UL SOLUTIONS INC.

Investor Presentation

November 2024

Safety. Science. Transformation.™

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.; 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, such as new variants of COVID-19; and other risks discussed in our filings with the Securities and Exchange Commission. Changes in such assumptions or factors could produce materially different results. A further description of these and other factors is located in the section entitled “Risk Factors” in our Quarterly Report on Form 10-Q for the first quarter of 2024 and in our subsequent Quarterly Reports and Current Reports. 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.

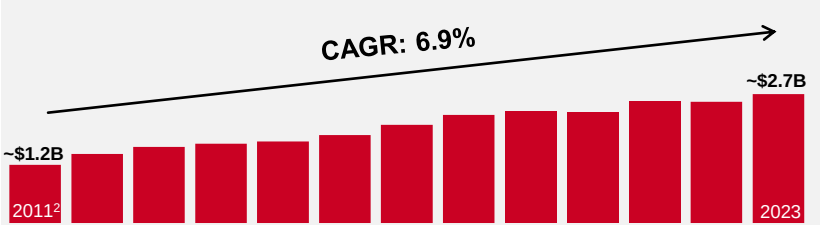
Non-GAAP Measures

In addition to financial measures based on generally accepted accounting principles in the United States ("U.S. GAAP"), this presentation includes supplemental non-GAAP financial information. Management uses non-GAAP measures in addition to U.S. 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, 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 U.S. 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.

UL Solutions overview

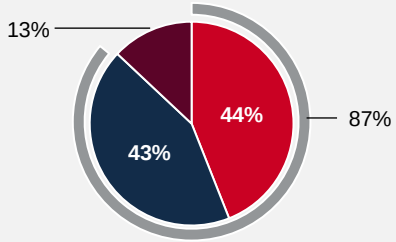
- A leading global business services company focused on independent testing, inspection and certification (TIC)
- Dedicated to safety science since 1894[1]
- Strong brand recognition and differentiation through engineering and safety sciences
- The UL Mark is recognized as one of the most iconic symbols of safety in the world

Constant and Attractive Revenue Growth (2011-2023)

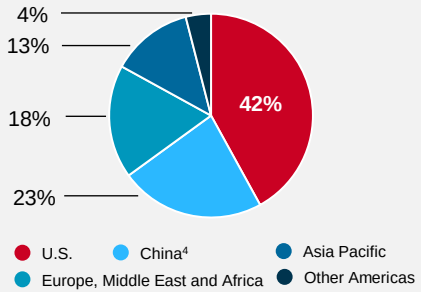


Revenue Breakdown (2023)

Segments



Customer Geographies[3]



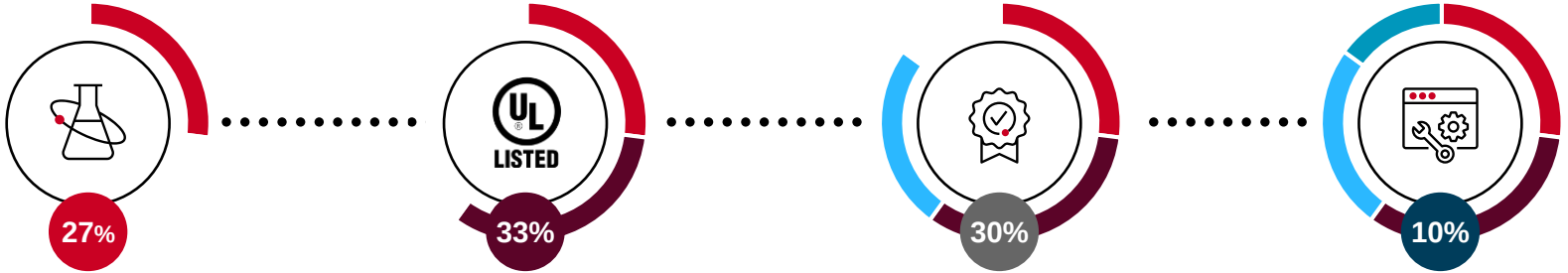
Four Major Service Categories

- Certification testing 27%
- Non-certification testing and other services 30%
- Ongoing certification services 33%
- Software 10%

[1] As part of the nonprofit Underwriters' Electrical Bureau, a predecessor to Underwriters Laboratories and UL Solutions.
[2] Revenue for 2011 includes $81 million for UL-CCIC Company Limited, a joint venture interest of UL Solutions that was originally reported using the equity method of accounting.
[3] Revenue by geography shows breakdown by customer location.
[4] Represents revenue from Greater China – mainland China, Hong Kong and Taiwan.

