



PRA
Group



Q3 2020

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 Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed or implied in this presentation.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

THIRD QUARTER TRENDS WERE SIMILAR TO FIRST HALF 2020

Record global cash collections of \$519 million

Portfolio purchases of \$178 million

Estimated remaining collections of \$6.3 billion

RESULTS IN AMERICAS CONTINUED TO BE STRONG



Cash collections of \$374 million

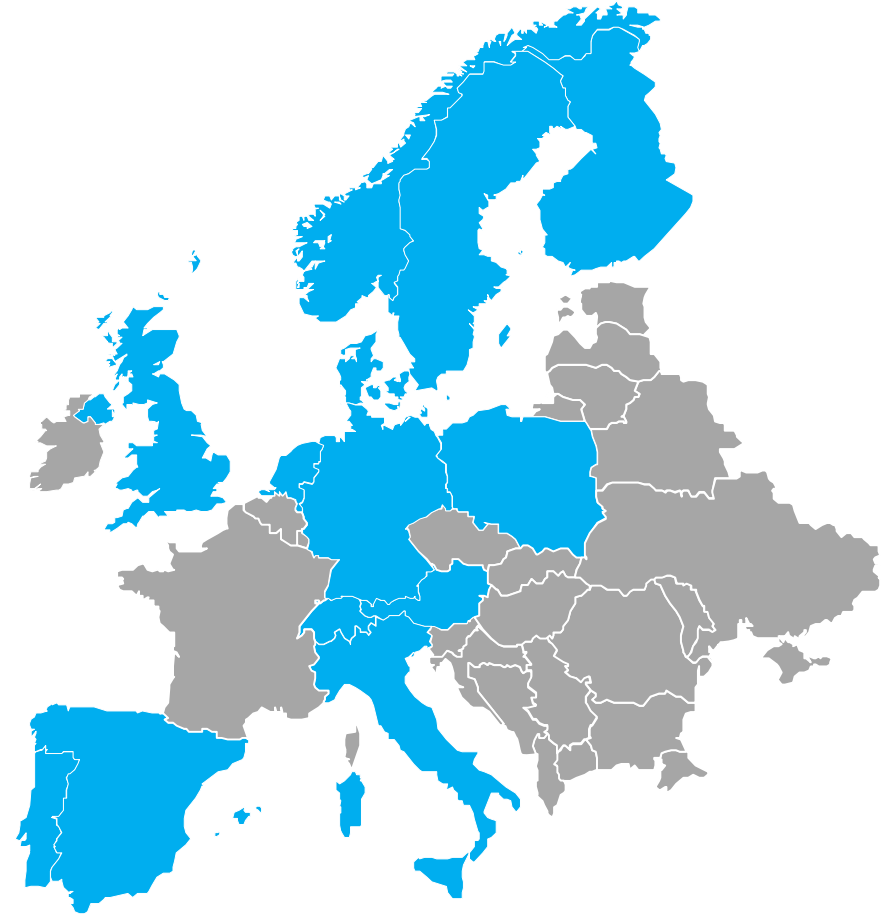
Seeing collection shift from legal to call centers and digital channel

