UL SOLUTIONS INC.

Earnings Presentation

Q4 2024

February 20, 2025



Safety. Science. Transformation.™

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Forward looking statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, about UL Solutions' (the "Company") financial results and estimates and business prospects that involve substantial risks and uncertainties. You can identify these statements by the use of words such as “may,” “will,” “should,” “would,” “likely,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” “continue” and variations of these terms and similar expressions, or the negative of these terms or similar expressions in connection with any discussion of future operating or financial performance or business plans or prospects. Factors that could cause actual results to differ materially include, but are not limited to, the following: falsification of or tampering with our reports or certificates; increases in self-certification of products in industries in which we provide services or corresponding decreases in third-party certifications; any conflict of interest or perceived conflict of interest between our testing, inspection and certification services and our enterprise and advisory services; increased competition in industries in which we participate; ineffectiveness of our portfolio management techniques and strategies; adverse market conditions or adverse changes in the political, social or legal condition in the markets in which we operate; failure to effectively implement our growth strategies and initiatives; increased government regulation of industries in which we operate; adverse government actions in respect of our operations, including enforcement actions related to environmental, health and safety matters; failure to retain and increase capacity at our existing facilities or build new facilities in a timely and cost-effective manner; failure to comply with applicable laws and regulations in each jurisdiction in which we operate, including environmental laws and regulations; fluctuations in foreign currency exchange rates; imposition of or increases in customs duties and other tariffs; deterioration of relations between the United States and countries in which we operate, including China; changes in labor regulations in jurisdictions in which we operate; changes in labor relations and unionization efforts by our employees; failure to recruit, attract and retain key employees, including through the implementation of diversity, equity and inclusion initiatives, and the succession of senior management; failure to recruit, attract and retain sufficient qualified personnel to meet our customers’ needs; past and future acquisitions, joint ventures, investments and other strategic initiatives; increases in raw material prices, fuel prices and other operating costs; changes in services we deliver or products we use; inability to develop new solutions or the occurrence of defects, failures or delay with new and existing solutions; increase in uninsured losses; ineffectiveness of deficiencies in our enterprise risk management program; volatility in credit markets or changes in our credit rating; actions of our employees, agents, subcontractors, vendors and other business partners; failure to maintain relationships with our customers, vendors and business partners; consolidation of our customers and vendors; disruptions in our global supply chain; changes in access to data from external sources; pending and future litigation, including in respect of our testing, inspection and certification services; allegations concerning our failure to properly perform our offered services; changes in the regulatory environment for our industry or the industries of our customers; delays in obtaining, failure to obtain or the withdrawal or revocation of our licenses, approvals or other authorizations; changes in our accreditations, approvals, permits or delegations of authority; issues with the integrity of our data or the databases upon which we rely; failure to manage our SaaS hosting network infrastructure capacity or disruptions in such infrastructure; cybersecurity incidents and other technology disruptions; risks associated with intellectual property, including potential infringement; compliance with agreements and instruments governing our indebtedness and the incurrence of new indebtedness; interest rate increases; volatility in the price of our Class A common stock; actions taken by, and control exercised by, ULSE Inc., our parent and controlling stockholder; ineffectiveness in, or failure to maintain, our internal control over financial reporting; negative publicity or changes in industry reputation; changes in tax laws and regulations, resolution of tax disputes or imposition of audit examinations; failure to generate sufficient cash to service our indebtedness; constraints imposed on our ability to operate our business or make necessary capital investments due to our outstanding indebtedness; natural disasters and other catastrophic events, including pandemics and the rapid spread of contagious illnesses; and other risks discussed in our filings with the Securities and Exchange Commission (the "SEC"), including those set forth in the section entitled "Risk Factors" in our Annual Report on Form 10-K, as well as other risk factors described from time to time in our filings with the SEC. Changes in such assumptions or factors could produce materially different results. The information contained in this presentation is as of the date indicated. The Company assumes no obligation to update any forward-looking statements contained in this presentation as a result of new information or future events or developments.

Non-GAAP Measures

In addition to financial measures based on generally accepted accounting principles in the United States ("GAAP"), this presentation includes supplemental non-GAAP financial information. Management uses non-GAAP measures in addition to GAAP measures to understand and compare operating results across periods and for forecasting and other purposes, including Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Net Income margin, Adjusted Diluted Earnings Per Share, Free Cash Flow and Free Cash Flow margin. Management believes these non-GAAP measures reflect results in a manner that enables, in some instances, more meaningful analysis of trends and facilitates comparison of results across periods. These non-GAAP financial measures have no standardized meaning presented in GAAP and may not be comparable to other similarly titled measures used by other companies due to potential differences between the companies in calculations. The use of these non-GAAP measures has limitations and they should not be considered as substitutes for measures of financial performance and financial position as prepared in accordance with GAAP. Reconciliations and definitions of each non-GAAP measure are included in the appendix to this presentation.

