

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

Current Report  
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 2, 2023



**FIRSTCASH HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-10960**

(Commission File Number)

**87-3920732**

(IRS Employer Identification No.)

**1600 West 7th Street, Fort Worth, Texas 76102**

(Address of principal executive offices, including zip code)

**(817) 335-1100**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| <u>Title of each class</u>              | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|---|--------------------------|--|
| Common Stock, par value \$.01 per share | FCFS                     | The Nasdaq Stock Market                          |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

**Item 2.02 Results of Operations and Financial Condition.**

On February 2, 2023, FirstCash Holdings, Inc. (the “Company”) issued a press release announcing its financial results for the three and twelve month periods ended December 31, 2022 and the Board of Directors’ declaration of a first quarter cash dividend of \$0.33 per common share (the “Earnings Release”). The Earnings Release is attached hereto as Exhibit 99.1 and is incorporated by reference in its entirety into this Item 2.02.

The information provided in this Item 2.02, including the Earnings Release, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by the specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

- 99.1 [Press release, dated February 2, 2023, announcing the Company’s financial results for the three and twelve month periods ended December 31, 2022 and declaration of cash dividend](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101)

## 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 hereunto duly authorized.

Dated: February 2, 2023

FIRSTCASH HOLDINGS, INC.

(Registrant)

/s/ R. DOUGLAS ORR

R. Douglas Orr

Executive Vice President and Chief Financial Officer

(As Principal Financial and Accounting Officer)



**FirstCash Reports Record Fourth Quarter and Full-Year Earnings Results;  
Adds 45 Pawn Stores in the Fourth Quarter through Acquisitions and Store Openings;  
Repurchases 2.2 Million Shares in 2022 and Declares Quarterly Cash Dividend**

Fort Worth, Texas (February 2, 2023) -- FirstCash Holdings, Inc. (“FirstCash” or the “Company”) (Nasdaq: FCFS), the leading international operator of retail pawn stores and a leading provider of retail point-of-sale (“POS”) payment solutions, today announced record operating results for the fourth quarter and full-year ended December 31, 2022. The Company also announced that the Board of Directors declared a quarterly cash dividend of \$0.33 per share, which will be paid in February 2023.

Mr. Rick Wessel, chief executive officer, stated, “Record fourth quarter revenue and earnings results capped off an outstanding 2022 for FirstCash. Pawn receivables ended the year at record levels and we continued to see strong revenue and earnings growth from the core pawn segments in both the U.S. and Latin America. Additionally, the retail POS payment solutions segment (American First Finance or AFF), continued to generate revenue and earnings growth in the fourth quarter, both year-over-year and sequentially.

“FirstCash completed several significant pawn store acquisitions in the fourth quarter, adding 27 U.S. locations and one store in Latin America. In addition, 17 new stores were opened in Latin America, bringing the total store additions to 45 locations for the quarter and 76 for the year. We anticipate that these added stores will be accretive in 2023, which we expect will further drive long-term revenue and earnings growth.

“Our strong balance sheet and record cash flows further supported shareholder returns in 2022 with \$158 million going toward the repurchase of 2.2 million shares of stock in addition to paying \$60 million in cash dividends.”

*This release contains adjusted financial measures, which exclude certain non-operating and/or non-cash expenses, which are non-GAAP financial measures. Please refer to the descriptions and reconciliations to GAAP of these and other non-GAAP financial measures at the end of this release.*

|  | <b>Three Months Ended December 31,</b>  |              |                     |              |
|--|---|--------------|---------------------|--------------|
|  | As Reported (GAAP)                      |              | Adjusted (Non-GAAP) |              |
|  | <b>2022</b>                             | 2021         | <b>2022</b>         | 2021         |
| In thousands, except per share amounts |   |              |                     |              |
| Revenue                                | \$ 749,344                              | \$ 501,774   | \$ 757,203          | \$ 503,482   |
| Net income                             | \$ 80,066                               | \$ 29,371    | \$ 76,642           | \$ 63,472    |
| Diluted earnings per share             | \$ 1.72                                 | \$ 0.70      | \$ 1.65             | \$ 1.52      |
| EBITDA (non-GAAP measure)              | \$ 147,693                              | \$ 60,026    | \$ 130,731          | \$ 102,289   |
| Weighted-average diluted shares        | 46,523                                  | 41,720       | 46,523              | 41,720       |
|  | <b>Twelve Months Ended December 31,</b> |              |                     |              |
|  | As Reported (GAAP)                      |              | Adjusted (Non-GAAP) |              |
|  | <b>2022</b>                             | 2021         | <b>2022</b>         | 2021         |
| In thousands, except per share amounts |   |              |                     |              |
| Revenue                                | \$ 2,728,942                            | \$ 1,698,965 | \$ 2,771,599        | \$ 1,700,673 |
| Net income                             | \$ 253,495                              | \$ 124,909   | \$ 245,737          | \$ 161,479   |
| Diluted earnings per share             | \$ 5.36                                 | \$ 3.04      | \$ 5.19             | \$ 3.94      |
| EBITDA (non-GAAP measure)              | \$ 496,860                              | \$ 244,098   | \$ 437,344          | \$ 289,631   |
| Weighted-average diluted shares        | 47,330                                  | 41,024       | 47,330              | 41,024       |

## **Consolidated Operating Highlights**

- The Company posted record consolidated revenues, net income, earnings per share, EBITDA and operating cash flows for the fourth quarter and the full year 2022:
  - Net income for the fourth quarter increased 173% over the prior-year quarter on a GAAP basis while adjusted net income, which excludes certain purchase accounting and other adjustments as described herein, increased 21% compared to the prior-year quarter. For the full year, net income increased 103% on a GAAP basis and 52% on an adjusted basis compared to the prior year.
  - Diluted earnings per share for the fourth quarter of 2022 increased 146% over the prior-year quarter on a GAAP basis while adjusted diluted earnings per share, which excludes certain purchase accounting and other adjustments as described herein, increased 9% compared to the prior-year quarter. For the full year of 2022, diluted earnings per share increased 76% on a GAAP basis and 32% on an adjusted basis compared to the prior year.
  - Adjusted EBITDA for the full year was \$437 million, an increase of \$148 million, or 51%, compared to the prior year. For the fourth quarter of 2022, adjusted EBITDA increased 28% compared to the prior-year quarter.
  - Consolidated revenues totaled \$2.7 billion for 2022, an increase of 61% on a GAAP basis and 63% on an adjusted basis compared to the prior year. Consolidated revenues in the fourth quarter increased 49% over the prior-year quarter and 50% on an adjusted basis.
  - Operating cash flows for the full year were a record \$469 million, as were adjusted free cash flows (a non-GAAP measure) of \$315 million in 2022.
- Combined pre-tax operating income from the Company's two pawn segments increased 16% in the fourth quarter of 2022 compared to the prior-year quarter and represented 80% of consolidated adjusted segment profit for the quarter.
  - U.S. pawn segment pre-tax income for the fourth quarter of 2022 was \$83 million, an increase of 15% over the fourth quarter of the prior year. These results were driven primarily by a 16% increase in pawn fee revenue compared to the prior-year quarter.
  - Latin America pawn segment pre-tax income for the fourth quarter of 2022 was \$43 million, an increase of 19% over the fourth quarter of the prior year (14% on a constant currency basis), reflecting continued acceleration of pawn and retail demand across all markets.
- The retail POS payment solutions segment (AFF) contributed fourth quarter GAAP segment pre-tax income of \$22 million while adjusted segment pre-tax income, which excludes non-cash purchase accounting impacts, was \$31 million, an 11% increase compared to the previous sequential quarter (third quarter of 2022).

## **Store Base and Platform Growth**

- **Pawn Stores:** During the fourth quarter, the Company added a total of 45 pawn stores and for the full year added 76 new locations:
  - **U.S. Pawn:** The Company completed the acquisitions of a 14-store chain in Alabama and an 11-store chain in Texas during December. The Alabama acquisition significantly expands the Company's presence in the state where it is now the largest operator with a total of 23 locations. The Texas acquisition further increases the Company's leading market share in the rapidly growing central Texas region. Additionally, the Company completed single store acquisitions in Florida and Texas during the quarter.

Including these acquisitions, a total of 30 U.S. pawn stores were acquired in 2022 for an aggregate purchase price of approximately \$73 million. In total, the Company now has an industry leading 1,101 full-service U.S. pawn locations in 25 states and the District of Columbia.

Additionally, the Company purchased the underlying real estate at six of its existing pawn stores during the fourth quarter, part of the 44 properties acquired in total during 2022. This brings the total number of owned U.S. locations to 294.

- **Latin America Pawn:** A total of 17 de novo locations were opened in Latin America during the fourth quarter of 2022 and one store was acquired in Guatemala. For the full year, 45 de novo locations were opened with 43 in Mexico, one in Guatemala and one in El Salvador.

The Company also acquired, from competitors, the operating assets, both pawns and inventories, of 19 stores in Latin America during the fourth quarter. The acquired assets have been redistributed to existing Company locations within close proximity and the competitors' stores were closed, thereby minimizing store cannibalization and maximizing existing store operating efficiencies.

- **Retail POS Payment Solutions Merchant Partnerships:** AFF continued to grow market share in its space in 2022 with approximately 9,200 active retail and e-commerce merchant partner locations at December 31, 2022, representing a 41% increase in active merchant locations compared to December 31, 2021. With these additions, which included almost 1,100 of the Company's U.S. pawn stores, the Company continues to realize increased diversification of its key merchant relationships and market verticals.

### U.S. Pawn Segment Operating Results

- Segment pre-tax operating income increased by \$58 million for full year 2022, or 25%, compared to the prior year. The resulting segment pre-tax operating margin was 23% for the full year, an improvement over the 22% margin for the prior year.
- Segment pre-tax operating income in the fourth quarter of 2022 increased by \$11 million, or 15%, compared to the prior-year quarter, driven primarily by increased pawn loan fees. The resulting segment pre-tax operating margin was 25% for the fourth quarter of 2022, an improvement over the 24% margin for the prior-year quarter.
- Pawn loan fee revenue increased 22% for 2022 and 16% for the fourth quarter, while on a same-store basis, pawn loan fee revenue increased 20% and 16%, respectively, compared to the same prior-year periods.
- Pawn receivables at December 31, 2022 increased 10% compared to the prior year and are above the comparative pre-pandemic levels of December 2019. Same-store pawn receivables are up 8% over the same point a year ago.
- Retail merchandise sales increased 10% for the full year 2022 while the fourth quarter sales increased 5% compared to the prior-year quarter. On a same-store basis, retail sales increased 4% compared to the prior-year quarter. As a reminder, the comparable fourth quarter 2021 results had normalized inventory levels and were especially strong, up 29% compared to the fourth quarter of 2020.
- Retail sales margins remained above historical averages at 42% for the fourth quarter and full year of 2022, reflecting solid demand for value-priced, pre-owned merchandise and low levels of aged inventory.
- Annualized inventory turnover was 2.7 times for the twelve months ended December 31, 2022 and inventories remain well-positioned, with aged inventory (greater than one year) remaining extremely low at 1%.
- Operating expenses increased 6% in the fourth quarter of 2022 both in total and on a same-store basis compared to the prior-year quarter, and for the full year were up 7% in total and 5% on a same-store basis compared to the prior year, reflecting slightly increased staffing levels necessary to support revenue growth and the impact of higher variable compensation expense.

