

February 9, 2016



A-Mark Precious Metals Reports Fiscal Second Quarter 2016 Results

SANTA MONICA, Calif., Feb. 09, 2016 (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 second quarter and six months ended December 31, 2015.

Fiscal Q2 2016 Highlights (compared to the same year-ago quarter)

- Revenues decreased 1% to \$1.5 billion
- Gross profit decreased 21% to \$5.7 million
- Net income decreased 20% to \$1.3 million or \$0.19 per share
- Gold ounces sold increased 26% to 699,000 ounces
- Silver ounces sold increased 27% to 32.8 million ounces
- Trading ticket volume decreased 25% to 16,805 tickets

Fiscal Q2 2016 Financial Results

Revenues decreased 1% to \$1.53 billion from \$1.54 billion in the same year-ago quarter. The decrease in revenue was primarily due to an 8% decline in the average spot price for gold and a 10% decline in the average spot price for silver. The revenue decrease was partially offset by an increase in the total amount of gold ounces and silver ounces sold. The 26% increase in gold ounces sold and 27% increase in silver ounces sold was primarily driven by demand for the company's industrial products from the mints.

Gross profit decreased 21% to \$5.7 million (0.37% of revenue) from \$7.2 million (0.47% of revenue) in the same year-ago quarter. The decrease in gross profit was primarily due to a change in product mix; the company sold more lower-margin industrial products as compared to the same year-ago period. Gross profit margin also decreased due to lower premium spreads on the company's primary coin and bar products, coupled with lower volatility and demand for precious metals. Altogether, these factors resulted in a tightening of trading spreads and lower yields. The 25% decrease in trading tickets was primarily due to lower demand for our primary products, as customers sold through their substantial inventory positions acquired during fiscal Q1 2016.

Selling, general and administrative expenses decreased 5% to \$4.5 million from \$4.8 million in the same year-ago quarter. The decrease was due to lower performance-based compensation accruals offset by increased operational costs related to the Las Vegas logistics facility.

Interest income increased 56% to \$2.2 million from \$1.4 million in same year ago quarter, driven primarily by an increase in the size of the company's loan portfolio, as well as

improvement in certain finance products.

Net income decreased 20% to \$1.3 million or \$0.19 per diluted share from \$1.7 million or \$0.24 per diluted share in the same year-ago quarter. The decrease was primarily due to lower revenue and gross profit.

Fiscal Six Months Highlights (compared to the same year-ago period)

- Revenues increased 18% to \$3.5 billion
- Gross profit increased 56% to \$20.1 million
- Net income increased 139% to \$6.7 million or \$0.94 per share
- Gold ounces sold increased 60% to 1.6 million ounces
- Silver ounces sold increased 67% to 73.3 million ounces
- Trading ticket volume increased 10% to 45,715 tickets

Fiscal Six Months 2016 Financial Results

Revenues increased 18% to \$3.54 billion from \$2.99 billion in the same period last year. The increase was primarily due to an increase in the total amount of gold ounces and silver ounces sold. A key contributor to the increase in demand was the volatility coupled with the decrease in commodity prices during fiscal Q1 2016.

Gross profit increased 56% to \$20.1 million (0.57% of revenue) from \$12.9 million (0.43% of revenue) in the same year-ago period. The increase in gross margin was due in part to higher premium spreads on the company's primary products, particularly during fiscal Q1 2016.

Selling, general and administrative expenses increased 22% to \$10.9 million from \$9.0 million in the same year-ago period. The increase was due to performance-based compensation accruals and the overall operational cost of the Las Vegas logistics center.

Interest income increased 43% to \$4.1 million from \$2.9 million in the same year-ago period. The increase was primarily due to an increase in the size of the company's loan portfolio, as well as improvement in certain finance products.

Net income increased 139% to \$6.7 million or \$0.94 per diluted share from \$2.8 million or \$0.40 per diluted share in the same period last year. The increase was primarily due to higher revenue and gross profits, offset by higher selling, general and administrative expenses..

Management Commentary

"The results for our fiscal second quarter of 2016 were in line with our expectations," said A-Mark CEO, Greg Roberts. "Not only was our first fiscal quarter unusually strong, but historically our fiscal second quarter tends to be a slower quarter. We continue to be pleased with the execution of our business plan and are optimistic with respect to our performance for the second half of fiscal 2016."

Conference Call

A-Mark will hold a conference call today (February 9, 2016) to discuss these financial

results. The company's CEO Greg Roberts and COO Thor Gjerdrum 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: 877-407-0789
International number: 201-689-8562
Conference ID: 13629212

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 7:30 p.m. Eastern time on the same day through February 23, 2016.

