



First Quarter 2020 Earnings Presentation

April 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 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 press release 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 expectations regarding the Company achieving performance in excess of the industry despite the COVID-19 pandemic, 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 Slides 14, 15, 16, 17 and 18 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 Net 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 on Slide 14, 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 on Slide 16, 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 on Slide 17, 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.

Company Response to COVID-19

EMPLOYEES

Ensuring health and safety of frontline employee base

Implemented social-distancing practices at Mexico and Guatemala call centers

Empowered all headquarter employees to efficiently work from home

Temporarily closed all 33 Intermex operated stores

CUSTOMERS

~95% of independent agent retailers remain open for business

Call center operations and customer service remain top priorities

Website and mobile app available for customers who prefer contactless self-serve

Wire cancellations remain industry leading

Intermex Positioning Amid COVID-19

- **House Built of Brick**
- **Profitable and Sustainable Growth**
- **Superior Liquidity and Free Cash Flow**
- **Experienced and Talented Leadership**
- **Industry Leading Customer Service and Reliability**

Review of Key Performance Indicators

	1Q'20 vs 1Q'19
Revenue Growth	13.0%
Adj. EBITDA Growth⁽¹⁾	22.8%
Net Income	\$5.7M vs \$3.2M
Adj. Net Income⁽¹⁾	\$7.6M vs \$5.8M

(1) Adjusted Net Income and Adjusted EBITDA reflect add-backs for certain charges and expenses that are not considered a part of our core business operations and are not an indicator of our ongoing, future performance. Please refer to pages 2, 14 and 16 for details on these adjustments and a reconciliation of Net Income to Adjusted Net Income and Adjusted EBITDA.

Capital & Liquidity Update

➤ **Estimated Free Cash⁽¹⁾ of \$7.3M in Q1 2020**

- ❖ Increase of \$2.5M or 52% from Q1 2019

➤ **Highly Cash Generative Business Model**

- ❖ Converting 55% of Adjusted EBITDA⁽²⁾ to Free Cash, after taxes, investments and debt service

➤ **Continuing to Generate Free Cash Through April**

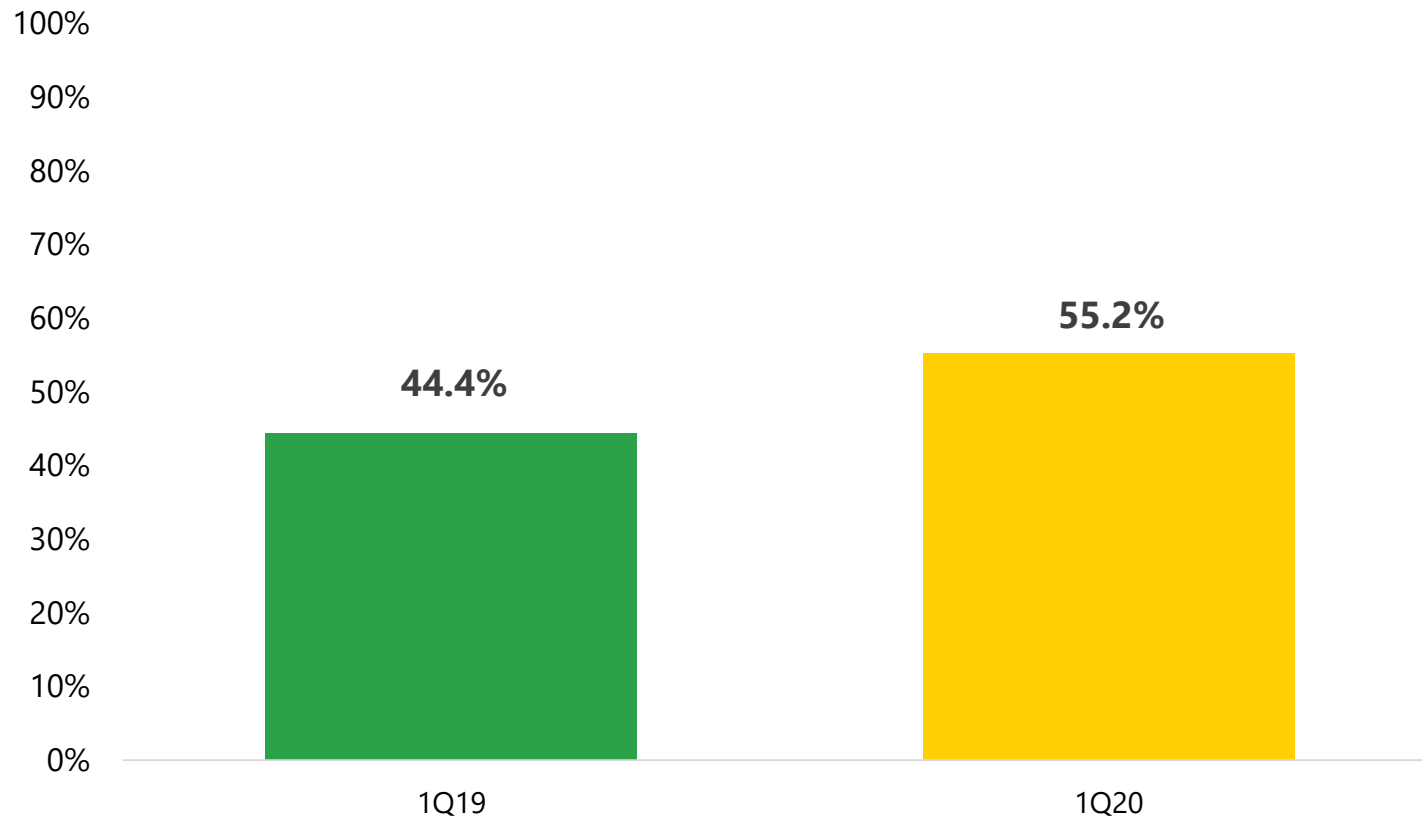
- ❖ 80% of costs are variable with transaction volume

