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 March 31, 2024 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 every Interactive Data File required to be submitted 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 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 April 24, 2024, 51,972,207 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.

INDEX TO FORM 10-Q

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EZCORP, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share and per share amounts)	March 31, 2024	March 31, 2023	September 30, 2023
Assets:			
Current assets:			
Cash and cash equivalents	$ 229,111	$ 243,128	$ 220,595
Restricted cash	8,581	8,451	8,373
Pawn loans	235,773	206,096	245,766
Pawn service charges receivable, net	38,268	33,116	38,885
Inventory, net	163,429	150,297	166,477
Prepaid expenses and other current assets	47,142	45,564	39,623
Total current assets	722,304	686,652	719,719
Investments in unconsolidated affiliates	13,162	10,681	10,987
Other investments	51,220	39,220	36,220
Property and equipment, net	63,306	59,775	68,096
Right-of-use assets, net	243,752	234,287	234,388
Goodwill	310,658	300,078	302,372
Intangible assets, net	61,714	59,620	58,216
Notes receivable, net	—	1,233	—
Deferred tax asset, net	26,247	19,127	25,702
Other assets, net	15,779	9,859	12,011
Total assets	$ 1,508,142	$ 1,420,532	$ 1,467,711
Liabilities and equity:			
Current liabilities:			
Current maturities of long-term debt, net	$ 34,347	$ —	$ 34,265
Accounts payable, accrued expenses and other current liabilities	62,838	72,695	81,605
Customer layaway deposits	20,352	18,761	18,920
Operating lease liabilities, current	55,658	53,921	57,182
Total current liabilities	173,195	145,377	191,972
Long-term debt, net	326,573	359,287	325,847
Deferred tax liability, net	465	368	435
Operating lease liabilities	197,285	191,874	193,187
Other long-term liabilities	10,228	11,038	10,502
Total liabilities	707,746	707,944	721,943
Commitments and contingencies (Note 9)			
Stockholders' equity:			
Class A Non-voting Common Stock, par value $0.01 per share; shares authorized: 100 million; issued and outstanding: 52,057,309 as of March 31, 2024; 52,561,071 as of March 31, 2023; and 51,869,569 as of September 30, 2023	521	526	519
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	345,174	343,088	346,181
Retained earnings	477,683	405,961	431,140
Accumulated other comprehensive loss	(23,012)	(37,017)	(32,102)
Total equity	800,396	712,588	745,768
Total liabilities and equity	$ 1,508,142	$ 1,420,532	$ 1,467,711

See accompanying notes to unaudited condensed consolidated financial statements

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

(in thousands, except per share amount)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023
Revenues:				
Merchandise sales	$ 164,687	$ 152,507	$ 344,090	$ 316,294
Jewelry scrapping sales	13,714	12,825	27,796	20,709
Pawn service charges	107,163	93,030	213,612	185,623
Other revenues	75	61	132	124
Total revenues	285,639	258,423	585,630	522,750
Merchandise cost of goods sold	106,259	97,339	221,469	202,216
Jewelry scrapping cost of goods sold	11,788	11,902	23,996	18,855
Gross profit	167,592	149,182	340,165	301,679
Operating expenses:				
Store expenses	114,582	101,269	225,137	202,072
General and administrative	18,266	15,609	34,809	31,085
Depreciation and amortization	8,219	7,963	16,784	15,951
Loss (gain) on sale or disposal of assets and other	3	73	(169)	57
Other income	(765)	(2,465)	(765)	(2,465)
Total operating expenses	140,305	122,449	275,796	246,700
Operating income	27,287	26,733	64,369	54,979
Interest expense	3,402	3,390	6,842	9,580
Interest income	(2,882)	(1,898)	(5,521)	(2,562)
Equity in net (income) loss of unconsolidated affiliates	(1,719)	32,501	(2,872)	30,917
Other (income) expense	(165)	80	(436)	(154)
Income (loss) before income taxes	28,651	(7,340)	66,356	17,198
Income tax expense (benefit)	7,172	(550)	16,407	7,210
Net income (loss)	$ 21,479	$ (6,790)	$ 49,949	$ 9,988
Basic earnings (loss) per share	$ 0.39	$ (0.12)	$ 0.91	$ 0.18
Diluted earnings (loss) per share	$ 0.29	$ (0.12)	$ 0.65	$ 0.11
Weighted-average basic shares outstanding	55,093	55,648	55,084	55,981
Weighted-average diluted shares outstanding	83,045	55,648	84,948	65,269

See accompanying notes to unaudited condensed consolidated financial statements

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

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023
Net income (loss)	$ 21,479	$ (6,790)	$ 49,949	$ 9,988
Other comprehensive income:				
Foreign currency translation adjustment, net of income tax expense for our investment in unconsolidated affiliate of $98 and $1,133 for the three months ended March 31, 2024, and 2023, respectively and $41 and $737 for the six months ended March 31, 2024, and 2023, respectively	4,457	16,148	9,090	18,652
Comprehensive income	$ 25,936	$ 9,358	$ 59,039	$ 28,640

See accompanying notes to unaudited condensed consolidated financial statements

EZCORP, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(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, 2023	54,840	$ 549	$ 346,181	$ 431,140	$ (32,102)	$ 745,768
Stock compensation	—	—	2,264	—	—	2,264
Release of restricted stock, net of shares withheld for taxes	758	8	—	—	—	8
Taxes paid related to net share settlement of equity awards	—	—	(3,253)	—	—	(3,253)
Foreign currency translation gain	—	—	—	—	4,633	4,633
Purchase and retirement of treasury stock	(355)	(4)	(1,322)	(1,681)	—	(3,007)
Net income	—	—	—	28,470	—	28,470
Balances as of December 31, 2023	55,243	$ 553	$ 343,870	$ 457,929	$ (27,469)	$ 774,883
Stock compensation	—	—	2,580	—	—	2,580
Release of restricted stock, net of shares withheld for taxes	89	1	(1)	—	—	—
Foreign currency translation gain	—	—	—	—	4,457	4,457
Purchase and retirement of treasury stock	(305)	(3)	(1,275)	(1,725)	—	(3,003)
Net income	—	—	—	21,479	—	21,479
Balances as of March 31, 2024	55,027	$ 551	$ 345,174	$ 477,683	$ (23,012)	$ 800,396

(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, 2022	56,425	$ 564	$ 345,330	$ 402,006	$ (55,669)	$ 692,231
Stock compensation	—	—	1,886	—	—	1,886
Transfer of equity consideration for acquisition	10	—	99	—	—	99
Release of restricted stock, net of shares withheld for taxes	235	2	—	—	—	2
Taxes paid related to net share settlement of equity awards	—	—	(1,138)	—	—	(1,138)
Foreign currency translation gain	—	—	—	—	2,504	2,504
Purchase and retirement of treasury stock	(822)	(7)	(3,165)	(3,855)	—	(7,027)
Net income	—	—	—	16,778	—	16,778
Balances as of December 31, 2022	55,848	$ 559	$ 343,012	$ 414,929	$ (53,165)	$ 705,335
Stock compensation	—	—	1,855	—	—	1,855
Release of restricted stock, net of shares withheld for taxes	132	2	—	—	—	2
Taxes paid related to net share settlement of equity awards	(1)	—	(11)	—	—	(11)
Foreign currency translation gain	—	—	—	—	16,148	16,148
Purchase and retirement of treasury stock	(448)	(5)	(1,768)	(2,178)	—	(3,951)
Net loss	—	—	—	(6,790)	—	(6,790)
Balances as of March 31, 2023	55,531	$ 556	$ 343,088	$ 405,961	$ (37,017)	$ 712,588

See accompanying notes to unaudited condensed consolidated financial statements

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

(in thousands)	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023
Operating activities:		
Net income	$ 49,949	$ 9,988
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	16,784	15,951
Amortization of debt discount and deferred financing costs	807	736
Non-cash lease expense	29,514	27,546
Deferred income taxes	515	(6,987)
Other adjustments	(1,429)	(2,386)
Provision for inventory reserve	183	280
Stock compensation expense	4,844	3,741
Equity in net (income) loss from investment in unconsolidated affiliates	(2,872)	30,917
Net loss on extinguishment of debt	—	3,545
Changes in operating assets and liabilities, net of business acquisitions:		
Pawn service charges receivable	1,071	1,357
Inventory	1,617	(2,306)
Prepaid expenses, other current assets and other assets	(8,699)	(3,639)
Accounts payable, accrued expenses and other liabilities	(57,531)	(43,969)
Customer layaway deposits	886	1,426
Income taxes	909	8,852
Dividends from unconsolidated affiliates	—	1,775
Net cash provided by operating activities	36,548	46,827
Investing activities:		
Loans made	(433,194)	(378,717)
Loans repaid	262,970	230,604
Recovery of pawn loan principal through sale of forfeited collateral	188,351	171,504
Capital expenditures, net	(13,654)	(18,439)
Acquisitions, net of cash acquired	(8,610)	(12,968)
Issuance of notes receivable	—	(15,500)
Investment in unconsolidated affiliate	(850)	(2,133)
Investment in other investments	(15,000)	(15,000)
Dividends from unconsolidated affiliates	1,745	—
Net cash used in investing activities	(18,242)	(40,649)
Financing activities:		
Taxes paid related to net share settlement of equity awards	(3,253)	(1,149)
Proceeds from issuance of debt	—	230,000
Debt issuance cost	—	(7,458)
Cash paid on extinguishment of debt	—	(1,951)
Payments on debt	—	(178,488)
Purchase and retirement of treasury stock	(6,010)	(10,978)
Payments of finance leases	(276)	—
Net cash (used in) provided by financing activities	(9,539)	29,976
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(43)	1,056
Net increase in cash, cash equivalents and restricted cash	8,724	37,210
Cash and cash equivalents and restricted cash at beginning of period	228,968	214,369
Cash and cash equivalents and restricted cash at end of period	$ 237,692	$ 251,579

See accompanying notes to unaudited condensed consolidated financial statements

Notes to Condensed Consolidated Financial Statements
(Unaudited)

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 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, 2023, filed with the Securities and Exchange Commission (“SEC”) on November 15, 2023 (“2023 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 six month periods ended March 31, 2024, are not necessarily indicative of results that may be expected for the fiscal year ending September 30, 2024 or any other period due, in part, to seasonal variations. There have been no changes that have had a material impact in significant accounting policies as described in our 2023 Annual Report.

