



**intermex**

International Money Express



# Company Overview and Update

November 2018



CONFIDENTIAL

# Safe Harbor Statement / Non-GAAP Financial Measures

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This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All of these forward-looking statements are based on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements, or could affect our share price. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include among other things, competition in the markets in which we operate; 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; disruptions to our information technology, computer network systems and data centers; 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; changes in tax laws and unfavorable outcomes of tax positions we take; political instability, currency restrictions and devaluation in countries in which we operate or plan to operate; 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 factors described in the "Risk Factors" section in periodic reports we file with the SEC. All statements other than statements of historical fact included in the presentation are forward-looking statements including, but not limited to, expected financial outlook for the remainder of 2018. Any forward-looking statement that we make in this presentation speaks only as of November 8, 2018. 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.

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA. 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 17 and 18 of this presentation for a reconciliation of Adjusted EBITDA to net income (loss). Adjusted EBITDA is defined as net income (loss) before depreciation and amortization, interest expense, income taxes, and also adjusted to add back certain charges and expenses, such as transaction costs and non-cash compensation costs, 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.

# Intermex Overview

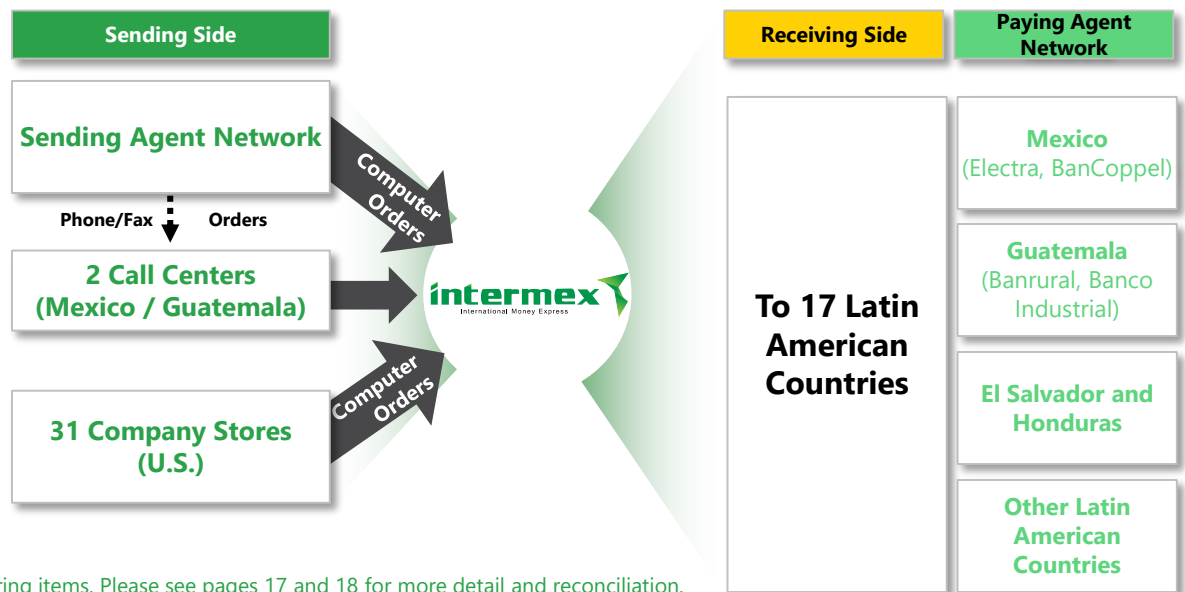


	<u>2017</u>	<u>2018 YTD</u>
<b>Revenue</b>	\$215.5M	\$198.8M
<b>Adjusted EBITDA<sup>(2)</sup></b>	\$33.4M	\$35.6M
<b>Adjusted EBITDA Growth<sup>(2)</sup></b>	23%	45%
<b>Adjusted EBITDA Margin %<sup>(2)</sup></b>	15.50%	17.90%
<b>Money Transfer Transactions</b>	19.1M	17.7M
<b>Remittance Volume</b>	\$6.8B+	\$6.6B+
<b>Countries across Latin America</b>	17	17
<b>Total Employees</b>	585	706

*Licensed in 50 U.S. states and Puerto Rico, served through a sending agent base of independent, non-exclusive agents and 31 company stores*