Invested \$98 million

RECORD PURCHASES IN 2019 DRIVE RECORD CASH COLLECTIONS IN Q3 IN EUROPE

Record cash collections of \$146 million in Europe

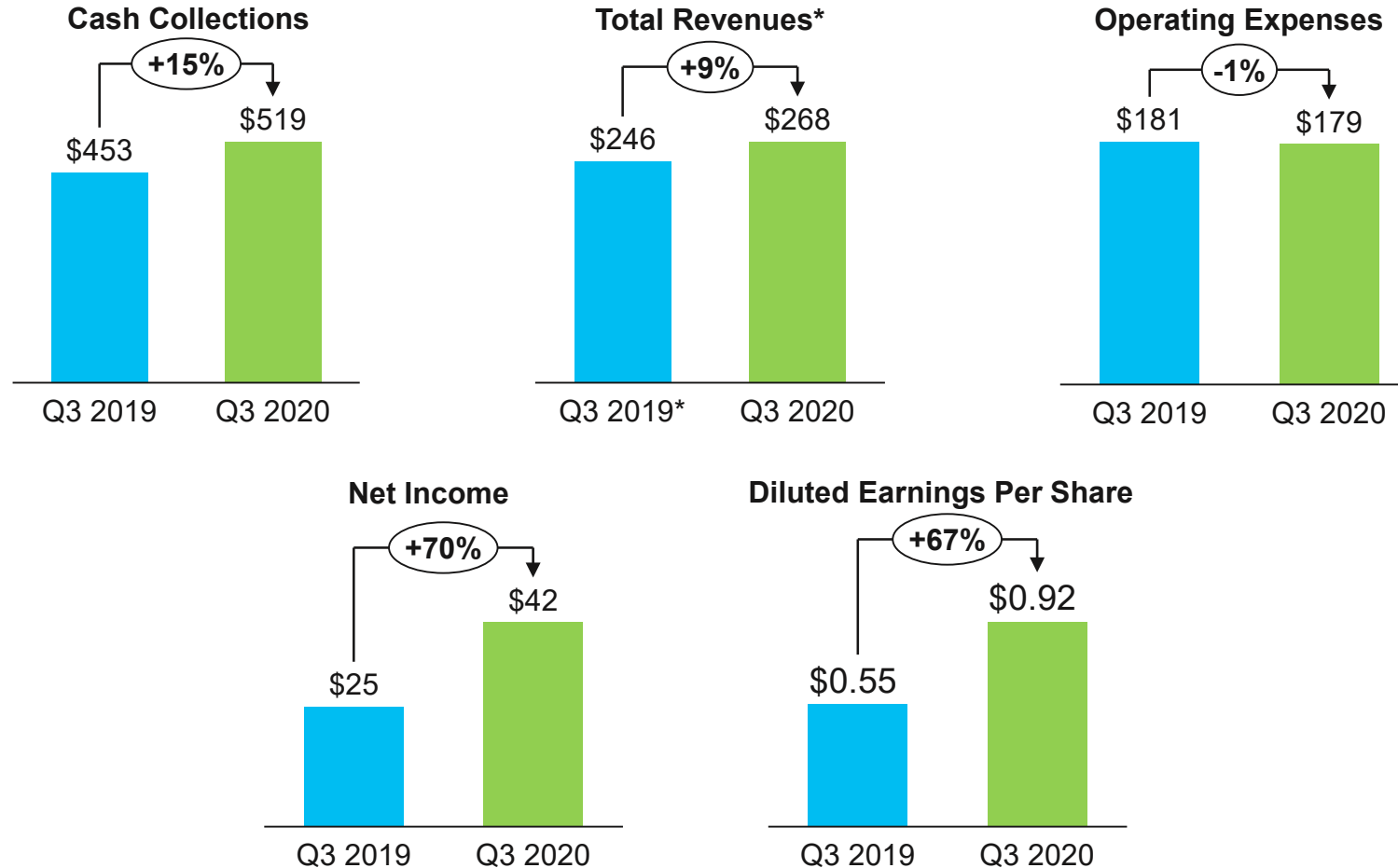
Invested \$79 million



QUARTERLY NET INCOME INCREASED 70% FROM Q3 2019

(\$ in millions, except per share results)

