



First Quarter 2026 Earnings Presentation

April 30, 2026





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 Company's capital allocation priorities and commitments; the Company's expected future financial results, including the Company's financial outlook and/or guidance and multi-year targets, which include Total Revenue, Adjusted Diluted Income (Loss) per Share ("Adjusted EPS"), Adjusted Free Cash Flow (including interest rate swaps) and Net Leverage Ratio; the Company's partnership programs and the bulk purchase of customer accounts; initiatives with respect to the Company's products and services, including ADT+ and the integration of Origin AI's presence sensing technology, and the expected benefits and capabilities of such products and services; the Company's development, deployment, and integration of AI in its products, services, and operations, including AI-driven customer interactions, virtual agents, operational efficiencies, and home intelligence capabilities; the Company's Remote Assistance program; the payment of any dividend to the Company's stockholders; and 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, risks and uncertainties related to 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"); the Company's ability to successfully integrate the acquisition of Origin AI and realize expected benefits of the acquisition; the Company's ability to execute on transformation initiatives, including technology initiatives related to artificial intelligence and whole-home intelligence; the Company's ability to maintain and grow the Company's existing customer base, including the conversion of customers who continue to utilize outdated technology, 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 impact of cyber attacks or related breaches with respect to information technology systems, cybersecurity, or data security involving the Company, our business partners, or other third parties whose systems are interconnected with ours, and any future or still undetected attacks or incidents; any material changes to the valuation allowances the Company takes with respect to its deferred tax assets; any changes in regulations or laws, global, economic, sovereign, political, or 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 dependence on third-party providers, suppliers, and dealers to enable it to produce and distribute its products and services in a cost-effective manner that protects the Company's brand; the Company's ability to effectively implement its strategic partnership with, and utilize any of the amounts invested by, Google; the Company's ability to expand ADT+ and achieve expected adoption and customer engagement; risks related to the Company's use of AI in its products, services, and operations, including evolving legal and regulatory requirements, technological limitations, potential liability, and reputational concerns; the expected shift in the Company's transaction mix (including increased outright equipment sales) and the related effects on the timing and mix of revenue and costs; 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.

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), Historical Adjusted EBITDA, 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 2026 and multi-year targets, the Company is not providing a quantitative reconciliation for forward-looking Adjusted EPS to GAAP diluted income (loss) per share from continuing operations, Adjusted Free Cash Flow (including interest rate swaps) to GAAP net cash provided by operating activities, or net leverage ratio to debt to income (loss) from continuing operations ratio, 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. All metrics are continuing operations and reflect the business operations of the former CSB segment.

Operating Metrics: Operating metrics such as Gross Customer Revenue Attrition, Ending Subscriber Count, RMR, Gross RMR Additions, Gross Unit Additions, Net Cash SAC, 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.



1Q26 highlights

- Continued **strong financial results and cash generation**
- **Durable recurring revenue base**, supported by \$4.3 billion of annualized RMR
- **Solid core operating metrics**, with gross revenue attrition of 13.1% and revenue payback at 2.3 years
- **Improved leverage and strong liquidity**, with net leverage at 2.7x and no revolver borrowings
- **Acquired Origin AI**, enabling new smart home use cases and privacy-preserving security features
- **Returned \$161 million to shareholders** through share repurchases and dividends

\$1.3B

Total Revenue

Up 1%

\$0.23

Adjusted EPS

Up 10%

\$414M

Adjusted Free Cash Flow

(incl. interest rate swaps)

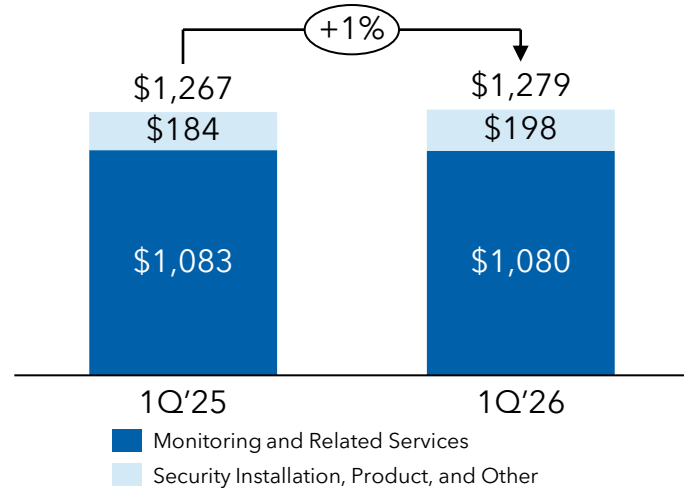
Up 83%

Note: All variances are on a year-over-year basis. Reconciliations for the Non-GAAP measures Adjusted EPS and Adjusted Free Cash Flow (incl. interest rate swaps) are available at the end of this presentation.

