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

FORM 8-K

CURRENT REPORT

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

**Date of Report:
(Date of earliest event reported)
February 25, 2021**

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

Delaware	**001-38047**	**45-0491516**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 Par Value	RCII	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. ☐

Item 7.01 Regulation FD Disclosure.

On February 25, 2021, Rent-A-Center, Inc. issued an investor presentation announcing its financial results for the quarter ended December 31, 2020. 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	Investor Presentation, dated February 25, 2021

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:	February 25, 2021	By:	/s/ Maureen B. Short
			Maureen B. Short
			EVP, Chief Financial Officer

Rent-A-Center:

Fourth Quarter 2020 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, (2) risks relating to our acquisition of Acima in February 2021, including the possibility that the anticipated benefits of the acquisition will not be fully realized or take longer to realize than expected, changes in the Company's future cash requirements as a result of the acquisition and the Company's ability to successfully integrate Acima's operations, and (3) 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.

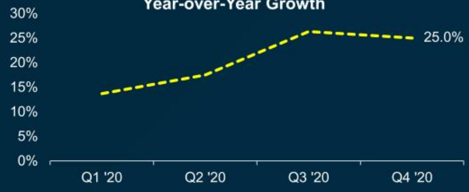
These non-GAAP measures are additional tools intended to assist our management in comparing our performance on a more consistent basis for purposes of business decision-making by removing the impact of certain items management believes do not directly reflect our core operations. These measures are intended 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 and Free Cash Flow have also been used as part 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.

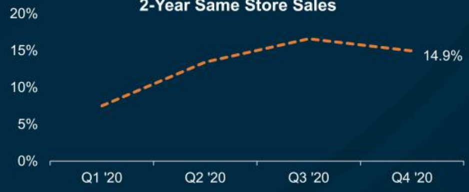
Note that all sources in this presentation are from Company reports and Company estimates unless otherwise noted.

2020 FULL YEAR REVIEW

Preferred Lease Invoice Volume Year-over-Year Growth



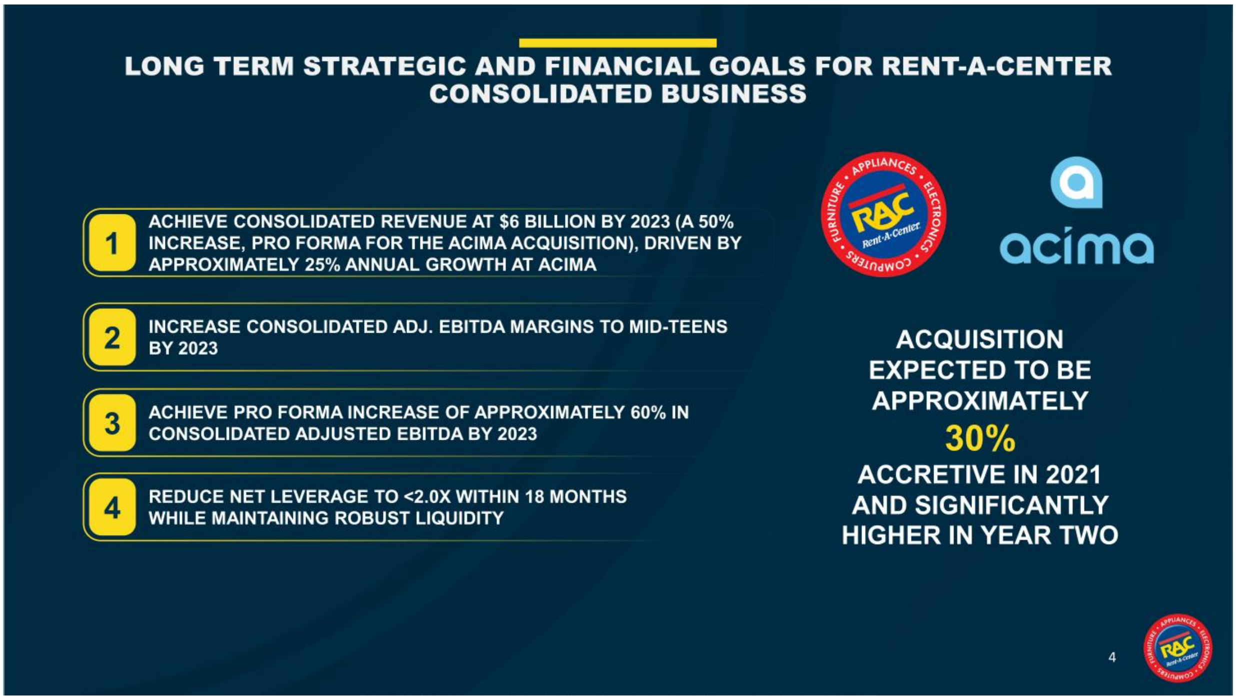
Rent-A-Center Business 2-Year Same Store Sales