(1) Free Cash reflects Net Income before provision for bad debt and depreciation and amortization, as adjusted to add back certain charges and expenses that 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. Please refer to pages 2 and 17 for details on these adjustments and a reconciliation of Net Income to Free Cash.

(2) Adjusted EBITDA reflects add-backs for certain charges and expenses that are not considered a part of our core business operations and are not an indicator of our ongoing, future performance. Please refer to pages 2 and 16 for details on these adjustments and a reconciliation of Net Income to Adjusted EBITDA.

Highly Cash Generative Business Model

Free Cash⁽¹⁾ as a Percentage of Adjusted EBITDA⁽²⁾



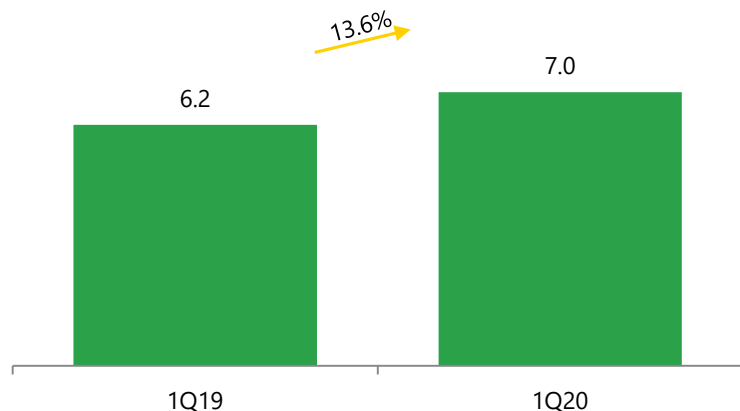
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Intermex – Profitable and Sustainable Growth

