

## Upbound Group (Q4 2025 Earnings)

February 19, 2026

### Corporate Speakers:

- Steven Kos; Upbound Group; Investor Relations
- Fahmi Karam; Upbound Group; Chief Executive Officer
- Hal Khouri; Upbound Group; Chief Financial Officer

### Participants:

- Robert Griffin; Raymond James; Analyst
- Vincent Caintic; BTIG; Analyst
- Kyle Joseph; Stephens; Analyst
- Bradley Thomas; KeyBanc; Analyst
- Hoang Nguyen; TD Cowen; Analyst
- Yuna Sohn; Jefferies; Analyst
- Anthony Chukumba; Loop Capital Markets; Analyst

## PRESENTATION

Operator^ Good day. And thank you for standing by. Welcome to the Upbound Group, Inc. Fourth Quarter 2025 Earnings Conference Call. (Operator Instructions)

Please be advised that this conference is being recorded.

I would now like to hand the conference over to your speaker today, Steven Kos, of Upbound Investor Relations.

Please go ahead.

Steven Kos^ Good morning. And thank you all for joining us to discuss the company's performance for the fourth quarter and full year of 2025 and our outlook for 2026.

We issued our earnings release this morning before the market opened.

And the release and all related materials including a link to the live webcast are available on our website at [investor.upbound.com](http://investor.upbound.com).

On the call today from Upbound Group, we have Fahmi Karam, our Chief Executive Officer; and Hal Khouri, our Chief Financial Officer.

As a reminder, some of the statements provided on this call are forward-looking and are subject to factors that could cause actual results to differ materially and adversely from our expectations. These factors are described in our earnings release, as well as in the company's Form 10-K and other SEC filings.

Upbound Group undertakes no obligation to publicly update or revise any forward-looking statements except as required by law. This call will also include references to non-GAAP financial measures.

Please refer to today's earnings release which can be found on our website for a description of the non-GAAP financial measures and the reconciliations to the most comparable GAAP financial measures.

Finally, Upbound is not responsible for and does not edit or guarantee the accuracy of our earnings release teleconference transcripts provided by third parties.

Please refer to our website for the only authorized webcast.

With that, I'll turn the call over to Fahmi.

Fahmi Karam^ Thank you, Steven. And good morning, everyone.

I'll begin with a review of key highlights from 2025 and then I'll hand it off to Hal for a more detailed review of our financial results and our financial outlook. After that, we'll take some questions.

As we reflect on the past year, it is clear that 2025 marked a period of significant progress for Upbound as we execute against our strategic priorities. Since taking on the CEO role in June, following my tenure as CFO, I have been eager to build upon our recent momentum and to steer Upbound through our ongoing transformation into a leading, digital and data driven platform of financial solutions for underserved consumers. In 2025, across all of our brands, we served over 3.5 million customers. Over the past eight months, my optimism about what's possible and the opportunity in front of us has only grown. Our team's dedication and shared vision have driven key achievements that we believe strongly position Upbound for continued success and long-term growth.

During 2025, we expanded our business by adding a new segment, Brigit, a leading subscription-based financial health technology company, further diversifying our complementary offerings and strengthening our ability to serve our core customer.

In addition, we welcomed two accomplished executives to our leadership team. I'll start with Hal, our new CFO who is on his first Upbound earnings call with us this morning. Hal brings extensive experience to the CFO role and as a member of our executive team, including over 30 years in consumer-based banking, financial services, leasing, retail, consulting, and government service. I'll let Hal introduce himself shortly, but I'll add that his insights and strategic vision have already proven valuable to our organization.

We also welcomed Rebecca Wooters as our Chief Growth Officer, a newly created role for Upbound. As mentioned during our last earnings call, Rebecca's role integrates under one team key strategic functions for our organization. Rebecca will lead digital transformation and initiatives and implement data-driven solutions across all three major segments of the company, promoting growth, innovation, and synergy within our omni-channel model. We have confidence in Rebecca and her team to deliver both short-term and long-term value as we continue to invest in digital products, personalized marketing, customer experience and leveraging data as intelligence throughout our organization. Adding these experienced leaders to our already strong management team with years of operating experience inside of our brands, I believe is a powerful combination that positions Upbound for long term value creation.

While these key additions helped to build the foundation for growth in the years ahead, we also delivered strong operational and financial performance last year, achieving results within our expectations that we shared at the beginning of 2025.

Now, let's dive deeper into some of the achievements across the enterprise that made 2025 successful. We are proud of the progress we have made executing on our focus areas during the year as we continue to invest in serving our customers with innovative solutions. In January of 2025, we welcomed a new high growth business into our ecosystem through the successful closing of the Brigit acquisition. This milestone marked the beginning of an exciting combination whose value became increasingly evident throughout the year.

From our very first conversations with Brigit, we were impressed by the team's vision, culture and technical expertise for developing relevant digital financial products that help users build a brighter financial future, a mission that closely aligns with Upbound's. With a relatively small team, Brigit has already achieved remarkable growth and delivered significant value to its users.

As we evaluated the acquisition, confidence grew in the potential to unlock even greater value by combining Brigit's technology and rapidly expanding user base with Upbound's scale and similar target consumer, to meet a wider range of financial needs for

underserved consumers and evolve our business in a changing competitive landscape. I'm pleased that throughout 2025, Brigit's performance validated our enthusiasm for the growth opportunities from the transaction.

When introducing Brigit in the first quarter of 2025, we outlined three strategic priorities for the year: maintaining growth momentum, launching new products, and cross-marketing collaboration with our Upbound brands that already serve millions of customers each year.

Brigit demonstrated momentum throughout the year, with sequential improvements in year-over-year revenue growth each quarter. Topline performance was fueled by an increase in new users and higher average revenue per user, stemming from greater expedited transfer revenue for our earned wage access product, deeper engagement with Brigit marketplace offers, and continued upsell from Brigit's Plus membership to its Premium tier membership, demonstrating the value provided to customers by Brigit's range of products and price points.

Brigit also made strides in developing new products, notably piloting a line of credit offering in late 2025. This product leverages Brigit's powerful cashflow underwriting capabilities to provide qualified customers with up to \$500 of liquidity for recent or upcoming purchases, bridging the gap between smaller-ticket BNPL offerings and larger-ticket lease-to-own solutions. The pilot has yielded promising preliminary results, and we are planning a broader rollout in 2026.

Finally, Brigit launched a number of cross-selling initiatives, marketing its product to Acima and Rent-A-Center customers. These efforts, including targeted email campaigns and in-store promotional material at Rent-A-Center and Acima staff locations, expanded throughout the year and have shown promising early results.

