

3rd Quarter 2022 Earnings Presentation

November 9, 2022



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” 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, our ability to successfully execute, manage, and integrate key acquisitions and mergers; economic factors such as inflation, the level of economic activity and labor market conditions, as well as rising interest rates; the 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 agent relationships; credit risks from our agents and the financial institutions with which we do business; bank failures, sustained financial market illiquidity or financial institution illiquidity; new technology or competitors such as digital platforms; cyber-attacks or disruptions to our information technology, computer network systems, data centers and phone apps; our ability to satisfy our debt obligations and remain in compliance with our credit facility requirements; customer confidence in our brand 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 intellectual property rights; our ability to recruit and retain key personnel; and other 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 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 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 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.

Third Quarter 2022 Record Highlights

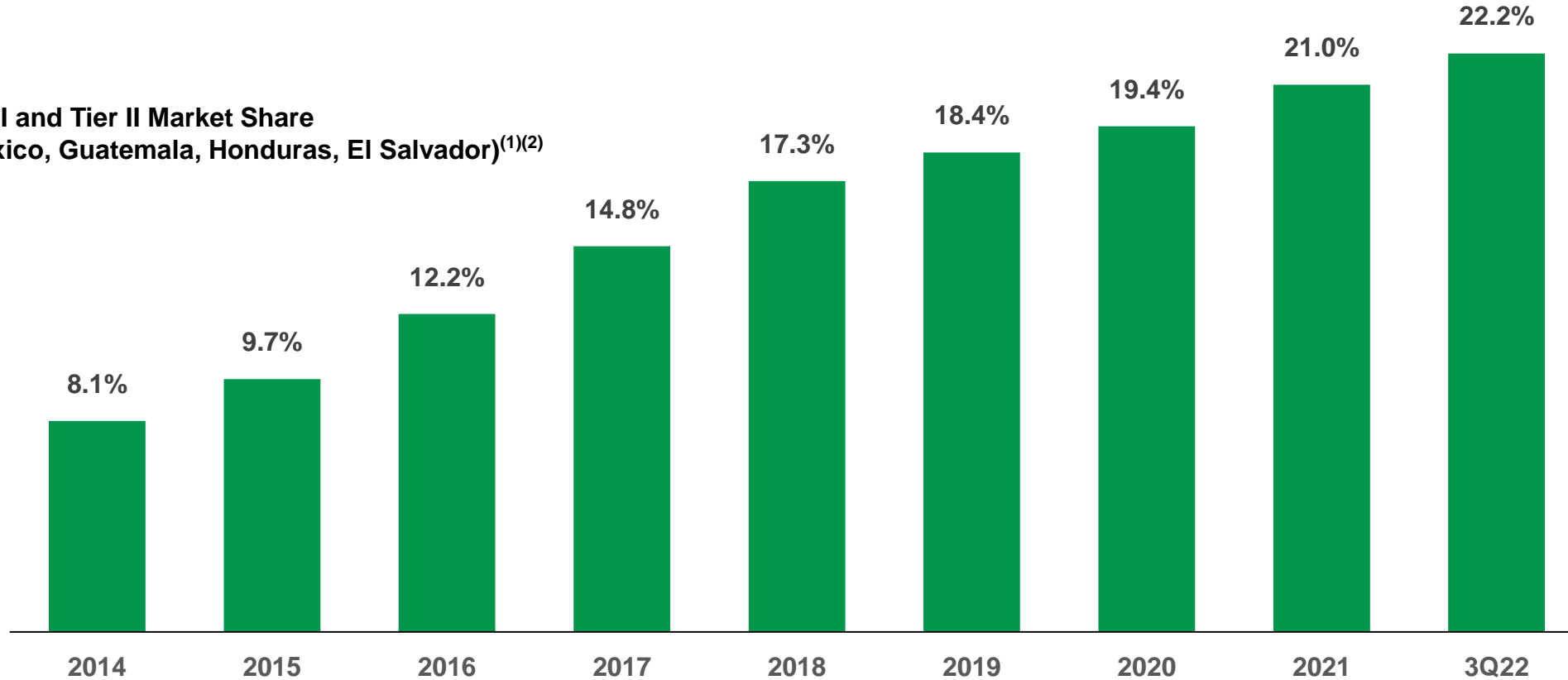
	3Q'22 vs. 3Q21
Transactions	12.2M, up 16.0%
Revenue	\$140.8M, up 16.6%
Net Income	\$16.6M, up 44.5%
Adjusted EBITDA⁽¹⁾	\$27.8M, up 21.5%

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

Driving Market Share Growth

Four countries represent 75% of all money sent to LACA*

Tier I and Tier II Market Share
(Mexico, Guatemala, Honduras, El Salvador)⁽¹⁾⁽²⁾



1) Market size inbound remittances per Banco de Mexico, Banco de Guatemala, Banco Central de Reserva de El Salvador, and Banco Central de Honduras, using 2017 World Bank Bilateral Matrix, US Country Shares percentages to calculate US-based remittance volume.

2) Tier I and Tier II include Mexico, Guatemala, Honduras and El Salvador.

