CERTAIN OTHER FINANCIAL AND STATISTICAL INFORMATION DISCUSSED DURING THE FOURTH QUARTER 2020 EARNINGS CONFERENCE CALL ON THURSDAY, FEBRUARY 25, 2021
QUARTER ENDED DECEMBER 31, 2020

Reconciliation to Adjusted EBITDA	THREE MONTHS ENDED DEC 31	
	2020	**2019**
Revenues	**$716,492**	**$667,862**
Reported (Loss) Earnings Before Income Taxes	**$80,267**	**$43,764**
Add back:		
Interest Expense, net	3,160	4,650
Depreciation, amortization and write-down of intangibles	13,587	15,316
Adjusted EBITDA	**$97,014**	**$63,730**
EBITDA Margin	***13.5%***	***9.5%***

RENT-A-CENTER BUSINESS

- Total revenues in the fourth quarter were up 5.8 percent, with an impressive 13.7 percent increase in same store sales
- Rent-A-Center ended 2020 with its twelfth consecutive quarter of positive same store sales. E-commerce revenues increased 53 percent in the quarter
- Our goal is to grow e-comm to over 30 percent of Rent-A-Center revenues over the next several years and we are well on our way with over 50 percent growth in the fourth quarter

PREFERRED LEASE

- Preferred Lease invoice volume rose over 20 percent on the year despite closures and product shortages that affected many of our retail partners. Acima will further improve our invoice volume growth going forward.
- We expect Acima to be approximately 30 percent accretive to non-GAAP EPS in 2021, with significant additional accretion in 2022. The acquisition dramatically increases our overall scale, profitability and free cash flow generation.
- We start with where the Acima business would have put 2020 on a pro forma basis, at $4.1 billion in consolidated revenue and $561 million in consolidated adjusted EBITDA
- We believe Acima can grow annual revenue by 25 percent with high teens margins, and there are numerous synergies to drive our consolidated EBITDA margin to a mid-teens rate
- Acima and Preferred Lease combined have approximately 19,000 active retail doors with 15 percent of the business in e-commerce
- Adjusted EBITDA was $18.3 million for the quarter. Skip/stolen losses were 11.6 percent versus 14.2 percent a year ago

- Preferred Dynamix will become Acima at the top of the house. Preferred Lease, Preferred Digital and Preferred Marketplace will become Acima Lease, Acima Digital and Acima Marketplace respectively
- We expect Acima to be accretive in year one and more accretive in year two. We believe there are $40 to $70 million in potential synergies, and we expect $25 million of that to be realized in 2021

CASH FLOW AND BALANCE SHEET

- Cash Taxes of $30 to $40 million, which reflects the benefits of the tax step up associated with the acquisition and an approximate tax rate of 24%.
- Interest expenses are expected to be approximately $70 to $75 million based on our new debt structure post acquisition and a weighted average interest rate of approximately 5.5%.
- Capital expenditures are expected to be $65 to $70 million, which includes higher investments in technology and store refurbishment costs
- Over the longer term, we would expect to reduce capex to $50 to $60 million per year. Working capital investments will also be required for funding new leases, bringing our free cash flow estimate to between $145 and $195 million
- We now have a $550 million asset based loan with $165 million drawn at the time of the acquisition, an $875 million Term Loan B and $450 million in Unsecured Senior Notes. Our debt to EBITDA leverage was 2.4x at the time of the acquisition and we have ample flexibility and liquidity to invest in growth
- Both through strong adjusted EBITDA growth and debt pay down, our goal is to reduce net leverage to below 2x in 18 months, with a long term leverage target of 1.5x, while maintaining robust liquidity.

GUIDANCE

- Our adjusted EBITDA guidance is positively impacted by the Acima acquisition, growth in the business, and synergies; and negatively impacted year over year by COVID related benefits in 2020
- As we shift to more of our business coming from the retail partner channel, our gross margins will decline due to paying retail cost for product versus wholesale cost in the Rent-A-Center business, but our operating expenses will decrease as a percent of revenue given the asset light business and scalability of the virtual model
- Integration costs of approximately $5 to $10 million are expected and, along with the intangibles amortization impact from the acquisition, will result in differences in GAAP and non GAAP earnings for 2021
- Looking at the first quarter, we expect revenue to increase 30 to 35 percent year over year, with approximately 65 percent increase in non-GAAP diluted earnings per share, assuming a tax refund season similar to prior years
- Looking at the balance of the year, we expect revenue to increase in the 60 to 65% range for each quarter, with adjusted EPS, reflecting normal seasonal patterns
- We expect Rent-A-Center same store sales to decelerate in the second half given the tough comps in the back half of 2020, but remain fairly flat versus last year given portfolio growth

