



Third Quarter 2024 Earnings Presentation

November 8, 2024

Safe Harbor Statement / Non-GAAP Financial Measures

This press release contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, which reflect our current views concerning certain events that are not historical facts but could have an effect on our future performance, including but without limitation, statements regarding our plans, objectives, financial performance, business strategies, projected results of operations, and expectations for the Company. Such forward-looking statements include all statements regarding the Board’s evaluation of strategic alternatives, including exploring options for a potential sale of the Company in a private transaction. These statements may include and be identified by words or phrases such as, without limitation, “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,” “currently,” “target,” “guidance,” and similar expressions (including the negative and plural forms of such words and phrases). These forward-looking statements are based largely on information currently available to our management and our current expectations, assumptions, plans, estimates, judgments, projections about our business and our industry, and macroeconomic conditions, and are subject to various risks, uncertainties, estimates, contingencies, and other factors, many of which are outside our control, that could cause actual results to differ materially from those expressed or implied by such forward-looking statements and could materially adversely affect our business, financial condition, results of operations, cash flows, and liquidity. Such factors include, among others: risks and uncertainties as to the outcome and timing of the Board’s strategic alternative evaluation process, which may be suspended or modified at any time; the possibility that the Board may decide not to undertake a strategic alternative following the evaluation process; the Company’s inability to consummate any proposed strategic alternative resulting from the review due to, among other things, market, regulatory and other factors; the potential for disruption to our business resulting from the review process; potential adverse effects on the Company’s stock price from the announcement, suspension or consummation of the evaluation process and the results thereof; changes in applicable laws or regulations; factors relating to our business, operations and financial performance, including: loss of, or reduction in business with, key sending agents; our ability to effectively compete in the markets in which we operate; economic factors such as inflation, the level of economic activity, recession risks and labor market conditions, as well as volatility in market interest rates; international political factors, including ongoing hostilities in Ukraine and the Middle East, political instability, tariffs, border taxes or restrictions on remittances or transfers from the outbound countries in which we operate or plan to 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; public health conditions, responses thereto and the economic and market effects thereof; consumer confidence in our brands and in consumer money transfers generally; expansion into new geographic markets or product markets; our ability to successfully execute, manage, integrate and obtain the anticipated financial benefits of key acquisitions and mergers; new technology or competitors that disrupt the current money transfer and payment ecosystem, including the introduction of new digital platforms; our success in developing and introducing new products, services and infrastructure; the ability of our risk management and compliance policies, procedures and systems to mitigate risk related to transaction monitoring; consumer fraud and other risks relating to the authenticity of customers’ orders or the improper or illegal use of our services by consumers or sending agents; cybersecurity-attacks or disruptions to our information technology, computer network systems, data centers and mobile devices apps; our ability to maintain favorable banking and paying agent relationships necessary to conduct our business; bank failures, sustained financial illiquidity, or illiquidity at the clearing, cash management or custodial financial institutions with which we do business; changes to banking industry regulation and practice; credit risks from our agents and the financial institutions with which we do business; our ability to recruit and retain key personnel; our ability to maintain compliance with applicable laws and regulatory requirements, including those intended to prevent use of our money remittance services for criminal activity, those related to data and cyber-security protection, and those related to new business initiatives; enforcement actions and private litigation under regulations applicable to the money remittance services; changes in immigration laws and their enforcement; changes in tax laws in the countries in which we operate; our ability to protect intellectual property rights; our ability to satisfy our debt obligations and remain in compliance with our credit facility requirements; our use of third-party vendors and service providers; weakness in U.S. or international economic conditions; and other economic, business, and/or competitive factors, risks and uncertainties, including those described in the “Risk Factors” and other sections of periodic reports that we file with the Securities and Exchange Commission. Accordingly, we caution investors and all others not to place undue reliance on any forward-looking statements. Any forward-looking statement speaks only as of the date such statement is made and we undertake no obligation to update any of the forward-looking statements.