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 and Assumptions

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. We base our estimates on historical experience, observable trends and various other assumptions we believe are reasonable. Actual results may differ materially from these estimates under different assumptions or conditions.

Merchandise Sales Revenue Recognition

Customer layaway deposits are recorded as liabilities when a customer provides a deposit for merchandise. Customer layaway deposits are generally refundable upon cancellation. Our customer layaway deposits balance as of March 31, 2024, 2023 and September 30, 2023 was $20.4 million, $18.8 million and $18.9 million, respectively, and are generally recognized as revenue within a one-year period.

Investments

We account for our investment in Rich Data Corporation (“RDC”) in accordance with Accounting Standards Codification (“ASC”) 321, Investments — Equity Securities, and we have elected to use the measurement alternative to measure this investment at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any. As of March 31, 2024, 2023 and September 30, 2023, the carrying value of our investment in RDC was $6.2 million.

Refer to Note 5: Strategic Investments for details on our investment in Founders One, LLC (“Founders”).

Recently Issued Accounting Pronouncements

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06, *Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* ("ASU 2023-06"). ASU 2023-06 will impact various disclosure areas, including the statement of cash flows, accounting changes and error corrections, earnings per share, debt, equity, derivatives, and transfers of financial assets. The amendments in this ASU 2023-06 will be effective on the date the related disclosures are removed from Regulation S-X or Regulation S-K by the SEC, and will no longer be effective if the SEC has not removed the applicable disclosure requirement by June 30, 2027. Early adoption is prohibited. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 requires disclosure of significant segment expenses regularly provided to the chief operating decision maker ("CODM") included within segment operating profit or loss. Additionally, the ASU requires a description of how the CODM utilizes segment operating profit or loss to assess segment performance. The requirements of this ASU 2023-07 are effective for the Company for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and retrospective application is required for all periods presented. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires disclosure of specific categories and disaggregation of information in the rate reconciliation table. The ASU also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The requirements of this ASU 2023-09 are effective for the Company for fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments should be applied on a prospective basis. Retrospective application is permitted. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-02, *Codification Improvements—Amendments to Remove References to the Concepts Statements* ("ASU 2024-02"). ASU 2024-02 contains amendments to the Codification that remove references to various FASB Concepts Statements. The requirements of this ASU 2024-02 are effective for the Company for fiscal years beginning after December 15, 2024 and can be applied on a prospective or retrospective basis. This standard is not expected to have a significant impact on our consolidated financial statements and related disclosures.

NOTE 2: GOODWILL

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

	Six Months Ended March 31, 2024		
(in thousands)	U.S. Pawn	Latin America Pawn	Consolidated
Balances as of September 30, 2023	$ 255,942	$ 46,430	$ 302,372
Acquisitions [(a)]	6,330	—	6,330
Effect of foreign currency translation changes	—	1,956	1,956
Balances as of March 31, 2024	$ 262,272	$ 48,386	$ 310,658

	Six Months Ended March 31, 2023		
(in thousands)	U.S. Pawn	Latin America Pawn	Consolidated
Balances as of September 30, 2022	$ 245,503	$ 41,325	$ 286,828
Acquisitions [(a)]	9,468	—	9,468
Effect of foreign currency translation changes	—	3,782	3,782
Balances as of March 31, 2023	$ 254,971	$ 45,107	$ 300,078

(a) Amount represents goodwill recognized in connection with acquisitions within the U.S. Pawn segment that were immaterial, individually and in the aggregate, and we have therefore omitted certain disclosures.

NOTE 3: EARNINGS (LOSS) PER SHARE

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

	Three Months Ended March 31,		Six Months Ended March 31,	
(in thousands, except per share amounts)	2024	2023	2024	2023
Basic earnings (loss) per common share:				
Net income (loss) - basic	$ 21,479	$ (6,790)	$ 49,949	$ 9,988
Weighted shares outstanding - basic	55,093	55,648	55,084	55,981
Basic earnings (loss) per common share	$ 0.39	$ (0.12)	$ 0.91	$ 0.18
Diluted earnings (loss) per common share:				
Net income (loss) - basic	$ 21,479	$ (6,790)	$ 49,949	$ 9,988
Add: Convertible Notes interest expense (income), net of tax*	2,415	—	5,074	(2,733)
Net income (loss) - diluted	$ 23,894	$ (6,790)	$ 55,023	$ 7,255
Weighted shares outstanding - basic	55,093	55,648	55,084	55,981
Equity-based compensation awards - effect of dilution**	974	—	1,156	1,067
Convertible Notes - effect of dilution***	26,978	—	28,708	8,221
Weighted shares outstanding - diluted	83,045	55,648	84,948	65,269
Diluted earnings (loss) per common share	$ 0.29	$ (0.12)	$ 0.65	$ 0.11
Potential common shares excluded from the calculation of diluted earnings (loss) per common share above:				
Equity-based compensation awards**	—	1,014	—	—
Convertible Notes***	—	30,417	—	20,141
Restricted stock****	1,676	1,504	1,673	1,528
Total	1,676	32,935	1,673	21,669

* Effective January 1, 2024, we are required to combination settle the 2024 Convertible Notes. As such, no interest expense is included for the three months ended March 31, 2024 and only the first quarter of 2024 interest expense is included for the six months ended March 31, 2024. The six months ended March 31,2023 includes $5.4 million gain on the partial extinguishment of debt, associated with the 2025 Convertible Notes, which was recorded to “Interest expense” in the Company’s condensed consolidated statement of operations. See Note 7: Debt for additional information.

** 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.

*** As we are required to combination settle the 2024 Convertible Notes effective January 1, 2024, the 3.4 million principal shares are not included for the three months ended March 31, 2024 and only the weighted average shares of 1.7 million are included for the six months ended March 31, 2024. Additionally, no potential common shares related to the accreted value of the 2024 Convertible Notes are included for the three or six months ended March 31, 2024 as the average market rate was not above the initial conversion price of $10.00 per share for the noted reporting periods. See Note 7: Debt for conversion price, initial conversion rate and additional information on the 2024 Convertible Notes, 2025 Convertible Notes, and 2029 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.

NOTE 4: 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 and finance leases for vehicles with lease terms ranging from two to five years.

The table below presents balances of our lease assets and liabilities and their balance sheet locations for both operating and financing leases:

(in thousands)	Balance Sheet Location	March 31, 2024	March 31, 2023	September 30, 2023
Lease assets:				
Operating lease right-of-use assets	Right-of-use assets, net	$ 243,752	$ 234,287	$ 234,388
Financing lease assets	Other assets	2,094	1,289	2,178
Total lease assets		$ 245,846	$ 235,576	$ 236,566
Lease liabilities:				
Current:				
Operating lease liabilities	Operating lease liabilities, current	$ 55,658	$ 53,921	$ 57,182
Financing lease liabilities	Accounts payable, accrued expenses and other current liabilities	583	282	530
Total current lease liabilities		$ 56,241	$ 54,203	$ 57,712
Non-current:				
Operating lease liabilities	Operating lease liabilities	$ 197,285	$ 191,874	$ 193,187
Financing lease liabilities	Other long-term liabilities	1,626	1,024	1,715
Total non-current lease liabilities		$ 198,911	$ 192,898	$ 194,902
Total lease liabilities		$ 255,152	$ 247,101	$ 252,614

The table below provides major components of our lease costs:

	Three Months Ended March 31,		Six Months Ended March 31,	
(in thousands)	2024	2023	2024	2023
Operating lease cost:				
Operating lease cost *	$ 19,840	$ 18,023	$ 38,906	$ 35,518
Variable lease cost	4,643	4,028	8,858	7,880
Total operating lease cost	$ 24,483	$ 22,051	$ 47,764	$ 43,398
Financing lease cost:				
Amortization of financing lease assets	$ 164	$ 55	$ 315	$ 74
Interest on financing lease liabilities	63	24	128	35
Total financing lease cost	$ 227	$ 79	$ 443	$ 109
Total lease cost	$ 24,710	$ 22,130	$ 48,207	$ 43,507

* Includes a reduction for sublease rental income of $0.6 million and $1.1 million for the three months ended March 31, 2024 and 2023, respectively, and $1.7 million and $1.8 million for the six months ended March 31, 2024 and 2023, respectively.

