

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)



Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2026

OR



Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 001-38352



ADT Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

47-4116383

(I.R.S. Employer
Identification No.)

**1501 Yamato Road
Boca Raton, Florida 33431
(561) 988-3600**

(Address of principal executive offices, zip code, registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ADT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 23, 2026, there were 675,814,723 shares outstanding of the registrant's common stock, \$0.01 par value per share, and 54,744,525 shares outstanding of the registrant's Class B common stock, \$0.01 par value per share.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

ADT INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (in thousands, except share and per share data)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,875	\$ 80,817
Restricted cash and restricted cash equivalents	24,162	27,723
Accounts receivable, net of allowance for credit losses of \$73,556 and \$63,841, respectively	373,035	384,909
Inventories, net	183,658	201,778
Prepaid expenses and other current assets	179,630	250,325
Total current assets	764,360	945,552
Property and equipment, net	283,653	243,398
Subscriber system assets, net	2,695,659	2,790,879
Intangible assets, net	4,806,674	4,817,996
Goodwill	4,991,601	4,885,574
Deferred subscriber acquisition costs, net	1,508,923	1,451,841
Other assets	688,186	683,271
Total assets	\$ 15,739,056	\$ 15,818,511
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of long-term debt	\$ 240,524	\$ 310,204
Accounts payable	191,624	106,980
Deferred revenue	245,144	243,724
Accrued expenses and other current liabilities	430,698	352,040
Total current liabilities	1,107,990	1,012,948
Long-term debt	7,447,063	7,379,430
Deferred subscriber acquisition revenue	2,061,789	2,083,580
Deferred tax liabilities	1,298,254	1,267,329
Other liabilities	346,520	296,614
Total liabilities	12,261,616	12,039,901
Commitments and contingencies (See Note 12)		
Stockholders' equity:		
Preferred stock—authorized 1,000,000 shares of \$0.01 par value; zero issued and outstanding as of June 30, 2026 and December 31, 2025	—	—
Common stock—authorized 3,999,000,000 shares of \$0.01 par value; issued and outstanding shares of 678,861,460 and 765,201,157 as of June 30, 2026 and December 31, 2025, respectively	6,789	7,652
Class B common stock—authorized 100,000,000 shares of \$0.01 par value; issued and outstanding shares of 54,744,525 as of June 30, 2026 and December 31, 2025	547	547
Additional paid-in capital	6,104,965	6,679,222
Accumulated deficit	(2,667,945)	(2,907,255)
Accumulated other comprehensive income (loss)	33,084	(1,556)
Total stockholders' equity	3,477,440	3,778,610
Total liabilities and stockholders' equity	\$ 15,739,056	\$ 15,818,511

See Notes to Condensed Consolidated Financial Statements

ADT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue:				
Monitoring and related services	\$ 1,082,111	\$ 1,090,241	\$ 2,162,587	\$ 2,173,345
Security installation, product, and other	230,174	196,794	428,227	381,181
Total revenue	1,312,285	1,287,035	2,590,814	2,554,526
Cost of revenue (exclusive of depreciation and amortization shown separately below):				
Monitoring and related services	156,471	161,928	312,161	319,778
Security installation, product, and other	107,078	88,258	194,243	170,530
Total cost of revenue	263,549	250,186	506,404	490,308
Selling, general, and administrative expenses	385,907	356,138	750,676	724,738
Depreciation and intangible asset amortization	346,938	338,734	692,424	678,251
Operating income (loss)	315,891	341,977	641,310	661,229
Interest expense, net	(102,266)	(115,798)	(200,647)	(236,677)
Other income (expense)	2,259	803	2,685	(4,061)
Income (loss) from continuing operations before income taxes	215,884	226,982	443,348	420,491
Income tax benefit (expense)	(60,817)	(58,749)	(118,930)	(109,781)
Income (loss) from continuing operations	155,067	168,233	324,418	310,710
Income (loss) from discontinued operations, net of tax	(1,217)	(3,054)	(2,194)	(5,285)
Net income (loss)	\$ 153,850	\$ 165,179	\$ 322,224	\$ 305,425
Common Stock:				
Income (loss) from continuing operations per share - basic	\$ 0.20	\$ 0.20	\$ 0.41	\$ 0.37
Income (loss) from continuing operations per share - diluted	\$ 0.19	\$ 0.19	\$ 0.39	\$ 0.35
Net income (loss) per share - basic	\$ 0.20	\$ 0.20	\$ 0.41	\$ 0.36
Net income (loss) per share - diluted	\$ 0.19	\$ 0.18	\$ 0.38	\$ 0.34
Weighted-average shares outstanding - basic	706,307	777,635	732,864	792,748
Weighted-average shares outstanding - diluted	765,384	839,951	793,536	855,559
Class B Common Stock:				
Income (loss) from continuing operations per share - basic	\$ 0.20	\$ 0.20	\$ 0.41	\$ 0.37
Income (loss) from continuing operations per share - diluted	\$ 0.19	\$ 0.19	\$ 0.39	\$ 0.35
Net income (loss) per share - basic	\$ 0.20	\$ 0.20	\$ 0.41	\$ 0.36
Net income (loss) per share - diluted	\$ 0.19	\$ 0.18	\$ 0.38	\$ 0.34
Weighted-average shares outstanding - basic	54,745	54,745	54,745	54,745
Weighted-average shares outstanding - diluted	54,745	54,745	54,745	54,745

See Notes to Condensed Consolidated Financial Statements

ADT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss)	\$ 153,850	\$ 165,179	\$ 322,224	\$ 305,425
Other comprehensive income (loss), net of tax:				
Cash flow hedges and other	20,281	(1,258)	34,643	86
Comprehensive income (loss)	<u>\$ 174,131</u>	<u>\$ 163,921</u>	<u>\$ 356,867</u>	<u>\$ 305,511</u>

See Notes to Condensed Consolidated Financial Statements

ADT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

Three Months Ended June 30, 2026

	Number of Common Shares	Number of Class B Common Shares	Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Beginning balance	750,259	54,745	\$ 7,503	\$ 547	\$ 6,563,279	\$ (2,784,340)	\$ 12,803	\$ 3,799,792
Net income (loss)	—	—	—	—	—	153,850	—	153,850
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	20,281	20,281
Dividends	—	—	—	—	—	(40,585)	—	(40,585)
Share-based compensation expense	—	—	—	—	18,480	—	—	18,480
Repurchases of common stock (including excise tax)	(68,108)	—	(681)	—	(477,640)	—	—	(478,321)
Transactions related to employee share-based compensation plans and other	(3,290)	—	(33)	—	846	3,130	—	3,943
Ending balance	678,861	54,745	\$ 6,789	\$ 547	\$ 6,104,965	\$ (2,667,945)	\$ 33,084	\$ 3,477,440

Three Months Ended June 30, 2025

	Number of Common Shares	Number of Class B Common Shares	Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Beginning balance	788,153	54,745	\$ 7,882	\$ 547	\$ 6,840,189	\$ (3,225,634)	\$ (5,692)	\$ 3,617,292
Net income (loss)	—	—	—	—	—	165,179	—	165,179
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	(1,258)	(1,258)
Dividends	—	—	—	—	—	(45,895)	—	(45,895)
Share-based compensation expense	—	—	—	—	11,649	—	—	11,649
Repurchases of common stock (including excise tax)	(11,833)	—	(118)	—	(89,593)	—	—	(89,711)
Transactions related to employee share-based compensation plans and other	1,637	—	16	—	2,471	(364)	—	2,123
Ending balance	777,957	54,745	\$ 7,780	\$ 547	\$ 6,764,716	\$ (3,106,714)	\$ (6,950)	\$ 3,659,379

See Notes to Condensed Consolidated Financial Statements

ADT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

Six Months Ended June 30, 2026

	Number of Common Shares	Number of Class B Common Shares	Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Beginning balance	765,201	54,745	\$ 7,652	\$ 547	\$ 6,679,222	\$ (2,907,255)	\$ (1,556)	\$ 3,778,610
Net income (loss)	—	—	—	—	—	322,224	—	322,224
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	34,643	34,643
Dividends	—	—	—	—	—	(85,607)	—	(85,607)
Share-based compensation expense	—	—	—	—	32,056	—	—	32,056
Repurchases of common stock (including excise tax)	(85,758)	—	(858)	—	(600,719)	—	—	(601,577)
Transactions related to employee share-based compensation plans and other	(582)	—	(5)	—	(5,594)	2,693	(3)	(2,909)
Ending balance	<u>678,861</u>	<u>54,745</u>	<u>\$ 6,789</u>	<u>\$ 547</u>	<u>\$ 6,104,965</u>	<u>\$ (2,667,945)</u>	<u>\$ 33,084</u>	<u>\$ 3,477,440</u>

Six Months Ended June 30, 2025

	Number of Common Shares	Number of Class B Common Shares	Common Stock	Class B Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Beginning balance	836,590	54,745	\$ 8,366	\$ 547	\$ 7,117,098	\$ (3,318,174)	\$ (7,036)	\$ 3,800,801
Net income (loss)	—	—	—	—	—	305,425	—	305,425
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	86	86
Dividends	—	—	—	—	—	(93,081)	—	(93,081)
Share-based compensation expense	—	—	—	—	32,170	—	—	32,170
Repurchases of common stock (including excise tax)	(64,801)	—	(648)	—	(393,969)	—	—	(394,617)
Transactions related to employee share-based compensation plans and other	6,168	—	62	—	9,417	(884)	—	8,595
Ending balance	<u>777,957</u>	<u>54,745</u>	<u>\$ 7,780</u>	<u>\$ 547</u>	<u>\$ 6,764,716</u>	<u>\$ (3,106,714)</u>	<u>\$ (6,950)</u>	<u>\$ 3,659,379</u>

See Notes to Condensed Consolidated Financial Statements

ADT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net income (loss)	\$ 322,224	\$ 305,425
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>		
Depreciation and intangible asset amortization	692,424	678,269
Amortization of deferred subscriber acquisition costs	136,609	122,507
Amortization of deferred subscriber acquisition revenue	(179,132)	(178,489)
Share-based compensation expense	32,214	32,170
Deferred income taxes	17,845	2,488
Provision for losses on receivables and inventory	117,826	100,882
Loss on extinguishment of debt	—	6,443
Goodwill, intangible, and other asset impairments	—	1,504
Unrealized (gain) loss on interest rate swap contracts	17,159	41,876
Other non-cash items, net	33,190	38,607
<i>Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:</i>		
Deferred subscriber acquisition costs	(193,857)	(188,690)
Deferred subscriber acquisition revenue	98,272	115,365
Other, net	209,680	(47,832)
Net cash provided by (used in) operating activities	1,304,454	1,030,525
Cash flows from investing activities:		
Dealer generated customer accounts and bulk account purchases	(239,008)	(330,997)
Subscriber system asset expenditures	(169,637)	(209,188)
Purchases of property and equipment	(95,162)	(83,052)
Acquisition of businesses, net of cash acquired	(163,739)	—
Proceeds (payments) from interest rate swaps	1,079	(1,378)
Other investing, net	(394)	2,056
Net cash provided by (used in) investing activities	(666,861)	(622,559)
Cash flows from financing activities:		
Proceeds from long-term borrowings	249,700	730,000
Repayment of long-term borrowings, including call premiums	(246,872)	(650,489)
Proceeds from receivables facility	103,256	146,623
Repayment of receivables facility	(130,416)	(114,752)
Proceeds (payments) from interest rate swaps	24,386	34,163
Repurchases of common stock, including excise tax	(600,009)	(495,111)
Dividends on common stock	(89,908)	(95,998)
Payments on finance leases	(15,282)	(14,456)
Other financing, net	(12,951)	431
Net cash provided by (used in) financing activities	(718,096)	(459,589)
Cash and cash equivalents and restricted cash and restricted cash equivalents:		
Net increase (decrease)	(80,503)	(51,623)
Beginning balance	108,540	204,065
Ending balance	\$ 28,037	\$ 152,442

See Notes to Condensed Consolidated Financial Statements

ADT INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Organization

ADT Inc., together with its wholly-owned subsidiaries (collectively, “ADT” or the “Company”), is a leading provider of security, interactive, and smart home solutions serving consumer and small business customers in the United States (“U.S.”).

Basis of Presentation

The condensed consolidated financial statements included herein:

- have been prepared in U.S. dollars in accordance with generally accepted accounting principles in the United States of America (“GAAP”);
- are comprised of the consolidated results of ADT Inc. and its wholly-owned subsidiaries for which all intercompany transactions have been eliminated;
- are unaudited, but in the opinion of management, include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the Company’s financial position, results of operations, and cash flows for the interim periods presented; and
- should not be taken as indicative of results that may be expected for future interim periods or the full year.

The Condensed Consolidated Balance Sheet as of December 31, 2025 included herein was derived from the audited consolidated financial statements as of that date included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 Annual Report”). Certain information and footnote disclosures required in the annual consolidated financial statements have been omitted as appropriate. For a more comprehensive understanding of the Company and its interim results, these condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements included in the 2025 Annual Report.

Certain prior period amounts have been reclassified to conform with the current period presentation.

Use of Estimates

The preparation of these condensed consolidated financial statements in accordance with GAAP requires the Company to select accounting policies and make estimates that affect amounts reported in the condensed consolidated financial statements and the accompanying notes. The Company’s estimates are based on the relevant information available at the end of each period. Actual results could differ materially from these estimates under different assumptions or market conditions.

Segment Information

The Company evaluates and reports information based on the manner in which the chief operating decision maker (the “CODM”) evaluates performance and allocates resources. The CODM manages the business on a consolidated basis, and as such, the Company reports results in a single operating and reportable segment.

Refer to Note 3 “Segment Information.”

Discontinued Operations

The Company’s exit in 2024 from the residential solar business (the “Solar Business”) (the “ADT Solar Exit”) and the sale in 2023 of its commercial business (the “Commercial Business”) (the “Commercial Divestiture”) represented strategic shifts that had major effects on the Company’s operations and financial results. As applicable, the results of operations and financial position of these businesses are classified as discontinued operations and are not material. The Condensed Consolidated Statements of Cash Flows and Condensed Consolidated Statements of Comprehensive Income (Loss) present continuing and discontinued operations combined, as applicable.

ADT INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Accounting Standards Updates (“ASUs”)

Recently Adopted

Measurement of Credit Losses for Accounts Receivable and Contract Assets - ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326)*: Measurement of Credit Losses for Accounts Receivable and Contract Assets, provides entities a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets, permitting the use of current conditions as of the balance sheet date when developing related forecasts and assumptions.

