

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-10960



FIRSTCASH, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

75-2237318

(I.R.S. Employer Identification No.)

1600 West 7th Street, Fort Worth, Texas 76102

(Address of principal executive offices) (Zip code)

(817) 335-1100

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.01 per share	FCFS	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer
 Non-accelerated filer

Accelerated filer
 Smaller reporting company
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 20, 2021, there were 41,027,426 shares of common stock outstanding.

FIRSTCASH, INC.
FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2021

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CAUTIONARY STATEMENT REGARDING RISKS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS

Forward-Looking Information

This quarterly report contains forward-looking statements about the business, financial condition and prospects of FirstCash, Inc. and its wholly owned subsidiaries (together, the “Company”). Forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, can be identified by the use of forward-looking terminology such as “believes,” “projects,” “expects,” “may,” “estimates,” “should,” “plans,” “targets,” “intends,” “could,” “would,” “anticipates,” “potential,” “confident,” “optimistic” or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy, objectives, estimates, guidance, expectations and future plans. Forward-looking statements can also be identified by the fact these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties.

While the Company believes the expectations reflected in forward-looking statements are reasonable, there can be no assurances such expectations will prove to be accurate. Security holders are cautioned such forward-looking statements involve risks and uncertainties. Certain factors may cause results to differ materially from those anticipated by the forward-looking statements made in this quarterly report. Such factors may include, without limitation, the risks, uncertainties and regulatory developments (1) related to the COVID-19 pandemic, including the unknown duration and severity of the COVID-19 pandemic, which may be impacted by variants of the COVID-19 virus and the timing, availability and efficacy of the COVID-19 vaccines in the jurisdictions in which the Company operates, the impact of governmental responses that have been, and may in the future be, imposed in response to the pandemic, including stimulus programs which could adversely impact lending demand and regulations which could adversely affect the Company’s ability to continue to fully operate, potential changes in consumer behavior and shopping patterns which could impact demand for both the Company’s pawn loan and retail products, changes in the economic conditions in the United States and Latin America, which potentially could have an impact on discretionary consumer spending or impact demand for pawn loan products, and currency fluctuations, primarily involving the Mexican peso and (2) those discussed and described in the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”), including the risks described in Part 1, Item 1A, “Risk Factors” thereof, and other reports filed subsequently by the Company with the SEC. Many of these risks and uncertainties are beyond the ability of the Company to control, nor can the Company predict, in many cases, all of the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. The forward-looking statements contained in this quarterly report speak only as of the date of this quarterly report, and the Company expressly disclaims any obligation or undertaking to report any updates or revisions to any such statement to reflect any change in the Company’s expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRSTCASH, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands)

	March 31,		December 31,
	2021	2020	2020
ASSETS			
Cash and cash equivalents	\$ 54,641	\$ 75,464	\$ 65,850
Fees and service charges receivable	35,334	40,121	41,110
Pawn loans	265,438	314,296	308,231
Inventories	185,336	227,876	190,352
Income taxes receivable	8,236	4,279	9,634
Prepaid expenses and other current assets	8,629	10,736	9,388
Total current assets	557,614	672,772	624,565
Property and equipment, net	384,617	329,066	373,667
Operating lease right of use asset	287,418	280,840	298,957
Goodwill	974,051	927,290	977,381
Intangible assets, net	83,229	84,999	83,651
Other assets	9,365	9,188	9,818
Deferred tax assets	3,869	8,718	4,158
Total assets	\$ 2,300,163	\$ 2,312,873	\$ 2,372,197
LIABILITIES AND STOCKHOLDERS' EQUITY			
Accounts payable and accrued liabilities	\$ 79,575	\$ 74,805	\$ 81,917
Customer deposits	38,727	39,728	34,719
Income taxes payable	7,139	9,832	1,148
Lease liability, current	86,529	82,355	88,622
Total current liabilities	211,970	206,720	206,406
Revolving unsecured credit facilities	44,000	355,519	123,000
Senior unsecured notes	493,108	296,744	492,916
Deferred tax liabilities	73,020	64,728	71,173
Lease liability, non-current	186,972	181,787	194,887
Total liabilities	1,009,070	1,105,498	1,088,382
Stockholders' equity:			
Common stock	493	493	493
Additional paid-in capital	1,218,323	1,224,113	1,221,788
Retained earnings	811,921	749,126	789,303
Accumulated other comprehensive loss	(130,767)	(180,472)	(118,432)
Common stock held in treasury, at cost	(608,877)	(585,885)	(609,337)
Total stockholders' equity	1,291,093	1,207,375	1,283,815
Total liabilities and stockholders' equity	\$ 2,300,163	\$ 2,312,873	\$ 2,372,197

The accompanying notes are an integral part of these consolidated financial statements.

FIRSTCASH, INC.
CONSOLIDATED STATEMENTS OF INCOME
(unaudited, in thousands, except per share amounts)

	Three Months Ended March 31,	
	2021	2020
Revenue:		
Retail merchandise sales	\$ 272,042	\$ 296,629
Pawn loan fees	115,522	142,115
Wholesale scrap jewelry sales	20,375	26,371
Consumer loan and credit services fees	—	1,375
Total revenue	<u>407,939</u>	<u>466,490</u>
Cost of revenue:		
Cost of retail merchandise sold	157,153	184,695
Cost of wholesale scrap jewelry sold	17,197	22,847
Consumer loan and credit services loss provision	—	(361)
Total cost of revenue	<u>174,350</u>	<u>207,181</u>
Net revenue	<u>233,589</u>	<u>259,309</u>
Expenses and other income:		
Store operating expenses	137,324	153,500
Administrative expenses	30,999	32,902
Depreciation and amortization	10,612	10,674
Interest expense	7,230	8,418
Interest income	(158)	(185)
Merger and acquisition expenses	166	68
Loss on foreign exchange	267	2,685
Write-off of certain Cash America merger related lease intangibles	878	3,630
Impairment of certain other assets	—	1,900
Total expenses and other income	<u>187,318</u>	<u>213,592</u>
Income before income taxes	46,271	45,717
Provision for income taxes	12,556	12,799
Net income	<u>\$ 33,715</u>	<u>\$ 32,918</u>
Earnings per share:		
Basic	\$ 0.82	\$ 0.79
Diluted	\$ 0.82	\$ 0.78

The accompanying notes are an integral part of these consolidated financial statements.

FIRSTCASH, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited, in thousands)

	Three Months Ended March 31,	
	2021	2020
Net income	\$ 33,715	\$ 32,918
Other comprehensive income (loss):		
Currency translation adjustment	(12,335)	(83,503)
Comprehensive income (loss)	<u>\$ 21,380</u>	<u>\$ (50,585)</u>

The accompanying notes are an integral part of these consolidated financial statements.

FIRSTCASH, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited, in thousands, except per share amounts)

Three Months Ended March 31, 2021

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
As of 12/31/2020	49,276	\$ 493	\$ 1,221,788	\$ 789,303	\$ (118,432)	8,238	\$ (609,337)	\$ 1,283,815
Shares issued under share-based compensation plan, net of 28 shares net-settled	—	—	(7,090)	—	—	(73)	5,427	(1,663)
Share-based compensation expense	—	—	3,625	—	—	—	—	3,625
Net income	—	—	—	33,715	—	—	—	33,715
Cash dividends (\$0.27 per share)	—	—	—	(11,097)	—	—	—	(11,097)
Currency translation adjustment	—	—	—	—	(12,335)	—	—	(12,335)
Purchases of treasury stock	—	—	—	—	—	84	(4,967)	(4,967)
As of 3/31/2021	<u>49,276</u>	<u>\$ 493</u>	<u>\$ 1,218,323</u>	<u>\$ 811,921</u>	<u>\$ (130,767)</u>	<u>8,249</u>	<u>\$ (608,877)</u>	<u>\$ 1,291,093</u>

The accompanying notes are an integral part of these consolidated financial statements.

FIRSTCASH, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
CONTINUED

(unaudited, in thousands, except per share amounts)

Three Months Ended March 31, 2020

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
	As of 12/31/2019	49,276				\$ 493	\$ 1,231,528	
Shares issued under share-based compensation plan, net of 46 shares net-settled	—	—	(10,266)	—	—	(93)	6,939	(3,327)
Share-based compensation expense	—	—	2,851	—	—	—	—	2,851
Net income	—	—	—	32,918	—	—	—	32,918
Cash dividends (\$0.27 per share)	—	—	—	(11,268)	—	—	—	(11,268)
Currency translation adjustment	—	—	—	—	(83,503)	—	—	(83,503)
Purchases of treasury stock	—	—	—	—	—	981	(80,331)	(80,331)
As of 3/31/2020	49,276	\$ 493	\$ 1,224,113	\$ 749,126	\$ (180,472)	7,835	\$ (585,885)	\$ 1,207,375

The accompanying notes are an integral part of these consolidated financial statements.

FIRSTCASH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Three Months Ended March 31,	
	2021	2020
Cash flow from operating activities:		
Net income	\$ 33,715	\$ 32,918
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Non-cash portion of consumer loan credit loss provision	—	(729)
Share-based compensation expense	3,625	2,851
Depreciation and amortization expense	10,612	10,674
Amortization of debt issuance costs	395	387
Write-off of certain Cash America merger related lease intangibles	878	3,630
Impairment of certain other assets	—	1,900
Deferred income taxes, net	2,010	4,239
Changes in operating assets and liabilities, net of business combinations:		
Fees and service charges receivable	5,394	3,673
Inventories purchased directly from customers, wholesalers or manufacturers	1,442	6,951
Prepaid expenses and other assets	868	355
Accounts payable, accrued liabilities and other liabilities	3,122	9,755
Income taxes	7,113	781
Net cash flow provided by operating activities	<u>69,174</u>	<u>77,385</u>
Cash flow from investing activities:		
Loan receivables, net ⁽¹⁾	42,394	52,279
Purchases of furniture, fixtures, equipment and improvements	(9,491)	(10,581)
Purchases of store real property	(14,441)	(9,617)
Acquisitions of pawn stores, net of cash acquired	(1,204)	(5,477)
Net cash flow provided by investing activities	<u>17,258</u>	<u>26,604</u>
Cash flow from financing activities:		
Borrowings from unsecured credit facilities	45,000	106,925
Repayments of unsecured credit facilities	(124,000)	(88,000)
Debt issuance costs paid	—	(130)
Purchases of treasury stock	(4,967)	(80,331)
Payment of withholding taxes on net share settlements of restricted stock unit awards	(1,663)	—
Dividends paid	(11,097)	(11,268)
Net cash flow used in financing activities	<u>(96,727)</u>	<u>(72,804)</u>
Effect of exchange rates on cash	(914)	(2,248)
Change in cash and cash equivalents	<u>(11,209)</u>	<u>28,937</u>
Cash and cash equivalents at beginning of the period	65,850	46,527
Cash and cash equivalents at end of the period	<u>\$ 54,641</u>	<u>\$ 75,464</u>

⁽¹⁾ Includes the funding of new loans net of cash repayments and recovery of principal through the sale of inventories acquired from forfeiture of pawn collateral.

The accompanying notes are an integral part of these consolidated financial statements.

FIRSTCASH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Note 1 - General

Basis of Presentation

The accompanying consolidated balance sheet as of December 31, 2020, which is derived from audited financial statements, and the unaudited consolidated financial statements, including the notes thereto, include the accounts of FirstCash, Inc. and its wholly-owned subsidiaries (together, the "Company"). The Company regularly makes acquisitions and the results of operations for the acquired stores have been consolidated since the acquisition dates. All significant intercompany accounts and transactions have been eliminated.

These unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not include certain information and disclosures required for comprehensive financial statements. These interim period financial statements should be read in conjunction with the Company's consolidated financial statements, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the "SEC") on February 1, 2021. The consolidated financial statements as of March 31, 2021 and 2020, and for the three month periods ended March 31, 2021 and 2020, are unaudited, but in management's opinion include all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the financial position, results of operations and cash flow for such interim periods. Operating results for the period ended March 31, 2021 are not necessarily indicative of the results that may be expected for the full year.

The Company has operations in Latin America, where in Mexico, Guatemala and Colombia, the functional currency is the Mexican peso, Guatemalan quetzal and Colombian peso. Accordingly, the assets and liabilities of these subsidiaries are translated into U.S. dollars at the exchange rate in effect at each balance sheet date, and the resulting adjustments are accumulated in other comprehensive income (loss) as a separate component of stockholders' equity. Revenues and expenses are translated at the average exchange rates occurring during the respective period. The Company also has operations in El Salvador where the reporting and functional currency is the U.S. dollar.

Continuing Impact of COVID-19

The onset of COVID-19 in March 2020 in the U.S. and shortly thereafter in Latin America significantly impacted the Company's operations and earnings results. Most countries, states and other local government officials reacted by instituting quarantines, shelter-in-place and other orders mandating non-essential business closures, travel restrictions and other measures in an effort to reduce the spread of COVID-19. The measures significantly reduced normal levels of consumer spending, and combined with broad-based stimulus programs and enhanced unemployment benefits in the U.S., provided significant and unprecedented liquidity to many of the Company's customers, which greatly suppressed normal demand for pawn loans which, in turn, reduced volumes of inventory acquired from forfeited pawn loans.

The extent to which COVID-19 continues to impact the Company's operations, results of operations, liquidity and financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the unknown duration and severity of the COVID-19 pandemic, which may be impacted by variants of the COVID-19 virus and the timing, availability and efficacy of the COVID-19 vaccines in the jurisdictions in which the Company operates, and the actions taken to contain the impact of COVID-19, as well as further actions taken to limit the resulting economic impact. In particular, government stimulus and other transfer programs have and may continue to have a material adverse impact on demand for pawn loans in future periods.

Use of Estimates

The preparation of interim financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and related revenue and expenses, and the disclosure of gain and loss contingencies at the date of the financial statements. Such estimates and assumptions are subject to a number of risks and uncertainties, which may cause actual results to differ materially from the Company's estimates. The extent to which COVID-19 impacts the Company's operations, results of operations, liquidity and financial condition, including estimates and assumptions used by the Company in the calculation and evaluation of the accrual for earned but uncollected pawn loan fees, impairment of goodwill and other intangible assets and current and deferred tax assets and liabilities, will depend on future

developments, which are highly uncertain and cannot be predicted with confidence, including the unknown duration and severity of the COVID-19 pandemic and the actions taken to contain its impact, as well as actions taken to limit the resulting economic impact, among others. The Company's future assessment of the magnitude and duration of the COVID-19 pandemic, as well as other factors, could result in material impacts to the Company's financial statements in future reporting periods.

Reclassification

Certain amounts in the consolidated financial statements as of and for the three months ended March 31, 2020 have been reclassified in order to conform to the 2021 presentation.

Recent Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board issued ASU No 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). ASU 2019-12 removes certain exceptions to the general principles in Topic 740 in Generally Accepted Accounting Principles. ASU 2019-12 is effective for public entities for fiscal years beginning after December 15, 2020, with early adoption permitted. The adoption of ASU 2019-12 did not have a material effect on the Company's current financial position, results of operations or financial statement disclosures.

In March 2020, the Financial Accounting Standards Board issued ASU No 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" ("ASU 2020-04"). ASU 2020-04 provides temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. ASU 2020-04 is effective beginning on March 12, 2020, and the Company may elect to apply the amendments prospectively through December 31, 2022. The Company does not expect ASU 2020-04 to have a material effect on the Company's current financial position, results of operations or financial statement disclosures.