2024 Highlights

Exceptional Financial and Operating Performance in First Year as a Public Company

- High single digit organic[1] revenue growth exceeded expectations
- Strong Adjusted EBITDA[2] margin progress against long-term goal driven by outstanding execution
- Superior Free Cash Flow[2] conversion of Adjusted Net Income[2] allowing focus on higher return investments
- Executed multiple portfolio enhancements during the year to optimize the business
- Initial 2025 outlook represents another year of compounding Adjusted EBITDA[2] growth and improved profitability consistent with our long-term targets



1. Refer to Organic definition in the Appendix.
2. Adjusted Net Income, Adjusted EBITDA, and Free Cash Flow are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to the most directly comparable GAAP financial measures.

Q4 2024 Highlights

Extending the momentum throughout 2024:

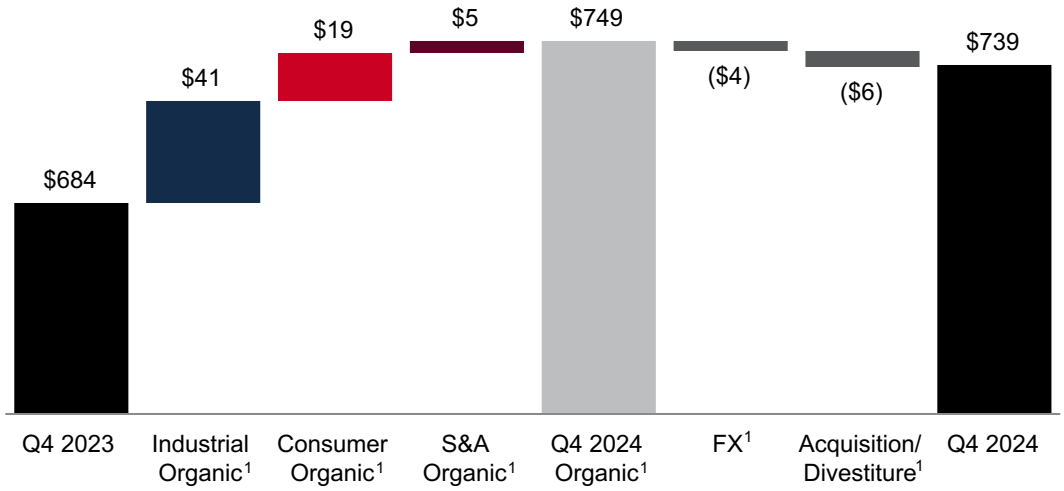
- 8.0% Revenue growth, 9.5% Organic[1]
- 64.5% Adjusted Net Income[2] increase
- Adjusted EBITDA[2] up 27.1% / Adjusted EBITDA margin up 350 bps
- Generated Free Cash Flow[2] of $287M for the year ended December 31, 2024



1. Refer to Organic definition in the Appendix.
2. Adjusted Net Income, Adjusted EBITDA, and Free Cash Flow are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to the most directly comparable GAAP financial measures.

Q4 2024 Revenue +9.5% organic[1]

$ in millions

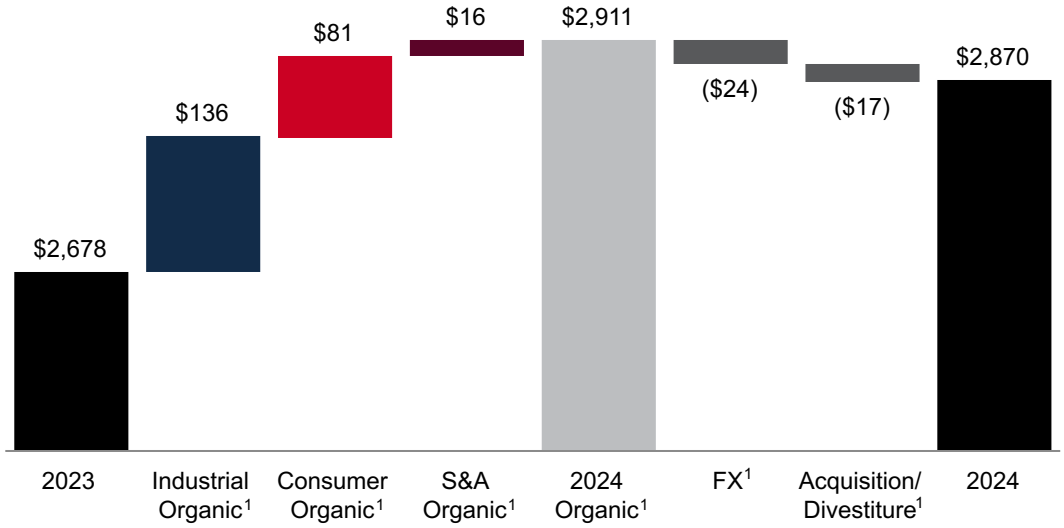




1. Refer to Organic, FX and Acquisition / Divestiture definitions in Appendix.

Full Year 2024 Revenue +8.7% organic[1]

