

Q2 2022 CONFERENCE CALL PRESENTATION

ABOUT FORWARD-LOOKING STATEMENTS

Statements in this presentation, other than statements of historical fact, are forward-looking statements, which are based on our current beliefs, projections, assumptions and expectations concerning future operations and financial performance. Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed or implied in this presentation. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of today, and are qualified in their entirety by these cautionary statements. Information regarding risks and other factors that could cause our actual results to differ materially from our expectations can be found in our most recent Annual Report on Form 10-K and in subsequent SEC filings, and should be considered in evaluating the forward-looking statements in this presentation. Except as required by law, we assume no obligation to update or revise these statements to reflect changes in the events, conditions or circumstances upon which any such forward-looking statements are based.

Q2 2022 HIGHLIGHTS

Global cash collections of \$444 million


Net income attributable to PRA Group of \$36 million

Portfolio purchases of \$231 million

Repurchased \$35 million of common stock



GLOBAL OPERATIONS SHOW STRONG PRODUCTIVITY



Since Q2 2019, our cash efficiency ratio has improved 90 basis points

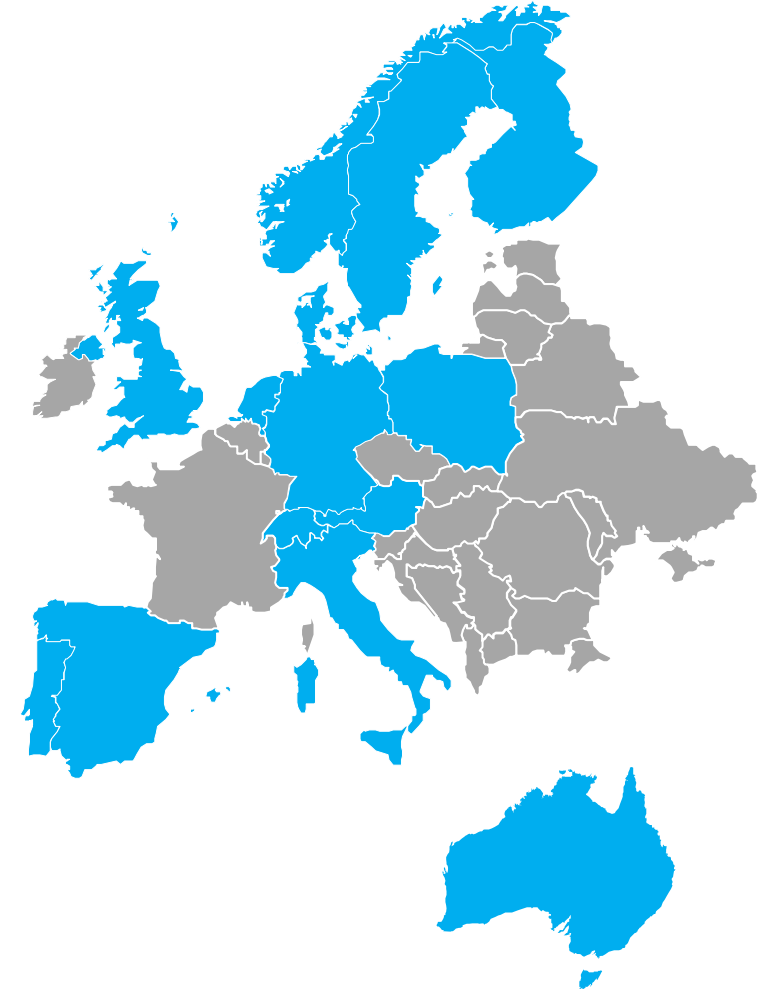
Significant growth in digital

Continue to leverage data and analytics

Improved cash collected per hour paid in the U.S. by more than 60% versus Q2 2019

