

Financial Results

3rd Quarter 2024



Advantage Solutions Reports 2024 Third Quarter Results and Remains on Track to Achieve Its Full-Year Outlook

Delivered revenues and Adjusted EBITDA growth during a year of investment.

Transformation is progressing to enhance core service capabilities with greater operating efficiencies.

Remain committed to growing 2024 revenues and Adjusted EBITDA by low single digits on a continuing operations basis.

ST. LOUIS, Nov. 7, 2024 – Advantage Solutions Inc. (NASDAQ: ADV) (“Advantage,” “Advantage Solutions,” the “Company,” “we,” or “our”), a leading business solutions provider to consumer goods manufacturers and retailers, today reported financial results for the three and nine months ended September 30, 2024.

Unless otherwise noted, results presented in this release are on a continuing operations basis. Revenues for the three months ended September 30, 2024, were \$939.3 million, compared with \$1,019.7 million a year ago. Net loss from continuing operations was \$37.3 million, compared to a net loss of \$29.6 million for the third quarter of 2023.

2024 Third Quarter Financial Highlights

- ▶ Organic revenues⁽¹⁾ increased by approximately 2% driven by strength in Experiential Services.
- ▶ Adjusted EBITDA was \$101 million, an 8.1% increase compared to the prior year.
- ▶ Management remains focused on disciplined capital allocation with debt and share repurchases of approximately \$80 million and \$13 million, respectively.

“We continued to execute on our operational priorities, which resulted in organic revenue and Adjusted EBITDA growth in the quarter,” said Advantage CEO Dave Peacock. “At the same time, we are making progress on our transformation initiatives to enhance Advantage’s core capabilities and maximize operating efficiencies across the business. We remain committed to achieving our 2024 guidance and relentlessly serving our clients through our broad range of interconnected services.”

| Consolidated Financial Summary from Continuing Operations | | | | | |
|---|----------------------------------|--------------|-------------------|----------|------------------------|
| (amounts in thousands) | Three Months Ended September 30, | | Change (Reported) | | Organic ⁽¹⁾ |
| | 2024 | 2023 | \$ | % | % |
| Total Revenues | \$ 939,270 | \$ 1,019,706 | \$ (80,436) | (7.9%) | 2.4% |
| Total Net Loss | \$ (37,320) | \$ (29,632) | \$ (7,688) | (25.9%) | |
| Total Adjusted EBITDA | \$ 100,920 | \$ 93,317 | \$ 7,603 | 8.1% | |
| Adjusted EBITDA Margin | 10.7% | 9.2% | | | |
| (amounts in thousands) | | | | | |
| | Nine Months Ended September 30, | | Change (Reported) | | Organic ⁽¹⁾ |
| | 2024 | 2023 | \$ | % | % |
| Total Revenues | \$ 2,674,039 | \$ 2,908,177 | \$ (234,138) | (8.1%) | 2.2% |
| Total Net Loss | \$ (200,469) | \$ (78,549) | \$ (121,920) | (155.2%) | |
| Total Adjusted EBITDA | \$ 261,459 | \$ 265,423 | \$ (3,964) | (1.5%) | |
| Adjusted EBITDA Margin | 9.8% | 9.1% | | | |

(1) Excludes ~\$105 million and ~\$299 million in 3Q'23 and YTD 2023, respectively, related to the deconsolidation of the European JV, which occurred in 4Q'23.

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2024 Third Quarter Segment Highlights

| Segment Financial Summary from Continuing Operations | | | | | | | | |
|--|----------------------------------|------------|----------------|---------------------------------|---------------------------------|----------------|----------------|------------------------|
| Revenues | | | | | | | | |
| Segment <i>(amounts in thousands)</i> | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
| | 2024 | 2023 | YoY (Reported) | Organic ⁽¹⁾ | 2024 | 2023 | YoY (Reported) | Organic ⁽¹⁾ |
| Branded Services | \$ 331,357 | \$ 451,173 | (26.6%) | (3.3%) | \$ 982,752 | \$ 1,327,135 | (25.9%) | (3.4%) |
| Experiential Services | \$ 342,731 | \$ 308,381 | 11.1% | 11.1% | \$ 969,590 | \$ 850,722 | 14.0% | |
| Retailer Services | \$ 265,182 | \$ 260,152 | 1.9% | | \$ 721,697 | \$ 730,320 | (1.2%) | |
| Operating (Loss) Income | | | | | | | | |
| Segment | Three Months Ended September 30, | | | Nine Months Ended September 30, | | | | |
| | 2024 | 2023 | YoY (Reported) | 2024 | 2023 | YoY (Reported) | | |
| Branded Services | \$ (12,210) | \$ (599) | Not Meaningful | \$ (141,608) | \$ 11,607 | Not Meaningful | | |
| Experiential Services | \$ 587 | \$ 1,971 | (70.2%) | \$ 3,398 | \$ 2,450 | 38.7% | | |
| Retailer Services | \$ 8,446 | \$ 5,281 | 59.9% | \$ 13,824 | \$ 11,870 | 16.5% | | |
| Adjusted EBITDA | | | | | | | | |
| Segment | Three Months Ended September 30, | | | Nine Months Ended September 30, | | | | |
| | 2024 | 2023 | YoY (Reported) | 2024 | 2023 | YoY (Reported) | | |
| Branded Services | \$ 48,796 | \$ 50,710 | (3.8%) | \$ 125,987 | \$ 154,298 | (18.3%) | | |
| Experiential Services | \$ 23,299 | \$ 16,584 | 40.5% | \$ 62,603 | \$ 39,792 | 57.3% | | |
| Retailer Services | \$ 28,825 | \$ 26,023 | 10.8% | \$ 72,869 | \$ 71,333 | 2.2% | | |

