



Fourth-Quarter Earnings Presentation

March 31, 2015

Safe Harbor Agreement



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements include information concerning our future financial performance, business strategy, plans, goals and objectives. Statements containing the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," or the negative of such terms or other similar expressions are generally forward-looking in nature and not historical facts. Although we believe that the expectations, opinions, projections, and comments reflected in these forward-looking statements are reasonable, we can give no assurance that such statements will prove to be correct. These risks are detailed in our SEC reports, including but not limited to, our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. 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, we are not obligated to publicly release any revisions or update to these forward-looking statements to reflect events or circumstances after the date of this presentation to reflect the occurrence of unanticipated events.

Product Gross Margin Performance by Category



	4Q FY15		4Q FY14		Basis Point Change	FY15		FY14		Basis Point Change
	<u>Gross Margin</u>	<u>ASP</u> ⁽¹⁾	<u>Gross Margin</u>	<u>ASP</u> ⁽¹⁾	<u>Gross Margin</u>	<u>Gross Margin</u>	<u>ASP</u> ⁽¹⁾	<u>Gross Margin</u>	<u>ASP</u> ⁽¹⁾	<u>Gross Margin</u>
Furniture and Mattress	50.6%	\$395	50.3%	\$387	30	49.6%	\$397	49.3%	\$373	30
Home Appliance	31.2%	\$734	35.7%	\$702	(450)	32.3%	\$722	33.1%	\$676	(80)
Consumer Electronics	27.8%	\$690	28.0%	\$669	(20)	28.8%	\$703	28.5%	\$700	30
Home Office	20.9%	\$680	21.2%	\$600	(30)	21.1%	\$723	20.7%	\$620	40
Other ⁽²⁾	40.5%	\$56	51.9%	\$86	(1,140)	44.3%	\$67	39.3%	\$122	500
Total Product	34.6%	\$490	35.4%	\$487	(80)	35.7%	\$483	34.8%	\$467	90

(1) ASP amounts exclude accessory items

(2) Other category includes delivery, installation and general accessories revenues. Lawn equipment sales discontinued at end of FY14.

Furniture and Mattress Category



	<u>FY15</u>	<u>FY14</u>	<u>FY13</u>	<u>FY12</u>	<u>FY11</u>
All Stores:					
Period-over-period sales increase	44.3%	77.4%	41.4%	30.4%	11.7%
Percentage of total product sales	30.4%	26.0%	20.4%	15.7%	12.6%
Percentage of total gross profit dollars	42.2%	36.9%	30.5%	23.5%	19.0%
Same Stores:					
Period-over-period sales increase	22.5%	51.0%	43.2%	39.9%	10.7%
New Stores:					
Percentage of total product sales	37.5%	36.1%			

Sales Growth / Product Category Contribution



	Same Store Sales ⁽²⁾ <u>4Q FY15 / 4Q FY14</u>	Total Sales		Sales Mix		Gross Profit Mix	
		<u>4Q FY15 / 4Q FY14</u>	<u>4Q15</u>	<u>4Q14</u>	<u>4Q15</u>	<u>4Q14</u>	
Furniture and Mattress	4.7%	25.0%	28.1%	26.2%	41.1%	37.2%	
Home Appliance	6.6%	19.4%	26.3%	25.7%	23.7%	25.9%	
Consumer Electronics	8.2%	21.9%	33.7%	32.3%	27.0%	25.5%	
Home Office	(21.9%)	(13.3%)	10.1%	13.5%	6.1%	8.1%	
Other ⁽¹⁾	(19.4%)	(5.6%)	1.8%	2.3%	2.1%	3.3%	
Product sales	1.7%	16.7%	100.0%	100.0%	100.0%	100.0%	
Repair Service Agreement commissions	(1.2%)	13.3%					
Service		(5.4%)					
Total net sales	1.3%	16.2%					

(1) Other category includes lawn equipment, general accessories, delivery and installation revenues. Lawn equipment sales discontinued at end of FY14.

(2) Same store sales include stores operating in both full periods.

Retail Costs and Expenses Comparison



	<u>FY15</u>	<u>FY14</u>	<u>FY13</u>	<u>FY12</u>	<u>FY11</u>	<u>4Q FY15</u>	<u>4Q FY14</u>	<u>Basis Point Change</u>
Percent of Total Retail Revenue:								
Cost of goods and parts, including warehousing and occupancy costs	59.2%	59.8%	64.4%	70.5%	72.7%	60.2%	59.1%	110
Delivery, transportation and handling costs	4.3%	3.6%	3.2%	2.9%	2.9%	3.9%	3.7%	20
Advertising	6.7%	5.1%	4.9%	4.5%	4.6%	6.8%	5.6%	120
Compensation	11.7%	12.3%	12.7%	12.2%	11.3%	11.2%	11.5%	(30)
Corporate overhead allocation	1.0%	1.1%	1.3%	1.2%	1.1%	1.1%	1.0%	10
Other	6.5%	6.5%	7.9%	9.0%	9.2%	6.1%	4.8%	130
Reimbursement for credit segment	-2.4%	-2.2%	-2.3%	-2.4%	-2.6%	-2.4%	-2.1%	(30)
Total SG&A	23.5%	22.8%	24.5%	24.5%	23.6%	22.8%	20.8%	200
Total Delivery and SG&A as % of Gross Profit								
	68.0%	65.8%	77.5%	93.4%	97.1%	67.1%	60.2%	690

Average FICO Score – Portfolio Balance and Originations



	Weighted Average Score of Outstanding Portfolio Balance at Period End	Weighted Average Origination Score of Sales Financed for Period Ended
Fiscal Year Ended:		
Jan. 31, 2011	591	624
Jan. 31, 2012	602	621
Jan. 31, 2013	600	614
Jan. 31, 2014	594	602
Jan. 31, 2015	596	608
Quarter Ended:		
Apr. 30, 2013	596	602
Jul. 31, 2013	595	601
Oct. 31, 2013	591	599
Jan. 31, 2014	594	605
Apr. 30, 2014	591	605
Jul. 31, 2014	592	607
Oct. 31, 2014	595	608
Jan. 31, 2015	596	611

Note: FICO score averages include only Conn's in-house 'Yes Money' financing and excludes non-scored accounts.

