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, 2025

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 Global Select Market**

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 24, 2025:

Class	Outstanding
Common stock, $.01 par value	57,895,609

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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, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenues				
Rentals and fees	$ 904,583	$ 885,977	$ 1,803,795	$ 1,758,516
Merchandise sales	192,217	182,546	428,462	397,796
Subscriptions and fees	51,890	—	83,751	—
Other	8,846	7,987	17,891	16,165
Total revenues	1,157,536	1,076,510	2,333,899	2,172,477
Cost of revenues				
Cost of rentals and fees	358,058	338,554	710,604	665,702
Cost of merchandise sold	221,667	205,997	491,349	445,748
Cost of subscriptions and fees	5,986	—	9,992	—
Total cost of revenues	585,711	544,551	1,211,945	1,111,450
Gross profit	571,825	531,959	1,121,954	1,061,027
Operating expenses				
Operating labor	149,092	156,181	298,259	314,317
Non-labor operating expenses	230,144	203,945	449,155	417,747
General and administrative expenses	63,410	53,638	127,197	108,737
Depreciation and amortization	12,983	12,618	25,235	26,091
Other gains and charges	65,462	24,922	108,759	51,718
Total operating expenses	521,091	451,304	1,008,605	918,610
Operating profit	50,734	80,655	113,349	142,417
Debt refinancing charges	—	6,604	—	6,604
Interest expense	28,523	28,371	56,321	58,362
Interest income	(638)	(753)	(1,332)	(1,556)
Earnings before income taxes	22,849	46,433	58,360	79,007
Income tax expense	7,364	12,484	18,082	17,371
Net earnings	$ 15,485	$ 33,949	$ 40,278	$ 61,636
Basic earnings per common share	$ 0.27	$ 0.62	$ 0.72	$ 1.13
Diluted earnings per common share	$ 0.26	$ 0.61	$ 0.69	$ 1.10

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	**2024**	**2025**	**2024**
Net earnings	$ 15,485	$ 33,949	$ 40,278	$ 61,636
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax of $647 and $(1,020) and $627 and $(841) for the three and six months ended June 30, 2025 and 2024, respectively	2,434	(3,839)	2,357	(3,163)
Total other comprehensive income (loss)	2,434	(3,839)	2,357	(3,163)
Comprehensive income	$ 17,919	$ 30,110	$ 42,635	$ 58,473

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share and par value data)	June 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 106,841	$ 60,860
Receivables, net of allowance for doubtful accounts of $29,606 and $13,290 in 2025 and 2024, respectively	189,894	156,438
Prepaid expenses and other assets	81,917	54,205
Rental merchandise, net		
On rent	1,095,616	1,134,860
Held for rent	105,641	113,922
Merchandise held for installment sale	4,599	5,522
Property assets, net of accumulated depreciation of $583,326 and $548,708 in 2025 and 2024, respectively	311,378	254,151
Operating lease right-of-use assets	275,138	265,537
Deferred tax asset	58,646	58,732
Goodwill	487,050	290,189
Other intangible assets, net	378,720	255,246
Total assets	$ 3,095,440	$ 2,649,662
LIABILITIES		
Accounts payable – trade	$ 110,882	$ 115,479
Accrued liabilities	415,677	304,212
Operating lease liabilities	281,406	272,983
Deferred tax liability	35,422	18,388
Senior debt, net	1,123,641	867,726
Senior notes, net	442,864	441,890
Total liabilities	2,409,892	2,020,678
STOCKHOLDERS’ EQUITY		
Common stock, $0.01 par value; 250,000,000 shares authorized; 128,931,003 and 125,796,878 shares issued in June 30, 2025 and December 31, 2024, respectively	1,126	1,108
Additional paid-in capital	1,553,017	1,493,885
Retained earnings	1,031,226	1,036,169
Treasury stock at cost, 71,060,928 shares in June 30, 2025 and December 31, 2024	(1,890,966)	(1,890,966)
Accumulated other comprehensive loss	(8,855)	(11,212)
Total stockholders’ equity	685,548	628,984
Total liabilities and stockholders’ equity	$ 3,095,440	$ 2,649,662

See accompanying notes to condensed consolidated financial statements.

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, 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 was $0.39 and $0.78 per common share, respectively.

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, 2023	125,415	$ 1,100	$ 1,459,709	$ 994,892	$ (1,890,966)	$ (4,363)	$ 560,372
Net earnings	—	—	—	27,687	—	—	27,687
Other comprehensive income	—	—	—	—	—	676	676
Exercise of stock options	35	—	855	—	—	—	855
Vesting of restricted share units, net of shares withheld for employee taxes	234	6	(6)	—	—	—	—
Tax effect of stock awards vested and options exercised	—	—	(2,978)	—	—	—	(2,978)
Stock-based compensation	—	—	11,940	—	—	—	11,940
Dividends declared[1]	—	—	—	(20,257)	—	—	(20,257)
Balance at March 31, 2024	125,684	$ 1,106	$ 1,469,520	$ 1,002,322	$ (1,890,966)	$ (3,687)	$ 578,295
Net earnings	—	—	—	33,949	—	—	33,949
Other comprehensive loss	—	—	—	—	—	(3,839)	(3,839)
Exercise of stock options	9	—	194	—	—	—	194
Vesting of restricted share units, net of shares withheld for employee taxes	23	1	(1)	—	—	—	—
Tax effect of stock awards vested and options exercised	—	—	(76)	—	—	—	(76)
Stock-based compensation	—	—	8,048	—	—	—	8,048
Dividends declared[1]	—	—	—	(20,270)	—	—	(20,270)
Balance at June 30, 2024	125,716	$ 1,107	$ 1,477,685	$ 1,016,001	$ (1,890,966)	$ (7,526)	$ 596,301

[1] Cash dividends declared for the three and six months ended June 30, 2024 were $0.37 and $0.74 per common share, respectively

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
(in thousands)	2025	2024
Cash flows from operating activities		
Net earnings	$ 40,278	$ 61,636
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation of rental merchandise	680,838	639,709
Bad debt expense	36,697	9,459
Stock-based compensation expense	24,675	19,988
Depreciation of property assets	36,543	39,710
Gain on sale or disposal of property assets	332	537
Amortization of intangibles	28,853	24,072
Amortization of financing fees	2,264	3,017
Write-off of debt financing fees	—	4,817
Deferred income taxes	(27,882)	(15,248)
Changes in operating assets and liabilities, net of acquired assets		
Rental merchandise	(632,239)	(598,621)
Receivables	(25,682)	(13,605)
Prepaid expenses and other assets	(25,016)	(1,779)
Operating lease right-of-use assets and lease liabilities	(1,178)	4,761
Accounts payable – trade	(22,586)	(63,248)
Accrued liabilities	29,653	(54,744)
Net cash provided by operating activities	145,550	60,461
Cash flows from investing activities		
Purchase of property assets	(28,823)	(26,244)
Proceeds from sale of assets	32	140
Acquisitions of businesses, net of cash acquired	(276,151)	—
Net cash used in investing activities	(304,942)	(26,104)
Cash flows from financing activities		
Exercise of stock options	162	1,050
Shares withheld for payment of employee tax withholdings	(6,707)	(3,054)
Debt issuance costs	—	(5,186)
Proceeds from debt	549,000	165,000
Repayments of debt	(294,375)	(160,375)
Dividends paid	(43,483)	(41,750)
Net cash provided by (used in) financing activities	204,597	(44,315)
Effect of exchange rate changes on cash	776	(1,232)
Net increase (decrease) in cash and cash equivalents	45,981	(11,190)
Cash and cash equivalents at beginning of period	60,860	93,705
Cash and cash equivalents at end of period	$ 106,841	$ 82,515

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, 2024. 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.

Reclassifications

Certain reclassifications have been made to the reported amounts for prior periods to conform to the current period presentation. These reclassifications have no impact on net earnings or earnings per share in any period. See Note 3 and Note 10 for further information.

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 and any or all of its direct and indirect subsidiaries. We currently report four operating segments: Acima, Rent-A-Center, Brigit and Mexico.

On January 31 2025, we established a new operating segment following the acquisition of Bridge IT, Inc. ("Brigit"). Please reference Note 2 for additional discussion of the acquisition. In addition we combined our Franchising segment with our Rent-A-Center segment. Financial information disclosed within this report has been recast for the related prior year period to reflect this change. Brigit's results of operations are reflected in our Condensed Consolidated Statements of Operations from January 31, 2025.

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 of 3.0% to 6.0% 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 users improve their financial health, such as Finance Helper, Earn and Save, Instant Cash, Credit Builder, Identity Theft Protection and more. These products and tools help customers budget better, improve financial literacy, find ways to earn and save money, access their earned wages before their regularly scheduled payday, build their credit through savings and protect themselves from identity theft.

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 December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which is intended to improve the transparency of the annual income tax disclosures by requiring specific categories in the income tax rate reconciliation and disaggregation of income taxes paid by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. Adoption of ASU 2023-09 was required for us beginning January 1, 2025 for our fiscal year ended December 31, 2025. We will include required disclosures in our annual reporting period ending December 31, 2025 and interim reporting periods beginning after December 31, 2025 using a prospective approach.

