CERTAIN OTHER FINANCIAL AND STATISTICAL INFORMATION DISCUSSED DURING THE SECOND QUARTER 2020 EARNINGS CONFERENCE CALL ON THURSDAY, AUGUST 6, 2020
QUARTER ENDED JUNE 30, 2020

Reconciliation to Adjusted EBITDA	THREE MONTHS ENDED JUN 30	
	2020	**2019**
Revenues	**$683,746**	**$655,925**
Reported (Loss) Earnings Before Income Taxes	**$57,660**	**$44,197**
Add back:		
Interest Expense, net	3,896	8,095
Depreciation, amortization and write-down of intangibles	14,348	15,121
Adjusted EBITDA	**$75,904**	**$67,413**
EBITDA Margin	***11.1%***	***10.3%***

RENT-A-CENTER BUSINESS

- Second quarter marked the tenth consecutive quarter of positive same stores sales in the Rent-A-Center Business and our growth is still in the low double digits at over 13 percent from a two year perspective
- E-commerce Q2 2020 penetration was 19 percent of revenues, and we expect the business to account for over 25 percent of RAC's sales by end of 2020
- As a percent of revenue, skip/stolen losses were 3.7 percent, up 50 bps versus last year with no incremental reserve adjustment related to COVID given the strong customer payment activity and exceptional execution in the field
- For the full year, we still expect skip/stolen losses for the Rent-A-Center Business to be approximately 4 percent of revenue, up slightly versus last year due to growth in e-commerce.

PREFERRED LEASE

- Skip/stolen losses were 18.4 percent of sales for the Preferred Lease segment in the second quarter, versus 9.6 percent last year
- Increased skip stolen reserves by $5.6M in the 2nd quarter to reflect our best estimates for 2020 losses driven by COVID. Do not expect any further COVID related reserve adjustments in the back half of the year
- Excluding these COVID related losses, skip/stolen losses would have been approximately 15.4% of revenue for the 2nd quarter, up from last year partially driven by the mix shift of the business towards the virtual model
- During the back half of 2020, our skip/stolen losses are expected to be between 12 and 13 percent for the Preferred Lease business.
- Adjusted EBITDA margin for Preferred Lease was lower than last year due to a lower gross margin from higher early payouts mainly driven by the government stimulus

programs, higher loss reserves related to COVID-19, and a higher mix of the virtual business

- Invoice volume in the quarter was up 25% despite the majority of our Preferred Lease staffed locations being temporarily closed during the quarter due to the shelter-in-place directives from the pandemic

CASH FLOW AND BALANCE SHEET

- Cash generated from operating activities was $207 million for the quarter ended 06/30/20, and the company ended the quarter with zero net debt
- As of the end of the second quarter, we had approximately $206 million in cash, and with total liquidity of approximately $418 million
- We are anticipating a working capital investment in the back half due to growth in demand in the Rent-A-Center Business and Preferred Lease segment
- Share repurchases were temporarily suspended due to the uncertainties around the pandemic, but will now be made opportunistically. We have purchased $26.5 million this year, leaving $58.8 million of remaining share repurchase authorization

GUIDANCE

- Tracking to the overall guidance we originally gave in February
- For the Rent-A-Center Business, we expect favorable demand trends to continue and to end the year with our portfolio where we planned it prior to the pandemic
- Adjusted EBITDA for 2020 is expected to be up approximately 11% versus 2019.
- In the back half of the year, Preferred Lease is expected to grow revenue by 10-12% each quarter versus last year.
- The Preferred Lease portfolio is expected to end the year up double-digits versus 2019, and full year 2020 invoice volume is expected to be up approximately 25% year over year
- Expect that labor savings will partially continue into Q3 and the benefit from structural changes to the Preferred Lease business by leveraging our centralized call center will help improve efficiencies
- Expect to meet our consolidated revenue, adjusted EBITDA and non-GAAP diluted EPS pre-COVID guidance ranges for 2020