Note 2 - Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2021	2020
Numerator:		
Net income	\$ 33,715	\$ 32,918
Denominator:		
Weighted-average common shares for calculating basic earnings per share	41,034	41,912
Effect of dilutive securities:		
Stock options and restricted stock unit awards	22	95
Weighted-average common shares for calculating diluted earnings per share	41,056	42,007
Earnings per share:		
Basic	\$ 0.82	\$ 0.79
Diluted	\$ 0.82	\$ 0.78

Note 3 - Operating Leases

The Company leases the majority of its pawnshop locations under operating leases and determines if an arrangement is or contains a lease at inception. Many leases include both lease and non-lease components, which the Company accounts for separately. Lease components include rent, taxes and insurance costs while non-lease components include common area or other maintenance costs. Operating leases are included in operating lease right of use assets, lease liability, current and lease liability, non-current in the consolidated balance sheets. The Company does not have any finance leases.

Leased facilities are generally leased for a term of three to five years with one or more options to renew for an additional three to five years, typically at the Company's sole discretion. In addition, the majority of these leases can be terminated early upon an adverse change in law which negatively affects the store's profitability. The Company regularly evaluates renewal and termination options to determine if the Company is reasonably certain to exercise the option, and excludes these options from the lease term included in the recognition of the operating lease right of use asset and lease liability until such certainty exists. The weighted-average remaining lease term for operating leases as of March 31, 2021 and 2020 was 4.1 years and 3.9 years, respectively.

The operating lease right of use asset and lease liability is recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The Company's leases do not provide an implicit rate and therefore, it uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. The Company utilizes a portfolio approach for determining the incremental borrowing rate to apply to groups of leases with similar characteristics. The weighted-average discount rate used to measure the lease liability as of March 31, 2021 and 2020 was 6.7% and 7.8%, respectively.

The Company has certain operating leases in Mexico which are denominated in U.S. dollars. The liability related to these leases is considered a monetary liability, and requires remeasurement each reporting period into the functional currency (Mexican pesos) using reporting date exchange rates. The remeasurement results in the recognition of foreign currency exchange gains or losses each reporting period, which can produce a certain level of earnings volatility. The Company recognized a foreign currency loss of \$0.6 million and \$4.4 million during the three months ended March 31, 2021 and 2020, respectively, related to the remeasurement of these U.S. dollar denominated operating leases, which is included in loss on foreign exchange in the accompanying consolidated statements of income.

Lease expense is recognized on a straight-line basis over the lease term, with variable lease expense recognized in the period such payments are incurred. The following table details the components of lease expense included in store operating expenses in the consolidated statements of income during the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	2020
Operating lease expense	\$ 31,065	\$ 31,210
Variable lease expense ⁽¹⁾	3,834	3,545
Total operating lease expense	\$ 34,899	\$ 34,755

⁽¹⁾ Variable lease costs consist primarily of taxes, insurance and common area or other maintenance costs paid based on actual costs incurred by the lessor and can therefore vary over the lease term.

The following table details the maturity of lease liabilities for all operating leases as of March 31, 2021 (in thousands):

Nine months ending December 31, 2021	\$ 78,410
2022	84,948
2023	64,926
2024	42,188
2025	18,221
Thereafter	23,966
Total	\$ 312,659
Less amount of lease payments representing interest	(39,158)
Total present value of lease payments	\$ 273,501

The following table details supplemental cash flow information related to operating leases for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	2020
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 28,186	\$ 28,835
Leased assets obtained in exchange for new operating lease liabilities	\$ 16,778	\$ 24,983

Note 4 - Long-Term Debt

The following table details the Company's long-term debt at the respective principal amounts, net of unamortized debt issuance costs on the senior unsecured notes (in thousands):

	As of March 31,		As of December 31,
	2021	2020	2020
Revolving unsecured uncommitted credit facility, maturing 2023 ⁽¹⁾	\$ —	\$ 25,519	\$ —
Revolving unsecured credit facility, maturing 2024 ⁽¹⁾	44,000	330,000	123,000
5.375% senior unsecured notes due 2024 ⁽²⁾	—	296,744	—
4.625% senior unsecured notes due 2028 ⁽³⁾	493,108	—	492,916
Total long-term debt	\$ 537,108	\$ 652,263	\$ 615,916

⁽¹⁾ Debt issuance costs related to the Company's revolving unsecured credit facilities are included in other assets in the accompanying consolidated balance sheets.

⁽²⁾ As of March 31, 2020, deferred debt issuance costs of \$3.3 million are included as a direct deduction from the carrying amount of the senior unsecured notes due 2024 in the accompanying consolidated balance sheets.

⁽³⁾ As of March 31, 2021 and December 31, 2020, deferred debt issuance costs of \$6.9 million and \$7.1 million, respectively, are included as a direct deduction from the carrying amount of the senior unsecured notes due 2028 in the accompanying consolidated balance sheets.

Revolving Unsecured Credit Facility

As of March 31, 2021, the Company maintained an unsecured line of credit with a group of U.S. based commercial lenders (the "Credit Facility") in the amount of \$500.0 million. The Credit Facility matures on December 19, 2024. As of March 31, 2021, the Company had \$44.0 million in outstanding borrowings and \$3.4 million in outstanding letters of credit under the Credit Facility, leaving \$452.6 million available for future borrowings, subject to certain financial covenants. The Credit Facility is unsecured and bears interest, at the Company's option, of either (1) the prevailing LIBOR (with interest periods of 1 week or 1, 2, 3 or 6 months at the Company's option) plus a fixed spread of 2.5% or (2) the prevailing prime or base rate plus a fixed spread of 1.5%. The agreement has a LIBOR floor of 0%. Additionally, the Company is required to pay an annual commitment fee of 0.325% on the average daily unused portion of the Credit Facility commitment. The weighted-average interest rate on amounts outstanding under the Credit Facility at March 31, 2021 was 2.82% based on 1 week LIBOR. Under the terms of the Credit Facility, the Company is required to maintain certain financial ratios and comply with certain financial covenants. The Credit Facility also contains customary restrictions on the Company's ability to incur additional debt, grant liens, make investments, consummate acquisitions and similar negative covenants with customary carve-outs and baskets. The Company was in compliance with the covenants of the Credit Facility as of March 31, 2021. During the three months ended March 31, 2021, the Company made net payments of \$79.0 million pursuant to the Credit Facility.

Revolving Unsecured Uncommitted Credit Facility

As of March 31, 2021, the Company's primary subsidiary in Mexico, First Cash S.A. de C.V., maintained an unsecured and uncommitted line of credit guaranteed by FirstCash, Inc. with a bank in Mexico (the "Mexico Credit Facility") in the amount of \$600.0 million Mexican pesos. The Mexico Credit Facility bears interest at the Mexican Central Bank's interbank equilibrium rate ("TIIE") plus a fixed spread of 2.5% and matures on March 9, 2023. Under the terms of the Mexico Credit Facility, the Company is required to maintain certain financial ratios and comply with certain financial covenants. The Company was in compliance with the covenants of the Mexico Credit Facility as of March 31, 2021. At March 31, 2021, the Company had no amount outstanding under the Mexico Credit Facility and \$600.0 million Mexican pesos available for borrowings.

Senior Unsecured Notes Due 2028

On August 26, 2020, the Company issued \$500.0 million of 4.625% senior unsecured notes due on September 1, 2028 (the “Notes”), all of which are currently outstanding. Interest on the Notes is payable semi-annually in arrears on March 1 and September 1. The Notes are fully and unconditionally guaranteed on a senior unsecured basis jointly and severally by all of the Company's existing and future domestic subsidiaries that guarantee its Credit Facility. The Notes will permit the Company to make restricted payments, such as purchasing shares of its stock and paying cash dividends, in an unlimited amount if, after giving pro forma effect to the incurrence of any indebtedness to make such payment, the Company's consolidated total debt ratio (“Net Debt Ratio”) is less than 2.75 to 1. The Net Debt Ratio is defined generally in the indenture governing the Notes as the ratio of (1) the total consolidated debt of the Company minus cash and cash equivalents of the Company to (2) the Company's consolidated trailing twelve months EBITDA, as adjusted to exclude certain non-recurring expenses and giving pro forma effect to operations acquired during the measurement period.

The Company utilized the net proceeds from the offering of the Notes to redeem all of the \$300.0 million aggregate principal amount of the Company's 5.375% senior notes due 2024 and to repay a portion of the Company's Credit Facility.

Note 5 - Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. The three fair value levels are (from highest to lowest):

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Recurring Fair Value Measurements

As of March 31, 2021, 2020 and December 31, 2020, the Company did not have any financial assets or liabilities measured at fair value on a recurring basis.

Fair Value Measurements on a Non-Recurring Basis

The Company measures non-financial assets and liabilities, such as property and equipment and intangible assets, at fair value on a non-recurring basis, or when events or circumstances indicate that the carrying amount of the assets may be impaired. During the three months ended March 31, 2020, the Company recorded a \$1.9 million impairment related to a non-financial, non-operating asset that was included in other assets in the consolidated balance sheets.

Financial Assets and Liabilities Not Measured at Fair Value

The Company's financial assets and liabilities as of March 31, 2021, 2020 and December 31, 2020 that are not measured at fair value in the consolidated balance sheets are as follows (in thousands):

	Carrying Value March 31, 2021	March 31, 2021	Estimated Fair Value		
			Fair Value Measurements Using		
			Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	\$ 54,641	\$ 54,641	\$ 54,641	\$ —	\$ —
Fees and service charges receivable	35,334	35,334	—	—	35,334
Pawn loans	265,438	265,438	—	—	265,438
	<u>\$ 355,413</u>	<u>\$ 355,413</u>	<u>\$ 54,641</u>	<u>\$ —</u>	<u>\$ 300,772</u>

Financial liabilities:					
Revolving unsecured credit facilities	\$ 44,000	\$ 44,000	\$ —	\$ 44,000	\$ —
Senior unsecured notes (outstanding principal)	500,000	506,000	—	506,000	—
	<u>\$ 544,000</u>	<u>\$ 550,000</u>	<u>\$ —</u>	<u>\$ 550,000</u>	<u>\$ —</u>

	Carrying Value March 31, 2020	March 31, 2020	Estimated Fair Value		
			Fair Value Measurements Using		
			Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	\$ 75,464	\$ 75,464	\$ 75,464	\$ —	\$ —
Fees and service charges receivable	40,121	40,121	—	—	40,121
Pawn loans	314,296	314,296	—	—	314,296
	<u>\$ 429,881</u>	<u>\$ 429,881</u>	<u>\$ 75,464</u>	<u>\$ —</u>	<u>\$ 354,417</u>

Financial liabilities:					
Revolving unsecured credit facilities	\$ 355,519	\$ 355,519	\$ —	\$ 355,519	\$ —
Senior unsecured notes (outstanding principal)	300,000	276,000	—	276,000	—
	<u>\$ 655,519</u>	<u>\$ 631,519</u>	<u>\$ —</u>	<u>\$ 631,519</u>	<u>\$ —</u>

	Carrying Value December 31, 2020	December 31, 2020	Estimated Fair Value		
			Fair Value Measurements Using		
			Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	\$ 65,850	\$ 65,850	\$ 65,850	\$ —	\$ —
Fees and service charges receivable	41,110	41,110	—	—	41,110
Pawn loans	308,231	308,231	—	—	308,231
	<u>\$ 415,191</u>	<u>\$ 415,191</u>	<u>\$ 65,850</u>	<u>\$ —</u>	<u>\$ 349,341</u>

Financial liabilities:					
Revolving unsecured credit facilities	\$ 123,000	\$ 123,000	\$ —	\$ 123,000	\$ —
Senior unsecured notes (outstanding principal)	500,000	516,000	—	516,000	—
	<u>\$ 623,000</u>	<u>\$ 639,000</u>	<u>\$ —</u>	<u>\$ 639,000</u>	<u>\$ —</u>

As cash and cash equivalents have maturities of less than three months, the carrying value of cash and cash equivalents approximates fair value. Due to their short-term maturities, the carrying value of pawn loans and fees and service charges receivable approximate fair value.

The carrying value of the unsecured credit facilities approximate fair value as of March 31, 2021, 2020 and December 31, 2020. The fair value of the unsecured credit facilities is estimated based on market values for debt issuances with similar characteristics or rates currently available for debt with similar terms. In addition, the unsecured credit facilities have a variable interest rate based on a fixed spread over LIBOR or TIIE and repriced with any changes in LIBOR or TIIE. The fair value of the senior unsecured notes is estimated based on quoted prices in markets that are not active.

Note 6 - Segment Information

The Company organizes its operations into two reportable segments as follows:

- U.S. operations
- Latin America operations - includes operations in Mexico, Guatemala, Colombia and El Salvador

Corporate expenses and income, which include administrative expenses, corporate depreciation and amortization, interest expense, interest income, merger and acquisition expenses, loss on foreign exchange, write-offs of certain lease intangibles and impairments of certain other assets, are incurred or earned in both the U.S. and Latin America, but presented on a consolidated basis and are not allocated between the U.S. operations segment and Latin America operations segment.

The following tables present reportable segment information for the three month period ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31, 2021			
	U.S. Operations	Latin America Operations	Corporate	Consolidated
Revenue:				
Retail merchandise sales	\$ 189,957	\$ 82,085	\$ —	\$ 272,042
Pawn loan fees	76,397	39,125	—	115,522
Wholesale scrap jewelry sales	9,203	11,172	—	20,375
Total revenue	275,557	132,382	—	407,939
Cost of revenue:				
Cost of retail merchandise sold	106,530	50,623	—	157,153
Cost of wholesale scrap jewelry sold	7,513	9,684	—	17,197
Total cost of revenue	114,043	60,307	—	174,350
Net revenue	161,514	72,075	—	233,589
Expenses and other income:				
Store operating expenses	95,247	42,077	—	137,324
Administrative expenses	—	—	30,999	30,999
Depreciation and amortization	5,382	4,263	967	10,612
Interest expense	—	—	7,230	7,230
Interest income	—	—	(158)	(158)
Merger and acquisition expenses	—	—	166	166
Loss on foreign exchange	—	—	267	267
Write-off of certain Cash America merger related lease intangibles	—	—	878	878
Total expenses and other income	100,629	46,340	40,349	187,318
Income (loss) before income taxes	\$ 60,885	\$ 25,735	\$ (40,349)	\$ 46,271

	Three Months Ended March 31, 2020			
	U.S. Operations	Latin America Operations	Corporate	Consolidated
Revenue:				
Retail merchandise sales	\$ 195,966	\$ 100,663	\$ —	\$ 296,629
Pawn loan fees	97,857	44,258	—	142,115
Wholesale scrap jewelry sales	15,478	10,893	—	26,371
Consumer loan and credit services fees ⁽¹⁾	1,375	—	—	1,375
Total revenue	310,676	155,814	—	466,490
Cost of revenue:				
Cost of retail merchandise sold	119,529	65,166	—	184,695
Cost of wholesale scrap jewelry sold	14,006	8,841	—	22,847
Consumer loan and credit services loss provision ⁽¹⁾	(361)	—	—	(361)
Total cost of revenue	133,174	74,007	—	207,181
Net revenue	177,502	81,807	—	259,309
Expenses and other income:				
Store operating expenses	107,706	45,794	—	153,500
Administrative expenses	—	—	32,902	32,902
Depreciation and amortization	5,401	4,063	1,210	10,674
Interest expense	—	—	8,418	8,418
Interest income	—	—	(185)	(185)
Merger and acquisition expenses	—	—	68	68
Loss on foreign exchange	—	—	2,685	2,685
Write-off of certain Cash America merger related lease intangibles	—	—	3,630	3,630
Impairment of certain other assets	—	—	1,900	1,900
Total expenses and other income	113,107	49,857	50,628	213,592
Income (loss) before income taxes	\$ 64,395	\$ 31,950	\$ (50,628)	\$ 45,717

⁽¹⁾ Effective June 30, 2020, the Company no longer offers an unsecured consumer loan product in the U.S.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of financial condition, results of operations, liquidity and capital resources of FirstCash, Inc. and its wholly-owned subsidiaries (together, the “Company”) should be read in conjunction with the Company’s consolidated financial statements and accompanying notes included under Part I, Item 1 of this quarterly report on Form 10-Q, as well as with the audited consolidated financial statements and accompanying notes and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.