(1) Excludes ~\$105 million and ~\$299 million in 3Q'23 and YTD 2023, respectively, related to the deconsolidation of the European JV, which occurred in 4Q'23

Branded Services

- ▶ Experienced market softness in line with consumer packaged goods companies and the year-over-year effects of two intentional client exits earlier this year.
- ▶ Delivered improved execution and enhanced labor utilization enabled by transformation initiatives.

Experiential Services

- ▶ Strong client demand, including a shift in activity from the fourth quarter, drove double-digit events per day growth and an 11% increase in revenues year-over-year.
- ▶ Adjusted EBITDA increased by 41% due to strong event count growth and more efficient execution.

Retailer Services

- ▶ Revenue growth was due to increased activity in merchandising services, aided by a timing benefit from the fourth quarter.
- ▶ Focus on execution, talent deployment management and overall costs led to an 11% increase in Adjusted EBITDA.

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Cash Flow and Balance Sheet Highlights

| Highlights | |
|--|--|
| <i>(amounts in millions)</i> | Three Months Ended September 30, 2024 |
| Adjusted Unlevered Free Cash Flow & as % of Adjusted EBITDA ⁽¹⁾ | ~\$69/67% |
| Capital Expenditures | ~\$21 |
| Share Repurchases | ~\$13 (~3.5 million shares) |
| Repurchases of Notes and Term Loan Debt | ~\$80 |
| Net Debt Ratio ⁽¹⁾ | 3.9x (Trailing 12-months) |

(1) On a continuing and discontinued operations basis.

- The Company had ~\$196 million of cash as of September 30, 2024.
- Targeting long-term net leverage ratio to be less than 3.5 times Adjusted EBITDA.
- Share repurchases are consistent with Advantage's capital allocation philosophy to maximize returns for equity holders by deleveraging its balance sheet and investing in the core business to fuel future growth. Management considers share repurchases to manage dilution from employee incentive compensation.

Fiscal Year 2024 Outlook

(from Continuing Operations)

| | |
|---|---|
| Revenues | Low single-digit growth |
| Adjusted EBITDA | Low single-digit growth |
| Adjusted Unlevered Free Cash Flow Conversion ⁽¹⁾ | 55% to 65% of Adjusted EBITDA (High-end of the range) |
| Net Interest Expense (Update) | \$150 million to \$160 million (\$5 million reduction from prior guidance) |
| Capex (Update) | \$65 million to \$80 million (Around the lower end of the range) |

(1) On a continuing and discontinued operations basis

Conference Call Details

| | |
|---|---|
| Date/Time | Nov. 7, 2024, 8:30 am EST |
| Dial-in (10 minutes before the call) | 800-243-4136 within the United States or +1-203-518-9843 outside the United States Dial-in Code: ADVQ3 |
| Webcast | Available at: ADV 3Q 2024 Earnings Webcast |
| Replay | 844-512-2921 within the United States or +1-412-317-6671 outside the United States Replay ID: 11156956 |

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About Advantage Solutions

Advantage Solutions is the leading omnichannel retail solutions agency in North America, uniquely positioned at the intersection of consumer-packaged goods (CPG) brands and retailers. With its data- and technology-powered services, Advantage leverages its unparalleled insights, expertise and scale to help brands and retailers of all sizes generate demand and get products into the hands of consumers, wherever they shop. Whether it's creating meaningful moments and experiences in-store and online, optimizing assortment and merchandising, or accelerating e-commerce and digital capabilities, Advantage is the trusted partner that keeps commerce and life moving. Advantage has offices throughout North America and strategic investments and owned operations in select international markets. For more information, please visit YourADV.com.

Included with this press release are the Company's consolidated and condensed financial statements as of and for the three months and nine months ended September 30, 2024. These financial statements should be read in conjunction with the information contained in the Company's Quarterly Report on Form 10-Q, to be filed with the Securities and Exchange Commission (the "SEC") on or about Nov. 12, 2024.

