Aaron's, Inc.

Company Overview
February 2020

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 investigations and proceedings; the effects on our business and reputation resulting from our announcement on February 20, 2020 of Progressive Leasing's ("Progressive") agreement in principle with the staff of the FTC to resolve the matters related to the civil investigative demand the FTC issued to Progressive in July 2018, including the risk of losing existing retail partners or being unable to establish new partnerships with additional retailers, and of any follow-on regulatory proceedings and/or civil litigation arising therefrom; other types of legal and regulatory proceedings and investigations, including those related to customer privacy, third party and employee fraud ; our Progressive business potentially being subject to new or different laws and regulations, or courts or regulators misinterpreting and misapplying existing laws and regulations to its business and/or to our Aaron's Business; Progressive's reliance on third-party retailers and the concentration of Progressive's revenues with certain of those retailers; the challenges faced by our Aaron's Business, including the commoditization of the certain product categories; increased competition, and a high fixed-cost operating model; the results of our strategic plan and business improvement initiatives for our Aaron's Business not being successful; unfavorable media coverage and public perception from activist groups, media or government agencies or elected officials disparaging our rent-to-own business and transactions; 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, 2019, and subsequent filings with the SEC. Statements in this presentation that are "forward-looking" include, without limitation, those related to the Company's expectations regarding: our projected results for future periods (including the 2020 guidance set forth in this presentation); the size of the total U.S. lease-to-own market; the operating and economic advantages of the Company's businesses and the value to shareholders from those advantages; goals related to the growth strategies for the Company and its Progressive Leasing and Aaron's Business segments; visibility into the performance of the Progressive Leasing customer lease portfolio; growth in doors, invoice volume and the retailer partner pipeline for Progressive Leasing; business transformation initiatives ongoing in our Aaron's Business; our capital structure and our ability to increase the long-term value of the Aaron's Business, Progressive Leasing and the Company; 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.

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 Revenues in 2019 and Over Two Million Customers, Aaron’s, Inc. Serves a Large Addressable Market Through Multiple Channels and Products

