



FIRST QUARTER EARNINGS PRESENTATION
JUNE 6, 2013



Safe Harbor Agreement



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expects,” “anticipates,” “intends,” “estimates,” or similar expressions are intended to identify these forward-looking statements. These statements are based on the current plans and expectations of Conn’s, Inc. and involve risks and uncertainties that could cause future activities and results of operations to be materially different from those set forth in the forward-looking statements. For further information, please refer to Conn’s, Inc. reports and filings with the Securities and Exchange Commission.

Same Store Sales Performance

	Same Store Sales <u>% Change for 1Q FY14</u>
Home appliance	11.5%
Furniture and mattress	50.9%
Consumer electronic	(0.8%)
Home office	34.2%
Other	(15.3%)
Product sales	15.2%
Repair service agreement commissions	28.0%
Total net sales	16.5%

Other category includes lawn and garden, general accessories and delivery and installation revenues

Gross Margin Performance by Product Category

	1Q FY14		1Q FY13		Basis Point Change	
	<u>Gross Margin</u>	<u>ASP</u>	<u>Gross Margin</u>	<u>ASP</u>	<u>Gross Margin</u>	<u>ASP</u>
Home appliance	33.6%	\$557	30.7%	\$486	290	1,460
Furniture and mattress	48.3%	\$341	42.2%	\$336	610	150
Consumer electronic	29.2%	\$530	20.8%	\$445	840	1,910
Home office	21.5%	\$591	14.6%	\$550	690	750
Other	48.6%	\$105	36.5%	\$147	1,210	(2,860)
Total product	35.3%	\$404	28.7%	\$385	660	500

Other category includes lawn and garden, general accessories, and delivery and installation revenues

Sales Floor Execution

	<u>1Q FY14</u>	<u>1Q FY13</u>
Sales Per Associate	\$67,800	\$53,400
Customer Satisfaction ⁽¹⁾	94%	88%
Associate Turnover	56%	56%

⁽¹⁾ During the fourth quarter of fiscal 2013, the scoring methodology used to measure customer satisfaction was changed.

Furniture and Mattresses

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>1Q FY14</u>
All Stores:				
Percentage of total product sales	12.6%	16.7%	20.5%	25.7%
Percentage of total gross profit dollars	19.2%	23.5%	30.8%	34.8%
New Stores:				
Percentage of total product sales				36.2%

Retail SG&A Comparison

	% of Sales <u>1Q FY14</u>	% of Sales <u>1Q FY13</u>	Basis Point <u>Change</u>
Advertising	4.7%	4.6%	10
Compensation	14.4%	14.4%	0
Other SG&A	<u>8.4%</u>	<u>8.6%</u>	<u>(20)</u>
Retail SG&A	<u>27.5%</u>	<u>27.6%</u>	<u>(10)</u>
Retail SG&A as % of Retail Gross Profit	67.7%	80.7%	(1,300)

New Store Productivity – 1Q FY14

(dollars in thousands)

	<u>New Stores</u>	<u>All Stores</u>
Average 1Q FY14 Product Sales ⁽¹⁾	\$3,729	\$2,901
Furniture and Mattress Sales as a Percentage of Total Product Sales	36%	26%

