PRA Group Q3 2022 Conference Call Presentation

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 Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed or implied in this presentation.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 the date of this presentation 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.

Q3 2022 Highlights

Global cash collections of **$412 million**

Net income attributable to PRA Group of **$25 million**

Portfolio purchases of **$183 million**

Repurchased **$25 million** of common stock

Global Operations Show Strong Productivity

Highly productive collection operations

Continue to build internal legal capabilities

Digital collections capabilities in all operating markets

Continue to leverage data and analytics

No meaningful inflation impact on collections

Efficiency gains positioning us to capitalize on increased supply

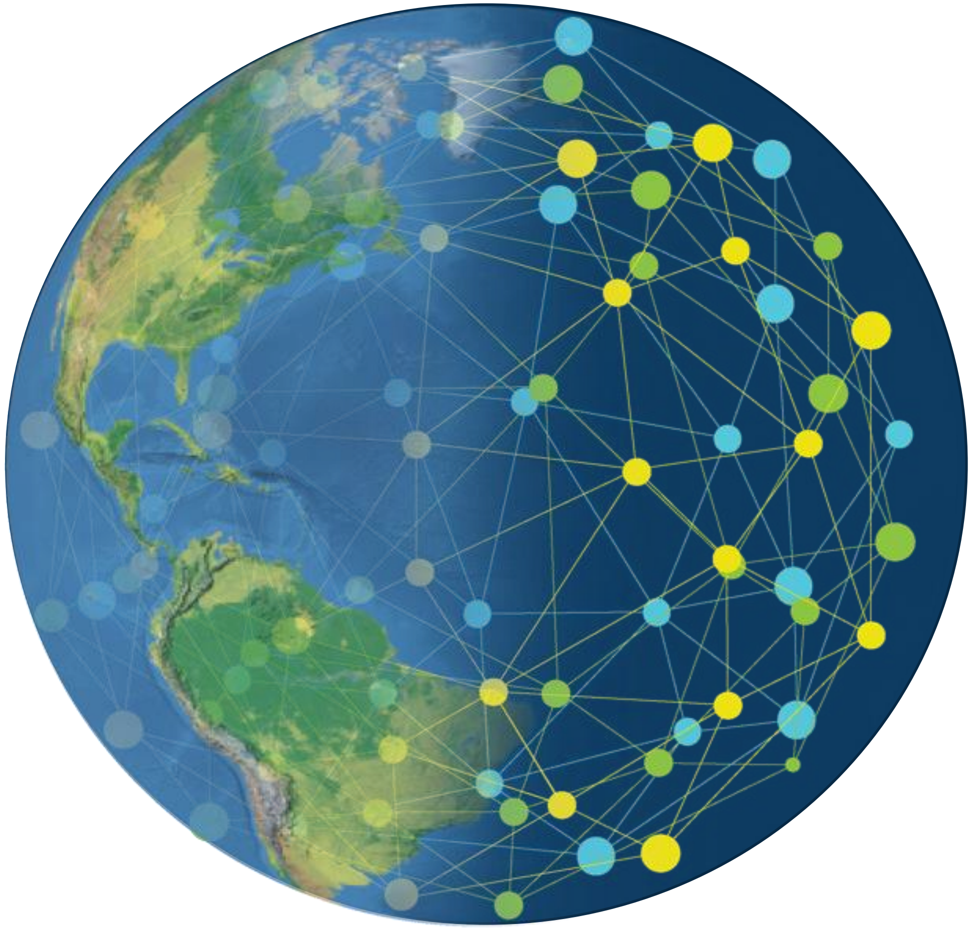
Nasdaq: PRAA

Portfolio Investments

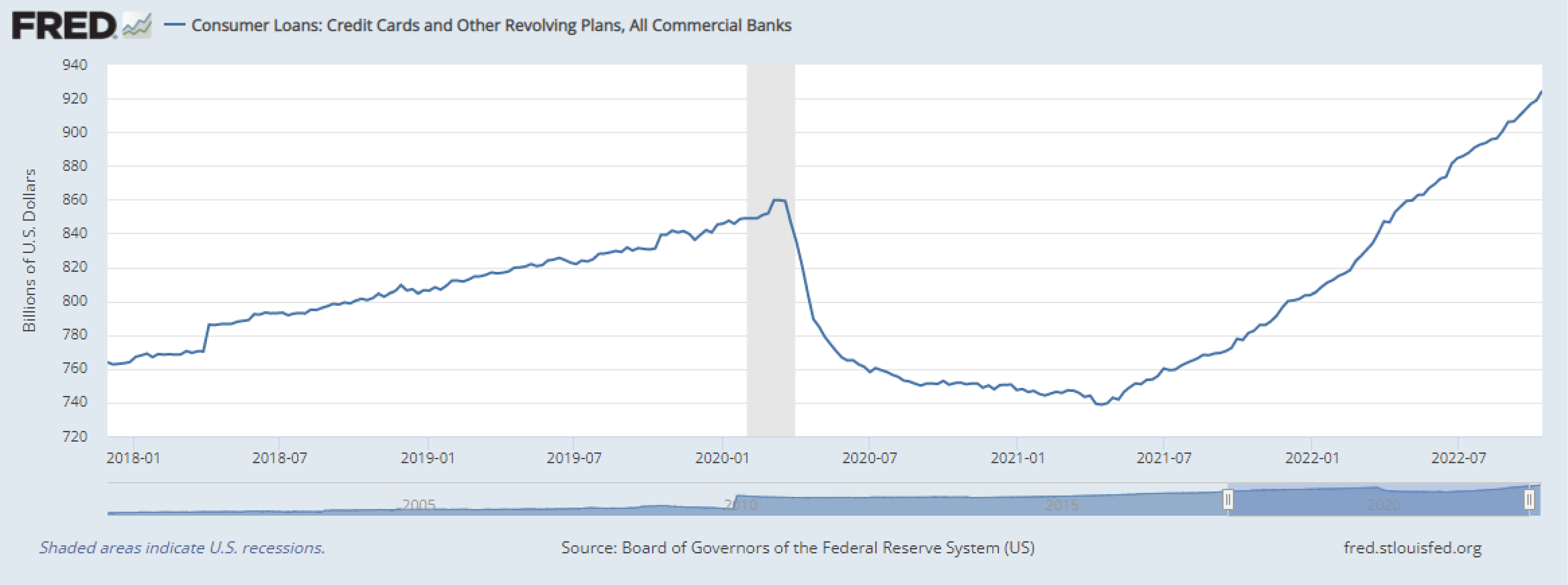
Q3 2022 total portfolio purchases of **$183 million**

Invested **$110 million** in the Americas, with similar supply constraints as last two years

