



Rent-A-Center:

Fourth Quarter 2021 Earnings Review



Important Notices

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding our goals, plans and projections with respect to our operations, financial position and business strategy. 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," "maintain," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology. Such forward-looking statements are based on particular assumptions that our management has made in light of its experience and its perception of expected future developments and other factors that it believes are appropriate under the circumstances, and are subject to various risks and uncertainties. Factors that could cause or contribute to material and adverse differences between actual and anticipated results include, but are not limited to, (1) the impact on our business of the COVID-19 pandemic and related federal, state, and local government restrictions, including adverse changes in such restrictions or the potential re-imposition of such restrictions limiting our ability to operate or that of our retail partners or franchisees, and the continuing economic uncertainty and volatility that has resulted from such matters, and (2) the other risks detailed from time to time in the reports filed by us with the SEC, including our most recently filed Annual Report on Form 10-K, as may be updated by reports on Form 10-Q or Form 8-K filed thereafter. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this communication. Except as required by law, we are not obligated to, and do not undertake to, publicly release any revisions to these forward-looking statements to reflect any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Use of Non-GAAP Financial Measures

This communication contains certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including (1) Non-GAAP diluted earnings per share (net earnings, as adjusted for special items (as defined below), net of taxes, divided by the number of shares of our common stock on a fully diluted basis), (2) Adjusted EBITDA (net earnings before interest, taxes, depreciation and amortization, as adjusted for special items) on a consolidated and segment basis and (3) Free Cash Flow (net cash provided by operating activities less capital expenditures). "Special items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature and which we believe do not reflect our core business activities. For the periods presented herein, these special items are described in the quantitative reconciliation tables included in the appendix of this communication. Because of the inherent uncertainty related to the special items, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort.

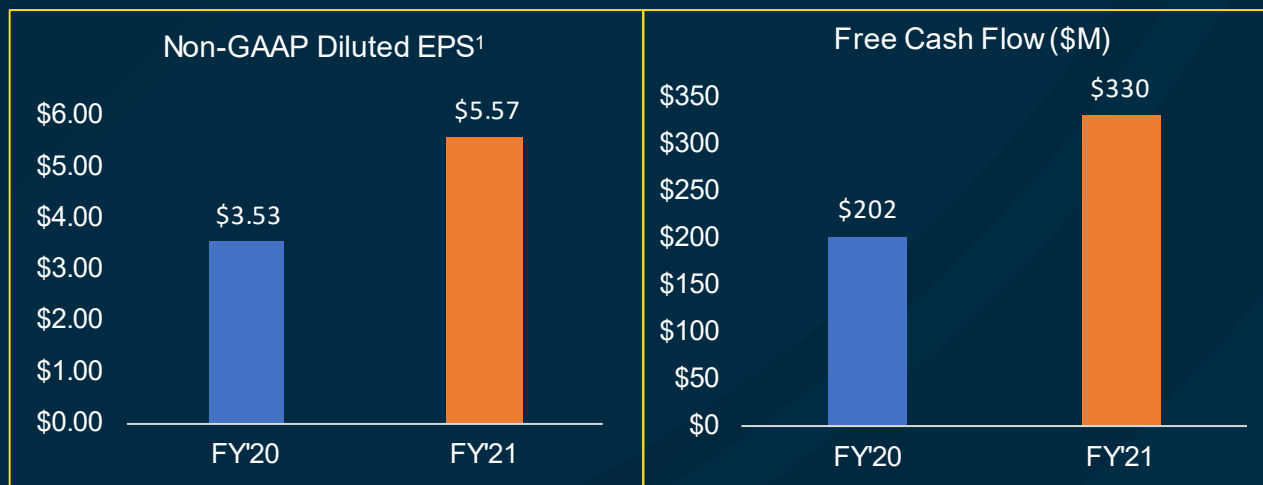
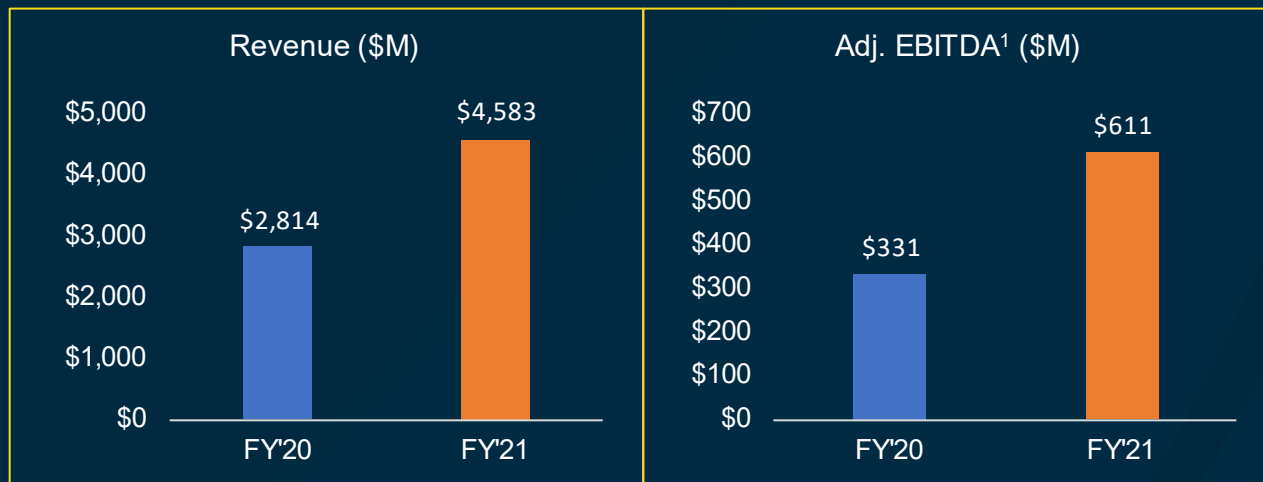
These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended to assist management in evaluating operating performance and liquidity, comparing performance and liquidity across periods, planning and forecasting future business operations, helping determine levels of operating and capital investments and identifying and assessing additional trends potentially impacting our company that may not be shown solely by comparisons of GAAP measures. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others.

