



**CPS**

**Consumer Portfolio Services, Inc.**

***The Subprime Source Since 1991***

**June 2025 Investor Presentation**

# SAFE HARBOR STATEMENT

Forward-looking statements in this presentation include the Company's expectations of growth and the Company's recorded figures representing allowances for remaining expected lifetime credit losses, its estimates of fair value (most significantly for its receivables accounted for at fair value), its provision for credit losses, its entries offsetting the preceding, and figures derived from any of the preceding. In each case, such figures are forward-looking statements because they are dependent on the Company's estimates of losses to be incurred in the future. The accuracy of such statements may be adversely affected by various factors, which include the following: possible increased delinquencies; repossessions and losses on retail installment contracts; incorrect prepayment speed and/or discount rate assumptions; possible unavailability of qualified personnel, which could adversely affect the Company's ability to service its portfolio; possible increases in the rate of consumer bankruptcy filings, which could adversely affect the Company's rights to collect payments from its portfolio; other changes in government regulations affecting consumer credit; possible declines in the market price for used vehicles, which could adversely affect the Company's realization upon repossessed vehicles; economic conditions in geographic areas in which the Company's business is concentrated; and our ability to generate sufficient operating and financing cash flows. Any or all of such factors also may affect the Company's future financial results, as to which there can be no assurance. Any implication that the results of the most recently completed quarter are indicative of future results is disclaimed, and the reader should draw no such inference. Factors such as those identified above in relation to losses to be incurred in the future may affect future performance.

# COMPANY OVERVIEW

Consumer Portfolio Services specializes in purchasing and servicing automobile contracts originated by licensed motor vehicle dealers in the sale of new and used automobiles, light trucks and passenger vans. Through our purchases, we provide indirect financing to dealers for sub-prime customers. We serve as an alternative source of financing for dealers, allowing sales to customers who otherwise might not be able to obtain financing.

**NASDAQ  
Listed: CPSS**

**Established  
in 1991. IPO  
1992**

**932  
Employees<sup>(1)</sup>**

**HQ in  
Las Vegas, NV**

**55  
Consecutive  
Profitable  
Quarters<sup>(1)</sup>**

**105 ABS  
Deals to  
Date**

**Operating  
Branches in  
NV, CA, IL, VA  
and FL**

**10,000 Daily  
Applications  
Received  
from Dealers<sup>(1)</sup>**

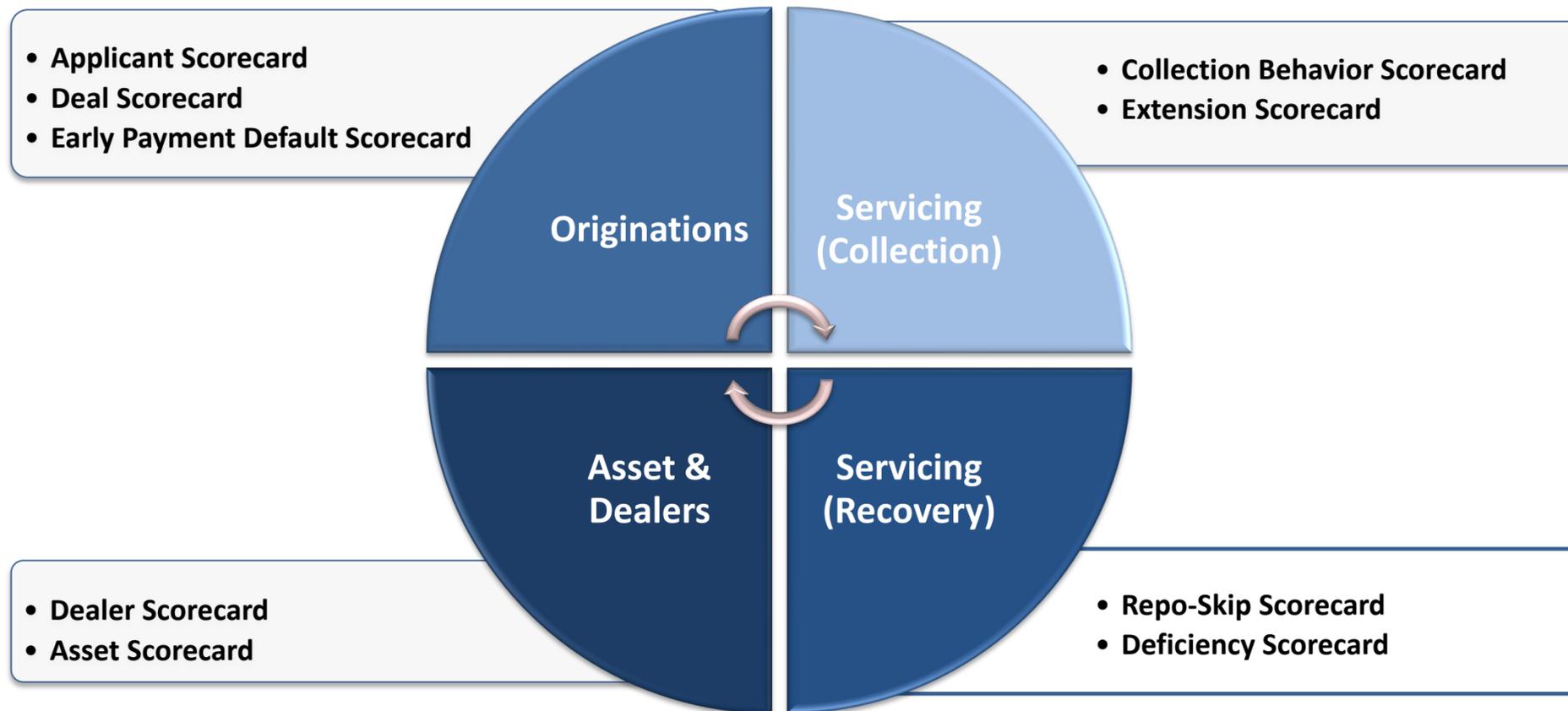
**Average  
Management  
Tenure is 25  
Years- ~300  
Combined Years  
at CPS**

