UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 8, 2021

PROG Holdings, Inc.
(Exact name of registrant as specified in its charter)

Georgia	1-39628	85-2484385
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

256 W. Data Drive Draper, Utah	84020-2315
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (385) 351-1369

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbols(s)	Name of each exchange on which registered
Common Stock, Par Value $0.50 Per Share	**PRG**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01. Regulation FD Disclosure

PROG Holdings, Inc., a Georgia corporation (the "Company"), is furnishing prospective investors with certain non-GAAP financial information that has not been previously publicly reported, which information will be included in the offering memorandum and a related investor presentation, for the proposed offering described under Item 8.01 to this Current Report on Form 8-K. The disclosure is set forth under the heading "Non-GAAP Financial Information" in Exhibit 99.1 attached hereto and is incorporated by reference into this Item 7.01.

The information in this Item 7.01, including the disclosure set forth under the heading "Non-GAAP Financial Information" in Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall such materials be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or in the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01. Other Events

Notes Offering

On November 8, 2021, the Company announced the commencement of a proposed offering (the "Offering") of $600 million aggregate principal amount of senior unsecured notes due 2029 (the "Notes") to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A of the Securities Act and to certain persons outside the United States under Regulation S of the Securities Act. A copy of the press release announcing the Offering is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The Company intends to use a portion of the net proceeds from the offering of the Notes to fund the purchase price, and related fees and expenses, of its previously announced tender offer to purchase for cash up to $425 million in value of the Company's common stock, par value $0.50 per share (the "shares"), at a single per share price of not less than $44.00 per share and not more than $50.00 per share, less any applicable withholding taxes and without interest. The Company intends to use any remaining proceeds for future additional share repurchases or, to the extent the Company determines not to repurchase additional shares, for general corporate purposes.

The tender offer is being made pursuant to the Offer to Purchase, dated November 4, 2021, the related letter of transmittal and other related materials filed as part of the Schedule TO related to the tender offer filed with the Securities and Exchange Commission, and neither this Current Report on Form 8-K nor the exhibits hereto are an offer to purchase or a solicitation of an offer to sell any shares of common stock in the tender offer.

The Notes and the guarantees thereof will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. This Current Report on Form 8-K and the exhibits hereto do not constitute an offer to sell or the solicitation of an offer to buy the Notes or any other securities, nor will there be any sale of Notes or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Revolving Facility Amendment

On November 8, 2021, the Company entered into an amendment (the "Revolving Facility Amendment") to the credit agreement governing its existing revolving credit facility (the "Credit Agreement"), which provides for amendments to the Credit Agreement to permit certain expected terms of the Offering.

The foregoing description of the Revolving Facility Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Revolving Facility Amendment, a copy of which will be filed with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Updated Risk Factor Information

In connection with the Offering, the Company is also furnishing prospective investors with certain updated risk factor information that has not been previously publicly reported, which information will be included in the offering memorandum for the Offering. The disclosure is set forth under the heading "Updated Risk Factor Information" in Exhibit 99.1 attached hereto and is incorporated by reference into this Item 8.01.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1	Excerpts of Offering Memorandum and Investor Presentation.
99.2	Press Release, dated November 8, 2021.
104	The cover page of this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PROG HOLDINGS, INC.

By: /s/ Brian Garner
Brian Garner
Chief Financial Officer

Date: November 8, 2021

Exhibit 99.1

Non-GAAP Financial Information

Description and Reconciliations of Non-GAAP Financial Measures

The EBITDA figures presented herein are calculated as net earnings (loss) from continuing operations before (i) interest expense, (ii) depreciation on property, plant and equipment, (iii) amortization of intangible assets and (iv) income taxes. Adjusted EBITDA also excludes the following significant items: (i) separation costs associated with the spin-off of the Aaron's Business segment, (ii) the FTC legal and regulatory loss and related expenses, net of insurance recoveries, (iii) gain on the sale of Vive's former corporate office building, (iv) charges related to severance and relocation costs associated with Vive restructuring activities, (v) severance related costs associated with certain corporate overhead functions, and (vi) stock based compensation expense. We believe the exclusion of stock-based compensation expense provides for a better comparison of our operating results with our peer companies as the calculations of stock-based compensation vary from period to period and company to company due to different valuation methodologies, subjective assumptions and the variety of award types.

Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Adjusted Revenues. Adjusted EBITDA provides management and investors with an understanding of the results from the primary operations of our business by excluding the effects of certain items that generally arose from larger, one-time transactions that are not reflective of the ordinary earnings activity of our operations or transactions that have variability and volatility of the amount. This measure may be useful to an investor in evaluating the underlying operating performance of our business.

