

2019 Earnings Call

April 8, 2020

BUILDING **GREAT LEADERS**

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Forward-Looking Statements and Disclaimers

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Certain statements in this presentation are forward-looking statements which are based on the Company's expectations, intentions and projections regarding the Company's future performance, anticipated events or trends and other matters that are not historical facts, including expectations regarding: (i) the ability of the Company to meet the eligibility criteria and effect a registration under the Securities Act of its securities, a listing of its securities on the New York Stock Exchange, its domestication and the timing for such registration, listing and domestication; (ii) the Company's positioning regarding its future business plans and long-term goals; (iii) the Company's strategies for each of its segments and the opportunities in the industries the Company serves; (iv) the impact of the Company's planned divestiture of two subsidiaries in its Industrial Services segment; (v) certain expected 2020 financial results and (vi) the impacts of the COVID-19 pandemic on the future operating and financial performance of the Company, the Company's plans and strategies to adapt and respond to the pandemic and the expected impact of those plans and strategies. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including: (i) economic conditions, competition and other risks that may affect the Company's future performance, including the impacts of the COVID-19 pandemic on the Company's business, markets, supply chain, customers and workforce, on the credit and financial markets, and on the global economy generally; (ii) the ability to recognize the anticipated benefits of the acquisition and of the Company to take advantage of strategic opportunities; (iii) the limited liquidity and trading of the Company's securities; (iv) changes in applicable laws or regulations; (v) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; and (vi) other risks and uncertainties. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this presentation constitutes or should be construed as constituting a profit forecast. This presentation contains inside information as defined in article 7 of the Market Abuse Regulation (EU) No 596/2014.

Disclaimer

Non-GAAP Financial Measures

This presentation contains non-U.S. GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission and includes a reconciliation of these non-U.S. GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP. The Company uses certain non-U.S. GAAP financial measures that are included in this presentation and the additional financial information both in explaining its results to shareholders and the investment community and in its internal evaluation and management of its businesses. The Company's management believes that these non-U.S. GAAP financial measures and the information they provide are useful to investors since these measures (a) permit investors to view the company's performance using the same tools that management uses to evaluate the Company's past performance, reportable business segments and prospects for future performance, (b) permit investors to compare the Company with its peers and (c) determine certain elements of management's incentive compensation. Specifically:

The Company's management believes that "adjusted" net revenues, "adjusted" gross margin, "adjusted" SG&A expense, "adjusted" operating income (loss), "adjusted" earnings per share, "adjusted" interest and "adjusted" tax rates, which exclude business transformation and other expenses for the integration of acquired businesses, the impact and results of two subsidiaries in the Company's Industrial Services segment which the Company has classified as assets held-for-sale as of December 31, 2019, and one-time and other events such as impairment charges, share-based compensation, transaction and other costs related to acquisitions, amortization of intangible assets associated with acquisitions, and certain tax benefits from the APi Acquisition, are useful because they provide investors with a meaningful perspective on the current underlying performance of the Company's core ongoing operations.

- The Company also presents changes in organic net revenues to provide a more complete understanding of underlying revenue trends by providing net revenues on a consistent basis as it excludes the impacts of significant acquisitions, planned or completed divestitures, and changes in foreign currency from year-over-year comparisons.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") is the measure of profitability used by management to manage its segments and, accordingly, in its segment reporting. The Company supplements the reporting of its consolidated financial information with certain non-U.S. GAAP financial measures, including EBITDA and adjusted EBITDA, which defined as EBITDA excluding the impact of certain non-cash and other specifically identified items ("Adjusted EBITDA"). The Company believes these non-U.S. GAAP measures provide meaningful information and help investors understand the Company's financial results and assess its prospects for future performance. The Company uses EBITDA and Adjusted EBITDA to evaluate its performance, both internally and as compared with its peers, because it excludes certain items that may not be indicative of the Company's core operating results. Consolidated EBITDA is calculated in a manner consistent with Segment EBITDA, which is a measure of segment profitability.
- The Company presents free cash flow, adjusted free cash flow and adjusted free cash flow conversion, which are liquidity measures used by management as factors in determining the amount of cash that is available for working capital needs or other uses of cash, however, it does not represent residual cash flows available for discretionary expenditures.
- The Company presents non-U.S. GAAP financial measures on a combined basis to illustrate the impact of the combined Predecessor and Successor periods as a result of the APi Acquisition. The Company believes that these combined measures are useful in understanding the overall operating performance of the combined business during 2019 as compared to the performance in the prior year period and provide a more complete picture of the Company's results after factoring in its current debt and capitalization structure.

