (loss) per share	$ 0.22	$ (0.05)	$ 0.76	$ 0.13
Diluted earnings (loss) per share	$ 0.17	$ (0.05)	$ 0.59	$ 0.13
Weighted-average basic shares outstanding	56,656	55,898	56,465	55,639
Weighted-average diluted shares outstanding	82,504	55,898	82,349	55,653

See accompanying notes to unaudited interim condensed consolidated financial statements

EZCORP, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
(in thousands)	2022	2021	2022	2021
Net income (loss)	$ 12,215	$ (2,570)	$ 42,823	$ 7,059
Other comprehensive income:				
Foreign currency translation adjustment, net of tax	(3,327)	3,459	3,378	12,976
Comprehensive income	$ 8,888	$ 889	$ 46,201	$ 20,035

See accompanying notes to unaudited interim condensed consolidated financial statements

EZCORP, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited except for balances as of September 30, 2021 and September 30, 2020)

(in thousands)	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balances as of September 30, 2021	56,057	$ 560	$ 403,312	$ 326,781	$ (58,415)	$ 672,238
Stock compensation	—	—	1,698	—	—	1,698
Release of restricted stock	257	3	—	—	—	3
Taxes paid related to net share settlement of equity awards	—	—	(792)	—	—	(792)
Cumulative effect of adoption of ASU 2020-06 (Note 1)	—	—	(64,263)	26,857	—	(37,406)
Foreign currency translation gain	—	—	—	—	3,039	3,039
Net income	—	—	—	15,721	—	15,721
Balances as of December 31, 2021	56,314	$ 563	$ 339,955	$ 369,359	$ (55,376)	$ 654,501
Stock compensation	—	—	460	—	—	460
Transfer of consideration for other investment	213	2	1,498	—	—	1,500
Release of restricted stock	129	2	—	—	—	2
Foreign currency translation gain	—	—	—	—	3,666	3,666
Net income	—	—	—	14,887	—	14,887
Balances as of March 31, 2022	56,656	$ 567	$ 341,913	$ 384,246	$ (51,710)	$ 675,016
Stock compensation	—	—	1,850	—	—	1,850
Foreign currency translation loss	—	—	—	—	(3,327)	(3,327)
Net income	—	—	—	12,215	—	12,215
Balances as of June 30, 2022	56,656	$ 567	$ 343,763	$ 396,461	$ (55,037)	$ 685,754

(in thousands)	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balances as of September 30, 2020	55,303	$ 551	$ 398,475	$ 318,169	$ (68,068)	$ 649,127
Stock compensation	—	—	524	—	—	524
Release of restricted stock	296	5	—	—	—	5
Taxes paid related to net share settlement of equity awards	—	—	(730)	—	—	(730)
Foreign currency translation gain	—	—	—	—	11,277	11,277
Net income	—	—	—	4,299	—	4,299
Balances as of December 31, 2020	55,599	$ 556	$ 398,269	$ 322,468	$ (56,791)	$ 664,502
Stock compensation	—	—	1,094	—	—	1,094
Transfer of consideration for acquisition	33	—	185	—	—	185
Release of restricted stock	212	2	—	—	—	2
Taxes paid related to net share settlement of equity awards	—	—	(109)	—	—	(109)
Foreign currency translation loss	—	—	—	—	(1,760)	(1,760)
Net Income	—	—	—	5,330	—	5,330
Balances as of March 31, 2021	55,844	$ 558	$ 399,439	$ 327,798	$ (58,551)	$ 669,244
Stock compensation	—	—	1,538	—	—	1,538
Transfer of consideration for acquisition	213	2	1,545	—	—	1,547
Foreign currency translation gain	—	—	—	—	3,459	3,459
Net loss	—	—	—	(2,570)	—	(2,570)
Balances as of June 30, 2021	56,057	$ 560	$ 402,522	$ 325,228	$ (55,092)	$ 673,218

See accompanying notes to unaudited interim condensed consolidated financial statements

EZCORP, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Nine Months Ended June 30, 2022	2021
Operating activities:		
Net income	$ 42,823	$ 7,059
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	22,770	23,080
Amortization of debt discount and deferred financing costs	1,051	10,243
Amortization of lease right-of-use asset	39,061	35,885
Deferred income taxes	475	(576)
Other adjustments	(734)	(331)
Provision for inventory reserve	(2,096)	(6,812)
Stock compensation expense	4,008	3,156
Equity in net income of unconsolidated affiliates	(1,457)	(2,409)
Changes in operating assets and liabilities:		
Service charges and fees receivable	(2,949)	(2,832)
Inventory	(7,837)	5,382
Prepaid expenses, other current assets and other assets	2,025	7,908
Accounts payable, accrued expenses and other liabilities	(53,209)	(51,565)
Customer layaway deposits	2,265	511
Income taxes	(1,068)	4,423
Dividends from unconsolidated affiliates	3,366	—
Net cash provided by operating activities	48,494	33,122
Investing activities:		
Loans made	(524,965)	(423,450)
Loans repaid	295,823	260,536
Recovery of pawn loan principal through sale of forfeited collateral	191,082	155,595
Capital expenditures, net	(18,100)	(14,635)
Acquisitions, net of cash acquired	(1,850)	(15,132)
Issuance of note receivable	(1,000)	—
Investment in unconsolidated affiliates	(6,079)	—
Investment in other investments	(16,500)	—
Net cash used in investing activities	(81,589)	(37,086)
Financing activities:		
Taxes paid related to net share settlement of equity awards	(792)	(839)
Payments on assumed debt and other borrowings	—	(15,363)
Net cash used in financing activities	(792)	(16,202)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	1,219	5,076
Net decrease in cash, cash equivalents and restricted cash	(32,668)	(15,090)
Cash, cash equivalents and restricted cash at beginning of period	263,624	312,553
Cash, cash equivalents and restricted cash at end of period	$ 230,956	$ 297,463
Supplemental disclosure of cash flow information		
Cash and cash equivalents	$ 222,342	$ 283,668
Restricted cash	8,614	13,795
Total cash and cash equivalents and restricted cash	$ 230,956	$ 297,463
Non-cash investing and financing activities:		
Pawn loans forfeited and transferred to inventory	$ 204,662	$ 145,839
Transfer of consideration for other investment	1,500	—
Transfer of consideration for acquisition	—	1,547
Acquisition earn-out contingency	—	4,608
Accrued acquisition consideration held as restricted cash	—	5,824

See accompanying notes to unaudited interim condensed consolidated financial statements

Notes to Interim Condensed Consolidated Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

EZCORP, Inc. (collectively with its subsidiaries, the “Company,” “we,” “us,” or “our”) is a leading provider of pawn loans in the United States ("U.S.") and Latin America. Pawn loans are non-recourse loans collateralized by tangible property. We also sell merchandise, primarily collateral forfeited from pawn lending operations and pre-owned merchandise purchased from customers.

Basis of Presentation

The accompanying interim unaudited condensed consolidated financial statements (“Condensed Consolidated Financial Statements”) have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

These Condensed Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements and related notes contained in our Annual Report on Form 10-K for the year ended September 30, 2021, filed with the Securities and Exchange Commission ("SEC") on November 17, 2021 (“2021 Annual Report”).

In the opinion of management, the accompanying Condensed Consolidated Financial Statements include all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation. Financial results for the three and nine-month periods ended June 30, 2022, are not necessarily indicative of results that may be expected for the fiscal year ending September 30, 2022.

Our business is subject to seasonal variations, and operating results for the three and nine months ended June 30, 2022 and 2021 (the "current quarter" and "prior-year quarter," respectively) are not necessarily indicative of the results of operations for the full fiscal year. There have been no changes that have had a material impact in significant accounting policies as described in our 2021 Annual Report except for as disclosed below related to the adoption of Accounting Standards Update ("ASU") 2020-06.

Principles of Consolidation

The accompanying Condensed Consolidated Financial Statements include the accounts of EZCORP, Inc. and its wholly-owned subsidiaries. We use the equity method of accounting for entities in which we have a 50% or less investment and exercise significant influence. We account for equity investments for which we do not have significant influence and without readily determinable fair values at cost with adjustments for observable changes in price in orderly transactions for identical or similar investments of the same issuer or impairments. All inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions include the determination of inventory reserves, expected credit losses, useful lives of long-lived and intangible assets, valuation of share-based compensation, valuation of equity investments, valuation of deferred tax assets and liabilities, loss contingencies related to litigation and discount rates used for operating leases. Actual results may result in actual amounts differing from reported amounts.

Impact of COVID-19

The COVID-19 pandemic adversely affected our gross profit and earnings during the latter half of fiscal 2020 and into fiscal 2021. During the latter part of fiscal 2021, we saw pawn transaction activity start to rebuild. That has continued to date, and our pawn loans outstanding ("PLO") balances now exceed pre-pandemic levels, which will drive accelerating pawn service charges ("PSC") revenue in the coming quarters given the natural lag between pawn originations and related fees. Despite the recovery in pawn transaction activity, the continuing pandemic, driven by the proliferation of various COVID-19 variants, continues to affect portions of our business, such as managing appropriate staffing at the store level. Our estimates, judgments and assumptions related to COVID-19 could vary over time, and there can be no assurance that the continuing pandemic will not have an adverse effect on our results of operations, financial position and cash flows in future periods.

Recently Adopted Accounting Policies

In August 2020, the Financial Accounting Standards Board ("FASB") issued its ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40)*, ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Additionally, ASU 2020-06 eliminates beneficial conversion feature and cash conversion models resulting in more convertible instruments being accounted for as a single unit. The ASU 2020-06 amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. We early adopted this standard on October 1, 2021 under the modified retrospective basis.

Impact of the Adoption of ASU 2020-06

On October 1, 2021, we early adopted ASU 2020-06 on a modified retrospective basis. Under ASU 2020-06, we no longer separate the convertible senior notes into liability and equity components. We recognized a cumulative effect of initially applying the ASU as an adjustment to the October 1, 2021 opening balance of retained earnings. The conversion option that was previously accounted for in equity under the cash conversion model was recombined into the convertible debt outstanding, and as a result, additional paid in capital and the related unamortized debt discount on the convertible senior notes were reduced. The removal of the remaining debt discounts recorded for this previous separation has the effect of increasing our net debt balance. The prior period consolidated financial statements have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for those periods.