The Company adopted this guidance, effective January 1, 2026, on a prospective basis and will apply the practical expedient where applicable. The adoption did not have a material impact on the Company’s consolidated financial statements or disclosures.

Recently Issued

Interim Reporting - ASU 2025-11, *Narrow-Scope Improvements (Topic 270)*: *Interim Reporting* is intended to improve navigability of the required interim disclosures and clarify when the guidance is applicable. The amendments also include additional guidance on what disclosures should be provided in interim reporting periods. The amendment adds to Topic 270 a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity.

This guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the impact of this guidance on its disclosures.

Targeted Improvements to the Accounting for Internal-Use Software - ASU 2025-06, *Intangibles — Goodwill and Other (Subtopic 350-40)*: *Targeted Improvements to the Accounting for Internal-Use Software*, removes all references to prescriptive and sequential software development stages, requiring an entity to start capitalizing software costs when management has authorized and committed to funding the software project and it is probable that the project will be completed and the software will be used to perform the function intended, as well as other evaluation and disclosure updates.

This guidance is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period.

The amendments in this ASU permit an entity to apply the new guidance using a prospective transition approach, a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption, and a retrospective transition approach. The Company is currently evaluating the impact of this guidance on its financial statements and disclosures.

Disaggregation of Income Statement Expenses - ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40)*: *Disaggregation of Income Statement Expenses*, requires additional disclosure in the footnotes at each interim and annual reporting period about specific types of expenses included in the expense captions presented on the face of the statement of operations as well as additional disclosures that also include information related to selling expenses.

The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its financial statements and disclosures.

Disclosure Improvements - ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative*, represents changes to clarify or improve disclosure and presentation requirements of a variety of topics.

The effective date for each amendment will be the date on which the SEC’s removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company is monitoring the potential impact of this guidance on its financial statements and disclosures.

ADT INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Significant Accounting Policies

Unless otherwise noted, the Company's accounting policies, including those presented herein, do not materially differ from those disclosed in the 2025 Annual Report.

Cash and Cash Equivalents and Restricted Cash and Restricted Cash Equivalents

The following table reconciles the amounts below reported in the Condensed Consolidated Balance Sheets to the total of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows:

<i>(in thousands)</i>	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 3,875	\$ 80,817
Restricted cash and restricted cash equivalents ⁽¹⁾	24,162	27,723
Ending balance	\$ 28,037	\$ 108,540

(1) Restricted cash and restricted cash equivalents relate to the Company's uncommitted receivables securitization financing agreement (the "2020 Receivables Facility") (refer to Note 6 "Debt").

Supplementary Cash Flow Information

During the six months ended June 30, 2026, the Company had non-cash investing activities of \$38 million related to contract costs incurred in connection with a long-term software agreement.

Inventories, net

Inventories, net includes finished goods and work-in-progress. Work-in-progress is not material.

Prepaid Expenses and Other Current Assets

<i>(in thousands)</i>	June 30, 2026	December 31, 2025
Prepaid expenses	\$ 42,329	\$ 52,992
Contract assets (see Note 2 "Revenue and Receivables")	27,851	28,758
Fair value of interest rate swaps (see Note 7 "Derivative Financial Instruments")	32,131	38,264
Tax receivables	26,759	73,201
Other current assets	50,560	57,110
Prepaid expenses and other current assets	\$ 179,630	\$ 250,325

Subscriber System Assets, net and Deferred Subscriber Acquisition Costs, net

Subscriber system assets represent capitalized equipment and installation costs incurred in connection with transactions in which the Company retains ownership of the security system, and which the Company may retrieve upon termination of the contract with the customer. Deferred subscriber acquisition costs represent selling expenses (primarily commissions) that are incremental to acquiring customers.

Subscriber system assets and any related deferred subscriber acquisition costs are accounted for on a pooled basis based on the month and year of customer acquisition. The Company depreciates and amortizes these pooled costs using an accelerated method over the estimated life of the customer relationship, which is 15 years.

Subscriber system assets are reflected in the Condensed Consolidated Balance Sheets as follows:

<i>(in thousands)</i>	June 30, 2026	December 31, 2025
Gross carrying amount	\$ 7,258,025	\$ 7,145,662
Accumulated depreciation	(4,562,366)	(4,354,783)
Subscriber system assets, net	\$ 2,695,659	\$ 2,790,879

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Depreciation of subscriber system assets and amortization of deferred subscriber acquisition costs are reflected in depreciation and intangible asset amortization and selling, general, and administrative expenses (“SG&A”), respectively, as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Depreciation of subscriber system assets	\$ 133,053	\$ 138,827	\$ 267,167	\$ 278,201
Amortization of deferred subscriber acquisition costs	\$ 69,164	\$ 62,149	\$ 136,609	\$ 122,507

Accrued Expenses and Other Current Liabilities

(in thousands)	June 30, 2026	December 31, 2025
Accrued interest	\$ 78,156	\$ 56,523
Payroll-related accruals	85,835	59,045
Accrued dividends	40,585	44,992
Other accrued liabilities	226,122	191,480
Accrued expenses and other current liabilities	\$ 430,698	\$ 352,040

Fair Value of Financial Instruments

The Company’s financial instruments primarily consist of cash and cash equivalents, restricted cash and restricted cash equivalents, accounts receivable, retail installment contract receivables (“RICs”), accounts payable, debt, and derivatives. Due to their short-term and/or liquid nature, the fair values of cash, restricted cash, accounts receivable, and accounts payable approximate their respective carrying amounts.

Cash and Cash Equivalents and Restricted Cash and Restricted Cash Equivalents - Included in cash and cash equivalents and restricted cash and restricted cash equivalents, as applicable from time to time, are investments in money market mutual funds. These investments are generally classified as Level 1 fair value measurements, which represent unadjusted quoted prices in active markets for identical assets or liabilities.

As of June 30, 2026 and December 31, 2025, investments in money market mutual funds were not material.

Long-Term Debt Instruments - The fair values of the Company’s long-term debt instruments are determined using broker-quoted market prices, which represent quoted prices for similar assets or liabilities as well as other observable market data, and are classified as Level 2 fair value measurements. The carrying amounts of debt outstanding, if any, under the Company’s first lien revolving credit facility (the “First Lien Revolving Credit Facility”) and the 2020 Receivables Facility approximate their fair values as interest rates on these borrowings approximate current market rates. Refer to Note 6 “Debt.”

(in thousands)	June 30, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt instruments ⁽¹⁾ (see Note 6 “Debt”)	\$ 7,629,176	\$ 7,629,075	\$ 7,641,869	\$ 7,746,284

(1) Excludes finance leases.

Derivative Financial Instruments - Derivative financial instruments are reflected in the Condensed Consolidated Balance Sheets as either assets or liabilities at their fair values, which are primarily calculated using discounted cash flow models utilizing observable inputs, such as quoted forward interest rates, and incorporate credit risk adjustments to reflect the risk of default by the counterparty or the Company. The resulting fair values are classified as Level 2 fair value measurements.

Refer to Note 7 “Derivative Financial Instruments” for the fair values of the Company’s derivative financial instruments.

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Retail Installment Contract Receivables - The fair values of the Company's RICs are determined using a discounted cash flow model and are classified as Level 3 fair value measurements. Refer to Note 2 "Revenue and Receivables."

(in thousands)	June 30, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Retail installment contract receivables, net	\$ 615,993	\$ 509,865	\$ 651,811	\$ 513,325

2. REVENUE AND RECEIVABLES

Revenue

The Company primarily generates revenue from contractual monthly recurring fees received for monitoring and related services, as well as the sale and installation of security systems. The Company's revenue-generating contracts are entered into primarily through its main operating entity and wholly-owned subsidiary, ADT LLC.

Disaggregated Revenue

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Sources of Revenue:				
Recurring monthly revenue	\$ 1,045,164	\$ 1,056,527	\$ 2,090,885	\$ 2,109,326
Other related services	36,947	33,714	71,702	64,019
Monitoring and related services	1,082,111	1,090,241	2,162,587	2,173,345
Installation and other revenue	\$ 140,637	\$ 107,176	\$ 249,095	\$ 202,692
Amortization of deferred subscriber acquisition revenue	89,537	89,618	179,132	178,489
Security installation, product, and other	230,174	196,794	428,227	381,181
Total revenue	\$ 1,312,285	\$ 1,287,035	\$ 2,590,814	\$ 2,554,526

The Company allocates the transaction price to each performance obligation based on the relative standalone selling price, which is determined using observable internal and external pricing, profitability, and operational metrics.

Customer-Owned Transactions - In transactions involving security systems sold outright to the customer (referred to as *outright sales*), the Company's performance obligations generally include the sale and installation of the security system, which is primarily recognized at a point in time based upon the nature of the transaction and contractual terms, and any monitoring and related services, which are recognized when these services are provided to the customer.

Company-Owned Transactions - In transactions in which the Company provides monitoring and related services but retains ownership of the security system, the Company's performance obligations primarily include (i) monitoring and related services, which are recognized when these services are provided to the customer, and (ii) a material right associated with the one-time non-refundable fees in connection with the initiation of a monitoring contract which the customer will not be required to pay again upon a renewal of the contract (referred to as deferred subscriber acquisition revenue).

Deferred subscriber acquisition revenue is amortized on a pooled basis over the estimated life of the customer relationship using an accelerated method consistent with the treatment of subscriber system assets and deferred subscriber acquisition costs.

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Remaining Performance Obligations

As of June 30, 2026, the Company's total remaining unsatisfied performance obligations relating to the provision of monitoring and related services are as follows (*in thousands*):

0-12 Months	13-24 Months	25-36 Months	Thereafter	Total
\$ 1,920,910	\$ 1,057,830	\$ 509,460	\$ 200,314	\$ 3,688,514

Allowance for Credit Losses

The Company evaluates its allowance for credit losses on accounts receivable in pools based on customer type. For each customer pool, the allowance for credit losses is estimated based on the delinquency status of the underlying receivables and the related historical loss experience. The allowance for credit losses is not material for the individual pools of customers.

<i>(in thousands)</i>	Six Months Ended June 30,	
	2026	2025
Beginning balance	\$ 63,841	\$ 57,795
Provision for credit losses	98,572	76,974
Write-offs, net of recoveries ⁽¹⁾	(88,857)	(67,929)
Ending balance	<u>\$ 73,556</u>	<u>\$ 66,840</u>

(1) Recoveries were not material for the periods presented. As such, write-offs are presented net of recoveries.

Retail Installment Contract Receivables, Net

The Company's RICs allow qualifying residential customers to pay the fees due at installation over a 12-, 24-, 36-, or 60-month interest-free period. The financing component is not significant.

Upon origination of a RIC, the Company utilizes external credit scores to assess customer credit quality and determine eligibility. Subsequent to origination, the Company monitors the delinquency status of the RICs as the key credit quality indicator.

The allowance for credit losses relates to RICs from outright sales transactions.

The following is a summary of unbilled retail installment contract receivables, net:

<i>(in thousands)</i>	June 30, 2026	December 31, 2025
Retail installment contract receivables, gross	\$ 677,895	\$ 689,023
Allowance for credit losses	(61,902)	(37,212)
Retail installment contract receivables, net	<u>\$ 615,993</u>	<u>\$ 651,811</u>
Balance Sheet Classification:		
Accounts receivable, net	\$ 262,844	\$ 268,552
Other assets	353,149	383,259
Retail installment contract receivables, net	<u>\$ 615,993</u>	<u>\$ 651,811</u>

As of June 30, 2026 and December 31, 2025, RICs, net, for which the Company grants a security interest as collateral for borrowings under the 2020 Receivables Facility were \$561 million and \$593 million, respectively. Refer to Note 6 "Debt" for further discussion regarding the 2020 Receivables Facility.

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Credit Quality

Upon origination of a RIC, the Company assigns an internal credit grade derived from external credit data obtained from a nationally recognized credit reporting provider to evaluate customer credit quality and establish contract eligibility. Subsequent to origination, the Company monitors the delinquency status of the RICs as the key credit quality indicator. Delinquent billed RICs are not a material portion of the Company's RICs.

The following tables present credit quality information related to the Company's RICs, including short-term receivables related to three-month payment plans, as of the periods presented:

	Loan Origination Year						
(in thousands)	2026	2025	2024	2023	2022	All preceding years	
Credit Quality Indicator:							
High	\$ 104,083	\$ 163,871	\$ 93,883	\$ 54,008	\$ 28,381	\$ 2,139	
Medium	60,531	66,944	31,345	13,797	6,220	492	
Low	14,739	21,112	10,172	4,357	1,684	137	
Total RICs as of June 30, 2026	\$ 179,353	\$ 251,927	\$ 135,400	\$ 72,162	\$ 36,285	\$ 2,768	
Current year gross write-offs	\$ 319	\$ 23,108	\$ 9,481	\$ 4,052	\$ 1,698	\$ 441	

	Loan Origination Year						
(in thousands)	2025	2024	2023	2022	2021	All preceding years	
Credit Quality Indicator:							
High	\$ 201,419	\$ 122,031	\$ 78,706	\$ 45,519	\$ 9,234	\$ 1	
Medium	97,692	43,839	21,801	10,286	2,277	7	
Low	31,684	14,341	6,664	2,870	652	—	
Total RICs as of December 31, 2025	\$ 330,795	\$ 180,211	\$ 107,171	\$ 58,675	\$ 12,163	\$ 8	

Contract Assets

Contract assets represent the Company's right to consideration in exchange for goods or services transferred to the customer. The contract asset is reclassified to accounts receivable as additional services are performed and billed, which is when the Company's right to the consideration becomes unconditional.

The Company has the right to bill customers as services are provided over time, which generally occurs over the course of a 12-, 24-, 36-, or 60-month period as additional services are performed and billed. There is no significant financing component.

<i>(in thousands)</i>	June 30, 2026	December 31, 2025
Contract assets, gross	\$ 76,014	\$ 69,506
Allowance for credit losses	(8,239)	(6,591)
Contract assets, net	\$ 67,775	\$ 62,915
Balance Sheet Classification:		
Prepaid expenses and other current assets	\$ 27,851	\$ 28,758
Other assets	39,924	34,157
Contract assets, net	\$ 67,775	\$ 62,915

Changes in contract assets for the three and six months ended June 30, 2026 and June 30, 2025 were not material. Increases in contract assets arise from revenue recognized in excess of contractual billings under outright sales transactions. Decreases primarily reflect the reclassification to accounts receivable as the Company's right to consideration becomes unconditional and, to a lesser extent, contract asset write-offs and impairment.

