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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report:  
(Date of earliest event reported)  
May 6, 2021**

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**RENT-A-CENTER, INC.**  
(Exact name of registrant as specified in charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-38047**  
(Commission  
File Number)

**45-0491516**  
(IRS Employer  
Identification No.)

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

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

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Securities Registered Pursuant to Section 12(b) of the Act:

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

Trading Symbol(s)  
RCH

Name of each exchange on which registered  
NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 7.01 Regulation FD Disclosure.**

On May 6, 2021, Rent-A-Center, Inc. issued an investor presentation announcing its financial results for the quarter ended March 31, 2021. A copy of the investor presentation is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The information contained in this paragraph, as well as Exhibit 99.1 referenced herein, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

**Item 9.01 Financial Statements and Exhibits.**

(d) The following exhibit is being furnished herewith:

Exhibit No.	Description
99.1	<a href="#">Investor Presentation, dated May 6, 2021</a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**RENT-A-CENTER, INC.**

Date: May 6, 2021

By:

/s/ Maureen B. Short  
Maureen B. Short  
EVP, Chief Financial Officer



# Rent-A-Center:

First Quarter 2021 Earnings Review



# IMPORTANT NOTICES

## Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding our goals, plans and projections with respect to our operations, financial position and business strategy. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "could," "estimate," "predict," "continue," "maintain," "should," "anticipate," "believe," or "confident," or the negative thereof or variations thereon or similar terminology. Such forward-looking statements are based on particular assumptions that our management has made in light of its experience and its perception of expected future developments and other factors that it believes are appropriate under the circumstances, and are subject to various risks and uncertainties. Factors that could cause or contribute to material and adverse differences between actual and anticipated results include, but are not limited to, (1) the impact on our business of the COVID-19 pandemic and related federal, state, and local government restrictions, including adverse changes in such restrictions or the potential re-imposition of such restrictions limiting our ability to operate or that of our retail partners or franchisees, and the continuing economic uncertainty and volatility that has resulted from such matters, and (2) the other risks detailed from time to time in the reports filed by us with the SEC, including our most recently filed Annual Report on Form 10-K, as may be updated by reports on Form 10-Q or Form 8-K filed thereafter. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this communication. Except as required by law, we are not obligated to, and do not undertake to, publicly release any revisions to these forward-looking statements to reflect any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

## Use of Non-GAAP Financial Measures

This communication contains certain financial information determined by methods other than in accordance with U.S. Generally Accepted Accounting Principles (GAAP), including (1) Non-GAAP diluted earnings per share (net earnings, 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, depreciation and amortization, as adjusted for special items) on a consolidated and segment basis and (3) Free Cash Flow (net cash provided by operating activities less capital expenditures). This communication also contains Adjusted EBITDA information with respect to Acima Holdings, LLC (adjusted earnings before interest, taxes, depreciation and amortization, including all general and administrative expenses and stock based compensation, and excluding items not deemed by management to reflect core business activities). "Special Items" refers to certain gains and charges we view as extraordinary, unusual or non-recurring in nature and which we believe do not reflect our core business activities. For the periods presented herein, these special items are described in the quantitative reconciliation tables included in the appendix of this communication. Because of the inherent uncertainty related to the 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.

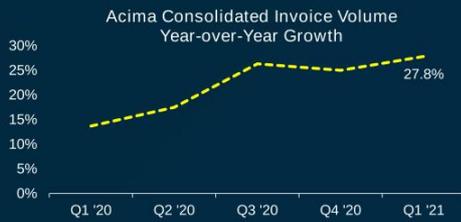
These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended 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, and they should be read together with, our consolidated financial statements prepared in accordance with GAAP. Further, because non-GAAP financial measures are not standardized, it may not be possible to compare such measures to the non-GAAP financial measures presented by other companies, even if they have the same or similar names.