(in thousands)	As Reported September 30, 2021	Adjustments	Under ASU 2020-06 October 1, 2021
Principal	$ 316,250	$ —	$ 316,250
Unamortized debt discount	(48,785)	48,785	—
Deferred financing costs, net	(3,279)	(1,500)	(4,779)
Net carrying amount	264,186	47,285	311,471
Deferred tax asset	9,746	5,839	15,585
Deferred tax liability	3,684	(4,040)	(356)
Additional paid-in capital	403,312	(64,263)	339,049
Retained earnings	326,781	26,857	353,638

The impact of adoption on our condensed consolidated statements of operations for the three and nine months ended June 30, 2022 was primarily to decrease interest expense by $3.5 million and $10.3 million, respectively. This had the effect of increasing our basic earnings per share for the three and nine months ended June 30, 2022 by $0.05 and $0.14, respectively, and decreasing our diluted earnings per common share for the nine months ended June 30, 2022 by $0.02. Additionally, adoption of the standard requires interest charges on the convertible debt to be added to net income as well as the use of the "if-converted" method to calculate diluted earnings per common share. Refer to Note 4: Earnings Per Share for a discussion of the effect of the convertible notes on diluted earnings per common share.

Recently Issued Accounting Pronouncements

We reviewed all recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a material impact on our Condensed Consolidated Financial Statements.

NOTE 2: ACQUISITIONS

On June 8, 2021, we completed the acquisition of 100% of the common shares of PLO del Bajio S. de R.L. de C.V. ("Bajio") and gained control of the entity, further expanding our geographic footprint within Mexico with the addition of 128 pawn stores. These stores operate under the name "Cash Apoyo Efectivo" and are located principally in the Mexico City metropolitan area.

At the time of acquisition, the total consideration for Bajio was $23.6 million, consisting of $17.4 million of cash, and 212,870 shares of our Class A Non-Voting Common Stock valued at $1.6 million. In addition, the sellers are entitled to additional payments of up to $4.6 million to be paid in two payments over two years, contingent on the growth of the loan portfolios of the acquired stores. Up to 50% of any future contingent payments can be made in shares of our Class A Non-Voting Common Stock at our discretion. The value of the contingent consideration was included in the total consideration as the metrics were considered achievable on the date of acquisition. Cash paid at closing was $11.6 million and an additional $3.8 million was paid during the fourth quarter of 2021.

During the first quarter of fiscal 2022, both parties completed the formal working capital reconciliation stipulated within the purchase agreement. As part of the working capital reconciliation, the Company and the seller agreed to reduce the purchase price, which was held in restricted cash as of September 30, 2021, by $1.3 million. As the working capital adjustment was recorded as of September 30, 2021, this reduction to the purchase price is a measurement period adjustment, and resulted in a $1.3 million reduction to goodwill during the period ended December 31, 2021. This reduced the total consideration for Bajio to $22.3 million. As the future payments decreased, we released $1.3 million of the previously held $2.0 million in restricted cash to our unrestricted cash. Of the remaining $0.7 million in restricted cash as of June 30, 2022, $0.3 million was paid during July 2022, and the remaining $0.4 million is expected to be paid on or around the fifth anniversary of the date of acquisition. During the second quarter of fiscal 2022, we obtained new information about the seller's calculation of pawn service charges receivable balance as of the date of acquisition, which resulted in a $0.6 million measurement period adjustment to reduce pawn service charges receivable and increase goodwill.

The assets acquired and liabilities assumed are based upon the estimated fair values at the date of acquisition. The excess purchase price over the estimated fair market value of the new assets acquired has been recorded as goodwill.

The purchase price allocation is as follows, in thousands:

Cash and cash equivalents	$	308
Pawn loans		4,619
Pawn service charges receivable		691
Inventory		1,319
Property and equipment		2,025
Right-of-use assets		10,651
Goodwill		25,422
Intangible assets		3,965
Deferred tax asset, net		381
Other assets		746
Accounts payable, accrued expenses and other liabilities		(2,290)
Debt		(14,931)
Lease liabilities		(10,651)
Total consideration	$	22,255

Intangible assets acquired consist of indefinite-lived trade names.

The results of Bajio have been included in our condensed consolidated financial statements from June 9, 2021 through June 30, 2021, and are reported in our Latin America Pawn segment. The acquired business contributed revenues of $1.7 million and net income of $0.1 million to us for the period from June 9, 2021 to June 30, 2021.

The following unaudited pro forma summary presents consolidated information for us as if the business combination had occurred on October 1, 2019. The pro forma information is not necessarily indicative of our results of operations had the acquisitions been completed on the above date, nor is it necessarily indicative of our future results. The pro forma information does not reflect any cost savings from operating efficiencies or synergies that could result from the acquisitions, nor does it reflect additional revenue opportunities following the acquisition. The pro forma adjustments reflected in the table below are subject to change as additional analysis is performed.

	Three Months Ended June 30,	Nine Months Ended June 30,
(in thousands, except per share amounts)	2021	2021
Revenue	$ 180,854	$ 558,426
Net (loss) income	(2,475)	6,775
Basic (loss) earnings per common share	(0.04)	0.12
Diluted (loss) earnings per common share	(0.04)	0.12

We did not have any material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma net revenue and net income. These pro forma amounts have been calculated after applying the Company's accounting policies and adjusting the results to reflect the additional amortization that would have been incurred assuming the amortization of the trade name had been applied from October 1, 2019.

During the three and nine months ended June 30, 2021, we incurred total acquisition costs of $0.2 million and $0.4 million, respectively. The acquisition costs were primarily related to legal, accounting and consulting services, were expensed as incurred through June 30, 2021 and are included in general and administrative expenses in the consolidated statements of operations.

NOTE 3: GOODWILL

The following table summarizes the changes in the carrying amount of goodwill by segment and in total:

	Nine Months Ended June 30, 2022		
(in thousands)	U.S. Pawn	Latin America Pawn	Consolidated
Balances as of September 30, 2021	$ 244,471	$ 41,287	$ 285,758
Acquisitions	1,032	—	1,032
Measurement period adjustments	—	(678)	(678)
Effect of foreign currency translation changes	—	686	686
Balances as of June 30, 2022	$ 245,503	$ 41,295	$ 286,798

	Nine Months Ended June 30, 2021		
(in thousands)	U.S. Pawn	Latin America Pawn	Consolidated
Balances as of September 30, 2020	$ 241,928	$ 15,654	$ 257,582
Acquisitions	2,394	22,957	25,351
Effect of foreign currency translation changes	—	686	686
Balances as of June 30, 2021	$ 244,322	$ 39,297	$ 283,619

NOTE 4: EARNINGS PER SHARE

The following table reconciles the number of common shares used to compute basic and diluted earnings per share attributable to EZCORP Inc., shareholders:

(in thousands, except per share amounts)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Basic earnings per common share:				
Net income (loss) - basic	$ 12,215	$ (2,570)	$ 42,823	$ 7,059
Weighted shares outstanding - basic	56,656	55,898	56,465	55,639
Basic earnings (loss) per common share	$ 0.22	$ (0.05)	$ 0.76	$ 0.13
Diluted earnings per common share:				
Net income (loss) - basic	$ 12,215	$ (2,570)	$ 42,823	$ 7,059
Add: Convertible Notes interest expense, net of tax	1,868	—	5,598	—
Net income (loss) - diluted	$ 14,083	$ (2,570)	$ 48,421	$ 7,059
Weighted shares outstanding - basic	56,656	55,898	56,465	55,639
Effect of dilution from equity-based compensation awards*	624	—	660	14
Effect of dilution from if-converted Convertible Notes**	25,224	—	25,224	—
Weighted shares outstanding - diluted	82,504	55,898	82,349	55,653
Diluted earnings (loss) per common share	$ 0.17	$ (0.05)	$ 0.59	$ 0.13
Potential common shares excluded from the calculation of diluted earnings per share above:				
Restricted stock***	1,825	1,154	2,066	896

* Includes time-based share-based awards and performance based awards for which targets for fiscal year tranches have been achieved and vesting is subject only to achievement of service conditions.

** See Note 8: Debt for conversion price and initial conversion rate of the 2024 Convertible Notes and 2025 Convertible Notes.

*** Includes antidilutive share-based awards as well as performance-based share-based awards that are contingently issuable, but for which the condition for issuance has not been met as of the end of the reporting period.

As a result of our adoption of ASU 2020-06 on October 1, 2021, the dilutive impact of the Convertible Notes for our calculation of diluted net income per share is considered using the if-converted method. During the three and nine months ended June 30, 2022, we increased net income by $1.9 million and $5.6 million, respectively, to arrive at the numerator used to calculate diluted earnings per common share, which represents interest expense recognized on the convertible notes that were subject to this change in methodology. For periods prior to our October 1, 2021 adoption of ASU 2020-06, we applied the treasury stock method to account for the dilutive impact of the 2024 and 2025 Convertible Notes for diluted earnings per share purposes.

NOTE 5: LEASES

We determine if a contract contains a lease at inception. Our lease portfolio consists primarily of operating leases for pawn store locations and corporate offices with lease terms ranging from three to ten years.

The information below provides a summary of our leasing activities. See Note 12: Leases in our 2021 Annual Report for additional information about our leasing activities. The table below presents balances of our operating leases:

(in thousands)	June 30, 2022	June 30, 2021	September 30, 2021
Right-of-use asset	$ 217,506	$ 185,467	$ 200,990
Lease liability, current	$ 53,358	$ 47,241	$ 52,263
Lease liability, non-current	175,489	149,342	161,330
Total lease liability	$ 228,847	$ 196,583	$ 213,593

The table below provides the composition of our lease costs:

(in thousands)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Operating lease expense*	$ 17,264	$ 14,854	$ 50,415	$ 44,667
Variable lease expense	3,824	3,601	11,200	9,768
Total lease expense	$ 21,088	$ 18,455	$ 61,615	$ 54,435

* Includes a reduction for sublease rental income.

Lease expense is recognized on a straight-line basis over the lease term with variable lease expense recognized in the period in which the costs are incurred. The components of lease expense are included in "Store" and "General and Administrative" expense, based on the underlying lease use.

Other supplemental information includes the following for our operating leases:

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Weighted-average remaining contractual lease term *(years)*	5.14	5.21
Weighted-average incremental borrowing rate	8.20 %	7.86 %

Maturities of lease liabilities as of June 30, 2022 were as follows (in thousands):

Remaining 2022	$ 17,427
Fiscal 2023	66,988
Fiscal 2024	55,727
Fiscal 2025	44,883
Fiscal 2026	34,908
Thereafter	60,419
Total lease payments	$ 280,352
Less: Portion representing interest	51,505
Present value of operating lease liabilities	$ 228,847
Less: Current portion	53,358
Non-current portion	$ 175,489

We recorded $55.3 million and $33.5 million in non-cash additions to our right of use assets and lease liabilities for the nine months ended June 30, 2022 and June 30, 2021, respectively.

NOTE 6: STRATEGIC INVESTMENTS

Cash Converters International Limited

On October 1, 2021, we purchased an additional 13 million shares of Cash Converters International Limited ("Cash Converters") for $2.5 million. This purchase increased our total ownership in Cash Converters to 236,702,991 shares, representing a 37.72% ownership interest. Additionally, on October 14, 2021, we received a cash dividend of $1.7 million from Cash Converters.