FURNITURE

ELECTRONICS

APPLIANCES

TV BUNDLES

JEWELRY

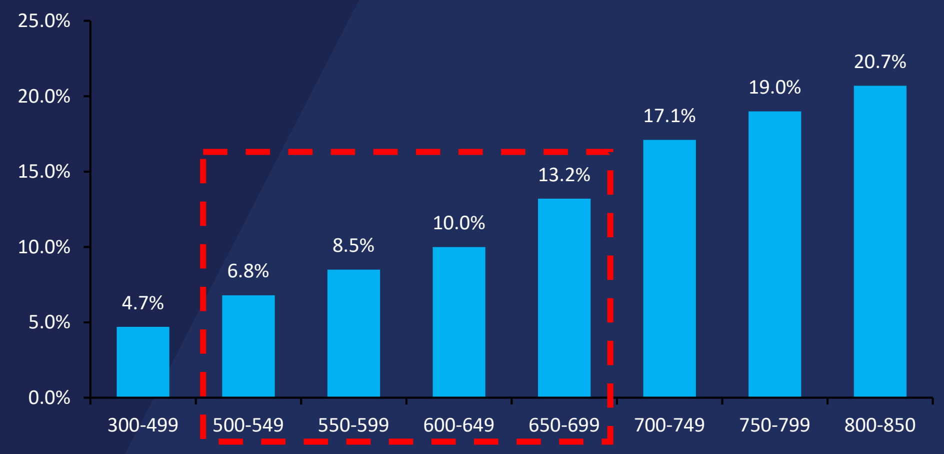
MOBILE/OTHER

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

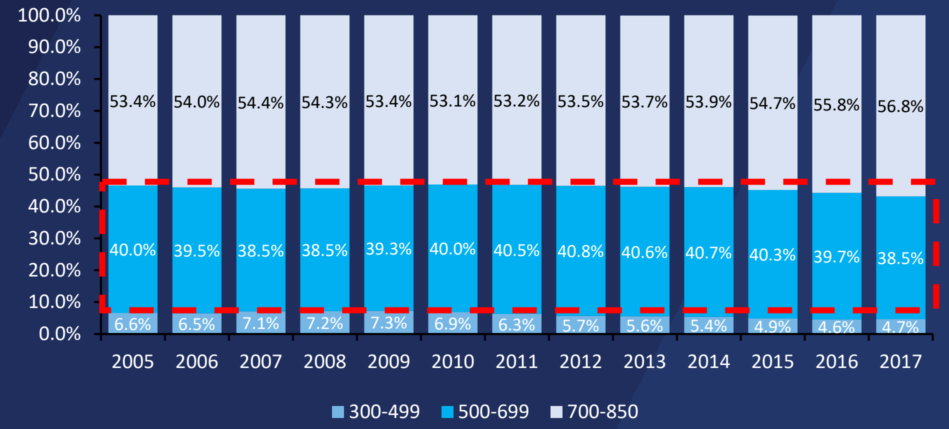
< 700 FICO has consistently accounted for approximately 40%+ of U.S. population*

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

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

VIRTUAL LEASE-TO-OWN

Progressive Leasing™

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

LEASE-TO-OWN STORES

Aaron's®

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

E-COMMERCE

Aaron's®.com

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

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

Sources: Management Estimates, FICO Banking Analytics, Experian, Wall Street Journal

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

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

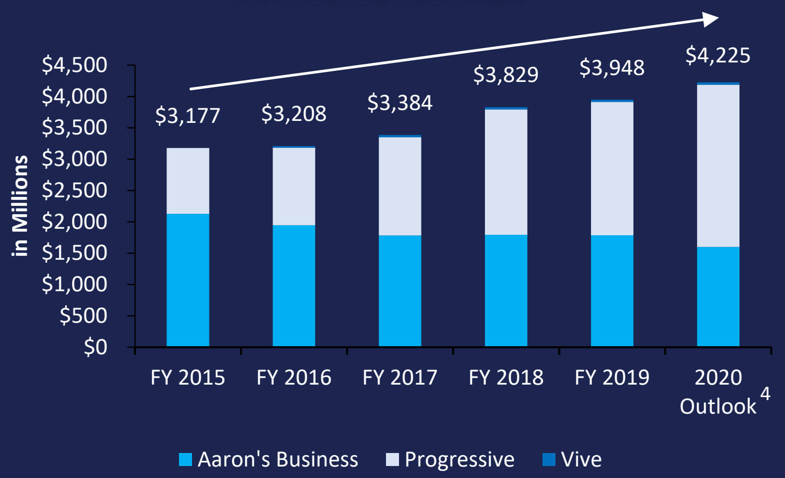
Strong balance sheet/ Low leverage/ $400 million revolving LOC

