

# 3rd Quarter 2023 Earnings Presentation

November 7, 2023



# Safe Harbor Statement / Non-GAAP Financial Measures

This presentation contains “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 affect 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. 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,” “remains”, and similar expressions (including the negative and plural forms of such words and phrases). Our 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 beyond our control, 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. Such factors include, among others, changes in applicable laws or regulations; factors relating to our business, operations and financial performance, including: our ability to successfully execute, manage, integrate and obtain the anticipated financial benefits of key acquisitions and mergers; economic factors such as inflation, the level of economic activity, recession risks and labor market conditions, as well as rising interest rates; public health conditions, responses thereto and the economic and market effects thereof; 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 favorable banking and agent relationships necessary to conduct our business; credit risks from our agents and the financial institutions with which we do business; bank failures, sustained financial illiquidity or illiquidity at our clearing cash management or custodial financial institutions; new technology or competitors that disrupt the current ecosystem, including the introduction of new digital platforms; cyber-attacks or disruptions to our information technology, computer network systems, data centers and mobile devices apps; our ability to satisfy our debt obligations and remain in compliance with our credit facility requirements; our success in developing and introducing new products, services and infrastructure; consumer confidence in our brands and in consumer money transfers generally; our ability to maintain compliance with applicable regulatory requirements; international political factors, political stability, tariffs, border taxes or restrictions on remittances or transfers; currency restrictions and volatility in countries in which we operate or plan to operate; consumer fraud and other risks relating to the authenticity of customers’ orders; changes in immigration laws and their enforcement; our ability to protect our brands and intellectual property rights; weakness in U.S. or international economic conditions; changes in tax laws in the countries in which we operate; our ability to recruit and retain key personnel; 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.

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 quantifying the amounts necessary under GAAP guidance for operating or other adjusted items including, without limitation, costs and expenses related to acquisitions and other transactions, share-based compensation, tax effects of certain adjustments and losses related to legal contingencies or disposal of assets. For the same reasons, we are unable to address the probable significance of the unavailable information.

# Third Quarter 2023 Highlights

**\$172.4M**

Revenue  
22.5% YoY Growth

**\$14.8M**

Net Income  
-10.8% YoY Decline

**\$0.41**

Diluted EPS  
-4.7% YoY Decline

**\$31.7M**

Adjusted EBITDA<sup>(1)</sup>  
14.0% YoY Growth

**\$18.4M**

Adjusted Net Income<sup>(1)</sup>  
-11.1% YoY Decline

**\$0.51**

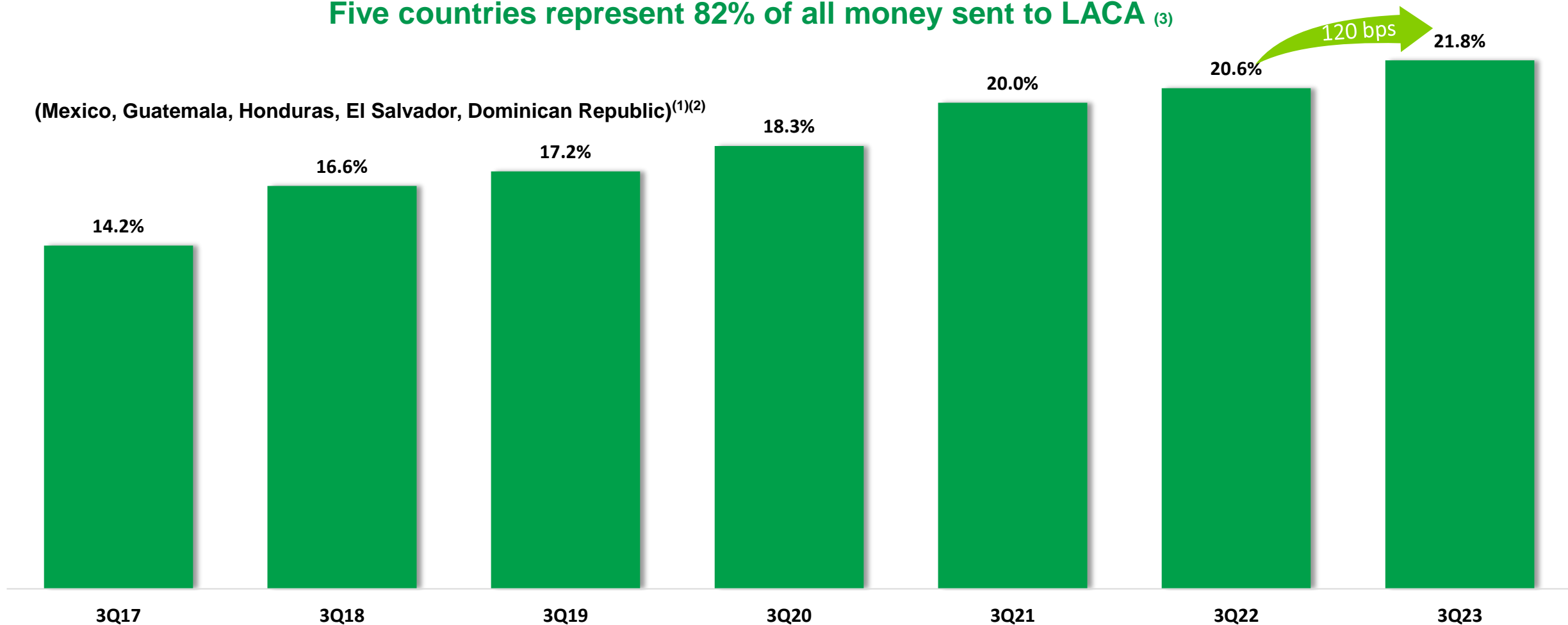
Adjusted Diluted EPS<sup>(1)</sup>  
-5.6% YoY Decline

