

Upbound Group, Inc. Earnings Release

October 30, 2025

Third Quarter 2025 Results & Key Metrics

\$1,165M

Total Revenue

\$13M

Net Earnings

\$124M

Adjusted EBITDA¹

\$0.22

GAAP Diluted EPS

\$1.00

Non-GAAP Diluted EPS¹

Growth Momentum Continues: Acima GMV Increases 11% y/y and Brigit Revenue Increases Over 40% y/y

Tightening FY 2025 Guidance: Rent-A-Center Trends Improve, Acima Decisioning Optimized, Brigit Scaling

Third Quarter Consolidated Results

- Consolidated revenues of \$1,164.7 million increased 9.0% year-over-year, driven primarily by the acquisition of Brigit, in addition to both higher rentals and fees revenue and higher merchandise sales revenue.
- GAAP operating profit of \$52.8 million, including \$53.4 million of pre-tax costs relating to special items described below, compared to \$70.1 million of GAAP operating profit, including \$28.1 million of pre-tax costs relating to special items, in the prior year period. Third quarter 2025 GAAP operating profit margin was 4.5%, compared to 6.6% in the prior year period.
- Net earnings on a GAAP basis of \$13.2 million, compared to \$30.9 million in the prior year period, a \$17.7 million decrease. Net profit margin of 1.1% decreased 180 bps year-over-year.
- Adjusted EBITDA¹ increased 5.7% year-over-year to \$123.6 million, due primarily to the addition of the Brigit segment, partially offset by a decrease in Adjusted EBITDA in the Rent-A-Center segment.
- Adjusted EBITDA margin¹ of 10.6% decreased 30 basis points compared to the prior year period, due primarily to a decrease in Adjusted EBITDA margin in the Acima segment, partially offset by the addition of the Brigit segment.
- GAAP diluted earnings per share was \$0.22, compared to GAAP diluted earnings per share of \$0.55 in the prior year period.
- Non-GAAP diluted earnings per share¹, which excludes the impact of special items described below, was \$1.00 for the third quarter of 2025, compared to \$0.95 in the prior year period.

CEO Commentary

“Upbound’s third quarter demonstrates our commitment to delivering strong financial results while positioning our business for long-term, sustainable growth. Our Acima and Brigit segments continued their momentum, with Acima achieving its eighth consecutive quarter of GMV growth and Brigit delivering over 40% year-over-year increase in revenue. Additionally, our Rent-A-Center segment same store sales performance improved sequentially and is expected to stabilize further in the fourth quarter,” said CEO Fahmi Karam.

“As additional consumers turn to our solutions, we continue to enhance existing offerings while developing new, innovative ways to serve our customers responsibly with a disciplined approach to risk management.

“We are excited to welcome our new Chief Financial Officer and Chief Growth Officer to Upbound. Our talented team, paired with our durable business model, is well-positioned to deliver strong financial performance while meeting the needs of millions of underserved consumers across economic cycles,” concluded Mr. Karam.

Third Quarter Highlights



Total Revenue	Net Earnings
\$625.3M	\$63.7M
+10.4% y/y	-0.5% y/y
LCO Rate	Adjusted EBITDA¹
9.7%	\$75.0M
+50 bps y/y	-0.4% y/y

- Applications increased approximately 13% y/y in the third quarter.
- GMV increased 11.0% y/y in the third quarter. New merchants and Acima's expanding direct-to-consumer marketplace accounted for the majority of Acima's GMV growth.
- GMV from the Acima direct-to-consumer marketplace grew over 150% y/y in the third quarter.
- Net earnings margin of 10.2% and Adjusted EBITDA margin of 12.0% decreased 110 bps and 130 bps y/y, respectively. Decreases were due primarily to softness in certain monthly vintages and product category mix shift.



*Upbound acquired Brigit on January 31, 2025.

Total Revenue	Paying Subscribers
\$57.7M	1.44M
+40.2% y/y	+26.8% y/y
Net Advance Loss Rate	ARPU
3.3%	\$13.74
+30 bps y/y	+11.4% y/y

- Highly efficient, scalable tech platform drives more than \$1.5M in annualized revenue per full-time employee.²
- Paying subscribers increased approximately 27% y/y.
- Average monthly revenue per user (ARPU) increased 11.4% y/y, driven by higher expedited transfer revenue, deeper engagement with marketplace offers, and a continued shift toward Brigit's Premium tier.
- Net earnings of \$4.6M with a net profit margin of 7.9%, and Adjusted EBITDA of \$9.3M with an Adjusted EBITDA margin of 16.1%.



Total Revenue	Net Earnings
\$461.1M	\$56.4M
-4.7% y/y	-23.0% y/y
LCO Rate	Adjusted EBITDA
4.7%	\$74.7M
-20 bps y/y	-5.5% y/y

- Revenues of \$461.1M decreased 4.7% y/y, due to a reduction in company-owned store count during the third quarter of 2024 and a smaller portfolio entering the third quarter of 2025.
- Company-owned same store sales decreased 3.6% y/y, an improvement of 40 bps sequentially.
- Net earnings of \$56.4M and Adjusted EBITDA of \$74.7M decreased \$16.8M and \$4.3M y/y, respectively.
- Lease charge-offs (LCO) for company-owned Rent-A-Center stores were 4.7%, decreasing 20 bps y/y and flat sequentially.
- Rent-A-Center segment financials include all franchised locations, which had been reported separately prior to Q1 2025.



