



First Advantage Reports Full Year and Fourth Quarter 2023 Results

February 29, 2024

Introduces Full Year 2024 Guidance

Announces Agreement to Acquire Sterling Check Corp.

Full Year 2023 Highlights¹

- Revenues of \$763.8 million
- Net Income of \$37.3 million; Adjusted Net Income of \$145.8 million
- Adjusted EBITDA of \$237.6 million
- GAAP Diluted Net Income Per Share of \$0.26; Adjusted Diluted Earnings Per Share of \$1.00
- Cash Flows from Operations of \$162.8 million
- Ended the year with Cash and Cash Equivalents of \$213.8 million, after the \$217.7 million one-time special dividend payment, \$59.0 million in share repurchases, and the \$41.0 million acquisition of Infinite ID

Fourth Quarter 2023 Highlights¹

- Revenues of \$202.6 million
- Net Income of \$14.8 million; Adjusted Net Income of \$42.6 million
- Adjusted EBITDA of \$68.2 million
- GAAP Diluted Net Income Per Share of \$0.10; Adjusted Diluted Earnings Per Share of \$0.29
- Cash Flows from Operations of \$56.7 million

Standalone First Advantage Full Year 2024 Guidance

- Introducing full-year 2024 guidance ranges for Revenues of \$750 million to \$800 million, Adjusted EBITDA of \$228 million to \$248 million, Adjusted Net Income of \$127 million to \$142 million, and Adjusted Diluted Earnings Per Share of \$0.88 to \$0.98²

Acquisition of Sterling Check Corp.

- Announced today a definitive purchase agreement to acquire Sterling Check Corp. (NASDAQ: STER) (“Sterling Check” or “Sterling”) in a cash and stock transaction valued at approximately \$2.2 billion. The transaction is expected to drive attractive total shareholder returns, including at least \$50 million of synergies, implying expected double-digit Adjusted EPS accretion immediately on a run-rate synergy basis and accelerated earnings growth potential from topline development, synergies, and deleveraging. The related press release is available on First Advantage’s investor relations website.

ATLANTA, Feb. 29, 2024 (GLOBE NEWSWIRE) -- First Advantage Corporation (NASDAQ: FA), a leading provider of employment background screening, identity, and verification solutions, today announced financial results for the full year and fourth quarter ended December 31, 2023.

Key Financials

(Amounts in millions, except per share data and percentages)

| | Three Months Ended December 31, | | | Year Ended December 31, | | |
|--|------------------------------------|----------|---------|----------------------------|----------|---------|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| Revenues | \$ 202.6 | \$ 212.6 | (4.7)% | \$ 763.8 | \$ 810.0 | (5.7)% |
| Income from operations | \$ 29.4 | \$ 28.7 | 2.2% | \$ 81.5 | \$ 94.3 | (13.5)% |
| Net income | \$ 14.8 | \$ 20.1 | (26.5)% | \$ 37.3 | \$ 64.6 | (42.3)% |
| Net income margin | 7.3% | 9.5% | NA | 4.9% | 8.0% | NA |
| Diluted net income per share | \$ 0.10 | \$ 0.13 | (23.1)% | \$ 0.26 | \$ 0.43 | (39.5)% |
| Adjusted EBITDA ¹ | \$ 68.2 | \$ 70.3 | (2.9)% | \$ 237.6 | \$ 248.9 | (4.6)% |
| Adjusted EBITDA Margin ¹ | 33.7% | 33.1% | NA | 31.1% | 30.7% | NA |
| Adjusted Net Income ¹ | \$ 42.6 | \$ 45.0 | (5.3)% | \$ 145.8 | \$ 156.5 | (6.8)% |
| Adjusted Diluted Earnings Per Share ¹ | \$ 0.29 | \$ 0.30 | (3.3)% | \$ 1.00 | \$ 1.03 | (2.9)% |

¹ Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted Earnings Per Share are non-GAAP measures. Please see the schedules accompanying this earnings release for a reconciliation of these measures to their most directly comparable respective GAAP measures.