$ in millions

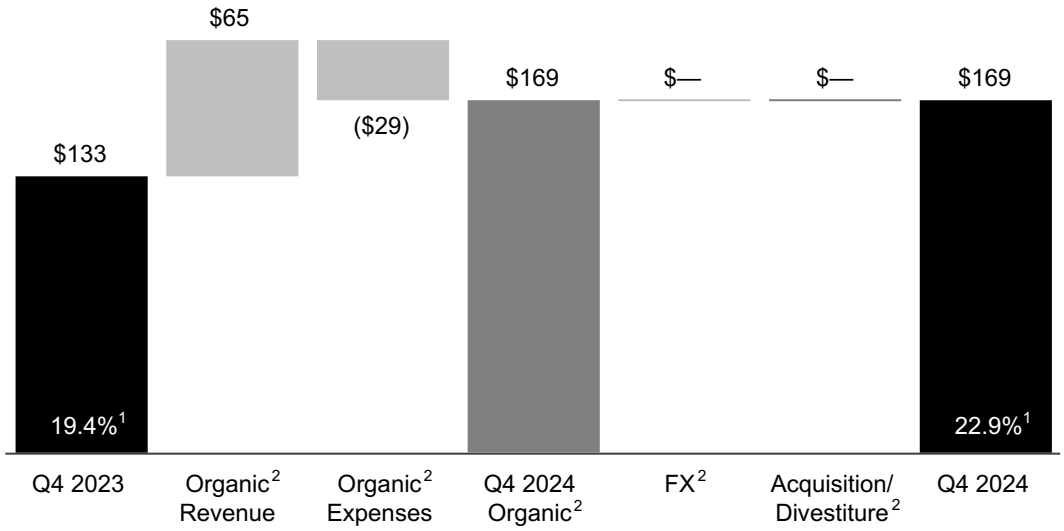




1. Refer to Organic, FX and Acquisition / Divestiture definitions in Appendix.

Q4 Adjusted EBITDA[1] performance +27.1%

$ in millions
% Adjusted EBITDA Margin[1]

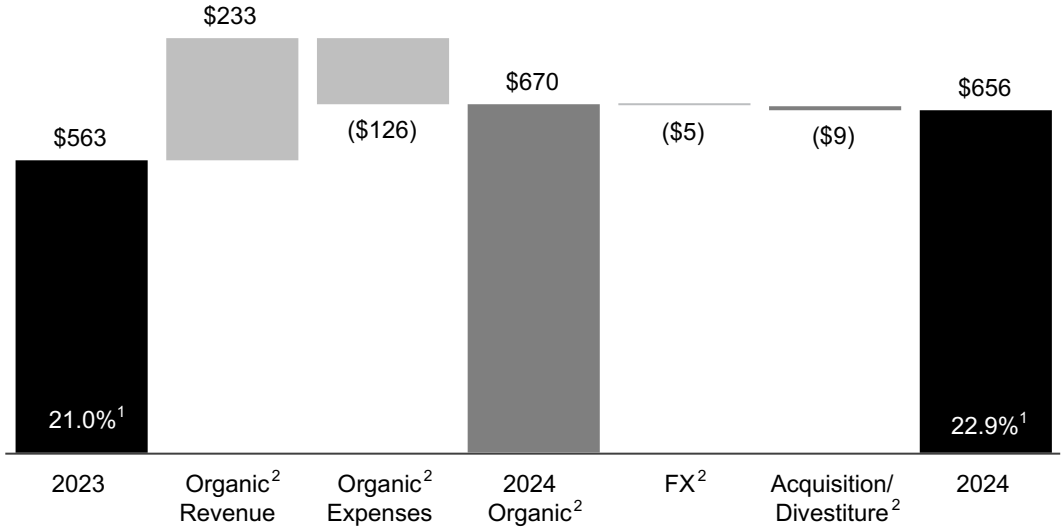




1. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Refer to the Appendix to this presentation for definition and reconciliation to the most directly comparable GAAP financial measures.
2. Refer to Organic, FX and Acquisition / Divestiture definitions in Appendix.

