Third Quarter 2026 Earnings Presentation

November 3, 2026



Forward-Looking Statements and Non-GAAP Measures

ADT has made statements in this presentation that are forward-looking and therefore subject to risks and uncertainties, including those described below. All statements, other than statements of historical fact, included in this document are, or could be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the applicable rules and regulations of the Securities and Exchange Commission (the "SEC") and are made in reliance on the safe harbor protections provided thereunder. These forward-looking statements relate to, among other things, the Company's capital allocation priorities and commitments; the Company's partnership programs and the bulk purchase of customer accounts; initiatives with respect to the Company's products and services, including ADT+, ADT Blu, Origin AI's presence sensing technology, and the expected benefits and capabilities of such products and services; the Company's ability to successfully execute and scale its DIY offerings, including through the expansion of its retail and e-commerce distribution channels; the Company's development, deployment, and integration of AI in its products, services, and operations, including AI-driven customer interactions, virtual agents, operational efficiencies, and home intelligence capabilities; and the expectations, plans and objectives of management; any stated or implied outcomes with regard to the foregoing; and other matters. Without limiting the generality of the preceding sentences, any time we use the words "ongoing," "expects," "intends," "will," "anticipates," "believes," "confident," "possible," "continue," "propose," "seeks," "could," "may," "should," "estimates," "forecasts," "might," "potential," "outlook," "goals," "objectives," "targets," "planned," "projects," and, in each case, their negative or other various or comparable terminology, and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. These forward-looking statements are based on management's current beliefs and assumptions and on information currently available to management. We caution that these statements are subject to risks and uncertainties, many of which are outside of the Company's control and could cause future events or results to be materially different from those stated or implied in this presentation, including, among others, the risk that the proposed transaction with Thrive Holdings announced on October 29, 2026 (the "Proposed Merger") may not be completed in a timely manner or at all; the failure to receive, on a timely basis or otherwise, the required approvals of the Proposed Merger by the Company's stockholders; the possibility that any or all of the various conditions to the consummation of the Proposed Merger may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals); the possibility that competing offers or acquisition proposals for the Company will be made; the occurrence of any event, change or other circumstance that could give rise to the termination of the definitive transaction agreement relating to the Proposed Merger, including in circumstances which would require the Company to pay a termination fee; the effect of the announcement or pendency of the Proposed Merger on the Company's ability to attract, motivate or retain key executives and employees, its ability to maintain relationships with its customers, suppliers and other business counterparties, or its operating results and business generally; risks related to the Proposed Merger diverting management's attention from the Company's ongoing business operations; the risk of stockholder litigation in connection with the Proposed Merger, including resulting expense or delay; risks and uncertainties related to the Company's divestiture of its commercial business (the "Commercial Divestiture") and the Company's exit from its residential solar business (the "ADT Solar Exit"); the Company's ability to successfully integrate the acquisition of Origin AI and realize expected benefits of the acquisition; the Company's ability to execute on transformation initiatives, including technology initiatives related to artificial intelligence and whole-home intelligence; the Company's ability to maintain and grow the Company's existing customer base, including the conversion of customers who continue to utilize outdated technology, and to integrate strategic bulk purchases of customer accounts; the impact of cyber attacks or related breaches with respect to information technology systems, cybersecurity, or data security involving the Company, our business partners, or other third parties whose systems are interconnected with ours, and any future or still undetected attacks or incidents; any material changes to the valuation allowances the Company takes with respect to its deferred tax assets; any changes in regulations or laws, global, economic, sovereign, political, or financial conditions, including labor and tax law changes or any impacts on the global economy or consumer discretionary spending due to tariffs or otherwise, changes to privacy requirements, changes to telemarketing, email marketing and similar consumer protection laws, interest rate volatility, and trade tariffs and restrictions applicable to the products we sell; the Company's dependence on third-party providers, suppliers, dealers, and retail partners to enable it to produce and distribute its products and services in a cost-effective manner that protects the Company's brand; the Company's ability to effectively implement its strategic partnership with, and utilize any of the amounts invested by, Google; the Company's ability to expand ADT+ and achieve expected adoption and customer engagement; risks related to the Company's use of AI in its products, services, and operations, including evolving legal and regulatory requirements, technological limitations, potential liability, and reputational concerns; the expected shift in the Company's transaction mix (including increased outright equipment sales) and the related effects on the timing and mix of revenue and costs; and risks that are described in the Company's most recently filed Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in those reports, and in the Company's other filings with the SEC. Any forward-looking statement made in this presentation speaks only as of the date on which it is made. ADT undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise, unless required by law.

Note: The Company's former commercial and solar segments are classified as discontinued operations in accordance with GAAP. Except for Free Cash Flow, Adjusted Free Cash Flow, and Adjusted Free Cash Flow (including interest rate swaps) and unless otherwise noted, non-GAAP and other measures herein have been recast to reflect the results of the Company's continuing operations.