- Acquired Acima for $1.65bn[1] in February 2021, materially accelerating Rent-A-Center's expectations for growth, with accretion to commence this FY 2021
- 2020 Consolidated revenues of $2,814 million, up 5.4% versus 2019
- 2020 Adjusted EBITDA[1] of $331 million increased 30% over 2019 and Non-GAAP Diluted EPS[2] of $3.53 increased 58% over 2019
- Preferred Lease annual invoice volume rose over 20%, which drove 8.1% revenue growth in 2020 and should benefit further revenue growth as the team executes on growing pipeline
- Twelve consecutive quarters of positive same store sales in the Rent-A-Center Business (+14.9% on a 2-year basis), with a significant year over year increase in profitability
- E-commerce +53% in fourth quarter to 22% of Rent-A-Center sales to end the year

[1] Based on our stock price in December 2020 prior to signing the transaction.
[2] Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.

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.


LONG TERM STRATEGIC AND FINANCIAL GOALS FOR RENT-A-CENTER CONSOLIDATED BUSINESS
1
ACHIEVE CONSOLIDATED REVENUE AT $6 BILLION BY 2023 (A 50% INCREASE, PRO FORMA FOR THE ACIMA ACQUISITION), DRIVEN BY APPROXIMATELY 25% ANNUAL GROWTH AT ACIMA
2
INCREASE CONSOLIDATED ADJ. EBITDA MARGINS TO MID-TEENS BY 2023
3
ACHIEVE PRO FORMA INCREASE OF APPROXIMATELY 60% IN CONSOLIDATED ADJUSTED EBITDA BY 2023
4
REDUCE NET LEVERAGE TO <2.0X WITHIN 18 MONTHS WHILE MAINTAINING ROBUST LIQUIDITY
acima
ACQUISITION EXPECTED TO BE APPROXIMATELY
30%
ACCRETIVE IN 2021 AND SIGNIFICANTLY HIGHER IN YEAR TWO
4

ACIMA AT A GLANCE

Strategic rationale and benefits of the transaction

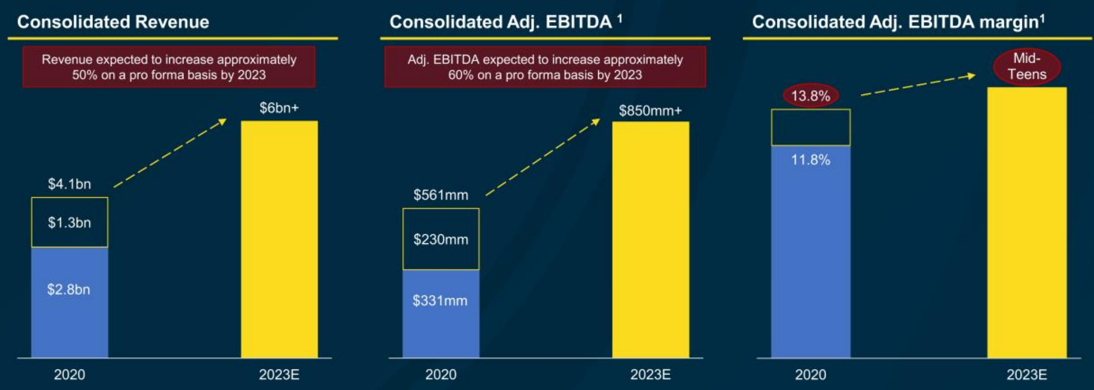
- Accelerates Rent-A-Center's growth as a premier platform across both traditional & virtual lease-to-own ("LTO") solutions
- Significantly expands nationwide retail partner base and enhances the ability to compete for high-value national retail accounts
- Sophisticated underwriting and decision engine, with expanding digital payment solutions and a superior back-end infrastructure
- Expanded e-commerce platform and effective integration at point-of-sale to support retail partner digital transactions
- Experienced leadership team and high-performing sales team with proven track record and winning culture
- Strong synergy potential with both Rent-A-Center and Preferred Lease segments
- Dramatically increases scale, profitability, and free cash flow generation
- Expected to be approximately 30% accretive in 2021 and significantly higher in 2022

