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): March 16, 2021

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)	(I.R.S. Employer Identification No.)

18100 Von Karman Avenue, Suite 1000 Irvine, CA	92612
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (949) 797-2900

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))

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**	**The NASDAQ Stock Market LLC**
Warrants to purchase Class A common stock	**ADVWW**	**The NASDAQ Stock Market LLC**

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 March 16, 2021, Advantage Solutions Inc. (the "Company") issued a press release announcing its financial results for the three and twelve months ended December 31, 2020. 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 March 16, 2021, at 5:00 p.m. ET, the Company will host a conference call announcing its financial results for the three and twelve months ended December 31, 2020. 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.

Item 7.01 Regulation FD Disclosure

The information set forth under Item 2.02 is incorporated by reference into this Item 7.01.

The information being furnished pursuant to Item 2.02 and Item 7.01 of this Current Report on Form 8-K, including the accompanying Exhibits 99.1 and 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Cautionary Note Regarding Forward-Looking Statements

The press release and earnings presentation include information that may be considered forward-looking statements within the meaning of the federal securities laws, including statements regarding the expected future performance of the Company's business. Forward-looking statements generally relate to future events or the Company's future financial or operating performance. These forward-looking statements generally are identified by the words "may," "should," "expect," "intend," "will," "would," "estimate," "anticipate," "believe," "predict," "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.

Detailed risk factors affecting the Company are 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 16, 2021 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 the Company 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.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by Advantage Solutions Inc., dated March 16, 2021.
99.2	Management's Earnings Presentation for Advantage Solutions Inc., dated March 16, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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 hereunto duly authorized.

Dated: March 16, 2021

ADVANTAGE SOLUTIONS INC.

By: /s/ Brian Stevens
Brian Stevens
Chief Financial Officer and
Chief Operating Officer

FOR IMMEDIATE RELEASE

Advantage Solutions Reports Fourth Quarter and Full Fiscal Year 2020 Financial Results Above Prior Outlook and Raises 2021 Adjusted EBITDA Expectation

Irvine, CA, March 16, 2021 – Advantage Solutions Inc. (NASDAQ: ADV) (“Advantage,” the “Company,” “we” or “our”), the leading provider of outsourced sales and marketing services to consumer goods manufacturers and retailers, today reported financial results for its fiscal fourth quarter and full fiscal year ended December 31, 2020.

“2020 was a test for us all. And it was a difficult one - characterized by high uncertainty, rapid change and a challenging operating environment brought on by the COVID-19 pandemic,” said Tanya Domier, Chief Executive Officer of Advantage. “But we passed this challenging test with flying colors – no doubt finishing near the top of the grading curve. I couldn’t be more proud of the way our associates were able to quickly pivot and adapt to help our clients with the unique challenges brought about by the pandemic; managing the urgent needs of the present while continuing to make progress in building the business to support the important needs of tomorrow,” Domier added.

“Despite a 17% decline in revenues that resulted from large portions of our business being temporarily suspended or otherwise impacted by the pandemic, we were able to navigate to an Adjusted EBITDA decline of only 3% in 2020, delivering $487 million of Adjusted EBITDA for the year. This exceeded the top end of the 2020 outlook we provided on our Q3 earnings call of $480 to $485 million, which we had already revised upwards from the $475 million estimate we communicated as part of our merger with Conyers Park II. The resiliency of our nimble business model and the quality of our team’s ability to manage the business prudently in challenging times – quickly re-aligning resources and expenses in response to the new operating reality brought about by the pandemic – was on full display in 2020.”

“We are proud of the progress we made in the fourth quarter. While the impact from COVID-19 remains a significant short-term headwind for portions our business, we continue to see sequential revenue improvement across our portfolio and are making considerable progress in our recovery from COVID-19 lows,” Domier commented.

“As we look forward, we’re pleased with the progress we continue to make in returning COVID-impacted operations to normal and are excited about the opportunities our platform allows us to pursue to help brands and retailers win and solve new problems as we all emerge from the worst of the pandemic. We’ve never been more important and valuable partners to our brands and retailers than we are today. As a result, we are raising our 2021 Adjusted EBITDA outlook from the $515 million we shared last year as part of the Conyers Park II merger to $515 to $525 million,” Domier noted.

“Importantly, I’d like to thank our associates. Our team has worked tirelessly in-stores and at-home to serve our clients, customers and communities with best-in-class service. We are grateful that we’re able to support communities in need during these trying times by making sure food and essential products from our brand and retailer partners are available to consumers in-store and online,” Domier added.

Fourth Quarter 2020 Highlights

- Revenues were $850.4 million for the fourth quarter of 2020, representing a decline of $162.5 million, or 16.0%, from the fourth quarter of 2019 revenues of $1,012.9 million, but sequential growth of $66.0 million, or 8.4%, from the third quarter of 2020.
- Operating loss was $53.0 million for the fourth quarter of 2020, representing a decline of $127.0 million from the fourth quarter of 2019 operating income of $74.0 million.
- Net loss was $138.9 million for the fourth quarter of 2020, representing a decline of $153.7 million from the fourth quarter of 2019 net income of $14.8 million.
- Adjusted EBITDA was $132.5 million for the fourth quarter of 2020, representing a decline of $11.8 million, or 8.2%, from the fourth quarter of 2019 Adjusted EBITDA of $144.3 million.
- Adjusted Net Income was $51.7 million for the fourth quarter of 2020, representing a decline of $8.9 million, or 14.7%, from the fourth quarter of 2019 Adjusted Net Income of $60.6 million.