Free Cash Flow presented herein is calculated as cash flows provided by operating activities from continuing operations less cash outflows on capital expenditures from continuing operations. Management believes that free cash flow is an important measure of liquidity and is widely used by analysts, investors and competitors in our industry as well as by our management in assessing liquidity.

Reconciliation of Net earnings from continuing operations to EBITDA and Adjusted EBITDA, non-GAAP measures

	Fiscal Year Ended December 31,			Nine Months Ended September 30,		Twelve Months Ended September 30,
	2020	2019	2018	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)
Earnings (Loss) from Continuing Operations	$ 233,627	$ (24,615)	$ 125,303	$ 205,738	$ 191,322	$ 248,043
Income Tax Expense	37,949	52,228	31,496	69,609	13,915	93,643
Earnings Before Income Taxes	$ 271,576	$ 27,613	156,799	275,347	205,237	341,686
Interest Expense	187	—	—	1,392	—	1,579
Depreciation[1]	9,679	9,089	7,143	7,891	7,131	10,439
Amortization	22,141	22,263	22,263	16,565	16,697	22,009
EBITDA	303,583	58,965	186,205	301,195	229,065	375,713
Gain on Sale of Building	—	—	(775)	—	—	—
Restructuring Expenses (Reversals)	238	304	(10)	—	238	—
Stock-based Compensation, excluding amounts reflected in Separation Costs	20,403	21,193	21,275	14,803	15,832	19,374
Legal and Regulatory Expense, Net of Insurance Recoveries	(835)	179,261	—	—	(835)	—
Separation Costs	17,953		—	—	2,443	15,510
Transaction Expenses	—	—	—	561	—	561
Adjusted EBITDA	$ 341,342	$ 259,723	$ 206,695	$ 316,559	$ 246,743	$ 411,158
Adjusted Revenues	$2,484,595	$2,163,179	$1,808,486	$2,031,377	$1,878,943	$ 2,637,029
Adjusted EBITDA Margin	13.7%	12.0%	11.4%	15.6%	13.1%	15.6%

(1) Depreciation expense on property, plant and equipment only.

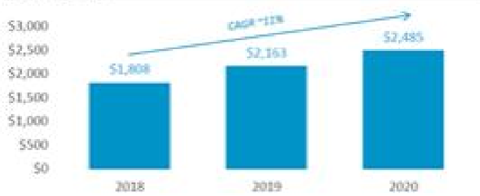
Reconciliation of Cash provided by operating activities to Free Cash Flow, a non-GAAP measure

(Dollars in thousands, Continuing Operations(1))	Fiscal Year Ended December 31, 2020	2019	2018	Nine Months Ended September 30, 2021 (unaudited)	2020 (unaudited)	Twelve Months Ended September 30, 2021 (unaudited)
Cash provided by operating activities	$262,645	$144,871	$156,959	$ 294,890	$ 270,109	$ 287,426
Capital Expenditures	6,808	13,032	11,746	6,815	5,163	8,460
Free Cash Flow	$255,837	$131,839	$145,213	$ 288,075	$ 264,946	$ 278,966

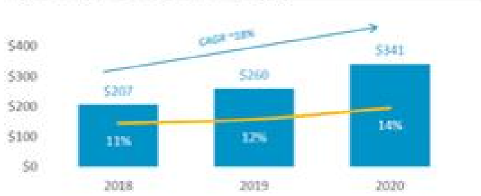
(1) Excludes cash flows classified as Discontinued Operations as a result of the November 30, 2020 spin-off of the Aaron’s Business.

High growth with consistent margins

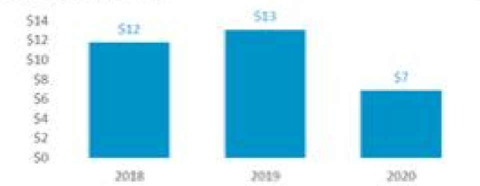
Revenue[1] ($mm)



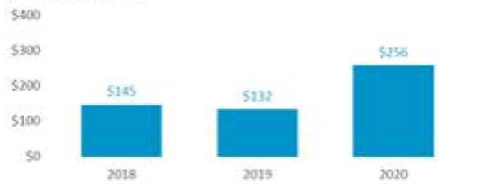
Adj. EBITDA[2] ($mm) and adj. EBITDA margin (%)



Capital expenditures[1] ($mm)



Free cash flow[3] ($mm)



[1]Represents the continuing operations of consolidated PROG Holdings, Inc. 2018 revenues are calculated as revenues from continuing operations less Progressive Leasing bad debt expense. See appendix for further details on this non-GAAP measure.
[2]Represents the continuing operations of consolidated PROG Holdings, Inc.
[3]Defined as continuing operations cash flow from operating activities less CapEx.