Forward-Looking Statements

Certain statements in this press release may be considered forward-looking statements within the meaning of the federal securities laws, including statements regarding the expected future performance of Advantage's business and projected financial results. 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", "expect", "intend", "will", "would", "could", "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 other future potential pandemics or health epidemics; 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 omnichannel 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 SEC on March 1, 2024, 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

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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 press release includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”), including Adjusted EBITDA from Continuing Operations, Adjusted EBITDA from Discontinued Operations, Adjusted EBITDA by Segment, Adjusted Unlevered Free Cash Flow 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 from Continuing Operations, Adjusted EBITDA from Discontinued Operations, Adjusted EBITDA by Segment, Adjusted Unlevered Free Cash Flow, and Net Debt provide 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 from Continuing Operations, Adjusted EBITDA from Discontinued Operations and Adjusted EBITDA by Segment are supplemental non-GAAP financial measures of our operating performance. Adjusted EBITDA from Continuing Operations and Adjusted EBITDA from Discontinued Operations mean net (loss) income before (i) interest expense (net), (ii) provision for (benefit from) income taxes, (iii) depreciation, (iv) amortization of intangible assets, (v) impairment of goodwill, (vi) changes in fair value of warrant liability, (vii) stock based compensation expense, (viii) equity-based compensation of Karman Topco L.P., (ix) fair value adjustments of contingent consideration related to acquisitions, (x) acquisition and divestiture related expenses, (xi) (gain) loss on divestitures, (xii) restructuring expenses, (xiii) reorganization expenses, (xiv) litigation expenses (recovery), (xv) costs associated with COVID-19, net of benefits received, (xvi) costs associated with (recovery from) the Take 5 Matter, (xvii) EBITDA for economic interests in investments and (xviii) other adjustments that management believes are helpful in evaluating our operating performance.

Adjusted EBITDA by Segment means, with respect to each segment, operating income (loss) from continuing operations before (i) depreciation, (ii) amortization of intangible assets, (iii) impairment of goodwill, (iv) stock based compensation expense, (v) equity-based compensation of Karman Topco L.P., (vi) fair value adjustments of contingent consideration related to acquisitions, (vii) acquisition and divestiture related expenses, (viii) restructuring expenses, (ix) reorganization expenses, (x) litigation expenses (recovery), (xi) costs associated with COVID-19, net of benefits received, (xii) costs associated with (recovery from) the Take

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5 Matter, (xiii) EBITDA for economic interests in investments and (xiv) other adjustments that management believes are helpful in evaluating our operating performance, in each case, attributable to such segment.

Adjusted EBITDA Margin with means Adjusted EBITDA from Continuing Operations divided by total revenues.

Adjusted Unlevered Free Cash Flow represents net cash provided by (used in) operating activities from continuing and discontinued operations less purchase of property and equipment as disclosed in the Statements of Cash Flows further adjusted by (i) cash payments for interest, (ii) cash received from interest rate derivatives, (iii) cash paid for income taxes; (iv) cash paid for acquisition and divestiture related expenses, (v) cash paid for restructuring expenses, (vi) cash paid for reorganization expenses, (vii) cash paid for contingent earnout payments included in operating cash flow, (viii) cash paid for costs associated with COVID-19, net of benefits received, (ix) cash paid for costs associated with the Take 5 Matter, (x) net effect of foreign currency fluctuations on cash, and (xi) other adjustments that management believes are helpful in evaluating our operating performance. Adjusted Unlevered Free Cash Flow as a percentage of Adjusted EBITDA means Adjusted Unlevered Free Cash Flow divided by Adjusted EBITDA from Continuing Operations and Adjusted EBITDA from Discontinued Operations.

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.

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Advantage Solutions Inc. Consolidated Statements of Operations (Unaudited)