UL Solutions has an integrated service portfolio

High percentage of recurring revenue and differentiated value proposition



Certification testing

- Industry standards, regulatory requirements and other specifications
- Safety certification services

Ongoing certification services

- Monitoring
- UL Mark integrity
- Field inspections, labels

Non-certification testing and other services

- Performance testing
- Wireless, electromagnetic compatibility (EMC), wind energy
- ESG guidance

Software

- SaaS and license-based solutions
- Regulatory, supply chain and sustainability solutions

Note: Percentage of revenue based on fiscal year ended December 31, 2023, revenue.

UL Solutions is a global leader

with #1 product TIC market share (by revenue)[1]

Global TIC market

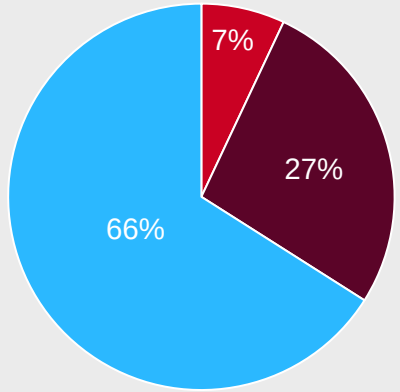
~$240B

~$38B
Product TIC

~$61B
Nonproduct TIC

~$142B
Insourced TIC
(product and nonproduct)

$38B
Global product TIC market



1. Mission-driven growth company
2. Dedicated to applied safety science and ESG
3. Long-term customer relationships — reinforced by our iconic UL Mark — provide recurring revenue streams
4. Global scale and operating leverage
5. Healthy balance sheet and disciplined capital allocation strategy

Source: 2022 market data based on UL Solutions estimates.
[1] Outsourced product TIC market.

Segment overview

Strong fundamentals drive growth in all segments

	Testing, Inspection and Certification		
	Industrial	**Consumer**	**Software and Advisory**
Primary end markets	Power and energy products, industrial automation, materials and plastics, built environment products	Consumer products and electronics, medical devices, electric and autonomous vehicles, retail	Industrial and Consumer customers
2023 revenue	**$1,146M**	**$1,172M**	**$360M**
2023 Adjusted EBITDA[1] | Margin	**$347M | 30%**	**$159M | 14%**	**$57M | 16%**
Key market opportunities	• Energy transition • Industrial equipment IOT • Building and asset sustainability • Materials transparency • Product cyber vulnerabilities • AI-enabled simulation	• Product sustainability • Embedded software • Electric/autonomous vehicles • Human health • Global market access • AI-enabled anomaly detection	• Regulatory compliance • Supply chain risks • ESG and sustainability • Energy transition • AI-enabled features

Outsourced product TIC market is expected to grow at a 5 – 6% CAGR from 2022-2026[2]

[1] Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Refer to reconciliations and definitions in Appendix.
[2] 2022 – 2026 CAGR based on management estimates of outsourced product TIC market, weighted to UL Solutions' current operations.

Megatrends driving growth



Energy Transition



New Mobility



Sustainability and ESG



New Technology, Connectivity and Digitalization



Supply Chain Risks



Regulatory Compliance

Industrial segment overview

$1,146M
2023 revenue

43%
UL Solutions 2023 revenue

30.3%
2023 Adjusted EBITDA margin[1]

9.8%
2023 revenue growth

10.1%
2023 Organic[2]

8.7%
9M'24 revenue growth

11.2%
9M'24 Organic[2]

Markets



Energy and Automation
Power, automation and electrical products, renewable energy, and large batteries used in industrial, energy, utility and automotive applications



Materials
Wire, cable and plastics used in industrial and consumer electrical products and the built environment



Building Products
Building materials, and life safety and security products used in the built environment



Cybersecurity
Transaction and internet of things (IOT) products where cybersecurity is vital and demand drivers are strong

1. Adjusted EBITDA margin is a non-GAAP measure. Refer to reconciliation and definition in Appendix.
2. Refer to definition of Organic in the Appendix.