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 expenses” and “General and administrative” under operating expenses, based on the underlying lease use. Cash paid for operating leases was $24.3 million and $18.9 million for the three months ended March 31, 2024 and 2023, respectively, and $44.6 million and $37.4 million for the six months ended March 31, 2024 and 2023, respectively. Cash paid for principal and interest on finance leases was $0.1 million and $0.1 million, respectively, for the three months ended March 31, 2024 and $0.3 million and $0.1 million for the six months ended March 31, 2024 respectively. There was no cash paid for principal or interest on finance leases during the three and six months ended March 31, 2023.

The weighted-average term and discount rates for leases are as follows:

	Six Months Ended March 31,	
	2024	2023
Weighted-average remaining lease term (years):		
Operating leases	4.88	5.16
Financing leases	3.17	3.97
Weighted-average discount rate:		
Operating leases	8.41 %	8.42 %
Financing leases	11.14 %	11.14 %

As of March 31, 2024, maturities of lease liabilities under ASC 842 by fiscal year were as follows:

(in thousands)	Operating Leases	Financing Leases
Remaining 2024	$ 35,375	$ 382
Fiscal 2025	75,330	849
Fiscal 2026	64,181	849
Fiscal 2027	49,593	536
Fiscal 2028	34,224	28
Thereafter	50,899	—
Total lease liabilities	$ 309,602	$ 2,644
Less: portion representing imputed interest	56,659	435
Total net lease liabilities	$ 252,943	$ 2,209
Less: current portion	55,658	583
Total long term net lease liabilities	$ 197,285	$ 1,626

We recorded $35.0 million and $34.5 million in non-cash additions to our operating right-of-use assets and lease liabilities for the six months ended March 31, 2024 and 2023, respectively. We recorded $0.2 million and $1.2 million in non-cash finance lease additions for the six months ended March 31, 2024 and 2023, respectively.

NOTE 5: STRATEGIC INVESTMENTS

Cash Converters International Limited

As of March 31, 2024, we owned 273,939,157 shares, or approximately 43.7%, of Cash Converters. We acquired our original investment (representing approximately 30% of the outstanding shares) in November 2009 and have increased our ownership through the acquisition of additional shares periodically since that time.

We received cash dividends from Cash Converters of $1.7 million and $1.8 million during the six months ended March 31, 2024 and 2023, respectively.

The following tables present summary financial information for Cash Converters' most recently reported results at December 31, 2023 after translation to U.S. dollars:

	December 31,	
(in thousands)	2023	2022
Current assets	$ 186,572	$ 189,179
Non-current assets	137,271	98,301
Total assets	$ 323,843	$ 287,480
Current liabilities	$ 101,097	$ 91,601
Non-current liabilities	79,926	56,792
Shareholders' equity	142,820	139,087
Total liabilities and shareholders' equity	$ 323,843	$ 287,480

	Half-Year Ended December 31,	
(in thousands)	2023	2022
Gross revenues	$ 124,874	$ 98,768
Gross profit	$ 73,675	$ 63,800
Net profit (loss)	$ 6,499	$ (73,197)

During the three and six months ended March 31, 2024, we recorded our share of income of $1.7 million and $2.9 million, respectively, from Cash Converters. During the three and six months ended March 31, 2023 we recorded a loss of $32.5 million and $30.9 million, respectively, from Cash Converters, which included $32.4 million as our share of their non-cash goodwill impairment charge during the quarter ended March 31, 2023 that was recorded to "Equity in net (income) loss of unconsolidated affiliates" in the condensed consolidated statements of operations.

See Note 6: 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 then newly-formed entity with one other member.

On December 2, 2022, we contributed an additional $15.0 million to Founders associated with our preferred interest. In addition, we loaned $15.0 million to Founders in exchange for a Demand Promissory Note secured by the common interest in Founders held by the other member.

In October 2023, we contributed an additional $15.0 million to Founders associated with our preferred interest, bringing our total preferred equity investment in Founders to $45.0 million.

We have an interest in Founders, a variable interest entity, but because the Company is not the primary beneficiary, we do not consolidate Founders. 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 preferred equity investment in Founders is accounted for utilizing the measurement alternative within ASC 321, Investments — Equity Securities. As of March 31, 2024, our $45.0 million carrying value of the preferred equity investment and $15.0 million Demand Promissory Note are included in "Other investments" and "Prepaid expenses and other current assets" in our condensed consolidated balance sheets, respectively. As of March 31, 2024, our maximum exposure for losses related to our investment in Founders was our $45.0 million preferred equity investment and $15.0 million Demand Promissory Note plus accrued and unpaid interest.

See Note 6: Fair Value Measurements for the fair value and carrying value of our loan to Founders.

NOTE 6: 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)	March 31, 2024	March 31, 2024	Level 1	Level 2	Level 3
Financial assets:					
Promissory note receivable due April 2024	$ 1,268	$ 1,268	$ —	$ —	$ 1,268
Promissory note receivable from Founders	17,706	17,706	—	—	17,706
Investments in unconsolidated affiliates	13,162	41,135	40,285	—	850
Financial liabilities:					
2024 Convertible Notes	$ 34,347	$ 34,303	$ —	$ 34,303	$ —
2025 Convertible Notes	102,817	97,171	—	97,171	—
2029 Convertible Notes	223,756	268,893	—	268,893	—

	Carrying Value	Estimated Fair Value			
			Fair Value Measurement Using		
(in thousands)	March 31, 2023	March 31, 2023	Level 1	Level 2	Level 3
Financial assets:					
Promissory note receivable due April 2024	$ 1,233	$ 1,233	$ —	$ —	$ 1,233
Promissory note receivable from Founders	15,600	15,600	—	—	15,600
Investments in unconsolidated affiliates	10,681	42,917	42,917	—	—
Financial liabilities:					
2024 Convertible Notes	$ 34,184	$ 34,389	$ —	$ 34,389	$ —
2025 Convertible Notes	102,312	94,690	—	94,690	—
2029 Convertible Notes	222,791	221,529	—	221,529	—

(in thousands)	Carrying Value September 30, 2023	Estimated Fair Value September 30, 2023	Fair Value Measurement Using Level 1	Level 2	Level 3
Financial assets:					
Promissory note receivable due April 2024	$ 1,251	$ 1,251	$ —	$ —	$ 1,251
Promissory note receivable from Founders	16,500	16,500	—	—	16,500
Investments in unconsolidated affiliates	10,987	35,998	35,998	—	—
Financial liabilities:					
2024 Convertible Notes	$ 34,265	$ 35,765	$ —	$ 35,765	$ —
2025 Convertible Notes	102,563	96,137	—	96,137	—
2029 Convertible Notes	223,284	224,112	—	224,112	—

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

The Company remeasured its acquisition-related contingent obligation associated with the acquisition in June 2021 of PLO del Bajio S. de R.S. de C.V., which owned stores operating under the name "Cash Apoyo Efectivo," at the end of each reporting period. This remeasurement resulted in a $2.5 million reduction of the obligation with an offset recorded to "Other" as an operating item in our condensed consolidated statement of operations during the second quarter of fiscal 2023. The remaining obligation of $2.5 million is included in "Accounts payable, accrued expenses and other current liabilities" in our Consolidated Balance Sheet as of March 31, 2023. 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. Based primarily on the short-term nature of the note, we estimate that its carrying value approximates fair value as of March 31, 2024. As of March 31, 2024, our $1.3 million carrying value of the promissory note is recorded within “Prepaid expenses and other current assets” in our condensed consolidated balance sheets. All principal and accrued interest was received in April 2024.

In December 2022, we loaned $15.0 million to Founders in exchange for a Demand Promissory Note secured by the common interest in Founders held by the other member. As of March 31, 2024, the interest rate on the note was 15.00% per annum, and all principal and accrued interest is due on demand. Based primarily on the short-term nature of the note, we estimate that its carrying value approximates fair value as of March 31, 2024.

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 measured the fair value of the 2024, 2025 and 2029 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.

