

# Investor Presentation

AUGUST 2019



**FirstCash**<sup>®</sup>

# FORWARD-LOOKING STATEMENTS

“THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS ABOUT THE BUSINESS, FINANCIAL CONDITION AND PROSPECTS OF FIRSTCASH, INC. AND ITS WHOLLY OWNED SUBSIDIARIES (TOGETHER, THE “COMPANY”). FORWARD-LOOKING STATEMENTS, AS THAT TERM IS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS “OUTLOOK,” “BELIEVES,” “PROJECTS,” “EXPECTS,” “MAY,” “ESTIMATES,” “SHOULD,” “PLANS,” “TARGETS,” “INTENDS,” “COULD,” “WOULD,” “ANTICIPATES,” “POTENTIAL,” “CONFIDENT,” “OPTIMISTIC,” OR THE NEGATIVE THEREOF, OR OTHER VARIATIONS THEREON, OR COMPARABLE TERMINOLOGY, OR BY DISCUSSIONS OF STRATEGY, OBJECTIVES, ESTIMATES, GUIDANCE, EXPECTATIONS AND FUTURE PLANS. FORWARD-LOOKING STATEMENTS CAN ALSO BE IDENTIFIED BY THE FACT THAT THESE STATEMENTS DO NOT RELATE STRICTLY TO HISTORICAL OR CURRENT MATTERS. RATHER, FORWARD-LOOKING STATEMENTS RELATE TO ANTICIPATED OR EXPECTED EVENTS, ACTIVITIES, TRENDS OR RESULTS. BECAUSE FORWARD-LOOKING STATEMENTS RELATE TO MATTERS THAT HAVE NOT YET OCCURRED, THESE STATEMENTS ARE INHERENTLY SUBJECT TO RISKS AND UNCERTAINTIES.

WHILE THE COMPANY BELIEVES THE EXPECTATIONS REFLECTED IN FORWARD-LOOKING STATEMENTS ARE REASONABLE, THERE CAN BE NO ASSURANCES SUCH EXPECTATIONS WILL PROVE TO BE ACCURATE. SECURITY HOLDERS ARE CAUTIONED SUCH FORWARD-LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES. CERTAIN FACTORS MAY CAUSE RESULTS TO DIFFER MATERIALLY FROM THOSE ANTICIPATED BY THE FORWARD-LOOKING STATEMENTS MADE IN THIS PRESENTATION. SUCH FACTORS MAY INCLUDE, WITHOUT LIMITATION, THE RISKS, UNCERTAINTIES AND REGULATORY DEVELOPMENTS DISCUSSED AND DESCRIBED IN THE COMPANY’S 2018 ANNUAL REPORT ON FORM 10-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) ON FEBRUARY 5, 2019, INCLUDING THE RISKS DESCRIBED IN PART 1, ITEM 1A, “RISK FACTORS” THEREOF, AND OTHER REPORTS FILED SUBSEQUENTLY BY THE COMPANY WITH THE SEC. MANY OF THESE RISKS AND UNCERTAINTIES ARE BEYOND THE ABILITY OF THE COMPANY TO CONTROL, NOR CAN THE COMPANY PREDICT, IN MANY CASES, ALL OF THE RISKS AND UNCERTAINTIES THAT COULD CAUSE ITS ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY THE FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION SPEAK ONLY AS OF THE DATE OF THIS PRESENTATION, AND THE COMPANY EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO REPORT ANY UPDATES OR REVISIONS TO ANY SUCH STATEMENT TO REFLECT ANY CHANGE IN THE COMPANY’S EXPECTATIONS OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED, EXCEPT AS REQUIRED BY LAW.”

# FirstCash<sup>®</sup> AT A GLANCE

- LEADING INTERNATIONAL PAWN OPERATOR WITH MORE THAN 2,600 RETAIL PAWN LOCATIONS<sup>1</sup> AND 21,000 EMPLOYEES IN 5 COUNTRIES:

- UNITED STATES (1,054 LOCATIONS)
- MEXICO (1,519 LOCATIONS)
- GUATEMALA (52 LOCATIONS)
- EL SALVADOR (13 LOCATIONS)
- COLOMBIA (8 LOCATIONS)



## KEY FINANCIAL METRICS:

JUNE 2019 (TTM)

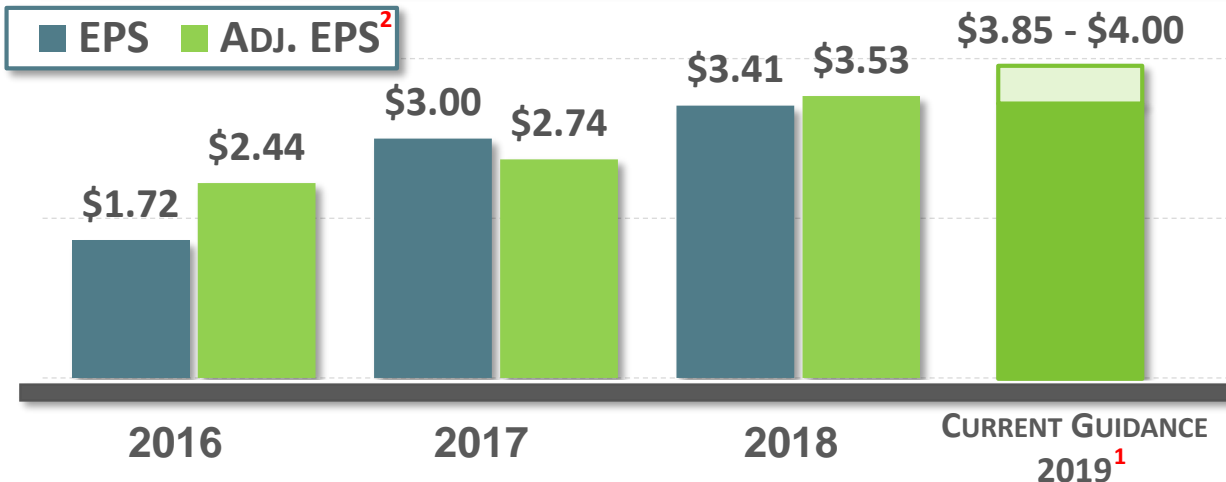
REVENUE — \$1.8 BILLION

NET INCOME — \$157 MILLION

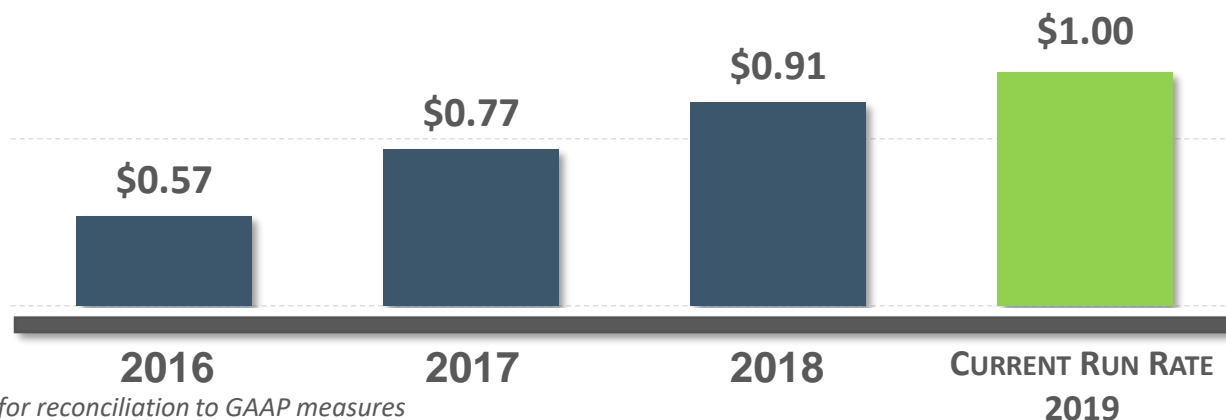
ADJUSTED NET INCOME — \$163 MILLION<sup>2</sup>

ADJUSTED EBITDA — \$294 MILLION<sup>2</sup>

## EARNINGS PER SHARE<sup>2</sup>



## ANNUAL DIVIDEND PER SHARE



<sup>1</sup> As of Press Release 07/24/2019 <sup>2</sup> Adjusted Earnings measures are non-GAAP financial measures. See appendix for reconciliation to GAAP measures

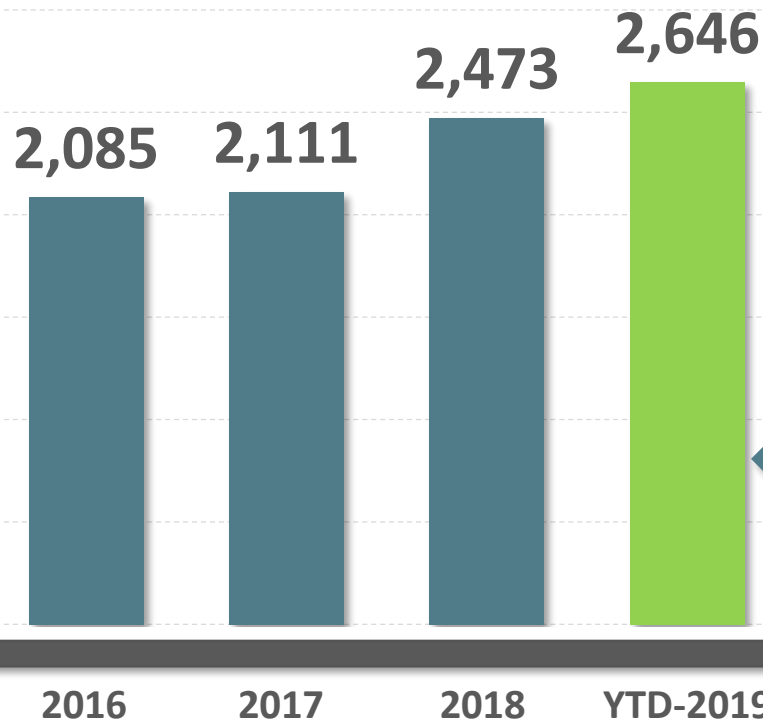


## • ATTRACTIVE INDUSTRY DYNAMICS

- STEADY DEMAND ACROSS ECONOMIC CYCLES — RECESSION RESISTANT
- CUSTOMER BASE IS UNDERSERVED — MOST LENDERS DO NOT OFFER LOANS OF \$150 OR LESS
- STABLE REGULATORY ENVIRONMENT

## • STRONG GROWTH METRICS

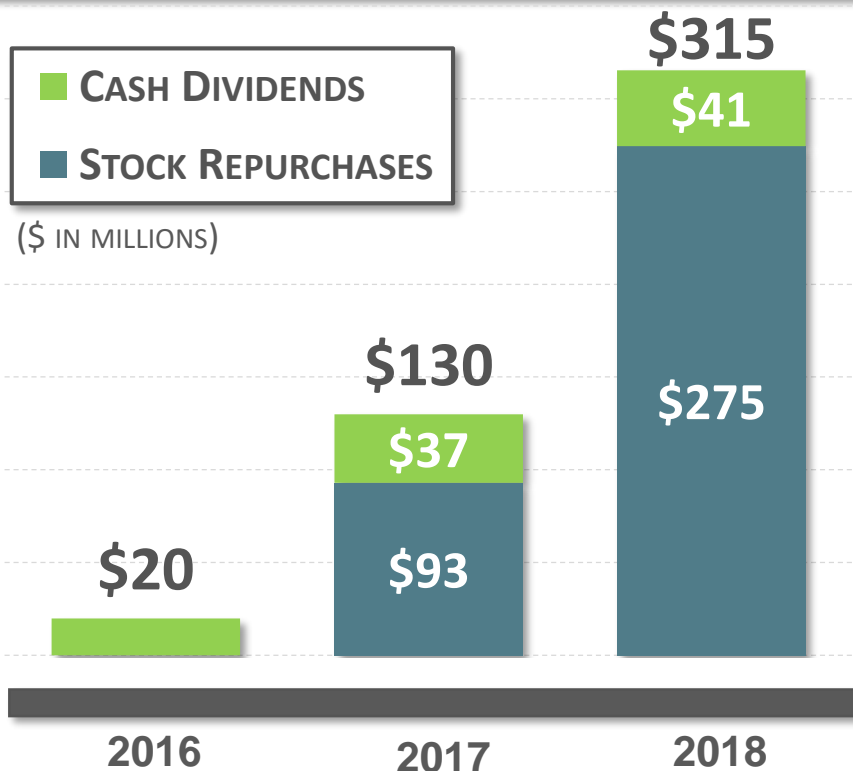
- STORE LOCATIONS
- NET INCOME AND EPS
- STRONG CASHFLOW TO FUEL GROWTH



**STORE COUNT — END OF PERIOD<sup>1</sup>**

**SHAREHOLDER  
RETURNS**

**GROWTH**



**CASH DIVIDENDS AND STOCK REPURCHASES**

## • ENHANCED SHAREHOLDER RETURNS

- RISING DIVIDENDS
- ACTIVE SHARE REPURCHASE PROGRAM

<sup>1</sup> As of Press Release 07/24/2019

# *FirstCash*<sup>®</sup> HISTORY

1988 – BEGAN  
OPERATIONS IN TEXAS



1992 – IPO

1999 – FIRST STORES  
IN MEXICO



EXPANSION IN MEXICO –  
DE NOVO & ACQUISITIONS

2015 – 2016  
MAXI PRENDA ACQUISITION –  
FIRST STORES IN GUATEMALA & EL SALVADOR

2018 – 2019  
PRENDAMEX ACQUISITIONS –  
OVER 500 STORES IN MEXICO

1992 → 1999

2000 → 2015

2016 → 2019

U.S. ROLL-UPS  
~ 100 STORES

CONTINUED U.S. GROWTH  
THROUGH ACQUISITIONS

2016 – MERGER WITH  
OVER 800 U.S. STORES  
*CashAmerica*<sup>®</sup>

2018 – FIRST DE NOVO  
STORES IN COLOMBIA



# LARGEST PAWN OPERATOR IN THE AMERICAS

OVER 2,600 STORES IN FIVE COUNTRIES

## U.S. OPERATIONS – 1,054 STORES IN 24 STATES

AND THE DISTRICT OF COLUMBIA

POPULATION

329M

GDP PER CAPITA

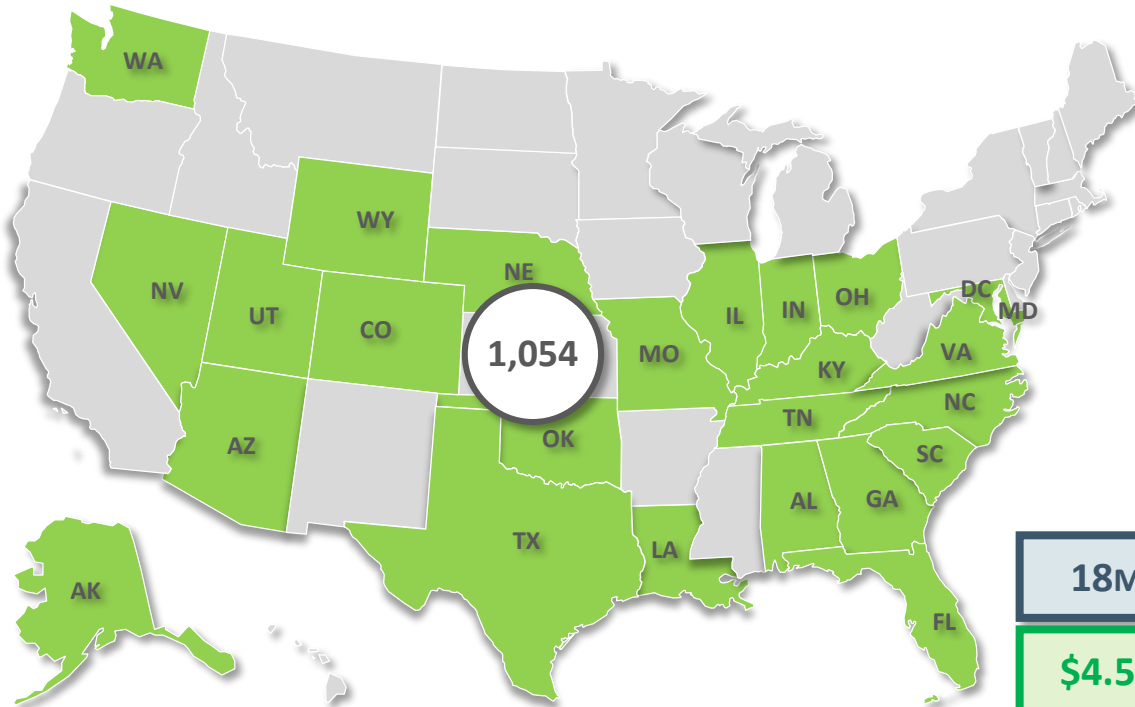
US \$60.0K

INFLATION

1.9%

INFORMAL MARKET

5%



## MEXICO OPERATIONS – 1,519 STORES IN 32 STATES

POPULATION

132M

GDP PER CAPITA

US \$8.9K

INFLATION

4.8%

INFORMAL MARKET

54%



## CENTRAL AND SOUTH AMERICA OPERATIONS – 73 STORES

IDENTIFIES NEW COUNTRY IN 2018

18M

\$4.5K

2.3%

74%



GUATEMALA

6M

\$3.9K

0.4%

65%



EL SALVADOR

50M

\$6.3K

3.2%

64%



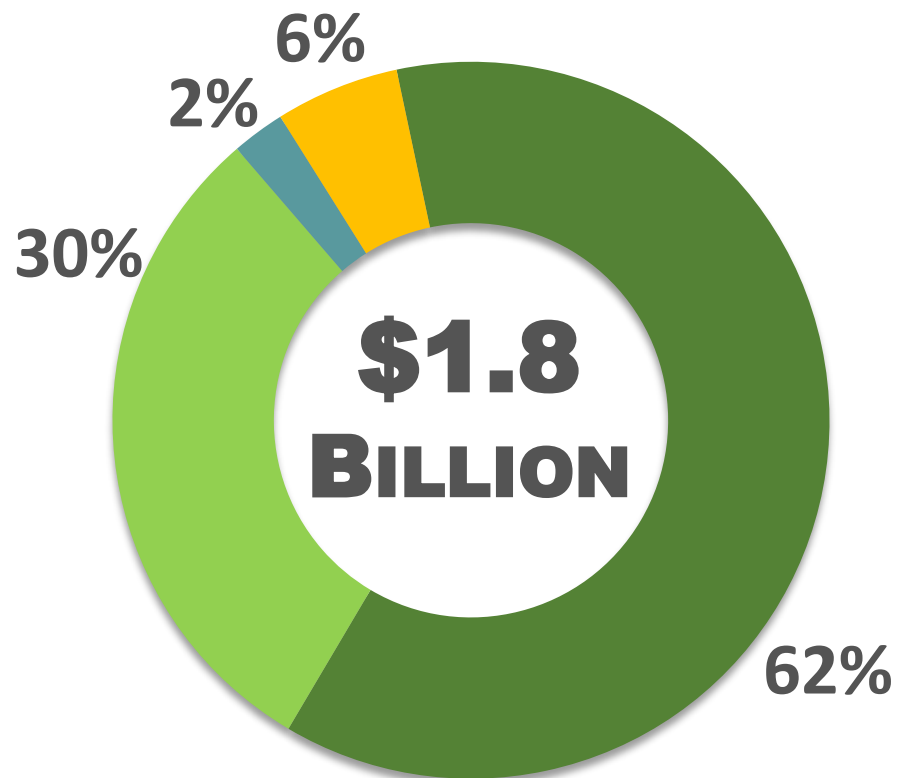
COLOMBIA

**Note:** Store counts as of Press Release 07/24/2019

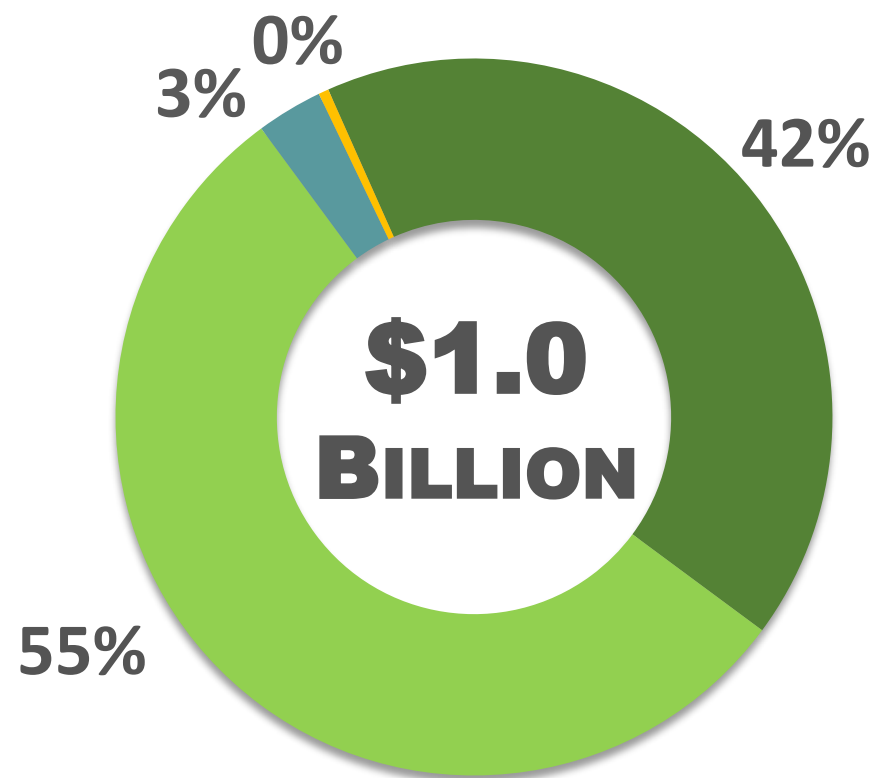
**Economic Data:** Multiple sources including World Bank, Forbes and Federal Reserve Bank of Boston