**\$3.85  
Billion  
Managed  
Portfolio<sup>(1)</sup>**

# THE CPS ADVANTAGE

**CPS is a leader in Machine Learning (ML) and Artificial Intelligence (AI).**

- Industry leading disciplined modeling framework: Linear/Logistic Regression, Neural Network, Decision Tree, Ensemble Model, Time Series, Machine Learning, Random Forest
- Continuous model training and recalibration



**Instant Credit Decisions Leads CPS to Higher Quality Loans**

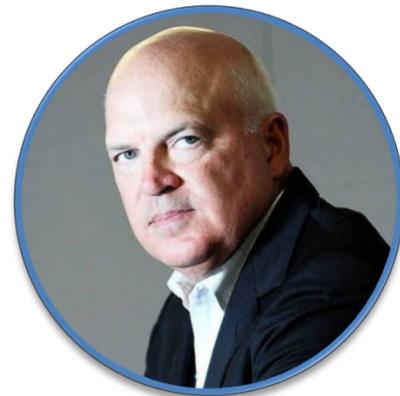
**Proprietary Modeling and Scorecards**

**Decades of Historical Performance Data Shape our Models**

**Risk Department Led by Industry Veterans**

# LEADERSHIP

CPS' senior management team consists of 12 executives that are led by Brad, Mike and Danny. Each has significant industry experience and, on average, 25 years with CPS. Combined, senior management has over 300 years of auto lending experience just at CPS.



**Charles "Brad" Bradley**  
CEO, Chairman of the Board

- CEO since 1992
- Chairman of the Board since 2001
- 34 years at CPS



**Mike Lavin**  
President, COO, CLO

- President since 2022
- COO since 2019. CLO since 2014
- 24 Years at CPS



**Danny Bharwani**  
CFO

- CFO since 2022
- 28 years at CPS

# MARKET

## Dynamics

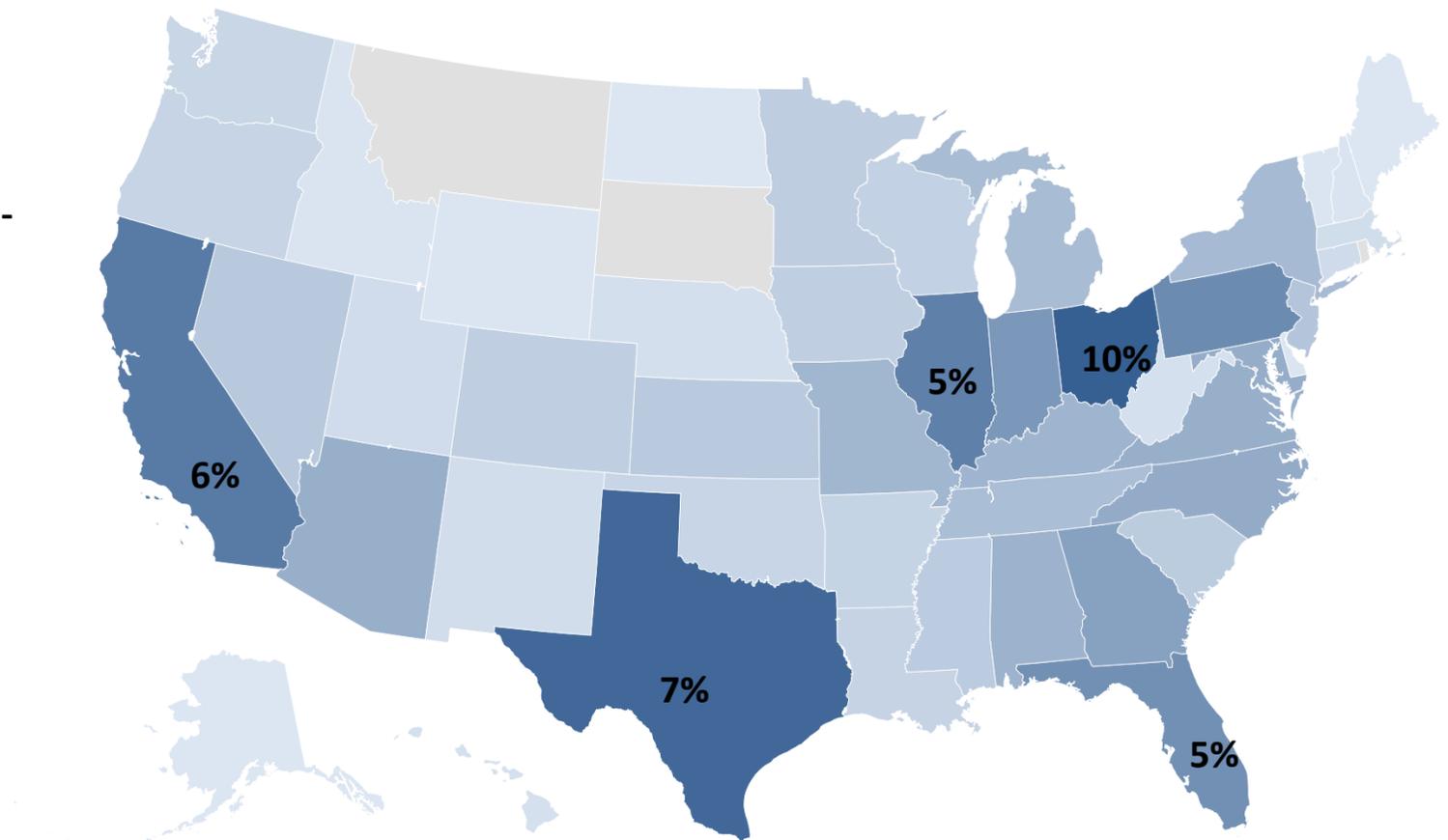
Large Total Addressable Market (TAM)

High Barrier to Entry

Small, Fragmented Market

- \$1.6 trillion auto loans outstanding at Q1 2025<sup>(1)</sup>
- ~16% of auto financings in Q1 2025 were sub-prime<sup>(1)</sup>
- Capital-intensive
- Highly regulated industry
- Few dominant players
- Compete on rates and fees