This presentation includes certain non-GAAP financial measures, including Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Earnings per Share (Basic and Diluted) and Net Free Cash Generated. 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, Adjusted EBITDA, and Net Free Cash Generated; Earnings per Share to Adjusted Earnings per Share, and Net Income Margin to Adjusted EBITDA Margin. Adjusted Net Income is defined as Net Income adjusted to add back certain charges and expenses, such as non-cash amortization of certain intangibles resulting from business acquisition transactions, 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-Basic and Diluted 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 business operations and are not an indicator of ongoing, future Company performance. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by Revenues. Net Free Cash Generated is defined as Net Income before provision for credit losses and depreciation and amortization adjusted to add back certain non-cash charges and expenses, such as non-cash compensation costs, and reduced by cash used in investing activities and servicing of our debt obligations.

Intermex Third Quarter 2024 Highlights

	Q3 2024
Revenue	\$171.9M -0.3% YoY
Net Income	\$17.3M +16.6% YoY
Adjusted EBITDA ⁽¹⁾	\$33.9M +6.9% YoY
Adjusted Net Income ⁽¹⁾	\$19.8M +7.7% YoY
Diluted EPS	\$0.53 +29.3%YoY
Adjusted Diluted EPS ⁽¹⁾	\$0.61 +19.6%YoY

Key operational metrics

	Q3 2024	
Active and Unique Customers	4.2M	+5.2% YoY
Money Transfer Transactions	15.2M	-0.9% YoY
Digital Transactions		+67.8% YoY
Digital Send / Receive as a % of Transactions	36%	+9.1% YoY
Total Principal Sent	\$6.4B	-3.2% YoY
Average Principal Sent	\$419	-2.3% YoY
Revenue Digital		+66.5% YoY



