



PRA Group Q2 2023 Conference Call Presentation



Nasdaq: PRAA



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 Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed in or implied by this presentation.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

Opening Remarks

People

- ✓ **Talented team** of individuals in every function and geography and across all levels of the organization

Europe

- ✓ **Over 50% of ERC¹**
- ✓ **Broad diversification** across continent
- ✓ **Compelling track record**

Growing Portfolio Supply

- ✓ **Total portfolio purchases up 47%** in 1H 2023 vs. 1H 2022
- ✓ Expanding set of **seller relationships**
- ✓ Entered an inflection point marked by **improved pricing and higher returns**

U.S.

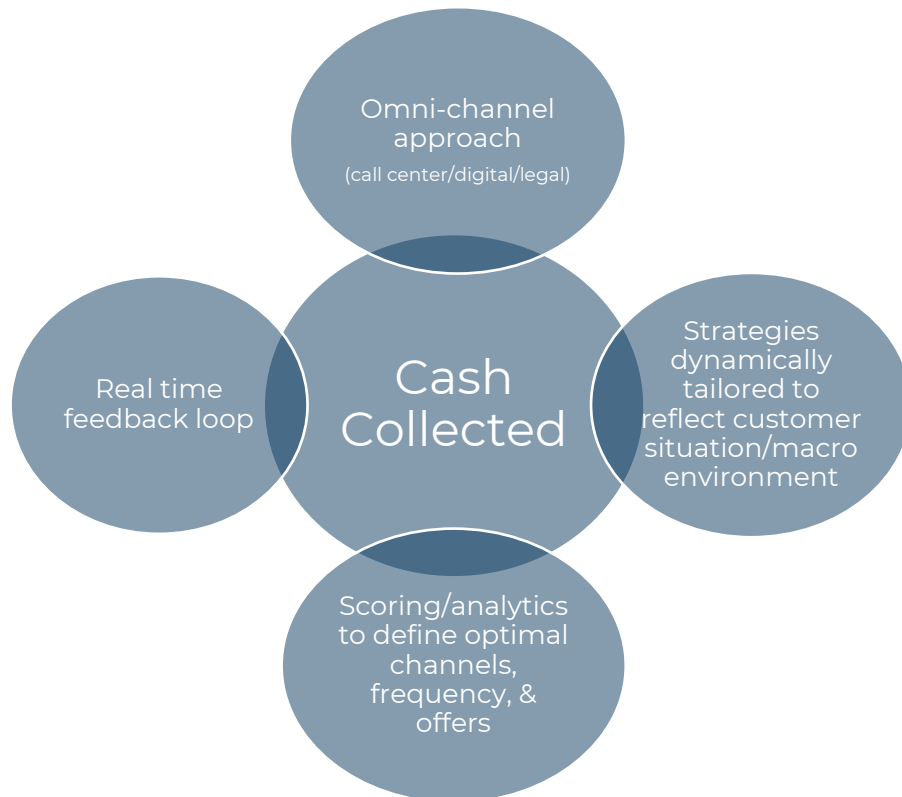
- ✓ **Optimizing customer interactions and revenue generating activities**
- ✓ In discussions with third parties for **outsourcing/off shoring**
- ✓ **Rationalizing capacity** of collections sites

Creating Shareholder Value

- ✓ Acting with **urgency**
- ✓ Changes and initiatives will take some time to **reflect in results**
- ✓ Laying the foundation for a **stronger, profitable and higher performing PRA**