NOTE 7: DEBT

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

(in thousands)	March 31, 2024 Gross Amount	March 31, 2024 Debt Issuance Costs	March 31, 2024 Carrying Amount	March 31, 2023 Gross Amount	March 31, 2023 Debt Issuance Costs	March 31, 2023 Carrying Amount	September 30, 2023 Gross Amount	September 30, 2023 Debt Issuance Costs	September 30, 2023 Carrying Amount
2029 Convertible Notes	$ 230,000	$ (6,244)	$ 223,756	$ 230,000	$ (7,209)	$ 222,791	$ 230,000	$ (6,716)	$ 223,284
2025 Convertible Notes	103,373	(556)	102,817	103,373	(1,061)	102,312	103,373	(810)	102,563
2024 Convertible Notes	34,389	(42)	34,347	34,389	(205)	34,184	34,389	(124)	34,265
Total	$ 367,762	$ (6,842)	$ 360,920	$ 367,762	$ (8,475)	$ 359,287	$ 367,762	$ (7,650)	$ 360,112
Less current portion	34,389	(42)	34,347	—	—	—	34,389	(124)	34,265
Total long-term debt	$ 333,373	$ (6,800)	$ 326,573	$ 367,762	$ (8,475)	$ 359,287	$ 333,373	$ (7,526)	$ 325,847

The following table presents the Company’s contractual maturities related to the debt instruments as of March 31, 2024:

	Schedule of Contractual Maturities			
(in thousands)	2029 Convertible Notes	2025 Convertible Notes	2024 Convertible Notes	Total
Remaining 2024	$ —	$ —	$ 34,389	$ 34,389
Fiscal 2025	—	103,373	—	103,373
Fiscal 2026	—	—	—	—
Fiscal 2027	—	—	—	—
Fiscal 2028	—	—	—	—
Thereafter	230,000	—	—	230,000
Total long-term debt	$ 230,000	$ 103,373	$ 34,389	$ 367,762

The following table presents the Company’s interest expense related to the Convertible Notes for the three and six months ended March 31, 2024 and 2023:

	Three Months Ended March 31,		Six Months Ended March 31,	
(in thousands)	2024	2023	2024	2023
2029 Convertible Notes:				
Contractual interest expense	$ 2,157	$ 2,156	$ 4,313	$ 2,587
Amortization of deferred financing costs	228	197	472	249
Total interest expense	$ 2,385	$ 2,353	$ 4,785	$ 2,836
2025 Convertible Notes:				
Contractual interest expense	$ 614	$ 614	$ 1,228	$ 1,556
Amortization of deferred financing costs	123	120	254	308
Gain on extinguishment	—	—	—	(5,389)
Total interest expense	$ 737	$ 734	$ 1,482	$ (3,525)
2024 Convertible Notes:				
Contractual interest expense	$ 247	$ 247	$ 494	$ 1,123
Amortization of deferred financing costs	39	41	81	179
Loss on extinguishment	—	—	—	8,935
Total interest expense	$ 286	$ 288	$ 575	$ 10,237

3.750% Convertible Senior Notes Due 2029

In December 2022, we issued $230.0 million aggregate principal amount of 3.750% Convertible Senior Notes Due 2029 (the “2029 Convertible Notes”), for which $230.0 million remains outstanding as of March 31, 2024. The 2029 Convertible Notes were issued pursuant to an indenture dated December 12, 2022 (the “2022 Indenture”) by and between the Company and Truist Bank, as trustee. The 2029 Convertible Notes were issued in a private offering under Rule 144A under the Securities Act of 1933. The 2029 Convertible Notes pay interest semi-annually in arrears at a rate of 3.750% per annum on June 15 and December 15 of each year, commencing June 15, 2023, and mature on December 15, 2029 (the “2029 Maturity Date”), unless converted, redeemed or repurchased in accordance with the terms prior to such date. At maturity, the holders of the 2029 Convertible Notes will be entitled to receive cash equal to the principal of the 2029 Convertible Notes plus accrued interest.

The effective interest rate for the three and six months ended March 31, 2024 was approximately 4.28%. As of March 31, 2024, the remaining unamortized debt issuance costs will be amortized using the effective interest method through the 2029 Maturity Date assuming no early conversion.

The 2029 Convertible Notes are convertible based on an initial conversion rate of 89.0313 shares of Class A Common Stock per $1,000 principal amount (equivalent to an initial conversion price of $11.23 per share). The conversion rate will not be adjusted for any accrued and unpaid interest. The 2029 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 June 15, 2029, the 2029 Convertible Notes will be convertible only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on March 31, 2023 (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 2022 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 2029 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 2022 Indenture. On or after June 15, 2029 until the close of business on the business day immediately preceding the 2029 Maturity Date, holders of 2029 Convertible Notes may, at their option, convert their 2029 Convertible Notes at any time, regardless of the foregoing circumstances.

We may not redeem the 2029 Convertible Notes prior to December 21, 2026. At our option, we may redeem for cash all or any portion of the 2029 Convertible Notes on or after December 21, 2026, 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 2029 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 March 31, 2024. As of March 31, 2024, the if-converted value of the 2029 Convertible Notes did not exceed the principal amount.

Note Repurchases

In December 2022, the Company repurchased approximately $109.4 million aggregate principal amount of 2.875% Convertible Senior Notes Due 2024 for approximately $117.5 million plus accrued interest and approximately $69.1 million aggregate principal amount of 2.375% Convertible Senior Notes Due 2025 for approximately $62.9 million plus accrued interest and recognized a $3.5 million loss on extinguishment of debt recorded to “Interest expense” in the Company’s condensed consolidated statement of operations for the three months ended December 31, 2022.

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”), for which $103.4 million remains outstanding as of March 31, 2024. 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 six months ended March 31, 2024 was approximately 2.88% for the 2025 Convertible Notes. As of March 31, 2024, 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.

At our option, we may redeem for cash all or any portion of the 2025 Convertible Notes 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 March 31, 2024. As of March 31, 2024, the if-converted value of the 2025 Convertible Notes did not exceed the principal amount.

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"), of which $34.4 million remains outstanding as of March 31, 2024. 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 six months ended March 31, 2024 was approximately 3.35%. As of March 31, 2024, 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.

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.

Because we did not elect an alternative settlement method prior to January 1, 2024, conversions will be settled by combination settlement, which is $1,000 cash (per the $1,000 principal value) plus stock equal to the accreted value as defined in the 2017 Indenture.

As of March 31, 2024, based on the terms of the 2017 Indenture, the if-converted value of the 2024 Convertible Notes exceeded the principal amount by $2.2 million, or approximately 205,000 Class A common shares. As of March 31, 2024, no holders of the 2024 Convertible Notes have delivered a conversion notice.

NOTE 8: COMMON STOCK AND STOCK COMPENSATION

Common Stock 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 (the "Common Stock Repurchase Program"). 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. As of March 31, 2024, we had repurchased and retired 2,287,402 shares of our Class A Common Stock for $20.0 million under the Common Stock Repurchase Program, of which 305,475 and 660,357 shares were repurchased and retired for $3.0 million and $6.0 million during the three and six months ended March 31, 2024, respectively. During the three and six months ended March 31, 2023, 448,331 and 691,393 shares were repurchased and retired for $3.9 million and $6.0 million, respectively, under the Common Stock Repurchase Program. The repurchase amount is allocated between "Additional paid-in capital" and "Retained earnings" in our condensed consolidated balance sheets.

Other Common Stock Repurchases

During December 2022, the Company used approximately $5.0 million of the net proceeds from the 2029 Convertible Notes offering to repurchase for cash 578,703 shares of its Class A common stock from purchasers of the notes in privately negotiated transactions. Such transactions were authorized separately from, and not considered a part of, the publicly announced share repurchase program discussed above. The repurchase amount is allocated between "Additional paid-in capital" and "Retained earnings" in our condensed consolidated balance sheets.

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, 2023	2,555,899	$ 6.80
Granted [(a)]	1,430,997	7.56
Released [(b)]	(1,225,328)	5.25
Cancelled	(32,566)	6.96
Outstanding as of March 31, 2024	2,729,002	$ 7.89

(a) Includes performance adjustment of 353,993 shares awarded above their target grants resulting from the achievement of performance targets established at the grant date.
(b) 377,231 shares were withheld to satisfy related income tax withholding.

NOTE 9: CONTINGENCIES

Currently, and from time to time, we are involved in various claims, disputes, lawsuits, investigations, and legal and regulatory proceedings. 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. 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.

NOTE 10: 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 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 income of Cash Converters along with our investment in RDC and our investment in and notes receivable from 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 income (loss) before income taxes tables present revenue for each reportable segment, disaggregated revenue within our reportable segments and Corporate, segment profits and segment contribution.

	Three Months Ended March 31, 2024					
(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
Revenues:						
Merchandise sales	$ 114,849	$ 49,838	$ —	$ 164,687	$ —	$ 164,687
Jewelry scrapping sales	12,686	1,028	—	13,714	—	13,714
Pawn service charges	80,010	27,153	—	107,163	—	107,163
Other revenues	29	15	31	75	—	75
Total revenues	207,574	78,034	31	285,639	—	285,639
Merchandise cost of goods sold	72,798	33,461	—	106,259	—	106,259
Jewelry scrapping cost of goods sold	10,794	994	—	11,788	—	11,788
Gross profit	123,982	43,579	31	167,592	—	167,592
Segment and corporate expenses (income):						
Store expenses	80,840	33,742	—	114,582	—	114,582
General and administrative	—	—	—	—	18,266	18,266
Depreciation and amortization	2,516	2,392	—	4,908	3,311	8,219
(Gain) loss on sale or disposal of assets and other	(30)	(66)	—	(96)	99	3
Other income	—	—	—	—	(765)	(765)
Interest expense	—	—	—	—	3,402	3,402
Interest income	—	(608)	(633)	(1,241)	(1,641)	(2,882)
Equity in net income of unconsolidated affiliates	—	—	(1,719)	(1,719)	—	(1,719)
Other expense (income)	—	1	14	15	(180)	(165)
Segment contribution	$ 40,656	$ 8,118	$ 2,369	$ 51,143		
Income (loss) before income taxes				$ 51,143	$ (22,492)	$ 28,651