Key quarterly financials

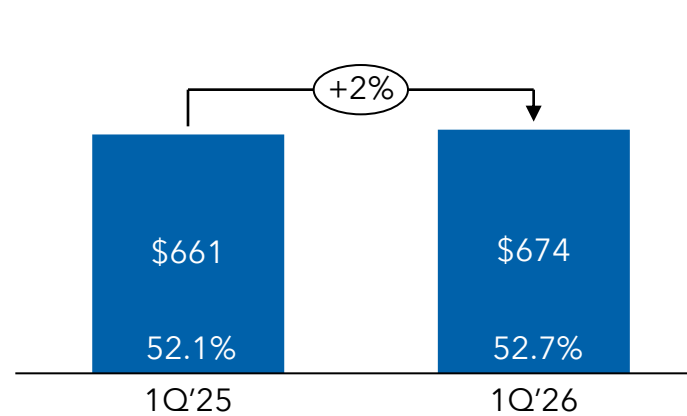
TOTAL REVENUE

\$ in millions



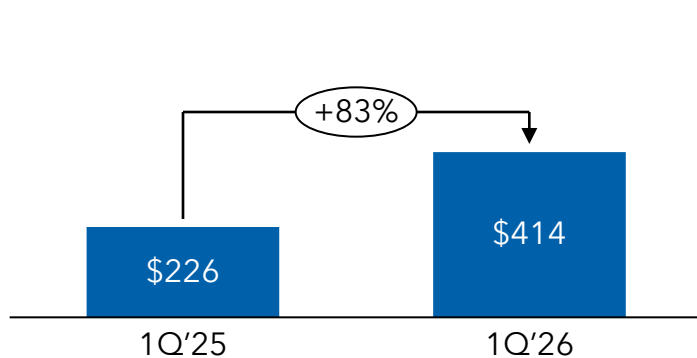
ADJUSTED EBITDA & MARGIN

\$ in millions

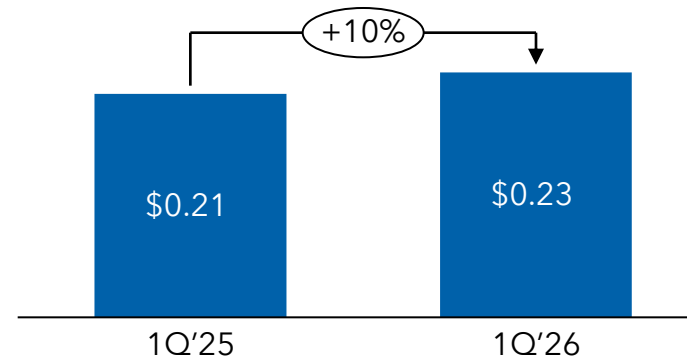


ADJUSTED FREE CASH FLOW

(incl. interest rate swaps)
\$ in millions



ADJUSTED EPS



- Increase in revenue primarily due to mix of pro install outright sales and average pricing, partially offset by prior year Multifamily Divestiture
- Adjusted EBITDA benefited from legal settlement loss recovery and higher margins, partially offset by an increase in allowance for credit losses
- Growth in adjusted EPS outpacing adjusted EBITDA due to share repurchases
- Strong cash generation due to lower cash interest and timing of payments and receipts



Additional key metrics

	1Q'26	1Q'25	Y/Y %
Ending Subscriber Count	6.1M	6.4M	(4%)
End of Period RMR including wholesale	\$359M	\$360M	0%
Gross RMR Additions	\$10.1M	\$10.6M	(4%)
Gross Unit Additions	161K	172K	(6%)
Gross Revenue Attrition	13.1%	12.6%	50 bps
LTM Revenue Payback	2.3x	2.3x	0.0x
Net Cash SAC	\$287M	\$302M	(5%)

- RMR and subscriber count decrease primarily due to Multifamily Divestiture
- RMR reflects higher average pricing
- Lower SAC spend driven primarily by fewer gross adds and continued strong unit economics
- Elevated attrition driven by non-pay cancellations partially offset by fewer voluntary disconnects

Note: Operating metrics presented exclude wholesale customers who outsource their monitoring to ADT unless otherwise noted. Gross Unit Additions represent Residential and Small Business. Net Cash Subscriber Acquisition Costs (SAC) represents the estimated cash expenditures for sales and installation, net of inflows received. Prior year metrics include legacy multifamily business, which was divested on October 1, 2025.