Full Year Adjusted EBITDA[1] performance +16.5%

$ in millions
% Adjusted EBITDA Margin[1]

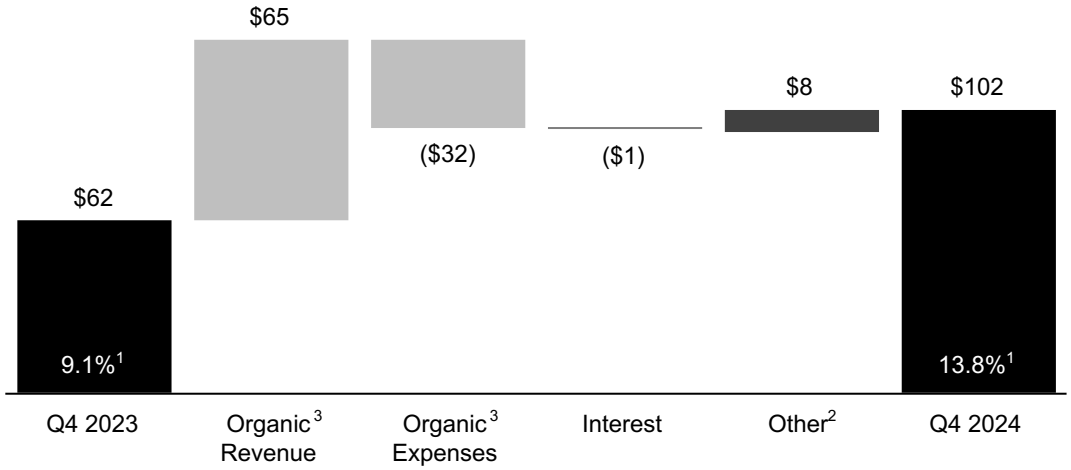




1. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Refer to the Appendix to this presentation for definition and reconciliation to the most directly comparable GAAP financial measures.
2. Refer to Organic, FX and Acquisition / Divestiture definitions in Appendix.

Q4 Adjusted Net Income[1] performance +64.5%

$ in millions
% Adjusted Net Income Margin[1]

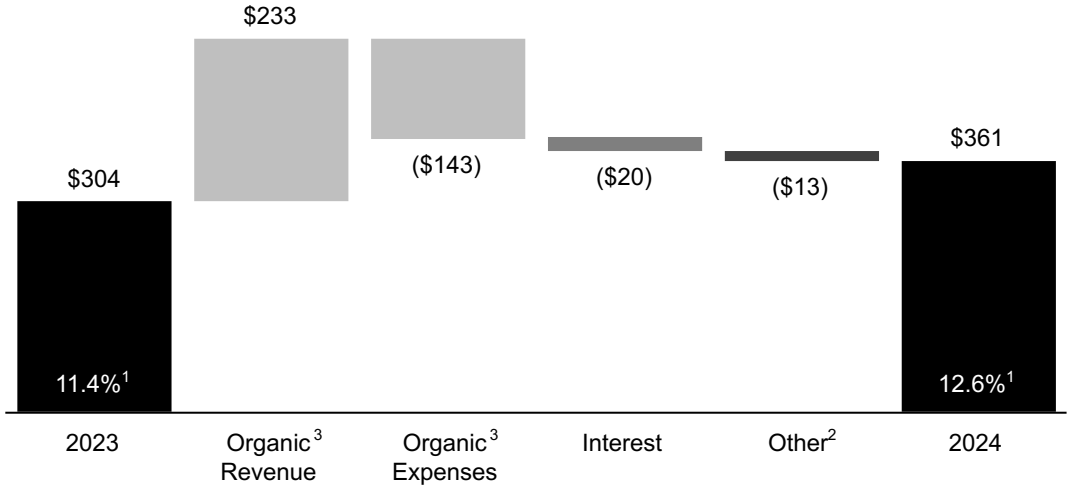




1. Adjusted Net Income and Adjusted Net Income margin are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to their most directly comparable GAAP financial measures.
2. Other includes FX, Acquisition / Divestiture and tax.
3. Refer to Organic definition in Appendix.

Full Year Adjusted Net Income[1] performance +18.8%

$ in millions
% Adjusted Net Income Margin[1]





1. Adjusted Net Income and Adjusted Net Income margin are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to their most directly comparable GAAP financial measures.
2. Other includes FX, Acquisition / Divestiture and tax.
3. Refer to Organic definition in Appendix.

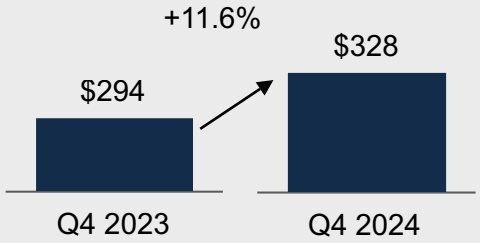
Industrial

Q4 2024 results

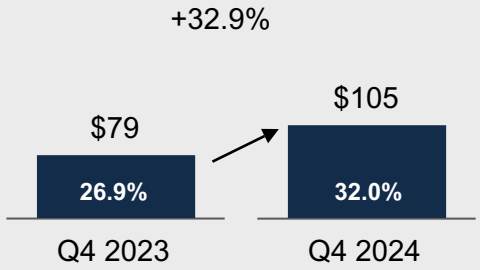
- **11.6% Revenue Growth (+13.9% Organic[2])**
  - Strength in demand in particular from electrical products, renewable energy & components
  - Increased lab capacity
  - Growth across all service lines, particularly Ongoing Certification and Certification Testing
- **Adjusted EBITDA[1] increased $26M; Adjusted EBITDA margin[1] increased 510 bps**
  - Margin improvement driven by strong revenue growth and improved operating leverage
  - Revenue growth partially offset by increases in services and materials