Key Acima standalone metrics

\$1.26bn Revenue (2020)	**\$230mm** Adj. EBITDA (2020)[1]
90% Revenue CAGR (2016-2020)	**175%** Adj. EBITDA CAGR (2016-2020)[1]
38% Invoice Volume Growth (2020)	**18%** Adj. EBITDA Margin (2020)[1]

[1] Adjusted EBITDA is a non-GAAP measure; Adjusted earnings before interest, taxes, depreciation and amortization (Adj. EBITDA), includes all G&A expenses and stock based compensation (SBC) and excludes items not deemed by management to reflect core business activities

ACIMA RAPIDLY ACCELERATES OUR FINANCIAL OBJECTIVES



Acima materially augments our financial profile, driving mid-teens long term revenue growth and margins

Rent-A-Center | Acima | Consolidated 2023E target | Illustrative PF growth

[1] Adjusted EBITDA is a non-GAAP measure; See appendix for a reconciliation to the most comparable GAAP measure; Adjusted earnings before interest, taxes, depreciation and amortization (Adj. EBITDA), includes all G&A expenses and stock based compensation and excludes items not deemed by management to reflect core business activities

TWO INDUSTRY LEADING PLATFORMS, ONE LTO VISION

Rent-A-Center

Nationwide store model

e-commerce LTO platform

Key brands

Ashley, Sony, Whirlpool, hp, Microsoft, ATD, LG, Dell, Samsung

~2,400
Retail stores[1]

20-25%
Sales from e-commerce

acima

acima Leasing
Foundational LTO Program

acima Digital
Seamless LTO across mobile, web & store

acima MarketPlace
Proprietary platform to facilitate e-commerce

Key retail partners

wayfair, Ashley, Conn's, Rooms To Go, Bob's Furniture, Big O Tires, ATD, America's Mattress, VCF Value City Furniture, Nebraska Furniture Mart

~19,000
3rd party retail stores

~15%
Sales from e-Commerce

[1] Includes ~450 franchised stores and approximately 120 Mexico locations

PRIORITIES FOR ACIMA

Integration planning

- Integrate Preferred Lease and Acima
  - Preferred Lease business will migrate into Acima
  - Combined business will be referred to as the Acima segment
  - Acima's Salt Lake City office will support the operations of both Acima and Preferred Lease
  - Plug new Preferred Dynamix technology into Acima platform
- Complementary technology, channels, retail partners, and product verticals driving meaningful potential synergies
  - Opportunities for margin expansion by migrating Preferred Lease onto Acima's decision engine and technology platform
  - Acima returned merchandise monetization in Rent-A-Center stores
  - Overhead savings opportunities

Financial targets (includes Preferred Lease)

$2.34bn
2021E Revenue[1,2]

