



Investor Presentation

March 2021

NASDAQ: AMRK



A LEADING FULLY INTEGRATED
PRECIOUS METALS PLATFORM

IMPORTANT CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. In particular, statements regarding A-Mark Precious Metals, Inc. (“A-Mark,” “we” or “our”) expectations regarding the benefits of A-Mark’s proposed acquisition of JM Bullion, Inc. (“JMB”); the combined company’s ability to address the challenges posed by the business and economic impacts of COVID-19 pandemic; diversification of A-Mark’s revenues and revenue growth in the retail segment; introduction of new products and services; and expectations and objectives of management constitute forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical facts and generally contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. Although the forward-looking statements contained in this presentation are based upon information available at the time the statements are made and reflect management’s good faith beliefs, forward-looking statements inherently involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to differ materially from anticipated future results. Important factors that could cause actual results to differ materially from expectations include, among others: the ability to satisfy the conditions to the closing of the JMB acquisition; difficulties integrating the businesses and management of A-Mark and JMB; the failure to achieve the anticipated benefits of the proposed JMB acquisition; changes in consumer demand and preferences for precious metal products; the effects of the COVID-19 pandemic and the eventual return to normalized business and economic conditions; and A-Mark’s ability to retain the members of JMB’s management team who it will rely on to operate JMB’s business following the proposed acquisition. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Factors that may cause actual results to differ materially from any future results expressed or implied by any forward-looking statements include the risks described in the “Risk Factors” section of our Quarterly Report on Form 10-Q for the period ended December 31, 2020, as well as those set forth from time to time in our other Securities and Exchange Commission (“SEC”) filings. We do not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

INVESTMENT HIGHLIGHTS



Leading Fully Vertically Integrated Precious Metals Platform

- Ecommerce and wholesale distribution
- Long-standing direct mint relationships
- Storage and logistics capabilities
- Ancillary services for wholesale customers
- Secured lending

JM Bullion Acquisition Sets the Stage for Future Growth

- Ecommerce is the fastest growing segment of the precious metals market
- Proven ability to cost effectively acquire ecommerce customers
- Higher margin and less capital-intensive business model than wholesale
- In-house technology development capabilities
- Significant cross selling opportunities between A-Mark and JM Bullion

Secular Tailwinds Driving Precious Metals Industry Growth

- Long-term store of value and hedge against inflation
- Demand for security of owning physical assets
- Owning physical metals more cost efficient than ETFs

Experienced and Aligned Team to Continue Executing On the Plan

- JMB's proven ecommerce capabilities complement A-Mark's significant precious metals experience
- Meaningful stock ownership by key executives and directors aligns their interests with those of the shareholders

SEASONED MANAGEMENT TEAM & BOARD

A-Mark

Gregory Roberts *Chief Executive Officer*

30 YEARS EXPERIENCE AT A-MARK

Thor Gjerdrum *President*

19 YEARS EXPERIENCE AT A-MARK

Kathleen Simpson-Taylor *EVP & Chief Financial Officer*

5 YEARS EXPERIENCE AT A-MARK

Brian Aquilino *Chief Operating Officer*

20 YEARS EXPERIENCE AT A-MARK

Steven Reiner *President of CFC*

3 YEARS EXPERIENCE AT A-MARK

Armik Zakian *Chief Information Officer*

2 YEARS EXPERIENCE AT A-MARK

JM Bullion

Michael Wittmeyer *Chief Executive Officer*

10 YEARS EXPERIENCE AT JMB

Brad Berbette *Chief Operating Officer*

1 YEARS EXPERIENCE AT JMB

Bert Byerley, Jr. *Chief Financial Officer*

5 YEARS EXPERIENCE AT JMB

Aloysius Lee *Director of Technology*

6 YEARS EXPERIENCE AT JMB

Rob Pacelli *Director of Marketing*

7 YEARS EXPERIENCE AT JMB

Board of Directors

Jeffrey Benjamin, *Chairman*

YEAR JOINED BOARD: 2009

American Airlines 

 **rackspace**
technology

Jess Ravich

YEAR JOINED BOARD: 2009

 **ALJ**

 **TCW**

 **HOULIHAN LOKEY**

Ellis Landau

YEAR JOINED BOARD: 2012

 **BOYD GAMING**

 **FULL HOUSE**
RESORTS

Beverley Lepine

YEAR JOINED BOARD: 2015

 **Pallium Canada**

John Moorhead

YEAR JOINED BOARD: 2009

 **GLOBAL**
POWER
PARTNERS

A-MARK IS A LEADING FULLY INTEGRATED PRECIOUS METALS PLATFORM

2005



Today



Future



JM BULLION

- *Leading online precious metals retailer*
- *Best in class online marketing and website design*
- *Proven track record of new customer acquisition*
- *Operates a two-way market to facilitate customer buybacks*
- *Recently opened new distribution facility to streamline logistics*
- *Targeted SKU count drives efficiencies and creates opportunities post-acquisition*

