



EZCORP Reports Third Quarter Fiscal Year 2019 Results

Austin, Texas (July 31, 2019) — EZCORP, Inc. (NASDAQ: EZPW) today announced results for its third quarter ended June 30, 2019.

All amounts in this release are from EZCORP continuing operations and in conformity with U.S. generally accepted accounting principles ("GAAP") unless otherwise noted. Comparisons shown in this release are to the same period in the prior year unless otherwise noted.

HIGHLIGHTS FOR THIRD QUARTER OF FISCAL 2019

- Total revenues for the quarter were up 1% to \$202.5 million. Included in the GAAP results is a discrete \$6.1 million adjustment in Latin America to correct the calculation of certain transaction tax liabilities in prior periods (\$4.6 million of which reduced merchandise sales and \$1.5 million of which increased interest expense). Adjusted¹ total revenues increased 4% to \$206.9 million, driven by continued growth in key pawn operating metrics including pawn loans outstanding (PLO), pawn service charges (PSC) and merchandise sales, across U.S. and Latin America.
- Income before tax was \$3.5 million, down 78%, and diluted earnings per share were \$0.06, down 76%. These year-over-year comparisons were impacted primarily by a favorable litigation settlement in the prior-year quarter, the inclusion in the current quarter of costs related to certain growth investments, and other discrete items. Excluding those items and adjusting for constant currency², adjusted income before tax was \$15.0 million, up 16%, and adjusted diluted earnings per share were \$0.18, up 13%.
- Cash and cash equivalents ended the current quarter at \$138.9 million, after the retirement of \$195.0 million of convertible notes in June 2019 using cash on hand and continued investment in growth initiatives. During the quarter, the company completed the acquisition of seven pawn stores in Nevada for \$7.0 million and collected another \$7.3 million of principal under the Alpha Credit / Grupo Finmart notes.

CEO COMMENTARY AND OUTLOOK

Chief Executive Officer Stuart Grimshaw commented, "Current quarter activities delivered solid operating results highlighted by ongoing momentum across all geographies. Steady growth in PLO and slightly improving yields, reflecting the health of the loan balance, drove strong growth in our primary net revenue component, PSC. On an adjusted basis, EBITDA and EPS growth accelerated as a result of rising operating leverage during the quarter.

"We remain focused on longer-term strategic initiatives centered on best serving our customers' need for cash, expanding our footprint both here in the U.S. and across Latin America via de novo store growth and capitalizing on higher-return M&A opportunities, and proactively investing in differentiated digital engagement and data analytics programs. We are doing this while maintaining financial flexibility to fund growth to enhance long-term shareholder value. Focusing on efficient and effective capital deployment, we recently acquired seven pawn stores expanding our presence in Nevada, opened four Latin America de novo stores in the quarter and retired a material tranche of convertible debt with cash on hand."

CONSOLIDATED RESULTS

Three Months Ended June 30

in thousands, except per share amounts

| | As Reported | | Adjusted ¹ | |
|---|-------------|------------|-----------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Total Revenues | \$ 202,465 | \$ 199,612 | \$ 206,917 | \$ 199,612 |
| Net Revenues | \$ 115,853 | \$ 114,742 | \$ 120,382 | \$ 114,742 |
| Income from Continuing Operations, Before Tax | \$ 3,459 | \$ 15,506 | \$ 14,979 | \$ 12,924 |
| Net Income from Continuing Operations | \$ 3,361 | \$ 14,004 | \$ 10,094 | \$ 9,512 |
| Diluted Earnings Per Share from Continuing Operations | \$ 0.06 | \$ 0.25 | \$ 0.18 | \$ 0.16 |
| Adjusted EBITDA ¹ | \$ 17,373 | \$ 24,666 | \$ 23,334 | \$ 19,588 |

