



Investor Presentation
SEPTEMBER 2018

Forward Looking Statements & Other Disclosure Matters

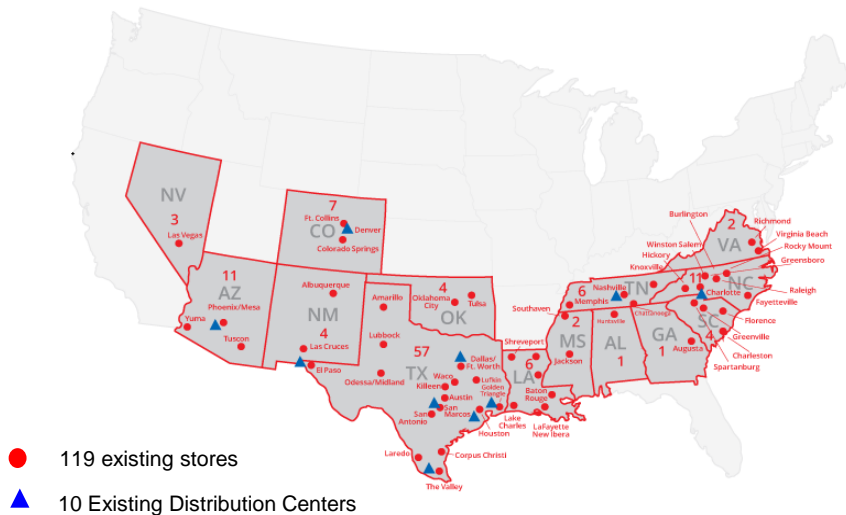
Forward-Looking Statements - This presentation contains forward-looking statements within the meaning of the federal securities laws, including but not limited to, the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements include information concerning the Company's future financial performance, business strategy, plans, goals and objectives. Statements containing the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," "predict," "will", "potential" or the negative of such terms or other similar expressions are generally forward-looking in nature and not historical facts. Such forward-looking statements are based on our current expectations. We can give no assurance that such statements will prove to be correct, and actual results may differ materially. A wide variety of potential risks, uncertainties, and other factors could materially affect the our ability to achieve the results either expressed or implied by our forward-looking statements including, but not limited to: general economic conditions impacting our customers or potential customers; our ability to execute periodic securitizations of future originated customer loans on favorable terms; our ability to continue existing customer financing programs or to offer new customer financing programs; changes in the delinquency status of our credit portfolio; unfavorable developments in ongoing litigation; increased regulatory oversight; higher than anticipated net charge-offs in the credit portfolio; the success of our planned opening of new stores; technological and market developments and sales trends for our major product offerings; our ability to manage effectively the selection of our major product offerings; our ability to protect against cyber-attacks or data security breaches and to protect the integrity and security of individually identifiable data of our customers and employees; our ability to fund our operations, capital expenditures, debt repayment and expansion from cash flows from operations, borrowings from our revolving credit facility, and proceeds from accessing debt or equity markets; and other risks detailed Part I, Item 1A, Risk Factors, in our Annual Report on Form 10-K for the fiscal year ended January 31, 2018 and other reports filed with the SEC. If one or more of these or other risks or uncertainties materialize (or the consequences of such a development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. We disclaim any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise, or to provide periodic updates or guidance. All forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

Non-GAAP Measures - To supplement financial measures that are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), we may also provide adjusted non-GAAP financial measures. These non-GAAP financial measures are not meant to be considered as a substitute for comparable GAAP measures but should be considered in addition to results presented in accordance with GAAP, and are intended to provide additional insight into our operations and the factors and trends affecting the business. Management believes these non-GAAP financial measures are useful to financial statement readers because (1) they allow for additional transparency with respect to key metrics we use in our financial and operational decision making and (2) they are used by some of our institutional investors and the analyst community to help them analyze our operating results.

Conn's, Inc. Overview

Conn's is a specialty retailer of durable consumer goods and provider of financing solutions to credit-constrained consumers

- Headquartered in The Woodlands, TX with 119 stores located throughout 14 states
- Conn's has corporate ratings of B1/B (Moody's/S&P)
- Conn's core customer demographic represents under-served consumers that typically have credit scores between 550 and 650 and who usually have limited financing options
 - These customers typically earn \$25,000-\$60,000 in annual income, live in densely populated and mature neighborhoods, and usually shop to replace older household goods with newer items
- Conn's operates through two segments, retail and credit, and provides the opportunity to purchase high quality premium brand products across four primary categories: furniture and mattresses, appliances, electronics, and home office goods
 - Strategy is to drive repeat business at the retail level through unique retail and credit offering
- Conn's product selection is focused on higher priced, large ticket items (e.g. bedroom sets, mattresses, refrigerators, and televisions) which generate higher margins and typically require some form of customer financing



Retail Overview

Retail Segment

- The 119 stores are located in areas densely populated by Conn's core customer demographic and range in size from 30,000-50,000 square feet; stores deliver annual sales of \$10.7 million on average per location ⁽¹⁾
- Conn's offers a high level of customer service through a trained and motivated commission-based sales force as well as quick delivery and installation, and product repair or replacement services

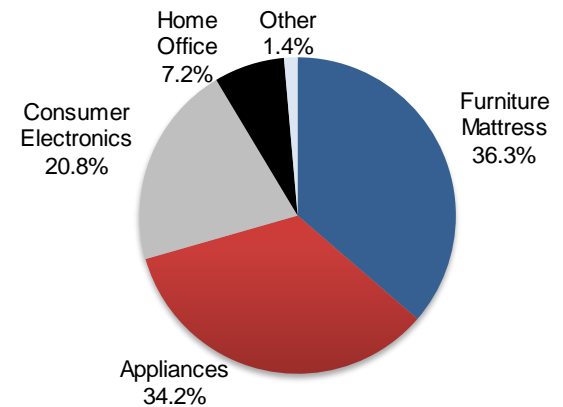


High Quality Brands

Home Appliance	Furniture	Mattress	Consumer Electronics	Home Office
LG	FRANKLIN CORPORATION	Beautyrest	LG	hp
SAMSUNG	JACKSON JACKSON	Serta perfect sleeper	SAMSUNG	DELL
FRIGIDAIRE	CatNappper	Serta	SONY	Apple
FRIEDRICH	elements	icomfort	BOSE	
Weber	NEW CLUBE	Serta	beats by dr.dre	
dyson	klaussner	Serta	MONSTER	
Whirlpool	Lincoln	Serta	TCL	
MAYTAG		Serta	audioquest	
KAMADOJOE		Serta		

~2,300 quality branded products from ~200 manufacturers

Retail Product Mix Q2 FY19



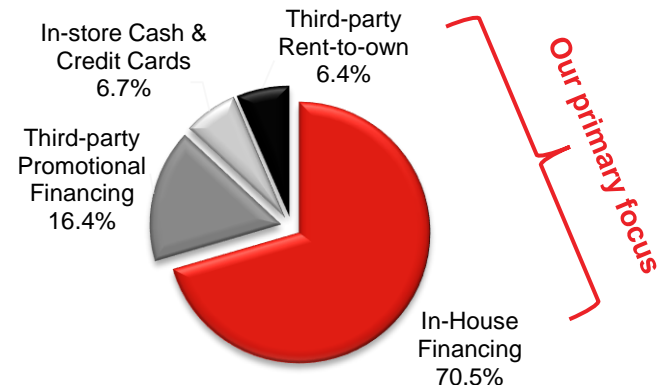
⁽¹⁾ For locations open 12 months as of July 31, 2018

Q2 Product Mix may not total to 100% due to rounding

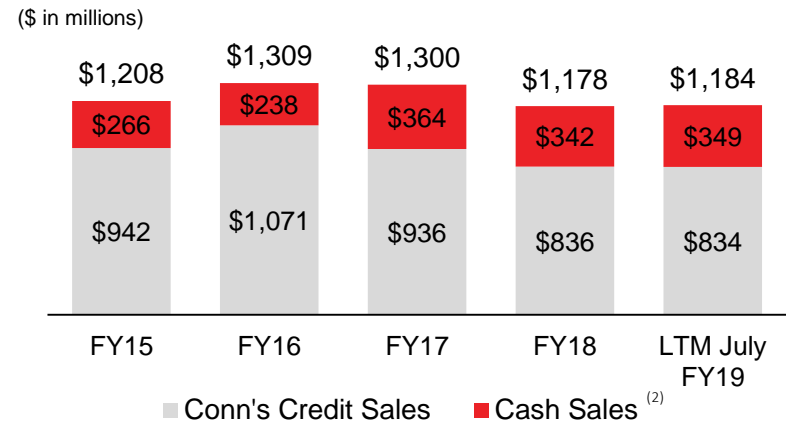
Credit Program Overview

- Offering in-house credit for over 50 years
 - Provides solid foundation for underwriting decisions
 - Proven through multiple business cycles and a deep recession
- Credit decisioning and collection operations are independent of retail operations
- Simple, secured installment contracts
- Consumer receivables secured by long-lived products that customers consider integral to their everyday lives

