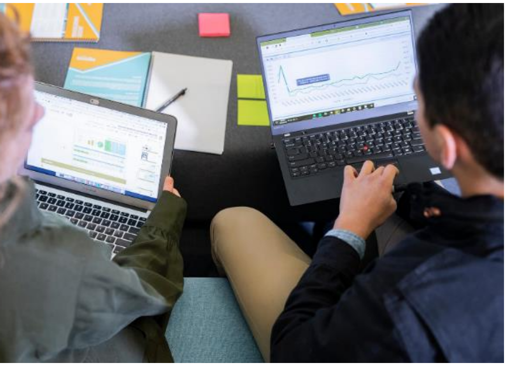
Advantage Solutions Inc.

Investor Presentation | August 2023

NASDAQ: ADV





ADVANTAGE SOLUTIONS

DISCLAIMER

Forward-Looking Statements

Certain statements in this presentation may be considered forward-looking statements within the meaning of the federal securities laws, including statements regarding the expected future performance of Advantage Solutions Inc. ("Advantage"). Forward-looking statements generally relate to future events or Advantage's future financial or operating performance. These forward-looking statements generally are identified by the words "may", "should", "could", "expect", "intend", "will", "would", "estimate", "anticipate", "believe", "predict", "confident", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Advantage and its management at the time of such statements, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, market-driven wage changes or changes to labor laws or wage or job classification regulations, including minimum wage; the COVID-19 pandemic and the measures taken in response thereto; the availability, acceptance, administration and effectiveness of any COVID-19 vaccine; Advantage's ability to continue to generate significant operating cash flow; client procurement strategies and consolidation of Advantage's clients' industries creating pressure on the nature and pricing of its services; consumer goods manufacturers and retailers reviewing and changing their sales, retail, marketing, and technology programs and relationships; Advantage's ability to successfully develop and maintain relevant omni-channel services for our clients in an evolving industry and to otherwise adapt to significant technological change; Advantage's ability to maintain proper and effective internal control over financial reporting in the future; potential and actual harms to Advantage's business arising from the Take 5 Matter; Advantage's substantial indebtedness and our ability to refinance at favorable rates; and other risks and uncertainties set forth in the section titled "Risk Factors" in the Annual Report on Form 10-K filed by the Company with the Securities and Exchange Commission (the "SEC") on March 1, 2023, and in its other filings made from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Advantage assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Non-GAAP Financial Measures and Related Information

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP"), Adjusted EBITDA and Net Debt. These are not measures of financial performance calculated in accordance with GAAP and may exclude items that are significant in understanding and assessing Advantage's financial results. Therefore, the measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP, and should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Advantage's presentation of these measures may not be comparable to similarly-titled measures used by other companies. Reconciliations of historical non-GAAP measures to their most directly comparable GAAP counterparts are included below.

Advantage believes these non-GAAP measures provide useful information to management and investors regarding certain financial and business trends relating to Advantage's financial condition and results of operations. Advantage believes that the use of Adjusted EBITDA and Net Debt provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Advantage's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Additionally, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore Advantage's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

Adjusted EBITDA means net income (loss) before (i) interest expense, net, (ii) (benefit from) provision for income taxes, (iii) depreciation, (iv) impairment of goodwill and indefinite-lived assets, (v) amortization of intangible assets, (vi) equity based compensation of Karman Topco L.P., (vii) change in fair value of warrant liability, (viii) stock-based compensation expense, (ix) fair value adjustments of contingent consideration related to acquisitions, (x) acquisition-related expenses, (xi) loss on disposal of assets, (xii) costs associated with COVID-19, net of benefits received, (xiii) EBITDA for economic interests in investments, (xiv) reorganization and restructuring expenses, (xv) litigation expenses (recovery), (xvi) recovery from Take 5, (xvii) costs associated with the Take 5 Matter and (xviii) other adjustments that management believes are helpful in evaluating our operating performance.

Adjusted Levered Free Cash Flow means net cash provided by (used in) operating activities less purchase of property and equipment as disclosed in the Statements of Cash Flows further adjusted by (i) cash paid for income taxes; (ii) cash paid for acquisition-related expenses; (iii) cash paid for reorganization and restructuring expenses; (iv) cash paid for costs associated with COVID-19, net of benefits received; (v) net effect of foreign currency fluctuations on cash; (vi) cash paid for costs associated with the Take 5 Matter; and (vii) other adjustments that management believes are helpful in evaluating our operating performance. Adjusted Unlevered Free Cash Flow means Adjusted Levered Free Cash Flow adjusted for cash interest paid less interest income received.

Net Debt represents the sum of current portion of long-term debt and long-term debt, less cash and cash equivalents and debt issuance costs. With respect to Net Debt, cash and cash equivalents are subtracted from the GAAP measure, total debt, because they could be used to reduce the debt obligations. We present Net Debt because we believe this non-GAAP measure provides useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and to evaluate changes to the Company's capital structure and credit quality assessment.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

INVESTMENT HIGHLIGHTS

- Market leader in outsourced sales and marketing services industry for CPG brands and retailers
- Large, growing addressable market, anchored by growing retail food industry
- Fragmented base of long-standing blue-chip customers with excellent retention
- Multiple sticky revenue streams and largely contractual nature provide durability and diversification
- Capital light business with historic track record of long-term growth throughout economic cycles
- Solid free cash flow generation despite recent inflationary and labor-related headwinds
- Tangible growth levers via strategic initiatives and operational improvements

COMPANY SNAPSHOT

Advantage Solutions' sales and retailer services help brands and retailers of all sizes get the right products on the shelf, whether physical or digital. Our marketing teams influence shoppers to buy those products, wherever and however they shop.

3,500+ Clients

70,000+ Associates

300+ Data Analytics Professionals

150,000+ Retail Outlets

Brands

Advantage Clients include **~90%+ of Top 25 CPG Brands**[(1)]

Retailers

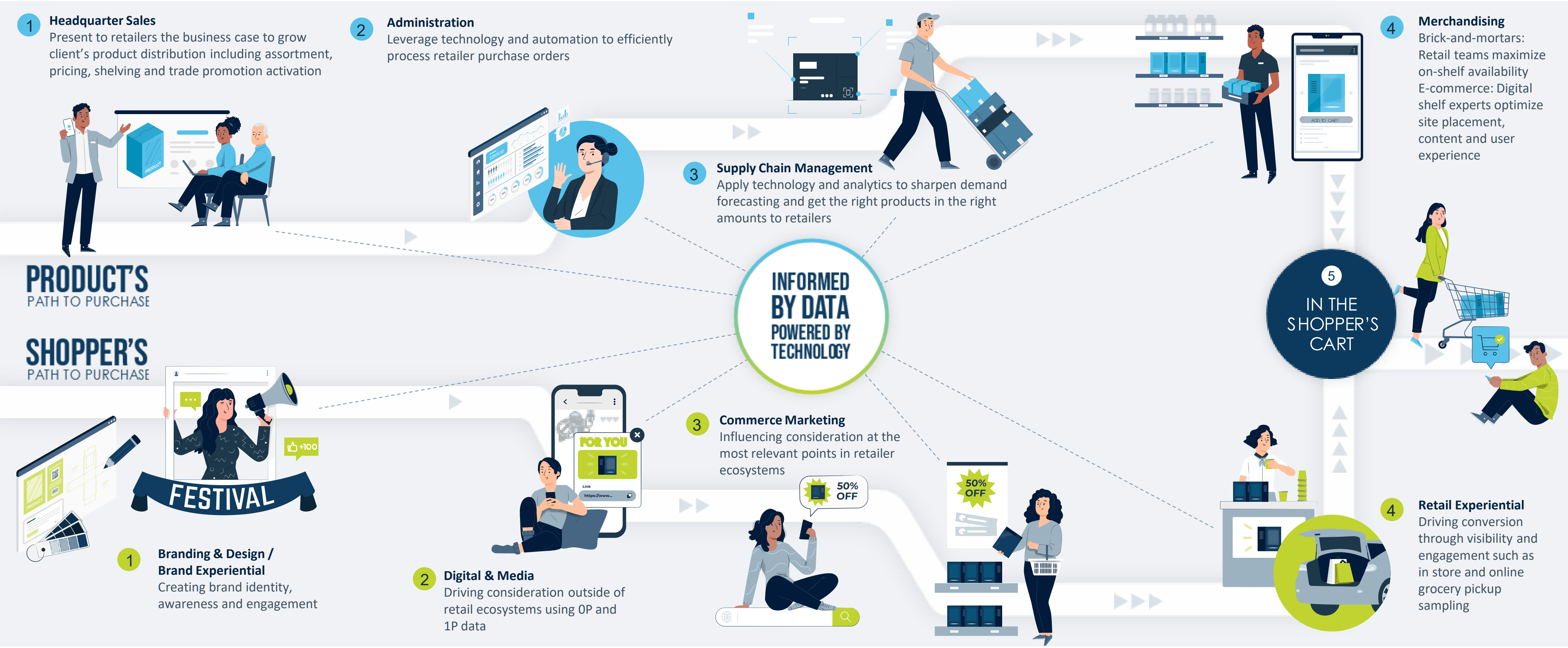
Advantage Customers include **~75%+ of Top 25 Retailers**[(2)]