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



## 2021 FIRST QUARTER REVIEW



- Completed acquisition of Acima Holdings, LLC, a leading virtual lease to own provider
- Q1 2021 Consolidated revenues of \$1,037 million, up 47.7%; Consolidated pro forma revenues up 24.8%
- Q1 2021 Adjusted EBITDA<sup>1</sup> of \$135 million increased 105.5% and Non-GAAP Diluted EPS<sup>1</sup> of \$1.32 increased 96.8% versus last year
- Q1 2021 Adjusted EBITDA margin 13.0%, +370 basis points versus last year
- Acima invoice volume rose approximately 28% on a pro forma basis, which drove 30.2% pro forma revenue growth
- Thirteen consecutive quarters of positive same store sales in the Rent-A-Center Business (+25.1% on a 2-year basis), with a significant year over year increase in profitability
- Rent-A-Center e-commerce increased over 50%

Note: Same store sale methodology - Same store sales generally represents revenue earned in 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. Due to the COVID-19 pandemic and related temporary store closures, all 32 stores in Puerto Rico were excluded starting in March 2020 and will remain excluded for 18 months.

Note: Pro forma figures assume a full quarter of impact from Acima in Q1 2021 and corresponding prior year period

<sup>1</sup> Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



## TWO INDUSTRY LEADING PLATFORMS, ONE LTO VISION

# acima

### acima

Foundational LTO Program

### acima Digital

Seamless LTO across mobile, web & store

### acima MarketPlace

Proprietary platform to facilitate e-commerce

- Proprietary low friction origination and utilization technologies including mobile app
- Pursuing e-commerce opportunities at Acima including targeting financing portals, browser extension and MarketPlace
- Targeting national retail and e-commerce partners
- MasterCard agreement provides first LTO payments card in the industry that unlocks new level of shopping power for cash and credit constrained customers



Nationwide store model



e-commerce LTO platform

- Scale allows us to serve customers at multiple touchpoints
- Digital allows for a broader range of product verticals
- Enhancements to the online customer experience enables customers more control and tools to manage their lease transactions while providing a more seamless checkout and faster approval process
- Digital payments save the customers time and reduces default risk



# ACIMA FINANCIAL HIGHLIGHTS

## Q1 2021 Highlights

- Invoice Volume Growth: Approximately 28% versus last year on a pro-forma basis
- Revenue Growth: +111.7% to \$457M
- Pro forma Revenue Growth: +30.2%
- Skip / Stolen Losses: 8.6% of revenue, lower by 360 basis points versus last year
- Acima stand-alone Adjusted EBITDA margin of 17.5%

## Invoice Volume Trend



First quarter results driven by continued strong invoice volume demand



# ACIMA: POSITIONED FOR GROWTH

## Integration status

- Integration of Preferred Lease and Acima on track
  - Restructured regional leadership of staffed and virtual businesses improving span of control
  - Restructured sales organizations, collections and servicing activities gaining overhead efficiency
  - Formalized a National Accounts team; developed pipeline targets
  - Complementary technology, channels, retail partners and product verticals driving meaningful potential synergies

## 2021E Assumptions

- Government stimulus impact not assumed to continue in remaining quarters
- Merchandise sales and margin normalized in back half of year
- Expense moderation driven by synergies
- Adjusted EBITDA margins are expected to grow sequentially each quarter as we implement the synergies and are expected to be 13.8% to 14.5% for 2021

## Financial targets

**\$2.37bn**  
2021E Revenue<sup>1,2</sup>

**20-25%**  
Long term annual  
revenue growth

**\$335mm**  
2021E Adj. EBITDA<sup>1,2,3</sup>

**Mid-teens**  
Long term annual  
Adj. EBITDA margin

**\$40 - \$70mm in potential run-rate synergies**  
\$25mm to be realized in 2021E

Integration of Acima driving increased revenue growth and expense savings, leading to higher long term margins

<sup>1</sup> Acima 2021E financials include approximately 10.5 months post-close of acquisition and approximately \$20M of Acima corporate G&A expenses are included in the Corporate segment

<sup>2</sup> Based on the midpoint of 2021E guidance

<sup>3</sup> Adjusted EBITDA is a non-GAAP measure. Because of the inherent uncertainty related to items excluded from this non-GAAP measure (as described in the Appendix), management does not believe it is able to provide a meaningful forecast of the comparable GAAP measure or reconciliation to any forecasted GAAP measure without unreasonable effort.