Underwriting Changes



Goal: reduce first payment default, and thus total delinquency and charge-off

October / November 2013

- Raised minimum FICO required to be underwritten in certain markets
- Reduced limits for certain customer segments
- Began declining certain customer segments

February / March 2014

- Increased down payment requirement for certain customer segments
- Raised minimum FICO required to be underwritten in additional markets
- All stores and markets, including Arizona, New Mexico and Nevada where higher yield earned, have the same rules
- Eliminated use of 3-month cash option

August-October 2014

- Reduced limits for certain customer segments
- Eliminated use of 6-month cash option
- Eliminated use of 12-month cash option for a small segment of customers
- Began offering 18 – 24-month no-interest programs to high FICO score customers

60+ Day Delinquency Rates by Product Category



	60+ Day Delinquency Rate as of				
	4Q FY15	3Q FY15	2Q FY15	1Q FY15	4Q FY14
Furniture and Mattress	9.8%	9.6%	7.9%	7.1%	8.5%
Home Appliance	7.4%	7.1%	5.9%	5.4%	6.6%
Consumer Electronics	10.3%	11.4%	9.9%	9.0%	9.5%
Home Office	13.3%	13.6%	12.6%	11.2%	10.6%
Total Portfolio	9.7%	10.0%	8.7%	8.0%	8.8%

Underwriting Update



Impact of Underwriting Changes on Originations:

	<u>Q4 FY15</u>	<u>Q3 FY15</u>	<u>Q2 FY15</u>	<u>Q1 FY15</u>	<u>Q4 FY14</u>
<u>% of total originations</u>					
0-score	3.2%	3.9%	4.0%	5.7%	6.2%
400-499	0.0%	0.0%	0.0%	0.0%	0.0%
500-524	0.0%	0.0%	0.0%	0.5%	1.5%
525-549	6.1%	6.7%	7.0%	7.4%	8.4%
Total	9.3%	10.6%	11.0%	13.6%	16.1%
Weighted average					
origination score	611	608	607	605	605
Downpayment %	3.1%	3.6%	3.6%	4.2%	3.1%

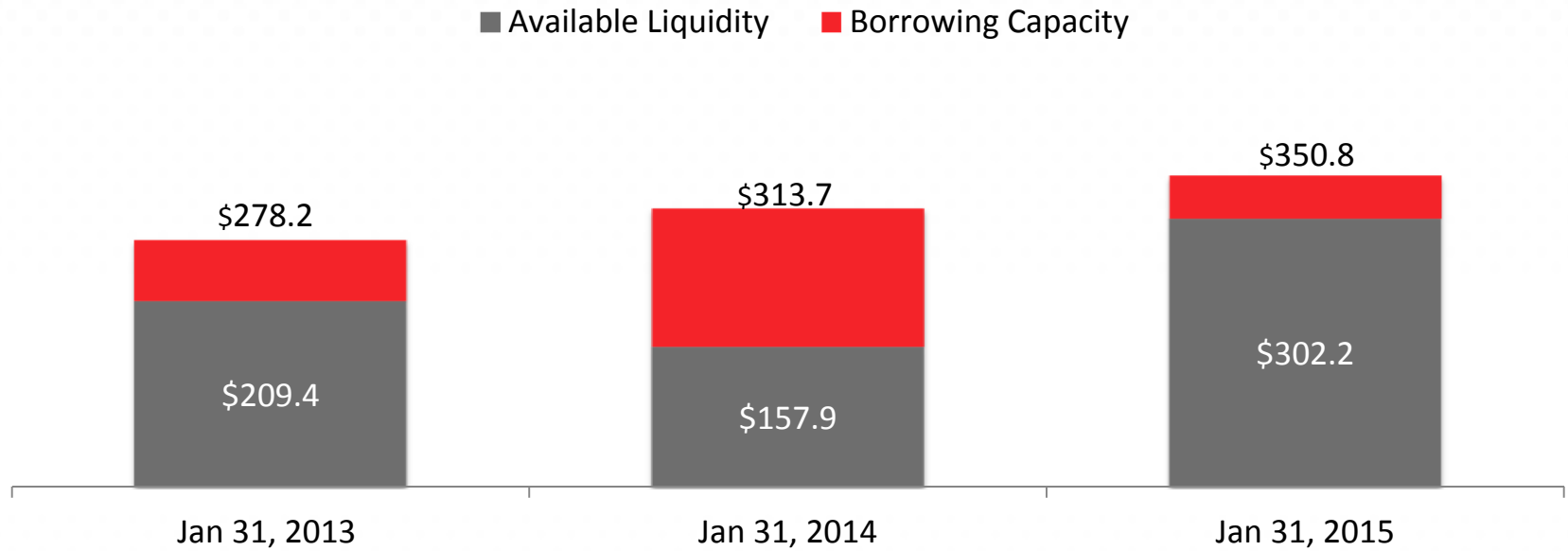
Note: Decline in mix does not consider increased AcceptanceNow sales from incremental declined applications or increase in high-FICO 18/24 cash option sales.

Access to Capital



Revolving Credit Facility

(\$ in millions)



Debt to Stockholders' Equity:	0.6x	0.9x	1.2x
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Debt as a % of Portfolio Balance:	40%	50%	57%
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Conn's