



Investor Overview First Quarter 2020

May 13, 2020

Safe Harbor Statement

This presentation contains statements that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended that are based on management's current expectations and assumptions and are subject to risks and uncertainties. These forward looking statements can often be identified by their use of words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "forecast," "intends," "may," "outlook," "plans," "potential," "predicts," "projects," "should," "target," "will," "would" or the negative of these terms or other comparable terminology. Such forward looking statements include, but are not limited to, expressed or implied statements regarding future financial performance and future dividends, the effects of our business model, the effects of our balance sheet on our ability to pursue business opportunities, statements regarding the terms and conditions and timing of the senior notes offering and the intended use of proceeds, the effects and anticipated benefits of our acquisitions and related actions, the strength of our business segments, assessments of future opportunities and performance, expectations regarding future transactions, and the financial impact, size and consistency of returns and timing thereof, expectations regarding market dynamics, as well as statements regarding the effect of investments in our business segments. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to differ from those contained in the forward-looking statements include but are not limited to risks related to: volatility in our revenues and results of operations; changing conditions in the financial markets; our ability to generate sufficient revenues to achieve and maintain profitability; the short term nature of our engagements; the accuracy of our estimates and valuations of inventory or assets in "guarantee" based engagements; competition in the asset management business; potential losses related to our auction or liquidation engagements; our dependence on communications, information and other systems and third parties; potential losses related to purchase transactions in our auctions and liquidations business; the potential loss of financial institution clients; potential losses from or illiquidity of our proprietary investments; changing economic and market conditions; potential liability and harm to our reputation if we were to provide an inaccurate appraisal or valuation; failure to successfully compete in any of our segments; loss of key personnel; our ability to borrow under our credit facilities or raise additional funds through offerings as necessary; failure to comply with the terms of our credit agreements; our ability to meet future capital requirements; and the diversion of management time on acquisition-related issues. Other factors that could adversely affect our operating results and cash flows include (without limitation) those risks described from time to time in B. Riley Financial, Inc.'s periodic filings with the SEC, including, without limitation, the risks described in B. Riley Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019 under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. All information is current as of the date this presentation is issued, and B. Riley Financial, Inc. undertakes no duty to update this information.



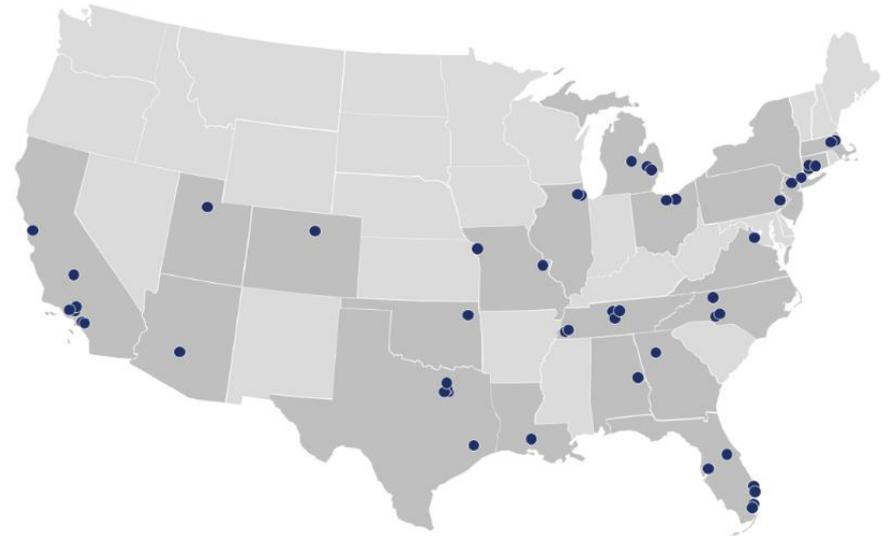
Introduction

B. Riley Financial at a Glance (NASDAQ:RILY)

Overview

- Founded in 1997
- Headquartered in Los Angeles, CA
- Offers complementary and collaborative business advisory, capital markets and financial services
- Approx. 1,000 employees across U.S. major markets
- Long-standing executive management team

