



Second Quarter 2020 Earnings Presentation

August 2020



Safe Harbor Statement / Non-GAAP Financial Measures

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect our current views with respect to certain events that could have an effect on our future performance, including but without limitation, statements regarding our plans, objectives, financial performance, business strategies, expectations for our business and the business of the Company. These statements relate to expectations concerning matters that are not historical fact and may include the words or phrases such as would, "will," "should," "expects," "believes," "anticipates," "continues," "could," "may," "might," "plans," "possible," "potential," "predicts," "projects," "forecasts," "intends," "assumes," "estimates," "approximately," "shall," "our planning assumptions," "future outlook" and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Except for historical information, matters discussed in such statements are forward-looking statements. All of these forward-looking statements are based largely on information currently available to our management and on our current expectations, assumptions, plans, estimates, judgments and projections about our business and our industry, as well as macroeconomic conditions, and are subject to various risks and uncertainties that could cause actual results to differ materially from historical results or those currently anticipated. While we believe these expectations, assumptions, estimates, judgments and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond our control. These and other important factors may cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements, or could affect our share price. Accordingly, there is no assurance that our expectations will, in fact, occur or that our estimates or assumptions will be correct, and we caution investors and all others not to place undue reliance on such forward-looking statements. Some of the factors that could cause actual results to differ from those expressed or implied by the forward-looking statements and could materially adversely affect our business, financial condition, results of operations, cash flows and liquidity include, among other things, the COVID-19 pandemic, responses thereto and the economic and market effects thereof, including unemployment levels and increased capital market volatility; competition in the markets in which we operate; volatility in foreign exchange rates that could affect the volume of consumer remittance activity and/or affect our foreign exchange related gains and losses; our ability to maintain agent relationships on terms consistent with those currently in place; our ability to maintain banking relationships necessary for us to conduct our business; credit risks from our agents and the financial institutions with which we do business; bank failures, sustained financial market illiquidity, or illiquidity at our clearing, cash management or custodial financial institutions; new technology or competitors that disrupt the current ecosystem including by introducing digital platforms; cyber-attacks or disruptions to our information technology, computer network systems and data centers; our ability to satisfy our debt obligations and remain in compliance with our credit facility requirements; interest rate risk from elimination of London Inter-Bank Offered Rate ("LIBOR") as a benchmark interest rate our success in developing and introducing new products, services and infrastructure; customer confidence in our brand and in consumer money transfers generally; our ability to maintain compliance with the regulatory requirements of the jurisdictions in which we operate or plan to operate; international political factors or implementation of tariffs, border taxes or restrictions on remittances or transfers of money out of the United States or Canada; changes in tax laws and unfavorable outcomes of tax positions we take; political instability, currency restrictions and volatility in countries in which we operate or plan to operate; consumer fraud and other risks relating to customers' authentication; weakness in U.S. or international economic conditions; change or disruption in international migration patterns; our ability to protect our brand and intellectual property rights; our ability to retain key personnel; and other economic, business and/or competitive factors, risks and uncertainties, including those described in the "Risk Factors" section in periodic reports we file with the Securities and Exchange Commission. All statements other than statements of historical fact included in this presentation are forward-looking statements including, but not limited to, statements regarding the uncertainty presented by the COVID-19 pandemic for the Company's 2020 guidance and all forward-looking statements that are made or attributable to us are expressly qualified in their entirety by this cautionary notice. Any forward-looking statement that we make in this presentation speaks only as of the date of this presentation. We undertake no obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements made herein, whether as a result of new information, future events or otherwise except as required by law.