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

Amounts on subsequent pages may not sum due to rounding.

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



3Q26 financial highlights

- Continued **strong cash generation** with YTD Adj. Free Cash Flow (incl. swaps) of $1,037 million
- **Durable recurring revenue base**, supported by $4.3 billion of annualized RMR
- **Continued solid core operating metrics**, with gross revenue attrition of 13.1% and revenue payback at 2.3 years
- **Strong balance sheet and financial flexibility** with net leverage of 2.7x
- **Returned $748 million to shareholders YTD** through share repurchases and dividends

$1.3B
Total Revenue
Up 4%

$0.24
Adjusted EPS
Up 4%

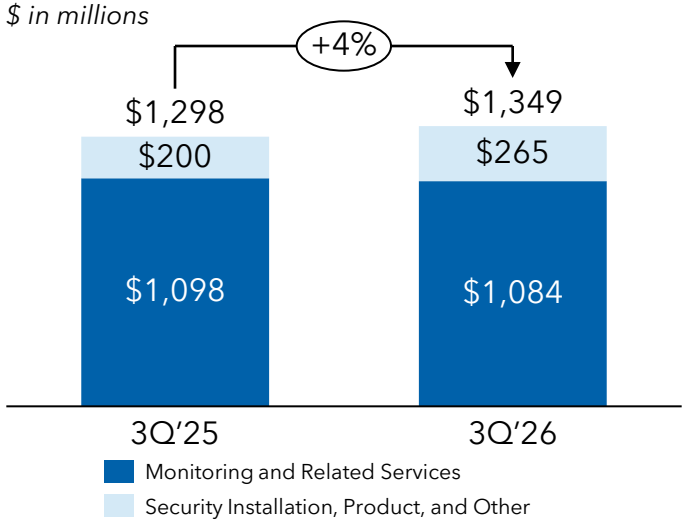
$217M
Adjusted Free Cash Flow
(incl. interest rate swaps)
Up 4%

Note: All financial measures and metrics pertain to 3Q26, unless otherwise noted. All variances are on a year-over-year basis. Reconciliations for the Non-GAAP measures Adjusted EPS, Net Leverage Ratio, and Adjusted Free Cash Flow (incl. interest rate swaps) are available at the end of this presentation.

