



A-Mark Precious Metals Reports Fiscal Fourth Quarter and Record Full Year 2021 Results

September 9, 2021

Recent Acquisition of JM Bullion has Major Impact on Earnings Growth

Company Declares a Non-recurring Special Dividend of \$2.00 per Common Share

EL SEGUNDO, Calif., Sept. 09, 2021 (GLOBE NEWSWIRE) -- **A-Mark Precious Metals, Inc. (NASDAQ: AMRK)**, a leading fully integrated precious metals platform, reported results for the fiscal fourth quarter and full year ended June 30, 2021.

Fiscal Fourth Quarter 2021 Financial Highlights

- Revenues for the three months ended June 30, 2021 were a \$2.18 billion, a 31% increase over the \$1.67 billion reported for the three months ended June 30, 2020 and 6% over the strong \$2.05 billion reported for the three months ended March 31, 2021
- Gross profit for the three months ended June 30, 2021 was a record \$87.1 million, an increase of 211% over the \$28.0 million reported for the three months ended June 30, 2020 and 28% over the \$68.2 million reported for the three months ended March 31, 2021
- Gross profit margins for the three months ended June 30, 2021 rose to 4.00% of revenue, from 1.68% of revenue for the three months ended June 30, 2020, and 3.33% of revenue in the strong three months ended March 31, 2021
- Net income attributable to the Company for the three months ended June 30, 2021 totaled \$51.0 million or \$4.28 per diluted share, a 72% increase in diluted earnings per share, as compared to net income of \$17.8 million or \$2.49 per diluted share for the three months ended June 30, 2020, and net income of \$76.6 million or \$8.84 per diluted share for the three months ended March 31, 2021. Net income attributable to the Company for the three months ended March 31, 2021 included a \$26.3 million remeasurement gain on its pre-existing equity interest in JM Bullion ("JMB") in connection with its acquisition, as well as \$2.6 million of non-recurring acquisition costs
- Adjusted net income before provision for income taxes, a non-GAAP financial measure, for the three months ended June 30, 2021 totaled \$72.3 million, as compared to \$23.0 million for the three months ended June 30, 2020
- In its first full quarter 100% owned by A-Mark, JMB (acquired by the Company on March 19, 2021) made significant additions to A-Mark's earnings, contributing \$37.6 million to the Company's gross profit and \$24.0 million to pre-tax earnings for the fourth quarter
- Gold ounces sold in the three months ended June 30, 2021 increased 15% to 772,000 ounces from 669,000 ounces for the three months ended June 30, 2020 and remained consistent with the 771,000 ounces sold for the three months ended March 31, 2021
- Silver ounces sold in the three months ended June 30, 2021 increased 20% to 35.7 million ounces from 29.6 million ounces for the three months ended June 30, 2020 and increased 8% from 33.1 million ounces for the three months ended March 31, 2021
- As of June 30, 2021, the number of secured loans increased 162% to 1,881 from 717 as of June 30, 2020 and increased 20% from 1,571 as of March 31, 2021

Fiscal Fourth Quarter 2021 Financial Results

Revenues increased 31% to \$2.18 billion from \$1.67 billion in the same year-ago quarter. The increase in revenues was primarily due to an increase in the total amount of gold and silver ounces sold and higher selling prices of gold and silver, partially offset by lower forward sales. Financial results for the three months ended June 30, 2021 included \$603.8 million of revenue that is attributable to the Company's recent acquisition of JMB, representing approximately 28% of the total consolidated revenue for the period.

Gross profit increased 211% to \$87.1 million (4.00% of revenue) from \$28.0 million (1.68% of revenue) in the same year-ago quarter. The increase in gross profit was due to higher gross profits earned by the Wholesale Sales & Ancillary Services and Direct-to-Consumer segments. The increase in gross margin percentage was mainly attributable to significantly wider premium spreads due to increased demand and higher trading profits primarily due to increased volatility, lower forward sales, as well as higher gross profit earned by the Direct-to-Consumer segment due to JMB. Approximately

43% of the consolidated gross profit for the quarter was attributable to JMB.

