

PRA Group Reports First Quarter 2021 Results

NORFOLK, Va., May 6, 2021 /PRNewswire/ -- PRA Group (Nasdaq: PRAA), a global leader in acquiring and collecting nonperforming loans, today reported its financial results for the first quarter of 2021. The Company reported net income attributable to PRA Group Inc. of \$58.4 million in the first quarter, compared with \$19.1 million in the prior year period. Diluted earnings per share were \$1.27 versus \$0.42 in the first quarter of 2020.

First Quarter Highlights (compared to the first quarter of 2020, unless otherwise indicated)

- Record total cash collections which increased 12% to \$555.9 million.
- Record total revenues which increased 15% to \$289.5 million.
- Income from operations increased 83% to \$110.8 million.
- Cash efficiency ratio¹ of 68.0% during the quarter compared to 61.5% in the first quarter of 2020.
- Net income attributable to PRA Group, Inc. increased 205% to \$58.4 million.
- Diluted earnings per share increased 202% to \$1.27.
- Debt to Adjusted EBITDA² for the last 12 months decreased to 1.77x from 1.99x at December 31, 2020.
- Total portfolio purchases of \$159.0 million.
- Estimated remaining collections (ERC) of \$6.1 billion.
- \$1.2 billion available for portfolio purchases.

"PRA started 2021 with another record setting quarter. We collected record levels of cash globally and had record revenues. In Europe, solid portfolio purchases in 2020 drove record collections. In the U.S., we continued to see strong collections particularly in our call centers and digital platform. These results combined with increases in productivity helped to produce a near record cash efficiency ratio for the quarter," said Kevin Stevenson, president and chief executive officer. "Portfolio purchases during the quarter increased sequentially in the U.S. The market remains stable with little change in seller behavior; however, lower charge off rates are pushing forward flow volumes to the lower end of the contracted range. In Europe, we were pleased with our investment volume in what is normally a seasonally slower quarter. We have solid volumes of forward flows secured, believe the pipeline in Europe is larger than what 2020 offered, and were awarded our first portfolio, a forward flow, in Australia."

- Calculated by dividing cash receipts less operating expense by cash receipts.
- A reconciliation of this non-GAAP financial measure to the most comparable GAAP measure can be found at the end of this press release.

Cash Collections and Revenues

- The following table presents cash collections by quarter and by source on an as reported and constant currency-adjusted basis:

| Cash Collection Source (\$ in thousands) | 2021 | 2020 | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Americas and Australia Core | \$ 347,638 | \$ 286,524 | \$ 336,322 | \$ 343,269 | \$ 305,780 |
| Americas Insolvency | 35,253 | 36,048 | 37,344 | 38,685 | 43,210 |
| Europe Core | 149,486 | 141,471 | 131,702 | 115,145 | 131,340 |
| Europe Insolvency | 23,510 | 17,830 | 13,971 | 12,841 | 14,243 |
| Total Cash Collections | \$ 555,887 | \$ 481,873 | \$ 519,339 | \$ 509,940 | \$ 494,573 |

| Cash Collection Source - Constant Currency Adjusted (\$ in thousands) | 2021 | 2020 |
|---|-------------------|-------------------|
| | Q1 | Q1 |
| Americas and Australia Core | \$ 347,638 | \$ 301,696 |
| Americas Insolvency | 35,253 | 43,239 |
| Europe Core | 149,486 | 142,004 |
| Europe Insolvency | 23,510 | 15,366 |
| Total Cash Collections | \$ 555,887 | \$ 502,305 |

- Cash collections in the quarter increased \$61.3 million compared to the first quarter of 2020. The increase was primarily due to a 32% increase in U.S. call center and other cash collections and a 19% increase in Europe cash collections. This increase was partially offset by a decrease in U.S. legal and Americas Insolvency cash collections. While cash collections decreased in Other Americas Core, this decrease was primarily driven by foreign exchange rates.
- Portfolio income was \$231.7 million compared to \$262.0 million in the first quarter of 2020. This decrease was primarily driven by the Company's assumption that the significant cash overperformance in 2020 was largely acceleration versus an increase in total estimated collections, combined with recent purchases not offsetting runoff, primarily in Americas Insolvency and Other Americas.
- Changes in expected recoveries were a net positive of \$50.1 million. This amount reflects \$103.0 million in recoveries received in excess of forecast from overperformance during the quarter, partially offset by a negative \$52.9 million adjustment for changes in expected future recoveries. The Company has assumed that the majority of the current quarter overperformance is acceleration of future collections and made cash forecast adjustments deemed appropriate given the current environment.

