

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

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

April 23, 2019
(Date of Report - Date of Earliest Event Reported)



FIRSTCASH, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-10960
(Commission
File Number)

75-2237318
(IRS Employer
Identification No.)

1600 West 7th Street, Fort Worth, Texas 76102
(Address of principal executive offices, including zip code)

(817) 335-1100
(Registrant's telephone number, including area code)

NONE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On April 24, 2019, FirstCash, Inc. (the “Company”) issued a press release announcing its financial results for the three month period ended March 31, 2019 and the Board of Directors’ declaration of a second quarter cash dividend of \$0.25 per common share (the “Earnings Release”). The Earnings Release is attached hereto as Exhibit 99.1 and is incorporated by reference in its entirety into this Item 2.02.

The information provided in this Item 2.02, including the Earnings Release, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by the specific reference in such filing.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On April 23, 2019, the Company’s Board of Directors amended and restated the Company’s bylaws (the “Amended and Restated Bylaws”), effective immediately, primarily to update and enhance the Company’s advance notice bylaws with respect to director nominees and other business proposals. The Amended and Restated Bylaws amended the Company’s previous bylaws to, among other things:

- Update and enhance the advance notice and related procedural and disclosure requirements by which a stockholder may nominate a director for election at or propose other business in connection with meetings of stockholders. The amendments, among other things, require the stockholder to provide additional information regarding itself and the beneficial owner on whose behalf the nomination or proposal is made, their ownership of securities in the Company (including ownership of derivative securities), information regarding each candidate proposed to be nominated for election as a director, information regarding the proposed business to be brought before the meeting and other related information. Additionally, the stockholder must update or supplement its notice, if necessary, as of the record date for the meeting, and the stockholder (or a qualified representative) must appear at the meeting;
- Revise the deadlines by when a stockholder must notify the Company to nominate a director for election at or propose other business in connection with an annual meeting of stockholders. The amendments provide that to be timely such notice must be received by the Company no later than the ninetieth (90th) day nor earlier than the one hundred twentieth (120th) day prior to the anniversary of the date on which the Company filed its definitive proxy materials with the SEC for the prior year’s annual stockholders meeting. However, if 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 notice must be received no later than 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.
- Provide that the only business which may be conducted at a special meeting of the Company’s stockholders shall be the matters described in the notice of such meeting;
- Provide the chairman of any meeting of the Company’s stockholders the authority to adjourn or recess such meeting, whether or not a quorum is present; and

The Amended and Restated Bylaws also include additional immaterial modifications intended to update various provisions and to provide additional clarification and consistency. The foregoing description of the Amended and Restated Bylaws do not purport to be complete and are qualified in their entirety by reference to the Amended and Restated Bylaws that are attached hereto as Exhibit 3.1 and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

3.1 [Amended and Restated Bylaws](#)

99.1 [Press release, dated April 24, 2019, announcing the Company's financial results for the three month period ended March 31, 2019 and declaration of cash dividend](#)

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 24, 2019

FIRSTCASH, INC.

(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 and a statement whether such person, if elected, intends to tender, promptly following such person's election or reelection, an irrevocable resignation effective upon such person's failure to receive the required vote for reelection at the next meeting at which such person would face reelection and upon acceptance of such resignation by the Board, (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 nominee for director shall be elected to the Board by the vote of the majority of the votes cast, in person or by proxy, with respect to the director nominee at any meeting for the election of directors at which a quorum is present, provided that if as of a date that is fourteen (14) days in advance of the date the Corporation files its definitive proxy statement (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of a plurality of the shares present in person or represented by proxy at any such meeting and entitled to vote on the election of directors.

For purposes of this section, a majority of the votes cast means that the number of shares voted “for” a director nominee must exceed the number of votes cast against that director nominee. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee. Except when the law or Certificate of Incorporation requires otherwise, all other matters shall be decided by the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote thereon.

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.



**FirstCash Reports Record First Quarter Results;
Announces Acquisitions and Openings Totaling 164 Stores;
Declares Quarterly Dividend of \$0.25 per Share;
Increases 2019 Earnings Guidance**

Fort Worth, Texas (April 24, 2019) -- FirstCash, Inc. (the "Company") (Nasdaq: FCFS), the leading international operator of more than 2,600 retail pawn stores in the U.S. and four countries in Latin America, today announced operating results, including earnings per share and store additions, for the three month period ended March 31, 2019. The Company also announced an increase in its 2019 earnings guidance at both the top and bottom ends of its previous range by \$0.05 per share. Additionally, the Board of Directors declared a \$0.25 per share quarterly cash dividend.

Mr. Rick Wessel, chief executive officer, stated, "We reported strong first quarter performance driven by record revenue growth in Latin America and continued improvements in U.S. operating margins. A total of 128 stores were acquired in the quarter, primarily in Latin America where the Company also opened a record 36 de novo stores in three countries. With the addition of these 164 stores, we now have approximately 20,000 employees in over 2,600 locations as we continue to lay a foundation for continued long-term revenue and earnings growth."

This release contains adjusted earnings measures, which exclude merger and other acquisition expenses and certain non-cash foreign currency exchange gains and losses, which are non-GAAP financial measures. Please refer to the descriptions and reconciliations to GAAP of these and other non-GAAP financial measures at the end of this release.

In thousands, except per share amounts	Three Months Ended March 31,			
	As Reported (GAAP)		Adjusted (Non-GAAP)	
	2019	2018	2019	2018
Revenue	\$ 467,604	\$ 449,800	\$ 467,604	\$ 449,800
Net income	\$ 42,655	\$ 41,635	\$ 42,521	\$ 41,819
Diluted earnings per share	\$ 0.98	\$ 0.90	\$ 0.97	\$ 0.90
EBITDA (non-GAAP measure)	\$ 76,883	\$ 72,279	\$ 76,692	\$ 72,518
Weighted-average diluted shares	43,658	46,479	43,658	46,479

Earnings Highlights

- Diluted earnings per share increased 9% on a GAAP basis in the first quarter of 2019 compared to the first quarter of 2018, while increasing 8% on a non-GAAP adjusted basis.
- Net income for the first quarter of 2019 increased 2% compared to the first quarter of 2018 on both a GAAP and non-GAAP adjusted basis. EBITDA and adjusted EBITDA, which are non-GAAP financial measures, increased 6% in the first quarter of 2019 compared to the prior-year quarter.
- For the trailing twelve months ended March 31, 2019, consolidated revenues totaled \$1.8 billion, net income was \$154 million and adjusted EBITDA, a non-GAAP financial measure, totaled \$288 million.