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 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 shares over the exercise price of the original award. The maximum amount payable pursuant to the Replacement Awards, approximately $7.8 million, 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 (“Deferred Consideration”), $37.5 million of which will be payable 30 days following the first anniversary of the Closing Date and the remainder of which will be 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. These shares are being 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 will be paid out in future periods based on the terms of the Merger Agreement.
(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 intangible and property assets were estimated using common industry valuation methods for similar asset types, including the relief-from-royalty, excess earnings and replacement cost methods based primarily on the Company's cost inputs and projected cash flows.

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. Although we do not anticipate additional adjustments to the above values, we are still in the process of finalizing our assessments of the purchase price allocation and will record any additional necessary adjustments to acquired assets and liabilities within the allowable measurement period.

In connection with this acquisition, we have incurred approximately $9.8 million in acquisition-related expenses including expenses related to legal, professional, and banking transaction fees, of which $6.1 million was recognized 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 and $12.4 million for the fair value of the assets acquired, compensation expense of $(2.2) million and $14.6 million as a result of Closing Stock Consideration and Replacement Awards subject to vesting provisions, interest expense of $1.4 million and $8.6 million due to the elimination of historical debt, accreted interest of $0.3 million and $1.9 million related to the Deferred Consideration, and adjustments to income tax expense (benefit) of $1.2 million and $(13.6) million, for the six months ended June 30, 2025 and 2024, respectively. In addition, pro forma net income for the six months ended June 30, 2025 and 2024 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	**2024**	**2025**	**2024**
Pro Forma total revenues	$ 1,157,536	$ 1,113,464	$ 2,349,953	$ 2,243,675
Pro Forma net earnings[1]	5,327	28,153	37,066	25,734

[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 and $5.8 million and $35.9 million for the three and six months ended June 30, 2024, 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.

Other Acquisitions

During the six months ended June 30, 2025, we acquired one lease-to-own store location and customer accounts for an aggregate purchase price of approximately $0.2 million. The store location was closed upon acquisition and consolidated into existing store operations in our Rent-A-Center segment.

Note 3 - Revenues

The following tables disaggregate our revenue for the periods ended June 30, 2025 and 2024:

	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

	Three Months Ended June 30, 2024				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Consolidated
Rentals and fees	$ 435,804	$ 430,566	$ —	$ 19,607	$ 885,977
Merchandise sales	116,536	65,055	—	955	182,546
Subscriptions and fees	—	—	—	—	—
Other	454	7,227	—	306	7,987
Total revenues	$ 552,794	$ 502,848	$ —	$ 20,868	$ 1,076,510

	Six Months Ended June 30, 2024				
(in thousands)	Acima	Rent-A-Center	Brigit	Mexico	Consolidated
Rentals and fees	$ 859,411	$ 860,150	$ —	$ 38,955	$ 1,758,516
Merchandise sales	254,090	141,852	—	1,854	$ 397,796
Subscriptions and fees	—	—	—	—	$ —
Other	639	14,900	—	626	$ 16,165
Total revenues	$ 1,114,140	$ 1,016,902	$ —	$ 41,435	$ 2,172,477

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, 2025 and December 31, 2024, we had $61.0 million and $61.6 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. Revenue for product plans is recognized over the term of the plan. 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 (previously reported in franchise merchandise sales in prior periods).

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 (previously reported in installment sales revenue in prior periods). 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, 2025 and December 31, 2024, we had $0.5 million and $0.6 million, respectively, in deferred revenue included in accrued liabilities related to extended service plans.

Subscriptions and fees. Subscription payments in our Brigit segment are received on a monthly basis from customers who upgrade to a Plus or Premium subscription tier via the Brigit mobile application and/or web browser. Depending on the optional subscription tier, the customer gains access to some or all of the following services: Credit Monitoring, Credit Builder, Identity Theft Protection, and Instant Cash. 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 represent a single performance obligation that is satisfied over time. We recognize revenue ratably as the customer receives and consumes the benefits of the platform throughout the monthly contract period. 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 who request their cash advance be delivered faster. Such expedited transfer fee payments from customers are recognized as revenue over the expected term of the associated customer cash advance. We also serve offers from our marketplace partners' products and services in our Earn & Save section of our mobile application. We receive a payment 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 (previously reported in royalty income and fees in prior periods). 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, 2025 and December 31, 2024, we had $2.3 million and $2.7 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 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 each of the six months ended June 30, 2025 and 2024 were $4.9 million and $5.3 million, respectively, included in our merchandise sales revenue 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 needed and no impact on credit scores. Brigit's algorithms also predict when a customer may fall short and can automatically send advances to the customers' account if they choose. Generally customers repay cash advances shortly after they receive their next paycheck.

Receivables consist of the following:

(in thousands)	June 30, 2025	December 31, 2024
Trade and notes receivables[(1)]	$ 103,660	$ 109,486
Installment sales receivables	58,384	60,242
Customer cash advances	57,456	—
Total receivables	219,500	169,728
Less allowance for doubtful accounts[(2)]	(29,606)	(13,290)
Total receivables, net of allowance for doubtful accounts	$ 189,894	$ 156,438

[(1)] Trade and notes receivables includes accrued revenue, adjusted for the probability of collection, related to our lease-to-own agreements of $54.3 million and $51.1 million at June 30, 2025 and December 31, 2024, respectively, including $50.8 million and $46.6 million related to lease-to-own agreements for Acima Holdings and $3.0 million and $3.6 million related to lease-to-own agreements for Rent-A-Center at June 30, 2025 and December 31, 2024, 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 deemed not collectible after 45 days beyond the due date and are charged-off 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 $13.4 million and $2.2 million at June 30, 2025 and December 31, 2024, respectively, the allowance for doubtful accounts related to installment sales receivables was $11.1 million at both June 30, 2025 and December 31, 2024, and the allowance for doubtful accounts related to Brigit customer cash advances was $5.1 million at June 30, 2025.

Changes in our allowance for doubtful accounts are as follows:

(in thousands)		June 30, 2025
Beginning allowance for doubtful accounts	$	13,290
Bad debt expense[1]		36,697
Accounts written off, net of recoveries		(20,381)
Ending allowance for doubtful accounts	$	29,606

[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.

Note 5 - Income Taxes

The effective tax rate was 31.0% for the six months ended June 30, 2025, compared to 22.0% for the six months ended June 30, 2024. The increase in the effective tax rate for the six months ended June 30, 2025 was primarily attributable to non-deductible expenses related to the Brigit acquisition. Additionally, in the six months ended June 30, 2024 we recorded a favorable adjustment related to foreign deferred tax assets that did not reoccur in the six months ended June 30, 2025.

On July 4, 2025 the One Big Beautiful Bill Act ("OBBB") was signed into law. The OBBB contains a broad range of tax reform provisions, including the reinstatement of 100% bonus depreciation and the immediate expensing of domestic R&D under the new § 174A of the Internal Revenue Code. We are currently evaluating the effects OBBB will have on our financial statements. There is no impact from this legislation reflected in our financial statements as of June 30, 2025.

Note 6 - 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 and May 28, 2024, and an Asset Based Loan Credit Facility (the “ABL Credit Facility”), as amended August 10, 2022 and June 7, 2024, 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.

Proceeds from the Term Loan Facility were net of original issue discount of $4.4 million upon issuance from the lenders. In addition, in connection with the closing of the Term Loan Facility and the ABL Credit Facility, we incurred approximately $30.2 million in debt issuance costs, including third party legal and other professional fees, of which $25.3 million was capitalized in accordance with ASC Topic 470, “Debt” and recorded as a reduction of our outstanding senior debt, net in our Condensed Consolidated Balance Sheets.

On August 10, 2022, we entered into a First Amendment to the ABL Credit Facility, effective as of August 10, 2022. The amendment effected the replacement of LIBOR with Term Secured Overnight Financing Rate (“Term SOFR”) as the benchmark rate of interest thereunder.

On June 15, 2023, we entered into a Second Amendment to the Term Loan Facility, effective as of June 15, 2023. The amendment effected the replacement of LIBOR with Term SOFR as the benchmark rate of interest.

On May 28, 2024 we entered into a Third Amendment to the Term Loan Facility, effective as of May 28, 2024. The amendment, in addition to certain other changes, effected a repricing of the applicable margin under the Term Loan Facility by reducing the applicable margin, with respect to any initial term loans, by 50 basis points from 3.25% to 2.75% and removing the credit spread adjustment that was previously included in the calculation of the adjusted Term SOFR rate for term benchmark loans.

In connection with the execution of the Third Amendment to the Term Loan Facility, we incurred approximately $2.0 million in debt issuance costs, including third party arrangement and other professional fees, of which approximately $1.8 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 $4.4 million in write-offs of unamortized debt issuance costs and original issue discount previously capitalized upon the issuance of the Term Loan Facility on February 17, 2021. The write-offs were recorded as debt refinance charges in our Condensed Consolidated Statements of Operations.

On June 7, 2024, we entered into a Second Amendment to the ABL Credit Facility, effective as of June 7, 2024. The amendment, in addition to certain other changes, extended the maturity date for loans outstanding to June 7, 2029 (subject to certain springing maturity provisions).

In connection with the execution of the Second Amendment to the ABL Credit Facility, we incurred approximately $3.2 million in debt issuance costs, including third-party arrangement and other professional fees, which 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 $0.4 million in write-offs of unamortized debt issuance costs previously capitalized upon the issuance of the ABL Credit Facility on February 17, 2021. The write-offs were recorded as debt refinance charges in our Condensed Consolidated Statements of Operations.