Fourth quarter 2020 revenues declined $162.5 million, or 16.0%, to $850.4 million compared to $1,012.9 million for the fourth quarter of 2019. The year-over-year decline in revenues was driven by a $193.1 million decline in the marketing segment, partially offset by $30.7 million of growth in the sales segment. The fourth quarter's decline in the marketing segment was primarily the result of the Company's in-store sampling business which remains limited in operations due to the COVID-19 pandemic. While in-store sampling programs began to return to stores in the third quarter of 2020, the business is still early in its return to full operation and remains materially below 2019 levels. The growth in the sales segment was primarily the result of strength in the traditional channel and e-commerce services which continue to benefit from elevated at-home consumption and adoption of high growth e-commerce services.

Importantly, however, fourth quarter revenues of $850.4 million represented a sequential improvement of $66.0 million, or 8.4%, over the third quarter of 2020. This improvement was primarily driven by the continued recovery in services experiencing temporary headwinds from the COVID-19 pandemic, including the international joint venture in the sales segment and the in-store sampling operations in the marketing segment. Our strong sequential growth was also supported by continued strength in the traditional channel and e-commerce services in the sales segment and digital marketing.

Fourth quarter 2020 Adjusted EBITDA declined $11.8 million, or 8.2%, to $132.5 million compared to $144.3 million for the fourth quarter of 2019. The year-over-year decline in Adjusted EBITDA was primarily driven by the declines in revenues in the marketing segment related to the temporary suspension of in-store sampling programs during the pandemic and increased recruiting and personnel-related expense incurred to stand up operations for new services, partially offset by contribution from growth in revenues in the sales segment.

Fourth quarter 2020 operating income declined $127.0 million to a loss of $53.0 million compared to operating income of $74.0 million for the fourth quarter of 2019. The year-over-year decline in operating income was driven primarily by the decline in revenues in the marketing segment and certain non-recurring expenses associated with our merger with Conyers Park II.

Fourth quarter 2020 net income declined $153.7 million to a loss of $138.9 million compared to net income of $14.8 million for the fourth quarter of 2019. The year-over-year decline in net income was primarily driven by lower operating income as described above and higher interest expense, which was impacted by non-recurring debt extinguishment costs primarily associated with our merger with Conyers Park II.

Fourth quarter 2020 Adjusted Net Income declined $8.9 million, or 14.7%, to $51.7 million compared to $60.6 million for the fourth quarter of 2019. The year-over-year decline in Adjusted Net Income was primarily driven by the decline in revenues in the marketing segment, and is adjusted for non-recurring items incurred as part of our merger with Conyers Park II.

Fiscal Year 2020 Highlights

- Revenues were $3.2 billion for fiscal 2020, representing a decline of $629.4 million, or 16.6%, from fiscal 2019 revenues of $3.8 billion.
- Operating income was $67.0 million for fiscal 2020, representing a decline of $146.7 million, or 68.6%, from fiscal 2019 operating income of $213.7 million.
- Net loss was $161.7 million for fiscal 2020, representing an increase of $141.9 million from fiscal 2019 net loss of $19.8 million.
- Adjusted EBITDA was $487.2 million for fiscal 2020, representing a decline of $16.9 million, or 3.3%, from fiscal 2019 Adjusted EBITDA of $504.0 million.
- Adjusted Net Income was $183.0 million for fiscal 2020, representing growth of $13.9 million, or 8.2%, from fiscal 2019 Adjusted Net Income of $169.1 million.

Fiscal 2020 revenues declined $629.4 million, or 16.6%, to $3.2 billion compared to $3.8 billion for fiscal 2019. The year-over-year decline in revenues was driven by a $735.3 million decline in the marketing segment, partially offset by $105.9 million of growth in the sales segment. The fiscal 2020 decline in the marketing segment was primarily the result of the temporary suspension of the Company's in-store sampling services in response to the COVID-19 pandemic. The fiscal 2020 growth in the sales segment was primarily the result of strength in headquarter sales and retail merchandising activities in traditional and e-commerce channels as a result of incremental at-home consumption during the COVID-19 pandemic and increased adoption of new services.

Fiscal 2020 Adjusted EBITDA declined $16.9 million, or 3.3%, to $487.2 million compared to $504.0 million for fiscal 2019. The year-over-year decline in Adjusted EBITDA was primarily driven by the declines in the marketing segment related to the temporary suspension of in-store sampling programs during the pandemic, partially offset by growth in the sales segment.

Fiscal 2020 operating income declined $146.7 million, or 68.6%, to $67.0 million compared to $213.7 million for fiscal 2019. The year-over-year decline in operating income was driven by a decline in revenues in the marketing segment and non-recurring expenses primarily associated with our merger with Conyers Park II and the exit of certain lease obligations, partially offset by the growth in revenues in the sales segment.

Fiscal 2020 net loss increased $141.9 million to a loss of $161.7 million compared to a loss of $19.8 million for fiscal 2019. The year-over-year decline in net income was primarily driven by lower operating income and higher interest expense which were impacted by non-recurring expenses primarily associated with our merger with Conyers Park II, partially offset by favorability associated with a benefit from income taxes.

Fiscal 2020 Adjusted Net Income grew $13.9 million, or 8.2%, to $183.0 million compared to $169.1 million for fiscal 2019. The year-over-year growth in Adjusted Net Income was primarily driven by the decrease in interest expense after adjusting for non-recurring costs incurred as part of our merger with Conyers Park II offset by the decline in the marketing segment and increase in provision for income taxes after adjusting for non-recurring costs incurred as part of our merger with Conyers Park II.

Successful Business Combination and Balance Sheet Highlights

Advantage Solutions and Conyers Park II Acquisition Corp. ("Conyers Park II"), a publicly traded special purpose acquisition company, successfully completed their merger on October 28, 2020. Proceeds from the merger and the related equity raise and debt refinancing transactions were primarily used to repay the existing borrowings of the Company. In connection with the closing of the merger with Conyers Park II, the Company completed its previously announced debt refinancing. Net Debt outstanding was reduced to approximately $2 billion. The post-combination debt capitalization of the Company consists primarily of a $400 million revolving credit facility, a $1,325 million first lien term loan facility, and $775 million of senior secured notes.

