

First Quarter 2025 Earnings Presentation

April 24, 2025



Forward Looking Statements and Non-GAAP Measures

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

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

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

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

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





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Company Overview



ADT: Delivering Safe, Smart, Sustainable Solutions

Market Leader

#1 brand in smart home security with national footprint and scale

Well-Positioned

Opportunity to increase share in large, growing, and highly attractive markets

Resilient

Long-term, stable subscriber base generates significant recurring revenue

Evolved Portfolio

Broad product and solution portfolio spanning home security and smart home

Differentiated

Innovative offerings, unrivaled safety, and premium customer experience

Disciplined & Balanced

Strong cash flows support capital allocation flexibility

Leading Brand in Home Security and Smart Home

150 ADT
YEARS
of innovative
protection

#1
Smart Home
Security Provider¹

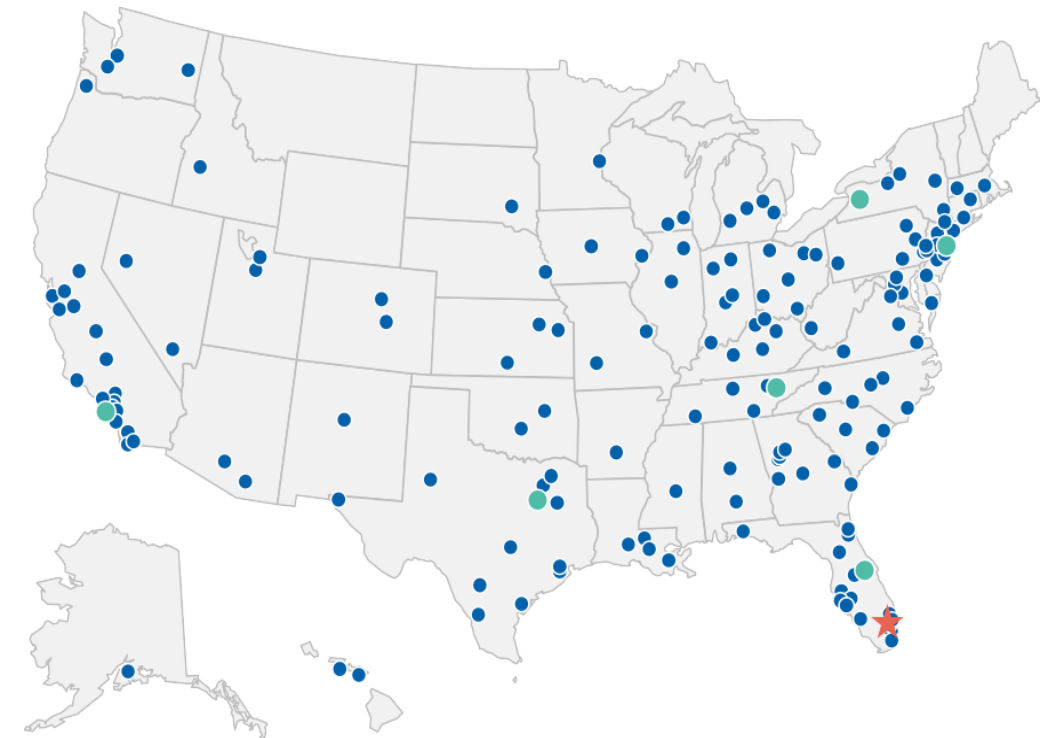
2X
more preferred
than the next closest
provider²

America's
MOST
TRUSTWORTHY
name in home security³

6.4M
subscribers

~8 YEARS
average customer tenure

Scaled Nationwide Monitoring and Technical Support Presence



● Locations

● Monitoring Centers

★ Corporate Headquarters

Notes:

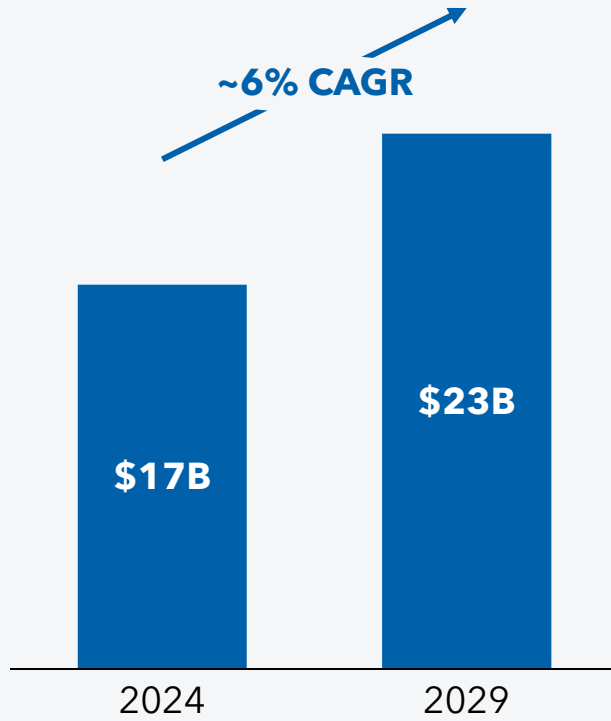
1. TechInsights Top 10 US Interactive Security Providers, July 2024.
2. Parks Associates, "Residential Security Dashboard", March 2025.
3. Newsweek, Sept. 2024

Large, Growing, Highly Attractive Markets

Growing Consumer Spend on Residential Security

Total Annual Revenue¹

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



Professional monitoring represents ~80% of Total Annual Revenue

Significant Incremental Opportunity

Select Security and Smart Home Adjacencies



Standalone cameras / video doorbells



Other smart home device categories



Small and Medium Business (SMB) security



Personal Emergency and Response (PERS)



Aging in place



Leak detection

Notes:

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

Business Model is Durable, Resilient, and Flexible...

Durable Recurring Revenue Base

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

Macroeconomic Resilience

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

Capital Flexibility

- **Subscriber Acquisition Cost** ("SAC") is largest use of capital (~\$1.4B/year)
- **Efficient customer adds** through new and existing channels with higher installation revenue
- **Strong balance sheet** and capital structure

... And Generates Strong Returns on Capital Through Three Key Levers...