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Contract Liabilities

The Company's primary contract liabilities are deferred subscriber acquisition revenue and deferred revenue as presented on the balance sheet. Contract liabilities primarily represent amounts billed or collected in advance of the Company's fulfillment of performance obligations under customer contracts. Contract liabilities also include consideration received in advance for products or services that have not yet been transferred to the customer, including deferred revenue associated with the allocation of the transaction price to future performance obligations. Contract liabilities are recognized as revenue when the related performance obligations are satisfied, which typically occurs over the term of the customer's service agreement or upon completion of installation or product delivery.

For the six months ended June 30, 2026 and June 30, 2025, customer contract liabilities decreased by approximately \$19 million and increased by approximately \$29 million, respectively.

Revenue recognized from the amounts included in the beginning contract liability balance totaled approximately \$378 million and \$366 million for the six months ended June 30, 2026 and June 30, 2025, respectively.

Additional contract liabilities recognized for the six months ended June 30, 2026 and June 30, 2025 were approximately \$341 million and \$374 million, respectively.

Other changes in the contract liabilities were not material.

3. SEGMENT INFORMATION

The Company reports results in a single operating and reportable segment.

The Company's CODM is its Chairman, President, and Chief Executive Officer. The CODM evaluates performance and allocates resources on a consolidated basis using various measures primarily through reviews of operational performance packages, earnings releases, investor presentations, and the Company's SEC filings, as well as through the approval of the Company's annual budget and forecast.

The Company's reported segment profit measure is net income (loss) as this measure is most consistent with the amounts included in the Condensed Consolidated Statements of Operations. In addition, segment assets reviewed by the CODM are reported on the Company's Condensed Consolidated Balance Sheets as total assets.

The accounting policies of the Company's reportable segment are the same as those of the Company.

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The following presents a reconciliation to the Company's net income (loss) as reported in the Condensed Consolidated Statements of Operations and includes segment revenues, significant segment expenses that are regularly provided to or easily computed from information regularly provided to the CODM, other segment expenses, and adjustments to reconcile to net income (loss).

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total segment revenue	\$ 1,312,285	\$ 1,287,035	\$ 2,590,814	\$ 2,554,526
Less significant segment expenses:				
Customer service costs ⁽¹⁾	108,234	109,094	214,505	215,484
Maintenance costs ⁽¹⁾	48,237	52,834	97,656	104,294
Security installation, product, and other costs	107,078	88,258	194,243	170,530
Selling costs, including commissions ⁽²⁾	47,185	45,038	92,083	91,162
Amortization of deferred subscriber acquisition costs ⁽²⁾	69,164	62,149	136,609	122,507
Advertising costs ⁽²⁾	26,681	21,674	48,416	40,188
Provision for credit losses ⁽²⁾	53,149	48,841	122,134	99,320
Other general and administrative costs ⁽²⁾	165,599	162,384	306,143	329,923
Share-based compensation ⁽²⁾	18,588	11,649	32,214	32,170
Depreciation and intangible asset amortization	346,938	338,734	692,424	678,251
Interest expense	103,153	117,874	203,875	241,044
Income tax expense (benefit)	60,817	58,749	118,930	109,781
Total significant segment expenses	1,154,823	1,117,278	2,259,232	2,234,654
Less other segment items⁽³⁾:				
Other items in SG&A ⁽²⁾	5,541	4,403	13,077	9,468
Other, net	(3,146)	(2,879)	(5,913)	(306)
Total other segment items	2,395	1,524	7,164	9,162
Reconciliation of profit or loss:				
(Income) loss from discontinued operations, net of tax ⁽⁴⁾	1,217	3,054	2,194	5,285
Net income (loss)	\$ 153,850	\$ 165,179	\$ 322,224	\$ 305,425

(1) Included in monitoring and related services cost of revenue in the Condensed Consolidated Statements of Operations.

(2) Included in SG&A in the Condensed Consolidated Statements of Operations.

(3) Other segment items generally include other income and expenses, interest income, as well as certain other items included in SG&A that are not considered significant segment expenses. Interest income is not material for the periods presented.

(4) Represents activity related to the Commercial and Solar Businesses (as applicable during the periods), which are presented as discontinued operations.

4. ACQUISITIONS AND DIVESTITURES

From time to time, the Company may pursue business acquisitions that either strategically fit with the Company's existing core business or expand the Company's products and services in new and attractive adjacent markets.

The Company accounts for business acquisitions under the acquisition method of accounting. The assets acquired and liabilities assumed in connection with business acquisitions are recorded at the date of acquisition at their estimated fair values, with any excess of the purchase price over the estimated fair values of the net assets acquired recorded as goodwill. Significant judgment is required in estimating the fair value of assets acquired and liabilities assumed and in assigning useful lives to certain definite-lived intangible and tangible assets. Accordingly, the Company may engage third-party valuation specialists to assist in these determinations. The fair value estimates are based on available information as of the acquisition date and on future expectations and assumptions deemed reasonable by management, but are inherently uncertain.

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The condensed consolidated financial statements reflect the results of an acquired business starting from the effective date of the acquisition.

Origin AI Acquisition

On February 20, 2026, the Company acquired a 100% equity ownership interest in Origin Wireless, Inc. (“Origin AI”), a provider of patented AI-enabled presence detection and ambient sensing technology (the “Origin AI Acquisition”). By utilizing artificial intelligence and proprietary algorithms to analyze ubiquitous radio frequency signals, this newly acquired technology detects and classifies human presence and activity within the home or other premises without the use of cameras, audio, or wearable devices. This technology is expected to enhance the Company’s ability to improve alarm verification, reduce false alarms, and support new intelligent security and smart home use cases over time.

Total consideration transferred in connection with the Origin AI Acquisition was \$164 million, paid in cash.

The Company recognized \$61 million of technology intangible assets and \$2 million of customer relationships, which are amortized on a straight-line basis over 7 years and 5 years, respectively. The fair value of these intangible assets was estimated using the excess earnings method. The excess earnings method is an income approach that estimates the amount of residual (or excess) cash flows generated by an asset, which are reduced by certain contributory asset charges that represent the charges for the use of the asset.

The Company also recognized \$106 million of goodwill, which is not deductible for tax purposes, and allocated the goodwill to the consolidated operating and reporting unit. The goodwill recognized as a result of the Origin AI Acquisition reflects the strategic value of Origin’s technology and its anticipated integration into the Company’s existing and future product offerings. Refer to Note 5 “Goodwill and Other Intangible Assets.”

Other assets acquired and liabilities assumed were not material. The purchase price allocation reflects preliminary fair value estimates which may be subject to changes during the measurement period.

Acquisition costs were not material.

Subsequent to the close of the Origin AI Acquisition, the Company issued share-based compensation awards as a material inducement for certain key employees of Origin AI to remain employed with the Company following the Origin AI Acquisition (the “Origin AI Retention Awards”). Refer to Note 10 “Share-Based Compensation” for additional information.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

During the six months ended June 30, 2026, the Company recognized goodwill of \$106 million in connection with the Origin AI Acquisition. Refer to Note 4 “Acquisitions and Divestitures.”

There were no material measurement period adjustments to purchase price allocations during the six months ended June 30, 2026.

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Other Intangible Assets

(in thousands)	June 30, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:						
Contracts and related customer relationships	\$ 6,997,953	\$ (4,289,094)	\$ 2,708,859	\$ 6,754,810	\$ (4,012,248)	\$ 2,742,562
Dealer relationships	1,518,020	(815,958)	702,062	1,518,020	(776,413)	741,607
Other ⁽¹⁾	265,903	(203,150)	62,753	199,973	(199,146)	827
Total definite-lived intangible assets	8,781,876	(5,308,202)	3,473,674	8,472,803	(4,987,807)	3,484,996
Indefinite-lived intangible assets:						
Trade name	1,333,000	—	1,333,000	1,333,000	—	1,333,000
Intangible assets	\$ 10,114,876	\$ (5,308,202)	\$ 4,806,674	\$ 9,805,803	\$ (4,987,807)	\$ 4,817,996

(1) The balance as of June 30, 2026 includes the technology intangible related to the Origin AI Acquisition.

The change in the net carrying amount of contracts and related customer relationships during the period was as follows:

(in thousands)	
Balance as of December 31, 2025	\$ 2,742,562
Customer contract additions, net of dealer charge-backs ⁽¹⁾	241,143
Origin AI Acquisition customer relationships	2,000
Amortization	(276,846)
Balance as of June 30, 2026	\$ 2,708,859

(1) The weighted-average amortization period for customer contract additions was approximately 15 years.

Payments for customer contract additions under the Company's authorized dealer program and from other third parties are reflected as dealer generated customer accounts and bulk account purchases on the Condensed Consolidated Statements of Cash Flows.

During the six months ended June 30, 2026, the Company completed a bulk customer account purchase for a contractual purchase price of \$22 million, subject to reductions based on customer retention, and paid initial cash at closing of \$18 million.

During the six months ended June 30, 2025, the Company completed a bulk customer account purchase for a contractual purchase price of \$101 million, subject to reduction based on customer retention, and paid initial cash at closing of \$89 million.

Definite-Lived Intangible Asset Amortization Expense

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Definite-lived intangible asset amortization expense	\$ 160,342	\$ 154,593	\$ 320,395	\$ 309,269

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6. DEBT

The Company's debt is comprised of the following (*in thousands*):

Description	Issued	Maturity	Interest Rate ⁽¹⁾	Interest Payable	Balance as of	
					June 30, 2026	December 31, 2025
First Lien Term Loan B due 2030	10/13/2023	10/13/2030	Term SOFR +2.00%	Quarterly	\$ 1,754,328	\$ 1,764,249
First Lien Term Loan B-2 due 2032	3/7/2025	3/7/2032	Term SOFR +1.75%	Quarterly	1,434,725	1,441,989
First Lien Revolving Credit Facility	3/16/2018	10/1/2029	Term SOFR +2.00%	Quarterly	—	—
First Lien Term Loan A due 2030	10/28/2025	10/28/2030	Term SOFR +1.50%	Quarterly	420,313	325,000
First Lien Notes due 2026	4/4/2019	4/15/2026	5.750%	3/15 and 9/15	—	75,000
First Lien Notes due 2027	8/20/2020	8/31/2027	3.375%	6/15 and 12/15	1,000,000	1,000,000
First Lien Notes due 2029	7/29/2021	8/1/2029	4.125%	2/1 and 8/1	1,000,000	1,000,000
First Lien Notes due 2033	10/15/2025	10/15/2033	5.875%	1/15 and 7/15	1,000,000	1,000,000
ADT Notes due 2032	5/2/2016	7/15/2032	4.875%	1/15 and 7/15	728,016	728,016
ADT Notes due 2042	7/5/2012	7/15/2042	4.875%	1/15 and 7/15	21,896	21,896
2020 Receivables Facility ⁽²⁾	3/5/2020	2/20/2031	Various	Monthly	416,008	443,058
Total debt principal, excluding finance leases					7,775,286	7,799,208
Finance lease liabilities ⁽³⁾					58,411	47,765
Unamortized debt discount, net					(28,481)	(30,579)
Unamortized deferred financing costs					(19,964)	(22,949)
Unamortized purchase accounting fair value adjustment and other					(97,665)	(103,811)
Total debt					7,687,587	7,689,634
Current maturities of long-term debt, net of unamortized debt discount					(240,524)	(310,204)
Long-term debt					\$ 7,447,063	\$ 7,379,430

(1) Interest rate as of June 30, 2026. Interest on the 2020 Receivables Facility is primarily based on the Secured Overnight Financing Rate ("SOFR") +0.95% and Lender Cost of Funds +0.85%.

(2) Maturity date for the 2020 Receivables Facility represents the final maturity date of current loans borrowed under the facility.

(3) Refer to Note 13 "Leases" for additional information regarding the Company's finance leases.

As of June 30, 2026, the Company was in compliance with all financial covenant and other maintenance tests for all of its debt obligations.

First Lien Credit Agreement

The Company's first lien credit agreement, dated as of July 1, 2015 (together with subsequent amendments and restatements, the "First Lien Credit Agreement"), consists of term loans (the "First Lien Term Loan B due 2030" and the "First Lien Term Loan B-2 due 2032," together, the "First Lien Term Loan Bs") and the First Lien Revolving Credit Facility.

First Lien Revolving Credit Facility

During the six months ended June 30, 2026, the Company borrowed and repaid \$150 million under the First Lien Revolving Credit Facility. As of June 30, 2026, the available borrowing capacity was \$800 million.

During the six months ended June 30, 2025, the Company borrowed and repaid \$133 million under the First Lien Revolving Credit Facility.

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Term Loan A Credit Agreement

Significant activity since December 31, 2025 is as follows:

- **May 2026** - The Company amended and restated its term loan A credit agreement (the “Term Loan A Credit Agreement”), which provided for the issuance of \$100 million of incremental borrowings under a first lien term loan A due 2030 (the “Term Loan A due 2030”). These incremental borrowings have the same terms as existing loans under the Term Loan A due 2030. Debt issuance costs were not material. The Company used the net proceeds for general corporate purposes, including share repurchases.

First Lien Notes due 2026

Significant activity since December 31, 2025 is as follows:

- **April 2026** - The Company redeemed the remaining outstanding balance of the First Lien Notes due 2026 at maturity for a redemption price of \$75 million using cash on hand.

2020 Receivables Facility

Under the 2020 Receivables Facility, the Company obtains financing by selling or contributing certain RICs to the Company’s wholly-owned consolidated bankruptcy-remote special purpose entity (the “SPE”), which then grants a security interest in those RICs as collateral for cash borrowings.

Significant activity since December 31, 2025 is as follows:

- **March 2026** - The Company amended the agreement governing the 2020 Receivables Facility to extend the uncommitted revolving period to April 2026.
- **April 2026** - The Company amended the agreement governing the 2020 Receivables Facility to extend the uncommitted revolving period to April 2027, and to make certain amendments to advance rates, hedge rates, and other related provisions.

As of June 30, 2026, the Company had an uncommitted available borrowing capacity under the 2020 Receivables Facility of up to \$134 million, subject to a borrowing base determined by eligible receivables, the relevant advance rates, and applicable reserves as defined in the agreement.

Variable Interest Entity

The SPE meets the definition of a variable interest entity for which the Company is the primary beneficiary as it has the power to direct the SPE’s activities and the obligation to absorb losses or the right to receive benefits of the SPE. As such, the Company consolidates the SPE’s assets, liabilities, and financial results of operations.

The SPE’s assets and liabilities primarily consist of a portion of the Company’s unbilled RICs, net, as discussed in Note 2 “Revenue and Receivables,” and borrowings under the 2020 Receivables Facility, as presented above.

