



PRA Group Q1 2025 Conference Call Presentation



Nasdaq: PRAA



Forward-Looking Statements

Statements in this presentation, other than statements of historical fact, are forward-looking statements, which are based on our current beliefs, projections, assumptions and expectations concerning future operations and financial performance. Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed or implied in this presentation.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation and are qualified in their entirety by these cautionary statements.

Information regarding risks and other factors that could cause our actual results to differ materially from our expectations can be found in our most recent Annual Report on Form 10-K and in subsequent SEC filings and should be considered when evaluating the forward-looking statements in this presentation. Except as required by law, we assume no obligation to update or revise these statements to reflect changes in the events, conditions, or circumstances upon which any such forward-looking statements are based.

Q1 2025 Highlights

Started 2025 with Momentum and Delivered Strong Results

Metric (\$ in M, except per share amounts)	Q1 2025	Q1 2024	Change
Portfolio Purchases	\$292	\$246	+19%
ERC ¹	\$7,805	\$6,498	+20%
Cash Collections	\$497	\$450	+11%
Cash Efficiency Ratio ²	60.8%	58.0%	+284 bps
Changes in Expected Recoveries	\$28	\$52	(46%)
Net Income Attributable to PRA Group, Inc.	\$4	\$3	+5%
Diluted EPS	\$0.09	\$0.09	-
Adjusted EBITDA ³	\$1,184	\$1,044	+13%
Debt to Adjusted EBITDA ³	2.93x	2.83x	+0.10x

- **Strong purchasing** led to record ERC
- **Double-digit cash collections growth** for fourth quarter in a row
- **Improved cash efficiency ratio**
- Net Income Attributable to PRA Group, Inc. reflects **moderated level of Changes in Expected Recoveries**
- Seventh consecutive quarter of sequential **adjusted EBITDA growth**

1. Estimated remaining collections (ERC) refers to the sum of all future projected cash collections on our nonperforming loan (NPL) portfolio. Figures are as of March 31, 2025 and March 31, 2024, respectively. 2. Cash efficiency ratio = (cash receipts – operating expenses)/cash receipts. 3. A reconciliation of net income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Adjusted EBITDA can be found at the end of this presentation.

Three Strategic Pillars to Enhanced Profitability

1

Optimizing Investments

Increase ERC and portfolio returns

- Higher investment levels in Europe in Q1, with attractive pricing globally
- Achieved record ERC of \$7.8 billion as of March 31, 2025

Latest Update

2

Operational Execution

Maximize cash collected per dollar invested

- Continued focus on reducing U.S. legal cycle times and optimizing post-judgment activities
- U.S. legal cash collections up 33% year-over-year to \$111 million in Q1

3

Managing Expenses

Optimize cost structure

- Completed consolidation of U.S. call centers from six sites to three
- Plans to grow offshore headcount at a more measured pace through 2025

Enhanced Profitability

- ✓ Higher portfolio returns
- ✓ Higher cash collections
- ✓ Lower marginal costs

