# Third Quarter 2025
## Earnings Presentation

**November 4, 2025**


ADT

# Forward Looking Statements and Non-GAAP Measures

ADT has made statements in this presentation that are forward-looking and therefore subject to risks and uncertainties, including those described below. All statements, other than statements of historical fact, included in this document are, or could be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the applicable rules and regulations of the Securities and Exchange Commission (the "SEC") and are made in reliance on the safe harbor protections provided thereunder. These forward-looking statements relate to, among other things, the timing of the Company's dividend payment; the Company's expected future financial results, including the Company's financial outlook and/or guidance, which includes Total Revenue, Adjusted EBITDA, Adjusted Diluted Income (Loss) per Share ("Adjusted EPS") and Adjusted Free Cash Flow (including interest rate swaps); the Company's partnerships, including with respect to the bulk purchase of customer accounts, and the expected benefits of such partnerships; the Company's products and services, including ADT+, and the expected benefits and capabilities of such products and services; the expectations, plans and objectives of management; any stated or implied outcomes with regard to the foregoing; and other matters. Without limiting the generality of the preceding sentences, any time we use the words "ongoing," "expects," "intends," "will," "anticipates," "believes," "confident," "possible," "continue," "propose," "seeks," "could," "may," "should," "estimates," "forecasts," "might," "potential," "outlook," "goals," "objectives," "targets," "planned," "projects," and, in each case, their negative or other various or comparable terminology, and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. These forward-looking statements are based on management's current beliefs and assumptions and on information currently available to management. We caution that these statements are subject to risks and uncertainties, many of which are outside of the Company's control and could cause future events or results to be materially different from those stated or implied in this presentation, including, among others, factors relating to risks and uncertainties regarding the benefits and any difficulties with respect to the effect of the Company's divestiture of its commercial business (the "Commercial Divestiture") and the Company's exit from its residential solar business (the "ADT Solar Exit"), including that the costs of the ADT Solar Exit may exceed the Company's best estimates; the Company's ability to maintain and grow the Company's existing customer base and to integrate strategic bulk purchases of customer accounts; activity in repurchasing shares of ADT's common stock under the Company's current share repurchase plan; dividend rates or yields for any future quarter; the Company's ongoing assessments of the impacts of cybersecurity attacks; the Company's expectations regarding its ability to effectively implement counter measures intended to safeguard the Company's information technology assets and operations; the impact of cybersecurity incidents on the Company's relationships with customers, employees and regulators; the Company's ability to coordinate effectively with its third party business partners to address any cybersecurity incidents; legal, reputational and financial risks resulting from any cybersecurity incidents; and that any future, or still undetected, cybersecurity related incident, whether an attack, disruption, intrusion, denial of service, theft or other breach could result in unauthorized access to, or disclosure of, data, resulting in claims, costs and reputational harm that could negatively affect actual results of operations or financial condition; any material changes to the valuation allowances the Company takes with respect to its deferred tax assets; any changes in regulations or laws, economic and financial conditions, including labor and tax law changes or any impacts on the global economy or consumer discretionary spending due to tariffs or otherwise, changes to privacy requirements, changes to telemarketing, email marketing and similar consumer protection laws, interest volatility, and trade tariffs and restrictions applicable to the products we sell; the Company's ability to effectively implement its strategic partnerships or commercialize products with State Farm or Google; and risks that are described in the Company's most recently filed Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in those reports, and in the Company's other filings with the SEC. Any forward-looking statement made in this presentation speaks only as of the date on which it is made. ADT undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise unless required by law.

**Note:** The Company's former commercial and solar segments are classified as discontinued operations in accordance with GAAP. Except for Free Cash Flow, Adjusted Free Cash Flow, and Adjusted Free Cash Flow (including interest rate swaps) and unless otherwise noted, non-GAAP and other measures herein have been recast to reflect the results of the Company's continuing operations. Beginning in the third quarter of 2024, Adjusted Free Cash Flow excludes all remaining cash flows attributable to the discontinued solar business.

**Non-GAAP Measures:** To provide investors with additional information in connection with our results as determined in accordance with generally accepted accounting principles in the United States ("GAAP"), we disclose certain non-GAAP measures including, for example, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Income (Loss) from continuing operations, Adjusted EPS, Free Cash Flow, Adjusted Free Cash Flow, Adjusted Free Cash Flow (including interest rate swaps), and Net Leverage Ratio. Reconciliations from GAAP to these non-GAAP financial measures for reported results can be found in the appendix. Non-GAAP measures should not be considered a substitute for, or superior to, our reported GAAP results.

With regard to the Company's financial guidance for 2025, the Company is not providing a quantitative reconciliation for forward-looking Adjusted EBITDA and Adjusted EPS to GAAP income (loss) from continuing operations and diluted income (loss) per share from continuing operations, respectively, and Adjusted Free Cash Flow (including interest rate swaps) to GAAP net cash provided by operating activities, which are the most directly comparable respective GAAP measures. These GAAP measures cannot be reliably predicted or estimated without unreasonable effort due to their dependence on future uncertainties, such as the adjustment of items used in the reconciliations herein. Additionally, information not currently available to the Company about other adjusting items could have a potentially unpredictable and potentially significant impact on future GAAP financial results.

Amounts on subsequent pages may not sum due to rounding.

**Operating Metrics:** Operating metrics such as Gross Customer Revenue Attrition, Ending Subscriber Count, RMR, Gross RMR Additions, Gross Unit Additions, and Revenue Payback are approximated as there may be variations to reported results in each period due to certain adjustments made in connection with the integration over several periods of acquired companies that calculated these metrics differently, or otherwise, including periodic reassessments and refinements in the ordinary course of business. These refinements, for example, may include changes due to systems conversion or historical methodology differences in legacy systems. Metrics referencing record performance reflect measurements made since the formation of ADT Inc. in 2015.


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# Company Overview

# ADT: Delivering Safe, Smart, Sustainable Solutions

| | |
|---|---|
| **Market Leader** | #1 brand in smart home security with national footprint and scale |
| **Well-Positioned** | Opportunity to increase share in large, growing, and highly attractive markets |
| **Resilient** | Long-term, stable subscriber base generates significant recurring revenue |
| **Evolved Portfolio** | Broad product and solution portfolio spanning home security and smart home |
| **Differentiated** | Innovative offerings, unrivaled safety, and premium customer experience |
| **Disciplined & Balanced** | Strong cash flows support capital allocation flexibility |

# Leading Brand in Home Security and Smart Home

**150 YEARS**
of innovative protection

**#1**
smart home security provider[1]

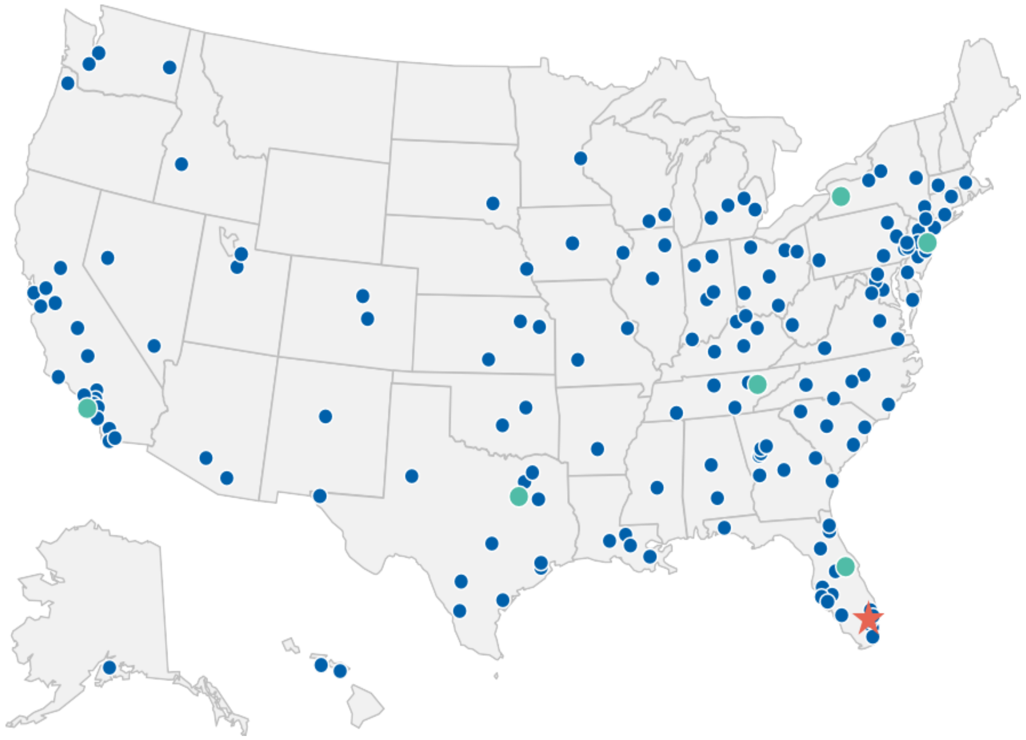
**2X**
more users
than the next closest provider[2]

Home security provider
**MOST TRUSTED**
in America[3]

**>6M**
subscribers

**~8 YEARS**
average customer tenure

## Scaled Nationwide Monitoring and Technical Support Presence



Locations | Monitoring Centers | Corporate Headquarters

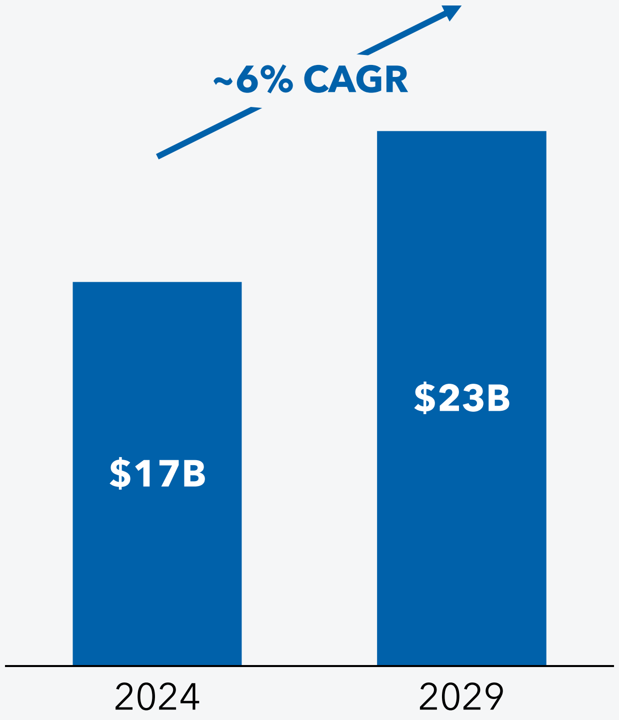
**Notes:**
1. ADT is the #1 Smart Home Security Provider * TechInsights, Analysis: ADT Retains Its US Interactive Security Leadership Crown. July 2025
2. Parks Associates, "Residential Security Dashboard", March 2025.
3. Voted most trusted home security provider brand by American shoppers based on the 2025 BrandSpark® American Trust Study.