Q3 2019 vs Q3 2020

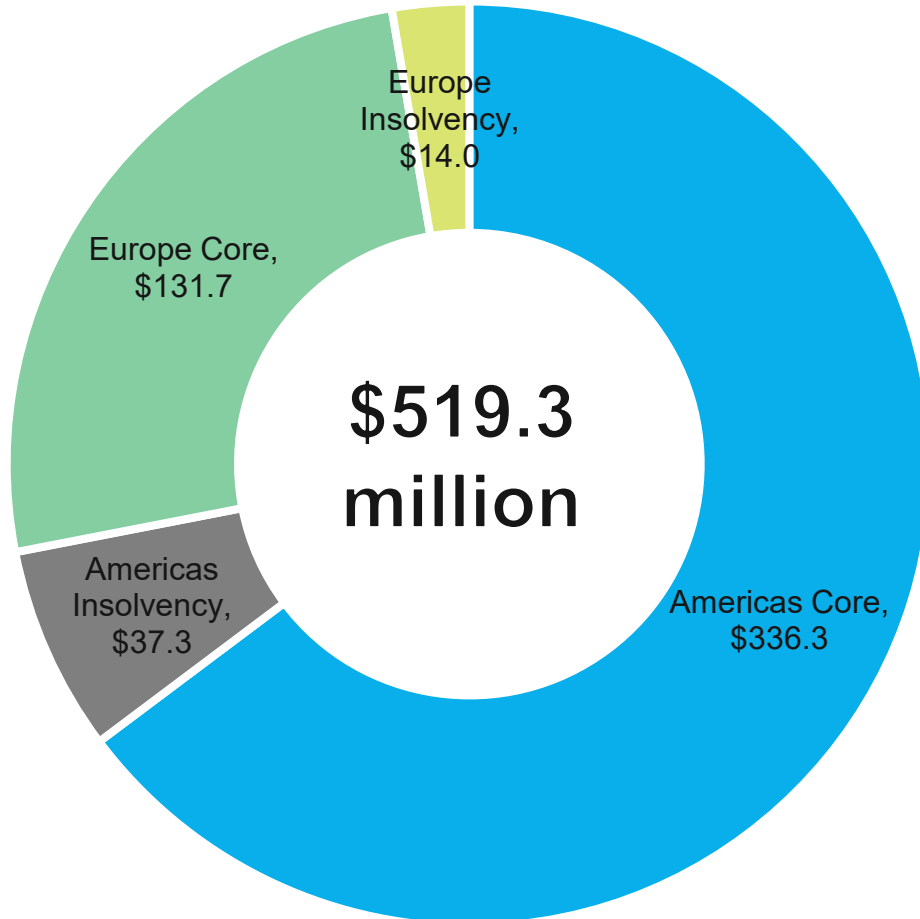


*Q3 2019 Total Revenues include allowance charges for better comparison to Q3 2020, please refer to the reconciliation of this metric to the most applicable GAAP metric at the end of this presentation.