Locations *



* International operations in Germany, Australia and India

Key executives



Bryant Riley
Chairman &
Co-CEO



Tom Kelleher
Co-CEO



Phil Ahn
CFO & COO



Kenny Young
President

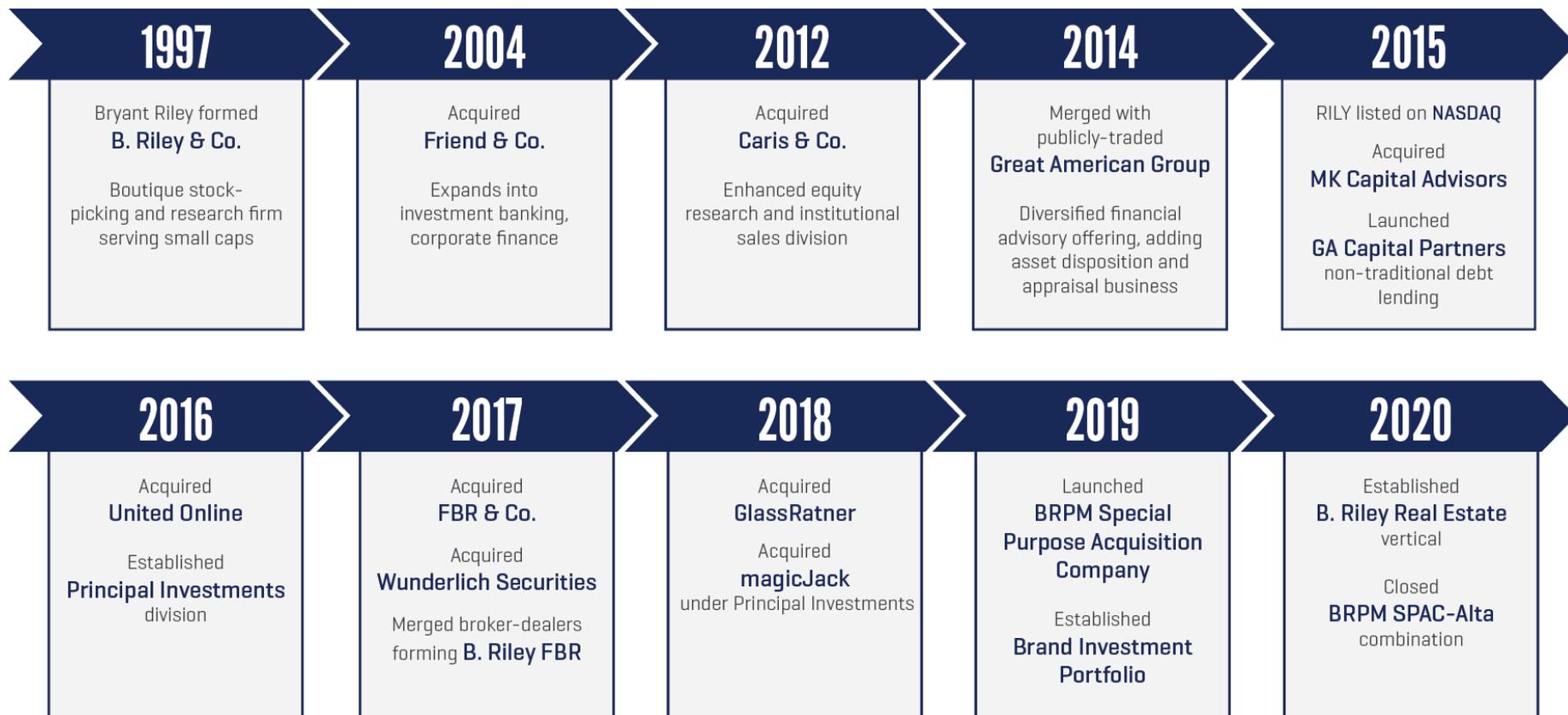


Dan Shribman
Chief Investment
Officer



Alan Forman
EVP
General Counsel

Origin and Historical Timeline



With over 20 years of continued growth, B. Riley has developed a diverse platform which offers diverse revenue streams and a full suite of end-to-end services and solutions for clients and partners

Who We Are

Trusted Advisors

We offer a wide range of end-to-end business advisory and financial services solutions tailored to fit the needs of our clients through our diverse mix of complementary businesses

Strategic Partners

We partner with clients in providing senior-led services and financing to support the execution of mission-critical strategic growth objectives at any stage in the company life cycle

Value Investors

We leverage the deep investment, operational and industry expertise of our affiliated companies to source attractive opportunities that are proprietary to B. Riley



Recent News and Developments

Wave of U.S. Bankruptcies Builds Toward Worst Run in Many Years

[Bloomberg News](#), Published May 7, 2020

For troubled companies, the lockdown super-charged the effects of pre-existing problems like debt overloads and the inability to please consumers. “Many companies aren’t paying rent or vendors right now, accumulating liabilities to deal with later,” said Perry Mandarino, head of restructuring at B. Riley FBR.

B. Riley Registers New SPAC

[The Deal](#), Published April 24, 2020

The Los Angeles investment bank has returned to the special purpose sector sponsoring its second SPAC, B. Riley Principal Merger Corp. II. B. Riley became the first SPAC to register since Covid-19 put the IPO market into a cold snap.

SPACs Mark Comeback

[The Deal](#), Published May 5, 2020

After Covid-19 plunged markets into uncertainty, the special purpose acquisition sector was deadly quiet. But now a series of IPOs and registrations have brought SPACs back. Jimmy Baker, head of capital markets at B. Riley, observes pent-up demand from investors has helped bring unit values back up, encouraging sponsors.

Middle Market Companies Set to Bear Greatest Brunt of COVID-19 Impact

[Debtwire](#), Published May 12, 2020

It will arguably be harder for middle market companies to bide their time as the US economy begins to enter a slow reopening phase. They will also face more difficult decisions as they decide whether to reopen, restructure or liquidate, according to Ian Ratner, co-founder of B. Riley Financial’s GlassRatner.

Retail Thought it was Facing the Apocalypse. Then Came the Coronavirus.

[Los Angeles Times](#), Published April 6, 2020

Bryant Riley explains the current crisis hit as many oversized retailers were still trying to figure out how to best reconfigure themselves in the new retail environment. B. Riley, a diversified publicly traded company, provides other services to distressed retailers so liquidation isn’t the only way out of a financial jam. The company provides loans, forensic accounting and restructuring advice — and has used such wherewithal to get a piece of distressed businesses.

The background features a blurred financial data table with a diagonal orange line running from the bottom-left to the top-right. The table contains numerical values, some positive and some negative, representing various metrics. The text 'Investment Metrics' is centered over the table.

Investment Metrics

Strong balance sheet with attractive dividend yield

Balance Sheet Summary ⁽¹⁾		Financial Highlights (3/31/20 LTM) ⁽⁶⁾			
Cash & Cash Equivalents	\$124.2M	Operating Revenues ⁽⁷⁾	\$611.6M	Operating Adj. EBITDA ⁽⁹⁾⁽¹¹⁾	\$165.7M
Marketable Securities, net ⁽²⁾	\$273.5M	Investment (Loss) Gains ⁽⁸⁾	(\$101.8M)	Investment Adj. EBITDA ⁽¹⁰⁾⁽¹¹⁾	(\$88.3M)
Loans Receivable, net of Loan Participations Sold	\$313.9M	Total Revenues	\$509.8M	Total Adj. EBITDA ⁽¹¹⁾	\$77.4M
Other investment assets ⁽³⁾	\$66.1M	Valuation Measures		Trading Data	
Total Cash, Net Securities, and Other ⁽²⁾⁽³⁾	\$777.7M	Market Cap	\$449.9M	Stock Price (at 5/11/20)	\$17.31
Term Loan	\$61.9M	Enterprise Value ⁽¹²⁾	\$588.3M	52 Week High/Low	\$30.17 \$12.94
Senior Notes and other Notes Payable	\$854.2M	EV/Total Revenues ⁽⁶⁾⁽¹²⁾	1.2x	Shares Outstanding ⁽¹⁾	26.0M
Total Debt ⁽⁴⁾	\$916.1M	EV/Adj. EBITDA ⁽⁶⁾⁽¹¹⁾⁽¹²⁾	7.6x	Public Float, est. ⁽¹⁾	74.6%
Net Debt ⁽⁵⁾	\$138.4M	EV/Operating Revenues ⁽⁶⁾⁽⁷⁾⁽¹²⁾	1.0x	Inst. Holdings ⁽¹³⁾	48.4%
		EV/Operating Adj. EBITDA ⁽⁶⁾⁽⁹⁾⁽¹¹⁾⁽¹²⁾	3.6x	Insider Holdings ⁽¹⁾	25.4%
				Dividend Yield – LTM ⁽¹⁴⁾	10.1%

1. As of 3/31/2020.

2. Includes approximately \$287.8M in securities and other investments owned net of \$14.3M in securities sold not yet purchased.