## Footprint



- Highest volume originating states for CPS <sup>(2)</sup>
- Contracts purchased in 47 states <sup>(2)</sup>

Powered by Bing  
© GeoNames, Microsoft, TomTom

(1) According to Experian Automotive  
(2) As of June 30, 2025

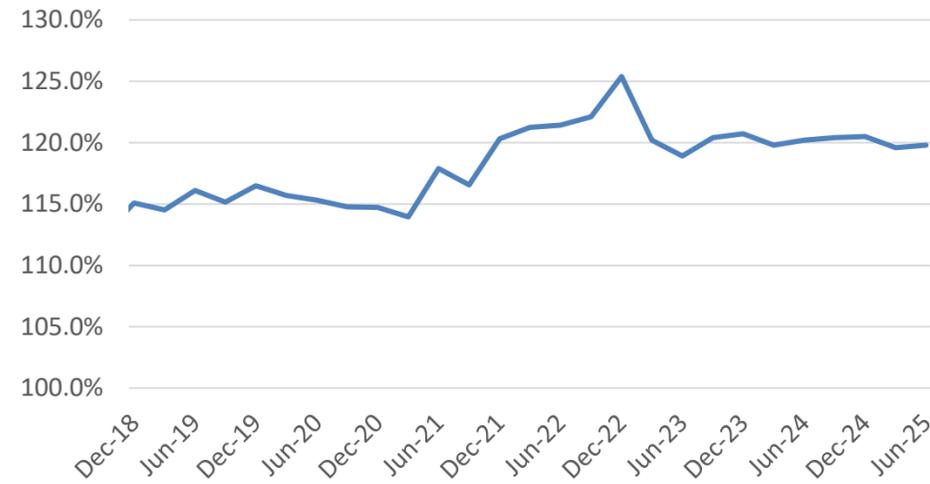
# PRODUCT OFFERING

<u>Program</u> <sup>(1)</sup>	<u>Avg. Yield</u>	<u>Avg. Amount Financed</u>	<u>Avg. Annual Household Income</u>	<u>Avg. Time on Job (years)</u>	<u>Avg. FICO</u>	<u>% of Purchases</u>
Meta	13.93%	\$25,774	\$103,453	9.1	658	3%
Preferred	16.07%	\$26,589	\$92,050	7.4	590	17%
Super Alpha	18.53%	\$25,324	\$82,391	5.8	567	21%
Alpha Plus	20.93%	\$22,627	\$82,125	5.1	554	23%
Alpha	22.30%	\$20,670	\$64,012	4.1	567	26%
Standard	24.17%	\$16,479	\$58,884	3.2	573	7%
Mercury / Delta	25.13%	\$14,949	\$56,687	3.6	552	2%
First Time Buyer	24.91%	\$13,828	\$46,537	2.6	580	2%
<b>Overall</b>	<b>20.07%</b>	<b>\$22,157</b>	<b>\$75,363</b>	<b>5.1</b>	<b>572</b>	<b>100%</b>

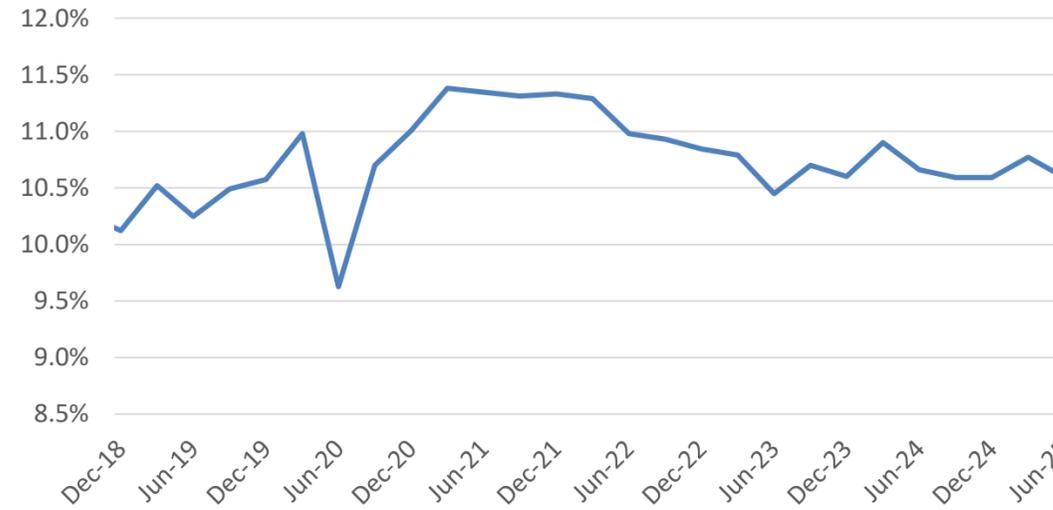
(1) Under the CPS programs for contracts purchased for the six months ended June 30, 2025.

