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

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-38047

Upbound Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**45-0491516**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
5501 Headquarters Drive, Plano, Texas	**75024**
(Address of principal executive offices)	***(Zip Code)***

(972) 801-1100

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $.01 par value	**UPBD**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 23, 2026:

Class	Outstanding
Common stock, $.01 par value	58,299,405

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Item 1. Condensed Consolidated Financial Statements.

UPBOUND GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues				
Rentals and fees	$ 903,704	$ 904,583	$ 1,820,129	$ 1,803,795
Merchandise sales	182,845	192,217	413,051	428,462
Subscriptions and fees	71,144	51,890	138,814	83,751
Other	5,733	8,846	11,161	17,891
Total revenues	1,163,426	1,157,536	2,383,155	2,333,899
Cost of revenues				
Cost of rentals and fees	350,561	358,058	708,188	710,604
Cost of merchandise sold	210,940	221,667	478,832	491,349
Cost of subscriptions and fees	7,087	5,986	14,835	9,992
Total cost of revenues	568,588	585,711	1,201,855	1,211,945
Gross profit	594,838	571,825	1,181,300	1,121,954
Operating expenses				
Operating labor	152,298	149,092	301,408	298,259
Non-labor operating expenses	260,256	230,144	510,518	449,155
General and administrative expenses	59,675	63,410	116,765	127,197
Depreciation and amortization	13,923	12,983	28,062	25,235
Other gains and charges	54,427	65,462	92,850	108,759
Total operating expenses	540,579	521,091	1,049,603	1,008,605
Operating profit	54,259	50,734	131,697	113,349
Interest expense	25,522	28,523	52,403	56,321
Interest income	(521)	(638)	(1,235)	(1,332)
Earnings before income taxes	29,258	22,849	80,529	58,360
Income tax expense	7,674	7,364	23,156	18,082
Net earnings	$ 21,584	$ 15,485	$ 57,373	$ 40,278
Basic earnings per common share	$ 0.37	$ 0.27	$ 0.99	$ 0.72
Diluted earnings per common share	$ 0.37	$ 0.26	$ 0.98	$ 0.69

See accompanying notes to condensed consolidated financial statements.

UPBOUND GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net earnings	$ 21,584	$ 15,485	$ 57,373	$ 40,278
Other comprehensive income:				
Foreign currency translation adjustments, net of tax of $347 and $647 and $281 and $627 for the three and six months ended June 30, 2026 and 2025, respectively	1,305	2,434	1,056	2,357
Total other comprehensive income	1,305	2,434	1,056	2,357
Comprehensive income	$ 22,889	$ 17,919	$ 58,429	$ 42,635

See accompanying notes to condensed consolidated financial statements.

UPBOUND GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share and par value data)	June 30, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	$ 105,302	$ 120,528
Receivables, net of allowance for doubtful accounts of $38,393 and $29,661 in 2026 and 2025, respectively	205,285	203,194
Prepaid expenses and other assets	151,455	153,010
Rental merchandise, net		
On rent	1,085,708	1,202,282
Held for rent	117,222	114,525
Merchandise held for installment sale	4,398	5,205
Property assets, net of accumulated depreciation of $565,714 and $556,812 in 2026 and 2025, respectively	298,087	310,126
Operating lease right-of-use assets	271,605	272,692
Deferred tax asset	57,239	56,767
Goodwill	488,158	488,158
Other intangible assets, net	319,300	349,594
Total assets	$ 3,103,759	$ 3,276,081
LIABILITIES		
Accounts payable – trade	$ 117,616	$ 154,042
Accrued liabilities	416,426	461,026
Operating lease liabilities	284,635	286,798
Deferred tax liability	128,157	108,591
Senior debt, net	978,747	1,126,030
Senior notes, net	444,828	443,854
Total liabilities	2,370,409	2,580,341
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value; 250,000,000 shares authorized; 129,416,989 and 128,996,814 shares issued in June 30, 2026 and December 31, 2025, respectively	1,131	1,127
Additional paid-in capital	1,598,859	1,573,895
Retained earnings	1,030,244	1,018,658
Treasury stock at cost, 71,119,833 and 71,060,928 shares in June 30, 2026 and December 31, 2025	(1,890,966)	(1,890,966)
Accumulated other comprehensive loss	(5,918)	(6,974)
Total stockholders' equity	733,350	695,740
Total liabilities and stockholders' equity	$ 3,103,759	$ 3,276,081

See accompanying notes to condensed consolidated financial statements.

UPBOUND GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2025	128,997	$ 1,127	$ 1,573,895	$ 1,018,658	$ (1,890,966)	$ (6,974)	$ 695,740
Net earnings	—	—	—	35,789	—	—	35,789
Other comprehensive loss	—	—	—	—	—	(249)	(249)
Exercise of stock options	12	—	146	—	—	—	146
Vesting of restricted share units, net of shares withheld for employee taxes	401	4	(4)	—	—	—	—
Tax effect of stock awards vested and options exercised	—	—	(4,505)	—	—	—	(4,505)
Stock-based compensation	—	—	11,625	—	—	—	11,625
Dividends declared[1]	—	—	185	(22,999)	—	—	(22,814)
Balance at March 31, 2026	129,410	$ 1,131	$ 1,581,342	$ 1,031,448	$ (1,890,966)	$ (7,223)	$ 715,732
Net earnings	—	—	—	21,584	—	—	21,584
Other comprehensive income	—	—	—	—	—	1,305	1,305
Exercise of stock options	2	—	38	—	—	—	38
Vesting of restricted share units, net of shares withheld for employee taxes	5	—	—	—	—	—	—
Tax effect of stock awards vested and options exercised	—	—	(151)	—	—	—	(151)
Stock-based compensation	—	—	17,519	—	—	—	17,519
Dividends declared[1]	—	—	111	(22,788)	—	—	(22,677)
Balance at June 30, 2026	129,417	$ 1,131	$ 1,598,859	$ 1,030,244	$ (1,890,966)	$ (5,918)	$ 733,350

[1] Cash dividends declared for the three and six months ended June 30, 2026 were $0.39 and $0.78 per common share, respectively.

UPBOUND GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY - (Continued)
(Unaudited)

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2024	125,797	$ 1,108	$ 1,493,885	$ 1,036,169	$ (1,890,966)	$ (11,212)	$ 628,984
Net earnings	—	—	—	24,793	—	—	24,793
Other comprehensive loss	—	—	—	—	—	(77)	(77)
Exercise of stock options	1	—	9	—	—	—	9
Vesting of restricted share units, net of shares withheld for employee taxes	394	4	(4)	—	—	—	—
Tax effect of stock awards vested and options exercised	—	—	(6,230)	—	—	—	(6,230)
Stock-based compensation	—	—	13,279	—	—	—	13,279
Dividends declared[1]	—	—	—	(22,602)	—	—	(22,602)
Brigit acquisition equity consideration	2,694	13	41,044	—	—	—	41,057
Balance at March 31, 2025	128,886	$ 1,125	$ 1,541,983	$ 1,038,360	$ (1,890,966)	$ (11,289)	$ 679,213
Net earnings	—	—	—	15,485	—	—	15,485
Other comprehensive income	—	—	—	—	—	2,434	2,434
Exercise of stock options	38	1	152	—	—	—	153
Vesting of restricted share units, net of shares withheld for employee taxes	9	—	—	—	—	—	—
Tax effect of stock awards vested and options exercised	—	—	(477)	—	—	—	(477)
Stock-based compensation	—	—	11,396	—	—	—	11,396
Dividends declared[1]	—	—	—	(22,619)	—	—	(22,619)
Brigit acquisition equity consideration	(2)	—	(37)	—	—	—	(37)
Balance at June 30, 2025	128,931	$ 1,126	$ 1,553,017	$ 1,031,226	$ (1,890,966)	$ (8,855)	$ 685,548

[1] Cash dividends declared for the three and six months ended June 30, 2025 were $0.39 and $0.78 per common share, respectively.

See accompanying notes to condensed consolidated financial statements.

UPBOUND GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash flows from operating activities		
Net earnings	$ 57,373	$ 40,278
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation of rental merchandise	679,359	680,838
Bad debt expense	47,423	36,697
Stock-based compensation expense	29,144	24,675
Depreciation of property assets	40,088	36,543
Loss on sale or disposal of property assets	3,072	332
Amortization of intangibles	30,294	28,853
Amortization of financing fees	2,066	2,264
Deferred income taxes	18,747	(27,882)
Changes in operating assets and liabilities, net of acquired assets		
Rental merchandise[1]	(565,011)	(632,239)
Receivables	(6,989)	2,847
Prepaid expenses and other assets	1,555	(25,016)
Operating lease right-of-use assets and lease liabilities	(1,076)	(1,178)
Accounts payable – trade	(36,426)	(22,586)
Accrued liabilities	(5,657)	29,653
Net cash provided by operating activities	293,962	174,079
Cash flows from investing activities		
Net originations and collections of customer cash advances	(42,559)	(28,529)
Purchase of property assets	(31,462)	(28,823)
Proceeds from sale of assets	677	32
Promissory loan collection	35	—
Acquisitions of businesses, net of cash acquired	—	(276,151)
Net cash used in investing activities	(73,309)	(333,471)
Cash flows from financing activities		
Exercise of stock options	184	162
Shares withheld for payment of employee tax withholdings	(4,656)	(6,707)
Deferred consideration for acquisition of businesses[2]	(37,500)	—
Proceeds from debt	205,000	549,000
Repayments of debt	(353,375)	(294,375)
Dividends paid	(45,997)	(43,483)
Net cash (used in) provided by financing activities	(236,344)	204,597
Effect of exchange rate changes on cash	465	776
Net (decrease) increase in cash and cash equivalents	(15,226)	45,981
Cash and cash equivalents at beginning of period	120,528	60,860
Cash and cash equivalents at end of period	$ 105,302	$ 106,841

(1) The change in Rental merchandise includes lease charge-offs and other merchandise losses.
(2) Cash used for the six months ended June 30, 2026 represents the 1st installment payment of Deferred Consideration for the Brigit acquisition described further in Note 2.

See accompanying notes to condensed consolidated financial statements.

Note 1 - Basis of Presentation

The interim condensed consolidated financial statements of Upbound Group, Inc. included herein have been prepared by us pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to the SEC's rules and regulations, although we believe the disclosures are adequate to make the information presented not misleading. We suggest these financial statements be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2025. In our opinion, the accompanying unaudited interim financial statements contain all adjustments, consisting only of those of a normal recurring nature, necessary to present fairly our results of operations and cash flows for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

Condensed Consolidated Statement of Cash Flows - Correction of Error

As previously disclosed in our Quarterly Report on Form 10-Q for the period ended September 30, 2025, subsequent to the issuance of our condensed consolidated financial statements reported on our Quarterly Report on Form 10-Q for the period ended June 30, 2025, the Company identified a presentation error within the Condensed Consolidated Statement of Cash Flows related to net originations and collections of customer cash advances for our subsidiary, Bridge IT, Inc., which we determined was not material to our financial statements. In accordance with ASC Topic 230, the Company determined net originations and collections of customer cash advances should be presented as an investing activity and not included in Changes in Receivables within net cash provided by operating activities on the Condensed Consolidated Statement of Cash Flows. As a result, cash provided by operating activities and cash used in investing activities were each understated for the six months ended June 30, 2025 by $28.5 million. Therefore, the presentation of net originations and collections of customer advances has been corrected in the Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2025 included in this Quarterly Report on Form 10-Q. Furthermore, this presentation error had no impact to our Condensed Consolidated Statements of Operations and Comprehensive Income, or our Condensed Consolidated Balance Sheet reported within our Form 10-Q for the period ended June 30, 2025.

Use of Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent losses and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. In applying accounting principles, we must often make individual estimates and assumptions regarding expected outcomes or uncertainties. Our estimates, judgments and assumptions are continually evaluated based on available information and experience. However, uncertainties, including those related to recent macroeconomic trends or other factors, may affect certain estimates and assumptions inherent in the financial reporting process, which may impact reported amounts of assets and liabilities in future periods and cause actual results to differ from those estimates.

Principles of Consolidation and Nature of Operations

The financial statements included herein include the accounts of Upbound Group, Inc. and its direct and indirect subsidiaries. All intercompany accounts and transactions have been eliminated. Unless the context indicates otherwise, references to "Upbound Group, Inc." refer only to Upbound Group, Inc., the parent, and references to the "Company", "we," "us" and "our" refer to the consolidated business operations of Upbound Group, Inc. and any or all of its direct and indirect subsidiaries. We currently report four operating segments: Acima, Rent-A-Center, Brigit and Mexico.

Our Acima segment, which primarily operates in the United States and Puerto Rico, generally offers the lease-to-own transaction to consumers who do not qualify for traditional financing through staffed or unstaffed kiosks located within third-party retailer locations or other virtual options. In virtual locations, customers, either directly or with the assistance of a representative of the third-party retailer, initiate the lease-to-own transaction online in the retailers' locations using our virtual solutions.

Our Rent-A-Center segment primarily consists of company-owned lease-to-own stores in the United States and Puerto Rico that lease durable goods to customers on a lease-to-own basis. In addition, we offer merchandise on an installment sales basis in certain of our stores operating under the names "Get It Now" and "Home Choice" in the states of Minnesota and Wisconsin. The Rent-A-Center segment also includes franchising operations that offer the sale of rental merchandise to our franchisees, who in turn offer the merchandise to the general public for rent or purchase under lease-to-own agreements consistent with our company-owned lease-to-own stores. We also receive royalties based on a percent of the franchisees' monthly gross revenues. Our Rent-A-Center segment operates through our company-owned and franchise stores, and e-commerce platforms through rentacenter.com, getitnowstores.com and homechoicestores.com.

Our Brigit segment, which operates in the United States, includes the operations of Bridge IT Inc., which was acquired on January 31, 2025 (the "Closing Date"). The Brigit segment, through mobile and web applications, offers various financial health products and tools to help customers improve their financial health and literacy, obtain early access to earned wages ("cash advances"), build their credit, and protect themselves from identity theft. Application products and tools are offered through various elective subscription tiers for which customers make monthly subscription payments. Customers also make payments for transaction fees to expedite customer cash advances. In addition, Brigit receives monthly payments from third-party marketplace partners for allowing the partners to market their products and services to Brigit customers via digital marketing space within the mobile application.

Our Mexico segment consists of our company-owned stores in Mexico that lease durable goods to customers on a lease-to-own basis.

Newly Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326), which amends the existing standard that refers to estimating expected credit losses on current accounts receivable and current contract assets arising from transactions under Topic 606. Under the new standard, public business entities may elect a practical expedient that assumes the current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating expected credit losses. We adopted ASU 2025-05 effective January 1, 2026 on a prospective basis. The adoption did not have a material impact on our financial statements.

Note 2 - Acquisitions

Brigit Acquisition

On December 12, 2024, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Fortuna Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Merger Sub"), Brigit, and Shareholder Representative Services LLC, solely in its capacity as the representative, agent and attorney-in-fact of Brigit's securityholders, pursuant to which Merger Sub merged with and into Brigit (the "Merger"), with Brigit surviving the Merger as a wholly owned subsidiary of the Company. The Merger with Brigit, a leading holistic financial health technology company, is intended to accelerate Upbound's strategy to provide technology-driven financial solutions to customers underserved by the traditional financial system. The Merger was completed on January 31, 2025 for total purchase consideration of approximately $395.4 million comprised of stock, cash and other consideration described further below.

In accordance with the Merger Agreement, we issued to the security holders of Brigit (the "Brigit Securityholders") approximately 2.7 million shares of our common stock, par value $0.01 per share (the "Closing Stock Consideration"), with a value of $29.75 per share based on the volume-weighted average price of our common stock over the ten consecutive trading days ending on (and including) the trading day immediately prior to the Closing Date, and paid to them closing cash consideration of approximately $278.5 million ("Closing Cash Consideration"), excluding approximately $63.7 million in debt settlement payments and other transaction expenses.

We also entered into deferred cash award agreements with certain Brigit employees to replace their unvested Brigit stock options or unvested phantom awards, as applicable ("Replacement Awards"), each entitling the holder to receive an amount in cash upon vesting equal to the excess of the merger consideration per common share over the exercise price of the original award. The maximum amount payable pursuant to the Replacement Awards, approximately $7.8 million, which is included in the Closing Cash Consideration described above, was escrowed on the Closing Date and recorded to Prepaid and other assets in our Condensed Consolidated Balance Sheet. The Replacement Awards are subject to vesting conditions that are substantially similar to those of the original awards. They will be amortized over the remaining award vesting periods as compensation expense and recorded to other gains and charges in our unaudited Condensed Consolidated Statements of Operations.

Pursuant to the terms of the Merger Agreement, we will also pay the Brigit Securityholders $75 million, payable in multiple installments (the "Deferred Consideration"). The first installment of $37.5 million was paid during the six months ended June 30, 2026 with remaining installments payable no later than 30 days following the second anniversary of the Closing Date. The payment of the Deferred Consideration is subject to acceleration if certain acceleration events specified in the Merger Agreement occur prior to the payment of the Deferred Consideration. The estimated fair value of the Deferred Consideration at the Closing Date was approximately $66.1 million, discounted to estimate the present value of the installment payments that will be made over a 2-year period as described above. The Brigit Securityholders may also receive up to $60 million in earnout payments based on the achievement of certain financial performance metrics for the Brigit business in 2026. The estimated fair value of the earnout payments at the Closing Date was approximately $10.6 million. The fair value of the earnout payments was estimated using a Monte Carlo simulation model based on our estimated long-range cash flow projections for the Brigit business.