As of June 30, 2025, 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 $7.7 million and $0.7 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 $334.0 million outstanding borrowings under our ABL Credit Facility at June 30, 2025 and borrowing capacity of $169.5 million, net of issued letters of credit of approximately $46.5 million. The amount outstanding under the Term Loan Facility was $798.0 million at June 30, 2025.

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, 2025 was 6.39%, 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, 2025 was 0.250%. We paid $0.4 million of commitment fees during the second quarter of 2025.

Loans under the ABL Credit Facility may be borrowed, repaid and re-borrowed until June 7, 2029, 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, 2025, 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 February 17, 2028, 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 $500 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 7.03% at June 30, 2025.

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 (as defined below), 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), and debt incurrence (other than permitted debt), 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, 2025 for each of the years ending December 31:

(in thousands)	ABL Credit Facility	Term Loan Facility[1]	Total
2025	$ —	$ —	$ —
2026	—	—	—
2027	—	—	—
2028	—	797,958	797,958
2029	334,000	—	334,000
Thereafter	—	—	—
Total senior debt	$ 334,000	$ 797,958	$ 1,131,958

[1] Annual installment requirements were reduced by the amount of the excess cash flow payments made in 2023, in accordance with the terms of the credit agreement governing the Term Loan Facility.

Note 7 - 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, 2025, the total remaining balance of unamortized debt issuance costs related to our Notes reported in the Condensed Consolidated Balance Sheets was approximately $7.1 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 8 - 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, 2025 and December 31, 2024, 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, 2025:

	June 30, 2025		
(in thousands)	**Carrying Value**	**Fair Value**	**Difference**
Senior notes	$ 450,000	$ 442,260	$ (7,740)

Note 9 - 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. Included in the aggregate consideration issued to the former owners of Acima Holdings were 8,096,595 common shares, valued at $414.1 million, subject to 36-month vesting conditions under restricted stock agreements, which were recognized over the vesting term as stock compensation expense, in accordance with ASC Topic 718, "Stock-based Compensation". During the six months ended June 30, 2024, we recognized approximately $4.9 million in stock compensation expense, related to these restricted stock agreements. See Note 11 for additional information. These restricted stock agreements were fully vested as of March 31, 2024. Stock-based compensation expense is reported under our Corporate segment.

The fair value of assets acquired as part of the transaction included $520 million in intangible assets and $170 million in developed technology. During the six months ended June 30, 2025 and 2024, we recognized approximately $21.9 million and $23.6 million in amortization expense, respectively, 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, 2025 and 2024. 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, 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, 2025, we recognized approximately $10.5 million in stock compensation expense related to these restricted stock agreements, in addition to $6.1 million related to Brigit's Replacement Awards and other agreement compensation. Stock-based compensation expense and other compensation associated with the Brigit acquisition is reported under our Corporate segment. See Note 2 and Note 11 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, 2025, we recognized approximately $6.5 million in amortization expense related to acquired intangible assets. We also recognized approximately $3.9 million in incremental depreciation expense related to acquired technology assets during the six months ended June 30, 2025. 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.

Legal Matters. As disclosed further in Note 12 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 multi-state regulatory investigation by attorneys' general offices from forty states, neither 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 are also party to a certified class action brought on behalf of certain individuals who entered into rental purchase agreements with the Company's former Acceptance Now business in California and who paid certain fees. During the six months ended June 30, 2025 and 2024, we recorded estimated legal accruals of $41.7 million and $0.7 million, respectively, based on the then-current status of our legal matters, including the foregoing matters, and incurred litigation and defense expenses of $1.5 million during the six months ended June 30, 2025 primarily related to the New York Attorney General and multi-state matters. 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.

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 and 2024 due to this letter agreement was approximately $1.6 million and $1.7 million, respectively. Stock-based compensation expense is reported under our Corporate segment.

Store Consolidations. During the first half of 2024, we closed 55 Rent-A-Center stores, resulting in pre-tax charges of $0.4 million in miscellaneous holding costs for the six months ended June 30, 2025 and $5.4 million in lease impairment charges, $0.6 million in disposal of fixed assets and $0.4 million in other miscellaneous shutdown and holding costs for the six months ended June 30, 2024.

Internally Developed Software Depreciation. During the third quarter of 2023, we completed initial development and began pilot testing a new internally developed point-of-sale system for our Rent-A-Center lease-to-own stores. Deployment of the new system across our lease-to-own store network began in the second quarter of 2024 and was completed in the third quarter of 2024, at which time our existing point-of-sale software was retired. Therefore, in the third quarter of 2023, we accelerated the remaining useful lives of our existing point-of-sale software assets to align with the deployment timeline of our new point-of-sale system, which resulted in the recognition of additional depreciation expense of $6.1 million for the six months ended June 30, 2024. Depreciation expense for internally developed software is reported under our Corporate segment.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2025	2024	2025	2024
Legal matters	$ 32,516	$ 700	$ 43,161	$ 700
Acima acquired assets depreciation and amortization	14,900	14,900	29,800	31,546
Brigit equity consideration vesting	6,405	—	10,464	—
Brigit acquired assets depreciation and amortization	6,216	—	10,360	—
Brigit replacement awards and other compensation	4,977	—	6,072	—
Asset impairments	206	5,382	206	6,028
Brigit transaction costs	(109)	—	6,109	—
Accelerated stock compensation	—	1,733	1,599	1,733
Accelerated software depreciation	—	1,534	—	6,145
Acima equity consideration vesting	—	—	—	4,893
Other[(1)]	351	673	988	673
Total other gains and charges	$ 65,462	$ 24,922	$ 108,759	$ 51,718

[(1)] Primarily represents shutdown and holding expenses related to store closures for the three and six months ended June 30, 2025 and 2024 and severance for the three and six months ended June 30, 2025.

Note 10 - 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 operating performance of our operating segments as compared to Company projections and operating performance in prior 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 transactions, geographic location and store ownership. Within our operating segments, we offer merchandise for lease from certain basic product categories, such as: furniture, including mattresses; tires; consumer electronics; appliances; tools; handbags; computers; and accessories. On January 31, 2025, we established a new operating segment following the acquisition of Brigit. Please reference Note 2 for additional discussion of the acquisition. In addition we combined our Franchising segment with our Rent-A-Center segment. Financial information disclosed within this report has been recast for the related prior year period to reflect this change. We report four operating segments: Acima, Rent-A-Center, Brigit and Mexico.

Segment information as of and for the three and six months ended June 30, 2025 and 2024 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2025	2024	2025	2024
Revenues				
Acima	$ 618,967	$ 552,794	$ 1,256,254	$ 1,114,140
Rent-A-Center	467,118	502,848	956,143	1,016,902
Brigit	51,890	—	83,751	—
Mexico	19,561	20,868	37,751	41,435
Total revenues	$ 1,157,536	$ 1,076,510	$ 2,333,899	$ 2,172,477

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2025	2024	2025	2024
Gross profit				
Acima	$ 194,989	$ 179,611	$ 381,440	$ 348,913
Rent-A-Center	316,958	337,337	639,784	682,387
Brigit	45,904	—	73,759	—
Mexico	13,974	15,011	26,971	29,727
Total gross profit	$ 571,825	$ 531,959	$ 1,121,954	$ 1,061,027

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2025	2024	2025	2024
Operating labor				
Acima	$ 24,403	$ 26,618	$ 48,393	$ 52,565
Rent-A-Center	119,127	124,804	239,325	252,021
Brigit	1,065	—	1,781	—
Mexico	4,497	4,759	8,760	9,731
Total operating labor	$ 149,092	$ 156,181	$ 298,259	$ 314,317

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2025	2024	2025	2024
Non-labor operating expenses				
Acima(1)	$ 76,741	$ 71,279	$ 153,643	$ 149,438
Rent-A-Center(2)	119,532	126,768	241,911	256,541
Brigit(3)	28,300	—	42,747	—
Mexico	5,571	5,898	10,854	11,768
Total non-labor operating expenses	$ 230,144	$ 203,945	$ 449,155	$ 417,747

(1) Includes Lease Charge-Offs ("LCOs") of $57.6 million and $53.2 million for the three months ended June 30, 2025 and 2024, respectively, and $114.3 million and $107.2 million for the six months ended June 30, 2025 and 2024, respectively.
(2) Includes LCOs of $20.0 million and $19.3 million for the three months ended June 30, 2025 and 2024, respectively, and $40.4 million and $41.5 million for the six months ended June 30, 2025 and 2024, respectively.
(3) Includes net advance losses of $10.4 million and $15.4 million for the three and six months ended June 30, 2025.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2025	2024	2025	2024
Depreciation and amortization				
Acima(1)	$ 353	$ 382	$ 707	$ 672
Rent-A-Center	5,238	4,816	10,665	9,842
Brigit(2)	18	—	29	—
Mexico	484	388	921	734
Total operating segments	6,093	5,586	12,322	11,248
Corporate(3)	6,890	7,032	12,913	14,843
Total depreciation and amortization	$ 12,983	$ 12,618	$ 25,235	$ 26,091

(1) Excludes amortization expense of approximately $11.0 million and $21.9 million for the three and six months ended June 30, 2025, respectively, and $10.9 million and $23.6 million for the three and six months ended June 30, 2024, respectively, recorded to other gains and charges in the Condensed Consolidated Statements of Operations, related to intangible assets acquired upon closing of the Acima Holdings acquisition. See Note 9 for additional information.
(2) Excludes amortization expense of approximately $3.9 million and $6.5 million for the three and six months ended June 30, 2025, respectively, recorded to other gains and charges in the Condensed Consolidated Statements of Operations, related to intangible assets acquired upon closing of the Brigit acquisition. See Note 9 for additional information.
(3) Excludes depreciation expense of approximately $6.3 million and $11.8 million for the three and six months ended June 30, 2025, respectively, and $5.5 million and $14.0 million for the three and six months ended June 30, 2024, respectively, recorded to other gains and charges in the Condensed Consolidated Statements of Operations. See Note 9 for additional information.