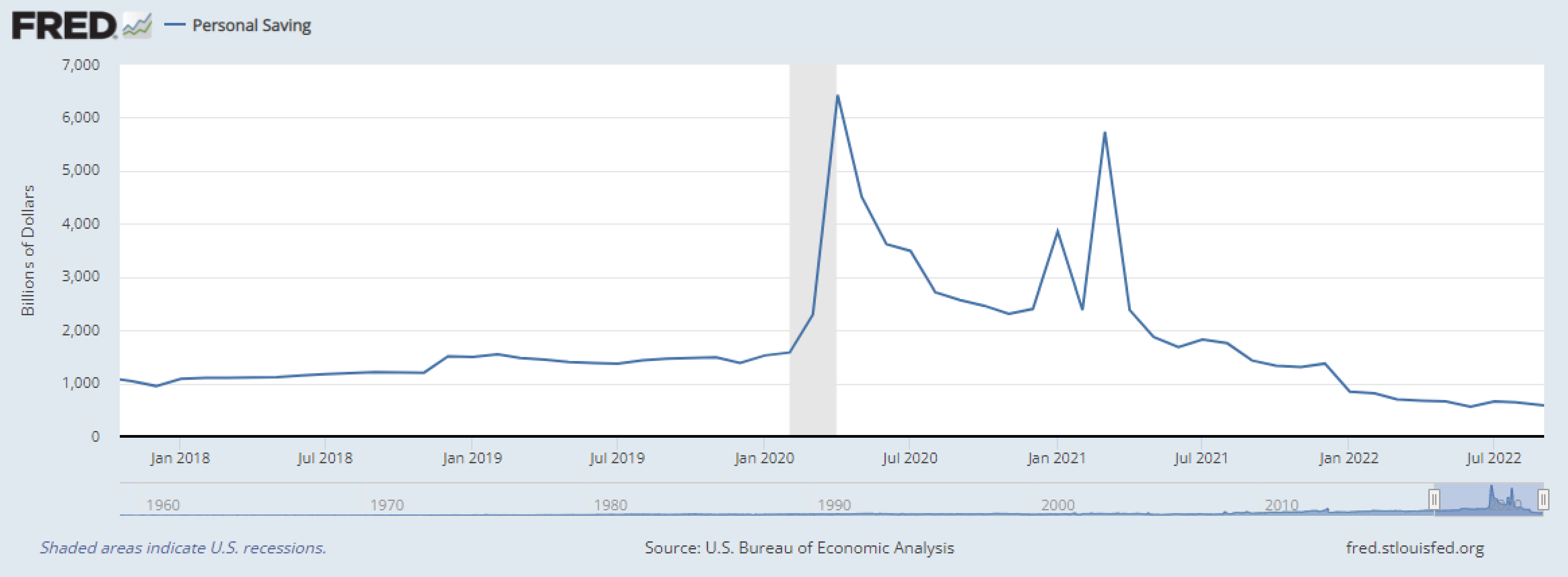
Invested **$73 million** in Europe



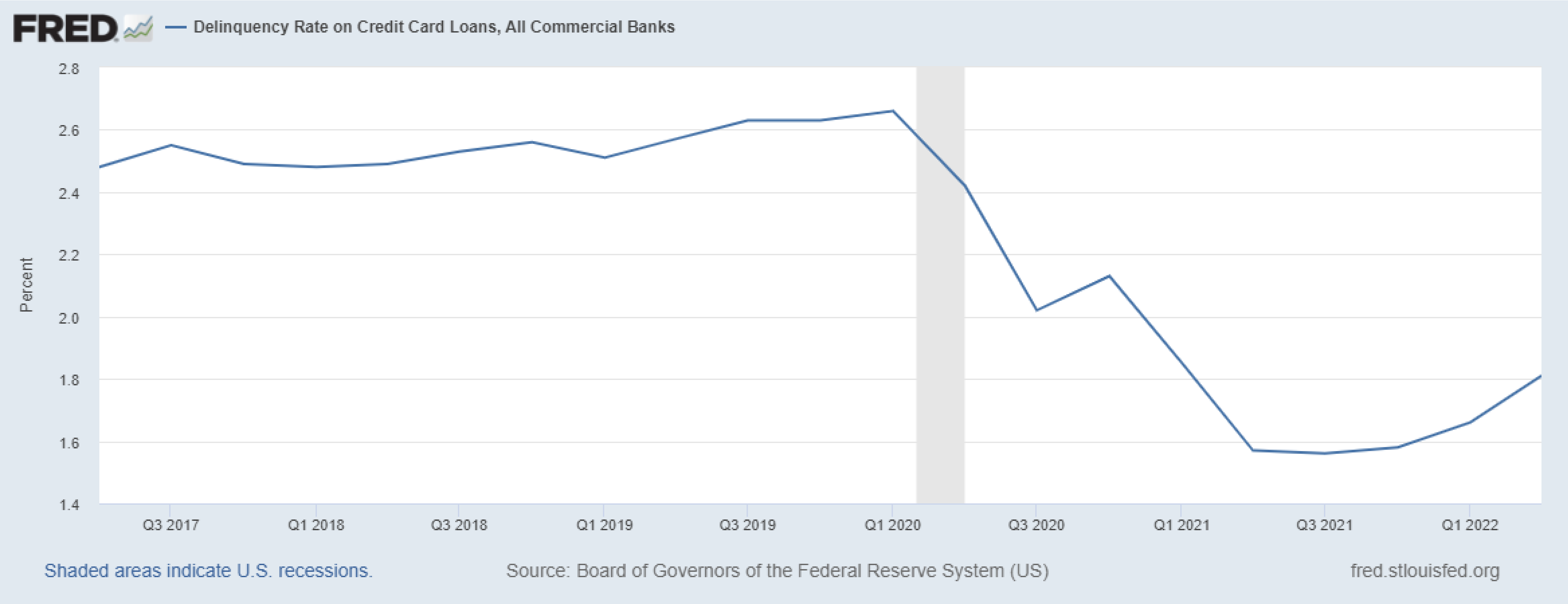
U.S. Card Balances Continue to Build with Loss Rates Ticking Further Up