3. Includes approximately \$0.5M in restricted cash, \$10.9M in due from clearing brokers net of \$5.1M due to clearing brokers, \$11.1M in advances against customer contracts, and \$48.8M in other equity investments and investments related deposits reported in prepaid expenses and other assets.

4. Excludes operating lease liabilities.

5. Net debt is defined total debt minus total cash, net securities, and other.

6. Based on 3/31/2020 LTM results.

7. Operating Revenues is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

8. Investment (Loss) Gains is defined as Trading Income (losses) and Fair Value Adjustments on Loans.

9. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

10. Investment Adjusted EBITDA is defined as Trading Income (losses) and Fair Value Adjustments on Loans, less other investment related expenses.

11. For a definition of Adjusted EBITDA and a reconciliation to GAAP financial measures, please see the Appendix.

12. Enterprise value is defined as market capitalization, less cash and cash equivalents, restricted cash, the net amount due from clearing brokers and due to clearing brokers, advances against customer contracts, the net amount of loans receivable and loan participations sold, the net amount of securities and other investments owned and securities sold not yet purchased, and other equity investments and investment related deposits reported in prepaid expenses and other assets, plus notes payable, term loan and senior notes payable.

13. Source: NASDAQ as of 5/8/2020.

14. Calculated based on sum of (i) \$1.50 per share quarterly dividend paid since August 2019 and (ii) \$0.25 per share declared quarterly dividend to be paid in June 2020, divided by share price as of 5/11/2020.

History of returning capital to stockholders

Common Dividends ⁽¹⁾

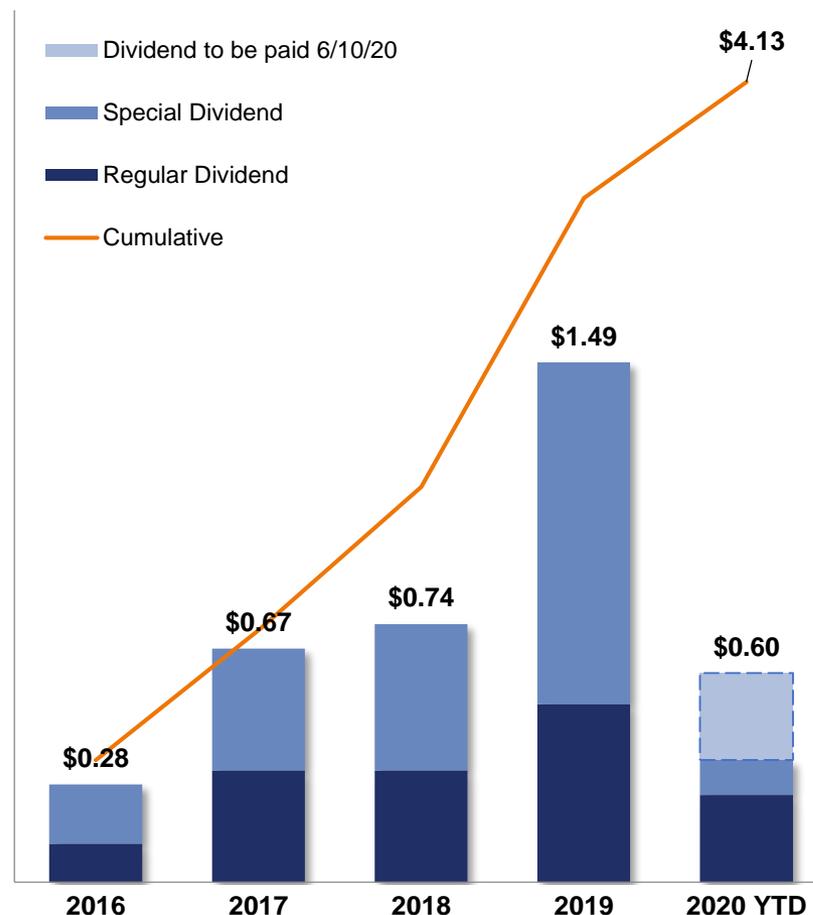
Overview

- Regular quarterly dividend of \$0.25 per share, raised from \$0.175 per share on 3/3/2020
- Quarterly dividend periodically supplemented with special dividend as approved by Board

Q1 2020 Review

- Quarterly dividend of \$0.25 per share payable on or about 6/10/2020 to stockholders of record as of 6/1/2020
- Cumulative total of \$4.13 per share in common dividends paid to shareholders as of 6/10/2020

Historical Dividends



1. There can be no assurance that we will continue to generate sufficient cash to pay dividends or that we will pay dividends in future periods. Further, the issuance of preferred stock may reduce or eliminate our ability to make common stock dividends.

Maintain significant ownership, strong shareholder alignment

Shareholder Alignment

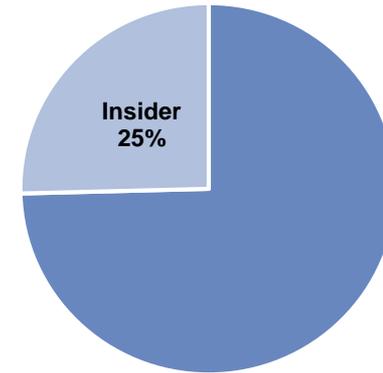
Insider Ownership ⁽¹⁾

- 25% of total holdings owned by executives and board
- 498K+ open market share purchases by Executives and Board since 2018
- 48K+ open market purchases by Executives and Board in the first quarter

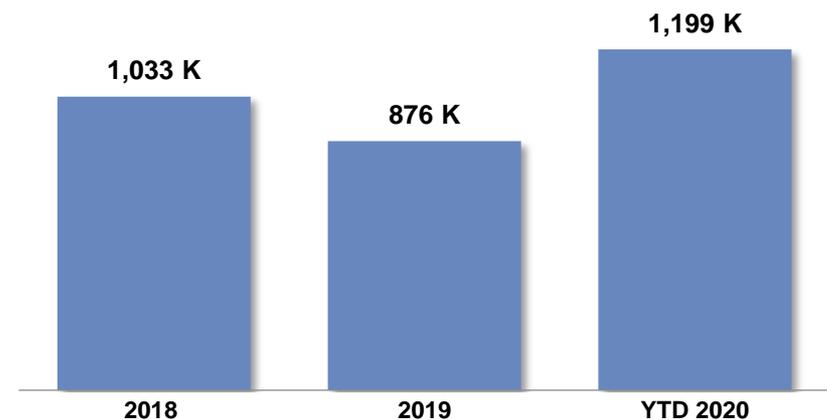
Company Buybacks

- Share repurchase program announced 10/30/18
- 3.1M+ total shares/warrants purchased since 2018 ⁽²⁾
- 1M+ shares repurchased YTD 2020 ⁽²⁾

Insider Ownership ⁽¹⁾



Company Buybacks ⁽²⁾



1. Insider purchase data from 3/13/2018 to 5/8/2020

2. Common share and warrant repurchases from 4/1/2018 to 5/8/2020.

The background image is a blurred office scene with a blue overlay. It shows a desk with a calculator, a pen, and various documents. In the foreground, a hand is pointing at a tablet displaying a pie chart. The overall aesthetic is professional and data-oriented.