~\$1.5 Billion

2020

Net Sales

~175%

2020

YoY % Net Sales Growth

~\$79 Million

2020

Gross Profit

~\$62 Million

2020

Pre-Tax Income

Transaction Overview

Purchase Price

- \$138.3m for 79.5% not already owned
- Implies a \$174.0m transaction value

Consideration

- \$103.7m cash (75% of purchase price)
- \$34.6m of A-Mark common stock (25% of purchase price)

Additions to the Board

- Michael Wittmeyer
- Kendall Saville

TRANSACTION WILL HELP DRIVE FUTURE GROWTH



Channel Diversification

Significantly increases A-Mark's Direct Sales segment, representing approximately 50% of the Company's pro forma pre-tax net income



Broadens Consumer-Facing Brand Portfolio

Provides A-Mark the ability to tailor its merchandising and pricing strategies to multiple customer demographics



Attractive Customer Economics

JMB's proven and internally developed online marketing strategies enable it to acquire customers at attractive rates and realize average order values at over 50x its customer acquisition cost



Expands Logistics Footprint

Adds a centrally located distribution hub in Dallas, TX, which will improve A-Mark's ability to service customers on the East Coast and expand overall capacity



Complementary Management Team

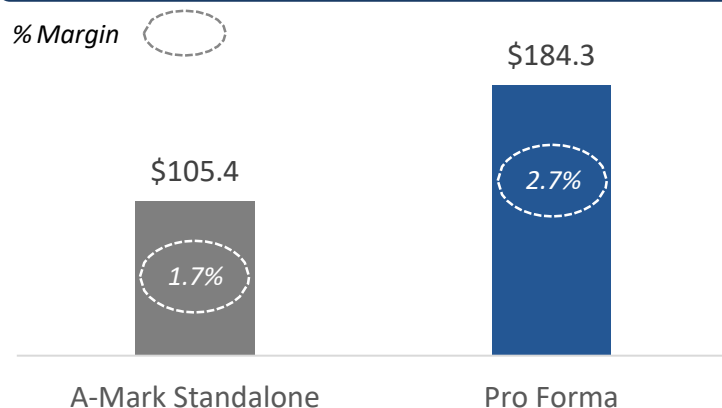
The A-Mark and JMB senior leadership teams have significant precious metals market expertise and deep online and ecommerce experience, and have worked closely together since A-Mark's initial minority investment in 2014

SELECT PRO FORMA FINANCIAL INFORMATION

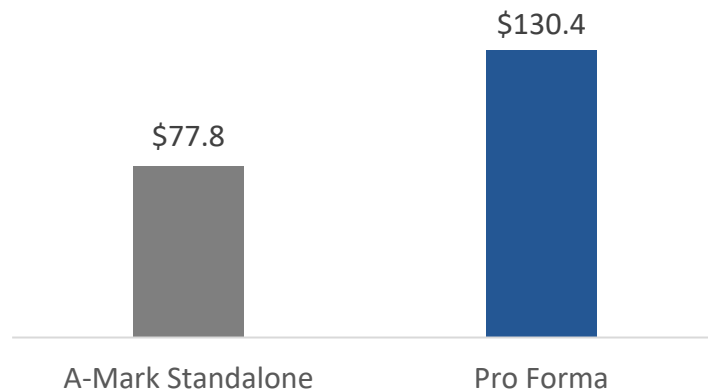
LTM December 31, 2020

(\$ in millions, except per share)