Helping brands and retailers grow sales, lower costs, and solve problems

(1) Based on ranking of Nielsen 2021 total sales across AOC+C channels.
(2) National Retail Federation (NRF) ranking of industry's largest companies based on 2022 U.S. retail sales.
Note: Unless otherwise noted, figures as of June 30, 2023.

THE BASICS: WHAT ADVANTAGE DOES

Essential partner to leading brands and retailers, helping clients reach consumers every day, in-store and online, through technology-enabled sales and marketing solutions



WE ARE UNIQUELY POSITIONED AT THE INTERSECTION OF...

CPG Manufacturers

Retailers

Physical Retail

E-Commerce

National Brand

Private Brand

ADVANTAGE'S TWO OPERATING SEGMENTS

Diversified across sales and marketing services for CPGs and retailers

Sales Segment
$2.5B *(60% of Revenues)*

- Leading position in **U.S. outsourced sales** and **merchandising** market: provision of essential **sales & merchandising services to increase CPG sales** in brick-and-mortar and online channels for brands and retailers
- Revenues generated on a commission, fee-for-service, or cost-plus basis

Marketing Segment
$1.7B *(40% of Revenues)*

- Leader in **experiential marketing and critical in-store and online sampling programs**
- **Agency of record for many of the most recognized brands** across the retail, packaged goods, technology, and hospitality industries
- Revenues generated on a fee-for-service, cost-plus, retainer, or commission basis
- Currently lower than pre-pandemic levels as a result of depressed in-store sampling and demonstration volumes; labor environment remains challenged

Competitive advantages across Sales and Marketing Segments driven by scale, talent, and technology, resulting in sticky relationships with long-term blue-chip customers

Note: Percentages based on LTM revenues as of June 30, 2023.

SALES SEGMENT

Leader in sales and merchandising services with 20%+ market share

Primary Sales Segment Services

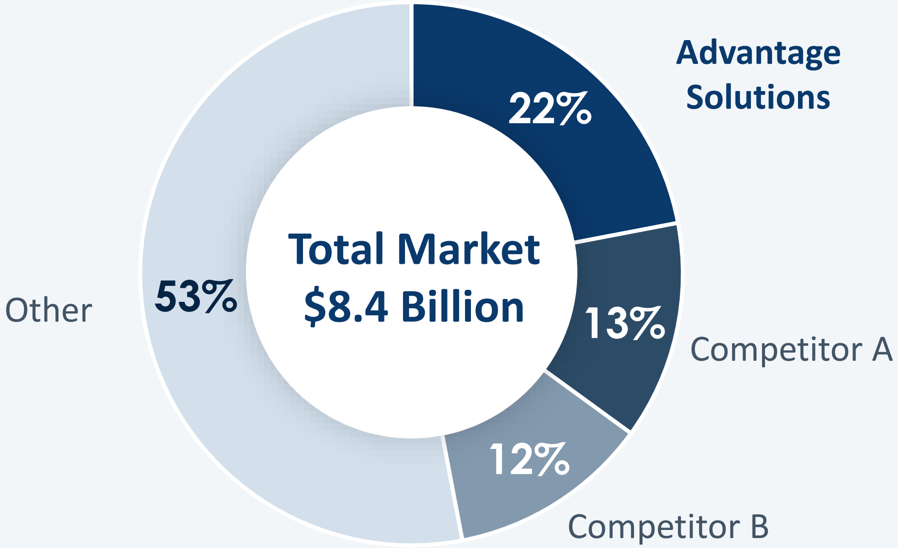
- Customer Alignment and Partnership
- New Item Pitches
- Pricing, Promotion, and Sales Execution

- Retail and Sales Analytics
- Supply Chain Analytics
- Category Management
- Space Management

- Physical and Digital Shelf Management
- Store-Level Selling
- Retail Environment Intelligence
- Resets and On-Demand Projects
- Brand and Retailer-Centric Models

- Order Processing / Customer Service
- Contract and Deduction Management
- Cash Applications and Collections

U.S. Sales and Merchandising Services 2021 Market Share(1)



- ✓ #1 market share position in essential sales and merchandising services
- ✓ Scale advantages
- ✓ Large and stable market
- ✓ Industry fragmentation presents opportunity to grow market share

(1) Based on Investment Bank estimates and Industry Research. Market data is not comprehensive of all services in which Advantage participates.

MARKETING SEGMENT

Leading promotions and experiential/event agency in U.S.

Primary Marketing Segment Services

EVENTS & EXPERIENTIAL

- Sampling and Demonstrations
- Festivals and Mobile Tours
- Logistics and Fulfillment
- Assisted Selling
- In-Store, Online, Brand, and Retailer-Centric Models

COMMERCE MARKETING

- Planning and Execution
- Account-Specific Omnichannel Activation
- National Consumer Promotions

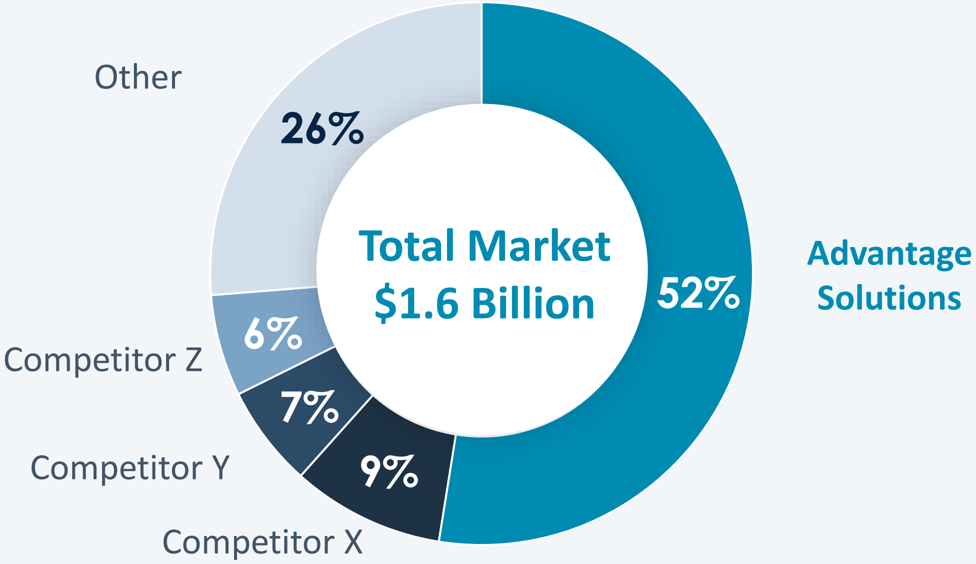
DIGITAL & MEDIA

- Digital Strategy
- Digital Content and Advertising
- Media Planning / Buying
- Mobile and App Development

BRANDING & DESIGN

- Brand and Private Brand Development and Redesign
- Brand Packaging
- Communication Collateral
- Brand Style Guide Creation

U.S. Experiential/Event Marketing 2021 Market Share(1)



- ✓ Ad Age #1 position in Experiential / Events for 10 straight years
- ✓ Scale advantages
- ✓ Strong post-pandemic growth in in-store marketing and sampling programs

(1) Ad Age Agency Report 2022: U.S. Experiential/Event Marketing Networks based on U.S. revenue in 2021. Market data is not comprehensive of all services in which Advantage participates.

