



FIRST-QUARTER EARNINGS PRESENTATION
JUNE 2, 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. 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.

Sales Growth / Product Category Contribution

	Same Store Sales ⁽²⁾	Total Sales	Sales Mix	Gross Profit Mix
	<u>1Q FY15 / 1Q FY14</u>	<u>1Q FY15 / 1Q FY14</u>	<u>1Q FY15</u>	<u>1Q FY15</u>
Furniture and mattress	33.2%	64.7%	31.8%	42.4%
Home appliance	20.5%	33.7%	30.3%	27.3%
Consumer electronics	3.0%	17.0%	26.1%	21.6%
Home office	22.9%	36.7%	9.4%	5.6%
Other ⁽¹⁾	(44.3)%	(40.1)%	2.4%	3.1%
Product sales	15.4%	33.2%	100.0%	100.0%
Repair service agreement commissions	16.7%	26.7%		
Total net sales	15.6%	32.6%		

(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

Product Gross Margin Performance by Product Category

	1Q FY15		1Q FY14		Basis Point Change
	<u>Gross Margin</u>	<u>ASP ⁽¹⁾</u>	<u>Gross Margin</u>	<u>ASP ⁽¹⁾</u>	<u>Gross Margin</u>
Furniture and mattress	49.0%	\$386	48.9%	\$341	10
Home appliance	33.1%	\$715	33.5%	\$659	(40)
Consumer electronics	30.4%	\$700	29.0%	\$719	140
Home office	22.1%	\$719	22.1%	\$593	-
Other ⁽²⁾	49.6%	n.m.	62.3%	n.m.	n.m.
Total product	36.8%	\$476	35.3%	\$442	150

(1) ASP amounts exclude accessory items

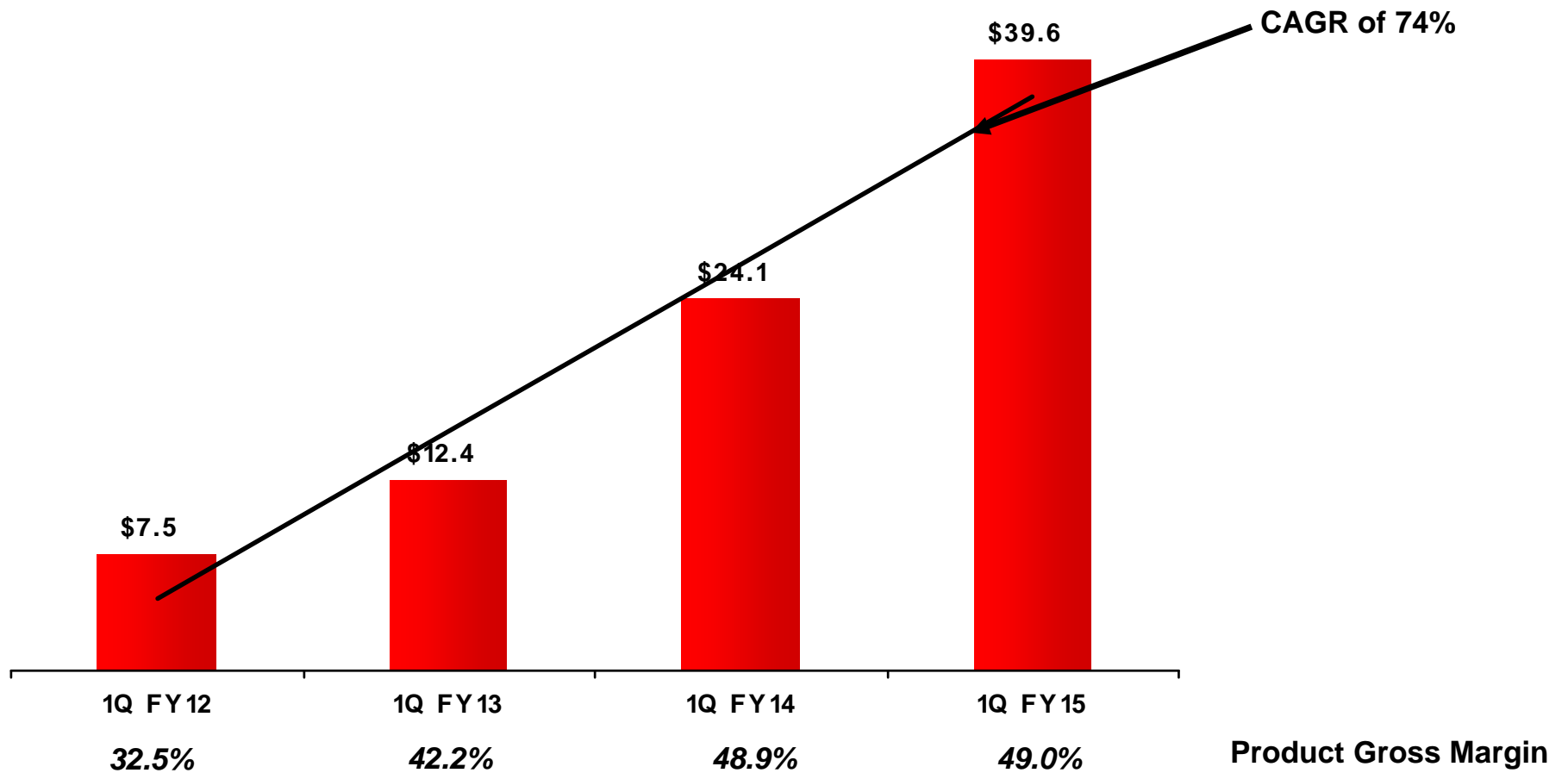
(2) Other category includes delivery, installation and general accessories revenues. Lawn equipment sales discontinued at end of FY14.