On March 10, 2022, we purchased an additional 5.5 million shares of Cash Converters for $1.0 million. This purchase increased our total ownership in Cash Converters to 242,239,157 shares, representing a 38.60% ownership interest.

On April 5, 2022, we acquired an additional 13 million shares for $2.5 million, bringing our total ownership to 255,239,157 shares, representing an ownership interest of 40.67%. Additionally, on April 14, 2022, we received a cash dividend of $1.7 million from Cash Converters.

The following tables present summary financial information for Cash Converters most recently reported results at December 31, 2021 after translation to U.S. dollars:

	December 31,	
(in thousands)	2021	2020
Current assets	$ 162,558	$ 170,412
Non-current assets	185,780	189,810
Total assets	$ 348,338	$ 360,222
Current liabilities	$ 59,701	$ 59,962
Non-current liabilities	59,915	58,368
Shareholders’ equity	228,722	241,892
Total liabilities and shareholders’ equity	$ 348,338	$ 360,222

	Half-Year Ended December 31,	
(in thousands)	2021	2020
Gross revenues	$ 84,185	$ 71,153
Gross profit	55,280	51,231
Net profit	1	5,561

See Note 7: Fair Value Measurements for the fair value and carrying value of our investment in Cash Converters.

Founders One, LLC

In October 2021, we invested $15.0 million in exchange for a non-redeemable voting participating preferred equity interest in Founders One, LLC (“Founders”), a newly-formed entity with one other member. Founders used that $15.0 million to acquire an equity interest in Simple Management Group, Inc. (“SMG”), which owns and operates 20 pawn stores principally in the Caribbean region, with plans to build and acquire more stores in that region. The investment in Founders is a variable interest entity, but because the Company is not the primary beneficiary, we do not consolidate it. Further, as we are not the appointed manager, we do not have the ability to direct the activities of the investment entity that most significantly impact its economic performance. Consequently, our investment in Founders is accounted for utilizing the measurement alternative within Accounting Standards Codification ("ASC") 321, Investments — Equity Securities. Our $15.0 million carrying value of the investment is included in “Other investments” in our consolidated balance sheets. Our maximum exposure for losses in this investment is its contributed investment of $15.0 million.

See Note 7: Fair Value Measurements for the fair value and carrying value of our investment in Founders.

NOTE 7: FAIR VALUE MEASUREMENTS

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities.

- Level 2 — Other observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 — Unobservable inputs that are not corroborated by market data.

We have elected not to measure at fair value any eligible items for which fair value measurement is optional.

There were no transfers in or out of Level 1, Level 2 or Level 3 for financial assets or liabilities measured at fair value on a recurring basis during the periods presented.

Financial Assets and Liabilities Not Measured at Fair Value

The tables below present our estimates of fair value of financial assets and liabilities that were not measured at fair value:

	Carrying Value	Estimated Fair Value			
			Fair Value Measurement Using		
(in thousands)	June 30, 2022	June 30, 2022	Level 1	Level 2	Level 3
Financial assets:					
2.89% promissory note receivable due April 2024	$ 1,207	$ 1,207	$ —	$ —	$ 1,207
Investments in unconsolidated affiliates	43,384	47,973	41,342	—	6,631
Other investments	18,000	18,000	—	—	18,000
Financial liabilities:					
2024 Convertible Notes	$ 142,404	$ 143,951	$ —	$ 143,951	$ —
2025 Convertible Notes	170,117	144,555	—	144,555	—

	Carrying Value	Estimated Fair Value			
			Fair Value Measurement Using		
(in thousands)	June 30, 2021	June 30, 2021	Level 1	Level 2	Level 3
Financial assets:					
2.89% promissory note receivable due April 2024	$ 1,173	$ 1,173	$ —	$ —	$ 1,173
Investments in unconsolidated affiliates	35,387	43,440	35,970	—	7,470
Financial liabilities:					
2024 Convertible Notes	$ 121,910	$ 150,219	$ —	$ 150,219	$ —
2025 Convertible Notes	138,722	154,129	—	154,129	—

	Carrying Value	Estimated Fair Value			
			Fair Value Measurement Using		
(in thousands)	September 30, 2021	September 30, 2021	Level 1	Level 2	Level 3
Financial assets:					
2.89% promissory note receivable due April 2024	$ 1,181	$ 1,181	$ —	$ —	$ 1,181
Investments in unconsolidated affiliates	37,724	48,954	41,638	—	7,316
Financial liabilities:					
2024 Convertible Notes	$ 123,543	$ 153,281	$ —	$ 153,281	$ —
2025 Convertible Notes	140,643	155,250	—	155,250	—

Due to the short-term nature of cash and cash equivalents, pawn loans, pawn service charges receivable and other debt, we estimate that the carrying value approximates fair value. We consider our cash and cash equivalents to be measured using Level 1 inputs and our pawn loans, pawn service charges receivable and other debt to be measured using Level 3 inputs. Significant increases or decreases in the underlying assumptions used to value pawn loans, pawn service charges receivable, consumer loans, fees and interest receivable and other debt could significantly increase or decrease these fair value estimates.

Included in “Accounts payable, accrued expenses and other current liabilities“ in our Consolidated Balance Sheets as of June 30, 2022 is $4.6 million which represents the fair value of acquisition-related contingent consideration as discussed in Note 2: Acquisitions. The key assumptions used to determine the fair value of acquisition-related contingent consideration are estimated by management, not observable in the market and, therefore considered Level 3 inputs within the fair value hierarchy.

In March 2019, we received $1.1 million in previously escrowed seller funds as a result of settling certain indemnification claims with the seller of GPMX. In April 2019, we loaned the $1.1 million back to the seller of GPMX in exchange for a promissory note. The note bears interest at the rate of 2.89% per annum and is secured by certain marketable securities owned by the seller and held in a U.S. brokerage account. All principal and accrued interest is due and payable in April 2024. The fair value of the note approximated its carrying value as of June 30, 2022.

We use the equity method of accounting to account for our ownership interest in Cash Converters. The inputs used to generate the fair value of the investment in Cash Converters were considered Level 1 inputs. These inputs consist of (a) the quoted stock price on the Australian Stock Exchange multiplied by (b) the number of shares we owned multiplied by (c) the applicable foreign currency exchange rate as of the end of our reporting period. We included no control premium for owning a large percentage of outstanding shares.

We use the equity method of accounting to account for our 14.57% ownership in Rich Data Corporation ("RDC"), a previously consolidated variable interest entity for which we no longer have the power to direct the activities that most significantly affect its economic performance. We believe its fair value approximated carrying value although such fair value is highly variable and includes significant unobservable inputs.

Of the $18.0 million included in the table above, $15.0 million is related the investment in Founders. We believe the investment's fair value approximated its carrying value although such fair value is highly variable and includes significant unobservable inputs.

We measured the fair value of the 2024 and 2025 Convertible Notes using quoted price inputs. The notes are not actively traded, and thus the price inputs represent a Level 2 measurement. As the quoted price inputs are highly variable from day to day, the fair value estimates disclosed above could significantly increase or decrease.

In September 2020, we received the final payment from AlphaCredit on the notes receivable related to the sale of Grupo Finmart and recorded the amount under “Restricted cash” in our consolidated balance sheet as of June 30, 2022. In August 2019, AlphaCredit notified us of an indemnity claim for certain pre-closing taxes, but the nature, extent and validity of such claim has yet to be determined.

NOTE 8: DEBT

The Company adopted ASU 2020-06 on October 1, 2021. See Note 1: Organization And Summary Of Significant Accounting Policies for further discussion of this recently adopted accounting policy.

The following table presents the Company's debt instruments outstanding:

	June 30, 2022			June 30, 2021			September 30, 2021		
(in thousands)	Gross Amount	Debt Issuance Costs	Carrying Amount	Gross Amount	Debt Discount and Issuance Costs	Carrying Amount	Gross Amount	Debt Discount and Issuance Costs	Carrying Amount
2024 Convertible Notes	$ 143,750	$ (1,346)	$ 142,404	$ 143,750	$ (21,840)	$ 121,910	$ 143,750	$ (20,207)	$ 123,543
2025 Convertible Notes	172,500	(2,383)	170,117	172,500	(33,778)	138,722	172,500	(31,857)	140,643
Total long-term debt	$ 316,250	$ (3,729)	$ 312,521	$ 316,250	$ (55,618)	$ 260,632	$ 316,250	$ (52,064)	$ 264,186

The following table presents the Company's contractual maturities related to the debt instruments as of June 30, 2022:

	Schedule of Contractual Maturities				
(in thousands)	Total	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More Than 5 Years
2024 Convertible Notes	$ 143,750	$ —	$ 143,750	$ —	$ —
2025 Convertible Notes	172,500	—	172,500	—	—
	$ 316,250	$ —	$ 316,250	$ —	$ —

The following table presents the Company's interest expense related to the Convertible Notes for the three and nine months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Nine Months Ended June 30,	
(in thousands)	2022	2021	2022	2021
2024 Convertible Notes:				
Contractual interest expense	$ 1,033	$ 1,033	$ 3,099	$ 3,100
Amortization of deferred financing costs	156	112	465	335
Amortization of debt discount	—	1,490	—	4,381
Total interest expense	$ 1,189	$ 2,635	$ 3,564	$ 7,816
2025 Convertible Notes:				
Contractual interest expense	$ 1,025	$ 1,024	$ 3,073	$ 3,073
Amortization of deferred financing costs	197	139	586	420
Amortization of debt discount	—	1,747	—	5,138
Total interest expense	$ 1,222	$ 2,910	$ 3,659	$ 8,631

2.875% Convertible Senior Notes Due 2024

In July 2017, we issued $143.75 million aggregate principal amount of 2.875% Convertible Senior Notes Due 2024 (the “2024 Convertible Notes”). The 2024 Convertible Notes were issued pursuant to an indenture dated July 5, 2017 (the "2017 Indenture") by and between the Company and Wells Fargo Bank, National Association, as the original trustee. Effective October 1, 2019, Truist (formerly BB&T) assumed the duties and responsibilities as trustee under the 2017 Indenture. The 2024 Convertible Notes were issued in a private offering under Rule 144A under the Securities Act of 1933. The 2024 Convertible Notes pay interest semi-annually in arrears at a rate of 2.875% per annum on January 1 and July 1 of each year, commencing January 1, 2018, and mature on July 1, 2024 (the "2024 Maturity Date"), unless converted, redeemed or repurchased in accordance with the terms prior to such date. At maturity, the holders of the 2024 Convertible Notes will be entitled to receive cash equal to the principal of the 2024 Convertible Notes plus accrued interest.

The effective interest rate for the three and nine months ended June 30, 2022 was approximately 3.35%. As of June 30, 2022, the remaining unamortized debt issuance costs will be amortized using the effective interest method through the 2024 Maturity Date assuming no early conversion.