* LACA – Latin American and Caribbean

Leader in the Key LACA Markets

Key remittance receiving markets are 87% of total LACA market



Mexico (2)
Market size: \$50.1 B



DR (2)
Market size: \$8.8 B



Guatemala (2)
Market size: \$13.8 B



Ecuador (1)
Market size: \$2.6 B



El Salvador (2)
Market size: \$6.8 B



Nicaragua (1)
Market size: \$1.4 B



Honduras (2)
Market size: \$6.4 B

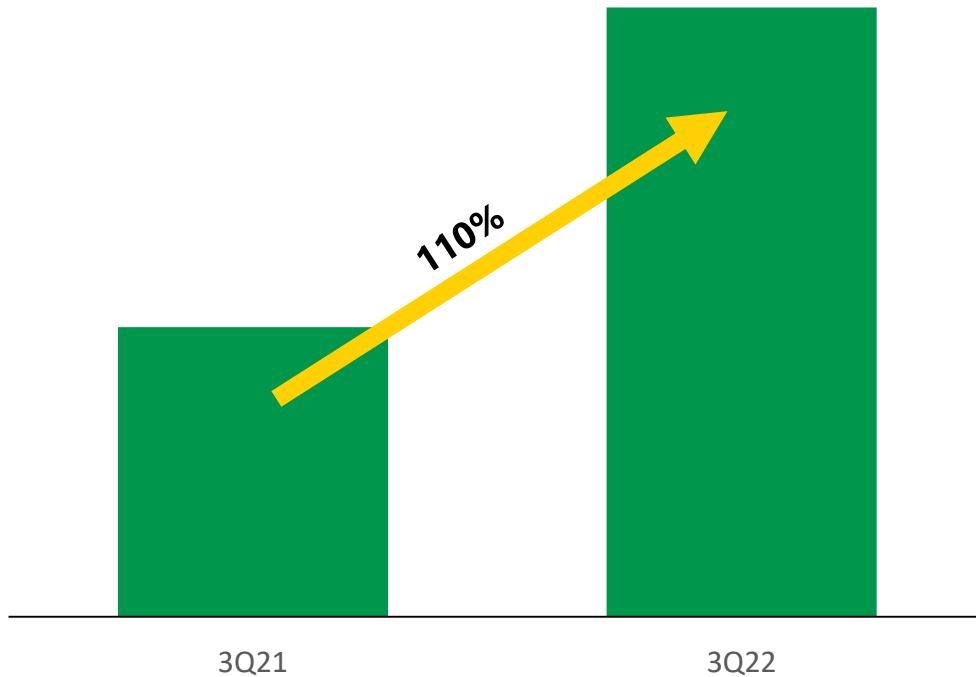
Including La Nacional, Intermex will have more than a 20% market share in the seven key LACA markets for all remittance dollars from the US

1) Claritas Latin America & Caribbean (LACA) Foreign Born Results 2020.

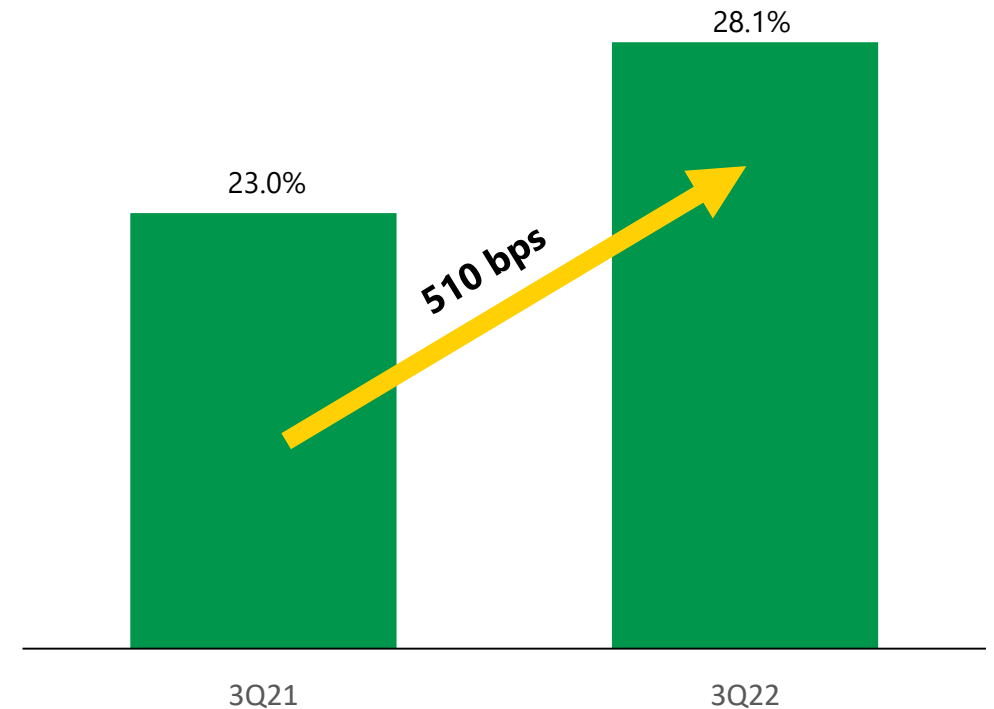
2) Market size inbound remittances per Banco de Mexico, Banco de Guatemala, Banco Central Republica Dominicana, Banco Central de Reserva de El Salvador, Banco Central de Honduras, using 2017 World Bank Bilateral Matrix, US Country Shares percentages to calculate US-based remittance volume.

