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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2021

OR

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

For the transition period from __________ to ___________

Commission file number 001-10960

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

Delaware	**75-2237318**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

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

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

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

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

☒	Large accelerated filer	☐	Accelerated filer
☐	Non-accelerated filer	☐	Smaller reporting company
		☐	Emerging growth company

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

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

As of October 19, 2021, there were 40,433,427 shares of common stock outstanding.

FIRSTCASH, INC.
FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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CAUTIONARY STATEMENT REGARDING RISKS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS

Forward-Looking Information

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

While the Company believes the expectations reflected in forward-looking statements are reasonable, there can be no assurances such expectations will prove to be accurate. Security holders are cautioned such forward-looking statements involve risks and uncertainties. Certain factors may cause results to differ materially from those anticipated by the forward-looking statements made in this quarterly report. Such factors may include, without limitation, the risks, uncertainties and regulatory developments: (1) related to the COVID-19 pandemic, including the unknown duration and severity of the COVID-19 pandemic, and the impact of governmental responses that have been, and may in the future be, imposed in response to the pandemic, and (2) discussed and described in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), including the risks described in Part 1, Item 1A, "Risk Factors" thereof, and other reports filed subsequently by the Company with the SEC. Many of these risks and uncertainties are beyond the ability of the Company to control, nor can the Company predict, in many cases, all of the risks and uncertainties that could cause its actual results to differ materially from those indicated by the forward-looking statements. The forward-looking statements contained in this quarterly report speak only as of the date of this quarterly report, and the Company expressly disclaims any obligation or undertaking to report any updates or revisions to any such statement to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2021	September 30, 2020	December 31, 2020
ASSETS			
Cash and cash equivalents	**$ 49,907**	$ 78,844	$ 65,850
Fees and service charges receivable	**43,492**	36,423	41,110
Pawn loans	**348,993**	270,619	308,231
Inventories	**254,260**	168,664	190,352
Income taxes receivable	**4,791**	7,534	9,634
Prepaid expenses and other current assets	**10,002**	10,647	9,388
Total current assets	**711,445**	572,731	624,565
Property and equipment, net	**411,042**	341,827	373,667
Operating lease right of use asset	**300,040**	289,175	298,957
Goodwill	**1,014,052**	932,329	977,381
Intangible assets, net	**83,019**	83,837	83,651
Other assets	**8,413**	9,087	9,818
Deferred tax assets	**5,472**	6,509	4,158
Total assets	**$ 2,533,483**	$ 2,235,495	$ 2,372,197
LIABILITIES AND STOCKHOLDERS’ EQUITY			
Accounts payable and accrued liabilities	**$ 87,629**	$ 79,979	$ 81,917
Customer deposits	**46,702**	36,189	34,719
Income taxes payable	**522**	183	1,148
Lease liability, current	**89,502**	84,970	88,622
Total current liabilities	**224,355**	201,321	206,406
Revolving unsecured credit facilities	**246,000**	40,000	123,000
Senior unsecured notes	**493,499**	492,775	492,916
Deferred tax liabilities	**78,191**	69,261	71,173
Lease liability, non-current	**197,618**	188,212	194,887
Total liabilities	**1,239,663**	991,569	1,088,382
Stockholders’ equity:			
Common stock	**493**	493	493
Additional paid-in capital	**1,222,432**	1,226,512	1,221,788
Retained earnings	**849,438**	767,683	789,303
Accumulated other comprehensive loss	**(125,761)**	(164,877)	(118,432)
Common stock held in treasury, at cost	**(652,782)**	(585,885)	(609,337)
Total stockholders’ equity	**1,293,820**	1,243,926	1,283,815
Total liabilities and stockholders’ equity	**$ 2,533,483**	$ 2,235,495	$ 2,372,197

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Revenue:				
Retail merchandise sales	**$ 268,726**	$ 234,982	**$ 806,335**	$ 819,011
Pawn loan fees	**121,365**	99,570	**346,796**	343,675
Wholesale scrap jewelry sales	**9,583**	25,281	**44,060**	74,437
Consumer loan and credit services fees	**—**	57	**—**	2,003
Total revenue	**399,674**	359,890	**1,197,191**	1,239,126
Cost of revenue:				
Cost of retail merchandise sold	**158,057**	137,230	**468,634**	493,436
Cost of wholesale scrap jewelry sold	**8,528**	19,818	**37,657**	61,022
Consumer loan and credit services loss provision	**—**	104	**—**	(480)
Total cost of revenue	**166,585**	157,152	**506,291**	553,978
Net revenue	**233,089**	202,738	**690,900**	685,148
Expenses and other income:				
Store operating expenses	**138,619**	132,061	**415,071**	426,612
Administrative expenses	**30,208**	24,354	**88,605**	85,642
Depreciation and amortization	**11,217**	10,426	**32,731**	31,424
Interest expense	**7,961**	6,561	**22,389**	21,953
Interest income	**(143)**	(499)	**(420)**	(1,209)
Merger and acquisition expenses	**12**	7	**1,264**	209
Loss (gain) on foreign exchange	**558**	(432)	**248**	1,639
Write-off of certain Cash America merger related lease intangibles	**361**	837	**1,640**	4,649
Loss on extinguishment of debt	**—**	11,737	**—**	11,737
Impairment of certain other assets	**—**	—	**—**	1,900
Total expenses and other income	**188,793**	185,052	**561,528**	584,556
Income before income taxes	**44,296**	17,686	**129,372**	100,592
Provision for income taxes	**10,900**	2,624	**33,834**	26,739
Net income	**$ 33,396**	$ 15,062	**$ 95,538**	$ 73,853
Earnings per share:				
Basic	**$ 0.83**	$ 0.36	**$ 2.34**	$ 1.78
Diluted	**$ 0.82**	$ 0.36	**$ 2.34**	$ 1.77

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Net income	**$ 33,396**	$ 15,062	**$ 95,538**	$ 73,853
Other comprehensive income:				
Currency translation adjustment	**(9,971)**	7,273	**(7,329)**	(67,908)
Comprehensive income	**$ 23,425**	$ 22,335	**$ 88,209**	$ 5,945

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

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

Nine Months Ended September 30, 2021

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
As of 12/31/2020	49,276	$ 493	$ 1,221,788	$ 789,303	$ (118,432)	8,238	$ (609,337)	$ 1,283,815
Shares issued under share-based compensation plan, net of 28 shares net-settled	—	—	(7,090)	—	—	(73)	5,427	(1,663)
Share-based compensation expense	—	—	3,625	—	—	—	—	3,625
Net income	—	—	—	33,715	—	—	—	33,715
Cash dividends ($0.27 per share)	—	—	—	(11,097)	—	—	—	(11,097)
Currency translation adjustment	—	—	—	—	(12,335)	—	—	(12,335)
Purchases of treasury stock	—	—	—	—	—	84	(4,967)	(4,967)
As of 3/31/2021	49,276	$ 493	$ 1,218,323	$ 811,921	$ (130,767)	8,249	$ (608,877)	$ 1,291,093
Share-based compensation expense	—	—	1,625	—	—	—	—	1,625
Net income	—	—	—	28,427	—	—	—	28,427
Cash dividends ($0.30 per share)	—	—	—	(12,308)	—	—	—	(12,308)
Currency translation adjustment	—	—	—	—	14,977	—	—	14,977
Purchases of treasury stock	—	—	—	—	—	452	(32,998)	(32,998)
As of 6/30/2021	49,276	$ 493	$ 1,219,948	$ 828,040	$ (115,790)	8,701	$ (641,875)	$ 1,290,816
Exercise of stock options	—	—	(358)	—	—	(10)	738	380
Share-based compensation expense	—	—	2,842	—	—	—	—	2,842
Net income	—	—	—	33,396	—	—	—	33,396
Cash dividends ($0.30 per share)	—	—	—	(11,998)	—	—	—	(11,998)
Currency translation adjustment	—	—	—	—	(9,971)	—	—	(9,971)
Purchases of treasury stock	—	—	—	—	—	152	(11,645)	(11,645)
As of 9/30/2021	**49,276**	**$ 493**	**$ 1,222,432**	**$ 849,438**	**$ (125,761)**	**8,843**	**$ (652,782)**	**$ 1,293,820**

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

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

Nine Months Ended September 30, 2020

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Held in Treasury		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
As of 12/31/2019	49,276	$ 493	$ 1,231,528	$ 727,476	$ (96,969)	6,947	$ (512,493)	$ 1,350,035
Shares issued under share-based compensation plan, net of 46 shares net-settled	—	—	(10,266)	—	—	(93)	6,939	(3,327)
Share-based compensation expense	—	—	2,851	—	—	—	—	2,851
Net income	—	—	—	32,918	—	—	—	32,918
Cash dividends ($0.27 per share)	—	—	—	(11,268)	—	—	—	(11,268)
Currency translation adjustment	—	—	—	—	(83,503)	—	—	(83,503)
Purchases of treasury stock	—	—	—	—	—	981	(80,331)	(80,331)
As of 3/31/2020	49,276	$ 493	$ 1,224,113	$ 749,126	$ (180,472)	7,835	$ (585,885)	$ 1,207,375
Share-based compensation expense	—	—	2,399	—	—	—	—	2,399
Net income	—	—	—	25,873	—	—	—	25,873
Cash dividends ($0.27 per share)	—	—	—	(11,189)	—	—	—	(11,189)
Currency translation adjustment	—	—	—	—	8,322	—	—	8,322
As of 6/30/2020	49,276	$ 493	$ 1,226,512	$ 763,810	$ (172,150)	7,835	$ (585,885)	$ 1,232,780
Net income	—	—	—	15,062	—	—	—	15,062
Cash dividends ($0.27 per share)	—	—	—	(11,189)	—	—	—	(11,189)
Currency translation adjustment	—	—	—	—	7,273	—	—	7,273
As of 9/30/2020	49,276	$ 493	$ 1,226,512	$ 767,683	$ (164,877)	7,835	$ (585,885)	$ 1,243,926