The portion of Closing Stock Consideration issued to Brigit's co-founders and certain of their respective affiliates (collectively, the "Co-Founders") included approximately 1.3 million shares, valued at $39.1 million, which are subject to certain vesting restrictions over a two-year period from the Closing Date and other limitations set forth in a restricted stock agreement entered into with each such Co-Founder. The value of these shares is recognized as stock-based compensation expense subject to ASC Topic 718, "Stock-based Compensation", over the required vesting period, and recorded to other gains and charges in our unaudited Condensed Consolidated Statements of Operations.

Assets acquired and liabilities assumed in connection with the acquisition have been recorded at their fair values. The following table provides the estimated fair values of the identifiable assets acquired and liabilities assumed as of the acquisition date:

(in thousands)		January 31, 2025
Aggregate cash consideration[(1)]	$	277,668
Aggregate stock consideration[(2)]		41,019
Other consideration[(3)]		76,691
Total purchase consideration	$	395,378
ASSETS ACQUIRED		
Receivables, net[(4)]	$	44,470
Prepaid expenses and other assets		2,672
Property assets		65,311
Operating lease right-of-use assets		850
Goodwill		196,866
Other intangible assets		152,300
Total assets acquired	$	462,469
LIABILITIES ASSUMED		
Accounts payable - trade		17,989
Accrued liabilities		3,877
Operating lease liabilities		850
Deferred income taxes		44,375
Total liabilities assumed		67,091
Net assets acquired	$	395,378

(1) Aggregate cash consideration excludes $7.8 million in Replacement Awards described above and $58.6 million in cash acquired, and includes cash paid to settle Brigit's outstanding debt and loan balances and other transaction expenses of $63.7 million, and post-closing net working capital adjustments of $1.7 million.

(2) Aggregate stock consideration excludes approximately 1.3 million shares valued at approximately $39.1 million subject to certain vesting restrictions, as described further above.

(3) Includes the fair value of Deferred Consideration and earnout payments described above, which were not included in Closing Cash Consideration paid at the time of closing but are paid out in subsequent periods pursuant to the terms of the Merger Agreement. As described above, the first installment payment of $37.5 million of Deferred Consideration was made during the six months ended June 30, 2026.

(4) Includes gross contractual receivables of $43.8 million related to customer cash advances, of which $4.5 million were estimated to be uncollectible as of the Closing Date.

The carrying values for certain assets and liabilities assumed as part of the acquisition, including receivables, prepaid expenses and other assets, accounts payable and accrued liabilities were considered equivalent to and recorded as fair value, as of the date of acquisition, due to the short-term nature of these balances. Operating lease right-of-use assets and liabilities were recorded as the discounted value of future obligations in accordance with ASC Topic 842, "Leases". The fair value measurements for acquired intangible assets and developed technology were primarily based on significant unobservable inputs (Level 3) developed using company-specific information. Certain fair values were determined based on an independent valuation of the net assets acquired, including $152.3 million of identifiable intangible assets with an estimated weighted average useful life of nine years, as follows:

Asset Class	Estimated Fair Value (in thousands)	Estimated Remaining Useful Life (in years)
Customer contracts	$ 144,500	10
Trade name	7,800	7

Developed technology, included in Property assets, net, in line with our accounting policies, was also acquired with a value of $65.1 million and an estimated remaining useful life of seven years. The fair value for these intangibles and developed technology were estimated using common industry valuation methods for similar asset types, including the relief-from-royalty, excess earnings and replacement cost methods using significant unobservable inputs (level 3) based on the Company's historical financial results, cost estimates and projected future cash flows discounted by an estimated weighted average cost of capital.

In addition, we recorded goodwill of $196.9 million in our Brigit operating segment, which consists of the excess of the net purchase price over the fair value of the net assets acquired. Goodwill represents expected cost and revenue synergies and other benefits expected to result within our financial health business from the acquisition of Brigit.

Brigit's results of operations are reflected in our unaudited Condensed Consolidated Statements of Operations from the Closing Date.

In the second quarter of 2025, we recorded adjustments to certain assets acquired and liabilities assumed related to post-closing updates in net working capital and adjustments to deferred income taxes resulting in an overall decrease to goodwill of approximately $1.3 million. The purchase price allocation for the Brigit acquisition was complete as of December 31, 2025.

In connection with this acquisition, we recognized approximately $6.1 million in acquisition-related expenses including expenses related to legal, professional and banking transaction fees, during the six months ended June 30, 2025. These costs were included in other gains and charges in our unaudited Condensed Consolidated Statements of Operations.

The following unaudited pro forma combined results of operations present our financial results as if the acquisition of Brigit had been completed on January 1, 2024. These unaudited pro forma results may not necessarily reflect the actual results of operations that would have been achieved, nor are they necessarily indicative of future results of operations. The unaudited pro forma information reflects step-up and step-down adjustments for depreciation and amortization of $1.8 million for the fair value of the assets acquired, compensation expense of $(2.2) million as a result of Closing Stock Consideration and Replacement Awards subject to vesting provisions, interest expense of $1.4 million due to the elimination of historical debt, accreted interest of $0.3 million related to the Deferred Consideration, and an adjustment to income tax expense of $1.2 million for the six months ended June 30, 2025. In addition, pro forma net income for the six months ended June 30, 2025 has been adjusted to reflect transaction expenses incurred of $22.0 million as of January 1, 2024. The unaudited pro forma financial information is as follows:

(in thousands)	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Pro Forma total revenues	$ 1,157,536	$ 2,349,953
Pro Forma net earnings[(1)]	5,327	37,066

(1) Total pro forma adjustments to net earnings represented decreases of $10.1 million and $3.2 million for the three and six months ended June 30, 2025, respectively.

The amounts of revenue and earnings of Brigit included in our Condensed Consolidated Statements of Operations from the acquisition date of January 31, 2025 are as follows:

(in thousands)	January 31, 2025 - June 30, 2025
Total revenues	$ 83,751
Net earnings[(1)]	10,780

(1) Net earnings for the period includes amortization and depreciation of intangible assets and developed technology acquired upon closing of the Brigit acquisition.

Note 3 - Revenues

The following tables disaggregate our revenue for the periods ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Consolidated
Rentals and fees	$ 477,662	$ 405,264	$ —	$ 20,778	$ 903,704
Merchandise sales	125,553	56,207	—	1,085	182,845
Subscriptions and fees	—	—	71,144	—	71,144
Other	314	4,907	—	512	5,733
Total revenues	$ 603,529	$ 466,378	$ 71,144	$ 22,375	$ 1,163,426

	Six Months Ended June 30, 2026				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Consolidated
Rentals and fees	$ 967,321	$ 811,410	$ —	$ 41,398	$ 1,820,129
Merchandise sales	284,255	126,771	—	2,025	413,051
Subscriptions and fees	—	—	138,814	—	138,814
Other	643	9,802	—	716	11,161
Total revenues	$ 1,252,219	$ 947,983	$ 138,814	$ 44,139	$ 2,383,155

	Three Months Ended June 30, 2025				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Consolidated
Rentals and fees	$ 486,765	$ 399,416	$ —	$ 18,402	$ 904,583
Merchandise sales	131,632	59,653	—	932	192,217
Subscriptions and fees	—	—	51,890	—	51,890
Other	570	8,049	—	227	8,846
Total revenues	$ 618,967	$ 467,118	$ 51,890	$ 19,561	$ 1,157,536

	Six Months Ended June 30, 2025				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Consolidated
Rentals and fees	$ 963,813	$ 804,390	$ —	$ 35,592	$ 1,803,795
Merchandise sales	291,584	135,171	—	1,707	428,462
Subscriptions and fees	—	—	83,751	—	83,751
Other	857	16,582	—	452	17,891
Total revenues	$ 1,256,254	$ 956,143	$ 83,751	$ 37,751	$ 2,333,899

Lease Purchase Agreements

Rentals and Fees. Rental merchandise is leased to customers pursuant to lease-to-own agreements, which provide for weekly, bi-weekly, semi-monthly or monthly terms with non-refundable lease payments. At the expiration of each lease term, customers may renew the lease-to-own agreement for the next lease term. The customer has the right to acquire title of the merchandise either through an early purchase option or through payment of all optional lease renewal terms. Customers can terminate the lease-to-own agreement and return the product at the end of any lease term without penalty. Therefore, lease-to-own agreements are accounted for as operating leases.

Lease payments received at our company-owned Rent-A-Center stores, certain Acima locations formerly operating under the Acceptance Now brand, and Mexico stores must be prepaid in advance of the next lease renewal term. Under the Acima Holdings business model, in certain cases revenues may be earned prior to the lease payment due date, in which case revenue is accrued prior to receipt of the lease payment, net of estimated returns and uncollectible renewal payments. Under both models, rental revenue is recognized over the lease term. See Note 4 for additional information regarding accrued lease revenue.

Cash received for rental payments, including fees, prior to the period in which it should be recognized, is deferred and recognized according to the lease term. At June 30, 2026 and December 31, 2025, we had $58.2 million and $62.1 million, respectively, in deferred revenue included in accrued liabilities related to our lease-to-own agreements. Revenues related to various payments, reinstatement or late fees are recognized when paid by the customer at the point service is provided. Rental merchandise in our company-owned

Rent-A-Center stores, certain Acima locations formerly operating under the Acceptance Now brand, and Mexico stores is depreciated using the income forecasting method and recognized in cost of rentals and fees in our Condensed Consolidated Statements of Operations over the lease term. Lease merchandise under Acima Holdings is depreciated over the lease term using a straight-line depreciation method. Under the income forecasting method, the consumption of lease merchandise occurs during periods of rental and depreciation directly coincides with the receipt of rental revenue over the lease-to-own contract period. Depreciation under the straight-line method is recognized each period over the term of the lease-to-own contract irrespective of receipt of revenue payments from the customer.

We also offer additional optional product plans along with our lease-to-own agreements which provide customers with liability protection against significant damage or loss of a product, and club membership benefits, including various discount programs and product service and replacement benefits in the event merchandise is damaged or lost, and payment waivers in the event eligible customers become unemployed. Customers renew product plans in conjunction with their lease term renewals, and can cancel the plans at any time. We do not separate the lease and non-lease components for lease purchase agreements so revenue for product plans is recognized over the current term of the lease. Costs incurred related to product plans are primarily recognized in cost of revenues.

Revenue from contracts with customers

Merchandise Sales. Revenue for merchandise sales is recognized when payment is received and ownership of the merchandise passes to the customer. Merchandise sales include payments received for the exercise of the early purchase options offered through our lease-to-own agreements or merchandise sold through point-of-sale transactions. The remaining net value of lease merchandise sold is recorded to cost of merchandise sold at the time of the transaction. Revenue from the sale of lease merchandise to our franchisees is recognized upon shipment of the merchandise to the franchisee.

Revenue from the sale of merchandise in our retail installment stores is recognized when the installment note is signed and control of the merchandise has passed to the customer. The cost of merchandise sold through installment agreements is recognized at the time of the transaction. We offer optional extended service plans with our installment agreements which are administered by third parties and provide customers with product maintenance beyond the term of the installment agreement. Payments received for extended service plans are deferred and recognized, net of related costs, when the installment payment plan is complete and the service plan goes into effect. Customers can cancel extended service plans at any time during the installment agreement period and receive a refund for payments previously made towards the plan. At June 30, 2026 and December 31, 2025, the amount of deferred revenue included in accrued liabilities related to extended service plans was inconsequential to our financial statements.

Subscriptions and fees. Subscription payments in our Brigit segment are received on a monthly basis from customers who elect access to the Plus or Premium subscription tiers of the Brigit mobile application and/or web browser. This payment can range based on a variety of factors and higher cost tiers generally offer additional services. Brigit continually fulfills obligations to each customer over the subscription term. The series of distinct services represents a single performance obligation that is satisfied over time. Revenue for the Plus and Premium subscription tiers are recognized over the subscription term. Customers pay subscriptions at the end of the term. Price concessions are granted to customers who have insufficient funds and are unable to make subscription payments when they are due.

We also receive payments from customers for optional transfer fees for expedited cash advances. Such expedited transfer fee payments from customers are recognized as revenue over the expected term of the associated customer cash advance. In addition, we also market promotional offers from our marketplace partners’ products and services in our mobile application. We receive a payment from our partners based on contractual terms, generally on the basis of customer traffic or conversions brought to such products or services. Marketplace revenues are recognized as customer traffic is added and conversions to the marketplace partners’ products and services occur.

Other. Other revenue primarily consists of franchise royalties, including franchisee contributions to corporate advertising funds, which represent sales-based royalties calculated as a percentage of gross rental payments and sales. Royalty revenue is accrued and recognized as lease payments and merchandise sales occur. Franchise fees are initial fees charged to franchisees for new or converted franchise stores. Franchise fee revenue is recognized on a straight-line basis over the term of the franchise agreement. At June 30, 2026 and December 31, 2025, we had $1.1 million and $1.4 million, respectively, in deferred revenue included in accrued liabilities related to franchise fees.

Other revenue also includes revenues generated by other miscellaneous product plans offered to our lease-to-own and installment customers. Revenue for other product plans is recognized in accordance with the terms of the applicable plan agreement.

Note 4 - Receivables and Allowance for Doubtful Accounts

Trade and notes receivables consist of amounts due from our lease-to-own customers for lease renewal payments and past due uncollected lease payments, adjusted for the probability of collection based on our assessment of historical collection rates and length of time the receivable is past due; amounts owed from our franchisees for inventory purchases, earned royalties and other obligations; and other miscellaneous and corporate related receivables. Credit is extended to franchisees based on an evaluation of each franchisee's financial condition and collateral is generally not required. Trade receivables are generally due within 30 days.

Installment sales receivables consist primarily of receivables due from customers for the sale of merchandise in our retail installment stores. Installment sales receivables associated with the sale of merchandise at our Get It Now and Home Choice stores generally consist of the sales price of the merchandise purchased and any additional fees for optional services the customer has chosen, less the customer's down payment. No interest is accrued and interest income is recognized each time a customer makes a payment, generally on a monthly basis. Interest payments received on installment agreements for both the six months ended June 30, 2026 and 2025 were $4.9 million, included in our merchandise sales revenues in our Condensed Consolidated Statements of Operations.

Customer cash advances consist of earned wage access advances provided to Brigit customers when requested. By leveraging cash flow information from the customer's bank account as well as customer verified income information, Brigit's algorithm assesses their earned income and ability to repay, with no FICO or credit check needed and no impact on credit scores. Generally customers repay cash advances on or shortly after they receive their next paycheck.

Receivables consist of the following:

(in thousands)	June 30, 2026	December 31, 2025
Trade and notes receivables[1]	$ 111,147	$ 112,490
Installment sales receivables	57,390	61,389
Customer cash advances	75,141	58,976
Total receivables	243,678	232,855
Less allowance for doubtful accounts[2]	(38,393)	(29,661)
Total receivables, net of allowance for doubtful accounts	$ 205,285	$ 203,194

[1] Trade and notes receivables includes accrued revenue, adjusted for the probability of collection, related to our lease-to-own agreements of $56.4 million and $55.9 million at June 30, 2026 and December 31, 2025, respectively, including $52.6 million and $51.9 million related to lease-to-own agreements for Acima Holdings and $3.5 million and $3.6 million related to lease-to-own agreements for Rent-A-Center at June 30, 2026 and December 31, 2025, respectively.

[2] Lease receivables are accrued on a net basis, adjusted for the probability of collection based on our assessment of historical collection rates, as described above. Therefore, we do not maintain a separate allowance for doubtful accounts related to our lease receivables.

The allowance for our franchising trade and notes receivables is determined by considering a number of factors, including the length of time receivables are past due, previous loss history, the franchisee's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Trade receivables that are more than 90 days past due are either written off or fully reserved in our allowance for doubtful accounts. Payments subsequently received on such receivables are recognized as contra-bad debt expense in our Condensed Consolidated Statements of Operations.

We have established an allowance for doubtful accounts for our installment notes receivable. Our policy for determining the allowance is primarily based on historical loss experience, as well as the results of management's review and analysis of the payment and collection of the installment notes receivable within the previous year. Our allowance is adequate to absorb all expected losses. Our policy is to charge off installment notes receivable that are 120 days or more past due. Charge-offs are applied as a reduction to the allowance for doubtful accounts and any recoveries of previously charged off balances are recognized as contra-bad debt expense in our Condensed Consolidated Statements of Operations.

We estimate the allowance for customer cash advance losses based on a number of factors, including the length of time receivables are past due, previous loss history and current economic conditions. The allowance for credit losses is recognized upon origination of customer cash advances. Customer cash advances are charged-off 45 days past their due date as a reduction to the allowance for doubtful accounts and any recoveries of previously charged off balances are recognized as contra-bad debt expense in our Condensed Consolidated Statements of Operations.

The allowance for doubtful accounts related to franchising trade and notes receivables was $16.8 million and $12.7 million at June 30, 2026 and December 31, 2025, respectively, the allowance for doubtful accounts related to installment sales receivables was $12.3 million and $11.1 million at June 30, 2026 and December 31, 2025, respectively, and the allowance for doubtful accounts related to Brigit customer cash advances was $9.3 million and $5.9 million at June 30, 2026 and December 31, 2025, respectively.