Furniture and Mattress Category

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>1Q FY15</u>
All Stores:				
Period-over-period sales increase	30.4%	41.4%	77.4%	64.7%
Percentage of total product sales	15.7%	20.4%	26.0%	31.8%
Percentage of total gross profit dollars	23.5%	30.5%	36.9%	42.4%
Same Stores:				
Period-over-period sales increase	39.9%	43.2%	51.0%	33.2%
New Stores:				
Percentage of total product sales			36.1%	40.6%

Four-Year Furniture and Mattress Gross Profit Trend

(\$ in millions)

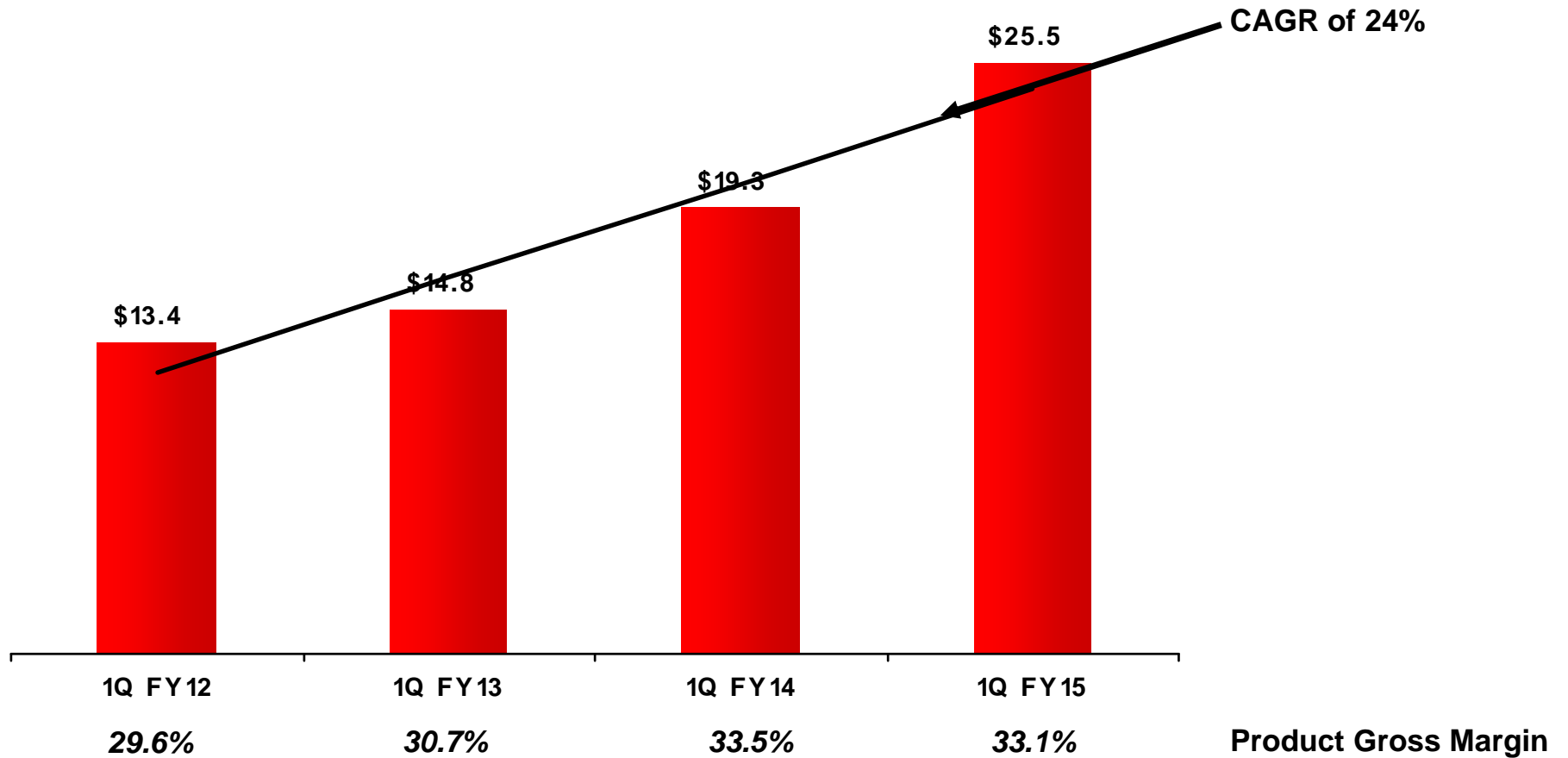


Appliance Category

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>1Q FY15</u>
All Stores:				
Period-over-period sales increase	0.1%	5.6%	30.0%	33.7%
Percentage of total product sales	31.6%	30.7%	28.6%	30.3%
Percentage of total gross profit dollars	33.1%	30.8%	27.2%	27.3%
Same Stores:				
Period-over-period sales increase	3.3%	10.4%	19.4%	20.5%
New Stores:				
Percentage of total product sales			22.7%	25.5%

Four-Year Appliance Gross Profit Trend

(\$ in millions)



Appliance Category Payment Method – 1Q FY15

	Payment Method by Category	
	Appliances	All Other
Conn's Credit	69.4%	81.1%
GE Capital	15.4%	9.3%
Third-Party Rent to Own	3.6%	4.5%
Cash & Credit Card	11.6%	5.1%
	<u>100.0%</u>	<u>100.0%</u>

New Store Performance

\$ in thousands, except sales per square foot

Average Retail Store Statistics ⁽¹⁾

Average Total Sales	\$16,600
EBITDA	\$4,600
EBITDA Margin	27.7%
Average Retail Floor Space	40,800 sq. ft.
Sales per Square Foot	\$407

Expected Average Investment for New Store

Build-out Cost, Net of Tenant Allowance ⁽²⁾	\$500
Inventory, Net of Payables	\$250
Net Capital Investment	\$750
Pre-opening Expenses	≈\$300
Cash Payback	3 to 6 Months
Year 1 Cash on Cash Return	300%+

Estimated Longer-Term Capital Needed to Support Receivables

Est. Receivables Balance Generated by Full-Year Sales	\$17,400
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⁽¹⁾ Actual results based on average of the five new stores open for full 12-months.