Now, let's turn to Acima, where our strategic priorities for 2025 included driving repeat business through an even greater focus on the customer and leveraging digital advancements to grow merchant relationships. In 2025, the team successfully delivered on these priorities, which resulted in revenue and Adjusted EBITDA growing low double digits and Adjusted EBITDA margins improving 10 basis points year-over-year, despite a tougher macro environment that saw demand pressure and elevated losses in the second half of the year.

Acima demonstrated the power of its customer focus through the expansion of its direct-to-consumer marketplace. Over the years, Acima has built connections with millions of customers by facilitating transactions at more than 35,000 merchant locations nationwide. Increasingly, and especially over the past year, Acima's innovative team is leveraging

these relationships and data to empower its customers with additional choice and flexibility. Through its direct-to-consumer channels, Acima enables customers to start new leasing experiences with top national retailers or at virtually any durable goods retailer across the country using the Acima virtual lease card. At the beginning of 2025, Acima's direct-to-consumer marketplace represented a small but promising addition to Acima's established channels. By the end of 2025, the marketplace had experienced substantial growth, with GMV growing more than 100% year-over-year in 2025.

The marketplace now accounts for nearly 10% of Acima's GMV and continues to be a strategic focus as we enter 2026. Its ability to strengthen relationships with existing customers and to provide the ability to shop at a broader range of top retailers, including those without integrated lease-to-own solutions, makes the marketplace a valuable asset for driving repeat business, increasing the lifetime value of Acima customers and for driving incremental revenue opportunities for our retailers.

Moving on to Rent-A-Center, throughout 2025, the segment concentrated on digital evolution and disciplined underwriting. The segment made significant progress in elevating the customer experience and strengthening its digital presence, including upgrading the infrastructure of the rentacenter.com website to improve its scalability and reliability as the segment continues to focus on growing its e-commerce channel.

In addition, the Rent-A-Center team developed new tools to improve the approval process for certain applicants who might not meet our more stringent online underwriting criteria. The website now invites these select online applicants, who may previously have been declined, to visit their nearest store to complete the process in person. This approach exemplifies Rent-A-Center's ability to harness both expanding digital channels and its robust retail footprint to drive customer acquisition. By balancing digital innovation with the strength of its physical locations, Rent-A-Center is well positioned to identify and capitalize on further synergies between channels, which will be critical to the segment's growth moving forward.

Enhancements to Rent-A-Center's Refer-a-Friend campaign, the revitalization of its loyalty reward program, and successful marketing efforts that drove strong customer demand in the second half of the year all provided additional support to topline performance, reinforcing Rent-A-Center's commitment to new customer acquisition, customer engagement, and retention.

As a result of these efforts, Rent-A-Center trends improved through the second half of the year, and the segment finished 2025 with year-over-year same store sales growth in the

fourth quarter of 80 basis points improving 440 basis points sequentially, paving the way for a sustainable path as we enter the new year.

Now let's go to Slides 5 and 6 and recap how these achievements across our enterprise drove strong consolidated financial results.

I am pleased to share that our full year financial results exceeded the midpoint for each of the figures we provided on our third quarter call. Our revenue grew 8.7% to approximately \$4.7 billion, representing the highest full year revenue on record for Upbound, surpassing the previous record in fiscal year 2021, which of course benefited from stimulus and the pandemic-related pull forward in the furniture sector. Adjusted EBITDA for the year was nearly \$510 million, which was up 7.5% from the prior year. Our non-GAAP diluted EPS was \$4.13 compared to \$3.83 in 2024, a 7.8% improvement and near the high end of our guidance last quarter.

Finally, our cash flow generation was particularly strong in 2025, with free cash flow of \$180 million increasing over \$130 million year-over-year, and net cash provided by operating activities increasing over \$200 million to approximately \$306 million, the highest full year figure since 2022. Year-over-year improvement was due in part to the benefits associated with tax legislation allowing for accelerated recognition of tax depreciation.

Turning to the fourth quarter on slide seven, consolidated revenue was \$1.2 billion, a 10.9% increase from a year ago period, driven primarily by the addition of the Brigit segment in addition to 8.6% year-over-year revenue growth at Acima. Upbound delivered \$126 million of adjusted EBITDA, which was a lift of 2.6% year-over-year, and adjusted EBITDA margins of 10.5%, down 90 basis points from last year. Non-GAAP diluted EPS was one dollar and one cent, down 4% from the year ago quarter.

Overall, I'm pleased with the financial and operational performance that our team delivered in 2025. Throughout the year, in addition to completing a transformational acquisition, the Company executed on key priorities while also proactively implementing targeted risk management adjustments for the increasing pressures that our consumers face. Our core consumer continues to navigate a challenging environment, including the cumulative effects of inflation and elevated prices for essentials like groceries, rent and utilities, which weigh on their purchasing power, and wages that have not kept up pace with their costs of living. Both of our lease-to-own segments took actions to reflect the evolving macroeconomic landscape, and we are pleased with the outcome of these efforts and the health of our portfolio entering 2026.

At Brigit, as I mentioned, the segment's growth in 2025 has further demonstrated the growth potential we anticipated when we acquired the business a little over a year ago, and its opportunities for additional expansion make us excited for the future.

On that note, as we look ahead to 2026, our priorities remain focused on positioning Upbound for sustainable, profitable growth as we continue to execute our strategic transformation. We will continue investing in our people, data, and technology—including advanced analytics and AI capabilities—to better serve our customers and merchants while strengthening our competitive advantages. By leveraging our proprietary data more effectively, we aim to deepen customer personalization, improve satisfaction and retention, drive repeat business, and realize the full benefits of our scale while pursuing increased cross-sell opportunities across our platform of brands. These efforts will also support continued enhancements to underwriting, allowing us to optimize risk-adjusted returns against our targets.

We also remain focused on operational excellence by leveraging technology and the core competencies of each of our brands, taking proven best practices and scaling them across the organization. In parallel, we are driving targeted efficiency and cost initiatives, including enhancing coworker efficiency across store operations and customer service while simplifying processes to favorably impact the overall cost of doing business. We believe these efforts will improve execution, scalability, and discipline across the enterprise while supporting margins and long-term value creation.

Over the last few months as I've transitioned into my new role, I've had the opportunity to assess our business across various key aspects focused on serving our customers, growth opportunities, risk management and synergies between the brands. While our overall strategic vision and focus areas will remain fairly consistent, we are in the early stages of our transformation and must continue to evolve to the ever-changing business environment. I'm excited about the opportunities in front of us, and together with our new and existing leaders, I'm even more confident in our ability to execute on our strategic goals. Our goals for the long term are clear – deliver responsible and profitable growth, through disciplined risk management while pursuing operational excellence through data and technology and effectively manage capital to ensure appropriate returns. With that, I'll hand it over to Hal to cover the financials in more detail.