# Large, Growing, Highly Attractive Markets

## Growing Consumer Spend on Residential Security

### Total Annual Revenue[1]

Security Services in Households with a Security System and Security System Sales




Professional monitoring represents ~80% of Total Annual Revenue

## Significant Incremental Opportunity

### Select Security and Smart Home Adjacencies

- Standalone cameras / video doorbells
- Other smart home device categories
- Small and Medium Business (SMB) security
- Personal Emergency and Response (PERS)
- Aging in place
- Leak detection

**Note:**

1. Parks Associates, "Residential Security Forecast 2024", October 2024.

# Business Model is Durable, Resilient, and Flexible…

## Durable Recurring Revenue Base

- Large existing subscriber base generates **~$4.3B** in annualized recurring monthly revenue
- Retention solid; implies **average customer tenure of ~8 years**

## Macroeconomic Resilience

- **Demand for home security** and personal safety increases during uncertain times
- Factors that pressure new subscriber additions also contribute to **customer retention**

## Capital Flexibility

- **Subscriber Acquisition Cost** (“SAC”) is largest use of capital (~$1.3B/year)
- **Efficient customer adds** through new and existing channels with higher installation revenue
- **Strong balance sheet** with **leverage at 2.8x**

# … And Generates Strong Returns on Capital Through Three Key Levers…

### Efficient Customer Acquisition

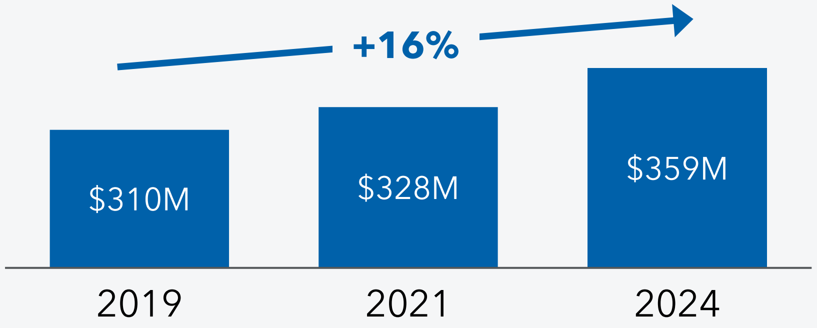
### Profitable Service of Customers

### Customer Loyalty and Retention

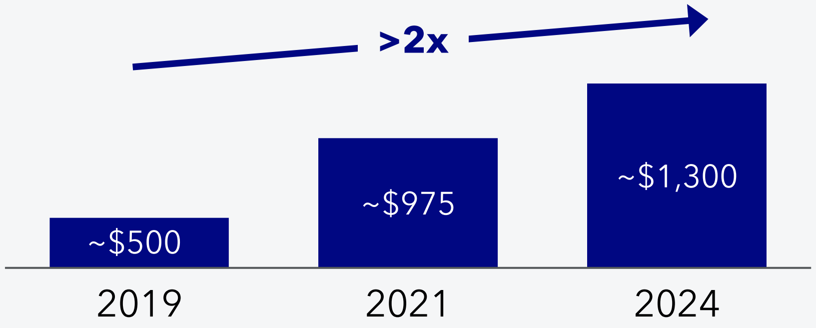
## Long-Term Value and Cash Generation

# ...With Improved Performance Across Key Metrics

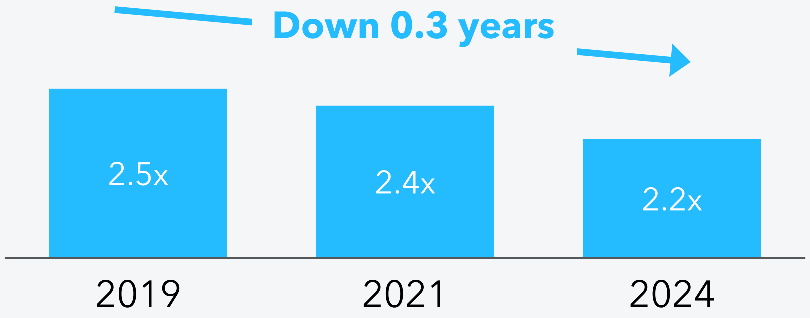
## Recurring Monthly Revenue



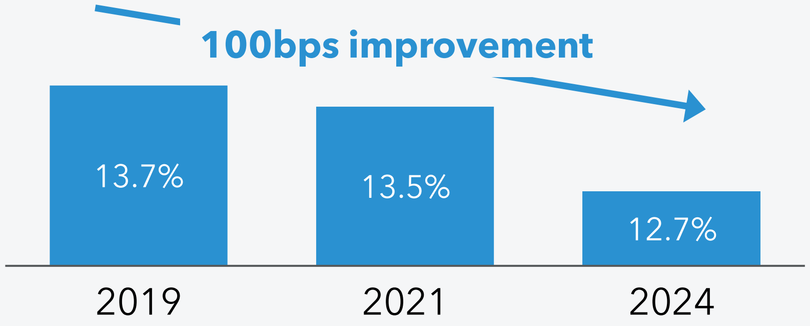

## Installation Revenue Per Unit




## Revenue Payback




## Attrition




**Note:** All metrics are continuing operations and reflect the business operations of the former CSB segment.

# Accelerating Differentiation Through Focused Initiatives to Drive Growth, Profitability, and Loyalty

### Use Cases and Features

- **ADT+** proprietary platform
- New **security and lifestyle**-oriented solutions
- **Alarm verification** and prioritized dispatch

### Offer Structure

- Contract, price, and payment **flexibility**
- **Value-centric packages** to capture new segments
- **Partner-specific offers**

### Routes to Market

- **Omnichannel** shopping and purchase experience
- Enhanced **e-commerce**
- Differentiator-focused **advertising**

### Digitization and AI

- **Virtual service** and call center efficiency
- Customer **propensity analytics**
- Scaling IT **infrastructure agility**

### Recent Highlights

- Launched ADT+ Alarm Range Extender expanding coverage and reliability for larger homes
- Introduced automation and AI-driven testing to accelerate ADT+ releases
- Added five new Google Nest camera models, expanding the smart home security portfolio
- Continued rollout of Trusted Neighbor and Touch Lock capabilities
- Expanding AI-enabled customer self-service tools and capabilities
- Continued growth in virtual service visits (~50% of total) and customer interaction (>90% of chats)

# Innovating on the new proprietary ADT+ Platform

## Strengthening our Smart Home Security Offerings

- Trusted Neighbor launched nationally on the ADT+ platform, driving a growing percentage of sales and strong IRPU and RMR
- Added new Google Nest camera lineup expanding ADT's smart home security portfolio
- Introduced automation and AI-driven testing to accelerate ADT+ releases and improving platform quality
- Launched ADT+ Alarm Range Extender expanding system coverage and reliability for larger and more complex homes

## Continuing Product and Experience Innovation

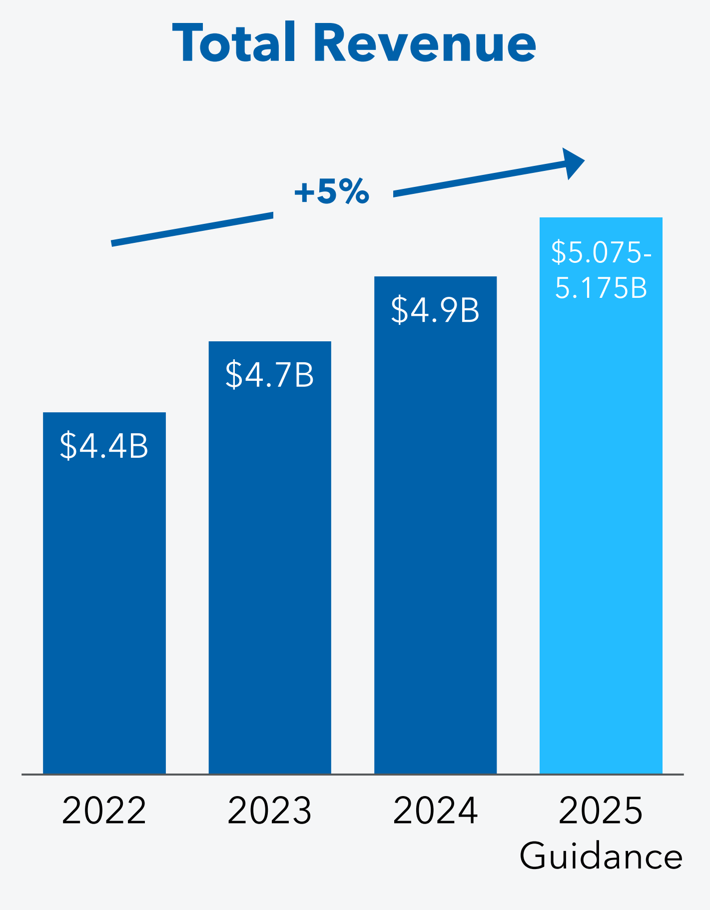
- Ongoing ADT+ app enhancements to improve overall usability and drive deeper customer engagement
- Expanding Trusted Neighbor's smart access control capabilities to other helpful parties
- Redesigning ADT+ hardware to further reduce costs