| (in thousands, except share and per share data) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|--------------|---------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues | \$ 939,270 | \$ 1,019,706 | \$ 2,674,039 | \$ 2,908,177 |
| Cost of revenues (exclusive of depreciation and amortization shown separately below) | 794,958 | 892,347 | 2,298,139 | 2,552,642 |
| Selling, general, and administrative expenses | 98,438 | 68,291 | 250,377 | 172,172 |
| Impairment of goodwill and indefinite-lived assets | — | — | 99,670 | — |
| Depreciation and amortization | 51,866 | 52,415 | 152,931 | 157,436 |
| Loss from equity method investments | (2,815) | — | (2,692) | — |
| Total operating expenses | 942,447 | 1,013,053 | 2,798,425 | 2,882,250 |
| Operating (loss) income from continuing operations | (3,177) | 6,653 | (124,386) | 25,927 |
| Other expenses (income): | | | | |
| Change in fair value of warrant liabilities | 40 | 587 | (359) | 587 |
| Interest expense, net | 38,969 | 42,275 | 114,484 | 119,883 |
| Total other expenses, net | 39,009 | 42,862 | 114,125 | 120,470 |
| Loss from continuing operations before income taxes | (42,186) | (36,209) | (238,511) | (94,543) |
| Benefit from income taxes from continuing operations | (4,866) | (6,577) | (38,042) | (15,994) |
| Net loss from continuing operations | (37,320) | (29,632) | (200,469) | (78,549) |
| Net (loss) income from discontinued operations, net of tax | (5,456) | 7,050 | 53,743 | 443 |
| Net loss | (42,776) | (22,582) | (146,726) | (78,106) |
| Less: net (loss) from continuing operations attributable to noncontrolling interest, net of tax | — | 1,437 | — | 2,346 |
| Less: net (loss) from discontinued operations attributable to noncontrolling interest, net of tax | — | 319 | 2,192 | 235 |
| Net (loss) attributable to stockholders of Advantage Solutions Inc. | \$ (42,776) | \$ (24,338) | \$ (148,918) | \$ (80,687) |
| Net loss per common share: | | | | |
| Basic loss per common share from continuing operations | \$ (0.12) | \$ (0.09) | \$ (0.62) | \$ (0.24) |
| Basic (loss) earnings per common share from discontinued operations | \$ (0.02) | \$ 0.02 | \$ 0.17 | \$ 0.00 |
| Basic loss per common share attributable to stockholders of Advantage Solutions Inc. | \$ (0.13) | \$ (0.07) | \$ (0.46) | \$ (0.25) |
| Diluted net loss per share: | | | | |
| Diluted loss per common share from continuing operations | \$ (0.12) | \$ (0.09) | \$ (0.62) | \$ (0.24) |
| Diluted (loss) earnings per common share from discontinued operations | \$ (0.02) | \$ 0.02 | \$ 0.17 | \$ 0.00 |
| Diluted loss per common share attributable to stockholders of Advantage Solutions Inc. | \$ (0.13) | \$ (0.07) | \$ (0.46) | \$ (0.25) |
| Weighted-average number of common shares: | | | | |
| Basic | 321,080,571 | 324,706,866 | 321,774,115 | 323,353,308 |
| Diluted | 321,080,571 | 324,706,866 | 321,774,115 | 323,353,308 |

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Advantage Solutions Inc. Consolidated Balance Sheet (Unaudited)

| (in thousands, except share data) | September 30, 2024 | December 31, 2023 |
|---|-----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 196,098 | \$ 120,839 |
| Restricted cash | 16,372 | 16,363 |
| Accounts receivable, net of allowance for expected credit losses of \$16,532 and \$29,294, respectively | 667,441 | 659,499 |
| Prepaid expenses and other current assets | 95,286 | 115,921 |
| Current assets of discontinued operations | — | 99,412 |
| Total current assets | 975,197 | 1,012,034 |
| Property and equipment, net | 90,080 | 64,708 |
| Goodwill | 610,532 | 710,191 |
| Other intangible assets, net | 1,419,000 | 1,551,828 |
| Investments in unconsolidated affiliates | 234,008 | 210,829 |
| Other assets | 62,541 | 43,543 |
| Other assets of discontinued operations | — | 186,190 |
| Total assets | <u>3,391,358</u> | <u>3,779,323</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 13,250 | \$ 13,274 |
| Accounts payable | 197,898 | 172,894 |
| Accrued compensation and benefits | 117,103 | 161,447 |
| Other accrued expenses | 155,182 | 144,415 |
| Deferred revenues | 29,500 | 26,598 |
| Current liabilities of discontinued operations | — | 22,669 |
| Total current liabilities | 512,933 | 541,297 |
| Long-term debt, net of current portion | 1,688,213 | 1,848,118 |
| Deferred income tax liabilities | 187,742 | 204,136 |
| Other long-term liabilities | 69,939 | 74,555 |
| Other liabilities of discontinued operations | — | 7,140 |
| Total liabilities | <u>2,458,827</u> | <u>2,675,246</u> |
| Commitments and contingencies (Note 10) | | |
| Equity attributable to stockholders of Advantage Solutions Inc. | | |
| Common stock, \$0.0001 par value, 3,290,000,000 shares authorized; 320,418,083 and 322,235,261 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively | 32 | 32 |
| Additional paid in capital | 3,459,252 | 3,449,261 |
| Accumulated deficit | (2,463,568) | (2,314,650) |
| Loans to Karman Topco L.P. | (6,868) | (6,387) |
| Accumulated other comprehensive loss | (3,301) | (3,945) |
| Treasury stock, at cost; 12,400,075 and 3,600,075 shares as of September 30, 2024 and December 31, 2023, respectively | (53,016) | (18,949) |
| Total equity attributable to stockholders of Advantage Solutions Inc. | 932,531 | 1,105,362 |
| Nonredeemable noncontrolling interest | — | (1,285) |
| Total stockholders' equity | 932,531 | 1,104,077 |
| Total liabilities and stockholders' equity | <u>\$ 3,391,358</u> | <u>\$ 3,779,323</u> |

