



Third Quarter 2020 Earnings
Presentation

November 4, 2020

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, and expectations for 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. These words and the negative and plural forms of these words and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such 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 London Inter-Bank Offered Rate (“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 presentation are forward-looking statements including, but not limited to, statements regarding the Company’s brand, technology and service continuing to generate growth, profitability and shareholder returns and all statements regarding the Company’s fourth quarter 2020 guidance 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 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 and Adjusted EBITDA, Net, earnings per share to Adjusted Earnings per Share, Net income margin to Adjusted EBITDA margin and Net Income to Free Cash Generated. 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 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 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 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 Generated 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 in the reconciliation table to the Appendix, 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.

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 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.

	3Q'20 vs 3Q'19
Revenue	\$95.6M, up 12%
Net Income	\$9.5M, up 135%
Basic & Diluted EPS	\$0.25, up 127%
Adjusted Net Income	\$12M, up 28%
Adj. Basic & Diluted EPS	\$0.32, up 28%
Adj. EBITDA Growth⁽¹⁾	\$19M, up 16%
Free Cash Generated⁽¹⁾	\$10.5M, up 79%

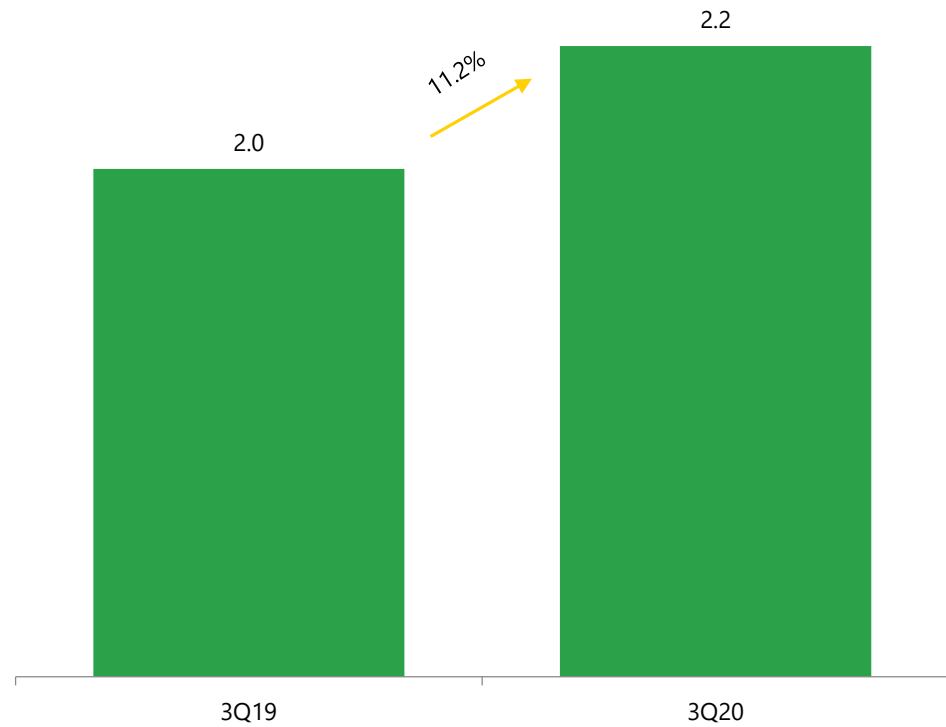
(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

- **Targeted, High-Volume Agents**
 - **Add Agents Based on Specific ZIP Code Demographics**
 - **Technology enables High Transaction Processing**
 - **Highly Dependable Remittances**
 - **Strong Compliance Environment**