Consumer segment overview

$1,172M
2023 revenue

44%
UL Solutions 2023 revenue

13.6%
2023 Adjusted EBITDA margin[1]

3.9%
2023 revenue growth

4.3%
2023 Organic[2]

5.7%
9M'24 revenue growth

7.1%
9M'24 Organic[2]

Markets



Consumer Technology

Consumer electronics, IT equipment, medical devices and components such as rechargeable batteries and power supplies



Mobility

Electric and autonomous vehicles, and critical software and systems used in medical, aerospace and defense applications



Appliances, HVAC and Lighting

Appliance, HVAC, lighting products and components such as motors, switches and controls



Retail

Consumer products, including hardlines, softlines, health, beauty and wellness products sold through traditional and online retailers

1. Adjusted EBITDA margin is a non-GAAP measure. Refer to reconciliation and definition in Appendix.
2. Refer to definition of Organic in the Appendix.

Software and Advisory segment overview

$360M
2023 revenue

13%
UL Solutions 2023 revenue

15.8%
2023 Adjusted EBITDA margin[1]

3.4%
2023 revenue growth

2.9%
2023 Organic[2]

4.9%
9M'24 revenue growth

4.2%
9M'24 Organic[2]



Software and advisory solutions to help customers meet regulatory, supply chain and sustainability challenges

1. Adjusted EBITDA margin is a non-GAAP measure. Refer to reconciliation and definition in Appendix.
2. Refer to definition of Organic in the Appendix.

Key attributes of our financial model



Stable base of recurring revenue

- Stable, predictable revenue streams that are resilient
- 99% customer retention in 2023[1] for the 500 largest customers from 2022[3]

Constant revenue growth

- Market leading Revenue CAGR from 2011[2] – 2023:
  - – >80,000 customers[1]
  - – More than 35 industry verticals

Strong free cash flow generation

- Consistent operating margins
- Tight working capital management and tax planning
- Disciplined capital allocation

Healthy balance sheet

- Conservative leverage profile
- Flexibility and capacity for strategic investment
- Strong liquidity

[1] Customer data as of Dec. 31, 2023.
[2] Refer to slide 13 for 2011-2023 revenue.
[3] Customer retention in 2023 for the 500 largest customer accounts from each of 2019, 2020, 2021 and 2022 (“since 2019”).

Compelling financial profile

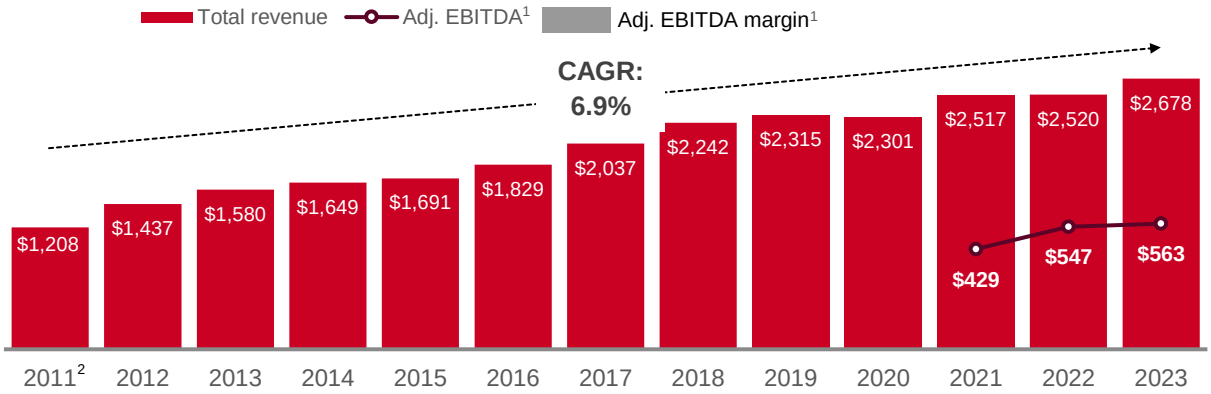


Scale	$2.7B 2023 revenue	140+ Locations across more than 35 countries[3]
Growth	6.9% 2011[1] – 2023 total revenue CAGR	56 acquisitions from 2010 – 2024 YTD to supplement strong organic drivers
Profitability	$304M | 11.4% 2023 Adjusted Net Income[2] | 2023 Adjusted Net Income margin[2]	$563M | 21.0% 2023 Adjusted EBITDA[2] | 2023 Adjusted EBITDA margin[2]
Free Cash Flow	$258M 2021 – 2023 average Free Cash Flow[2]	10% 2021 – 2023 average Free Cash Flow margin[2]