PROG Holdings, Inc.

Use of Non-GAAP financial measures

This presentation includes information that does not conform to U.S. GAAP and are considered non-GAAP measures. Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow, Net Leverage Ratio, and 2018 Revenues are supplemental measures of our performance that are not calculated in accordance with U.S. GAAP.

Adjusted EBITDA figures presented herein are calculated as the Company's earnings from continuing operations before interest expense, net, depreciation on property, plant and equipment, amortization of intangible assets and income taxes. Adjusted EBITDA also excludes stock-based compensation expense, restructuring expenses (reversals), acquisition related transaction costs, separation related charges from our spin-off of Aaron's Business, legal and regulatory fees related to the Company's settlement with the FTC, net of insurance recoveries, and gain on the sale of a building. The amounts for these pre-tax non-GAAP adjustments can be found in the following GAAP to non-GAAP reconciliations. Adjusted EBITDA margins represents Adjusted EBITDA as a percentage of revenues from continuing operations.

Management believes Adjusted EBITDA provides relevant and useful information, and are widely used by analysts, investors and competitors in our industry as well as by our management in assessing both consolidated and business unit performance. Adjusted EBITDA provides management and investors with an understanding of the results from the primary operations of our business by excluding the effects of certain items that generally arose from larger, one-time transactions that are not reflective of the ordinary earnings activity of our operations or transactions that have variability and volatility of the amount. We believe the exclusion of stock-based compensation expense provides for a better comparison of our operating results with our peer companies as the calculations of stock-based compensation vary from period to period and company to company due to different valuation methodologies, subjective assumptions and the variety of award types. This measure may be useful to an investor in evaluating the underlying operating performance of our business.

Adjusted EBITDA also provides management and investors with an understanding of one aspect of earnings before the impact of investing and financing charges and income taxes. These measures may be useful to an investor in evaluating our operating performance because the measures:

- Are widely used by investors to measure a company's operating performance without regard to items excluded from the calculation of such measure, which can vary substantially from company to company depending upon accounting methods, book value of assets, capital structure and the method by which assets were acquired, among other factors.
- Are used by rating agencies, lenders and other parties to evaluate our creditworthiness.
- Are used by our management for various purposes, including as a measure of performance of our operating entities and as a basis for strategic planning and forecasting.

Free cash flow presented herein are calculated as cash flows provided by operating activities from continuing operations less cash outflows on the purchases of property, plant and equipment from continuing operations. Management believes that free cash flow is an important measure of liquidity and is widely used by analysts, investors and competitors in our industry as well as by our management in assessing liquidity.

Net Leverage Ratio is an important metric to our overall liquidity position and is calculated as total debt less cash and cash equivalents as a ratio of our last twelve-month reported adjusted EBITDA.

Revenues presented herein for 2018 are a supplemental measure of our performance that are not calculated in accordance with U.S. GAAP in place for 2018. The non-GAAP measure assumes that Progressive bad debt expense is recorded as a reduction to lease revenues and fees instead of within operating expenses for 2018 to provide comparability with the financial results we reported beginning in 2019 when ASC 842 became effective and we began reporting Progressive's bad debt expense as a reduction to lease revenues and fees.

Non-GAAP financial measures should not be used as a substitute for, or considered superior to, measures of financial performance prepared in accordance with GAAP, such as the Company's GAAP basis net earnings from continuing operations and cash flows from operating activities. Further, we caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA, Free Cash Flow, Net Leverage Ratio, and 2018 Revenues may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate these measures in the same manner.

PROG Holdings, Inc.

Reconciliation of Non-GAAP: Free Cash Flow

(in thousands, Continuing Operations[1])	Year ended December 31, 2018	2019	2020
Cash provided by Operating Activities	$ 156,959	$ 144,871	$ 262,645
CapEx	11,746	13,032	6,808
Free Cash Flow	**$ 145,213**	**$ 131,839**	**$ 255,837**

PROG Holdings, Inc.

[1]Defined as continuing operations cash flow from operating activities less CapEx.