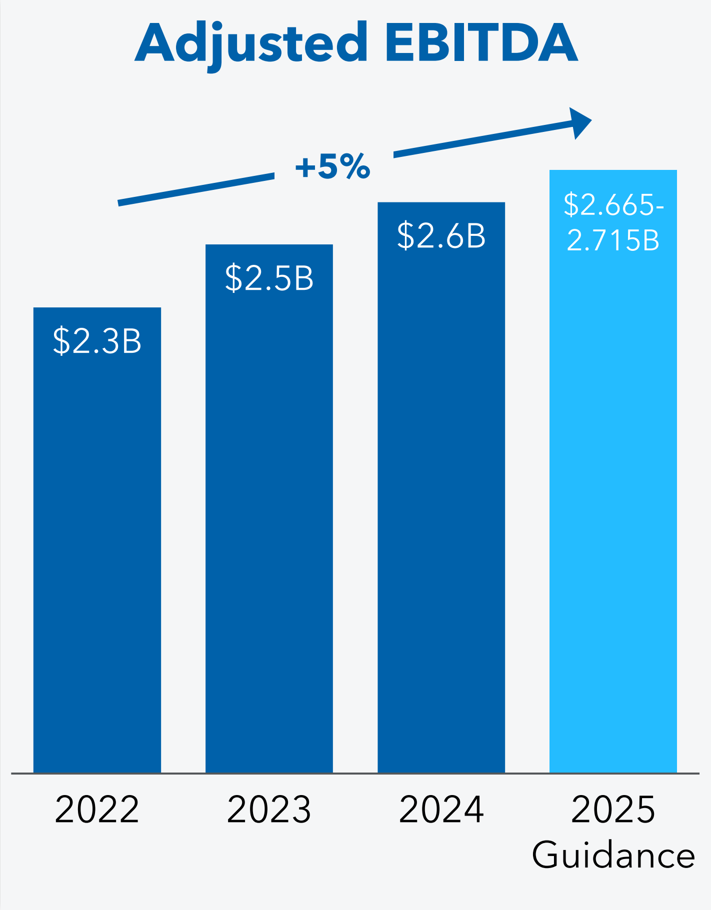
Trusted**Neighbor™**

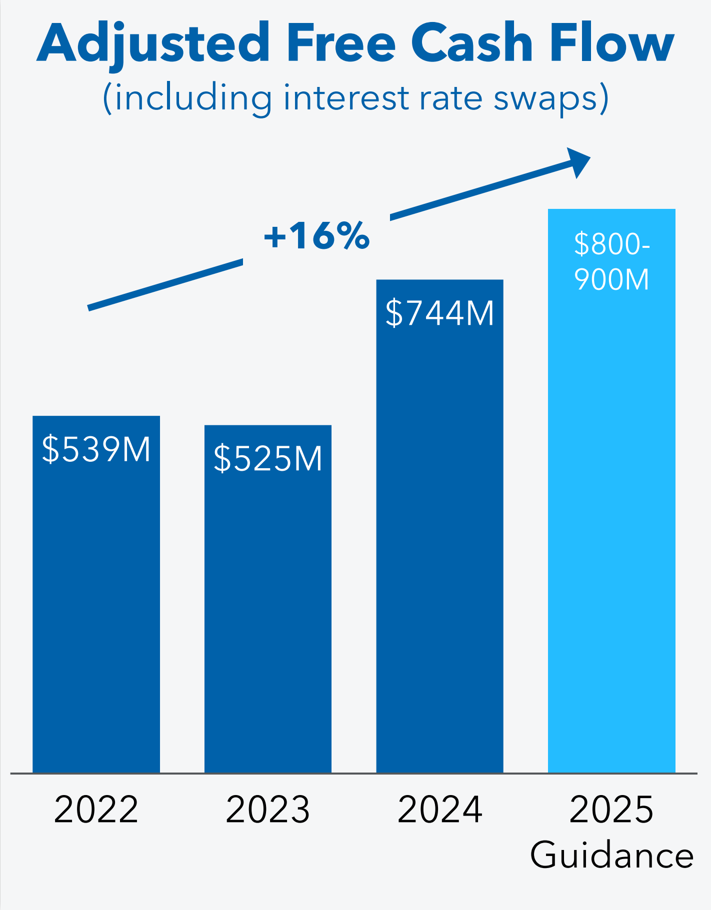
"I've been testing the **Yale Assure Lock 2 Touch** with ADT's security system and Google Home, and **it's worked seamlessly**. The fingerprint reader is **speedy and efficient**, the keypad easy to use, and installation can be included in an ADT security package."

*Nena Farrell, smart home tech reviewer, WIRED October'25*

# Delivering Top-Line Growth and Strong Free Cash Flow




**Significant FCF enables flexibility for efficient growth and return of capital to shareholders**

**Note:** Growth percentage represents CAGR from 2022 to midpoint of 2025 guidance. Adjusted Free Cash Flow includes cash flows attributable to the discontinued solar business through the second quarter of 2024. Reconciliations for the Non-GAAP measures Adjusted EBITDA and Adjusted Free Cash Flow are available at the end of this presentation.

# Disciplined and Balanced Capital Allocation Framework

## Investing in the Business

- Organic RMR growth
- Product and technology
- Selective M&A

## Strengthening the Balance Sheet

- Leverage reduction
- Liquidity access
- Well-laddered maturities

## Returning Capital to Shareholders

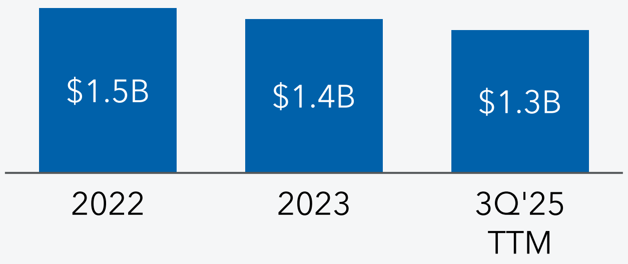
- Dividends
- Share repurchases

# Strong Cash Flow Supports Capital Allocation Strategy

## Investing in the Business

- **Capital-efficient** subscriber acquisition
- **Recurring monthly revenue** up >10% since beginning of 2022
- Product development and technology-led innovation
- Capacity for **opportunistic bulk account** purchases or tuck-in M&A

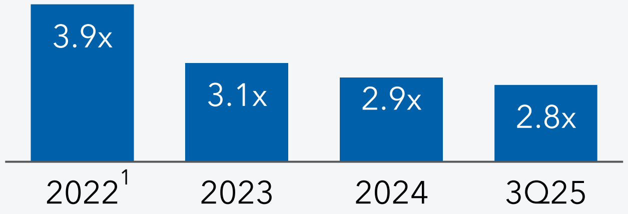
**Net Subscriber Acquisition Costs**




## Strengthening the Balance Sheet

- **Reduced leverage to 2.8x**
- Effective cost of debt of ~4.3%
- $2B debt reduction since 2022
- 2025 transactions extended $2.5B of maturities to 2032+
- Strong liquidity, including $800M undrawn revolving facility

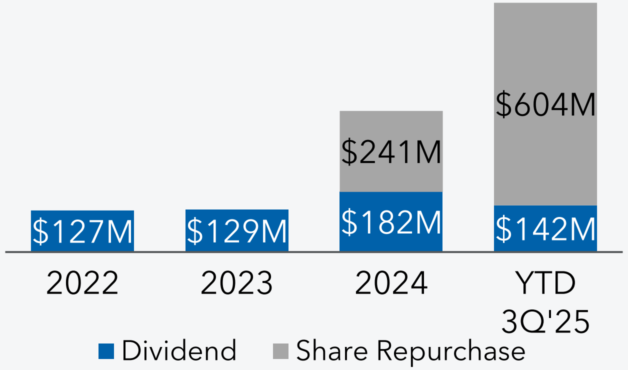
**Net Leverage Ratio**




## Returning Capital to Shareholders

- **Raised quarterly dividend by 57%** to $0.055/share in January 2024
- **Share repurchases** of $846M since January 2024
- **~$1.2B returned to shareholders** during 2024 and YTD 2025

**Dividends and Share Repurchases**[2]




**Note:**
1. LTM Adjusted EBITDA used in net leverage ratio for 2022 reflects historical amounts including the commercial and solar businesses.
2. Excludes $1.2B of share repurchases made in 2022 in connection with the State Farm strategic investment and $2.3M excise tax for 2024 repurchases.

# Compelling Value Creation Algorithm Focused on Driving Shareholder Returns

## Durable Recurring Revenue Base
- Annuity-like
- Stable and predictable
- Solid retention

**~$4.3B**
Annualized RMR

## Strong Revenue Growth
- Iconic brand
- Large and growing TAM
- Innovation focus

**+5%[1]**
Total Revenue

## Efficient Operations
- Unmatched scale
- Best-in-class service delivery
- Improved acquisition cost

**>50%**
Adj. EBITDA Margin

## Solid Capital Structure
- Well-laddered maturities
- ~4.3% average cost of debt
- $2B debt reduction since 2022

**2.8x**
3Q'25 Leverage

## Generating Significant Adjusted Free Cash Flow

**+16%[1]**
3-year CAGR

**$2.5B[2]**
Cumulative 2022-3Q'25

## ~$1.4B[3] Returned to Shareholders

**57% increase in quarterly dividend** in January 2024

**$845M in share repurchases** since January 2024

**Note:**
1. Growth percentage represents CAGR from 2022 to midpoint of 2025 guidance.
2. Cumulative Adjusted Free Cash Flow includes interest rate swaps.
3. Total dividends and share repurchases since 2022 through 3Q'25 and exclude $1.2 billion of share repurchases made in 2022 in connection with the State Farm strategic investment.

# Investment Thesis for ADT is Strong

1. Large, growing, and highly resilient markets underpinned by secular tailwinds with opportunity to meaningfully increase share
2. #1 brand in smart home security combined with industry-leading scale and a national footprint
3. Stable recurring revenue base with compelling unit economics and resilient cash flows
4. Accelerating differentiation with industry's largest nationwide network of experienced professionals and new proprietary platform, complemented by long-term strategic partners
5. Attractive debt profile with disciplined capital allocation framework expected to drive long-term value for shareholders

# Financial Results & Outlook

# 3Q25 Highlights

**$1.3B**
Total Revenue
*up 4%*

**$676M**
Adjusted EBITDA
*up 3%*

**$0.23**
Adjusted EPS
*up 15%*

**2.3 years**
Revenue Payback
*up 0.1x*

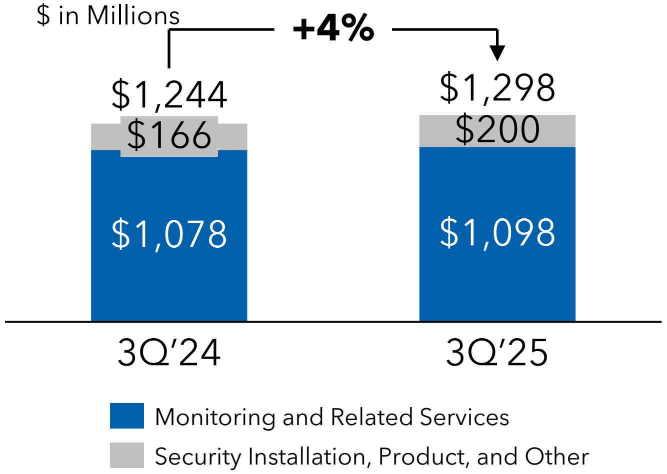
**$208M**
Adjusted Free Cash Flow
(including interest rate swaps)
*up 32%*

**2.8x**
Net Leverage Ratio
*down 0.1x*

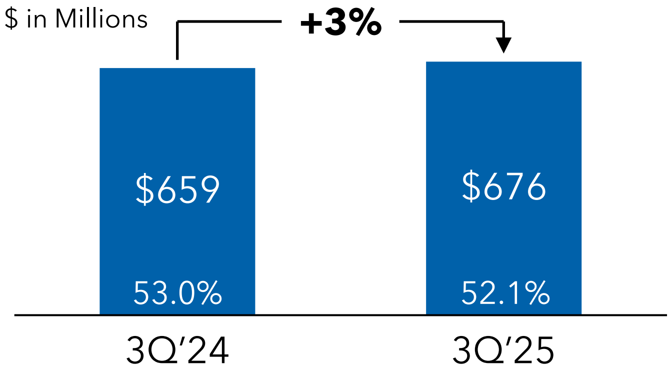
**Note:** All variances are on a year-over-year basis.