The 2024 Convertible Notes are convertible based on an initial conversion rate of 100 shares of Class A Common Stock per $1,000 principal amount (equivalent to an initial conversion price of $10.00 per share). The conversion rate will not be adjusted for any accrued and unpaid interest. The 2024 Convertible Notes contain certain make-whole fundamental change premiums and customary anti-dilution adjustments. Upon conversion, we may settle in cash, shares of Class A Common Stock or any combination thereof, at our election.

Prior to January 1, 2024, the 2024 Convertible Notes will be convertible only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on September 30, 2017 (and only during such fiscal quarter), if the last reported sale price of our Class A Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the “measurement period”) in which the trading price, as defined in the 2017 Indenture, per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A Common Stock and the conversion rate on such trading day; (3) if we call any or all of the 2024 Convertible Notes for redemption, at any time prior to the close of business on the business day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events, as defined in the 2017 Indenture. On or after January 1, 2024 until the close of business on the business day immediately preceding the 2024 Maturity Date, holders of 2024 Convertible Notes may, at their option, convert their 2024 Convertible Notes at any time, regardless of the foregoing circumstances.

At our option, we may redeem for cash all or any portion of the 2024 Convertible Notes on or after July 6, 2021, if the last reported sale price of the Class A Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will be equal to 100% of the principal amount of the 2024 Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The stock trading price condition and other triggers are measured on a quarter-by-quarter basis and were not met as of June 30, 2022. As of June 30, 2022, the if-converted value of the 2024 Convertible Notes did not exceed the principal amount.

2.375% 2025 Convertible Senior Notes Due 2025

In May 2018, we issued $172.5 million aggregate principal amount of 2.375% Convertible Senior Notes Due 2025 (the “2025 Convertible Notes”). The 2025 Convertible Notes were issued pursuant to an indenture dated May 14, 2018 (the "2018 Indenture") by and between the Company and Wells Fargo Bank, National Association, as the original trustee. Effective October 1, 2019, Truist (formerly BB&T) assumed the duties and responsibilities as trustee under the 2018 Indenture. The 2025 Convertible Notes were issued in a private offering under Rule 144A under the Securities Act of 1933. The 2025 Convertible Notes pay interest semi-annually in arrears at a rate of 2.375% per annum on May 1 and November 1 of each year, commencing November 1, 2018, and mature on May 1, 2025 (the "2025 Maturity Date"), unless converted, redeemed or repurchased in accordance with the terms prior to such date.

The effective interest rate for the three and nine months ended June 30, 2022 was approximately 2.88% for the 2025 Convertible Notes. As of June 30, 2022, the remaining unamortized debt issuance costs will be amortized using the effective interest method through the 2025 Maturity Date assuming no early conversion.

The 2025 Convertible Notes are convertible based on an initial conversion rate of 62.8931 shares of Class A Common Stock per $1,000 principal amount (equivalent to an initial conversion price of $15.90 per share). The conversion rate will not be adjusted for any accrued and unpaid interest. The 2025 Convertible Notes contain certain make-whole fundamental change premiums and customary anti-dilution adjustments. Upon conversion, we may settle in cash, shares of Class A Common Stock or any combination thereof, at our election.

Prior to November 1, 2024, the 2025 Convertible Notes are convertible only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ended on June 30, 2018 (and only during such fiscal quarter), if the last reported sale price of our Class A Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the “measurement period”) in which the trading price, as defined in the 2018 Indenture, per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A Common Stock and the conversion rate on such trading day; (3) if we call any or all of the 2025 Convertible Notes for redemption, at any time prior to the close of business on the business day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events, as defined in the 2018 Indenture. On or after November 1, 2024 until the close of business on the business day immediately preceding the 2025 Maturity Date, holders of 2025 Convertible Notes may, at their option, convert their 2025 Convertible Notes at any time, regardless of the foregoing circumstances.

We may not redeem the 2025 Convertible Notes prior to May 1, 2022. At our option, we may redeem for cash all or any portion of the 2025 Convertible Notes on or after May 1, 2022, if the last reported sale price of the Class A Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will be equal to 100% of the principal amount of the 2025 Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.
The stock trading price condition and other triggers are measured on a quarter-by-quarter basis and were not met as of June 30, 2022. As of June 30, 2022, the if-converted value of the 2025 Convertible Notes did not exceed the principal amount.

NOTE 9: COMMON STOCK AND STOCK COMPENSATION

Share Repurchase Program

On May 3, 2022, the Company's Board of Directors (the "Board") authorized the repurchase of up to $50 million of our Class A Common Stock over three years. Execution of the program will be responsive to fluctuating market conditions and valuations, liquidity needs and the expected return on investment compared to other opportunities.

The amount and timing of purchases will be dependent on a variety of factors, including stock price, trading volume, general market conditions, legal and regulatory requirements, general business conditions, the level of cash flows, and corporate considerations determined by management and the Board, such as liquidity and capital needs and the availability of attractive alternative investment opportunities. The Board of Directors has reserved the right to modify, suspend or terminate the program at any time. To date, the Company has not repurchased any Class A Common Stock under the May 3, 2022 authorized share repurchase program.

Stock Compensation

We maintain a Board-approved incentive plan to retain the services of our valued officers, directors and employees and to incentivize such persons to make contributions to our company and motivate excellent performance (the "Incentive Plan"). Under the Incentive Plan, we grant awards of restricted stock or restricted stock units to employees and non-employee directors. Awards granted to employees are typically subject to performance and service conditions. Awards granted to non-employee directors are time-based awards subject only to service conditions. Awards granted under the Incentive Plan are measured at the grant date fair value with compensation costs associated with the awards recognized over the requisite service period, usually the vesting period, on a straight-line basis.

The following table presents a summary of stock compensation activity:

	Shares	Weighted Average Grant Date Fair Value
Outstanding as of September 30, 2021	2,218,777	$ 4.86
Granted	1,365,878	7.37
Released [(a)]	(486,627)	4.77
Cancelled	(743,299)	6.46
Outstanding as of June 30, 2022	2,354,729	$ 6.30

(a) 101,103 shares were withheld to satisfy related income tax withholding.

NOTE 10: CONTINGENCIES

Currently, and from time to time, we are involved in various claims, disputes, lawsuits, investigations, and legal and regulatory proceedings, including the matter described below. We accrue for contingencies if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because these matters are inherently unpredictable and unfavorable developments or resolutions can occur, assessing contingencies requires judgments and is highly subjective about future events, and the amount of resulting loss may differ from these estimates. Except as noted below, we do not believe the resolution of any particular matter will have a material adverse effect on our financial condition, results of operations or liquidity.

On October 14, 2021, Andrew Kowlessar filed an action in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida styled *Andrew Kowlessar, individually and on behalf of all others similarly situated vs. EZCORP, Inc. d/b/a Value Pawn & Jewelry* (Case No. CACE-21-018864). The matter subsequently was amended and removed to the United States District Court of the Southern District of Florida as *Andrew Kowlessar, individually and on behalf of all others similarly situated vs. EZPAWN Florida, Inc. d/b/a Value Pawn & Jewelry* (Case No. 0:21-cv-62362-RKA). In May 2022, the federal court action was dismissed and the case was refiled in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 2022-008506-CA-01). The complaint was brought under Section 501.059, Florida Statutes, the Florida Telephone Solicitation Act (“Act”), and alleges certain text messages were sent in violation of the Act. The matter involves claims by a single individual, but alleges a class of persons who may have similar claims of violations of the Act and seeks class certification. On June 16, 2022, following discovery and pre-trial mediation, the parties agreed to a settlement of all asserted claims and entered into a Settlement Agreement and Release. The agreed settlement requires the Company to make available up to $5 million to be used to pay verified claims (not to exceed $70 per verified claimant), as well as attorneys’ fees and costs. The agreed settlement, which was preliminarily approved by the court on July 22, 2022, remains subject to the court's final approval. The Company recorded a charge during the quarter ended June 30, 2022 representing the estimated liability for the settlement of this matter.

NOTE 11: SEGMENT INFORMATION

Our operations are primarily managed on a geographical basis and are comprised of three reportable segments. The factors for determining our reportable segments include the manner in which our chief operating decision maker ("CODM") evaluates performance for purposes of allocating resources and assessing performance.

We currently report our segments as follows:

- U.S. Pawn — all pawn activities in the United States;
- Latin America Pawn — all pawn activities in Mexico and other parts of Latin America; and
- Other Investments — primarily our equity interest in the net results of Cash Converters and RDC along with our investment in Founders.

There are no inter-segment revenues presented below, and the amounts below were determined in accordance with the same accounting principles used in our condensed consolidated financial statements.

The following tables present revenue for each reportable segment, disaggregated revenue within our three reportable segments and Corporate, segment profits and segment contribution.

	Three Months Ended June 30, 2022					
(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
Revenues:						
Merchandise sales	$ 94,005	$ 34,329	$ —	$ 128,334	$ —	$ 128,334
Jewelry scrapping sales	5,404	1,764	—	7,168	—	7,168
Pawn service charges	59,322	20,969	—	80,291	—	80,291
Other revenues	21	7	21	49	—	49
Total revenues	158,752	57,069	21	215,842	—	215,842
Merchandise cost of goods sold	55,885	24,282	—	80,167	—	80,167
Jewelry scrapping cost of goods sold	4,506	1,661	—	6,167	—	6,167
Gross profit	98,361	31,126	21	129,508	—	129,508
Segment and corporate expenses (income):						
Store expenses	66,036	23,394	—	89,430	—	89,430
General and administrative	—	—	—	—	18,715	18,715
Depreciation and amortization	2,572	1,987	—	4,559	3,187	7,746
Interest expense	—	—	—	—	2,693	2,693
Interest income	(1)	(189)	—	(190)	—	(190)
Equity in net income of unconsolidated affiliates	—	—	(1,758)	(1,758)	—	(1,758)
Other (income) expense	—	(163)	19	(144)	(66)	(210)
Segment contribution	$ 29,754	$ 6,097	$ 1,760	$ 37,611		
Income (loss) before income taxes				$ 37,611	$ (24,529)	$ 13,082

	Three Months Ended June 30, 2021					
(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
Revenues:						
Merchandise sales	$ 84,465	$ 23,343	$ —	$ 107,808	$ —	$ 107,808
Jewelry scrapping sales	1,908	3,765	—	5,673	—	5,673
Pawn service charges	44,039	16,392	—	60,431	—	60,431
Other revenues	32	—	89	121	—	121
Total revenues	130,444	43,500	89	174,033	—	174,033
Merchandise cost of goods sold	45,310	15,229	—	60,539	—	60,539
Jewelry scrapping cost of goods sold	1,878	3,595	—	5,473	—	5,473
Gross profit	83,256	24,676	89	108,021	—	108,021
Segment and corporate expenses (income):						
Store expenses	62,507	19,296	—	81,803	—	81,803
General and administrative	—	—	—	—	14,589	14,589
Depreciation and amortization	2,600	1,806	—	4,406	3,013	7,419
Other Charges	—	497	—	497	—	497
Interest expense	—	—	—	—	5,569	5,569
Interest income	—	(484)	—	(484)	(28)	(512)
Equity in net income of unconsolidated affiliates	—	—	(643)	(643)	—	(643)
Other (income) expense	—	(5)	18	13	52	65
Segment contribution	$ 18,149	$ 3,566	$ 714	$ 22,429		
Income (loss) before income taxes				$ 22,429	$ (23,195)	$ (766)