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Advantage Solutions Inc. Consolidated Statements of Cash Flows (Unaudited)

| (in thousands) | Nine Months Ended September 30, | |
|--|---------------------------------|-------------|
| | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (146,726) | \$ (78,106) |
| Net (loss) income from discontinued operations, net of tax | 53,743 | 443 |
| Net loss from continuing operations | (200,469) | (78,549) |
| Adjustments to reconcile net loss to net cash provided by operating activities | | |
| Noncash interest income (expense) | 1,664 | (12,699) |
| Deferred financing fees related to repricing of long-term debt | 1,079 | — |
| Amortization of deferred financing fees | 5,137 | 6,387 |
| Impairment of goodwill and indefinite-lived assets | 99,670 | — |
| Depreciation and amortization | 152,931 | 157,436 |
| Change in fair value of warrant liability | (359) | 587 |
| Fair value adjustments related to contingent consideration | 1,678 | 10,487 |
| Deferred income taxes | (16,241) | (56,986) |
| Equity-based compensation of Karman Topco L.P. | (658) | (3,278) |
| Stock-based compensation | 24,225 | 29,401 |
| Loss from equity method investments | (2,692) | (4,132) |
| Distribution received from equity method investments | 3,289 | 1,611 |
| Gain on repurchases of Senior Secured Notes and Term Loan Facility debt | (9,141) | (5,241) |
| Loss on disposal of property and equipment | 775 | 782 |
| Changes in operating assets and liabilities, net of effects from divestitures: | | |
| Accounts receivable, net | (9,550) | 19,816 |
| Prepaid expenses and other assets | 30,566 | 87,368 |
| Accounts payable | 25,435 | (1,883) |
| Accrued compensation and benefits | (43,849) | (13,511) |
| Deferred revenues | 2,992 | 14,686 |
| Other accrued expenses and other liabilities | 11,527 | 20,294 |
| Net cash provided by operating activities from continuing operations | 78,009 | 172,576 |
| Net cash provided by operating activities from discontinued operations | 6,437 | 8,227 |
| Net cash provided by operating activities | 84,446 | 180,803 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments in unconsolidated affiliates | (13,932) | (3,023) |
| Purchase of property and equipment | (50,358) | (24,424) |
| Proceeds from divestitures, net of cash | 275,717 | 12,763 |
| Proceeds from sale of investments in unconsolidated affiliates | — | 4,428 |
| Net cash provided by (used in) investing activities from continuing operations | 211,427 | (10,256) |
| Net cash used in investing activities from discontinued operations | (7,304) | (5,234) |
| Net cash provided by (used in) investing activities | 204,123 | (15,490) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Borrowings under lines of credit | — | 77,884 |
| Payments on lines of credit | — | (77,222) |
| Principal payments on long-term debt | (9,938) | (10,172) |
| Repurchases of Senior Secured Notes and Term Loan Facility debt | (147,122) | (103,954) |
| Debt issuance costs | (971) | — |
| Proceeds from issuance of common stock | 2,294 | 2,248 |
| Payments for taxes related to net share settlement under 2020 Incentive Award Plan | (11,663) | (1,277) |
| Contingent consideration payments | (5,655) | (1,867) |
| Holdback payments | — | (656) |
| Redemption of noncontrolling interest | — | (154) |
| Purchase of treasury stock | (34,067) | — |
| Net cash used in financing activities from continuing operations | (207,122) | (115,170) |
| Net cash (used in) provided by financing activities from discontinued operations | (4,362) | 397 |
| Net cash used in financing activities | (211,484) | (114,773) |
| Net effect of foreign currency changes on cash from continuing operations | (1,405) | 655 |
| Net effect of foreign currency changes on cash from discontinued operations | (412) | (2,017) |
| Net effect of foreign currency changes on cash | (1,817) | (1,362) |
| Net change in cash, cash equivalents and restricted cash | 75,268 | 49,178 |
| Cash, cash equivalents and restricted cash, beginning of period | 137,202 | 138,532 |
| Cash, cash equivalents and restricted cash, end of period | 212,470 | 187,710 |
| Less: Cash, cash equivalents and restricted cash of discontinued operations | — | 4,024 |
| Cash, cash equivalents and restricted cash, end of period | \$ 212,470 | \$ 183,686 |

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Advantage Solutions Inc. Reconciliation of Net Income (Loss) to Adjusted EBITDA (Unaudited)