U.S. Savings Balances Continue to Decline



U.S. Credit Card Delinquency Rates Increasing, Especially in Card Issuers with More Non-Prime Accounts



Nasdaq: PRAA

Economic Data Suggest More Supply is on the Way

Higher Inflation → **Higher Consumer Spending** → **Lower Savings** → **Higher Credit Card Balances** → **Higher Delinquency Rates** → **Higher Charge-off Rates** → **More Supply for PRA**

Higher Inflation

- **Inflation in U.S.** is at 8.2%, near 41-year high of 9.1% achieved in June 2022[1]
- **Inflation in UK** is at 10.1%, returning to July's 40-year high[2]
- **Gas, food & electricity prices on the rise,** especially in Europe where the Russian invasion of Ukraine is having a significant effect

Higher Consumer Spending

- **Q3 2022 U.S. personal consumption expenditures** up $239 billion YoY[3]

Lower Savings

- **U.S. savings rate as a % of disposable income** declined to 3.1% in Sept 2022 (lowest level since 2007)[3]
- **UK households' disposable income** fell in real terms for the fourth quarter in a row[4]

Higher Credit Card Balances

- **Q2 2022 U.S. credit card balances** up 13% YoY to $890 billion[5], marking the largest YoY increase in more than 20 years
- **UK credit card borrowing** annual growth rate was 12.1% in September[6]

Higher Delinquency Rates

- **Delinquency rates on credit cards in U.S.** are up three consecutive quarters from the historic low set in Q3 2021[7]

Higher Charge-off Rates

- **U.S. credit card charge-off rates** have been in the 1.5% to 3% range since the beginning of 2021[7]
- **We do not believe these historically low levels are sustainable**, and expect gradually rising delinquency rates to translate to higher charge-off rates

More Supply for PRA

- **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 (green)

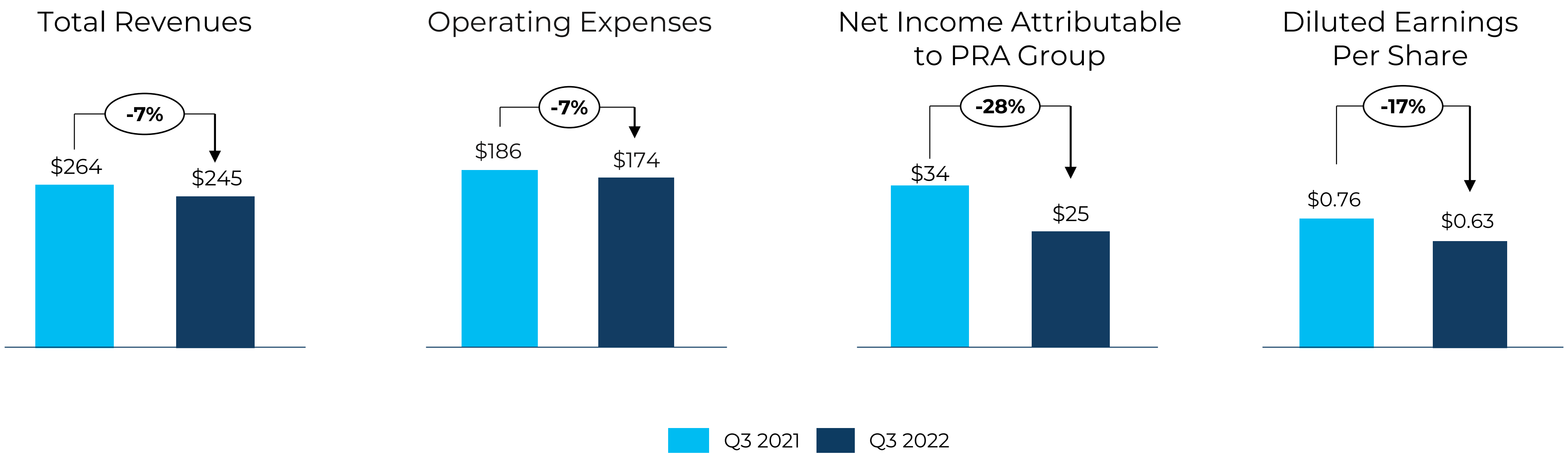
Not yet in effect (grey)