GENERAL

The Company is a leading operator of retail-based pawn stores with over 2,770 store locations in the U.S. and Latin America. The Company’s pawn stores generate retail sales primarily from the merchandise acquired through collateral forfeitures and over-the-counter purchases from customers. In addition, the stores help customers meet small short-term cash needs by providing non-recourse pawn loans and buying merchandise directly from customers. Personal property, such as jewelry, electronics, tools, appliances, sporting goods and musical instruments, is pledged as collateral for the pawn loans and held by the Company over the typical 30-day term of the loan plus a stated grace period.

The Company’s long-term business plan is to grow revenues and income by opening new (“de novo”) retail pawn locations, acquiring existing pawn stores in strategic markets and increasing revenue and operating profits in existing stores.

The Company organizes its operations into two reportable segments. The U.S. operations segment consists of all operations in the U.S. and the Latin America operations segment consists of all operations in Mexico, Guatemala, Colombia and El Salvador.

OPERATIONS AND LOCATIONS

As of March 31, 2021, the Company had 2,771 store locations composed of 1,046 stores in 24 U.S. states and the District of Columbia, 1,637 stores in 32 states in Mexico, 60 stores in Guatemala, 15 stores in Colombia and 13 stores in El Salvador.

The following table details store count activity:

	Three Months Ended March 31, 2021		
	U.S. Operations Segment	Latin America Operations Segment	Total Locations
Total locations, beginning of period	1,046	1,702	2,748
New locations opened	—	24	24
Locations acquired	2	—	2
Consolidation of existing pawn locations ⁽¹⁾	(2)	(1)	(3)
Total locations, end of period	1,046	1,725	2,771

⁽¹⁾ Store consolidations were primarily acquired locations over the past four years which have been combined with overlapping stores and for which the Company expects to maintain a significant portion of the acquired customer base in the consolidated location.

CRITICAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The significant accounting policies that the Company believes are the most critical to aid in fully understanding and evaluating its reported financial results have been reported in the Company’s 2020 Annual Report on Form 10-K. There have been no changes to the Company’s significant accounting policies for the three months ended March 31, 2021.

RESULTS OF OPERATIONS (unaudited)

Continuing Impact of COVID-19

The onset of COVID-19 in March 2020 in the U.S. and shortly thereafter in Latin America significantly impacted the Company's operations and earnings results. Most countries, states and other local government officials reacted by instituting quarantines, shelter-in-place and other orders mandating non-essential business closures, travel restrictions and other measures in an effort to reduce the spread of COVID-19. These measures significantly reduced normal levels of consumer spending, and combined with broad-based stimulus programs and enhanced unemployment benefits in the U.S., provided significant and unprecedented liquidity to many of the Company's customers, which greatly suppressed normal demand for pawn loans beginning in the second quarter of 2020. As the broad shutdowns in response to COVID-19 began to ease late in the second half of 2020, pawn lending activity began to slowly recover. Even so, resulting pawn balances at December 31, 2020 were still down 17% compared to the prior year end.

During the first quarter of 2021, two additional federal stimulus payments in the U.S. caused further declines in U.S. pawn lending demand while pawn lending activity in Latin America continued recovering to near pre-pandemic levels given the limited government stimulus programs in the region. As of March 31, 2021, consolidated pawn loan balances were still down 16% compared to the prior-year quarter. Resulting pawn loan fees were negatively impacted during the first quarter of 2021 as a result of the lower pawn loan balances.

In most markets where the Company operates, pawnshops were designated as "essential businesses" and remained open during the broad shutdowns in response to COVID-19. As a result, the Company experienced strong customer demand for "stay-at-home" products such as consumer electronics and sporting goods. In addition, federal stimulus payments to consumers in the U.S. during 2020 also drove retail demand for most products. However, the increased retail volumes and less forfeited inventory from lower pawn receivables negatively impacted inventory balances in the second half of 2020. Resulting inventory balances at December 31, 2020 were down 28% compared to the prior year end. The lower beginning inventory levels negatively impacted retail sales during the first quarter of 2021 but were partially offset by additional retail demand in the U.S. as a result of the enhanced consumer liquidity caused by the two additional federal stimulus payments during the first quarter of 2021. In addition, retail sales margins increased significantly during the first quarter of 2021 in both the U.S. and Latin America compared to the prior-year quarter as a result of continued retail demand for value-priced pre-owned merchandise, increased buying of merchandise directly from customers and lower levels of aged inventory, all of which limited the need for normal discounting. Resulting gross profit from retail sales for the first quarter of 2021 increased 3% over the prior-year quarter.

The extent to which COVID-19 continues to impact the Company's operations, results of operations, liquidity and financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the unknown duration and severity of the COVID-19 pandemic, which may be impacted by variants of the COVID-19 virus and the timing, availability and efficacy of the COVID-19 vaccines in the jurisdictions in which the Company operates, and the actions taken to contain the impact of COVID-19, as well as further actions taken to limit the resulting economic impact. In particular, government stimulus and other transfer programs have and may continue to have a material adverse impact on demand for pawn loans in future periods.

Constant Currency Results

The Company's management reviews and analyzes operating results in Latin America on a constant currency basis because the Company believes this better represents the Company's underlying business trends. Constant currency results are non-GAAP financial measures, which exclude the effects of foreign currency translation and are calculated by translating current-year results at prior-year average exchange rates. The wholesale scrap jewelry sales in Latin America are priced and settled in U.S. dollars and are not affected by foreign currency translation, as are a small percentage of the operating and administrative expenses in Latin America, which are billed and paid in U.S. dollars.

Business operations in Mexico, Guatemala and Colombia are transacted in Mexican pesos, Guatemalan quetzales and Colombian pesos. The Company also has operations in El Salvador where the reporting and functional currency is the U.S. dollar. The following table provides exchange rates for the Mexican peso, Guatemalan quetzal and Colombian peso for the current and prior-year periods:

	March 31,		Favorable /
	2021	2020	(Unfavorable)
Mexican peso / U.S. dollar exchange rate:			
End-of-period	20.6	23.5	12 %
Three months ended	20.3	19.9	(2)%
Guatemalan quetzal / U.S. dollar exchange rate:			
End-of-period	7.7	7.7	— %
Three months ended	7.8	7.7	(1)%
Colombian peso / U.S. dollar exchange rate:			
End-of-period	3,737	4,065	8 %
Three months ended	3,553	3,533	(1)%

Amounts presented on a constant currency basis are denoted as such. See "Non-GAAP Financial Information" for additional discussion of constant currency operating results.

Operating Results for the Three Months Ended March 31, 2021 Compared to the Three Months Ended March 31, 2020
U.S. Operations Segment

The following table details earning assets, which consist of pawn loans and inventories, as well as other earning asset metrics of the U.S. operations segment as of March 31, 2021 compared to March 31, 2020 (dollars in thousands, except as otherwise noted):

	As of March 31,		Increase / (Decrease)
	2021	2020	
U.S. Operations Segment			
Earning assets:			
Pawn loans	\$ 169,642	\$ 224,121	(24)%
Inventories	128,308	162,142	(21)%
	<u>\$ 297,950</u>	<u>\$ 386,263</u>	(23)%
Average outstanding pawn loan amount (in ones)	\$ 215	\$ 182	18 %
Composition of pawn collateral:			
General merchandise	30 %	31 %	
Jewelry	70 %	69 %	
	<u>100 %</u>	<u>100 %</u>	
Composition of inventories:			
General merchandise	44 %	42 %	
Jewelry	56 %	58 %	
	<u>100 %</u>	<u>100 %</u>	
Percentage of inventory aged greater than one year	2 %	3 %	
Inventory turns (trailing twelve months cost of merchandise sales divided by average inventories)	3.3 times	2.9 times	

The following table presents segment pre-tax operating income and other operating metrics of the U.S. operations segment for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 (dollars in thousands). Store operating expenses include salary and benefit expense of store-level employees, occupancy costs, bank charges, security, insurance, utilities, supplies and other costs incurred by the stores.

	Three Months Ended March 31,		Decrease
	2021	2020	
U.S. Operations Segment			
Revenue:			
Retail merchandise sales	\$ 189,957	\$ 195,966	(3)%
Pawn loan fees	76,397	97,857	(22)%
Wholesale scrap jewelry sales	9,203	15,478	(41)%
Consumer loan and credit services fees ⁽¹⁾	—	1,375	(100)%
Total revenue	275,557	310,676	(11)%
Cost of revenue:			
Cost of retail merchandise sold	106,530	119,529	(11)%
Cost of wholesale scrap jewelry sold	7,513	14,006	(46)%
Consumer loan and credit services loss provision ⁽¹⁾	—	(361)	(100)%
Total cost of revenue	114,043	133,174	(14)%
Net revenue	161,514	177,502	(9)%
Segment expenses:			
Store operating expenses	95,247	107,706	(12)%
Depreciation and amortization	5,382	5,401	— %
Total segment expenses	100,629	113,107	(11)%
Segment pre-tax operating income	\$ 60,885	\$ 64,395	(5)%
Operating metrics:			
Retail merchandise sales margin	44 %	39 %	
Wholesale scrap jewelry sales margin	18 %	10 %	
Net revenue margin	59 %	57 %	
Segment pre-tax operating margin	22 %	21 %	

⁽¹⁾ Effective June 30, 2020, the Company no longer offers an unsecured consumer loan product in the U.S.

Retail Merchandise Sales Operations

U.S. retail merchandise sales decreased 3% to \$190.0 million during the first quarter of 2021 compared to \$196.0 million for the first quarter of 2020. Same-store retail sales decreased 5% in the first quarter of 2021 compared to the first quarter of 2020. Offsetting the small decline in retail sales revenue, the gross profit margin on retail merchandise sales in the U.S. was 44% during the first quarter of 2021 compared to a margin of 39% during the first quarter of 2020, which resulted in a 9% increase in net revenue (gross profit) from retail sales for the first quarter of 2021 compared to the first quarter of 2020. The increase in margin was primarily a result of continued retail demand for value-priced pre-owned merchandise, increased buying of merchandise directly from customers and lower levels of aged inventory, which limited the need for normal discounting.

U.S. inventories decreased 21% from \$162.1 million at March 31, 2020 to \$128.3 million at March 31, 2021. Inventories aged greater than one year in the U.S. were 2% at March 31, 2021 compared to 3% at March 31, 2020. The decrease in inventories was primarily a result of significantly lower than normal beginning inventory levels, less inventory being generated from forfeited pawn loans and additional retail demand created by two additional federal stimulus payments made directly to consumers, partially offset by an increase in merchandise purchased directly from customers during the quarter compared to the prior-year quarter.

Pawn Lending Operations

U.S. pawn loan fees decreased 22% to \$76.4 million during the first quarter of 2021 compared to \$97.9 million for the first quarter of 2020. Same-store pawn fees in the first quarter of 2021 decreased 23% compared to the first quarter of 2020. Pawn loan receivables as of March 31, 2021 decreased 24% in total and 25% on a same-store basis compared to March 31, 2020.

The decline in total and same-store pawn receivables and resulting pawn loan fees was primarily due to the significantly lower than normal beginning pawn loan levels and reduced origination activity during the first quarter of 2021 as a result of improved customer liquidity due to the two additional government stimulus payments made during the quarter.

Wholesale Scrap Jewelry Operations

U.S. wholesale scrap jewelry revenue, consisting primarily of gold sales, decreased 41% to \$9.2 million during the first quarter of 2021 compared to \$15.5 million during the first quarter of 2020. The decline in scrap revenue relates primarily to reductions in inventory levels as discussed above. The scrap jewelry gross profit margin in the U.S. was 18% compared to the prior-year margin of 10%, with the increase in scrap margin primarily due to an increase in the average selling price of gold during the first quarter of 2021 compared to 2020.

Segment Expenses and Segment Pre-Tax Operating Income

U.S. store operating expenses decreased 12% to \$95.2 million during the first quarter of 2021 compared to \$107.7 million during the first quarter of 2020 and same-store operating expenses also decreased 12% compared with the prior-year period. The decrease in total and same-store operating expenses was primarily due to cost saving initiatives in response to COVID-19.

The U.S. segment pre-tax operating income for the first quarter of 2021 was \$60.9 million, which generated a pre-tax segment operating margin of 22% compared to \$64.4 million and 21% in the prior year, respectively. The decrease in the segment pre-tax operating income reflected decreases in pawn fee revenue as a result of the decline in pawn loan receivables and net revenue from consumer loan and credit services products as a result of discontinuing consumer lending operations in 2020, partially offset by an increase in gross profit from both retail and scrap sales and a decrease in operating expenses.

Latin America Operations Segment

Latin American results of operations for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 were impacted by a 2% unfavorable change in the average value of the Mexican peso compared to the U.S. dollar. The translated value of Latin American earning assets as of March 31, 2021 compared to March 31, 2020 benefited from a 12% favorable change in the end-of-period value of the Mexican peso compared to the U.S. dollar.

The following table details earning assets, which consist of pawn loans and inventories as well as other earning asset metrics of the Latin America operations segment as of March 31, 2021 compared to March 31, 2020 (dollars in thousands, except as otherwise noted):

	As of March 31,		Increase / (Decrease)	Constant Currency Basis	
	2021	2020		As of March 31, 2021 (Non-GAAP)	Increase / (Decrease) (Non-GAAP)
Latin America Operations Segment					
Earning assets:					
Pawn loans	\$ 95,796	\$ 90,175	6 %	\$ 84,498	(6)%
Inventories	57,028	65,734	(13)%	50,324	(23)%
	<u>\$ 152,824</u>	<u>\$ 155,909</u>	(2)%	<u>\$ 134,822</u>	(14)%
Average outstanding pawn loan amount (in ones)	\$ 76	\$ 56	36 %	\$ 67	20 %
Composition of pawn collateral:					
General merchandise	66 %	70 %			
Jewelry	34 %	30 %			
	<u>100 %</u>	<u>100 %</u>			
Composition of inventories:					
General merchandise	58 %	62 %			
Jewelry	42 %	38 %			
	<u>100 %</u>	<u>100 %</u>			
Percentage of inventory aged greater than one year	2 %	1 %			
Inventory turns (trailing twelve months cost of merchandise sales divided by average inventories)	4.4 times	3.9 times			

The following table presents segment pre-tax operating income and other operating metrics of the Latin America operations segment for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 (dollars in thousands). Store operating expenses include salary and benefit expense of store-level employees, occupancy costs, bank charges, security, insurance, utilities, supplies and other costs incurred by the stores.