**Efficient Customer
Acquisition**



**Profitable Service
of Customers**



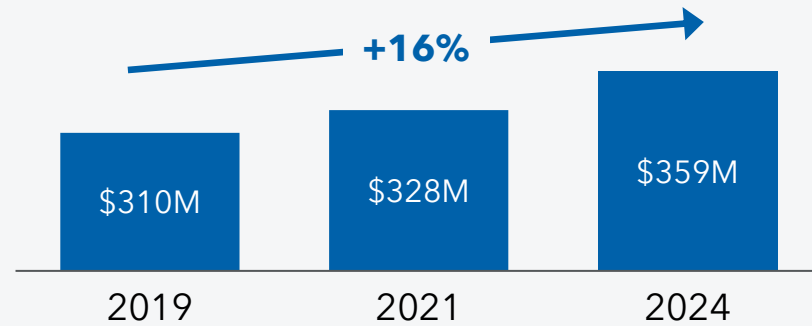
**Customer Loyalty
and Retention**



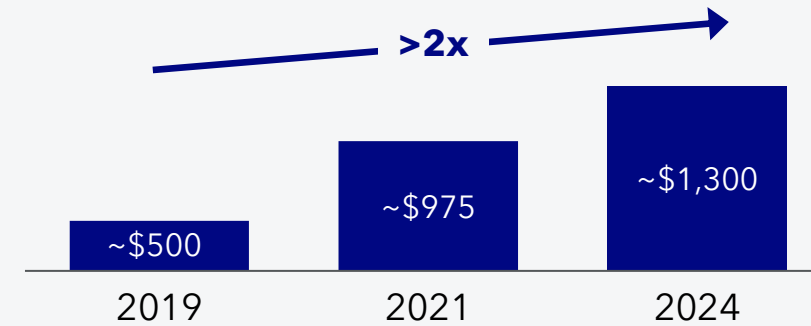
Long-Term Value and Cash Generation

...With Improved Performance Across Key Metrics

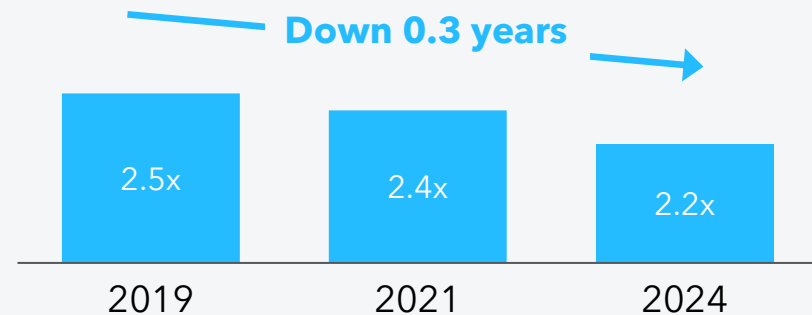
Recurring Monthly Revenue



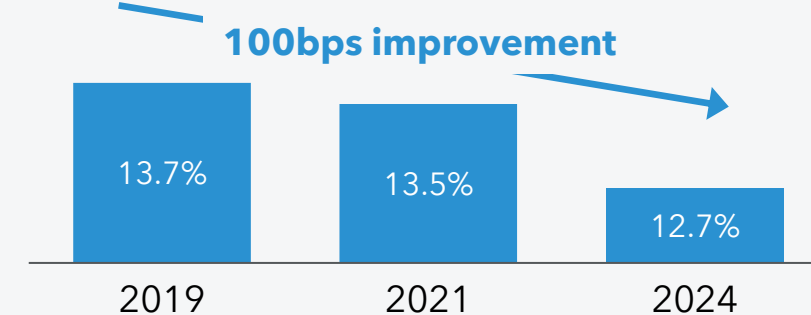
Installation Revenue Per Unit



Revenue Payback



Attrition



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

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



Use Cases and Features

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



Offer Structure

- Contract, price, and payment **flexibility**
- **Value-centric packages** to capture new segments
- **Partner specific offers** (e.g., State Farm)



Routes to Market

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



Digitization and AI

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

Recent Highlights

- ADT+ pro install available in all geographies
- Launched innovative and unique Trusted Neighbor capability
- Introduced ADT+ Translator
- Refined advertising campaign and media placement
- Simplified offer and pricing structure
- Improved customer save rate
- Virtual service calls >50% of total
- Virtual agent handling 90% of customer service chats
- Enhanced customer self-service
- Remote Wi-Fi diagnostics



Supported by Blue Chip Equity and Commercial Partners



Innovating on the new proprietary ADT+ Platform

Strengthening our Smart Home Security Offerings



Trusted Neighbor launched nationally on the ADT+ platform, driving a growing percentage of sales and strong IRPU and RMR



ADT+ platform quality and install efficiency is already on par with legacy ADT security systems



ADT+ app is rated an average of 4.8 stars on the Apple App Store and Google Play store, one of the highest-rated in the home security and smart home category

Continuing Product and Experience Innovation



Introducing Yale Touch Lock feature in 2Q25



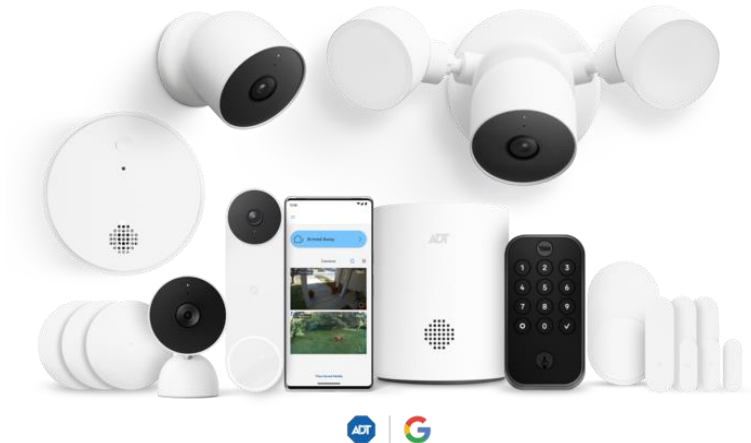
Expanding Trusted Neighbor's smart access control capabilities to other helpful parties



Launching translator device to enable homes with legacy systems to move into the ADT+ ecosystem