# PAWN OPERATIONS REPRESENT 98% OF REVENUE

## TOTAL REVENUE



## NET REVENUE

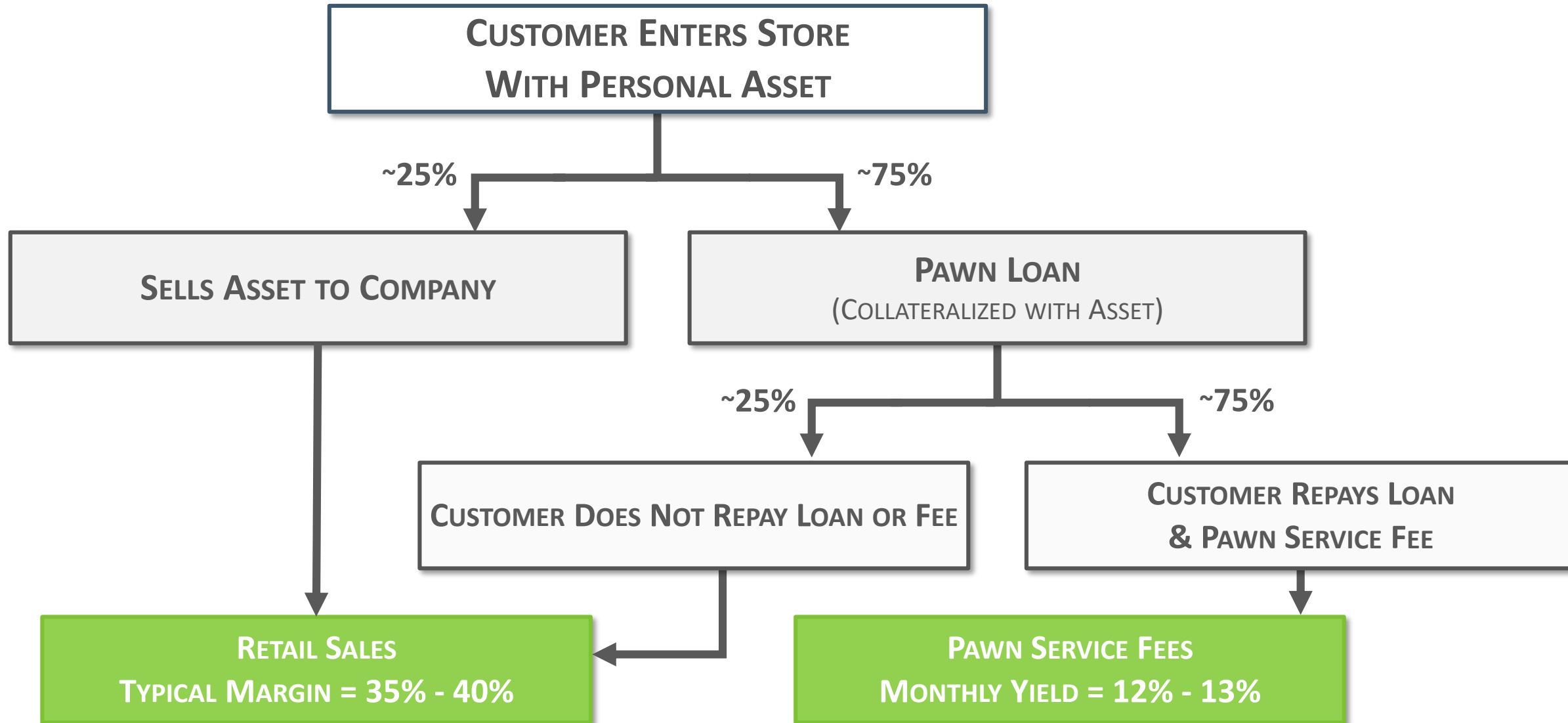


Note: Results are TTM Q2-2019

■ RETAIL SALES ■ PAWN FEES ■ SCRAP JEWELRY SALES ■ CONSUMER LOAN/SERVICE FEES<sup>1</sup>

# TYPICAL PAWN TRANSACTION CYCLE

TOTAL TRANSACTION TIME LESS THAN 15 MINUTES

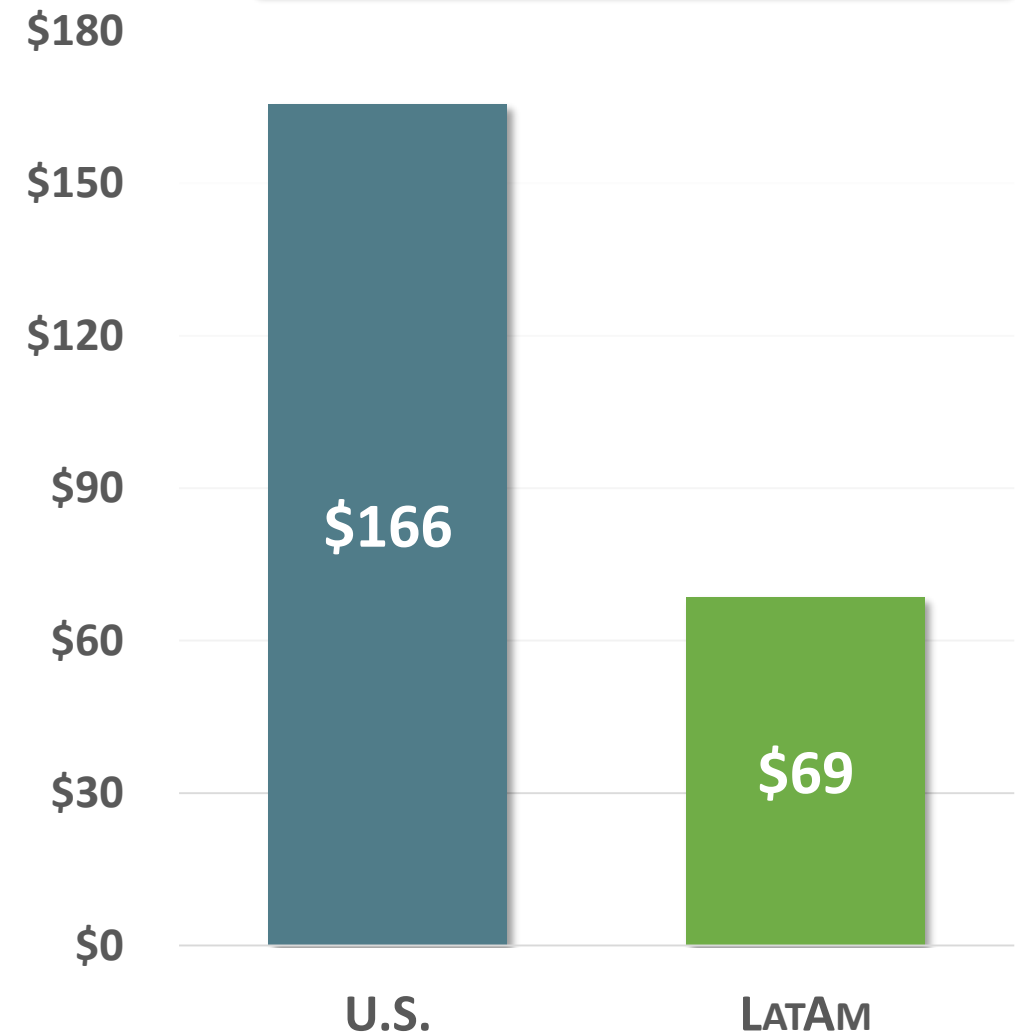




# PAWN LOANS HAVE LIMITED CREDIT RISK

- **PAWN LOANS ARE SMALL AND AFFORDABLE WITH A SHORT DURATION**
  - 30 TO 60 DAYS
- **ALL LOANS FULLY COLLATERALIZED WITH PERSONAL PROPERTY**
  - RAPID LIQUIDATION OF COLLATERAL THROUGH ON-SITE PAWN RETAIL OPERATIONS
  - TYPICAL RETAIL MARGIN OF 35% TO 40% ON FORFEITED COLLATERAL

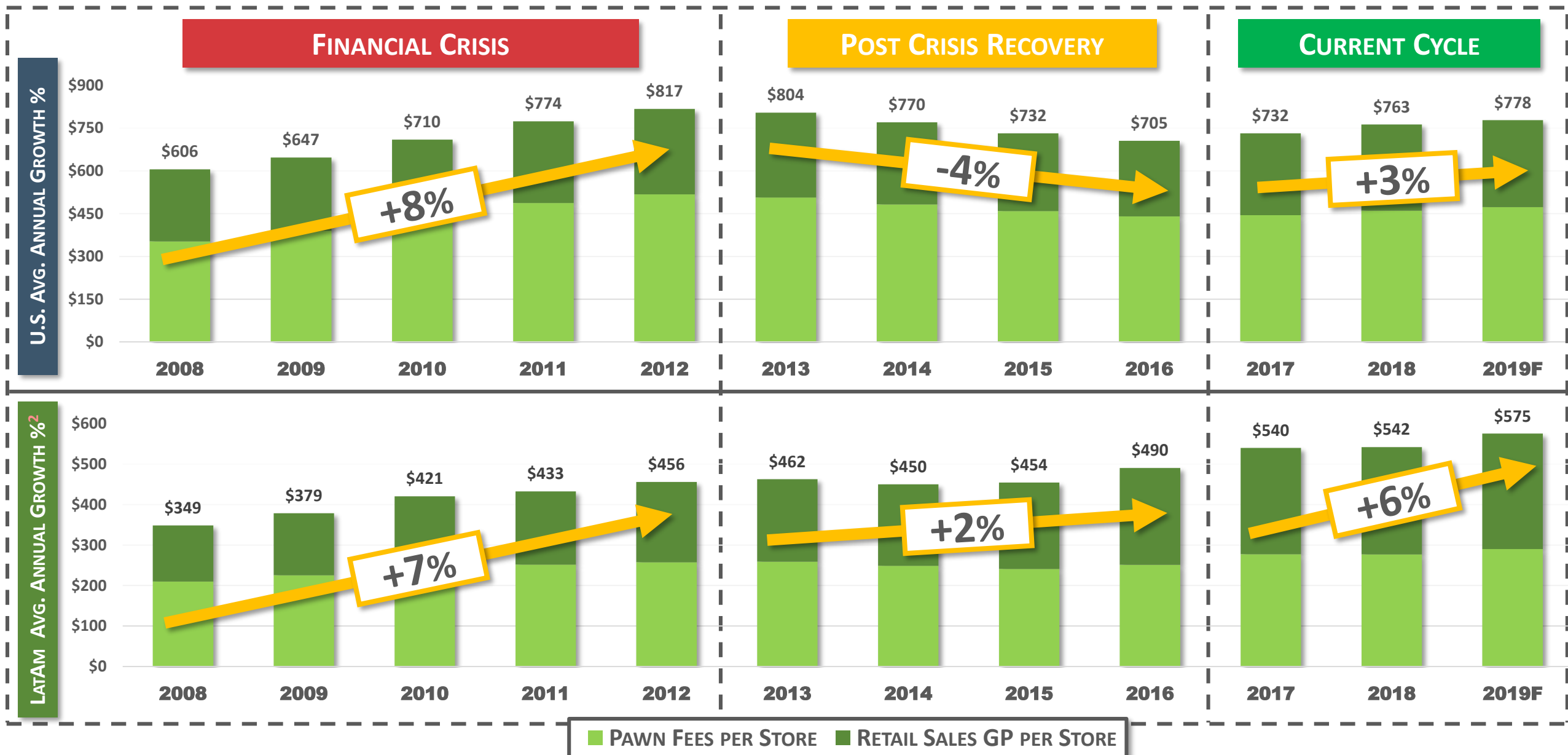
## AVERAGE PAWN LOAN<sup>1</sup>



<sup>1</sup> As of 06/30/2019

# REVENUE GROWTH ACROSS ECONOMIC CYCLES

LEGACY FIRST CASH U.S. AND LATAM CORE GROSS PROFIT<sup>1</sup> PER STORE



<sup>1</sup>Core pawn GP from legacy LatAm stores in operation since 2006<sup>2</sup>CC Revenue, 2008 MXN @ 11.16 – Constant currency results are non-GAAP financial measures and are calculated by translating 2009-Forecasted 2019 amounts using the Avg. Fx rate rate for the year ended December 31, 2008

# SOCIAL RESPONSIBILITY: SERVING UNBANKED AND UNDERBANKED CUSTOMERS

PAWN LOANS CAN BE EASILY ACCESSED BY CUSTOMERS WITH LIMITED ACCESS TO TRADITIONAL CREDIT PRODUCTS

◆ AVAILABLE TO UNBANKED OR UNDERBANKED CONSUMERS — NO BANK ACCOUNT OR CREDIT HISTORY NECESSARY, ONLY A VALID GOVERNMENT ISSUED ID

◆ MICROFINANCE PRODUCT — SMALL, AFFORDABLE AND LOWER COST ALTERNATIVE TO PAYDAY LOANS

◆ NON-RECOURSE LOANS — NO LATE FEES OR LEGAL OBLIGATION TO REPAY

◆ NO COLLECTIONS OR NEGATIVE EXTERNAL CREDIT REPORTING





# ENVIRONMENTAL SUSTAINABILITY

**NEIGHBORHOOD BASED RETAILER:**  
MERCHANDISE IS SOURCED AND SOLD LOCALLY

## **CIRCULAR ECONOMY**

NEIGHBORHOOD-BASED STORES WHICH CONTRIBUTE TO THE MODERN “CIRCULAR ECONOMY” – **BUY → USE → RETURN**

## **SAFE ENVIRONMENT**

BUY AND RESELL POPULAR CONSUMER PRODUCTS IN A SAFE AND SECURE ENVIRONMENT FOR EMPLOYEES AND CUSTOMERS

## **RECYCLE**

INVENTORY IS PRE-OWNED MERCHANDISE WHICH IS SOURCED AND THEN RECYCLED WITHIN EACH STORE’S GEOGRAPHIC NEIGHBORHOOD

## **NO SUPPLY CHAIN**

LOCAL SOURCING OF PRE-OWNED GOODS ELIMINATES NEED FOR MANUFACTURING FACILITIES, DISTRIBUTION CENTERS AND TRANSPORTATION SERVICES



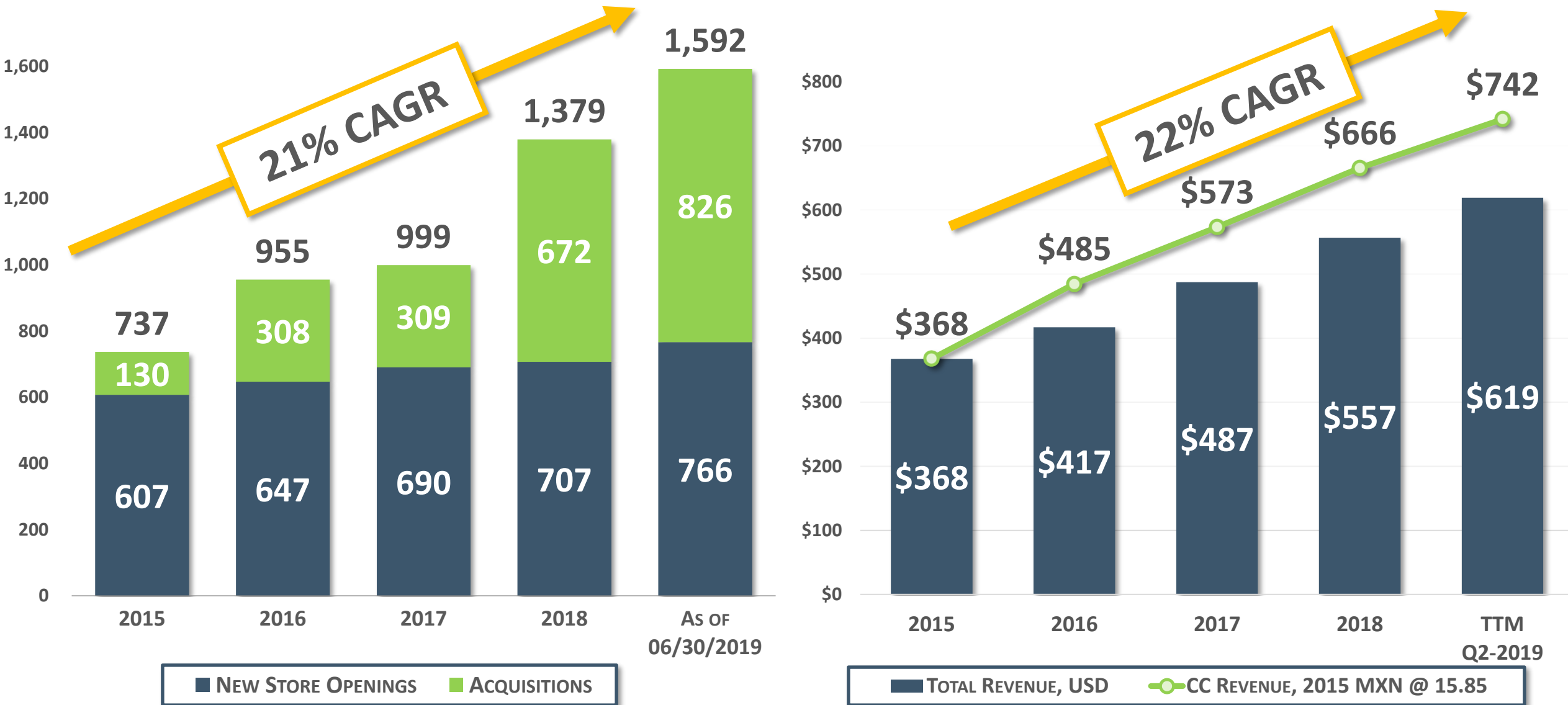




# **LATIN AMERICA OVERVIEW**

**MEXICO, GUATEMALA, EL SALVADOR AND COLOMBIA**

# FIRSTCASH LATAM STORE COUNT & REVENUE GROWTH



**Note:** Presented constant currency results are non-GAAP financial measures and are calculated by translating 2016, 2017, 2018 and TTM Q2-2019 amounts using the average exchange rate for the year ended December 31, 2015.