Changes in our allowance for doubtful accounts are as follows:

(in thousands)	June 30, 2026
Beginning allowance for doubtful accounts	$ 29,661
Bad debt expense[(1)]	47,423
Accounts written off, net of recoveries	(38,691)
Ending allowance for doubtful accounts	$ 38,393

[(1)] Uncollectible installment payments, franchisee obligations, customer cash advances and other corporate receivables are recognized in non-labor operating expenses in our condensed consolidated financial statements.

The details of Brigit customer cash advances aging are as follows:

	June 30, 2026	
($ in thousands)	Amount	Percent
0-15 days	$ 53,747	72%
16-30 days	13,743	18%
31-45 days	4,918	7%
45+ days	2,733	3%
Customer cash advances before allowance for doubtful accounts	$ 75,141	100%

	December 31, 2025	
($ in thousands)	Amount	Percent
0-15 days	$ 44,077	75%
16-30 days	9,844	17%
31-45 days	3,731	6%
45+ days	1,324	2%
Customer cash advances before allowance for doubtful accounts	$ 58,976	100%

Note 5 - Senior Debt

On February 17, 2021, we entered into a credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and lenders party thereto, providing for a seven-year $875 million senior secured term loan facility (the “Term Loan Facility”), as amended on September 21, 2021, June 15, 2023, May 28, 2024 and August 19, 2025, and an Asset Based Loan Credit Facility (the “ABL Credit Facility”), as amended on August 10, 2022, June 7, 2024 and August 29, 2025, providing for a five-year asset-based revolving credit facility with commitments of $550 million and a letter of credit sublimit of $150 million. Commitments under the ABL Credit Facility may be increased, at our option and under certain conditions, by up to an additional $125 million in the aggregate.

On August 19, 2025, we entered into a Fourth Amendment to the Term Loan Facility, effective as of August 19, 2025. The amendment, in addition to certain other changes, (i) extended the maturity date for the loans outstanding under the Term Loan Facility to August 19, 2032 (subject to certain springing maturity provisions) and (ii) provided approximately $77 million of incremental commitments under the Term Loan Facility, all of which were drawn on August 19, 2025, resulting in total aggregate borrowings under the Term Loan Facility on such date of $875 million. Proceeds from the Term Loan Facility were net of original issue discount of $4.4 million upon issuance from the lenders.

On August 29, 2025, we entered into a Third Amendment to the ABL Credit Facility, effective as of August 29, 2025. The amendment provided for certain changes to the covenants applicable to the ABL Credit Facility.

In connection with the execution of the Fourth Amendment to the Term Loan Facility and Third Amendment to the ABL Credit Facility, we incurred approximately $4.2 million in debt issuance costs, including third-party arrangement and other professional fees, of which approximately $4.0 million were expensed as debt refinance charges in our Condensed Consolidated Statements of Operations, and approximately $0.2 million were capitalized and recorded as a reduction to our outstanding senior debt in our Condensed Consolidated Balance Sheets. In addition, in accordance with ASC Topic 470, “Debt”, we recorded approximately $0.9 million in write-offs of unamortized debt issuance costs and original issue discount previously capitalized upon the Third Amendment to the Term Loan Facility on May 28, 2024. The write-offs were recorded as debt refinance charges in our Condensed Consolidated Statements of Operations.

As of June 30, 2026, the total remaining balances of unamortized debt issuance costs and original issue discount related to our senior debt reported in the Condensed Consolidated Balance Sheets were approximately $5.6 million and $4.3 million, respectively. Remaining unamortized debt issuance costs and original issue discount will be amortized to interest expense over the remaining terms of the ABL Credit Facility and Term Loan Facility.

We had outstanding borrowings of $120.0 million under our ABL Credit Facility at June 30, 2026 and borrowing capacity of $381.6 million, net of issued letters of credit of approximately $48.4 million. The amount outstanding under the Term Loan Facility was $868.4 million at June 30, 2026.

ABL Credit Facility

The ABL Credit Facility will mature on June 7, 2029 (subject to certain springing maturity provisions). We may borrow only up to the lesser of the level of the then-current borrowing base and the aggregate amount of commitments under the ABL Credit Facility. The borrowing base is tied to the amount of eligible installment sales accounts, inventory and eligible lease contracts, reduced by certain reserves.

The ABL Credit Facility bears interest at a fluctuating rate determined by reference to an adjusted Term SOFR rate plus an applicable margin of 1.50% to 2.00%. The total interest rate on the ABL Credit Facility at June 30, 2026 was 5.73%, including an applicable margin of 2.00%. A commitment fee equal to 0.250% to 0.375% of the unused portion of the ABL Credit Facility fluctuates dependent upon average utilization for the prior month as defined by a pricing grid included in the governing documents of the ABL Credit Facility. The commitment fee at June 30, 2026 was 0.375%.

Loans under the ABL Credit Facility may be borrowed, repaid and re-borrowed until June 7, 2029 (subject to certain springing maturity provisions), at which time all amounts borrowed must be repaid. The obligations under the ABL Credit Facility are guaranteed by us and certain of our material wholly owned domestic restricted subsidiaries, subject to certain exceptions. The obligations under the ABL Credit Facility and such guarantees are secured on a first-priority basis by all of our and our subsidiary guarantors’ accounts, inventory, deposit accounts, securities accounts, cash and cash equivalents, rental agreements, general intangibles (other than equity interests in our subsidiaries), chattel paper, instruments, documents, letter of credit rights, commercial tort claims related to the foregoing and other related assets and all proceeds thereof related to the foregoing, subject to permitted liens and certain exceptions (such assets, collectively, the “ABL Priority Collateral”) and a second-priority basis in substantially all other present and future tangible and intangible personal property of ours and the subsidiary guarantors, subject to certain exceptions.

The ABL Credit Facility contains covenants that are usual and customary for similar facilities and transactions and that, among other things, restrict our ability and our restricted subsidiaries’ ability to create certain liens and enter into certain sale and lease-back transactions; create, assume, incur or guarantee certain indebtedness; consolidate or merge with, or convey, transfer or lease all or substantially all of our and our restricted subsidiaries’ assets, to another person; pay dividends or make other distributions on, or repurchase or redeem, our capital stock or certain other debt; and make other restricted payments.

The governing documents of the ABL Credit Facility provide for customary events of default, including, but not limited to, failure to pay principal and interest, failure to comply with covenants, agreements or conditions, and certain events of bankruptcy or insolvency involving us and our significant subsidiaries. As of June 30, 2026, we were in compliance with all requirements and conditions set forth in our ABL Credit Facility governing documents.

Term Loan Facility

The Term Loan Facility, which matures on August 19, 2032 (subject to certain springing maturity provisions), amortizes in equal quarterly installments at a rate of 1.00% per annum of the original principal amount thereof, with the remaining balance due at final maturity. Subject in each case to certain restrictions and conditions, we may add up to $625 million (plus additional amounts subject to satisfaction of certain financial ratios) of incremental term loan facilities to the Term Loan Facility or utilize incremental capacity under the Term Loan Facility at any time by issuing or incurring incremental equivalent term debt.

Interest on borrowings under the Term Loan Facility is payable at a fluctuating rate of interest determined by reference to the Term SOFR rate plus an applicable margin of 2.75%, subject to a 0.50% Term SOFR floor. The total interest rate on the Term Loan Facility was 6.43% at June 30, 2026.

The Term Loan Facility is secured by a first-priority security interest in substantially all of our present and future tangible and intangible personal property, including our subsidiary guarantors, other than the ABL Priority Collateral, and by a second-priority security interest in the ABL Priority Collateral, subject to certain exceptions. The obligations under the Term Loan Facility are guaranteed by us and our material wholly owned domestic restricted subsidiaries that also guarantee the ABL Credit Facility.

The Term Loan Facility contains covenants that are usual and customary for similar facilities and transactions and that, among other things, restrict our ability and our restricted subsidiaries' ability to create certain liens and enter into certain sale and lease-back transactions; create, assume, incur or guarantee certain indebtedness; consolidate or merge with, or convey, transfer or lease all or substantially all of our and our restricted subsidiaries' assets, to another person; pay dividends or make other distributions on, or repurchase or redeem, our capital stock or certain other debt; and make other restricted payments. The Term Loan Facility also includes mandatory prepayment requirements related to asset sales (subject to reinvestment), debt incurrence (other than permitted debt) and excess cash flow, in each case, subject to certain limitations described therein. These covenants are subject to a number of limitations and exceptions set forth in the governing documents of the Term Loan Facility.

The Term Loan Facility provides for customary events of default, including, but not limited to, failure to pay principal and interest, failure to comply with covenants, agreements or conditions, and certain events of bankruptcy or insolvency involving us and our significant subsidiaries.

The table below shows the scheduled maturity dates of our outstanding senior debt at June 30, 2026 for each of the years ending December 31:

(in thousands)	ABL Credit Facility	Term Loan Facility	Total
2026	$ —	$ —	$ —
2027	—	—	—
2028	—	—	—
2029	120,000	—	120,000
2030	—	—	—
Thereafter	—	868,438	868,438
Total senior debt	$ 120,000	$ 868,438	$ 988,438

Note 6 - Senior Notes

On February 17, 2021, we issued $450 million in senior unsecured notes all of which are due February 15, 2029, at par value, bearing interest at 6.375% (the "Notes"), the proceeds of which were used to fund a portion of the consideration upon closing of the Acima Holdings acquisition. Interest on the Notes is payable in arrears on February 15 and August 15 of each year. In connection with the issuance of the Notes, we incurred approximately $15.7 million in debt issuance costs, including bank financing fees and third party legal and other professional fees, which were capitalized in accordance with ASC Topic 470, "Debt" and recorded as a reduction of our outstanding Notes in our Condensed Consolidated Balance Sheets. Debt issuance costs are amortized as interest expense over the term of the Notes. As of June 30, 2026, the total remaining balance of unamortized debt issuance costs related to our Notes reported in the Condensed Consolidated Balance Sheets was approximately $5.2 million.

We may redeem some or all of the Notes at any time for cash at the redemption prices set forth in the indenture governing the Notes, plus accrued and unpaid interest to, but not including, the redemption date. If we experience specific kinds of change in control, we will be required to offer to purchase the Notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest.

The Notes are our general unsecured senior obligations, and are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries, equal in right of payment to all of our and our guarantor subsidiaries' existing and future senior unsecured indebtedness and senior in right of payment to all of our future subordinated indebtedness, if any. The Notes are jointly and severally guaranteed on a senior unsecured basis by certain of our domestic subsidiaries that have outstanding indebtedness or guarantee other specified indebtedness, including the ABL Credit Facility and the Term Loan Facility.

The indenture governing the Notes contains covenants that limit, among other things, our ability and the ability of some of our restricted subsidiaries to create liens, transfer or sell assets, incur indebtedness or issue certain preferred stock, pay dividends, redeem stock or make other distributions, make other restricted payments or investments, create restrictions on payment of dividends or other amounts to us by our restricted subsidiaries, merge or consolidate with other entities, engage in certain transactions with affiliates and designate our subsidiaries as unrestricted subsidiaries. These covenants are subject to a number of exceptions and qualifications. The covenants limiting restricted payments, restrictions on payment of dividends or other amounts to us by our restricted subsidiaries, the ability to incur indebtedness, asset dispositions and transactions with affiliates will be suspended if and while the Notes have investment grade ratings from any two of Standard & Poor's Ratings Services, Moody's Investors Service, Inc. and Fitch, Inc.

The indenture governing the Notes also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, and interest on all the then outstanding Notes to be due and payable.

Note 7 - Fair Value

We follow a three-tier fair value hierarchy, which classifies the inputs used in measuring fair values, in determining the fair value of our non-financial assets and non-financial liabilities, which consist primarily of goodwill. These tiers include: Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Our financial instruments include cash and cash equivalents, receivables, payables, borrowings against our ABL Credit Facility and Term Loan Facility, and outstanding Notes. The carrying amount of cash and cash equivalents, receivables and payables approximates fair value at June 30, 2026 and December 31, 2025, because of the short maturities of these instruments. In addition, the interest rates on our Term Loan Facility and ABL Credit Facility are variable and, therefore, we believe the carrying value of outstanding borrowings approximates their fair value.

The fair value of our Notes is based on Level 1 inputs and was as follows at June 30, 2026:

	June 30, 2026		
(in thousands)	**Carrying Value**	**Fair Value**	**Difference**
Senior notes	$ 450,000	$ 445,770	$ (4,230)

Note 8 - Other Gains and Charges

Acima Holdings Acquisition. On February 17, 2021, we completed the acquisition of Acima Holdings, a leading provider of virtual lease-to-own solutions. The fair value of assets acquired as part of the transaction included $520 million in intangible assets and $170 million in developed technology. During both the six months ended June 30, 2026 and 2025, we recognized approximately $21.9 million in amortization expense related to acquired intangible assets. We also recognized approximately $7.9 million in incremental depreciation expense related to acquired technology assets during both the six months ended June 30, 2026 and 2025. Depreciation expense for technology assets is reported under our Corporate segment.

Brigit Acquisition. As described in Note 2, on January 31, 2025, we completed the acquisition of Brigit, a leading holistic financial health technology company. Included in the aggregate consideration issued to the former owners of Brigit were 1,313,331 shares, valued at $39.1 million, issued under restricted stock agreements and subject to vesting conditions, which will be recognized as stock compensation expense over the vesting term, in accordance with ASC Topic 718, "Stock-based Compensation". During the six months ended June 30, 2026 and 2025, we recognized approximately $16.9 million and $10.5 million, respectively, in stock compensation expense related to these restricted stock agreements, in addition to $9.9 million and $6.1 million, respectively, related to Brigit's Replacement Awards and other agreement compensation. Stock-based and other acquisition-related compensation expense associated with the Brigit acquisition is reported under our Corporate segment. See Note 2 and Note 10 for additional information.

The fair value of assets acquired as part of the transaction included $152.3 million in intangible assets and $65.1 million in developed technology. During the six months ended June 30, 2026 and 2025, we recognized approximately $7.8 million and $6.5 million, respectively, in amortization expense related to acquired intangible assets. We also recognized approximately $4.7 million and $3.9 million in incremental depreciation expense related to acquired technology assets during the six months ended June 30, 2026 and 2025, respectively. Depreciation expense for technology assets is reported under our Corporate segment.

For the six months ended June 30, 2025, we recognized approximately $6.1 million in transaction costs associated with the closing of the transaction, reported under our Corporate segment.

Legal Matters. As disclosed further in Note 11 in this Quarterly Report on Form 10-Q and as previously disclosed, we are currently party to a filed regulatory lawsuit with the New York Attorney General, as well as a multistate and District of Columbia regulatory investigation by attorneys' general offices, none of which we believe are representative of historical regulatory matters that arise in the ordinary course of our business. These matters relate to lease-to-own transactions for our Acima subsidiary, which was acquired in 2021. We were also party to a recently settled certified class action brought on behalf of certain individuals who entered into rental purchase agreements and paid certain fees with the Company's former Acceptance Now business in the state of California, and we were party to a recently settled patent infringement lawsuit. During the six months ended June 30, 2026 and 2025, we recorded estimated legal accruals of $2.0 million and $41.7 million, respectively, based on the then-current status of our legal matters, including the foregoing matters, and incurred related litigation and defense expenses of $0.9 million and $1.5 million for the six months ended June 30, 2026 and 2025, respectively. Legal accruals for litigation matters and related defense expenses are reported under our Corporate segment. We will continue to evaluate and modify our estimated legal accruals as appropriate in future periods based on future developments.

Acima Fraudulent Lease-to-Own Contract Losses. As previously disclosed in our Form 8-K filed on July 22, 2026, the Company recently experienced cybersecurity incidents in which certain non-sensitive customer information and other documents were obtained without authorization. In connection with certain such incidents, we believe the information was subsequently used to facilitate fraudulent lease-to-own agreements, contributing to elevated fraudulent contract losses of approximately $13.3 million in our Acima segment during the three months ended June 30, 2026. The Company's investigation of these incidents is ongoing and may result in additional remediation expenses and fraudulent lease-to-own contract losses in subsequent periods.

Store Consolidations. In the second quarter of 2026 we initiated a strategic plan focused on optimizing our Rent-A-Center store footprint and operating model to better serve our markets. In connection with the initiation of this plan, we closed 69 Rent-A-Center stores in certain geographical markets, resulting in $1.6 million in lease impairment charges, $1.7 million in disposal of fixed assets and $0.7 million in other miscellaneous shutdown and holding costs for the three months ended June 30, 2026.

Stock Award Letter Agreement. On April 3, 2024, we entered into a letter agreement with the Company's former Chief Executive Officer as disclosed in our Current Report on Form 8-K dated as of April 5, 2024. The terms of the letter agreement included special provisions for his outstanding restricted stock awards vesting at various times through February 2027, which resulted in the acceleration of stock compensation expense for those awards in accordance with ASC Topic 718, "Stock-based Compensation". Accelerated stock compensation expense recognized for the six months ended June 30, 2025 due to this letter agreement was approximately $1.6 million. Stock-based compensation expense is reported under our Corporate segment.