Note: "NA" indicates not applicable information.

"We were pleased with our performance for 2023 as we successfully navigated the uncertain macroeconomic environment and evolving labor market. Our upsell and cross-sell wins, new customer additions, and attrition for the year performed broadly in-line with our historical revenue growth rates," said Scott Staples, Chief Executive Officer. "The fourth quarter exemplified the continued strength of our flexible business model, disciplined cost management, and investments in technology and automation, which were key drivers of our record Adjusted EBITDA Margin of nearly 34% and strong Cash Flow from Operations of approximately \$57 million," continued Mr. Staples.

"Today, we announced a transformative step for First Advantage and the background screening industry with the agreement to acquire Sterling. This is a game changer in our value creation playbook that accelerates our strategy to strengthen our customer offerings and drive growth. Customers already recognize the value we add in creating a safer employment environment and rely on us for fast, high-quality background screening, identity, and verification services that enable them to hire smarter and onboard faster. With the acquisition of Sterling, we will create a platform that combines leading technology and innovative solutions, further enhancing our customer value proposition and differentiating First Advantage as a vendor of choice," continued Mr. Staples.

First Advantage To Acquire Sterling Check Corp.

First Advantage announced today that it has entered into a definitive purchase agreement to acquire Sterling Check Corp. First Advantage will issue a combination of cash and stock valuing Sterling Check at approximately \$2.2 billion, including Sterling Check's outstanding debt. The transaction extends First Advantage's high-quality and cost-effective background screening, identity, and verification technology solutions for the benefit of both companies' customers across industry verticals and geographies. Building on pro forma combined revenue of \$1.5 billion for the year ended December 31, 2023, the transaction is expected to deliver at least \$50 million in run-rate synergies, implying immediate double-digit EPS accretion on a run-rate synergy basis. The combined company will have greater diversification of revenue across customer segments, industries, and geographies, reducing seasonality and improving resource planning and operational efficiency. The transaction is expected to close in approximately the third quarter of 2024, with the closing and timing thereof subject to required regulatory approvals, clearances, and other customary closing conditions.

Liquidity, Cash Flow, and Capital Allocation

As of December 31, 2023, First Advantage had cash and cash equivalents of \$213.8 million and total debt of \$564.7 million.

During the fourth quarter of 2023, the Company generated \$56.7 million of cash flow from operations and spent \$7.1 million on purchases of property and equipment, including capitalized software development costs.

During the fourth quarter, the Company repurchased 232,360 shares of its common stock for an aggregate outlay of approximately \$3.1 million under its \$200 million share repurchase program. Since the authorization of the share repurchase program in 2022, the Company has returned approximately \$119.5 million to shareholders through the repurchase of approximately 9.0 million shares, as of February 23, 2024. As of December 31, 2023, the Company had 145,074,802 shares of common stock outstanding. Given today's announcement of the agreement to acquire Sterling Check, the Company is suspending purchases under its share repurchase program.

"Over the course of 2023, we continued our balanced approach to capital allocation, including making ongoing investments in our technology and automation, acquiring Infinite ID, paying a one-time special dividend, and continuing to repurchase shares," commented David Gamsey, EVP and Chief Financial Officer. "Our flexible business model, strong margins, robust cash flow generation, and healthy balance sheet were key enablers to our announced acquisition of Sterling. Looking forward, we are excited to build on our strong, established foundation with the acquisition of Sterling. We will work quickly to realize synergies to drive improved Adjusted EBITDA margins and cash flows as we focus on investing in innovation and reducing our overall net leverage."

