

Enova Reports First Quarter 2019 Results

- First quarter 2019 revenue grew 15% compared to a year ago to \$293 million, and adjusted earnings per share and adjusted EBITDA grew 14% and 10%, respectively
- Compared to a year ago, first quarter 2019 line of credit revenue grew 33% to \$104 million, and installment loan and receivables purchase agreement revenue grew 16% to \$142 million
- Total loans and finance receivables outstanding grew 16% year-over-year to \$980 million at the end of the first quarter, driven by a 36% increase in line of credit receivables and an 18% increase in near-prime installment loan receivables

CHICAGO, April 25, 2019 /PRNewswire/ -- Enova International (NYSE: ENVA), a leading financial technology and analytics company offering consumer and small business loans and financing, today announced financial results for the quarter ended March 31, 2019.

“Our first quarter results demonstrate our continued ability to deliver meaningful growth with efficient marketing while leveraging our sophisticated analytics, flexible online operating model and quality balance sheet to deliver strong bottom line results that exceeded expectations,” said David Fisher, Enova’s CEO. “We believe our focused growth strategy, ongoing diversification and scalable online model coupled with prudent management of the business will ensure long-term, sustainable and profitable growth.”

First Quarter 2019 Summary

- Total revenue of \$293 million in the first quarter of 2019 increased 15% from \$254 million in the first quarter of 2018.
- Gross profit margin was 52.6% in the first quarter of 2019, compared to 57.3% in the first quarter of 2018.
- Net income of \$35 million, or \$1.02 per diluted share, in the first quarter of 2019 increased from \$28 million, or \$0.81 per diluted share, in the first quarter of 2018.
- First quarter 2019 adjusted EBITDA of \$75 million, a non-GAAP measure, increased from \$68 million in the first quarter of 2018.
- Adjusted earnings of \$40 million, or \$1.16 per diluted share, a non-GAAP measure, in the first quarter of 2019 increased from adjusted earnings of \$35 million, or \$1.02 per diluted share, in the first quarter of 2018.

“We are pleased to report another quarter of financial results that either met or exceeded our expectations,” said Steve Cunningham, CFO of Enova. “The solid growth in the first quarter was combined with continued stable credit performance, which is reflected in our strong gross margins, leading to record first quarter profitability. The fundamentals of our operating model

and balance sheet flexibility leave us well positioned to continue this momentum as we execute on the opportunities ahead of us.”

Enova ended the first quarter of 2019 with unrestricted cash and cash equivalents of \$93 million. As of March 31, 2019, the company had total debt outstanding of \$792 million, which included \$99 million outstanding under Enova's \$350 million securitization facilities. During the first quarter, Enova generated \$221 million of cash flow from operations.

Outlook

For the second quarter of 2019, Enova expects total revenue of \$265 million to \$285 million, GAAP diluted earnings per share of \$0.41 to \$0.63, adjusted EBITDA of \$45 million to \$55 million and adjusted earnings per share of \$0.48 to \$0.70. For the full year 2019, Enova expects total revenue of \$1.25 billion to \$1.31 billion, GAAP diluted earnings per share of \$2.83 to \$3.48, adjusted EBITDA of \$237 million to \$267 million and adjusted earnings per share of \$3.17 to \$3.82.

For information regarding the non-GAAP financial measures discussed in this release, please see "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures" below.

Conference Call

Enova will host a conference call to discuss its results at 4 p.m. Central Time / 5 p.m. Eastern Time today, Thursday, April 25th. The live webcast of the call can be accessed at the Enova Investor Relations website at <http://ir.enova.com>, along with the company's earnings press release and supplemental financial information. The U.S. dial-in for the call is 1-855-560-2575 (1-412-542-4161 for non-U.S. callers). Please ask to be joined to the Enova International call. A replay of the conference call will be available until May 2, 2019, at 10:59 p.m. Central Time / 11:59 p.m. Eastern Time, while an archived version of the webcast will be available on the Enova Investor Relations website for 90 days. The U.S. dial-in for the conference call replay is 1-877-344-7529 (1-412-317-0088). The replay access code is 10130025.