Key quarterly financials

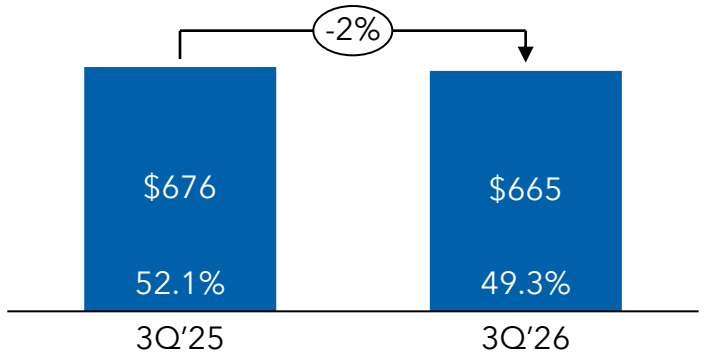
TOTAL REVENUE

$ in millions



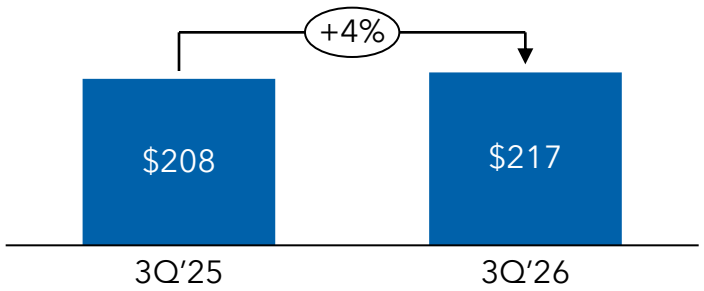
ADJUSTED EBITDA & MARGIN

$ in millions

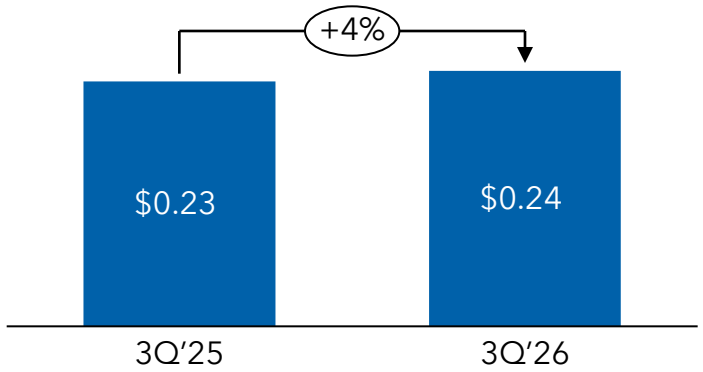


ADJUSTED FREE CASH FLOW

(incl. interest rate swaps)
$ in millions



ADJUSTED EPS

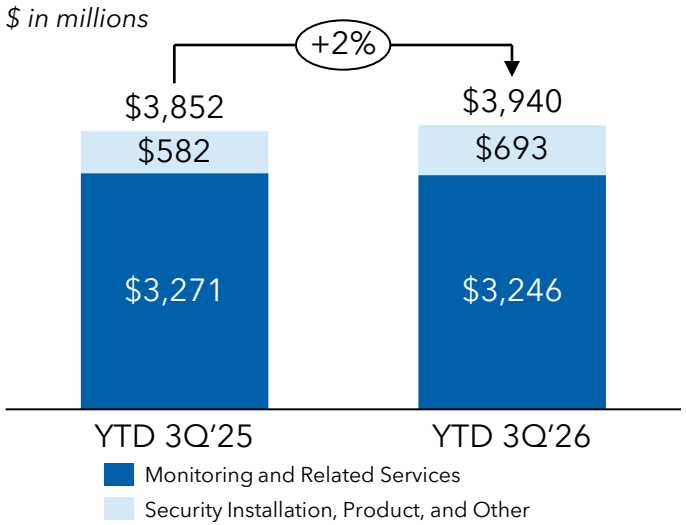


- Increase in revenue primarily due to mix of pro install outright sales and higher average prices, partially offset by lower volume and prior year Multifamily Divestiture
- Adjusted EBITDA affected by higher G&A costs including technology investments, partially offset by higher installation revenue
- Adjusted EPS benefited from share repurchases
- Strong cash generation due to lower cash taxes and working capital management

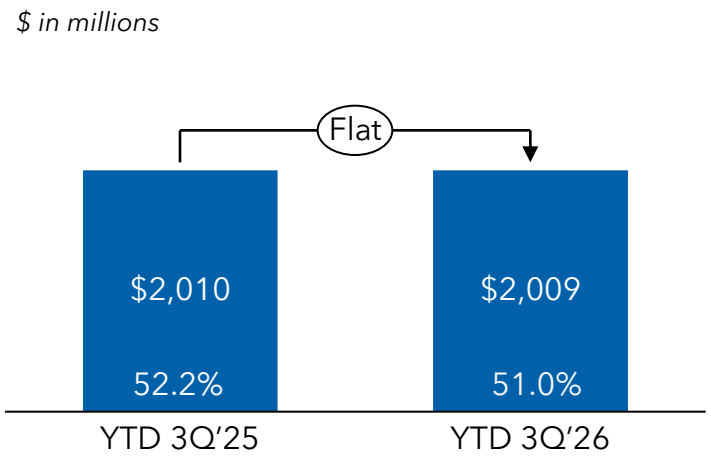
Note: Reconciliations for the Non-GAAP measures Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, and Adjusted Free Cash Flow (incl. interest rate swaps) are available at the end of this presentation.

Key year to date financials

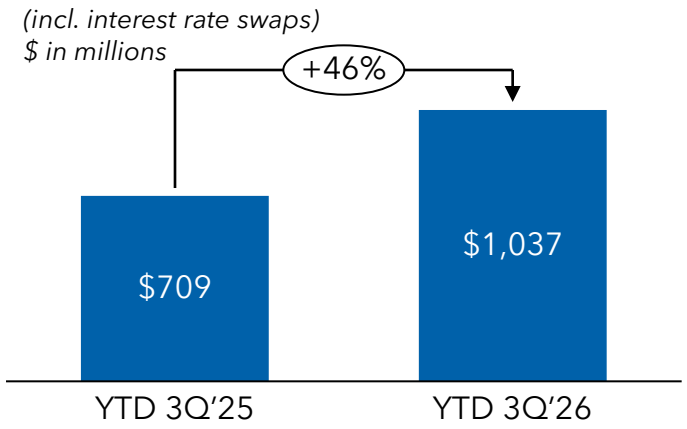
TOTAL REVENUE



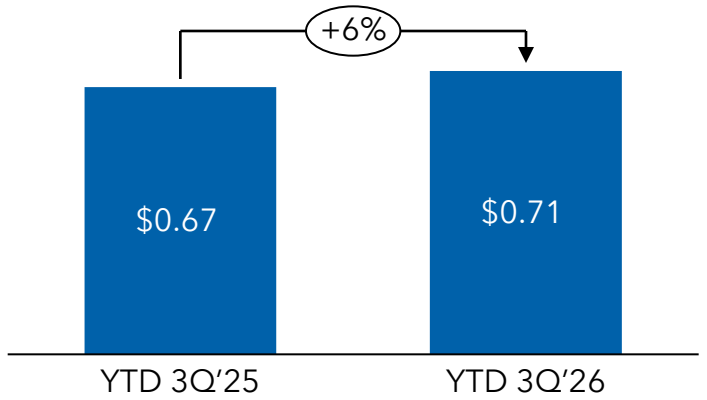
ADJUSTED EBITDA & MARGIN



ADJUSTED FREE CASH FLOW



ADJUSTED EPS



Note: Reconciliations for the Non-GAAP measures Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, and Adjusted Free Cash Flow (incl. interest rate swaps) are available at the end of this presentation.

