

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)
February 18, 2025

UPBOUND GROUP, INC.
(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-38047
(Commission
File Number)

45-0491516
(IRS Employer
Identification No.)

5501 Headquarters Drive
Plano, Texas 75024
(Address of principal executive offices and zip code)

(972) 801-1100
(Registrant's telephone number, including area code)

N/A
(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:

- 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 Act:

Title of each class
Common Stock, \$.01 Par Value

Trading Symbol(s)
UPBD

Name of each exchange on which registered
The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of 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 2.02 Results of Operations and Financial Condition.

On February 20, 2025, Upbound Group, Inc. (the “Company”) issued a press release announcing its financial results for the quarter and fiscal year ended December 31, 2024. Copies of the press release and earnings release are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference. The information contained in this paragraph, as well as Exhibits 99.1 and 99.2 referenced herein, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 20, 2025, the Company announced by press release that Mr. Mitchell E. Fadel will retire as Chief Executive Officer of the Company and as a member of the Board of Directors of the Company (the “Board”), effective June 1, 2025 (the “Transition Date”). Mr. Fadel will not receive any cash severance benefits in connection with his retirement, but he will receive the equity-award employment termination treatment provided in that certain letter agreement, by and between the Company and Mr. Fadel, dated April 3, 2024, subject to the terms and conditions set forth therein and as previously disclosed in the Company’s Current Report on Form 8-K filed with the SEC on April 5, 2024.

In connection with Mr. Fadel’s retirement, the Company has appointed Mr. Fahmi Karam to succeed Mr. Fadel as Chief Executive Officer of the Company and a member of the Board, effective as of the Transition Date. Mr. Karam, age 46, is currently the Chief Financial Officer of the Company. Mr. Karam has nearly 25 years of experience in strategy, operations and finance. Prior to being appointed as Chief Financial Officer of the Company in October 2022, Mr. Karam held the role of Chief Financial Officer of Santander Consumer USA. Mr. Karam previously served as Santander’s Head of Pricing and Analytics from May 2018 to September 2019 and as Executive Vice President, Strategy and Corporate Development from September 2015 to May 2018. Prior to his roles at Santander, Mr. Karam spent 12 years at JP Morgan Investment Bank and two years at Deloitte Audit Assurance Services.

On February 19, 2025, Mr. Karam entered into an Employment Agreement with the Company (the “Employment Agreement”), setting forth the terms and conditions of his employment as Chief Executive Officer. Under the Employment Agreement, Mr. Karam will receive, as of the Transition Date, an annual base salary in an amount equal to \$1,100,000 and, commencing in 2025, an annual cash bonus with a target equal to 150% of his annual base salary and an annual equity-based award with a target grant date fair value equal to 450% of his annual base salary; provided that Mr. Karam’s annual equity-based award in respect of 2025 will include a provision pursuant to which a portion of such award in an amount equal to the difference between (i) the target grant date fair value of Mr. Karam’s annual equity-based award as Chief Executive Officer and (ii) the target grant date fair value of Mr. Karam’s annual equity-based award as Chief Financial Officer shall be forfeited in the event Mr. Karam does not assume the Chief Executive Officer role on the Transition Date and remains in his Chief Financial Officer role. In addition, Mr. Karam will be eligible to participate in the Company’s employee benefit plans covering employees of the Company on the same terms and conditions as other senior executives of the Company, as described in the Employment Agreement.

Pursuant to the Employment Agreement, in connection with a termination of employment by the Company without “cause” or by Mr. Karam for “good reason” (in each case as defined in the Employment Agreement), subject to Mr. Karam’s execution of a release of claims, Mr. Karam will be entitled to receive the following: (i) two times the sum of Mr. Karam’s annual base salary and target annual bonus (payable in equal installments over 24 months, provided that if such qualifying termination occurs in connection with a “change in control” (as defined in the Employment Agreement), such amounts will be payable in a lump sum), (ii) a pro rata annual bonus for the year of termination based on actual performance (or target performance, if such qualifying termination occurs in connection with a “change in control”), (iii) up to 24 months of benefit continuation coverage and (iv) Mr. Karam’s unvested and outstanding equity-based awards for which he has remained continuously employed from the grant date through the first anniversary of the grant date will be treated as follows: (a) each such award that is subject solely to time-based vesting conditions will be accelerated in full and (b) each such award that is subject to performance-based vesting conditions will remain outstanding and continue to vest in accordance with the award’s original vesting schedule irrespective of the termination of Mr. Karam’s employment, subject to the satisfaction of any applicable performance criteria. If Mr. Karam’s employment is terminated due to death or “disability” (as defined in the Employment Agreement), he will be entitled to a pro rata annual bonus for the year of termination based on actual performance and up to 24 months of benefit continuation coverage. The Employment Agreement also contains non-competition and employee and client non-solicitation covenants that apply during Mr. Karam’s employment and for two years thereafter, as well as perpetual non-disparagement and confidentiality provisions.

Mr. Karam has no family relationship with any director or executive officer of the Company. Mr. Karam has no direct or indirect material interest in any transaction with the Company that is reportable under Item 404(a) of Regulation S-K, nor have any such transactions been proposed.

The Company also announced that Mr. Sudeep Gautam, former Executive Vice President – Chief Technology and Digital Officer, departed the Company, effective February 18, 2025. At that time, Mr. Gautam ceased serving as Executive Vice President – Chief Technology and Digital Officer and as an officer and employee of the Company. In connection with his departure, Mr. Gautam will be entitled to receive the payments and benefits provided by his existing Executive Transition Agreement (“ETA”) between Mr. Gautam and the Company, subject to the terms and conditions of the ETA.

Item 7.01 Regulation FD Disclosure.

On February 20, 2025, Upbound Group, Inc. issued an investor presentation announcing its financial results for the quarter and fiscal year ended December 31, 2024. A copy of the investor presentation is furnished herewith as Exhibit 99.3 and is incorporated herein by reference. A copy of the press release announcing Mr. Fadel’s retirement, as described under Item 5.02, is furnished herewith as Exhibit 99.4 and is incorporated herein by reference. The information contained in this paragraph, as well as Exhibits 99.3 and 99.4 referenced herein, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Employment Agreement, by and between the Company and Mr. Fahmi Karam, dated February 19, 2025
99.1	Press release, dated February 20, 2025
99.2	Earnings release, dated February 20, 2025
99.3	Investor Presentation, dated February 20, 2025
99.4	CEO transition release, dated February 20, 2025
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

UPBOUND GROUP, INC.

Date: February 20, 2025

By: /s/ Bryan Pechersky
Bryan Pechersky
EVP, General Counsel and Corporate Secretary

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), is entered into effective as of February 19, 2025 (the "Effective Date"), by and between UPBOUND GROUP, INC. (the "Company") and FAHMI KARAM ("Executive").

Recitals

WHEREAS, the Company and Executive desire to set forth the terms upon which Executive will continue Executive's employment with the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth below, the parties hereby agree as follows:

Agreement

1. **Employment**. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment, on and subject to the terms and conditions set forth herein.
2. **Term**. Executive's employment shall continue under this Agreement commencing on June 1, 2025 (the "Commencement Date") until otherwise terminated pursuant to Sections 6 and 7 of this Agreement (the "Employment Period").
3. **Position and Duties**. During the Employment Period, Executive shall serve as the Chief Executive Officer of the Company. Executive shall report directly to the Board of Directors of the Company (the "Board") and will have such executive and managerial powers, duties and responsibilities as are assigned to him by the Board, consistent with his position as Chief Executive Officer. The Company agrees to use its reasonable best efforts to cause Executive to be a member of the Board. At the request of the Board, Executive shall serve as an officer and/or director of the Company's subsidiaries and other Affiliates upon the terms and conditions agreed to by the parties, but without additional compensation. Executive shall devote substantially all of his business time, attention, knowledge and skills faithfully and to the best of his ability to the performance of the obligations, duties and responsibilities of his position as Chief Executive Officer of the Company and in furtherance of the business, affairs, policies, codes of conduct and activities of the Company. Without the consent of the Board, during the Employment Period, Executive will not serve on the board of directors, trustees or any similar governing body of any outside entity (with the exception of any entity which has been disclosed to the Company on a list provided to the Company by Executive coincident with the execution of this Agreement); provided, that the Board may require Executive to step down from any such position at any time if it determines appropriate in its sole discretion. Notwithstanding the above, Executive will be permitted, to the extent such activities do not conflict or interfere with the performance by Executive of his duties and responsibilities hereunder, violate Section 13 or violate any Company written policy, to manage his (and his immediate family's) personal financial and legal affairs and serve on the board of directors of, or otherwise engage in activities associated with, non-profit, charitable and community organizations and entities.

4. Annual Compensation.

(a) *Base Salary.* During the Employment Period, the Company will pay salary to Executive at an annual rate of \$1,100,000, in accordance with the Company's regular payroll practices. The Board and/or the Compensation Committee of the Board (the "Compensation Committee") will review Executive's salary at least annually. The Board, acting in its discretion, may increase (but may not decrease) the annual rate of Executive's salary in effect at any time. Executive's annual salary, as may be increased by the Board pursuant to this Section 4(a), is referred to herein as the "Base Salary".

(b) *Bonus.* Commencing in 2025 and during the Employment Period, Executive will be eligible for an annual cash bonus with a target equal to one hundred and fifty (150%) of Executive's Base Salary in accordance with the Company's annual incentive program for similarly situated executives, as in effect from time to time. The actual amount of the annual cash bonus, if any, will be payable to Executive in the normal course of the Company's completion of annual bonus calculations, but in no event later than March 15 of the year following the year in which such bonus is earned, and shall be consistent with the payment of annual incentive compensation to senior executives generally.

(c) *Annual Equity-Based Awards.* Commencing in 2025 and continuing during the Employment Period, Executive will be eligible to receive an annual equity-based award under the Company's Amended 2021 Long-Term Incentive Plan or any successor plan thereto (the "Plan"), with a target grant date fair value equal to four hundred and fifty (450%) of Executive's Base Salary; provided, that the annual equity-based award granted to Executive in respect of 2025 will include a provision pursuant to which a portion of such award in an amount equal to the difference between (i) the target grant date fair value of Executive's annual equity-based award as Chief Executive Officer (i.e., \$4,950,000.00) and (ii) the target grant date fair value of Executive's annual equity-based award as Chief Financial Officer (i.e., \$1,291,800.00) shall be forfeited in the event Executive does not commence employment as Chief Executive Officer of the Company on the Commencement Date and remains in his Chief Financial Officer role. All annual equity-based awards will be made in accordance with the terms of the Plan and with such terms and conditions established by the Compensation Committee in its sole discretion, as set forth in the applicable award agreement, and as modified by this Agreement.

5. Employee Benefit Programs and Perquisites.

(a) *General.* Subject to the provisions of this Agreement, during the Employment Period, Executive will be entitled to participate in such employee benefit plans and programs of the Company as are made available to other senior executives of the Company from time to time.

(b) *Reimbursement of Business Expenses.* Subject to Section 23(c), during the Employment Period, Executive is hereby authorized to incur reasonable expenses in carrying out his duties and responsibilities under this Agreement, and the Company will promptly reimburse him for all expenses that are so incurred upon presentation of appropriate vouchers or receipts, subject to the Company's expense reimbursement policies applicable to senior executives generally as in effect from time to time.

(c) *Place of Employment.* Executive's place of employment during the Employment Period will be at the principal office of the Company in Plano, Texas, subject to the need for reasonable business travel. The conditions of Executive's employment, including, without limitation, office space and accouterments, secretarial, administrative and other support, will be consistent with his status as the Chief Executive Officer of the Company.

6. Reasons for Termination of Employment. Executive's employment hereunder may be terminated under the following circumstances:

(a) *Death*. Executive's employment hereunder will terminate upon his death.

(b) *Disability*. The Company may terminate Executive's employment hereunder due to "Disability". "Disability" shall mean the inability of Executive to substantially perform the customary duties and responsibilities of Executive's role hereunder, with or without a reasonable accommodation, for a continuous period of at least one hundred and twenty (120) days, or a total of one hundred and fifty (150) days in any consecutive twelve (12)-month period, by reason of a physical or mental incapacity which is expected to result in death or last indefinitely, as determined by a duly licensed physician with a specialty in the field that is qualified to treat Executive's medical condition, who is appointed by the Company and reasonably acceptable to Executive.

(c) *Cause*. The Company may terminate Executive's employment hereunder for "Cause". For purposes of this Agreement, the Company will have "Cause" to terminate Executive's employment upon Executive's:

(i) material act or acts of willful misconduct, in violation of the Company's policies, including, without limitation, the Company's Code of Business Conduct and Ethics, or otherwise;

(ii) willful and repeated failure (except where due to physical or mental incapacity) or refusal to perform in any material respect the duties and responsibilities of Executive's employment;

(iii) commitment of embezzlement or fraud, at Executive's direction, or with Executive's prior personal knowledge;

(iv) conviction of, or plea of guilty or nolo contendere to, the commission of a felony; or

(v) substance abuse or use of illegal drugs that, in the reasonable judgment of the Compensation Committee, (1) impairs the ability of Executive to perform the duties of Executive's employment, or (2) causes or is likely to cause harm or embarrassment to the Company or any of its Affiliates.

Except as specified, the Compensation Committee, acting in its own discretion, will be responsible for determining whether particular conduct constitutes Cause for the purposes of this Agreement.

(d) *Good Reason*. Executive may terminate his employment hereunder for "Good Reason" within ninety (90) days after Executive has actual knowledge of the occurrence of one of the following events to which Executive did not consent in writing and that has not been cured within thirty (30) days after written notice thereof has been given by Executive to the Company setting forth in reasonable detail the basis of the event (provided that such notice must be given to the Company within thirty (30) days of Executive becoming aware of such condition):

- (i) a material diminution by the Company of Executive's duties or responsibilities in a manner which is inconsistent with Executive's position or which has or is reasonably likely to have a material adverse effect on Executive's status or authority;
- (ii) a relocation by more than fifty (50) miles of Executive's principal place of business;
- (iii) a reduction by the Company of Executive's rate of salary or annual incentive bonus opportunity; or
- (iv) a breach by the Company of a material provision of this Agreement or other agreement with Executive.

Executive's continued employment during the ninety (90)-day period referred to above in this paragraph (d) will not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. Notwithstanding the foregoing, the Company placing Executive on a paid leave for up to ninety (90) days, pending the determination of whether there is a basis to terminate Executive for Cause, will not constitute a Good Reason event.

- (e) *Without Cause.* The Company may terminate Executive's employment hereunder without Cause by providing Executive with a Notice of Termination.
- (f) *Without Good Reason.* Executive may terminate his employment hereunder without Good Reason by providing the Company with a Notice of Termination.

7. Termination of Employment Procedure.

(a) *Notice of Termination.* Any termination of Executive's employment by the Company or by Executive (other than termination by reason of Executive's death) will be communicated by providing a written Notice of Termination to the other party hereto in accordance with Section 18. For purposes of this Agreement, a "Notice of Termination" means a notice which will indicate the specific termination provision in this Agreement relied upon and will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated if the termination is based on Section 6(b), 6(c) or 6(d).

(b) *Date of Termination.* "Date of Termination" means (1) if Executive's employment is terminated by reason of Executive's death, the date of his death; (2) if Executive's employment is terminated by reason of his Disability, the date set forth in the Notice of Termination; and (3) if Executive's employment is terminated for any other reason, the date on which a Notice of Termination is given or any later date (within thirty (30) days after the giving of such notice) set forth in such Notice of Termination; provided, however, that if such termination is due to a Notice of Termination by Executive, the Company will have the right to accelerate such notice and make the Date of Termination the date of the Notice of Termination or such other date prior to Executive's intended Date of Termination as the Company deems appropriate, which acceleration will in no event be deemed a termination by the Company without Cause or constitute Good Reason.

(c) *Resignation From Any Boards and Positions.* Upon the termination of Executive's employment with the Company for any reason, Executive will be deemed to resign from (1) the board of directors (or similar body) of the Company or any subsidiary or Affiliate of the Company and/or any other board to which Executive has been appointed or nominated by or on behalf of the Company (including the Board) and (2) any position with the Company or any subsidiary of the Company, including, but not limited to, as an officer and director of the Company and any of its subsidiaries and Affiliates. Executive agrees to execute such agreements as reasonably requested by the Company or any of its subsidiaries or Affiliates, solely for the purpose of effectuating such resignations.

8. *Compensation Upon Termination of Employment.* Subject to the provisions hereof, including, without limitation, Section 12 (relating to the execution and delivery of a release as a condition of Executive's (or a beneficiary's) entitlement to certain payments and benefits hereunder), this Section 8 provides the payments and benefits to be paid or provided to Executive as a result of his termination of employment. Except as provided in this Sections 8 and 9, Executive will not be entitled to any payments or benefits from the Company as a result of the termination of Executive's employment, regardless of the reason for such termination.

(a) *Termination by the Company of the Company without Cause or Termination by Executive for Good Reason.* If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, then Executive shall be entitled to receive the following payments and benefits:

- (i) Accrued Compensation;
- (ii) Pro Rata Bonus;
- (iii) two (2) times Salary and Bonus, payable to Executive in equal monthly installments over twenty-four (24) months;
- (iv) Benefit Continuation Coverage; and

(v) Executive's unvested and outstanding equity-based awards for which Executive has remained continuously employed by the Company or any of its Affiliates from the grant date through the first anniversary of the grant date shall be treated as follows: (i) each such award that is subject solely to time-based vesting conditions shall be accelerated in full and (ii) each such award that is subject to performance-based vesting conditions shall remain outstanding and continue to vest in accordance with the award's original vesting schedule irrespective of the termination of Executive's employment, subject to the satisfaction of any applicable performance criteria.

