

Rent-A-Center Strategy Update

FEBRUARY 2018





Forward-Looking Statements

This press release and the guidance above 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," "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; uncertainties concerning the outcome, impact, effects and results of the Company's exploration of its strategic and financial alternatives; difficulties encountered in improving the financial and operational performance of the Company's business segments; the Company's ability to realize any benefits from its initiatives regarding cost-savings and other EBITDA enhancements, efficiencies and working capital improvements; the Company's chief executive officer transition, including the Company's ability to effectively operate and execute its strategies during the interim period, the Company's ability to execute its franchise strategy; 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 the Company's dividend policy and any changes thereto, 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, 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.

Use of Non-GAAP Financial Measures

This presentation refers to EBITDA (earnings before interest, taxes, depreciation and amortization), and free cash flow (EBITDA less cash taxes, interest, capital expenditures, plus stock-based compensation expense and plus (less) the net decrease (increase) in net working capital), 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.

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 Strategic Plan Builds On Initiatives Established in 2017, with Added Focus On Optimizing Cost Structure and Franchising



The Company has initiated a plan that will focus on several improvement areas including a significant cost savings plan, a more targeted value proposition, and a franchising program

1

Optimize Cost Structure

- The Company is targeting significant cost savings opportunities
- Primary areas of opportunity include overhead, supply chain and other store expenses
- Aided by the assistance of third party consultants

2

Enhance Value Proposition

- Targeted approach to pricing strategy across product categories
- Competitively pricing elastic categories while capturing more profit in inelastic categories
- Aimed at improving traffic trends