We believe these non-GAAP financial measures also provide supplemental information that is useful to investors, analysts and other external users of our consolidated financial statements in understanding our financial results and evaluating our performance and liquidity from period to period. However, non-GAAP financial measures have inherent limitations and are not substitutes for or superior to, and they should be read together with, our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

Note that all sources in this presentation are from Company reports and Company estimates unless otherwise noted.



2021 Full Year Highlights



FY'21 Highlights

- Completed the largest acquisition in the Company's history, expanding strategic position and growth opportunities
- 2021 Consolidated Revenues of \$4.6 billion, +62.9% vs. last year; +17.3% on a pro forma basis
- 2021 Adjusted EBITDA¹ of \$611 million, +84.9% vs. last year, +14.9% on a pro forma basis
- Non-GAAP Diluted EPS¹ of \$5.57, compared to \$3.53 in 2020
- Returned \$462 million to shareholders through dividends and share repurchases

Note: Pro forma results and metrics represent estimated financial results and metrics as if the acquisition of Acima had been completed on January 1, 2020. The pro forma results and metrics may not necessarily reflect the actual results of operations or metrics that would have been achieved had the acquisition been completed on January 1, 2020, nor are they necessarily indicative of future results of operations or metrics.

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.

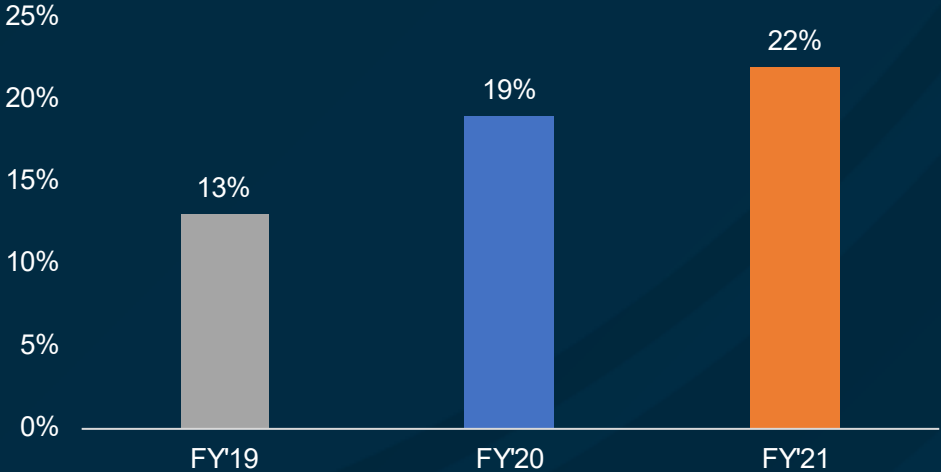


Business Highlights

Rent-A-Center Segment Highlights

- Advanced initiatives to improve the customer experience and lower delinquency and loss rates: centralized decisioning, increased autopay penetration, expanded digital payment capabilities and enhanced e-commerce functionality
- Added new products and sourcing capabilities to drive incremental transaction growth

E-Commerce Revenue Mix %



Acima Segment Highlights

- Strong merchant network growth, including notable additions like PC Richard & Son and Whirlpool
- Integration progress: achieved targeted synergies of at least \$25 million, consolidated collection operations and converted most Preferred Lease locations
- Launched a proprietary direct-to-consumer digital ecosystem with potential for significant TAM expansion