$ in millions

Industrial revenue



Industrial Adjusted EBITDA[1] and margin[1] %





1. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to their most directly comparable GAAP financial measures.
2. Refer to Organic definition in the Appendix.

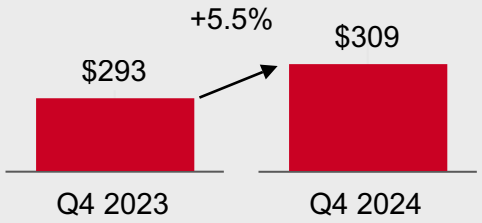
Consumer

Q4 2024 results

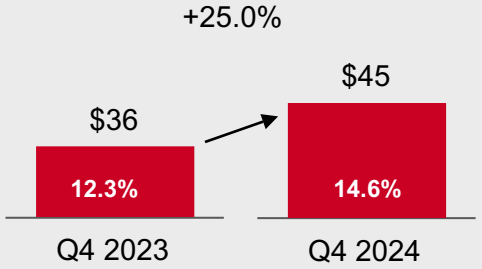
- **5.5% Revenue Growth (+6.5% Organic[2])**
  - Strength in Non-certification Testing and Other Services, Certification Testing and Ongoing Certification Testing
  - Robust demand across retail and consumer technology
- **Adjusted EBITDA[1] increased $9M; Adjusted EBITDA margin[1] increased 230 bps**
  - 2023 actions continue to deliver improved cost structure and margin improvement

$ in millions

Consumer revenue



Consumer Adjusted EBITDA[1] and margin[1] %





1. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to their most directly comparable GAAP financial measures.
2. Refer to Organic definition in the Appendix.

Software and Advisory

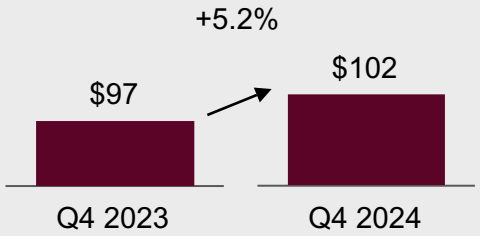
Q4 2024 results

- **5.2% Revenue Growth (+5.2% Organic[2])**
  - Driven by strong demand for Software, including retail product compliance and sustainability solutions

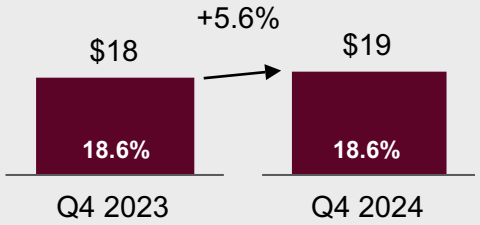
- **Adjusted EBITDA[1] increased $1M; Adjusted EBITDA margin[1] was flat**
  - Revenue growth offset by increases in services and materials expenses associated with professional fees

$ in millions

Software & Advisory revenue



Software & Advisory Adjusted EBITDA[1] and margin[1] %





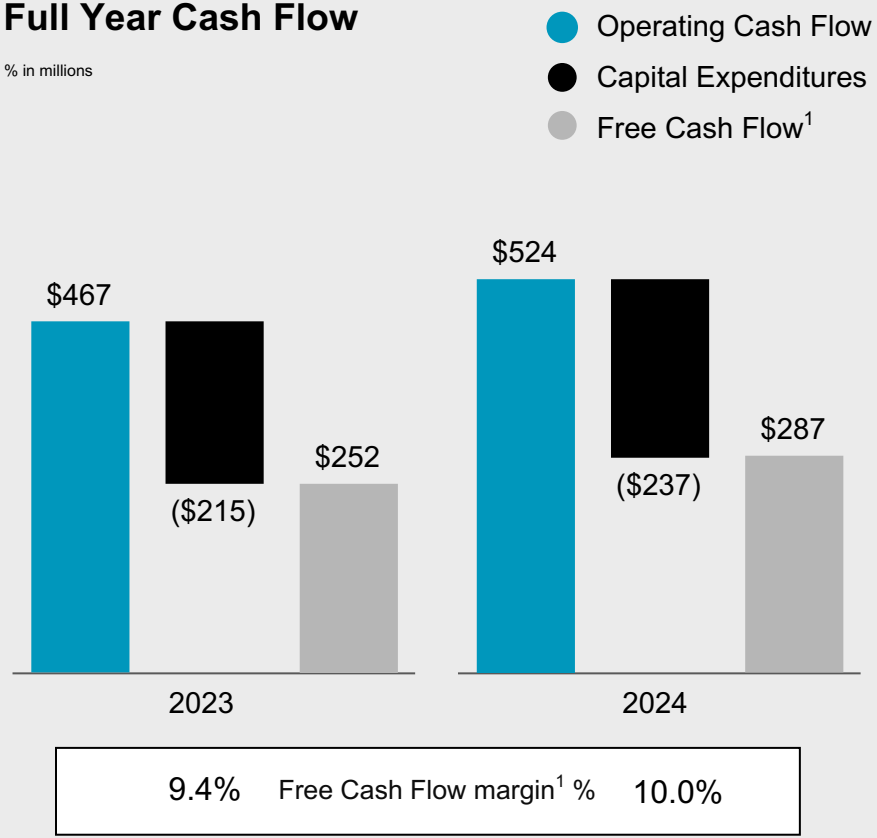
1. Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to their most directly comparable GAAP financial measures.
2. Refer to Organic definition in the Appendix.