The impact to the Condensed Consolidated Statements of Operations from the 2020 Receivables Facility was primarily due to the allowance for credit losses and interest expense.

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Company’s derivative financial instruments primarily consist of interest rate swap contracts, which were entered into with the objective of managing exposure to variability in interest rates on the Company’s debt. SOFR is the applicable benchmark for all of the Company’s interest rate swap contracts. All interest rate swap contracts are reported at fair value in the Condensed Consolidated Balance Sheets. Derivative instruments designated as cash flow hedges were highly effective at inception and are expected to continue to be highly effective.

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For interest rate swap contracts that are:

- **Not designated as cash flow hedges:** Unrealized gains and losses are recognized in interest expense, net, or other income (expense) depending on the nature of the underlying.
- **Designated as cash flow hedges:** Unrealized gains and losses are recognized as a component of accumulated other comprehensive income (loss) ("AOCI") and are reclassified into interest expense, net, in the same period in which the related interest on debt affects earnings.

For interest rate swap contracts that have been de-designated as cash flow hedges and for which forecasted cash flows are:

- **Probable or reasonably possible of occurring:** Unrealized gains and losses previously recognized as a component of AOCI are reclassified into interest expense, net, in the same period in which the related interest on variable-rate debt affects earnings through the original maturity date of the related interest rate swap contracts.
- **Probable of not occurring:** Unrealized gains and losses previously recognized as a component of AOCI are immediately reclassified into interest expense, net.

Cash flows associated with the Company's derivatives are reflected as follows:

- **Operating activities:** Includes cash flows associated with the Company's interest rate swap contracts that are designated as cash flow hedges.
- **Investing activities:** Includes cash flows associated with the Company's interest rate swap contracts that were entered into with the intention of offsetting the economic overhedged position of a portion of the Company's existing interest rate swaps.
- **Financing activities:** Includes cash flows associated with the Company's interest rate swap contracts that included an other-than-insignificant financing element at inception.

The Company's interest rate swaps consist of the following (*notional amounts in thousands*):

Execution	Maturity	Designation	June 30, 2026	December 31, 2025
October 2019 ⁽¹⁾⁽²⁾	September 2026	Not designated	\$ 2,800,000	\$ 2,800,000
March 2023	March 2028	Not designated	100,000	100,000
April 2023	March 2028	Not designated	200,000	200,000
December 2023 ⁽²⁾	September 2026	Not designated	700,000	700,000
June 2025 ⁽³⁾	March 2032	Cash flow hedge	550,000	550,000
July 2025 ⁽³⁾	March 2032	Cash flow hedge	500,000	500,000
July 2025	March 2032	Not designated	100,000	100,000
September 2025 ⁽⁴⁾	October 2030	Cash flow hedge	200,000	200,000
October 2025 ⁽³⁾	December 2030	Cash flow hedge	100,000	100,000
October 2025 ⁽³⁾	March 2032	Cash flow hedge	200,000	200,000
October 2025 ⁽⁴⁾	December 2027	Cash flow hedge	1,400,000	1,400,000
Total notional amount			<u>\$ 6,850,000</u>	<u>\$ 6,850,000</u>

- (1) These swaps contain an other-than-insignificant financing element due to their off-market terms at inception. Prior to March 2020, these swaps were designated as cash flow hedges.
- (2) The December 2023 swaps were entered into to offset the excess notional interest rate swaps as a result of the partial redemption of the then outstanding First Lien Term Loan B due 2026 in connection with the Commercial Divestiture. The changes in fair value associated with these swaps and a portion of the October 2019 swaps are reflected in other income (expense).
- (3) These swaps were entered into to hedge the interest rate variability on the Company's First Lien Term Loan B-2 due 2032 or its direct replacement.
- (4) These forward-starting swaps were entered into to hedge the interest rate variability on the Company's First Lien Term Loan B due 2030 or its direct replacement with the swap settlement periods commencing in September 2026.

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Balance Sheet Classification <i>(in thousands)</i>	June 30, 2026	December 31, 2025
Prepaid expenses and other current assets	\$ 32,131	\$ 38,264
Other assets	31,079	3,722
Accrued expenses and other current liabilities	—	(1,044)
Other liabilities	—	(3,187)
Fair value of interest rate swaps - net asset (liability)	\$ 63,210	\$ 37,755

Unrealized gains (losses) on the Company's derivatives not classified as cash flow hedges that were recognized in the Statements of Operations were as follows:

Classification <i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest expense, net	\$ (5,743)	\$ (13,022)	\$ (9,588)	\$ (34,031)
Other income (expense)	\$ (3,862)	\$ (3,813)	\$ (7,571)	\$ (7,845)

The following table reflects unrealized gains (losses) on interest rate swaps designated as cash flow hedges, as well as reclassifications related to previously designated cash flow hedges, which are not material:

Changes in AOCI <i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Pre-tax current period change	\$ 26,710	\$ (1,591)	\$ 45,629	\$ 195
Income tax (benefit) expense	\$ (6,435)	\$ 384	\$ (10,992)	\$ (48)

As of June 30, 2026 and December 31, 2025, AOCI, net of tax, related to previously designated cash flow hedges was not material.

8. INCOME TAXES

Effective Tax Rate

The effective tax rate can vary from period to period due to permanent tax adjustments, discrete items such as the settlement of income tax audits and changes in tax laws, as well as recurring factors such as changes in the overall state tax rate. The discussion below is based on the continuing operations of the Company.

The Company's income tax expense for the three months ended June 30, 2026 was \$61 million, resulting in an effective tax rate for the period of 28.2%. The effective tax rate primarily represents the federal statutory tax rate of 21.0%, a state tax rate, net of federal benefits, of 5.0%, and non-deductible items of 1.4%.

The Company's income tax expense for the three months ended June 30, 2025 was \$59 million, resulting in an effective tax rate for the period of 25.9%. The effective tax rate primarily represents the federal statutory tax rate of 21.0%, and a state tax rate, net of federal benefits, of 4.9%.

The Company's income tax expense for the six months ended June 30, 2026 was \$119 million, resulting in an effective tax rate for the period of 26.8%. The effective tax rate primarily represents the federal statutory tax rate of 21.0%, and a state tax rate, net of federal benefits, of 5.0%.

The Company's income tax expense for the six months ended June 30, 2025 was \$110 million, resulting in an effective tax rate for the period of 26.1%. The effective tax rate primarily represents the federal statutory tax rate of 21.0%, and a state tax rate, net of federal benefits, of 5.2%.

9. EQUITY

Common Stock and Class B Common Stock

The Company has two classes of common stock, which comprises common stock ("Common Stock") and Class B common stock ("Class B Common Stock").

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Share Issuances

During the periods presented, shares issued resulted from the vesting of restricted stock units (“RSUs”) and stock option exercises related to fully vested share-based compensation awards as presented on the Condensed Consolidated Statements of Stockholders’ Equity.

Share Repurchases

The Company’s share repurchase plans discussed below allow the Company to purchase Common Stock, from time to time, in one or more open market or privately negotiated transactions, including pursuant to Rule 10b5-1 or Rule 10b-18 of the Exchange Act, or pursuant to one or more accelerated share repurchase agreements, subject to certain requirements and other factors. The Company is not obligated to repurchase any of its shares of Common Stock, and the timing and amount of any repurchases depends on legal requirements, market conditions, stock price, the availability of the safe harbor provided by Rule 10b-18 under the Exchange Act, alternative uses of capital, and other factors.

2026 Share Repurchase Plan

In February 2026, the Company's Board of Directors (the “Board of Directors”) approved a three-year share repurchase plan (the “2026 Share Repurchase Plan”), pursuant to which the Company is authorized to repurchase, through April 30, 2029, up to a maximum aggregate amount of \$1.5 billion of shares of the Company's Common Stock.

During the first quarter of 2026, the Company repurchased, and subsequently retired, 18 million shares in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act under the 2026 Share Repurchase Plan in multiple transactions for a total of \$116 million (or \$6.57 per share).

During the second quarter of 2026, the Company repurchased, and subsequently retired, 39 million shares of its Common Stock under the 2026 Share Repurchase Plan in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act in multiple transactions for a total of \$267 million (or \$6.85 per share).

Additionally, during the second quarter of 2026, the Company repurchased, and subsequently retired, 29 million shares of its Common Stock under the 2026 Share Repurchase Plan for \$211 million (or \$7.25 per share) in connection with a secondary offering of the Company’s Common Stock by Apollo Global Management, Inc. (“Apollo”) in May 2026. Refer to Note 14 “Related Party Transactions” for further information.

As of June 30, 2026, the Company had \$906 million remaining under the 2026 Share Repurchase Plan.

Subsequent event - Through July 23, 2026, the Company repurchased, and subsequently retired, 3 million shares of its Common Stock in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act under the 2026 Share Repurchase Plan in multiple transactions for a total of \$21 million (or \$6.81 per share). After these repurchases, the Company had \$885 million remaining under the 2026 Share Repurchase Plan.

2025 Share Repurchase Plan

In February 2025, the Board of Directors announced a share repurchase plan (the “2025 Share Repurchase Plan”), pursuant to which the Company was authorized to repurchase, through April 30, 2026, up to a maximum aggregate amount of \$500 million of shares of the Company's Common Stock. The Company exhausted the 2025 Share Repurchase Plan in July 2025.

During the first quarter of 2025, the Company repurchased, and subsequently retired, an additional 18 million shares in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act in multiple transactions for a total of \$140 million (or \$7.79 per share).

Additionally, during the first quarter of 2025, the Company repurchased, and subsequently retired, 20 million shares of its Common Stock under the 2025 Share Repurchase Plan for \$152 million (or \$7.62 per share) in connection with a secondary offering of the Company’s Common Stock by Apollo in March 2025. Refer to Note 14 “Related Party Transactions” for further information.

During the second quarter of 2025, the Company repurchased, and subsequently retired, 12 million shares in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act under the 2025 Share Repurchase Plan in multiple transactions for a total of \$96 million (or \$8.14 per share).

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Dividends

(in thousands, except per share data)

(in thousands, except per share data)			Common Stock		Class B Common Stock	
Declaration Date	Record Date	Payment Date	Per Share	Aggregate	Per Share	Aggregate
During the Six Months Ended June 30, 2026						
3/2/2026	3/12/2026	4/2/2026	\$ 0.055	\$ 42,011	\$ 0.055	\$ 3,011
4/30/2026	6/11/2026	7/7/2026	0.055	37,574	0.055	3,011
		Total	\$ 0.110	\$ 79,585	\$ 0.110	\$ 6,022
During the Six Months Ended June 30, 2025						
2/27/2025	3/13/2025	4/3/2025	\$ 0.055	\$ 44,175	\$ 0.055	\$ 3,011
4/24/2025	6/12/2025	7/8/2025	0.055	42,884	0.055	3,011
		Total	\$ 0.110	\$ 87,059	\$ 0.110	\$ 6,022

Subsequent Event - On July 30, 2026, the Company announced a dividend of \$0.055 per share to holders of Common Stock and Class B Common Stock of record on September 10, 2026, which will be paid on October 1, 2026.

Accumulated Other Comprehensive Income (Loss)

During the periods presented, there were no material reclassifications out of AOCI. Refer to Note 7 “Derivative Financial Instruments.”

10. SHARE-BASED COMPENSATION

RSUs

During the first quarter of 2026, the Company completed its annual long-term incentive plan equity awards (the “2026 Annual Grant”) to employees by granting approximately 4 million RSUs under its 2018 Omnibus Incentive Plan, as amended (the “2018 Plan”), with a grant date fair value of \$6.74 per share, which is equal to the closing price per share of the Company’s Common Stock on the date of grant. These RSUs are service-based awards with a three-year graded vesting period from the date of grant.

Options

During the first quarter of 2026, the Company granted approximately 9 million options to its executive officers under the 2018 Plan as part of the 2026 Annual Grant. These options are service-based awards with a three-year graded vesting period from the date of grant and have an exercise price of \$6.74 per share, which is equal to the closing price per share of the Company’s Common Stock on the date of grant, and a contractual term of ten years from the grant date. The weighted-average grant date fair value for the options granted during the period was \$2.23 per share.

The Company used a binomial lattice model to determine the grant date fair value for options granted and included the following assumptions:

Expected exercise term	7 years
Expected volatility ⁽¹⁾	41.9%
Expected dividend yield ⁽²⁾	3.3%
Risk-free interest rate ⁽³⁾	4.1%

(1) Estimated using historical and implied stock price volatility of the Company.

(2) Calculated by taking the annual dividend run-rate and dividing by the stock price at date of grant.

(3) Based on the U.S. Treasury yield curve.

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Origin AI Retention Awards

The Company registered on Form S-8 approximately 8 million shares of Common Stock issuable upon vesting and settlement of the Origin AI Retention Awards (as discussed in Note 4 “Acquisitions and Divestitures”), including dividend equivalent units (“DEUs”), which are subject to the same vesting and forfeiture conditions as the underlying awards.

These awards include approximately 3 million service-based awards with a three-year graded vesting period from the date of grant and approximately 5 million awards subject to both service requirements and performance conditions tied to the completion of certain milestones, and have a grant date fair value of \$7.91 per share.

Other

During the first quarter of 2025, the Company modified certain share-based compensation awards and recorded additional share-based compensation expense of \$11 million associated with these modifications.

11. EARNINGS PER SHARE

The Company applies the two-class method for computing and presenting earnings per share for each class of common stock, which allocates current period income (losses) to each class of common stock and participating securities based on dividends declared and participation rights in the remaining undistributed earnings or losses.

Basic earnings per share is computed by dividing the income (losses) allocated to each class of common stock by the related weighted-average number of shares outstanding during the period. Diluted earnings per share gives effect to all securities representing potential common shares that were dilutive and outstanding during the period for each class of common stock and excludes potentially dilutive securities whose effect would have been anti-dilutive.

Common Stock

Potential shares of Common Stock include (i) incremental shares related to the vesting or exercise of share-based compensation awards, warrants, and other options to purchase additional shares of the Company’s Common Stock calculated using the treasury stock method and (ii) incremental shares of Common Stock issuable upon the conversion of Class B Common Stock. Additionally, the basic and diluted earnings per share computations for Common Stock for the prior periods presented excluded unvested shares of approximately 4 million as their vesting was contingent upon achievement of certain performance requirements, which were not achieved. These awards were cancelled during the second quarter of 2026.