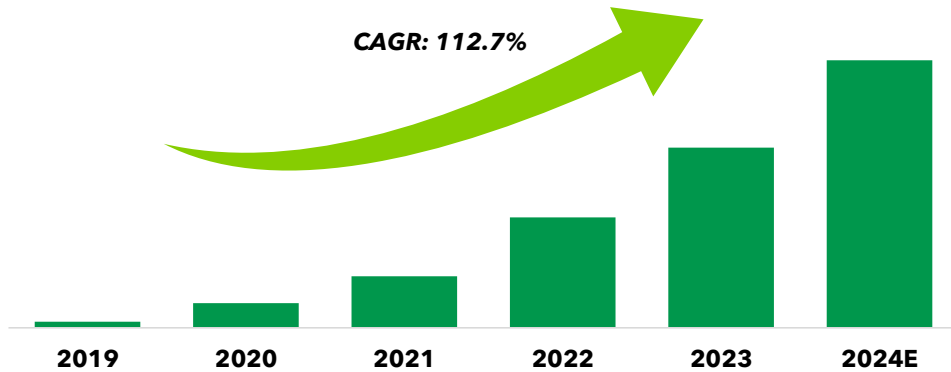
Growth Drivers

Intermex Digital Revenue and Profitability Over Time



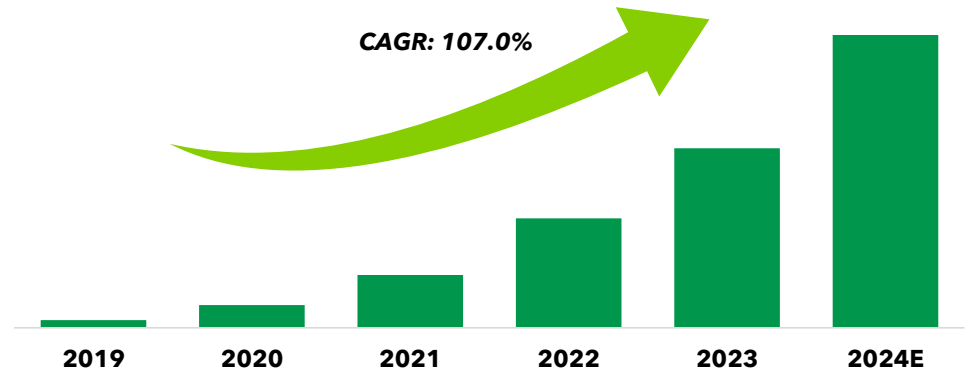
Volume

CAGR: 112.7%



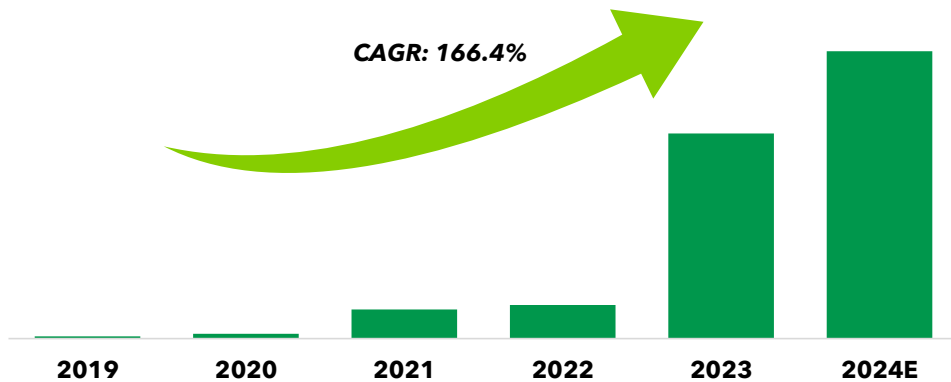
Revenue

CAGR: 107.0%

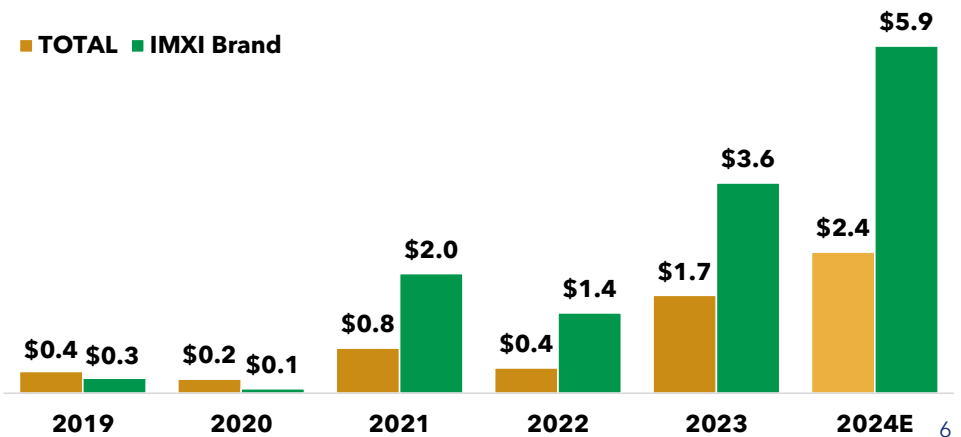


Gross Profit

CAGR: 166.4%



Gross Profit per Transaction



Intermex Consistent Strength Across All Key Metrics



	Q3 21	Q3 22	Q3 23	Q3 24	CAGR
Revenue	\$120.7M	\$140.8M	\$172.4M	\$171.9M	+12.5%
Net Income	\$11.5M	\$16.6M	\$14.8M	\$17.3M	+14.6%
Diluted EPS	\$0.29	\$0.43	\$0.41	\$0.53	+22.3%
Adjusted Net Income ⁽¹⁾	\$15.7M	\$20.7M	\$18.4M	\$19.8M	+8.2%
Adjusted EPS ⁽¹⁾	\$0.40	\$0.54	\$0.51	\$0.61	+15.1%
Adjusted EBITDA ⁽¹⁾	\$22.9M	\$27.8M	\$31.7M	\$33.9M	+14.0%
Adjusted EBITDA margin ⁽¹⁾	19.0%	19.7%	18.4%	19.7%	