- Leading Money Transfer service provider to the \$82B US to Latin America and Caribbean corridors<sup>(1)</sup>
- Unique and differentiated approach has driven rapid market share growth
- Impressive Financial Performance – Revenue and Adjusted EBITDA CAGR of 32% and 35%, respectively from 2015 - 2017

## Efficient, High Growth Platform



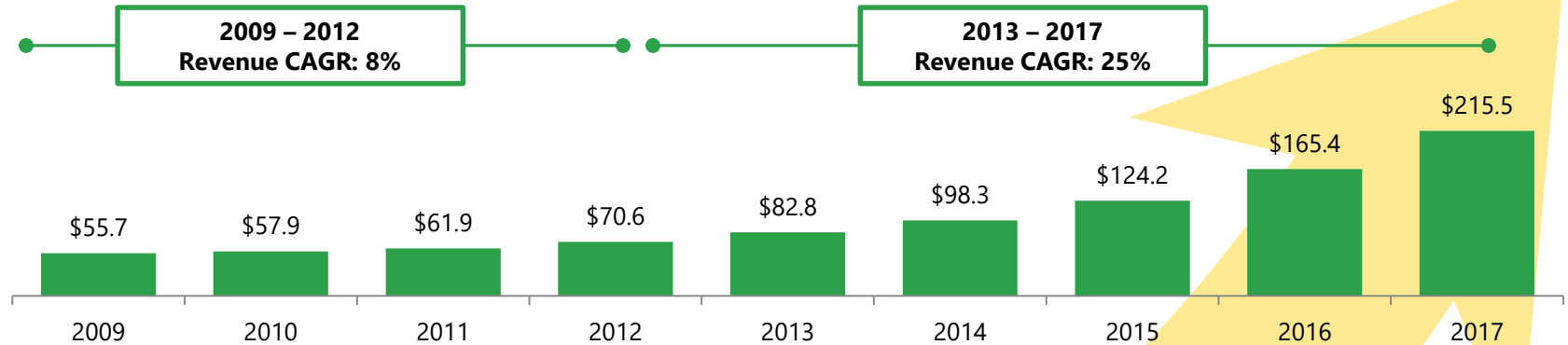
(1) World Bank (2017). Reflects LAC market size as of 2017.

(2) Adjusted EBITDA reflects add-backs for one-time, non-recurring items. Please see pages 17 and 18 for more detail and reconciliation. YTD through September 2018

# Intermex – Evolution of a Market Leader

*History of sustained market share growth provides a strong platform for future growth*

(\$ in millions)



## Early Years

- Intermex was founded in 1994 as a money transfer provider headquartered in Miami, Florida
- Acquired Servimex, Americana and Maniflo and expanded into 13 new U.S. states
- Opened call centers in Mexico and Guatemala
- Completed re-engineering and business model shift to focus on efficient agents and profitability
- Investment in innovative and highly scalable technology

**Foundation  
Inception - 2012**

## Expansion

- Further market penetration into western and northeastern U.S.
- Economic recovery sets in, providing backdrop for market growth
- Acceleration of market share gains
- Increased proprietary payor network coverage and penetration
- Launched differentiated Customer Management platform and loyalty program to capture additional customers
- Began developing mobile / online strategy

**Accelerated Growth  
2013 - Present**

# Core Strengths of the Story



Since 2011, Intermex has grown in excess of the industry while sustaining strong margins and increasing transaction growth to Mexico

This is driven by our disciplined approach to expansion which focuses on prioritizing agent productivity and consistently growing transactions per agent

Intermex's highly differentiated approach, along with its unique and efficient platform, has allowed the Company to significantly grow scale and profitability

Our technology infrastructure allows for the dependable transfer of money with one of the lowest cancellation rates in the industry

Core growth opportunity exists in the continued growth in stronghold states while increasing our market share in growth states

Additional growth opportunities, including the expansion of ancillary products as well as a focus on developing B2B processing relationships and growing our online presence, allow for confidence in continued growth

# Global Remittance Market

247M 


people live outside of their country of birth.<sup>(1)</sup>

\$613B<sub>USD</sub> 

estimated amount of remittances sent, worldwide in 2017<sup>(2)</sup>

\$148B<sub>USD</sub> 

was sent from the U.S. alone<sup>(2)</sup>

\$31B<sub>USD</sub> 

was sent from the U.S. to Mexico in 2017, the largest remittance corridor in the world<sup>(2)</sup>

(1) The World Bank. "Migration and Remittances Factbook 2016."