- Cash flow from operating activities for the trailing twelve months ended March 31, 2019 totaled \$224 million, while adjusted free cash flow, a non-GAAP financial measure, was \$186 million for the twelve months ended March 31, 2019.
- Pre-tax profit margin for the first quarter of 2019 was 12.6% while the adjusted pre-tax profit margin, a non-GAAP financial measure, was 12.5%.
- Items which impacted the comparability of year-over-year earnings per share for the first quarter of 2019 included the following:
 - Further contraction in non-core consumer lending operations in 2019 negatively impacted earnings per share by approximately \$0.03 for the quarter as compared to the same prior-year period.
 - An increase in the effective tax rate to 27.5% for the first quarter of 2019, compared to 25.4% during the first quarter of 2018, negatively impacted comparative earnings per share by approximately \$0.03.
 - An increased step up in the level of administrative expenses in Latin America, due primarily to the extraordinary level of store growth over the past twelve months, negatively impacted comparable earnings per share by approximately \$0.04. As additional acquisition synergies begin to be realized in the latter part of the year, the Company believes the growth rate in administrative expenses will moderate.
 - The impact of a weaker Mexican peso in 2019 negatively impacted comparative dollar-denominated earnings per share by \$0.01.

Acquisition and Store Opening Highlights

- The Company completed four acquisitions during the first quarter of 2019, which added a total of 128 full-service pawn stores. The total purchase price of the acquisitions was \$24 million which included 118 former Prendamex franchise locations in central and southern Mexico and 10 full format locations in Texas.
- During the first quarter, the Company opened a record 36 new locations in Latin America, which included 24 stores in Mexico, 11 stores in Guatemala and one store in Colombia.
- In total, the Company opened and acquired 164 store locations across four countries during the first quarter of 2019.
- Over the twelve-month period ended March 31, 2019, the Company has added 469 locations, increasing its number of pawn stores 22%. Over 90% of the stores added in the last twelve months are located in Latin America.
- As of March 31, 2019, the Company operated 2,630 stores, with 1,530 stores in Latin America, representing 58% of the total store base, and 1,100 stores in the U.S. The Latin American locations include 1,462 stores in Mexico, 50 stores in Guatemala, 13 stores in El Salvador and five stores in Colombia while the U.S. stores are located in 24 states and the District of Columbia.
- In early April 2019, subsequent to quarter end, the Company completed three additional multi-store acquisitions adding a total of 18 stores, 10 of which are in Texas and eight in Mexico, which are not included in the first quarter totals above.

Note: Certain growth rates in "Latin America Operations" below are calculated on a constant currency basis, a non-GAAP financial measure defined at the end of this release and reconciled to the most comparable GAAP measures in the financial statements in this release. The average Mexican peso to U.S. dollar exchange rate for the three-month period ended March 31, 2019 was 19.2 pesos / dollar, an unfavorable change of 2% versus the comparable prior-year period.

Latin America Operations

- Revenues for the first quarter of 2019 totaled a record \$150 million, an increase of 22% on a U.S. dollar basis and 25% on a constant currency basis, as compared to the first quarter of 2018.
- Core pawn revenues, which are composed of pawn fees and retail merchandise sales, increased 20% for the quarter on a U.S. dollar basis, driven by a 29% increase in pawn fees and a 16% increase in retail sales compared to the prior-year quarter. On a constant currency basis, core pawn revenues for the quarter increased 23% with pawn fees and retail merchandise sales increasing 32% and 19%, respectively, as compared to the prior-year quarter.
- Segment pre-tax operating income for the quarter increased 19%, or 21% on a constant currency basis, compared to the first quarter of 2018, driven by increased store additions and increased same-store revenues.
- Pre-tax segment margin for the first quarter of 2019 was 22% and consistent with the prior year despite the impacts of the significant acquisition activity last year and in the first quarter of 2019, the earnings drag from the increased pace of new store openings in 2019 and the discontinuance of non-core unsecured consumer lending products in Mexico in June of 2018.
- Pawn loans outstanding totaled a record \$112 million at March 31, 2019, an increase of 30% on a U.S. dollar translated basis and 38% on a constant currency basis versus the prior year. Same-store pawn loans at quarter end increased 3% on a U.S. dollar translated basis, while they increased 9% on a constant currency basis, compared to the same prior-year quarter.
- Despite a 2% decline in the value of the Mexican peso compared to the prior-year quarter, same-store core pawn revenues increased 1% on a U.S. dollar translated basis, consisting of a 5% increase in same-store pawn fees and flat same-store retail sales compared to the prior-year quarter. On a constant currency basis, same-store core pawn revenues increased 4%, composed of an 8% increase in same-store pawn fees and a 3% increase in same-store retail sales compared to the prior-year quarter.
- Segment retail margins increased to 37% in the first quarter, compared to 36% in the prior-year quarter, driven primarily by focused efforts on merchandise valuation and lending practices.
- Inventories at March 31, 2019 increased \$16 million to \$83 million compared to \$67 million a year ago. The increase was driven by the net addition of 425 pawn stores over the past twelve months and continued maturation of existing stores. As of March 31, 2019, inventories aged greater than one year remained extremely low at 1% and inventory turns in Latin America for the trailing twelve months ended March 31, 2019 remained strong at 3.8 times.
- Total store operating expenses increased 27% for the quarter, or 30% on a constant currency basis, due primarily to store additions. Same-store operating expenses increased only 2% in the first quarter of 2019, or 4% on a constant currency basis.

