

**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 14, 2023

Advantage Solutions Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38990
(Commission File Number)

83-4629508
(IRS Employer
Identification No.)

15310 Barranca Parkway, Suite 100
Irvine, California
(Address of Principal Executive Offices)

92618
(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:

- 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 7.01 Regulation FD Disclosure*Investor Presentation*

On March 14, 2023, Advantage Solutions Inc. (the “Company”) publicly disclosed an investor presentation on the Investor Relations section of its website (<https://ir.advantagesolutions.net/>). A copy of the investor presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K. Representatives of the Company intend to present some or all of this presentation to current and prospective investors at various conferences and meetings.

The information being furnished pursuant to Item 7.01 of this Current Report on Form 8-K, including the accompanying Exhibit 99.1, 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Advantage Solutions Inc. Investor Presentation March 2023.
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.

ADVANTAGE SOLUTIONS INC.

Date: March 14, 2023

By: /s/ Dean Kaye
Dean Kaye
Chief Financial Officer – North America

Advantage Solutions Inc.

Investor Presentation | March 2023
NASDAQ: ADV



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

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

Non-GAAP Financial Measures and Related Information

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

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

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

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

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



INVESTMENT HIGHLIGHTS

- Market leader in outsourced sales and marketing services industry for CPG brands and retailers
- Large, growing \$10B+ total addressable market, anchored by growing retail food industry, with clear levers to continue increasing market share
- Diverse range of long-standing blue-chip customers with excellent retention
- Multiple sticky revenue streams and largely contractual nature provide durability and diversification
- Capital light business with historic track record of long-term growth throughout economic cycles
- Strong free cash flow generation despite recent inflationary and labor-related headwinds
- Tangible growth levers via strategic initiatives and operational improvements

COMPANY SNAPSHOT

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

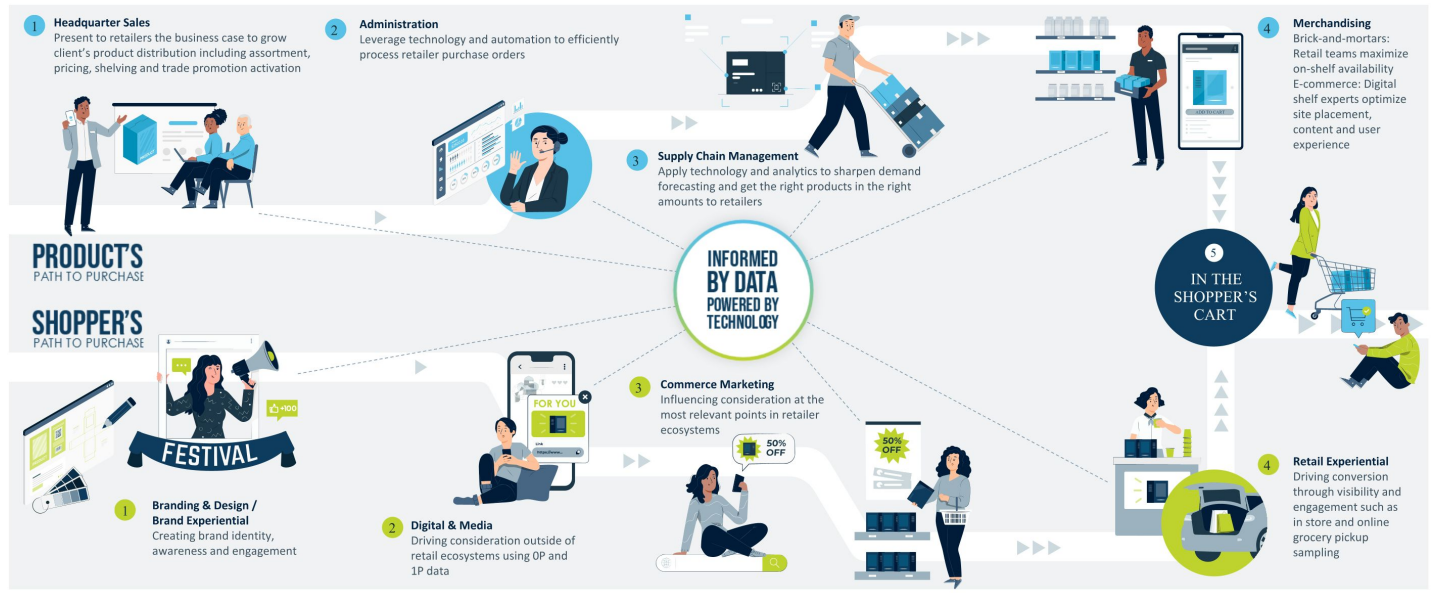


Helping brands and retailers grow sales, lower costs, and solve problems

(1) Based on ranking of Nielsen 2021 total sales across AOC+C channels.
(2) National Retail Federation (NRF) ranking of industry's largest companies based on 2021 U.S. retail sales.
Note: Unless otherwise noted, figures as of December 31, 2022.

