CERTAIN OTHER FINANCIAL AND STATISTICAL INFORMATION DISCUSSED DURING THE FOURTH QUARTER 2018 EARNINGS CONFERENCE CALL ON TUESDAY, FEBRUARY 26, 2019
QUARTER ENDED DECEMBER 31, 2018

Reconciliation to Adjusted EBITDA	THREE MONTHS ENDED DEC 31	
	2018	**2017**
Revenues	**$661,750**	**$638,956**
Reported (Loss) Earnings Before Income Taxes	**$22,368**	**$(38,605)**
Add back:		
Interest Expense, net	9,915	11,352
Depreciation, amortization and write-down of intangibles	16,672	18,711
Adjusted EBITDA	**$48,955**	**$(8,542)**
EBITDA Margin	***7.4%***	***-1.3%***

CONSOLIDATED

- Consolidated Total Revenues were $661.8 million, an increase of 3.6 percent versus the same period of last year. Same store sales for the consolidated business were positive 9.1 percent, and improved sequentially in each month within the quarter.
- Adjusted EBITDA was $49.0 million in the quarter and EBITDA margin was 7.4 percent, up 870 basis points over the same period last year.
- Net diluted profit per share excluding special items was 35 cents.
- The special item charges taken in the quarter were $18.7 million primarily driven by cost savings initiatives, Core U.S. store closures, and legal and professional fees associated with merger-related activities.

CORE U.S.

- Total revenues in the fourth quarter increased 4.9 percent versus the same period last year, primarily due to a same store sales increase of 8.8 percent offset by the rationalization of the Core U.S. store base.
- Same store sales improved by 710 basis points versus the fourth quarter driven by better collections from lower promotional activity, and higher portfolio balance due to an increase in the average ticket
- Store Labor and Other Store Expenses were down over $20 million in the fourth quarter, primarily driven by approximately $13 million in cost savings initiatives, and a lower store count.
- Adjusted EBITDA in the Core segment was $52.4 million, and EBITDA margin was 11.2 percent, which was up 700 basis points versus last year.

ACCEPTANCE NOW

- Total revenues in the fourth quarter decreased by 1.5 percent versus the same period last year primarily due to closures in 2017 offset by same store sales increase of 9.6 percent.
- Labor was down $9.8 million and other store expenses were down $13.0 million versus last year primarily due to a lower store count.
- Store Labor and Other Store Expenses were down $24 million versus the same period last year primarily due to $10 million of cost saving initiatives and lower skip/stolen losses.
- Skip-stolen losses for Acceptance Now were 11.4 percent of revenue, which was 230 basis points better than last year.
- Adjusted EBITDA in the Acceptance Now segment was $23.8 million, and EBITDA margin was 13.8 percent, which was up 10.9 percentage points versus last year.

FRANCHISE

- Revenue increased by 41 percent in the fourth quarter due to an increase in merchandise sales driven by a higher store count associated with our refranchising efforts and a change in the way we account for advertising fee contributions.
- In accordance with the revenue recognition policy we now recognize advertising fee contributions as revenue versus as a contra expense.
- This policy also impacted the way we recognize franchise fees as they are now recognized over the life of the franchise agreement versus up front when a transaction is completed
- Adjusted EBITDA declined in the fourth quarter by approximately $800 thousand primarily due to these accounting adjustments and a one-time benefit in the fourth quarter of 2017.

CORPORATE

- Corporate operating expenses in the fourth quarter decreased $5.9 million compared to prior year primarily due to the realization of cost savings initiatives partially offset by higher incentive compensation

CASH FLOW

- For the full year of 2018, cash generated from operating activities was $228 million, $117 million higher than the prior year driven by stronger operating performance, our working capital initiatives, and a $35 million dollar tax refund received in the fourth quarter
- Free cash flow also benefited from lower capital expenditures, and refranchise sales proceeds.

DEBT/LEVERAGE

- During 2018, debt was reduced by over $140 million by paying off the term loans and reducing to a zero balance on our revolving lines of credit.
- In December of 2018, the Company amended the revolving credit facility agreement, which reduced the capacity from $350 million to $200 million and extended the term to 12/31/2019.
- Total available capacity on our revolver at the end of Q4 was approximately $95 million, taking into account our committed letters of credit and reserves.
- Total liquidity, including the $155 million of cash on hand at the end of the quarter, was approximately $250 million.
- The company's net debt to adjusted EBITDA ended the year at 2.1 times, significantly reduced versus the ratio of 8.6 times as of the end of 2017.