U.S. Operations

- Segment pre-tax operating income for the quarter increased 5% compared to the first quarter of 2018, driven primarily by increased pawn fees, retail margins and continued store-level expense reductions. The increase in the segment contribution was partially offset by an expected reduction in non-core consumer lending operating profits.
- Segment pre-tax operating margin improved to 21% for the first quarter of 2019 as compared to 20% in the prior-year quarter primarily due to improved retail margins, pawn loan fees and operating efficiencies.
- Total revenues for the first quarter were \$318 million, a decrease of 3% compared to the first quarter of 2018, and included the expected impact of a 30% decline, or \$5 million, in non-core consumer loan and credit services fees and a 23% decline, or \$7 million, in non-core scrap jewelry sales. Core revenues from pawn fees and retail sales increased by 1%.
- Net revenue (or gross profit) for the first quarter of 2019 increased 1%, despite the declines in non-core revenues. More importantly, net revenue from core pawn operations increased 3% compared to the prior-year quarter as a result of the continued improvements in retail sales margins and pawn yields as highlighted below.

- Retail sales margin increased to 37% for the quarter compared to 35% in the prior-year quarter. The increase in margins has been driven primarily by optimizing loan-to-value ratios and reduced aged inventory levels in the legacy Cash America stores. Despite continued growth of online retailing in general, the Company's retail sales, which are all store-generated, were flat compared to the first quarter of 2018 and same-store retail sales declined only 1% compared to the prior-year quarter.
- Pawn fees increased 2% and same-store pawn fee revenues increased 1% in the first quarter compared to the prior-year quarter as pawn yields improved by 3% quarter-over-quarter.
- Pawn loans outstanding at March 31, 2019 totaled \$234 million, a decrease of 1% in total and 3% on a same-store basis. The decrease was partially due to the continued focus on increasing the volume of direct purchases of goods from customers in the legacy Cash America stores, which resulted in a 21% increase in the percentage of such direct purchase transactions for the quarter as compared to the prior-year quarter.
- Inventories at March 31, 2019 declined \$12 million, or 7%, to \$175 million compared to \$188 million a year ago, primarily from strategic reductions in overall inventory levels. As of March 31, 2019, U.S. inventories aged greater than one year were 4%, which was an improvement over the 5% aged level in the prior-year comparable quarter.
- Inventory turns in the U.S. for the trailing twelve month period were 2.7 times, which represents the sixth sequential quarterly increase and compares to 2.5 times for the twelve month period ended March 31, 2018. Inventory turns in the U.S. are slower than in Latin America due to the larger jewelry component in the U.S. compared to a greater general merchandise inventory component in Latin America.
- Total store operating expenses for the quarter were flat, while on a same-store basis they declined 1% in the first quarter of 2019, primarily due to continued efforts to realize purchasing synergies and optimize labor efficiencies.

Consumer Lending Contraction and Asset Impairments

- As expected, U.S. consumer lending revenues declined \$5 million in the first quarter, or 30%, compared to the same quarter a year ago as the Company continues to de-emphasize consumer lending operations in light of increasing regulatory constraints and internet-based competition, with plans for further contraction in the future.
- As previously disclosed, the provisions of the Ohio Fairness in Lending Act (the "Ohio Act") passed in 2018 are to become effective on April 26, 2019 and are expected to significantly impact the consumer loan industry in Ohio. Once the Ohio Act becomes effective, the Company will continue to look for opportunities to service customers seeking loans. Any services offered will likely result in reduced revenues in the Ohio locations compared to the prior year. While most of the Company's Ohio stores also offer pawn products, the decrease or elimination of consumer lending revenue or other customer services could cause one-third or more of its Ohio stores to become unprofitable or inoperable. Further discussion of the projected results is provided in the "2019 Outlook" section of this release.

Cash Dividend and Stock Repurchases

- The Board of Directors declared a \$0.25 per share second quarter cash dividend on common shares outstanding, which will be paid on May 31, 2019 to stockholders of record as of May 15, 2019. Any future dividends are subject to approval by the Company's Board of Directors.
- During the first quarter, the Company repurchased 343,000 shares at an aggregate cost of \$29 million and an average per share cost of \$85.17, leaving \$114 million available for future repurchases under the current share repurchase programs. Future share repurchases are subject to expected liquidity, debt covenant restrictions and other relevant factors.
- Since the merger with Cash America in September 2016 and through the first quarter of 2019, the Company has repurchased a total of 5.3 million shares at an average repurchase price of \$74.83 per share, resulting in an 11% reduction from the number of shares outstanding immediately following the merger.

Liquidity and Return Metrics

- The Company generated \$224 million of cash flow from operations and \$186 million in adjusted free cash flow during the twelve months ended March 31, 2019 compared to \$248 million of cash flow from operations and \$259 million of adjusted free cash flow during the same prior-year period. Current period free cash flow includes the impact of accelerated store expansion activities, while the prior-year comparative amount included a \$21 million cash inflow from a non-recurring tax refund related to the merger and larger than normal cash inflows related to the liquidation of excess inventories in the legacy Cash America stores.
- The Company continues to maintain excellent liquidity ratios while funding share repurchases totaling \$198 million, dividends of \$41 million and acquisitions of \$133 million during the trailing twelve months ended March 31, 2019. The net debt ratio, which is calculated using a non-GAAP financial measure, for the trailing twelve months ended March 31, 2019 was 1.8 to 1.
- On January 1, 2019, the Financial Accounting Standards Board's new lease accounting standard ("ASC 842") became effective requiring lessees to recognize a liability for the present value of future minimum lease payments (the lease liability) and an asset representing its right to use the underlying leased property for the lease term (the right of use asset). The adoption of ASC 842 resulted in a \$298 million right of use asset, an \$85 million current lease liability and a \$189 million non-current lease liability as of March 31, 2019. The adoption did not have a material impact to the consolidated statements of income, consolidated statements of cash flows or any of the Company's financial debt covenants.
- Return on assets for the trailing twelve months ended March 31, 2019 was 7.3%, while return on tangible assets was 14.4% for the same period, which compared to 7.4% and 13.5% returns, respectively, for the comparable prior-year period. The return on assets for the trailing twelve months ended March 31, 2019 was negatively impacted by the first-time inclusion of the right of use asset, arising from the implementation of ASC 842, which was not included on the balance sheet prior to January 1, 2019. Return on tangible assets is a non-GAAP financial measure and is calculated by excluding goodwill, intangible assets, net and the right of use asset from the respective return calculations.
- Return on equity was 11.5% for the trailing twelve months ended March 31, 2019, while return on tangible equity was 43.1%. This compares positively against returns of 10.4% and 28.5%, respectively, for the comparable prior-year period. Return on tangible equity is a non-GAAP financial measure and is calculated by excluding goodwill and intangible assets, net from the respective return calculations.