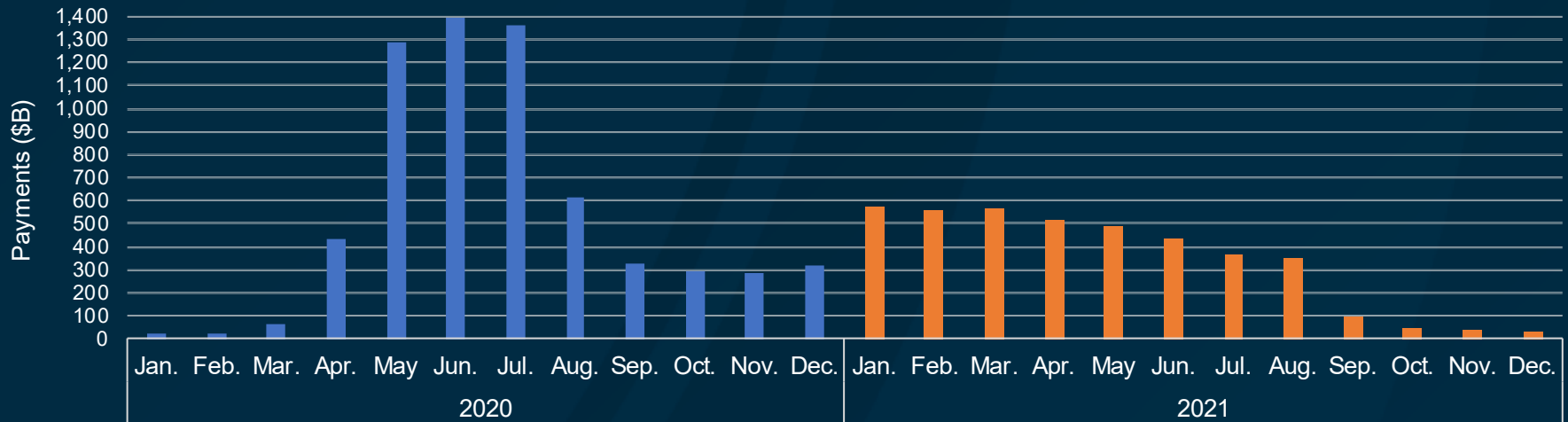


Macro Headwinds Impacting Our Core Consumers

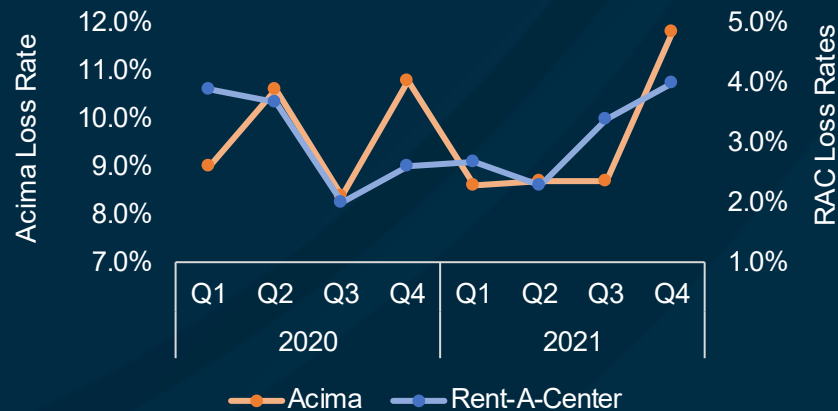
■ Government pandemic relief programs in 2020 & 2021, such as stimulus payments and extended unemployment benefits, provided a significant boost to consumer incomes. When those programs ended in late 2021 many of our customers' income was negatively impacted

■ Inflation rates are running at the highest levels in decades, which reduces discretionary spending for many consumers, especially consumers with below avg. income

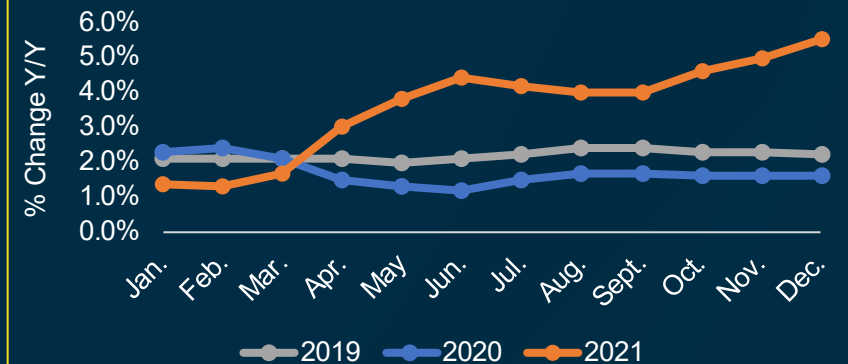
Government Unemployment Insurance Benefit Payments to Persons