THE BASICS: WHAT ADVANTAGE DOES

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



ADVANTAGE'S TWO OPERATING SEGMENTS

Diversified across sales and marketing services for CPGs and retailers

Sales Segment \$2.5B (62% of Revenues)

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



■ Sales Segment ■ Marketing Segment

Marketing Segment \$1.5B (38% of Revenues)


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

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

SALES SEGMENT


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

Primary Sales Segment Services




HEADQUARTER SALES

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




ANALYTICS, INSIGHTS & INTELLIGENCE

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



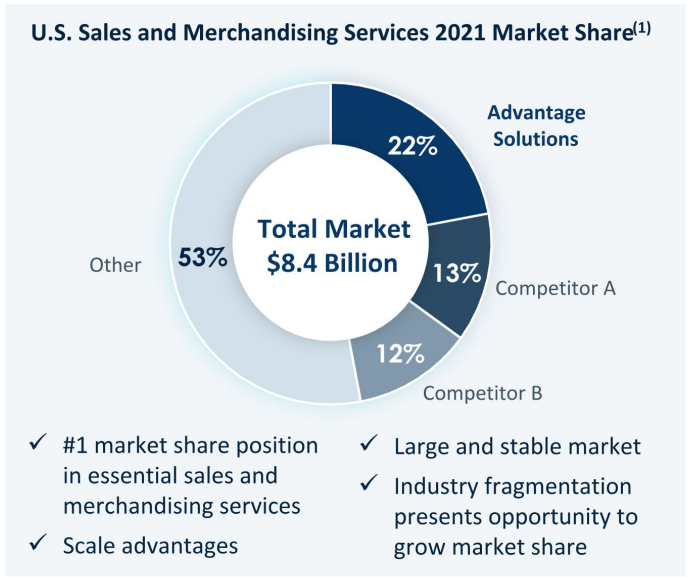
MERCHANDISING

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



ADMINISTRATION

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




⁽¹⁾ Based on Investment Bank estimates and Industry Research.

MARKETING SEGMENT


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

Primary Marketing Segment Services




EVENTS & EXPERIENTIAL

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




COMMERCE MARKETING

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



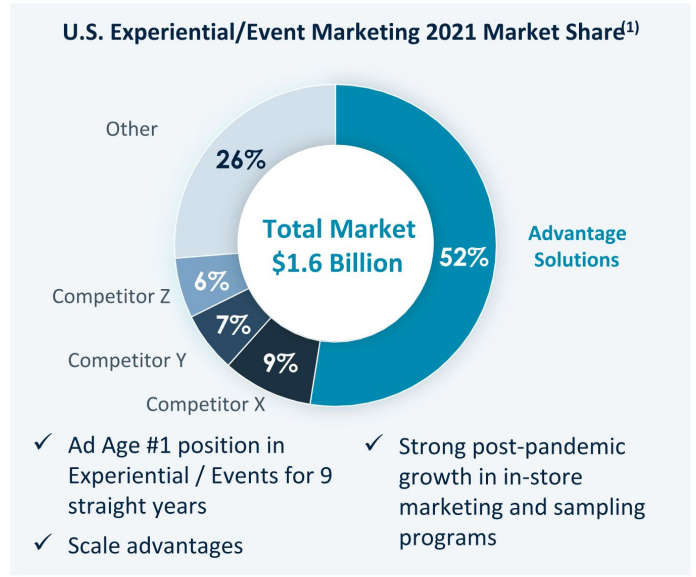
DIGITAL & MEDIA

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



BRANDING & DESIGN

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



(1) Ad Age Agency Report 2022: U.S. Experiential/Event Marketing Networks based on U.S. revenue in 2021.