2024 Full Year Cash Flow

- Generated **Free Cash Flow**[1] of $287M for the year ended December 31, 2024, an increase of $35M (+13.9%) vs the year ended December 31, 2023
- 2024 Free Cash Flow[1] benefited from strong business performance and lower cash incentive payments
- 2024 Capital expenditures of $237M reflects **continued organic investment** opportunities

Full Year Cash Flow

% in millions



1. Free Cash Flow and Free Cash Flow margin are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to their most directly comparable GAAP financial measures.

Full-year 2025 outlook

- **Mid single digit** constant currency organic[1] revenue growth
- **Adjusted EBITDA margin[2] organic[1] improvement to approximately 24%,** in line with long term target
- Capital expenditures expected to be **7% to 8%** of revenue
- Effective tax rate estimated to be **~26%**
- Continuing to **pursue acquisitions** and portfolio refinements

The Company's 2025 outlook is based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve the results expressed by this outlook.

The Company does not provide guidance for net income margin, the most directly comparable GAAP measure to Adjusted EBITDA margin, and similarly cannot provide a reconciliation between its forecasted Adjusted EBITDA margin and net income margin without unreasonable effort due to the unavailability of reliable estimates for certain components of net income and the respective reconciliations. These forecasted items are not within the Company's control, may vary greatly between periods and could significantly impact future financial results.

1. Refer to Organic definition in the Appendix.
2. Adjusted EBITDA margin is a non-GAAP measure. Refer to the Appendix to this presentation for definition.



Long term financial targets

Key metric	Financial targets
Organic[1] revenue growth	~ 5% - 6%
Adjusted EBITDA margin[2]	> 24%
Capital expenditures (% of revenue)	~ 6% - 8%
Free Cash Flow margin[2]	> 10 %

Note: Reflects non-GAAP metrics. Financial targets are not projections or predictions, but represent goals that are forward-looking and subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and management, and are based on assumptions regarding future decisions, which are subject to change. Actual results will vary, and these variations may be material. For discussion of some of the factors that could cause these variations, please consult the risks discussed in our filings with the SEC, including those set for in the section entitled "Risk Factors" in our Annual Report on Form 10-K, as well as other risk factors described from time to time in our filings with the SEC. Nothing in this presentation should be regarded as a representation by the Company or any person that these targets will be achieved, and the Company undertakes no obligation to update its targets.

1. Refer to Organic definition in the Appendix.
2. Adjusted EBITDA margin and Free Cash Flow margin are non-GAAP measures. Refer to Appendix to this presentation for definition.

Appendix



Components of revenue change

Three Months Ended December 31, 2024

(in millions)	Organic[1]	Acquisition / Divestiture[2]	FX[3]	Total	Organic % Change	Total % Change
Revenue change						
Industrial	$ 41	$ (6)	$ (1)	$ 34	13.9 %	11.6 %
Consumer	19	—	(3)	16	6.5 %	5.5 %
Software and Advisory	5	—	—	5	5.2 %	5.2 %
Total	$ 65	$ (6)	$ (4)	$ 55	9.5 %	8.0 %

Year Ended December 31, 2024

(in millions)	Organic[1]	Acquisition / Divestiture[2]	FX[3]	Total	Organic % Change	Total % Change
Revenue change						
Industrial	$ 136	$ (18)	$ (10)	$ 108	11.9 %	9.4 %
Consumer	81	(1)	(14)	66	6.9 %	5.6 %
Software and Advisory	16	2	—	18	4.4 %	5.0 %
Total	$ 233	$ (17)	$ (24)	$ 192	8.7 %	7.2 %

