

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

Commission File Number 001-39275

APi Group Corporation
(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
c/o APi Group, Inc.
1100 Old Highway 8 NW
New Brighton, MN
(Address of principal executive offices)

98-1510303
(I.R.S. Employer
Identification No.)

55112
(Zip Code)

Registrant's telephone number, including area code: (651) 636-4320

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	APG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The New York Stock Exchange on June 30, 2024, the last business day of the registrant's most recently completed second quarter, was \$8.5 billion.

The number of shares of Registrant's common stock outstanding as of February 19, 2025 was 277,558,051.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the 2025 Annual Meeting of Stockholders, which is to be filed no later than 120 days after December 31, 2024, are incorporated by reference into Part III of this Form 10-K.

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PART I

As used in this Annual Report on Form 10-K ("Annual Report"), the terms "we," "us," "our," the "Company," and "APG" refer to APi Group Corporation, a Delaware corporation headquartered in New Brighton, Minnesota, and its wholly-owned subsidiaries (the "Subsidiaries").

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains "forward-looking statements." These forward-looking statements are based on beliefs and assumptions as of the date such statements are made and are subject to risks and uncertainties. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms including "expect," "anticipate," "project," "will," "should," "believe," "intend," "plan," "estimate," "potential," "target," "would," and similar expressions, although not all forward-looking statements contain these identifying terms.

These forward-looking statements are based on our current expectations and assumptions and on information currently available to management and include, among others, statements regarding, as of the date such statements are made:

- our beliefs and expectations regarding our business strategies and competitive strengths;
- our beliefs regarding procurement challenges and the nature of our contractual arrangements and renewal rates and their impact on our future financial results;
- our beliefs regarding our acquisition platform and ability to execute and successfully integrate strategic acquisitions;
- our beliefs regarding the future demand for our services, the seasonal and cyclical volatility of our business, financial condition, results of operations, and cash flows;
- our beliefs regarding the recurring and repeat nature of our business, customers, and revenues, and its impact on our cash flows and organic growth opportunities and our belief that it helps mitigate the impact of economic downturns;
- our intent to continue to grow our business, both organically and through acquisitions, and our beliefs regarding the impact of our business strategies on our growth;
- our beliefs regarding our customer relationships and plans to grow existing business and expand service offerings;
- our beliefs regarding our ability to pass along commodity price increases to our customers;
- our expectations regarding the cost of compliance with laws and regulations;
- our expectations regarding labor matters;
- our beliefs regarding market risk, including our exposure to foreign currency fluctuations, and our ability to mitigate that risk;
- our expectations and beliefs regarding accounting and tax matters;
- our beliefs regarding the effectiveness of the steps taken to remediate previously reported material weaknesses in our internal control over financial reporting;
- our expectations regarding future capital expenditures;
- our expectations regarding future expenses in connection with our multi-year restructuring program, including those related to workforce reductions;
- our expectations regarding future pension contributions; and
- our beliefs regarding the sufficiency of our current sources of liquidity to fund our future liquidity requirements, our expectations regarding the types of future liquidity requirements and our expectations regarding the availability of future sources of liquidity.

These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including those described in “Risk Factors” and in “Risk Factor Summary” below. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this Annual Report may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

The factors identified below are believed to be important factors, but not necessarily all of the important factors, that could cause actual results to differ materially from those expressed in any forward-looking statement made by us. Other factors not discussed herein could also have a material adverse effect on us. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. These forward-looking statements speak only as of the date of this Annual Report. We assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future, except as required by applicable law.

RISK FACTOR SUMMARY

Below is a summary of the principal factors that may affect our business, financial condition, and results of operations. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading “Risk Factors” and should be carefully considered, together with other information in this Annual Report and our other filings with the Securities and Exchange Commission (the “SEC”).

- We operate in international markets, which subjects us to economic, political, and other risks.
- We may not implement our new enterprise resource planning systems successfully, on time and on budget.
- Improperly managed projects or project delays may result in additional costs on claims against us.
- We are a decentralized company and place significant decision-making authority with our subsidiaries’ management, supported by certain integrated policies and processes.
- As part of our business strategy, we rely on our ability to successfully acquire other businesses, and integrate acquired businesses into our operations, and our inability to do so could adversely affect our business and results of operations.
- Higher interest rates increase the interest costs on our credit facilities and on our other floating rate indebtedness and could impact adversely our ability to refinance existing indebtedness or to sell assets.
- Adverse developments in the credit markets could adversely affect funding of significant projects in our industries and our ability to secure financing, take advantage of acquisition opportunities, or achieve our growth objectives.
- A significant portion of our revenue is recognized over time based on estimates of contract revenue, costs, and profitability, and our reliance on such projections carries risk of a reduction or reversal of previously recorded revenue or profits.
- We have a significant amount of goodwill and identifiable intangible assets that are subject to impairment in the future under certain circumstances.
- Any shortfalls in our operation and maintenance of effective controls over financial reporting creates certain risks.
- Our level of indebtedness, and the associated compliance obligations contained in the financial maintenance covenants in our credit facilities and restrictions on our operations set forth in the Credit Agreement (as later defined), increases the potential negative impact of interest rate increases and creates risks to our cash flow and operating flexibility.
- We are self-insured against many potential liabilities, which makes estimating our future expenses for claims difficult and which increases the financial risks associated with the realization of such potential liabilities.
- We may not accurately estimate the costs associated with services provided under fixed price contracts.

- A portion of our contracts allocate the risks of price increases, or reductions in the supply, of the materials we use in our business to us.
- Our contracts portfolio contains many highly-regulated government contracts and guaranties of subsidiary contracts, which present elevated risks in the event of contract breach, as well as elevated risks in the event of changes in spending or budgetary priorities, or delays in contract awards.
- Our contracts portfolio is primarily comprised of contracts with durations of less than six months, many of which are subject to reduction or cancellation, which present risks that turn on our ability to maintain a stable pipeline of projects.
- We maintain a workforce based upon current and anticipated workloads. We could incur significant costs and reduced profitability from underutilization of our workforce if we do not receive future contract awards, if contract awards are delayed, or if there is a significant reduction in the level of services we provide. Additionally, shortages of skilled labor could impede our ability to provide timely, cost-effective services to our customers.
- A large portion of our workforce is covered by collective bargaining agreements, works council arrangements and benefit pension plans, which limits our discretion in the management of covered employees, carries a risk of strikes or other concerted activities that may impair our operations, subjects us to potential works council claims and litigation and imposes obligations to fund certain pension plans.
- We are vulnerable to the economic conditions affecting the industries we serve, including the construction and technology industries, the energy sector, and data centers, which present risks of a decline in demand for our services or in the financial condition of our customers and their ability and willingness to invest in infrastructure projects.
- A portion of our expected future growth is based on the ability and willingness of public and private entities to invest in infrastructure.
- Our business is subject to operational hazards due to the nature of services we provide and the conditions in which we operate, including some factors which may be outside of our control, including electricity, fires, explosions, mechanical failures and weather-related incidents.
- In our business we face regular litigation across a broad range of claims, including health, safety, and environmental regulation proceedings, as well as costs related to damages we may be assessed relating to our contractual obligations, or as a result of product liability claims against our customers.
- Certain of the markets we serve are seasonal, and our projects can be negatively impacted by poor or extreme weather.
- We operate as a holding company, and as such rely on our subsidiaries to provide cash for our operations and obligations, including distributions and dividends, if any.
- We have outstanding equity instruments that require us to issue additional shares of common stock in the future and we may issue additional preferred stock or make other changes to our ownership structure to generate additional capital. These activities may dilute your ownership interests and, among other reasons, reduce the value of our common stock.
- As part of our incorporation and bylaws in Delaware, we are subject to certain provisions that limit stockholders actions.
- We maintain confidential data and information which exposes us to risks associated with cybersecurity incidents and compliance with data privacy and security laws, identity protection and information security.
- We face risks associated with deterioration in our performance of services, increases in healthcare costs, significant employee misconduct, and adverse regulatory changes, all of which may negatively impact our operations and financial results.
- Our success ultimately depends on our ability to compete successfully in the industries and markets we serve which may be jeopardized by the loss of key senior management personnel or a shortage of highly skilled personnel.

ITEM 1. BUSINESS

Our Business

We are a global, market-leading business services provider of fire and life safety, security, elevator and escalator, and specialty services with a substantial recurring revenue base and over 500 locations worldwide. We provide statutorily mandated and other contracted services to a strong base of long-standing customers across industries. We have a winning leadership culture driven by entrepreneurial business leaders that deliver innovative solutions to our customers.

We believe that our core strategies of driving organic growth and growth through accretive acquisitions, promoting sharing of best practices across all of our businesses, and leveraging our scale and services offerings place us in the position to capitalize on opportunities and trends in the industries we serve, grow our businesses, and advance our position in each of our markets. We believe that our revenue diversification across customers, end markets, geographies, and projects, combined with our go-to-market strategy of selling inspection work first, regional approach to operating our businesses, specialty operations in niche markets, strong commitment to leadership development, long-standing customers with a robust reputation in the industries we serve, and strong safety track record differentiates us from our competitors.