Q2 FY19 Method of Payment



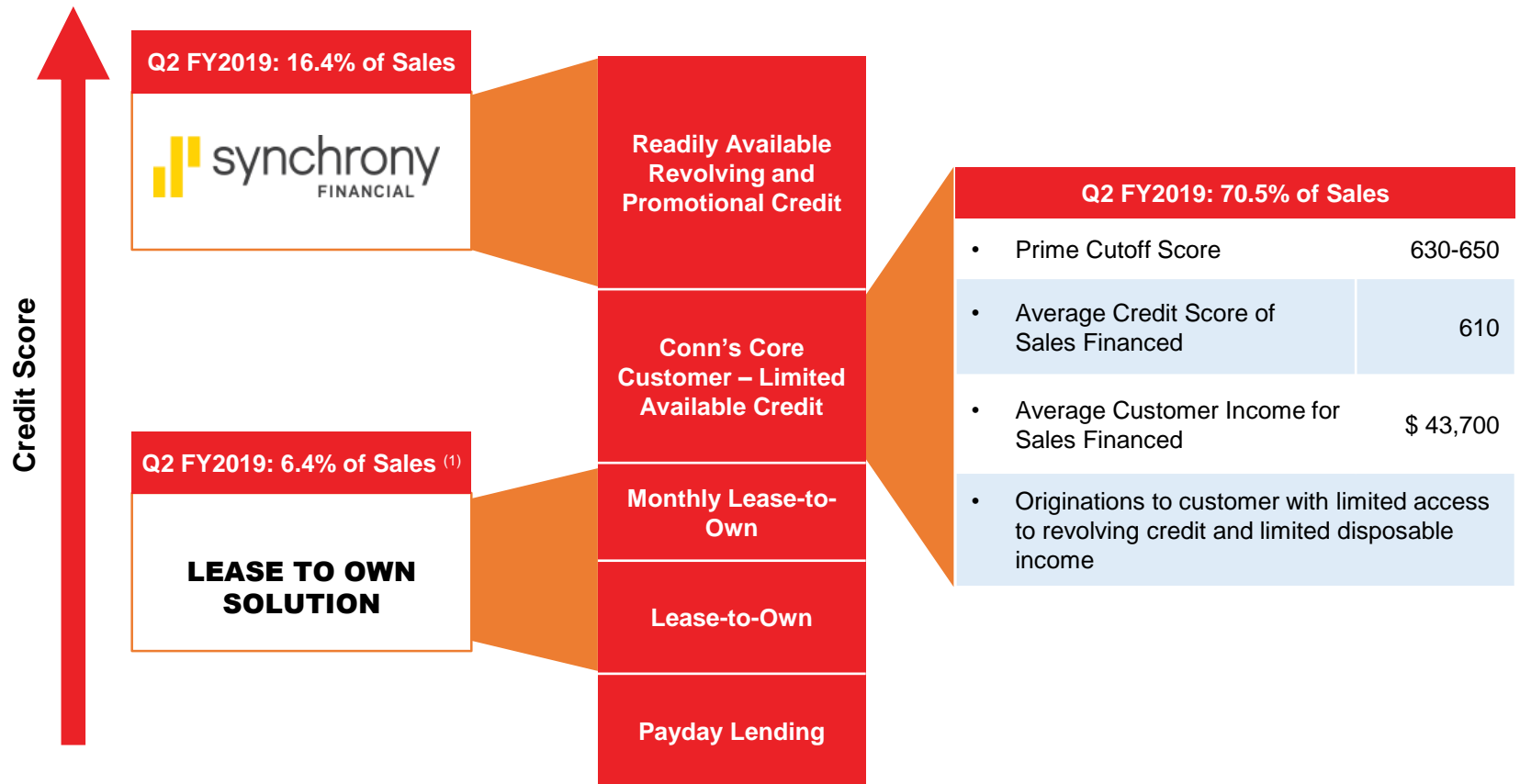
Total Retail Sales ⁽¹⁾ Financed



(1) Conn's credit sales includes Product Sales and Repair Service Agreement ("RSA") commissions, excludes Service Revenues and FC&O related to retail segment

(2) In addition to cash sales, Conn's receives timely cash payments for credit card, third-party financing and lease-to-own business

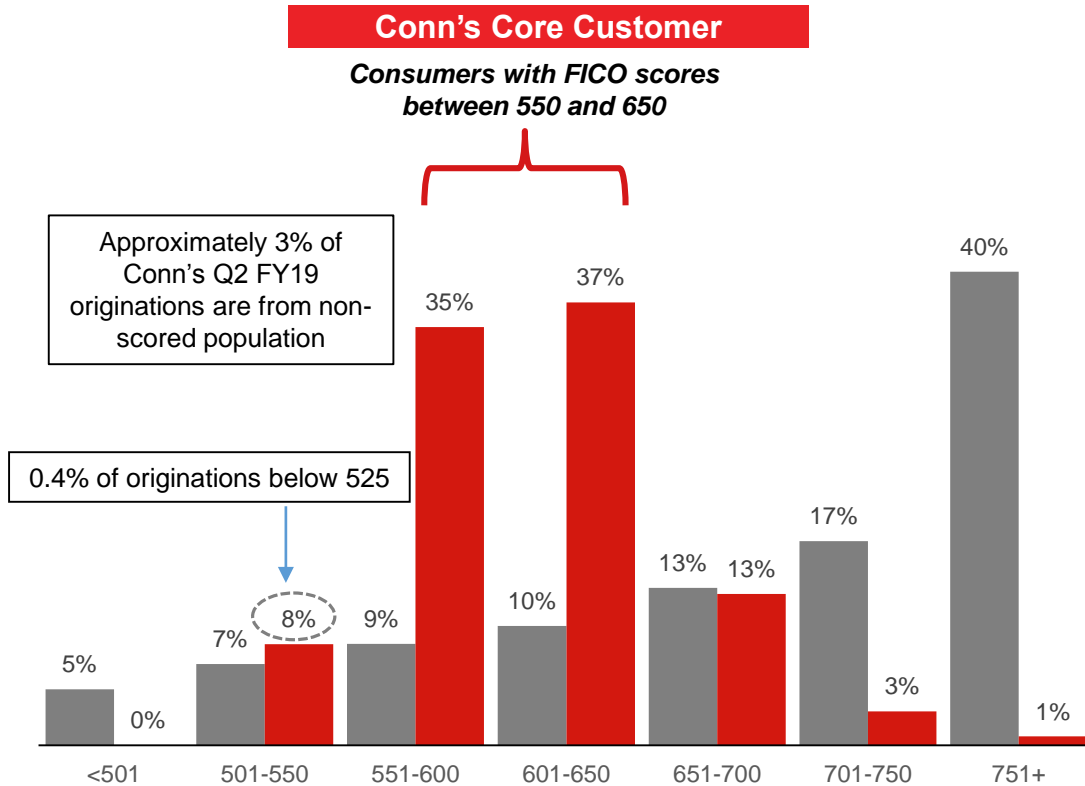
Providing Credit for a Wide Range of Consumers



Note: Credit scores exclude non-scored accounts

(1) Progressive Leasing is our current lease-to-own partner

Core Customer Base



Conn's Origination Credit Score as % of Q2 FY19 Scored Originations (1)

National Credit Score as % of US Population (2)

Lifestyle of a Conn's Target Customer

- The best of life is in the home
- Entertainment outside of the home is often cost prohibitive
- Average American watches 35 hours of television per week
- Difficult to acquire quality products to improve life in the home

Core customer market makes up approximately 1/5 of the US population

(1) Conn's credit score distribution based on credit score of originations for three months ended July 31, 2018

(2) National credit score distribution as of April 2017 (Source is FICO)

Conn's Strong Value Proposition

- Premium shopping experience
- Competitively priced assortment of high-quality, aspirational products
- EDLC – “Every Day Low Cost” for our customer
- Low-cost, low-risk source of financing for our core customer
- Next-day delivery and after sale repair service

TOP BRAND NAMES

We carry the top name brands you know and trust, plus the newest styles and the latest technology.

You Deserve It.



LOW PRICE GUARANTEE

If you find the same item advertised in the weekly print ad at an established retailer (excluding Internet-only competitors) within 30 days of your purchase, we'll match it. No questions, no hassles. It's that easy.

You Deserve It.



YES MONEY[®] FINANCING

Whether you've got bad credit, no credit, even if you've been turned down other places, we say "YES"! That's because we finance you with our own YES MONEY!

You Deserve It.



Comparison of Value Proposition

Example of \$2,000 Purchase in Texas

Monthly Payment		Total Payments		
▪ Conn's in-house financing ⁽¹⁾	\$85	▪ Conn's in-house financing ⁽¹⁾	\$3,056	<u>Relative Price</u> --
▪ National rent-to-own provider A ⁽²⁾	\$168	▪ National rent-to-own provider A ⁽²⁾	\$5,865	1.9x
▪ National rent-to-own provider B ⁽³⁾	\$249	▪ National rent-to-own provider B ⁽³⁾	\$6,213	2.0x
▪ CSO payday installment loan provider ⁽⁴⁾	\$909	▪ CSO payday installment loan provider ⁽⁴⁾	\$4,549	1.5x

Other Potential Sources of Financing

- Short-term payday lending
- Subprime credit card – limited availability, low balance, high fees
- Using Conn's in-house credit preserves access to emergency funding
- My Best Buy Visa purchase variable APR is up to 29.74%; Amazon.com store card standard variable purchase APR is 27.74% ⁽⁵⁾

(1) Assumes 36-month term and no down payment

(2) Assumes 34-month term and \$153 initial payment

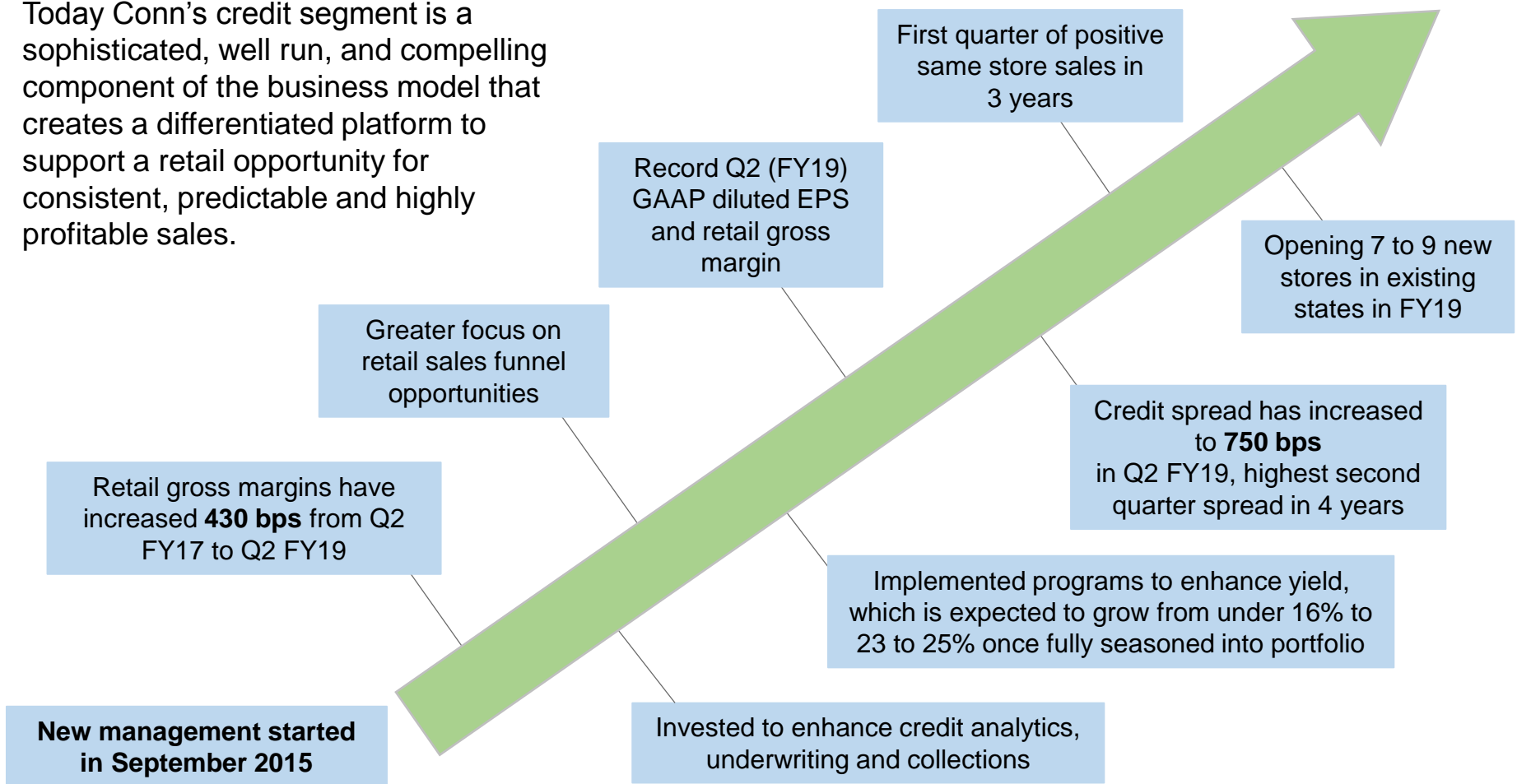
(3) Assumes 24-month term and \$249 initial payment

(4) Assumes 5-month term and no down payment; includes interest and CSO fees; without auto payment

(5) Source www.bestbuy.com and www.amazon.com

Evolution Since New Management Team Started

Today Conn's credit segment is a sophisticated, well run, and compelling component of the business model that creates a differentiated platform to support a retail opportunity for consistent, predictable and highly profitable sales.