This press release and the guidance above and the Company's related conference call contain forward-looking statements that involve risks and uncertainties. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. 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 and including, among others, statements concerning (i) the potential effects of the COVID-19 pandemic on the Company's business operations, financial performance, and prospects, (ii) the future business prospects and financial performance of our Company following the closing of the Company's merger with Acima (the "Merger"), (iii) cost and revenue synergies and other benefits expected to result from the Merger, (iv) the Company's guidance and expected financial results for 2021 and future periods, (v) other statements regarding the Company's strategy and plans and other statements that are not historical facts. 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 these differences include, but are not limited to: (1) risks relating to the Merger, including (i) the possibility that the anticipated benefits from the Merger may not be fully realized or may take longer to realize than expected, (ii) the possibility that costs, difficulties or disruptions related to the integration of Acima operations into the Company's other operations will be greater than expected, (iii) the Company's ability to (A) effectively adjust to changes in the composition of the Company's offerings and product mix as a result of the Merger and continue to maintain the quality of existing offerings and (B) successfully introduce other new product or service offerings on a timely and cost-effective basis, (iv) changes in the Company's future cash requirements as a result of the Merger, whether caused by unanticipated increases in capital expenditures or working capital needs, unanticipated liabilities or otherwise, and (v) the impacts of the Company's additional debt incurred to finance the Merger; (2) the Company's ability to identify potential acquisition candidates, complete acquisitions and successfully integrate acquired companies; (3) 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 suppliers' ability to satisfy its merchandise needs, (v) the Company's employees, including the ability to adequately staff its operating locations, (vi) the Company's financial and operational performance, and (vii) the Company's liquidity; (4) the general strength of the economy and other economic conditions affecting consumer preferences and spending, including the availability of credit to the Company's target consumers; (5) factors affecting the disposable income available to the Company's current and potential customers; (6) changes in the unemployment rate; (7) capital market conditions, including availability of funding sources for the Company; (8) changes in the Company's credit ratings; (9) difficulties encountered in improving the financial and operational performance of the Company's business segments; (10) risks associated with pricing changes and strategies being deployed in the Company's businesses; (11) the Company's ability to continue to realize benefits from its initiatives regarding cost-savings and other EBITDA enhancements, efficiencies and working capital improvements; (12) the Company's ability to continue to effectively execute its strategic initiatives, including mitigating risks associated with any potential mergers and acquisitions, or refranchising opportunities; (13) failure to manage the Company's store labor and other store expenses, including merchandise losses; (14) disruptions caused by the operation of the Company's store information management systems; (15) 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; (16) the Company's ability to achieve the benefits expected from its integrated virtual and staffed retail partner offering and to successfully grow this business segment; (17) exposure to potential operating margin degradation due to the higher cost of merchandise in the Company's Preferred Lease offering and potential for higher merchandise losses; (18) the Company's transition to more-readily scalable, “cloud-based” solutions; (19) the Company's ability to develop and successfully implement digital or E-commerce capabilities, including mobile applications; (20) the Company's ability to protect its proprietary intellectual property; (21) disruptions in the Company's supply chain; (22) limitations of, or disruptions in, the Company's distribution network; (23) rapid inflation or deflation in the prices of the Company's products; (24) 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; (25) the Company's available cash flow and its ability to generate sufficient cash flow to continue paying dividends; (26) increased competition from traditional competitors, virtual lease-to-own competitors, online retailers and other competitors, including subprime lenders; (27) the Company's ability to identify and successfully market products and services that appeal to its current and future targeted customer segments; (28) consumer preferences and perceptions of the Company's brands; (29) the Company's ability to retain the revenue associated with acquired customer accounts and enhance the performance of acquired stores; (30) the Company's ability to enter into new, and collect on, its rental or lease purchase agreements; (31) changes in the enforcement of existing laws and regulations and the enactment of new laws and regulations adversely affecting the Company's business, including any legislative or regulatory enforcement efforts that seek to re-characterize store-based or virtual lease-to-own transactions as credit sales and to apply consumer credit laws and regulations to the Company's business; (32) the Company's compliance with applicable statutes or regulations governing its businesses; (33) the impact of any additional social unrest such as that experienced in 2020 or otherwise, and resulting damage to the Company's inventory or other assets and potential lost revenues; (34) changes in interest rates; (35) changes in tariff policies; (36) adverse changes in the economic conditions of the industries, countries or markets that the Company serves; (37) information technology and data security costs; (38) 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, employees and retail partners; (39) changes in estimates relating to self-insurance liabilities and income tax and litigation reserves; (40) changes in the Company's effective tax rate; (41) fluctuations in foreign currency exchange rates; (42) the Company's ability to maintain an effective system of internal controls, including in connection with the integration of Acima; (43) litigation or administrative proceedings to which the Company is or may be a party to from time to time; and (44) 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, its Annual Report on Form 10-K for the year ended December 31, 2020 (when filed) 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.