

**CERTAIN OTHER FINANCIAL AND STATISTICAL INFORMATION  
DISCUSSED DURING THE FIRST QUARTER 2017 EARNINGS CONFERENCE  
CALL ON TUESDAY, MAY 2, 2017  
QUARTER ENDED MARCH 31, 2017 (Recurring and comparable basis)**

<b>Reconciliation to Adjusted EBITDA</b>	<b>THREE MONTHS ENDED MARCH 31</b>	
	<b>2017</b>	<b>2016</b>
<b>Revenues</b>	<b>\$741,986</b>	<b>\$835,652</b>
<b>Reported Earnings Before Income Taxes</b>	<b>\$3,329</b>	<b>\$38,985</b>
<b>Add back:</b>		
Other charges	-	-
Interest Expense, net	11,474	11,880
Depreciation, amortization and write-down of intangibles	18,541	19,824
<b>Adjusted EBITDA</b>	<b>\$33,344</b>	<b>\$70,689</b>
<b>EBITDA Margin</b>	<b>4.5%</b>	<b>8.5%</b>

**CONSOLIDATED**

- Total revenues were \$742.0 million, down 11.2% vs. last year.

**CORE U.S.**

- Total revenues were down 16.0% driven by a same store sales decline of 12.5% and an 8.0% reduction in store count.

**ACCEPTANCE NOW**

- Closed 108 stores in Q1'17, primarily due to HHGregg's previously announced store closure plan.
- During Q2'17, the remaining 128 HHGregg stores will close as well as 115 Conn's locations.

**GROSS PROFIT**

- Core
  - Gross profit margin was 68.8%, 170 basis points lower than a year ago.
- Acceptance Now
  - Gross margin was 48.8%, up 60 basis points from last year, driven primarily by a favorable revenue mix.

## **EXPENSES**

- Other Store Expenses
  - In our Core segment, Skips/Stolens losses were 3.1% in the Q1'17 vs. 3.5% last year.
  - Within Acceptance Now, skip/stolen losses were 9.4% vs. 9.0% last year.

## **OPERATING PROFIT/EBITDA**

- Core
  - EBITDA improved 9.7% sequentially and EBITDA margin improved 40 basis points.
- Acceptance Now
  - EBITDA was \$31.0 million, a 2.6% increase vs. last year and EBITDA margin increased by 10 basis points
  - Sequentially, EBITDA increased by \$10.7 million and EBITDA margin increased by 270 basis points.

## **BALANCE SHEET**

- Core
  - Inventory on rent in the Core U.S. segment saw a 9.5% decrease since Q4'16 and a \$64.8 million decrease versus the first quarter of last year.
- Acceptance Now
  - Inventory on rent increased \$26.2 million or 8.0% due to higher purchase volumes in our retail partner locations.

## **DEBT/LEVERAGE**

- Total debt balance was \$663.0 million with \$70 million drawn on our revolver.
- Reduced total debt by approximately \$72 million during the quarter.

*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; our chief executive officer and chief financial officer transitions, including our ability to effectively operate and execute our 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, including capacity-related outages, caused by the implementation and operation of the Company's new store information management system, and its transition to more-readily scalable, "cloud-based" solutions; the Company's ability to successfully market smartphones and related services to its customers; the Company's ability to develop and successfully implement virtual 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, 2016. 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.*