FY19 - Strategic Priorities

Conn's unmatched value proposition, combining a differentiated credit offering and a compelling retail experience provides the company with significant opportunity to grow profitably

Retail Segment Strategic Priorities

Improve same store sales performance to positive low single digits

- Optimize mix of quality, branded products and gain efficiencies in warehouse, delivery and transportation costs
- Maximize significant retail sales opportunity as identified in our sales funnel
- Continue to increase lease-to-own sales
- Open seven to nine new stores in FY19 and 10 to 15 new stores in FY20 in our current footprint to leverage existing infrastructure
- Maintain disciplined oversight of our SG&A expenses

Credit Segment Strategic Priorities

Continue to improve credit spread towards our stated goal of 1,000 bps

- Increase interest income by continuing to originate higher-yielding loans; approximately 90% of current originations are at higher weighted average interest rate
- Refine and enhance our underwriting model to find incremental sales opportunities, while continuing to reduce losses and improve overall portfolio performance
- Continue to focus on reducing leverage and lowering interest expense

Second Quarter FY19 - Highlights

Financial Performance

Fifth consecutive quarter of profitability

- Q2 FY19 net income increased to \$17.0 million versus Q2 FY18 net income of \$4.3 million
- Diluted GAAP EPS of \$0.53 in Q2 FY19 compared to \$0.14 for Q2 FY18, a record second quarter diluted EPS
- Operating income in Q2 FY19 increased 34.5% or \$10.1 million to \$39.3 million versus prior year

Retail Segment

Retail gross margin

- Total retail sales growth of 3.5% due to strong performance of our new stores
- SSS of 0.3%, first quarter of positive same store sales in three years
- Quarterly retail gross margin of 41.4%, 160 bps increase versus prior year

Credit Segment

Record yield and lower charge-offs led to the highest Q2 spread since FY15

- Record yield of 21.3% improved 260 bps from prior year, with credit spread of 750 bps
- 60+ day delinquency rate declined 140 bps from Q2 FY18, reflecting fourth consecutive quarter of decrease and a decrease of 50 bps from Q1 FY19, the first decline from Q1 to Q2 in seven years
- Provision for first half of FY19 was \$10.6 million below last year (a decrease of 10.1%)

Capital Structure

Lowest interest expense in past twelve quarters

- Interest expense in Q2 FY19 declined \$4.5 million or 22.3% from last year
- As a percent of revenues, Q2 interest expense was 4.0% versus 5.5% for same period last year
- Continue to deleverage the balance sheet with operating profitability

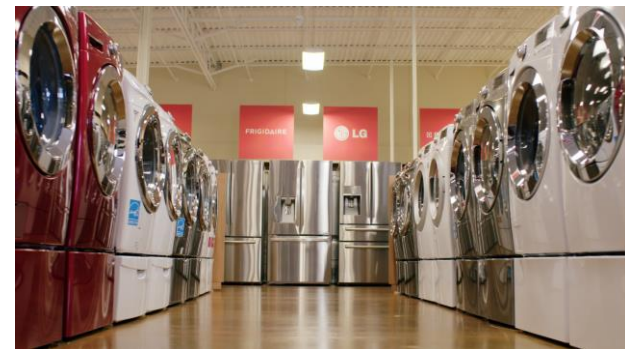
Retail Review



Differentiated Retail Strategy

Conn's unique business model provides it with critical competitive advantages

- Approximately 71% of product sales are derived from larger durable home goods (furniture, mattresses and appliances)
 - Customers typically like to view and touch in person
- Next day delivery and in-house aftermarket repair service
- Focus on core subprime customer
 - Allow customers to make aspirational home product purchases
 - Affordable payment options via Conn's in-house credit or other third party financing solutions

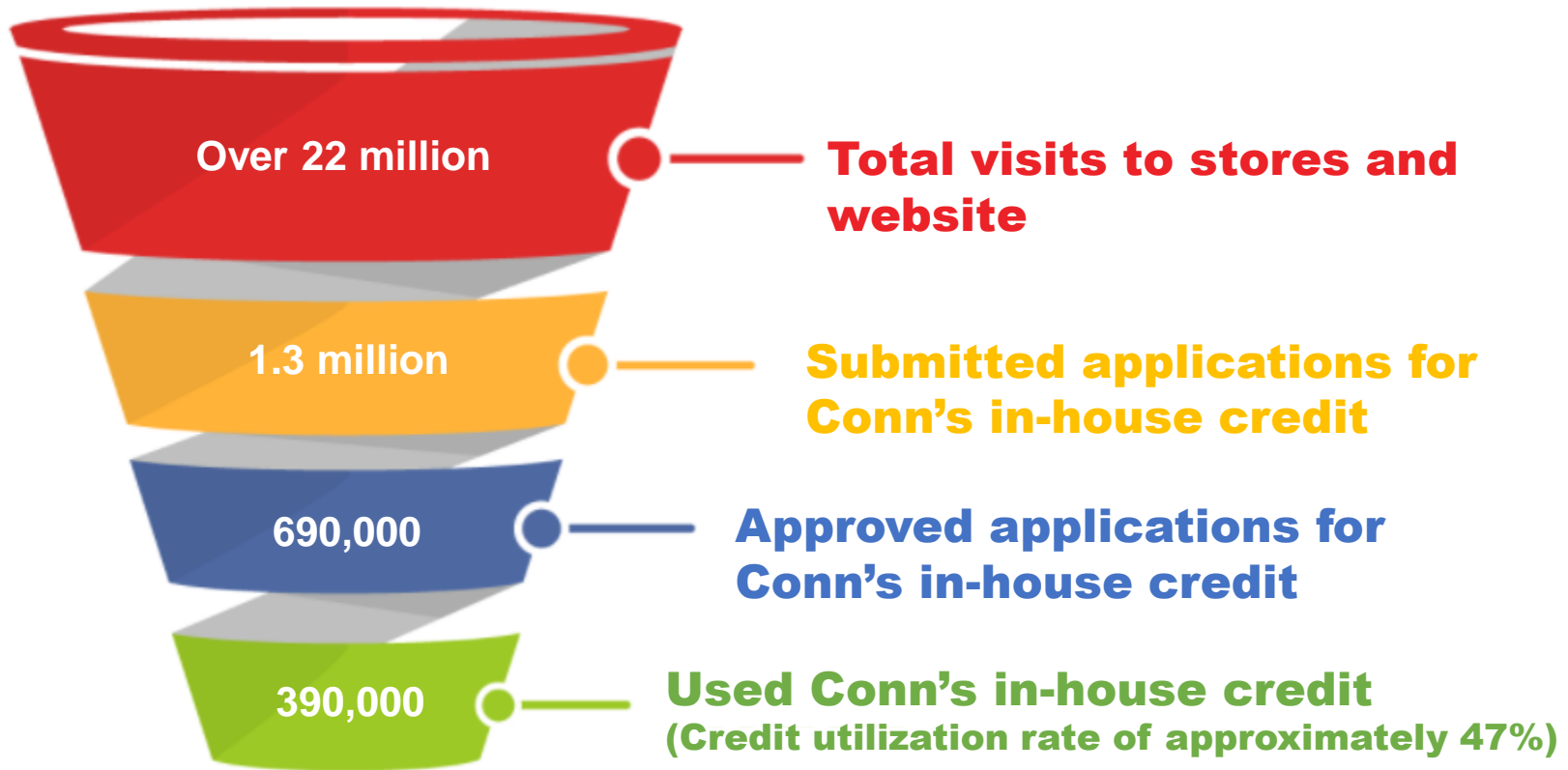


Q2 FY19 - Retail Segment Overview

- Q2 FY19 total sales increased +3.5% and same store sales were up +0.3%, the first quarter of positive same store sales in three years
- Retail margin in Q2 FY19 was 41.4%, improving 160 bps from prior year rate of 39.8%
 - Margin expansion continues to be driven by improved product margins in almost all product categories
 - Retail operating income in Q2 FY19 was \$39.2 million, up by \$7.9 million or 25.4% versus prior year

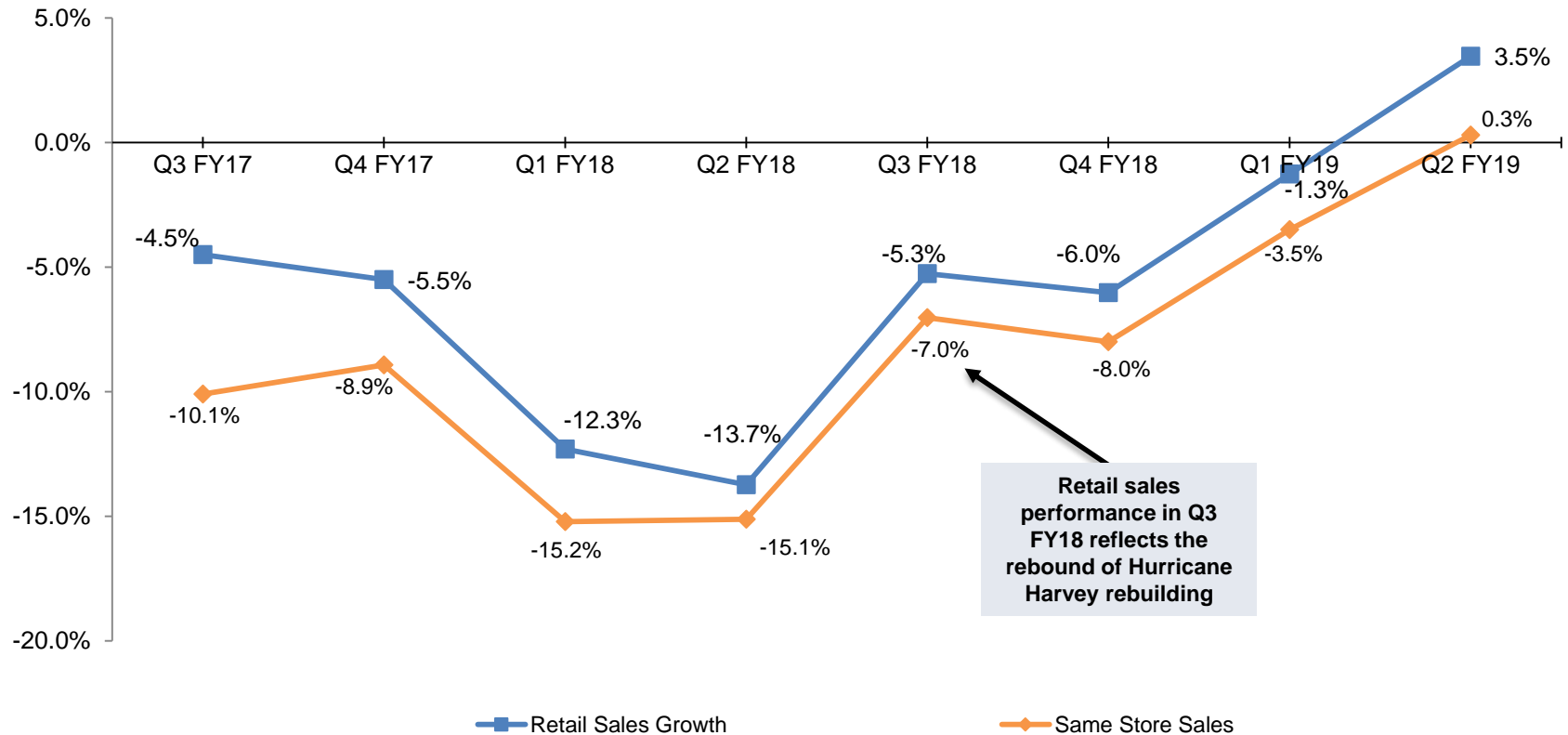
Retail performance and margin remain strong