This presentation includes certain non-GAAP financial measures, including Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA growth, Adjusted EBITDA margin, Adjusted Earnings per Share and Free Cash. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with U.S. GAAP. Please refer to the Appendix of this presentation for a reconciliation of Net Income, our closest GAAP measure, to Adjusted Net Income and Adjusted EBITDA, Net, earnings per share to Adjusted Earnings per Share, Net income margin to Adjusted EBITDA margin and Net Income to Free Cash. Adjusted Net Income is defined as Net Income adjusted to add back certain charges and expenses, such as non-cash amortization resulting from push-down accounting, non-cash compensation costs and other items set forth in the reconciliation table to the Appendix, as these charges and expenses are not considered a part of our core business operations and are not an indicator of ongoing, future Company performance. Adjusted Earnings per share is calculated by dividing Adjusted Net Income by GAAP weighted-average common shares outstanding (basic and diluted). Adjusted EBITDA is defined as Net Income before depreciation and amortization, interest expense, income taxes, and also adjusted to add back certain charges and expenses, such as non-cash compensation costs and other items set forth in the reconciliation table to the Appendix, as these charges and expenses are not considered a part of our core business operations and are not an indicator of ongoing, future Company performance. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by Revenues. Free Cash is defined as Net Income before provision for bad debt and depreciation and amortization adjusted to add back certain charges and expenses, such as non-cash compensation costs and other items set forth in the reconciliation table to the Appendix, as these charges and expenses are not considered a part of our core business operations, as well as reduced by the cash used in investing activities and servicing of our debt obligations.

A quantitative reconciliation of projected Adjusted EBITDA to the most comparable GAAP measure is not available without unreasonable efforts because of the inherent difficulty in forecasting and qualifying the amounts necessary under GAAP guidance for one-time, non-recurring items including, without limitation, costs related to acquisitions and the registration of the Company's securities, and losses related to legal contingencies or disposal of assets.

Review of Key Performance Indicators

	2Q'20 vs 2Q'19
Revenue Growth	2.9%
Net Income	26.9%
Adj. EBITDA Growth⁽¹⁾	6.8%
Adj. Net Income⁽¹⁾	12.7%
Free Cash Generated⁽¹⁾	16.4%

(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

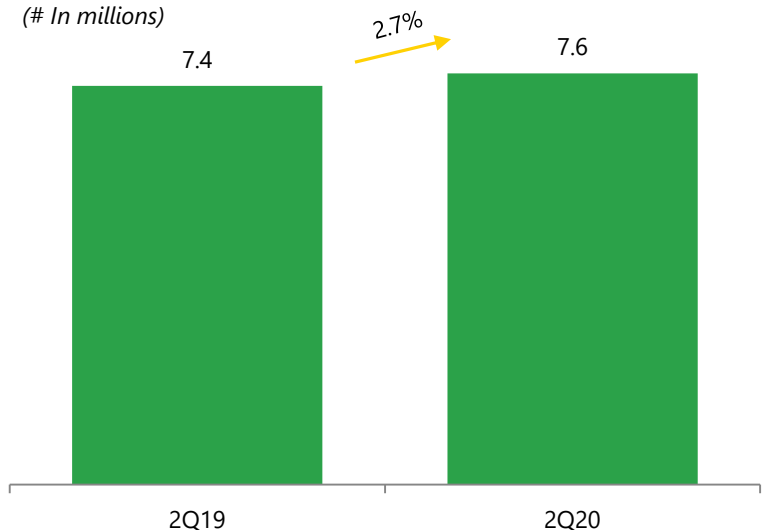
Intermex – Well Positioned to Succeed

- **House Built of Brick**
- **Profitable and Sustainable Growth**
- **Resilient and Differentiated Business Model**
- **Unique Agent Recruitment Approach**
- **Superior Customer Service**
- **High Liquidity and Free Cash Generation**