Financial Overview

Financial Summary

Overview

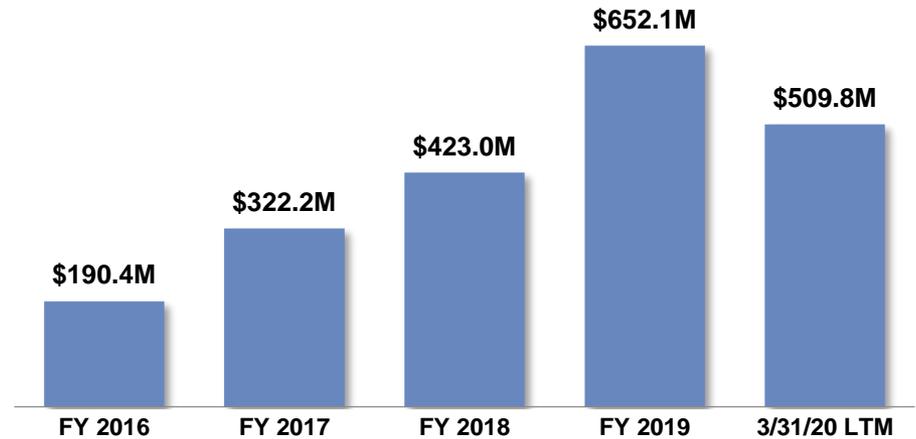
Revenue diversification through mix of steady, recurring revenue sources and episodic opportunities

- **Steady:** Principal Investments (magicJack, United Online), Appraisal, Wealth Management, Consulting
- **Episodic:** Banking, Capital Markets, Retail Liquidation
- **Investments:** Co-investing alongside clients and partners provide opportunity to generate returns for our investors

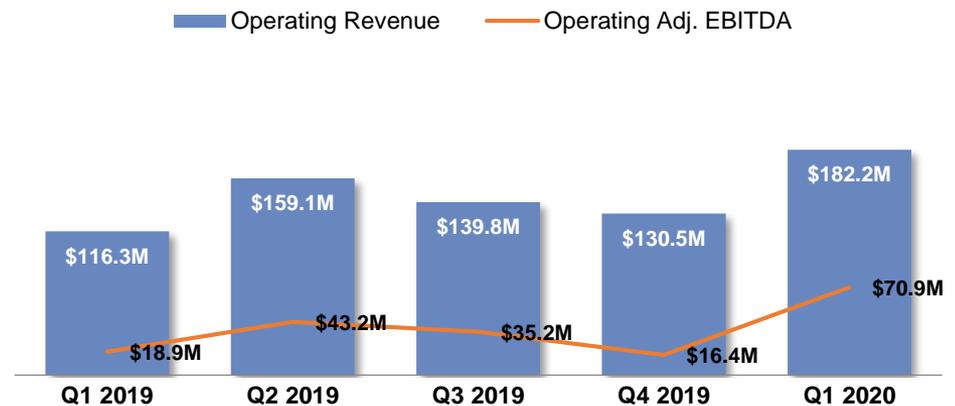
Q1 2020 Review

- Record quarterly operating revenues ⁽¹⁾ and operating Adj. EBITDA ⁽²⁾ driven by investment banking and steady appraisal, consulting, wealth management and principal investment businesses

Historical Annual Consolidated Revenues



Historical Quarterly Operating Revenues ⁽¹⁾⁽²⁾⁽³⁾



1. Operating Revenue is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

2. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses. For a definition of Adjusted EBITDA and a reconciliation to GAAP financial measures, please see the Appendix.

3. Investment (Loss) Gains is defined as Trading Income (losses) and Fair Value Adjustments on Loans.

Operating Income Summary – Q1 2020 and Q1 2019

Unaudited (Dollars in thousands)	Q1 2020			Q1 2019		
	Operating Results	Investment Results	Combined Results	Operating Results	Investment Results	Combined Results
Revenues:						
Services and fees	\$159,381	-	\$159,381	\$103,896	-	\$103,896
Trading income (losses) and fair value adjustments on loans	-	(182,442)	(182,442)	-	25,867	25,867
Interest income - loans & securities lending	21,851	-	21,851	11,420	-	11,420
Sale of goods	1,004	-	1,004	945	-	945
Total revenues	182,236	(182,442)	(206)	116,261	25,867	142,128
Operating expenses:						
Direct cost of services	19,952	-	19,952	14,116	-	14,116
Cost of goods sold	769	-	769	1,119	-	1,119
Selling, general and administrative expenses	103,214	(15,470) ⁽¹⁾	87,744	84,669	10,295 ⁽¹⁾	94,964
Restructuring charges	-	-	-	147	-	147
Impairment of tradenames	4,000	-	4,000	-	-	-
Interest expense - securities lending & loan participation sold	8,473	-	8,473	6,804	-	6,804
Total operating expenses	136,408	(15,470)	120,938	106,855	10,295	117,150
Operating income (loss)	\$45,828	\$(166,972)	\$(121,144)	\$9,406	\$15,572	\$24,978

1. Other investment related expenses.

Investments Summary

Our Platform Approach

Our diverse platform provides proprietary investment ideas and business opportunities

- Opportunistic investments are accretive and drive shareholder value
- Leverages our core operational and industry knowledge
- Focused on delivering financial improvements to maximize free cash flow

Opportunities

Co-investing alongside clients and partners provide opportunity to generate returns for our investors. We actively invest in opportunities that:

- Create opportunities for service fee revenue
- Generate yield and drive incremental returns
- Offer growth, FCF and recurring revenue

Operational vs. Investment Results

(Dollars in thousands)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Operating Revenue ⁽¹⁾	\$116,261	\$159,089	\$139,795	\$130,504	\$182,236
Investment Gain (Loss) ⁽²⁾	25,867	5,595	40,268	34,733	(182,442)
Consolidated Revenue	\$142,128	\$164,684	\$180,063	\$165,237	\$(206)
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Operating Adjusted EBITDA ⁽³⁾	\$18,858	\$43,151	\$35,200	\$16,394	\$70,908
Investment Gain EBITDA ⁽⁴⁾	15,572	9,705	35,130	33,875	(166,972)
Consolidated Adj EBITDA ⁽⁵⁾	\$ 34,430	\$ 52,856	\$ 70,330	\$ 50,269	\$(96,064)

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A group of business professionals are seated around a long wooden table in a modern office setting. The office has large windows that offer a panoramic view of a city skyline, including several construction cranes. The scene is dimly lit, with the primary light source being the natural light from the windows. A blue geometric overlay is present on the left side of the image, and the text 'Business Overview' is centered in white.

