First Quarter 2023 Earnings Presentation

May 2, 2023

Forward Looking Statements and Non-GAAP Measures

ADT has made statements in this presentation and in other reports, filings, and other public written and verbal announcements that are forward-looking and therefore subject to risks and uncertainties herein. 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 the strategic investment by and long term partnership with State Farm; anticipated financial performance, including the Company's ability to achieve its stated guidance metrics and its progress toward its 2025 goals; management's plans and objectives for future operations; the successful development, commercialization, and timing of new or joint products; the expected timing of product commercialization with State Farm or any changes thereto; the Company's acquisition of ADT Solar and its anticipated impact on the Company's business and financial condition; business prospects; outcomes of regulatory proceedings; market conditions; the Company's ability to successfully respond to the challenges posed by the COVID-19 Pandemic; the Company's strategic partnership and ongoing relationship with Google; the expected timing of product commercialization with Google or any changes thereto; the successful internal development, commercialization, and timing of the Company's next generation platform and innovative offerings; the successful commercialization of the Company's joint venture with Ford; the successful conversion of customers who continue to utilize outdated technology; the current and future market size for existing, new, or joint products; any stated or implied outcomes with regards to the foregoing; and other matters. Without limiting the generality of the preceding sentences, any time the Company uses the words "expects," "intends," "will," "anticipates," "believes," "confident," "continue," "propose," "seeks," "could," "may," "should," "estimates," "forecasts," "might," "goals," "objectives," "targets," "planned," "projects," and, in each case, their negative or other various or comparable terminology, and similar expressions, the Company intends 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. ADT cautions that these statements are subject to risks and uncertainties, many of which are outside of ADT's control, and could cause future events or results to be materially different from those stated or implied in this document, including among others, factors relating to the achievement of potential benefits of the equity investment by and long-term partnership with State Farm, including as a result of restrictions on, or required prior regulatory approval of, various actions by regulated insurers; risks and uncertainties related to ADT's ability to successfully generate profitable revenue from new and existing partnerships; ADT's ability to successfully commercialize any joint products with State Farm or with Google; the Company's ability to successfully utilize the incremental funding committed by State Farm or Google; risks and uncertainties related to the Company's ability to successfully integrate and operate the ADT Solar business; the Company's ability to commercialize its joint venture with Ford; the Company's ability to continuously and successfully commercialize innovative offerings; the Company's ability to successfully implement an Environmental, Social, and Governance program across the Company; and risk factors that are described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the SEC, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein. 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.

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 Diluted Net Income (Loss) per Share ("Adjusted EPS"), Adjusted EBITDA margin, 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.

The Company is not providing a quantitative reconciliation of its financial outlook for Adjusted EBITDA and Adjusted EPS to net income (loss) or Adjusted Free Cash Flow and Adjusted Free Cash Flow (including interest rate swaps) to net cash provided by operating activities, which are the respective corresponding GAAP measures, because these GAAP measures that are excluded from the Company's non-GAAP financial outlook are difficult to reliably predict or estimate without unreasonable effort due to their dependence on future uncertainties, such as the adjustments or items discussed in the appendix relating to these non-GAAP measures under the heading "Non-GAAP Measures." Additionally, information that is currently not available to the Company could have a potentially unpredictable and potentially significant impact on its future GAAP financial results.

Amounts on subsequent pages may not sum due to rounding.

Note: Operating metrics such as Gross Customer Revenue Attrition, Ending Subscriber Count, RMR, Gross RMR Additions, Interactive Customers, Solar Installations, and Revenue Payback are approximated as there may be variations to reported results in each period due to certain adjustments we might make 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.

Table of Contents

Company Overview

Recent Highlights: 1Q 2023

1. Record CSB performance driven by **higher revenue** and **enhanced cost discipline**
2. Commercial continues to be a bright spot and **source of value**
3. **Google accelerating momentum**; rollout of professional installation expected later in 2023
4. **Launched integrated offering with State Farm**, expect expansion to nine states by end of 2023
5. Continued deleveraging with **over $400 million of debt reduction** expected in 2023

Defensible business model driven by fewer relocations enabling ADT to be a safe haven against macro volatility

ADT: Safe, Smart, and Sustainable Solutions for Customers

ADT provides safe, smart and sustainable solutions for people, homes and businesses. Through innovative offerings, unrivaled safety, and a premium customer experience, all delivered by the largest network of smart home security and rooftop solar professionals in the United States, we empower people to protect and connect to what matters most.

2022 REVENUE BY SEGMENT

CONSUMER & SMALL BUSINESS (CSB)
$4.4B
Total Revenue

COMMERCIAL
$1.2B
Total Revenue

SOLAR
$0.8B
Total Revenue

COMPANY STATISTICS

#1 Smart Home Security Provider [(1)]

24/7/365 professional monitoring

22K Employees

6.7M Subscribers

~80% Recurring Revenue in CSB and Commercial

~90% Take Rate for Interactive Services in CSB

~20k Annual Solar Installations

160+ Fortune 1000 Commercial Customers

Note: Revenue figures presented for FY 2022; other measures data presented as of 3/31/2023.

1. Strategy Analytics. Top 10 US Interactive Security Providers. April 2022.

Our Mission Delivers Superior Results For All Stakeholders

Our commitment to respect the environment, promote social responsibility, and lead with responsible governance is fundamental to who we are and guides our safe, smart, and sustainable business practices.

Recent ESG accomplishments:

- ✓ 2022 ESG report published May 2023
- ✓ Updated ADT Supplier Social Responsibility Guide to more accurately reflect the market and the risks embedded in our supply chain
- ✓ Launched Sustainability BERG

ESG Pillars

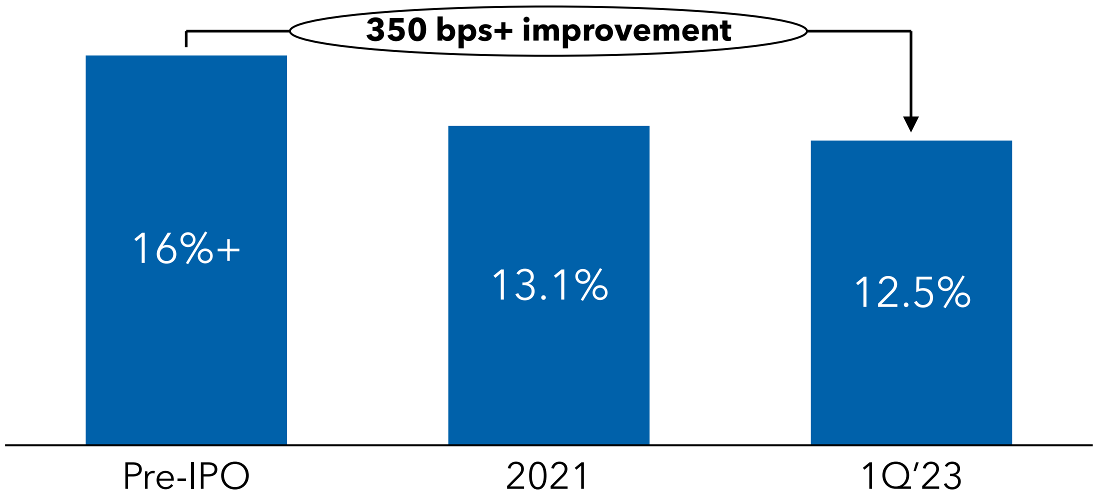
Safe
- Customer and community health and safety
- Employee well-being and development
- Inclusive diversity and belonging

Smart
- Responsible governance
- Data privacy and cybersecurity
- Product safety and quality

Sustainable
- Climate change risk management
- Environmental management

ADT is a "Safe Haven" Against Macro Volatility with Record Performance Across Key Business Drivers

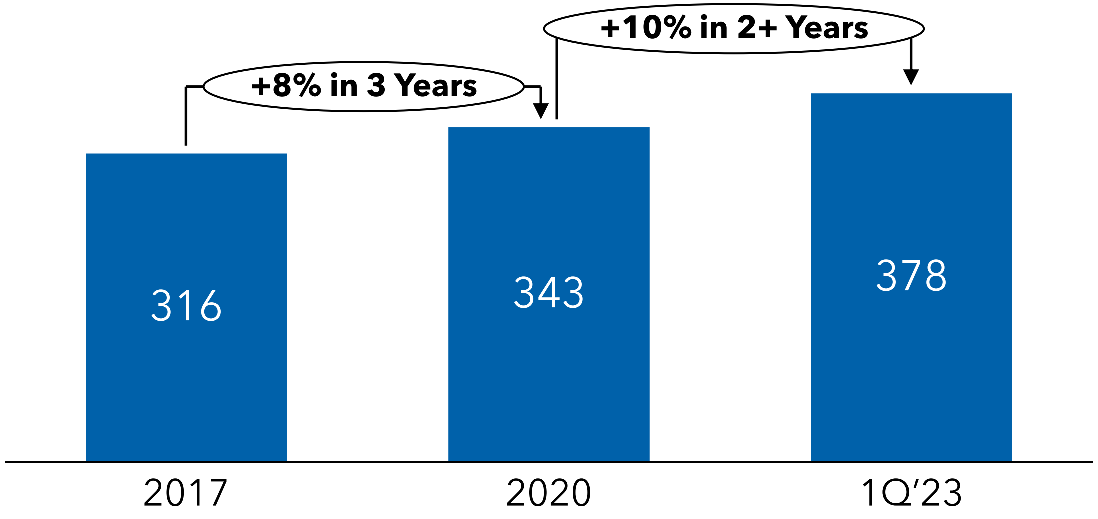
Gross Customer Revenue Attrition



Attrition has improved steadily to today's ***record levels*** *and displayed sustained* ***resilience throughout previous market cycles***

Ending Recurring Monthly Revenue (RMR)

$ in millions



Ending RMR is at an ***all-time high****, benefiting from secular tailwinds and operational initiatives with* ***growth accelerating over the past two years***

Note: Pre-IPO refers to periods prior to the combination with Protection One in 2Q'16; 2017 Ending RMR excludes legacy Canadian operations.