3

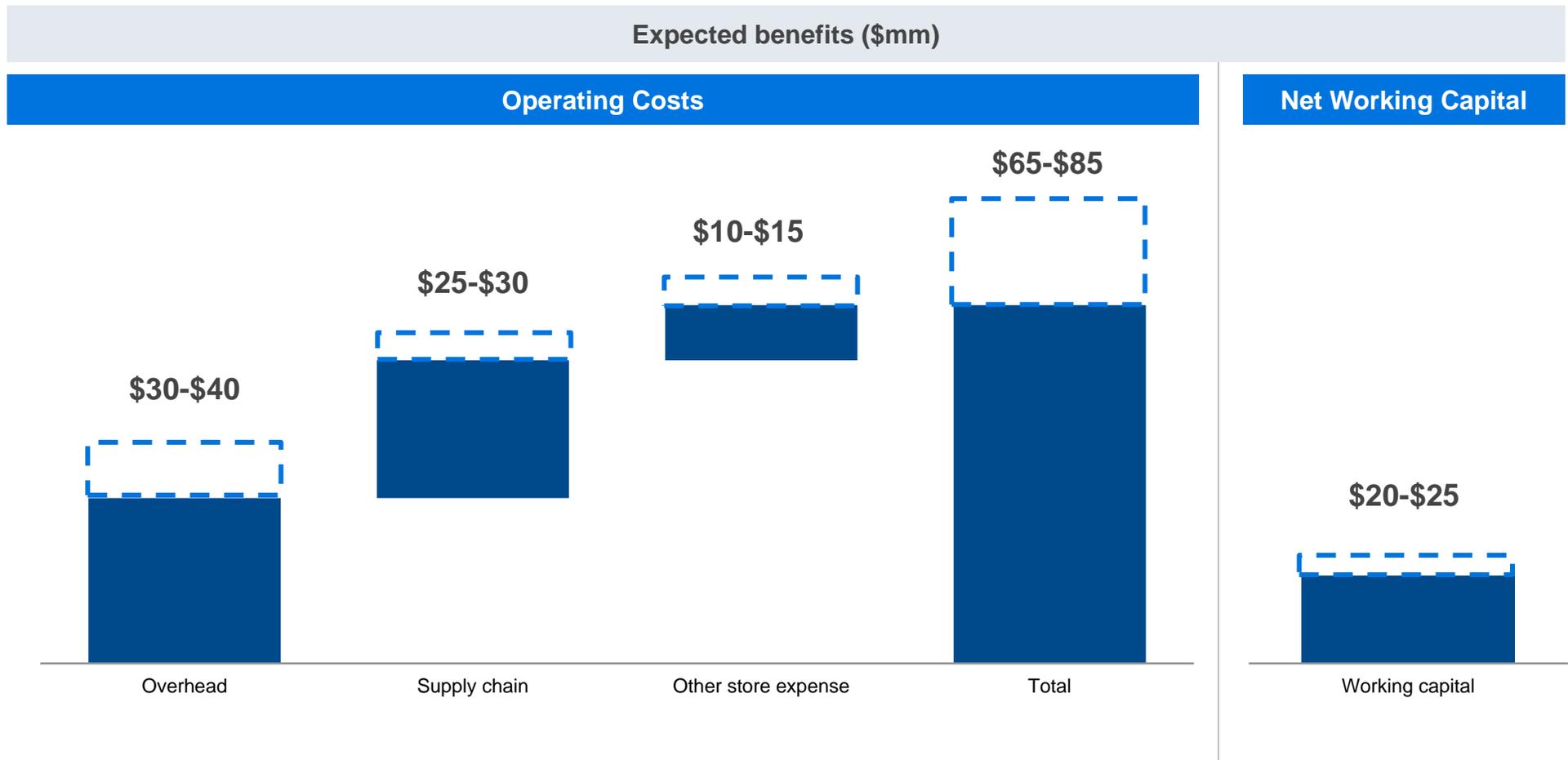
Execute Franchising Strategy

- Pursue franchising of brick and mortar Rent-A-Center locations
- Allows the Company to optimize physical footprint and leverage brand strength
- Improves the capital position of the Company with proceeds used to pay down debt

1 Optimize Cost Structure



The Board of Directors engaged AlixPartners to assist in identifying financial cost-savings and efficiencies. The Company has substantial opportunities to improve the cost structure and profitability without impacting the customer experience.



The Company expects to achieve ~ two thirds of our annual operating cost savings opportunities and realize the full benefit of net working capital opportunities in 2018

2 Enhance Value Proposition



The Company will enhance the value proposition through a more targeted approach within stores and by lowering total cost to promote ownership within Acceptance Now



Core U.S.

- The Company will deploy a more targeted approach with differing pricing levels within each category
- Going forward in the Core, focus will be a more balanced approach to customer and ticket growth
- Some items can drive additional margin to pave the way for other categories to become traffic drivers
- Utilizing more category-specific pricing will allow the reduction of promotional free time to drive traffic
- Expectations are for the overall strategy to benefit store traffic



Acceptance Now

- Within Acceptance Now, the value proposition will center around improved return on investment through a shorter payback period and higher ownership levels
- Rental terms will be shortened from a maximum of 36 months to maximum of 21 months
- The total cost of ownership and early payout options will be more in line with the competition, promoting higher ownership levels
- The AcceptanceNOW value proposition will maintain an attractive monthly payment amount, including the down payment
- New Value Proposition rolled out to retail partners in January 2018

A more targeted approach to the value proposition will drive traffic and improve profitability

3 Execute on Franchising Strategy



Franchising will be a key element of the strategy, with the intent to pursue large scale franchising

Overview

- Franchising is a low-cost strategy to improve the balance sheet, cash position and margin profile
- With the help of consultants, the Company has identified a significant store opportunity in ~15 priority target markets, with additional longer-term growth opportunity
- The Company is taking the necessary steps to become a world-class franchisor
- Expect to begin execution of this large scale franchising strategy in 2018
- The expected benefits of the franchising strategy are not built into the Company's current targets

Expanding Franchising is a Compelling Strategy

- ✓ Provides up-front cash infusion while preserving future revenue stream
- ✓ Reduces capital intensity of physical store network
- ✓ Reduces corporate and store operating costs
- ✓ Improves consolidated company margins and store-level financial performance
- ✓ Enables us to capitalize on localization and leverage operational feedback from franchisees
- ✓ Deleverages balance sheet and derisks business results

Franchising can help maintain and grow the brand with less capital intensity while utilizing proceeds to reduce indebtedness

Fiscal Year 2018 Targets



As the Company remains in the midst of a strategic and financial alternatives review process, the following targets are being provided at this time:

Metric*	2018 Target Range
Annualized cost savings	\$65 - \$85 million ¹ (~ two thirds in 2018)
Working Capital benefits	\$20 - \$25 million (<i>100% realized in 2018</i>)
Capital Expenditures	\$40 - \$50 million
Cash Tax Refund	\$30 - \$40 million
Tax Rate	22.5 - 23.0 percent
Free cash flow ²	\$130 million or greater

*Includes non-GAAP measures; ¹ Buckets include Overhead (\$30-\$40mm), Supply Chain (\$25-\$30mm), and Other Store Expenses (\$10-\$15mm); ² Defined as EBITDA less cash taxes, interest, and capital expenditures plus stock-based compensation expense and plus (less) the net decrease (increase) in net working capital