Portfolio investments helped drive cash collections in Europe

No meaningful inflation impact on collections



COMMITTED TO CONTINUE GROWING IN AUSTRALIA

Large number of sellers

Operation fully running & ready to scale

Long term focus with a disciplined investment approach

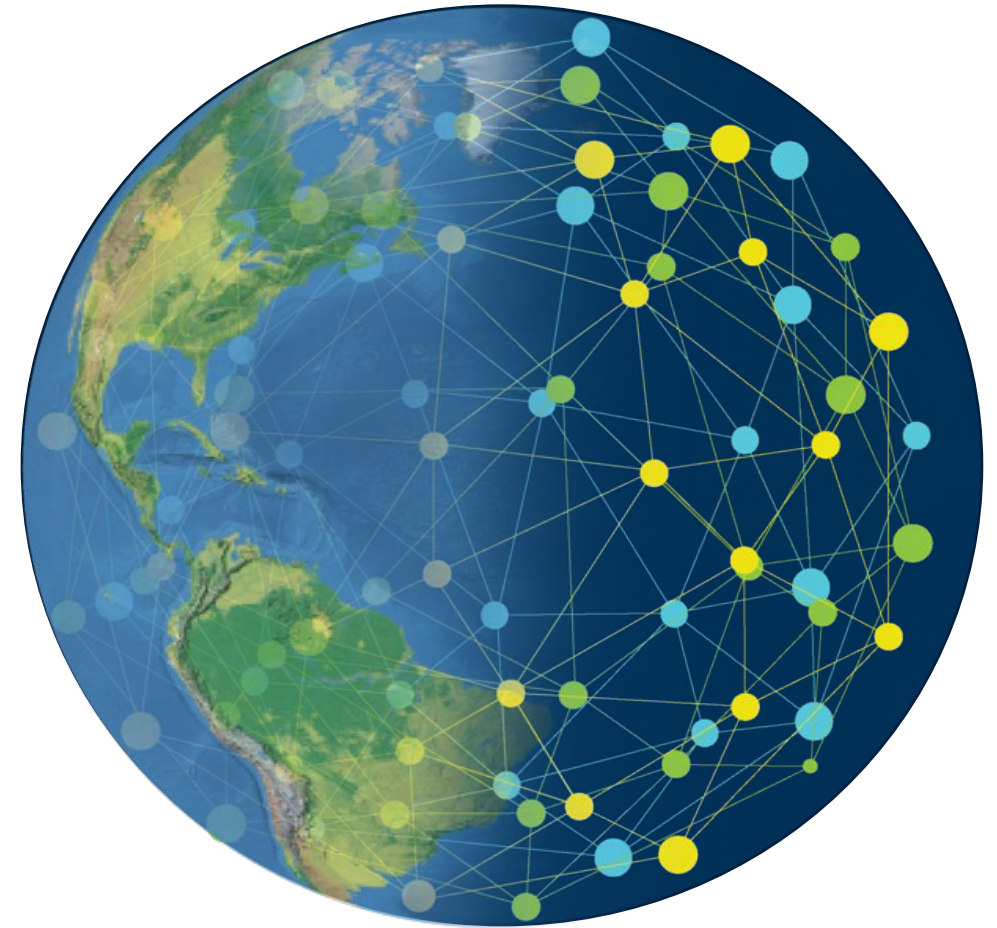


PORTFOLIO INVESTMENTS

Q2 2022 total portfolio purchases of \$231 million

Invested \$106 million in the Americas, with similar supply constraints as last two years

