



Aaron's, Inc.

Company Overview

August 2019

Aaron's, Inc.

SAFE HARBOR STATEMENT & USE OF NON-GAAP INFORMATION

Safe Harbor Statement:

Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this presentation regarding Aaron's, Inc.'s business that are not historical facts are "forward-looking statements" that involve risks and uncertainties which could cause actual results to differ materially from those contained in the forward-looking statements. Such forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may," "expect," "forecast," "guidance," "intend," "believe," "could," "project," "estimate," "anticipate," "should" and similar terminology. These risks and uncertainties include factors such as changes in federal and state laws and regulations and related legal and regulatory proceedings; our Progressive Leasing ("Progressive") business potentially be subject to new or different laws and regulations; the challenges faced by our Aaron's Business, including increased competition, decreases in same store sales and economic challenges faced by a portion of the Aaron's Business's customer base; the execution and results of our strategic plan and business improvement initiatives that we continue to implement, including those related to improving our Aaron's Business; Progressive's reliance on third-party retailers and the concentration of Progressive's revenues with certain of those retailers; ; risks related to cybersecurity-related intrusions or "hacking" into our systems and the loss, theft or unauthorized disclosure of information related thereto; our access to data sources used in our decisioning models and the effectiveness of those models; the ability of our franchisees to satisfy their obligations to us and their debt obligations, and operational and other failures by, and dispute with, our franchisees and the other risks and uncertainties discussed under "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and subsequent filings with the SEC. Statements in this presentation that are "forward-looking" include, without limitation, those related to: Aaron's projected results for future periods (including the guidance or outlook for the Company's and its subsidiaries' financial performance for the 2019 fiscal year); the Company's investments in employees and systems, including technology, and the results expected from those investments; the acceleration of the Company's omni-channel platform; the outcome expected from business transformation initiatives ongoing in our Aaron's Business, including improvements to its e-commerce channel; our ability to profitably grow our Aaron's Business stores; the position and strength of the Company's lease-to-own platforms; our ability to sustain the operating and economic advantages of our Aaron's Business and Progressive and to use those advantages to drive shareholder value; the results of strategic initiatives and investments in Progressive and our Aaron's Business, ; visibility into the quality and performance of our customer lease portfolios; anticipated future growth and productivity of existing and new retail partner "doors" and total invoice volume growth for Progressive; initiatives to grow the Company's positions in the addressable markets served by Progressive and the Aaron's Business; and the strength of our capital structure and our ability to return capital to shareholders. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Except as required by law, the Company undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances after the date of this presentation.

Use of Non-GAAP Financial Information:

This presentation contains financial information in a format not in accordance with generally accepted accounting principles in the United States ("GAAP"). Management believes that presentation of these non-GAAP items is useful because it gives investors supplemental information to evaluate and compare the Company's underlying operating performance from period to period. Non-GAAP financial measures, however, should not be used as a substitute for, or be considered superior to, measures of financial performance prepared in accordance with GAAP. Please refer to our prior earnings releases on Forms 8-K dated February 18, 2016, February 17, 2017, February 15, 2018, April 26, 2018, May 14, 2018, July 26, 2018 and October 25, 2018 provided in the Investor Relations section of our website for further information on our use of non-GAAP financial measures and for a reconciliation of GAAP to non-GAAP items.

Aaron's, Inc.

Headquarters: Atlanta, GA.