20-25%
Long term annual revenue growth

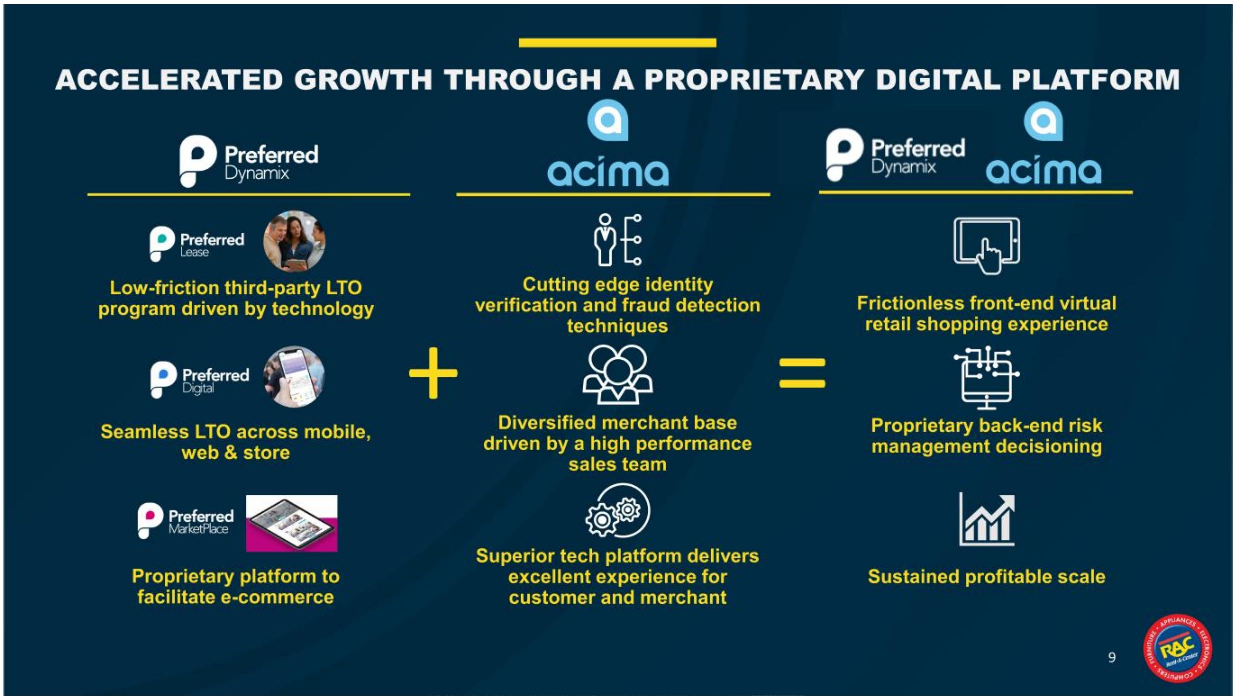
$335mm
2021E Adj. EBITDA[1,2,3]

Mid-teens
Long term annual Adj. EBITDA margin

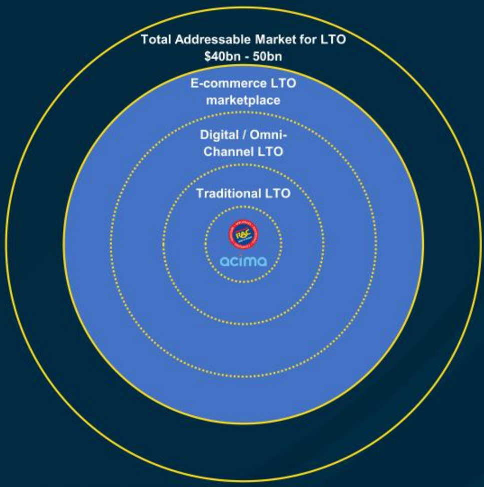
$40 - $70mm in potential run-rate synergies
$25mm to be realized in 2021E

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

1 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
2 Based on the midpoint of 2021E guidance
3 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.