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

# Driving Market Share Growth

Five countries represent 82% of all money sent to LACA <sup>(3)</sup>

(Mexico, Guatemala, Honduras, El Salvador, Dominican Republic)<sup>(1)(2)</sup>

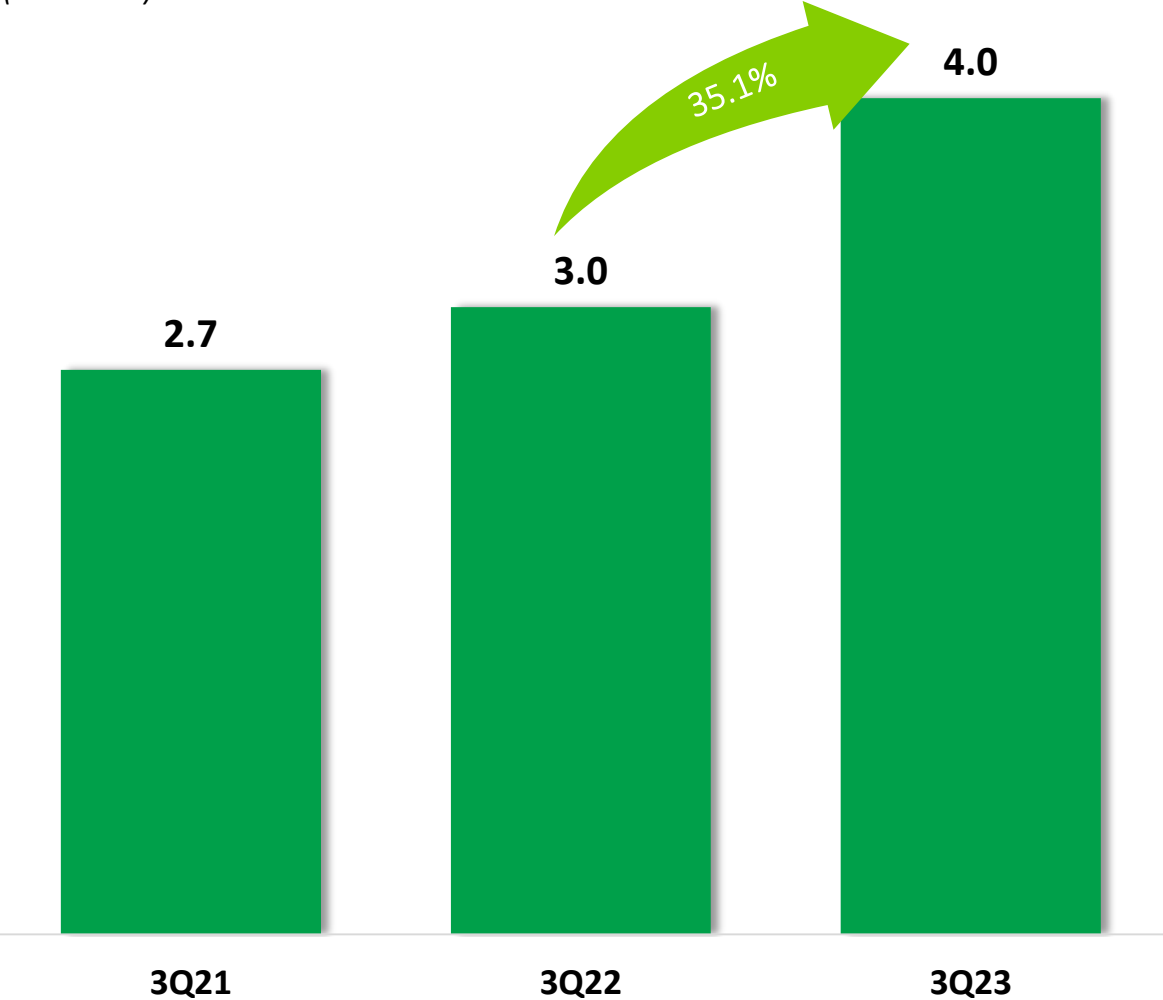


- 1) Market size inbound remittances per Banco de Mexico, Banco de Guatemala, Banco Central de Reserva de El Salvador, Banco Central de Honduras, and Banco Central Republica Dominicana, using 2017 World Bank Bilateral Matrix, US Country Shares percentages to calculate US-based remittance volume.
- 2) Top five markets include Mexico, Guatemala, Honduras, El Salvador, Dominican Republic.
- 3) LACA - Latin America and the Caribbean

# Customer & Transaction Growth Drives Revenue

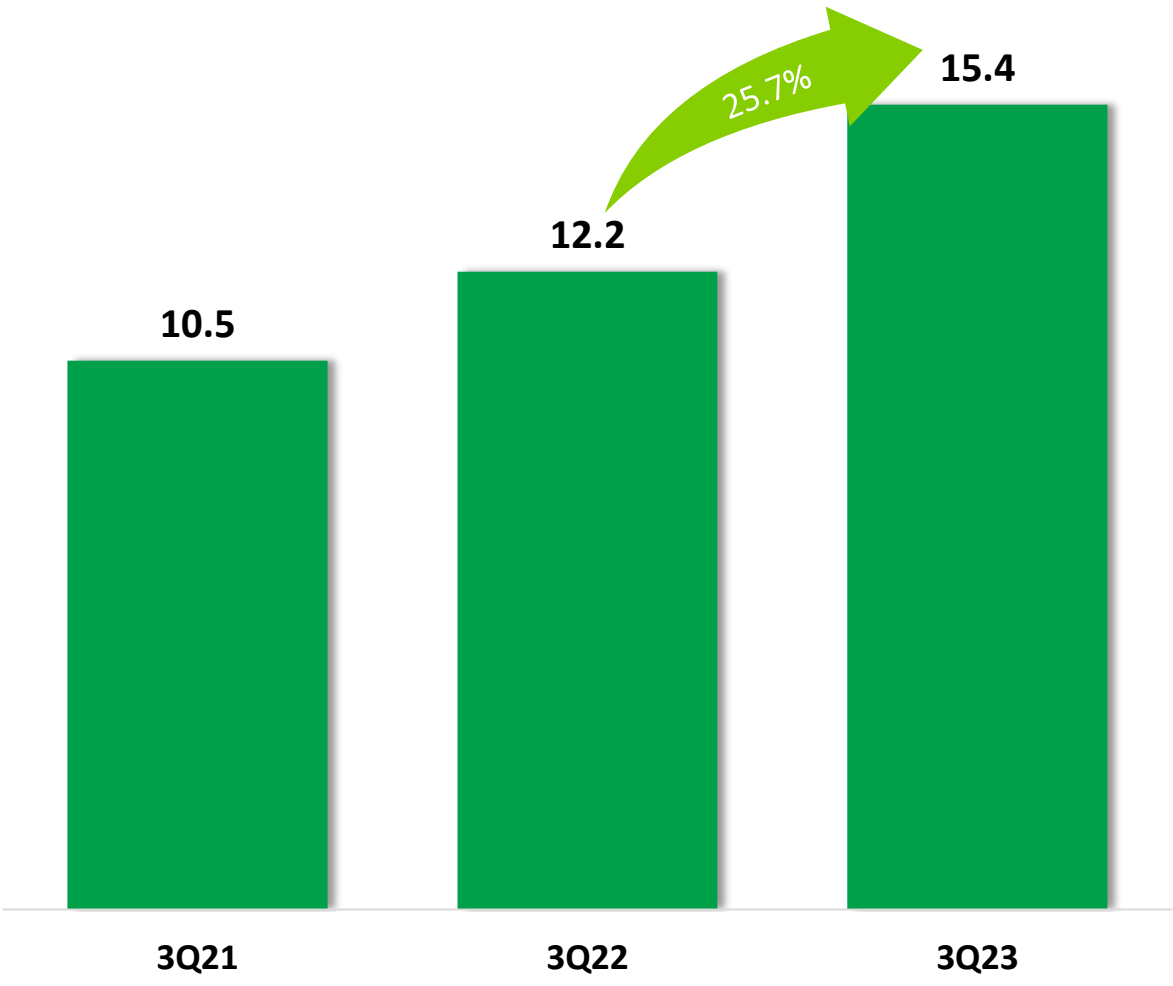
Active, Unique Customers at the end of the Quarter