(2) The World Bank. "Bilateral Remittance Matrix - 2017" accessed on May 17, 2018

# 3Q Earnings Highlights

- Generated impressive year-over-year growth of key metrics:
  - ❖ 28.6% revenue growth
  - ❖ 50.7% Adjusted EBITDA growth<sup>(1)</sup>
  - ❖ 31.3% growth in remittance volume
- Increased Adjusted EBITDA margin year-over-year from 15.8% to 18.5%<sup>(1)</sup>
- Year-to-date as of September 30, Intermex has captured 38% of the total growth in US to Mexico remittance volume and 47% of the total growth in US to Guatemala remittance volume.<sup>(2)</sup>

(1) Adjusted EBITDA reflects add-backs for one-time, non-recurring items. Please see pages 17 and 18 for more detail and reconciliation

(2) Source: Banco de Mexico, Banco de Guatemala, World Bank US outbound volumes and Intermex company data

# Favorable, Fragmented Competitive Landscape

*Intermex enjoys a strong and growing position across key target markets*

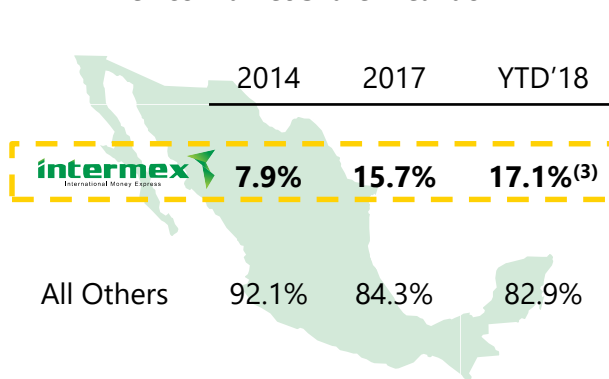
## LAC Market Landscape



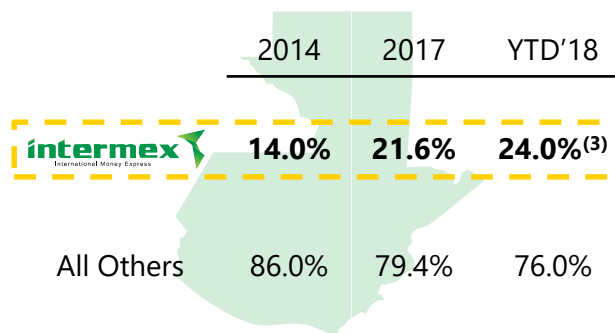
**Total Market Size:**  
~\$82 Billion (1)

## Intermex Share of Key Target Markets (2)

### Mexico Market Share Breakdown



### Guatemala Market Share Breakdown



## LAC Countries - 2017

Country	Size (US\$B) <sup>1</sup>	Region
MEX	30.6	38%
GUA	8.5	10%
DOM	6.2	8%
COL	5.6	7%
ELS	5.1	6%
HON	4.3	5%
PER	3.0	4%
ECU	2.9	4%
BRA	2.7	3%
JAM	2.5	3%
HAI	2.5	3%
BER	1.5	2%
NIC	1.4	2%
BOL	1.3	2%
OTHER	3.8	5%

(1) World Bank (2017). Reflects estimated LAC market size as of 2017.  
 (2) Management estimated market share of remittances as of 2017.  
 (3) Source: Banco de Guatemala, Banco de Mexico and World Bank 2017



# Differentiators – Deliver Agent and Consumer Value

## Why Agents Choose Intermex



## Why Consumers Choose Intermex



# Core Growth Opportunity

*Intermex has strong organic growth potential in its core business*

15 Stronghold States  
18% of Total Market  
23% growth rate in 2017<sup>(1)</sup>



**27%**

Intermex  
current share

**9%**

Intermex  
current share

10 Growth States  
62% of Total Market  
36% growth rate in 2017<sup>(1)</sup>



## Growth Opportunity in Stronghold States

- Increased regional penetration of new agents
- Increased share of wallet through loyalty program
- Increased share of agent volume

## Increased Penetration in Growth States

- Intermex growth to 25% market share is equivalent to a 55% growth in total Intermex remittance volume

***Core growth will be the dominant source of revenue and net income through 2021***

(1) Source: Banco de Mexico, Intermex company data

# Other Growth Vectors

*The assets created by our core organic growth will be leveraged in other products and markets*