ACCELERATED GROWTH THROUGH A PROPRIETARY DIGITAL PLATFORM
Preferred Dynamix
acima
Preferred Dynamix
acima
Preferred Lease
Low-friction third-party LTO program driven by technology
Preferred Digital
Seamless LTO across mobile, web & store
Preferred MarketPlace
Proprietary platform to facilitate e-commerce
Cutting edge identity verification and fraud detection techniques
Diversified merchant base driven by a high performance sales team
Superior tech platform delivers excellent experience for customer and merchant
Frictionless front-end virtual retail shopping experience
Proprietary back-end risk management decisioning
Sustained profitable scale
9

THE LTO MARKET IS GROWING RAPIDLY AS RETAILERS CONTINUE TO ADOPT AND EXPAND ACCESS TO LTO OPTIONS AT THE POINT OF SALE



New verticals

Expansion into broader merchant verticals at the POS

E-commerce / marketplace

Provide virtual LTO solutions available in brick and mortar to customers online

National retailers

Providing LTO solutions to national retailers is a significant untapped opportunity

Partnerships/ Integrations

Partnerships / integrations with other POS fintech companies

Growth in existing verticals

Strong and growing diverse merchant base with minimal concentration risk

Growth with existing customers

Strong growth in new verticals while existing verticals continue to scale

Source: Management estimates, Experian

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

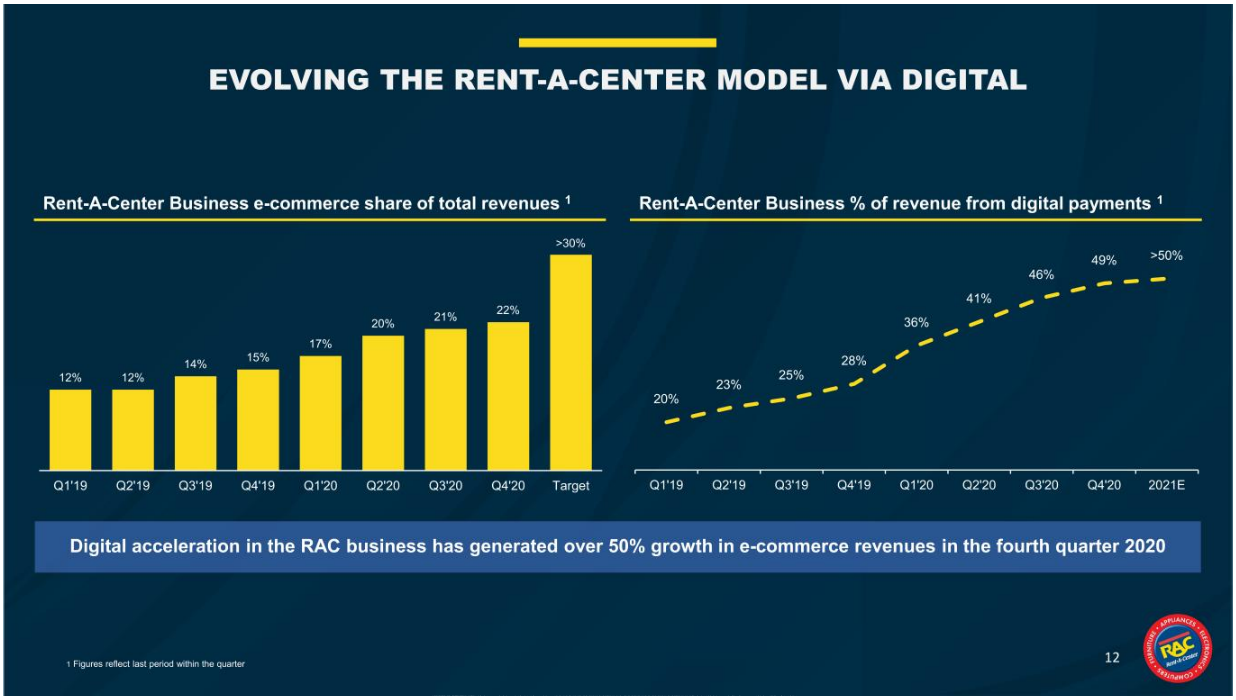
Long-Term Growth Strategies

- Increase omni-channel sales while leveraging existing store infrastructure
- 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)