Seamless Leadership Transition for Next Phase of Growth

Leveraging Successful European Playbook to Build on Three-Pillar Strategy

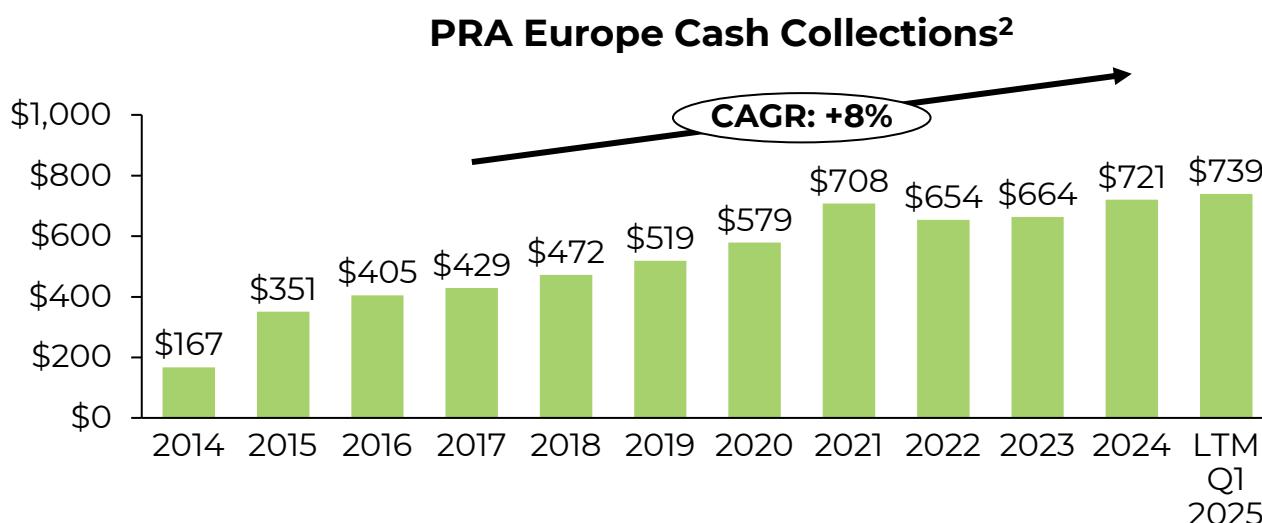
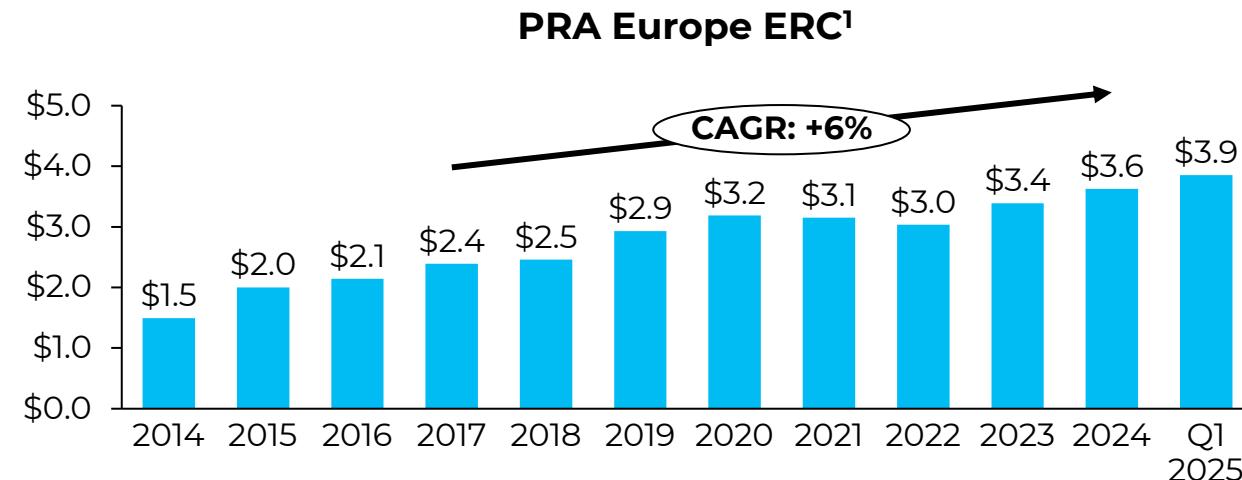


Martin Sjolund
Incoming President and CEO
effective June 17, 2025

- ✓ **13 years at PRA Group** (7 as President of PRA Group Europe)
 - ✓ Member of the senior leadership team, overseeing 15 of PRA Group's 18 markets
 - ✓ Member of the Global Investment Committee, reviewing all major investments
 - ✓ Key partner to U.S. business across multiple areas, including investment oversight and IT modernization
- ✓ Previously **COO of Europe, leading transformation of European business**
 - ✓ Implemented IT modernization, new contact management system, and enhanced data & analytics
 - ✓ Built out European leadership team
 - ✓ Optimized costs and enhanced profitability of European business
- ✓ **European playbook aligns well** with global three-pillar strategy
 - ✓ Outgoing CEO, Vik Atal, to serve as a senior advisor through year-end

PRA Europe

A Track Record of Consistent Growth



Optimizing Investments:

- Track record of disciplined investments with deep seller relationships
- Successfully purchased \$3B+ in portfolios while growing ERC at a CAGR of 6% over the last seven years

Operational Execution:

- Implemented common cloud platform and enhanced data & analytics capabilities

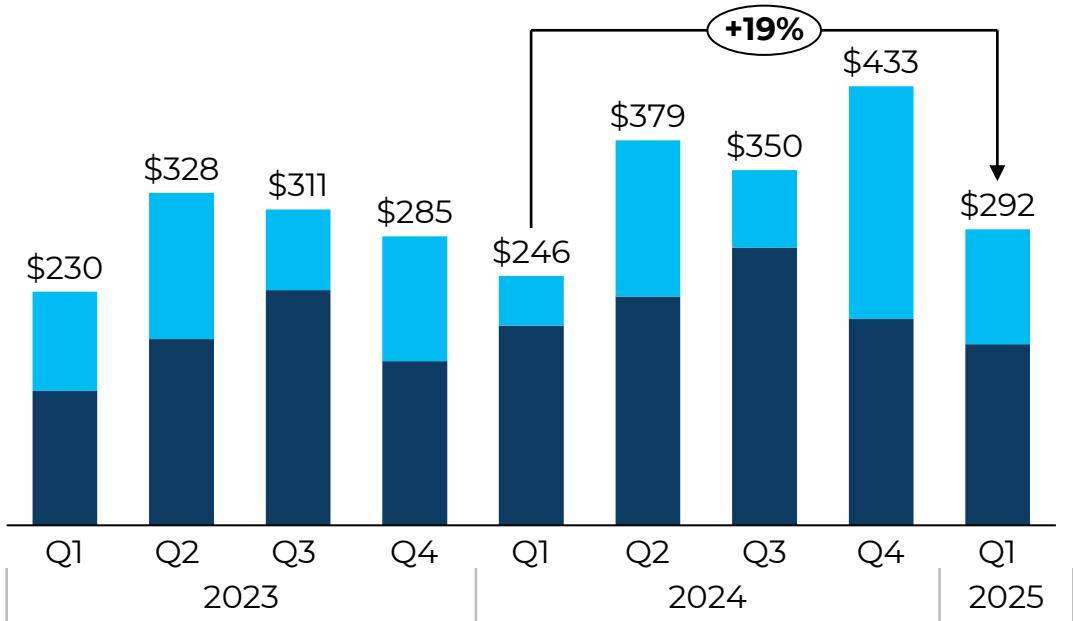
Managing Expenses:

- Leveraged technology and scale to build a highly cost-efficient platform in Europe