Redesigning ADT+ hardware to further reduce costs

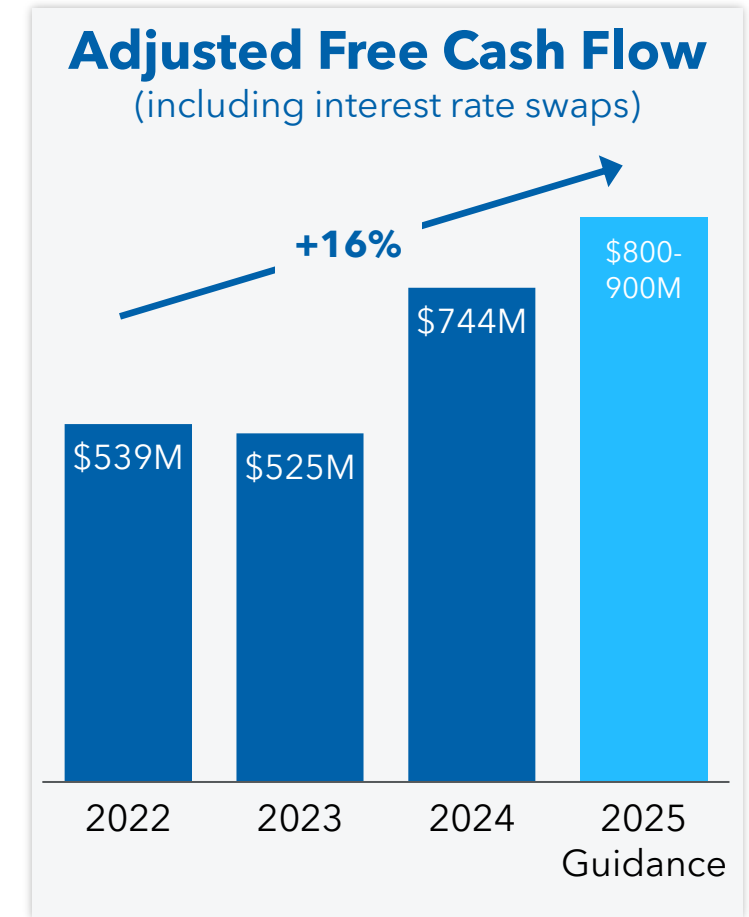
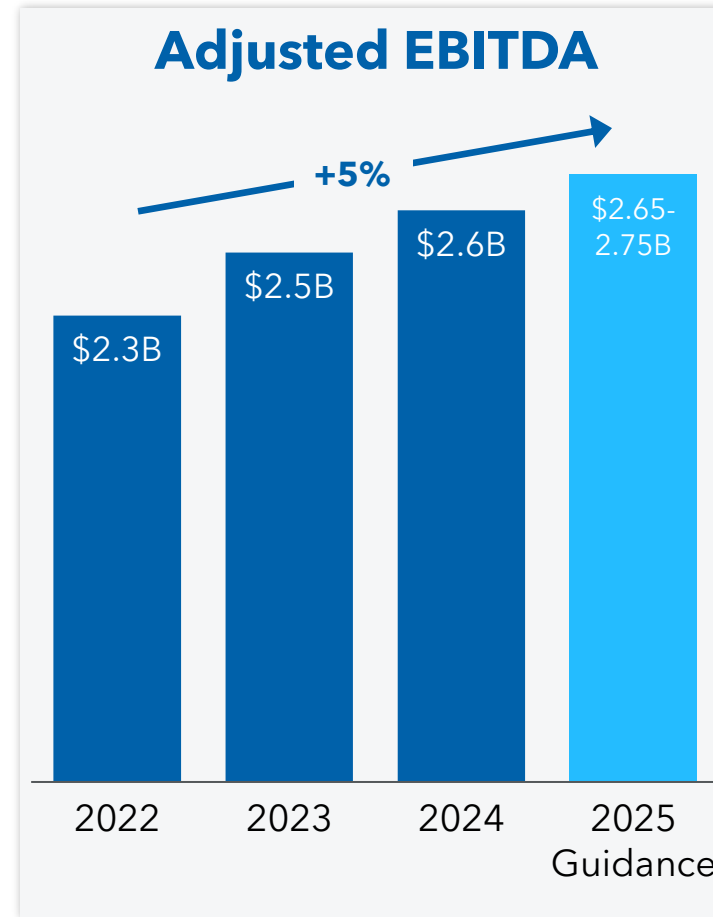
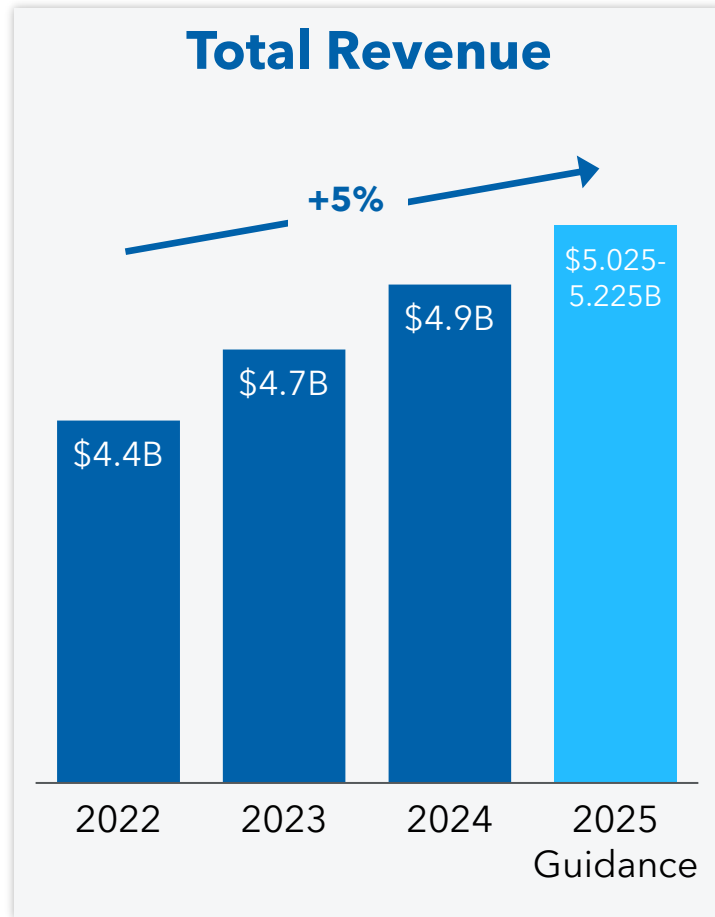


TrustedNeighbor™

"This [Trusted Neighbor] smart home security system **really makes me feel like I'm living in the future.**"

– Tom's Guide, Sep '24

Delivering Top-Line Growth and Strong Free Cash Flow



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

Note: Growth percentage represents CAGR from 2022 to midpoint of 2025 guidance. Total Revenue and Adjusted EBITDA are continuing operations only. Beginning in the third quarter of 2024, all cash flows attributable to the discontinued solar business are excluded from Adjusted Free Cash Flow measures. Adjusted Free Cash Flow and Adjusted EBITDA are Non-GAAP measures. Adjusted EBITDA is a performance measure, and Adjusted Free Cash Flow is a liquidity measure; GAAP to Non-GAAP reconciliations for these two measures are available on the slides with the heading "GAAP to Non-GAAP Reconciliations" located at the end of this presentation.

Disciplined and Balanced Capital Allocation Framework



Investing in the Business

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



Strengthening the Balance Sheet

- Leverage reduction
- Liquidity access
- Well-laddered maturities



Returning Capital to Shareholders

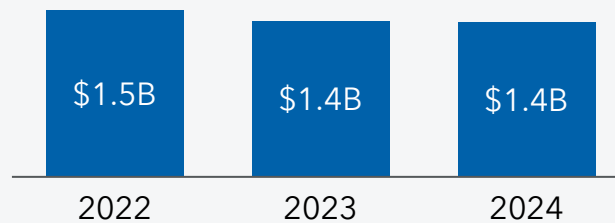
- Dividends
- Share repurchases

Strong Cash Flow Supports Capital Allocation Strategy

Investing in the Business

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

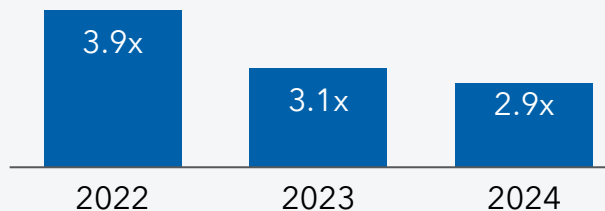
Net Subscriber Acquisition Costs



Strengthening the Balance Sheet

- **Reduced leverage to 2.9x**
- \$2B debt reduction since 2022
- Extended and upsized revolving facility
- Effective cost of debt of ~4.5%