Sustainable growth platform

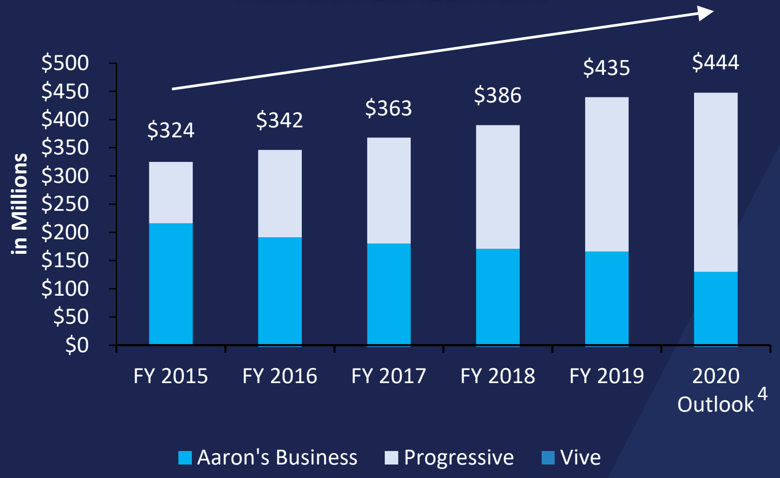
Shareholder friendly capital allocation

STRONG FINANCIAL TRACK RECORD

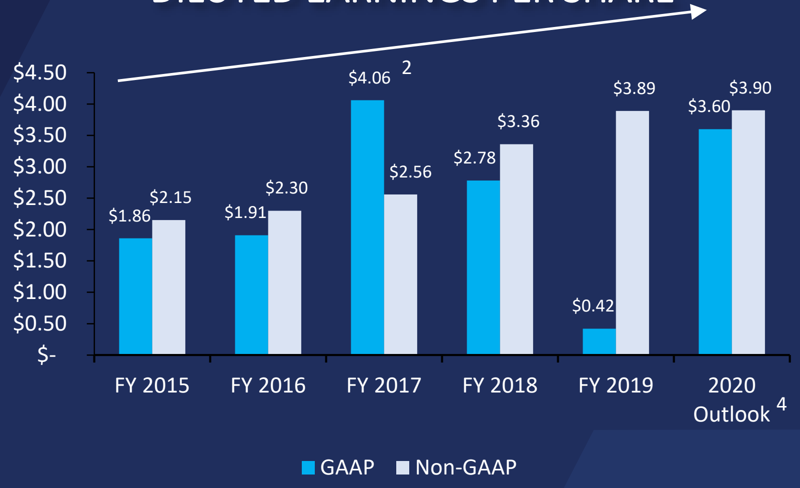
TOTAL REVENUES [3]



ADJUSTED EBITDA [1]



DILUTED EARNINGS PER SHARE



STRONG BALANCE SHEET

- Total liquidity of ~$444MM at 12/31/19
- Net debt to Adjusted EBITDA of 0.7x
- Ended the fourth quarter with $57.8MM in cash
- Debt-to-equity ratio of 0.90 for the period
- Authorization to purchase an additional $262.0 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 2020 Outlook figures represent midpoint of outlook range.

Aaron's, Inc.

REGULATORY INQURIIES

- In July 2018, the Company received civil investigative demands ("CIDs") from the Federal Trade Commission (the "FTC") regarding disclosures related to lease-to-own and other financial products offered by the Company through the Aaron's Business and Progressive and whether such disclosures violate the FTC Act
- December 2019 - Progressive reached an agreement in principle with the FTC with respect to a tentative settlement to resolve the FTC inquiry, with Progressive undertaking to make a lump-sum payment of $175.0MM to the FTC
- January 2020 - Progressive and the FTC agree on the terms of a related consent order
- Agreement requires Progressive to undertake certain compliance-related activities
- The Company recognized a charge during the fourth quarter 2019 of $179MM, including ~$4MM of legal fees
- Consent order is subject to approval of the FTC and U.S. District Court for the Northern District of Georgia

Appendix

Operational Highlights from the Fourth Quarter Ended December 31, 2019

TOTAL COMPANY

$1,003.6MM in Revenues
+8.4% YoY Growth

$125.2MM of Adjusted EBITDA[1]

2.0MM Customers Served
+5.4% YoY Growth

Generated **$317.2MM** in cash from operations during FY19

13.6% Net Debt to Capitalization
vs. **18.9%** in Q4'18

PROGRESSIVE BUSINESS SEGMENT

$559.5MM in Revenues
+22.3% YoY Growth

$77.1MM of Adjusted EBITDA[1]

1.0MM Customers Served
+22.4% YoY Growth

22,000 Active Doors

$1.7MM Invoice Volume in FY19
+22.3% YoY Growth

AARON'S BUSINESS SEGMENT

$435.0MM in Revenues
-5.4% YoY Growth
Same Store Revenues Up 0.4%

$49.3MM of Adjusted EBITDA[1]

1,167 Company Stores

335 Franchised Stores

Note: All data is as of or for the three months ending December 31, 2019 unless otherwise noted
[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 future retail partner pipeline conversions
- 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