| Continuing Operations (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net loss from continuing operations | \$ (37,320) | \$ (29,632) | \$ (200,469) | \$ (78,549) |
| Add: | | | | |
| Interest expense, net | 38,969 | 42,275 | 114,484 | 119,883 |
| Benefit from income taxes from continuing operations | (4,866) | (6,577) | (38,042) | (15,994) |
| Depreciation and amortization | 51,866 | 52,415 | 152,931 | 157,436 |
| Impairment of goodwill and indefinite-lived assets | — | — | 99,670 | — |
| Changes in fair value of warrant liability | 40 | 587 | (359) | 587 |
| Stock-based compensation expense ^(a) | 8,143 | 8,983 | 24,225 | 29,400 |
| Equity-based compensation of Karman Topco L.P. ^(b) | (178) | 209 | (658) | (3,278) |
| Fair value adjustments related to contingent consideration related to acquisitions ^(c) | — | 1,518 | 1,678 | 10,487 |
| Acquisition and divestiture related expenses ^(d) | 127 | 332 | (1,207) | 3,064 |
| Restructuring expenses ^(e) | 24,118 | — | 24,118 | — |
| Reorganization expenses ^(f) | 18,637 | 21,372 | 73,980 | 38,304 |
| Litigation (recovery) expenses ^(g) | (1,713) | 4,314 | (2,422) | 8,664 |
| Costs associated with COVID-19, net of benefits received ^(h) | — | (49) | — | 3,285 |
| Costs associated with the Take 5 Matter, net of (recoveries) ⁽ⁱ⁾ | 385 | 53 | 1,081 | (1,443) |
| EBITDA for economic interests in investments ^(j) | 2,712 | (2,483) | 12,449 | (6,423) |
| Adjusted EBITDA from Continuing Operations | <u>\$ 100,920</u> | <u>\$ 93,317</u> | <u>\$ 261,459</u> | <u>\$ 265,423</u> |
| | | | | |
| Discontinued Operations (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Net (loss) income from discontinued operations, net of tax | \$ (5,456) | \$ 7,050 | \$ 53,743 | \$ 443 |
| Add: | | | | |
| Interest expense, net | — | 26 | 48 | 69 |
| Provision for income taxes from discontinued operations | 29,511 | 2,254 | 41,371 | 3,559 |
| Depreciation and amortization | 204 | 4,050 | 4,695 | 12,871 |
| Loss on divestitures ^(k) | (25,065) | 2,553 | (95,261) | 20,208 |
| Stock-based compensation expense ^(a) | (1,576) | 1,091 | (2,808) | 3,109 |
| Fair value adjustments related to contingent consideration related to acquisitions ^(c) | — | 713 | 1,883 | 1,104 |
| Acquisition and divestiture related expenses ^(d) | 2,434 | 1,259 | 5,537 | 1,456 |
| Reorganization expenses ^(f) | 2,250 | 1,044 | 9,535 | 1,099 |
| EBITDA for economic interests in investments ^(j) | — | (208) | (384) | 89 |
| Adjusted EBITDA from Discontinued Operations | <u>\$ 2,302</u> | <u>\$ 19,832</u> | <u>\$ 18,359</u> | <u>\$ 44,007</u> |

Financial Results

3rd Quarter 2024



Advantage Solutions Inc. Reconciliation of Operating Income (Loss) to Adjusted EBITDA by Segment (Unaudited)

| Branded Services segment (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating (loss) income | \$ (12,210) | \$ (599) | \$ (141,608) | \$ 11,607 |
| Add: | | | | |
| Depreciation and amortization | 33,087 | 35,369 | 97,401 | 106,550 |
| Impairment of goodwill | — | — | 99,670 | — |
| Stock-based compensation expense ^(a) | 1,829 | 3,689 | 8,552 | 11,309 |
| Equity-based compensation of Karman Topco L.P. ^(b) | 402 | 275 | 924 | (1,209) |
| Fair value adjustments related to contingent consideration related to acquisitions ^(c) | — | 1,518 | 1,678 | 10,471 |
| Acquisition and divestiture related expenses ^(d) | 49 | 159 | 153 | 1,484 |
| Restructuring expenses ^(e) | 15,392 | — | 15,392 | — |
| Reorganization expenses ^(f) | 6,959 | 10,730 | 29,863 | 20,280 |
| Litigation expenses ^(g) | 191 | 1,994 | 432 | 1,994 |
| Costs associated with COVID-19, net of benefits received ^(h) | — | 6 | — | (326) |
| Costs associated with the Take 5 Matter, net of (recoveries) ⁽ⁱ⁾ | 385 | 53 | 1,081 | (1,443) |
| EBITDA for economic interests in investments ^(j) | 2,712 | (2,484) | 12,449 | (6,419) |
| Branded Services segment Adjusted EBITDA | <u>\$ 48,796</u> | <u>\$ 50,710</u> | <u>\$ 125,987</u> | <u>\$ 154,298</u> |

| Experiential Services segment (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating income | \$ 587 | \$ 1,971 | \$ 3,398 | \$ 2,450 |
| Add: | | | | |
| Depreciation and amortization | 10,289 | 9,221 | 31,224 | 27,286 |
| Stock-based compensation expense ^(a) | 3,371 | (778) | 7,469 | (1,860) |
| Equity-based compensation of Karman Topco L.P. ^(b) | (281) | (29) | (783) | (934) |
| Fair value adjustments related to contingent consideration related to acquisitions ^(c) | — | — | — | 7 |
| Acquisition and divestiture related expenses ^(d) | 32 | 19 | 37 | 441 |
| Restructuring expenses ^(e) | 3,430 | — | 3,430 | — |
| Reorganization expenses ^(f) | 5,670 | 4,960 | 17,394 | 8,230 |
| Litigation expenses ^(g) | 201 | 1,276 | 434 | 1,276 |
| Costs associated with COVID-19, net of benefits received ^(h) | — | (56) | — | 2,896 |
| Experiential Services segment Adjusted EBITDA | <u>\$ 23,299</u> | <u>\$ 16,584</u> | <u>\$ 62,603</u> | <u>\$ 39,792</u> |