Business Segment Loss Rates



CPI Urban Consumers: All Items Less Food & Energy

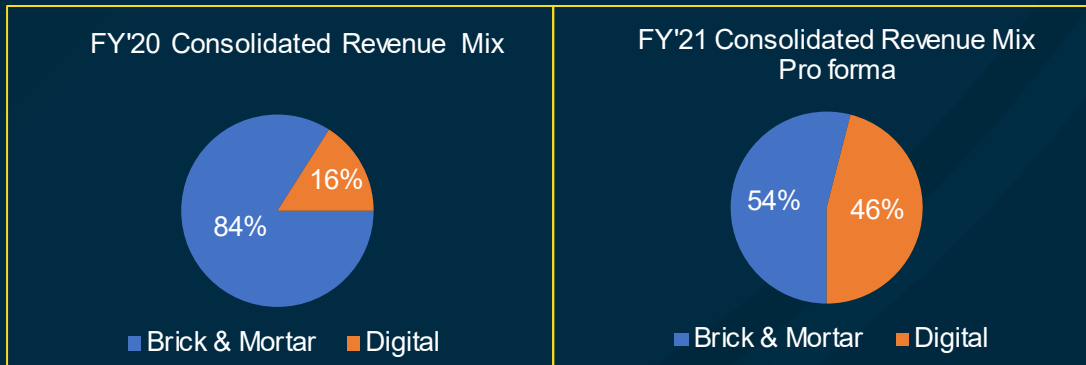


Executing Our Long-Term Strategy

Become A Leading Leasing and Payment Solutions Platform for Underserved Consumers

2018 – 2021 Built a Foundation for the Future

- Returned the legacy LTO business to a profitable model that generates significant cash flow
- Accelerated the development of our digital growth engine by acquiring and integrating Acima, and then launching a proprietary digital Ecosystem with a direct-to-consumer business model



- Created a leading LTO solution with strong omni-channel capabilities further developing our compelling value creation proposition and significant long-term growth opportunities

FY'22 Agenda

- Macro headwinds expected to continue through at least 1H 2022, and guidance does not assume improvement in 2H 2022
- Continue to adjust underwriting to optimize risk adjusted returns and to leverage existing assets effectively
- Take a measured approach for investments in growth initiatives and focus on areas in our control – underwriting and cost management
- Advance topline focused activities like product development, marketing, and business development, to ensure we are prepared to move quickly when the environment improves



Q4 2021 Acima Highlights

Business Highlights

- Pro forma GMV growth of +5.0% driven by an increase in merchant partners and lease applications
- Q4 revenues of \$612 million, +12.3% on a pro forma basis
- Implemented underwriting and collections changes to mitigate increased delinquency and loss rates
- Ecosystem test results were encouraging, justifying expanded testing
- Skip / Stolen Losses: 11.8% of revenue, higher by 100 bps year over year on a pro forma basis
- Adjusted EBITDA¹: Adjusted EBITDA margin 9.6%, down 540 bps year over year on a pro forma basis

Acima GMV Growth Pro Forma



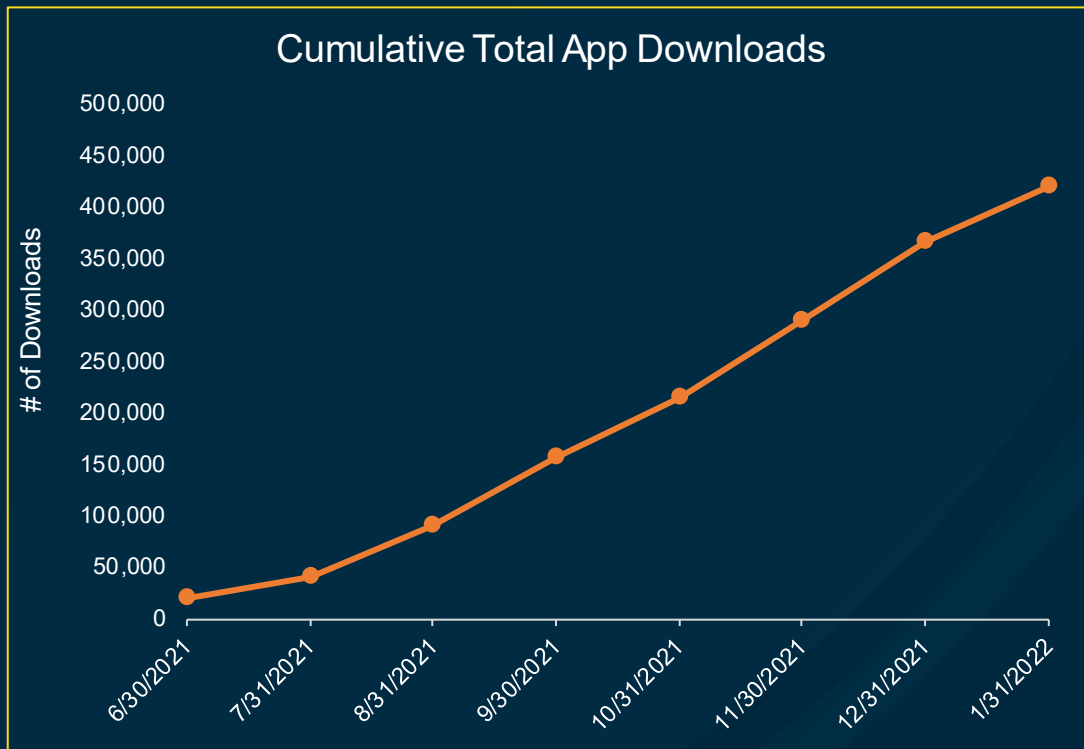
Note: Pro forma results and metrics represent estimated financial results and metrics as if the acquisition of Acima had been completed on January 1, 2020. The pro forma results and metrics may not necessarily reflect the actual results of operations or metrics that would have been achieved had the acquisition been completed on January 1, 2020, nor are they necessarily indicative of future results of operations or metrics.