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

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

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Cash flow from operating activities:		
Net income	**$ 95,538**	$ 73,853
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Non-cash portion of consumer loan credit loss provision	**—**	(829)
Share-based compensation expense	**8,092**	5,250
Depreciation and amortization expense	**32,731**	31,424
Amortization of debt issuance costs	**1,223**	1,219
Write-off of certain Cash America merger related lease intangibles	**1,640**	4,649
Loss on extinguishment of debt	**—**	11,737
Impairment of certain other assets	**—**	1,900
Deferred income taxes, net	**5,622**	11,401
Changes in operating assets and liabilities, net of business combinations:		
Fees and service charges receivable	**(2,302)**	8,291
Inventories purchased directly from customers, wholesalers or manufacturers	**(25,592)**	26,628
Prepaid expenses and other assets	**229**	75
Accounts payable, accrued liabilities and other liabilities	**16,538**	12,971
Income taxes	**4,131**	(11,203)
Net cash flow provided by operating activities	**137,850**	177,366
Cash flow from investing activities:		
Loan receivables, net	**(70,637)**	145,930
Purchases of furniture, fixtures, equipment and improvements	**(31,608)**	(27,853)
Purchases of store real property	**(38,256)**	(20,946)
Acquisitions of pawn stores, net of cash acquired	**(49,434)**	(9,340)
Net cash flow (used in) provided by investing activities	**(189,935)**	87,791
Cash flow from financing activities:		
Borrowings from unsecured credit facilities	**338,000**	221,925
Repayments of unsecured credit facilities	**(215,000)**	(520,433)
Issuance of senior unsecured notes due 2028	**—**	500,000
Redemption of senior unsecured notes due 2024	**—**	(300,000)
Redemption premium and other redemption costs on senior unsecured notes due 2024	**—**	(8,781)
Debt issuance costs paid	**—**	(5,285)
Purchases of treasury stock	**(49,610)**	(80,331)
Proceeds from exercise of stock options	**380**	—
Payment of withholding taxes on net share settlements of restricted stock awards	**(1,663)**	(3,327)
Dividends paid	**(35,403)**	(33,646)
Net cash flow provided by (used in) financing activities	**36,704**	(229,878)
Effect of exchange rates on cash	**(562)**	(2,962)
Change in cash and cash equivalents	**(15,943)**	32,317
Cash and cash equivalents at beginning of the period	**65,850**	46,527
Cash and cash equivalents at end of the period	**$ 49,907**	$ 78,844

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

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

Note 1 - General

Basis of Presentation

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

These unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not include certain information and disclosures required for comprehensive financial statements. These interim period financial statements should be read in conjunction with the Company's consolidated financial statements, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the "SEC") on February 1, 2021. The consolidated financial statements as of September 30, 2021 and 2020, and for the three month and nine month periods ended September 30, 2021 and 2020, are unaudited, but in management's opinion include all adjustments (consisting of only normal recurring adjustments) considered necessary to present fairly the financial position, results of operations and cash flow for such interim periods. Operating results for the periods ended September 30, 2021 are not necessarily indicative of the results that may be expected for the full year.

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

Continuing Impact of COVID-19

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

Use of Estimates

The preparation of interim financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and related revenue and expenses, and the disclosure of gain and loss contingencies at the date of the financial statements. Such estimates and assumptions are subject to a number of risks and uncertainties which may cause actual results to differ materially from the Company's estimates.

Reclassification

Certain amounts in the consolidated statements of income and consolidated statements of cash flows for the nine months ended September 30, 2020 have been reclassified in order to conform to the 2021 presentation.

Recent Accounting Pronouncements

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

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

In August 2021, the Financial Accounting Standards Board issued ASU No 2021-06, "Presentation of Financial Statements (Topic 205), Financial Services—Depository and Lending (Topic 942), and Financial Services—Investment Companies (Topic 946): Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10786, Amendments to Financial Disclosures About Acquired and Disposed Businesses, and No.33-10835, Update of Statistical Disclosures for Bank and Savings and Loan Registrants" ("ASU 2021-06"). ASU 2021-06 amends certain SEC disclosure guidance that is included in the accounting standards codification to reflect the SEC's recent issuance of rules intended to modernize and streamline disclosure requirements. The Company adopted ASU 2021-06 upon issuance, which did not have a material effect on the Company's current financial position, results of operations or financial statement disclosures.

Note 2 - Earnings Per Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Numerator:				
Net income	**$ 33,396**	$ 15,062	**$ 95,538**	$ 73,853
Denominator:				
Weighted-average common shares for calculating basic earnings per share	**40,453**	41,440	**40,745**	41,597
Effect of dilutive securities:				
Stock options and restricted stock unit awards	**63**	96	**44**	94
Weighted-average common shares for calculating diluted earnings per share	**40,516**	41,536	**40,789**	41,691
Earnings per share:				
Basic	**$ 0.83**	$ 0.36	**$ 2.34**	$ 1.78
Diluted	**$ 0.82**	$ 0.36	**$ 2.34**	$ 1.77

Note 3 - Acquisitions

Consistent with the Company's strategy to continue its expansion of pawn stores in strategic markets, during the nine months ended September 30, 2021, the Company acquired 28 pawn stores in the U.S. in two separate transactions. The aggregate purchase price for these acquisitions totaled $50.7 million, net of cash acquired and subject to future post-closing adjustments. The aggregate purchase price was composed of $48.5 million in cash paid at closing and remaining short-term amounts payable to the sellers of approximately $2.2 million.

The purchase price of each of the 2021 acquisitions was allocated to assets acquired and liabilities assumed based upon the estimated fair market values at the date of acquisition. The excess purchase price over the estimated fair market value of the net assets acquired has been recorded as goodwill. The goodwill arising from these acquisitions consists largely of the synergies and economies of scale expected from combining the operations of the Company and the pawn stores acquired. These acquisitions were not material individually or in the aggregate to the Company's consolidated financial statements.

The estimated fair value of the assets acquired and liabilities assumed are preliminary, as the Company is gathering information to finalize the valuation of these assets and liabilities. The preliminary allocation of the aggregate purchase price for these individually immaterial acquisitions during the nine months ended September 30, 2021 is as follows (in thousands):

Pawn loans	$	5,658
Pawn loan fees receivable		306
Inventories		5,481
Other current assets		161
Property and equipment		839
Goodwill [1]		38,920
Intangible assets		620
Current liabilities		(1,271)
Aggregate purchase price	$	50,714

[1] Substantially all of the goodwill is expected to be deductible for U.S. income tax purposes.

The results of operations for the acquired stores have been consolidated since the respective acquisition dates. During the nine months ended September 30, 2021, revenue from the acquired stores was $11.1 million and the earnings from the combined acquisitions since the acquisition dates (including $1.0 million of transaction and integration costs, net of tax) was approximately $1.4 million.

Note 4 - Operating Leases

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

Leased facilities are generally leased for a term of three to five years with one or more options to renew for an additional three to five years, typically at the Company's sole discretion. In addition, the majority of these leases can be terminated early upon an adverse change in law which negatively affects the store's profitability. The Company regularly evaluates renewal and termination options to determine if the Company is reasonably certain to exercise the option, and excludes these options from the lease term included in the recognition of the operating lease right of use asset and lease liability until such certainty exists. The weighted-average remaining lease term for operating leases as of September 30, 2021 and 2020 was 4.1 years.

The operating lease right of use asset and lease liability is recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The Company's leases do not provide an implicit rate and therefore, it uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. The Company utilizes a portfolio approach for determining the incremental borrowing rate to apply to groups of leases with similar characteristics. The weighted-average discount rate used to measure the lease liability as of September 30, 2021 and 2020 was 6.4% and 7.2%, respectively.

The Company has certain operating leases in Mexico which are denominated in U.S. dollars. The liability related to these leases is considered a monetary liability, and requires remeasurement each reporting period into the functional currency (Mexican pesos) using reporting date exchange rates. The remeasurement results in the recognition of foreign currency exchange gains or losses each reporting period, which can produce a certain level of earnings volatility. The Company recognized a foreign currency loss of $0.5 million and a gain of $0.4 million during the three months ended September 30, 2021 and 2020, respectively, related to the remeasurement of these U.S. dollar denominated operating leases, which is included in (gain) loss on foreign exchange in the accompanying consolidated statements of income. During the nine months ended September 30, 2021 and 2020, the Company recognized a foreign currency loss of $0.4 million and $3.5 million, respectively, related to these U.S. dollar denominated leases.