Standalone First Advantage Full Year 2024 Guidance

The following table summarizes our standalone full-year 2024 guidance, which excludes contributions from the pending Sterling Check acquisition and will be adjusted accordingly upon closing:

| | As of February 29, 2024 |
|--|--------------------------------|
| Revenues | \$750 million – \$800 million |
| Adjusted EBITDA ² | \$228 million – \$248 million |
| Adjusted Net Income ² | \$127 million – \$142 million |
| Adjusted Diluted Earnings Per Share ² | \$0.88 – \$0.98 |

² A reconciliation of the foregoing guidance for the non-GAAP metrics of Adjusted EBITDA and Adjusted Net Income to GAAP net income and Adjusted Diluted Earnings Per Share to GAAP diluted net income per share cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliation that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, the Company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.

The Company's standalone full-year 2024 guidance ranges reflect the current hiring environment and expectations that existing macroeconomic conditions and similar labor market trends will continue throughout 2024. Adjusted Net Income and Adjusted Diluted Earnings Per Share guidance ranges include the impacts from the 2023 one-time special dividend, expiring interest rate swaps, and share buybacks.

Actual results may differ materially from First Advantage's full-year 2024 guidance as a result of, among other things, the factors described under "Forward-Looking Statements" below.

Conference Call and Webcast Information

First Advantage will host a conference call to review its fourth quarter and full year 2023 results and to discuss details of the Sterling Check Corp. acquisition today, February 29, 2024, at 8:30 a.m. ET.

To participate in the conference call, please dial 800-267-6316 (domestic) or 203-518-9843 (international) approximately ten minutes before the 8:30 a.m. ET start. Please mention to the operator that you are dialing in for the First Advantage fourth quarter 2023 earnings call or provide the conference code FA4Q23. The call will also be webcast live on the Company's investor relations website at <https://investors.fadv.com> under the "News & Events" and then "Events & Presentations" section, where related presentation materials will be posted prior to the conference call.

Following the conference call, a replay of the webcast will be available on the Company's investor relations website, <https://investors.fadv.com>. Alternatively, the live webcast and subsequent replay will be available at <https://event.on24.com/wcc/r/4450900/D4362414C8BAE251D42253413CDB11CB>.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, our operations and financial performance. Forward-looking statements include all statements that are not historical facts. These forward-looking statements relate to matters such as our industry, business strategy, goals, and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources, and other financial and operating information. In some cases, you can identify these forward-looking statements by the use of words such as "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future," "will," "seek," "foreseeable," "target," "guidance," the negative version of these words, or similar terms and phrases.

These forward-looking statements are subject to various risks, uncertainties, assumptions, or changes in circumstances that are difficult to predict or quantify. Such risks and uncertainties include, but are not limited to, the following:

- negative changes in external events beyond our control, including our customers' onboarding volumes, economic drivers which are sensitive to macroeconomic cycles, such as interest rate volatility and inflation, geopolitical unrest, and uncertainty in financial markets;
- our operations in a highly regulated industry and the fact that we are subject to numerous and evolving laws and regulations, including with respect to personal data, data security, and artificial intelligence;
- inability to identify and successfully implement our growth strategies on a timely basis or at all;
- potential harm to our business, brand, and reputation as a result of security breaches, cyber-attacks, or the mishandling of personal data;
- our reliance on third-party data providers;
- due to the sensitive and privacy-driven nature of our products and solutions, we could face liability and legal or regulatory proceedings, which could be costly and time-consuming to defend and may not be fully covered by insurance;
- our international business exposes us to a number of risks;
- the timing, manner and volume of repurchases of common stock pursuant to our share repurchase program;
- the continued integration of our platforms and solutions with human resource providers such as applicant tracking systems and human capital management systems as well as our relationships with such human resource providers;
- our ability to obtain, maintain, protect and enforce our intellectual property and other proprietary information;
- disruptions, outages, or other errors with our technology and network infrastructure, including our data centers, servers, and third-party cloud and internet providers and our migration to the cloud;
- our indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our obligations;
- the failure to complete or realize the expected benefits of our acquisition of Sterling Check Corp.; and
- control by our Sponsor, "Silver Lake", (Silver Lake Group, L.L.C., together with its affiliates, successors, and assignees) and its interests may conflict with ours or those of our stockholders.