Expenses

- Operating expenses in the quarter decreased \$12.5 million compared to the first quarter of 2020. The decrease was primarily driven by a reduction in legal collection costs mainly as a result of a shift in collections from the legal channel to the call centers and digital platforms. This decrease was partially offset by an increase in agency fees primarily outside of the U.S.
- Interest expense, net decreased \$5.7 million compared to the first quarter of 2020 primarily due to the Company's early adoption of the new accounting for convertible debt as well as lower outstanding balances.
- The effective tax rate for the first quarter of 2021 was 21.9%.

Portfolio Acquisitions

- The Company purchased \$159.0 million in finance receivables in the first quarter of 2021.
- At the end of the first quarter, the Company had in place forward flow commitments of up to \$640.7 million with \$452.7 million in the Americas and Australia and \$188.0 million in Europe.

| Portfolio Purchase Source (\$ in thousands) | 2021 | 2020 | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Americas and Australia Core | \$ 88,912 | \$ 67,460 | \$ 84,139 | \$ 110,474 | \$ 172,697 |
| Americas Insolvency | 9,486 | 12,504 | 14,328 | 14,527 | 20,772 |
| Europe Core | 44,095 | 137,647 | 74,930 | 34,247 | 60,990 |
| Europe Insolvency | 16,468 | 72,171 | 4,203 | 5,251 | 18,778 |
| Total Portfolio Acquisitions | \$ 158,961 | \$ 289,782 | \$ 177,600 | \$ 164,499 | \$ 273,237 |

Conference Call Information

PRA Group, Inc. will hold a conference call today at 5:00 p.m. ET to discuss results with institutional investors and stock analysts. To listen to a webcast of the call and view the accompanying slides, visit <https://ir.pragroup.com/events-and-presentations>. To listen by phone, call 844-835-9982 in the U.S. or 412-317-5267 outside the U.S. and ask for the PRA Group conference call. To listen to a replay of the call, either visit the same website until May 6, 2022, or call 877-344-7529 in the U.S. or 412-317-0088 outside the U.S. and use access code 10155063 until May 13, 2021.

About PRA Group

As a global leader in acquiring and collecting nonperforming loans, PRA Group, Inc. returns capital to banks and other creditors to help expand financial services for consumers in the Americas, Europe and Australia. With thousands of employees worldwide, PRA Group, Inc. companies collaborate with customers to help them resolve their debt. For more information, please visit www.pragroup.com.

About Forward Looking Statements

Statements made herein that are not historical in nature, including PRA Group, Inc.'s or its management's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future, are 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.

The forward-looking statements in this press release are based upon management's current beliefs, estimates, assumptions and expectations of PRA Group, Inc.'s future operations and financial and economic performance, taking into account currently available information. These statements are not statements of historical fact or guarantees of future performance, and there can be no assurance that anticipated events will transpire or that our expectations will prove to be correct. Forward-looking statements involve risks and uncertainties, some of which are not currently known to PRA Group, Inc. Actual events or results may differ materially from those expressed or implied in any such forward-looking statements as a result of various factors, including risk factors and other risks that are described from time to time in PRA Group, Inc.'s filings with the Securities and Exchange Commission, including PRA Group, Inc.'s annual reports on Form 10-K, its quarterly reports on Form 10-Q and its current reports on Form 8-K, which are available through PRA Group, Inc.'s website and contain a detailed discussion of PRA Group, Inc.'s business, including risks and uncertainties that may affect future results.