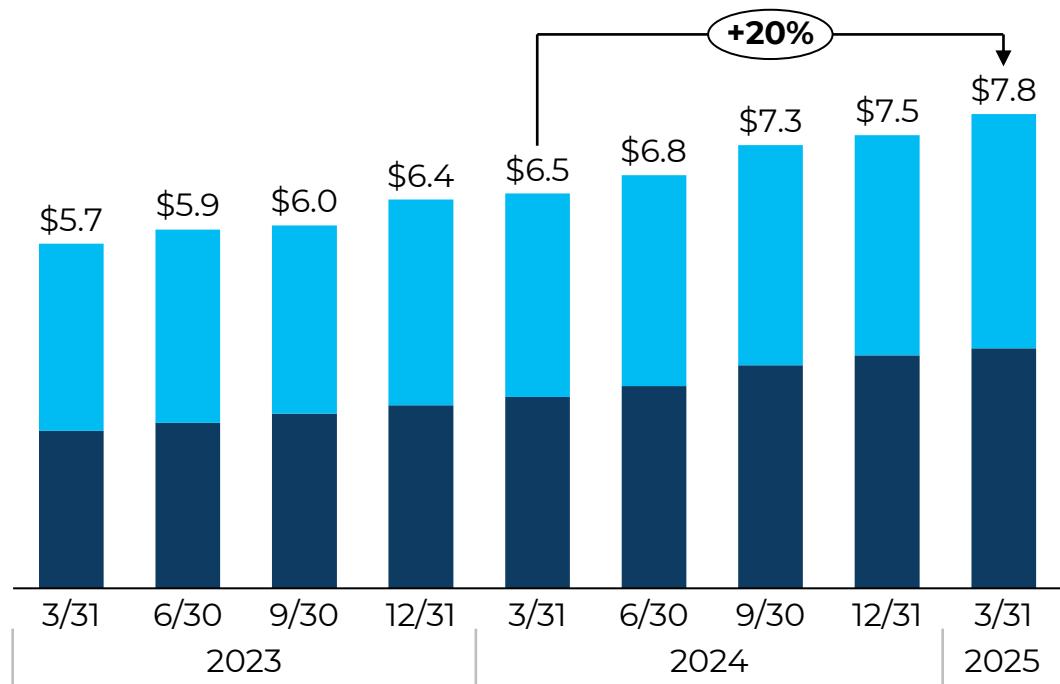
Q1 Investments Up 19% Year-Over-Year

Achieved Record ERC of \$7.8 Billion

Quarterly Portfolio Purchases¹



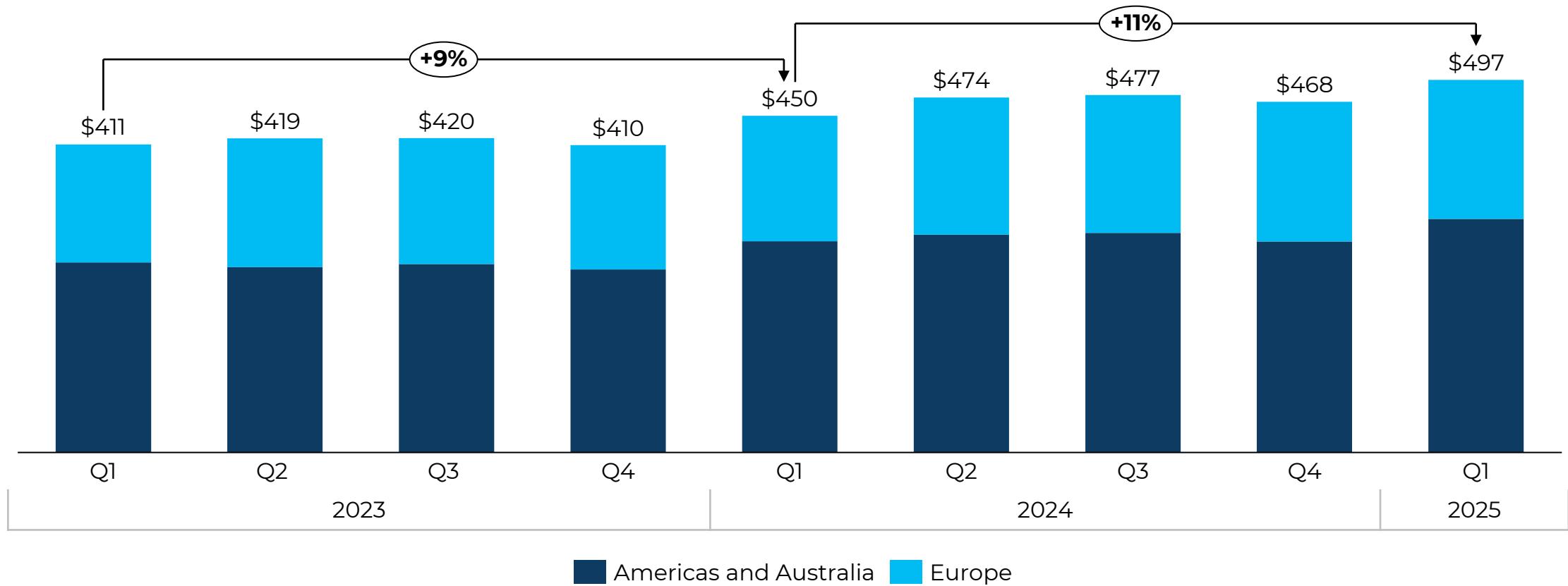