	Three Months Ended		Increase / (Decrease)	Constant Currency Basis	
	March 31,			Three Months Ended March 31, 2021 (Non-GAAP)	Increase / (Decrease) (Non-GAAP)
	2021	2020			
Latin America Operations Segment					
Revenue:					
Retail merchandise sales	\$ 82,085	\$ 100,663	(18)%	\$ 83,937	(17)%
Pawn loan fees	39,125	44,258	(12)%	40,010	(10)%
Wholesale scrap jewelry sales	11,172	10,893	3 %	11,172	3 %
Total revenue	132,382	155,814	(15)%	135,119	(13)%
Cost of revenue:					
Cost of retail merchandise sold	50,623	65,166	(22)%	51,763	(21)%
Cost of wholesale scrap jewelry sold	9,684	8,841	10 %	9,902	12 %
Total cost of revenue	60,307	74,007	(19)%	61,665	(17)%
Net revenue	72,075	81,807	(12)%	73,454	(10)%
Segment expenses:					
Store operating expenses	42,077	45,794	(8)%	42,960	(6)%
Depreciation and amortization	4,263	4,063	5 %	4,350	7 %
Total segment expenses	46,340	49,857	(7)%	47,310	(5)%
Segment pre-tax operating income	\$ 25,735	\$ 31,950	(19)%	\$ 26,144	(18)%
Operating metrics:					
Retail merchandise sales margin	38 %	35 %		38 %	
Wholesale scrap jewelry sales margin	13 %	19 %		11 %	
Net revenue margin	54 %	53 %		54 %	
Segment pre-tax operating margin	19 %	21 %		19 %	

Retail Merchandise Sales Operations

Latin America retail merchandise sales decreased 18% (17% on a constant currency basis) to \$82.1 million during the first quarter of 2021 compared to \$100.7 million for the first quarter of 2020. Same-store retail sales decreased 21% (19% on a constant currency basis) during the first quarter of 2021 compared to the first quarter of 2020. Partially offsetting the declines in retail sales revenue, the gross profit margin on retail merchandise sales was 38% during the first quarter of 2021 compared to 35% during the first quarter of 2020.

Inventories in Latin America decreased 13% (23% on a constant currency basis) from \$65.7 million at March 31, 2020 to \$57.0 million at March 31, 2021. Inventories aged greater than one year in Latin America were 2% at March 31, 2021 and 1% at March 31, 2020.

The decrease in inventories, which limited retail sales during the first quarter, was primarily a result of significantly lower than normal beginning inventory levels and less inventory being generated from forfeited pawn loans partially offset by an increase in merchandise purchased directly from customers during the quarter compared to the prior-year quarter. The lower retail sales volume was partially offset by an increase in retail sales margin, which was primarily a result of continued retail demand for value-priced pre-owned merchandise and increased buying of merchandise directly from customers, which limited the need for normal discounting.

Pawn Lending Operations

Pawn loan fees in Latin America decreased 12% (10% on a constant currency basis), totaling \$39.1 million during the first quarter of 2021 compared to \$44.3 million for the first quarter of 2020. Same-store pawn fees decreased 13% (11% on a constant currency basis) in the first quarter of 2021 compared to the first quarter of 2020. Pawn loan receivables increased 6% (decreased 6% on a constant currency basis) as of March 31, 2021 compared to March 31, 2020, while same-store pawn receivables increased 5% (decreased 7% on a constant currency basis).

The decline in total and same-store constant currency pawn receivables and resulting pawn loan fees was primarily due to the significantly lower than normal beginning pawn loan levels, partially offset by the continued improvement of pawn loan origination activity during the first quarter of 2021.

Wholesale Scrap Jewelry Operations

Latin America wholesale scrap jewelry revenue, consisting primarily of gold sales, increased 3% (also 3% on a constant currency basis) to \$11.2 million during the first quarter of 2021 compared to \$10.9 million during the first quarter of 2020. The scrap jewelry gross profit margin in Latin America was 13% (11% on a constant currency basis) during the first quarter of 2021 compared to the prior-year margin of 19%.

Segment Expenses and Segment Pre-Tax Operating Income

Store operating expenses decreased 8% (6% on a constant currency basis) to \$42.1 million during the first quarter of 2021 compared to \$45.8 million during the first quarter of 2020. Total store operating expenses decreased primarily due to cost saving initiatives in response to COVID-19, partially offset by the 3% increase in the Latin America weighted-average store count. Same-store operating expenses decreased 11% (9% on a constant currency basis).

Latin America store depreciation and amortization increased 5% (7% on a constant currency basis) to \$4.3 million during the first quarter of 2021 compared to \$4.1 million during the first quarter of 2020, primarily due to the increase in the store count.

The segment pre-tax operating income for the first quarter of 2021 was \$25.7 million, which generated a pre-tax segment operating margin of 19% compared to \$32.0 million and 21% in the prior year, respectively. The decline in the segment pre-tax operating income and margin was primarily due to declines in retail sales and pawn loan fees and a 2% unfavorable change in the average value of the Mexican peso, partially offset by an increase in retail sales margins and declines in store operating expenses.

Consolidated Results of Operations

The following table reconciles pre-tax operating income of the Company's U.S. operations segment and Latin America operations segment discussed above to consolidated net income for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 (dollars in thousands):

	Three Months Ended		Increase / (Decrease)
	March 31,		
	2021	2020	
Consolidated Results of Operations			
Segment pre-tax operating income:			
U.S. operations	\$ 60,885	\$ 64,395	(5)%
Latin America operations	25,735	31,950	(19)%
Consolidated segment pre-tax operating income	<u>86,620</u>	<u>96,345</u>	(10)%
Corporate expenses and other income:			
Administrative expenses	30,999	32,902	(6)%
Depreciation and amortization	967	1,210	(20)%
Interest expense	7,230	8,418	(14)%
Interest income	(158)	(185)	(15)%
Merger and acquisition expenses	166	68	144 %
Loss on foreign exchange	267	2,685	(90)%
Write-off of certain Cash America merger related lease intangibles	878	3,630	(76)%
Impairment of certain other assets	—	1,900	(100)%
Total corporate expenses and other income	<u>40,349</u>	<u>50,628</u>	(20)%
Income before income taxes	46,271	45,717	1 %
Provision for income taxes	12,556	12,799	(2)%
Net income	<u>\$ 33,715</u>	<u>\$ 32,918</u>	2 %

Corporate Expenses and Taxes

Administrative expenses decreased 6% to \$31.0 million during the first quarter of 2021 compared to \$32.9 million in the first quarter of 2020, primarily due to reduced travel costs and other cost saving initiatives in response to COVID-19 and a 2% unfavorable change in the average value of the Mexican peso resulting in lower U.S. dollar translated expenses, partially offset by a 2% increase in the consolidated weighted-average store count. Administrative expenses were 8% of revenue during the first quarter of 2021 and 7% during the first quarter of 2020.

Interest expense decreased 14% to \$7.2 million during the first quarter of 2021 compared to \$8.4 million in the first quarter of 2020, primarily due to lower average balances outstanding on the Company's unsecured credit facilities and lower average interest rates during the first quarter of 2021 compared to the first quarter of 2020. See "Liquidity and Capital Resources."

Loss on foreign exchange decreased 90% to \$0.3 million during the first quarter of 2021 compared to \$2.7 million in the first quarter of 2020, as a result of fluctuations in foreign exchange rates.

During the first quarter of 2021, the Company recorded a \$0.9 million write-off of certain merger related lease intangibles compared to a \$3.6 million write-off of certain merger related lease intangibles during the first quarter of 2020. The Company also recorded a \$1.9 million impairment related to a non-operating asset during the first quarter of 2020.

Consolidated effective income tax rates for the first quarter of 2021 and 2020 were 27.1% and 28.0%, respectively. The decrease in the effective tax rate was primarily due to the Internal Revenue Service finalizing regulations in July 2020 for the

global intangible low-taxed income tax (“GILTI”) provisions for foreign operations in the U.S. federal tax code, which essentially eliminated the impact of the incremental GILTI tax on the Company.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2021, the Company’s primary sources of liquidity were \$54.6 million in cash and cash equivalents, \$481.8 million of available and unused funds under the Company’s revolving unsecured credit facilities, subject to certain financial covenants, \$300.8 million in customer loans and fees and service charges receivable and \$185.3 million in inventories. The Company had working capital of \$345.6 million as of March 31, 2021.

As of March 31, 2021, the Company maintained an unsecured line of credit with a group of U.S. based commercial lenders (the “Credit Facility”) in the amount of \$500.0 million. The Credit Facility matures on December 19, 2024. As of March 31, 2021, the Company had \$44.0 million in outstanding borrowings and \$3.4 million in outstanding letters of credit under the Credit Facility, leaving \$452.6 million available for future borrowings, subject to certain financial covenants. The Credit Facility is unsecured and bears interest, at the Company’s option, of either (1) the prevailing London Interbank Offered Rate (“LIBOR”) (with interest periods of 1 week or 1, 2, 3 or 6 months at the Company’s option) plus a fixed spread of 2.5% or (2) the prevailing prime or base rate plus a fixed spread of 1.5%. The agreement has a LIBOR floor of 0%. Additionally, the Company is required to pay an annual commitment fee of 0.325% on the average daily unused portion of the Credit Facility commitment. The weighted-average interest rate on amounts outstanding under the Credit Facility at March 31, 2021 was 2.82% based on 1 week LIBOR. Under the terms of the Credit Facility, the Company is required to maintain certain financial ratios and comply with certain financial covenants. The Credit Facility also contains customary restrictions on the Company’s ability to incur additional debt, grant liens, make investments, consummate acquisitions and similar negative covenants with customary carve-outs and baskets. The Company was in compliance with the covenants of the Credit Facility as of March 31, 2021, and currently has the capacity to borrow a significant amount of the availability under the Credit Facility under the most restrictive covenant. During the three months ended March 31, 2021, the Company made net payments of \$79.0 million pursuant to the Credit Facility.

As of March 31, 2021, the Company’s primary subsidiary in Mexico, First Cash S.A. de C.V., maintained an unsecured and uncommitted line of credit guaranteed by FirstCash, Inc. with a bank in Mexico (the “Mexico Credit Facility”) in the amount of \$600.0 million Mexican pesos. The Mexico Credit Facility bears interest at the Mexican Central Bank’s interbank equilibrium rate plus a fixed spread of 2.5% and matures on March 9, 2023. Under the terms of the Mexico Credit Facility, the Company is required to maintain certain financial ratios and comply with certain financial covenants. The Company was in compliance with the covenants of the Mexico Credit Facility as of March 31, 2021. At March 31, 2021, the Company had no amount outstanding under the Mexico Credit Facility and \$600.0 million Mexican pesos available for borrowings.

On August 26, 2020, the Company issued \$500.0 million of 4.625% senior unsecured notes due on September 1, 2028 (the “Notes”), all of which are currently outstanding. Interest on the Notes is payable semi-annually in arrears on March 1 and September 1. The Notes are fully and unconditionally guaranteed on a senior unsecured basis jointly and severally by all of the Company’s existing and future domestic subsidiaries that guarantee its Credit Facility. The Notes will permit the Company to make restricted payments, such as purchasing shares of its stock and paying cash dividends, in an unlimited amount if, after giving pro forma effect to the incurrence of any indebtedness to make such payment, the Company’s consolidated total debt ratio (“Net Debt Ratio”) is less than 2.75 to 1. The Net Debt Ratio is defined generally in the indenture governing the Notes as the ratio of (1) the total consolidated debt of the Company minus cash and cash equivalents of the Company to (2) the Company’s consolidated trailing twelve months EBITDA, as adjusted to exclude certain non-recurring expenses and giving pro forma effect to operations acquired during the measurement period. As of March 31, 2021, the Net Debt Ratio was 2.1 to 1. See “Non-GAAP Financial Information” for additional information on the calculation of the Net Debt Ratio.

The Company utilized the net proceeds from the offering of the Notes to redeem all of the \$300.0 million aggregate principal amount of the Company’s 5.375% senior notes due 2024 and to repay a portion of the Company’s Credit Facility.

The Company regularly evaluates opportunities to optimize its capital structure, including through consideration of the issuance of debt or equity, the refinancing, repayment or restructuring of existing debt and the entry into interest rate hedge transactions, such as interest rate swap agreements, to fund ongoing cash needs, such as general corporate purposes, growth initiatives and its dividend and stock repurchase program.

The continued developments and fluidity of the COVID-19 pandemic make it difficult to predict the impact of COVID-19 on the Company's liquidity and presents a material uncertainty which could adversely affect the Company's results of operations, financial condition and cash flows in the future. The Company's cash flows depend heavily on the uninterrupted operation of its stores with sufficient customer activity, as the Company does not currently offer an online pawn lending or payment platform. If the Company became subject to closure or customer demand for the Company's retail and lending products materially declines, the Company's cash flows would be materially impaired and the Company could seek to raise or retain additional funds from a variety of sources, including but not limited to, repatriation of excess cash held in Latin America, the sale of assets, reductions in operating expenses, capital expenditures, dividends and share repurchases, the forbearance or deferral of operating expenses, the issuance of debt or equity securities, leveraging currently unencumbered real estate owned by the Company and/or changes to its management of current assets. The characteristics of the Company's current assets, specifically the ability to rapidly liquidate gold jewelry inventory, which accounts for approximately 52% of total inventory, gives the Company flexibility to quickly increase cash flow, if necessary.

Other factors such as changes in general customer traffic and demand, loan balances, loan-to-value ratios, collection of pawn fees, merchandise sales, inventory levels, seasonality, operating expenses, administrative expenses, expenses related to merger and acquisition activities, tax rates, gold prices, foreign currency exchange rates and the pace of new store expansion and acquisitions, affect the Company's liquidity. Regulatory developments affecting the Company's operations may also impact profitability and liquidity. See "Regulatory Developments." A prolonged reduction in earnings and EBITDA could limit the Company's future ability to fully borrow under its credit facilities under current leverage covenants. Additionally, potential disruptions to the Company's business resulting from COVID-19 could adversely impact the Company's liquidity in the future.

The Company intends to continue expansion through new store openings primarily in Latin America and through acquisitions both in the U.S. and Latin America. Additionally, as opportunities arise at reasonable valuations, the Company may continue to purchase real estate from its landlords at existing stores or in conjunction with pawn store acquisitions.

A total of 24 new stores were opened during the three months ended March 31, 2021. The impacts of COVID-19 will likely limit the number of 2021 openings to a total of 50 to 60 de novo full-service pawn locations in Latin America. Future store openings remain subject to uncertainties related to the COVID-19 pandemic, including but not limited to, the ability to continue construction projects and obtain necessary licenses and permits, utility services, store equipment, supplies and staffing.

The Company continually looks for, and is presented with, potential acquisition opportunities and will evaluate potential acquisitions based upon growth potential, purchase price, available liquidity, debt covenant restrictions, strategic fit and quality of management personnel, among other factors. The Company acquired two pawn stores in the U.S. during the three months ended March 31, 2021 for a purchase price of \$1.3 million, net of cash acquired and subject to future post-closing adjustments. In addition, the Company purchased the real estate at 12 store locations, primarily from landlords at existing stores, for a cumulative purchase price of \$14.4 million during the three months ended March 31, 2021.