ADT Generates Attractive Returns Across Each Segment

Consumer & Small Business

Key Unit Economics:

$52+ recurring monthly revenue

80%+ monitoring and service margin

~2.1x revenue payback

~87% annual customer retention

Upfront investment generates predictable customer lifetime value

Commercial

Key Unit Economics:

$130+ recurring monthly revenue

~0.8x revenue payback

~91% annual customer retention

Capital efficient customer acquisition with significant installation revenues and sticky customer base

Solar

Key Unit Economics:

~20K annual solar installations

~$40K revenue per customer

~20% battery attachment rate

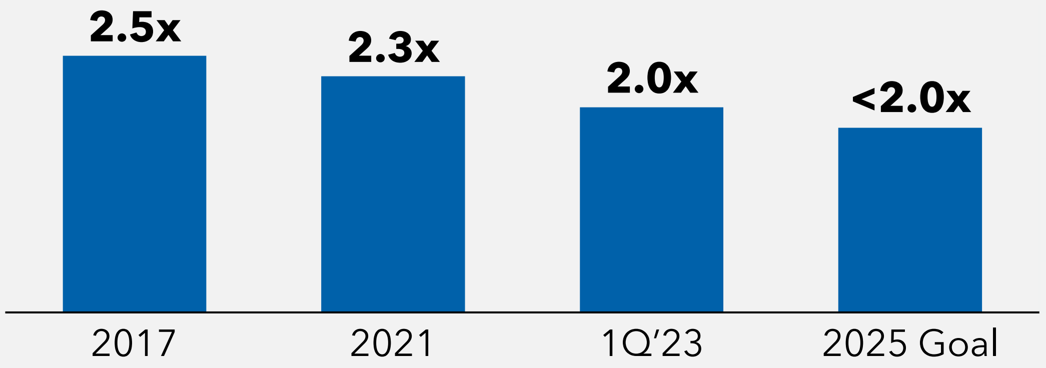
Upfront revenues, meaningful gross margin, and minimal capital requirement

Our Core CSB Business is Durable and Resilient…

1	**Durable Recurring Revenue Base**	• Large existing subscriber base generates **$4.5B+** in annual recurring revenue • Retention at record high, driving **8-year average subscriber life** • Demand for home security and personal safety increase during uncertain times
2	**Housing Volatility Hedge**	• Relocations are a large driver of attrition **(~30%)**, which are muted in a weaker economy • Managing delinquency risk through customer retention initiatives • Home improvement spending, as a percent of disposable personal income, remains at record levels
3	**Capital Flexibility**	• Subscriber Acquisition Costs (SAC) is our largest use of capital **(~$1.4B / year)** • SAC required to replace attrition is **~$1.2B / year** and shrinks as retention and/or SAC efficiency improves • We have the flexibility to invest in retention when subscriber additions are reduced
4	**Debt Profile and Maturities**	• Expect to **reduce debt by over $400M** in 2023, in line with Investor Day goals; current average cost of debt is ~5% • Well-laddered in maturities with **~$600M debt** maturing prior to 2026 • Key variable-rate debt (~$3.3B Term Loan Facilities) is mostly hedged at **~4.9% all-in rate**

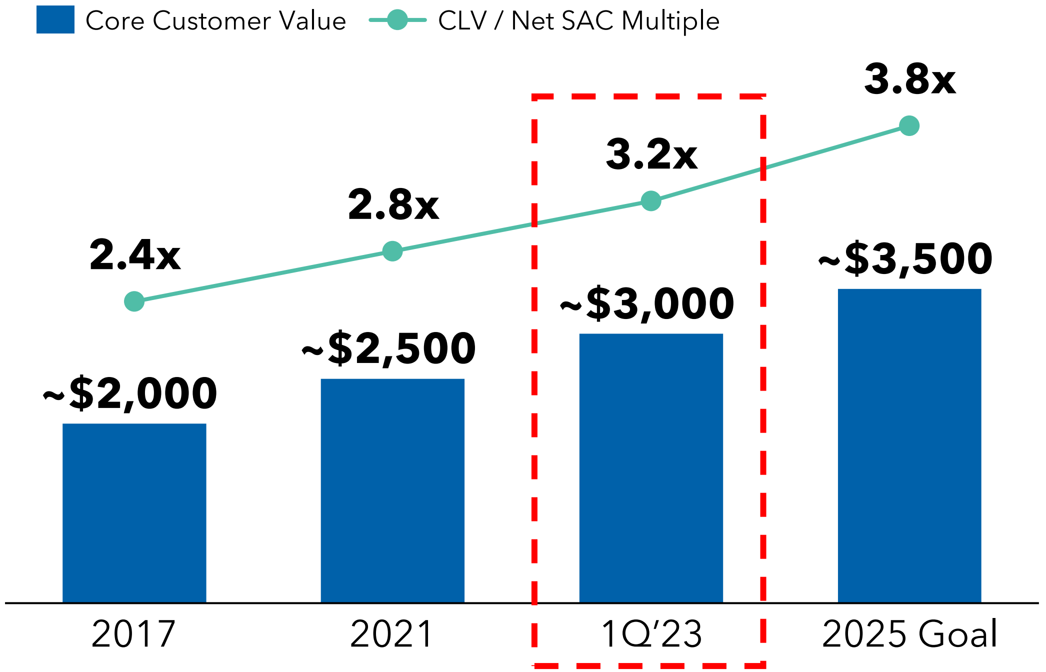
...with Improving Economics Delivering Returns in Excess of 20%

Revenue Payback



- **State Farm** partnership as a subscriber growth catalyst
- **Google** device take rates driving larger system sizes
- **Higher upfront proceeds** enhancing capital efficiency
- **Virtual capabilities** reducing sales and installation costs

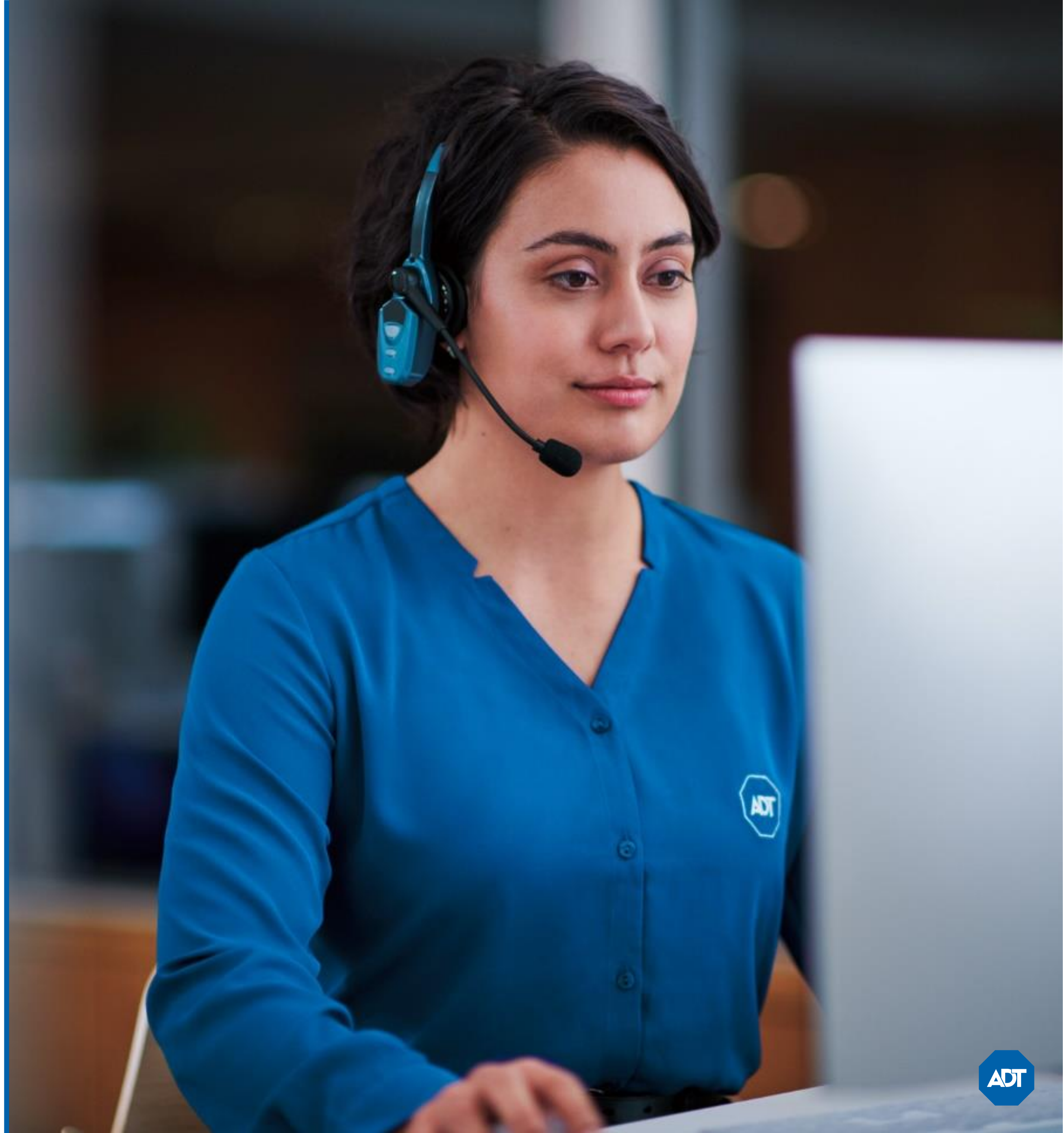
Core Customer Value and Customer Lifetime Value / Net SAC Multiple



