UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 7, 2024

Advantage Solutions Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware	**001-38990**	**83-4629508**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

8001 Forsyth Boulevard, Suite 1025	
Clayton, Missouri	**63105**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (314) 655-9333

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.0001 par value per share	ADV	NASDAQ Global Select Market
Warrants exercisable for one share of Class A common stock at an exercise price of $11.50 per share	ADVWW	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Item 2.02 – Results of Operations and Financial Condition.

On August 7, 2024, Advantage Solutions Inc. (the "Company") issued a press release announcing its financial results for the three and six months ended June 30, 2024. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

On August 7, 2024, at 8:30 a.m. ET, the Company will host a conference call announcing its financial results for the three and six months ended June 30, 2024. A copy of management's earnings presentation materials is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference herein. The presentation will be accessible, live via audio broadcast, through a link posted on the Investor Relations section of the Company's website at https://ir.advantagesolutions.net. This presentation will be available for audio replay for one week following the call.

The Company makes reference to non-GAAP financial information in the press release and earnings presentation materials. The Company's non-GAAP financial measures should be viewed in addition to and not as a substitute for or superior to the Company's reported results prepared in accordance with GAAP. Reconciliation of these non-GAAP financial measures to the nearest comparable GAAP financial measures are contained in the data tables at the end of the press release and earnings presentation materials.

The information in this Item 2.02, including Exhibits 99.1 and 99.2 furnished under Item 9.01, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section. Furthermore, the information in this Item 2.02, including Exhibit 99.1 and 99.2 furnished under Item 9.01, shall not be deemed incorporated by reference into the filings of the Company under the Securities Act of 1933 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by Advantage Solutions Inc., dated August 7, 2024 regarding results for the three and six months ended June 30, 2024.
99.2	Management's Earnings Presentation for Advantage Solutions Inc., dated August 7 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

Date:	August 7, 2024		ADVANTAGE SOLUTIONS INC.
		By:	/s/ Christopher Growe
			Christopher Growe Chief Financial Officer

Advantage Solutions Reports 2024 Second Quarter Results and Reaffirms its Full-Year Outlook

Management expects 2024 revenues and Adjusted EBITDA to grow low single digits on a continuing operations basis.

Actions to simplify the business are substantially complete, marking an important milestone in the Company's strategic transformation.

Divestiture of non-core assets in 2024 generated proceeds of ~$280 million available to opportunistically reduce debt.

ST. LOUIS, August 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 six months ended June 30, 2024. Unless otherwise noted, results presented in this release are on a continuing operations basis. Revenues for the three months ended June 30, 2024 were $873 million, compared with $964 million a year ago. Net loss from continuing operations was $113 million, compared to a net loss of $13 million for the second quarter of 2023.

- Revenues increased by 1% when excluding the impact of $101 million related to the deconsolidation of its European joint venture.
- Adjusted EBITDA was $90 million, in line with the prior year, and margins were 10.3%.
- Management remains focused on disciplined capital allocation with debt and share repurchases of $27 million and $9 million, respectively, in the second quarter.

“I want to thank our teammates for their hard work and focus in delivering improved underlying second quarter performance in a dynamic market environment,” said Advantage Solutions CEO Dave Peacock. “Importantly, we made meaningful progress on our strategic transformation by substantially completing the divestitures of non-core assets to simplify our business and pay down debt."

"As we look to the second half of the year, we remain committed to enhancing our core capabilities through investments in technology and third-party collaborations to offer clients unmatched interconnected service offerings. We are excited about our progress and pleased to reaffirm our full-year guidance to deliver growth during a year of significant investment.”

Second Quarter 2024 Highlights

Revenues

	Three Months Ended June 30,		Change	
(amounts in thousands)	**2024**	**2023**	**$**	**%**
Branded Services	$ 322,340	$ 447,265	$ (124,925)	(27.9)%
Experiential Services	319,508	285,174	34,334	12.0%
Retailer Services	231,509	231,319	190	0.1%
Total revenues	$ 873,357	$ 963,758	$ (90,401)	(9.4)%

Adjusted EBITDA from Continuing Operations

(amounts in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change $	Change %
Branded Services	$ 42,856	$ 51,787	$ (8,931)	(17.2)%
Experiential Services	22,611	16,202	6,409	39.6%
Retailer Services	24,431	21,865	2,566	11.7%
Total Adjusted EBITDA from Continuing Operations	$ 89,898	$ 89,854	$ 44	0.0%

Revenues declined 9% to $873 million and increased by approximately 1% when excluding the impact of $101 million related to the deconsolidation of the European joint venture in 4Q'23. Pass-through costs were approximately $123 million and $120 million in 2Q'24 and 2Q'23, respectively.

Branded Services' revenue decline was due primarily to the deconsolidation. Pass-through costs in 2Q'24 and 2Q'23 were $38 million and $45 million, respectively. Excluding these items, revenues declined by approximately 6%. Revenues were adversely impacted by the planned client exits and continued soft market conditions affecting brokerage and omni-commerce marketing services for consumer product companies.

Revenue growth for Experiential Services was driven by increased events per day and price realization. Excluding pass-through costs of approximately $85 million and $75 million in 2Q'24 and 2Q'23, respectively, the year-over-year revenue growth was approximately 12%.

Retailer Services revenues were relatively unchanged year-over-year due to softer market conditions in the traditional grocery channel, which offset the benefits from the timing of the Easter Holiday, increased activities associated with agency-related services, and price realization.

The operating loss of $91 million was due to a non-cash goodwill impairment of approximately $100 million related to the Jun Group divestiture and an increase in costs associated with transformation activities to enhance its service offerings and reorganize the Company, in particular Branded Services.

Adjusted EBITDA from Continuing Operations was $90 million, which was in line with the prior year, and benefited from higher events per day in Experiential Services and more efficient deployment of labor and cost discipline in Retailer Services. These favorable results helped to offset the adverse effects of high wage inflation that were not fully covered by price realization, soft market conditions, investment to implement the Company's transformation strategy and planned client exits affecting Branded Services.

The reported net loss attributable to stockholders was $101 million compared to a net loss of $9 million in the prior year, largely driven by the non-cash impairment of goodwill.

First Half 2024 Highlights

Revenues

(amounts in thousands)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change $	Change %
Branded Services	$ 651,394	$ 875,962	$ (224,568)	(25.6)%
Experiential Services	626,859	542,341	84,518	15.6%
Retailer Services	456,516	470,168	(13,652)	(2.9)%
Total revenues	$ 1,734,769	$ 1,888,471	$ (153,702)	(8.1)%

Adjusted EBITDA from Continuing Operations

(amounts in thousands)	Six Months Ended June 30, 2024	2023	Change $	%
Branded Services	$ 77,191	$ 103,588	$ (26,397)	(25.5)%
Experiential Services	39,304	23,208	16,096	69.4%
Retailer Services	44,044	45,310	(1,266)	(2.8)%
Total Adjusted EBITDA from Continuing Operations	$ 160,539	$ 172,106	$ (11,567)	(6.7)%

Revenues declined 8% to $1,735 million and increased by approximately 2%, excluding $194 million related to the deconsolidation. Pass-through costs were $255 million and $229 million in 1H'24 and 1H'23, respectively.

The operating loss was $121 million due to the non-cash goodwill impairment of approximately $100 million for the Jun Group divestiture and an increase in Company reorganization costs related to the strategic business transformation in both quarters.

Adjusted EBITDA from Continuing Operations was $161 million, led by a better-than-expected performance by Experiential Services and Retailer Services. This helped to offset the adverse effects of high wage inflation that were not fully covered by price realization, soft market conditions, investments and planned client exits affecting Branded Services.

The reported net loss attributable to stockholders was $106 million compared to a net loss of $56 million in the prior year, which included the gain in discontinued operations related to the sale of businesses and non-cash impairment noted above.