(in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Operating profit[1]				
Acima[2]	$ 82,003	$ 69,991	$ 155,711	$ 121,902
Rent-A-Center[3]	63,001	71,562	129,416	149,700
Brigit[4]	10,472	—	19,301	—
Mexico[5]	1,936	1,559	3,159	3,255
Total operating segments	157,412	143,112	307,587	274,857
Corporate[6][7]	(106,678)	(62,457)	(194,238)	(132,440)
Total operating profit	$ 50,734	$ 80,655	$ 113,349	$ 142,417

[1] The calculation of operating profit by segment includes other segment items related to general and administrative expenses and other gains and charges excluded from the above segment expense tables but documented further in the footnotes below. In addition, please reference Note 9 for additional descriptions of other gains and charges.
[2] Includes other segment items of approximately $11.5 million and $23.0 million for the three and six months ended June 30, 2025, respectively, and $11.3 million and $24.3 million for the three and six months ended June 30, 2024, respectively.
[3] Includes other segment items of approximately $10.1 million and $18.5 million for the three and six months ended June 30, 2025, respectively, and $9.4 million and $14.3 million for the three and six months ended June 30, 2024, respectively.
[4] Includes other segment items of approximately $6.0 million and $9.9 million for the three and six months ended June 30, 2025, respectively.
[5] Includes other segment items of $1.5 million and $3.3 million for the three and six months ended June 30, 2025, respectively, and $2.4 million and $4.2 million for the three and six months ended June 30, 2024, respectively.
[6] Includes other gains and charges of $50.5 million and $80.0 million for the three and six months ended June 30, 2025, respectively, and $8.2 million and $21.7 million for the three and six months ended June 30, 2024, respectively.
[7] Includes stock compensation expense of $6.4 million and $10.5 million for the three and six months ended June 30, 2025, respectively, and $4.9 million recognized for the six months ended June 30, 2024, respectively, related to common stock issued to employees under restricted stock agreements as part of acquisition consideration subject to vesting restrictions as described in Note 11.

(in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Capital expenditures				
Acima	$ 118	$ 989	$ 430	$ 1,208
Rent-A-Center	5,626	6,263	8,117	10,454
Brigit	259	—	305	—
Mexico	1,135	706	1,779	1,498
Total operating segments	7,138	7,958	10,631	13,160
Corporate	11,109	6,469	18,192	13,084
Total capital expenditures	$ 18,247	$ 14,427	$ 28,823	$ 26,244

(in thousands)	June 30, 2025	December 31, 2024
On rent rental merchandise, net		
Acima	$ 680,847	$ 693,095
Rent-A-Center	390,852	420,382
Mexico	23,917	21,383
Total on rent rental merchandise, net	$ 1,095,616	$ 1,134,860

(in thousands)	June 30, 2025	December 31, 2024
Held for rent rental merchandise, net		
Acima	$ 267	$ 261
Rent-A-Center	93,318	104,302
Mexico	12,056	9,359
Total held for rent rental merchandise, net	$ 105,641	$ 113,922

(in thousands)	June 30, 2025	December 31, 2024
Assets by segment		
Acima	$ 1,266,440	$ 1,301,657
Rent-A-Center	921,415	977,787
Brigit	434,618	—
Mexico	53,337	47,608
Total operating segments	2,675,810	2,327,052
Corporate	419,630	322,610
Total assets	$ 3,095,440	$ 2,649,662

Note 11 - 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, 2025 and 2024. Approximately $235.0 million remains available for repurchases under the current authorization at June 30, 2025.

Stock Based Compensation

We recognized $5.0 million and $6.4 million in compensation expense related to stock awards issued under the Upbound Group, Inc. 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, 2025 and 2024, respectively, and $12.6 million and $13.4 million during the six months ended June 30, 2025 and 2024, respectively. During the six months ended June 30, 2025, we granted 757,704 market-based performance units and 809,026 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, 2025 was $27.09 and $26.63, respectively.

In connection with the acquisition of Acima Holdings in 2021, we issued to the former owners of Acima Holdings 10,779,923 of common shares valued at $51.14 per share, as of the date of closing. Of this total, 2,683,328 common shares were included in the aggregate purchase price of the transaction for financial reporting purposes, while 8,096,595 common shares, valued at $414.1 million, issued under restricted stock agreements and subject to vesting conditions, were recognized as stock compensation expense over the vesting term in accordance with ASC Topic 718, “Stock-based Compensation” and recorded to other gains and charges in our unaudited Condensed Consolidated Statements of Operations. We recognized $4.9 million in stock compensation expense related to these restricted stock agreements during the six months ended June 30, 2024. These restricted stock agreements were fully vested during the three months ended March 31, 2024.

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 $6.4 million and $10.5 million in stock compensation expense related to these restricted stock agreements during the three and six months ended June 30, 2025, respectively, recorded to other gains and charges in our unaudited Condensed Consolidated Statements of Operations.

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 and 2024 due to this letter agreement was approximately $1.6 million and $1.7 million, respectively, and was recorded to other gains and charges in our unaudited Condensed Consolidated Statements of Operations.

Note 12 - 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, 2025 and December 31, 2024, we had estimated legal accruals of $52.4 million and $20.7 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. However, as of the date of this Quarterly Report on Form 10-Q, excluding the subsequent update for the McBurnie litigation provided below, we cannot 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, 2025 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.

Multi-State Attorneys' General Investigation. In November 2021, Acima received a letter from the Nebraska Attorney General's office stating that the Attorney General of Nebraska, along with a coalition of thirty-eight state Attorneys General, initiated a multi-state investigation into the business acts and practices of Acima and that a civil investigative demand(s) and/or subpoena(s) pursuant to respective state consumer protection laws will be forthcoming. Since receiving the letter, we have held multiple discussions and attended meetings with officials at many of the applicable attorneys' general offices, including members of the Executive Committee, which is leading the negotiations on behalf of the multistate group (the "Multistate"). Based on our engagement with the Multistate, it is our understanding that the investigation involves forty states. The District of Columbia was formerly a member of the Multistate and part of the Executive Committee, but recently withdrew from the Multistate and presented a separate settlement demand, and we are engaging in discussions with the District of Columbia Attorney General's office in addition to the Multistate.

In April 2022, we received a request for information and documents, and we have produced various records in response to the request. In March 2024, the Multistate presented their findings and allegations from their investigation to Acima. In May 2024, Acima submitted its response to the Multistate's presentation.

In the second quarter 2024, Acima received a settlement proposal from the Multistate. Since then, the parties have continued to engage in conversations regarding a potential resolution and Acima has responded to the Multistate's and District of Columbia's settlement proposals and monetary demands. As of the date of this Quarterly Report on Form 10-Q, although we would not be willing to agree to the Multistate's or District of Columbia's most recent monetary demands which we believe are unsupportable or agree to a number of the other terms presented, we expect to continue to discuss the potential resolution of this matter with the Multistate and the District of Columbia. We are currently unable to predict whether or on what terms, including the amount of a monetary payment and specific business practice changes, any settlement with the Multistate, or individual members of the group, or the District of Columbia, can be achieved. If we are unable to reach agreement on terms acceptable to us and to the various states involved, some or all of such states may commence legal proceedings against Acima. We cannot provide any assurance that any settlement or 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. Acima received additional subpoenas from the NYAG in August 2021 and July 2023. Acima cooperated with the NYAG throughout its investigation. In March 2023, the NYAG provided Acima with a proposed assurance of discontinuance alleging violations of certain consumer laws, seeking injunctive relief regarding certain business practices, and seeking payment of unspecified amounts for restitution and civil penalties. In April 2023, Acima submitted its response to the NYAG's proposed assurance of discontinuance. In February 2024, Acima provided a settlement proposal to the NYAG. In March 2024, the NYAG presented Acima with an initial monetary demand for settlement purposes. On August 14, 2024, despite Acima's cooperation with the investigation and its active engagement in settlement discussions with the NYAG, the NYAG filed a lawsuit against Acima in the Supreme Court of the State of New York, County of New York. The lawsuit alleges violations of various consumer financial protection laws and regulations similar to those set forth in the NYAG's March 2023 proposed assurance of discontinuance. The lawsuit seeks 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. We are 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 Acceptance Now business in California and were charged a processing fee and/or an expedited fee. Plaintiffs allege that the fees they were charged were neither "reasonable" nor "actually incurred" in violation of the Karnette Rental-Purchase Act and other California state consumer protection laws. Plaintiffs seek unspecified actual damages pursuant to the Karnette Rental-Purchase Act; statutory damages pursuant to the Karnette Rental-Purchase Act; attorneys' fees and costs; exemplary damages; and public injunctions for alleged violations of the Karnette Rental-Purchase Act, the California Consumers Legal Remedies Act, and California unfair competition laws. The action is currently pending in the United States District Court for the Northern District of California. In November 2022, the District Court denied our motion to compel arbitration, and in December 2022, we filed an interlocutory appeal of that denial with the United States Court of Appeals for the Ninth Circuit, pending which the District Court proceedings were stayed. In March 2024, the Court of Appeals affirmed the District Court's denial of our motion to compel arbitration and its finding that plaintiffs' challenge to the processing fee was not moot, while remanding the action to the District Court to consider whether plaintiffs have standing to challenge the expedited payment fee. Plaintiffs have since notified the District Court that they do not intend to pursue their claims regarding the expedited payment fee. In June 2024, we filed a petition for certiorari with the U.S. Supreme Court, appealing the decision from the Court of Appeals. Our petition for certiorari was denied by the Supreme Court in October 2024. Proceedings before the District Court have resumed. In June 2025, the District Court certified a class of consumers who were charged a processing fee in California within the class period, and scheduled a trial date for January 2026. In late July 2025, the parties reached an agreement in principle to settle the class action. We disagree with 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 have agreed in principle to settle this case. The agreement in principle provides a cash payment by the Company of $14.0 million, which was substantially reserved for as of June 30, 2025, as an estimated loss contingency in our consolidated financial statements. The agreement in principle remains subject to the negotiation and execution of a definitive settlement agreement and approval by the District Court of the class settlement, neither of which can be assured. If the settlement is not finalized for any reason, we intend to continue to vigorously defend the litigation.