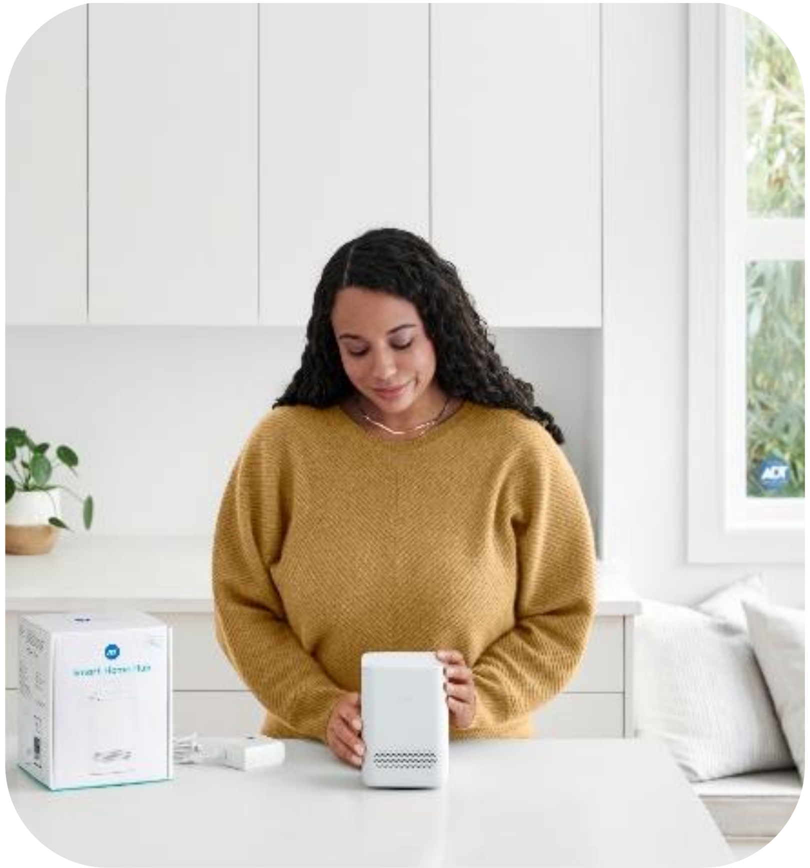
Continuing to drive strong returns from improvement in SAC efficiency; achieved ~$500 improvement in Core Customer Value since YE 2021, roughly halfway to 2025 goal of $3,500

Note: 2025 goals do not represent actual guidance or projections; Core Customer Value and Customer Lifetime Value (CLV) are approximated and inclusive of only new Residential and Small Business subscribers; Customer Lifetime Value = (LTM CSB Recurring Revenue per subscriber multiplied by our LTM margin on CSB M&S Revenue multiplied by our average CSB subscriber life); Core Customer Value = Customer Lifetime Value less Net SAC before consumer financing; CLV/Net SAC = Customer Lifetime Value divided by Net SAC before consumer financing.

1Q 2023



1Q 2023: Highlights



+4%
Revenue Growth
vs. prior year with CSB up 7% & Commercial up 15%

$0.12
Adjusted EPS
and Adjusted Net Income of $102M, up $109M vs. prior year

$625M
Adjusted EBITDA
up 4% vs. prior year

12.5%
Gross Revenue Attrition
maintaining record retention

2.0 years
Revenue Payback
down 0.1x vs. 4Q'22, a new record low

$378M
End of Period RMR
up 4% vs. prior year, another record balance

3.8x
Net Leverage Ratio
down 0.5x vs. prior year and down 0.1x from 4Q'22

CSB and Commercial performance drive strong 1Q; reiterating 2023 commitments

Key Financial and Operating Metrics

($ in millions)	For the three months ended March 31, 2023	March 31, 2022	Y/Y Change	
M&S Revenue	$1,173	$1,121	$52	5%
Total Revenue	$1,612	$1,545	$68	4%
Adjusted Net Income (Loss)	$102	($7)	$109	n/m
Adjusted EPS	$0.12	($0.01)	$0.13	
Adjusted EBITDA	$625	$601	$24	4%
Adjusted Free Cash Flow (including interest rate swaps)	$16	($55)	$71	129%
Adjusted Free Cash Flow	$0	($42)	$42	99%
Net SAC	$310	$425	($116)	(27%)
Gross RMR Additions	$12.9	$15.8	($2.9)	(18%)
End of Period RMR	$378	$365	$13	4%
LTM Revenue Payback	2.0x	2.3x	(0.3x)	
Gross Revenue Attrition	12.5%	12.9%	(40 bps)	

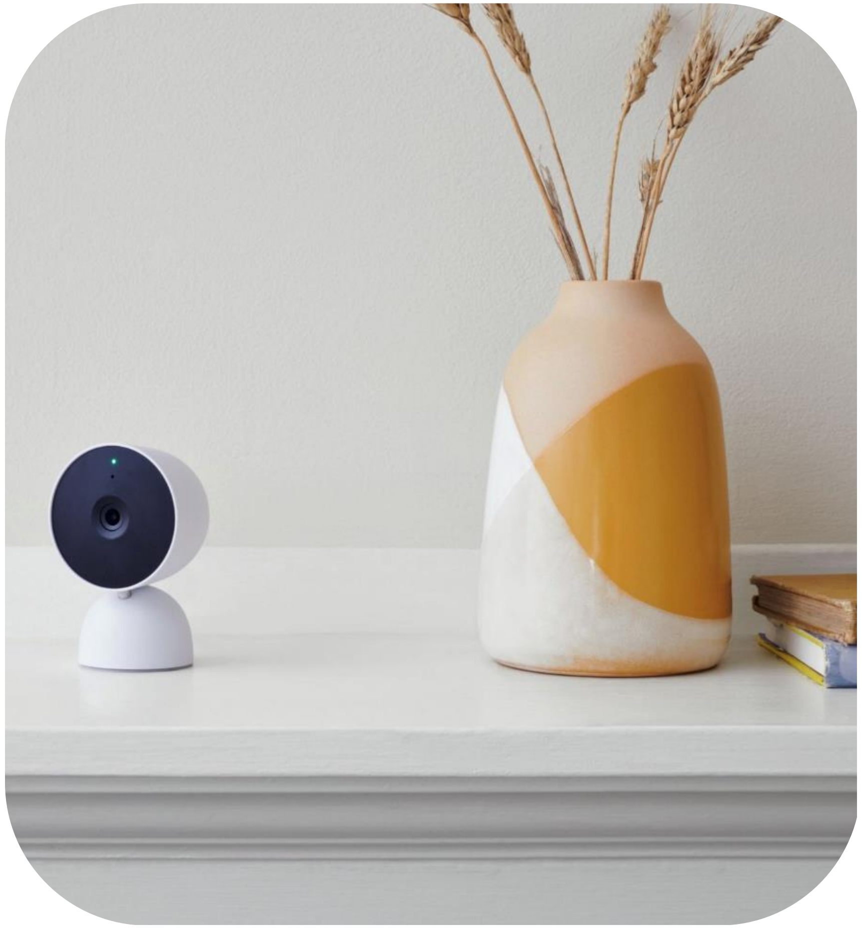
Key Highlights

- **M&S Revenue / End of Period RMR:** Growth in recurring revenue base driven by increase in average pricing and improved retention
- **Adjusted EBITDA:** CSB and Commercial revenue growth and greater cost discipline, partially offset by Solar performance
- **Adjusted FCF (incl. Swaps):** Lower net subscriber investments, partially offset by higher capital expenditures
- **Net SAC / LTM Revenue Payback:** Enhanced capital efficiency driven by higher average upfront proceeds on new subscriber transactions, securitization program enhancements, and margin improvements on existing customer transactions
- **Gross RMR Additions:** Lower volume of relocations, partially offset by growth in self-setup channel; bulk account purchases included in 1Q'22 results
- **Gross Revenue Attrition:** Lower volume of relocations partially offset by higher volume of non-pay disconnects

Note: Net Subscriber Acquisition Costs (SAC) represents the estimated cash expenditures for sales and installation, net of inflows received, in our CSB and Commercial segments.

Google Partnership Building Momentum into 2023

- National rollout of **Google Nest doorbell, Wifi, indoor/outdoor cameras and thermostats** in 2022
  - Doorbell attachment rate in 1Q'23 of ~50%, helping drive ~$1,450 in installation revenue per residential professional installation
  - Realizing an 18% increase in cameras per home vs. prior year
- National launch of **ADT+ app** and **ADT Self Setup** product suite, including Google Nest offerings in mid-February 2023
  - Driving greater share capture of self setup additions
- **ADT+ professional installation** expected to be rolled out later this year
- **Launched new and refreshed joint marketing and advertising campaigns** with Google in 1Q'23
- ADT Self Setup being **offered as replacement system to Nest Secure customers** ahead of 2024 sunset