We have a disciplined acquisition platform which has historically provided strategic acquisitions that are integrated into our operations. Since 2005, we have completed over 125 acquisitions. We target companies that align with our strategic priorities and demonstrate key value drivers such as culture, geography, end markets and client base, capabilities, and leadership. Our priorities are unified around maintaining business continuity while identifying and implementing operational efficiencies, cost synergies, and integration of organizational processes to drive margin expansion.

We employ a regional operating model designed to improve speed and responsiveness to our customers across our businesses, empower leadership of our businesses to drive business performance and execute key decisions, and foster cross-functional sharing of best practices. This structure promotes a business-owner mindset among our individual business leaders and combines the personal attention of a small- to medium-sized company with the strength and support of an industry leader. It also allows each of our businesses to remain highly focused on best positioning itself within the categories in which it competes and reinforces strong accountability for operational and financial performance.

We operate our business under three primary operating segments, which aggregate to our two reportable segments:

- **Safety Services** – A leading provider of safety services in North America, Europe, and Asia-Pacific, focusing on end-to-end integrated occupancy systems (fire protection solutions, Heating, Ventilation, and Air Conditioning (“HVAC”), entry systems, and elevators and escalators), including design, installation, inspection, and service of these integrated systems. The work performed within this segment spans across industries and facilities and includes commercial, education, healthcare, high tech, industrial, and special-hazard settings.
- **Specialty Services** – A leading provider of a variety of infrastructure services and specialized industrial plant services, which include maintenance and repair of critical infrastructure such as underground electric, gas, water, sewer, and telecommunications infrastructure. Our services include engineering and design, fabrication, installation, maintenance service and repair, retrofitting and upgrading, pipeline infrastructure, access and road construction, supporting facilities, and performing ongoing integrity management and maintenance to customers within the energy industry. Customers within this segment vary from private and public utilities, communications, healthcare, education, transportation, manufacturing, industrial plants and governmental agencies throughout North America.

After reviewing the businesses in our portfolio, we have made the decision to realign our segments beginning in 2025 by moving our HVAC business from Safety Services to Specialty Services.

Our Industry

The industries in which we operate are highly fragmented and comprised of national, regional, and local companies that provide services to customers across various end markets and geographies. We believe the following industry trends are affecting, and will continue to affect, demand for our services.

Evolving Regulation. The life safety and elevator industries are highly regulated at the federal, state, and local levels and continuous regulatory changes, including mandated building codes and inspections and maintenance requirements, continue to generate increasing demand for our services, often on a recurring basis. For example, the Uniform Building Codes written by the National Fire Protection Association and the International Code Council regulate fire suppression and sprinkler systems. Among other things, these codes require testing, inspections, repair, maintenance and specific retrofits of building fire suppression and sprinkler systems, which generates recurring revenue related to those services. As these associations and government agencies continue to adopt new, more stringent regulations, the demand for our services increases.

Deferred Infrastructure Investment. Following several years of deferred investment, the aging United States ("U.S.") infrastructure system requires significant maintenance, repair and retrofit services which has spurred demand in our industry. State and local municipalities have deferred infrastructure spending for many years which has resulted in the need to rebuild or retrofit a large portion of the U.S. infrastructure. The Infrastructure Investment and Jobs Act, signed into law on November 15, 2021, includes \$550 billion of newly authorized infrastructure spending through 2026. In addition, the growing strategic importance of semiconductor technology in industries like defense, automotive, and telecommunications has caused the U.S. to boost domestic semiconductor production and reduce reliance on foreign supply chains. The CHIPS and Science Act, passed in 2022, allocates funds for semiconductor research, development, and manufacturing, including \$39 billion for building new U.S. facilities and equipment.

Our Competitive Strengths

We believe that the following are our key competitive strengths:

Leading Market Positions in Diverse Set of Niche Industries. We believe that we are one of the go-to-market leaders in each of the niche industries we serve, including the industry leader in life safety and security services, among the top five specialty contractors in North America, and a premier provider of services for elevator and escalator equipment. We believe that our revenue diversification across customers, end markets, geographies and projects, combined with our go-to-market strategy of selling inspection work first, regional approach to operating our businesses, operations in niche industries with strong cross-selling opportunities and recurring revenue potential, strong commitment to leadership development, long-standing customer relationships with a robust reputation in the industries we serve, and strong safety track record differentiates us from our competitors. As a result of our strong global brand recognition, we believe we have better access to new business opportunities, allowing us to maintain and advance our market share positions.

Repeat Revenue with Diverse Mix of Customers, End Markets, Geographies and Projects. We have repeat revenue from a diverse set of long-standing blue-chip customers who are spread across a variety of end markets and geographies with low concentration. Many of our customers have high creditworthiness in a direct service relationship or contracting role, providing stable cash flows and a platform for organic growth. Service inspections are often required by legislation or insurance mandates, providing a strong recurring revenue stream. Our broad geographic footprint reaches over 500 locations throughout over 20 countries and allows us to maintain relationships with local decision makers while also having the ability to execute multi-site services for national and international account customers.

Differentiated Business Model Focused on Growing Service Revenue. Our go-to-market strategy in life safety is to sell inspection work first, because we estimate that every dollar sold can lead to subsequent service work. In most cases, our inspection work is covered by statutory or insurance requirements. Nearly all facilities that have existing life safety systems are required by law to have that system inspected on at least an annual basis. This strategy differentiates us from our peers and we believe ultimately creates a stickier client relationship that we believe leads to recurring revenue, higher margins, and growth opportunities.

Attractive Industry Fundamentals. We believe that the diversity of end markets we serve and the regulatory-driven demand for certain of our services will enable us to better withstand various economic cycles. We believe that the industries in which we operate are subject to increasingly complex and evolving regulatory environments and have experienced pent-up demand resulting from years of deferred maintenance and retrofit investment. We believe this presents attractive opportunities for us to drive growth in our businesses and enhance our market share positions.

Disciplined Acquisition Platform with History of Strategic Acquisitions. We have a disciplined acquisition platform through which we systematically target, execute, and integrate strategic acquisitions. Since 2005, we have completed over 125 acquisitions. Through our selective approach, we identify and assess companies that we believe align with our strategic priorities and demonstrate key value drivers such as culture, geography, end markets, client base, leadership, and service capabilities. Each of our businesses maintains its identity, reputation, customer relationships and culture following acquisition while benefiting from the resources of the APG network, which we believe is an important differentiator. Our acquired businesses benefit from direct access to the APG network, which facilitates organizational sharing of knowledge and best practices, increases collaboration across our businesses, and develops cross-brand solutions which foster enhanced experience, quality, and efficiency.

Differentiated Leadership Culture and Operating Model. We believe that one of our core pillars of success is our distinct leadership development culture predicated on Building Great Leaders[®], our cross-functional leadership development platform designed to enable independent company leadership, cultivate broad management skills, enhance organizational flexibility, and empower the next cohort of leaders across our businesses. This culture of investing in leadership development at all levels of the organization has created an empowered, entrepreneurial atmosphere which facilitates organizational sharing of knowledge and best practices and enables the development of cross-brand solutions and innovation. Another important initiative is our field-based leadership programs. We believe our approach to field leadership is different from our peers' field-based programs, which tend to focus on technical competence as opposed to leadership. Moreover, we employ a decentralized operating model which improves speed and responsiveness to customers in industries with strict requirements. This also empowers the leaders of our businesses to drive business performance and execute key decisions, while highlighting the significant focus we place on ensuring members of our team receive continuous investment in their development.

Resilient Business Model with Multiple Levers to Navigate Downturns. Our proactive approach to managing risk across our platform, recurring revenue services-focused business model, and highly variable cost structure provide significant flexibility to effectively navigate downturns. Our significant union labor force in the U.S. and subcontract labor force internationally allow us to flex our workforce capacity as market conditions dictate without incurring significant trailing costs or severance. Our average project duration is relatively short, which helps mitigate inflationary exposure to cost of goods sold or changes in labor expense that some peers may experience in an inflationary environment. Historically, we have managed inflationary pressure through cost efficiency, cost saving actions, and price increases, when needed. We believe that our broad mix of customers across many sectors and strong recurring revenue streams help us mitigate the impact of economic downturns on our business. In a downturn, we have multiple levers to pull to preserve cash due to a high proportion of variable costs.

Attractive Financial Performance and Strong Margin and Cash Flow Profile. We believe that, due to our differentiated operating model, diversified services offerings, historically strong organic growth, and disciplined acquisition strategy, we have an attractive financial performance profile. In addition, we support margin growth by leveraging our scale to benefit from procurement savings resulting from enhanced purchasing power and serving higher-margin, niche industries. We also have a stable cash flow profile driven by our focus on recurring services-based revenue and our asset-light business model, which requires minimal ongoing capital expenditures (which are typically less than 1.5% of total net revenues). The mission-critical nature of our services and regulatory-driven inspection requirements provide predictable, recurring revenue stream opportunities. Maintenance and services revenues are less cyclical and are reasonably recurring due to the consistent renewal rates and deep customer relationships.

Our Business Strategy

We intend to continue to grow our businesses, both organically and through acquisitions, and advance our position in each of the markets we serve by pursuing the following integrated business strategies:

Drive Organic Growth. We believe that we can continue to grow our businesses organically and capture additional market share across each of our segments by focusing on growing maintenance, inspection, monitoring, and service revenue and maximizing cross-selling opportunities.