| Retailer Services segment (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating income | \$ 8,446 | \$ 5,281 | \$ 13,824 | \$ 11,870 |
| Add: | | | | |
| Depreciation and amortization | 8,490 | 7,825 | 24,306 | 23,600 |
| Stock-based compensation expense ^(a) | 2,943 | 6,072 | 8,204 | 19,951 |
| Equity-based compensation of Karman Topco L.P. ^(b) | (299) | (37) | (799) | (1,135) |
| Fair value adjustments related to contingent consideration related to acquisitions ^(c) | — | — | — | 9 |
| Acquisition and divestiture related expenses ^(d) | 46 | 154 | (1,397) | 1,139 |
| Restructuring expenses ^(e) | 5,296 | — | 5,296 | — |
| Reorganization expenses ^(f) | 6,008 | 5,682 | 26,723 | 9,794 |
| Litigation (recovery) expenses ^(g) | (2,105) | 1,044 | (3,288) | 5,394 |
| Costs associated with COVID-19, net of benefits received ^(h) | — | 1 | — | 715 |
| EBITDA for economic interests in investments | — | 1 | — | (4) |
| Retailer Services segment Adjusted EBITDA | <u>\$ 28,825</u> | <u>\$ 26,023</u> | <u>\$ 72,869</u> | <u>\$ 71,333</u> |

Financial Results

3rd Quarter 2024



- (a) Represents non-cash compensation expense related to performance stock units, restricted stock units, and stock options under the 2020 Advantage Solutions Incentive Award Plan and the Advantage Solutions 2020 Employee Stock Purchase Plan.
- (b) Represents expenses related to (i) equity-based compensation expense associated with grants of Common Series D Units of Topco made to one of the Advantage Sponsors and (ii) equity-based compensation expense associated with the Common Series C Units of Topco.
- (c) Represents adjustments to the estimated fair value of our contingent consideration liabilities related to our acquisitions, for the applicable periods.
- (d) Represents fees and costs associated with activities related to our acquisitions, divestitures, and related reorganization activities, including professional fees, due diligence, and integration activities.
- (e) Restructuring charges including programs designed to integrate and reduce costs intended to further improve efficiencies in operational activities and align cost structures consistent with revenue levels associated with business changes. Restructuring expenses include costs associated with the Voluntary Early Retirement Program ("VERP") and employee termination benefits associated with a reduction-in-force ("2024 RIF") and other optimization initiatives.
- (f) Represents fees and costs associated with various internal reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.
- (g) Represents legal settlements, reserves, and expenses that are unusual or infrequent costs associated with our operating activities.
- (h) Represents (i) costs related to implementation of strategies for workplace safety in response to COVID-19, including employee-relief fund, additional sick pay for front-line associates, medical benefit payments for furloughed associates, and personal protective equipment; and (ii) benefits received from government grants for COVID-19 relief.
- (i) Represents cash receipts from an insurance policy for claims related to the Take 5 Matter and costs associated with investigation and remediation activities related to the Take 5 Matter, primarily professional fees and other related costs.
- (j) 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.

Financial Results

3rd Quarter 2024



Advantage Solutions Inc. Net Debt and Adjusted Unlevered Free Cash Flow Reconciliation (Unaudited)

| (amounts in thousands) | Three Months Ended September 30, 2024 |
|---|--|
| Current portion of long-term debt | \$ 13,250 |
| Long-term debt, net of current portion | 1,688,213 |
| Less: Debt issuance costs | <u>22,932</u> |
| Total Debt | 1,724,395 |
| Less: Cash and cash equivalents | <u>(196,098)</u> |
| Total Net Debt | <u>\$ 1,528,297</u> |
| LTM Adjusted EBITDA from Continuing and Discontinued Operations | \$ 394,734 |
| Net Debt / LTM Adjusted EBITDA ratio | 3.9x |

| (amounts in thousands) | Three Months Ended September 30, 2024 |
|---|--|
| Net cash (used in) provided by operating activities | \$ 34,023 |
| Less: | |
| Purchase of property and equipment | (20,517) |
| Cash received from interest rate derivatives | (7,996) |
| Add: | |
| Cash payments for interest | 24,444 |
| Cash payments for income taxes | 4,861 |
| Cash paid for acquisition and divestiture related expenses ^(l) | 3,741 |
| Cash paid for restructuring expenses ^(m) | 3,061 |
| Cash paid for reorganization expenses ⁽ⁿ⁾ | 25,840 |
| Cash paid for contingent consideration included in operating activities ^(o) | — |
| Cash paid (received) for costs associated with (recovery from) the Take 5 Matter ^(p) | 383 |
| Net effect of foreign currency fluctuations on cash | 1,197 |
| Adjusted Unlevered Free Cash Flow | <u>\$ 69,037</u> |
| Numerator - Adjusted Unlevered Free Cash Flow | \$ 69,037 |
| Denominator - Adjusted EBITDA from Continuing and Discontinued Operations ^(q) | <u>\$ 103,222</u> |
| Adjusted Unlevered Free Cash Flow as a percentage of Adjusted EBITDA | <u>66.9%</u> |