2019 Outlook

- The Company is raising its full-year 2019 guidance for diluted earnings per share to be in a range of \$3.80 to \$4.00 compared to the previous guidance of \$3.75 to \$3.95.
- The revised guidance range represents an increase of 8% to 13% over the prior-year adjusted earnings per share of \$3.53. As described below, the guidance for 2019 includes the impact of an expected net reduction in earnings from U.S. unsecured consumer lending operations of approximately \$0.25 to \$0.30 per share, a forecast foreign currency drag of approximately \$0.08 to \$0.10 per share and a \$0.04 to \$0.07 per share impact from a higher blended effective income tax rate. Excluding these impacts at their midpoint estimates, estimated earnings per share in 2019 would increase in a range of 20% to 25% compared to 2018.
- The estimate of expected earnings per share for 2019 includes the following assumptions:
 - An anticipated earnings drag of approximately \$0.25 to \$0.30 per share during 2019 primarily due to the impact of the Ohio Act and further strategic reductions in consumer lending operations outside of Ohio. The Company is currently modeling total consumer lending revenues for 2019 to be in a range of \$25 million to \$31 million, which represents a 45% to 56% reduction compared to 2018 consumer lending revenues. Consumer lending operations are expected to contribute less than 2% of total revenue in 2019.

- Given recent currency volatility and the potential for further volatility, the Company continues to use an estimated average foreign currency exchange rate of 20.0 Mexican pesos / U.S. dollar for the remainder of 2019 compared to the average exchange rate of 19.2 Mexican pesos / U.S. dollar for 2018. The projected change in the exchange rate represents an earnings headwind of approximately \$0.08 to \$0.10 per share for 2019 when compared to 2018 results. Each full Mexican peso change in the exchange rate to the U.S. dollar represents approximately \$0.10 to \$0.12 per share of annualized earnings impact.
- An expected blended effective income tax rate of between 26.5% and 27.5% for 2019. This represents an increase over the 2018 effective rate of 26.1% (adjusted for the \$1.5 million non-recurring tax benefit as a result of the Tax Act) due in part to the increasing share of earnings from Latin America, where corporate tax rates are higher, and an increase in certain non-deductible expenses resulting from the Tax Cuts and Jobs Act which combined represents an additional earnings headwind of approximately \$0.04 to \$0.07 per share as compared to 2018 results.
- Plans to open approximately 80 to 85 new full-service pawn stores in 2019 in Latin America, which includes targeted openings of 55 to 60 stores in Mexico and approximately 15 stores in Guatemala and 10 stores in Colombia. The Company is on target to open at least 30 full service pawn stores during the second quarter. The increased number of projected store openings in 2019 combined with the first half frontloading of new store openings will cause an expected additional drag to earnings of approximately \$0.02 to \$0.03 per share compared to last year. The Company expects to complete additional acquisitions in 2019, primarily in Latin America, which are not reflected in the guidance
- The Company expects to continue repurchasing shares in 2019, with a targeted shareholder payout ratio, which includes share repurchases and dividends, of approximately 100% of net income.

Additional Commentary and Analysis

Mr. Wessel further commented, “We are very pleased with the first quarter results highlighted by strong revenue and earnings growth in Latin America. Pawn receivables, a leading indicator of future revenue growth, increased an impressive 30% on a U.S. dollar basis and 38% on a local currency basis due to the store growth and strong same-store increases. On a same-store basis, pawn receivables grew 3% in U.S. dollars and 9% in local currency, representing a rapid rebound from slower growth rates experienced in the middle of 2018 due primarily to what we believe were macro factors related to the 2018 election cycle in Mexico.

“We now operate over 1,500 stores in four countries in Latin America, having grown the Latin America pawn store base by 38% over the past twelve months through a combination of acquisitions and new store openings in three countries. We believe there is meaningful long-term revenue and earnings upside in both the new and acquired stores.

“All of the stores acquired to date have been fully migrated onto the FirstPawn IT platform. While most of the Prendamex stores acquired over the past year are smaller footprint locations, we believe over time these stores have the opportunity to increase retail sales and margins through our superior point of sale system and other retail strategies. Additionally, as we look at the entire Latin American marketplace, we are optimistic about the potential for additional acquisitions.

“We are also excited about the increased pace of de novo, or new store, openings this year in Latin America. Last year, we opened 52 stores over the entire year. Our first quarter openings this year totaled 36 locations alone, and with 30 stores expected to open in the second quarter, we believe we are on track to open 80 to 85 locations for the full year. Our strategy is to front load the store openings this year to get them established before the fourth quarter holiday season and minimize distractions to our existing operations during our busiest season of the year.

“As expected, our U.S. operating results continue to improve as well, highlighted by growth in segment earnings despite expected declines in non-core consumer lending earnings. This marks the second sequential quarter we have posted an increase in same-store pawn fees. The increase in pawn fees is driven primarily by improving the quality of our pawn receivable portfolio and optimizing loan-to-value ratios, which has resulted in higher cash yields from the performing loans. Our focus on retail margins is also paying off with 37% retail margins during the quarter versus 35%

in the same prior-year period. Additionally, we continue to see opportunities to drive store level operating efficiencies with same-store operating expenses declining versus the same quarter a year ago.

“We believe that there are also additional opportunities to further expand U.S. operations, as evidenced by the announced acquisitions of 10 stores in Texas in the first quarter and an additional 10 stores in Texas in April. Although the U.S. remains an extremely fragmented market, we are focused on identifying strategic opportunities for tuck-in locations within our existing footprint, especially in states with favorable customer demographics and growing populations.

“Cash flows remain strong, as evidenced by a \$40 million reduction in outstanding debt during the quarter even after our investment of \$55 million in acquisitions, capital expenditures and store real estate and returning \$40 million to shareholders in the form of dividends and share repurchases. Over the trailing twelve months, these numbers are even more impressive with \$212 million in store investments and the return of \$240 million to shareholders which yields a 151% percent payout ratio.