- ***Grow Maintenance, Inspection, Monitoring, and Service Revenue*** - We believe that we can drive substantial organic growth by focusing on growing our maintenance, inspection, monitoring, and service revenue, which is a component of our business in each of our segments. We plan to capitalize on our broad base of installed projects, cross-selling opportunities, and customer relationships to continue to grow maintenance, inspection, monitoring, and service revenue.

- **Maximize Cross-Selling Opportunities** - With diverse businesses, a broad reach across a variety of different industries, geographies, and end markets, and a culture of collaboration, we believe that we have significant cross-selling opportunities to service more of the project life cycle and, once a project is completed, to continue to grow attractive recurring revenue streams.

Accelerate Growth through Acquisitions. We have a well-established acquisition platform with a track record of executing accretive acquisitions through our selective approach to targeting and assessing potential acquisitions that we believe align with our values and strategic priorities. We believe that the global markets and platforms in which we operate are fragmented and lend themselves to continued opportunistic acquisitions. We have grown, and plan to continue to drive growth, through accretive acquisitions targeting businesses in our existing segments and those complementary to our service offerings.

Continue to Foster Leadership Development throughout All Levels and Geographies of the Organization. We plan to continue to invest in and support our leadership development culture through our Building Great Leaders® platform, which we believe will continue to empower the leaders across our businesses, drive business performance and create future cross-selling opportunities. Our programmatic training and development curriculum focuses on a range of topics, from enhancing technical capabilities to developing soft skills, and decision-making training to enable independent company leadership. We believe that this culture will continue to support our decentralized operating model, which combines the personal attention of a small- to medium-sized company with the strength and support of an industry leader.

Leverage Our Scale and Services Portfolio. We believe that we can grow our businesses and increase our market position by leveraging our scale and broad portfolio of services offerings to capitalize on demand for single-source national and international providers. For example, we plan to focus on expanding national and international accounts and further developing an entity-wide purchasing program to realize the benefits from volume discounts and vendor pricing. We plan to leverage our industry-leading positions and the leadership across our businesses to capture growth opportunities across each of our segments. In addition, our increasing international footprint enhances our services platform with complementary offerings and cross-selling opportunities.

Customers

We have long-standing relationships with many customers in each of the industries we serve. We serve customers in both the public and private sectors, including commercial, industrial, distribution and fulfillment centers, manufacturing, education, healthcare, telecom, utilities, transmission and integrity, high tech, entertainment, government, and infrastructure. Our customers range from Fortune 500 companies with diverse, worldwide operations to single-location companies. We have low customer concentration with no single customer accounting for more than 5% of our total net revenues for 2024.

Our focus on providing high quality service promotes deep, long-term relationships with our customers which often results in continued opportunities for new business and a reliable source of recurring revenue for ongoing inspection, maintenance, and monitoring services. We often provide services under master service and other service agreements, which can be multi-year agreements, subject to earlier termination. The remainder of our work is generated pursuant to contracts for specific projects or jobs that require shorter-term services.

Customers are billed with varying frequency, the timing of which is generally dependent upon advance billing terms, milestone billings based on completion of certain phases of the work, or when services are provided. Under the typical payment terms of master and other service agreements and contracts for specific projects, the customer makes progress payments based on quantifiable measures of performance as defined in the agreements. Some of our contracts include retainage provisions, under which a portion of the contract amount can be retained by the customer until final contract settlement.

Government Regulation and Environmental Matters

Our business activities are subject to regional, national, state, and local laws and regulations in each country in which we conduct business. These laws and regulations involve matters including compliance with codes or regulations governing our services, licensing and certification requirements, environmental and substance control, workplace safety, privacy, data use, data security and protection of personal information, data storage and retention, biometrics, intellectual property, advertising, marketing, distribution, electronic contracts and other communications, competition, taxation, economic or other trade prohibitions or sanctions, anti-corruption and political law compliance, securities law compliance,

and financial services. In some cases, laws and regulations outside of the U.S. impose different obligations or are more restrictive than those in the U.S.

These regulations are administered by various regional, national, state, and local health and safety and environmental agencies and authorities. While we cooperate with governmental authorities and take reasonable measures to meet regulatory requirements, certain of these risks are inherent in the operation of our business irrespective of regulatory compliance. Failure to comply with these laws and regulations may involve civil and criminal liability. We are also subject to a wide range of reporting, licensure, certification, and compliance requirements as prescribed by various multi-national, national, state, and local governmental bodies or agencies, for example, individual or corporate licensing requirements or certifications that qualify us to perform the services we offer. We believe we have all required licenses to conduct our business activities and are in substantial compliance with applicable regulatory requirements. Expenditures relating to such regulations are made in the normal course of our business and are neither material nor place us at any competitive disadvantage. We do not currently expect that compliance with such laws and regulations will require us to make material expenditures. If we fail to comply with applicable regulations, we could be subject to substantial fines or revocation of our operating licenses.

We are subject to various national, state, and local labor and employment laws and regulations which govern minimum wage and hour requirements, overtime, working conditions, mandatory benefits, health and social insurance, statutory notice periods and other employment-related matters, duties and obligations. Additionally, a large portion of our business uses labor that is provided under collective bargaining agreements or is subject to works council processes. As such, we are subject to national and local laws and regulations related to unionized labor and collective bargaining.

We also are subject to various environmental laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment or potential liability for harm to persons or property. Under certain of these laws and regulations, liabilities can be imposed for cleanup of properties, regardless of whether we directly caused the contamination or violated any law at the time of discharge or disposal. The presence of contamination from such substances or wastes could interfere with ongoing operations or adversely affect our business. In addition, we could be held liable for significant penalties and damages under certain environmental laws and regulations. Our contracts with customers may also impose liabilities on us regarding environmental issues that arise through the performance of our services. Additionally, under some legal theories of recovery applicable to claims for personal injury or property damage, liability could be imposed in connection with allegedly hazardous substances on a market share basis, eliminating the need for claimants to prove a direct relationship between the injury and our business operations. From time to time, we may incur costs and obligations related to environmental compliance and/or remediation matters or claims related to hazardous substances.

Effect of Seasonality and Cyclical Nature of Business

Our net revenues and results of operations can be subject to variability stemming from seasonal and other variations. Seasonal variations can be influenced by weather conditions impacting customer spending patterns, contract award seasons, and project schedules, as well as the timing of holidays. Consequently, net revenues for our businesses are typically lower during the first and second quarters due to the prevalence of unfavorable weather conditions within our North American companies, which can cause project delays and affect productivity.

Additionally, the industries we serve can be cyclical. Fluctuations in end-user demand, or in the supply of services within those industries, can affect demand for our services. As a result, our business may be adversely affected by industry declines or by delays in new projects. Variations or unanticipated changes in project schedules in connection with large projects can create fluctuations in net revenues.

Competitive Environment

We operate in industries which are highly competitive and highly fragmented. There are relatively few barriers to entry in many of the industries in which we operate, and as a result, any organization that has adequate financial resources and access to technical expertise could become a competitor. In each of our segments, we compete with a number of companies, ranging from small, owner-operated businesses operating in narrow geographic regions to large companies with national and international scale who have significant financial, technical, and marketing resources.

We compete based on a variety of factors, including price, service, technical expertise and experience, quality, safety record, response time, and reputation for customer service. A portion of our revenue is derived from agreements with

customers that contain fixed price or per unit terms, and price is often an important factor in the contract award process for such work. However, we believe our customers also consider a variety of other factors, including those described above, when selecting a service provider, and we believe that our technical capabilities, broad geographic reach, and skilled labor force enable us to compete against our larger competitors.

Supply

We have multiple supply sources in various markets at competitive pricing for substantially all of our raw material and installed components. The raw materials and various purchased components we use such as piping, steel, sheet metal, fire suppression/detection, elevator/escalator components, and HVAC equipment have generally been available in sufficient quantities in a timely manner. We rely on multiple third-party manufacturers as a source for pre-fabricated goods or system components. Historically, we have been able to mitigate commodity cost exposure by purchasing or price locking commodities early for particular projects, as well as selectively using time or market-based escalation provisions in proposals and contracts. While we have experienced some impacts on our supply chain to date, they have only impacted longer term contracts within our business, which are not significant. We do not anticipate experiencing significant procurement challenges, as the purchases of required materials can be sourced from multiple sources; however, tariffs or other changes in international trade relations or other factors such as the impact of pandemics and regional conflicts, could result in limited availability of or increased costs for some materials.

Sales and Marketing

Our success depends on developing and maintaining successful long-term relationships with key customers in each of the industries we serve. We intend to continue our emphasis on developing and maintaining long-term relationships with our customers by providing reliable, high-quality service in a professional manner. We believe we can continue to leverage specific technical and marketing strengths at the individual business level to expand the services offered in each business's market. Our culture of collaboration across our businesses provides significant cross-selling opportunities to leverage our current project base, existing relationships and professional expertise to provide additional services to our existing customers. In North America, we provide a single point of contact for customers with a regional or national portfolio of properties through our National Service Group ("NSG") team within our Safety Services segment, which enhances our understanding of customers on a national scale and allows us to build more meaningful relationships with our customers. Through our NSG team, we are able to quickly and efficiently allocate resources to meet customer needs.