## EVOLVING THE ACIMA MODEL

### New Acima LeasePay™ card



- Introducing the new Acima LeasePay card
  - First open-loop LeasePay card enabling consumers to shop at a broad array of physical and digital retail locations
  - First LTO payments card in the industry that provides retailers access to a significantly larger segment of consumers
  - Virtual lease pay card will enable a more seamless e-commerce experience including proprietary Acima browser extension and MarketPlace
- Actions to capture market share of the \$40-50B total addressable market opportunity as LTO and buy now, pay later concepts become more widely adopted
  - Focused on leveraging our proprietary low friction origination and utilization technologies (mobile app, browser extension, LeasePay MasterCard)
  - Newly acquired machine learning based decision engine
  - Quantitative marketing group successfully tested customer originations via a variety of technologies (digital, e-commerce, browser extension, website)
  - Supports digital and physical National Accounts strategy

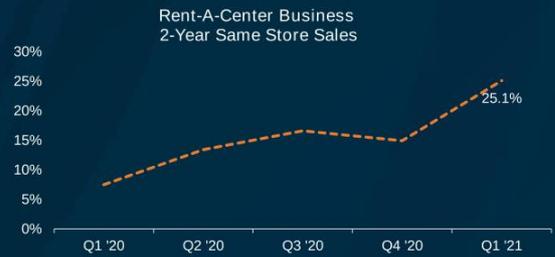


# RENT-A-CENTER BUSINESS FINANCIAL HIGHLIGHTS

## Q1 2021 Highlights

- Same Store Sales: +23.4% versus last year
- 13th consecutive quarter of positive same store sales
- Q1 Ending Lease Portfolio: +17.1% versus last year
- Skip / Stolen Losses: 2.7% of revenue, lower by 120 basis points versus last year
- Adjusted EBITDA<sup>1</sup>: approximately 70% higher versus last year, EBITDA margin of 24.0%
- E-commerce: represents almost 25% of revenues, over 50% growth versus last year

## Rent-A-Center Business Same Store Sales



Digital acceleration in the RAC business has generated over 50% growth in e-commerce revenues in the first quarter 2021

<sup>1</sup> Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.



# RENT-A-CENTER BUSINESS LONG TERM STRATEGY

## Long-Term Growth Strategies

- Invest in digital initiatives to enhance the customer experience
- Accelerate e-commerce growth via enhancements to platform
- Leverage Acima decision engine; expand digital payment and communication
- Continue expansion into emerging product categories (Tires, Tools, Handbags)
- Store modernization via technology; pipeline to open new locations in 2021



## RENT-A-CENTER BUSINESS: DRIVING SUSTAINABLE, PROFITABLE GROWTH

### 2021E Assumptions

- Same store sales normalized in back half of the year to mid to high single digits
- Government stimulus programs not assumed to continue in remaining quarters
- Skip/stolen losses projected in the range of 3.0% for remainder of the year
- EBITDA margin rates maintain at approximately 20%+ in remaining quarters

### Financial targets

**\$1.96bn**  
2021E Revenue<sup>1</sup>

**12–14%**  
2021E  
same store sales

**\$415mm**  
2021E Adj. EBITDA<sup>1,2</sup>

**20%+**  
Long term Adj.  
EBITDA margin

<sup>1</sup> Based on the midpoint of 2021E guidance

<sup>2</sup> Adjusted EBITDA is a non-GAAP measure. Because of the inherent uncertainty related to items excluded from this non-GAAP measure (as described in the Appendix), management does not believe it is able to provide a meaningful forecast of the comparable GAAP measure or reconciliation to any forecasted GAAP measure without unreasonable effort.