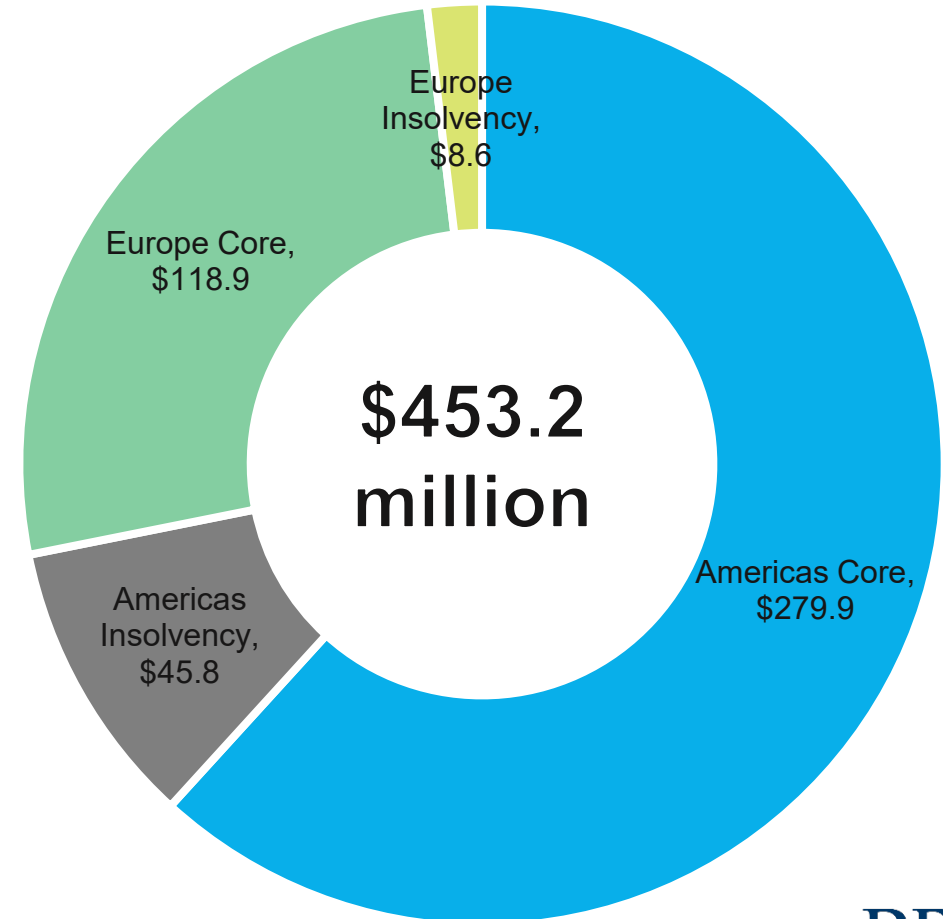
CASH COLLECTIONS PERFORMING WELL

(\$ in millions)