As of December 31, 2020, the Company's cash and cash equivalents balance was $204 million, total debt was $2,154 million and Net Debt was $1,949 million. This represents a fiscal 2020 Net Debt to Adjusted EBITDA ratio of 4.0x.

COVID-19 Update

Advantage continues to monitor the impact of the COVID-19 pandemic on its business and remains focused on: ensuring its ability to safeguard the health of its employees, maintaining high service levels for brand and retailer clients so that essential products are available to consumers in-store and online, and preserving financial liquidity to mitigate the uncertainty caused by the pandemic.

The COVID-19 pandemic continues to benefit the Company's sales segment.

The Company's headquarter sales and retail merchandising services in traditional and e-commerce channels have generally continued to experience an uplift in the fourth quarter of 2020, driven by increased at-home consumption. This offsets softness in the Company's foodservice and international joint venture operations. The Company's foodservice operations continue to be negatively impacted by lower away-from-home demand resulting from the impact of the COVID-19 pandemic on various channels, including restaurants, education and travel and lodging. The Company's international joint venture continues to be negatively impacted by activity restrictions implemented in the European geographies in which it operates.

The COVID-19 pandemic continues to be a material temporary headwind in the marketing segment.

The Company's in-store sampling business, the largest division in the marketing segment, continues to be negatively impacted by activity restrictions implemented in partnership with retailer clients in order to protect the health and safety of associates and consumers during the pandemic. In-store sampling event activity resumed in a safe and limited manner in the third quarter of 2020 and has continued its measured recovery towards pre-COVID levels throughout the fourth quarter of 2020.

The Company expects the COVID-19 pandemic will continue to impact its various businesses through at least the first half of 2021. This is based on the belief that a certain degree of restrictions on mobility and activities are likely to remain in place until such time as vaccines can be broadly distributed and administered.

Fiscal Year 2021 Outlook

The Company expects Adjusted EBITDA for fiscal year 2021 to be between $515 and $525 million, an increase from the $515 million it previously provided as part of the merger with Conyers Park II. The increase to forecasted Adjusted EBITDA reflects the expectation that the current COVID-19 related impacts to the business continue through the first half of 2021, with a return towards normal operations in the second half of the year based on expected easing of COVID-19 related restrictions and a gradual re-opening of the economy. As such, the Company expects the COVID-19 related operating headwinds in the in-store sampling, foodservice and international businesses to continue through the first half of 2021, partially offset by continued strength in the sales segment's services in traditional and e-commerce channels.

Conference Call Details

Advantage will host a conference call at 5:00 p.m. ET on March 16, 2021 to discuss the Company's fourth quarter and fiscal year 2020 financial performance and business outlook. To participate, please dial (877) 407-4018 within the United States or (201) 689-8471 outside the United States approximately 10 minutes before the scheduled start of the call. The conference call will also be accessible, live via audio broadcast, on the Investor Relations section of the Advantage website at https://ir.advantagesolutions.net/
A replay of the conference call will be available online at https://ir.advantagesolutions.net/. In addition, an audio replay of the call will be available for one week following the call and can be accessed by dialing (844) 512-2921 within the United States or (412) 317-6671 outside the United States. The replay ID is 13715926.

About Advantage Solutions

Advantage Solutions is a leading business solutions provider committed to driving growth for consumer goods manufacturers and retailers through winning insights and execution. Advantage's data and technology-enabled omnichannel solutions — including sales, retail merchandising, business intelligence, digital commerce and a full suite of marketing services — help brands and retailers across a broad range of channels drive consumer demand, increase sales and achieve operating efficiencies. Headquartered in Irvine, California, Advantage has offices throughout North America and strategic investments in select markets throughout Africa, Asia, Australia and Europe through which it services the global needs of multinational, regional and local manufacturers. For more information, please visit advantagesolutions.net.

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. 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," "estimate," "anticipate," "believe," "predict," "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.

Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the COVID-19 pandemic and the measures taken in response thereto; the availability, acceptance, administration and effectiveness of any COVID-19 vaccine; changes to labor laws or wage or job classification regulations, including minimum wage, or other market-driven wage changes; 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 effectively remediate material weaknesses and maintain proper and effective internal controls 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 16, 2021 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, Adjusted Net Income 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, these 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, Adjusted Net Income and Net Debt provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Advantage’s financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Additionally, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore Advantage’s non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

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

Adjusted Net Income means net (loss) income before (i) impairment of goodwill and indefinite-lived assets, (ii) amortization of intangible assets, (iii) private equity sponsors’ management fees and equity-based compensation expense, (iv) fair value adjustments of contingent consideration related to acquisitions, (v) acquisition-related expenses, (vi) costs associated with COVID-19, net of benefits received, (vii) EBITDA for economic interests in investments, (viii) restructuring expenses, (ix) litigation expenses, (x) (Recovery from) loss on Take 5, (xi) deferred financing fees, (xii) costs associated with the Take 5 Matter, (xiii) other adjustments that management believes are helpful in evaluating our operating performance, and (xiv) related tax adjustments.

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.

This press release also includes certain estimates and projections of Adjusted EBITDA, including with respect to expected fiscal 2021 results. Due to the high variability and difficulty in making accurate estimates and projections of some of the information excluded from Adjusted EBITDA, 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.