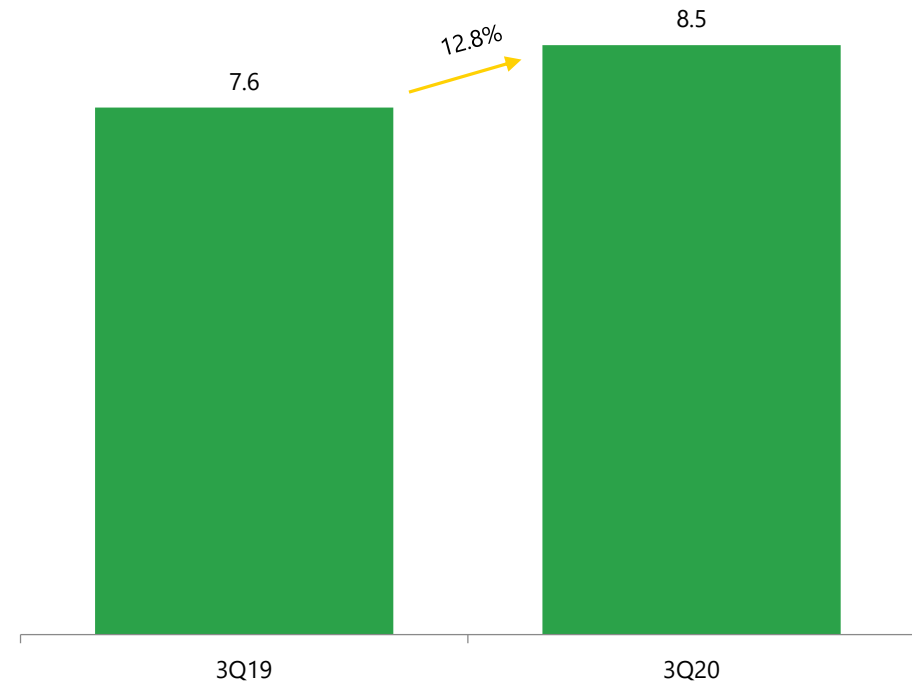
- **Superior Service Quality**
 - **Speed of Answer – Under 5.0 sec.**
 - **Local Language Support**

Customers

(in millions)



Money Transfer Transactions (1)