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>in thousands, except per share amounts</i>				
Allocation of income (loss) from continuing operations - basic	\$ 143,821	\$ 157,164	\$ 301,783	\$ 290,597
Dilutive effect	3,604	3,572	7,210	6,994
Allocation of income (loss) from continuing operations - diluted	<u>\$ 147,425</u>	<u>\$ 160,736</u>	<u>\$ 308,993</u>	<u>\$ 297,591</u>
Allocation of income (loss) from discontinued operations, net of tax - basic	\$ (1,129)	\$ (2,853)	\$ (2,042)	\$ (4,944)
Dilutive effect	—	—	—	—
Allocation of income (loss) from discontinued operations, net of tax - diluted	<u>\$ (1,129)</u>	<u>\$ (2,853)</u>	<u>\$ (2,042)</u>	<u>\$ (4,944)</u>
Weighted-average shares outstanding - basic	706,307	777,635	732,864	792,748
Dilutive effect ⁽¹⁾	59,077	62,316	60,672	62,811
Weighted-average shares outstanding - diluted	<u>765,384</u>	<u>839,951</u>	<u>793,536</u>	<u>855,559</u>
Income (loss) from continuing operations per share - basic	\$ 0.20	\$ 0.20	\$ 0.41	\$ 0.37
Income (loss) from continuing operations per share - diluted	\$ 0.19	\$ 0.19	\$ 0.39	\$ 0.35
Income (loss) from discontinued operations, net of tax, per share - basic	\$ —	\$ —	\$ —	\$ (0.01)
Income (loss) from discontinued operations, net of tax, per share - diluted	\$ —	\$ —	\$ —	\$ (0.01)

- (1) During the three and six months ended June 30, 2026, 34 million and 30 million shares of Common Stock, respectively, that would be dilutive were excluded from the diluted earnings per share calculations because their effects would have been anti-dilutive.

During the three and six months ended June 30, 2025, 23 million and 21 million shares of Common Stock, respectively, that would be dilutive were excluded from the diluted earnings per share calculations because their effects would have been anti-dilutive.

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Class B Common Stock

	Three Months Ended June 30,		Six Months Ended June 30,	
<i>in thousands, except per share amounts</i>	2026	2025	2026	2025
Allocation of income (loss) from continuing operations - basic	\$ 11,246	\$ 11,069	\$ 22,635	\$ 20,113
Dilutive effect	(593)	(561)	(1,188)	(972)
Allocation of income (loss) from continuing operations - diluted	<u>\$ 10,653</u>	<u>\$ 10,508</u>	<u>\$ 21,447</u>	<u>\$ 19,141</u>
Allocation of income (loss) from discontinued operations, net of tax - basic	\$ (88)	\$ (201)	\$ (152)	\$ (341)
Dilutive effect	—	—	—	—
Allocation of income (loss) from discontinued operations, net of tax - diluted	<u>\$ (88)</u>	<u>\$ (201)</u>	<u>\$ (152)</u>	<u>\$ (341)</u>
Weighted-average shares outstanding - basic	54,745	54,745	54,745	54,745
Dilutive effect ⁽¹⁾	—	—	—	—
Weighted-average shares outstanding - diluted	<u>54,745</u>	<u>54,745</u>	<u>54,745</u>	<u>54,745</u>
Income (loss) from continuing operations per share - basic	\$ 0.20	\$ 0.20	\$ 0.41	\$ 0.37
Income (loss) from continuing operations per share - diluted	\$ 0.19	\$ 0.19	\$ 0.39	\$ 0.35
Income (loss) from discontinued operations, net of tax, per share - basic	\$ —	\$ —	\$ —	\$ (0.01)
Income (loss) from discontinued operations, net of tax, per share - diluted	\$ —	\$ —	\$ —	\$ (0.01)

(1) There were no potential shares of Class B Common Stock during the periods presented.

12. COMMITMENTS AND CONTINGENCIES

Contractual Obligations

There have been no significant changes to the Company's contractual obligations as compared to December 31, 2025, except as discussed below:

Google Commercial Agreement

In July 2020, the Company and Google LLC ("Google") entered into a Master Supply, Distribution, and Marketing Agreement (as amended, the "Google Commercial Agreement"), pursuant to which, among other things, each party agreed to contribute \$150 million towards joint marketing, customer acquisition, training of the Company's employees, and product technology updates related to the Google Devices and Services. In August 2022, the Company and Google executed an amendment to the Google Commercial Agreement, pursuant to which Google agreed to commit an additional \$150 million to fund growth, data and insights, product innovation and technology advancements, customer acquisition, and marketing, as mutually agreed by the Company and Google, (together with the initial amounts, the "Google Success Funds").

During the six months ended June 30, 2026, approximately \$15 million of the Google Success Funds were approved for reimbursement to the Company, primarily for certain joint marketing and customer acquisition expenses incurred. Substantially all the reimbursement was recorded as a reduction to advertising expenses.

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Google Cloud Agreement Addendum

In December 2023, the Company and Google entered into an addendum to the Company's existing agreement with Google for using Google cloud services (the "Google Cloud Agreement Addendum"), pursuant to which Google has agreed to provide certain credits, discounts, and other incentives for use of the Google Cloud Platform to the Company, and the Company committed to purchasing \$200 million of Google Cloud Platform services over seven years (through December 2030), with \$35 million in the first two years, \$65 million in the next two years after that, and \$100 million in the last three years of the commitment.

In May 2026, the Company entered into an amendment to the Google Cloud Agreement Addendum, which replaced the Company's initial purchase commitment. Under the amended terms, the Company has committed to purchase \$235 million of Google Cloud Platform services over a five-year period ending in May 2031, with annual minimum spend commitments that allow for flexibility in the amount spent in any given period. As of June 30, 2026, spend under the amended agreement was not material.

The Company may elect at any time to cancel the commitment in return for a cancellation fee of 30% of the total remaining commitment amount and loss of any discounts, remaining credits, or other incentives provided under the Google Cloud Agreement Addendum, as amended.

Guarantees

In the normal course of business, the Company is liable for contract completion and product performance. As of June 30, 2026 and December 31, 2025, the Company's guarantees primarily relate to standby letters of credit related to its insurance programs and totaled \$47 million and \$48 million, respectively.

The Company does not believe such obligations will materially affect its financial position, results of operations, or cash flows.

Legal Proceedings

The Company is subject to various claims and lawsuits in the ordinary course of business, which include among other things commercial general liability claims, automobile liability claims, contractual disputes, worker's compensation claims, labor law and employment claims, claims related to alleged alarm system failures, claims that the Company infringed on the intellectual property of others, and consumer and employment class actions. The Company is also subject to regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations, and threatened legal actions and proceedings. In connection with such formal and informal inquiries, the Company receives numerous requests, subpoenas, and orders for documents, testimony, and information in connection with various aspects of its activities. There have been no material changes to the disclosures in the Company's 2025 Annual Report.

The Company records accruals for losses that are probable and reasonably estimable. These accruals are based on a variety of factors such as judgment, probability of loss, opinions of internal and external legal counsel, and actuarially determined estimates of claims incurred but not yet reported based upon historical claims experience. Legal costs in connection with claims and lawsuits in the ordinary course of business are expensed as incurred. Additionally, the Company records insurance recovery receivables or other indemnifications from third-parties when recovery has been determined to be probable. The Company has not accrued for any losses for which the likelihood of loss cannot be assessed, is less than probable, or the range of possible loss cannot be estimated.

As of June 30, 2026 and December 31, 2025, the Company's accrual for ongoing claims and lawsuits within the scope of an insurance program, including certain amounts related to discontinued operations, totaled \$91 million and \$86 million, respectively. The Company's accrual related to ongoing claims and lawsuits not within the scope of an insurance program is not material.

13. LEASES

Company as Lessee

As part of normal operations, the Company leases real estate, vehicles, and equipment primarily through its main operating entity and wholly-owned subsidiary, ADT LLC.

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Right-of-Use Assets and Lease Liabilities

<i>(in thousands)</i>			June 30, 2026	December 31, 2025
Presentation and Classification:				
Operating	Current	Prepaid expenses and other current assets	\$ 85	\$ 92
Operating	Non-current	Other assets	81,669	83,910
Finance	Non-current	Property and equipment, net ⁽¹⁾	52,732	41,317
Total right-of-use assets			\$ 134,486	\$ 125,319
Operating	Current	Accrued expenses and other current liabilities	\$ 19,812	\$ 16,841
Finance	Current	Current maturities of long-term debt	28,340	22,674
Operating	Non-current	Other liabilities	77,306	81,290
Finance	Non-current	Long-term debt	30,071	25,091
Total lease liabilities			\$ 155,529	\$ 145,896

(1) Finance lease right-of-use assets are recorded net of accumulated depreciation, which was approximately \$93 million and \$87 million as of June 30, 2026 and December 31, 2025, respectively.

Lease Cost

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease cost	\$ 6,473	\$ 6,837	\$ 12,772	\$ 13,154
Finance lease cost:				
Amortization of right-of-use assets	6,324	5,485	12,044	10,852
Interest on lease liabilities	748	834	1,396	1,764
Variable lease costs	12,287	10,238	21,525	20,149
Total lease cost	\$ 25,832	\$ 23,394	\$ 47,737	\$ 45,919

Lease Liabilities Arising from Obtaining Right-of-Use Assets

<i>(in thousands)</i>	Six Months Ended June 30,	
	2026	2025
Operating leases	\$ 7,458	\$ 12,519
Finance leases	\$ 26,469	\$ 1,444

Company as Lessor

The Company is a lessor in certain Company-owned transactions as the Company has identified a lease component associated with the right-of-use of the security system and a non-lease component associated with the monitoring and related services.

For transactions in which (i) the timing and pattern of transfer is the same for the lease and non-lease components and (ii) the lease component would be classified as an operating lease if accounted for separately, the Company applies the practical expedient to aggregate the lease and non-lease components and accounts for the combined transaction based upon its predominant characteristic, which is the non-lease component. The Company accounts for the combined component as a single performance obligation under the applicable revenue guidance and recognizes the underlying assets within subscriber system assets, net.

14. RELATED PARTY TRANSACTIONS

The Company's related party transactions primarily relate to products and services received from, or monitoring and related services provided to, other entities affiliated with Apollo, and, from time to time, certain transactions with Apollo. There were no notable related party transactions during the periods presented other than as described below.

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Apollo

May 2026 Offering and Share Repurchase

In May 2026, certain entities managed by Apollo (the “Selling Stockholders”) sold their remaining approximately 102 million shares of the Company’s common stock (the “May 2026 Offering”). Immediately following the May 2026 Offering, as of May 5, 2026 (the “May Offering Closing Date”), Apollo no longer owns any shares of the Company’s common stock and has ceased to be a related party. In addition, effective as of the May Offering Closing Date, the Company’s Amended and Restated Stockholders Agreement, dated December 14, 2018, (the “Stockholders Agreement”) between the Company, Prime Security Services TopCo Parent, L.P., and the Co-Investors (as defined therein), terminated, and Apollo’s designees to the Company’s Board of Directors resigned.

In connection with the May 2026 Offering, the Company repurchased, and subsequently retired, 29 million shares of its Common Stock under the 2026 Share Repurchase Plan for an aggregate purchase price of \$211 million (or approximately \$7.25 per share).

The underwriters did not receive any underwriting fees for the shares repurchased by the Company.

All shares sold in connection with the May 2026 Offering were sold by the Selling Stockholders. The Company did not receive any proceeds from the May 2026 Offering.

March 2025 Offering and Share Repurchase

In March 2025, the Selling Stockholders sold 80.5 million shares (including shares sold pursuant to the underwriters overallotment option) of the Company’s Common Stock (the “March 2025 Offering”).

In connection with the March 2025 Offering, the Company repurchased, and subsequently retired, 20 million shares of its Common Stock under the 2025 Share Repurchase Plan for an aggregate purchase price of \$152 million (or approximately \$7.62 per share).

June 2025 Apollo Sale

On June 4, 2025, the Selling Stockholders sold an aggregate of 45 million shares of the Company’s Common Stock in the open market (the “June 2025 Apollo Sale”). Immediately following the June 2025 Apollo Sale, Apollo owned less than 25% of the Company’s outstanding Common Stock and, as a result, the Company’s Amended and Restated Management Investor Rights Agreement terminated. The consent rights described in Section 4.1 of the Stockholders Agreement also terminated following the June 2025 Apollo Sale. Additionally, the margin loan as defined and discussed in the 2024 Annual Report was paid off in full following the June 2025 Apollo Sale.

Other Transactions with Apollo

During the six months ended June 30, 2026 and 2025, other fees incurred to Apollo were not material.

Fleet Management Agreement

During the second quarter of 2025, the Company entered into an agreement with a vendor affiliated with Apollo for fleet management and related services through 2030. As a result of the May 2026 Offering, this vendor is no longer a related party. Through the date of the May 2026 Offering Closing Date, the Company incurred fees to the vendor of approximately \$13 million (inclusive of pass-through costs). The impact to the Company was not material during the second quarter of 2025.

State Farm

Subsequent event - On July 2, 2026, the Company filed a prospectus supplement registering all of the approximately 133 million shares of the Company's common stock (the “State Farm Shares”) held by State Farm Fire & Casualty Company (“State Farm”). The Company will not receive any proceeds in the event of any sale of the State Farm Shares.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

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INTRODUCTION

The following section contains forward-looking statements about our business, operations, and financial performance based on current plans and estimates that involve risks, uncertainties, and assumptions, which could differ materially from actual results. Factors that could cause such differences are discussed in the sections of this Quarterly Report on Form 10-Q titled “Cautionary Statements Regarding Forward-Looking Statements” and Item 1A “Risk Factors.”

The discussion and analysis below focuses on significant or material items to the Company. To obtain a more comprehensive understanding of our financial condition, changes in financial condition, and results of operations, the following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and the related notes included in our 2025 Annual Report.

BUSINESS AND BASIS OF PRESENTATION

Our Business

ADT (or “we,” “our,” and “us”), provides security, interactive, and smart home solutions to consumer and small business customers in the U.S.

Our mission is to empower people to protect and connect what matters most with safe, smart, and sustainable solutions, delivered through innovative offerings, unrivaled safety, and a premium experience because we believe that everyone deserves to feel safe.

Basis of Presentation

We report our results as a single operating and reportable segment. All financial information presented in this section has been prepared in U.S. dollars in accordance with GAAP, excluding any non-GAAP measures, and includes the accounts of ADT Inc. and its wholly-owned subsidiaries. All intercompany transactions have been eliminated.

Results of our former Solar and Commercial businesses are presented within discontinued operations for current and historical periods, as applicable.