Third Quarter 2020

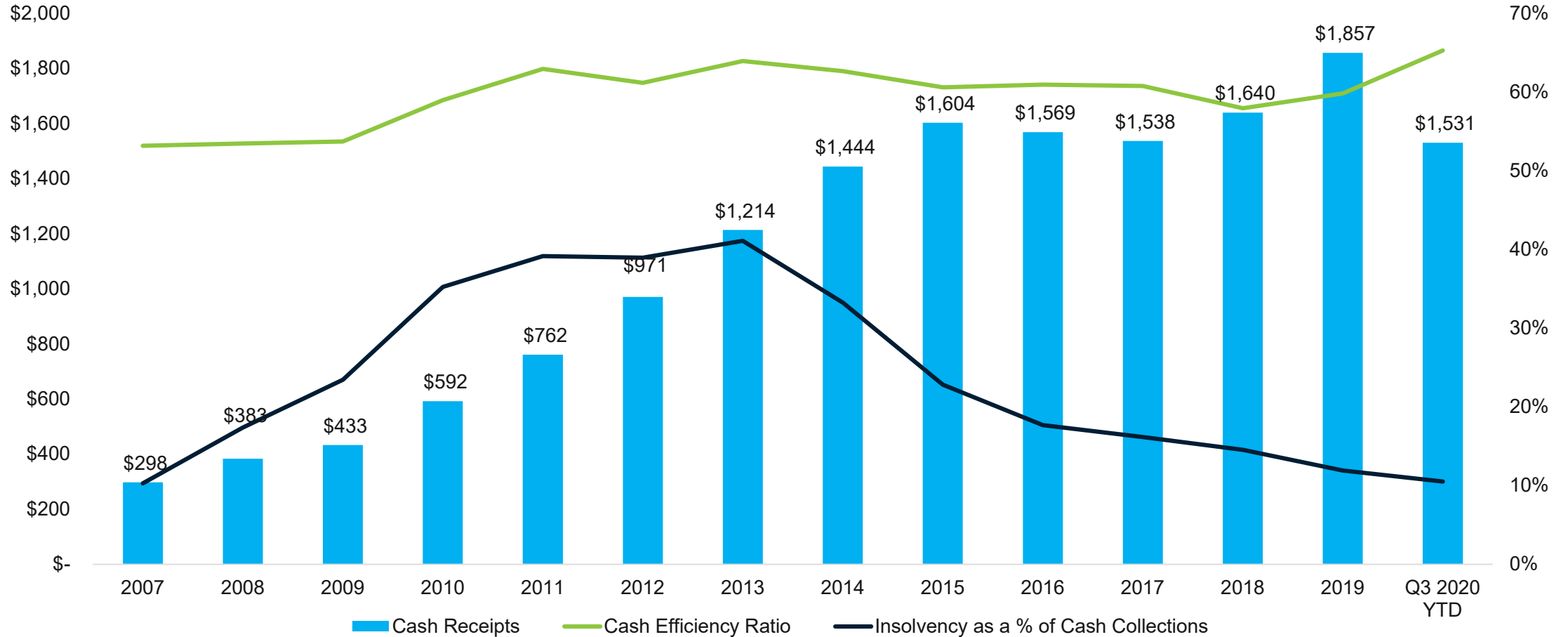


Third Quarter 2019



YTD CASH EFFICIENCY RATIO IS 65.3%

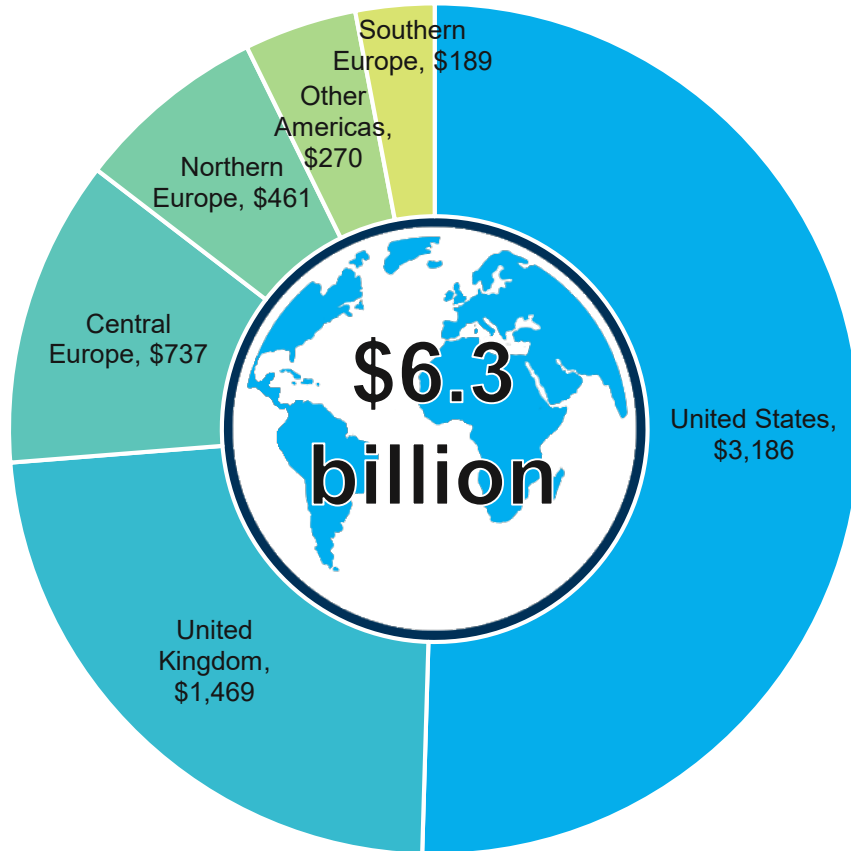
(\$ in millions, Cash efficiency ratio = (cash receipts – operating expenses)/cash receipts)



