



Rent-A-Center:

Second Quarter 2021 Earnings Review



Important Notices

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding our goals, plans and projections with respect to our operations, financial position and business strategy. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "maintain," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology. Such forward-looking statements are based on particular assumptions that our management has made in light of its experience and its perception of expected future developments and other factors that it believes are appropriate under the circumstances, and are subject to various risks and uncertainties. Factors that could cause or contribute to material and adverse differences between actual and anticipated results include, but are not limited to, (1) the impact on our business of the COVID-19 pandemic and related federal, state, and local government restrictions, including adverse changes in such restrictions or the potential re-imposition of such restrictions limiting our ability to operate or that of our retail partners or franchisees, and the continuing economic uncertainty and volatility that has resulted from such matters, and (2) the other risks detailed from time to time in the reports filed by us with the SEC, including our most recently filed Annual Report on Form 10-K, as may be updated by reports on Form 10-Q or Form 8-K filed thereafter. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this communication. Except as required by law, we are not obligated to, and do not undertake to, publicly release any revisions to these forward-looking statements to reflect any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Use of Non-GAAP Financial Measures

This communication contains certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including (1) Non-GAAP diluted earnings per share (net earnings, as adjusted for special items (as defined below), net of taxes, divided by the number of shares of our common stock on a fully diluted basis), (2) Adjusted EBITDA (net earnings before interest, taxes, depreciation and amortization, as adjusted for special items) on a consolidated and segment basis and (3) Free Cash Flow (net cash provided by operating activities less capital expenditures). "Special items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature and which we believe do not reflect our core business activities. For the periods presented herein, these special items are described in the quantitative reconciliation tables included in the appendix of this communication. Because of the inherent uncertainty related to the special items, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort.

These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended to assist management in evaluating operating performance and liquidity, comparing performance and liquidity across periods, planning and forecasting future business operations, helping determine levels of operating and capital investments and identifying and assessing additional trends potentially impacting our company that may not be shown solely by comparisons of GAAP measures. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others.

We believe these non-GAAP financial measures also provide supplemental information that is useful to investors, analysts and other external users of our consolidated financial statements in understanding our financial results and evaluating our performance and liquidity from period to period. However, non-GAAP financial measures have inherent limitations and are not substitutes for or superior to, and they should be read together with, our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

Note that all sources in this presentation are from Company reports and Company estimates unless otherwise noted.



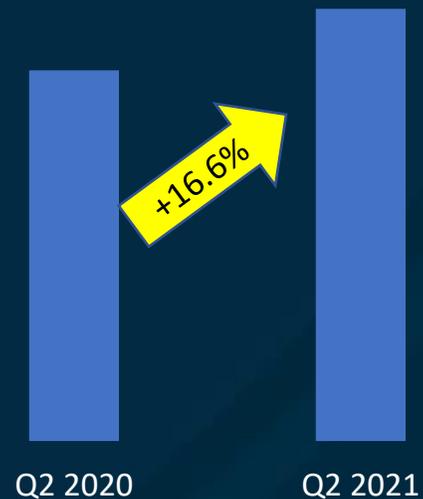
Strong Performance and Momentum

Key Metrics – 2021 Second Quarter

Customers



Rent-A-Center Business Portfolio



Fundamentals Remain Strong

- Macro environment remains constructive
- Customer trends are favorable:
 - Rent-A-Center Business segment portfolio is up mid-teens versus last year heading into the second half of 2021. Expect fewer early payouts
- Acima integration and strategic agenda are on track; making inroads with e-commerce
- Rent-A-Center Business segment positive momentum with e-commerce growth, execution, and strong margins