# ORIGINATION CHARACTERISTICS

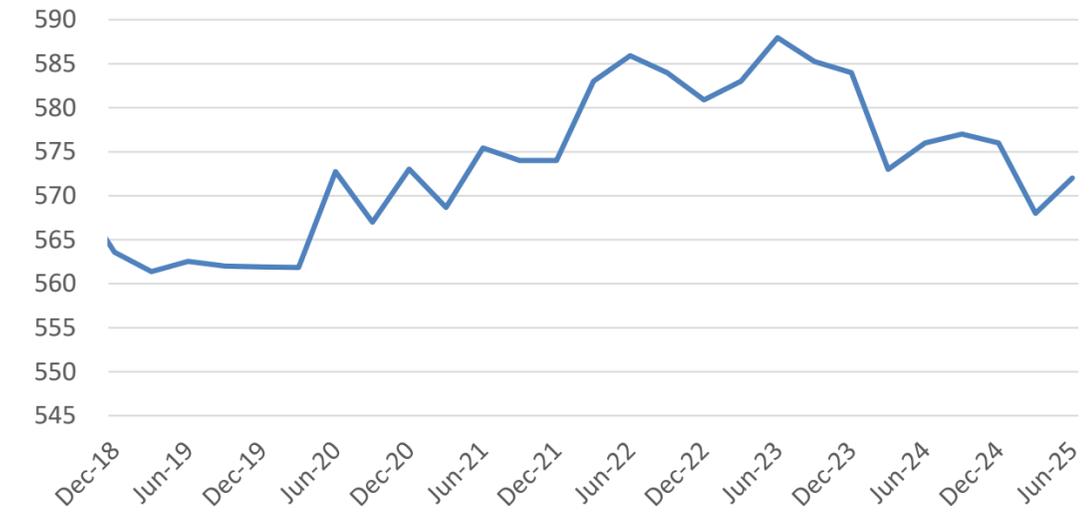
### Loan to Value



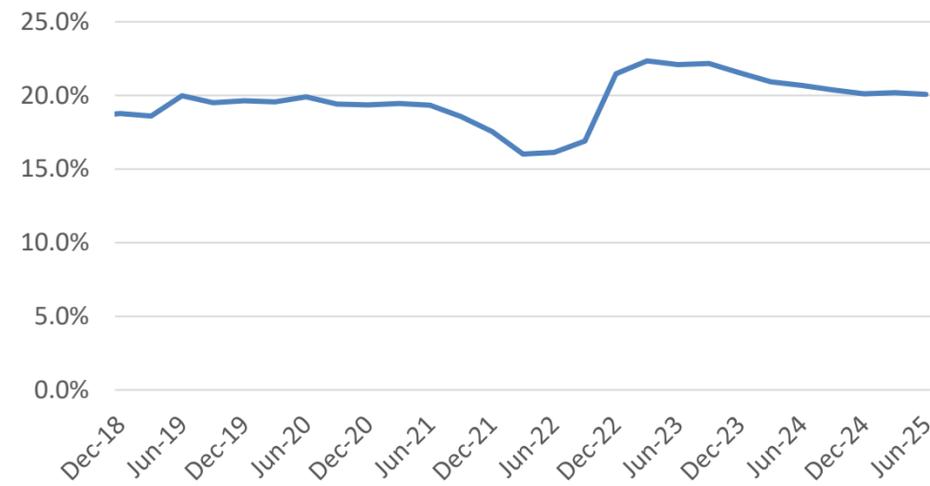
### Payment to Income



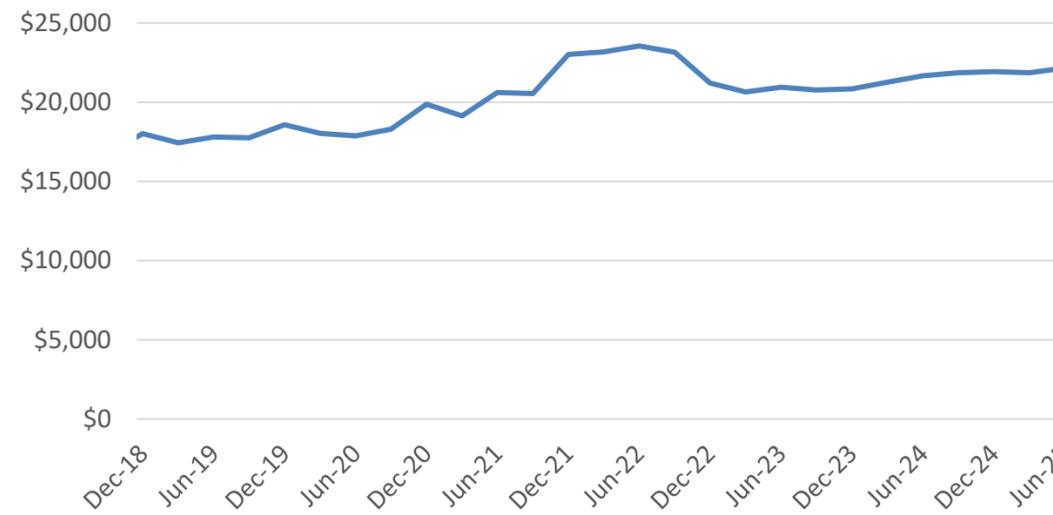
### FICO



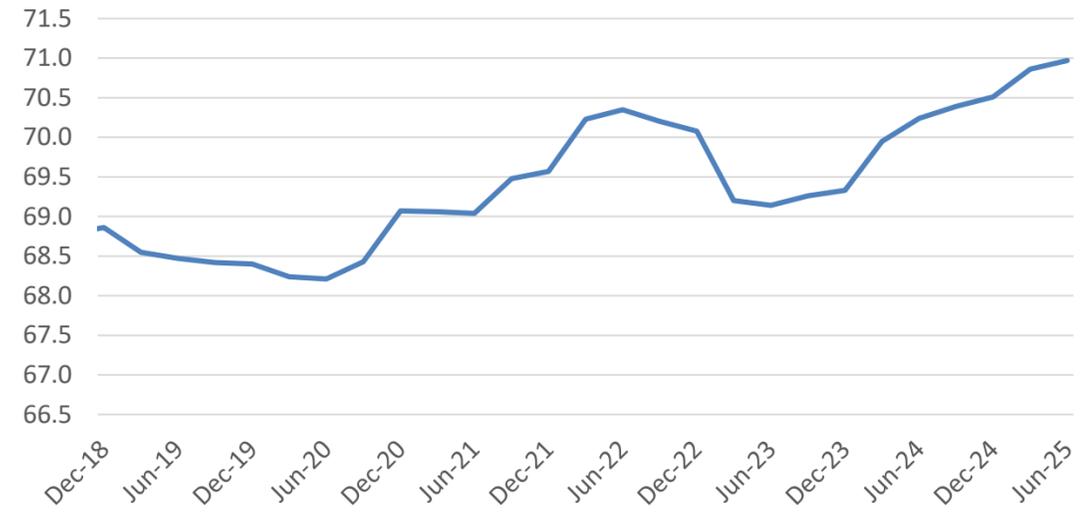
### APR



### Amount Financed



### Original Term



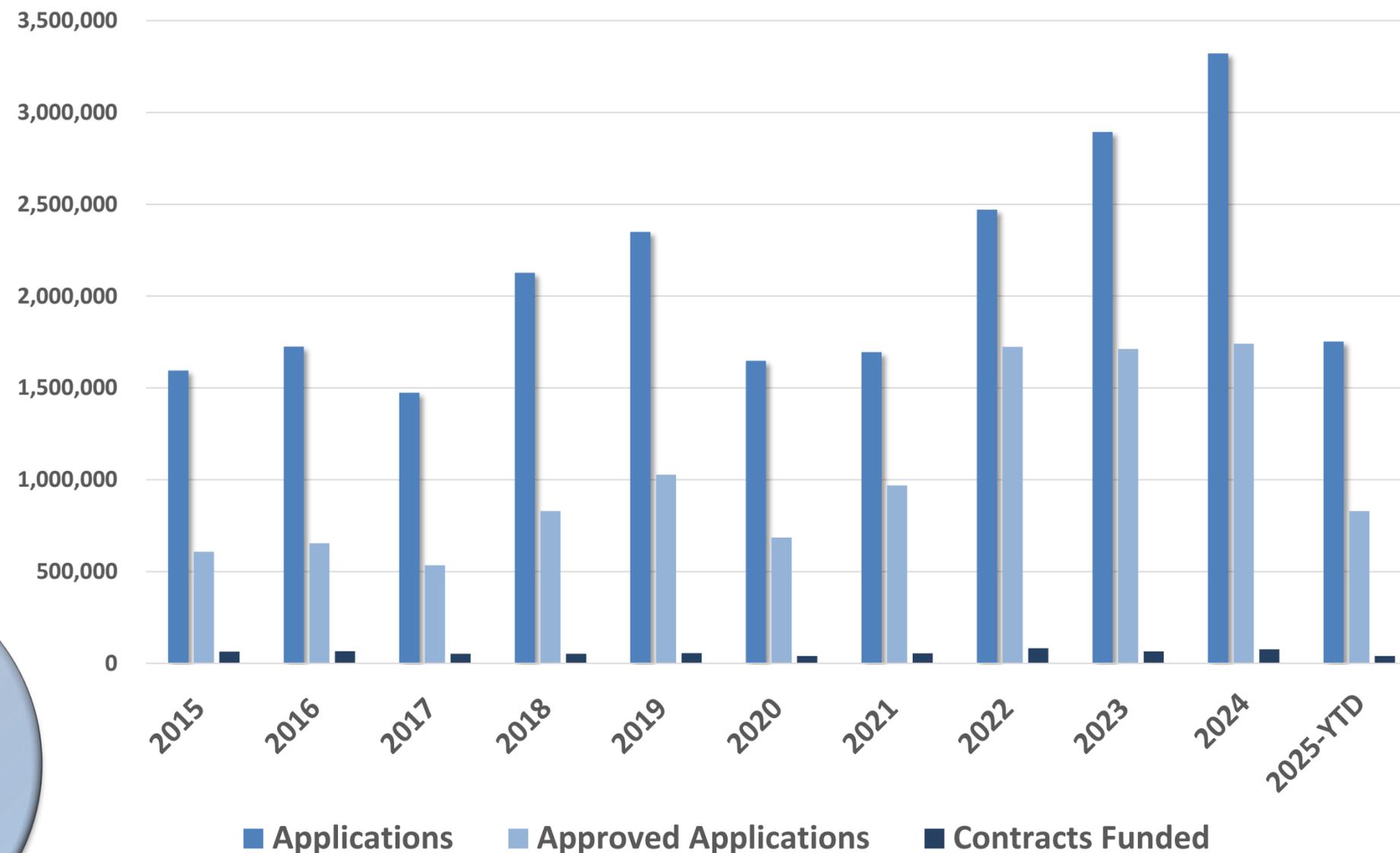