Gross Profit



Adjusted Pre-Tax Income¹



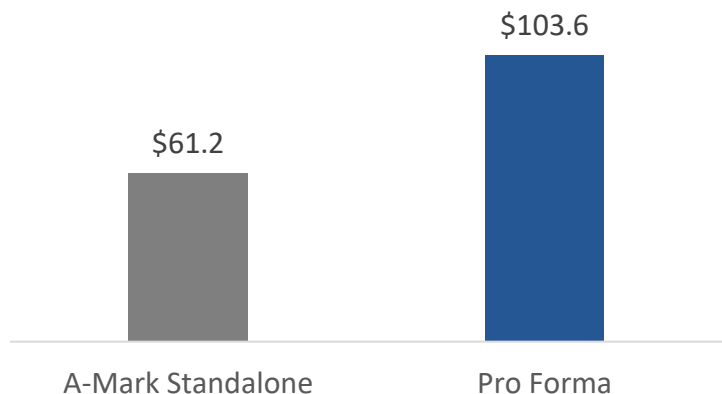
Balance Sheet Highlights

~\$80 Million
Cash and Availability on
Credit Facilities²

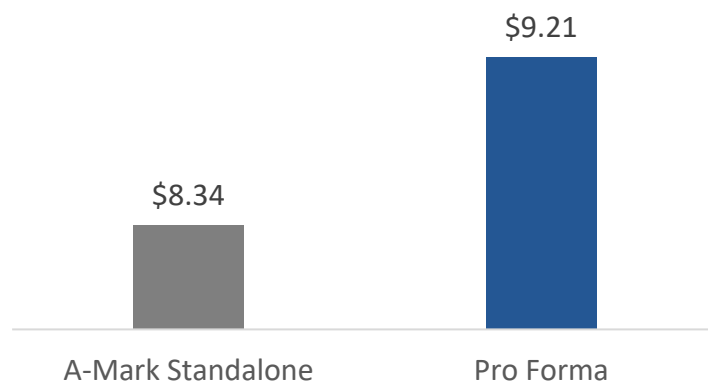
~\$1 Billion
Liquid Assets³

All Debt
Fully Collateralized by
Liquid Assets

Adjusted Net Income¹



Adjusted EPS¹

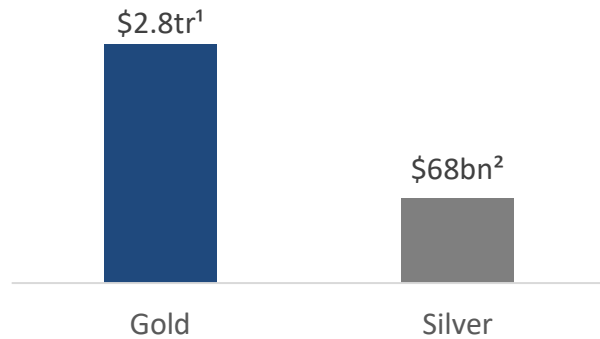


- 1) Represents a non-GAAP financial measure as it excludes acquisition-related intangible amortization for the PF period LTM Dec-20.
- 2) Assumes the Company renews its existing credit facility

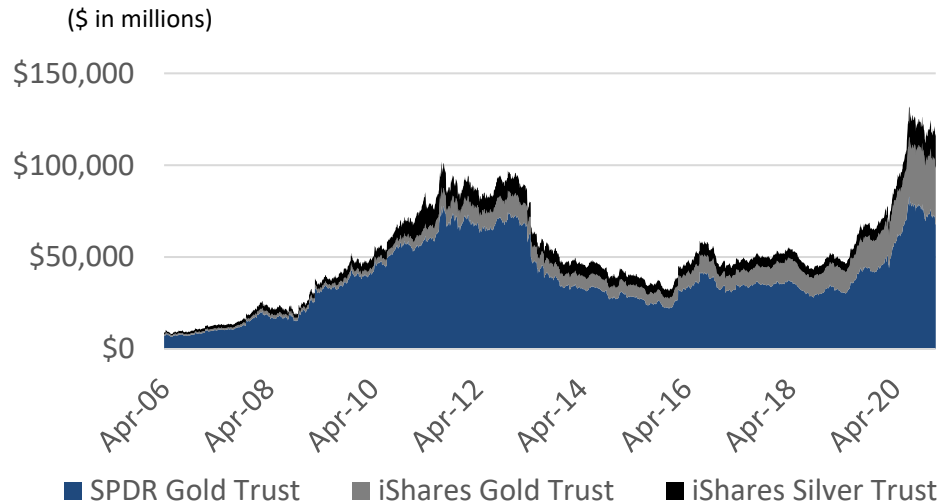
- 3) Liquid assets consist of cash, receivables, derivative assets, secured loans receivables, precious metals held under financing arrangements and inventories

PRECIOUS METALS IS A LARGE & GROWING ASSET CLASS

Total Value Held for Investment



ETF Assets Under Management



Drivers of Investment Demand



Long-term Store of Value



Collectability



Hedge Against Inflation



Diversification and Uncorrelated Returns

Benefits of Physical Holdings vs. ETFs

- Cost Efficiency
 - ETF fees range from 0.40% – 0.75% annually
- Physical possession and privacy
- No counterparty risk
- Collateral for Financing

1) Gold.org as of January 30, 2020, updated for current pricing
 2) 2019 Silver World Survey, updated for current pricing

PRECIOUS METALS MARKET STRUCTURE



Sovereign & Institutional

Market Participants

- Central Banks and Global Universal Banks
- ETFs
- Institutional investors and traders

Primary Products

- 400 oz Good Delivery Bars (~\$750,000)
- 1,000 oz Silver Bar (~\$27,000)

Market Attributes

- Dominated by large international trading desks
- Deep liquidity drives very narrow spreads
- Driven by spot prices



Dealers & Individuals



Market Participants

- Brick & mortar dealers
- ecommerce platforms
- Individual investors

Primary Products

- 1 oz gold coins (~\$2,000)
- 1 oz silver coins (~\$35)

Market Attributes

- Less liquidity - supply constraints can drive wider spreads
- Customer loyalty driven by brand and service levels
- Significant market share shifting to ecommerce
- ***Driven by premiums over spot prices***

POTENTIAL OF ECOMMERCE TO DRAMATICALLY CHANGE THE MARKET

		<u>AOV¹</u>
Precious Metals	JM BULLION	\$1,910
Apparel	REVOLVE	\$275
Furniture	wayfair	\$241
Auto Parts	carparts.com	\$80
Flowers	1-800 flowers.com	\$75
Pet Supplies	chewy.com	N/A
Jewelry	BLUE NILE	N/A

Benefits of Ecommerce in the Precious Metals Market



24/7 ordering capabilities



Ability to offer broad inventory assortment



Greater price transparency



Affordable secure storage alternatives



Faster and secure shipping

We believe online platforms such as JM Bullion are displacing traditional dealers in the precious metals market in the same way that ecommerce businesses have disrupted other industries