While the Company believes these non-U.S. GAAP measures are useful in evaluating the Company's performance, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with U.S. GAAP. Additionally, these non-U.S. GAAP financial measures may differ from similar measures presented by other companies. A reconciliation of these Non-U.S. GAAP financial measures is included later in this presentation.

2019 Performance Highlights

- ✓ Combined 2019 net revenues were **$4.1 billion**, an increase of **$364 million** or **9.8%** over prior year
- ✓ 2019 adjusted combined EBITDA of **$393 million**, representing a **10.3%** adjusted EBITDA margin
- ✓ Combined 2019 cash provided by operating activities of **$295 million**
- ✓ 2019 combined adjusted free cash flow conversion of **90%**
- ✓ 2019 combined adjusted diluted EPS of **$1.22**, a **$0.17** increase over prior year

Note: Refer to Appendix for a reconciliation of non-GAAP measures to most directly comparable GAAP measures.

2019 Financial Results Overview

Year Ended December 31, 2019

ADJUSTED NET REVENUES	ADJUSTED GROSS MARGIN	ADJUSTED EBITDA	ADJUSTED DILUTED EPS
8.7% or $303 million of growth compared to prior year period **7.7%** or $272 million of organic growth compared to prior year period	**21.5%** Compared to 22.0% for the prior year period	**$393 million** 10.3% margin, 51 basis point increase over prior year	**$1.22 / share** $0.17 increase over prior year

Three Months Ended December 31, 2019

ADJUSTED NET REVENUES	ADJUSTED GROSS MARGIN	ADJUSTED EBITDA	ADJUSTED DILUTED EPS
0.7% or $7 million decline compared to prior year period **1.0%** or $9 million of growth compared to prior year period	**23.4%** Compared to 23.3% for the prior year period	**$109 million** 11.8% margin, 97 basis point increase over prior year	**$0.35 / share** $0.06 increase over prior year

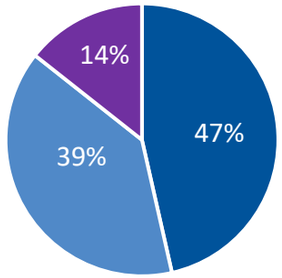
Note: Refer to Appendix for a reconciliation of non-GAAP measures to most directly comparable GAAP measures.