Selling, general and administrative expenses increased 144% to \$25.0 million from \$10.2 million in the same year-ago quarter. The increase was primarily due to \$12.8 million of expenses incurred by JMB, of which \$7.7 million was attributable to amortization expense, and overall increases in consulting costs of \$0.5 million, compensation expense of \$0.3 million, and insurance costs of \$0.7 million. Approximately 51% of the consolidated selling, general, and administrative expenses for the quarter was attributable to JMB.

Interest income increased 60% to \$5.2 million from \$3.3 million in the same year-ago quarter. The increase in interest income was primarily due to higher interest income earned from the Company's Secured Lending segment due to higher average monthly secured loan balances outstanding as compared to the same year-ago quarter, and higher other finance product income.

Interest expense increased 45% to \$5.2 million from \$3.6 million in the same year-ago quarter. The increase in interest expense was primarily due to higher interest expense associated with a higher usage of the Company's Trading Credit Facility, product financing arrangements and liabilities on borrowed metals, and increases in loan servicing fees related to higher average secured loan balances as compared to the same year-ago quarter.

Earnings from equity method investments decreased 63% to \$1.6 million from \$4.5 million in the same year-ago quarter. This decrease was due to the acquisition of the remaining 79.5% interest in the Company's previous equity method investment in JMB during the fiscal third quarter, which is now consolidated as a wholly owned subsidiary, offset by an increase in earnings and higher ownership interests in the remaining equity method investments compared to the same year-ago quarter.

Net income attributable to the Company totaled \$51.0 million or \$4.28 per diluted share, compared to net income of \$17.8 million or \$2.49 per diluted share in the same year-ago quarter. Diluted weighted average shares outstanding for the three months ended June 30, 2021 were 11,915,700, compared to 7,173,000 in the same year-ago quarter.

Fiscal Year 2021 Financial Highlights

- Revenues for the fiscal year ended June 30, 2021 were a \$7.61 billion, a 39% increase over the \$5.46 billion reported for the fiscal year ended June 30, 2020
- Gross profit for the fiscal year ended June 30, 2021 was a record \$210.2 million, an increase of 214% over the \$67.0 million reported for the fiscal year ended June 30, 2020
- Gross profit margins for the fiscal year ended June 30, 2021 rose to 2.76% of revenue, from 1.23% of revenue for the fiscal year ended June 30, 2020
- Net income attributable to the Company for the fiscal year ended June 30, 2021 totaled \$159.6 million or \$17.79 per diluted share, as compared to net income of \$30.5 million or \$4.31 per diluted share for the fiscal year ended June 30, 2020. Net income attributable to the Company for the fiscal year ended June 30, 2021 included a \$26.3 million remeasurement gain on its pre-existing equity interest in JMB in connection with its acquisition, as well as \$2.6 million of non-recurring acquisition costs
- Adjusted net income before provision for income taxes, a non-GAAP financial measure, for the fiscal year ended June 30, 2021 totaled \$179.9 million, as compared to \$40.8 million for the fiscal year ended June 30, 2020
- Gold ounces sold for the fiscal year ended June 30, 2021 increased 26% to 2.7 million ounces from 2.2 million ounces for the fiscal year ended June 30, 2020
- Silver ounces sold for the fiscal year ended June 30, 2021 increased 26% to 114.3 million ounces from 90.4 million ounces for the fiscal year ended June 30, 2020

Fiscal Year 2021 Financial Results

Revenues increased 39% to \$7.61 billion from \$5.46 billion in the prior fiscal year. The increase in revenues was primarily due to an increase in the total amount of gold and silver ounces sold and higher selling prices of gold and silver, partially offset by lower forward sales. Financial results for the fiscal year ended June 30, 2021 included \$672.2 million of revenue that is attributable to JMB's operations during the post-acquisition period from March 20, 2021 through June 30, 2021, representing approximately 9% of the total consolidated revenue for the year.

Gross profit increased 214% to \$210.2 million (2.76% of revenue) from \$67.0 million (1.23% of revenue) in the same year-ago period. The overall gross profit increase was due to higher gross profits from the Wholesale Sales & Ancillary Services and Direct-to-Consumer segments. The increase in gross profit was primarily due to significantly wider premium spreads due to increased demand, higher trading profits due to increased volatility, lower forward sales, as well as higher gross profit earned by the Direct-to-Consumer segment due to JMB. Approximately 22% of the consolidated gross profit for the year was attributable to JMB.