	Three Months Ended March 31, 2023					
(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
Revenues:						
Merchandise sales	$ 108,740	$ 43,767	$ —	$ 152,507	$ —	$ 152,507
Jewelry scrapping sales	9,814	3,011	—	12,825	—	12,825
Pawn service charges	69,945	23,085	—	93,030	—	93,030
Other revenues	32	19	10	61	—	61
Total revenues	188,531	69,882	10	258,423	—	258,423
Merchandise cost of goods sold	67,643	29,696	—	97,339	—	97,339
Jewelry scrapping cost of goods sold	8,550	3,352	—	11,902	—	11,902
Gross profit	112,338	36,834	10	149,182	—	149,182
Segment and corporate expenses (income):						
Store expenses	71,946	29,323	—	101,269	—	101,269
General and administrative	—	—	—	—	15,609	15,609
Depreciation and amortization	2,560	2,332	—	4,892	3,071	7,963
Loss (gain) on sale or disposal of assets	81	(8)	—	73	—	73
Other income	—	(2,465)	—	(2,465)	—	(2,465)
Interest expense	—	—	—	—	3,390	3,390
Interest income	(1)	(298)	—	(299)	(1,599)	(1,898)
Equity in net loss of unconsolidated affiliates	—	—	32,501	32,501	—	32,501
Other (income) expense	—	(46)	6	(40)	120	80
Segment contribution (loss)	$ 37,752	$ 7,996	$ (32,497)	$ 13,251		
Income (loss) before income taxes				$ 13,251	$ (20,591)	$ (7,340)

(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
	Six Months Ended March 31, 2024					
Revenues:						
Merchandise sales	$ 240,362	$ 103,728	$ —	$ 344,090	$ —	$ 344,090
Jewelry scrapping sales	25,501	2,295	—	27,796	—	27,796
Pawn service charges	159,083	54,529	—	213,612	—	213,612
Other revenues	66	31	35	132	—	132
Total revenues	425,012	160,583	35	585,630	—	585,630
Merchandise cost of goods sold	151,507	69,962	—	221,469	—	221,469
Jewelry scrapping cost of goods sold	22,078	1,918	—	23,996	—	23,996
Gross profit	251,427	88,703	35	340,165	—	340,165
Segment and corporate expenses (income):						
Store expenses	158,095	67,042	—	225,137	—	225,137
General and administrative	—	—	—	—	34,809	34,809
Depreciation and amortization	5,140	4,731	—	9,871	6,913	16,784
(Gain) loss on sale or disposal of assets and other	(4)	(262)	—	(266)	97	(169)
Other income	—	—	—	—	(765)	(765)
Interest expense	—	—	—	—	6,842	6,842
Interest income	—	(1,028)	(1,206)	(2,234)	(3,287)	(5,521)
Equity in net loss of unconsolidated affiliates	—	—	(2,872)	(2,872)	—	(2,872)
Other (income) expense	—	(47)	15	(32)	(404)	(436)
Segment contribution	$ 88,196	$ 18,267	$ 4,098	$ 110,561		
Income (loss) before income taxes				$ 110,561	$ (44,205)	$ 66,356

(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments	Total Segments	Corporate Items	Consolidated
	Six Months Ended March 31, 2023					
Revenues:						
Merchandise sales	$ 227,054	$ 89,240	$ —	$ 316,294	$ —	$ 316,294
Jewelry scrapping sales	16,990	3,719	—	20,709	—	20,709
Pawn service charges	139,255	46,368	—	185,623	—	185,623
Other revenues	57	35	32	124	—	124
Total revenues	383,356	139,362	32	522,750	—	522,750
Merchandise cost of goods sold	140,899	61,317	—	202,216	—	202,216
Jewelry scrapping cost of goods sold	14,766	4,089	—	18,855	—	18,855
Gross profit	227,691	73,956	32	301,679	—	301,679
Segment and corporate expenses (income):						
Store expenses	145,250	56,822	—	202,072	—	202,072
General and administrative	—	(3)	—	(3)	31,088	31,085
Depreciation and amortization	5,315	4,547	—	9,862	6,089	15,951
Loss (gain) on sale or disposal of assets	84	(27)	—	57	—	57
Other income	—	(2,465)	—	(2,465)	—	(2,465)
Interest expense	—	—	—	—	9,580	9,580
Interest income	(1)	(467)	—	(468)	(2,094)	(2,562)
Equity in net loss of unconsolidated affiliates	—	—	30,917	30,917	—	30,917
Other expense (income)	—	24	10	34	(188)	(154)
Segment contribution (loss)	$ 77,043	$ 15,525	$ (30,895)	$ 61,673		
Income (loss) before income taxes				$ 61,673	$ (44,475)	$ 17,198

The following table presents separately identified segment assets:

(in thousands)	U.S. Pawn	Latin America Pawn	Other Investments [(a)]	Corporate Items	Total
As of March 31, 2024					
Pawn loans	$ 173,744	$ 62,029	$ —	$ —	$ 235,773
Pawn service charges receivable, net	33,218	5,050	—	—	38,268
Inventory, net	121,863	41,566	—	—	163,429
Total assets	1,003,447	330,256	81,238	93,201	1,508,142
As of March 31, 2023					
Pawn loans	$ 157,043	$ 49,053	$ —	$ —	$ 206,096
Pawn service charges receivable, net	28,944	4,172	—	—	33,116
Inventory, net	112,147	38,150	—	—	150,297
Total assets	901,745	291,886	66,011	160,890	1,420,532
As of September 30, 2023					
Pawn loans	$ 190,624	$ 55,142	$ —	$ —	$ 245,766
Pawn service charges receivable, net	34,318	4,567	—	—	38,885
Inventory, net	128,901	37,576	—	—	166,477
Total assets	984,539	313,164	63,707	106,301	1,467,711

(a) Segment assets as of September 30, 2023 have been recast to conform to current year presentation as CCV no longer meets the 10 percent threshold to be considered its own segment.

NOTE 11: SUPPLEMENTAL CONSOLIDATED FINANCIAL INFORMATION

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

(in thousands)	March 31, 2024	March 31, 2023	September 30, 2023
Gross pawn service charges receivable	$ 48,812	$ 42,335	$ 50,881
Allowance for uncollectible pawn service charges receivable	(10,544)	(9,219)	(11,996)
Pawn service charges receivable, net	$ 38,268	$ 33,116	$ 38,885
Gross inventory	$ 166,557	$ 153,348	$ 169,138
Inventory reserves	(3,128)	(3,051)	(2,661)
Inventory, net	$ 163,429	$ 150,297	$ 166,477
Prepaid expenses and other	$ 8,846	$ 7,677	$ 4,106
Accounts receivable, notes receivable and other	33,849	27,817	30,548
Income taxes prepaid and receivable	4,447	10,070	4,969
Prepaid expenses and other current assets	$ 47,142	$ 45,564	$ 39,623
Property and equipment, gross	$ 281,239	$ 325,458	$ 345,461
Accumulated depreciation	(217,933)	(265,683)	(277,365)
Property and equipment, net	$ 63,306	$ 59,775	$ 68,096
Accounts payable	$ 11,413	$ 18,443	$ 23,022
Accrued payroll	12,176	8,842	11,472
Incentive accrual	9,454	8,997	18,544
Other payroll related expenses	5,178	8,351	5,262
Accrued sales and VAT taxes	5,111	6,949	5,565
Accrued income taxes payable	3,014	3,662	2,628
Other current liabilities	16,492	17,451	15,112
Accounts payable, accrued expenses and other current liabilities	$ 62,838	$ 72,695	$ 81,605

The following table provides supplemental disclosure of condensed consolidated statements of cash flows information:

	Six Months Ended March 31,	
(in thousands)	2024	2023
Supplemental disclosure of cash flow information		
Cash and cash equivalents at beginning of period	$ 220,595	$ 206,028
Restricted cash at beginning of period	8,373	8,341
Total cash and cash equivalents and restricted cash at beginning of period	$ 228,968	$ 214,369
Cash and cash equivalents at end of period	$ 229,111	$ 243,128
Restricted cash at end of period	8,581	8,451
Total cash and cash equivalents and restricted cash at end of period	$ 237,692	$ 251,579
Non-cash investing and financing activities:		
Pawn loans forfeited and transferred to inventory	$ 183,532	$ 159,398
Transfer of equity consideration for acquisition	—	99
Acquisition earn-out contingency	—	2,000
Accrued acquisition consideration	616	1,145

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, 2023, 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 and pre-owned merchandise purchased 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 or 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