Founded: 1955

Ownership: Public (NYSE: AAN)

President and CEO: John W. Robinson III

AARON'S, INC. IS A LEADING OMNICHANNEL PROVIDER OF LEASE-PURCHASE SOLUTIONS

With \$3.9 Billion in LTM Revenues and Nearly Two Million Customers, Aaron's, Inc. Serves a Large Addressable Market Through Multiple Channels and Products



FURNITURE

ELECTRONICS

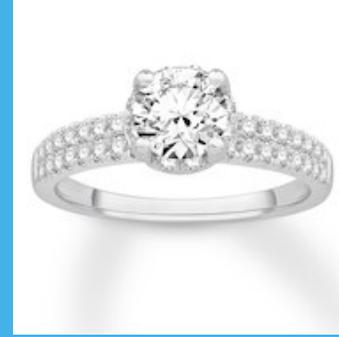


APPLIANCES

TV BUNDLES



JEWELRY



MOBILE/OTHER



LARGE ADDRESSABLE MARKET

Total addressable market includes 25-35% of the U.S. population

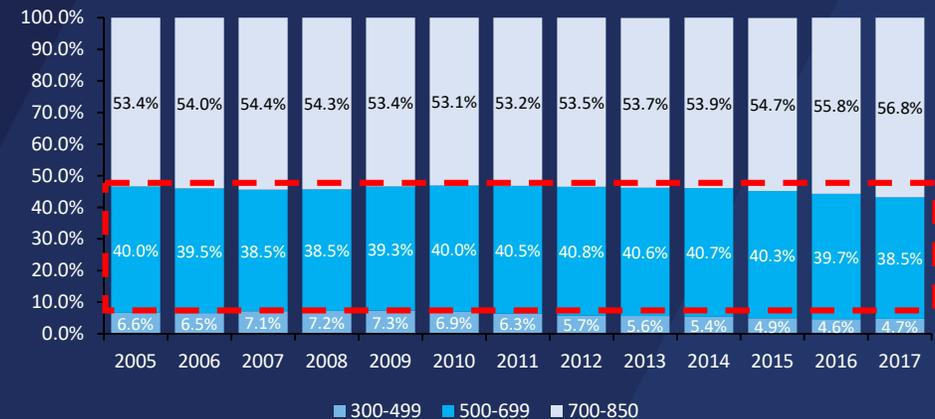
< 700 FICO has consistently accounted for approximately 40%+ of U.S. population*

We estimate total U.S. Lease-to-Own market to be \$25 to \$35 billion

CURRENT U.S. FICO SCORE DISTRIBUTION



U.S. POPULATION BY FICO SCORE



*Harris Poll for Career Builder 2017 and FICO Banking Analysis

MULTIPLE CHANNELS SERVING NEARLY TWO MILLION CUSTOMERS

Aaron's, Inc. Serves a Large Addressable Market Through Multiple Channels and Products

VIRTUAL LEASE-TO-OWN



Virtual lease-to-own model serves retail partners in categories including furniture, mattress, jewelry, mobile & electronics

LEASE-TO-OWN STORES



Lease-to-own stores serve customers for furniture, electronics, appliances & computers

E-COMMERCE



Aarons.com, launched in 2015 and updated in 2018, serves as part of our omnichannel strategy for lease-to-own programs

SECOND-LOOK FINANCING



The HelpCard, acquired in 2015, operates in the "secondary" financing market

COMPELLING VALUE FOR OUR CUSTOMERS

- **Attractive ownership rates**
- **90/120 day buyout**
- **Maximum flexibility**
- **Omnichannel model (stores & e-com)**

40%+ of the US population is considered to have a subprime FICO score.*

Millennials are Credit Averse
Young Millennials are averse to traditional banking and 44% say they have no interest in using credit cards as a primary method of payment.*

78% of Americans live Paycheck to Paycheck*
Studies show that no matter how much you earn, getting by is still a struggle for most people.