Financial Results

3rd Quarter 2024



Advantage Solutions Inc. Reconciliation Net Income (Loss) to LTM Adjusted EBITDA (Unaudited)

| (amounts in thousands) | LTM Period Ended September 30, 2024 |
|---|--|
| Net Loss | \$ (128,938) |
| Add: | |
| Interest expense, net | 160,382 |
| (Benefit from) provision for income taxes | (13,244) |
| Depreciation and amortization | 212,016 |
| Impairment of goodwill and indefinite-lived assets | 143,170 |
| Gain on deconsolidation of subsidiaries | (58,891) |
| (Gain) loss on divestitures ^(k) | (96,401) |
| Change in fair value of warrant liability | (1,232) |
| Stock-based compensation expense ^(a) | 31,787 |
| Equity-based compensation of Karman Topco L.P. ^(b) | 96 |
| Fair value adjustments related to contingent consideration related to acquisitions ^(c) | 2,332 |
| Acquisitions and divestiture related expenses ^(d) | 6,833 |
| Restructuring expenses ^(e) | 24,118 |
| Reorganization expenses ^(e) | 101,133 |
| Litigation expenses (recovery) ^(g) | (1,567) |
| Costs associated with (recovery from) the Take 5 Matter ⁽ⁱ⁾ | 1,144 |
| EBITDA for economic interests in investments ^(j) | 11,996 |
| Total LTM Adjusted EBITDA from Continuing and Discontinued Operations ^(q) | <u>\$ 394,734</u> |

- (a) Represents non-cash compensation expense related to performance stock units, restricted stock units, and stock options under the 2020 Advantage Solutions Incentive Award Plan and the Advantage Solutions 2020 Employee Stock Purchase Plan.
- (b) Represents expenses related to (i) equity-based compensation expense associated with grants of Common Series D Units of Topco made to one of the Advantage Sponsors and (ii) equity-based compensation expense associated with the Common Series C Units of Topco.
- (c) Represents adjustments to the estimated fair value of our contingent consideration liabilities related to our acquisitions, for the applicable periods.
- (d) Represents fees and costs associated with activities related to our acquisitions, divestitures, and related reorganization activities, including professional fees, due diligence, and integration activities.
- (e) Restructuring charges including programs designed to integrate and reduce costs intended to further improve efficiencies in operational activities and align cost structures consistent with revenue levels associated with business changes. Restructuring expenses include costs associated with the Voluntary Early Retirement Program ("VERP") and employee termination benefits associated with a reduction-in-force ("2024 RIF") and other optimization initiatives.
- (f) Represents fees and costs associated with various internal reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.
- (g) Represents legal settlements, reserves, and expenses that are unusual or infrequent costs associated with our operating activities.
- (h) Represents (i) costs related to implementation of strategies for workplace safety in response to COVID-19, including employee-relief fund, additional sick pay for front-line associates, medical benefit payments for furloughed associates, and personal protective equipment; and (ii) benefits received from government grants for COVID-19 relief.
- (i) Represents cash receipts from an insurance policy for claims related to the Take 5 Matter and costs associated with investigation and remediation activities related to the Take 5 Matter, primarily professional fees and other related costs.
- (j) 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.
- (k) Represents losses on disposal of assets related to divestitures and losses on sale of businesses and assets held for sale, less cost to sell.
- (l) Represents cash paid for fees and costs associated with activities related to our acquisitions, divestitures and reorganization activities including professional fees, due diligence, and integration activities.
- (m) Represents cash paid for restructuring charges including programs designed to integrate and reduce costs intended to further improve efficiencies in operational activities and align cost structures consistent with revenue levels associated with business changes. Restructuring expenses include costs associated with the Voluntary Early Retirement Program ("VERP") and employee termination benefits associated with a reduction-in-force ("2024 RIF") and other optimization initiatives.
- (n) Represents cash paid for fees and costs associated with various reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.
- (o) Represents cash paid included in operating cash flow for our contingent consideration liabilities related to our acquisitions.
- (p) Represents cash paid for costs associated with the Take 5 Matter, primarily, professional fees and other related costs.
- (q) Represents unaudited periods October 1, 2023 to September 30, 2024 to sum up to the last twelve months of financials inclusive of discontinued operations (summations are unaudited).