Lease expense is recognized on a straight-line basis over the lease term, with variable lease expense recognized in the period such payments are incurred. The following table details the components of lease expense included in store operating expenses in the consolidated statements of income during the three and nine months ended September 30, 2021 and 2020 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	**2021**	2020
Operating lease expense	**$ 31,595**	$ 30,038	**$ 94,034**	$ 90,673
Variable lease expense [1]	**4,120**	3,656	**11,893**	10,604
Total operating lease expense	**$ 35,715**	$ 33,694	**$ 105,927**	$ 101,277

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

The following table details the maturity of lease liabilities for all operating leases as of September 30, 2021 (in thousands):

Three months ending December 31, 2021	$ 28,216
2022	99,302
2023	79,255
2024	55,771
2025	30,568
Thereafter	33,062
Total	$ 326,174
Less amount of lease payments representing interest	(39,054)
Total present value of lease payments	$ 287,120

The following table details supplemental cash flow information related to operating leases for the nine months ended September 30, 2021 and 2020 (in thousands):

	Nine Months Ended September 30,	
	2021	2020
Cash paid for amounts included in the measurement of operating lease liabilities	**$ 85,565**	$ 82,473
Leased assets obtained in exchange for new operating lease liabilities	**$ 78,280**	$ 81,151

Note 5 - Long-Term Debt

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

	As of September 30,		As of December 31,
	2021	2020	2020
Revolving unsecured credit facility, maturing 2024 [(1)]	**$ 246,000**	$ 40,000	$ 123,000
4.625% senior unsecured notes due 2028 [(2)]	**493,499**	492,775	492,916
Total long-term debt	**$ 739,499**	$ 532,775	$ 615,916

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

(2) As of September 30, 2021, 2020 and December 31, 2020, deferred debt issuance costs of $6.5 million, $7.2 million and $7.1 million, respectively, are included as a direct deduction from the carrying amount of the senior unsecured notes due 2028 in the accompanying consolidated balance sheets.

Revolving Unsecured Credit Facility

As of September 30, 2021, the Company maintained an unsecured line of credit with a group of U.S. based commercial lenders (the "Credit Facility") in the amount of $500.0 million. The Credit Facility matures on December 19, 2024. As of September 30, 2021, the Company had $246.0 million in outstanding borrowings and $3.2 million in outstanding letters of credit under the Credit Facility, leaving $250.8 million available for future borrowings, subject to certain financial covenants. The Credit Facility is unsecured and bears interest, at the Company's option, of either (1) the prevailing LIBOR (with interest periods of 1 week or 1, 2, 3 or 6 months at the Company's option) plus a fixed spread of 2.5% or (2) the prevailing prime or base rate plus a fixed spread of 1.5%. The agreement has a LIBOR floor of 0%. Additionally, the Company is required to pay an annual commitment fee of 0.325% on the average daily unused portion of the Credit Facility commitment. The weighted-average interest rate on amounts outstanding under the Credit Facility at September 30, 2021 was 2.63% based on 1 week LIBOR. Under the terms of the Credit Facility, the Company is required to maintain certain financial ratios and comply with certain financial covenants. The Credit Facility also contains customary restrictions on the Company's ability to incur additional debt, grant liens, make investments, consummate acquisitions and similar negative covenants with customary carve-outs and baskets. The Company was in compliance with the covenants of the Credit Facility as of September 30, 2021. During the nine months ended September 30, 2021, the Company received net proceeds of $123.0 million from borrowings pursuant to the Credit Facility.

Revolving Unsecured Uncommitted Credit Facility

As of September 30, 2021, the Company's primary subsidiary in Mexico, First Cash S.A. de C.V., maintained an unsecured and uncommitted line of credit guaranteed by FirstCash, Inc. with a bank in Mexico (the "Mexico Credit Facility") in the amount of $600.0 million Mexican pesos. The Mexico Credit Facility bears interest at the Mexican Central Bank's interbank equilibrium rate ("TIIE") plus a fixed spread of 2.5% and matures on March 9, 2023. Under the terms of the Mexico Credit Facility, the Company is required to maintain certain financial ratios and comply with certain financial covenants. The Company was in compliance with the covenants of the Mexico Credit Facility as of September 30, 2021. At September 30, 2021, the Company had no amount outstanding under the Mexico Credit Facility and $600.0 million Mexican pesos available for borrowings.

Senior Unsecured Notes Due 2028

On August 26, 2020, the Company issued $500.0 million of 4.625% senior unsecured notes due on September 1, 2028 (the "Notes"), all of which are currently outstanding. Interest on the Notes is payable semi-annually in arrears on March 1 and September 1. The Notes are fully and unconditionally guaranteed on a senior unsecured basis jointly and severally by all of the Company's existing and future domestic subsidiaries that guarantee its Credit Facility. The Notes will permit the Company to make restricted payments, such as purchasing shares of its stock and paying cash dividends, in an unlimited amount if, after giving pro forma effect to the incurrence of any indebtedness to make such payment, the Company's consolidated total debt ratio is less than 2.75 to 1. The consolidated total debt ratio is defined generally in the indenture governing the Notes as the ratio of (1) the total consolidated debt of the Company minus cash and cash equivalents of the Company to (2) the Company's consolidated trailing twelve months EBITDA, as adjusted to exclude certain non-recurring expenses and giving pro forma effect to operations acquired during the measurement period. As of September 30, 2021, the Company's consolidated total debt ratio was 2.7 to 1. While the Notes generally limit the Company's ability to make restricted payments if the consolidated total debt ratio is greater than 2.75 to 1, restricted payments are allowable within certain permitted baskets, which currently provides the Company with continued flexibility to make restricted payments when the Company's consolidated total debt ratio is greater than 2.75 to 1.

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

Note 6 - Fair Value of Financial Instruments

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

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

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

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

Recurring Fair Value Measurements

As of September 30, 2021, 2020 and December 31, 2020, the Company did not have any financial assets or liabilities measured at fair value on a recurring basis.

Fair Value Measurements on a Non-Recurring Basis

The Company measures non-financial assets and liabilities, such as property and equipment and intangible assets, at fair value on a non-recurring basis, or when events or circumstances indicate that the carrying amount of the assets may be impaired. During the nine months ended September 30, 2020, the Company recorded a $1.9 million impairment related to a non-financial, non-operating asset that was included in other assets in the consolidated balance sheets.

Financial Assets and Liabilities Not Measured at Fair Value

The Company's financial assets and liabilities as of September 30, 2021, 2020 and December 31, 2020 that are not measured at fair value in the consolidated balance sheets are as follows (in thousands):

	Carrying Value	Estimated Fair Value			
			Fair Value Measurements Using		
	September 30, 2021	**September 30, 2021**	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	$ 49,907	$ 49,907	$ 49,907	$ —	$ —
Fees and service charges receivable	43,492	43,492	—	—	43,492
Pawn loans	348,993	348,993	—	—	348,993
	$ 442,392	$ 442,392	$ 49,907	$ —	$ 392,485
Financial liabilities:					
Revolving unsecured credit facilities	$ 246,000	$ 246,000	$ —	$ 246,000	$ —
Senior unsecured notes (outstanding principal)	500,000	516,000	—	516,000	—
	$ 746,000	$ 762,000	$ —	$ 762,000	$ —

	Carrying Value September 30, 2020	Estimated Fair Value September 30, 2020	Fair Value Measurements Using Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	$ 78,844	$ 78,844	$ 78,844	$ —	$ —
Fees and service charges receivable	36,423	36,423	—	—	36,423
Pawn loans	270,619	270,619	—	—	270,619
	$ 385,886	$ 385,886	$ 78,844	$ —	$ 307,042
Financial liabilities:					
Revolving unsecured credit facilities	$ 40,000	$ 40,000	$ —	$ 40,000	$ —
Senior unsecured notes (outstanding principal)	500,000	508,000	—	508,000	—
	$ 540,000	$ 548,000	$ —	$ 548,000	$ —

	Carrying Value December 31, 2020	Estimated Fair Value December 31, 2020	Fair Value Measurements Using Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	$ 65,850	$ 65,850	$ 65,850	$ —	$ —
Fees and service charges receivable	41,110	41,110	—	—	41,110
Pawn loans	308,231	308,231	—	—	308,231
	$ 415,191	$ 415,191	$ 65,850	$ —	$ 349,341
Financial liabilities:					
Revolving unsecured credit facilities	$ 123,000	$ 123,000	$ —	$ 123,000	$ —
Senior unsecured notes (outstanding principal)	500,000	516,000	—	516,000	—
	$ 623,000	$ 639,000	$ —	$ 639,000	$ —

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

The carrying value of the unsecured credit facilities approximate fair value as of September 30, 2021, 2020 and December 31, 2020. The fair value of the unsecured credit facilities is estimated based on market values for debt issuances with similar characteristics or rates currently available for debt with similar terms. In addition, the unsecured credit facilities have a variable interest rate based on a fixed spread over LIBOR or TIIE and reprice with any changes in LIBOR or TIIE. The fair value of the senior unsecured notes is estimated based on quoted prices in markets that are not active.