*Harris Poll for Career Builder 2017 and FICO Banking Analysis

COMPELLING VALUE FOR OUR SHAREHOLDERS

OPERATING ADVANTAGES

Customer analytics and decisioning

Customer “Life cycle” management

Last mile logistics and reverse logistics

Strong regulatory compliance infrastructure and integrity

Large installed base of strong retail partners

ECONOMIC ADVANTAGES

High revenue/cash flow visibility

Strong balance sheet/ Low leverage/ \$400 million revolving LOC

Sustainable growth platform

Shareholder friendly capital allocation

STRONG FINANCIAL TRACK RECORD

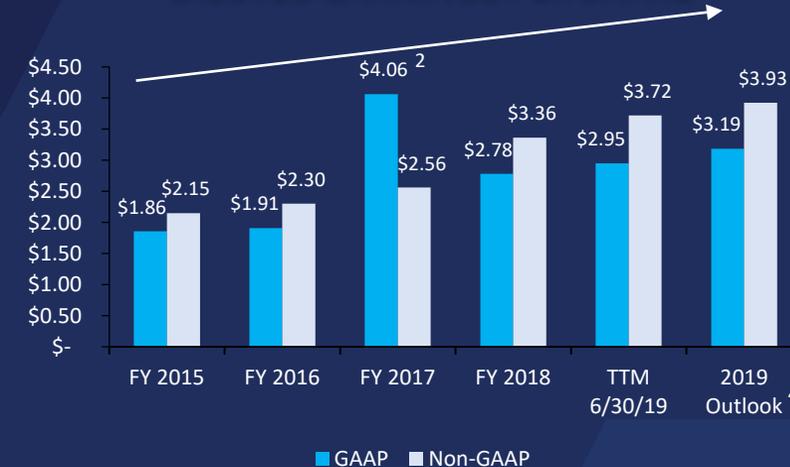
TOTAL REVENUES ³



ADJUSTED EBITDA ¹



DILUTED EARNINGS PER SHARE



STRONG BALANCE SHEET

- Total liquidity of ~\$486MM at 6/30/19
- Net debt to Adjusted EBITDA of 0.6x
- Ended the second quarter with \$100.2 MM in cash
- Debt-to-equity ratio of 0.72 for the period
- Authorization to purchase an additional \$316.9 million in common stock

¹ Adjusted EBITDA and Non-GAAP Diluted Earnings Per Share are Non-GAAP financial measures. See "Safe Harbor Statement & Use of Non-GAAP Items" disclosure.

² FY 2017 GAAP Diluted Earnings Per Share includes net provisional tax benefits from the Tax and Jobs Act of 2017 of \$1.90 per share.

³ Progressive revenue figures have been adjusted to reflect the FASB issued ASU 2016-02 lease standard ("ASC 842").

⁴ 2019 Outlook figures represent midpoint of outlook range.

Appendix

Operational Highlights from the Second Quarter Ended June 30, 2019

TOTAL COMPANY

\$968.1MM in Revenues
+10.3% YoY Growth

\$107.4MM of Adjusted EBITDA¹

1,893MM Customers Served
+10.4% YoY Growth

Generated **\$79.9MM** in cash from
operations during the period

11.3% Net Debt to Capitalization
vs. **9.3%** in Q2'18

PROGRESSIVE BUSINESS SEGMENT

\$516.3MM in Revenues
+19.1% YoY Growth

\$68.2MM of EBITDA¹

909,000 Customers Served
+19.9% YoY Growth

19,800 Active Doors

\$403MM Invoice Volume
+20.4% YoY Growth

AARON'S BUSINESS SEGMENT

\$443.2MM in Revenues
+1.9% YoY Growth
Same Store Revenues Up 0.1%

\$39.7MM of Adjusted EBITDA¹

1,171 Company Stores
~70 underperforming
Company-owned stores closed
in Q2'19

357 Franchised Stores

Note: All data is as of or for the three months ending June 30, 2019.

¹ EBITDA and Adjusted EBITDA are Non-GAAP financial measures. See "Safe Harbor Statement & Use of Non-GAAP Items" disclosure.

AARON'S INC. GROWTH STRATEGY

OUR GOAL:

Operate a sustainable business model that helps our customers gain access to a wide variety of high-quality products in a transparent, flexible and affordable way.