Insurance and Legal Proceedings

The primary insured risks in our operations are bodily injury, property damage and workers' compensation injury. We are insured for workers' compensation, employer's liability, auto liability, general liability, employee group health insurance, property damage or loss, business interruption, cyber incidents, pollution liability, professional liability, as well as for other business risks and retain the risk for claims resulting from uninsured deductibles or retentions per-incident or occurrence. Because we have very large deductibles or retentions, the vast majority of our claims are paid by us, so as a practical matter we self-insure the great majority of these risks. Losses under all of these insurance programs are accrued based upon our estimate of the likely ultimate liability for claims reported and an estimate of claims incurred but not reported ("IBNR"), with assistance from third-party actuaries. In addition, in connection with the Chubb Acquisition, we agreed to accept the risk on certain pending claims against Chubb and certain IBNR claims. We estimated the exposure to loss presented by such claims with the assistance of third-party actuaries and negotiated an adjustment to the purchase price in connection with these anticipated costs and have made associated accruals. These insurance liabilities and liabilities for the Chubb claims are difficult to assess and estimate due to unknown factors, including the severity of an injury, the extent of damage, the determination of our liability, if any, in proportion to other parties and the number of incidents not reported. The accruals are based upon known facts, historical trends, and industry averages using the assistance of an actuary to project the extent of these obligations and management believes such accruals are adequate.

Growing and Developing our People

Our number one value and priority is the safety, health and well-being of all of our approximately 29,000 team members, all of whom are critical to the execution of our strategies and achieving business success.

Talent Development and Engagement

We believe our success in attracting and retaining qualified team members will be based on the quality of our training, leadership development and opportunities for growth and advancement. We offer multiple accelerated development programs focusing on advancing the business and leadership skills of team members. Our field-based leadership has the opportunity to participate in a development program focused on building foundational leadership skills. In addition, we offer structured tools and opportunities for development, including individual development plans, executive coaching, strategic leadership advisory services and on-demand learning opportunities hosted on our learning management platform, on our intranet site, and through podcasts.

We believe that a culture where every team member can grow, thrive, and feel they belong is a differentiator and enables us to attract and retain people who also build inclusive relationships with our customers. We are committed to equity and inclusion and are building and evolving our culture of inclusion through our day-to-day work through our leadership, learning and development.

We monitor team member engagement through annual engagement assessments and provide recommendations for follow up based on this assessment. Our continued success will depend, in part, on our ability to continue to attract, motivate, retain, and reward high-quality, skilled employees.

Health & Safety

We have a safety culture that is grounded in our commitment to zero incidents. We have established safety standards covering the risks particular to our business, deployed through specific training and monitored by country-level inspection programs. The aim of these programs is to ensure that all employees are aware of and comply with safety standards we have established and all applicable laws, regulations and other requirements in the countries and jurisdictions in which we operate. We have implemented our safety program, STEPS (Striving Toward Excellence and Professionalism in Safety), globally, which promotes safety culture awareness throughout our operations. Outside of North America, we have established a security program, SAFE (Scan, Assess, Fix, Execute) which is linked to the need for preventive actions before starting work. In addition, we have multiple programs geared towards increasing everyone's awareness of our safety culture and to empower employees to stop work if risks are unmanageable. We are very focused on improving our fleet performance through defensive driver training, fleet technology, and company fleet assessments. Additionally, we participate in an annual Safety Week which includes activities designed to elevate safety awareness, and we hold an annual competition to acknowledge and reward businesses exhibiting excellence in safety. Our team of over one hundred safety professionals support the operations in each business to ensure industry safety standards are met and audits by safety professionals or certified organizations are utilized to assess the maturity of our safety management systems.

Our rate of incidents recordable under the standards of the U.S. Occupational Safety and Health Administration ("OSHA") per one hundred employees per year, also known as the OSHA recordable rate, was 0.97 during 2024 and 0.96 during 2023. Our rate of 0.97 is considerably less than the most recently published OSHA rate for our industry of 2.3.

Competitive Pay, Benefits and Total Rewards Practices

Our total rewards philosophy is designed to align the compensation of our team members with Company financial results and performance, and to provide the appropriate market-competitive pay to attract, retain, and incentivize team members to achieve superior performance. We offer a comprehensive, competitive portfolio of health, financial, and well-being benefits aligned with market practice and legal requirements in each country in which we operate. Our benefit programs support our team members bringing their best self to work as they support their mental, physical, and financial needs and goals.

Executive Officers

Set forth below is certain information relating to our current executive officers.

Name	Age	Title
Russell A. Becker	59	Chief Executive Officer and President
Glenn David Jackola	45	Interim Chief Financial Officer
Louis B. Lambert	49	Senior Vice President, General Counsel and Secretary
Kristina M. Morton	50	Senior Vice President and Chief People Officer

Russell A. Becker has served as a director of the Company since October 2019. Mr. Becker joined APi Group, Inc. in 2002 as its President and Chief Operating Officer and became its Chief Executive Officer in 2004. Prior to leading APi Group, Inc., Mr. Becker served in a variety of roles at The Jamar Company, a subsidiary of APi Group, Inc., including as a Manager of Construction from 1995 to 1997 and as President from 1998 until he joined APi Group, Inc. in 2002. Mr. Becker served as a project manager for Ryan Companies from 1993 to 1995 and as a field engineer with Cherne Contracting from 1991 to 1993. Since January 2019, Mr. Becker has served on the board of directors for Marvin Companies, a private company. Mr. Becker also serves on the advisory board for the Construction Management Program at Michigan Technical University.

Glenn David Jackola has served as Interim Chief Financial Officer since December 2024 and previously served as the Chief Financial Officer and Vice President of Transformation at APi International since November 2022. Prior to his current role, he held the position of Vice President, Controller and Chief Accounting Officer at the Company from March 2022 to November 2022, and as Vice President, Corporate Planning and Analysis since joining the Company in October 2021. Prior to joining the Company, Mr. Jackola was the Vice President of Finance of James Hardie Building Products where he served as head of finance for the North American business. Prior to that, Mr. Jackola was Vice President of Finance – Europe for Ecolab and also held other roles of significant responsibility within Ecolab since joining in July 2008. Mr. Jackola received his bachelor's degree in Economics from Carleton College and his Master of Business Administration in Finance from the University of Chicago Booth School of Business.

Louis B. Lambert has served as Senior Vice President, General Counsel and Secretary of the Company since July 2022. Most recently, Mr. Lambert was Vice President and Assistant General Counsel for Polaris Inc., a powersports manufacturing company. Prior to joining APi, Mr. Lambert served as vice president, legal, and assistant secretary of Polaris Inc., where he had responsibility for corporate governance, SEC compliance, M&A, executive compensation, and was general counsel for multiple global business units. Prior to that, Mr. Lambert held increasingly senior legal roles at 3M Company and then General Mills, where he focused on global M&A, joint ventures, and various general counseling roles. Mr. Lambert began his career as an associate at Faegre & Benson (now Faegre Drinker) in its corporate finance group. Mr. Lambert earned his JD from Rutgers School of Law—Newark and a bachelor's degree from the University of Michigan in Ann Arbor.

Kristina M. Morton has served as Senior Vice President and Chief People Officer of the Company since February 2022. Prior to joining the Company, Ms. Morton served as Vice President, Human Resources, Supply Chain and Global Operations for General Mills. During her 23-year tenure at General Mills, she also held roles in marketing, sales and supply chain, most recently leading 175 human resources professionals that supported 20,000 employees globally across 45 manufacturing facilities in the U.S. and Europe. Ms. Morton earned her bachelor's degree from the University of St. Thomas and her master's degree from the University of Minnesota.

Available Information

Our internet website address is www.apigroupcorp.com. We make available free of charge, through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act and proxy statements for our annual meeting of stockholders, as soon as reasonably practicable after each such material is electronically filed with or furnished to the SEC. The SEC also makes available at www.sec.gov reports, proxy and information statements and other information filed by issuers with the SEC, such as the Company.

ITEM 1A. RISK FACTORS

RISKS RELATED TO OUR BUSINESS

We operate in international markets, which subjects us to economic, political and other risks.

Approximately 38% of our revenue was derived from areas outside the United States for the year ended December 31, 2024. Accordingly, our business is and will in the future be subject to risks associated with doing business internationally, including:

- laws and regulations that dictate how we conduct business;
- changes or instability in a specific country's or region's political or economic conditions, including inflation or currency devaluation;

- political, financial market or economic instability relating to epidemics or pandemics;
- laws and regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes to existing or new domestic or international tax laws;
- trade protection measures, such as tariff increases, and import and export licensing and control requirements, which may, among other things, increase commodity prices of materials used as components of supplies or materials utilized in all of our operations, particularly in light of the stated trade policies of the new U.S. presidential administration;
- potentially negative consequences from fluctuations in foreign currency exchange rates;
- difficulties repatriating income or capital, whether due to temporary blocking, taxes, tariffs or otherwise, where income from work outside the United States in non-U.S. dollars exceed our local currency needs;
- expropriation and governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- laws and regulations governing our employee relations, including occupational health and safety matters and employee compensation and benefits matters;
- uncertainties regarding legal or judicial systems, including inconsistencies between and within laws, regulations and decrees, and judicial application thereof, and delays in the judicial process;
- difficulty in recruiting and retaining trained personnel in our international operations; and
- our ability to comply with, and the costs of compliance with, laws and regulations governing international business operations, including restrictions on transactions with certain countries, governments, entities and individuals subject to U.S. economic sanctions or export restrictions, and anti-bribery laws such as the Foreign Corrupt Practices Act and similar local anti-bribery laws.

