Rent-A-Center

May 7, 2019




Safe Harbor

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; capital market conditions, including availability of funding sources for the Company; changes in the Company’s credit ratings; difficulties encountered in continuing to improve 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; 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; litigation or administrative proceedings to which the Company is or may be a party to from time to time; a failure to receive the settlement amount associated with the Vintage Capital and B. Riley litigation when due; 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. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. 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 for non-GAAP reconciliation of diluted earnings per share excluding special items and consolidated adjusted EBITDA in the first quarter 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.

The Company's Strategic Plan for 2019 focuses on 3 Key Pillars…

1 Optimize Cost Structure

- 2019 will reflect the full year impact of the cost savings initiatives implemented in 2018
- Further overhead efficiencies identified in Q1 2019
- The Company will continue to seek cost savings opportunities

2 Enhance Value Proposition

- Improve traffic trends and increase return on investment
- Grow web traffic and improve the web conversion rate
- Investment in technology for Acceptance NOW virtual solutions
- Reinvest some of the cost savings into the customer experience

3 Execute Franchising

- Selectively refranchise certain brick and mortar Rent-A-Center locations
  - $10 million of proceeds in January 2019 (37 stores)
  - Allows the Company to optimize physical footprint and leverage brand strength

Source: Company information

Consolidated Highlights

Strategy Progress

Cost Saving Initiatives

- Executed on $140+ million in annualized cost savings and $40+ million in working capital efficiencies
  - Identified $20 million of overhead and other store expense cost saving in 2019

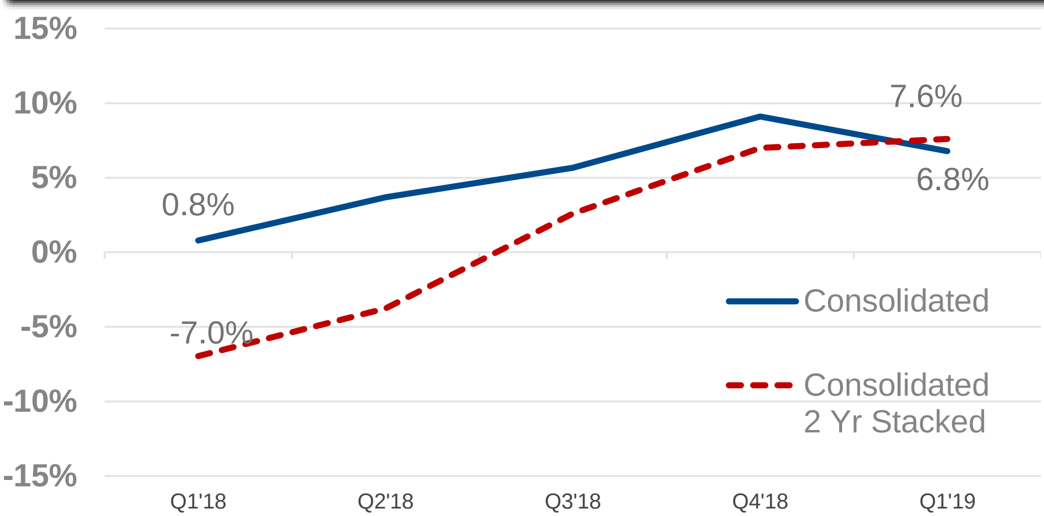
Enhance Value Proposition

- Q1’19 same store sales +6.8%
- Invest in core store labor to improve customer experience
- Virtual unmanned solution Acceptance NOW test