1. Consumer Price Index for All Urban Consumers over the 12 months ended September 2022. Bureau of Labor Statistics.
2. Consumer Price Inflation, UK: September 2022, Office for National Statistics.
3. Bureau of Economic Analysis.
4. Households: Real Disposable Income, per head as of June 30, 2022, UK Office for National Statistics.
5. Q2 2022 Household Debt and Credit Report. Federal Reserve Bank of New York.
6. Money and Credit September 2022, Bank of England.
7. Delinquency Rate on Credit Card Loans, All Commercial Banks. Board of Governors of the Federal Reserve System. As of June 30, 2022.

Q3 2022 Financial Results

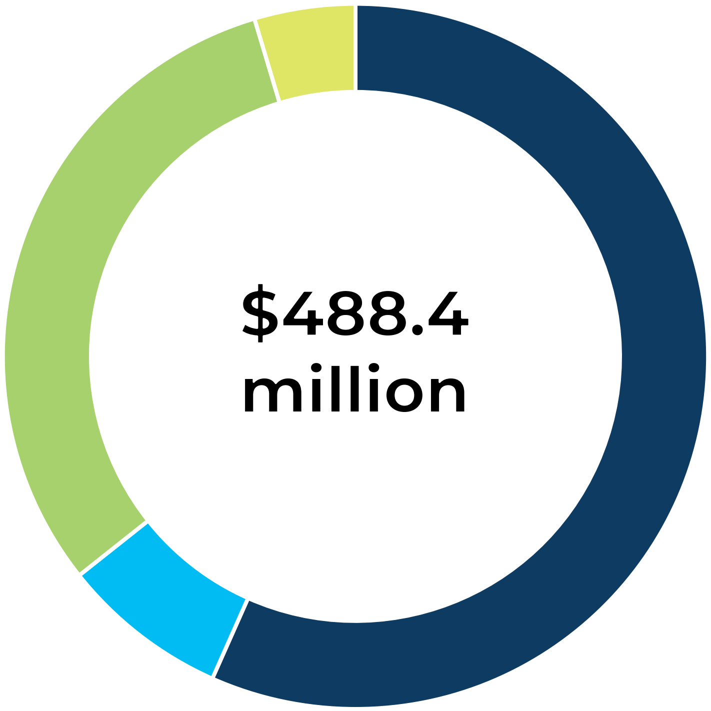
Decreased Revenues and Expenses After Record Year