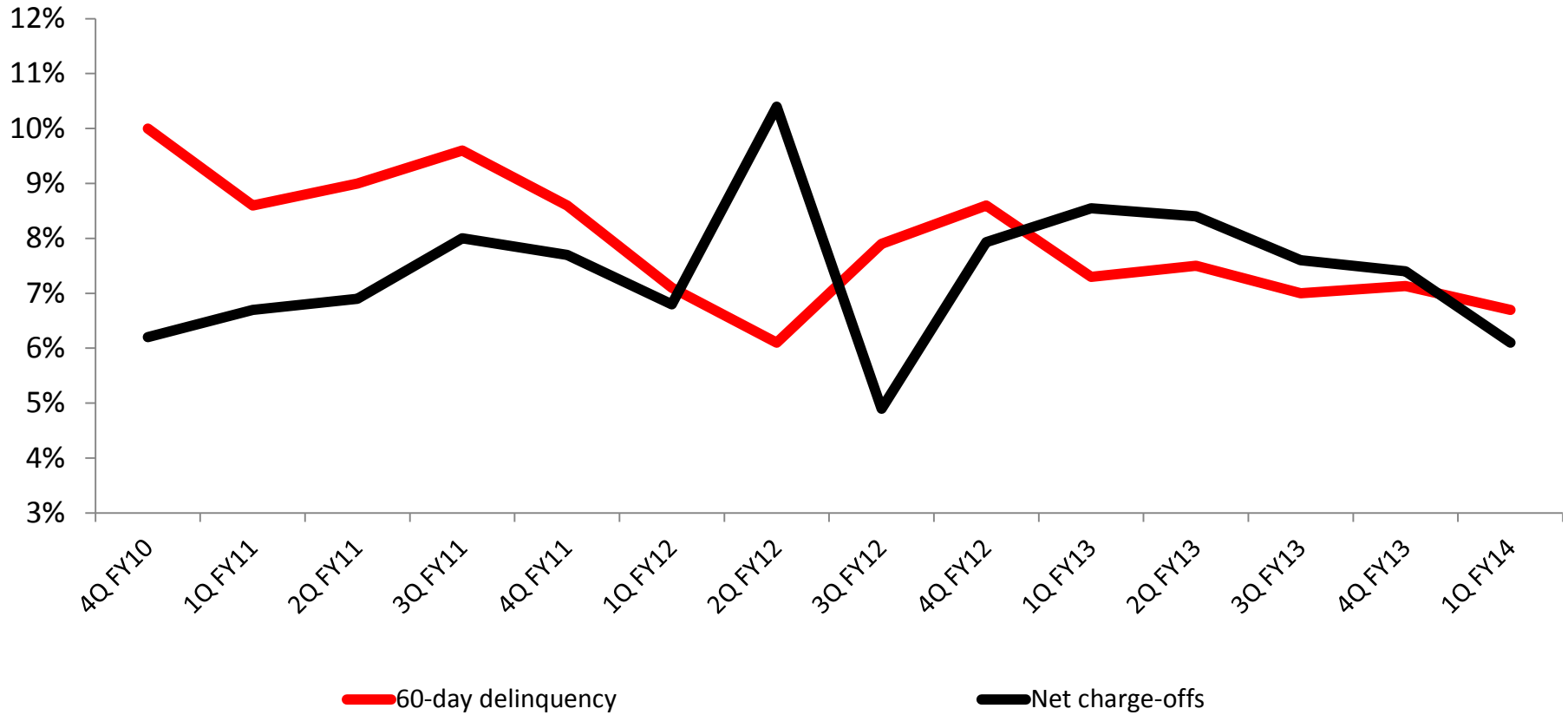
(1) Excludes Las Cruces, New Mexico and Tulsa, Oklahoma stores opened on April 26, 2013.