Segment Breakdown

Year Ended December 31, 2019

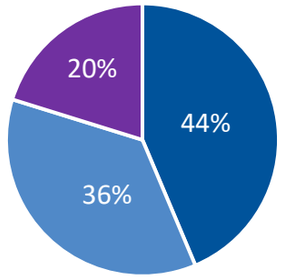
ADJUSTED NET REVENUES

Total: $3.8 billion



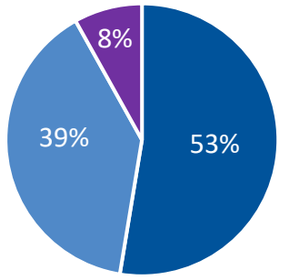
ADJUSTED GROSS PROFIT

Total: $817 million



ADJUSTED EBITDA

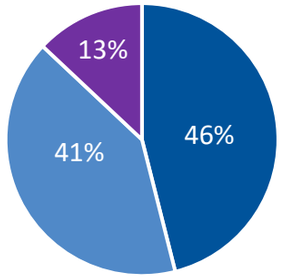
Total: $393 million



Three Months Ended December 31, 2019

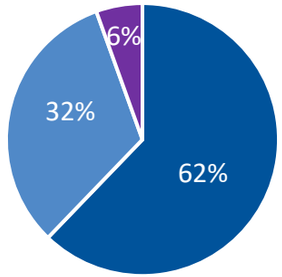
ADJUSTED NET REVENUES

Total: $926 million



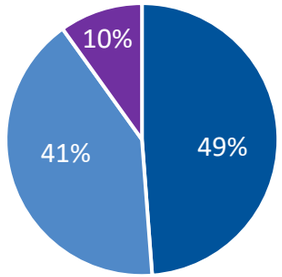
ADJUSTED GROSS PROFIT

Total: $217 million



ADJUSTED EBITDA

Total: $109 million

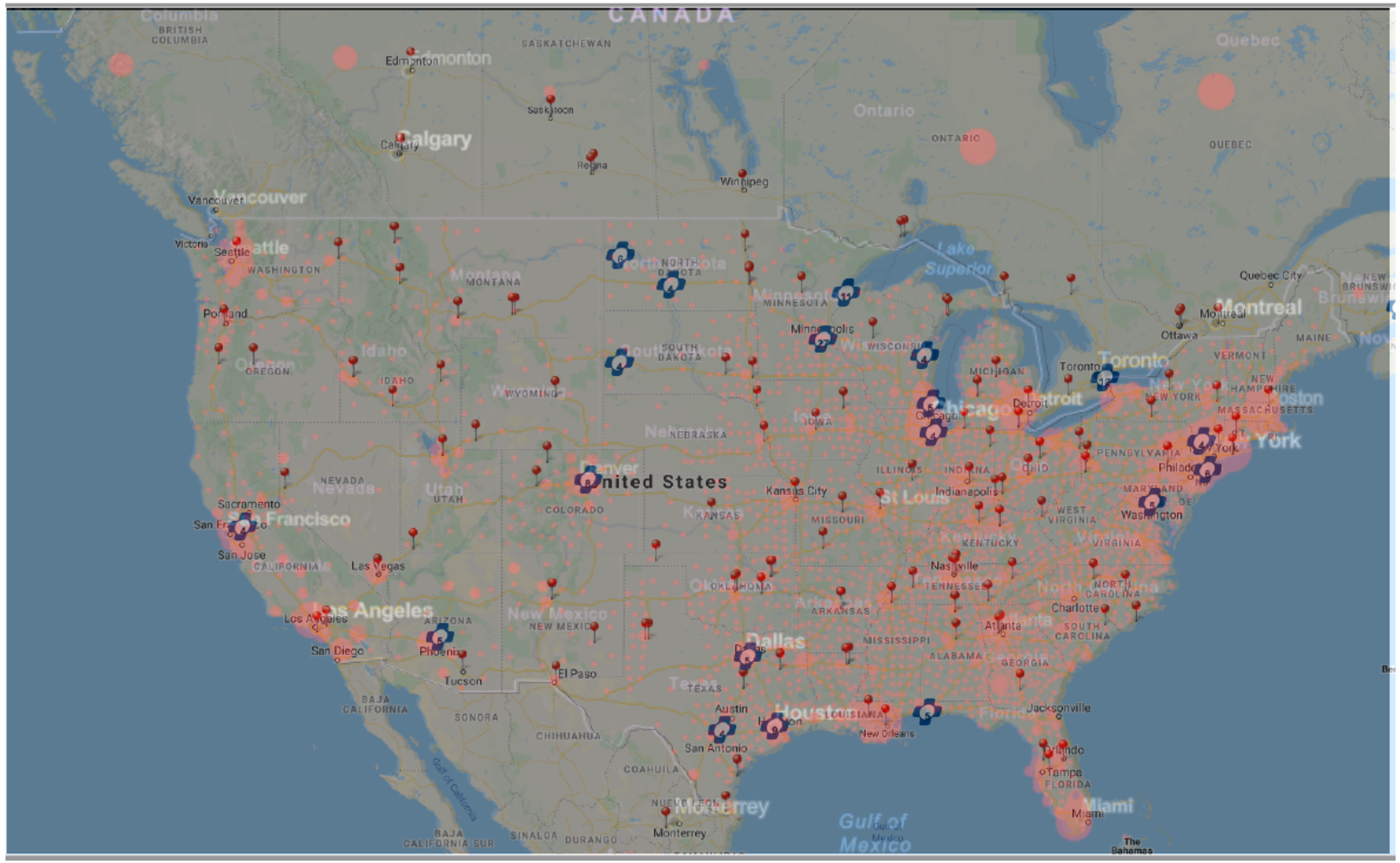


Safety Services Specialty Services Industrial Services

Note: Refer to Appendix for a reconciliation of non-GAAP measures to most directly comparable GAAP measures.

Geographically Diverse Business Model

Overlay of APi's locations compared to confirmed cases of COVID-19



Note: Pin drops represent individual APi locations. APi logos represent areas with multiple APi locations. Shaded circles represent confirmed COVID-19 cases per Center for Systems Science and Engineering at Johns Hopkins University as of April 6, 2020.