FlexShopper Litigation. On September 30, 2024, FlexShopper, Inc. ("FlexShopper") filed a patent infringement lawsuit against Upbound Group, Inc, Acima Holdings, LLC and Acima Digital, LLC in the United States District Court for the Eastern District of Texas. On October 1, 2024, FlexShopper issued a press release announcing the lawsuit and a similar lawsuit it filed against another lease-to-own company, Katapult Holdings, Inc. The lawsuit filed against our company seeks damages and an injunction for alleged infringement of five patents assigned to FlexShopper. Flexshopper's claims relate to certain technology allegedly used in connection with Acima's e-commerce third-party retailer lease-to-own business. In February 2025, we filed a motion to dismiss all of Flexshopper's claims. In April 2025, we filed a motion to transfer venue to the United States District Court for the District of Delaware. As of the date of filing this Quarterly Report on Form 10-Q, the District Court has not yet ruled on Acima's motion to dismiss or motion to transfer venue. We will continue to vigorously defend the lawsuit. We are currently unable to predict the eventual outcome of this litigation.

Note 13 - Earnings Per Common Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share data)	2025	2024	2025	2024
Numerator:				
Net earnings	$ 15,485	$ 33,949	$ 40,278	$ 61,636
Denominator:				
Weighted-average shares outstanding	56,531	54,650	56,238	54,597
Effect of dilutive stock awards[1]	2,133	1,192	2,273	1,231
Weighted-average dilutive shares	58,664	55,842	58,511	55,828
Basic earnings per common share	$ 0.27	$ 0.62	$ 0.72	$ 1.13
Diluted earnings per common share[1]	$ 0.26	$ 0.61	$ 0.69	$ 1.10
Anti-dilutive securities excluded from diluted earnings per common share:				
Anti-dilutive restricted share units	792	1	103	1
Anti-dilutive performance share units	862	488	862	488
Anti-dilutive stock options	274	57	132	57

[1] Weighted-average dilutive shares outstanding for 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 (which includes Bridge IT, Inc. ("Brigit") following the closing of our acquisition of Brigit (the "Merger") on January 31, 2025) 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 12, 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, 2024 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:

- 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;
- 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;
- our ability to retain the talent and dedication of key employees of Brigit;
- 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;
- 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;
- 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 identify potential acquisition candidates, complete acquisitions and successfully integrate acquired companies, including Brigit;
- failure to effectively manage our operating labor and non-labor operating expenses, including merchandise losses for our lease-to-own offerings;
- disruptions caused by the operation of our information management systems or disruptions in the systems of our host 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 recently acquired Brigit business and its consumer products and services, including managing losses and payment defaults, regulatory, licensing and other compliance risks, risks associated with Brigit's reliance on regulated banks and on providers of third party data, technology and other third-party service providers; and other new risks for our company;
- 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 12 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, including in connection with the regulatory matters described in Note 12 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, and any legislative or other regulatory enforcement efforts that seek to re-characterize store-based or virtual lease-to-own transactions as credit sales and to apply consumer credit laws and regulations to our lease-to-own business or to apply credit laws to Brigit's non-credit consumer offerings;
- our transition to more-readily scalable "cloud-based" solutions;
- our ability to develop and successfully implement 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;
- our ability or that of our host retailers or other third parties with whom we do business to protect the integrity and security of customer, employee, supplier and host retailer or other third party information, which may be adversely affected by hacking, computer viruses, 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 paying dividends;
- 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 effectively provide consumers with additional products and services beyond lease-to-own and products and services currently offered by Brigit, including through third-party partnerships;

- our ability to retain the revenue associated with acquired lease-to-own customer accounts and enhance the performance of acquired stores;
- 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 imposed by the current Presidential Administration on the price of imported goods, or consumer prices overall or other financial impacts of such tariffs or 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, 2024 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 budget better, access their earned wages before their regularly scheduled payday, build their credit through savings, protect themselves from identity theft, and find ways to earn and save money. 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:

- Leverage data analytics capabilities to attract new customers, approve more customers and mitigate risk across business segments;
- Upgrade and integrate technology platforms to allow for a more simplified and seamless consumer experience, third-party retailer and waterfall integration and consumer transaction process and coworker efficiency;
- 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;
- Develop centers of excellence that will be leveraged across the organization to support our various business segments, utilizing best practices to drive efficiency and growth;

- 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; and
- 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.

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

One Big Beautiful Bill Act ("OBBB"). The OBBB was signed into law on July 4, 2025 and contains a broad range of tax reform provisions, including the reinstatement of 100% bonus depreciation and the immediate expensing of domestic R&D under the new § 174A of the Internal Revenue Code. We are currently evaluating the effects OBBB will have on our financial statements.

Dividend. On June 3, 2025, we announced that our board of directors approved a quarterly cash dividend of $0.39 per share for the second quarter of 2025. The dividend was paid on July 8, 2025 to our common stockholders of record as of the close of business on June 17, 2025.

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 the lease-to-own industry has historically remained a resilient business model throughout various economic cycles, the full extent to which our risk management strategy and these macroeconomic trends (including consumer spending and payment behavior) may impact our business 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, 2024, 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 continued to increase as a percentage of total rentals and fees revenue in our Rent-A-Center segment. For the six months ended June 30, 2025 and 2024, e-commerce revenues represented approximately 27% and 26% 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 to 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, 2025 included in Part I, Item I 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.

Brigit Paying Users: Represents Brigit customers who have an active Plus or Premium subscription account, are not delinquent (not 45 days past due) on a cash advance, and have made at least one of their last two subscription payments.

Brigit Net Advance Losses: Represents charge-offs of Brigit uncollectible customer 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

On January 31, 2025 we established a new operating segment following the acquisition of Brigit. Please reference Note 2 for additional discussion of the acquisition. In addition we combined our Franchising segment with our Rent-A-Center segment. Financial information disclosed within this report has been recast for the related prior year period to reflect this change. We report four operating segments: Acima, Rent-A-Center, Brigit and Mexico. The following briefly summarizes certain of our financial information for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024.

During the first six months of 2025, consolidated revenues and gross profit increased by approximately \$161.4 million and \$60.9 million, respectively, primarily due to the addition of Brigit segment revenues and an increase in the Acima segment revenues, partially offset by a decrease in Rent-A-Center segment revenues described below. Operating profit decreased by approximately \$29.1 million, primarily due to increases in other gains and charges, non-labor operating expenses, and general and administrative expenses of \$57.1 million, \$31.5 million, and \$18.5 million, respectively, partially offset by the increase in gross profit noted above and a decrease in operating labor expenses of \$16.0 million.

The Acima segment revenues increased approximately \$142.1 million for the six months ended June 30, 2025, due to increases in rentals and fees revenues and merchandise sales of \$104.4 million and \$37.5 million, respectively, primarily resulting from higher GMV. Growth in GMV was primarily due to an increase in third-party retailer locations and productivity, which resulted in more leases per retailer, and expanded direct-to-consumer offerings. Operating profit increased approximately \$33.8 million for the six months ended June 30, 2025, primarily due to an increase in gross profit of \$32.5 million and decreases in operating labor costs and other gains and charges of \$4.2 million and \$1.7 million, respectively, partially offset by an increase in non-labor operating expenses of \$4.2 million. See *"Segment Performance"* below for further discussion of Acima segment operating results for the six months ended June 30, 2025.

Revenues in our Rent-A-Center segment decreased approximately \$60.8 million for the six months ended June 30, 2025, due to a decrease in same store sales of 3.0% driven by decreases in rentals and fees revenues and merchandise sales of \$55.8 million and \$6.7 million, respectively. Operating profit decreased approximately \$20.3 million for the six months ended June 30, 2025, primarily due to the decrease in gross profit of approximately \$42.6 million in addition to higher general and administrative expenses of approximately \$10.3 million, partially offset by decreases in non-labor operating expenses, operating labor expense and other gains and charges of \$14.6 million, \$12.7 million and \$6.1 million, respectively. See *"Segment Performance"* below for further discussion of Rent-A-Center segment operating results for the six months ended June 30, 2025.