The following tables set forth certain historical information with respect to the Company's sources and uses of cash and other key indicators of liquidity (dollars in thousands):

	Three Months Ended March 31,	
	2021	2020
Cash flow provided by operating activities	\$ 69,174	\$ 77,385
Cash flow provided by investing activities	\$ 17,258	\$ 26,604
Cash flow used in financing activities	\$ (96,727)	\$ (72,804)
	As of March 31,	
	2021	2020
Working capital	\$ 345,644	\$ 466,052
Current ratio	2.6:1	3.3:1
Liabilities to equity ratio	0.8:1	0.9:1
Net Debt Ratio ⁽¹⁾	2.1:1	1.9:1

⁽¹⁾ Adjusted EBITDA, a component of the Net Debt Ratio, is a non-GAAP financial measure. See "Non-GAAP Financial Information" for a calculation of the Net Debt Ratio.

Net cash provided by operating activities decreased \$8.2 million, or 11%, from \$77.4 million for the three months ended March 31, 2020 to \$69.2 million for the three months ended March 31, 2021 due to net changes in certain non-cash adjustments to reconcile net income to operating cash flow and net changes in other operating assets and liabilities (as detailed in the consolidated statements of cash flows), and an increase in net income of \$0.8 million.

Net cash provided by investing activities decreased \$9.3 million, or 35%, from \$26.6 million for the three months ended March 31, 2020 to \$17.3 million for the three months ended March 31, 2021. Cash flows from investing activities included funding of pawn store acquisitions, purchases of furniture, fixtures, equipment and improvements, which includes capital expenditures for improvements to existing stores and for new store openings and other corporate assets, and discretionary purchases of store real property. In addition, cash flows related to net fundings/repayments of pawn loans are included in investing activities. The Company paid \$1.2 million in cash related to current and prior-year store acquisitions, \$9.5 million for furniture, fixtures, equipment and improvements and \$14.4 million for discretionary store real property purchases during the three months ended March 31, 2021 compared to \$5.5 million, \$10.6 million and \$9.6 million in the prior-year period, respectively. The Company received funds from a net decrease in pawn loans of \$42.4 million during the three months ended March 31, 2021 compared to a net decrease of \$52.3 million during the three months ended March 31, 2020.

Net cash used in financing activities increased \$23.9 million, or 33%, from \$72.8 million for the three months ended March 31, 2020 to \$96.7 million for the three months ended March 31, 2021. Net payments on the credit facilities were \$79.0 million during the three months ended March 31, 2021 compared to net borrowings of \$18.9 million during the three months ended March 31, 2020. The Company funded \$5.0 million worth of share repurchases and paid dividends of \$11.1 million during the three months ended March 31, 2021, compared to funding \$80.3 million worth of share repurchases and dividends paid of \$11.3 million during the three months ended March 31, 2020. In addition, the Company paid \$1.7 million in withholding taxes on net share settlements of restricted stock unit awards during the three months ended March 31, 2021.

In April 2021, the Company's Board of Directors declared a \$0.30 per share second quarter cash dividend on common shares outstanding, or an aggregate of \$12.3 million based on the March 31, 2021 share count, which will be paid on May 28, 2021 to stockholders of record as of May 14, 2021. While the Company currently expects to continue the payment of quarterly cash dividends, the declaration and payment of cash dividends in the future (quarterly or otherwise) will be made by the Board of Directors, from time to time, subject to the Company's financial condition, results of operations, business requirements, compliance with legal requirements, debt covenant restrictions and other relevant factors, including the impact of COVID-19.

During the three months ended March 31, 2021, the Company repurchased a total of 84,000 shares of common stock at an aggregate cost of \$5.0 million and an average cost per share of \$59.06, and during three months ended March 31, 2020, repurchased 981,000 shares of common stock at an aggregate cost of \$80.3 million and an average cost per share of \$81.84. The Company has approximately \$116.9 million of remaining availability under its currently authorized stock repurchase programs. While the Company intends to continue repurchases under its active share repurchase programs, future share repurchases are subject to a variety of factors, including, but not limited to, the level of cash balances, credit availability, debt covenant restrictions, general business conditions, regulatory requirements, the market price of the Company's stock, dividend policy, the availability of alternative investment opportunities, including acquisitions, and the impact of COVID-19.

The following table provides purchases made by the Company of shares of its common stock under each share repurchase program in effect during the three months ended March 31, 2021 (dollars in thousands):

Plan Authorization Date	Plan Completion Date	Dollar Amount Authorized	Shares Purchased in 2021	Dollar Amount Purchased in 2021	Remaining Dollar Amount Authorized For Future Purchases
January 28, 2020	Currently active	\$ 100,000	84,000	\$ 4,967	\$ 16,860
January 27, 2021	Currently active	100,000	—	—	100,000
Total			84,000	\$ 4,967	\$ 116,860

As of March 31, 2021, the Company had contractual commitments to deliver a total of 12,000 gold ounces between the months of April 2021 and December 2021 at a weighted-average price of \$1,855 per ounce. The ounces required to be delivered over this time period are within historical scrap gold volumes and the Company expects to have the required gold ounces to meet the commitments as they come due.

REGULATORY DEVELOPMENTS

The Company remains subject to significant regulation of its pawn and general business operations in all of the jurisdictions in which it operates. Existing regulations and regulatory developments are further and more completely described under “Governmental Regulation” in Part I, Item 1 of the Company’s 2020 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 1, 2021. There have been no material changes in regulatory developments directly affecting the Company since December 31, 2020.

In January 2021, the Illinois General Assembly passed the Predatory Loan Prevention Act (“PDLA”) that caps annual effective interest rates at 36% on most consumer loans, including payday and car title loans. On March 23, 2021, the governor of Illinois signed the PDLA into law, making it effective immediately. The Company does not believe the PDLA applies to collateralized pawn loans, and to date no effort has been made by regulators to assert that it applies. However, there can be no assurance that the Illinois authorities or other interested stakeholders will in the future interpret the PDLA to include collateralized pawn loans. The Company had 25 pawn stores located in Illinois as of March 31, 2021.

NON-GAAP FINANCIAL INFORMATION

The Company uses certain financial calculations such as adjusted net income, adjusted diluted earnings per share, EBITDA, adjusted EBITDA, free cash flow, adjusted free cash flow and constant currency results as factors in the measurement and evaluation of the Company’s operating performance and period-over-period growth. The Company derives these financial calculations on the basis of methodologies other than GAAP, primarily by excluding from a comparable GAAP measure certain items the Company does not consider to be representative of its actual operating performance. These financial calculations are “non-GAAP financial measures” as defined under the SEC rules. The Company uses these non-GAAP financial measures in operating its business because management believes they are less susceptible to variances in actual operating performance that can result from the excluded items, other infrequent charges and currency fluctuations. The Company presents these financial measures to investors because management believes they are useful to investors in evaluating the primary factors that drive the Company’s core operating performance and provide greater transparency into the Company’s results of operations. However, items that are excluded and other adjustments and assumptions that are made in calculating these non-GAAP financial measures are significant components in understanding and assessing the Company’s financial performance. These non-GAAP financial measures should be evaluated in conjunction with, and are not a substitute for, the Company’s GAAP financial measures. Further, because these non-GAAP financial measures are not determined in accordance with GAAP and are thus susceptible to varying calculations, the non-GAAP financial measures, as presented, may not be comparable to other similarly titled measures of other companies.

While acquisitions are an important part of the Company’s overall strategy, the Company has adjusted the applicable financial calculations to exclude merger and acquisition expenses to allow more accurate comparisons of the financial results to prior periods. In addition, the Company does not consider these merger and acquisition expenses to be related to the organic operations of the acquired businesses or its continuing operations and such expenses are generally not relevant to assessing or estimating the long-term performance of the acquired businesses. Merger and acquisition expenses include incremental costs directly associated with merger and acquisition activities, including professional fees, legal expenses, severance, retention and other employee-related costs, contract breakage costs and costs related to the consolidation of technology systems and corporate facilities, among others.

The Company has certain leases in Mexico which are denominated in U.S. dollars. The lease liability of these U.S. dollar denominated leases, which is considered a monetary liability, is remeasured into Mexican pesos using current period exchange rates resulting in the recognition of foreign currency exchange gains or losses. The Company has adjusted the applicable financial measures to exclude these remeasurement gains or losses because they are non-cash, non-operating items that could create volatility in the Company’s consolidated results of operations due to the magnitude of the end of period lease liability being remeasured and to improve comparability of current periods presented with prior periods.

In conjunction with the Cash America merger in 2016, the Company recorded certain lease intangibles related to above or below market lease liabilities of Cash America which are included in the operating lease right of use asset on the consolidated balance sheets. As the Company continues to opportunistically purchase real estate from landlords at certain Cash America stores, the associated lease intangible, if any, is written-off and gain or loss is recognized. The Company has adjusted the applicable financial measures to exclude these gains or losses given the variability in size and timing of these transactions and because they are non-cash, non-operating gains or losses. The Company believes this improves comparability of operating results for current periods presented with prior periods.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

Management believes the presentation of adjusted net income and adjusted diluted earnings per share provides investors with greater transparency and provides a more complete understanding of the Company's financial performance and prospects for the future by excluding items that management believes are non-operating in nature and not representative of the Company's core operating performance of its continuing operations. In addition, management believes the adjustments shown below are useful to investors in order to allow them to compare the Company's financial results for the current periods presented with the prior periods presented.

The following table provides a reconciliation between net income and diluted earnings per share calculated in accordance with GAAP to adjusted net income and adjusted diluted earnings per share, which are shown net of tax (in thousands, except per share amounts):

	Three Months Ended March 31,			
	2021		2020	
	In Thousands	Per Share	In Thousands	Per Share
Net income and diluted earnings per share, as reported	\$ 33,715	\$ 0.82	\$ 32,918	\$ 0.78
Adjustments, net of tax:				
Merger and acquisition expenses	116	—	50	—
Non-cash foreign currency loss related to lease liability	421	0.01	3,069	0.07
Non-cash write-off of certain Cash America merger related lease intangibles	676	0.02	2,795	0.07
Non-cash impairment of certain other assets ⁽¹⁾	—	—	1,463	0.04
Adjusted net income and diluted earnings per share	\$ 34,928	\$ 0.85	\$ 40,295	\$ 0.96

⁽¹⁾ Impairment related to a non-operating asset in which the Company determined that an other than temporary impairment existed as of March 31, 2020.

The following table provides a reconciliation of the gross amounts, the impact of income taxes and the net amounts for the adjustments included in the table above (in thousands):

	Three Months Ended March 31,					
	2021			2020		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Merger and acquisition expenses	\$ 166	\$ 50	\$ 116	\$ 68	\$ 18	\$ 50
Non-cash foreign currency loss related to lease liability	602	181	421	4,384	1,315	3,069
Non-cash write-off of certain Cash America merger related lease intangibles	878	202	676	3,630	835	2,795
Non-cash impairment of certain other assets	—	—	—	1,900	437	1,463
Total adjustments	\$ 1,646	\$ 433	\$ 1,213	\$ 9,982	\$ 2,605	\$ 7,377

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA

The Company defines EBITDA as net income before income taxes, depreciation and amortization, interest expense and interest income and adjusted EBITDA as EBITDA adjusted for certain items as listed below that management considers to be non-operating in nature and not representative of its actual operating performance. The Company believes EBITDA and adjusted EBITDA are commonly used by investors to assess a company's financial performance, and adjusted EBITDA is used in the calculation of the Net Debt Ratio as defined in the Company's senior unsecured notes covenants. The following table provides a reconciliation of net income to EBITDA and adjusted EBITDA (dollars in thousands):

	Three Months Ended March 31,		Trailing Twelve Months Ended March 31,	
	2021	2020	2021	2020
Net income	\$ 33,715	\$ 32,918	\$ 107,376	\$ 154,881
Income taxes	12,556	12,799	36,877	56,604
Depreciation and amortization	10,612	10,674	42,043	42,704
Interest expense	7,230	8,418	28,156	34,083
Interest income	(158)	(185)	(1,513)	(1,036)
EBITDA	63,955	64,624	212,939	287,236
Adjustments:				
Merger and acquisition expenses	166	68	1,414	1,685
Non-cash foreign currency loss (gain) related to lease liability	602	4,384	(2,533)	3,791
Loss on extinguishment of debt	—	—	11,737	—
Non-cash write-off of certain Cash America merger related lease intangibles	878	3,630	4,303	3,630
Non-cash impairment of certain other assets	—	1,900	—	1,900
Consumer lending wind-down costs and asset impairments	—	—	109	3,454
Adjusted EBITDA	\$ 65,601	\$ 74,606	\$ 227,969	\$ 301,696
Net Debt Ratio calculation:				
Total debt (outstanding principal)			\$ 544,000	\$ 655,519
Less: cash and cash equivalents			(54,641)	(75,464)
Net debt			\$ 489,359	\$ 580,055
Adjusted EBITDA			\$ 227,969	\$ 301,696
Net Debt Ratio (Net Debt divided by Adjusted EBITDA)			2.1 :1	1.9 :1

Free Cash Flow and Adjusted Free Cash Flow

For purposes of its internal liquidity assessments, the Company considers free cash flow and adjusted free cash flow. The Company defines free cash flow as cash flow from operating activities less purchases of furniture, fixtures, equipment and improvements and net fundings/repayments of loan receivables, which are considered to be operating in nature by the Company but are included in cash flow from investing activities. Adjusted free cash flow is defined as free cash flow adjusted for merger and acquisition expenses paid that management considers to be non-operating in nature.

Free cash flow and adjusted free cash flow are commonly used by investors as an additional measure of cash generated by business operations that may be used to repay scheduled debt maturities and debt service or, following payment of such debt obligations and other non-discretionary items, may be available to invest in future growth through new business development activities or acquisitions, repurchase stock, pay cash dividends or repay debt obligations prior to their maturities. These metrics can also be used to evaluate the Company's ability to generate cash flow from business operations and the impact that this cash flow has on the Company's liquidity. However, free cash flow and adjusted free cash flow have limitations as analytical tools and should not be considered in isolation or as a substitute for cash flow from operating activities or other income statement data prepared in accordance with GAAP. The following table reconciles cash flow from operating activities to free cash flow and adjusted free cash flow (in thousands):

	Three Months Ended		Trailing Twelve	
	March 31,		Months Ended	
	2021	2020	2021	2020
Cash flow from operating activities	\$ 69,174	\$ 77,385	\$ 214,053	\$ 237,284
Cash flow from certain investing activities:				
Loan receivables, net ⁽¹⁾	42,394	52,279	97,123	44,469
Purchases of furniture, fixtures, equipment and improvements	(9,491)	(10,581)	(36,453)	(45,234)
Free cash flow	102,077	119,083	274,723	236,519
Merger and acquisition expenses paid, net of tax benefit	116	50	1,057	1,222
Adjusted free cash flow	\$ 102,193	\$ 119,133	\$ 275,780	\$ 237,741

⁽¹⁾ Includes the funding of new loans net of cash repayments and recovery of principal through the sale of inventories acquired from forfeiture of pawn collateral.