Hal Khouri^ Thank you, Fahmi. And good morning, everyone.

Before reviewing segment results, I'd like to start by expressing how excited I am to be joining the Upbound organization as the company's CFO and the opportunity to be part of its future success. I joined Upbound in November, drawn by the company's durable

foundation and scale paired with its compelling growth profile. I am confident that, together, we are poised for exceptional times ahead.

Let's now turn to a review of the segment results and then discuss our outlook for fiscal year 2026, after which we will take questions.

Starting on slide 9. Acima recorded another quarter of GMV growth in the fourth quarter, an increase of approximately 40 basis points year-over-year. At nearly \$550 million, fourth quarter GMV was the highest it's been since we added Acima five years ago. Acima's continued growth is due to a few factors, including the performance of its marketplace, as Fahmi mentioned earlier, in addition to its exceptional sales force continuously onboarding new retailers and servicing existing retailers.

Furthermore, we continued to diversify our product lineup, with furniture, our largest product category, representing approximately 40% of rental revenue in the fourth quarter compared to 43% in the prior year period.

Acima revenue grew 8.6% year over year, which was its ninth consecutive quarter of revenue growth, and adjusted EBITDA of \$87 million was up 7.3% from a year ago. EBITDA margins were down 10 basis points from Q4 of 2024, however they were up 180 basis points compared to the prior quarter.

Acima's loss rate of 10.1% for the fourth quarter was up 110 basis points year-over-year and up 40 basis points sequentially. While Acima's losses finished the year elevated relative to recent levels and our targeted longer term range, our fourth quarter loss rate was consistent with the guidance we had shared during our third quarter call, where we discussed how certain challenging vintages underwritten earlier in 2025 would temporarily impact Acima losses as they flowed through the portfolio. Key performance indicators, including early payment and delinquency trends, give us confidence that the adjustments we've made will drive loss rate improvements from here. I'll cover expectations for 2026 in more detail shortly.

Let's move to slide 10 and review Brigit's results for the fourth quarter. Brigit finished the quarter with approximately 1.6 million paid subscribers, which was a nearly 30% increase from the year-ago period and a 7.4% increase sequentially. ARPU, or average revenue per user, was \$14 dollars and 15 cents on a monthly basis, a nearly 10% increase from the fourth quarter in 2024 and a 3% lift sequentially. Brigit originated approximately \$405 million in cash advances in the fourth quarter – that's up 19% year over year and nearly 4% sequentially, reflecting the value that consumers are discovering with not only the product offerings, but also the transparent subscription-based pricing model. For the fourth quarter, Brigit's Instant Cash loss rate was 3.5%, which was up 70 basis points from the year-ago period, primarily due to expansion into new, profitable user segments and the impact of a consumer that remains under pressure.

Brigit recorded \$64.6 million of revenue for the fourth quarter, which represents an increase of 41.5% from the year-ago quarter. Subscriptions were 68% of Brigit's fourth quarter revenue, with expedited transfer fees and marketplace income representing the balance. Brigit Adjusted EBITDA was \$11.1 million for the fourth quarter, representing an Adjusted EBITDA margin of 17.2%, an increase of 110 basis points sequentially.

Let's move to the Rent A Center results starting on page 11. As you'll recall, in late 2024, Rent-A-Center tightened underwriting standards while strategically limiting certain product categories that typically experience higher risk metrics in challenging environments. While these changes weighed on topline performance in 2025, especially in the first half of the year, the segment proved its resiliency and the success of these adjustments in the second half of the year. In the third quarter, we guided that same store sales would return to flat to positive in the fourth quarter, and we're pleased that the team achieved this goal. Same store sales increased 80 basis points in the fourth quarter, which was the first positive quarter of same store sales since 2024.

Rent-A-Center recorded nearly \$480 million of revenue in the fourth quarter, which was flat compared to the year-ago quarter, an improvement of 4.7% year-over-year decrease in the third quarter.

Ultimately, those adjustments from late 2024 helped manage Rent-A-Center's loss rate, which improved year-over-year in both the third and the fourth quarters as the portfolio flowed through. The loss rate for the fourth quarter finished at 4.9%, down 10 basis points from the year-ago period, in line with the guidance given on our prior call. Rent-A-Center's adjusted EBITDA was \$69.2 million, down approximately 13% from the fourth quarter of 2024, while Rent-A-Center's adjusted EBITDA margin was 14.4%, down 230 basis points year-over-year, due primarily to the impact of certain expense benefits that positively impacted operating expenses in the prior year period. For Rent-A-Center, 2025 represented a year of stabilization that sets the segment on a promising path moving forward.

Next, let's cover our liquidity and capital allocation priorities on slide 12.

Our business has a proven and long track record of delivering strong adjusted EBITDA to cash flow conversion. In recent years, accelerating growth at Acima produced a ramp-up in net working capital requirements, which temporarily put a strain on free cash flow. The accelerated growth trajectory led to 2024 free cash flow landing well below historic levels. We are pleased that in 2025, our cash flow generation trended closer to historic norms, finishing the year with approximately \$180M of free cash flow, above the midpoint of our guidance. This represents an increase of \$132 million year-over-year and

exceeds even 2023 levels by over \$30 million. Net cash provided by operating activities was approximately \$306 million, an increase of over \$200 million year-over-year, and due in part to benefits associated with the bonus depreciation provision in the tax legislation last year. I'll say more about our expectations for 2026 in a moment, but we anticipate cash flow to continue to improve in the year ahead.

Regarding liquidity, as you'll recall, the Company leveraged its balance sheet to address the upfront cash portion of the consideration for the Brigit acquisition in January of 2025. This decreased the Company's ABL availability and resulted in approximately \$312 million of liquidity at the end of the first quarter. We are pleased that liquidity improved by year-end, reflecting in part the Company's refinancing of its Term Loan B in the third quarter. As of December 31<sup>st</sup>, between our cash on hand and revolver availability, liquidity was \$358 million.

Next, let's take a moment to reiterate our capital allocation priorities, which include reinvesting in the business and funding organic growth, de-levering debt on the balance sheet and supporting our shareholder dividend distributions. The Company will also consider executing opportunistic share buybacks based on market conditions and funding constraints. And while continuing to remain open to strategic corporate development opportunities as they arise, our current expectation is to focus on organic growth in the near term through our expanded portfolio of products and services across the enterprise. These remain our main priorities entering the new year, and I'll now expand on our approach to each.