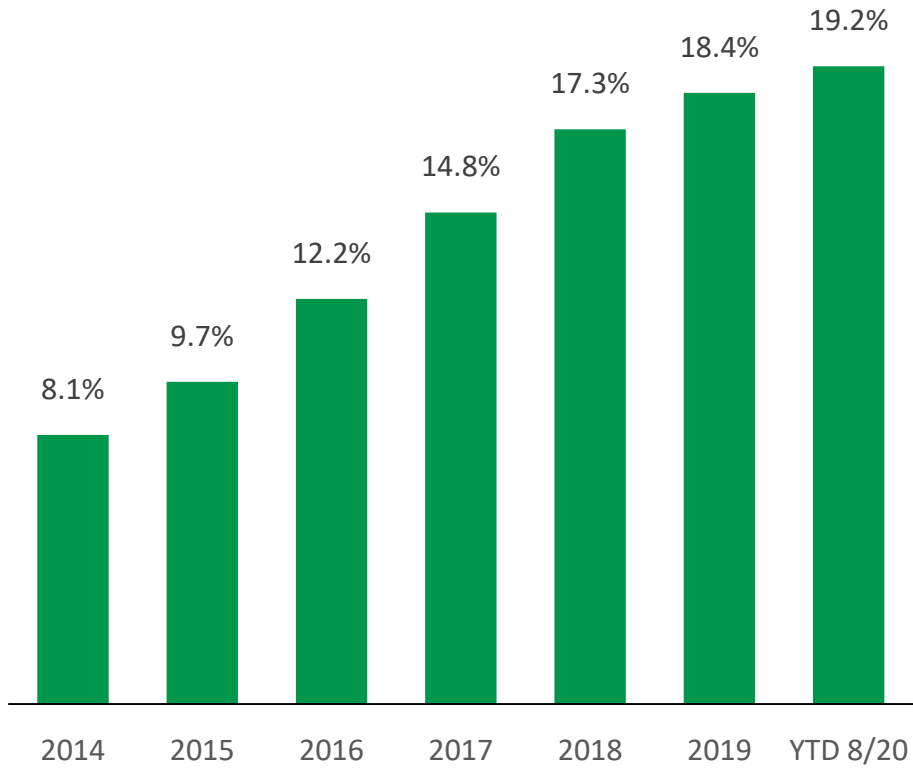


(1) Based on gross transactions

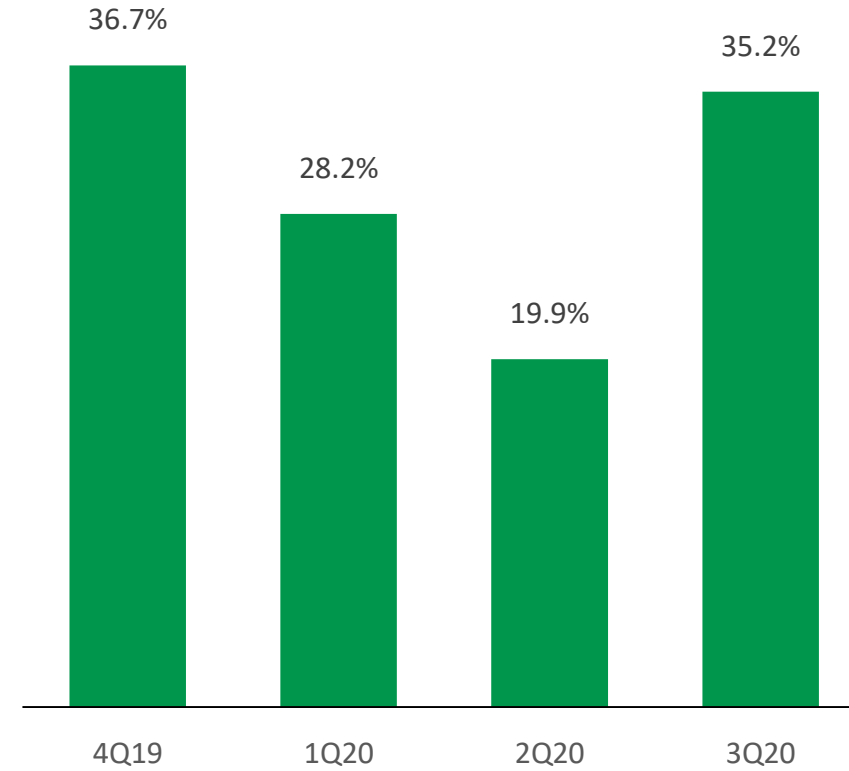
Driving Market Share Growth



Market share Core Markets (1) (2)



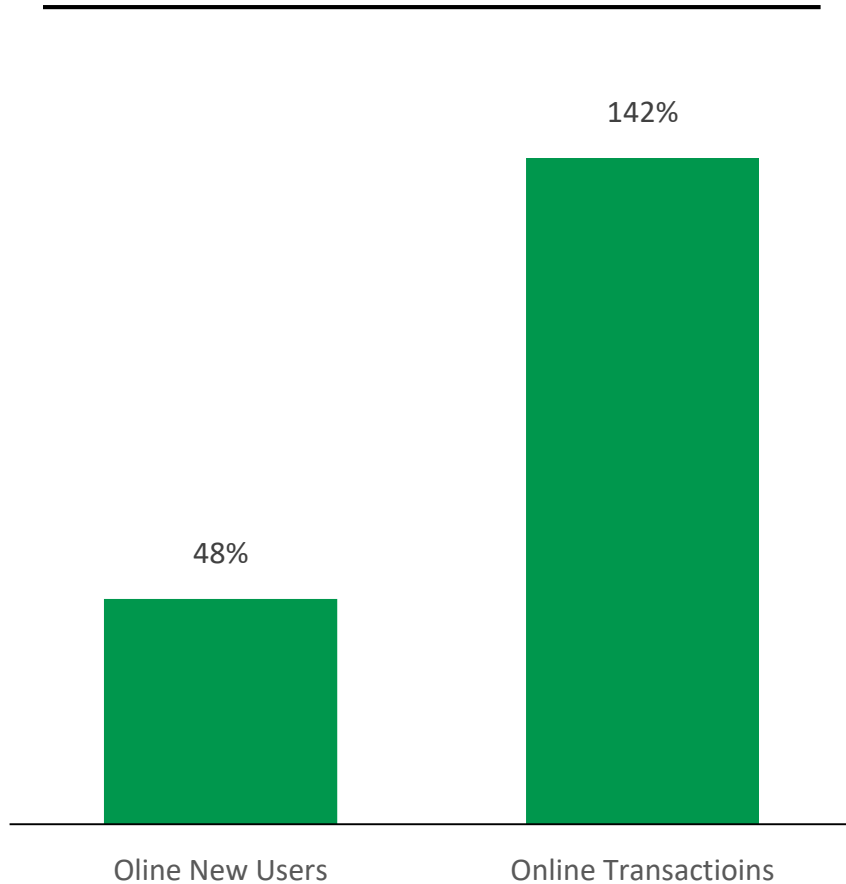
Transaction Growth Emerging Markets Quarter vs. Quarter (3)