Valuable Credit Offering for All Consumers

Percent of Sales Generated by Payment Option

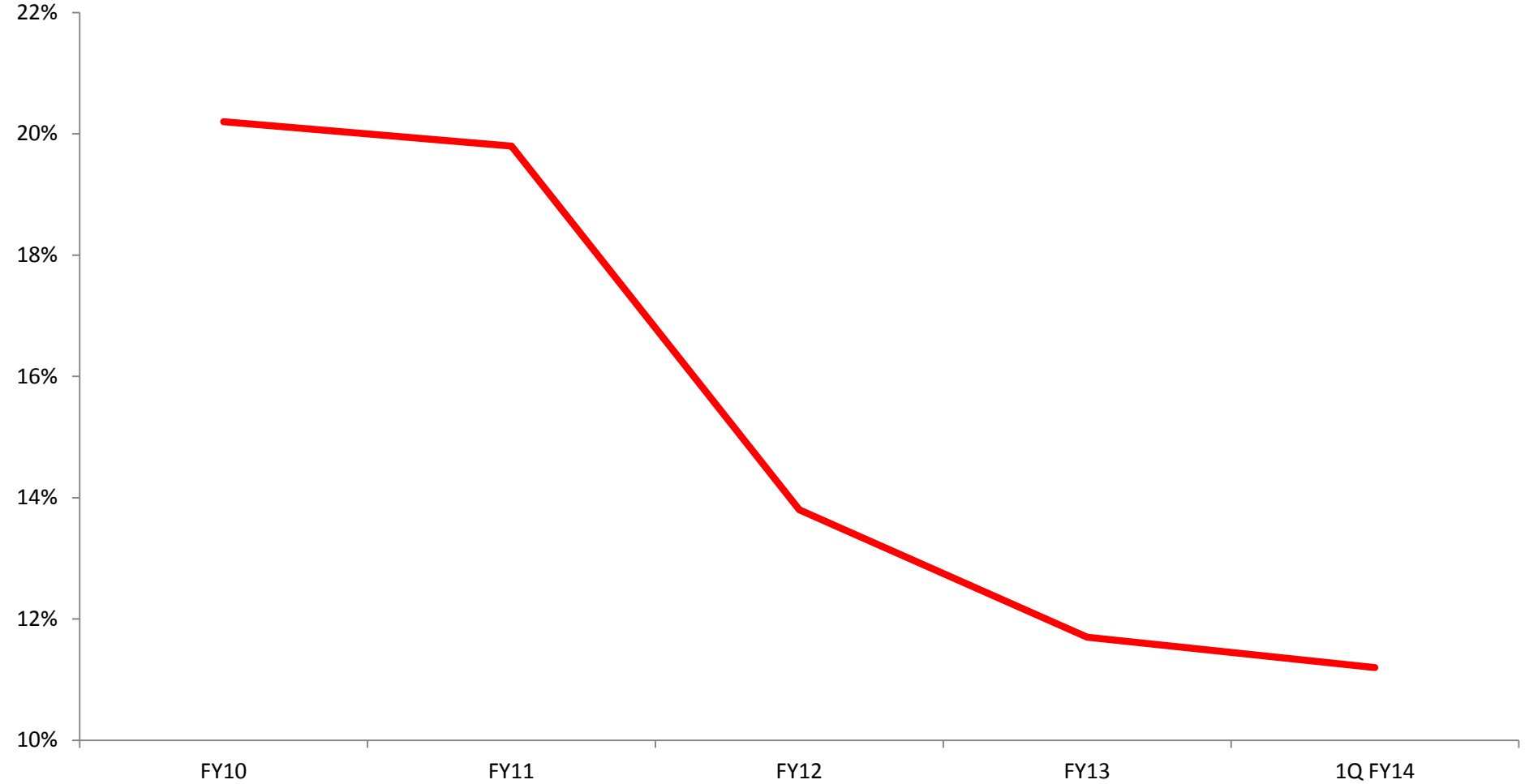
	<u>1Q FY14</u>	<u>1Q FY13</u>
GE Capital	11.8%	12.5%
Conn's Credit (including down payment)	74.0%	66.9%
RAC Acceptance (Rent-to-Own)	<u>3.8%</u>	<u>3.7%</u>
Total	89.6%	83.1%