EBITDA margin impacted by recent acquisitions

Protecting Core Margins Despite Market Softening



Financial Metrics (1)	Q3 2021	Q3 2022	Q3 2023	Q3 2024
Revenue Growth YoY	26.3%	16.6%	5.4%	0.2%
Staffing Costs and General Expenses Growth YoY	45.0%	15.2%	-7.6%	-3.3%
EBITDA Margin	19.0%	19.7%	20.4%	21.6%

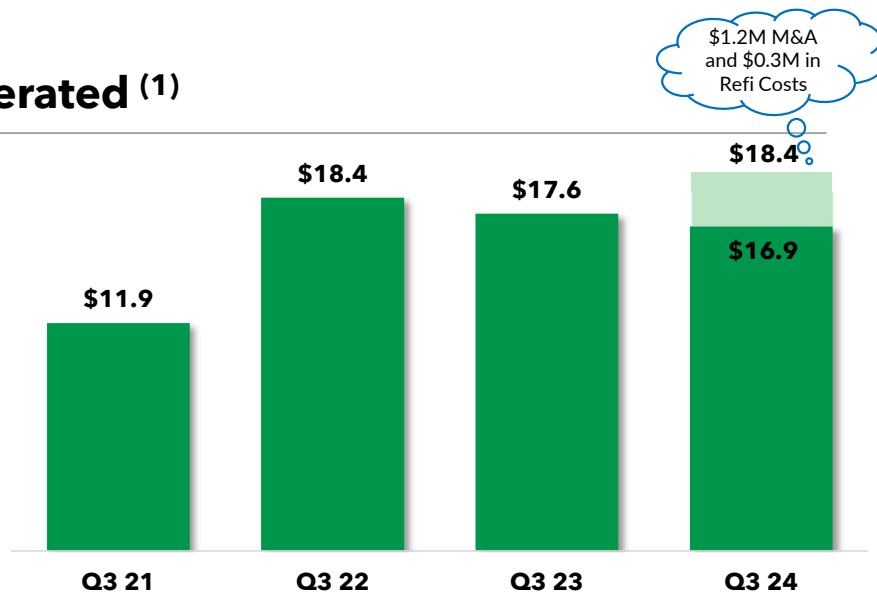
Key Takeaways

- Onshore and Offshore Workforce optimization and Zero-based budgeting
- Analysis, restructuring, and optimization of supply chain management, vendor contracts, and operations
- Implementation of solutions to measure, track, and manage high dollar expenses
- Technology platforms consolidation and migration to more cost-effective solutions
- Optimization of cloud spend through advanced analytics

Strong Cash Generation & Balance Sheet

Net Free Cash Generated (1)

(\$ in Millions)



Free Cash Generated Calculation

	Q3 21 (Unaudited)	Q3 22 (Unaudited)	Q3 23 (Unaudited)	Q3 24 (Unaudited)
Net income for the period	\$ 11,507	\$ 16,626	\$ 14,832	\$ 17,297
Depreciation and amortization	2,362	2,278	3,472	3,382
Stock compensation expense	1,112	2,625	2,274	2,312
Provision for credit losses	342	525	1,830	1,665
Cash used in investing activities	(2,342)	(2,513)	(3,160)	(7,709)
Term loan pay downs	(1,094)	(1,094)	(1,641)	-
Net free cash generated during the period	\$ 11,887	\$ 18,447	\$ 17,607	\$ 16,947



* Total revolver capacity: \$425 million.

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



Liquidity Summary

- **Cash & Cash Equivalents: \$156.6M**
- **Undrawn Revolver* at Sep 30: \$286.8M**

Leverage

- **Total Debt: \$138.2M**
- **Debt to Adj. EBITDA⁽¹⁾ (trailing twelve months): 1.1x**

Capital Allocation Priorities

> \$51.2M

Net Free Cash
Generated in last 12 months



> \$62.4M (excluding HQ CAPEX and M&A)

Net Free Cash
Generated in last 12 months



1

Reinvest

Retail: continued investment in regional sales team and agent acquisition strategy

Digital: continued enhancement of digital solutions with in-app card activations and new payroll programs