Multiple Retail Growth Opportunities

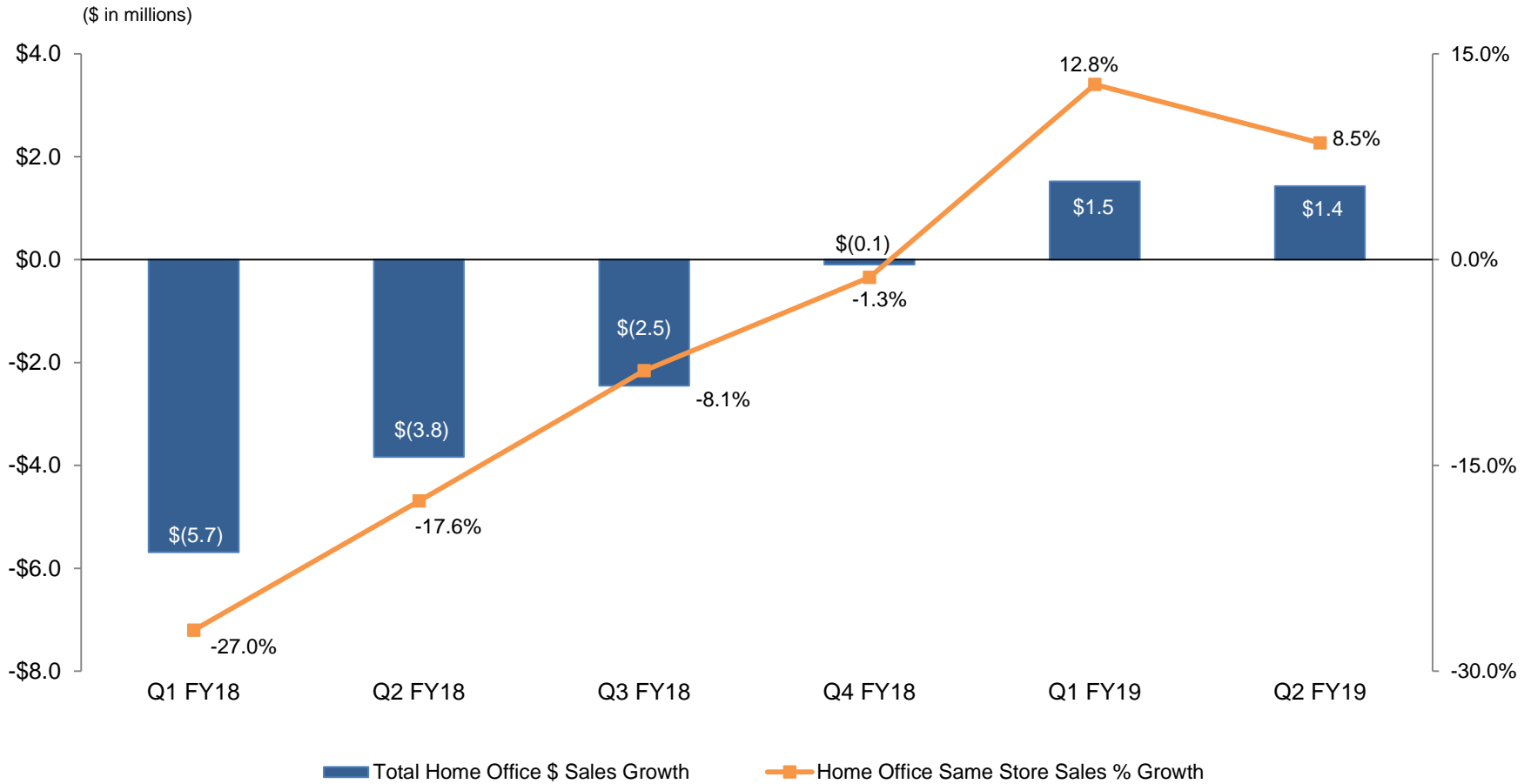


Data represents FY18 actuals

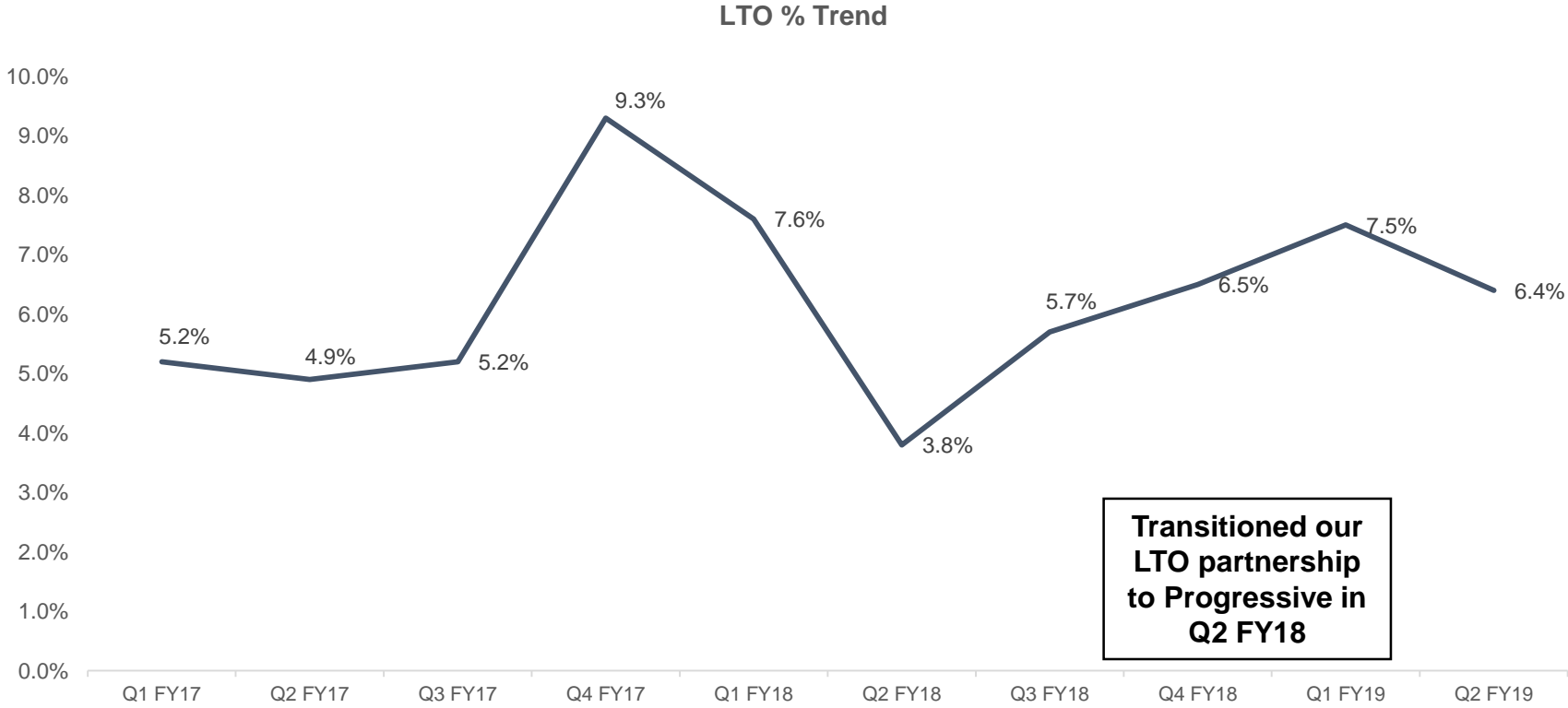
Retail Sales Growth



Home Office Growth



Lease-to-Own Penetration



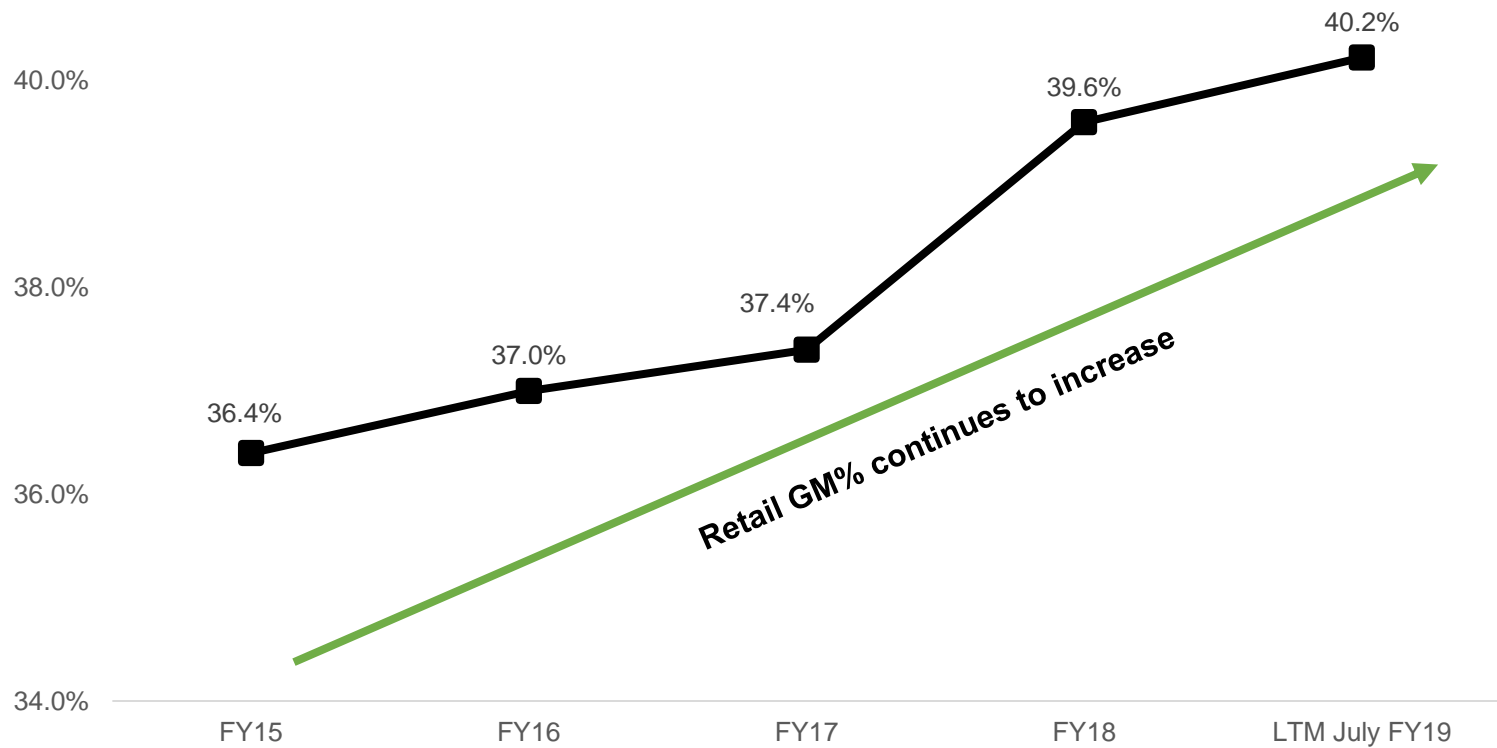
Transitioned our LTO partnership to Progressive in Q2 FY18