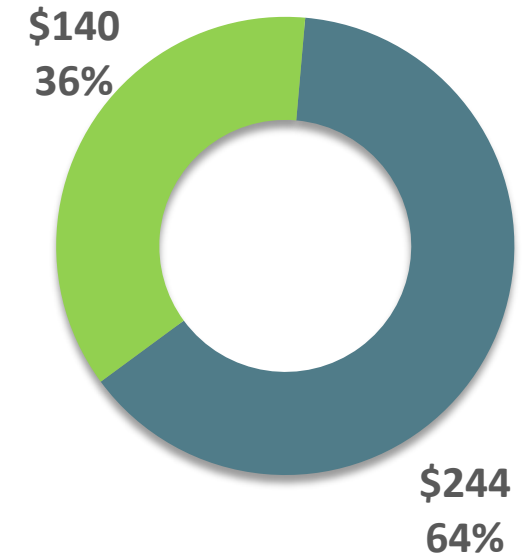
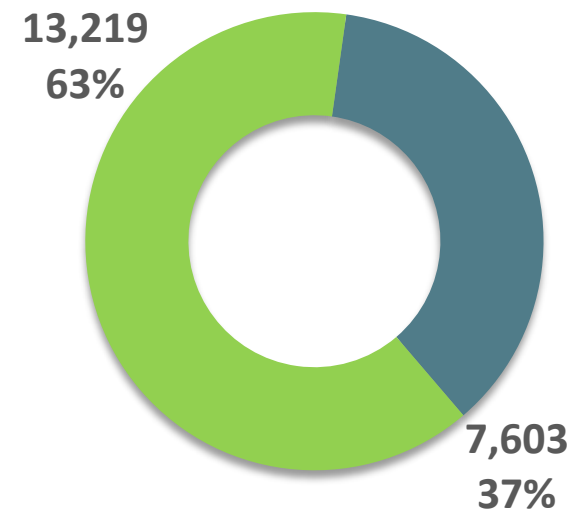
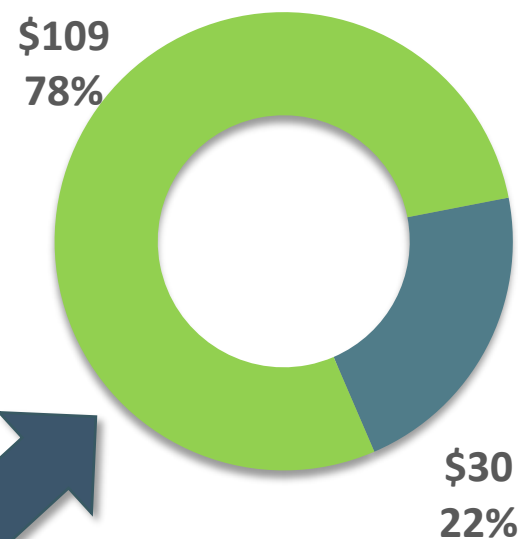
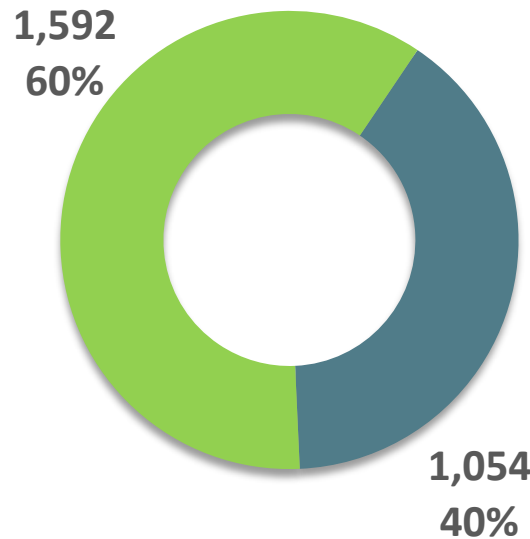
# MAJORITY OF STORES & EMPLOYEES BASED IN LATAM

## STORES<sup>1</sup>

## STORE ADDITION INVESTMENT<sup>2</sup>

## EMPLOYEES<sup>3</sup>

## SEGMENT CONTRIBUTION<sup>4</sup>



 LATAM  U.S.

**NEARLY 80% OF STORE INVESTMENTS IN LATAM**

<sup>1</sup> As of Press Release 07/24/2019

<sup>2</sup> TTM 06/30/2019 New Store CapEx and Acquisitions - \$ in Millions

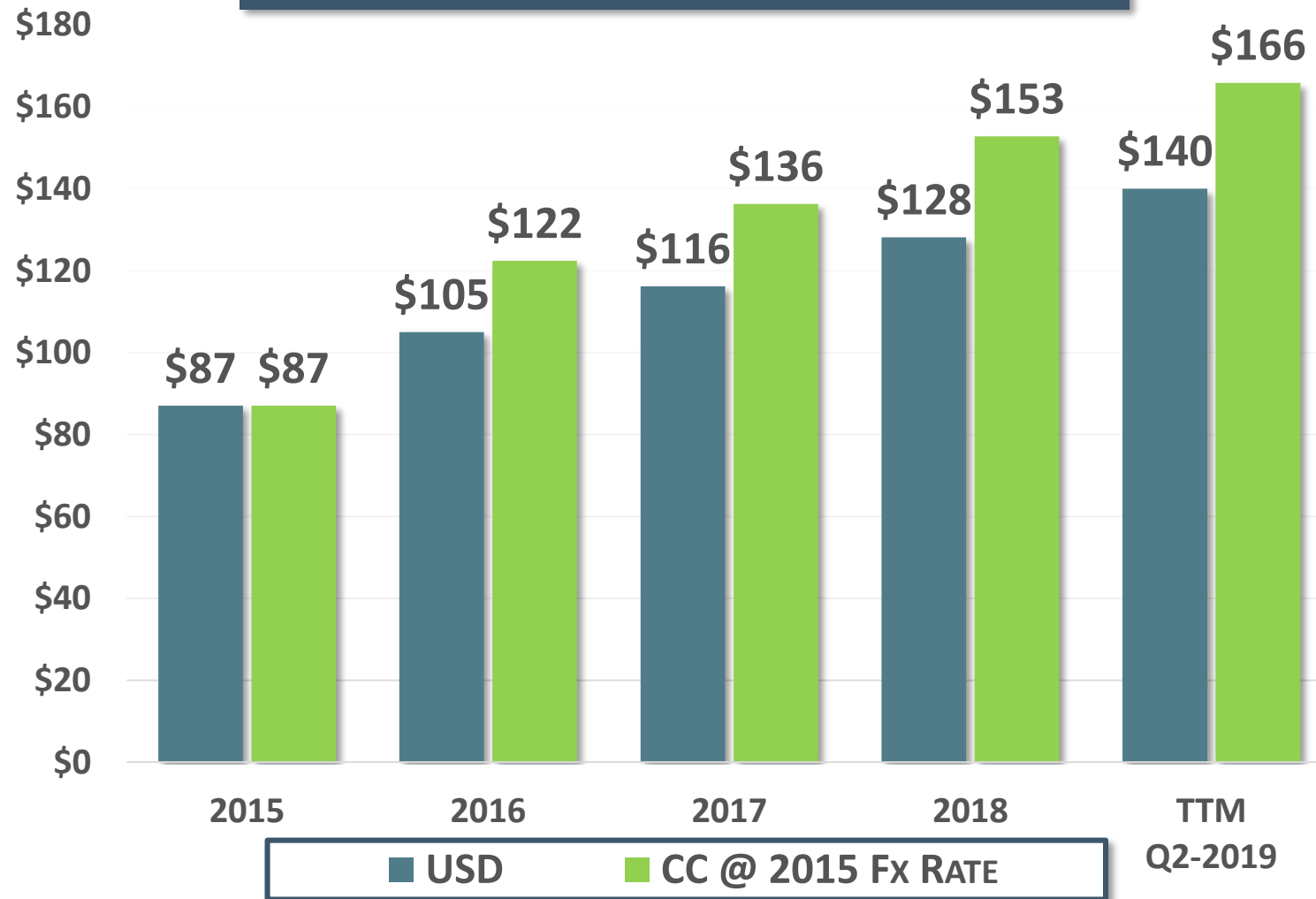
<sup>3</sup> As of 06/30/2019

<sup>4</sup> TTM 06/30/2019 Segment Contribution defined as Gross Profit less Store Operating Expenses and Store D&A - \$ in Millions

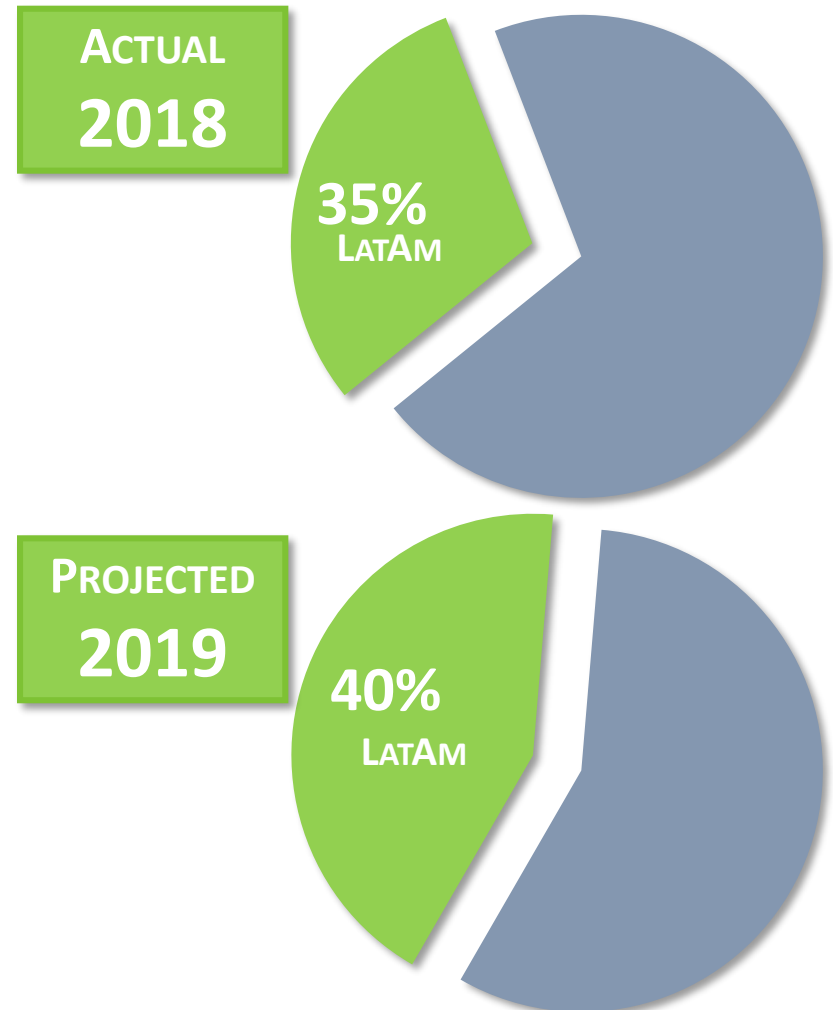
# GROWING SEGMENT CONTRIBUTION FROM LATAM

(\$ IN MILLIONS)

## LATAM SEGMENT CONTRIBUTION



## % OF TOTAL SEGMENT CONTRIBUTIONS



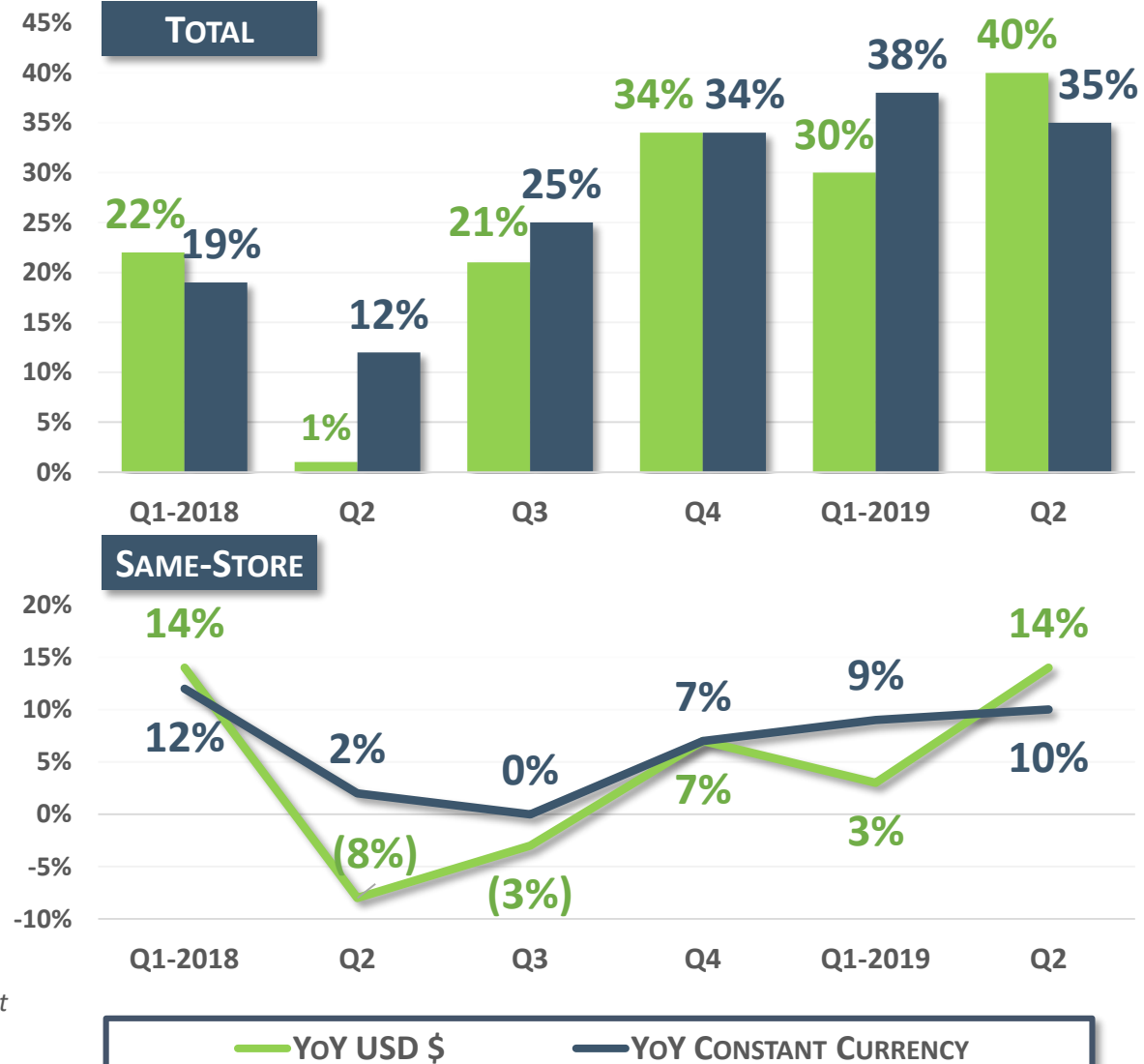
**Note:** Segment Contribution defined as Gross Profit less Store Operating Expenses and Store D&A.

**Note:** Presented constant currency results are non-GAAP financial measures and are calculated by translating 2016, 2017 and 2018 amounts using the average exchange rate for the year ended December 31, 2015.

# LATAM OPERATING TRENDS: Q2-2019

- **REVENUES FOR THE SECOND QUARTER OF 2019 TOTALED \$166 MILLION**
  - UP 27% ON A USD \$ TRANSLATED BASIS
  - UP 26% ON A CONSTANT CURRENCY BASIS
- **PAWN LOANS OUTSTANDING TOTALED \$113 MILLION**
  - UP 40% ON A USD \$ TRANSLATED BASIS
  - UP 35% ON A CONSTANT CURRENCY BASIS
- **SAME-STORE PAWN LOANS**
  - UP 14% ON A USD \$ TRANSLATED BASIS
  - UP 10% ON A CONSTANT CURRENCY BASIS

## PAWN LOANS YoY $\Delta$ %

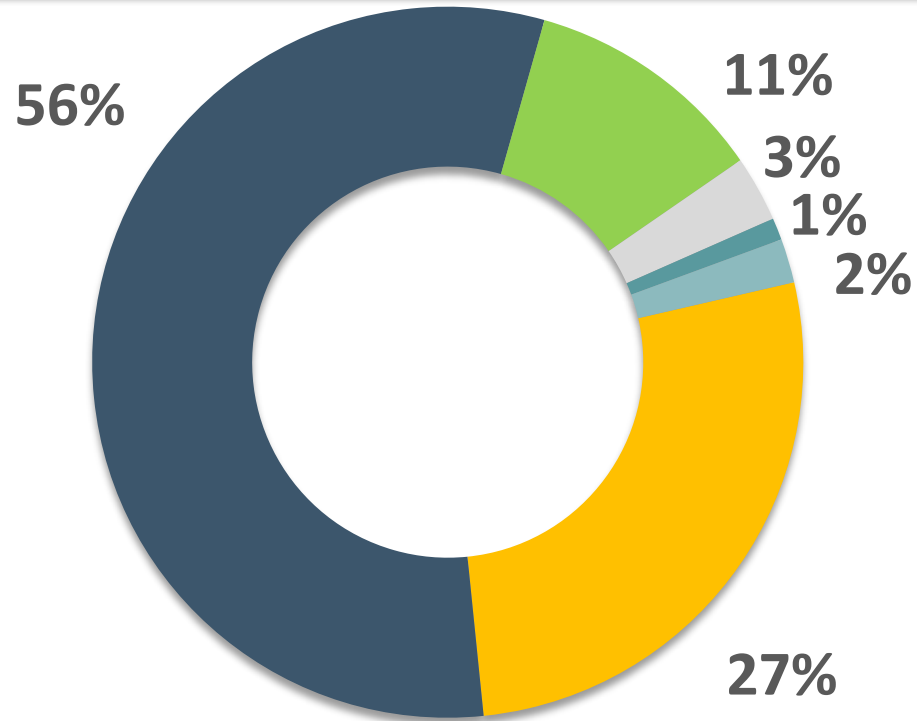


**Note:** Presented constant currency results are non-GAAP financial measures and are calculated by translating current period amounts using the comparable prior period exchange rate. Constant currency is defined in the 07/24/2019 press release and reconciled to the most comparable GAAP measures in the financial statements of the same release.