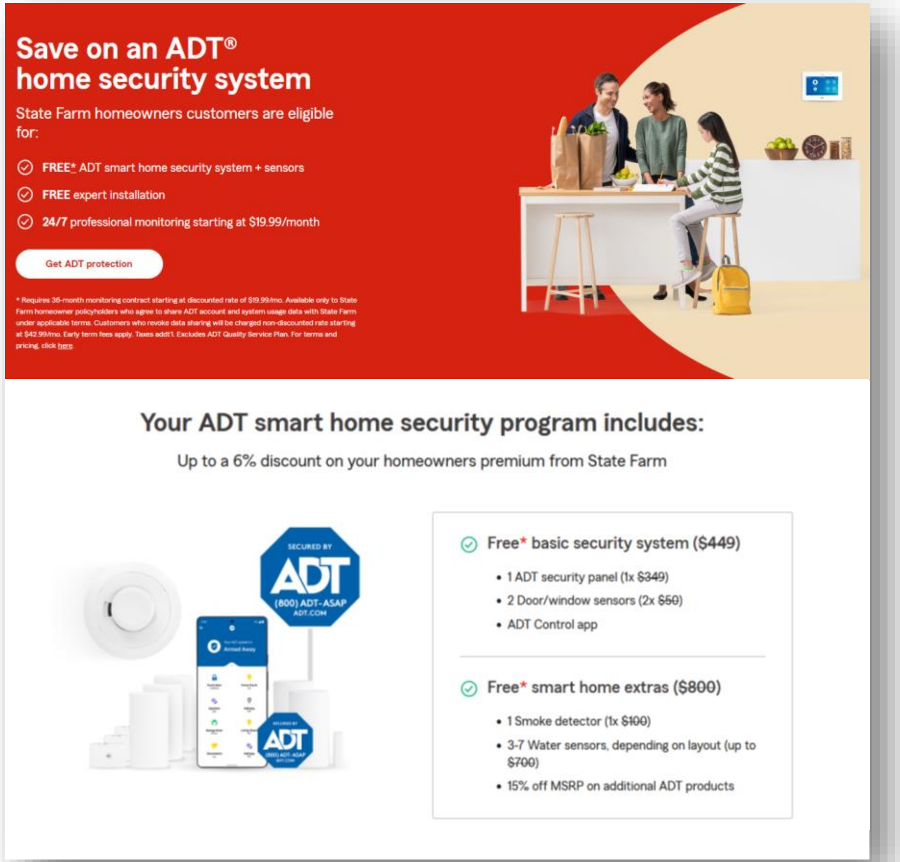


Google partnership impact accelerating

Note: Devices included in 2022 rollout include: Google Nest Doorbell (battery), Nest Wifi, Nest Cam (outdoor or indoor, battery) and Nest Cam (indoor, wired), Nest Thermostat and Nest Learning Thermostat.

State Farm Strategic Partnership Update

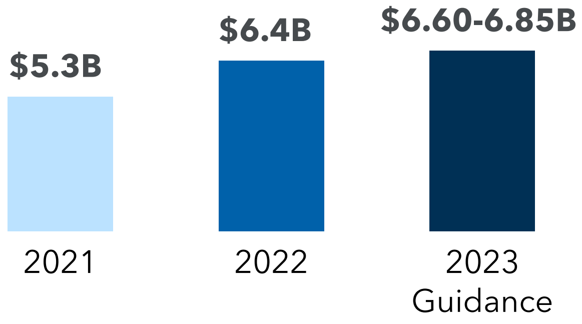
- **Launched integrated offer in Indiana, Illinois, and Pennsylvania** – provides State Farm homeowners with an **innovative solution to detect and mitigate losses** related to water, fire, and intrusion
  - **~3k State Farm agents** actively engaged in the program
  - **Positive upsell trends** - successfully selling additional devices and higher recurring monthly revenue
- **Co-market integrated offer** leveraging opportunity funds
- Anticipate **expanding integrated offer** to six additional states in 2H'23
- Continue exploring **next horizon** opportunities with State Farm



Note: Indiana launched in 1Q'23; Illinois and Pennsylvania launched during 2Q'23.

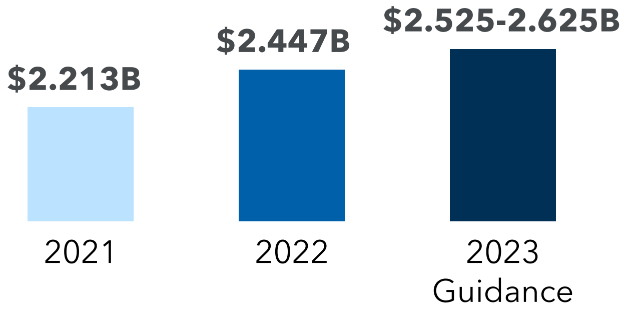
2023 Guidance Demonstrating Continued Progress Towards 2025 Goals

Total Revenue



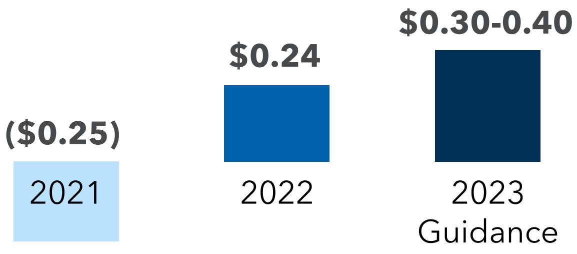
2025 Goal: $10B+

Adjusted EBITDA



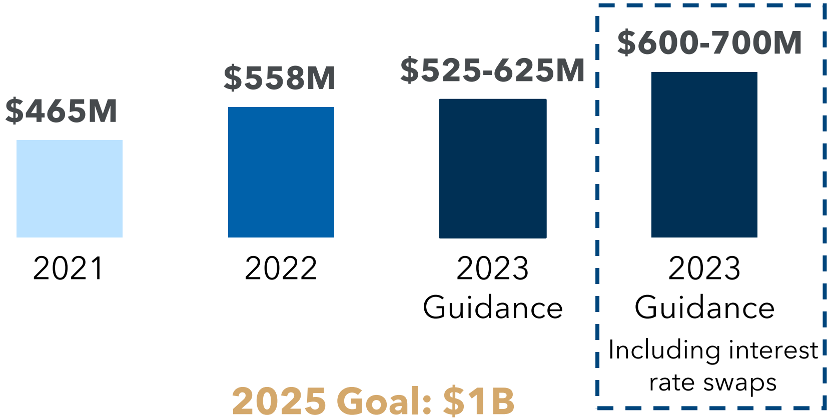
2025 Goal: $3B+

Adjusted EPS



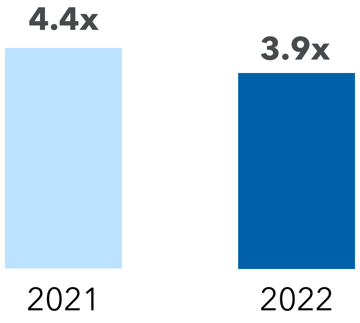
2025 Adjusted EPS Goal: $0.50+

Adjusted Free Cash Flow



2025 Goal: $1B

Net Leverage Ratio



2025 Goal: <3.0x

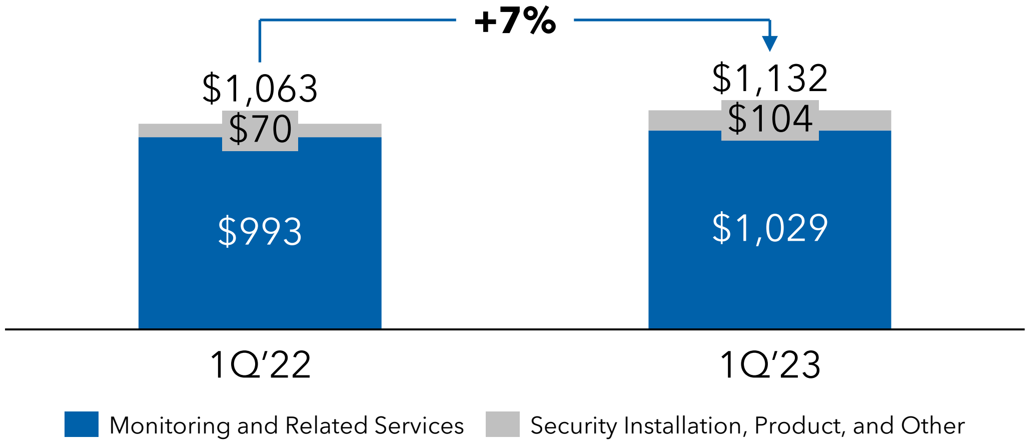
Note: 2025 goals do not represent company guidance or projections. ADT does not provide annual guidance on net leverage ratio.

CONSUMER AND SMALL BUSINESS

Segment Financials and Key Metrics

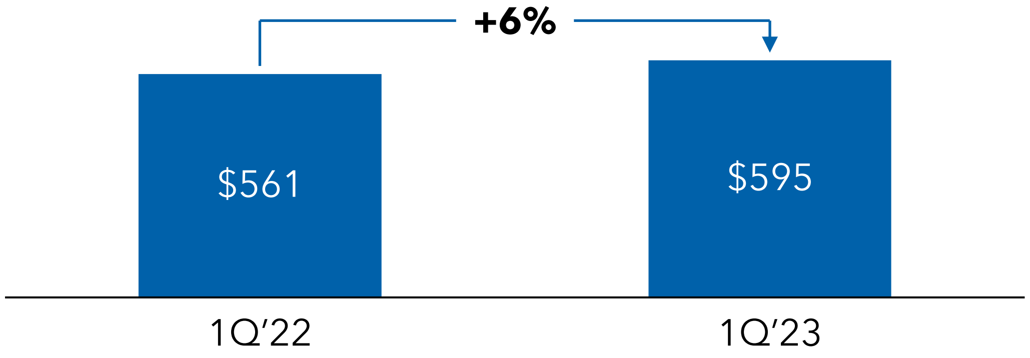
Revenue

$ in Millions



Adjusted EBITDA

$ in Millions



Segment Statistics

	1Q'23	Y/Y Change
Ending Subscriber Count	6.4M	0%
Interactive Customers as a % of Total Residential and Small Business	64%	400 bps
End of Period RMR including wholesale	$344M	3%
Gross RMR Additions	$11.5M	(21%)
Gross Unit Additions	189K	(23%)
LTM Revenue Payback	2.1x	(0.3x)

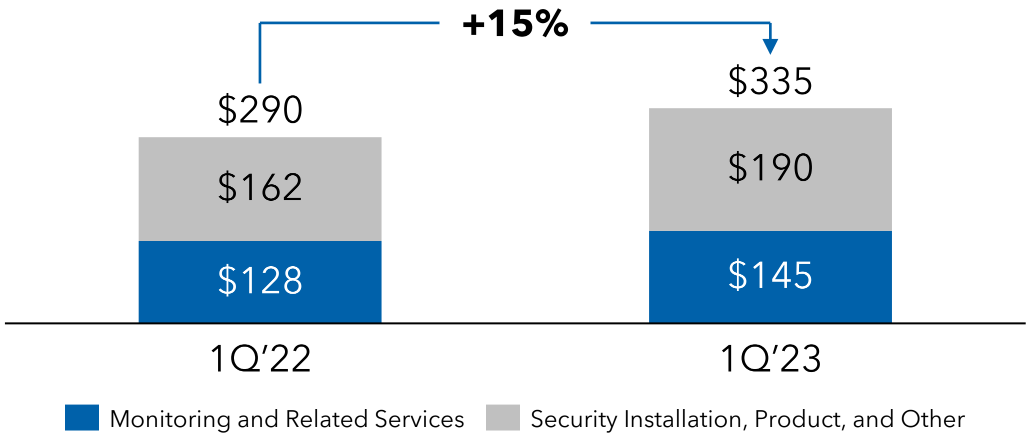
Note: Operating metrics presented exclude wholesale customers who outsource their monitoring to ADT unless otherwise noted. Gross Unit Additions represent Residential and Small Business only and exclude our Health, Cyber, and Mobile businesses. Interactive services include Pulse, Control, and similar ADT platforms and are inclusive of services ranging from remote arm and disarm systems to full home automation.