Long-Term LTO Goal is 10%



Retail Margin

Record Second Quarter Retail Margin of 41.4%, +160 bps Year over Year



Product Sales and Margin Mix

	Same Store Sales ⁽¹⁾		Q2 Product Mix		Q2 Gross Profit Mix	
	<u>Q2</u>	<u>Q2</u>	<u>FY19</u>	<u>FY18</u>	<u>FY19</u>	<u>FY18</u>
Furniture and Mattress	-2.3%	1.9%	36.3%	36.7%	50.0%	51.3%
Home Appliance	0.4%	2.7%	34.2%	34.3%	28.6%	27.0%
Consumer Electronics	5.3%	5.1%	20.8%	20.4%	16.7%	17.3%
Home Office	8.5%	8.0%	7.2%	6.9%	4.2%	3.6%
Other ⁽²⁾	-18.2%	-16.0%	1.4%	1.7%	0.4%	0.8%
Product sales	0.6%	2.9%	100.0%	100.0%	100.0%	100.0%
Repair Service Agreement commissions ⁽³⁾	-1.9%	9.1%				
Service		5.2%				
Total net sales	0.3%	3.5%				

(1) Same store sales include stores operating in both comparative full periods

(2) Other category includes delivery, installation and outdoor product revenues

(3) The total change in sales of repair service agreement commissions includes retrospective commissions, which are not reflected in the change in same store sales.

Notes:

Q2 Product and Gross Profit Mix may not total to 100% due to rounding

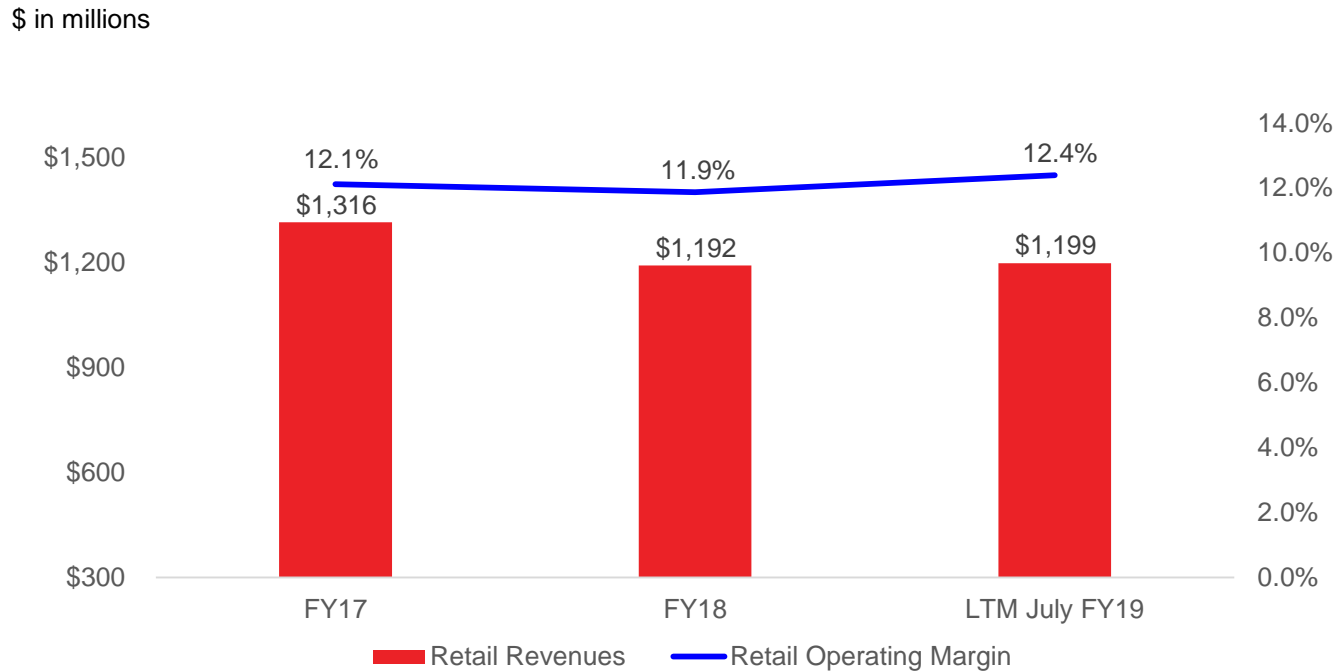
During the three months ended July 31, 2017, we reclassified certain products from the consumer electronics and home office product categories into the furniture and mattress product category. Net sales of these products reflected in the consumer electronics and home office product categories for the three months ended July 31, 2017 were \$2.8 million and \$0.8 million, respectively. The change in same store sales reflects the current product classification for both periods presented

Cost of Goods and SG&A - Retail Segment

	Q2 FY19	Q2 FY18	FY18	FY17	FY16	FY15
Percent of Total Retail Net Sales:						
Cost of Goods Sold	58.6%	60.2%	60.4%	62.6%	63.0%	63.6%
Percent of Total Retail Revenue:						
Advertising	7.0%	8.0%	7.3%	7.1%	6.8%	6.9%
Compensation and benefits	10.2%	9.9%	9.9%	9.6%	10.1%	10.4%
Occupancy	8.7%	8.5%	8.3%	7.3%	6.2%	5.6%
All Other	2.1%	1.2%	1.0%	0.8%	0.6%	0.6%
Total SG&A	28.0%	27.5%	26.5%	24.8%	23.7%	23.5%

Notes:
Cost of Goods and SG&A may not total to 100% due to rounding

Retail Revenue and Operating Margin



Retail operating margin rate increased by 230 bps in the second quarter from 10.9% in FY18 to 13.2% in FY19

Note: As reported

Credit Review



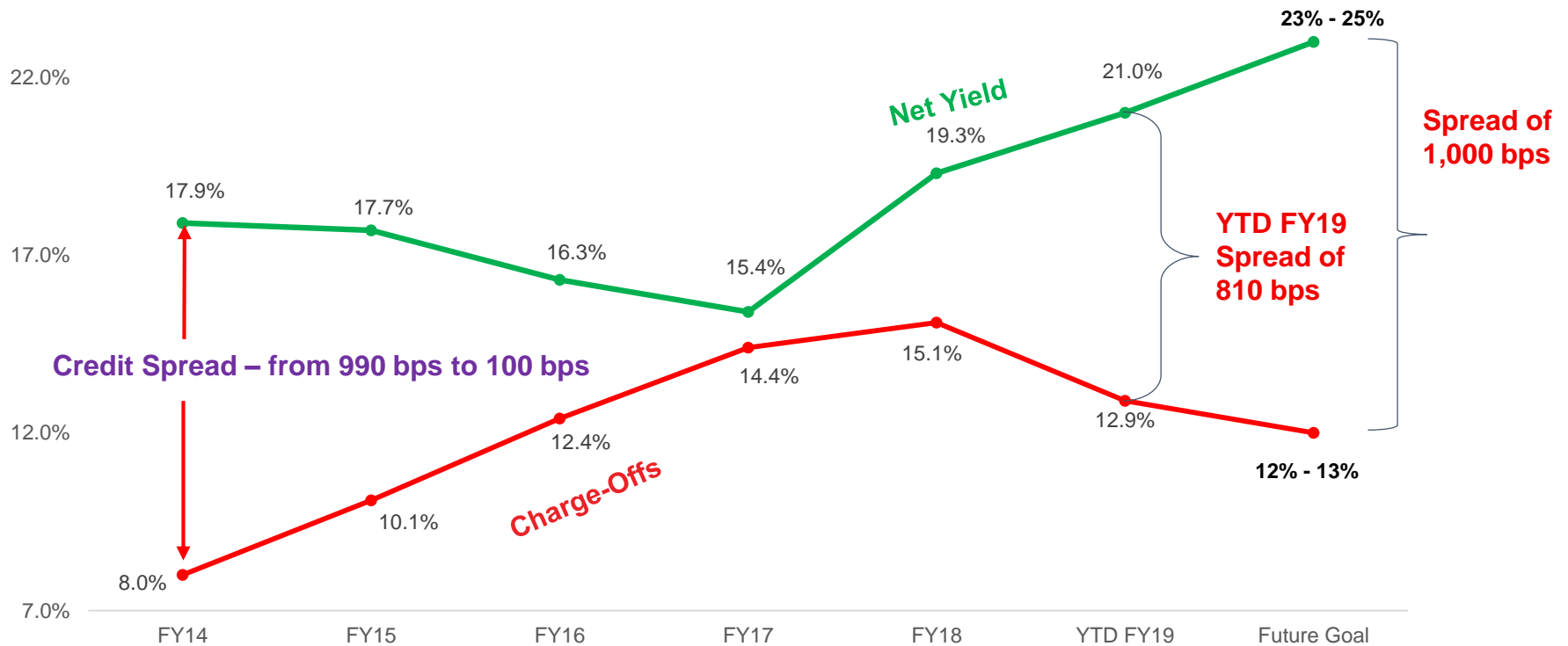
Q2 FY19 - Credit Segment Overview

- In Q2 FY19, the credit segment results benefited from higher finance charges, stronger portfolio fundamentals and lower borrowing costs, resulting in significantly improved results
- Interest income and fee yield of 21.3% in Q2 FY19 increased 260 bps from prior year
- 60+ Day rate declined 140 bps versus prior year period and represented the fourth consecutive quarter of decline and declined 50 bps vs Q1 FY19, the first decline from Q1 to Q2 in seven years
- Q2 FY19 net charge-offs decreased by \$3.0 million from prior year
- Vintage FY18 cumulative loss rate through second quarter is lower than vintage FY17 cumulative loss rate through its second quarter, first year-over-year decline in the past six years
- Interest expense in Q2 FY19 decreased \$4.5 million or 22.3% from prior year

Our second quarter credit trends reflect continued momentum in our transformation and demonstrate our credit strategy is producing the expected results

