

September 23, 2015



A-Mark Precious Metals Reports Fiscal Fourth Quarter and Full Year 2015 Results

SANTA MONICA, Calif., Sept. 23, 2015 (GLOBE NEWSWIRE) -- **A-Mark Precious Metals, Inc.** (NASDAQ:AMRK), a full-service precious metals trading company and an official distributor for all the major sovereign mints, reported results for its fiscal fourth quarter and full year ended June 30, 2015.

Fiscal Q4 2015 Financial Highlights (compared to the same year-ago quarter)

- Revenue increased 3% to \$1.45 billion, due to higher demand for gold and silver products.
- Gross profit margin increased 17% to 0.41%, due primarily to improvement in premium spreads.
- Selling, general and administrative expenses increased 33% to \$4.1 million, due to costs associated with the new logistics center, as well as increased public company expenses.
- Net income increased 66% to \$2.6 million from \$1.5 million, due to higher gross profits and one-time tax benefits.

Fiscal Q4 2015 Financial Results

Revenues increased 3% to \$1.45 billion from \$1.41 billion in the same year-ago quarter, driven primarily by higher gold and silver ounce volumes, which were offset by lower commodity prices.

Gross profit increased 20% to \$5.9 million (0.41% of revenue) from \$5.0 million (0.35% of revenue) in the same year-ago quarter. The increase in gross profit was due, in part, to higher gross profits from custom coin programs.

Selling, general and administrative expenses were \$4.1 million, an increase from \$3.1 million in the same year-ago quarter. The increase was due to the costs related to the opening of the new logistics center, as well as expenses associated with being a public company for the entire year.

Net income increased 66% to \$2.6 million, or \$0.36 per diluted share, from \$1.5 million, or \$0.21 per diluted share, in the same year-ago quarter. The increase was primarily due to higher gross profits and certain one-time tax benefits, which were offset by higher selling, general and administrative expenses.

Fiscal 2015 Financial Results

Revenues increased 2% to \$6.07 billion from \$5.98 billion in fiscal 2014. The increase was primarily due to higher sales volume of silver ounces, which was partially offset by lower

commodity gold prices and lower market volatility.

Gross profit was \$24.5 million (0.40% of revenue) in fiscal 2015, a decrease from \$27.4 million (0.46% of revenue) in fiscal 2014. The decrease in gross profit was primarily due to lower premium spreads on the company's primary products, which were offset by higher sales volumes of primary silver products and higher-margin value-added products.

Selling, general and administrative expenses increased 10% to \$17.1 million from \$15.6 million in fiscal 2014. The increase was primarily due to the costs related to the opening of the logistics center, as well as full one-year costs associated with being a public company.

Net income totaled \$7.1 million, or \$1.00 per diluted share, a decrease from \$8.3 million, or \$1.09 per diluted share, in fiscal 2014, which was primarily due to lower gross margins and higher costs.

Management Commentary

"Fiscal Q4 marked our fifth consecutive quarter of profitability as a public company," said A-Mark CEO, Greg Roberts. "During the quarter, we continued to execute on our growth plan by expanding our trading capacity along with our higher-margin services and value-added product pipeline—all designed to increase revenues and profitability.

"The success of our execution was evidenced by the 20% improvement in our gross profit during the fourth quarter compared to our gross profit in the same year-ago quarter. Our financial performance also reflects the solid potential of our business model, which is structured to provide consistent profitability in all market environments, while offering opportunities for significantly higher revenue and gross profit when we see increased volatility and demand for our products.

"Along those lines, we have recently experienced a strong surge in precious metals demand and volatility, driven by the weakness in the Euro, as well as the economic uncertainty in Greece, Asia and the U.S. equity markets. These macroeconomic events greatly benefit our core trading business, because it allows us to expand our volumes and trade tickets, along with our premium spreads on precious metals.

"In addition to capitalizing on the current market environment, we continue to pursue business development initiatives, which can provide us with greater capacity and more direct influence over our profitability. These initiatives include further expanding our value-added service offerings, like storage and logistics. Our new Las Vegas logistics facility is now operational, and we expect it to provide operational cost savings and synergies beginning in our fiscal second quarter.

"Looking ahead, we have entered fiscal 2016 on a strong footing, with significant operational and financial momentum. We hope to capitalize on this momentum throughout the fiscal year, and believe we are seeing initial signs of increased revenues and profitability."

Conference Call

A-Mark will hold a conference call tomorrow (September 24, 2015) to discuss these financial results. The company's CEO, Greg Roberts, and EVP and COO, Thor Gjerdrum, will host the call at 12:00 p.m. Eastern time (9:00 a.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: 13618109

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

A replay of the call will be available after 3:00 p.m. Eastern time on the same day through October 8, 2015.