Due to such uncertainties and risks, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of today. Information in this press release may be superseded by more recent information or statements, which may be disclosed in later press releases, subsequent filings with the Securities and Exchange Commission or otherwise. Except as required by law, PRA Group, Inc. assumes no obligation to publicly update or revise its forward-looking statements contained herein to reflect any change in PRA Group, Inc.'s expectations with regard thereto or to reflect any change in events, conditions or circumstances on which any such forward-looking statements are based, in whole or in part.

| | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Noncash interest expense - amortization of debt discount | — | 1,959 | 2,388 | 3,247 | 3,217 | 3,157 | 3,128 | 3,071 |
| Noncash interest expense - amortization of debt issuance costs | 2,256 | 2,393 | 2,476 | 2,743 | 2,640 | 2,649 | 2,649 | 2,655 |
| Change in fair value of derivatives | 3,102 | 3,875 | 3,701 | 3,284 | 2,039 | 1,247 | 1,126 | 1,645 |
| Amortization of intangibles | 181 | 1,792 | 360 | 351 | 349 | 407 | 400 | 418 |
| Stock-based compensation expense | 4,113 | 5,370 | 3,097 | 3,063 | 2,857 | 2,809 | 2,974 | 2,620 |

| Purchase Period | Purchase Price ⁽¹⁾⁽²⁾ | Purchase Price Multiples as of March 31, 2021 Amounts in thousands | | | Current Estimated Purchase Price Multiple | Original Estimated Purchase Price Multiple ⁽⁵⁾ |
|------------------------------------|----------------------------------|---|--|--|---|---|
| | | Total Estimated Collections ⁽³⁾ | Estimated Remaining Collections ⁽⁴⁾ | | | |
| Americas and Australia Core | | | | | | |
| 1996-2010 | \$ 1,078,219 | \$ 3,397,952 | \$ 24,585 | | 315% | 240% |
| 2011 | 209,602 | 719,618 | 15,897 | | 343% | 245% |
| 2012 | 254,076 | 652,293 | 18,061 | | 257% | 226% |
| 2013 | 390,826 | 894,640 | 30,051 | | 229% | 211% |
| 2014 | 404,117 | 859,775 | 45,345 | | 213% | 204% |
| 2015 | 443,114 | 913,857 | 106,551 | | 206% | 205% |
| 2016 | 455,767 | 1,098,295 | 207,608 | | 241% | 201% |
| 2017 | 532,851 | 1,211,584 | 325,675 | | 227% | 193% |
| 2018 | 653,975 | 1,368,879 | 447,682 | | 209% | 202% |
| 2019 | 581,476 | 1,239,777 | 622,713 | | 213% | 206% |
| 2020 | 435,668 | 931,493 | 717,342 | | 214% | 213% |
| 2021 | 88,822 | 188,644 | 184,196 | | 212% | 212% |
| Subtotal | 5,528,513 | 13,476,807 | 2,745,706 | | | |
| Americas Insolvency | | | | | | |
| 1996-2010 | 606,395 | 1,382,677 | 920 | | 228% | 180% |
| 2011 | 180,432 | 370,183 | 493 | | 205% | 155% |
| 2012 | 251,395 | 392,723 | 184 | | 156% | 136% |
| 2013 | 227,834 | 354,943 | 651 | | 156% | 133% |
| 2014 | 148,420 | 218,432 | 1,695 | | 147% | 124% |
| 2015 | 63,170 | 87,087 | 876 | | 138% | 125% |
| 2016 | 91,442 | 117,159 | 6,736 | | 128% | 123% |
| 2017 | 275,257 | 349,209 | 51,318 | | 127% | 125% |
| 2018 | 97,879 | 131,461 | 58,999 | | 134% | 127% |
| 2019 | 123,077 | 158,692 | 105,361 | | 129% | 128% |
| 2020 | 62,130 | 84,972 | 75,489 | | 137% | 136% |
| 2021 | 9,486 | 13,185 | 13,168 | | 139% | 139% |
| Subtotal | 2,136,917 | 3,660,723 | 315,890 | | | |
| Total Americas and Australia | 7,665,430 | 17,137,530 | 3,061,596 | | | |
| Europe Core | | | | | | |
| 2012 | 20,409 | 41,543 | — | | 204% | 167% |
| 2013 | 20,334 | 25,653 | — | | 126% | 119% |
| 2014 | 773,811 | 2,240,653 | 586,113 | | 290% | 208% |
| 2015 | 411,340 | 725,713 | 250,732 | | 176% | 160% |
| 2016 | 333,090 | 562,194 | 285,405 | | 169% | 167% |
| 2017 | 252,174 | 354,024 | 184,108 | | 140% | 144% |
| 2018 | 341,775 | 529,154 | 346,370 | | 155% | 148% |
| 2019 | 518,610 | 776,604 | 587,133 | | 150% | 152% |
| 2020 | 324,119 | 557,506 | 491,301 | | 172% | 172% |
| 2021 | 43,635 | 77,780 | 76,397 | | 178% | 178% |
| Subtotal | 3,039,297 | 5,690,824 | 2,807,559 | | | |
| Europe Insolvency | | | | | | |
| 2014 | 10,876 | 18,228 | 130 | | 168% | 129% |
| 2015 | 18,973 | 29,018 | 1,997 | | 153% | 139% |
| 2016 | 39,338 | 56,926 | 8,784 | | 145% | 130% |
| 2017 | 39,235 | 49,255 | 17,707 | | 126% | 128% |
| 2018 | 44,908 | 52,080 | 32,060 | | 116% | 123% |
| 2019 | 77,218 | 101,866 | 72,242 | | 132% | 130% |
| 2020 | 105,440 | 135,896 | 121,891 | | 129% | 129% |
| 2021 | 16,621 | 20,786 | 20,151 | | 125% | 125% |
| Subtotal | 352,609 | 464,055 | 274,962 | | | |
| Total Europe | 3,391,906 | 6,354,879 | 3,082,521 | | | |
| Total PRA Group | \$ 11,057,336 | \$ 23,492,409 | \$ 6,144,117 | | | |