Capital Structure and Balance Sheet Highlights

The Company closed the Jun Group sale to Verve Group SE on July 31, 2024, and received approximately $130 million in cash. Two additional installments are expected to be paid 12 and 18 months after closing, bringing the total gross proceeds to approximately $185 million. Management plans to use most of the approximately $280 million in divestiture proceeds generated in 2024 to pay down debt and reinvest in the business. The Company expects to reduce its net leverage ratio to less than 3.5 times over the long term.

In the second quarter, the Company voluntarily repurchased $27 million of its senior secured notes at attractive discounts. As of June 30, 2024, the net debt ratio was approximately 4.1x Adjusted EBITDA from Continuing and Discontinued Operations. Approximately 90% of the debt outstanding is hedged or at a fixed interest rate.

Under its stock repurchase program, the Company repurchased approximately 8 million of its outstanding shares from the start of the year through July 31, 2024. These purchases are consistent with Advantage's capital allocation philosophy to maximize returns for equity holders, which includes deleveraging its balance sheet and investing behind core business offerings to fuel future growth.

Capital expenditures were approximately $15 million in the second quarter, primarily supporting investments to modernize, transform and further differentiate Advantage Solutions for future growth. Adjusted Unlevered Free Cash Flow was $129 million, or approximately 132% of Adjusted EBITDA from Continuing and Discontinued Operations.

Fiscal Year 2024 Outlook

With the divestitures substantially complete, management expects revenues and Adjusted EBITDA from Continuing Operations to grow low single digits. Management conducted a periodic review of the IT transformation plan to improve operating efficiencies and potential benefits from divestitures and partnerships. As a result, the three-year IT transformation capital expenditures are now expected to be $140 million to $150 million, down from the initial range of $160 million to $170 million. For 2024, capital expenditures are expected to be in the range of $65 million to $80 million versus the original estimate of $90 million to $110 million. The strategic objectives remain the same, and the plan includes a tapering in capital expenditures in 2025 and a return to historical capital spending levels in 2026.

The efficient conversion of earnings into cash is a priority for the Company, and the expectation for 2024 is for Adjusted Unlevered Free Cash Flow conversion to be at the high end of the 55% to 65% range, based on Adjusted EBITDA from Continuing and Discontinued Operations. Because of the investments, changes to the organization to transform the business, and cash needs of the business, management expects minimal excess cash in 2024. However, cash proceeds from the divestitures provide sufficient liquidity to continue paying down debt. Additional guidance metrics can be found in the Company's supplemental earnings presentation.

Conference Call Details

Advantage will host a conference call at 8:30 am EDT on August 7, 2024, to discuss its second quarter 2024 financial performance and business outlook. To participate, please dial 800-267-6316 within the United States or +1-203-518-9783 outside the United States approximately 10 minutes before the call's scheduled start. The conference call code is ADVQ2. The conference call will also be accessible live via audio broadcast on the Investor Relations section of the Advantage website at ir.advantagesolutions.net.

A conference call replay will be available online on the investor section of the Advantage website. In addition, an audio replay of the call will be available for one week following the call. It can be accessed by dialing 844-512-2921 within the United States or +1-412-317-6671 outside the United States. The replay ID is 11156139.

About Advantage Solutions

Advantage Solutions is a leading provider of outsourced sales, experiential and marketing solutions uniquely positioned at the intersection of brands and retailers. Our data- and technology-driven services — which include headquarter sales, retail merchandising, in-store and online sampling, digital commerce, omni-channel marketing, retail media and others — help brands and retailers of all sizes get products into the hands of consumers, wherever they shop. As a trusted partner and problem solver, we help our clients sell more while spending less. Advantage has offices throughout North America and strategic investments in select markets throughout Africa, Asia, Australia, Latin America and Europe through which the Company serves the global needs of multinational, regional and local manufacturers. For more information, please visit advantagesolutions.net.

Included with this press release are the Company's consolidated and condensed financial statements as of and for the three months ended June 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 August 9, 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 omni-channel services for our clients in an evolving industry and to otherwise adapt to significant technological change; Advantage's ability to maintain proper and effective internal control over financial reporting in the future; potential and actual harms to Advantage's business arising from the Take 5 Matter; Advantage's substantial indebtedness and our ability to refinance at favorable rates; and other risks and uncertainties set forth in the section titled "Risk Factors" in the Annual Report on Form 10-K filed by the Company with the 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 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 provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Advantage's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Additionally, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore Advantage's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

Adjusted EBITDA from Continuing Operations and Adjusted EBITDA from Discontinued Operations means 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) reorganization expenses, (xiii) litigation expenses (recovery), (xiv) costs associated with COVID-19, net of benefits received, (xv) costs associated with (recovery from) the Take 5 Matter, (xvi) EBITDA for economic interests in investments and (xvii) 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) before (i) depreciation, (ii) amortization of intangible assets, (iii) loss (gain) on divestitures, (iv) equity-based compensation of Karman Topco L.P., (v) stock-based compensation expense, (vi) fair value adjustments of contingent consideration related to acquisitions, (vii) acquisition and divestiture related expenses, (viii) costs associated with COVID-19, net of benefits received, (ix) EBITDA for economic interests in investments, (x) reorganization expenses, (xi) litigation expenses (recovery), (xii) costs associated with (recovery from) the Take 5 Matter and (xiii) other adjustments that management believes are helpful in evaluating our operating performance, in each case, attributable to such segment.

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 paid for income taxes; (iii) cash received from interest rate derivatives (iv) cash paid for acquisition and divestiture related expenses; (v) cash paid for contingent earnout payments included in operating cash flow (vi) cash paid for reorganization expenses; (vii) cash paid for costs associated with COVID-19, net of benefits received; (viii) net effect of foreign currency fluctuations on cash; (ix) cash paid for costs associated with the Take 5 Matter; and (x) 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 the current portion of long-term debt and long-term debt, less cash and cash equivalents and debt issuance costs. With respect to Net Debt, cash and cash equivalents are subtracted from the GAAP measure, total debt, because they could be used to reduce the debt obligations. We present Net Debt because we believe this non-GAAP measure provides useful information to management and investors regarding certain financial and business trends relating to the Company’s financial condition and to evaluate changes to the Company's capital structure and credit quality assessment.

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

This press release also includes certain estimates and projections of Adjusted EBITDA from Continuing Operations, including with respect to expected fiscal 2024 results. Due to the high variability and difficulty in making accurate estimates and projections of some of the information excluded from Adjusted EBITDA from Continuing Operations, together with some of the excluded information not being ascertainable or accessible, Advantage is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated or projected comparable GAAP measures is included and no reconciliation of such forward-looking non-GAAP financial measures is included.

Advantage Solutions Inc.
Consolidated Statements of Operations and Comprehensive (Loss) Income
(Unaudited)