Financial targets

$1.86bn 2021E Revenue[1]	**Low to mid single digit** Long term same store sales
$385mm 2021E Adj. EBITDA[1,2]	**20%+** Long term Adj. EBITDA margin

[1] Based on the midpoint of 2021E guidance
[2] 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 RENT-A-CENTER MODEL VIA DIGITAL
Rent-A-Center Business e-commerce share of total revenues 1
12%
12%
14%
15%
17%
20%
21%
22%
>30%
Q1'19
Q2'19
Q3'19
Q4'19
Q1'20
Q2'20
Q3'20
Q4'20
Target
Rent-A-Center Business % of revenue from digital payments 1
20%
23%
25%
28%
36%
41%
46%
49%
>50%
Q1'19
Q2'19
Q3'19
Q4'19
Q1'20
Q2'20
Q3'20
Q4'20
2021E
Digital acceleration in the RAC business has generated over 50% growth in e-commerce revenues in the fourth quarter 2020
1 Figures reflect last period within the quarter
12

Q4 2020 FINANCIAL HIGHLIGHTS

Consolidated

- Revenue Growth: +7.3% versus last year
- Adjusted EBITDA of $97M, higher by 52.2 percent versus last year
- Non-GAAP Diluted EPS of $1.03, higher by 77.2 percent versus last year

Preferred Lease

- Invoice Volume Growth: Approximately 25% versus last year
- Skip / Stolen Losses: 11.6% of revenue, lower by 260 basis points versus last year

Rent-A-Center Business

- Same Store Sales: +13.7% versus last year
- Q4 Ending Lease Portfolio: +10.0% versus last year
- Skip / Stolen Losses: 2.6% of revenue, lower by 150 basis points versus last year

Balance Sheet [1]

- Debt $42M lower and increased cash by $89M versus last year

[1] 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 GUIDANCE

	Annual Guidance	
Consolidated [1,2]	**Low**	**High**
Revenues ($bn)	$4.305	$4.455
Adjusted EBITDA ($mm) [4]	$570	$620
% revenues	*13.2%*	*13.9%*
Diluted Non-GAAP EPS [4]	$5.00	$5.55
Free Cash Flow ($mm) [3,4]	$145	$195
Acima Segment (includes Preferred Lease) [1]		
Revenues ($bn)	$2.290	$2.390
Adjusted EBITDA ($mm) [4, 5]	$320	$350
% revenues	*14.0%*	*14.7%*
Rent-A-Center Business Segment		
Revenues ($bn)	$1.830	$1.880
Adjusted EBITDA ($mm) [4]	$375	$395
% revenues	*20.5%*	*21.0%*

1 Acima 2021E financials based on ~10.5 months post-close of acquisition
2 Includes Rent-A-Center Business, Acima, Mexico, Franchise and Corporate segments
3 Free Cash Flow defined as net cash provided by operating activities less capital expenditures
4 Adjusted EBITDA, non-GAAP diluted earnings per share and free cash flow are non-GAAP measures reconciled to GAAP financial 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.
5 Corporate expenses related to Acima of approximately $20M will be reflected in the Corporate segment

2021 FREE CASH FLOW WALK

Consolidated ($mm)[1]	Annual Walk Low	Annual Walk High
Midpoint Adj. EBITDA[2]	**$595**	
Less: Cash taxes	(40)	(30)
Less: Interest expense	(75)	(70)
Less: Capex	(70)	(65)
Plus: Change in working capital	(280)	(255)
Plus: Stock based compensation	15	20
Free Cash Flow	**$145**	**$195**

[1] Includes Rent-A-Center Business, Acima, Mexico, Franchise and Corporate segments
[2] Adjusted EBITDA, and free cash flow are non-GAAP measures reconciled to GAAP financial 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.