(b) *Disability or Death.* If Executive's employment is terminated by the Company due to Executive's Disability or if Executive's employment terminates by reason of death, then Executive (or Executive's beneficiary) shall be entitled to receive the following payments and benefits:

- (i) Accrued Compensation;
- (ii) Pro Rata Bonus; and
- (iii) Benefit Continuation Coverage.

(c) Termination by the Company for Cause or Termination by Executive without Good Reason. If the Company terminates Executive's employment for Cause or Executive terminates his employment for any reason other than death, Disability or for Good Reason, then, in each case, Executive shall be entitled to receive any Accrued Compensation and nothing more.

(d) Restoration. Any severance payments and benefits paid under this Section 8 shall be subject to continuing compliance with the covenants described in and repayment pursuant to Section 13.

9. Termination in Conjunction with a Change in Control.

(a) Subject to the provisions hereof, including, without limitation, Section 12 (relating to execution and delivery of a general release as a condition of Executive's entitlement to certain payments and benefits hereunder), upon the termination of Executive's employment with the Company and its Affiliates in conjunction with a Change in Control, Executive (or Executive's beneficiary, as the case may be) will be entitled to receive the applicable severance payments and benefits described in Section 8, provided, however, that, if Executive's employment is terminated by the Company without Cause or by Executive for Good Reason in conjunction with a Change in Control, then in lieu of the two (2) times Salary and Bonus payable in installments as described in Section 8(a)(iii), Executive shall be entitled to receive a single cash payment equal to two (2) times Salary and Bonus as soon as reasonably practicable following the effectiveness of a Release and no later than sixty (60) days following the Date of Termination.

(b) For the purposes hereof, a termination of employment is in conjunction with a Change in Control if (and only if) such termination occurs during the period commencing upon the Change in Control and ending on the second anniversary of the date of the Change in Control.

(c) If Executive is entitled to receive payments and benefits under Section 8 (due to a termination of employment not in conjunction with a Change in Control) and if, by reason of a subsequent Change in Control, Executive's termination of employment is deemed to be in conjunction with the Change in Control, then, in order to avoid duplication, the payments and benefits to which Executive is entitled under this Section 9 upon and following the Change in Control will be reduced by the payments and benefits which Executive received under Section 8, and no further payments will be made under Section 8.

(d) Any severance payments and benefits paid under this Section 9 shall be subject to continuing compliance with the covenants described in and repayment pursuant to Section 13.

10. Cooperation Following Termination of Employment. Following any termination of Executive's employment, Executive agrees to cooperate with and provide any requested information to the Company or its legal representatives as the Company deems reasonably appropriate under the circumstances. The Company agrees to reimburse Executive for all reasonable expenses, attorneys' fees and costs incurred by him as a result of his cooperation following any termination of his employment pursuant to this Section 10.

11. At-Will Employment. This Agreement does not constitute a guarantee of employment for any definite period. Executive's employment is at will and may be terminated by Executive or the Company at any time, with or without reason.

12. **Release of Claims.** Notwithstanding anything herein to the contrary, as a condition to the severance payments or benefits otherwise payable under this Agreement, Executive (or Executive's beneficiary) must execute and not revoke a general release agreement in favor of the Company, its Affiliates and their officers, directors and employees, in such form as the Board or the Compensation Committee may specify; provided, however, that no such release will be required as a condition of Executive's (or the beneficiary's) entitlement to Accrued Compensation. Subject to Section 23 of this Agreement, any payment or benefit that is so conditioned shall commence or be paid during the period commencing on the Date of Termination and ending on a date not more than sixty (60) days thereafter, except that, in the event that such period could span two (2) taxable years, payment must be made or commence in the later year.

13. **Restrictive Covenants.**

(a) **Confidential Information.** "Confidential Information" means any and all information and physical manifestations thereof not generally known or available outside the Company, and information and physical manifestations thereof entrusted to the Company in confidence by third parties, whether or not such information is patentable, copyrightable or otherwise legally protectable, and without regard to whether such information and physical manifestations thereof are marked or otherwise designated as "confidential", "proprietary," or something similar, in each case, to the extent disclosed to Executive by or on behalf of the Company during the course of Executive's employment relationship with the Company. Confidential Information includes, without limitation, any such information or physical manifestations of: (1) Company Intellectual Property (as defined below); (2) Intellectual Property (as defined below) owned or licensed by the Company prior to or outside of this Agreement; (3) non-public agreements with, or non-public information relating to, suppliers and customers of the Company; and (4) any other non-public price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information related to the Company and disclosed to Executive by the Company either directly or indirectly in the course of Executive's employment relationship with the Company, whether in writing, electronically or orally. Notwithstanding the foregoing, Confidential Information does not include (x) information that was lawfully known by Executive, without any obligation of confidentiality, at the time such information was received from or otherwise disclosed to Executive by the Company, (y) information that is or becomes generally available to or known by the public through no wrongful act of Executive, or (z) information disclosed to Executive by a third party not known by Executive to be bound to a duty of confidentiality to the Company. During the Employment Period and thereafter, Executive will hold in a fiduciary capacity for the benefit of the Company all Confidential Information. Executive will not, without the prior written consent of the Company, communicate or divulge any such Confidential Information to anyone other than the Company and those designated by the Company or on behalf of the Company in the furtherance of its business or to perform duties under this Agreement. Notwithstanding the foregoing, nothing in this Section 13(a) is intended to, and shall not, restrict or limit Executive from exercising Executive's protected rights under Section 13(b).

(b) **Protected Activity.**

(i) Notwithstanding Section 13(a) or anything else herein to the contrary, this Agreement shall not:

A. preclude Executive from disclosing or discussing information lawfully acquired about wages, hours or other terms and conditions of employment if used for purposes protected by Section 7 of the National Labor Relations Act such as joining or forming a union, engaging in collective bargaining or engaging in other concerted activity for the mutual aid or protection of employees; or

B. limit Executive's rights under applicable law to initiate communications directly with, provide information to, respond to any inquiries from, or report possible violations of law or regulation to any governmental entity or self-regulatory authority, or to file a charge with or participate in an investigation conducted by any governmental entity or self-regulatory authority, and Executive does not need the Company's or any of its Affiliates' permission to do so. In addition, it is understood that this Agreement shall not require Executive to notify the Company or any of its Affiliates of a request for information from any governmental entity or self-regulatory authority that is not directed to the Company or any of its Affiliates or of Executive's decision to file a charge or complaint with or participate in an investigation conducted by any governmental entity or self-regulatory authority. Notwithstanding the foregoing, Executive recognizes that, in connection with the provision of information to any governmental entity or self-regulatory authority, Executive must inform such governmental entity or self-regulatory authority that the information Executive is providing is confidential. Despite the foregoing, Executive is not permitted to reveal to any third party, including any governmental entity or self-regulatory authority, information Executive comes to learn during Executive's service to the Company and that Executive knows or reasonably should know is protected from disclosure by any applicable privilege, including but not limited to the attorney-client privilege or attorney work product doctrine. Each of the Company and its Affiliates does not waive any applicable privileges or the right to continue to protect its privileged attorney-client information, attorney work product, and other privileged information.

(ii) Executive is hereby notified that the U.S. Defend Trade Secrets Act of 2016, 18 U.S.C. 1833 (the "DTSA") provides that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law; (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; or (3) to the individual's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as (x) any document containing the trade secret is filed under seal and (y) the trade secret is not disclosed except pursuant to court order.

(c) *Removal of Documents.* Executive may not remove any records, files, drawings, documents, models, equipment, and the like relating to the Company's or any of its Affiliates' business from the Company's or any of its Affiliates' premises without the Company's or such Affiliate's written consent, unless such removal is in the furtherance of the Company's or any of its Affiliates' business or is in connection with Executive's carrying out Executive's duties under this Agreement and, if so removed, they will be returned to the Company or such Affiliate, as applicable, promptly after termination of Executive's employment hereunder, or otherwise promptly after removal if such removal occurs following termination of employment. Notwithstanding the foregoing, nothing in this Section 13(c) is intended to, and shall not, restrict or limit Executive from exercising Executive's protected rights under Section 13(b) hereof, or restrict or limit Executive from providing information in response to a subpoena or other legal process, to a governmental entity or self-regulatory authority, or in the event of litigation between Executive and the Company or any of its Affiliates, or prohibit Executive from making statements or engaging in any other activities or conduct protected by the National Labor Relations Act. In the event of any conflict between the provision of this Section 13(c) and of any applicable employee manual or similar policy of the Company, the provisions of this Section 13(c) will govern.

(d) *Non-Competition*. Executive hereby confirms and acknowledges that Executive satisfies the definition of “senior executive” for purposes of the Federal Trade Commission’s Non-Compete Clause Rule. Accordingly, during the Employment Period and for a two (2)-year period after the date Executive’s employment is terminated by the Company for any reason, Executive will not directly or indirectly (without the prior written consent of the Company):

(i) hold a five percent (5%) or greater equity (including stock options whether or not exercisable), voting or profit participation interest in a Competitive Enterprise; or

(ii) associate (including as a director, officer, employee, partner, consultant, agent or advisor) with a Competitive Enterprise and in connection with Executive’s association engage, or directly or indirectly manage or supervise personnel engaged, in any activity:

A. that is substantially related to any activity in which Executive was engaged with the Company or any of its Affiliates during the twelve (12) months prior to the Date of Termination;

B. that is substantially related to any activity for which Executive had direct or indirect managerial or supervisory responsibility with the Company or any of its Affiliates during the twelve (12) months prior to the Date of Termination; or

C. that calls for the application of specialized knowledge or skills substantially related to those used by Executive in Executive’s activities with the Company or any of its Affiliates during the twelve (12) months prior to the Date of Termination.

For purposes of this Agreement, “Competitive Enterprise” means a person or entity that is in the business of providing a Conflicting Product or Service. A “Conflicting Product or Service” is a product or service that would displace a product or service that Executive assists the Company or any of its Affiliates in developing, selling, distributing, servicing, or otherwise providing to the Company’s or any of its Affiliates’ customers or receives Confidential Information about within the preceding two (2) years. By way of example, and not limitation, a “Competing Business” is understood to include any person or entity engaged in the rent-to-own or lease-to-own business or related services or any other business activities that the Company may be engaged in from time to time. “Restricted Area” refers to the United States, Puerto Rico, Canada, Mexico, and each additional country where the Company or any of its Affiliates do business or are actively planning to do business at the time Executive’s employment ends and about which Executive was provided Confidential Information during employment. The nature of Executive’s position is such that he will be provided Confidential Information about the Company’s and its Affiliates’ business activities and plans in each country where the Company or any of its Affiliates do business or are planning to do business. Accordingly, Executive agrees that the Restricted Area definition is reasonable and necessary.

(e) *Non-Solicitation.* During the Employment Period and for a two (2)-year period after Executive's employment is terminated by the Company or by Executive for any reason, Executive will not, in any manner, directly or indirectly (without the prior written consent of the Company): (1) Solicit any Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company or any of its Affiliates, (2) transact business with any Client that would cause Executive to be a Competitive Enterprise, (3) interfere with or damage any relationship between the Company or any of its Affiliates and a Client or (4) Solicit anyone who is then an employee of the Company or any of its Affiliates (or who was an employee of the Company or any of its Affiliates within the prior twelve (12) months) and whom had a title of Senior Vice President or above, to resign from the Company or any of its Affiliates or to apply for or accept employment with any other business or enterprise.

For purposes of this Agreement, a "Client" means any client or prospective client of the Company or any of its Affiliates to whom Executive provided services, or for whom Executive transacted business, or whose identity became known to Executive in connection with Executive's relationship with or employment by the Company, and "Solicit" means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

(f) *Non-Disparagement.* To the fullest extent permitted by law, during the term of this Agreement and thereafter, Executive will, in any manner, directly or indirectly make or publish any statement (orally or in writing) that would libel, slander, disparage, denigrate, ridicule or criticize the Company, any of its Affiliates or any of its or their employees, officers or directors. Nothing in this Section 13(f) is intended to, and shall not, restrict or limit Executive from exercising Executive's protected rights in Section 13(b) hereof, or restrict or limit Executive from providing information in response to a subpoena or other legal process, to a governmental entity or self-regulatory authority, or in the event of litigation between Executive and the Company or any of its Affiliates, or prohibit Executive from making statements or engaging in any other activities or conduct protected by the National Labor Relations Act.

(g) *Validity.* The terms and provisions of this Section 13 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement will thereby be affected. The parties acknowledge that the potential restrictions on Executive's future employment imposed by this Section 13 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction will find any provisions of this Section 13 unreasonable in duration or geographic scope or otherwise, Executive and the Company agree that the restrictions and prohibitions contained herein will be effective to the fullest extent allowed under applicable law in such jurisdiction.

(h) *Injunctive Relief.* In the event of a breach or threatened breach of this Section 13, Executive agrees that the Company will be entitled to injunctive relief in a court of appropriate jurisdiction to remedy any such breach or threatened breach, Executive acknowledging that damages would be inadequate and insufficient.

- (i) Cease Payments. In the event that Executive breaches Section 13(a), 13(c), 13(d), 13(e), or 13(f), the Company's obligation to make or provide payments or benefits under Section 8 will cease.
- (j) Continuing Operation. Except as specifically provided in this Section 13, the termination of Executive's employment or of this Agreement will have no effect on the continuing operation of this Section 13.
14. Concurrent Entry into Ancillary Agreements. As a condition to Executive's employment hereunder, on or before the Effective Date, Executive will enter into each of the Invention Assignment Agreement and Mutual Agreement to Arbitrate Claims, in each case, pursuant to the Company's standard form agreements.
15. No Duty to Mitigate. Except as otherwise specifically provided herein with respect to early termination of Benefit Continuation Coverage, Executive's entitlement to payments or benefits hereunder is not subject to mitigation or a duty to mitigate by Executive.
16. Amendment. No provisions of this Agreement may be amended, modified, or waived unless such amendment or modification is agreed to in a writing signed by Executive and by a duly authorized officer of the Company, and such waiver is set forth in writing and signed by the party to be charged.
17. Invalidity. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.
18. Notice. For the purposes of this Agreement, unless otherwise provided herein, all notices, demands, requests, elections, consents, approvals and all other communications provided for in this Agreement will be in writing and must be given by (1) hand delivery; (2) United States certified or registered mail, return receipt requested, postage prepaid; (3) a recognized overnight courier service providing confirmation of delivery; or (4) email; provided that any email transmission is promptly confirmed by a responsive electronic communication by the recipient thereof or receipt is otherwise clearly evidenced (excluding out-of-office replies or other automatically generated responses). Such communications must be sent to the respective parties at the following street addresses or email addresses (or at such other street address or email address for a party as shall be specified for such purpose in a notice given in accordance with this Section 18) (it being understood that rejection or other refusal to accept or the inability to deliver because of changed street address or email address of which no notice was given in accordance with this Section 18 shall be deemed to be receipt of such communication as of the date of such rejection, refusal or inability to deliver):

If to Executive:

[Address on file with the Company]

If to the Company:

Upbound Group, Inc.
5501 Headquarters Dr.
Plano, TX 75024
Telephone number: (972) 624-6773
Email: bryan.pechersky@upbound.com
Attention: General Counsel

19. Successors and Beneficiaries.

(a) *Successors of the Company.* The Company may assign this Agreement, without Executive's consent, to any of its Affiliates or to any other respective successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company. In any such event, the term "Company," as used herein shall mean the Company and any such successor to, or assignee of, its business and/or assets.

(b) *Executive's Beneficiary.* For the purposes hereof, Executive's beneficiary will be the person or persons designated as such in a written beneficiary designation filed with the Company, which may be revoked or revised in the same manner at any time prior to Executive's death. In the absence of a properly filed written beneficiary designation or if no designated beneficiary survives Executive, Executive's estate will be deemed to be the beneficiary hereunder.

20. Nonassignability. With the exception of Executive's beneficiary designation, neither Executive nor Executive's beneficiary may pledge, transfer or assign in any way the right to receive payments or benefits hereunder, and any attempted pledge, transfer or assignment shall be void and of no force or effect.

21. Legal Fees to Enforce Rights after a Change in Control. If, following a Change in Control, the Company fails to comply with any of its obligations under this Agreement or the Company takes any action to declare this Agreement void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from Executive (or Executive's beneficiary) the payments and benefits intended to be provided, then Executive (or Executive's beneficiary, as the case may be) shall be entitled to select and retain counsel at the expense of the Company to represent Executive (or Executive's beneficiary) in connection with the good faith initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company or any successor thereto in any jurisdiction.

22. Governing Law; Waiver of Jury Trial. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas, excluding its conflict of law rules. Any disputes arising out of or relating to this Agreement will be subject to arbitration in accordance with the Mutual Agreement to Arbitrate Claims or any comparable agreement to arbitrate between the parties, in each case, which is governed by the Federal Arbitration Act, as entered into in connection herewith, provided, however, that the parties may pursue temporary and/or preliminary individual injunctive relief in a court of competent jurisdiction within the districts that include Collin County, Texas, because the award to which the party may be entitled in arbitration may be rendered ineffectual without such relief. Any such action shall not constitute a waiver of the parties' agreement to arbitrate by any party. In all other respects the Mutual Agreement to Arbitrate Claims between the parties, which is incorporated herein by reference, shall control. Any suit for temporary and/or preliminary injunctive relief will be brought in the federal or state courts in the districts which include Collin County, Texas, and you hereby agree to submit to the personal jurisdiction and venue thereof. To the extent permitted by law, Executive and the Company waive any rights to a jury trial with respect to any controversy or claim between Executive and the Company arising out of or relating to or concerning this Agreement.