Digital Transaction Growth

Digitally Originated Transactions

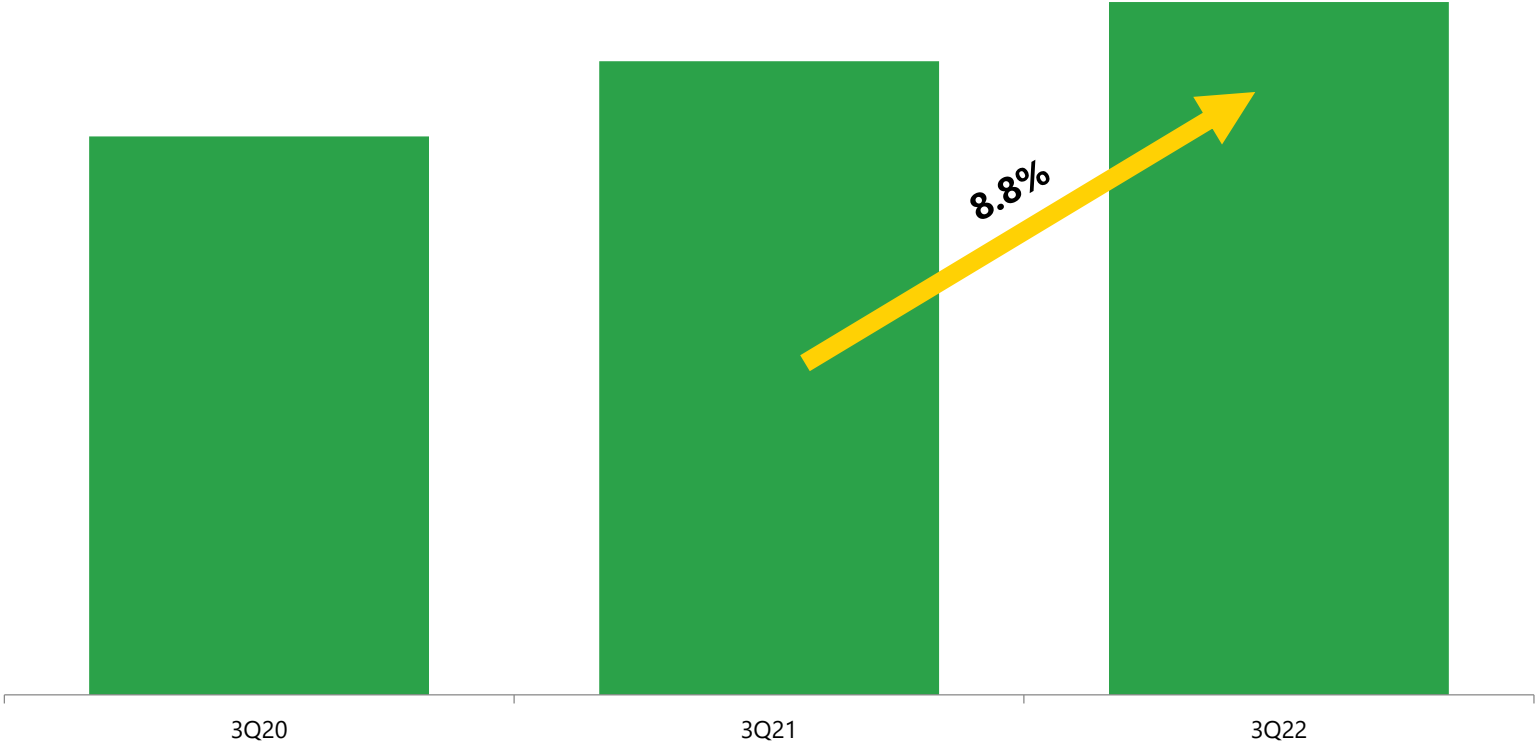


Total Digital Send or Receive as a % of Total Transactions



Agent Growth

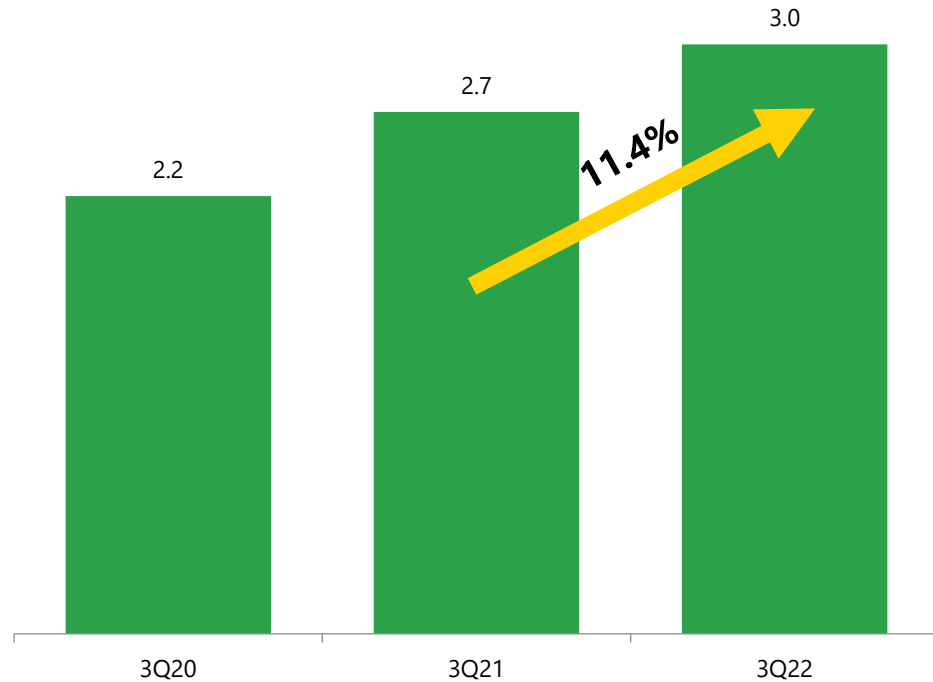
Active Agents at the end of the Quarter