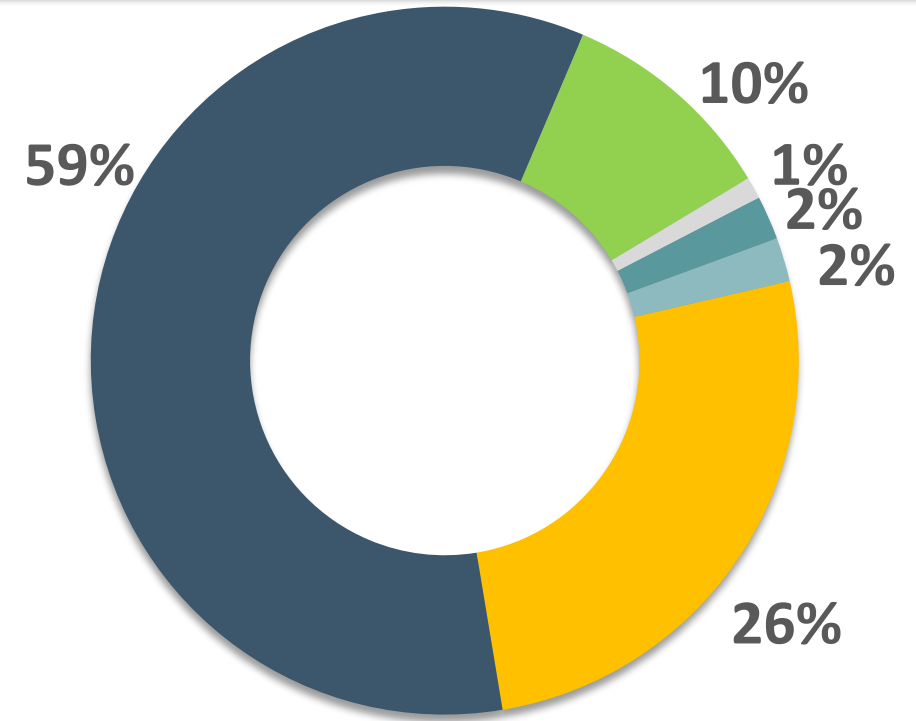
# LATAM PAWN AND INVENTORY COMPOSITION

LATAM OPERATIONS SEGMENT

## PAWN COLLATERAL



## INVENTORY



JEWELRY ELECTRONICS TOOLS SPORTING GOODS MUSICAL INSTRUMENTS OTHER

*Note: As of 06/30/2019*

# LATAM GROWTH STRATEGY

LATIN AMERICA CONTINUES TO BE THE PRIMARY STORE GROWTH VEHICLE - SIGNIFICANT UNTAPPED POTENTIAL IN THE REGION

- SUBSTANTIAL INFRASTRUCTURE AND CASH FLOWS TO ACCOMPLISH NEW ACQUISITIONS AND DE NOVO EXPANSION
- SIGNIFICANT RUNWAY FOR CONTINUED STORE OPENINGS AND STRATEGIC ACQUISITIONS IN MEXICO, GUATEMALA AND COLOMBIA
- FOUR STORES OPENED IN COLOMBIA IN 2018 AND 8 TOTAL ARE PLANNED FOR 2019. COLOMBIA IS A SIGNIFICANT MARKET WITH A POPULATION OF ALMOST 50 MILLION
- SIX NEW STORES OPENED IN GUATEMALA IN 2018 AND 15 TOTAL ARE PLANNED IN 2019. THEY MARK THE INTRODUCTION OF THE COMPANY'S LARGE FORMAT FIRST CASH BRANDED STORES IN THE COUNTRY
- LOOK STRATEGICALLY FOR ADDITIONAL EXPANSION AND ACQUISITION OPPORTUNITIES IN OTHER LATIN AMERICAN MARKETS SUCH AS PERU



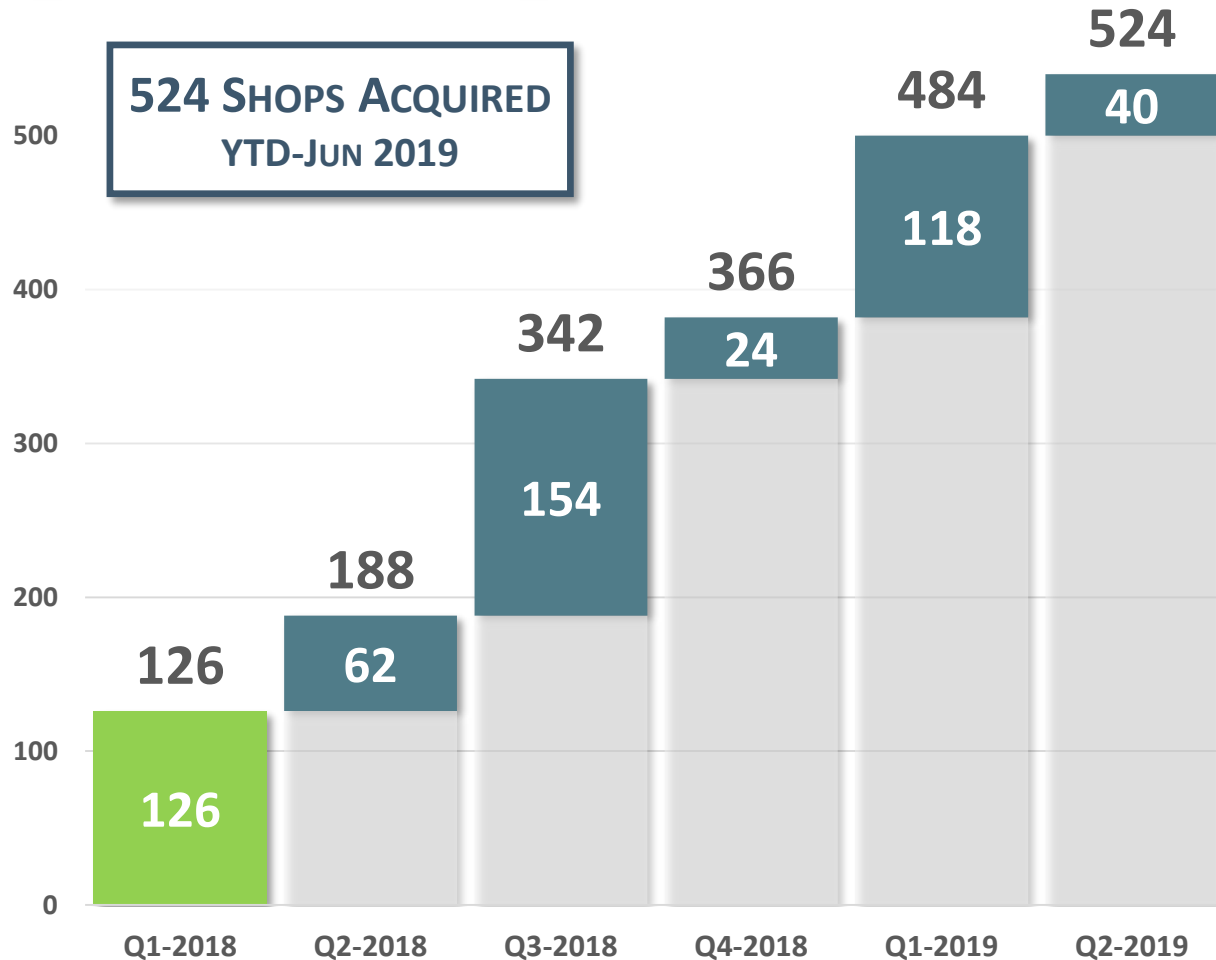
# PRENDAMex ACQUISITIONS

2019 BUILDS UPON 2018'S RECORD YEAR FOR LATAM ACQUISITIONS

## ACQUISITION TIMELINE



■ PRENDAMex LOCATIONS ■ ACQUIRED FRANCHISE LOCATIONS



- THESE ACQUISITIONS ARE MOSTLY SMALLER FORMAT LOCATIONS (TYPICALLY LESS THAN 2,500 FT<sup>2</sup>) FOCUSED PRIMARILY ON JEWELRY LENDING AND SMALL ELECTRONICS
- MANY SIMILARITIES TO THE SUCCESSFUL MAXI PRENDA ACQUISITION IN MEXICO IN EARLY 2016
  - POTENTIAL TO INCREASE RETAIL SALES AND MARGINS
  - PAIRS WITH LARGE FORMAT FIRSTCASH STORES TO ACCESS MORE URBAN NEIGHBORHOODS





# MAXI PRENDA UPDATE – EARLY 2016 ACQUISITION

FIRST SMALLER FORMAT ACQUISITION IN LATAM

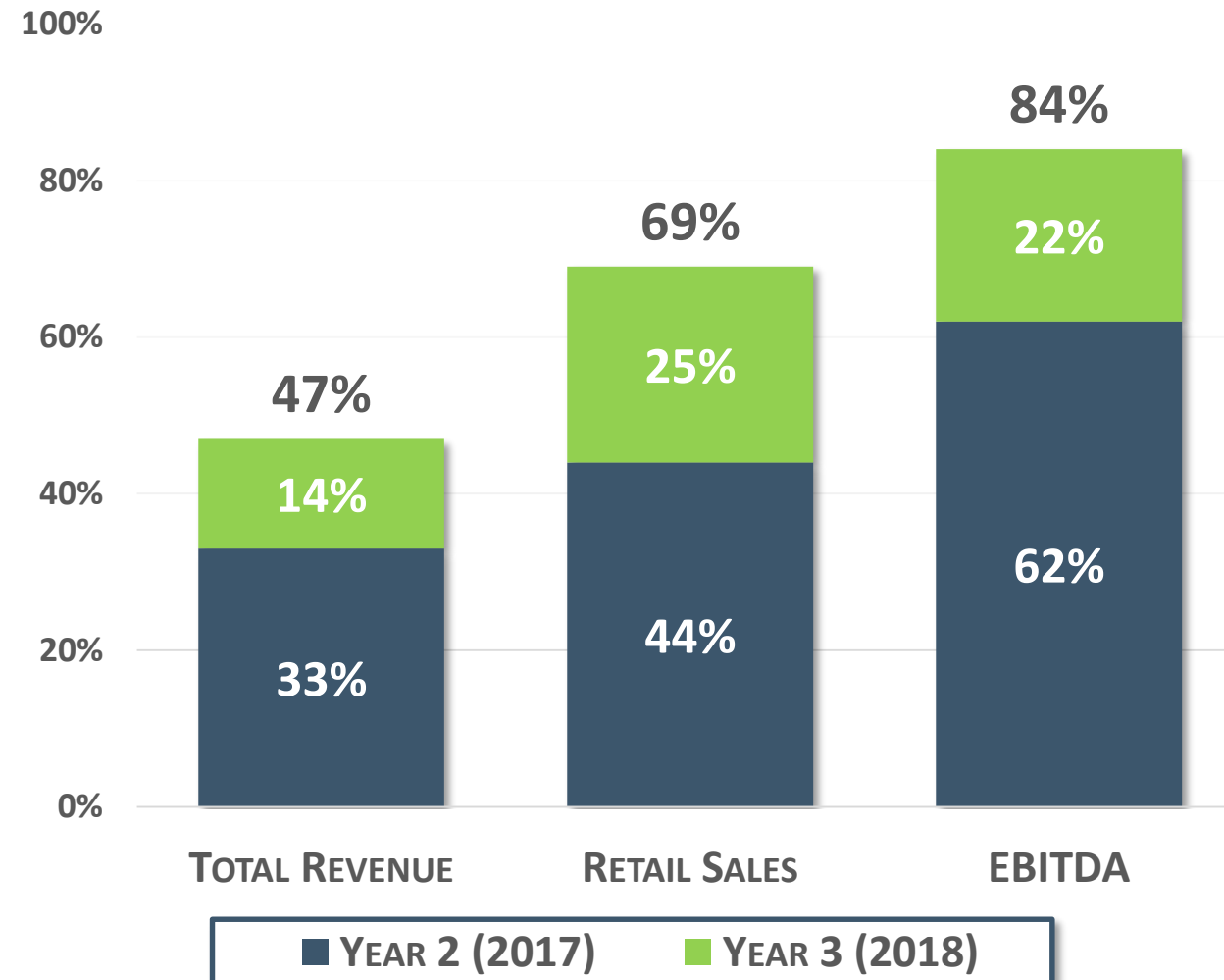
- **ACQUISITION RECAP**

- 211 SMALLER FOOTPRINT STORES
  - FOCUS ON JEWELRY AND SMALL ELECTRONICS – LIMITED RETAIL ACTIVITY
  - FIRSTCASH ENHANCEMENTS
    - OPEN SALES FLOOR
    - IMPROVED POS SYSTEM
    - CUSTOMER ENGAGEMENT

- **ACQUISITION MULTIPLE WAS HISTORICAL RANGE OF 4 TO 6 TIMES EBITDA<sup>1</sup>**

- EFFECTIVE PURCHASE MULTIPLE ON 2018 EBITDA IS NOW ONLY 2X
- 2018 NET INCOME MARGIN OF 21%

## PER STORE GROWTH RATES VERSUS FIRST YEAR



<sup>1</sup> STORE-LEVEL EBITDA EXCLUDES ADMIN EXPENSES

# LATAM NEW STORE OPENINGS

## LARGE FORMAT DE NOVO LOCATIONS

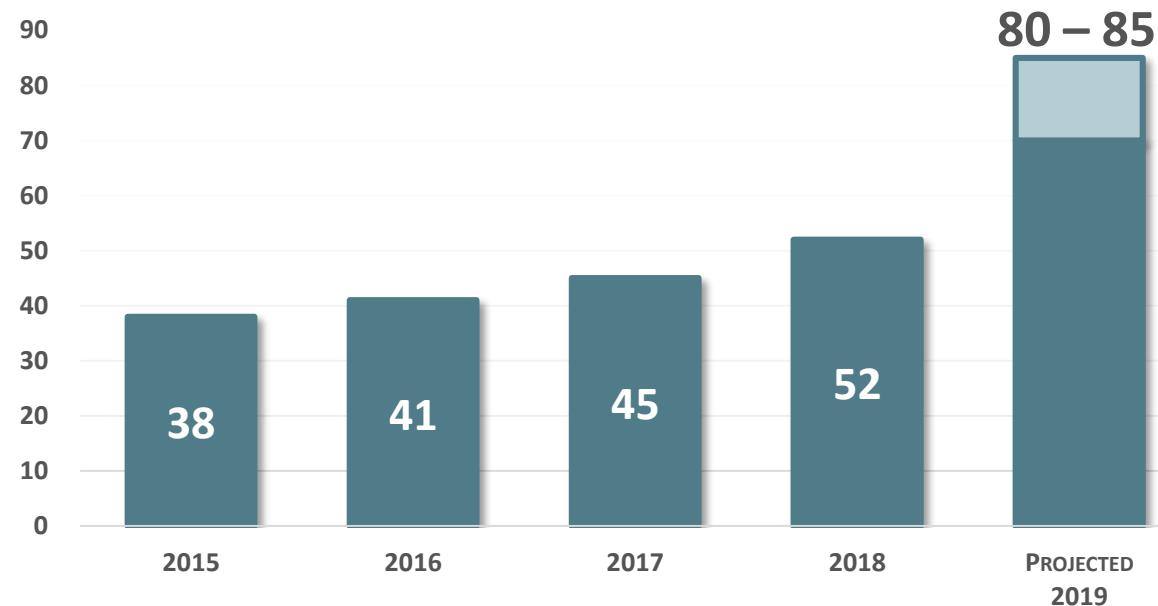
- **OPENED IN 2018**

- 42 IN MEXICO
- 4 IN COLOMBIA
- 6 IN GUATEMALA

- **OPENED YTD-2019**

- 42 IN MEXICO
- 4 IN COLOMBIA
- 13 IN GUATEMALA

## STORE OPENINGS BY YEAR



- **PLANS TO OPEN APPROXIMATELY 80 TO 85 NEW FULL-SERVICE PAWN STORES IN 2019**

- APPROXIMATELY 15 IN GUATEMALA
- APPROXIMATELY 8 IN COLOMBIA
- REMAINDER IN MEXICO



# PROVEN NEW STORE OPENING PROCESS

## UNDEVELOPED SITE



- OPENED FIRST STORES IN MEXICO IN 1999
- EXPERIENCED REAL ESTATE DEVELOPMENT TEAM
- PROVEN SITE SELECTION STRATEGY

## SAME SITE AFTER REDEVELOPMENT



- STANDARDIZED STORE LAYOUTS, FIXTURES AND EQUIPMENT
- STATE OF THE ART SECURITY TECHNOLOGY
- CONSISTENT PROCESS ENSURES THE NEW STORES ARE DELIVERED ON TIME AND WITHIN BUDGET

# PROVEN RAPID PAYBACK MODEL

## MEXICO NEW STORE INVESTMENT AND PROFITABILITY RAMP

### NEW STORE INVESTMENT

(USD \$)

**CAP EX** **\$160,000**

- LEASEHOLD IMPROVEMENTS & FIXTURES
- COMPUTER & SECURITY EQUIPMENT

**START-UP LOSSES** **\$25,000**

- PRE-OPENING
- FIRST SIX MONTHS OF OPERATION

**TOTAL STORE INVESTMENT** **\$185,000**

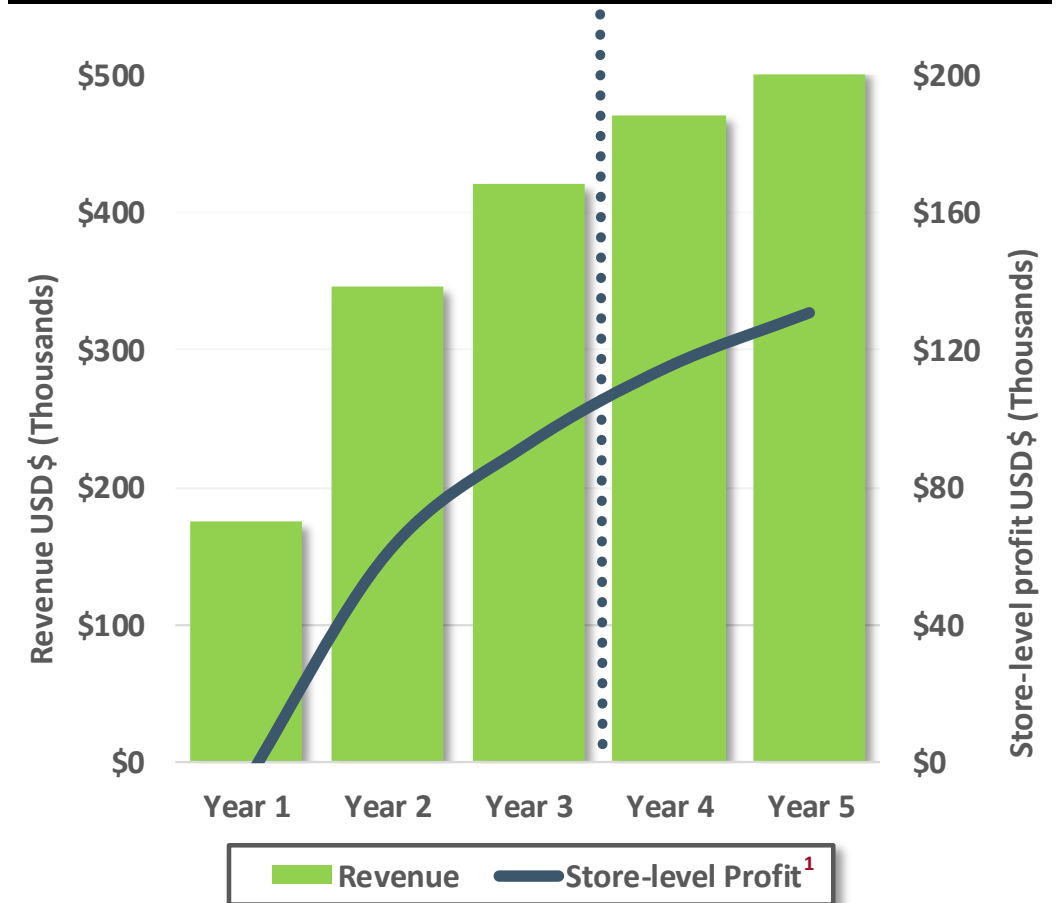
### WORKING CAPITAL (USD \$)

**FIRST YEAR FOR NEW STORE** **\$90,000**

- OPERATING CASH
- LOAN FUNDING
- INVENTORY

### Typical Mexico New Store Ramp

	Year 1	Year 2	Year 3	Year 4	Year 5
Op Margin	(4%)	17%	22%	24%	26%



Revenue Store-level Profit<sup>1</sup>

• • • • CUMULATIVE BREAK-EVEN POINT = APPROXIMATELY 3 YEARS

<sup>1</sup> Store-Level Operating Profit Before Administrative Expense & Taxes; Data is Based on NSO From 2005-2017