23. Compliance with Section 409A Deferral Requirements.

(a) It is intended that any amounts payable under this Agreement shall be exempt from or comply with, and avoid the imputation of any tax, penalty or interest under, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the final Treasury regulations promulgated thereunder to the fullest extent permissible under applicable law. This Agreement shall be construed and interpreted consistent with that intent.

(b) If Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the termination of his employment with the Company, Executive shall not be entitled to receive any payment that constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and which would be payable upon Executive's separation from service until the earlier of (1) the date which is six (6) months after his separation from service (within the meaning of Section 409A of the Code) for any reason other than death, or (2) the date of Executive's death; provided, that this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code. Any amounts otherwise payable to Executive upon or in the six (6) month period following Executive's separation from service that are not so paid by reason of this paragraph shall be paid (without interest) within thirty (30) days after the date that is six (6) months after Executive's separation from service (provided that in the event of Executive's death after such separation from service but prior to payment, then such payment shall be made within thirty (30) days after the date of Executive's death).

(c) Any reimbursement payment or in-kind benefit due to Executive under this Agreement, to the extent that such reimbursements or in-kind benefits are taxable to him, shall be paid on or before the last day of Executive's taxable year following the taxable year in which the related expense was incurred. Reimbursements and in-kind benefits pursuant to this Agreement are not subject to liquidation or exchange for another benefit, and the provision of in-kind benefits during one calendar year shall not affect the in-kind benefits to be provided in any other calendar year.

(d) For purposes of Section 409A of the Code, Executive's right to receive any installment payments hereunder shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., payment shall be made within thirty (30) days following the date of termination), the actual date of payment within the specified period shall be within the sole discretion of the Company.

24. Section 280G. In the event that any payments or benefits provided for in this Agreement or otherwise payable to Executive (collectively, the "Payments") (1) constitute "parachute payments" within the meaning of Section 280G of the Code, and (2) but for this Section 24, would be subject to the excise tax imposed by Section 4999 of the Code, then the Payments will be either (x) delivered in full or (y) delivered as to such lesser extent that would result in no portion of the Payments being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code (and any equivalent state or local excise taxes), results in the receipt by Executive on an after-tax basis, of the greatest amount of Payments, notwithstanding that all or some portion of such Payments may be taxable under Section 4999 of the Code.

25. Withholding. The Company and its Affiliates may withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to applicable law or regulation.

26. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, term sheets, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of such subject matter, other than the Loyalty and Confidentiality Agreement between Executive and the Company ("Loyalty Agreement"), the Invention Assignment Agreement, the Mutual Agreement to Arbitrate Claims and any equity agreements in which Executive is a participant on the Commencement Date. Any other prior agreement of the parties hereto in respect of the subject matter contained herein, including, without limitation, the Executive Transition Agreement by and between Executive and the Company, dated October 31, 2022, is hereby terminated and cancelled as of the Commencement Date, other than the Loyalty Agreement, the Invention Assignment Agreement, the Mutual Agreement to Arbitrate Claims and any equity agreements in which Executive is a participant on the Commencement Date.

27. Captions; Section Headings. Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it.

28. Certain Defined Terms. The following terms have the following meanings when used in this Agreement.

(a) "Accrued Compensation" means, as of any date, (1) the unpaid amount, if any, of Executive's previously earned Base Salary, (2) the unpaid amount, if any, of the bonus earned by Executive for the preceding year, and (3) additional payments or benefits, if any, earned by Executive under and in accordance with any employee plan, program or arrangement of or with the Company or an Affiliate (other than this Agreement).

(b) "Affiliate" means an entity at least fifty (50%) of the voting, capital or profits interests of which are owned directly or indirectly by the Company.

(c) "Benefit Continuation Coverage" means if Executive timely elects and maintains continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for Executive and his eligible dependents, as applicable, the Company will pay Executive a monthly amount equal to the amount it contributes from time to time to group medical, dental and/or vision insurance premiums (as applicable) for similarly situated active employees until the earlier of (1) twenty-four (24) months following the Date of Termination or (2) the date upon which Executive begins other employment that provides for comparable health coverage benefits. However, if the Company determines in its sole discretion exercised in reasonable good faith that it cannot provide the COBRA benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company and Executive will coordinate in good faith to restructure such benefit.

(d) “Change in Control” shall have the meaning set forth in the Plan.

(e) “Pro Rata Bonus” means (1) if the termination is in conjunction with a Change in Control, Executive’s target annual bonus or (2) if such termination is not in conjunction with a Change in Control, Executive’s annual bonus, if any, earned by Executive for the year of termination based on actual performance, in each case, multiplied by a fraction, the numerator of which is the number of days elapsed from the beginning of the calendar year in which Executive’s employment terminates until the Date of Termination, and the denominator of which is 365 (or 366 if a leap year).

(f) “Salary and Bonus” means, as of the effective date of the termination of Executive’s employment with the Company and its Affiliates, the sum of: (1) Executive’s highest annual rate of salary at any time during the preceding twenty-four (24) months, and (2) Executive’s target bonus amount for the calendar year in which such termination occurs.

29. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all of the parties reflected hereon as the signatories. Any signature on this Agreement delivered by photographic, electronic or PDF copy shall be deemed to be an original signature hereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

UPBOUND GROUP, INC.

/s/ Transient Taylor

By: Transient Taylor

Title: Executive Vice President — Chief Human Resources Officer

Date: **February 19, 2025**

FAHMI KARAM

/s/ Fahmi Karam

Date: **February 19, 2025**

**UPBOUND GROUP, INC. REPORTS FOURTH QUARTER AND FULL YEAR 2024 RESULTS**

Total Revenue of \$1.079 billion for Fourth Quarter and \$4.3 billion for Full Year
GAAP Diluted EPS \$0.55 for Fourth Quarter and \$2.21 for Full Year
Non-GAAP Diluted EPS¹ \$1.05 for Fourth Quarter and \$3.83 for Full Year

Plano, Texas, February 20, 2025 - Upbound Group, Inc. (the "Company" or "Upbound") (NASDAQ:UPBD) today announced results for the quarter and year ended December 31, 2024. The earnings release, financial tables and related materials can be found on the Company's investor relations website at <https://investor.upbound.com>.

Today at 9 a.m. ET, Mitch Fadel, Chief Executive Officer, and Fahmi Karam, Chief Financial Officer, will host a conference call to review the financial results and provide 2025 outlook. Interested parties can access a live webcast of the conference call via this link ([webcast link](#)) or through the Company's investor relations website.

About Upbound Group, Inc.

Upbound Group, Inc. (NASDAQ: UPBD), is a technology and data-driven leader in accessible and inclusive financial solutions that address the evolving needs and aspirations of underserved consumers. The Company's customer-facing operating units include industry-leading brands such as Acima®, Brigit™, and Rent-A-Center® that facilitate consumer transactions across a wide range of store-based and digital channels, including over 2,300 company branded retail units across the United States, Mexico and Puerto Rico. Upbound Group, Inc. is headquartered in Plano, Texas. For additional information about the Company, please visit our website [Upbound.com](https://upbound.com).

Non-GAAP Financial Measures

This release and the Company's related conference call contain certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including (1) Non-GAAP diluted earnings per share (net earnings or loss, as adjusted for special items (as defined below), net of taxes, divided by the number of shares of our common stock on a fully diluted basis) and (2) other non-GAAP financial measures explained in the Company's other quarterly earnings disclosures. "Special items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature or which we believe do not reflect our core business activities, and are reported as Other Gains and Charges in our Consolidated Statements of Operations.

For the periods presented herein, these special items are described in the quantitative reconciliation table included below in this release. Because of the inherent uncertainty related to these special items, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort. These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended to assist management in evaluating operating performance and liquidity, comparing performance and liquidity across periods, planning and forecasting future business operations, helping determine levels of operating and capital investments and identifying and assessing additional trends potentially impacting our Company that may not be shown solely by comparisons of GAAP measures. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others. We believe these non-GAAP financial measures also provide supplemental information that is useful to investors, analysts and other external users of our consolidated financial statements in understanding our financial results and evaluating our performance and liquidity from period to period. However, non-GAAP financial measures have inherent limitations and are not substitutes for, or superior to, GAAP financial measures, and they should be read together with our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

¹ Non-GAAP financial measure. Refer to definitions and reconciliations included in this release.

Exhibit 1 - Reconciliation of diluted earnings per share to Non-GAAP diluted earnings per share

Three Months Ended December 31, 2024	Diluted Earnings Per Share
GAAP Results	\$ 0.55
Plus: Special Items ⁽¹⁾	
Acima acquired assets depreciation and amortization	0.21
Legal matters	0.06
Transaction Fees	0.05
Accelerated stock compensation	0.02
Discrete income tax items	0.16
Non-GAAP Adjusted Results	\$ 1.05

(1) Additional details of Special items are included in Table 6 (Reconciliation of Net Earnings (Loss) to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share) of the fourth quarter 2024 earnings release dated February 20, 2025, which can be found on the Company's investor relations website as noted above.

Year Ended December 31, 2024	Diluted Earnings Per Share
GAAP Results	\$ 2.21
Plus: Debt refinancing fees	0.08
Plus: Special Items ⁽¹⁾	
Acima acquired assets depreciation and amortization	0.82
Legal matters	0.22
Acima equity consideration vesting	0.11
Accelerated software depreciation	0.08
Asset Impairments	0.08
Accelerated stock compensation	0.06
Transaction Fees	0.05
Other	0.02
Discrete income tax items	0.10
Non-GAAP Adjusted Results	\$ 3.83

(1) Additional details of Special items are included in Table 8 (Reconciliation of Net Earnings (Loss) to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share) of the fourth quarter 2024 earnings release dated February 20, 2025, which can be found on the Company's investor relations website as noted above.

Upbound Group, Inc. Earnings Release

February 20, 2025

Fourth Quarter 2024 Results & Key Metrics

\$1,079M

Total
Revenue

\$31M

Net Earnings

\$123M

Adjusted
EBITDA¹

\$0.55

GAAP
Diluted EPS

\$1.05

Non-GAAP
Diluted EPS¹Achieves FY 2024 Targets for Revenue,
Adjusted EBITDA, and Non-GAAP Diluted EPSAcima GMV Propels Topline and Earnings Growth;
Upbound Acquires Brigit in Q1 2025

Fourth Quarter Consolidated Results

- Consolidated revenues of \$1,079.2 million increased 6.0% year-over-year, driven by both higher rentals and fees revenue and higher merchandise sales revenue.
- GAAP operating profit of \$79.2 million, including \$24.7 million of pre-tax costs relating to special items described below, compared to \$55.9 million of GAAP operating profit, including \$32.5 million of pre-tax costs relating to special items, in the prior year period. Fourth quarter 2024 GAAP operating profit margin was 7.3%, compared to 5.5% in the prior year period.
- Consolidated lease charge-off (LCO) rate of 7.3%, a 20 bps improvement from the prior year period and a 10 bps improvement sequentially.
- Net earnings on a GAAP basis of \$31.0 million, compared to a \$11.3 million net loss in the prior year period, a \$42.3 million increase. Net profit margin of 2.9% increased 400 bps year-over-year.
- Adjusted EBITDA¹ increased 14.1% year-over-year to \$122.8 million, due to increases in Adjusted EBITDA in both the Acima and Rent-A-Center segments.
- Adjusted EBITDA margin¹ of 11.4% increased 80 basis points compared to the prior year period, due to an increase in Adjusted EBITDA margin¹ in the Rent-A-Center segment, partially offset by a decrease in Adjusted EBITDA margin¹ in the Acima segment.
- GAAP diluted earnings per share was \$0.55, compared to GAAP loss per share of \$(0.21) in the prior year period.
- Non-GAAP diluted earnings per share¹, which excludes the impact of special items described below, was \$1.05 for the fourth quarter of 2024, compared to \$0.81 in the prior year period.

CEO Commentary

"I'm very pleased to share these results after a milestone year for Upbound in 2024. Across our business, we welcomed new customers and merchants to our lease-to-own ecosystem, resulting in 8.2% topline growth and nearly 8% non-GAAP diluted EPS growth. Acima's momentum continued, as it delivered over 17% growth this year on both GMV and revenue, while generating its largest-ever adjusted EBITDA. Rent-A-Center grew same store sales at 1.5%, and we welcomed Brigit, a profitable, industry-leading fintech with over two million customers," noted Upbound CEO Mitch Fadel.

"In 2025, we will focus on building on our growth, through diversification and optimization strategies to deliver revenue, EBITDA and earnings results in line with our long-term targets. Consistent with our mission, we will also continue to elevate our customers' financial opportunity, which we believe will firmly establish Upbound as a leading platform for convenient and flexible financial solutions to underserved communities," concluded Mr. Fadel.

Segment Highlights



Acima Segment Fourth Quarter Results

- GMV increased 15.3% year-over-year, the fifth consecutive quarter of double-digit GMV growth. Growth in GMV was primarily due to an increase in retailer locations, retailer productivity, and our expanding direct-to-consumer offerings.
- Revenues of \$581.1 million increased 14.4% year-over-year, driven by increases in both rentals and fees revenue and merchandise sales revenue.
- Rentals and fees revenue increased 12.5% year-over-year and merchandise sales increased 21.3% year-over-year.
- Gross margin decreased 260 bps year-over-year due primarily to merchandise sales representing a larger percentage of revenue, a result of more consumers electing the 90-day purchase option, and the conversion of Acceptance Now locations to the Acima platform.
- Lease charge-offs (LCO) were 9.0%, improving 90 bps year-over-year and 20 bps sequentially.
- Operating profit and net earnings on a GAAP basis were \$69.7 million with a margin of 12.0%, compared to \$64.0 million and 11.3% in the third quarter.
- Adjusted EBITDA was \$80.9 million with a margin of 13.9%, compared to \$75.3 million and 13.3% in the third quarter. The sequential increase in Adjusted EBITDA margin was attributable to both higher gross margins and operating expenses remaining roughly flat despite growing revenue.
- Retailer locations with at least one funded lease in the quarter increased approximately 8% year-over-year in Q4.



Rent-A-Center Segment Fourth Quarter Results

- Same store sales were flat year-over-year, an improvement from a 1.6% decrease in the fourth quarter of 2023.
- Revenues of \$444.0 million decreased 3.3% year-over-year, driven by lower rentals and fees revenue on a smaller portfolio, a result of the sale of 55 stores to a Rent-A-Center franchisee and store consolidation.
- Rentals and fees revenue decreased 3.3% year-over-year. Merchandise sales revenue increased 0.7% year-over-year.
- Lease charge-offs (LCO) were 5.0%, increasing 80 bps y/y and 10 bps sequentially.
- Operating profit and net earnings on a GAAP basis were \$69.7 million with a margin of 15.7%, compared to \$61.9 million and 13.5% in the prior year period.
- Adjusted EBITDA was \$75.4 million with a margin of 17.0% in the fourth quarter, compared to \$66.7 million and 14.5% in the prior year period. The year-over-year increase in Adjusted EBITDA and Adjusted EBITDA margin was due to lower operating expenses.
- As of December 31, 2024, the Rent-A-Center segment owned and operated 1,728 locations, roughly flat compared to the end of the third quarter.

Segment Highlights (continued)

Franchising Segment Fourth Quarter Results

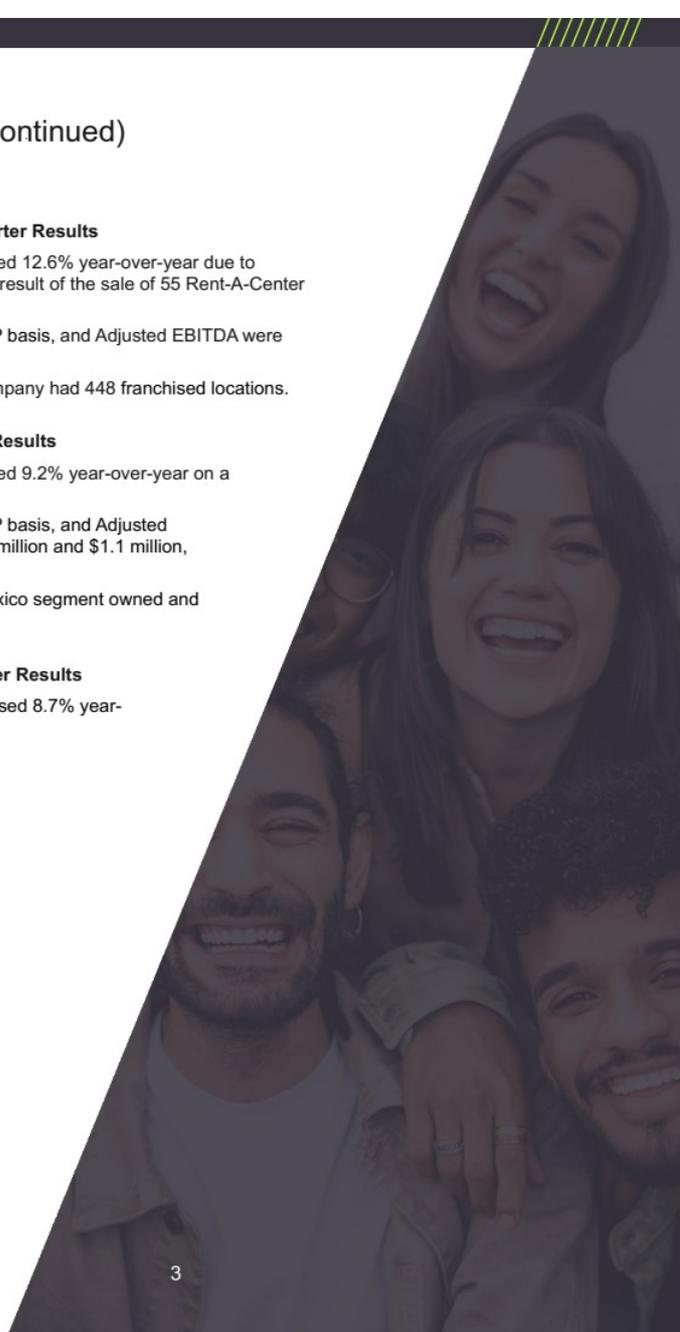
- Revenues of \$35.8 million increased 12.6% year-over-year due to higher inventory sales, primarily a result of the sale of 55 Rent-A-Center stores to a franchisee.
- Segment net earnings, on a GAAP basis, and Adjusted EBITDA were both approximately \$4.5 million.
- As of December 31, 2024, the company had 448 franchised locations.