Total Revenue	YoY Increase
\$20.7M	+7.4%
	<i>on a constant currency basis</i>

- Segment net earnings, on a GAAP basis, and Adjusted EBITDA were approximately \$1.3 million and \$1.9 million, respectively.
- As of September 30, 2025, the Mexico segment owned and operated 135 locations.

Note: Definitions of certain key performance metrics are available on page five of this release.
⁽¹⁾ Non-GAAP financial measure. Refer to definitions and reconciliations elsewhere in this release.
⁽²⁾ Annualized revenue is calculated using Q3 revenue for the Brigit segment multiplied by four quarters.

Full Year 2025 Financial Outlook

The Company is updating its guidance for FY 2025 Adjusted EBITDA and Non-GAAP Diluted Earnings Per Share, which was provided during our Q2 earnings call on July 31, 2025.

Table 1

Consolidated Guidance ^{1,2}	Current Guidance (Provided 10/30/2025)	Previous Guidance (Provided 7/31/2025)
	FY 2025	FY 2025
Revenues (\$B)	\$4.60 - \$4.75	\$4.60 - \$4.75
Adj. EBITDA Excluding SBC (\$M) ³	\$500 - \$510	\$515 - \$535
Non-GAAP Diluted Earnings Per Share ³	\$4.05 - \$4.15	\$4.05 - \$4.40
Free Cash Flow (\$M) ³	\$150 - \$200	\$150 - \$200

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

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

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

CEO Commentary

“Our third quarter performance delivered solid results, with consolidated revenue up 9.0% year-over-year and non-GAAP diluted EPS up 5.3%. Our growth remains balanced by our prudent decisioning, which resulted in a year-over-year decrease in the Rent-A-Center LCO rate and targeted adjustments in Acima underwriting that reflect evolving consumer conditions,” noted CEO Fahmi Karam.

“During the quarter, we also refinanced our term loan. Enhancements include an upside to \$875M that increases our liquidity, an extension until 2032, and terms that reflect the evolution of our business. The Company maintains a robust financial position and ended the quarter with liquidity of over \$360 million, net debt of \$1.5 billion, and a net leverage ratio of 2.9x, down from 3.0x at the end of the second quarter.

“Our Company remains committed to delivering results in line with our updated FY 2025 guidance, which reflects our expectations for responsible growth as we enter 2026,” concluded Mr. Karam.



Conference Call and Webcast Information

Upbound Group, Inc. will host a conference call to discuss third quarter results, guidance and other operational matters on the morning of Thursday, October 30, 2025, at 9:00 a.m. ET. For a live webcast of the call, visit <https://investor.upbound.com>. Certain financial and other statistical information that will be discussed during the conference call will also be provided on the same website.

Financial Highlights

Key Metrics

Table 2 Metrics (\$'s Millions - except per share and ARPU)	Q3 2025	Q3 2024	Q2 2025
Consolidated			
Revenue	\$ 1,164.7	\$ 1,068.9	\$ 1,157.5
Revenue Y/Y % Change	9.0 %	9.2 %	7.5 %
GAAP Operating Profit	\$ 52.8	\$ 70.1	\$ 50.7
Net Earnings	\$ 13.2	\$ 30.9	\$ 15.5
Net Profit Margin	1.1 %	2.9 %	1.3 %
Adj. EBITDA ⁽¹⁾	\$ 123.6	\$ 116.9	\$ 133.2
Adj. EBITDA Margin ⁽¹⁾	10.6 %	10.9 %	11.5 %
GAAP Operating Expenses as % of Total Revenue	43.8 %	41.3 %	45.0 %
GAAP Diluted EPS	\$ 0.22	\$ 0.55	\$ 0.26
Non-GAAP Diluted EPS ⁽¹⁾	\$ 1.00	\$ 0.95	\$ 1.12
On-Rent Rental Merchandise, Net	\$ 1,090.8	\$ 1,016.7	\$ 1,095.6
Net Cash Provided by Operating Activities ⁽¹⁴⁾	\$ 89.9	\$ 106.2	\$ 26.1
Free Cash Flow ⁽¹⁾	\$ 50.2	\$ 88.3	\$ (10.4)
Acima Segment			
GMV ⁽²⁾	\$ 484.0	\$ 436.1	\$ 522.1
GMV (Y/Y % Change) ⁽²⁾	11.0 %	13.0 %	16.0 %
Revenue	\$ 625.3	\$ 566.2	\$ 619.0
Revenue Y/Y % Change	10.4 %	19.1 %	12.0 %
GAAP Operating Profit/GAAP Net Earnings	\$ 63.7	\$ 64.0	\$ 82.0
Net Profit Margin	10.2 %	11.3 %	13.2 %
Adj. EBITDA ⁽¹⁾	\$ 75.0	\$ 75.3	\$ 93.3
Adj. EBITDA Margin ⁽¹⁾	12.0 %	13.3 %	15.1 %
On-Rent Rental Merchandise, Net	\$ 660.6	\$ 602.3	\$ 680.8
Lease Charge-Off Rate ⁽³⁾	9.7 %	9.2 %	9.3 %
60+ Day Past Due Rate ⁽⁴⁾	12.7 %	13.4 %	11.8 %
Brigit Segment ⁽⁵⁾			
Cash Advance Volume ⁽⁶⁾	\$ 389.8		\$ 356.1
Paying Users ⁽⁷⁾	1,443,832		1,320,272
ARPU ⁽⁸⁾	\$ 13.74		\$ 13.45
Revenue	\$ 57.7		\$ 51.9
GAAP Operating Profit/GAAP Net Earnings	\$ 4.6		\$ 10.5
Net Profit Margin	7.9 %		20.2 %
Adj. EBITDA ⁽¹⁾	\$ 9.3		\$ 14.4
Adj. EBITDA Margin ⁽¹⁾	16.1 %		27.7 %
Net Advance Loss Rate ⁽⁹⁾	3.3 %		2.6 %
Rent-A-Center Segment			
Lease Portfolio - Monthly Value (as of period end) ⁽¹⁰⁾	\$ 129.4	\$ 132.2	\$ 128.5
Same Store Lease Portfolio Value (Y/Y % Change - as of period end) ⁽¹¹⁾	(1.8)%	(0.1)%	(4.9)%
Same Store Sales (Y/Y % Change) ⁽¹²⁾	(3.6)%	2.6 %	(4.0)%
Revenue	\$ 461.1	\$ 483.6	\$ 467.1
Revenue Y/Y % Change	(4.7)%	(0.1)%	(7.1)%
GAAP Operating Profit/GAAP Net Earnings	\$ 56.4	\$ 73.3	\$ 63.0
Net Profit Margin	12.2 %	15.2 %	13.5 %
Adj. EBITDA ⁽¹⁾	\$ 74.7	\$ 79.0	\$ 68.4
Adj. EBITDA Margin ⁽¹⁾	16.2 %	16.3 %	14.6 %
On-Rent Rental Merchandise, Net	\$ 405.8	\$ 393.4	\$ 390.9
Lease-Charge Off Rate ⁽³⁾	4.7 %	4.9 %	4.7 %
30+ Day Past Due Rate ⁽¹³⁾	3.3 %	3.4 %	2.7 %
Corporate Owned Store Count (U.S. & PR - as of period end)	1,724	1,726	1,723