- Net revenues were up 1% to \$115.9 million on both a GAAP and constant currency basis. Adjusted net revenues increased 5% to \$120.4 million. PLO growth of 4% (based on ending balance) and 7% (based on average balances), combined with a slight improvement in yields drove a 9% increase in PSC to \$79.0 million. Consolidated merchandise sales gross profit declined 11% to \$33.6 million on a 1% decrease in merchandise sales. Adjusted sales gross profit improved 1% to \$38.1 million and sales margins decreased 90 basis points to 35.2%, reflecting the effective liquidation of aged general merchandise in U.S. Pawn from 7% to 6% in the current quarter.
- Consolidated operations expenses rose 2% to \$84.7 million on both a GAAP and constant currency basis. Total store count also increased 2%, consisting of a net 18 stores acquired or opened since the prior year quarter (19 new and acquired stores in Latin America and seven acquired stores in the U.S., net of eight store closures in Canada and the U.S.). Same store operations expense increased 1% primarily due to labor and benefit cost increases, including reduced vacancies and increased staffing for expanded stores, an increase in robbery losses in Mexico, and other smaller items.
- Administrative expense increased 13%, or \$1.8 million to \$15.1 million principally as a result of a \$1.3 million strategic investment in the development of the Evergreen customer-centric digital platform. Another \$2.9 million related to this project was capitalized in the quarter, based on the nature of the specific work performed.
- The company's global pawn businesses (consisting of U.S. Pawn and Latin America Pawn) generated consolidated segment contribution of \$25.7 million, down 14% from the prior year quarter. On an adjusted basis, global pawn generated consolidated segment contribution of \$31.7 million, up 6%.
- Contribution from the Other International segment improved \$1.2 million to \$0.9 million.
- Net interest expense increased \$3.6 million. Excluding the \$1.5 million of interest related to the transaction tax adjustment, net interest expense increased \$2.1 million driven by additional debt issued in May 2018 and lower interest income on the declining balance of notes receivable from Alpha Credit as principal collections are received monthly, offset by the June 2019 repayment of our \$195.0 million cash convertible senior notes.

SEGMENT RESULTS

U.S. Pawn

- Same store PSC rose 6%, with ending PLO per store of \$289,000, up 3% on a year-over-year basis. The growth reflected disciplined lending practices and a focus on meeting customers' need for cash.
- Merchandise margins remained strong at 37%. The 60 basis point margin reduction from the prior-year quarter reflects effective liquidation of aged general merchandise inventory, reduced during the quarter from 7% to 6%. Jewelry

scrapping net revenues decreased \$0.2 million on \$3.9 million lower scrap proceeds, reflecting lower current market prices for scrap diamonds and an effort to sell more jewelry in store rather than to refiners at lower margins. Scrap margins improved 250 basis points to 16%.

- U.S. Pawn's net revenues rose 3% to \$92.0 million, with flat combined operating expenses and depreciation, resulting in an 11% increase in segment contribution to \$23.6 million.

Latin America Pawn

- Net revenues declined 3% to \$23.2 million (\$23.3 million on a constant currency basis). Adjusted net revenues increased 16% to \$27.7 million reflecting growth in new, acquired and same stores.
- PSC rose 20% to \$20.3 million on both a GAAP and a constant currency basis, reflecting an 18% increase in average PLO for the quarter. Ending PLO grew 6% to \$41.7 million (up 4% to \$41.0 million on a constant currency basis), with ending PLO per store of \$89,000, up 2%.
- Merchandise sales decreased 4%, or \$0.8 million (4% or \$1.0 million constant currency). On an adjusted basis, merchandise sales increased 17%, or \$3.6 million and gross margin on merchandise sales declined 100 basis points to 29%.
- Operations expense increased 22% to \$18.3 million, including stores acquired or opened since the prior-year quarter and stores expanded or relocated, for which the revenue improvement is expected to lag the incremental costs. Same store operations expense increased 12%, primarily as a result of store licensing requirements recently enacted in Mexico, an increase in robbery losses and related security costs, and labor costs that increased at a rate slightly lower than the total revenue growth.
- The company added four de novo stores in the quarter. New stores drive attractive long-term profit enhancement but create a short-term drag on earnings as they ramp. Acquired stores are generally less efficient than our same stores until fully integrated, but typically are accretive in their first full quarter of ownership.
- Segment contribution decreased 76% to \$2.1 million (72% on a constant currency basis). Adjusted segment contribution decreased 4% to \$8.0 million as a result of new and acquired stores, recently expanded and relocated stores, and the operations expense increase previously described combined with administrative costs to support the growth.

CONFERENCE CALL

EZCORP will host a conference call on Thursday, August 1, 2019, at 7:30am Central Time to discuss first quarter results. Analysts and institutional investors may participate on the conference call by dialing (877) 201-0168, Conference ID: 3967714, or internationally by dialing (647) 788-4901. The conference call will be webcast simultaneously to the public through this link: <http://investors.ezcorp.com/>. A replay of the conference call will be available online at <http://investors.ezcorp.com/> shortly after the end of the call.

ABOUT EZCORP

Formed in 1989, EZCORP has grown into a leading provider of pawn loans in the United States and Latin America. It also sells merchandise, primarily collateral forfeited from pawn lending operations and used merchandise purchased from customers. We are dedicated to satisfying the short-term cash needs of consumers who are both cash and credit constrained, focusing on an industry-leading customer experience. EZCORP is traded on NASDAQ under the symbol EZPW and is a member of the Russell 2000 Index, S&P SmallCap 600 Index, S&P 1000 Index and Nasdaq Composite Index.

FORWARD LOOKING STATEMENTS

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

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¹Adjusted basis, which is a non-GAAP measure, excludes certain items. For additional information about these calculations, as well as a reconciliation to the most comparable GAAP financial measures, see "Non-GAAP Financial Information" at the end of this release.