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



Acima Ecosystem Test Progression

Ecosystem Statistics



Ecosystem Developments

- Ecosystem mobile app on pace for approximately half a million downloads by the end of February and 1 million downloads in 2022
- The primary objective during Q4 was optimizing product and better understanding risk and performance
- The physical Lease Pay card was just piloted in December, with a larger test launch planned for the first half of 2022
- Continue to develop relationships with new merchants due to the Marketplace volume growth

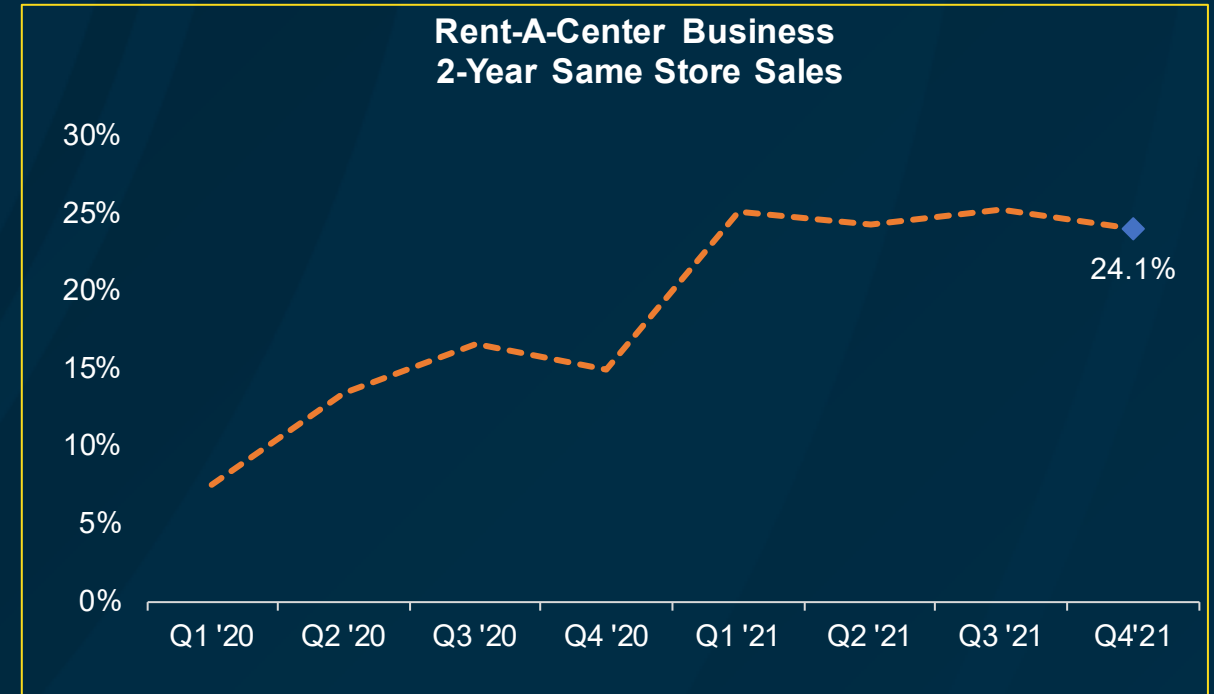


Q4 Rent-A-Center Business Highlights

Q4 2021 Highlights

- Same Store Sales: +10.4% year over year (+24.1% on a 2-year basis); 16th consecutive quarter of positive growth
- Q4 Ending Lease Portfolio: +10.5% year over year
- Skip / Stolen Losses: 4.0% of revenue, higher by 140 bps year over year
- Adjusted EBITDA¹: Adjusted EBITDA margin 19.3%, down 290 bps year over year
- E-Commerce Revenue: +17.9% year over year and accounted for 23% of revenue in Q4

Rent-A-Center Business Same Store Sales



Note: Same store sale methodology - Same store sales generally represents revenue earned in stores that were operated by us for 13 months or more and are reported on a constant currency basis as a percentage of total revenue earned in stores of the segment during the indicated period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer. Due to the COVID-19 pandemic and related temporary store closures, all 32 stores in Puerto Rico were excluded starting in March 2020 and will remain excluded for 18 months.