(in millions)



Money Transfer Transactions

(in millions)



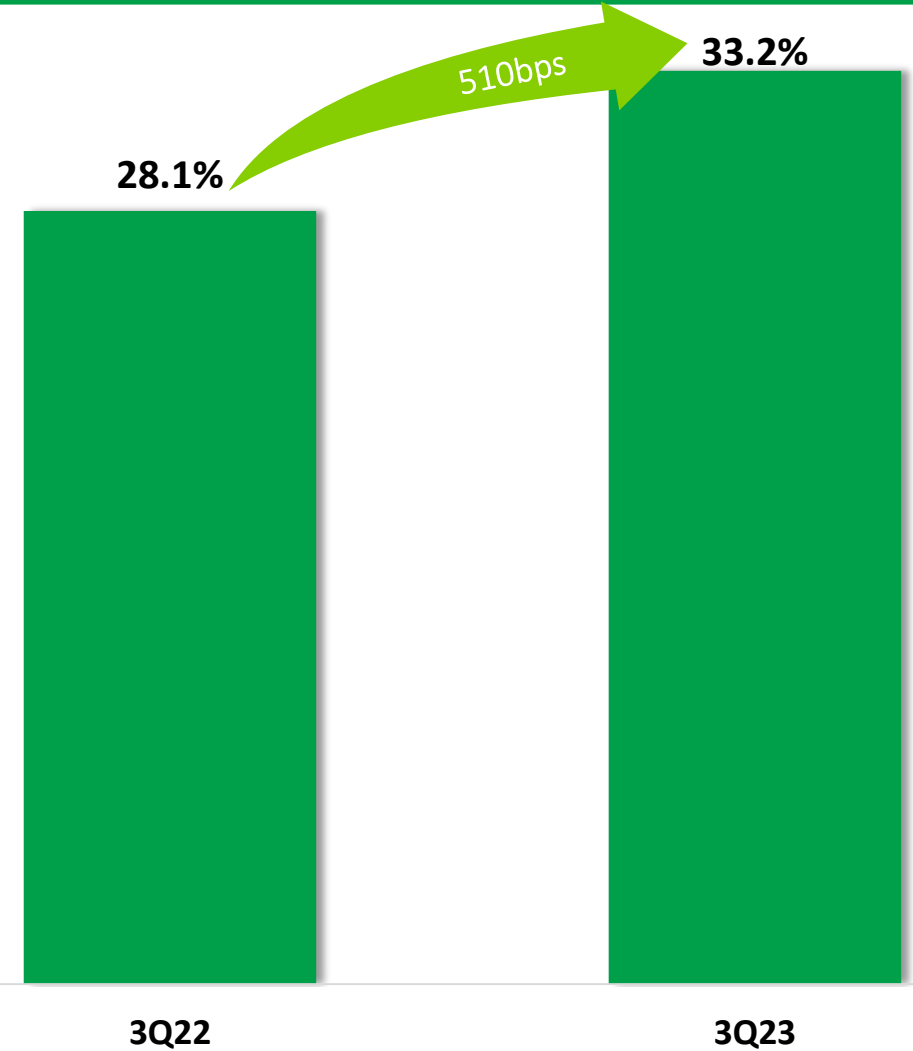
Note: Percentage calculations may contain differences due to rounding.

# Digital Transaction Growth

Digitally Originated Transactions



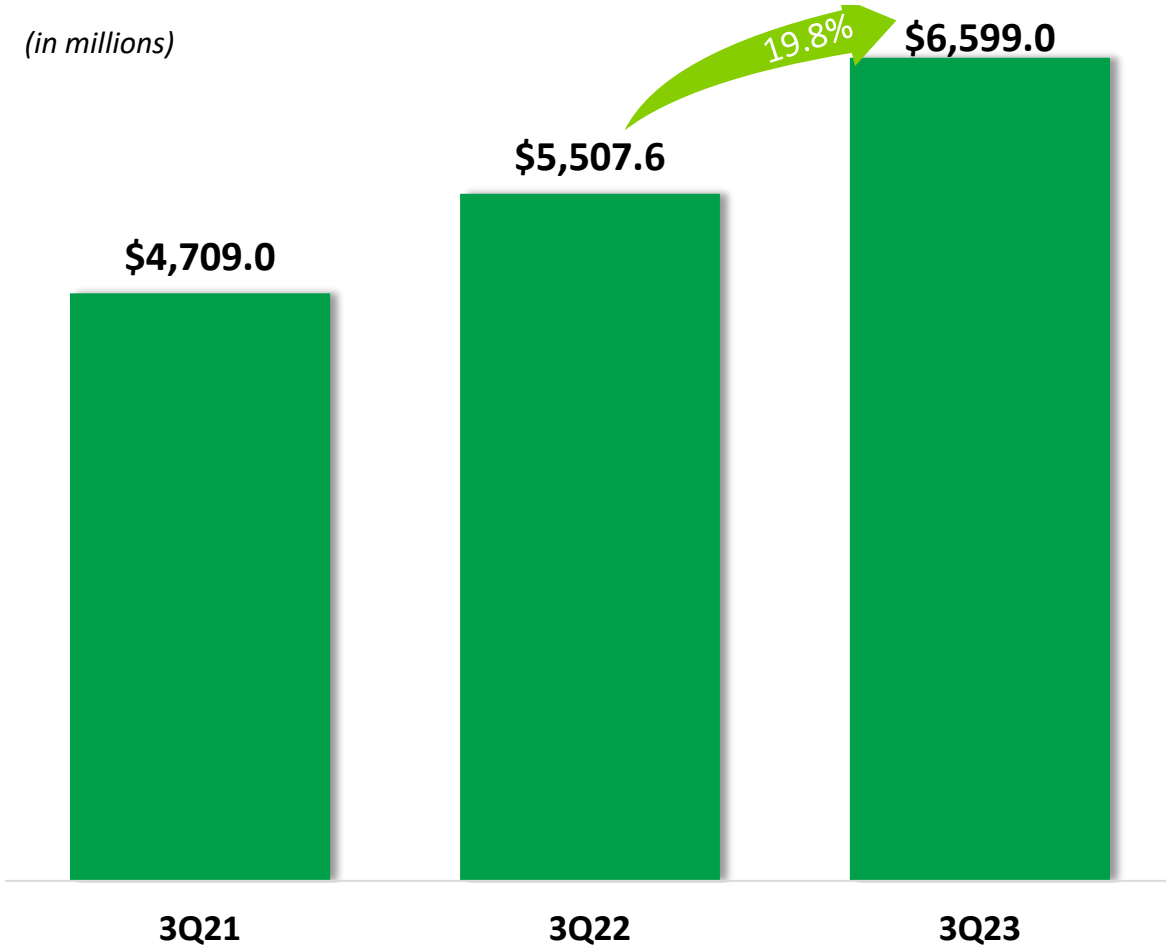
Total Digital Send / Receive as a % of Total Transactions