Leverage our platform capacity and ubiquitous MSB Licensing in US

## White Label Processing Opportunity

- Current platform can handle significant additional volume
- Many foreign banks looking to offer online money transfer service, but lack infrastructure and licenses

## Grow Mobile and Online Presence

- Mobile / Web Based money transfer app launched to consumers in Q1 2017
- Ready to grow rapidly with marketing push when consumers are ready

Leverage existing base of 3 million unique consumers

## Powerful Intermex Brand

- #1 Rated in Customer Satisfaction by Remittance Industry Observatory (RIO)<sup>(1)</sup>

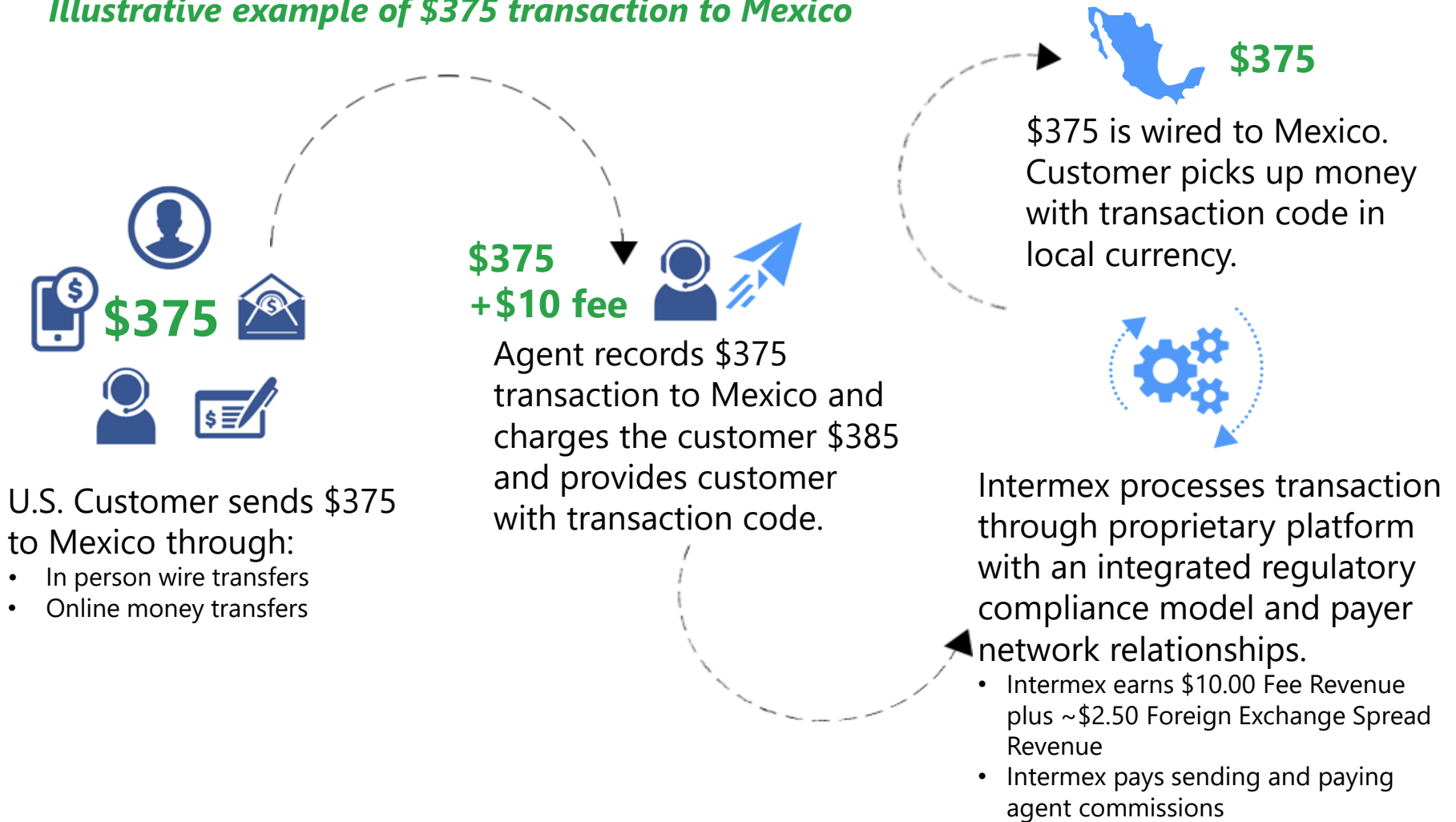
## Expand Product Offering

- Execute on existing product pipeline: General Purpose Card, Payroll Card
- Expand availability and utilization of existing product solutions like Check Direct and Tablets for Agents

(1) 2013 RIO survey of a sample including 2,000 migrants from Latin American and the Caribbean; discussed in April 2016 RIO newsletter.