Intermex – Driving Revenue Growth

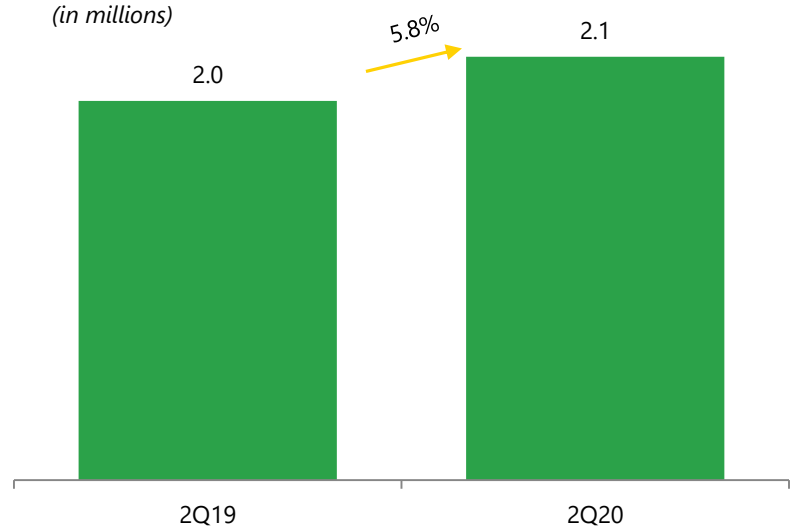
Money Transfer Transactions

(# In millions)



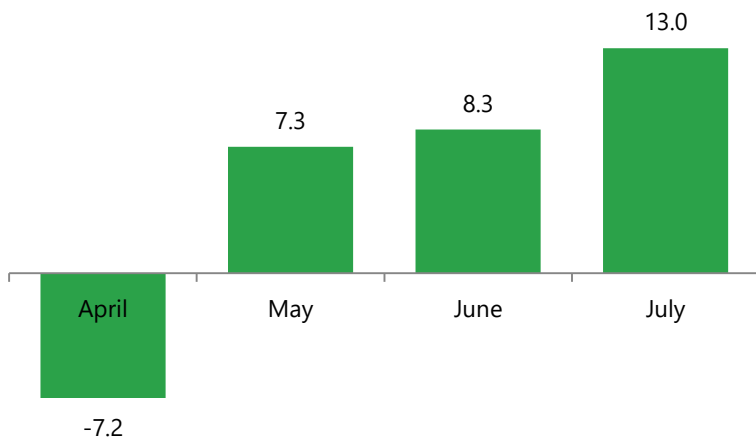
Customers

(in millions)



Money Transfer Transactions

(% Change from prior year period)



Online Business 2Q20 versus 2Q19

(Growth from prior period)

Transactions* +279%

Customers* +341%

*Original presentation contains the following immaterial errors:
Transactions +884%; Customers +608%

Growth Initiatives

➤ **New Products and Channels: Digital, White Label, Card Products, Africa Inbound and Canada Outbound**

❖ **Revenue Growth of 78% from Q1 to Q2**

➤ **Emerging LATAM Corridors**

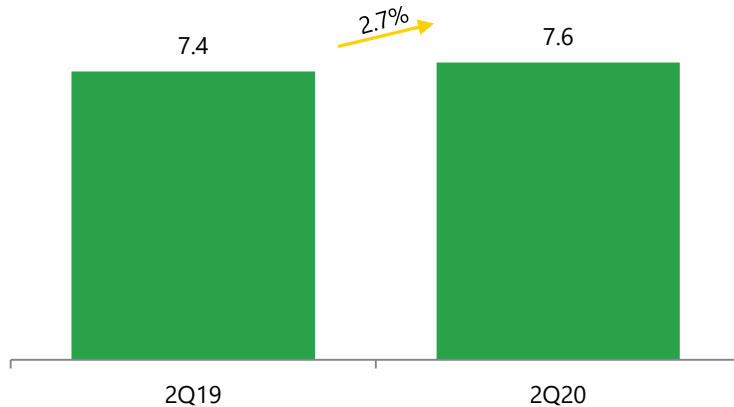
➤ **Revenue Growth of 17% from Q1 to Q2**

Combined, these new markets now represent approximately 7% of total Intermex Revenue