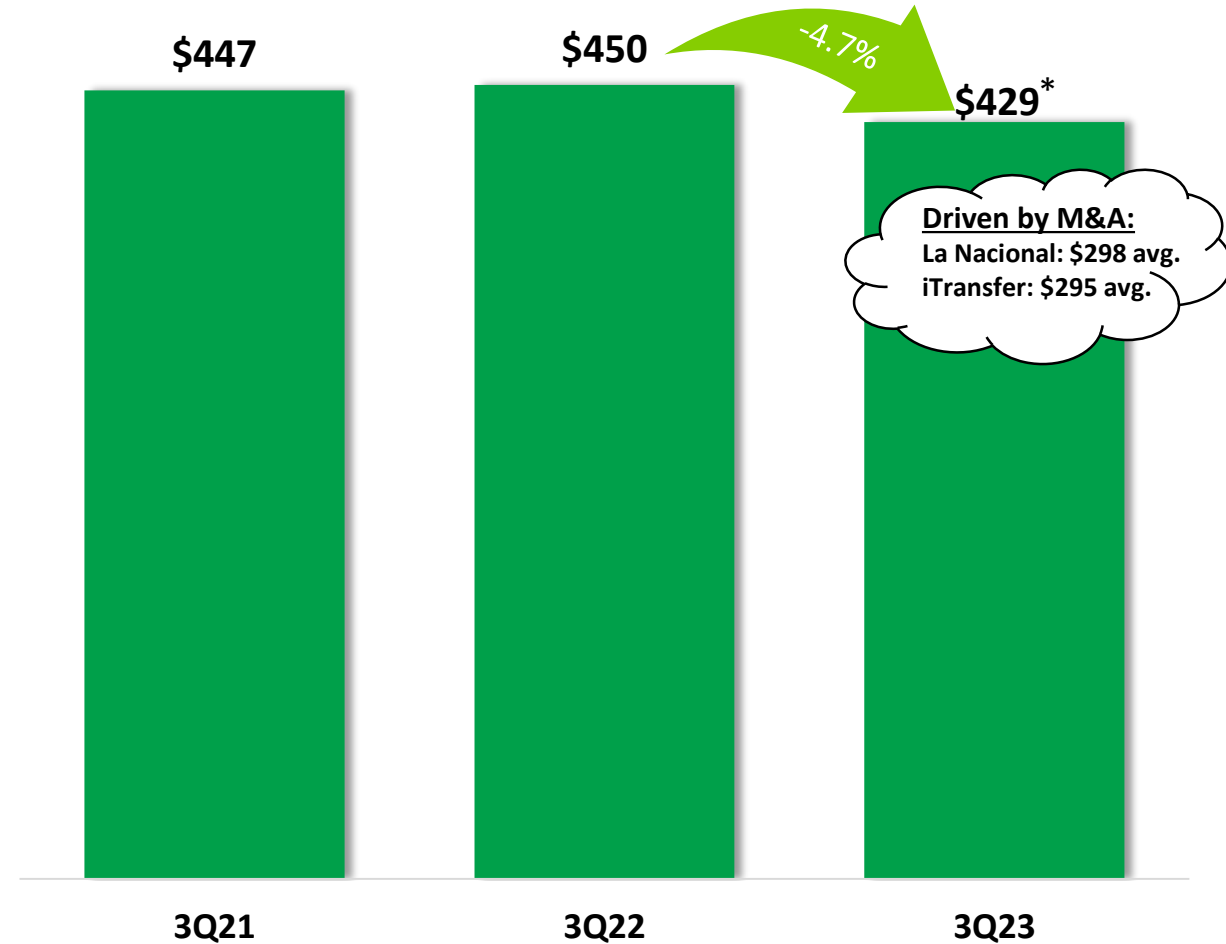
# Principal Sent Trends

## Principal Sent

(in millions)