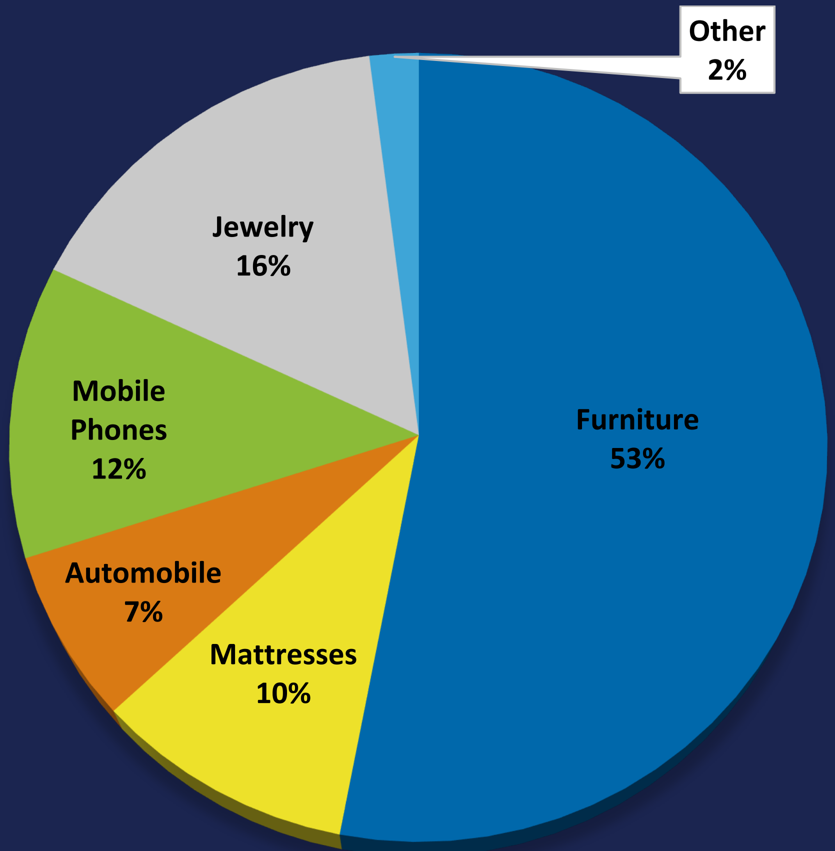
A Leader in Virtual Lease-to-Own

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 2019



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

Source: Aaron's, Inc. 10-K dated February 20, 2020

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

Progressive Leasing

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®

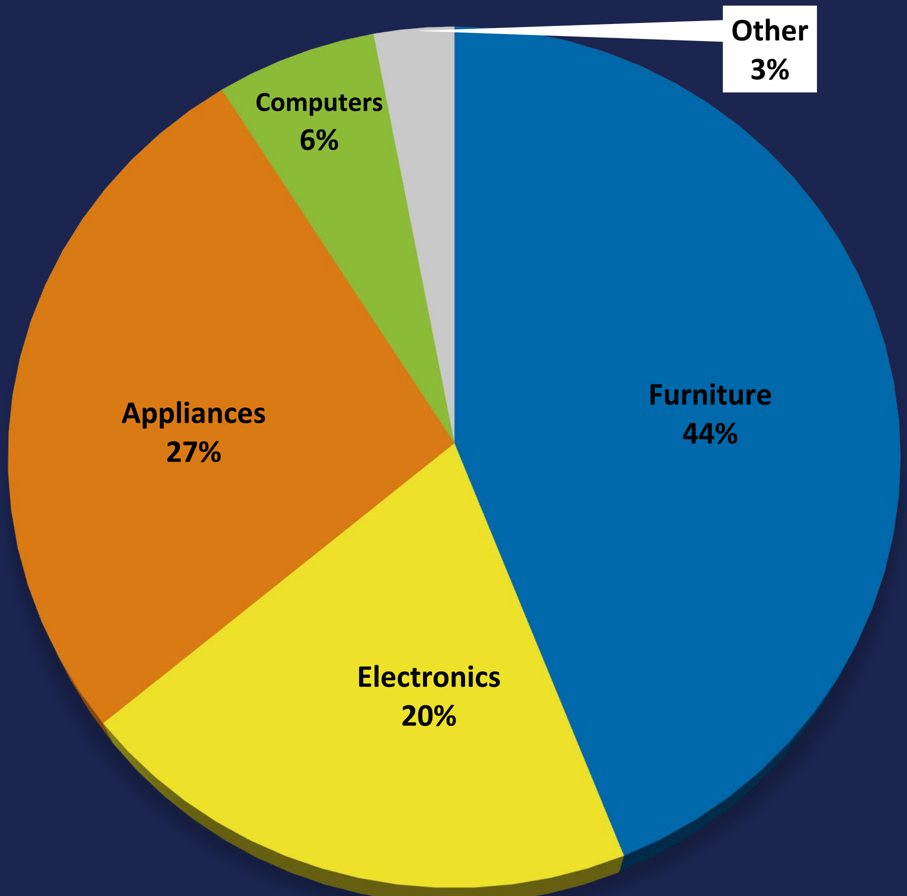
Easy. Beautiful. Affordable.