# UNITED STATES OVERVIEW

**LOCATIONS IN 24 STATES**

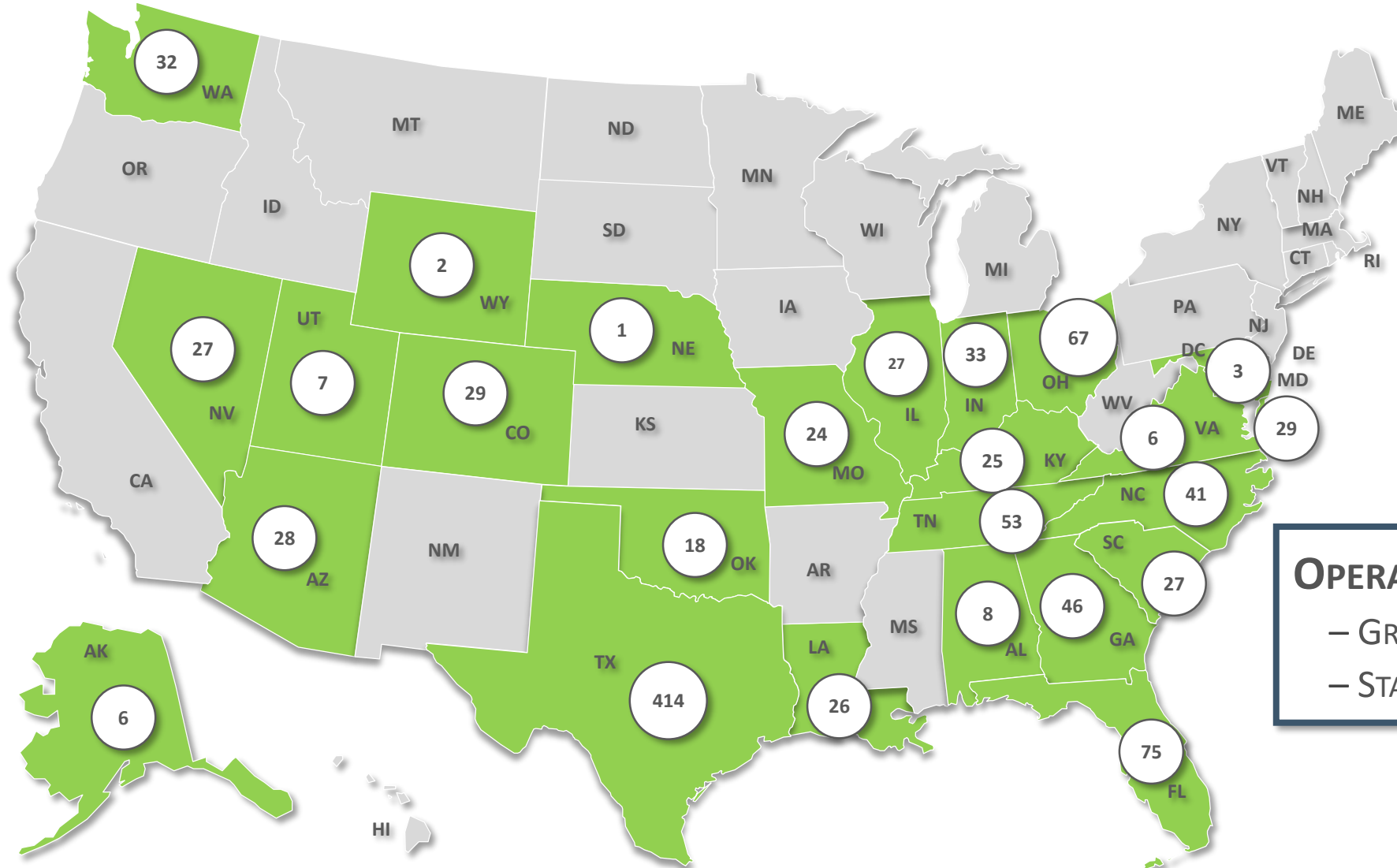
AND THE DISTRICT OF COLUMBIA



# OVER 1,000 U.S. LOCATIONS IN 24 STATES

AND THE DISTRICT OF COLUMBIA

Note: As Press Release 07/24/2019



## OPERATIONS FOCUSED IN STATES WITH

- GROWING POPULATIONS
- STABLE AND FAVORABLE REGULATIONS



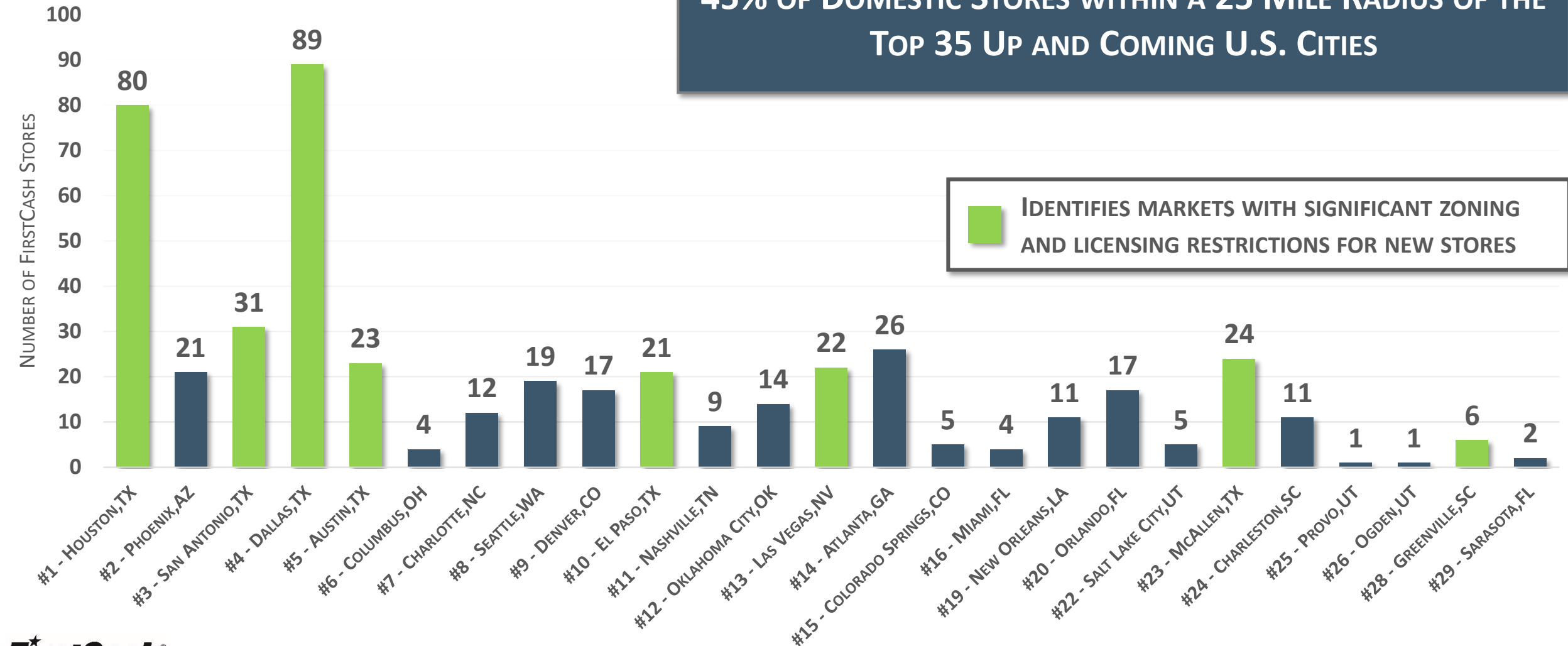
# SIGNIFICANT PRESENCE IN FASTEST GROWING U.S. CITIES

RANKED BY ESTIMATED 2018 POPULATION

Source: Business Insider

Note: Store Count as of 06/30/2019

45% OF DOMESTIC STORES WITHIN A 25 MILE RADIUS OF THE  
TOP 35 UP AND COMING U.S. CITIES



# U.S. OPERATING TRENDS: Q2-2019

- **U.S. SEGMENT PRE-TAX OPERATING INCOME UP YTD, DESPITE OHIO WIND-DOWN:**

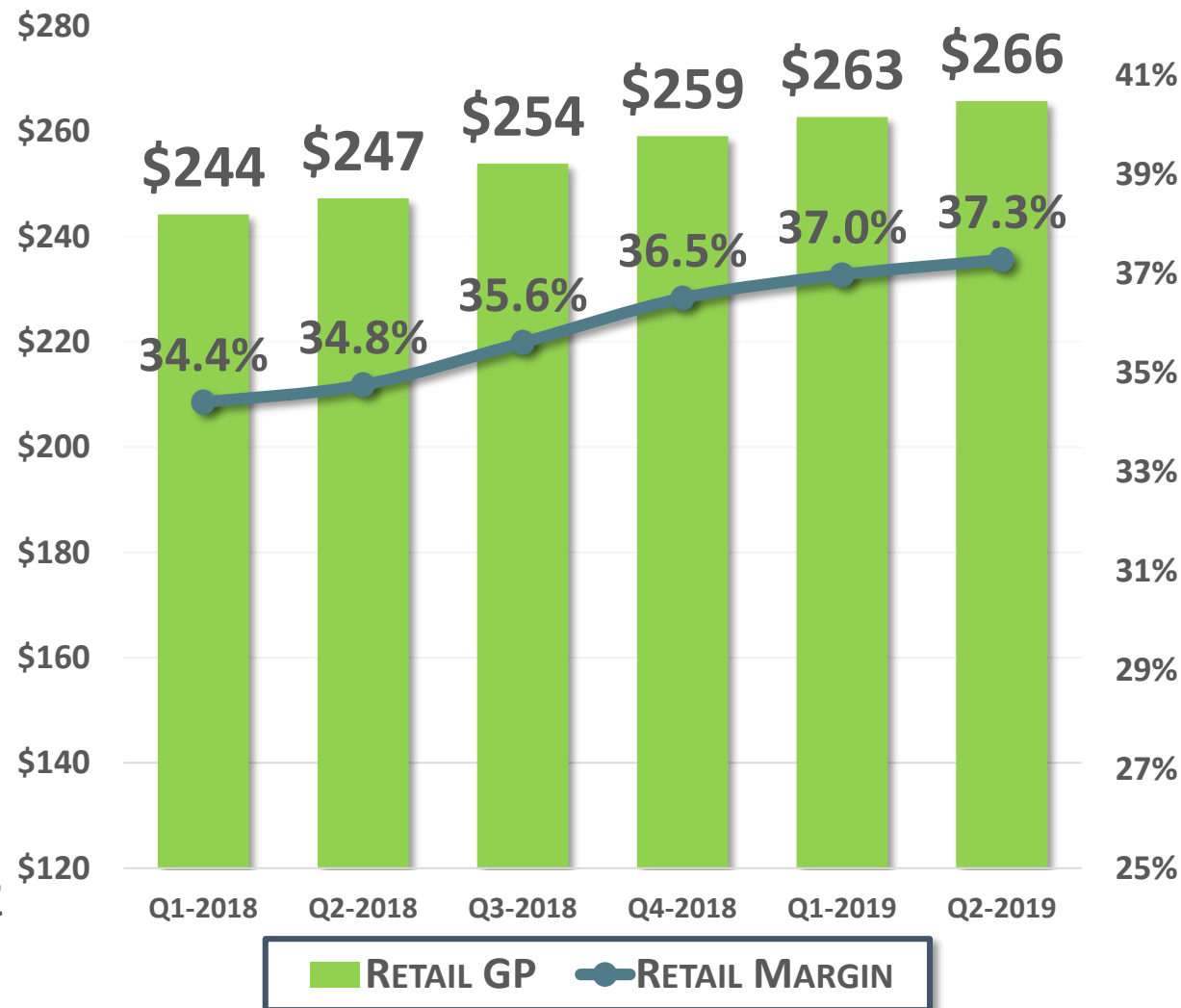
- UP 1% COMPARED TO YTD JUN-2018
- EXCLUDING CONSUMER LENDING, UP 7% ON AN ADJUSTED NON-GAAP BASIS COMPARED TO YTD JUN-2018
- DRIVEN PRIMARILY BY IMPROVED RETAIL MARGINS, PAWN LOAN YIELDS AND OPERATING EXPENSE REDUCTIONS

- **RETAIL MARGIN IMPROVEMENTS:**

- Q2 MARGIN OF 38% COMPARED TO 37% IN THE PRIOR-YEAR QUARTER
- RETAIL GROSS PROFIT DOLLARS INCREASED 5% IN Q2

## TTM RETAIL GP \$ AND MARGIN

(\$ IN MILLIONS)



**Note:** See appendix for reconciliation to segment pre-tax operating income

# U.S. OPERATING TRENDS: Q2-2019

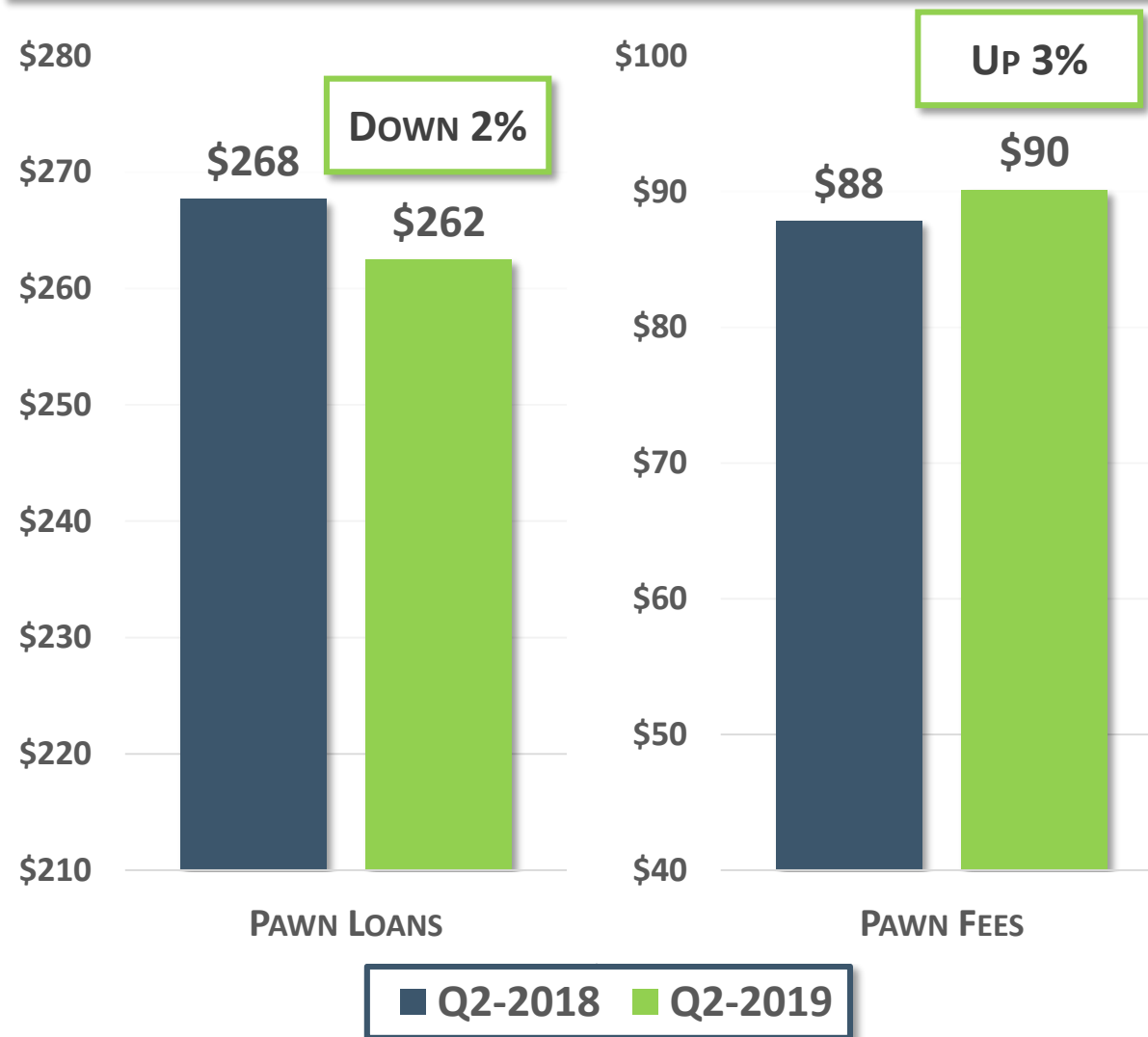
- **PAWN FEES INCREASE ON IMPROVED YIELDS:**

- PAWN FEES UP 3% COMPARED TO Q2-2018
- PAWN YIELDS IMPROVED BY 4% QUARTER-OVER-QUARTER

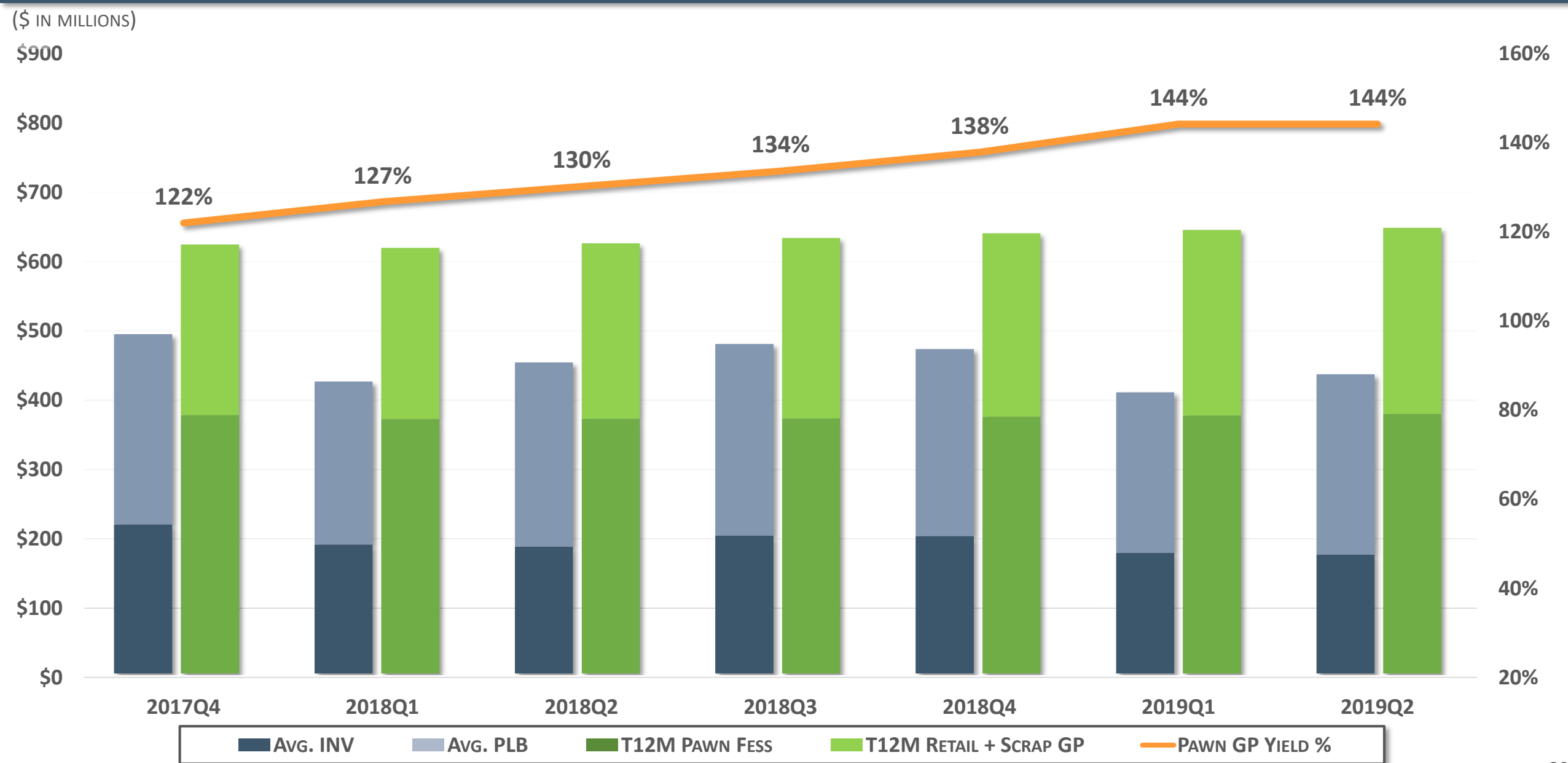
- **FOCUS ON CUSTOMER PURCHASES IN THE LEGACY CASH AMERICA STORES:**

- 23% INCREASE IN VOLUME OF DIRECT PURCHASES COMPARED TO THE PRIOR-YEAR QUARTER
- IMPROVED QUALITY OF PAWN RECEIVABLE PORTFOLIO AND QUALITY/FRESHNESS OF INVENTORIES
- OPTIMIZING LOAN-TO-VALUE RATIOS, WHICH HAS RESULTED IN HIGHER CASH YIELDS FROM THE PERFORMING LOANS