About Enova

Enova (NYSE: ENVA) is a leading provider of online financial services to non-prime consumers and small businesses, providing access to credit powered by its advanced analytics, innovative technology, and world-class online platform and services. Enova has provided more than 5 million customers around the globe with access to more than \$20 billion in loans and financing. The financial technology company has a portfolio of trusted brands serving consumers, including CashNetUSA[®], NetCredit[®], On Stride Financial[®], QuickQuid[®] and Simpliic[®]; two brands serving small businesses, Headway Capital[®] and The Business Backer[®]; and offers online lending

platform services to lenders. Through its Enova Decisions™ brand, it also delivers on-demand decision-making technology and real-time predictive analytics services to clients. You can learn more about the company and its brands at www.enova.com

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Cautionary Statement Concerning Forward Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about the business, financial condition and prospects of Enova. These forward-looking statements give current expectations or forecasts of future events and reflect the views and assumptions of Enova's senior management with respect to the business, financial condition and prospects of Enova as of the date of this release and are not guarantees of future performance. The actual results of Enova could differ materially from those indicated by such forward-looking statements because of various risks and uncertainties applicable to Enova's business, including, without limitation, those risks and uncertainties indicated in Enova's filings with the Securities and Exchange Commission ("SEC"), including our annual report on Form 10-K, quarterly reports on Forms 10-Q and current reports on Forms 8-K. These risks and uncertainties are beyond the ability of Enova to control, and, in many cases, Enova cannot predict all of the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. When used in this release, the words "believes," "estimates," "plans," "expects," "anticipates" and similar expressions or variations as they relate to Enova or its management are intended to identify forward-looking statements. Enova cautions you not to put undue reliance on these statements. Enova disclaims any intention or obligation to update or revise any forward-looking statements after the date of this release.

Non-GAAP Financial Measures

In addition to the financial information prepared in conformity with generally accepted accounting principles, or GAAP, Enova provides historical non-GAAP financial information. Management believes that presentation of non-GAAP financial information is meaningful and useful in understanding the activities and business metrics of Enova's operations. Management believes that these non-GAAP financial measures reflect an additional way of viewing aspects of Enova's business that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting its business.

Management provides non-GAAP financial information for informational purposes and to enhance understanding of Enova's GAAP consolidated financial statements. Readers should consider the information in addition to, but not instead of or superior to, Enova's financial statements prepared in accordance with GAAP. This non-GAAP financial information may be determined or calculated differently by other companies, limiting the usefulness of those measures for comparative purposes.

Combined Loans and Finance Receivables

The combined loans and finance receivables measures are non-GAAP measures that include loans and finance receivables that Enova owns or has purchased and loans that Enova guarantees. Management believes these non-GAAP measures provide investors with important information needed to evaluate the magnitude of potential receivable losses and the opportunity for revenue performance of the loans and finance receivable portfolio on an aggregate basis. Management also believes that the comparison of the aggregate amounts from period to period is more meaningful than comparing only the amounts reflected on Enova's consolidated balance sheet since both revenue and cost of revenue are impacted by the aggregate amount of receivables owned by Enova and those guaranteed by Enova as reflected in its consolidated financial statements.

Adjusted Earnings Measures

In addition to reporting financial results in accordance with GAAP, Enova has provided adjusted earnings and adjusted earnings per share, or, collectively, the Adjusted Earnings Measures, which are non-GAAP measures. Management believes that the presentation of these measures provides investors with greater transparency and facilitates comparison of operating results across a broad spectrum of companies with varying capital structures, compensation strategies, derivative instruments and amortization methods, which provides a more complete understanding of Enova's financial performance, competitive position and prospects for the future. Management also believes that investors regularly rely on non-GAAP financial measures, such as the Adjusted Earnings Measures, to assess operating performance and that such measures may highlight trends in Enova's business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP. In addition, management believes that the adjustments shown below are useful to investors in order to allow them to compare Enova's financial results during the periods shown without the effect of each of these expense items.

Adjusted EBITDA Measures

In addition to reporting financial results in accordance with GAAP, Enova has provided Adjusted EBITDA and Adjusted EBITDA margin, or, collectively, the Adjusted EBITDA measures, which are non-GAAP measures. Adjusted EBITDA is a non-GAAP measure that Enova defines as earnings excluding depreciation, amortization, interest, foreign currency transaction gains or losses, taxes and stock-based compensation. In addition, management believes that the adjustments for lease termination and cease-use costs and losses on early extinguishment of debt shown below are useful to investors in order to allow them to compare our financial results during the periods shown without the effect of the expense items. Adjusted EBITDA margin is a non-GAAP measure that Enova defines as Adjusted EBITDA as a percentage of total revenue. Management believes Adjusted EBITDA Measures are used by investors to analyze operating performance and evaluate Enova's ability to incur and service debt and Enova's capacity for making capital expenditures. Adjusted EBITDA Measures are also useful to investors to help assess Enova's estimated enterprise value.