Credit Portfolio Trends

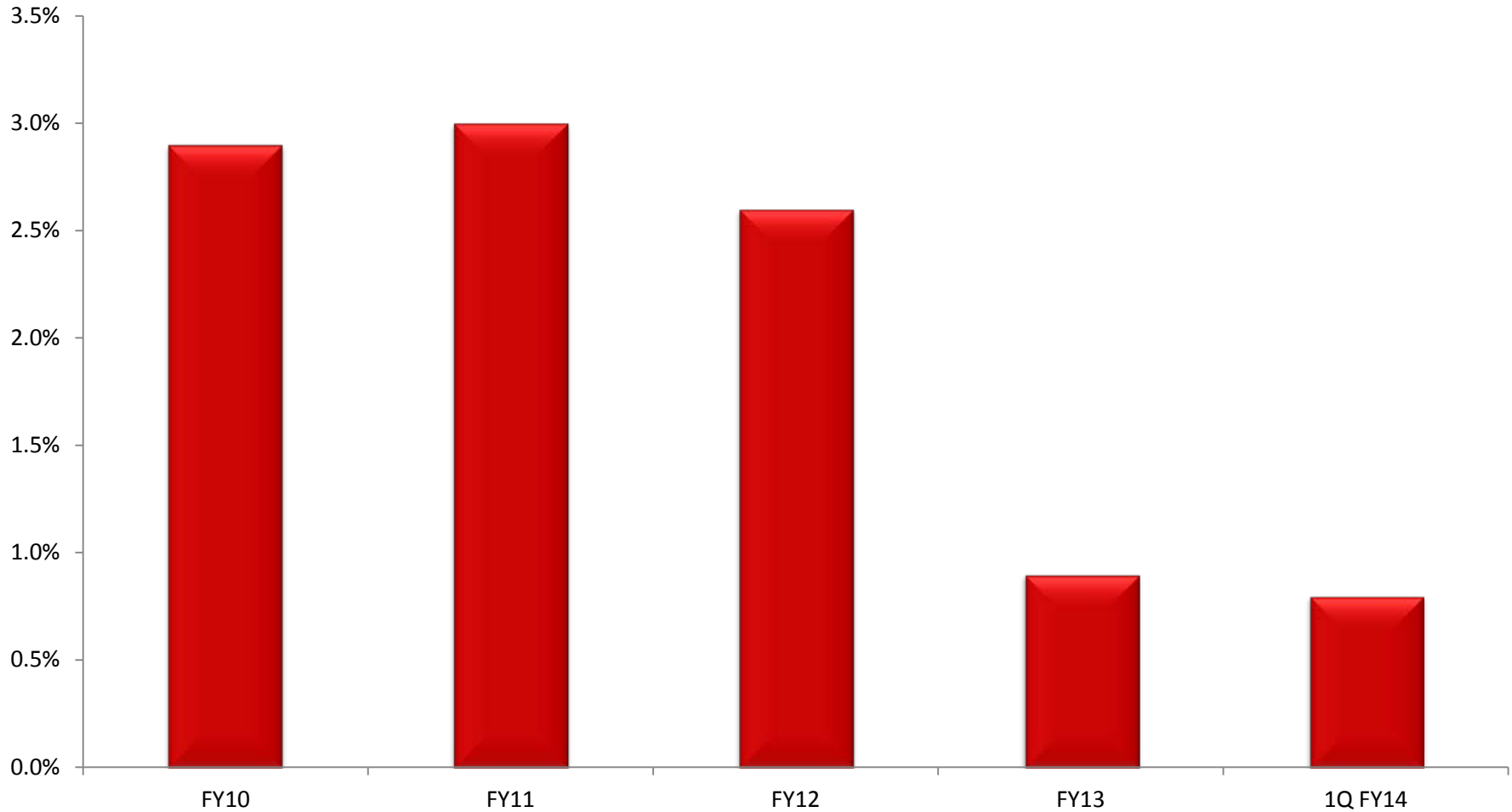


Reduced Balances Re-aged