Customer & Transaction Growth Drives Revenue

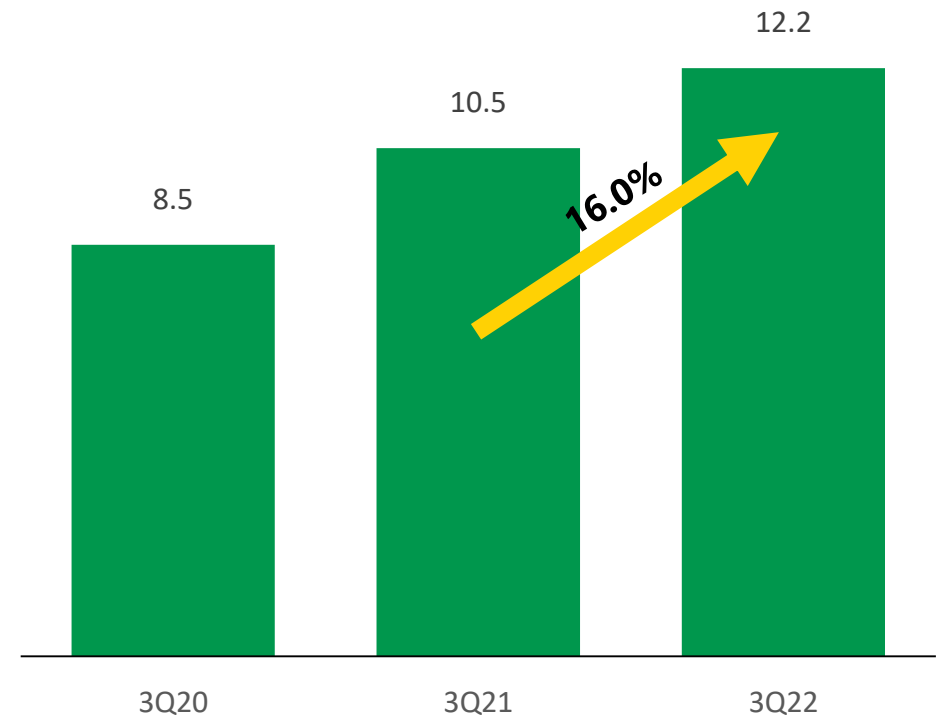
Active, Unique Customers at the end of the Quarter

(In millions)



Money Transfer Transactions

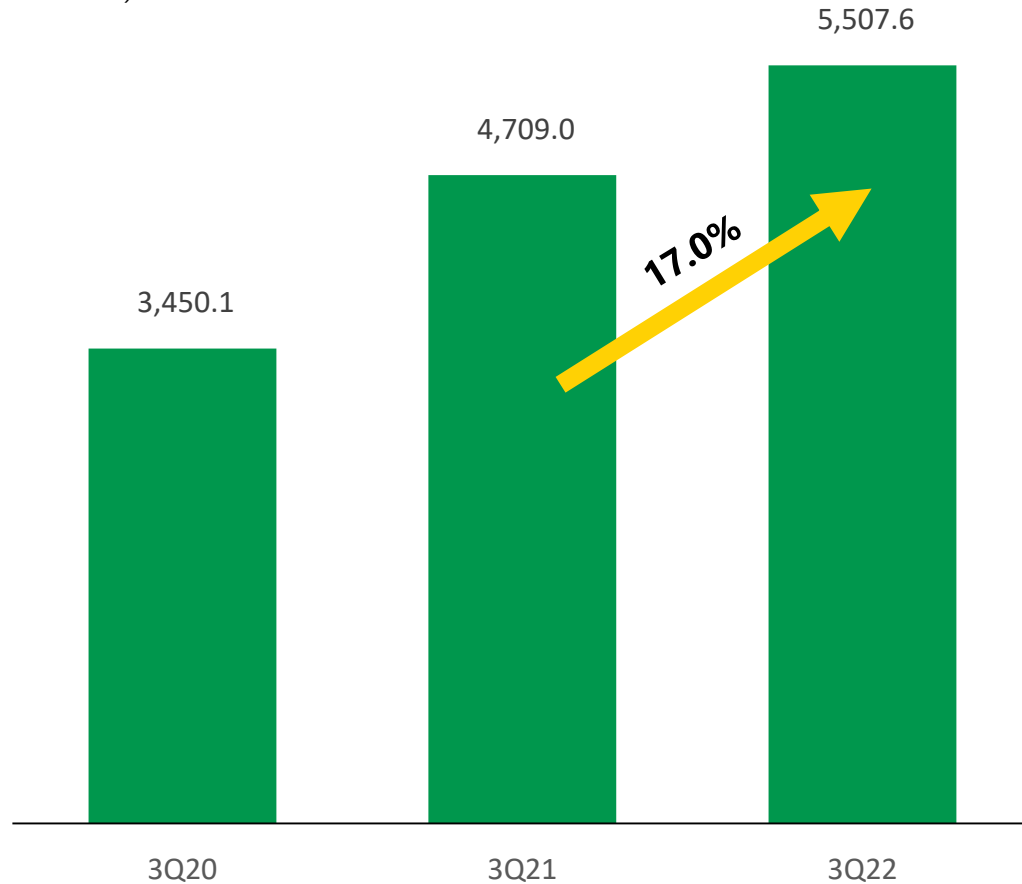
(in Millions)