1. Organic reflects revenue change in a given period excluding Acquisition / Divestiture and FX in that same period, expressed in dollars or as a percentage of revenue in the prior period.
2. Acquisition / Divestiture is calculated as revenue change in a given period related to acquisitions or disposals of businesses using prior period exchange rates, expressed in dollars or as a percentage of revenue in the prior period. Revenues from an acquisition or disposal are measured as Acquisition / Divestiture for the initial twelve month period following the acquisition or disposal date. Subsequently, the revenue impact from the acquired or disposed business is measured as Organic.
3. FX reflects the impact that foreign currency exchange rates have on revenue in a given period, expressed in dollars or as a percentage of revenue in the prior period. The Company uses constant currency to calculate the FX impact on revenue in a given period by translating current period revenues at prior period exchange rates, expressed as a percentage of revenue in the prior period.

Adjusted EBITDA and Adjusted EBITDA margin (non-GAAP measures)[1] [2]

(in millions, unless otherwise stated)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net income	$ 85	$ 62	$ 345	$ 276
Depreciation and amortization expense	47	43	172	154
Interest expense	13	12	55	35
Other (income) expense, net	10	(5)	(8)	(13)
Income tax expense	7	17	70	70
Stock-based compensation	7	—	23	—
Goodwill impairment	—	—	—	37
Restructuring	—	4	(1)	4
Adjusted EBITDA[1]	$ 169	$ 133	$ 656	$ 563
Revenue	$ 739	$ 684	$ 2,870	$ 2,678
Net income margin	11.5 %	9.1 %	12.0 %	10.3 %
Adjusted EBITDA margin[2]	22.9 %	19.4 %	22.9 %	21.0 %

1. The Company defines Adjusted EBITDA as net income adjusted for depreciation and amortization expense, interest expense, other (income) expense, net, income tax expense, as well as stock-based compensation expense for equity-settled awards, material asset impairment charges and restructuring expenses, as applicable. The Company believes that the presentation of Adjusted EBITDA provides additional information to investors about certain non-cash items and unusual items that are not expected to continue at the same level in the future. Further, the Company believes Adjusted EBITDA provides a meaningful measure of business performance and provides a basis for comparing its performance to that of other peer companies using similar measures. There are material limitations to using Adjusted EBITDA. Adjusted EBITDA does not take into account certain significant items, including depreciation and amortization, interest expense, other (income) expense, net, income tax expense, stock-based compensation expense for equity-settled awards, material asset impairment charges and restructuring expenses which directly affect the Company's net income, as applicable. These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted EBITDA in conjunction with net income as calculated in accordance with GAAP.
2. Adjusted EBITDA margin is calculated as Adjusted EBITDA as a percentage of revenue.

Adjusted EBITDA and Adjusted EBITDA margin (non-GAAP measures)[1] [2] by segment

(in millions, unless otherwise stated)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Industrial				
Segment operating income	$ 88	$ 66	$ 338	$ 308
Depreciation and amortization expense	14	12	47	38
Stock-based compensation	3	—	9	—
Restructuring	—	1	—	1
Adjusted EBITDA[1]	$ 105	$ 79	$ 394	$ 347
Revenue	$ 328	$ 294	$ 1,254	$ 1,146
Operating income margin	26.8 %	22.4 %	27.0 %	26.9 %
Adjusted EBITDA margin[2]	32.0 %	26.9 %	31.4 %	30.3 %
Consumer				
Segment operating income	$ 22	$ 14	$ 114	$ 45
Depreciation and amortization expense	20	20	79	75
Stock-based compensation	3	—	11	—
Goodwill impairment	—	—	—	37
Restructuring	—	2	(1)	2
Adjusted EBITDA[1]	$ 45	$ 36	$ 203	$ 159
Revenue	$ 309	$ 293	$ 1,238	$ 1,172
Operating income margin	7.1 %	4.8 %	9.2 %	3.8 %
Adjusted EBITDA margin[2]	14.6 %	12.3 %	16.4 %	13.6 %
Software and Advisory				
Segment operating income	$ 5	$ 6	$ 10	$ 15
Depreciation and amortization expense	13	11	46	41
Stock-based compensation	1	—	3	—
Restructuring	—	1	—	1
Adjusted EBITDA[1]	$ 19	$ 18	$ 59	$ 57
Revenue	$ 102	$ 97	$ 378	$ 360
Operating income margin	4.9 %	6.2 %	2.6 %	4.2 %
Adjusted EBITDA margin[2]	18.6 %	18.6 %	15.6 %	15.8 %

UL Solutions

1. See definition on previous slide.
2. See definition on previous slide.

Adjusted Net Income and Adjusted Net Income margin (non-GAAP measures)[1] [2]