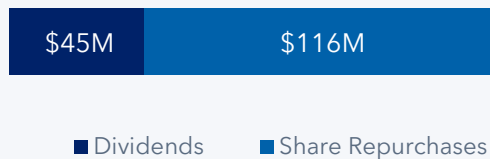
Disciplined capital allocation driving durable shareholder value

Returning Capital to Shareholders

Deliver predictable, sustainable returns

- \$1.5B share repurchase authorization approved Feb 2026
- Quarterly dividend of \$0.055/share
- \$161M returned through dividends and share repurchases in 1Q26

1Q26 CAPITAL RETURNED (\$M)



Investing in the Business

Fund high-return growth with discipline

- Origin AI acquisition enables AI-driven ambient sensing and home intelligence
- Continued investment in product innovation, technology, and ADT+ platform
- Disciplined approach to selective M&A and bulk account purchases

STRATEGIC FOCUS

Improve retention, lifetime value, and long-term cash flow generation

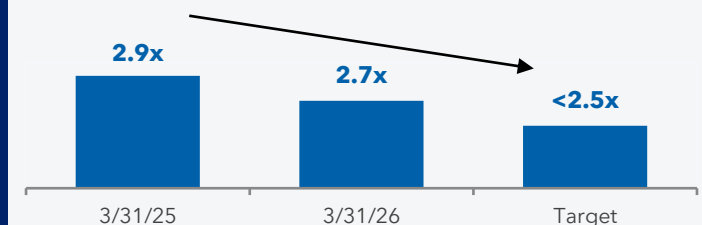
Strengthening the Balance Sheet

Preserve flexibility, reduce risk

- Strong liquidity with \$800M undrawn revolver
- Repaid remaining \$75M 2026 Notes at maturity
- Targeting continued net leverage reduction to below 2.5x

5 yr Maturity	4.3% Eff. rate	99% Fixed	BB/Ba3 Ratings
-------------------------	--------------------------	---------------------	--------------------------

NET LEVERAGE PROGRESS



Executing focused initiatives to drive growth, strengthen brand loyalty, and improve customer acquisition efficiency



Product Technology

Proprietary ecosystem advanced by ambient sensing



Service Excellence

Best-in-class service powered by people and strengthened by AI



Customer Acquisition

Diverse sales channels with expanded and optimized go-to-market

1Q26 Highlights

- ✓ Origin AI acquisition
- ✓ MySafety and Live Light™
- ✓ AI inbound call containment
- ✓ Affiliate rate reductions
- ✓ Dynamic sales territory management
- ✓ AI-enabled fleet safety

2Q26 Milestones

- ADT Blu DIY launch
- Amazon / e-tail availability
- Presence sensing device pilot
- ADT+ dealer expansion readiness
- Outbound AI sales and service pilots
- Intelligent call routing

GROWTH
LOYALTY
EFFICIENCY



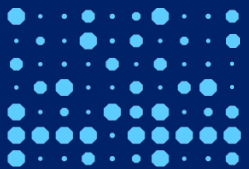
Our multi-year framework is enabled by 2026 initiatives and investments

- **2026 initiatives** and investments focused on expanding TAM, enhancing customer loyalty, and improving efficiency
- **Multi-year framework** for strong revenue growth, with adjusted EPS growing faster than revenue and adjusted FCF growing faster than adjusted EBITDA

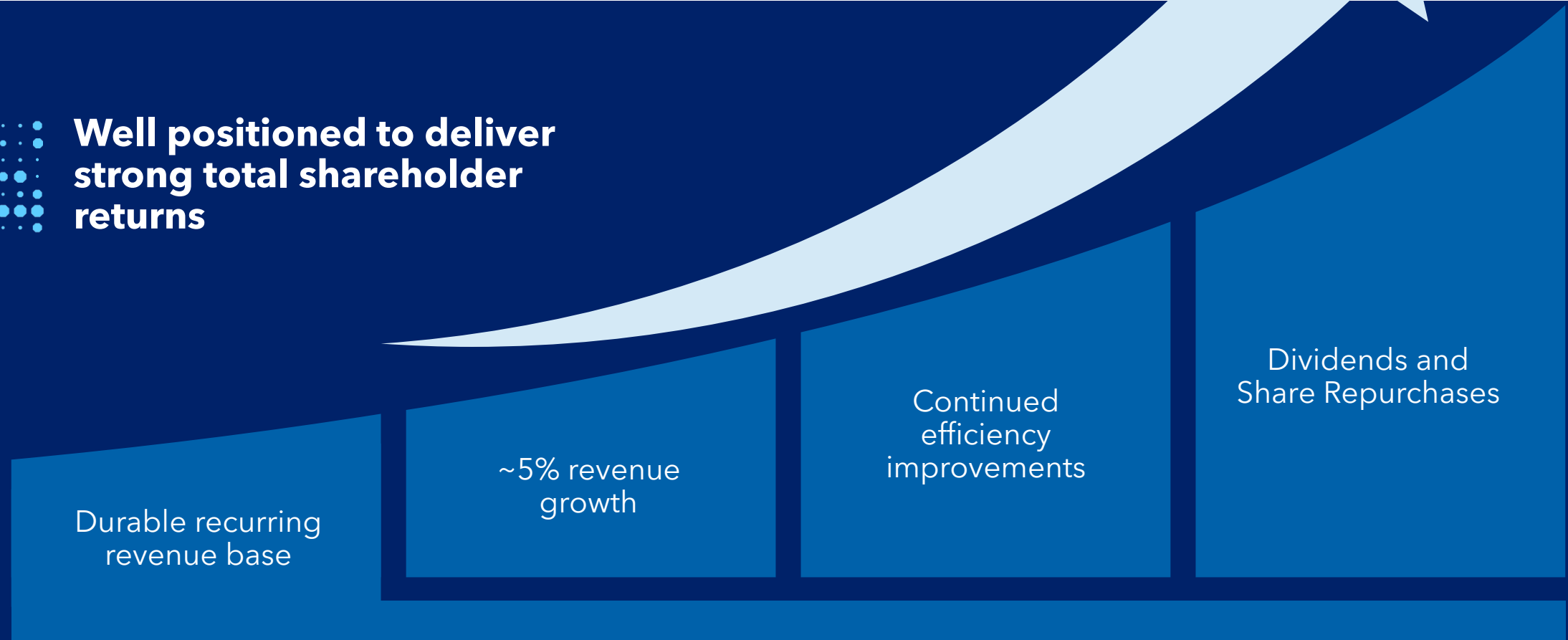
	2026 Outlook	Multi-Year Framework
Total Revenue	Flat	~5%
Adjusted EPS	Flat	~10%
Adjusted FCF <small>(including interest rate swaps)</small>	20%+	10%+