*Note: Certain growth rates below are calculated on a constant currency basis, a non-GAAP financial measure defined at the end of this release. The average Mexican peso to U.S. dollar exchange rate for the fourth quarter of 2022 was 19.7 pesos / dollar, a favorable change of 5% versus the prior-year period, and for the twelve-month period ended December 31, 2022 was 20.1 pesos / dollar, a favorable change of 1% versus the comparable prior-year period.*

### **Latin America Pawn Segment Operating Results**

- For the full year of 2022, segment pre-tax operating income increased 17%, or 16% on a constant currency basis, or \$20 million, compared to the prior year. The resulting pre-tax operating margin was 21% for the full year which equaled the prior year.
- Fourth quarter segment pre-tax operating income was strong as well, increasing 19%, or 14% on a constant currency basis, over the prior-year quarter, driven primarily by increased retail merchandise sales and pawn loan fees. The resulting pre-tax operating margin was 21% for the fourth quarter of 2022 compared to 22% in the prior-year quarter.
- Pawn receivables were at record year-end levels as of December 31, 2022, increasing 18% on a U.S. dollar basis, or 12% on a constant currency basis, both in total and on a same-store basis, compared to the prior year.
- Pawn loan fees increased 16%, or 11% on a constant currency basis, in the fourth quarter of 2022 as compared to the prior-year quarter, reflecting growth in pawn receivables. Same-store pawn loan fees increased 16%, or 10% on a constant currency basis, compared to the prior-year quarter. For the full year, pawn loan fees increased 10% compared to the prior year on a U.S. dollar and constant currency basis, respectively.
- Retail merchandise sales in the fourth quarter of 2022 increased 20%, or 14% on a constant currency basis, compared to the prior-year quarter. Same-store retail merchandise sales in the fourth quarter of 2022 increased 19% on a U.S. dollar basis, or 14% on a constant currency basis. For the full year, retail merchandise sales increased 14%, or 13% on a constant currency basis, compared to the prior year, while same-store retail merchandise sales increased 13%, or 12% on a constant currency basis, compared to the prior year.
- Retail margins remained within historical norms at 34% for the fourth quarter of 2022 and 36% for the full year, despite a highly competitive holiday retail environment in Mexico for cell phones and other popular consumer electronics. Annualized inventories turned at near record levels of 4.2 times in 2022 and 2021, while inventories aged greater than one year remained extremely low at 1%.
- Operating expenses increased 12% in total and on a same-store basis compared to the prior-year quarter while full year operating expenses increased 8% in total and 7% on a same-store basis compared to the prior year. The increases were driven by higher incentive compensation expense related to growth in net revenue and earnings along with general inflationary impacts and increases in the federally mandated minimum wage and benefit programs.

### **Retail POS Payment Solutions Segment - American First Finance (AFF) Operating Results**

*Note: The reconciliations of GAAP revenues and earnings for this segment to adjusted revenues and earnings are provided and described in more detail in the Retail POS Payment Solutions Segment Results section of this release.*

- Segment pre-tax operating income for the fourth quarter of 2022 totaled \$22 million on a GAAP basis and \$31 million on an adjusted basis, which excludes non-cash purchase accounting impacts. This represents a sequential improvement of 12% and 11%, respectively, over the third quarter of 2022. For the full year, segment pre-tax operating income totaled \$59 million on a GAAP basis and \$110 million on an adjusted basis.

- Segment revenues for the quarter, comprised of lease-to-own (“LTO”) fees and interest and fees on finance receivables, totaled \$213 million on a GAAP basis, or \$221 million on an adjusted basis, which excludes the non-cash impacts of fair value purchase accounting requirements. Revenues for the full year totaled \$803 million on a GAAP basis and \$846 million on an adjusted basis.
- Combined gross leased merchandise and finance receivables outstanding at December 31, 2022, excluding the impacts of purchase accounting, increased 2% compared to the December 31, 2021 balances. Gross merchandise under LTO, which is AFF’s core POS payment solution product, increased 15% year-over-year.
- Gross volume of originated LTO and POS financing transactions totaled \$851 million for all of 2022, representing 5% growth over the prior year. While fourth quarter origination activity saw a slight decrease of 1% compared to the fourth quarter of 2021, origination activity in December 2022 increased 4% compared to December 2021, reflecting improved origination momentum during the holiday season.
- As highlighted earlier in this release, AFF saw 41% growth in the number of active merchant locations at December 31, 2022 compared to the same point a year ago. Merchant door locations growth in 2022 included almost 1,100 of the Company’s U.S. pawn locations.
- For the core LTO product, the average monthly net charge-off (“NCO”) rate (merchandise net charge-offs as a percentage of the average merchandise on lease for the period, both figures being adjusted to exclude any fair value purchase accounting impacts) for the fourth quarter of 2022 was 5%, which is in line with the rate in the prior-year quarter. The average monthly NCO rate for the full year of 2022 was 5% as well.
- For finance receivable products, the average monthly NCO rate (receivable net charge-offs as a percentage of the average receivable balance for the period) for the fourth quarter of 2022 was in-line with recent loss expectations at 5% as compared to the prior-year quarter rate of 4%. The average monthly NCO rate for the full year of 2022 was 5%.

### **Cash Flow and Liquidity**

- The Company generated \$469 million in cash flow from operations and \$315 million in adjusted free cash flow during 2022, which represented year-over-year increases of 110% and 177%, respectively.
- The Company’s strong liquidity position at December 31, 2022 includes cash balances of \$117 million and ample borrowing capacity under its revolving credit facilities. During 2022, the Company utilized its cash flows and liquidity to fund significant growth in pawn receivables and inventories, acquire 31 pawn stores for \$70 million, strategically purchase \$83 million of underlying real estate at 44 pawn store locations, pay dividends that total \$60 million and repurchase \$158 million of its stock, as further discussed below.
- The majority of the Company’s long-term financing is fixed rate debt with favorable terms and maturity dates not until 2028 and 2030. During 2022, the Company also upsized its revolving U.S. credit facility to \$590 million and extended the maturity date to 2027.
- The Company’s leverage ratio was reduced significantly in 2022 as net debt to adjusted EBITDA was 2.9x at December 31, 2022 compared to 4.1x at December 31, 2021.

### **Shareholder Returns**

- During the fourth quarter of 2022, the Company repurchased 169,000 shares of common stock at an aggregate cost of \$13 million and an average cost per share of \$77.78.
- For the full year, the Company repurchased 2,204,000 shares of common stock at an aggregate cost of \$158 million and an average cost per share of \$71.63. The Company has approximately \$14 million remaining under the current share repurchase program authorized in April 2022.

- As previously reported, on October 26, 2022, the Board of Directors approved an additional share repurchase authorization for up to \$100 million that becomes effective upon the completion of the current authorization. Combined with the current plan, the Company has authorization to repurchase up to \$114 million of its common stock. Future share repurchases are subject to expected liquidity, acquisition opportunities, debt covenant restrictions and other relevant factors.
- The Board of Directors declared a \$0.33 per share first quarter cash dividend on common shares outstanding which will be paid on February 28, 2023 to stockholders of record as of February 14, 2023. This represents an annualized cash dividend of \$1.32 per share. Any future dividends are subject to approval by the Company's Board of Directors.
- The Company generated a 14% return on equity in 2022, compared to a 9% return in 2021, while the return on assets for 2022 was 7% compared to 5% in 2021.

### **2023 Outlook**

The Company's outlook for 2023 is highly positive, with expected year-over-year growth in revenue and earnings in all segments driven by the continued growth in earning asset balances coupled with recent store additions as we begin the year. Anticipated conditions and trends for 2023 include the following:

#### ***Pawn Operations:***

- Pawn operations are expected to remain the primary earnings driver in 2023 as the Company expects segment income from the combined U.S. and Latin America pawn segments will be approximately 80% of total adjusted segment level pre-tax income.
- Inflationary economic environments have historically driven increased customer demand for both pawn loans and value-priced merchandise offered in pawn stores. In addition, credit tightening from competing unsecured lenders has historically driven additional demand for pawn products.
  - Beginning of the year pawn receivables are up 10% in the U.S., which includes balances from recently acquired stores, and Latin American balances are up 12% on a currency adjusted basis. While comparative 2022 prior-year balances will progressively increase over the course of 2023, the Company expects to maintain mid-single digit or better growth in pawn receivables in both markets during the year, with per store balances that are well ahead of comparative balances in pre-pandemic 2019.
  - Consolidated retail sales are expected to grow as well, reflecting mid-single digit growth in total inventories with margins for 2023 expected to remain above 40% in the U.S. with mid-thirty percent margins in Latin America.
  - Operating expenses are expected to rise moderately in all markets due to the increase in store counts from recent acquisitions/openings of approximately 3% along with continued inflationary impacts from higher labor costs and other expenses in a range of 5% to 7% on a same-store basis.
- The Company expects approximately 60 new store additions in Latin America in 2023 through de novo openings and another four stores are expected to be opened in the Las Vegas market in the U.S. in 2023. Management continues to evaluate additional potential opportunities for store growth from opportunistic acquisitions in the U.S. and Latin America.

#### ***POS Payment Solutions (AFF) Operations:***

- Macroeconomic retail headwinds continue to impact consumer confidence in general and more specifically for large ticket transactions at many of AFF's retail merchant partners. Assuming that the current macro environment does not change significantly, management continues to expect year-over-year growth in gross transaction volumes of 8% to 12% in 2023, primarily from increased merchant door counts, which should result in similar expected growth in revenues for 2023 as well. As a reminder, LTO and finance revenues are typically lower in the first half of the year due to the impact of early buyout activity associated with first quarter tax refunds which reduces merchandise on lease and finance receivable balances.