Credit Business - Future Goal

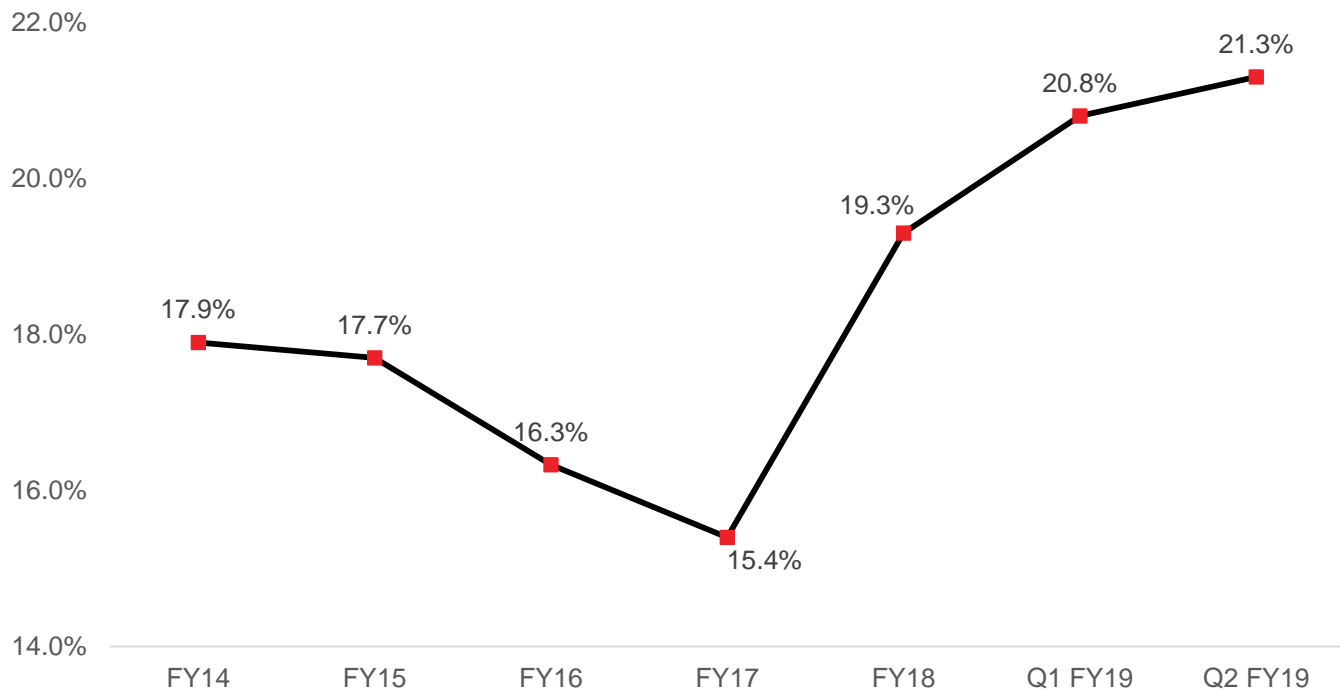
Q2 FY19 spread was 750 bps (highest Q2 spread since FY15)



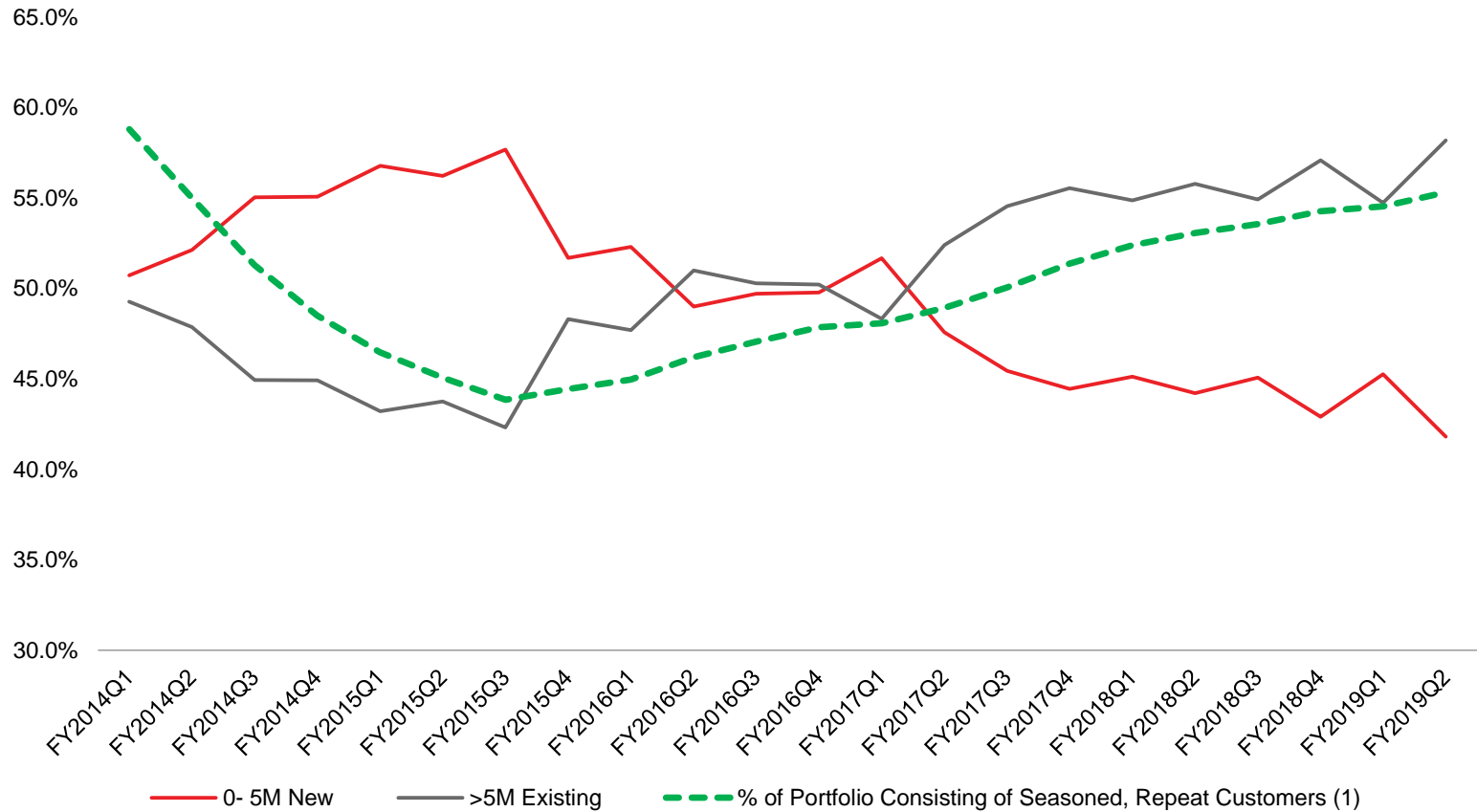
Interest Income & Fee Yield

Record yield achieved in Q2 FY19

Q2 represented the eight consecutive quarter of incremental yield improvement



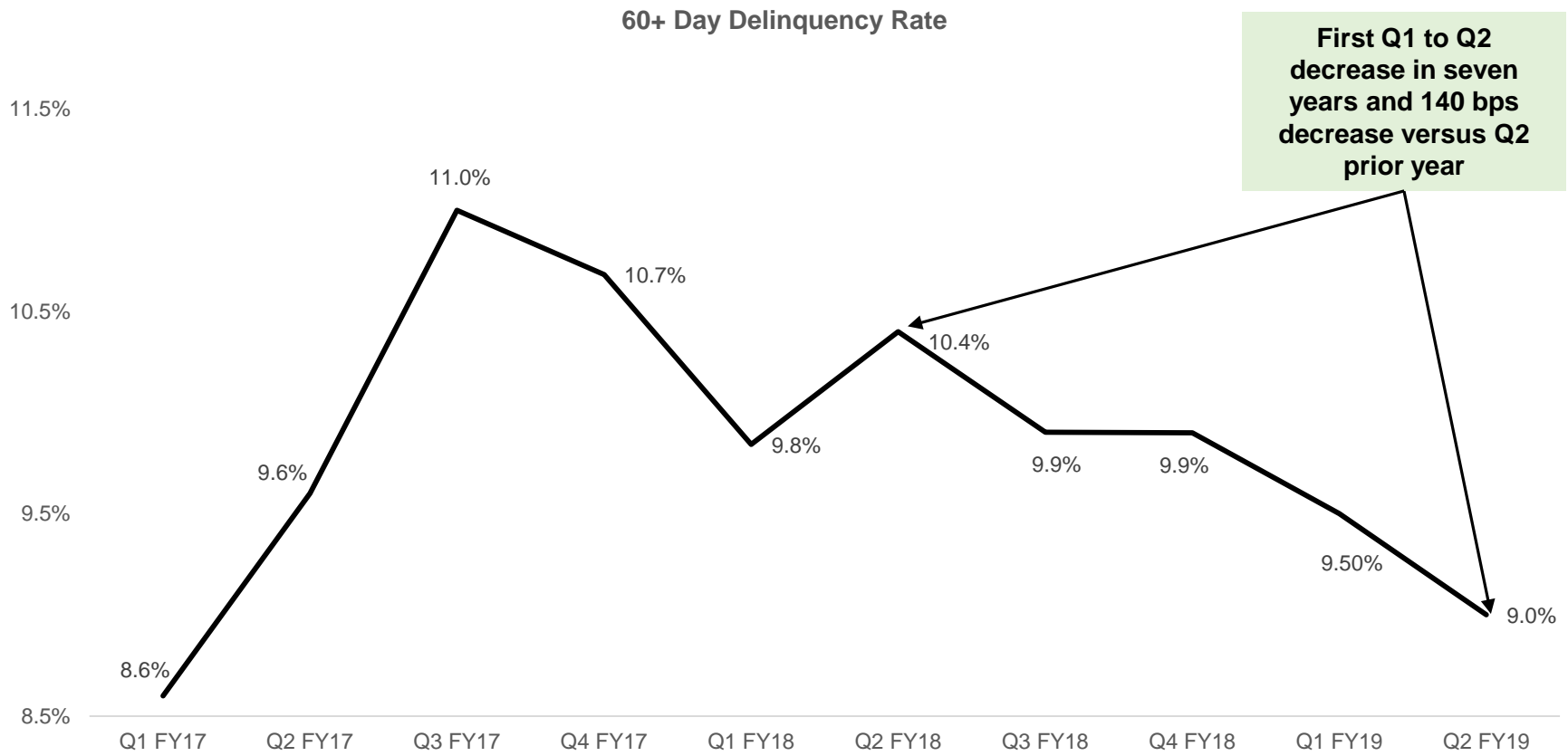
Percentage of Originations - by Time on Books (1)