Business Overview

Our Structure and Diverse Business Mix

Principal Investments

- Proprietary investments
- Control and minority investments

Liquidation and Asset Appraisal

- Retail, wholesale, industrial auction and liquidation services
- Equipment, inventory, real estate ABL appraisal and valuation
- 1,000+ company appraisals per year



Provides complementary mix of steady cash flow and episodic, higher margin businesses

Specialty Financial Consulting

- Bankruptcy, financial, operational restructuring advisory
- Forensic accounting, litigation support
- Valuation disputes
- Due diligence and QOE analysis

Wealth Management

- Private wealth services
- 170+ financial advisors ⁽³⁾
- \$10B+ in client AUM ⁽⁴⁾

Banking & Capital Markets

- Full service investment bank
- Capital markets, M&A, restructuring
- Equity research (400+ companies covered ⁽¹⁾)
- Institutional sales & trading (1,000+ clients ⁽²⁾)

Capital Management

- Fund management
- Alternative investments
- Specialty middle market lending

1. Companies covered by B. Riley FBR Equity Research division as of 5/11/20.
2. B. Riley FBR institutional sales & trading clients as of 12/31/19.
3. B. Riley Wealth Management advisors as of 3/31/20.
4. B. Riley Wealth Management AUM as of 3/31/20.

B. Riley FBR

Overview

- Leading small- and mid-cap focused investment bank and institutional brokerage
- Proven expertise in lead-left small-cap offerings
- Established franchise in SPAC transactions
- Deep sector and stock specific knowledge, consistently recognized for stock-picking selection

Q1 2020 Review and Opportunities

- Near-record banking results despite March 2020 slowdown
- SPAC deals remain bright spot for capital markets
- Meaningful increase in ATM offering activity
- Increased restructuring activity
- Position in small-cap should lead to debt and equity opportunities

Key Statistics

- 75+** investment banking professionals ⁽¹⁾
- #1** bookrunner for at-the-market issuances ⁽²⁾
- 1,000+** institutional client relationships ⁽³⁾
- 400+** companies covered by research ⁽⁴⁾
- #3** most small-caps under coverage ⁽⁵⁾

Recent Deals

February 2020



business combination with



Capital Markets Advisor

March 2020



investment from



Financial Advisor

May 2020
\$62,365,000



Common Stock
Initial Public Offering
Sole Bookrunner

1. B. Riley FBR investment banking professionals as of 04/30/20.
 2. Source: Dealogic, Company Filings, PlacementTracker, 12/31/2009 – 12/31/2019. Apportioned credit to all placement agents
 3. B. Riley FBR institutional sales & trading clients as of 12/31/2019.
 4. B. Riley FBR Equity Research coverage as of 5/11/2020.
 5. Sources: StarMine rankings as of 11/14/2019. Bloomberg, FactSet, and company websites used for firms not included in StarMine rankings. Overall coverage includes only companies with a rating & domiciled in the U.S. Does not include Closed End Funds. Small-Cap Coverage includes market caps less than \$1 billion.

B. Riley Wealth Management

Overview

- Provides enhanced distribution through network of HNWI, family office and traditional accounts
- Large private client network with strong demand for new issues provides distribution and aftermarket benefits
- Benefits from B. Riley infrastructure, deals syndicate and ancillary investment offerings
- Provides steady, recurring revenue

Q1 2020 Review and Opportunities

- Continued steady performance
- Year-over-year increase in revenue and AUM
- Deal syndicate participation contributes additional revenues
- Diversified revenue stream creates opportunity
- Robust recruiting pipeline

Key Statistics ⁽¹⁾ ⁽²⁾

\$10B+ assets under administration

170+ experienced financial advisors

33,000+ active client accounts

20 branch locations across **14** states

Core Services

Individuals

- Financial planning
- Retirement income
- Estate planning
- Risk management and insurance
- Trust management

Corporations

- Qualified plan and 401(K) advisory services
- Investment banking and directed share programs
- Business lending resources through 3rd party institutions

1. As of 3/31/2020.

2. Figures shown are approximations and do not reflect actual number of Assets under Administration, Active Client Accounts, Financial Advisors and Branch Locations

GlassRatner

Overview

- Nationally recognized bankruptcy & litigation advisor
- Financial advisory services firm providing consulting services, including due diligence, fraud investigations, crisis management
- Core expertise in bankruptcy, restructuring and special situations
- Complements B. Riley's financial restructuring capabilities

Q1 2020 Review and Opportunities

- Achieved record quarterly results since joining B. Riley
- Key sectors include healthcare, agriculture, energy, automotive, retail and real estate
- New matters span CRO assignments, financial due diligence, receiver services and general business interruption assistance

2019 Accolades (1)

#1 Overall Expert Witness

#1 Forensic Accounting Firm

#1 Litigation Valuation Firm

Cross Border Special Situation M&A Deal of the Year



Illustrative Engagements



CRO of
Specialty Retailer



FA to Power & Gas
Retail Energy
Provider



CRO to
Continuing Care
Retirement
Community

1. Source: ALM's Daily Report, "Best of 2019" and Global M&A Network, "Turnaround Atlas Awards" (2019)

Great American Group Liquidation

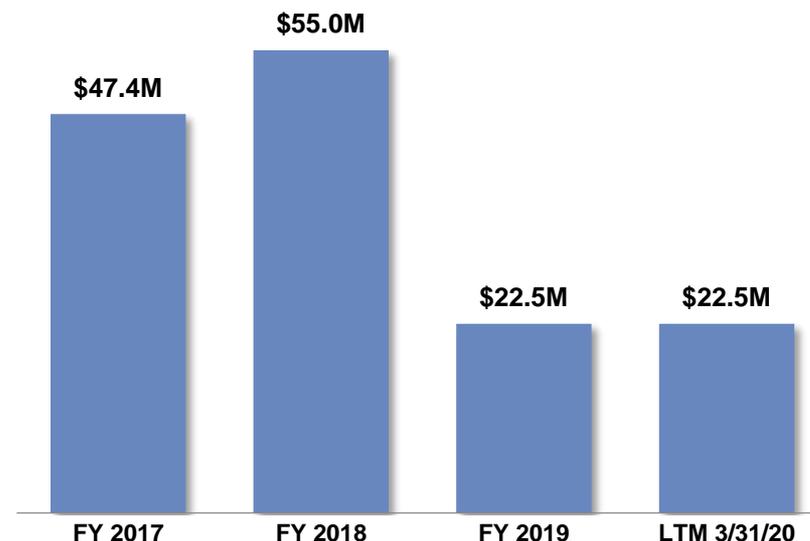
Overview

- Merged with B. Riley in June 2014
- Leading provider of large-scale retail liquidations
- Cyclical business with robust store closing project pipeline
- 3,900+ store closures conducted in 2019 ⁽¹⁾
- \$2.9 billion+ in total value of assets liquidated in 2019 ⁽¹⁾