Mexico Segment Fourth Quarter Results

- Revenues of \$18.3 million increased 9.2% year-over-year on a constant currency basis.
- Segment net earnings, on a GAAP basis, and Adjusted EBITDA were approximately \$0.7 million and \$1.1 million, respectively.
- As of December 31, 2024, the Mexico segment owned and operated 132 locations.

Corporate Segment Fourth Quarter Results

- GAAP operating expenses decreased 8.7% year-over-year.



2024 Consolidated Results

- Consolidated revenues of \$4.3 billion increased 8.2% year-over-year due to increases in both rentals and fees revenue and merchandise sales revenue.
- GAAP operating profit of \$291.6 million, including \$104.6 million of pre-tax costs relating to special items described below, compared to \$162.9 million of GAAP operating profit, including \$216.9 million of pre-tax costs relating to special items, in the prior year period. GAAP operating profit margin for the full year was 6.7%, compared to 4.1% in the prior year.
- Consolidated lease charge-off (LCO) rate increased to 7.3%, up slightly from 7.1% in the prior year.
- Net earnings on a GAAP basis of \$123.5 million, compared to a \$5.2 million net loss in the prior year period. Net profit margin of 2.9% increased 300 bps year-over-year.
- Adjusted EBITDA increased 3.8% year-over-year to \$473.2 million, due to increases in Adjusted EBITDA in both the Acima and Rent-A-Center segments.
- Adjusted EBITDA margin of 11.0% decreased 40 basis points compared to the prior year, driven primarily by a decrease in Adjusted EBITDA margin in the Acima segment, partially offset by an increase in Adjusted EBITDA margin in the Rent-A-Center segment.
- GAAP diluted earnings per share was \$2.21 compared to GAAP loss per share of \$(0.09) in the prior year.
- Non-GAAP diluted earnings per share, which excludes the impact of special items described below, was \$3.83 for the full year 2024, compared to \$3.55 in the prior year.
- For the year ended December 31, 2024, the Company returned \$82.3 million of cash to shareholders through a \$1.48 per share annualized dividend.
- For the year ended December 31, 2024, cash flow from operations was \$104.7 million. As of December 31, 2024, the value of cash and cash equivalents was \$60.9 million, debt outstanding was \$1.3 billion, liquidity was \$489.2 million, including \$428.3 million of revolving credit availability, and net debt to Adjusted EBITDA ratio was 2.7x.¹

⁽¹⁾ Net debt to Adjusted EBITDA ratio is defined as outstanding debt less cash and cash equivalents divided by trailing twelve months Adjusted EBITDA, which is a Non-GAAP financial measure. Refer to definitions and reconciliations elsewhere in this presentation.

Full Year 2025 Financial Outlook

The Company is providing the following guidance for its 2025 fiscal year. Due to the inherent uncertainty related to the special items identified in the tables below, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort. The actual amount of these items during 2025 may have a significant impact on our future GAAP results.

Table 1

Consolidated Guidance ¹	Full Year 2025	First Quarter 2025
Revenues (\$B)	\$4.50 - \$4.75	\$1.05 - \$1.15
Adj. EBITDA Excluding SBC (\$M) ²	\$500 - \$540	\$120 - \$130
Non-GAAP Diluted Earnings Per Share ²	\$3.90 - \$4.40	\$0.90 - \$1.00
Free Cash Flow (\$M) ²	\$150 - \$200	\$70 - \$100

1. Consolidated includes Acima, Rent-A-Center, Brigit (for the 11 months following the acquisition on January 31, 2025), Mexico, Franchising and Corporate Segments.

2. Non-GAAP financial measure. See descriptions below in this release.

CFO Commentary

"Upbound delivered strong results in Q4, which enabled our performance to meet or exceed the annual guidance that we raised throughout the year. We delivered topline and bottomline growth in Q4 and across 2024, while prudently and tactically managing our risk profile to finish in line with our targets," noted Fahmi Karam, CFO.

"Our capital allocation priorities balanced investments for future growth with capital returns to stakeholders. During the year, we made investments in our enterprise technology to enhance our underwriting, streamline the checkout journey, and multiply the points of connection we have with our customers. We also accelerated Upbound's digital transformation with the acquisition of Brigit, which was closed and funded in early 2025 with the revolver capacity that we had reserved for opportunistic M&A. Concurrently, we supported our dividend and announced another increase this year of 5%.

"In 2025, we expect to see stronger cash flow that continues to support investments in the business, and also an ongoing commitment to reducing our debt and strengthening our balance sheet. We are well positioned to continue the momentum we built in 2024 and drive shareholder value," concluded Mr. Karam.



Conference Call and Webcast Information

Upbound Group, Inc. will host a conference call to discuss fourth quarter results, guidance and other operational matters on the morning of Thursday, February 20, 2025, at 9:00 a.m. ET. For a live webcast of the call, visit <https://investor.upbound.com>. Certain financial and other statistical information that will be discussed during the conference call will also be provided on the same website.

Financial Highlights

Key Metrics

Table 2 Metrics (\$'s Millions - except per share)	Q4 2024	Q4 2023	Q3 2024
Consolidated			
Revenue	\$ 1,079.2	\$ 1,018.1	\$ 1,068.9
Revenue Y/Y % Change	6.0 %	2.8 %	9.2 %
GAAP Operating Profit	\$ 79.2	\$ 55.9	\$ 70.1
Net Earnings (Loss)	\$ 31.0	\$ (11.3)	\$ 30.9
Net Profit Margin	2.9 %	(1.1)%	2.9 %
Adj. EBITDA ⁽¹⁾	\$ 122.8	\$ 107.6	\$ 116.9
Adj. EBITDA Margin ⁽¹⁾	11.4 %	10.6 %	10.9 %
Lease Charge-Off Rate ⁽⁵⁾	7.3 %	7.5 %	7.4 %
GAAP Operating Expenses as % of Total Revenue	39.8 %	44.9 %	41.3 %
GAAP Diluted EPS	\$ 0.55	\$ (0.21)	\$ 0.55
Non-GAAP Diluted EPS ⁽¹⁾	\$ 1.05	\$ 0.81	\$ 0.95
On-Rent Rental Merchandise, Net	\$ 1,134.9	\$ 1,109.9	\$ 1,016.7
Net Cash Provided by (used in) Operating Activities	\$ (61.9)	\$ (19.7)	\$ 106.2
Free Cash Flow ⁽¹⁾	\$ (74.0)	\$ (36.9)	\$ 88.3
Rent-A-Center Segment			
Lease Portfolio - Monthly Value (as of period end) ⁽²⁾	\$ 136.8	\$ 145.0	\$ 132.2
Same Store Lease Portfolio Value (Y/Y % Change - as of period end) ⁽³⁾	(2.0)%	2.2 %	(0.1)%
Same Store Sales (Y/Y % Change) ⁽⁴⁾	— %	(1.6)%	2.6 %
Revenue	\$ 444.0	\$ 459.3	\$ 458.7
Revenue Y/Y % Change	(3.3)%	(1.7)%	1.1 %
GAAP Operating Profit/GAAP Net Earnings	\$ 69.7	\$ 61.9	\$ 68.9
Net Profit Margin	15.7 %	13.5 %	15.0 %
Adj. EBITDA ⁽¹⁾	\$ 75.4	\$ 66.7	\$ 74.7
Adj. EBITDA Margin ⁽¹⁾	17.0 %	14.5 %	16.3 %
On-Rent Rental Merchandise, Net	\$ 420.4	\$ 478.8	\$ 393.4
Lease-Charge Off Rate ⁽⁵⁾	5.0 %	4.2 %	4.9 %
30+ Day Past Due Rate ⁽⁶⁾	3.4 %	3.1 %	3.4 %
Corporate Owned Store Count (U.S. & PR - as of period end)	1,728	1,839	1,726
Acima Segment			
GMV ⁽⁷⁾	\$ 547.8	\$ 475.2	\$ 436.1
GMV (Y/Y % Change) ⁽⁷⁾	15.3 %	19.0 %	13.0 %
Revenue	\$ 581.1	\$ 507.9	\$ 566.2
Revenue Y/Y % Change	14.4 %	6.6 %	19.1 %
GAAP Operating Profit/GAAP Net Earnings	\$ 69.7	\$ 60.4	\$ 64.0
Net Profit Margin	12.0 %	11.9 %	11.3 %
Adj. EBITDA ⁽¹⁾	\$ 80.9	\$ 75.0	\$ 75.3
Adj. EBITDA Margin ⁽¹⁾	13.9 %	14.8 %	13.3 %
On-Rent Rental Merchandise, Net	\$ 693.1	\$ 606.9	\$ 602.3
Lease Charge-Off Rate ⁽⁵⁾	9.0 %	9.9 %	9.2 %
60+ Day Past Due Rate ⁽⁸⁾	13.3 %	13.0 %	13.4 %

*Please see footnotes on the following page.

Financial Highlights (continued)

- ⁽¹⁾ Non-GAAP financial measure. Refer to the explanations and reconciliations elsewhere in this release.
- ⁽²⁾ Lease Portfolio Value: Represents the aggregate dollar value of the expected monthly rental income associated with current active lease agreements from our Rent-A-Center lease-to-own stores and e-commerce platform at the end of any given period.
- ⁽³⁾ Same Store Lease Portfolio Value: Represents the aggregate dollar value of the expected monthly rental income associated with current active lease agreements from our Rent-A-Center lease-to-own stores that were operated by us for 13 months or more at the end of any given period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer.
- ⁽⁴⁾ Same Store Sales (SSS): Same store sales generally represents revenue earned in Rent-A-Center stores that were operated by us for 13 months or more and are reported on a constant currency basis as a percentage of total revenue earned in stores of the segment during the indicated period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer.
- ⁽⁵⁾ Lease Charge-Offs (LCOs) (previously referred to as "skip / stolen losses"): Represents charge-offs of the net book value of unrecoverable on-rent merchandise with lease-to-own customers who are past due. This is typically expressed as a percentage of revenues for the applicable period. For the Rent-A-Center segment, LCOs exclude Get It Now and Home Choice locations.
- ⁽⁶⁾ 30+ Days Past Due Rate: Defined as the average number of accounts 30+ days past due as a % of total open leases.
- ⁽⁷⁾ Gross Merchandise Volume (GMV): The Company defines Gross Merchandise Volume as the retail value in U.S. dollars of merchandise acquired by the Acima segment that is leased to customers through a transaction that occurs within a defined period, net of estimated cancellations as of the measurement date.
- ⁽⁸⁾ 60+ Days Past Due Rate: Defined as the average number of accounts 60+ days past due as a % of total open leases.

Financial Highlights (continued)

Key Metrics

Table 3 Metrics (\$'s Millions - except per share & store count data)	FY 2024	FY 2023
Consolidated		
Revenue	\$ 4,320.6	\$ 3,992.4
Revenue Y/Y % Change	8.2 %	(6.0)%
GAAP Operating Profit	\$ 291.6	\$ 162.9
Net Earnings (Loss)	\$ 123.5	\$ (5.2)
Net Profit Margin	2.9 %	(0.1)%
Adj. EBITDA ⁽¹⁾	\$ 473.2	\$ 455.7
Adj. EBITDA Margin ⁽¹⁾	11.0 %	11.4 %
Lease Charge-Off Rate ⁽⁵⁾	7.3 %	7.1 %
GAAP Operating Expenses as % of Total Revenue	41.4 %	46.6 %
GAAP Diluted EPS	\$ 2.21	\$ (0.09)
Non-GAAP Diluted EPS ⁽¹⁾	\$ 3.83	\$ 3.55
On-Rent Rental Merchandise, Net	\$ 1,134.9	\$ 1,109.9
Net Cash Provided by Operating Activities	\$ 104.7	\$ 200.3
Free Cash Flow ⁽¹⁾	\$ 48.4	\$ 146.9
Rent-A-Center Segment		
Lease Portfolio - Monthly Value (as of period end) ⁽²⁾	\$ 136.8	\$ 145.0
Same Store Lease Portfolio Value (Y/Y % Change - as of period end) ⁽³⁾	(2.0)%	2.2 %
Same Store Sales (Y/Y % Change) ⁽⁴⁾	1.5 %	(4.3)%
Revenue	\$ 1,863.4	\$ 1,864.1
Revenue Y/Y % Change	— %	(4.4)%
GAAP Operating Profit/GAAP Net Earnings	\$ 280.4	\$ 273.5
Net Profit Margin	15.0 %	14.7 %
Adj. EBITDA ⁽¹⁾	\$ 308.1	\$ 292.3
Adj. EBITDA Margin ⁽¹⁾	16.5 %	15.7 %
On-Rent Rental Merchandise, Net	\$ 420.4	\$ 478.8
Lease-Charge Off Rate ⁽⁵⁾	4.7 %	4.5 %
30+ Day Past Due Rate ⁽⁶⁾	3.2 %	3.0 %
Corporate Owned Store Count (U.S. & PR - as of period end)	1,728	1,839
Acima Segment		
GMV ⁽⁷⁾	\$ 1,851.6	\$ 1,581.4
GMV (Y/Y % Change) ⁽⁷⁾	17.1 %	(0.2)%
Revenue	\$ 2,261.4	\$ 1,931.3
Revenue Y/Y % Change	17.1 %	(8.5)%
GAAP Operating Profit/GAAP Net Earnings	\$ 255.5	\$ 235.5
Net Profit Margin	11.3 %	12.2 %
Adj. EBITDA ⁽¹⁾	\$ 302.4	\$ 294.2
Adj. EBITDA Margin ⁽¹⁾	13.4 %	15.2 %
On-Rent Rental Merchandise, Net	\$ 693.1	\$ 606.9
Lease Charge-Off Rate ⁽⁵⁾	9.4 %	9.3 %
60+ Day Past Due Rate ⁽⁸⁾	13.0 %	13.3 %

⁽¹⁾Please see footnotes on the following page.

Financial Highlights (continued)

- ⁽¹⁾ Non-GAAP financial measure. Refer to the explanations and reconciliations elsewhere in this release.
- ⁽²⁾ Lease Portfolio Value: Represents the aggregate dollar value of the expected monthly rental income associated with current active lease agreements from our Rent-A-Center lease-to-own stores and e-commerce platform at the end of any given period.
- ⁽³⁾ Same Store Lease Portfolio Value: Represents the aggregate dollar value of the expected monthly rental income associated with current active lease agreements from our Rent-A-Center lease-to-own stores that were operated by us for 13 months or more at the end of any given period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer.
- ⁽⁴⁾ Same Store Sales (SSS): Same store sales generally represents revenue earned in Rent-A-Center stores that were operated by us for 13 months or more and are reported on a constant currency basis as a percentage of total revenue earned in stores of the segment during the indicated period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer.
- ⁽⁵⁾ Lease Charge-Offs (LCOs) (previously referred to as "skip / stolen losses"): Represents charge-offs of the net book value of unrecoverable on-rent merchandise with lease-to-own customers who are past due. This is typically expressed as a percentage of revenues for the applicable period. For the Rent-A-Center segment, LCOs exclude Get It Now and Home Choice locations.
- ⁽⁶⁾ 30+ Days Past Due Rate: Defined as the average number of accounts 30+ days past due as a % of total open leases.
- ⁽⁷⁾ Gross Merchandise Volume (GMV): The Company defines Gross Merchandise Volume as the retail value in U.S. dollars of merchandise acquired by the Acima segment that is leased to customers through a transaction that occurs within a defined period, net of estimated cancellations as of the measurement date.
- ⁽⁸⁾ 60+ Days Past Due Rate: Defined as the average number of accounts 60+ days past due as a % of total open leases.

About Upbound Group, Inc

Upbound Group, Inc. (NASDAQ: UPBD), is a technology and data-driven leader in accessible and inclusive financial solutions that address the evolving needs and aspirations of underserved consumers. The Company's customer-facing operating units include industry-leading brands such as Acima®, Brigit™, and Rent-A-Center® that facilitate consumer transactions across a wide range of store-based and digital channels, including over 2,300 company branded retail units across the United States, Mexico and Puerto Rico. Upbound Group, Inc. is headquartered in Plano, Texas.

For additional information about the Company, please visit our website Upbound.com.