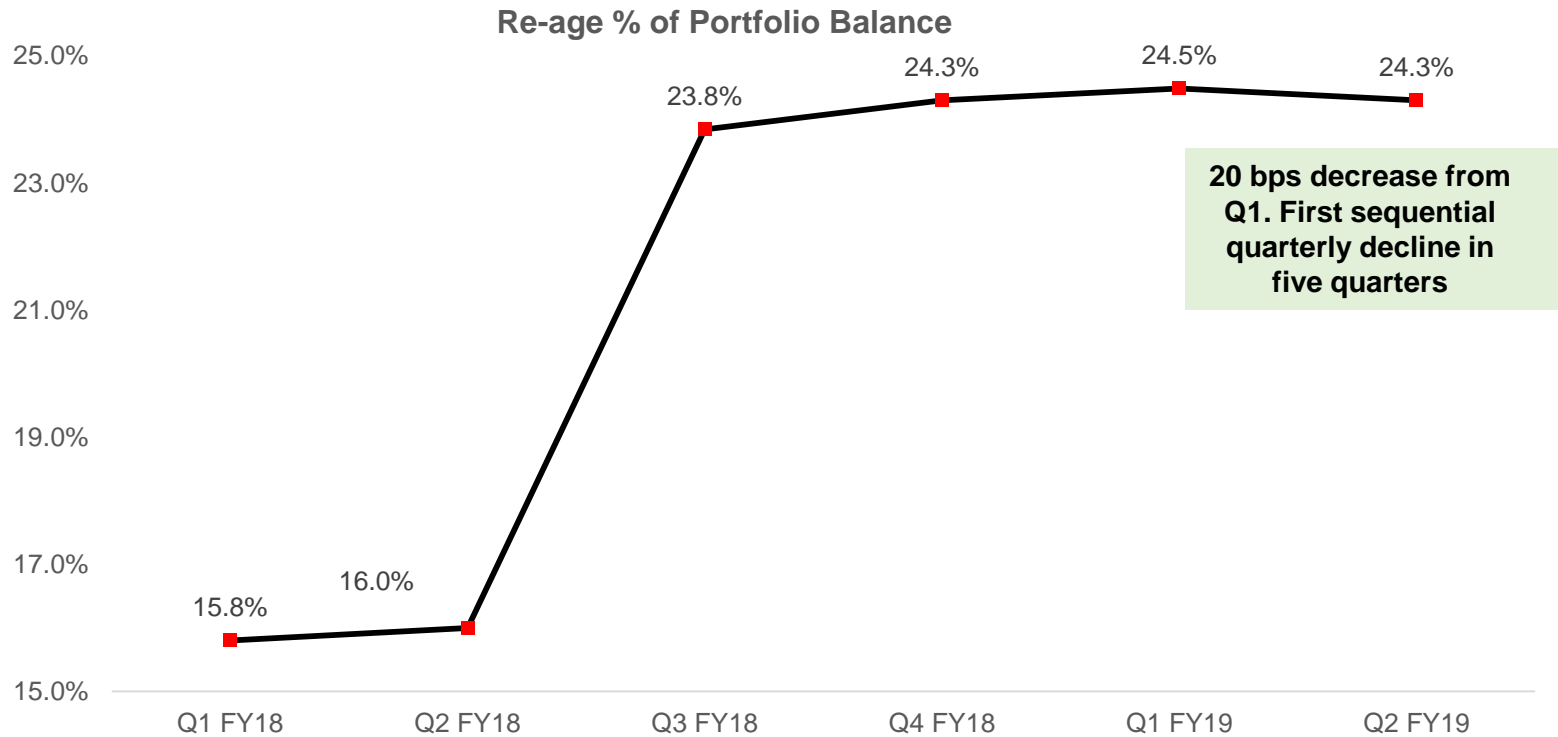
(1) Time on books is number of months since first credit transaction with Conn's

60+ Day versus Prior Year

**60+ Day rate declined 140 bps versus prior year period
Fourth consecutive quarter of decline**



Re-age % Trend



Static Pool - Balances Remaining

Recovery efforts will continue to drive the decrease in cumulative losses

Balance Remaining			Expected Static Pool Loss Rate
Period	As of 7/31/18	Comparable PY	Estimated Range
FY 2018	55.2%	51.4%	Mid 12%
FY 2017	17.6%	13.5%	Low 14%
FY 2016	1.8%	1.7%	Mid 14%
FY 2015	0.2%	0.2%	Mid 14%

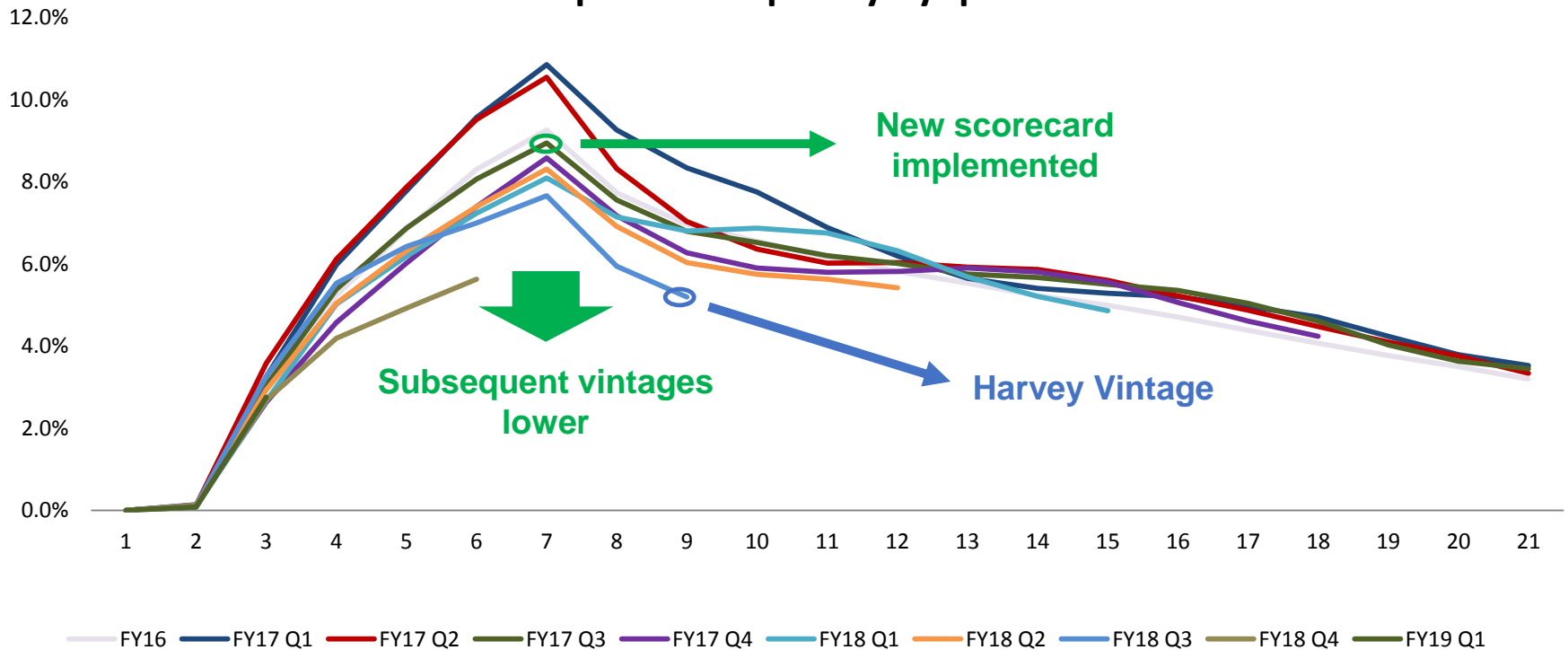
The periods reflect the year of loan origination

Vintage 60+ Day Delinquency

(FY16 vs subsequent quarterly vintages)

60+ day vintage performance is favorable for all quarters starting in Q3 FY17 when the new risk model was fully implemented

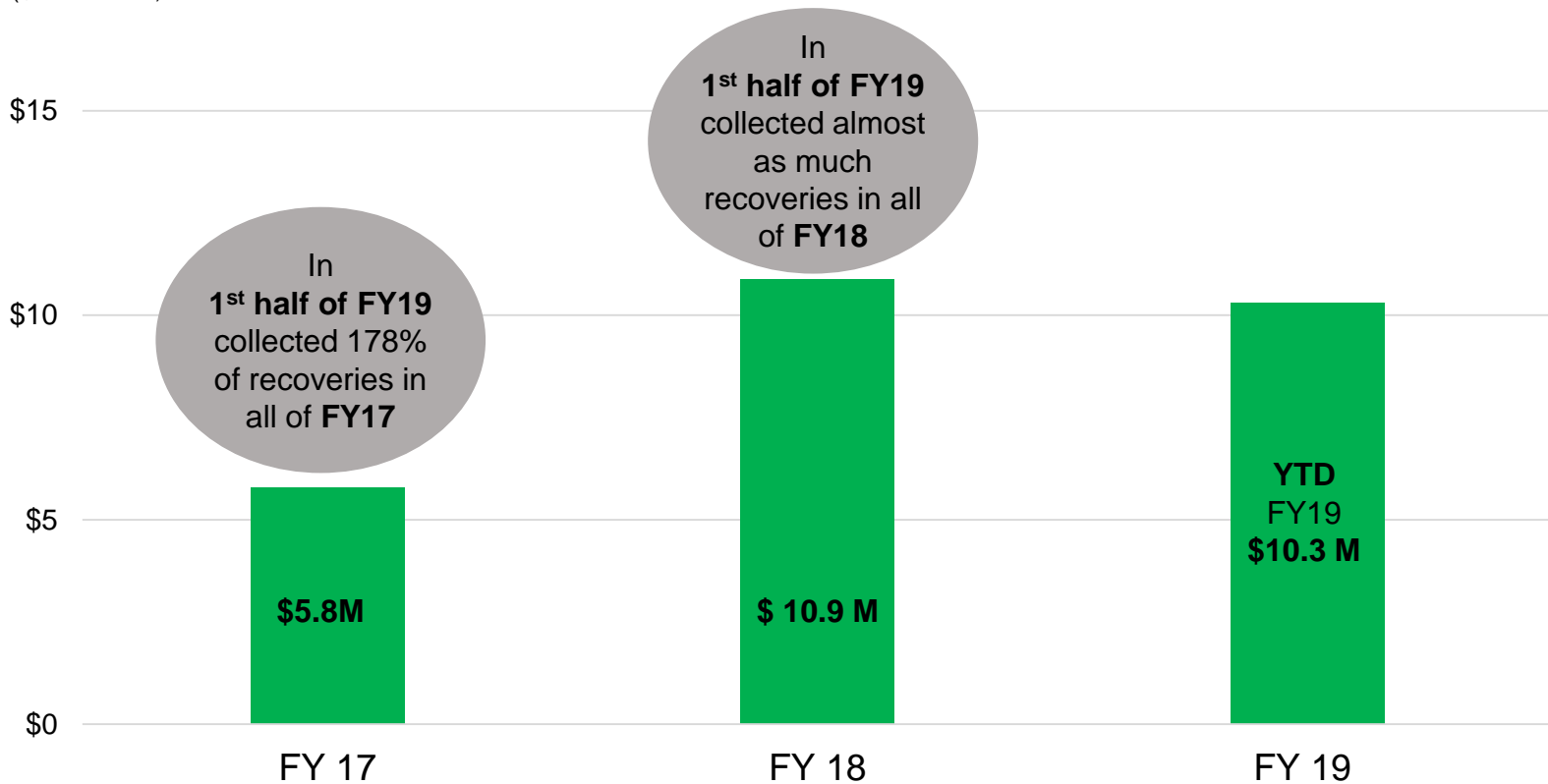
Static pool delinquency by quarter



Customer Recoveries

Customer recoveries were \$4.8 million in Q2, up approximately \$2.5 million from prior year

(\$ in millions)