Reconciliation of GAAP to Non-GAAP Historical Financial Measures

Results of Operations for the Three and Twelve Months Ended December 31, 2020 and 2019

	Three Months Ended December 31,			
(amounts in thousands)	**2020**		**2019**	
Revenues	$ 850,387	100.0%	$ 1,012,876	100.0%
Cost of revenues	669,506	78.7%	840,102	82.9%
Selling, general, and administrative expenses	172,802	20.3%	40,587	4.0%
Recovery from Take 5	—	0.0%	—	0.0%
Depreciation and amortization	61,085	7.2%	58,149	5.7%
Total expenses	903,393	106.2%	938,838	92.7%
Operating (loss) income	(53,006)	(6.2)%	74,038	7.3%
Interest expense, net	82,486	9.7%	53,606	5.3%
(Loss) income before income taxes	(135,492)	(15.9)%	20,432	2.0%
Provision for income taxes	3,383	0.4%	5,630	0.6%
Net (loss) income	$ (138,875)	(16.3)%	$ 14,802	1.5%
Other Financial Data				
Adjusted Net Income(1)	$ 51,711	6.1%	$ 60,614	6.0%
Adjusted EBITDA(2)	$ 132,527	15.6%	$ 144,298	14.2%

(amounts in thousands)	Year Ended December 31, 2020			Year Ended December 31, 2019		
Revenues	$	3,155,671	100.0%	$	3,785,063	100.0%
Cost of revenues		2,551,485	80.9%		3,163,443	83.6%
Selling, general, and administrative expenses		306,282	9.7%		175,373	4.6%
Recovery from Take 5		(7,700)	(0.2)%		—	0.0%
Depreciation and amortization		238,598	7.6%		232,573	6.1%
Total expenses		3,088,665	97.9%		3,571,389	94.4%
Operating income		67,006	2.1%		213,674	5.6%
Interest expense, net		234,044	7.4%		232,077	6.1%
Loss before income taxes		(167,038)	(5.3)%		(18,403)	(0.5)%
(Benefit from) provision for income taxes		(5,331)	(0.2)%		1,353	0.0%
Net loss	$	(161,707)	(5.1)%	$	(19,756)	(0.5)%
Other Financial Data						
Adjusted Net Income(1)	$	182,969	5.8%	$	169,109	4.5%
Adjusted EBITDA(2)	$	487,175	15.4%	$	504,031	13.3%

(1) We present Adjusted Net Income because we use it as a supplemental measure to evaluate the performance of our business in a way that also considers our ability to generate profit without the impact of items that we do not believe are indicative of our operating performance or are unusual or infrequent in nature and aid in the comparability of our performance from period to period. Adjusted Net Income should not be considered as an alternative for our most directly comparable measure presented on a GAAP basis.

(2) We present Adjusted EBITDA because it is a key operating measure used by us to assess our financial performance. This measure adjusts for items that we believe do not reflect the ongoing operating performance of our business, such as certain noncash items, unusual or infrequent items or items that change from period to period without any material relevance to our operating performance. We evaluate this measure in conjunction with our results according to GAAP because we believe it provides a more complete understanding of factors and trends affecting our business than GAAP measures alone. Furthermore, the agreements governing our indebtedness contain covenants and other tests based on measures substantially similar to Adjusted EBITDA. Adjusted EBITDA should not be considered as an alternative for our most directly comparable measure presented on a GAAP basis.

A reconciliation of net (loss) income to Adjusted Net Income is provided in the following table:

(in thousands)	Three Months Ended December 31, 2020		Three Months Ended December 31, 2019	
Net loss	$	(138,875)	$	14,802
Less: Net income attributable to noncontrolling interest		405		767
Add:				
Sponsors' management fee and equity-based compensation expense[a]		88,630		2,894
Fair value adjustments related to contingent consideration related to acquisitions[b]		11,328		(3,156)
Acquisition-related expenses[c]		36,750		8,714
Restructuring expenses[d]		(258)		2,112
Litigation expenses[e]		(593)		3,500
Amortization of intangible assets[f]		50,264		47,030
Costs associated with COVID-19, net of benefits received[g]		(10,546)		—
Deferred financing fees[h]		41,428		—
Costs associated with the Take 5 Matter[i]		809		1,376
Tax adjustments related to non-GAAP adjustments[j]		(26,821)		(15,891)
Adjusted Net Income	$	51,711	$	60,614

	Year Ended December 31,	
(in thousands)	2020	2019
Net loss	$ (161,707)	$ (19,756)
Less: Net income attributable to noncontrolling interest	736	1,416
Add:		
Impairment of goodwill and indefinite-lived assets	—	—
Sponsors' management fee and equity-based compensation expense[(a)]	98,119	7,960
Fair value adjustments related to contingent consideration related to acquisitions[(b)]	13,367	1,516
Acquisition-related expenses[(c)]	50,823	31,476
Restructuring expenses[(d)]	39,770	5,385
Litigation expenses[(e)]	1,980	3,500
Amortization of intangible assets[(f)]	193,543	189,881
Costs associated with COVID-19, net of benefits received[(g)]	(11,954)	—
Deferred financing fees[(h)]	41,428	—
(Recovery from) loss on Take 5	(7,700)	—
Costs associated with the Take 5 Matter[(i)]	3,628	16,368
Tax adjustments related to non-GAAP adjustments[(j)]	(77,592)	(65,805)
Adjusted Net Income	$ 182,969	$ 169,109

A reconciliation of net (loss) income to Adjusted EBITDA is provided in the following table:

	Three Months Ended December 31,	
(in thousands)	2020	2019
Net loss	$ (138,875)	$ 14,802
Add:		
Interest expense, net	82,486	53,606
(Benefit from) provision for income taxes	3,383	5,630
Depreciation and amortization	61,085	58,149
Sponsors' management fee and equity-based compensation expense[(a)]	88,630	2,894
Fair value adjustments related to contingent consideration related to acquisitions[(b)]	11,328	(3,156)
Acquisition-related expenses[(c)]	36,750	8,714
EBITDA for economic interests in investments[(k)]	(1,672)	(3,329)
Restructuring expenses[(d)]	(258)	2,112
Litigation expenses[(e)]	(593)	3,500
Costs associated with COVID-19, net of benefits received[(g)]	(10,546)	—
Costs associated with the Take 5 Matter[(i)]	809	1,376
Adjusted EBITDA	$ 132,527	$ 144,298