⁽²⁾ Build-out cost, net of tenant allowance was an average of about \$1,000,000 for the five new stores shown above.



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:	<hr/>	<hr/>
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
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

No-Interest Cash Option Performance

60+ Day Delinquency		
	Originated as No-Interest <u>Option</u> ⁽¹⁾	<u>Total Portfolio</u>
As of Jan. 31, 2014	6.6%	8.8%
As of Apr. 30, 2014	6.7%	8.0%

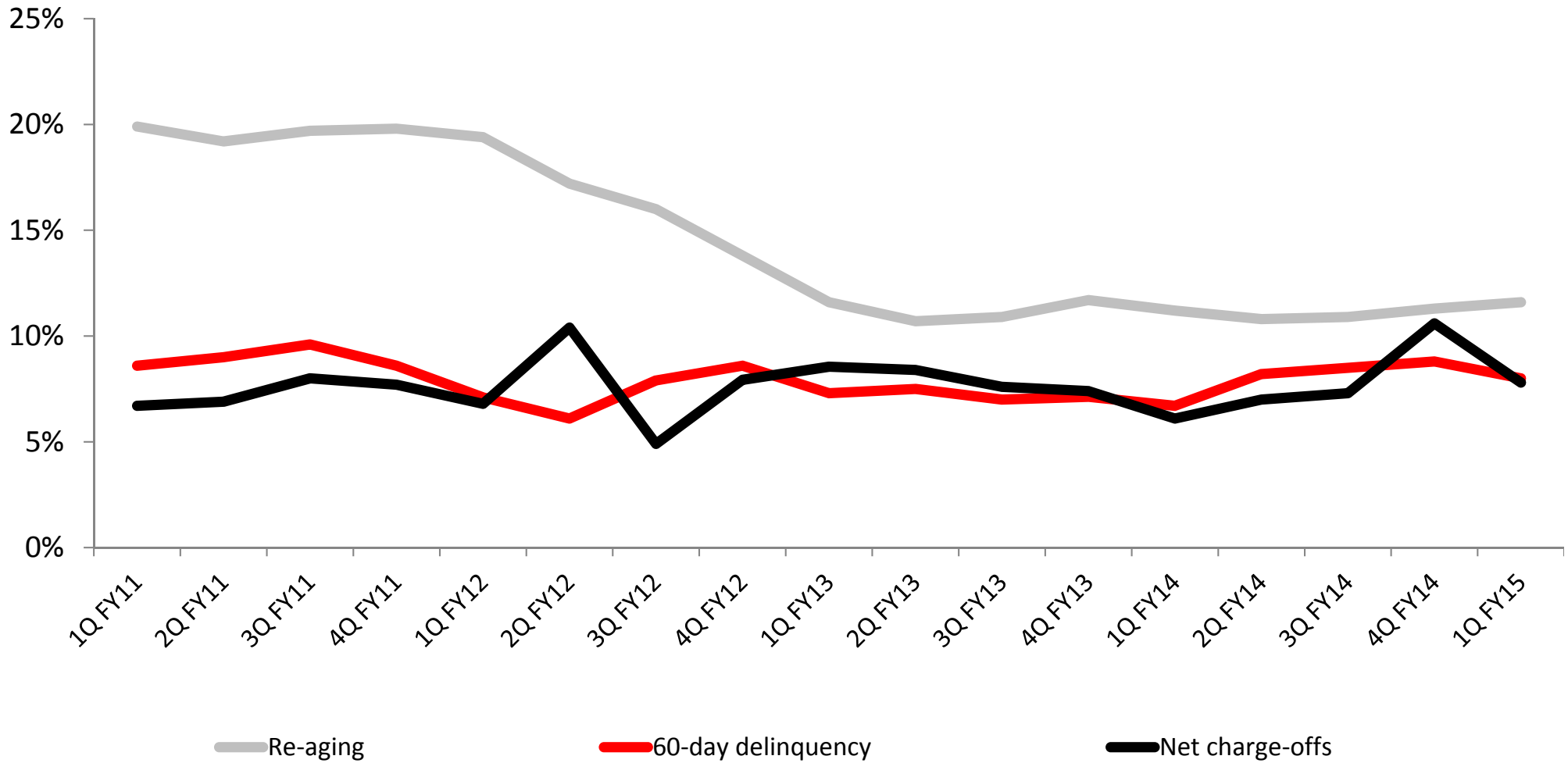
Static Loss		
<u>Year of Origination</u>	Originated as	
	<u>No-Interest Option</u> ⁽¹⁾	<u>Installment Interest Option</u>
FY10	3.1%	6.7%
FY11	3.6%	6.4%
FY12	4.4%	5.9%
FY13	4.7%	5.7%