Grow Progressive Leasing

- Investing ahead of revenue growth and expected large national retail chain pipeline conversion
- Emphasis on regulatory compliance

Strengthen Aaron's Business

- Continue with promising business transformation investments to drive customer engagement, experience and traffic

Capital Allocation / Investment

- Leverage unique assets and competencies in adjacent markets (ongoing customer and retailer relationships, analytics and decisioning, customer and partner servicing platforms, last mile delivery and return logistics, furniture manufacturing)
- Maintain conservative capital structure and return capital to shareholders (in the absence of a significant acquisition)

Progressive Business Segment



Progressive Leasing

A Leader in Virtual Lease-to-Own

Mission:

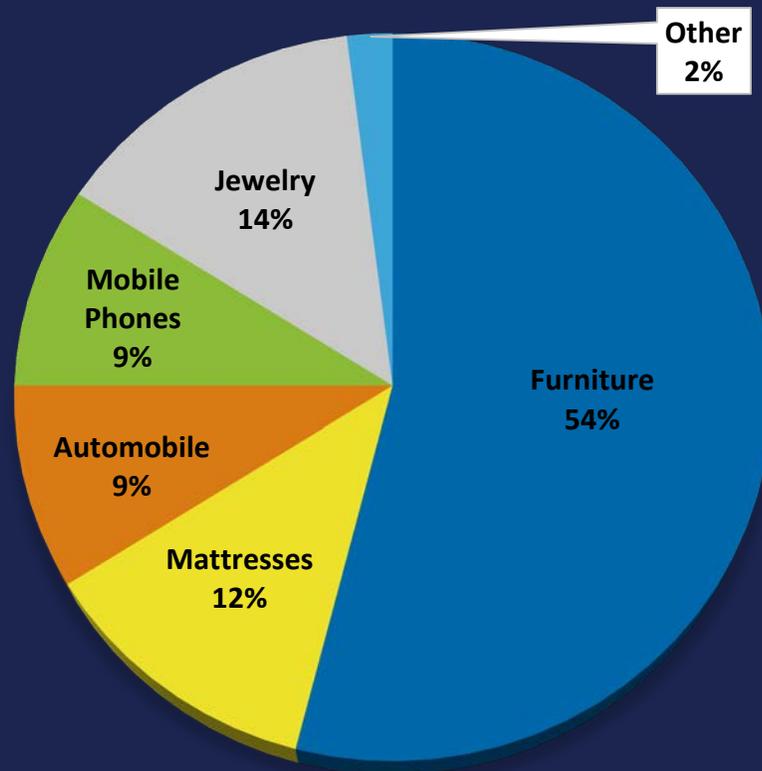
Provide simple and affordable purchase options for credit challenged consumers

Vision:

Create a better future for all people with imperfect credit by providing the best purchase experience

PROGRESSIVE LEASING: A LEADER IN VIRTUAL LEASE TO OWN

RETAIL PARTNER CATEGORIES – FY 2018



FINANCIAL STRENGTH & SCALE TO GROW

- Strong Value Proposition – Progressive’s speed and ease of use for customers and retail partners is driving exceptional growth – TECHNOLOGY is leading the way
- Solid Visibility into Lease Portfolio – Supported by advanced algorithms, additional predictive metrics, and a short average lease life of seven months
- Significant Opportunity in New and Existing Doors – Strong growth in new doors and continued growth in existing doors driven by adoption rate and changes in product mix
- Robust Pipeline – Experiencing growth with many national and regional retail partners across all of Progressive’s product verticals, including the recent addition of Overstock.com as a new retail partner.

Note: Category % represents Progressive Leasing revenue attributable to different retail partner categories.