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)
(Unaudited)

	March 31,		December 31,
	2019	2018	2018
Assets			
Cash and cash equivalents ⁽¹⁾	\$ 92,829	\$ 69,900	\$ 52,917
Restricted cash ⁽¹⁾	25,391	34,765	24,342
Loans and finance receivables, net ⁽¹⁾	815,856	703,076	859,946
Income taxes receivable	20,672	—	28,914
Other receivables and prepaid expenses ⁽¹⁾	29,354	22,164	29,983
Property and equipment, net	50,522	47,698	49,553
Operating lease right-of-use assets	21,453	—	—
Goodwill	267,013	267,013	267,013
Intangible assets, net	2,987	4,058	3,255
Other assets ⁽¹⁾	12,342	9,526	12,262
Total assets	<u>\$ 1,338,419</u>	<u>\$ 1,158,200</u>	<u>\$ 1,328,185</u>
Liabilities and Stockholders' Equity			
Accounts payable and accrued expenses ⁽¹⁾	\$ 87,434	\$ 70,473	\$ 89,317
Operating lease liabilities	38,731	—	—
Income taxes currently payable	—	257	—
Deferred tax liabilities, net	41,132	17,087	33,171
Long-term debt ⁽¹⁾	791,908	754,650	857,929
Total liabilities	<u>959,205</u>	<u>842,467</u>	<u>980,417</u>
Commitments and contingencies			
Stockholders' equity:			
Common stock, \$0.00001 par value, 250,000,000 shares authorized, 35,339,678, 34,340,242 and 34,856,553 shares issued and 33,683,763, 33,862,388 and 33,584,606 outstanding as of March 31, 2019 and 2018 and December 31, 2018, respectively	—	—	—
Preferred stock, \$0.00001 par value, 25,000,000 shares authorized, no shares issued and outstanding	—	—	—
Additional paid in capital	51,638	32,671	48,175
Retained earnings	371,086	294,215	336,415
Accumulated other comprehensive loss	(12,251)	(4,322)	(13,805)
Treasury stock, at cost (1,655,915, 477,854 and 1,271,947 shares as of March 31, 2019 and 2018 and December 31, 2018, respectively)	(31,259)	(6,831)	(23,017)
Total stockholders' equity	<u>379,214</u>	<u>315,733</u>	<u>347,768</u>
Total liabilities and stockholders' equity	<u>\$ 1,338,419</u>	<u>\$ 1,158,200</u>	<u>\$ 1,328,185</u>

(1) Includes amounts in wholly owned, bankruptcy-remote special purpose subsidiaries ("VIEs") presented separately in the table below.

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)
(Unaudited)

The following table presents the aggregated assets and liabilities of consolidated VIEs, which are included in the Consolidated Balance Sheets above. The assets in the table below may only be used to settle obligations of consolidated VIEs and are in excess of those obligations.

	March 31,		December 31,
	2019	2018	2018
Assets of consolidated VIEs, included in total assets above			
Cash and cash equivalents	\$ 420	\$ —	\$ 210
Restricted cash	23,167	26,746	22,168
Loans and finance receivables, net (includes allowance for losses of \$27,227, \$24,471 and \$27,255 as of March 31, 2019 and 2018 and December 31, 2018, respectively)	280,711	278,272	318,961
Other receivables and prepaid expenses	5,914	1	2,712
Other assets	2,737	155	2,544
Total assets	\$ 312,949	\$ 305,174	\$ 346,595
Liabilities of consolidated VIEs, included in total liabilities above			
Accounts payable and accrued expenses	\$ 2,711	\$ 1,677	\$ 3,087
Long-term debt	178,841	214,459	223,368
Total liabilities	\$ 181,552	\$ 216,136	\$ 226,455

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(Unaudited)

	Three Months Ended	
	March 31,	
	2019	2018
Revenue	\$ 293,183	\$ 254,298
Cost of Revenue	139,045	108,553
Gross Profit	154,138	145,745
Expenses		
Marketing	23,662	27,736
Operations and technology	29,600	25,538
General and administrative	29,573	26,921
Depreciation and amortization	4,184	3,838
Total Expenses	<u>87,019</u>	<u>84,033</u>
Income from Operations	67,119	61,712
Interest expense, net	(19,500)	(19,673)
Foreign currency transaction loss	(143)	(2,088)
Loss on early extinguishment of debt	(2,321)	(4,710)
Income before Income Taxes	45,155	35,241
Provision for income taxes	10,138	7,343
Net Income	<u>\$ 35,017</u>	<u>\$ 27,898</u>
Earnings Per Share:		
Net income per common share:		
Basic	\$ 1.05	\$ 0.83
Diluted	\$ 1.02	\$ 0.81
Weighted average common shares outstanding:		
Basic	33,481	33,669
Diluted	34,421	34,572