On track to achieve full year 2026 financial outlook

Our compelling value creation algorithm generates strong long-term total shareholder returns



Well positioned to deliver strong total shareholder returns



Durable recurring revenue base

~5% revenue growth

Continued efficiency improvements

Dividends and Share Repurchases

ADT is a compelling investment, well-positioned for durable long-term value creation and strong shareholder returns

ADT

- **Most trusted brand** in smart home security
- **Stable recurring subscriber base** generates significant durable and resilient recurring revenue
- **National footprint and scale** with industry-leading monitoring and service infrastructure
- **Proprietary technology platform** enables expanded and unique use cases and features
- **Differentiated** with innovative offerings, unrivaled safety, and premium customer experience
- **Significant free cash flow** generation and efficient capital structure enables financial flexibility
- **Committed to strong shareholder returns** via investments in growth and direct returns of capital





Appendix

Additional Financial Information & Non-GAAP Reconciliations





Financial & Operating Measures

(\$ in millions)	For the Three Months Ended				
	Mar. 31, 2026	Dec. 31, 2025	Sept. 30, 2025	Jun. 30, 2025	Mar. 31, 2025
<i>Financial Measures</i>					
Monitoring and related services (M&S)	\$1,080	\$1,083	\$1,098	\$1,090	\$1,083
Security installation, product, and other	\$198	\$193	\$200	\$197	\$184
Total Revenue	\$1,279	\$1,276	\$1,298	\$1,287	\$1,267
Adjusted EBITDA	\$674	\$670	\$676	\$674	\$661
<i>Adjusted EBITDA Margin (% Revenue)</i>	52.7%	52.5%	52.1%	52.3%	52.1%
Adjusted Income (Loss) from continuing operations	\$191	\$186	\$187	\$191	\$186
Adjusted EPS	\$0.23	\$0.23	\$0.23	\$0.23	\$0.21
GAAP Income (Loss) from continuing operations	\$169	\$146	\$144	\$168	\$142
GAAP EPS	\$0.20	\$0.17	\$0.17	\$0.19	\$0.16
<i>Operating Measures</i>					
Gross RMR Additions	\$10.1	\$10.3	\$12.5	\$14.3	\$10.6
Gross Unit Additions	161K	169K	210K	242K	172K
LTM Gross Customer Revenue Attrition	13.1%	13.1%	13.0%	12.8%	12.6%
LTM Revenue Payback (in years) ⁽¹⁾	2.3x	2.3x	2.3x	2.3x	2.3x
End of Period RMR (including Wholesale)	\$359	\$359	\$362	\$363	\$360
<i>End of Period RMR (excluding Wholesale)</i>	\$354	\$354	\$358	\$358	\$355

Note: Operating measures exclude wholesale customers who outsource their monitoring to ADT, unless otherwise noted. Gross Unit Additions represent Residential and Small Business.
 1. LTM Revenue Payback measures the approximate time, in years, required to recover our net SAC through contractual monthly recurring fees.