*Please see footnotes on the following page.

Financial Highlights (continued)

- ⁽¹⁾ Non-GAAP financial measure. Refer to the explanations and reconciliations elsewhere in this release.
- ⁽²⁾ 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.
- ⁽³⁾ Lease Charge-Offs (LCOs): 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.
- ⁽⁴⁾ 60+ Day Past Due Rate: Defined as the average number of accounts 60+ days past due as a % of total open leases.
- ⁽⁵⁾ Upbound acquired Brigit on January 31, 2025.
- ⁽⁶⁾ Cash Advance Volume: Defined as total advance originations during the period.
- ⁽⁷⁾ Brigit Paying Users: Represents Brigit customers who have an active Plus or Premium account, not delinquent (not 45 days past due) on a cash advance, and made at least 1 of the last 2 subscription payments.
- ⁽⁸⁾ ARPU: Average monthly revenue per Brigit Paying User, where Brigit Paying User is defined as in footnote 7 above.
- ⁽⁹⁾ Net Advance Loss: Represents charge-offs of customer cash advances that are 45+ days past due as a percentage of total cash advances originated in the period.
- ⁽¹⁰⁾ 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.
- ⁽¹¹⁾ 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.
- ⁽¹²⁾ Same Store Sales (SSS): 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.
- ⁽¹³⁾ 30+ Day Past Due Rate: Defined as the average number of accounts 30+ days past due as a % of total open leases for our Company-owned Rent-A-Center locations.
- ⁽¹⁴⁾ See Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow included in Table 13 of this earnings release for additional information.