Note 7 - Segment Information

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

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

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

The following tables present reportable segment information for the three and nine month periods ended September 30, 2021 and 2020 (in thousands):

	Three Months Ended September 30, 2021			
	U.S. Operations	Latin America Operations	Corporate	Consolidated
Revenue:				
Retail merchandise sales	$ 167,257	$ 101,469	$ —	$ 268,726
Pawn loan fees	76,674	44,691	—	121,365
Wholesale scrap jewelry sales	4,168	5,415	—	9,583
Total revenue	248,099	151,575	—	399,674
Cost of revenue:				
Cost of retail merchandise sold	93,326	64,731	—	158,057
Cost of wholesale scrap jewelry sold	3,778	4,750	—	8,528
Total cost of revenue	97,104	69,481	—	166,585
Net revenue	150,995	82,094	—	233,089
Expenses and other income:				
Store operating expenses	93,247	45,372	—	138,619
Administrative expenses	—	—	30,208	30,208
Depreciation and amortization	5,662	4,591	964	11,217
Interest expense	—	—	7,961	7,961
Interest income	—	—	(143)	(143)
Merger and acquisition expenses	—	—	12	12
Loss on foreign exchange	—	—	558	558
Write-off of certain Cash America merger related lease intangibles	—	—	361	361
Total expenses and other income	98,909	49,963	39,921	188,793
Income (loss) before income taxes	$ 52,086	$ 32,131	$ (39,921)	$ 44,296

	Three Months Ended September 30, 2020			
	U.S. Operations	Latin America Operations	Corporate	Consolidated
Revenue:				
Retail merchandise sales	$ 151,618	$ 83,364	$ —	$ 234,982
Pawn loan fees	66,180	33,390	—	99,570
Wholesale scrap jewelry sales	12,692	12,589	—	25,281
Consumer loan and credit services fees	57	—	—	57
Total revenue	230,547	129,343	—	359,890
Cost of revenue:				
Cost of retail merchandise sold	84,673	52,557	—	137,230
Cost of wholesale scrap jewelry sold	10,316	9,502	—	19,818
Consumer loan and credit services loss provision	104	—	—	104
Total cost of revenue	95,093	62,059	—	157,152
Net revenue	135,454	67,284	—	202,738
Expenses and other income:				
Store operating expenses	92,678	39,383	—	132,061
Administrative expenses	—	—	24,354	24,354
Depreciation and amortization	5,390	3,903	1,133	10,426
Interest expense	—	—	6,561	6,561
Interest income	—	—	(499)	(499)
Merger and acquisition expenses	—	—	7	7
Gain on foreign exchange	—	—	(432)	(432)
Write-off of certain Cash America merger related lease intangibles	—	—	837	837
Loss on extinguishment of debt	—	—	11,737	11,737
Total expenses and other income	98,068	43,286	43,698	185,052
Income (loss) before income taxes	$ 37,386	$ 23,998	$ (43,698)	$ 17,686

	Nine Months Ended September 30, 2021			
	U.S. Operations	Latin America Operations	Corporate	Consolidated
Revenue:				
Retail merchandise sales	$ 530,468	$ 275,867	$ —	$ 806,335
Pawn loan fees	220,013	126,783	—	346,796
Wholesale scrap jewelry sales	20,217	23,843	—	44,060
Total revenue	770,698	426,493	—	1,197,191
Cost of revenue:				
Cost of retail merchandise sold	295,455	173,179	—	468,634
Cost of wholesale scrap jewelry sold	16,678	20,979	—	37,657
Total cost of revenue	312,133	194,158	—	506,291
Net revenue	458,565	232,335	—	690,900
Expenses and other income:				
Store operating expenses	282,068	133,003	—	415,071
Administrative expenses	—	—	88,605	88,605
Depreciation and amortization	16,391	13,388	2,952	32,731
Interest expense	—	—	22,389	22,389
Interest income	—	—	(420)	(420)
Merger and acquisition expenses	—	—	1,264	1,264
Loss on foreign exchange	—	—	248	248
Write-off of certain Cash America merger related lease intangibles	—	—	1,640	1,640
Total expenses and other income	298,459	146,391	116,678	561,528
Income (loss) before income taxes	$ 160,106	$ 85,944	$ (116,678)	$ 129,372

	Nine Months Ended September 30, 2020			
	U.S. Operations	Latin America Operations	Corporate	Consolidated
Revenue:				
Retail merchandise sales	$ 556,528	$ 262,483	$ —	$ 819,011
Pawn loan fees	235,937	107,738	—	343,675
Wholesale scrap jewelry sales	37,727	36,710	—	74,437
Consumer loan and credit services fees	2,003	—	—	2,003
Total revenue	832,195	406,931	—	1,239,126
Cost of revenue:				
Cost of retail merchandise sold	325,863	167,573	—	493,436
Cost of wholesale scrap jewelry sold	32,754	28,268	—	61,022
Consumer loan and credit services loss provision	(480)	—	—	(480)
Total cost of revenue	358,137	195,841	—	553,978
Net revenue	474,058	211,090	—	685,148
Expenses and other income:				
Store operating expenses	303,686	122,926	—	426,612
Administrative expenses	—	—	85,642	85,642
Depreciation and amortization	16,352	11,568	3,504	31,424
Interest expense	—	—	21,953	21,953
Interest income	—	—	(1,209)	(1,209)
Merger and acquisition expenses	—	—	209	209
Loss on foreign exchange	—	—	1,639	1,639
Write-off of certain Cash America merger related lease intangibles	—	—	4,649	4,649
Loss on extinguishment of debt	—	—	11,737	11,737
Impairment of certain other assets	—	—	1,900	1,900
Total expenses and other income	320,038	134,494	130,024	584,556
Income (loss) before income taxes	$ 154,020	$ 76,596	$ (130,024)	$ 100,592

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

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

GENERAL

The Company is a leading operator of retail-based pawn stores with over 2,800 store locations in the U.S. and Latin America. The Company’s pawn stores generate retail sales primarily from the merchandise acquired through collateral forfeitures and over-the-counter purchases from customers. In addition, the stores help customers meet small short-term cash needs by providing non-recourse pawn loans and buying merchandise directly from customers. Personal property, such as jewelry, electronics, tools, appliances, sporting goods and musical instruments, is pledged as collateral for the pawn loans and held by the Company over the typical 30-day term of the loan plus a stated grace period.

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

OPERATIONS AND LOCATIONS

As of September 30, 2021, the Company had 2,808 store locations composed of 1,069 stores in 24 U.S. states and the District of Columbia, 1,651 stores in 32 states in Mexico, 60 stores in Guatemala, 15 stores in Colombia and 13 stores in El Salvador.

The following tables detail store count activity:

	Three Months Ended September 30, 2021		
	U.S. Operations Segment	Latin America Operations Segment	Total Locations
Total locations, beginning of period	1,071	1,733	2,804
New locations opened	—	14	14
Consolidation of existing pawn locations [1]	(2)	(8)	(10)
Total locations, end of period	1,069	1,739	2,808

	Nine Months Ended September 30, 2021		
	U.S. Operations Segment	Latin America Operations Segment	Total Locations
Total locations, beginning of period	1,046	1,702	2,748
New locations opened	1	49	50
Locations acquired	28	—	28
Consolidation of existing pawn locations [1]	(6)	(12)	(18)
Total locations, end of period	1,069	1,739	2,808

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

CRITICAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies that the Company believes are the most critical to aid in fully understanding and evaluating its reported financial results have been reported in the Company's 2020 Annual Report on Form 10-K. There have been no changes to the Company's significant accounting policies for the nine months ended September 30, 2021.

RESULTS OF OPERATIONS (unaudited)

Continuing Impact of COVID-19

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

Constant Currency Results

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

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

	September 30,		Favorable /
	2021	2020	(Unfavorable)
Mexican peso / U.S. dollar exchange rate:			
End-of-period	**20.3**	22.5	10 %
Three months ended	**20.0**	22.1	10 %
Nine months ended	**20.1**	21.8	8 %
Guatemalan quetzal / U.S. dollar exchange rate:			
End-of-period	**7.7**	7.8	1 %
Three months ended	**7.7**	7.7	— %
Nine months ended	**7.7**	7.7	— %
Colombian peso / U.S. dollar exchange rate:			
End-of-period	**3,835**	3,879	1 %
Three months ended	**3,844**	3,730	(3)%
Nine months ended	**3,696**	3,703	— %

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

Operating Results for the Three Months Ended September 30, 2021 Compared to the Three Months Ended September 30, 2020

U.S. Operations Segment

The following table details earning assets, which consist of pawn loans and inventories, as well as other earning asset metrics of the U.S. operations segment as of September 30, 2021 compared to September 30, 2020 (dollars in thousands, except as otherwise noted):

	As of September 30,		
	2021	2020	Increase
U.S. Operations Segment			
Earning assets:			
Pawn loans	**$ 242,825**	$ 188,819	29 %
Inventories	**175,047**	120,397	45 %
	$ 417,872	$ 309,216	35 %
Average outstanding pawn loan amount (in ones)	**$ 208**	$ 188	11 %
Composition of pawn collateral:			
General merchandise	**36 %**	34 %	
Jewelry	**64 %**	66 %	
	100 %	100 %	
Composition of inventories:			
General merchandise	**48 %**	42 %	
Jewelry	**52 %**	58 %	
	100 %	100 %	
Percentage of inventory aged greater than one year	**1 %**	2 %	
Inventory turns (trailing twelve months cost of merchandise sales divided by average inventories)	**2.9 times**	3.2 times	

The following table presents segment pre-tax operating income and other operating metrics of the U.S. operations segment for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 (dollars in thousands). Store operating expenses include salary and benefit expense of store-level employees, occupancy costs, bank charges, security, insurance, utilities, supplies and other costs incurred by the stores.

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Increase / (Decrease)
U.S. Operations Segment			
Revenue:			
Retail merchandise sales	**$ 167,257**	$ 151,618	10 %
Pawn loan fees	**76,674**	66,180	16 %
Wholesale scrap jewelry sales	**4,168**	12,692	(67)%
Consumer loan and credit services fees [1]	**—**	57	(100)%
Total revenue	**248,099**	230,547	8 %
Cost of revenue:			
Cost of retail merchandise sold	**93,326**	84,673	10 %
Cost of wholesale scrap jewelry sold	**3,778**	10,316	(63)%
Consumer loan and credit services loss provision [1]	**—**	104	(100)%
Total cost of revenue	**97,104**	95,093	2 %
Net revenue	**150,995**	135,454	11 %
Segment expenses:			
Store operating expenses	**93,247**	92,678	1 %
Depreciation and amortization	**5,662**	5,390	5 %
Total segment expenses	**98,909**	98,068	1 %
Segment pre-tax operating income	**$ 52,086**	$ 37,386	39 %
Operating metrics:			
Retail merchandise sales margin	**44 %**	44 %	
Net revenue margin	**61 %**	59 %	
Segment pre-tax operating margin	**21 %**	16 %	

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

Retail Merchandise Sales Operations

U.S. retail merchandise sales increased 10% to $167.3 million during the third quarter of 2021 compared to $151.6 million for the third quarter of 2020. Same-store retail sales increased 6% in the third quarter of 2021 compared to the third quarter of 2020. The increase in total and same-store retail sales was primarily due to increased inventory levels during the third quarter of 2021 compared to the third quarter of 2020. The gross profit margin on retail merchandise sales in the U.S. was 44% in both the third quarter of 2021 and 2020.