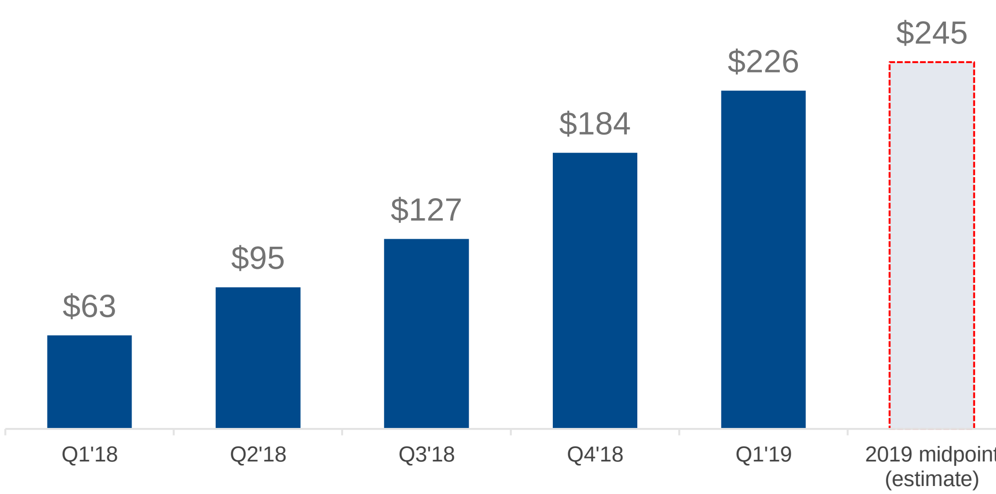
Franchising

- 100+ locations refranchised within the last 12 months

Same Store Sales (1)



Trailing Twelve Months - EBITDA



(1) Two year stacked cumulates same store sales for two comparable periods.

Core U.S.

Highlights

Q1 2019

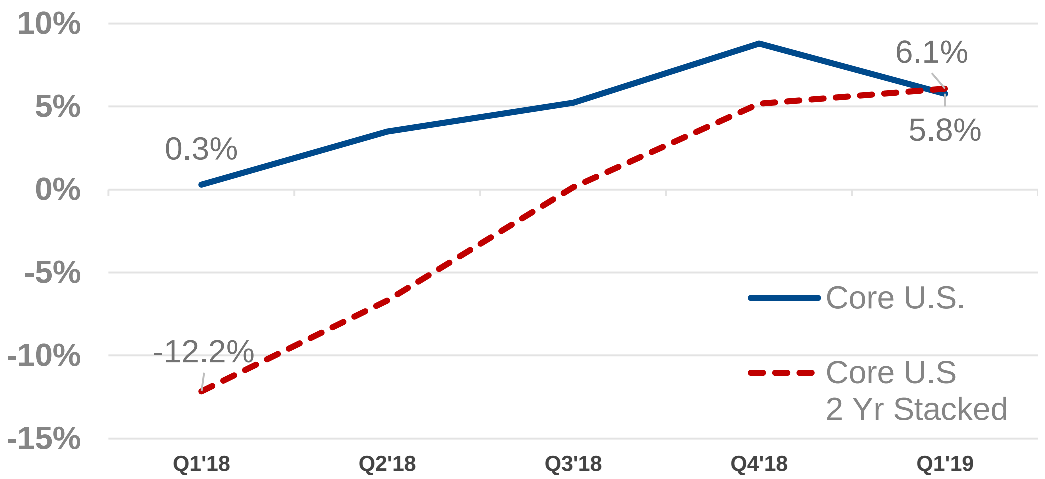
Same store sales increase of 5.8%

- Core U.S. portfolio finished Q1 up approximately 4.5% year over year
- Web agreements increased 33% year over year

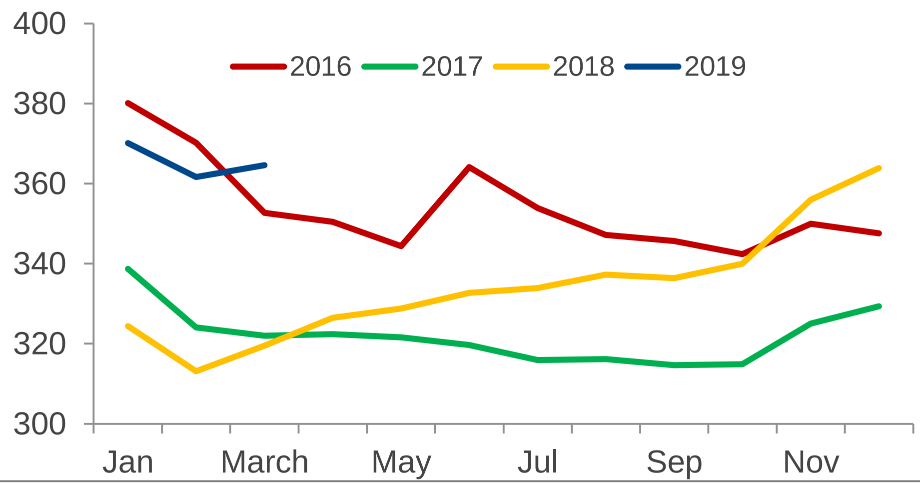
Adjusted EBITDA was $67 million, $27 million higher than Q1 2018

- EBITDA margin was 570 basis points higher than Q1 2018
- Driven by same store sales growth, cost savings initiatives and store rationalization
- Initiative savings partially reinvested in store labor to serve the customer

Same Store Sales [1]



Customers (Per Store Average)



(1) Two year stacked cumulates same store sales for two comparable periods.