Our international operations subject us to laws, regulations, and interpretations which are complex, may restrict our business dealings, and are frequently changing. For example, we must comply with applicable trade sanctions and export controls, including those administered by the U.S. Department of Treasury's Office of Foreign Assets Control and the U.S. Commerce Department's Bureau of Industry and Security. In addition, applicable U.S. and non-U.S. anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, generally prohibit us from, among other things, corruptly making payments for the purpose of obtaining or retaining business. We pursue opportunities in certain parts of the world and in certain industries that may experience corruption, and in certain circumstances, compliance with these laws may conflict with longstanding local customs and practices.

Our policies mandate compliance with all applicable anti-corruption and trade controls laws. We have policies and procedures designed to ensure that our employees and intermediaries who work for us outside the United States comply with these laws, and we otherwise require such employees and intermediaries to comply with these laws. However, there can be no assurance that such policies, procedures and other requirements will protect us from violating these regulations in every transaction in which we may engage, or protect us from liability under U.S. or international laws for actions taken by our employees or intermediaries; moreover, detecting, investigating and resolving actual or alleged violations of such laws is expensive and could consume significant time and attention of our senior management, in-country management, and other personnel. Liability for such actions could result in severe criminal or civil fines, penalties, forfeitures, disgorgements or other sanctions. This in turn could have a material adverse effect on our financial condition, results of operations, and cash flows.

We are implementing new enterprise resource planning systems. Our failure to implement such systems successfully, on time and on budget could have a material adverse effect on us.

In 2024, we began implementing new enterprise resource planning (“ERP”) systems, which are designed in part to support our future growth and more fully optimize our existing processes by harmonizing our systems and phasing out legacy systems at various businesses we have acquired over the years, and will continue to implement the new systems in phases across our various entities on a worldwide basis over the next few years. ERP implementations are complex, time-consuming, labor intensive, and involve substantial expenditures on system software and implementation activities. ERP implementations also require transformation of business and financial processes to realize the benefits of the ERP systems. Any such implementation involves risks inherent in the conversion to a new information technology system, including loss

of information and potential disruption to our field operations. The implementations and maintenance of the new ERP systems have required, and will continue to require, the investment of significant financial and people resources and the implementations may be subject to delays and cost overruns. In addition, we may not be able to successfully complete the implementations of the new ERP systems without experiencing difficulties, or even if successfully implemented, we may not fully realize the anticipated benefits.

Any disruptions, delays or deficiencies in the design and implementation or the ongoing maintenance of the new ERP systems could adversely affect our ability to provide the services and perform the business and reporting functions described above, and otherwise operate our business. Additionally, if we do not effectively implement the ERP systems as planned or the systems do not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to assess it adequately could be delayed.

Improperly managed projects or project delays may result in additional costs or claims against us, which could have a material adverse effect on our financial condition, operating results, and cash flows.

The quality of our performance on any given project depends in large part upon the ability of the project manager(s) to manage relationships and the project itself and to timely assert contractual remedies and deploy appropriate resources, including both third-party contractors and our own personnel. Our results of operations, cash flows and liquidity could be adversely affected if a project manager or our personnel miscalculate the resources or time needed to complete a project with capped or fixed fees, or the resources or time needed to meet contractual milestones. Additionally, delays on a particular project, including delays in designs, engineering information or materials provided to us by the customer or a third party, delays or difficulties in equipment and material delivery, schedule changes, delays from failure to timely obtain permits or rights-of-way or to meet other regulatory requirements, weather-related delays, governmental, industry, political and other factors, some of which are beyond our control, could result in cancellations or deferrals of project work, which could lead to a decline in revenue, or, for project deferrals, could cause us to incur costs for standby pay, and could lead to personnel shortages on other projects scheduled to commence at a later date.

We are a decentralized company and place significant decision-making authority with our subsidiaries' management, supported by certain integrated policies and processes.

We believe our practice of conferring significant authority upon the management of our subsidiaries has been important to our successful growth and has allowed us to be responsive to opportunities and to our customers' needs. We seek to maintain business continuity within our subsidiaries while identifying and implementing operational efficiencies, cost synergies, and integration of organizational processes across these companies, including standardized global system implementations. This balance presents certain risks, including the risk we would be slower to identify a misalignment between a subsidiary's and our overall business strategy or shared processes. If an operating subsidiary fails to follow our shared company policies and processes, including those relating to compliance with applicable laws, we could be subjected to risks of noncompliance with applicable regulations.

RISKS RELATED TO ACQUISITIONS

Our business strategy includes acquiring companies and making investments that complement our existing businesses or expand into adjacent industries. These acquisitions and investments could be unsuccessful or consume significant resources, which could adversely affect our operating results.

We expect to continue to evaluate the acquisition of strategic businesses, service lines, and technologies with the potential to strengthen our industry position, enhance our existing offerings, or expand into adjacent industries. However, we cannot assure you that we will identify or successfully complete suitable acquisitions in the future or that completed acquisitions will be successful. Acquisitions that do not achieve the intended strategic or operational benefits could adversely affect our operating results and may result in an impairment charge.

We may also face competition for acquisition opportunities, and other potential acquirers may offer more favorable terms or have greater financial resources available for potential acquisitions. This competition may further limit our acquisition opportunities or raise the prices of acquisitions and make them less accretive, or possibly not accretive, to us. Furthermore, the increased antitrust scrutiny of and compliance requirements for potential acquisitions, including by the Federal Trade Commission and Department of Justice under the Hart-Scott Rodino Act, the Sherman Act, the Clayton Act, or other applicable laws, could negatively impact the cost and timing of or our ability to complete certain potential acquisitions. Failure to consummate future acquisitions could negatively affect our business and growth strategies.

Under certain circumstances, it may be difficult for us to complete transactions quickly and to integrate acquired operations efficiently into our current business operations, and we may not be able to do so successfully or within the anticipated costs or timeframe. Acquisitions and investments may involve significant cash expenditures, the incurrence of debt, expenses, and operating losses that could have a material adverse effect on our business, financial condition, results of operations and cash flows. Acquisitions involve numerous other risks, including:

- diversion of management's time and attention from daily operations;
- difficulties and unanticipated issues integrating acquired businesses, operations, systems, technology infrastructure, and personnel into our business;
- inability to obtain required regulatory approvals;
- inability to obtain required financing on favorable terms or, if so obtained, risks associated with incurrence of additional indebtedness;
- potential loss of key employees, key contractual relationships, or key customers of acquired companies or from our existing businesses;
- costs and expenses of acquisitions, including fees paid to financial, legal and accounting advisors, facilities and systems implementation or consolidation costs, severance and other potential employment-related costs, including severance payments that may be made to former employees of acquired businesses;
- an increase in the scope, geographic diversity and complexity of our current operations, and the need to coordinate geographically dispersed organizations;
- becoming subject to, and future changes in, additional laws and regulations as a result of an acquisition;
- complexities that may arise from any entry into new or adjacent markets or business lines as a result of an acquisition;
- failure to recognize the expected synergies of any acquisition;
- failure of the acquired business to meet our expectations, which may cause our financial results to differ from our own or the investment community's expectations;
- potential need to negotiate with labor unions of the employees of acquired companies;
- assumption of the liabilities and exposure to unforeseen liabilities of acquired companies (including environmental, employee benefits, safety and health and third party property and casualty liabilities);
- other risks and liabilities arising from the prior operations of an acquired business, such as performance, operational, safety, cybersecurity, environmental, workforce or other compliance or tax issues, some of which we may not have discovered or accurately estimated during our due diligence and may not be covered by indemnification obligations or insurance.

We cannot be sure that we will be able to successfully complete the integration process without substantial costs, delays, disruptions or other operational or financial problems. Failure to successfully integrate acquired businesses could adversely impact our business, financial condition, results of operations and cash flows. Any acquisitions or investments may ultimately harm our business or financial condition, as such acquisitions may not be successful and may ultimately result in impairment charges.

On June 3, 2024, the Company expanded into a new market of elevators and escalators upon completing our acquisition of Elevated Facility Services Group ("Elevated"). Elevated is a premier provider of contractually based services for all major brands of elevator and escalator equipment. The success of the Elevated Acquisition depends, in part, on our ability to successfully integrate and operate the Elevated business in conjunction with our existing life safety businesses and transition from the services and systems provided by the seller. The potential difficulties of integrating the operations of the Elevated business include, among others: continued unanticipated issues in integrating personnel, operations, systems and technology infrastructure; changes in applicable laws and regulations or conditions imposed by regulators in a market we are not experienced in; deploying internal controls over financial reporting; operating risks inherent in the Elevated business and our existing businesses. We may not accomplish the integration of the Elevated business smoothly, successfully or within the anticipated costs or timeframe. In addition, the Elevated business may not meet our expectations, causing our financial results to differ from our own or the investment community's expectations. Any of these factors could have a negative effect on our financial condition, results of operations, and cash flows.

FINANCIAL RISKS

Higher interest rates increase the interest costs on our credit facilities and on our other floating rate indebtedness and could impact adversely our ability to refinance existing indebtedness or to sell assets.

Interest payments for certain of our indebtedness, including borrowings under the credit facilities are based on floating rates. As a result, an increase in interest rates will reduce our cash flow available for other corporate purposes.