Investor Contact

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Forward Looking Statements

This press release, and the guidance above and the Company's related conference call contain forward-looking statements that involve risks and uncertainties. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "maintain," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology and including, among others, statements concerning (i) the Company's guidance for 2025 and future outlook, (ii) the impact of ongoing challenging macroeconomic conditions on the Company's business operations, financial performance, and prospects, (iii) the future business prospects and financial performance of the Company as a whole (which includes Bridge IT, Inc. ("Bright") following the closing of our acquisition of Bright on January 31, 2025) and our segments, (iv) the Company's growth strategies, (v) the Company's expectations, plans and strategy relating to its capital structure and capital allocation, including any share repurchases under the Company's share repurchase program, (vi) the potential impact of legal proceedings, governmental inquiries and investigations the Company is involved in, and (vii) other statements that are not historical facts. However, there can be no assurance that such expectations will occur. The Company's actual future performance could differ materially and adversely from such statements. Factors that could cause or contribute to these differences include, but are not limited to: (1) the possibility that costs, difficulties or disruptions related to the integration of Bright operations into the Company's other operations will be greater than expected; (2) the possibility that the anticipated benefits from the Bright acquisition may not be fully realized or may take longer to realize than expected; (3) the Company's ability to (i) effectively adjust to changes in the composition of its offerings and product mix as a result of acquiring Bright and continue to maintain the quality of existing offerings and (ii) successfully introduce other new product or service offerings on a timely and cost-effective basis; (4) change in the Company's future cash requirements as a result of the Bright acquisition, whether caused by unanticipated increases in capital expenditures or working capital needs, unanticipated liabilities or otherwise; (5) the Company's ability to retain the talent and dedication of key employees of Bright; (6) the general strength of the economy and other economic conditions affecting consumer preferences, spending and payment behaviors, including the availability of credit to the Company's target consumers and to other consumers, impacts from continued or renewed inflation, central bank monetary policy initiatives to address inflation concerns and a possible recession or slowdown in economic growth; (7) factors affecting the disposable income available to the Company's current and potential customers; (8) changes in the unemployment rate; (9) capital market conditions, including changes in interest rates and availability of funding sources for the Company; (10) changes in the Company's credit ratings; (11) difficulties encountered in managing the financial and operational performance of the Company's multiple business segments; (12) risks associated with pricing, value proposition and other changes to the Company's consumer offerings and strategies being deployed in the Company's businesses; (13) the Company's ability to continue to effectively execute its strategic initiatives, including mitigating risks associated with any potential additional mergers and acquisitions, or lease-to-own refranchising opportunities; (14) the Company's ability to identify potential acquisition candidates, complete acquisitions and successfully integrate acquired companies, including Bright; (15) failure to effectively manage the Company's operating labor and non-labor operating expenses, including merchandise losses for our lease-to-own offerings; (16) disruptions caused by the operation of the Company's information management systems or disruptions in the systems of the Company's host retailers or other third parties with whom the Company does business; (17) risks related to the Company's virtual lease-to-own business, including the Company's ability to continue to develop and successfully implement the necessary technologies; (18) the Company's ability to achieve the benefits expected from its integrated virtual and staffed third-party retailer offering and to successfully grow this business segment; (19) exposure to potential operating margin degradation due to the higher cost of merchandise and higher merchandise losses in the Company's Acima segment compared to our Rent-A-Center segment; (20) additional risks associated with the Company's recently acquired Bright business and its consumer products and services, including managing losses and payment defaults, regulatory, licensing and other compliance risks, risks associated with Bright's reliance on regulated banks and on providers of third party data, technology and other third-party service providers; and other new risks for our company; (21) litigation or administrative proceedings to which the Company is or may be a party to from time to time and changes in estimates relating to litigation reserves including, in each case in connection with the regulatory and litigation matters described in the Company's most recent Form 10-K or Form 10-Q; (22) the Company's compliance with applicable statutes and regulations governing the Company's businesses, impacts from the enforcement of existing laws and regulations and the enactment of new laws and regulations adversely affecting the Company's business, including in connection with the regulatory matters in which the Company is involved, and any legislative or other regulatory enforcement efforts that seek to re-characterize store-based or virtual lease-to-own transactions as credit sales and to apply consumer credit laws and regulations to the Company's lease-to-own business or to apply credit laws to Bright's consumer offerings; (23) the Company's transition to more readily scalable "cloud-based" solutions; (24) the Company's ability to develop and successfully implement digital or e-commerce capabilities, including mobile applications; (25) the Company's ability to protect its proprietary intellectual property; (26) the Company's ability or that of the Company's host retailers or other third parties with whom the company does business to protect the integrity and security of customer, employee, supplier and host retailer or other third party information, which may be adversely affected by hacking, computer viruses, or similar disruptions; (27) impairment of the Company's goodwill or other intangible assets; (28) disruptions in the Company's supply chain; (29) limitations of, or disruptions in, the Company's distribution network; (30) rapid inflation or deflation in the prices of the Company's lease-to-own products and other related costs; (31) allegations of product safety and quality control issues, including recalls of goods the Company leases to customers; (32) the Company's ability to execute, as well as, the effectiveness of, lease-to-own store consolidations, including the Company's ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation; (33) the Company's available cash flow and its ability to generate sufficient cash flow to continue paying dividends; (34) increased competition from traditional competitors, virtual lease-to-own competitors, online retailers, Buy-Now-Pay-Later, earned wage access and financial health technology competitors and other fintech companies and other competitors, including subprime lenders; (35) the Company's ability to identify and successfully market products and services beyond lease-to-own and products and services currently offered by Bright, including through third party partnerships; (36) the Company's ability to retain the revenue associated with acquired lease-to-own customer accounts and enhance the performance of acquired stores; (37) the Company's ability to enter into new rental or lease purchase agreements and collect on existing rental or lease purchase agreements; (40) changes in tariff policies, including any impacts from tariffs imposed by the current Presidential Administration on the price of imported goods, or consumer prices overall or other financial impacts of such tariffs or any retaliatory tariffs enacted by U.S. trading partners on the Company's costs or target consumers; (41) adverse changes in the economic conditions of the industries, countries or markets that the Company serves; (42) information technology and data security costs; (43) the impact of any breaches in data security or other disturbances to the Company's information technology and other networks; (44) changes in estimates relating to self-insurance liabilities and income tax reserves; (45) changes in the Company's effective tax rate; (46) fluctuations in foreign currency exchange rates; (47) the Company's ability to maintain an effective system of internal controls; and (48) the other risks detailed from time to time in the Company's SEC reports, including but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2023, and in its subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. 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, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Upbound Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

Table 4 (in thousands, except per share data)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Revenues				
Rentals and fees	\$ 877,311	\$ 840,639	\$ 3,513,658	\$ 3,261,678
Merchandise sales	148,045	126,510	624,735	541,766
Installment sales	16,551	18,439	60,884	63,630
Franchise merchandise sales	27,989	25,276	88,125	95,054
Royalty income and fees	6,199	5,780	24,738	24,416
Other	3,133	1,447	8,424	5,869
Total revenues	1,079,228	1,018,091	4,320,564	3,992,413
Cost of revenues				
Cost of rentals and fees	347,445	313,499	1,355,539	1,199,161
Cost of merchandise sold	189,121	160,015	773,937	652,894
Cost of installment sales	6,467	6,638	22,523	22,997
Franchise cost of merchandise sold	27,957	25,337	88,214	95,103
Total cost of revenues	570,990	505,489	2,240,213	1,970,155
Gross profit	508,238	512,602	2,080,351	2,022,258
Operating expenses				
Operating labor	142,217	153,068	609,169	613,538
Non-labor operating expenses	197,878	206,652	811,635	775,919
General and administrative expenses	52,249	51,272	212,450	201,706
Depreciation and amortization	12,025	13,219	50,886	51,321
Other gains and charges	24,714	32,496	104,580	216,909
Total operating expenses	429,083	456,707	1,788,720	1,859,393
Operating profit	79,155	55,895	291,631	162,865
Debt refinancing charges	—	—	6,604	—
Interest expense	25,422	29,185	110,585	113,418
Interest income	(646)	(730)	(3,099)	(3,420)
Earnings before income taxes	54,379	27,440	177,541	52,867
Income tax expense	23,397	38,694	54,063	58,046
Net earnings (loss)	\$ 30,982	\$ (11,254)	\$ 123,478	\$ (5,179)
Basic weighted average shares	54,721	54,031	54,654	54,978
Basic earnings (loss) per common share	\$ 0.57	\$ (0.21)	\$ 2.26	\$ (0.09)
Diluted weighted average shares	56,112	54,031	55,933	54,978
Diluted earnings (loss) per common share	\$ 0.55	\$ (0.21)	\$ 2.21	\$ (0.09)
REVENUES BY SEGMENT				
Acima	\$ 581,123	\$ 507,904	\$ 2,261,446	\$ 1,931,325
Rent-A-Center	444,026	459,292	1,863,425	1,864,123
Mexico	18,261	19,099	78,726	74,625
Franchising	35,818	31,796	116,967	122,340
Total revenues	\$ 1,079,228	\$ 1,018,091	\$ 4,320,564	\$ 3,992,413

Upbound Group, Inc. and Subsidiaries

SELECTED BALANCE SHEETS HIGHLIGHTS - UNAUDITED

	December 31,	
	2024	2023
<i>(in thousands)</i>		
Cash and cash equivalents	\$ 60,860	\$ 93,705
Receivables, net	156,438	111,005
Prepaid expenses and other assets	54,205	50,259
Rental merchandise, net		
On rent	1,134,860	1,109,896
Held for rent	113,922	124,167
Operating lease right-of-use assets	265,537	289,702
Goodwill	290,189	289,750
Total assets	2,649,662	2,721,430
Operating lease liabilities	\$ 272,983	\$ 293,435
Senior debt, net	867,726	866,707
Senior notes, net	441,890	439,920
Total liabilities	2,020,678	2,161,058
Total stockholders' equity	628,984	560,372

Non-GAAP Financial Measures

This release and the Company's related conference call contain certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including (1) Non-GAAP diluted earnings per share (net earnings or loss, as adjusted for special items (as defined below), net of taxes, divided by the number of shares of our common stock on a fully diluted basis), (2) Adjusted EBITDA (net earnings before interest, taxes, stock-based compensation, depreciation and amortization, as adjusted for special items) on a consolidated and segment basis, (3) Adjusted EBITDA margin (Adjusted EBITDA divided by total revenue) on a consolidated and segment basis, (4) Free Cash Flow (net cash provided by operating activities less capital expenditures), and (5) Net debt to adjusted EBITDA (outstanding debt less cash and cash equivalents divided by trailing twelve months Adjusted EBITDA). "Special items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature or which we believe do not reflect our core business activities. Special items are reported as Other Gains and Charges in our Consolidated Statements of Operations. For the periods presented herein, these special items are described in the quantitative reconciliation tables included below in this release. Because of the inherent uncertainty related to these special items, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort. These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended to assist management in evaluating operating performance and liquidity, comparing performance and liquidity across periods, planning and forecasting future business operations, helping determine levels of operating and capital investments and identifying and assessing additional trends potentially impacting our Company that may not be shown solely by comparisons of GAAP measures. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others. We believe these non-GAAP financial measures also provide supplemental information that is useful to investors, analysts and other external users of our consolidated financial statements in understanding our financial results and evaluating our performance and liquidity from period to period. However, non-GAAP financial measures have inherent limitations and are not substitutes for, or superior to, GAAP financial measures, and they should be read together with our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

Reconciliation of Net Earnings (Loss) to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

Table 6

	Three Months Ended December 31, 2024					
(in thousands)	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 508,238	\$ 79,155	\$ 54,379	\$ 23,397	\$ 30,982	\$ 0.55
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	—	14,899	14,899	3,407	11,492	0.21
Legal matters ⁽³⁾	—	4,026	4,026	921	3,105	0.06
Transaction fees ⁽⁴⁾	—	3,656	3,656	836	2,820	0.05
Accelerated stock compensation ⁽⁵⁾	—	1,652	1,652	378	1,274	0.02
Asset impairments	—	(16)	(16)	(4)	(12)	—
Other ⁽⁶⁾	—	497	497	114	383	—
Discrete income tax items	—	—	—	(8,978)	8,978	0.16
Non-GAAP Adjusted Results	\$ 508,238	\$ 103,869	\$ 79,093	\$ 20,071	\$ 59,022	\$ 1.05

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$11.0 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million related to the fair value of acquired software assets.

⁽³⁾ Includes estimated legal accrual of \$2.5 million and related litigation and defense expenses of \$1.6 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents transaction fees related to Brigit acquisition.

⁽⁵⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁶⁾ Includes shutdown and holding expenses related to store closures of \$0.4 million.

Table 7

	Three Months Ended December 31, 2023					
(in thousands)	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net (Loss) Earnings	Diluted (Loss) Earnings per Share
GAAP Results	\$ 512,602	\$ 55,895	\$ 27,440	\$ 38,694	\$ (11,254)	\$ (0.21)
Plus: Special Items ⁽¹⁾						
Acima equity consideration vesting ⁽²⁾	—	9,379	9,379	(33,055)	42,434	0.76
Acima acquired assets depreciation and amortization ⁽³⁾	—	18,233	18,233	15,228	3,005	0.05
Accelerated software depreciation ⁽⁴⁾	—	4,609	4,609	4,356	253	—
Legal matters	—	275	275	263	12	—
Discrete income tax items	—	—	—	(10,736)	10,736	0.19
Non-GAAP Adjusted Results	\$ 512,602	\$ 88,391	\$ 59,936	\$ 14,750	\$ 45,186	\$ 0.81

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽³⁾ Includes amortization expense of approximately \$14.2 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system that was fully deployed in the third quarter of 2024.

Reconciliation of Net Earnings (Loss) to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

Table 8

Year Ended December 31, 2024

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 2,080,351	\$ 291,631	\$ 177,541	\$ 54,063	\$ 123,478	\$ 2.21
Plus: Debt refinancing charges	—	—	6,604	1,883	4,721	0.08
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	—	61,347	61,347	15,656	45,691	0.82
Legal matters ⁽³⁾	—	15,764	15,764	3,532	12,232	0.22
Accelerated software depreciation ⁽⁴⁾	—	6,145	6,145	1,752	4,393	0.08
Asset impairments ⁽⁵⁾	—	5,944	5,944	1,700	4,244	0.08
Accelerated stock compensation ⁽⁶⁾	—	5,073	5,073	1,241	3,832	0.06
Acima equity consideration vesting ⁽⁷⁾	—	4,893	4,893	(1,028)	5,921	0.11
Transaction fees ⁽⁸⁾	—	3,656	3,656	836	2,820	0.05
Other ⁽⁹⁾	—	1,758	1,758	435	1,323	0.02
Discrete income tax items	—	—	—	(5,521)	5,521	0.10
Non-GAAP Adjusted Results	<u>\$ 2,080,351</u>	<u>\$ 396,211</u>	<u>\$ 288,725</u>	<u>\$ 74,549</u>	<u>\$ 214,176</u>	<u>\$ 3.83</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization of approximately \$45.5 million related to the total fair value of acquired intangible assets and incremental depreciation of approximately \$15.9 million.

⁽³⁾ Includes estimated legal accrual of \$10.7 million and related litigation and defense expenses of \$5.1 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to the transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Includes lease impairments of approximately \$5.3 million and fixed assets impairments of approximately \$0.6 million.

⁽⁶⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁷⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁸⁾ Represents transaction fees related to Brigit acquisition.

⁽⁹⁾ Includes shutdown and holding expenses related to store closures of \$1.4 million.

Reconciliation of Net (Loss) Earnings to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

Table 9

Year Ended December 31, 2023

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net (Loss) Earnings	Diluted (Loss) Earnings per Share
GAAP Results	\$ 2,022,258	\$ 162,865	\$ 52,867	\$ 58,046	\$ (5,179)	\$ (0.09)
Plus: Special Items ⁽¹⁾						
Acima equity consideration vesting ⁽²⁾	—	137,507	137,507	(28,876)	166,383	2.95
Acima acquired assets depreciation and amortization ⁽³⁾	—	72,934	72,934	45,826	27,108	0.48
Accelerated software depreciation ⁽⁴⁾	—	9,218	9,218	5,792	3,426	0.06
Legal matters	—	319	319	200	119	—
Other ⁽⁵⁾	—	(3,069)	(3,069)	(1,928)	(1,141)	(0.02)
Discrete income tax items	—	—	—	(9,546)	9,546	0.17
Non-GAAP Adjusted Results	\$ 2,022,258	\$ 379,774	\$ 269,776	\$ 69,514	\$ 200,262	\$ 3.55

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽³⁾ Includes amortization of approximately \$57.0 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$15.9 million.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to the transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Represents interest income on tax refunds of prior years received in 2023.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment)

Table 10 Three Months Ended December 31, 2024

<i>(in thousands)</i>	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 69,653	\$ 69,693	\$ 667	\$ 4,500	\$ (113,531)	\$ 30,982
Plus: Interest expense, net	—	—	—	—	24,776	24,776
Plus: Income tax expense	—	—	—	—	23,397	23,397
Operating profit (loss)	69,653	69,693	667	4,500	(65,358)	79,155
Plus: Depreciation and amortization	352	5,390	427	33	5,823	12,025
Plus: Stock-based compensation	—	—	—	—	6,859	6,859
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	10,927	—	—	—	3,972	14,899
Legal matters ⁽³⁾	—	—	—	—	4,026	4,026
Transaction fees ⁽⁴⁾	—	—	—	—	3,656	3,656
Accelerated stock compensation ⁽⁵⁾	—	—	—	—	1,652	1,652
Asset impairments	—	(16)	—	—	—	(16)
Other ⁽⁶⁾	—	360	—	—	137	497
Adjusted EBITDA	<u>\$ 80,932</u>	<u>\$ 75,427</u>	<u>\$ 1,094</u>	<u>\$ 4,533</u>	<u>\$ (39,233)</u>	<u>\$ 122,753</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$11.0 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

⁽³⁾ Includes estimated legal accrual of \$2.5 million and related litigation and defense expenses of \$1.6 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents transaction fees related to Brigit acquisition.