Adjusted Free Cash Flow Detail

(\$ in millions)	For the Three Months Ended				
	Mar. 31, 2026	Dec. 31, 2025	Sept. 30, 2025	Jun. 30, 2025	Mar. 31, 2025
<u>Adjusted Free Cash Flow</u>					
Adjusted EBITDA	\$674	\$670	\$676	\$674	\$661
Net Expensed SAC	\$45	\$46	\$61	\$48	\$51
Net Cash SAC ⁽¹⁾	(\$287)	(\$277)	(\$355)	(\$369)	(\$302)
Cash Taxes	(\$1)	(\$4)	(\$41)	(\$100)	\$2
Cash Interest	(\$98)	(\$126)	(\$129)	(\$64)	(\$155)
Capital and Software Expenditures ⁽²⁾	(\$57)	(\$60)	(\$53)	(\$49)	(\$60)
Working Capital & Other	\$125	(\$112)	\$35	\$118	\$12
Adjusted Free Cash Flow	\$401	\$139	\$192	\$257	\$210
Interest Rate Swaps	\$13	\$15	\$16	\$16	\$16
Adjusted Free Cash Flow (incl. interest rate swaps)	\$414	\$154	\$208	\$274	\$226
<u>Selected Items Detail</u>					
Non-capitalized Net SAC	\$51	\$38	\$59	\$3	\$55
Capitalized Net SAC	\$236	\$238	\$296	\$366	\$247
Net Cash SAC ⁽¹⁾	\$287	\$277	\$355	\$369	\$302
<i>memo: Net Expensed SAC</i>	\$45	\$46	\$61	\$48	\$51

Note:

- 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, 2026			For the twelve months ended March 31, 2026
	Capitalized	Non-capitalized	Total	Total
Selling, Advertising, and Commissions	\$94	\$67	\$161	\$665
Security Installation, Product, and Other Cost	-	\$87	\$87	\$346
Capitalized Direct SAC	\$91	-	\$91	\$381
Capitalized Dealer SAC	\$102	-	\$102	\$592
Upfront Cash Proceeds	(\$52)	(\$102)	(\$154)	(\$696)
Net Cash SAC	\$236	\$51	\$287	\$1,288

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.



Capital Structure and Maturity Profile

Leverage Ratios and Net Debt¹

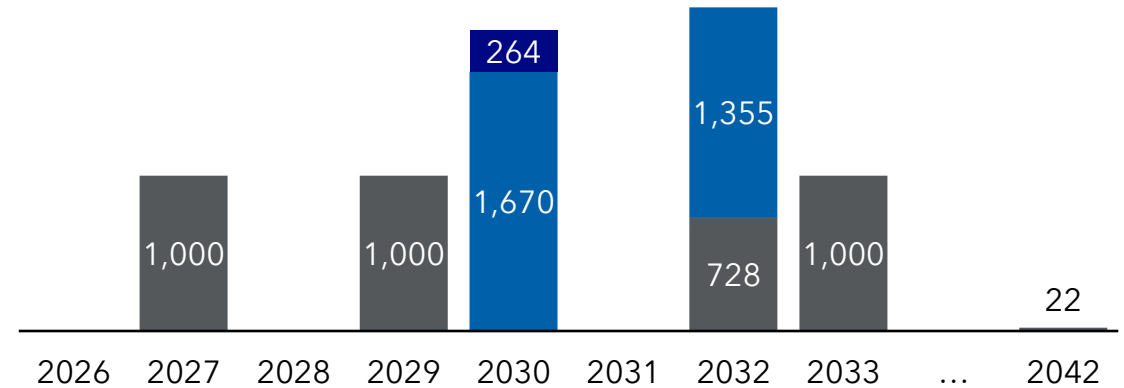
	Mar. 31, 2025	Mar. 31, 2026
Net Debt / Adj. EBITDA	2.9x	2.7x
Net Debt / Adj. EBITDA prior to subscriber acquisition	2.7x	2.5x
Net Debt / Annualized RMR	1.8x	1.7x

(\$ in millions)

Revolver	40	-
First Lien Term Loans	2,579	3,521
First Lien Notes	3,600	3,825
Second Lien Notes	1,300	-
Finance Leases and Other	63	42
Total Debt	7,852	7,388
Cash and Cash Equivalents	(4)	(119)
Net Debt	7,578	7,269

Debt Maturity Profile²

- 1st Lien Notes
- 1st Lien Term Loan B
- 1st Lien Term Loan A



Note:

- LTM Adjusted EBITDA reflects continuing operations only. The leverage ratio under our credit agreement includes certain defined adjustments and may differ from the ratio presented above. Reconciliations for the Non-GAAP measures Net Debt and Net Leverage Ratios are available at the end of this presentation.
- Debt balances in maturity profile after 2026 notes payment on 4/15/2026. Excludes annual mandatory amortization on Term Loans (\$42M-\$51M/year in 2026-2030; \$15M in 2031), receivables facility, and finance leases. Excludes any amount drawn on our \$800M revolver facility, which is zero as of 3/31/2026.