$ in millions, except per share amounts

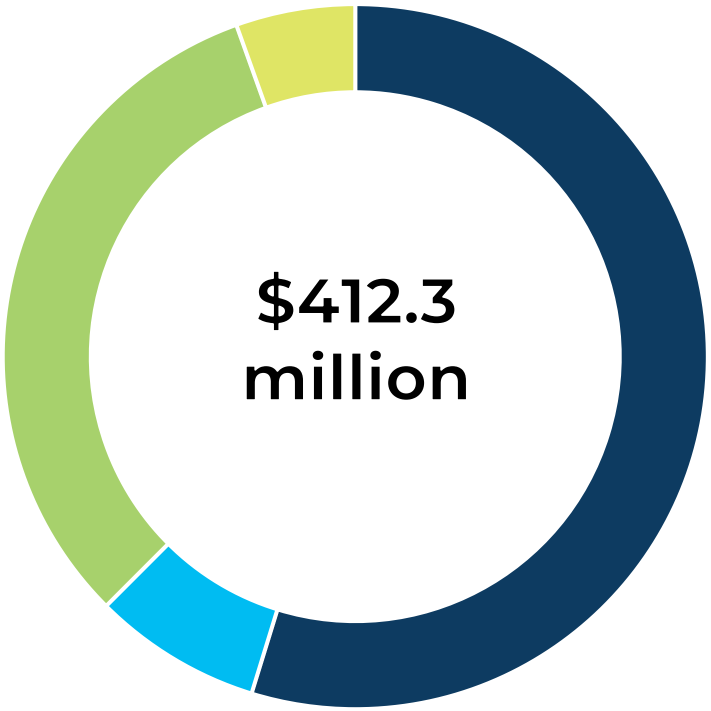


Cash Collections

Third Quarter 2021



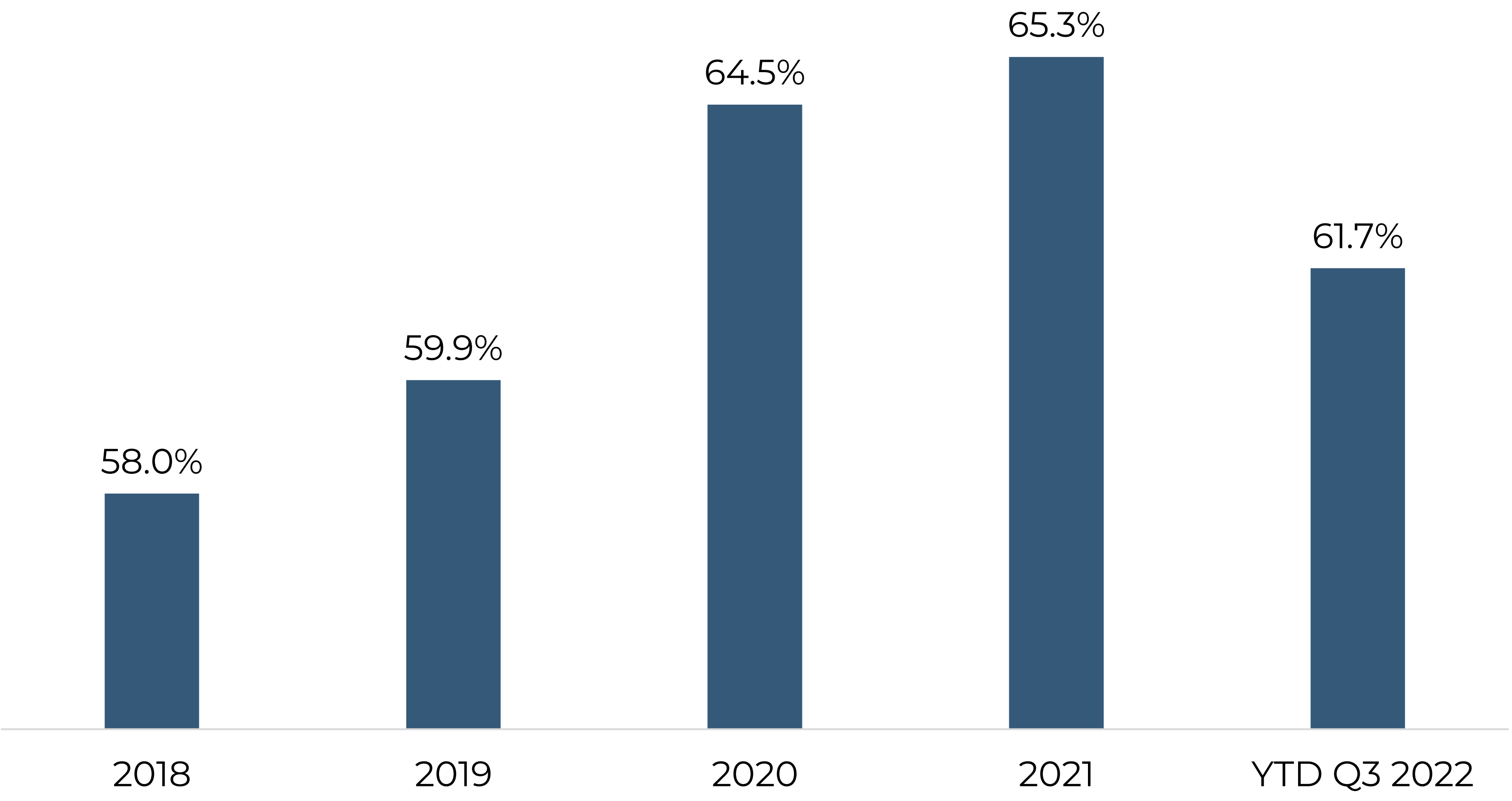
Third Quarter 2022



■ Americas & Australia Core ■ Americas Insolvency ■ Europe Core ■ Europe Insolvency