First, in 2025, we made investments that should bolster our ability to serve our millions of customers efficiently at an increasing scale, representing a meaningful growth engine for our business. This included approximately \$67 million of capex, reflecting investment in our technological infrastructure, data modernization initiatives, and improvements to our omni-channel customer experience. As we look ahead toward 2026, we expect to continue deploying capital toward investments in our enterprise technology and digital capabilities across segments.

Additionally, Upbound's robust free cash flow allows us to sustain a strong dividend alongside other business priorities. Our dividend remains integral to our strategy for returning capital to shareholders.

Turning to leverage, at year-end, our net leverage ratio was approximately 2.9 times, above our leverage ratio of 2.7x at the end of the prior year due to the acquisition of Brigit in January of 2025, but slightly below our recent peak of 3.0x at the end of the second quarter.

With higher free cash flow and Adjusted EBITDA growth expected in 2026, as well as consistent focus on de-leveraging, we are targeting a leverage ratio in the 2x range over the long term, with additional progress expected throughout 2026.

We're also frequently asked about share repurchases, especially given our strong cash position, free cash flow generation, and recent trading levels. Our team has evaluated share repurchases over the past few months, and while compelling, we have, to date, opted to prioritize our commitment to leverage reduction. That said, we'll continue to evaluate opportunistic share repurchases in the year ahead, and it's worth noting that our expectations for leverage ratio improvement over the coming quarters should enhance the Company's ability to return additional capital to shareholders depending on other opportunities to deploy that capital.

And finally, following the Brigit acquisition and our focus on integration, we do not currently have any near-term plans for M&A, but our capital structure is flexible and we'll be ready if the right combination of value and strategic fit arises.

Before turning to 2026 guidance, I would like to provide an update on the progress we've made regarding a number of our legal and regulatory matters. At year-end 2025, our estimated legal accrual on the balance sheet was \$72M. This accrual is primarily tied to two previously disclosed matters where we are now expecting a near-term resolution and reflects what we believe are the ultimate cash amounts that we expect to pay as part of the settlement of those matters. The McBurnie class action is awaiting a final court approval on the settlement. And for the Multistate Attorneys General matter that has been ongoing since 2021, we believe we are nearing a non-binding agreement in principle with the Executive Committee regarding the primary monetary and injunctive terms of a potential settlement. We are actively engaged in discussions with the objective of finalizing the Multistate settlement agreement in the near term, although any final binding settlement cannot be assured. Our 10K filing will provide more details on both matters.

Let's shift to our financial outlook.

In this external operating environment, we expect the near-to-mid term horizon will continue to be challenging and characterized by continued evolving domestic economic and monetary policies, uneven macro factors that pressure our core consumer discretionary income and demand levels but also tend to make our range of flexible financial solutions even more relevant to these consumers. This outlook also assumes a

normalized tax season and maintaining our conservative underwriting posture throughout the year.

At Acima, we expect continued growth and opportunity. Our team is committed to profitably expanding GMV through several avenues, including by acquiring new retail accounts through a robust business development pipeline as well as enhancing productivity amongst our existing merchant base. Acima will also focus on leveraging its customer relationships and data to deepen connections while boosting engagement and lifetime value. We'll do this by expanding our direct-to-consumer marketplace and our virtual lease card, as Fahmi described earlier. Finally, Acima's loss rate is expected to benefit from continued disciplined and targeted underwriting and the flow through of those challenging 2025 customer vintages I mentioned earlier.

Taken together, we expect 2026 GMV and revenue to increase mid-single digits year-over-year, while adjusted EBITDA margins should remain in line with 2025 and losses stabilizing in the 9.5% area for the year.

Turning to Brigit, we expect the segment to maintain a strong growth trajectory in the new year. Brigit's value proposition is especially relevant in today's economy, with more consumers appreciating the flexibility and value of Brigit's Instant Cash product and its other financial wellness tools. That's why the segment remains focused on refining its marketing efforts and rolling out new products and features that further meet the evolving needs of its users. Through continued innovation in financial health and liquidity tools, Brigit aims to serve its customers more frequently and with even more relevance, strengthening the business's long-term competitive positioning while reinforcing the segment's role as a high-growth engine within Upbound's portfolio.

As a result of these efforts, we expect Brigit to deliver annualized revenue growth of over 30%, in the \$265- \$285 million range, and an adjusted EBITDA in the \$50 - \$60 million range. Although the figures are trailing our initial estimates from the 2024 acquisition announcement, this variance is impacted by the extended timeline required for launching new products and obtaining necessary underwriting and product insights for iteration and improving in a challenging macroeconomic environment. Despite these factors, we remain optimistic about Brigit's future financial performance. We continue to support product design, marketing, and infrastructure development to drive growth. Brigit is committed to ongoing product innovation and will prudently manage the scale and timing of new rollouts to navigate the current economic uncertainties, while testing additional marketing initiatives to showcase the anticipated levels of economic performance of the portfolio.

At Rent-A-Center, 2026 priorities will include a focus on customer-driven growth as well as improvements that modernize and unify the digital customer experience. The business will leverage the force of its expanded digital presence and its national store footprint to focus on driving productivity, all while continuing to focus on capital efficiency and disciplined cost management.

As a result of the Rent-A-Center team's efforts over the past year, we believe that trends have stabilized and the business is poised for modest top line growth in the coming year, with full year 2026 revenue expected to be flat to positive relative to 2025, and with Adjusted EBITDA margins in line with 2025.

At the Upbound level, our corporate costs are expected to be roughly flat to 2025 as a percentage of revenue, at approximately 4%. We expect the tax rate to be slightly higher than 2025, in the 26% range, with an average diluted share count for the year of approximately 59.4 million shares.

Taken together, our consolidated outlook for 2026 includes a revenue range of \$4.7 to \$4.95 billion, an adjusted EBITDA range of \$500 to \$535 million, and fully diluted non-GAAP earnings per share of \$4.00 to \$4.35.

The Company expects to increase free cash flow to approximately \$200 million in 2026. This growth is expected to be primarily driven by enhanced profitability and the accelerated tax depreciation benefits from the One Big Beautiful Bill Act, projected to augment the Company's cash flow by around \$100 million. This guidance is inclusive of a payment outflow of \$72 million in non-ordinary course legal and regulatory settlements as previously discussed, including the largest portion of that amount for the Multistate matter, and it assumes relatively flat capex spend to support business growth initiatives. These factors position Upbound favorably to advance its capital allocation priorities as we focus on delivering compelling and sustainable returns for shareholders.

In regards to the first quarter, each of our segments will navigate seasonal and macro factors including the start of the tax season. Based on what we've seen to this point, we expect consolidated revenue to be \$1.16 to \$1.26 billion, and Adjusted EBITDA to be \$120 million to \$130 million. We expect non-GAAP EPS to range from \$1.05 to \$1.15, compared to \$1.00 a year ago.

