

Rent-A-Center

August 14, 2019





Forward-Looking Statements

This presentation and the guidance herein 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; difficulties encountered in improving the financial and operational performance of the Company's business segments, including its ability to execute its franchise strategy; 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 ability to realize the strategic benefits from the acquisition of substantially all the assets and assumption of certain liabilities of C/C Financial Corp., a Delaware corporation d/b/a Merchants Preferred ("Merchants Preferred" and the acquisition thereof, the "Merchants Preferred Acquisition"), including achieving expected growth rates, synergies and operating efficiencies from the Company's acquisition; the Company's ability to successfully integrate Merchants Preferred's operations which may be more difficult, time-consuming or costly than expected; operating costs, loss of retail partners and business disruption arising from the Merchants Preferred Acquisition; the ability to retain certain key employees at Merchants Preferred; risks related to Merchants Preferred's virtual rent-to-own business; 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; 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 and its ability to generate sufficient cash flow to pay dividends; 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; capital market conditions, including availability of funding sources for the Company; changes in the Company's credit ratings; 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; litigation or administrative proceedings to which the Company is or may be a party to from time to time; 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, 2018, and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 2019. 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.

Use of Non-GAAP Financial Measures

This presentation refers to EBITDA (earnings before interest, taxes, depreciation and amortization), and free cash flow (net cash provided by operating activities less purchase of property assets), which are non-GAAP financial measures as defined in Item 10(e) of Regulation S-K. Management believes that presentation of these non-GAAP financial measures in this presentation are useful to investors in their analysis of the Company's projected performance in future periods. This non-GAAP financial information should be considered as supplemental in nature and not as a substitute for or superior to the historical financial information prepared in accordance with GAAP. Further, these non-GAAP financial measures may differ from similar measures presented by other companies.

Please see the Company's earnings press release, dated May 6, 2019, and August 7, 2019 for non-GAAP reconciliation of diluted earnings per share excluding special items and consolidated adjusted EBITDA in the applicable quarterly periods of 2019. The Company has not quantitatively reconciled differences between EBITDA or free cash flow and their corresponding GAAP measures for future periods due to the inherent uncertainty regarding variables affecting the comparison of these measures.

Fiscal Year 2019 Guidance (Revised 8/14/19 to include Merchants Preferred Acquisition)



Target Ranges (\$m)

	2019 Guidance ⁽¹⁾		Change vs. Previous Guidance on 8/8/19	
	Low	High	Low	High
Consolidated Revenues	\$2,620	\$2,670	\$25	\$30
Core	\$1,800	\$1,825	-	-
Acceptance Now	\$725	\$745	\$25	\$30
Same store sales	Mid single digits		-	-
Adjusted EBITDA	\$240	\$265	-	-
Adjusted EBITDA %	9.2%	9.9%		
Tax Rate	24.5%	23.5%	-	-
Non-GAAP Diluted EPS	\$2.05	\$2.40	-	-
Free Cash Flow ⁽²⁾	\$200	\$225	-	-
Net Debt (debt less cash) ⁽³⁾	\$225	\$195	\$30	\$30
Net Debt to adjusted EBITDA	1.00x	0.70x	0.10	0.10

(1) Guidance includes the impact of refinancing and the settlement payment associated with the termination of the Vintage merger agreement. Guidance excludes the impact of refranchise transactions beyond the transactions completed in Q2 2019

(2) Free cash flow defined as net cash provided by operating activities less purchase of property assets

(3) Impacted by the initiation of regular quarterly cash dividend of \$0.25 per share (\$1.00 annually), beginning in Q3 2019