(in thousands, except share and per share data)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenues	$ 873,357	$ 963,758	$ 1,734,769	$ 1,888,471
Cost of revenues (exclusive of depreciation and amortization shown separately below)	751,337	847,549	1,503,181	1,660,295
Selling, general, and administrative expenses	62,858	48,481	151,939	103,881
Impairment of goodwill	99,670	—	99,670	—
Depreciation and amortization	51,317	52,477	101,065	105,021
(Income) loss from unconsolidated investments	(566)	—	123	—
Total operating expenses	964,616	948,507	1,855,978	1,869,197
Operating (loss) income from continuing operations	(91,259)	15,251	(121,209)	19,274
Other (income) expenses:				
Change in fair value of warrant liability	(686)	73	(399)	—
Interest expense, net	39,754	30,446	75,515	77,608
Total other expenses	39,068	30,519	75,116	77,608
Loss from continuing operations before income taxes	(130,327)	(15,268)	(196,325)	(58,334)
Benefit from income taxes for continuing operations	(17,311)	(2,244)	(33,176)	(9,416)
Net loss from continuing operations	(113,016)	(13,024)	(163,149)	(48,918)
Net income (loss) from discontinued operations, net of tax	12,181	5,178	59,199	(6,606)
Net loss	(100,835)	(7,846)	(103,950)	(55,524)
Less: net income from continuing operations attributable to noncontrolling interest	—	909	—	909
Less: net income (loss) from discontinued operations attributable to noncontrolling interest	—	7	2,192	(84)
Net loss attributable to stockholders of Advantage Solutions Inc.	$ (100,835)	$ (8,762)	$ (106,142)	$ (56,349)
Net loss per common share:				
Basic loss per common share from continuing operations	$ (0.35)	$ (0.04)	$ (0.51)	$ (0.15)
Basic earnings (loss) per common share from discontinued operations	$ 0.04	$ 0.02	$ 0.18	$ (0.02)
Basic loss per common share attributable to stockholders of Advantage Solutions Inc.	$ (0.31)	$ (0.03)	$ (0.33)	$ (0.17)
Diluted net loss per share:				
Diluted loss per common share from continuing operations	$ (0.35)	$ (0.04)	$ (0.51)	$ (0.15)
Diluted earnings (loss) per common share from discontinued operations	$ 0.04	$ 0.02	$ 0.18	$ (0.02)
Diluted loss per common share attributable to stockholders of Advantage Solutions Inc.	$ (0.31)	$ (0.03)	$ (0.33)	$ (0.17)
Weighted-average number of common shares:				
Basic	322,791,242	324,178,691	322,124,698	322,665,312
Diluted	322,791,242	324,178,691	322,124,698	322,665,312
Comprehensive (Loss) Income:				
Net loss attributable to stockholders of Advantage Solutions Inc.	$ (100,835)	$ (8,762)	$ (106,142)	$ (56,349)
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(2,340)	3,722	(5,057)	5,246
Total comprehensive loss attributable to stockholders of Advantage Solutions Inc.	$ (103,175)	$ (5,040)	$ (111,199)	$ (51,103)

Advantage Solutions Inc.
Consolidated Balance Sheet
(Unaudited)

(in thousands, except share data)	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 153,988	$ 120,839
Restricted cash	15,382	16,363
Accounts receivable, net of allowance for expected credit losses from continuing operations of $16,054 and $29,294 respectively	647,397	659,499
Prepaid expenses and other current assets	106,957	115,921
Current assets of discontinued operations	152,892	99,412
Total current assets	1,076,616	1,012,034
Property and equipment, net	86,862	64,708
Goodwill	610,521	710,191
Other intangible assets, net	1,463,303	1,551,828
Investments in unconsolidated affiliates	220,088	210,829
Other assets	40,021	43,543
Other assets of discontinued operations	—	186,190
Total assets	$ 3,497,411	$ 3,779,323
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	$ 13,275	$ 13,274
Accounts payable	204,903	172,894
Accrued compensation and benefits	138,890	161,447
Other accrued expenses	118,895	144,415
Deferred revenues	28,852	26,598
Current liabilities of discontinued operations	4,136	22,669
Total current liabilities	508,951	541,297
Long-term debt, net of current portion	1,769,196	1,848,118
Deferred income tax liabilities	174,179	204,136
Other long-term liabilities	71,351	74,555
Other liabilities of discontinued operations	—	7,140
Total liabilities	2,523,677	2,675,246
Commitments and contingencies (Note 9)		
Common stock, $0.0001 par value, 3,290,000,000 shares authorized; 323,020,596 and 322,235,261 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	32	32
Additional paid in capital	3,452,358	3,449,261
Accumulated deficit	(2,420,792)	(2,314,650)
Loans to Karman Topco L.P.	(6,707)	(6,387)
Accumulated other comprehensive loss	(11,433)	(3,945)
Treasury stock, at cost; 8,875,170 and 3,600,075 shares as of June 30, 2024 and December 31, 2023, respectively	(39,724)	(18,949)
Total equity attributable to stockholders of Advantage Solutions Inc.	973,734	1,105,362
Noncontrolling interest	—	(1,285)
Total stockholders' equity	973,734	1,104,077
Total liabilities, noncontrolling interest, and stockholders' equity	$ 3,497,411	$ 3,779,323

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

	Six Months Ended June 30,	
(in thousands)	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (103,950)	$ (55,524)
Net income (loss) from discontinued operations, net of tax	59,199	(6,606)
Net loss from continuing operations	(163,149)	(48,918)
Adjustments to reconcile net loss to net cash provided by operating activities		
Noncash interest income	(5,427)	(9,500)
Deferred financing fees related to repricing of long-term debt	1,079	—
Amortization of deferred financing fees	3,470	4,238
Impairment of goodwill	99,670	—
Depreciation and amortization	101,065	105,021
Change in fair value of warrant liability	(399)	—
Fair value adjustments related to contingent consideration	1,678	8,969
Deferred income taxes	(29,546)	(33,403)
Equity-based compensation of Karman Topco L.P.	(480)	(3,487)
Stock-based compensation	16,082	20,417
Loss from unconsolidated investments	(123)	(3,002)
Distribution received from unconsolidated affiliates	3,289	1,611
Gain on repurchases of Senior Secured Notes and Term Loan Facility debt	(5,103)	(4,969)
Changes in operating assets and liabilities, net of effects from divestitures:		
Accounts receivable, net	9,268	32,854
Prepaid expenses and other assets	26,233	63,109
Accounts payable	32,834	(35,944)
Accrued compensation and benefits	(21,602)	2,435
Deferred revenues	2,449	12,501
Other accrued expenses and other liabilities	(27,233)	(11,523)
Net cash provided by operating activities from continuing operations	44,055	100,409
Net cash provided by operating activities from discontinued operations	6,368	4,581
Net cash provided by operating activities	50,423	104,990
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment in unconsolidated affiliates	(10,932)	—
Purchase of property and equipment	(25,029)	(14,046)
Proceeds from divestitures, net of cash	146,828	12,763
Net cash provided by (used in) investing activities from continuing operations	110,867	(1,283)
Net cash used in investing activities from discontinued operations	(7,332)	(4,506)
Net cash provided by (used in) investing activities	103,535	(5,789)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under lines of credit	—	72,735
Payments on lines of credit	—	(71,278)
Principal payments on long-term debt	(6,637)	(6,741)
Repurchases of Senior Secured Notes and Term Loan Facility debt	(71,749)	(49,427)
Debt issuance costs	(971)	—
Proceeds from issuance of common stock	1,167	1,193
Payments for taxes related to net share settlement under 2020 Incentive Award Plan	(11,113)	(1,277)
Contingent consideration payments	(4,455)	(1,867)
Holdback payments	—	(656)
Redemption of noncontrolling interest	—	(154)
Purchase of treasury stock	(20,775)	—
Net cash used in financing activities from continuing operations	(114,533)	(57,472)
Net cash (used in) provided by financing activities from discontinued operations	(4,243)	397
Net cash used in financing activities	(118,776)	(57,075)
Net effect of foreign currency changes on cash from continuing operations	(2,579)	1,843
Net effect of foreign currency changes on cash from discontinued operations	(435)	(349)
Net effect of foreign currency changes on cash	(3,014)	1,494
Net change in cash, cash equivalents and restricted cash	32,168	43,620
Cash, cash equivalents and restricted cash, beginning of period	137,202	138,532
Cash, cash equivalents and restricted cash, end of period	169,370	182,152
Less: Cash, cash equivalents and restricted cash of discontinued operations	—	2,824
Cash, cash equivalents and restricted cash, end of period	$ 169,370	$ 179,328
SUPPLEMENTAL CASH FLOW INFORMATION		
(Gain) loss on divestitures from discontinued operations	$ (70,195)	$ 17,655
Purchase of property and equipment recorded in accounts payable and accrued expenses	$ 10,660	$ 1,507