For additional information on these and other factors that could cause First Advantage's actual results to differ materially from expected results, please see our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission (the "SEC"), as such factors may be updated from time to time in our filings with the SEC, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which is expected to be filed after this press release, which are or will be accessible on the SEC's website at www.sec.gov. The forward-looking statements included in this press release are made only as of the date of this press release, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as required by law.

Non-GAAP Financial Information

This press release contains "non-GAAP financial measures" that are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Specifically, we make use of the non-GAAP financial measures "Adjusted EBITDA," "Adjusted EBITDA Margin," "Adjusted Net Income," "Adjusted Diluted Earnings Per Share," "Constant Currency Revenues," and "Constant Currency Adjusted EBITDA."

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted Earnings Per Share, Constant Currency Revenues, and Constant Currency Adjusted EBITDA have been presented in this press release as supplemental measures of financial performance that are not required by or

presented in accordance with GAAP because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes these non-GAAP measures are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate, and capital investments. Management uses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted Earnings Per Share, Constant Currency Revenues, and Constant Currency Adjusted EBITDA to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation, and to compare our performance against that of other peer companies using similar measures. Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted Earnings Per Share, Constant Currency Revenues, and Constant Currency Adjusted EBITDA are not recognized terms under GAAP and should not be considered as an alternative to net income (loss) as a measure of financial performance or cash provided by (used in) operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP. The presentations of these measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company.

We define Adjusted EBITDA as net income before interest, taxes, depreciation, and amortization, and as further adjusted for loss on extinguishment of debt, share-based compensation, transaction and acquisition-related charges, integration and restructuring charges, and other non-cash charges. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenues. We define Adjusted Net Income for a particular period as net income before taxes adjusted for debt-related costs, acquisition-related depreciation and amortization, share-based compensation, transaction and acquisition-related charges, integration and restructuring charges, and other non-cash charges, to which we then apply the related effective tax rate. We define Adjusted Diluted Earnings Per Share as Adjusted Net Income divided by adjusted weighted average number of shares outstanding —diluted. We define Constant Currency Revenues as current period revenues translated using prior-year period exchange rates. We define Constant Currency Adjusted EBITDA as current period Adjusted EBITDA translated using prior-year period exchange rates. For reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures, see the reconciliations included at the end of this press release. Numerical figures included in the reconciliations have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

About First Advantage

First Advantage (NASDAQ: FA) is a leading provider of employment background screening, identity, and verification solutions. The Company delivers innovative services and insights that help customers manage risk and hire the best talent. Enabled by its proprietary technology, First Advantage helps companies protect their brands and provide safer environments for their customers and their most important resources: employees, contractors, contingent workers, tenants, and drivers. Headquartered in Atlanta, Georgia, First Advantage performs screens in over 200 countries and territories on behalf of its more than 30,000 customers. For more information about First Advantage, visit the Company's website at <https://fadv.com/>.

Investor Contact

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Condensed Financial Statements

First Advantage Corporation
Condensed Consolidated Balance Sheets
(Unaudited)

| | December 31, | |
|---|--------------|------------|
| | 2023 | 2022 |
| <i>(in thousands, except share and per share amounts)</i> | | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 213,774 | \$ 391,655 |
| Restricted cash | 138 | 141 |
| Short-term investments | — | 1,956 |
| Accounts receivable (net of allowance for doubtful accounts of \$1,036 and \$1,348 at December 31, 2023 and 2022, respectively) | 142,690 | 143,811 |
| Prepaid expenses and other current assets | 13,426 | 25,407 |
| Income tax receivable | 3,710 | 3,225 |
| Total current assets | 373,738 | 566,195 |
| Property and equipment, net | 79,441 | 113,529 |
| Goodwill | 820,654 | 793,080 |
| Trade names, net | 66,229 | 71,162 |
| Customer lists, net | 275,528 | 326,014 |
| Other intangible assets, net | 2,257 | — |
| Deferred tax asset, net | 2,786 | 2,422 |
| Other assets | 10,021 | 13,423 |