Selling, general, and administrative expenses increased 60% to \$58.8 million from \$36.8 million in the prior fiscal year. The increase was primarily due to \$14.5 million of expenses incurred by JMB, of which \$8.7 million was attributable to amortization expense, \$2.6 million of costs associated with the acquisition of JMB, increased compensation expense (including performance-based accruals) of \$2.4 million, and higher insurance costs of \$1.4 million. Approximately 25% of the consolidated selling, general, and administrative expenses for the year was attributable to JMB.

Interest income decreased 13% to \$18.5 million from \$21.2 million in the prior fiscal year. The decrease in interest income was primarily due to lower interest income earned by the Company's Secured Lending segment due to lower average monthly secured loan balances outstanding as compared to the prior fiscal year, partially offset by higher other finance product income. The number of secured loans increased 162% to 1,881 from 717 at the

end of the prior fiscal year.

Interest expense increased 5% to \$19.9 million from \$18.9 million in the prior fiscal year. The increase in interest expense was primarily driven by higher interest expense associated with product financing arrangements, higher interest and fees from liabilities on borrowed metals, partially offset by a reduction in loan servicing fees, and less interest expense related to the Company's Trading Credit Facility.

Earnings from equity method investments increased 219% to \$15.5 million from \$4.9 million in the prior fiscal year. The aggregate increase was due to an increase in earnings and ownership interests in the Company's equity method investments compared to the prior fiscal year, offset by a reduction due to the acquisition of the remaining 79.5% interest in our previous equity method investment in JMB during the fiscal third quarter, which is now consolidated as a wholly owned subsidiary.

Net income attributable to the Company totaled \$159.6 million or \$17.79 per diluted share, an appreciable improvement from net income of \$30.5 million or \$4.31 per diluted share in the prior fiscal year. Net income attributable to the Company for the fiscal year ended June 30, 2021 included a \$26.3 million remeasurement gain on its pre-existing equity interest in JMB in connection with its acquisition. Excluding the remeasurement gain, net income attributable to the Company for the fiscal year ended June 30, 2021 was \$133.3 million. Net income attributable to the Company also included \$2.6 million of non-recurring costs associated with the acquisition of JMB. Diluted weighted average shares outstanding for the fiscal year ended June 30, 2021 were 8,972,300, compared to 7,080,500 for the prior fiscal year.

Management Commentary

"The fourth quarter marked a solid finish to a record and transformative year for A-Mark," said A-Mark CEO Greg Roberts. "The integration and contribution of JMB's business has exceeded expectations, driving higher gross profit margins and pre-tax income, excluding the remeasurement gain associated with the JMB acquisition, compared to the prior quarter, and supported by healthy macro trends across our business. More specifically, the 28% sequential increase in gross profit and 37% return on equity, excluding the remeasurement gain, for the fiscal year reflects the strategic expansion of our Direct-to-Consumer (DTC) business and our ability to leverage our platform to take advantage of supply constrained environments."

Michael Wittmeyer, JMB CEO, added: "The integration of JMB into A-Mark has gone as smoothly as I could have hoped. As planned, JMB is now successfully leveraging the enhanced access to the A-Mark supply chain and product portfolio into a significant advantage in the precious metals eCommerce landscape. We remain thrilled with the partnership and are highly enthusiastic about all the opportunities on our roadmap."

Greg Roberts continued: "JMB continues to exceed our expectations and has established significant operational momentum in our DTC business segment, including synergies between brands under the A-Mark portfolio and strong pricing premiums. Our recently announced increased stake in Pinehurst provides the Company with increased exposure to yet another established, high-quality DTC brand with a unique customer base. We continue to evaluate opportunistic investments within the DTC segment, specifically targeting value-add brands that can provide A-Mark with a broader geographic or customer footprint."

"We entered fiscal 2022 in a strong position as recent strategic acquisitions and investments such as JMB, Pinehurst, Sunshine Mint, and our purchase of the remaining interest in SilverTowne Mint, have dramatically strengthened our vertically integrated capabilities and continues to provide us with price stability and secured access to product, particularly during volatile and supply constrained market conditions. Our expanded A-Mark business continues to benefit from the sustained rally in the precious metals market, and we remain optimistic that our favorable competitive position, industry leading fully integrated precious metals platform, and proven business model will help us capitalize on near-term opportunities and realize continued growth and profitability over the long term."