Focus on Long-Term Value Creation

- Deliver Long-Term Organic Revenue Growth Above Industry Average
- Leverage SG&A
- Expand Adjusted EBITDA Margins to 12%+ by FY 2023
- Free Cash Flow Conversion of 80%+
- Generate High Single Digit Average Earnings Growth
- Target Net Leverage Ratio of 2.0x to 2.5x



Appendix

Reconciliation of Non-GAAP Financial Measures

Adjusted Condensed Consolidated Statements of Operations (non-GAAP)

($ in millions, except per share data)	*AS REPORTED* Year ended December 31, 2019 *(Successor)*	*AS REPORTED* Period from January 1, 2019 to September 30, 2019 *(Predecessor)*	Year ended December 31, 2019 *(Combined)*	Adjustments		*AS ADJUSTED* Year Ended December 31, 2019 *(Combined)*
Net revenues	$ 985	$ 3,107	$ 4,092	$ (290)	(a)	$ 3,802
Cost of revenues	787	2,503	3,290	(283)	(a)	3,007
				(22)	(b)	(22)
Gross profit	198	604	802	15		817
Selling, general and administrative expenses	359	490	849	(33)	(a)	509
				(54)	(b)	
				(193)	(c)	
				(60)	(d)	
Impairment of goodwill, intangibles and other assets	-	12	12	(12)	(e)	
Operating income (loss)	(161)	102	(59)	367		308
Interest expense, net	15	20	35	24	(f)	59
Other (income) expense, net	(25)	(11)	(36)	20	(g)	(16)
Income (loss) before income tax provision	(151)	93	(58)	323		265
Income tax provision	2	7	9	44	(h)	53
Net income (loss)	$ (153)	$ 86	$ (67)	$ 279		$ 212
Earnings (loss) per share						
Diluted	$ (1.15)	NM	$ (0.50)	NM		$ 1.22
Weighted average shares outstanding						
Diluted	133.1	NM	133.1	40.5	(i)	173.6

**** NM - NOT MEANINGFUL***

a) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.
b) Adjustment to reflect the addback of amortization expense related to intangibles assets.
c) Adjustment to reflect the elimination of non-cash, share-based compensation costs, primarily including $155 million for the Founder Preferred Shares dividend rights in 2019 and equity-based compensation related to prior ownership.
d) Adjustment to reflect the elimination of the following non-recurring costs: $17 million of costs related to business process transformation and public company registration, listing and compliance, $18 million of charges and costs under prior ownership not expected to continue or recur following the APi Acquisition, and $25 million of potential and completed acquisition-related costs.
e) Adjustment to reflect the elimination of non-cash impairment charges related to goodwill and intangibles attributable to one of the Predecessor's acquired business during the period from January 1, 2019 to September 30, 2019.
f) Adjustment to reflect an increase in interest expense of $38 million related to the $1.2 billion of Term Loan at a rate of 4.29% issued in connection with the APi Acquisition and $5 million related to amortization of debt issuance costs and commitment fees, offset by elimination of $19 million of interest expense related to the Predecessor's Term Loan and Revolving Credit Facility.
g) Adjustment to reflect the elimination of APG investment income prior to the APi Acquisition that is not expected to recur. Cash from these investments was used to fund a portion of the cash consideration for the APi Acquisition.
h) Adjustment to reflect the tax effect of adjustments and a restatement of the Company's tax expense to the Company's adjusted effective tax rate of 20% (taking into consideration the approximately $350 million tax asset acquired with the APi Acquisition and including the period from January 1 through September 30, 2019 for both Successor and Predecessor).
i) Adjustment to reflect the inclusion of 4 million Founder Preferred Shares, convertible to common on a 1:1 basis and the full year impact of 48.5 million shares issued in connection with the APi Acquisition. Excludes 64.5 million warrants outstanding, which are exercisable at a price of $11.50 per share for a total of 21.5 million ordinary shares.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Adjusted Condensed Consolidated Statements of Operations (non-GAAP)

($ in millions, except per share data)	For the year ended December 31, 2018			
	AS REPORTED Year ended December 31, 2018 *(Predecessor)*	Adjustments		*AS ADJUSTED* Year ended December 31, 2018 *(Predecessor)*
Net revenues	$ 3,728	$ (229)	(a)	$ 3,499
Cost of revenues	2,941	(211)	(a)	2,730
Gross profit	787	(18)		769
Selling, general and administrative expenses	625	(15)	(a)	489
		(47)	(b)	
		(74)	(d)	
Operating income (loss)	162	118		280
Interest expense, net	22	35	(f)	57
Other (income) expense, net	(6)	-		(6)
Income (loss) before income tax provision	146	83		229
Income tax provision	10	36	(h)	46
Net income (loss)	$ 136	$ 47		$ 183
Earnings (loss) per share				
Diluted	NM	NM		$ 1.05
Weighted average shares outstanding				
Diluted	NM	173.6	(i)	173.6