About Upbound Group, Inc

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

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

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Forward Looking Statements

This press release, and the guidance above and the Company's related conference call contain forward-looking statements that involve risks and uncertainties. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "maintain," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology and including, among others, statements concerning (i) the Company's guidance for 2025 and future outlook, (ii) the impact of ongoing challenging macroeconomic conditions on the Company's business operations, financial performance, and prospects, (iii) the future business prospects and financial performance of the Company as a whole (which includes Bridge IT, Inc. ("Brigit") following the closing of our acquisition of Brigit (the "Merger") on January 31, 2025) and our segments, (iv) the Company's growth strategies, (v) the Company's expectations, plans and strategy relating to its capital structure and capital allocation, including any share repurchases under the Company's share repurchase program, (vi) the potential impact of legal proceedings, governmental inquiries and investigations the Company is involved in, and (vii) other statements that are not historical facts. However, there can be no assurance that such expectations will occur. The Company's actual future performance could differ materially and adversely from such statements. Factors that could cause or contribute to these differences include, but are not limited to: (1) the possibility that costs, difficulties or disruptions related to the integration of Brigit operations into the Company's other operations will be greater than expected; (2) the possibility that the anticipated benefits from the Brigit acquisition may not be fully realized or may take longer to realize than expected; (3) the Company's ability to (i) effectively adjust to changes in the composition of its offerings and product mix as a result of acquiring 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; (4) changes in the Company's 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; (5) the Company's ability to retain the talent and dedication of key employees of Brigit; (6) the general strength of the economy and other economic conditions affecting consumer preferences, spending and payment behaviors, including the availability of credit to the Company's target consumers and to other consumers, impacts from continued or renewed inflation, central bank monetary policy initiatives to address inflation concerns and a possible recession or slowdown in economic growth; (7) factors affecting the disposable income available to the Company's current and potential customers; (8) changes in the unemployment rate; (9) capital market conditions, including changes in interest rates and availability of funding sources for the Company; (10) changes in the Company's credit ratings; (11) difficulties encountered in managing the financial and operational performance of the Company's multiple business segments; (12) risks associated with pricing, value proposition and other changes to the Company's consumer offerings and strategies being deployed in the Company's businesses; (13) the Company's ability to continue to effectively execute its strategic initiatives, including mitigating risks associated with any potential additional mergers and acquisitions, or lease-to-own refranchising opportunities; (14) the Company's ability to identify potential acquisition candidates, complete acquisitions and successfully integrate acquired companies, including Brigit; (15) failure to effectively manage the Company's operating labor and non-labor operating expenses, including merchandise losses for our lease-to-own offerings; (16) disruptions caused by the operation of the Company's information management systems or disruptions in the systems of the Company's host retailers or other third parties with whom the Company does business; (17) risks related to the Company's virtual lease-to-own business, including the Company's ability to continue to develop and successfully implement the necessary technologies; (18) the Company's ability to achieve the benefits expected from its integrated virtual and staffed third-party retailer offering and to successfully grow this business segment; (19) exposure to potential operating margin degradation due to the higher cost of merchandise and higher merchandise losses in the Company's Acima segment compared to our Rent-A-Center segment; (20) additional risks associated with the Company's 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; (21) litigation or administrative proceedings to which the Company is or may be a party to from time to time and changes in estimates relating to litigation reserves including, in each case in connection with the regulatory and litigation matters described in the Company's most recent Form 10-K or Form 10-Q; (22) the Company's compliance with applicable statutes and regulations governing the Company's businesses, impacts from the enforcement of existing laws and regulations and the enactment of new laws and regulations adversely affecting the Company's business, including in connection with the regulatory matters in which the Company is involved, and any legislative or other regulatory enforcement efforts or private party litigation or arbitration that seeks to re-characterize store-based or virtual lease-to-own transactions as credit sales and to apply consumer credit laws and regulations to the Company's lease-to-own business or to apply credit laws to Brigit's non-credit consumer offerings; (23) the Company's transition to more readily scalable "cloud-based" solutions; (24) the Company's ability to develop and successfully implement digital or e-commerce capabilities, including mobile applications; (25) the Company's ability to protect its proprietary intellectual property and to defend against allegations by third parties that any of the Company's products, services or business activities may infringe against their intellectual property rights; (26) the Company's ability or that of the Company's host retailers or other third parties with whom the company does business to protect the integrity and security of customer, employee, supplier and host retailer or other third party information, which may be adversely affected by hacking, computer viruses, cybersecurity attacks or similar disruptions; (27) impairment of the Company's goodwill or other intangible assets; (28) disruptions in the Company's supply chain; (29) limitations of, or disruptions in, the Company's distribution network; (30) rapid inflation or deflation in the prices of the Company's lease-to-own products and other related costs; (31) allegations of product safety and quality control issues, including recalls of goods the Company leases to customers; (32) the Company's ability to execute, as well as, the effectiveness of, lease-to-own store consolidations, including the Company's ability to retain the revenue from customer accounts merged into another store location as a result of a store consolidation; (33) the Company's available cash flow and its ability to generate sufficient cash flow to continue paying dividends; (34) increased competition from traditional competitors, virtual lease-to-own competitors, online retailers, Buy-Now-Pay-Later, earned wage access and financial health technology competitors and other fintech companies and other competitors, including subprime lenders; (35) the Company's ability to identify and successfully market products and services that appeal to its current and future targeted customer segments and to accurately estimate the size of the total addressable market; (36) consumer preferences and perceptions of the Company's brands; (37) the Company's 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; (38) the Company's ability to retain the revenue associated with acquired lease-to-own customer accounts and enhance the performance of acquired stores; (39) the Company's ability to enter into new rental or lease purchase agreements and collect on existing rental or lease purchase agreements; (40) 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 the Company's costs or target consumers; (41) adverse changes in the economic conditions of the industries, countries or markets that the Company serves; (42) information technology and data security costs; (43) the impact of breaches in data security or other disturbances to the Company's information technology and other networks (44) changes in estimates relating to self-insurance liabilities and income tax reserves; (45) changes in the Company's effective tax rate; (46) fluctuations in foreign currency exchange rates; (47) the Company's ability to maintain an effective system of internal controls; and (48) the other risks detailed from time to time in the Company's SEC reports, including but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2024, and in its subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, the Company is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Upbound Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

Table 3

(in thousands, except per share data)

	Three Months Ended September 30,	
	2025	2024
Revenues		
Rentals and fees	\$ 901,342	\$ 877,831
Merchandise sales	198,095	183,363
Subscriptions and fees	57,663	—
Other	7,617	7,665
Total revenues	1,164,717	1,068,859
Cost of revenues		
Cost of rentals and fees	364,146	342,392
Cost of merchandise sold	230,864	215,381
Cost of subscriptions and fees	6,631	—
Total cost of revenues	601,641	557,773
Gross profit	563,076	511,086
Operating expenses		
Operating labor	151,726	152,635
Non-labor operating expenses	242,078	196,010
General and administrative expenses	50,248	51,464
Depreciation and amortization	12,900	12,770
Other gains and charges	53,371	28,148
Total operating expenses	510,323	441,027
Operating profit	52,753	70,059
Debt refinancing charges	4,894	—
Interest expense	28,662	26,801
Interest income	(673)	(897)
Earnings before income taxes	19,870	44,155
Income tax expense	6,649	13,295
Net earnings	\$ 13,221	\$ 30,860
Basic weighted average shares	56,703	54,700
Basic earnings per common share	\$ 0.23	\$ 0.56
Diluted weighted average shares	58,890	55,962
Diluted earnings per common share	\$ 0.22	\$ 0.55
REVENUES BY SEGMENT		
Acima	\$ 625,272	\$ 566,183
Rent-A-Center	461,090	483,646
Brigit	57,663	—
Mexico	20,692	19,030
Total revenues	\$ 1,164,717	\$ 1,068,859