Special Dividend

A-Mark's Board of Directors approved a non-recurring special dividend of \$2.00 per common share. The special dividend will be paid on or about September 24, 2021 to stockholders of record as of September 20, 2021.

Conference Call

A-Mark will hold a conference call today (September 9, 2021) to discuss these financial results. The Company's CEO Greg Roberts, President Thor Gjerdrum, CFO Kathleen Simpson-Taylor, and JMB's CEO Michael Wittmeyer will host the call at 4:30 p.m. Eastern time (1:30 p.m. Pacific time). A question-and-answer session will follow management's presentation.

To participate, please dial the appropriate number at least five minutes prior to the start time and ask for the A-Mark Precious Metals conference call.

U.S. dial-in number: 1-877-407-0789

International number: 1-201-689-8562

Conference ID: 13722502

The conference call will be broadcast simultaneously and available for replay via the Investor Relations section of A-Mark's website at www.amark.com. If you have any difficulty connecting with the conference call or webcast, please contact A-Mark's investor relations team at 1-949-574-3860.

A replay of the call will be available after 7:30 p.m. Eastern time through September 24, 2021.

Toll-free replay number: 1-844-512-2921

International replay number: 1-412-317-6671

Conference ID: 13722502

About A-Mark Precious Metals

Founded in 1965, A-Mark Precious Metals, Inc. (NASDAQ: AMRK) is a leading fully integrated precious metals platform that offers an array of gold, silver, platinum, palladium, and copper bullion, numismatic coins and related products to wholesale and retail customers via a portfolio of channels. The company conducts its operations through three complementary segments: Wholesale Sales & Ancillary Services, Secured Lending, and Direct-to-Consumer. The company's global customer base spans sovereign and private mints, manufacturers and fabricators, refiners, dealers, financial institutions, industrial users, investors, collectors, and e-commerce and other retail customers.

A-Mark's Wholesale Sales & Ancillary Services segment distributes and purchases precious metal products from sovereign and private mints. As a U.S. Mint-authorized purchaser of gold, silver, and platinum coins since 1986, A-Mark purchases bullion products directly from the U.S. Mint for sale to

customers. A-Mark also has longstanding distributorships with other sovereign mints, including Australia, Austria, Canada, China, Mexico, South Africa and the United Kingdom. The company sells more than 200 different products to e-commerce retailers, coin and bullion dealers, financial institutions, brokerages and collectors. In addition, A-Mark sells precious metal products to industrial users, including metal refiners, manufacturers and electronic fabricators.

Through its A-M Global Logistics subsidiary, A-Mark provides its customers with a range of complementary services, including managed storage options for precious metals as well as receiving, handling, inventorying, processing, packaging, and shipping of precious metals and coins on a secure basis. A-Mark's mint operations, which are conducted through its wholly owned subsidiary [SilverTowne Mint](#), enable the company to offer customers a wide range of proprietary coin and bar offerings and, during periods of market volatility when the availability of silver bullion from sovereign mints is often product constrained, preferred product access.

The company operates its Secured Lending segment through its wholly owned subsidiaries, Collateral Finance Corporation ([CFC](#)) and AM Capital Funding. Founded in 2005, CFC is a California licensed finance lender that originates and acquires loans secured by bullion and numismatic coins. Its customers include coin and precious metal dealers, investors and collectors. AM Capital Funding was formed in 2018 for the purpose of securitizing eligible secured loans of CFC.

A-Mark's Direct-to-Consumer segment operates as an omni-channel retailer of precious metals, providing access to a multitude of products through its wholly owned subsidiaries, [JM Bullion](#) and [Goldline](#). JM Bullion is a leading e-commerce retailer of precious metals and operates five separately branded, company-owned websites targeting specific niches within the precious metals market: [JMBullion.com](#), [ProvidentMetals.com](#), [Silver.com](#), [GoldPrice.org](#), [SilverPrice.org](#). Goldline markets precious metals directly to the investor community through various channels, including television, radio and telephonic sales efforts. A-Mark also holds minority ownership interests in two additional direct-to-consumer brands.