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

Continuing Operations (in thousands)	**Three Months Ended June 30, 2024**	**Three Months Ended June 30, 2023**	**Six Months Ended June 30, 2024**	**Six Months Ended June 30, 2023**
Net loss from continuing operations	$ (113,016)	$ (13,024)	$ (163,149)	$ (48,918)
Add:				
Interest expense, net	39,754	30,446	75,515	77,608
Benefit from income taxes	(17,311)	(2,244)	(33,176)	(9,416)
Depreciation and amortization	51,317	52,477	101,065	105,021
Impairment of goodwill	99,670	—	99,670	—
Change in fair value of warrant liability	(686)	73	(399)	—
Stock-based compensation expense[h]	7,528	10,012	16,082	20,417
Equity-based compensation of Karman Topco L.P.[a]	(872)	(1,218)	(480)	(3,487)
Fair value adjustments related to contingent consideration related to acquisitions[b]	900	4,648	1,678	8,969
Acquisition and divestiture related expenses[c]	(1,774)	395	(1,334)	2,732
Reorganization expenses[d]	20,291	5,794	55,343	16,932
Litigation (recovery) expenses[e]	(993)	4,350	(709)	4,350
Costs associated with COVID-19, net of benefits received[f]	—	2,317	—	3,334
Costs associated with the Take 5 Matter, net of (recoveries)[g]	456	(1,576)	696	(1,496)
EBITDA for economic interests in investments[i]	4,634	(2,596)	9,737	(3,940)
Adjusted EBITDA from Continuing Operations	$ 89,898	$ 89,854	$ 160,539	$ 172,106

Discontinued Operations (in thousands)	**Three Months Ended June 30, 2024**	**Three Months Ended June 30, 2023**	**Six Months Ended June 30, 2024**	**Six Months Ended June 30, 2023**
Net income (loss) from discontinued operations	$ 12,181	$ 5,178	$ 59,199	$ (6,606)
Add:				
Interest expense, net	16	14	48	43
Benefit from income taxes	(2,377)	1,828	11,860	1,304
Depreciation and amortization	1,883	4,261	4,491	8,821
Fair value adjustments related to contingent consideration related to acquisitions[b]	1,972	420	1,883	391
Acquisition and divestiture related expenses[c]	2,224	103	3,103	198
(Gain) loss on divestitures	(13,179)	1,158	(70,195)	17,655
Reorganization expenses[d]	5,211	43	7,285	53
Stock-based compensation expense[h]	102	1,214	(1,232)	2,019
EBITDA for economic interests in investments[i]	(95)	139	(385)	298
Adjusted EBITDA from Discontinued Operations	$ 7,938	$ 14,358	$ 16,057	$ 24,176

Branded Services Segment (in thousands)	**Three Months Ended June 30, 2024**	**Three Months Ended June 30, 2023**	**Six Months Ended June 30, 2024**	**Six Months Ended June 30, 2023**
Operating (loss) income from continuing operations	$ (107,280)	$ 8,920	$ (129,398)	$ 12,206
Add:				
Depreciation and amortization	32,327	35,609	64,314	71,181
Impairment of goodwill	99,670	—	99,670	—
Stock-based compensation expense[h]	2,797	4,318	6,723	7,620
Equity-based compensation of Karman Topco L.P[a]	24	(463)	522	(1,484)
Fair value adjustments related to contingent consideration related to acquisitions[b]	900	4,632	1,678	8,953
Acquisition and divestiture related expenses[c]	30	258	104	1,325
Reorganization expenses[d]	9,248	3,015	22,904	9,550
Litigation (recovery) expenses[e]	50	—	241	—
Costs associated with COVID-19, net of benefits received[f]	—	(361)	—	(332)
Costs associated with the Take 5 Matter, net of (recoveries)[g]	456	(1,576)	696	(1,496)
EBITDA for economic interests in investments [i]	4,634	(2,565)	9,737	(3,935)
Branded Services Segment Adjusted EBITDA	$ 42,856	$ 51,787	$ 77,191	$ 103,588

Experiential Services Segment (in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating income from continuing operations	$ 6,453	$ 4,805	$ 2,811	$ 479
Add:				
Depreciation and amortization	11,015	9,002	20,935	18,065
Stock-based compensation expense[h]	2,170	(646)	4,098	(1,082)
Equity-based compensation of Karman Topco L.P[a]	(458)	(358)	(502)	(905)
Fair value adjustments related to contingent consideration related to acquisitions[b]	—	7	—	7
Acquisition and divestiture related expenses[c]	(101)	48	5	422
Reorganization expenses[d]	3,472	1,304	11,724	3,270
Litigation (recovery) expenses[e]	60	—	233	—
Costs associated with COVID-19, net of benefits received[f]	—	2,040	—	2,952
Experiential Services Segment Adjusted EBITDA	$ 22,611	$ 16,202	$ 39,304	$ 23,208

Retailer Services Segment (in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating income from continuing operations	$ 9,568	$ 1,526	$ 5,378	$ 6,589
Add:				
Depreciation and amortization	7,975	7,866	15,816	15,775
Stock-based compensation expense[h]	2,561	6,340	5,261	13,879
Equity-based compensation of Karman Topco L.P[a]	(438)	(397)	(500)	(1,098)
Fair value adjustments related to contingent consideration related to acquisitions[b]	—	9	—	9
Acquisition and divestiture related expenses[c]	(1,703)	89	(1,443)	985
Reorganization expenses[d]	7,571	1,475	20,715	4,112
Litigation (recovery) expenses[e]	(1,103)	4,350	(1,183)	4,350
Costs associated with COVID-19, net of benefits received[f]	—	638	—	714
EBITDA for economic interests in investments[i]	—	(31)	—	(5)
Retailer Services Segment Adjusted EBITDA	$ 24,431	$ 21,865	$ 44,044	$ 45,310

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

(in thousands)	**Three Months Ended June 30, 2024**
Net cash (used in) provided by operating activities	$ 58,257
Less:	
Purchase of property and equipment	(15,196)
Cash received from interest rate derivatives	(7,959)
Add:	
Cash payments for interest	55,764
Cash payments for income taxes	6,430
Cash paid for acquisition and divestiture related expenses[j]	1,939
Cash paid for reorganization expenses[k]	22,093
Cash paid for contingent consideration included in operating activities[l]	7,327
Cash paid (received) for costs associated with (recovery from) the Take 5 Matter [n]	696
Net effect of foreign currency fluctuations on cash	(568)
Adjusted Unlevered Free Cash Flow	$ 128,783

(amounts in thousands)	**Three Months Ended June 30, 2024**
Numerator - Adjusted Unlevered Free Cash Flow	$ 128,783
Denominator - Adjusted EBITDA from Continuing and Discontinued Operations	$ 97,836
Adjusted Unlevered Free Cash Flow as a percentage of Adjusted EBITDA	131.6 %

Advantage Solutions Inc.
Reconciliation of Total Debt to Net Debt
(Unaudited)

(amounts in thousands)		**June 30, 2024**
Current portion of long-term debt	$	13,275
Long-term debt, net of current portion		1,769,196
Less: Debt issuance costs		25,573
Total Debt	$	1,808,044
Less: Cash and cash equivalents		(153,988)
Total Net Debt	$	1,654,056
LTM Adjusted EBITDA from Continuing and Discontinued Operations	$	404,661
Net Debt / LTM Adjusted EBITDA ratio		4.1x

(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) Represents fees and costs associated with various internal reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.
(f) Represents legal settlements, reserves, and expenses that are unusual or infrequent costs associated with our operating activities.
(g) 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.
(h) 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.
(i) 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.
(j) 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.
(k) Represents cash paid for fees and costs associated with various reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.
(l) Represents cash paid included in operating cash flow for our contingent consideration liabilities related to our acquisitions.
(m) Represents cash paid or (cash received) for (a) costs related to implementation of strategies for workplace safety in response to COVID-19, including additional sick pay for front-line associates and personal protective equipment; and (b) benefits received from government grants for COVID-19 relief.
(n) Represents cash paid for costs associated with the Take 5 Matter, primarily, professional fees and other related costs.