1) Average order values based on latest 10k filings

DIRECT TO CONSUMER

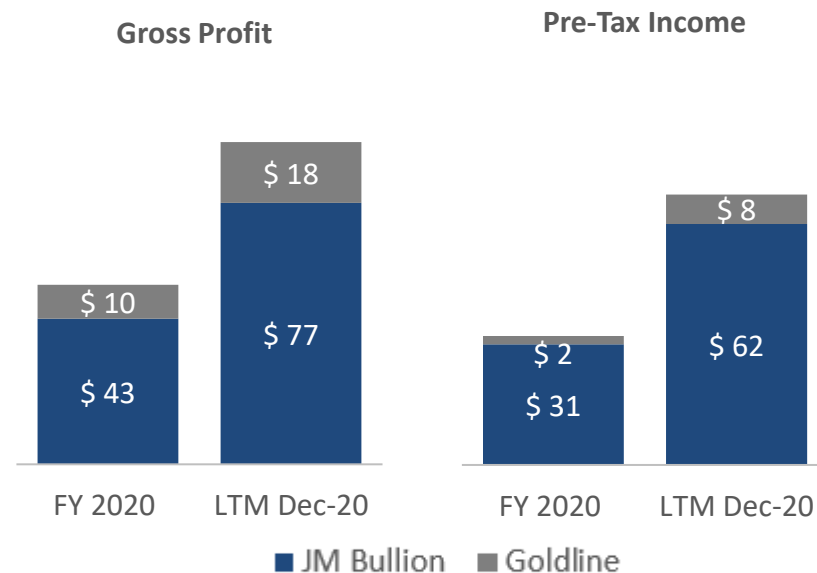
- A-Mark’s largest and fastest growing business segment with the highest margins
- With JMB acquisition, will own six unique consumer-facing brands and have minority investments to two others
 - Each brand has a different market positioning and target customer demographic
- JMB has a strong track record of cost-effectively acquiring highly valuable new customers
- JMB has best-in-class digital marketing strategy - multi-site approach, paid & organic search, targeted email campaigns and mobile website optimization
- Significant focus on customer experience and personalization has driven customer lifetime value and retention
- JM Bullion's integration with A-Mark will significantly drive supply & logistics capabilities

Eight Unique Online Platforms



Company A¹ Company B¹

(\$ in millions)



1) Includes A-Mark’s minority investment in two other direct to consumer brands

White Glove Service

- Products sold exclusively through account executives

Strong Gross Margins

- Superior service drives higher price points

Higher Income Customers than JM Bullion

- Generally older and more affluent

Custom Product Offerings

- Highly receptive to commemorative products

Glenn Beck Relationship

- Long-time spokesperson and precious metals investor

Impressive AOV

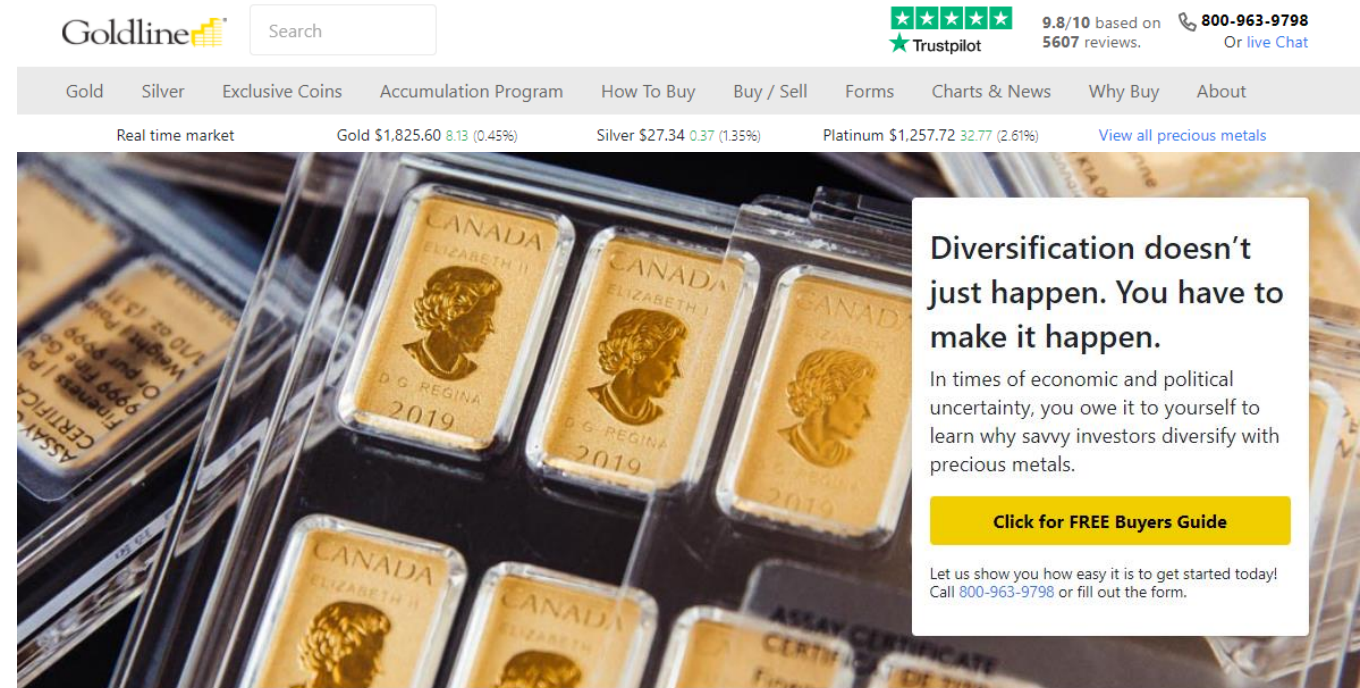
- ~\$16,000 average order value in calendar year 2020¹