COMMERCIAL

Segment Financials and Key Metrics

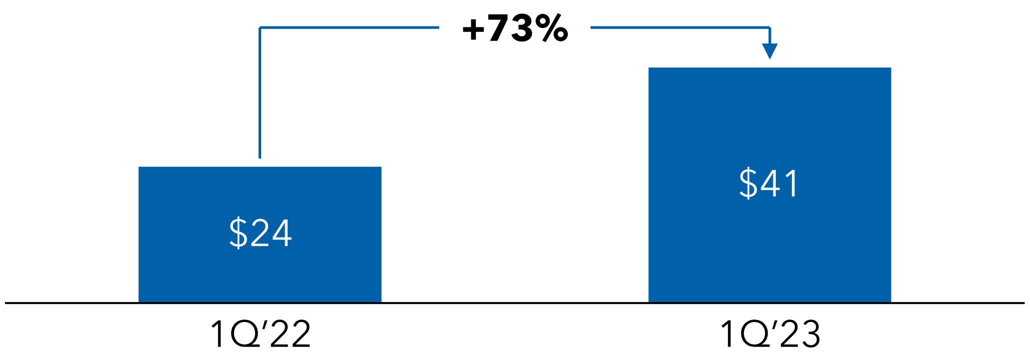
Revenue

$ in Millions



Adjusted EBITDA

$ in Millions



Segment Statistics

ADT Commercial

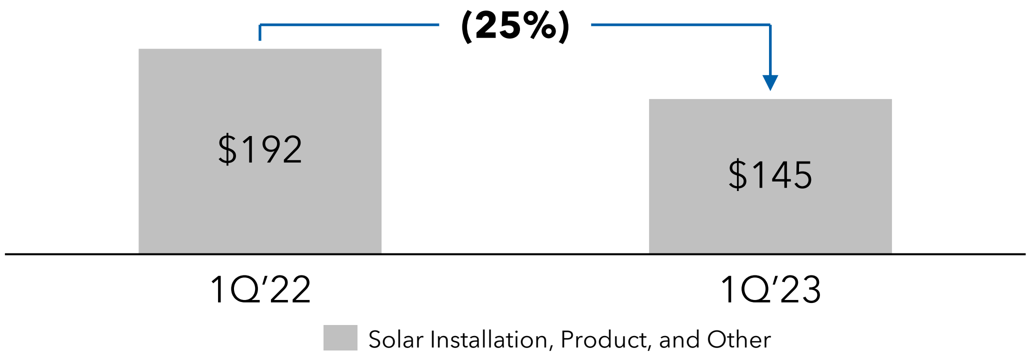
	1Q'23	Y/Y Change
Ending Subscriber Count	260K	(1%)
End of Period RMR	$34M	6%
Gross RMR Additions	$1.4M	5%
LTM Revenue Payback	0.8x	(0.5x)
Install Backlog	$418M	10%
RMR Backlog	$2.8M	13%

SOLAR

Segment Financials and Key Metrics

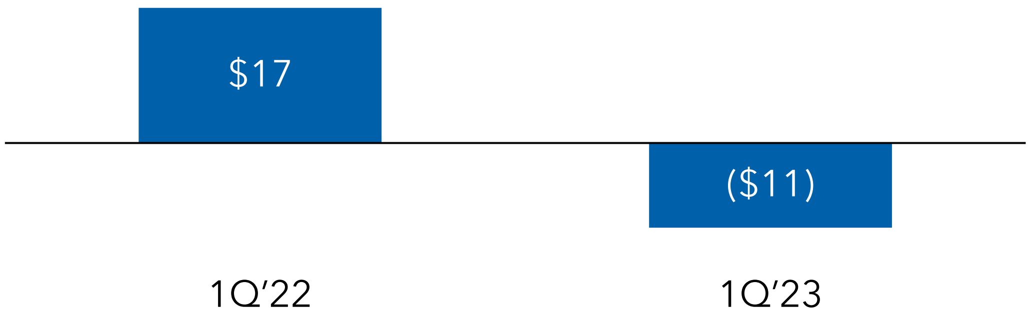
Revenue

$ in Millions



Adjusted EBITDA

$ in Millions



Segment Statistics

ADT Solar

	1Q'23	Y/Y Change
Solar Installations	3.5K	(37%)
Revenue per Installation	~$41K	3%
Battery Attachment Rate	19.0%	(400 bps)

Note: Revenue and revenue per installation are presented net of financing fees, which were $38 million and $19 million for 1Q'22 and 1Q'23, respectively; 1Q'22 Revenue includes approximately $30 million negative impact from amortization of purchase accounting adjustments related to the Sunpro acquisition.

Capital Structure Overview

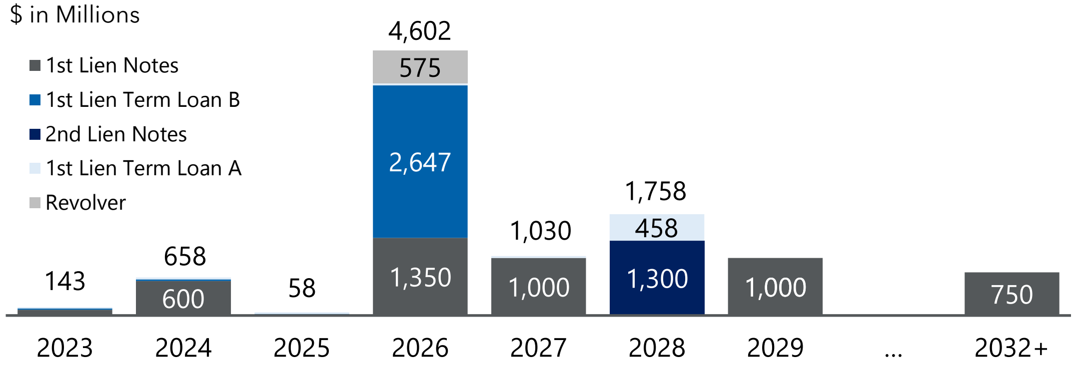
Highlights

- Redeemed $600 million of the $700 million ADT Notes due 2023 in March using $600 million draw from Term Loan A
- Upsized Term Loan A by $50M; plan to redeem remaining $100 million ADT Notes due 2023 with upsize and cash on hand on or before maturity in June
- Redeeming $150 million of $750 million ADT Notes due 2024 with cash on hand on May 2nd
- No other significant debt maturity in 2023 and a manageable $600 million remaining debt maturity prior to 2026
- $3.0B of $3.3B Variable rate First Lien Term Loans are hedged with floating-to-fixed interest rate swaps
- Goal of $1 billion debt reduction from 2021 to year-end 2025, of which more than $400 million to be achieved in 2023

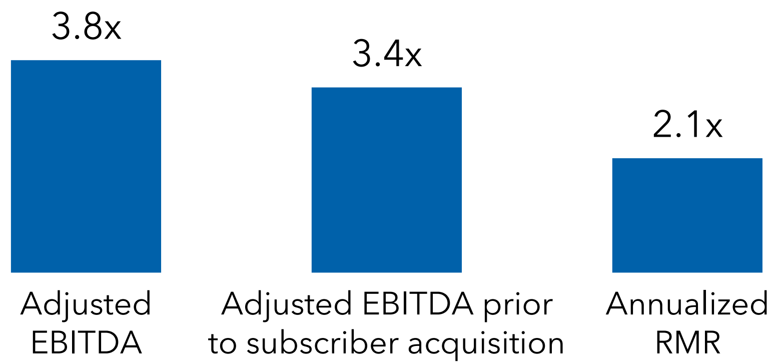
Capital Structure

$ in Millions	12/31/22 Actual	3/31/23 Actual
Revolver	-	-
First Lien Term Loan	2,730	3,323
First Lien Notes	5,550	4,950
Finance Leases and Other	97	94
Total First Lien Debt	**$ 8,378**	**$ 8,367**
Second Lien Notes	1,300	1,300
Total Debt	**$ 9,678**	**$ 9,667**
Cash and Cash Equivalents	(257)	(186)
Net Debt	**$ 9,420**	**$ 9,481**
LTM Adjusted EBITDA	**2,447**	**2,471**
Net Leverage Ratio	**3.9x**	**3.8x**
Fixed vs. variable ratio	99%/1%	96%/4%

Debt Maturity Profile (after May 2nd redemption of $150M of 2024 Notes)



Net Debt Ratios



Note: Debt instruments are stated at face value excluding debt issuance discount, deferred financing costs, and fair value adjustments. Capital Structure table excludes receivables facility balance, which was $355 million as of 12/31/2022 and $374 million as of 3/31/23. Fixed vs. variable ratio includes the impact of interest rate swaps. Debt Maturity Profile graph excludes receivables facility and finance leases, while revolver and Term Loan A are indicative of total capacity, not current drawn balances. Net debt excludes the receivables facility. 2025 debt reduction goal does not represent company guidance or projections.