## Average Principal Sent

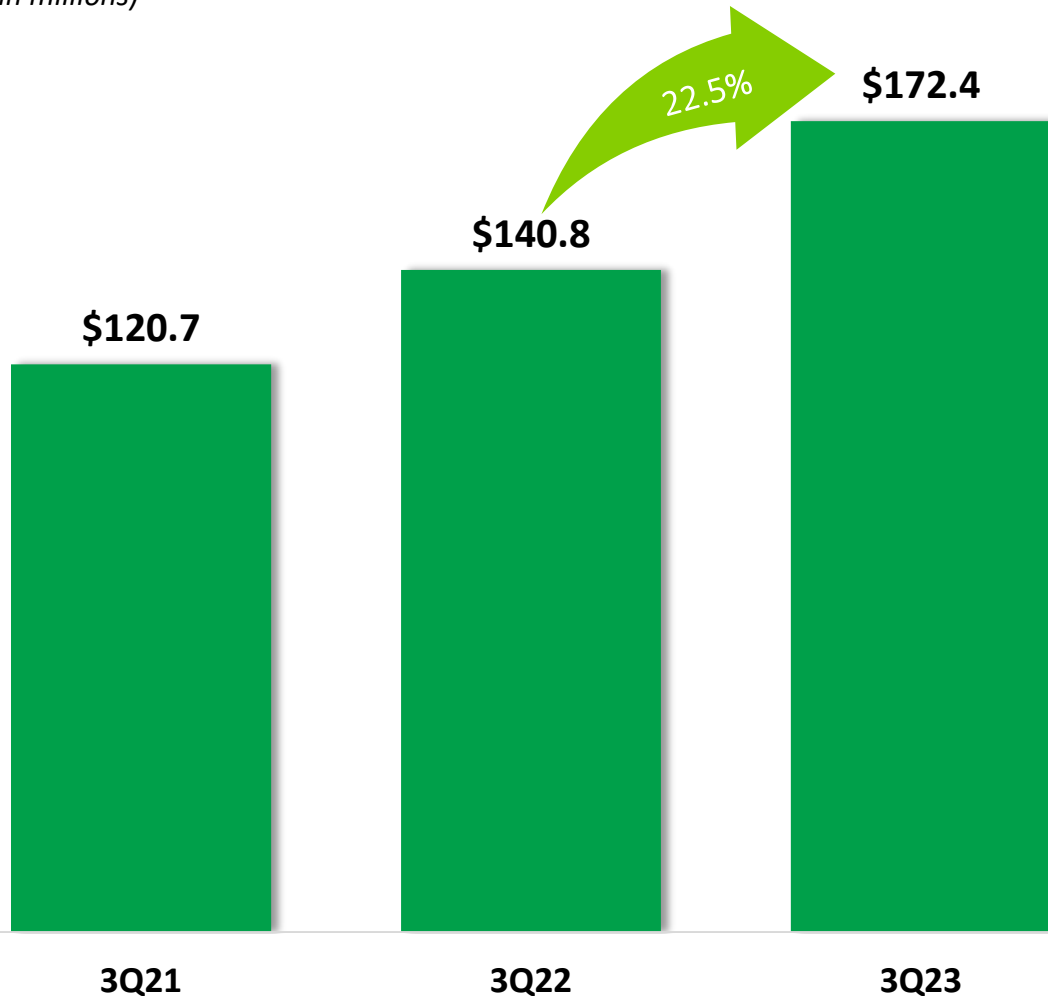


\* Core business avg. principal up \$4 YoY

# Revenue and Net Income: 3Q 2023

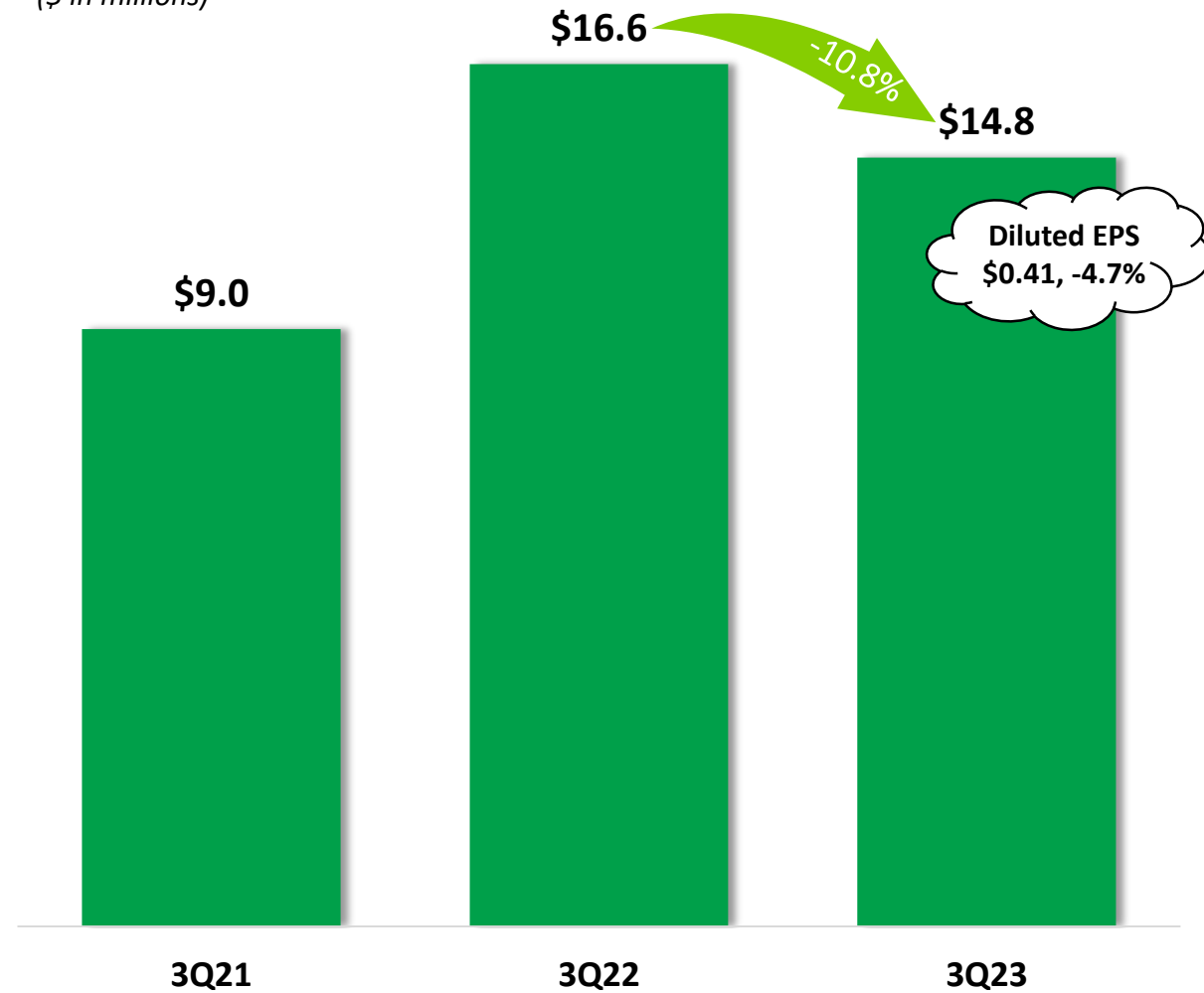
## Revenue

(\$ in millions)



## Net Income

(\$ in millions)