- (1) Includes the acquisition date finance receivables portfolios that were acquired through our business acquisitions.
(2) For our non-U.S. amounts, purchase price is presented at the exchange rate at the end of the year in which the portfolio was purchased. In addition, any purchase price adjustments that occur throughout the life of the portfolio are presented at the year-end exchange rate for the respective year of purchase.
(3) For our non-U.S. amounts, TEC is presented at the year-end exchange rate for the respective year of purchase.
(4) For our non-U.S. amounts, ERC is presented at the March 31, 2021 exchange rate.
(5) The Original Estimated Purchase Price Multiple represents the purchase price multiple at the end of the year of acquisition.

| Purchase Period | Portfolio Financial Information Year-to-date as of March 31, 2021 Amounts in thousands | | | | |
|------------------------------------|--|---------------------------------|--|---|---|
| | Cash Collections ⁽¹⁾ | Portfolio Income ⁽¹⁾ | Change in Expected Recoveries ⁽¹⁾ | Total Portfolio Revenue ⁽¹⁾⁽²⁾ | Net Finance Receivables as of March 31, 2021 ⁽³⁾ |
| Americas and Australia Core | | | | | |
| 1996-2010 | \$ 3,726 | \$ 2,319 | \$ 447 | \$ 2,766 | \$ 5,178 |
| 2011 | 2,259 | 1,405 | 309 | 1,714 | 2,596 |
| 2012 | 2,786 | 1,286 | 375 | 1,661 | 5,638 |
| 2013 | 4,968 | 2,526 | (351) | 2,175 | 13,495 |
| 2014 | 6,937 | 3,494 | (2,154) | 1,340 | 19,677 |
| 2015 | 11,958 | 6,355 | (4,961) | 1,394 | 45,306 |
| 2016 | 24,893 | 11,990 | 3,908 | 15,898 | 84,015 |
| 2017 | 41,722 | 18,236 | 3,937 | 22,173 | 145,799 |
| 2018 | 75,462 | 25,404 | 10,591 | 35,995 | 245,467 |
| 2019 | 88,246 | 35,129 | 6,417 | 41,546 | 331,169 |