ERC²



■ Americas and Australia ■ Europe

Q1 Cash Collections Increased 11% Year-Over-Year

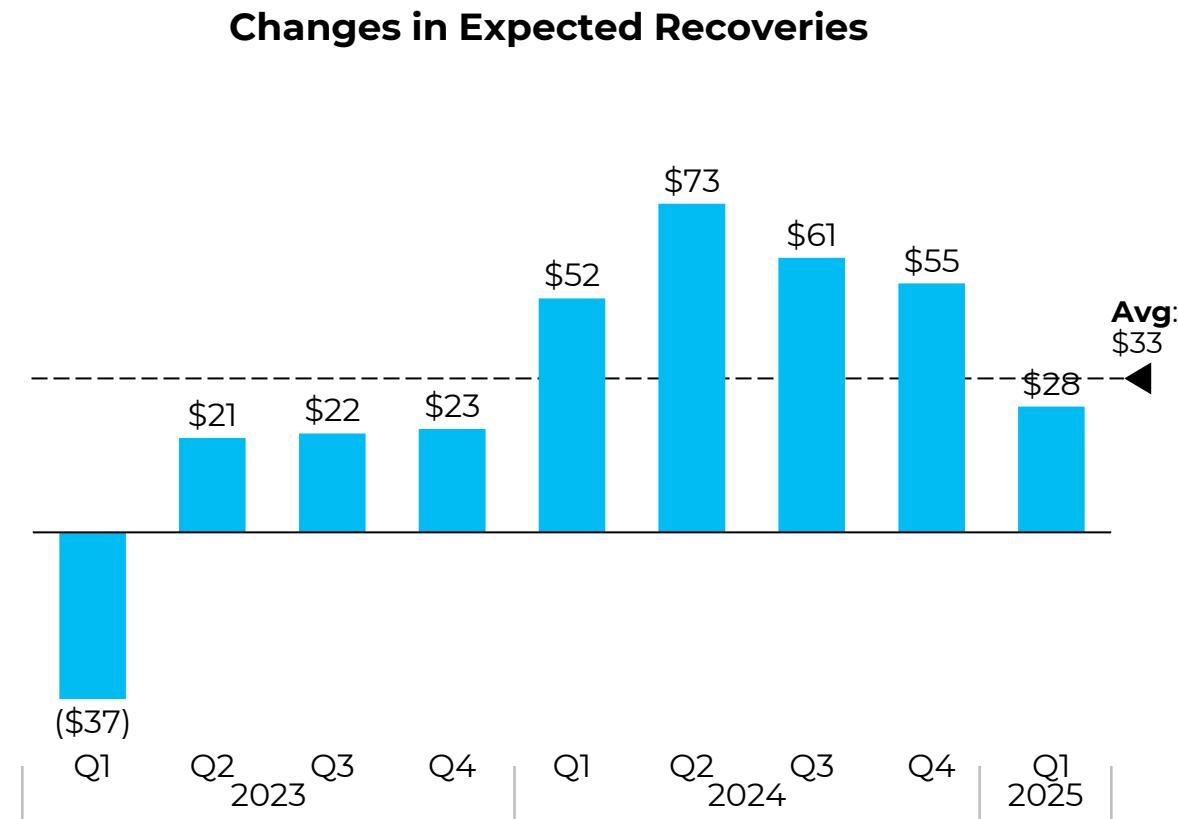
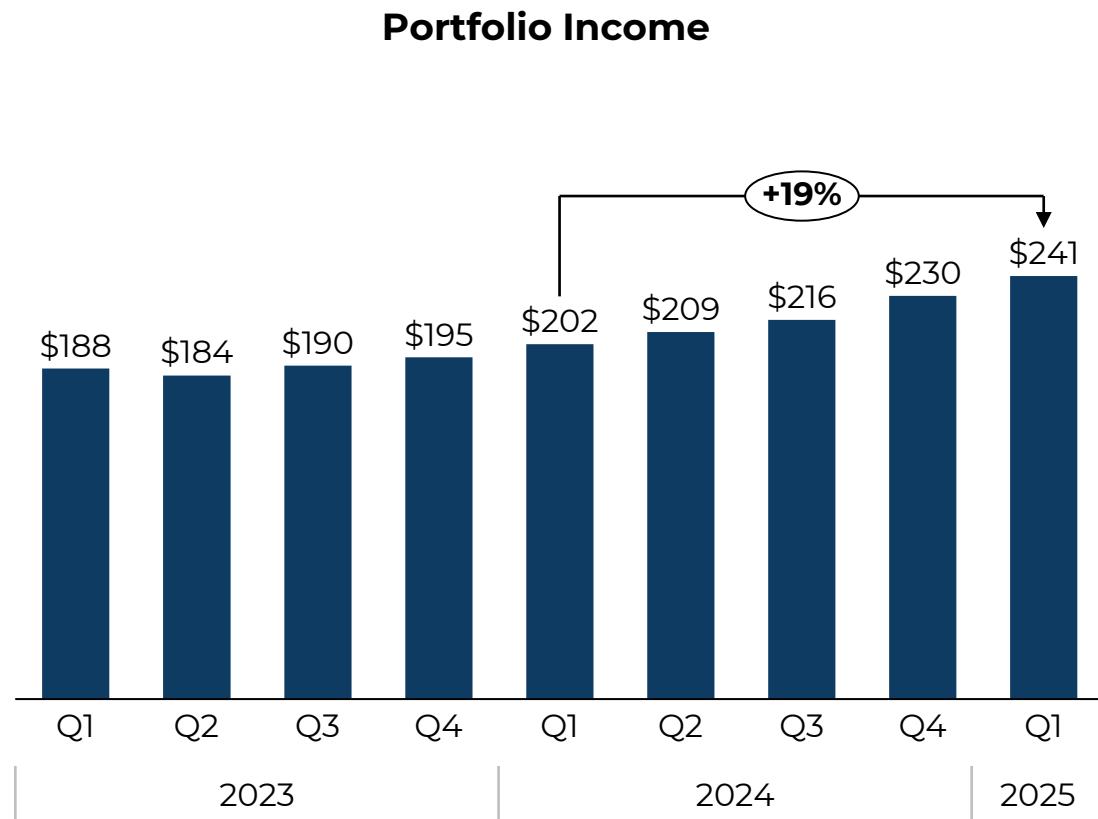
\$ in millions