Additional Financial Information
&
Non-GAAP Reconciliations

Adjusted Free Cash Flow Bridge

	For the three months ended		
($ in millions)	March 31, 2023	March 31, 2022	Y/Y Change
Adjusted EBITDA	**$625**	**$601**	**$24**
Net Expensed SAC	$67	$90	($24)
Net SAC	($310)	($425)	$116
Cash Taxes	($2)	($0)	($2)
Cash Interest	($195)	($156)	($39)
Capital Expenditures [1]	($59)	($37)	($22)
Working Capital & Other	($126)	($115)	($11)
Adjusted Free Cash Flow [2]	**$0**	**($42)**	**$42**
Interest Rate Swaps	$16	($13)	$30
Adjusted Free Cash Flow (including interest rate swaps) [2]	**$16**	**($55)**	**$71**

Notes:
1. Capital expenditures exclude special items primarily related to integration activities.
2. Adjusted Free Cash Flow is a liquidity measure and Adjusted EBITDA is a performance measure; GAAP to Non-GAAP reconciliations for these two measures are available in the following section of this presentation.

Net SAC Calculation

	For the three months ended March 31, 2023		
($ in millions)	Capitalized	Non-capitalized	Total
Selling, Advertising, and Commissions	$87	$120	$207
Security Installation, Product, and Other Cost	-	$169	$169
Capitalized Direct SAC	$159	-	$159
Capitalized Dealer SAC	$116	-	$116
Upfront Cash Proceeds	($74)	($268)	($341)
Net Subscriber Acquisition Cost	**$289**	**$21**	**$310**

Note: Net SAC represents the estimated cash costs associated with the sale and installation of security and smart home systems to new and existing customers, net of any cash received at the time of installation. Upfront cash proceeds differ from contractual amounts due to the timing of cash receipts related to our consumer financing program in the amount of $70 million in 1Q'23.

Selected Statement of Operations Components

($ in millions)	For the three months ended March 31, 2023					For the three months ended March 31, 2022				
	Total Revenue	Cost of Revenue	SG&A and Other (1)	D&A	Total	Total Revenue	Cost of Revenue	SG&A and Other (1)	D&A	Total
Monitoring & Related Services Revenue (M&S)	$1,171	-	-	-	$1,171	$1,113	-	-	-	$1,113
M&S Costs, G&A, and Other	-	($248)	($244)	-	($492)	-	($236)	($242)	-	($477)
Net Customer Acquisition Costs	$145	($97)	($36)	-	$12	$221	($130)	($36)	-	$56
subtotal: Adjusted EBITDA prior to subscriber acqusition	**$1,316**	**($345)**	**($280)**	-	**$691**	**$1,335**	**($366)**	**($277)**	-	**$691**
Net Expensed SAC	$222	($169)	($120)	-	($67)	$178	($139)	($130)	-	($90)
subtotal: Adjusted EBITDA	**$1,538**	**($514)**	**($399)**	-	**$625**	**$1,513**	**($505)**	**($407)**	-	**$601**
Depreciation and Amortization	$72	-	($47)	($383)	($358)	$53	-	($37)	($476)	($460)
Special Items	$2	-	($19)	-	($16)	($21)	($5)	($37)	-	($64)
Total	**$1,612**	**($514)**	**($464)**	**($383)**		**$1,545**	**($510)**	**($481)**	**($476)**	

	Total Revenue	Cost of Revenue	SG&A and Other	D&A
Monitoring & Related Services Revenue	Monitoring & Related Services Revenue	-	-	-
M&S Costs, G&A, and Other	-	Monitoring & Related Services Costs	General & Administrative and Other Expense (Income)	-
Net Customer Acquisition Costs (Solar)	Solar Installation, Product, and Other Revenue	Solar Installation, Product, and Other Costs	Selling and Advertising	-
Net Expensed SAC (CSB and Commercial)	Security Installation, Product, and Other Revenue	Security Installation, Product, and Other Costs	Selling and Advertising	-
Depreciation and Amortization	Amortization of Deferred Subscriber Acquisition Revenue	-	Amortization of Deferred Subscriber Acquisition Costs (Commissions)	Depreciation and Amortization
Special Items	Radio Conversion Revenue and Purchase Accounting Adjustments	Purchase Accounting Adjustments	Special Items	-

Note: Excludes special items not applicable to the GAAP measures presented.

1. Other includes Other expense (income) and Equity in net earnings (losses) of equity method investee.

Additional Historical Quarterly Data

($ in millions)	For the Three Months Ended March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Operating and Financial Measures					
Monitoring & Related Services Revenue (M&S)	$1,173	$1,163	$1,160	$1,146	$1,121
Total Revenue	$1,612	$1,645	$1,604	$1,601	$1,545
Adjusted Net Income (Loss)	$102	$92	$83	$50	($7)
GAAP Net Income (Loss)	($90)	$151	($122)	$92	$52
Adjusted EBITDA	$625	$629	$620	$597	$601
Adjusted EBITDA Margin (% Total Revenue)	38.8%	38.2%	38.6%	37.3%	38.9%
LTM Gross Customer Revenue Attrition[1]	12.5%	12.5%	12.6%	12.7%	12.9%
LTM Revenue Payback (in years)[1][2]	2.0x	2.1x	2.1x	2.2x	2.3x
Net Subscriber Acquisition Costs (SAC)					
Non-capitalized[3]	$21	$15	$20	$(3)	$46
Capitalized	$289	$299	$372	$370	$379
Total	**$310**	**$314**	**$392**	**$368**	**$425**
memo: Net Expensed SAC	*$67*	*$77*	*$83*	*$85*	*$90*
Adjusted Free Cash Flow					
Adjusted EBITDA	$625	$629	$620	$597	$601
Net Expensed SAC	$67	$77	$83	$85	$90
Net SAC	($310)	($314)	($392)	($368)	($425)
Cash Taxes	($2)	($6)	($7)	($10)	($0)
Cash Interest	($195)	($48)	($187)	($61)	($156)
Capital Expenditures[4]	($59)	($41)	($48)	($49)	($37)
Working Capital & Other	($126)	($27)	$77	($10)	($115)
Adjusted Free Cash Flow[5]	**$0**	**$269**	**$145**	**$185**	**($42)**
Recurring Monthly Revenue (RMR)					
End of Period RMR (excluding Wholesale)	$374	$370	$368	$365	$361
Wholesale RMR	$4	$4	$4	$4	$4
End of Period RMR (including Wholesale)	**$378**	**$374**	**$372**	**$369**	**$365**
Gross RMR Additions[1]	$12.9	$13.2	$15.2	$15.5	$15.8

Notes:

1. Excludes wholesale customers who outsource their monitoring to ADT, unless otherwise noted.
2. LTM Revenue Payback measures the net SAC incurred in the period divided by the recurring monthly revenue added during the period and represents the approximate time, in years, required to recover our net SAC through contractual monthly recurring fees.
3. Excludes the non-cash effects of ASC 606, timing of receipts associated with our consumer financing program, and other non-cash adjustments.
4. Capital expenditures exclude special items primarily related to integration activities.
5. Adjusted Free Cash Flow is a liquidity measure; a GAAP to Non-GAAP reconciliation is available in the following section of this presentation.

Income Statement

(in millions, except per share data)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	$ Change	% Change
Revenue:				
Monitoring and related services	$ 1,173	$ 1,121	$ 52	5%
Security installation, product, and other	294	231	63	27%
Solar installation, product, and other	145	192	(47)	(25)%
Total revenue	1,612	1,545	68	4%
Cost of revenue *(exclusive of depreciation and amortization shown separately below):*				
Monitoring and related services	246	236	11	5%
Security installation, product, and other	169	139	31	22%
Solar installation, product, and other	98	135	(37)	(27)%
Total cost of revenue	514	510	4	1%
Selling, general, and administrative expenses	462	482	(20)	(4)%
Depreciation and intangible asset amortization	383	476	(93)	(20)%
Merger, restructuring, integration, and other	18	1	17	N/M
Goodwill impairment	193	—	193	N/M
Operating income (loss)	43	76	(33)	(44)%
Interest expense, net	(172)	(6)	(165)	N/M
Other income (expense)	(1)	1	(3)	N/M
Income (loss) before income taxes and equity in net earnings (losses) of equity method investee	(130)	71	(201)	N/M
Income tax benefit (expense)	43	(20)	63	N/M
Income (loss) before equity in net earnings (losses) of equity method investee	(87)	52	(139)	N/M
Equity in net earnings (losses) of equity method investee	(3)	—	(3)	N/M
Net income (loss)	$ (90)	$ 52	$ (141)	N/M
Net income (loss) per share - basic:				
Common Stock	$ (0.10)	$ 0.06		
Class B Common Stock	$ (0.10)	$ 0.06		
Weighted-average shares outstanding - basic:				
Common Stock	854	844		
Class B Common Stock	55	55		
Net income (loss) per share - diluted:				
Common Stock	$ (0.10)	$ 0.06		
Class B Common Stock	$ (0.10)	$ 0.06		
Weighted-average shares outstanding - diluted:				
Common Stock	854	911		
Class B Common Stock	55	55		

Note: Amounts may not sum due to rounding.