Investor Contacts:

Ruben Mella
ruben.mella@advantagesolutions.net

Media Contacts:
Peter Frost
peter.frost@advantagesolutions.net

2Q 2024
Earnings Presentation

August 7, 2024

ADVANTAGE SOLUTIONS

Disclaimer

Forward-Looking Statements

Certain statements in this presentation may be considered forward-looking statements within the meaning of the federal securities laws, including statements regarding the expected future performance of Advantage'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", "guidance", 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, or any future similar pandemic or health epidemic; Advantage's ability to continue to generate significant operating cash flow; client procurement strategies and consolidation of Advantage's clients' industries creating pressure on the nature and pricing of its services; consumer goods manufacturers and retailers reviewing and changing their sales, retail, marketing and technology programs and relationships; Advantage's ability to successfully develop and maintain relevant omni-channel services for our clients in an evolving industry and to otherwise adapt to significant technological change; Advantage's ability to maintain proper and effective internal control over financial reporting in the future; potential and actual harms to Advantage's business arising from the Take 5 Matter; Advantage's substantial indebtedness and our ability to refinance at favorable rates; and other risks and uncertainties set forth in the section titled "Risk Factors" in the Annual Report on Form 10-K filed by the company with the Securities and Exchange Commission (the "SEC") on March 1, 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 assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures and Related Information

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP"), Adjusted EBITDA from Continuing Operations, Adjusted EBTIDA from Discontinued Operations, Adjusted EBITDA by Segment, Adjusted EBITDA margin, Revenues net of pass-through costs, Net Debt, Adjusted Unlevered Free Cash Flow and Adjusted Unlevered Free Cash Flow as a percentage of Adjusted EBITDA from Continuing and Discontinued Operations. 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 EBTIDA from Discontinued Operations, Adjusted EBITDA by Segment, Adjusted EBITDA margin, Revenues net of pass-through costs, Net Debt, Adjusted Unlevered Free Cash Flow and Adjusted Unlevered Free Cash Flow as a percentage of Adjusted EBITDA from Continuing and Discontinued Operations provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Advantage's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Additionally, other companies may calculate non-GAAP measures differently or may use other measures to calculate their financial performance, and therefore Advantage's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

Adjusted EBITDA from Continuing Operations and Adjusted EBITDA from Discontinued Operations means 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) reorganization expenses, (xiii) litigation expenses (recovery), (xiv) costs associated with COVID-19, net of benefits received, (xv) costs associated with (recovery from) the Take 5 Matter, (xvi) EBITDA for economic interests in investments and (xvii) 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) reorganization expenses, (ix) litigation expenses (recovery), (x) costs associated with COVID-19, net of benefits received, (xi) costs associated with (recovery from) the Take 5 Matter, (xii) EBITDA for economic interests in investments and (xiii) other adjustments that management believes are helpful in evaluating our operating performance, in each case, attributable to such segment.

Adjusted EBITDA Margin with respect to the applicable segment means Adjusted EBITDA by Segment divided by total revenues and revenues net of pass-through costs.

Revenues net of pass-through costs and Revenues net of pass-through costs by segment means revenues less pass-through costs that are paid by Advantage's clients, including media, sample, retailer fees and other marketing and production costs.

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.

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 paid for income taxes; (iii) cash received from interest rate derivatives (iv) cash paid for acquisition and divestiture related expenses; (v) cash paid for contingent earnout payments included in operating cash flow (vi) cash paid for reorganization expenses; (vii) cash paid for costs associated with COVID-19, net of benefits received; (viii) net effect of foreign currency fluctuations on cash; (ix) cash paid for costs associated with the Take 5 Matter; and (x) 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 and Discontinued Operations.

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

2Q 2024: Business Simplification Substantially Complete

► Focus on core capabilities as a unified company

- Simplification initiatives to rationalize the portfolio and align capabilities with economic buyers are substantially complete
  - Received ~$280M in proceeds YTD from divestitures, including ~$130M from the close of the Jun Group sale
- Midway through the transformation to create a unified organization with interconnected core capabilities to better serve clients

► Improving business trajectory

- Revenues from Continuing Operations were $873M (-9% vs. 2Q'23, and +1% on an organic basis)
- Adj. EBITDA from Continuing Operations was $90M, in line with the prior year; margins were 10.3% and 12.0% excluding $123M of pass-through costs
- Adjusted Unlevered FCF of $129M, or 132% of Adj. EBITDA from Continuing and Discontinued Operations

► Disciplined and opportunistic capital allocation strategy to maximize returns for equity holders

- Repurchased ~$27M of senior secured notes at favorable discounts to par
  - Net leverage ratio was 4.1x as of June 30 (continuing and discontinued operations)
- Repurchased ~8M shares YTD as of July 31
- Lowered 2024 Capex guidance to $65M to $80M and interest expense guidance to $155M to $165M; Adjusted Unlevered FCF conversion expected at the high end of the 55% to 65% range(1)

► Macroeconomic environment remained dynamic

- Wage inflation was a headwind as price realization in 2Q'24 did not fully cover inflationary pressures
- Persistently high cost of living is stressing a growing number of consumers, causing market softness with CPGs and the traditional grocery channel, which impacted Branded Services and Retailer Services
- CPGs continue to drive innovation and utilize in-store sampling in partnership with retailers to drive product awareness, which benefitted Experiential Services

Reaffirm 2024 Guidance

Revenues and Adjusted EBITDA from Continuing Operations are expected to grow low single-digits

(1) On a continuing and discontinued operations basis

Divestitures Substantially Complete Enabling Focus on Core Capabilities

10/30/23
Atlas Technology Group
Sold to Crisp

11/30/23
Advantage Smollan Limited
Reduced stake to 49.6% minority position in exchange for cash and other considerations

1/31/24
Foodservice Businesses
Sold to KeyImpact Sales & Systems to form Acxion Foodservice joint venture; Advantage retained a 7.5% stake in combined business

1/31/24
Genpact
Streamline and automate Advantage's client business process optimization and administrative services

1/31/24
Tata Consultancy Services
Modernized IT support services

5/1/24
Adlucent
Sold to BarkleyOKRP

6/04/24
The Data Council
Sold to SPINS

6/10/24
Strong Analytics
Sold to OneSix Solutions

7/31/24
Jun Group
Sold to Verve Group

Enhancing Capabilities, Driving Efficiencies, and Unlocking Value

PAST

Untapped Potential

- Scale
- Expertise
- Relationships

PRESENT

One Advantage Company & Culture

Simplify & Transform

FUTURE

Realize Full Potential

- People-first culture
- Best-in-class commercial excellence
- Higher ROI & growth for clients
- Accelerate revenue growth and margin expansion

Recognized for Delivering Through People and Purpose to Strengthen Performance

FORTUNE 1000 2024

TIME AMERICA'S BEST COMPANIES MID-SIZE 2024 statista

AdAge
7th Largest Agency Company In North America

Newsweek
America's Greatest Workplaces for Women

amazon
Gold Star Partners

OUR VALUES

PUT PEOPLE FIRST

Celebrate diverse strengths and create equitable opportunities for teammates to realize their personal and professional dreams.

SERVE WITH HEART

Relate with integrity, seek to understand and serve with care.

LEAD WITH INSIGHTS

Lead through constant curiosity, building from new interactions and new insights.

EXECUTE RELENTLESSLY

Committed to exceeding goals for our brand and retail partners, and each other.

WIN TOGETHER

Succeed by connecting and collaborating across the enterprise and believe a win for the team is a win for every teammate.