## Q1 2021 FINANCIAL HIGHLIGHTS

### Consolidated

- Revenue Growth: +47.7% versus last year
- Pro Forma Revenue Growth: +24.8% versus last year
- Adjusted EBITDA<sup>1</sup>: \$135M, higher by 105.5 percent versus last year and 49.3% versus last year on a Pro-Forma basis
- Adjusted EBITDA Margin: 13.0% of revenue, +370 basis points versus last year
- Non-GAAP Diluted EPS<sup>1</sup>: \$1.32, higher by 96.8 percent versus last year
- Free cash flow<sup>1</sup>: \$124M, higher by \$86 million versus last year
- Cash dividend of \$0.31 per share for the second quarter of 2021 represents an increase of 6.9% over the prior year

### Balance Sheet <sup>2</sup>

- Cash: Ended Q1 2021 with \$123M cash balance
- Debt: \$1.38B, paid down \$110M on revolver during quarter; additional \$25M pay down in April
- Liquidity: Ended Q1 2021 with \$528M in available liquidity
- Pro Forma Leverage Ratio: Ended Q1 2021 at 2.0x

<sup>1</sup> Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.

<sup>2</sup> In connection with the acquisition of Acima in February 2021, the Company refinanced its prior indebtedness and incurred substantial new indebtedness, as discussed in the Company's Current Report on Form 8-K filed with the SEC on February 17, 2021.



## 2021 UPDATED GUIDANCE

Consolidated <sup>1,2</sup>	Annual Guidance	
	Low	High
Revenues (\$bn)	\$4,450	\$4,600
Adjusted EBITDA (\$mm) <sup>4</sup>	\$600	\$650
% revenues	13.5%	14.1%
Diluted Non-GAAP EPS <sup>4</sup>	\$5.30	\$5.85
Free Cash Flow (\$mm) <sup>3,4</sup>	\$250	\$300
<b>Acima Segment (includes Preferred Lease) <sup>1</sup></b>		
Revenues (\$bn)	\$2,320	\$2,420
Adjusted EBITDA (\$mm) <sup>4,5</sup>	\$320	\$350
% revenues	13.8%	14.5%
<b>Rent-A-Center Business Segment</b>		
Revenues (\$bn)	\$1,940	\$1,990
Adjusted EBITDA (\$mm) <sup>4</sup>	\$405	\$425
% revenues	20.9%	21.4%

<sup>1</sup> Acima 2021E financials based on ~10.5 months post-close of acquisition

<sup>2</sup> Includes Rent-A-Center Business, Acima, Mexico, Franchise and Corporate segments

<sup>3</sup> Free Cash Flow defined as net cash provided by operating activities less capital expenditures

<sup>4</sup> Adjusted EBITDA, non-GAAP diluted earnings per share and free cash flow are non-GAAP measures. Because of the inherent uncertainty related to items excluded from these non-GAAP financial measures, management does not believe it is able to provide a meaningful forecast of the comparable GAAP measure or reconciliation to any forecasted GAAP measure without unreasonable effort

<sup>5</sup> Corporate expenses related to Acima of approximately \$20M will be reflected in the Corporate segment



# CAPITAL ALLOCATION PRIORITIES AND LONG TERM FINANCIAL TARGETS

## Balance Sheet & Capital Allocation Priorities

#1

Investing in working capital to fuel organic growth of the largely untapped virtual LTO business

#2

Maintain net leverage to <2.0x, with a long term leverage target of 1.5x, while preserving robust liquidity

#3

Driving total shareholder return through dividends and opportunistic share repurchases

## Long Term Financial Targets

\$6.0bn

Consolidated Revenue by 2023

50% Increase

Consolidated Revenue (2020 to 2023)

Mid-Teens

Consolidated Adj. EBITDA Margin (2023)

60% Increase

Consolidated Adj. EBITDA<sup>1</sup> (2020 to 2023)

<2.0x

Maintain Net Leverage (2021)

30%

Accretive in 2021 and significantly higher in year two driven by Acima acquisition