2

Returning Capital*

Q3 2024: \$20.3M

Q3 2023: \$10.1M

Inception to 09/30: \$179.5M

3

Value-focused M&A

La Nacional: Further penetrating a key LACA market

I-Transfer: Outbound remittances capabilities from Spain, Italy, and Germany... "passport-able" across EU

UK Acquisition: Closed on July 2, 2024



intermex
INTERNATIONAL MONEY EXPRESS

Appendix

Consolidated Balance Sheets

(in thousands of dollars)

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
	(Unaudited)	
ASSETS		
Current assets:		
Cash	\$ 156,611	\$ 239,203
Accounts receivable, net	126,296	155,237
Prepaid wires, net	32,103	28,366
Prepaid expenses and other current assets	<u>10,831</u>	<u>10,068</u>
Total current assets	325,841	432,874
Property and equipment, net	49,497	31,656
Goodwill	55,195	53,986
Intangible assets, net	15,677	18,143
Deferred tax asset, net	451	-
Other assets	<u>34,262</u>	<u>40,153</u>
Total assets	<u>\$ 480,923</u>	<u>\$ 576,812</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net	\$ -	\$ 7,163
Accounts payable	29,618	36,507
Wire transfers and money orders payable, net	105,719	125,042
Accrued and other liabilities	<u>45,553</u>	<u>54,661</u>
Total current liabilities	180,890	223,373
Long-term liabilities:		
Debt, net	138,228	181,073
Lease liabilities, net	19,960	22,670
Deferred tax liability, net	<u>-</u>	<u>659</u>
Total long-term liabilities	158,188	204,402
Stockholders' equity:		
Total stockholders' equity	<u>141,845</u>	<u>149,037</u>
Total liabilities and stockholders' equity	<u>\$ 480,923</u>	<u>\$ 576,812</u>

Consolidated Statements of Income

	Three Months Ended September 30,	
	2024	2023
	(Unaudited)	
<i>(in thousands of dollars, except for share data)</i>		
Revenues:		
Wire transfer and money order fees, net	\$ 144,600	\$ 147,387
Foreign exchange gain, net	23,954	22,688
Other income	<u>3,393</u>	<u>2,362</u>
Total revenues	171,947	172,437
Operating expenses:		
Service charges from agents and banks	111,348	112,871
Salaries and benefits	17,238	17,789
Other selling, general and administrative expenses	12,127	12,908
Restructuring costs	27	1,145
Depreciation and amortization	<u>3,382</u>	<u>3,472</u>
Total operating expenses	144,122	148,185
Operating income	27,825	24,252
Interest expense	<u>3,200</u>	<u>2,801</u>
Income before income taxes	24,625	21,451
Income tax provision	<u>7,328</u>	<u>6,619</u>
Net income	<u>\$ 17,297</u>	<u>\$ 14,832</u>
Other comprehensive (loss) income	<u>(66)</u>	<u>(214)</u>
Comprehensive income	<u>\$ 17,231</u>	<u>\$ 14,618</u>
Earnings per common share:		
Basic	\$ 0.53	\$ 0.42
Diluted	\$ 0.53	\$ 0.41
Weighted-average common shares outstanding:		
Basic	32,366,831	35,320,809
Diluted	32,732,465	36,082,163

Recon. from NI to Adjusted NI

	Three Months Ended September 30,	
	2024	2023
	(Unaudited)	
<i>(in thousands of dollars, except for share data)</i>		
Net Income	\$ 17,297	\$ 14,832
Adjusted for:		
Share-based compensation (a)	2,312	2,274
Restructuring costs (b)	27	1,145
Transaction costs (c)	50	13
Other charges and expenses (d)	276	535
Amortization of intangibles (e)	959	1,228
Income tax benefit related to adjustments (f)	(1,078)	(1,602)
Adjusted Net Income	<u>\$ 19,843</u>	<u>\$ 18,425</u>
Adjusted Earnings per share		
Basic	\$ 0.61	\$ 0.52
Diluted	\$ 0.61	\$ 0.51

(a) Represents shared-based compensation relating to equity awards granted primarily to employees and independent directors of the Company.