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(dollars in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Cash flows provided by operating activities	\$ 221,080	\$ 153,002
Cash flows used in investing activities		
Loans and finance receivables	(99,271)	(108,081)
Property and equipment additions	(4,884)	(3,349)
Other investing activities	—	24
Total cash flows used in investing activities	(104,155)	(111,406)
Cash flows used in financing activities	(77,913)	(40,608)
Effect of exchange rates on cash, cash equivalents and restricted cash	1,949	5,533
Net increase in cash, cash equivalents and restricted cash	40,961	6,521
Cash, cash equivalents and restricted cash at beginning of year	77,259	98,144
Cash, cash equivalents and restricted cash at end of period	<u>\$ 118,220</u>	<u>\$ 104,665</u>

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
GEOGRAPHIC INFORMATION
(dollars in thousands)

The following table presents information on Enova's domestic and international operations for the three months ended March 31, 2019 and 2018.

	Three Months Ended March 31,		\$ Change	% Change
	2019	2018		
Domestic:				
Revenue	\$ 257,988	\$ 212,966	\$ 45,022	21.1%
Cost of revenue	<u>113,871</u>	<u>88,113</u>	<u>25,758</u>	<u>29.2</u>
Gross profit	<u>\$ 144,117</u>	<u>\$ 124,853</u>	<u>\$ 19,264</u>	<u>15.4</u>
Gross profit margin	55.9%	58.6%	(2.7)%	(4.6)%
International:				
Revenue	\$ 35,195	\$ 41,332	\$ (6,137)	(14.8)%
Cost of revenue	<u>25,174</u>	<u>20,440</u>	<u>4,734</u>	<u>23.2</u>
Gross profit	<u>\$ 10,021</u>	<u>\$ 20,892</u>	<u>\$ (10,871)</u>	<u>(52.0)</u>
Gross profit margin	28.5%	50.5%	(22.0)%	(43.6)%
Total:				
Revenue	\$ 293,183	\$ 254,298	\$ 38,885	15.3%
Cost of revenue	<u>139,045</u>	<u>108,553</u>	<u>30,492</u>	<u>28.1</u>
Gross profit	<u>\$ 154,138</u>	<u>\$ 145,745</u>	<u>\$ 8,393</u>	<u>5.8</u>
Gross profit margin	52.6%	57.3%	(4.7)%	(8.2)%

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
LOANS AND FINANCE RECEIVABLES FINANCIAL AND OPERATING DATA
(dollars in thousands)

The following table shows loans and finance receivables and related loan loss activity, which is based on loan and finance receivable balances, for the three months ended March 31, 2019 and 2018.

<u>Three Months Ended March 31,</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
Cost of revenue	\$ 139,045	\$ 108,553	\$ 30,492
Charge-offs (net of recoveries)	162,250	118,705	43,545
Average combined loans and finance receivables, gross:			
Company owned ^(a)	998,662	831,299	167,363
Guaranteed by Enova ^{(a)(b)}	26,855	32,143	(5,288)
Average combined loans and finance receivables, gross^{(a)(c)}	\$ 1,025,517	\$ 863,442	\$ 162,075
Ending combined loans and finance receivables, gross:			
Company owned	\$ 957,257	\$ 817,359	\$ 139,898
Guaranteed by Enova ^(b)	22,296	26,594	(4,298)
Ending combined loans and finance receivables, gross^(c)	\$ 979,553	\$ 843,953	\$ 135,600
Ending allowance and liability for losses	\$ 142,665	\$ 115,693	\$ 26,972
Combined originations ^(d)	\$ 542,256	\$ 557,424	\$ (15,168)

Loans and finance receivables ratios:

Cost of revenue as a % of average combined loans and finance receivables, gross ^{(a)(c)}	13.6%	12.6%	1.0%
Charge-offs (net of recoveries) as a % of average combined loans and finance receivables, gross ^{(a)(c)}	15.8%	13.7%	2.1%
Gross profit margin	52.6%	57.3%	(4.7)%
Allowance and liability for losses as a % of combined loans and finance receivables, gross ^{(c)(e)}	14.6%	13.7%	0.9%

- (a) The average combined loans and finance receivables, gross, is the average of the month-end balances during the period.
- (b) Represents loans originated by third-party lenders through the credit services organization (or CSO), which are not included in Enova's financial statements.
- (c) Non-GAAP measure. See the above discussion for additional information regarding combined loans and finance receivables.
- (d) Represents loans and finance receivables originated by Enova and third-party lenders through the CSO and includes renewals of existing origination agreements to customers in good standing. The disclosure is statistical data that is not included in Enova's financial statements.
- (e) Allowance and liability for losses as a percentage of combined loans and finance receivables, gross, is determined using period-end balances.