ACIMA ACQUISITION: DEBT STRUCTURE

DEBT STRUCTURE AS OF CLOSING

	($ mm)	Rate
$550mm Asset Based Loan [2]	$165	200 bps + L
Term Loan B [2]	875	400 bps + L [1]
Unsecured Senior Notes [2]	450	6.375%
Total debt	$1,490	
Net Debt to Adjusted EBITDA		2.4x

[1] TLB Libor has a 75 bps floor
[2] ABL due Feb. 2026, TLB due Feb. 2028, Senior Unsecured Notes due Feb. 2029

ACIMA ACQUISITION: PRIORITIES

BALANCE SHEET & CAPITAL ALLOCATION PRIORITIES

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

#2 Reducing net leverage to <2.0x within 18 months, with a long term leverage target of 1.5x, while maintaining robust liquidity

#3 Driving total shareholder return through dividends and opportunistic share repurchases

Appendix

Q4 2020 FINANCIAL HIGHLIGHTS

In millions, except percentages and EPS	Q4 2020 Actual	Q4 2020 % of Total Revenue
Rent-A-Center Business	$464	64.8%
Preferred Lease	$201	28.1%
Franchising	$37	5.1%
Mexico	$14	2.0%
Total Revenue	**$716**	**100.0%**
		% of Segment Revenue
Rent-A-Center Business	$103	22.2%
Preferred Lease	$18	9.1%
Franchising	$4	10.6%
Mexico	$2	15.4%
Corporate	($30)	(4.2%)
Adjusted EBITDA[1]	**$97**	**13.5%**
Non-GAAP Diluted EPS[1]	**$1.03**	

Selected Metrics	Q4 2020
Cash	**$159.5**
Debt (excluding financing fees)	**$198**
Net Debt to Adjusted EBITDA	**0.1x**

[1] Non-GAAP financial measure. Refer to explanations and reconciliations elsewhere in this presentation.

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

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2020		2019		2020		2019	
(in thousands, except per share data)	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net Earnings	**$ 56,300**	**$ 1.00**	**$ 40,491**	**$ 0.72**	**$208,115**	**$ 3.73**	**$173,546**	**$ 3.10**
Special items, net of taxes								
Other (gains) charges[1]	20,859	0.55	(13,777)	(0.24)	26,801	0.48	(46,725)	(0.83)
Debt refinancing charges	-	-	-	-	-	-	1,470	0.03
Discrete income tax items	(19,724)	(0.52)	6,009	0.10	(37,966)	(0.68)	(3,194)	(0.06)
Net earnings excluding special items	**$ 57,435**	**$ 1.03**	**$ 32,723**	**$ 0.58**	**$196,930**	**$ 3.53**	**$125,097**	**$ 2.24**

[1] Refer to slides 21 and 22 for additional details

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

	Three Months Ended December 31, 2020					
(in thousands)	Rent-A-Center Business	Preferred Lease	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	**$ 80,354**	**$ 17,319**	**$ 2,055**	**$ 3,876**	**$ (48,965)**	**$ 54,639**
Plus: Amortization, Depreciation	5,153	524	121	12	7,777	13,587
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Store sale	16,600	-	-	-	-	16,600
Acima acquisition	-	-	-	-	6,400	6,400
Legal settlement reserves	-	-	-	-	3,500	3500
Asset disposals	6	4	-	-	1,269	1279
Store closure costs	389	-	23	-	-	412
State tax audit assessment reserves	-	400	-	-	-	400
COVID-19 impacts	284	-	-	-	-	334
Cost savings initiatives	(8)	37	-	-	(306)	(277)
Nationwide protest impacts	139	-	-	-	-	139
Adjusted EBITDA	**102,917**	**18,284**	**2,199**	**3,888**	**(30,275)**	**97,013**