U.S. inventories increased 45% from $120.4 million at September 30, 2020 to $175.0 million at September 30, 2021. The increase was primarily due to lower than normal inventory balances at September 30, 2020 due to the impacts of the COVID-19 pandemic. Inventories aged greater than one year in the U.S. were 1% at September 30, 2021 compared to 2% at September 30, 2020.

Pawn Lending Operations

U.S. pawn loan fees increased 16% to $76.7 million during the third quarter of 2021 compared to $66.2 million for the third quarter of 2020. Same-store pawn fees in the third quarter of 2021 increased 11% compared to the third quarter of 2020. Pawn loan receivables as of September 30, 2021 increased 29% in total and 23% on a same-store basis compared to September 30, 2020. The increase in total and same-store pawn receivables and resulting pawn loan fees was primarily due to the continued recovery in pawn lending demand during the third quarter of 2021 towards pre-pandemic levels.

Segment Expenses and Segment Pre-Tax Operating Income

U.S. store operating expenses increased 1% to $93.2 million during the third quarter of 2021 compared to $92.7 million during the third quarter of 2020 while same-store operating expenses decreased 3% compared with the prior-year period. The decrease in same-store operating expenses was primarily due to cost saving initiatives in response to COVID-19.

The U.S. segment pre-tax operating income for the third quarter of 2021 was $52.1 million, which generated a pre-tax segment operating margin of 21% compared to $37.4 million and 16% in the prior year, respectively. The increase in the segment pre-tax operating income and margin reflected increases in gross profit from retail sales and pawn loan fees, partially offset by a decrease in gross profit from scrap sales and a slight increase in operating expenses.

Latin America Operations Segment

Latin American results of operations for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 benefited from a 10% favorable change in the average value of the Mexican peso compared to the U.S. dollar. The translated value of Latin American earning assets as of September 30, 2021 compared to September 30, 2020 benefited from a 10% favorable change in the end-of-period value of the Mexican peso compared to the U.S. dollar.

The following table details earning assets, which consist of pawn loans and inventories as well as other earning asset metrics of the Latin America operations segment as of September 30, 2021 compared to September 30, 2020 (dollars in thousands, except as otherwise noted):

	As of September 30,			Constant Currency Basis	
	2021	2020	Increase	**As of September 30, 2021 (Non-GAAP)**	Increase (Non-GAAP)
Latin America Operations Segment					
Earning assets:					
Pawn loans	**$ 106,168**	$ 81,800	30 %	**$ 96,443**	18 %
Inventories	**79,213**	48,267	64 %	**71,927**	49 %
	$ 185,381	$ 130,067	43 %	**$ 168,370**	29 %
Average outstanding pawn loan amount (in ones)	**$ 76**	$ 64	19 %	**$ 69**	8 %
Composition of pawn collateral:					
General merchandise	**68 %**	66 %			
Jewelry	**32 %**	34 %			
	100 %	100 %			
Composition of inventories:					
General merchandise	**67 %**	60 %			
Jewelry	**33 %**	40 %			
	100 %	100 %			
Percentage of inventory aged greater than one year	**1 %**	2 %			
Inventory turns (trailing twelve months cost of merchandise sales divided by average inventories)	**4.2 times**	4.1 times			

The following table presents segment pre-tax operating income and other operating metrics of the Latin America operations segment for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 (dollars in thousands). Store operating expenses include salary and benefit expense of store-level employees, occupancy costs, bank charges, security, insurance, utilities, supplies and other costs incurred by the stores.

	Three Months Ended September 30,			Constant Currency Basis	
	2021	2020	Increase / (Decrease)	**Three Months Ended September 30, 2021 (Non-GAAP)**	Increase / (Decrease) (Non-GAAP)
Latin America Operations Segment					
Revenue:					
Retail merchandise sales	**$ 101,469**	$ 83,364	22 %	**$ 92,367**	11 %
Pawn loan fees	**44,691**	33,390	34 %	**40,662**	22 %
Wholesale scrap jewelry sales	**5,415**	12,589	(57)%	**5,415**	(57)%
Total revenue	**151,575**	129,343	17 %	**138,444**	7 %
Cost of revenue:					
Cost of retail merchandise sold	**64,731**	52,557	23 %	**58,945**	12 %
Cost of wholesale scrap jewelry sold	**4,750**	9,502	(50)%	**4,300**	(55)%
Total cost of revenue	**69,481**	62,059	12 %	**63,245**	2 %
Net revenue	**82,094**	67,284	22 %	**75,199**	12 %
Segment expenses:					
Store operating expenses	**45,372**	39,383	15 %	**41,555**	6 %
Depreciation and amortization	**4,591**	3,903	18 %	**4,229**	8 %
Total segment expenses	**49,963**	43,286	15 %	**45,784**	6 %
Segment pre-tax operating income	**$ 32,131**	$ 23,998	34 %	**$ 29,415**	23 %
Operating metrics:					
Retail merchandise sales margin	**36 %**	37 %		**36 %**	
Net revenue margin	**54 %**	52 %		**54 %**	
Segment pre-tax operating margin	**21 %**	19 %		**21 %**	

Retail Merchandise Sales Operations

Latin America retail merchandise sales increased 22% (11% on a constant currency basis) to $101.5 million during the third quarter of 2021 compared to $83.4 million for the third quarter of 2020. Same-store retail sales increased 21% (10% on a constant currency basis) during the third quarter of 2021 compared to the third quarter of 2020. The increase in total and same-store retail sales was primarily due to increased inventory levels during the third quarter of 2021 compared to the third quarter of 2020. The gross profit margin on retail merchandise sales was 36% during the third quarter of 2021 compared to 37% during the third quarter of 2020.

Inventories in Latin America increased 64% (49% on a constant currency basis) from $48.3 million at September 30, 2020 to $79.2 million at September 30, 2021. The increase was primarily due to lower than normal inventory balances at September 30, 2020 due to the impacts of the COVID-19 pandemic. Inventories aged greater than one year in Latin America were 1% at September 30, 2021 and 2% at September 30, 2020.

Pawn Lending Operations

Latin America pawn loan fees increased 34% (22% on a constant currency basis), totaling $44.7 million during the third quarter of 2021 compared to $33.4 million for the third quarter of 2020. Same-store pawn fees increased 33% (21% on a constant currency basis) in the third quarter of 2021 compared to the third quarter of 2020. Pawn loan receivables increased 30% (18% on a constant currency basis) as of September 30, 2021 compared to September 30, 2020, and on a same-store basis pawn loan receivables increased 29% (17% on a constant currency basis). The increase in total and same-store pawn receivables and resulting pawn loan fees was primarily due to the continued recovery in pawn lending demand during the third quarter of 2021 towards pre-pandemic levels.

Segment Expenses and Segment Pre-Tax Operating Income

Store operating expenses increased 15% (6% on a constant currency basis) to $45.4 million during the third quarter of 2021 compared to $39.4 million during the third quarter of 2020. Currency adjusted store operating expenses increased primarily due to the 1% increase in the Latin America weighted-average store count. Same-store operating expenses increased 14% (5% on a constant currency basis).

The segment pre-tax operating income for the third quarter of 2021 was $32.1 million, which generated a pre-tax segment operating margin of 21% compared to $24.0 million and 19% in the prior year, respectively. The increase in the segment pre-tax operating income and margin was primarily due to an increase in gross profit from retail sales and pawn loan fees and a 10% favorable change in the average value of the Mexican peso, partially offset by an increase in store operating expenses.

Consolidated Results of Operations

The following table reconciles pre-tax operating income of the Company's U.S. operations segment and Latin America operations segment discussed above to consolidated net income for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 (dollars in thousands):

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Increase / (Decrease)
Consolidated Results of Operations			
Segment pre-tax operating income:			
U.S. operations	**$ 52,086**	$ 37,386	39 %
Latin America operations	**32,131**	23,998	34 %
Consolidated segment pre-tax operating income	**84,217**	61,384	37 %
Corporate expenses and other income:			
Administrative expenses	**30,208**	24,354	24 %
Depreciation and amortization	**964**	1,133	(15)%
Interest expense	**7,961**	6,561	21 %
Interest income	**(143)**	(499)	(71)%
Merger and acquisition expenses	**12**	7	71 %
Loss (gain) on foreign exchange	**558**	(432)	(229)%
Write-off of certain Cash America merger related lease intangibles	**361**	837	(57)%
Loss on extinguishment of debt	**—**	11,737	(100)%
Total corporate expenses and other income	**39,921**	43,698	(9)%
Income before income taxes	**44,296**	17,686	150 %
Provision for income taxes	**10,900**	2,624	315 %
Net income	**$ 33,396**	$ 15,062	122 %

Corporate Expenses and Taxes

Administrative expenses increased 24% to $30.2 million during the third quarter of 2021 compared to $24.4 million in the third quarter of 2020, primarily due to increased incentive compensation and a 10% favorable change in the average value of the Mexican peso resulting in higher U.S. dollar translated expenses. As a percentage of revenue, administrative expenses increased from 7% during the third quarter of 2020 to 8% during the third quarter of 2021.