Statements of Operations

(in millions, except per share data)

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Revenue:				
Monitoring and related services	\$ 1,080	\$ 1,083	\$ (3)	—%
Security installation, product, and other	198	184	14	7%
Total revenue	1,279	1,267	11	1%
Cost of revenue (exclusive of depreciation and amortization shown separately below):				
Monitoring and related services	156	158	(2)	(1)%
Security installation, product, and other	87	82	5	6%
Total cost of revenue	243	240	3	1%
Selling, general, and administrative expenses	365	369	(4)	(1)%
Depreciation and intangible asset amortization	345	340	6	2%
Operating income (loss)	325	319	6	2%
Interest expense, net	(98)	(121)	22	(19)%
Other income (expense)	—	(5)	5	N/M
Income (loss) from continuing operations before income taxes	227	194	34	18%
Income tax benefit (expense)	(58)	(51)	(7)	(14)%
Income (loss) from continuing operations	169	142	27	19%
Income (loss) from discontinued operations, net of tax	(1)	(2)	1	56%
Net income (loss)	\$ 168	\$ 140	\$ 28	20%
Common Stock:				
Income (loss) from continuing operations per share - basic	\$ 0.21	\$ 0.17		
Income (loss) from continuing operations per share - diluted	\$ 0.20	\$ 0.16		
Net income (loss) per share - basic	\$ 0.21	\$ 0.16		
Net income (loss) per share - diluted	\$ 0.19	\$ 0.15		
Weighted-average shares outstanding - basic	760	808		
Weighted-average shares outstanding - diluted	822	871		
Class B Common Stock:				
Income (loss) from continuing operations per share - basic	\$ 0.21	\$ 0.17		
Income (loss) from continuing operations per share - diluted	\$ 0.20	\$ 0.16		
Net income (loss) per share - basic	\$ 0.21	\$ 0.16		
Net income (loss) per share - diluted	\$ 0.19	\$ 0.15		
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, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 119	\$ 81
Restricted cash and restricted cash equivalents	32	28
Accounts receivable, net	368	385
Inventories, net	189	202
Prepaid expenses and other current assets	191	250
Total current assets	899	946
Property and equipment, net	273	243
Subscriber system assets, net	2,749	2,791
Intangible assets, net	4,829	4,818
Goodwill	4,999	4,886
Deferred subscriber acquisition costs, net	1,479	1,452
Other assets	684	683
Total assets	\$ 15,913	\$ 15,819
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of long-term debt	\$ 309	\$ 310
Accounts payable	113	107
Deferred revenue	247	244
Accrued expenses and other current liabilities	397	352
Total current liabilities	1,067	1,013
Long-term debt	7,360	7,379
Deferred subscriber acquisition revenue	2,079	2,084
Deferred tax liabilities	1,287	1,267
Other liabilities	321	297
Total liabilities	12,113	12,040
Total stockholders' equity	3,800	3,779
Total liabilities and stockholders' equity	\$ 15,913	\$ 15,819

Note: Amounts may not sum due to rounding.



Statements of Cash Flows

<i>in millions</i>	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income (loss)	\$ 168	\$ 140
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>		
Depreciation and intangible asset amortization	345	340
Amortization of deferred subscriber acquisition costs	67	60
Amortization of deferred subscriber acquisition revenue	(90)	(89)
Share-based compensation expense	14	21
Deferred income taxes	5	3
Provision for losses on receivables and inventory	65	53
Loss on extinguishment of debt	—	6
Unrealized (gain) loss on interest rate swap contracts	8	25
Other non-cash items, net	19	19
<i>Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:</i>		
Deferred subscriber acquisition costs	(94)	(93)
Deferred subscriber acquisition revenue	52	58
Other, net	79	(76)
Net cash provided by (used in) operating activities	<u>638</u>	<u>467</u>
Cash flows from investing activities:		
Dealer generated customer accounts and bulk account purchases	(102)	(107)
Subscriber system asset expenditures	(91)	(105)
Purchases of property and equipment	(49)	(45)
Acquisition of businesses, net of cash acquired	(164)	—
Proceeds (payments) from interest rate swaps	—	(1)
Other investing, net	—	—
Net cash provided by (used in) investing activities	<u>(406)</u>	<u>(258)</u>
Cash flows from financing activities:		
Proceeds from long-term borrowings	—	637
Repayment of long-term borrowings, including call premiums	(11)	(511)
Proceeds from receivables facility	50	65
Repayment of receivables facility	(60)	(76)
Proceeds (payments) from interest rate swaps	12	17
Repurchases of common stock, including excise tax	(116)	(397)
Dividends on common stock	(45)	(49)
Payments on finance leases	(8)	(7)
Other financing, net	(12)	—
Net cash provided by (used in) financing activities	<u>(189)</u>	<u>(321)</u>
Cash and cash equivalents and restricted cash and restricted cash equivalents:		
Net increase (decrease)	43	(113)
Beginning balance	109	204
Ending balance	<u>\$ 152</u>	<u>\$ 91</u>

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 outlook for 2026 and long-range framework, the Company is not providing quantitative reconciliations for forward-looking 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.