Upbound Group, Inc. and Subsidiaries

SELECTED BALANCE SHEETS HIGHLIGHTS - UNAUDITED

Table 4

(in thousands)

	September 30,	
	2025	2024
Cash and cash equivalents	\$ 107,021	\$ 85,054
Receivables, net	203,155	121,645
Prepaid expenses and other assets	180,665	74,442
Rental merchandise, net		
On rent	1,090,834	1,016,716
Held for rent	131,987	123,055
Operating lease right-of-use assets	269,482	269,307
Goodwill	488,160	289,750
Total assets	3,211,634	2,578,490
Operating lease liabilities	\$ 286,683	\$ 277,318
Senior debt, net	1,102,657	794,257
Senior notes, net	443,359	441,395
Total liabilities	2,524,330	1,966,670
Total stockholders' equity	687,304	611,820

Non-GAAP Financial Measures

This release and the Company's related conference call contain certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including (1) Non-GAAP diluted earnings per share (net earnings or loss, as adjusted for special items (as defined below), net of taxes, divided by the number of shares of our common stock on a fully diluted basis), (2) Adjusted EBITDA (net earnings before interest, taxes, stock-based compensation, depreciation and amortization, as adjusted for special items) on a consolidated and segment basis, (3) Adjusted EBITDA margin (Adjusted EBITDA divided by total revenue) on a consolidated and segment basis, (4) Free Cash Flow (net cash provided by operating activities less capital expenditures and customer cash advances), (5) Net Debt (outstanding debt less cash and cash equivalents) and (6) Net Leverage Ratio (Net debt to Adjusted EBITDA (outstanding debt less cash and cash equivalents divided by trailing twelve months Adjusted EBITDA)). "Special items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature or which we believe do not reflect our core business activities. Special items are reported as Other Gains and Charges in our Consolidated Statements of Operations. For the periods presented herein, these special items are described in the quantitative reconciliation tables included below in this release. Because of the inherent uncertainty related to these special items, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measures or reconciliation to any forecasted GAAP measure without unreasonable effort. These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended to assist management in evaluating operating performance and liquidity, comparing performance and liquidity across periods, planning and forecasting future business operations, helping determine levels of operating and capital investments and identifying and assessing additional trends potentially impacting our Company that may not be shown solely by comparisons of GAAP measures. Consolidated Adjusted EBITDA is also used as part of our incentive compensation program for our executive officers and others. We believe these non-GAAP financial measures also provide supplemental information that is useful to investors, analysts and other external users of our consolidated financial statements in understanding our financial results and evaluating our performance and liquidity from period to period. However, non-GAAP financial measures have inherent limitations and are not substitutes for, or superior to, GAAP financial measures, and they should be read together with our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

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

Table 5

Three Months Ended September 30, 2025

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 563,076	\$ 52,753	\$ 19,870	\$ 6,649	\$ 13,221	\$ 0.22
Plus: Debt refinancing charges	—	—	4,894	1,150	3,744	0.06
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	—	14,900	14,900	3,502	11,398	0.19
Legal matters ⁽³⁾	—	12,612	12,612	2,964	9,648	0.16
Asset Impairment ⁽⁴⁾	—	11,583	11,583	2,722	8,861	0.15
Brigit acquired assets depreciation and amortization ⁽⁵⁾	—	6,216	6,216	1,461	4,755	0.08
Brigit equity consideration vesting ⁽⁶⁾	—	5,101	5,101	—	5,101	0.09
Brigit replacement awards and other compensation ⁽⁷⁾	—	4,495	4,495	1,056	3,439	0.06
Brigit transaction costs	—	551	551	129	422	0.01
Other ⁽⁸⁾	—	(2,087)	(2,087)	(490)	(1,597)	(0.02)
Non-GAAP Adjusted Results	<u>\$ 563,076</u>	<u>\$ 106,124</u>	<u>\$ 78,135</u>	<u>\$ 19,143</u>	<u>\$ 58,992</u>	<u>\$ 1.00</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$10.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million related to the fair value of acquired software assets.

⁽³⁾ Includes expenses of \$8.9 million related to estimated legal accruals and \$3.8 million in litigation and defense expenses primarily related to our Multi-State Attorneys' General regulatory investigation, a patent infringement lawsuit, and our current regulatory lawsuit with the New York Attorney General.

⁽⁴⁾ Primarily includes lease impairment related to the closure of certain refranchised stores.

⁽⁵⁾ Includes amortization expense of approximately \$3.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$2.3 million related to the fair value of acquired software assets.

⁽⁶⁾ Represents stock compensation expense related to common stock issued to Brigit employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁷⁾ Includes amortization expense for Brigit replacement awards and other compensation related to the Brigit acquisition.

⁽⁸⁾ Primarily includes interest income on tax refunds for prior years recognized and shutdown and holding costs related to store closures and severance.