- (1) Market size of LAC inbound remittances per Banco de Mexico, Banco de Guatemala, Banco Central de Reserva de El Salvador, and Banco Central de Honduras using the 2017 World Bank Bilateral Matrix US Country Shares %'s to calculate the US Based Remittance Volume
- (2) Core Markets include Mexico, Guatemala, Honduras and El Salvador
- (3) Emerging Markets include Dominican Republic, Ecuador, Nicaragua, Peru, Costa Rica, Brasil, Bolivia, Panama, Chile, Argentina, Paraguay, Uruguay, Nigeria, Philippines, Ghana, Kenya, Ethiopia, Vietnam, Senegal, Cote D Voire, Cameroon, Haiti

Source: Banco de Guatemala, Banco Central de Honduras, Banco de Mexico, Banco Central de Reserva de El Salvador – US originating Volume using based on latest 2019 results using the 2017 World Bank Bilateral Matrix US Country Shares %'s to calculate the US Based Remittance Volume Market size of LAC inbound remittances per World Bank Remittance Data as of April 2020 using the 2017 World Bank Bilateral Matrix US Country Shares %'s to calculate the US Based Remittance Volume

Online Growth 3Q20 vs. 3Q19



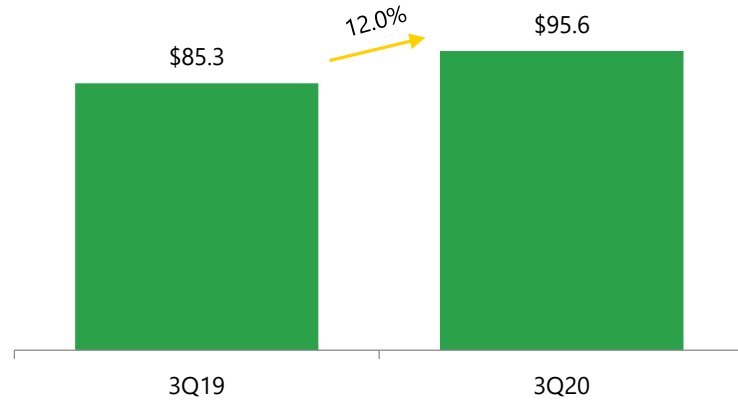
➤ Investing in Digital

- **Hired New Vice President of Digital**
- **Hired Head of Digital Marketing**
- **Started Redesign of Mobile Money Transfer App**
- **Believe Brick & Mortar will be Primary way to Send Money to LATAM for Years**

Profitable and Sustainable Growth

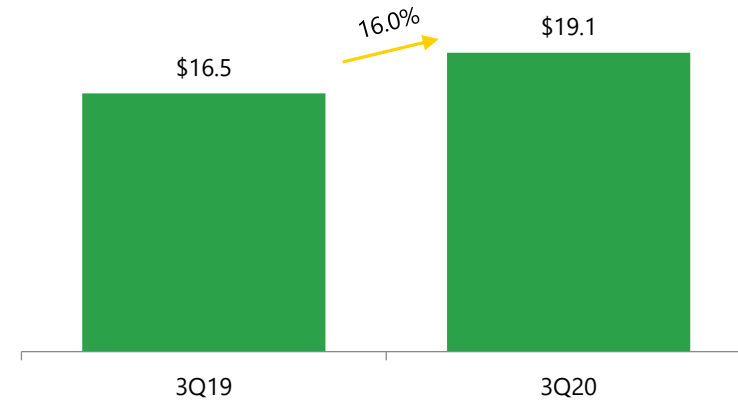
Revenue

(\$ in millions)



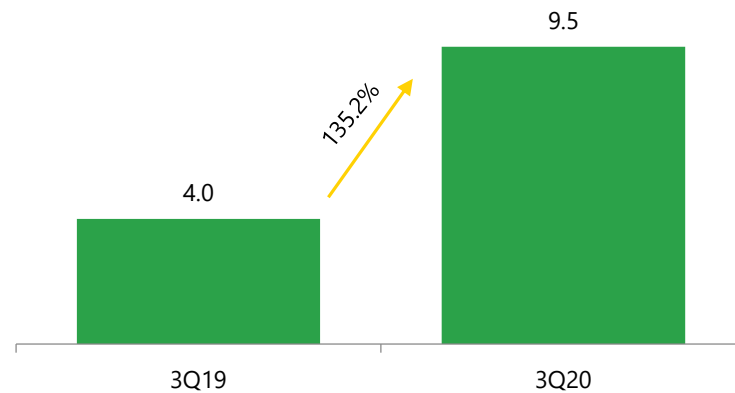
Adjusted EBITDA⁽¹⁾

(\$ in millions)



