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Synchrony To Acquire Allegro Credit To Drive Growth In Health And Wellness Financing

Consumer finance provider to accelerate Synchrony's leadership in audiology, dental and musical instruments financing

STAMFORD, Conn., Jan. 26, 2021 /PRNewswire/ -- Synchrony (NYSE: SYF) today announced it has reached a definitive agreement to acquire Allegro Credit, a leading provider of point-of-sale consumer financing for audiology products, dental services and musical instruments.

Synchrony today announced reached a definitive agreement to acquire Allegro Credit.

Allegro Credit's merchant network and customer base will largely join CareCredit, Synchrony's health and wellness financing platform. The acquisition advances Synchrony's growth and diversification strategy and accelerates its industry leading digital innovation, expanding choice at the point-of-sale for its providers, merchants and customers.

For its primary product offering in the fast-growing audiology market, Allegro Credit offers numerous loan options with flexible payment terms at the point of sale through a network of 3,200 merchants.

"Throughout its history, Allegro Credit has built a reputation for service excellence and innovation," said Beto Casellas, CEO, CareCredit, a Synchrony solution. "Its healthcare financing products help people live fuller, healthier and happier lives through payment plans that make it easier for our customers to get the care they want and need. Our businesses are very complementary, and this acquisition will enhance CareCredit's scale of offerings and depth of expertise."

"It was essential to join a company that shares our cultural values, growth objectives, innovation mindset and commitment to our merchants and customers," said David Parsons, President and CEO, Allegro Credit. "We see an amazing opportunity to amplify our differentiated innovative offerings through Synchrony and CareCredit's network, reach and scale. This deal will help us accelerate the ability to improve people's lives through the healthcare treatments they need or capture our customer's passions with music products."

The transaction is subject to customary closing conditions and is expected to close in the first quarter of 2021. Financial terms were not disclosed; the deal is not expected to have a material impact on Synchrony's financial results.

About Synchrony

Synchrony (NYSE: SYF) is a premier consumer financial services company. We deliver a wide range of specialized financing programs, as well as innovative consumer banking products, across key industries including digital, retail, home, auto, travel, health and pet. Synchrony enables our partners to grow sales and loyalty with consumers. We are one of the largest issuers of private label credit cards in the United States; we also offer co-branded products, installment loans and consumer financing products for small- and medium-sized businesses, as well as healthcare providers.

Synchrony is changing what's possible through our digital capabilities, deep industry expertise, actionable data insights, frictionless customer experience and customized financing solutions.

For more information, visit www.synchrony.com and Twitter: @Synchrony.

About CareCredit

CareCredit, a Synchrony solution, is a leading provider of promotional financing to consumers for health, veterinary and personal care procedures, services and products. For more than 30 years, CareCredit has helped millions of people by offering special financing options with convenient monthly payments. CareCredit is accepted at more than 240,000 locations for a wide variety of health and wellness procedures, treatments, products and services. More information can be found at carecredit.com.

About Allegro Credit

Allegro Credit is a leading consumer financing company based in Burlingame, California. The company services 3,200 merchant providers in industries including hearing, dental, hospitals, vision, and musical instruments. With more than 50 years in the finance industry, Allegro Credit has built a brand by supporting merchant partners with consumer-friendly products, high approvals and custom financial products. Allegro Credit's dedication to innovation helps partners accelerate revenue with fast credit decisions, easy to use software, live customer service and high approvals. Allegro Credit's onshore patient service representatives consistently earn the industry's highest marks for service and satisfaction. Learn more at www.allegrocredit.com

Forward Looking Statements

Cautionary Statement Regarding Forward-Looking Statements

This news release contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "outlook," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated, including the future impacts of the novel coronavirus disease ("COVID-19") outbreak and measures taken in response thereto for which future developments are highly uncertain and difficult to predict; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, and promotion and support of our products by our partners; cyber-attacks or other security breaches; disruptions in the operations of our computer systems and data centers; the financial performance of our partners; the sufficiency of our allowance for credit losses and the accuracy of the assumptions or estimates used in preparing our financial statements, including those related to the new CECL accounting guidance; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to grow our deposits in the future; damage to our reputation; our ability to securitize our loan receivables, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loan receivables, and lower payment rates on our securitized loan receivables; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of acquisitions and strategic investments; reductions in interchange fees; fraudulent activity; failure of third parties to provide various services that are important to our operations; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and/or interpretations, and state sales tax rules and regulations; a material indemnification obligation to GE under the Tax Sharing and Separation Agreement with GE if we cause the split-off from GE or certain preliminary transactions to fail to qualify for tax-free treatment or in the case of certain significant transfers of our stock following the split-off; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislative and regulatory developments and the impact of the Consumer Financial Protection Bureau's regulation of our business; impact of capital adequacy rules and liquidity requirements; restrictions that limit our ability to pay dividends and repurchase our common stock, and restrictions that limit the Synchrony Bank's ability to pay dividends to us; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering and anti-terrorism financing laws.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this news release and in our public filings, including under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as filed on February 13, 2020, and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, as filed on July 23, 2020. You should not consider any list of such factors to be an exhaustive statement of all the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

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