(1) Includes all accounts originated as a no-interest cash option, even if the account no longer qualifies and has reverted back to underlying interest-bearing installment agreement.

60+ Day Delinquency Rates by Product Category

	60+ Day Delinquency Rate as of	
	<u>Jan. 31, 2014</u>	<u>Apr. 30, 2014</u>
Furniture and Mattress	8.4%	7.1%
Home Appliance	6.6%	5.4%
Consumer Electronics	9.5%	9.0%
Home Office	10.7%	11.2%
Total Portfolio	8.8%	8.0%

Credit Portfolio Trends



60+ Day Delinquency Trend

	<u>% of Balances 60+ Days Delinquent to Total Portfolio Balance</u>				
	<u>Jul. 31</u>	<u>Oct. 31</u>	<u>Jan. 31</u>	<u>Apr. 30</u>	<u>May 31</u>
July 31, 2012 to May 31, 2013	7.5%	7.0%	7.1%	6.7%	7.0%
July 31, 2013 to May 31, 2014	8.2%	8.5%	8.8%	8.0%	7.8%
Basis-point Difference	<u>70</u>	<u>150</u>	<u>170</u>	<u>130</u>	<u>80</u>

Static Pool Loss Analysis

Cumulative Loss Rate as a % of Balance Originated

Fiscal Year of Origination	Years From Origination					<i>% of Originations Outstanding as of April 30, 2014</i>
	0	1	2	3	Terminal	
2006	0.3%	1.9%	3.6%	4.8%	5.8%	
2007	0.2%	1.7%	3.5%	4.8%	5.7%	
2008	0.2%	1.8%	3.6%	5.1%	5.9%	
2009	0.2%	2.1%	4.6%	6.1%	6.6%	
2010	0.2%	2.4%	4.6%	6.0%	6.0%	
2011	0.4%	2.6%	5.2%	5.8%		0.3%
2012	0.2%	3.1%	5.5%	5.7%		4.2%
2013	0.4%	5.2%	6.0%			18.5%
2014	0.8%	1.9%				62.6%

- The static loss analysis presents the percentage of balances charged off, based on the fiscal year the credit account was originated and the period the balance was charged off. The percentage computed is calculated by dividing the cumulative amount charged off since origination, net of recoveries, by the original balance of accounts originated during the applicable fiscal year. Period 0 is the year of origination.
- As of April 30, 2014, balances originated prior to fiscal 2011 and outstanding were insignificant.
- The loss rates for balances originated in fiscal years 2012 through 2015 may not be comparable to those for balances originated in earlier years as changes made to our collections policies during fiscal 2012 resulted in accounts charging off earlier than in prior fiscal years.
- The terminal loss percentage presented represents the point at which that pool of loans has reached its maximum loss rate.
- The most recent percentages in years from origination 1 through 3 include loss data through April 30, 2014, and are not comparable to prior fiscal year accumulated net charge-off percentages in the same column.