²"Constant currency" basis, which is a non-GAAP measure, excludes the impact of foreign currency exchange rate fluctuations. For additional information about these calculations, as well as a reconciliation to the most comparable GAAP financial measures, see "Non-GAAP Financial Information" at the end of this release.

EZCORP, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|---|---|------------|----------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| | (Unaudited) | | | |
| | <i>(in thousands, except per share amounts)</i> | | | |
| Revenues: | | | | |
| Merchandise sales | \$ 103,902 | \$ 104,737 | \$ 346,186 | \$ 333,270 |
| Jewelry scrapping sales | 18,212 | 20,428 | 37,873 | 44,166 |
| Pawn service charges | 78,980 | 72,544 | 244,298 | 222,597 |
| Other revenues | 1,371 | 1,903 | 4,533 | 6,147 |
| Total revenues | 202,465 | 199,612 | 632,890 | 606,180 |
| Merchandise cost of goods sold | 70,271 | 66,896 | 225,183 | 210,283 |
| Jewelry scrapping cost of goods sold | 15,765 | 17,625 | 32,648 | 37,536 |
| Other cost of revenues | 576 | 349 | 1,467 | 1,273 |
| Net revenues | 115,853 | 114,742 | 373,592 | 357,088 |
| Operating expenses: | | | | |
| Operations | 84,727 | 82,932 | 261,756 | 248,758 |
| Administrative | 15,053 | 13,268 | 46,795 | 39,688 |
| Depreciation and amortization | 7,254 | 6,124 | 21,114 | 18,298 |
| Loss on sale or disposal of assets and other | 24 | 314 | 3,643 | 453 |
| Total operating expenses | 107,058 | 102,638 | 333,308 | 307,197 |
| Operating income | 8,795 | 12,104 | 40,284 | 49,891 |
| Interest expense | 9,832 | 7,394 | 27,212 | 19,070 |
| Interest income | (3,172) | (4,358) | (9,637) | (12,896) |
| Equity in net income of unconsolidated affiliates | (1,320) | (1,151) | (632) | (3,477) |
| Impairment of investment in unconsolidated affiliates | — | — | 19,725 | — |
| Other income | (4) | (5,287) | (121) | (5,473) |
| Income from continuing operations before income taxes | 3,459 | 15,506 | 3,737 | 52,667 |
| Income tax expense | 98 | 1,502 | 1,377 | 14,710 |
| Income from continuing operations, net of tax | 3,361 | 14,004 | 2,360 | 37,957 |
| (Loss) income from discontinued operations, net of tax | (203) | 91 | (404) | (631) |
| Net income | 3,158 | 14,095 | 1,956 | 37,326 |
| Net loss attributable to noncontrolling interest | — | (359) | (1,230) | (1,348) |
| Net income attributable to EZCORP, Inc. | \$ 3,158 | \$ 14,454 | \$ 3,186 | \$ 38,674 |
| Basic earnings per share attributable to EZCORP, Inc. — continuing operations | \$ 0.06 | \$ 0.26 | \$ 0.06 | \$ 0.72 |
| Diluted earnings per share attributable to EZCORP, Inc. — continuing operations | \$ 0.06 | \$ 0.25 | \$ 0.06 | \$ 0.69 |
| Weighted-average basic shares outstanding | 55,445 | 54,464 | 55,306 | 54,453 |
| Weighted-average diluted shares outstanding | 55,487 | 57,954 | 55,327 | 57,080 |