Branded Services

Serving as the strategic extension of CPG sales and marketing teams with services including selling to retailers, retail merchandising and omnichannel marketing, leading brand and retail execution for a large and diverse client base

Highlights Enhancing Commercial Value

- Turning real-time intel into alerts to shape growth strategies and deploy teams on demand
- Investing in AI to increase speed and precision
- Scaling emerging growth brands nationally in collaboration with L.A. Libations

Source: Internal estimates

Experiential Services

Helping brands break through, build loyalty and drive sales with omnichannel sampling experiences in-store and online

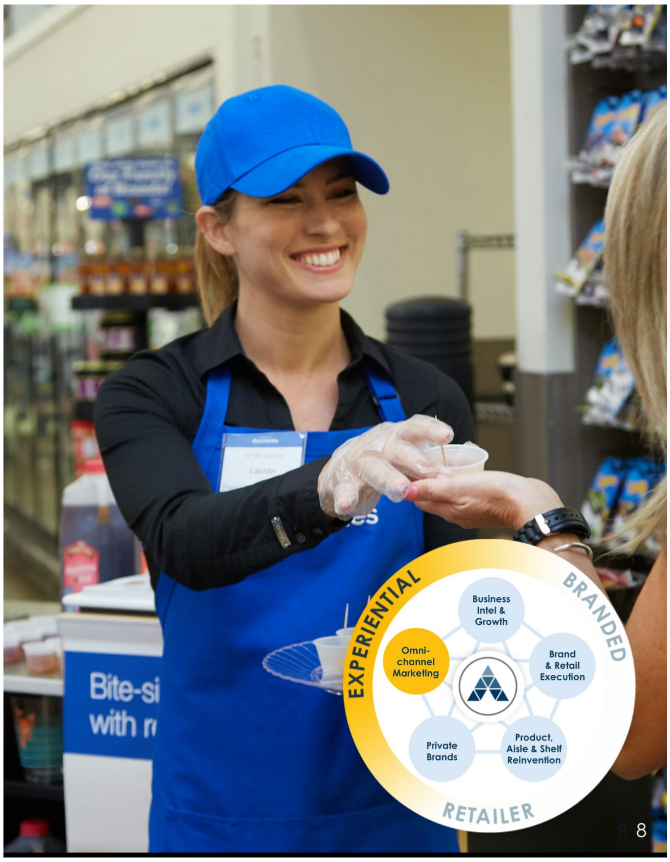
Highlights Enhancing Commercial Value:

- Expanding omnichannel penetration
- Building on the power of sampling

~85%	~65%
Shoppers indicate sampling impacts the purchase decision	Shoppers make a purchase same day or later and spend up to 3X more after sampling

- Cross-selling to serve more CPGs and innovating to better serve retailers

Source: Actual post event reports which combine internal and participating client data



Retailer Services

Providing end-to-end solutions for retailers, including private brand strategy, merchandising, retail media and aisle/ shelf optimization

Highlights Enhancing Commercial Value:

- Modernizing tech to diagnose stock levels and fill shelf gaps faster
- Leveraging new efficiencies to enhance off-shelf opportunities
- Launching new retail media solutions in collaboration with Swiftly
- Driving shopper behavior, trips and conversion with targeted promotions on mobile and in stores

Uniquely Positioned at the Intersection of …

Full Year Performance Expected to be More Weighted to the Second Half of the Year

1

Seasonality favors the second half of the year

- Increased activity including contributions from client wins earlier this year
- Continued ramp-up of demonstration activity in Experiential Services

2

Optimizing a unified company for business opportunities

- Right-sizing talent resources, particularly in Branded Services
- Realize benefits from strategic collaborations such as Genpact and Tata Consulting Services
- Better manage overhead costs

3

Focus on price realization to help combat wage inflation

- Secured additional pricing in all three segments

2024 Revenues and Adjusted EBITDA from Continuing Operations are expected to grow low single-digits

Strengthening Position as a Provider of Choice

Building on Proven Strengths

Unparalleled Insights and Expertise

Unmatched Execution

Lasting Relationships

+

Enhancing Commercial Capabilities

High Tech

Advanced, real-time insights and on-demand solutions enhancing speed and precision

High Touch

Interconnected operations model delivering dedicated expertise and exceptional service

High Value

Top talent generating demand and ROI

=

Stronger Results, Returns and Value

- Generating consumer demand
- Converting shoppers into buyers
- Delivering long-term profitable growth

Improved Performance in a Dynamic Market

TOTAL ADVANTAGE

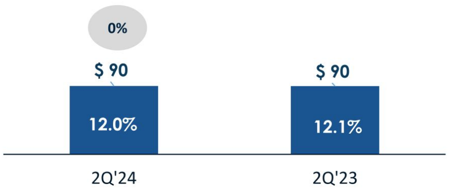
Revenues
(Continuing Operations)

$ in millions
Y/Y growth

Adjusted EBITDA
(Continuing Operations)

$ in millions
Y/Y growth

% margin[1]



2Q'24 Performance Commentary

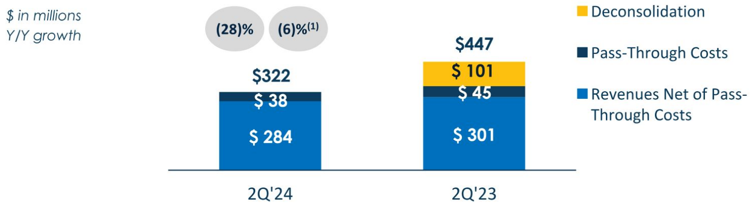
- Increased in-store demonstration events per day resulted in continued strong performance from Experiential Services
- Improving trajectory for Branded Services
- European joint venture accounted for $101M in 2Q'23 revenues (deconsolidated in 4Q'23)
- Results negatively impacted by market softness in branded products and traditional grocery channels for Branded and Retailer Services
- Improved execution in Retailer Services
- Price realization across all three segments but not enough to offset persistently high wage inflation

[1] Excludes the impact of the deconsolidation of European JV and pass-through costs in revenues
Adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization, and non-recurring items) is a non-GAAP financial measure
See the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures
Totals may not add due to rounding

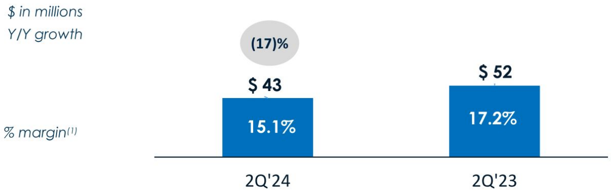
Improving Business Trajectory

BRANDED SERVICES

Revenues
(Continuing Operations)



Adjusted EBITDA
(Continuing Operations)



2Q'24 Performance Commentary

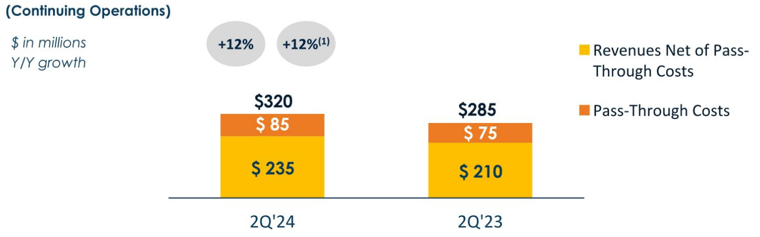
- Improving trajectory due to better execution and cost reductions in response to current market conditions and planned client losses
- Market softness in certain branded products and the traditional grocery channel
- Year-over-year decline primarily due to $101 million European JV revenues in 2Q'23 (deconsolidated in 4Q'23)
- Additional cost reductions are expected in the second half of the year along with increased client activity

[1] Excludes the impact of the deconsolidation of European JV and pass-through costs in revenues
Adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization, and non-recurring items) is a non-GAAP financial measure
See the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures
Totals may not add due to rounding

Strong Performance Driven by Increased Events per Day

EXPERIENTIAL SERVICES

Revenues
(Continuing Operations)



Adjusted EBITDA
(Continuing Operations)

