



## **Third-Quarter Earnings Presentation**

**December 9, 2014**

# 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.

# 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
<b>Fiscal Year Ended:</b>		
Jan. 31, 2010	586	620
Jan. 31, 2011	591	624
Jan. 31, 2012	602	621
Jan. 31, 2013	600	614
Jan. 31, 2014	594	602
<b>Quarter Ended:</b>		
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
<b>Oct. 31, 2014</b>	<b>595</b>	<b>608</b>

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

# 60+ Day Delinquency Rates by Product Category



	60+ Day Delinquency Rate as of	
	<u>10/31/2014</u>	<u>7/31/2014</u>
Furniture and Mattress	9.6%	7.9%
Home Appliance	7.1%	5.9%
Consumer Electronics	11.4%	9.9%
Home Office	13.6%	12.6%
<b>Total Portfolio</b>	<b>10.0%</b>	<b>8.7%</b>

# Product Gross Margin Performance by Category



	3Q FY15		3Q FY14		Basis Point Change
	<u>Gross Margin</u>	<u>ASP <sup>(1)</sup></u>	<u>Gross Margin</u>	<u>ASP <sup>(1)</sup></u>	<u>Gross Margin</u>
Furniture and Mattress	49.4%	\$455	50.3%	\$365	(90)
Home Appliance	31.8%	\$732	32.9%	\$687	(110)
Consumer Electronics	28.8%	\$692	29.4%	\$740	(60)
Home Office	19.8%	\$765	19.5%	\$660	30
Other <sup>(2)</sup>	47.8%	\$66	37.8%	\$103	1,000
<b>Total Product</b>	<b>35.7%</b>	<b>\$509</b>	<b>35.1%</b>	<b>\$474</b>	<b>60</b>

(1) ASP amounts exclude accessory items

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

# Sales Growth / Product Category Contribution



	Same Store Sales <sup>(2)</sup> <u>3Q FY15 / 3Q FY14</u>	Total Sales		Gross Profit Mix		
		<u>3Q FY15 / 3Q FY14</u>	<u>3Q15</u>	<u>3Q14</u>	<u>3Q15</u>	<u>3Q14</u>
Furniture and Mattress	7.0%	37.4%	31.2%	27.0%	43.3%	38.7%
Home Appliance	9.5%	24.6%	29.8%	28.4%	26.6%	26.5%
Consumer Electronics	(6.4%)	7.8%	26.5%	29.2%	21.4%	24.5%
Home Office	(11.1%)	(0.8%)	10.2%	12.2%	5.7%	6.8%
Other <sup>(1)</sup>	(29.9%)	(14.7%)	2.3%	3.2%	3.0%	3.5%
<b>Product sales</b>	<b>(0.4%)</b>	<b>18.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Repair Service Agreement commissions	(5.5%)	17.6%				
Service		3.9%				
<b>Total net sales</b>	<b>(1.0%)</b>	<b>18.5%</b>				

(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.

# Furniture and Mattress Category



	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>2Q FY15</u>	<u>3Q FY15</u>
<b>All Stores:</b>					
Period-over-period sales increase	30.4%	41.4%	77.4%	60.6%	37.4%
Percentage of total product sales	15.7%	20.4%	26.0%	30.8%	31.2%
Percentage of total gross profit dollars	23.5%	30.5%	36.9%	42.0%	43.3%
<b>Same Stores:</b>					
Period-over-period sales increase	39.9%	43.2%	51.0%	30.3%	7.0%
<b>New Stores:</b>					
Percentage of total product sales			36.1%	38.8%	39.0%

# Retail SG&A Expense Comparison



	<u>% of Retail Sales</u>		<b>Basis Point</b>
	<u>3Q FY15</u>	<u>FY14</u>	<u>Change</u>
Advertising	6.9%	5.1%	180
Compensation	14.6%	14.6%	0
Other SG&A Expense	<u>6.8%</u>	<u>7.5%</u>	<u>(70)</u>
Retail SG&A Expense	<u>28.3%</u>	<u>27.2%</u>	<u>110</u>
Retail SG&A Expense as % of Retail Gross Profit	69.3%	67.1%	220



# Access to Capital



## Revolving Credit Facility

(\$ in millions)

■ Available Liquidity ■ Borrowing Capacity



Debt to  
Stockholders' Equity:

0.6x

0.9x

1.1x

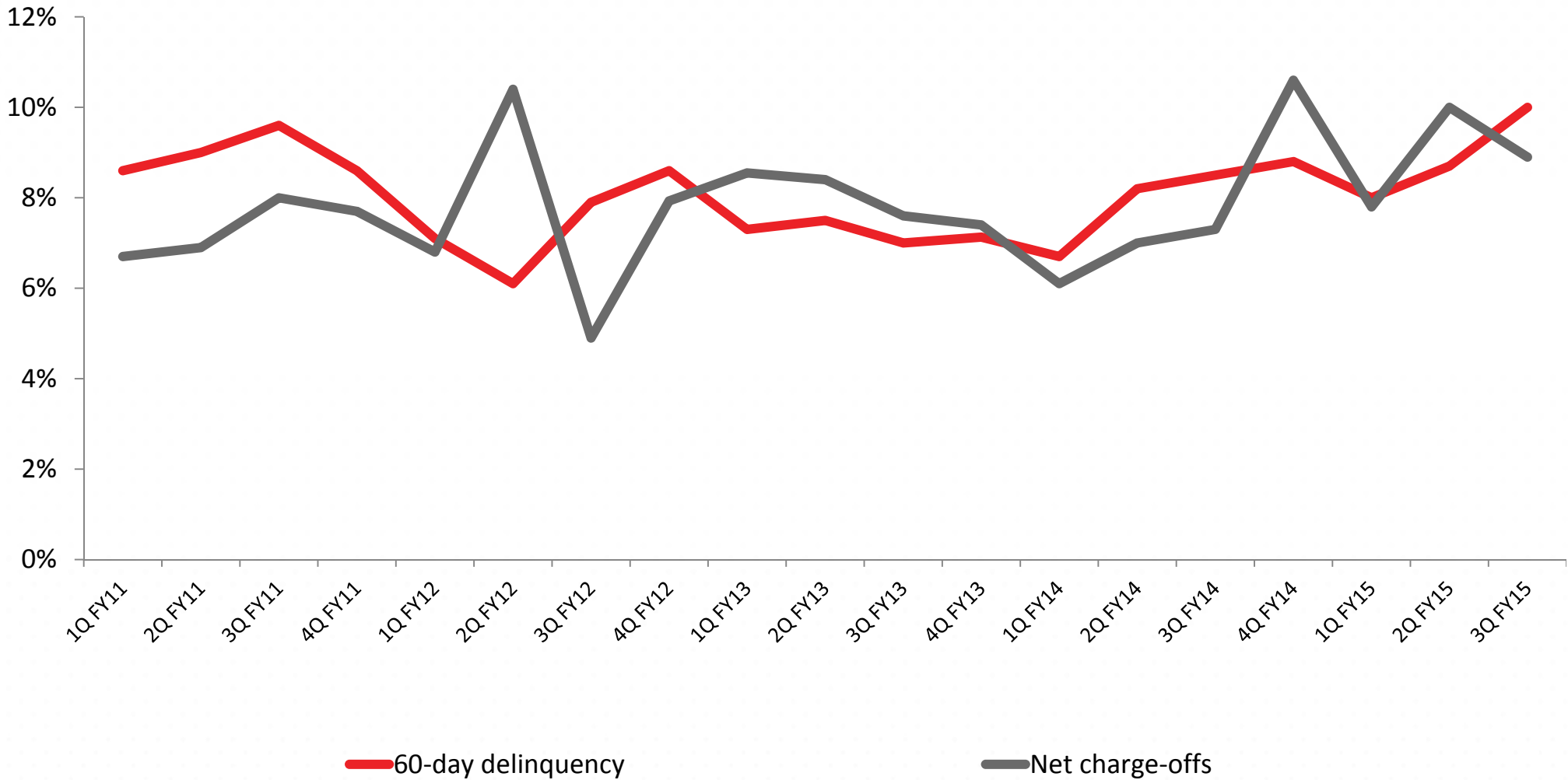
Debt as a % of  
Portfolio Balance:

40%

50%

56%

# Credit Portfolio Trends



# Valuable Credit Offering for All Consumers



## Percent of Sales Generated by Payment Option

	<u>3Q FY15</u>	<u>3Q FY14</u>
Conn's Credit (including down payment)	77.3%	79.5%
Synchrony Financial <sup>(1)</sup>	11.4%	11.5%
Third-Party Rent to Own	<u>4.8%</u>	<u>2.5%</u>
<b>Total</b>	<b>93.5%</b>	<b>93.5%</b>
Down Payment %	3.6%	3.4%

*(1) Formerly known as GE Capital*

The image features the brand name "Conn's" in a red, cursive script font. The text is centered within a white, horizontally-oriented banner that has rounded, wavy ends. This banner is set against a background of a white field with a fine, light gray dot grid pattern.

*Conn's*