The Brigit segment had revenues and operating profit of \$83.8 million and \$19.3 million, respectively, since the Closing Date. See *"Segment Performance"* below for further discussion of Brigit segment operating results for the six months ended June 30, 2025.

The Mexico segment revenues, gross profit and operating profit decreased by 8.9%, 9.3%, and 2.9% for the six months ended June 30, 2025, respectively, primarily due to negative impacts of exchange rate fluctuations. See *"*Segment Performance*"* below for further discussion of Mexico segment operating results for the six months ended June 30, 2025.

Cash flow from operations was $145.6 million for the six months ended June 30, 2025. As of June 30, 2025, we held $106.8 million of cash and cash equivalents and had outstanding indebtedness of $1.6 billion.

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

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollar amounts in thousands)	2025	2024	$	%	2025	2024	$	%
Revenues								
Rentals and fees	$ 904,583	$ 885,977	$ 18,606	2.1 %	$ 1,803,795	$ 1,758,516	$ 45,279	2.6 %
Merchandise sales	192,217	182,546	9,671	5.3 %	428,462	397,796	30,666	7.7 %
Subscriptions and fees	51,890	—	51,890	nm	83,751	—	83,751	nm
Other	8,846	7,987	859	10.8 %	17,891	16,165	1,726	10.7 %
Total revenues	1,157,536	1,076,510	81,026	7.5 %	2,333,899	2,172,477	161,422	7.4 %
Cost of revenues								
Cost of rentals and fees	358,058	338,554	19,504	5.8 %	710,604	665,702	44,902	6.7 %
Cost of merchandise sold	221,667	205,997	15,670	7.6 %	491,349	445,748	45,601	10.2 %
Cost of subscriptions and fees	5,986	—	5,986	nm	9,992	—	9,992	nm
Total cost of revenues	585,711	544,551	41,160	7.6 %	1,211,945	1,111,450	100,495	9.0 %
Gross profit	571,825	531,959	39,866	7.5 %	1,121,954	1,061,027	60,927	5.7 %
Operating expenses								
Operating labor	149,092	156,181	(7,089)	(4.5)%	298,259	314,317	(16,058)	(5.1)%
Non-labor operating expenses	230,144	203,945	26,199	12.8 %	449,155	417,747	31,408	7.5 %
General and administrative expenses	63,410	53,638	9,772	18.2 %	127,197	108,737	18,460	17.0 %
Depreciation and amortization	12,983	12,618	365	2.9 %	25,235	26,091	(856)	(3.3)%
Other gains and charges	65,462	24,922	40,540	162.7 %	108,759	51,718	57,041	110.3 %
Total operating expenses	521,091	451,304	69,787	15.5 %	1,008,605	918,610	89,995	9.8 %
Operating profit	50,734	80,655	(29,921)	(37.1)%	113,349	142,417	(29,068)	(20.4)%
Debt refinancing charges	—	6,604	(6,604)	nm	—	6,604	(6,604)	nm
Interest expense, net	27,885	27,618	267	1.0 %	54,989	56,806	(1,817)	(3.2)%
Earnings before income taxes	22,849	46,433	(23,584)	(50.8)%	58,360	79,007	(20,647)	(26.1)%
Income tax expense	7,364	12,484	(5,120)	(41.0)%	18,082	17,371	711	4.1 %
Net earnings	$ 15,485	$ 33,949	$ (18,464)	(54.4)%	$ 40,278	$ 61,636	$ (21,358)	(34.7)%

nm - percent change is not meaningful for comparison

Three Months Ended June 30, 2025, compared to Three Months Ended June 30, 2024

Revenue. Total revenues increased by $81.0 million, or 7.5%, to $1,157.5 million for the three months ended June 30, 2025, from $1,076.5 million for the three months ended June 30, 2024. This increase was primarily due to an increase of approximately $66.2 million in the Acima segment and the addition of the Brigit segment with $51.9 million in revenues, partially offset by a decrease of approximately $35.7 million in the Rent-A-Center segment, 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, 2025 increased by $19.5 million, or 5.8%, to $358.1 million as compared to $338.6 million for the three months ended June 30, 2024. The increase was primarily attributable to an increase of approximately $30.6 million in the Acima segment, driven by an increase in rentals and fees revenues, partially offset by a decrease of approximately $10.8 million in the Rent-A-Center segment. Cost of rentals and fees expressed as a percentage of rentals and fees revenue increase to 39.6% for the three months ended June 30, 2025, as compared to 38.2% for the three months ended June 30, 2024, primarily due to the continued growth of the Acima segment as a percent of total rentals and fees revenue.

Cost of Merchandise Sold. Cost of merchandise sold represents the net book value of rental merchandise at time of sale. Cost of merchandise sold increased by $15.7 million, or 7.6%, to $221.7 million for the three months ended June 30, 2025, from $206.0 million for the three months ended June 30, 2024, primarily attributable to an increase of $20.2 million in the Acima segment, driven primarily by higher merchandise sales, partially offset by a decrease of approximately $4.5 million in the Rent-A-Center segment. The gross margin percent of merchandise sales decreased to (15.3)% for the three months ended June 30, 2025, from (12.8)% for the three months ended June 30, 2024.

Gross Profit. Gross profit increased by $39.8 million, or 7.5%, to $571.8 million for the three months ended June 30, 2025, from $532.0 million for the three months ended June 30, 2024, primarily due to the addition of the Brigit segment with $45.9 million in gross profit and an increase of $15.4 million in the Acima segment, partially offset by a decrease of $20.4 million in the Rent-A-Center segment, as discussed further in the section "Segment Performance" below. Gross profit as a percentage of total revenue was 49.4% for both the three months ended June 30, 2025 and 2024.

Operating Labor. Operating labor includes all salaries and wages paid to operational employees and district managers, together with payroll taxes and benefits. Operating labor decreased by $7.1 million, or 4.5%, to $149.1 million for the three months ended June 30, 2025, as compared to $156.2 million for the three months ended June 30, 2024, primarily due to decreases of $5.7 million and $2.2 million in the Rent-A-Center and Acima segments, respectively, partially offset by the addition of the Brigit segment with $1.1 million in operating labor. Operating labor expressed as a percentage of total revenue was 12.9% for the three months ended June 30, 2025, as compared to 14.5% for the three months ended June 30, 2024.

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 $26.2 million, or 12.8%, to $230.1 million for the three months ended June 30, 2025, as compared to $203.9 million for the three months ended June 30, 2024, primarily due to the addition of the Brigit segment with $28.3 million in non-labor operating expenses and an increase in non-labor operating expense of approximately $5.5 million in the Acima segment, primarily related to an increase in lease charge-off expense, partially offset by a decrease in non-labor operating expenses of $7.2 million in the Rent-A-Center segment, primarily attributable to a decrease in corporate-owned store count, resulting from prior year store closures and refranchising. Non-labor operating expenses expressed as a percentage of total revenue was 19.9% for the three months ended June 30, 2025, compared to 18.9% for the three months ended June 30, 2024.

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 increased by $9.8 million, or 18.2%, to $63.4 million for the three months ended June 30, 2025, as compared to $53.6 million for the three months ended June 30, 2024, primarily due to increases in the allowance for doubtful accounts related to franchising trade receivables and the addition of the Brigit segment. General and administrative expenses expressed as a percentage of total revenue was 5.5% for the three months ended June 30, 2025, compared to 5.0% for the three months ended June 30, 2024.

Other Gains and Charges. Other gains and charges increased by $40.6 million to $65.5 million for the three months ended June 30, 2025, as compared to $24.9 million for the three months ended June 30, 2024. The increase in other gains and charges was driven primarily by increases of $31.8 million in legal matters and $17.5 million related to the Brigit acquisition, including depreciation and amortization of the fair value of acquired software and intangible assets, stock compensation expense related to the vesting of a portion of the equity consideration, and other compensation and transaction costs, partially offset by decreases of $5.2 million in lease impairment charges and fixed asset disposals, $1.7 million in accelerated stock compensation expense related to our letter agreement with the Company's former Chief Executive Officer and $1.5 million in accelerated software depreciation for the three months ended June 30, 2024.

Operating Profit. Operating profit decreased by $30.0 million, or 37.1%, to $50.7 million for the three months ended June 30, 2025, as compared to $80.7 million for the three months ended June 30, 2024, primarily due to increases in other gains and charges, non-labor operating expenses and general and administrative expenses, partially offset by an increase in gross profit and a decrease in operating labor, as described above. Operating profit expressed as a percentage of total revenue was 4.4% for the three months ended June 30, 2025, compared to 7.5% for the three months ended June 30, 2024.

Income Tax Expense. Income tax expense decreased by $5.1 million, or 41.0%, to $7.4 million for the three months ended June 30, 2025, as compared to $12.5 million for the three months ended June 30, 2024, primarily due to the decrease in earnings before income taxes for the three months ended June 30, 2025 compared to the three months ended June 30, 2024, partially offset by a higher effective tax rate for the three months ended June 30, 2025, attributable to the tax impact on non-deductible expenses related to the Brigit acquisition.

Six Months Ended June 30, 2025, compared to Six Months Ended June 30, 2024

Revenue. Total revenue increased by $161.4 million, or 7.4%, to $2,333.9 million for the six months ended June 30, 2025, from $2,172.5 million for the six months ended June 30, 2024. The increase was primarily due to an increase of approximately $142.1 million in the Acima segment and the addition of the Brigit segment with $83.8 million in revenues, partially offset by a decrease of approximately $60.8 million in the Rent-A-Center segment, as discussed further in the "Segment Performance" section below.