## PAWN LOANS AND PAWN FEES



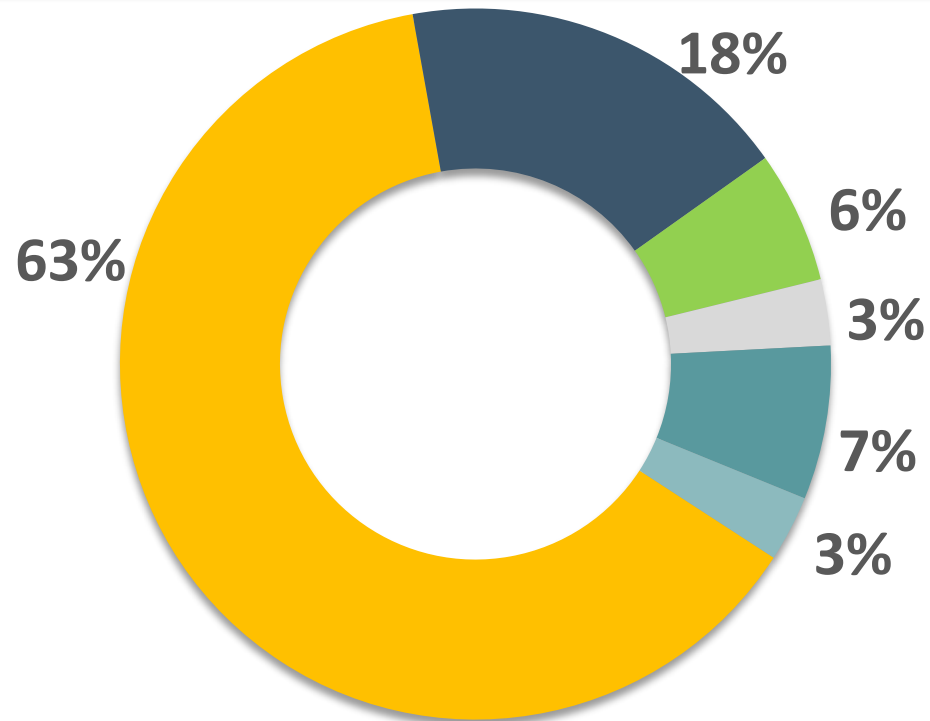
# DOMESTIC RETURN ON EARNING ASSETS



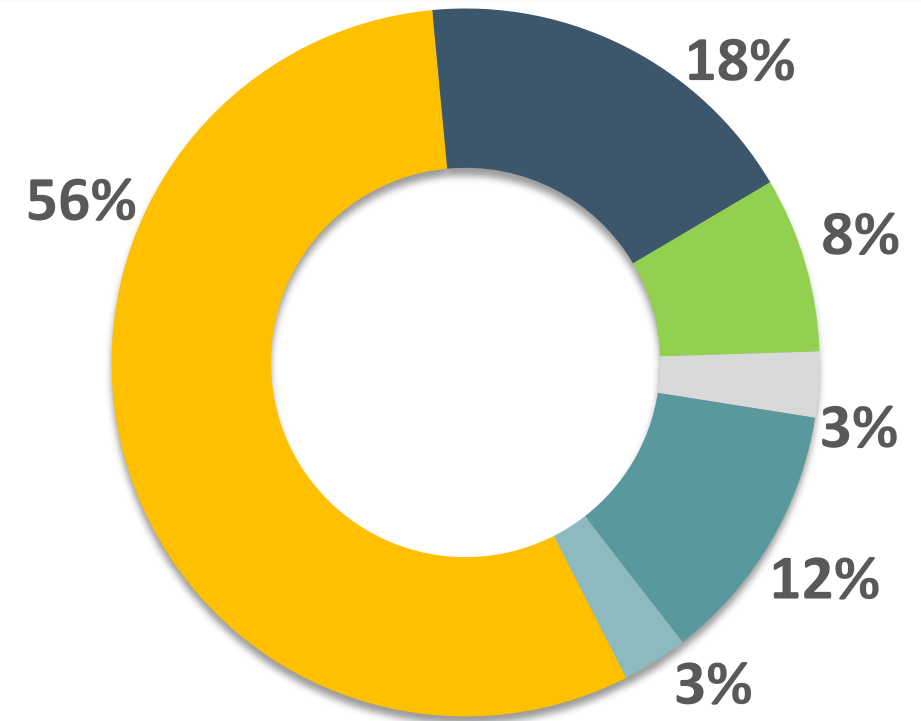
# U.S. PAWN AND INVENTORY COMPOSITION

U.S. OPERATIONS SEGMENT

## PAWN COLLATERAL



## INVENTORY



JEWELRY ELECTRONICS TOOLS SPORTING GOODS MUSICAL INSTRUMENTS OTHER

*Note: As of 06/30/2019*

# U.S. GROWTH STRATEGY

## CONTINUE SCOUTING SMALL ACQUISITIONS IN EXISTING STATES

- ORGANIC DEMAND AS UNBANKED AND UNDERBANKED DEMOGRAPHICS CONTINUE TO GROW

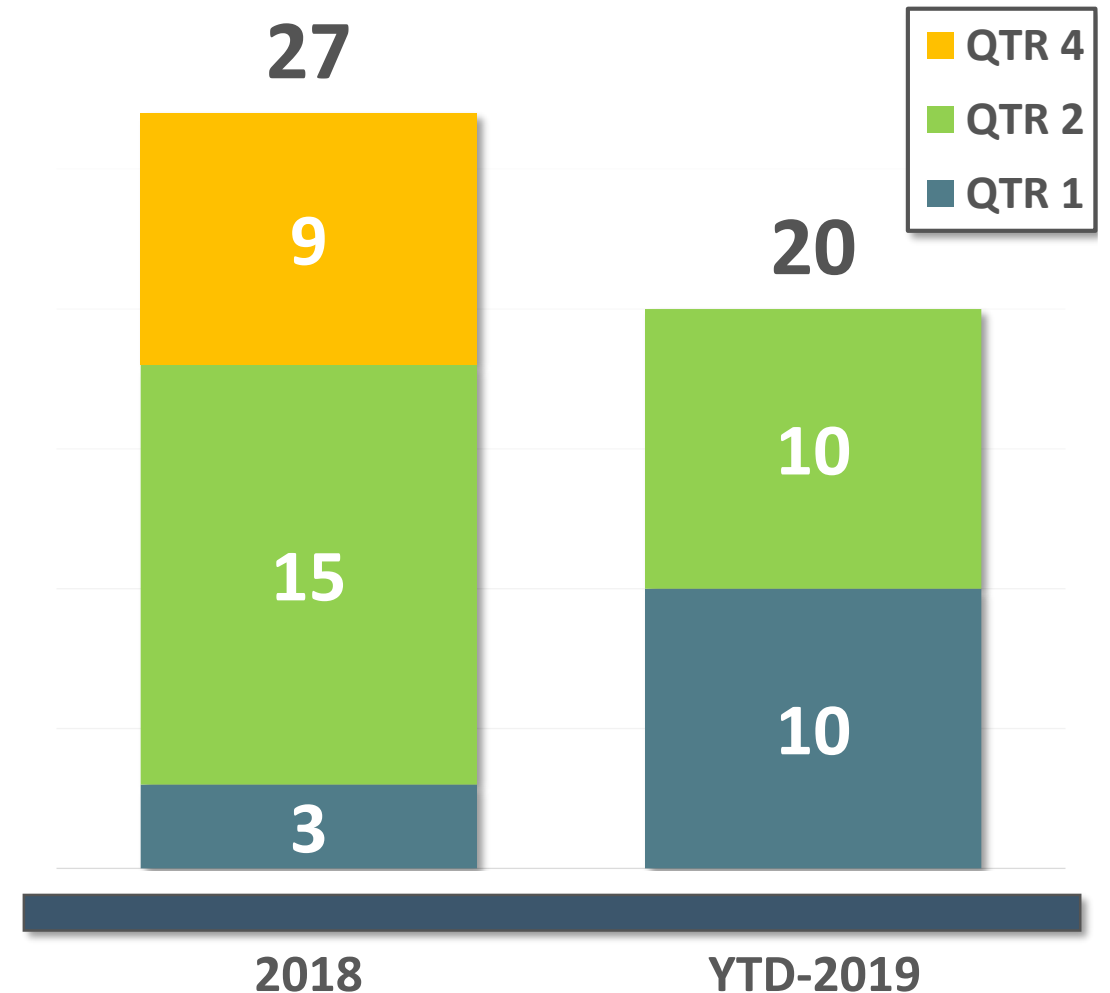
### YTD-2019 ACQUISITIONS

- 10 STORE ACQUISITION IN TX
- 9 STORE ACQUISITION IN TX
- 1 SINGLE STORE ACQUISITION IN TX

### 2018 ACQUISITIONS

- 12 STORE ACQUISITION IN TN/GA
- 5 STORE ACQUISITION IN TX
- 4 STORE ACQUISITION IN TX
- 6 SINGLE STORE ACQUISITIONS

## STORES ACQUIRED BY YEAR





# STABLE REGULATORY CLIMATE FOR PAWN



- **PAWN LOANS ARE DIFFERENT FROM TRADITIONAL CONSUMER LOAN PRODUCTS AND NOT SUBJECT TO THE CFPB SMALL DOLLAR LOAN RULES BECAUSE THEY:**
  - ARE NON-RECOURSE LOANS
  - HAVE SIGNIFICANTLY SMALLER AVERAGE LOAN SIZES
  - DO NOT INVOLVE CREDIT CHECKS, COLLECTION ACTIVITIES, ACH TRANSACTIONS OR NEGATIVE CREDIT REPORTING



- **REGULATIONS ARE PRIMARILY AT THE STATE LEVEL IN THE U.S. AND THE FEDERAL LEVEL IN LATIN AMERICA**
  - **NO SIGNIFICANT NEGATIVE REGULATORY CHANGES IN THE LAST 25 YEARS**
  - **STATES WITH A POSITIVE RATE CHANGE INCLUDE:**
    - **OHIO:** ENACTED MARCH 28, 2017
    - **WASHINGTON:** ENACTED JULY 24, 2015
    - **ARIZONA:** ENACTED JULY 24, 2014
    - **NEVADA:** ENACTED OCTOBER 1, 2011

# FIRSTCASH DISCONTINUES UNSECURED CONSUMER LOAN PRODUCTS IN OHIO



## CEASED OFFERING UNSECURED CONSUMER LOAN AND CREDIT SERVICES PRODUCTS IN ALL 119 OHIO LOCATIONS EFFECTIVE APRIL 26, 2019<sup>1</sup>:

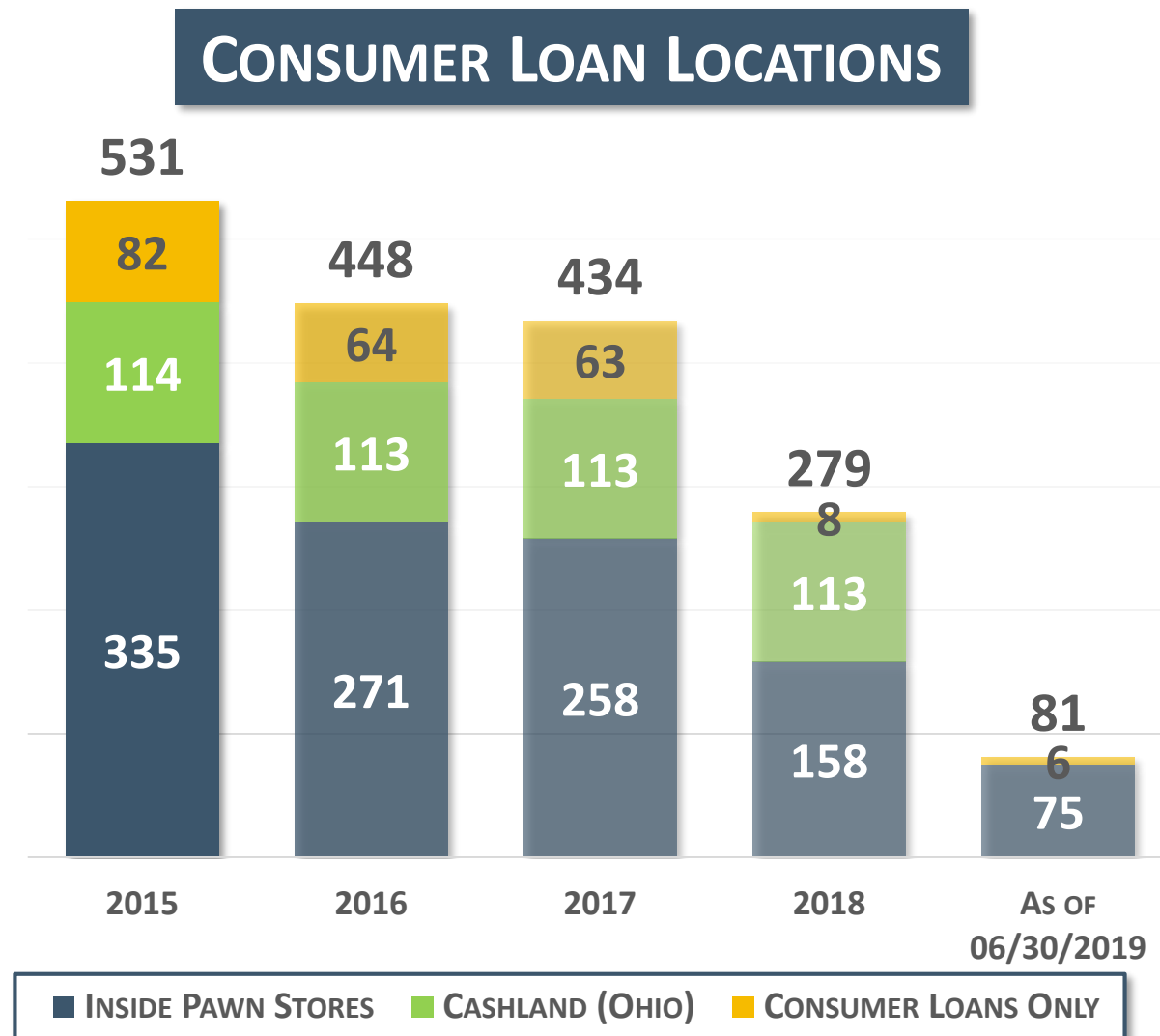
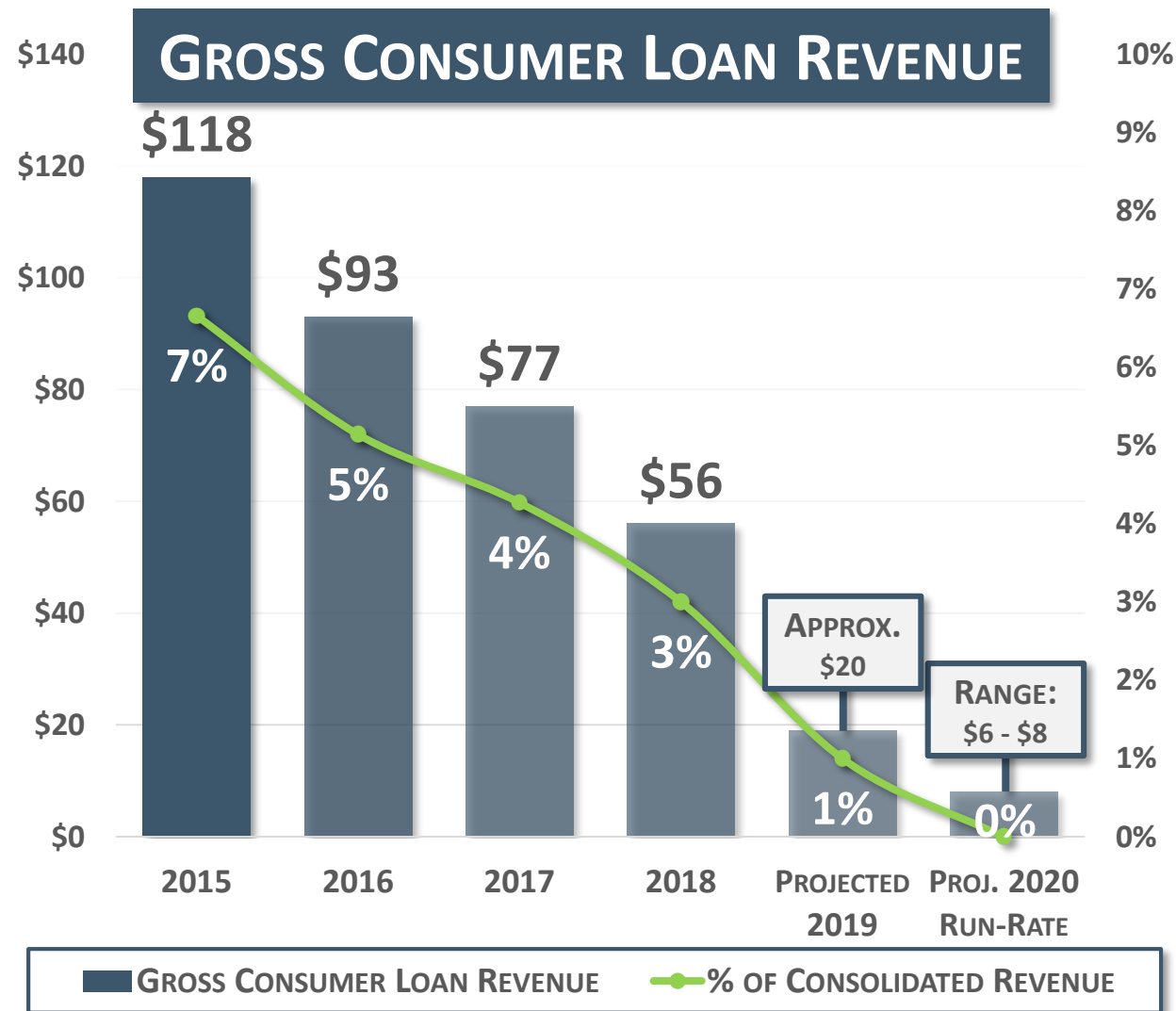
- 52 OF THE OHIO CASHLAND LOCATIONS, WHOSE REVENUE WAS DERIVED PRIMARILY FROM CONSUMER LENDING PRODUCTS, WERE CLOSED DURING THE SECOND QUARTER
- REMAINING 67 LOCATIONS IN OHIO HAVE SUFFICIENT PAWN REVENUES TO CONTINUE OPERATING AS FULL-SERVICE PAWNSHOPS
- INCURRED NON-RECURRING WIND-DOWN EXIT COSTS OF APPROXIMATELY \$2 MILLION, NET OF TAX, FOR THE QUARTER ENDED JUNE 30, 2019, WHICH HAVE BEEN EXCLUDED FROM ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE
- CURRENTLY, ONLY OFFERING UNSECURED CONSUMER LOANS AND CREDIT SERVICES IN 81 REMAINING U.S. LOCATIONS AND EXPECTS SECOND HALF REVENUES FROM CONSUMER LENDING PRODUCTS TO BE APPROXIMATELY \$4 MILLION, WHICH ACCOUNTS FOR LESS THAN 0.5% OF TOTAL SECOND HALF REVENUES
- **DESPITE EARNINGS HEADWINDS, DID NOT IMPACT 2019 EARNINGS GUIDANCE**

<sup>1</sup> As of Press Release 07/24/2019

# WIND-DOWN OF CONSUMER LENDING

PRO FORMA INCLUDING CASH AMERICA

(\$ IN MILLIONS)