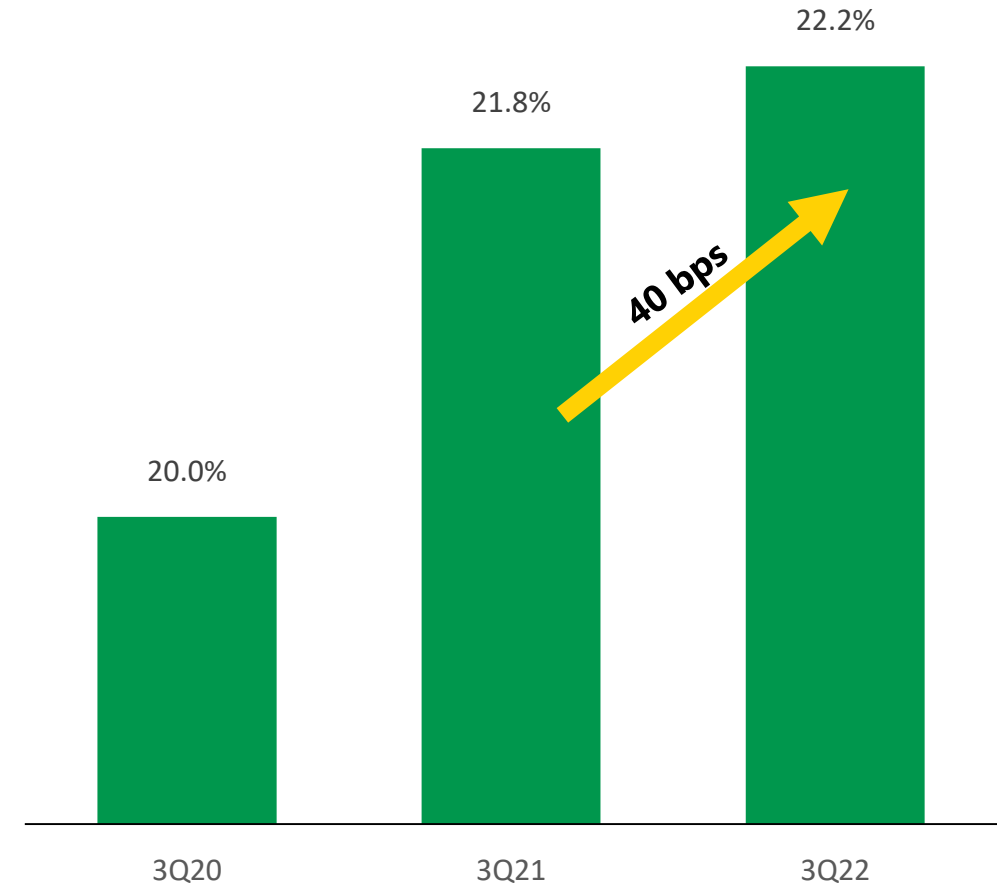
Principal Growth Drives Market Share

Principal Sent

(in Thousands)



Tier I and Tier II Market Share ⁽¹⁾⁽²⁾



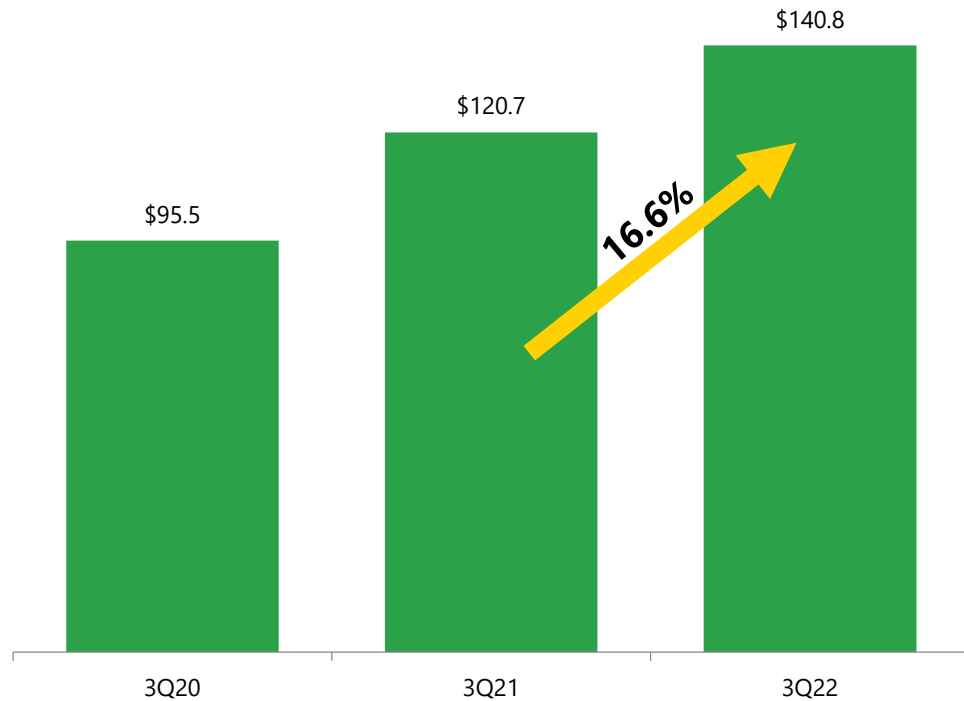
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2) Tier I and Tier II include Mexico, Guatemala, Honduras and El Salvador.

Profitable Growth 3Q 2022

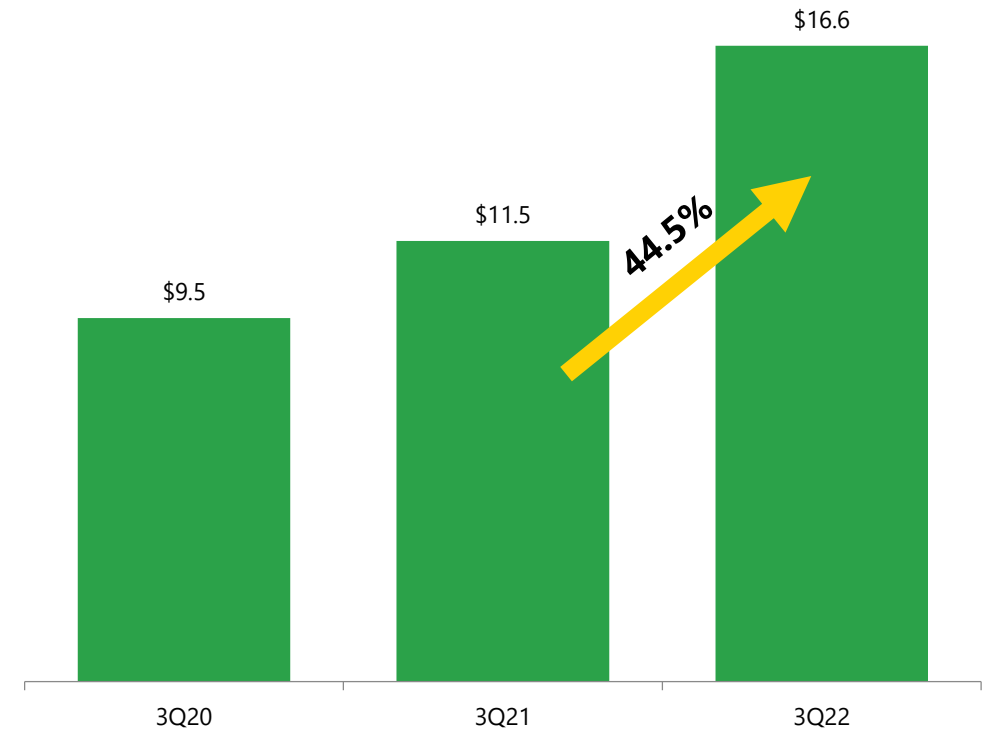
Revenue

(\$ In millions)