With respect to loss rates, we expect Rent-A-Center's lease charge-off rate to remain flat to slightly higher sequentially. Acima's lease charge-offs should improve sequentially, finishing the first quarter in the mid 9% area and remaining in that range over the course of the year, while first quarter GMV should be relatively flat to the prior year, reflecting

the tightening we've undertaken to keep lease charge-offs in our target range. Brigit's net advance loss rate should remain in the 3 to 3.5% range in the first quarter.

Now, as we wrap up, I'd like to emphasize a couple of the points that Fahmi mentioned earlier. In 2025, we made substantial progress on our key strategic priorities. For over five decades, we've provided accessible and flexible lease-to-own solutions to millions of underserved consumers. In 2021, we added further scale by significantly expanding into higher growth digital, technology driven lease to own channels through our Acima acquisition. Now, with Brigit, we've added in-demand, scalable digital financial health and liquidity tools that expand our growth opportunities even further and our ability to support our core customer when and where they need us most. These expanding complementary products and capabilities make our platform even more relevant, especially in today's economy, when consumers are looking for innovative solutions that improve their financial lives. Our consumers' needs and expectations are always evolving, and in 2025 we enhanced our ability to meet those needs today and in the future. In 2026, we will continue to prudently introduce relevant solutions with scalable growth opportunities, both online through expanded digital capabilities and in store at our over 2,200 retail locations across the United States and Mexico.

For our stakeholders, we remain committed to creating long-term sustainable value by building off of our strong financial foundation, allocating capital thoughtfully, and responsibly growing our business through our platform of connected financial products and services. We look forward to delivering on our goals again in 2026 and continuing the momentum we've built across our brands.

Thank you for your time this morning. Operator, you may now open the line for questions.

## QUESTIONS AND ANSWERS

Robert Griffin^ I guess first, first part of the question is just trying to unpack maybe the guidance a little bit from here and understand it. If you take the 1Q guidance midpoint, you're up in, call it, 10% in EPS, but then the year is only up 1% at the midpoint.

So what's happening from like the seasonality of the year or something that's driving that? There's some cost pressures developing, or I'm just trying to figure out kind of how the year is playing out?

Fahmi Karam^ Bob, yes, thanks for the question.

It makes sense.

First thing I would say is you have a full benefit of a full quarter of Brigit being in the numbers.

So that's last year in 2025, recall that we closed the acquisition at the end of January.

And so you only had two-thirds of the quarter with Brigit in our book. So that's first and foremost.

And then yes, the benefit of coming into the year with a stronger portfolio, both on the Rent-A-Center side and still growing on the Acima side should flow into our EBITDA numbers for the first quarter.

So nothing that I really want to point to in second, third, fourth quarter that we would say is surprising or unusual for the rest of the year.

But the big thing is for the first quarter, I think is the Brigit acquisition being for the full three months.

Hal Khouri^ It's Hal here. So we've got some seasonality happening through the course of the full year.

So Q1 typically a bit stronger and then Q2, Q3, we've got some seasonality that brings that down a little bit. So just a little bit of movement there at play.

Robert Griffin^ Okay. And then Fahmi, just diving the second part, it's a good call out on the one month of the Brigit, but like the strong portfolio momentum coming into the year, I mean do you see anything today from the customer base or something that would imply that, that wouldn't continue to build? Or do you want to continue to be successful?

And I understand the idea of keeping some conservatism baked in the guide, and I truly appreciate that but I'm trying to gauge between the strong momentum entering the year and then if something slowed, it doesn't seem like something has slowed for that part of the equation to actually not be as powerful in the remaining nine months.

Hal Khouri^ So we did, as you might recall tighten up credit prudently towards the back half of the year.

One, just kind of given experience that we're undertaking there. Predominantly in our Acima business, I would say as well as what we're seeing in terms of broader macroeconomic environment.

So that credit tightening likely will continue to manifest itself through the first quarter or two of this year.

And then subject to environmental conditions at that time, loosening up the portfolio towards the back end of the year as some of that credit tightening would have allowed itself to kind of flow through the business in the earlier part of the year, notwithstanding the jump-off point that you're referencing.

Robert Griffin^ Okay. That makes sense. I appreciate it.

Sorry to be so granular, but it was just the shape was giving me some questions.

I guess I guess secondly for me, is just on Brigit. You trimmed a little bit of the outlook from original expectations and talked about the delay in new products.

Can you maybe just expand on that and what's driving that? If stuff changed regulatory-wise? Is it just something that maybe we didn't quite fully understand or get fully kind of taken into account originally? And then the second part of it, on Brigit is just the positive side has been the underwriting and how that's different from your core business. And I've asked this before but just curious on that integration and where that can go and when you can start seeing that benefit across the enterprise more?

Fahmi Karam^ I'll touch on Brigit generally and try to touch on both of your questions.

First and foremost, obviously very pleased with the performance throughout the year.

As we've highlighted really every quarter this year and including in the fourth quarter, where we expanded revenue by 41% year-over-year, subscriber growth of 29% and then ARPU up almost 10% in the quarter.

And for the year, coming in above our expectations really from an EBITDA contribution standpoint.

So really, really strong performance. And as I said in our prepared remarks, we're still very excited about the future with Brigit. And as far as the guide for 2026, revenue of \$2.65 to \$2.85 million, so there's a couple of things that are driving that.

First, I would highlight just lower year-end subscribers kind of coming into the year as we saw that little softness in the fourth quarter. So we kind of flowed that through the forecast.

We talked about a little bit of a delay in some of our new products that we rolled out, started late in 2025.

We were hoping to get that out sooner in the year and by now have that kind of fully launched into 2026, so a little bit delayed on the new product front, as well as our marketing dollars have been stretched as far as we had hoped to stretch in the fourth quarter. And then as we also said, the macro uncertainty, let me touch on the macro piece of it.

That uncertain macro landscape give us some pause to really aggressively roll out some of these new products or our existing products to new audiences.

We want to be very cautious just like we are in Rent-A-Center and Acima around our loss profile and kind of judging where the consumer is.

And so really focused around being very disciplined and profitable in our growth objectives for 2026 across the board.

We're focused on maximizing EBITDA dollars on all of our segments. But at the same time we're really focused around profitable and responsible growth.

So the new product side, as I mentioned, line of credit we were hoping to have it rolled out a little bit faster. We had some back and forth around getting our bank partners to approve the product.

I think it's been well documented last year around some of the very public bankruptcy around bank partners and our bank partners know that wasn't who we were dealing with. It's not our bank partner, but there was a domino effect across the industry and really around fintech generally around slowdown of new products rollouts just given some of that uncertainty with the bank partners.