# Key Quarterly Financials

## Total Revenue

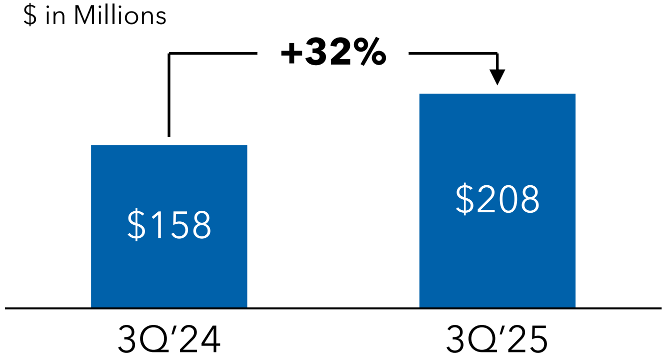



## Adjusted EBITDA & Margin

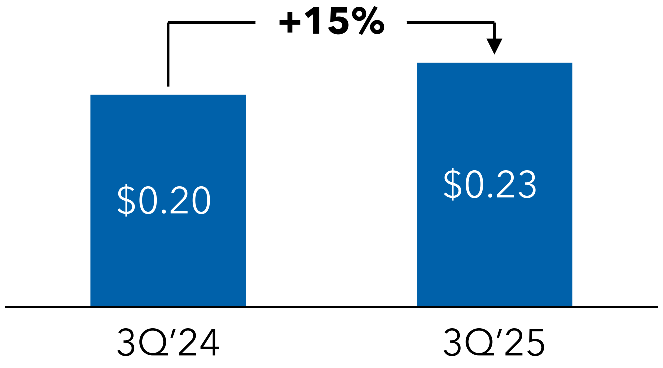



## Adjusted Free Cash Flow

(including interest rate swaps)




## Adjusted EPS

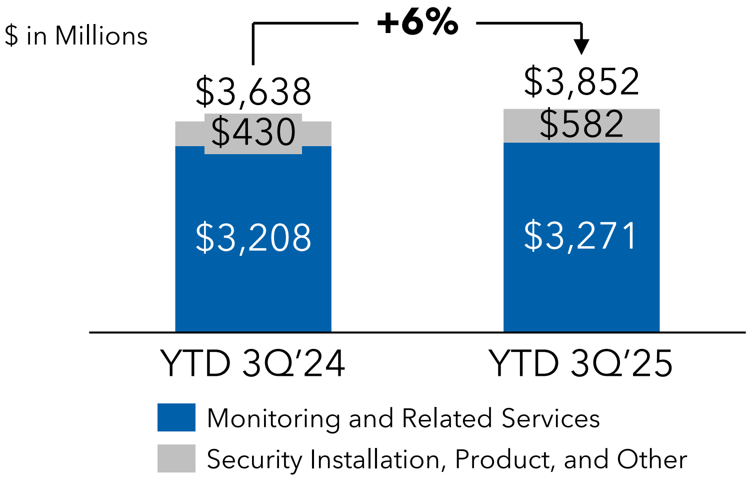



### Highlights

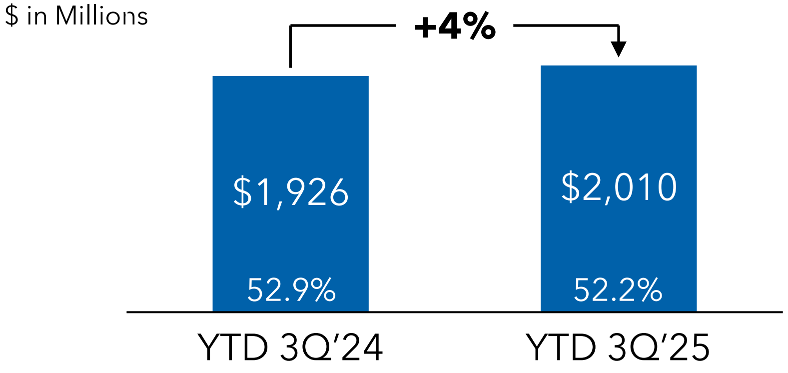
- Increase in revenue primarily due to higher average pricing and mix of pro install outright sales
- Service efficiency and improved installation margins enable strong profitability while investing for future
- Lower SAC spend and cash interest partially offset by higher cash taxes and timing of working capital items
- Returned $157 million to shareholders via share repurchases and dividends

# Key Year-to-Date Financials

## Total Revenue

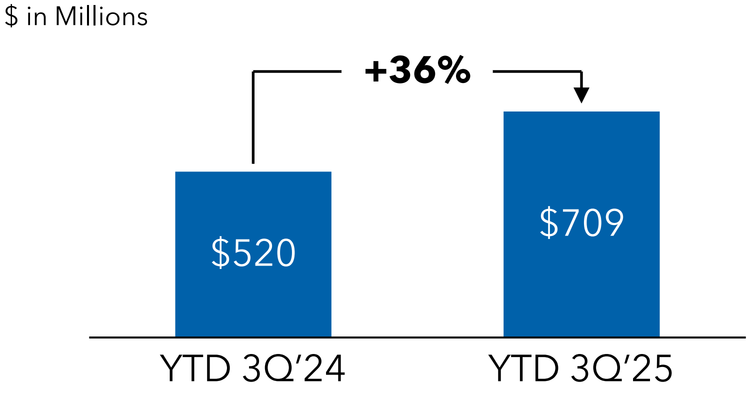



## Adjusted EBITDA & Margin

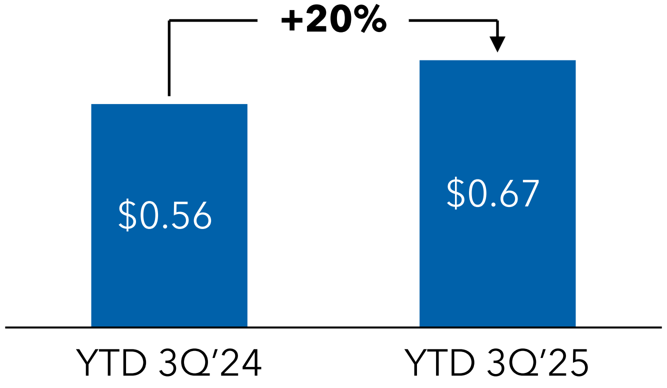



## Adjusted Free Cash Flow

(including interest rate swaps)




## Adjusted EPS




**Note:** Adjusted Free Cash Flow includes cash flows attributable to the discontinued solar business through the second quarter of 2024.

# Additional Key Metrics

| | 3Q'25 | 3Q'24 | Y/Y % |
|---|---|---|---|
| Ending Subscriber Count | 6.3M | 6.4M | (1%) |
| End of Period RMR<br>including wholesale | $362M | $359M | 1% |
| Gross RMR Additions | $12.5M | $14.7M | (15%) |
| Gross Unit Additions | 210K | 250K | (16%) |
| Gross Revenue Attrition | 13.0% | 12.8% | 20 bps |
| LTM Revenue Payback | 2.3x | 2.2x | 0.1x |
| Net Cash SAC | $355M | $414M | (14%) |

## Highlights

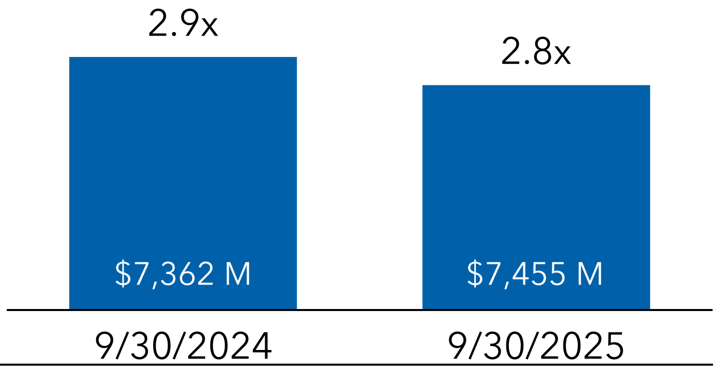
- Higher average pricing enabling RMR growth, despite modestly lower subscriber count
- Organic unit and RMR additions roughly in-line with prior year; fewer bulk purchases
- SAC efficiency roughly flat versus prior year
- Uptick in customer attrition driven by more non-pay cancellations

**Note:** Operating metrics presented exclude wholesale customers who outsource their monitoring to ADT unless otherwise noted. Gross Unit Additions represent Residential and Small Business. Net Cash Subscriber Acquisition Costs (SAC) represents the estimated cash expenditures for sales and installation, net of inflows received. Metrics on this slide include approximately 200,000 subscribers and $2.6 million RMR associated with the multifamily business which was divested on October 1, 2025.

# Capital Structure with Balanced Maturity Profile

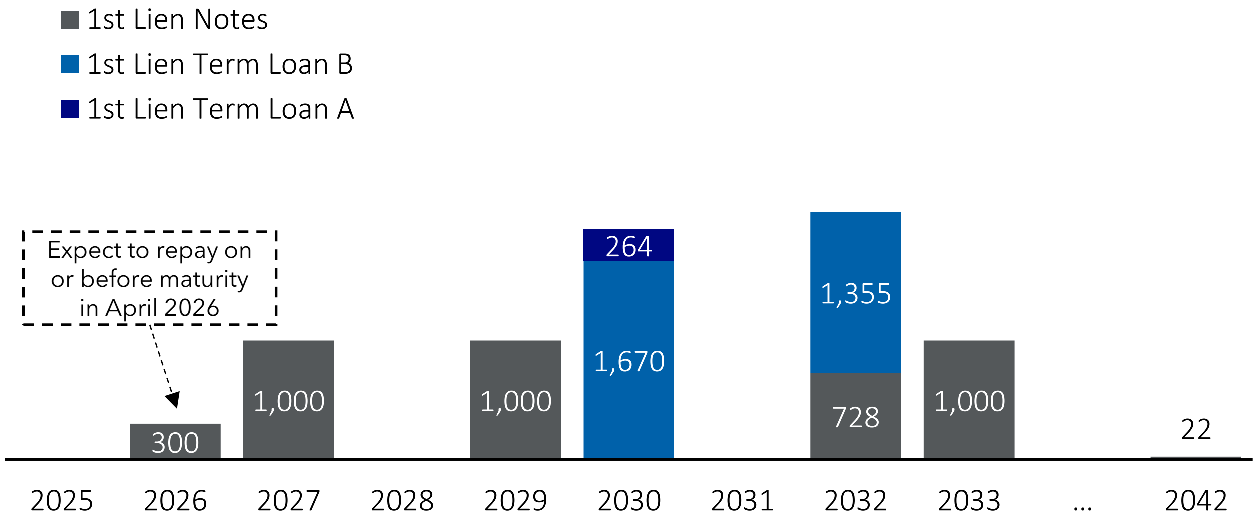
- **2.8x Net Leverage Ratio**, down from 2.9x in prior year
- **Strong liquidity** position with **undrawn $800M revolver facility** and $63M cash on hand at the end of the third quarter
- YTD transactions have strengthened debt profile by reducing **average cost of debt to 4.3%** and **extending $2.5B of maturities** to 2032 and 2033
  - YTD new issuances: ~$1.5B 2032 Term Loan B (S+175), $1B 2033 notes (5.875%); ~$0.3B Term Loan A (S+150)
  - YTD repayments: $1.3B 2028 notes (6.25%), ~$1.1B 2026 notes (5.75%), $0.2B 2030 Term Loan B (S+200)
- Expect to repay remaining 2026 notes with cash on hand and/or operating cash generation