- The Company expects AFF’s estimated lease and loan loss provisioning rates for 2023 to remain consistent with 2022, reflecting continued additional provisioning above historical losses for most portfolios given ongoing inflationary stress on consumers. As a reminder, AFF utilizes a lease and loan reserve methodology that reflects expected lifetime losses on its portfolios which are established and expensed in the month of origination and updated monthly thereafter if there are changes in estimated future losses based upon actual performance trends. From a seasonal perspective, lease and loan loss reserve provisioning on originations are higher in the first half of the year based on the longer length of time before the next tax refund season. Operating expenses for the full year are expected to increase in 2023 as well, primarily due to the expected increase in origination activity.
- With the expected 2023 revenue growth, the Company expects full year earnings growth from AFF in 2023 as well. Most of the 2023 earnings growth is projected in the second, third and fourth quarters. Comparative earnings in the first quarter of last year were elevated, benefiting from lower than normal credit provisioning and variable expenses due to highly suppressed first quarter 2022 merchant driven origination activity, driven in part to the resurgence of Omicron and winter weather patterns a year ago.
- There are no remaining purchase accounting adjustments impacting reported revenues beginning in 2023. The Company will continue to adjust earnings measures to exclude non-cash amortization of intangible assets arising from the AFF acquisition, which is expected to total approximately \$57 million in 2023.

***Interest Expense, Tax Rates and Currency:***

- While the Company expects some level of net de-leveraging by the end of 2023, net interest expense is expected to increase in 2023 compared to 2022 by approximately \$10 million to \$14 million due to higher floating interest rates on the borrowings under the revolving credit facilities.
- For the full year of 2023, the effective income tax rate under current tax codes in the U.S. and Latin America is expected to range from 24% to 25%. This compares to the 2022 adjusted effective tax rate of 23.4%.
- Each full point change in the exchange rate of the Mexico peso represents an approximate \$0.08 to \$0.10 annual impact on earnings per share.

**Additional Commentary and Analysis**

Mr. Wessel further commented on the 2022 results, “The tremendous fourth quarter and full year results reflected a strong operating environment, especially for pawn, coupled with outstanding execution on the part of our professionals across our entire organization.

“Both the U.S. and Latin America pawn segments performed exceptionally well during 2022, with continued growth momentum through the fourth quarter. The current demand for pawn products in both markets has more than fully recovered from the pandemic related impacts, with fourth quarter pawn segment income for 2022 up over comparative income in 2019 by 23% in the U.S. and 8% in Latin America.

“FirstCash continued to grow its store base through several fourth quarter acquisitions in the U.S. that totaled 27 stores primarily located in Alabama and Texas. Most of these stores are highly profitable and were acquired at earnings multiples in line with historic valuations and, as a result, we expect them to be immediately accretive to earnings in 2023. The Latin America store base and earning assets grew in the fourth quarter as well, with the opening of 17 new locations, one acquired store and through the consolidation of earning assets at 19 competitor stores that were redistributed into our existing store base to minimize cannibalization and maximize existing store efficiencies.

“We continue to see a robust operating environment for pawn lending as we enter 2023 with beginning pawn receivables up 10% in the U.S. and 18% in Latin America versus the prior year. Retail demand remains solid in the U.S. segment as evidenced by the continued strength in margins and inventory turns in the fourth quarter. Latin America retail sales were particularly strong with currency adjusted same-store sales growth of 14% in the fourth quarter when compared to the prior year.

“We believe the outlook for pawn store growth in 2023 is exciting as well, with plans to open approximately 60 new locations in Latin America and another four locations in the Las Vegas market where licensing restrictions are cumbersome. In addition, we continue to expect multiple acquisition opportunities in both the U.S. and Latin America during 2023.

“The new retail POS payment solutions segment resulting from the acquisition of AFF in December 2021 contributed significantly to our consolidated revenues, earnings and cash flows in its first full year of operations as part of FirstCash. While 2022 was a difficult operating environment for almost all LTO operators due to reduced origination activity and normalizing consumer credit, we believe that AFF significantly outperformed most of its peers. In particular, AFF saw continued growth in originations while successfully navigating a more challenging credit environment. We remain very optimistic about AFF’s ability to generate long-term earnings growth and provide diversification of our overall product portfolio.

“The Company’s financial position remains strong, as illustrated by the strength of its balance sheet and cash flows, and we intend to continue to provide shareholder returns through dividends, buybacks, new stores, accretive acquisitions and real estate purchases. We believe that expected cash flows in 2023 can continue to fund these initiatives and further reduce our leverage ratio.

“In summary, we are extremely pleased with our execution and accomplishments in 2022 and look forward to the potential for further growth in revenues, earnings and shareholder value in 2023,” concluded Mr. Wessel.

### **About FirstCash**

FirstCash is the leading international operator of pawn stores and a leading provider of technology-driven point-of-sale payment solutions, both focused on serving cash and credit-constrained consumers. FirstCash’s more than 2,800 pawn stores buy and sell a wide variety of jewelry, electronics, tools, appliances, sporting goods, musical instruments and other merchandise, and make small consumer pawn loans secured by pledged personal property. FirstCash, through its wholly owned subsidiary, AFF, also provides lease-to-own and retail finance payment solutions for consumer goods and services through a nationwide network of approximately 9,200 active retail merchant partner locations. As one of the largest omni-channel providers of “no credit required” payment options, AFF’s technology provides its merchant partners with seamless leasing and financing experiences in-store, online, in-cart and on mobile devices.

FirstCash is a component company in both the **Standard & Poor’s MidCap 400 Index®** and the **Russell 2000 Index®**. FirstCash’s common stock (ticker symbol “**FCFS**”) is traded on the Nasdaq, the creator of the world’s first electronic stock market. For additional information regarding FirstCash and the services it provides, visit FirstCash’s websites located at <http://www.firstcash.com> and <http://www.americanfirstfinance.com>.

## **Forward-Looking Information**

This release contains forward-looking statements about the business, financial condition, outlook and prospects of FirstCash Holdings, 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 release. Such factors and risks may include, without limitation, risks related to the regulatory environment in which the Company operates; risks associated with the legal and regulatory proceedings that the Company is a party to, or may become a party to in the future, including the Consumer Financial Protection Bureau (the “CFPB”) lawsuit filed against the Company, the putative shareholder securities class action lawsuit filed against the Company; risks related to the AFF transaction and the Company’s other acquisitions, including the failure of the transaction to deliver the estimated value and benefits expected by the Company; potential changes in consumer behavior and shopping patterns which could impact demand for the Company’s pawn loan, retail, lease-to-own (“LTO”) and retail finance products, including, as a result to, changes in the general economic conditions; labor shortages and increased labor costs; a deterioration in the economic conditions in the United States and Latin America, including as a result of inflation and rising interest rates, which potentially could have an impact on discretionary consumer spending and demand for the Company’s products; currency fluctuations, primarily involving the Mexican peso; competition the Company faces from other retailers and providers of retail payment solutions; the ability of the Company to successfully execute on its business strategies; and other risks discussed and described in the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”), including the risks described in Part 1, Item 1A, “Risk Factors” thereof, and in the other reports filed 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 release speak only as of the date of this release, 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 HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(unaudited, in thousands)

|   | Three Months Ended<br>December 31, |                  | Twelve Months Ended<br>December 31, |                   |
|---|------------------------------------|------------------|-------------------------------------|-------------------|
|   | <b>2022</b>                        | 2021             | <b>2022</b>                         | 2021              |
| <b>Revenue:</b>   |                                    |                  |                                     |                   |
| Retail merchandise sales                                    | \$ 359,161                         | \$ 327,914       | \$ 1,261,136                        | \$ 1,134,249      |
| Pawn loan fees  | 149,777                            | 128,986          | 561,390                             | 475,782           |
| Leased merchandise income                                   | 166,427                            | 22,720           | 622,163                             | 22,720            |
| Interest and fees on finance receivables                    | 46,241                             | 9,024            | 181,280                             | 9,024             |
| Wholesale scrap jewelry sales                               | 27,738                             | 13,130           | 102,973                             | 57,190            |
| Total revenue   | <u>749,344</u>                     | <u>501,774</u>   | <u>2,728,942</u>                    | <u>1,698,965</u>  |
| <b>Cost of revenue:</b>                                     |                                    |                  |                                     |                   |
| Cost of retail merchandise sold                             | 220,831                            | 194,830          | 764,553                             | 663,464           |
| Depreciation of leased merchandise                          | 90,665                             | 12,826           | 353,495                             | 12,826            |
| Provision for lease losses                                  | 29,731                             | 5,442            | 139,502                             | 5,442             |
| Provision for loan losses <sup>(1)</sup>                    | 35,049                             | 48,952           | 118,502                             | 48,952            |
| Cost of wholesale scrap jewelry sold                        | 23,933                             | 11,472           | 88,304                              | 49,129            |
| Total cost of revenue                                       | <u>400,209</u>                     | <u>273,522</u>   | <u>1,464,356</u>                    | <u>779,813</u>    |
| Net revenue   | <u>349,135</u>                     | <u>228,252</u>   | <u>1,264,586</u>                    | <u>919,152</u>    |
| <b>Expenses and other income:</b>                           |                                    |                  |                                     |                   |
| Operating expenses  | 189,511                            | 149,761          | 728,909                             | 564,832           |
| Administrative expenses                                     | 37,061                             | 22,654           | 147,943                             | 111,259           |
| Depreciation and amortization                               | 26,337                             | 13,175           | 103,832                             | 45,906            |
| Interest expense  | 19,959                             | 9,997            | 70,708                              | 32,386            |
| Interest income   | (209)                              | (276)            | (1,313)                             | (696)             |
| (Gain) loss on foreign exchange                             | (387)                              | 188              | (585)                               | 436               |
| Merger and acquisition expenses                             | 2,027                              | 14,185           | 3,739                               | 15,449            |
| Gain on revaluation of contingent acquisition consideration | (26,760)                           | (17,871)         | (109,549)                           | (17,871)          |
| Other expenses (income), net                                | (10)                               | (691)            | (2,731)                             | 949               |
| Total expenses and other income                             | <u>247,529</u>                     | <u>191,122</u>   | <u>940,953</u>                      | <u>752,650</u>    |
| Income before income taxes                                  | <u>101,606</u>                     | <u>37,130</u>    | <u>323,633</u>                      | <u>166,502</u>    |
| Provision for income taxes                                  | <u>21,540</u>                      | <u>7,759</u>     | <u>70,138</u>                       | <u>41,593</u>     |
| Net income  | <u>\$ 80,066</u>                   | <u>\$ 29,371</u> | <u>\$ 253,495</u>                   | <u>\$ 124,909</u> |

<sup>(1)</sup> Results for the three and twelve months ended December 31, 2021 include a \$44 million expense to establish the initial allowance for expected lifetime credit losses for acquired finance receivables of AFF. See "Retail POS Payment Solutions Segment Results" below.