# Customer Transaction Flow

## Illustrative example of \$375 transaction to Mexico

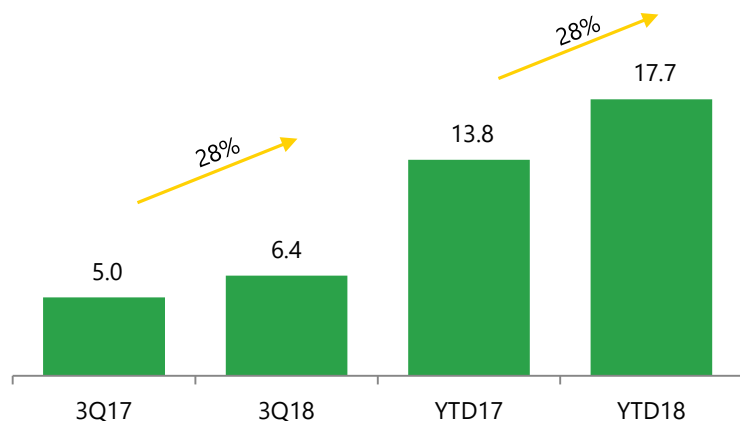


**Intermex earns \$5.05 net on \$12.50 gross revenue**

# Intermex Growth Story

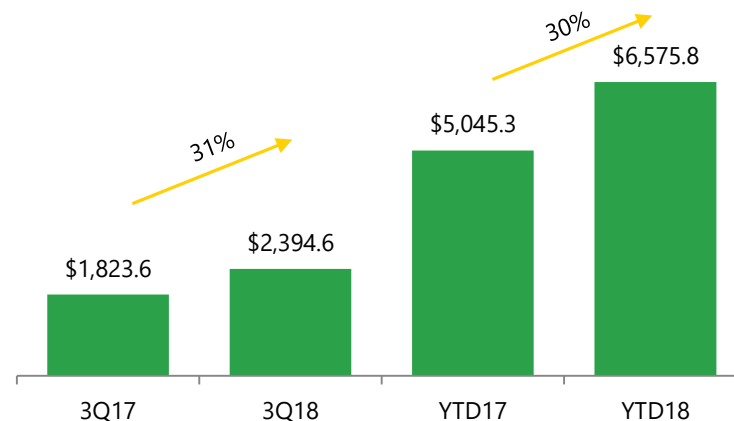
## Money Transfer Transactions

(# In millions)



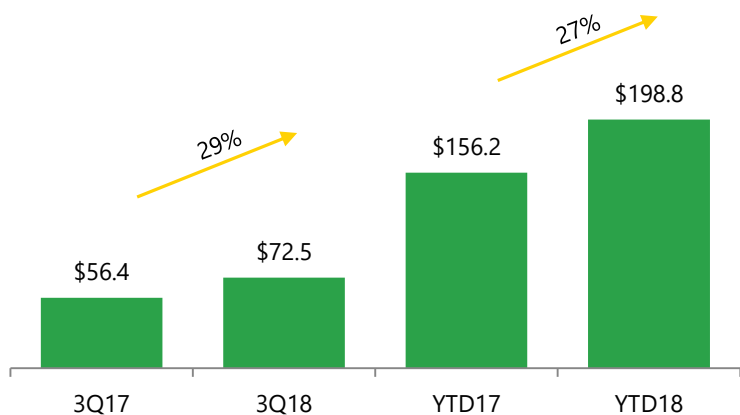
## Volume

(\$ in millions)