So the good news is we rolled it out. We've been able to put in some new features in December and in January, and now that product, a line of credit product, because it's a little bit longer tenure product in our instant cash products - six to nine months.

Now it's a matter of just seeing how performance comes in so we can get and then make sure that we're ready for the rollout.

So a combination of things doesn't cause us to slow down, but it is a shift, I would say from '26 to '27. The opportunity is still very much in front of us. We still see a lot of opportunity with the cash flow underwriting and maybe that's a good segway into your other question around where we are from an integration standpoint.

I'd point you back to at the beginning of when we announced the acquisition, we said that we were going to have a pretty light touch around integration, and that has been the case.

We bought Brigit for their innovation, for their product roadmap and their pipeline of new product rollouts and the last thing we wanted to do was slow them down through the acquisition. And so that's still the case.

We've done some things around cross-selling around some of the marketing and some of the e-mail campaigns and some of the text campaigns. But I would say it's been fairly light touch. We haven't done any of the data integration that we plan to do.

We haven't really done any system integrations outside of some accounting things. And so all that is on the come.

None of that is in our forecast for 2026. We'll start making real plans for that by the end of the year. So hopefully kind of build that foundation for growth in 2027.

It's in very early stages, but an intentional integration plan.

Vincent Caintic^ A lot of great detail already. First, I wanted to focus on Acima.

So I appreciate the guidance for, I think full year GMV mid-single-digit year-over-year growth. And I think the first quarter is flat.

So I'm sort of wondering if you could maybe help us with the cadence of that growth.

It sounds like maybe the second half of the year, we should be expecting even greater acceleration.

And then if you can talk about -- if I remember correctly, it was a particular cohort of GMV that you had to tighten up on.

Is there any sense that you could give us if you were to exclude that cohort where you -- where underlying GMV has been growing so far.

Fahmi Karam^ Thanks for the questions. I'll start and Hal is welcome to chime in.

As far as the GMV trends, let me -- let me answer your question directly, then I want to take a step back and highlight a couple of things that we saw really throughout the year and then in the quarter.

But I think as far as the cadence goes for GMV, I think the first half of the year will be relatively flat, consistent with what we guided for the first quarter. And then we kind of get back to Acima's norm as we lap some of the changes that we made in the second half of the year, and that kind of evens out into the mid-single digits for the year.

So from a cadence standpoint, I think we'll lap the changes we made sometime in the third quarter and then obviously in the fourth quarter, so you'll see an uptick and hopefully return back to the low double-digit growth in the second half of the year, but that's how you get to kind of the mid-single digits for the year.

As far as just maybe some highlights go for Acima, I want to point out two things around GMV that were really fantastic developments.

One, we talked about which was the direct-to-consumer channel for us. When we talked about some of the strategic objectives coming into 2025, we talked about shifting and adding focus into the customer, not just merchants. Merchants are always going to be part of our bread and butter strategy with Acima, but we also wanted to take a look at the consumer and make sure that we viewed it from both lenses.

And growing the direct-to-consumer channel by 100% this year was fantastic, leveraging our AI leasability engine and getting it to be 10% of our GMV in the fourth quarter with still plenty of room for upside there.

We're just now getting started with our virtual lease card program. We're in pilot phases there, and that should continue to benefit us going forward.

And then returning customers. As we talked about focusing on the customer and the direct-to-consumer channel is a returning customer channel for us. Our returning customers are up to 45% of our GMV in the fourth quarter which is up from kind of the mid-30s last year.

So we're able to generate more GMV from a customer that we know well. GMV per customer in the calendar year 2025 was up 5.5% and the number of transactions that our returning customers interacted with us was up 15%.

So the direct-to-consumer channel really gives us a lot of lifetime value for our consumers and should really help us continue to grow as we add more and more merchants to the lineup.

As far as normalizing for underwriting changes, that's a tough one to answer, Vincent.

We're constantly making changes to underwriting day in, day out. Obviously what we did through the second and third quarter last year was a little bit more broad-based than what we typically would do, but it is hard to quantify how much of the guide is because of the changes that we made, just given mix shifts, consumer mix shifts and uncertainty in the market.

But as you can tell I mean we've been on a really good run with Acima, growing GMV and growing the fourth quarter, but at a different clip is a big function of the underwriting changes, as well as just consumer deterioration and continued consumer stress. So hard to really normalize for the changes that we made.

Hal Khouri^ And maybe I'll just put on here, Vincent.

So we continue to invest overall in the overall business.

But as it relates to Acima in particular, as Fahmi had referenced. We continue to put dollars into digital technology and transformation and enhancing that customer and merchant experience. So certainly, those are going to be key initiatives for us in '26 as well.

Vincent Caintic^ Okay. That's very helpful detail.

Switching to Brigit.

So your 1-year anniversary of acquisition you talked about product rollout and so forth, what you're expecting in 2026.

I'm sort of wondering from that initial 2025 when you put the deck out on your expectations, kind of where are we in terms of the roadmap of what you're expecting from Brigit?

How much more can you do? You say you have a light touch in terms of the integration, perhaps where could you see that over time maybe not putting it necessarily just on 2026, but the evolution of your view for the long term?

Fahmi Karam^ Sure, Vincent. Yes.

So look, as I said, everything that we talked about when we made the acquisition in December of 2024 and everything that we highlighted since then is still very much part of the plan and us integrating their data insights, their technology, even just their processes.

Some of the things that we're doing now with our growth organization really mimics a lot of the Brigit model and how we go around thinking about innovation.

But the cash flow underwriting attributes that they generate when they look at are going to be game changing for Rent-A-Center and Acima the appropriate time.

We are doing things, again light touch, but we are doing things to try to learn as best we can on how do we approve more customers, how do we market to our customers more effectively given some of the insights that we have. And what we're trying to do really across all of our segments around personalization.

I mean that's going to be the future for us is to really be smart around personalizing our offers, personalizing our inventory purchases on RAC and putting those promos in front of the right customers at the right time. And I think a lot of the data insights that we give from the Brigit model are going to allow us to do that.

So even though the product rollout and the pipeline is a little bit delayed given the things that I mentioned earlier, they're still on the come. The line of credit product, as we said, is in pilot phase. There's a lot of demand for that product.

We just want to make sure that we don't overextend on losses, and we understand the performance of that product before we really launch it.

So a little bit delayed but still very much excited about the opportunity. If you think about the midpoint of the revenue guidance that we just gave, you're up 25% on a full year

basis, up 30% from a contribution standpoint and generating high teens to low 20% EBITDA margin.

So the business is definitely performing. Some of the higher growth items are shifted between '26 and '27, but we're building a foundation for long-term growth and we're still very excited about the acquisition.