LONG-TERM CLIENTS DRIVE RECURRING REVENUE STREAMS

Brands

Client Description	Length of Relationship (years)	Service Offering	
		Sales	Marketing
$40B+ Confectionery/Food CPG	25+	✓	✓
$8B+ Food & Beverage CPG	25+	✓	✓
$50B+ Multinational CPG	25+	✓	✓
$5B+ Household CPG	15+	✓	✓
$30B Multinational OTC Pharma	15+	✓	✓
$80B+ Food & Beverage CPG	10+	✓	✓
$10B+ Household CPG	10+	✓	✓
$50B+ Chemical & OTC Pharma	10+	✓	✓

Retailers

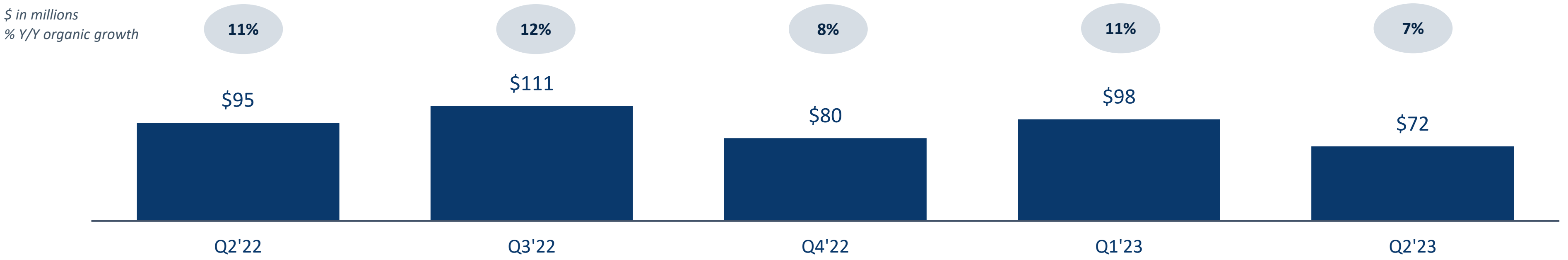
Client Description	Length of Relationship (years)	Service Offering	
		Sales	Marketing
$200B Membership Retailer	25+	✓	✓
$130B+ Grocer	25+	✓	✓
$560B Discount Retailer	25+	✓	✓
$90B Food Retailer	25+	✓	✓
$130B+ Home Improvement Retailer	25+	✓	✓
$8B+ Gourmet Supermarket	25+	✓	✓
$15B+ Membership Retailer	20+	✓	✓
$90B+ Discount Retailer	20+	✓	✓

100% of Advantage's top 100 clients in 2021 [(1)] were clients in 2022, with these clients representing only ~55% of total 2022 revenues, highlighting lack of concentration

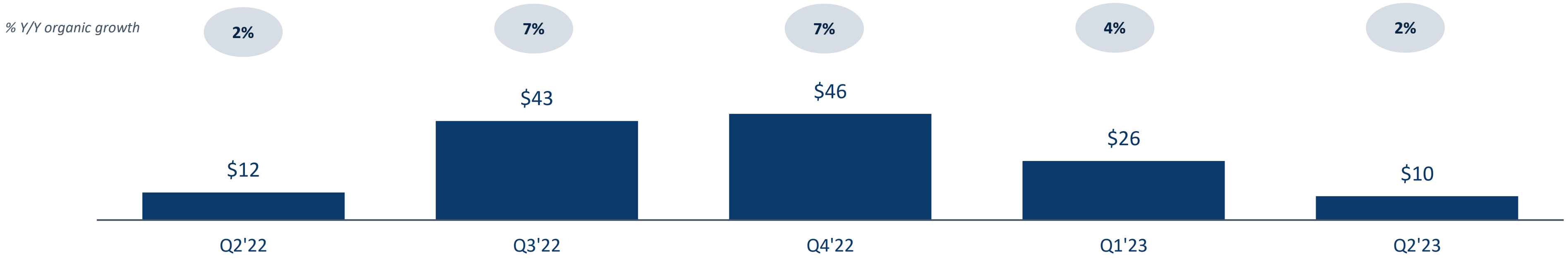
(1) Top clients in 2021 as measured by contributions to Advantage's revenue.

ORGANIC REVENUE GROWTH

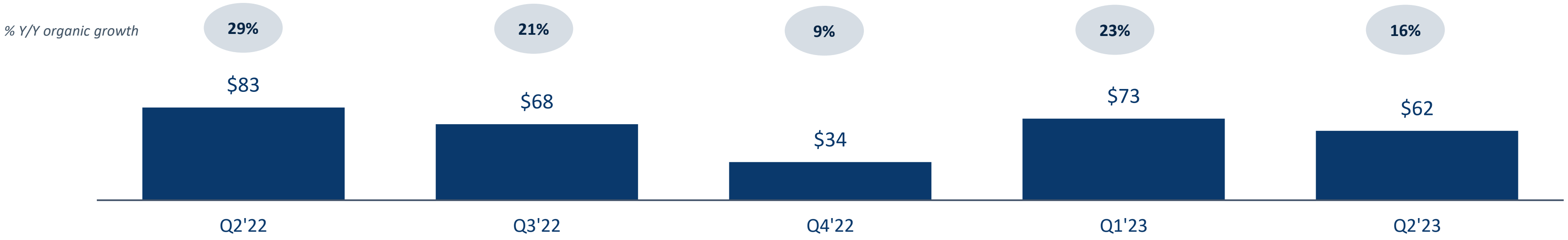
Total Advantage



Sales Segment



Marketing Segment

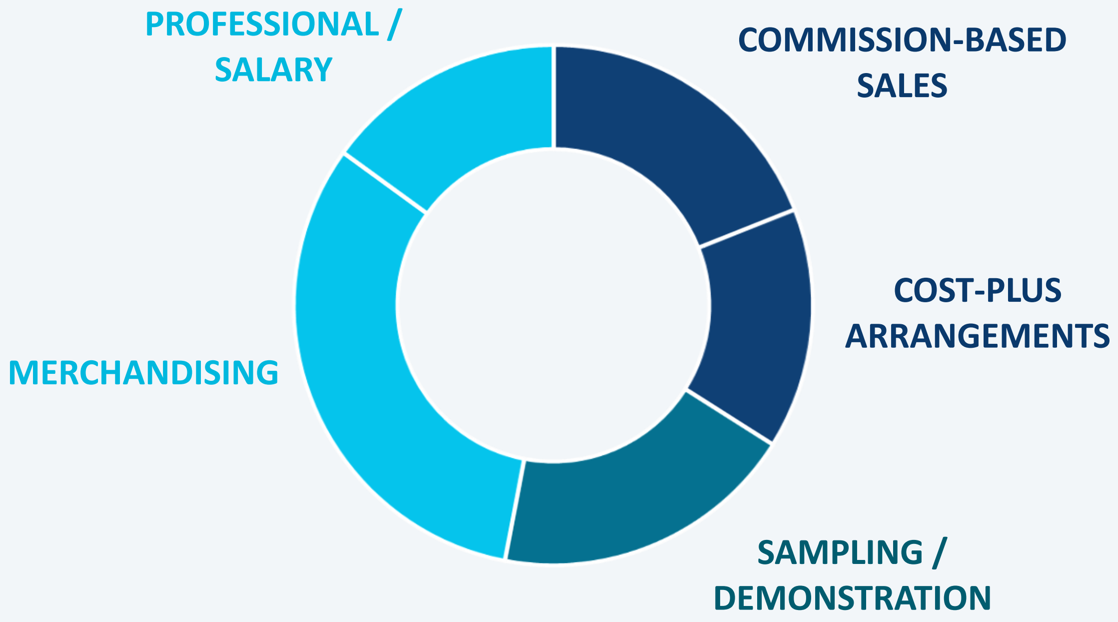


(1) Presented net of foreign exchange impact.

PRICING OVERVIEW

Pricing represented approximately 1/3rd of organic revenue growth in Q2'23

Mixed bag of pricing power across various businesses and contract types



1 Immediate / Quick Benefit | 2 Mixed Impact | 3 Recoup Over Time / Some Absorbed

1 **Commission-Based Sales** – CPG product inflation generates commission lift to offset associated white collar wage inflation

Cost-Plus Arrangements – Immediately pass-through wage inflation in price

2 **Sampling / Demonstration** – Recoup wage inflation quickly; work and negotiate with retailers and pass through to CPGs

3 **Merchandising** – Recoup wage inflation via price potentially absorbing some of the increase in costs temporarily; pass-through lag

Professional / Salary – Recoup wage inflation via price potentially absorbing some of the increase in costs temporarily; pass-through lag

Note: Business breakdown excludes zero-margin pass through revenue.