**FIRSTCASH HOLDINGS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited, in thousands)

|   |    | December 31, |              |
|---|----|--------------|--------------|
|   |    | 2022         | 2021         |
| <b>ASSETS</b>                               |    |              |              |
| Cash and cash equivalents                   | \$ | 117,330      | \$ 120,046   |
| Accounts receivable, net                    |    | 57,792       | 55,356       |
| Pawn loans                                  |    | 390,617      | 347,973      |
| Finance receivables, net <sup>(1)</sup>     |    | 103,494      | 181,021      |
| Inventories                                 |    | 288,339      | 263,311      |
| Leased merchandise, net <sup>(1)</sup>      |    | 153,302      | 143,944      |
| Prepaid expenses and other current assets   |    | 19,788       | 17,707       |
| Total current assets                        |    | 1,130,662    | 1,129,358    |
| Property and equipment, net                 |    | 538,681      | 462,526      |
| Operating lease right of use asset          |    | 307,009      | 306,061      |
| Goodwill                                    |    | 1,581,381    | 1,536,178    |
| Intangible assets, net                      |    | 330,338      | 388,184      |
| Other assets                                |    | 9,415        | 8,531        |
| Deferred tax assets, net                    |    | 7,381        | 5,614        |
| Total assets                                | \$ | 3,904,867    | \$ 3,836,452 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b> |    |              |              |
| Accounts payable and accrued liabilities    | \$ | 139,460      | \$ 244,327   |
| Customer deposits and prepayments           |    | 63,125       | 57,310       |
| Lease liability, current                    |    | 92,944       | 90,570       |
| Total current liabilities                   |    | 295,529      | 392,207      |
| Revolving unsecured credit facilities       |    | 339,000      | 259,000      |
| Senior unsecured notes                      |    | 1,035,698    | 1,033,904    |
| Deferred tax liabilities, net               |    | 151,759      | 126,098      |
| Lease liability, non-current                |    | 203,115      | 203,166      |
| Other liabilities                           |    | —            | 13,950       |
| Total liabilities                           |    | 2,025,101    | 2,028,325    |
| Stockholders' equity:                       |    |              |              |
| Common stock                                |    | 573          | 573          |
| Additional paid-in capital                  |    | 1,734,528    | 1,724,956    |
| Retained earnings                           |    | 1,060,603    | 866,679      |
| Accumulated other comprehensive loss        |    | (106,573)    | (131,299)    |
| Common stock held in treasury, at cost      |    | (809,365)    | (652,782)    |
| Total stockholders' equity                  |    | 1,879,766    | 1,808,127    |
| Total liabilities and stockholders' equity  | \$ | 3,904,867    | \$ 3,836,452 |

Certain amounts in the consolidated balance sheet as of December 31, 2021 have been reclassified in order to conform to the 2022 presentation.

<sup>(1)</sup> See reconciliation of reported AFF earning asset balances to AFF earning asset balances adjusted to exclude the impacts of purchase accounting as of December 31, 2021 in the "Reconciliations of Non-GAAP Financial Measures to GAAP Financial Measures" section elsewhere in this release.

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION**  
**(UNAUDITED)**

The Company's reportable segments are as follows:

- U.S. pawn
- Latin America pawn
- Retail POS payment solutions (AFF)

The Company provides revenues, cost of revenues, operating expenses, pre-tax operating income and earning assets by segment. Operating expenses include salary and benefit expense of pawn-store-level employees, occupancy costs, bank charges, security, insurance, utilities, supplies and other costs incurred by the pawn stores. Additionally, costs incurred in operating AFF have been classified as operating expenses, which include salary and benefit expenses of certain operations-focused departments, merchant partner incentives, bank and other payment processing charges, credit reporting costs, information technology costs, advertising costs and other operational costs incurred by AFF. Administrative expenses and amortization expense of intangible assets related to the purchase of AFF are not included in the segment pre-tax operating income.

**U.S. Pawn Segment Results**

The following table details earning assets, which consist of pawn loans and inventories as well as other earning asset metrics of the U.S. pawn segment, as of December 31, 2022 as compared to December 31, 2021 (dollars in thousands, except as otherwise noted):

|  | As of December 31, |                   | Increase |
|--|--------------------|-------------------|----------|
|  | 2022               | 2021              |          |
| <b>U.S. Pawn Segment</b>   |                    |                   |          |
| Earning assets:  |                    |                   |          |
| Pawn loans   | \$ 282,089         | \$ 256,311        | 10 %     |
| Inventories  | 202,594            | 197,486           | 3 %      |
|  | <u>\$ 484,683</u>  | <u>\$ 453,797</u> | 7 %      |
| <br>Average outstanding pawn loan amount (in ones)   | <br>\$ 247         | <br>\$ 222        | <br>11 % |
| <br>Composition of pawn collateral:  |                    |                   |          |
| General merchandise  | 30 %               | 34 %              |          |
| Jewelry  | 70 %               | 66 %              |          |
|  | <u>100 %</u>       | <u>100 %</u>      |          |
| <br>Composition of inventories:  |                    |                   |          |
| General merchandise  | 41 %               | 45 %              |          |
| Jewelry  | 59 %               | 55 %              |          |
|  | <u>100 %</u>       | <u>100 %</u>      |          |
| <br>Percentage of inventory aged greater than one year   | <br>1 %            | <br>1 %           |          |
| <br>Inventory turnover (trailing twelve months cost of merchandise sales divided by average inventories) | <br>2.7 times      | <br>2.8 times     |          |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

The following table presents segment pre-tax operating income and other operating metrics of the U.S. pawn segment for the three months ended December 31, 2022 as compared to the three months ended December 31, 2021 (dollars in thousands):

|                                      | Three Months Ended<br>December 31, |                  | Increase |
|--------------------------------------|------------------------------------|------------------|----------|
|                                      | 2022                               | 2021             |          |
| <b>U.S. Pawn Segment</b>             |                                    |                  |          |
| Revenue:                             |                                    |                  |          |
| Retail merchandise sales             | \$ 222,383                         | \$ 211,906       | 5 %      |
| Pawn loan fees                       | 99,112                             | 85,337           | 16 %     |
| Wholesale scrap jewelry sales        | 17,851                             | 6,946            | 157 %    |
| Total revenue                        | <u>339,346</u>                     | <u>304,189</u>   | 12 %     |
| Cost of revenue:                     |                                    |                  |          |
| Cost of retail merchandise sold      | 129,711                            | 120,584          | 8 %      |
| Cost of wholesale scrap jewelry sold | 15,743                             | 6,208            | 154 %    |
| Total cost of revenue                | <u>145,454</u>                     | <u>126,792</u>   | 15 %     |
| Net revenue                          | <u>193,892</u>                     | <u>177,397</u>   | 9 %      |
| Segment expenses:                    |                                    |                  |          |
| Operating expenses                   | 104,467                            | 98,827           | 6 %      |
| Depreciation and amortization        | 5,944                              | 5,843            | 2 %      |
| Total segment expenses               | <u>110,411</u>                     | <u>104,670</u>   | 5 %      |
| Segment pre-tax operating income     | <u>\$ 83,481</u>                   | <u>\$ 72,727</u> | 15 %     |
| Operating metrics:                   |                                    |                  |          |
| Retail merchandise sales margin      | 42 %                               | 43 %             |          |
| Net revenue margin                   | 57 %                               | 58 %             |          |
| Segment pre-tax operating margin     | 25 %                               | 24 %             |          |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

The following table presents segment pre-tax operating income and other operating metrics of the U.S. pawn segment for the twelve months ended December 31, 2022 as compared to the twelve months ended December 31, 2021 (dollars in thousands):

|                                      | Twelve Months Ended<br>December 31, |                   | Increase |
|--------------------------------------|-------------------------------------|-------------------|----------|
|                                      | 2022                                | 2021              |          |
| <b>U.S. Pawn Segment</b>             |                                     |                   |          |
| Revenue:                             |                                     |                   |          |
| Retail merchandise sales             | \$ 818,548                          | \$ 742,374        | 10 %     |
| Pawn loan fees                       | 373,416                             | 305,350           | 22 %     |
| Wholesale scrap jewelry sales        | 63,004                              | 27,163            | 132 %    |
| Total revenue                        | <u>1,254,968</u>                    | <u>1,074,887</u>  | 17 %     |
| Cost of revenue:                     |                                     |                   |          |
| Cost of retail merchandise sold      | 478,718                             | 416,039           | 15 %     |
| Cost of wholesale scrap jewelry sold | 54,893                              | 22,886            | 140 %    |
| Total cost of revenue                | <u>533,611</u>                      | <u>438,925</u>    | 22 %     |
| Net revenue                          | <u>721,357</u>                      | <u>635,962</u>    | 13 %     |
| Segment expenses:                    |                                     |                   |          |
| Operating expenses                   | 407,039                             | 380,895           | 7 %      |
| Depreciation and amortization        | 23,205                              | 22,234            | 4 %      |
| Total segment expenses               | <u>430,244</u>                      | <u>403,129</u>    | 7 %      |
| Segment pre-tax operating income     | <u>\$ 291,113</u>                   | <u>\$ 232,833</u> | 25 %     |
| Operating metrics:                   |                                     |                   |          |
| Retail merchandise sales margin      | 42 %                                | 44 %              |          |
| Net revenue margin                   | 57 %                                | 59 %              |          |
| Segment pre-tax operating margin     | 23 %                                | 22 %              |          |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

**Latin America Pawn Segment Results**

The Company's management reviews and analyzes operating results in Latin America on a constant currency basis because the Company believes this better represents the Company's underlying business trends. Constant currency results are non-GAAP financial measures, which exclude the effects of foreign currency translation and are calculated by translating current-year results at prior-year average exchange rates. The wholesale scrap jewelry sales in Latin America are priced and settled in U.S. dollars and are not affected by foreign currency translation, as are a small percentage of the operating and administrative expenses in Latin America which are billed and paid in U.S. dollars. Amounts presented on a constant currency basis are denoted as such. See the "Constant Currency Results" section below for additional discussion of constant currency results.