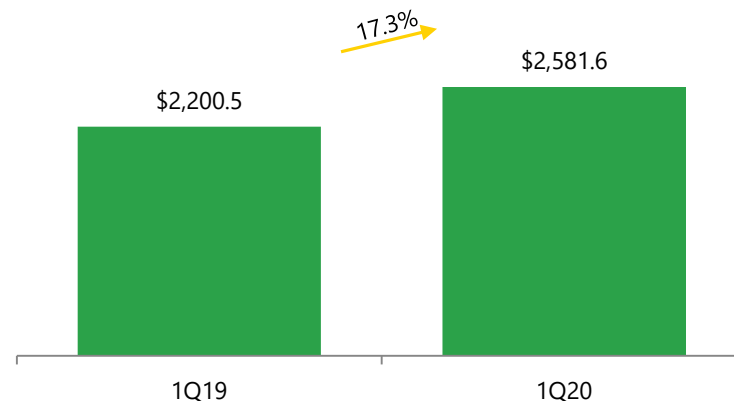
Money Transfer Transactions

(# In millions)



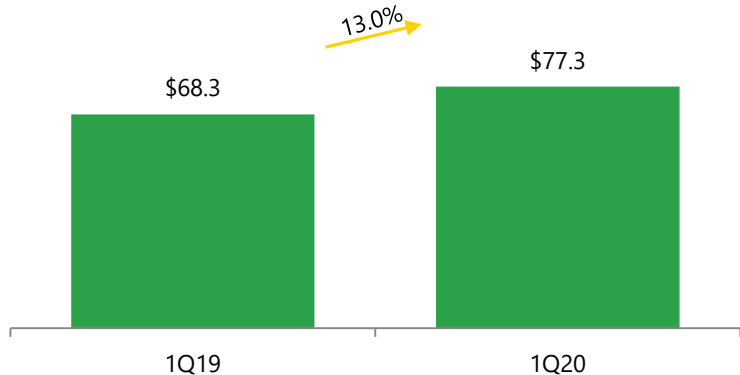
Volume

(\$ in millions)



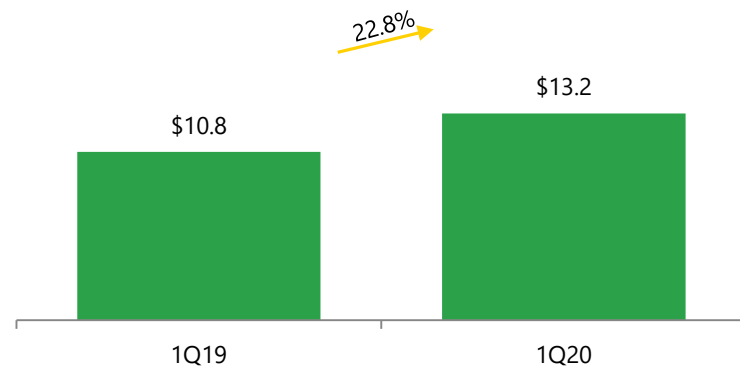
Revenue

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)



(1) Adjusted EBITDA reflects add-backs for certain charges and expenses that are not considered a part of our core business operations and are not an indicator of our ongoing, future performance. Please refer to pages 2 and 16 for details on these adjustments and a reconciliation of Net Income to Adjusted EBITDA