(in thousands)	Nine Months Ended June 30, 2022 U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
Revenues:						
Merchandise sales	$ 296,147	$ 103,463	$ —	$ 399,610	$ —	$ 399,610
Jewelry scrapping sales	13,864	5,938	—	19,802	—	19,802
Pawn service charges	174,651	58,348	—	232,999	—	232,999
Other revenues	67	247	93	407	—	407
Total revenues	484,729	167,996	93	652,818	—	652,818
Merchandise cost of goods sold	172,330	73,194	—	245,524	—	245,524
Jewelry scrapping cost of goods sold	11,279	5,468	—	16,747	—	16,747
Gross profit	301,120	89,334	93	390,547	—	390,547
Segment and corporate expenses (income):						
Store expenses	195,217	66,727	—	261,944	—	261,944
General and administrative	—	—	—	—	46,487	46,487
Depreciation and amortization	7,867	5,858	—	13,725	9,045	22,770
Gain on sale or disposal of assets and other	—	(4)	—	(4)	(688)	(692)
Interest expense	—	—	—	—	7,651	7,651
Interest income	(1)	(626)	—	(627)	(122)	(749)
Equity in net income of unconsolidated affiliates	—	—	(1,457)	(1,457)	—	(1,457)
Other expense (income)	—	37	15	52	(11)	41
Segment contribution	$ 98,037	$ 17,342	$ 1,535	$ 116,914		
Income (loss) before income taxes				$ 116,914	$ (62,362)	$ 54,552

(in thousands)	Nine Months Ended June 30, 2021 U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
Revenues:						
Merchandise sales	$ 260,545	$ 70,271	$ —	$ 330,816	$ —	$ 330,816
Jewelry scrapping sales	9,493	9,014	—	18,507	—	18,507
Pawn service charges	143,836	43,520	—	187,356	—	187,356
Other revenues	83	7	338	428	—	428
Total revenues	413,957	122,812	338	537,107	—	537,107
Merchandise cost of goods sold	145,181	45,691	—	190,872	—	190,872
Jewelry scrapping cost of goods sold	7,871	8,205	—	16,076	—	16,076
Gross profit	260,905	68,916	338	330,159	—	330,159
Segment and corporate expenses (income):						
Store expenses	188,256	54,005	—	242,261	—	242,261
General and administrative	—	—	—	—	40,870	40,870
Depreciation and amortization	7,972	5,459	—	13,431	9,649	23,080
Loss on sale or disposal of assets and other	27	—	—	27	63	90
Other Charges	—	497	—	497	—	497
Interest expense	—	—	—	—	16,542	16,542
Interest income	—	(1,819)	—	(1,819)	(99)	(1,918)
Equity in net income of unconsolidated affiliates	—	—	(2,409)	(2,409)	—	(2,409)
Other (income) expense	—	(375)	(183)	(558)	169	(389)
Segment contribution	$ 64,650	$ 11,149	$ 2,930	$ 78,729		
Income (loss) before income taxes				$ 78,729	$ (67,194)	$ 11,535

The following table presents separately identified net earning assets by segment:

(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Corporate Items	Total
As of June 30, 2022					
Pawn loans	$ 159,680	$ 44,475	$ —	$ —	$ 204,155
Inventory, net	101,831	30,882	—	—	132,713
As of June 30, 2021					
Pawn loans	$ 117,186	$ 39,969	$ —	$ —	$ 157,155
Inventory, net	69,136	23,106	—	—	92,242

NOTE 12: SUPPLEMENTAL CONSOLIDATED FINANCIAL INFORMATION

The following table provides supplemental information on net amounts included in our condensed consolidated balance sheets:

(in thousands)	June 30, 2022	June 30, 2021	September 30, 2021
Gross pawn service charges receivable	$ 42,277	$ 31,648	$ 37,360
Allowance for uncollectible pawn service charges receivable	(10,277)	(6,683)	(8,023)
Pawn service charges receivable, net	$ 32,000	$ 24,965	$ 29,337
Gross inventory	$ 136,475	$ 98,761	$ 115,300
Inventory reserves	(3,762)	(6,519)	(4,311)
Inventory, net	$ 132,713	$ 92,242	$ 110,989
Prepaid expenses and other	$ 14,660	$ 7,278	$ 5,386
Accounts receivable and other	7,465	7,111	9,322
Income taxes receivable	7,697	13,954	16,302
Prepaid expenses and other current assets	$ 29,822	$ 28,343	$ 31,010
Property and equipment, gross	$ 298,502	$ 283,304	$ 284,867
Accumulated depreciation	(246,997)	(227,674)	(231,056)
Property and equipment, net	$ 51,505	$ 55,630	$ 53,811
Accounts payable	$ 19,480	$ 19,325	$ 22,462
Accrued payroll	11,840	11,624	9,093
Incentive accrual	14,128	10,458	16,868
Other payroll related expenses	7,167	11,269	10,695
Accrued sales and VAT taxes	7,672	13,894	10,936
Accrued income taxes payable	1,116	3,722	3,826
Other current liabilities	15,163	14,674	16,388
Accounts payable, accrued expenses and other current liabilities	$ 76,566	$ 84,966	$ 90,268

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to inform the reader about matters affecting the financial condition and results of operations of EZCORP, Inc. and its subsidiaries (collectively, "we," "us", "our", "EZCORP" or the "Company"). The following discussion should be read together with our condensed consolidated financial statements and related notes included elsewhere within this report. This discussion contains forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Part I, Item 1A — Risk Factors" of our Annual Report on Form 10-K for the year ended September 30, 2021, as supplemented by the information set forth in "Part I, Item 3 — Quantitative and Qualitative Disclosures about Market Risk" and "Part II, Item 1A — Risk Factors" of this Report, for a discussion of certain risks, uncertainties and assumptions associated with these statements.

Business Overview

EZCORP is a Delaware corporation headquartered in Austin, Texas. We are a leading provider of pawn services in the United States and Latin America. Pawn loans are nonrecourse loans collateralized by personal property. We also sell merchandise, primarily collateral forfeited from unpaid loans or goods purchased directly from customers.

We exist to serve our customers' short-term cash needs, helping them to live and enjoy their lives. We are focused on three strategic pillars:

Strengthen the Core	**Relentless focus on superior execution and operational excellence in our core pawn business**
Cost Efficiency and Simplification	**Shape a culture of cost efficiency through ongoing focus on simplification and optimization**
Innovate and Grow	**Broaden customer engagement to service more customers more frequently in more locations**

Pawn Activities

At our pawn stores, we advance cash against the value of collateralized tangible personal property. We earn pawn service charges ("PSC") for those cash advances, and the PSC rate varies by state and transaction size. At the time of the transaction, we take possession of the pawned collateral, which consists of tangible personal property, generally jewelry, consumer electronics, tools, sporting goods and musical instruments. If the customer chooses to redeem their pawn, they will repay the amount advanced plus any accrued PSC. If the customer chooses not to redeem their pawn, the pawned collateral becomes our inventory, which we sell in our retail merchandise sales activities or, in some cases, scrap for its inherent gold or precious stone content. Consequently, the success of our pawn business is largely dependent on our ability to accurately assess the probability of pawn redemption and the estimated resale or scrap value of the collateralized personal property.

Our ability to offer quality second-hand goods at prices significantly lower than original retail prices attracts value-conscious customers. The gross profit on sales of inventory depends primarily on our assessment of the estimated resale or scrap value at the time the property is either accepted as pawn collateral or purchased and our ability to sell that merchandise in a timely manner. As a significant portion of our inventory and sales involve gold and jewelry, our results can be influenced by the market price of gold and diamonds.

Growth and Expansion

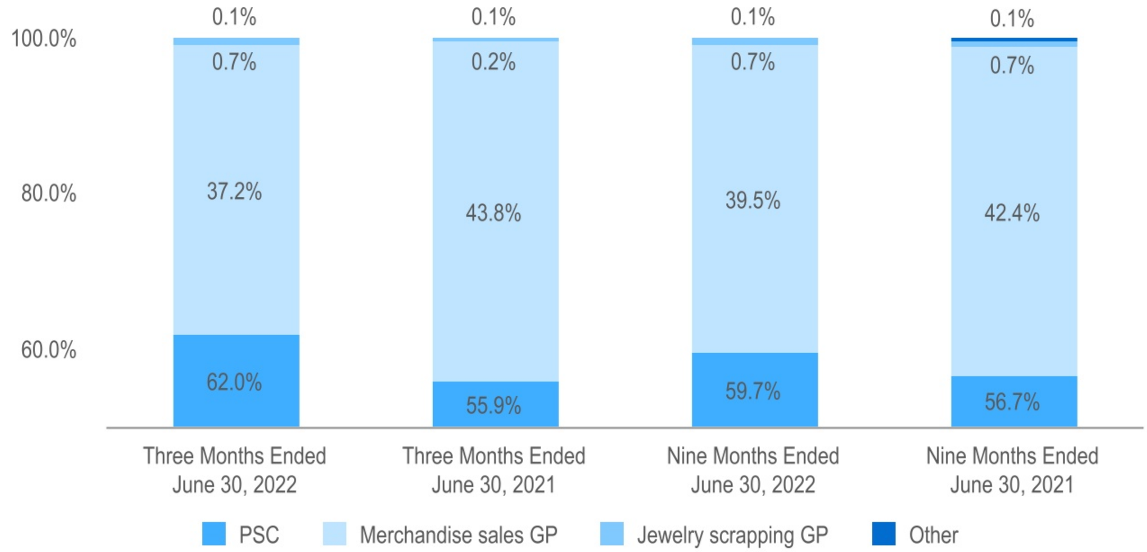
Our strategy is to expand the number of locations we operate through opening new ("de novo") locations and through acquisitions and investments in both Latin America, the United States and potential new markets. Our ability to open de novo stores, acquire new stores and make other related investments is dependent on several variables, such as projected achievement of internal investment hurdles, the availability of acceptable sites or acquisition candidates, the alignment of acquirer/seller price expectations, the regulatory environment, local zoning ordinances, access to capital and the availability of qualified personnel.