# DEMAND FOR OUR LENDING PROGRAMS

**13,000  
Approved  
Dealer  
Network**

**Answers  
Within  
Seconds to  
Dealers**

**Auto  
Decisioning  
Proprietary  
AI Driven  
Scorecard**

**Applications vs. Funded Loans**



**47%  
Average  
Approval  
Rate**

**Selective  
Funding**

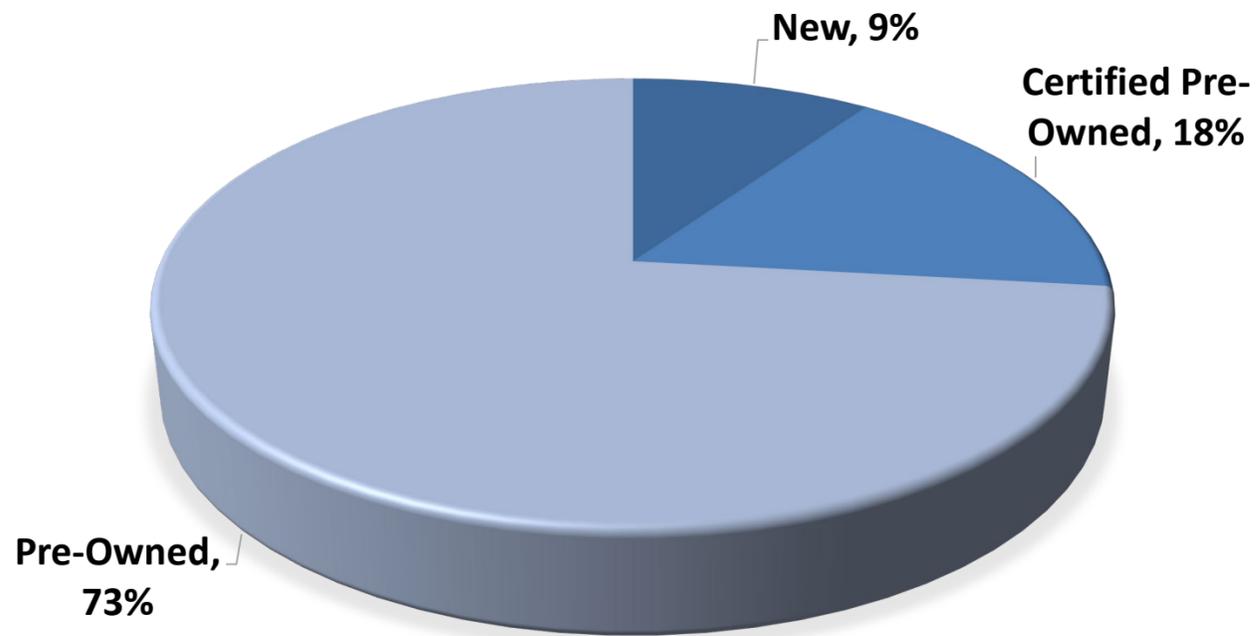
**Strong  
Demand for  
our Lending  
Programs**