GAAP to Non-GAAP Reconciliations

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

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

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

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

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

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

	Three Months Ended					Twelve Months Ended
	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2025
<i>(in millions)</i>						
Net cash provided by (used in):						
Operating activities	\$ 638	\$ 374	\$ 480	\$ 564	\$ 467	\$ 1,884
Investing activities	\$ (406)	\$ (197)	\$ (298)	\$ (364)	\$ (258)	\$ (1,118)
Financing activities	\$ (189)	\$ (239)	\$ (163)	\$ (138)	\$ (321)	\$ (862)
Net cash provided by (used in) operating activities	\$ 638	\$ 374	\$ 480	\$ 564	\$ 467	\$ 1,884
Dealer generated customer accounts and bulk account purchases	(102)	(109)	(157)	(224)	(107)	(596)
Subscriber system asset expenditures	(91)	(89)	(98)	(104)	(105)	(396)
Purchases of property and equipment	(49)	(50)	(43)	(38)	(45)	(176)
Free Cash Flow	\$ 396	\$ 126	\$ 182	\$ 198	\$ 209	\$ 716
Net proceeds (payments) from receivables facility	(11)	2	1	44	(12)	35
Merger, restructuring and integration payments ⁽¹⁾	12	2	2	3	5	12
Other, net ⁽²⁾	3	9	6	12	7	35
Adjusted Free Cash Flow	\$ 401	\$ 139	\$ 192	\$ 257	\$ 210	\$ 798
Interest rate swaps presented outside operating activities	13	15	16	16	16	65
Adjusted Free Cash Flow (including interest rate swaps)	\$ 414	\$ 154	\$ 208	\$ 274	\$ 226	\$ 863

Note: Amounts may not sum due to rounding.

1. During 2026, primarily includes payments related to the Origin AI Acquisition.
2. During 2025, primarily includes net outflows related to the former Solar Business and third-party costs associated with implementation of a new ERP system that the Company will not continue to incur once the ERP system is fully implemented.



GAAP to Non-GAAP Reconciliations

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

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

	Three Months Ended					Twelve Months Ended		
	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Mar. 31, 2026	Mar. 31, 2025	Dec. 31, 2025
<i>(in millions unless otherwise noted)</i>								
Income (loss) from continuing operations	\$ 169	\$ 146	\$ 144	\$ 168	\$ 142	\$ 627	\$ 598	\$ 601
Interest expense, net	98	110	113	116	121	437	474	459
Income tax expense (benefit)	58	68	55	59	51	240	190	233
Depreciation and intangible asset amortization	345	341	348	339	340	1,373	1,349	1,367
Amortization of deferred subscriber acquisition costs	67	66	64	62	60	260	230	253
Amortization of deferred subscriber acquisition revenue	(90)	(90)	(90)	(90)	(89)	(359)	(352)	(358)
Share-based compensation expense	14	12	11	12	21	48	61	55
Merger, restructuring, integration, and other ⁽¹⁾	7	—	6	3	4	16	16	13
Goodwill impairment ⁽²⁾	—	—	12	—	—	12	—	12
Unrealized gain (loss) on interest rate swaps ⁽³⁾	4	4	4	4	4	15	15	15
Loss on extinguishment of debt	—	8	5	—	6	12	11	19
Other, net	1	5	5	1	1	12	6	12
Adjusted EBITDA	<u>\$ 674</u>	<u>\$ 670</u>	<u>\$ 676</u>	<u>\$ 674</u>	<u>\$ 661</u>	<u>\$ 2,693</u>	<u>\$ 2,601</u>	<u>\$ 2,680</u>
Selling (incl. commissions) and advertising						283	279	281
Security installations costs						346	272	341
Security installation revenue						(428)	(311)	(416)
Adjusted EBITDA prior to subscriber acquisition						<u>\$ 2,894</u>	<u>\$ 2,842</u>	<u>\$ 2,886</u>
<i>Income (loss) from continuing operations to total revenue ratio</i>	13%	11%	11%	13%	11%	12%	12%	12%
<i>Adjusted EBITDA Margin (as % of total revenue)</i>	53%	53%	52%	52%	52%	52%	52%	52%
Total revenue	1,279	1,276	1,298	1,287	1,267	5,140	4,976	5,129

Note: Amounts may not sum due to rounding.

1. During 2026, primarily relates to the Origin AI Acquisition.
2. Represents a goodwill impairment charge associated with the Multifamily Divestiture.
3. Represents unrealized gain / loss related to interest rate swaps presented in other income (expense).