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 2019



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 acquisitions

Source: Aaron's, Inc. 10-K dated February 20, 2020

2020 OUTLOOK

(In thousands, except per share amounts)	2020 Outlook Low	2020 Outlook High
Aaron's Inc. - Total Revenues	$ 4,150,000	$ 4,300,000
Aaron's Inc. - EBITDA	430,000	458,000
Aaron's Inc. - Diluted EPS	3.50	3.70
Aaron's Inc. - Diluted Non-GAAP EPS	3.80	4.00
Aaron's Inc. - Capital Expenditures	90,000	100,000
Progressive - Total Revenues	2,540,000	2,635,000
Progressive - EBITDA	310,000	325,000
Aaron's Business - Total Revenues	1,575,000	1,625,000
Aaron's Business - EBITDA	125,000	135,000
Aaron's Business - Annual Same-Store Revenues	-4.0%	-2.0%
Vive - Total Revenues	35,000	40,000
Vive - Adjusted EBITDA	(5,000)	(2,000)

Source: Aaron's, Inc. fourth quarter earnings release dated February 20, 2020

(1) Reflects full year 2020 guidance provided in the Company's fourth quarter earnings release dated February 20, 2020

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 December 31,		(Unaudited) Twelve Months Ended December 31,	
	2019	2018	2019	2018
Net (Losses) Earnings	$ (107,057)	$ 61,743	$ 31,472	$ 196,210
Add Progressive Leasing-Related Intangible Amortization Expense (1)(2)	4,139	4,194	16,718	16,824
Add Franchisee-Related Intangible Amortization Expense(3)(4)	1,459	2,607	9,239	6,778
Add Restructuring Expense, net (5)(6)	1,874	421	30,833	857
Add Acquisition Transaction and Transition Costs(7)(8)	76	653	567	1,156
Add FTC Legal Expenses(9)	3,253	—	3,285	—
Add FTC Tentative Settlement	175,000	—	175,000	—
Less Impairment of Investment and Related Expenses(10)	—	—	—	16,779
Less Tax Act Adjustments	—	1,744	—	(529)
Less Gain on Sale of Building(11)	—	(600)	—	(601)
Non-GAAP Net Earnings	$ 78,744	$ 70,762	$ 267,114	$ 237,474
(Losses) Earnings Per Share Assuming Dilution	$ (1.60)	$ 0.89	$ 0.46	$ 2.78
Add Progressive Leasing-Related Intangible Amortization Expense (1)(2)	0.06	0.06	0.24	0.24
Add Franchisee-Related Intangible Amortization Expense(3)(4)	0.02	0.04	0.13	0.10
Add Restructuring Expense, net(5)(6)	0.03	0.01	0.45	0.01
Add Acquisition Transaction and Transition Costs(7)(8)	—	0.01	0.01	0.02
Add FTC Legal Expenses(9)	0.05	—	0.05	—
Add FTC Tentative Settlement	2.56	—	2.55	—
Less Impairment of Investment and Related Expenses(10)	—	—	—	0.24
Less Tax Act Adjustments	—	0.03	—	(0.01)
Less Gain on Sale of Building(11)	—	(0.01)	—	(0.01)
Non-GAAP Earnings Per Share Assuming Dilution(12)	$ 1.15	$ 1.02	$ 3.89	$ 3.36
Weighted Average Shares Outstanding Assuming Dilution	68,308	69,408	68,631	70,597

(1) Net of taxes of $1,282 and $4,965 for the three and twelve months ended December 31, 2019 calculated using the estimated tax rates of 23.66% and 22.90% for the respective periods.