CUSTOMER CASE STUDY: MARUCHAN

For 20+ years, Advantage has evolved and grown with Maruchan

NATIONAL SALES AGENCY

SITUATION

Maruchan sought to grow sales and become the dominant ramen choice in the U.S.

ACTION

Hired Advantage Sales for full-service sales representation nationally.

RESULTS

84%
Sales growth over the last 14 years

39%
YOY sales growth of Maruchan Gold new product launch

15+
Percentage points of market share growth in 20 years

MARKETING AGENCY

SITUATION

Maruchan was looking to reach new audiences after sales began to plateau.

ACTION

AMP Agency identified target audiences, developed the brand architecture, and honed the brand's creative, including broadcast spots, product packaging, and digital and social advertising.

RESULTS

50K+
Followers across all organic social platforms since 2019 **and growing by 50% annually**

40M+
Impressions from 2019 Maruchan GOLD launch campaign and 2021 fully integrated brand campaign

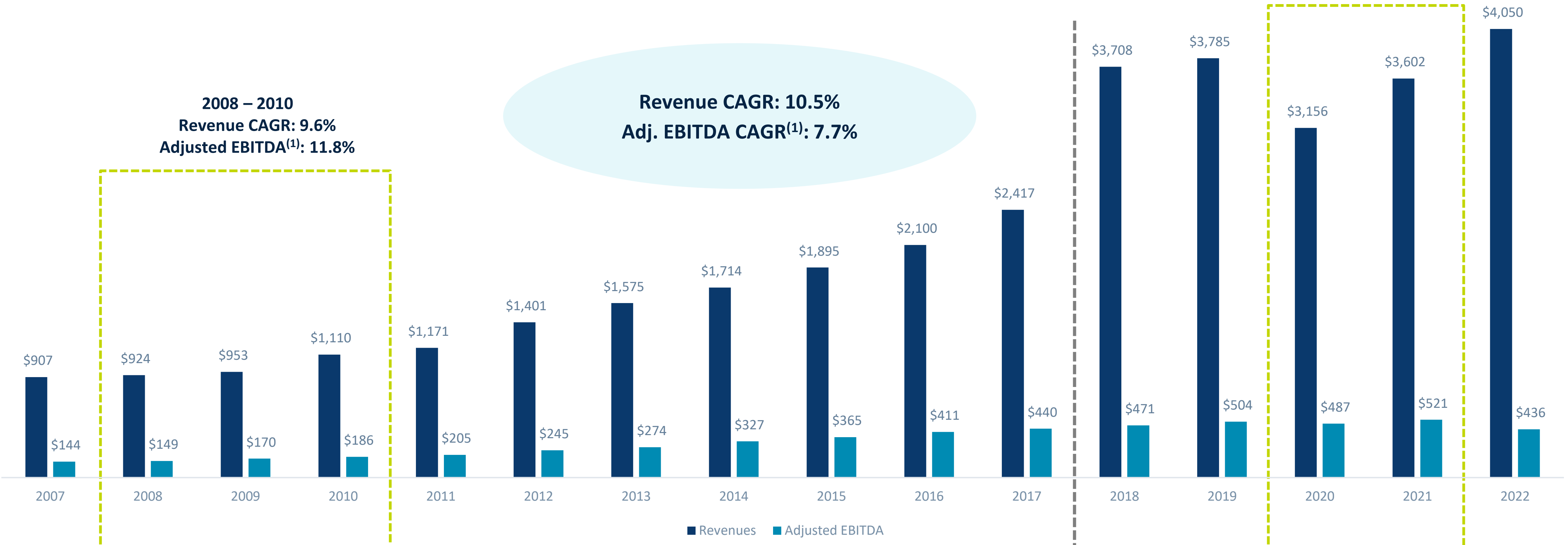
50K+
Product searches annually

2000: **53.0% Share** → TODAY: **68.1 % Share**

Note: Reflects data as of December 31, 2022..

PROVEN TRACK RECORD ACROSS ECONOMIC CYCLES

2022 revenues topped $4B for first time despite unparalleled labor / inflation challenges



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Adj. EBITDA Margin	15.8%	16.1%	17.8%	16.7%	17.5%	17.5%	17.4%	19.1%	19.3%	19.6%	18.2%	12.7%	13.3%	15.4%	14.5%	10.8%
Net Income ($MM)	$5.8	$(201.1)	$20.6	$(35.0)	$(24.4)	$4.3	$35.1	$(99.0)	$24.9	$31.2	$388.0	$(1,151.2)	$(19.8)	$(161.7)	$57.5	$(1,377.3)

Great Recession

Daymon Acquisition in December 2017

COVID-19 Pandemic

(1) Adjusted EBITDA and Adjusted EBITDA margin are measures that are not calculated in accordance with GAAP. For a reconciliation of Adjusted EBITDA to net income (loss), please see the appendix to this presentation.

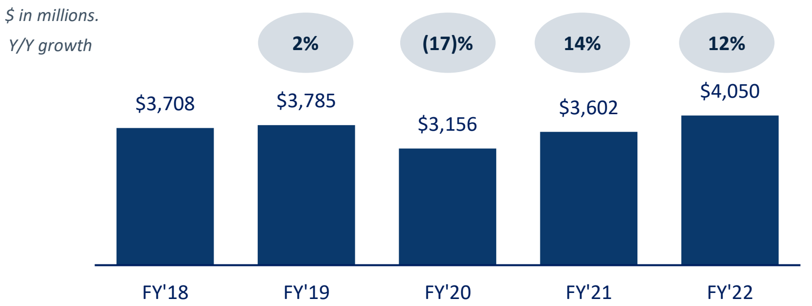
Note: Dollars in millions. Acquisition of Daymon closed December 2017. Revenue and Adjusted EBITDA CAGRs based on 2007 – 2022 time period.