The Two Components of Portfolio Revenue

Both Represent an Important Part of Revenue & Profitability

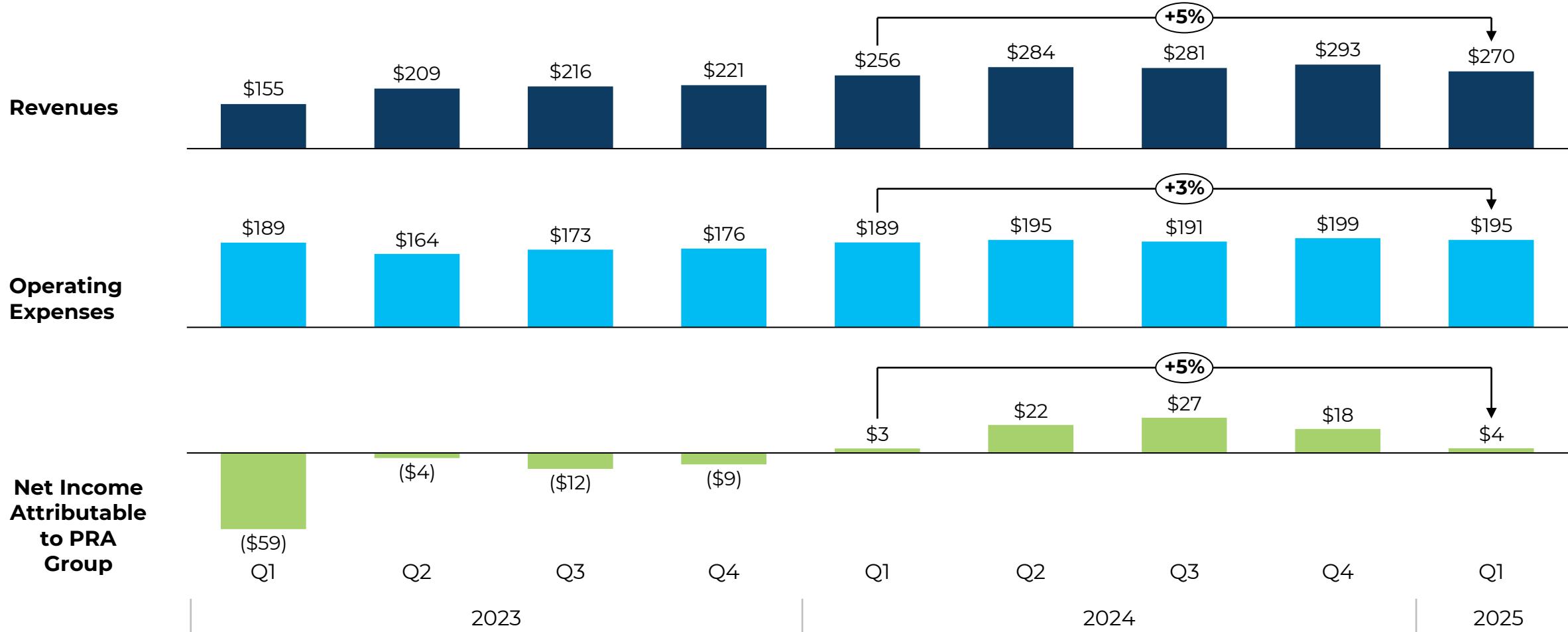
\$ in millions



Q1 2025 Financial Results

Revenue Growth and Disciplined Cost Management Drive Profitability