Cash Efficiency Ratio

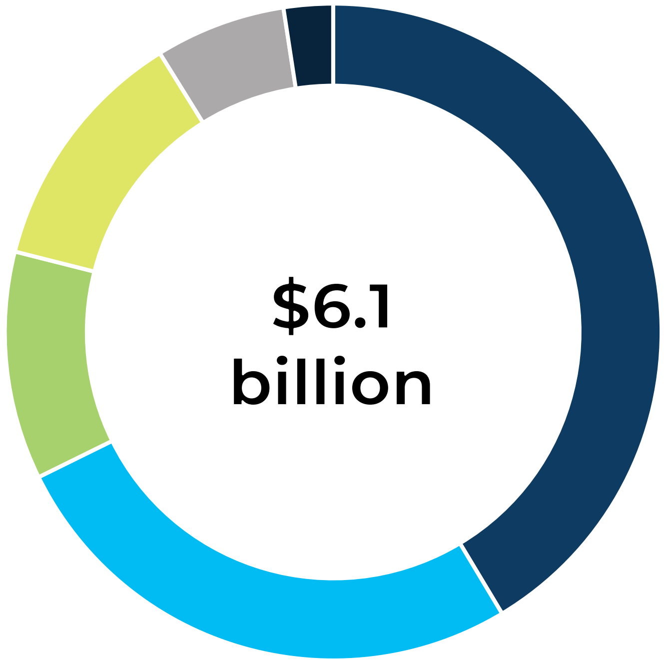
Cash efficiency ratio = (cash receipts – operating expenses)/cash receipts



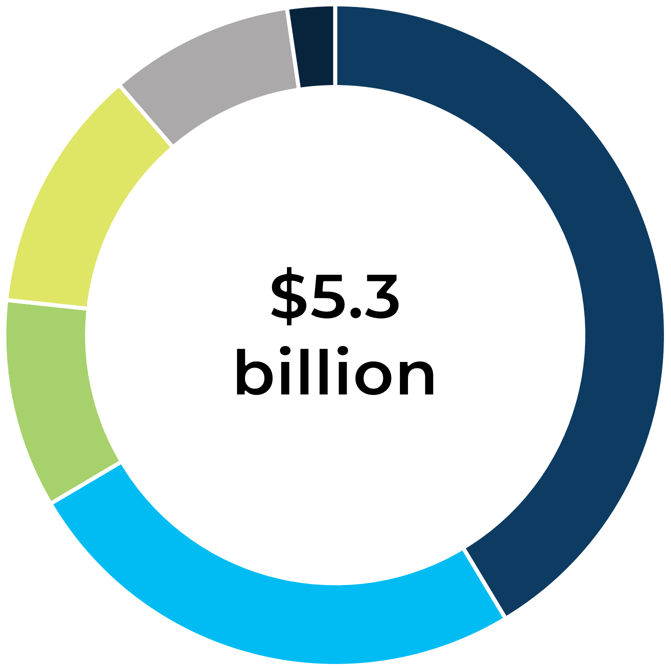
ERC[1] is Diversified with 50% in Europe and 41% in U.S.