Higher interest rates could also limit our ability to refinance existing indebtedness and increase interest costs on any indebtedness that is refinanced. We have and may continue to enter into agreements such as floating-to-fixed interest rate swaps, caps, floors and other hedging contracts in order to hedge against the cash flow effects of changes in interest rates for floating rate debt. As of December 31, 2024, the Company had \$1,840 million notional amount outstanding in interest rate swap agreements that exchange a variable rate of interest for a fixed rate over the term of the agreement. However, we may not maintain interest rate swaps with respect to all of our floating rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. In addition, these agreements expose us to the risk that other parties to the agreements will not perform or that the agreements will be unenforceable.

Adverse developments in the credit markets could adversely affect the funding of significant projects and therefore reduce demand for our services.

Adverse developments in the credit markets, including reduced liquidity or rising interest rates, could reduce the availability of funding for large capital projects that require our services. Volatility in the credit and equity markets could reduce the availability of debt or equity financing for significant projects, causing a reduction in capital spending, which could materially and adversely affect our financial condition, results of operations, and cash flows.

We may need additional capital in the future for working capital, capital expenditures or acquisitions, and we may not be able to access capital on favorable terms, or at all, which would impair our ability to operate our business or achieve our growth objectives.

Our ability to generate cash is essential for the funding of our operations and the servicing of our debt. If existing cash balances and cash generated from operations together with the borrowing capacity under our credit facilities are not sufficient to make future investments, make acquisitions or provide needed working capital, we may require financing from other sources. Our ability to obtain such additional financing in the future will depend on a number of factors including prevailing capital market conditions, conditions in our industry, and our operating results. If additional funds were not available on acceptable terms, we may not be able to make future investments, take advantage of acquisitions or pursue other opportunities.

Our use of revenue recognition over time could result in a reduction or reversal of previously recorded revenue or profits.

A significant portion of our revenue is recognized over time by measuring progress toward complete satisfaction of performance obligations in the proportion that our actual costs bear to our estimated contract costs at completion. The earnings or losses recognized on individual contracts are based on estimates of contract revenue, costs and profitability. We review our estimates of contract revenue, costs and profitability on an ongoing basis. Prior to contract completion, we may adjust our estimates on one or more occasions as a result of change orders to the original contract, collection disputes with the customer on amounts invoiced, claims against the customer for increased costs incurred by us due to customer induced delays and other factors, or other changes in facts and circumstances that require modifications to estimated costs. Contract losses are recognized in the fiscal period when the loss is determined. Contract profit estimates are also adjusted in the fiscal period in which it is determined that an adjustment is required. As a result of the requirements of over time revenue recognition, the possibility exists, for example, that we could have estimated and reported a profit or loss on a contract over several periods and later determined that all or a portion of such previously estimated and reported profits or losses were overstated or understated. If this occurs, the full aggregate amount of the overstatement or understatement will be reported for the period in which such determination is made, thereby eliminating all or a portion of any profits or losses from other contracts that would have otherwise been reported in such period or potentially resulting in a loss or gain being reported for such period. On a historical basis, we believe that we have made reasonably reliable estimates of the progress towards completion on our long-term contracts. However, given the uncertainties associated with these types of contracts, it is possible for actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenue and profits.

We carry a significant amount of goodwill and identifiable intangible assets on our consolidated balance sheets. Earnings for future periods may be impacted by impairment charges for goodwill and intangible assets.

Goodwill is the excess of purchase price over the fair value of the net assets of acquired businesses. We assess goodwill and identifiable intangible assets for impairment each year, or more frequently if circumstances suggest an impairment may have occurred.

While we believe we have made reasonable estimates and assumptions to calculate the fair values of our reporting units which were based on facts and circumstances known at such time, it is possible that existing or new events may result in forecasted cash flows, revenue and earnings that differ from those that formed the basis of our estimates and assumptions, which could be materially different from our estimates and assumptions. Any impairment in the value of our goodwill would have an adverse non-cash impact on our results of operations and reduce our net worth. As of December 31, 2024, we had goodwill of \$2,894 million, which is maintained in various reporting units.

Additionally, we have a significant amount of identifiable intangible assets and fixed assets that could also be subject to impairment. If we determine that a significant impairment has occurred in the value of our unamortized intangible assets or fixed assets, we could be required to write off a portion of our assets, which could adversely affect our financial condition or results of operations.

In connection with our preparation of our consolidated financial statements for the years ended December 31, 2023 and 2022, we and our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). As previously disclosed in our Annual Reports on Form 10-K for the years ended December 31, 2023 and 2022, management identified material weaknesses related to our internal control over financial reporting. Under standards established by the United States Public Company Accounting Oversight Board, a material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim consolidated financial statements will not be prevented or detected and corrected on a timely basis.

While we believe we have remediated all material weaknesses previously identified, we cannot assure that we will not have additional material weaknesses in the future. If we have additional material weaknesses in the future and fail to establish and maintain effective control over financial reporting, our ability to accurately and timely report our financial results could be adversely affected.

If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected, and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Our indebtedness may adversely affect our cash flow and our ability to operate our business and fulfill our obligations under our indebtedness.

As of December 31, 2024, on a consolidated basis, we had \$2,157 million in principal amount of debt outstanding under our credit facilities, \$614 million of senior notes, and other indebtedness totaling approximately \$5 million.

Our indebtedness could have significant effects on our operations. For example, it may:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, dividends, innovation, and other general corporate purposes;
- cause credit rating agencies to view our debt level negatively;
- increase our vulnerability to general adverse economic and industry conditions;

- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- limit our ability to make strategic acquisitions, introduce new technologies or pursue business opportunities; and
- place us at a competitive disadvantage compared to our competitors that have less indebtedness.

In addition, the Credit Agreement governing the credit facilities contains covenants that restrict our operations. These covenants restrict, among other things, our ability to incur additional debt, grant liens, pay cash dividends, enter new lines of business, redeem our common stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. These restrictions could limit our ability to plan for or react to market conditions, meet extraordinary capital needs or otherwise take actions that we believe are in our best interest. Further, a failure by us to comply with any of these covenants and restrictions could result in an event of default that, if not waived or cured, could result in the acceleration of all or a substantial portion of the outstanding indebtedness thereunder. In addition, subject to the restrictions in the agreements that govern the Credit Agreement, if we incur substantial additional indebtedness (including secured indebtedness) in the future, these risks will be exacerbated.

The terms of our indebtedness may limit our ability to borrow additional funds or capitalize on business opportunities, and our future debt level may limit our future financial and operating flexibility.

The Credit Agreement governing the credit facilities prohibits distributions on, or purchases or redemptions of, securities if any default or event of default is continuing. In addition, it contains various covenants limiting our ability to, among other things, incur indebtedness if certain financial ratios are not maintained, grant liens, engage in transactions with affiliates, enter into sale-leaseback transactions, and sell substantially all of our assets or enter into a merger or consolidation. The Credit Agreement governing the credit facilities also treats a change of control as an event of default and also requires us to maintain certain leverage ratios.

Our ability to access capital markets to raise capital on favorable terms will be affected by our debt level, our operating and financial performance, the amount of our current maturities and debt maturing in the next several years, and by prevailing credit market conditions. Moreover, if lenders or any future credit rating agency downgrade our credit rating, then we could experience increases in our borrowing costs, face difficulty accessing capital markets or incurring additional indebtedness, be unable to receive open credit from our suppliers and trade counterparties, be unable to benefit from swings in market prices and shifts in market structure during periods of volatility in the crude oil and natural gas markets or suffer a reduction in the market price of our common stock. If we are unable to access the capital markets on favorable terms at the time a debt obligation becomes due in the future. The price and terms upon which we might receive such extensions or additional bank credit, if at all, could be more onerous than those contained in existing debt agreements. Any such arrangements could, in turn, increase the risk that our leverage may adversely affect our future financial and operating flexibility and thereby impact our ability to pay cash distributions at expected rates.

We are self-insured against many potential liabilities.

We are insured through a wholly-owned insurance captive and third party carriers. We maintain insurance policies covering a broad range of risks, including automobile liability, general liability, property risk, employer liability, workers' compensation, employee group health, business interruption, professional liability and other typical business coverages, and coverage for limited cyber incidents and pollution liability. If any of our insurance carriers default on their obligations to provide insurance coverage by reason of its insolvency or for other reasons, our exposure to claims would increase and our profits would be adversely affected.

Certain of our coverages are subject to large deductibles or have high self-insured retention amounts, our policies do not cover all possible claims, and certain legacy risks at Chubb were assumed without insurance coverage. Accordingly, we are effectively self-insured for a substantial number of actual and potential claims. Additionally, if our estimates of liability for current or IBNR claims are substantially undervalued, we may incur unexpected losses higher than our reserves which we believe are adequate.