[1] Revenue for 2011 includes $81 million for UL-CCIC Company Limited, a joint venture interest of UL Solutions that was originally reported using the equity method of accounting.
[2] Adjusted Net Income, Adjusted Net Income margin, Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Free Cash Flow margin are non-GAAP measures. Refer to reconciliations and definitions in Appendix.
[3] As of Dec. 31, 2023.

UL Solutions exhibits exceptional financial momentum with strong free cash flow generation

Compelling organic growth profile with significant upside



$ in millions

	2021	2022	2023
FCF[1]	$314	$208	$252
Adjusted EBITDA margin[1]	17.0%	21.7%	21.0%
Organic[3]	7.5 %	2.7%[4]	6.5%
Total Revenue Growth	9.4 %	0.1%[4]	6.3%

Strong business services financial profile

- **Long-term stable recurring revenue streams**
- **Attractive organic and total growth**
- **Strong profitability**
- **Significant, durable free cash flow**

[1] Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow are non-GAAP measures. Refer to reconciliations and definitions in Appendix.
[2] Revenue for 2011 includes $81 million for UL-CCIC Company Limited, a joint venture interest of UL Solutions that was originally reported using the equity method of accounting.
[3] Refer to definition of Organic in the Appendix.
[4] Revenue Growth in 2022 affected by revenue recognition change in estimate of (0.9)%.

Capital allocation strategy and financial policy

Capital allocation priorities

Reinvest in the business

- Organic capex to support innovation, productivity and top-line growth
- Disciplined M&A that enhances our capabilities or extends our footprint to serve customers' evolving needs

Maintain strong balance sheet

- Conservative leverage consistent with investment grade credit ratings
- Strong liquidity positions with committed, unused revolving credit facility capacity and cash

Return capital to shareholders

- Intend to pay regular dividends
- UL Solutions may consider share repurchases to offset dilution

Commitment to investment grade credit ratings and conservative target leverage

UL Solutions growth strategy



1. Pursue organic opportunities

- Increase existing and new customer wallet share
- Expand presence in new and existing markets to address customer needs
- Develop innovative offerings that are fueled by tailwinds such as ESG

Proven results



2. Expand margin

- Automate and digitize work that provides innovation in customer services and operations
- Increase utilization of people and assets
- Simplify and standardize processes and metrics

Increasing productivity



3. Be the acquirer of choice

- Continue proven, value-enhancing track record of tuck-ins
- Selectively pursue M&A that expands service offerings into adjacent verticals, markets or technologies
- Commit capital that supports targets' long-term post-acquisition growth plans

Accelerated growth

Acquisitions are an important part of UL Solutions' growth

- **More than $1.3B deployed** towards 56 acquisitions 2010 – YTD 2024
- **Acquisitions executed at attractive multiples** in critical end markets
- **Dedicated team** of M&A professionals focused on sourcing, evaluation and execution
- **Robust integration practice** with acquired businesses typically integrated within 12 months

Acquisitions since 2010



Select acquisitions

Platform additions	STR STR Holdings, Inc. *Quality Assurance*; The Wercs®
Adjacencies	ChemADVISOR, Inc.; AWS Truepower; KAPLAN EDUNEERING; TESTNET
Tuck-in acquisitions	cere; Healthy Buildings; HBI Healthy Buildings International; BI BATTERIE INGENIEURE

Q3 2024 Highlights

Extending the momentum from the first half of 2024:

- 8.1% Revenue growth, 9.3% Organic[1]
- 6.1% Adjusted Net Income[2] increase
- Adjusted EBITDA[2] up 12.3%
- Generated Free Cash Flow[2] of $282M for the last twelve months ended September 30, 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.