Constant Currency Results

The Company's reporting currency is the U.S. dollar. However, certain performance metrics discussed in this report are presented on a "constant currency" basis, which is considered a non-GAAP financial measure. The Company's management uses constant currency results to evaluate operating results of business operations in Latin America, which are primarily transacted in local currencies.

The Company believes constant currency results provide valuable supplemental information regarding the underlying performance of its business operations in Latin America, consistent with how the Company's management evaluates such performance and operating results. Constant currency results reported herein are calculated by translating certain balance sheet and income statement items denominated in local currencies using the exchange rate from the prior-year comparable period, as opposed to the current comparable period, in order to exclude the effects of foreign currency rate fluctuations for purposes of evaluating period-over-period comparisons. Business operations in Mexico, Guatemala and Colombia are transacted in Mexican pesos, Guatemalan quetzales and Colombian pesos. The Company also has operations in El Salvador where the reporting and functional currency is the U.S. dollar. See the Latin America operations segment tables in "Results of Operations" above for additional reconciliation of certain constant currency amounts to as reported GAAP amounts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to the Company's operations result primarily from changes in interest rates, gold prices and foreign currency exchange rates, and are described in detail in the Company's 2020 Annual Report on Form 10-K. The impact of current-year fluctuations in gold prices and foreign currency exchange rates, in particular, are further discussed in Part I, Item 2 herein. The Company does not engage in speculative or leveraged transactions, nor does it hold or issue financial instruments for trading purposes. There have been no material changes to the Company's exposure to market risks since December 31, 2020.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934) as of March 31, 2021 (the "Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, does not expect that the Company's disclosure controls and procedures or internal controls will prevent all possible error and fraud. The Company's disclosure controls and procedures are, however, designed to provide reasonable assurance of achieving their objectives, and the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective at that reasonable assurance level.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes in the status of legal proceedings previously reported in the Company's 2020 Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Important risk factors that could materially affect the Company's business, financial condition or results of operations in future periods are described in Part I, Item 1A, "Risk Factors" of the Company's 2020 Annual Report on Form 10-K. These factors are supplemented by those discussed under "Management's Discussion And Analysis Of Financial Condition And Results Of Operations" and "Regulatory Developments" in Part I, Item 2 of this quarterly report and in "Governmental Regulation" in Part I, Item 1 of the Company's 2020 Annual Report on Form 10-K. There have been no material changes in the Company's risk factors from those in Part I, Item 1A, "Risk Factors" of the Company's 2020 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended March 31, 2021, the Company repurchased a total of 84,000 shares of common stock at an aggregate cost of \$5.0 million and an average cost per share of \$59.06. The Company intends to continue repurchases under its active share repurchase programs, including through open market transactions under trading plans in accordance with Rule 10b5-1 and Rule 10b-18 under the Exchange Act of 1934, as amended, subject to a variety of factors, including, but not limited to, the level of cash balances, credit availability, debt covenant restrictions, general business conditions, regulatory requirements, the market price of the Company's stock, dividend policy, the availability of alternative investment opportunities, including acquisitions, and the impact of COVID-19.

The following table provides the information with respect to purchases made by the Company of shares of its common stock during each month a share program was in effect during the three months ended March 31, 2021 (dollars in thousands, except per share amounts):

	Total Number Of Shares Purchased	Average Price Paid Per Share	Total Number Of Shares Purchased As Part Of Publicly Announced Plans	Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Plans
January 1 through January 31, 2021	—	\$ —	—	\$ 121,827
February 1 through February 28, 2021	84,000	59.06	84,000	116,860
March 1 through March 31, 2021	—	—	—	116,860
Total	<u>84,000</u>	<u>59.06</u>	<u>84,000</u>	

The following table provides purchases made by the Company of shares of its common stock under each share repurchase program in effect during the three months ended March 31, 2021 (dollars in thousands):

Plan Authorization Date	Plan Completion Date	Dollar Amount Authorized	Shares Purchased in 2021	Dollar Amount Purchased in 2021	Remaining Dollar Amount Authorized For Future Purchases
January 28, 2020	Currently active	\$ 100,000	84,000	\$ 4,967	\$ 16,860
January 27, 2021	Currently active	100,000	—	—	100,000
Total			<u>84,000</u>	<u>\$ 4,967</u>	<u>\$ 116,860</u>

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation	DEF 14A	0-19133	B	04/29/2004	
3.2	Amendment to Amended and Restated Certificate of Incorporation	8-K	001-10960	3.1	09/02/2016	
3.3	Amended and Restated Bylaws					X
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act provided by Rick L. Wessel, Chief Executive Officer					X
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act provided by R. Douglas Orr, Chief Financial Officer					X
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 provided by Rick L. Wessel, Chief Executive Officer					X
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 provided by R. Douglas Orr, Chief Financial Officer					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101)					X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: April 26, 2021

FIRSTCASH, INC.

(Registrant)

/s/ RICK L. WESSEL

Rick L. Wessel

Chief Executive Officer

(On behalf of the Registrant)

/s/ R. DOUGLAS ORR

R. Douglas Orr

Executive Vice President and Chief Financial Officer

(As Principal Financial and Accounting Officer)

**AMENDED AND RESTATED
BYLAWS
OF
FIRSTCASH, INC.**

(a Delaware corporation)

ARTICLE 1.

DEFINITIONS

1.1 Definitions. Unless the context clearly requires otherwise, in these Bylaws:

(a) “*Board*” means the board of directors of the Corporation.

(b) “*Bylaws*” means these bylaws as adopted by the Board and includes

amendments subsequently adopted by the Board or by the Stockholders.

(c) “*Certificate of Incorporation*” means the Certificate of Incorporation of FirstCash, Inc. as filed with the Secretary of State of the State of Delaware and includes all amendments thereto and restatements thereof subsequently filed.

(d) “*Corporation*” means FirstCash, Inc.

(e) “*Section*” refers to sections of these Bylaws.

(f) “*Stockholder*” means the stockholders of the Corporation.

1.2 Offices. The title of an office refers to the person or persons who at any given time perform the duties of that particular office for the Corporation.

ARTICLE 2.

OFFICES

2.1 Principal Office. The Corporation may locate its principal office within or without the state of incorporation as the Board may determine.

2.2 Registered Office. The registered office of the Corporation required by law to be maintained in the state of incorporation may be, but need not be, the same as the principal place of business of the Corporation. The Board may change the address of the registered office from time to time.

2.3 Other Offices. The Corporation may have offices at such other places, either within or without the state of incorporation, as the Board may designate or as the business of the Corporation may require from time to time.

ARTICLE 3.

MEETINGS OF STOCKHOLDERS

3.1 Annual Meetings. The Stockholders of the Corporation shall hold their annual meetings for the purpose of electing directors and for the transaction of such other proper business as may come before such meetings at such time, date and place as the Board shall determine by resolution.

3.2 Special Meetings. The Board, the Chairman of the Board, the Vice Chairman, the Chief Executive Officer or a committee of the Board duly designated and whose powers and authority include the power to call meetings may call special meetings of the Stockholders of the Corporation at any time for any purpose or purposes. Special meetings of the Stockholders of the Corporation may not be called by any other person or persons. The only business which may be conducted at a special meeting, other than procedural matters and matters relating to the conduct of the meeting, shall be the matter or matters described in the notice of the meeting.

3.3 Place of Meetings. The Stockholders shall hold all meetings at such places, within or without the State of Delaware, as the Board or a committee of the Board shall specify in the notice or waiver of notice for such meetings.

3.4 Notice of Meetings. Except as otherwise required by law, the Board or a committee of the Board shall give notice of each meeting of Stockholders, whether annual or special, not less than 10 nor more than 60 days before the date of the meeting. The Board or a committee of the Board shall deliver a notice to each Stockholder entitled to vote at such meeting by delivering a typewritten or printed notice thereof to him personally, or by depositing such notice in the United States mail, in a postage prepaid envelope, directed to him at his address as it appears on the records of the Corporation, or by transmitting a notice thereof to him at such address by telegraph, telecopy, cable or wireless. If mailed, notice is given on the date deposited in the United States mail, postage prepaid, directed to the Stockholder at his address as it appears on the records of the Corporation. An affidavit of the Secretary or an Assistant Secretary or of the Transfer Agent of the Corporation that he has given notice shall constitute, in the absence of fraud, prima facie evidence of the facts stated therein.

Every notice of a meeting of the Stockholders shall state the place, date and hour of the meeting and, in the case of a special meeting, also shall state the purpose or purposes of the meeting. Furthermore, if the Corporation will maintain the list at a place other than where the meeting will take place, every notice of a meeting of the Stockholders shall specify where the Corporation will maintain the list of Stockholders entitled to vote at the meeting.

3.5 Stockholder Proposals and Nominations.

(a) No proposal for a vote at a meeting of the Stockholders (other than a proposal that appears in the Corporation's proxy statement after compliance with the procedures set forth in Securities and Exchange Commission Rule 14a-8 or any successor provision) shall be submitted by a Stockholder (a "*Stockholder Proposal*") to the Stockholders unless the Stockholder submitting such proposal (the "*Proponent*") shall have filed a written notice setting forth with particularity:

(i) the names and business addresses of the Proponent and all natural persons, corporations, partnerships, trusts or any other type of legal entity or recognized ownership vehicle (collectively, a "*Person*") acting in concert with the Proponent, including any beneficial owner on whose behalf the proposal is being made;

(ii) the name and address of the Proponent and the Persons identified in clause (i), if any, as they appear on the Corporation's books;

(iii) the class and number of shares of the Corporation which are, directly or indirectly, beneficially owned by the Proponent and by each Person identified in clause (i);

(iv) a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed

amendment), the reasons for conducting such business at the meeting and any material interest in such business of such Proponent and each Person identified in clause (i), if any;

(v) a description of any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of shares of the Corporation or otherwise (a “*Derivative Instrument*”), directly or indirectly owned beneficially by such Proponent and each Person identified in clause (i), if any, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation;

(vi) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such Proponent and each Person identified in clause (i), if any, has a right to vote any shares of any security of the Corporation;

(vii) a description of any short interest in any security of the Corporation held by the Proponent and each Person identified in clause (i), if any (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract,

arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security);

(viii) a description of any rights to dividends on the shares of the Corporation owned beneficially by such Proponent and each Person identified in clause (i), if any, that are separated or separable from the underlying shares of the Corporation;

(ix) a description of any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Proponent and such Person identified in clause (i), if any, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner;

(x) a description of any performance-related fees (other than an asset-based fee) that such Proponent and such Person identified in clause (i), if any, is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any; and

(xi) such other information as the Board reasonably determines is necessary or appropriate to enable the Board and Stockholders to consider the Stockholder Proposal,

all such information (A) is to be provided as of the date of such notice, including, without limitation, any such interests held by members of the immediate family

(sharing the same household) of such Proponent and such Person identified in clause (i), if any, and (B) shall be supplemented by such Proponent and such Person identified in clause (i), if any, not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date.

Such notice also shall include a representation (A) that such Proponent is a holder of record of capital stock of the Corporation entitled to vote at such meeting, (B) that such Proponent intends to appear in person or by proxy at the annual meeting to bring such business before the meeting, (C) that such Proponent will notify the Corporation in writing of the number of shares of capital stock of the Corporation owned of record and beneficially by such Proponent and such Person identified in clause 3.5(a)(i), if any, as of the record date for the meeting within five (5) business days following the later of the record date or the date notice of the record date is first publicly disclosed, and (D) as to whether such Proponent and such Person identified in clause 3.5(a)(i), if any, intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to adopt or approve the proposal and/or (2) otherwise to solicit proxies from Stockholders in support of such proposal.

(b) If the Proponent does not appear or send a qualified representative to present the Stockholder Proposal at the relevant meeting, the Corporation need not present such proposal for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation. The presiding officer or director at any Stockholders' meeting

may determine that any Stockholder Proposal was not made in accordance with the procedures prescribed in these Bylaws or is otherwise not in accordance with law, and if it is so determined, such officer or director shall so declare at the meeting and the Stockholder Proposal shall be disregarded.

(c) Only persons who are selected and recommended by the Board or the committee of the Board designated to make nominations, or who are nominated by Stockholders in accordance with this Section 3.5, shall be eligible for election, or qualified to serve, as directors. Nominations of individuals for election to the Board at any annual meeting or any special meeting of Stockholders at which directors are to be elected may be made by any Stockholder entitled to vote for the election of directors at that meeting by compliance with the procedures set forth in this Section 3.5. Nominations by Stockholders shall be made by written notice (a "Nomination Notice"), which shall set forth:

(i) As to the Stockholder and the beneficial owner, if any, on whose behalf a nomination is made (A) the name and record address of such Stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (B) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Stockholder and such beneficial owner, if any, (C) a description of any Derivative Instrument, directly or indirectly owned beneficially by such Stockholder and such beneficial owner, if any, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (D) a

description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such Stockholder and such beneficial owner, if any, has a right to vote any shares of any security of the Corporation, (E) any short interest in any security of the Corporation held by the Stockholder (for purposes of this Bylaw a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (F) any rights to dividends on the shares of the Corporation owned beneficially by such Stockholder and such beneficial owner, if any, that are separated or separable from the underlying shares of the Corporation, (G) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such Stockholder and such beneficial owner, if any, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (H) any performance-related fees (other than an asset-based fee) that such Stockholder and such beneficial owner, if any, is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, all such information to be provided as of the date of such notice, including, without limitation, any such interests held by members of such Stockholder's and such beneficial owner's, if any, immediate family sharing the same household, and (I) all other information relating to such Stockholder and such beneficial owner, if any, that would be required to be

disclosed, whether in a proxy statement, other filings required to be made in connection with solicitations of proxies for election of directors in a contested election, or otherwise, in each case pursuant to Section 14 of the of the Securities Exchange Act of 1934 (the “*Exchange Act*”) and the rules and regulations promulgated thereunder;

(ii) As to each person whom the Stockholder proposes to nominate for election or reelection as a director at such meeting (A) all information relating to such person that would be required to be disclosed, whether in a proxy statement, other filings required to be made in connection with solicitations of proxies for election of directors in a contested election, or otherwise, in each case pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (B) such person’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected, (C) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such Stockholder and beneficial owner, if any, and their respective affiliates and associates, or any other person or persons (including their names) acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or any other person or persons (including their names) acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation

S-K if the Stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant, (D) any information that such person would be required to disclose pursuant to clause (i) of this Section 3.5(c) if such person were a Stockholder making a nomination, (E) an undertaking from such nominee to notify the Corporation in writing of any change in the information called for by the foregoing clauses (A), (B), (C) and (D) as of the record date for such meeting, by notice received by the Secretary at the principal executive offices of the Corporation not later than the tenth (10th) day following such record date, and (F) a completed and signed questionnaire, representation and agreement required by Section 3.5(d);

(iii) an undertaking by the Stockholder and beneficial owner, if any, to notify the Corporation in writing of any change in the information called for by clauses (i) and (ii) as of the record date for such meeting, by notice received by the Secretary at the principal executive offices of the Corporation not later than the tenth (10th) day following such record date; and

(iv) a representation (A) that the Stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination and (B) whether the Stockholder or the beneficial owner, if any,

intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies or votes from Stockholders in support of such proposal or nomination.