The following table provides exchange rates for the Mexican peso, Guatemalan quetzal and Colombian peso for the current and prior-year periods:

|   | December 31, |       | Favorable /   |
|---|--------------|-------|---------------|
|   | 2022         | 2021  | (Unfavorable) |
| Mexican peso / U.S. dollar exchange rate:       |              |       |               |
| End-of-period                                   | <b>19.4</b>  | 20.6  | 6 %           |
| Three months ended                              | <b>19.7</b>  | 20.7  | 5 %           |
| Twelve months ended                             | <b>20.1</b>  | 20.3  | 1 %           |
| Guatemalan quetzal / U.S. dollar exchange rate: |              |       |               |
| End-of-period                                   | <b>7.9</b>   | 7.7   | (3)%          |
| Three months ended                              | <b>7.8</b>   | 7.7   | (1)%          |
| Twelve months ended                             | <b>7.7</b>   | 7.7   | — %           |
| Colombian peso / U.S. dollar exchange rate:     |              |       |               |
| End-of-period                                   | <b>4,810</b> | 3,981 | (21)%         |
| Three months ended                              | <b>4,809</b> | 3,880 | (24)%         |
| Twelve months ended                             | <b>4,253</b> | 3,742 | (14)%         |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

The following table details earning assets, which consist of pawn loans and inventories as well as other earning asset metrics of the Latin America pawn segment, as of December 31, 2022 as compared to December 31, 2021 (dollars in thousands, except as otherwise noted):

|  | As of December 31, |                   | Increase | Constant Currency Basis                               |                                |
|--|--------------------|-------------------|----------|---|--------------------------------|
|  | <u>2022</u>        | <u>2021</u>       |          | <u>As of<br/>December 31,<br/>2022<br/>(Non-GAAP)</u> | <u>Increase<br/>(Non-GAAP)</u> |
| <b>Latin America Pawn Segment</b>  |                    |                   |          |   |                                |
| Earning assets:  |                    |                   |          |   |                                |
| Pawn loans   | \$ 108,528         | \$ 91,662         | 18 %     | \$ 102,573  | 12 %                           |
| Inventories  | 85,745             | 65,825            | 30 %     | 81,013  | 23 %                           |
|  | <u>\$ 194,273</u>  | <u>\$ 157,487</u> | 23 %     | <u>\$ 183,586</u>                                     | 17 %                           |
| <br>Average outstanding pawn loan amount (in ones)   | <br>\$ 83          | <br>\$ 77         | <br>8 %  | <br>\$ 79   | <br>3 %                        |
| <br>Composition of pawn collateral:  |                    |                   |          |   |                                |
| General merchandise  | 67 %               | 67 %              |          |   |                                |
| Jewelry  | 33 %               | 33 %              |          |   |                                |
|  | <u>100 %</u>       | <u>100 %</u>      |          |   |                                |
| <br>Composition of inventories:  |                    |                   |          |   |                                |
| General merchandise  | 71 %               | 68 %              |          |   |                                |
| Jewelry  | 29 %               | 32 %              |          |   |                                |
|  | <u>100 %</u>       | <u>100 %</u>      |          |   |                                |
| <br>Percentage of inventory aged greater than one year   | <br>1 %            | <br>1 %           |          |   |                                |
| <br>Inventory turnover (trailing twelve months cost of merchandise sales divided by average inventories) | <br>4.2 times      | <br>4.2 times     |          |   |                                |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

The following table presents segment pre-tax operating income and other operating metrics of the Latin America pawn segment for the three months ended December 31, 2022 as compared to the three months ended December 31, 2021 (dollars in thousands):

|                                      | Three Months Ended |                  | Increase | Constant Currency Basis |            |
|--------------------------------------|--------------------|------------------|----------|-------------------------|------------|
|                                      | December 31,       |                  |          | Three Months            | Increase   |
|                                      | 2022               | 2021             |          | Ended                   | (Non-GAAP) |
| <b>Latin America Pawn Segment</b>    |                    |                  |          | <b>December 31,</b>     |            |
| Revenue:                             |                    |                  |          | <b>2022</b>             | (Non-GAAP) |
| Retail merchandise sales             | \$ 139,167         | \$ 116,008       | 20 %     | \$ 132,671              | 14 %       |
| Pawn loan fees                       | 50,665             | 43,649           | 16 %     | 48,288                  | 11 %       |
| Wholesale scrap jewelry sales        | 9,887              | 6,184            | 60 %     | 9,887                   | 60 %       |
| Total revenue                        | <u>199,719</u>     | <u>165,841</u>   | 20 %     | <u>190,846</u>          | 15 %       |
| Cost of revenue:                     |                    |                  |          |                         |            |
| Cost of retail merchandise sold      | 92,392             | 74,246           | 24 %     | 88,104                  | 19 %       |
| Cost of wholesale scrap jewelry sold | 8,190              | 5,264            | 56 %     | 7,789                   | 48 %       |
| Total cost of revenue                | <u>100,582</u>     | <u>79,510</u>    | 27 %     | <u>95,893</u>           | 21 %       |
| Net revenue                          | <u>99,137</u>      | <u>86,331</u>    | 15 %     | <u>94,953</u>           | 10 %       |
| Segment expenses:                    |                    |                  |          |                         |            |
| Operating expenses                   | 51,680             | 46,017           | 12 %     | 49,472                  | 8 %        |
| Depreciation and amortization        | 4,805              | 4,446            | 8 %      | 4,629                   | 4 %        |
| Total segment expenses               | <u>56,485</u>      | <u>50,463</u>    | 12 %     | <u>54,101</u>           | 7 %        |
| Segment pre-tax operating income     | <u>\$ 42,652</u>   | <u>\$ 35,868</u> | 19 %     | <u>\$ 40,852</u>        | 14 %       |
| Operating metrics:                   |                    |                  |          |                         |            |
| Retail merchandise sales margin      | 34 %               | 36 %             |          | 34 %                    |            |
| Net revenue margin                   | 50 %               | 52 %             |          | 50 %                    |            |
| Segment pre-tax operating margin     | 21 %               | 22 %             |          | 21 %                    |            |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

The following table presents segment pre-tax operating income and other operating metrics of the Latin America pawn segment for the twelve months ended December 31, 2022 as compared to the twelve months ended December 31, 2021 (dollars in thousands):

|                                      | Twelve Months Ended |                   | Increase | Constant Currency Basis |                        |
|--------------------------------------|---------------------|-------------------|----------|-------------------------|------------------------|
|                                      | December 31,        |                   |          | Increase<br>(Non-GAAP)  | Increase<br>(Non-GAAP) |
|                                      | 2022                | 2021              |          |                         |                        |
| <b>Latin America Pawn Segment</b>    |                     |                   |          |                         |                        |
| Revenue:                             |                     |                   |          |                         |                        |
| Retail merchandise sales             | \$ 447,523          | \$ 391,875        | 14 %     | \$ 444,463              | 13 %                   |
| Pawn loan fees                       | 187,974             | 170,432           | 10 %     | 186,673                 | 10 %                   |
| Wholesale scrap jewelry sales        | 39,969              | 30,027            | 33 %     | 39,969                  | 33 %                   |
| Total revenue                        | <u>675,466</u>      | <u>592,334</u>    | 14 %     | <u>671,105</u>          | 13 %                   |
| Cost of revenue:                     |                     |                   |          |                         |                        |
| Cost of retail merchandise sold      | 288,449             | 247,425           | 17 %     | 286,487                 | 16 %                   |
| Cost of wholesale scrap jewelry sold | 33,411              | 26,243            | 27 %     | 33,162                  | 26 %                   |
| Total cost of revenue                | <u>321,860</u>      | <u>273,668</u>    | 18 %     | <u>319,649</u>          | 17 %                   |
| Net revenue                          | <u>353,606</u>      | <u>318,666</u>    | 11 %     | <u>351,456</u>          | 10 %                   |
| Segment expenses:                    |                     |                   |          |                         |                        |
| Operating expenses                   | 193,254             | 179,020           | 8 %      | 192,151                 | 7 %                    |
| Depreciation and amortization        | 18,325              | 17,834            | 3 %      | 18,283                  | 3 %                    |
| Total segment expenses               | <u>211,579</u>      | <u>196,854</u>    | 7 %      | <u>210,434</u>          | 7 %                    |
| Segment pre-tax operating income     | <u>\$ 142,027</u>   | <u>\$ 121,812</u> | 17 %     | <u>\$ 141,022</u>       | 16 %                   |
| Operating metrics:                   |                     |                   |          |                         |                        |
| Retail merchandise sales margin      | 36 %                | 37 %              |          | 36 %                    |                        |
| Net revenue margin                   | 52 %                | 54 %              |          | 52 %                    |                        |
| Segment pre-tax operating margin     | 21 %                | 21 %              |          | 21 %                    |                        |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

**Retail POS Payment Solutions Segment Results**

The Company completed the AFF acquisition on December 17, 2021, and the results of operations of AFF have been consolidated since the acquisition date. As a result of purchase accounting, AFF's as reported earning assets, consisting of leased merchandise and finance receivables, contain significant fair value adjustments as of December 31, 2021. The fair value adjustments to AFF's acquired earning assets were fully amortized during 2022 and therefore, will not impact AFF's earning assets or segment earnings in 2023 and beyond.

The following table provides a detail of leased merchandise as reported and as adjusted to exclude the impacts of purchase accounting as of December 31, 2022 and 2021 (in thousands):

|  | As Reported<br>(GAAP) | Adjustments       | Adjusted<br>(Non-GAAP) |
|--|-----------------------|-------------------|------------------------|
| <b><u>As of December 31, 2022</u></b>                                |                       |                   |                        |
| Leased merchandise, before allowance for lease losses                | \$ 233,974            | \$ —              | \$ 233,974             |
| Less allowance for lease losses                                      | (79,576)              | —                 | (79,576)               |
| Leased merchandise, net <sup>(1)</sup>                               | <u>\$ 154,398</u>     | <u>\$ —</u>       | <u>\$ 154,398</u>      |
| <b><u>As of December 31, 2021</u></b>                                |                       |                   |                        |
| Leased merchandise, before allowance for lease losses <sup>(2)</sup> | \$ 149,386            | \$ 53,829         | \$ 203,215             |
| Less allowance for lease losses <sup>(3)</sup>                       | (5,442)               | (61,526)          | (66,968)               |
| Leased merchandise, net  | <u>\$ 143,944</u>     | <u>\$ (7,697)</u> | <u>\$ 136,247</u>      |

<sup>(1)</sup> Includes \$1 million of intersegment transactions related to the Company offering AFF's LTO payment solution as a payment option in its U.S. pawn stores that are eliminated upon consolidation.

<sup>(2)</sup> As reported acquired leased merchandise was recorded at fair value (which includes estimates for charge-offs) in conjunction with purchase accounting. Adjustment represents the difference between the original depreciated cost and fair value of the remaining acquired leased merchandise.