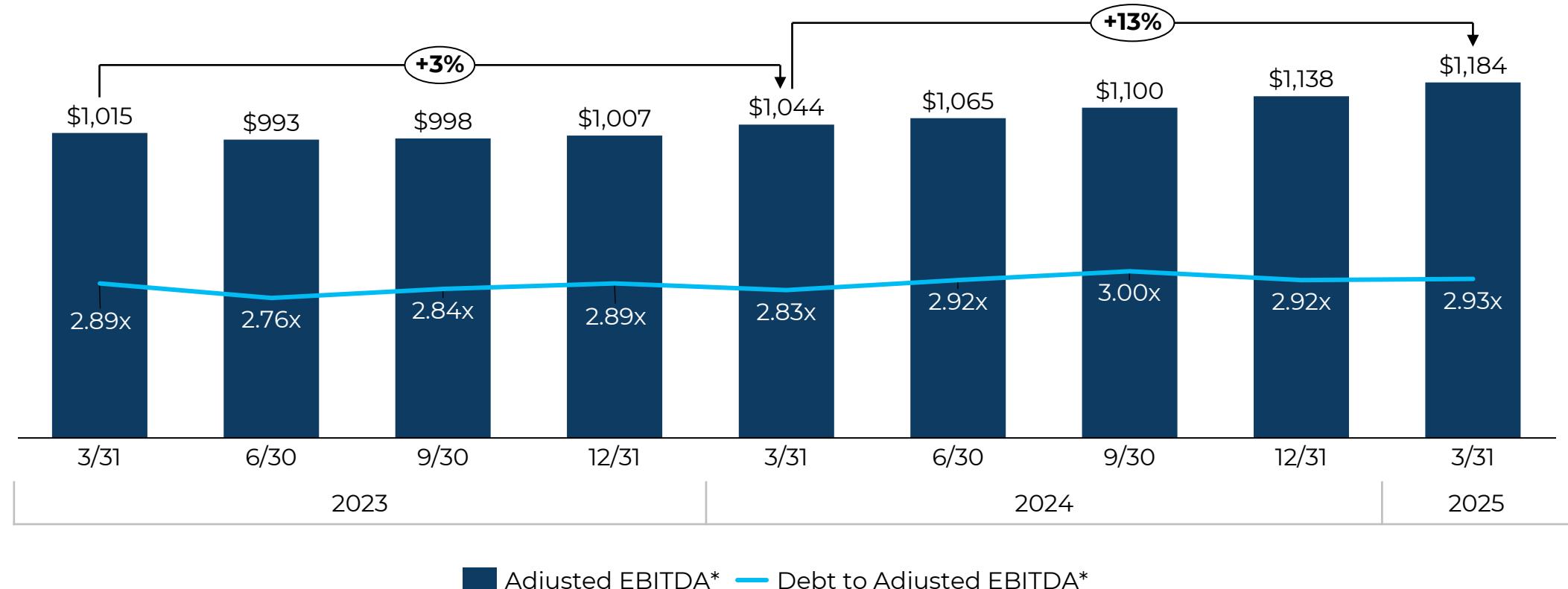
\$ in millions



Strong Cash Collections Drive Adjusted EBITDA Growth

Leverage Remains Stable and Within 2-3x Target Range

\$ in millions



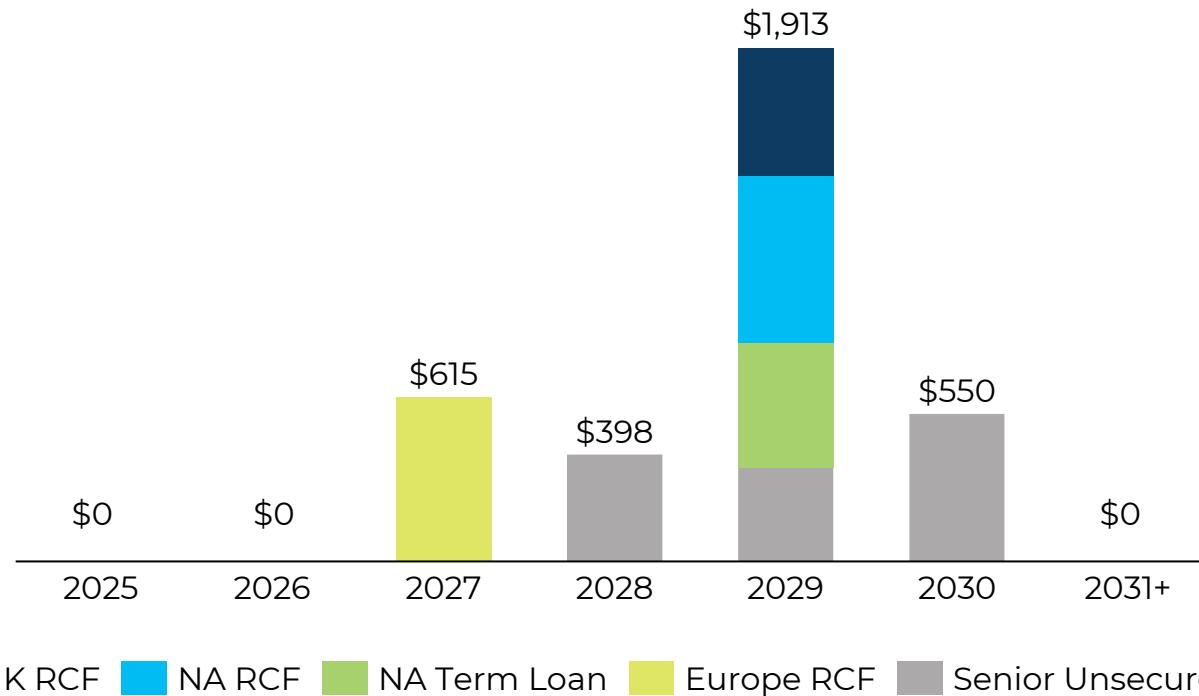
■ Adjusted EBITDA* — Debt to Adjusted EBITDA*