# WHO IS OUR CUSTOMER?

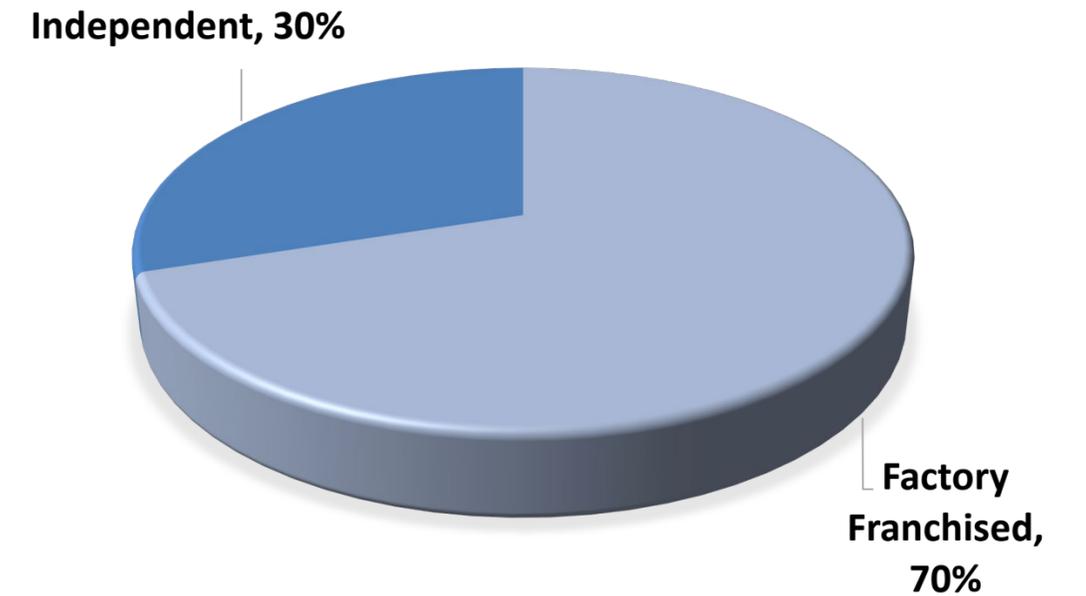


# WHAT DO OUR CUSTOMERS DRIVE?

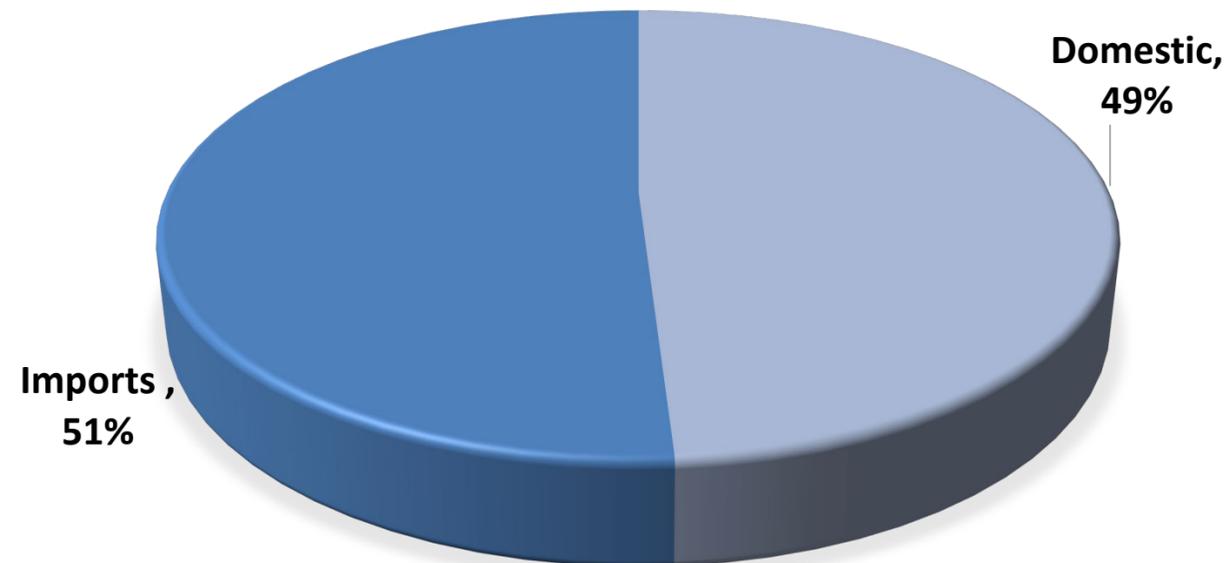
**VEHICLE TYPE**



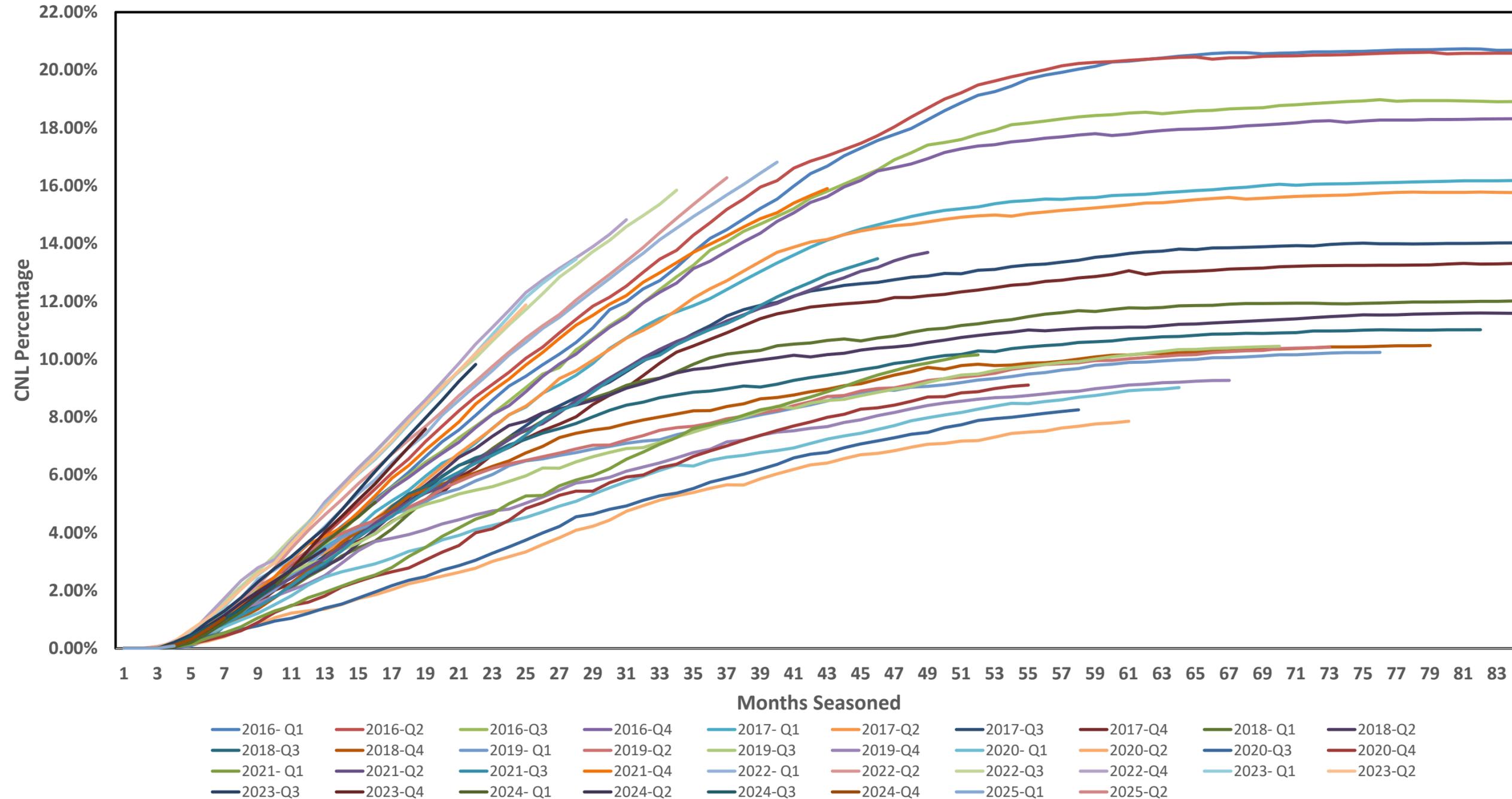
**ORIGINATING DEALERSHIP**



**VEHICLE MAKE**



# PORTFOLIO PERFORMANCE



Data shown is CNL performance by origination quarter, and as of June 30, 2025.

# ECONOMIC MODEL

	Quarter Ended (1)		Three Months Ended (1)
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>December 31, 2024</u>
Interest Income	11.4%	11.3%	11.4%
Mark to Fin. Recs. at FV	0.3%	0.7%	0.6%
Servicing and Other Income	0.2%	0.3%	0.2%
Interest Expense	(6.4%)	(6.0%)	(6.1%)
Net Interest Margin	5.5%	6.3%	6.1%
Provision for Credit Losses	0.1%	0.2%	0.1%
Core Operating Expenses	(4.9%)	(5.7%)	(5.4%)
Pretax Return on Assets	0.8%	0.9%	0.9%

(1) Statement of Operations three months ended, as a percentage of the average managed portfolio. Percentages may not add due to rounding.

# SUMMARY BALANCE SHEET

## Summary Balance Sheet (\$ in millions) (1)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>Assets</b>		
Cash	\$ 15.8	\$ 11.7
Restricted cash	144.4	125.7