Favorable, Fragmented Competitive Landscape

Intermex enjoys a strong and growing position across key target markets

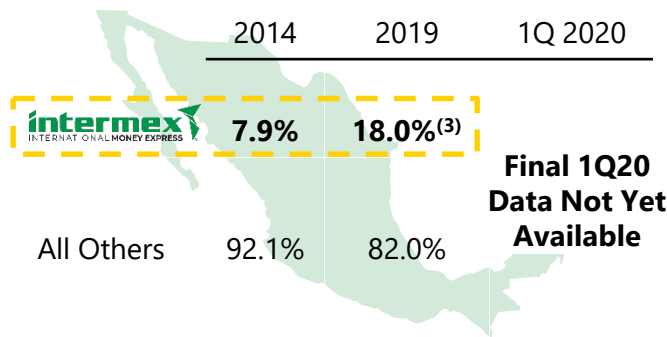
LAC Market Landscape



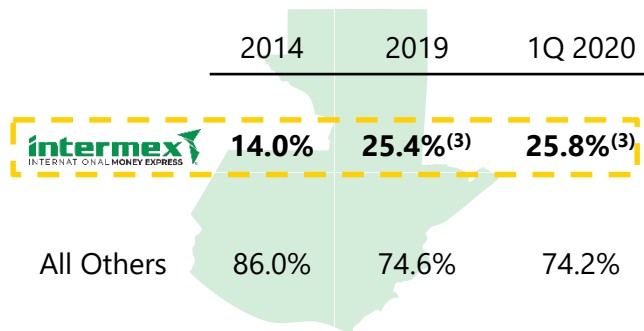
Total Market Size:
~\$90 Billion ⁽¹⁾

Intermex Share of Key Target Markets ⁽²⁾

Mexico Market Share Breakdown



Guatemala Market Share Breakdown



LAC Countries - 2019

Country	Size (US\$B) ¹	Region
MEX	\$34.8	38.5%
GUA	\$9.5	10.5%
DOM	\$4.7	5.1%
COL	\$4.8	5.3%
ELS	\$7.4	8.1%
HON	\$7.0	7.8%
PRU	\$3.3	3.6%
ECU	\$3.2	3.5%
HAI	\$3.3	3.6%
BRA	\$3.2	3.5%
JAM	\$2.6	2.8%
NIC	\$1.7	1.8%
BOL	\$1.3	1.4%
OTHER	\$3.8	4.2%

(1) World Bank (2019). Reflects US share of estimated LAC market size as of October 2019.

(2) Source: Banco de Guatemala and Banco de Mexico.

(3) Reflective of respective country central bank inflows from USA based on World Bank % Share originating from USA.

First Quarter 2020 Performance Highlights

Revenue	Remittance Volume	Adj. EBITDA ⁽¹⁾	Net Income
\$77.3M	\$2.6B	\$13.2M	\$5.7M
+13.0%	+17.3%	+22.8%	+80.2%

- Safe, efficient and effective operations amid COVID-19
- Adjusted EBITDA margin expanded 136bps YoY to 17.1%⁽¹⁾
- Suspending Full Year 2020 Guidance due to uncertainty around ongoing COVID-19 pandemic

(1) Adjusted EBITDA reflects add-backs for certain charges and expenses that are not considered a part of our core business operations and are not an indicator of our ongoing, future performance. Please refer to pages 2 and 16 for details on these adjustments and a reconciliation of Net Income to Adjusted EBITDA. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by Revenues. Please refer to pages 2 and 18 for details and a reconciliation of Net income margin to Adjusted EBITDA Margin.



Appendix

Condensed Consolidated Balance Sheets

<i>(in thousands of dollars)</i>	March 31, 2020	December 31, 2019
ASSETS	(Unaudited)	
Current assets:		
Cash	\$ 101,838	\$ 86,117
Accounts receivable, net of allowance of \$873 and \$759, respectively	38,156	39,754
Prepaid wires	7,912	18,201
Prepaid expenses and other current assets	2,908	4,155
Total current assets	150,814	148,227
Property and equipment, net	13,055	13,282
Goodwill	36,260	36,260
Intangible assets, net	25,642	27,381
Deferred tax asset, net	359	741
Other assets	1,388	1,415
Total assets	\$ 227,518	\$ 227,306
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net	\$ 7,044	\$ 7,044
Accounts payable	10,298	13,401
Wire transfers and money orders payable	39,878	40,197
Accrued and other	22,207	23,074
Total current liabilities	79,427	83,716
Long term liabilities:		
Debt, net	85,862	87,623
Total long term liabilities	85,862	87,623
Stockholders' equity:		
Total stockholders' equity	62,229	55,967
Total liabilities and stockholders' equity	\$ 227,518	\$ 227,306