Kyle Joseph^ Just want to kind of walk through tax refund expectations. I know it's early in the season. We've seen a lot of headlines about refunds being elevated this year.

But kind of walk us through the assumptions you have for first quarter really on the Acima and Brigit side of things.

Obviously we know well how tax refunds and potentially an outsized refund season impacts RAC and Acima, but kind of walk us through your assumptions on Brigit for the first quarter in particular.

Fahmi Karam^ Sure. Happy to, Kyle. Thanks for the question.

So as you said, still very early on, on tax season, they're a little bit delayed I would say than typical years, but right around the corner.

So the guide assumes more of a normalized tax season, as you referenced, people have said that they're going to be up 10 to 30% range. And I think if they're in the lower end of that 5%, 10% increase, it will have some impact but not a lot, but if it's up 30% or so, then I do think it will have a meaningful impact to us really across the board between all three segments.

Generally speaking, when you put more cash in our consumers' pockets, it's going to be a good thing for all of us.

But in the short term, what I would say is if we do see that big tax refund, you will see higher revenue in the first quarter for both Rent-A-Center and Acima, but it will come at a lower gross profit margin.

So will clean up credit and will be positive. You will have to replenish that portfolio, and so it puts a little bit more pressure on us to make sure that we convert some of those payouts into new leases.

But generally speaking, you'll see higher revenue and lower gross profit impact.

And with Brigit, typically in the first quarter because seasonally speaking, you'll have lower subscriber growth given people are flush with cash, you'll see higher profitability levels in the first quarter and lower losses.

So very similar from that standpoint and then post-tax season, you'll start seeing a ramp-up both in subscriber growth, as well as our marketing expense to kind of match the seasonality there.

So early on, but look, if it ends up being a lot higher than what we guided to, then it's great for our consumers, and we'll be ready to market to them on getting their second, third and fourth leases.

Kyle Joseph^ Great. Really helpful. And then just a follow-up for me.

In terms of the outlook for RAC, we understand that the second half benefi obviously lapped some underwriting changes and it sounds like some successful marketing efforts.

But talk about some of the macro puts and takes on the RAC business and how that's influencing your outlook into '26 and beyond.

Fahmi Karam^ Thanks, Kyle. Yes, look, Rent-a-Center had a really strong end to the year from a pretty volatile first half of the year.

If you think about the sequence in same-store sales being down 4% in the second quarter, down 3.6% in the third quarter and then really challenging the team to make it flat and then ended up growing the same-store sales by 80 basis points.

So quite a turnaround from the first half of the year. And we feel like on a same-store sales basis, we're poised to be flat to slightly positive in 2026. And we were able to do that with losses coming in slightly better year-over-year, down 10 basis points. Delinquencies are stable in 3.5%. EBITDA margins normalized in the fourth quarter this year compared to where they were last year, but still hit our 15% or mid-teens number for the year, and we expect that to continue into 2026.

So very pleased with the team's execution in a very difficult environment. We talked about the consumer kind of where that is.

But we feel really good about where we are from an inventory standpoint, from a supply chain standpoint, from an ecommerce standpoint, we've done a lot of things in the works

with the growth organization around being smarter about how we interact with our customers.

They're all in the future. So we feel really good about that segment.

It really turned the business around throughout 2025. And if you look at the portfolio value ending the year, it was up almost 11% year-over-year. So again a really strong fourth quarter and really strong execution on the Rent-A-Center side.

Bradley Thomas^ I wanted to follow up on the Acima parts of the business and the GMV outlook and Fahmi, just wondering if you could talk a little bit more about category performance, how much that's played a role? And how do you think about the opportunity ahead to continue to add new merchants going forward?

Fahmi Karam^ So yes, I kind of take a step back and look at Acima's performance.

I think it's important to kind of maybe look back to 2024, we grew that business 17% that year. And on top of that, now we're growing at low double digits this year.

So really strong performance across the board over the last two years. And in 2025, applications were up 9%. Our approval rate was down 120 basis points. Average ticket was relatively flat.

Our customers were up. As I mentioned before we interacted with 1.3 million customers throughout the year. So very, very pleased in a pretty challenging environment with Acima's performance as well.

As far as the categories go, I would say furniture which is still our largest category is still very much under pressure.

Looking at it really all year has been flat to slightly down year-over-year. And so offsetting that, we've done a really great job of diversifying where the GMV comes from.

We talked a little bit earlier around the direct-to-consumer channel but as I look at just the broader categories, jewelry was up over 20%. The auto business and wheel and tire was up mid-single digits.

Now jewelry, we talked about last quarter around some of these cohorts that were underperforming. So fourth quarter was actually flat in jewelry, but still a strong year in 2025 that positions us for growth next year.

And as far as the pipeline goes, look very bullish around our ability to continuously add merchants and locations into our network.

We've done really, really well in the small, medium-sized businesses throughout the year.

We do have some RFPs in the works that we hope that we win our fair share, as we always do, from a regional side throughout the year.

So yes, very confident in our sales team's execution and our business development team's execution around continuously adding to our network and continuously diversifying where the GMV comes from.

Bradley Thomas^ That's really helpful. And if I could just squeeze in a follow-up regarding AI. You did touch on it in your prepared remarks, and I know there are going to be a number of opportunities.

But at this stage, if you tried to maybe rank where you think it can first be most impactful for you? Is it what you're seeing on the revenue or new customer side of things or the efficiency side or the underwriting discipline.

Where do you see the biggest bright spots for the impact of AI for you all?

Fahmi Karam^ Brad, it's all of the above.

I think you touched on it almost in the right order.

The biggest thing that I could point to is the leasability engine on Acima.

I mean we talked about the direct-to-consumer channel that when unlocked that GMV for us would be being able to basically in real time determine if the product in the cart is lease eligible or not. And AI is the feature to do that.

So very much integrated in our innovation strategy, it's the core of our innovation strategy. We're trying to do it around the consumer, and we're already doing that, both through the Rent-A-Center business and Acima and Brigit for that matter, just through generative and agentic AI.

We are establishing different tests and pilots and use cases around how do we interact with customers? How do we understand where the customers are shopping and what

they're interested in and so -- as we think about kind of rank ordering where it is, it's around revenue growth and customer interactions. Then underwriting, I think we're already doing a lot in the machine learning space and talk a little bit about integrating what Brigit's doing into our other businesses. So that will also be driven by AI functionality and automation. And then probably last in that order is probably around efficiency. We are rolling that out to all of our coworkers and dabbling with that.

But probably starts with revenue growth and then end with the efficiency piece.

Hoang Nguyen^ I just have a question on Brigit.

So I think at the beginning, when you guys announced the deal, you guys were calling for an acceleration in revenue growth this year versus '25, given some of the delays that you mentioned as well as, I guess maybe subscribers coming in below to what you previously expected.