Invested \$125 million in Europe, with a large deal in Northern Europe



U.S. CARD BALANCES CONTINUE TO BUILD, LOSS RATES INCHING UP

LATEST COMMENTARY SUPPORTS NORMALIZATION OF SUPPLY



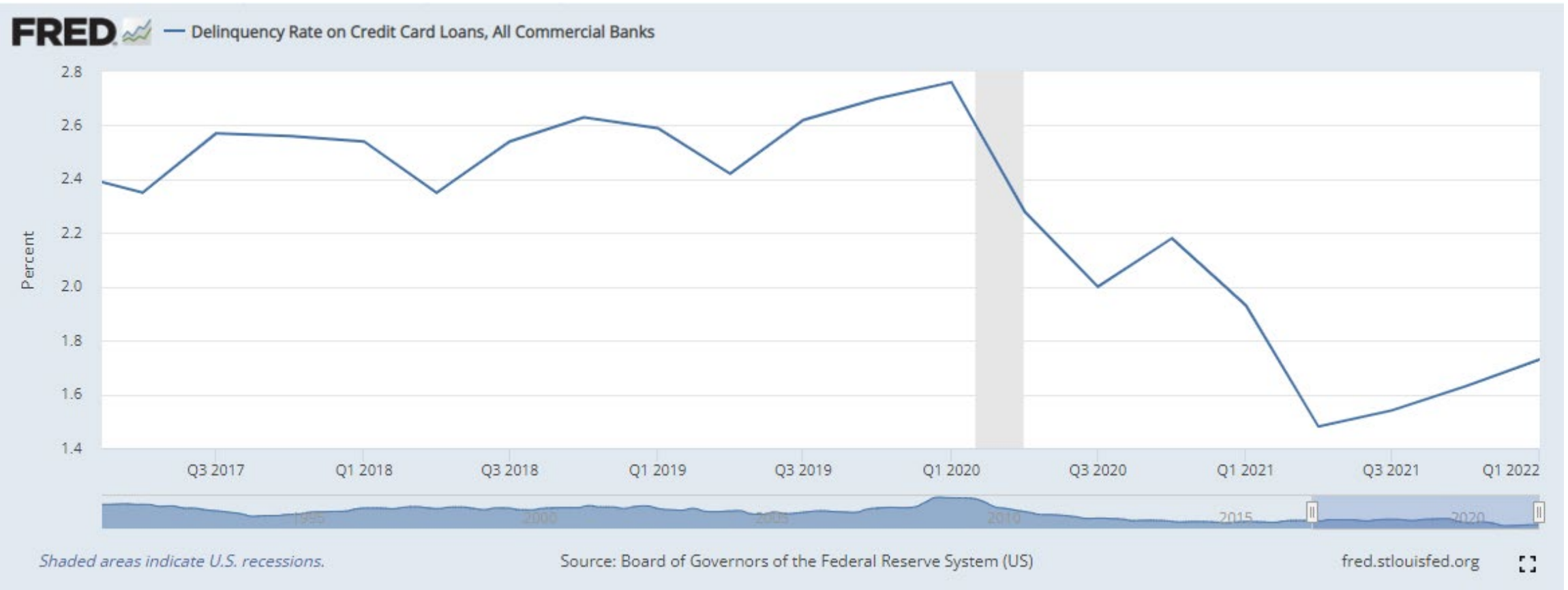
U.S. SAVINGS RATE CONTINUES TO DECLINE

5.1% AS OF JUNE 2022 REPRESENTS LOWEST LEVEL SINCE MID-2009



U.S. DELINQUENCY RATES ON CREDIT CARDS INCREASING

MORE PREVALENT IN CARD ISSUERS WITH A LARGER PERCENTAGE OF SUBPRIME ACCOUNTS



ECONOMIC DATA SUGGEST MORE SUPPLY IS ON THE WAY



• **Inflation in U.S.** is at a 41-year high of 9.1%¹

• **Gas, food & electricity prices on the rise**, especially in Europe where the Russian invasion of Ukraine is having a significant effect

• **Q2 2022 personal consumption expenditures** up \$330 million YoY²

• **U.S. savings rate as a % of disposable income** declined to 5.1% in June 2022 (lowest level since mid-2009)²

• **Savings for the bottom 20% of U.S. earners**, or 26 million households, declined 22% since end of 2019.³


• **Q2 2022 credit card balances** up 13% YoY to \$890 billion⁴, marking the largest YoY increase in more than 20 years


• **Delinquency rates on credit cards** are up three consecutive quarters from the historic low set in Q2 2021⁵

• **Credit card charge-off rates** have been in the 1.5% to 3% range since the beginning of 2021⁵

• **We do not believe these historically low levels are sustainable**, and expect gradually rising delinquency rates to translate to higher charge-off rates

• **As more consumers default on their obligations and debt sellers dispose of their charged-off portfolios**, we are in a strong financial position to acquire these portfolios and grow our collections, revenue, and profitability

 Already taking place

 Not yet in effect

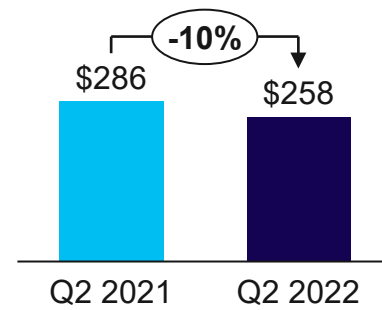
1. Consumer Price Index for All Urban Consumers over the 12 months ended June 2022. Bureau of Labor Statistics.
 2. Bureau of Economic Analysis
 3. Credit Sights, "U.S. Consumer Credit and Banks: Narrative Pushback"
 4. Q2 2022 Household Debt and Credit Report. Federal Reserve Bank of New York.
 5. Board of Governors of the Federal Reserve System

FINANCIAL RESULTS

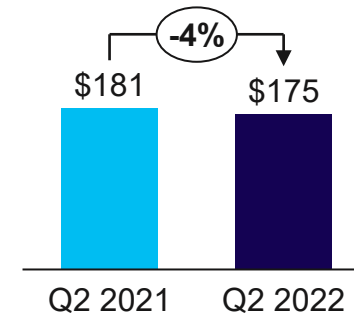
(\$ in millions, except per share results)