| | | | | | |
|------------------------------|------------|------------|-----------|------------|--------------|
| 2020 | 80,231 | 35,446 | 16,613 | 52,059 | 369,418 |
| 2021 | 4,450 | 2,728 | 838 | 3,566 | 87,902 |
| Subtotal | 347,638 | 146,318 | 35,969 | 182,287 | 1,355,660 |
| Americas Insolvency | | | | | |
| 1996-2010 | 181 | 186 | (5) | 181 | — |
| 2011 | 76 | 73 | 3 | 76 | — |
| 2012 | 190 | 72 | 120 | 192 | — |
| 2013 | 201 | 181 | 20 | 201 | — |
| 2014 | 298 | 355 | (80) | 265 | 190 |
| 2015 | 446 | 247 | (202) | 45 | 497 |
| 2016 | 2,727 | 491 | 241 | 732 | 5,429 |
| 2017 | 11,752 | 2,621 | 468 | 3,089 | 43,107 |
| 2018 | 7,812 | 1,778 | 751 | 2,529 | 50,368 |
| 2019 | 8,594 | 2,488 | (1,786) | 702 | 89,380 |
| 2020 | 2,960 | 1,897 | 535 | 2,432 | 57,174 |
| 2021 | 16 | 101 | (14) | 87 | 9,553 |
| Subtotal | 35,253 | 10,490 | 41 | 10,531 | 255,698 |
| Total Americas and Australia | 382,891 | 156,808 | 36,010 | 192,818 | 1,611,358 |
| Europe Core | | | | | |
| 2012 | 283 | — | 283 | 283 | — |
| 2013 | 171 | — | 171 | 171 | — |
| 2014 | 37,843 | 25,589 | 7,184 | 32,773 | 159,401 |
| 2015 | 13,464 | 7,427 | (6,091) | 1,336 | 130,541 |
| 2016 | 11,956 | 6,431 | (649) | 5,782 | 164,228 |
| 2017 | 9,565 | 3,191 | (1,076) | 2,115 | 127,233 |
| 2018 | 18,365 | 6,289 | 4,576 | 10,865 | 226,773 |
| 2019 | 32,020 | 10,111 | 2,450 | 12,561 | 390,892 |
| 2020 | 24,425 | 9,595 | 4,578 | 14,173 | 293,315 |
| 2021 | 1,394 | 210 | 1,015 | 1,225 | 43,431 |
| Subtotal | 149,486 | 68,843 | 12,441 | 81,284 | 1,535,814 |
| Europe Insolvency | | | | | |
| 2014 | 88 | 48 | 6 | 54 | 55 |
| 2015 | 530 | 225 | 5 | 230 | 1,335 |
| 2016 | 1,762 | 546 | 118 | 664 | 6,487 |
| 2017 | 2,484 | 398 | 140 | 538 | 15,696 |
| 2018 | 2,967 | 640 | (764) | (124) | 27,919 |
| 2019 | 6,222 | 1,554 | 183 | 1,737 | 59,244 |
| 2020 | 8,817 | 2,410 | 850 | 3,260 | 98,227 |
| 2021 | 640 | 200 | 1,147 | 1,347 | 16,531 |
| Subtotal | 23,510 | 6,021 | 1,685 | 7,706 | 225,494 |
| Total Europe | 172,996 | 74,864 | 14,126 | 88,990 | 1,761,308 |
| Total PRA Group | \$ 555,887 | \$ 231,672 | \$ 50,136 | \$ 281,808 | \$ 3,372,666 |

- (1) For our non-U.S. amounts, amounts are presented using the average exchange rates during the current reporting period.
(2) Total Portfolio Revenue refers to Portfolio Income and Changes in Expected Recoveries combined.
(3) For our non-U.S. amounts, Net Finance Receivables are presented at the March 31, 2021 exchange rate.

Cash Collections by Year, By Year of Purchase⁽¹⁾
as of March 31, 2021
Amounts in millions