Additional key metrics

	3Q'26	3Q'25	Y/Y %
Ending Subscriber Count	6.0M	6.3M	(5%)
End of Period RMR including wholesale	$360M	$362M	(1%)
Gross RMR Additions	$12.1M	$12.5M	(3%)
Gross Unit Additions	195K	210K	(7%)
Gross Revenue Attrition	13.1%	13.0%	10 bps
LTM Revenue Payback	2.3x	2.3x	--
Net Cash SAC	$355M	$355M	--

- Subscriber count and ending RMR decrease primarily due to Multifamily Divestiture
- Direct unit and RMR additions improved versus prior year, offset by fewer dealer and bulk purchases
- Elevated attrition driven by non-pay cancellations partially offset by fewer voluntary disconnects

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

ADT is well-positioned for future innovation

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



Appendix

Additional Financial Information & Non-GAAP Reconciliations



Financial & Operating Measures

($ in millions, except per share data)	For the Three Months Ended				
	Sept. 30, 2026	**Jun. 30, 2026**	**Mar. 31, 2026**	**Dec. 31, 2025**	**Sept. 30, 2025**
Financial Measures					
Monitoring and related services	$1,084	$1,082	$1,080	$1,083	$1,098
Security installation, product, and other	$265	$230	$198	$193	$200
Total Revenue	**$1,349**	**$1,312**	**$1,279**	**$1,276**	**$1,298**
Adjusted EBITDA	**$665**	**$671**	**$674**	**$670**	**$676**
Adjusted EBITDA Margin (% Revenue)	*49.3%*	*51.1%*	*52.7%*	*52.5%*	*52.1%*
Adjusted Income (Loss) from continuing operations	**$176**	**$180**	**$191**	**$186**	**$187**
Adjusted EPS	$0.24	$0.23	$0.23	$0.23	$0.23
GAAP Income (Loss) from continuing operations	**$153**	**$155**	**$169**	**$146**	**$144**
GAAP EPS	$0.20	$0.19	$0.20	$0.17	$0.17
Operating Measures					
Gross RMR Additions	$12.1	$11.9	$10.1	$10.3	$12.5
Gross Unit Additions	195K	190K	161K	169K	210K
LTM Gross Customer Revenue Attrition	13.1%	13.1%	13.1%	13.1%	13.0%
LTM Revenue Payback (in years) [1]	2.3x	2.3x	2.3x	2.3x	2.3x
End of Period RMR (including Wholesale)	$360	$360	$359	$359	$362
End of Period RMR (excluding Wholesale)	*$355*	*$355*	*$354*	*$354*	*$358*

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

Adjusted Free Cash Flow Detail

($ in millions)	For the Three Months Ended				
	Sept. 30, 2026	**Jun. 30, 2026**	**Mar. 31, 2026**	**Dec. 31, 2025**	**Sept. 30, 2025**
Adjusted Free Cash Flow					
Adjusted EBITDA	$665	$671	$674	$670	$676
Net Expensed SAC	$41	$40	$45	$46	$61
Net Cash SAC [1]	($355)	($345)	($287)	($277)	($355)
Cash Taxes	($20)	($10)	($1)	($4)	($41)
Cash Interest (excl. interest rate swaps)	($125)	($73)	($98)	($126)	($129)
Capital and Software Expenditures [2]	($56)	($57)	($57)	($60)	($53)
Working Capital & Other	$52	$167	$125	($112)	$35
Adjusted Free Cash Flow	**$201**	**$394**	**$401**	**$139**	**$192**
Interest Rate Swaps	$15	$13	$13	$15	$16
Adjusted Free Cash Flow (incl. interest rate swaps)	**$217**	**$406**	**$414**	**$154**	**$208**
Selected Items Detail					
Non-capitalized Net SAC	$93	$77	$51	$38	$59
Capitalized Net SAC	$262	$269	$236	$238	$296
Net Cash SAC [1]	**$355**	**$345**	**$287**	**$277**	**$355**
memo: Net Expensed SAC	*$41*	*$40*	*$45*	*$46*	*$61*

Note:
1. Differs from contractual amounts, due to the timing of cash receipts and repayments under the terms of our consumer financing program, as well as other non-cash add-backs.
2. Capital expenditures include software investments presented in operating cash flow in GAAP cash flow statement and exclude special items primarily related to third-party costs that are one-time or unusual in nature.