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," "predict," "continue," "should," "anticipate," "believe," or “confident,” or the negative thereof or variations thereon or similar terminology and including, among others, statements concerning the expected impact of the COVID-19 pandemic on the Company's business, financial condition and results of operations. 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 and adversely from such statements. Factors that could cause or contribute to such differences include, but are not limited to: (1) the impact of the COVID-19 pandemic and related government and regulatory restrictions issued to combat the pandemic, including adverse changes in such restrictions, and impacts on (i) demand for the Company's lease-to-own products offered in the Company's operating segments,

(ii) the Company's Preferred Lease retail partners, (iii) the Company's customers and their willingness and ability to satisfy their lease obligations, (iv) the Company's supplier's ability to satisfy merchandise needs, (v) the Company's coworkers, including the ability to adequately staff operating locations, (vi) the Company's financial and operational performance, and (vii) the Company's liquidity; (2) the general strength of the economy and other economic conditions affecting consumer preferences and spending; (3) factors affecting the disposable income available to the Company's current and potential customers; (4) changes in the unemployment rate; (5) capital market conditions, including availability of funding sources for the Company; (6) changes in the Company's credit ratings; (7) difficulties encountered in improving the financial and operational performance of the Company's business segments; (8) risks associated with pricing changes and strategies being deployed in the Company's businesses; (9) the Company's ability to continue to realize benefits from its initiatives regarding cost-savings and other EBITDA enhancements, efficiencies and working capital improvements; (10) the Company's ability to continue to effectively execute its strategic initiatives; (11) failure to manage the Company's store labor and other store expenses, including merchandise losses; (12) disruptions caused by the operation of the Company's store information management systems; (13) risks related to the Company's virtual lease-to-own business, including the Company's ability to continue to develop and successfully implement the necessary technologies; (14) the Company's ability to achieve the benefits expected from its integrated retail preferred offering, Preferred Lease, including its ability to integrate its historic retail partner business (Acceptance Now) and the Merchants Preferred business under the Preferred Lease offering and to successfully grow this business segment; (15) exposure to potential operating margin degradation due to the Company's higher merchandise losses; (16) the Company's transition to more-readily scalable, “cloud-based” solutions; (17) the Company's ability to develop and successfully implement digital or E-commerce capabilities, including mobile applications; (18) disruptions in the Company's supply chain; (19) limitations of, or disruptions in, the Company's distribution network; (20) rapid inflation or deflation in the prices of the Company's products; (21) the Company's ability to execute and the effectiveness of store consolidations, including the Company's ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation; (22) the Company's available cash flow and its ability to generate sufficient cash flow to continue paying dividends; (23) increased competition from traditional competitors, virtual lease-to-own competitors, online retailers and other competitors, including subprime lenders; (24) the Company's ability to identify and successfully market products and services that appeal to its current and future targeted customer segments; (25) consumer preferences and perceptions of the Company's brands; (26) the Company's ability to retain the revenue associated with acquired customer accounts and enhance the performance of acquired stores; (27) the Company's ability to enter into new, and collect on, its rental or lease purchase agreements; (28) changes in the enforcement of existing laws and regulations and the enactment of new laws and regulations adversely affecting the Company's businesses; (29) the Company's compliance with applicable statutes or regulations governing its businesses; (30) changes in interest rates; (31) changes in tariff policies; (32) adverse changes in the economic conditions of the industries, countries or markets that the Company serves; (33) information technology and data security costs; (34) 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; (35) changes in estimates relating to self-insurance liabilities and income tax and litigation reserves; (36) changes in the Company's effective tax rate; (37) fluctuations in foreign currency exchange rates; (38) the Company's ability to maintain an effective system of internal controls; (39) litigation or administrative proceedings to which the Company is or may be a party to from time to time; and (40) 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, 2019 and in its subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. 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.