ABS Cost of Funds Improvement

	2015-A			2016-A			2016-B			2017-A			2017-B			2018-A		
Collateral Amount (\$mm)	\$1,442.6			\$705.1			\$699.7			\$559.3			\$669.3			\$421.5		
Bond Structure	Rating			Rating			Rating			Rating			Rating			Rating		
	\$ (mm)	(F)	WAL	\$ (mm)	(F)	WAL	\$ (mm)	(F)	WAL	\$ (mm)	(F/K)	WAL	\$ (mm)	(F/K)	WAL	\$ (mm)	(F/K)	WAL
Class A	\$952.1	NR	0.51	\$423.0	BBB	0.46	\$391.8	BBB	0.45	\$313.2	BBB/BBB	0.36	\$361.4	BBB/BBB-	0.42	\$219.2	BBB/BBB-	0.60
Class B	\$165.9	NR	1.57	\$70.5	BB	1.23	\$112.0	BB	1.32	\$106.3	BB/BB-	1.20	\$132.2	BB/BB-	1.22	\$69.6	BB/BB-	1.20
Class C	=	=	=	\$70.5	B	1.74	\$49.0	B	1.85	\$50.3	B/B-	1.79	\$78.6	B/B-	1.89	\$69.6	B/B-	1.20
Total Class A & B	\$1,118.0	77.5%	0.67	\$493.5	70.0%	0.57	\$503.8	72.0%	0.64	\$419.5	75.0%	0.57	\$493.6	73.8%	0.63	\$288.8	68.5%	0.74
Total Class A, B & C				\$564.0	80.0%	0.72	\$552.8	79.0%	0.75	\$469.8	84.0%	0.70	\$572.2	85.5%	0.81	\$358.3	85.0%	0.83
Overcollateralization																		
Initial		22.50%			20.00%			21.00%			16.00%			14.50%			15.00%	
Target (%curr)		25.00%			46.00%			40.00%			35.00%			35.00%			100.00%	
Floor (%init)		2.00%			5.00%			5.00%			5.00%			5.00%			NA	
Reserve Account		1.00%			1.50%			1.50%			1.50%			1.50%			0.50%	
Base Case Loss Assumption																		
Fitch		--			23.25%			24.75%			24.25%			25.25%			25.00%	
Kroll		--			--			--			23.31%			23.65%			25.23%	
Performance Triggers																		
Cum. Net Loss Trigger		--			Yes			Yes			Yes			Yes			Yes – Prorata to Sequential	
3 mo. Avg Annualized Net Loss Trigger		--			Yes			Yes			Yes			Yes			Yes – Prorata to Sequential	
Rolling 3 mo. Recov. Trigger		--			--			Yes			Yes			Yes			Yes – Prorata to Sequential	
Net Proceeds: Class A & B (% collat)		74.76%			67.83%			69.8%			74.40%			71.56%			67.3%	
Net Proceeds: Class A, B & C (% collat)		--			78.10%			--			83.32%			83.20%			83.8%	
Pricing		Yield	Coupon	Spread	Yield	Coupon	Spread	Yield	Coupon	Spread	Yield	Coupon	Spread	Yield	Coupon	Spread	Yield	Coupon
Class A		4.57%	4.57%	+400	4.73%	4.68%	+290	3.77%	3.73%	+155	2.75%	2.73%	+105	2.76%	2.73%	+80	3.26%	3.25%
Class B		8.50%	8.50%	+825	9.14%	8.96%	+650	7.46%	7.34%	+375	5.17%	5.11%	+265	4.57%	4.52%	+200	4.70%	4.65%
Class C		--	--	--	9.88%	12.00%	--	--	--	+600	7.54%	7.54%	+400	6.03%	5.95%	+340	6.10%	6.02%
Total Class A & B		5.94%	5.94%	+531	6.09%	6.00%	+454	5.45%	5.38%	+272	4.03%	3.99%	+187	3.69%	3.65%	+127	3.83%	3.79%
Total Class A, B & C		--	--	--	7.24%	7.82%	--	--	--	+361	4.99%	4.96%	+256	4.44%	4.39%	+186	4.47%	4.42%
Class A & B Costs amortized over WAL		3.21%			1.69%			1.44%			1.33%			1.27%			1.34%	
Class A & B All-in Cost of Funds		9.15%			7.78%			6.89%			5.36%			4.96%			5.17%	
Class A, B & C Costs amortized over WAL		--			1.34%			--			1.18%			0.99%			1.19%	
Class A, B & C All-in Cost of Funds		--			8.59%			--			6.17%			5.43%			5.60%	

(1) On class A and B only for all transactions

(2) Estimated Class C Yield for 2016-A and 2016-B is 11.00%.

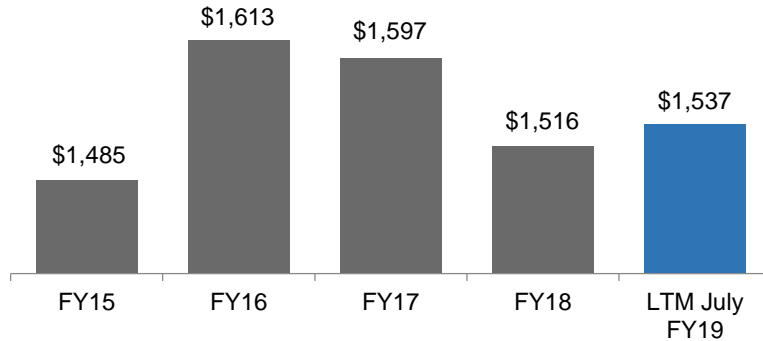
17 bps
increase even
with ~80 bps
increase in
EDSF rate

Financial Review

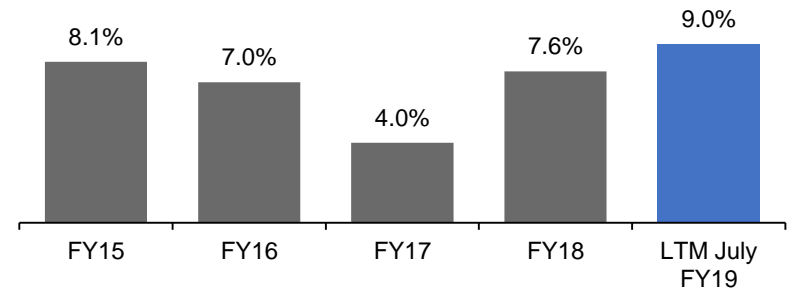


Historical Financial Summary - As Reported

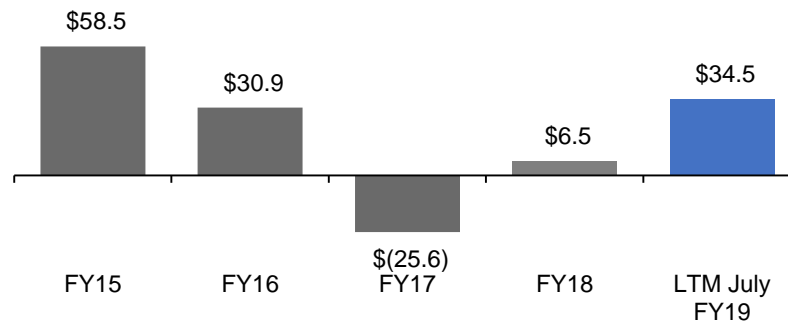
Total Revenue (\$ in millions)



Operating Margin %

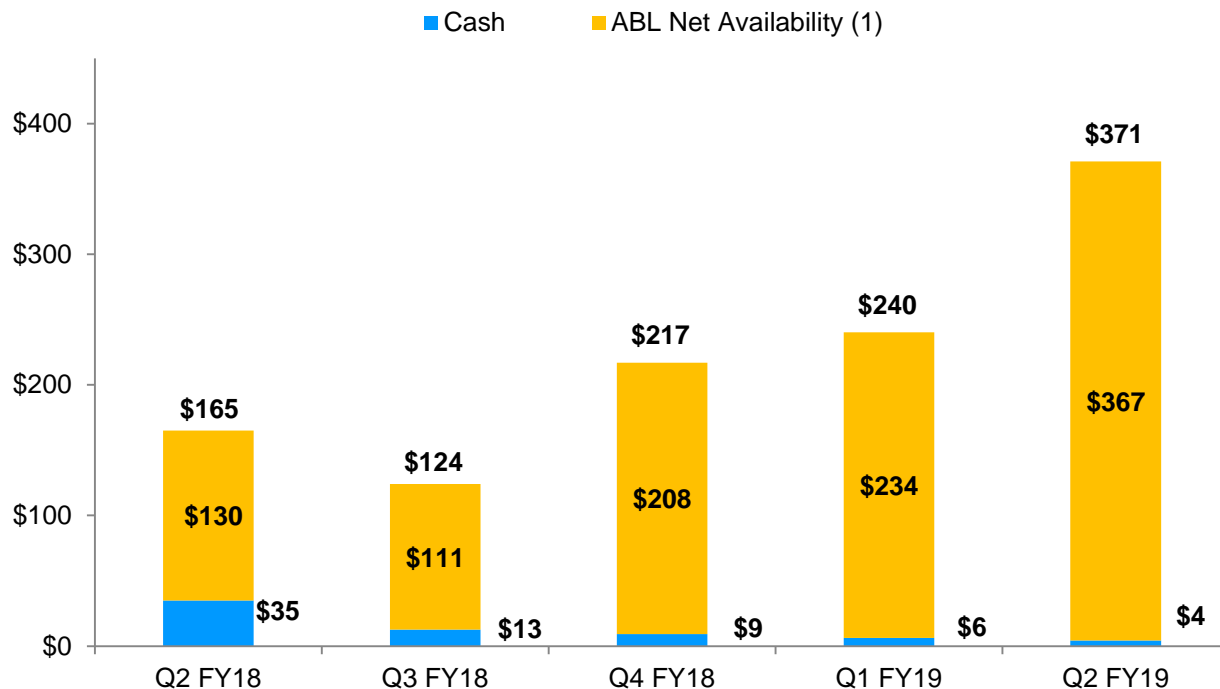


Net Income (\$ in millions)



Liquidity

\$ in millions



We continue to closely manage liquidity and have made significant enhancements to our liquidity profile

- Closed \$358.3 million ABS transaction on Aug 15, 2018
- Closed \$121.1 million warehouse financing transaction on Jul 16, 2018 to redeem 2017-A Class B and C notes
- Amended and Restated ABL revolving credit facility on May 23, 2018, obtaining more favorable terms

(1) Immediately available borrowing capacity (based on prior month borrowing base certificate and is not adjusted for dominion)
 Note: Columns may not total due to rounding

Impact of Tax Reform to Conn's

Direct Impact to Conn's

- In Q4 of FY18, Conn's reduced its deferred tax asset by approximately \$13.4 million
 - This resulted in a one-time, non-cash reduction that was recorded through the provision for income taxes line item of the income statement and reduced Q4 of FY18 earnings by \$0.42 per diluted share
- Beginning in FY19, the Company's effective tax rate will be between 23% and 25%
 - Q2 FY19 effective tax rate was 23.8%
- Starting in late FY18, most capital expenditures will be 100% deductible which will lower Conn's cash taxes

Positive Impact to Conn's Core Customer

- Anticipate that the bill will have a positive impact on our core customer primarily through the following:
 - A reduction in the tax rate of income tax brackets;
 - An increase in the standard deduction (to \$12,000 from \$6,350 for individuals, and to \$24,000 from \$12,700 for married couples); and
 - An increase in the child tax credit (doubles the child care tax credit to \$2,000 per dependent child under age 17)

Conn's
HomePlus®