Our estimates and accruals for unpaid claims and expenses are based on known facts, historical trends, industry averages, and reasonable estimates of future expenses, utilizing the assistance of third-party actuaries. We believe our accruals are adequate. The determination of such estimated liabilities and their appropriateness are reviewed and updated at least quarterly. In connection with the Chubb claims, we estimated the exposure to loss presented by such claims,

negotiated an adjustment to the purchase price in connection with these anticipated costs and made associated accruals. However, claims liabilities are difficult to assess and estimate due to many relevant factors, the effects of which are often unknown, including the severity of an injury or damage, the determination of liability in proportion to other parties, the timeliness of reported claims, the effectiveness of our risk management and safety programs and the terms and conditions of our insurance policies. Additionally, unknown or changing trends, risks or circumstances, such as increases in claims, a weakening economy, increases in medical costs, changes in case law or legislation, or changes in the nature of the work we perform, could render our current estimates and accruals inadequate. If our estimates materially diverge from our realized liabilities, adjustments to our balance sheet may be required and these increased liabilities would be recorded in the period that the experience becomes known.

RISKS RELATED TO OUR CONTRACTS

We may not accurately estimate the costs associated with services provided under fixed price contracts, which could impair our financial performance.

A portion of our agreements with customers contain fixed price terms. Under these contracts, we typically set the price of our services on a per unit or aggregate basis and assume the risk that costs associated with our performance may be greater than what we estimated. We also enter into contracts for specific projects or jobs that require the installation or construction of an entire infrastructure system or specified units within an infrastructure system, many of which are priced on a fixed price or per unit basis. Profitability for these contracts will be reduced if actual costs to complete a project exceed our original estimates. If estimated costs to complete the remaining work for a project exceed the expected revenue to be earned, the full amount of any expected loss is recognized in the period the loss is determined. Our profitability on these contracts is therefore dependent upon our ability to accurately estimate the costs associated with our services and our ability to execute in accordance with our plans. A variety of factors could negatively affect these estimates, including changes in expected productivity levels, conditions at work sites differing materially from those anticipated at the time we propose on the contract, and higher than expected costs of labor and/or materials. These variations, along with other risks inherent in performing fixed price contracts, could cause actual project results to differ materially from our original estimates, which could result in lower margins than anticipated, or losses, which could reduce our profitability, cash flows and liquidity.

A portion of our contracts allocate the risk of price increases in supplies to us.

For certain contracts, including where we have assumed responsibility for procuring materials for a project, we are exposed to market risk of increases in certain commodity prices of materials, such as copper and steel, which are used as components of supplies or materials utilized in all of our operations. In addition, our customers' capital budgets may be impacted by the prices of certain materials. These prices could be materially impacted by general market conditions and other factors, including U.S. trade relationships with other countries or the imposition of tariffs. We are also exposed to increases in energy prices, including as they relate to gasoline prices for our rolling-stock fleet of approximately 11,700 vehicles. Additionally, the price of fuel required to run our vehicles and equipment is unpredictable and fluctuates based on events outside our control. Any increase in fuel costs could materially reduce our profitability and liquidity to the extent we are not able to adjust our pricing for such expenses. While we believe we can increase our prices to adjust for some price increases in commodities, there can be no assurance that price increases of commodities would be recoverable. Additionally, some of our fixed price contracts do not allow us to adjust our prices and, as a result, increases in material or fuel costs could reduce our profitability with respect to such projects.

Some of our subsidiaries are government contractors, and they are subject to complex rules and regulations governing government contractors, and their contracts with government entities are subject to audit. Violations of the applicable rules and regulations could result in a subsidiary being barred from future government contracts.

Government contractors must comply with many regulations and other requirements that relate to the award, administration and performance of these contracts, and government contracts are subject to audit. A violation of these laws and regulations could result in imposition of fines and penalties, the termination of a government contract or debarment from proposing on government contracts in the future. Further, despite our decentralized nature, a violation at one of our locations could impact other locations' ability to propose on and perform government contracts. Additionally, because of our decentralized nature, we face risks in maintaining compliance with all local, state and federal government contracting requirements. Prohibition against proposing on future government contracts could have an adverse effect on our consolidated financial condition and results of operations.

Changes in spending or budgetary priorities or delays in contract awards may materially adversely affect our business, financial condition and results of operations.

We perform work through various subsidiaries to the U.S. federal government through government contracts. We also undertake projects for non-governmental customers who receive some level of federal funding for those projects. Levels of U.S. federal government spending are difficult to predict and subject to significant risk. Considerable uncertainty exists regarding how future budget and program decisions will unfold, including the spending priorities of the new U.S. presidential administration and Congress and what challenges budget and expenditure reductions and reforms on federal governmental processes will present for us, our customers and our industry generally. Pressures on and uncertainty surrounding the U.S. federal government's budget, and potential changes in budgetary priorities and spending levels, could adversely affect the funding for the work we provide under government contracts and the federally-funded projects we undertake for our customers, and could delay contracting or payment decisions by our customers or result in the federal government not renewing contracts with us. Current U.S. federal government spending levels for the work we provide to the federal government, for the funding of the projects of our customers or for other programs may not be sustained, and future spending and program authorizations may not increase or may decrease or shift to programs in areas where we do not provide services or are less likely to be awarded contracts. In the event the budgets or budgetary priorities of the U.S. federal government entities with which we do business are delayed, decreased or underfunded, or if the same occurs with respect to the federally-funded projects we undertake for our customers, our consolidated revenues and results of operations could be materially and adversely affected.

Our backlog is subject to reduction or cancellation, and revenues may be realized in different periods than initially reflected in our backlog.

Our backlog includes the estimated unsatisfied performance obligations associated with the services to be performed under customer contracts. These estimates are based on contract terms and evaluations regarding the timing of the services to be provided. In many instances, our customers are not contractually committed to procure specific volumes of services under a contract. Revenue estimates reflected in our backlog can be subject to change due to a number of factors, including contract cancellations and contract changes made by our customers to the amount or nature of the work actually performed under a contract. As a result, our backlog as of any particular date is an uncertain indicator of the amount of or timing of future revenues and earnings.

RISKS RELATED TO OUR WORKFORCE

We maintain a workforce based upon current and anticipated workloads. We could incur significant costs and reduced profitability from underutilization of our workforce if we do not receive future contract awards, if contract awards are delayed, or if there is a significant reduction in the level of services we provide. Shortages of skilled labor could impede our ability to provide timely, cost-effective services to our customers.

Our estimates of future performance and results of operations depend, among other factors, on whether and when we receive new contract awards, which affect the extent to which we are able to utilize our workforce. The rate at which we utilize our workforce is affected by a variety of factors, including our ability to forecast the need for our services, our ability to maintain an appropriately sized workforce, our ability to transition employees from completed projects to new projects or between internal business groups, our ability to manage attrition, and our need to devote resources to non-chargeable activities such as training or business development. While our estimates are based upon our good faith judgment, professional knowledge and experience, these estimates may not be accurate and may frequently change based on newly available information. In the case of large-scale projects where timing is often uncertain, it is particularly difficult to predict whether and when we will receive a contract award. The uncertainty of contract award timing can present difficulties in matching our workforce size to our project needs. If an expected contract award is delayed or not received, we could incur significant costs and reduced profitability resulting from underutilization of our workforce, redundancy of facilities, or from efforts to right-size our workforce and/or operations, which could reduce our profitability and cash flows. Conversely, we have in the past, and may from time to time in the future, face a shortage of skilled workers. Any significant deterioration in employee relations, shortages of labor or increases in labor costs at any of our businesses could have a material adverse effect on our business, financial condition and results of operations. Competition in the market for labor could drive up our costs, reduce our profitability, or impact our ability to deliver timely service to our customers.

Our pension commitments and obligations to make cash contributions to meet our obligations in certain pension plans subject us to risks.

Certain collective bargaining agreements in the U.S. require us to participate with other companies in multiemployer pension plans. To the extent those plans are underfunded, U.S. regulations, including the Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendments Act of 1980, may subject us to substantial liabilities under those plans if we withdraw from them or if they are terminated or experience a mass withdrawal.

In addition, certain U.S. multiemployer pension plans to which we contribute or may contribute in the future are in “endangered,” “seriously endangered” or “critical” status. The Pension Protection Act of 2006 added special funding and operational rules generally applicable to plan years beginning after 2007 for multiemployer plans that are classified as “endangered,” “seriously endangered” or “critical” status based on multiple factors (including, for example, the plan’s funded percentage, cash flow position and whether it is projected to experience a minimum funding deficiency). Plans in these classifications must adopt measures to improve their funded status through a funding improvement or rehabilitation plan, as applicable, which may require additional contributions from employers (which may take the form of a surcharge on benefit contributions) and/or modifications to retiree benefits. The amount of additional funds, if any, that we may be obligated to contribute to these plans in the future cannot be estimated due to uncertainty of the future levels of work that require the specific use of union employees covered by these plans, as well as the future contribution levels and possible surcharges on contributions applicable to these plans.

We also maintain defined benefit pension plans outside of the U.S. Our non-U.S. defined benefit pension plans include both funded and unfunded plans. We completed a pension buy-in transaction during 2023 and entered into insurance contracts with a global insurance company for the funded plan in the U.K. (closed to new members and future benefit accrual). The funded plan in Canada (closed to new members) is financed predominantly through externally invested pension plan assets via externally managed funds and insurance companies, which investments are subject to market, interest rate and inflation risks. If these investments do not perform well or are not managed properly and their values decline significantly, it could result in a coverage shortfall for these pension obligations and therefore significantly increase our pension obligations. In December 2024, we entered into a non-binding agreement in principle with the Trustees of the two pension plans in the U.K. to proceed with wind-up of the plans contingent on certain conditions. If all conditions are met and we execute the final wind-up, it may have a non-cash impact on our results of operations.