Interest expense increased 21% to $8.0 million during the third quarter of 2021 compared to $6.6 million in the third quarter of 2020, primarily due to an increase in the Company's outstanding senior unsecured notes and higher average balances outstanding on the Company's unsecured credit facilities, partially offset by lower weighted-average interest rates on the Company's debt during the third quarter of 2021 compared to the third quarter of 2020. See Note 5 of Notes to Consolidated Financial Statements and "Liquidity and Capital Resources."

During the third quarter of 2020, the Company redeemed its outstanding $300.0 million, 5.375% senior notes due 2024, incurring a loss on extinguishment of debt of $11.7 million, which includes an early redemption premium and other redemption costs of $8.8 million and the write-off of unamortized debt issuance costs of $2.9 million.

Consolidated effective income tax rates for the third quarter of 2021 and 2020 were 24.6% and 14.8%, respectively. The increase in the effective tax rate was primarily due to the Internal Revenue Service finalizing regulations in July 2020 for the global intangible low-taxed income tax ("GILTI") provisions for foreign operations in the U.S. federal tax code. The finalized regulations essentially eliminated the impact of the incremental GILTI tax on the Company on a retroactive basis, which resulted in a significant tax benefit being recorded in the third quarter of 2020. This was partially offset by an increased foreign permanent tax benefit recorded in the third quarter of 2021 related to an increased inflation index adjustment allowed in Mexico as a result of elevated inflation during 2021.

Operating Results for the Nine Months Ended September 30, 2021 Compared to the Nine Months Ended September 30, 2020

U.S. Operations Segment

The following table presents segment pre-tax operating income and other operating metrics of the U.S. operations segment for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 (dollars in thousands). Store operating expenses include salary and benefit expense of store-level employees, occupancy costs, bank charges, security, insurance, utilities, supplies and other costs incurred by the stores.

	Nine Months Ended September 30,		Increase /
	2021	2020	(Decrease)
U.S. Operations Segment			
Revenue:			
Retail merchandise sales	**$ 530,468**	$ 556,528	(5)%
Pawn loan fees	**220,013**	235,937	(7)%
Wholesale scrap jewelry sales	**20,217**	37,727	(46)%
Consumer loan and credit services fees [(1)]	**—**	2,003	(100)%
Total revenue	**770,698**	832,195	(7)%
Cost of revenue:			
Cost of retail merchandise sold	**295,455**	325,863	(9)%
Cost of wholesale scrap jewelry sold	**16,678**	32,754	(49)%
Consumer loan and credit services loss provision [(1)]	**—**	(480)	(100)%
Total cost of revenue	**312,133**	358,137	(13)%
Net revenue	**458,565**	474,058	(3)%
Segment expenses:			
Store operating expenses	**282,068**	303,686	(7)%
Depreciation and amortization	**16,391**	16,352	— %
Total segment expenses	**298,459**	320,038	(7)%
Segment pre-tax operating income	**$ 160,106**	$ 154,020	4 %
Operating metrics:			
Retail merchandise sales margin	**44 %**	41 %	
Net revenue margin	**59 %**	57 %	
Segment pre-tax operating margin	**21 %**	19 %	

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

Retail Merchandise Sales Operations

U.S. retail merchandise sales decreased 5% to $530.5 million during the nine months ended September 30, 2021 compared to $556.5 million for the nine months ended September 30, 2020. Same-store retail sales decreased 7% during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. The decrease in total and same-store retail sales was primarily due to higher than normal retail sales during the nine months ended September 30, 2020, driven by the impacts of COVID-19.

During the nine months ended September 30, 2021, the gross profit margin on retail merchandise sales in the U.S. was 44% compared to a margin of 41% during the nine months ended September 30, 2020. The increase in margin was primarily a result of continued retail demand for value-priced pre-owned merchandise, increased buying of merchandise directly from customers and lower levels of aged inventory, which limited the need for normal discounting.

Pawn Lending Operations

U.S. pawn loan fees decreased 7%, totaling $220.0 million during the nine months ended September 30, 2021 compared to $235.9 million for the nine months ended September 30, 2020. Same-store pawn fees decreased 9% during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. The decline in total and same-store pawn loan fees was primarily due to the significantly lower than normal beginning pawn loan levels, partially offset by the continued recovery in pawn loan demand towards pre-pandemic levels during 2021.

Segment Expenses and Segment Pre-Tax Operating Income

U.S. store operating expenses decreased 7% to $282.1 million during the nine months ended September 30, 2021 compared to $303.7 million during the nine months ended September 30, 2020 and same-store operating expenses decreased 9% compared with the prior-year period. The decrease in total and same-store operating expenses was primarily due to cost saving initiatives in response to COVID-19.

The U.S. segment pre-tax operating income for the nine months ended September 30, 2021 was $160.1 million, which generated a pre-tax segment operating margin of 21% compared to $154.0 million and 19% in the prior year, respectively. The increase in the segment pre-tax operating income and margin reflected an increase in gross profit from retail sales and a decrease in operating expenses, partially offset by a decrease in pawn loan fees, gross profit from scrap sales and net revenue from consumer loan and credit services products as a result of discontinuing consumer lending operations in 2020.

Latin America Operations Segment

Latin American results of operations for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 benefited from a 8% favorable change in the average value of the Mexican peso compared to the U.S. dollar.

The following table presents segment pre-tax operating income and other operating metrics of the Latin America operations segment for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 (dollars in thousands). Store operating expenses include salary and benefit expense of store-level employees, occupancy costs, bank charges, security, insurance, utilities, supplies and other costs incurred by the stores.

	Nine Months Ended September 30,			Constant Currency Basis	
	2021	2020	Increase / (Decrease)	**Nine Months Ended September 30, 2021 (Non-GAAP)**	Increase / (Decrease) (Non-GAAP)
Latin America Operations Segment					
Revenue:					
Retail merchandise sales	**$ 275,867**	$ 262,483	5 %	**$ 256,116**	(2)%
Pawn loan fees	**126,783**	107,738	18 %	**117,662**	9 %
Wholesale scrap jewelry sales	**23,843**	36,710	(35)%	**23,843**	(35)%
Total revenue	**426,493**	406,931	5 %	**397,621**	(2)%
Cost of revenue:					
Cost of retail merchandise sold	**173,179**	167,573	3 %	**160,821**	(4)%
Cost of wholesale scrap jewelry sold	**20,979**	28,268	(26)%	**19,449**	(31)%
Total cost of revenue	**194,158**	195,841	(1)%	**180,270**	(8)%
Net revenue	**232,335**	211,090	10 %	**217,351**	3 %
Segment expenses:					
Store operating expenses	**133,003**	122,926	8 %	**124,080**	1 %
Depreciation and amortization	**13,388**	11,568	16 %	**12,544**	8 %
Total segment expenses	**146,391**	134,494	9 %	**136,624**	2 %
Segment pre-tax operating income	**$ 85,944**	$ 76,596	12 %	**$ 80,727**	5 %
Operating metrics:					
Retail merchandise sales margin	**37 %**	36 %		**37 %**	
Net revenue margin	**54 %**	52 %		**55 %**	
Segment pre-tax operating margin	**20 %**	19 %		**20 %**	

Retail Merchandise Sales Operations

Latin America retail merchandise sales increased 5% (decreased 2% on a constant currency basis) to $275.9 million during the nine months ended September 30, 2021 compared to $262.5 million for the nine months ended September 30, 2020. Same-store retail sales increased 3% (decreased 4% on a constant currency basis) during the nine months ended September 30, 2021 compared to nine months ended September 30, 2020. The decrease in total and same-store constant currency retail sales was primarily a result of significantly lower than normal inventory levels at the beginning of 2021, which limited retail sales during the first half of 2021, partially offset by the government imposed COVID-19 retail restrictions, which limited retail sales during the second quarter of 2020. The gross profit margin on retail merchandise sales was 37% during the nine months ended September 30, 2021 compared to 36% during the nine months ended September 30, 2020.

Pawn Lending Operations

Pawn loan fees in Latin America increased 18% (9% on a constant currency basis) totaling $126.8 million during the nine months ended September 30, 2021 compared to $107.7 million for the nine months ended September 30, 2020. Same-store pawn fees increased 16% (8% on a constant currency basis) during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. The increase in total and same-store constant currency pawn loan fees was primarily due to the continued improvement of pawn loan origination activity during the nine months ended September 30, 2021, partially offset by significantly lower than normal beginning pawn loan levels.

Segment Expenses and Segment Pre-Tax Operating Income

Store operating expenses increased 8% (1% on a constant currency basis) to $133.0 million during the nine months ended September 30, 2021 compared to $122.9 million during the nine months ended September 30, 2020. Same-store operating expenses increased 6% (decreased 1% on a constant currency basis) compared to the prior-year period.

The segment pre-tax operating income for the nine months ended September 30, 2021 was $85.9 million, which generated a pre-tax segment operating margin of 20% compared to $76.6 million and 19% in the prior year, respectively. The increase in the segment pre-tax operating income and margin was primarily due to an increase in gross profit from retail sales and pawn loan fees and an 8% favorable change in the average value of the Mexican peso, partially offset by a decrease in gross profit from scrap sales and a slight increase in store operating expenses.