“With these outstanding first quarter results, we are off to a great start in 2019. We have raised our full year earnings guidance despite additional short-term earnings drags from the front loading of our de novo store openings and additional administrative expenses in Latin America due to the significant acquisition activity over the past twelve months. We believe that we will begin to see even greater profitability growth in the latter part of the year as the de novo stores ramp revenues and we realize cost synergy opportunities in Latin America.

“In summary, we remain extremely optimistic about continued revenue growth, store expansion in multiple markets and further opportunities to improve margins. Coupled with our strong cash flows and commitment to shareholder returns, we believe that we are driving significant shareholder value,” concluded Mr. Wessel, chief executive officer.

About FirstCash

FirstCash is the leading international operator of pawn stores with more than 2,600 retail pawn and consumer lending locations in 24 U.S. states and the District of Columbia and in Latin America, which includes all the states in Mexico and the countries of Guatemala, El Salvador and Colombia. The Company employs approximately 20,000 people between the U.S. and Latin America. FirstCash focuses on serving cash and credit constrained consumers primarily through its retail pawn locations, which buy and sell a wide variety of jewelry, consumer electronics, tools, household appliances, sporting goods, musical instruments and other merchandise, and make small consumer pawn loans secured by pledged personal property. Approximately 98% of the Company’s revenues are from pawn operations.

FirstCash is a component company in both the **Standard & Poor’s SmallCap 600 Index®** and the **Russell 2000 Index®**. FirstCash’s common stock (ticker symbol “FCFS”) is traded on the Nasdaq, the creator of the world’s first electronic stock market. For additional information regarding FirstCash and the services it provides, visit FirstCash’s websites located at <http://www.firstcash.com> and <http://www.cashamerica.com>.

Forward-Looking Information

This release 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 “outlook,” “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 release. Such factors may include, without limitation, the risks, uncertainties and regulatory developments discussed and described in the Company’s 2018 annual report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on February 5, 2019, 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 release speak only as of the date of this release, 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.

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

	Three Months Ended	
	March 31,	
	2019	2018
Revenue:		
Retail merchandise sales	\$ 284,241	\$ 269,841
Pawn loan fees	141,192	129,793
Wholesale scrap jewelry sales	31,710	34,725
Consumer loan and credit services fees	10,461	15,441
Total revenue	467,604	449,800
Cost of revenue:		
Cost of retail merchandise sold	179,349	174,497
Cost of wholesale scrap jewelry sold	30,353	32,495
Consumer loan and credit services loss provision	2,103	3,727
Total cost of revenue	211,805	210,719
Net revenue	255,799	239,081
Expenses and other income:		
Store operating expenses ⁽¹⁾	146,852	138,348
Administrative expenses	32,154	28,002
Depreciation and amortization	9,874	11,283
Interest expense	8,370	6,198
Interest income	(204)	(981)
Merger and other acquisition expenses	149	239
(Gain) loss on foreign exchange ⁽¹⁾	(239)	213
Total expenses and other income	196,956	183,302
Income before income taxes	58,843	55,779
Provision for income taxes	16,188	14,144
Net income	\$ 42,655	\$ 41,635
Earnings per share:		
Basic	\$ 0.98	\$ 0.90
Diluted	\$ 0.98	\$ 0.90
Weighted-average shares outstanding:		
Basic	43,518	46,426
Diluted	43,658	46,479
Dividends declared per common share	\$ 0.25	\$ 0.22

⁽¹⁾ The loss on foreign exchange of \$0.2 million for the three months ended March 31, 2018 was reclassified on the consolidated statements of income in order to conform with the presentation for the three months ended March 31, 2019. The loss on foreign exchange was reclassified from store operating expenses and reported separately on the consolidated statements of income.

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

	March 31,		December 31,
	2019	2018	2018
ASSETS			
Cash and cash equivalents	\$ 49,663	\$ 110,408	\$ 71,793
Fees and service charges receivable	43,993	40,022	45,430
Pawn loans	345,200	322,625	362,941
Consumer loans, net	11,017	17,447	15,902
Inventories	257,803	254,298	275,130
Income taxes receivable	1,096	24	1,379
Prepaid expenses and other current assets	9,329	21,575	17,317
Total current assets	<u>718,101</u>	<u>766,399</u>	<u>789,892</u>
Property and equipment, net	276,397	234,126	251,645
Right of use asset ⁽¹⁾	298,167	—	—
Goodwill	932,773	844,516	917,419
Intangible assets, net	87,810	91,764	88,140
Other assets	10,927	54,392	49,238
Deferred tax assets	11,608	12,499	11,640
Total assets	<u>\$ 2,335,783</u>	<u>\$ 2,003,696</u>	<u>\$ 2,107,974</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Accounts payable and accrued liabilities	\$ 77,363	\$ 88,328	\$ 96,928
Customer deposits	40,055	35,692	35,368
Income taxes payable	7,484	12,266	749
Lease liability, current ⁽¹⁾	84,946	—	—
Total current liabilities	<u>209,848</u>	<u>136,286</u>	<u>133,045</u>
Revolving unsecured credit facility	255,000	83,000	295,000
Senior unsecured notes	296,053	295,400	295,887
Deferred tax liabilities	57,496	49,063	54,854
Lease liability, non-current ⁽¹⁾	188,970	—	—
Other liabilities	—	15,661	11,084
Total liabilities	<u>1,007,367</u>	<u>579,410</u>	<u>789,870</u>
Stockholders' equity:			
Preferred stock	—	—	—
Common stock	493	493	493
Additional paid-in capital	1,225,482	1,220,491	1,224,608
Retained earnings	638,574	525,847	606,810
Accumulated other comprehensive loss	(107,694)	(90,043)	(113,117)
Common stock held in treasury, at cost	(428,439)	(232,502)	(400,690)
Total stockholders' equity	<u>1,328,416</u>	<u>1,424,286</u>	<u>1,318,104</u>
Total liabilities and stockholders' equity	<u>\$ 2,335,783</u>	<u>\$ 2,003,696</u>	<u>\$ 2,107,974</u>

⁽¹⁾ The Company adopted ASC 842 prospectively as of January 1, 2019, using the transition method that required prospective application from the adoption date. As a result of the transition method used, ASC 842 was not applied to periods prior to adoption and the adoption of ASC 842 had no impact on the Company's comparative prior periods presented.