Balance Sheet

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 186	$ 257
Restricted cash and restricted cash equivalents	117	116
Accounts receivable, net	598	597
Inventories, net	327	329
Work-in-progress	72	81
Prepaid expenses and other current assets	324	341
Total current assets	1,625	1,722
Property and equipment, net	356	376
Subscriber system assets, net	3,079	3,061
Intangible assets, net	5,020	5,092
Goodwill	5,627	5,819
Deferred subscriber acquisition costs, net	1,120	1,080
Other assets	720	724
Total assets	$ 17,546	$ 17,873
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of long-term debt	$ 465	$ 872
Accounts payable	398	487
Deferred revenue	395	403
Accrued expenses and other current liabilities	741	900
Total current liabilities	1,999	2,661
Long-term debt	9,376	8,957
Deferred subscriber acquisition revenue	1,735	1,645
Deferred tax liabilities	856	905
Other liabilities	266	272
Total liabilities	14,231	14,440
Total stockholders' equity	3,315	3,433
Total liabilities and stockholders' equity	$ 17,546	$ 17,873

Note: Amounts may not sum due to rounding.

Cash Flow Statement

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash flows from operating activities:		
Net income (loss)	$ (90)	$ 52
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and intangible asset amortization	383	476
Amortization of deferred subscriber acquisition costs	47	37
Amortization of deferred subscriber acquisition revenue	(72)	(53)
Share-based compensation expense	16	16
Deferred income taxes	(50)	16
Provision for losses on receivables and inventory	26	19
Goodwill, intangible, and other asset impairments	194	—
Unrealized (gain) loss on interest rate swap contracts	33	(145)
Other non-cash items, net	29	65
Changes in operating assets and liabilities, net of effects of acquisitions:		
Deferred subscriber acquisition costs	(87)	(93)
Deferred subscriber acquisition revenue	74	81
Other, net	(195)	(163)
Net cash provided by (used in) operating activities	307	308
Cash flows from investing activities:		
Dealer generated customer accounts and bulk account purchases	(116)	(185)
Subscriber system asset expenditures	(159)	(182)
Purchases of property and equipment	(59)	(38)
Other investing, net	(2)	—
Net cash provided by (used in) investing activities	(336)	(405)
Cash flows from financing activities:		
Proceeds from long-term borrowings	600	280
Proceeds from receivables facility	64	47
Proceeds (payments) from interest rate swaps	16	(13)
Repayment of long-term borrowings, including call premiums	(607)	(143)
Repayment of receivables facility	(44)	(21)
Dividends on common stock	(32)	(32)
Payments on finance leases	(11)	(11)
Other financing, net	(26)	(16)
Net cash provided by (used in) financing activities	(41)	92
Cash and cash equivalents and restricted cash and restricted cash equivalents:		
Net increase (decrease)	(70)	(5)
Beginning balance	374	33
Ending balance	$ 304	$ 28

Note: Amounts may not sum due to rounding.

Segment Information

(in millions)

	Three Months Ended					Twelve Months Ended	
	March 31, 2023	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**
Total revenue - CSB							
Monitoring and related services	$ 1,029	$ 1,024	$ 1,022	$ 1,011	$ 993	$ 4,086	$ 4,050
Security installation, product, and other	104	93	89	77	70	363	329
Total	$ 1,132	$ 1,117	$ 1,111	$ 1,088	$ 1,063	$ 4,449	$ 4,379
Total revenue - Commercial							
Monitoring and related services	$ 145	$ 139	$ 138	$ 134	$ 128	$ 556	$ 539
Security installation, product, and other	190	189	176	163	162	719	691
Total	$ 335	$ 328	$ 314	$ 297	$ 290	$ 1,275	$ 1,230
Total revenue - Solar[1]							
Solar installation, product, and other	$ 145	$ 200	$ 179	$ 215	$ 192	$ 739	$ 786
Total	$ 145	$ 200	$ 179	$ 215	$ 192	$ 739	$ 786
Total revenue	$ 1,612	$ 1,645	$ 1,604	$ 1,601	$ 1,545	$ 6,463	$ 6,395
Adjusted EBITDA by segment							
CSB	$ 595	$ 581	$ 592	$ 581	$ 561	$ 2,349	$ 2,315
Commercial	41	38	34	31	24	144	127
Solar	(11)	10	(6)	(15)	17	(22)	5
Total	$ 625	$ 629	$ 620	$ 597	$ 601	$ 2,471	$ 2,447
Adjusted EBITDA Margin by segment (as a percentage of segment revenue)							
CSB	53 %	52 %	53 %	53 %	53 %	53 %	53 %
Commercial	12 %	12 %	11 %	11 %	8 %	11 %	10 %
Solar	(7) %	5 %	(4) %	(7) %	9 %	(3) %	1 %
Total	**39 %**	**38 %**	**39 %**	**37 %**	**39 %**	**39 %**	**38 %**

Note: Amounts may not sum due to rounding.
1. M&S revenue is not applicable to the Solar segment.

Non-GAAP Measures

ADT sometimes uses information ("non-GAAP financial measures") that is derived from the consolidated financial statements, but that is not presented in accordance with accounting principles generally accepted in the U.S. ("GAAP"). Under SEC rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or, superior to GAAP results. The following information includes definitions of our non-GAAP financial measures used in this presentation, reasons our management believes these measures are useful to investors regarding our financial condition and results of operations, additional purposes, if any, for which our 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. The limitations of non-GAAP financial measures are best addressed by considering these measures in conjunction with the appropriate GAAP measures. In addition, computations of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

With regard to our financial guidance for 2023, the Company is not providing a quantitative reconciliation for forward-looking Adjusted EBITDA and Adjusted EPS to net income (loss), and Adjusted Free Cash Flow and Adjusted Free Cash Flow (including interest rate swaps) to net cash provided by operating activities, which are the most directly comparable respective GAAP measures. These GAAP measures cannot be reliably predicted or estimated without unreasonable effort due to their dependence on future uncertainties, such as the adjustment of items used in the following reconciliations. Additionally, information about other adjusting items that is currently not available to the Company could have a potentially unpredictable and potentially significant impact on its future GAAP financial results.

GAAP to Non-GAAP Reconciliations

Adjusted EBITDA, Adjusted EBITDA Margin and Reconciliation to GAAP Net Income or Loss

We believe the presentation of Adjusted EBITDA provides useful information to investors about our operating profitability adjusted for certain non-cash items, non-routine items that we do not expect to continue at the same level in the future, as well as other items that are not core to our operations. Further, we believe Adjusted EBITDA provides a meaningful measure of operating profitability because we use it for evaluating our business performance, making budgeting decisions, and comparing our performance against that of other peer companies using similar measures. We define Adjusted EBITDA as net income or loss 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; (vii) losses on extinguishment of debt; (viii) radio conversion costs net of any related incremental revenue earned; (ix) adjustments related to acquisitions, such as contingent consideration and purchase accounting adjustments, or dispositions; (x) impairment charges; and (xi) other income/gain or expense/loss items such as changes in fair value of certain financial instruments or financing and consent fees. There are material limitations to using Adjusted EBITDA as it does not reflect certain significant items, which directly affect our net income or loss (the most comparable GAAP measure). The Adjusted EBITDA discussion above is also applicable to Adjusted EBITDA margin, which is calculated as Adjusted EBITDA as a percentage of total revenue.

(in millions)	Three Months Ended					Twelve Months Ended		
	March 31, 2023	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2021**
Net income (loss)	$ (90)	$ 151	$ (122)	$ 92	$ 52	$ 31	$ 173	$ (341)
Interest expense, net	172	147	30	82	6	431	265	458
Income tax expense (benefit)	(43)	1	2	38	20	(2)	60	(130)
Depreciation and intangible asset amortization	383	412	406	399	476	1,601	1,694	1,915
Amortization of deferred subscriber acquisition costs	47	45	42	39	37	173	163	126
Amortization of deferred subscriber acquisition revenue	(72)	(68)	(64)	(58)	(53)	(263)	(244)	(172)
Share-based compensation expense	16	17	17	17	16	67	67	61
Merger, restructuring, integration, and other	18	19	6	(4)	1	39	22	38
Goodwill impairment(1)	193	—	149	—	—	342	149	—
Loss on extinguishment of debt	2	—	—	—	—	2	—	37
Change in fair value of other financial instruments(2)	—	(94)	158	—	—	63	63	—
Radio conversion costs, net(3)	(1)	(3)	(4)	1	10	(8)	3	211
Acquisition-related adjustments(4)	2	(1)	(1)	1	36	1	35	13
Other, net(5)	—	3	1	(9)	1	(5)	(4)	(3)
Adjusted EBITDA	$ 625	$ 629	$ 620	$ 597	$ 601	$ 2,471	$ 2,447	$ 2,213
Selling (incl. Commissions) and Advertising	120	113	123	124	130	481	490	565
Installations costs	169	178	161	142	139	650	620	602
Installation revenue	(223)	(214)	(202)	(182)	(179)	(821)	(776)	(740)
Adjusted EBITDA prior to subscriber acquisition(6)	$ 691	$ 705	$ 703	$ 682	$ 691	$ 2,781	$ 2,782	$ 2,640
Net income (loss) to total revenue ratio	*(6)%*	*9%*	*(8)%*	*6%*	*3%*	*—%*	*3%*	*(6)%*
Adjusted EBITDA Margin (as percentage of total revenue)	*39%*	*38%*	*39%*	*37%*	*39%*	*38%*	*38%*	*42%*
Total revenue	1,612	1,645	1,604	1,601	1,545	6,463	6,395	5,307

Note: Amounts may not sum due to rounding.
1. Represents goodwill impairment charges related to the Solar reporting unit.
2. In connection with the State Farm investment, amounts represent the change in fair value of a contingent forward purchase contract related to the tender offer during 2022.
3. Represents net costs associated with replacing cellular technology used in many of our security systems pursuant to a replacement program.
4. Primarily represents amortization of the customer backlog intangible asset during Q1 2022 related to the ADT Solar Acquisition.
5. During Q2 2022, primarily represents the gain on sale of a business.
6. Prior to Q1 2022, Adjusted EBITDA prior to subscriber acquisition excluded sales and installation costs, net of installation revenue, related to Solar of ($16 million).