## Appendix



## Q1 2021 FINANCIAL HIGHLIGHTS

	Q1 2021	
	<u>Actual</u>	<u>% of Total Revenue</u>
In millions, except percentages and EPS		
Rent-A-Center Business	\$525	50.6%
Acima	\$457	44.1%
Franchising	\$40	1.4%
Mexico	\$14	3.9%
<b>Total Revenue</b>	<b>\$1,037</b>	<b>100.0%</b>
		<u>% of Segment Revenue</u>
Rent-A-Center Business	\$126	24.0%
Acima	\$41	8.9%
Franchising	\$5	12.5%
Mexico	\$2	14.3%
Corporate	(\$39)	(3.8%)
Adjusted EBITDA <sup>1</sup>	\$135	13.0%
Non-GAAP Diluted EPS <sup>1</sup>	\$1.32	
<u>Selected Metrics</u>	<u>Q1 2021</u>	
Cash	\$123	
Debt (excluding financing fees)	\$1,380	
Pro forma Net Debt to Adjusted EBITDA	2.0x	

<sup>1</sup> Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.

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## RECONCILIATION OF NET EARNINGS PER SHARE TO NON-GAAP DILUTED EARNINGS PER SHARE

(in thousands, except per share data)	Three Months Ended March 31,			
	2021		2020	
	Amount	Per Share	Amount	Per Share
Net Earnings	\$ 42,552	\$ 0.64	\$ 49,292	\$ 0.88
Special items, net of taxes				
Other (gains) charges <sup>1</sup>	43,328	0.65	1,464	0.03
Debt refinancing charges	6,545	0.10	-	-
Discrete income tax items	(4,710)	(0.07)	(13,012)	(0.24)
Net earnings excluding special items	<u>\$ 87,715</u>	<u>\$ 1.32</u>	<u>\$ 37,744</u>	<u>\$ 0.67</u>

<sup>1</sup> Refer to slide 17 for additional details



## RECONCILIATION OF OPERATING PROFIT TO ADJUSTED EBITDA (CONSOLIDATED AND BY SEGMENT)

Three Months Ended March 31, 2021

(in thousands)	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	\$ 121,277	\$ 24,814	\$ 1,954	\$ 4,985	\$ (82,984)	\$ 70,046
Plus: Amortization, Depreciation	4,577	474	120	16	8,206	13,393
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Acima transaction costs	-	-	-	-	16,406	16,406
Acima equity consideration vesting	-	-	-	-	15,882	15,882
Acima acquired intangibles amortization	-	13,934	-	-	-	13,934
Acima integration costs	18	1,519	-	-	1,707	3,244
Acima acquired software depreciation	-	-	-	-	1,324	1,324
Store closure costs	327	-	2	-	-	329
Adjusted EBITDA	\$ 126,199	\$ 40,741	\$ 2,076	\$ 5,001	\$ (39,459)	\$ 134,558

Three Months Ended March 31, 2020

(in thousands)	Rent-A-Center Business	Acima	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	\$ 67,943	\$ 18,222	\$ 967	\$ 2,519	\$ (40,776)	\$ 48,875
Plus: Amortization, Depreciation	4,957	527	93	3	9,333	14,913
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Store closure costs	826	-	4	-	-	830
Cost savings initiatives	451	77	-	-	-	528
COVID-19 impacts	317	-	-	-	-	317
Asset disposals	211	-	-	-	-	211
Insurance reimbursement proceeds	(183)	-	-	-	-	(183)
Adjusted EBITDA	\$ 74,522	\$ 18,826	\$ 1,064	\$ 2,522	\$ (31,443)	\$ 65,491



## RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

(in thousands)	Three Months Ended March 31,	
	2021	2020
	Amount	Amount
Net cash provided by operating activities	\$ 135,793	\$ 47,400
Purchase of property assets	(11,388)	(9,151)
Free cash flow	\$ 124,405	\$ 38,249
Proceeds from sale of stores	\$ -	\$ 187
Acquisitions of businesses	(1,267,903)	-
Free cash flow including acquisitions and divestitures	\$ (1,143,498)	\$ 38,436