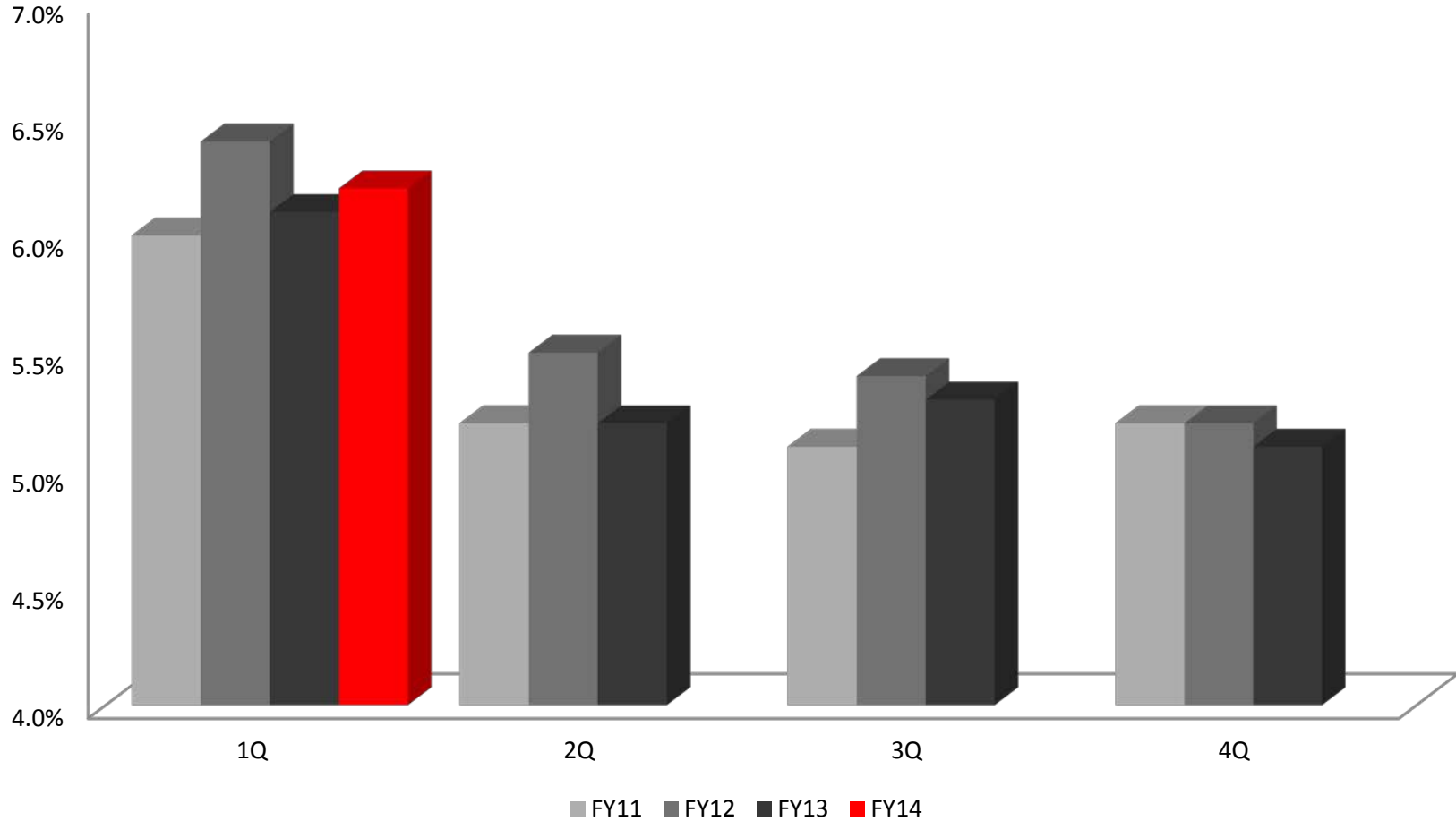
Percent of the Portfolio Re-aged at End of Period