	Three Months Ended December 31, 2019					
(in thousands)	Rent-A-Center Business	Preferred Lease	Mexico	Franchising	Corporate	Consolidated
GAAP Operating Profit (Loss)	**$ 65,553**	**$ 16,989**	**$ 1,451**	**$ 2,489**	**$ (18,648)**	**$ 67,834**
Plus: Amortization, Depreciation	5,203	493	84	3	9,533	15,316
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Headquarters sale	-	-	-	-	(21,819)	(21,819)
Store closures	1,251	-	30	-	-	1,281
State tax audit assessments	-	-	-	-	527	527
Legal and professional fees	-	-	-	-	227	227
Cost savings initiatives	222	115	-	-	(191)	146
Insurance reimbursement proceeds	(118)	-	-	-	-	(118)
Legal settlement	-	-	-	-	(104)	(104)
Adjusted EBITDA	**72,111**	**17,597**	**1,585**	**2,492**	**(30,035)**	**63,730**

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

	Twelve Months Ended December 31, 2020					
(in thousands)	**Rent-A-Center Business**	**Preferred Lease**	**Mexico**	**Franchising**	**Corporate**	**Consolidated**
GAAP Operating Profit (Loss)	**$ 333,379**	**$ 57,847**	**$ 5,798**	**$ 12,570**	**$ (172,258)**	**$ 237,336**
Plus: Amortization, Depreciation	19,912	2,066	413	40	34,227	56,658
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Store sale	16,600	-	-	-	-	16,600
Legal settlement reserves	-	-	-	-	7,900	7900
Acima acquisition	-	-	-	-	6,400	6,400
Legal settlement	-	-	-	-	(2,800)	(2,800)
Store closure costs	2,052	-	37	-	-	2,089
Asset disposals	531	4	-	-	1,269	1,804
Cost savings initiatives	577	193	-	-	813	1,583
State tax audit assessment reserves	261	400	-	-	564	1,225
COVID-19 impacts	883	115	-	-	155	1,153
Nationwide protest impacts	942	-	-	-	-	942
Insurance reimbursement proceeds	(341)	-	-	-	-	(341)
Adjusted EBITDA	**374,796**	**60,625**	**6,248**	**12,610**	**(123,730)**	**350,549**

	Twelve Months Ended December 31, 2019					
(in thousands)	**Rent-A-Center Business**	**Preferred Lease**	**Mexico**	**Franchising**	**Corporate**	**Consolidated**
GAAP Operating Profit (Loss)	**$ 235,964**	**$ 83,066**	**$ 5,357**	**$ 7,205**	**$ (77,733)**	**$ 253,859**
Plus: Amortization, Depreciation	20,822	1,533	401	45	38,303	61,104
Plus: Special Items (Extraordinary, Unusual or Non-Recurring Gains or Charges)						
Vintage Merger termination settlement	-	-	-	-	(92,500)	(92,500)
Headquarters sale	-	-	-	-	(21,819)	(21,819)
Legal and professional fees	-	-	-	-	21,429	21,429
Legal Settlementments	-	-	-	-	12,896	12,896
Cost savings initiatives	8,141	500	-	-	1,593	10,234
Store Closures	7,222	-	136	-	-	7,358
State tax audit assessments	-	-	-	-	2,381	2,381
Insurance reimbursement proceeds	(1,147)	-	-	-	-	(1,147)
Legal settlement reserves	-	-	-	-	440	440
Adjusted EBITDA	**271,002**	**85,099**	**5,894**	**7,250**	**(115,010)**	**254,235**

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITES TO FREE CASH FLOW

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
(in thousands)	Amount	Amount	Amount	Amount
Net cash provided by operating activities	**$ (59,724)**	**$ (12,713)**	**$ 236,502**	**$ 215,416**
Purchase of property assets	(11,988)	(9,147)	(34,545)	(21,157)
Hurricane insurance recovery proceeds	-	118	158	1,113
Free cash flow	**$ (71,712)**	**$ (21,742)**	**$ 202,115**	**$ 195,372**
Proceeds from sale of stores	**$ 14,281**	**$ 52,795**	**$ 14,477**	**$ 69,717**
Acquisitions of businesses	-	(193)	(700)	(28,915)
Free cash flow including acquisitions and divesitures	**$ (57,431)**	**$ 30,860**	**$ 215,892**	**$ 236,174**