(d) To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of a Nomination Notice under Section 3.5(g)) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request), that such person (i) is not and will not become a party to (x) any agreement, arrangement, or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question or issues or questions generally (a "*Voting Commitment*") that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement, or understanding with any person or entity other than the Corporation with respect to any direct or

indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been disclosed therein; and (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable law and with the Corporation's Corporate Governance Guidelines and Code of Business Conduct and Ethics applicable to members of the Board, as well as all other applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(e) The Corporation may also, as a condition of any such nomination being deemed properly brought before a meeting, require any proposed nominee to furnish (i) any information required pursuant to any undertaking delivered pursuant to Section 3.5(c) and (ii) such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation (consistent with the rules of the Securities and Exchange Commission and with any director independence standards set forth in the Corporation's Corporate Governance Guidelines) or that could be material to a reasonable Stockholder's understanding of the independence, or lack thereof, of such nominee.

(f) If the nominating Stockholder does not appear or send a qualified representative to present the nomination proposal at the relevant meeting, the Corporation need not present such proposal for a vote at such

meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation. If the presiding officer or director at any Stockholders' meeting determines that a nomination was not made in accordance with the procedures prescribed by these Bylaws, he or she shall so declare to the meeting and the defective nomination shall be disregarded. A Stockholder seeking to nominate a person to serve as a director must also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth in this section.

(g) If a Stockholder Proposal or Nomination Notice is to be submitted at an annual Stockholders' meeting, it shall be delivered to, or mailed and received by, the Secretary at the principal executive office of the Corporation no later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the anniversary of the date on which the Corporation filed its definitive proxy materials (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission for the prior year's annual meeting of Stockholders; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days or delayed (other than as a result of adjournment) by more than sixty (60) days from the anniversary of the previous year's annual meeting, a Stockholder Proposal or Nomination Notice must be so received no later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. Subject

to Section 3.2 as to matters that may be acted upon at a special meeting of the Stockholders, if the Board has determined that directors are to be elected at a special meeting, and one or more director elections are included in the Corporation's notice of meeting, in order to be timely, any Nomination Notice submitted for such special meeting of the Stockholders must be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive office of the Corporation not more than 120 days prior to the date of the meeting and not later than the close of business on the later of the 90th day prior to the meeting or the 10th day following the last to occur of (i) the day on which public disclosure of the date of such special meeting was first made by the Corporation and (ii) the day on which public disclosure of the nominees proposed by the Board to be elected at such meeting was first made by the Corporation. Notwithstanding anything in the forgoing to the contrary, in the event that the number of directors to be elected to the Board at the annual meeting of Stockholders is increased effective after the time period for which nominations would otherwise be due for such annual meeting, and there is no public disclosure by the Corporation naming all of the nominees for the additional directorships at least 100 days prior to the first anniversary of the date on which the Corporation filed its definitive proxy materials (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission for the preceding year's annual meeting, a Stockholder's notice required by this Section 3.5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the

principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public disclosure is first made by the Corporation. In no event shall the adjournment or postponement of an annual or special meeting (or any public announcement thereof) commence a new time period (or extend any time period) for the giving of a Stockholder's notice as described above. For purposes of this section, "*public disclosure*" or "*public announcement*" shall mean disclosure in a Current Report on Form 8-K (or any successor form), in another public filing with the Securities and Exchange Commission, or in a press release distributed through a widely circulated news or wire service, such as Dow Jones, Bloomberg, Business Wire, GlobeNewswire, or PR Newswire.

3.6 Waiver of Notice. Whenever these Bylaws require written notice, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall constitute the equivalent of notice. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. No written waiver of notice need specify either the business to be transacted at, or the purpose or purposes of any regular or special meeting of the Stockholders, directors or members of a committee of the Board.

3.7 Adjournment of Meeting. Any meeting of the Stockholders, whether or not a quorum is present, may be adjourned or recessed from time to time to some other

time by the chairman of the meeting. When the chairman of the meeting or the Stockholders adjourn a meeting to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Stockholders may transact any business which they may have transacted at the original meeting. If the adjournment is for more than 30 days or, if after the adjournment, the Board or a committee of the Board fixes a new record date for the adjourned meeting, the Board or a committee of the Board shall give notice of the adjourned meeting to each Stockholder of record entitled to vote at the meeting.

- 3.8 Quorum. Except as otherwise required by law, the holders of a majority of all of the shares of the stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for all purposes at any meeting of the Stockholders. In the absence of a quorum at any meeting or any adjournment thereof, the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn such meeting to another place, date or time. If the chairman of the meeting gives notice of any adjourned special meeting of Stockholders to all Stockholders entitled to vote thereat, stating that the minimum percentage of Stockholders for a quorum as provided by Delaware law shall constitute a quorum, then, except as otherwise required by law, that percentage at such adjourned meeting shall constitute a quorum and a majority of the votes cast at such meeting shall determine all matters.

- 3.9 Organization. Such person as the Board may have designated or, in the absence of such a person, the highest ranking officer of the Corporation who is present shall call to order any meeting of the Stockholders, determine the presence of a quorum, and act as chairman of the meeting. In the absence of the Secretary or an Assistant Secretary of the Corporation, the chairman shall appoint someone to act as the secretary of the meeting.
- 3.10 Conduct of Business. The chairman of any meeting of Stockholders shall determine the order of business and the rules, regulations and procedures for the conduct at the meeting, including such regulations of the manner of voting and the conduct of discussion as he deems in order.
- 3.11 List of Stockholders. At least 10 days before every meeting of Stockholders, the Secretary shall prepare a list of the Stockholders entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. The Corporation shall make the list available for examination by any Stockholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting will take place or at the place designated in the notice of the meeting.

The Secretary shall produce and keep the list at the time and place of the meeting during the entire duration of the meeting, and any Stockholder who is present may inspect the list at the meeting. The list shall constitute presumptive

proof of the identity of the Stockholders entitled to vote at the meeting and the number of shares each Stockholder holds.

A determination of Stockholders entitled to vote at any meeting of Stockholders pursuant to this Section shall apply to any adjournment thereof.

- 3.12 Fixing of Record Date. For the purpose of determining Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or Stockholders entitled to receive payment of any dividend, or in order to make a determination of Stockholders for any other proper purpose, the Board or a committee of the Board may fix in advance a date as the record date for any such determination of Stockholders. However, the Board shall not fix such date, in any case, more than 60 days nor less than 10 days prior to the date of the particular action. If the Board or a committee of the Board does not fix a record date for the determination of Stockholders entitled to notice of or to vote at a meeting of Stockholders, the record date shall be at the close of business on the day next preceding the day on which notice is given or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held or the date on which the Board adopts the resolution declaring a dividend.
- 3.13 Voting of Shares. Each Stockholder shall have one vote for every share of stock having voting rights registered in his name on the record date for the meeting. The Corporation shall not have the right to vote treasury stock of the Corporation, nor shall another corporation have the right to vote its stock of the Corporation if the Corporation holds, directly or indirectly, a majority of the shares entitled to

vote in the election of directors of such other corporation. Persons holding stock of the Corporation in a fiduciary capacity shall have the right to vote such stock. Persons who have pledged their stock of the Corporation shall have the right to vote such stock unless in the transfer on the books of the Corporation the pledgor expressly empowered the pledgee to vote such stock. In that event, only the pledgee, or his proxy, may represent such stock and vote thereon.

A plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote shall determine all elections and, except when the law or Certificate of Incorporation requires otherwise, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on such matter shall determine all other matters.

Where a separate vote by a class or classes is required, a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and the affirmative vote of the majority of shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class.

The Stockholders may vote by voice vote on all matters. Upon demand by a Stockholder entitled to vote, or his proxy, the Stockholders shall vote by ballot. In that event, each ballot shall state the name of the Stockholder or proxy voting, the number of shares voted and such other information as the Corporation may require under the procedure established for the meeting.

- 3.14 Inspectors. At any meeting in which the Stockholders vote by ballot, the chairman may appoint one or more inspectors. Each inspector shall take and sign an oath to execute the duties of inspector at such meeting faithfully, with strict impartiality, and according to the best of his ability. The inspectors shall ascertain the number of shares outstanding and the voting power of each; determine the shares represented at a meeting and the validity of proxies and ballots; count all votes and ballots; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The certification required herein shall take the form of a subscribed, written report prepared by the inspectors and delivered to the Secretary of the Corporation. An inspector need not be a Stockholder of the Corporation, and any officer of the Corporation may be an inspector on any question other than a vote for or against a proposal in which he has a material interest.
- 3.15 Proxies. A Stockholder may exercise any voting rights in person or by his proxy appointed by an instrument in writing, which he or his authorized attorney-in-fact has subscribed and which the proxy has delivered to the secretary of the meeting pursuant to the manner prescribed by law.

A proxy is not valid after the expiration of three years after the date of its execution, unless the person executing it specifies thereon the length of time for which it is to continue in force (which length may exceed three years) or limits its use to a particular meeting. Each proxy is irrevocable if it expressly states that it

is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power.

The attendance at any meeting of a Stockholder who previously has given a proxy shall not have the effect of revoking the same unless he notifies the Secretary in writing prior to the voting of the proxy.

ARTICLE 4.

BOARD OF DIRECTORS

- 4.1 General Powers. The Board shall manage the property, business and affairs of the Corporation.
- 4.2 Number. The number of directors who shall constitute the Board shall equal not less than one nor more than 15, as the Board may determine by resolution from time to time.
- 4.3 Classification. The Board of Directors shall be divided into classes pursuant to the terms and provisions of the Certificate of Incorporation.
- 4.4 Election of Directors and Term of Office. The Stockholders of the Corporation shall elect the directors up for election at the annual or adjourned annual meeting (except as otherwise provided herein for the filling of vacancies). Each director shall hold office until his death, resignation, retirement, removal, or disqualification, or until his successor shall have been elected and qualified.
- 4.5 Resignations. Any director of the Corporation may resign at any time by giving written notice to the Board or to the Secretary of the Corporation. Any resignation shall take effect upon receipt or at the time specified in the notice.

Unless the notice specifies otherwise, the effectiveness of the resignation shall not depend upon its acceptance.

- 4.6 Removal. Stockholders holding a majority of the outstanding shares entitled to vote at an election of directors may remove any director at any time but only for cause.
- 4.7 Vacancies. A majority of the remaining directors, although less than a quorum, or a sole remaining director may fill any vacancy on the Board, whether because of death, resignation, disqualification, an increase in the number of directors, or any other cause. Any director elected to fill a vacancy shall hold office until his death, resignation, retirement, removal, or disqualification, or until his successor shall have been elected and qualified.
- 4.8 Chairman and Vice Chairman of the Board. At the initial and annual meeting of the Board, the directors may elect from their number a Chairman of the Board of Directors. The Chairman shall preside at all meetings of the Board and shall perform such other duties as the Board may direct. The Board also may elect a Vice Chairman and other officers of the Board, with such powers and duties as the Board may designate from time to time. The Vice Chairman shall assume the duties of the Chairman, including presiding at all meetings of the Board, in his absence. The Chairman shall set the agendas at the meetings of the Board in consultation with the Vice Chairman and the Chief Executive Officer.
- 4.9 Compensation. The Board may compensate directors for their services and may provide for the payment of all expenses the directors incur by attending meetings of the Board or otherwise.

ARTICLE 5.

MEETINGS OF DIRECTORS

- 5.1 Regular Meetings. The Board may hold regular meetings at such places, dates and times as the Board shall establish by resolution. If any day fixed for a meeting falls on a legal holiday, the Board shall hold the meeting at the same place and time on the next succeeding business day. The Board need not give notice of regular meetings.
- 5.2 Place of Meetings. The Board may hold any of its meetings in or out of the State of Delaware, at such places as the Board may designate, at such places as the notice or waiver of notice of any such meeting may designate, or at such places as the persons calling the meeting may designate.
- 5.3 Meetings by Telecommunications. The Board or any committee of the Board may hold meetings by means of conference telephone or similar telecommunications equipment that enable all persons participating in the meeting to hear each other. Such participation shall constitute presence in person at such meeting.
- 5.4 Special Meetings. The Chairman of the Board, the Vice Chairman, the Chief Executive Officer or one-half of the directors then in office may call a special meeting of the Board. The person or persons authorized to call special meetings of the Board may fix any place, either in or out of the State of Delaware as the place for the meeting.
- 5.5 Notice of Special Meetings. The person or persons calling a special meeting of the Board shall give written notice to each director of the time, place, date and

purpose of the meeting of not less than three business days if by mail and not less than 24 hours if by electronic transmission or in person before the date of the meeting. If mailed, notice is given on the date deposited in the United States mail, postage prepaid, to such director. A director may waive notice of any special meeting, and any meeting shall constitute a legal meeting without notice if all the directors are present or if those not present sign either before or after the meeting a written waiver of notice, a consent to such meeting, or an approval of the minutes of the meeting. A notice or waiver of notice need not specify the purposes of the meeting or the business which the Board will transact at the meeting.

- 5.6 Waiver by Presence. Except when expressly for the purpose of objecting to the legality of a meeting, a director's presence at a meeting shall constitute a waiver of notice of such meeting.
- 5.7 Quorum. A majority of the directors then in office shall constitute a quorum for all purposes at any meeting of the Board. In the absence of a quorum, a majority of directors present at any meeting may adjourn the meeting to another place, date or time without further notice. No proxies shall be given by directors to any person for purposes of voting or establishing a quorum at a directors meeting.
- 5.8 Conduct of Business. The Board shall transact business in such order and manner as the Board may determine. Except as the law requires otherwise, the Board shall determine all matters by vote of a majority of the directors present at a meeting at which a quorum is present. The directors shall act as a Board, and the individual directors shall have no power as such.

5.9 Action by Consent. The Board or a committee of the Board may take any required or permitted action without a meeting if all members of the Board or committee consent thereto in writing and file such consent with the minutes of the proceedings of the Board or committee.

ARTICLE 6.

COMMITTEES

6.1 Committees of the Board. The Board may designate, by a vote of a majority of the directors then in office, committees of the Board. The committees shall serve at the pleasure of the Board and shall possess such lawfully delegable powers and duties as the Board may confer.

6.2 Selection of Committee Members. The Board shall elect by a vote of a majority of the directors then in office a director or directors to serve as the member or members of a committee. By the same vote, the Board may designate other directors as alternate members who may replace any absent or disqualified member at any meeting of a committee. In the absence or disqualification of any member of any committee and any alternate member in his place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may appoint by unanimous vote another member of the Board to act at the meeting in the place of the absent or disqualified member.

6.3 Conduct of Business. Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as the law or these Bylaws require otherwise. Each committee shall make

adequate provision for notice of all meetings to members. A majority of the members of the committee shall constitute a quorum, unless the committee consists of one or two members. In that event, one member shall constitute a quorum. A majority vote of the members present shall determine all matters. A committee may take action without a meeting if all the members of the committee consent in writing and file the consent or consents with the minutes of the proceedings of the committee.

6.4 Authority. Any committee, to the extent the Board provides, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the affixation of the Corporation's seal to all instruments which may require or permit it. However, no committee shall have any power or authority with regard to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the Stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the Stockholders a dissolution of the Corporation or a revocation of a dissolution of the Corporation, or amending these Bylaws of the Corporation. Unless a resolution of the Board expressly provides, no committee shall have the power or authority to declare a dividend, to authorize the issuance of stock, or to adopt a certificate of ownership and merger.