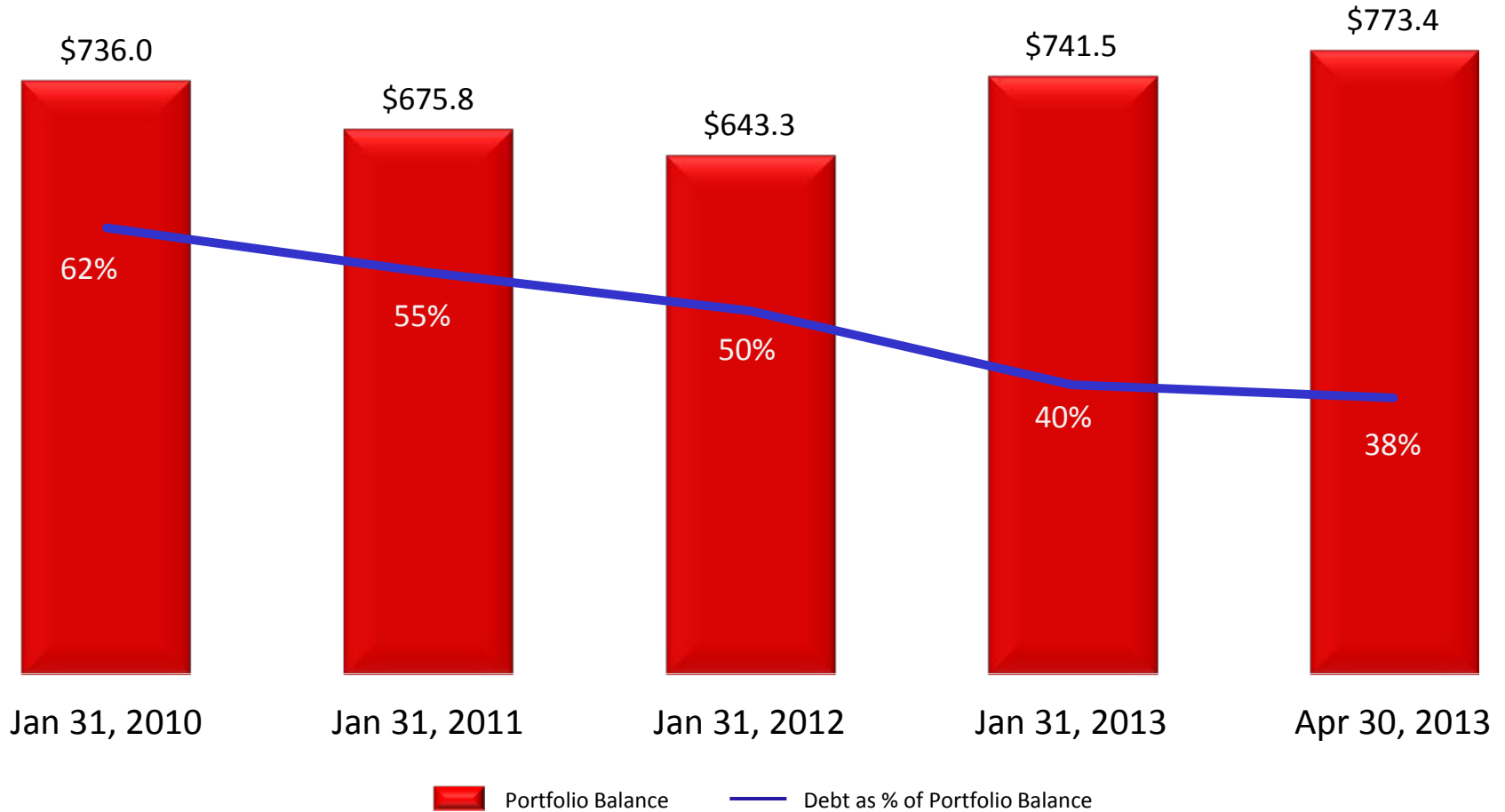
Percent of the Portfolio Over 36 Months Since Origination