Net Subscriber Acquisition Cost Calculation

	For the three months ended September 30, 2026			For the twelve months ended September 30, 2026
($ in millions)	**Capitalized**	**Non-capitalized**	**Total**	**Total**
Selling, Advertising, and Commissions	$115	$84	$199	$694
Security Installation, Product, and Other Cost	-	$133	$133	$409
Capitalized Direct SAC	$65	-	$65	$323
Capitalized Dealer SAC	$124	-	$124	$471
Upfront Cash Proceeds	($41)	($125)	($166)	($633)
Net Cash SAC	**$262**	**$93**	**$355**	**$1,264**

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

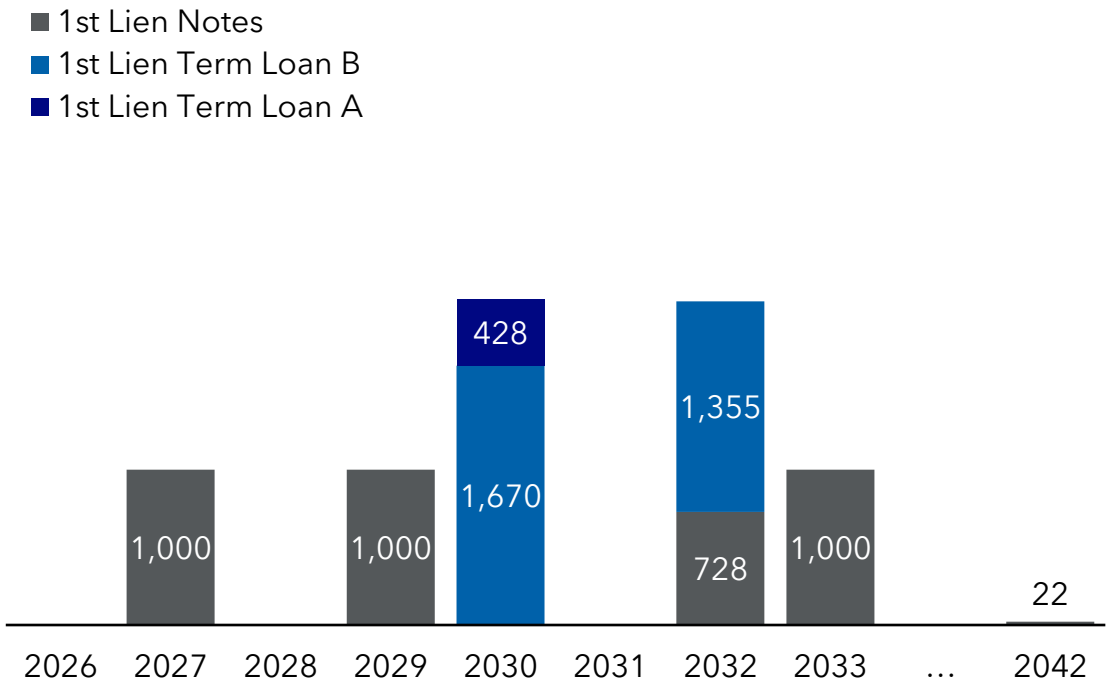
Capital Structure and Maturity Profile

Leverage Ratios and Net Debt[1]

	Sep. 30, 2026	Sep. 30, 2025
Net Debt / Adjusted EBITDA	2.7x	2.8x
Net Debt / Adjusted EBITDA prior to subscriber acquisition	2.6x	2.6x
Net Debt / Annualized RMR	1.7x	1.7x

($ in millions)		
Revolver	-	-
First Lien Term Loans	3,697	3,115
First Lien Notes	3,750	3,050
Second Lien Notes	-	1,300
Finance Leases and Other	69	54
Total Debt	**7,516**	**7,518**
Cash and Cash Equivalents	(228)	(63)
Net Debt	**7,288**	**7,455**

Debt Maturity Profile[2]



Note:
1. LTM Adjusted EBITDA reflects continuing operations only. The leverage ratio under our credit agreement includes certain defined adjustments and may differ from the ratio presented above. Reconciliations for the Non-GAAP measures Net Debt and Net Leverage Ratios are available at the end of this presentation.
2. Excludes annual mandatory amortization on Term Loans ($46M in 2026; $47M-$61M/year in 2027-2030; $15M in 2031, receivables facility, and finance leases).