Condensed Consolidated Statements of Operations

<i>(in thousands of dollars)</i>	Three Months Ended	
	March 31,	
	2020	2019
	(Unaudited)	
Revenues:		
Wire transfer and money order fees, net	\$ 67,095	\$ 58,451
Foreign exchange gain, net	9,554	9,402
Other income	602	496
Total revenues	<u>\$ 77,251</u>	<u>\$ 68,349</u>
Operating expenses:		
Service charges from agents and banks	52,227	45,569
Salaries and benefits	7,359	7,597
Other selling, general and administrative expenses	5,337	5,723
Depreciation and amortization	2,690	3,152
Total operating expenses	<u>67,613</u>	<u>62,041</u>
Operating income	9,638	6,308
Interest expense	<u>1,870</u>	<u>2,071</u>
Income before income taxes	7,768	4,237
Income tax provision	<u>2,080</u>	<u>1,081</u>
Net income	<u>\$ 5,688</u>	<u>\$ 3,156</u>
Earnings per common share		
Basic and diluted	\$ 0.15	\$ 0.09

Reconciliation from Net Income to Adj. Net Income

Three Months Ended March 31,

(in thousands of dollars)

	<u>2020</u>	<u>2019</u>
	(Unaudited)	
Net income	\$ 5,688	\$ 3,156
Adjusted for:		
Share-based compensation, 2018 plan (a)	722	626
Offering costs (b)	-	513
TCPA Settlement (c)	23	-
Other employee severance (d)	-	106
Other charges and expenses (e)	147	59
Amortization of certain intangibles (f)	1,711	2,312
Income tax benefit related to adjustments (g)	(695)	(942)
Adjusted net income	\$ 7,596	\$ 5,830

- 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 March 31, 2020 and 2019, respectively.
- b) The Company incurred \$0.5 million of expenses during the three months ended March 31, 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 March 31, 2019 related to departmental changes.
- e) Includes loss on disposal of fixed assets, foreign currency (gains) losses and other legal expenses.
- 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 March 31,	
	2020	2019
	(Unaudited)	
GAAP Earnings per Share	\$ 0.15	\$ 0.09
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)	(0.03)
Non-GAAP Adjusted Earnings per Share	\$ 0.20	\$ 0.16

[NM—Percentage is not meaningful]

Reconciliation from Net Income to Adj. EBITDA

	Three Months Ended March 31,	
	2020	2019
	(Unaudited)	
<i>(in thousands of dollars)</i>		
Net income	\$ 5,688	\$ 3,156
Adjusted for:		
Interest expense	1,870	2,071
Income tax provision	2,080	1,081
Depreciation and amortization	2,690	3,152
EBITDA	12,328	9,460
Share-based compensation, 2018 Plan (a)	722	626
TCPA settlement (b)	23	-
Offering costs (c)	-	513
Other employee severance (d)	-	106
Other charges and expenses (e)	147	59
Adjusted EBITDA	\$ 13,220	\$ 10,764

- (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 March 31, 2020 and 2019, respectively.
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- (d) Represents \$0.1 million of severance costs incurred during the three months ended March 31, 2019 related to departmental changes.
- (e) Includes loss on disposal of fixed assets, foreign currency (gains) losses and other legal expenses.

Reconciliation from Net Income to Net Free Cash

<i>(in thousands of dollars)</i>	Three months ended March 31,	
	2020	2019
	(Unaudited)	
Net income for the period	\$ 5,688	\$ 3,156
Depreciation and amortization	2,690	3,152
Stock compensation expense	722	627
Provision for bad debt	737	360
Other noncash expenses	147	60
Cash used in investing Activities	(770)	(1,452)
Term loan pay downs	(1,915)	(1,125)
Net free cash generated during the period	\$ 7,299	\$ 4,778

Reconciliation from Net Income Margin to Adj. EBITDA Margin

	Three Months Ended	
	March 31,	
	2020	2019
	(Unaudited)	
Net Income margin	7.4%	4.6%
Adjusted for:		
Interest expense	2.4%	3.0%
Income tax provision	2.7%	1.6%
Depreciation and amortization	3.5%	4.6%
EBITDA Margin	16.0%	13.8%
Share-based compensation, 2018 Plan	0.9%	0.9%
Offering costs	0.0%	0.8%
TCPA settlement	0.0%	0.0%
Other employee severance	0.0%	0.2%
Other charges and expenses	0.2%	0.1%
Adjusted EBITDA Margin	17.1%	15.7%