

EZCORP INC
Form 10-Q
July 31, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2017

or

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

For the transition period from _____ to _____

Commission File No. 0-19424

EZCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware

74-2540145

(State or other jurisdiction of incorporation or organization)

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

2500 Bee Cave Road, Bldg One, Suite 200, Rollingwood, Texas 78746

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (512) 314-3400

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

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

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

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The only class of voting securities of the registrant issued and outstanding is the Class B Voting Common Stock, par value \$.01 per share, all of which is owned by an affiliate of the registrant. There is no trading market for the Class B Voting Common Stock.

As of July 26, 2017, 51,326,582 shares of the registrant's Class A Non-voting Common Stock ("Class A Common Stock"), par value \$.01 per share, and 2,970,171 shares of the registrant's Class B Voting Common Stock, par value \$.01 per share, were outstanding.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EZCORP, Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

	June 30, 2017	June 30, 2016	September 30, 2016
	(Unaudited)		
Assets:			
Current assets:			
Cash and cash equivalents	\$113,729	\$29,380	\$ 65,737
Pawn loans	168,262	160,269	167,329
Pawn service charges receivable, net	30,585	29,643	31,062
Inventory, net	135,053	130,368	140,224
Notes receivable, net	22,024	—	41,946
Current assets held for sale	—	157,554	—
Prepaid expenses and other current assets	31,993	26,577	35,845
Total current assets	501,646	533,791	482,143
Investment in unconsolidated affiliate	41,725	56,843	37,128
Property and equipment, net	53,022	61,201	58,455
Goodwill	254,469	254,273	253,976
Intangible assets, net	32,551	30,569	30,681
Non-current notes receivable, net	41,253	—	41,119
Deferred tax asset, net	36,506	34,170	35,303
Other assets, net	9,145	18,950	44,439
Total assets	\$970,317	\$989,797	\$ 983,244
Liabilities, temporary equity and equity:			
Current liabilities:			
Accounts payable, accrued expenses and other current liabilities	\$64,830	\$63,242	\$ 84,285
Current liabilities held for sale	—	130,261	—
Customer layaway deposits	11,091	11,201	10,693
Total current liabilities	75,921	204,704	94,978
Long-term debt, net	260,414	211,421	283,611
Other long-term liabilities	9,680	9,548	10,450
Total liabilities	346,015	425,673	389,039
Commitments and contingencies (Note 7)			
Temporary equity:			
Redeemable noncontrolling interest	—	(2,378)	—
Total temporary equity	—	(2,378)	—
Stockholders' equity:			
Class A Non-voting Common Stock, par value \$.01 per share; shares authorized: 100 million; issued and outstanding: 51,326,582 as of June 30, 2017; 51,019,332 as of June 30, 2016; and 51,129,144 as of September 30, 2016	513	510	511
Class B Voting Common Stock, convertible, par value \$.01 per share; shares authorized: 3 million; issued and outstanding: 2,970,171	30	30	30
Additional paid-in capital	322,559	316,565	318,723
Retained earnings	340,256	316,577	319,808

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Accumulated other comprehensive loss	(37,921) (66,974) (44,089)
EZCORP, Inc. stockholders' equity	625,437	566,708	594,983	
Noncontrolling interest	(1,135) (206) (778)
Total equity	624,302	566,502	594,205	
Total liabilities, temporary equity and equity	\$970,317	\$989,797	\$ 983,244	

See accompanying notes to unaudited interim condensed consolidated financial statements.