Statements of Operations

(in millions, except per share data)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	$ Change	% Change	2026	2025	$ Change	% Change
Revenue:								
Monitoring and related services	$ 1,084	$ 1,098	$ (14)	(1)%	$ 3,246	$ 3,271	$ (25)	(1)%
Security installation, product, and other	265	200	65	32%	693	582	112	19%
Total revenue	1,349	1,298	51	4%	3,940	3,852	87	2%
Cost of revenue *(exclusive of depreciation and amortization shown separately below):*								
Monitoring and related services	160	162	(2)	(1)%	472	482	(10)	(2)%
Security installation, product, and other	133	89	44	50%	327	259	68	26%
Total cost of revenue	293	251	42	17%	799	741	58	8%
Selling, general, and administrative expenses	400	384	16	4%	1,151	1,109	42	4%
Depreciation and intangible asset amortization	345	348	(3)	(1)%	1,038	1,026	12	1%
Operating income (loss)	311	315	(5)	(1)%	952	976	(24)	(3)%
Interest expense, net	(102)	(113)	11	(10)%	(302)	(349)	47	(13)%
Other income (expense)	—	(4)	4	N/M	3	(8)	11	N/M
Income (loss) from continuing operations before income taxes	209	199	11	5%	653	619	34	5%
Income tax benefit (expense)	(57)	(55)	(1)	3%	(175)	(165)	(11)	6%
Income (loss) from continuing operations	153	144	9	7%	477	454	23	5%
Income (loss) from discontinued operations, net of tax	(2)	2	(4)	N/M	(4)	(4)	(1)	22%
Net income (loss)	$ 151	$ 145	$ 5	4%	$ 473	$ 451	$ 22	5%
Common Stock:								
Income (loss) from continuing operations per share - basic	$ 0.21	$ 0.18			$ 0.62	$ 0.54		
Income (loss) from continuing operations per share - diluted	$ 0.20	$ 0.17			$ 0.59	$ 0.51		
Net income (loss) per share - basic	$ 0.21	$ 0.18			$ 0.62	$ 0.54		
Net income (loss) per share - diluted	$ 0.19	$ 0.16			$ 0.57	$ 0.50		
Weighted-average shares outstanding - basic	676	765			714	783		
Weighted-average shares outstanding - diluted	737	828			774	846		
Class B Common Stock:								
Income (loss) from continuing operations per share - basic	$ 0.21	$ 0.18			$ 0.62	$ 0.54		
Income (loss) from continuing operations per share - diluted	$ 0.20	$ 0.17			$ 0.59	$ 0.51		
Net income (loss) per share - basic	$ 0.21	$ 0.18			$ 0.62	$ 0.54		
Net income (loss) per share - diluted	$ 0.19	$ 0.16			$ 0.57	$ 0.50		
Weighted-average shares outstanding - basic	55	55			55	55		
Weighted-average shares outstanding - diluted	55	55			55	55		

Balance Sheets

in millions	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 228	$ 81
Restricted cash and restricted cash equivalents	26	28
Accounts receivable, net	373	385
Inventories, net	177	202
Prepaid expenses and other current assets	163	250
Total current assets	967	946
Property and equipment, net	288	243
Subscriber system assets, net	2,630	2,791
Intangible assets, net	4,769	4,818
Goodwill	4,992	4,886
Deferred subscriber acquisition costs, net	1,553	1,452
Other assets	753	683
Total assets	$ 15,953	$ 15,819
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of long-term debt	$ 1,242	$ 310
Accounts payable	163	107
Deferred revenue	245	244
Accrued expenses and other current liabilities	423	352
Total current liabilities	2,073	1,013
Long-term debt	6,539	7,379
Deferred subscriber acquisition revenue	2,028	2,084
Deferred tax liabilities	1,316	1,267
Other liabilities	358	297
Total liabilities	12,312	12,040
Total stockholders' equity	3,640	3,779
Total liabilities and stockholders' equity	$ 15,953	$ 15,819

Note: Amounts may not sum due to rounding.

Statements of Cash Flows

in millions	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Cash flows from operating activities:				
Net income (loss)	$ 151	$ 145	$ 473	$ 451
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and intangible asset amortization	345	348	1,038	1,026
Amortization of deferred subscriber acquisition costs	71	64	207	187
Amortization of deferred subscriber acquisition revenue	(88)	(90)	(267)	(268)
Share-based compensation expense	19	11	51	43
Deferred income taxes	7	44	24	46
Provision for losses on receivables and inventory	52	55	170	156
Loss on extinguishment of debt	—	5	—	11
Goodwill, intangible, and other asset impairments	—	14	—	15
Unrealized (gain) loss on interest rate swap contracts	9	15	26	57
Other non-cash items, net	22	14	55	53
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:				
Deferred subscriber acquisition costs	(115)	(99)	(309)	(288)
Deferred subscriber acquisition revenue	41	58	139	173
Other, net	(72)	(103)	137	(151)
Net cash provided by (used in) operating activities	440	480	1,745	1,511
Cash flows from investing activities:				
Dealer generated customer accounts and bulk account purchases	(124)	(157)	(363)	(488)
Subscriber system asset expenditures	(65)	(98)	(234)	(307)
Purchases of property and equipment	(46)	(43)	(141)	(126)
Acquisition of businesses, net of cash acquired	—	—	(164)	—
Proceeds (payments) from interest rate swaps	1	(1)	2	(2)
Other investing, net	—	—	—	2
Net cash provided by (used in) investing activities	(233)	(298)	(900)	(921)
Cash flows from financing activities:				
Proceeds from long-term borrowings	115	610	364	1,340
Repayment of long-term borrowings, including call premiums	(27)	(627)	(274)	(1,278)
Proceeds from receivables facility	51	60	155	207
Repayment of receivables facility	(63)	(59)	(193)	(174)
Proceeds (payments) from interest rate swaps	15	17	39	51
Repurchases of common stock, including excise tax	(23)	(112)	(623)	(607)
Dividends on common stock	(41)	(46)	(130)	(142)
Payments on finance leases	(8)	(6)	(23)	(21)
Other financing, net	—	—	(13)	—
Net cash provided by (used in) financing activities	19	(163)	(699)	(623)
Cash and cash equivalents and restricted cash and restricted cash equivalents:				
Net increase (decrease)	227	19	146	(33)
Beginning balance	28	152	109	204
Ending balance	$ 255	$ 171	$ 255	$ 171