**** NM - NOT MEANINGFUL***

a) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.
b) Adjustment to reflect the addback of amortization expense related to intangibles assets.
c) Not used.
d) Adjustment to reflect the elimination of the following non-recurring costs: $10 million of costs related to non-recurring operational matters, $30 million of charges and costs under prior ownership not expected to continue or recur following the APi Acquisition, and $34 million of potential and completed acquisition-related costs.
e) Not used.
f) Adjustment to reflect an increase in interest expense of $51 million related to the $1.2 billion of Term Loan at a rate of 4.29% issued in connection with the APi Acquisition and $6 million related to amortization of debt issuance costs and commitment fees, offset by elimination of $22 million of interest expense related to the Predecessor's Term Loan and Revolving Credit Facility.
g) Not used.
h) Adjustment to reflect the tax effect of adjustments and a restatement of the Company's tax expense to the Company's adjusted effective tax rate of 20% (taking into consideration the approximately $350 million tax asset acquired with the APi Acquisition and including the period from January 1 through September 30, 2019 for both Successor and Predecessor).
i) Adjustment to reflect the adjusted, diluted weighted average shares outstanding as if the APi Acquisition had occurred on January 1, 2018. Excludes 64.5 million warrants outstanding, which are exercisable at a price of $11.50 per share for a total of 21.5 million ordinary shares.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Adjusted Condensed Consolidated Statements of Operations (non-GAAP)

($ in millions, except per share data)	For the three months ended December 31, 2019			For the three months ended December 31, 2018		
	AS REPORTED Three months ended December 31, 2019 *(Successor)*	Adjustments	*AS ADJUSTED* Three months ended December 31, 2019 *(Successor)*	*AS REPORTED* Three months ended December 31, 2018 *(Predecessor)*	Adjustments	*AS ADJUSTED* Three months ended December 31, 2018 *(Predecessor)*
Net revenues	$ 985	$ (59) (a)	$ 926	$ 992	$ (75) (a)	$ 917
Cost of revenues	787	(56) (a)	709	772	(69) (a)	703
		(22) (b)				
Gross profit	198	19	217	220	(6)	214
Selling, general and administrative expenses	336	(5) (a)	131	207	(6) (a)	132
		(29) (b)			(11) (b)	
		(156) (c)			(58) (d)	
		(15) (d)				
Operating income (loss)	(138)	224	86	13	69	82
Interest expense, net	16	-	16	8	8 (e)	16
Other (income) expense, net	(6)	-	(6)	4	-	4
Income (loss) before income tax provision	(148)	224	76	1	61	62
Income tax provision	2	13 (f)	15	6	6 (f)	12
Net income (loss)	$ (150)	$ 211	$ 61	$ (5)	$ 55	$ 50
Earnings (loss) per share						
Basic	$ (0.89)	NM	$ 0.35	NM	NM	$ 0.29
Weighted average shares outstanding						
Basic	169.4	4.5 (h)	173.9	NM	173.9 (i)	173.9

**** NM - NOT MEANINGFUL***

a) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.
b) Adjustment to reflect the addback of amortization expense related to intangibles assets.
c) Adjustment to reflect the elimination of non-cash, share-based compensation costs, primarily including $155 million for the Founder Preferred Shares dividend rights.
d) Adjustment to reflect the elimination of the following non-recurring costs in 2019: $5 million of costs related to business process transformation and public company registration, listing and compliance and $10 million of potential and completed acquisition-related costs, and elimination of the following non-recurring costs in 2018: $33 million of contingent consideration related to acquired businesses and $25 million of charges and costs under prior ownership not expected to continue or recur following the APi Acquisition.
e) Adjustment to reflect an increase in interest expense of $14 million related to the $1.2 billion of Term Loan at a rate of 4.29% issued in connection with the APi Acquisition and $2 million related to amortization of debt issuance costs and commitment fees, offset by elimination of $8 million of interest expense related to the Predecessor's Term Loan and Revolving Credit Facility.
f) Adjustment to reflect the tax effect of adjustments and a restatement of the Company's tax expense to the Company's adjusted effective tax rate of 20% (taking into consideration the approximately $350 million tax asset acquired with the APi Acquisition and including the period from January 1 through September 30, 2019 for both Successor and Predecessor).
g) Not used.
h) Adjustment to reflect the diluted weighted average shares outstanding following the APi Acquisition and includes the dilutive impact associated with the deemed conversion of Founder Preferred Shares and restricted stock units.
i) Adjustment to reflect the adjusted, diluted weighted average shares outstanding as if the APi Acquisition had occurred on January 1, 2018. Excludes 64.5 million warrants outstanding, which are exercisable at a price of $11.50 per share for a total of 21.5 million ordinary shares.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Adjusted Segment Financial Information (non-GAAP)