EZCORP, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

| | June 30, 2019 | June 30, 2018 | September 30, 2018 |
|---|--------------------------|--------------------------|-------------------------------|
| (Unaudited) | | | |
| Assets: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 138,922 | \$ 284,493 | \$ 285,311 |
| Pawn loans | 190,299 | 183,054 | 198,463 |
| Pawn service charges receivable, net | 29,847 | 26,439 | 30,959 |
| Inventory, net | 175,802 | 151,145 | 166,997 |
| Notes receivable, net | 16,166 | 37,906 | 34,199 |
| Prepaid expenses and other current assets | 37,365 | 43,708 | 33,456 |
| Total current assets | 588,401 | 726,745 | 749,385 |
| Investments in unconsolidated affiliates | 30,922 | 61,056 | 49,500 |
| Property and equipment, net | 66,214 | 71,587 | 73,649 |
| Goodwill | 300,700 | 294,335 | 299,248 |
| Intangible assets, net | 63,646 | 59,678 | 54,923 |
| Notes receivable, net | 10,912 | 13,432 | 3,226 |
| Deferred tax asset, net | 3,956 | 6,146 | 7,986 |
| Other assets | 4,472 | 3,575 | 3,863 |
| Total assets | \$ 1,069,223 | \$ 1,236,554 | \$ 1,241,780 |
| Liabilities and equity: | | | |
| Current liabilities: | | | |
| Current maturities of long-term debt, net | \$ 215 | \$ 195,796 | \$ 190,181 |
| Accounts payable, accrued expenses and other current liabilities | 59,981 | 61,595 | 57,958 |
| Customer layaway deposits | 12,750 | 11,938 | 11,824 |
| Total current liabilities | 72,946 | 269,329 | 259,963 |
| Long-term debt, net | 235,449 | 222,897 | 226,702 |
| Deferred tax liability, net | 7,522 | 4,285 | 8,817 |
| Other long-term liabilities | 5,990 | 7,458 | 6,890 |
| Total liabilities | 321,907 | 503,969 | 502,372 |
| Commitments and contingencies | | | |
| Stockholders' equity: | | | |
| Class A Non-voting Common Stock, par value \$.01 per share; shares authorized: 100 million; issued and outstanding: 52,475,070 as of June 30, 2019; 51,494,246 as of June 30, 2018; and 51,614,746 as of September 30, 2018 | 524 | 515 | 516 |
| Class B Voting Common Stock, convertible, par value \$.01 per share; shares authorized: 3 million; issued and outstanding: 2,970,171 | 30 | 30 | 30 |
| Additional paid-in capital | 404,880 | 395,428 | 397,927 |
| Retained earnings | 389,808 | 388,014 | 386,622 |
| Accumulated other comprehensive loss | (47,926) | (47,712) | (42,356) |
| EZCORP, Inc. stockholders' equity | 747,316 | 736,275 | 742,739 |
| Noncontrolling interest | — | (3,690) | (3,331) |
| Total equity | 747,316 | 732,585 | 739,408 |
| Total liabilities and equity | \$ 1,069,223 | \$ 1,236,554 | \$ 1,241,780 |

EZCORP, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended June 30,

2019 **2018**

(Unaudited)
(in thousands)

Operating activities:

| | | |
|--|----------|-----------|
| Net income | \$ 1,956 | \$ 37,326 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Depreciation and amortization | 21,114 | 18,298 |
| Amortization of debt discount and deferred financing costs | 16,613 | 12,126 |
| Accretion of notes receivable discount and deferred compensation fee | (3,788) | (7,222) |
| Deferred income taxes | 5,003 | 3,135 |
| Impairment of investment in unconsolidated affiliate | 19,725 | — |
| Other adjustments | 1,875 | 1,948 |
| Reserve on jewelry scrap receivable | 3,646 | — |
| Stock compensation expense | 7,036 | 8,216 |
| Income from investment in unconsolidated affiliates | (632) | (3,477) |
| Changes in operating assets and liabilities, net of business acquisitions: | | |
| Service charges and fees receivable | 1,301 | 2,609 |
| Inventory | 1,377 | 988 |
| Prepaid expenses, other current assets and other assets | (4,194) | (3,356) |
| Accounts payable, accrued expenses and other liabilities | (1,477) | (4,624) |
| Customer layaway deposits | 949 | 935 |
| Income taxes, net of excess tax benefit from stock compensation | (5,527) | 2,419 |
| Net cash provided by operating activities | 64,977 | 69,321 |

Investing activities:

| | | |
|--|-----------|-----------|
| Loans made | (542,512) | (512,914) |
| Loans repaid | 328,079 | 318,636 |
| Recovery of pawn loan principal through sale of forfeited collateral | 211,979 | 202,078 |
| Additions to property and equipment, net | (24,568) | (33,917) |
| Acquisitions, net of cash acquired | (8,116) | (93,165) |
| Investment in unconsolidated affiliate | — | (14,036) |
| Principal collections on notes receivable | 21,900 | 16,210 |
| Net cash used in investing activities | (13,238) | (117,108) |

Financing activities:

| | | |
|---|-----------|---------|
| Taxes paid related to net share settlement of equity awards | (3,288) | (311) |
| Proceeds from borrowings, net of issuance costs | 1,064 | 170,496 |
| Payments on borrowings | (195,877) | (28) |
| Net cash (used in) provided by financing activities | (198,101) | 170,157 |

Effect of exchange rate changes on cash and cash equivalents and restricted cash

| | | |
|---|------------|------------|
| | (294) | (1,493) |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (146,656) | 120,877 |
| Cash, cash equivalents and restricted cash at beginning of period | 285,578 | 163,868 |
| Cash, cash equivalents and restricted cash at end of period | \$ 138,922 | \$ 284,745 |

Non-cash investing and financing activities:

| | | |
|---|------------|------------|
| Pawn loans forfeited and transferred to inventory | \$ 221,940 | \$ 197,163 |
|---|------------|------------|

EZCORP, Inc.
OPERATING SEGMENT RESULTS
(Unaudited and in thousands)