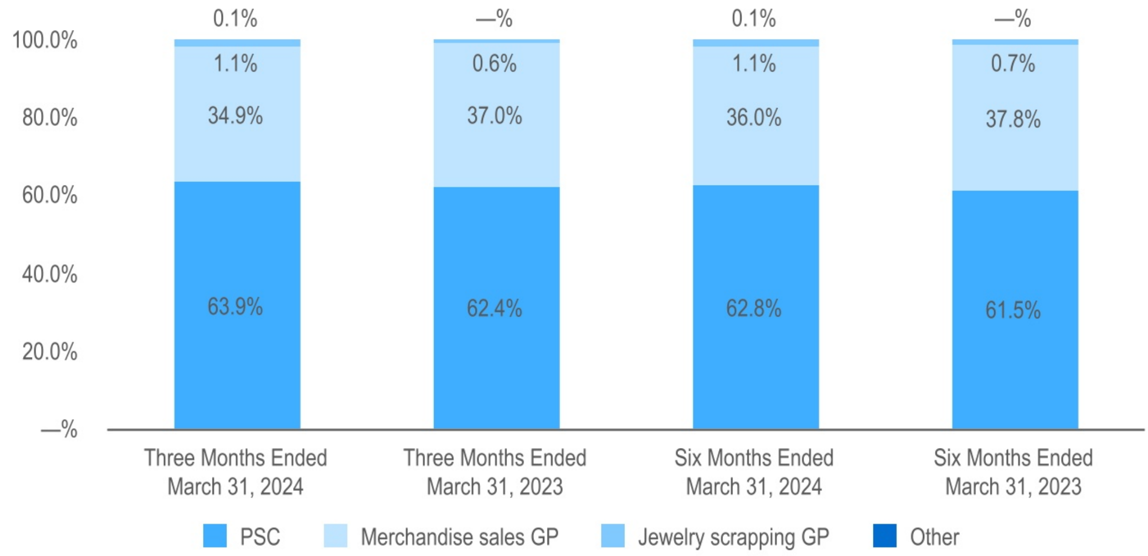
Our strategy is to expand the number of locations we operate through opening new (“de novo”) locations and through acquisitions and investments in both Latin America, the United States and potential new markets. Our ability to open de novo stores, acquire new stores and make other related investments 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

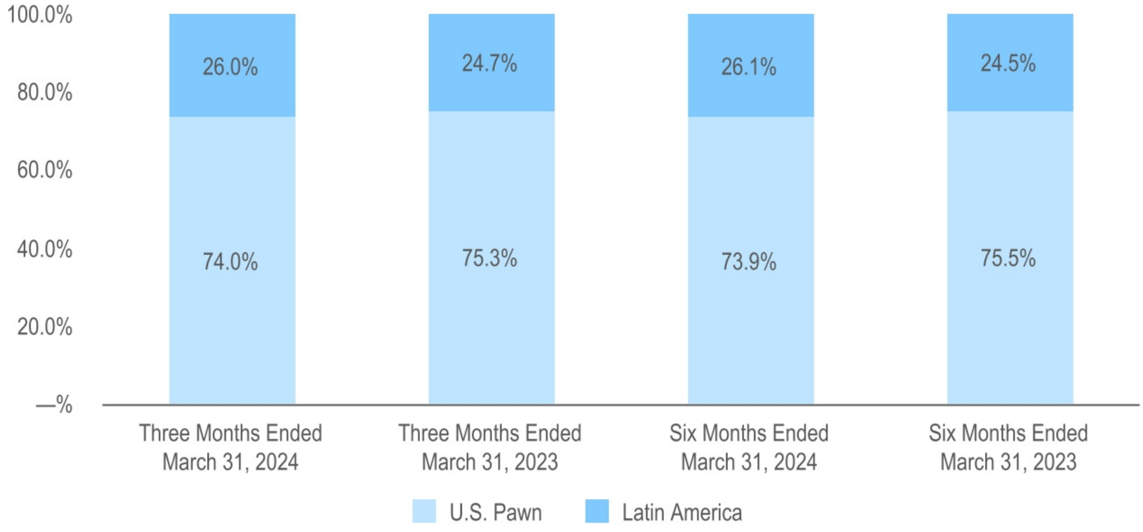
In the United States, PSC is historically highest in our fourth fiscal quarter (July through September) due to a higher average loan balance during the summer lending season. PSC is historically lowest in our third fiscal quarter (April through June) following the tax refund season and merchandise sales 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. In Mexico, we saw similar downward pressure in loan balances during the third quarter of fiscal 2023 due to a change in law related to company profit sharing payments to employees. We believe this change will continue to impact pawn loan balances in May and June going forward. As a net effect of these and other factors and excluding discrete charges, our consolidated income before tax is generally highest in our first fiscal quarter (October through December) and lowest in our third fiscal quarter (April through June).

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 six months ended March 31, 2024 and 2023:



The following chart presents sources of gross profit by geographic disbursement for the three and six months ended March 31, 2024 and 2023:



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. In addition, we have an equity method investment that is denominated in Australian dollars and is translated into U.S. dollars. 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 six months ended March 31, 2024 and 2023 were as follows:

	March 31,		Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023	2024	2023
Mexican peso	16.6	18.1	17.0	18.7	17.3	19.2
Guatemalan quetzal	7.6	7.6	7.6	7.6	7.6	7.6
Honduran lempira	24.4	24.4	24.4	24.3	24.4	24.3
Australian dollar	1.5	1.5	1.5	1.5	1.5	1.5

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 along with our investment in Rich Data Corporation ("RDC") and our investment in and notes receivable from Founders.

Store Count by Segment

	Three Months Ended March 31, 2024		
	U.S. Pawn	Latin America Pawn	Consolidated
As of December 31, 2023	530	707	1,237
New locations opened	—	9	9
Locations acquired	6	—	6
Locations combined or closed	(1)	(5)	(6)
As of March 31, 2024	535	711	1,246

	Three Months Ended March 31, 2023		
	U.S. Pawn	Latin America Pawn	Consolidated
As of December 31, 2022	525	661	1,186
New locations opened	2	11	13
As of March 31, 2023	527	672	1,199

	Six Months Ended March 31, 2024		
	U.S. Pawn	Latin America Pawn	Consolidated
As of September 30, 2023	529	702	1,231
New locations opened	—	14	14
Locations acquired	7	—	7
Locations combined or closed	(1)	(5)	(6)
As of March 31, 2024	535	711	1,246

	Six Months Ended March 31, 2023		
	U.S. Pawn	Latin America Pawn	Consolidated
As of September 30, 2022	515	660	1,175
New locations opened	2	13	15
Locations acquired	10	—	10
Locations combined or closed	—	(1)	(1)
As of March 31, 2023	527	672	1,199

Three Months Ended March 31, 2024 vs. Three Months Ended March 31, 2023

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:

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change
Gross profit:			
Pawn service charges	$ 80,010	$ 69,945	14%
Merchandise sales	114,849	108,740	6%
Merchandise sales gross profit	42,051	41,097	2%
Gross margin on merchandise sales	37 %	38 %	(100)bps
Jewelry scrapping sales	12,686	9,814	29%
Jewelry scrapping sales gross profit	1,892	1,264	50%
Gross margin on jewelry scrapping sales	15 %	13 %	200bps
Other revenues	29	32	(9)%
Gross profit	123,982	112,338	10%
Segment operating expenses:			
Store expenses	80,840	71,946	12%
Depreciation and amortization	2,516	2,560	(2)%
(Gain) loss on sale or disposal of assets and other	(30)	81	137%
Segment operating contribution	$ 40,656	$ 37,751	8%
Other segment income	—	(1)	(100)%
Segment contribution	$ 40,656	$ 37,752	8%
Other data:			
Net earning assets (a)	$ 295,607	$ 269,190	10%
Inventory turnover	2.6	2.6	—%
Average monthly ending pawn loan balance per store (b)	$ 345	$ 310	11%
Monthly average yield on pawn loans outstanding	14 %	14 %	—bps
General merchandise as a % of PLO	33 %	34 %	(100)bps
Jewelry as a % of PLO	67 %	66 %	100bps

(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 ended the quarter at $173.7 million, up 11% (9% on a same store basis).

Total revenues and gross profit was up 10%, reflecting increased PSC and higher merchandise sales.

PSC increased 14% as a result of higher average PLO.

Merchandise sales increased 6% and gross margin decreased to 37% from 38%. Aged general merchandise, which is inventory over one year old, increased to 3.0% of total general merchandise inventory, primarily driven by luxury handbags in our Max Pawn stores.

Net inventory increased 9%, as expected with the growth in PLO. Inventory turnover remained flat at 2.6x.

Store expenses increased 12%, primarily due to salaries and benefits as we continue to support our team members as a part of People, Pawn and Passion focus, higher store count and, to a lesser extent, expenses related to our loyalty program.

Segment contribution increased 8% to $40.7 million, due to the changes noted above.

During the quarter, net store count increased by five due to the acquisition of six stores and the consolidation of one store.