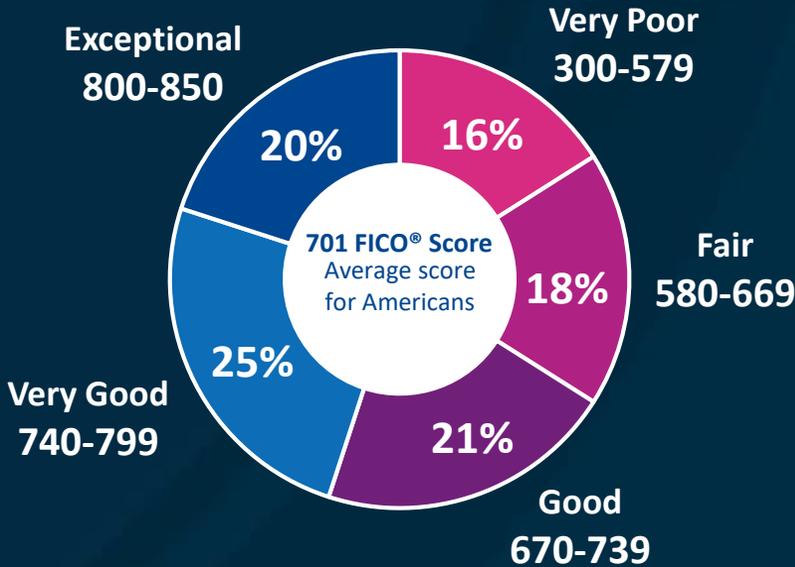


Evolving Secular Growth Story: Leading Omni-Channel Lease-To-Own

Small Payments Gaining in Popularity Among Consumers



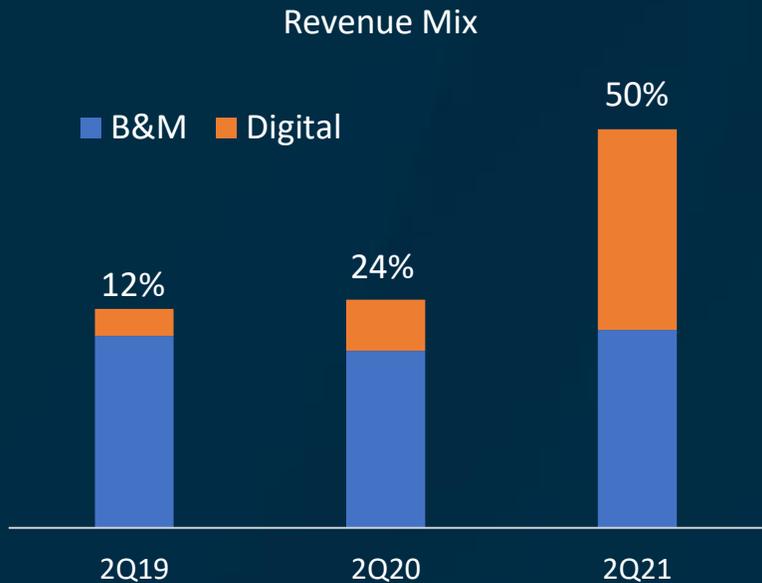
Large Underserved Customer Base: ~40%-50% of U.S. consumers have below average credit



RCII has identified ~50 million consumers who meet our target market criteria

Source: according to Experian infographic

Technology Driven Business: Estimated 50%¹ RCII Revenues are Digital



¹ Digital defined as virtual and e-commerce

Note: B&M represents brick and mortar locations



2021 Second Quarter Highlights

- Q2 2021 Consolidated Revenues of \$1.2 billion +74.6% vs. last year; Consolidated pro forma revenues +21.6%
- Q2 2021 Adjusted EBITDA margin 15.2% +210 bps vs. last year on a pro-forma basis
- Non-GAAP Diluted EPS¹ of \$1.63 +103.8% vs. last year
- Raised 2021 annual guidance for revenues, Adjusted EBITDA, EPS (Non-GAAP), and Free Cash Flow
- Announced new \$250 million share repurchase authorization

Acima GMV
Year-over-Year Growth



Rent-A-Center Business
2-Year Same Store Sales



Note: Same store sale methodology - Same store sales generally represents revenue earned in stores that were operated by us for 13 months or more and are reported on a constant currency basis as a percentage of total revenue earned in stores of the segment during the indicated period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer. Due to the COVID-19 pandemic and related temporary store closures, all 32 stores in Puerto Rico were excluded starting in March 2020 and will remain excluded for 18 months.

Note: Pro forma figures assume business was owned during the corresponding prior year period

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



ACIMA: MISSION AND VALUES

Ease.

- Accelerate customer origination process
- Provide ability for a customer to seamlessly acquire a lease account and shopping line
- Access to profile and account anywhere to make it easy to shop, pay, and manage
- Fast and consistent checkout process

Mobility.