Activity with respect to other gains and charges is summarized in the below table:

(in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Acima acquired assets depreciation and amortization	$ 14,944	$ 14,900	$ 29,888	$ 29,800
Brigit equity consideration vesting	12,197	6,405	16,913	10,464
Acima fraudulent lease-to-own contract losses	13,255	—	13,255	—
Brigit acquired assets depreciation and amortization	6,216	6,216	12,432	10,360
Brigit replacement awards and other compensation	4,435	4,977	9,930	6,072
Store consolidations	3,965	—	3,965	—
Legal matters	(1,061)	32,516	2,992	43,161
Labor reduction cost	524	—	2,183	—
Asset impairments and disposal	—	206	1,505	206
Brigit transaction costs	—	(109)	—	6,109
Accelerated stock compensation	—	—	—	1,599
Other	(48)	351	(213)	988
Total other gains and charges	$ 54,427	$ 65,462	$ 92,850	$ 108,759

Note 9 - Segment Information

The operating segments reported below are the segments for which separate financial information is available and for which segment results are evaluated by our Chief Operating Decision Makers (“CODMs”). Our CODMs include Upbound’s Chief Executive Officer and Chief Financial Officer. Our CODMs regularly review the revenues and operating profit for each operating segment in comparison to Company projections and previously reported periods, in addition to other factors, including the Company’s strategic initiatives, as well as industry, macroeconomic, and market trends, in determining the appropriate allocation of resources to support our business operations. Our operating segments are organized based on factors including, but not limited to, type of business transaction, geographic location and store ownership. We report financial operating performance under four operating segments: Acima, Rent-A-Center, Brigit and Mexico.

Segment information is as follows:

	Three Months Ended June 30, 2026				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Total
Revenues	$ 603,529	$ 466,378	$ 71,144	$ 22,375	$ 1,163,426
Cost of revenues	405,380	149,433	7,087	6,688	568,588
Gross profit	198,149	316,945	64,057	15,687	594,838
Operating expenses					
Operating labor	23,913	121,413	1,503	5,469	152,298
Non-labor operating expenses[(1)]	75,665	128,458	48,836	7,297	260,256
Depreciation and amortization	373	4,592	27	673	5,665
Other segment expenses[(2)]	24,755	7,824	6,179	2,520	41,278
Segment operating profit (loss)	73,443	54,658	7,512	(272)	135,341
Corporate					(81,082)
Operating profit					54,259
Interest expense					25,522
Interest income					(521)
Earnings before income taxes					$ 29,258

(1) Includes Lease Charge-Offs of $53.1 million and $21.5 million in the Acima and Rent-A-Center segments, respectively, and net advance losses of $18.0 million in the Brigit segment for the three months ended June 30, 2026.

(2) Includes certain general and administrative expenses and other gains and charges. See Note 8 for additional information regarding other gains and charges.

	Six Months Ended June 30, 2026				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Total
Revenues	$ 1,252,219	$ 947,983	$ 138,814	$ 44,139	$ 2,383,155
Cost of revenues	859,970	313,839	14,835	13,211	1,201,855
Gross profit	392,249	634,144	123,979	30,928	1,181,300
Operating expenses					
Operating labor	47,344	240,343	2,763	10,958	301,408
Non-labor operating expenses[1]	157,064	256,289	82,813	14,352	510,518
Depreciation and amortization	776	9,600	54	1,307	11,737
Other segment expenses[2]	36,356	10,976	12,275	4,676	64,283
Segment operating profit (loss)	150,709	116,936	26,074	(365)	293,354
Corporate					(161,657)
Operating profit					131,697
Interest expense					52,403
Interest income					(1,235)
Earnings before income taxes					$ 80,529

(1) Includes Lease Charge-Offs of $110.4 million and $42.5 million in the Acima and Rent-A-Center segments, respectively, and net advance losses of $31.9 million in the Brigit segment for the six months ended June 30, 2026.
(2) Includes certain general and administrative expenses and other gains and charges. See Note 8 for additional information regarding other gains and charges.

	Three Months Ended June 30, 2025				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Total
Revenues	$ 618,967	$ 467,118	$ 51,890	$ 19,561	$ 1,157,536
Cost of revenues	423,978	150,160	5,986	5,587	585,711
Gross profit	194,989	316,958	45,904	13,974	571,825
Operating expenses					
Operating labor	24,403	119,127	1,065	4,497	149,092
Non-labor operating expenses[1]	76,741	119,532	28,300	5,571	230,144
Depreciation and amortization	353	5,238	18	484	6,093
Other segment expenses[2]	11,489	10,060	6,049	1,486	29,084
Segment operating profit	82,003	63,001	10,472	1,936	157,412
Corporate					(106,678)
Operating profit					50,734
Interest expense					28,523
Interest income					(638)
Earnings before income taxes					$ 22,849

(1) Includes Lease Charge-Offs of $57.6 million and $20.0 million in the Acima and Rent-A-Center segments, respectively, and net advance losses of $10.4 million in the Brigit segment for the three months ended June 30, 2025.
(2) Includes certain general and administrative expenses and other gains and charges. See Note 8 for additional information regarding other gains and charges.

	Six Months Ended June 30, 2025				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Total
Revenues	$ 1,256,254	$ 956,143	$ 83,751	$ 37,751	$ 2,333,899
Cost of revenues	874,814	316,359	9,992	10,780	1,211,945
Gross profit	381,440	639,784	73,759	26,971	1,121,954
Operating expenses					
Operating labor	48,393	239,325	1,781	8,760	298,259
Non-labor operating expenses[1]	153,643	241,911	42,747	10,854	449,155
Depreciation and amortization	707	10,665	29	921	12,322
Other segment expenses[2]	22,986	18,467	9,901	3,277	54,631
Segment operating profit	155,711	129,416	19,301	3,159	307,587
Corporate					(194,238)
Operating profit					113,349
Interest expense					56,321
Interest income					(1,332)
Earnings before income taxes					$ 58,360

(1) Includes Lease Charge-Offs of $114.3 million and $40.4 million in the Acima and Rent-A-Center segments, respectively, and net advance losses of $15.4 million in the Brigit segment for the six months ended June 30, 2025.
(2) Includes certain general and administrative expenses and other gains and charges. See Note 8 for additional information regarding other gains and charges.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Capital expenditures				
Acima	$ 474	$ 118	$ 474	$ 430
Rent-A-Center	5,655	5,626	7,083	8,117
Brigit	46	259	87	305
Mexico	888	1,135	2,048	1,779
Total operating segments	7,063	7,138	9,692	10,631
Corporate	8,435	11,109	21,770	18,192
Total capital expenditures	$ 15,498	$ 18,247	$ 31,462	$ 28,823

(in thousands)	June 30, 2026	December 31, 2025
On rent rental merchandise, net		
Acima	$ 616,540	$ 710,844
Rent-A-Center	441,232	465,076
Mexico	27,936	26,362
Total on rent rental merchandise, net	$ 1,085,708	$ 1,202,282

(in thousands)	June 30, 2026	December 31, 2025
Held for rent rental merchandise, net		
Acima	$ 167	$ 164
Rent-A-Center	105,371	100,893
Mexico	11,684	13,468
Total held for rent rental merchandise, net	$ 117,222	$ 114,525

(in thousands)	June 30, 2026	December 31, 2025
Assets by segment		
Acima	$ 1,159,452	$ 1,280,771
Rent-A-Center	967,037	1,016,293
Brigit	437,765	430,232
Mexico	60,442	62,602
Total operating segments	2,624,696	2,789,898
Corporate	479,063	486,183
Total assets	$ 3,103,759	$ 3,276,081

Note 10 - Common Stock and Stock-Based Compensation

Stock Repurchase Program

In early December 2021, our Board of Directors authorized a stock repurchase program for up to $500 million (the “December 2021 Program”), which superseded our previous stock repurchase program. Under the December 2021 Program, we may purchase shares of our common stock from time to time in the open market or privately negotiated transactions. We are not obligated to acquire any shares under the program, and the program may be suspended or discontinued at any time. There were no repurchases of our common stock during the six months ended June 30, 2026 and 2025. Approximately $235.0 million remains available for repurchases under the current authorization at June 30, 2026.

Stock-Based Compensation

We recognized $5.3 million and $5.0 million in compensation expense related to stock awards issued under the Upbound Group, Inc. 2026 Long-Term Incentive Plan (the "2026 Plan"), Amended 2021 Long-Term Incentive Plan (the “2021 Plan”) and 2016 Long-Term Incentive Plan (the “2016 Plan”) during the three months ended June 30, 2026 and 2025, respectively, and $12.2 million and $12.6

million during the six months ended June 30, 2026 and 2025, respectively. During the six months ended June 30, 2026, we granted 601,187 market-based performance units and 745,305 time-vesting units under the 2021 Plan. Performance-based restricted stock units are valued using a Monte Carlo simulation. Time-vesting restricted stock units are valued based on our closing stock price on the trading day immediately preceding the date of the grant, or as of the date of modification in the event an award is modified. The weighted-average grant date fair value of the market-based performance and time-vesting restricted stock units granted during the six months ended June 30, 2026 was $27.22 and $21.95, respectively.

As described in Note 2, in connection with the acquisition of Brigit on January 31, 2025, we issued to the former owners of Brigit approximately 2.7 million common shares valued at $29.75 per share, as of the Closing Date. Of this total, 1,313,331 common shares, valued at approximately $39.1 million, issued under restricted stock agreements and subject to vesting conditions, will be recognized as stock compensation expense over the vesting term in accordance with ASC Topic 718, “Stock-based Compensation”. We recognized $12.2 million and $6.4 million in stock compensation expense related to these restricted stock agreements during the three months ended June 30, 2026 and 2025, respectively, and $16.9 million and $10.5 million during the six months ended June 30, 2026 and 2025, respectively, recorded to other gains and charges in our unaudited Condensed Consolidated Statements of Operations. Stock compensation expense recognized during the three and six months ended June 30, 2026 related to these restricted stock agreements included $8.3 million attributable to the acceleration of vesting provisions for Brigit's former owners who transitioned from Brigit operational leadership roles to external advisory roles in the second quarter of 2026.

On April 3, 2024, we entered into a letter agreement with the Company’s former Chief Executive Officer as disclosed in our Current Report on Form 8-K dated as of April 5, 2024. The terms of the letter agreement included special provisions for his outstanding restricted stock awards vesting at various times through February 2027, which resulted in the acceleration of stock compensation expense for those awards in accordance with ASC Topic 718, “Stock-based Compensation”. Accelerated stock compensation expense recognized for the six months ended June 30, 2025 due to this letter agreement was approximately $1.6 million, and was recorded to other gains and charges in our unaudited Condensed Consolidated Statements of Operations.

Note 11 - Contingencies

Given the nature of our businesses and the heavily regulated industries in which we operate, we, along with our subsidiaries, are party to various legal proceedings and governmental inquiries and investigations. Certain legal proceedings and governmental inquiries and investigations involving us or our subsidiaries are described below. In addition to the matters described below, we are also party to other legal proceedings and governmental inquiries and investigations involving us or our subsidiaries that we believe, based on our current knowledge, will not have a material adverse effect on our business or our consolidated results of operations, financial condition or liquidity, including arbitrations, litigation, putative class actions and other matters alleging various types of claims, including those based on consumer regulatory, contract, labor and employment and other alleged claims. However, in light of the uncertainties involved in such matters, including the fact that some pending legal proceedings are at preliminary stages or seek an indeterminate amount of damages, penalties, fines or other relief, it is possible that the outcome of one or more legal proceedings could have a material adverse impact on our results of operations.

We regularly monitor developments related to our legal proceedings and governmental inquiries and investigations, determine whether a reserve is appropriate if the loss is both probable and reasonably estimable, and review the adequacy of our reserves for such matters on a quarterly basis. As a result, we do not have reserves for all matters with respect to which we may or will have future liability, and no assurance can be given that our reserves, when recorded, will be adequate to cover the full amount of any loss we may ultimately incur. In addition, certain of these matters involve demands for monetary relief and changes to our business practices that could materially and adversely impact our business, financial condition and results of operations were we to agree to them as part of a settlement or be subject to them following an adverse result in litigation.

At June 30, 2026 and December 31, 2025, we had estimated legal accruals of $60.2 million and $72.0 million, respectively, included in accrued liabilities in our Condensed Consolidated Balance Sheet for pending legal and regulatory matters for which we believe losses are probable and the amount of the loss can be reasonably estimated. Included in the $60.2 million estimated legal accrual at June 30, 2026 are the ultimate cash amounts that we currently expect to pay as part of the Multistate and District of Columbia Attorneys’ General matters described further below if we are able to enter a final, binding settlement agreement with the Multistate, which cannot be assured. However, as of the date of this Quarterly Report on Form 10-Q, other than as stated in the immediately preceding sentence with respect to the Multistate and District of Columbia Attorneys’ General matters, we cannot reasonably predict the ultimate resolution of our pending legal proceedings, governmental inquiries and investigations (which include, but are not limited to, the matters discussed below) and, therefore, are unable to estimate a range of losses related to these matters that may be reasonably possible to occur. In addition to our estimated legal accruals, as of June 30, 2026 we have incurred legal and other related expenses, and expect to incur substantial additional legal and related expenses, associated with the litigation and investigations discussed below and other pending legal matters.

Unclaimed Property. We are subject to unclaimed property audits by states in the ordinary course of business. The property subject to review in the audit process includes unclaimed wages, vendor payments and customer refunds. State escheat laws generally require entities to report and remit abandoned and unclaimed property to the state. Failure to timely report and remit the property can result in assessments that could include interest and penalties, in addition to the payment of the escheat liability itself. We routinely remit escheat payments to states and believe we are in compliance with applicable escheat laws.

Multistate and District of Columbia Attorneys' General Investigations. In November 2021, Acima received notice of a multistate investigation by a coalition of state attorneys general (the "Multistate") into the business acts and practices of Acima. Based on our discussions with the Multistate, it is our understanding that the investigation involves forty-three states. The District of Columbia previously participated in the investigation but pursued a separate resolution and entered into a final settlement agreement with Acima during the first quarter of 2026.

We continue to engage in settlement discussions with the Multistate and believe we are nearing a non-binding agreement in principle regarding the primary monetary and injunctive terms of a potential settlement, although any final binding settlement remains subject to negotiation and execution of definitive settlement agreements with each of the states in the Multistate, which we cannot assure you will be achieved. As of the date of this Quarterly Report on Form 10-Q, we are continuing to actively discuss the potential resolution of these matters with the multistate group with the objective of finalizing settlement agreements in the near term. We are unable to provide assurance that we will be able to reach final binding settlement agreements. Any resolution of these matters would include monetary relief, reporting and other provisions, including a release of claims by the Attorneys' General offices and injunctive relief regarding various aspects of Acima's business. If, however, we are unable to reach final binding settlement agreements, some or all of such states may commence legal proceedings against Acima. We cannot provide any assurance that any adverse result in litigation will not require a monetary payment and/or changes to Acima's business practices or operations that could materially and adversely affect our business, financial condition, results of operations or reputation.

New York Attorney General Litigation. The New York Attorney General (the "NYAG") issued a subpoena to our Acima subsidiary in January 2020, prior to our acquisition of Acima, seeking information with respect to various business practices in connection with Acima's lease-to-own transactions. On August 14, 2024, the NYAG filed a lawsuit against Acima alleging violations of various consumer financial protection laws and regulations and seeking injunctive relief, unspecified monetary relief and civil penalties and other relief. Acima filed a motion to dismiss the NYAG's lawsuit. As of the date of filing this Quarterly Report on Form 10-Q, the trial court has not yet ruled on Acima's motion to dismiss. Acima will continue to vigorously defend itself against the NYAG's lawsuit. We cannot provide any assurance that Acima will be successful in defending against the NYAG's litigation or that an adverse result in litigation will not require a monetary payment and/or changes to Acima's business practices or operations that could materially and adversely affect our business, financial condition, results of operations or reputation.

McBurnie Litigation Settlement. We were a defendant in a certified class action entitled *McBurnie, et al. v. Acceptance Now, LLC*, brought on behalf of individuals who entered into a rental purchase agreement with the Company's former Acceptance Now business in California and were charged a processing fee and/or an expedited fee. Plaintiffs alleged that such fees violated California state consumer protection laws. We denied the allegations in the case and we did not admit to any violations of law or any wrongdoing. However, to avoid additional expense, risk and distractions associated with further protracted litigation, we agreed to settle the litigation for a cash payment of $14.0 million. The settlement amount was fully accrued as a loss contingency in our consolidated financial statements as of December 31, 2025 and payment of the settlement amount was made in April 2026.

Note 12 - Earnings Per Common Share

Summarized basic and diluted earnings per common share were calculated as follows:

(in thousands, except per share data)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Numerator:				
Net earnings	$ 21,584	$ 15,485	$ 57,373	$ 40,278
Denominator:				
Weighted-average shares outstanding	58,274	56,531	57,904	56,238
Effect of dilutive stock awards[1]	434	2,133	873	2,273
Weighted-average dilutive shares	58,708	58,664	58,777	58,511
Basic earnings per common share	$ 0.37	$ 0.27	$ 0.99	$ 0.72
Diluted earnings per common share[1]	$ 0.37	$ 0.26	$ 0.98	$ 0.69
Anti-dilutive securities excluded from diluted earnings per common share:				
Anti-dilutive restricted share units	992	792	822	103
Anti-dilutive performance share units	535	862	411	862
Anti-dilutive stock options	343	274	344	132

[1] Weighted-average dilutive shares outstanding for both the three and six months ended June 30, 2025 includes approximately 1.3 million common shares issued in connection with the acquisition of Brigit and subject to vesting conditions under restricted stock agreements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," "seeks" or words of similar meaning, or future or conditional verbs, such as "will," "should," "could," "may," "aims," "intends," or "projects." These forward-looking statements include, without limitation, those relating to the impact of ongoing challenging macroeconomic conditions on our business, operations, financial performance and prospects, the future business prospects and financial performance of our Company as a whole and our segments, our growth strategies, our expectations, plans and strategy relating to our capital structure and capital allocation, including any share repurchases under our share repurchase program, the potential impact of the matters discussed in Note 11 - "Contingencies" in this Quarterly Report on Form 10-Q, and other statements that are not historical facts. Unless expressly indicated or the context requires otherwise, the terms "Upbound Group, Inc.," "Company," "we," "us," and "our" in this document refer to Upbound Group, Inc. and, where appropriate, its subsidiaries.