## Net Debt and Leverage Ratios[1]




| | 9/30/2024 | 9/30/2025 |
|---|---|---|
| Net Debt / Adj. EBITDA prior to subscriber acquisition | 2.6x | 2.6x |
| Net Debt / Annualized RMR | 1.7x | 1.7x |

## Debt Maturity Profile (as of 11/4/2025)[2]




**Note:**
1. LTM Adjusted EBITDA reflects continuing operations only. Net debt for prior year includes amounts related to the solar business. The leverage ratio under our credit agreement includes certain defined adjustments and may differ from the ratio presented above.
2. Excludes annual mandatory amortization on Term Loans ($42M-$51M/year in 2026-2030; $15M in 2031), receivables facility, and finance leases. Excludes any amount drawn on our $800M revolver facility, which is zero as of 11/4/2025.

# 2025 Guidance

- Based on performance through the end of the third quarter, the Company is updating guidance

| *($ in millions, except per share data)* | 2024 Actual | Prior 2025 Guidance | Updated 2025 Guidance | Midpoint Year-over-year |
|---|---|---|---|---|
| Total Revenue | $4,898 | $5,025 - $5,225 | $5,075 - $5,175 | 5% |
| Adjusted EBITDA | $2,578 | $2,650 - $2,750 | $2,665 - $2,715 | 4% |
| Adjusted EPS | $0.75 | $0.81 - $0.89 | $0.85 - $0.89 | 16% |
| Adjusted Free Cash Flow (including interest rate swaps) | $744 | $800 - $900 | $800 - $900 | 14% |

**Note:** Adjusted Free Cash Flow includes cash flows attributable to the discontinued solar business through the second quarter of 2024. Adjusted EPS assumes tax rate of ~27% and share count of ~840 million.

# Additional Financial Information & Non-GAAP Reconciliations

# Financial & Operating Measures

| | For the Three Months Ended | | | | |
|---|---|---|---|---|---|
| *($ in millions)* | **Sept. 30, 2025** | **Jun. 30, 2025** | **Mar. 31, 2025** | **Dec. 31, 2024** | **Sept. 30, 2024** |
| ***Financial Measures*** | | | | | |
| Monitoring and related services (M&S) | $1,098 | $1,090 | $1,083 | $1,085 | $1,078 |
| Security installation, product, and other | $200 | $197 | $184 | $175 | $166 |
| **Total Revenue** | **$1,298** | **$1,287** | **$1,267** | **$1,260** | **$1,244** |
| **Adjusted EBITDA** | **$676** | **$674** | **$661** | **$653** | **$659** |
| *Adjusted EBITDA Margin (% Revenue)* | *52.1%* | *52.3%* | *52.1%* | *51.8%* | *53.0%* |
| **Adjusted Income (Loss) from continuing operations** | **$187** | **$191** | **$186** | **$176** | **$183** |
| Adjusted EPS | $0.23 | $0.23 | $0.21 | $0.20 | $0.20 |
| **GAAP Income (Loss) from continuing operations** | **$144** | **$168** | **$142** | **$197** | **$132** |
| GAAP EPS | $0.17 | $0.19 | $0.16 | $0.21 | $0.14 |
| ***Operating Measures*** | | | | | |
| Gross RMR Additions | $12.5 | $14.3 | $10.6 | $11.1 | $14.7 |
| Gross Unit Additions | 210K | 242K | 172K | 186K | 250K |
| LTM Gross Customer Revenue Attrition | 13.0% | 12.8% | 12.6% | 12.7% | 12.8% |
| LTM Revenue Payback (in years) [1] | 2.3x | 2.3x | 2.3x | 2.2x | 2.2x |
| End of Period RMR (including Wholesale) | $362 | $363 | $360 | $359 | $359 |
| *End of Period RMR (excluding Wholesale)* | *$358* | *$358* | *$355* | *$355* | *$354* |

**Note:** Operating measures exclude wholesale customers who outsource their monitoring to ADT, unless otherwise noted. Gross Unit Additions represent Residential and Small Business.

1. LTM Revenue Payback measures the approximate time, in years, required to recover our net SAC through contractual monthly recurring fees.

# Adjusted Free Cash Flow Detail

| ($ in millions) | For the Three Months Ended Sept. 30, 2025 | Jun. 30, 2025 | Mar. 31, 2025 | Dec. 31, 2024 | Sept. 30, 2024 |
|---|---|---|---|---|---|
| ***Adjusted Free Cash Flow*** | | | | | |
| Adjusted EBITDA | $676 | $674 | $661 | $653 | $659 |
| Net Expensed SAC | $61 | $48 | $51 | $52 | $68 |
| Net Cash SAC (1) | ($355) | ($369) | ($302) | ($320) | ($414) |
| Cash Taxes | ($41) | ($100) | $2 | ($1) | ($4) |
| Cash Interest | ($129) | ($64) | ($155) | ($60) | ($181) |
| Capital and Software Expenditures (2) | ($53) | ($49) | ($60) | ($55) | ($55) |
| Working Capital & Other | $35 | $118 | $12 | ($64) | $65 |
| **Adjusted Free Cash Flow** | **$192** | **$257** | **$210** | **$205** | **$137** |
| Interest Rate Swaps | $16 | $16 | $16 | $19 | $22 |
| **Adjusted Free Cash Flow (incl. interest rate swaps)** | **$208** | **$274** | **$226** | **$224** | **$158** |
| ***Selected Items Detail*** | | | | | |
| Non-capitalized Net SAC | $59 | $3 | $55 | $52 | $52 |
| Capitalized Net SAC | $296 | $366 | $247 | $268 | $363 |
| **Net Cash SAC (1)** | **$355** | **$369** | **$302** | **$320** | **$414** |
| *memo: Net Expensed SAC* | *$61* | *$48* | *$51* | *$52* | *$68* |

**Note:**
1. Differs from contractual amounts, due to the timing of cash receipts and repayments under the terms of our consumer financing program, as well as other non-cash add-backs.
2. Capital expenditures include software investments presented in operating cash flow in GAAP cash flow statement and exclude special items primarily related to third-party costs that are one-time or unusual in nature.

# Net Subscriber Acquisition Cost Calculation

| ($ in millions) | For the three months ended September 30, 2025 Capitalized | Non-capitalized | Total | For the twelve months ended September 30, 2025 Total |
|---|---|---|---|---|
| Selling, Advertising, and Commissions | $99 | $83 | $182 | $658 |
| Security Installation, Product, and Other Cost | - | $89 | $89 | $337 |
| Capitalized Direct SAC | $98 | - | $98 | $424 |
| Capitalized Dealer SAC | $157 | - | $157 | $600 |
| Upfront Cash Proceeds | ($58) | ($113) | ($171) | ($672) |
| **Net Cash SAC** | **$296** | **$59** | **$355** | **$1,347** |

**Note:** Upfront cash proceeds in non-capitalized SAC differ from contractual amounts, due to the timing of cash receipts and repayments under the terms of our consumer financing program, as well as other non-cash add-backs.

# Statements of Operations

| *(in millions, except per share data)* | Three Months Ended September 30, 2025 | Three Months Ended September 30, 2024 | $ Change | % Change | Nine Months Ended September 30, 2025 | Nine Months Ended September 30, 2024 | $ Change | % Change |
|---|---|---|---|---|---|---|---|---|
| **Revenue:** | | | | | | | | |
| Monitoring and related services | $ 1,098 | $ 1,078 | $ 20 | 2% | $ 3,271 | $ 3,208 | $ 63 | 2% |
| Security installation, product, and other | 200 | 166 | 34 | 21% | 582 | 430 | 152 | 35% |
| **Total revenue** | 1,298 | 1,244 | 54 | 4% | 3,852 | 3,638 | 214 | 6% |
| **Cost of revenue** *(exclusive of depreciation and amortization shown separately below):* | | | | | | | | |
| Monitoring and related services | 162 | 155 | 7 | 5% | 482 | 461 | 21 | 5% |
| Security installation, product, and other | 89 | 67 | 22 | 32% | 259 | 152 | 107 | 71% |
| **Total cost of revenue** | 251 | 222 | 29 | 13% | 741 | 613 | 128 | 21% |
| Selling, general, and administrative expenses | 384 | 360 | 24 | 7% | 1,109 | 1,121 | (12) | (1)% |
| Depreciation and intangible asset amortization | 348 | 335 | 13 | 4% | 1,026 | 1,002 | 24 | 2% |
| **Operating income (loss)** | 315 | 326 | (11) | (3)% | 976 | 903 | 74 | 8% |
| Interest expense, net | (113) | (162) | 49 | 30% | (349) | (359) | 10 | 3% |
| Other income (expense) | (4) | 18 | (22) | N/M | (8) | 45 | (53) | N/M |
| **Income (loss) from continuing operations before income taxes** | 199 | 182 | 16 | 9% | 619 | 589 | 31 | 5% |
| Income tax benefit (expense) | (55) | (50) | (5) | (10)% | (165) | (167) | 2 | 1% |
| **Income (loss) from continuing operations** | 144 | 132 | 11 | 9% | 454 | 422 | 32 | 8% |
| Income (loss) from discontinued operations, net of tax | 2 | (5) | 6 | N/M | (4) | (111) | 107 | 97% |
| **Net income (loss)** | $ 145 | $ 127 | $ 18 | 14% | $ 451 | $ 311 | $ 139 | 45% |
| | | | | | | | | |
| **Common Stock:** | | | | | | | | |
| Income (loss) from continuing operations per share - basic | $ 0.18 | $ 0.15 | | | $ 0.54 | $ 0.46 | | |
| Income (loss) from continuing operations per share - diluted | $ 0.17 | $ 0.14 | | | $ 0.51 | $ 0.44 | | |
| | | | | | | | | |
| Net income (loss) per share - basic | $ 0.18 | $ 0.14 | | | $ 0.54 | $ 0.34 | | |
| Net income (loss) per share - diluted | $ 0.16 | $ 0.13 | | | $ 0.50 | $ 0.32 | | |
| | | | | | | | | |
| Weighted-average shares outstanding - basic | 765 | 850 | | | 783 | 852 | | |
| Weighted-average shares outstanding - diluted | 828 | 913 | | | 846 | 913 | | |
| | | | | | | | | |
| **Class B Common Stock:** | | | | | | | | |
| Income (loss) from continuing operations per share - basic | $ 0.18 | $ 0.15 | | | $ 0.54 | $ 0.46 | | |
| Income (loss) from continuing operations per share - diluted | $ 0.17 | $ 0.14 | | | $ 0.51 | $ 0.44 | | |
| | | | | | | | | |
| Net income (loss) per share - basic | $ 0.18 | $ 0.14 | | | $ 0.54 | $ 0.34 | | |
| Net income (loss) per share - diluted | $ 0.16 | $ 0.13 | | | $ 0.50 | $ 0.32 | | |
| | | | | | | | | |
| Weighted-average shares outstanding - basic | 55 | 55 | | | 55 | 55 | | |
| Weighted-average shares outstanding - diluted | 55 | 55 | | | 55 | 55 | | |