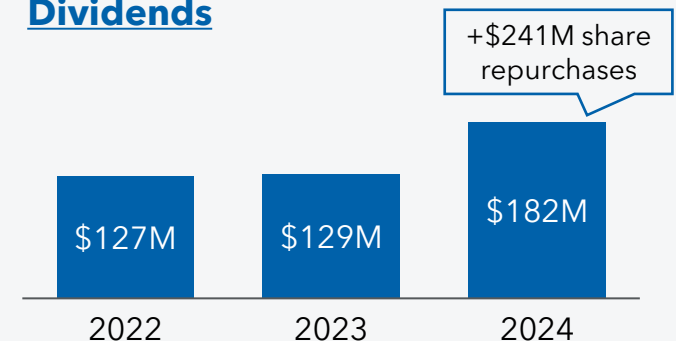
Net Leverage Ratio¹



Returning Capital to Shareholders

- **Raised quarterly dividend by 57%** to \$0.055/share in January 2024
- **Share repurchases** of \$638 million since January 2024²

Dividends



Note:

1. LTM Adjusted EBITDA used in net leverage ratio for 2022 reflects historical amounts including the commercial and solar businesses; 2023 and 2024 reflect continuing operations only.
2. Share repurchases include \$241 million in 2024, \$397 million in 1Q'25.

Compelling Value Creation Algorithm Focused on Driving Shareholder Returns

Durable Recurring Revenue Base

- Annuity-like
- Stable and predictable
- Record low attrition

\$4.3B

Annualized RMR

Generating Significant Adjusted Free Cash Flow

Strong Revenue Growth

- Iconic brand
- Large and growing TAM
- Innovation focus

+5%¹

Total Revenue

Efficient Operations

- Unmatched scale
- Best-in-class service delivery
- Improved acquisition cost

>50%

Adj. EBITDA Margin

Solid Capital Structure

- Well-laddered maturities
- ~4.5% average cost of debt
- \$2B debt reduction since 2022

2.9x

2024 Leverage

+16%¹

3-year CAGR

\$1.8B

Cumulative
2022-2024

~\$1.1B² Returned to Shareholders

57% increase in quarterly dividend in January 2024

\$638M in share repurchases since January 2024

Note:

1. Growth percentage represents CAGR from 2022 to midpoint of 2025 guidance.
2. Total dividends and share repurchases since 2022; share repurchases include \$241 million in 2024, \$397 million in 1Q'25.

Investment Thesis for ADT is Strong

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





Financial Results & Outlook



1Q25 Highlights



\$1.3B

Total Revenue

up 7%

\$661M

Adjusted EBITDA

up 4%

\$0.21

Adjusted EPS

Up 11%

2.3 years

Revenue Payback

up 0.2 years

\$226M

Adjusted Free Cash Flow
(including interest rate swaps)

up \$116M

2.9x

Net Leverage Ratio

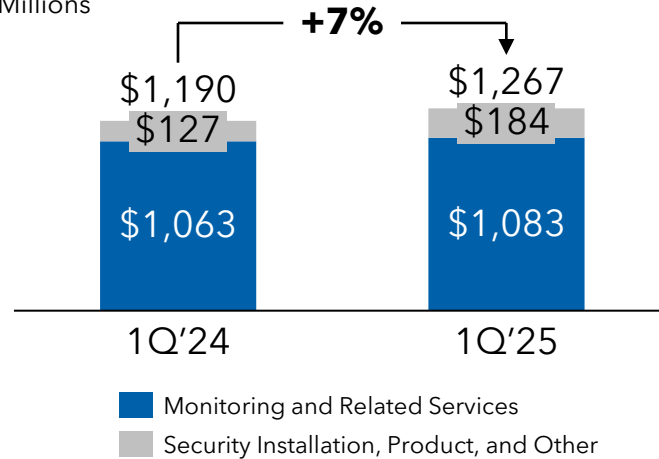
down 0.1x

Note: All variances are on a year-over-year basis. Unless otherwise noted, metrics reflect continuing operations only. Beginning in the third quarter of 2024, Adjusted Free Cash Flow excludes all remaining cash flows attributable to the discontinued solar business.

Key Quarterly Financials

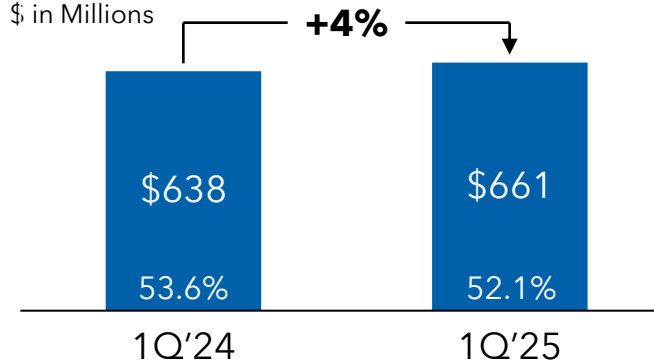
Total Revenue

\$ in Millions



Adjusted EBITDA & Margin

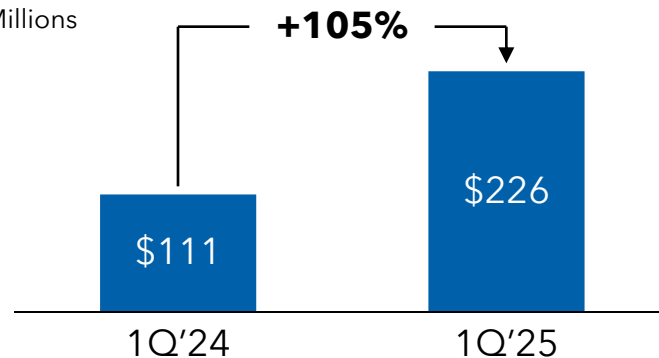
\$ in Millions



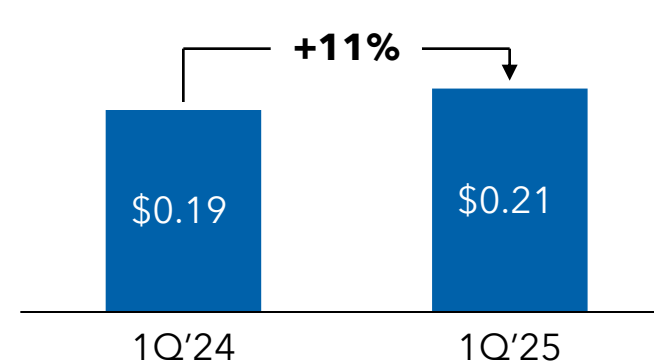
Adjusted Free Cash Flow

(including interest rate swaps)

\$ in Millions



Adjusted EPS



Highlights

- Increase in revenue due to higher average pricing and greater mix of pro install systems under the outright sale model
- Continued strong operating efficiency and service delivery
- Investments in product and technology
- Strong cash flow from lower cash usage due to the exit of the solar business, timing of payments, and improved operating performance
- Returned \$445 million capital to shareholders via share repurchases and dividends

Note: Total Revenue, Adjusted EBITDA, and Adjusted EPS are continuing operations and reflect the business operations of the former CSB segment. Beginning in the third quarter of 2024, Adjusted Free Cash Flow excludes all remaining cash flows attributable to the discontinued solar business.