Intermex – Profitable and Sustainable Growth

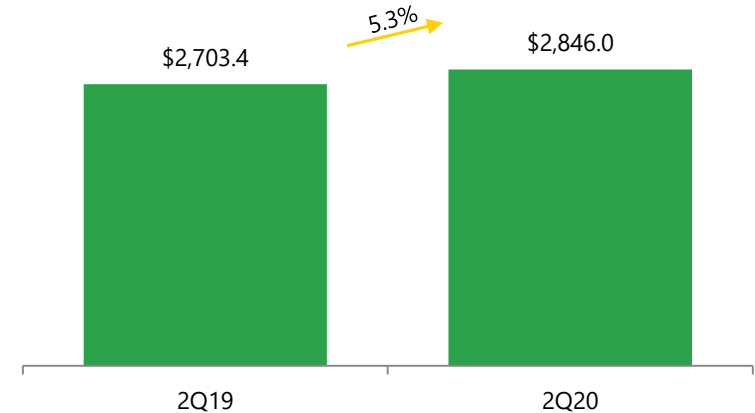
Money Transfer Transactions

(# In millions)



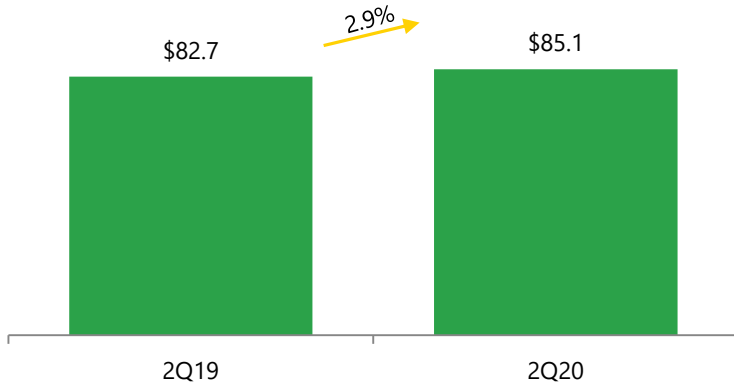
Volume

(\$ in millions)



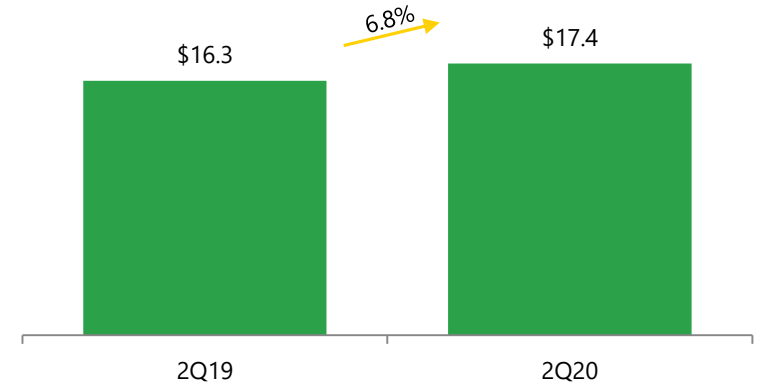
Revenue

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)



(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

Capital & Liquidity Update

➤ **Estimated Free Cash⁽¹⁾ of \$10.0M in Q2 2020**

- ❖ Increase of \$1.4M or 16.4% from Q2 2019

➤ **Highly Cash Generative Business Model**

- ❖ Converted 58% of Adjusted EBITDA⁽¹⁾ to Free Cash, after taxes, investments and debt service in Q2 2020