A-Mark is headquartered in El Segundo, CA and has additional offices and facilities in the neighboring Los Angeles area as well as in Dallas, TX, Las Vegas, NV, Winchester, IN, and Vienna, Austria. For more information, visit www.amark.com.

Important Cautions Regarding Forward-Looking Statements

Statements in this press release that relate to future plans, objectives, expectations, performance, events and the like are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934. Future events, risks and uncertainties, individually or in the aggregate, could cause actual results to differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ include the following: the failure to execute our growth strategy as planned; greater than anticipated costs incurred to execute this strategy; changes in the current international political climate which has favorably contributed to demand and volatility in the precious metals markets; increased competition for our higher margin services, which could depress pricing; the failure of our business model to respond to changes in the market environment as anticipated; general risks of doing business in the commodity markets; the effects of the COVID-19 pandemic and the eventual return to normalized business and economic conditions; and the strategic, business, economic, financial, political and governmental risks described in in the company's public filings with the Securities and Exchange Commission.

The words "should," "believe," "estimate," "expect," "intend," "anticipate," "foresee," "plan" and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Additionally, any statements related to future improved performance and estimates of revenues and earnings per share are forward-looking statements. The company undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Use and Reconciliation of Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP financial measure is useful in evaluating our operating performance. We present "adjusted net income before provision for income taxes" because we believe it assists investors and analysts by facilitating comparison of period-to-period operational performance on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. The items excluded from this financial measure may have a material impact on our financial results. Certain of those items are non-recurring, while others are non-cash in nature. Accordingly, this non-GAAP financial measure should be considered in addition to, and not as a substitute for or superior to, the comparable measures prepared in accordance with GAAP, and should be read in conjunction with the financial statements included in our Annual Report on Form 10-K to be filed with the SEC.

In our reconciliation from our reported GAAP "net income before provision for taxes" to our non-GAAP "adjusted net income before provision for taxes," we eliminate the impact of the following four amounts: (i) remeasurement gains; (ii) acquisition expenses; (iii) amortization expenses related to intangible assets acquired; and (iv) depreciation expense.

We encourage investors and others to review our financial information in its entirety and not to rely on any single financial measure.

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A-MARK PRECIOUS METALS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except for share data)

June 30,

June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash	\$ 101,405	\$ 52,325
Receivables, net	89,000	49,142
Derivative assets	44,536	46,325
Secured loans receivable	112,968	63,710
Precious metals held under financing arrangements	154,742	178,577
Inventories:		
Inventories	256,991	246,603
Restricted inventories	201,028	74,678
	<u>458,019</u>	<u>321,281</u>
Prepaid expenses and other assets	3,557	2,659
Total current assets	<u>964,227</u>	<u>714,019</u>
Operating lease right of use assets	5,702	4,223
Property, plant, and equipment, net	8,609	5,675
Goodwill	100,943	8,881
Intangibles, net	93,633	4,974
Long-term investments	18,467	16,763
Other long-term assets	—	3,500
Total assets	<u>\$ 1,191,581</u>	<u>\$ 758,035</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Lines of credit	185,000	\$ 135,000
Liabilities on borrowed metals	91,866	168,206
Product financing arrangements	201,028	74,678
Accounts payable and other current liabilities	200,351	140,930
Derivative liabilities	7,539	25,414
Accrued liabilities	18,785	10,397
Income tax payable	5,016	2,135
Total current liabilities	<u>709,585</u>	<u>556,760</u>
Notes payable	93,249	92,517
Deferred tax liabilities	19,514	62
Other liabilities	5,291	3,802
Total liabilities	<u>827,639</u>	<u>653,141</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of June 30, 2021 and June 30, 2020	—	—
Common stock, par value \$0.01; 40,000,000 shares authorized; 11,229,657 and 7,031,500 shares issued and outstanding as of June 30, 2021 and June 30, 2020, respectively	113	71
Additional paid-in capital	150,420	27,289
Retained earnings	212,090	73,644
Total A-Mark Precious Metals, Inc. stockholders' equity	<u>362,623</u>	<u>101,004</u>
Noncontrolling interests	1,319	3,890
Total stockholders' equity	<u>363,942</u>	<u>104,894</u>
Total liabilities, noncontrolling interests and stockholders' equity	<u>\$ 1,191,581</u>	<u>\$ 758,035</u>