(in thousands)	Year Ended December 31, 2020	2019
Net loss	$ (161,707)	$ (19,756)
Add:		
Interest expense, net	234,044	232,077
(Benefit from) provision for income taxes	(5,331)	1,353
Depreciation and amortization	238,598	232,573
Impairment of goodwill and indefinite-lived assets	—	—
Sponsors' management fee and equity-based compensation expense[a]	98,119	7,960
Fair value adjustments related to contingent consideration related to acquisitions[b]	13,367	1,516
Acquisition-related expenses[c]	50,823	31,476
EBITDA for economic interests in investments[k]	(6,462)	(8,421)
Restructuring expenses[d]	39,770	5,385
Litigation expenses[e]	1,980	3,500
Costs associated with COVID-19, net of benefits received[g]	(11,954)	—
(Recovery from) loss on Take 5	(7,700)	—
Costs associated with the Take 5 Matter[i]	3,628	16,368
Adjusted EBITDA	$ 487,175	$ 504,031

(a) Represents the management fees and reimbursements for expenses paid to certain of our private equity sponsors (or certain of the management companies associated with them or their advisors) pursuant to management services agreements. Also represents expenses related to (i) equity-based compensation expense associated with grants of Common Series D Units of Karman Topco L.P. made to one of our private equity sponsors, (ii) equity-based compensation expense associated with the Common Series C Units of Karman Topco L.P. as a result of the merger with Conyers Park II, (iii) compensation amounts associated with our Management Incentive Plan originally scheduled for potential payment in March 2022 that were accelerated and terminated as part of the merger with Conyers Park II, and (iv) compensation amounts associated with the anniversary payments to Tanya Domier. Ms. Domier's anniversary payments were accelerated as part of the Transactions.

(b) Represents adjustments to the estimated fair value of our contingent consideration liabilities related to our acquisitions, excluding the present value accretion recorded in interest expense, net, for the applicable periods. See Note 6 to our audited consolidated financial statements for the year ended December 31, 2020 and 2019.

(c) Represents fees and costs associated with activities related to our acquisitions and restructuring activities related to our equity ownership, including professional fees, due diligence and integration activities.

(d) Represents fees and costs associated with various internal reorganization activities among our consolidated entities. The decrease for the three months ended December 31, 2020 relates primarily to the non-cash settlement of lease liabilities.

(e) Represents legal settlements that are unusual or infrequent costs associated with our operating activities.

(f) Represents the amortization of intangible assets recorded in connection with Karman Topco L.P.'s acquisition of our business in 2014 and our other acquisitions.

(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 fees associated with our revolving credit facility, first lien term loan facility and senior secured notes. For additional information, refer to Note 7 – Debt of our audited consolidated financial statements for the year ended December 31, 2020.

(i) Represents costs associated with investigation and remediation activities related to the Take 5 Matter, primarily, professional fees and other related costs.

(j) Represents the tax provision or benefit associated with the adjustments above, taking into account our applicable tax rates, after excluding adjustments related to items that do not have a related tax impact.

(k) 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.

A reconciliation of total debt to Net Debt is provided in the following table:

(in millions)	**December 31, 2020**
Current portion of long-term debt	$ 63.7
Long-term debt, net of current portion	2,029.3
Total Debt	2,093.0
Less:	
Debt issuance costs	(60.5)
Cash and cash equivalents	204.3
Total Net Debt [(a)]	$ **1,949.2**

(a) We present Net Debt because we believe the non-GAAP measure provides useful information to management and investors regarding certain financial and business trends relating to our financial condition and to evaluate changes to our capital structure and credit quality assessment.

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ADVANTAGE SOLUTIONS

Q4 and FY 2020 Earnings Presentation

March 16, 2021

ADVANTAGE SOLUTIONS

DISCLAIMER

Forward Looking Statements

Certain statements in this presentation or accompanying commentary may be considered forward-looking statements with the meaning of federal securities laws. Forward-looking statements generally relate to future events or Advantage's future financial or operating performance, In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expect", "intend", "will", "would", "estimate", "anticipate", "believe", "predict", "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 are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the COVID-19 pandemic and the measures taken in response thereto; changes to labor laws or wage or job classification regulations, including minimum wage, or other market-driven wage changes; 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 effectively remediate material weaknesses and maintain proper and effective internal controls 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, uncertainties and assumptions that are difficult to predict, including those more fully described in our most recent annual report on Form 10-K and any subsequent periodic reports on Form 10-Q and current reports on Form 8-K. 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 Measure and Related Information

This presentation includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including Adjusted EBITDA and Adjusted Net Income. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these 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 the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of Adjusted EBITDA and Adjusted Net Income provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These 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.

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

Adjusted Net Income means net (loss) income before (i) impairment of goodwill and indefinite-lived assets, (ii) amortization of intangible assets, (iii) private equity sponsors' management fees and equity-based compensation expense, (iv) fair value adjustments of contingent consideration related to acquisitions, (v) acquisition-related expenses, (vi) costs associated with COVID-19, net of benefits received, (vii) EBITDA for economic interests in investments, (viii) restructuring expenses, (ix) litigation expenses, (x) (Recovery from) loss on Take 5, (xi) deferred financing fees, (xii) costs associated with the Take 5 Matter, (xiii) other adjustments that management believes are helpful in evaluating our operating performance, and (xiv) related tax adjustments.

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.