Valuable Credit Offering for All Consumers

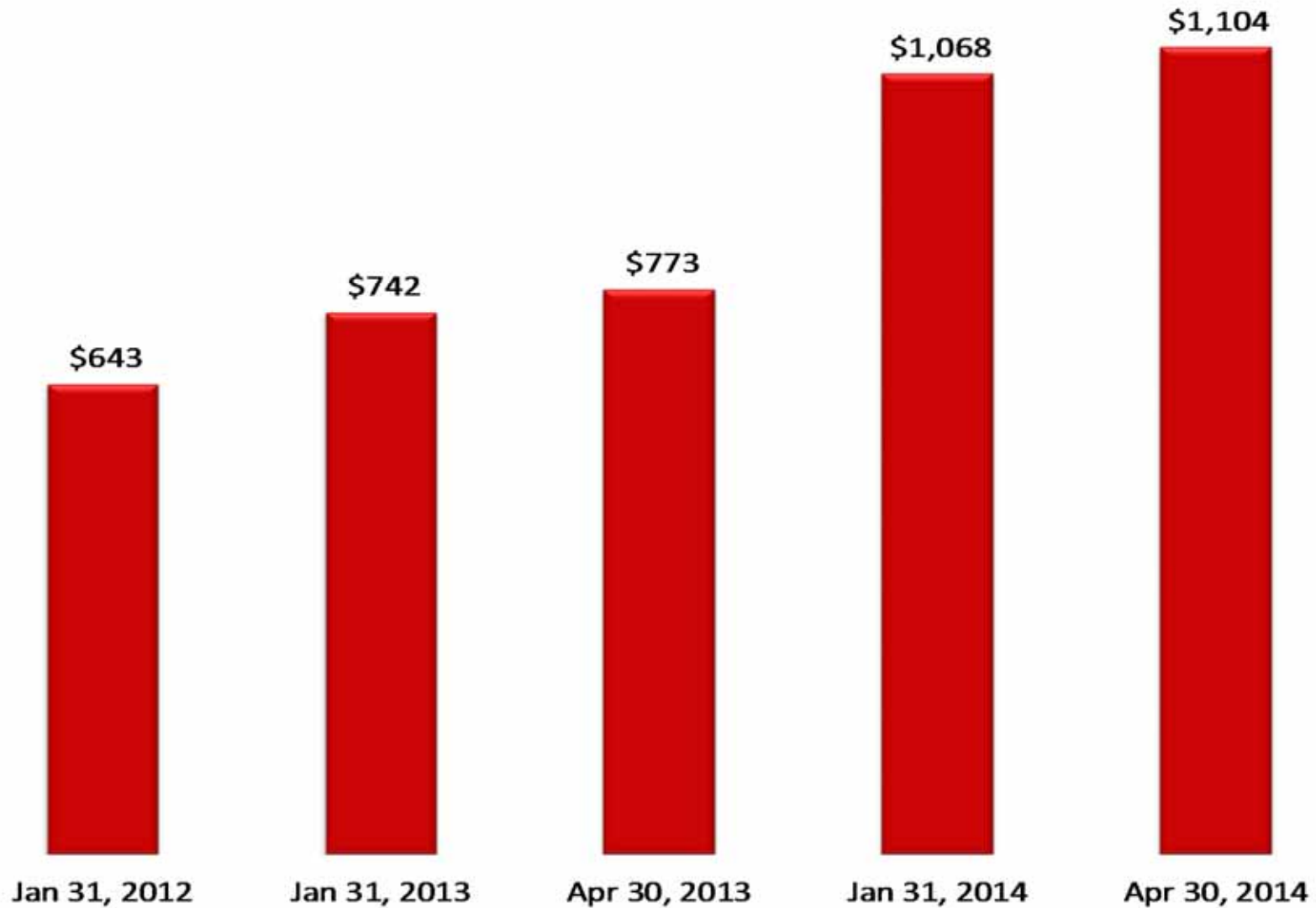
Percent of Sales Generated by Payment Option

	<u>1Q FY15</u>	<u>1Q FY14</u>
Conn's Credit (including down payment)	77.5%	74.0%
GE Capital	11.1%	11.8%
Third-Party Rent to Own	<u>4.2%</u>	<u>3.8%</u>
Total	92.8%	89.6%
Down Payment %	4.2%	3.9%