Note: Amounts may not sum due to rounding.

GAAP to Non-GAAP Reconciliations

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

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

Unless otherwise noted, non-GAAP measures herein reflect the results of the Company’s continuing operations.

GAAP to Non-GAAP Reconciliations

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

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

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

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

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

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

	Three Months Ended					Nine Months Ended		Twelve Months Ended
(in millions)	**Sep. 30, 2026**	**Jun. 30, 2026**	**Mar. 31, 2026**	**Dec. 31, 2025**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**	**Dec. 31, 2025**
Net cash provided by (used in):								
Operating activities	$ 440	$ 666	$ 638	$ 374	$ 480	$ 1,745	$ 1,511	$ 1,884
Investing activities	$ (233)	$ (261)	$ (406)	$ (197)	$ (298)	$ (900)	$ (921)	$ (1,118)
Financing activities	$ 19	$ (529)	$ (189)	$ (239)	$ (163)	$ (699)	$ (623)	$ (862)
Net cash provided by (used in) operating activities	$ 440	$ 666	$ 638	$ 374	$ 480	$ 1,745	$ 1,511	$ 1,884
Dealer generated customer accounts and bulk account purchases	(124)	(137)	(102)	(109)	(157)	(363)	(488)	(596)
Subscriber system asset expenditures	(65)	(79)	(91)	(89)	(98)	(234)	(307)	(396)
Purchases of property and equipment	(46)	(46)	(49)	(50)	(43)	(141)	(126)	(176)
Free Cash Flow	$ 206	$ 404	$ 396	$ 126	$ 182	$ 1,007	$ 590	$ 716
Net proceeds (payments) from receivables facility	(11)	(17)	(11)	2	1	(38)	33	35
Merger, restructuring and integration payments[1]	4	1	12	2	2	17	10	12
Other, net[2]	3	5	3	9	6	10	26	35
Adjusted Free Cash Flow	$ 201	$ 394	$ 401	$ 139	$ 192	$ 996	$ 659	$ 798
Interest rate swaps presented outside operating activities	15	13	13	15	16	41	49	65
Adjusted Free Cash Flow (including interest rate swaps)	$ 217	$ 406	$ 414	$ 154	$ 208	$ 1,037	$ 709	$ 863

Note: Amounts may not sum due to rounding.

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

GAAP to Non-GAAP Reconciliations

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

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

	Three Months Ended					Nine Months Ended		Twelve Months Ended		
(in millions unless otherwise noted)	Sep. 30, 2026	Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025	Dec. 31, 2025
Income (loss) from continuing operations	$ 153	$ 155	$ 169	$ 146	$ 144	$ 477	$ 454	$ 624	$ 652	$ 601
Interest expense, net	102	102	98	110	113	302	349	412	431	459
Income tax expense (benefit)	57	61	58	68	55	175	165	244	194	233
Depreciation and intangible asset amortization	345	347	345	341	348	1,038	1,026	1,379	1,367	1,367
Amortization of deferred subscriber acquisition costs	71	69	67	66	64	207	187	273	246	253
Amortization of deferred subscriber acquisition revenue	(88)	(90)	(90)	(90)	(90)	(267)	(268)	(357)	(357)	(358)
Share-based compensation expense	19	19	14	12	11	51	43	63	52	55
Merger, restructuring, integration, and other[1]	2	5	7	—	6	13	13	13	22	13
Goodwill impairment[2]	—	—	—	—	12	—	12	—	12	12
Unrealized gain (loss) on interest rate swaps[3]	5	4	4	4	4	12	12	16	15	15
Loss on extinguishment of debt	—	—	—	8	5	—	11	8	12	19
Other, net[4]	1	(1)	1	5	5	—	7	5	18	12
Adjusted EBITDA	$ 665	$ 671	$ 674	$ 670	$ 676	$ 2,009	$ 2,010	$ 2,680	$ 2,663	$ 2,680
Selling (incl. commissions) and advertising								292	275	281
Security installations costs								404	337	341
Security installation revenue								(525)	(400)	(416)
Adjusted EBITDA prior to subscriber acquisition								$ 2,851	$ 2,875	$ 2,886
Income (loss) from continuing operations to total revenue ratio	*11%*	*12%*	*13%*	*11%*	*11%*	*12%*	*12%*	*12%*	*13%*	*12%*
Adjusted EBITDA Margin (as % of total revenue)	*49%*	*51%*	*53%*	*53%*	*52%*	*51%*	*52%*	*51%*	*52%*	*52%*
Total revenue	1,349	1,312	1,279	1,276	1,298	3,940	3,852	5,216	5,113	5,129