<sup>(3)</sup> As reported allowance for lease losses as of December 31, 2021 represents the provision for lease losses for leases originated between December 17, 2021 and December 31, 2021. Adjustment represents the remaining allowance for lease losses of acquired leased merchandise, which is included in the fair value of the acquired leased merchandise described in <sup>(2)</sup> above.

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

The following table provides a detail of finance receivables as reported and as adjusted to exclude the impacts of purchase accounting as of December 31, 2022 and 2021 (in thousands):

|  | As Reported<br>(GAAP) | Adjustments        | Adjusted<br>(Non-GAAP) |
|--|-----------------------|--------------------|------------------------|
| <b><u>As of December 31, 2022</u></b>                                |                       |                    |                        |
| Finance receivables, before allowance for loan losses                | \$ 188,327            | \$ —               | \$ 188,327             |
| Less allowance for loan losses                                       | (84,833)              | —                  | (84,833)               |
| Finance receivables, net   | <u>\$ 103,494</u>     | <u>\$ —</u>        | <u>\$ 103,494</u>      |
| <br><b><u>As of December 31, 2021</u></b>                            |                       |                    |                        |
| Finance receivables, before allowance for loan losses <sup>(1)</sup> | \$ 256,595            | \$ (42,657)        | \$ 213,938             |
| Less allowance for loan losses                                       | (75,574)              | —                  | (75,574)               |
| Finance receivables, net   | <u>\$ 181,021</u>     | <u>\$ (42,657)</u> | <u>\$ 138,364</u>      |

<sup>(1)</sup> As reported acquired finance receivables were recorded at fair value in conjunction with purchase accounting. Adjustment represents the difference between the original amortized cost basis and fair value of the remaining acquired finance receivables.

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

AFF's as reported results of operations contain significant purchase accounting impacts. The following tables present segment pre-tax operating income as reported and as adjusted to exclude the impacts of purchase accounting for the three and twelve months ended December 31, 2022 and the period from December 17, 2021 through December 31, 2021 (in thousands):

|   | <b>Three Months Ended December 31, 2022</b> |             |                        |
|---|---|-------------|------------------------|
|   | As Reported<br>(GAAP)                       | Adjustments | Adjusted<br>(Non-GAAP) |
| <b>Retail POS Payment Solutions Segment</b> |   |             |                        |
| Revenue:                                    |   |             |                        |
| Leased merchandise income                   | \$ 166,427                                  | \$ —        | \$ 166,427             |
| Interest and fees on finance receivables    | 46,241                                      | 7,859       | 54,100                 |
| Total revenue                               | 212,668                                     | 7,859       | 220,527                |
| Cost of revenue:                            |   |             |                        |
| Depreciation of leased merchandise          | 91,090                                      | (901)       | 90,189                 |
| Provision for lease losses                  | 29,913                                      | —           | 29,913                 |
| Provision for loan losses                   | 35,049                                      | —           | 35,049                 |
| Total cost of revenue                       | 156,052                                     | (901)       | 155,151                |
| Net revenue                                 | 56,616                                      | 8,760       | 65,376                 |
| Segment expenses:                           |   |             |                        |
| Operating expenses                          | 33,364                                      | —           | 33,364                 |
| Depreciation and amortization               | 756   | —           | 756                    |
| Total segment expenses                      | 34,120                                      | —           | 34,120                 |
| Segment pre-tax operating income            | \$ 22,496                                   | \$ 8,760    | \$ 31,256              |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

|   | <b>Twelve Months Ended December 31, 2022</b> |             |                        |
|---|--|-------------|------------------------|
|   | As Reported<br>(GAAP)                        | Adjustments | Adjusted<br>(Non-GAAP) |
| <b>Retail POS Payment Solutions Segment</b> |  |             |                        |
| Revenue:                                    |  |             |                        |
| Leased merchandise income                   | \$ 622,163                                   | \$ —        | \$ 622,163             |
| Interest and fees on finance receivables    | 181,280                                      | 42,657      | 223,937                |
| Total revenue                               | 803,443                                      | 42,657      | 846,100                |
| Cost of revenue:                            |  |             |                        |
| Depreciation of leased merchandise          | 354,104                                      | (7,697)     | 346,407                |
| Provision for lease losses                  | 140,118                                      | —           | 140,118                |
| Provision for loan losses                   | 118,502                                      | —           | 118,502                |
| Total cost of revenue                       | 612,724                                      | (7,697)     | 605,027                |
| Net revenue                                 | 190,719                                      | 50,354      | 241,073                |
| Segment expenses:                           |  |             |                        |
| Operating expenses                          | 128,616                                      | —           | 128,616                |
| Depreciation and amortization               | 2,912  | —           | 2,912                  |
| Total segment expenses                      | 131,528                                      | —           | 131,528                |
| Segment pre-tax operating income            | \$ 59,191                                    | \$ 50,354   | \$ 109,545             |

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

|   | December 17, 2021 - December 31, 2021 |             |                        |
|---|---------------------------------------|-------------|------------------------|
|   | As Reported<br>(GAAP)                 | Adjustments | Adjusted<br>(Non-GAAP) |
| <b>Retail POS Payment Solutions Segment</b> |                                       |             |                        |
| Revenue:                                    |                                       |             |                        |
| Leased merchandise income                   | \$ 22,720                             | \$ —        | \$ 22,720              |
| Interest and fees on finance receivables    | 9,024                                 | 1,708       | 10,732                 |
| Total revenue                               | 31,744                                | 1,708       | 33,452                 |
| Cost of revenue:                            |                                       |             |                        |
| Depreciation of leased merchandise          | 12,826                                | (404)       | 12,422                 |
| Provision for lease losses                  | 5,442                                 | —           | 5,442                  |
| Provision for loan losses <sup>(1)</sup>    | 48,952                                | (44,250)    | 4,702                  |
| Total cost of revenue                       | 67,220                                | (44,654)    | 22,566                 |
| Net revenue (loss)                          | (35,476)                              | 46,362      | 10,886                 |
| Segment expenses:                           |                                       |             |                        |
| Operating expenses                          | 4,917                                 | —           | 4,917                  |
| Depreciation and amortization               | 122                                   | —           | 122                    |
| Total segment expenses                      | 5,039                                 | —           | 5,039                  |
| Segment pre-tax operating income (loss)     | \$ (40,515)                           | \$ 46,362   | \$ 5,847               |

<sup>(1)</sup> As reported provision for loan losses includes the establishment of the initial allowance for expected lifetime credit losses for acquired finance receivables not considered purchased credit deteriorated, which is recorded as an expense in the provision for loan losses.

**FIRSTCASH HOLDINGS, INC.**  
**OPERATING INFORMATION (CONTINUED)**  
**(UNAUDITED)**

**Consolidated Results of Operations**

The following table reconciles pre-tax operating income of the Company's U.S. pawn segment, Latin America pawn segment and retail POS payment solutions segment, discussed above, to consolidated net income (in thousands):

|   | Three Months Ended<br>December 31, |                  | Twelve Months Ended<br>December 31, |                   |
|---|------------------------------------|------------------|-------------------------------------|-------------------|
|   | <u>2022</u>                        | <u>2021</u>      | <u>2022</u>                         | <u>2021</u>       |
| <b>Consolidated Results of Operations</b>                   |                                    |                  |                                     |                   |
| Segment pre-tax operating income (loss):                    |                                    |                  |                                     |                   |
| U.S. pawn   | \$ 83,481                          | \$ 72,727        | \$ 291,113                          | \$ 232,833        |
| Latin America pawn  | 42,652                             | 35,868           | 142,027                             | 121,812           |
| Retail POS payment solutions <sup>(1)</sup>                 | 22,496                             | (40,515)         | 59,191                              | (40,515)          |
| Intersegment eliminations <sup>(2)</sup>                    | (510)                              | —                | (1,096)                             | —                 |
| Consolidated segment pre-tax operating income               | <u>148,119</u>                     | <u>68,080</u>    | <u>491,235</u>                      | <u>314,130</u>    |
| Corporate expenses and other income:                        |                                    |                  |                                     |                   |
| Administrative expenses                                     | 37,061                             | 22,654           | 147,943                             | 111,259           |
| Depreciation and amortization                               | 14,832                             | 2,764            | 59,390                              | 5,716             |
| Interest expense  | 19,959                             | 9,997            | 70,708                              | 32,386            |
| Interest income   | (209)                              | (276)            | (1,313)                             | (696)             |
| (Gain) loss on foreign exchange                             | (387)                              | 188              | (585)                               | 436               |
| Merger and acquisition expenses                             | 2,027                              | 14,185           | 3,739                               | 15,449            |
| Gain on revaluation of contingent acquisition consideration | (26,760)                           | (17,871)         | (109,549)                           | (17,871)          |
| Other expenses (income), net                                | (10)                               | (691)            | (2,731)                             | 949               |
| Total corporate expenses and other income                   | <u>46,513</u>                      | <u>30,950</u>    | <u>167,602</u>                      | <u>147,628</u>    |
| Income before income taxes                                  | <u>101,606</u>                     | <u>37,130</u>    | <u>323,633</u>                      | <u>166,502</u>    |
| Provision for income taxes                                  | <u>21,540</u>                      | <u>7,759</u>     | <u>70,138</u>                       | <u>41,593</u>     |
| Net income  | <u>\$ 80,066</u>                   | <u>\$ 29,371</u> | <u>\$ 253,495</u>                   | <u>\$ 124,909</u> |

<sup>(1)</sup> The AFF segment results are significantly impacted by certain purchase accounting adjustments, as noted in the retail POS payment solutions segment results of operations above. Adjusted retail POS payment solutions segment pre-tax operating income, excluding such purchase accounting adjustments, was \$31 million and \$110 million for the three and twelve months ended December 31, 2022, respectively, and \$6 million for both the three and the twelve months ended December 31, 2021. The three and twelve months ended December 31, 2021 include the results of operations for AFF for the period December 17, 2021 to December 31, 2021.

<sup>(2)</sup> Represents the elimination of intersegment transactions related to the Company offering AFF's LTO payment solution as a payment option in its U.S. pawn stores. Intersegment retail merchandise sales of \$2 million, cost of retail merchandise sold of \$1 million, depreciation of leased merchandise of \$0.4 million and provision for lease losses of \$0.2 million for the three months ended December 31, 2022 were eliminated. Intersegment retail merchandise sales of \$5 million, cost of retail merchandise sold of \$3 million, depreciation of leased merchandise of \$1 million and provision for lease losses of \$1 million for the twelve months ended December 31, 2022 were eliminated.