CASH TAXES

- Since the end of the fourth quarter, received a tax refund of $35 million

GUIDANCE

- Total consolidated revenue is expected to be in the range of 2.585 Billion to 2.630 Billion, only slightly down from this year with almost 200 fewer stores in the Core business to start the year.
- Recently refranchised 37 stores in the first quarter of 2019 are taken into account in our 2019 guidance
- Adjusted EBITDA is projected to be between $220 and $250 million, as we benefit from improved leverage due to the full year benefit of our cost savings initiatives.
- Non-GAAP diluted earnings per share are expected to be between $1.75 and $2.15.
- Free cash flow is expected to be between $115 and $145 million, down from 2018 primarily due the difference in our tax burden year over year and the timing of certain year end payments which shifted from December 2018 into Q1
- Our net debt expectation has improved due to better performance in the fourth quarter, and proceeds from the refranchise transaction in January.
- Capital expenditures are expected in the same range as our 2018 spend of approximately $30 million and the tax rate is expected to be between 22 and 23 percent.
- The Company is in active discussions with our bank group and expect to refinance the balance sheet during 2019; however, today's guidance does not include the impact of refinancing.
- The guidance does not include any new refranchise transactions after January of 2019, any cost saving initiatives we may identify throughout the year, and the $126.5 million dollar reverse termination fee associated with the termination of the Merger Agreement, which fee is still the subject of litigation.

This information and the guidance above contain forward-looking statements that involve risks and uncertainties. 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," "should," "anticipate," "believe," or “confident,” or the negative thereof or variations thereon or similar terminology. The Company believes that the expectations reflected in such forward-looking statements are accurate. However, there can be no assurance that such expectations will occur. The Company's actual future performance could differ materially from such statements. Factors that could cause or contribute to such differences include, but are not limited to: the general strength of the economy and other economic conditions affecting consumer preferences and spending; factors affecting the disposable income available to the Company's current and potential customers; changes in the unemployment rate; the outcome of the litigation initiated by Vintage Capital and B. Riley challenging the validity of the termination of the Merger Agreement and the Company's right, or the ability, to collect on the $126.5 million reverse breakup fee; risks relating to operations of the business and the Company’s financial results arising out of the termination of the Merger Agreement; the effect of the termination of the Merger Agreement on the Company’s relationships with third parties, including its employees, franchisees, customers, suppliers, business partners and vendors, which may make it more difficult to maintain business and operations relationships, and negatively impact the operating results of the Company’s business segments and the Company’s business generally; the risk of material price volatility with respect to trading in the Company’s common stock during litigation related to the termination of the Merger Agreement; the Company's ability to continue to effectively operate and execute its strategic initiatives as a stand-alone enterprise following the termination of the Merger Agreement; capital market conditions, including availability of funding sources for the Company; changes in the Company’s credit ratings; difficulties encountered in improving the financial and operational performance of the Company's business segments, including its ability to execute its franchise strategy; the Company’s ability to recapitalize its debt, including its revolving credit facility expiring December 31, 2019, and senior notes maturing in November 2020 and May 2021 on favorable terms, if at all; risks associated with pricing changes and strategies being deployed in the Company's businesses; the Company's ability to continue to realize benefits from its initiatives regarding cost-savings and other EBITDA enhancements, efficiencies and working capital improvements; the Company's ability to continue to effectively operate and execute its strategic initiatives; failure to manage the Company's store labor and other store expenses; disruptions caused by the operation of the Company's store information management system; the Company's transition to more-readily scalable, “cloud-based” solutions; the Company's ability to develop and successfully implement digital or E-commerce capabilities, including mobile applications; disruptions in the Company's supply chain; limitations of, or disruptions in, the Company's distribution network, and the impact, effects and results of the changes the Company has made and is making to its distribution methods; rapid inflation or deflation in the prices of the Company's products; the Company's ability to execute and the effectiveness of a store consolidation, including the Company's ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation; the Company's available cash flow; the Company's ability to identify and successfully market products and services that appeal to its customer demographic; consumer preferences and perceptions of the Company's brand; the Company's ability to retain the revenue associated with acquired customer accounts and enhance the performance of acquired stores; the Company's ability to enter into new and collect on its rental or lease purchase agreements; the passage of legislation adversely affecting the Rent-to-Own industry; the Company's compliance with applicable statutes or regulations governing its transactions; changes in interest rates; changes in tariff policies; adverse changes in the economic conditions of the industries, countries or markets that the Company serves; information technology and data security costs; the impact of any breaches in data security or other disturbances to the Company's information technology and other networks and the Company's ability to protect the integrity and security of individually identifiable data of its customers and employees; changes in estimates relating to self-insurance liabilities and income tax and litigation reserves; changes in the Company's effective tax rate; fluctuations in foreign currency exchange rates; the Company's ability to maintain an effective system of internal controls; the resolution of the Company's litigation; and the other risks detailed from time to time in the Company's SEC reports, including but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2017, and its Quarterly Report on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.