LONG-TERM CLIENTS DRIVE RECURRING REVENUE STREAMS

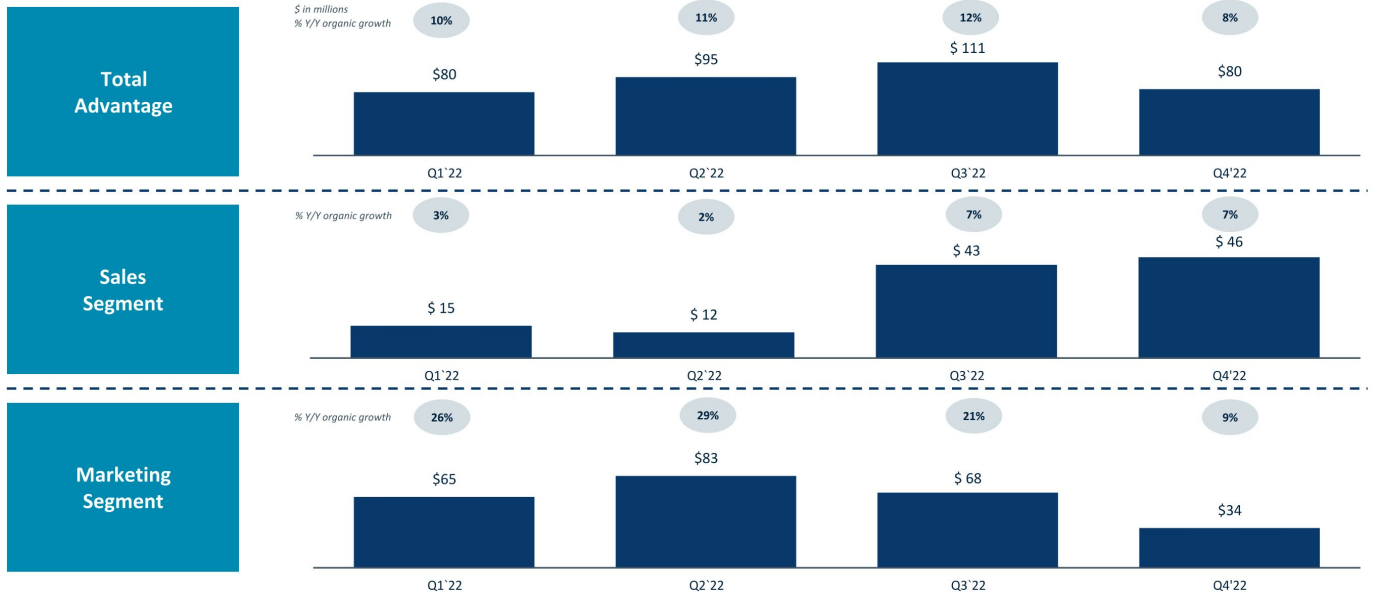
	Client Description	Length of Relationship (years)	Service Offering			Client Description	Length of Relationship (years)	Service Offering	
			Sales	Marketing				Sales	Marketing
Brands	\$40B+ Confectionery/Food CPG	25+	✓	✓	Retailers	\$200B Membership Retailer	25+	✓	✓
	\$8B+ Food & Beverage CPG	25+	✓	✓		\$130B+ Grocer	25+	✓	✓
	\$50B+ Multinational CPG	25+	✓	✓		\$560B Discount Retailer	25+	✓	✓
	\$5B+ Household CPG	15+	✓	✓		\$90B Food Retailer	25+	✓	✓
	\$30B Multinational OTC Pharma	15+	✓	✓		\$130B+ Home Improvement Retailer	25+	✓	✓
	\$80B+ Food & Beverage CPG	10+	✓	✓		\$8B+ Gourmet Supermarket	25+	✓	✓
	\$10B+ Household CPG	10+	✓	✓		\$15B+ Membership Retailer	20+	✓	✓
	\$50B+ Chemical & OTC Pharma	10+	✓	✓		\$90B+ Discount Retailer	20+	✓	✓

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

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

ORGANIC REVENUE GROWTH

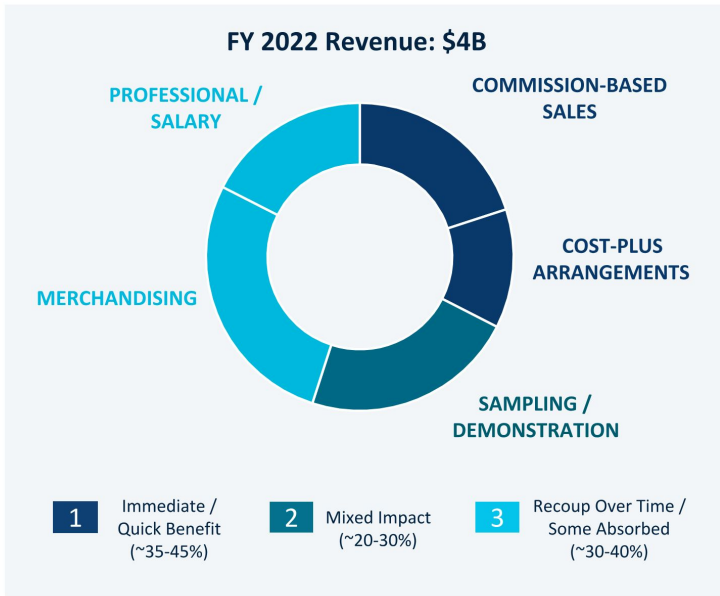
2022 Organic Revenue ⁽¹⁾



(1) Presented net of foreign exchange impact.

PRICING OVERVIEW

Mixed bag of pricing power across various businesses and contract types



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

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

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

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

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

Note: Representative percentages by business / contract type are estimated in nature and subject to change based on business mix in any give time.

CUSTOMER CASE STUDY: MARUCHAN

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

NATIONAL SALES AGENCY

SITUATION

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

ACTION

Hired Advantage Sales for full-service sales representation nationally.

RESULTS

84%

Sales growth over the last 14 years

39%

YOY sales growth of Maruchan Gold new product launch

15+

Percentage points of market share growth in 20 years

MARKETING AGENCY

SITUATION

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

ACTION

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

RESULTS

50K+

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

40M+

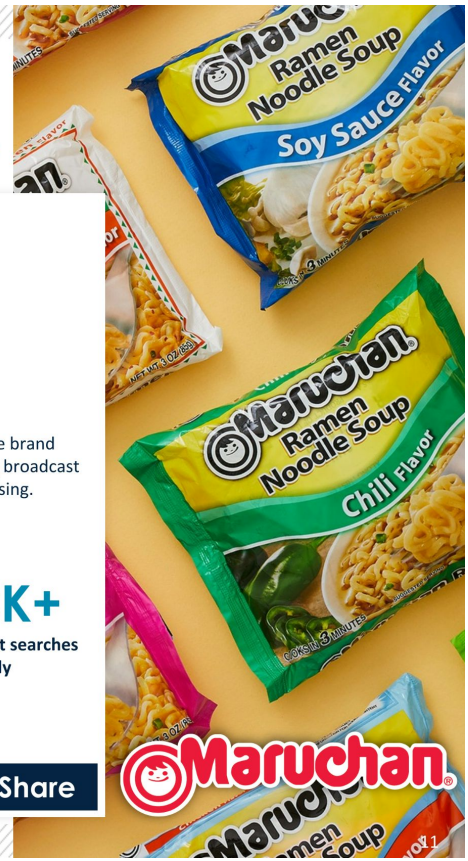
Impressions from 2019 Maruchan GOLD launch campaign and 2021 fully integrated brand campaign