Accumulation and IRA Programs

- Drives repeat purchases

JM BULLION Opportunity

- *Optimize digital marketing and website design*
- *Offer Goldline “white glove” service to JM Bullion VIP customers*
- *Inventory and supply chain efficiencies*



1) Excludes orders from accumulation program

WHOLESALE SALES – A PREMIER PRECIOUS METALS MERCHANT

Coin & Bar

Overview

- Leader in the distribution and purchase of precious metals from sovereign and private mints
- Robust trading desk, also serves as hedging platform for the Company and its clients

Customers

- Coin and bullion dealers
- Financial institutions, brokerages, family offices and collectors

Products

- 200+ coins in a variety of weights, currencies and denominations

Industrial

Overview

- Sells precious metals to industrial and commercial users
- Helps facilitate hedging and physical settlement

Customers

- Sovereign and independent mints
- Refiners, manufacturers and electronics fabricators
- Jewelers and jewelry manufactures

Products

- Investment or industrial grade bars and grains

A-Mark Offers a Broad Spectrum of Ancillary Services to Precious Metals Dealers



Trading & Hedging



Product Financing



Repurchases



Storage



Logistics

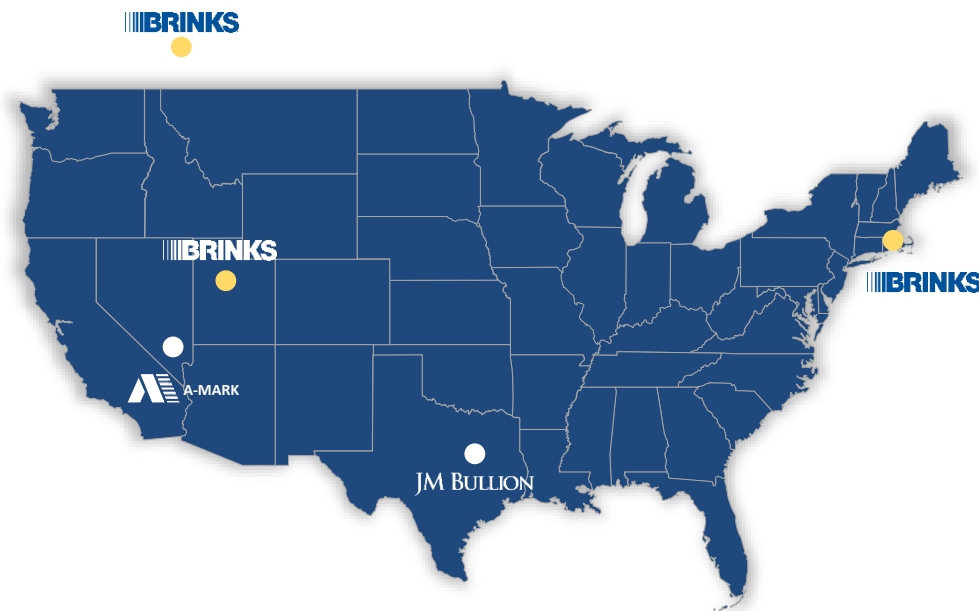


Minting &
Proprietary
Products

STORAGE & LOGISTICS

Las Vegas, NV

- Company operated 17,000 sq. ft. depository
- 3PL leader in precious metals, processing 100k+ packages per month
- Features IRA storage and a growing custodial network
- Security provided by globally recognized Loomis
- Services institutions, dealers, investors and collectors
- A global depository network



● Third-party facilities that support A-Mark's service footprint (JFK, SLC and Calgary)

Dallas, TX

- Operated by JM Bullion
- 25,000 sq. ft. facility
- Provides a strategic advantage for A-Mark's logistics capabilities
- Capable of moving 100k+ packages per month
- Optimized for buybacks

JM BULLION Opportunity

- *Approximately 50% of current shipments from Las Vegas are to customers east of Dallas*
- *Opportunity for significant cost savings and shipping efficiencies*

1) Excludes shipments to US territories and Canada

STRATEGIC MINT RELATIONSHIPS

US MINT

- 35+ year direct relationship
- A-Mark has historically been received the largest allocation of gold and silver products
- Typically commands the highest premiums



INTERNATIONAL SOVEREIGN MINTS

- Direct relationships with other major national mints
- Typically lower premiums than US Mint products, but are critical when supply of US Mint products are constrained
- Strong relationships help ensure consistent supply and proprietary products



PRIVATE MINTS

- Ownership interests in SilverTowns Mint and Sunshine Mint
- Provide consistent supply and increased margins
- Enhanced ability to create high margin proprietary products