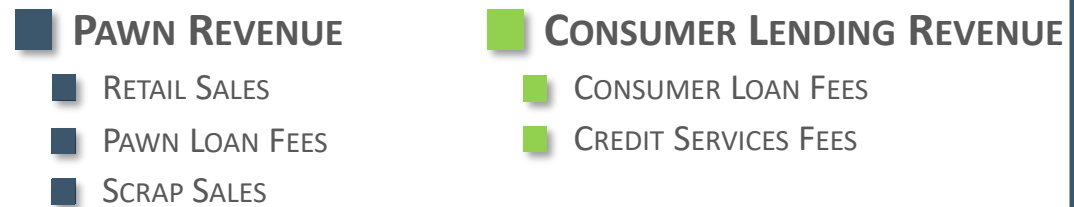




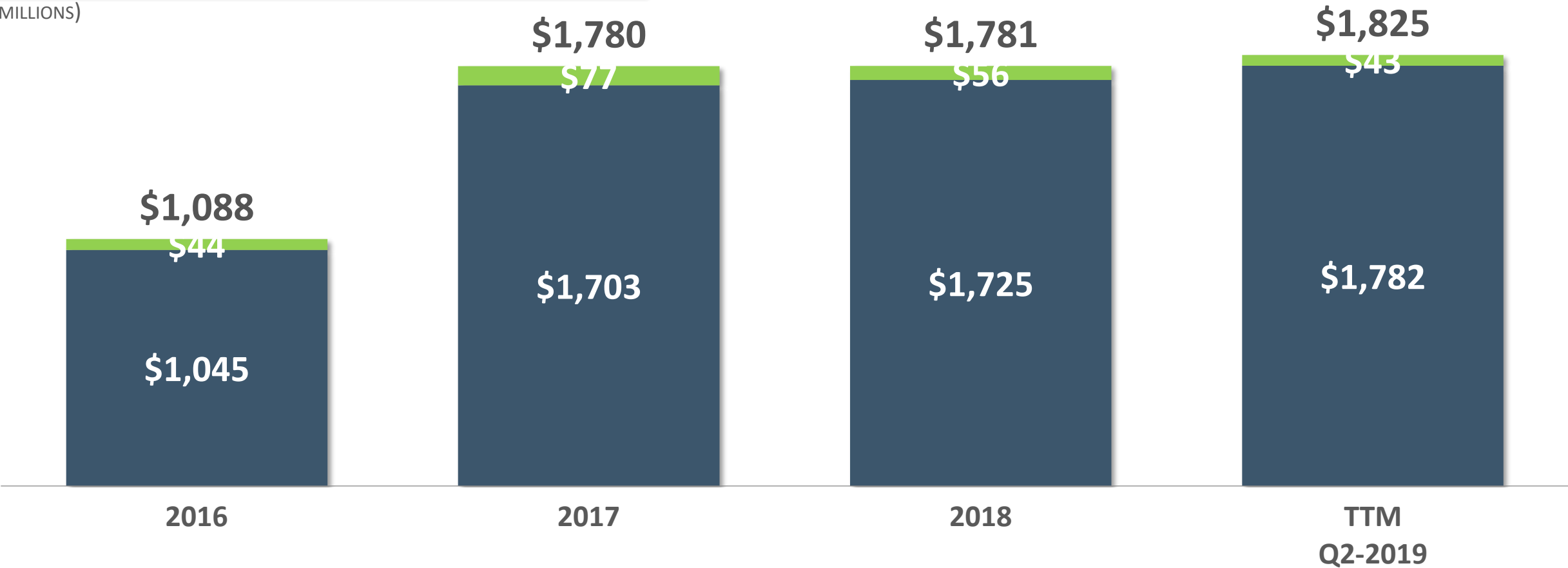
# **FINANCIAL HIGHLIGHTS**

FORT WORTH, TEXAS

# CONSOLIDATED REVENUE

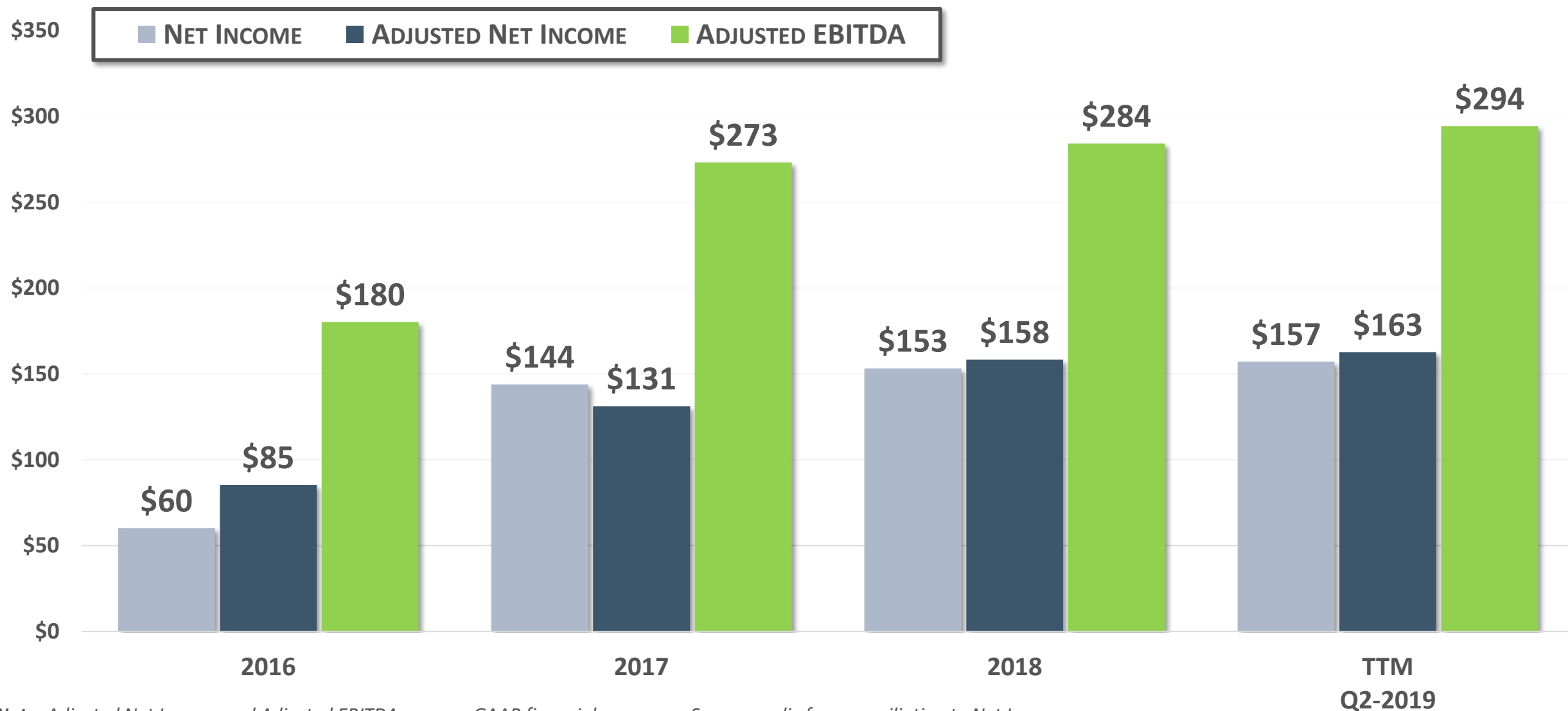


(\$ IN MILLIONS)



# NET INCOME, ADJUSTED NET INCOME AND ADJUSTED EBITDA

(\$ IN MILLIONS)



*Note: Adjusted Net Income and Adjusted EBITDA are non-GAAP financial measures. See appendix for reconciliation to Net Income.*



# EARNINGS PER SHARE

GUIDANCE AS PROVIDED ON JULY 24, 2019



<sup>1</sup> Adjusted earnings per share excludes certain non-recurring tax benefits as a result of the Tax Cuts and Jobs Act, merger and acquisition expenses, consumer lending impairment expenses, Ohio wind-down costs and debt extinguishment costs, which are further described in the detailed reconciliations of non-GAAP financial measures elsewhere in this presentation.

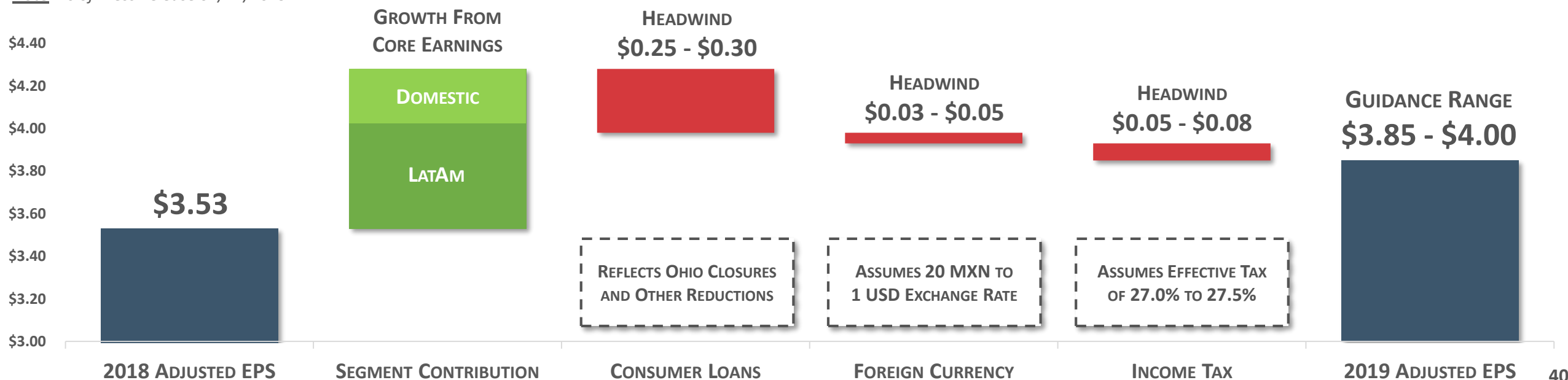
# FirstCash<sup>®</sup> FISCAL 2019 OUTLOOK



**RAISED LOWER END OF FULL-YEAR 2019 GUIDANCE BY \$0.05 FOR ADJUSTED DILUTED EARNINGS PER SHARE TO BE IN A RANGE OF \$3.85 TO \$4.00 COMPARED TO THE PREVIOUS GUIDANCE OF \$3.80 TO \$4.00**

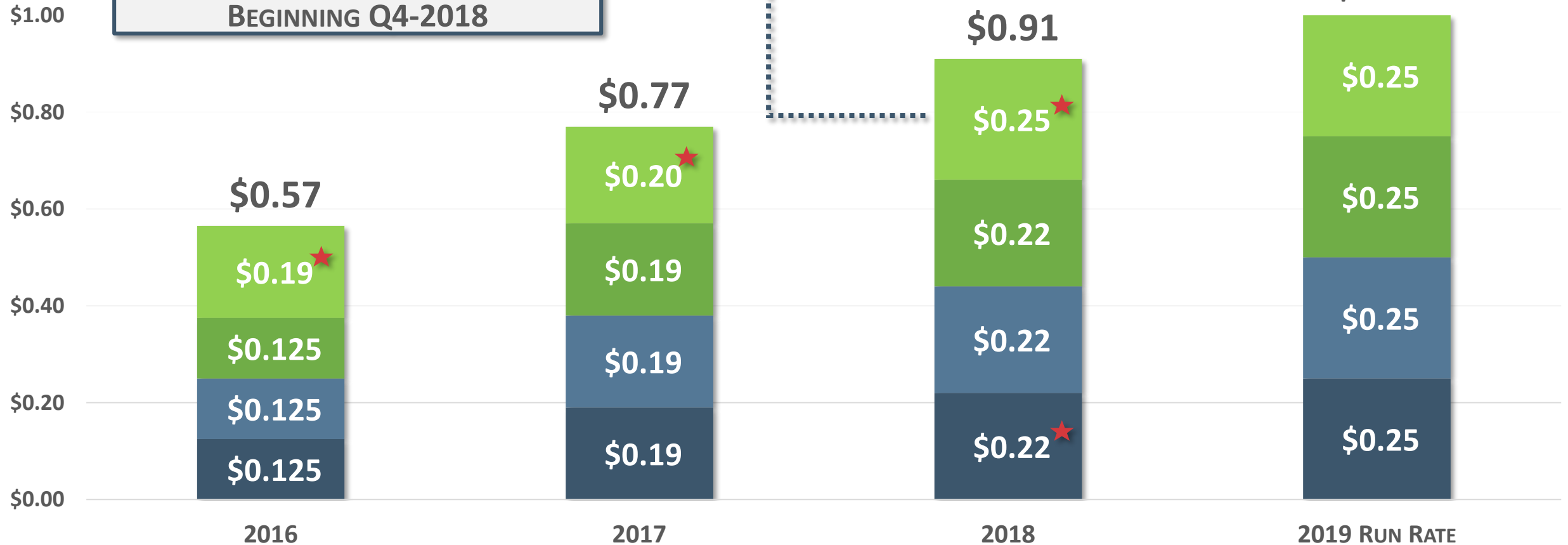
- REVISED GUIDANCE REPRESENTS ADJUSTED EARNINGS PER SHARE GROWTH TO BE IN A RANGE OF 9% TO 13% OVER THE PRIOR YEAR
- EXCLUDING EXPECTED HEADWINDS OUTLINED BELOW, EARNINGS FROM CORE PAWN OPERATIONS EXPECTED TO BE UP 20% TO 24%
- GUIDANCE INCLUDES THE IMPACT OF EXPECTED NET REDUCTION IN EARNINGS FROM U.S. UNSECURED CONSUMER LENDING OPERATIONS AND WIND-DOWN COSTS IN OHIO OF APPROXIMATELY \$0.25 TO \$0.30 PER SHARE

**Note:** As of Press Release 07/24/2019



# DIVIDEND PER SHARE CONTINUES TO GROW

ANNUALIZED DIVIDEND INCREASED  
14% TO \$1.00 PER SHARE  
BEGINNING Q4-2018



★ IDENTIFIES DIVIDEND INCREASE

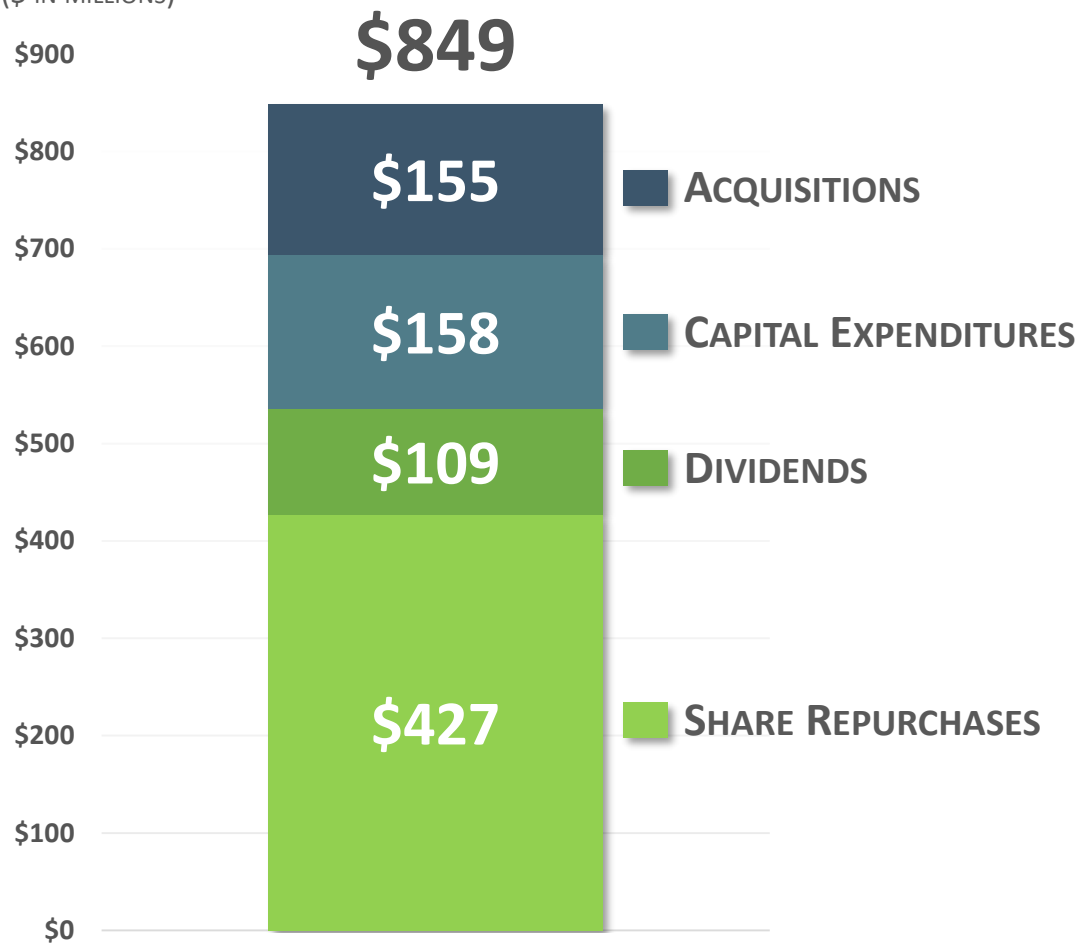
■ QTR 1 ■ QTR 2 ■ QTR 3 ■ QTR 4

# POST-MERGER CASH FLOWS SUPPORT INVESTMENTS AND SHAREHOLDER RETURNS WITH MINIMAL ADDED LEVERAGE

## CAPITAL ALLOCATION

POST MERGER ACTIVITY 10/01/2016 - 06/30/2019

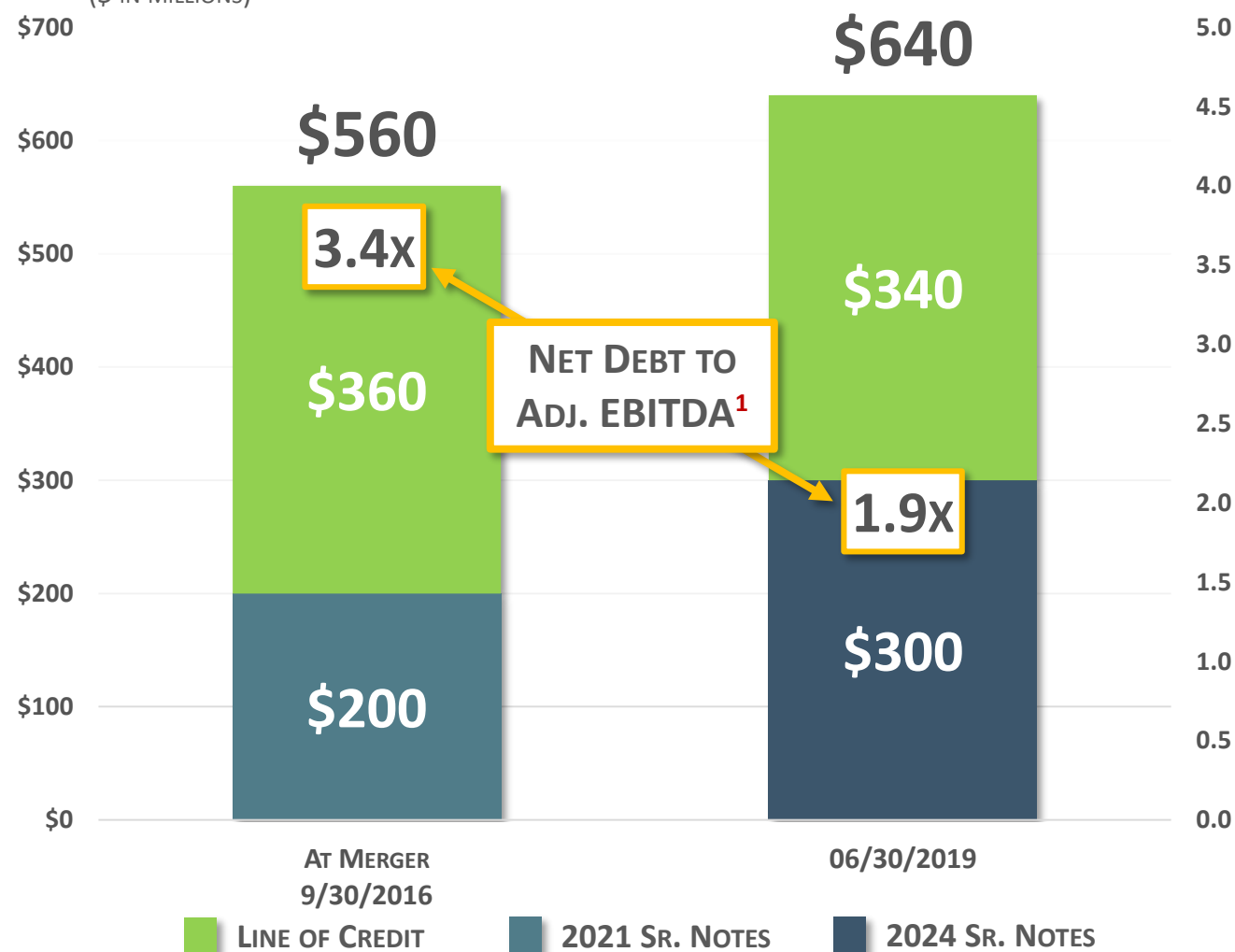
(\$ IN MILLIONS)