North America Advanced Battery Lab opening in Michigan draws customers, media, officials

- August opening showcased cutting-edge EV/industrial battery-testing capabilities near world's premier auto innovation hub
- 90,000-square-foot facility augments existing testing network in Northbrook, IL; Fremont, CA; China; Japan; S. Korea and the EU
- Many customers attended including auto OEMs
- Expanded capabilities draw on 130 years' experience in fire and electrical safety and 30+ years of battery testing



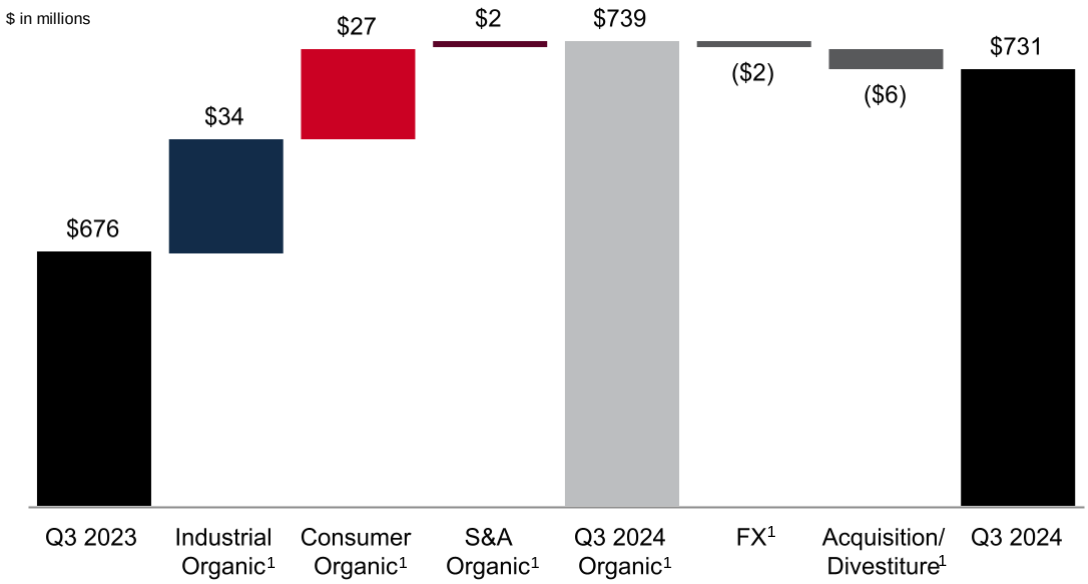








Q3 2024 Revenue +9.3% organic[1]

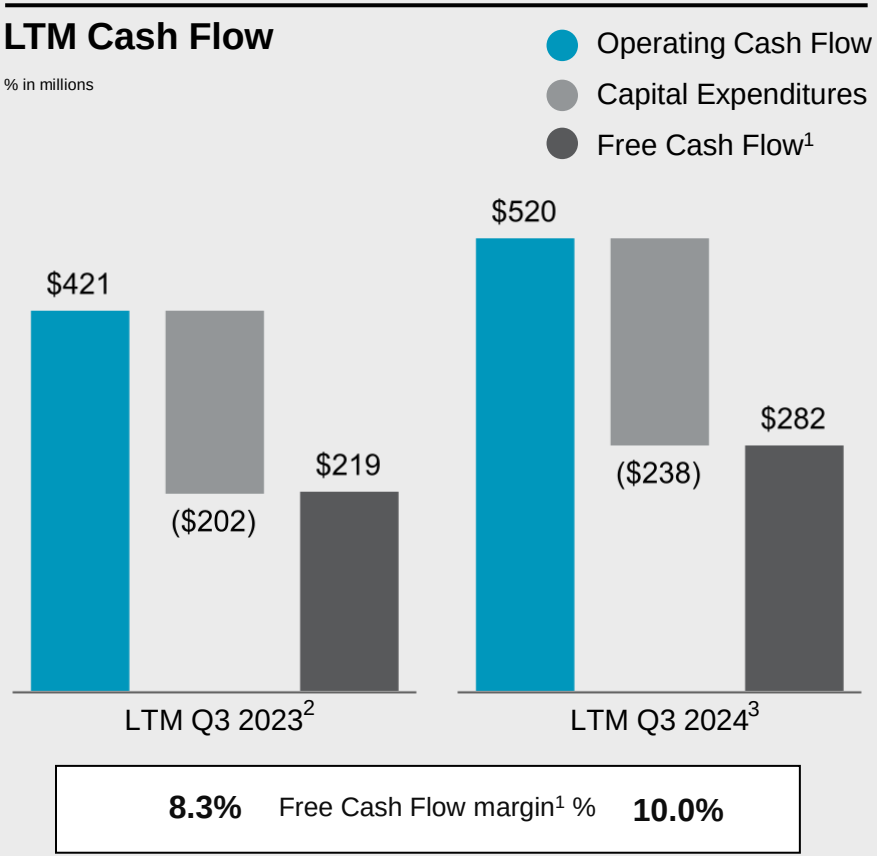




[1] Refer to Organic, FX and Acquisition / Divestiture definitions in Appendix.