Q2 2021 vs Q2 2022

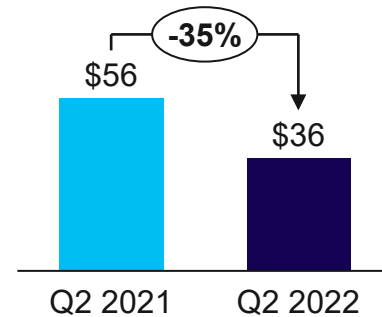
Total Revenues



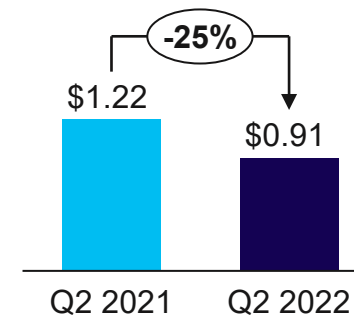
Operating Expenses



Net Income Attributable to PRA Group



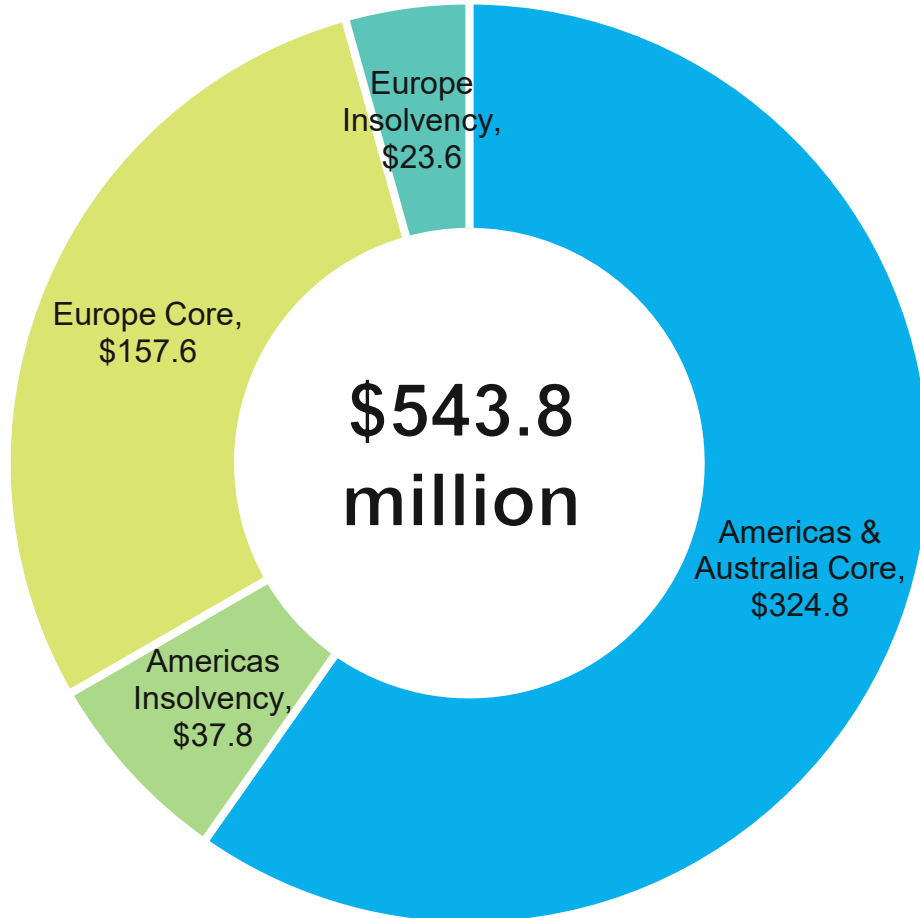
Diluted Earnings Per Share



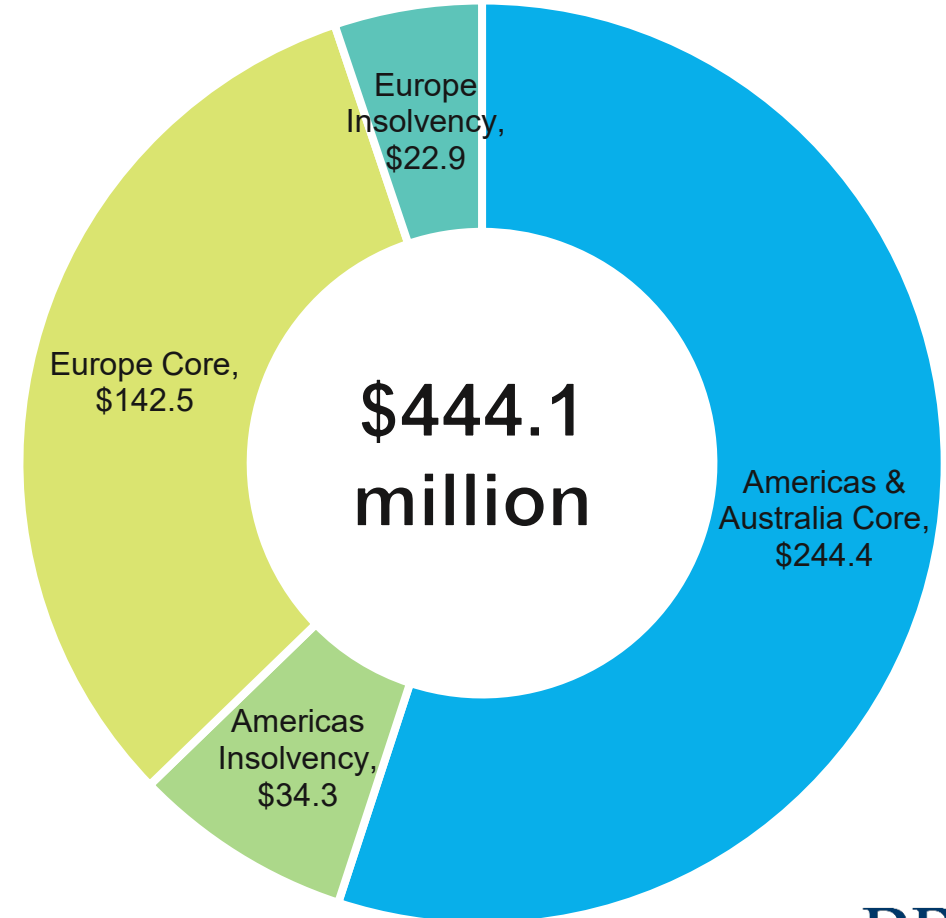