Optimizing Performance: A Framework

Framework to Address Large and Expanding Customer Universe



Levers

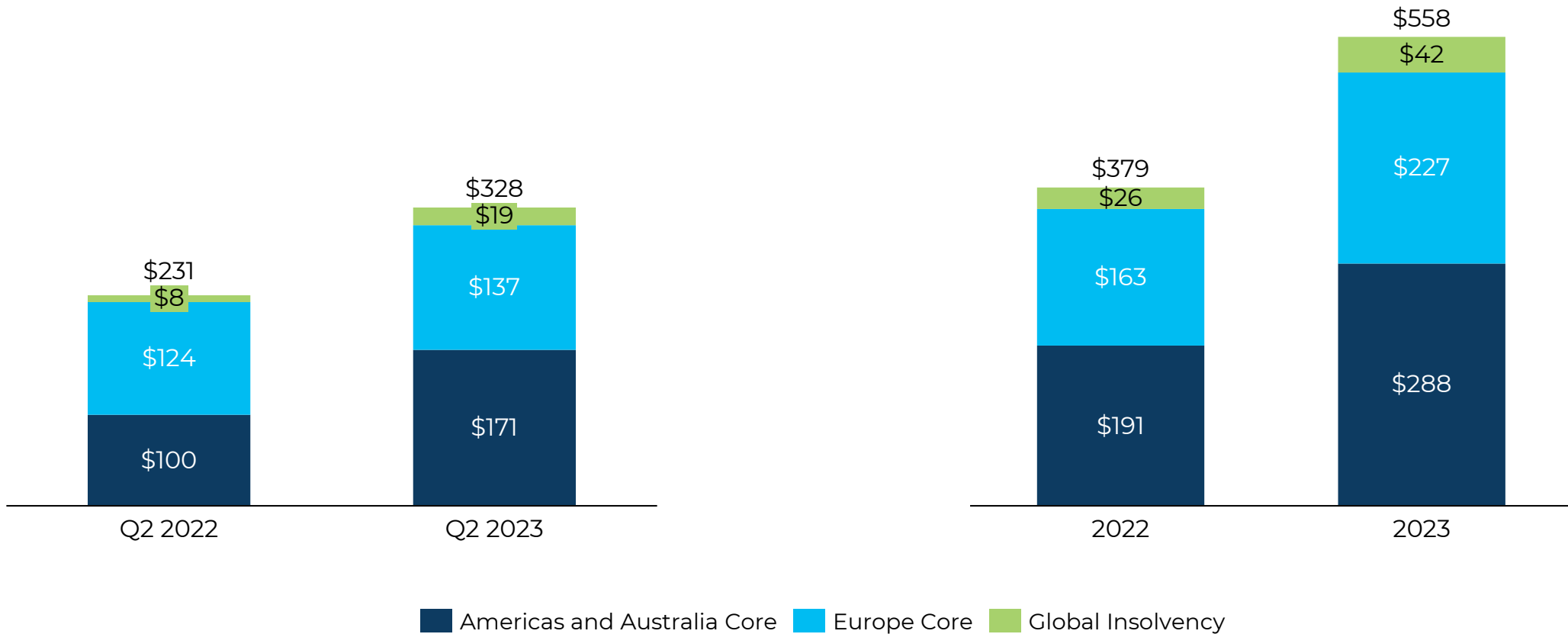
- Decision criteria/execution
- Capacity optimization
- Expand outsourcing/offshoring
- Legal channel optimization
- Continuous improvement/enhancement