Cost of Rentals and Fees. Cost of rentals and fees for the six months ended June 30, 2025 increased by $44.9 million, or 6.7%, to $710.6 million, as compared to $665.7 million for the six months ended June 30, 2024. The increase was primarily attributable to an increase of approximately $61.9 million in the Acima segment driven by an increase in rentals and fees revenues, partially offset by a decrease of approximately $16.2 million in the Rent-A-Center segment. Cost of rentals and fees expressed as a percentage of rentals and fees revenue increased to 39.4% for the six months ended June 30, 2025, as compared to 37.9% for the six months ended June 30, 2024, primarily due to the continued growth of the Acima segment as a percent of total rentals and fees revenue.

Cost of Merchandise Sold. Cost of merchandise sold increased by $45.6 million, or 10.2%, to $491.3 million for the six months ended June 30, 2025, from $445.7 million for the six months ended June 30, 2024, primarily attributable to an increase of $47.7 million in the Acima segment driven primarily by higher merchandise sales. The gross margin percent of merchandise sales decreased to (14.7)% for the six months ended June 30, 2025, from (12.1)% for the six months ended June 30, 2024.

Gross Profit. Gross profit increased by $61.0 million, or 5.7%, to $1,122.0 million for the six months ended June 30, 2025, from $1,061.0 million for the six months ended June 30, 2024, primarily due to the addition of the Brigit segment with $73.8 million in gross profit and an increase of $32.5 million in the Acima segment, partially offset by a decrease of approximately $42.6 million in the Rent-A-Center segment, as discussed further in the "Segment Performance" section below. Gross profit as a percentage of total revenue decreased to 48.1% for the six months ended June 30, 2025, as compared to 48.8% for the six months ended June 30, 2024.

Operating Labor. Operating labor decreased by $16.0 million, or 5.1%, to $298.3 million for the six months ended June 30, 2025, as compared to $314.3 million for the six months ended June 30, 2024, primarily due to decreases of $12.7 million and $4.2 million in the Rent-A-Center and Acima segments, respectively. The decrease in Rent-A-Center operating labor was primarily attributable to a decrease in corporate-owned store count, resulting from prior year store closures and refranchising. Operating labor expressed as a percentage of total revenue was 12.8% for the six months ended June 30, 2025, as compared to 14.5% for the six months ended June 30, 2024.

Non-Labor Operating Expenses. Non-labor operating expenses increased by $31.5 million, or 7.5%, to $449.2 million for the six months ended June 30, 2025, as compared to $417.7 million for the six months ended June 30, 2024, primarily due to the addition of the Brigit segment with $42.7 million in non-labor operating expenses and increase of approximately $4.2 million in the Acima segment, partially offset by a decrease of approximately $14.6 million in the Rent-A-Center segment. Non-labor operating expenses expressed as a percentage of total revenue was 19.2% for both the six months ended June 30, 2025 and 2024.

General and Administrative Expenses. General and administrative expenses increased by $18.5 million, or 17.0%, to $127.2 million for the six months ended June 30, 2025, as compared to $108.7 million for the six months ended June 30, 2024, primarily due to increases in the allowance for doubtful accounts related to franchising trade receivables and the addition of the Brigit segment. General and administrative expenses expressed as a percentage of total revenue were 5.4% for the six months ended June 30, 2025, compared to 5.0% for the six months ended June 30, 2024.

Other Gains and Charges. Other gains and charges increased by $57.1 million to $108.8 million for the six months ended June 30, 2025, as compared to $51.7 million for the six months ended June 30, 2024. The increase in other gains and charges was driven primarily by increases of $42.5 million in legal matters and $33.0 million related to the Brigit acquisition, including depreciation and amortization of the fair value of acquired software and intangible assets, stock compensation expense related to the vesting of a portion of the equity consideration, other compensation and transaction costs, partially offset by a decrease of $6.1 million in accelerated software depreciation, $5.8 million in lease impairment charges and fixed asset disposal, $4.9 million in stock compensation expense recognized related to restricted stock issued in connection with the Acima Holdings acquisition and $1.7 million in depreciation and amortization of acquired software and intangible assets in connection with the Acima Holdings acquisition for the six months ended June 30, 2025.

Operating Profit. Operating profit decreased by $29.1 million, or 20.4%, to $113.3 million for the six months ended June 30, 2025, as compared to $142.4 million for the six months ended June 30, 2024, primarily due to the increases in other gains and charges, non-labor operating expenses and general and administrative expenses, partially offset by an increase in gross profit and decrease in operating labor, as described above. Operating profit expressed as a percentage of total revenue was 4.9% for the six months ended June 30, 2025, compared to 6.6% for the six months ended June 30, 2024.

Income Tax Expense. Income tax expense increased by $0.7 million to $18.1 million for the six months ended June 30, 2025, as compared to $17.4 million for the six months ended June 30, 2024, primarily due to a higher effective tax rate for the six months ended June 30, 2025. Additionally, in the six months ended June 30, 2024, we recorded a favorable adjustment related to foreign deferred tax assets that did not reoccur in the six months ended June 30, 2025.

Segment Performance

Acima segment

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollar amounts in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Revenues	$ 618,967	$ 552,794	$ 66,173	12.0 %	$ 1,256,254	$ 1,114,140	$ 142,114	12.8 %
Gross profit	194,989	179,611	15,378	8.6 %	381,440	348,913	32,527	9.3 %
Operating profit	82,003	69,991	12,012	17.2 %	155,711	121,902	33,809	27.7 %
Gross merchandise volume[(1)]	522,092	450,108	71,984	16.0 %	976,225	867,665	108,560	12.5 %

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

Revenues. The increase in revenues for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, were primarily due to increases in rentals and fees revenues of $51.0 million and $104.4 million, respectively, and increases in merchandise sales revenue of $15.1 million and $37.5 million, respectively, resulting from higher GMV. Growth in GMV was primarily due to an increase in third-party retailer locations and productivity, which resulted in more leases per retailer, in addition to expanded direct-to-consumer offerings.

Gross Profit. Gross profit increased for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, driven primarily by the increase in revenues described above. Gross profit as a percentage of segment revenues decreased to 31.5% and 30.4% for the three and six months ended June 30, 2025, compared to 32.5% and 31.3% for the three and six months ended June 30, 2024, primarily due to an increase in merchandise sales as a percent of total revenue.

Operating Profit. Operating profit as a percentage of segment revenues increased to 13.2% and 12.4% for the three and six months ended June 30, 2025, compared to 12.7% and 10.9% for the three and six months ended June 30, 2024. The increases in operating profit margin were primarily due to increases in gross profit as described above and decreases in operating labor of approximately $2.2 million and $4.2 million for the three and six months ended June 30, 2025, respectively. Merchandise losses in our Acima locations due to LCOs, expressed as a percentage of revenues, were approximately 9.3% and 9.1% for the three and six months ended June 30, 2025, respectively, compared to 9.6% for both the three and six months ended June 30, 2024. Merchandise losses in our Acima locations due to other merchandise losses, expressed as a percentage of revenues, were 0.4% and 0.3% for the three and six months ended June 30, 2025, respectively, and were negligible for both the three and six months ended June 30, 2024. Other merchandise losses include unrepairable and missing merchandise and loss/damage waiver claims.

Rent-A-Center segment

(dollar amounts in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change $	Change %	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Change $	Change %
Revenues	$ 467,118	$ 502,848	$ (35,730)	(7.1)%	$ 956,143	$ 1,016,902	$ (60,759)	(6.0)%
Gross profit	316,958	337,337	(20,379)	(6.0)%	639,784	682,387	(42,603)	(6.2)%
Operating profit	63,001	71,562	(8,561)	(12.0)%	129,416	149,700	(20,284)	(13.5)%
Lease portfolio value[(1)]					128,469	139,698	(11,229)	(8.0)%
Same store lease portfolio value[(1)]					116,181	122,118	(5,937)	(4.9)%
Change in same store revenue[(1)]				(4.0)%				(3.0)%
Stores in same store revenue calculation				1,562				1,562

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

Revenues. The decrease in revenues for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, was primarily due to decreases in same store sales of 4.0% and 3.0%, respectively, driven by decreases in rentals and fees revenues of $31.2 million and $55.8 million, respectively, and decreases in merchandise sales of $5.4 million and $6.7 million, respectively.

Gross Profit. Gross profit decreased for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, driven primarily by the decrease in revenues described above. Gross profit as a percentage of segment revenues was 67.9% and 66.9% for the three and six months ended June 30, 2025, respectively, as compared to 67.1% for both the three and six months ended June 30, 2024.

Operating Profit. Operating profit as a percentage of segment revenues was 13.5% for both the three and six months ended June 30, 2025, compared to 14.2% and 14.7% for the three and six months ended June 30, 2024, respectively. The decrease in operating profit margin for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, was primarily due to an increase in general and administrative expenses of $6.3 million and $10.3 million for the three and six months ended June 30, 2025, respectively. The increases in general and administrative expenses were primarily driven by increases in the allowance for doubtful accounts related to franchising trade receivables. Merchandise losses in our Rent-A-Center lease-to-own stores due to LCOs, expressed as a percentage of Rent-A-Center lease-to-own revenues, were approximately 4.7% for both the three and six months ended June 30, 2025, compared to 4.2% and 4.5% for the three and six months ended June 30, 2024, respectively. Merchandise losses in our Rent-A-Center lease-to-own stores due to other merchandise losses, expressed as a percentage of Rent-A-Center lease-to-own revenues, were approximately 1.0% and 0.9% for the three and six months ended June 30, 2025, respectively, compared to approximately 1.6% and 1.3% for the three and six months ended June 30, 2024, respectively. Other merchandise losses include unrepairable and missing merchandise and loss/damage waiver claims.