<u>**Updated Risk Factor Information**</u>

Risks Related to Our Businesses, Regulatory Environment and Industry

Progressive Leasing and Vive are subject to extensive federal, state and local laws and regulations that could expose them to government investigations, significant additional costs, fines or other monetary penalties or settlements, and compliance-related burdens that could force Progressive Leasing and Vive to change their business practices in a manner that may be materially adverse to our results of operations, financial condition, and prospects.

In April 2020, Progressive Leasing entered into a settlement with the FTC (the “FTC Settlement”) to resolve allegations by the FTC that certain of Progressive Leasing’s advertising and marketing practices violated the FTC Act, even though Progressive Leasing believed it was in compliance with the FTC Act, and thus, did not admit any violations of that act or any other laws. Under the FTC Settlement, Progressive Leasing paid $175 million to the FTC and agreed to enhance certain of its compliance-related activities, including augmenting disclosures to its customers and expanding its POS partner monitoring programs. Federal regulatory authorities such as the FTC are increasingly focused on consumer protection within the subprime financial marketplace in which Progressive Leasing and Vive operate. Any of these federal agencies may propose and adopt new regulations (or interpret existing regulations) that could result in significant adverse changes in the regulatory landscape for Progressive Leasing and Vive. We expect the current Presidential Administration and Congress will devote substantial attention to consumer protection matters and, as a result, businesses transacting with subprime consumers could be held to higher standards of monitoring, disclosure and reporting, regardless of whether new laws or regulations governing our industry are adopted. This increased attention could increase Progressive Leasing’s and Vive’s compliance costs significantly, result in additional fines or monetary penalties or settlements due to future government investigations, and materially and adversely impact the manner in which they operate, which may be materially adverse to our results of operations, financial condition, and prospects.

State regulatory authorities also appear to be increasingly focused on the subprime financial marketplace, including the lease to own industry. For example, in early 2021 a number of lease-to-own companies, including the Company, received a subpoena from the California Department of Financial Protection and Innovation (the “DFPI”). The subpoena received by the Company in January 2021 from the DFPI requested the production of documents regarding the Company’s operations and its compliance with state consumer protection laws, including new legislation that went into effect on January 1, 2021. Although the Company believes it is in compliance with all applicable consumer financial laws and regulations in California, this inquiry could lead to an enforcement action and/or a consent order, and substantial costs, including legal fees, fines, penalties, and remediation expenses. While the Company intends to preserve defenses surrounding the jurisdiction of DFPI in this matter, the Company has fully cooperated and anticipates that it will continue cooperating with the DFPI in responding to its inquiry. We are currently unable to predict the ultimate timing or outcome of this investigation. In addition, the FTC Settlement could lead to investigations and enforcement actions by, and/or consent orders with, state Attorneys General or other state regulatory agencies.. Furthermore, on November 4, 2021, Rent-A-Center, Inc. announced that its Acima division (“Acima”), which is a large virtual lease-to-own business that competes with Progressive Leasing, announced that it had received a letter from the Nebraska Attorney General’s office stating that the Attorney General of Nebraska, along with a coalition of thirty-eight state Attorneys General, has initiated a multistate investigation into the business acts and practices of Acima and that a civil investigative demand(s) and/or subpoena(s) pursuant to respective state consumer protection laws will be forthcoming. As of the date of this Current Report on Form 8-K, we have not received a similar communication from the Nebraska Attorney General’s office and are not aware of any intention by any state Attorneys General involved in the Acima matter to broaden their investigation to include Progressive Leasing in their investigation. However, there can be no assurance that Progressive Leasing will not be included in such matter and, if it is, that it would not lead to an enforcement action and/or a consent order, or substantial costs, including legal fees, fines, penalties, and remediation expenses. We cannot predict whether any state Attorneys General or state regulatory agencies will direct other investigations or regulatory investigations towards us or our industry in the future, or what the impact of any such future regulatory investigation may be.

In addition, certain aspects of Progressive Leasing's and Vive's business, such as the content of their advertising and other disclosures to customers about transactions, their respective collection practices, the manner in which they may contact their customers, the decisioning process regarding whether to enter into a transaction with a potential customer, their credit reporting practices, and the manner in which they process and store certain customer, employee and other information are subject to federal and state laws and regulatory oversight. For example, the California Consumer Privacy Act of 2018 (the "CCPA"), which became effective on January 1, 2020, gives residents of California expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used, and also provides for civil penalties for violations and private rights of action for data breaches. In addition, on November 3, 2020, California voters approved a new privacy law, the California Privacy Rights Act ("CPRA"), which significantly modifies the CCPA, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. Many of the CPRA's provisions will become effective on January 1, 2023. The CCPA, CPRA, and other applicable state and federal privacy laws will require Progressive Leasing and Vive to design, implement and maintain different types of privacy-related compliance controls and programs simultaneously in multiple states, thereby further increasing the complexity and cost of compliance. In addition, certain states limit the total cost that Progressive Leasing may charge a customer in order for the customer to achieve ownership of the leased merchandise at the end of the lease term.