LTM Cash Flow

- Generated **Free Cash Flow[1] of $282M** for the last twelve months ended September 30, 2024, an increase of $63M (+28.8%) vs the last twelve months ended September 30, 2023
- YTD Free Cash Flow[1] benefited from business performance and **lower cash incentive payments**
- YTD Capital expenditures of $179M reflects **continued organic investment** opportunities



[1] Free Cash Flow, Free Cash Flow margin and Adjusted EBITDA are non-GAAP measures. Refer to the Appendix to this presentation for definitions and reconciliations to their most directly comparable GAAP financial measures.
[2] Last 12 months as of September 30, 2023
[3] Last 12 months as of September 30, 2024

Summary

1. **Mission-driven growth company,** in the fragmented and consolidating testing, inspection and certification industry

2. **Dedication to applied safety science and ESG** underpins our reputation as a **trusted partner**

3. **Long-term customer relationships** — supported by disciplined account management and reinforced by our robust business model and iconic UL Mark — **provide recurring revenue streams**

4. **Global scale** and **operating leverage** drive opportunities to expand margins

5. **Healthy balance sheet** and **disciplined capital allocation strategy** supports organic and inorganic growth, targeting best-in-class shareholder returns

Appendix



Components of revenue change

Three Months Ended September 30, 2024

(in millions)	Organic[1]	Acquisition / Divestiture[2]	FX[3]	Total	Organic % Change	Total % Change
Revenue change						
Industrial	$ 34	$ (6)	$ (1)	$ 27	11.7 %	9.3 %
Consumer	27	—	(1)	26	9.2 %	8.8 %
Software and Advisory	2	—	—	2	2.2 %	2.2 %
Total	$ 63	$ (6)	$ (2)	$ 55	9.3 %	8.1 %

[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.

Components of revenue change

(in millions)	Organic[1]	Acquisition / Divestiture[2]	FX[3]	Total	Organic % Change	Total % Change
	Nine Months Ended September 30, 2024					
Revenue change						
Industrial	$ 95	$ (12)	$ (9)	$ 74	11.2 %	8.7 %
Consumer	62	(1)	(11)	50	7.1 %	5.7 %
Software and Advisory	11	2	—	13	4.2 %	4.9 %
Total	$ 168	$ (11)	$ (20)	$ 137	8.4 %	6.9 %

[1] See definition on previous slide.
[2] See definition on previous slide.
[3] See definition on previous slide.

Components of revenue change

(in millions)	Organic[1]	Acquisition / Divestiture[2]	FX[3]	Total	Organic % Change	Total % Change
	Twelve Months Ended December 31, 2023					
Revenue change						
Industrial	$ 105	$ 4	$ (7)	$ 102	10.1 %	9.8 %
Consumer	48	9	(13)	44	4.3 %	3.9 %
Software and Advisory	10	2	—	12	2.9 %	3.4 %
Total	$ 163	$ 15	$ (20)	$ 158	6.5 %	6.3 %

[1] See definition on previous slide.
[2] See definition on previous slide.
[3] See definition on previous slide.

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

(in millions, unless otherwise stated)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	$ 94	$ 57	$ 260	$ 214
Depreciation and amortization expense	43	37	125	111
Interest expense	14	7	42	23
Other expense (income), net	—	7	(18)	(8)
Income tax expense	22	18	63	53
Stock-based compensation	10	—	16	—
Goodwill impairment	—	37	—	37
Restructuring	—	—	(1)	—
Adjusted EBITDA[1]	$ 183	$ 163	$ 487	$ 430
Revenue	$ 731	$ 676	$ 2,131	$ 1,994
Net income margin	12.9 %	8.4 %	12.2 %	10.7 %
Adjusted EBITDA margin[2]	25.0 %	24.1 %	22.9 %	21.6 %