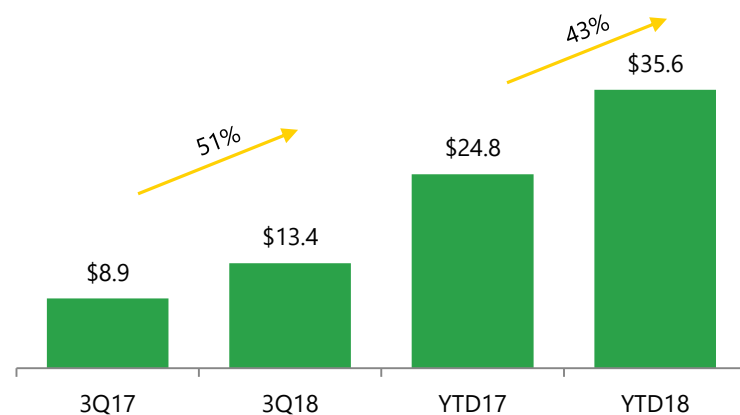
## Revenue

(\$ in millions)



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

(\$ in millions)



(1) Adjusted EBITDA reflects add-backs for one-time, non-recurring items. Please see pages 17 and 18 for more detail and reconciliation.

# Credit Facility Update

- Executed new credit facility on 11/7 which will provide additional working capital to support future growth and significant interest expense savings
  - ❖ Term loan of \$90M v. balance on prior facility of \$92M
  - ❖ Revolver of \$35M up from \$20M prior facility
  - ❖ Significant rate savings, lowering interest rate by approximately 450 basis points

# 2018 Adjusted EBITDA Guidance<sup>(1)</sup>

- Q4 2017 - \$40.1M
- May 2018 - \$40.8M
- August 2018 - \$42M to \$44M

- November 2018 - \$46.5M to \$48.0M

(1) Adjusted EBITDA reflects add-backs for one-time, non-recurring items. Please see pages 17 and 18 for more detail and reconciliation



# Appendix



# Condensed Consolidated Balance Sheets

	Successor Company	
	September 30, 2018	December 31, 2017
ASSETS	(Unaudited)	
Current assets:		
Cash	\$ 82,490,398	\$ 59,155,618
Accounts receivable, net of allowance of \$340,178 and \$307,562, respectively	80,923,807	51,374,377
Prepaid wires	5,119,778	7,675,491
Other prepaid expenses and current assets	3,472,124	900,386
Total current assets	<u>172,006,107</u>	<u>119,105,872</u>
Property and equipment, net	9,525,295	8,490,794
Goodwill	36,259,666	36,259,666
Intangible assets, net	39,389,769	48,741,032
Deferred tax asset, net	-	1,748,854
Other assets	639,119	1,706,693
Total assets	<u>\$ 257,819,956</u>	<u>\$ 216,052,911</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net	\$ 4,078,627	\$ 3,913,436
Accounts payable	14,060,179	8,919,796
Wire transfers and money orders payable	78,152,404	48,276,649
Accrued and other	14,018,061	11,514,449
Total current liabilities	<u>110,309,271</u>	<u>72,624,330</u>
Long term liabilities:		
Deferred tax liability, net	5,157,019	-
Debt, net	104,423,502	107,526,462
Total long term liabilities	<u>109,580,521</u>	<u>107,526,462</u>
Stockholders' equity:		
Total stockholders' equity	37,930,164	35,902,119
Total liabilities and stockholders' equity	<u>\$ 257,819,956</u>	<u>\$ 216,052,911</u>

# Condensed Consolidated Statements of Operations

	Successor Company				Predecessor Company
	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2018		Period from February 1, 2017 to September 30, 2017
	2018	2017			Period from January 1, 2017 to January 31, 2017
	(Unaudited)				
Revenues:					
Total revenues	\$ 72,508,466	\$ 56,393,294	\$ 198,843,890	\$ 141,771,122	\$ 14,425,343
Operating expenses:					
Service charges from agents and bank	48,305,007	37,846,027	132,564,938	94,607,887	9,440,774
Salaries and benefits	10,959,507	5,983,784	24,632,910	16,395,185	4,530,308
Other selling, general and administrative expenses	5,206,932	4,163,419	13,390,449	10,400,190	1,063,379
Transaction costs	6,304,972	-	10,319,283	6,212,602	3,917,188
Depreciation and amortization	4,142,139	4,553,042	11,749,513	12,056,986	381,746
Total operating expenses	74,918,557	52,546,272	192,657,093	139,672,850	19,333,395
Operating (loss) income	(2,410,091)	3,847,022	6,186,797	2,098,272	(4,908,052)
Interest expense	3,433,731	4,612,430	10,109,664	8,107,258	613,742
Loss before income taxes	(5,843,822)	(765,408)	(3,922,867)	(6,008,986)	(5,521,794)
Income tax provision (benefit)	7,569,174	(191,727)	8,185,546	1,052,479	(2,203,373)
<b>Net loss</b>	<b>(13,412,996)</b>	<b>(573,681)</b>	<b>(12,108,413)</b>	<b>(7,061,465)</b>	<b>(3,318,421)</b>
Other comprehensive income (loss)	22,452	3,859	7,351	18,990	(2,453)
<b>Comprehensive loss</b>	<b>\$ (13,390,544)</b>	<b>\$ (569,822)</b>	<b>\$ (12,101,062)</b>	<b>\$ (7,042,475)</b>	<b>\$ (3,320,874)</b>