Additional Key Metrics

	1Q'25	1Q'24	Y/Y Change
Ending Subscriber Count	6.4M	6.4M	0%
End of Period RMR including wholesale	\$360M	\$353M	2%
Gross RMR Additions	\$10.6M	\$11.4M	(7%)
Gross Unit Additions	172K	187K	(8%)
Gross Revenue Attrition	12.6%	13.1%	(50 bps)
LTM Revenue Payback	2.3x	2.1x	0.2x
Net Cash SAC	\$302M	\$300M	1%

Highlights

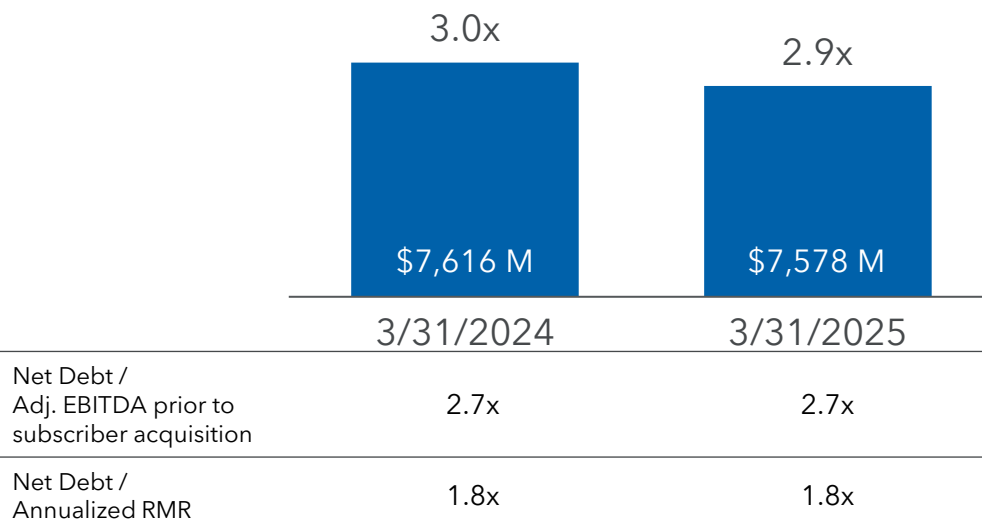
- Increase in RMR driven by higher average pricing
- Continued smart home adoption with high take rates for interactive and video services
- Record RMR balance with continued disciplined subscriber acquisition spend
- Retention initiatives driving fewer voluntary disconnects and improved attrition rate
- Some macro pressure on non-pay disconnects and subscriber additions
- Timing of consumer financing flows impacting Net Cash SAC and LTM Revenue Payback

Note: Operating metrics presented reflect the business operations of the former CSB segment and exclude wholesale customers who outsource their monitoring to ADT unless otherwise noted. Gross Unit Additions represent Residential and Small Business. Net Cash Subscriber Acquisition Costs (SAC) represents the estimated cash expenditures for sales and installation, net of inflows received, and excludes former commercial business.

Capital Structure with Balanced Maturity Profile

- 2.9x Net Leverage Ratio, down 0.1x versus prior year, with cash interest rate ~4.5%
- In March:
 - Redeemed \$500M of 2026 notes using proceeds from \$600M 7-year term loan facility
 - Extended Receivables Facility by one year to March 2026 and enhanced advance rates
- Cash on hand and Revolver provide flexibility to be opportunistic on timing to refinance the remaining 2026 Notes

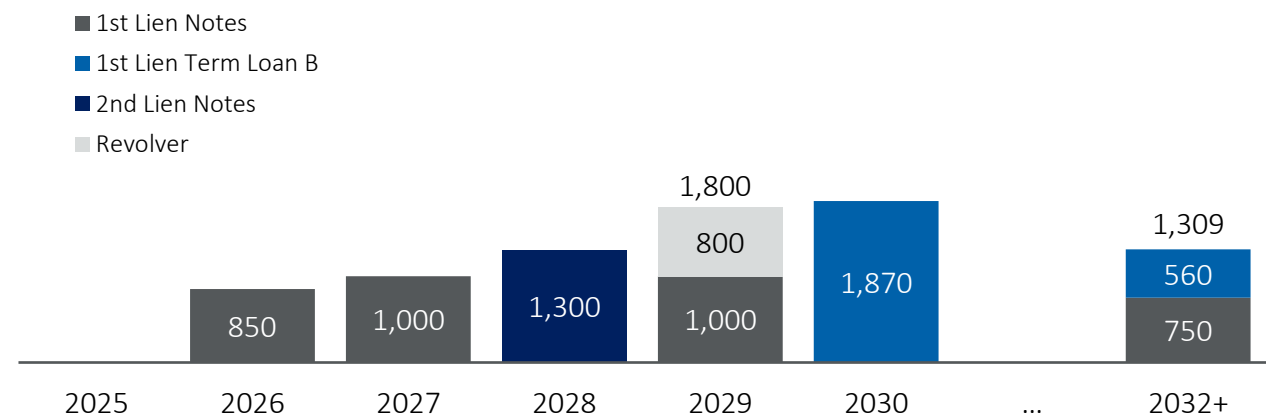
Net Debt and Leverage Ratios¹



Notes:

1. LTM Adjusted EBITDA reflects continuing operations only. Net debt for prior year includes amounts related to the solar business. The leverage ratio under our credit agreement includes certain defined adjustments and may differ from the ratio presented above.
2. Debt maturity profile as of 3/31/2025 and excludes approximately \$26 million in amortization payments per year for the First Lien Term Loans receivables facility and finance leases, while the revolver is indicative of total capacity, not current drawn balances.

Debt Maturity Profile²



2025 Guidance

(\$ in millions, except per share data)	2024 Actual	2025 Guidance	Midpoint Year-over-year	Highlights / Key Drivers
Total Revenue	\$4,898	\$5,025 - \$5,225	5%	• Durable and growing RMR base • Higher outright sales mix • Continued efficiency and cost controls • Customer service and retention focus • SAC efficiency improvement
Adjusted EBITDA	\$2,578	\$2,650 - \$2,750	5%	
Adjusted EPS	\$0.75	\$0.77 - \$0.85	8%	
Adjusted Free Cash Flow (including interest rate swaps)	\$744	\$800 - \$900	14%	

Notes: Total Revenue, Adjusted EBITDA, and Adjusted EPS are continuing operations only. Beginning in the third quarter of 2024, all cash flows attributable to the discontinued solar business are excluded from Adjusted Free Cash Flow measures. Initial Adjusted EPS guidance assumed a tax rate of ~27% and share count of ~880 million.