(b) Represents primarily severance, write-off of assets and, legal and professional fees related to the execution of restructuring plans.

(c) Represents primarily financial advisory, professional and legal fees related to business acquisition transactions.

(d) Represents primarily loss on disposal of fixed assets.

(e) Represents the amortization of intangible assets that resulted from business acquisition transactions.

(f) 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.

Recon. from Net Income to Adjusted EBITDA

	Three Months Ended September 30,	
<i>(in thousands of dollars)</i>	2024	2023
	(Unaudited)	
Net income	\$ 17,297	\$ 14,832
Adjusted for:		
Interest expense	3,200	2,801
Income tax provision	7,328	6,619
Depreciation and amortization	3,382	3,472
EBITDA	31,207	27,724
Share-based compensation (a)	2,312	2,274
Restructuring costs (b)	27	1,145
Transaction costs (c)	50	13
Other charges and expenses (d)	276	535
Adjusted EBITDA	\$ 33,872	\$ 31,691

(a) Represents share-based compensation relating to equity awards granted primarily to employees and independent directors of the Company.

(b) Represents primarily severance, write-off of assets, and legal and professional fees related to the execution of restructuring plans.

(c) Represents primarily financial advisory, professional and legal fees related to business acquisition transactions.

(d) Represents primarily loss on disposal of fixed assets.

Recon. from GAAP Basic EPS to Adjusted Basic EPS

	Three months ended September 30,	
	2024	2023
	(Unaudited)	
GAAP Basic Earnings per Share	\$ 0.53	\$ 0.42
Adjusted for:		
Share-based compensation	0.07	0.06
Restructuring costs	NM	0.03
Transaction costs	NM	-
Other charges and expenses	0.01	0.02
Amortization of intangibles	0.03	0.03
Income tax benefit related to adjustments	(0.03)	(0.05)
Non-GAAP Adjusted Basic Earnings per Share	<u>\$ 0.61</u>	<u>\$ 0.52</u>

NM - Amount is not meaningful

The table above may contain slight summation differences due to rounding

Recon. from GAAP Diluted EPS to Adjusted Diluted EPS

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
	(Unaudited)	
GAAP Diluted Earnings per Share	\$ 0.53	\$ 0.41
Adjusted for:		
Share-based compensation	0.07	0.06
Restructuring costs	NM	0.03
Transaction costs	NM	-
Other charges and expenses	0.01	0.01
Amortization of intangibles	0.03	0.03
Income tax benefit related to adjustments	(0.03)	(0.04)
Non-GAAP Adjusted Diluted Earnings per Share	<u>\$ 0.61</u>	<u>\$ 0.51</u>

NM - Amount is not meaningful

The table above may contain slight summation differences due to rounding

Recon. of NI Margin to Adj. EBITDA Margin

	Three Months Ended September 30,	
	2024	2023
	(Unaudited)	
Net Income Margin	10.1%	8.6%
Adjusted for:		
Interest expense	1.9%	1.6%
Income tax provision	4.3%	3.8%
Depreciation and amortization	2.0%	2.0%
EBITDA Margin	18.1%	16.1%
Share-based compensation	1.3%	1.3%
Restructuring costs	0.0%	0.7%
Transaction costs	0.0%	0.0%
Legal contingency gain	0.0%	0.0%
Other charges and expenses	0.2%	0.3%
Adjusted EBITDA Margin	19.7%	18.4%

The table above may contain slight summation differences due to rounding

Recon. of NI to Net Free Cash Generated

<i>(in thousands of dollars)</i>	<u>For the three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
	(Unaudited)	
Net income for the period	\$ 17,297	\$ 14,832
Depreciation and amortization	3,382	3,472
Share-based compensation	2,312	2,274
Provision for credit losses	1,665	1,830
Cash used in investing activities	(7,709)	(3,160)
Term loan pay downs	-	(1,641)
Net free cash generated during the period	<u>\$ 16,947</u>	<u>\$ 17,607</u>

**Questions or request for conference
call please contact:**

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