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



Q4 2021 Financial Highlights

Consolidated

- Revenue growth +63.5% vs. last year; pro forma basis +10.5%
- Adjusted EBITDA¹: \$124M, +28.2% year-over-year; -22.4% on a pro forma basis due to higher delinquencies, losses and labor
- Adjusted EBITDA margin: 10.6% vs. 15.1% in the prior year pro forma
- Non-GAAP Diluted EPS¹: \$1.08, +4.9% vs. prior year
- Free cash flow¹: \$50M
- \$370 million of share repurchases during Q4 and cash dividend of \$0.34 per share for Q1 of 2022

Balance Sheet²

- Cash: Ended Q4 2021 with \$108M cash balance
- Debt: Ended Q4 2021 with \$1.6B
- Liquidity: Ended Q4 2021 with approximately \$280M in available liquidity
- Leverage Ratio: Ended Q4 2021 at 2.3x

Note: Pro forma results and metrics represent estimated financial results and metrics as if the acquisition of Acima had been completed on January 1, 2020. The pro forma results and metrics may not necessarily reflect the actual results of operations or metrics that would have been achieved had the acquisition been completed on January 1, 2020, nor are they necessarily indicative of future results of operations or metrics.

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation

² In connection with the acquisition of Acima in February 2021, the Company refinanced its prior indebtedness and incurred substantial new indebtedness, as discussed in the Company's Current Report on Form 8-K filed with the SEC on February 17, 2021.



2022 Guidance

Consolidated ¹	Annual Guidance		Q1 2022 Guidance	
	Low	High	Low	High
Revenues (\$bn)	\$4.450	\$4.600	\$1.125	\$1.155
Adjusted EBITDA (\$mm) ³	\$515	\$565	\$85	\$100
Diluted Non-GAAP EPS ³	\$4.50	\$5.00	\$0.65	\$0.80
Free Cash Flow (\$mm) ^{2,3}	\$390	\$440		

Note: Adjusted EBITDA guidance excludes stock-based compensation of approximately \$25M for full year 2022, and approximately \$5M for Q1 2022

¹ Includes Rent-A-Center Business, Acima, Mexico, Franchise and Corporate segments

² Free Cash Flow defined as net cash provided by operating activities less capital expenditures

³ Adjusted EBITDA, non-GAAP diluted earnings per share and free cash flow are non-GAAP measures. Because of the inherent uncertainty related to items excluded from these non-GAAP financial measures, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measure or reconciliation to any forecasted GAAP measure without unreasonable effort