A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. These forward-looking statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties. Our actual future results and trends may differ materially and adversely depending on a variety of factors, including, but not limited to, the risks and uncertainties discussed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" below. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. Any or all of the forward-looking statements contained in this Quarterly Report on Form 10-Q and any other public statement made by us, including by our management, may turn out to be incorrect. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. Except as required by law, we expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise. Factors that could cause or contribute to these differences include, but are not limited to:

- difficulties encountered in managing the financial and operational performance of our multiple business segments;
- risks associated with pricing, value proposition and other changes to our consumer offerings and strategies being deployed in our businesses;
- our ability to continue to effectively execute our strategic initiatives, including mitigating risks associated with any potential additional mergers and acquisitions, or lease-to-own refranchising opportunities;
- our ability to effectively provide consumers with additional products and services beyond lease-to-own and products and services currently offered by our Brigit segment, including through third-party partnerships;
- the possibility that costs, difficulties or disruptions related to the integration of Brigit operations into our other operations will be greater than expected;
- the possibility that the anticipated benefits from the Brigit acquisition may not be fully realized or may take longer to realize than expected;
- the general strength of the economy and other economic conditions affecting consumer preferences, spending and payment behaviors, including the availability of credit to our 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;
- failure to effectively manage our operating labor and non-labor operating expenses, including failure to effectively optimize our proprietary algorithms and customer decisioning tools to limit merchandise losses for our lease-to-own offerings;

- our ability to retain the revenue associated with acquired lease-to-own customer accounts and enhance the performance of acquired stores;
- factors affecting the disposable income available to our current and potential customers;
- changes in the unemployment rate;
- capital market conditions, including changes in interest rates and availability of funding sources for us;
- changes in our credit ratings;
- our ability to identify potential acquisition candidates, complete acquisitions and successfully integrate acquired companies;
- disruptions caused by the operation of our information management systems or disruptions in the systems of our third-party retailers or other third parties with whom we do business;
- risks related to our virtual lease-to-own business, including our ability to continue to develop and successfully implement the necessary technologies;
- our ability to achieve the benefits expected from our integrated virtual and staffed third-party retailer offering and to successfully grow this business segment;
- exposure to potential operating margin degradation due to the higher cost of merchandise and higher merchandise losses in our Acima segment compared to our Rent-A-Center segment;
- additional risks associated with our Brigit segment and its consumer products and services, including managing losses, regulatory, licensing and other compliance risks, and risks associated with our Brigit segment's reliance on regulated banks and on providers of third-party data and technology and other third-party service providers; and other new risks for our Company;
- 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;
- 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;
- litigation or administrative proceedings to which we are 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 Note 11 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q;
- our compliance with applicable statutes and regulations governing our businesses, impacts from the enforcement of existing laws and regulations and the enactment of new laws and regulations adversely affecting our business and any legislative or other regulatory enforcement efforts or private party litigation or arbitration that seeks to re-characterize store-based or virtual lease-to-own transactions as credit sales and to apply consumer credit laws and regulations to our lease-to-own business or to apply consumer credit laws to our Brigit segment's non-credit consumer offerings, in each case including in connection with, but not limited to, the regulatory matters described in Note 11 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q;
- our transition to more-readily scalable "cloud-based" solutions;
- our ability to continue to enhance digital or e-commerce capabilities, including mobile applications;
- our ability to protect our proprietary intellectual property and to defend against allegations by third parties that any of our products, services or business activities may infringe against their intellectual property rights;
- risks from development, deployment and governance of artificial intelligence ("AI") and adjacent technologies, including technical failures or inaccuracies, rapid adoption by our competitors, and evolving regulatory requirements that may restrict certain AI uses or increase compliance costs;

- our ability or that of our third-party retailers or other third parties with whom we do business to protect the integrity and security of customer, employee, supplier and third-party retailer or other third-party information, from adverse effects of hacking, computer viruses, cybersecurity attacks or similar disruptions;
- impairment of our goodwill or other intangible assets;
- disruptions in our supply chain;
- limitations of, or disruptions in, our distribution network;
- rapid inflation or deflation in the prices of our lease-to-own products and other related costs;
- allegations of product safety and quality control issues, including recalls of goods we lease to customers;
- our ability to execute, as well as the effectiveness of, lease-to-own store consolidations, including our ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation;
- our available cash flow and our ability to generate sufficient cash flow to continue to fund the operations of our business;
- 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;
- our ability to identify and successfully market products and services that appeal to our current and future targeted customer segments and to accurately estimate the size of the total addressable market;
- consumer preferences and perceptions of our brands;
- our ability to enter into new rental or lease purchase agreements and collect on our existing rental or lease purchase agreements;
- ongoing changes in tariff policies, including impacts from tariffs proposed or imposed by the current U.S. Presidential Administration on the price of imported goods, or consumer prices overall or other financial impacts of such tariffs or proposed or imposed retaliatory tariffs enacted by U.S. trading partners on our costs or target consumers;
- adverse changes in the economic conditions of the industries, countries or markets that we serve;
- information technology and data security costs;
- the impact of breaches in data security or other disturbances to our information technology and other networks;
- changes in estimates relating to self-insurance liabilities and income tax reserves;
- changes in our effective tax rate;
- fluctuations in foreign currency exchange rates;
- our ability to maintain an effective system of internal controls; and
- the other risks detailed from time to time in our reports furnished or filed with the United States Securities and Exchange Commission (the "SEC").

Additional important factors that could cause our actual results to differ materially from our expectations are discussed under the section "*Risk Factors*" in our Annual Report on Form 10-K for the year ended December 31, 2025 and elsewhere in this Quarterly Report on Form 10-Q.

Our Business

We are a technology and data-driven leader in accessible and inclusive financial solutions that address the evolving needs and aspirations of underserved consumers. Through our Acima and Rent-A-Center segments, we are a leading lease-to-own provider with operations in the United States, Puerto Rico and Mexico. We provide a critical service for underserved consumers by providing them with access to, and the opportunity to obtain ownership of, high-quality, name brand durable products under a flexible lease-purchase agreement with no long-term debt obligation. Our Acima segment offers lease-to-own solutions through retailers in stores and online enabling such retailers to grow sales by expanding their customer base utilizing our differentiated offering and allowing customers to access our flexible lease-to-own solutions at thousands of retailers and to lease a wide range of durable products. Through our Rent-A-Center segment, we provide a fully integrated customer experience through our e-commerce platform and brick and mortar presence.

On January 31, 2025, we completed the acquisition of Brigit, a holistic financial health technology company that has helped millions of customers improve their financial health and literacy, find ways to earn and save money, obtain early access to their earned wages ("cash advances"), build their credit through savings and protect themselves from identity theft. Its mission is to help customers build a better financial future. See Note 2 in our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information.

We were incorporated in the State of Delaware in 1986, and our common stock is traded on the Nasdaq Global Select Market under the ticker symbol "UPBD."

Executive Summary

Our Strategy

Our strategy is focused on achieving our mission to elevate financial opportunity for all and growing our business through emphasis on the following key initiatives:

- At Acima, grow penetration with current Acima third-party retailers and build on our strength with small to medium size businesses while also adding new national and regional third-party retailers to our platform and expanding our direct-to-consumer channels;
- At Brigit, continue to grow Brigit's earned wages access, credit builder and other existing products and increase Brigit's portfolio of products;
- At Rent-A-Center, accelerate the shift to e-commerce, improve the fully integrated omni-channel customer experience and expand product categories, which we expect will increase brand awareness and customer loyalty;
- Leverage data analytics capabilities to attract new customers, approve more customers and mitigate risk across business segments;
- Execute on market opportunities and enhance our competitive position across both traditional and virtual lease-to-own solutions, and implement complementary products and services that supplement our current offerings and provide our customers more financial alternatives; and
- Upgrade and integrate technology platforms to allow for an enhanced consumer experience, third-party retailer and waterfall integration, consumer transaction process and coworker efficiency.

As we pursue our strategy, we have taken, and may in the future take, advantage of joint venture, partnership, or merger and acquisition opportunities from time to time that advance our key initiatives and elevate the financial mobility of underserved consumers.

Recent Developments

Acima Fraudulent Lease-to-Own Contract Losses. As previously disclosed in our Form 8-K filed on July 22, 2026, the Company recently experienced cybersecurity incidents in which certain non-sensitive customer information and other documents were obtained without authorization. In connection with certain such incidents, we believe the information was subsequently used to facilitate fraudulent lease-to-own agreements, contributing to elevated fraudulent contract losses of approximately $13 million in our Acima segment during the three months ended June 30, 2026. Please reference Note 8 for additional discussion of our reporting of the associated fraudulent lease-to-own contract losses in our Consolidated Statement of Operations.

Upon identifying the data compromise, we promptly began implementing mitigation and remediation measures. These measures, implemented in coordination with external cybersecurity experts, include enhanced authentication controls, additional fraud detection and monitoring capabilities, and other security enhancements. Federal law enforcement was also notified of the incidents.

Our investigation of these incidents remains ongoing and may result in additional remediation and other expenses and fraudulent lease-to-own contract losses in subsequent periods. We may make any legal or regulatory notifications as appropriate based on its investigation findings. Based on our current knowledge of the quantitative and qualitative facts and circumstances related to the incidents, we believe the incidents are not material. Should any of the relevant facts and circumstances substantively change, we will reassess our materiality considerations in accordance with Item 1.05 of Form 8-K.

Dividend. On June 2, 2026, we announced that our board of directors approved a quarterly cash dividend of $0.39 per share. The dividend was paid on July 7, 2026 to our common stockholders of record as of the close of business on June 16, 2026.

Business and Operational Trends

Macroeconomic Conditions. In recent years, we have experienced significant change in business and operational trends driven by macroeconomic conditions, which have directly impacted our customers as well as our operations, including significant changes in the U.S. consumer price index, changes in demand for certain consumer retail categories, changes in consumer payment behaviors, a condensed labor market, which has also contributed to wage inflation, rapid increases in interest rates, changes in tariff and trade policies, and global supply chain disruptions resulting in reduced product availability and rising product costs.

While our businesses have historically remained resilient through various economic cycles, the full extent to which our risk management strategy and these macroeconomic trends (including consumer spending and payment behavior) may impact the Company in future periods is uncertain. The continuation of volatile macroeconomic trends may have a material adverse impact on our financial statements, including our results of operations, operating cash flows, liquidity and capital resources.

See "Risk Factors" in Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2025, for additional discussion of impacts to our business and additional risks associated with macroeconomic conditions.

Rent-A-Center e-commerce revenue. In recent years, e-commerce revenues have increased over time as a percentage of total rentals and fees revenue in our Rent-A-Center segment. For the six months ended June 30, 2026 and 2025, e-commerce revenues represented approximately 28% and 27% of total lease-to-own revenues, respectively. Due to recent trends in consumer shopping behaviors and expectations, we believe e-commerce solutions are an important part of our lease-to-own offering. However, we are unable to quantify the extent to which e-commerce revenues are incremental compared to what our overall revenues would have been in the absence of those e-commerce transactions. In addition, the profitability of e-commerce transactions can be impacted by different merchandise loss factors compared to traditional store-based transactions in the Rent-A-Center segment. Therefore, we are unable to determine with certainty whether the continuation of this trend toward increased e-commerce transactions will have a significant impact on our financial statements in future periods or be ultimately favorable or unfavorable to our financial results.

Results of Operations

The following discussion focuses on our results of operations and our liquidity and capital resources. You should read this discussion in conjunction with the condensed consolidated financial statements and notes thereto for the six months ended June 30, 2026 included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Key Metrics

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.

Lease Portfolio Value: Represents the aggregate dollar value of the expected monthly rental income associated with current active lease agreements from our Company-owned Rent-A-Center lease-to-own stores and e-commerce platform at the end of any given period.

Same Store Lease Portfolio Value: Represents the aggregate dollar value of the expected monthly rental income associated with current active lease agreements from our Company-owned 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 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 base in the 30th full month following account transfer.

Same Store Sales: Same store sales generally represents revenue earned in Company-owned 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.

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, Home Choice and franchise-owned Rent-A-Center locations. For the Acima segment, LCOs exclude fraudulent lease-to-own contract losses.

Brigit Net Advance Losses: Represents charge-offs of Brigit uncollectible cash advances that are more than 45 days past due. This is typically expressed as a percentage of total cash advances originated in the applicable period.

Overview

We report four operating segments: Acima, Rent-A-Center, Brigit and Mexico. The following briefly summarizes our financial performance for the six months ended June 30, 2026 as compared to the six months ended June 30, 2025 on a consolidated basis and for our operating segments.

During the first six months ended June 30, 2026, consolidated revenues and gross profit increased by approximately $49.3 million and $59.3 million, respectively, primarily due to an increase in Brigit segment revenues, partially offset by decreases in Rent-A-Center and Acima segment revenues described below. Operating profit increased by approximately $18.4 million, primarily due to the increase in gross profit noted above and decreases in general and administrative expenses and other gains and charges of $10.4 million and $15.9 million, respectively, partially offset by increases in non-labor operating expenses of $61.3 million.

Acima segment revenues decreased approximately $4.1 million for the six months ended June 30, 2026, primarily due to lower merchandise sales revenues of $7.3 million, partially offset by fewer customers electing early purchase options in 2026 resulting in higher rentals and fees revenues of $3.5 million. Operating profit decreased approximately $5.0 million for the six months ended June 30, 2026, primarily due to increases in other gains and charges and non-labor operating expenses of $13.3 million and $3.4 million, respectively, partially offset by an increase in gross profit of $10.8 million. See *"Segment Performance"* below for further discussion of Acima segment operating results for the six months ended June 30, 2026.

Revenues in our Rent-A-Center segment decreased approximately $8.2 million for the six months ended June 30, 2026, primarily due to decreases in merchandise sales and other revenues of $8.4 million and $6.8 million, respectively, primarily resulting from fewer customers electing early purchase options and lower franchise revenues, partially offset by an increase in rentals and fees revenues of $7.0 million. Operating profit decreased approximately $12.5 million for the six months ended June 30, 2026, primarily due to a decrease in gross profit of approximately $5.7 million driven by lower revenues, in addition to higher non-labor operating expenses and operating labor expenses of approximately $14.4 million and $1.0 million, respectively, partially offset by a decrease in general and administrative expenses of approximately $11.1 million. See *"Segment Performance"* below for further discussion of Rent-A-Center segment operating results for the six months ended June 30, 2026.

The Brigit segment revenues and gross profit increased by $55.0 million and $50.2 million, respectively, for the six months ended June 30, 2026, partially due to only five months being included in operating results for the six months ended June 30, 2025 following the Closing Date, in addition to an increase in Brigit subscription customers during the six months ended June 30, 2026. See *"Segment Performance"* below for further discussion of Brigit segment operating results for the six months ended June 30, 2026.

The Mexico segment revenues and gross profit increased by 16.9% and 14.7% for the six months ended June 30, 2026, respectively, primarily due to positive impacts of exchange rate fluctuations. See *"Segment Performance"* below for further discussion of Mexico segment operating results for the six months ended June 30, 2026.

Cash flow from operations was $294.0 million for the six months ended June 30, 2026. As of June 30, 2026, we held $105.3 million of cash and cash equivalents and had outstanding indebtedness of $1.4 billion.

The following table is a reference for the discussion that follows.

