

**CERTAIN OTHER FINANCIAL AND STATISTICAL INFORMATION  
DISCUSSED DURING THE FOURTH QUARTER 2017 EARNINGS  
CONFERENCE CALL ON WEDNESDAY, FEBRUARY 21, 2018  
QUARTER ENDED DECEMBER 31, 2017**

<b>Reconciliation to Adjusted EBITDA</b>	<b>THREE MONTHS ENDED DEC 31</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenues</b>	<b>\$638,954</b>	<b>\$684,104</b>
<b>Reported (Loss) Earnings Before Income Taxes</b>	<b>\$(38,605)</b>	<b>\$(21,497)</b>
<b>Add back:</b>		
Interest Expense, net	11,351	11,600
Depreciation, amortization and write-down of intangibles	18,711	19,858
<b>Adjusted EBITDA</b>	<b>\$(8,543)</b>	<b>\$9,961</b>
<b>EBITDA Margin</b>	<b>-1.3%</b>	<b>1.5%</b>

**CONSOLIDATED**

- Consolidated Total Revenues were \$639 million, down 6.6 percent versus prior year primarily due to store closures, a same store sales decline of 2 percent, and the impact of the 2017 hurricanes
- Adjusted EBITDA was negative \$8.5 million, and EBITDA margin was down 280 basis points versus prior year
- Net diluted earnings per share on a GAAP basis were 65 cents, and net diluted loss per share excluding special items was 41 cents. GAAP earnings were positively impacted by one dollar and 45 cents per share related to the Tax Cuts and Jobs Act passed in December of 2017

**CORE U.S.**

- Total revenues were down 6.0% driven by a same store sales decline of 3.6%, the impact from the hurricanes, and store closures
- Same store sales improved sequentially by 150 basis points driven by higher growth in customers and agreements and a higher average ticket, partially offset by higher promotional free time
- Rental Merchandise On-Rent increased \$44 million from Q3 to Q4 compared to an increase of \$13 million in the same period of the prior year, highlighting the portfolio growth in the fourth quarter

**ACCEPTANCE NOW**

- total revenues decreased by 9.1 percent primarily due to store closures and the impact from the hurricanes, offset by higher same store sales of 6.7

## **CORPORATE**

- Corporate operating expenses decreased \$6.6 million compared to prior year primarily driven by lower executive and incentive compensation expense

## **GROSS PROFIT**

- Core
  - Gross profit margin was 69.8%, 10 basis points higher than a year ago
- Acceptance Now
  - Gross margin was 50.9%, down 220 basis points from last year

## **OTHER STORE EXPENSES**

- Within Core segment, skip/stolen losses were 2.7% in Q4'17 vs. 3.7% last year.
- Within Acceptance Now, skip/stolen losses were 13.7%

## **OPERATING PROFIT/EBITDA**

- Core
  - EBITDA was \$18.9 million and EBITDA margin was down 210 basis points from the prior year
- Acceptance Now
  - EBITDA was \$5.1 million in the fourth quarter

## **DEBT/LEVERAGE**

- Total debt was \$672.9 million with \$85 million drawn on the revolver
- Approximately \$110 million of available capacity on the revolver, taking into account the additional \$50 million necessary given the fixed charge coverage rate
- Total liquidity at the end of the quarter was \$183 million
- YTD, we have generated approximately 110 million of cash from operations
- Reduced outstanding debt balance by \$52.5 and since the end of the fourth quarter, paid down the revolver by \$10 million

## **CASH TAXES**

- An aggregate reduction of cash taxes, versus if the tax reform was not passed, of approximately \$200 million over the next 3 years are expected.
- In addition, a \$30 - \$40 million cash tax refund to be received in 2018 resulting from the 2017 taxable losses carried back to prior years.

## **COWORKERS**

- 18,000

*The information above contains 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," "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; difficulties encountered in improving the financial and operational performance of the Company's business segments; the Company's chief executive officer and chief financial officer transitions, including the Company's ability to effectively operate and execute its strategies during the interim period and difficulties or delays in identifying and/or attracting a permanent chief financial officer with the required level of experience and expertise; failure to manage the Company's store labor and other store expenses; the Company's ability to develop and successfully execute strategic initiatives; disruptions caused by the operation of the Company's store information management system, and its 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; 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; uncertainties regarding the ability to open new locations; the Company's ability to acquire additional stores or customer accounts on favorable terms; the Company's ability to control costs and increase profitability; 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; 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 the Company's stock price, the number of shares of common stock that it may or may not repurchase, and future dividends, if any; 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 Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017, and September 30, 2017. 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.