Strong Capital Structure

Well-Positioned to Continue Capitalizing on Elevated Portfolio Supply

\$ in millions

Debt Maturity Profile



- **\$919 million** available under our credit facilities as of March 31, 2025
 - **\$538 million** available based on current ERC
 - **\$381 million** of additional availability subject to borrowing base and debt covenants, including advance rates
- **Strong long-term relationships** with creditors
- Bank covenant structure provides the **financial flexibility to drive future growth**

Key Takeaways

Positive start to the year with encouraging results on key financial metrics

Confident about the overall trajectory of the business

Company is positioned for **continued success** with transition to new CEO

Q&A



Reconciliation of Non-GAAP Financial Measures to GAAP

\$ in millions

Use of Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management uses certain non-GAAP financial measures, including Adjusted EBITDA, internally to evaluate the Company's performance and to set performance goals. Adjusted EBITDA is calculated as net income (or loss) attributable to PRA Group, Inc. plus income tax expense (or less income tax benefit); plus foreign exchange loss (or less foreign exchange gain); plus interest expense, net and other; plus depreciation and amortization; plus impairment of real estate; plus net income attributable to noncontrolling interests; and plus recoveries collected and applied to Finance receivables, net less Changes in expected recoveries. Adjusted EBITDA is a supplemental measure of performance that is not required by, or presented in accordance with, GAAP. The Company presents Adjusted EBITDA because the Company considers it an important supplemental measure of operational and financial performance. Management believes Adjusted EBITDA helps provide enhanced period-to-period comparability of the Company's operational and financial performance and is useful to investors as other companies in the industry report similar financial measures. Adjusted EBITDA should not be considered as an alternative to net income determined in accordance with GAAP. Set forth below is a reconciliation of net income, the most directly comparable financial measure calculated and reported in accordance with GAAP, to Adjusted EBITDA for the last twelve months (LTM) as of March 31, 2023 through the LTM as of March 31, 2025. The calculation of Adjusted EBITDA below may not be comparable to the calculation of similarly titled measures reported by other companies. Additionally, the Company evaluates its business using certain ratios that use Adjusted EBITDA. Debt to Adjusted EBITDA is calculated by dividing borrowings by Adjusted EBITDA. The following table also reflects the Company's Debt to Adjusted EBITDA for the LTM as of March 31, 2023 through the LTM as of March 31, 2025.

	LTM Ended									
	2023			2024			2025			
	3/31	6/30	9/30	12/31	3/31	6/30	9/30	12/31	3/31	
Net income/(loss) attributable to PRA Group, Inc.	\$ 19	\$ (22)	\$ (59)	\$ (83)	\$ (21)	\$ 4	\$ 43	\$ 71	\$ 71	
(+) Income tax expense/(benefit)	14	1	(8)	(16)	5	12	10	21	23	
(+) Foreign exchange loss (gain)	(2)	(1)	(1)	—	(1)	—	1	—	—	
(+) Interest expense, net and other	138	150	168	183	198	209	221	230	239	
(+) Depreciation and amortization	15	15	14	13	13	12	11	11	11	
(+) Impairment of real estate	—	—	5	5	5	5	—	—	1	
(+) Net income attributable to noncontrolling interests	11	13	15	17	20	19	17	18	15	
(+) Recoveries collected and applied to Finance receivables, net less Changes in expected recoveries	820	837	864	888	825	804	797	787	824	
LTM Adjusted EBITDA	\$ 1,015	\$ 993	\$ 998	\$ 1,007	\$ 1,044	\$ 1,065	\$ 1,100	\$ 1,138	\$ 1,184	
Borrowings	\$ 2,938	\$ 2,740	\$ 2,832	\$ 2,914	\$ 2,953	\$ 3,114	\$ 3,296	\$ 3,327	\$ 3,466	
Debt to LTM Adjusted EBITDA	2.89x	2.76x	2.84x	2.89x	2.83x	2.92x	3.00x	2.92x	2.93x	



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