A-MARK PRECIOUS METALS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except for share and per share data)

	<u>Years Ended</u>	
	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Revenues	\$ 7,613,015	\$ 5,461,094
Cost of sales	<u>7,402,817</u>	<u>5,394,121</u>
Gross profit	210,198	66,973
Selling, general, and administrative expenses	(58,809)	(36,756)
Interest income	18,474	21,237
Interest expense	(19,865)	(18,859)

Earnings from equity method investments	15,547	4,878
Other income, net	1,079	348
Remeasurement gain on pre-existing equity interest	26,306	—
Unrealized (losses) gains on foreign exchange	(129)	57
Net income before provision for income taxes	192,801	37,878
Income tax expense	(31,877)	(6,387)
Net income	160,924	31,491
Net income attributable to noncontrolling interests	1,287	982
Net income attributable to the Company	\$ 159,637	\$ 30,509
Basic and diluted net income per share attributable to A-Mark Precious Metals, Inc.:		
Basic	\$ 19.13	\$ 4.34
Diluted	\$ 17.79	\$ 4.31
Weighted average shares outstanding:		
Basic	8,343,300	7,031,500
Diluted	8,972,300	7,080,500

A-MARK PRECIOUS METALS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

Years Ended June 30,	2021	2020
Cash flows from operating activities:		
Net income	\$ 160,924	\$ 31,491
<i>Adjustments to reconcile net income to net cash (used in) provided by operating activities:</i>		
Depreciation and amortization	10,788	2,900
Amortization of loan cost	2,162	1,484
Deferred income taxes	(2,034)	3,225
Interest added to principal of secured loans	(13)	(19)
Share-based compensation	1,173	953
Remeasurement gain on pre-existing equity method investment	(26,306)	—
Earnings from equity method investments	(15,547)	(4,878)
Dividend received from equity method investee	343	—
<i>Changes in assets and liabilities:</i>		
Receivables	(20,880)	(22,247)
Secured loans receivable	1,932	3,086
Secured loans made to affiliates	5,755	5,261
Derivative assets	7,447	(43,897)
Income tax receivable	—	1,473
Precious metals held under financing arrangements	23,835	30,215
Inventories	(79,031)	(28,420)
Prepaid expenses and other assets	(7)	59
Accounts payable and other current liabilities	(27,446)	78,750
Derivative liabilities	(20,194)	15,443
Liabilities on borrowed metals	(76,340)	(32,938)
Accrued liabilities	5,687	3,859
Income tax payable	(4,902)	2,135
Net cash (used in) provided by operating activities	(52,654)	47,935
Cash flows from investing activities:		
Capital expenditures for property, plant, and equipment	(2,113)	(836)
Purchase of long-term investments	(7,996)	—
Purchase of intangible assets	—	(150)
Secured loans receivable, net	(56,932)	53,260
Acquisition of remaining noncontrolling equity interest in joint venture	(1,950)	—
Other secured loans, net	—	(3,500)
Redemption adjustment of equity method investment	17,457	—
Incremental acquisition of pre-existing equity method investment, net of cash	(78,859)	—
Net cash (used in) provided by investing activities	(130,393)	48,774
Cash flows from financing activities:		
Product financing arrangements, net	126,350	(19,827)
Dividends paid	(21,191)	—

Borrowings and repayments under lines of credit, net	50,000	(32,000)
Net proceeds from the issuance of common stock	75,344	—
Debt funding issuance costs	(1,861)	(761)
Net settlement on issuance of common shares on exercise of options	3,485	(116)
Net cash provided by (used in) financing activities	232,127	(52,704)
Net increase in cash, cash equivalents, and restricted cash	49,080	44,005
Cash, cash equivalents, and restricted cash, beginning of period	52,325	8,320
Cash, cash equivalents, and restricted cash, end of period	\$ 101,405	\$ 52,325