(dollar amounts in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change $	Change %	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change $	Change %
Revenues								
Rentals and fees	$ 903,704	$ 904,583	$ (879)	(0.1)%	$ 1,820,129	$ 1,803,795	$ 16,334	0.9%
Merchandise sales	182,845	192,217	(9,372)	(4.9)%	413,051	428,462	(15,411)	(3.6)%
Subscriptions and fees	71,144	51,890	19,254	37.1%	138,814	83,751	55,063	65.7%
Other	5,733	8,846	(3,113)	(35.2)%	11,161	17,891	(6,730)	(37.6)%
Total revenues	1,163,426	1,157,536	5,890	0.5%	2,383,155	2,333,899	49,256	2.1%
Cost of revenues								
Cost of rentals and fees	350,561	358,058	(7,497)	(2.1)%	708,188	710,604	(2,416)	(0.3)%
Cost of merchandise sold	210,940	221,667	(10,727)	(4.8)%	478,832	491,349	(12,517)	(2.5)%
Cost of subscriptions and fees	7,087	5,986	1,101	18.4%	14,835	9,992	4,843	48.5%
Total cost of revenues	568,588	585,711	(17,123)	(2.9)%	1,201,855	1,211,945	(10,090)	(0.8)%
Gross profit	594,838	571,825	23,013	4.0%	1,181,300	1,121,954	59,346	5.3%
Operating expenses								
Operating labor	152,298	149,092	3,206	2.2%	301,408	298,259	3,149	1.1%
Non-labor operating expenses	260,256	230,144	30,112	13.1%	510,518	449,155	61,363	13.7%
General and administrative expenses	59,675	63,410	(3,735)	(5.9)%	116,765	127,197	(10,432)	(8.2)%
Depreciation and amortization	13,923	12,983	940	7.2%	28,062	25,235	2,827	11.2%
Other gains and charges	54,427	65,462	(11,035)	(16.9)%	92,850	108,759	(15,909)	(14.6)%
Total operating expenses	540,579	521,091	19,488	3.7%	1,049,603	1,008,605	40,998	4.1%
Operating profit	54,259	50,734	3,525	6.9%	131,697	113,349	18,348	16.2%
Interest expense, net	25,001	27,885	(2,884)	(10.3)%	51,168	54,989	(3,821)	(6.9)%
Earnings before income taxes	29,258	22,849	6,409	28.0%	80,529	58,360	22,169	38.0%
Income tax expense	7,674	7,364	310	4.2%	23,156	18,082	5,074	28.1%
Net earnings	$ 21,584	$ 15,485	$ 6,099	39.4%	$ 57,373	$ 40,278	$ 17,095	42.4%

Three Months Ended June 30, 2026, compared to Three Months Ended June 30, 2025

Revenue. Total revenues increased by $5.9 million, or 0.5%, to $1,163.4 million for the three months ended June 30, 2026, from $1,157.5 million for the three months ended June 30, 2025. This increase was primarily due to increases of approximately $19.2 million and $2.9 million in the Brigit and Mexico segments, respectively, partially offset by decreases of approximately $15.4 million and $0.7 million in the Acima and Rent-A-Center segments, respectively, as discussed further in the "Segment Performance" section below.

Cost of Rentals and Fees. Cost of rentals and fees consists primarily of depreciation of rental merchandise. Cost of rentals and fees for the three months ended June 30, 2026 decreased by $7.5 million, or 2.1%, to $350.6 million as compared to $358.1 million for the three months ended June 30, 2025. The decrease was primarily attributable to decreases of approximately $6.4 million and $2.0 million in the Acima and Rent-A-Center segments, respectively, driven by decreases in rentals and fees revenues. Cost of rentals and fees expressed as a percentage of rentals and fees revenue decreased to 38.8% for the three months ended June 30, 2026, as compared to 39.6% for the three months ended June 30, 2025.

Cost of Merchandise Sold. Cost of merchandise sold represents the net book value of rental merchandise at time of sale. Cost of merchandise sold decreased by $10.7 million, or 4.8%, to $210.9 million for the three months ended June 30, 2026, from $221.7 million for the three months ended June 30, 2025, primarily attributable to a decrease of $12.2 million in the Acima segment, driven by lower merchandise sales, partially offset by an increase of approximately $1.3 million in the Rent-A-Center segment. The gross margin percent of merchandise sales decreased to (15.4)% for the three months ended June 30, 2026, from (15.3)% for the three months ended June 30, 2025.

Gross Profit. Gross profit increased by $23.0 million, or 4.0%, to $594.8 million for the three months ended June 30, 2026, from $571.8 million for the three months ended June 30, 2025, primarily due to increases of $18.2 million, $3.1 million and $1.7 million in the Brigit, Acima and Mexico segments, respectively, as discussed further in the section "Segment Performance" below. Gross profit as a percentage of total revenue increased to 51.1% for the three months ended June 30, 2026, from 49.4% for the three months ended June 30, 2025, primarily due to mix-shift changes between subscriptions and fees product categories in the Brigit segment and fewer customers exercising early purchase options in the Acima segment.

Operating Labor. Operating labor includes all salaries and wages paid to operational employees and district managers, together with payroll taxes and benefits. Operating labor increased by $3.2 million or 2.2% to $152.3 million for the three months ended June 30, 2026, as compared to $149.1 million for the three months ended June 30, 2025. Operating labor expressed as a percentage of total revenue was 13.1% for the three months ended June 30, 2026, as compared to 12.9% for the three months ended June 30, 2025.

Non-Labor Operating Expenses. Non-labor operating expenses include LCOs, occupancy, delivery, advertising, selling, insurance, travel and other operating expenses. Non-labor operating expenses increased by $30.2 million, or 13.1%, to $260.3 million for the three months ended June 30, 2026, as compared to $230.1 million for the three months ended June 30, 2025, primarily due to increases of $20.5 million, $8.9 million and $1.7 million in the Brigit, Rent-A-Center and Mexico segments, respectively, partially offset by a decrease of $1.1 million in the Acima segment. The increase in the Brigit segment was primarily due to higher advertising expenses and customer advance losses of $9.1 million and $7.6 million, respectively, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. Non-labor operating expenses expressed as a percentage of total revenue was 22.4% for the three months ended June 30, 2026, compared to 19.9% for the three months ended June 30, 2025.

General and Administrative Expenses. General and administrative expenses include all corporate overhead expenses related to our headquarters such as salaries, payroll taxes and benefits, stock-based compensation, occupancy, administrative and other expenses, as well as salaries and labor costs for our regional directors, divisional vice presidents and executive vice presidents. General and administrative expenses decreased by $3.7 million, or (5.9)%, to $59.7 million for the three months ended June 30, 2026, as compared to $63.4 million for the three months ended June 30, 2025, primarily due to a decrease of approximately $6 million in the Rent-A-Center segment, partially offset by increases of $1.0 million in the Mexico segment and $1.5 million in Corporate costs. General and administrative expenses expressed as a percentage of total revenue was 5.1% for the three months ended June 30, 2026, compared to 5.5% for the three months ended June 30, 2025.

Other Gains and Charges. Other gains and charges decreased by $11.1 million to $54.4 million for the three months ended June 30, 2026, as compared to $65.5 million for the three months ended June 30, 2025. The decrease in other gains and charges was driven primarily by a decrease of $33.6 million in estimated legal accruals and related litigation and defense expenses as described in Note 11 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, partially offset by an increase of $13.3 million related to Acima fraudulent lease-to-own contract losses as discussed above, $5.3 million related to stock compensation expense associated with the vesting of a portion of the Brigit acquisition equity consideration, and $4.0 million related to store consolidations during the three months ended June 30, 2026.

Operating Profit. Operating profit increased by $3.6 million, or 6.9%, to $54.3 million for the three months ended June 30, 2026, as compared to $50.7 million for the three months ended June 30, 2025, primarily due to increases in revenues and gross profit, in addition to decreases in general and administrative expenses and other gains and charges, partially offset by an increase in non-labor operating expenses, as described above. Operating profit expressed as a percentage of total revenue was 4.7% for the three months ended June 30, 2026, compared to 4.4% for the three months ended June 30, 2025.

Income Tax Expense. Income tax expense increased by $0.3 million to $7.7 million for the three months ended June 30, 2026, as compared to $7.4 million for the three months ended June 30, 2025, primarily due to the increase in earnings before income taxes partially offset by a lower effective tax rate for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Six Months Ended June 30, 2026, compared to Six Months Ended June 30, 2025

Revenue. Total revenues increased by $49.3 million, or 2.1%, to $2,383.2 million for the six months ended June 30, 2026, from $2,333.9 million for the six months ended June 30, 2025. This increase was primarily due to increases of approximately $55.0 million and $6.3 million in the Brigit and Mexico segments, respectively, partially offset by decreases of approximately $8.2 million and $4.1 million in the Rent-A-Center and Acima segments, respectively, as discussed further in the “Segment Performance” section below.

Cost of Rentals and Fees. Cost of rentals and fees consists primarily of depreciation of rental merchandise. Cost of rentals and fees for the six months ended June 30, 2026 decreased by $2.4 million, or 0.3%, to $708.2 million as compared to $710.6 million for the six months ended June 30, 2025. The decrease was primarily attributable to a decrease of approximately $6.3 million in the Rent-A-Center segment, partially offset by increases of approximately $2.0 million and $1.9 million in the Acima and Mexico segments, respectively, driven by an increase in rentals and fees revenue. Cost of rentals and fees expressed as a percentage of rentals and fees revenue decreased to 38.9% for the six months ended June 30, 2026, as compared to 39.4% for the six months ended June 30, 2025.

Cost of Merchandise Sold. Cost of merchandise sold represents the net book value of rental merchandise at time of sale. Cost of merchandise sold decreased by $12.5 million, or 2.5%, to $478.8 million for the six months ended June 30, 2026, from $491.3 million for the six months ended June 30, 2025, primarily attributable to a decrease of $16.9 million in the Acima segment, driven by lower merchandise sales, partially offset by an increase of approximately $3.8 million in the Rent-A-Center segment. The gross margin percent of merchandise sales decreased to (15.9)% for the six months ended June 30, 2026, from (14.7)% for the six months ended June 30, 2025, primarily resulting from lower early purchase option exercises in the Rent-A-Center segment for the six months ended June 30, 2026.

Gross Profit. Gross profit increased by $59.3 million, or 5.3%, to $1,181.3 million for the six months ended June 30, 2026, from $1,122.0 million for the six months ended June 30, 2025, primarily due to increases of $50.2 million, $10.8 million and $3.9 million in the Brigit, Acima and Mexico segments, respectively, partially offset by a decrease of $5.7 million in the Rent-A-Center segment, as discussed further in the section "Segment Performance" below. Gross profit as a percentage of total revenue increased to 49.6% for the six months ended June 30, 2026, from 48.1% for both the six months ended June 30, 2025.

Operating Labor. Operating labor includes all salaries and wages paid to operational employees and district managers, together with payroll taxes and benefits. Operating labor increased by $3.1 million to $301.4 million for the six months ended June 30, 2026, as compared to $298.3 million for the six months ended June 30, 2025. Operating labor expressed as a percentage of total revenue was 12.6% for the six months ended June 30, 2026, as compared to 12.8% for the six months ended June 30, 2025.

Non-Labor Operating Expenses. Non-labor operating expenses include LCOs, occupancy, delivery, advertising, selling, insurance, travel and other operating expenses. Non-labor operating expenses increased by $61.3 million, or 13.7%, to $510.5 million for the six months ended June 30, 2026, as compared to $449.2 million for the six months ended June 30, 2025, due to increases of $40.1 million, $14.4 million, $3.5 million and $3.4 million in the Brigit, Rent-A-Center, Mexico and Acima segments, respectively. The increase in the Brigit segment was partially due to the six months ended June 30, 2025 including only five months of expenses after the Closing Date, in addition to higher advertising expenses and net advance losses of $18.5 million and $16.5 million, respectively. Non-labor operating expenses expressed as a percentage of total revenue was 21.4% for the six months ended June 30, 2026, compared to 19.2% for the six months ended June 30, 2025.

General and Administrative Expenses. General and administrative expenses include all corporate overhead expenses related to our headquarters such as salaries, payroll taxes and benefits, stock-based compensation, occupancy, administrative and other expenses, as well as salaries and labor costs for our regional directors, divisional vice presidents and executive vice presidents. General and administrative expenses decreased by $10.4 million, or (8.2)%, to $116.8 million for the six months ended June 30, 2026, as compared to $127.2 million for the six months ended June 30, 2025, primarily due to a decrease in bad debt expense of $8.1 million related to franchising trade receivables. General and administrative expenses expressed as a percentage of total revenue was 4.9% for the six months ended June 30, 2026, compared to 5.4% for the six months ended June 30, 2025.

Other Gains and Charges. Other gains and charges decreased by $15.9 million or (14.6)% to $92.9 million for the six months ended June 30, 2026, as compared to $108.8 million for the six months ended June 30, 2025. The decrease in other gains and charges was driven primarily by a decrease of $40.2 million in estimated legal accruals and related litigation and defense expenses as described in Note 11 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, partially offset by an increase of $13.3 million related to Acima fraudulent lease-to-own contract losses as discussed above, $6.1 million related to stock compensation expense associated with the vesting of a portion of the Brigit acquisition equity consideration, and $4.0 million related to store consolidations in the first half of 2026.

Operating Profit. Operating profit increased by $18.4 million, or 16.2%, to $131.7 million for the six months ended June 30, 2026, as compared to $113.3 million for the six months ended June 30, 2025, primarily due to increases in revenues and gross profit, in addition to decreases in general and administrative expenses and other gains and charges, partially offset by an increase in non-labor operating expenses, as described above. Operating profit expressed as a percentage of total revenue was 5.5% for the six months ended June 30, 2026, compared to 4.9% for the six months ended June 30, 2025.

Income Tax Expense. Income tax expense increased by $5.1 million to $23.2 million for the six months ended June 30, 2026, as compared to $18.1 million for the six months ended June 30, 2025, primarily due to the increase in earnings before income taxes for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Segment Performance

Acima segment

(dollar amounts in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change $	Change %	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change $	Change %
Revenues	$ 603,529	$ 618,967	$ (15,438)	(2.5)%	$ 1,252,219	$ 1,256,254	$ (4,035)	(0.3)%
Gross profit	198,149	194,989	3,160	1.6%	392,249	381,440	10,809	2.8%
Operating profit	73,443	82,003	(8,560)	(10.4)%	150,709	155,711	(5,002)	(3.2)%
Gross merchandise volume(1)	466,195	522,092	(55,897)	(10.7)%	893,279	976,225	(82,946)	(8.5)%

(1) See Key Metrics described above for additional information.

Revenues. The decrease in revenues for the three months ended June 30, 2026 as compared to the three months ended June 30, 2025 was primarily due to a decrease in rentals and fees revenues of $9.1 million and a decrease in merchandise sales revenue of $6.0 million, driven by lower GMV. In addition the decrease in revenues for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025 was partially due to a decrease in merchandise sales revenue of $7.3 million, offset by an increase in rentals and fees revenues of $3.5 million.

Gross Profit. Gross profit increased for the three and six months ended June 30, 2026 as compared to the three and six months ended June 30, 2025, primarily driven by fewer customers exercising early purchase options. Gross profit as a percentage of segment revenues increased to 32.8% and 31.3% for the three and six months ended June 30, 2026, respectively, compared to 31.5% and 30.4% for the three and six months ended June 30, 2025, respectively, primarily due to fewer customers exercising early purchase options.

Operating Profit. Operating profit as a percentage of segment revenues decreased to 12.2% and 12.0% for the three and six months ended June 30, 2026, respectively, compared to 13.2% and 12.4% for the three and six months ended June 30, 2025, respectively. The decrease in operating profit for the three and six months ended June 30, 2026 was primarily due to an increase in other charges of $13.3 million for both the three and six months ended June 30, 2026, related to Acima fraudulent lease-to-own contract losses as discussed above, partially offset by the increase in gross profit described above. Merchandise losses in our Acima locations due to LCOs, expressed as a percentage of segment revenues, were approximately 8.8% for both the three and six months ended June 30, 2026, compared to 9.3% and 9.1% for the three and six months ended June 30, 2025, respectively. Merchandise losses in our Acima locations due to other merchandise losses, expressed as a percentage of segment revenues, were approximately 0.5% for both the three and six months ended June 30, 2026 compared to 0.4% and 0.3% for the three and six months ended June 30, 2025, respectively.

Rent-A-Center segment

(dollar amounts in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change $	Change %	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change $	Change %
Revenues	$ 466,378	$ 467,118	$ (740)	(0.2)%	$ 947,983	$ 956,143	$ (8,160)	(0.9)%
Gross profit	316,945	316,958	(13)	(0.0)%	634,144	639,784	(5,640)	(0.9)%
Operating profit	54,658	63,001	(8,343)	(13.2)%	116,936	129,416	(12,480)	(9.6)%
Lease portfolio value(1)					132,083	128,469	3,614	2.8%
Same store lease portfolio value(1)					109,176	105,519	3,657	3.5%
Change in same store revenue(1)				1.6%				1.0%
Stores in same store revenue calculation				1,492				1,492

(1) See Key Metrics described above for additional information.

Revenues. The decrease in revenue for the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025, was primarily due to decreases in merchandise sales of $3.5 million and $8.4 million, respectively, primarily resulting from fewer customers electing early purchase options and lower franchise revenues, partially offset by increases in rentals and fees of $5.9 million and $7.0 million, respectively.

Gross Profit. Gross profit decreased for the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025, driven primarily by the decrease in revenues described above. Gross profit as a percentage of segment revenues was 67.9% and 66.9% for both the three and six months ended June 30, 2026 and three and six months ended June 30, 2025.

Operating Profit. Operating profit as a percentage of segment revenues was 11.7% and 12.3% for the three and six months ended June 30, 2026, respectively, compared to 13.5% for both the three and six months ended June 30, 2025, respectively. The decrease in operating profit margin for the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025, was partially driven by the decrease in gross profit described above, in addition to increases in merchandise losses, advertising expenses, and insurance costs. Merchandise losses in our company-owned Rent-A-Center lease-to-own stores due to LCOs, expressed as a percentage of Rent-A-Center lease-to-own revenues, were approximately 5.0% and 4.8% for the three and six months ended June 30, 2026, respectively, compared to 4.7% for both the three and six months ended June 30, 2025. Other merchandise losses in our company-owned Rent-A-Center lease-to-own stores, expressed as a percentage of Rent-A-Center lease-to-own revenues, were approximately 1.1% and 1.0% for the three and six months ended June 30, 2026, respectively, compared to 1.0% and 0.9% for the three and six months ended June 30, 2025, respectively. Other merchandise losses include unrepairable and missing merchandise and loss/damage waiver claims.