Toll-free replay number: 1-877-870-5176
International replay number: 1-858-384-5517
Conference ID: 13618109

About A-Mark Precious Metals

A-Mark Precious Metals, Inc. is a full-service precious metals trading company and an official distributor for many government mints throughout the world. The company offers gold, silver, platinum and palladium in the form of bars, plates, powder, wafers, grain, ingots and coins. Its Industrial unit services manufacturers and fabricators of products utilizing or incorporating precious metals, while its Coin & Bar unit deals in over 200 coin and bar products in a variety of weights, shapes and sizes for distribution to dealers and other qualified purchasers. The company operates trading centers in Santa Monica, California, and Vienna, Austria, for buying and selling precious metals.

In addition to wholesale and trading activity, A-Mark offers customers a variety of services, including financing, consignment and various customized financial programs. As a U.S. Mint-authorized purchaser of gold, silver and platinum coins, A-Mark purchases bullion products directly from the U.S. Mint for sale to customers. A-Mark also has distributorships with other sovereign mints, including in Australia, Austria, Canada, China, Mexico and South Africa. Customers of A-Mark include mints, manufacturers and fabricators, refiners, coin and metal dealers, banks and other financial institutions, jewelers, investors and collectors. For more information about A-Mark Precious Metals, visit www.amark.com.

Through its subsidiary Collateral Finance Corporation, a licensed California Finance Lender, the company offers loans collateralized by numismatic and semi-numismatic coins and bullion to coin and metal dealers, investors and collectors. Through its Transcontinental Depository Services subsidiary, it offers a variety of managed storage options for precious metals products to financial institutions, dealers, investors and collectors around the world. Through its A-M Global Logistic subsidiary, the company offers storage and order fulfillment services to our retail customers.

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; the favorable results that we are experiencing in the first fiscal quarter of 2016 not being indicative of activity for the full fiscal year; 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; and other business, economic, financial and governmental risks as 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.

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

	June 30,	2015	2014
ASSETS			
Current assets:			
Cash	\$	20,927	\$ 13,193
Receivables, net		90,055	102,824
Inventories:			
Inventories		152,076	150,944
Restricted inventories		39,425	24,610
		<u>191,501</u>	<u>175,554</u>
Income taxes receivable		7,846	—
Income taxes receivable from Former Parent		1,095	3,139
Prepaid expenses and other assets		1,202	613
		<u>7,846</u>	<u>3,139</u>
Total current assets		312,626	295,323
Property and equipment, net		2,850	1,678
Goodwill		4,884	4,884
Intangibles, net		2,369	2,753
Long-term receivables		650	—
Long-term investments		2,500	500
Deferred tax assets - non-current		23	—
		<u>23</u>	<u>—</u>
Total assets		<u>\$ 325,902</u>	<u>\$ 305,138</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Lines of credit	\$	147,000	\$ 135,200
Liability on borrowed metals		9,500	8,709
Product financing arrangement		39,425	24,610
Accounts payable		68,536	77,426
Accrued liabilities		5,330	6,070
Income taxes payable		—	2,178
Deferred tax liability - current		149	1,456
		<u>149</u>	<u>1,456</u>
Total current liabilities		269,940	255,649
Deferred tax liabilities		—	33
		<u>—</u>	<u>33</u>
Total liabilities		269,940	255,682
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of June 30, 2015 and June 30, 2014		—	—
Common Stock, par value \$0.01; 40,000,000 authorized; 6,973,548 and 6,962,742 issued and outstanding as of June 30, 2015 and June 30, 2014, respectively		70	70
Additional paid-in capital		22,470	22,317
Retaining earnings		33,422	27,069
		<u>33,422</u>	<u>27,069</u>
Total stockholders' equity		55,962	49,456
Total liabilities and stockholders' equity		<u>\$ 325,902</u>	<u>\$ 305,138</u>

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

Years Ended June 30,	<u>2015</u>	<u>2014</u>
Revenues	\$ 6,070,234	\$ 5,979,354
Cost of sales	6,045,736	5,951,913
Gross profit	<u>24,498</u>	<u>27,441</u>
Selling, general and administrative expenses	(17,131)	(15,570)
Interest income	6,073	5,592
Interest expense	(4,311)	(3,926)
Unrealized gains (losses) on foreign exchange	19	(6)
Net income before provision for income taxes	<u>9,148</u>	<u>13,531</u>
Provision for income taxes	(2,097)	(5,272)
Net income	<u>\$ 7,051</u>	<u>\$ 8,259</u>
 Basic and diluted income per share:		
Basic - net income	<u>\$ 1.01</u>	<u>\$ 1.10</u>
Diluted - net income	<u>\$ 1.00</u>	<u>\$ 1.09</u>
 Weighted average shares outstanding:		
Basic	<u>6,962,800</u>	<u>7,530,300</u>
Diluted	<u>7,062,600</u>	<u>7,590,400</u>