Q1 2020 Review and Opportunities

- Participated in the operations of 590 store closings and liquidation of over \$1.0 billion of retail inventory YTD ⁽¹⁾
- COVID-19 paused certain non-essential retail liquidation engagements in March
- Expect activity robust new business opportunities to resume through year end as real estate consolidation and purging excess inventory remain a key focus for retailers

Historical Liquidation Revenue



Illustrative Clients



1. Figures shown are approximations and do not reflect actual number of store closures or liquidated asset values.

Great American Group Appraisal

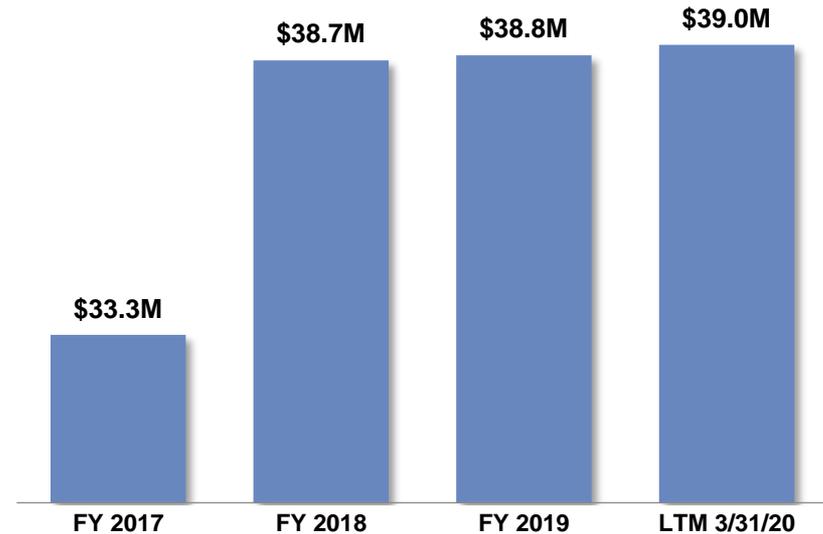
Overview

- One of the largest appraisal practices in the U.S.
- Provides valuation and appraisal services to financial institutions, lenders, private equity firms, and other providers of capital
- High recurring business rate primarily supporting asset based loans (ABLs)
- 1,500+ engagements completed for 1,100+ companies in 2019 ⁽¹⁾

Q1 2020 Review and Opportunities

- Maintains relatively steady performance quarter-to-quarter and year-to-year
- Anticipate greater opportunity post-COVID-19 as banks and capital lenders seek appraisal work to support future transaction activities

Historical Appraisal Revenue



Illustrative Clients



1. Figures shown are approximations and do not reflect actual number of completed appraisals or unique company appraisals.

Principal Investments

B. Riley Principal Investments

Overview

- Strong cash-flow companies generating attractive returns
- Operationally-focused, control investments

United Online (acquired July 2016)

- Internet access and online advertising provider
- Exceeded net initial investment since acquisition, generating steady income

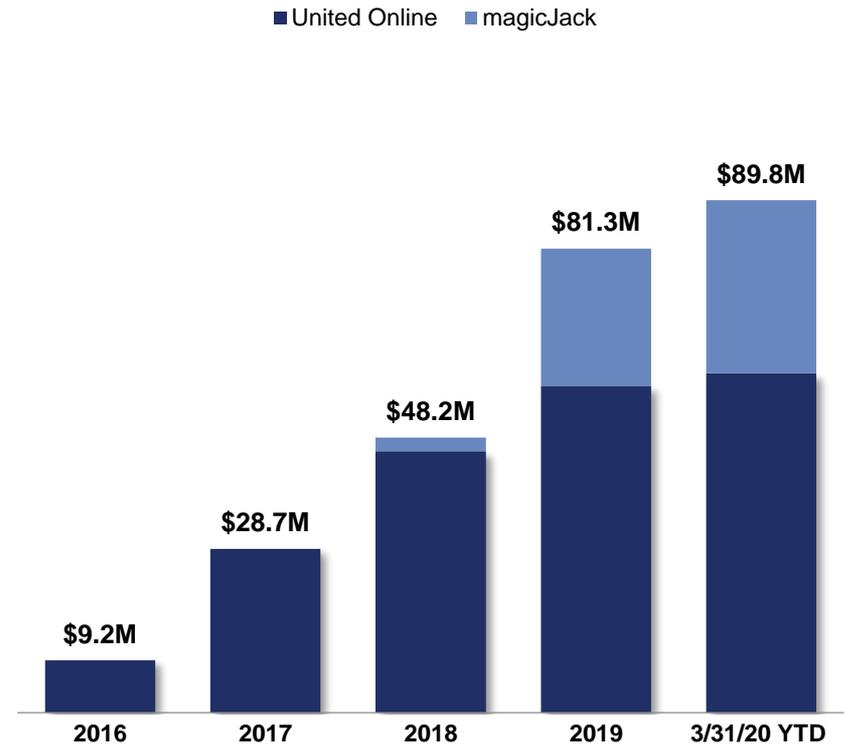
magicJack (acquired November 2018)

- VoIP technology and services communications provider
- Offers operational synergies with United Online

Q1 2020 Review and Opportunities

- Highly profitable business segment, generates significant cash flows
- High gross margins; predictable subscriber attrition
- Low overhead from successful execution of cost synergies

Cumulative Segment Income ⁽¹⁾



1. Includes results from United Online, Inc. since Q3 2016, and results from magicJack VocalTec Ltd. since Q4 2018.

Brand Investments

Overview

- Established brand investment portfolio 10/31/2019
- Brand holdings offer recurring revenue and cash flow
- Leverages retail sector deal flow and brand management partnerships