## OUTSTANDING DEBT

AT MERGER 09/30/2016 TO 06/30/2019

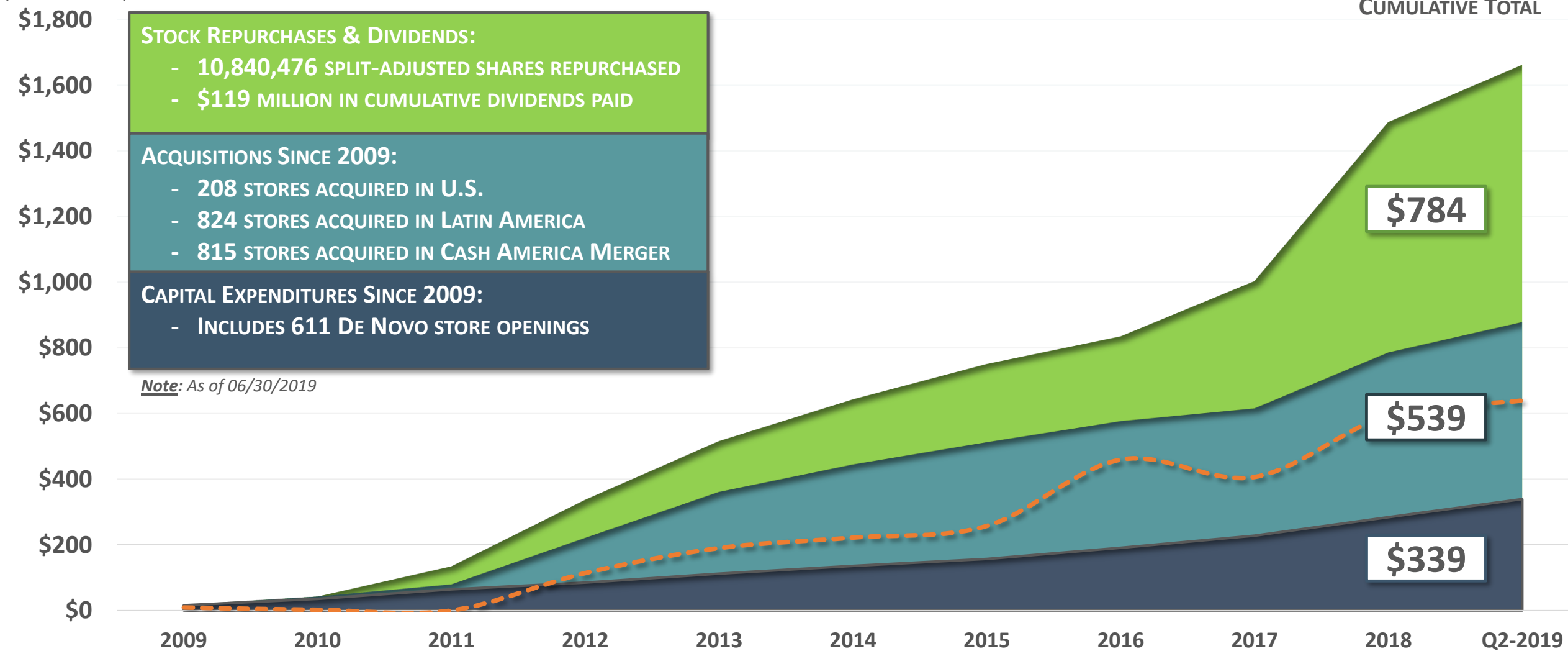
(\$ IN MILLIONS)



<sup>1</sup> Adjusted EBITDA, which is a component used in the calculation of the Net Debt Ratio, is a non-GAAP number. See Company's 07/24/2019 press release for a calculation of the Net Debt Ratio.

# \$1.7 BILLION IN CUMULATIVE STORE INVESTMENTS & SHAREHOLDER PAYOUTS OVER THE LAST 10 YEARS

(\$ IN MILLIONS)



# **FirstCash<sup>®</sup>** INVESTMENT RECAP



- **PAWN-FOCUSED BUSINESS MODEL**

- SMALL SECURED PAWN LOANS TO UNBANKED AND UNDERBANKED CONSUMERS WITH LIMITED ACCESS TO TRADITIONAL CREDIT PRODUCTS
- FULL-SERVICE LENDING AND RETAIL MODEL IS A SIGNIFICANT COMPETITIVE ADVANTAGE WITH STRONG MARGINS AND CASH FLOWS
- RECESSION-RESISTANT BUSINESS MODEL

- **PROVEN MULTI-COUNTRY GROWTH STRATEGY**

- MATURE U.S. BUSINESS GENERATES SIGNIFICANT CASH FLOW
- LONG RUNWAY FOR GROWTH IN LATIN AMERICA WHERE CUSTOMER DEMOGRAPHICS ARE FAVORABLE AND COMPETITION IS LIMITED

- **STRONG BALANCE SHEET TO FUND FUTURE GROWTH, ACQUISITIONS, SHARE BUYBACKS AND PAY DIVIDENDS**





# APPENDIX

# Non-GAAP Financial Information

THE COMPANY USES CERTAIN FINANCIAL CALCULATIONS SUCH AS ADJUSTED NET INCOME, ADJUSTED DILUTED EARNINGS PER SHARE, EBITDA, ADJUSTED EBITDA, FREE CASH FLOW, ADJUSTED FREE CASH FLOW AND CONSTANT CURRENCY RESULTS AS FACTORS IN THE MEASUREMENT AND EVALUATION OF THE COMPANY'S OPERATING PERFORMANCE AND PERIOD-OVER-PERIOD GROWTH. THE COMPANY DERIVES THESE FINANCIAL CALCULATIONS ON THE BASIS OF METHODOLOGIES OTHER THAN GAAP, PRIMARILY BY EXCLUDING FROM A COMPARABLE GAAP MEASURE CERTAIN ITEMS THE COMPANY DOES NOT CONSIDER TO BE REPRESENTATIVE OF ITS ACTUAL OPERATING PERFORMANCE. THESE FINANCIAL CALCULATIONS ARE "NON-GAAP FINANCIAL MEASURES" AS DEFINED IN SECURITIES AND EXCHANGE COMMISSION ("SEC") RULES. THE COMPANY USES THESE NON-GAAP FINANCIAL MEASURES IN OPERATING ITS BUSINESS BECAUSE MANAGEMENT BELIEVES THEY ARE LESS SUSCEPTIBLE TO VARIANCES IN ACTUAL OPERATING PERFORMANCE THAT CAN RESULT FROM THE EXCLUDED ITEMS, OTHER INFREQUENT CHARGES AND CURRENCY FLUCTUATIONS. THE COMPANY PRESENTS THESE FINANCIAL MEASURES TO INVESTORS BECAUSE MANAGEMENT BELIEVES THEY ARE USEFUL TO INVESTORS IN EVALUATING THE PRIMARY FACTORS THAT DRIVE THE COMPANY'S CORE OPERATING PERFORMANCE AND BECAUSE MANAGEMENT BELIEVES THEY PROVIDE GREATER TRANSPARENCY INTO THE COMPANY'S RESULTS OF OPERATIONS. HOWEVER, ITEMS THAT ARE EXCLUDED AND OTHER ADJUSTMENTS AND ASSUMPTIONS THAT ARE MADE IN CALCULATING THESE NON-GAAP FINANCIAL MEASURES ARE SIGNIFICANT COMPONENTS IN UNDERSTANDING AND ASSESSING THE COMPANY'S FINANCIAL PERFORMANCE. THESE NON-GAAP FINANCIAL MEASURES SHOULD BE EVALUATED IN CONJUNCTION WITH, AND ARE NOT A SUBSTITUTE FOR, THE COMPANY'S GAAP FINANCIAL MEASURES. FURTHER, BECAUSE THESE NON-GAAP FINANCIAL MEASURES ARE NOT DETERMINED IN ACCORDANCE WITH GAAP AND ARE THUS SUSCEPTIBLE TO VARYING CALCULATIONS, THE NON-GAAP FINANCIAL MEASURES, AS PRESENTED, MAY NOT BE COMPARABLE TO OTHER SIMILARLY TITLED MEASURES OF OTHER COMPANIES.

WHILE ACQUISITIONS ARE AN IMPORTANT PART OF THE COMPANY'S OVERALL STRATEGY, THE COMPANY HAS ADJUSTED THE APPLICABLE FINANCIAL CALCULATIONS TO EXCLUDE MERGER AND OTHER ACQUISITION EXPENSES TO ALLOW MORE ACCURATE COMPARISONS OF THE FINANCIAL RESULTS TO PRIOR PERIODS AND BECAUSE THE COMPANY DOES NOT CONSIDER THESE MERGER AND OTHER ACQUISITION EXPENSES TO BE RELATED TO THE ORGANIC OPERATIONS OF THE ACQUIRED BUSINESSES OR ITS CONTINUING OPERATIONS AND SUCH EXPENSES ARE GENERALLY NOT RELEVANT TO ASSESSING OR ESTIMATING THE LONG-TERM PERFORMANCE OF THE ACQUIRED BUSINESSES. THE COMPANY BELIEVES THAT PROVIDING ADJUSTED NON-GAAP MEASURES, WHICH EXCLUDE THESE ITEMS, ALLOWS MANAGEMENT AND INVESTORS TO CONSIDER THE ONGOING OPERATIONS OF THE BUSINESS BOTH WITH, AND WITHOUT, SUCH EXPENSES. MERGER AND OTHER ACQUISITION EXPENSES INCLUDE INCREMENTAL COSTS DIRECTLY ASSOCIATED WITH MERGER AND ACQUISITION ACTIVITIES, INCLUDING PROFESSIONAL FEES, LEGAL EXPENSES, SEVERANCE, RETENTION AND OTHER EMPLOYEE-RELATED COSTS, CONTRACT BREAKAGE COSTS AND COSTS RELATED TO THE CONSOLIDATION OF TECHNOLOGY SYSTEMS AND CORPORATE FACILITIES, AMONG OTHERS.



# RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME

(\$ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED DECEMBER 31,						TTM ENDED JUN 30,
	<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>
	IN THOUSANDS	PER SHARE	IN THOUSANDS	PER SHARE	IN THOUSANDS	PER SHARE	IN THOUSANDS
NET INCOME	\$60,127	\$1.72	\$143,892	\$3.00	\$153,206	\$3.41	\$157,103
ADJUSTMENTS, NET OF TAX:							
TOTAL MERGER AND OTHER ACQUISITION EXPENSES	26,023	0.74	5,710	0.12	5,412	0.12	4,246
ASSET IMPAIRMENTS RELATED TO CONSUMER LOAN OPERATIONS	-	-	-	-	1,166	0.03	1,166
NET TAX BENEFIT FROM TAX ACT	-	-	(27,269)	(0.57)	(1,494)	(0.03)	(1,494)
NON-CASH FOREIGN CURRENCY GAIN ON LEASE LIABILITY	-	-	-	-	-	-	(374)
LOSS ON EXTINGUISHMENT OF DEBT	-	-	8,892	0.19	-	-	-
OHIO CONSUMER LENDING WIND-DOWN COSTS	-	-	-	-	-	-	1,959
NET GAIN ON SALE OF COMMON STOCK OF ENOVA	(818)	(0.02)	-	-	-	-	-
ADJUSTED NET INCOME	\$85,332	\$2.44	\$131,225	\$2.74	\$158,290	\$3.53	\$162,606

# RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA

(\$ IN THOUSANDS)

	YEAR ENDED DECEMBER 31,			TTM ENDED JUN 30,
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
NET INCOME	\$60,127	\$143,892	\$153,206	\$157,103
INCOME TAXES	33,320	28,420	52,103	54,285
DEPRECIATION AND AMORTIZATION	31,865	55,233	42,961	41,110
INTEREST EXPENSE	20,320	24,035	29,173	33,364
INTEREST INCOME	(751)	(1,597)	(2,444)	(1,082)
EBITDA	144,881	249,983	274,999	284,780
ADJUSTMENTS:				
MERGER AND OTHER ACQUISITION EXPENSES	36,670	9,062	7,643	5,996
NON-CASH FOREIGN CURRENCY GAIN ON LEASE LIABILITY	-	-	-	(535)
OHIO CONSUMER LENDING WIND-DOWN COSTS	-	-	-	2,544
ASSET IMPAIRMENTS RELATED TO CONSUMER LOAN OPERATIONS	-	-	1,514	1,514
LOSS ON EXTINGUISHMENT OF DEBT	-	14,114	-	-
NET GAIN ON SALE OF COMMON STOCK OF ENOVA	(1,299)	-	-	-
ADJUSTED EBITDA	\$180,252	\$273,159	\$284,156	\$294,299

# RECONCILIATION OF SEGMENT PRE-TAX OPERATING INCOME TO ADJUSTED SEGMENT PRE-TAX OPERATING INCOME

(\$ IN THOUSANDS)

SIX MONTHS ENDED JUNE 30,

<u>U.S. OPERATIONS SEGMENT</u>	<u>2018</u>	<u>2019</u>	INCREASE / (DECREASE)
SEGMENT PRE-TAX OPERATING INCOME	\$118,040	\$118,783	1%
CONTRIBUTION FROM CONSUMER LENDING OPERATIONS AND OHIO STORE CLOSURES	(13,206)	(6,863)	(48%)
ADJUSTED SEGMENT PRE-TAX OPERATING INCOME	\$104,834	\$111,920	7%

# RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES TO FREE CASH FLOW & ADJUSTED FREE CASH FLOW

(\$ IN THOUSANDS)

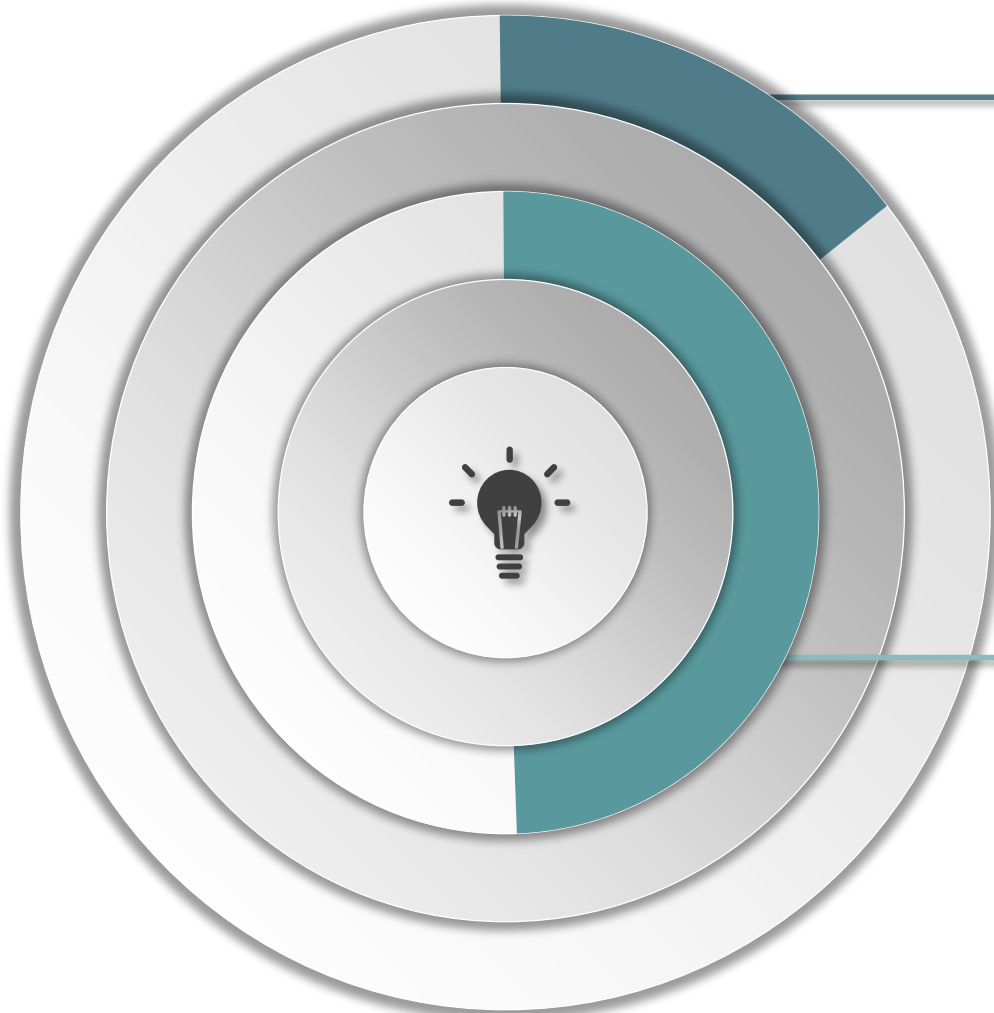
	YEAR ENDED DECEMBER 31,			TTM ENDED JUN 30,
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES	\$96,854	\$220,357	\$243,429	\$229,435
CASH FLOW FROM INVESTING ACTIVITIES:				
LOAN RECEIVABLES, NET OF CASH REPAYMENTS	(16,072)	40,735	10,125	(1,214)
PURCHASES OF FURNITURE, FIXTURES, EQUIPMENT AND IMPROVEMENTS	(20,456)	(25,971)	(35,677)	(44,113)
FREE CASH FLOW	60,326	235,121	217,877	184,108
MERGER AND OTHER ACQUISITION EXPENSES PAID, NET OF TAX BENEFIT	20,939	6,659	7,072	4,503
ADJUSTED FREE CASH FLOW	\$81,265	\$241,780	\$224,949	\$188,611

**Note:** The Company previously included store real property purchases as a component of purchases of property and equipment. Management considers the store real property purchases to be discretionary in nature and not required to operate or grow its pawn operations. To further enhance transparency of these distinct items, the Company now reports purchases of store real property and purchases of furniture, fixtures, equipment and improvements separately on the consolidated statements of cash flows. As a result, the current definitions of free cash flow and adjusted free cash flow differ from prior-period definitions as they now exclude discretionary purchases of store real property and the Company has retrospectively applied the current definitions to prior-period results.



# CONSTANT CURRENCY

CERTAIN PERFORMANCE METRICS DISCUSSED IN THIS PRESENTATION ARE PRESENTED ON A “CONSTANT CURRENCY” BASIS, WHICH IS CONSIDERED A NON-GAAP FINANCIAL MEASURE. THE COMPANY’S MANAGEMENT USES CONSTANT CURRENCY RESULTS TO EVALUATE OPERATING RESULTS OF BUSINESS OPERATIONS IN LATIN AMERICA, WHICH ARE PRIMARILY TRANSACTED IN LOCAL CURRENCIES. THE COMPANY BELIEVES CONSTANT CURRENCY RESULTS PROVIDE INVESTORS WITH VALUABLE SUPPLEMENTAL INFORMATION REGARDING THE UNDERLYING PERFORMANCE OF ITS BUSINESS OPERATIONS IN LATIN AMERICA, CONSISTENT WITH HOW THE COMPANY’S MANAGEMENT EVALUATES SUCH PERFORMANCE AND OPERATING RESULTS. CONSTANT CURRENCY RESULTS REPORTED HEREIN ARE CALCULATED BY TRANSLATING CERTAIN BALANCE SHEET AND INCOME STATEMENT ITEMS DENOMINATED IN LOCAL CURRENCIES USING THE EXCHANGE RATE FROM THE RESPECTIVE COMPARABLE PERIOD, AS OPPOSED TO THE CURRENT COMPARABLE PERIOD, IN ORDER TO EXCLUDE THE EFFECTS OF FOREIGN CURRENCY RATE FLUCTUATIONS FOR PURPOSES OF EVALUATING PERIOD-OVER-PERIOD COMPARISONS. BUSINESS OPERATIONS IN MEXICO, GUATEMALA AND COLOMBIA ARE TRANSACTED IN MEXICAN PESOS, GUATEMALAN QUETZALES AND COLOMBIAN PESOS, RESPECTIVELY. THE COMPANY ALSO HAS OPERATIONS IN EL SALVADOR WHERE THE REPORTING AND FUNCTIONAL CURRENCY IS THE U.S. DOLLAR



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