Could we sort of expect Brigit to accelerate this year, and if so, what would be the cadence throughout the year as you guys continue with your cross-sell efforts? And then one of our competitors also recently launched a, I guess cash advance feature as well and have seen some success. Can you talk about the competitive landscape for Brigit's offering at this moment?

Fahmi Karam^ You broke up a little bit. Who did you say launch a product?

Hoang Nguyen^ One of your competitors. They also have new cash advance app.

Fahmi Karam^ Yes.

I'll just touch on -- I'll touch a little bit around just the competitive landscape, I guess first, and then I'll move on to the revenue and subscriber growth for 2026.

Look, I think there are people who are announcing different versions of EWA products, instant cash-like products. And honestly, I'm not surprised by that. There's a lot of demand for the product. People are seeing the same thing that we're seeing that consumers, especially in this environment, need liquidity solutions and so it's not surprising that others are jumping along and developing or acquiring similar products like Brigit, like we saw all the same rationale and merits that we saw, others are seeing the same thing.

So what we need to do is make sure that we continue to differentiate our products and continue to add value to our bundle to make sure that we retain the customers that we get from Brigit. And I think we've done that, and we'll continue to do that with the product roadmap the line of credit, some of the other things that we've talked about, really giving consumers more choice around the different pricing and different tiers that we have. That's the way that we'll be able to differentiate Brigit and hopefully maintain the growth that we expect.

As far as the cadence goes for 2026, as I mentioned, still very healthy top line growth year-over-year. We are delayed on some of the new products and again being very cautious from a from a new audience and new product rollout given the uncertainty in the market. I think the acceleration seasonally, generally subscriber growth is going to be back-end loaded.

I think the faster we are able to roll out the new line of credit will also have a big impact on subscriber growth and all those things are kind of pointed to the second half of the year as we get performance data around that product.

Yuna Sohn^ And congratulations, Hal, on joining the team. My question was around the margin across the segments. You mentioned there was some comp effect in the fourth quarter '24.

But looking at the gross margin per segment, it is still trending downward compared to past quarters and fourth quarter '24 in RAC segment? Could you give a little color around if that's driven by any changes in product mix shift, consumer behavior or is it more so on the inventory side? Any color will be good.

Hal Khouri^ It's Hal here. Maybe I can touch on that.

In terms of the first piece of that, we did actually in Q4 of last year experienced some in-period benefits on the labor cost lines associated with our workers' compensation numbers.

So that was an in-period benefit last year. And as we look at the comp year-over-year, obviously this year, we wouldn't have realized some of those in-period benefits.

In terms of the margins overall, certainly, the competitive landscape, I think is putting pressure across the board on margins on the top line perspective.

But also, as you think about our gross profit margins, certainly, the cost of goods as well.

We are experiencing some cost shifts there with tariffs certainly playing into the equation as well.

Our furniture category has been impacted by that as well. And so those in concert collectively - top line pressure competitively, us trying to garner additional volume and being competitive with our pricing, tightening up on the credit side as well I would say.

So on the margin, perhaps reducing some of the customers that would have been a bit higher in terms of the overall margin contribution as well on a top line perspective. That and the overall cost of goods actually increasing period-over-period.

So all that being said, as we think about the outlook going into 2026, as Fahmi had mentioned, generally positive outlook in that respect, being more efficient, I would say in terms of how we operate, looking at areas as some of those historical vintages flow through.

We would expect some improvement through the back end of the year and expansion in overall margin and contribution there as well.

Yuna Sohn^ Great. That's really helpful. And in regards to some of the tightening actions throughout 2025, how should we think about the cadence of that unfolding in terms of credit or growth throughout 2026?

Fahmi Karam^ So yes, I think we answered some of this as far as the cadence goes from a GMV standpoint, but look, on the underwriting side and losses, and we touched on it a little bit earlier, delinquencies on both Rent-A-Center and Acima are in line with years past and a very acceptable level.

The changes that we made as Acima seem to be working as intended. The early performance indicators on the more recent vintages are much more in line with historical years. And so -- that's why we felt confident in guiding the first quarter and really the year for Acima to be in that 9.5% range. And so we feel good about peaking like we said we would in the fourth quarter at 10% coming back into a more normalized range really throughout the year.

Now, it does come at a cost of GMV growth, and that will be impacting GMV for the first half of the year and then hopefully we rebound into more normalized levels in the second half of the year. And with Rent-A-Center, I think the same thing, a pretty stable environment from our consumer standpoint. No major changes that we see on the horizon

from an underwriting standpoint other than our normal push, pull some of the levers that we would do. And it's been stable.

We're very comfortable operating in that 4.5% to 5% zip code from a loss perspective and generating mid-teens margin on that business. And with Acima kind of the low to mid-teens EBITDA margin.

So losses seem to be stable, obviously a very uncertain macro that we're dealing with but for now we feel really good about our portfolio and the health of the portfolio coming into the year.

Anthony Chukumba^ I'll keep this short so you guys can get back to managing your business. You touched on this a few times, but I just wanted to clarify, the slowdown in Acima GMV - was that solely due to the credit tightening or are there any other factors like, any kind of type of slowdown in underlying demand for furniture and appliances?

Fahmi Karam^ Yes. I would say the majority of it was probably just intentional from our underwriting standards. There was some softness in demand going into the fourth quarter, I should say in the holiday season.

So a part of it is the macro. There's no doubt that furniture continues to be under pressure.

I don't think that's unique to us at all, either Rent-A-Center or Acima, and I think that did have some headwinds in the fourth quarter.

But as I said, we're very optimistic about our ability to continue to add merchants and add locations on the Acima side. And when furniture does come back, we'll still have all of those furniture retailers on our network.

We'll have all the diversification that we've talked about, and we can then use that to feed the marketplace and direct-to-consumer channel.

So right now we're managing losses the best we can, managing the underwriting in a pretty difficult environment also through demand pressures, especially in our largest category, but when all that clears, we'll be in a really good position to have a lot of tailwinds, especially when you think about our ability to generate repeat business on the Acima side that I went through earlier on the call. That gives us a lot of confidence to continue to grow GMV.

Operator ^ I'd like to turn the call back over to Fahmi for any further remarks.

Fahmi Karam^ Thanks, Kevin. Thank you everyone, who joined us today for an update on our Q4 performance and our outlook for 2026. I'm thankful for the collective efforts of our exceptionally talented and dedicated coworkers and our merchants who helped us deliver 2025 strong results, while setting us up for another transformational year ahead.

We're grateful for your interest and support. We look forward to updating you all again next quarter on our continued progress.

Have a great day everyone.