Seasonality and Quarterly Results

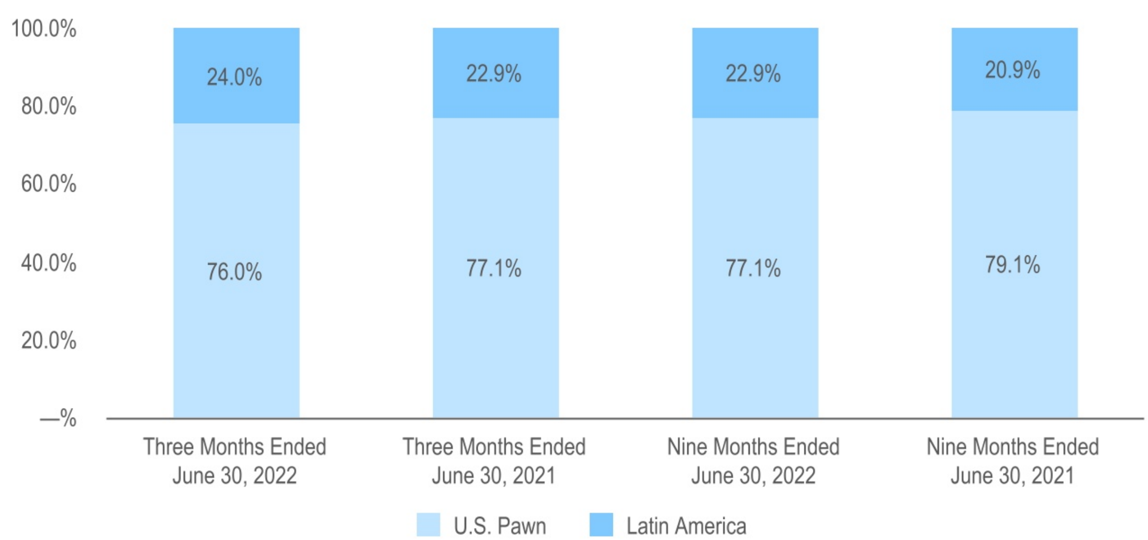
In the United States, PSC is historically highest in our fourth fiscal quarter (July through September) due to a higher average loan balance during the summer lending season. PSC is historically lowest in our third fiscal quarter (April through June) following the tax refund season and merchandise sales are highest in our first and second fiscal quarters (October through March) due to the holiday season, jewelry sales surrounding Valentine's Day and the availability of tax refunds. In Latin America, most of our customers receive additional compensation from their employers in December, and many receive additional compensation in June or July, applying downward pressure on loan balances and fueling some merchandise sales in those periods. As a net effect of these and other factors and excluding discrete charges, our consolidated income/loss before tax is generally highest in our first fiscal quarter (October through December) and lowest in our third fiscal quarter (April through June). These historical trends have been impacted by COVID-19, but we expect these historical trends to return in the future.

Financial Highlights

We remain focused on optimizing our balance of pawn loans outstanding ("PLO") and the resulting higher PSC. The following chart presents sources of gross profit*, including PSC, merchandise sales gross profit ("Merchandise sales GP") and jewelry scrapping gross profit ("Jewelry Scrapping GP") for the three and nine months ended June 30, 2022 and 2021:



The following chart presents sources of gross profit by geographic disbursement for the three and nine months ended June 30, 2022 and 2021:



* We have relabeled "net revenues" to "gross profit" throughout our filings, which we believe will improve comparability across industries and companies. This change is effective for this and future filings.

Business Developments

COVID-19

The COVID-19 pandemic adversely affected our gross profit and earnings during the latter half of fiscal 2020 and into fiscal 2021. During the latter part of fiscal 2021, we saw pawn transaction activity start to rebuild. That has continued to date, and our pawn loans outstanding ("PLO") balances now exceed pre-pandemic levels, which will drive accelerating pawn service charges ("PSC") revenue in the coming quarters given the natural lag between pawn originations and related fees. Despite the recovery in pawn transaction activity, the continuing pandemic, driven by the proliferation of various COVID-19 variants, continues to affect portions of our business, such as managing appropriate staffing at the store level. Our estimates, judgments and assumptions related to COVID-19 could vary over time, and there can be no assurance that the continuing pandemic will not have an adverse effect on our results of operations, financial position and cash flows in future periods.

Share Repurchase Program

On May 3, 2022, the Company's Board of Directors approved a new share repurchase program, which will replace the previous program that was suspended in March 2020. Under the new program, the Company is authorized to repurchase up to $50 million of its outstanding Class A Non-Voting common share over the next three years. Refer to "Liquidity and Capital Resources — Sources and Uses of Cash" below.

Investment in Cash Converters International

On March 10, 2022, we purchased an additional 5.5 million shares of Cash Converters for $1.0 million. This purchase increased our total ownership in Cash Converters to 242,239,157 shares, representing a 38.60% ownership interest. On April 5, 2022, we acquired an additional 13 million shares for $2.5 million, bringing our total ownership to 255,239,157 shares, representing an ownership interest of 40.67%. Additionally, on April 14, 2022, we received a cash dividend of $1.8 million from Cash Converters.

Results of Operations

Non-GAAP Constant Currency and Same Store Financial Information

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, we provide certain other non-GAAP financial information on a constant currency basis ("constant currency") and "same store" basis. 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 analyze results on a same store basis (which is defined as stores open during the entirety of the comparable periods) to better understand existing store performance without the influence of increases or decreases resulting solely from changes in store count. We believe presentation of constant currency and same store 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 better understanding and evaluation 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 rather than 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 are not directly calculable from the rates below. 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 and nine months ended June 30, 2022 and June 30, 2021 were as follows:

	June 30,		Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021	2022	2021
Mexican peso	20.2	19.9	20.0	20.0	20.4	20.3
Guatemalan quetzal	7.6	7.6	7.5	7.6	7.5	7.6
Honduran lempira	24.2	23.6	24.2	23.7	24.1	23.8
Peruvian sol	3.7	3.9	3.7	3.8	3.8	3.7

Operating Results

Segments

We manage our business and report our financial results in three reportable segments;

- U.S. Pawn — Represents all pawn activities in the United States;
- Latin America Pawn — Represents all pawn activities in Mexico and other parts of Latin America; and
- Other Investments — Represents our equity interest in the net income of Cash Converters International and Rich Data Corporation, along with our investment in Founders.

Store Count by Segment

	Three Months Ended June 30, 2022		
	U.S. Pawn	Latin America Pawn	Consolidated
As of March 31, 2022	516	636	1,152
New locations opened	—	8	8
Locations acquired	3	—	3
As of June 30, 2022	519	644	1,163

	Three Months Ended June 30, 2021		
	U.S. Pawn	Latin America Pawn	Consolidated
As of March 31, 2021	505	506	1,011
New locations opened	—	4	4
Locations acquired	11	128	139
Locations sold, combined or closed	—	(11)	(11)
As of June 30, 2021	516	627	1,143

	Nine Months Ended June 30, 2022		
	U.S. Pawn	Latin America Pawn	Consolidated
As of September 30, 2021	516	632	1,148
New locations opened	—	12	12
Locations acquired	3	—	3
As of June 30, 2022	519	644	1,163

	Nine Months Ended June 30, 2021		
	U.S. Pawn	Latin America Pawn	Consolidated
As of September 30, 2020	505	500	1,005
New locations opened	—	10	10
Locations acquired	11	128	139
Locations sold, combined or closed	—	(11)	(11)
As of June 30, 2021	516	627	1,143

Three Months Ended June 30, 2022 vs. Three Months Ended June 30, 2021

These tables, as well as the discussion that follows, should be read in conjunction with the accompanying condensed consolidated financial statements and related notes.

U.S. Pawn

The following table presents selected summary financial data for our U.S. Pawn segment:

	Three Months Ended June 30,		
(in thousands)	2022	2021	Change
Gross profit:			
Pawn service charges	$ 59,322	$ 44,039	35%
Merchandise sales	94,005	84,465	11%
Merchandise sales gross profit	38,120	39,155	(3)%
Gross margin on merchandise sales	41 %	46 %	(500)bps
Jewelry scrapping sales	5,404	1,908	183%
Jewelry scrapping sales gross profit	898	30	2,893%
Gross margin on jewelry scrapping sales	17 %	2 %	1,500bps
Other revenues	21	32	(34)%
Gross profit	98,361	83,256	18%
Segment operating expenses:			
Store expenses	66,036	62,507	6%
Depreciation and amortization	2,572	2,600	(1)%
Segment operating contribution	29,753	18,149	64%
Other segment income	(1)	—	*
Segment contribution	$ 29,754	$ 18,149	64%
Other data:			
Net earning assets (a)	$ 261,511	$ 186,322	40%
Inventory turnover	2.5	2.8	(11)%
Average monthly ending pawn loan balance per store (b)	$ 290	$ 206	41%
Monthly average yield on pawn loans outstanding	14 %	14 %	—bps
Pawn loan redemption rate	85 %	88 %	(300)bps

* Represents a percentage computation that is not mathematically meaningful.
(a) Balance includes pawn loans and inventory.
(b) Balance is calculated based upon the average of the monthly ending balances during the applicable period.

PLO increased 36% to $159.7 million (36% on a same store basis), our highest level to-date, due to increased loan demand reflecting a recovery above pre-COVID levels.

Total revenue was up 22%, and gross profit increased 18% driven by increased pawn service charges, which were up 35% as a result of higher average PLO for the quarter.

Merchandise sales increased 11% due to our improved retail strategy. Offsetting the sales increase, merchandise sales gross margin decreased to 41% from 46% reflecting a return to more normalized margins.

Inventory turnover decreased to 2.5x from 2.8x due to increased inventory levels in the current quarter and stimulus impacts in the prior year.

Store expenses increased 6% primarily due to increased store count and labor increases in line with business activity.

Segment contribution increased $11.6 million or 64%, due to the changes described above.

Segment store count increased by three acquired stores during the quarter.

Latin America Pawn

The following table presents selected summary financial data for the Latin America Pawn segment, including constant currency results, after translation to U.S. dollars from its functional currencies noted above under “Results of Operations — Non-GAAP Constant Currency and Same Store Financial Information."

	Three Months Ended June 30,				
(in thousands)	2022 (GAAP)	2021 (GAAP)	Change (GAAP)	2022 (Constant Currency)	Change (Constant Currency)
Gross profit:					
Pawn service charges	$ 20,969	$ 16,392	28%	$ 20,953	28%
Merchandise sales	34,329	23,343	47%	34,315	47%
Merchandise sales gross profit	10,047	8,114	24%	10,046	24%
Gross margin on merchandise sales	29 %	35 %	(600)bps	29 %	(600)bps
Jewelry scrapping sales	1,764	3,765	(53)%	1,761	(53)%
Jewelry scrapping sales gross profit	103	170	(39)%	103	(39)%
Gross margin on jewelry scrapping sales	6 %	5 %	100bps	6 %	100bps
Other revenues, net	7	—	—%	7	—%
Gross profit	31,126	24,676	26%	31,109	26%
Segment operating expenses:					
Store expenses	23,394	19,296	21%	23,383	21%
Depreciation and amortization	1,987	1,806	10%	1,986	10%
Other Charges	—	497	*	—	*
Segment operating contribution	5,745	3,077	87%	5,740	87%
Other segment income	(352)	(489)	(28)%	(352)	(28)%
Segment contribution	$ 6,097	$ 3,566	71%	$ 6,092	71%
Other data:					
Net earning assets (a)	$ 75,357	$ 63,075	19%	$ 76,323	21%
Inventory turnover	3.7	4.0	(8)%	3.7	(8)%
Average monthly ending pawn loan balance per store (b)	$ 69	$ 65	6%	$ 69	6%
Monthly average yield on pawn loans outstanding	16 %	16 %	—bps	16 %	—bps
Pawn loan redemption rate (c)	79 %	79 %	—bps	79 %	—bps

* Represents a percentage computation that is not mathematically meaningful.
(a) Balance includes pawn loans and inventory.
(b) Balance is calculated based upon the average of the monthly ending balances during the applicable period.
(c) Rate is solely inclusive of results from Mexico Pawn.