Three Months Ended June 30, 2019

| | <u>U.S. Pawn</u> | <u>Latin America Pawn</u> | <u>Other International</u> | <u>Total Segments</u> | <u>Corporate Items</u> | <u>Consolidated</u> |
|---|------------------|-----------------------------------|--------------------------------|---------------------------|----------------------------|---------------------|
| Revenues: | | | | | | |
| Merchandise sales | \$ 83,904 | \$ 19,998 | \$ — | \$ 103,902 | \$ — | \$ 103,902 |
| Jewelry scrapping sales | 13,889 | 4,323 | — | 18,212 | — | 18,212 |
| Pawn service charges | 58,635 | 20,345 | — | 78,980 | — | 78,980 |
| Other revenues | 34 | 67 | 1,270 | 1,371 | — | 1,371 |
| Total revenues | 156,462 | 44,733 | 1,270 | 202,465 | — | 202,465 |
| Merchandise cost of goods sold | 52,855 | 17,416 | — | 70,271 | — | 70,271 |
| Jewelry scrapping cost of goods sold | 11,599 | 4,166 | — | 15,765 | — | 15,765 |
| Other cost of revenues | — | — | 576 | 576 | — | 576 |
| Net revenues | 92,008 | 23,151 | 694 | 115,853 | — | 115,853 |
| Segment and corporate expenses (income): | | | | | | |
| Operations | 65,449 | 18,284 | 994 | 84,727 | — | 84,727 |
| Administrative | — | — | — | — | 15,053 | 15,053 |
| Depreciation and amortization | 2,934 | 1,626 | 72 | 4,632 | 2,622 | 7,254 |
| Loss (gain) on sale or disposal of assets and other | 4 | (8) | 6 | 2 | 22 | 24 |
| Interest expense | — | 1,491 | 76 | 1,567 | 8,265 | 9,832 |
| Interest income | — | (376) | — | (376) | (2,796) | (3,172) |
| Equity in net income of unconsolidated affiliates | — | — | (1,320) | (1,320) | — | (1,320) |
| Other (income) expense | — | 34 | 6 | 40 | (44) | (4) |
| Segment contribution | <u>\$ 23,621</u> | <u>\$ 2,100</u> | <u>\$ 860</u> | <u>\$ 26,581</u> | | |
| Income from continuing operations before income taxes | | | | <u>\$ 26,581</u> | <u>\$ (23,122)</u> | <u>\$ 3,459</u> |

Three Months Ended June 30, 2018

| | U.S. Pawn | Latin America Pawn | Other International | Total Segments | Corporate Items | Consolidated |
|---|------------------|-----------------------------------|--------------------------------|---------------------------|----------------------------|---------------------|
| Revenues: | | | | | | |
| Merchandise sales | \$ 83,898 | \$ 20,839 | \$ — | \$ 104,737 | \$ — | \$ 104,737 |
| Jewelry scrapping sales | 17,813 | 2,615 | — | 20,428 | — | 20,428 |
| Pawn service charges | 55,536 | 17,008 | — | 72,544 | — | 72,544 |
| Other revenues | 55 | 245 | 1,603 | 1,903 | — | 1,903 |
| Total revenues | 157,302 | 40,707 | 1,603 | 199,612 | — | 199,612 |
| Merchandise cost of goods sold | 52,340 | 14,556 | — | 66,896 | — | 66,896 |
| Jewelry scrapping cost of goods sold | 15,329 | 2,296 | — | 17,625 | — | 17,625 |
| Other cost of revenues | — | — | 349 | 349 | — | 349 |
| Net revenues | 89,633 | 23,855 | 1,254 | 114,742 | — | 114,742 |
| Segment and corporate expenses (income): | | | | | | |
| Operations | 65,257 | 14,997 | 2,678 | 82,932 | — | 82,932 |
| Administrative | — | — | — | — | 13,268 | 13,268 |
| Depreciation and amortization | 3,010 | 951 | 48 | 4,009 | 2,115 | 6,124 |
| Loss on sale or disposal of assets and other | 74 | 26 | — | 100 | 214 | 314 |
| Interest expense | — | 3 | — | 3 | 7,391 | 7,394 |
| Interest income | — | (672) | — | (672) | (3,686) | (4,358) |
| Equity in net income of unconsolidated affiliates | — | — | (1,151) | (1,151) | — | (1,151) |
| Other income | — | (103) | — | (103) | (5,184) | (5,287) |
| Segment contribution (loss) | <u>\$ 21,292</u> | <u>\$ 8,653</u> | <u>\$ (321)</u> | <u>\$ 29,624</u> | | |
| Income from continuing operations before income taxes | | | | <u>\$ 29,624</u> | <u>\$ (14,118)</u> | <u>\$ 15,506</u> |