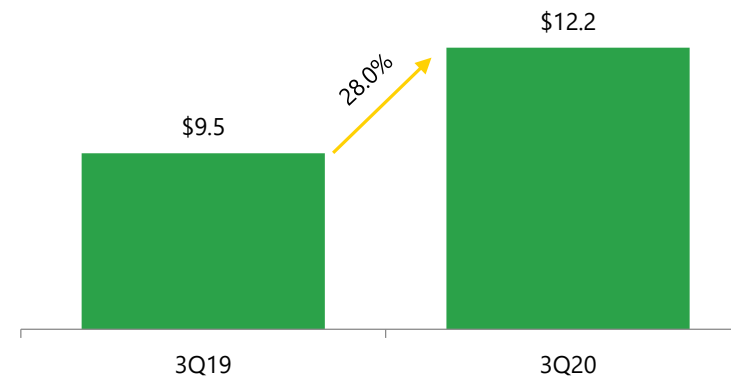
Net Income

(\$ in millions)



Adjusted Net Income

(\$ in millions)



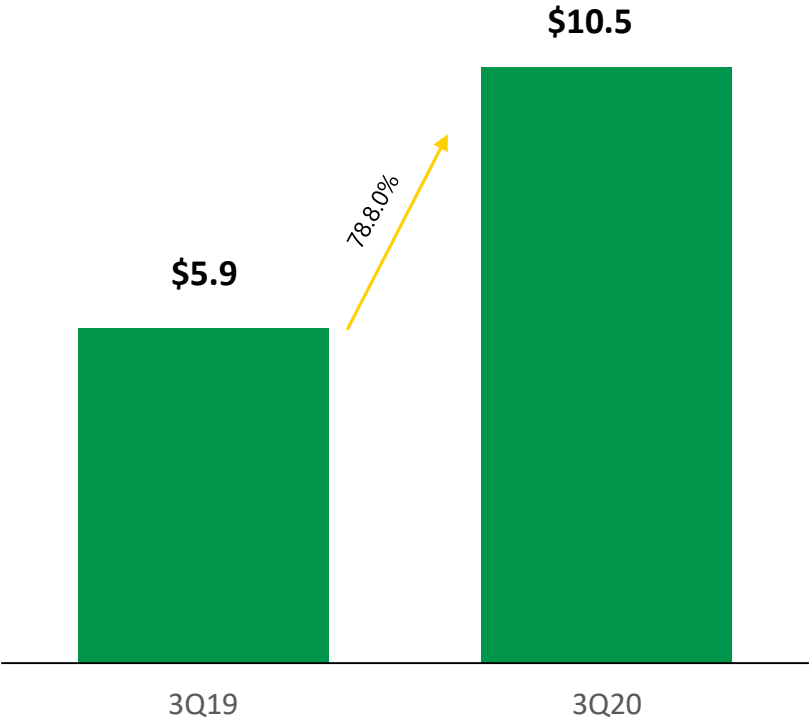
(1) Non-GAAP measure. See Appendix for reconciliations to the most directly comparable GAAP measures.

Highly Cash Generative Business Model

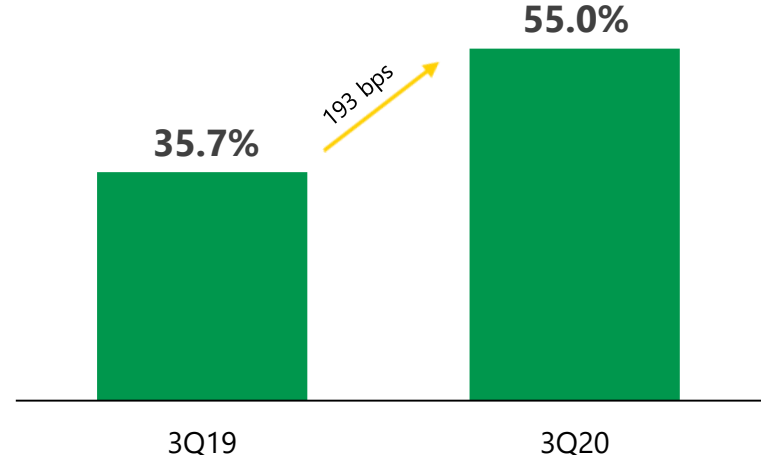


Free Cash Generated (1)