50K+

Product searches annually

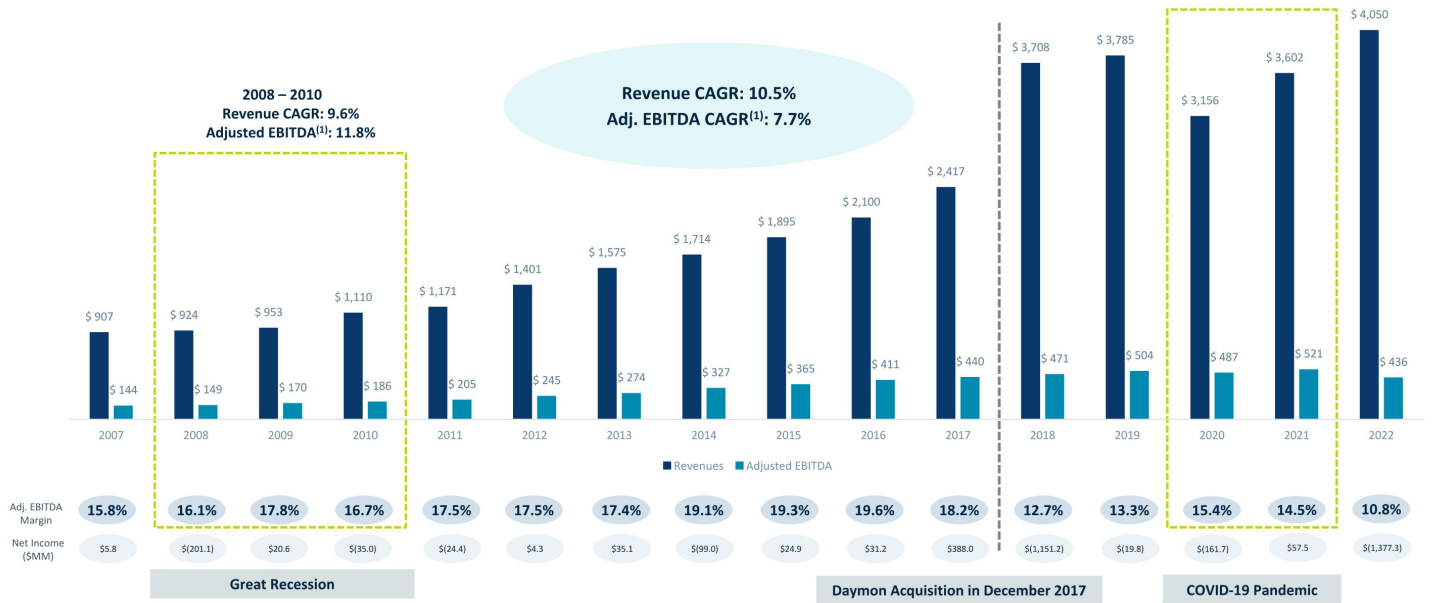
2000: **53.0% Share**

→ **TODAY: 68.1 % Share**



PROVEN TRACK RECORD ACROSS ECONOMIC CYCLES

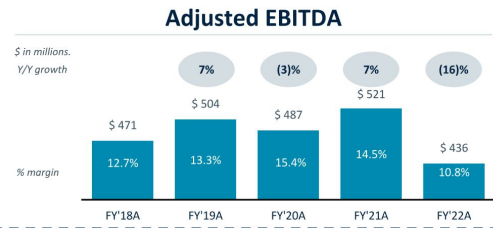
2022 revenues topped \$4B for first time despite unparalleled labor / inflation challenges



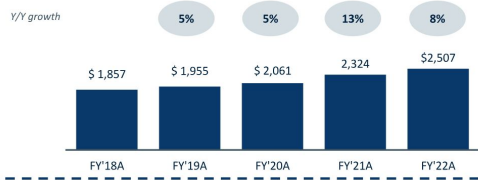
(1) Adjusted EBITDA and Adjusted EBITDA margin are measures that are not calculated in accordance with GAAP. For a reconciliation of Adjusted EBITDA to net income (loss), please see the appendix to this presentation.
Note: Dollars in millions. Acquisition of Daymon closed December 2017. Revenue and Adjusted EBITDA CAGRs based on 2007 – 2022 time period.