Payment Rate by Quarter



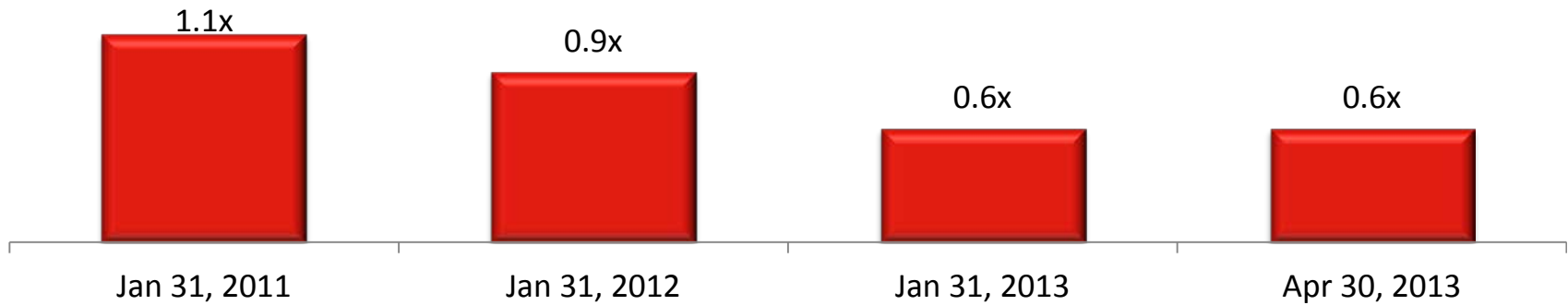
Debt as Percent of Portfolio Balance



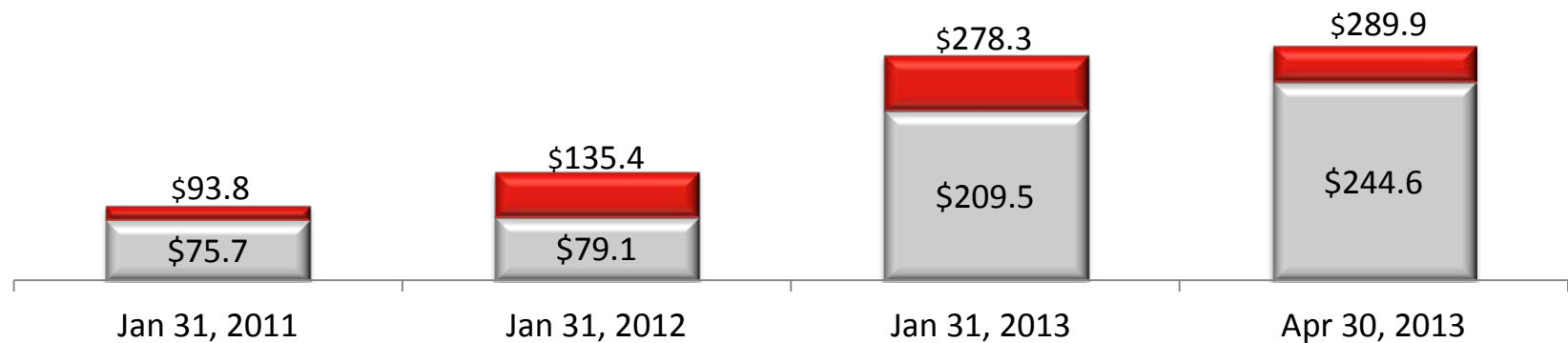
- Portfolio balance in millions
- Debt as a percent of portfolio balance = Total debt/Portfolio Balance

Considerable Access to Capital

Total Debt to Stockholders' Equity



Borrowing Capacity (\$ in mm)



 Borrowing Capacity  Available Liquidity

Revised Full-Year FY2014 Guidance

- Same store sales growth 8% to 13%
- New store openings 10 to 12 stores
- Retail gross margin 37.5% to 38.5%
- Credit portfolio interest and fee yield 18.0% to 18.3%
- Provision for bad debts as % average portfolio balance 6.5% to 7.0%
- SG&A expense as % of total revenues 28.0% to 29.0%
- Diluted EPS \$2.50 to \$2.65



Conn's