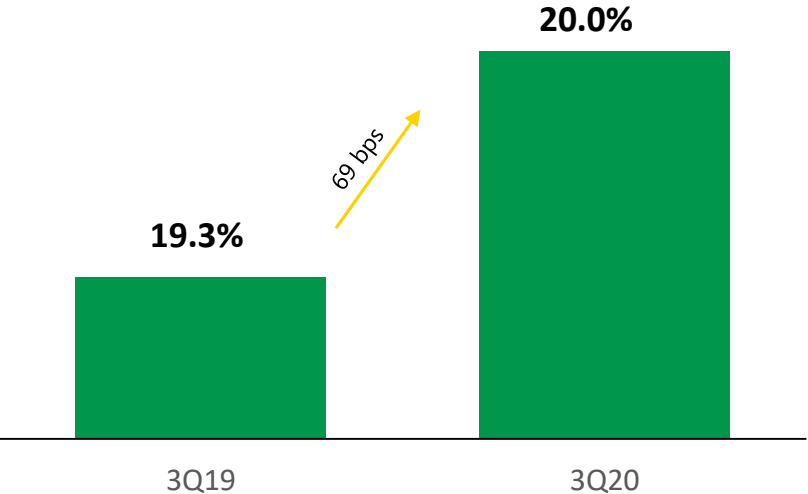
(\$ in millions)



Free Cash Generated (1) as a Percentage of Adj. EBITDA(1)



Adjusted EBITDA Margin(1)



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

- Revenue of \$93M – \$95M, or 12% - 14% increase
- Adjusted EBITDA of \$16.5M - \$17M⁽²⁾, or 17% - 20% increase

(2) 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 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

Condensed Consolidated Balance Sheets



<i>(in thousands of dollars)</i>	September 30, 2020	December 31, 2019
ASSETS	(Unaudited)	
Current assets:		
Cash	\$ 109,067	\$ 86,117
Accounts receivable, net of allowance of \$1,243 and \$759, respectively	59,962	39,754
Prepaid wires, net	8,983	18,201
Prepaid expenses and other current assets	2,685	4,155
Total current assets	<u>180,697</u>	<u>148,227</u>
Property and equipment, net	12,770	13,282
Goodwill	36,260	36,260
Intangible assets, net	22,168	27,381
Deferred tax asset, net	-	741
Other assets	2,328	1,415
Total assets	<u>\$ 254,223</u>	<u>\$ 227,306</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net	\$ 7,044	\$ 7,044
Accounts payable	9,890	13,401
Wire transfers and money orders payable, net	48,189	40,197
Accrued and other liabilities	24,086	23,074
Total current liabilities	<u>89,209</u>	<u>83,716</u>
Long-term liabilities:		
Debt, net	82,340	87,623
Deferred tax liability, net	571	-
Total long-term liabilities	<u>82,911</u>	<u>87,623</u>
Stockholders' equity:		
Total stockholders' equity	82,103	55,967
Total liabilities and stockholders' equity	<u>\$ 254,223</u>	<u>\$ 227,306</u>

Condensed Consolidated Statement of Operations



<i>(in thousands of dollars)</i>	Three Months Ended	
	September 30,	
	2020	2019
	(Unaudited)	
Revenues:		
Wire transfer and money order fees, net	\$ 82,646	\$ 72,468
Foreign exchange gain, net	12,296	12,272
Other income	652	594
Total revenues	<u>\$ 95,594</u>	<u>\$ 85,334</u>
Operating expenses:		
Service charges from agents and banks	63,904	56,319
Salaries and benefits	8,084	7,612
Other selling, general and administrative expenses	6,336	9,788
Depreciation and amortization	2,698	3,179
Total operating expenses	<u>81,022</u>	<u>76,898</u>
Operating income	14,572	8,436
Interest expense	<u>1,530</u>	<u>2,145</u>
Income before income taxes	13,042	6,291
Income tax provision	<u>3,544</u>	<u>2,253</u>
Net income	<u>\$ 9,498</u>	<u>\$ 4,038</u>
Earnings per common share		
Basic and diluted	\$ 0.25	\$ 0.11
Weighted-average common shares outstanding:		
Basic	38,050,610	37,984,316
Diluted	38,652,707	38,286,702