- Customer can shop with integrated and nonintegrated partners in any channel they desire
- Shopping line can be utilized at any retailer that sell durable goods
- Empower the customer by providing a shopping line that encourages repeatable transactions



Bring consumers and retailers together in an ecosystem that empowers consumers and unlocks access to a network of retailers in a more inclusive, seamless, transparent, and repeatable manner

Choice.

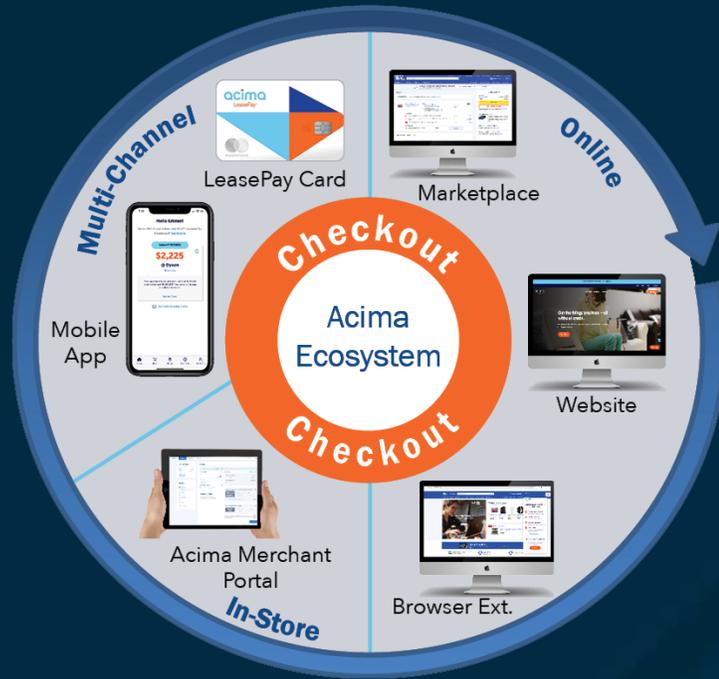
- Identify new retail partners online and in-store to provide a seamless integrated approach
- Establish technology that extends the Acima network beyond the need to integrate
- Review new product categories, minimums, and add-ons to provide more access

Transparency.

- Reduce the stigma of LTO by clear value propositions and paths to ownership
- Create clear customer journeys with visibility and access to greater selection, more flexible terms, and long term value

ACIMA: New Shopping Paradigm for the Financially Underserved

Ecosystem



Opportunity

Durable Goods Retail
Outlets Offering LTO

Estimated Total
Addressable Market

Millions

Approaching \$100B

40-50K

\$40-\$50B

The Acima digital ecosystem provides partners and customers a platform to connect and transact in a seamless and repeatable manner that creates significant value to both parties



Q2 ACIMA Highlights

Financial Results

- Q2 revenues of \$635 million +232% vs. last year; pro-forma revenue growth 29.7%
- Pro forma GMV +43% vs. last year led by new virtual retail partner additions and organic growth
- Adjusted EBITDA¹ \$87 million with Adjusted EBITDA margin of 13.7% vs. pro forma Adjusted EBITDA \$60 million and 12.3% in the prior year period

Business Highlights

- Integration going well and on track to realize \$25 million of synergies for 2021 and total annualized synergies of \$40-\$70 million
- Continued to optimize the organization, established a framework to support growth and a unified culture
- Established a well defined product roadmap
- Continue to make progress on pipeline of national accounts
- Advanced marketing strategy development and implemented initial programs

Note: Pro forma figures assume business was owned during the corresponding prior year period
¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



Rent-A-Center Business Financial Highlights

Q2 2021 Highlights

- Same Store Sales: +16.6% year over year (+24.4% on a 2-year basis); 14th consecutive quarter of positive growth
- Q2 Ending Lease Portfolio: +16.6% year over year
- Skip / Stolen Losses: 2.3% of revenue, lower by 140 bps year over year
- Adjusted EBITDA¹: +43% year over year, Adjusted EBITDA margin 25.9%
- E-commerce: over 20% of revenues vs. pre-Covid levels (12% of revenues in 2019)

Rent-A-Center Business Same Store Sales



Digital acceleration in the RAC business has generated over 36% growth in e-commerce revenues in the first half of 2021

Note: Same store sale methodology - Same store sales generally represents revenue earned in stores that were operated by us for 13 months or more and are reported on a constant currency basis as a percentage of total revenue earned in stores of the segment during the indicated period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer. Due to the COVID-19 pandemic and related temporary store closures, all 32 stores in Puerto Rico were excluded starting in March 2020 and will remain excluded for 18 months.