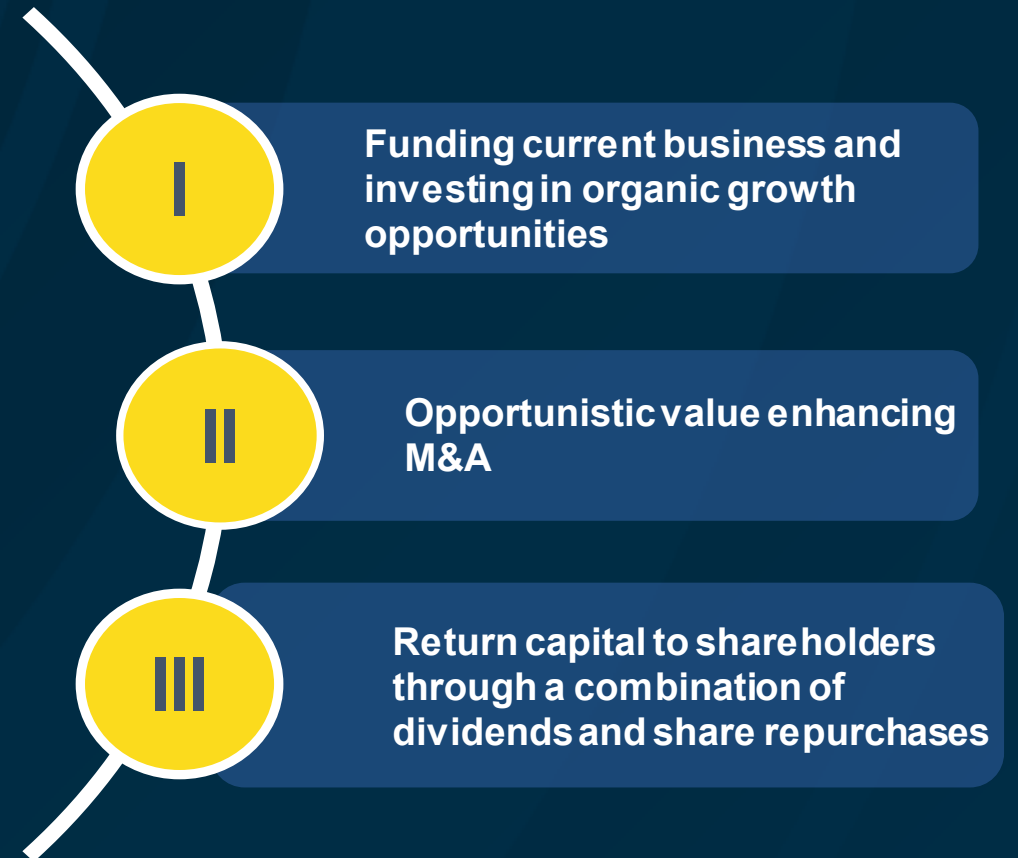


Capital Allocation Priorities

2022 Capital Allocation Considerations

- Quarterly dividend of \$0.34 per quarter or \$1.36 per year
- Prioritize debt reduction towards target leverage ratio of 1.5x vs. current level of 2.3x
- Evaluate share repurchases on an opportunistic basis with guidance from the board of directors
- We will consider M&A opportunistically but remain focused on our continued integration of Acima

Long-Term Capital Allocation Priorities





Question and Answer





Appendix



Q4 2021 Financial Highlights

Q4 2021

In millions, except percentages and EPS

	<u>Actual</u>	<u>% of Total Revenue</u>
Rent-A-Center Business	\$506	43.2%
Acima	\$612	52.3%
Franchising	\$38	3.2%
Mexico	\$16	1.4%
Total Revenue	\$1,171	100.0%
		<u>% of Segment Revenue</u>
Rent-A-Center Business	\$98	19.4%
Acima	\$59	9.6%
Franchising	\$5	13.2%
Mexico	\$1	6.3%
Corporate	(\$38)	(3.2%)
Adjusted EBITDA¹	\$124	10.6%
Non-GAAP Diluted EPS¹	\$1.08	
<u>Selected Metrics</u>	<u>Q4 2021</u>	
Cash	\$108	
Debt (excluding financing fees)	\$1,615	
Pro forma Net Debt to Adjusted EBITDA	2.3x	

¹ Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



Reconciliation of Net Earnings Per Share to Non-GAAP Diluted Earnings Per Share

Three Months Ended December 31, 2021						
(in thousands)	Gross Profit	Operating Profit	Earnings Before Income Taxes	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 568,258	\$ 36,829	\$ 18,194	\$ 8,382	\$ 9,812	\$0.15
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Acima equity consideration vesting	—	33,940	33,940	—	33,940	0.52
Acima acquired assets depreciation and amortization ⁽¹⁾	(4,280)	28,955	28,955	5,200	23,755	0.37
Legal settlement reserves	—	6,750	6,750	1,212	5,538	0.09
Acima integration costs	—	2,415	2,415	434	1,981	0.03
Hurricane charges	—	770	770	138	632	0.01
Acima transaction costs	—	344	344	62	282	—
COVID-19 testing	—	293	293	53	240	—
Store closure costs	—	71	71	12	59	—
Discrete income tax items	—	—	—	5,989	(5,989)	(0.09)
Non-GAAP Adjusted Results	563,978	110,367	91,732	21,482	70,250	1.08

Three Months Ended December 31, 2020						
(in thousands)	Gross Profit	Operating Profit	Earnings Before Income Taxes	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 427,414	\$ 54,639	\$ 51,479	\$ (4,821)	\$ 56,300	\$1.00
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
California refranchise store sale	—	16,600	16,600	4,573	12,027	0.21
Acima transaction Costs	—	6,400	6,400	1,763	4,637	0.08
Legal settlement reserves	—	3,500	3,500	964	2,536	0.05
Asset disposals	—	1,279	1,279	352	927	0.02
Store closure costs	—	412	412	113	299	0.01
State tax audit assessment reserves	—	400	400	110	290	0.01
COVID-19 impacts	—	334	334	92	242	—
Cost savings initiatives	—	(277)	(277)	(76)	(201)	—
Nationwide protest impacts	—	139	139	38	101	—
Discrete tax items	—	—	—	19,724	(19,724)	(0.35)
Non-GAAP Adjusted Results	427,414	83,426	80,266	22,832	57,434	1.03

¹ Includes amortization of approximately \$29.3 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$4.0 million related to the fair value increase over net book value for acquired software assets, and a depreciation credit adjustment of approximately \$(4.3) million related to a step-down of estimated fair value below net book value for acquired lease merchandise.