6.5 Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

ARTICLE 7

OFFICERS

- 7.1 Officers of the Corporation. The officers of the Corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such Vice Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board may designate and elect from time to time, including a Chief Financial Officer and a Chief Operating Officer. The same person may hold at the same time any two or more offices.
- 7.2 Election and Term. The Board shall elect the officers of the Corporation. Each officer shall hold office until his death, resignation, retirement, removal or disqualification, or until his successor shall have been elected and qualified.
- 7.3 Compensation of Officers. The Board shall fix the compensation of all officers of the Corporation. No officer shall serve the Corporation in any other capacity and receive compensation, unless the Board authorizes the additional compensation.
- 7.4 Removal of Officers and Agents. The Board may remove any officer or agent it has elected or appointed at any time, with or without cause.
- 7.5 Resignation of Officers and Agents. Any officer or agent the Board has elected or appointed may resign at any time by giving written notice to the Board, the Chairman of the Board, the Vice Chairman, the Chief Executive Officer, or the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified. Unless otherwise specified in the notice, the Board need not accept the resignation to make it effective.

- 7.6 Bond. The Board may require by resolution any officer, agent, or employee of the Corporation to give bond to the Corporation, with sufficient sureties conditioned on the faithful performance of the duties of his respective office or agency. The Board also may require by resolution any officer, agent or employee to comply with such other conditions as the Board may require from time to time.
- 7.7 Chief Executive Officer. The Chief Executive Officer shall be the principal executive officer of the Corporation and, subject to the Board's control, shall supervise, direct and have general charge and control over all of the business, property and affairs of the Corporation. The Chief Executive Officer shall also be responsible for driving the strategic objectives of the Corporation, subject to the authority of the Board. Except as may be specified by the Board, the Chief Executive Officer shall have the power to enter into contracts and make commitments on behalf of the Corporation and shall have the right to execute deeds, mortgages, bonds, contracts and other instruments necessary or proper to be executed in connection with the Corporation's regular business and may authorize any other officer of the Corporation, to sign, execute and acknowledge such documents and instruments in his place and stead. However, the Chief Executive Officer shall not sign any instrument which the law, these Bylaws, or the Board expressly require some other officer or agent of the Corporation to sign and execute. In general, the Chief Executive Officer shall perform all duties incident to the office of the Corporation's principal executive officer and such other duties as the Board may prescribe from time to time.

- 7.8 President. The President shall be an executive officer reporting on a straight line to the Chief Executive Officer. The President shall have such authority as designated by the Chief Executive Officer or the Board and shall otherwise assist the Chief Executive Officer in the supervision, direction and active management of the business, property and affairs of the Corporation. In the absence of the Chief Executive Officer or in the event of his death, inability of refusal to act, the President, unless the Board determines otherwise, shall perform the duties of the Chief Executive Officer.
- 7.9 Vice Presidents. A Vice President shall perform such duties as the Chief Executive Officer or the Board may assign to him from time to time.
- 7.10 Secretary. The Secretary shall (a) keep the minutes of the meetings of the Stockholders and of the Board in one or more books for that purpose, (b) give all notices which these Bylaws or the law requires, (c) serve as custodian of the records and seal of the Corporation, (d) affix the seal of the Corporation to all documents which the Board has authorized execution on behalf of the Corporation under seal, (e) maintain a register of the address of each Stockholder of the Corporation, (f) sign, with the Chief Executive Officer, President, a Vice President, or any other officer or agent of the Corporation which the Board has authorized, certificates for shares of the Corporation, (g) have charge of the stock transfer books of the Corporation, and (h) perform all duties which the Chief Executive Officer or the Board may assign to him from time to time.
- 7.11 Assistant Secretaries. In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries in the order of their length of

service as Assistant Secretary, unless the Board determines otherwise, shall perform the duties of the Secretary. When acting as the Secretary, an Assistant Secretary shall have the powers and restrictions of the Secretary. An Assistant Secretary shall perform such other duties as the Chief Executive Officer, Secretary or Board may assign from time to time.

7.12 Treasurer. The Treasurer (or if there is one, the Chief Financial Officer) shall (a) have responsibility for all funds and securities of the Corporation, (b) receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, (c) deposit all moneys in the name of the Corporation in depositories which the Board selects, and (d) perform all of the duties which the Chief Executive Officer or the Board may assign to him from time to time.

7.13 Assistant Treasurers. In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as Assistant Treasurer, unless the Board determines otherwise, shall perform the duties of the Treasurer. When acting as the Treasurer, an Assistant Treasurer shall have the powers and restrictions of the Treasurer. An Assistant Treasurer shall perform such other duties as the Treasurer, the Chief Executive Officer, or the Board may assign to him from time to time.

7.14 Delegation of Authority. Notwithstanding any provision of these Bylaws to the contrary, the Board may delegate the powers or duties of any officer to any other officer or agent.

7.15 Action with Respect to Securities of Other Corporations. Unless the Board directs otherwise, the Chief Executive Officer shall have the power to vote and otherwise

act on behalf of the Corporation, in person or by proxy, at any meeting of Stockholders of or with respect to any action of Stockholders of any other corporation in which the Corporation holds securities. Furthermore, unless the Board directs otherwise, the Chief Executive Officer shall exercise any and all rights and powers which the Corporation possesses by reason of its ownership of securities in another corporation.

7.16 Vacancies. The Board may fill any vacancy in any office because of death, resignation, removal, disqualification or any other cause in the manner which these Bylaws prescribe for the regular appointment to such office.

ARTICLE 8.

CONTRACTS, LOANS, DRAFTS, DEPOSITS AND ACCOUNTS

8.1 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. The Board may make such authorization general or special.

8.2 Loans. Unless the Board has authorized such action, no officer or agent of the Corporation shall contract for a loan on behalf of the Corporation or issue any evidence of indebtedness in the Corporation's name.

8.3 Drafts. The Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, and such other persons as the Board shall determine shall issue all checks, drafts and other orders for the payment of money, notes and other evidences of indebtedness issued in the name of or payable by the Corporation.

8.4 Deposits. The Treasurer shall deposit all funds of the Corporation not otherwise employed in such banks, trust companies, or other depositories as the Board may select or as any officer, assistant, agent or attorney of the Corporation to whom the Board has delegated such power may select. For the purpose of deposit and collection for the account of the Corporation, the Chief Executive Officer, the President or the Treasurer (or any other officer, assistant, agent or attorney of the Corporation whom the Board has authorized) may endorse, assign and deliver checks, drafts and other orders for the payment of money payable to the order of the Corporation.

8.5 General and Special Bank Accounts. The Board may authorize the opening and keeping of general and special bank accounts with such banks, trust companies, or other depositories as the Board may select or as any officer, assistant, agent or attorney of the Corporation to whom the Board has delegated such power may select. The Board may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these Bylaws, as it may deem expedient.

ARTICLE 9.

CERTIFICATES FOR SHARES AND THEIR TRANSFER

9.1 Certificates for Shares. Every owner of stock of the Corporation shall have the right to receive a certificate or certificates, certifying to the number and class of shares of the stock of the Corporation which he owns. The Board shall determine the form of the certificates for the shares of stock of the Corporation. The Secretary, transfer agent, or registrar of the Corporation shall number the

certificates representing shares of the stock of the Corporation in the order in which the Corporation issues them. The President or any Vice President and the Secretary or any Assistant Secretary shall sign the certificates in the name of the Corporation. Any or all certificates may contain facsimile signatures. In case any officer, transfer agent, or registrar who has signed a certificate, or whose facsimile signature appears on a certificate, ceases to serve as such officer, transfer agent, or registrar before the Corporation issues the certificate, the Corporation may issue the certificate with the same effect as though the person who signed such certificate, or whose facsimile signature appears on the certificate, was such officer, transfer agent, or registrar at the date of issue. The Secretary, transfer agent, or registrar of the Corporation shall keep a record in the stock transfer books of the Corporation of the names of the persons, firms or corporations owning the stock represented by the certificates, the number and class of shares represented by the certificates and the dates thereof and, in the case of cancellation, the dates of cancellation. The Secretary, transfer agent, or registrar of the Corporation shall cancel every certificate surrendered to the Corporation for exchange or transfer. Except in the case of a lost, destroyed, stolen or mutilated certificate, the Secretary, transfer agent, or registrar of the Corporation shall not issue a new certificate in exchange for an existing certificate until he has cancelled the existing certificate.

9.2 Transfer of Shares. A holder of record of shares of the Corporation's stock, or his attorney-in-fact authorized by power of attorney duly executed and filed with the Secretary, transfer agent or registrar of the Corporation, may transfer his shares

only on the stock transfer books of the Corporation. Such person shall furnish to the Secretary, transfer agent, or registrar of the Corporation proper evidence of his authority to make the transfer and shall properly endorse and surrender for cancellation his exiting certificate or certificates for such shares. Whenever a holder of record of shares of the Corporation's stock makes a transfer of shares for collateral security, the Secretary, transfer agent, or registrar of the Corporation shall state such fact in the entry of transfer if the transferor and the transferee request.

- 9.3 Lost Certificates. The Corporation may direct the Secretary, transfer agent, or registrar of the Corporation to issue a new certificate to any holder of record of shares of the Corporation's stock claiming that he has lost such certificate, or that someone has stolen, destroyed or mutilated such certificate, upon the receipt of an affidavit from such holder to such fact. When authorizing the issue of a new certificate, the Corporation, in its discretion may require as a condition precedent to the issuance that the owner of such certificate give the Corporation a bond of indemnity in such form and amount as the Board may direct.
- 9.4 Regulations. The Board may make such rules and regulations, not inconsistent with these Bylaws, as it deems expedient concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. The Board may appoint or authorize any officer or officers to appoint one or more transfer agents, or one or more registrars, and may require all certificates for stock to bear the signature or signatures of any of them.

9.5 Holder of Record. The Corporation may treat as absolute owners of shares the person in whose name the shares stand of record as if that person had full competency, capacity and authority to exercise all rights of ownership, despite any knowledge or notice to the contrary or any description indicating a representative, pledge or other fiduciary relation, or any reference to any other instrument or to the rights of any other person appearing upon its record or upon the share certificate. However, the Corporation may treat any person furnishing proof of his appointment as a fiduciary as if he were the holder of record of the shares.

9.6 Treasury Shares. Treasury shares of the Corporation shall consist of shares which the Corporation has issued and thereafter acquired but not retired. Treasury shares shall not carry voting or dividend rights.

ARTICLE 10.

INDEMNIFICATION

10.1 Actions Other Than by or In the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Stockholder, director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body, against expenses (including attorneys' fees),

judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not create, of itself, a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

10.2 Actions By or In the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Stockholder, director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Stockholder, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or as a member or any committee or similar body, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, except that the Corporation shall make no indemnification in

respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

- 10.3 Determination of Right to Indemnification. The Corporation shall not indemnify any person under Section 10.01 or Section 10.02, in the absence of a court order, unless authorized in the specific case upon a determination that the director, officer, employee or agent has met the applicable standard of conduct set forth in Section 10.01 or Section 10.02. One of the following shall make the determination: (a) the Board, by a majority vote of a quorum of directors not a party to the action, suit or proceeding; (b) absent a quorum or at the direction of a quorum of disinterested directors, independent legal counsel, by a written opinion; or (c) the Stockholders.
- 10.4 Indemnification Against Expenses of Successful Party. Notwithstanding the other provisions of this Article 10, to the extent that a Stockholder, director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 10.01 or Section 10.02 of these Bylaws, or in defense of any claim, issue or matter therein, the Corporation shall indemnify him against expenses (including

attorneys' fees) which he actually and reasonably has incurred in connection therewith.

- 10.5 Advance of Expenses. If the Corporation ultimately determines that the Corporation should not indemnify any person pursuant to the provisions of this Article 10, the Corporation nevertheless may pay his expenses incurred in defending an action or proceeding in advance of the final disposition of such action or proceeding upon specific authorization by the Board and upon his delivery to the Board of an undertaking to repay such amount.
- 10.6 Other Rights and Remedies. The indemnification provided by this Article 10 shall not be deemed exclusive and is declared expressly to be nonexclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of Stockholders or disinterested directors or otherwise, both as to actions in his official capacity and as to actions in another capacity while holding such office. In addition, the indemnification, provided by this Article 10 shall continue as to any person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.
- 10.7 Insurance. Upon resolution passed by the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Stockholder, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body, against any liability asserted against him and

incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provision of this Article 10.

- 10.8 Constituent Corporations. For the purposes of this Article 10, references to “the Corporation” include in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body, shall stand in the same position under the provisions of this Article 10 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its existence had continued.
- 10.9 Other Insurance. The Corporation shall reduce the amount of the indemnification of any person pursuant to the provisions of this Article 10 by the amount which such person collects as indemnification (a) under any policy of insurance which the Corporation purchased and maintained on his behalf or (b) from another corporation, partnership, joint venture, trust or other enterprise.
- 10.10 Public Policy. Nothing contained in this Article 10, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is

contrary to law, either as a matter of public policy, or under the provisions of the Federal Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or any other applicable state or Federal law.

ARTICLE 11.

TAKEOVER OFFERS

In the event the Corporation receives a takeover offer, the Board of Directors shall consider all relevant factors in evaluating such offer, including, but not limited to, the terms of the offer, and the potential economic and social impact of such offer on the Corporation's Stockholders, employees, customers, creditors and community in which it operates.

ARTICLE 12.

NOTICES

12.1 General. Whenever these Bylaws require notice to any Stockholder, director, officer or agent, such notice does not mean personal notice. A person may give effective notice under these Bylaws in every case by depositing a writing in a post office or letter box in a postpaid, sealed wrapper, or by dispatching a prepaid telegram or an electronic transmission (in the case of a Stockholder to the extent such Stockholder has consented to receive such notice by electronic transmission) addressed to such Stockholder, director, officer or agent at his address on the books of the Corporation. Unless these Bylaws expressly provide to the contrary, the time when the person sends notice shall constitute the time of the giving of notice.

12.2 Waiver of Notice. Whenever the law or these Bylaws require notice, the person entitled to said notice may waive such notice in writing, either before or after the time stated therein.

ARTICLE 13.

MISCELLANEOUS

13.1 Facsimile Signatures. In addition to the use of facsimile signatures which these Bylaws specifically authorize, the Corporation may use such facsimile signatures of any officer or officers, agents or agent, of the Corporation as the Corporation may authorize.

13.2 Corporate Seal. The Board may provide for a suitable seal containing the name of the Corporation, of which the Secretary shall be in charge. The Treasurer, any Assistant Secretary, or any Assistant Treasurer may keep and use the seal or duplicates of the seal if and when the Board or a committee of the Board so directs.

13.3 Fiscal Year. The Board shall have the authority to fix and change the fiscal year of the Corporation.

ARTICLE 14.

AMENDMENTS

Subject to the provisions of the Certificate of Incorporation, the Stockholders or the Board may amend or repeal these Bylaws at any meeting.

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Rick L. Wessel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FirstCash, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: April 26, 2021

/s/ Rick L. Wessel
Rick L. Wessel
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT**

I, R. Douglas Orr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FirstCash, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: April 26, 2021

/s/ R. Douglas Orr

R. Douglas Orr

Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of FirstCash, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Rick L. Wessel, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 26, 2021

/s/ Rick L. Wessel
Rick L. Wessel
Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of FirstCash, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, R. Douglas Orr, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 26, 2021

/s/ R. Douglas Orr
R. Douglas Orr
Chief Financial Officer