| Purchase Period | Purchase Price ⁽²⁾⁽³⁾ | Cash Collections | | | | | | | | | | | | | Total |
|------------------------------------|----------------------------------|------------------|----------|----------|----------|----------|----------|---------|---------|---------|---------|---------|--------|------------|-------|
| | | 1996-2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | | |
| Americas and Australia Core | | | | | | | | | | | | | | | |
| 1996-2010 | \$ 1,078.2 | \$ 1,990.5 | \$ 367.1 | \$ 311.5 | \$ 228.4 | \$ 157.7 | \$ 109.3 | \$ 70.2 | \$ 46.0 | \$ 34.4 | \$ 28.4 | \$ 18.8 | \$ 3.7 | \$ 3,366.0 | |
| 2011 | 209.6 | — | 62.0 | 174.5 | 152.9 | 108.5 | 73.8 | 48.7 | 32.0 | 21.6 | 16.6 | 10.9 | 2.3 | 703.8 | |
| 2012 | 254.1 | — | — | 56.9 | 173.6 | 146.2 | 97.3 | 60.0 | 40.0 | 27.8 | 17.9 | 11.8 | 2.8 | 634.3 | |
| 2013 | 390.8 | — | — | — | 101.6 | 247.8 | 194.0 | 120.8 | 78.9 | 56.4 | 36.9 | 23.2 | 5.0 | 864.6 | |
| 2014 | 404.1 | — | — | — | — | 92.7 | 253.4 | 170.3 | 114.2 | 82.2 | 55.3 | 31.9 | 6.9 | 806.9 | |
| 2015 | 443.1 | — | — | — | — | — | 117.0 | 228.4 | 185.9 | 126.6 | 83.6 | 57.2 | 12.0 | 810.7 | |
| 2016 | 455.8 | — | — | — | — | — | — | 138.7 | 256.5 | 194.6 | 140.6 | 105.9 | 24.9 | 861.2 | |
| 2017 | 532.9 | — | — | — | — | — | — | — | 107.3 | 278.7 | 256.5 | 192.5 | 41.7 | 876.7 | |
| 2018 | 654.0 | — | — | — | — | — | — | — | — | 122.7 | 361.9 | 337.7 | 75.5 | 897.8 | |
| 2019 | 581.5 | — | — | — | — | — | — | — | — | — | 143.8 | 349.0 | 88.2 | 581.0 | |
| 2020 | 435.7 | — | — | — | — | — | — | — | — | — | — | 133.0 | 80.2 | 213.2 | |
| 2021 | 88.8 | — | — | — | — | — | — | — | — | — | — | — | 4.4 | 4.4 | |
| Subtotal | 5,528.6 | 1,990.5 | 429.1 | 542.9 | 656.5 | 752.9 | 844.8 | 837.1 | 860.8 | 945.0 | 1,141.5 | 1,271.9 | 347.6 | 10,620.6 | |
| Americas Insolvency | | | | | | | | | | | | | | | |
| 1996-2010 | 606.4 | 390.9 | 261.2 | 270.4 | 231.0 | 158.9 | 51.2 | 8.6 | 4.6 | 2.5 | 1.4 | 0.8 | 0.2 | 1,381.7 | |
| 2011 | 180.4 | — | 15.2 | 66.4 | 82.8 | 85.8 | 76.9 | 36.0 | 3.7 | 1.6 | 0.7 | 0.5 | 0.1 | 369.7 | |
| 2012 | 251.4 | — | — | 17.4 | 103.6 | 94.1 | 80.1 | 60.7 | 29.3 | 4.3 | 1.9 | 0.9 | 0.2 | 392.5 | |
| 2013 | 227.8 | — | — | — | 52.5 | 82.6 | 81.7 | 63.4 | 47.8 | 21.9 | 2.9 | 1.3 | 0.2 | 354.3 | |
| 2014 | 148.4 | — | — | — | — | 37.0 | 50.9 | 44.3 | 37.4 | 28.8 | 15.8 | 2.2 | 0.3 | 216.7 | |
| 2015 | 63.2 | — | — | — | — | — | 3.4 | 17.9 | 20.1 | 19.8 | 16.7 | 7.9 | 0.4 | 86.2 | |
| 2016 | 91.4 | — | — | — | — | — | — | 18.9 | 30.4 | 25.0 | 19.9 | 14.4 | 2.7 | 111.3 | |
| 2017 | 275.3 | — | — | — | — | — | — | — | 49.1 | 97.3 | 80.9 | 58.8 | 11.8 | 297.9 | |
| 2018 | 97.9 | — | — | — | — | — | — | — | — | 6.7 | 27.4 | 30.5 | 7.8 | 72.4 | |
| 2019 | 123.1 | — | — | — | — | — | — | — | — | — | 13.3 | 31.4 | 8.6 | 53.3 | |
| 2020 | 62.1 | — | — | — | — | — | — | — | — | — | — | 6.6 | 3.0 | 9.6 | |
| 2021 | 9.5 | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Subtotal | 2,136.9 | 390.9 | 276.4 | 354.2 | 469.9 | 458.4 | 344.2 | 249.8 | 222.4 | 207.9 | 180.9 | 155.3 | 35.3 | 3,345.6 | |
| Total Americas and Australia | 7,665.5 | 2,381.4 | 705.5 | 897.1 | 1,126.4 | 1,211.3 | 1,189.0 | 1,086.9 | 1,083.2 | 1,152.9 | 1,322.4 | 1,427.2 | 382.9 | 13,966.2 | |
| Europe Core | | | | | | | | | | | | | | | |
| 2012 | 20.4 | — | — | 11.6 | 9.0 | 5.6 | 3.2 | 2.2 | 2.0 | 2.0 | 1.5 | 1.2 | 0.3 | 38.6 | |
| 2013 | 20.3 | — | — | — | 7.1 | 8.5 | 2.3 | 1.3 | 1.2 | 1.3 | 0.9 | 0.7 | 0.2 | 23.5 | |
| 2014 | 773.8 | — | — | — | — | 153.2 | 292.0 | 246.4 | 220.8 | 206.3 | 172.9 | 149.8 | 37.8 | 1,479.2 | |
| 2015 | 411.3 | — | — | — | — | — | 45.8 | 100.3 | 86.2 | 80.9 | 66.1 | 54.3 | 13.4 | 447.0 | |