Q2 Portfolio Investments Increased 42% Year-over-Year

\$ in millions

Q2 Portfolio Investments

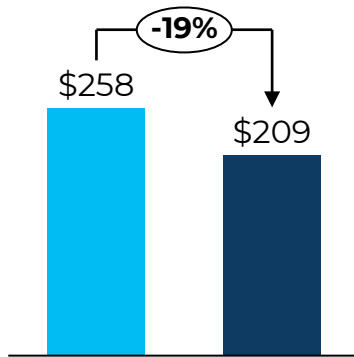
YTD Portfolio Investments



Q2 2023 Financial Results

\$ in millions, except per share amounts

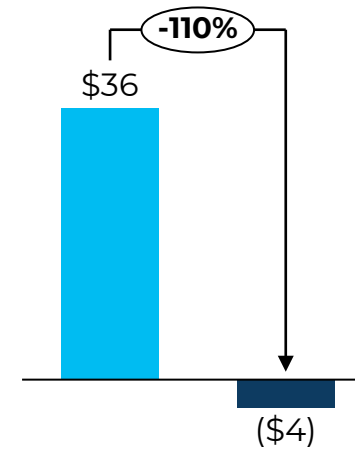
Total Revenues



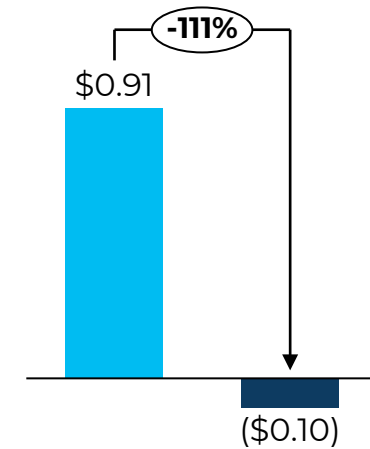
Operating Expenses



Net Income/(Loss) Attributable to PRA Group



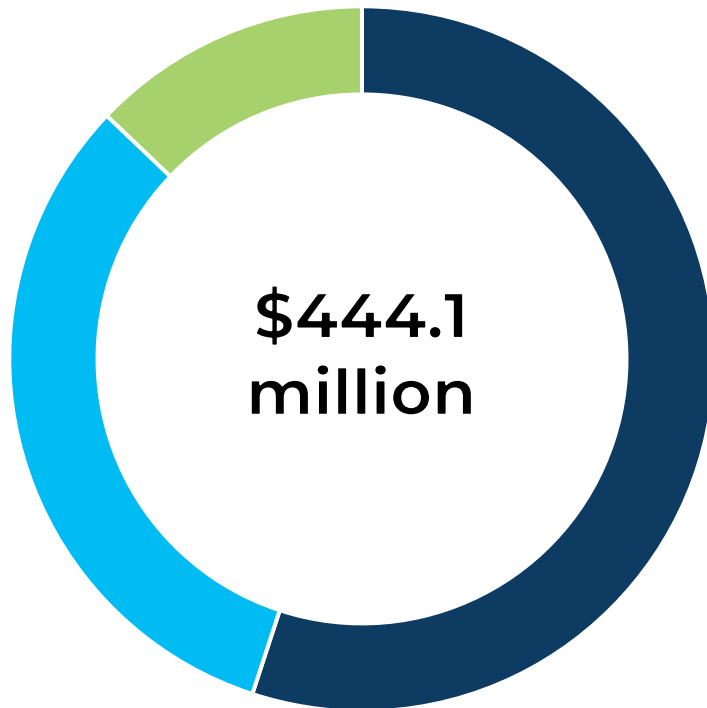
Diluted Earnings Per Share



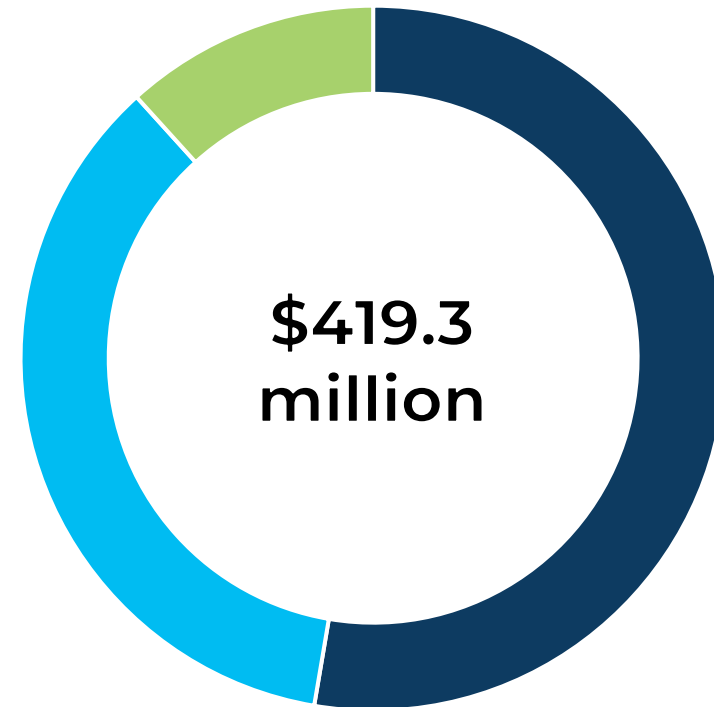
■ Q2 2022 ■ Q2 2023

Cash Collections

Second Quarter 2022



Second Quarter 2023



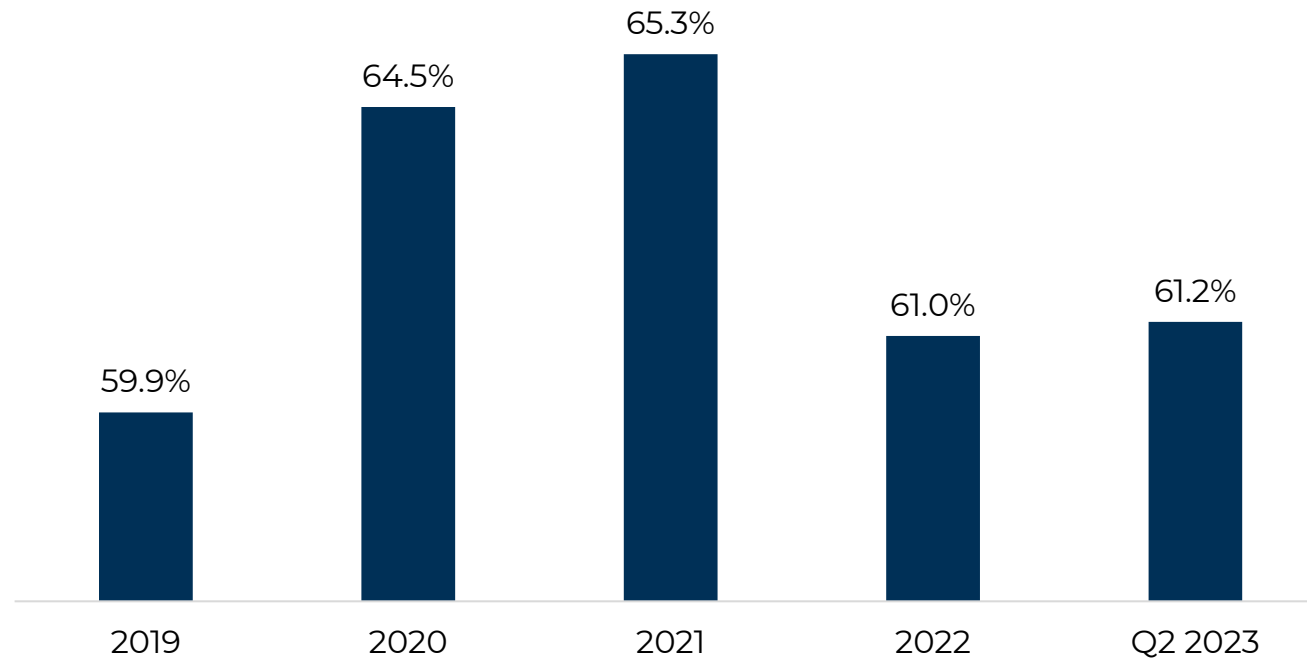
■ Americas & Australia Core

■ Europe Core

■ Global Insolvency

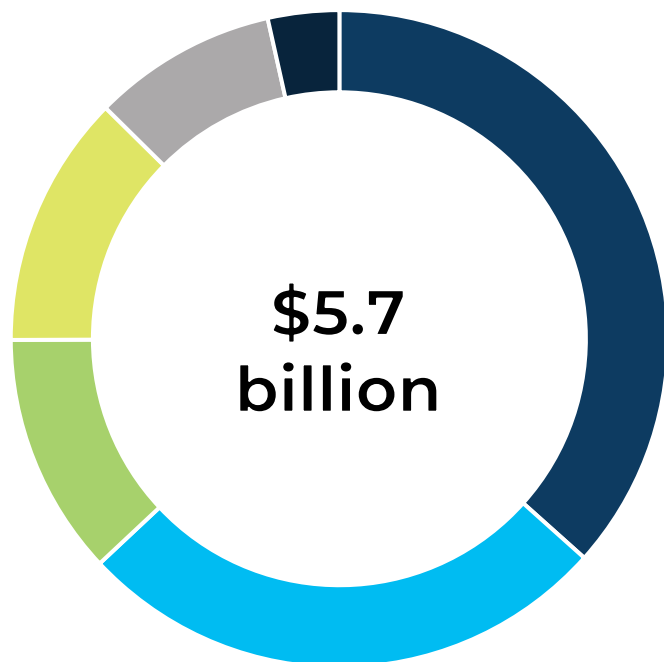
Cash Efficiency Ratio

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

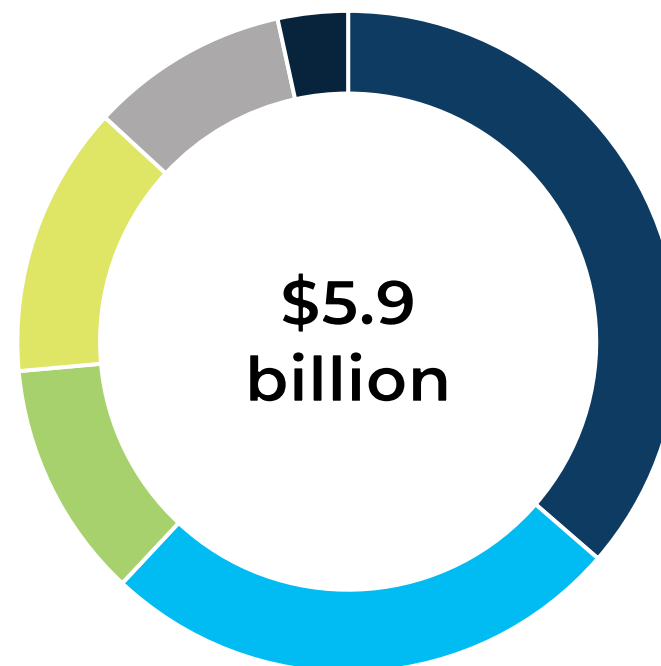


ERC is Diversified with 36% in U.S. and 54% in Europe

As of March 31, 2023



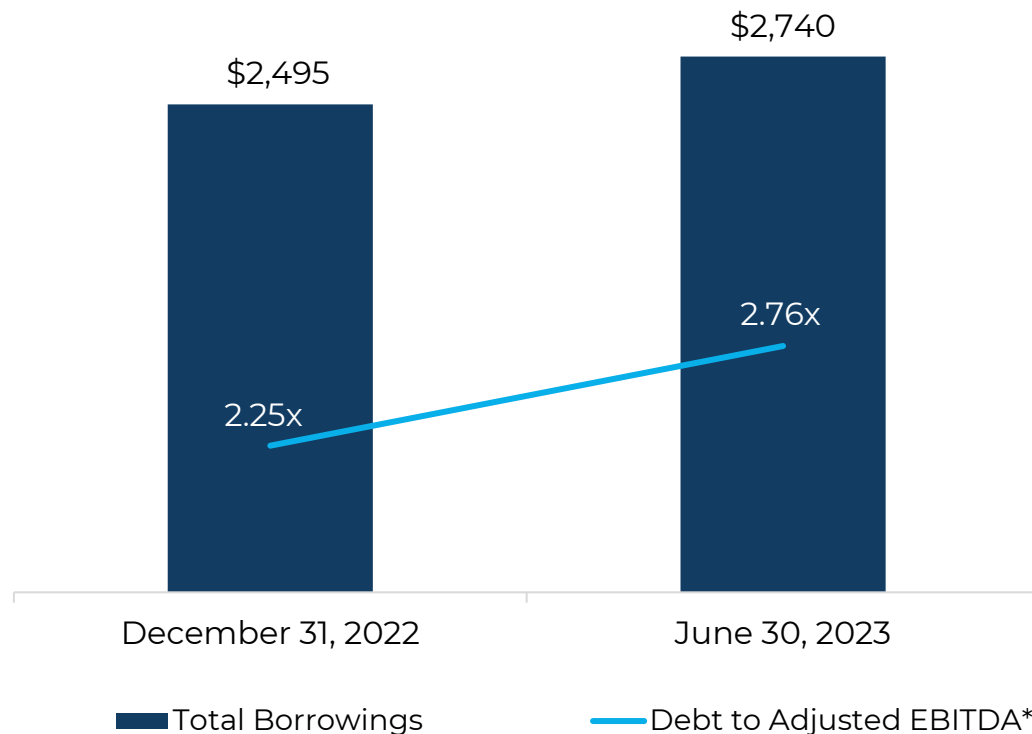
As of June 30, 2023



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