CASH COLLECTIONS

(\$ in millions)

Second Quarter 2021



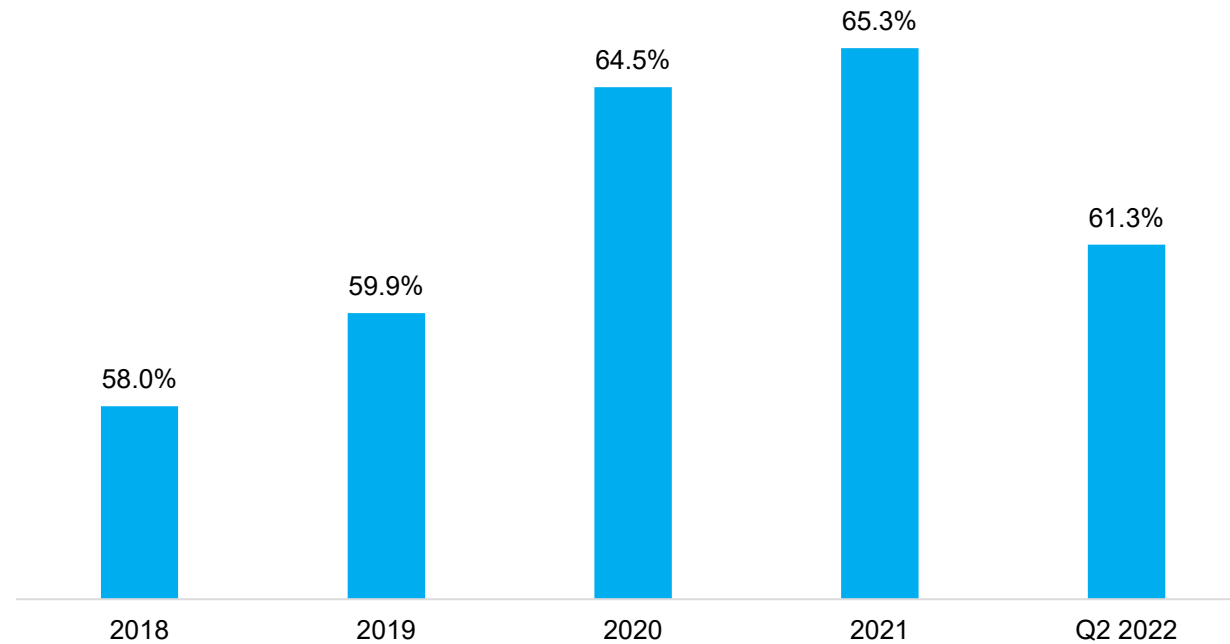
Second Quarter 2022



CASH EFFICIENCY RATIO REMAINS HIGH DESPITE LOWER CASH COLLECTIONS

(Cash efficiency ratio = (cash receipts – operating expenses)/cash receipts)