| | | | | | | | | | | | | | | |
|--------------------------|-------------|------------|----------|----------|------------|------------|------------|------------|------------|------------|------------|------------|----------|-------------|
| 2016 | 333.1 | — | — | — | — | — | — | 40.4 | 78.9 | 72.6 | 58.0 | 48.3 | 12.0 | 310.2 |
| 2017 | 252.2 | — | — | — | — | — | — | — | 17.9 | 56.0 | 44.1 | 36.1 | 9.6 | 163.7 |
| 2018 | 341.8 | — | — | — | — | — | — | — | — | 24.3 | 88.7 | 71.2 | 18.4 | 202.6 |
| 2019 | 518.6 | — | — | — | — | — | — | — | — | — | 47.9 | 125.7 | 32.0 | 205.6 |
| 2020 | 324.1 | — | — | — | — | — | — | — | — | — | — | 32.4 | 24.4 | 56.8 |
| 2021 | 43.6 | — | — | — | — | — | — | — | — | — | — | — | 1.4 | 1.4 |
| Subtotal | 3,039.2 | — | — | 11.6 | 16.1 | 167.3 | 343.3 | 390.6 | 407.0 | 443.4 | 480.1 | 519.7 | 149.5 | 2,928.6 |
| Europe Insolvency | | | | | | | | | | | | | | |
| 2014 | 10.9 | — | — | — | — | — | 4.3 | 3.9 | 3.2 | 2.6 | 1.5 | 0.8 | 0.1 | 16.4 |
| 2015 | 19.0 | — | — | — | — | — | 3.0 | 4.4 | 5.0 | 4.8 | 3.9 | 2.9 | 0.5 | 24.5 |
| 2016 | 39.3 | — | — | — | — | — | — | 6.2 | 12.7 | 12.9 | 10.7 | 7.9 | 1.8 | 52.2 |
| 2017 | 39.2 | — | — | — | — | — | — | — | 1.2 | 7.9 | 9.2 | 9.8 | 2.5 | 30.6 |
| 2018 | 44.9 | — | — | — | — | — | — | — | — | 0.6 | 8.4 | 10.3 | 3.0 | 22.3 |
| 2019 | 77.2 | — | — | — | — | — | — | — | — | — | 5.1 | 21.1 | 6.2 | 32.4 |
| 2020 | 105.4 | — | — | — | — | — | — | — | — | — | — | 6.1 | 8.8 | 14.9 |
| 2021 | 16.7 | — | — | — | — | — | — | — | — | — | — | — | 0.6 | 0.6 |
| Subtotal | 352.6 | — | — | — | — | — | 7.3 | 14.5 | 22.1 | 28.8 | 38.8 | 58.9 | 23.5 | 193.9 |
| Total | 3,391.8 | — | — | 11.6 | 16.1 | 167.3 | 350.6 | 405.1 | 429.1 | 472.2 | 518.9 | 578.6 | 173.0 | 3,122.5 |
| Total PRA Group | \$ 11,057.3 | \$ 2,381.4 | \$ 705.5 | \$ 908.7 | \$ 1,142.5 | \$ 1,378.6 | \$ 1,539.6 | \$ 1,492.0 | \$ 1,512.3 | \$ 1,625.1 | \$ 1,841.3 | \$ 2,005.8 | \$ 555.9 | \$ 17,088.7 |