Nine Months Ended June 30, 2019

| | U.S. Pawn | Latin America Pawn | Other International | Total Segments | Corporate Items | Consolidated |
|---|------------|--------------------------|------------------------|-------------------|--------------------|--------------|
| Revenues: | | | | | | |
| Merchandise sales | \$ 275,639 | \$ 70,547 | \$ — | \$ 346,186 | \$ — | \$ 346,186 |
| Jewelry scrapping sales | 28,357 | 9,516 | — | 37,873 | — | 37,873 |
| Pawn service charges | 184,658 | 59,640 | — | 244,298 | — | 244,298 |
| Other revenues | 125 | 134 | 4,274 | 4,533 | — | 4,533 |
| Total revenues | 488,779 | 139,837 | 4,274 | 632,890 | — | 632,890 |
| Merchandise cost of goods sold | 172,931 | 52,252 | — | 225,183 | — | 225,183 |
| Jewelry scrapping cost of goods sold | 23,680 | 8,968 | — | 32,648 | — | 32,648 |
| Other cost of revenues | — | — | 1,467 | 1,467 | — | 1,467 |
| Net revenues | 292,168 | 78,617 | 2,807 | 373,592 | — | 373,592 |
| Segment and corporate expenses (income): | | | | | | |
| Operations | 200,884 | 54,703 | 6,169 | 261,756 | — | 261,756 |
| Administrative | — | — | — | — | 46,795 | 46,795 |
| Depreciation and amortization | 8,951 | 4,543 | 190 | 13,684 | 7,430 | 21,114 |
| Loss on sale or disposal of assets and other | 2,856 | 743 | 22 | 3,621 | 22 | 3,643 |
| Interest expense | — | 1,570 | 280 | 1,850 | 25,362 | 27,212 |
| Interest income | — | (1,226) | — | (1,226) | (8,411) | (9,637) |
| Equity in net income of unconsolidated affiliates | — | — | (632) | (632) | — | (632) |
| Impairment of investment in unconsolidated affiliates | — | — | 19,725 | 19,725 | — | 19,725 |
| Other (income) expense | — | (63) | 290 | 227 | (348) | (121) |
| Segment contribution (loss) | \$ 79,477 | \$ 18,347 | \$ (23,237) | \$ 74,587 | | |
| Income from continuing operations before income taxes | | | | \$ 74,587 | \$ (70,850) | \$ 3,737 |

Nine Months Ended June 30, 2018

| | U.S. Pawn | Latin America Pawn | Other International | Total Segments | Corporate Items | Consolidated |
|---|------------------|--------------------------|------------------------|-------------------|--------------------|------------------|
| Revenues: | | | | | | |
| Merchandise sales | \$ 270,145 | \$ 63,125 | \$ — | \$ 333,270 | \$ — | \$ 333,270 |
| Jewelry scrapping sales | 34,515 | 9,651 | — | 44,166 | — | 44,166 |
| Pawn service charges | 174,180 | 48,417 | — | 222,597 | — | 222,597 |
| Other revenues | 205 | 588 | 5,354 | 6,147 | — | 6,147 |
| Total revenues | 479,045 | 121,781 | 5,354 | 606,180 | — | 606,180 |
| Merchandise cost of goods sold | 166,965 | 43,318 | — | 210,283 | — | 210,283 |
| Jewelry scrapping cost of goods sold | 28,683 | 8,853 | — | 37,536 | — | 37,536 |
| Other cost of revenues | — | — | 1,273 | 1,273 | — | 1,273 |
| Net revenues | 283,397 | 69,610 | 4,081 | 357,088 | — | 357,088 |
| Segment and corporate expenses (income): | | | | | | |
| Operations | 196,635 | 44,847 | 7,276 | 248,758 | — | 248,758 |
| Administrative | — | — | — | — | 39,688 | 39,688 |
| Depreciation and amortization | 9,340 | 2,712 | 142 | 12,194 | 6,104 | 18,298 |
| Loss on sale or disposal of assets and | 197 | 31 | — | 228 | 225 | 453 |
| Interest expense | — | 6 | — | 6 | 19,064 | 19,070 |
| Interest income | — | (2,072) | — | (2,072) | (10,824) | (12,896) |
| Equity in net income of unconsolidated affiliates | — | — | (3,477) | (3,477) | — | (3,477) |
| Other (income) expense | (3) | 11 | (118) | (110) | (5,363) | (5,473) |
| Segment contribution | <u>\$ 77,228</u> | <u>\$ 24,075</u> | <u>\$ 258</u> | <u>\$ 101,561</u> | | |
| Income from continuing operations before income taxes | | | | <u>\$ 101,561</u> | <u>\$ (48,894)</u> | <u>\$ 52,667</u> |