Cash Efficiency Ratio

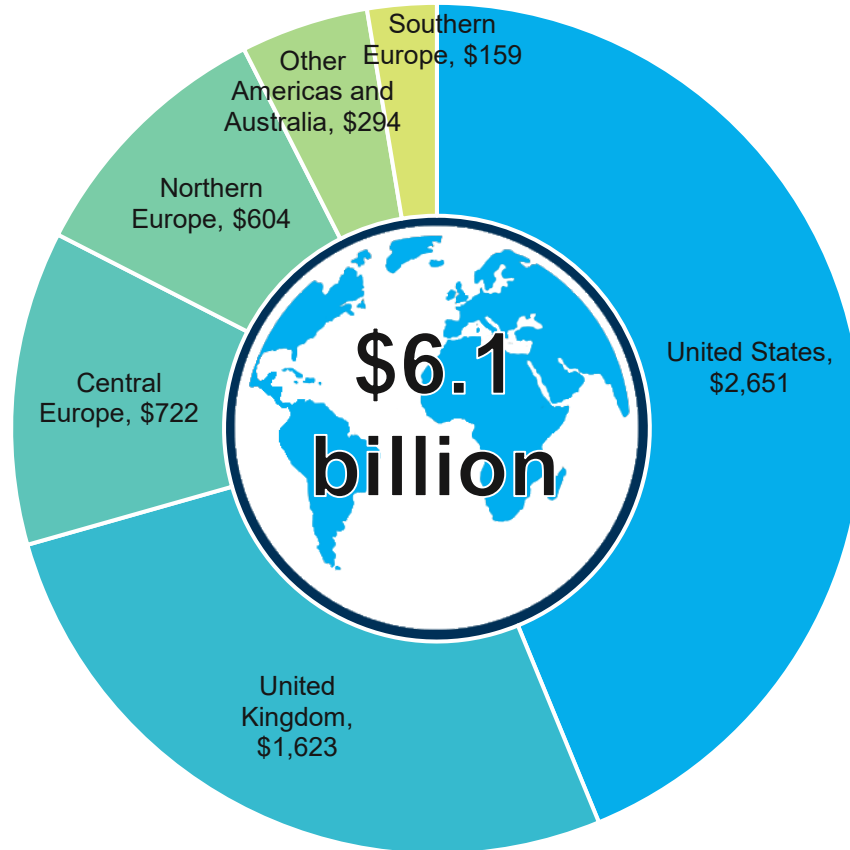


ERC IS DIVERSIFIED WITH 52% IN EUROPE AND 41% IN U.S.

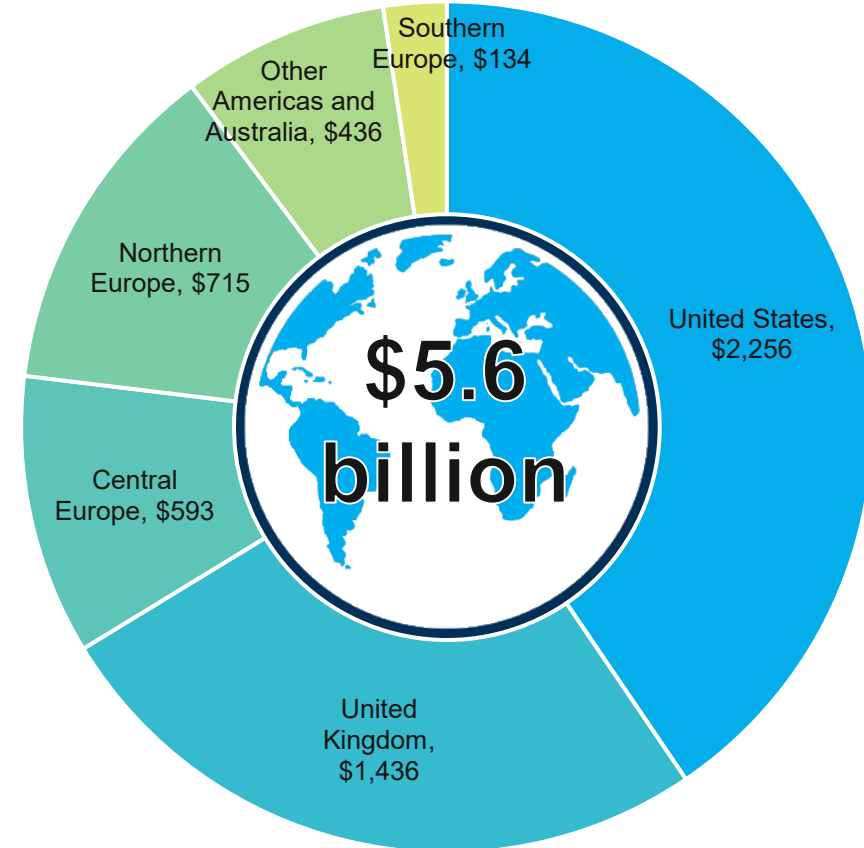
~\$300 MILLION FX IMPACT COMPARED TO Q1 2022