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 March 31,				
(in thousands)	2024 (GAAP)	2023 (GAAP)	Change (GAAP)	2024 (Constant Currency)	Change (Constant Currency)
Gross profit:					
Pawn service charges	$ 27,153	$ 23,085	18%	$ 25,367	10%
Merchandise sales	49,838	43,767	14%	46,210	6%
Merchandise sales gross profit	16,377	14,071	16%	15,168	8%
Gross margin on merchandise sales	33 %	32 %	100bps	33 %	100bps
Jewelry scrapping sales	1,028	3,011	(66)%	983	(67)%
Jewelry scrapping sales gross profit	34	(341)	110%	34	110%
Gross margin on jewelry scrapping sales	3 %	(11)%	*	3 %	*
Other revenues, net	15	19	(21)%	14	(26)%
Gross profit	43,579	36,834	18%	40,583	10%
Segment operating expenses:					
Store expenses	33,742	29,323	15%	31,320	7%
Depreciation and amortization	2,392	2,332	3%	2,212	(5)%
Other income	—	(2,465)	(100)%	—	100%
Gain on sale or disposal of assets and other	(66)	(8)	*	(67)	*
Segment operating contribution	7,511	7,652	(2)%	7,118	(7)%
Other segment income	(607)	(344)	76%	(627)	82%
Segment contribution	$ 8,118	$ 7,996	2%	$ 7,745	(3)%
Other data:					
Net earning assets (a)	$ 103,595	$ 87,203	19%	$ 97,111	11%
Inventory turnover	3.6	3.5	3%	3.6	3%
Average monthly ending pawn loan balance per store (b)	$ 81	$ 71	14%	$ 77	8%
Monthly average yield on pawn loans outstanding	16 %	17 %	(100)bps	16 %	(100)bps
General merchandise as a % of PLO	65 %	71 %	(600)bps	64 %	(700)bps
Jewelry as a % of PLO	35 %	29 %	600bps	36 %	700bps

* 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.

	2024 Change (GAAP)	2024 Change (Constant Currency)
Same Store data:		
PLO	22%	15%
PSC	14%	7%
Merchandise Sales	9%	1%
Merchandise Sales Gross Profit	17%	8%
Store Expenses	10%	2%

PLO improved to $62.0 million, up 26% (19% on constant currency basis). On a same store basis, PLO increased 22% (15% on a constant currency basis) due to improved operational performance and continued strong pawn demand.

Total revenues was up 12% (4% on constant currency basis), and gross profit increased 18% (10% on a constant currency basis), reflecting increased PSC, higher merchandise sales and improved merchandise sales gross profit.

PSC increased 18% (10% on a constant currency basis) as a result of higher average PLO.

Merchandise sales gross margin increased to 33% from 32%. Aged general merchandise was 1.4% of total merchandise inventory.

Net inventory increased 9% (2% on a constant currency basis). Inventory turnover increased to 3.6x from 3.5x.

Store expenses increased 15% (7% on a constant currency basis), primarily due to higher store count. Same-store expenses increased 10% (2% on a constant currency basis).

Segment contribution increased 2% (decreased 3% on a constant currency basis) to $8.1 million, due to the changes noted above, in addition to the impact of the prior year reversal of contingent consideration liability in connection with a previously completed acquisition, which was recorded to “Other income.”

During the quarter, net store count increased by four due to the opening of nine de novo stores and the consolidation of five stores.

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 March 31,		
(in thousands)	**2024**	**2023**	**Change**
Gross profit:			
Consumer loan fees, interest and other	$ 31	$ 10	210%
Gross profit	31	10	210%
Segment operating expenses:			
Interest income	(633)	—	*
Equity in net (income) loss of unconsolidated affiliates	(1,719)	32,501	105%
Segment operating contribution (loss)	2,383	(32,491)	107%
Other segment loss	14	6	133%
Segment contribution (loss)	$ 2,369	$ (32,497)	107%

* Represents a percentage computation that is not mathematically meaningful.

Segment contribution was $2.4 million, an increase of $34.9 million primarily due to our share of the net loss from Cash Converters related to their non-cash goodwill impairment charge taken during the prior year quarter.

Other Items

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

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Percentage Change
Segment contribution	$ 51,143	$ 13,251	286%
Corporate expenses (income):			
General and administrative	18,266	15,609	17%
Depreciation and amortization	3,311	3,071	8%
Loss on sale or disposal of assets and other	99	—	*
Other income	(765)	—	*
Interest expense	3,402	3,390	—%
Interest income	(1,641)	(1,599)	3%
Other (income) expense	(180)	120	250%
Income (loss) before income taxes	28,651	(7,340)	*
Income tax expense (benefit)	7,172	(550)	*
Net income (loss)	$ 21,479	$ (6,790)	*

* Represents a percentage computation that is not mathematically meaningful.

Segment contribution increased $37.9 million over the prior year quarter. That increase was primarily attributable to the increase in our Other Investments segment due to our share of the net loss from Cash Converters during the prior year quarter and the improved operating results of the U.S. Pawn and Latin America Pawn segments above.

General and administrative expense increased $2.7 million or 17%, primarily due to labor driven by incentive compensation related to an increase in share price and, to a lesser extent, costs related to the implementation of Workday.

Income tax expense increased $7.7 million primarily due to an increase in income before income taxes of $36.0 million this quarter compared to the prior year quarter. That increase was primarily attributable to our share of the net loss from Cash Converters in the prior year quarter and the improved operating results this quarter within the U.S. Pawn segment and the Latin American Pawn segment.

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 the foreign rate differential. See our Annual Report on Form 10-K for the year ended September 30, 2023, 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.

Six Months Ended March 31, 2024 vs. Six Months Ended March 31, 2023

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:

	Six Months Ended March 31,		
(in thousands)	2024	2023	Change
Gross profit:			
Pawn service charges	$ 159,083	$ 139,255	14%
Merchandise sales	240,362	227,054	6%
Merchandise sales gross profit	88,855	86,155	3%
Gross margin on merchandise sales	37 %	38 %	(100)bps
Jewelry scrapping sales	25,501	16,990	50%
Jewelry scrapping sales gross profit	3,423	2,224	54%
Gross margin on jewelry scrapping sales	13 %	13 %	—bps
Other revenues	66	57	16%
Gross profit	251,427	227,691	10%
Segment operating expenses:			
Store expenses	158,095	145,250	9%
Depreciation and amortization	5,140	5,315	(3)%
(Gain) loss on sale or disposal of assets and other	(4)	84	105%
Segment operating contribution	88,196	77,042	14%
Other segment income	—	(1)	(100)%
Segment contribution	$ 88,196	$ 77,043	14%
Other data:			
Average monthly ending pawn loan balance per store (a)	$ 352	$ 312	13%
Monthly average yield on pawn loans outstanding	14 %	14 %	—bps

(a) Balance is calculated based upon the average of the monthly ending balances during the applicable period.

During the six months ended March 31, 2024, net store count increased by six due to the acquisition of seven stores and the consolidation of one store.

Pawn service charges increased 14% as a result of higher average PLO.

Merchandise sales increased 6% and merchandise sale gross profit increased 3%, reflecting a 100bps decrease in gross margin.

Store expenses increased 9%, primarily due to primarily due to wage inflationary pressures, higher store count and, to a lesser extent, expenses related to our loyalty program.

Segment contribution increased $11.2 million, or 14%, 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.

	Six Months Ended March 31,				
(in thousands)	2024 (GAAP)	2023 (GAAP)	Change (GAAP)	2024 (Constant Currency)	Change (Constant Currency)
Gross profit:					
Pawn service charges	$ 54,529	$ 46,368	18%	$ 50,579	9%
Merchandise sales	103,728	89,240	16%	95,275	7%
Merchandise sales gross profit	33,766	27,923	21%	30,984	11%
Gross margin on merchandise sales	33 %	31 %	200bps	33 %	200bps
Jewelry scrapping sales	2,295	3,719	(38)%	2,142	(42)%
Jewelry scrapping sales gross profit	377	(370)	202%	342	192%
Gross margin on jewelry scrapping sales	16 %	(10)%	*	16 %	*
Other revenues, net	31	35	(11)%	28	(20)%
Gross profit	88,703	73,956	20%	81,933	11%
Segment operating expenses:					
Store expenses	67,042	56,822	18%	61,683	9%
Depreciation and amortization	4,731	4,547	4%	4,340	(5)%
Other income	—	(2,465)	(100)%	—	(100)%
Gain on sale or disposal of assets and other	(262)	(27)	*	(255)	*
Segment operating contribution	17,192	15,079	14%	16,165	7%
Other segment income	(1,075)	(446)	141%	(1,170)	162%
Segment contribution	$ 18,267	$ 15,525	18%	$ 17,335	12%
Other data:					
Average monthly ending pawn loan balance per store (a)	$ 79	$ 71	11%	$ 74	4%
Monthly average yield on pawn loans outstanding	16 %	17 %	(100)bps	16 %	(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.

	2024 Change (GAAP)	2024 Change (Constant Currency)
Same Store data:		
PLO	22%	15%
PSC	15%	6%
Merchandise Sales	12%	2%
Merchandise Sales Gross Profit	21%	11%
Store Expenses	13%	4%

During the six months ended March 31, 2024, net store count increased by nine due to the opening of fourteen de novo stores and the consolidation of five stores.

PSC increased 18% to $54.5 million (9% to $50.6 million on a constant currency basis) as a result of higher average PLO.

Merchandise sales increased 16% (7% on a constant currency basis) and 12% on a same store basis (2% on a constant currency basis). Merchandise sales gross margin increased 200 bps to 33% from 31%.

Store expenses increased by 18% (9% on a constant currency basis) primarily due to increases in minimum wage and headcount, higher store count and, to a lesser extent, rent. On a same-store basis, store expenses increased 13% (4% on a constant currency basis).