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

Table 6

Three Months Ended June 30, 2025

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 571,825	\$ 50,734	\$ 22,849	\$ 7,364	\$ 15,485	\$ 0.26
Plus: Special Items ⁽¹⁾						
Legal matters ⁽²⁾	—	32,516	32,516	8,393	24,123	0.41
Acima acquired assets depreciation and amortization ⁽³⁾	—	14,900	14,900	3,846	11,054	0.20
Brigit equity consideration vesting ⁽⁴⁾	—	6,405	6,405	—	6,405	0.11
Brigit acquired assets depreciation and amortization ⁽⁵⁾	—	6,216	6,216	1,604	4,612	0.08
Brigit replacement awards and other compensation ⁽⁶⁾	—	4,977	4,977	1,285	3,692	0.06
Asset impairment	—	206	206	53	153	—
Brigit transaction costs	—	(109)	(109)	(28)	(81)	—
Other ⁽⁷⁾	—	351	351	91	260	—
Non-GAAP Adjusted Results	<u>\$ 571,825</u>	<u>\$ 116,196</u>	<u>\$ 88,311</u>	<u>\$ 22,608</u>	<u>\$ 65,703</u>	<u>\$ 1.12</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of this earnings release.

⁽²⁾ Includes expenses of \$31.7 million related to estimated legal accruals and \$0.8 million in litigation and defense expenses for our current regulatory lawsuit with the New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation and a previously disclosed class action, which class action we agreed in principle to settle in July 2025.

⁽³⁾ Includes amortization expense of approximately \$11.0 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$3.9 million related to the fair value of acquired software assets.

⁽⁴⁾ Represents stock compensation expense related to common stock issued to Brigit employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁵⁾ Includes amortization expense of approximately \$3.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$2.3 million related to the fair value of acquired software assets.

⁽⁶⁾ Includes amortization expense for Brigit replacement awards and other compensation related to the Brigit acquisition.

⁽⁷⁾ Primarily includes shutdown and holding expenses related to store closures and severance.

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

Table 7

Three Months Ended September 30, 2024

<i>(in thousands)</i>	Gross Profit	Operating Profit	Earnings Before Income Tax	Tax Expense	Net Earnings	Diluted Earnings per Share
GAAP Results	\$ 511,086	\$ 70,059	\$ 44,155	\$ 13,295	\$ 30,860	\$ 0.55
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	—	14,901	14,901	3,253	11,648	0.21
Legal matters ⁽³⁾	—	11,038	11,038	2,411	8,627	0.15
Accelerated stock compensation ⁽⁴⁾	—	1,688	1,688	369	1,319	0.02
Asset impairments	—	(67)	(67)	(15)	(52)	—
Other ⁽⁵⁾	—	588	588	128	460	0.01
Discrete income tax items	—	—	—	(475)	475	0.01
Non-GAAP Adjusted Results	<u>\$ 511,086</u>	<u>\$ 98,207</u>	<u>\$ 72,303</u>	<u>\$ 18,966</u>	<u>\$ 53,337</u>	<u>\$ 0.95</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$10.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million related to the fair value of acquired software assets.

⁽³⁾ Includes estimated settlement expenses of \$7.5 million and related litigation and defense expenses of \$3.5 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorney's General regulatory investigation.

⁽⁴⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's former Chief Executive Officer.

⁽⁵⁾ Includes shutdown and holding expenses related to store closures of \$0.6 million.

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

Table 8

Three Months Ended September 30, 2025

<i>(in thousands)</i>	Acima	Rent-A-Center	Brigit	Mexico	Corporate	Consolidated
Net earnings (loss)	\$ 63,687	\$ 56,420	\$ 4,569	\$ 1,314	\$ (112,769)	\$ 13,221
Plus: Interest expense, net	—	—	—	—	27,989	27,989
Plus: Income tax expense	—	—	—	—	6,649	6,649
Plus: Debt refinancing charges	—	—	—	—	4,894	4,894
Operating profit (loss)	63,687	56,420	4,569	1,314	(73,237)	52,753
Plus: Depreciation and amortization	386	5,223	20	549	6,722	12,900
Plus: Stock-based compensation	—	—	—	—	4,537	4,537
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	10,929	—	—	—	3,971	14,900
Legal matters ⁽³⁾	—	—	—	—	12,612	12,612
Asset impairment ⁽⁴⁾	—	11,583	—	—	—	11,583
Brigit acquired assets depreciation and amortization ⁽⁵⁾	—	—	3,891	—	2,325	6,216
Brigit equity consideration vesting ⁽⁶⁾	—	—	—	—	5,101	5,101
Brigit replacement awards and other compensation ⁽⁷⁾	—	—	800	—	3,695	4,495
Brigit transaction costs	—	—	—	—	551	551
Other ⁽⁸⁾	—	1,483	—	—	(3,570)	(2,087)
Adjusted EBITDA	<u>\$ 75,002</u>	<u>\$ 74,709</u>	<u>\$ 9,280</u>	<u>\$ 1,863</u>	<u>\$ (37,293)</u>	<u>\$ 123,561</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$10.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million related to the fair value of acquired software assets.

⁽³⁾ Includes expenses of \$8.9 million related to estimated legal accruals and \$3.8 million in litigation and defense expenses primarily related to our Multi-State Attorneys' General regulatory investigation, a patent infringement lawsuit, and our current regulatory lawsuit with the New York Attorney General.

⁽⁴⁾ Primarily includes lease impairment related to the closure of certain refranchised stores.

⁽⁵⁾ Includes amortization expense of approximately \$3.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$2.3 million related to the fair value of acquired software assets.

⁽⁶⁾ Represents stock compensation expense related to common stock issued to Brigit employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁷⁾ Includes amortization expense for Brigit replacement awards and other compensation related to the Brigit acquisition.