Q1 2020 Review and Opportunities

- Generates steady revenue through the licensing of brand trademarks
- Trends in traditional brick and mortar retail creates opportunity to acquire intellectual property and brand assets

Ownership Summary ⁽¹⁾

80% ownership in six brands:

- Catherine Malandrino, English Laundry, Joan Vass,
- Kensie Girl, Limited Too and Nanette Lepore

43% ownership in Hurley brand

33% ownership in bebe brand

Brand Holdings

CATHERINE MALANDRINO

Nanette
NANETTE LEPORE

LIMITED * TOO

Hurley



joan vass

English Laundry

bebe

kensie girl

Brookstone

1. Brand holdings as of 3/31/2020. Percentages represent approximate ownership stakes in these brands.



Financial Overview

Financial Highlights

Select Income Items		Select Balance Sheet Items	
(000's)	<u>Q1 2020</u>	(000's)	<u>3/31/20</u>
Operating Revenues ⁽¹⁾	\$182,236	Cash and cash equivalents	\$124,231
Operating Adjusted EBITDA ⁽²⁾⁽³⁾	70,908	Due from clearing brokers	10,879
Total Revenue	(206)	Securities and other investments owned, at fair value	287,786
Adjusted EBITDA ⁽³⁾	(96,064)	Advances against customer contracts	11,121
Net income attributable to B. Riley Financial	(98,665)	Loans receivable, at fair value	326,299
Net income applicable to common shareholders	(99,720)	Due to clearing brokers	5,126
Adjusted net income attributable to B. Riley Financial ⁽⁴⁾	(\$81,424)	Securities sold not yet purchased	14,298
Diluted income per share	(\$3.83)	Notes payable	714
Adjusted diluted income per share ⁽⁴⁾	(\$3.13)	Loan participations sold	12,405
		Term loan	61,932
		Senior notes payable	853,523

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2. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

3. For a definition of Adjusted EBITDA and a reconciliation to GAAP financial measures, please see the Appendix.

4. For a definition of Adjusted Net Income and a reconciliation to GAAP financial measures, please see the Appendix.

Financial Highlights (cont.)

Cash and Net Investments	
(000's)	<u>3/31/20</u>
Cash and cash equivalents	\$124,231
Restricted cash	471
Due from clearing brokers, net ⁽¹⁾	5,753
Advances against customer contracts	11,121
Loans receivables, net of loan participations sold	313,894
Marketable securities, net ⁽²⁾	273,488
Other equity investments and deposits ⁽³⁾	48,765
Total Cash, Net Securities, and Other	\$777,723

Debt	
(000's)	<u>3/31/20</u>
Senior notes payable	\$853,523
Term loan	61,932
Notes payable	714
Total Debt	\$916,169
Net Debt ⁽⁴⁾	\$138,446

1. Includes \$10.9M in due from clearing brokers net of \$5.1M in due to clearing brokers.
2. Includes \$287.8M in securities and other investments owned net of \$14.3M in securities sold not yet purchased.
3. Other equity investments and investment related deposits reported in prepaid expenses and other assets.
4. Defined as total debt total minus cash, net securities, and other.

A group of approximately ten people are seated around a long wooden table in a modern office or lounge area. The room features large floor-to-ceiling windows that offer a panoramic view of a city skyline, including several construction cranes. The scene is dimly lit, suggesting an evening or overcast day. The overall atmosphere is professional and collaborative. A prominent orange diagonal line runs from the top left towards the center, and a white horizontal line is positioned below the word 'Appendix'.

Appendix

Historical Financial Results for B. Riley Financial

B. Riley Financial Segment Financial Results

(000's)	FY 2019	3/31/20 LTM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Operating Revenues:							
Capital Markets ⁽¹⁾	\$379,395	\$446,225	\$59,434	\$88,653	\$93,828	\$137,480	\$126,264
Auction and Liquidation	22,516	22,468	20,709	34,916	11,286	(44,395)	20,661
Valuation and Appraisal	38,821	39,026	8,583	9,742	10,818	9,678	8,788
Principal Investments - UOL and MJ	100,862	96,049	27,535	25,778	23,863	23,686	22,722
Brands	4,055	7,856	-	-	-	4,055	3,801
Operating Revenues ⁽¹⁾	545,649	611,624	116,261	159,089	139,795	130,504	182,236
Investment Gain (Loss) ⁽²⁾	106,463	(101,846)	25,867	5,595	40,268	34,733	(182,442)
Total Revenues	652,112	509,778	142,128	164,684	180,063	165,237	(206)
Segment Operating Income:							
Capital Markets ⁽³⁾	84,968	133,184	(1,711)	14,688	17,272	54,719	46,505
Auction and Liquidation	(25,533)	(32,748)	11,504	17,828	5,953	(60,818)	4,289
Valuation and Appraisal	10,237	10,754	1,363	2,737	3,451	2,686	1,880
Principal Investments - UOL and MJ	33,157	33,732	7,929	7,779	8,662	8,787	8,504
Brands	2,667	850	-	-	-	2,667	(1,817)
Segment Operating Income ⁽³⁾	105,496	145,772	19,085	43,032	35,338	8,041	59,361
Investment Income (Loss) ⁽⁴⁾	94,282	(88,262)	15,572	9,705	35,130	33,875	(166,972)
Total Segment Income (Loss)	199,778	57,510	34,657	52,737	70,468	41,916	(107,611)
Corporate and Other Expenses	(33,127)	(36,981)	(9,679)	(8,482)	(10,617)	(4,349)	(13,533)
Adjusted EBITDA ⁽⁵⁾	\$207,885	\$77,391	\$34,430	\$52,856	\$70,330	\$50,269	(\$96,064)
Operating Adjusted EBITDA ⁽⁶⁾	\$113,603	\$165,653	\$18,858	\$43,151	\$35,200	\$16,394	\$70,908

1. Operating Revenue is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

2. Investment Gains (Loss) is defined as Trading Income (losses) and Fair Value Adjustments on Loans.

3. Segment Operating Income is defined as Segment Income excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

4. Investment Income (Loss) is defined as Trading Income (losses) and Fair Value Adjustments on Loans, less other investment related expenses.

5. Adjusted EBITDA: earnings before interest expense, interest income, provision for or benefit from income taxes, depreciation and amortization, share-based payments, fair value adjustments, litigation settlement, insurance settlement recovery, impairment of tradenames, transactions-related costs, and restructuring costs.

6. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

Non-GAAP Financial Measures

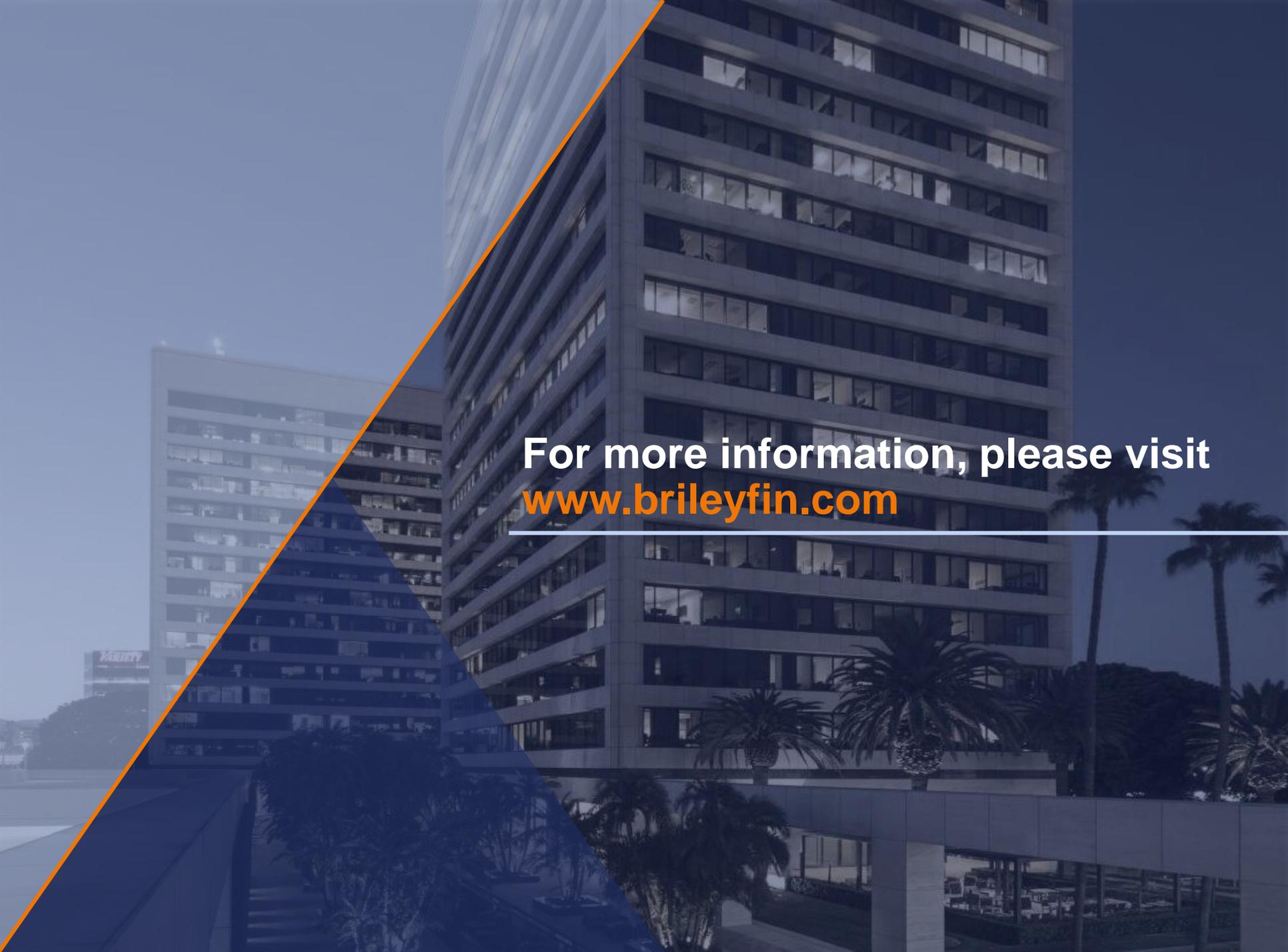
B. Riley Financial Adjusted EBITDA Reconciliation

(000's)	FY 2019	3/31/20 LTM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net Income (Loss)	\$81,611	(\$25,077)	\$8,023	\$22,157	\$34,302	\$17,129	(\$98,665)
EBITDA Adjustments							
Provision (Benefit) for Income Taxes	34,644	(5,999)	3,104	9,289	14,409	7,842	(37,539)
Interest Expense	50,205	55,089	10,770	11,588	12,772	15,075	15,654
Interest income	(1,577)	(1,186)	(637)	(331)	(361)	(248)	(246)
Share Based Payments	15,916	18,624	2,614	2,934	4,728	5,640	5,322
Depreciation and Amortization	19,048	19,091	4,913	4,831	4,473	4,831	4,956
Restructuring Costs	1,699	1,552	147	1,552	-	-	-
Impairment of Tradenames	-	4,000	-	-	-	-	4,000
Transactions Related Costs and Other	6,339	11,297	5,496	836	7	-	10,454
Total Adjustments	126,274	102,468	26,407	30,699	36,028	33,140	2,601
Adjusted EBITDA	\$207,885	\$77,391	\$34,430	\$52,856	\$70,330	\$50,269	(\$96,064)
Operating EBITDA Adjustments:							
Trading (Income) Losses and Fair Value Adjustments on Loans	(106,463)	101,846	(25,867)	(5,595)	(40,268)	(34,733)	182,442
Other Investment Related Expenses	12,181	(13,584)	10,295	(4,110)	5,138	858	(15,470)
Total Operating EBITDA Adjustments	(94,282)	88,262	(15,572)	(9,705)	(35,130)	(33,875)	166,972
Operating Adjusted EBITDA	\$113,603	\$165,653	\$18,858	\$43,151	\$35,200	\$16,394	\$70,908

Non-GAAP Financial Measures

B. Riley Financial Adjusted Net Income Reconciliation

(000's)	FY 2019	3/31/20 LTM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net Income (Loss)	\$81,611	(\$25,077)	\$8,023	\$22,157	\$34,302	\$17,129	(\$98,665)
Share Based Compensation	15,916	18,624	2,614	2,934	4,728	5,640	5,322
Amortization of Intangible Assets	13,846	14,493	3,377	3,344	3,310	3,815	4,024
Restructuring Costs	1,699	1,552	147	1,552	-	-	-
Impairment of Tradenames	-	4,000	-	-	-	-	4,000
Transactions Related Costs and Other	6,339	11,297	5,496	836	7	-	10,454
Income Tax Effect of Adjusting Entries	(11,154)	(14,468)	(3,245)	(2,560)	(2,380)	(2,969)	(6,559)
Total Adjustments	26,646	35,498	8,389	6,106	5,665	6,486	17,241
Adjusted Net Income	\$108,257	\$10,421	\$16,412	\$28,263	\$39,967	\$23,615	(\$81,424)



For more information, please visit
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