Brigit segment

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollar amounts in thousands)	**2026**	**2025**	**$**	**%**	**2026**	**2025**	**$**	**%**
Revenues	$ 71,144	$ 51,890	$ 19,254	37.1%	$ 138,814	$ 83,751	$ 55,063	65.7%
Gross profit	64,057	45,904	18,153	39.5%	123,979	73,759	50,220	68.1%
Operating profit	7,512	10,472	(2,960)	-28.3%	26,074	19,301	6,773	35.1%
Brigit paying users[(1)]					1,719,061	1,320,272		

[(1)] See Key Metrics described above for additional information.

Revenues. The increase in revenues for the three and six months ended June 30, 2026 as compared to the three and six months ended June 30, 2025, was partially due to the six months ended June 30, 2025 including only five months of revenues after the Closing Date, in addition to an increase in Brigit subscription customers. The Brigit segment revenues included increases of $37.5 million, $9.0 million and $7.6 million in subscription revenue, transfer fee revenue and marketplace revenue, respectively.

Gross Profit. Gross profit as a percentage of segment revenues was 90.2% and 89.3% for the three and six months ended June 30, 2026, respectively, as compared to 88.5% and 88.1% for the three and six months ended June 30, 2025, respectively. The increase was primarily due to mix-shift changes between subscriptions and fees product categories.

Operating Profit. Operating profit as a percentage of segment revenues was 10.6% and 18.8% for the three and six months ended June 30, 2026, respectively, compared to 20.2% and 23.0% for the three and six months ended June 30, 2025, respectively, primarily driven by increases in net advance losses and advertising expenses. Net advance losses expressed as a percentage of total cash advances originated were approximately 3.6% for both the three and six months ended June 30, 2026. Net advance losses expressed as a percentage of total cash advances originated were approximately 2.6% for both the three and six months ended June 30, 2025.

Please refer to Note 2 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for information about the acquisition of Brigit that was completed on January 31, 2025.

Mexico segment

(dollar amounts in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change $	Change %	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change $	Change %
Revenues	$ 22,375	$ 19,561	$ 2,814	14.4%	$ 44,139	$ 37,751	$ 6,388	16.9%
Gross profit	15,687	13,974	1,713	12.3%	30,928	26,971	3,957	14.7%
Operating profit (loss)	(272)	1,936	(2,208)	nm	(365)	3,159	(3,524)	nm
Change in same store revenue[(1)]				(0.7)%				0.4%
Stores in same store revenue calculation				124				124

nm - percent change is not meaningful for comparison
(1) See Key Metrics described above for additional information.

Revenues. Revenues were positively impacted by exchange rate fluctuations of approximately $2.5 million and $5.4 million for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. On a constant currency basis, revenues for the three and six months ended June 30, 2026 increased approximately $0.3 million and $1.0 million, respectively, compared to the three and six months ended June 30, 2025.

Gross Profit. Gross profit was positively impacted by exchange rate fluctuations of approximately $1.7 million and $3.8 million for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. On a constant currency basis, gross profit for the three months ended June 30, 2026 as compared to the three months ended June 30, 2025 was relatively flat. On a constant currency basis, gross profit for the six months ended June 30, 2026, increased by approximately $0.2 million, as compared to the six months ended June 30, 2025. Gross profit as a percentage of segment revenues was 70.1% for both the three and six months ended June 30, 2026, compared to 71.4% for both the three and six months ended June 30, 2025.

Operating Profit (Loss). Operating profit (loss) was negatively impacted by exchange rate fluctuations of approximately $0.1 million for both the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025. On a constant currency basis, operating profit (loss) for the three and six months ended June 30, 2026 decreased by approximately $2.1 million and $3.4 million, respectively, as compared to the three and six months ended June 30, 2025. Operating profit (loss) as a percentage of segment revenues decreased to (1.3)% and (0.9)% for the three and six months ended June 30, 2026, respectively, compared to 9.9% and 8.4% for the three and six months ended June 30, 2025.

Liquidity and Capital Resources

Overview. For the six months ended June 30, 2026, net cash provided by operating activities was $294.0 million, and we received $205.0 million in cash proceeds from indebtedness. During the same period, we used $353.4 million for debt repayments, $46.0 million for dividends, $42.6 million for customer cash advance originations net of collections, and $31.5 million for capital expenditures. We ended the second quarter of 2026 with $105.3 million of cash and cash equivalents and outstanding indebtedness of $1.4 billion.

Analysis of Cash Flow. Cash provided by operating activities increased by $119.9 million to $294.0 million for the six months ended June 30, 2026, from $174.1 million for the six months ended June 30, 2025, primarily due to an increase of approximately $85.0 million in cash provided by net earnings (net earnings less adjustments to reconcile net earnings to net cash provided by operating activities) and lower inventory purchases of approximately $67.2 million, net of a decrease of approximately $18.6 million of customer lease buyouts through early purchase options, lease charge-offs, and other merchandise losses, driven by lower inventory purchases in the Acima segment resulting from an 8.5% decrease in GMV for the six months ended June 30, 2026. These impacts were partially offset by payment of legal settlements of $15.9 million and a year-over-year increase of approximately $13.8 million in payments of outstanding inventory and trade payables primarily due to higher payments of outstanding inventory payables made for the six months ended June 30, 2026.

Cash used in investing activities decreased by $260.2 million to $73.3 million for the six months ended June 30, 2026, compared to $333.5 million for the six months ended June 30, 2025, primarily due to payment of cash consideration for the acquisition of Brigit of $275.9 million for the six months ended June 30, 2025, partially offset by an increase of $14.0 million in net originations and collections of customer cash advances and an increase of $2.6 million in capital expenditures for the six months ended June 30, 2026.

Cash used in financing activities was $(236.3) million for the six months ended June 30, 2026, compared to cash provided of $204.6 million for the six months ended June 30, 2025. The change in cash used in financing activities compared to the prior year period resulted from lower borrowings under the ABL Credit Facility of $344.0 million during the six months ended June 30, 2026, in addition to higher repayments of outstanding borrowings under the ABL Credit Facility of $59.0 million and payment of the first installment of the Deferred Consideration of $37.5 million related to the Brigit acquisition as mentioned in Note 2. Cash provided from debt proceeds for the six months ended June 30, 2025 were primarily utilized for the Brigit acquisition.

Liquidity Requirements. Our primary liquidity requirements are for rental merchandise purchases in our Acima and Rent-A-Center segments, which are impacted by consumer demand for our lease-to-own solutions, and customer advances in our Brigit segment. Other capital requirements include expenditures for technology and property assets, and debt service. Our primary source of liquidity has been cash provided by operations.

We generally utilize our ABL Credit Facility for the issuance of letters of credit to manage normal fluctuations in operational cash flow caused by the timing of cash payments relative to cash receipts, and to potentially fund strategic initiatives including acquisitions. In that regard, we may from time to time draw funds under the ABL Credit Facility for general corporate purposes. Amounts are drawn as needed due to the timing of cash flows and are generally paid down as cash is generated by our operating activities. We believe cash flow generated from operations and availability under our ABL Credit Facility will be sufficient to fund our operations during the next twelve months. At July 23, 2026, we had approximately $74.2 million in cash on hand and $336.6 million available under our ABL Credit Facility.

Merchandise Losses. Merchandise losses consist of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Lease charge-offs	$ 79,879	$ 81,956	$ 166,780	$ 163,862
Other merchandise losses[(1)]	8,191	7,007	15,500	12,566
Total merchandise losses	$ 88,070	$ 88,963	$ 182,280	$ 176,428

(1) Other merchandise losses include unrepairable and missing merchandise, and loss/damage waiver claims.

Capital Expenditures. We make capital expenditures in order to maintain our existing operations, acquire new capital assets in new and acquired stores and invest in information technology. We spent $31.5 million and $28.8 million on capital expenditures during the six months ended June 30, 2026 and 2025, respectively.

Acquisitions and New Location Openings. The table below summarizes the store location activity for the six-month period ended June 30, 2026 for our Rent-A-Center and Mexico operating segments.

	Rent-A-Center	Mexico	Total
Locations at beginning of period	2,075	136	2,211
New location openings	—	8	8
Closed locations			
Merged with existing locations	(70)	—	(70)
Sold or closed with no surviving location[(1)]	(42)	(1)	(43)
Locations at end of period[(2)]	1,963	143	2,106

(1) Includes closure of 41 Rent-A-Center franchisee store locations.
(2) Rent-A-Center includes 1,651 company-owned and 312 franchisee store locations

Senior Debt. On February 17, 2021, we entered into a credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and lenders party thereto, that provides for a five-year asset-based revolving credit facility with commitments of $550 million and a letter of credit sublimit of $150 million, which commitments may be increased, at our option and under certain conditions, by up to an additional $125 million in the aggregate (as most recently amended on August 29, 2025, the “ABL Credit Facility”). Under the ABL Credit Facility, we may borrow only up to the lesser of the level of the then-current borrowing base and the aggregate amount of commitments under the ABL Credit Facility. The borrowing base is tied to the amount of eligible installment sales accounts, inventory and eligible lease contracts, reduced by certain reserves. The ABL Credit Facility bears interest at a fluctuating rate determined by reference to an adjusted Term SOFR rate plus an applicable margin of 1.50% to 2.00%, which, as of July 23, 2026, was 5.74%. A commitment fee equal to 0.250% to 0.375% of the unused portion of the ABL Credit Facility fluctuates dependent upon average utilization for the prior month as defined by a pricing grid included in the documentation governing the ABL Credit Facility. Loans under the ABL Credit Facility may be borrowed, repaid and re-borrowed until June 7, 2029 (subject to certain springing maturity provisions), at which time all amounts borrowed must be repaid.

The obligations under the ABL Credit Facility are guaranteed by us and certain of our material wholly owned domestic restricted subsidiaries, subject to certain exceptions. The obligations under the ABL Credit Facility and such guarantees are secured on a first-priority basis by all of our and our subsidiary guarantors' accounts, inventory, deposit accounts, securities accounts, cash and cash equivalents, rental agreements, general intangibles (other than equity interests in our subsidiaries), chattel paper, instruments, documents, letter of credit rights, commercial tort claims related to the foregoing and other related assets and all proceeds thereof related to the foregoing, subject to permitted liens and certain exceptions (such assets, collectively, the "ABL Priority Collateral") and a second-priority basis in substantially all other present and future tangible and intangible personal property of ours and the subsidiary guarantors, subject to certain exceptions.

On February 17, 2021, we also entered into a term loan credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and lenders party thereto, that provides for a seven-year $875 million senior secured term loan facility (as most recently amended on August 19, 2025, the "Term Loan Facility"). Subject in each case to certain restrictions and conditions, we may add up to $625 million (plus additional amounts subject to the satisfaction of certain financial ratios) of incremental term loan facilities to the Term Loan Facility or utilize incremental capacity under the Term Loan Facility at any time by issuing or incurring incremental equivalent term debt. Interest on borrowings under the Term Loan Facility is payable at a fluctuating rate of interest determined by reference to the Term SOFR rate plus an applicable margin of 2.75%, subject to a 0.50% Term SOFR floor, which, as of July 23, 2026 was 6.43%.

Borrowings under the Term Loan Facility amortize in equal quarterly installments in an amount equal to 1.000% per annum of the original aggregate principal amount thereof, with the remaining balance due at final maturity on August 19, 2032 (subject to certain springing maturity provisions). The Term Loan Facility is secured by a first-priority security interest in substantially all of present and future tangible and intangible personal property of us and our subsidiary guarantors, other than the ABL Priority Collateral, and by a second-priority security interest in the ABL Priority Collateral, subject to certain exceptions. The obligations under the Term Loan Facility are guaranteed by us and our material wholly owned domestic restricted subsidiaries that also guarantee the ABL Credit Facility.

At July 23, 2026, we had outstanding borrowings of $868.4 million under the Term Loan Facility and available commitments of $336.6 million under our ABL Credit Facility, net of letters of credit.

See Note 5 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information regarding our senior debt.

Senior Notes. On February 17, 2021, we issued $450 million in senior unsecured notes due February 15, 2029, at par value, bearing interest at 6.375% (the "Notes"). Interest on the Notes is payable in arrears on February 15 and August 15 of each year, beginning on August 15, 2021. We may redeem some or all of the Notes at any time for cash at the redemption prices set forth in the indenture governing the Notes, plus accrued and unpaid interest to, but not including, the redemption date. If we experience specific kinds of change in control, we will be required to offer to purchase the Notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest. See Note 6 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information regarding our senior notes.

Operating Leases. We lease space for all of our Rent-A-Center and Mexico stores under operating leases expiring at various times through 2036. In addition, we lease space for certain support facilities under operating leases expiring at various times through 2032. Most of our store leases are five-year leases and contain renewal options for additional periods ranging from three to five years at rental rates adjusted according to agreed-upon formulas. As of June 30, 2026, our total remaining obligation for existing store lease contracts was approximately $357.3 million.

We lease vehicles for all of our Rent-A-Center stores under operating leases with lease terms expiring twelve months after the start date of the lease. We classify these leases as short-term and have elected the short-term lease exemption for our vehicle leases, and have therefore excluded them from our operating lease right-of-use assets within our Condensed Consolidated Balance Sheets. As of June 30, 2026, our total remaining minimum obligation for existing Rent-A-Center vehicle lease contracts was approximately $0.6 million.

We also lease vehicles for all of our Mexico stores which have terms expiring at various times through 2030 with rental rates adjusted periodically for inflation. As of June 30, 2026, our total remaining obligation for existing Mexico vehicle lease contracts was approximately $3.2 million.

Uncertain Tax Position. As of June 30, 2026, we have recorded $1.0 million in uncertain tax positions. Although these positions represent a potential future cash liability to us, the amounts and timing of such payments are uncertain.

Seasonality. Our revenue mix in our lease-to-own businesses is moderately seasonal, with the first quarter of each fiscal year generally providing higher sales than any other quarter during a fiscal year. Generally, our customers will more frequently exercise the early purchase option on their existing lease purchase agreements in our Acima and Rent-A-Center segments or purchase pre-leased merchandise off the showroom floor in our Rent-A-Center segment during the first quarter of each fiscal year, primarily due to the receipt of federal income tax refunds. In contrast, our cash expenditures for our merchandise purchases for the fiscal year are generally the highest beginning in the latter part of the third quarter through the fourth quarter, primarily as a result of holiday promotions that lead to increased demand for our lease-to-own offerings.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires new tabular disclosures disaggregating prescribed expense categories within relevant income statement captions. In January 2025, the FASB issued ASU 2025-01, which clarifies the effective date for ASU No. 2024-03. The adoption of ASU 2024-03 will be required for us for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. We are currently in the preliminary stages of assessing this ASU and the impact it will have on our financial statements following adoption but expect it will result in increased disclosure.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)*, which amends the existing standard that refers to various stages of a software development. Under the new standard, entities will start capitalizing eligible costs when management has authorized and committed to funding the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. The adoption of ASU 2025-06 will be required for us for annual reporting periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. We are in the preliminary stages of assessing this ASU and the impact it will have on our financial statements following adoption.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies interim disclosure requirements and the applicability of Topic 270. The new standard specifies the types of interim reporting and the form and content of interim financial statements, adds a comprehensive list of required interim disclosures and includes a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The adoption of ASU 2025-11 will be required for us for annual reporting periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. We are in the preliminary stages of assessing this ASU and the impact, if any, it will have on our disclosures within our interim financial statements filed on our Quarterly Reports on Form 10-Q.

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that we adopt as of the specified effective date. As of June 30, 2026, unless otherwise discussed, we believe the impact of any other recently issued standards that are not yet effective are either not applicable to us at this time, or will not have a material impact on our consolidated financial statements upon adoption.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Interest Rate Risk

Our primary market risk exposure is fluctuations in interest rates. Monitoring and managing this risk is a continual process carried out by our senior management. We manage our market risk based on an ongoing assessment of trends in interest rates and economic developments, giving consideration to possible effects on both total return and reported earnings. As a result of such assessment, we may enter into swap contracts or other interest rate protection agreements from time to time to mitigate this risk.

As of June 30, 2026, we had $450 million in Notes outstanding at a fixed interest rate of 6.375%. We also had $868.4 million outstanding under the Term Loan Facility and $120.0 million outstanding under our ABL Credit Facility, each at interest rates indexed to the Term SOFR rate or the prime rate. Carrying value of the Term Loan Facility and ABL Credit Facility approximates fair value for such indebtedness. Based on our overall interest rate exposure at June 30, 2026, a hypothetical 1.0% increase or decrease in market interest rates would have the effect of causing an additional $9.9 million annualized pre-tax charge or credit to our Condensed Consolidated Statements of Operations. We have not entered into any interest rate swap agreements as of June 30, 2026.

Foreign Currency Translation

We are also exposed to market risk from foreign exchange rate fluctuations of the Mexican peso to the U.S. dollar as the financial position and operating results of our stores in Mexico are translated into U.S. dollars for consolidation. Resulting translation adjustments are recorded as a separate component of stockholders' equity.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures. In accordance with Rule 13a-15(b) under the Securities Exchange Act of 1934, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a–15(e) and 15d–15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that, as of June 30, 2026, our disclosure controls and procedures (as defined in Rules 13a–15(e) and 15d–15(e) under the Securities Exchange Act of 1934) were effective.