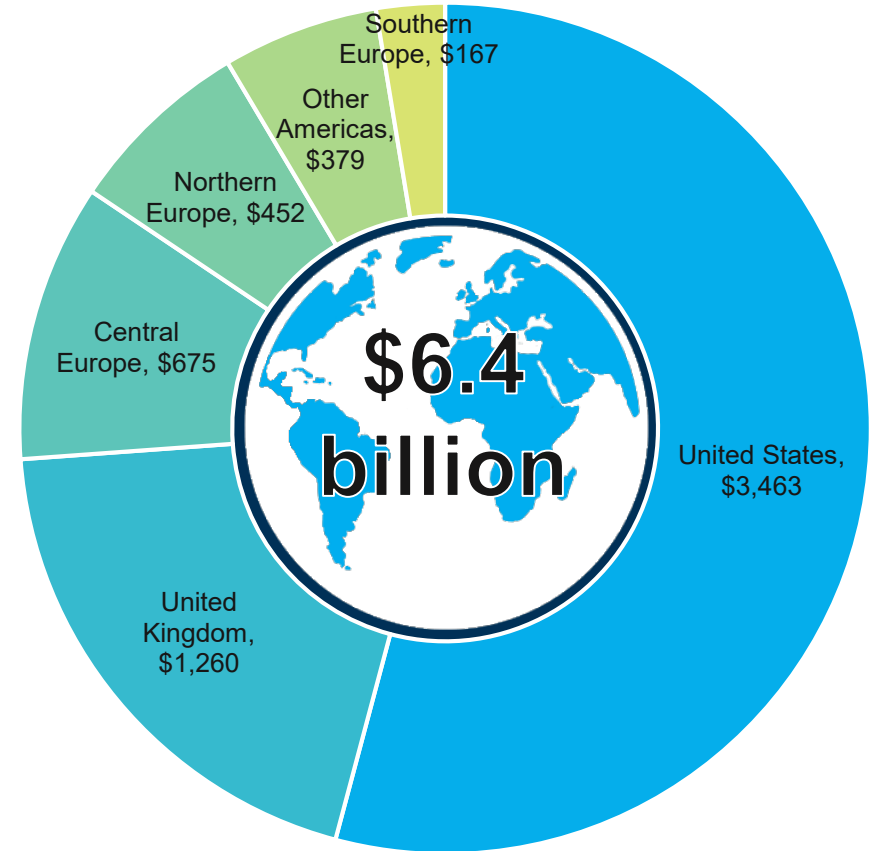
ERC IS DIVERSIFIED

(\$ in millions)