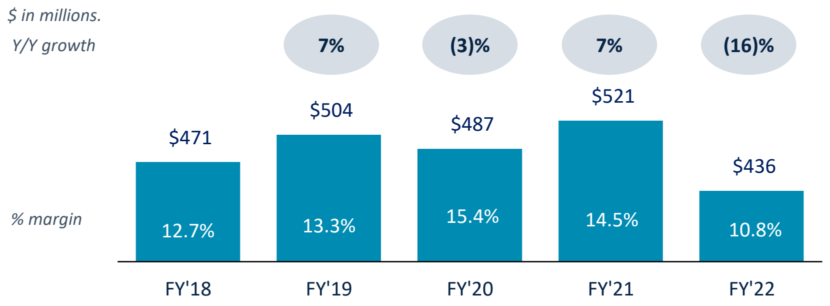
2018-2022 PERFORMANCE TRENDS

Revenues

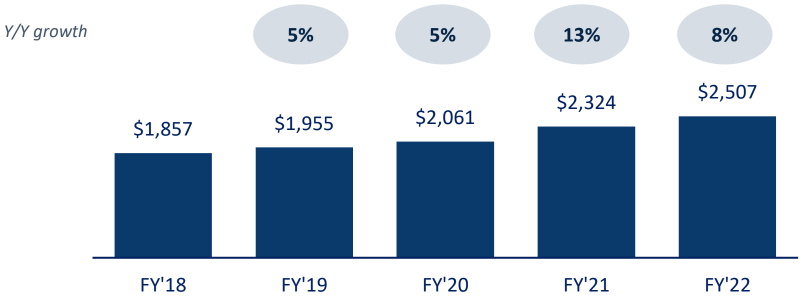
Adjusted EBITDA

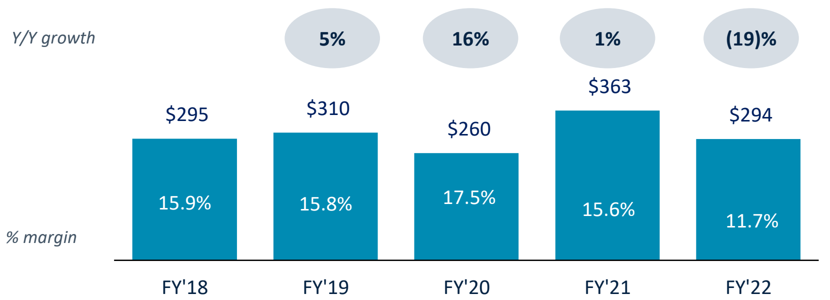
Total Advantage



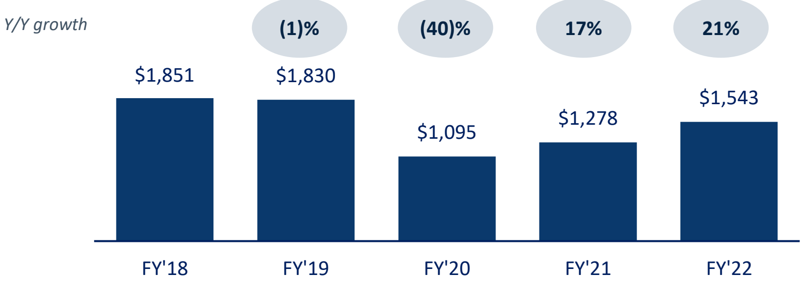


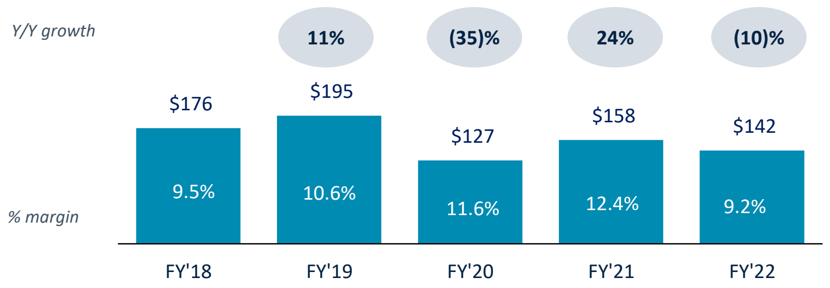
Sales Segment





Marketing Segment





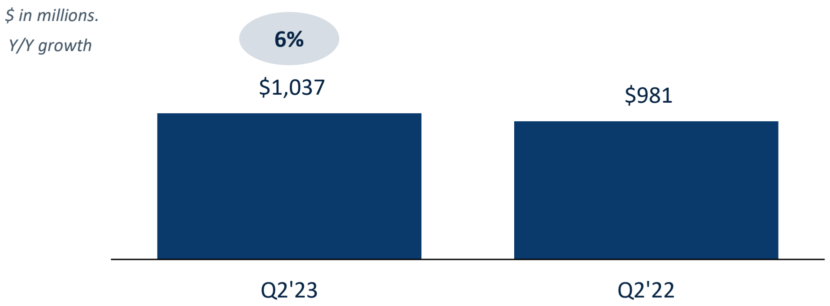
Note: Please see the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures. Totals may not add due to rounding.

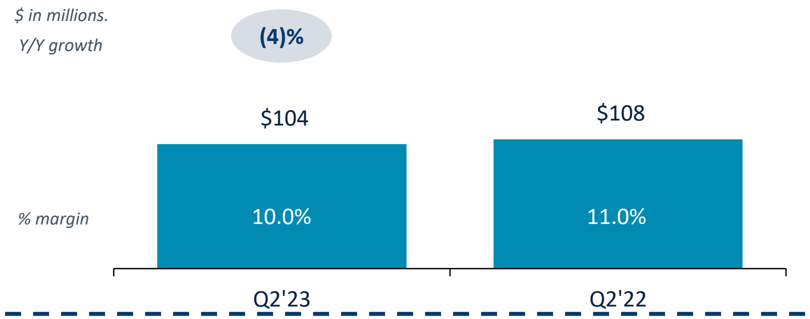
Q2 FINANCIAL RESULTS

Revenues

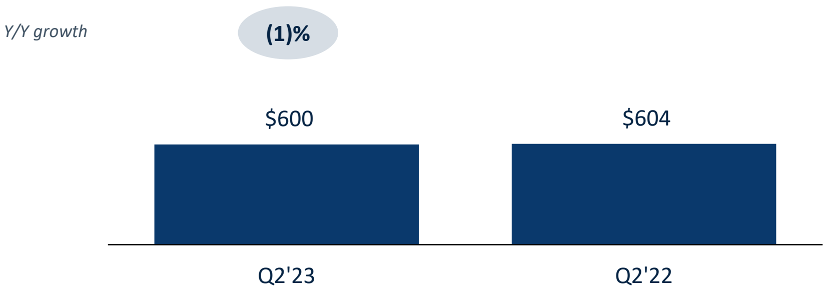
Adjusted EBITDA

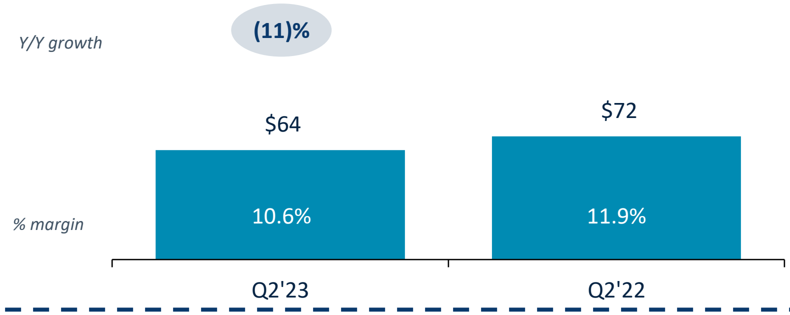
Total Advantage



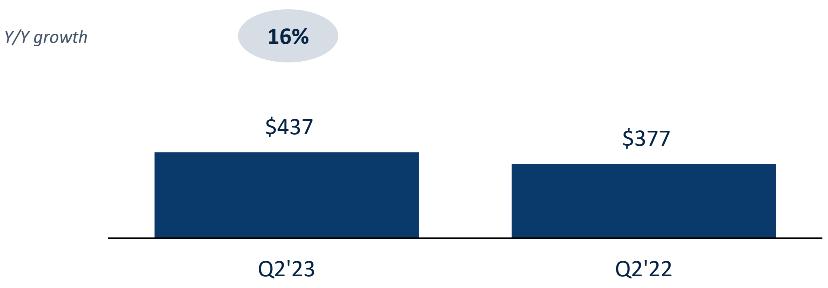


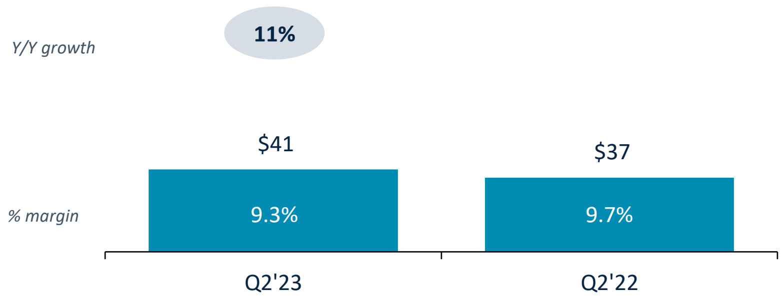
Sales Segment





Marketing Segment



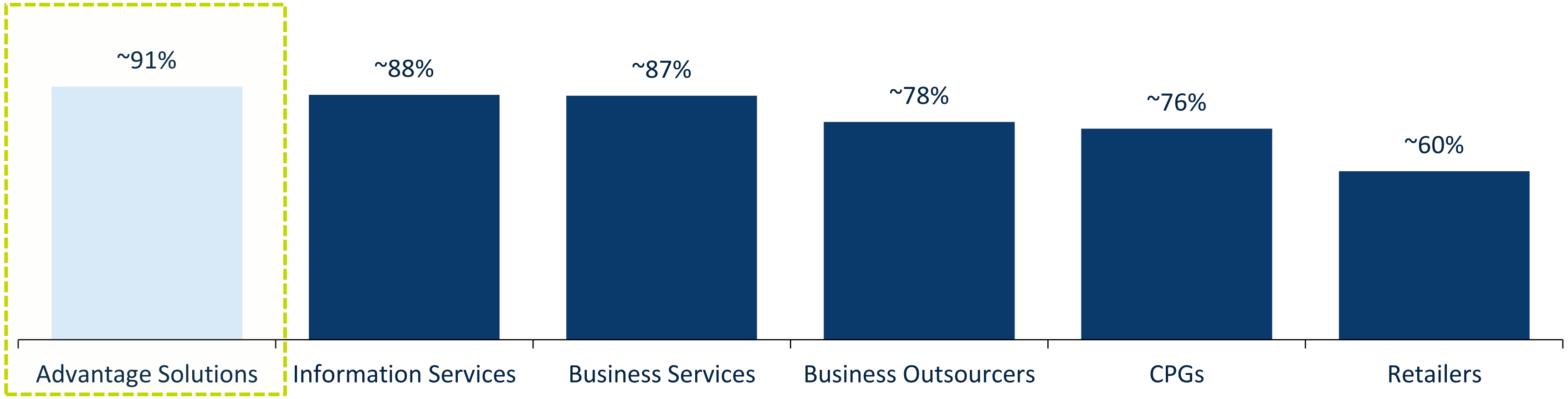


Note: Please see the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures. Totals may not add due to rounding.