($ in millions)	*AS REPORTED* Year ended December 31, 2019	*AS REPORTED* January 1, 2019 to September 30, 2019	Year ended December 31, 2019	Adjustments		*AS ADJUSTED* Year ended December 31, 2019
Safety Services	*(Successor)*	*(Predecessor)*	*(Combined)*			*(Combined)*
Net revenues	$ 435	$ 1,342	$ 1,777	$ -		$ 1,777
Cost of revenues	310	944	1,254	(10)	(a)	1,244
Gross profit	$ 125	$ 398	$ 523	$ 10		$ 533
Gross profit as a percentage of net revenues	*28.7%*	*29.7%*	*29.4%*			*30.0%*
Specialty Services						
Net revenues	$ 386	$ 1,107	$ 1,493	$ -		$ 1,493
Cost of revenues	324	939	1,263	(8)	(a)	1,255
Gross profit	$ 62	$ 168	$ 230	$ 8		$ 238
Gross profit as a percentage of net revenues	*16.1%*	*15.2%*	*15.4%*			*15.9%*
Industrial Services						
Net revenues	$ 167	$ 670	$ 837	$ (290)	(b)	$ 547
Cost of revenues	156	632	788	(283)	(b)	501
				(4)	(a)	
Gross profit	$ 11	$ 38	$ 49	$ (3)		$ 46
Gross profit as a percentage of net revenues	*6.6%*	*5.7%*	*5.9%*			*8.4%*
Corporate and Eliminations						
Net revenues	$ (3)	$ (12)	$ (15)	$ -		$ (15)
Cost of revenues	(3)	(12)	(15)	-		(15)
Total Consolidated						
Net revenues	$ 985	$ 3,107	$ 4,092	$ (290)	(b)	$ 3,802
Cost of revenues	787	2,503	3,290	(283)	(b)	2,985
				(22)	(a)	
Gross profit	$ 198	$ 604	$ 802	$ 15		$ 817
Gross profit as a percentage of net revenues	*20.1%*	*19.4%*	*19.6%*			*21.5%*

a) Adjustment to reflect the addback of amortization expense related to the backlog intangibles assets.
b) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Adjusted Segment Financial Information (non-GAAP)

($ in millions)	For the year ended December 31, 2018		
	AS REPORTED Year ended December 31, 2018	Adjustments	*AS ADJUSTED* Year ended December 31, 2018
Safety Services	*(Predecessor)*		*(Predecessor)*
Net revenues	$ 1,705	-	$ 1,705
Cost of revenues	1,206	-	1,206
Gross profit	$ 499	-	$ 499
Gross profit as a percentage of net revenues	*29.3%*		*29.3%*
Specialty Services			
Net revenues	$ 1,359	-	$ 1,359
Cost of revenues	1,140	-	1,140
Gross profit	$ 219	-	$ 219
Gross profit as a percentage of net revenues	*16.1%*		*16.1%*
Industrial Services			
Net revenues	$ 723	(229) (a)	$ 494
Cost of revenues	654	(211) (a)	443
Gross profit	$ 69	(18)	$ 51
Gross profit as a percentage of net revenues	*9.5%*		*10.3%*
Corporate and Eliminations			
Net revenues	$ (59)	-	$ (59)
Cost of revenues	(59)	-	(59)
Total Consolidated			
Net revenues	$ 3,728	(229) (a)	$ 3,499
Cost of revenues	2,941	(211) (a)	2,730
Gross profit	$ 787	$ (18)	$ 769
Gross profit as a percentage of net revenues	*21.1%*		*22.0%*

a) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Adjusted Segment Financial Information (non-GAAP)

($ in millions)	For the three months ended December 31, 2019			For the three months ended December 31, 2018		
	AS REPORTED Three months ended December 31, 2019 *(Successor)*	Adjustments	*AS ADJUSTED* Three months ended December 31, 2019 *(Successor)*	*AS REPORTED* Three months ended December 31, 2018 *(Predecessor)*	Adjustments	*AS ADJUSTED* Three months ended December 31, 2018 *(Predecessor)*
Safety Services						
Net revenues	$ 435	$ -	$ 435	$ 435	$ -	$ 435
Cost of revenues	310	(10) (a)	300	301	-	301
Gross profit	$ 125	$ 10	$ 135	$ 134	$ -	$ 134
Gross profit as a percentage of net revenues	*28.7%*		*31.0%*	*30.8%*		*30.8%*
Specialty Services						
Net revenues	$ 386	$ -	$ 386	$ 334	$ -	$ 334
Cost of revenues	324	(8) (a)	316	273	-	273
Gross profit	$ 62	$ 8	$ 70	$ 61	$ -	$ 61
Gross profit as a percentage of net revenues	*16.1%*		*18.1%*	*18.3%*		*18.3%*
Industrial Services						
Net revenues	$ 167	$ (59) (b)	$ 108	$ 227	$ (75) (b)	$ 152
Cost of revenues	156	(56) (b)	96	202	(69) (b)	133
		(4) (a)		-	-	-
Gross profit	$ 11	$ 1	$ 12	$ 25	$ (6)	$ 19
Gross profit as a percentage of net revenues	*6.6%*		*11.1%*	*11.0%*		*12.5%*
Corporate and Eliminations						
Net revenues	$ (3)	$ -	$ (3)	$ (4)	$ -	$ (4)
Cost of revenues	(3)	-	(3)	(4)	-	(4)
Total Consolidated						
Net revenues	$ 985	$ (59) (b)	$ 926	$ 992	$ (75) (b)	$ 917
Cost of revenues	787	(22) (a)	709	772	(69) (b)	703
		(56) (b)				
Gross profit	$ 198	$ 19	$ 217	$ 220	$ (6)	$ 214
Gross profit as a percentage of net revenues	*20.1%*		*23.4%*	*22.2%*		*23.3%*