Additional Financial Information & Non-GAAP Reconciliations



Financial & Operating Measures

	For the Three Months Ended				
	Mar. 31, 2025	Dec. 31, 2024	Sept. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
(\$ in millions)					
<u>Financial Measures</u>					
Monitoring and related services (M&S)	\$1,083	\$1,085	\$1,078	\$1,068	\$1,063
Security installation, product, and other	\$184	\$175	\$166	\$136	\$127
Total Revenue	\$1,267	\$1,260	\$1,244	\$1,205	\$1,190
Adjusted EBITDA (from continuing operations)	\$661	\$653	\$659	\$629	\$638
Adjusted EBITDA Margin (% Revenue)	52%	52%	53%	52%	54%
Historical Adjusted EBITDA	\$661	\$653	\$659	\$613	\$614
Adjusted Income (Loss) from continuing operations	\$186	\$176	\$183	\$156	\$171
Adjusted EPS	\$0.21	\$0.20	\$0.20	\$0.17	\$0.19
GAAP Income (Loss) from continuing operations	\$142	\$197	\$132	\$126	\$164
GAAP EPS	\$0.16	\$0.21	\$0.14	\$0.13	\$0.17
<u>Operating Measures</u>					
Gross RMR Additions	\$10.6	\$11.1	\$14.7	\$12.5	\$11.4
Gross Unit Additions	172K	186K	250K	212K	187K
LTM Gross Customer Revenue Attrition	12.6%	12.7%	12.8%	12.9%	13.1%
LTM Revenue Payback (in years) ⁽¹⁾	2.3x	2.2x	2.2x	2.2x	2.1x
End of Period RMR (including Wholesale)	\$360	\$359	\$359	\$355	\$353
End of Period RMR (excluding Wholesale)	\$355	\$355	\$354	\$351	\$349

Notes: Unless otherwise noted, amounts have been recast to present continuing operations which reflect the business operations of the former CSB segment. Historical Adjusted EBITDA includes continuing and discontinued operations. Operating measures exclude wholesale customers who outsource their monitoring to ADT, unless otherwise noted. Gross Unit Additions represent Residential and Small Business

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

Adjusted Free Cash Flow Detail

(\$ in millions)	For the Three Months Ended				
	Mar. 31, 2025	Dec. 31, 2024	Sept. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
<u>Adjusted Free Cash Flow</u>					
Historical Adjusted EBITDA ⁽¹⁾	\$661	\$653	\$659	\$613	\$614
Net Expensed SAC	\$51	\$52	\$68	\$69	\$72
Net Cash SAC ⁽²⁾	(\$302)	(\$320)	(\$414)	(\$357)	(\$300)
Cash Taxes	\$2	(\$1)	(\$4)	(\$16)	(\$1)
Cash Interest	(\$155)	(\$60)	(\$181)	(\$75)	(\$141)
Capital and Software Expenditures ⁽³⁾	(\$60)	(\$55)	(\$55)	(\$73)	(\$54)
Working Capital & Other	\$12	(\$64)	\$65	\$69	(\$102)
Adjusted Free Cash Flow ⁽¹⁾	\$210	\$205	\$137	\$229	\$89
Interest Rate Swaps	\$16	\$19	\$22	\$22	\$22
Adjusted Free Cash Flow (incl. interest rate swaps) ⁽¹⁾	\$226	\$224	\$158	\$251	\$111
<u>Selected Items Detail</u>					
Non-capitalized Net SAC	\$55	\$52	\$52	\$47	\$19
Capitalized Net SAC	\$247	\$268	\$363	\$311	\$281
Net Cash SAC ⁽²⁾	\$302	\$320	\$414	\$357	\$300
<i>memo: Net Expensed SAC</i>	\$51	\$52	\$68	\$69	\$72

Notes:

- Adjusted Free Cash Flow and Historical Adjusted EBITDA include continuing and discontinued operations. Historical Adjusted EBITDA is a performance measure, and Adjusted Free Cash Flow is a liquidity measure; GAAP to Non-GAAP reconciliations for these two measures are available in the following section of this presentation. Beginning in the third quarter of 2024, Adjusted Free Cash Flow excludes all remaining cash flows attributable to the discontinued solar business.
- Differs from contractual amounts, due to the timing of cash receipts and repayments under the terms of our consumer financing program, as well as other non-cash add-backs.
- Capital expenditures include software investments presented in operating cash flow in GAAP cash flow statement and exclude special items primarily related to third-party costs that are one-time or unusual in nature.

Net Subscriber Acquisition Cost Calculation

(\$ in millions)	For the three months ended March 31, 2025			For the twelve months ended March 31, 2025
	Capitalized	Non-capitalized	Total	Total
Selling, Advertising, and Commissions	\$93	\$65	\$157	\$649
Security Installation, Product, and Other Cost	-	\$82	\$82	\$272
Capitalized Direct SAC	\$105	-	\$105	\$488
Capitalized Dealer SAC	\$107	-	\$107	\$575
Upfront Cash Proceeds	(\$58)	(\$92)	(\$150)	(\$590)
Net Cash SAC	\$247	\$55	\$302	\$1,394

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

Statements of Operations

(in millions, except per share data)

(in millions, except per share data)	Three Months Ended March 31,			
	2025	2024	\$ Change	% Change
Revenue:				
Monitoring and related services	\$ 1,083	\$ 1,063	\$ 20	2%
Security installation, product, and other	184	127	57	45%
Total revenue	1,267	1,190	78	7%
Cost of revenue (exclusive of depreciation and amortization shown separately below):				
Monitoring and related services	158	155	3	2%
Security installation, product, and other	82	40	43	N/M
Total cost of revenue	240	194	46	24%
Selling, general, and administrative expenses	369	370	(2)	—%
Depreciation and intangible asset amortization	340	333	7	2%
Operating income (loss)	319	292	27	9%
Interest expense, net	(121)	(87)	(33)	(38)%
Other income (expense)	(5)	16	(20)	N/M
Income (loss) from continuing operations before income taxes	194	220	(27)	(12)%
Income tax benefit (expense)	(51)	(56)	5	10%
Income (loss) from continuing operations	142	164	(21)	(13)%
Income (loss) from discontinued operations, net of tax	(2)	(72)	70	97%
Net income (loss)	\$ 140	\$ 92	\$ 49	53%
Common Stock:				
Income (loss) from continuing operations per share - basic	\$ 0.17	\$ 0.18		
Income (loss) from continuing operations per share - diluted	\$ 0.16	\$ 0.17		
Net income (loss) per share - basic	\$ 0.16	\$ 0.10		
Net income (loss) per share - diluted	\$ 0.15	\$ 0.09		
Weighted-average shares outstanding - basic	808	856		
Weighted-average shares outstanding - diluted	871	918		
Class B Common Stock:				
Income (loss) from continuing operations per share - basic	\$ 0.17	\$ 0.18		
Income (loss) from continuing operations per share - diluted	\$ 0.16	\$ 0.17		
Net income (loss) per share - basic	\$ 0.16	\$ 0.10		
Net income (loss) per share - diluted	\$ 0.15	\$ 0.09		
Weighted-average shares outstanding - basic	55	55		
Weighted-average shares outstanding - diluted	55	55		

Note: Amounts may not sum due to rounding.