# GAAP Net Loss to Adj. EBITDA Reconciliation

	Successor Company				Predecessor Company
	Three Months Ended September 30,		Nine Months	Period from	Period from
	2018	2017	Ended September 30, 2018	February 1, 2017 to September 30, 2017	January 1, 2017 to January 31, 2017
<b>Net loss</b>	<b>\$ (13,412,996)</b>	<b>\$ (573,681)</b>	<b>\$ (12,108,413)</b>	<b>\$ (7,061,465)</b>	<b>\$ (3,318,421)</b>
<b>Adjusted for:</b>					
Interest expense	3,433,731	4,612,430	10,109,664	8,107,258	613,742
Income tax provision (benefit)	7,569,174	(191,727)	8,185,546	1,052,479	(2,203,373)
Depreciation and amortization	4,142,139	4,553,042	11,749,513	12,056,986	381,746
<b>EBITDA</b>	<b>1,732,048</b>	<b>8,400,064</b>	<b>17,936,310</b>	<b>14,155,258</b>	<b>(4,526,306)</b>
Transaction costs	6,304,972	-	10,319,283	6,212,602	3,917,188
Incentive units plan	4,022,739	287,440	4,735,336	1,534,655	-
Share-based compensation, 2018 Plan	430,250	-	430,250	-	-
Change in control adjustment for stock options	-	-	-	-	2,812,919
Management fee	195,000	195,000	585,000	520,000	-
TCPA settlement	-	-	191,500	-	-
Transition expenses	-	-	347,909	-	-
Costs related to registering warrants	615,000	-	615,000	-	-
Other employee severance	105,950	-	105,950	-	-
Other charges and expenses	38,124	36,444	346,568	106,489	105,314
<b>Adjusted EBITDA</b>	<b>\$ 13,444,083</b>	<b>\$ 8,918,948</b>	<b>\$ 35,613,106</b>	<b>\$ 22,529,004</b>	<b>\$ 2,309,115</b>

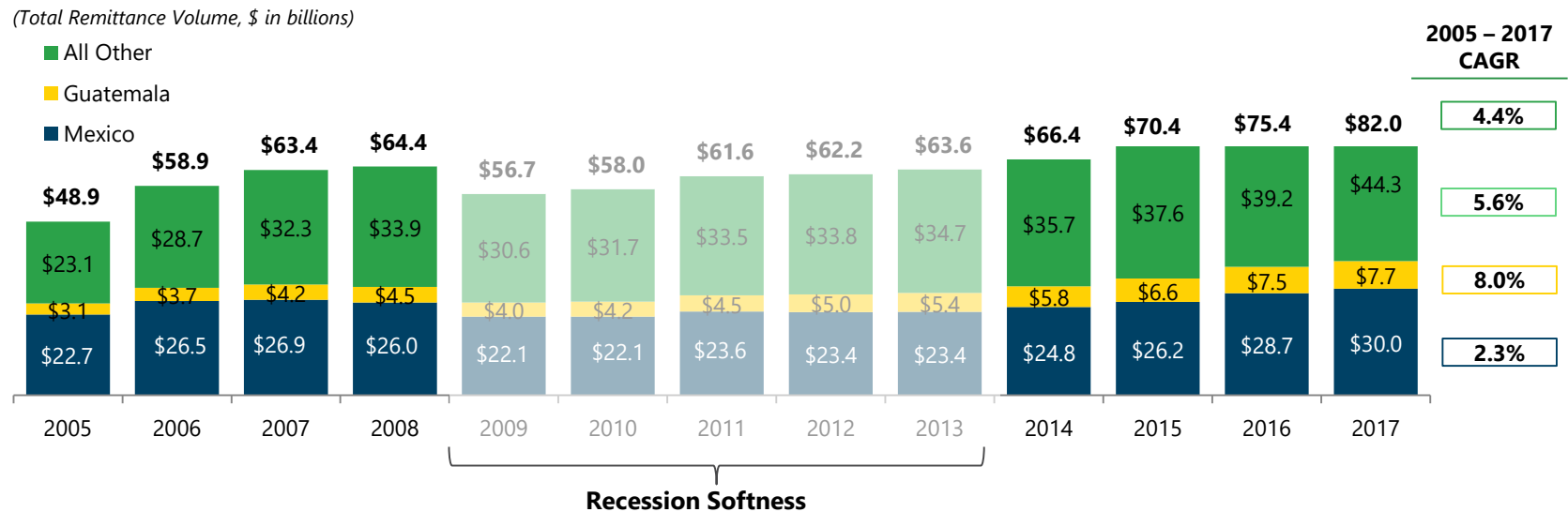
# GAAP Net Income(Loss) to Adj. EBITDA Reconciliation