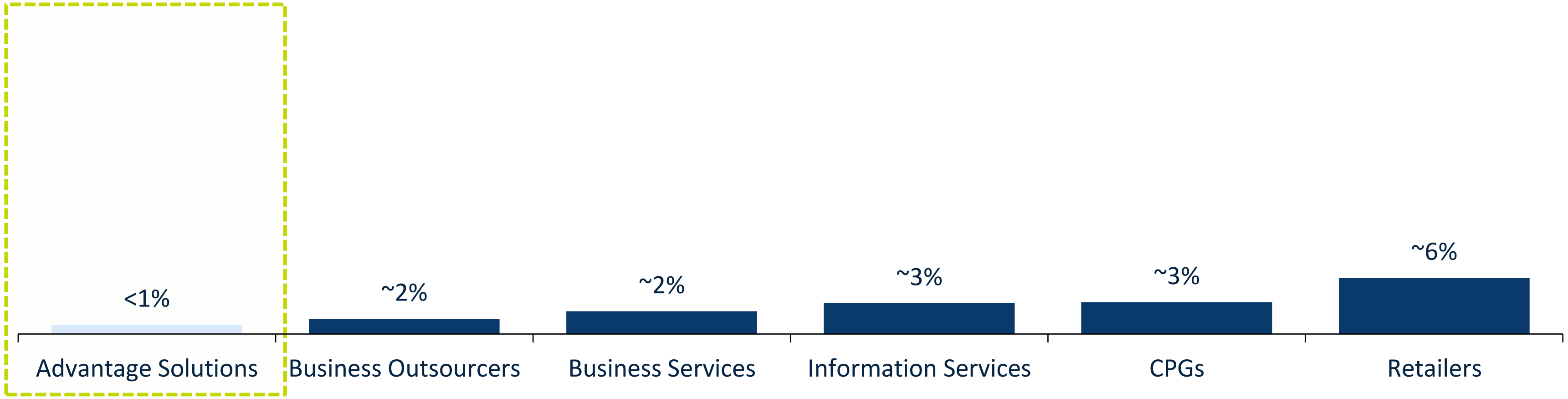
ASSET-LIGHT BUSINESS

Advantage differentiated from peers / industry participants due to limited capital intensity

(2022 Adj. EBITDA – 2022 Capex) / 2022 Adj. EBITDA



2022 Capital Expenditures to Sales



Note: Cash Flow Conversion defined as (Adj. EBITDA – Capex) / (Adj. EBITDA); Capital Expenditures to Sales Defined as Capex / LTM Sales; Market Data as of 12/31/2022; CPG comparables include Church & Dwight, Clorox, Coca-Cola Europacific Partners, PepsiCo, J. M. Smucker, and Reynolds; Business Services include Bright Horizons, BrightView, Healthcare Services, Omnicom Group, Publicis Groupe, WPP, Cintas, and Ecolab; Other Business Outsourcers include Aramark, Accenture, Genpact, Compass, and Sodexo; Information Services include ADP, Verisk Analytics, and Gartner; Retailers include Walmart, Costco, Kroger, and Koninklijke.

FREE CASH FLOW OVERVIEW

Generated $119M / $69M of unlevered / levered cash flow in Q2'23

	Adj. EBITDA	Adj. EBITDA – Capex	Adj. Unlevered Free Cash Flow	Adj. Levered Free Cash Flow
$:	$104M	$93M	$119M	$69M
%:	100%	89%	114%	66%

Note: Adj. EBITDA, Adj. Unlevered Free Cash Flow, and Adj. Levered Free Cash flow are non-GAAP financial measures. For reconciliation to the most directly comparable GAAP counterparts, please see the appendix attached hereto.
Percentages are based on Adj. EBITDA

CAPITAL ALLOCATION PRIORITIES

De-lever Balance Sheet

- Expect to steadily de-lever balance sheet throughout 2023
- Repurchased ~$54M of floating rate term loan YTD at favorable discount
- Current leverage: 4.3x net debt(1) to LTM June Adjusted EBITDA

Organic Growth & Investment

- Investing in recruiting and retention given challenging labor environment
- Focus on executing critical activities within core business to improve infrastructure and grow
- Enhance analytic support for HQ Sales and enhance technology for Retail teams

M&A Opportunities

- No acquisitions completed since August 2022
- Completed small margin- and net leverage-accretive divestiture in third party reselling business in Q2
- Any M&A should not be adverse to balance sheet or impact debt metrics

Share Repurchases

- Opportunistically repurchase shares with available cash
- $100M Open Share Repurchase Authorization; $13M repurchased through Q2 2023

Advantage is focused on de-leveraging its balance sheet

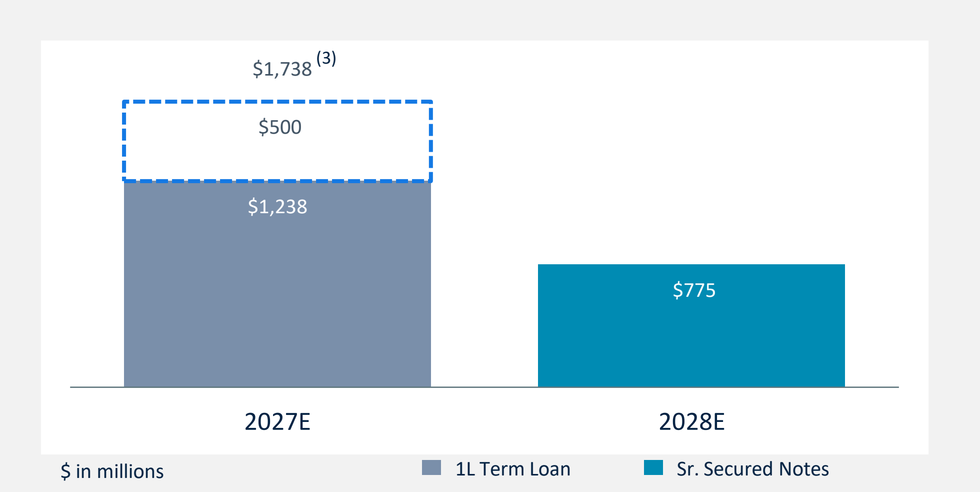
(1) Net debt is a non-GAAP financial measure and includes Other Debt of approximately $7M. For a reconciliation of net debt to total debt, the most directly comparable GAAP counterpart, please see the appendix attached hereto.

CAPITALIZATION SUMMARY

- Total Debt of $2.0 billion(1)
  - Leverage at around 4.3x net debt(1) to LTM June Adjusted EBITDA
  - No meaningful maturities for the next 4+ years
- Debt Capitalization:

$ in millions	Maturity	Rate	Outstanding
First Lien Term Loan	2027	S+4.50%(2)	$1,238
Senior Secured Notes	2028	6.50%	775
Other Debt			7
Total Gross Debt			**$2,020**
Less: Cash and Cash Equivalents			(165)
Total Net Debt[1]			**$1,855**

- Equity capitalization as of June 30, 2023:
  - 324,481,143 Class A Common shares outstanding
  - 1,610,014 Treasury shares outstanding
  - 18,578,321 Warrants with a $11.50 exercise price per share
  - 28,307,799 RSUs and PSUs(4)
  - 17,570,000 Options



~85% of debt is hedged or at fixed interest rate

(1) Net debt is a non-GAAP financial measure and includes Other Debt of approximately $7M. For a reconciliation of net debt to total debt, the most directly comparable GAAP counterpart, please see the appendix attached hereto.
(2) First Lien Term Loan rate subject to 0.75% SOFR floor.
(3) First Lien Term Loan that amortizes at 1% per annum, paid quarterly. Illustratively showing full $1,238 million obligation in 2027E maturity, including $500 million of borrowing capacity of Revolving Credit Facility.
(4) PSUs represent the number of underlying shares that would be issued at Target performance levels.