⁽⁸⁾ Primarily includes interest income on tax refunds for prior years recognized and shutdown and holding costs related to store closures and severance.

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

Table 9

Three Months Ended June 30, 2025

<i>(in thousands)</i>	Acima	Rent-A-Center	Brigit	Mexico	Corporate	Consolidated
Net earnings (loss)	\$ 82,003	\$ 63,001	\$ 10,472	\$ 1,936	\$ (141,927)	\$ 15,485
Plus: Interest expense, net	—	—	—	—	27,885	27,885
Plus: Income tax expense	—	—	—	—	7,364	7,364
Operating profit (loss)	82,003	63,001	10,472	1,936	(106,678)	50,734
Plus: Depreciation and amortization	353	5,238	18	484	6,890	12,983
Plus: Stock-based compensation	—	—	—	—	4,021	4,021
Plus: Special Items ⁽¹⁾						
Legal matters ⁽²⁾	—	—	—	—	32,516	32,516
Acima acquired assets depreciation and amortization ⁽³⁾	10,929	—	—	—	3,971	14,900
Brigit equity consideration vesting ⁽⁴⁾	—	—	—	—	6,405	6,405
Brigit acquired assets depreciation and amortization ⁽⁵⁾	—	—	3,891	—	2,325	6,216
Brigit replacement awards and other compensation ⁽⁶⁾	—	—	—	—	4,977	4,977
Asset impairment	—	—	—	—	206	206
Brigit transaction costs	—	—	—	—	(109)	(109)
Other ⁽⁷⁾	—	157	—	—	194	351
Adjusted EBITDA	<u>\$ 93,285</u>	<u>\$ 68,396</u>	<u>\$ 14,381</u>	<u>\$ 2,420</u>	<u>\$ (45,282)</u>	<u>\$ 133,200</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of this earnings release.

⁽²⁾ Includes expenses of \$31.7 million related to estimated legal accruals and \$0.8 million in litigation and defense expenses for our current regulatory lawsuit with the New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation and a previously disclosed class action, which class action we agreed in principle to settle in July 2025.

⁽³⁾ Includes amortization expense of approximately \$11.0 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$3.9 million related to the fair value of acquired software assets.

⁽⁴⁾ Represents stock compensation expense related to common stock issued to Brigit employees under restricted stock agreements as part of the acquisition proceeds subject to vesting restrictions.

⁽⁵⁾ Includes amortization expense of approximately \$3.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$2.3 million related to the fair value of acquired software assets.

⁽⁶⁾ Includes amortization expense for Brigit replacement awards and other compensation related to the Brigit acquisition.

⁽⁷⁾ Primarily includes shutdown and holding expenses related to store closures and severance.

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

Table 10

Three Months Ended March 31, 2025

<i>(in thousands)</i>	Acima	Rent-A-Center	Brigit	Mexico	Corporate	Consolidated
Net earnings (loss)	\$ 73,708	\$ 66,415	\$ 8,829	\$ 1,223	\$ (125,382)	\$ 24,793
Plus: Interest expense, net	—	—	—	—	27,104	27,104
Plus: Income tax expense	—	—	—	—	10,718	10,718
Operating profit (loss)	73,708	66,415	8,829	1,223	(87,560)	62,615
Plus: Depreciation and amortization	354	5,427	11	437	6,023	12,252
Plus: Stock-based compensation	—	—	—	—	7,968	7,968
Plus: Special Items ⁽¹⁾						
Acima acquired assets depreciation and amortization ⁽²⁾	10,929	—	—	—	3,971	14,900
Legal matters ⁽³⁾	—	—	—	—	10,645	10,645
Brigit transaction costs ⁽⁴⁾	—	—	—	—	6,218	6,218
Brigit acquired assets depreciation and amortization ⁽⁵⁾	—	—	2,594	—	1,550	4,144
Brigit equity consideration vesting ⁽⁶⁾	—	—	—	—	4,059	4,059
Accelerated stock compensation ⁽⁷⁾	—	—	—	—	1,599	1,599
Brigit replacement awards and other compensation ⁽⁸⁾	—	—	—	—	1,095	1,095
Other ⁽⁹⁾	—	224	—	—	413	637
Adjusted EBITDA	<u>\$ 84,991</u>	<u>\$ 72,066</u>	<u>\$ 11,434</u>	<u>\$ 1,660</u>	<u>\$ (44,019)</u>	<u>\$ 126,132</u>

(1) Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of our earnings release for the three months ended March 31, 2025.

(2) Includes amortization expense of approximately \$10.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

(3) Includes expenses of \$10.0 million related to estimated legal accruals and \$0.6 million in litigation and defense expenses for our recently dismissed regulatory lawsuits with the Consumer Financial Protection Bureau and current regulatory lawsuit with the New York Attorney General, as well as the Multi-State Attorneys' General regulatory investigation.

(4) Represents transaction fees related to the Brigit acquisition.

(5) Includes amortization expense of approximately \$2.6 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$1.6 million related to the fair value of acquired software assets.

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

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

(8) Includes amortization expense for Brigit replacement awards and other compensation related to the Brigit acquisition.

(9) Includes shutdown and holding expenses related to store closures and severance.