**Note:** Amounts may not sum due to rounding.

# Balance Sheets

| *in millions* | September 30, 2025 | December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 63 | $ 96 |
| Restricted cash and restricted cash equivalents | 108 | 108 |
| Accounts receivable, net | 400 | 394 |
| Inventories, net | 190 | 197 |
| Prepaid expenses and other current assets | 226 | 211 |
| Total current assets | 988 | 1,005 |
| Property and equipment, net | 241 | 247 |
| Subscriber system assets, net | 2,836 | 2,981 |
| Intangible assets, net | 4,867 | 4,854 |
| Goodwill | 4,886 | 4,904 |
| Deferred subscriber acquisition costs, net | 1,425 | 1,324 |
| Other assets | 738 | 735 |
| **Total assets** | $ 15,981 | $ 16,051 |
| | | |
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Current maturities of long-term debt | $ 522 | $ 196 |
| Accounts payable | 167 | 154 |
| Deferred revenue | 247 | 248 |
| Accrued expenses and other current liabilities | 517 | 635 |
| Current liabilities of discontinued operations | 24 | 32 |
| Total current liabilities | 1,478 | 1,264 |
| Long-term debt | 7,284 | 7,511 |
| Deferred subscriber acquisition revenue | 2,088 | 2,068 |
| Deferred tax liabilities | 1,181 | 1,167 |
| Other liabilities | 282 | 224 |
| Noncurrent liabilities of discontinued operations | 10 | 16 |
| **Total liabilities** | 12,322 | 12,250 |
| | | |
| **Total stockholders' equity** | 3,659 | 3,801 |
| **Total liabilities and stockholders' equity** | $ 15,981 | $ 16,051 |

**Note:** Amounts may not sum due to rounding.

# Statements of Cash Flows

| *in millions* | Three Months Ended September 30, 2025 | Three Months Ended September 30, 2024 | Nine Months Ended September 30, 2025 | Nine Months Ended September 30, 2024 |
|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | |
| Net income (loss) | $ 145 | $ 127 | $ 451 | $ 311 |
| *Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:* | | | | |
| Depreciation and intangible asset amortization | 348 | 335 | 1,026 | 1,004 |
| Amortization of deferred subscriber acquisition costs | 64 | 56 | 187 | 165 |
| Amortization of deferred subscriber acquisition revenue | (90) | (88) | (268) | (258) |
| Share-based compensation expense | 11 | 10 | 43 | 39 |
| Deferred income taxes | 44 | 39 | 46 | 88 |
| Provision for losses on receivables and inventory | 55 | 39 | 156 | 146 |
| Loss on extinguishment of debt | 5 | — | 11 | 5 |
| Goodwill, intangible, and other asset impairments | 14 | — | 15 | 21 |
| Unrealized (gain) loss on interest rate swap contracts | 15 | 63 | 57 | 61 |
| Other non-cash items, net | 14 | 11 | 53 | 49 |
| *Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:* | | | | |
| Deferred subscriber acquisition costs | (99) | (88) | (288) | (271) |
| Deferred subscriber acquisition revenue | 58 | 62 | 173 | 196 |
| Other, net | (103) | (68) | (151) | (133) |
| Net cash provided by (used in) operating activities | 480 | 498 | 1,511 | 1,425 |
| **Cash flows from investing activities:** | | | | |
| Dealer generated customer accounts and bulk account purchases | (157) | (214) | (488) | (474) |
| Subscriber system asset expenditures | (98) | (123) | (307) | (407) |
| Purchases of property and equipment | (43) | (43) | (126) | (130) |
| Proceeds (payments) from divestiture of businesses | — | (21) | — | (21) |
| Proceeds (payments) from interest rate swaps | (1) | (2) | (2) | (7) |
| Other investing, net | — | 1 | 2 | 4 |
| Net cash provided by (used in) investing activities | (298) | (402) | (921) | (1,034) |
| **Cash flows from financing activities:** | | | | |
| Proceeds from long-term borrowings | 610 | 65 | 1,340 | 971 |
| Repayment of long-term borrowings, including call premiums | (627) | (70) | (1,278) | (1,088) |
| Proceeds from receivables facility | 60 | 44 | 207 | 190 |
| Repayment of receivables facility | (59) | (45) | (174) | (203) |
| Proceeds (payments) from interest rate swaps | 17 | 24 | 51 | 72 |
| Repurchases of common stock, including excise tax | (112) | — | (607) | (93) |
| Dividends on common stock | (46) | (50) | (142) | (132) |
| Payments on finance leases | (6) | (8) | (21) | (23) |
| Other financing, net | — | (2) | — | (10) |
| Net cash provided by (used in) financing activities | (163) | (41) | (623) | (316) |
| **Cash and cash equivalents and restricted cash and restricted cash equivalents:** | | | | |
| Net increase (decrease) | 19 | 56 | (33) | 75 |
| Beginning balance | 152 | 149 | 204 | 130 |
| Ending balance | $ 171 | $ 205 | $ 171 | $ 205 |

**Note:** Amounts may not sum due to rounding.

# Non-GAAP Measures

ADT sometimes uses information ("non-GAAP financial measures") that is derived from the consolidated financial statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"). Under SEC rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

The following information includes definitions of the Company's non-GAAP financial measures used in this presentation, reasons management believes these measures are useful to investors regarding the Company's financial condition and results of operations, additional purposes, if any, for which management uses the non-GAAP financial measures, and limitations to using these non-GAAP financial measures, as well as reconciliations of these non-GAAP financial measures to the most comparable GAAP measures. Each non-GAAP financial measure is presented following the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The limitations of non-GAAP financial measures are best addressed by considering these measures in conjunction with the appropriate GAAP measures. In addition, computations of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

With regard to the Company's financial guidance for 2025, the Company is not providing a quantitative reconciliation for forward-looking Adjusted EBITDA to GAAP income (loss) from continuing operations, Adjusted EPS to GAAP diluted income (loss) per share from continuing operations, or Adjusted Free Cash Flow (including interest rate swaps) to GAAP net cash provided by operating activities, which are the most directly comparable respective GAAP measures. These GAAP measures cannot be reliably predicted or estimated without unreasonable effort due to their dependence on future uncertainties, such as the adjustment of items used in the following reconciliations. Additionally, information not currently available to the Company about other adjusting items could have a potentially unpredictable and potentially significant impact on future GAAP financial results.

Unless otherwise noted, non-GAAP measures herein reflect the results of the Company's continuing operations. Through the second quarter of 2024, Free Cash Flow, Adjusted Free Cash Flow, and Adjusted Free Cash Flow (including interest rate swaps) reflect the results of both continuing and discontinued operations. Beginning in the third quarter of 2024, all remaining cash flows attributable to activities of the solar business have been excluded from these measures as the business was substantially wound down.

# GAAP to Non-GAAP Reconciliations

### *Free Cash Flow, Adjusted Free Cash Flow, and Adjusted Free Cash Flow including interest rate swaps*

The Company defines Free Cash Flow as cash flows from operating activities less cash outlays related to capital expenditures. The Company defines capital expenditures to include accounts purchased through the Company's network of authorized dealers or third parties outside of the authorized dealer network, subscriber system asset expenditures, and purchases of property and equipment. These items are subtracted from cash flows from operating activities because they represent long-term investments that are required for normal business activities.

The Company defines Adjusted Free Cash Flow as Free Cash Flow adjusted for net cash flows related to (i) net proceeds or payments from the Company’s consumer receivables facility; (ii) restructuring and integration payments; (iii) integration-related capital expenditures; and (iv) transaction costs and other payments or receipts that may mask operating results or business trends. Adjusted Free Cash Flow including interest rate swaps reflects Adjusted Free Cash Flow plus net cash settlements on interest rate swaps presented outside of net cash provided by (used in) operating activities.

The Company believes the presentations of these non-GAAP measures are appropriate to provide investors with useful information about the Company's ability to repay debt, pay dividends, repurchase shares, and make other investments. The Company believes the presentation of Adjusted Free Cash Flow is also a useful measure of the cash flow attributable to normal business activities, inclusive of the net cash flows associated with the acquisition of subscribers, as well as the Company's ability to repay debt, pay dividends, repurchase shares, and make other investments. Further, Adjusted Free Cash Flow including interest rate swaps is a useful measure of Adjusted Free Cash Flow inclusive of all cash interest.

There are material limitations to using these non-GAAP measures. These non-GAAP measures adjust for cash items that are ultimately within management’s discretion to direct, and therefore, may imply that there is less or more cash available than the most comparable GAAP measure. These non-GAAP measures are not intended to represent residual cash flow for discretionary expenditures since debt repayment requirements and other non-discretionary expenditures are not deducted.