FIRSTCASH, INC.
OPERATING INFORMATION
(UNAUDITED)

The Company's reportable segments are as follows:

- Latin America operations - Includes all pawn and consumer loan operations in Latin America, which includes operations in Mexico, Guatemala, El Salvador and Colombia.
- U.S. operations - Includes all pawn and consumer loan operations in the U.S.

The Company provides revenues, cost of revenues, store operating expenses, pre-tax operating income and earning assets by segment. 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.

Latin America Operations Segment Results

The Company's management reviews and analyzes certain 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 scrap jewelry generated in Latin America is sold and settled in U.S. dollars, and therefore wholesale scrap jewelry sales revenue is not affected by foreign currency translation. A small percentage of the operating and administrative expenses in Latin America are also billed and paid in U.S. dollars, which are not affected by foreign currency translation. Amounts presented on a constant currency basis are denoted as such. See the "Constant Currency Results" section below for additional discussion of constant currency results.

FIRSTCASH, INC.
OPERATING INFORMATION (CONTINUED)
(UNAUDITED)

The following table details earning assets, which consist of pawn loans, inventories and consumer loans, net as well as other earning asset metrics of the Latin America operations segment as of March 31, 2019 as compared to March 31, 2018 (dollars in thousands, except as otherwise noted):

	As of March 31,		Increase / (Decrease)	Constant Currency Basis	
	<u>2019</u>	2018		<u>As of March 31, 2019 (Non-GAAP)</u>	Increase / (Decrease) (Non-GAAP)
Latin America Operations Segment					
Earning assets:					
Pawn loans	\$ 111,551	\$ 85,603	30 %	\$ 117,708	38 %
Inventories	82,567	66,772	24 %	87,133	30 %
Consumer loans, net ⁽¹⁾	—	363	(100)%	—	(100)%
	<u>\$ 194,118</u>	<u>\$ 152,738</u>	27 %	<u>\$ 204,841</u>	34 %
Average outstanding pawn loan amount					
(in ones)	\$ 68	\$ 67	1 %	\$ 72	7 %
Composition of pawn collateral:					
General merchandise	74%	81%			
Jewelry	26%	19%			
	<u>100%</u>	<u>100%</u>			
Composition of inventories:					
General merchandise	70%	75%			
Jewelry	30%	25%			
	<u>100%</u>	<u>100%</u>			
Percentage of inventory aged greater than one year					
	1%	1%			

⁽¹⁾ The Company discontinued offering an unsecured consumer loan product in Latin America, effective June 30, 2018.

FIRSTCASH, INC.
OPERATING INFORMATION (CONTINUED)
(UNAUDITED)

The following table presents segment pre-tax operating income of the Latin America operations segment for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018 (dollars in thousands):

	Three Months Ended		Increase / (Decrease)	Constant Currency Basis		
	March 31,			Increase / (Decrease)	Three Months Ended March 31, 2019 (Non-GAAP)	Increase / (Decrease) (Non-GAAP)
	2019	2018				
Latin America Operations Segment						
Revenue:						
Retail merchandise sales	\$ 97,426	\$ 83,789	16 %	\$ 99,872	19 %	
Pawn loan fees	43,316	33,551	29 %	44,399	32 %	
Wholesale scrap jewelry sales	8,925	5,268	69 %	8,925	69 %	
Consumer loan fees	—	402	(100)%	—	(100)%	
Total revenue	<u>149,667</u>	<u>123,010</u>	22 %	<u>153,196</u>	25 %	
Cost of revenue:						
Cost of retail merchandise sold	61,605	53,881	14 %	63,154	17 %	
Cost of wholesale scrap jewelry sold	9,083	4,842	88 %	9,306	92 %	
Consumer loan loss provision	—	83	(100)%	—	(100)%	
Total cost of revenue	<u>70,688</u>	<u>58,806</u>	20 %	<u>72,460</u>	23 %	
Net revenue	<u>78,979</u>	<u>64,204</u>	23 %	<u>80,736</u>	26 %	
Segment expenses:						
Store operating expenses ⁽¹⁾	42,968	33,965	27 %	44,008	30 %	
Depreciation and amortization	3,305	2,709	22 %	3,386	25 %	
Total segment expenses	<u>46,273</u>	<u>36,674</u>	26 %	<u>47,394</u>	29 %	
Segment pre-tax operating income	<u>\$ 32,706</u>	<u>\$ 27,530</u>	19 %	<u>\$ 33,342</u>	21 %	

⁽¹⁾ The loss on foreign exchange for the Latin America operations segment of \$0.2 million for the three months ended March 31, 2018 was reclassified on the consolidated statements of income in order to conform with the presentation for the three months ended March 31, 2019. The loss on foreign exchange was reclassified from store operating expenses and reported separately on the consolidated statements of income.

FIRSTCASH, INC.
OPERATING INFORMATION (CONTINUED)
(UNAUDITED)

U.S. Operations Segment Results

The following table details earning assets, which consist of pawn loans, inventories and consumer loans, net as well as other earning asset metrics of the U.S. operations segment as of March 31, 2019 as compared to March 31, 2018 (dollars in thousands, except as otherwise noted):

	As of March 31,		Increase / (Decrease)
	<u>2019</u>	<u>2018</u>	
U.S. Operations Segment			
Earning assets:			
Pawn loans	\$ 233,649	\$ 237,022	(1)%
Inventories	175,236	187,526	(7)%
Consumer loans, net	11,017	17,084	(36)%
	<u>\$ 419,902</u>	<u>\$ 441,632</u>	(5)%
Average outstanding pawn loan amount (in ones)	\$ 173	\$ 164	5 %
Composition of pawn collateral:			
General merchandise	34%	34%	
Jewelry	66%	66%	
	<u>100%</u>	<u>100%</u>	
Composition of inventories:			
General merchandise	42%	39%	
Jewelry	58%	61%	
	<u>100%</u>	<u>100%</u>	
Percentage of inventory aged greater than one year	4%	5%	