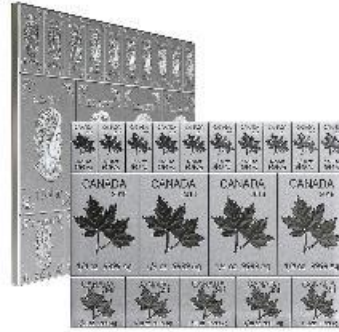
EXCLUSIVE PRODUCTS

Differentiated Products that Enhance Margins



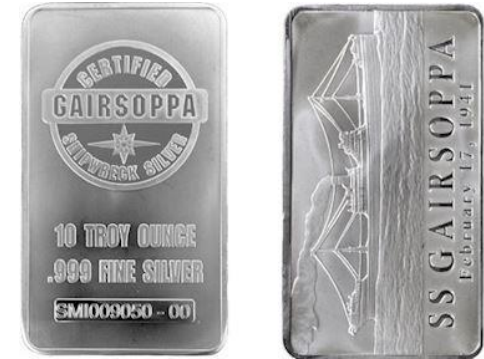
The Queen's Beast

- A series of 10 coins issued by the Royal Mint
- Feature the heraldic beast statues that lined the aisle at Westminster Abbey for the coronation of Queen Elizabeth II
- Series ran from 2016 through 2020



The MapleFlex Silver Bar

- Innovative design issued by Royal Canadian Mint
- Grooves permit individual bars to be "snapped" off
- Silver available in a variety of weights



The Gairsoppa

- A British merchant ship sunk by a U-boat in 1941
- 48+ tons of silver and £1.5M of bullion were discovered in 2011
- Minted by facility in U.S.

JM BULLION Opportunity

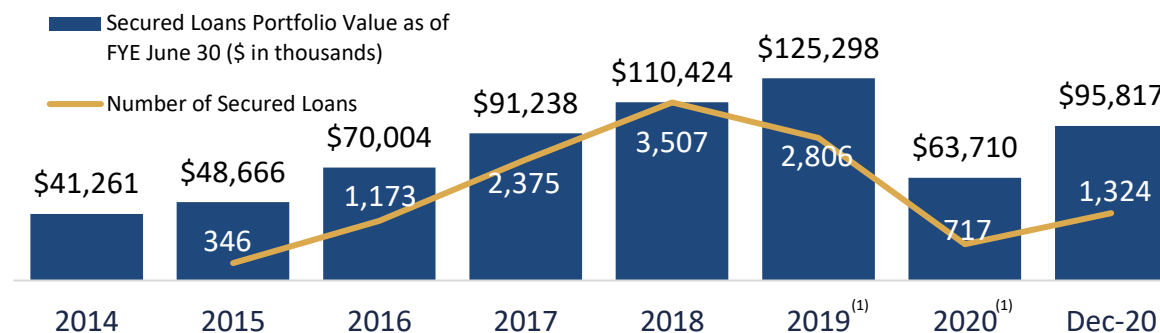
- *Expand JM Bullion's SKU count with higher margin proprietary products*
- *Specialty and licensed products can capture new customers*

SECURED LENDING

\$250+ Million in loans extended since 2005, with no historical principal losses

Overview	Licensed lender that originates and acquires commercial loans secured by bullion and numismatic coins
Portfolio	\$96 million as of December 31, 2020
Customers	Coin and precious metal dealers, investors and collectors
Loan Type	Secured loans with collateral held in AMGL or approved third-party depositories
Collateral	Bullion 70% - 80% loan-to-value ("LTV") Numismatics 60% - 70% LTV
Source / Origination	40% Originated and 60% Acquired as of December 31, 2020
Funding	\$100 million Asset Backed Securities offering closed in September 2018

Secured Loan Portfolio Value and Number of Loans



Interest Income (CFC Only)



JM BULLION Opportunity

- Leverage JM Bullion's digital marketing
- Ability to offer secured financing to JM Bullion's user base, allowing them to partially monetize their existing positions and/or increase their purchasing power

1) Decrease in loan quantities due to short-term weakness in silver prices during Q1 FY19 and Q3 FY20

MULTIPLE AVENUES FOR GROWTH



Continue to Grow DTC Brands

Expand market reach through growth of DTC sales



Cross-Sell Products to JMB Customers

Cross-sell platform to increase profitability and customer retention



Further Leverage Minting Capabilities

Leverage existing capabilities to sell additional proprietary products



Expand Global Footprint

Large and fragmented international precious metals market



New Digital Products

Online trading of metals-backed digital product, redeemable for physical coins and bars



Pursue Strategic Acquisitions & Investments

Proven ability to identify and execute on strategic investments and acquisitions to strengthen platform



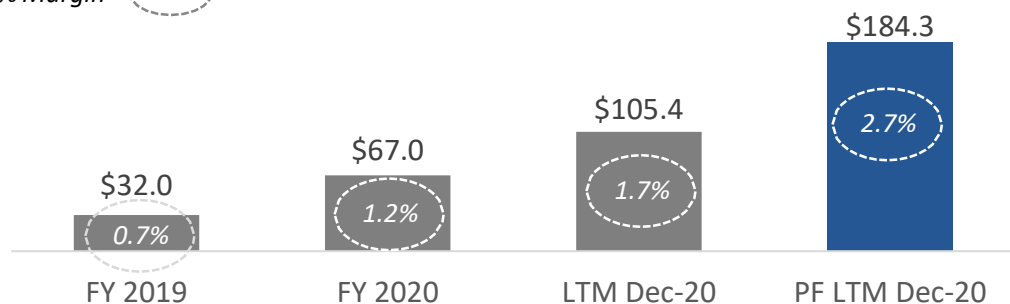
FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE

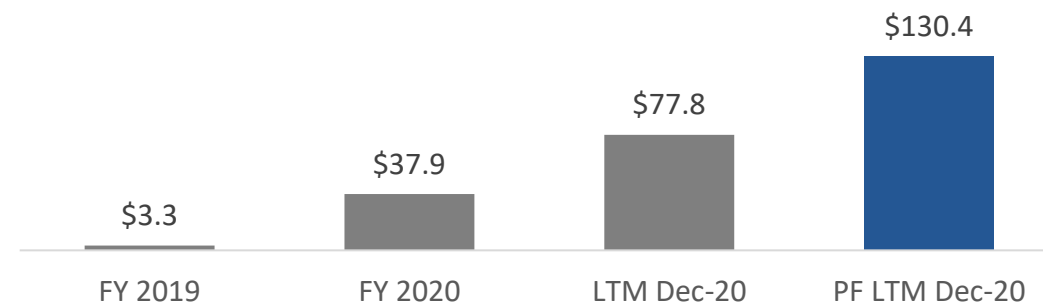
(\$ in millions, except per share)

Gross Profit

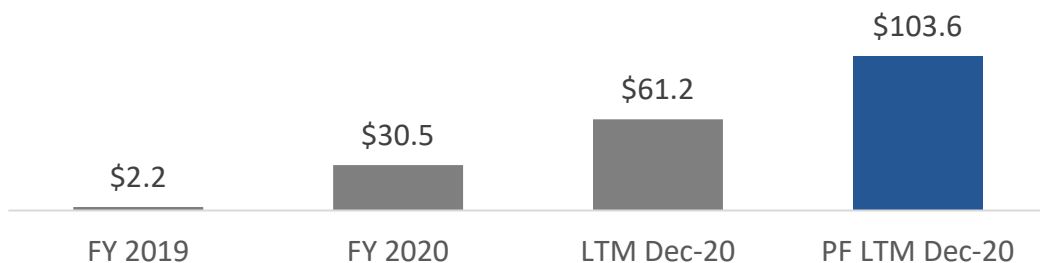
% Margin 



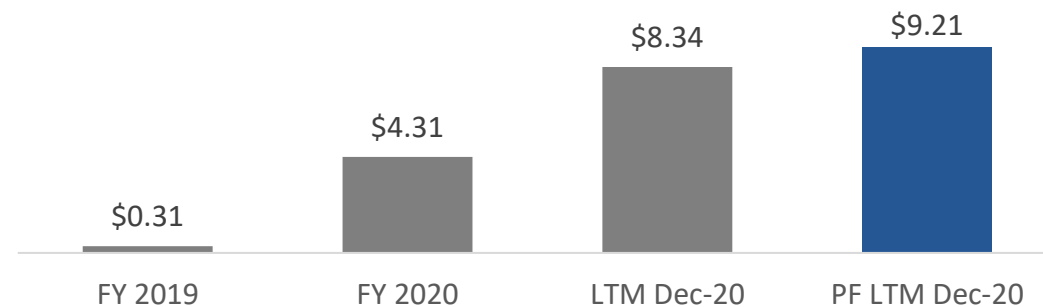
Adjusted Pre-Tax Income¹



Adjusted Net Income¹



Adjusted EPS¹



A-Mark's recently improved financial performance is primarily due to the premiums earned over spot prices, highlighting the Company's profit potential during periods of volatility

PRO FORMA INCOME STATEMENT

(\$ in thousands, except per share data)

	A-Mark LTM Dec-20	JM Bullion LTM Dec-20	Transaction Adjustments	Pro Forma Combined ¹ LTM Dec-20
Revenues	\$6,309,350	\$1,493,298	(\$1,071,816)	\$6,730,832
Cost of Sales	(6,203,952)	1,414,400	1,071,816	(6,546,536)
Gross Profit	105,398	78,898	-	184,296
Selling, General, and Administrative Expenses	(39,655)	(15,654)	(8,869)	(64,178)
Interest Income	17,753	-	(846)	16,907
Interest Expense	(17,966)	(1,094)	643	(18,417)
Other Income (Expense), net	12,270	-	(9,736)	2,534
Pre-Tax Income	77,800	62,150	(18,808)	121,142
Income Tax Expense	(14,947)	(13,651)	5,324	(23,274)
Net Income	62,853	48,499	(13,484)	97,868
Net Income Attributable to Non-Controlling Interests	1,698	-	-	1,698
Net Income Attributable to the Company	<u>\$61,155</u>	<u>\$48,499</u>	<u>(\$13,484)</u>	<u>\$96,170</u>
EPS				
Basic	\$8.68			\$8.77
Diluted	\$8.34			\$8.54

As Adjusted Financial Data²

Adjusted Pre-Tax Income	\$77,800	\$62,150	(\$9,558)	\$130,392
Adjusted Net Income Attributable to the Company	\$61,155	\$48,499	(\$6,011)	\$103,643
Adjusted EPS				
Basic	\$8.68			\$9.45
Diluted	\$8.34			\$9.21

1) Reflects the impact of transaction adjustments.