KEY MESSAGES

- We delivered in 2020, despite a tough operating environment
- We are keeping our financial commitments -- financial results met or exceeded expectations
- We are remaining disciplined and nimble as we manage through the remainder of the pandemic
- We see steady recovery in COVID-impacted sales and marketing operations
- We're investing in our innovative, compounding platform to create value for CPGs and retailers
- We are raising our FY 2021 Adjusted EBITDA outlook from $515 million to $515 to $525 million

WE DELIVERED IN 2020, DESPITE A TOUGH OPERATING ENVIRONMENT

Talented teams and our nimble operating platform allowed us to pivot quickly in response to COVID-19 headwinds and deliver results we're proud of for all key stakeholders

Clients

- Extraordinary associates helped ensure clients' products were available to communities online and at safe and sanitized stores
- Launched & scaled innovation to help meet new needs of brands and retailers in-store and online

Associates

- Continued to invest in talent with training, promotion and new hires
- Created charity fund to help our associates in need
- Additional support for front-line associates
- Diversity, Equity & Inclusion Board launched 8 new employee resource groups

ADVANTAGE ASSOCIATE SUPPORT FUND

ADVANTAGE DIVERSITY, EQUITY & INCLUSION BOARD

Capital Providers

- Managed pandemic-related temporary headwinds with discipline, delivering only 3% decline in Adj. EBITDA despite 17% decline in Revenues
- Strengthened balance sheet: reduced year-end net leverage(1) to 4.0x FY'20 Adj. EBITDA and cut cash interest by over 30% to ~$135M

$3.2B
FY'20 Revenues
-17% y/y

$487M
FY'20 Adj. EBITDA
-3% y/y

Note: Please see the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures.
(1) Represents 12/31/20 Net Debt / FY'20 Adjusted EBITDA ratio. See appendix for reconciliation.

WE ARE KEEPING OUR FINANCIAL COMMITMENTS

- Met or exceeded previously communicated FY'20 outlook
- Expect a better FY'21 and are raising Adj. EBITDA outlook from $515 million to $515 to $525 million

	FY'20	FY'20 Outlook	Performance
Revenue Growth	-17%	-19% to -16%	✓
Adjusted EBITDA	$487	$480 to $485	✓+
Net Debt / Adjusted EBITDA	4.0x	~4.2x	✓+

$ in millions.
Note: Please see the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures.

Q4 RESULTS REFLECT CONTINUED PROGRESS IN RECOVERY

- Continued strength in Sales segment
  - Strong center-store / eat-at-home trends remain in place
  - E-commerce (on-line, click-and-collect) business gains continue
  - Foodservice channel remains softer but is recovering
  - European Joint Venture still pressured, but improving
- Marketing segment down, but improving trends continued in Q4 versus Q3 and Q2 lows
  - In-store sampling resumed in the third quarter of 2020
  - Sampling event volume increased from approximately 20,000 events in April of 2020 to approximately 135,000 in January of 2021; still below the nearly 400,000 events in January of last year, but exhibiting the rebound we expect to continue
- Continued to manage costs across the entire business with discipline

IMPROVING TRENDS CONTINUED IN Q4

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

WE THRIVE BASED ON THREE PILLARS OF VALUE CREATION

- **Operate with excellence** by serving existing clients well and delivering productivity through continuous improvement
- **Invest wisely** in talent, technology and capability to support clients' evolving needs through attractive opportunities for
  - Organic reinvestment and
  - Disciplined tuck-in acquisitions
- **Nurture 'evolutionary' culture** so that we remain flexible as we build the business to be
  - The partner of choice for brands and retailers as their needs change, and
  - Opportunistic when high return investments present themselves

FINANCIAL PERFORMANCE





FINANCIAL SUMMARY

($ in millions.)	Q1 2020A	Q1 2019A	Q1 %	Q2 2020A	Q2 2019A	Q2 %	Q3 2020A	Q3 2019A	Q3 %	Q4 2020A	Q4 2019A	Q4 %	FY 2020A	FY 2019A	FY %
Total Advantage															
Revenues	$879	$869	1%	$642	$922	(30%)	$784	$982	(20%)	$850	$1,013	(16%)	$3,156	$3,785	(17%)
Adjusted EBITDA	106	96	11%	112	119	(6%)	136	145	(6%)	133	144	(8%)	487	504	(3%)
% margin	*12.1%*	*11.0%*		*17.5%*	*12.9%*		*17.4%*	*14.8%*		*15.6%*	*14.2%*		*15.4%*	*13.3%*	
Adjusted Net Income	27	8	220%	39	34	13%	66	66	(0%)	52	61	(15%)	183	169	8%
% margin	*3.1%*	*1.0%*		*6.0%*	*3.7%*		*8.4%*	*6.7%*		*6.1%*	*6.0%*		*5.8%*	*4.5%*	
Sales Segment															
Revenues	$508	$457	11%	$460	$475	(3%)	$542	$503	8%	$550	$520	6%	$2,061	$1,955	5%
Adjusted EBITDA	79	63	26%	90	73	23%	102	86	18%	90	87	2%	360	310	16%
% margin	*15.5%*	*13.7%*		*19.6%*	*15.5%*		*18.8%*	*17.1%*		*16.3%*	*16.8%*		*17.5%*	*15.8%*	
Marketing Segment															
Revenues	$372	$412	(10%)	$181	$447	(59%)	$242	$478	(49%)	$300	$493	(39%)	$1,095	$1,830	(40%)
Adjusted EBITDA	28	33	(17%)	22	45	(52%)	34	59	(42%)	43	57	(24%)	127	194	(34%)
% margin	*7.5%*	*8.1%*		*12.1%*	*10.2%*		*14.2%*	*12.3%*		*14.3%*	*11.5%*		*11.6%*	*10.6%*	