Source: Aaron’s, Inc. 10-K dated February 14, 2019

PROGRESSIVE LEASING:

GROW REVENUE AND EBITDA

Expand retail partners

Drive total invoice volume (active doors, invoice per active door)

Technology investments to further enhance decisioning

Grow EBITDA

Aaron's Business Segment

Aaron's[®]

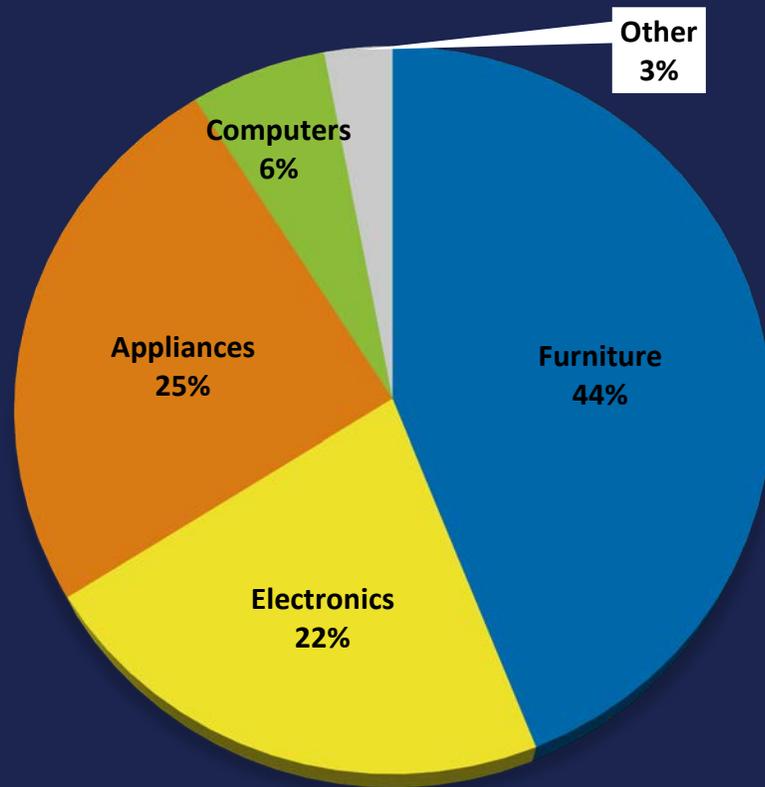
Easy. Beautiful. Affordable.

Blueprint For Success:

- Profitably Grow our Stores
- Accelerate our Omnichannel Platform
- Promote Communication, Coordination & Integration
- Champion Compliance

AARON'S BUSINESS: A LEADER IN OMNI-CHANNEL LEASE TO OWN

MERCHANDISE CATEGORIES – FY 2018



FINANCIAL STRENGTH & SCALE TO GROW

Business Transformation Initiatives – Gaining Traction and Driving Improvement:

- Next Generation E-Commerce
- Pricing and Promotion Discipline
- Broader Product Assortment
- Procurement Efficiencies
- Inventory Mix Optimization
- Rapid Customer Onboarding

We remain committed to increasing the long-term value of the Aaron's Business by:

- Enhancing Aaron's omni-channel platform to drive revenue and operate more efficiently
- Investing in customer-facing programs to support growth
- Remaining opportunistic regarding franchisee and other acquisitions

2019 CURRENT OUTLOOK VS PREVIOUS OUTLOOK

(In thousands, except per share amounts)	Current Outlook ¹		Previous Outlook	
	Low	High	Low	High
Aaron's Inc. - Total Revenues	\$ 3,905,000	\$ 4,065,000	\$ 3,905,000	\$ 4,065,000
Aaron's Inc. - Adjusted EBITDA	430,000	452,000	415,000	442,000
Aaron's Inc. - Diluted EPS	3.11	3.26	3.15	3.35
Aaron's Inc. - Diluted Non-GAAP EPS	3.85	4.00	3.65	3.85
Aaron's Inc. - Capital Expenditures	100,000	120,000	100,000	120,000
Progressive - Total Revenues	2,100,000	2,175,000	2,100,000	2,175,000
Progressive - EBITDA	275,000	285,000	260,000	275,000
Aaron's Business - Total Revenues	1,775,000	1,855,000	1,775,000	1,855,000
Aaron's Business - Adjusted EBITDA	160,000	170,000	160,000	170,000
Aaron's Business - Annual Same Store Revenues	0.0%	2.0%	0.0%	2.0%
DAMI - Total Revenues	30,000	35,000	30,000	35,000
DAMI - Adjusted EBITDA	(5,000)	(3,000)	(5,000)	(3,000)