| | | |
|---|---------------------|---------------------|
| TOTAL ASSETS | \$ 1,630,654 | \$ 1,885,825 |
| LIABILITIES AND EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 47,024 | \$ 54,947 |
| Accrued compensation | 16,379 | 22,702 |
| Accrued liabilities | 16,162 | 16,400 |
| Current portion of operating lease liability | 3,354 | 4,957 |
| Income tax payable | 264 | 724 |
| Deferred revenues | 1,856 | 1,056 |
| Total current liabilities | 85,039 | 100,786 |
| Long-term debt (net of deferred financing costs of \$6,268 and \$8,075 at December 31, 2023 and 2022, respectively) | 558,456 | 556,649 |
| Deferred tax liability, net | 71,274 | 90,556 |
| Operating lease liability, less current portion | 5,931 | 7,879 |
| Other liabilities | 3,221 | 3,337 |
| Total liabilities | 723,921 | 759,207 |
| EQUITY | | |
| Common stock - \$0.001 par value; 1,000,000,000 shares authorized, 145,074,802 and 148,732,603 shares issued and outstanding as of December 31, 2023 and 2022, respectively | 145 | 149 |
| Additional paid-in-capital | 977,290 | 1,176,163 |
| Accumulated deficit | (49,545) | (27,363) |
| Accumulated other comprehensive loss | (21,157) | (22,331) |
| Total equity | 906,733 | 1,126,618 |
| TOTAL LIABILITIES AND EQUITY | \$ 1,630,654 | \$ 1,885,825 |

First Advantage Corporation
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

| | Interim Periods | | Annual Periods | |
|---|--------------------------------------|--------------------------------------|------------------------------|------------------------------|
| | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 | Year Ended December 31, 2023 | Year Ended December 31, 2022 |
| <i>(in thousands, except share and per share amounts)</i> | | | | |
| REVENUES | \$ 202,562 | \$ 212,595 | \$ 763,761 | \$ 810,023 |
| OPERATING EXPENSES: | | | | |
| Cost of services (exclusive of depreciation and amortization below) | 101,309 | 107,905 | 386,777 | 408,928 |
| Product and technology expense | 10,889 | 11,962 | 49,263 | 51,931 |
| Selling, general, and administrative expense | 27,851 | 28,925 | 116,732 | 116,640 |
| Depreciation and amortization | 33,132 | 35,061 | 129,473 | 138,246 |
| Total operating expenses | 173,181 | 183,853 | 682,245 | 715,745 |
| INCOME FROM OPERATIONS | 29,381 | 28,742 | 81,516 | 94,278 |
| OTHER EXPENSE, NET: | | | | |
| Interest expense, net | 12,915 | 5,197 | 33,040 | 9,199 |
| Total other expense, net | 12,915 | 5,197 | 33,040 | 9,199 |
| INCOME BEFORE PROVISION FOR INCOME TAXES | 16,466 | 23,545 | 48,476 | 85,079 |
| Provision for income taxes | 1,653 | 3,399 | 11,183 | 20,475 |
| NET INCOME | \$ 14,813 | \$ 20,146 | \$ 37,293 | \$ 64,604 |
| Foreign currency translation income (loss) | 1,697 | 2,395 | 1,174 | (20,694) |
| COMPREHENSIVE INCOME | \$ 16,510 | \$ 22,541 | \$ 38,467 | \$ 43,910 |
| NET INCOME | \$ 14,813 | \$ 20,146 | \$ 37,293 | \$ 64,604 |
| Basic net income per share | \$ 0.10 | \$ 0.14 | \$ 0.26 | \$ 0.43 |
| Diluted net income per share | \$ 0.10 | \$ 0.13 | \$ 0.26 | \$ 0.43 |
| Weighted average number of shares outstanding - basic | 143,167,422 | 148,704,033 | 144,083,808 | 150,227,213 |

