



## Rent-A-Center Provides First Quarter 2018 Business Updates

April 9, 2018

### **Announces positive same store sales growth in the Core U.S. business and increases annual free cash flow guidance for 2018**

PLANO, Texas--(BUSINESS WIRE)--Apr. 9, 2018-- Rent-A-Center, Inc. (the "Company") (NASDAQ/NGS: RCII) today announced positive same store sales growth in the Core U.S. business for the first quarter of 2018 and increases annual free cash flow guidance for 2018.

#### **Operational Improvement**

Preliminary same store sales growth in the Core U.S. segment for the first quarter of 2018 increased 0.3 percent over the same period a year ago, with March 2018 increasing at 1.6 percent. The continued sequential improvement within the first quarter was primarily driven by better collections due to lower promotional activity and a higher portfolio balance versus last year driven largely by an increase in the average ticket per customer. Acceptance Now same store sales grew 3.3 percent in the first quarter compared to first quarter 2017.

"Our value proposition changes being implemented in the Core U.S. business are already starting to make an impact, even in their early stages. Specifically, the targeted pricing approach with less promotional dollars being used in the Core is already providing better revenue results," stated Mitch Fadel, Chief Executive Officer of Rent-A-Center. "Within Acceptance Now, we rolled out a new value proposition in the quarter and are already experiencing a higher ticket while maintaining lower delinquency rates. We are continuing to make refinements to the program and are experiencing recent increases in demand, as well."

In addition, the cost savings and working capital initiatives instituted by the Company earlier this year are exceeding management's expectations. Since the end of 2017, the Company has reduced debt by over \$75 million due to the stronger topline and improved performance, primarily due to the initiatives. The Company currently has approximately \$175 million in revolving credit availability, taking into account the \$50 million reserve necessary given the Company's current fixed charge coverage ratio. The Company has \$20 million currently drawn on its revolving credit facility.

Based on the improved portfolio performance, and the cost savings and working capital initiatives exceeding management's plan in the first quarter, the Company is raising its full year free cash flow guidance from at least \$130 million to at least \$170 million.

#### **First Quarter 2018 Earnings Release and Conference Call Details**

The Company expects to release its full first quarter 2018 financial results on Monday, April 30, 2018, after the market closes. At 8:30am ET on Tuesday, May 1, 2018, the Company will host a conference call to discuss the results. A live audio of the conference call will be available on the company's investor relations website at <http://investor.rentacenter.com>.

#### **Strategic & Financial Alternatives Update**

The Company's board of directors and its advisors are actively engaged with bidders interested in acquiring the Company and expect to reach a determination during the second quarter of 2018. The Company does not intend to make any additional comments regarding these discussions or any potential transaction unless and until a formal agreement has been reached or the Company's board of directors has approved a definitive course of action with respect to its ongoing financial and strategic alternatives review.

#### **About Rent-A-Center, Inc.**

A rent-to-own industry leader, Plano, Texas-based, Rent-A-Center, Inc., is focused on improving the quality of life for its customers by providing them the opportunity to obtain ownership of high-quality, durable products such as consumer electronics, appliances, computers, furniture and accessories, under flexible rental purchase agreements with no long-term obligation. The Company owns and operates approximately 2,400 stores in the United States, Mexico, Canada and Puerto Rico, and approximately 1,200 Acceptance Now kiosk locations in the United States and Puerto Rico. Rent-A-Center Franchising International, Inc., a wholly owned subsidiary of the Company, is a national franchiser of approximately 225 rent-to-own stores operating under the trade names of "Rent-A-Center", "ColorTyme", and "RimTyme". For additional information about the Company, please visit our website at [www.rentacenter.com](http://www.rentacenter.com).

#### **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 refinance its senior credit facility expiring in early 2019 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 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; 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 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, 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.*

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