Changes in Internal Controls over Financial Reporting. For the quarter ended June 30, 2026, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that, in the aggregate, have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – Other Information

Item 1. Legal Proceedings

Please see Note 11 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional discussion of certain of our legal proceedings and governmental inquiries.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Item 1A of Part 1, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Certain of our officers have made, or may make, elections to participate in, or are participating in, the Company's stock investment option and dividend reinvestment available through the Company's 401(k) plan. In addition, certain of our officers and directors may from time to time make elections to have shares withheld to cover withholding taxes owed in connection with long-term incentive plan awards or to pay the exercise price of options or make standing elections to reinvest dividends received on our shares or long-term incentive plan awards held by them, which may be intended to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act, or may constitute "non-Rule 10b5–1 trading arrangements" as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits.

Exhibit No.	Description
Articles of Incorporation and Bylaws	
3.1	Restated Certificate of Incorporation of the registrant, dated as of December 5, 2024 (incorporated herein by reference to Exhibit 3.1 to the registrant's Registration Statement on Form S-3 dated as of February 20, 2025.)
3.2	Amended and Restated Bylaws of the registrant (incorporated herein by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K dated as of June 4, 2024.)
3.3	Certificate of Correction to the Certificate of Elimination of the Series A Preferred Stock of the registrant, dated June 4, 2024 (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K dated as of June 5, 2024.)
Instruments Defining the Rights of Security Holders, Including Indentures	
4.1	Description of the registrant's Common Stock (incorporated herein by reference to Exhibit 4.1 to the registrant's Registration Statement on Form S-3 dated as of February 20, 2025.)
4.2	Form of Certificate evidencing Common Stock (incorporated herein by reference to Exhibit 4.6 to the registrant's Registration Statement on Form S-8 dated as of June 7, 2023.)
4.3	Indenture, dated as of February 17, 2021, by and between Radiant Funding SPV, LLC and Truist Bank (incorporated herein by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K dated as of February 17, 2021.)

Material Contracts

	2026 Long-Term Incentive Plan
10.1	Upbound Group, Inc. 2026 Long-term Incentive Plan (incorporated herein by reference to Exhibit 4.4 to the registrant's Registration Statement on Form S-8 dated as of June 3, 2026.)
10.2	First Amendment to the Upbound Group, Inc. 2026 Long-Term Incentive Plan (incorporated herein by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K dated as of June 3, 2026)
10.3	Form of Upbound Group, Inc. 2026 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (RSU) (incorporated herein by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K dated as of June 3, 2026)
10.4	Form of Upbound Group, Inc. 2026 Long-Term Incentive Plan Performance Stock Unit Award Agreement (PSU) (incorporated herein by reference to Exhibit 10.4 to the registrant's Current Report on Form 8-K dated as of June 3, 2026)
10.5	Form of Upbound Group, Inc. 2026 Long-Term Incentive Plan Director Deferred Stock Unit Award Agreement (DSU) (incorporated herein by reference to Exhibit 10.5 to the registrant's Current Report on Form 8-K dated as of June 3, 2026)
10.6*	Form of Upbound Group, Inc. 2026 Long-Term Incentive Plan Performance Stock Unit Award Agreement (PSU) (effective August 2026)

Other Exhibits and Certifications

31.1*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002 by Fahmi Karam
31.2*	Certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002 by Hal Khouri
32.1*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Fahmi Karam
32.2*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Hal Khouri
101.INS*	XBRL Instance Document - The instance document does not appear in the interactive data files because its XBRL tags are embedded within the inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover page Interactive Data File (embedded within the inline XBRL document contained in Exhibit 101)
*	Filed herewith.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UPBOUND GROUP, INC.

By: /S/ HAL KHOURI

Hal Khouri

EVP, Chief Financial Officer

Date: July 30, 2026

UPBOUND GROUP, INC.
FORM OF PERFORMANCE STOCK UNIT AWARD AGREEMENT (PSU)

THIS AWARD AGREEMENT, made as of the [Grant Date:Month Date, Year], between Upbound Group, Inc. (the "Company") and [Participant Name:First Name Last Name] (the "Employee"), pursuant to the Upbound Group, Inc. 2026 Long-Term Incentive Plan (the "Plan"). Capitalized terms that are used but not defined in this Award Agreement have the meaning as set forth in the Plan.

1. Company Stock Award. Subject to the vesting and other terms and conditions set forth in this Award Agreement, the Company hereby grants to the Employee the right to receive [Granted:Shares Granted] performance stock units ("PSUs"). Each PSU, if earned, entitles the Employee to receive one (1) share of Common Stock (each, a "Share"), subject to the terms and conditions of this Award Agreement and the Plan.

2. Provisions of the Plan Control. The provisions of the Plan, the terms of which are incorporated in this Award Agreement, shall govern if and to the extent that there are inconsistencies between those provisions and the provisions of this Award Agreement. The Employee acknowledges receipt of a copy of the Plan prior to the execution of this Award Agreement.

3. Vesting of Right to Receive Shares.

(a) General. Subject to the further provisions of this Award Agreement, the Employee's right to receive the Shares covered by this Award Agreement shall become vested (if at all) on the applicable vesting date[] described in Exhibit A, annexed hereto and made a part hereof, subject to (1) the attainment of the performance conditions specified by the Committee and as described in Exhibit A [on or before the end of the performance period described in Exhibit A] and (2) the Employee's continuous employment with the Company or a subsidiary of the Company through [the applicable vesting date described in Exhibit A].

(b) Accelerated Vesting.

[(i) Death or Disability. If, before the applicable vesting date described in Section 3(a) above, the Employee's employment or other service with the Company and its subsidiaries is terminated due to the Employee's death or "Disability" (as defined below), then the Employee's right to receive the Shares covered by this Award Agreement (to the extent not previously vested) will become fully vested as of the date of termination.]

[(ii) Termination [Without Cause][or][For Good Reason]. If the Employee's employment or other service with the Company is terminated by the Company [without Cause,][or][by the Employee for Good Reason,] the Employee's right to receive the Shares covered by this Award Agreement [associated with a performance condition described in Exhibit A which has been attained as of the date of termination](to the extent not previously vested) will become vested [as of the date of termination]and the

Employee's right to receive Shares covered by this Award Agreement that do not become so vested will thereupon terminate and be canceled.

[(iii) Retirement. If the Employee's employment or other service with the Company is terminated by the Employee on or after the date that the Employee achieves Retirement Eligibility and the Employee provides at least [ninety (90)] days' written notice of such termination to[the Company's Chief Human Resources Officer], then the Employee's right to receive the Shares covered by this Award Agreement[associated with a performance condition described in Exhibit A which has been attained as of the date of termination] (to the extent not previously vested) will become vested [as of the date of termination]and the Employee's right to receive Shares covered by this Award Agreement that do not become so vested will thereupon [terminate and be canceled].]

(iv) Change in Control. In the event of a Change in Control, the PSUs granted hereunder will [be treated in accordance with Section 13(b) of the Plan].

[(v) Condition to Accelerated Vesting. As a condition to the vesting of the Employee's right to receive the Shares covered by this Award Agreement as set forth in Section 3(b)[(i)]–[(iii)] of this Award Agreement, the Company may require the Employee (or the Employee's beneficiary, legal representative or estate, as the case may be, in the event of the Employee's death) to execute and not revoke a separation and general release agreement in the form determined in the sole discretion of the Company, which may include restrictive covenants and must become effective within sixty (60) days after the termination date.]

(c) Definitions.

(i) For purposes of this Award Agreement and Section 13(b)(i) of the Plan, "Cause" means [(A) if the Employee is a party to a transition or employment agreement with the Company, which agreement includes a definition of "Cause," "Cause" as defined in that agreement or (B) if the Employee is not a party to such a transition or employment agreement, "Cause" means the occurrence of any of the following: (1) the Employee's conviction of, or plea of guilty or no contest to, any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof or under the laws of any other jurisdiction, (2) the Employee's participation in, a fraud or theft against the Company or any customer, related party or client of the Company, (3) the Employee's engagement in gross misconduct that causes financial or reputation harm to the Company, or (4) the Employee's material breach of the Company's written policies].

[(ii) The term "Disability" means [the inability of the Employee to substantially perform the customary duties and responsibilities of the Employee's employment or other service with the Company or an affiliate for a period of at least 120 consecutive days or 120 days in any 12-month period by reason of a physical or mental incapacity that is expected to result in death or last indefinitely, as determined by a duly licensed physician appointed by the Company].]

(iii) [[For purposes of this Award Agreement and]Section 13(b)(i) of the Plan, "Good Reason" means the occurrence of any of the following without the [written]consent of the Employee: [(1) the relocation by more than [fifty (50)] miles of the Employee's primary work location to a new primary work location (except for any remote work arrangement)][or][(2) a diminution of the Employee's [base salary] by more than [10%][, other than as part of an across-the-board salary reduction that includes senior management of the Company]][; provided that, solely for purposes of[Section 3(b)(iv) of this Award Agreement] and Section 13(b)(i) of the Plan, if the Employee is a party to a transition or employment agreement with the Company, which agreement includes a definition of "Good Reason," "Good Reason" as defined in that agreement]. No condition will constitute Good Reason unless the Employee provides the Company with [written]notice of the existence of the Good Reason condition within [ninety (90)] days of the condition first occurring and provides the Company with [thirty (30)] business days following notice thereof to correct the condition.]

[(iv) The term "Retirement Eligibility" means the Employee is at least [sixty (60)] years old with at least [five (5)] years of continuous service with the Company.]

4. Termination of Employment or Service. Upon the termination of the Employee's employment or other service with the Company and its subsidiaries for any reason other than as described in Section 3(b), the Employee's right to receive Shares covered by this Award Agreement, to the extent not previously vested or terminated, will thereupon terminate and be canceled. If Cause exists at the time the Employee's employment or other service with the Company is terminated, the provisions of Section 3(b) of this Award Agreement will not apply and the Employee's right to receive Shares covered by this Award Agreement, to the extent not previously vested, will thereupon terminate and be canceled.

[5. Restoration. [The Employee has been provided and is privy to intellectual property, trade secrets and other confidential information of the Company. As applicable, as provided in the Loyalty and Confidentiality Agreement, the Business Confidentiality Agreement, any employment agreement and/or the Confidential Information and Invention Assignment Agreement or any other applicable agreement, in each case between the Employee and the Company (including any predecessor thereto) (such agreements collectively referred to herein as the "Loyalty Agreement"), for the period of time specified therein following the Employee's termination of employment or other service, the Employee has agreed to comply with the terms of the Loyalty Agreement, including restrictive covenants. In exchange for the benefits conveyed to Employee by this Award Agreement, Employee agrees not to challenge the reasonableness and enforceability of the restrictions as written in the Loyalty Agreement. The parties hereto understand and agree that the promises in this Award Agreement and those in the Loyalty Agreement, including restrictive covenants, and not any employment of or services performed by the Employee in the course and scope of that employment or other service, are the sole consideration for the Shares covered by this Award Agreement. Further, it is agreed that should the Employee violate or be in breach of any restrictions in the Loyalty Agreement (which determination shall be made in the discretion of the Committee), (a) the Employee shall immediately return to the Company any Shares, whether or not vested, which were received hereunder, (b) the Employee shall immediately send to the Company at the address below in the form of a check, (i) the proceeds from any Shares received hereunder that were sold to a third party or (ii) the Fair Market Value of any Shares received hereunder which were transferred for no consideration to a third party (e.g., a gift or transfer to a trust), provided that the determination of the Fair Market Value of such Shares shall be made by the Committee as of the date of such violation or breach, and (c) all of the Employee's rights to the Shares shall be revoked and the Employee will have no further rights with respect to the Shares. In addition, based on the understanding that Employee's commitment to abide by and not challenge the enforceability of the restrictions set forth in the Loyalty Agreement and the Shares covered by this Award Agreement are mutually dependent elements of consideration, in the event that any such restriction is challenged in a legal proceeding and found unenforceable in any part deemed material by the Company, the Company shall have the right to demand and receive from Employee all or some part of the sums and items referred to in parts (a), (b), and (c) above as a return or restoration of failed consideration.]]

6. Restrictions on Transfer. The Employee's right to receive Shares under this Award Agreement may not be sold, assigned, transferred, alienated, commuted, anticipated, or otherwise disposed of (except by will or the laws of descent and distribution), or pledged or hypothecated as collateral for a loan or as security for the performance of any obligation, or be otherwise encumbered, and may not become subject to attachment, garnishment, execution or other legal or equitable process, and any attempt to do so shall be null and void. If the Employee attempts to dispose of or encumber the Employee's right to receive Shares under this Award Agreement before such right becomes vested, then such right shall terminate and be canceled as of the date of such attempted transfer.

7. Delivery of Shares.

(a) General. If and as soon as practicable after the Employee's right to receive Shares becomes vested in accordance with Section 3 of this Award Agreement above, the Company will cause such Shares to be issued and delivered to the Employee (or the Employee's representative or beneficiary, as the case may be) as soon as practicable following vesting, but in no event later than March 15th of the year following the year in which the Employee's right to receive the Shares vests. For the avoidance of doubt, if the Employee's right to receive the Shares becomes vested as a result of a Change in Control, the Employee will be entitled to participate in the Change in Control transaction with respect to such Shares (less any Shares withheld to satisfy applicable tax withholding) on the same basis and in the same manner as other stockholders of the Company. Notwithstanding the foregoing, the issuance and delivery of Shares that become vested pursuant to this Award Agreement shall be deferred by the Committee if and to the extent necessary to avoid the imposition of additional tax under Section 409A of the Code.

(b) Tax Withholding. The Company may require as a condition of the delivery of stock certificates pursuant to Section 7(a) of this Award Agreement above that the Employee remit to the Company or a subsidiary an amount sufficient in the opinion of the Company to satisfy any federal, state and other governmental tax withholding requirements attributable to the vesting or delivery of the shares represented by such certificate. In addition, or in the alternative, the Company may satisfy such tax withholding obligation in whole or in part by withholding Shares that would otherwise be delivered to the Employee (or the Employee's representative or beneficiary) based upon the Fair Market Value of the Shares on the applicable settlement date.

8. Deliveries in Lieu of Shares. In accordance with Section 2(b)(ix) of the Plan, in the sole discretion of the Committee, in lieu of all or any portion of the Shares, the Company may deliver cash, other securities, other awards under the Plan or other property, and all references in this Award Agreement to deliveries of Shares will include such deliveries of cash, other securities, other awards under the Plan or other property.

9. Section 409A. This Award is intended to comply with Section 409A of the Code or an exemption thereunder and will be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Award comply with Section 409A of the Code and in no event will the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A of the Code. For purposes of Section 409A of the Code, each payment made under this Award Agreement will be treated as a separate payment. [For the avoidance of doubt, for purposes of Section 3(b), the Employee will not be considered to have terminated employment with the Company unless such termination would be considered a "separation from service" within the meaning of Section 409A of the Code.] Notwithstanding anything to the contrary in this Award Agreement, to the extent required to avoid accelerated taxation and tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six-month period immediately following the Employee's "separation from service" as defined in Section 409A of the Code shall instead be paid on the first payroll date after the six-month anniversary of the Employee's separation from service (or the Employee's death, if earlier). In no event may the Employee, directly or indirectly, designate the calendar year of payment and, to the extent required to avoid accelerated taxation and tax penalties under Section 409A of the Code, if the period for the Employee's consideration of a separation and general release agreement crosses two calendar years, such Shares will be issued and delivered in the second of such calendar years regardless of when the separation and general release agreement becomes effective.

10. Capital Changes. This Award will be subject to Section 13(a) of the Plan in the event of a stock dividend, stock split, spin off or other recapitalization with respect to the outstanding shares of the Company's common stock described in such Section 13(a). Without limiting Section 13(a) of the Plan, the performance conditions described in Exhibit A will be adjusted in good faith by the Committee, equitably and proportionately in a manner designed to preserve the economic opportunity provided under the Award, in the event of a stock dividend, stock split, spin off or other recapitalization with respect to the outstanding shares of the Company's common stock described in such Section 13(a).

11. No Service Rights. Nothing contained in the Plan or this Award Agreement shall confer upon the Employee any right with respect to the continuation of the Employee's employment or other service with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company at any time to terminate such relationship.

12. Miscellaneous. This Award Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Award Agreement shall be binding upon and shall inure to the benefit

of the parties hereto and their respective successors and permitted assigns. This Award Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be modified other than by written instrument executed by the parties.

IN WITNESS WHEREOF, this Award Agreement has been executed as of the date first above written.

UPBOUND GROUP, INC.

By:_________

____
Employee Name

____
Employee Signature

EXHIBIT A

Exhibit 31.1

I, Fahmi Karam, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upbound Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2026

/s/ Fahmi Karam

Fahmi Karam
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

I, Hal Khouri, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upbound Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2026

/s/ Hal Khouri

Hal Khouri
EVP, Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Upbound Group, Inc. (the "***Company***") for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, Fahmi Karam, Chief Executive Officer and Director of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Fahmi Karam
Fahmi Karam
Chief Executive Officer and Director

Dated: July 30, 2026

A signed original of this written statement required by Section 906 has been provided to Upbound Group, Inc. and will be retained by Upbound Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Upbound Group, Inc. (the "***Company***") for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, Hal Khouri, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Hal Khouri
Hal Khouri
EVP, Chief Financial Officer

Dated: July 30, 2026

A signed original of this written statement required by Section 906 has been provided to Upbound Group, Inc. and will be retained by Upbound Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.