Reconciliation from NI to Adjusted Net Income



	Three Months Ended September 30,	
	2020	2019
<i>(in thousands of dollars)</i>		
	(Unaudited)	
Net income	\$ 9,498	\$ 4,038
Adjusted for:		
Share-based compensation, 2020 and 2018 Plans (a)	801	634
Offering costs (b)	479	766
TCPA Settlement (c)	12	3,358
Loss on bank closure (d)	252	-
Other charges and expenses (e)	282	86
Amortization of certain intangibles (f)	1,710	2,312
Income tax benefit related to adjustments (g)	(822)	(1,654)
Adjusted net income	\$ 12,212	\$ 9,540
Adjusted earnings per common share		
Basic and diluted	\$ 0.32	\$ 0.25

(a) Stock options and restricted stock were granted to employees and independent directors of the Company.

(b) Represents expenses incurred for professional and legal fees in connection with secondary offerings of the Company's common stock.

(c) Represents legal fees and charge for the settlement of a class action lawsuit related to the Telephone Consumer Protection Act.

(d) Represents a loss during the three months ended September 30, 2020 related to the closure of a financial institution in Mexico.

(e) Includes loss on disposal of fixed assets and foreign currency (gains) losses.

(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 Adjusted EPS



	Three Months Ended September 30,	
	2020	2019
	(Unaudited)	
GAAP Earnings per Share Basic and Diluted	\$ 0.25	\$ 0.11
Adjusted for:		
Share-based compensation, 2020 and 2018 Plans	0.02	0.02
Offering costs	0.01	0.02
TCPA settlement	NM	0.09
Loss on bank closure	0.01	-
Other charges and expenses	0.01	NM
Amortization of certain intangibles	0.04	0.06
Income tax benefit related to adjustments	(0.02)	(0.04)
Non-GAAP Adjusted Earnings per Share Basic and Diluted	\$ 0.32	\$ 0.25

NM—Per share amounts are not meaningful

The table above may contain slight summation differences due to rounding.

Reconciliation from Net Income to Adjusted EBITDA



	Three Months Ended September 30,	
<i>(in thousands of dollars)</i>	2020	2019
	(Unaudited)	
Net income	\$ 9,498	\$ 4,038
Adjusted for:		
Interest expense	1,530	2,145
Income tax provision	3,544	2,253
Depreciation and amortization	2,698	3,179
EBITDA	17,270	11,615
Share-based compensation, 2020 and 2018 Plans (a)	801	634
Offering costs (b)	479	766
TCPA settlement (c)	12	3,358
Loss on bank closure (d)	252	-
Other charges and expenses (e)	282	86
Adjusted EBITDA	\$ 19,096	\$ 16,459

(a) Stock options and restricted stock were granted to employees and independent directors of the Company.

(b) Represents expenses incurred for professional and legal fees in connection with secondary offerings for the Company's common stock.

(c) Represents legal fees and charge for the settlement of a class action lawsuit related to the TCPA.

(d) Represents a loss during the three months ended September 30, 2020 related to the closure of a financial institution in Mexico.

(e) Includes loss on disposal of fixed assets and foreign currency (gains) losses.

Reconciliation of Net Income to Free Cash Generated



<i>(in thousands of dollars)</i>	Three months ended September 30,	
	2020	2019
	(Unaudited)	
Net income for the period	\$ 9,498	\$ 4,038
Depreciation and amortization	2,698	3,179
Stock compensation expense	801	634
Provision for bad debt	319	619
Other noncash expenses	282	86
Cash used in investing Activities	(1,179)	(1,404)
Term loan pay downs	(1,916)	(1,277)
Net free cash generated during the period	\$ 10,503	\$ 5,875

Reconciliation of NI Margin to Adj. EBITDA Margin



	Three Months Ended September 30,	
	2020	2019
	(Unaudited)	
Net income margin	9.9%	4.7%
Adjusted for:		
Interest expense	1.6%	2.5%
Income tax provision	3.7%	2.6%
Depreciation and amortization	2.8%	3.7%
EBITDA Margin	18.1%	13.6%
Share-based compensation, 2020 and 2018 Plans	0.8%	0.7%
Offering costs	0.5%	0.9%
TCPA settlement	0.0%	3.9%
Loss on bank closure	0.3%	0.0%
Other charges and expenses	0.3%	0.1%
Adjusted EBITDA Margin	20.0%	19.3%

intermex
INTERNATIONAL MONEY EXPRESS



THANKS