Balance Sheets

<i>in millions</i>	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 4	\$ 96
Restricted cash and restricted cash equivalents	87	108
Accounts receivable, net	395	394
Inventories, net	189	197
Prepaid expenses and other current assets	182	211
Total current assets	858	1,005
Property and equipment, net	242	247
Subscriber system assets, net	2,949	2,981
Intangible assets, net	4,806	4,854
Goodwill	4,904	4,904
Deferred subscriber acquisition costs, net	1,357	1,324
Other assets	714	735
Total assets	\$ 15,830	\$ 16,051
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of long-term debt	\$ 207	\$ 196
Accounts payable	133	154
Deferred revenue	253	248
Accrued expenses and other current liabilities	494	635
Current liabilities of discontinued operations	31	32
Total current liabilities	1,117	1,264
Long-term debt	7,613	7,511
Deferred subscriber acquisition revenue	2,079	2,068
Deferred tax liabilities	1,170	1,167
Other liabilities	220	224
Noncurrent liabilities of discontinued operations	14	16
Total liabilities	12,213	12,250
Total stockholders' equity	3,617	3,801
Total liabilities and stockholders' equity	\$ 15,830	\$ 16,051

Note: Amounts may not sum due to rounding.

Statements of Cash Flows

<i>in millions</i>	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 140	\$ 92
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>		
Depreciation and intangible asset amortization	340	334
Amortization of deferred subscriber acquisition costs	60	55
Amortization of deferred subscriber acquisition revenue	(89)	(83)
Share-based compensation expense	21	8
Deferred income taxes	3	11
Provision for losses on receivables and inventory	53	61
Loss on extinguishment of debt	6	—
Intangible and other asset impairments	—	20
Unrealized (gain) loss on interest rate swap contracts	25	(10)
Other non-cash items, net	19	21
<i>Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:</i>		
Deferred subscriber acquisition costs	(93)	(89)
Deferred subscriber acquisition revenue	58	66
Other, net	(76)	(121)
Net cash provided by (used in) operating activities	467	364
Cash flows from investing activities:		
Dealer generated customer accounts and bulk account purchases	(107)	(118)
Subscriber system asset expenditures	(105)	(141)
Purchases of property and equipment	(45)	(41)
Proceeds (payments) from interest rate swaps	(1)	(2)
Other investing, net	—	1
Net cash provided by (used in) investing activities	(258)	(300)
Cash flows from financing activities:		
Proceeds from long-term borrowings	637	95
Repayment of long-term borrowings, including call premiums	(511)	(57)
Proceeds from receivables facility	65	66
Repayment of receivables facility	(76)	(58)
Proceeds (payments) from interest rate swaps	17	24
Repurchases of common stock	(397)	(93)
Dividends on common stock	(49)	(32)
Payments on finance leases	(7)	(7)
Other financing, net	—	(12)
Net cash provided by (used in) financing activities	(321)	(75)
Cash and cash equivalents and restricted cash and restricted cash equivalents:		
Net increase (decrease)	(113)	(11)
Beginning balance	204	130
Ending balance	\$ 91	\$ 119

Note: Amounts may not sum due to rounding.

Non-GAAP Measures

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

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

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

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

GAAP to Non-GAAP Reconciliations

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

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

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

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

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

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

(in millions)	Three Months Ended					Twelve Months Ended			
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	
Net cash provided by (used in):									
Operating activities	\$ 467	\$ 460	\$ 498	\$ 563	\$ 364	\$ 1,885	\$ 1,658	\$ 1,888	
Investing activities	\$ (258)	\$ (261)	\$ (402)	\$ (333)	\$ (300)	\$ (1,295)	\$ 242	\$ (1,533)	
Financing activities	\$ (321)	\$ (199)	\$ (41)	\$ (200)	\$ (75)	\$ (515)	\$ (2,144)	\$ (15)	
Net cash provided by (used in) operating activities	\$ 467	\$ 460	\$ 498	\$ 563	\$ 364	\$ 1,885	\$ 1,658	\$ 1,888	
Dealer generated customer accounts and bulk account purchases	(107)	(112)	(214)	(142)	(118)	(586)	(589)	(622)	
Subscriber system asset expenditures	(105)	(117)	(123)	(143)	(141)	(523)	(631)	(735)	
Purchases of property and equipment	(45)	(34)	(43)	(47)	(41)	(164)	(176)	(177)	
Free Cash Flow	\$ 209	\$ 197	\$ 119	\$ 231	\$ 65	\$ 612	\$ 262	\$ 355	
Net proceeds (payments) from receivables facility	(12)	(15)	(1)	(20)	8	(28)	81	156	
Restructuring and integration payments ⁽¹⁾	5	3	4	12	13	33	43	17	
Other, net ⁽²⁾	7	20	14	7	2	42	30	29	
Tax payments associated with gain on divestitures	—	—	—	—	—	—	25	—	
Adjusted Free Cash Flow	\$ 210	\$ 205	\$ 137	\$ 229	\$ 89	\$ 659	\$ 442	\$ 558	
Interest rate swaps presented outside operating activities	16	19	22	22	22	85	83	(19)	
Adjusted Free Cash Flow (including interest rate swaps)	\$ 226	\$ 224	\$ 158	\$ 251	\$ 111	\$ 744	\$ 525	\$ 539	

Note: Amounts may not sum due to rounding.

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

GAAP to Non-GAAP Reconciliations

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

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

(in millions unless otherwise noted)

	Three Months Ended					Twelve Months Ended				
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2024	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Income (loss) from continuing operations	\$ 142	\$ 197	\$ 132	\$ 126	\$ 164	\$ 598	\$ 575	\$ 619	\$ 450	\$ 312
Interest expense, net	121	82	162	110	87	474	486	441	570	263
Income tax expense (benefit)	51	29	50	60	56	190	198	196	161	88
Depreciation and intangible asset amortization	340	341	335	334	333	1,349	1,310	1,343	1,335	1,600
Amortization of deferred subscriber acquisition costs	60	59	56	55	55	230	199	225	188	154
Amortization of deferred subscriber acquisition revenue	(89)	(89)	(88)	(86)	(83)	(352)	(315)	(346)	(302)	(235)
Share-based compensation expense	21	9	10	21	8	61	34	49	39	53
Merger, restructuring, integration, and other ⁽¹⁾	4	9	2	2	12	16	36	24	39	10
Unrealized gain (loss) on interest rate swaps ⁽²⁾	4	3	5	3	7	15	23	18	17	—
Loss on extinguishment of debt	6	—	—	5	—	11	15	5	17	—
Other, net ⁽³⁾	1	11	(5)	—	(1)	6	(32)	5	(32)	60
Adjusted EBITDA	\$ 661	\$ 653	\$ 659	\$ 629	\$ 638	\$ 2,601	\$ 2,529	\$ 2,578	\$ 2,481	\$ 2,305
Selling (incl. Commissions) and Advertising						279	324			
Security Installations costs						272	157			
Security Installation revenue						(311)	(182)			
Adjusted EBITDA prior to subscriber acquisition						\$ 2,842	\$ 2,828			
Income (loss) from continuing operations to total revenue ratio	11%	16%	11%	10%	14%	12%	12%	13%	10%	7%
Adjusted EBITDA Margin (as % of total revenue)	52%	52%	53%	52%	54%	52%	54%	53%	53%	53%
Total revenue	1,267	1,260	1,244	1,205	1,190	4,976	4,710	4,898	4,653	4,382

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

- During 2024 and 2022, primarily relates to restructuring costs. 2024 also includes integrations and other charges. During 2023, includes integration and third-party strategic optimization costs, as well as restructuring costs.
- Includes unrealized gain / loss related to interest rate swaps presented in other income (expense).
- During 2023, primarily includes, the gain on sale of a business and other investment. During 2022, represents the change in fair value of the Forward Contract.