FIRSTCASH, INC.
OPERATING INFORMATION (CONTINUED)
(UNAUDITED)

The following table presents segment pre-tax operating income of the U.S. operations segment for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018 (dollars in thousands):

	Three Months Ended		Increase / (Decrease)
	2019	2018	
U.S. Operations Segment			
Revenue:			
Retail merchandise sales	\$ 186,815	\$ 186,052	— %
Pawn loan fees	97,876	96,242	2 %
Wholesale scrap jewelry sales	22,785	29,457	(23)%
Consumer loan and credit services fees	10,461	15,039	(30)%
Total revenue	<u>317,937</u>	<u>326,790</u>	(3)%
Cost of revenue:			
Cost of retail merchandise sold	117,744	120,616	(2)%
Cost of wholesale scrap jewelry sold	21,270	27,653	(23)%
Consumer loan and credit services loss provision	2,103	3,644	(42)%
Total cost of revenue	<u>141,117</u>	<u>151,913</u>	(7)%
Net revenue	<u>176,820</u>	<u>174,877</u>	1 %
Segment expenses:			
Store operating expenses	103,884	104,383	— %
Depreciation and amortization	5,045	5,555	(9)%
Total segment expenses	<u>108,929</u>	<u>109,938</u>	(1)%
Segment pre-tax operating income	<u>\$ 67,891</u>	<u>\$ 64,939</u>	5 %

FIRSTCASH, INC.
OPERATING INFORMATION (CONTINUED)
(UNAUDITED)

Consolidated Results of Operations

The following table reconciles pre-tax operating income of the Company's Latin America operations segment and U.S. operations segment discussed above to consolidated net income (in thousands):

	Three Months Ended	
	March 31,	
	<u>2019</u>	<u>2018</u>
Consolidated Results of Operations		
Segment pre-tax operating income:		
Latin America operations segment pre-tax operating income ⁽¹⁾	\$ 32,706	\$ 27,530
U.S. operations segment pre-tax operating income	67,891	64,939
Consolidated segment pre-tax operating income	<u>100,597</u>	<u>92,469</u>
Corporate expenses and other income:		
Administrative expenses	32,154	28,002
Depreciation and amortization	1,524	3,019
Interest expense	8,370	6,198
Interest income	(204)	(981)
Merger and other acquisition expenses	149	239
(Gain) loss on foreign exchange ⁽¹⁾	(239)	213
Total corporate expenses and other income	<u>41,754</u>	<u>36,690</u>
Income before income taxes	58,843	55,779
Provision for income taxes	<u>16,188</u>	<u>14,144</u>
Net income	<u>\$ 42,655</u>	<u>\$ 41,635</u>

⁽¹⁾ The loss on foreign exchange for the Latin America operations segment of \$0.2 million for the three months ended March 31, 2018 was reclassified on the consolidated statements of income in order to conform with the presentation for the three months ended March 31, 2019. The loss on foreign exchange was reclassified from store operating expenses and reported separately on the consolidated statements of income.

FIRSTCASH, INC.
STORE COUNT ACTIVITY

The following table details store count activity for the three months ended March 31, 2019:

	Pawn Locations ⁽¹⁾	Consumer Loan Locations	Total Locations
Latin America operations segment:			
Total locations, beginning of period	1,379	—	1,379
New locations opened	36	—	36
Locations acquired	118	—	118
Locations closed or consolidated	(3)	—	(3)
Total locations, end of period	<u>1,530</u>	<u>—</u>	<u>1,530</u>
U.S. operations segment:			
Total locations, beginning of period	1,077	17	1,094
Locations acquired	10	—	10
Locations closed or consolidated	(2)	(2)	(4)
Total locations, end of period	<u>1,085</u>	<u>15</u>	<u>1,100</u>
Total:			
Total locations, beginning of period	2,456	17	2,473
New locations opened	36	—	36
Locations acquired	128	—	128
Locations closed or consolidated	(5)	(2)	(7)
Total locations, end of period	<u>2,615</u>	<u>15</u>	<u>2,630</u>

⁽¹⁾ At March 31, 2019, 261 of the U.S. pawn stores, primarily located in Texas and Ohio, also offered consumer loans and/or credit services primarily as an ancillary product. This compares to 311 U.S. pawn locations which offered such products as of March 31, 2018.

FIRSTCASH, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO GAAP FINANCIAL MEASURES
(UNAUDITED)

The Company uses certain financial calculations such as adjusted net income, adjusted diluted earnings per share, adjusted pre-tax profit margin, adjusted net income margin, EBITDA, adjusted EBITDA, free cash flow, adjusted free cash flow, constant currency results, return on tangible assets and return on tangible equity 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 generally accepted accounting principles ("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 in 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 operating performance and because management believes they 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.

The Company has adjusted the applicable financial measures to exclude merger and other acquisition expenses because it generally would not incur such costs and expenses as part of its continuing operations. Merger and other 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 which results 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 due to the adoption of ASC 842 on January 1, 2019.

FIRSTCASH, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO GAAP FINANCIAL MEASURES (CONTINUED)
(UNAUDITED)

Adjusted Net Income, Adjusted Diluted Earnings Per Share, Adjusted Pre-Tax Profit Margin, Adjusted Net Income Margin, Return on Tangible Assets and Return on Tangible Equity

Management believes the presentation of adjusted net income, adjusted diluted earnings per share, adjusted pre-tax profit margin and adjusted net income margin 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. 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,			
	2019		2018	
	In Thousands	Per Share	In Thousands	Per Share
Net income and diluted earnings per share, as reported	\$ 42,655	\$ 0.98	\$ 41,635	\$ 0.90
Adjustments, net of tax:				
Merger and other acquisition expenses	104	—	184	—
Non-cash foreign currency gain related to lease liability	(238)	(0.01)	—	—
Adjusted net income and diluted earnings per share	\$ 42,521	\$ 0.97	\$ 41,819	\$ 0.90

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,					
	2019			2018		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Merger and other acquisition expenses	\$ 149	\$ 45	\$ 104	\$ 239	\$ 55	\$ 184
Non-cash foreign currency gain related to lease liability	(340)	(102)	(238)	—	—	—
Total adjustments	\$ (191)	\$ (57)	\$ (134)	\$ 239	\$ 55	\$ 184