2Q'24 Performance Commentary

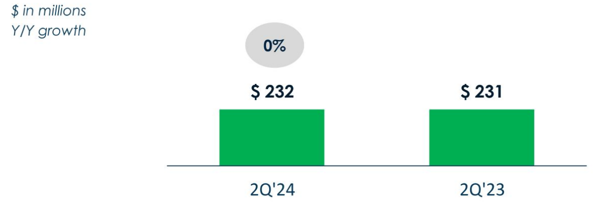
- Average daily demo activity grew ~11% year-over-year
- Execution rate (ability to meet event demand) exceeded 92%
- Revenue and margin improvement also aided by price realization
- Expect a continued increase in events per day in the second half of the year

[1] Excludes pass-through costs in revenues
Adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization, and non-recurring items) is a non-GAAP financial measure
See the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures
Totals may not add due to rounding

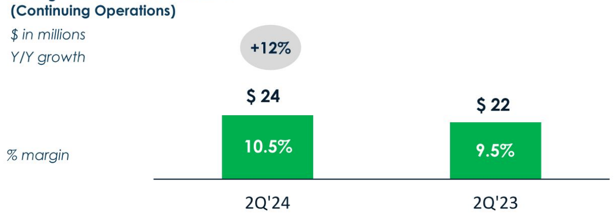
Improved Execution Increased Profitability

RETAILER SERVICES

Revenues
(Continuing Operations)



Adjusted EBITDA
(Continuing Operations)



2Q'24 Performance Commentary

- Adjusted EBITDA performance driven by improved execution managing talent deployment and overall costs
- Softer market conditions in the traditional grocery channel offset timing benefit from the Easter Holiday
- Expect increased activity in the second half of the year

Adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization, and non-recurring items) is a non-GAAP financial measure
See the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures
Totals may not add due to rounding

Capitalization Summary

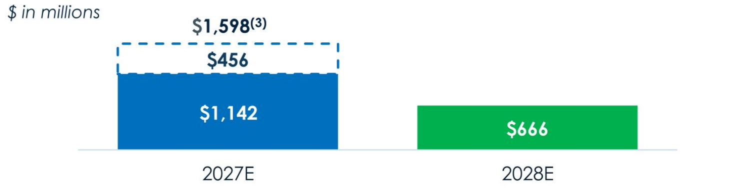
As of 6/30/2024

Net Debt Overview

$ in millions	Maturity	Rate	Outstanding
First Lien Term Loan	2027	S+4.25%[2]	$1,142
Senior Secured Notes	2028	6.50%	666
Total Gross Debt			**$1,808**
Less: Cash and Cash Equivalents			(154)
Total Net Debt[1]			**$1,654**

4.1x Net Debt / LTM Adj. EBITDA; ~89% hedged / fixed
(inclusive of discontinued operations)

Maturity Schedule



No meaningful maturities for ~3 years

Equity Capitalization

- 323,020,596 Class A Common shares outstanding
- 8,875,170 Treasury shares outstanding
- 18,578,321 Warrants @ $11.50 exercise price
- 22,574,991 RSUs and PSUs[4]
- 20,433,018 Options

Cash Detail

- Cash balance of $154M
- 2Q'24 share repurchases: ~$9M / 2.3M Shares
  - Approximately 8M shares repurchased YTD through 7/31/24
- 2Q'24 voluntary debt repurchases: $26.5M (face value)
  - Voluntary repurchases YTD through 6/30/24: $77.5M (face value)

(1) Net debt is a non-GAAP financial measure and includes Other Debt of approximately $0.2M. For a reconciliation of net debt to total debt, the most directly comparable GAAP counterpart, please see the appendix attached hereto
(2) First Lien Term Loan rate subject to 0.75% SOFR floor plus 0.26% SOFR spread. In April 2024, the Company's Term Loan Facility was amended to reduce the applicable interest rate margin on the term loan by 0.25% (a) from 4.50% to 4.25% for SOFR loans or (b) from 3.50% to 3.25% for base rate loans
(3) First Lien Term Loan that amortizes at 1% per annum, paid quarterly. Illustratively showing full $1,142M obligation in 2027E maturity as of 6/30/24, $456M of the borrowing capacity of Revolving Credit Facility includes $44M letter of credit
(4) PSUs represent the number of underlying shares that would be issued at Target performance levels
Adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, Amortization, and non-recurring items) is a non-GAAP financial measure

Reaffirming 2024 Guidance

Growth during a year of investment

$ in millions

2024 Guidance
(on a continuing operations basis)

	Prior	Current
Revenues	Low single digit growth	Low single digit growth
Adjusted EBITDA	Low single digit growth	Low single digit growth
Adjusted Unlev. FCF[(1)]	55%-65% of Adj. EBITDA	55%-65% of Adj. EBITDA (High-end of the range)
Net Interest Expense	$170 - $180	$155 - $165
Capex	$90 - $110	$65 - $80

Note: Prior 2024 guidance for revenues and Adjusted EBITDA was based on continuing and discontinued operations

Long-term net leverage target less than 3.5x

2024-2026 IT Transformation Capex: $140M to $150M
(prior guidance was $160M to $170M)

Commentary

- As planned, full-year performance more weighted to 2H due to increased activity and additional price realization
- Investing heavily in 2024 behind IT in both ERP and data modernization to drive speed and efficiency
- Transformation initiatives and reorganization delivering cost reductions to drive efficiencies while adapting to current market conditions
- Maintaining financial discipline to drive operating efficiencies and retain working capital benefits
- Expect Adjusted Unlevered FCF conversion to be at the high end of guidance
- Focused on maximizing returns for equity holders (deleveraging, share repurchases and investing in core business)

(1) On a continuing and discontinued operations basis
See the Appendix for a reconciliation of 2023 non-GAAP financial measures to the most comparable GAAP measure

Appendix

Non-GAAP Reconciliation (1/6)

Net income to Adjusted EBITDA from Continuing Operations

Continuing Operations	Three Months Ended June 30,	
(in thousands)	2024	2023
Net loss from continuing operations	$ (113,016)	$ (13,024)
Add:		
Interest expense, net	39,754	30,446
Benefit from income taxes	(17,311)	(2,244)
Depreciation and amortization	51,317	52,477
Impairment of goodwill	99,670	—
Change in fair value of warrant liability	(686)	73
Stock-based compensation expense [a]	7,528	10,012
Equity-based compensation of Karman Topco L.P.[b]	(872)	(1,218)
Fair value adjustments related to contingent consideration related to acquisitions[c]	900	4,648
Acquisition and divestiture related expenses[d]	(1,774)	395
Reorganization expenses[e]	20,291	5,794
Litigation (recovery) expenses[f]	(993)	4,350
Costs associated with COVID-19, net of benefits received[g]	—	2,317
Costs associated with the Take 5 Matter, net of (recoveries)[h]	456	(1,576)
EBITDA for economic interests in investments [i]	4,634	(2,596)
Adjusted EBITDA from Continuing Operations	$ 89,898	$ 89,854
Revenues net of pass-through costs from continuing operations	$ 750,462	$ 843,502
Adjusted EBITDA margin to revenues net of pass-through costs	12.0%	10.7%

Non-GAAP Reconciliation (2/6)

Operating income from continuing operations to Adjusted EBITDA by Segment

Branded Services Segment (in thousands)	**Three Months Ended June 30, 2024**	**2023**
Operating (loss) income from continuing operations	$ (107,280)	$ 8,920
Add:		
Depreciation and amortization	32,327	35,609
Impairment of goodwill	99,670	—
Stock-based compensation expense [(a)]	2,797	4,318
Equity-based compensation of Karman Topco L.P[(b)]	24	(463)
Fair value adjustments related to contingent consideration related to acquisitions[(c)]	900	4,632
Acquisition and divestiture related expenses[(d)]	30	258
Reorganization expenses[(e)]	9,248	3,015
Litigation (recovery) expenses[(f)]	50	—
Costs associated with COVID-19, net of benefits received[(g)]	—	(361)
Costs associated with the Take 5 Matter, net of (recoveries)[(h)]	456	(1,576)
EBITDA for economic interests in investments [(i)]	4,634	(2,565)
Branded Services Segment Adjusted EBITDA	$ 42,856	$ 51,787