GAAP to Non-GAAP Reconciliations

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

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

Adjusted EPS equals Adjusted Income (Loss) divided by diluted weighted-average shares outstanding of common stock as calculated in accordance with GAAP. When the control number for the GAAP calculation is negative, diluted weighted-average shares outstanding of common stock does not include the assumed conversion of Class B common stock and other potential shares, such as share-based compensation awards, to shares of common stock. The Company believes Adjusted Income (Loss) and Adjusted EPS are benchmarks used by analysts and investors who follow the industry for comparison of its performance with other companies in the industry, although these measures may not be directly comparable to similar measures reported by other companies. The Company believes the presentation of Adjusted EPS is useful to investors as it provides additional information about how our management evaluates the business. 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, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2025
Income (loss) from continuing operations	\$ 169	\$ 146	\$ 144	\$ 168	\$ 142	\$ 601
Share-based compensation expense	14	12	11	12	21	55
Merger, restructuring, integration, and other ⁽¹⁾	7	—	6	3	4	13
Goodwill impairment ⁽²⁾	—	—	12	—	—	12
Interest rate swaps, net ⁽³⁾	8	14	15	17	25	71
Loss on extinguishment of debt	—	8	5	—	6	19
Other, net	1	5	5	1	1	12
Tax adjustments ⁽⁴⁾	(7)	1	(11)	(10)	(13)	(32)
Adjusted Income (Loss) from continuing operations	<u>\$ 191</u>	<u>\$ 186</u>	<u>\$ 187</u>	<u>\$ 191</u>	<u>\$ 186</u>	<u>\$ 750</u>
Diluted weighted-average shares outstanding of Common Stock⁽⁵⁾:	822	825	828	840	871	841
Diluted income (loss) from continuing operations per share of Common Stock	\$ 0.20	\$ 0.17	\$ 0.17	\$ 0.19	\$ 0.16	\$ 0.68
Share-based compensation expense	0.02	0.01	0.01	0.01	0.02	0.06
Merger, restructuring, integration, and other ⁽¹⁾	0.01	—	0.01	—	—	0.02
Goodwill impairment ⁽²⁾	—	—	0.01	—	—	0.01
Interest rate swaps, net ⁽³⁾	0.01	0.02	0.02	0.02	0.03	0.08
Loss on extinguishment of debt	—	0.01	0.01	—	0.01	0.02
Other, net	—	0.01	0.01	—	—	0.04
Tax adjustments ⁽⁴⁾	(0.01)	—	(0.01)	(0.01)	(0.01)	(0.04)
Adjusted EPS	<u>\$ 0.23</u>	<u>\$ 0.23</u>	<u>\$ 0.23</u>	<u>\$ 0.23</u>	<u>\$ 0.21</u>	<u>\$ 0.89</u>

Note: Amounts may not sum due to rounding.

1. During 2026, primarily relates to the Origin AI Acquisition.
2. Represents a goodwill impairment charge associated with the Multifamily Divestiture.
3. Primarily includes the unrealized (gains) or losses on interest rate swaps presented in interest expense, net and other income (expense).
4. Represents the tax impact on adjustments, using the federal and state blended statutory rate.
5. Refer to the Company's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K for further discussion regarding the computation of diluted weighted-average shares outstanding of common stock.



GAAP to Non-GAAP Reconciliations

Leverage Ratios

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

<i>(in millions)</i>	Mar. 31, 2026	Mar. 31, 2025
Total debt (book value)	\$ 7,669	\$ 7,819
LTM Income (loss) from continuing operations	\$ 627	\$ 598
Debt to income (loss) from continuing operations ratio	12.2x	13.1x
<i>(in millions)</i>	Mar. 31, 2026	Mar. 31, 2025
Revolver	\$ —	\$ 40
Term loans	3,521	2,579
First lien and ADT notes	3,825	3,600
Receivables facility	433	396
Finance leases and other	42	63
Total first lien debt	\$ 7,820	\$ 6,678
Second lien notes	—	1,300
Total debt⁽¹⁾	\$ 7,820	\$ 7,978
Less: Cash and cash equivalents	(119)	(4)
Less: Receivables Facility	(433)	(396)
Net debt	\$ 7,269	\$ 7,578
LTM Adjusted EBITDA from continuing operations	\$ 2,693	\$ 2,601
Net leverage ratio	2.7x	2.9x
LTM Adjusted EBITDA from continuing operations prior to subscriber acquisition	\$ 2,894	\$ 2,842
Net leverage ratio prior to subscriber acquisition	2.5x	2.7x
Annualized RMR	\$ 4,307	\$ 4,314
Net Debt / Annualized RMR	1.7x	1.8x

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



For More Information

+1 (888) 238-8525
investorrelations@adt.com
1501 Yamato Road
Boca Raton, FL 33431
United States