Acceptance NOW

Highlights

Q1 2019

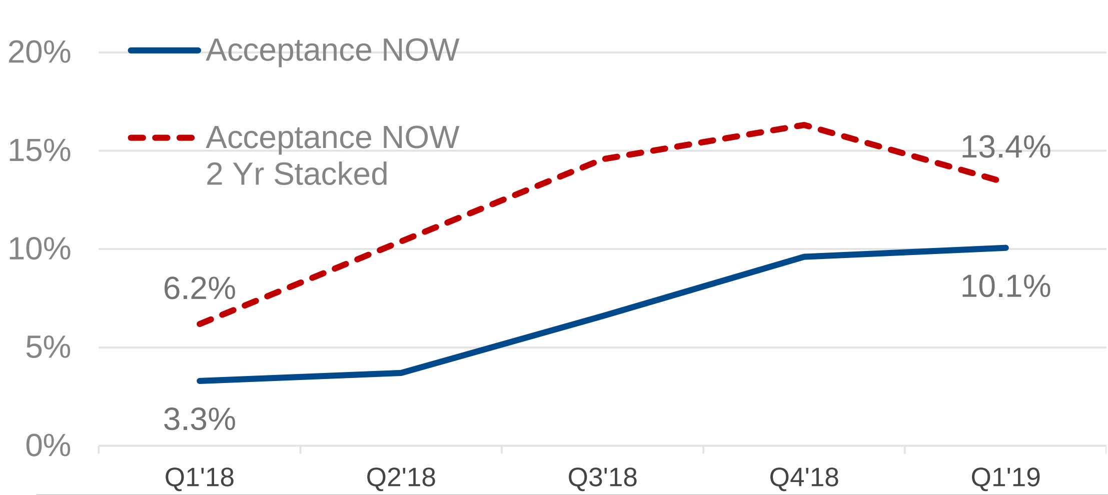
Same store sales increase of 10.1%

- Acceptance NOW portfolio finished Q1 up 17% year over year
- Portfolio invoice volume increased 27% year over year
- Payouts slightly higher than expected in Q1

Adjusted EBITDA was $22 million, $2 million higher than Q1 2018

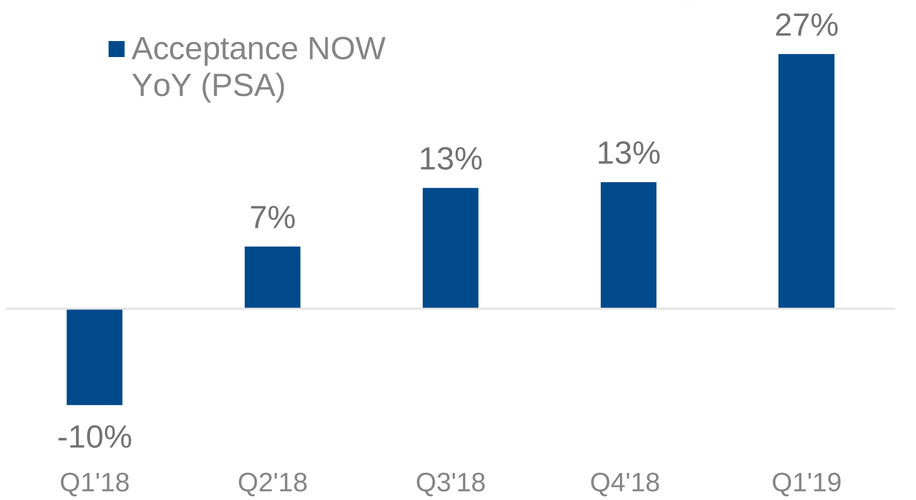
- Primarily driven by cost saving initiatives
- Investing in new customer facing technology; testing new virtual offering
- Labor savings from selectively converting low volume staffed locations to virtual

Same Store Sales (1)



Invoice Volume

(Same Store Sales Per Store Average)



(1) Two year stacked cumulates same store sales for two comparable periods.