Note: Amounts may not sum due to rounding.

1. During 2026, primarily relates to the Origin AI Acquisition and restructuring expenses.
2. Represents a goodwill impairment charge associated with the Multifamily Divestiture.
3. Represents unrealized gain / loss related to interest rate swaps presented in other income (expense).
4. During 2025, primarily includes one-time costs associated with debt transactions.

GAAP to Non-GAAP Reconciliations

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

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

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

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

(in millions, except per share data)	Three Months Ended					Nine Months Ended		Twelve Months Ended
	Sep. 30, 2026	Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025	Dec. 31, 2025
Income (loss) from continuing operations	$ 153	$ 155	$ 169	$ 146	$ 144	$ 477	$ 454	$ 601
Share-based compensation expense	19	19	14	12	11	51	43	55
Merger, restructuring, integration, and other[1]	2	5	7	—	6	13	13	13
Goodwill impairment[2]	—	—	—	—	12	—	12	12
Interest rate swaps, net[3]	9	10	8	14	15	26	57	71
Loss on extinguishment of debt	—	—	—	8	5	—	11	19
Other, net	1	(1)	1	5	5	—	7	12
Tax adjustments[4]	(7)	(7)	(7)	1	(11)	(21)	(33)	(32)
Adjusted Income (Loss) from continuing operations	$ 176	$ 180	$ 191	$ 186	$ 187	$ 547	$ 564	$ 750
Diluted weighted-average shares outstanding of Common Stock[5]:	737	765	822	825	828	774	846	841
Diluted income (loss) from continuing operations per share of Common Stock	$ 0.20	$ 0.19	$ 0.20	$ 0.17	$ 0.17	$ 0.59	$ 0.51	$ 0.68
Share-based compensation expense	0.03	0.02	0.02	0.01	0.01	0.07	0.05	0.06
Merger, restructuring, integration, and other[1]	—	0.01	0.01	—	0.01	0.02	0.02	0.02
Goodwill impairment[2]	—	—	—	—	0.01	—	0.01	0.01
Interest rate swaps, net[3]	0.01	0.01	0.01	0.02	0.02	0.03	0.07	0.08
Loss on extinguishment of debt	—	—	—	0.01	0.01	—	0.01	0.02
Other, net[6]	0.01	0.01	—	0.01	0.01	0.03	0.01	0.04
Tax adjustments[4]	(0.01)	(0.01)	(0.01)	—	(0.01)	(0.03)	(0.04)	(0.04)
Adjusted EPS	$ 0.24	$ 0.23	$ 0.23	$ 0.23	$ 0.23	$ 0.71	$ 0.67	$ 0.89

Note: Amounts may not sum due to rounding.

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

GAAP to Non-GAAP Reconciliations

Leverage Ratios

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

(in millions)	Sep. 30, 2026	Sep. 30, 2025
Total debt (book value)	$ 7,781	$ 7,806
LTM Income (loss) from continuing operations	$ 624	$ 652
Debt to income (loss) from continuing operations ratio	**12.5x**	**12.0x**

(in millions)	Sep. 30, 2026	Sep. 30, 2025
Revolver	$ —	$ —
Term loans	3,697	3,115
First lien and ADT notes	3,750	3,050
Receivables facility	405	441
Finance leases and other	69	54
Total first lien debt	**$ 7,921**	**$ 6,659**
Second lien notes	—	1,300
Total debt[1]	**$ 7,921**	**$ 7,959**
Less: Cash and cash equivalents	(228)	(63)
Less: Receivables Facility	(405)	(441)
Net debt	**$ 7,288**	**$ 7,455**
LTM Adjusted EBITDA from continuing operations	$ 2,680	$ 2,663
Net leverage ratio	**2.7x**	**2.8x**
LTM Adjusted EBITDA from continuing operations prior to subscriber acquisition	$ 2,851	$ 2,875
Net leverage ratio prior to subscriber acquisition	**2.6x**	**2.6x**
Annualized RMR	$ 4,317	$ 4,349
Net Debt / Annualized RMR	**1.7x**	**1.7x**

Note: Amounts may not sum due to rounding.

1. Debt instruments are stated at face value.

For More Information

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