**FIRSTCASH HOLDINGS, INC.**  
**PAWN STORE LOCATIONS AND MERCHANT PARTNER LOCATIONS**

**Pawn Operations**

As of December 31, 2022, the Company operated 2,872 pawn store locations comprised of 1,101 stores in 25 U.S. states and the District of Columbia, 1,682 stores in 32 states in Mexico, 61 stores in Guatemala, 14 stores in Colombia and 14 stores in El Salvador.

The following tables detail pawn store count activity for the three and twelve months ended December 31, 2022:

|   | Three Months Ended December 31, 2022 |               |       |
|---|--------------------------------------|---------------|-------|
|   | U.S.                                 | Latin America | Total |
| Total locations, beginning of period                    | 1,076                                | 1,763         | 2,839 |
| New locations opened <sup>(1)</sup>                     | —                                    | 17            | 17    |
| Locations acquired                                      | 27                                   | 1             | 28    |
| Consolidation of existing pawn locations <sup>(2)</sup> | (2)                                  | (10)          | (12)  |
| Total locations, end of period                          | 1,101                                | 1,771         | 2,872 |

|   | Twelve Months Ended December 31, 2022 |               |       |
|---|---------------------------------------|---------------|-------|
|   | U.S.                                  | Latin America | Total |
| Total locations, beginning of period                    | 1,081                                 | 1,744         | 2,825 |
| New locations opened <sup>(1)</sup>                     | —                                     | 45            | 45    |
| Locations acquired                                      | 30                                    | 1             | 31    |
| Consolidation of existing pawn locations <sup>(2)</sup> | (10)                                  | (19)          | (29)  |
| Total locations, end of period                          | 1,101                                 | 1,771         | 2,872 |

<sup>(1)</sup> In addition to new store openings, the Company strategically relocated one store in Latin America during the three months ended December 31, 2022. During the twelve months ended December 31, 2022, the Company relocated two stores in the U.S. and two stores in Latin America.

<sup>(2)</sup> Store consolidations were primarily acquired locations over the past six years which have been combined with overlapping stores and for which the Company expects to maintain a significant portion of the acquired customer base in the consolidated location.

**POS Payment Solutions**

As of December 31, 2022, AFF provided LTO and retail POS solutions for consumer goods and services through a network of approximately 9,200 active retail merchant partner locations located in all 50 U.S. states, the District of Columbia and Puerto Rico.

**FIRSTCASH HOLDINGS, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**TO GAAP FINANCIAL MEASURES**  
**(UNAUDITED)**

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, adjusted retail POS payment solutions segment metrics 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 generally accepted accounting principles ("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 under the 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 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 acquisition expenses, including the Company's transaction expenses incurred in connection with its acquisition of AFF and the impacts of purchase accounting with respect to the AFF acquisition, in order to allow more accurate comparisons of the financial results to prior periods. In addition, the Company does not consider these merger and 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. Merger and 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.

The Company has certain leases in Mexico which are denominated in U.S. dollars. The lease liability of these U.S.-dollar-denominated leases, which is considered a monetary liability, is remeasured into Mexican pesos using current period exchange rates, resulting in the recognition of foreign currency exchange gains or losses. The Company has adjusted the applicable financial measures to exclude these remeasurement gains or losses (i) because they are non-cash, non-operating items that could create volatility in the Company's consolidated results of operations due to the magnitude of the end of period lease liability being remeasured and (ii) to improve comparability of current periods presented with prior periods.

In conjunction with the Cash America merger in 2016, the Company recorded certain lease intangibles related to above-or below-market lease liabilities of Cash America, which are included in the operating lease right of use asset on the consolidated balance sheets. As the Company continues to opportunistically purchase real estate from landlords at certain Cash America stores, the associated lease intangible, if any, is written off and gain or loss is recognized. The Company has adjusted the applicable financial measures to exclude these gains or losses given the variability in size and timing of these transactions and because they are non-cash, non-operating gains or losses. The Company believes this improves comparability of operating results for current periods presented with prior periods.

**FIRSTCASH HOLDINGS, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**TO GAAP FINANCIAL MEASURES (CONTINUED)**  
**(UNAUDITED)**

**Adjusted Net Income and Adjusted Diluted Earnings Per Share**

Management believes the presentation of adjusted net income and adjusted diluted earnings per share provides investors with greater transparency and provides a more complete understanding of the Company's financial performance and prospects for the future by excluding items that management believes are non-operating in nature and not representative of the Company's core operating performance. In addition, management believes the adjustments shown below are useful to investors in order to allow them to compare the Company's financial results for the current periods presented with the prior periods presented.

The following table provides a reconciliation between net income and diluted earnings per share calculated in accordance with GAAP to adjusted net income and adjusted diluted earnings per share, which are shown net of tax (in thousands, except per share amounts):

|  | Three Months Ended December 31, |                |                  |                | Twelve Months Ended December 31, |                |                   |                |
|--|---------------------------------|----------------|------------------|----------------|----------------------------------|----------------|-------------------|----------------|
|  | 2022                            |                | 2021             |                | 2022                             |                | 2021              |                |
|  | In Thousands                    | Per Share      | In Thousands     | Per Share      | In Thousands                     | Per Share      | In Thousands      | Per Share      |
| Net income and diluted earnings per share, as reported                     | \$ 80,066                       | \$ 1.72        | \$ 29,371        | \$ 0.70        | \$ 253,495                       | \$ 5.36        | \$ 124,909        | \$ 3.04        |
| Adjustments, net of tax:   |                                 |                |                  |                |                                  |                |                   |                |
| Merger and acquisition expenses  | 1,561                           | 0.03           | 10,922           | 0.26           | 2,878                            | 0.06           | 11,872            | 0.29           |
| Non-cash foreign currency (gain) loss related to lease liability           | (685)                           | (0.01)         | 195              | 0.01           | (930)                            | (0.02)         | 451               | 0.01           |
| AFF purchase accounting adjustments <sup>(1)</sup>                         | 17,660                          | 0.38           | 37,278           | 0.89           | 82,432                           | 1.74           | 37,278            | 0.91           |
| Gain on revaluation of contingent acquisition consideration <sup>(2)</sup> | (21,952)                        | (0.47)         | (13,761)         | (0.33)         | (90,035)                         | (1.91)         | (13,761)          | (0.33)         |
| Other expenses (income), net   | (8)                             | —              | (533)            | (0.01)         | (2,103)                          | (0.04)         | 730               | 0.02           |
| Adjusted net income and diluted earnings per share                         | <u>\$ 76,642</u>                | <u>\$ 1.65</u> | <u>\$ 63,472</u> | <u>\$ 1.52</u> | <u>\$ 245,737</u>                | <u>\$ 5.19</u> | <u>\$ 161,479</u> | <u>\$ 3.94</u> |

<sup>(1)</sup> See detail of the AFF purchase accounting adjustments in tables below.

<sup>(2)</sup> The gain on revaluation of contingent acquisition consideration is the result of the change in the estimated fair value of the contingent acquisition consideration liability, which as of December 31, 2022 had an estimated fair value of \$0. Given the macro-driven slowdown in origination activity compared to the forecasts at the time the AFF acquisition was negotiated in the summer of 2021, the Company no longer expects to pay any material amount of the contingent consideration as of December 31, 2022.

**FIRSTCASH HOLDINGS, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**TO GAAP FINANCIAL MEASURES (CONTINUED)**  
**(UNAUDITED)**

The following tables provide a reconciliation of the gross amounts, the impact of income taxes and the net amounts for the adjustments included in the table above (in thousands):

|  | Three Months Ended December 31, |               |                   |                  |                  |                  |
|--|---------------------------------|---------------|-------------------|------------------|------------------|------------------|
|  | 2022                            |               |                   | 2021             |                  |                  |
|  | Pre-tax                         | Tax           | After-tax         | Pre-tax          | Tax              | After-tax        |
| Merger and acquisition expenses                                  | \$ 2,027                        | \$ 466        | \$ 1,561          | \$ 14,185        | \$ 3,263         | \$ 10,922        |
| Non-cash foreign currency (gain) loss related to lease liability | (979)                           | (294)         | (685)             | 278              | 83               | 195              |
| AFF purchase accounting adjustments <sup>(1)</sup>               | 22,935                          | 5,275         | 17,660            | 48,413           | 11,135           | 37,278           |
| Gain on revaluation of contingent acquisition consideration      | (26,760)                        | (4,808)       | (21,952)          | (17,871)         | (4,110)          | (13,761)         |
| Other expenses (income), net                                     | (10)                            | (2)           | (8)               | (691)            | (158)            | (533)            |
| Total adjustments  | <u>\$ (2,787)</u>               | <u>\$ 637</u> | <u>\$ (3,424)</u> | <u>\$ 44,314</u> | <u>\$ 10,213</u> | <u>\$ 34,101</u> |

|  | Twelve Months Ended December 31, |                 |                   |                  |                  |                  |
|--|----------------------------------|-----------------|-------------------|------------------|------------------|------------------|
|  | 2022                             |                 |                   | 2021             |                  |                  |
|  | Pre-tax                          | Tax             | After-tax         | Pre-tax          | Tax              | After-tax        |
| Merger and acquisition expenses                                  | \$ 3,739                         | \$ 861          | \$ 2,878          | \$ 15,449        | \$ 3,577         | \$ 11,872        |
| Non-cash foreign currency (gain) loss related to lease liability | (1,329)                          | (399)           | (930)             | 644              | 193              | 451              |
| AFF purchase accounting adjustments <sup>(1)</sup>               | 107,055                          | 24,623          | 82,432            | 48,413           | 11,135           | 37,278           |
| Gain on revaluation of contingent acquisition consideration      | (109,549)                        | (19,514)        | (90,035)          | (17,871)         | (4,110)          | (13,761)         |
| Other expenses (income), net                                     | (2,731)                          | (628)           | (2,103)           | 949              | 219              | 730              |
| Total adjustments  | <u>\$ (2,815)</u>                | <u>\$ 4,943</u> | <u>\$ (7,758)</u> | <u>\$ 47,584</u> | <u>\$ 11,014</u> | <u>\$ 36,570</u> |