Overview of Results of Operations for the Years Ended June 30, 2021 and 2020

Consolidated Results of Operations

The operating results of our business for the years ended June 30, 2021 and 2020 are as follows:

in thousands, except per share data

	Years Ended					
	June 30, 2021		June 30, 2020		Increase/ (decrease)	Increase/ (decrease)
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 7,613,015	100.000%	\$ 5,461,094	100.000%	\$ 2,151,921	39.4%
Gross profit	210,198	2.761%	66,973	1.226%	\$ 143,225	213.9%
Selling, general, and administrative expenses	(58,809)	(0.772)%	(36,756)	(0.673)%	\$ 22,053	60.0%
Interest income	18,474	0.243%	21,237	0.389%	\$ (2,763)	(13.0)%
Interest expense	(19,865)	(0.261)%	(18,859)	(0.345)%	\$ 1,006	5.3%
Earnings from equity method investments	15,547	0.204%	4,878	0.089%	\$ 10,669	218.7%
Other income, net	1,079	0.014%	348	0.006%	\$ 731	210.1%
Remeasurement gain on pre-existing equity interest	26,306	0.346%	—	0.0%	\$ 26,306	0.0%
Unrealized (losses) gains on foreign exchange	(129)	(0.002)%	57	0.001%	\$ 186	326.3%
Net income before provision for income taxes	192,801	2.533%	37,878	0.694%	\$ 154,923	409.0%
Income tax expense	(31,877)	(0.419)%	(6,387)	(0.117)%	\$ 25,490	399.1%
Net income	160,924	2.114%	31,491	0.577%	\$ 129,433	411.0%
Net income attributable to noncontrolling interests	1,287	0.017%	982	0.018%	\$ 305	31.1%
Net income attributable to the Company	\$ 159,637	2.097%	\$ 30,509	0.559%	\$ 129,128	423.2%

Basic and diluted net income per share attributable to

A-Mark Precious Metals, Inc.:

Per Share Data:

Basic	\$ 19.13	\$ 4.34	\$ 14.79	340.8%
Diluted	\$ 17.79	\$ 4.31	\$ 13.48	312.8%

Overview of Results of Operations for the Three Months Ended June 30, 2021 and 2020

Consolidated Results of Operations

The operating results of our business for the three months ended June 30, 2021 and 2020 are as follows:

in thousands, except per share data

	Three Months Ended					
	June 30, 2021		June 30, 2020		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 2,178,666	100.000%	\$ 1,665,768	100.000%	\$ 512,898	30.8%
Gross profit	87,131	3.999%	28,027	1.683%	\$ 59,104	210.9%
Selling, general, and administrative expenses	(24,987)	(1.147)%	(10,228)	(0.614)%	\$ 14,759	144.3%
Interest income	5,234	0.240%	3,269	0.196%	\$ 1,965	60.1%
Interest expense	(5,200)	(0.239)%	(3,585)	(0.215)%	\$ 1,615	45.0%
Earnings from equity method investments	1,648	0.076%	4,486	0.269%	\$ (2,838)	(63.3)%
Other income, net	176	0.008%	293	0.018%	\$ (117)	(39.9)%
Unrealized gains on foreign exchange	2	0.000%	99	0.006%	\$ (97)	(98.0)%
Net income before provision for income taxes	64,004	2.938%	22,361	1.342%	\$ 41,643	186.2%
Income tax expense	(12,933)	(0.594)%	(4,036)	(0.242)%	\$ 8,897	220.4%

Net income	51,071	2.344 %	18,325	1.100 %	\$ 32,746	178.7 %
Net income attributable to non-controlling interests	66	0.003 %	499	0.030 %	\$ (433)	(86.8 %)
Net income attributable to the Company	\$ 51,005	2.341 %	\$ 17,826	1.070 %	\$ 33,179	186.1 %
Basic and diluted net income per share attributable to						
A-Mark Precious Metals, Inc.:						
Per Share Data:						
Basic	\$ 4.57		\$ 2.53		\$ 2.04	80.6 %
Diluted	\$ 4.28		\$ 2.49		\$ 1.79	71.9 %

Overview of Results of Operations for the Three Months Ended June 30, 2021 and March 31, 2021