2018-2022 PERFORMANCE TRENDS

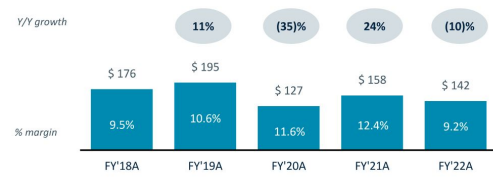
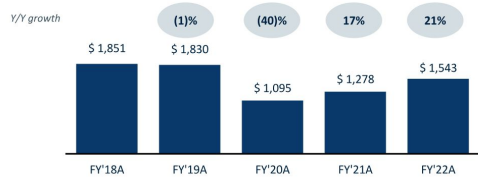
Total Advantage



Sales Segment



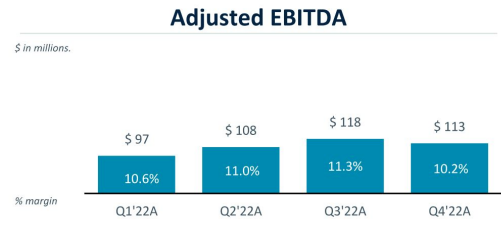
Marketing Segment



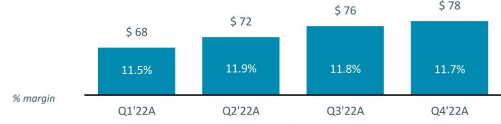
Note: Please see the appendix for a reconciliation of non-GAAP financial measures to most directly comparable GAAP measures. Totals may not add due to rounding.