Retail SG&A Expense Comparison

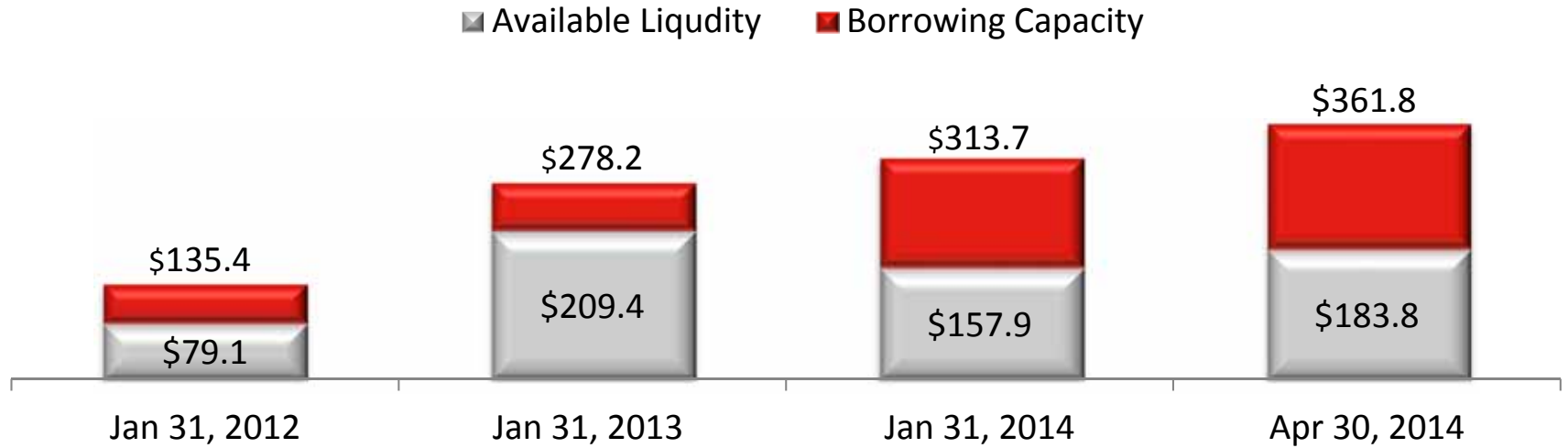
	% of Retail Sales	% of Retail Sales	Basis Point
	<u>1Q FY15</u>	<u>1Q FY14</u>	<u>Change</u>
Advertising	6.1%	4.7%	140
Compensation	14.1%	14.6%	(50)
Other SG&A Expense	<u>7.2%</u>	<u>8.1%</u>	<u>(90)</u>
Retail SG&A Expense	<u>27.4%</u>	<u>27.4%</u>	<u>0</u>
Retail SG&A Expense as % of Retail Gross Profit	65.9%	73.8%	(790)

Customer Receivable Portfolio Balance Trend



(\$ in millions)

Access to Capital



Debt to Stockholders' Equity:	0.9x	0.6x	0.9x	0.8x
Debt as a % of Portfolio Balance:	50%	40%	50%	47%

(\$ in millions)

Full-Year FY2015 EPS Guidance

	<u>Full-Year Expectations</u>
• Same store sales growth ⁽¹⁾	5% to 10%
• New store openings	17 to 20
• Store closures	≈ 10
• Retail gross margin	39.0% to 40.0%
• Credit portfolio interest and fee yield	≈ 18.0%
• Provision for bad debts as % average portfolio balance ⁽²⁾	8.0% to 10.0%
• SG&A expense as % of total revenues	28.0% to 29.0%
• Adjusted diluted EPS	\$3.40 to \$3.70
• Diluted shares outstanding	37.4 million

(1) Same store sales include stores operating in both full periods. Note, lawn equipment sales discontinued at end of FY14.

(2) Based on same store sales and new store opening expectations.



Conn's