KEY PERFORMANCE INDICATORS

We evaluate our results using certain key performance indicators, including operating metrics such as recurring monthly revenue and gross customer revenue attrition, as well as GAAP total revenue and the non-GAAP measures Adjusted Earnings per Share (“Adjusted EPS”) and Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“Adjusted EBITDA”), both from continuing operations.

Computations of our key performance indicators may not be comparable to other similarly titled measures reported by other companies.

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Certain operating metrics are approximated, as there may be variations to reported results due to certain adjustments we might make in connection with the integration over several periods of acquired companies that calculated these metrics differently or periodic reassessments and refinements in the ordinary course of business, including changes due to system conversions or historical methodology differences in legacy systems.

End-of-Period Recurring Monthly Revenue (“RMR”)

RMR is generated by contractual recurring fees for monitoring and other recurring services provided to our customers, including contracts monitored but not owned.

We use RMR to evaluate our overall sales, installation, and retention performance. Additionally, we believe the presentation of RMR is useful to investors because it measures the volume of revenue under contract at a given point in time, which is useful for forecasting future revenue performance as the majority of our revenue comes from recurring sources.

Gross Customer Revenue Attrition

Gross customer revenue attrition is defined as RMR lost as a result of customer attrition, net of dealer charge-backs and reinstated customers, excluding contracts monitored but not owned and self set-up/do-it-yourself (“DIY”) customers. Customer sites are considered canceled when all services are terminated. Dealer charge-backs represent customer cancellations charged back to the dealers because the customer canceled service during the charge-back period, which is generally thirteen months.

Gross customer revenue attrition is calculated on a trailing twelve-month basis, the numerator of which is the RMR lost during the period due to attrition, net of dealer charge-backs and reinstated customers, and the denominator of which is total annualized RMR based on an average of RMR under contract at the beginning of each month during the period, in each case, excluding contracts monitored but not owned and self set-up/DIY customers.

We use gross customer revenue attrition to evaluate our retention and customer satisfaction performance, as well as evaluate subscriber trends by vintage year. Additionally, we believe the presentation of gross customer revenue attrition is useful to investors as it provides a means to evaluate drivers of customer attrition and the impact of retention initiatives.

Total Revenue

Management and the Board of Directors use total revenue, which is calculated in accordance with GAAP, to evaluate the performance of employees (including members of management) and the Company as a whole, as well as to allocate resources. Refer to the section titled “Results of Operations—Revenue” for additional information.

Adjusted EPS

Adjusted EPS (from continuing operations) is a non-GAAP measure. Our definition of Adjusted EPS, a reconciliation of Adjusted EPS to diluted income (loss) from continuing operations per share (the most directly comparable GAAP measure), and additional information, including a description of the limitations relating to the use of Adjusted EPS, are provided under “Results of Operations—Non-GAAP Measures.”

Adjusted EBITDA

Adjusted EBITDA (from continuing operations) is a non-GAAP measure. Our definition of Adjusted EBITDA, a reconciliation of Adjusted EBITDA to income (loss) from continuing operations (the most directly comparable GAAP measure), and additional information, including a description of the limitations relating to the use of Adjusted EBITDA, are provided under “Results of Operations—Non-GAAP Measures.”

TRENDS, UNCERTAINTIES, AND FACTORS AFFECTING OPERATING RESULTS

The information described herein could have a material effect on our business, financial condition, results of operations, cash flows, and key performance indicators.

Subscribers

As of June 30, 2026, we served approximately 6.1 million security monitoring service subscribers. Generally, a significant upfront investment is required to acquire new subscribers that in turn provide ongoing and predictable recurring revenue (RMR) generated from our monitoring services and other subscriber-based offerings. Although the economics of each installation may vary depending on the customer type, acquisition channel, and product and service offerings, we generally achieve revenue break-even in approximately two years.

New subscriber additions and customer attrition have a direct impact on our financial results, including revenue, operating income, and cash flows. A portion of our recurring subscriber base can be expected to cancel its service each year for a variety of reasons, including relocation, cost, loss to competition, or service issues, or we may disconnect service due to non-payment. A 100 basis point change in customer attrition typically has approximately a \$40 million impact on recurring revenue on an annualized basis.

As of June 30, 2026, gross customer revenue attrition was 13.1%, as compared to 12.8% in the prior year, driven by higher non-payment disconnects slightly offset by fewer voluntary disconnects.

Relocations are sensitive to changes in the residential housing market, and fewer relocations generally lead to improvements in customer attrition, but fewer subscriber additions. Additionally, non-payment disconnects generally increase in a weaker macroeconomic environment. We may experience fluctuations in these or other trends in the future as changes in the general macroeconomic environment or housing market develop.

Revenue and Offerings

The mix, price, offerings, sales and distribution channel, and equipment ownership of transactions impacts our results. For example, our results are impacted by the mix of transactions accounted for under a Company-owned equipment model versus a customer-owned equipment model (referred to as outright sales), as there are different accounting treatments applicable to each model, as discussed in Note 2 “Revenue and Receivables.” Historically, the majority of professional installation transactions occurred under a Company-owned model. However, since the second quarter of 2024, a growing percentage of our direct channel new subscriber adds are outright sales in connection with the national launch of our ADT+ platform.

As a result, we have continued to experience an increase in both security installation, product, and other revenue and related costs due to the transition to our ADT+ platform, in which the equipment is sold outright to the customer. Currently, approximately 40% of new subscribers are outright sales. In early 2026, the Company refined its go-to-market approach for certain non-ADT+ residential transactions and transitioned such transactions to an outright sales model where equipment will be customer owned, which aligns with the equipment ownership model for ADT+ transactions. Accordingly, we expect this to continue to result in an increase in security installation, product, and other revenue and cost of revenue recognized in the statements of operations in subsequent periods.

The mix of professional installation solutions versus self set-up solutions may impact our results in future periods, as professional installation solutions typically have higher contractual fees than our self set-up solutions as a result of differences in pricing, offer tactics, and level of products and services. As we refine our go-to-market approach and explore additional sales channels, we may experience an increase in the proportion of ADT self set-up customers, which are considered outright sales. Although the DIY market typically has lower monthly recurring fees than our professional installations, we believe this approach will allow us to grow our subscriber base.

Changes in our recurring revenue base, including subscriber count, price escalations, or change in offerings, can also impact our results.

As of June 30, 2026, RMR was \$360 million, as compared to \$363 million in the prior year period, primarily reflecting lower recurring monthly revenue due to the sale of our multifamily business in October 2025 (the “Multifamily Divestiture”), partially offset by an increase in average prices.

Macroeconomic and Other Trends and Uncertainties

We may also experience an increase in other costs associated with factors such as (i) offering a wider variety of products and services; (ii) providing a greater mix of interactive and smart home solutions; (iii) replacing or upgrading certain system components due to technological advancements, cybersecurity upgrades, software or hardware end-of-life or otherwise; (iv) supply chain disruptions or other impacts such as tariffs or trade restrictions; (v) inflationary pressures on costs such as materials, labor, and fuel including those related to the ongoing conflict in the Middle East; and (vi) other changes in prices, interest rates, or terms from our suppliers, vendors, or third-party lenders.

We are currently monitoring, and will continue to monitor, macroeconomic trends and uncertainties such as the ongoing global memory chip shortage, potential supply chain disruptions and fuel shortages stemming from the ongoing conflict in the Middle East, key components of inflation, the status and effects of recently implemented or threatened tariffs and other trade restrictions, as well as potential changes to these tariffs or the imposition of reciprocal or other tariffs or trade restrictions by other countries. In February 2026, the U.S. Supreme Court ruled that certain tariffs imposed under the International Emergency Economic Powers Act (“IEEPA”) were unauthorized. We have not recorded a receivable for any refund of IEEPA tariffs, and the amount of IEEPA tariff refunds that we ultimately recover may differ from the full amount we previously paid. In addition, subsequent actions by the U.S. government to impose tariffs under alternative authorities, along with the possibility of further changes in trade policy, continue to create uncertainty in the global trade environment.

Any of these may have negative consequences for our supply chain due to price increases from our vendors or suppliers or supply chain delays. At this time, we do not anticipate material negative impacts that cannot be mitigated through arrangements with our vendors and suppliers, price increases to our customers, or other actions but there is no guarantee that we will be able to successfully mitigate the negative effects of any such macroeconomic trends and uncertainties. We are also unable at this time to determine any future negative impacts from reduced consumer spending as a result of inflationary or other pressures or uncertainty that may result from the imposition of current or future tariffs or other trade restrictions.

As part of our response to changes or pressures in the current macroeconomic environment, we have been evaluating, and continue to evaluate, cost-saving opportunities such as leveraging technology, reducing headcount or our physical facilities footprint when appropriate, and reducing non-essential spend. While we have experienced some increase in costs as a result of inflation, we have, for the most part, been able to offset the rising costs through cost-saving opportunities, as well as price increases to our customers.

Origin AI Acquisition

In February 2026, we acquired Origin AI, a provider of patented AI-enabled presence detection and ambient sensing technology. Origin AI’s technology uses artificial intelligence and proprietary algorithms to analyze ubiquitous radio frequency signals to detect and classify human presence and activity within the home or other premises without the use of cameras, audio, or wearable devices. This technology is expected to enhance our ability to improve alarm verification, reduce false alarms, and support new intelligent security and smart home use cases over time.

Total consideration transferred in connection with the Origin AI Acquisition was \$164 million, of which we recognized \$106 million of goodwill.

The Company does not expect a material impact to revenue or cost of revenue from the Origin AI Acquisition during 2026.

RESULTS OF OPERATIONS

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands, except per share data or as otherwise indicated)	2026	2025	\$ Change	2026	2025	\$ Change
Revenue:						
Monitoring and related services	\$ 1,082,111	\$ 1,090,241	\$ (8,130)	\$ 2,162,587	\$ 2,173,345	\$ (10,758)
Security installation, product, and other	230,174	196,794	33,380	428,227	381,181	47,046
Total revenue	1,312,285	1,287,035	25,250	2,590,814	2,554,526	36,288
Cost of revenue (exclusive of depreciation and amortization shown separately below):						
Monitoring and related services	156,471	161,928	(5,457)	312,161	319,778	(7,617)
Security installation, product, and other	107,078	88,258	18,820	194,243	170,530	23,713
Total cost of revenue	263,549	250,186	13,363	506,404	490,308	16,096
Selling, general, and administrative expenses	385,907	356,138	29,769	750,676	724,738	25,938
Depreciation and intangible asset amortization	346,938	338,734	8,204	692,424	678,251	14,173
Operating income (loss)	315,891	341,977	(26,086)	641,310	661,229	(19,919)
Interest expense, net	(102,266)	(115,798)	13,532	(200,647)	(236,677)	36,030
Other income (expense)	2,259	803	1,456	2,685	(4,061)	6,746
Income (loss) from continuing operations before income taxes	215,884	226,982	(11,098)	443,348	420,491	22,857
Income tax benefit (expense)	(60,817)	(58,749)	(2,068)	(118,930)	(109,781)	(9,149)
Income (loss) from continuing operations	155,067	168,233	(13,166)	324,418	310,710	13,708
Income (loss) from discontinued operations, net of tax	(1,217)	(3,054)	1,837	(2,194)	(5,285)	3,091
Net income (loss)	\$ 153,850	\$ 165,179	\$ (11,329)	\$ 322,224	\$ 305,425	\$ 16,799
Diluted income (loss) from continuing operations per share of Common Stock	\$ 0.19	\$ 0.19	\$ —	\$ 0.39	\$ 0.35	\$ 0.04
Diluted weighted-average shares outstanding of Common Stock	765,384	839,951	(74,567)	793,536	855,559	(62,023)
Key Performance Indicators: ⁽¹⁾						
RMR ⁽²⁾	\$ 360,084	\$ 362,750	\$ (2,666)	\$ 360,084	\$ 362,750	\$ (2,666)
Gross customer revenue attrition (percent) ⁽²⁾	13.1%	12.8%	N/A *	13.1%	12.8%	N/A *
Adjusted EPS ⁽³⁾	\$ 0.23	\$ 0.23	\$ —	\$ 0.47	\$ 0.44	\$ 0.03
Adjusted EBITDA ⁽³⁾	\$ 670,517	\$ 673,624	\$ (3,107)	\$ 1,344,267	\$ 1,334,425	\$ 9,842

(1) Refer to the “—Key Performance Indicators” section for the definitions of these key performance indicators.

(2) Refer to the “—Factors Affecting Operating Results” section for additional details and comparison of current to prior period results.

(3) Refer to the “—Non-GAAP Measures” section for the definitions of these non-GAAP measures and reconciliations to the most comparable GAAP measures.

* Not applicable.

Period-over-period changes in income (loss) from continuing operations, including on a per share basis, are discussed through the analysis of the underlying GAAP components below:

Revenue

The three and six months ended June 30, 2026, as compared to the prior year periods, primarily reflects:

- **Monitoring and related services revenue (“M&S Revenue”):** (i) lower recurring revenue of \$11 million and \$18 million, respectively, primarily driven by a decrease in volume and other items, including the Multifamily Divestiture, of \$31 million and \$59 million, respectively, partially offset by an increase in price of \$20 million and \$40 million, respectively, and (ii) higher revenue of \$3 million and \$8 million, respectively, primarily attributable to an increase in time and materials billings.
- **Security installation, product, and other revenue:** higher installation revenue of \$32 million and \$44 million, respectively, primarily driven by a higher mix of professionally installed systems under the outright sales model in connection with our refined equipment ownership go-to-market approach.

Cost of Revenue

The three and six months ended June 30, 2026, as compared to the prior year periods, primarily reflects:

- **Monitoring and related services costs (“M&S Costs”):** a decrease in M&S Costs of \$5 million and \$8 million, respectively, primarily due to lower customer service and maintenance costs of \$7 million and \$11 million, respectively, partially offset by higher interactive fees of \$2 million and \$3 million, respectively.
- **Security installation, product, and other costs:** an increase in installation and product costs of \$19 million and \$24 million, respectively, primarily due to a higher mix of professionally installed systems under the outright sales model discussed above.

Selling, General, and Administrative Expenses

The three months ended June 30, 2026, as compared to the prior year period, primarily reflects increases in:

- selling costs of \$9 million primarily due to the amortization of deferred subscriber acquisition costs,
- share-based compensation of \$7 million,
- advertising costs of \$5 million, and
- the allowance for credit losses of \$4 million.

The six months ended June 30, 2026, as compared to the prior year period, primarily reflects:

- an increase in the allowance for credit losses of \$23 million,
- an increase in selling expenses of \$15 million primarily due to the amortization of deferred subscriber acquisition costs, and
- an increase in advertising costs of \$8 million, partially offset by
- a decrease in general and administrative costs of \$24 million primarily as a result of a loss recovery from a legal settlement during the three months ended March 30, 2026.