<sup>(1)</sup> The following tables detail AFF purchase accounting adjustments (in thousands):

|  | Three Months Ended December 31, |                 |                  |                  |                  |                  |
|--|---------------------------------|-----------------|------------------|------------------|------------------|------------------|
|  | 2022                            |                 |                  | 2021             |                  |                  |
|  | Pre-tax                         | Tax             | After-tax        | Pre-tax          | Tax              | After-tax        |
| Amortization of fair value adjustment on acquired finance receivables  | \$ 7,859                        | \$ 1,807        | \$ 6,052         | \$ 1,708         | \$ 392           | \$ 1,316         |
| Amortization of fair value adjustment on acquired leased merchandise   | 901                             | 208             | 693              | 404              | 93               | 311              |
| Amortization of acquired intangible assets   | 14,175                          | 3,260           | 10,915           | 2,051            | 472              | 1,579            |
| Provision for loan losses (establish initial allowance for expected lifetime credit losses for non-purchase credit deteriorated ("PCD") loans) | —                               | —               | —                | 44,250           | 10,178           | 34,072           |
| Total AFF purchase accounting adjustments  | <u>\$ 22,935</u>                | <u>\$ 5,275</u> | <u>\$ 17,660</u> | <u>\$ 48,413</u> | <u>\$ 11,135</u> | <u>\$ 37,278</u> |

**FIRSTCASH HOLDINGS, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**TO GAAP FINANCIAL MEASURES (CONTINUED)**  
**(UNAUDITED)**

|   | Twelve Months Ended December 31, |                  |                  |                  |                  |                  |
|---|----------------------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2022                             |                  |                  | 2021             |                  |                  |
|   | Pre-tax                          | Tax              | After-tax        | Pre-tax          | Tax              | After-tax        |
| Amortization of fair value adjustment on acquired finance receivables   | \$ 42,657                        | \$ 9,811         | \$ 32,846        | \$ 1,708         | \$ 392           | \$ 1,316         |
| Amortization of fair value adjustment on acquired leased merchandise  | 7,697                            | 1,772            | 5,925            | 404              | 93               | 311              |
| Amortization of acquired intangible assets  | 56,701                           | 13,040           | 43,661           | 2,051            | 472              | 1,579            |
| Provision for loan losses (establish initial allowance for expected lifetime credit losses for non-PCD loans) | —                                | —                | —                | 44,250           | 10,178           | 34,072           |
| Total AFF purchase accounting adjustments   | <u>\$ 107,055</u>                | <u>\$ 24,623</u> | <u>\$ 82,432</u> | <u>\$ 48,413</u> | <u>\$ 11,135</u> | <u>\$ 37,278</u> |

The fair value adjustments on acquired finance receivables and leased merchandise resulted from the recognition of these acquired assets at fair value in purchase accounting, the amortization of which is non-cash. The fair value adjustments related to acquired finance receivables and acquired leased merchandise were fully amortized as of December 31, 2022. The acquired intangible assets will be amortized through 2028.

**FIRSTCASH HOLDINGS, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**TO GAAP FINANCIAL MEASURES (CONTINUED)**  
**(UNAUDITED)**

**Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA**

The Company defines EBITDA as net income before income taxes, depreciation and amortization, interest expense and interest income and adjusted EBITDA as EBITDA adjusted for certain items, as listed below, that management considers to be non-operating in nature and not representative of its actual operating performance. The Company believes EBITDA and adjusted EBITDA are commonly used by investors to assess a company's financial performance, and adjusted EBITDA is used as a starting point in the calculation of the consolidated total debt ratio as defined in the Company's senior unsecured notes. The following table provides a reconciliation of net income to EBITDA and adjusted EBITDA (in thousands):

|  | Three Months Ended<br>December 31, |                   | Twelve Months Ended<br>December 31, |                   |
|--|------------------------------------|-------------------|-------------------------------------|-------------------|
|  | 2022                               | 2021              | 2022                                | 2021              |
| Net income   | \$ 80,066                          | \$ 29,371         | \$ 253,495                          | \$ 124,909        |
| Income taxes   | 21,540                             | 7,759             | 70,138                              | 41,593            |
| Depreciation and amortization                                    | 26,337                             | 13,175            | 103,832                             | 45,906            |
| Interest expense   | 19,959                             | 9,997             | 70,708                              | 32,386            |
| Interest income  | (209)                              | (276)             | (1,313)                             | (696)             |
| EBITDA   | <u>147,693</u>                     | <u>60,026</u>     | <u>496,860</u>                      | <u>244,098</u>    |
| Adjustments:   |                                    |                   |                                     |                   |
| Merger and acquisition expenses                                  | 2,027                              | 14,185            | 3,739                               | 15,449            |
| Non-cash foreign currency (gain) loss related to lease liability | (979)                              | 278               | (1,329)                             | 644               |
| AFF purchase accounting adjustments <sup>(1)</sup>               | 8,760                              | 46,362            | 50,354                              | 46,362            |
| Gain on revaluation of contingent acquisition consideration      | (26,760)                           | (17,871)          | (109,549)                           | (17,871)          |
| Other expenses (income), net                                     | (10)                               | (691)             | (2,731)                             | 949               |
| Adjusted EBITDA  | <u>\$ 130,731</u>                  | <u>\$ 102,289</u> | <u>\$ 437,344</u>                   | <u>\$ 289,631</u> |

<sup>(1)</sup> Excludes \$14 million and \$57 million of amortization expense related to identifiable intangible assets as a result of the AFF acquisition for the three and twelve months ended December 31, 2022, respectively, which is already included in the add-back of depreciation and amortization to net income used to calculate EBITDA. For both the three and twelve months ended December 31, 2021, \$2 million was excluded.

**FIRSTCASH HOLDINGS, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**TO GAAP FINANCIAL MEASURES (CONTINUED)**  
**(UNAUDITED)**

**Free Cash Flow and Adjusted Free Cash Flow**

For purposes of its internal liquidity assessments, the Company considers free cash flow and adjusted free cash flow. The Company defines free cash flow as cash flow from operating activities less purchases of furniture, fixtures, equipment and improvements and net fundings/repayments of pawn loan and finance receivables, which are considered to be operating in nature by the Company but are included in cash flow from investing activities. Adjusted free cash flow is defined as free cash flow adjusted for merger and acquisition expenses paid that management considers to be non-operating in nature.

Free cash flow and adjusted free cash flow are commonly used by investors as additional measures of cash, generated by business operations, that may be used to repay scheduled debt maturities and debt service or, following payment of such debt obligations and other non-discretionary items, that may be available to invest in future growth through new business development activities or acquisitions, repurchase stock, pay cash dividends or repay debt obligations prior to their maturities. These metrics can also be used to evaluate the Company's ability to generate cash flow from business operations and the impact that this cash flow has on the Company's liquidity. However, free cash flow and adjusted free cash flow have limitations as analytical tools and should not be considered in isolation or as a substitute for cash flow from operating activities or other income statement data prepared in accordance with GAAP. The following table reconciles cash flow from operating activities to free cash flow and adjusted free cash flow (in thousands):

|  | Three Months Ended<br>December 31, |           | Twelve Months Ended<br>December 31, |            |
|--|------------------------------------|-----------|-------------------------------------|------------|
|  | <b>2022</b>                        | 2021      | <b>2022</b>                         | 2021       |
| Cash flow from operating activities                          | \$ <b>143,507</b>                  | \$ 85,454 | \$ <b>469,305</b>                   | \$ 223,304 |
| Cash flow from investing activities:                         |                                    |           |                                     |            |
| Pawn loans, net <sup>(1)</sup>                               | <b>38,890</b>                      | (2,703)   | <b>(35,817)</b>                     | (73,340)   |
| Finance receivables, net                                     | <b>(35,719)</b>                    | (5,844)   | <b>(85,353)</b>                     | (5,844)    |
| Purchases of furniture, fixtures, equipment and improvements | <b>(5,956)</b>                     | (10,414)  | <b>(35,586)</b>                     | (42,022)   |
| Free cash flow   | <b>140,722</b>                     | 66,493    | <b>312,549</b>                      | 102,098    |
| Merger and acquisition expenses paid, net of tax benefit     | <b>1,561</b>                       | 10,922    | <b>2,878</b>                        | 11,872     |
| Adjusted free cash flow                                      | <b>\$ 142,283</b>                  | \$ 77,415 | <b>\$ 315,427</b>                   | \$ 113,970 |

<sup>(1)</sup> Includes the funding of new loans net of cash repayments and recovery of principal through the sale of inventories acquired from forfeiture of pawn collateral.

**FIRSTCASH HOLDINGS, INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**  
**TO GAAP FINANCIAL MEASURES (CONTINUED)**  
**(UNAUDITED)**

**Retail POS Payment Solutions Segment Purchase Accounting Adjustments**

Management believes the presentation of certain retail POS payment solutions segment metrics, adjusted to exclude the impacts of purchase accounting, provides investors with greater transparency and provides a more complete understanding of AFF's financial performance and prospects for the future by excluding the impacts of purchase accounting, which management believes is non-operating in nature and not representative of AFF's core operating performance. See the retail POS payment solutions segment tables elsewhere in this release for additional reconciliation of certain amounts adjusted to exclude the impacts of purchase accounting to as reported GAAP amounts.

Additionally, the following table provides a reconciliation of consolidated total revenue, presented in accordance with GAAP, to adjusted total revenue, which excludes the impacts of purchase accounting (in thousands):

|  | Three Months Ended |                   | Twelve Months Ended |                     |
|--|--------------------|-------------------|---------------------|---------------------|
|  | December 31,       |                   | December 31,        |                     |
|  | <b>2022</b>        | 2021              | <b>2022</b>         | 2021                |
| Total revenue, as reported                         | \$ 749,344         | \$ 501,774        | \$ 2,728,942        | \$ 1,698,965        |
| AFF purchase accounting adjustments <sup>(1)</sup> | 7,859              | 1,708             | 42,657              | 1,708               |
| Adjusted total revenue                             | <b>\$ 757,203</b>  | <b>\$ 503,482</b> | <b>\$ 2,771,599</b> | <b>\$ 1,700,673</b> |

<sup>(1)</sup> Adjustment relates to the net amortization of the fair value premium on acquired finance receivables, which is recognized as an adjustment to interest income on an effective yield basis over the lives of the acquired finance receivables. See the retail POS payment solutions segment tables elsewhere in this release for additional segment-level reconciliations.

**Constant Currency Results**

The Company's reporting currency is the U.S. dollar. However, certain performance metrics discussed in this release 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 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 prior-year 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. The Company also has operations in El Salvador, where the reporting and functional currency is the U.S. dollar. See the Latin America pawn segment tables elsewhere in this release for additional reconciliation of certain constant currency amounts to as reported GAAP amounts.

For further information, please contact:

Gar Jackson

Global IR Group

Phone: (817) 886-6998

Email: [gar@globalirgroup.com](mailto:gar@globalirgroup.com)

Doug Orr, Executive Vice President and Chief Financial Officer

Phone: (817) 258-2650

Email: [investorrelations@firstcash.com](mailto:investorrelations@firstcash.com)

Website: [investors.firstcash.com](http://investors.firstcash.com)