(\$ in millions)

as of June 30, 2021

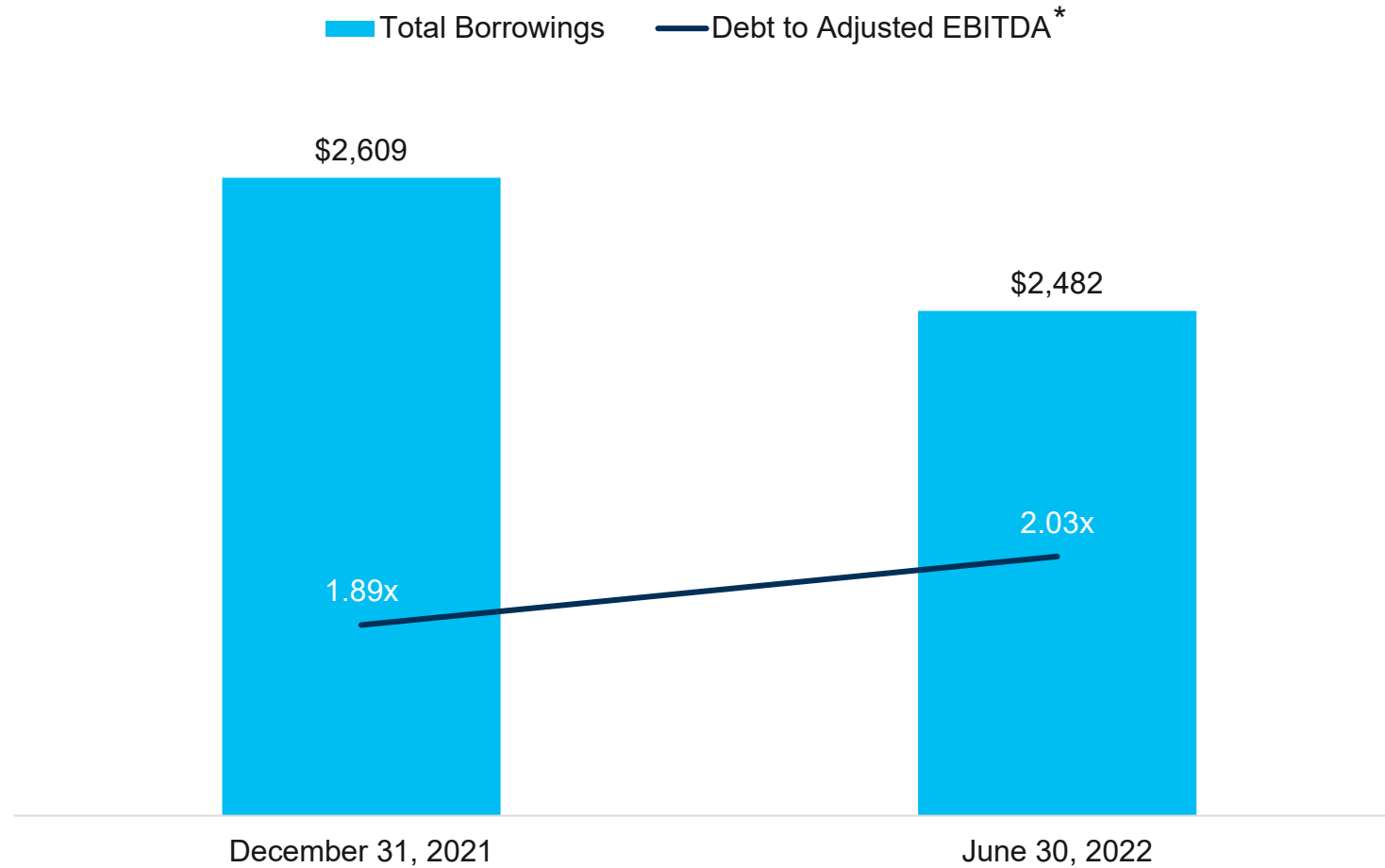


as of June 30, 2022



STRONG AND CONSERVATIVE CAPITAL STRUCTURE

(\$ in millions)



\$1.6 billion available capacity under credit facilities

*Please refer to the reconciliation of this metric to the most applicable GAAP metric at the end of this presentation. Note: \$453M available after considering borrowing base restrictions.