(in millions, unless otherwise stated)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net income	$ 85	$ 62	$ 345	$ 276
Other (income) expense, net	10	(5)	(8)	(13)
Stock-based compensation	7	—	23	—
Goodwill impairment	—	—	—	37
Restructuring	—	4	(1)	4
Tax effect of adjustments[3]	—	1	2	—
Adjusted Net Income[1]	$ 102	$ 62	$ 361	$ 304
Revenue	$ 739	$ 684	$ 2,870	$ 2,678
Net income margin	11.5 %	9.1 %	12.0 %	10.3 %
Adjusted Net Income margin[2]	13.8 %	9.1 %	12.6 %	11.4 %

1. The Company defines Adjusted Net Income as net income adjusted for other expense (income), net, stock-based compensation expense for equity-settled awards, material asset impairment charges and restructuring expenses, as applicable, each net of tax. The Company believes that the presentation of Adjusted Net Income provides additional information to investors about certain non-cash items and unusual items that are expected to continue at the same level in the future. Further, the Company believes Adjusted Net Income provides a meaningful measure of business performance and provides a basis for comparing its performance to that of other peer companies using similar measures. There are material limitations to using Adjusted Net Income. Adjusted Net Income does not take into account certain significant items, including other expense (income), stock-based compensation expense for equity-settled awards, material asset impairment charges and restructuring expenses which directly affect the Company's net income, as applicable. These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted Net Income in conjunction with net income as calculated in accordance with GAAP.
2. Adjusted Net Income margin is calculated as Adjusted Net Income as a percentage of revenue.
3. The Company computed the tax effect of adjustments to net earnings by applying the statutory tax rate in the relevant jurisdictions to the taxable income or expense items that are adjusted in the period presented. If a valuation allowance exists, the rate applied is zero.

Adjusted Diluted Earnings Per Share (non-GAAP measure)[1]

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Diluted earnings per share	$ 0.40	$ 0.29	$ 1.62	$ 1.30
Other (income) expense, net	0.05	(0.03)	(0.04)	(0.07)
Stock-based compensation	0.04	—	0.12	—
Goodwill impairment	—	—	—	0.19
Restructuring	—	0.02	(0.01)	0.02
Tax effect of adjustments[2]	—	0.01	0.01	—
Adjusted Diluted Earnings Per Share[1]	$ 0.49	$ 0.29	$ 1.70	$ 1.44

1. The Company defines Adjusted Diluted Earnings Per Share as diluted earnings per share attributable to stockholders of UL Solutions adjusted for other (income) expense, net, stock-based compensation expense for equity-settled awards, material asset impairment charges and restructuring expenses, as applicable. The Company believes that the presentation of Adjusted Diluted Earnings Per Share provides additional information to investors about certain non-cash items and unusual items that are expected to continue at the same level in the future. Further, the Company believes Adjusted Diluted Earnings Per Share provides a meaningful measure of business performance and provides a basis for comparing its performance to that of other peer companies using similar measures. There are material limitations to using Adjusted Diluted Earnings Per Share. Adjusted Diluted Earnings Per Share does not take into account certain significant items, including other (income) expense, net, stock-based compensation expense for equity-settled awards, material asset impairment charges and restructuring expenses which directly affect the Company's diluted earnings per share, as applicable. These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Adjusted Diluted Earnings Per Share in conjunction with diluted earnings per share as calculated in accordance with GAAP.
2. See definition on previous slide.

Free Cash Flow and Free Cash Flow margin (non-GAAP measures)[1 2]

(in millions, unless otherwise stated)	Year Ended December 31, 2024	2023
Net cash provided by operating activities	$ 524	$ 467
Capital expenditures	(237)	(215)
Free Cash Flow[1]	$ 287	$ 252
Revenue	$ 2,870	$ 2,678
Net cash provided by operating activities margin	18.3 %	17.4 %
Free Cash Flow margin[2]	10.0 %	9.4 %

1. The Company defines Free Cash Flow as cash from operating activities less cash outlays related to capital expenditures. The Company defines capital expenditures to include purchases of property, plant and equipment and capitalized software. These items are subtracted from cash from operating activities because they represent long-term investments that are required for normal business activities. The Company uses Free Cash Flow as an additional liquidity measure and believes it provides useful information to investors about the cash generated from its core operations that may be available to repay debt, make other investments and return cash to stockholders. There are material limitations to using Free Cash Flow. Free Cash Flow adjusts for cash items that are ultimately within management's discretion to direct, and therefore, may imply that there is less or more cash that is available than the most comparable GAAP measure. Free Cash Flow is not intended to represent residual cash flow for discretionary expenditures since debt repayment requirements and other non-discretionary expenditures are not deducted. These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Free Cash Flow in conjunction with net cash provided by operating activities as calculated in accordance with GAAP.
2. Free Cash Flow margin is calculated as Free Cash Flow as a percentage of revenue.