2022 QUARTERLY FINANCIAL RESULTS

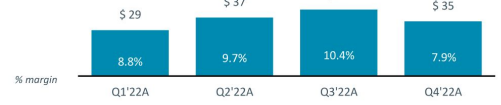
Total Advantage



Sales Segment



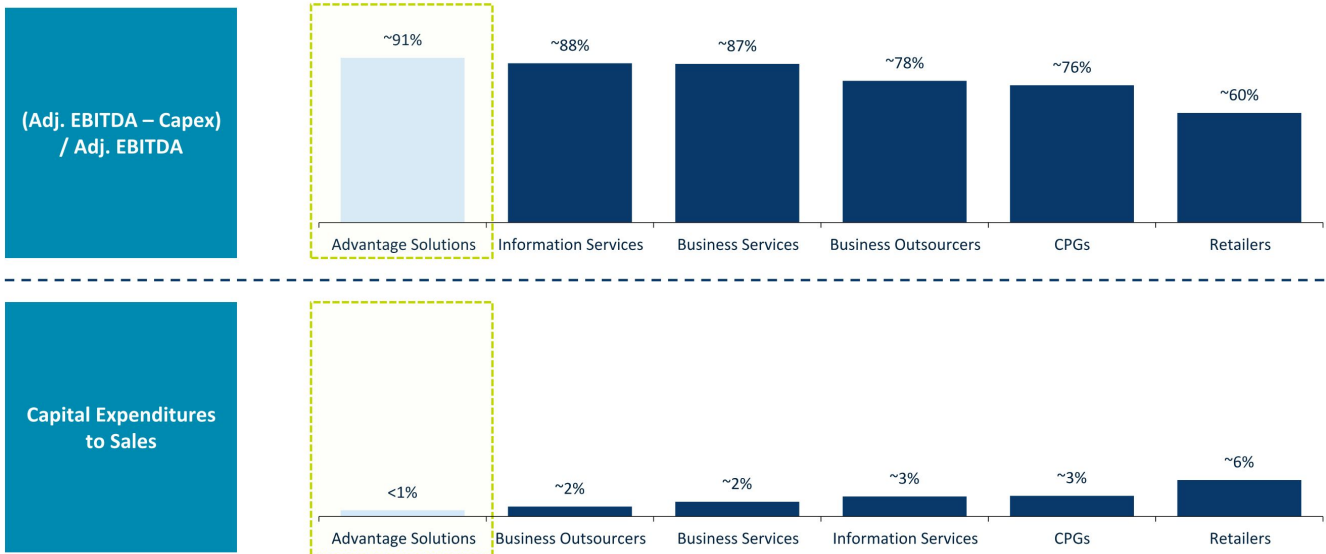
Marketing Segment



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

ASSET-LIGHT BUSINESS

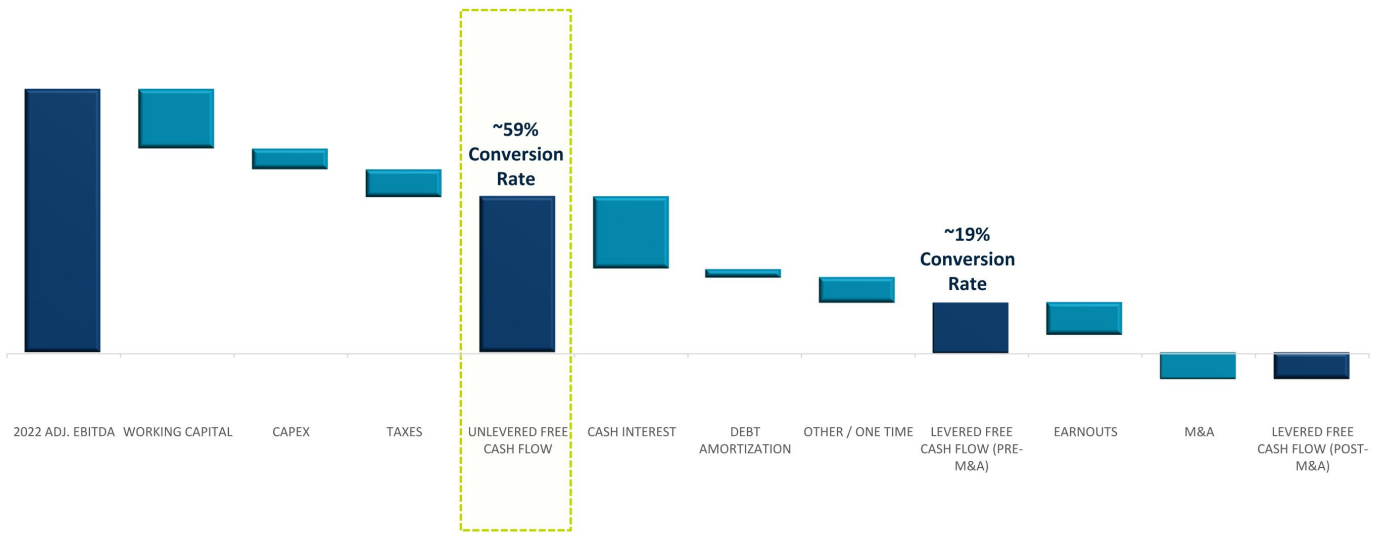
Advantage differentiated from peers / industry participants due to limited capital intensity



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

FREE CASH FLOW BRIDGE

Strong cash flow characteristics in 2022 expected to improve in 2023



CAPITAL ALLOCATION PRIORITIES

De-lever Balance Sheet

- Expect to steadily de-lever balance sheet beginning in 2023 via cash accumulation
- Current leverage: 4.5x net debt⁽¹⁾ to LTM September Adjusted EBITDA

Organic Growth & Investment

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

M&A Opportunities

- Any M&A activities should not be adverse to the balance sheet or impact debt metrics
- No acquisitions completed since August 2022
- Disciplined long-term approach to M&A to further industry leadership position and enhance portfolio

Share Repurchases

- Opportunistically repurchase shares with available cash
- \$100M Open Share Repurchase Authorization; \$13M repurchased through Q4 2022

Advantage is focused on de-leveraging balance sheet and any M&A activities should not be adverse to the balance sheet or impact debt metrics

(1) Net debt is a non-GAAP financial measure and includes Other Debt of approximately \$6M. For a reconciliation of net debt to total debt, the most directly comparable GAAP counterpart, please see the appendix attached hereto.

CAPITALIZATION SUMMARY

- Total Debt of \$2.1 billion
 - Leverage at around 4.5x net debt⁽¹⁾ to LTM December Adjusted EBITDA
 - No meaningful maturities for the next 4+ years
 - 75 bps LIBOR cap in place on \$650M of First Lien Term Loan through October 2024

- Debt Capitalization:

	Maturity	Rate	Outstanding
First Lien Term Loan	2027	L+4.50% ⁽²⁾	1,299
Senior Secured Notes	2028	6.50%	775
Total Funded Debt			\$2,074
Other Debt			6
Less: Cash and Cash Equivalents			(121)
Total Net Debt⁽¹⁾			\$1,959



- Equity capitalization as of December 31, 2022:

- 319,690,300 Class A Common shares outstanding
- 1,610,014 Treasury shares outstanding
- 18,578,321 Warrants with a \$11.50 exercise price per share
- 18,065,488 Options, RSUs, and PSUs⁽⁴⁾

(1) Net debt is a non-GAAP financial measure and includes Other Debt of approximately \$6M. 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% LIBOR floor. See First Lien Credit Agreement, dated October 28, 2020 and First Lien Amendment dated October 28, 2021 for additional information.
 (3) First Lien Term Loan that amortizes at 3% per annum, paid quarterly. Illustratively showing full \$1,299 million obligation in 2027E maturity, including \$500 million of borrowing capacity of Revolving Credit Facility.
 (4) PSUs represent the number of underlying shares that would be issued at Target performance levels.

Appendix & Non-GAAP Reconciliation

ADVANTAGE CEO DAVE PEACOCK



Dave Peacock was named Advantage Solutions CEO in January 2023. His 30-plus-year career in the consumer packaged goods and retail industry includes four years as president and chief operating officer of Schnuck Markets, Inc., and two decades at Anheuser-Busch, where he served three years as the company's president.

Prior to joining Advantage, Peacock was chief operating officer and on the board of directors of Continental Grain Company, a global investor, owner and operator of companies across the food and agribusiness spectrum. Previously, he was a member of the board of advisors for, and was the founder and chairman of, Vitaligent, LLC, a multi-unit restaurant franchise.

He is a member of the board of directors of Stifel Financial Corp. and past member of the board of directors of Wayne-Sanderson Farms and Post Holdings Partnership Corporation. He also served on the board of trustees of the Urban League of Metropolitan St. Louis and the board of directors of Pink Ribbon Girls.