FIRSTCASH, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO GAAP FINANCIAL MEASURES (CONTINUED)
(UNAUDITED)

The following table provides a calculation of the adjusted pre-tax profit margin and the adjusted net income margin (dollars in thousands):

	Three Months Ended	
	March 31,	
	2019	2018
Adjusted pre-tax profit margin calculated as follows:		
Income before income taxes, as reported	\$ 58,843	\$ 55,779
Merger and other acquisition expenses	149	239
Non-cash foreign currency gain related to lease liability	(340)	—
Adjusted income before income taxes	\$ 58,652	\$ 56,018
Total revenue	\$ 467,604	\$ 449,800
Adjusted pre-tax profit margin	<u>12.5%</u>	<u>12.5%</u>

The following table provides a calculation of return on tangible assets and return on tangible equity (dollars in thousands):

	March 31,	
	2019	2018
Return on tangible assets calculated as follows:		
Average total assets	\$ 2,114,715	\$ 2,069,216
Adjustments:		
Average goodwill	(891,620)	(836,844)
Average intangible assets, net	(89,315)	(96,366)
Average right of use asset	(59,633)	—
Average tangible assets	\$ 1,074,147	\$ 1,136,006
Net income for the trailing twelve months	\$ 154,226	\$ 152,882
Return on tangible assets	<u>14.4%</u>	<u>13.5%</u>
Return on tangible equity calculated as follows:		
Average stockholders' equity	\$ 1,338,516	\$ 1,469,193
Adjustments:		
Average goodwill	(891,620)	(836,844)
Average intangible assets, net	(89,315)	(96,366)
Average tangible equity	\$ 357,581	\$ 535,983
Net income for the trailing twelve months	\$ 154,226	\$ 152,882
Return on tangible equity	<u>43.1%</u>	<u>28.5%</u>

FIRSTCASH, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO GAAP FINANCIAL MEASURES (CONTINUED)
(UNAUDITED)

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		Trailing Twelve	
	March 31,		Months Ended	
	2019	2018	2019	2018
Net income	\$ 42,655	\$ 41,635	\$ 154,226	\$ 152,882
Income taxes	16,188	14,144	54,147	22,967
Depreciation and amortization	9,874	11,283	41,552	52,273
Interest expense	8,370	6,198	31,345	24,120
Interest income	(204)	(981)	(1,667)	(2,251)
EBITDA	<u>76,883</u>	<u>72,279</u>	<u>279,603</u>	<u>249,991</u>
Adjustments:				
Merger and other acquisition expenses	149	239	7,553	8,654
Non-cash foreign currency gain related to lease liability	(340)	—	(340)	—
Asset impairments related to consumer loan operations	—	—	1,514	—
Loss on extinguishment of debt	—	—	—	14,114
Adjusted EBITDA	<u>\$ 76,692</u>	<u>\$ 72,518</u>	<u>\$ 288,330</u>	<u>\$ 272,759</u>
Net debt ratio calculation:				
Total debt (outstanding principal)			\$ 555,000	\$ 383,000
Less: cash and cash equivalents			(49,663)	(110,408)
Net debt			<u>\$ 505,337</u>	<u>\$ 272,592</u>
Adjusted EBITDA			<u>\$ 288,330</u>	<u>\$ 272,759</u>
Net debt ratio (net debt divided by adjusted EBITDA)			<u>1.8:1</u>	<u>1.0:1</u>

FIRSTCASH, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO GAAP FINANCIAL MEASURES (CONTINUED)
(UNAUDITED)

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 pawn and consumer loans, 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 other acquisition expenses paid that management considers to be non-operating in nature.

The Company previously included store real property purchases as a component of purchases of property and equipment. Management considers the store real property purchases to be discretionary in nature and not required to operate or grow its pawn operations. To further enhance transparency of these distinct items, the Company now reports purchases of store real property and purchases of furniture, fixtures, equipment and improvements separately on the consolidated statements of cash flows. As a result, the current definitions of free cash flow and adjusted free cash flow differ from prior period definitions as they now exclude discretionary purchases of store real property and the Company has retrospectively applied the current definitions to prior-period results.

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	
	2019	2018	2019	2018
Cash flow from operating activities	\$ 71,697	\$ 91,316	\$ 223,810	\$ 247,808
Cash flow from investing activities:				
Loan receivables, net of cash repayments	42,216	56,220	(3,879)	29,766
Purchases of furniture, fixtures, equipment and improvements	(9,658)	(5,388)	(39,947)	(25,277)
Free cash flow	104,255	142,148	179,984	252,297
Merger and other acquisition expenses paid, net of tax benefit	104	1,568	5,608	6,425
Adjusted free cash flow	<u>\$ 104,359</u>	<u>\$ 143,716</u>	<u>\$ 185,592</u>	<u>\$ 258,722</u>

FIRSTCASH, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO GAAP FINANCIAL MEASURES (CONTINUED)
(UNAUDITED)

Constant Currency Results

The Company's reporting currency is the U.S. dollar. However, certain performance metrics discussed in this release 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 investors with 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, respectively. 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 elsewhere in this release for an additional reconciliation of certain constant currency amounts to as reported GAAP amounts.

The following table provides exchange rates for the Mexican peso, Guatemalan quetzal and Colombian peso for the current and prior-year periods:

	March 31,		
	2019	2018	Unfavorable
Mexican peso / U.S. dollar exchange rate:			
End-of-period	19.4	18.3	(6)%
Three months ended	19.2	18.8	(2)%
Guatemalan quetzal / U.S. dollar exchange rate:			
End-of-period	7.7	7.4	(4)%
Three months ended	7.7	7.4	(4)%
Colombian peso / U.S. dollar exchange rate:			
End-of-period	3,175	2,780	(14)%
Three months ended	3,137	2,859	(10)%

For further information, please contact:

Gar Jackson

Global IR Group

Phone: (817) 886-6998

Email: gar@globalirgroup.com

Doug Orr, Executive Vice President and Chief Financial Officer

Phone: (817) 258-2650

Email: investorrelations@firstcash.com

Website: investors.firstcash.com