Strong and Conservative Capital Structure

\$ in millions



- **\$1.4 billion** total available capacity under credit facilities
- **\$332 million** available capacity after considering borrowing base restrictions
- Debt to Adjusted EBITDA* of **2.76x** as of June 30, 2023
- Within target Debt to Adjusted EBITDA* of **between 2.0x and 3.0x**

Key Takeaways

Record **purchasing** for a second quarter in Company history

Supply is **gradually building**, with economic signs for more coming

Focused on **executing strategy**, returning to **profitability** and capitalizing on next stage of the consumer credit cycle

Q&A



Reconciliation of Non-GAAP Financial Measures 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 net income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Adjusted EBITDA for the last twelve months (LTM) ended June 30, 2023 and for the year ended December 31, 2022. The calculation of Adjusted EBITDA below may not be comparable to the calculation of similarly titled measures reported by other companies. Additionally, the Company evaluates its business using certain ratios that use Adjusted EBITDA. Debt to Adjusted EBITDA is calculated by dividing borrowings by Adjusted EBITDA. The following table reflects the Company's Debt to Adjusted EBITDA for the LTM as of June 30, 2023 and for the year ended December 31, 2022.

Adjusted EBITDA for PRA Group (\$ in millions)	LTM June 30, 2023	For the Year Ended December 31, 2022
Net income/(loss) attributable to PRA Group, Inc.	(\$22)	\$117
<u>Adjustments:</u>		
Income tax expense	1	37
Foreign exchange gains	(1)	(1)
Interest expense, net	149	131
Other expense/(income)	1	1
Depreciation and amortization	15	15
Adjustment for net income attributable to noncontrolling interests	13	1
Recoveries applied to negative allowance less Changes in expected recoveries	837	806
Adjusted EBITDA	\$993	\$1,107
	LTM	For the Year Ended
(\$ in millions)	June 30, 2023	December 31, 2022
Borrowings	\$2,740	\$2,495
Adjusted EBITDA	993	1,107
Debt to Adjusted EBITDA	2.76	2.25



Najim Mostamand, CFA

VP, Investor Relations

(757) 431-7913

IR@pragroup.com

IR.PRAGROUP.COM