NON-GAAP RECONCILIATION (1/6)

Consolidated	Year Ended December 31,															
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Company (in thousands)	(Unaudited) ⁽¹⁾				(Unaudited) ⁽¹⁾											
Net income (loss)	\$ 5,790	\$ (201,052)	\$ 20,622	\$ (34,984)	\$ (24,442)	\$ 4,253	\$ 35,072	\$ (98,984)	\$ 24,886	\$ 31,165	\$ 388,042	\$ (1,151,223)	\$ (19,756)	\$ (161,707)	\$ 57,549	\$ (1,377,292)
Add:																
Interest expense, net	69,403	255,211	26,199	96,606	106,738	112,426	100,020	158,123	100,895	167,360	179,566	229,643	232,077	234,044	137,937	104,459
Provision for (benefit from) income taxes	10,294	59,213	45,989	(50)	(8,471)	(8,106)	17,922	(16,965)	18,202	22,623	(358,806)	(168,394)	1,253	(5,311)	33,617	(145,337)
Depreciation and amortization	51,110	(13,074)	16,538	57,566	124,644	144,912	126,648	143,954	164,584	170,260	179,990	225,233	232,573	238,598	240,041	233,075
Impairment of goodwill and indefinite-lived assets	6,290	53,189	60,234	—	—	—	—	—	—	—	—	1,232,000	—	—	—	1,572,523
Equity-based compensation of Karman Topco L.P. ⁽¹⁾	665	931	668	758	1,771	1,855	1,724	3,032	7,463	7,622	9,882	(2,432)	7,960	98,119	(10,313)	(6,934)
Change in fair value of warrant liability	—	—	—	—	—	—	—	—	—	—	—	—	—	—	955	(21,236)
Stock-based compensation expense ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34,602	39,825
Fair value adjustments related to contingent consideration related to acquisitions ⁽¹⁾	—	(5,879)	(290)	—	—	—	(2,178)	(11,979)	(31,305)	(841)	12,757	(54,464)	1,516	13,367	4,562	4,774
Acquisition-related expenses ⁽¹⁾	—	—	—	65,754	5,115	719	2,547	140,423	9,857	10,368	25,251	61,155	31,476	50,823	20,173	23,902
EBITDA for economic interests in investments ⁽¹⁾	—	—	—	—	84	(11,107)	(13,355)	(469)	1,426	1,778	(4,636)	(7,212)	(8,421)	(6,462)	(13,437)	(12,888)
Restructuring expenses ⁽¹⁾	—	—	—	—	—	—	—	—	5,498	1,890	7,343	12,465	5,385	39,770	12,502	6,094
Litigation expenses ⁽¹⁾	—	—	—	—	—	—	—	—	3,984	(975)	271	—	3,500	1,980	(910)	5,357
Costs associated with COVID-19, net of benefits received ⁽³⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	(11,954)	(991)	7,208
Recovery from Take 5	—	—	—	—	—	—	—	—	—	—	—	79,165	—	(7,700)	—	—
Costs associated with the Take 5 Matter ⁽³⁾	—	—	—	—	—	—	—	—	—	—	—	14,178	16,368	3,628	4,901	2,465
Adjusted EBITDA	\$ 143,552	\$ 148,539	\$ 169,960	\$ 185,650	\$ 205,439	\$ 244,952	\$ 274,300	\$ 327,135	\$ 365,490	\$ 411,250	\$ 439,660	\$ 471,374	\$ 504,031	\$ 487,175	\$ 521,178	\$ 435,995
(in thousands)																
Numerator - Revenues	\$ 907,174	\$ 923,491	\$ 953,060	\$ 1,109,859	\$ 1,170,623	\$ 1,401,406	\$ 1,575,254	\$ 1,713,720	\$ 1,895,046	\$ 2,100,235	\$ 2,416,927	\$ 3,707,628	\$ 3,785,063	\$ 3,155,671	\$ 3,602,298	\$ 4,049,742
Denominator - Adjusted EBITDA	\$ 143,552	\$ 148,539	\$ 169,960	\$ 185,650	\$ 205,439	\$ 244,952	\$ 274,300	\$ 327,135	\$ 365,490	\$ 411,250	\$ 439,660	\$ 471,374	\$ 504,031	\$ 487,175	\$ 521,178	\$ 435,995
Adjusted EBITDA Margin	15.8%	16.1%	17.8%	16.7%	17.5%	17.5%	17.4%	19.1%	19.3%	19.6%	18.2%	12.7%	13.3%	15.4%	14.5%	10.8%

NON-GAAP RECONCILIATION (2/6)

Consolidated	Three Months Ended			
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Total Company (in thousands)				
Net income (loss)	\$ 17,534	\$ 3,676	\$ 23,227	\$ (1,421,729)
Add:				
Interest expense, net	11,883	28,188	23,557	40,831
Provision for (benefit from) income taxes	9,049	1,316	1,158	(156,860)
Depreciation and amortization	57,768	58,444	57,785	59,078
Impairment of goodwill and indefinite-lived assets	—	—	—	1,572,523
Equity-based compensation of Karman Topco L.P. ⁽¹⁾	(2,795)	(3,519)	(828)	208
Change in fair value of warrant liability	(15,442)	(4,914)	(1,100)	220
Stock-based compensation expense ⁽²⁾	7,771	14,961	7,174	9,919
Fair value adjustments related to contingent consideration related to acquisitions ⁽³⁾	2,134	3,654	(340)	(674)
Acquisition-related expenses ⁽⁴⁾	9,585	5,998	4,260	4,059
EBITDA for economic interests in investments ⁽⁵⁾	(4,052)	(1,020)	(2,474)	(5,342)
Restructuring expenses ⁽⁶⁾	643	253	3,562	1,636
Litigation expenses ⁽⁷⁾	—	(800)	—	6,157
Costs associated with COVID-19, net of benefits received ⁽⁸⁾	1,574	1,362	2,009	2,263
Costs associated with the Take 5 Matter ⁽⁹⁾	1,087	723	278	377
Adjusted EBITDA	\$ 96,739	\$ 108,322	\$ 118,268	\$ 112,666