Depreciation and Intangible Asset Amortization

The three and six months ended June 30, 2026, as compared to the prior year periods, primarily reflects:

- an increase in the depreciation of property and equipment of \$8 million and \$14 million, respectively, and
- an increase in the amortization of customer contracts acquired under our authorized dealer program and from other third parties of \$4 million and \$9 million, respectively, partially offset by

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- a decrease in depreciation of subscriber system assets of \$6 million and \$11 million, respectively, due to the shift to an outright sales model.

Interest Expense, Net

The three and six months ended June 30, 2026, as compared to the prior year periods, primarily reflects a decrease in unrealized losses on interest rate swaps of \$7 million and \$24 million, respectively, with the remaining change due to lower interest rates on our long-term debt.

Other Income (Expense)

The three months ended June 30, 2026, as compared to the prior year period, was relatively flat.

The six months ended June 30, 2026, as compared to the prior year period, primarily reflects a loss on extinguishment of debt of \$6 million recorded in the prior year periods.

Income Tax Benefit (Expense)

The Company's income tax expense for the three months ended June 30, 2026 was \$61 million, resulting in an effective tax rate for the period of 28.2%. The effective tax rate primarily represents the federal statutory tax rate of 21.0% and a state tax rate, net of federal benefits, of 5.0%, and non-deductible items of 1.4%.

The Company's income tax expense for the three months ended June 30, 2025 was \$59 million, resulting in an effective tax rate for the period of 25.9%. The effective tax rate primarily represents the federal statutory tax rate of 21.0% and a state tax rate, net of federal benefits, of 4.9%.

The Company's income tax expense for the six months ended June 30, 2026 was \$119 million, resulting in an effective tax rate for the period of 26.8%. The effective tax rate primarily represents the federal statutory tax rate of 21.0%, and a state tax rate, net of federal benefits, of 5.0%.

The Company's income tax expense for the six months ended June 30, 2025 was \$110 million, resulting in an effective tax rate for the period of 26.1%. The effective tax rate primarily represents the federal statutory tax rate of 21.0%, and a state tax rate, net of federal benefits, of 5.2%.

NON-GAAP MEASURES

To provide investors with additional information in connection with our results as determined in accordance with GAAP, we disclose the following non-GAAP measures. These measures are not financial measures calculated in accordance with GAAP, and should not be considered as a substitute for net income, income (loss) from continuing operations, operating income, or their respective per share amounts as applicable, or any other measure calculated in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies.

Adjusted EPS

We define 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.

The diluted weighted average shares outstanding used in Adjusted EPS is equal to diluted weighted average shares outstanding of Common Stock calculated in accordance with GAAP.

We believe Adjusted EPS is a benchmark used by analysts and investors in our industry to compare our performance against the performance of other companies, although this measure may not be directly comparable to similar measures reported by other companies. We believe the presentation of Adjusted EPS is useful to investors as it provides additional information about how our management evaluates the business, including the performance of employees (including members of management).

There are material limitations to using Adjusted EPS as it does not include certain significant items, including the adjustments discussed above, which directly affect our diluted income (loss) from continuing operations per share (the most comparable GAAP measure). These limitations are best addressed by considering the economic effects of the excluded items independently and by considering Adjusted EPS in conjunction with diluted income (loss) from continuing operations per share as calculated in accordance with GAAP.

The table below reconciles Adjusted EPS to diluted income (loss) from continuing operations per share of Common Stock:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	\$ Change	2026	2025	\$ Change
Diluted income (loss) from continuing operations per share of Common Stock	\$ 0.19	\$ 0.19	\$ —	\$ 0.39	\$ 0.35	\$ 0.04
Share-based compensation expense	0.02	0.01	0.01	0.04	0.04	—
Merger, restructuring, integration, and other	0.01	—	0.01	0.01	0.01	—
Interest rate swaps, net ⁽¹⁾	0.01	0.02	(0.01)	0.02	0.05	(0.03)
Loss on extinguishment of debt	—	—	—	—	0.01	(0.01)
Other, net ⁽²⁾	0.01	—	0.01	0.02	—	0.02
Tax impact on adjustments ⁽³⁾	(0.01)	(0.01)	—	(0.02)	(0.03)	0.01
Adjusted EPS ⁽⁴⁾	\$ 0.23	\$ 0.23	\$ —	\$ 0.47	\$ 0.44	\$ 0.03

(1) Represents unrealized gains or losses on interest rate swaps presented in interest expense, net and other income (expense).

(2) Includes the impact related to the two-class method of EPS. Refer to Note 11 “Earnings per Share.”

(3) Represents the tax impact on adjustments using the federal and state blended statutory rate.

(4) Amounts may not sum in this table due to rounding.

Adjusted EPS for the three months ended June 30, 2026, as compared to the prior year period, primarily reflects:

- \$0.02 per share due to a decrease in diluted weighted average shares outstanding as a result of share repurchases and
- \$0.02 per share due to an increase in revenue net of related costs, offset by
- \$(0.01) per share due to an increase in depreciation and amortization,
- \$(0.01) per share due to an increase in the amortization of deferred subscriber acquisition costs,
- \$(0.01) per share due to an increase in advertising costs, and
- \$(0.01) per share due to an increase in the allowance for credit losses.

The increase in Adjusted EPS for the six months ended June 30, 2026, as compared to the prior year period, was primarily due to:

- \$0.03 per share due to a decrease in our diluted weighted average shares outstanding as a result of share repurchases,
- \$0.03 per share due to an increase in revenue net of related costs, and
- \$0.03 per share due to lower general and administrative costs, partially offset by
- \$(0.03) per share due to an increase in the allowance for credit losses,
- \$(0.02) per share due to an increase in the amortization of deferred subscriber acquisition costs,
- \$(0.02) per share due to an increase in depreciation and amortization, and
- \$(0.01) per share due to an increase in advertising costs.

The factors listed above exclude amounts that are outside of our definition of Adjusted EPS. Refer to the discussions above under “—Results of Operations” for further details.

Adjusted EBITDA

We define 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 our business.

We believe Adjusted EBITDA is useful to investors to measure the operational strength and performance of our business. We believe the presentation of Adjusted EBITDA is useful as it provides investors additional information about our operating profitability adjusted for certain non-cash items, non-routine items we do not expect to continue at the same level in the future, as well as other items not core to our operations. Further, we believe Adjusted EBITDA provides a meaningful measure of operating profitability because we use it for evaluating our business performance, making budgeting decisions, and comparing our performance against other peer companies using similar measures, although this measure may not be directly comparable to similar measures reported by other companies.

There are material limitations to using Adjusted EBITDA as it does not include certain significant items, including interest, taxes, depreciation and amortization, and other adjustments which directly affect our income (loss) from continuing operations (the most comparable GAAP measure). These limitations are best addressed by considering the economic effects of the excluded items independently and by considering Adjusted EBITDA in conjunction with income (loss) from continuing operations as calculated in accordance with GAAP.

The table below reconciles Adjusted EBITDA to income (loss) from continuing operations:

(in thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	\$ Change	2026	2025	\$ Change
Income (loss) from continuing operations	\$ 155,067	\$ 168,233	\$ (13,166)	\$ 324,418	\$ 310,710	\$ 13,708
Interest expense, net	102,266	115,798	(13,532)	200,647	236,677	(36,030)
Income tax expense (benefit)	60,817	58,749	2,068	118,930	109,781	9,149
Depreciation and intangible asset amortization	346,938	338,734	8,204	692,424	678,251	14,173
Amortization of deferred subscriber acquisition costs	69,164	62,149	7,015	136,609	122,507	14,102
Amortization of deferred subscriber acquisition revenue	(89,537)	(89,618)	81	(179,132)	(178,489)	(643)
Share-based compensation expense	18,588	11,649	6,939	32,214	32,170	44
Merger, restructuring, integration, and other ⁽¹⁾	4,787	3,217	1,570	11,346	7,122	4,224
Unrealized (gain) loss on interest rate swaps ⁽²⁾	3,862	3,813	49	7,571	7,845	(274)
Loss on extinguishment of debt	—	—	—	—	6,443	(6,443)
Other, net	(1,435)	900	(2,335)	(760)	1,408	(2,168)
Adjusted EBITDA	<u>\$ 670,517</u>	<u>\$ 673,624</u>	<u>\$ (3,107)</u>	<u>\$ 1,344,267</u>	<u>\$ 1,334,425</u>	<u>\$ 9,842</u>

(1) During 2026, primarily includes costs related to the Origin AI Acquisition and restructuring expenses.

(2) Represents unrealized gains or losses on interest rate swaps presented in other income (expense).

The decrease in Adjusted EBITDA for the three months ended June 30, 2026, as compared to the prior year period, was primarily due to:

- higher advertising costs of \$5 million and
- higher allowance for credit losses of \$4 million, partially offset by
- higher installation revenue, net of the associated costs and commissions, of \$11 million.

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The increase in Adjusted EBITDA for the six months ended June 30, 2026, as compared to the prior year period, was primarily due to:

- higher installation revenue, net of the associated costs and commissions, of \$16 million and
- lower general and administrative expenses of \$24 million, partially offset by
- an increase in the allowance for credit losses of \$23 million and
- an increase in advertising costs of \$8 million.

The factors listed above exclude amounts that are outside of our definition of Adjusted EBITDA. Refer to the discussions above under “—Results of Operations” for further details.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and capital resources primarily consisted of the following:

<i>(in thousands)</i>	June 30, 2026
Cash and cash equivalents	\$ 3,875
Restricted cash and restricted cash equivalents	\$ 24,162
Availability under First Lien Revolving Credit Facility	\$ 800,000
Uncommitted available borrowing capacity under 2020 Receivables Facility	\$ 133,992
Carrying amount of total debt outstanding, including finance leases	\$ 7,687,587

Liquidity

We expect our ongoing sources of liquidity to include cash generated from operations, borrowings under our credit facilities, and the issuance of equity and/or debt securities as appropriate given market conditions. Our future cash needs are expected to include cash for operating activities including working capital, principal and interest payments on our debt, income tax payments, capital expenditures, expected dividend payments to our stockholders, potential share repurchases, and other business initiatives as they arise.

We are a highly leveraged company with significant debt service requirements and have both fixed-rate and variable-rate debt. We may periodically seek to repay, redeem, repurchase, or refinance our indebtedness, or seek to repurchase and retire our outstanding securities through cash purchases in the open market, privately negotiated transactions, a 10b5-1 repurchase plan, or otherwise, and any such transactions may involve material amounts. Cash outflows for interest payments are not consistent between quarters, with larger outflows occurring in the first and third quarters, and may vary as a result of our variable rate debt.

We believe our cash position, available borrowing capacity under our credit agreements, and cash provided by operating activities are, and will continue to be, adequate to meet our operational and business needs in the next twelve months, as well as our long-term liquidity needs.

Material Cash Requirements

There have been no significant changes to our material cash requirements, commitments and contingencies, or off-balance sheet arrangements from those disclosed in our 2025 Annual Report, except as discussed below.

Debt Principal

In April 2026, we redeemed the remaining outstanding balance of our First Lien Notes due 2026. Our next debt maturity will occur in August 2027 with respect to the remaining outstanding balance of our First Lien Notes due 2027. We intend, and believe that we will have the ability, to refinance or redeem these notes before or at maturity.

Share Repurchase Plans

In February 2026, our Board of Directors approved the 2026 Share Repurchase Plan, pursuant to which we were authorized to repurchase, through April 30, 2029, up to a maximum aggregate amount of \$1.5 billion of shares of our Common Stock.

The 2026 Share Repurchase Plan allows us to purchase Common Stock, from time to time, in one or more open market or privately negotiated transactions, including pursuant to Rule 10b5-1 or Rule 10b-18 of the Exchange Act, or pursuant to one or more accelerated share repurchase agreements, subject to certain requirements and other factors. We are not obligated to repurchase any of our shares of Common Stock, and the timing and amount of any repurchases depends on legal requirements, market conditions, stock price, the availability of the safe harbor provided by Rule 10b-18 under the Exchange Act, alternative uses of capital, and other factors.

During the first quarter of 2026, we repurchased, and subsequently retired, 18 million shares of our Common Stock in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act under the 2026 Share Repurchase Plan in multiple transactions for a total of \$116 million (or \$6.57 per share).

During the second quarter of 2026, we repurchased, and subsequently retired, 39 million shares of our Common Stock in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act under the 2026 Share Repurchase Plan in multiple transactions for a total of \$267 million (or \$6.85 per share).

Additionally, in May 2026, we repurchased, and subsequently retired, 29 million shares of our Common Stock under the 2026 Share Repurchase Plan for \$211 million (or \$7.25 per share) in connection with a secondary offering of our Common Stock by Apollo. Refer to Note 14 “Related Party Transactions” for further information.

As of June 30, 2026, there was \$906 million remaining under the 2026 Share Repurchase Plan.

Through July 23, 2026, we repurchased, and subsequently retired, 3 million shares of our Common Stock in the open market pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act under the 2026 Share Repurchase Plan in multiple transactions for a total of \$21 million (or \$6.81 per share). After these repurchases, we had \$885 million remaining under the 2026 Share Repurchase Plan.

Other Contractual Obligations

In May 2026, we entered into an amendment to the Google Cloud Agreement Addendum, which replaced the Company’s initial purchase commitment. Under the amended terms, we committed to purchase \$235 million of Google Cloud Platform services over a five-year period, with annual minimum spend commitments that allow for flexibility to carry forward any over- or under-spend in a given period.

As of June 30, 2026, spend under the amended Google Cloud Agreement Addendum was not material. Refer to Note 12 “Commitments and Contingencies.”

Cash Taxes

During the second quarter of 2026, we made tax payments, net of refunds, of \$15 million, including excise taxes. The Company’s estimated tax payments may fluctuate each quarter based on our financial results and tax positions taken.

Dividends

On July 30, 2026, we announced a dividend of \$0.055 per share to holders of Common Stock and Class B Common Stock of record on September 10, 2026, which will be paid on October 1, 2026.

Long-Term Debt

Significant changes and activity related to our long-term debt since our 2025 Annual Report are discussed below. Refer to Note 6 “Debt” for additional information.

First Lien Revolving Credit Facility

During the second quarter of 2026, we borrowed and repaid \$150 million under the First Lien Revolving Credit Facility.

Term Loan A Credit Agreement

In May 2026, we amended and restated the Term Loan A Credit Agreement, which provided for the issuance of \$100 million of incremental borrowings under the Term Loan A due 2030. We used the net proceeds for general corporate purposes, including share repurchases.