Finance receivables, net of allowance	1.7	5.0
Finance receivables, measured at fair value	3,559.0	3,313.8
Other assets	43.0	37.7
	<u>\$ 3,763.8</u>	<u>\$ 3,493.9</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 67.9	\$ 70.1
Warehouse lines of credit	395.6	410.9
Residual interest financing	155.1	99.2
Securitization trust debt	2,813.2	2,594.4
Subordinated renewable notes	28.8	26.5
	<u>3,460.7</u>	<u>3,201.1</u>
Shareholders' equity	303.1	292.8
	<u>\$ 3,763.8</u>	<u>\$ 3,493.9</u>

(1) Numbers may not add due to rounding.

# SUMMARY STATEMENT OF OPERATIONS

	<u>Three Months Ended</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Interest income	\$ 105.4	\$ 88.4
Mark to finance receivables at fair value	3.0	5.5
Other income	1.4	2.0
<b>Total Revenues</b>	<b>109.8</b>	<b>95.9</b>
Employee costs	24.4	23.7
General and administrative	20.5	20.7
Interest	58.7	46.7
Provision for credit losses	(0.8)	(2.0)
<b>Total Expenses</b>	<b>102.9</b>	<b>89.2</b>
Pretax income	7.0	6.7
Income tax expense	2.2	2.0
<b>Net income</b>	<b>\$ 4.8</b>	<b>\$ 4.7</b>
<b>EPS (fully diluted)</b>	<b>\$ 0.20</b>	<b>\$ 0.19</b>

(1) Numbers may not add due to rounding.