[1] The Company defines Adjusted EBITDA as net income adjusted for depreciation and amortization expense, interest expense, other expense (income), 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, income tax expense, stock-based compensation expense for equity-settled awards, material asset impairment charges and restructuring expenses which directly affects 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 measure)[1] [2]

(in millions, unless otherwise stated)	Twelve Months Ended December 31, 2023	2022	2021
Net income	$ 276	$ 309	$ 238
Depreciation and amortization expense	154	135	142
Interest expense	35	17	1
Other expense (income), net	(13)	12	12
Income tax expense	70	74	36
Goodwill impairment	37	–	–
Restructuring	4	–	–
Adjusted EBITDA[1]	$ 563	$ 547	$ 429
Revenue	$ 2,678	$ 2,520	$ 2,517
Net income margin	10.3 %	12.3 %	9.5 %
Adjusted EBITDA margin[2]	21.0 %	21.7 %	17.0 %

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

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

(in millions, unless otherwise stated)	Twelve Months Ended December 31, 2023
Industrial	
Segment operating income	$ 308
Depreciation and amortization expense	38
Restructuring	1
Adjusted EBITDA[1]	$ 347
Revenue	$ 1,146
Operating income margin	26.9 %
Adjusted EBITDA margin[2]	30.3 %
Consumer	
Segment operating income	$ 45
Depreciation and amortization expense	75
Goodwill impairment	37
Restructuring	2
Adjusted EBITDA[1]	$ 159
Revenue	$ 1,172
Operating income margin	3.8 %
Adjusted EBITDA margin[2]	13.6 %
Software and Advisory	
Segment operating income	$ 15
Depreciation and amortization expense	41
Restructuring expenses	1
Adjusted EBITDA[1]	$ 57
Revenue	$ 360
Operating income margin	4.2 %
Adjusted EBITDA margin[2]	15.8 %

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

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

(in millions, unless otherwise stated)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	$ 94	$ 57	$ 260	$ 214
Other expense (income), net	—	7	(18)	(8)
Stock-based compensation	10	—	16	—
Goodwill impairment	—	37	—	37
Restructuring	—	—	(1)	—
Tax effect of adjustments[3]	—	(3)	2	(1)
Adjusted Net Income[1]	$ 104	$ 98	$ 259	$ 242
Revenue	$ 731	$ 676	$ 2,131	$ 1,994
Net income margin	12.9 %	8.4 %	12.2 %	10.7 %
Adjusted Net Income margin[2]	14.2 %	14.5 %	12.2 %	12.1 %

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

(in millions, unless otherwise stated)	Twelve Months Ended December 31, 2023
Net income	$ 276
Other expense (income), net	(13)
Goodwill impairment	37
Restructuring	4
Tax effect of adjustments[3]	–
Adjusted Net Income[1]	$ 304
Revenue	$ 2,678
Net income margin	10.3 %
Adjusted Net Income margin[2]	11.4 %

[1] See definition on previous slide.
[2] See definition on previous slide.
[3] See definition on previous slide.

Free Cash Flow (non-GAAP measure)[1]

(in millions, unless otherwise stated)	Nine Months Ended September 30,		LTM[2] September 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	$ 394	$ 341	$ 520	$ 421
Capital expenditures	(179)	(156)	(238)	(202)
Free Cash Flow[1]	$ 215	$ 185	$ 282	$ 219
Revenue	$ 2,131	$ 1,994	$ 2,815	$ 2,623
Net cash provided by operating activities margin	18.5 %	17.1 %	18.5 %	16.1 %
Free Cash Flow margin[3]	10.1 %	9.3 %	10.0 %	8.3 %

[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]Last 12 months

[3]Free Cash Flow margin is calculated as Free Cash Flow as a percentage of revenue[a]

Free Cash Flow (non-GAAP measure)[1]

(in millions, unless otherwise stated)	Twelve Months Ended December 31, 2023	2022	2021
Net cash provided by operating activities	$ 467	$ 372	$ 421
Capital expenditures	(215)	(164)	(107)
Free Cash Flow[1]	$ 252	$ 208	$ 314
Revenue	$ 2,678	$ 2,520	$ 2,517
Net cash provided by operating activities margin	17.4 %	14.8 %	16.7 %
Free Cash Flow margin[3]	9.4 %	8.3 %	12.5 %

[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