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

Table 11

Three Months Ended December 31, 2024

<i>(in thousands)</i>	Acima	Rent-A-Center	Mexico	Corporate	Consolidated
Net earnings (loss)	\$ 69,653	\$ 74,193	\$ 667	\$ (113,531)	\$ 30,982
Plus: Interest expense, net	—	—	—	24,776	24,776
Plus: Income tax expense	—	—	—	23,397	23,397
Operating profit (loss)	69,653	74,193	667	(65,358)	79,155
Plus: Depreciation and amortization	352	5,423	427	5,823	12,025
Plus: Stock-based compensation	—	—	—	6,859	6,859
Plus: Special Items ⁽¹⁾					
Acima acquired assets depreciation and amortization ⁽²⁾	10,927	—	—	3,972	14,899
Legal matters ⁽³⁾	—	—	—	4,026	4,026
Transaction fees ⁽⁴⁾	—	—	—	3,656	3,656
Accelerated stock compensation ⁽⁵⁾	—	—	—	1,652	1,652
Asset impairments	—	(16)	—	—	(16)
Other ⁽⁶⁾	—	360	—	137	497
Adjusted EBITDA	<u>\$ 80,932</u>	<u>\$ 79,960</u>	<u>\$ 1,094</u>	<u>\$ (39,233)</u>	<u>\$ 122,753</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of this earnings release.

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

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

⁽⁴⁾ Represents transaction fees related to Brigit acquisition.

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

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

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

Table 12

Three Months Ended September 30, 2024

<i>(in thousands)</i>	Acima	Rent-A-Center	Mexico	Corporate	Consolidated
Net earnings (loss)	\$ 63,994	\$ 73,267	\$ 884	\$ (107,285)	\$ 30,860
Plus: Interest expense, net	—	—	—	25,904	25,904
Plus: Income tax expense	—	—	—	13,295	13,295
Operating profit (loss)	63,994	73,267	884	(68,086)	70,059
Plus: Depreciation and amortization	352	5,243	405	6,770	12,770
Plus: Stock-based compensation	—	—	—	5,887	5,887
Plus: Special Items ⁽¹⁾					
Acima acquired assets depreciation and amortization ⁽²⁾	10,929	—	—	3,972	14,901
Legal matters ⁽³⁾	—	—	—	11,038	11,038
Accelerated stock compensation ⁽⁴⁾	—	—	—	1,688	1,688
Asset impairments	—	(67)	—	—	(67)
Other ⁽⁵⁾	—	588	—	—	588
Adjusted EBITDA	<u>\$ 75,275</u>	<u>\$ 79,031</u>	<u>\$ 1,289</u>	<u>\$ (38,731)</u>	<u>\$ 116,864</u>

⁽¹⁾ Special items are reported as Other Gains and Charges in the Company's Consolidated Statements of Operations included in Table 3 of this earnings release.

⁽²⁾ Includes amortization expense of approximately \$10.9 million related to the total fair value of acquired intangible assets and incremental depreciation expense of approximately \$4.0 million.

⁽³⁾ Includes estimated settlement expenses of \$7.5 million and related litigation and defense expenses of \$3.5 million for regulatory lawsuits with the Consumer Financial Protection Bureau and New York Attorney General, as well as the Multi-State Attorney's General regulatory investigation.

⁽⁴⁾ Represents accelerated stock compensation expense related to our letter agreement with the Company's former Chief Executive Officer.

⁽⁵⁾ Includes shutdown and holding expenses related to store closures of \$0.6 million.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

Table 13

<i>(in thousands)</i>	Three Months Ended September 30,		Three Months Ended
	2025	2024	6/30/2025 ⁽¹⁾
Net cash provided by operating activities	\$ 89,908	\$ 106,205	\$ 26,086
Net originations and collections of customer cash advances ⁽¹⁾	(19,159)	—	(18,272)
Purchase of property assets	(20,504)	(17,948)	(18,247)
Free cash flow	<u>\$ 50,245</u>	<u>\$ 88,257</u>	<u>\$ (10,433)</u>

⁽¹⁾ Subsequent to the issuance of our second quarter 2025 financial statements, the Company identified a presentation error in the statement of cash flows related to net originations and collections of customer cash advances for our recently acquired subsidiary, Brigit. The Company determined net originations and collections of customer cash advances should be presented as an investing activity in accordance with ASC topic 230 and excluded from net cash provided by operating activities. As a result, net cash provided by operating activities for the three months ended March 31, 2025 and June 30, 2025 previously reported in our first and second quarter earnings releases were understated by approximately \$10.2 million and \$18.3 million, respectively. As such, net cash provided by operating activities for the three months ended June 30, 2025 included in the above table has been updated to reflect this correction. The correction, however, did not impact previously reported free cash flow as the Company will continue to report free cash flow net of originations and collections of customer cash advances. Additionally, the correction had no impact to our net earnings, earnings per share, adjusted EBITDA, non-GAAP earnings per share, consolidated balance sheet, or other key financial metrics reported in this earnings release.

Net Leverage Ratio

Table 14

(in millions, except net leverage ratio)

	Q3 2025
Outstanding debt	\$ 1,564.0
Less: Cash and cash equivalents	107.0
Net debt	1,457.0
Adjusted EBITDA ⁽¹⁾	
Q4 2024	122.8
Q1 2025	126.1
Q2 2025	133.2
Q3 2025	123.6
Last twelve months Adjusted EBITDA	\$ 505.7
Net leverage ratio	2.9 x

⁽¹⁾ Refer to Reconciliation of Net Earnings (Loss) to Adjusted EBITDA (Consolidated and by Segment) Table 8 through Table 11 of this earnings release for additional details of Adjusted EBITDA.