Reconciliation of Operating Profit to Adjusted EBITDA (Consolidated and By Segment)

Three Months Ended December 31, 2021

<i>(in thousands)</i>	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	\$ 91,869	\$ 31,699	\$ 1,199	\$ 4,826	\$ (92,764)	\$ 36,829
Plus: Amortization, Depreciation	4,767	554	142	35	8,539	14,037
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Acima equity consideration vesting	—	—	—	—	33,940	33,940
Acima acquired assets depreciation and amortization (1)	—	24,983	—	—	3,972	28,955
Legal settlement reserves	—	—	—	—	6,750	6,750
Acima integration costs	—	1,318	—	—	1,097	2,415
Hurricane impacts	770	—	—	—	—	770
Acima transaction costs	—	—	—	—	344	344
COVID-19 testing	293	—	—	—	—	293
Store closure costs	71	—	—	—	—	71
Adjusted EBITDA	97,770	58,554	1,341	4,861	(38,122)	124,404

Three Months Ended December 31, 2020

<i>(in thousands)</i>	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	\$ 80,354	\$ 17,319	\$ 2,055	\$ 3,876	\$ (48,965)	\$ 54,639
Plus: Amortization, Depreciation	5,153	524	121	12	7,777	13,587
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
California refranchise store sale	16,600	—	—	—	—	16,600
Acima transaction Costs	—	—	—	—	6,400	6,400
Legal settlement reserves	—	—	—	—	3,500	3,500
Asset disposals	6	4	—	—	1,269	1,279
Store closure costs	389	—	23	—	—	412
State tax audit assessment reserves	—	400	—	—	—	400
COVID-19 impacts	284	—	—	—	50	334
Cost savings initiatives	(8)	37	—	—	(306)	(277)
Nationwide protest impacts	139	—	—	—	—	139
Adjusted EBITDA	102,917	18,284	2,199	3,888	(30,275)	97,013

¹Includes amortization of approximately \$29.3 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$4.0 million related to the fair value increase over net book value for acquired software assets, and a depreciation credit adjustment of approximately \$(4.3) million related to a step-down of estimated fair value below net book value for acquired lease merchandise.



Reconciliation of Operating Profit to Adjusted EBITDA (Consolidated and By Segment)

	Twelve Months Ended December 31, 2021					
<i>(in thousands)</i>	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	\$ 448,905	\$ 176,496	\$ 7,858	\$ 20,321	\$ (373,041)	\$ 280,539
Plus: Amortization, Depreciation	18,588	2,122	511	93	33,516	54,830
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Acima equity consideration vesting	—	—	—	—	127,060	127,060
Acima acquired assets depreciation and amortization (1)	—	87,455	—	—	13,239	100,694
Acima transaction costs	—	—	—	—	17,680	17,680
Legal settlement reserves	—	—	—	—	17,500	17,500
Acima integration costs	14	6,849	—	—	3,442	10,305
Hurricane impacts	1,276	148	—	—	—	1,424
Store closure costs	528	—	3	—	—	531
COVID-19 testing	293	—	—	—	—	293
State tax audit assessment reserves	—	—	—	—	161	161
Adjusted EBITDA	469,604	273,070	8,372	20,414	(160,443)	611,017

	Twelve Months Ended December 31, 2020					
<i>(in thousands)</i>	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	\$ 333,379	\$ 57,847	\$ 5,798	\$ 12,570	\$ (172,258)	\$ 237,336
Plus: Amortization, Depreciation	19,912	2,066	413	40	34,227	56,658
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
California refranchise store sale	16,600	-	-	-	-	16,600
Legal settlement reserves	-	-	-	-	7,900	7,900
Acima transaction costs	-	-	-	-	6,400	6,400
Legal settlement	-	-	-	-	(2,800)	(2,800)
Store closure costs	2,052	-	37	-	-	2,089
Asset disposals	531	4	-	-	1,269	1,804
Cost savings initiatives	577	193	-	-	813	1,583
State tax audit assessment reserves	261	400	-	-	564	1,225
COVID-19 impacts	883	115	-	-	155	1,153
Nationwide protest impacts	942	-	-	-	-	942
Insurance reimbursement proceeds	(341)	-	-	-	-	(341)
Adjusted EBITDA	374,796	60,625	6,248	12,610	(123,730)	330,549

¹Includes amortization of approximately \$101.7 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$13.2 million related to the fair value increase over net book value for acquired software assets, and a depreciation credit adjustment of approximately \$(14.2) million related to a step-down of estimated fair value below net book value for acquired lease merchandise.



Reconciliation of Net Cash Provided By Operating Activities to Free Cash Flow

<i>(in thousands)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 66,094	\$ (59,724)	\$ 392,298	\$ 236,502
Purchase of property assets	\$ (16,574)	(11,988)	(62,450)	(34,545)
Hurricane insurance recovery proceeds	-	-	-	158
Free cash flow	\$ 49,520	\$ (71,712)	\$ 329,848	\$ 202,115
Proceeds from sale of stores	\$ 1	14,281	4	\$ 14,477
Acquisitions of businesses	\$ 14	\$ -	1,273,528	(700)
Free cash flow including acquisitions and divestitures	\$ 49,535	\$ (57,431)	\$ (943,676)	\$ 215,892