# SELECTED FINANCIAL DATA

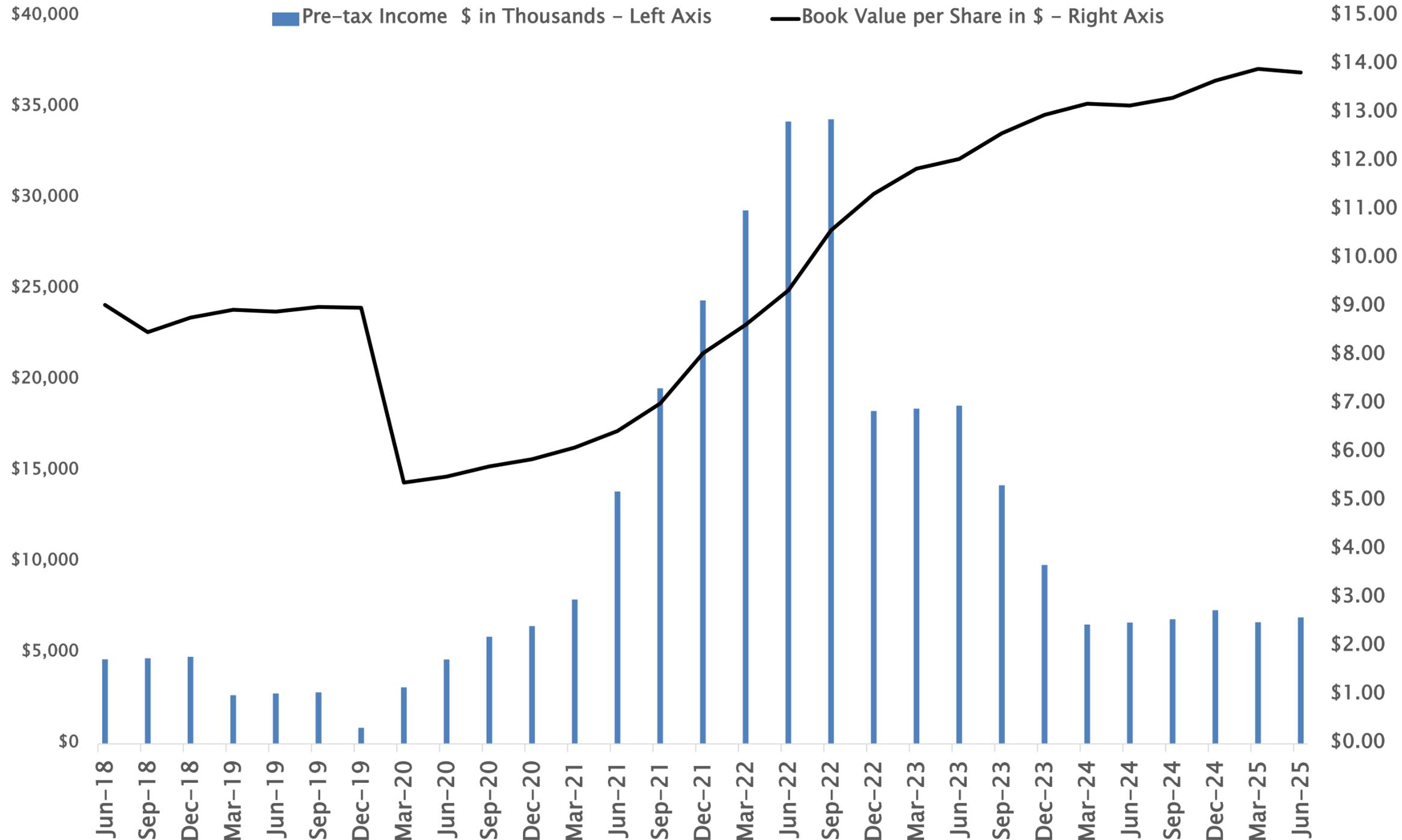
	Three Months Ended	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	<i>(\$ in millions)</i>	
<b>Auto contract purchases</b>	\$ 433.0	\$ 431.9
<b>Total portfolio</b>	\$ 3,708.4	\$ 3,173.3
<b>Risk-adjusted margin (1)</b>	\$ 52.5	\$ 51.1
<b>Core operating expenses (2)</b>		
<b>\$ Amount</b>	\$ 45.3	\$ 44.5
<b>% of avg. managed portfolio</b>	4.9%	5.7%
<b>Pretax return on managed assets (3)</b>	0.8%	0.9%
<b>Total delinquencies and repo inventory (30+ days past due)</b>		
<b>As a % of total owned portfolio</b>	13.14%	13.29%
<b>Annualized net charge-offs</b>		
<b>As a % of total owned portfolio</b>	7.45%	7.26%

(1) Revenues less interest expense and provision for credit losses.

(2) Total expenses less provision for credit losses and interest expense.

(3) Equal to annualized pretax income as a percentage of the average managed portfolio.

# SHAREHOLDER VALUE



**Growth in Shareholder Value**

**NASDAQ Listed Stock- Ticker Symbol: CPSS**

# INVESTMENT OUTLOOK

 **Continuous Growth**

- 14% increase in originations from 2024 to 2025 in the first two quarters
- Managed portfolio is at largest amount in company history
- First time shareholder's equity is over \$300 million

 **Strong macroeconomic factors**

- Raised Wtd. Avg APRs in originations from 17.72% in Dec 2022 to 20.07% in June 2025
- Favorable demand for used vehicles
- New vehicle pricing increase and increasing sales despite rising interest rates

 **AI-driven Originations Scorecard**

- Improves efficiency and customer satisfaction
- Upcoming AI Scorecard Refresh (refresh every 18-24 months)
- Industry leading technology in all facets of our business

 **Strong Fundamentals**

- Decreased leverage on the portfolio puts CPS in a position to grow faster than competitors
- Increasing shareholder equity- highest in company history
- Decreasing core operating expenses, while portfolio grows

## **Investor Relations Contact**

**Tom Colton and Alec Wilson**

**Gateway Group, Inc.**

Phone: 949-574-3860

Email: CPSS@gateway-grp.com

# REFERENCE TO PUBLIC REPORTS

Any person considering an investment in securities issued by CPS is urged to review the materials filed by CPS with the U.S. Securities and Exchange Commission ("Commission"). Such materials may be found by inquiring of the Commission's EDGAR search page [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html) using CPS's ticker symbol, which is "CPSS." Risk factors that should be considered are described in Item 1A, "Risk Factors," of CPS's most recent annual report on Form 10-K and subsequent reports on Form 10-Q, which reports are on file with the Commission and available for review at the Commission's website. Such description of risk factors is incorporated herein by reference.