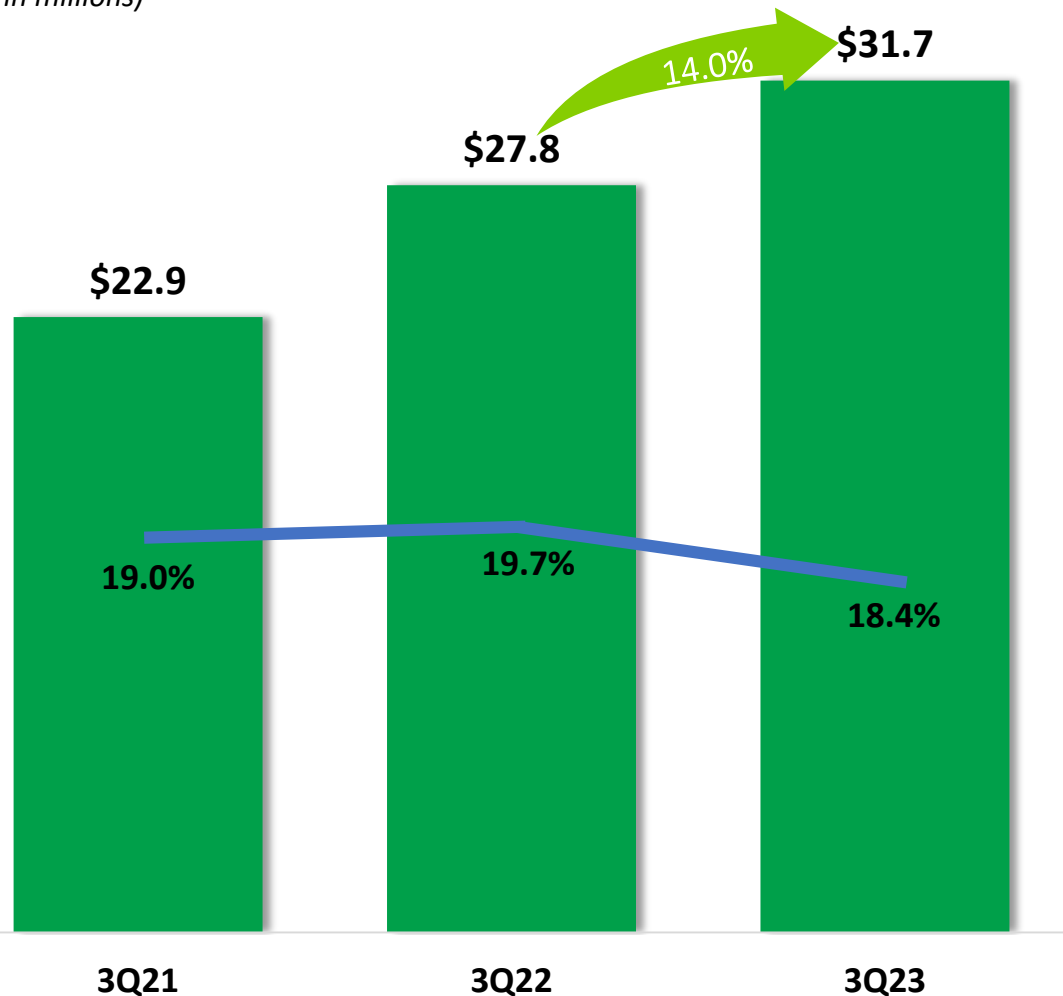




# Adj. EBITDA, Adj. NI: 3Q 2023

## Adjusted EBITDA <sup>(1)</sup>

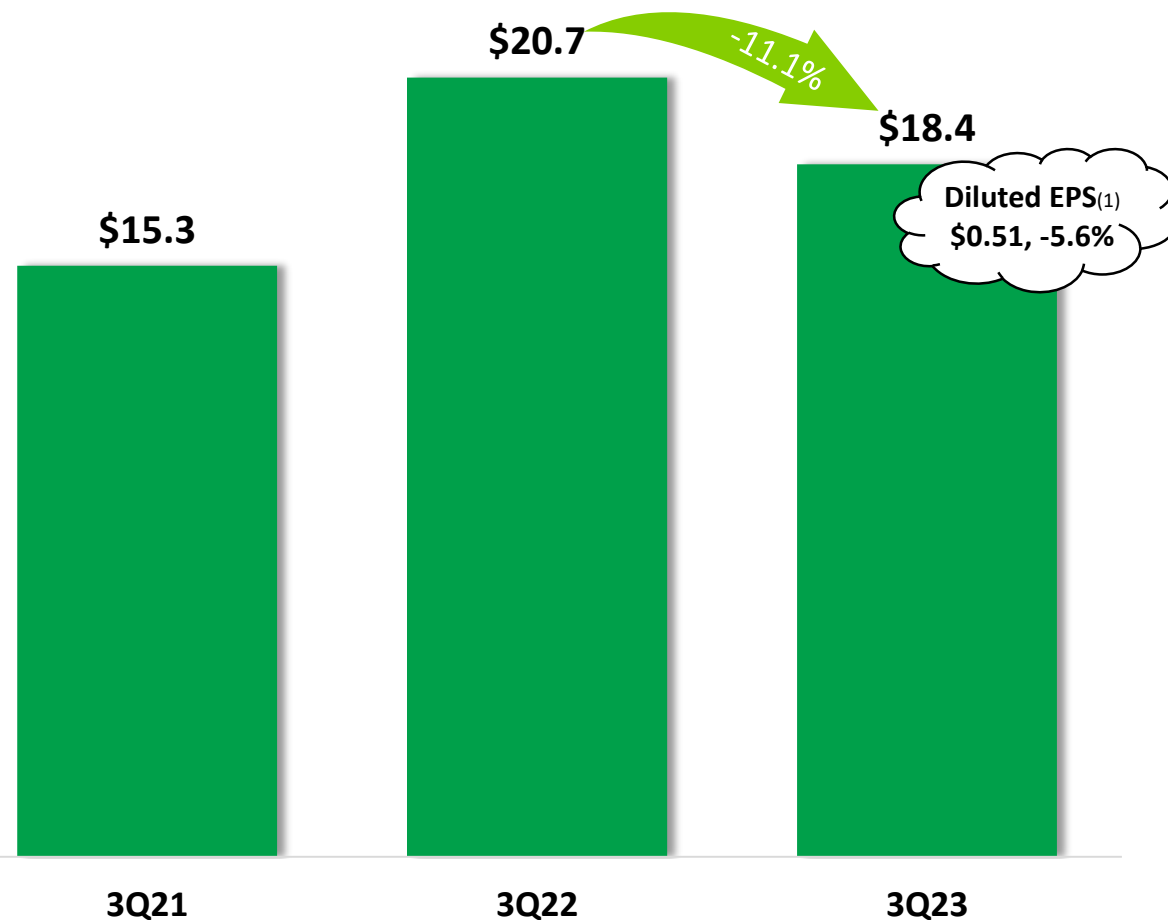
(\$ in millions)



Adj. EBITDA Margin <sup>(1)</sup>

## Adjusted Net Income <sup>(1)</sup>

(\$ in millions)