Consolidated Results of Operations

The operating results of our business for the three months ended June 30, 2021 and March 31, 2021 are as follows:

in thousands, except per share data

	Three Months Ended					
	June 30, 2021		March 31, 2021		\$	%
	\$	% of revenue	\$	% of revenue	Increase/ (decrease)	Increase/ (decrease)
Revenues	\$ 2,178,666	100.000 %	\$ 2,049,489	100.000 %	\$ 129,177	6.3 %
Gross profit	87,131	3.999 %	68,171	3.326 %	\$ 18,960	27.8 %
Selling, general, and administrative expenses	(24,987)	(1.147) %	(14,783)	(0.721) %	\$ 10,204	69.0 %
Interest income	5,234	0.240 %	4,724	0.230 %	\$ 510	10.8 %
Interest expense	(5,200)	(0.239) %	(5,335)	(0.260) %	\$ (135)	(2.5 %)
Earnings from equity method investments	1,648	0.076 %	7,411	0.362 %	\$ (5,763)	(77.8 %)
Other income, net	176	0.008 %	339	0.017 %	\$ (163)	(48.1 %)
Remeasurement gain on pre-existing equity interest	—	—	26,306	1.3 %	\$ (26,306)	(100.0 %)
Unrealized gains (losses) on foreign exchange	2	0.000 %	(53)	(0.003) %	\$ 55	103.8 %
Net income before provision for income taxes	64,004	2.938 %	86,780	4.234 %	\$ (22,776)	(26.2 %)
Income tax expense	(12,933)	(0.594) %	(9,847)	(0.480) %	\$ 3,086	31.3 %
Net income	51,071	2.344 %	76,933	3.754 %	\$ (25,862)	(33.6 %)
Net income attributable to non-controlling interests	66	0.003 %	308	0.015 %	\$ (242)	(78.6 %)
Net income attributable to the Company	\$ 51,005	2.341 %	\$ 76,625	3.739 %	\$ (25,620)	(33.4 %)
Basic and diluted net income per share attributable to						
A-Mark Precious Metals, Inc.:						
Per Share Data:						
Basic	\$ 4.57		\$ 9.54		\$ (4.97)	(52.1 %)
Diluted	\$ 4.28		\$ 8.84		\$ (4.56)	(51.6 %)

A-MARK PRECIOUS METALS, INC. AND SUBSIDIARIES Reconciliation of GAAP to Non-GAAP Financial Measures

Reconciliation of net income to Adjusted Net Income before Provision for income taxes:

in thousands

	Years ended					
	June 30, 2021		June 30, 2020		\$	%
	\$	% of revenue	\$	% of revenue	Increase/ (decrease)	Increase/ (decrease)
Revenues	\$ 7,613,015	100.00 %	\$ 5,461,094	100.00 %	\$ 2,151,921	39.4 %
Net income before provision for income taxes	\$ 192,801	2.533 %	\$ 37,878	0.694 %	\$ 154,923	409.0 %
Adjustments:						
Remeasurement gain on pre-existing equity interest	\$ (26,306)	(0.346) %	\$ —	—	26,306	— %
Acquisition costs	2,576	0.034 %	—	—	2,576	— %
Amortization of acquired intangibles	9,341	0.123 %	1,028	0.019 %	\$ 8,313	808.7 %

Depreciation expense	<u>1,447</u>	0.019 %	<u>1,872</u>	0.034 %	\$ (425)	(22.7) %
Adjusted net income before provision for income taxes (Non-GAAP)	\$ 179,859	2.363 %	\$ 40,778	0.747 %	\$ 139,081	341.1 %

in thousands

	Three Months Ended					
	June 30, 2021		June 30, 2020		\$	%
	\$	% of revenue	\$	% of revenue	Increase/ (decrease)	Increase/ (decrease)
Revenues	<u>\$ 2,178,666</u>	<u>100.00 %</u>	<u>\$ 1,665,768</u>	<u>100.00 %</u>	<u>\$ 512,898</u>	<u>30.8 %</u>
Net income before provision for income taxes	\$ 64,004	2.938 %	\$ 22,361	1.342 %	\$ 41,643	186.2 %
Adjustments:						
Amortization of acquired intangibles	\$ 7,882	0.362 %	\$ 260	0.016 %	\$ 7,622	2,931.5 %
Depreciation expense	<u>412</u>	<u>0.019 %</u>	<u>423</u>	<u>0.025 %</u>	<u>\$ (11)</u>	<u>(2.6) %</u>
Adjusted net income before provision for income taxes (Non-GAAP)	\$ 72,298	3.32 %	\$ 23,044	1.383 %	\$ 49,254	213.7 %



Source: A-Mark Precious Metals