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



Rent-A-Center Business: Driving Sustainable, Profitable Growth

2021E Assumptions

- Same store sales expected to be low double digit range for the back half of the year
- Skip/stolen losses projected in the range of 3.0% for remainder of the year
- Adjusted EBITDA margin rates maintain in the low 20%+ second half of the year

2021 Financial targets

\$2.04bn
2021E Revenue¹

\$490mm
2021E Adj. EBITDA^{1,2}

¹ Based on the midpoint of 2021E guidance

² Adjusted EBITDA is a non-GAAP measure. Because of the inherent uncertainty related to items excluded from this non-GAAP measure (as described in the Appendix), management does not believe it is able to provide a meaningful forecast of the comparable GAAP measure or reconciliation to any forecasted GAAP measure without unreasonable effort.

Q2 2021 Financial Highlights

Consolidated

- Revenue growth +74.6% vs. last year; pro forma revenue growth +21.6% vs. last year
- Adjusted EBITDA¹: \$182M +139.6%; pro forma growth +40.8%
- Adjusted EBITDA margin: 15.2% of revenue, +410 bps vs. last year
- Non-GAAP Diluted EPS¹: \$1.63, +104% vs. last year
- Free cash flow¹: \$101M
- Cash dividend of \$0.31 per share for the third quarter of 2021 represents an increase of 6.9% vs. last year

Balance Sheet ²

- Cash: Ended Q2 2021 with \$145M cash balance
- Debt: \$1.32B, paid down \$55M on revolver during quarter
- Liquidity: Ended Q2 2021 with over \$600M in available liquidity
- Pro Forma Leverage Ratio: Ended Q2 2021 at 1.7x

Note: Pro forma figures assume business was owned during the corresponding prior year period

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation

² In connection with the acquisition of Acima in February 2021, the Company refinanced its prior indebtedness and incurred substantial new indebtedness, as discussed in the Company's Current Report on Form 8-K filed with the SEC on February 17, 2021.



2021 Increased Guidance

Consolidated ^{1,2}	Annual Guidance	
	Low	High
Revenues (\$bn)	\$4.550	\$4.670
Adjusted EBITDA (\$mm) ⁴	\$660	\$700
<i>% revenues</i>	14.5%	15.0%
Diluted Non-GAAP EPS ⁴	\$5.90	\$6.40
Free Cash Flow (\$mm) ^{3,4}	\$300	\$350
Acima Segment (includes Preferred Lease) ¹		
Revenues (\$bn)	\$2.340	\$2.420
Adjusted EBITDA (\$mm) ^{4, 5}	\$330	\$350
<i>% revenues</i>	14.1%	14.5%
Rent-A-Center Business Segment		
Revenues (\$bn)	\$2.020	\$2.060
Adjusted EBITDA (\$mm) ⁴	\$480	\$500
<i>% revenues</i>	23.8%	24.3%

¹ Acima 2021E financials based on ~10.5 months post-close of acquisition

² Includes Rent-A-Center Business, Acima, Mexico, Franchise and Corporate segments

³ Free Cash Flow defined as net cash provided by operating activities less capital expenditures

⁴ Adjusted EBITDA, non-GAAP diluted earnings per share and free cash flow are non-GAAP measures. Because of the inherent uncertainty related to items excluded from these non-GAAP financial measures, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measure or reconciliation to any forecasted GAAP measure without unreasonable effort

⁵ Corporate expenses related to Acima of approximately \$20M will be reflected in the Corporate segment



Capital Allocation Priorities And Long Term Financial Targets

Focused on driving long-term value creation

I

Funding current business and investing in organic growth opportunities

II

Opportunistic value enhancing M&A

III

Return capital to shareholders through a combination of dividends and share repurchases

Long Term Financial Targets

\$6.0bn

Consolidated Revenue
by 2023

Mid-Teens

Consolidated Adj. EBITDA
Margin
(2023)