Net Income

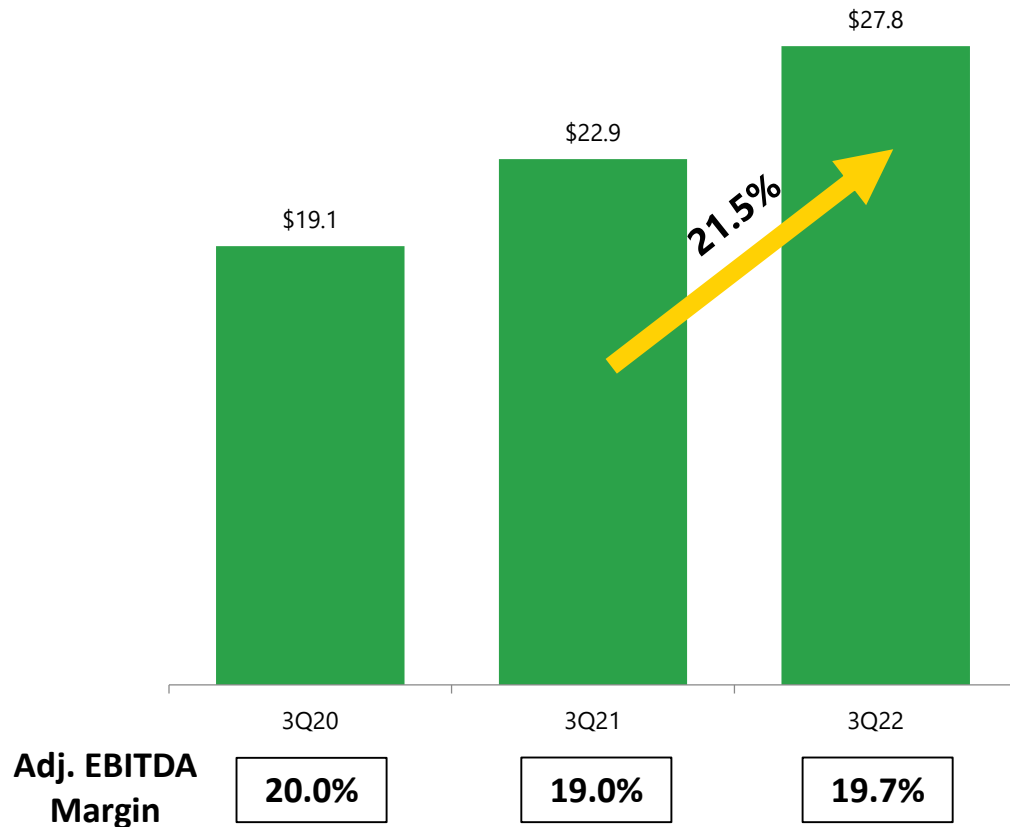
(\$ In millions)



Profitable Growth 3Q 2022

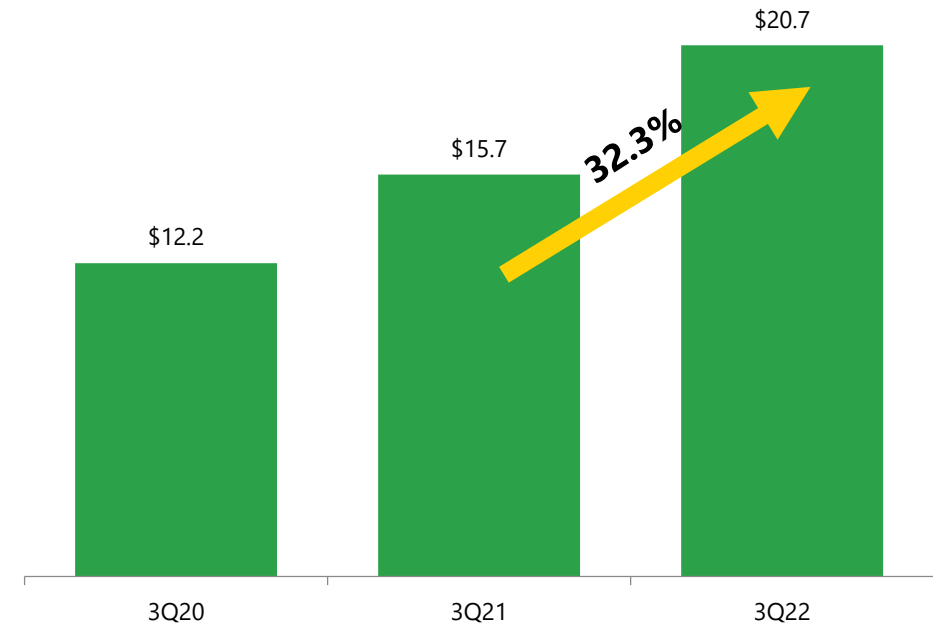
Adjusted EBITDA⁽¹⁾

(\$ in millions)



Adjusted Net Income⁽¹⁾

(\$ in millions)