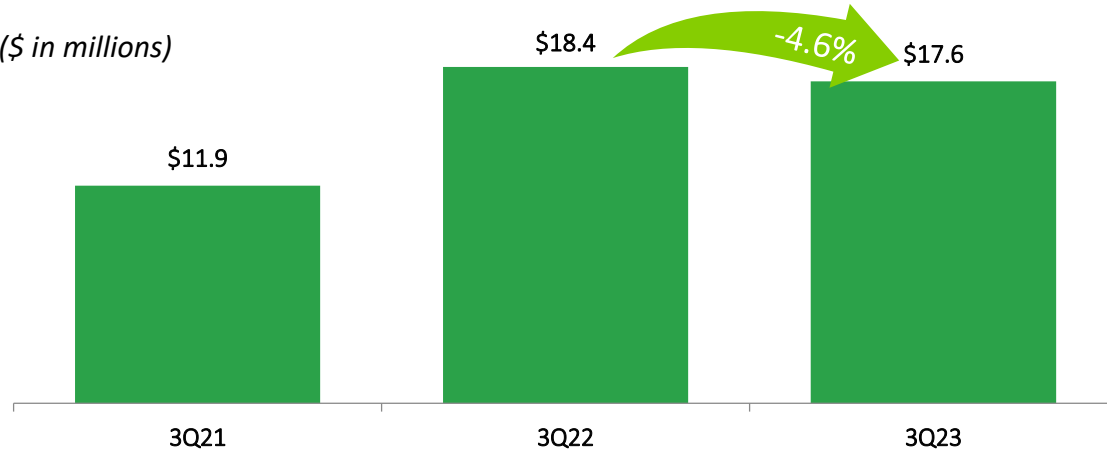


(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

# Strong Cash Generation & Balance Sheet

## Net Free Cash Generated<sup>(1)</sup>

(\$ in millions)



(in thousands of dollars)

	Three months ended September 30,		
	2021	2022	2023
		(Unaudited)	
<b>Net income for the period</b>	\$ 11,507	\$ 16,626	\$ 14,832
Depreciation and amortization	2,362	2,278	3,472
Share-based compensation	1,112	2,625	2,274
Provision for credit losses	342	525	1,830
Cash used in investing activities	(2,342)	(2,513)	(3,160)
Term loan pay downs	(1,094)	(1,094)	(1,641)
<b>Net free cash generated during the period</b>	<b>\$ 11,887</b>	<b>\$ 18,447</b>	<b>\$ 17,607</b>

(1) Non-GAAP measure.

Ttm – trailing twelve months

\* Total Revolver capacity on Sept 30: \$220 million.

## Liquidity Summary

- Cash & Equivalents: \$222.4M
- Undrawn Revolver\* at 9/30/23: \$64M

## Leverage

- Total Debt: \$199.8M
- Debt to Adj. EBITDA (trailing twelve months): 1.7x
- Net Debt to Adj. EBITDA (trailing twelve months): NM

## Capital Allocation Priorities

- Reinvest in Business: Exceptional IMXI ROE
- M&A: Value-Focused (ie: La Nacional)
- Returning Capital: Meaningful Buyback

## Share Repurchases

- Q3 2023: \$10.0M (502,000 Shares)
- Inception to 9/30/23: \$99.5M (4.6M Shares)
- Average purchase price per share since inception: \$21.75

# 2023 Guidance

## Fourth Quarter 2023

**Revenue**  
\$170.0M – \$181.0M,  
Up 10% - 17%

**Diluted EPS**  
\$0.43 – \$0.46,  
Up 22% - 30%

**Adjusted Diluted  
EPS <sup>(1)</sup>**  
\$0.51 – \$0.54,  
Up 6% - 12%

**Adjusted EBITDA <sup>(1)</sup>**  
\$31.4M – \$33.4M,  
Up 8% - 15%

(1) A quantitative reconciliation of projected Adjusted Net Income and 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

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# Condensed Consolidated Balance Sheets

<i>(in thousands of dollars)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
<b>ASSETS</b>	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 222,447	\$ 149,493
Accounts receivable, net	163,007	129,808
Prepaid wires, net	84,147	90,386
Prepaid expenses and other current assets	12,730	12,749
Total current assets	<u>482,331</u>	<u>382,436</u>
Property and equipment, net	28,967	28,160
Goodwill	53,814	49,774
Intangible assets, net	19,358	19,826
Other assets	35,121	31,876
Total assets	<u>\$ 619,591</u>	<u>\$ 512,072</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt, net	\$ 6,616	\$ 4,975
Accounts payable	33,283	25,686
Wire transfers and money orders payable, net	159,858	112,251
Accrued and other liabilities	44,270	41,855
Total current liabilities	<u>244,027</u>	<u>184,767</u>
Long-term liabilities:		
Debt, net	193,137	150,235
Lease liabilities, net	22,465	23,272
Deferred tax liability, net	2,324	3,892
Total long-term liabilities	<u>217,926</u>	<u>177,399</u>
Stockholders' equity:		
Total stockholders' equity	157,638	149,906
Total liabilities and stockholders' equity	<u>\$ 619,591</u>	<u>\$ 512,072</u>

# Condensed Consolidated Statements of Income

<i>(in thousands of dollars, except for share data)</i>	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)		(Unaudited)	
Revenues:				
Wire transfer and money order fees, net	\$ 147,387	\$ 120,718	\$ 416,355	\$ 336,340
Foreign exchange gain, net	22,688	18,851	64,239	52,719
Other income	2,362	1,198	6,358	3,309
Total revenues	<u>172,437</u>	<u>140,767</u>	<u>486,952</u>	<u>392,368</u>
Operating expenses:				
Service charges from agents and banks	112,871	93,658	319,983	262,717
Salaries and benefits	18,607	13,853	52,415	36,911
Other selling, general and administrative expenses	13,235	10,232	37,210	24,964
Depreciation and amortization	3,472	2,278	9,511	6,712
Total operating expenses	<u>148,185</u>	<u>120,021</u>	<u>419,119</u>	<u>331,304</u>
Operating income	24,252	20,746	67,833	61,064
Interest expense	<u>2,801</u>	<u>1,466</u>	<u>7,643</u>	<u>3,530</u>
Income before income taxes	21,451	19,280	60,190	57,534
Income tax provision	<u>6,619</u>	<u>2,654</u>	<u>18,174</u>	<u>13,270</u>
Net income	<u>\$ 14,832</u>	<u>\$ 16,626</u>	<u>\$ 42,016</u>	<u>\$ 44,264</u>
Earnings per common share:				
Basic	\$ 0.42	\$ 0.44	\$ 1.17	\$ 1.16
Diluted	\$ 0.41	\$ 0.43	\$ 1.14	\$ 1.14
Weighted-average common shares outstanding:				
Basic	35,320,809	37,390,632	35,930,234	37,999,709
Diluted	36,082,163	38,425,868	36,767,680	38,907,283