	2015 FY	2016 FY	2017 FY	Three Months Ended March 31, 2018	Six Months Ended June 30, 2018	Nine months Ended September 30, 2018
	(Unaudited)					
<b>Net income (loss)</b>	<b>\$ 5,757,824</b>	<b>\$ 9,400,026</b>	<b>\$ (13,491,874)</b>	<b>\$ (539,772)</b>	<b>\$ 1,304,583</b>	<b>\$ (12,108,413)</b>
Adjusted for:						
Interest expense	\$ 4,234,371	\$ 9,540,046	\$ 12,061,677	\$ 3,283,890	\$ 6,675,933	\$ 10,109,664
Tax expense	\$ 4,191,643	\$ 4,083,655	\$ (1,668,971)	\$ (207,517)	\$ 616,372	\$ 8,185,546
Depreciation and amortization	\$ 2,453,454	\$ 2,530,334	\$ 17,026,567	\$ 3,789,248	\$ 7,607,374	\$ 11,749,513
<b>EBITDA</b>	<b>\$ 16,637,292</b>	<b>\$ 25,554,061</b>	<b>\$ 13,927,399</b>	<b>\$ 6,325,849</b>	<b>\$ 16,204,262</b>	<b>\$ 17,936,310</b>
Transaction costs	\$ 1,609,034	\$ 900,530	\$ 12,622,688	\$ 1,461,010	\$ 4,014,311	\$ 10,319,283
Incentive units plan	\$ -	\$ -	\$ 1,845,943	\$ 227,792	\$ 712,597	\$ 4,735,336
Share-based compensation, 2018 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,250
Change in control adjustment for stock options	\$ -	\$ -	\$ 2,812,919	\$ -	\$ -	\$ -
Management fee	\$ -	\$ -	\$ 715,000	\$ 195,000	\$ 390,000	\$ 585,000
One-time adj - bank fees	\$ -	\$ -	\$ 642,000	\$ -	\$ -	\$ -
One-time incentive bonus	\$ -	\$ -	\$ 514,000	\$ -	\$ -	\$ -
TCPA settlement	\$ -	\$ -	\$ -	\$ 191,500	\$ 191,500	\$ 191,500
Transition expenses	\$ -	\$ -	\$ -	\$ 156,234	\$ 347,909	\$ 347,909
Costs related to registering warrants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 615,000
Other employee severance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,950
Other charges and expenses	\$ 514,928	\$ 646,442	\$ 301,163	\$ 271,064	\$ 308,444	\$ 346,568
<b>Adjusted EBITDA</b>	<b>\$ 18,761,254</b>	<b>\$ 27,101,033</b>	<b>\$ 33,381,112</b>	<b>\$ 8,828,449</b>	<b>\$ 22,169,023</b>	<b>\$ 35,613,106</b>

# Large Industry with Accelerating Growth

## The LAC Remittance Market

### Strong Remittance Volume Growth in Intermex's Core Markets <sup>(1)</sup>



- Hispanics represent over 50% of foreign-born residents in the U.S. and are highly concentrated in California, Texas, Florida, and New York
- Substantial opportunities exist for continued increases in LAC remittance volume as housing starts grow and wages for foreign-born Hispanics increase
- As the number of Hispanic foreign-born workers continues to rise, volumes of remittances sent back to families in LAC countries should increase accordingly

(1) Banco de Guatemala, Banco de Mexico and World Bank. Represents total remittance volume.