Brigit segment

(dollar amounts in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change $	Change %	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Change $	Change %
Revenues	$ 51,890	$ —	$ 51,890	nm	$ 83,751	$ —	$ 83,751	nm
Gross profit	45,904	—	45,904	nm	73,759	—	73,759	nm
Operating profit	10,472	—	10,472	nm	19,301	—	19,301	nm
Brigit paying users[(1)]					1,320,272			

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

Revenues. Revenues for the three and six months ended June 30, 2025 included $36.3 million and $60.3 million in subscription revenue, $10.9 million and $16.6 million in transfer fee revenue and $4.7 million and $6.8 million in marketplace revenue, respectively.

Gross Profit. Gross profit as a percentage of segment revenues was 88.5% and 88.1% for the three and six months ended June 30, 2025, respectively.

Operating Profit. Operating profit as a percentage of segment revenues was 20.2% and 23.0% for the three and six months ended June 30, 2025. Net advance losses expressed as a percentage of total cash advances originated was 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

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
(dollar amounts in thousands)	**2025**	**2024**	**$**	**%**	**2025**	**2024**	**$**	**%**
Revenues	$ 19,561	$ 20,868	$ (1,307)	(6.3)%	$ 37,751	$ 41,435	$ (3,684)	(8.9)%
Gross profit	13,974	15,011	(1,037)	(6.9)%	26,971	29,727	(2,756)	(9.3)%
Operating profit	1,936	1,559	377	24.2 %	3,159	3,255	(96)	(2.9)%
Change in same store revenue[(1)]				5.8 %				6.1 %
Stores in same store revenue calculation				122				122

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

Revenues. Revenues were negatively impacted by exchange rate fluctuations of approximately $2.6 million and $6.3 million for the three and six months ended June 30, 2025, respectively, as compared to the three and six months ended June 30, 2024. On a constant currency basis, revenues for the three and six months ended June 30, 2025 increased approximately $1.3 million and $2.6 million, respectively, compared to the three and six months ended June 30, 2024.

Gross Profit. Gross profit was negatively impacted by exchange rate fluctuations of approximately $1.9 million and $4.5 million for the three and six months ended June 30, 2025, respectively, as compared to the three and six months ended June 30, 2024. On a constant currency basis, gross profit for the three and six months ended June 30, 2025 increased by approximately $0.9 million and $1.7 million, respectively, as compared to the three and six months ended June 30, 2024. Gross profit as a percentage of segment revenues was 71.4% for both the three and six months ended June 30, 2025, compared to 71.9% and 71.7% for the three and six months ended June 30, 2024, respectively.

Operating Profit. Operating profit was negatively impacted by exchange rate fluctuations of approximately $0.3 million and $0.5 million for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024. On a constant currency basis, operating profit for the three and six months ended June 30, 2025 increased by approximately $0.7 million and $0.4 million, respectively, as compared to the three and six months ended June 30, 2024. Operating profit as a percentage of segment revenues increased to 9.9% and 8.4% for the three and six months ended June 30, 2025, respectively, compared to 7.5% and 7.9% for the three and six months ended June 30, 2024, respectively, primarily due to lower LCOs.

Liquidity and Capital Resources

Overview. For the six months ended June 30, 2025, we generated $145.6 million in operating cash flow, used cash in the amount of $294.4 million for debt repayments, $276.2 million for acquisitions, $43.5 million for dividends and $28.8 million for capital expenditures, and had cash proceeds from indebtedness of $549.0 million. We ended the second quarter of 2025 with $106.8 million of cash and cash equivalents and outstanding indebtedness of $1.6 billion.

Analysis of Cash Flow. Cash provided by operating activities increased by $85.1 million to $145.6 million for the six months ended June 30, 2025, from $60.5 million for the six months ended June 30, 2024, primarily due to the acquisition of Brigit, timing of vendor payments in previous years, decreases in Rent-A-Center segment inventory purchases due to lower corporate-owned store count, and lower incentive compensation payouts, partially offset by higher inventory purchases at Acima driven by increased consumer demand.

Cash used in investing activities increased by $278.8 million to $304.9 million for the six months ended June 30, 2025, compared to $26.1 million for the six months ended June 30, 2024, primarily due to payment of cash consideration for the acquisition of Brigit of $275.9 million for the six months ended June 30, 2025.

Cash provided by (used in) financing activities increased by $248.9 million to $204.6 million for the six months ended June 30, 2025, compared to $(44.3) million for the six months ended June 30, 2024, primarily due to an increase in borrowings under the ABL Credit Facility of $384.0 million, used to facilitate the Brigit acquisition, partially offset by an increase in debt repayments of $134.0 million for the six months ended June 30, 2025.

Liquidity Requirements. Our primary liquidity requirements are for rental merchandise purchases, which are impacted by consumer demand for our lease-to-own solutions. 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 vs 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 24, 2025, we had approximately $44.3 million in cash on hand, and $159.5 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)	2025	2024	2025	2024
Lease charge-offs	$ 81,956	$ 77,284	$ 163,862	$ 158,627
Other merchandise losses[1]	7,007	8,302	12,566	15,303
Total merchandise losses	$ 88,963	$ 85,586	$ 176,428	$ 173,930

[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 $28.8 million and $26.2 million on capital expenditures during the six months ended June 30, 2025 and 2024, respectively. The increase of $2.6 million is primarily due to higher investment in store-related assets in our Rent-A-Center segment.

Acquisitions and New Location Openings. During the six months ended June 30, 2025, we acquired one lease-to-own store location and customer accounts for an aggregate purchase price of approximately $0.2 million. The store location was closed upon acquisition and consolidated into existing store operations in our Rent-A-Center segment.

The table below summarizes the store location activity for the six-month period ended June 30, 2025 for our Rent-A-Center and Mexico operating segments.

	Rent-A-Center	Mexico	Total
Locations at beginning of period	2,176	132	2,308
New location openings	1	3	4
Closed locations			
Merged with existing locations	(5)	—	(5)
Sold or closed with no surviving location	(19)	—	(19)
Locations at end of period	2,153	135	2,288
Acquired locations closed and accounts merged with existing locations	1	—	1
Total approximate purchase price of acquired store *(in thousands)*	$ 177	$ —	$ 177

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 amended on June 7, 2024, 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 24, 2025, was 6.40%. 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 amended on May 28, 2024, the "Term Loan Facility"). Subject in each case to certain restrictions and conditions, we may add up to $500 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, which, as of July 24, 2025 was 7.03%.

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. 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 24, 2025, we had outstanding borrowings of $798.0 million under the Term Loan Facility and available commitments of $159.5 million under our ABL Credit Facility, net of letters of credit.

See Note 6 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 7 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, 2025, our total remaining obligation for existing store lease contracts was approximately $337.9 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, 2025, our total remaining minimum obligation for existing Rent-A-Center vehicle lease contracts was approximately $3.1 million.

We also lease vehicles for all of our Mexico stores which have terms expiring at various times through 2029 with rental rates adjusted periodically for inflation. As of June 30, 2025, our total remaining obligation for existing Mexico vehicle lease contracts was approximately $3.3 million.

Uncertain Tax Position. As of June 30, 2025, we have recorded $0.4 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 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.

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, 2025, unless otherwise discussed (including with respect to ASU 2023-07), 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, 2025, we had $450 million in Notes outstanding at a fixed interest rate of 6.375%. We also had $798.0 million outstanding under the Term Loan Facility and $334.0 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, 2025, a hypothetical 1.0% increase or decrease in market interest rates would have the effect of causing an additional $11.3 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, 2025.

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, 2025, 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. On January 31 2025, we acquired Brigit. We are currently in the process of integrating Brigit into our assessment of our internal control over financial reporting. Management's assessment and conclusions on the effectiveness of our disclosure controls and procedures as of June 30, 2025 excludes an assessment of the internal control over financial reporting of Brigit.

For the quarter ended June 30, 2025, 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

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 herein. In addition to the matters described herein, 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.

We cannot predict the ultimate resolution of our pending legal proceedings, governmental inquiries and investigations (which include, but are not limited to, the matters discussed herein) and, therefore, are unable to estimate a range of losses related to these matters that may be reasonably possible to occur. Please see Note 12 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, 2024.

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.)
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 Fahmi Karam
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 Fahmi Karam
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/ FAHMI W. KARAM

Fahmi W. Karam

Chief Executive Officer and Chief Financial Officer

Date: July 31, 2025

Exhibit 31.1

I, Fahmi W. 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 31, 2025

/s/ Fahmi W. Karam
Fahmi W. Karam
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

I, Fahmi W. 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 31, 2025

/s/ Fahmi W. Karam
Fahmi W. Karam
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, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, Fahmi W. 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 W. Karam
Fahmi W. Karam
Chief Executive Officer and Director

Dated: July 31, 2025

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, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, Fahmi W. Karam, 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/ Fahmi W. Karam
Fahmi W. Karam
Chief Financial Officer

Dated: July 31, 2025

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.