	2022 Change (GAAP)	2022 Change (Constant Currency)
Same Store data:		
PLO	9%	10%
PSC	17%	17%
Merchandise Sales	29%	29%
Merchandise Sales Gross Profit	9%	9%
Store Expenses	4%	6%

In the current quarter, we opened eight de novo stores, bringing total segment store-count to 644.

PLO increased 11% to $44.5 million (13% on constant currency basis). On a same store basis, PLO increased 9% (10% on a constant currency basis), also the highest level to-date, due to increased loan demand reflecting a recovery above pre-COVID levels.

Total revenue was up 31% (31% on a constant currency basis), while gross profit increased 26% (26% on a constant currency basis).

PSC increased 28% in the current quarter to $21.0 million (up 28% to $21.0 million on a constant currency basis) as a result of higher average PLO for the quarter.

Merchandise sales increased 47% (47% on a constant currency basis) and 29% on a same store basis (29% on a constant currency basis) reflecting a renewed focus on customer engagement. Offsetting the sales increase, merchandise sales gross margin decreased from 35% to 29% reflecting a return to more normalized margins.

Net inventory increased 34% (35% on a constant currency basis). Inventory turnover remains strong at 3.7x, down from 4.0x.

Store expenses increased $4.1 million or 21% (21% on a constant currency basis) primarily due to growth in labor and year-over-year store count in line with increased business activity. On a same-store basis, store expenses increased by $0.2 million or 4% (6% on a constant currency basis).

Segment contribution increased $2.5 million, or 71%, to $6.1 million ($2.5 million or 71% on a constant currency basis).

Other Investments

The following table presents selected financial data for our Other Investments segment after translation to U.S. dollars from its functional currency of primarily Australian dollars:

	Three Months Ended June 30,		
(in thousands)	2022	2021	Change
Gross profit:			
Consumer loan fees, interest and other	$ 21	$ 89	(76)%
Gross profit	21	89	(76)%
Segment operating expenses:			
Equity in net income of unconsolidated affiliates	(1,758)	(643)	173%
Segment operating contribution	1,779	732	143%
Other segment expense	19	18	6%
Segment contribution	$ 1,760	$ 714	146%

Segment contribution was $1.8 million, an increase of $1.0 million due to the increase in equity income for our unconsolidated affiliates.

Other Items

The following table reconciles our consolidated segment contribution discussed above to net income attributable to EZCORP, Inc., including items that affect our consolidated financial results but are not allocated among segments:

(in thousands)	Three Months Ended June 30, 2022	2021	Percentage Change
Segment contribution	$ 37,611	$ 22,429	68%
Corporate expenses (income):			
General and administrative	18,715	14,589	28%
Depreciation and amortization	3,187	3,013	6%
Interest expense	2,693	5,569	(52)%
Interest income	—	(28)	(100)%
Other (income) expense	(66)	52	*
Income (loss) before income taxes	13,082	(766)	1,808%
Income tax expense	867	1,804	(52)%
Net income (loss)	$ 12,215	$ (2,570)	575%

* Represents a percentage computation that is not mathematically meaningful.

Segment contribution increased $15.2 million or 68% over the prior year quarter primarily due to the improved operating results of the segments above.

General and administrative expenses increased $4.1 million or 28%, primarily due to a litigation accrual and increased performance-based incentive compensation.

Interest expense decreased $2.9 million primarily driven by the ASU 2020-06 accounting policy change which no longer requires debt discount be included on our balance sheet effective October 1, 2021. The policy change eliminates the non-cash interest amortization of that debt discount. See Note 1: Organization And Summary Of Significant Accounting Policies to the consolidated financials for further discussion of this recently adopted accounting policy.

Income tax expense decreased $0.9 million primarily due to the expiration of the statute of limitations on certain FIN 48 reserves this quarter, partially offset by an increase in income before income taxes of $13.8 million this quarter compared to the prior year quarter.

Income tax expense includes other items that do not necessarily correspond to pre-tax earnings and create volatility in our effective tax rate. These items include the net effect of state taxes, non-deductible items and changes in valuation allowances for certain foreign operations. See Annual Report on Form 10-K for the year ended September 30, 2021 Note 11: Income Taxes of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data” for quantification of these items.

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Nine Months Ended June 30, 2022 vs. Nine Months Ended June 30, 2021

The tables below and discussion that follows should be read in conjunction with the accompanying condensed consolidated financial statements and related notes.

U.S. Pawn

The following table presents selected summary financial data for the U.S. Pawn segment:

	Nine Months Ended June 30,		
(in thousands)	2022	2021	Change
Gross profit:			
Pawn service charges	$ 174,651	$ 143,836	21%
Merchandise sales	296,147	260,545	14%
Merchandise sales gross profit	123,817	115,364	7%
Gross margin on merchandise sales	42 %	44 %	(200)bps
Jewelry scrapping sales	13,864	9,493	46%
Jewelry scrapping sales gross profit	2,585	1,622	59%
Gross margin on jewelry scrapping sales	19 %	17 %	200bps
Other revenues	67	83	(19)%
Gross profit	301,120	260,905	15%
Segment operating expenses:			
Store expenses	195,217	188,256	4%
Depreciation and amortization	7,867	7,972	(1)%
Segment operating contribution	98,036	64,677	52%
Other segment (income) expense	(1)	27	*
Segment contribution	$ 98,037	$ 64,650	52%
Other data:			
Average monthly ending pawn loan balance per store (a)	$ 290	$ 218	33%
Monthly average yield on pawn loans outstanding	14 %	14 %	—bps
Pawn loan redemption rate	84 %	87 %	(300)bps

* Represents a percentage computation that is not mathematically meaningful.
(a) Balance is calculated based upon the average of the monthly ending balances during the applicable period.

Pawn service charges increased 21% as a result of higher average PLO for the year.

Merchandise sales increased 14% compared to the prior year. Offsetting the sales increase, merchandise sales gross margin decreased 200 bps reflecting a return to more normalized margins.

Store expenses increased by 4% primarily due to increased store count and labor expenses associated with increased business activity.

Segment contribution increased $33.4 million primarily due to the changes described above.

Latin America Pawn

The following table presents selected summary financial data our Latin America Pawn segment, including constant currency results, after translation to U.S. dollars from functional currencies. See “Results of Operations — Non-GAAP Constant Currency and Same Store Financial Information” above.

	Nine Months Ended June 30,				
(in thousands)	2022 (GAAP)	2021 (GAAP)	Change (GAAP)	2022 (Constant Currency)	Change (Constant Currency)
Gross profit:					
Pawn service charges	$ 58,348	$ 43,520	34%	$ 58,497	34%
Merchandise sales	103,463	70,271	47%	104,031	48%
Merchandise sales gross profit	30,269	24,580	23%	30,436	24%
Gross margin on merchandise sales	29 %	35 %	(600)bps	29 %	(600)bps
Jewelry scrapping sales	5,938	9,014	(34)%	5,948	(34)%
Jewelry scrapping sales gross profit	470	809	(42)%	472	(42)%
Gross margin on jewelry scrapping sales	8 %	9 %	(100)bps	8 %	(100)bps
Other revenues, net	247	7	*	248	*
Gross profit	89,334	68,916	30%	89,653	30%
Segment operating expenses:					
Store expenses	66,727	54,005	24%	67,029	24%
Depreciation and amortization	5,858	5,459	7%	5,883	8%
Other Charges	—	497	*	—	*
Segment operating contribution	16,749	8,955	87%	16,741	87%
Other segment income (a)	(593)	(2,194)	(73)%	(696)	(68)%
Segment contribution	$ 17,342	$ 11,149	56%	$ 17,437	56%
Other data:					
Average monthly ending pawn loan balance per store (a)	$ 63	$ 58	9%	$ 63	9%
Monthly average yield on pawn loans outstanding	16 %	16 %	—bps	16 %	—bps
Pawn loan redemption rate (b)	80 %	81 %	(100)bps	80 %	(100)bps

* Represents a percentage computation that is not mathematically meaningful.
(a) Balance is calculated based upon the average of the monthly ending balances during the applicable period.
(b) Rate is solely inclusive of results from Mexico Pawn.

	2022 Change (GAAP)	2022 Change (Constant Currency)
Same Store data:		
PLO	9%	10%
PSC	21%	21%
Merchandise Sales	24%	25%
Merchandise Sales Gross Profit	7%	8%
Store Expenses	4%	6%

During the nine months ended June 30, 2022, our Latin America pawn segment opened twelve de novo stores.

PSC increased 34% to $58.3 million (34% to $58.5 million on a constant currency basis) as a result of higher average PLO for the year.

Merchandise sales increased 47% (48% on a constant currency basis) and 21% on a same store basis (21% on a constant currency basis). Offsetting the sales increase, merchandise sales gross margin decreased 600 bps from 35% to 29% (29% on a constant currency basis) reflecting a return to more normalized margins.

Store expenses increased by 24% (24% on a constant currency basis) primarily due to growth in store count. On a same-store basis, store expenses increased by $0.9 million or 4% (6% on a constant currency basis) due to rising labor costs resulting from growing transaction volume.

Segment contribution increased $6.2 million, or 56%, to $17.3 million. This increase was primarily due to the changes in revenue and store expenses described above.

Other Investments

The following table presents selected financial data for our Other Investments segment after translation to U.S. dollars from its functional currency of primarily Australian dollars:

	Nine Months Ended June 30,		
(in thousands)	2022	2021	Change
Gross profit:			
Consumer loan fees, interest and other	93	338	(72)%
Gross profit	93	338	(72)%
Segment operating expenses:			
Equity in net income of unconsolidated affiliates	(1,457)	(2,409)	(40)%
Segment operating contribution	1,550	2,747	(44)%
Other segment loss (income)	15	(183)	(108)%
Segment contribution	$ 1,535	$ 2,930	(48)%

Segment income was $1.5 million, a decrease of $1.4 million from the prior-year nine months ended June 30, 2022, primarily due to the decrease in equity income for our unconsolidated affiliates. The decrease in equity in net income in the current nine months ended June 30, 2022 was primarily due to our equity pickup of Cash Converters' net results which included an impairment, primarily of its ROU leased assets, that was attributed to COVID-19.