(2) Net of taxes of $1,227 and $4,859 for the three and twelve months ended December 31, 2018 calculated using the estimated tax rates of 22.63% and 22.41% for the respective periods.

(3) Net of taxes of $452 and $2,744 for the three and twelve months ended December 31, 2019 calculated using the estimated tax rates of 23.66% and 22.90% for the respective periods.

(4) Net of taxes of $763 and $1,958 for the three and twelve months ended December 31, 2018 calculated using the estimated tax rates of 22.63% and 22.41% for the respective periods.

(5) Net of taxes of $581 and $9,157 for the three and twelve months ended December 31, 2019 calculated using the estimated tax rates of 23.66% and 22.90% for the respective periods.

(6) Net of taxes of $123 and $248 for the three and twelve months ended December 31, 2018 calculated using the estimated tax rates of 22.63% and 22.41% for the respective periods.

(7) Net of taxes of $24 and $168 for the three and twelve months ended December 31, 2019 calculated using the estimated tax rates of 23.66% and 22.90% for the respective periods.

(8) Net of taxes of $191 and $334 for the three and twelve months ended December 31, 2018 calculated using the estimated tax rates of 22.63% and 22.41% for the respective periods.

(9) Net of taxes of $1,008 and $976 for the three and twelve months ended December 31, 2019 calculated using the estimated tax rates of 23.66% and 22.90% for the respective periods.

(10) Net of taxes of $4,846 for the twelve months ended December 31, 2018 calculated using the estimated tax rate of 22.41% for the period.

(11) Net of taxes of $175 and $174 for the three and twelve months ended December 31, 2018 calculated using the estimated tax rates of 22.63% and 22.41% for the respective periods.

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

Aaron's, Inc.

Source: Aaron's, Inc. fourth quarter earnings release dated February 20, 2020

RECONCILIATION OF 2020 CURRENT OUTLOOK FOR ADJUSTED EBITDA (IN THOUSANDS)

Reconciliation of 2020 Outlook for Adjusted EBITDA
(In thousands)

	Fiscal Year 2020 Ranges			
	Progressive Leasing	Aaron's Business	Vive	Consolidated Total
Estimated Net Earnings				\$233,500 - \$255,000
Taxes[1]				74,000 - 80,500
Projected Earnings Before Taxes	\$260,500 - \$275,500	\$58,000 - \$68,000	\$(11,000) - \$(8,000)	307,500 - 335,500
Interest Expense	17,000	(6,000)	4,000	15,000
Depreciation	10,500	68,000	1,000	79,500
Amortization	22,000	5,000	1,000	28,000
Projected EBITDA	310,000 - 325,000	125,000 - 135,000	(5,000) - (2,000)	430,000- 458,000

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

Aaron's, Inc.

Source: Aaron's, Inc. fourth quarter earnings release dated February 20, 2020

RECONCILIATION OF 2020 CURRENT OUTLOOK FOR EARNINGS PER SHARE

Reconciliation of 2020 Outlook for Earnings Per Share Assuming Dilution to Non-GAAP Earnings Per Share Assuming Dilution

	Fiscal Year 2020 Range	
	Low	High
Projected Earnings Per Share Assuming Dilution	$ 3.50	$ 3.70
Add Projected Intangible Amortization Expense[1]	0.30	0.30
Projected Non-GAAP Earnings Per Share Assuming Dilution	$ 3.80	$ 4.00

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

Aaron's, Inc.

Source: Aaron's, Inc. fourth quarter earnings release dated February 20, 2020