Continued strengthening of US dollar reduced ERC by ~$577 Million

As of September 30, 2021



As of September 30, 2022

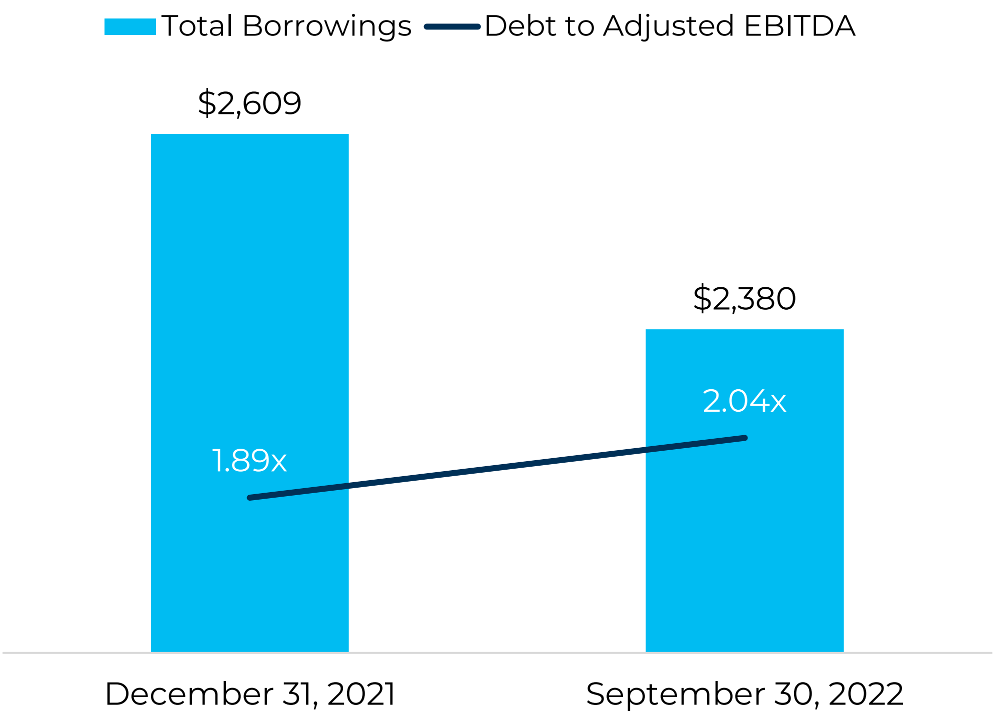


United States · United Kingdom · Central Europe · Northern Europe · Other Americas and Australia · Southern Europe

1. Estimated remaining collections (ERC) refers to the sum of all future projected cash collections on our nonperforming loan portfolios.

Strong and Conservative Capital Structure

$ in millions



- **$1.7 billion** total available capacity under credit facilities
- **$455 million** available capacity after considering borrowing base restrictions
- As we purchase more portfolios and increase ERC, our borrowing base increases, allowing us to draw **more capital** from our credit facilities
- Target Debt to Adjusted EBITDA* of **between 2.0x and 3.0x**

*Please refer to the reconciliation of this non-GAAP metric to the most applicable GAAP metric at the end of this presentation.

Share Repurchase Program

Repurchased $25 million, or 663 thousand shares, of our common stock in Q3 2022

Repurchased 16% of outstanding common shares since we began buying back shares in 2021

$68 million remained in our share repurchase authorization as of September 30, 2022

Key Takeaways

Delivered another quarter of **solid results**

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

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

Q&A

Reconciliation of Non-GAAP Financial Measure to GAAP

Use of Non-GAAP Financial Measures

PRA Group, Inc. reports its 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 September 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.

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA for PRA Group ($ in millions)	LTM September 30, 2022	For the Year Ended December 31, 2021
Net income attributable to PRA Group, Inc.	$ 135	$ 183
Adjustments:		
Income tax expense	43	55
Foreign exchange losses	—	1
Interest expense, net	128	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	842	988
Adjusted EBITDA	$ 1,167	$ 1,378

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 following table reflects our Debt to Adjusted EBITDA for LTM as of September 30, 2022 and for the year ended December 31, 2021:

Debt to Adjusted EBITDA

($ in millions)	LTM September 30, 2022	For the Year Ended December 31, 2021
Borrowings	$ 2,380	$ 2,609
LTM Adjusted EBITDA	1,167	1,378
Debt to LTM Adjusted EBITDA	2.04	1.89

PRA Group