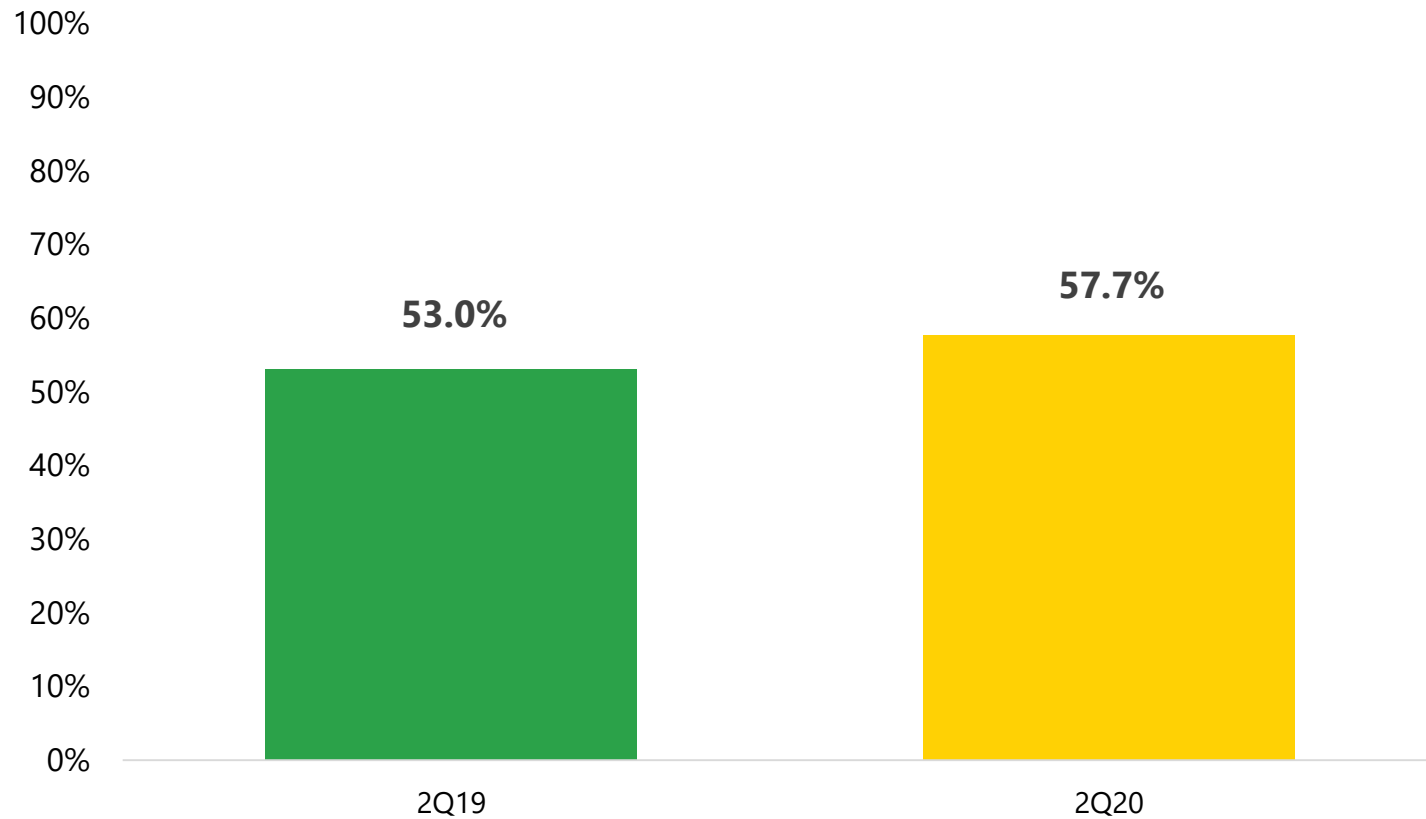
➤ **Continuing to Generate Free Cash**

- ❖ 80% of costs are variable with transaction volume

(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

Highly Cash Generative Business Model

Free Cash⁽¹⁾ as a Percentage of Adjusted EBITDA⁽¹⁾



(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

Second Quarter 2020 Performance Highlights

Revenue	Remittance Volume	Adj. EBITDA ⁽¹⁾	Net Income
\$85.1M	\$2.8B	\$17.4M	\$9.0M
+2.9%	+5.3%	+6.8%	+26.9%