⁽⁵⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁶⁾ Includes shutdown and holding expenses related to store closures of \$0.4 million.

Table 11 Three Months Ended December 31, 2023

<i>(in thousands)</i>	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 60,378	\$ 61,880	\$ 1,429	\$ 3,807	\$ (138,748)	\$ (11,254)
Plus: Interest expense, net	—	—	—	—	28,455	28,455
Plus: Income tax expense	—	—	—	—	38,694	38,694
Operating profit (loss)	60,378	61,880	1,429	3,807	(71,599)	55,895
Plus: Depreciation and amortization	398	4,852	326	36	7,607	13,219
Plus: Stock-based compensation	—	—	—	—	6,012	6,012
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	14,262	—	—	—	3,971	18,233
Acima equity consideration vesting ⁽³⁾	—	—	—	—	9,379	9,379
Accelerated software depreciation ⁽⁴⁾	—	—	—	—	4,609	4,609
Legal matters	—	—	—	—	275	275
Adjusted EBITDA	<u>\$ 75,038</u>	<u>\$ 66,732</u>	<u>\$ 1,755</u>	<u>\$ 3,843</u>	<u>\$ (39,746)</u>	<u>\$ 107,622</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$14.2 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

⁽³⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system that was fully deployed in the third quarter of 2024.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment)

	Year Ended December 31, 2024					
(in thousands)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 255,549	\$ 280,423	\$ 4,806	\$ 16,737	\$ (434,037)	\$ 123,478
Plus: Interest expense, net	—	—	—	—	107,486	107,486
Plus: Income tax expense	—	—	—	—	54,063	54,063
Plus: Debt refinancing charges	—	—	—	—	6,604	6,604
Operating profit (loss)	255,549	280,423	4,806	16,737	(265,884)	291,631
Plus: Amortization, Depreciation	1,376	20,367	1,566	141	27,436	50,886
Plus: Stock-based compensation	—	—	—	—	26,108	26,108
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	45,460	—	—	—	15,887	61,347
Legal matters ⁽³⁾	—	—	—	—	15,764	15,764
Accelerated software depreciation ⁽⁴⁾	—	—	—	—	6,145	6,145
Asset Impairment ⁽⁵⁾	—	5,944	—	—	—	5,944
Accelerated stock compensation ⁽⁶⁾	—	—	—	—	5,073	5,073
Acima equity consideration vesting ⁽⁷⁾	—	—	—	—	4,893	4,893
Transaction fees ⁽⁸⁾	—	—	—	—	3,656	3,656
Other ⁽⁹⁾	—	1,384	—	—	374	1,758
Adjusted EBITDA	\$ 302,385	\$ 308,118	\$ 6,372	\$ 16,878	\$ (160,548)	\$ 473,205

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization of approximately \$45.5 million related to the total fair value of acquired intangible assets and incremental depreciation of approximately \$15.9 million.

⁽³⁾ Includes estimated legal accrual of \$10.7 million and related litigation and defense expenses of \$5.1 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to the transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Includes lease impairments of approximately \$5.3 million and fixed assets impairments of approximately \$0.6 million.

⁽⁶⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁷⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁸⁾ Represents transaction fees related to Brigit acquisition.

⁽⁹⁾ Includes shutdown and holding expenses related to store closures of \$1.4 million.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment)

Table 13

Year Ended December 31, 2023

<i>(in thousands)</i>	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 235,480	\$ 273,518	\$ 4,846	\$ 17,087	\$ (536,110)	\$ (5,179)
Plus: Interest expense, net	—	—	—	—	109,998	109,998
Plus: Income tax expense	—	—	—	—	58,046	58,046
Operating profit (loss)	235,480	273,518	4,846	17,087	(368,066)	162,865
Plus: Amortization, Depreciation	1,661	18,816	1,206	146	29,492	51,321
Plus: Stock-based compensation	—	—	—	—	24,609	24,609
Plus: Special Items ⁽¹⁾						
Acima equity consideration vesting ⁽²⁾	—	—	—	—	137,507	137,507
Acima acquired assets depreciation and amortization ⁽³⁾	57,048	—	—	—	15,886	72,934
Accelerated software depreciation ⁽⁴⁾	—	—	—	—	9,218	9,218
Legal matters	—	—	—	—	319	319
Other ⁽⁵⁾	—	—	—	—	(3,069)	(3,069)
Adjusted EBITDA	<u>\$ 294,189</u>	<u>\$ 292,334</u>	<u>\$ 6,052</u>	<u>\$ 17,233</u>	<u>\$ (154,104)</u>	<u>\$ 455,704</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽³⁾ Includes amortization of approximately \$57.0 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$15.9 million.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to the transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Represents interest income on tax refunds of prior years received in 2023.

Reconciliation of Net Cash (Used in) Provided by Operating Activities to Free Cash Flow

Table 14
(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net cash (used in) provided by operating activities	\$ (61,945)	\$ (19,652)	\$ 104,721	\$ 200,290
Purchase of property assets	(12,083)	(17,235)	(56,275)	(53,402)
Free cash flow	\$ (74,028)	\$ (36,887)	\$ 48,446	\$ 146,888

Reconciliation of Leverage Ratio

	Q4 2024
Outstanding debt	\$ 1,327.3
Less: Cash and cash equivalents	60.9
Net debt	1,266.4
Adjusted EBITDA	
Q1 2024	109.1
Q2 2024	124.5
Q3 2024	116.9
Q4 2024	122.8
Trailing twelve month Adjusted EBITDA	\$ 473.2
Net debt to adjusted EBITDA Ratio	2.7 x

⁽¹⁾ Additional details of Adjusted EBITDA are included in the Reconciliation of Net Earnings to Adjusted EBITDA (Consolidated and by Segment) tables of our quarterly earnings releases which can be found on the Company's investor relations website.

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Fourth Quarter & Full Year 2024 Earnings Review

February 20, 2025

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Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including, among others, statements regarding our goals, plans and projections with respect to our operations, financial position and business strategy, including those related to the closing of our acquisition of Bridge IT, Inc. ("Brigit") on January 31, 2025. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "maintain," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology. Such forward-looking statements are based on particular assumptions that our management has made in light of its experience and its perception of expected future developments and other factors that it believes are appropriate under the circumstances, and are subject to various risks and uncertainties. Factors that could cause or contribute to material and adverse differences between actual and anticipated results include, but are not limited to, (1) the possibility that costs, difficulties or disruptions related to the integration of Brigit operations into our other operations will be greater than expected; (2) the possibility that the anticipated benefits from the Brigit acquisition may not be fully realized or may take longer to realize than expected; (2) our ability to (i) effectively adjust to changes in the composition of our offerings and product mix as a result of acquiring Brigit and continue to maintain the quality of existing offerings and (ii) successfully introduce other new product or service offerings on a timely and cost-effective basis; (3) changes in our future cash requirements as a result of the Brigit acquisition, whether caused by unanticipated increases in capital expenditures or working capital needs, unanticipated liabilities or otherwise; (4) our ability to retain the talent and dedication of key employees of Brigit; (5) the general strength of the economy and other economic conditions affecting consumer preferences and spending, including the availability of credit to the Company's target consumers and to other consumers, impacts from continued inflation, central bank monetary policy initiatives to address inflation concerns and a possible recession or slowdown in economic growth, and (6) the other risks detailed from time to time in the reports filed by us with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2023, as well as subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this communication. Except as required by law, we are not obligated to, and do not undertake to, publicly release any revisions to these forward-looking statements to reflect any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Use of Non-GAAP Financial Measures

This communication contains certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including (1) Non-GAAP diluted earnings per share (net earnings or loss, as adjusted for special items (as defined below), net of taxes, divided by the number of shares of our common stock on a fully diluted basis), (2) Adjusted EBITDA (net earnings before interest, taxes, stock-based compensation, depreciation and amortization, as adjusted for special items) on a consolidated and segment basis, (3) Adjusted EBITDA margin (Adjusted EBITDA divided by total revenue) on a consolidated and segment basis, (4) Free Cash Flow (net cash provided by operating activities less capital expenditures), (5) Net debt (outstanding debt less cash and cash equivalents), and (6) Net leverage ratio (outstanding debt less cash and cash equivalents divided by trailing twelve months Adjusted EBITDA). "Special items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature or which we believe do not reflect our core business activities. Special items are reported as Other Gains and Charges in our Consolidated Statements of Operations. For the periods presented herein, these special items are described in the quantitative reconciliation tables included in the appendix of this presentation. Because of the inherent uncertainty related to these special items, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort.

These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended to assist management in evaluating operating performance and liquidity, comparing performance and liquidity across periods, planning and forecasting future business operations, helping determine levels of operating and capital investments and identifying and assessing additional trends potentially impacting our Company that may not be shown solely by comparisons of GAAP measures. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others.

We believe these non-GAAP financial measures also provide supplemental information that is useful to investors, analysts and other external users of our consolidated financial statements in understanding our financial results and evaluating our performance and liquidity from period to period. However, non-GAAP financial measures have inherent limitations and are not substitutes for, or superior to, GAAP financial measures, and they should be read together with our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

Note that all sources in this presentation are from Company reports and Company estimates unless otherwise noted.



17.1% ↑

Y/Y GMV¹ and revenue growth

1.5% ↑

Same Store Sales² Growth

+Bright

Definitive agreement to acquire leading financial health technology company, closed in 2025

25%+ ↑

Y/Y application growth

26%

Revenue from e-commerce channel

+\$5M

Estimated annual interest savings from TLB refinancing achieved, alongside refresh of 5-year ABL maturity

9.5% ↑

Y/Y increase in locations with at least one funded lease

1,728

Year-end company-owned store count, a 6% y/y reduction that optimizes retail footprint

5%+ ↑

Quarterly dividend increase to \$0.39 per share, or \$1.56 annualized

1 The Company defines Gross Merchandise Volume (GMV) as the retail value in U.S. dollars of merchandise acquired by the Acima segment that is leased to customers through a transaction that occurs within a defined period, net of estimated cancellations as of the measurement date.
2 Same Store Sales (SSS): Same store sales generally represents revenue earned in Rent-A-Center stores that were operated by us for 13 months or more and are reported on a constant currency basis as a percentage of total revenue earned in stores of the segment during the indicated period. The Company excludes from the same store sales base any store that receives a certain level of customer accounts from closed stores or acquisitions. The receiving store will be eligible for inclusion in the same store sales base in the 30th full month following account transfer.

\$1.1 billion

Consolidated Revenue

+6.0% y/y

\$122.8 million

Adjusted EBITDA²

+14.1% y/y

\$1.05

Non-GAAP Diluted EPS²

+\$0.24 y/y

+29.6% y/y

7.3%

Lease Charge-Off Rate¹

-20 bps y/y

\$31.0 million

Net Income

+\$42.3 million y/y

\$0.55

GAAP Diluted EPS

+\$0.76 y/y

1 Lease Charge-Offs (LCOs) (previously referred to as "skip / stolen losses"): Represents charge-offs of the net book value of unrecoverable on-rent merchandise with lease-to-own customers who are past due. This is typically expressed as a percentage of revenues for the applicable period. For the Rent-A-Center segment, LCOs exclude Get-It-Now and Home Choice locations.
2 Non-GAAP financial measure. Refer to definitions and reconciliations elsewhere in this presentation.

\$4.3 billion

Consolidated Revenue

+8.2% y/y

\$473.2 million

Adjusted EBITDA²

+3.8% y/y

\$3.83

Non-GAAP Diluted EPS²

+\$0.28 y/y

+7.9% y/y

7.3%

Lease Charge-Off Rate¹

+20 bps y/y

\$123.5 million

Net Income

+\$128.7 million y/y

\$2.21

GAAP Diluted EPS

+\$2.30 y/y

¹ Lease Charge-Offs (LCOs) (previously referred to as "skip / stolen losses"): Represents charge-offs of the net book value of unrecoverable on-rent merchandise with lease-to-own customers who are past due. This is typically expressed as a percentage of revenues for the applicable period. For the Rent-A-Center segment, LCOs exclude Get-It-Now and Home Choice locations.
² Non-GAAP financial measure. Refer to definitions and reconciliations elsewhere in this presentation.



Customer Focus Drives Repeat Business

Broaden Marketplace merchant roster and streamline the LTO experience for returning customers



Merchant Growth Through Digital Advancements

Expand and deepen retailer relationships across traditional and emerging categories and channels



Improving Margins

Focus on operational efficiencies and underwriting discipline, to realize scale benefits of virtual platform



Digital Evolution

Enhance customer experience and optimize omni-channel execution to improve web conversion



Capital and Cost Efficiency

Leverage tech-enabled processes to grow online fulfillment and optimize the cost-to-serve



Underwriting and Risk Management

Prudently and tactically manage risk profile both online and in-store with new data and models



Maintain Momentum

Expand the existing growth trajectory by adding new customers and service tiers



New Products

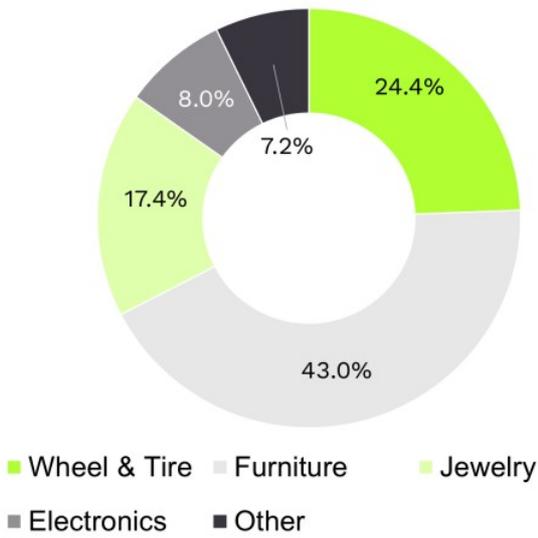
Supplement the current growth with new products that expand TAM and address incremental use cases



Collaboration

Accelerate Brigit's growth by cross-marketing products to RAC and Acima customer universe

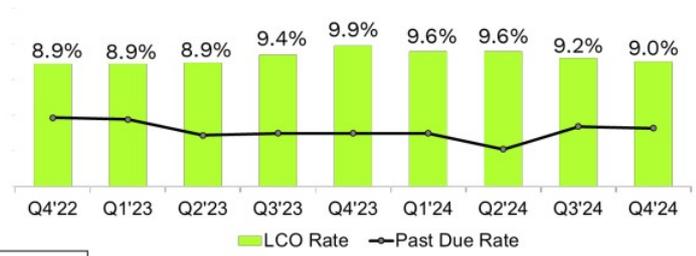
Rental Revenue by Product Category



Acima GMV Trend (\$M)

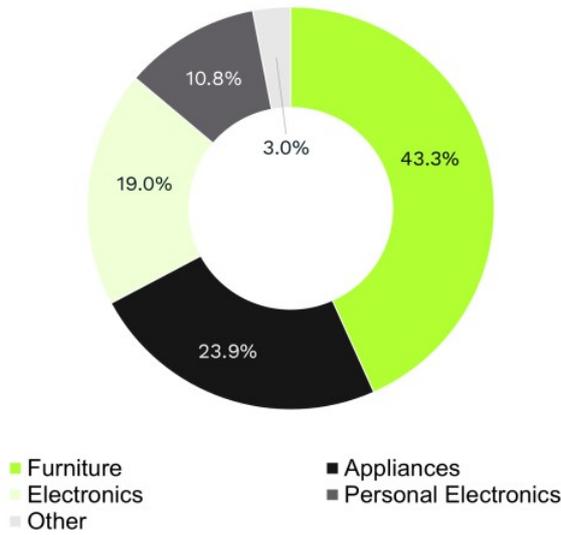


Acima LCO and Past Due Rates¹ Trends



¹ Defined as the average accounts 60+ days past due as a percentage of total open leases. 60+ past due rates normalized to exclude large retailers that are no longer on Acima's platform.

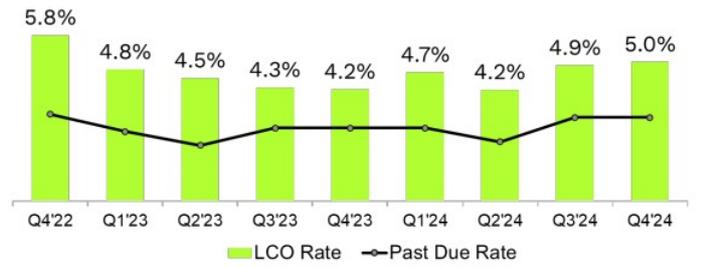
Rental Revenue by Product Category



Rent-A-Center Portfolio^{1,2} Per Store (\$000's) and Same Store Sales Trends



Rent-A-Center LCO and Past Due Rates^{2,3} Trends



1 Lease Portfolio Value: Represents the aggregate dollar value of the expected monthly rental income associated with current active lease agreements from our Rent-A-Center lease-to-own stores and e-commerce platform at the end of any given period.
 2 Portfolio Value and Past Due charts exclude Get-it-Now and Home Choice branded stores.
 3 Past due rate is defined as the average accounts 30+ days past due as a percentage of total open leases.

\$489.2 million

Liquidity¹

\$56.3 million

FY 2024 CapEx

\$82.3 million

FY 2024 Dividends Paid

\$1.3 billion

Net Debt^{1,2}

2.7x

Net Leverage Ratio³

2.0x

Target Net Leverage Ratio³

All figures except CapEx and dividends paid, which represent expenditures for the full year, are as of year-end 2024.