GAAP to Non-GAAP Reconciliations

Historical Adjusted EBITDA (including discontinued operations)

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

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

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

(in millions)

	Three Months Ended					Twelve Months Ended
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2022
Net income (loss)	\$ 140	\$ 190	\$ 127	\$ 92	\$ 92	\$ 133
Interest expense, net	121	82	162	110	89	265
Income tax expense (benefit)	50	27	50	47	31	49
Depreciation and intangible asset amortization	340	341	335	334	334	1,694
Amortization of deferred subscriber acquisition costs	60	59	56	55	55	163
Amortization of deferred subscriber acquisition revenue	(89)	(89)	(88)	(86)	(83)	(244)
Share-based compensation expense	21	9	10	21	8	67
Merger, restructuring, integration, and other	4	6	—	6	45	22
Solar goodwill impairment	—	—	—	—	—	201
Gain on sale of business	—	—	—	12	—	—
Other solar exit costs	—	—	—	13	38	—
Change in fair value of forward contract	—	—	—	—	—	63
Non-cash acquisition-related adjustments and other, net	13	27	7	8	6	35
Historical Adjusted EBITDA	<u>\$ 661</u>	<u>\$ 653</u>	<u>\$ 659</u>	<u>\$ 613</u>	<u>\$ 614</u>	<u>\$ 2,447</u>

Note: Amounts may not sum due to rounding.

GAAP to Non-GAAP Reconciliations

Adjusted Income (Loss) from Continuing Operations (“Adjusted Income (Loss)”) and Adjusted Diluted Income (Loss) per Share from Continuing Operations (“Adjusted Diluted Income (Loss) per Share” or “Adjusted EPS”)

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

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

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

(in millions, except per share data)

	Three Months Ended						Twelve Months Ended	
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2024	Dec. 31, 2024	
Income (loss) from continuing operations	\$ 142	\$ 197	\$ 132	\$ 126	\$ 164	\$ 619		
Share-based compensation expense	21	9	10	21	8	49		
Merger, restructuring, integration, and other ⁽¹⁾	4	9	2	2	12	24		
Interest rate swaps, net ⁽²⁾	25	(16)	63	8	(10)	45		
Loss on extinguishment of debt	6	—	—	5	—	5		
Other, net	1	11	(5)	—	(1)	5		
Tax adjustments ⁽³⁾	(13)	(35)	(18)	(6)	(2)	(62)		
Adjusted Income (Loss)	<u>\$ 186</u>	<u>\$ 176</u>	<u>\$ 183</u>	<u>\$ 156</u>	<u>\$ 171</u>	<u>\$ 685</u>		
Diluted weighted-average shares outstanding of Common Stock⁽⁴⁾:	871	895	913	909	918	909		
Diluted income (loss) from continuing operations per share of Common Stock	\$ 0.16	\$ 0.21	\$ 0.14	\$ 0.13	\$ 0.17	\$ 0.66		
Share-based compensation expense	0.02	0.01	0.01	0.02	0.01	0.05		
Merger, restructuring, integration, and other ⁽¹⁾	—	0.01	—	—	0.01	0.03		
Interest rate swaps, net ⁽²⁾	0.03	(0.02)	0.07	0.01	(0.01)	0.05		
Loss on extinguishment of debt	0.01	—	—	—	—	0.01		
Other, net	—	0.02	(0.01)	—	—	0.01		
Tax adjustments ⁽³⁾	(0.01)	(0.04)	(0.02)	(0.01)	—	(0.07)		
Adjusted EPS	<u>\$ 0.21</u>	<u>\$ 0.20</u>	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.19</u>	<u>\$ 0.75</u>		

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

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

GAAP to Non-GAAP Reconciliations

Leverage Ratios

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

<i>(in millions)</i>	Mar. 31, 2025	Mar. 31, 2024	Dec. 31, 2024	Dec. 31, 2023
Total debt (book value) ⁽¹⁾	\$ 7,819	\$ 7,889	\$ 7,707	\$ 7,826
LTM Income (loss) from continuing operations	\$ 598	\$ 575	\$ 619	\$ 450
Debt to income (loss) from continuing operations ratio	13.1x	13.7x	12.4x	17.4x

<i>(in millions)</i>	Mar. 31, 2025	Mar. 31, 2024	Dec. 31, 2024	Dec. 31, 2023
Revolver	\$ 40	\$ 50	\$ —	\$ —
Term loans	2,579	1,989	1,984	2,001
First lien and ADT notes	3,600	4,200	4,100	4,200
Receivables facility	396	444	408	436
Finance leases and other ⁽²⁾	63	81	69	88
Total first lien debt	\$ 6,678	\$ 6,764	\$ 6,561	\$ 6,724
Second lien notes	1,300	1,300	1,300	1,300
Total debt⁽³⁾	\$ 7,978	\$ 8,064	\$ 7,861	\$ 8,024
Less: Cash and cash equivalents	(4)	(4)	(96)	(15)
Less: Receivables Facility	(396)	(444)	(408)	(436)
Net debt	\$ 7,578	\$ 7,616	\$ 7,357	\$ 7,574
LTM Adjusted EBITDA from continuing operations	\$ 2,601	\$ 2,529	\$ 2,578	\$ 2,481
Net leverage ratio	2.9x	3.0x	2.9x	3.1x
LTM Adjusted EBITDA from continuing operations prior to subscriber acquisition	\$ 2,842	\$ 2,828		
Net leverage ratio prior to subscriber acquisition	2.7x	2.7x		
Annualized RMR	\$ 4,314	\$ 4,239		
Net Debt / Annualized RMR	1.8x	1.8x		

Note: Amounts may not sum due to rounding.

1. Excludes Solar finance leases consistent with the GAAP presentation as a discontinued operation.
2. As applicable, includes debt related to Solar business.
3. Debt instruments are stated at face value.

GAAP to Non-GAAP Reconciliations

Historical Leverage Ratios (including discontinued operations)

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

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

<i>(in millions)</i>	Dec. 31, 2022
Total debt (book value)	\$ 9,829
LTM net income (loss)	\$ 133
Debt to net income (loss) ratio	74.1x

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

Note: Amounts may not sum due to rounding.

1. Debt instruments are stated at face value.