Appendix & Non-GAAP Reconciliation

NON-GAAP RECONCILIATION (1/7)

	Year Ended December 31,															
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Company (in thousands)				(Unaudited)[11]				(Unaudited)[11]								
Net income (loss)	$ 5,790	$ (201,052)	$ 20,622	$ (34,984)	$ (24,442)	$ 4,253	$ 35,072	$ (98,984)	$ 24,886	$ 31,165	$ 388,042	$ (1,151,223)	$ (19,756)	$ (161,707)	$ 57,549	$ (1,377,292)
Add:																
Interest expense, net	69,403	255,211	26,199	96,606	106,738	112,426	106,020	168,123	160,895	167,360	179,566	229,643	232,077	234,044	137,927	104,459
Provision for (benefit from) income taxes	10,294	59,213	45,989	(50)	(8,471)	(8,106)	17,922	(16,965)	18,202	22,623	(358,806)	(168,334)	1,353	(5,331)	33,617	(145,337)
Depreciation and amortization	51,110	(13,074)	16,538	57,566	124,644	144,912	126,648	143,954	164,584	170,260	179,990	225,233	232,573	238,598	240,041	233,075
Impairment of goodwill and indefinite-lived assets	6,290	53,189	60,234	—	—	—	—	—	—	—	—	1,232,000	—	—	—	1,572,523
Equity-based compensation of Karman Topco L.P.[1]	665	931	668	758	1,771	1,855	1,724	3,032	7,463	7,622	9,882	(2,432)	7,960	98,119	(10,313)	(6,934)
Change in fair value of warrant liability	—	—	—	—	—	—	—	—	—	—	—	—	—	—	955	(21,236)
Stock-based compensation expense[2]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34,602	39,825
Fair value adjustments related to contingent consideration related to acquisitions[3]	—	(5,879)	(290)	—	—	—	(2,278)	(11,979)	(31,305)	(841)	12,757	(54,464)	1,516	13,367	4,562	4,774
Acquisition-related expenses[4]	—	—	—	65,754	5,115	719	2,547	140,423	9,857	10,368	25,251	61,155	31,476	50,823	20,173	23,902
EBITDA for economic interests in investments[6]	—	—	—	—	84	(11,107)	(13,355)	(469)	1,426	1,778	(4,636)	(7,212)	(8,421)	(6,462)	(13,437)	(12,888)
Reorganization and restructuring expenses[7]	—	—	—	—	—	—	—	—	5,498	1,890	7,343	12,465	5,385	39,770	12,502	6,094
Litigation expenses (recovery)[8]	—	—	—	—	—	—	—	—	3,984	(975)	271	1,200	3,500	1,980	(910)	5,357
Costs associated with COVID-19, net of benefits received[9]	—	—	—	—	—	—	—	—	—	—	—	—	—	(11,954)	(991)	7,208
Loss on (recovery from) Take 5[15]	—	—	—	—	—	—	—	—	—	—	—	79,165	—	(7,700)	—	—
Costs associated with the Take 5 Matter[10]	—	—	—	—	—	—	—	—	—	—	—	14,178	16,368	3,628	4,901	2,465
Adjusted EBITDA	$ 143,552	$ 148,539	$ 169,960	$ 185,650	$ 205,439	$ 244,952	$ 274,300	$ 327,135	$ 365,490	$ 411,250	$ 439,660	$ 471,374	$ 504,031	$ 487,175	$ 521,178	$ 435,995

(in thousands)																
Numerator - Revenues	$ 907,174	$ 923,491	$ 953,060	$ 1,109,859	$ 1,170,623	$ 1,401,406	$ 1,575,254	$ 1,713,720	$ 1,895,046	$ 2,100,235	$ 2,416,927	$ 3,707,628	$ 3,785,063	$ 3,155,671	$ 3,602,298	$ 4,049,742
Denominator - Adjusted EBITDA	$ 143,552	$ 148,539	$ 169,960	$ 185,650	$ 205,439	$ 244,952	$ 274,300	$ 327,135	$ 365,490	$ 411,250	$ 439,660	$ 471,374	$ 504,031	$ 487,175	$ 521,178	$ 435,995
Adjusted EBITDA Margin	15.8%	16.1%	17.8%	16.7%	17.5%	17.5%	17.4%	19.1%	19.3%	19.6%	18.2%	12.7%	13.3%	15.4%	14.5%	10.8%

NON-GAAP RECONCILIATION (2/7)

Consolidated	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
	Three Months Ended				
Total Company (in thousands)					
Net income (loss)	$ 3,676	$ 23,227	$ (1,421,729)	$ (47,678)	$ (7,846)
Add:					
Interest expense, net	28,188	23,557	40,831	47,191	30,459
Provision for (benefit from) income taxes	1,316	1,158	(156,860)	(7,696)	(416)
Depreciation and amortization	58,444	57,785	59,078	57,104	56,738
Impairment of goodwill and indefinite-lived assets	—	—	1,572,523	—	—
Equity based compensation of Topco[1]	(3,519)	(828)	208	(2,269)	(1,218)
Change in fair value of warrant liability	(4,914)	(1,100)	220	(73)	74
Stock based compensation expense[2]	14,961	7,174	9,919	11,210	11,226
Fair value adjustments related to contingent consideration related to acquisitions[3]	3,654	(340)	(674)	4,292	5,068
Acquisition-related expenses[4]	5,998	4,260	4,059	2,432	498
Loss on disposal of assets[5]	—	—	—	16,497	1,158
EBITDA for economic interests in investments[6]	(1,020)	(2,474)	(5,342)	(1,185)	(2,457)
Reorganization and restructuring expenses[7]	253	3,562	1,636	11,148	5,837
Litigation (recovery) expenses [8]	(800)	—	6,157	—	4,350
Costs associated with COVID-19, net of benefits received[9]	1,362	2,009	2,263	1,017	2,317
Recovery from Take 5[15]	—	—	—	—	(1,675)
Costs associated with the Take 5 Matter[10]	723	278	377	80	99
Adjusted EBITDA	$ 108,322	$ 118,268	$ 112,666	$ 92,070	$ 104,212

	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
	Three Months Ended				
(in thousands)					
Numerator - Revenues	$ 981,076	$ 1,051,095	$ 1,102,763	$ 1,011,983	$ 1,037,055
Denominator - Adjusted EBITDA	$ 108,322	$ 118,268	$ 112,666	$ 92,070	$ 104,212
Adjusted EBITDA	11.0%	11.3%	10.2%	9.1%	10.0%

NON-GAAP RECONCILIATION (3/7)

	Three Months Ended				
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Sales Segment (in thousands)					
Operating income (loss)	$ 15,177	$ 31,765	$ (1,389,107)	$ (4,146)	$ 7,123
Add:					
Depreciation and amortization	40,543	39,798	40,075	39,814	39,390
Equity based compensation of Topco[(1)]	(2,032)	(320)	283	(1,501)	(580)
Stock based compensation expense[(2)]	9,171	4,080	6,016	6,690	6,313
Fair value adjustments related to contingent consideration related to acquisitions[(3)]	6,090	(1,901)	(4,442)	4,097	3,804
Acquisition-related expenses[(4)]	3,540	2,880	808	1,734	366
Loss on disposal of assets[(5)]	—	—	—	11,744	1,710
EBITDA for economic interests in investments[(6)]	(1,155)	(2,656)	(5,351)	(1,275)	(2,415)
Reorganization and restructuring expenses[(7)]	340	2,360	1,307	8,602	3,340
Litigation (recovery) expenses [(8)]	(100)	—	6,157	—	4,350
Costs associated with COVID-19, net of benefits received[(9)]	179	166	611	80	277
Sales Segment Adjusted EBITDA	$ 71,753	$ 76,172	$ 78,076	$ 65,839	$ 63,678