Other Items

The following table reconciles our consolidated segment contribution discussed above to net income attributable to EZCORP, Inc., including items that affect our consolidated financial results but are not allocated among segments:

(in thousands)	Nine Months Ended June 30, 2022	2021	Percentage Change
Segment contribution	$ 116,914	$ 78,729	49%
Corporate expenses (income):			
General and administrative	46,487	40,870	14%
Depreciation and amortization	9,045	9,649	(6)%
(Gain) loss on sale or disposal of assets	(688)	63	*
Interest expense	7,651	16,542	(54)%
Interest income	(122)	(99)	23%
Other (income) expense	(11)	169	(107)%
Income from continuing operations before income taxes	54,552	11,535	373%
Income tax expense	11,729	4,476	162%
Net income	$ 42,823	$ 7,059	507%

* Represents a percentage computation that is not mathematically meaningful.

Segment contribution increased $38.2 million or 49% over the prior year 9 months ended June 30, 2021, primarily due to the improved operating results of the segments above.

General and administrative expenses increased $5.6 million or 14%, primarily due to a litigation accrual and increased salaries, including performance-based incentive compensation.

Interest expense decreased $8.9 million primarily driven by the ASU 2020-06 accounting policy change which no longer requires debt discount be included on our balance sheet effective October 1, 2021. The policy change eliminates the non-cash interest amortization of that debt discount. See Note 1: Organization And Summary Of Significant Accounting Policies to the consolidated financials for further discussion of this recently adopted accounting policy.

Income tax expense increased $7.3 million primarily due to an increase in income before income taxes of $43.0 million for the nine months ended June 30, 2022 compared to the same prior year nine month period.

Income tax expense includes other items that do not necessarily correspond to pre-tax earnings and create volatility in our effective tax rate. These items include the net effect of state taxes, non-deductible items and changes in valuation allowances for certain foreign operations. See Annual Report on Form 10-K for the year ended September 30, 2021 Note 11: Income Taxes of Notes to Consolidated Financial Statements included in “Part II, Item 8 — Financial Statements and Supplemental Data” for quantification of these items.

Liquidity and Capital Resources

We currently believe that, based on available capital resources and projected operating cash flow, we have adequate capital resources to fund working capital needs, currently anticipated capital expenditures, currently anticipated business growth and expansion, tax payments, and current and projected debt service requirements.

Cash and Cash Equivalents

Our cash and equivalents balance was $222.3 million at June 30, 2022 compared to $253.7 million at September 30, 2021. At June 30, 2022, our cash and equivalents were held in cash depository accounts with major banks or invested in high quality, short-term liquid investments.

Cash Flows

The table and discussion below presents a summary of the selected sources and uses of our cash:

(in thousands)	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021	Percentage Change
Cash flows provided by operating activities	$ 48,494	$ 33,122	46%
Cash flows used in investing activities	(81,589)	(37,086)	120%
Cash flows used in financing activities	(792)	(16,202)	(95)%
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,219	5,076	(76)%
Net decrease in cash, cash equivalents and restricted cash	$ (32,668)	$ (15,090)	116%

The increase in cash flows provided by operating activities year-over-year was primarily due to a $35.8 million increase in net income, partially offset by cash outflows used to purchase inventory and other changes to working capital.

The $44.5 million increase in cash flows used in investing activities year-over-year was primarily due to $16.5 million in outgoing cash flows used to fund other investments and an increase of $66.2 million in net pawn lending, partially offset by an $35.5 million increase in the sale of forfeited collateral. Of the $16.5 million used to fund other investments, $15.0 million was invested in Founders, as discussed in Note 6: Strategic Investments in Part I, Item 1 - Notes to Interim Condensed Consolidated Financial Statements.

The net effect of these changes was a $32.7 million decrease in cash on hand during the current year to date period, resulting in a $231.0 million ending cash and restricted cash balance.

Sources and Uses of Cash

On May 3, 2022, our Board of Directors approved a new share repurchase program, which replaced the previous program that was suspended in March 2020. Under the new program, the Company is authorized to repurchase up to $50 million of our Class A Non-Voting common shares over the next three years. Execution of the program will be responsive to fluctuating market conditions and valuations, liquidity needs and the expected return on investment compared to other opportunities.

Under the stock repurchase program, we may purchase Class A Non-Voting common stock from time to time at management’s discretion in accordance with applicable securities laws, including through open market transactions, block or privately negotiated transactions, or any combination thereof. In addition, we may purchase shares pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934.

The amount and timing of purchases will be dependent on a variety of factors, including stock price, trading volume, general market conditions, legal and regulatory requirements, general business conditions, the level of cash flows, and corporate considerations determined by management and the Board, such as liquidity and capital needs and the availability of attractive alternative investment opportunities. The Board of Directors has reserved the right to modify, suspend or terminate the program at any time.

To date, there were no stock repurchases under the new program.

We anticipate that cash flows from operations and cash on hand will be adequate to fund any future stock repurchases, our contractual obligations, planned de novo store growth, capital expenditures and working capital requirements through fiscal 2022. We continue to explore acquisition opportunities, both large and small, and may choose to pursue additional debt, equity or equity-linked financings in the future should the need arise. Given the current uncertainty related to the COVID-19 pandemic, we may adjust our capital or other expenditures. Depending on the level of acquisition activity and other factors, our ability to repay our longer term debt obligations, including the convertible debt maturing in 2024 and 2025, may require us to refinance these obligations through the issuance of new debt securities, equity securities, convertible securities or through new credit facilities.

Contractual Obligations

In "Part II, Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended September 30, 2021, we reported that we had $602.6 million in total contractual obligations as of September 30, 2021. There have been no material changes to this total obligation since September 30, 2021, other than changes as the result of adoption of accounting standards as further discussed in Note 1: Organization And Summary Of Significant Accounting Policies of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements."

We are responsible for the maintenance, property taxes and insurance at most of our locations. In the fiscal year ended September 30, 2021, these collectively amounted to $25.5 million.

Recently Adopted Accounting Policies and Recently Issued Accounting Pronouncements

In August 2020, the FASB issued its Accounting Standards Update ("ASU") 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40)*, ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Additionally, ASU 2020-06 eliminates beneficial conversion feature and cash conversion models resulting in more convertible instruments being accounted for as a single unit. We early adopted this standard on October 1, 2021 under the modified retrospective basis. The effect of eliminating our debt discount on the 2024 and 2025 Convertible Notes will decrease non-cash interest expense amortization on our Condensed Consolidated Statement of Operations, and the reduction of interest expense will affect our basic earnings per common share. When calculating net income per share of common stock attributable to common shareholders, the Company uses the if-converted method as required under ASU 2020-06 to determine the dilutive effect of the Convertible Notes. The Company did not incur any impact to liquidity or cash flows with recently adopted accounting policy.

Cautionary Statement Regarding Risks and Uncertainties that May Affect Future Results

This Quarterly Report on Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations, includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend that all forward-looking statements be subject to the safe harbors created by these laws. All statements, other than statements of historical facts, regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives are forward-looking statements. These statements are often, but not always, made with words or phrases like "may," "should," "could," "will," "predict," "anticipate," "believe," "estimate," "expect," "intend," "plan," "projection" and similar expressions. Such statements are only predictions of the outcome and timing of future events based on our current expectations and currently available information and, accordingly, are subject to substantial risks, uncertainties and assumptions. Actual results could differ materially from those expressed in the forward-looking statements due to a number of risks and uncertainties, many of which are beyond our control. In addition, we cannot predict all of the risks and uncertainties that could cause our actual results to differ from those expressed in the forward-looking statements. Accordingly, you should not regard any forward-looking statements as a representation that the expected results will be achieved. Important risk factors that could cause results or events to differ from current expectations are identified and described in "Part I, Item 1A — Risk Factors" of our Annual Report on Form 10-K for the year ended September 30, 2021 and "Part II, Item 1A — Risk Factors" of this Report.

We specifically disclaim any responsibility to publicly update any information contained in a forward-looking statement except as required by law. All forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to our operations result primarily from changes in interest rates, gold values and foreign currency exchange rates, and are described in detail in "Part II, Item 7A — Quantitative and Qualitative Disclosures about Market Risk" of our Annual Report on Form 10-K for the year ended September 30, 2021. With the exception of the impacts of COVID-19, which are discussed elsewhere in this Report, there have been no material changes in our reported market risks or risk management policies since the filing of our Annual Report on Form 10-K for the year ended September 30, 2021.

ITEM 4. CONTROLS AND PROCEDURES

This report includes the certifications of our Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022. Our principal executive officer and principal financial officer have concluded that as of June 30, 2022, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Internal Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 10: Contingencies of Notes to Interim Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements."

ITEM 1A. RISK FACTORS

Important risk factors that could affect our operations and financial performance, or that could cause results or events to differ from current expectations, are described in "Part I, Item 1A — Risk Factors" of our Annual Report on Form 10-K for the year ended September 30, 2021.

ITEM 6. EXHIBITS

The following exhibits are filed with, or incorporated by reference into, this report.

		Incorporated by Reference				
Exhibit	**Description of Exhibit**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
31.1	Certification of Principal Executive Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934					x
31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934					x
32.1†	Certifications of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350					x
101.INS	Inline XBRL Instance Document (the instance document does not appear in the interactive data files because the XBRL tags are embedded within the Inline XBRL document)					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					x
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					x
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					x
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document					x
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					x
104	Cover Page Interactive Data File in Inline XBRL format (contained in Exhibit 101)					

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† The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

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 thereunto duly authorized.

EZCORP, INC.

Date: August 3, 2022	/s/Timothy K. Jugmans
	Timothy K. Jugmans, Chief Financial Officer

Exhibit 31.1

Certification of Lachlan P. Given, Chief Executive Officer,
pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lachlan P. Given, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EZCORP, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2022

/s/ Lachlan P. Given
Lachlan P. Given
Chief Executive Officer

Exhibit 31.2

Certification of Timothy K. Jugmans, Chief Financial Officer,
pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Timothy K. Jugmans, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EZCORP, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2022

/s/ Timothy K. Jugmans
Timothy K. Jugmans
Chief Financial Officer

Exhibit 32.1

Certification of Lachlan P. Given, Chief Executive Officer, and Timothy K. Jugmans, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned officers of EZCORP, Inc. hereby certify that (a) EZCORP's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, as filed with the Securities and Exchange Commission, fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, as amended, and (b) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of EZCORP.

Date: August 3, 2022	/s/ Lachlan P. Given
	Lachlan P. Given
	Chief Executive Officer
Date: August 3, 2022	/s/ Timothy K. Jugmans
	Timothy K. Jugmans
	Chief Financial Officer