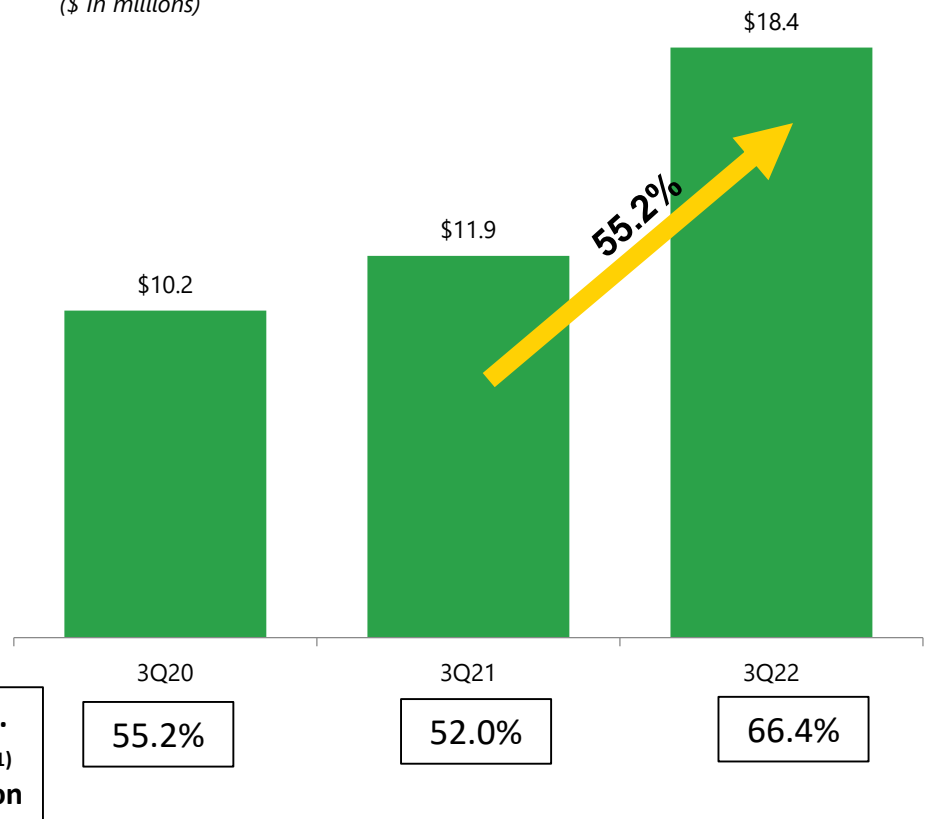


(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

Strong Cash Generation & Balance Sheet

Net Free Cash Generated⁽¹⁾

(\$ In millions)



(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.
Ttm – trailing twelve months

Liquidity Summary

Cash & Equivalents 9/30/2022	\$105.1M
Revolver Capacity	\$107.0M

Leverage

Total Debt	\$123.2M
Debt to Adj. EBITDA _(ttm)	1.2x
Net Debt to Adj. EBITDA _(ttm)	~neg~

Capital Allocation Priorities

- Reinvest in Business: Exceptional IMXI ROE
- Nonorganic Growth: Value-Focused (ie: La Nacional)
- Returning Capital: Meaningful Buyback

Share Repurchases

3Q2022	1.3M Shares	\$30.1M
Inception to date	2.4M	\$49.3M
Average purchase price		\$20.92

2022 Updated Guidance

- Revenue of \$542M – \$551M, up 18% - 20%
- Net Income of \$60M - \$61M, up 28% - 30%
- Adjusted Net Income of \$68M - \$69M⁽¹⁾, up 19% - 20%
- Adjusted EBITDA of \$104M - \$106M⁽¹⁾, up 20% - 22%

(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>	September 30, 2022	December 31, 2021
ASSETS	(Unaudited)	
Current assets:		
Cash	\$ 105,052	\$ 132,474
Accounts receivable, net	100,061	67,317
Prepaid wires, net	104,114	56,766
Prepaid expenses and other current assets	8,906	6,988
Total current assets	318,133	263,545
Property and equipment, net	22,614	17,905
Goodwill	36,260	36,260
Intangible assets, net	12,599	15,392
Other assets	9,295	7,434
Total assets	\$ 398,901	\$ 340,536
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net	\$ 4,429	\$ 3,882
Accounts payable	22,464	23,151
Wire transfers and money orders payable, net	74,444	56,066
Accrued and other liabilities	32,223	33,760
Total current liabilities	133,560	116,859
Long-term liabilities:		
Debt, net	118,753	79,211
Lease liabilities, net	1,525	-
Deferred tax liability, net	50	1,426
Total long-term liabilities	120,328	80,637
Stockholders' equity:		
Total stockholders' equity	145,013	143,040
Total liabilities and stockholders' equity	\$ 398,901	\$ 340,536

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Revenues:				
Wire transfer and money order fees, net	\$ 120,718	\$ 104,191	\$ 336,340	\$ 284,409
Foreign exchange gain, net	18,851	15,643	52,719	45,347
Other income	1,198	873	3,309	2,275
Total revenues	<u>140,767</u>	<u>120,707</u>	<u>392,368</u>	<u>332,031</u>
Operating expenses:				
Service charges from agents and banks	93,658	81,416	262,717	222,654
Salaries and benefits	13,853	10,859	36,911	30,909
Other selling, general and administrative expenses	10,232	9,966	24,964	22,549
Depreciation and amortization	<u>2,278</u>	<u>2,362</u>	<u>6,712</u>	<u>7,041</u>
Total operating expenses	<u>120,021</u>	<u>104,603</u>	<u>331,304</u>	<u>283,153</u>
Operating income	20,746	16,104	61,064	48,878
Interest expense	<u>1,466</u>	<u>968</u>	<u>3,530</u>	<u>3,562</u>
Income before income taxes	19,280	15,136	57,534	45,316
Income tax provision	<u>2,654</u>	<u>3,629</u>	<u>13,270</u>	<u>11,605</u>
Net income	<u>\$ 16,626</u>	<u>\$ 11,507</u>	<u>\$ 44,264</u>	<u>\$ 33,711</u>
Earnings per common share:				
Basic	\$ 0.44	\$ 0.30	\$ 1.16	\$ 0.88
Diluted	\$ 0.43	\$ 0.29	\$ 1.14	\$ 0.86
Weighted-average common shares outstanding:				
Basic	37,390,632	38,647,931	37,999,709	38,441,767
Diluted	38,425,868	39,336,051	38,907,283	39,071,622