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

	Years Ended June 30,	2015	2014
Cash flows from operating activities:			
Net Income		\$ 7,051	\$ 8,259
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization		895	934
Deferred income taxes		(1,364)	6,930
Interest added to principal of secured loans		(212)	(476)
Share-based compensation		253	194
Loss on sale of property and equipment		41	—
Changes in assets and liabilities:			
Receivables		20,224	14,282
Secured loans to Former Parent		2,562	(2,562)
Income tax receivable		(7,846)	—
Inventories		(15,947)	(13,176)
Prepaid expenses and other current assets		(589)	(126)
Accounts payable		(8,890)	(8,584)
Liabilities on borrowed metals		791	(11,408)
Accrued liabilities		(740)	(531)
Receivable from/ payables to Former Parent		2,044	(12,659)
Income taxes payable		(2,178)	2,178
Net cash used in operating activities		(3,905)	(16,745)
Cash flows from investing activities:			
Capital expenditures for property and equipment		(1,784)	(1,011)
Proceeds from the sale of property and equipment		60	—
Purchase of cost method investment		(2,000)	(500)
Secured loans, net		(10,454)	(4,121)
Net cash used in investing activities		(14,178)	(5,632)
Cash flows from financing activities:			
Product financing arrangement, net		14,815	(13,944)
Dividends paid		(698)	(10,000)
Borrowings under lines of credit, net		11,800	40,200
Retirement of repurchased Afinsa and Auctentia common stock and interest in A-Mark Precious Metals, Inc.		—	(2,198)
Repurchase and retirement of restricted stock for payroll taxes		(100)	(53)
Net cash provided by financing activities		25,817	14,005
Net decrease in cash and cash equivalents		7,734	(8,372)
Cash and cash equivalents, beginning of period		13,193	21,565
Cash and cash equivalents, end of period		\$ 20,927	\$ 13,193
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest expense		\$ 4,141	\$ 3,908
Income taxes		\$ 12,883	\$ 7,667
Non-cash investing and financing activities:			
Interest added to principal of secured loans		\$ 212	\$ 476
Secured loans received in satisfaction of customer receivable		\$ —	\$ 12,800

RESULTS OF OPERATIONS

The operating results of our business for the years ended June 30, 2015 and 2014 are as follows:

Years Ended June 30,	2015		2014		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 6,070,234	100.000 %	\$ 5,979,354	100.000 %	\$ 90,880	1.5 %
Gross profit	24,498	0.404 %	27,441	0.459 %	\$ (2,943)	(10.7)%
Selling, general and administrative expenses	(17,131)	(0.282)%	(15,570)	(0.261)%	\$ 1,561	10.0 %
Interest income	6,073	0.100 %	5,592	0.094 %	\$ 481	8.6 %
Interest expense	(4,311)	(0.071)%	(3,926)	(0.066)%	\$ 385	9.8 %
Unrealized gains (losses) on foreign exchange	19	— %	(6)	— %	\$ 25	NM
Net income before provision for income taxes	9,148	0.151 %	13,531	0.226 %	\$ (4,383)	(32.4)%
Provision for income taxes	(2,097)	(0.035)%	(5,272)	(0.088)%	\$ (3,175)	(60.2)%
Net income	<u>\$ 7,051</u>	<u>0.116 %</u>	<u>\$ 8,259</u>	<u>0.138 %</u>	<u>\$ (1,208)</u>	<u>(14.6)%</u>
Per Share Data:						
Basic	<u>\$ 1.01</u>		<u>\$ 1.10</u>		\$ (0.09)	(8.2)%
Diluted	<u>\$ 1.00</u>		<u>\$ 1.09</u>		\$ (0.09)	(8.3)%

The operating results of our business for the three months ended June 30, 2015 and 2014 are as follows:

Three Months Ended June 30,	2015		2014		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 1,453,402	100.000 %	\$ 1,413,048	100.000 %	\$ 40,354	2.9 %
Gross profit	5,951	0.410 %	4,960	0.351 %	\$ 991	20.0 %
Selling, general and administrative expenses	(4,069)	(0.282)%	(3,067)	(0.218)%	\$ 1,002	32.7 %
Interest income	1,591	0.110 %	1,421	0.101 %	\$ 170	12.0 %
Interest expense	(1,122)	(0.077)%	(1,047)	(0.074)%	\$ 75	7.2 %
Unrealized gains (losses) on foreign exchange	226	0.016 %	(6)	— %	\$ 232	NM
Net income before provision for income taxes	2,577	0.177 %	2,261	0.160 %	\$ 316	14.0 %
Provision for income taxes	(11)	(0.000)%	(712)	(0.050)%	\$ (701)	(98.5)%
Net income	<u>\$ 2,566</u>	<u>0.177 %</u>	<u>\$ 1,549</u>	<u>0.110 %</u>	<u>\$ 1,017</u>	<u>65.7 %</u>
Per Share Data:						
Basic	<u>\$ 0.37</u>		<u>\$ 0.21</u>		\$ 0.16	76.2 %
Diluted	<u>\$ 0.36</u>		<u>\$ 0.21</u>		\$ 0.15	71.4 %

Company Contact:
Thor Gjerdrum, EVP & COO
A-Mark Precious Metals, Inc.
310-587-1414
thor@amark.com

Investor Relations Contact:
Matt Glover or Michael Koehler
Liolios Group, Inc.
949-574-3860
AMRK@liolios.com

Source: A-Mark Precious Metals