NON-GAAP RECONCILIATIONS

Reconciliation of Net Earnings and Earnings Per Share Assuming Dilution to Non-GAAP Net Earnings and Earnings Per Share Assuming Dilution (In thousands, except per share)

	(Unaudited) Three Months Ended		(Unaudited) Six Months Ended	
	June 30, 2019	2018	June 30, 2019	2018
Net Earnings	\$ 42,650	\$ 38,501	\$ 98,728	\$ 90,747
Add Progressive Leasing-Related Intangible Amortization Expense ⁽¹⁾⁽²⁾	4,069	4,176	8,420	8,429
Add Franchisee-Related Intangible Amortization Expense ⁽³⁾⁽⁴⁾	2,971	914	6,216	1,868
Add Restructuring Expense (Reversal), net ⁽⁵⁾⁽⁶⁾	14,065	(679)	24,866	19
Add Acquisition Transaction and Transition Costs ⁽⁷⁾	150	—	243	—
Impairment of Investment and Related Expenses ⁽⁸⁾	—	16,658	—	16,811
Tax Act Adjustments	—	—	—	193
Non-GAAP Net Earnings	\$ 63,905	\$ 59,570	\$ 138,473	\$ 118,067
Earnings Per Share Assuming Dilution	\$ 0.62	\$ 0.54	\$ 1.44	\$ 1.27
Add Progressive Leasing-Related Intangible Amortization Expense ⁽¹⁾⁽²⁾	0.06	0.06	0.12	0.12
Add Franchisee-Related Intangible Amortization Expense ⁽³⁾⁽⁴⁾	0.04	0.01	0.09	0.03
Add Restructuring Expense, net ⁽⁵⁾⁽⁶⁾	0.20	(0.01)	0.36	—
Add Acquisition Transaction and Transition Costs ⁽⁷⁾	—	—	—	—
Impairment of Investment and Related Expenses ⁽⁸⁾	—	0.24	—	0.24
Tax Act Adjustments	—	—	—	—
Non-GAAP Earnings Per Share Assuming Dilution ⁽⁹⁾	\$ 0.93	\$ 0.84	\$ 2.01	\$ 1.65
Weighted Average Shares Outstanding Assuming Dilution	68,793	70,837	68,784	71,428

(1) Net of taxes of \$1,352 and \$2,422 for the three and six months ended June 30, 2019 calculated using the effective tax rate for the respective periods.

(2) Net of taxes of \$1,245 and \$2,413 for the three and six months ended June 30, 2018 calculated using the effective tax rate for the respective periods.

(3) Net of taxes of \$987 and \$1,788 for the three and six months ended June 30, 2019 calculated using the effective tax rate for the respective periods.

(4) Net of taxes of \$272 and \$535 for the three and six months ended June 30, 2018 calculated using the effective tax rate for the respective periods.

(5) Net of taxes of \$4,673 and \$7,153 for the three and six months ended June 30, 2019 calculated using the effective tax rate for the respective periods.

(6) Net of taxes of \$(203) and \$5 for the three and six months ended June 30, 2018 calculated using the effective tax rate for the respective periods.

(7) Net of taxes of \$50 and \$70 for the three and six months ended June 30, 2019 calculated using the effective tax rate for the respective periods.

(8) Net of taxes of \$4,967 and \$4,814 for the three and six months ended June 30, 2018 calculated using the effective tax rate for the respective periods.

(9) In some cases, the sum of individual EPS amounts may not equal total non-GAAP EPS calculations due to rounding.