Toll-free replay number: 877-870-5176
International replay number: 858-384-5517
Conference ID: 13629212

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; 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.
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except for share data)
(unaudited)

	December 31, 2015	June 30, 2015
ASSETS		
Current assets:		
Cash	\$ 3,375	\$ 20,927
Receivables, net	22,557	30,025
Derivative assets	17,123	11,364
Secured loans receivables	57,108	48,666
Inventories:		
Inventories	189,275	152,076
Restricted inventories	50,504	39,425
	239,779	191,501
Income taxes receivable	6,982	7,846
Income taxes receivable from Former Parent	—	1,095
Prepaid expenses and other assets	648	1,202
Total current assets	347,572	312,626
Property and equipment, net	3,009	2,850
Goodwill	4,884	4,884
Intangibles, net	2,178	2,369
Long-term secured loans receivables	600	650
Long-term investments	4,836	2,500
Deferred tax assets - non-current	—	23
Total assets	\$ 363,079	\$ 325,902
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Lines of credit	\$ 162,500	\$ 147,000
Liability on borrowed metals	4,234	9,500
Product financing arrangement	50,504	39,425
Accounts payable	56,059	50,639
Derivative liabilities	19,930	17,897
Accrued liabilities	5,593	5,330
Income taxes payable to Former Parent	510	—
Deferred tax liability - current	1,369	149
Total current liabilities	300,699	269,940
Deferred tax liabilities	312	—
Total liabilities	301,011	269,940
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of December 31, 2015 and June 30, 2015	—	—
Common Stock, par value \$0.01; 40,000,000 authorized; 6,973,549 and 6,973,549 issued and outstanding as of December 31, 2015 and June 30, 2015, respectively	70	70
Additional paid-in capital	22,577	22,470
Retaining earnings	39,421	33,422
Total stockholders' equity	62,068	55,962
Total liabilities and stockholders' equity	363,079	325,902

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

	Three Months Ended		Six Months Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Revenues	\$ 1,529,143	\$ 1,538,871	\$ 3,536,079	\$ 2,992,337
Cost of sales	1,523,467	1,531,678	3,515,979	2,979,414
Gross profit	5,676	7,193	20,100	12,923
Selling, general and administrative expenses	(4,528)	(4,754)	(10,936)	(8,973)
Interest income	2,182	1,398	4,115	2,875
Interest expense	(1,322)	(969)	(2,556)	(2,032)
Unrealized gains (losses) on foreign exchange	150	(75)	111	(84)
Net income before provision for income taxes	2,158	2,793	10,834	4,709
Provision for income taxes	(827)	(1,131)	(4,139)	(1,909)
Net income	<u>\$ 1,331</u>	<u>\$ 1,662</u>	<u>\$ 6,695</u>	<u>\$ 2,800</u>
Basic and diluted income per share:				
Basic - net income	<u>\$ 0.19</u>	<u>\$ 0.24</u>	<u>\$ 0.96</u>	<u>\$ 0.40</u>
Diluted - net income	<u>\$ 0.19</u>	<u>\$ 0.24</u>	<u>\$ 0.94</u>	<u>\$ 0.40</u>
Weighted average shares outstanding:				
Basic	<u>6,973,500</u>	<u>6,962,742</u>	<u>6,973,500</u>	<u>6,962,742</u>
Diluted	<u>7,119,000</u>	<u>7,059,400</u>	<u>7,089,700</u>	<u>7,062,300</u>