EZCORP, Inc.
STORE COUNT ACTIVITY
(Unaudited)

| | Three Months Ended June 30, 2019 | | | |
|------------------------------------|---|---------------------------|----------------------------|---------------------|
| | U.S. Pawn | Latin America Pawn | Other International | Consolidated |
| As of March 31, 2019 | 508 | 466 | 24 | 998 |
| New locations opened | — | 4 | — | 4 |
| Locations acquired | 7 | — | — | 7 |
| Locations sold, combined or closed | (1) | — | (2) | (3) |
| As of June 30, 2019 | <u>514</u> | <u>470</u> | <u>22</u> | <u>1,006</u> |
| | Three Months Ended June 30, 2018 | | | |
| | U.S. Pawn | Latin America Pawn | Other International | Consolidated |
| As of March 31, 2018 | 510 | 387 | 27 | 924 |
| New locations opened | — | 2 | — | 2 |
| Locations acquired | — | 63 | — | 63 |
| Locations sold, combined or closed | — | (1) | — | (1) |
| As of June 30, 2018 | <u>510</u> | <u>451</u> | <u>27</u> | <u>988</u> |
| | Nine Months Ended June 30, 2019 | | | |
| | U.S. Pawn | Latin America Pawn | Other International | Consolidated |
| As of September 30, 2018 | 508 | 453 | 27 | 988 |
| New locations opened | — | 12 | — | 12 |
| Locations acquired | 7 | 5 | — | 12 |
| Locations sold, combined or closed | (1) | — | (5) | (6) |
| As of June 30, 2019 | <u>514</u> | <u>470</u> | <u>22</u> | <u>1,006</u> |
| | Nine Months Ended June 30, 2018 | | | |
| | U.S. Pawn | Latin America Pawn | Other International | Consolidated |
| As of September 30, 2017 | 513 | 246 | 27 | 786 |
| New locations opened | — | 10 | — | 10 |
| Locations acquired | — | 196 | — | 196 |
| Locations sold, combined or closed | (3) | (1) | — | (4) |
| As of June 30, 2018 | <u>510</u> | <u>451</u> | <u>27</u> | <u>988</u> |

Non-GAAP Financial Information (Unaudited)

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

or superior to, our financial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of those measures for comparative purposes.

Constant currency results reported herein are calculated by translating consolidated balance sheet and consolidated statement of operations items denominated in Mexican pesos, Guatemalan quetzals, Honduran lempiras and Peruvian sols 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. The end-of-period and approximate average exchange rates for each currency as compared to U.S. dollars as of and for the three and nine months ended June 30, 2019 and 2018 were as follows:

| | June 30, | | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|--------------------|----------|------|-----------------------------|------|----------------------------|------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Mexican peso | 19.2 | 19.9 | 19.1 | 19.4 | 19.4 | 19.0 |
| Guatemalan quetzal | 7.5 | 7.4 | 7.5 | 7.3 | 7.6 | 7.3 |
| Honduran lempira | 24.3 | 23.9 | 24.2 | 23.6 | 24.1 | 23.5 |
| Peruvian sol | 3.3 | 3.3 | 3.3 | 3.2 | 3.3 | 3.2 |

The constant currency results of our statement of operations reflect the monthly exchange rate fluctuations and so are not directly calculable from the above rates. Constant currency results, where presented, also exclude the foreign currency gain or loss. We have experienced a prolonged weakening of the Mexican peso to the U.S. dollar and may continue to experience further weakening in future reporting periods, which may adversely impact our future operating results when stated on a GAAP basis.

Miscellaneous Non-GAAP Financial Measures

| | 2019 Q3 | | 2018 Q3 | |
|---|----------------------|-------|---------|-------|
| | <i>(in millions)</i> | | | |
| Net income | \$ | 3.2 | \$ | 14.1 |
| Loss from discontinued operations, net of tax | | 0.2 | | — |
| Interest expense | | 9.8 | | 7.4 |
| Interest income | | (3.2) | | (4.4) |
| Income tax expense | | 0.1 | | 1.5 |
| Depreciation and amortization | | 7.3 | | 6.1 |
| Adjusted EBITDA | \$ | 17.4 | \$ | 24.7 |

| | Consolidated Revenues | Consolidated Net Revenues | Consolidated Sales Gross Profit | Consolidated Sales Gross Profit Margin |
|-------------------------------------|-----------------------|---------------------------|---------------------------------|--|
| | <i>(in millions)</i> | | | |
| 2019 Q3 reported | \$ 202.5 | \$ 115.9 | \$ 33.6 | 32.4% |
| Discrete transaction tax adjustment | 4.6 | 4.6 | 4.6 | |
| Currency exchange rate fluctuations | (0.2) | (0.1) | (0.1) | |
| 2019 Q3 adjusted | \$ 206.9 | \$ 120.4 | \$ 38.1 | 35.2% |