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

CAPITALIZATION SUMMARY

- Q4 2020 Total Debt outstanding of $2,154 million(1) after refinancing as part of the Conyers Park II business combination
  - Reduced leverage: 5.7x Net Debt / LTM Q3 2020 Adjusted EBITDA of $499 million reduced to 4.0x Net Debt / FY 2020 Adjusted EBITDA of $487 million at year-end
  - Pushed out maturities: 2021 and 2022 term loan maturities under old Advantage capitalization refinanced with maturities extended to 2025 and beyond
- Debt capitalization @ December 31, 2020:

	Maturity	Rate	Outstanding
Asset-backed Revolver ($400M)	2025	L+2.25%(2)	$50
First Lien Term Loan	2027	L+5.25%(3)	1,325
Senior Secured Notes	2028	6.50%	775
Total Funded Debt			**$2,150**

- Equity capitalization @ February 4, 2021:
  - 318,425,182 Class A Common shares outstanding (5)
  - 18,583,333 Warrants @ $11.50 exercise
  - 2,557,188 Performance Restricted Stock Units ("PSUs")(6)
  - 1,745,087 Restricted Stock Units ("RSUs")

(1) Includes Other Debt of approximately $3 million which remains outstanding after completion of the business combination.
(2) Asset-backed Revolver rate subject to 0.50% LIBOR floor. See ABL Revolving Credit Agreement, dated October 28, 2020 for additional information.
(3) First Lien Term Loan rate subject to 0.75% LIBOR floor. See First Lien Credit Agreement, dated October 28, 2020 for additional information.
(4) First Lien Term Loan amortizes at 1% per annum, paid quarterly. Illustratively showing full $1,325 million obligation in 2027E maturity.
(5) Includes 5 million performance shares issued as part of the Conyers Park II business combination which vested after satisfying a market performance test.
(6) Represents the number of underlying shares that would be issued at Target performance levels.

FISCAL YEAR 2021 OUTLOOK

Revised FY 2021 Outlook (excluding future acquisitions):

- Expecting COVID-related restrictions to continue through the first half of 2021 as vaccines are rolled out and COVID continues to limit activity
- FY 2021 Adjusted EBITDA of $515 to $525 million, an increase to the $515 million forecast shared as part of our business combination
- Revenues likely to improve versus 2020 as the year progresses
  - Revenues likely to be suppressed in the first half due to the mix of activity as we continue to nimbly manage through COVID (expect less zero-margin passthrough revenue in the first half due to a lower mix of in-person sampling events), but expecting improvement through the second half as in-store sampling returns to full operation
- Expect first quarter to be a tough comp since COVID did not begin to materially affect our operations until activity restrictions were introduced in the United States in the month of March
  - Marketing expected to be down versus prior year because of COVID impact to in-store sampling business
  - Sales expected to comp favorably in January and February against pre-COVID 2020 periods, but pantry-loading in March of 2020 will be tough comp and partially offsetting
- Net Debt / Adjusted EBITDA to be below 4x by the end of 2021 with continued de-leveraging towards 3x over time

THANK YOU





NON-GAAP RECONCILIATION FOR ADJUSTED EBITDA *(1/3)*

Consolidated	Three Months Ended March 31,		Three Months Ended June 30,		Three Months Ended September 30,		Three Months Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
Total Company (in thousands)								
Net income (loss)	$ (21,723)	$ (44,195)	$ (37,814)	$ (13,094)	$ 36,705	$ 22,731	(138,875)	14,802
Add:								
Interest expense, net	51,794	61,048	51,521	59,661	48,243	57,762	82,486	53,606
Provision for (benefit from) income taxes	1,367	1,201	(13,704)	(1,510)	3,623	(3,968)	3,383	5,630
Depreciation and amortization	60,209	57,532	58,748	59,020	58,556	57,872	61,085	58,149
Sponsors' management fee and equity-based compensation expense[1]	3,837	1,669	4,184	1,429	1,468	1,968	88,630	2,894
Fair value adjustments related to contingent consideration related to acquisitions[2]	4,095	2,370	4,128	3,402	(6,184)	(1,100)	11,328	(3,156)
Acquisition-related expenses[3]	5,529	9,846	4,861	7,608	3,683	5,308	36,750	8,714
Costs associated with COVID-19, net of benefits received[4]	1,000	—	(1,019)	—	(1,389)	—	(10,546)	-
EBITDA for economic interests in investments[5]	(1,898)	(627)	(887)	(2,150)	(2,005)	(2,315)	(1,672)	(3,329)
Restructuring expenses[6]	1,098	2,007	46,565	1,006	(7,635)	260	(258)	2,112
Litigation expenses[7]	104	—	2,500	—	(31)	—	(593)	3,500
Recovery from Take 5	—	—	(7,700)	—	—	—	-	-
Costs associated with the Take 5 Matter[8]	939	5,068	661	3,580	1,219	6,344	809	1,376
Adjusted EBITDA	$ 106,351	$ 95,919	$ 112,044	$ 118,952	$ 136,253	$ 144,862	$ 132,527	$ 144,298