2) Represents non-GAAP financial measures that exclude acquisition-related intangible amortization.

ROBUST CAPITAL STRUCTURE

Cash: Fluctuates with business cycles

Receivables: Represents amounts due from customers and brokers

Derivative Assets and Liabilities: Fair value of derivatives relating to open sale and purchase commitments, futures and forward contracts

Secured loans receivable: Mostly short-term in nature, providing flexibility for capital deployment strategies. Loans are fully secured by customers' assets, which are typically held in safekeeping by the Company

Precious metals held and inventory: \$556.3 million in inventory and \$160.3 million in precious metals held under financing arrangements

	Pro Forma December 31, 2020
<i>(\$ in millions)</i>	
Cash	\$6.7
Receivables, net	115.8
Derivative Assets	58.8
Secured loans receivable	95.8
Precious metals held & inventory	716.6
Other	4.8
Total current assets	998.5
Goodwill	100.8
Intangibles, net	90.7
Other Long-term assets	28.4
Total assets	\$1,218.4
Lines of credit	\$181.3
Liabilities on borrowed metals	141.8
Product financing arrangements	272.5
Accounts Payable and other current liabilities	185.7
Derivative Liabilities	54.1
Other	19.0
Total current liabilities	854.6
Notes payable and other liabilities	118.2
Total stockholders' equity	245.6
Total liabilities and equity	\$1,218.4

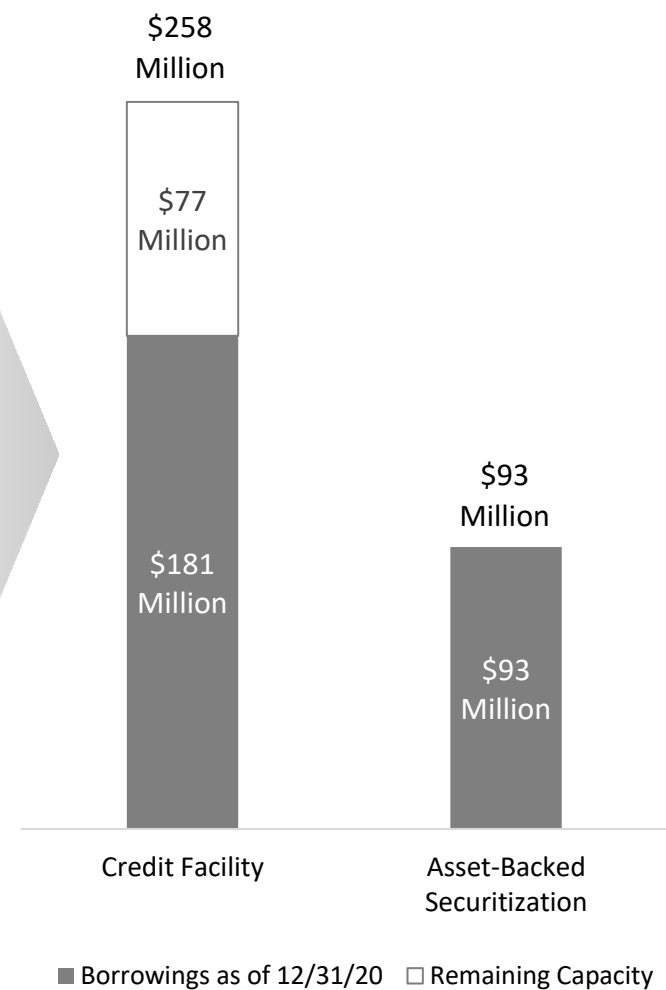
Lines of credit: \$257.5 million Trading Credit Facility scheduled to terminate in March 2021, and currently in renewal process. Facility was increased in September 2020 from \$220.0 million, reflecting the continued support from A-Mark's lending partners and the Company's ability to address higher commodity prices and increased activity levels

Liabilities on borrowed metals: Borrows precious metals from suppliers and customers under short-term arrangements

Product financing arrangements: Generates liquidity through arrangements with financial institutions for the transfer and repurchase of inventory.

Accounts payable and other current liabilities: Represents advances from customers, deferred revenue and trade and other payables

Notes payable: \$92.9 million asset-backed securitization⁽¹⁾ with a maturity of December 2023 and \$25.3 million in other liabilities



1) AM Capital Funding ("AMCF"), a wholly-owned subsidiary of CFC, completed an issuance of \$72.0 million of 4.98% Secured Senior Term Notes and \$28.0 million of 5.98% Secured Subordinated Term Notes in September 2018. The securitization is primarily collateralized by the secured loans contributed from CFC. Current balance of \$92.9 million excludes \$5.0 million Note that the Company retained and \$2.1 million unamortized loan cost balance.



**A-MARK
PRECIOUS
METALS**

Thank You



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