We have incurred and will continue to incur substantial costs to comply with federal, state and local laws and regulations, including rapidly evolving expected consumer protection standards. In addition to compliance costs, we may continue to incur substantial expenses to respond to regulatory and other third-party investigations and enforcement actions, proposed fines and penalties, criminal or civil sanctions, and private litigation, as well as potential "headline risks" that could negatively impact our business and may adversely affect our share price. Consumer complaints with respect to our industry have resulted in, and may in the future result in, state, federal and local regulatory and other investigations. In addition, while we are not aware of any whistleblower claims regarding either Progressive Leasing's or Vive's specific business practices, such claims are on the rise generally. We believe these claims will likely continue, in part because of the provisions enacted by the Dodd-Frank Act that provide for cash awards to persons who report alleged wrongdoing to the U.S. Securities and Exchange Commission, and because competitors may use it as a method to weaken their competitors, and others, like former personnel or other constituencies, may use it as means to extract payment or otherwise retaliate.

Additionally, as we execute on our strategic plans, we may continue to expand into complementary businesses that engage in financial, banking or lending services, or lease-to-own or rent-to-rent transactions involving products that we do not currently offer our customers, all of which may be subject to a variety of statutes and regulatory requirements in addition to those regulations currently applicable to our operations, which may impose significant costs, limitations or prohibitions on the manner in which we currently conduct our businesses as well as those we may acquire in the future.

Interruptions, inventory shortages and other factors affecting the supply chains of our retail partners could have a material and adverse effect on our results of operations, financial condition, and prospects.

The traditional and e-commerce retailers with whom our Progressive Leasing, Vive and Four businesses partner with (whom we refer to as our point-of-sale partners or "POS partners") are critical to our success. Any extended supply chain interruptions, inventory shortages or other operational disruptions affecting any of our POS partners could have a material adverse impact on our business. We depend on our POS partners' abilities to deliver products to customers at the right time and in the right quantities. Accordingly, it is important for our POS partners to maintain optimal levels of inventory and respond rapidly to shifting demands, but we believe that recent global supply chain issues are negatively impacting inventory and stocking levels in the retail industry ahead of the holiday retail season. This disruption to, or inefficiency in, supply chain networks is expected to have an adverse impact on our operations in the near term, but if such interruptions were to continue, could potentially have a more material adverse impact on our results of operations, financial condition, and prospects.

Exhibit 99.2

PROG Holdings, Inc. Announces Offering of $600 Million of Senior Unsecured Notes

Proceeds will be used to fund equity tender offer, future additional share repurchases or, to the extent PROG Holdings determines not to repurchase additional shares, for general corporate purposes

SALT LAKE CITY, November 8, 2021 – PROG Holdings, Inc. (NYSE:PRG), the fintech holding company for Progressive Leasing, Vive Financial, and Four Technologies, today announced that, subject to market and other conditions, it intends to offer $600 million in aggregate principal amount of its senior unsecured notes due 2029 (the “notes”) in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and to non-U.S. persons in accordance with Regulation S under the Securities Act.

The interest rate and other terms will be determined at the time of pricing of the offering, subject to market and other conditions. The notes will be guaranteed by certain of PROG Holdings’ existing and future domestic subsidiaries.

The net proceeds from the offering of the notes will be used to repurchase shares of PROG Holdings’ common stock pursuant to the tender offer commenced on November 4, 2021, future additional share repurchases or, to the extent PROG Holdings determines not to repurchase additional shares, for general corporate purposes. The offering of the notes is not conditioned on the consummation of the tender offer. The tender offer is conditioned upon, among other things, the consummation of a debt financing prior to its expiration date on terms reasonably satisfactory to PROG Holdings and resulting in gross proceeds to PROG Holdings of at least $400 million (the “Financing Condition”). The consummation of this offering prior to the expiration date of the tender offer would satisfy the Financing Condition.