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(dollars in thousands, except per share data)

Adjusted Earnings Measures

	Three Months Ended March 31,	
	2019	2018
Net Income	\$ 35,017	\$ 27,898
Adjustments:		
Lease termination and cease-use costs ^(a)	726	—
Loss on early extinguishment of debt ^(b)	2,321	4,710
Intangible asset amortization	268	267
Stock-based compensation expense	3,074	2,433
Foreign currency transaction loss	143	2,088
Cumulative tax effect of adjustments	(1,519)	(1,979)
Discrete tax adjustments ^(c)	(141)	—
Adjusted earnings	<u>\$ 39,889</u>	<u>\$ 35,417</u>
Diluted earnings per share	<u>\$ 1.02</u>	<u>\$ 0.81</u>
Adjusted earnings per share	<u>\$ 1.16</u>	<u>\$ 1.02</u>

Adjusted EBITDA

	Three Months Ended March 31,	
	2019	2018
Net Income	\$ 35,017	\$ 27,898
Depreciation and amortization expenses	4,184	3,838
Interest expense, net	19,500	19,673
Foreign currency transaction loss	143	2,088
Provision for income taxes	10,138	7,343
Stock-based compensation expense	3,074	2,433
Adjustments:		
Lease termination and cease-use costs ^(a)	370	—
Loss on early extinguishment of debt ^(b)	2,321	4,710
Adjusted EBITDA	<u>\$ 74,747</u>	<u>\$ 67,983</u>
Adjusted EBITDA margin calculated as follows:		
Total Revenue	\$ 293,183	\$ 254,298
Adjusted EBITDA	74,747	67,983
Adjusted EBITDA as a percentage of total revenue	25.5%	26.7%

(a) In the first quarter of 2019, the Company recorded impairment charges of \$0.4 million (\$0.3 million net of tax) to operating right-of-use lease assets and \$0.3 million (\$0.3 million net of tax) to leasehold improvement assets related to its decision to cease use and sublease a portion of a leased office space.

(b) In the first quarter of 2019 and the first quarter of 2018, the Company recorded losses on early extinguishment of debt of \$2.3 million (\$1.8 million net of tax) and \$4.7 million (\$3.7 million net of tax), respectively, related to

the repurchase of \$44.1 million principal amount of securitization notes and the repurchase of \$50.0 million principal amount of senior notes .

- (c) In the first quarter of 2019, the Company recognized \$0.1 million of interest income on a tax refund received as a result of the U.S. Tax Cuts and Jobs Act.*

ENOVA INTERNATIONAL, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(dollars in thousands)

Estimated Adjusted EBITDA and Earnings Per Share For 2019

The following tables reconcile estimated Income from operations to Adjusted EBITDA, a non-GAAP measure and diluted income per share to adjusted earnings per share, a non-GAAP measure:

	Estimated Results	
	Three Months Ended June 30, 2019	
	Low	High
	Unaudited	
Income from operations	\$ 37,900	\$ 47,900
Depreciation and amortization	4,300	4,300
Stock-based compensation expense	2,800	2,800
Adjusted EBITDA	<u>\$ 45,000</u>	<u>\$ 55,000</u>

	Estimated Results	
	Year Ended December 31, 2019	
	Low	High
	Unaudited	
Income from operations	\$ 208,150	\$ 238,150
Depreciation and amortization	17,350	17,350
Stock-based compensation expense	11,500	11,500
Adjusted EBITDA	<u>\$ 237,000</u>	<u>\$ 267,000</u>

	Estimated Results	
	Three Months Ended June 30, 2019	
	Low	High
	Unaudited	
Diluted income per share	\$ 0.41	\$ 0.63
Adjustments:		
Intangible asset amortization	0.01	0.01
Stock-based compensation expense	0.08	0.08
Cumulative tax effect of adjustments	(0.02)	(0.02)
Adjusted earnings per share	<u>\$ 0.48</u>	<u>\$ 0.70</u>

	Estimated Results	
	Year Ended December 31, 2019	
	Low	High
	Unaudited	
Diluted income per share	\$ 2.83	\$ 3.48
Adjustments:		
Loss on early extinguishment of debt	0.07	0.07
Intangible asset amortization	0.03	0.03
Stock-based compensation expense	0.33	0.33
Lease termination and cease-use costs	0.02	0.02
Cumulative tax effect of adjustments	(0.11)	(0.11)
Adjusted earnings per share	<u>\$ 3.17</u>	<u>\$ 3.82</u>