(in thousands)	Three Months Ended			
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Numerator - Revenues	\$ 914,808	\$ 981,076	\$ 1,051,095	\$ 1,102,763
Denominator - Adjusted EBITDA	\$ 96,739	\$ 108,322	\$ 118,268	\$ 112,666
Adjusted EBITDA	10.6%	11.0%	11.3%	10.2%

NON-GAAP RECONCILIATION (3/6)

	Three Months Ended			
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Sales Segment (in thousands)				
Operating income (loss)	\$ 18,973	\$ 15,177	\$ 31,765	\$ (1,389,107)
Add:				
Depreciation and amortization	40,969	40,543	39,798	40,075
Impairment of goodwill and indefinite-lived assets	—	—	—	1,421,719
Equity-based compensation of Karman Topco L.P. ⁽¹⁾	(1,652)	(2,032)	(320)	283
Stock-based compensation expense ⁽²⁾	4,758	9,171	4,080	6,016
Fair value adjustments related to contingent consideration related to acquisitions ⁽³⁾	803	6,090	(1,901)	(4,442)
Acquisition-related expenses ⁽⁴⁾	7,314	3,540	2,880	808
EBITDA for economic interests in investments ⁽⁵⁾	(4,207)	(1,155)	(2,656)	(5,351)
Restructuring expenses ⁽⁶⁾	819	340	2,360	1,307
Litigation expense ⁽⁷⁾	—	(100)	—	6,157
Costs associated with COVID-19, net of benefits received ⁽⁸⁾	456	179	166	611
Sales Segment Adjusted EBITDA	\$ 68,233	\$ 71,753	\$ 76,172	\$ 78,076

	Three Months Ended			
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Marketing Segment (in thousands)				
Operating income (loss)	\$ 4,051	\$ 13,089	\$ 15,077	\$ (148,431)
Add:				
Depreciation and amortization	16,799	17,901	17,987	19,003
Impairment of goodwill and indefinite-lived assets	—	—	—	150,804
Equity based compensation of Topco ⁽¹⁾	(1,143)	(1,487)	(508)	(75)
Stock based compensation expense ⁽²⁾	3,013	5,790	3,094	3,903
Fair value adjustments related to contingent consideration related to acquisitions ⁽³⁾	1,331	(2,436)	1,561	3,768
Acquisition-related expenses ⁽⁴⁾	2,271	2,458	1,380	3,251
EBITDA for economic interests in investments ⁽⁵⁾	155	135	182	9
Restructuring expenses ⁽⁶⁾	(176)	(87)	1,202	329
Litigation expenses ⁽⁷⁾	—	(700)	—	—
Costs associated with COVID-19, net of benefits received ⁽⁸⁾	1,118	1,183	1,843	1,652
Costs associated with the Take 5 Matter ⁽⁹⁾	1,087	723	278	377
Marketing Segment Adjusted EBITDA	\$ 28,506	\$ 36,569	\$ 42,096	\$ 34,590

NON-GAAP RECONCILIATION (4/6)

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

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

NON-GAAP RECONCILIATION (5/6)

(in millions)	December 31, 2022
Current portion of long-term debt	\$ 14.0
Long-term debt, net of current portion	2,022.8
Less: Debt issuance costs	(42.4)
Total Debt	2,079.2
Less: Cash and cash equivalents	120.7
Total Net Debt	\$ 1,958.5

NON-GAAP RECONCILIATION (6/6)

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

- (1) Represents expenses related to (i) equity-based compensation expense associated with grants of Common Series D Units of Karman Topco L.P. ("Topco") made to one of the equityholders of Topco and (ii) equity-based compensation expense associated with the Common Series C Units of Topco.
- (2) Represents non-cash compensation expense related to issuance of performance restricted stock units, restricted stock units, and stock options with respect to our Class A common stock under the Advantage Solutions Inc. 2020 Incentive Award Plan and the Advantage Solutions 2020 Employee Stock Purchase Plan.
- (3) 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.
- (4) 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.
- (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) Represents fees and costs associated with various internal reorganization activities among our consolidated entities.
- (7) Represents legal settlements, reserves, and expenses that are unusual or infrequent costs associated with our operating activities.
- (8) 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.
- (9) Represents costs associated with the Take 5 Matter, primarily, professional fees and other related costs.
- (10) Unaudited periods 2010 and 2014 are both comprised of audited stub periods to sum up to full year financials (individual stub periods within each year are audited, full year summations are unaudited).