- Strong and resilient results in challenging COVID-19 environment
- Adjusted EBITDA margin expanded 75bps YoY to 20.4%⁽¹⁾

(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

Third Quarter 2020 Guidance

- Revenue of \$88M – \$91M
- Adjusted EBITDA of \$17M - \$18M⁽²⁾

(2) A quantitative reconciliation of projected Adjusted EBITDA to the most comparable GAAP measure is not available without unreasonable efforts because of the inherent difficulty in forecasting and qualifying the amounts necessary under GAAP guidance for one-time, non-recurring items including, without limitation, costs related to acquisitions and the registration of the Company's securities, and losses related to legal contingencies or disposal of assets.



Appendix

Condensed Consolidated Balance Sheets

<i>(in thousands of dollars)</i>	June 30, 2020	December 31, 2019
ASSETS	(Unaudited)	
Current assets:		
Cash	\$ 101,985	\$ 86,117
Accounts receivable, net of allowance of \$808 and \$759, respectively	60,023	39,754
Prepaid wires, net	5,460	18,201
Prepaid expenses and other current assets	2,536	4,155
Total current assets	<u>170,004</u>	<u>148,227</u>
Property and equipment, net	12,735	13,282
Goodwill	36,260	36,260
Intangible assets, net	23,905	27,381
Deferred tax asset, net	83	741
Other assets	1,954	1,415
Total assets	<u>\$ 244,941</u>	<u>\$ 227,306</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net	\$ 7,044	\$ 7,044
Accounts payable	9,560	13,401
Wire transfers and money orders payable, net	47,712	40,197
Accrued and other	24,628	23,074
Total current liabilities	<u>88,944</u>	<u>83,716</u>
Long term liabilities:		
Debt, net	<u>84,101</u>	<u>87,623</u>
Total long term liabilities	84,101	87,623
Stockholders' equity:		
Total stockholders' equity	71,896	55,967
Total liabilities and stockholders' equity	<u>\$ 244,941</u>	<u>\$ 227,306</u>

Condensed Consolidated Statements of Operations

<i>(in thousands of dollars)</i>	Three Months Ended	
	June 30,	
	2020	2019
	(Unaudited)	
Revenues:		
Wire transfer and money order fees, net	\$ 72,793	\$ 70,490
Foreign exchange gain, net	11,660	11,623
Other income	609	562
Total revenues	<u>\$ 85,062</u>	<u>\$ 82,675</u>
Operating expenses:		
Service charges from agents and banks	56,271	54,622
Salaries and benefits	7,069	7,597
Other selling, general and administrative expenses	5,155	5,337
Depreciation and amortization	2,691	3,155
Total operating expenses	<u>71,186</u>	<u>70,711</u>
Operating income	13,876	11,964
Interest expense	1,633	2,288
Income before income taxes	12,243	9,676
Income tax provision	3,265	2,602
Net income	<u>\$ 8,978</u>	<u>\$ 7,074</u>
Earnings per common share		
Basic and diluted	\$ 0.24	\$ 0.19

Reconciliation from Net Income to Adj. Net Income

Three Months Ended June 30,

(in thousands of dollars)

	<u>2020</u>	<u>2019</u>
	(Unaudited)	
Net income	\$ 8,978	\$ 7,074
Adjusted for:		
Share-based compensation, 2018 plan (a)	686	634
Offering costs (b)	-	386
TCPA Settlement (c)	23	-
Other employee severance (d)	-	66
Other charges and expenses (e)	97	59
Amortization of certain intangibles (f)	1,710	2,312
Income tax benefit related to adjustments (g)	(671)	(930)
Adjusted net income	\$ 10,823	\$ 9,601