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

	Six Months Ended	December 31, 2015	December 31, 2014
Cash flows from operating activities:			
Net income		\$ 6,695	\$ 2,800
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization		606	455
Deferred income taxes		1,555	(5,963)
Interest added to principal of secured loans		(46)	(144)
Share-based compensation		107	122
Changes in assets and liabilities:			
Receivables		7,468	(25,951)
Secured loans		2,361	(255)
Secured loans to Former Parent		(881)	(2,739)
Derivative assets		(5,759)	4,072
Income tax receivable		864	(197)
Inventories		(48,278)	(48,217)
Prepaid expenses and other current assets		554	(45)
Accounts payable		5,420	934
Derivative liabilities		2,033	2,407
Liabilities on borrowed metals		(5,266)	(3,025)
Accrued liabilities		263	(2,654)
Income tax receivable from/ income taxes payables to Former Parent		1,605	—
Income taxes payable		—	(2,178)
Net cash used in operating activities		<u>(30,699)</u>	<u>(80,578)</u>
Cash flows from investing activities:			
Capital expenditures for property and equipment		(574)	(76)
Purchase of cost method investment		(2,336)	(1,111)
Secured loans, net		(9,826)	1,835
Net cash (used in) provided by investing activities		<u>(12,736)</u>	<u>648</u>
Cash flows from financing activities:			
Product financing arrangement, net		11,079	56,050
Dividends paid		(696)	—
Borrowings under lines of credit, net		15,500	15,800
Net cash provided by financing activities		<u>25,883</u>	<u>71,850</u>
Net decrease in cash and cash equivalents		(17,552)	(8,080)
Cash and cash equivalents, beginning of period		20,927	13,193
Cash and cash equivalents, end of period		<u>\$ 3,375</u>	<u>\$ 5,113</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest expense		\$ 2,393	\$ 1,719
Income taxes		\$ 113	\$ 10,247
Non-cash investing and financing activities:			
Interest added to principal of secured loans		\$ 46	\$ 144

A-MARK PRECIOUS METALS, INC.
RESULTS OF OPERATIONS
(in thousands, except for per share data)
(unaudited)

Condensed Consolidated Results of Operations

The company's operating results for the three months ended December 31, 2015 and 2014 are as follows:

Three Months Ended December 31,	2015		2014		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 1,529,143	100.000 %	\$ 1,538,871	100.000 %	\$ (9,728)	(0.6)%
Gross profit	5,676	0.371 %	7,193	0.467 %	\$ (1,517)	(21.1)%
Selling, general and administrative expenses	(4,528)	(0.297)%	(4,754)	(0.309)%	\$ (226)	(4.8)%
Interest income	2,182	0.143 %	1,398	0.091 %	\$ 784	56.1 %
Interest expense	(1,322)	(0.086)%	(969)	(0.063)%	\$ 353	36.4 %
Unrealized gains (losses) on foreign exchange	150	0.010 %	(75)	(0.005)%	\$ 225	NM
Net income before provision for income taxes	2,158	0.141 %	2,793	0.181 %	\$ (635)	(22.7)%
Provision for income taxes	(827)	(0.054)%	(1,131)	(0.074)%	\$ (304)	(26.9)%
Net income	\$ 1,331	0.087 %	\$ 1,662	0.108 %	\$ (331)	(19.9)%
Per Share Data:						
Basic	\$ 0.19		\$ 0.24		\$ (0.05)	(20.8)%
Diluted	\$ 0.19		\$ 0.24		\$ (0.05)	(20.8)%

A-MARK PRECIOUS METALS, INC. RESULTS OF OPERATIONS (in thousands, except for per share data) (unaudited)

Condensed Consolidated Results of Operations

The operating results of our business for the six months ended December 31, 2015 and 2014 are as follows:

Six Months Ended December 31,	2015		2014		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 3,536,079	100.000 %	\$ 2,992,337	100.000 %	\$ 543,742	18.2 %
Gross profit	20,100	0.568 %	12,923	0.432 %	\$ 7,177	55.5 %
Selling, general and administrative expenses	(10,936)	(0.309)%	(8,973)	(0.300)%	\$ 1,963	21.9 %
Interest income	4,115	0.116 %	2,875	0.096 %	\$ 1,240	43.1 %
Interest expense	(2,556)	(0.072)%	(2,032)	(0.068)%	\$ 524	25.8 %
Unrealized gains (losses) on foreign exchange	111	0.003 %	(84)	(0.003)%	\$ 195	NM
Net income before provision for income taxes	10,834	0.306 %	4,709	0.157 %	\$ 6,125	130.1 %
Provision for income taxes	(4,139)	(0.117)%	(1,909)	(0.064)%	\$ 2,230	116.8 %
Net income	<u>\$ 6,695</u>	<u>0.189 %</u>	<u>\$ 2,800</u>	<u>0.094 %</u>	\$ 3,895	139.1 %
Per Share Data:						
Basic	<u>\$ 0.96</u>		<u>\$ 0.40</u>		\$ 0.56	140.0 %
Diluted	<u>\$ 0.94</u>		<u>\$ 0.40</u>		\$ 0.54	135.0 %

Company Contact

Steve Reiner, Executive Vice President, Capital Markets & Investor Relations
A-Mark Precious Metals, Inc.
310-587-1410
sreiner@amark.com

Investor Relations Contact:

Matt Glover
Liolios Group, Inc.
949-574-3860
AMRK@liolios.com

Source: A-Mark Precious Metals