a) Adjustment to reflect the addback of amortization expense related to the backlog intangibles assets.
b) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Free Cash Flow and Adjusted Free Cash Flow and Conversion (non-GAAP)

($ in millions)		For the year ended December 31,		
		Year ended December 31, 2019	Period from January 1, 2019 to September 30, 2019	Year ended December 31, 2019
		(Successor)	*(Predecessor)*	*(Combined)*
Net cash provided by operating activities (As Reported)		$ 150	$ 145	$ 295
Less: Purchases of property and equipment		(11)	(53)	(64)
Free cash flow		$ 139	$ 92	$ 231
Add: Cash payments related to following items:				
Potential and completed acquisitions expenses	(a)	19	5	24
Expenses related to prior ownership	(b)	-	18	18
Public company registration, listing and compliance	(c)	17	-	17
Settlement of Predecessor stock options	(d)	62	-	62
Adjusted free cash flow		$ 237	$ 115	$ 352
Adjusted EBITDA		$ 108	$ 285	$ 393
Adjusted free cash flow conversion				*90%*

a) Adjustment to reflect the elimination of potential and completed acquisition-related costs.
b) Adjustment to reflect the elimination of charges and costs under prior ownership not expected to continue or recur following the APi Acquisition.
c) Adjustment to reflect the elimination of costs relating to public company registration, listing and compliance.
d) Adjustment to eliminate the cash settlement of equity compensation paid by prior ownership at the closing of the APi Acquisition.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

EBITDA and Adjusted EBITDA (non-GAAP)

($ in millions)		For the three months ended		For the years ended			
				Year ended	Period from January 1, 2019 to	Year ended	Year ended
		December 31, 2019	December 31, 2018	December 31, 2019	September 30, 2019	December 31, 2019	December 31, 2018
		(Successor)	*(Predecessor)*	*(Successor)*	*(Predecessor)*	*(Combined)*	*(Predecessor)*
Net income (loss) as reported		$ (150)	$ (5)	$ (153)	$ 86	$ (67)	$ 136
Adjustments to reconcile to net income (loss)							
Interest expense, net		16	8	15	20	35	22
Income tax provision		2	6	2	7	9	10
Depreciation and amortization		69	33	69	78	147	109
EBITDA		$ (63)	$ 42	$ (67)	$ 191	$ 124	$ 277
Adjustments to reconcile EBITDA to adjusted EBITDA:							
Businesses classified as held-for-sale	(a)	1	(1)	1	23	24	(7)
Impairment of goodwill, intangibles and long-lived asset	(b)	-	-	-	12	12	-
Share-based compensation costs	(c)	156	4	156	37	193	4
Potential and completed acquisitions expenses	(d)	10	33	21	4	25	34
Expenses related to prior ownership	(e)	-	21	-	18	18	36
Public company registration, listing and compliance	(f)	5	-	17	-	17	-
Investment income	(g)	-	-	(20)	-	(20)	-
Adjusted EBITDA		$ 109	$ 99	$ 108	$ 285	$ 393	$ 344
Adjusted net revenues		$ 926	$ 917			$ 3,802	$ 3,499
Adjusted EBITDA as a percentage of adjusted net revenues		*11.8%*	*10.8%*			*10.3%*	*9.8%*

a) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.
b) Adjustment to reflect the elimination of non-cash impairment charges related to goodwill and intangibles attributable to one of the Predecessor's acquired business during the period from January 1, 2019 to September 30, 2019.
c) Adjustment to reflect the elimination of non-cash, share-based compensation costs, primarily including $155 million for the Founder Preferred Shares dividend rights in 2019 and equity-based compensation related to prior ownership.
d) Adjustment to reflect the elimination of contingent consideration related to acquired businesses, transaction expenses associated with the APi Acquisition and other potential and completed acquisition-related costs.
e) Adjustment to reflect the elimination of charges and costs under prior ownership not expected to continue or recur following the APi Acquisition.
f) Adjustment to reflect the elimination of costs relating to public company registration, listing and compliance.
g) Adjustment to reflect the elimination of APG investment income prior to the APi Acquisition that is not expected to recur. Cash from these investments was used to fund a portion of the cash consideration for the APi Acquisition.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Adjusted Segment Financial Information (Unaudited)

($ in millions)		For the three months ended		For the years ended			
					Period from		
				Year ended	January 1, 2019 to	Year ended	Year ended
		December 31, 2019	December 31, 2018	December 31, 2019	September 30, 2019	December 31, 2019	December 31, 2018
		(Successor)	*(Predecessor)*	*(Successor)*	*(Predecessor)*	*(Combined)*	*(Predecessor)*
Safety Services							
Safety Services EBITDA		$ 59	$ 48	$ 59	$ 170	$ 229	$ 197
Adjustments to reconcile EBITDA to adjusted EBITDA:							
Share-based compensation costs	(a)	-	-	-	2	2	-
Expenses related to prior ownership	(b)				2	2	-
Potential and completed acquisitions expenses	(d)	-	5	-	-	-	5
Safety Services adjusted EBITDA		$ 59	$ 53	$ 59	$ 174	$ 233	$ 202
Specialty Services							
Specialty Services EBITDA		$ 50	$ 18	$ 50	$ 111	$ 161	$ 125
Adjustments to reconcile EBITDA to adjusted EBITDA:							
Impairment of goodwill, intangibles and long-lived assets	(c)	-	-	-	12	12	-
Potential and completed acquisitions expenses	(d)	-	20	-	-	-	21
Expenses related to prior ownership	(b)	-	-	-	1	1	-
Specialty Services adjusted EBITDA		$ 50	$ 38	$ 50	$ 124	$ 174	$ 146
Industrial Services							
Industrial Services EBITDA		$ 9	$ 8	$ 9	$ 21	$ 30	$ 37
Adjustments to reconcile EBITDA to adjusted EBITDA:							
Businesses classified as held-for-sale	(e)	1	(1)	1	4	5	(7)
Potential and completed acquisitions expenses	(d)	2	8	2	(1)	1	8
Industrial Services adjusted EBITDA		$ 12	$ 15	$ 12	$ 24	$ 36	$ 38

a) Adjustment to reflect the elimination of non-cash, equity-based compensation related to prior ownership.
b) Adjustment to reflect the elimination of charges and costs under prior ownership not expected to continue or recur following the APi Acquisition.
c) Adjustment to reflect the elimination of non-cash impairment charges related to goodwill and intangibles attributable to one of the Predecessor's business during the period from January 1, 2019 to September 30, 2019.
d) Adjustment to reflect the elimination of potential and completed acquisition-related costs.
e) Adjustment to reflect the elimination of amounts related to businesses classified as held-for-sale as of December 31, 2019.

Reconciliation of Non-GAAP Financial Measures (Cont'd)

Organic Revenue Growth (non-GAAP)

	For the year ended December 31, 2019			
		(Combined)		
	AS REPORTED **Net revenue growth**	**Acquisitions and planned divestitures, net (a)**	**Foreign currency translation (b)**	**Organic net revenue growth (c)**
Safety Services	4.2%	0.0%	(0.3%)	4.5%
Specialty Services	9.9%	2.9%	-	7.0%
Industrial Services	15.8%	5.1%	(0.2%)	10.9%
Combined consolidated	**9.8%**	**2.2%**	**(0.1%)**	**7.7%**

a) Acquisitions include pre-acquisition net revenues in their respective years of acquisition. Planned divestitures exclude net revenues for both 2019 and 2018 for the Company's businesses held for sale.
b) Represents the effect of foreign currency on 2019 reported net revenues, calculated as the difference between the 2019 reported net revenues and the 2019 local currency net revenues converted at the prior year average monthly exchange rates (excluding acquisitions and divestitures).
c) Organic net revenue growth provides a consistent basis for year-over-year comparisons in net revenues as it excludes the impacts of acquisitions, planned and completed divestitures, and the impact of changes due to foreign currency translation.



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2019 Earnings Call

BUILDING **GREAT LEADERS**