¹ Liquidity and net debt as of February 18, 2025 were approximately \$208 million and \$1.5 billion, respectively, post-Brigit acquisition.

² Net debt is defined as outstanding debt less cash and cash equivalents.

³ Net leverage ratio is defined as outstanding debt less cash and cash equivalents divided by trailing twelve months Adjusted EBITDA, which is a Non-GAAP financial measure. Refer to definitions and reconciliations elsewhere in this presentation.

Topline growth drives strong Adjusted EBITDA and EPS expansion in FY 2025

Consolidated Guidance¹	Full Year 2025	First Quarter 2025
Revenues (\$B)	\$4.50 - \$4.75	\$1.05 - \$1.15
Adj. EBITDA Excluding SBC (\$M) ²	\$500 - \$540	\$120 - \$130
Non-GAAP Diluted Earnings Per Share ²	\$3.90 - \$4.40	\$0.90 - \$1.00
Free Cash Flow (\$M) ²	\$150 - \$200	\$70 - \$100

1. Consolidated includes Acima, Rent-A-Center, Brigit (for the 11 months following the acquisition on January 31, 2025), Mexico, Franchising and Corporate Segments.

2. Non-GAAP financial measure. See descriptions elsewhere in this presentation.



Transformative year strengthens foundation for Upbound's growing, digital-first platform supporting the underserved consumer

Innovation into complementary financial solutions



Focus on innovation enhances Upbound's offerings for existing and new customers, amplified by acquisition of Brigit

Delivered virtually with increasing scale



Digital Acima and Brigit models expand access to more consumers through over 35k retailer locations, growing DTC marketplace, and top-rated fintech platform

Paired with prudent risk management



Disciplined, tactical approach to underwriting and risk management enables responsible growth

Provides foundation for earnings growth



Topline growth paired with focus on efficiency drives opportunities for robust earnings growth



upbound

Appendix

Reconciliation of Net Earnings to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

upbowl

Three Months Ended December 31, 2024

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 508,238	\$ 79,155	\$ 54,379	\$ 23,397	\$ 30,982	\$ 0.55
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	—	14,899	14,899	3,407	11,492	0.21
Legal matters ⁽³⁾	—	4,026	4,026	921	3,105	0.06
Transaction fees ⁽⁴⁾	—	3,656	3,656	836	2,820	0.05
Accelerated stock compensation ⁽⁵⁾	—	1,652	1,652	378	1,274	0.02
Asset impairments	—	(16)	(16)	(4)	(12)	—
Other ⁽⁶⁾	—	497	497	114	383	—
Discrete income tax items	—	—	—	(8,978)	8,978	0.16
Non-GAAP Adjusted Results	<u>\$ 508,238</u>	<u>\$ 103,869</u>	<u>\$ 79,093</u>	<u>\$ 20,071</u>	<u>\$ 59,022</u>	<u>\$ 1.05</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Supplemental Segment Performance Details - GAAP included on page 22 of this presentation.

⁽²⁾ Includes amortization expense of approximately \$11.0 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million related to the fair value of acquired software assets.

⁽³⁾ Includes estimated legal accrual of \$2.5 million and related litigation and defense expenses of \$1.6 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents transaction fees related to Brigit acquisition.

⁽⁵⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁶⁾ Includes shutdown and holding expenses related to store closures of \$0.4 million.

Reconciliation of Net (Loss) to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

upbou

Three Months Ended December 31, 2023

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net (Loss) Earnings	Diluted (Loss) Earnings per Share
GAAP Results	\$ 512,602	\$ 55,895	\$ 27,440	\$ 38,694	\$ (11,254)	\$ (0.21)
Plus: Special Items ⁽¹⁾						
Acima equity consideration vesting ⁽²⁾	—	9,379	9,379	(33,055)	42,434	0.76
Acima acquired assets depreciation and amortization ⁽³⁾	—	18,233	18,233	15,228	3,005	0.05
Accelerated software depreciation ⁽⁴⁾	—	4,609	4,609	4,356	253	—
Legal matters	—	275	275	263	12	—
Discrete income tax items	—	—	—	(10,736)	10,736	0.19
Non-GAAP Adjusted Results	<u>\$ 512,602</u>	<u>\$ 88,391</u>	<u>\$ 59,936</u>	<u>\$ 14,750</u>	<u>\$ 45,186</u>	<u>\$ 0.81</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Supplemental Segment Performance Details - GAAP included on page 22 of this presentation.

⁽²⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽³⁾ Includes amortization expense of approximately \$14.2 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system that was fully deployed in the third quarter of 2024.

Reconciliation of Net Earnings to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

upbowl

	Year Ended December 31, 2024					
(in thousands)	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 2,080,351	\$ 291,631	\$ 177,541	\$ 54,063	\$ 123,478	\$ 2.21
Plus: Debt refinancing charges	—	—	6,604	1,883	4,721	0.08
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	—	61,347	61,347	15,656	45,691	0.82
Legal matters ⁽³⁾	—	15,764	15,764	3,532	12,232	0.22
Accelerated software depreciation ⁽⁴⁾	—	6,145	6,145	1,752	4,393	0.08
Asset impairments ⁽⁵⁾	—	5,944	5,944	1,700	4,244	0.08
Accelerated stock compensation ⁽⁶⁾	—	5,073	5,073	1,241	3,832	0.06
Acima equity consideration vesting ⁽⁷⁾	—	4,893	4,893	(1,028)	5,921	0.11
Transaction fees ⁽⁸⁾	—	3,656	3,656	836	2,820	0.05
Other ⁽⁹⁾	—	1,758	1,758	435	1,323	0.02
Discrete income tax items	—	—	—	(5,521)	5,521	0.10
Non-GAAP Adjusted Results	\$ 2,080,351	\$ 396,211	\$ 288,725	\$ 74,549	\$ 214,176	\$ 3.83

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization of approximately \$45.5 million related to the total fair value of acquired intangible assets and incremental depreciation of approximately \$15.9 million.

⁽³⁾ Includes estimated legal accrual of \$10.7 million and related litigation and defense expenses of \$5.1 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to the transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Includes lease impairments of approximately \$5.3 million and fixed assets impairments of approximately \$0.6 million.

⁽⁶⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁷⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁸⁾ Represents transaction fees related to Brigit acquisition.

⁽⁹⁾ Includes shutdown and holding expenses related to store closures of \$1.4 million.

Reconciliation of Net (Loss) Earnings to Net Earnings Excluding Special Items and Non-GAAP Diluted Earnings Per Share

upbou

Year Ended December 31, 2023

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense (Benefit)	Net (Loss) Earnings	Diluted (Loss) Earnings per Share
GAAP Results	\$ 2,022,258	\$ 162,865	\$ 52,867	\$ 58,046	\$ (5,179)	\$ (0.09)
Plus: Special Items ⁽¹⁾						
Acima equity consideration vesting ⁽²⁾	—	137,507	137,507	(28,876)	166,383	2.95
Acima acquired assets depreciation and amortization ⁽³⁾	—	72,934	72,934	45,826	27,108	0.48
Accelerated software depreciation ⁽⁴⁾	—	9,218	9,218	5,792	3,426	0.06
Legal matters	—	319	319	200	119	—
Other ⁽⁵⁾	—	(3,069)	(3,069)	(1,928)	(1,141)	(0.02)
Discrete income tax items	—	—	—	(9,546)	9,546	0.17
Non-GAAP Adjusted Results	\$ 2,022,258	\$ 379,774	\$ 269,776	\$ 69,514	\$ 200,262	\$ 3.55

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽³⁾ Includes amortization of approximately \$57.0 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$15.9 million.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to the transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Represents interest income on tax refunds of prior years received in 2023.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment)

upbowl

Three Months Ended December 31, 2024

(in thousands)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 69,653	\$ 69,693	\$ 667	\$ 4,500	\$ (113,531)	\$ 30,982
Plus: Interest expense, net	—	—	—	—	24,776	24,776
Plus: Income tax expense	—	—	—	—	23,397	23,397
Operating profit (loss)	69,653	69,693	667	4,500	(65,358)	79,155
Plus: Depreciation and amortization	352	5,390	427	33	5,823	12,025
Plus: Stock-based compensation	—	—	—	—	6,859	6,859
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	10,927	—	—	—	3,972	14,899
Legal matters ⁽³⁾	—	—	—	—	4,026	4,026
Transaction fees ⁽⁴⁾	—	—	—	—	3,656	3,656
Accelerated stock compensation ⁽⁵⁾	—	—	—	—	1,652	1,652
Asset impairments	—	(16)	—	—	—	(16)
Other ⁽⁶⁾	—	360	—	—	137	497
Adjusted EBITDA	\$ 80,932	\$ 75,427	\$ 1,094	\$ 4,533	\$ (39,233)	\$ 122,753

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$11.0 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

⁽³⁾ Includes estimated legal accrual of \$2.5 million and related litigation and defense expenses of \$1.6 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents transaction fees related to Brigit acquisition.

⁽⁵⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁶⁾ Includes shutdown and holding expenses related to store closures of \$0.4 million.

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment)

upbowl

(in thousands)	Three Months Ended December 31, 2023					
	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 60,378	\$ 61,880	\$ 1,429	\$ 3,807	\$ (138,748)	\$ (11,260)
Plus: Interest expense, net	—	—	—	—	28,455	28,455
Plus: Income tax expense	—	—	—	—	38,694	38,694
Operating profit (loss)	60,378	61,880	1,429	3,807	(71,599)	55,895
Plus: Depreciation and amortization	398	4,852	326	36	7,607	13,619
Plus: Stock-based compensation	—	—	—	—	6,012	6,012
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	14,262	—	—	—	3,971	18,233
Acima equity consideration vesting ⁽³⁾	—	—	—	—	9,379	9,379
Accelerated software depreciation ⁽⁴⁾	—	—	—	—	4,609	4,609
Legal matters	—	—	—	—	275	275
Other ⁽⁵⁾	—	—	—	—	—	—
Adjusted EBITDA	\$ 75,038	\$ 66,732	\$ 1,755	\$ 3,843	\$ (39,746)	\$ 107,622

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$14.2 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

⁽³⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system that was fully deployed in the third quarter of 2024.

Reconciliation of Operating Profit (Loss) to Adjusted EBITDA (Consolidated and by Segment)

upbowl

	Year Ended December 31, 2024					
(in thousands)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 255,549	\$ 280,423	\$ 4,806	\$ 16,737	\$ (434,037)	\$ 123,478
Plus: Interest expense, net	—	—	—	—	107,486	107,486
Plus: Income tax expense	—	—	—	—	54,063	54,063
Plus: Debt refinancing charges	—	—	—	—	6,604	6,604
Operating profit (loss)	255,549	280,423	4,806	16,737	(265,884)	291,631
Plus: Amortization, Depreciation	1,376	20,367	1,566	141	27,436	50,886
Plus: Stock-based compensation	—	—	—	—	26,108	26,108
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	45,460	—	—	—	15,887	61,347
Legal matters ⁽³⁾	—	—	—	—	15,764	15,764
Accelerated software depreciation ⁽⁴⁾	—	—	—	—	6,145	6,145
Asset Impairment ⁽⁵⁾	—	5,944	—	—	—	5,944
Accelerated stock compensation ⁽⁶⁾	—	—	—	—	5,073	5,073
Acima equity consideration vesting ⁽⁷⁾	—	—	—	—	4,893	4,893
Transaction fees ⁽⁸⁾	—	—	—	—	3,656	3,656
Other ⁽⁹⁾	—	1,384	—	—	374	1,758
Adjusted EBITDA	\$ 302,385	\$ 308,118	\$ 6,372	\$ 16,878	\$ (160,548)	\$ 473,205

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Includes amortization of approximately \$45.5 million related to the total fair value of acquired intangible assets and incremental depreciation of approximately \$15.9 million.

⁽³⁾ Includes estimated legal accrual of \$10.7 million and related litigation and defense expenses of \$5.1 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Includes lease impairments of approximately \$5.3 million and fixed assets impairments of approximately \$0.6 million.

⁽⁶⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's Chief Executive Officer.

⁽⁷⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁸⁾ Represents transaction fees related to Brigit acquisition.

⁽⁹⁾ Includes shutdown and holding expenses related to store closures of \$1.4 million.

Reconciliation of Operating Profit (Loss) to Adjusted EBITDA (Consolidated and by Segment)

upbowl

(in thousands)	Year Ended December 31, 2023					
	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Net earnings (loss)	\$ 235,480	\$ 273,518	\$ 4,846	\$ 17,087	\$ (536,110)	\$ (5,000)
Plus: Interest expense, net	—	—	—	—	109,998	109,998
Plus: Income tax expense	—	—	—	—	58,046	58,046
Operating profit (loss)	235,480	273,518	4,846	17,087	(368,066)	162,865
Plus: Amortization, Depreciation	1,661	18,816	1,206	146	29,492	51,321
Plus: Stock-based compensation	—	—	—	—	24,609	24,609
Plus: Special Items ⁽¹⁾						
Acima equity consideration vesting ⁽²⁾	—	—	—	—	137,507	137,507
Acima acquired assets depreciation and amortization ⁽³⁾	57,048	—	—	—	15,886	72,934
Accelerated software depreciation ⁽⁴⁾	—	—	—	—	9,218	9,218
Legal matters	—	—	—	—	319	319
Other ⁽⁵⁾	—	—	—	—	(3,069)	(3,069)
Adjusted EBITDA	\$ 294,189	\$ 292,334	\$ 6,052	\$ 17,233	\$ (154,104)	\$ 455,704

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 4 of this earnings release.

⁽²⁾ Represents stock compensation expense related to common stock issued to Acima Holdings employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽³⁾ Includes amortization of approximately \$57.0 million related to the total fair value of acquired intangible assets, incremental depreciation of approximately \$15.9 million.

⁽⁴⁾ Represents incremental depreciation expense related to the acceleration of the remaining useful life of the point-of-sale system used by our Rent-A-Center lease-to-own stores, due to the transition to a new internally developed point-of-sale system expected to be fully deployed in the third quarter of 2024.

⁽⁵⁾ Represents interest income on tax refunds of prior years received in 2023.

Reconciliation of Net Cash (Used in) Provided by Operating Activities to Free Cash Flow

upbou

<i>(in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net cash (used in) provided by operating activities	\$ (61,945)	\$ (19,652)	\$ 104,721	\$ 200,290
Purchase of property assets	(12,083)	(17,235)	(56,275)	(53,400)
Free cash flow	\$ (74,028)	\$ (36,887)	\$ 48,446	\$ 146,890

Supplemental Segment Performance Details – GAAP

upbowl

Three Months Ended December 31, 2024							Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated	(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Revenue							Revenue						
Rentals and fees	\$ 458.2	\$ 401.9	\$ 17.2	\$ —	\$ —	\$ 877.3	Rentals and fees	\$ 407.2	\$ 415.5	\$ 17.9	\$ —	\$ —	\$ —
Merchandise sales	122.0	25.2	0.8	—	—	148.0	Merchandise sales	100.6	25.0	0.9	—	—	—
Installment sales	—	16.6	—	—	—	16.6	Installment sales	—	18.4	—	—	—	—
Franchise merchandising sales	—	—	—	28.0	—	28.0	Franchise merchandising sales	—	—	—	25.3	—	—
Franchise and royalty fees	—	—	—	6.2	—	6.2	Franchise and royalty fees	—	—	—	5.8	—	—
Other	0.9	0.4	0.2	1.6	—	3.1	Other	0.1	0.3	0.3	0.7	—	—
Total revenue	\$ 581.1	\$ 444.0	\$ 18.3	\$ 35.8	\$ —	\$ 1,079.2	Total revenue	\$ 507.9	\$ 459.3	\$ 19.1	\$ 31.8	\$ —	\$ —
Three Months Ended December 31, 2024							Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated	(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Cost of revenues							Cost of revenues						
Cost of rentals and fees	\$ 238.8	\$ 104.0	\$ 4.6	\$ —	\$ —	\$ 347.4	Cost of rentals and fees	\$ 201.6	\$ 106.9	\$ 4.9	\$ —	\$ —	\$ —
Cost of merchandise sold	162.6	25.9	0.6	—	—	189.1	Cost of merchandise sold	136.1	23.2	0.7	—	—	—
Cost of installment sales	—	6.5	—	—	—	6.5	Cost of installment sales	—	6.6	—	—	—	—
Cost of franchise merchandise sold	—	—	—	28.0	—	28.0	Cost of franchise merchandise sold	—	—	—	25.3	—	—
Total cost of revenues	\$ 401.4	\$ 136.4	\$ 5.3	\$ 28.0	\$ —	\$ 571.0	Total cost of revenues	\$ 337.7	\$ 136.8	\$ 5.6	\$ 25.3	\$ —	\$ —
Three Months Ended December 31, 2024							Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated	(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Operating expenses							Operating expenses						
Operating labor expense	\$ 24.2	\$ 113.7	\$ 4.3	\$ —	\$ —	\$ 142.2	Operating labor expense	\$ 26.2	\$ 122.6	\$ 4.3	\$ —	\$ —	\$ —
Non-labor operating expenses	74.1	116.4	5.7	1.7	—	197.9	Non-labor operating expenses	68.7	130.5	5.9	1.5	—	—
General and administrative expenses	0.5	2.1	1.9	1.6	46.1	52.2	General and administrative expenses	0.3	2.7	1.5	1.1	45.8	—
Depreciation and amortization	0.4	5.4	0.4	—	5.8	12.0	Depreciation and amortization	0.4	4.9	0.3	—	7.6	—
Other gains and charges	10.9	0.3	—	—	13.4	24.7	Other gains and charges	14.3	—	—	—	18.2	—
Total operating expenses	\$ 110.1	\$ 238.0	\$ 12.3	\$ 3.4	\$ 65.4	\$ 429.1	Total operating expenses	\$ 109.8	\$ 260.6	\$ 12.0	\$ 2.7	\$ 71.6	\$ —
Three Months Ended December 31, 2024							Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated	(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Capital expenditures	\$ 0.1	\$ 3.7	\$ 0.5	\$ —	\$ 7.8	\$ 12.1	Capital expenditures	\$ 0.3	\$ 10.3	\$ 0.3	\$ —	\$ 6.3	\$ —