First Lien Notes due 2026 Redemption

In April 2026, we redeemed the remaining outstanding balance of the First Lien Notes due 2026 at maturity for a redemption price of \$75 million using cash on hand.

2020 Receivables Facility

In March 2026, we amended the agreement governing the 2020 Receivables Facility to extend the uncommitted revolving period to April 2026.

In April 2026, we amended the agreement governing the 2020 Receivables Facility to extend the uncommitted revolving period to April 2027, and to make certain amendments to advance rates, hedge rates, and other related provisions.

Debt Covenants

As of June 30, 2026, we were in compliance with all financial covenant and other maintenance tests for all our debt obligations. We do not believe there is a material risk of future noncompliance with our financial covenant and other maintenance tests.

Cash Flow Analysis

The amounts and discussion below include cash flows from both continuing operations and discontinued operations, as appropriate, consistent with the presentation on the Statements of Cash Flows.

(in thousands)	Six Months Ended June 30,		
	2026	2025	\$ Change
Net cash provided by (used in):			
Operating activities	\$ 1,304,454	\$ 1,030,525	\$ 273,929
Investing activities	\$ (666,861)	\$ (622,559)	\$ (44,302)
Financing activities	\$ (718,096)	\$ (459,589)	\$ (258,507)

Cash Flows from Operating Activities

The increase in net cash provided by operating activities, as compared to the prior year period, was primarily due to decrease in cash taxes and interest payments, the timing of certain payroll-related payments, as well as changes in assets and liabilities due to the volume and timing of other operating cash receipts and payments with respect to when the transactions are reflected in earnings. Refer to the discussions above under “—Results of Operations” for further details.

Cash Flows from Investing Activities

The increase in net cash used in investing activities, as compared to the prior year period, was primarily due to:

- outflows of \$164 million related to the Origin AI Acquisition in the current year, partially offset by
- a decrease in dealer generated customer accounts and bulk account purchases of \$92 million primarily due to higher bulk account purchases during 2025, and
- a decrease in subscriber system assets expenditures of \$40 million primarily due to our continued transition to an outright sales model.

Cash Flows from Financing Activities

The increase in net cash used in financing activities, as compared to the prior period, was primarily due to:

- higher share repurchases of \$105 million and
- a reduction in net borrowings on long-term debt of \$77 million, primarily related to borrowings under the Term Loan A due 2030 in the current year as compared to the issuance of the First Lien Term Loan B-2 due 2032 in the prior year, partially offset by the partial redemptions of the First Lien Notes due 2026, and
- an increase in net repayments on our 2020 Receivables Facility of \$59 million.

CRITICAL ACCOUNTING ESTIMATES

We disclosed our critical accounting estimates in our 2025 Annual Report, which include estimates prepared in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations.

Critical accounting estimates are based on, among other things, estimates, assumptions, and judgments made by management that include inherent risks and uncertainties. Our estimates are based on relevant information available at the end of each period. Actual results could differ materially from these estimates under different assumptions or market conditions.

There have been no material changes to our critical accounting estimates as disclosed in our 2025 Annual Report.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain information that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and are made in reliance on the safe harbor protections provided thereunder. While we have specifically identified certain information as being forward-looking in the context of its presentation, we caution you that all statements contained in this Form 10-Q that are not clearly historical in nature, including statements regarding the ADT Solar Exit; the Commercial Divestiture; the expected benefits of the Commercial Divestiture and ADT Solar Exit including that the costs of the ADT Solar Exit may exceed our best estimates; the expected effects of the One Big Beautiful Bill Act on cash taxes; the anticipated changes to our internal control over financial reporting in 2026 resulting from ongoing information technology system implementations; the integration of strategic bulk purchases of customer accounts and other acquired businesses; any repurchases of our common stock under an authorized share repurchase plan; our ability to refinance or reduce debt or improve leverage ratios, or to achieve or maintain our leverage goals; anticipated financial performance; management’s plans and objectives for future operations; the expected benefits of the Origin AI Acquisition, including the expected integration of Origin AI’s technology into the Company’s products and services; the successful development, commercialization, and timing of new or joint products; the successful development, commercialization and integration of artificial intelligence (“AI”) technologies into the Company’s products, services, and operations; business prospects; outcomes of regulatory proceedings; market conditions; our ability to deploy our business continuity and disaster plans and procedures to successfully respond to catastrophic events; our strategic partnership and ongoing relationship with Google; the expected timing of product commercialization with our external partners, including Google, or any changes thereto; the successful internal development, commercialization, and timing of our next generation platform and innovative offerings, including ADT+ and those incorporating AI or advanced sensing capabilities; the successful conversion of customers who continue to utilize outdated technology; the current and future market size for existing, new, or joint products; any stated or implied outcomes with regards to the foregoing; and other matters. Forward-looking statements are contained principally in the sections of this report entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Without limiting the generality of the preceding sentences, any time we use the words “ongoing,” “expects,” “intends,” “will,” “anticipates,” “believes,” “confident,” “continue,” “propose,” “seeks,” “could,” “may,” “should,” “estimates,” “forecasts,” “might,” “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.

Particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include, without limitation:

- our ability to retain and hire key personnel and to maintain relationships with customers, suppliers, and other business partners;
- risks related to the Commercial Divestiture and ADT Solar Exit, including our business becoming less diversified and the possible diversion of management’s attention from our core business operations;
- our ability to keep pace with rapid technological changes and other industry changes;
- risks related to the expansion and further development of our next-generation platform and our efforts to migrate our information technology infrastructure, including our customer relationship management and enterprise resource planning systems, to the cloud;
- our ability to effectively implement our strategic partnership with, or utilize any of the amounts invested in us by, Google;
- the impact of supply chain disruptions;
- our ability to maintain and grow our existing customer base and to integrate strategic bulk purchases of customer accounts;

- our ability to sell our products and services or launch new products and services, including those incorporating AI or advanced sensing capabilities, in highly competitive markets with non-traditional entrants such as technology, telecommunications, and broadband companies, including the home security and automation market, and to achieve market acceptance with acceptable margins;
- our ability to successfully execute and scale our DIY offerings, including customer adoption, digital acquisition, and expansion into new distribution channels such as traditional retail and e-commerce channels;
- our ability to successfully upgrade obsolete equipment installed at our customers' premises in an efficient and cost-effective manner;
- any changes to regulations or laws, including those related to labor, tax, privacy (particularly as they relate to the collection, storage, and use of highly sensitive customer data, including video and audio recordings), telemarketing, email marketing, and consumer protection;
- any impacts from, or changes to, current global, economic, sovereign and political conditions and uncertainties, including inflationary pressures, high interest rates, and the effects of, and uncertainty regarding, new or proposed tariff or trade regulations, or any impacts on the global economy or consumer discretionary spending due to tariffs or otherwise;
- any material changes to the valuation allowances we take with respect to our deferred tax assets;
- the impact of cyber attacks or related breaches with respect to information technology systems, cybersecurity, or data security involving us, our business partners, or other third parties whose systems are interconnected with ours, and any similar future or still undetected attacks or incidents;
- risks related to the development, governance, deployment, and use of AI in our products, services, and operations, including technological and legal uncertainties surrounding AI technologies;
- our dependence on third-party providers, suppliers, and dealers to enable us to produce and distribute our products and services in a cost-effective manner that protects our brand;
- our ability to successfully implement an equipment ownership model that best satisfies the needs of our customers and to successfully implement and maintain our receivables securitization financing agreement or similar arrangements;
- our ability to successfully pursue alternate business opportunities and strategies;
- our ability to successfully integrate acquired businesses, including bulk acquisitions of customer accounts, technologies, and intellectual property, and to realize the anticipated benefits of such acquisitions in an efficient and cost-effective manner;
- our ability to meet our debt service obligations and the amount and timing of our cash flows and earnings, which may be impacted by customer, competitive, supplier and other dynamics and conditions;
- our ability to maintain or improve margins through business efficiencies;
- risks related to the restatement of our consolidated financial statements included in our Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2022 (the "Amended 2022 Annual Report") and in our Quarterly Reports on Form 10-Q/A for the quarters ended September 30, 2022, and March 31, 2023, each as filed with the SEC on July 27, 2023;
- any litigation or investigation related to such restatements;
- our ability to maintain effective internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DCPs"), including our ability to remediate any potential material weakness in our ICFR, the timing of any such remediation, and anticipated changes to our ICFR from ongoing system implementations, as well as the ability to maintain effective DCPs at a reasonable assurance level;
- the expected shift in our transaction mix (including increased outright equipment sales) and the related effects to the timing and mix of revenue and costs; and
- the other factors that are described under the heading "Risk Factors" in our 2025 Annual Report.

Forward-looking statements and information involve risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such statements, including without limitation, the risks and uncertainties disclosed or referenced under the heading “Risk Factors” in Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A in our 2025 Annual Report. Therefore, caution should be taken not to place undue reliance on any such forward-looking statements. Much of the information in this report that looks toward future performance is based on various factors and important assumptions about future events that may or may not actually occur. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements included in this Quarterly Report on Form 10-Q. Any forward-looking statement made in this Quarterly Report on Form 10-Q speaks only as of the date on which it is made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise unless required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Our operations expose us to a variety of market risks, including the effects of changes in interest rates as we have both fixed-rate and variable-rate debt. We monitor and manage these financial exposures as an integral part of our overall risk management program. Our policies allow for the use of specified financial instruments for hedging purposes only. Use of derivatives for speculation purposes is prohibited.

There were no material changes in our interest rate risk exposure to that disclosed in our 2025 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2026, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2026, there were no changes in our ICFR identified in our management’s evaluation pursuant to Rules 13a-15(d) and 15d-15(d) of the Exchange Act that materially affected, or are reasonably likely to materially affect, our ICFR.

During 2023, ADT began a multi-year IT transformation project by which we are migrating much of ADT’s infrastructure to the cloud. The initiative includes certain aspects of our customer relationship management and enterprise resource planning systems. In 2024, we nationally launched our customer relationship management system for our residential pro-install customers, which resulted in changes to our processes, procedures, and our ICFR; we expect these changes to our customer relationship management system to materially affect our ICFR in future quarters in 2026. In addition, we began the transition to our new enterprise resource planning system during 2024. This transition will be completed in phases over multiple years.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

See Note 12 “Commitments and Contingencies” to the condensed consolidated financial statements under the heading “Legal Proceedings” included in this Quarterly Report on Form 10-Q for legal proceedings and related matters.

ITEM 1A. RISK FACTORS.

Our significant business risks are described in Part I, Item 1A “Risk Factors” in our 2025 Annual Report and in our other filings with the SEC. The risk factors described in our filings with the SEC and other information may not describe every risk facing the Company. There have been no material changes in our risk factors from those disclosed in our 2025 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Recent Sales of Unregistered Equity Securities

There were no sales of unregistered equity securities during the six months ended June 30, 2026.

Use of Proceeds from Registered Equity Securities

We did not receive any proceeds from sales of registered equity securities during the six months ended June 30, 2026.

Issuer Purchases of Equity Securities

The following table presents repurchases of shares of the Company’s Common Stock completed during the three months ended June 30, 2026 (in thousands, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid Per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
April 1, 2026 - April 30, 2026	16,536	\$ 6.92	16,536	\$ 1,269,975
May 1, 2026 - May 31, 2026 ⁽³⁾	39,271	\$ 7.16	39,271	\$ 988,772
June 1, 2026 - June 30, 2026	12,301	\$ 6.71	12,301	\$ 906,347
Total	68,108	\$ 7.02	68,108	\$ 906,347

(1) The average price paid per share is calculated by dividing the total cash paid for the shares (including commissions) by the total number of shares repurchased.

(2) In February 2026, the Company's Board of Directors approved the 2026 Share Repurchase Plan, pursuant to which the Company is authorized to repurchase, through April 30, 2029, up to a maximum aggregate amount of \$1.5 billion of shares of the Company's Common Stock. The 2026 Share Repurchase Plan allows the Company to purchase Common Stock, from time to time, in one or more open market or privately negotiated transactions, including pursuant to Rule 10b5-1 or Rule 10b-18 of the Exchange Act, or pursuant to one or more accelerated share repurchase agreements, subject to certain requirements and other factors.

(3) The Company repurchased, and subsequently retired, 29 million shares of its Common Stock under the 2026 Share Repurchase Plan for an aggregate purchase price of \$211 million (or approximately \$7.25 per share) in connection with a secondary offering of the Company’s Common Stock by Apollo. Refer to Note 14 Related Party Transactions for further information. The Company also repurchased, and subsequently retired, an additional 10 million shares of its Common Stock under the 2026 Share Repurchase Plan in the open market, including pursuant to Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act, in multiple transactions at an average price of \$6.91 per share.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

Trading Arrangements

During the three months ended June 30, 2026, none of the Company's directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS.

The exhibits listed on the accompanying Index to Exhibits are filed/furnished or incorporated by reference as part of this Quarterly Report on Form 10-Q.

INDEX TO EXHIBITS

The information required by this Item is set forth on the exhibit index below.

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of ADT Inc.	10-Q	3.1	7/24/2025
3.2	Amended and Restated Bylaws of ADT Inc.	8-K	3.1	5/8/2026
10.1+	Form of Restricted Stock Unit Inducement Award Agreement	S-8	4.1	2/27/2026
10.2‡	Ninth Amendment to the Receivables Financing Agreement, among ADT Finance LLC, Mizuho Bank, Ltd., ADT LLC, MUFG Bank, Ltd., Starbird Funding Corporation, and BNP Paribas, dated as of April 27, 2026.	10-Q	10.1	4/30/2026
10.3	Incremental Assumption and Amendment Agreement No. 1, dated as of May 27, 2026, by and among Prime Security Services Holdings, LLC, Prime Security Services Borrower, LLC, The ADT Security Corporation, the subsidiary loan parties party thereto, the lender party thereto and Fifth Third Bank, National Association, as administrative agent.	8-K	10.1	5/28/2026
31.1*	Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)			
31.2*	Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)			
32.1**	Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
32.2**	Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101	XBRL Instant Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document			

* Filed herewith.

** Furnished herewith.

‡ Portions of this exhibit are redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K and schedules of this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant agrees to furnish a copy of any redacted information and/or omitted schedules to the U.S. Securities and Exchange Commission upon request.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 30, 2026

ADT Inc.

By: /s/ Jeffrey Likosar

Name: Jeffrey Likosar

Title: *President, Corporate Development and
Transformation, and Chief Financial Officer
(Principal Financial Officer)*