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Weighted average number of shares outstanding - diluted | 144,969,753 | 150,055,595 | 146,226,096 | 151,807,139 |
|---|-------------|-------------|-------------|-------------|

First Advantage Corporation
Condensed Consolidated Statements of Cash Flows
(Unaudited)

| <i>(in thousands)</i> | December 31, | |
|---|--------------|------------|
| | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 37,293 | \$ 64,604 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 129,473 | 138,246 |
| Amortization of deferred financing costs | 1,807 | 1,804 |
| Bad debt (recovery) expense | (56) | 207 |
| Deferred taxes | (19,497) | 4,597 |
| Share-based compensation | 15,265 | 7,856 |
| Loss on foreign currency exchange rates | 8 | 91 |
| Loss on disposal of fixed assets and impairment of ROU assets | 1,608 | 1,263 |
| Change in fair value of interest rate swaps | 116 | (12,429) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 2,339 | 9,149 |
| Prepaid expenses and other assets | 13,440 | 4,892 |
| Accounts payable | (8,503) | 2,983 |
| Accrued compensation and accrued liabilities | (9,301) | (11,365) |
| Deferred revenues | 788 | 91 |
| Operating lease liabilities | (1,378) | (898) |
| Other liabilities | 347 | 4,724 |
| Income taxes receivable and payable, net | (929) | (3,045) |
| Net cash provided by operating activities | 162,820 | 212,770 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of businesses, net of cash acquired | (41,122) | (19,052) |
| Purchases of property and equipment | (2,085) | (6,165) |
| Capitalized software development costs | (25,614) | (22,363) |
| Other investing activities | 1,974 | (1,016) |
| Net cash used in investing activities | (66,847) | (48,596) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash dividends paid | (217,739) | — |
| Share repurchases | (58,990) | (60,530) |
| Proceeds from issuance of common stock under share-based compensation plans | 4,565 | 3,522 |
| Payments on deferred purchase agreements | (938) | (884) |
| Net settlement of share-based compensation plan awards | (350) | (378) |
| Payments on finance lease obligations | (104) | (884) |
| Net cash used in financing activities | (273,556) | (59,154) |
| Effect of exchange rate on cash, cash equivalents, and restricted cash | (301) | (6,014) |
| (Decrease) increase in cash, cash equivalents, and restricted cash | (177,884) | 99,006 |
| Cash, cash equivalents, and restricted cash at beginning of period | 391,796 | 292,790 |
| Cash, cash equivalents, and restricted cash at end of period | \$ 213,912 | \$ 391,796 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid for income taxes, net of refunds received | \$ 31,623 | \$ 17,475 |
| Cash paid for interest | \$ 45,697 | \$ 27,042 |
| NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Property and equipment acquired on account | \$ 118 | \$ 105 |
| Excise taxes on share repurchases incurred but not paid | \$ 490 | \$ — |
| Dividends declared but not paid | \$ 614 | \$ — |

Reconciliation of Consolidated Non-GAAP Financial Measures

Three Months Ended December 31, 2023

| <i>(in thousands)</i> | <u>Americas</u> | <u>International</u> | <u>Eliminations</u> | <u>Total revenues</u> |
|--|-------------------|----------------------|---------------------|-----------------------|
| Revenues, as reported (GAAP) | \$ 182,290 | \$ 22,065 | \$ (1,793) | \$ 202,562 |
| Foreign currency translation impact ^(a) | (56) | (636) | (12) | (704) |
| Constant currency revenues | \$ 182,234 | \$ 21,429 | \$ (1,805) | \$ 201,858 |

| <i>(in thousands)</i> | <u>Year Ended December 31, 2023</u> | | | |
|--|-------------------------------------|----------------------|---------------------|-----------------------|
| | <u>Americas</u> | <u>International</u> | <u>Eliminations</u> | <u>Total revenues</u> |
| Revenues, as reported (GAAP) | \$ 673,075 | \$ 96,832 | \$ (6,146) | \$ 763,761 |
| Foreign currency translation impact ^(a) | (146) | 2,067 | 103 | 2,024 |
| Constant currency revenues | \$ 672,929 | \$ 98,899 | \$ (6,043) | \$ 765,785 |