- (1) For our non-U.S. amounts, cash collections are presented using the average exchange rates during the cash collection period.
(2) Includes the finance receivables portfolios that were acquired through our business acquisitions.
(3) For our non-U.S. amounts, purchase price is presented at the exchange rate at the end of the year in which the portfolio was purchased. In addition, any purchase price adjustments that occur throughout the life of the pool are presented at the year-end exchange rate for the respective year of purchase.

Use of Non-GAAP Financial Measures

PRA Group, Inc. reports financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management uses certain non-GAAP financial measures, including Adjusted EBITDA, internally to evaluate the Company's performance and to set performance goals. Adjusted EBITDA is calculated as net income attributable to PRA Group, Inc. plus income tax expense; less foreign exchange gain (or plus foreign exchange loss); plus interest expense, net; plus other expense; plus depreciation and amortization; plus adjustment for net income attributable to noncontrolling interests; and plus recoveries applied to negative allowance less changes in expected recoveries. Adjusted EBITDA is a supplemental measure of performance that is not required by, or presented in accordance with, GAAP. PRA Group, Inc. presents Adjusted EBITDA because the Company considers it an important supplemental measure of operations and financial performance. Management believes Adjusted EBITDA helps provide enhanced period-to-period comparability of operations and financial performance and is useful to investors as other companies in the industry report similar financial measures. Adjusted EBITDA should not be considered as an alternative to net income determined in accordance with GAAP. Set forth below is a reconciliation of Adjusted EBITDA for the last twelve months (LTM) ended March 31, 2021 and for the year ended December 31, 2020, to net income, the most directly comparable financial measure calculated and reported in accordance with GAAP. The calculation of Adjusted EBITDA below may not be comparable to the calculation of similarly titled measures reported by other companies.

Reconciliation of Non-GAAP Financial Measures

| Adjusted EBITDA for PRA Group (\$ in millions) | LTM March 31, 2021 | For the Year Ended December 31, 2020 |
|--|-----------------------|---|
| Net income attributable to PRA Group, Inc. | \$ 189 | \$ 149 |
| Adjustments: | | |
| Income tax expense | 55 | 41 |
| Foreign exchange losses/(gains) | — | (2) |
| Interest expense, net | 136 | 142 |
| Other expense | 1 | 1 |
| Depreciation and amortization | 18 | 18 |
| Adjustment for net income attributable to noncontrolling interests | 19 | 18 |
| Recoveries applied to negative allowance less Changes in expected recoveries | 997 | 968 |
| Adjusted EBITDA | \$ 1,416 | \$ 1,337 |

Additionally, The Company evaluates our business using certain ratios that use Adjusted EBITDA. Debt to Adjusted EBITDA is calculated by dividing borrowings by Adjusted EBITDA. The following table reflects our Debt to Adjusted EBITDA for LTM as of March 31, 2021 and for the year ended December 31, 2020 (amounts in millions):

Debt to Adjusted EBITDA

| | LTM | For the Year Ended |
|-----------------------------|----------------|--------------------|
| | March 31, 2021 | December 31, 2020 |
| Borrowings | \$ 2,501 | \$ 2,661 |
| LTM Adjusted EBITDA | 1,416 | 1,337 |
| Debt to LTM Adjusted EBITDA | 1.77 | 1.99 |

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