# Reconciliation from NI to Adjusted NI

<i>(in thousands of dollars, except for per share data)</i>	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)		(Unaudited)	
<b>Net income</b>	\$ 14,832	\$ 16,626	\$ 42,016	\$ 44,264
<b>Adjusted for:</b>				
Share-based compensation (a)	2,274	2,625	6,217	5,558
Restructuring costs (b)	1,145	-	1,145	-
Transaction costs (c)	13	258	411	474
Loss on bank closure (d)	-	1,583	-	1,583
Other charges and expenses (e)	535	301	1,556	759
Amortization of intangibles (f)	1,228	972	3,562	2,916
Income tax benefit related to adjustments (g)	(1,602)	(1,632)	(3,892)	(3,200)
<b>Adjusted net income</b>	<u>\$ 18,425</u>	<u>\$ 20,733</u>	<u>\$ 51,015</u>	<u>\$ 52,354</u>
<b>Adjusted earnings per common share</b>				
Basic	\$ 0.52	\$ 0.55	\$ 1.42	\$ 1.38
Diluted	\$ 0.51	\$ 0.54	\$ 1.39	\$ 1.35

(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 fixed assets and professional fees related to the restructuring of La Nacional.

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

(d) Represents losses related to the closure of a financial institution in Mexico during 2021.

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

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

(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.

# Recon. from GAAP Basic EPS to Adjusted Basic EPS

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)		(Unaudited)	
<b>GAAP Basic Earnings per Share</b>	<b>\$ 0.42</b>	<b>\$ 0.44</b>	<b>\$ 1.17</b>	<b>\$ 1.16</b>
Adjusted for:				
Share-based compensation	0.06	0.07	0.17	0.15
Restructuring costs	0.03	-	0.03	-
Transaction costs	-	0.01	0.01	0.01
Loss on bank closure	-	0.04	-	0.04
Other charges and expenses	0.02	0.01	0.04	0.02
Amortization of intangibles	0.03	0.03	0.10	0.08
Income tax benefit related to adjustments	(0.05)	(0.04)	(0.11)	(0.08)
<b>Non-GAAP Adjusted Basic Earnings per Share</b>	<b>\$ 0.52</b>	<b>\$ 0.55</b>	<b>\$ 1.42</b>	<b>\$ 1.38</b>

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>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)		(Unaudited)	
<b>GAAP Diluted Earnings per Share</b>	\$ <b>0.41</b>	\$ <b>0.43</b>	\$ <b>1.14</b>	\$ <b>1.14</b>
Adjusted for:				
Share-based compensation	0.06	0.07	0.17	0.14
Restructuring costs	0.03	-	0.03	-
Transaction costs	-	0.01	0.01	0.01
Loss on bank closure	-	0.04	-	0.04
Other charges and expenses	0.01	0.01	0.04	0.02
Amortization of intangibles	0.03	0.03	0.10	0.07
Income tax benefit related to adjustments	(0.04)	(0.04)	(0.11)	(0.08)
<b>Non-GAAP Adjusted Diluted Earnings per Share</b>	<u>\$ <b>0.51</b></u>	<u>\$ <b>0.54</b></u>	<u>\$ <b>1.39</b></u>	<u>\$ <b>1.35</b></u>

The table above may contain slight summation differences due to rounding

# Recon. from NI to Adjusted EBITDA

<i>(in thousands of dollars)</i>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	(Unaudited)		(Unaudited)	
<b>Net income</b>	<b>\$ 14,832</b>	<b>\$ 16,626</b>	<b>\$ 42,016</b>	<b>\$ 44,264</b>
<b>Adjusted for:</b>				
Interest expense	2,801	1,466	7,643	3,530
Income tax provision	6,619	2,654	18,174	13,270
Depreciation and amortization	3,472	2,278	9,511	6,712
<b>EBITDA</b>	<b>27,724</b>	<b>23,024</b>	<b>77,344</b>	<b>67,776</b>
Share-based compensation (a)	2,274	2,625	6,217	5,558
Restructuring costs (b)	1,145	-	1,145	-
Transaction costs (c)	13	258	411	474
Loss on bank closure (d)	-	1,583	-	1,583
Other charges and expenses (e)	535	301	1,556	759
<b>Adjusted EBITDA</b>	<b>\$ 31,691</b>	<b>\$ 27,791</b>	<b>\$ 86,673</b>	<b>\$ 76,150</b>

(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 fixed assets and professional fees related to the restructuring of La Nacional.

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

(d) Represents losses related to the closure of a financial institution in Mexico during 2021.

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

# Recon. of NI Margin to Adj. EBITDA Margin

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited)		(Unaudited)	
<b>Net Income Margin</b>	<b>8.6%</b>	<b>11.8%</b>	<b>8.6%</b>	<b>11.3%</b>
Adjusted for:				
Interest expense	1.6%	1.0%	1.6%	0.9%
Income tax provision	3.8%	1.9%	3.7%	3.4%
Depreciation and amortization	2.0%	1.6%	2.0%	1.7%
<b>EBITDA</b>	<b>16.1%</b>	<b>16.4%</b>	<b>15.9%</b>	<b>17.3%</b>
Share-based compensation	1.3%	1.9%	1.3%	1.4%
Restructuring costs	0.7%	0.0%	0.2%	0.0%
Transaction costs	0.0%	0.2%	0.1%	0.1%
Loss on bank closure	0.0%	1.1%	0.0%	0.4%
Other charges and expenses	0.3%	0.2%	0.3%	0.2%
<b>Adjusted EBITDA Margin</b>	<b>18.4%</b>	<b>19.7%</b>	<b>17.8%</b>	<b>19.4%</b>

# Recon. of NI to Net Free Cash Generated

<i>(in thousands of dollars)</i>	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
<b>Net income for the period</b>	<b>\$ 14,832</b>	<b>\$ 16,626</b>	<b>\$ 42,016</b>	<b>\$ 44,264</b>
Depreciation and amortization	3,472	2,278	9,511	6,712
Share-based compensation	2,274	2,625	6,217	5,558
Provision for credit losses	1,830	525	3,770	2,022
Cash used in investing activities	(3,160)	(2,513)	(13,188)	(9,380)
Term loan pay downs	(1,641)	(1,094)	(3,828)	(3,281)
<b>Net free cash generated during the period</b>	<b>\$ 17,607</b>	<b>\$ 18,447</b>	<b>\$ 44,498</b>	<b>\$ 45,895</b>

Questions or request for conference call

please contact:

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