The tender offer is being made pursuant to the Offer to Purchase, the related letter of transmittal and other related materials filed as part of the Schedule TO related to the tender offer with the Securities and Exchange Commission (the “SEC”), and this press release is not an offer to purchase or a solicitation of an offer to sell any shares of common stock in the tender offer. The notes and the guarantees thereof will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy the notes or any other securities, nor will there be any sale of notes or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

This press release contains information about pending transactions, and there can be no assurance that these transactions will be completed.

About PROG Holdings, Inc.

PROG Holdings, Inc. (NYSE:PRG) is a fintech holding company headquartered in Salt Lake City, UT, that provides transparent and competitive payment options to consumers. PROG Holdings owns Progressive Leasing, a leading provider of e-commerce, app-based, and in-store point-of-sale lease-to-own solutions, Vive Financial, an omnichannel provider of second-look revolving credit products, and Four Technologies, provider of Buy Now, Pay Later payment options through its platform Four. More information on PROG Holdings' companies can be found at https://www.progholdings.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

Statements in this news release regarding our business that are not historical facts are "forward-looking statements" that involve risks and uncertainties which could cause actual results to differ materially from those contained in the forward-looking statements. Such forward-looking statements generally can be identified by the use of forward-looking terminology, such as "continue", "continued", "expects", "expected", "outlook", "intends" and similar forward-looking terminology. These risks and uncertainties include factors such as (i) the impact of the COVID-19 pandemic and related measures taken by governmental or regulatory authorities to combat the pandemic, including the impact of the pandemic and such measures on: (a) demand for the lease-to-own products offered by our Progressive Leasing segment, (b) Progressive Leasing's POS partners, and Vive's and Four's merchant partners, (c) Progressive Leasing's, Vive's and Four's customers, including their ability and willingness to satisfy their obligations under their lease agreements and loan agreements, (d) Progressive Leasing's point-of-sale partners being able to obtain the merchandise its customers need or desire, (e) our employees and labor needs, including our ability to adequately staff our operations, (f) our financial and operational performance, and (g) our liquidity, including risks arising from the increased level of debt that we expect to incur in connection with the tender offer to purchase up to $425 million of our common stock; (ii) changes in the enforcement of existing laws and regulations and the adoption of new laws and regulations that may unfavorably impact our businesses; (iii) the effects on our business and reputation resulting from Progressives Leasing's announced settlement and related consent order with the FTC, including the risk of losing existing POS partners or being unable to establish new relationships with additional POS partners, and of any follow-on regulatory and/or civil litigation arising therefrom; (iv) other types of legal and regulatory proceedings and investigations, including those related to consumer protection, customer privacy, third party and employee fraud and information security; (v) our ability to protect confidential, proprietary, or sensitive information, including *the personal and confidential information of our customers, which may be adversely affected by cyber-attacks, employee or other internal misconduct, computer viruses, electronic break-ins or "hacking", or similar disruptions, any one of which could have a material adverse impact on our results of operations, financial condition, and prospects; (vi) increased competition from traditional and virtual lease-to-own competitors and also from competitors of our Vive segment; (vii) increases in lease merchandise write-offs and the provision for returns and uncollectible renewal payments for Progressive Leasing, especially in light of the COVID-19 pandemic, and for loan losses, with respect to our Vive segment; (viii) the possibility that the operational, strategic and shareholder value creation opportunities expected from the spin-off of PROG Holdings' Aaron's Business segment may not be achieved in a timely manner, or at all; (ix) Vive's business model differing significantly from Progressive Leasing's, which creates specific and unique risks for the Vive business, including Vive's reliance on two bank partners to issue its credit products and Vive's exposure to the unique regulatory risks associated with the lending-related laws and regulations that apply to its business; (x) the effects of any increased expenses or unanticipated liabilities incurred as a result of, or due to activities related to, our recent acquisition of Four; (xi) Four's business model differing significantly from Progressive Leasing's and Vive's, which creates specific and unique risks for the Four business, including Four's exposure to the unique regulatory risks associated with the laws and regulations that apply to its business; (xii) our ability to consummate the tender offer on the terms and timing described herein, or at all, and to realize the benefits expected from the tender offer; and (xiii) the other risks and uncertainties discussed under "Risk Factors" in the PROG Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on February 26, 2021. Statements in this press release that are "forward-looking" include without limitation statements about (i) the execution, timing of, and benefits expected from, the tender offer; (ii) the amount, timing, possible uses of proceeds and benefits expected from the offering of the notes described in this press release; and (iii) our future plans and expectations with respect to capital allocation. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, PROG Holdings undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances after the date of this press release.*

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