GAAP to Non-GAAP Reconciliations

Free Cash Flow, Adjusted Free Cash Flow, Adjusted Free Cash Flow including interest rate swaps, and Reconciliation to GAAP Net Cash Flows from Operating Activities

We define Free Cash Flow as cash flows from operating activities less cash outlays related to capital expenditures. We define capital expenditures to include accounts purchased through our network of authorized dealers or third parties outside of our 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.

We define Adjusted Free Cash Flow as Free Cash Flow adjusted for net cash flows related to (i) net proceeds from our consumer receivables facility; (ii) financing and consent fees; (iii) restructuring and integration; (iv) integration-related capital expenditures; (v) radio conversion costs net of any related incremental revenue collected; and (vi) other payments or receipts that may mask our 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 within net cash provided by (used in) financing activities.

We believe the presentations of these non-GAAP measures are appropriate to provide investors with useful information about our ability to repay debt, make other investments, and pay dividends. We believe the presentation of Adjusted Free Cash Flow is also a useful measure of our cash flow attributable to our normal business activities, inclusive of the net cash flows associated with the acquisition of subscribers, as well as our ability to repay other debt, make other investments, and pay dividends. 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.

(in millions)	Three Months Ended					Twelve Months Ended	
	March 31, 2023	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**December 31, 2022**	**December 31, 2021**
Net cash provided by (used in):							
Operating activities	$ 307	$ 567	$ 498	$ 515	$ 308	$ 1,888	$ 1,650
Investing activities	$ (336)	$ (324)	$ (401)	$ (402)	$ (405)	$ (1,533)	$ (1,696)
Financing activities	$ (41)	$ 71	$ (93)	$ (85)	$ 92	$ (15)	$ (128)
Net cash provided by (used in) operating activities	$ 307	$ 567	$ 498	$ 515	$ 308	$ 1,888	$ 1,650
Dealer generated customer accounts and bulk account purchases	(116)	(121)	(159)	(157)	(185)	(622)	(675)
Subscriber system asset expenditures	(159)	(162)	(194)	(196)	(182)	(735)	(695)
Purchases of property and equipment	(59)	(41)	(48)	(49)	(38)	(177)	(168)
Free Cash Flow	$ (28)	$ 243	$ 97	$ 112	$ (97)	$ 355	$ 112
Net proceeds from receivables facility	19	25	38	67	26	156	123
Financing and consent fees	—	—	—	—	—	—	4
Restructuring and integration payments[1]	7	4	6	3	3	17	11
Integration-related capital expenditures	—	—	1	—	1	1	10
Radio conversion costs, net[2]	(1)	(6)	(2)	—	12	4	198
Other, net[3]	2	3	4	3	13	24	7
Adjusted Free Cash Flow	$ —	$ 269	$ 145	$ 185	$ (42)	$ 558	$ 465
Interest rate swaps presented within financing activities[4]	16	8	(2)	(11)	(13)	(19)	(56)
Adjusted Free Cash Flow including interest rate swaps	$ 16	$ 277	$ 143	$ 174	$ (55)	$ 539	$ 409
Memo: Cash interest included above[5]	$ 195	$ 48	$ 187	$ 61	$ 156	$ 452	$ 457

Note: Amounts may not sum due to rounding.
1. During Q1 2023, primarily represents ADT Solar integration costs and CSB restructuring costs.
2. Represents net costs associated with replacing cellular technology used in many of our security systems pursuant to a replacement program.
3. During Q1 2022, primarily represents costs related to the ADT Solar acquisition.
4. Includes net settlements related to interest rate swaps with an other-than-insignificant financing element at inception, which is presented within net cash provided by (used in) financing activities.
5. Excludes interest on interest rate swaps presented within financing activities.

GAAP to Non-GAAP Reconciliations

Adjusted Net Income (Loss), Adjusted Diluted Net Income (Loss) per Share (or, Adjusted EPS), and Reconciliations to GAAP Net Income (Loss) and GAAP Diluted Net Income (Loss) per Share

We define Adjusted Net Income (Loss) as net income (loss) adjusted for (i) merger, restructuring, integration, and other; (ii) losses on extinguishment of debt; (iii) radio conversion costs net of any related incremental revenue earned; (iv) share-based compensation expense; (v) unrealized gains and losses on interest rate swap contracts not designated as hedges; (vi) other income/gain or expense/loss items such as changes in fair value of certain financial instruments, impairment charges, financing and consent fees, or acquisition-related adjustments; and (vii) the impact these adjusted items have on taxes.

Adjusted Diluted Net Income (Loss) per share is Adjusted Net Income (Loss) divided by diluted weighted-average shares outstanding of common stock. In periods of GAAP net loss, 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 as the results would be anti-dilutive.

We believe Adjusted Net Income (Loss) and Adjusted Diluted Net Income (Loss) per share are benchmarks used by analysts and investors who follow the industry for comparison of its performance with other companies in the industry, although our measures may not be directly comparable to similar measures reported by other companies.

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

(in millions, except per share data)	Three Months Ended					Twelve Months Ended	
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2022	December 31, 2021
Net income (loss)	$ (90)	$ 151	$ (122)	$ 92	$ 52	$ 173	$ (341)
Merger, restructuring, integration, and other	18	19	6	(4)	1	22	38
Goodwill impairment[1]	193	—	149	—	—	149	—
Loss on extinguishment of debt	2	—	—	—	—	—	37
Change in fair value of other financial instruments[2]	—	(94)	158	—	—	63	—
Radio conversion costs, net	(1)	(3)	(4)	1	10	3	211
Share-based compensation expense	16	17	17	17	16	67	61
Unrealized (gain) loss on interest rate swaps	33	11	(108)	(59)	(145)	(302)	(158)
Acquisition-related adjustments[3]	2	(1)	(1)	1	36	35	13
Other, net	—	3	1	(9)	1	(4)	(3)
Tax impact on adjustments	(69)	(11)	(12)	12	23	11	(50)
Adjusted Net Income (Loss)	$ 102	$ 92	$ 83	$ 50	$ (7)	$ 218	$ (191)
Weighted-average shares outstanding - diluted[4]:							
Common Stock	854	922	850	911	911	915	771
Class B Common Stock	55	55	55	55	55	55	55
Net income (loss) per share - diluted:							
Common Stock	$ (0.10)	$ 0.16	$ (0.13)	$ 0.10	$ 0.06	$ 0.19	$ (0.41)
Class B Common Stock	$ (0.10)	$ 0.16	$ (0.13)	$ 0.10	$ 0.06	$ 0.19	$ (0.41)
Adjusted Diluted Net Income (Loss) per share[5]	$ 0.12	$ 0.10	$ 0.10	$ 0.06	$ (0.01)	$ 0.24	$ (0.25)

Note: Amounts may not sum due to rounding. Refer to the reconciliation from Adjusted EBITDA to net income (loss) herein for an explanation of other, net.
1. Represents goodwill impairment charges related to the Solar reporting unit.
2. In connection with the State Farm investment, amounts represent the change in fair value of a contingent forward purchase contract related to the tender offer during 2022.
3. Primarily represents amortization of the customer backlog intangible asset related to the ADT Solar Acquisition during Q1 2022.
4. 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.
5. Calculated as Adjusted Net Income (Loss) divided by diluted weighted-average shares outstanding of Common Stock.

GAAP to Non-GAAP Reconciliations

Leverage Ratios and Reconciliation to GAAP Debt to Net Income (Loss) Leverage Ratio

Net Leverage Ratio is calculated as the ratio of net debt to last twelve months (“LTM”) Adjusted EBITDA. 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 net income (loss), which is the most comparable GAAP measure. We believe Net Leverage Ratio is a useful measure of the Company's credit position and progress towards leverage targets. There are material limitations to using Net Leverage Ratio as the Company may not always be able to use cash to repay debt on a dollar-for-dollar basis.

Debt to Net Income (Loss) Leverage Ratio:

(in millions)	March 31, 2023	December 31, 2022	March 31, 2022	December 31, 2021
Total debt (book value)	$ 9,840	$ 9,829	$ 9,862	$ 9,693
LTM net income (loss)	$ 31	$ 173	$ (241)	$ (341)
Debt to net income (loss) ratio	**314.6x**	**56.9x**	**(40.9x)**	**(28.4x)**

Leverage Ratios:

(in millions)	March 31, 2023	December 31, 2022	March 31, 2022	December 31, 2021
Revolver	$ —	$ —	$ 170	$ 25
First lien term loans	3,323	2,730	2,751	2,758
First lien notes	4,950	5,550	5,550	5,550
Receivables facility	374	355	225	199
Finance leases	92	95	90	93
Other	2	2	4	5
Total first lien debt	**$ 8,741**	**$ 8,732**	**$ 8,790**	**$ 8,630**
Second lien notes	1,300	1,300	1,300	1,300
Total debt[1]	**$ 10,041**	**$ 10,032**	**$ 10,090**	**$ 9,930**
Less:				
Cash and cash equivalents	(186)	(257)	(17)	(24)
Receivables Facility	(374)	(355)	(225)	(199)
Net debt	**$ 9,481**	**$ 9,420**	**$ 9,848**	**$ 9,706**
LTM Adjusted EBITDA	$ 2,471	$ 2,447	$ 2,271	$ 2,213
Net leverage ratio	**3.8x**	**3.9x**	**4.3x**	**4.4x**
LTM Adjusted EBITDA prior to subscriber acquisition	$ 2,781	$ 2,782	$ 2,684	$ 2,640
Net leverage ratio prior to subscriber acquisition	**3.4x**	**3.4x**	**3.7x**	**3.7x**
Annualized RMR	$ 4,538	$ 4,490	$ 4,380	$ 4,308
RMR Ratio	**2.1x**	**2.1x**	**2.2x**	**2.3x**

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