(a) Constant currency revenues is calculated by translating current period amounts using prior-year period exchange rates.

| <i>(in thousands)</i> | <u>Interim Periods</u> | | <u>Annual Periods</u> | |
|--|---------------------------|---------------------------|--------------------------|--------------------------|
| | <u>Three Months Ended</u> | <u>Three Months Ended</u> | <u>Year Ended</u> | <u>Year Ended</u> |
| | <u>December 31, 2023</u> | <u>December 31, 2022</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
| Net income | \$ 14,813 | \$ 20,146 | \$ 37,293 | \$ 64,604 |
| Interest expense, net | 12,915 | 5,197 | 33,040 | 9,199 |
| Provision for income taxes | 1,653 | 3,399 | 11,183 | 20,475 |
| Depreciation and amortization | 33,132 | 35,061 | 129,473 | 138,246 |
| Share-based compensation ^(a) | 4,816 | 2,032 | 15,265 | 7,856 |
| Transaction and acquisition-related charges ^(b) | 532 | 1,433 | 4,364 | 6,018 |
| Integration, restructuring, and other charges ^(c) | 373 | 3,020 | 6,938 | 2,512 |
| Adjusted EBITDA | \$ 68,234 | \$ 70,288 | \$ 237,556 | \$ 248,910 |
| Revenues | 202,562 | 212,595 | 763,761 | 810,023 |
| Net income margin | 7.3 % | 9.5 % | 4.9 % | 8.0 % |
| Adjusted EBITDA Margin | 33.7 % | 33.1 % | 31.1 % | 30.7 % |
| Adjusted EBITDA | 68,234 | | 237,556 | |
| Foreign currency translation impact ^(d) | (110) | | 498 | |
| Constant currency Adjusted EBITDA | \$ 68,124 | | \$ 238,054 | |

(a) Share-based compensation for the three months and year ended December 31, 2023, includes approximately \$2.6 million and \$6.6 million, respectively, of incrementally recognized expense associated with the May 2023 vesting modification.

(b) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Also includes incremental professional service fees incurred related to the initial public offering and subsequent one-time compliance efforts. The year ended December 31, 2022 includes a transaction bonus expense related to one of the Company's 2021 acquisitions.

(c) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, and (gains) losses on the sale of assets.

(d) Constant currency Adjusted EBITDA is calculated by translating current period amounts using prior-year period exchange rates.

Reconciliation of Consolidated Non-GAAP Financial Measures (continued)

| <i>(in thousands)</i> | <u>Interim Periods</u> | | <u>Annual Periods</u> | |
|--|---------------------------|---------------------------|--------------------------|--------------------------|
| | <u>Three Months Ended</u> | <u>Three Months Ended</u> | <u>Year Ended</u> | <u>Year Ended</u> |
| | <u>December 31, 2023</u> | <u>December 31, 2022</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
| Net income | \$ 14,813 | \$ 20,146 | \$ 37,293 | \$ 64,604 |
| Provision for income taxes | 1,653 | 3,399 | 11,183 | 20,475 |
| Income before provision for income taxes | 16,466 | 23,545 | 48,476 | 85,079 |
| Debt-related costs ^(a) | 5,812 | 460 | 12,845 | (9,569) |
| Acquisition-related depreciation and amortization ^(b) | 26,044 | 28,873 | 102,659 | 115,944 |
| Share-based compensation ^(c) | 4,816 | 2,032 | 15,265 | 7,856 |
| Transaction and acquisition-related charges ^(d) | 532 | 1,433 | 4,364 | 6,018 |