	Three Months Ended				
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Marketing Segment (in thousands)					
Operating income (loss)	$ 13,089	$ 15,077	$ (148,431)	$ (4,110)	$ 15,148
Add:					
Depreciation and amortization	17,901	17,987	19,003	17,290	17,348
Equity based compensation of Topco[(1)]	(1,487)	(508)	(75)	(768)	(638)
Stock based compensation expense[(2)]	5,790	3,094	3,903	4,520	4,913
Fair value adjustments related to contingent consideration related to acquisitions[(3)]	(2,436)	1,561	3,768	195	1,264
Acquisition-related expenses[(4)]	2,458	1,380	3,251	698	132
Loss on disposal of assets[(5)]	—	—	—	4,753	(552)
EBITDA for economic interests in investments[(6)]	135	182	9	90	(42)
Reorganization and restructuring expenses[(7)]	(87)	1,202	329	2,546	2,497
Litigation recovery[(8)]	(700)	—	—	—	—
Costs associated with COVID-19, net of benefits received[(9)]	1,183	1,843	1,652	937	2,040
Recovery from Take 5[(15)]	—	—	—	—	(1,675)
Costs associated with the Take 5 Matter[(10)]	723	278	377	80	99
Marketing Segment Adjusted EBITDA	$ 36,569	$ 42,096	$ 34,590	$ 26,231	$ 40,534

NON-GAAP RECONCILIATION (4/7)

	Year Ended December 31,				
	2018	2019	2020	2021	2022
Sales Segment (in thousands)					
Operating (loss) income	$ (1,072,702)	$ 127,961	$ 63,305	$ 182,529	$ (1,323,192)
Add:					
Depreciation and amortization	157,098	161,563	171,569	170,076	161,385
Impairment of goodwill and indefinite-lived assets	1,232,000	—	—	—	1,421,719
Equity-based compensation of Karman Topco L.P.[1]	1,020	6,418	71,124	(6,490)	(3,721)
Stock-based compensation expense[2]	—	—	—	18,357	24,025
Fair value adjustments related to contingent consideration related to acquisitions[3]	(54,628)	(2,720)	8,371	(6,553)	550
Acquisition-related expenses[4]	31,699	18,276	36,722	13,945	14,542
EBITDA for economic interests in investments[6]	(7,155)	(8,395)	(7,565)	(14,058)	(13,369)
Reorganization and restructuring expenses[7]	6,663	2,928	20,295	4,478	4,826
Litigation expenses (recovery)[8]	1,200	3,500	1,658	(584)	6,057
Costs associated with COVID-19, net of benefits received[9]	—	—	(5,462)	1,511	1,412
Sales Segment Adjusted EBITDA	$ 295,195	$ 309,531	$ 360,017	$ 363,211	$ 294,234

	Year Ended December 31,				
	2018	2019	2020	2021	2022
Marketing Segment (in thousands)					
Operating (loss) income	$ (17,212)	$ 85,713	$ 3,701	$ 47,519	$ (116,214)
Add:					
Depreciation and amortization	68,135	71,010	67,029	69,965	71,690
Impairment of goodwill and indefinite-lived assets	—	—	—	—	150,804
Equity-based compensation of Karman Topco L.P.[1]	(3,452)	1,542	26,995	(3,823)	(3,213)
Stock-based compensation expense[2]	—	—	—	16,245	15,800
Fair value adjustments related to contingent consideration related to acquisitions[3]	164	4,236	4,996	11,115	4,224
Acquisition-related expenses[4]	29,456	13,200	14,101	6,228	9,360
EBITDA for economic interests in investments[6]	(57)	(26)	1,103	621	481
Reorganization and restructuring expenses[7]	5,802	2,457	19,475	8,024	1,268
Litigation expenses (recovery)[8]	—	—	322	(326)	(700)
Costs associated with COVID-19, net of benefits received[9]	—	—	(6,492)	(2,502)	5,796
Loss on (recovery from) Take 5[15]	79,165	—	(7,700)	—	—
Costs associated with the Take 5 Matter[10]	14,178	16,368	3,628	4,901	2,465
Marketing Segment Adjusted EBITDA	$ 176,179	$ 194,500	$ 127,158	$ 157,967	$ 141,761

NON-GAAP RECONCILIATION (5/7)

(in thousands)	Three months Ended June 30, 2023
Net cash provided by (used in) operating activities	$ 61,904
Add (Less):	
Purchases of property and equipment	(11,274)
Cash payments for income taxes	15,255
Cash paid for acquisition-related expenses[12]	777
Cash paid for reorganization and restructuring expenses[13]	1,226
Cash paid for costs associated with COVID-19, net of benefits received[14]	2,317
Net effect of foreign currency fluctuations on cash	193
Cash paid for costs associated with the Take 5 Matter (recovery from)[15]	(1,576)
Adjusted levered Free Cash Flow	68,822
Cash payments for interest	56,651
Cash received from interest rate derivatives	(6,944)
Adjusted Unlevered Free Cash Flow	$ 118,529

(amounts in thousands)	Three months Ended June 30, 2023
Numerator - Adjusted levered Free Cash Flow	$ 68,822
Denominator - Adjusted EBITDA	104,212
Unlevered Free Cash Flow as a percentage of Adjusted EBITDA	66.0%

(amounts in thousands)	Three months Ended June 30, 2023
Numerator - Adjusted Unlevered Free Cash Flow	$ 118,529
Denominator - Adjusted EBITDA	104,212
Unlevered Free Cash Flow as a percentage of Adjusted EBITDA	113.7%

NON-GAAP RECONCILIATION (6/7)

(in millions)	June 30, 2023	December 31, 2022
Current portion of long-term debt	$ 15.5	$ 14.0
Long-term debt, net of current portion	1,966.2	2,022.8
Less: Debt issuance costs	(38.1)	(42.4)
Total Debt	2,019.8	2,079.2
Less: Cash and cash equivalents	164.7	120.7
Total Net Debt	$ 1,855.1	$ 1,958.5

NON-GAAP RECONCILIATION (7/7)

Note: Numerical figures included in this slide have been subject to rounding adjustments

(1) Represents expenses related to (i) equity-based compensation expense associated with grants of Common Series D Units of Karman Topco L.P. ("Topco") made to one of the equity holders of Topco and (ii) equity-based compensation expense associated with the Common Series C Units of Topco.

(2) Represents non-cash compensation expense related to the 2020 Incentive Award Plan and the 2020 Employee Stock Purchase Plan.

(3) Represents adjustments to the estimated fair value of our contingent consideration liabilities related to our acquisitions.

(4) Represents fees and costs associated with activities related to our acquisitions and reorganization activities including professional fees, due diligence, and integration activities.

(5) Represents losses on disposal of assets related to divestitures and losses on sale of businesses and classification of assets held for sale, less cost to sell.

(6) Represents additions to reflect our proportional share of Adjusted EBITDA related to our equity method investments and reductions to remove the Adjusted EBITDA related to the minority ownership percentage of the entities that we fully consolidate in our financial statements.

(7) Represents fees and costs associated with various internal reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.

(8) Represents legal settlements, reserves, and expenses that are unusual or infrequent costs associated with our operating activities.

(9) Represents (a) costs related to implementation of strategies for workplace safety in response to COVID-19, including additional sick pay for front-line associates and personal protective equipment; and (b) benefits received from government grants for COVID-19 relief.

(10) Represents costs associated with the Take 5 Matter, primarily, professional fees and other related costs.

(11) Unaudited periods 2010 and 2014 are both comprised of audited stub periods to sum up to full year financials (individual stub periods within each year are audited, full year summations are unaudited).

(12) Represents cash paid for fees and costs associated with activities related to our acquisitions and reorganization activities including professional fees, due diligence, and integration activities.

(13) Represents cash paid for fees and costs associated with various reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.

(14) Represents cash paid or (cash received) for (a) costs related to implementation of strategies for workplace safety in response to COVID-19, including additional sick pay for front-line associates and personal protective equipment; and (b) benefits received from government grants for COVID-19 relief.

(15) Represents cash paid for costs associated with the Take 5 Matter, primarily, professional fees and other related costs and (cash received) from an insurance policy for claims related to the Take 5 Matter.