Consolidated Results of Operations

The following table reconciles pre-tax operating income of the Company's U.S. operations segment and Latin America operations segment discussed above to consolidated net income for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 (dollars in thousands):

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Increase / (Decrease)
Consolidated Results of Operations			
Segment pre-tax operating income:			
U.S. operations	**$ 160,106**	$ 154,020	4 %
Latin America operations	**85,944**	76,596	12 %
Consolidated segment pre-tax operating income	**246,050**	230,616	7 %
Corporate expenses and other income:			
Administrative expenses	**88,605**	85,642	3 %
Depreciation and amortization	**2,952**	3,504	(16)%
Interest expense	**22,389**	21,953	2 %
Interest income	**(420)**	(1,209)	(65)%
Merger and acquisition expenses	**1,264**	209	505 %
Loss on foreign exchange	**248**	1,639	(85)%
Write-off of certain Cash America merger related lease intangibles	**1,640**	4,649	(65)%
Loss on extinguishment of debt	**—**	11,737	(100)%
Impairment of certain other assets	**—**	1,900	(100)%
Total corporate expenses and other income	**116,678**	130,024	(10)%
Income before income taxes	**129,372**	100,592	29 %
Provision for income taxes	**33,834**	26,739	27 %
Net income	**$ 95,538**	$ 73,853	29 %

Corporate Expenses and Taxes

Administrative expenses increased 3% to $88.6 million during the nine months ended September 30, 2021 compared to $85.6 million during the nine months ended September 30, 2020, primarily due to increased incentive compensation and an 8% favorable change in the average value of the Mexican peso resulting in higher U.S. dollar translated expenses, partially offset by reduced travel costs and other cost saving initiatives in response to COVID-19. Administrative expenses were 7% of revenue during both the nine months ended September 30, 2021 and 2020.

Interest expense increased 2% to $22.4 million during the nine months ended September 30, 2021 compared to $22.0 million for the nine months ended September 30, 2020, primarily due to an increase in the Company's outstanding senior unsecured notes and higher average balances outstanding on the Company's unsecured credit facilities, partially offset by lower weighted-average interest rates on the Company's debt during the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. See Note 5 of Notes to Consolidated Financial Statements and "Liquidity and Capital Resources."

During the nine months ended September 30, 2020, the Company redeemed its outstanding $300.0 million, 5.375% senior notes due 2024, incurring a loss on extinguishment of debt of $11.7 million, which includes an early redemption premium and other redemption costs of $8.8 million and the write-off of unamortized debt issuance costs of $2.9 million.

During the nine months ended September 30, 2021, the Company recorded a $1.6 million write-off of certain Cash America merger related lease intangibles compared to a $4.6 million write-off of certain Cash America merger related lease intangibles during the nine months ended September 30, 2020. The Company also recorded a $1.9 million impairment related to a non-operating asset during the first quarter of 2020.

Consolidated effective income tax rates for the nine months ended September 30, 2021 and 2020 were 26.2% and 26.6%, respectively. The decrease in the effective tax rate was primarily due to an increased foreign permanent tax benefit recorded during the nine months ended September 30, 2021 related to an increased inflation index adjustment allowed in Mexico as a result of elevated inflation during 2021, partially offset by the Internal Revenue Service finalizing regulations in July 2020 for the GILTI provisions for foreign operations in the U.S. federal tax code as noted in the quarter-to-date section above.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2021, the Company's primary sources of liquidity were $49.9 million in cash and cash equivalents, $280.4 million of available and unused funds under the Company's revolving unsecured credit facilities, subject to certain financial covenants, $392.5 million in customer loans and fees and service charges receivable and $254.3 million in inventories. See Note 5 of Notes to Consolidated Financial Statements. The Company had working capital of $487.1 million as of September 30, 2021.

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

In October 2021, the Company's Board of Directors declared a $0.30 per share fourth quarter cash dividend on common shares outstanding, or an aggregate of $12.1 million based on the September 30, 2021 share count, which will be paid on November 30, 2021 to stockholders of record as of November 15, 2021. While the Company currently expects to continue the payment of quarterly cash dividends, the declaration and payment of cash dividends in the future (quarterly or otherwise) will be made by the Board of Directors, from time to time, subject to the Company's financial condition, results of operations, business requirements, compliance with legal requirements, debt covenant restrictions and other relevant factors, including the impact of COVID-19.

During the nine months ended September 30, 2021, the Company repurchased a total of 688,000 shares of common stock at an aggregate cost of $49.6 million and an average cost per share of $72.10, and during the nine months ended September 30, 2020, repurchased 981,000 shares of common stock at an aggregate cost of $80.3 million and an average cost per share of $81.84. The Company has approximately $72.2 million of remaining availability under its currently authorized stock repurchase program. While the Company intends to continue repurchases under its active share repurchase program, future share repurchases are subject to a variety of factors, including, but not limited to, the level of cash balances, credit availability, debt covenant restrictions, general business conditions, regulatory requirements, the market price of the Company's stock, dividend policy, the availability of alternative investment opportunities, including acquisitions, and the impact of COVID-19.

Cash Flows

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

	Nine Months Ended September 30,			
	2021		2020	
Cash flow provided by operating activities	**$**	**137,850**	$	177,366
Cash flow (used in) provided by investing activities	**$**	**(189,935)**	$	87,791
Cash flow provided by (used in) financing activities	**$**	**36,704**	$	(229,878)

	As of September 30,			
	2021		2020	
Working capital	**$**	**487,090**	$	371,410
Current ratio		**3.2:1**		2.8:1
Liabilities to equity ratio		**1.0:1**		0.8:1
Net debt ratio [(1)]		**2.8:1**		1.7:1

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

Net cash provided by operating activities decreased $39.5 million, or 22%, from $177.4 million for the nine months ended September 30, 2020 to $137.9 million for the nine months ended September 30, 2021 due to net changes in certain non-cash adjustments to reconcile net income to operating cash flow and net changes in other operating assets and liabilities (as detailed in the consolidated statements of cash flows), partially offset by an increase in net income of $21.7 million.

Net cash used in investing activities increased $277.7 million, or 316%, from net cash provided by investing activities of $87.8 million for the nine months ended September 30, 2020 to net cash used in investing activities of $189.9 million for the nine months ended September 30, 2021. Cash flows from investing activities include funding of pawn store acquisitions, purchases of furniture, fixtures, equipment and improvements, which includes capital expenditures for improvements to existing stores and for new store openings and other corporate assets, and discretionary purchases of store real property. In addition, cash flows related to the funding of new loans net of cash repayments and recovery of principal through the sale of inventories acquired from forfeiture of pawn collateral are included in investing activities. The Company paid $49.4 million in cash related to current and prior-year store acquisitions, $31.6 million for furniture, fixtures, equipment and improvements and $38.3 million for discretionary store real property purchases during the nine months ended September 30, 2021 compared to $9.3 million, $27.9 million and $20.9 million in the prior-year period, respectively. The Company funded a net increase in pawn loans of $70.6 million during the nine months ended September 30, 2021, whereas the Company received funds from a net decrease in pawn loans of $145.9 million during the nine months ended September 30, 2020.

Net cash provided by financing activities increased $266.6 million, or 116%, from net cash used in financing activities of $229.9 million for the nine months ended September 30, 2020 to net cash provided by financing activities of $36.7 million for the nine months ended September 30, 2021. Net borrowings on the credit facilities were $123.0 million during the nine months ended September 30, 2021 compared to net payments of $298.5 million during the nine months ended September 30, 2020. During the nine months ended September 30, 2020, the Company received $500.0 million in proceeds from the private offering of the 4.625% senior unsecured notes due on September 1, 2028 (the "Notes") and paid $5.3 million in debt issuance costs. Using part of the proceeds from the Notes, the Company redeemed the $300.0 million aggregate principal amount of the Company's 5.375% senior notes due 2024 (the "2024 Notes") and paid redemption premiums over the face value of the 2024 Notes and other redemption costs of $8.8 million during the nine months ended September 30, 2020. The Company funded $49.6 million worth of share repurchases and paid dividends of $35.4 million during the nine months ended September 30, 2021, compared to funding $80.3 million worth of share repurchases and dividends paid of $33.6 million during the nine months ended September 30, 2020. In addition, the Company paid $1.7 million in withholding taxes on net share settlements of restricted stock awards during the nine months ended September 30, 2021 compared to $3.3 million during the nine months ended September 30, 2020.

The continued developments and fluidity of the COVID-19 pandemic make it difficult to predict the impact of COVID-19 on the Company’s liquidity and presents a material uncertainty which could adversely affect the Company’s results of operations, financial condition and cash flows in the future. Other factors such as changes in general customer traffic and demand, loan balances, loan-to-value ratios, collection of pawn fees, merchandise sales, inventory levels, seasonality, operating expenses, administrative expenses, merger and acquisition activities and related expenses, tax rates, gold prices, foreign currency exchange rates and the pace of new store expansion and acquisitions, affect the Company’s liquidity. Regulatory developments affecting the Company’s operations may also impact profitability and liquidity. See “Regulatory Developments.” Additionally, a prolonged reduction in earnings and EBITDA could limit the Company’s future ability to fully borrow under its credit facilities under current leverage covenants.

REGULATORY DEVELOPMENTS

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

On March 23, 2021, the governor of Illinois signed into law the Predatory Loan Prevention Act (“PLPA”) that caps annual effective interest rates at 36% on most consumer loans, including payday and car title loans. The Company does not believe the PLPA applies to collateralized pawn loans, and on May 19, 2021, along with the Illinois Pawnbrokers Association and other Illinois pawn industry plaintiffs, filed a complaint for declaratory judgment and injunctive relief in Illinois Circuit Court to prevent enforcement of the PLPA against pawn transactions primarily on the grounds that the PLPA does not apply to pawn transactions (the “Petition”). On September 7, 2021, the court granted the Petition and ordered a preliminary injunction. The Illinois consumer finance regulator did not appeal the court’s decision within the permitted timeframe, and therefore the injunction against the PLPA’s application to pawn transactions will remain in effect until any further action on the Petition.