FINANCIAL HIGHLIGHTS

Profit and Loss Statement by Segment (Non-GAAP)

Q1 2019

($ in millions, except EPS)	Actual	%	Better (worse) versus 2018 Q1 $	Better (worse) versus 2018 Q1 %
Core U.S.	$474	68.0%	($8)	*(1.7%)*
Acceptance NOW	197	28.2%	(0)	*(0.2%)*
Mexico	13	1.9%	1	*10.9%*
Franchising	13	1.8%	6	*82.8%*
Total Revenue	**$697**	**100.0%**	**($1)**	***(0.2%)***
Core U.S.	$67	14.0%	$27	*570 bps*
Acceptance NOW	22	11.3%	2	*100*
Mexico	1	10.8%	0	*70*
Franchising	2	14.2%	1	*(440)*
Corporate	(25)	(3.7%)	12	*170*
Adjusted EBITDA	**$66**	**9.5%**	**$41**	***590 bps***
EPS	**$0.59**		**$0.67**	

Comments

$697M in Revenues

- Represents a decrease of 0.2% primarily driven by refranchising and closures of certain Core U.S. stores partially offset by consolidated same store sales growth of 6.8%
- Same store sales driven by larger portfolio growth

$66M Adjusted EBITDA

- 9.5% of revenues; 590 bps improvement YoY primarily due to cost savings initiatives

Cost Savings Initiative

- Core driven by field overhead, indirect store expense and supply chain
- Acceptance NOW driven by collection center closures, indirect spend and overhead
- Corporate driven by overhead reductions

$0.59 EPS

- $0.67 improvement YoY

Balance Sheet and Cash Flow

March 31, 2019

Highlights

Balance Sheet

- Plan to aggressively deleverage the balance sheet during refinancing
  - Utilize excess cash on the balance sheet
  - Approximately $80M pre-tax proceeds expected in Q2 from the Vintage settlement; $60M net of tax
  - Expect to improve capital allocation flexibility

Cash Flow

- Cash flow from operations of $76M in Q1 2019
- Cash on balance sheet of $238M at end of Q1 2019
- Total liquidity of $333M at end of Q1 2019

Net Debt to EBITDA

	FY 2017	FY 2018	Q1 2019
Cash	**$73**	**$155**	**$238**
Debt [(1)]	682	543	543
Net Debt	**$609**	**$387**	**$305**
TTM Adjusted EBITDA	$71	$184	$226
Net Debt to Adjusted EBITDA	**8.6x**	**2.1x**	**1.4x**

(1) Represents indebtedness for borrowed money.

Fiscal Year 2019 Guidance

Target Ranges ($m)

	2019 Guidance [1]		Change vs. Previous Guidance on 2/25/19	
	Low	High	Low	High
Consolidated Revenues	**$2,585**	**$2,630**	-	-
Core	$1,790	$1,815	+$25	+$25
ANOW	$700	$715	($25)	($25)
Same store sales	Low single digits	Mid single digits	-	-
Adjusted EBITDA	**$230**	**$260**	**+$10**	**+$10**
Adjusted EBITDA %	8.7%	9.7%		
Depreciation	$65	$55	-	-
Tax Rate	23%	22%	-	-
Non-GAAP Diluted EPS	**$1.85**	**$2.25**	**+$0.10**	**+$0.10**
Free Cash Flow [2]	**$195**	**$225**	**+$80**	**+$80**
Cash Taxes	$35	$40	+$25	+$25
CapEx	$35	$25	-	-
Net Debt (debt less cash)	$190	$155	($80)	($80)
Cash	$350	$385	+$80	+$80
Net Debt to adjusted EBITDA	0.85x	0.50x	(0.40x)	(0.40x)

(1) Guidance includes the impact of the settlement payment associated with the termination of the merger agreement. Guidance excludes the impact of refinancing and refranchise transactions beyond the transaction completed in Q1 2019

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

Source: Company information

Question and Answer