The non-GAAP measures in the table below include cash flows associated with both continuing and discontinued operations, as applicable during the periods presented, consistent with the GAAP presentation on the Statement of Cash Flows.

| | Three Months Ended | | | | | Nine Months Ended | | Twelve Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions)* | **Sep. 30, 2025** | **Jun. 30, 2025** | **Mar. 31, 2025** | **Dec. 31, 2024** | **Sep. 30, 2024** | **Sep. 30, 2025** | **Sep. 30, 2024** | **Dec. 31, 2024** | **Dec. 31, 2023** | **Dec. 31, 2022** |
| Net cash provided by (used in): | | | | | | | | | | |
| Operating activities | $ 480 | $ 564 | $ 467 | $ 460 | $ 498 | $ 1,511 | $ 1,425 | $ 1,885 | $ 1,658 | $ 1,888 |
| Investing activities | $ (298) | $ (364) | $ (258) | $ (261) | $ (402) | $ (921) | $ (1,034) | $ (1,295) | $ 242 | $ (1,533) |
| Financing activities | $ (163) | $ (138) | $ (321) | $ (199) | $ (41) | $ (623) | $ (316) | $ (515) | $ (2,144) | $ (15) |
| | | | | | | | | | | |
| **Net cash provided by (used in) operating activities** | $ 480 | $ 564 | $ 467 | $ 460 | $ 498 | $ 1,511 | $ 1,425 | $ 1,885 | $ 1,658 | $ 1,888 |
| Dealer generated customer accounts and bulk account purchases | (157) | (224) | (107) | (112) | (214) | (488) | (474) | (586) | (589) | (622) |
| Subscriber system asset expenditures | (98) | (104) | (105) | (117) | (123) | (307) | (407) | (523) | (631) | (735) |
| Purchases of property and equipment | (43) | (38) | (45) | (34) | (43) | (126) | (130) | (164) | (176) | (177) |
| **Free Cash Flow** | $ 182 | $ 198 | $ 209 | $ 197 | $ 119 | $ 590 | $ 415 | $ 612 | $ 262 | $ 355 |
| Net proceeds (payments) from receivables facility | 1 | 44 | (12) | (15) | (1) | 33 | (13) | (28) | 81 | 156 |
| Restructuring and integration payments[(1)] | 2 | 3 | 5 | 3 | 4 | 10 | 30 | 33 | 43 | 17 |
| Other, net[(2)] | 6 | 12 | 7 | 20 | 14 | 26 | 23 | 42 | 30 | 29 |
| Tax payments associated with gain on divestitures | — | — | — | — | — | — | — | — | 25 | — |
| **Adjusted Free Cash Flow** | $ 192 | $ 257 | $ 210 | $ 205 | $ 137 | $ 659 | $ 454 | $ 659 | $ 442 | $ 558 |
| Interest rate swaps presented outside operating activities | 16 | 16 | 16 | 19 | 22 | 49 | 66 | 85 | 83 | (19) |
| **Adjusted Free Cash Flow (including interest rate swaps)** | $ 208 | $ 274 | $ 226 | $ 224 | $ 158 | $ 709 | $ 520 | $ 744 | $ 525 | $ 539 |

**Note:** Amounts may not sum due to rounding.

1. During 2024 and 2023, primarily includes costs related to the Solar business. During 2022, primarily includes CSB restructuring costs and Solar integration costs.
2. During 2025 and 2024, primarily includes net outflows related to the former Solar Business and third-party costs associated with implementation of a new ERP system that the Company will not continue to incur once the ERP system is fully implemented. During the three months ended December 2024, also includes settlement costs associated with the termination of our pension plan. During 2023, primarily includes separation costs associated with the Commercial Divestiture. During 2022, primarily includes costs related to the ADT Solar acquisition.

# GAAP to Non-GAAP Reconciliations

***Adjusted EBITDA from Continuing Operations ("Adjusted EBITDA") and Adjusted EBITDA Margin from Continuing Operations ("Adjusted EBITDA Margin")***

The Company defines Adjusted EBITDA as income (loss) from continuing operations adjusted for (i) interest; (ii) taxes; (iii) depreciation and amortization, including depreciation of subscriber system assets and other fixed assets and amortization of dealer and other intangible assets; (iv) amortization of deferred costs and deferred revenue associated with subscriber acquisitions; (v) share-based compensation expense; (vi) merger, restructuring, integration, and other items; (vii) impairment charges; and (viii) other non-cash or non-routine adjustments not necessary to operate the business. The Company believes the presentation of Adjusted EBITDA is useful to investors to measure the operational strength and performance of its business. The Company believes Adjusted EBITDA is useful as it provides investors additional information about operating profitability adjusted for certain non-cash items, non-routine items the Company does not expect to continue at the same level in the future, as well as other items not core to its operations. Further, the Company believes Adjusted EBITDA provides a meaningful measure of operating profitability because the Company uses it for evaluating business performance, making budgeting decisions, and comparing performance against other peer companies using similar measures. There are material limitations to using Adjusted EBITDA as it does not include certain significant items which directly affect income (loss) from continuing operations (the most comparable GAAP measure). The discussion above is also applicable to Adjusted EBITDA margin, which is calculated as Adjusted EBITDA as a percentage of total revenue.

| | Three Months Ended | | | | | Nine Months Ended | | Twelve Months Ended | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in millions unless otherwise noted)* | **Sep. 30, 2025** | **Jun. 30, 2025** | **Mar. 31, 2025** | **Dec. 31, 2024** | **Sep. 30, 2024** | **Sep. 30, 2025** | **Sep. 30, 2024** | **Sep. 30, 2025** | **Sep. 30, 2024** | **Dec. 31, 2024** | **Dec. 31, 2023** | **Dec. 31, 2022** |
| **Income (loss) from continuing operations** | $ 144 | $ 168 | $ 142 | $ 197 | $ 132 | $ 454 | $ 422 | $ 652 | $ 529 | $ 619 | $ 450 | $ 312 |
| Interest expense, net | 113 | 116 | 121 | 82 | 162 | 349 | 359 | 431 | 528 | 441 | 570 | 263 |
| Income tax expense (benefit) | 55 | 59 | 51 | 29 | 50 | 165 | 167 | 194 | 207 | 196 | 161 | 88 |
| Depreciation and intangible asset amortization | 348 | 339 | 340 | 341 | 335 | 1,026 | 1,002 | 1,367 | 1,329 | 1,343 | 1,335 | 1,600 |
| Amortization of deferred subscriber acquisition costs | 64 | 62 | 60 | 59 | 56 | 187 | 165 | 246 | 216 | 225 | 188 | 154 |
| Amortization of deferred subscriber acquisition revenue | (90) | (90) | (89) | (89) | (88) | (268) | (258) | (357) | (338) | (346) | (302) | (235) |
| Share-based compensation expense | 11 | 12 | 21 | 9 | 10 | 43 | 39 | 52 | 47 | 49 | 39 | 53 |
| Merger, restructuring, integration, and other(1) | 6 | 3 | 4 | 9 | 2 | 13 | 15 | 22 | 22 | 24 | 39 | 10 |
| Goodwill impairment(2) | 12 | — | — | — | — | 12 | — | 12 | — | — | — | — |
| Unrealized gain (loss) on interest rate swaps(3) | 4 | 4 | 4 | 3 | 5 | 12 | 15 | 15 | 31 | 18 | 17 | — |
| Loss on extinguishment of debt | 5 | — | 6 | — | — | 11 | 5 | 12 | 19 | 5 | 17 | — |
| Other, net(4) | 5 | 1 | 1 | 11 | (5) | 7 | (6) | 18 | (36) | 5 | (32) | 60 |
| **Adjusted EBITDA** | $ 676 | $ 674 | $ 661 | $ 653 | $ 659 | $ 2,010 | $ 1,926 | $ 2,663 | $ 2,553 | $ 2,578 | $ 2,481 | $ 2,305 |
| | | | | | | | | | | | | |
| Selling (incl. Commissions) and Advertising | | | | | | | | 275 | 317 | | | |
| Security Installations costs | | | | | | | | 337 | 185 | | | |
| Security Installation revenue | | | | | | | | (400) | (210) | | | |
| **Adjusted EBITDA prior to subscriber acquisition** | | | | | | | | $ 2,875 | $ 2,846 | | | |
| | | | | | | | | | | | | |
| *Income (loss) from continuing operations to total revenue ratio* | *11%* | *13%* | *11%* | *16%* | *11%* | *12%* | *12%* | *13%* | *11%* | *13%* | *10%* | *7%* |
| *Adjusted EBITDA Margin (as % of total revenue)* | *52%* | *52%* | *52%* | *52%* | *53%* | *52%* | *53%* | *52%* | *53%* | *53%* | *53%* | *53%* |
| Total revenue | 1,298 | 1,287 | 1,267 | 1,260 | 1,244 | 3,852 | 3,638 | 5,113 | 4,810 | 4,898 | 4,653 | 4,382 |

**Note:** Amounts may not sum due to rounding. Amounts are recast to reflect the presentation of the solar and commercial businesses as discontinued operations.

1. During 2024 and 2022, primarily relates to restructuring costs. 2024 also includes integration and other charges. During 2023, includes integration and third-party strategic optimization costs, as well as restructuring costs.
2. Represents a goodwill impairment charge associated with the Multifamily Divestiture.
3. Represents unrealized gain / loss related to interest rate swaps presented in other income (expense).
4. During 2023, primarily includes, the gain on sale of a business and other investment. During 2022, represents the change in fair value of the Forward Contract.

# GAAP to Non-GAAP Reconciliations

### *Historical Adjusted EBITDA (including discontinued operations)*

Historical Adjusted EBITDA includes results of the Company's continuing and discontinued operations and reflects the calculation of the measure prior to the Company reporting results of the commercial and solar businesses as discontinued operations. The Company believes the presentation of historical Adjusted EBITDA provides useful information to investors about the Company's measure of Adjusted EBITDA prior to the results of the commercial and solar businesses being reported as discontinued operations. The Company also uses this measure in certain calculations such as historical leverage ratio.

The Company defines historical Adjusted EBITDA as net income or loss adjusted for (i) interest; (ii) taxes; (iii) depreciation and amortization, including depreciation of subscriber system assets and other fixed assets and amortization of dealer and other intangible assets; (iv) amortization of deferred costs and deferred revenue associated with subscriber acquisitions; (v) share-based compensation expense; (vi) merger, restructuring, integration, and other; (vii) losses on extinguishment of debt; (viii) radio conversion costs net of any related incremental revenue earned; (ix) adjustments related to acquisitions, such as contingent consideration and purchase accounting adjustments, or dispositions; (x) impairment charges; and (xi) other income/gain or expense/loss items such as changes in fair value of certain financial instruments or financing and consent fees.

There are material limitations to using historical Adjusted EBITDA as it does not reflect certain significant items, which directly affect net income or loss (the most comparable GAAP measure).

| *(in millions)* | Twelve Months Ended Dec. 31, 2022 |
|---|---|
| **Net income (loss)** | $ 133 |
| Interest expense, net | 265 |
| Income tax expense (benefit) | 49 |
| Depreciation and intangible asset amortization | 1,694 |
| Amortization of deferred subscriber acquisition costs | 163 |
| Amortization of deferred subscriber acquisition revenue | (244) |
| Share-based compensation expense | 67 |
| Merger, restructuring, integration, and other | 22 |
| Goodwill impairment[1] | 201 |
| Gain on sale of business | — |
| Other solar exit costs | — |
| Change in fair value of forward contract | 63 |
| Non-cash acquisition-related adjustments and other, net | 35 |
| **Historical Adjusted EBITDA** | $ 2,447 |

**Note:** Amounts may not sum due to rounding.

# GAAP to Non-GAAP Reconciliations

***Adjusted Income (Loss) from Continuing Operations ("Adjusted Income (Loss)") and Adjusted Diluted Income (Loss) per Share from Continuing Operations ("Adjusted Diluted Income (Loss) per Share" or "Adjusted EPS")***

The Company defines Adjusted Income (Loss) as income (loss) from continuing operations adjusted for (i) share-based compensation expense; (ii) merger, restructuring, integration, and other items; (iii) impairment charges; (iv) unrealized (gains) or losses on interest rate swaps; (v) other non-cash or non-routine adjustments not necessary to operate our business; and (vi) the impact these items have on taxes. The Company defines Adjusted EPS as diluted income (loss) from continuing operations per share adjusted for the per share amounts related to (i) share-based compensation expense; (ii) merger, restructuring, integration, and other items; (iii) impairment charges; (iv) unrealized (gains) or losses on interest rate swaps; (v) other non-cash or non-routine adjustments not necessary to operate our business; and (vi) the impact these items have on taxes.