SHARE REPURCHASE PROGRAM



Repurchased \$35 million, or 808 thousand shares of our common stock



Repurchased 14% of outstanding common shares since we began buying back shares in 2021



\$93 million remains in our share repurchase authorization



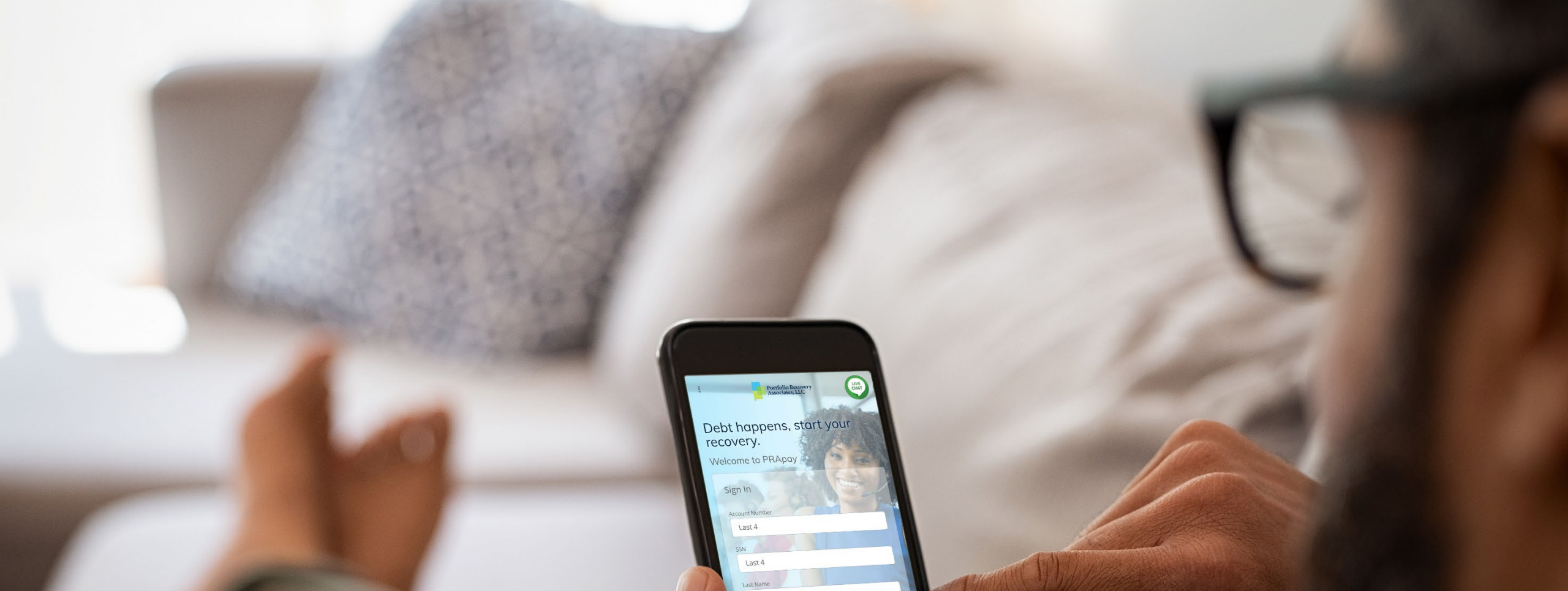
KEY TAKEAWAYS

Delivered another quarter of **solid results**

Economic signs pointing to **more supply** in coming months

We are ready with an **efficient operation & access to capital**





PRA
Group



Q&A

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP

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 (or less other income); 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 June 30, 2022 and for the year ended December 31, 2021, 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. Additionally, management evaluates the Company's business using certain ratios that use Adjusted EBITDA, including Debt to Adjusted EBITDA, which is calculated by dividing borrowings by Adjusted EBITDA. The second table reflects our Debt to Adjusted EBITDA for LTM as of June 30, 2022 and for the year ended December 31, 2021 (amounts in millions):

Reconciliation of Non-GAAP Financial Measures

	LTM		For the Year Ended	
Adjusted EBITDA for PRA Group (\$ in millions)	June 30, 2022		December 31, 2021	
Net income attributable to PRA Group, Inc.	\$	145	\$	183
<u>Adjustments:</u>				
Income tax expense		44		55
Foreign exchange (gains)/losses		(1)		1
Interest expense, net		125		124
Other expense		1		—
Depreciation and amortization		15		15
Adjustment for net income attributable to noncontrolling interests		2		12
Recoveries applied to negative allowance less Changes in expected recoveries		893		988
Adjusted EBITDA	\$	1,224	\$	1,378

Debt to Adjusted EBITDA

	LTM		For the Year Ended	
	June 30, 2022		December 31, 2021	
Borrowings	\$	2,482	\$	2,609
LTM Adjusted EBITDA		1,224		1,378
Debt to LTM Adjusted EBITDA		2.03		1.89