- a) Stock options and restricted stock were granted to employees and independent directors of the Company. The Company recorded \$0.7 million and \$0.6 million of expense related to these equity instruments during the three months ended June 30, 2020 and 2019, respectively.
- b) The Company incurred \$0.4 million of expenses during the three months ended June 30, 2019 for professional and legal fees in connection with a tender offer for the Company's warrants.
- c) Represents legal fees related to the settlement of a class action lawsuit related to the TCPA.
- d) Represents \$0.1 million of severance costs incurred during the three months ended June 30, 2019 related to departmental changes.
- e) Includes loss on disposal of fixed assets and foreign currency (gains) losses.
- f) Represents the amortization of certain intangible assets that resulted from the application of push-down accounting.
- g) Represents the current and deferred tax impact of the taxable adjustments to net income using the Company's blended federal and state tax rate for each period. Relevant tax-deductible adjustments include all adjustments to net income.

Reconciliation from GAAP EPS to Adj. EPS

	Three Months Ended June 30,	
	2020	2019
	(Unaudited)	
GAAP Earnings per Share Basic and Diluted	\$ 0.24	\$ 0.19
Adjusted for:		
Share-based compensation, 2018 Plan	0.02	0.02
Offering costs	-	0.01
TCPA settlement	NM	-
Other employee severance	-	NM
Other charges and expenses	NM	NM
Amortization of certain intangibles	0.04	0.06
Income tax benefit related to adjustments	(0.02)	(0.02)
Non-GAAP Adjusted Earnings per Share Basic and Diluted	\$ 0.28	\$ 0.26

[NM—Percentage is not meaningful]

Reconciliation from Net Income to Adj. EBITDA

	Three Months Ended June 30,	
	2020	2019
<i>(in thousands of dollars)</i>		
	(Unaudited)	
Net income	\$ 8,978	\$ 7,074
Adjusted for:		
Interest expense	1,633	2,288
Income tax provision	3,265	2,602
Depreciation and amortization	2,691	3,155
EBITDA	16,567	15,119
Share-based compensation, 2018 Plan (a)	686	634
Offering costs (b)	-	386
TCPA settlement (c)	23	-
Other employee severance (d)	-	66
Other charges and expenses (e)	97	59
Adjusted EBITDA	\$ 17,373	\$ 16,264

- (a) Stock options and restricted stock were granted to employees and independent directors of the Company. The Company recorded \$0.7 million and \$0.6 million of expense related to these equity instruments during the three months ended June 30, 2020 and 2019, respectively.
- (b) The Company incurred \$0.4 million of expenses during the three months ended June 30, 2019 for professional and legal fees in connection with a tender offer for the Company's warrants.
- (c) Represents legal fees related to the settlement of a class action lawsuit related to the TCPA.
- (d) Represents \$0.1 million of severance costs incurred during the three months ended June 30, 2019 related to departmental changes.
- (e) Includes loss on disposal of fixed assets and foreign currency (gains) losses.

Reconciliation from Net Income to Net Free Cash

<i>(in thousands of dollars)</i>	Three months ended June 30,	
	2020	2019
	<u>(Unaudited)</u>	
Net income for the period	\$ 8,978	\$ 7,074
Depreciation and amortization	2,691	3,155
Stock compensation expense	686	634
Provision for bad debt	364	191
Other noncash expenses	97	60
Cash used in investing Activities	(872)	(1,224)
Term loan pay downs	(1,915)	(1,277)
Net free cash generated during the period	<u><u>\$ 10,029</u></u>	<u><u>\$ 8,613</u></u>

Reconciliation from Net Income Margin to Adj. EBITDA Margin

	Three Months Ended June 30,	
	2020	2019
	(Unaudited)	
Net Income margin	10.6%	8.6%
Adjusted for:		
Interest expense	1.9%	2.8%
Income tax provision	3.8%	3.1%
Depreciation and amortization	3.2%	3.8%
EBITDA	19.5%	18.3%
Share-based compensation, 2018 Plan	0.8%	0.8%
Offering costs	0.0%	0.5%
TCPA settlement	0.0%	0.0%
Other employee severance	0.0%	0.1%
Other charges and expenses	0.1%	0.1%
Adjusted EBITDA Margin	20.4%	19.7%