RECONCILIATION OF 2019 CURRENT OUTLOOK FOR ADJUSTED EBITDA (IN THOUSANDS)

Reconciliation of 2019 Current Outlook for Adjusted EBITDA (In thousands)

	Fiscal Year 2019 Ranges			
	Progressive Leasing	Aaron's Business	DAMI	Consolidated Total
Estimated Net Earnings	—	—	—	\$208,200 - \$224,700
Taxes ¹	—	—	—	63,500 - 69,000
Projected Earnings Before Taxes	\$237,000 - \$247,000	\$45,200 - \$55,200	\$(10,500) - \$(8,500)	271,700 - 293,700
Interest Expense	9,000	6,000	3,500	18,500
Depreciation	8,000	62,500	1,000	71,500
Amortization	21,000	14,000	1,000	36,000
Projected EBITDA	275,000 - 285,000	127,700 - 137,700	(5,000) - (3,000)	397,700 - 419,700
Projected Other Adjustments, Net ²	—	32,300	—	32,300
Projected Adjusted EBITDA	\$275,000 - \$285,000	\$160,000 - \$170,000	\$(5,000) - \$(3,000)	\$430,000 - \$452,000

(1) Taxes are calculated on a consolidated basis and are not identifiable by company divisions.

(2) Projected Other Adjustments include the non-GAAP charges related to the Aaron's Business restructuring.

Reconciliation of 2019 Previous Outlook for Adjusted EBITDA (In thousands)

	Fiscal Year 2019 Ranges			
	Progressive Leasing	Aaron's Business	DAMI	Consolidated Total
Estimated Net Earnings	—	—	—	\$210,300 - \$231,000
Taxes ¹	—	—	—	64,700 - 71,000
Projected Earnings Before Taxes	\$216,500 - \$231,500	\$68,000 - \$78,000	\$(9,500) - \$(7,500)	275,000 - 302,000
Interest Expense	13,500	2,500	3,500	19,500
Depreciation	8,000	66,000	1,500	75,000
Amortization	22,000	10,000	—	32,000
Projected EBITDA	260,000 - 275,000	146,500 - 156,500	(5,000) - (3,000)	401,500 - 428,500
Projected Other Adjustments, Net ²	—	13,500	—	13,500
Projected Adjusted EBITDA	\$260,000 - \$275,000	\$160,000 - \$170,000	\$(5,000) - \$(3,000)	\$415,000 - \$442,000

(1) Taxes are calculated on a consolidated basis and are not identifiable by company divisions.

(2) Projected Other Adjustments include the non-GAAP charges related to the Aaron's Business restructuring.

RECONCILIATION OF 2019 CURRENT OUTLOOK FOR EARNINGS PER SHARE (IN THOUSANDS)

Reconciliation of 2019 Current Outlook for Earnings Per Share Assuming Dilution to Non-GAAP Earnings Per Share Assuming Dilution

	Fiscal Year 2019 Range	
	Low	High
Projected Earnings Per Share Assuming Dilution	\$ 3.11	\$ 3.26
Add Projected Intangible Amortization Expense ¹	0.38	0.38
Add Sum of Other Adjustments ²	0.36	0.36
Projected Non-GAAP Earnings Per Share Assuming Dilution	\$ 3.85	\$ 4.00

(1) Includes projected amortization expense related to the acquisition of Progressive Leasing and the franchisee acquisitions.

(2) Includes the projected non-GAAP charges related to the Aaron's Business restructuring.

Reconciliation of 2019 Previous Outlook for Earnings Per Share Assuming Dilution to Non-GAAP Earnings Per Share Assuming Dilution

	Fiscal Year 2019 Range	
	Low	High
Projected Earnings Per Share Assuming Dilution	\$ 3.15	\$ 3.35
Add Projected Intangible Amortization Expense ¹	0.35	0.35
Add Sum of Other Adjustments ²	0.15	0.15
Projected Non-GAAP Earnings Per Share Assuming Dilution	\$ 3.65	\$ 3.85

(1) Includes projected amortization expense related to the acquisition of Progressive Leasing and the franchisee acquisitions.

(2) Includes the projected non-GAAP charges related to the Aaron's Business restructuring.