as of September 30, 2020

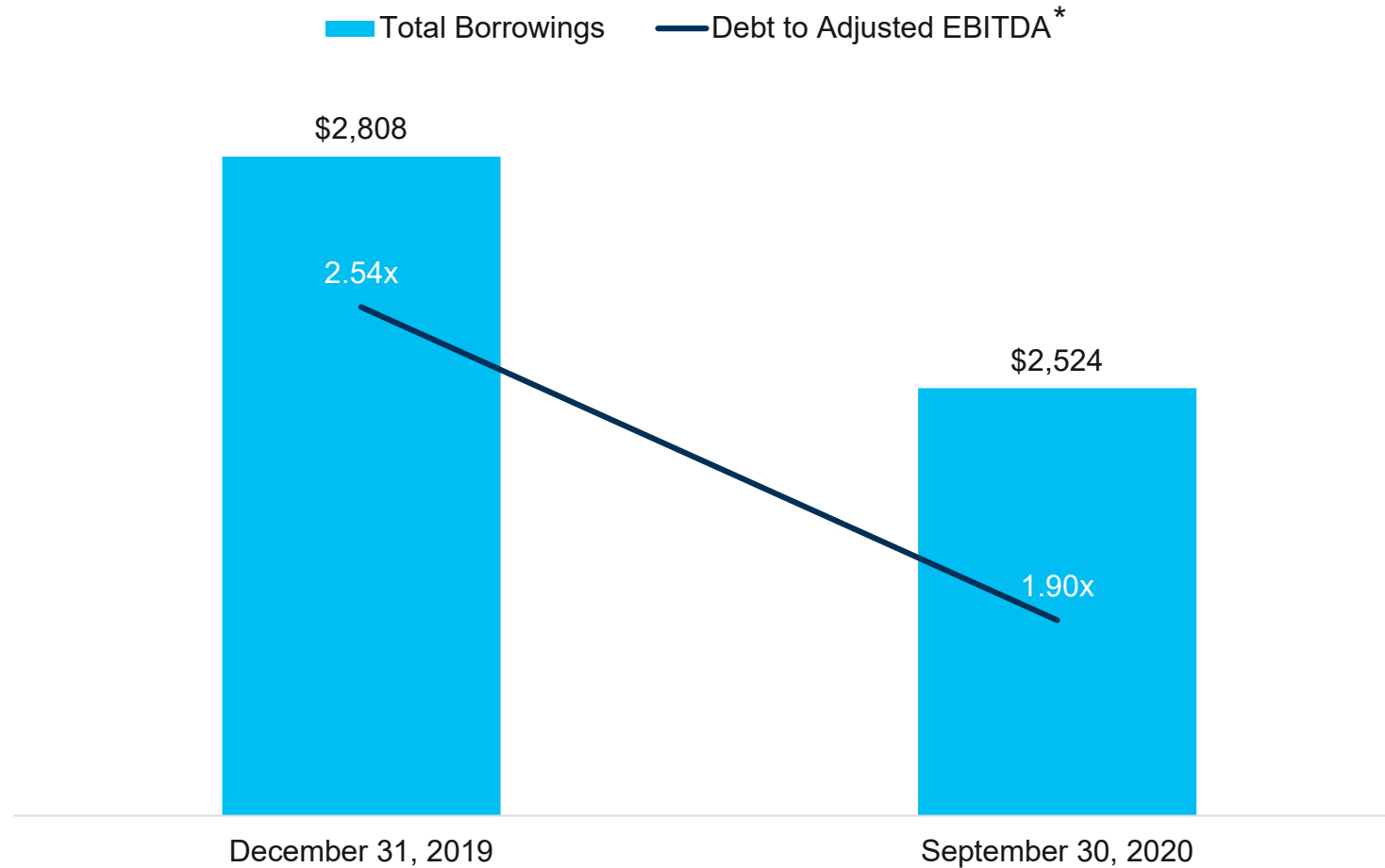


as of September 30, 2019



STRONG FINANCIAL PERFORMANCE DRIVES SOLID LEVERAGE POSITION

(\$ in millions)



\$1.0 Billion Available for Portfolio Acquisitions

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

PRA GROUP REMAINS IN A STRONG COMPETITIVE POSITION

Believe supply will increase

Sustainable, efficient operating capacity

Over a billion dollars ready to invest in NPLs in addition to generating \$1.3 billion in LTM adjusted EBITDA





PRA
Group



Q&A

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP

(\$ in thousands)

Use of Non-GAAP Financial Measures

PRA Group, Inc. reports financial results in accordance with U.S. GAAP. However, the Company believes that the use of certain metrics assists with the meaningful comparison between current year results and prior periods. The reconciliation of these non-GAAP metrics, to the most directly comparable U.S. GAAP financial measure is provided below. These should be viewed in addition to, not as an alternative for, reported U.S. GAAP results.

| | Three Months Ended September 30, 2019 |
|--|--|
| Income recognized on finance receivables | 247,471 |
| Fee income | 2,391 |
| Other income | 152 |
| Total revenues | 250,014 |
| <i>Adjustments</i> | |
| Net allowance charges | (4,136) |
| Adjusted total revenues | 245,878 |

| | LTM Dec. 31, 2019 | LTM Sept. 30, 2020 |
|--|-------------------|--------------------|
| LTM Adjusted EBITDA for PRA Group, Inc. | \$86 | \$147 |
| Net Income attributable to PRA Group, Inc. | \$20 | \$29 |
| Income tax expense (benefit) | (\$12) | (\$4) |
| Foreign exchange (gain) loss | \$142 | \$144 |
| Interest expense, net and other | \$17 | \$17 |
| Depreciation and amortization | \$12 | \$15 |
| Adjustment for net income attributable to noncontrolling interests | \$0 | \$0 |
| Gain on sale of subsidiaries | \$265 | \$348 |
| LTM EBITDA | \$843 | \$978 |
| Recoveries applied to negative allowance* | \$1,108 | \$1,326 |
| LTM Adjusted EBITDA | | |

*Prior to the first quarter of 2020, this represented collections applied to principle on finance receivables.

| | | |
|-----------------------------|---------|---------|
| Borrowings | \$2,808 | \$2,524 |
| LTM Adjusted EBITDA | \$1,108 | \$1,326 |
| Debt to LTM Adjusted EBITDA | 2.54x | 1.90x |