	Three Months Ended March 31,		Three Months Ended June 30,		Three Months Ended September 30,		Three Months Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales Segment (in thousands)								
Operating income (loss)	$ 24,194	$ 13,083	$ 11,021	$ 26,513	$ 60,205	$ 48,077	$ (32,115)	$ 40,288
Add:								
Depreciation and amortization	43,107	40,440	42,234	40,047	41,978	40,273	44,250	40,803
Sponsors' management fee and equity-based compensation expense[1]	3,199	1,388	3,538	1,365	1,398	1,603	62,989	2,062
Fair value adjustments related to contingent consideration related to acquisitions[2]	4,312	1,512	4,128	3,049	(669)	(4,880)	600	(2,401)
Acquisition-related expenses[3]	4,156	5,722	4,081	4,221	3,581	3,117	24,904	5,216
Costs associated with COVID-19, net of benefits received[4]	810	—	530	—	(1,198)	—	(5,604)	—
EBITDA for economic interests in investments[5]	(2,071)	(713)	(1,338)	(2,116)	(2,142)	(2,323)	(2,014)	(3,243)
Restructuring expenses[6]	752	1,167	23,326	383	(1,227)	179	(2,556)	1,199
Litigation expenses[7]	104	—	2,500	—	—	—	(946)	3,500
Sales Segment Adjusted EBITDA	$ 78,563	$ 62,599	$ 90,020	$ 73,462	$ 101,926	$ 86,046	$ 89,508	$ 87,424
Marketing Segment (in thousands)								
Operating income (loss)	$ 7,244	$ 4,971	$ (11,018)	$ 18,544	$ 28,366	$ 28,448	$ (20,891)	$ 33,750
Add:								
Depreciation and amortization	17,102	17,092	16,514	18,973	16,578	17,599	16,835	17,346
Sponsors' management fee and equity-based compensation expense[1]	638	281	646	64	70	365	25,641	832
Fair value adjustments related to contingent consideration related to acquisitions[2]	(217)	858	—	353	(5,515)	3,780	10,728	(755)
Acquisition-related expenses[3]	1,373	4,124	780	3,387	102	2,191	11,846	3,498
Costs associated with COVID-19, net of benefits received[4]	190	—	(1,549)	—	(191)	—	(4,942)	—
EBITDA for economic interests in investments[5]	173	86	451	(34)	137	8	342	(86)
Restructuring expenses[6]	346	840	23,239	623	(6,408)	81	2,298	913
Litigation expenses[7]	—	—	—	—	(31)	—	353	—
Recovery from Take 5	—	—	(7,700)	—	—	—	—	—
Costs associated with the Take 5 Matter[8]	939	5,068	661	3,580	1,219	6,344	809	1,376
Marketing Segment Adjusted EBITDA	$ 27,788	$ 33,320	$ 22,024	$ 45,490	$ 34,327	$ 58,816	$ 43,019	$ 56,874

NON-GAAP RECONCILIATION FOR HISTORICAL PERIODS *(2/3)*

	Three Months Ended March 31,		Three Months Ended June 30,		Three Months Ended September 30,		Three Months Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
Adjusted Net Income (in thousands)								
Net income (loss)	$ (21,723)	$(44,195)	$ (37,814)	$ (13,094)	$ 36,705	$ 22,731	$ (138,875)	$ 14,802
Less: Net (loss) income attributable to noncontrolling interest	(15)	(1,006)	(410)	1,513	756	142	405	767
Add:								
Sponsors' management fee and equity-based compensation expense[1]	3,837	1,669	4,184	1,429	1,468	1,968	88,630	2,894
Fair value adjustments related to contingent consideration related to acquisitions[2]	4,095	2,370	4,128	3,402	(6,184)	(1,100)	11,328	(3,156)
Acquisition-related expenses[3]	5,529	9,846	4,861	7,608	3,683	5,308	36,750	8,714
Costs associated with COVID-19, net of benefits received[4]	1,000	—	(1,019)	—	(1,389)	—	(10,546)	—
Restructuring expenses[6]	1,098	2,007	46,565	1,006	(7,635)	260	(258)	2,112
Litigation expenses[7]	104	—	2,500	—	(31)	—	(593)	3,500
Amortization of intangible assets	47,846	47,472	47,652	47,746	47,781	47,633	50,264	47,030
Recovery from Take 5	—	—	(7,700)	—	—	—	—	—
Costs associated with the Take 5 Matter[8]	939	5,068	661	3,580	1,219	6,344	809	1,376
Tax adjustments related to non-GAAP adjustments[9]	(15,891)	(16,862)	(25,626)	(15,875)	(9,254)	(17,177)	(26,821)	(15,891)
Deferred financing fees[10]	—	—	—	—	—	—	41,428	—
Adjusted Net Income (Loss)	$ 26,849	$ 8,381	$ 38,802	$ 34,289	$ 65,607	$ 65,825	$ 51,711	$ 60,614

(in millions)	December 31, 2020	September 30, 2020
Current portion of long-term debt	$ 63.7	$ 26.2
Long-term debt, net of current portion	2,029.3	3,287.3
Total Debt	2,093.0	3,313.5
Less:		
Debt issuance costs	(60.5)	(17.9)
Cash and cash equivalents	204.3	486.4
Total Net Debt [11]	**$ 1,949.2**	**$ 2,845.0**

NON-GAAP RECONCILIATION FOR HISTORICAL PERIODS *(3/3)*

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

(1) Historical management fees paid to existing shareholders, non-cash stock based compensation expense associated with partnership units, and non-recurring anniversary payments.

(2) Represents adjustments to the estimated fair value of our contingent consideration liabilities related to our acquisitions, excluding the present value accretion recorded in interest expense, net, for the applicable periods.

(3) Represents fees and costs associated with activities related to our acquisitions and restructuring activities related to our equity ownership, including professional fees, due diligence, and integration activities.

(4) Represents (a) 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 (b) benefits received from government grants for COVID-19 relief.

(5) 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.

(6) One-time restructuring activities costs associated with non-recurring reorganization projects.

(7) Represents legal settlements that are unusual or infrequent costs associated with our operating activities.

(8) Represents costs associated with investigation and remediation activities related to the Take 5 Matter, primarily, professional fees and other related costs.

(9) Represents the tax provision or benefit associated with the adjustments above, taking into account the Company's applicable tax rates, after excluding adjustments related to items that do not have a related tax impact.

(10) Represents fees associated with the issuance of the New Senior Secured Credit Facilities and the Notes.

(11) 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.