NON-GAAP FINANCIAL INFORMATION

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

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

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

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

Adjusted Net Income and Adjusted Diluted Earnings Per Share

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

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		**2021**		2020	
	In Thousands	Per Share	In Thousands	Per Share	In Thousands	Per Share	In Thousands	Per Share
Net income and diluted earnings per share, as reported	**$ 33,396**	**$ 0.82**	$ 15,062	$ 0.36	**$ 95,538**	**$ 2.34**	$ 73,853	$ 1.77
Adjustments, net of tax:								
Merger and acquisition expenses	**8**	**—**	5	—	**950**	**0.02**	151	—
Non-cash foreign currency loss (gain) loss related to lease liability	**359**	**0.01**	(308)	(0.01)	**256**	**0.01**	2,453	0.06
Non-cash write-off of certain Cash America merger related lease intangibles	**278**	**0.01**	644	0.02	**1,263**	**0.03**	3,579	0.09
Loss on extinguishment of debt	**—**	**—**	9,037	0.22	**—**	**—**	9,037	0.22
Non-cash impairment of certain other assets [(1)]	**—**	**—**	—	—	**—**	**—**	1,463	0.03
Consumer lending wind-down costs and asset impairments	**—**	**—**	13	—	**—**	**—**	84	—
Adjusted net income and diluted earnings per share	**$ 34,041**	**$ 0.84**	$ 24,453	$ 0.59	**$ 98,007**	**$ 2.40**	$ 90,620	$ 2.17

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

The following tables provide 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 September 30,					
	2021			2020		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Merger and acquisition expenses	**$ 12**	**$ 4**	**$ 8**	$ 7	$ 2	$ 5
Non-cash foreign currency loss (gain) related to lease liability	**513**	**154**	**359**	(439)	(131)	(308)
Non-cash write-off of certain Cash America merger related lease intangibles	**361**	**83**	**278**	837	193	644
Loss on extinguishment of debt	**—**	**—**	**—**	11,737	2,700	9,037
Consumer lending wind-down costs and asset impairments	**—**	**—**	**—**	17	4	13
Total adjustments	**$ 886**	**$ 241**	**$ 645**	$ 12,159	$ 2,768	$ 9,391

	Nine Months Ended September 30,					
	2021			2020		
	Pre-tax	Tax	After-tax	Pre-tax	Tax	After-tax
Merger and acquisition expenses	**$ 1,264**	**$ 314**	**$ 950**	$ 209	$ 58	$ 151
Non-cash foreign currency loss related to lease liability	**366**	**110**	**256**	3,505	1,052	2,453
Non-cash write-off of certain Cash America merger related lease intangibles	**1,640**	**377**	**1,263**	4,649	1,070	3,579
Loss on extinguishment of debt	**—**	**—**	**—**	11,737	2,700	9,037
Non-cash impairment of certain other assets	**—**	**—**	**—**	1,900	437	1,463
Consumer lending wind-down costs and asset impairments	**—**	**—**	**—**	109	25	84
Total adjustments	**$ 3,270**	**$ 801**	**$ 2,469**	$ 22,109	$ 5,342	$ 16,767

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 as a starting point in the calculation of the consolidated total debt ratio as defined in the Company’s senior unsecured notes. The following table provides a reconciliation of net income to EBITDA and adjusted EBITDA (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,		Trailing Twelve Months Ended September 30,	
	2021	2020	**2021**	2020	**2021**	2020
Net income	**$ 33,396**	$ 15,062	**$ 95,538**	$ 73,853	**$ 128,264**	$ 128,007
Income taxes	**10,900**	2,624	**33,834**	26,739	**44,215**	44,103
Depreciation and amortization	**11,217**	10,426	**32,731**	31,424	**43,412**	42,270
Interest expense	**7,961**	6,561	**22,389**	21,953	**29,780**	30,148
Interest income	**(143)**	(499)	**(420)**	(1,209)	**(751)**	(1,476)
EBITDA	**63,331**	34,174	**184,072**	152,760	**244,920**	243,052
Adjustments:						
Merger and acquisition expenses	**12**	7	**1,264**	209	**2,371**	465
Non-cash foreign currency loss (gain) related to lease liability	**513**	(439)	**366**	3,505	**(1,890)**	2,621
Non-cash write-off of certain Cash America merger related lease intangibles	**361**	837	**1,640**	4,649	**4,046**	4,649
Loss on extinguishment of debt	**—**	11,737	**—**	11,737	**—**	11,737
Non-cash impairment of certain other assets	**—**	—	**—**	1,900	**—**	1,900
Consumer lending wind-down costs and asset impairments	**—**	17	**—**	109	**—**	268
Adjusted EBITDA	**$ 64,217**	$ 46,333	**$ 187,342**	$ 174,869	**$ 249,447**	$ 264,692
Net debt ratio calculation:						
Total debt (outstanding principal)					**$ 746,000**	$ 540,000
Less: cash and cash equivalents					**(49,907)**	(78,844)
Net debt					**$ 696,093**	$ 461,156
Adjusted EBITDA					**$ 249,447**	$ 264,692
Net debt ratio (net debt divided by adjusted EBITDA)					**2.8 :1**	1.7 :1

Free Cash Flow and Adjusted Free Cash Flow

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,		Trailing Twelve Months Ended September 30,	
	2021	2020	**2021**	2020	**2021**	2020
Cash flow from operating activities	**$ 24,101**	$ 34,067	**$ 137,850**	$ 177,366	**$ 182,748**	$ 245,138
Cash flow from certain investing activities:						
Loan receivables, net [1]	**(62,145)**	(32,349)	**(70,637)**	145,930	**(109,559)**	183,334
Purchases of furniture, fixtures, equipment and improvements	**(10,583)**	(7,377)	**(31,608)**	(27,853)	**(41,298)**	(39,060)
Free cash flow	**(48,627)**	(5,659)	**35,605**	295,443	**31,891**	389,412
Merger and acquisition expenses paid, net of tax benefit	**8**	5	**950**	151	**1,790**	330
Adjusted free cash flow	**$ (48,619)**	$ (5,654)	**$ 36,555**	$ 295,594	**$ 33,681**	$ 389,742

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

Constant Currency Results

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

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2021 (the "Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

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

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

During the nine months ended September 30, 2021, the Company repurchased a total of 688,000 shares of common stock at an aggregate cost of $49.6 million and an average cost per share of $72.10. The Company intends to continue repurchases under its active share repurchase program, including through open market transactions under trading plans in accordance with Rule 10b5-1 and Rule 10b-18 under the Exchange Act of 1934, as amended, subject to a variety of factors, including, but not limited to, the level of cash balances, credit availability, debt covenant restrictions, general business conditions, regulatory requirements, the market price of the Company's stock, dividend policy, the availability of alternative investment opportunities, including acquisitions, and the impact of COVID-19.

The following table provides the information with respect to purchases made by the Company of shares of its common stock during each month a share repurchase program was in effect during the three months ended September 30, 2021 (dollars in thousands, except per share amounts):

	Total Number Of Shares Purchased	Average Price Paid Per Share	Total Number Of Shares Purchased As Part Of Publicly Announced Plans	Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Plans
July 1 through July 31, 2021	152,000	$ 76.43	152,000	$ 72,217
August 1 through August 31, 2021	—	—	—	72,217
September 1 through September 30, 2021	—	—	—	72,217
Total	152,000	76.43	152,000	

The following table provides purchases made by the Company of shares of its common stock under each share repurchase program in effect during the nine months ended September 30, 2021 (dollars in thousands):

Plan Authorization Date	Plan Completion Date	Dollar Amount Authorized	Shares Purchased in 2021	Dollar Amount Purchased in 2021	Remaining Dollar Amount Authorized For Future Purchases
January 28, 2020	May 4, 2021	$ 100,000	318,000	$ 21,827	$ —
January 27, 2021	Currently active	100,000	370,000	27,783	72,217
Total			688,000	$ 49,610	$ 72,217

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

		Incorporated by Reference				
Exhibit No.	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation	DEF 14A	0-19133	B	04/29/2004	
3.2	Amendment to Amended and Restated Certificate of Incorporation	8-K	001-10960	3.1	09/02/2016	
3.3	Amended and Restated Bylaws	10-Q	001-10960	3.3	04/26/2021	
31.1	Certification Pursuant to Exchange Act Section 13(a)-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act provided by Rick L. Wessel, Chief Executive Officer					X
31.2	Certification Pursuant to Exchange Act Section 13(a)-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act provided by R. Douglas Orr, Chief Financial Officer					X
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 provided by Rick L. Wessel, Chief Executive Officer					X
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 provided by R. Douglas Orr, Chief Financial Officer					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101)					X

SIGNATURES

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

Dated: October 25, 2021

FIRSTCASH, INC.
(Registrant)

/s/ RICK L. WESSEL
Rick L. Wessel
Chief Executive Officer
(On behalf of the Registrant)

/s/ R. DOUGLAS ORR
R. Douglas Orr
Executive Vice President and Chief Financial Officer
(As Principal Financial and Accounting Officer)

EXHIBIT 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT SECTION 13(a)-14(a)/15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Rick L. Wessel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FirstCash, Inc. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 25, 2021

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

EXHIBIT 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT SECTION 13(a)-14(a)/15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, R. Douglas Orr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FirstCash, Inc. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: October 25, 2021

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of FirstCash, Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Rick L. Wessel, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 25, 2021

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of FirstCash, Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, R. Douglas Orr, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 25, 2021

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