Retailer Services Segment (in thousands)	**Three Months Ended June 30, 2024**	**2023**
Operating income from continuing operations	$ 9,568	$ 1,526
Add:		
Depreciation and amortization	7,975	7,866
Stock-based compensation expense [(a)]	2,561	6,340
Equity-based compensation of Karman Topco L.P[(b)]	(438)	(397)
Fair value adjustments related to contingent consideration related to acquisitions[(c)]	—	9
Acquisition and divestiture related expenses[(d)]	(1,703)	89
Reorganization expenses[(e)]	7,571	1,475
Litigation (recovery) expenses[(f)]	(1,103)	4,350
Costs associated with COVID-19, net of benefits received[(g)]	—	638
EBITDA for economic interests in investments [(i)]	—	(31)
Retailer Services Segment Adjusted EBITDA	$ 24,431	$ 21,865

Experiential Services Segment (in thousands)	**Three Months Ended June 30, 2024**	**2023**
Operating income from continuing operations	$ 6,453	$ 4,805
Add:		
Depreciation and amortization	11,015	9,002
Stock-based compensation expense [(a)]	2,170	(646)
Equity-based compensation of Karman Topco L.P[(b)]	(458)	(358)
Fair value adjustments related to contingent consideration related to acquisitions[(c)]	—	7
Acquisition and divestiture related expenses[(f)]	(101)	48
Reorganization expenses[(e)]	3,472	1,304
Litigation (recovery) expenses[(f)]	60	—
Costs associated with COVID-19, net of benefits received[(g)]	—	2,040
Experiential Services Segment Adjusted EBITDA	$ 22,611	$ 16,202

Discontinued Operations (in thousands)	**Three Months Ended June 30, 2024**	**2023**
Net income (loss) from discontinued operations	$ 12,181	$ 5,178
Add:		
Interest expense, net	16	14
Benefit from income taxes	(2,377)	1,828
Depreciation and amortization	1,883	4,261
Fair value adjustments related to contingent consideration related to acquisitions[(c)]	1,972	420
Acquisition and divestiture related expenses[(d)]	2,224	103
(Gain) loss on divestitures	(13,179)	1,158
Reorganization expenses[(e)]	5,211	43
Stock-based compensation expense [(a)]	102	1,214
EBITDA for economic interests in investments [(i)]	(95)	139
Adjusted EBITDA from Discontinued Operations	$ 7,938	$ 14,358

Non-GAAP Reconciliation (3/6)

Revenues to Revenues net of pass-through costs

	Three Months Ended June 30,	
(amounts in thousands)	**2024**	**2023**
Revenues		
Branded Services	$ 322,340	$ 447,265
Experiential Services	319,508	285,174
Retailer Services	231,509	231,319
Total revenues	$ 873,357	$ 963,758
Less: Pass-through costs (p)		
Branded Services	$ (38,206)	$ (45,052)
Experiential Services	(84,689)	(75,204)
Retailer Services	—	—
Total pass-through costs	(122,895)	(120,256)
Revenes net of pass-through costs		
Branded Services	$ 284,134	$ 402,213
Experiential Services	234,819	209,970
Retailer Services	231,509	231,319
Total revenues net of pass-through costs	$ 750,462	$ 843,502

Non-GAAP Reconciliation (4/6)

LTM Adjusted EBITDA and Net Debt

(in thousands)		LTM Period Ended June 30, 2024
Net Loss from continuing and discontinued operations	$	(108,744)
Add:		
Interest expense, net		163,714
(Benefit from) provision for income taxes		(42,212)
Depreciation and amortization		216,411
Impairment of goodwill and indefinite-lived assets		143,170
Gain on deconsolidation of subsidiaries		(58,891)
(Gain) loss on divestitures		(68,782)
Change in fair value of warrant liability		(685)
Equity-based compensation of Karman Topco L.P. (a)		483
Fair value adjustments related to contingent consideration related to acquisitions (b)		4,563
Acquisitions and divestiture related expenses (c)		5,863
Reorganization expenses (d)		102,664
Litigation expenses (recovery) (e)		4,460
Costs associated with COVID-19, net of benefits received (f)		(51)
Costs associated with (recovery from) the Take 5 Matter (g)		812
Stock-based compensation expense(h)		35,294
EBITDA for economic interests in investments (i)		6,592
Total LTM Adjusted EBITDA from Continuing and Discontinued Operations (j)(q)	$	404,661

(amounts in thousands)		June 30, 2024
Current portion of long-term debt	$	13,275
Long-term debt, net of current portion		1,769,196
Less: Debt issuance costs		25,573
Total Debt	$	1,808,044
Less: Cash and cash equivalents		(153,988)
Total Net Debt	$	1,654,056
LTM Adjusted EBITDA from Continuing and Discontinued Operations (j)(q)	$	404,661
Net Debt / LTM Adjusted EBITDA ratio		4.1x

Non-GAAP Reconciliation (5/6)

Cash flow to Adjusted Unlevered Free Cash Flow

	Three Months Ended June 30,
(in thousands)	2024
Net cash (used in) provided by operating activities	$ 58,257
Less:	
Purchase of property and equipment	(15,196)
Cash received from interest rate derivatives	(7,959)
Add:	
Cash payments for interest	55,764
Cash payments for income taxes	6,430
Cash paid for acquisition and divestiture related expenses[k]	1,939
Cash paid for reorganization expenses[l]	22,093
Cash paid for contingent consideration included in operating activities[m]	7,327
Cash paid for costs associated with COVID-19, net of benefits received[n]	-
Cash paid (received) for costs associated with (recovery from) the Take 5 Matter[o]	696
Net effect of foreign currency fluctuations on cash	(568)
Adjusted Unlevered Free Cash Flow	$ 128,783

	Three Months Ended June 30,
	2024
(amounts in thousands)	
Numerator - Adjusted Unlevered Free Cash Flow	$ 128,783
Denominator - Adjusted EBITDA from Continuing and Discontinued Operations	97,836
Adjusted Unlevered Free Cash Flow as a percentage of Adjusted EBITDA	131.6%

Non-GAAP Reconciliation (6/6)

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

a. Represents non-cash compensation expense related to the 2020 Incentive Award Plan and the 2020 Employee Stock Purchase Plan.
b. Represents expenses related to (i) equity-based compensation expense associated with grants of Common Series D Units of Karman Topco L.P. ("Topco") made to one of the equity holders of Topco and (ii) equity-based compensation expense associated with the Common Series C Units of Topco.
c. Represents adjustments to the estimated fair value of our contingent consideration liabilities related to our acquisitions.
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. Represents fees and costs associated with various internal reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.
f. Represents legal settlements, reserves, and expenses that are unusual or infrequent costs associated with our operating activities.
g. Represents (i) costs related to implementation of strategies for workplace safety in response to COVID-19, including additional sick pay for front-line associates and personal protective equipment; and (ii) benefits received from government grants for COVID-19 relief.
h. Represents (i) cash receipts from an insurance policy for claims related to the Take 5 Matter, and (ii) costs associated with the Take 5 Matter, primarily, professional fees and other related costs.
i. 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.
j. Represents unaudited periods July 1, 2023 to June 30, 2024 to sum up to last twelve months of financials (summations are unaudited).
k. 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.
l. Represents cash paid for fees and costs associated with various reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.
m. Represents cash paid included in operating cash flow for our contingent consideration liabilities related to our acquisitions
n. Represents cash paid or (cash received) for (a) costs related to implementation of strategies for workplace safety in response to COVID-19, including additional sick pay for front-line associates and personal protective equipment; and (b) benefits received from government grants for COVID-19 relief.
o. Represents cash paid for costs associated with the Take 5 Matter, primarily, professional fees and other related costs.
p. Pass-through costs are costs that are paid by our clients, including media, sample, retailer fees and other marketing and production costs.
q. LTM Adjusted EBITDA is inclusive of discontinued operations.

Thank you

ADVANTAGE SOLUTIONS