| | | | | |
|--|------------------|------------------|-------------------|-------------------|
| Integration, restructuring, and other charges ^(e) | 373 | 3,020 | 6,938 | 2,512 |
| Adjusted Net Income before income tax effect | 54,043 | 59,363 | 190,547 | 207,840 |
| Less: Adjusted income taxes ^(f) | 11,480 | 14,407 | 44,759 | 51,378 |
| Adjusted Net Income | \$ 42,563 | \$ 44,956 | \$ 145,788 | \$ 156,462 |

| | Interim Periods | | Annual Periods | |
|--|--------------------|--------------------|-------------------|-------------------|
| | Three Months Ended | Three Months Ended | Year Ended | Year Ended |
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| Diluted net income per share (GAAP) | \$ 0.10 | \$ 0.13 | \$ 0.26 | \$ 0.43 |
| <i>Adjusted Net Income adjustments per share</i> | | | | |
| Provision for income taxes | 0.01 | 0.02 | 0.08 | 0.13 |
| Debt-related costs ^(a) | 0.04 | 0.00 | 0.09 | (0.06) |
| Acquisition-related depreciation and amortization ^(b) | 0.18 | 0.19 | 0.70 | 0.76 |
| Share-based compensation ^(c) | 0.03 | 0.01 | 0.10 | 0.05 |
| Transaction and acquisition-related charges ^(d) | 0.00 | 0.01 | 0.03 | 0.04 |
| Integration, restructuring, and other charges ^(e) | 0.00 | 0.02 | 0.05 | 0.02 |
| Adjusted income taxes ^(f) | (0.08) | (0.10) | (0.31) | (0.34) |
| Adjusted Diluted Earnings Per Share (Non-GAAP) | \$ 0.29 | \$ 0.30 | \$ 1.00 | \$ 1.03 |

Weighted average number of shares outstanding used in computation of Adjusted Diluted Earnings Per Share:

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Weighted average number of shares outstanding—diluted (GAAP and Non-GAAP) | 144,969,753 | 150,055,595 | 146,226,096 | 151,807,139 |
|---|-------------|-------------|-------------|-------------|

(a) Represents the non-cash interest expense related to the amortization of debt issuance costs for the 2021 February refinancing of the Company's First Lien Credit Facility. Beginning in 2022, this adjustment also includes the impact of the change in fair value of interest rate swaps. This adjustment, which represents the difference between the fair value gains or losses and actual cash payments and receipts on the interest rate swaps, was added as a result of the increased interest rate volatility observed in 2022.

(b) Represents the depreciation and amortization expense related to intangible assets and developed technology assets recorded due to the application of ASC 805, Business Combinations. As a result, the purchase accounting related depreciation and amortization expense will recur in future periods until the related assets are fully depreciated or amortized, and the related purchase accounting assets may contribute to revenue generation.

(c) Share-based compensation for the three months and year ended December 31, 2023, includes approximately \$2.6 million and \$6.6 million, respectively, of incrementally recognized expense associated with the May 2023 vesting modification.

(d) Represents charges incurred related to acquisitions and similar transactions, primarily consisting of change in control-related costs, professional service fees, and other third-party costs. Also includes incremental professional service fees incurred related to the initial public offering and subsequent one-time compliance efforts. The year ended December 31, 2022 includes a transaction bonus expense related to one of the Company's 2021 acquisitions.

(e) Represents charges from organizational restructuring and integration activities, non-cash, and other charges primarily related to nonrecurring legal exposures, foreign currency (gains) losses, and (gains) losses on the sale of assets.

(f) Effective tax rates of approximately 21.2% and 24.3% have been used to compute Adjusted Net Income and Adjusted Diluted Earnings Per Share for the three months ended December 31, 2023 and 2022, respectively. Effective tax rates of approximately 23.5%, and 24.7%, have been used to compute Adjusted Net Income and Adjusted Diluted Earnings Per Share for the years ended December 31, 2023 and 2022, respectively.