Reconciliation from NI to Adjusted NI

<i>(in thousands of dollars, except for per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Net income	\$ 16,626	\$ 11,507	\$ 44,264	\$ 33,711
Adjusted for:				
Share-based compensation (a)	2,625	1,112	5,558	3,382
Loss on bank closure (b)	1,583	2,000	1,583	2,000
Transaction costs (c)	258	-	474	-
Other charges and expenses (d)	301	1,300	759	1,593
Amortization of intangibles (e)	972	1,264	2,916	3,789
Income tax benefit related to adjustments (f)	(1,632)	(1,514)	(3,200)	(2,896)
Adjusted net income	\$ 20,733	\$ 15,669	\$ 52,354	\$ 41,579
Adjusted earnings per common share				
Basic	\$ 0.55	\$ 0.41	\$ 1.38	\$ 1.08
Diluted	\$ 0.54	\$ 0.40	\$ 1.35	\$ 1.06

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

(b) Represents losses during the three months ended September 30, 2022 and 2021, respectively related to the closure of a financial institution in Mexico during 2021.

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

(d) Represents primarily loss on disposal of fixed asset, including a write-off of software development expenditures in an amount of \$1.0 million during the three months ended September 30, 2021 (none in 2022) and foreign currency (gains) losses.

(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 GAAP Basic EPS to Adjusted Basic EPS

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited)		(Unaudited)	
GAAP Basic Earnings per Share	\$ 0.44	\$ 0.30	\$ 1.16	\$ 0.88
Adjusted for:				
Share-based compensation	0.07	0.03	0.15	0.09
Loss on bank closure	0.04	0.05	0.04	0.05
Transaction costs	0.01	-	0.01	-
Other charges and expenses	0.01	0.03	0.02	0.04
Amortization of intangibles	0.03	0.03	0.08	0.10
Income tax benefit related to adjustments	(0.04)	(0.04)	(0.08)	(0.08)
Non-GAAP Adjusted Basic Earnings per Share	<u>\$ 0.55</u>	<u>\$ 0.41</u>	<u>\$ 1.38</u>	<u>\$ 1.08</u>

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited)		(Unaudited)	
GAAP Diluted Earnings per Share	\$ 0.43	\$ 0.29	\$ 1.14	\$ 0.86
Adjusted for:				
Share-based compensation	0.07	0.03	0.14	0.09
Loss on bank closure	0.04	0.05	0.04	0.05
Transaction costs	0.01	-	0.01	-
Other charges and expenses	0.01	0.03	0.02	0.04
Amortization of intangibles	0.03	0.03	0.07	0.10
Income tax benefit related to adjustments	(0.04)	(0.04)	(0.08)	(0.07)
Non-GAAP Adjusted Diluted Earnings per Share	\$ 0.54	\$ 0.40	\$ 1.35	\$ 1.06

The table above may contain slight summation differences due to rounding

Recon. from NI to Adjusted EBITDA

<i>(in thousands of dollars)</i>	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited)		(Unaudited)	
Net income	\$ 16,626	\$ 11,507	\$ 44,264	\$ 33,711
Adjusted for:				
Interest expense	1,466	968	3,530	3,562
Income tax provision	2,654	3,629	13,270	11,605
Depreciation and amortization	2,278	2,362	6,712	7,041
EBITDA	23,024	18,466	67,776	55,919
Share-based compensation (a)	2,625	1,112	5,558	3,382
Loss on bank closure (b)	1,583	2,000	1,583	2,000
Transaction costs (c)	258	-	474	-
Other charges and expenses (d)	301	1,300	759	1,593
Adjusted EBITDA	\$ 27,791	\$ 22,878	\$ 76,150	\$ 62,894

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

(b) Represents losses during the three months ended September 30, 2022 and 2021, respectively related to the closure of a financial institution in Mexico during 2021.

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

(d) Represents primarily loss on disposal of fixed assets, including a write-off of software development expenditures in an amount of \$1.0 million during the three months ended September 30, 2021 (none in 2022) and foreign currency (gains) losses.

Recon. of NI Margin to Adj. EBITDA Margin

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited)		(Unaudited)	
Net Income Margin	11.8%	9.5%	11.3%	10.2%
Adjusted for:				
Interest expense	1.0%	0.8%	0.9%	1.1%
Income tax provision	1.9%	3.0%	3.4%	3.5%
Depreciation and amortization	1.6%	2.0%	1.7%	2.1%
EBITDA	16.4%	15.3%	17.3%	16.8%
Share-based compensation	1.9%	0.9%	1.4%	1.0%
Loss on bank closure	1.1%	1.7%	0.4%	0.6%
Transaction costs	0.2%	0.0%	0.1%	0.0%
Other charges and expenses	0.2%	1.1%	0.2%	0.5%
Adjusted EBITDA Margin	19.7%	19.0%	19.4%	18.9%

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited)		(Unaudited)	
Net income for the period	\$ 16,626	\$ 11,507	\$ 44,264	\$ 33,711
Depreciation and amortization	2,278	2,362	6,712	7,041
Share-based compensation	2,625	1,112	5,558	3,382
Provision for credit losses	525	342	2,022	1,009
Cash used in investing activities	(2,513)	(2,342)	(9,380)	(5,523)
Term loan pay downs	(1,094)	(1,094)	(3,281)	(3,009)
Net free cash generated during the period	<u>\$ 18,447</u>	<u>\$ 11,887</u>	<u>\$ 45,895</u>	<u>\$ 36,611</u>

Questions or request for conference call
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