Supplemental Segment Performance Details – Including Non-GAAP Adjustments

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Three Months Ended December 31, 2024						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Revenue						
Rentals and fees	\$ 458.2	\$ 401.9	\$ 17.2	\$ —	\$ —	\$ 877.3
Merchandise sales	122.0	25.2	0.8	—	—	148.0
Installment sales	—	16.6	—	—	—	16.6
Franchise merchandising sales	—	—	—	28.0	—	28.0
Franchise and royalty fees	—	—	—	6.2	—	6.2
Other	0.9	0.4	0.2	1.6	—	3.1
Total revenue	\$ 581.1	\$ 444.0	\$ 18.3	\$ 35.8	\$ —	\$ 1,079.2

Three Months Ended December 31, 2024						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Cost of revenues						
Cost of rentals and fees	\$ 238.8	\$ 104.0	\$ 4.6	\$ —	\$ —	\$ 347.4
Cost of merchandise sold	162.6	25.9	0.6	—	—	189.1
Cost of installment sales	—	6.5	—	—	—	6.5
Cost of franchise merchandise sold	—	—	—	28.0	—	28.0
Total cost of revenues	\$ 401.4	\$ 136.4	\$ 5.3	\$ 28.0	\$ —	\$ 571.0

Three Months Ended December 31, 2024						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Operating expenses						
Operating labor expense	\$ 24.2	\$ 113.7	\$ 4.3	\$ —	\$ —	\$ 142.2
Non-labor operating expenses	74.1	116.4	5.7	1.7	—	197.9
General and administrative expenses	0.5	2.1	1.9	1.6	46.1	52.2
Depreciation and amortization	0.4	5.4	0.4	—	5.8	12.0
Other gains and charges ⁽¹⁾	—	—	—	—	—	—
Total operating expenses	\$ 99.2	\$ 237.6	\$ 12.3	\$ 3.4	\$ 51.9	\$ 404.4

⁽¹⁾ For purposes of disclosing non-GAAP operating expenses we exclude Other gains and charges. Additional details of Other gains and charges are included as special item adjustments in the reconciliation tables on pages 13 and 17 of this presentation.

Three Months Ended December 31, 2024						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Capital expenditures	\$ 0.1	\$ 3.7	\$ 0.5	\$ —	\$ 7.8	\$ 12.1

Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Revenue						
Rentals and fees	\$ 407.2	\$ 415.5	\$ 17.9	\$ —	\$ —	\$ 830.6
Merchandise sales	100.6	25.0	0.9	—	—	126.5
Installment sales	—	18.4	—	—	—	18.4
Franchise merchandising sales	—	—	—	25.3	—	25.3
Franchise and royalty fees	—	—	—	5.8	—	5.8
Other	0.1	0.3	0.3	0.7	—	1.4
Total revenue	\$ 507.9	\$ 459.3	\$ 19.1	\$ 31.8	\$ —	\$ 1,008.1

Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Cost of revenues						
Cost of rentals and fees	\$ 201.6	\$ 106.9	\$ 4.9	\$ —	\$ —	\$ 313.4
Cost of merchandise sold	136.1	23.2	0.7	—	—	160.0
Cost of installment sales	—	6.6	—	—	—	6.6
Cost of franchise merchandise sold	—	—	—	25.3	—	25.3
Total cost of revenues	\$ 337.7	\$ 136.8	\$ 5.6	\$ 25.3	\$ —	\$ 504.8

Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Operating expenses						
Operating labor expense	\$ 26.2	\$ 122.6	\$ 4.3	\$ —	\$ —	\$ 153.1
Non-labor operating expenses	68.7	130.5	5.9	1.5	—	206.6
General and administrative expenses	0.3	2.7	1.5	1.1	45.8	51.4
Depreciation and amortization	0.4	4.9	0.3	—	7.6	13.2
Other gains and charges ⁽¹⁾	—	—	—	—	—	—
Total operating expenses	\$ 95.6	\$ 260.6	\$ 12.0	\$ 2.7	\$ 53.4	\$ 424.3

⁽¹⁾ For purposes of disclosing non-GAAP operating expenses we exclude Other gains and charges. Additional details of Other gains are included as special item adjustments in the reconciliation tables on pages 14 and 18 of this presentation.

Three Months Ended December 31, 2023						
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Capital expenditures	\$ 0.3	\$ 10.3	\$ 0.3	\$ —	\$ 6.3	\$ 17.2

	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Revenue						
Rentals and fees	\$ 1,760.1	\$ 1,679.4	\$ 74.2	\$ —	\$ —	\$ 3,513.7
Merchandise sales	499.4	121.9	3.4	—	—	624.7
Installment sales	—	60.9	—	—	—	60.9
Franchise merchandising sales	—	—	—	88.1	—	88.1
Franchise and royalty fees	—	—	—	24.7	—	24.7
Other revenue	2.0	1.3	1.1	4.1	—	8.4
Total revenue	\$ 2,261.4	\$ 1,863.4	\$ 78.7	\$ 117.0	\$ —	\$ 4,320.6

	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Cost of revenues						
Cost of rentals and fees	\$ 900.5	\$ 435.2	\$ 19.8	\$ —	\$ —	\$ 1,355.5
Cost of merchandise sold	658.3	113.1	2.5	—	—	773.9
Cost of installment sales	—	22.5	—	—	—	22.5
Cost of franchise merchandise sold	—	—	—	88.2	—	88.2
Total cost of revenues	\$ 1,558.8	\$ 570.9	\$ 22.3	\$ 88.2	\$ —	\$ 2,240.2

	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Operating expenses						
Operating labor expense	\$ 103.0	\$ 487.8	\$ 18.4	\$ —	\$ —	\$ 609.2
Non-labor operating expenses	295.6	486.6	23.0	6.4	—	811.6
General and administrative expenses	1.7	10.0	8.7	5.4	186.7	212.5
Depreciation and amortization	1.4	20.4	1.6	0.1	27.4	50.9
Other gains and charges	45.5	7.3	—	—	51.8	104.6
Total operating expenses	\$ 447.1	\$ 1,012.1	\$ 51.6	\$ 12.0	\$ 265.9	\$ 1,788.7

	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Capital expenditures	\$ 1.6	\$ 24.2	\$ 2.2	\$ —	\$ 28.3	\$ 56.3

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	
Revenue						
Rentals and fees	\$ 1,515.2	\$ 1,676.2	\$ 70.3	\$ —	\$ —	\$ 3,261.7
Merchandise sales	415.3	122.9	3.5	—	—	541.7
Installment sales	—	63.6	—	—	—	63.6
Franchise merchandising sales	—	—	—	95.1	—	95.1
Franchise and royalty fees	—	—	—	24.4	—	24.4
Other revenue	0.8	1.3	0.8	2.9	—	5.8
Total revenue	\$ 1,931.3	\$ 1,864.1	\$ 74.6	\$ 122.3	\$ —	\$ 4,000.0

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	
Cost of revenues						
Cost of rentals and fees	\$ 743.8	\$ 436.1	\$ 19.2	\$ —	\$ —	\$ 1,199.1
Cost of merchandise sold	543.0	107.3	2.6	—	—	652.9
Cost of installment sales	—	23.0	—	—	—	23.0
Cost of franchise merchandise sold	—	—	—	95.1	—	95.1
Total cost of revenues	\$ 1,286.9	\$ 566.4	\$ 21.8	\$ 95.1	\$ —	\$ 1,969.8

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	
Operating expenses						
Operating labor expense	\$ 102.9	\$ 493.4	\$ 17.2	\$ —	\$ —	\$ 613.5
Non-labor operating expenses	246.3	500.1	23.5	6.0	—	776.9
General and administrative expenses	1.0	11.8	6.1	4.0	178.7	201.6
Depreciation and amortization	1.7	18.8	1.2	0.1	29.5	51.3
Other gains and charges	57.0	—	—	—	159.9	216.9
Total operating expenses	\$ 409.0	\$ 1,024.2	\$ 48.0	\$ 10.2	\$ 368.1	\$ 1,859.5

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	
Capital expenditures	\$ 0.5	\$ 22.9	\$ 2.2	\$ —	\$ 27.8	\$ 53.4

Supplemental Segment Performance Details – Including Non-GAAP Adjustments

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	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Revenue						
Rentals and fees	\$ 1,760.1	\$ 1,679.4	\$ 74.2	\$ —	\$ —	\$ 3,513.7
Merchandise sales	499.4	121.9	3.4	—	—	624.7
Installment sales	—	60.9	—	—	—	60.9
Franchise merchandising sales	—	—	—	88.1	—	88.1
Franchise and royalty fees	—	—	—	24.7	—	24.7
Other revenue	2.0	1.3	1.1	4.1	—	8.4
Total revenue	\$ 2,261.4	\$ 1,863.4	\$ 78.7	\$ 117.0	\$ —	\$ 4,320.6

	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Cost of revenues						
Cost of rentals and fees	\$ 900.5	\$ 435.2	\$ 19.8	\$ —	\$ —	\$ 1,355.5
Cost of merchandise sold	658.3	113.1	2.5	—	—	773.9
Cost of installment sales	—	22.5	—	—	—	22.5
Cost of franchise merchandise sold	—	—	—	88.2	—	88.2
Total cost of revenues	\$ 1,558.8	\$ 570.9	\$ 22.3	\$ 88.2	\$ —	\$ 2,240.2

	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Operating expenses						
Operating labor expense	\$ 103.0	\$ 487.8	\$ 18.4	\$ —	\$ —	\$ 609.2
Non-labor operating expenses	295.6	486.6	23.0	6.4	—	811.6
General and administrative expenses	1.7	10.0	8.7	5.4	186.7	212.5
Depreciation and amortization	1.4	20.4	1.6	0.1	27.4	50.9
Other gains and charges ⁽¹⁾	—	—	—	—	—	—
Total operating expenses	\$ 401.6	\$ 1,004.8	\$ 51.6	\$ 12.0	\$ 214.1	\$ 1,684.1

⁽¹⁾For purposes of disclosing non-GAAP operating expenses we exclude Other gains and charges. Additional details of Other gains and charges are included as special item adjustments in the reconciliation tables on pages 15 and 19 of this presentation.

	Year Ended December 31, 2024					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	Consolidated
Capital expenditures	\$ 1.6	\$ 24.2	\$ 2.2	\$ —	\$ 28.3	\$ 56.3

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	C
Revenue						
Rentals and fees	\$ 1,515.2	\$ 1,676.2	\$ 70.3	\$ —	\$ —	\$ —
Merchandise sales	415.3	122.9	3.5	—	—	—
Installment sales	—	63.6	—	—	—	—
Franchise merchandising sales	—	—	—	95.1	—	—
Franchise and royalty fees	—	—	—	24.4	—	—
Other revenue	0.8	1.3	0.8	2.9	—	—
Total revenue	\$ 1,931.3	\$ 1,864.1	\$ 74.6	\$ 122.3	\$ —	\$ —

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	C
Cost of revenues						
Cost of rentals and fees	\$ 743.8	\$ 436.1	\$ 19.2	\$ —	\$ —	\$ —
Cost of merchandise sold	543.0	107.3	2.6	—	—	—
Cost of installment sales	—	23.0	—	—	—	—
Cost of franchise merchandise sold	—	—	—	95.1	—	—
Total cost of revenues	\$ 1,286.9	\$ 566.4	\$ 21.8	\$ 95.1	\$ —	\$ —

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	C
Operating expenses						
Operating labor expense	\$ 102.9	\$ 493.4	\$ 17.2	\$ —	\$ —	\$ —
Non-labor operating expenses	246.3	500.1	23.5	6.0	—	—
General and administrative expenses	1.0	11.8	6.1	4.0	178.7	—
Depreciation and amortization	1.7	18.8	1.2	0.1	29.5	—
Other gains and charges ⁽¹⁾	—	—	—	—	—	—
Total operating expenses	\$ 351.9	\$ 1,024.2	\$ 48.0	\$ 10.2	\$ 208.2	\$ —

⁽¹⁾For purposes of disclosing non-GAAP operating expenses we exclude Other gains and charges. Additional details of Other gains and charges are included as special item adjustments in the reconciliation tables on pages 16 and 20 of this presentation.

	Year Ended December 31, 2023					
(in millions)	Acima	Rent-A-Center	Mexico	Franchising	Corporate	C
Capital expenditures	\$ 0.5	\$ 22.9	\$ 2.2	\$ —	\$ 27.8	\$ —

Reconciliation of Consolidated Total Leverage Ratio

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<i>(in millions)</i>		Q4 2024
Outstanding Debt	\$	1,327.3
Less: Cash and cash equivalents		60.9
Net debt		1,266.4
Adjusted EBITDA ⁽¹⁾		
Q1 2024		109.1
Q2 2024		124.5
Q3 2024		116.9
Q4 2024		122.8
Trailing twelve month Adjusted EBITDA	\$	473.2
Net leverage ratio		2.7 x

⁽¹⁾ Additional details of Adjusted EBITDA are included in the Reconciliation of Net Earnings to Adjusted EBITDA (Consolidated and by Segment) tables of our quarterly investor presentations, for their respective periods, which can be found on the Company's investor relations website.

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Upbound Group Announces CEO Transition

Mitch Fadel to Retire After 40 Years at Upbound

EVP and CFO Fahmi Karam to Succeed Fadel as CEO Effective June 1, 2025

Karam to Join Board of Directors

PLANO, Texas – February 20, 2025 – Upbound Group, Inc. (“Upbound” or the “Company”) (NASDAQ: UPBD), a technology and data-driven leader in accessible and inclusive financial solutions that address the evolving needs and aspirations of underserved consumers, today announced that Mitch Fadel has decided to retire as Chief Executive Officer and step down from the Board after 40 years with Upbound. Executive Vice President and Chief Financial Officer Fahmi Karam will succeed Mr. Fadel as CEO and will join the Company’s Board effective June 1, 2025. Mr. Fadel will continue to serve as CEO and remain on the Board until that time and will work closely with Mr. Karam to ensure a seamless transition. The Board has commenced an internal and external search to identify Upbound’s next CFO and has engaged an executive search firm.

“This transition is the culmination of a deliberate and thoughtful succession planning process in which Fahmi’s increasing contributions led to the Board’s unanimous decision that he is the clear choice to serve as Upbound’s next CEO,” said Jeffrey Brown, Chairman of the Board. “Fahmi is a proven leader with nearly 25 years of strategic and financial experience and an unrelenting commitment to our mission to expand financial inclusion. Fahmi brings a strong track record of operational excellence and deep knowledge of the business and of our consumers. As CFO, Fahmi has played an instrumental role in Upbound’s success, and the Board is confident that he is the ideal person to build on our solid foundation and accelerate our growth strategy.”

“I am honored to become the next CEO of Upbound at such an exciting time for the Company,” said Mr. Karam. “It has been a pleasure to work with Mitch to drive growth, expand our platform and digitally transform our business to provide more innovative, inclusive, and technology-driven solutions dedicated to underserved consumers. I look forward to building on Mitch’s many accomplishments, continuing to expand our platform of impactful financial solutions and technologies, and driving increasing value for our shareholders and customers.”

Mr. Brown continued: “On behalf of the Board, we thank Mitch for his effective leadership over many years and for strongly positioning Upbound to capitalize on the robust opportunities that lie ahead. Under Mitch, the business has been transformed from Rent-A-Center’s brick-and-mortar focus into Upbound’s differentiated omni-channel lease-to-own platform with virtual capabilities in over 35,000 merchant locations and national e-commerce partners, in addition to our recently expanded digital solutions through the newly acquired financial health app, Brigit. We are grateful for his commitment to assist in this important transition.”

“It has been a great honor to lead Upbound,” said Mr. Fadel. “Thanks to our incredibly talented team, we have cemented Upbound as an industry leader, expanded our impact, and grown our portfolio of best-in-class solutions that continue to improve the lives of our customers. With Upbound stronger than ever, we are now poised to enter an exciting new chapter of growth. It has been a pleasure to work alongside Fahmi over the past two and a half years and I am confident he is the right choice to lead Upbound. I look forward to continuing to work closely with him during the transition.”

About Upbound Group, Inc.

Upbound Group, Inc. (NASDAQ: UPBD), is a technology and data-driven leader in accessible and inclusive financial solutions that address the evolving needs and aspirations of underserved consumers. The Company’s customer-facing operating units include industry-leading brands such as Acima®, Brigit™, and Rent-A-Center® that facilitate consumer transactions across a wide range of store-based and digital channels, including over 2,300 company branded retail units across the United States, Mexico and Puerto Rico. Upbound Group, Inc. is headquartered in Plano, Texas. For additional information about the Company, please visit our website [Upbound.com](https://www.upbound.com).

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology and including, among others, statements concerning the Company’s growth strategies and initiatives and other future growth opportunities and ability to realize those opportunities. There can be no assurance that such expectations will occur. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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