| | U.S. Pawn | Latin America Pawn | Total | Percentage Change YOY |
|---------------------------------------|----------------------|--------------------|---------|-----------------------|
| | <i>(in millions)</i> | | | |
| 2019 Q3 reported segment contribution | \$ 23.6 | \$ 2.1 | \$ 25.7 | (14.0)% |
| Discrete transaction tax adjustment | — | 6.0 | 6.0 | |
| 2019 Q3 adjusted segment contribution | \$ 23.6 | \$ 8.1 | \$ 31.7 | 6.0 % |

| | Latin America Pawn Net Revenues | Latin America Pawn Merchandise Sales | Latin America Pawn Sales Gross Profit | Consolidated Sales Gross Profit Margin |
|-------------------------------------|--|---|--|---|
| | <i>(in millions)</i> | | | |
| 2019 Q3 reported | \$ 23.2 | \$ 20.0 | \$ 2.6 | 13% |
| Discrete transaction tax adjustment | 4.6 | 4.6 | 4.6 | |
| Currency exchange rate fluctuations | (0.1) | (0.2) | (0.1) | |
| 2019 Q3 adjusted | \$ 27.7 | \$ 24.4 | \$ 7.1 | 29% |

| | Income from Continuing Operations, Before Tax | Tax Effect | Net Income from Continuing Operations | Adjusted EBITDA | Continuing Operations Diluted EPS |
|--|--|-----------------------|--|----------------------------|--|
| | <i>(in millions)</i> | | | | |
| 2019 Q3 reported | \$ 3.5 | \$ (0.1) | \$ 3.4 | \$ 17.4 | \$ 0.06 |
| Discrete transaction tax adjustment | 6.1 | (1.9) | 4.2 | 4.5 | 0.08 |
| Non-recurring income tax benefit | — | (1.8) | (1.8) | — | (0.03) |
| Currency exchange rate fluctuations | (0.1) | — | (0.1) | — | — |
| Non-cash net interest expense | 4.1 | (0.8) | 3.3 | — | 0.05 |
| Discretionary strategic investment in digital platform | 1.4 | (0.3) | 1.1 | 1.4 | 0.02 |
| 2019 Q3 adjusted | \$ 15.0 | \$ (4.9) | \$ 10.1 | \$ 23.3 | \$ 0.18 |

| | Income from Continuing Operations, Before Tax | Tax Effect | Net Income from Continuing Operations | Adjusted EBITDA | Continuing Operations Diluted EPS |
|--|--|-----------------------|--|----------------------------|--|
| | <i>(in millions)</i> | | | | |
| 2018 Q3 reported | \$ 15.5 | \$ (1.5) | \$ 14.0 | \$ 24.7 | \$ 0.25 |
| Gain on litigation settlement, net of tax impact | (5.2) | 1.6 | (3.6) | (5.2) | (0.07) |
| Non-recurring income tax benefit | — | (3.3) | (3.3) | — | (0.06) |
| Acquisition expenses, net of tax impact | 0.1 | — | 0.1 | 0.1 | — |
| Non-cash net interest expense | 2.5 | (0.2) | 2.3 | — | 0.04 |
| 2018 Q3 adjusted | \$ 12.9 | \$ (3.4) | \$ 9.5 | \$ 19.6 | \$ 0.16 |

2019 Q3:

| | U.S. Dollar Amount | Percentage Change YOY |
|---|-------------------------------|----------------------------------|
| | <i>(in millions)</i> | |
| Latin America Pawn PLO | \$ 41.7 | 6 % |
| Currency exchange rate fluctuations | (0.7) | |
| Constant currency Latin America Pawn PLO | \$ 41.0 | 4 % |
| Consolidated operations expenses (three months ended June 30, 2019) | \$ 84.7 | 2 % |
| Currency exchange rate fluctuations | — | |
| Constant currency consolidated operations expenses (three months ended June 30, 2019) | \$ 84.7 | 2 % |
| Latin America Pawn PSC revenues (three months ended June 30, 2019) | \$ 20.3 | 20 % |
| Currency exchange rate fluctuations | — | |
| Constant currency Latin America Pawn PSC revenues (three months ended June 30, 2019) | \$ 20.3 | 20 % |
| Latin America Pawn merchandise sales (three months ended June 30, 2019) | \$ 20.0 | (4)% |
| Currency exchange rate fluctuations (three months ended June 30, 2019) | 0.1 | |
| Constant currency Latin America Pawn merchandise sales (three months ended June 30, 2019) | \$ 20.1 | (4)% |
| Latin America Pawn segment profit before tax (three months ended June 30, 2019) | \$ 2.1 | (76)% |
| Currency exchange rate fluctuations | 0.3 | |
| Constant currency Latin America Pawn segment profit before tax (three months ended June 30, 2019) | \$ 2.4 | (72)% |