1.5x

Maintain Net Leverage



Question and Answer



Q2 2021 Financial Highlights

Q2 2021

In millions, except percentages and EPS

	<u>Actual</u>	<u>% of Total Revenue</u>
Rent-A-Center Business	\$506	42.4%
Acima	\$635	53.2%
Franchising	\$38	3.1%
Mexico	\$15	1.3%
Total Revenue	\$1,194	100.0%
		<u>% of Segment Revenue</u>
Rent-A-Center Business	\$131	25.9%
Acima	\$87	13.7%
Franchising	\$6	15.2%
Mexico	\$3	16.7%
Corporate	(\$45)	(3.7%)
Adjusted EBITDA¹	\$182	15.2%
Non-GAAP Diluted EPS¹	\$1.63	
<u>Selected Metrics</u>	<u>Q2 2021</u>	
Cash	\$145	
Debt (excluding financing fees)	\$1,325	
Pro forma Net Debt to Adjusted EBITDA	1.7x	

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



Reconciliation Of Net Earnings Per Share To Non-GAAP Diluted Earnings Per Share

(in thousands, except per share data)

	Three Months Ended June 30,			
	2021		2020	
	Amount	Per Share	Amount	Per Share
Net Earnings	\$ 61,309	\$ 0.90	\$ 38,493	\$ 0.70
Special items, net of taxes				
Other charges ¹	58,382	0.87	5,818	0.10
Discrete income tax items ¹	(9,119)	(0.14)	(185)	-
Net earnings excluding special items	\$ 110,572	\$ 1.63	\$ 44,126	\$ 0.80

¹ Refer to slide 17 for additional details



Reconciliation Of Operating Profit To Adjusted EBITDA (Consolidated And By Segment)

	Three Months Ended June 30, 2021					
	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
<i>(in thousands)</i>						
GAAP Operating Profit (Loss)	\$ 126,487	\$ 68,099	\$ 2,420	\$ 5,694	\$ (96,181)	\$ 106,519
Plus: Amortization, Depreciation	4,452	524	119	18	8,453	13,566
Plus: Special Items (Extraordinary, Unusual or Non- Recurring Gains or Charges)						
Acima equity consideration vesting	-	-	-	-	34,410	34,410
Acima acquired assets depreciation and amortization	-	18,388	-	-	3,972	22,360
Legal settlement reserves	-	-	-	-	3,500	3,500
Acima transaction costs	-	-	-	-	705	705
Acima integration costs	(4)	313	-	-	379	688
Store closure costs	115	-	1	-	-	116
Adjusted EBITDA	131,050	87,324	2,540	5,712	(44,762)	181,864

	Three Months Ended June 30, 2020					
	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
<i>(in thousands)</i>						
GAAP Operating Profit (Loss)	\$ 85,132	\$ 6,233	\$ 1,052	\$ 3,029	\$ (41,811)	\$ 53,635
Plus: Amortization, Depreciation	4,876	474	95	10	8,893	14,348
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Legal settlement reserves	-	-	-	-	4,400	4,400
Cost savings initiatives	175	45	-	-	1,002	1,222
State tax audit assessment reserves	261	-	-	-	564	825
Nationwide protest impacts	703	-	-	-	-	703
COVID-19 impacts	355	115	-	-	-	470
Store closure costs	452	-	7	-	-	459
Insurance reimbursement proceeds	(158)	-	-	-	-	(158)
Adjusted EBITDA	91,796	6,867	1,154	3,039	(26,952)	75,904

Reconciliation Of Net Cash Provided By Operating Activities To Free Cash Flow

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 114,725	\$ 207,319	\$ 250,518	\$ 254,719
Purchase of property assets	\$ (14,013)	(5,599)	(25,401)	(14,750)
Hurricane insurance recovery proceeds	-	158	-	158
Free cash flow	\$ 100,712	\$ 201,878	\$ 225,117	\$ 240,127
Proceeds from sale of stores	\$ -	-	-	\$ 187
Acquisitions of businesses	\$ (5,639)	-	(1,273,542)	-
Free cash flow including acquisitions and divestitures	\$ 95,073	\$ 201,878	\$ (1,048,425)	\$ 240,314