Segment contribution increased $2.7 million, or 18% ($1.8 million, or 12%, on a constant currency basis), due to the changes noted above, in addition to the impact of the prior year reversal of contingent consideration liability in connection with a previously completed acquisition, which was recorded to "Other income."

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:

(in thousands)	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023	Change
Gross profit:			
Consumer loan fees, interest and other	$ 35	$ 32	9%
Gross profit	35	32	9%
Segment operating expenses:			
Interest income	(1,206)	—	*
Equity in net (income) loss of unconsolidated affiliates	(2,872)	30,917	109%
Segment operating contribution (loss)	4,113	(30,885)	113%
Other segment loss	15	10	50%
Segment contribution (loss)	$ 4,098	$ (30,895)	113%

* Represents a percentage computation that is not mathematically meaningful.

Segment income was $4.1 million, an increase of $35.0 million from the prior-year six months ended March 31, 2023, primarily due to our share of the prior year net loss from Cash Converters related to their non-cash goodwill impairment charge.

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)	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023	Percentage Change
Segment contribution	$ 110,561	$ 61,673	79%
Corporate expenses (income):			
General and administrative	34,809	31,088	12%
Depreciation and amortization	6,913	6,089	14%
Gain on sale or disposal of assets	97	—	*
Other income	(765)	—	*
Interest expense	6,842	9,580	(29)%
Interest income	(3,287)	(2,094)	57%
Other income	(404)	(188)	115%
Income before income taxes	66,356	17,198	286%
Income tax expense	16,407	7,210	128%
Net income	$ 49,949	$ 9,988	*

* Represents a percentage computation that is not mathematically meaningful.

Segment contribution increased $48.9 million or 79% over the prior year six months ended March 31, 2023, primarily due to our share of the net loss from Cash Converters related to their non-cash goodwill impairment charge during the prior year and the improved operating results of the segments above.

General and administrative expenses increased $3.7 million or 12%, primarily due to labor driven by incentive compensation related to increase in share price and, to a lesser extent, costs related to the implementation of Workday.

Interest expense decreased $2.7 million, primarily due to the loss on extinguishment of debt in the prior year. In December 2022, the Company repurchased approximately $109.4 million aggregate principal amount of 2.875% Convertible Senior Notes Due 2024 for approximately $117.5 million plus accrued interest and approximately $69.1 million aggregate principal amount of 2.375% Convertible Senior Notes Due 2025 for approximately $62.9 million plus accrued interest and recorded a $3.5 million loss on extinguishment of debt.

Interest income increased $1.2 million, due primarily to our treasury management with increased market interest rates.

Income tax expense increased $9.2 million, primarily due to an increase in income before income taxes of $49.2 million for the six months ended March 31, 2024 compared to the same prior year six month period due to our share of the net loss from Cash Converters in the prior year quarter and the non-deductible loss on the convertible debt refinancing during the first quarter of 2023.

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 the foreign rate differential. See Annual Report on Form 10-K for the year ended September 30, 2023, 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

Cash and Cash Equivalents

Our cash and equivalents balance was $229.1 million at March 31, 2024 compared to $220.6 million at September 30, 2023. At March 31, 2024, 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)	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023	Percentage Change
Net cash provided by operating activities	$ 36,548	$ 46,827	(22)%
Net cash used in investing activities	(18,242)	(40,649)	(55)%
Net cash (used in) provided by financing activities	(9,539)	29,976	(132)%
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(43)	1,056	*
Net increase in cash, cash equivalents and restricted cash	$ 8,724	$ 37,210	(77)%

The decrease in cash flows provided by operating activities year-over-year was primarily due to changes in working capital primarily related to the timing of payments of accounts payable, income taxes and prepaid expenses, offset by an increase in net income (when considering adjustments for non-cash items affecting net income).

The $22.4 million decrease in cash flows used in investing activities year-over-year was primarily due to a $21.1 million decrease in cash flows used to fund acquisitions and strategic investments and a $16.8 million increase in cash inflows from the sale of forfeited collateral, offset by an increase of $22.1 million in net pawn lending outflows.

The $39.5 million decrease in cash flows provided by financing activities was primarily related to the December 2022 financing of the 2029 Convertible Notes, in which we issued $230.0 million principal amount of 3.750% Convertible Senior Notes Due 2029 offset by the extinguishment of approximately $109.4 million aggregate principal amount of our 2024 Convertible Notes for approximately $117.5 million plus accrued interest and approximately $69.1 million aggregate principal amount of our 2025 Convertible Notes for approximately $62.9 million plus accrued interest. In addition, we used approximately $5.0 million of the net proceeds from the 2029 Convertible Notes offering to repurchase 578,703 shares of our Class A common stock from purchasers of the notes in privately negotiated transactions.

The net effect of these changes was an $8.7 million increase in cash on hand during the current year to date period, resulting in a $237.7 million ending cash and restricted cash balance.

Sources and Uses of Cash

In December 2022, we issued $230.0 million aggregate principal amount of 2029 Convertible Notes. In conjunction with the issuance of the 2029 Convertible Notes, we extinguished approximately $109.4 million aggregate principal amount of our 2024 Convertible Notes for approximately $117.5 million plus accrued interest and approximately $69.1 million aggregate principal amount of our 2025 Convertible Notes for approximately $62.9 million plus accrued interest. In addition, we used approximately $5.0 million of the net proceeds from the 2029 Convertible Notes offering to repurchase 578,703 shares of our Class A common stock from purchasers of the notes in privately negotiated transactions. See Note 7 of Notes to Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements." The shares repurchased in conjunction with the transactions discussed above were authorized separately from, and not considered part of, the publicly announced share repurchase program referred to below.

On May 3, 2022, our Board authorized the repurchase of up to $50 million of our Class A Common Stock over three years. As of March 31, 2024, we have repurchased 2,287,402 shares of our Class A Common Stock under the program for $20.0 million. 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. See Note 8 of Notes to Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements."

We anticipate that cash flows from operations and cash on hand will be adequate to fund ongoing operations, current debt service requirements, tax payments, any future stock repurchases, strategic investments, our contractual obligations, planned de novo store growth, capital expenditures and working capital requirements through the next twelve months. 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. 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 2025 and 2029, 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, 2023, we reported that we had $736.6 million in total contractual obligations as of September 30, 2023. There have been no material changes to this total obligation since September 30, 2023.

We are responsible for the maintenance, property taxes and insurance at most of our locations. In the fiscal year ended September 30, 2023, these collectively amounted to $16.3 million.

Recently Adopted Accounting Policies and Recently Issued Accounting Pronouncements

See Note 1 of the Notes to Condensed Consolidated Financial Statements included in "Part I, Item 1 — Financial Statements" of this Quarterly Report for recently issued accounting pronouncements including the expected dates of adoption and estimated effects, if any, on our consolidated financial statements.

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, 2023 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, 2023. 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, 2023.

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 March 31, 2024. Our principal executive officer and principal financial officer have concluded that as of March 31, 2024, 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 March 31, 2024 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 9: Contingencies of Notes to 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, 2023, as supplemented by the information set forth below.

Illinois recently passed the Pawnbroker Regulation Act of 2023, which went into effect on March 22, 2024.
The new law clarifies that pawn transactions are exempt from the Illinois Predatory Loan Prevention Act. It also reduces the monthly finance charge on certain pawn transactions, which is not expected to have a material adverse impact on our business in Illinois (20 stores) or the Company as a whole.

ITEM 2. Unregistered Sale of Equity Security and Use of Proceeds

The table below provides certain information about our repurchase of shares of Class A Non-voting Common Stock during the quarter ended March 31, 2024.

	Share Repurchases			
	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (1)
	(in thousands, except number of shares and average price information)			
January 1, 2024 through January 31, 2024	116,124	$ 8.61	116,124	$ 32,004
February 1, 2024 through February 29, 2024	96,900	$ 10.50	96,900	$ 30,986
March 1, 2024 through March 31, 2024	92,451	$ 10.58	92,451	$ 30,008
Quarter ended March 31, 2024	305,475	$ 9.81	305,475	$ 30,008

(1) On May 3, 2022, the Board of Directors approved a share repurchase program, under which we are authorized to repurchase up to $50 million of our Class A Non-Voting common shares over a three-year period. All repurchases under this program were in open market transactions at prevailing market prices and were executed pursuant to a trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934. 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.

ITEM 5. Other Information

Insider Trading Arrangements

On February 7, 2024, Matthew Appel, Director, entered into a prearranged trading plan to sell up to 26,490 shares of the Company's Class A Non-Voting Common Stock between May 15, 2024 and May 12, 2025 pursuant to the terms of the plan. The plan is designed to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act and comply with the Company's policies regarding stock transactions.

Other than as described above, no Director or Executive Officer adopted, modified or terminated any contract, instruction, written plan or other trading arrangement relating to the purchase or sale of Company securities during the fiscal quarter ended March 31, 2024.

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)					

† 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: May 1, 2024

/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: May 1, 2024

/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: May 1, 2024

/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 March 31, 2024, 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: May 1, 2024	/s/ Lachlan P. Given
	Lachlan P. Given Chief Executive Officer
Date: May 1, 2024	/s/ Timothy K. Jugmans
	Timothy K. Jugmans Chief Financial Officer