Adjusted EPS equals Adjusted Income (Loss) divided by diluted weighted-average shares outstanding of common stock as calculated in accordance with GAAP. When the control number for the GAAP calculation is negative, diluted weighted-average shares outstanding of common stock does not include the assumed conversion of Class B common stock and other potential shares, such as share-based compensation awards, to shares of common stock. The Company believes Adjusted Income (Loss) and Adjusted EPS are benchmarks used by analysts and investors who follow the industry for comparison of its performance with other companies in the industry, although these measures may not be directly comparable to similar measures reported by other companies. The Company believes the presentation of Adjusted EPS is useful to investors as it provides additional information about how our management evaluates the business. Beginning in 2025, management and the Board also use Adjusted EPS to evaluate the performance of employees (including members of management) and the Company as a whole, as well as to allocate resources.

There are material limitations to using these measures, as they do not reflect certain significant items which directly affect income (loss) from continuing operations and related per share amounts (the most comparable GAAP measures).

| *(in millions, except per share data)* | Three Months Ended | | | | | Nine Months Ended | | Twelve Months Ended |
|---|---|---|---|---|---|---|---|---|
| | Sep. 30, 2025 | Jun. 30, 2025 | Mar. 31, 2025 | Dec. 31, 2024 | Sep. 30, 2024 | Sep. 30, 2025 | Sep. 30, 2024 | Dec. 31, 2024 |
| **Income (loss) from continuing operations** | $ 144 | $ 168 | $ 142 | $ 197 | $ 132 | $ 454 | $ 422 | $ 619 |
| Share-based compensation expense | 11 | 12 | 21 | 9 | 10 | 43 | 39 | 49 |
| Merger, restructuring, integration, and other(1) | 6 | 3 | 4 | 9 | 2 | 13 | 15 | 24 |
| Goodwill impairment(2) | 12 | — | — | — | — | 12 | — | — |
| Interest rate swaps, net(3) | 15 | 17 | 25 | (16) | 63 | 57 | 61 | 45 |
| Loss on extinguishment of debt | 5 | — | 6 | — | — | 11 | 5 | 5 |
| Other, net | 5 | 1 | 1 | 11 | (5) | 7 | (6) | 5 |
| Tax adjustments(4) | (11) | (10) | (13) | (35) | (18) | (33) | (27) | (62) |
| **Adjusted Income (Loss)** | $ 187 | $ 191 | $ 186 | $ 176 | $ 183 | $ 564 | $ 509 | $ 685 |
| **Diluted weighted-average shares outstanding of Common Stock(5):** | 828 | 840 | 871 | 895 | 913 | 846 | 913 | 909 |
| **Diluted income (loss) from continuing operations per share of Common Stock** | $ 0.17 | $ 0.19 | $ 0.16 | $ 0.21 | $ 0.14 | $ 0.51 | $ 0.44 | $ 0.66 |
| Share-based compensation expense | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0.05 | 0.04 | 0.05 |
| Merger, restructuring, integration, and other(1) | 0.01 | — | — | 0.01 | — | 0.02 | 0.02 | 0.03 |
| Goodwill impairment(2) | 0.01 | — | — | — | — | 0.01 | — | — |
| Interest rate swaps, net(3) | 0.02 | 0.02 | 0.03 | (0.02) | 0.07 | 0.07 | 0.07 | 0.05 |
| Loss on extinguishment of debt | 0.01 | — | 0.01 | — | — | 0.01 | — | 0.01 |
| Other, net | 0.01 | — | — | 0.02 | (0.01) | 0.01 | (0.01) | 0.01 |
| Tax adjustments(4) | (0.01) | (0.01) | (0.01) | (0.04) | (0.02) | (0.04) | (0.03) | (0.07) |
| **Adjusted EPS** | $ 0.23 | $ 0.23 | $ 0.21 | $ 0.20 | $ 0.20 | $ 0.67 | $ 0.56 | $ 0.75 |

**Note**: Amounts may not sum due to rounding. Amounts are recast to reflect the presentation of the solar and commercial business as discontinued operations.

1. During 2024, primarily relates to restructuring costs.
2. Represents a goodwill impairment charge associated with the Multifamily Divestiture.
3. Primarily includes the unrealized (gains) or losses on interest rate swaps presented in interest expense, net and other income (expense).
4. Represents the tax impact on adjustments, using the federal and state blended statutory rate. During the fourth quarter of 2024, also includes tax reserve releases of approximately $30 million associated with The ADT Security Company's separation from Tyco.
5. Refer to the Company's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K for further discussion regarding the computation of diluted weighted-average shares outstanding of common stock.

# GAAP to Non-GAAP Reconciliations

### *Leverage Ratios*

Net Leverage Ratio, Net Leverage Ratio prior to subscriber acquisition, and Net Debt / Annualized RMR are calculated as the ratio of net debt to last twelve months ("LTM") Adjusted EBITDA from continuing operations, LTM Adjusted EBITDA from continuing operations prior to subscriber acquisition, and annualized RMR, respectively. Net debt is calculated as total debt excluding the Receivables Facility, including capital leases, minus cash and cash equivalents. Refer to the discussion on Adjusted EBITDA for descriptions of the differences between Adjusted EBITDA and income (loss) from continuing operations, which is the most comparable GAAP measure. The Company believes these measures are useful measures of the Company's credit position and progress towards leverage targets. There are material limitations to using these measures as the Company may not always be able to use cash to repay debt on a dollar-for-dollar basis.

| *(in millions)* | Sep. 30, 2025 | Sep. 30, 2024 | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|---|---|
| Total debt (book value)[1] | $ 7,806 | $ 7,721 | $ 7,707 | $ 7,826 |
| LTM Income (loss) from continuing operations | $ 652 | $ 529 | $ 619 | $ 450 |
| **Debt to income (loss) from continuing operations ratio** | **12.0x** | **14.6x** | **12.4x** | **17.4x** |

| *(in millions)* | Sep. 30, 2025 | Sep. 30, 2024 | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|---|---|
| Revolver | $ — | $ — | $ — | $ — |
| Term loans | 3,115 | 1,984 | 1,984 | 2,001 |
| First lien and ADT notes | 3,050 | 4,100 | 4,100 | 4,200 |
| Receivables facility | 441 | 423 | 408 | 436 |
| Finance leases and other[2] | 54 | 74 | 69 | 88 |
| **Total first lien debt** | **$ 6,659** | **$ 6,581** | **$ 6,561** | **$ 6,724** |
| Second lien notes | 1,300 | 1,300 | 1,300 | 1,300 |
| **Total debt[3]** | **$ 7,959** | **$ 7,881** | **$ 7,861** | **$ 8,024** |
| | | | | |
| Less: Cash and cash equivalents | (63) | (95) | (96) | (15) |
| Less: Receivables Facility | (441) | (423) | (408) | (436) |
| **Net debt** | **$ 7,455** | **$ 7,362** | **$ 7,357** | **$ 7,574** |
| | | | | |
| LTM Adjusted EBITDA from continuing operations | $ 2,663 | $ 2,553 | $ 2,578 | $ 2,481 |
| **Net leverage ratio** | **2.8x** | **2.9x** | **2.9x** | **3.1x** |
| | | | | |
| LTM Adjusted EBITDA from continuing operations prior to subscriber acquisition | $ 2,875 | $ 2,846 | | |
| **Net leverage ratio prior to subscriber acquisition** | **2.6x** | **2.6x** | | |
| | | | | |
| Annualized RMR | $ 4,349 | $ 4,307 | | |
| **Net Debt / Annualized RMR** | **1.7x** | **1.7x** | | |

**Note:** Amounts may not sum due to rounding.
1. Excludes Solar finance leases consistent with the GAAP presentation as a discontinued operation.
2. As applicable, includes debt related to Solar business.
3. Debt instruments are stated at face value.

# GAAP to Non-GAAP Reconciliations

## *Historical Leverage Ratios (including discontinued operations)*

Net Leverage Ratio (historical), Net Leverage Ratio prior to subscriber acquisition (historical), and Net Debt / Annualized RMR (historical) is calculated as the ratio of net debt to last twelve months ("LTM") Historical Adjusted EBITDA, LTM Historical Adjusted EBITDA prior to subscriber acquisition, and annualized RMR, respectively. Net debt is calculated as total debt excluding the Receivables Facility, including capital leases, minus cash and cash equivalents. Refer to the discussion on Historical Adjusted EBITDA for descriptions of the differences between Historical Adjusted EBITDA and net income (loss), which is the most comparable GAAP measure. The Company believes Net Leverage Ratio is a useful measure of the Company's credit position and progress towards leverage targets. There are material limitations to using Net Leverage Ratio as the Company may not always be able to use cash to repay debt on a dollar-for-dollar basis.

Historical Leverage Ratio includes results of the Company's continuing and discontinued operations and reflects the calculation of the measure prior to the Company reporting results of the commercial and solar businesses as discontinued operations.

| *(in millions)* | | Dec. 31, 2022 |
|---|---|---|
| Total debt (book value) | $ | 9,829 |
| LTM net income (loss) | $ | 133 |
| **Debt to net income (loss) ratio** | | **74.1x** |

| *(in millions)* | | Dec. 31, 2022 |
|---|---|---|
| Revolver | $ | — |
| Term loans | | 2,730 |
| First lien and ADT notes | | 5,550 |
| Receivables facility | | 355 |
| Finance leases and other | | 97 |
| **Total first lien debt** | **$** | **8,732** |
| Second lien notes | | 1,300 |
| **Total debt[(1)]** | **$** | **10,032** |
| | | |
| Less: Cash and cash equivalents | | (257) |
| Less: Receivables Facility | | (355) |
| **Net debt** | **$** | **9,420** |
| | | |
| LTM Historical Adjusted EBITDA | $ | 2,447 |
| **Net leverage ratio** | | **3.9x** |

**Note:** Amounts may not sum due to rounding.
1. Debt instruments are stated at face value.