Our future contribution obligations and potential withdrawal liability exposure with respect to our pension plans could increase significantly based on the investment and actuarial performance of those plans, the insolvency of other companies that contribute to those plans (in the case of multiemployer plans), and other factors.

Our unionized workforce and related obligations could adversely affect our operations.

As of December 31, 2024, approximately 50% of our employees were covered by collective bargaining agreements in the U.S. or similar employment and labor obligations in other countries in which we conduct business. The terms of these agreements limit our discretion in the management of covered employees and our ability to nimbly implement changes to meet business needs. In addition, our employees in certain countries in Europe are subject to works council arrangements, exposing us to potential delays in implementing changes, works council claims and litigation. There can be no assurance that our non-unionized employees will not become members of a union or become covered by a collective bargaining agreement, including through an acquisition of a business whose employees are subject to such an agreement. Certain of our unionized employees have participated in strikes and work stoppages in the past, and we cannot be certain that strikes or work stoppages will not occur in the future. In the current inflationary environment, negotiations over union wage rates or increase in benefits may slow or derail contract renegotiations, which may lead to potential strikes or work stoppages. Strikes or work stoppages could adversely impact relationships with our customers and could cause us to lose business and experience a decline in revenues. Our ability to complete future acquisitions also could be adversely affected because of our union status. For instance, our union agreements may be incompatible with the union agreements of a business we want to acquire, and some acquisition targets may decline to become affiliated with a union-based company. Moreover, certain of our customers, where permissible by law, may require or prefer a non-union workforce, and they may reduce the amount of work assigned to us if our non-union labor crews become unionized, which could negatively affect our financial condition, results of operations and cash flows.

RISKS RELATED TO OUR CUSTOMER BASE

We serve customers who are involved in construction, technology, energy exploration, production and transportation, and adverse developments affecting activities in these industries, reduced demand for oil and natural gas products, or increased regulation of exploration and production, could have a material adverse effect on our results of operations.

Our energy and infrastructure businesses depend on energy and other industries' participants' willingness to make operating and capital expenditures to build pipelines to transport oil and natural gas and the development and production of oil and natural gas, as well as other infrastructure-related projects, in the United States. The level of activity in the new construction of oil and natural gas pipelines, oil and natural gas exploration and production in the U.S. has been volatile. A reduction in these activities generally results in decreased demand for our support services in that industry. Therefore, if these expenditures decline, our business is likely to be adversely affected.

A portion of our expected future growth is based on the ability and willingness of public and private entities to invest in infrastructure.

A portion of our current business and a portion of our future growth is expected to result from public and private investments in infrastructure. As a result, reduced or delayed spending, including the impact of government sequestration programs or other changes in budget priorities could result in the deferral, delay or disruption of our projects. These potential events could also impact our ability to be timely paid for our current services, which could adversely affect our cash flows and margins.

RISKS RELATED TO OUR OCCUPATIONAL HAZARDS

Our business is subject to operational hazards due to the nature of services we provide and the conditions in which we operate, including electricity, fires, explosions, mechanical failures and weather-related incidents.

We are subject to occupational and safety laws in each of the countries in which we operate, including for example in the U.S., the Occupational Safety and Health Act of 1970, as amended ("OSH Act"), in France, the Health and Safety at Work Code ("HSW Code"), and in the U.K., the Health and Safety At Work Act ("HSW Act"). These laws and their implementing regulations establish certain employer responsibilities, including maintenance of a workplace free of recognized hazards likely to cause death or serious injury, compliance with standards promulgated by OSHA and various recordkeeping, disclosure and procedural requirements. Various standards, including standards for notices of hazards and safety, may apply to our operations. We incur capital and operating expenditures and other costs in the ordinary course of business in complying with the OSH Act, the HSW Code, the HSW Act, and other state and local laws and regulations, and could incur penalties and fines in the future, including, in extreme cases, criminal sanctions. However, we have experienced no material penalties and fines to date.

While we invest substantial resources in occupational health and safety programs, the industries in which we operate involve a high degree of operational risk, and there can be no assurance that we will avoid significant liability. Although we have taken what we believe to be appropriate precautions, we have had employee injuries and fatalities in the past and may suffer additional injuries or fatalities in the future. Serious accidents of this nature may subject us to substantial penalties, civil litigation or criminal prosecution. Personal injury claims for damages, including for bodily injury or loss of life, could result in substantial costs and liabilities, which could materially and adversely affect our consolidated financial condition, results of operations or cash flows. In addition, if our safety record were to deteriorate, or if we suffered substantial penalties or criminal prosecution for violation of health and safety regulations, customers could cancel existing contracts and not award future business to us, which could materially adversely affect our liquidity, cash flows and results of operations. If we were not able to successfully resolve such issues, our ability to service our customers could be damaged, which could lead to a material adverse effect on our financial condition, results of operations and cash flows.

Our projects expose our employees to electrical lines and equipment, pipelines carrying potentially explosive or toxic materials, heavy equipment, transportation accidents, adverse weather conditions and the risk of damage to equipment and property from hazardous conditions such as working at heights.

These hazards, among others, can cause personal injuries and loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations and large damage claims which could, in some cases, substantially exceed the amount we charge for the associated services. In addition, if serious accidents or fatalities occur, or if our safety records were to deteriorate, we may be restricted from proposing on certain work or obtaining new contracts, and certain existing contracts could be terminated. Our safety processes and procedures are monitored by various agencies and ratings bureaus. The occurrence of accidents in the course of our

business could result in significant liabilities, employee turnover, increase the costs of our projects or harm our ability to perform under our contracts or enter into new customer contracts, all of which may subject us to liabilities, affect customer relationships, result in higher operating costs, negatively impact employee morale and result in higher employee turnover and could materially adversely affect our profitability and our financial condition.

Our businesses at times perform services under challenging conditions involving factors outside of our control.

The challenging conditions we encounter in our projects may include, without limitation, (i) hard to reach terrain and difficult site conditions; (ii) challenging engineering, procurement and construction phases, which may occur over extended time periods; (iii) difficulties or delays in designs or materials provided by the customer or a third party; (iv) equipment and material delivery delays; (v) schedule changes; (vi) delays from customer failure to timely obtain rights-of-way; (vii) weather-related delays; and (viii) delays by subcontractors in completing their portion of the project. Such conditions can result in project delays or cancellations, potentially causing us to incur unanticipated costs, reductions in revenue or the payment of liquidated damages. In addition, some of our contracts require that we assume the risk should actual site conditions vary from those expected.

In some cases, delays and additional costs may be substantial, and we may be required to cancel a project and/or compensate the customer for the delay. We may not be able to recover any of such costs. Any such delays, cancellations, errors or other failures to meet customer expectations could result in damage claims substantially in excess of the revenue associated with a project. Delays or cancellations could also negatively affect our reputation or relationships with our customers, which could adversely affect our ability to secure new contracts.

CLAIMS AND LITIGATION RISKS

We are and may become subject to periodic regulatory proceedings, including Fair Labor Standards Act (“FLSA”) and state wage and hour class action lawsuits, which may adversely affect our business and financial performance.

Pending and future wage and hour litigation, including claims relating to the U.S. Fair Labor Standards Act, analogous state laws, or other state wage and hour laws could result in significant attorney fees and settlement costs. Resolution of non-litigated alleged wage and hour violations could also negatively impact our performance. The potential settlement of, or awards of damages for, such claims also could materially impact our financial performance as could operational adjustments implemented in response to a settlement, court order or in an effort to mitigate future exposure. Additionally, an increased volume of alleged statutory violations or matters referred to an agency for potential resolution could result in significant attorney fees and settlement costs that could, in the aggregate, materially impact our financial condition.

We are and may become subject to periodic litigation which may adversely affect our business and financial performance.

We are subject to various lawsuits, administrative proceedings and claims that arise in the ordinary course of business. We could be party to class and collective actions, along with other complex legal disputes, that could materially impact our business by requiring, among other things, unanticipated management attention, significant attorney fees and settlement spend, or operational adjustments implemented in response to a settlement, court order or to mitigate future exposure. In addition, if we do not meet our contractual obligations, our customers may seek action against us to pursue remedies, which may include payment of liquidated damages and reimbursement from us to cover the incremental cost of having a third party complete or remediate our work.

We may have litigation in a variety of matters, some matters may be unpredictable or unanticipated, and the frequency and severity of litigation could increase. Because lawsuits are inherently unpredictable, assessing contingencies is highly subjective and requires judgements about future events. A judgement that is not covered by insurance or that is significantly in excess of our insurance coverage could materially adversely affect our financial condition or results of operations.

We are exposed to workmanship warranty, casualty, negligence, construction defect, breach of contract, product liability, and other claims and legal proceedings.

From time to time, we are subject to workmanship warranty, casualty, negligence, construction defect, breach of contract, product liability, and other claims and legal proceedings relating to the products we install that, if adversely determined, could adversely affect our consolidated financial condition, results of operations and cash flows. We rely on

manufacturers and other suppliers to provide us with most of the products we install. Because we do not have direct control over the quality of such products manufactured or supplied by such third-party suppliers, we are exposed to risks relating to the quality of such products including the potential to be impacted by product recalls. In addition, we are exposed to potential claims arising from the conduct of our employees, and other subcontractors, for which we may be contractually liable.

We have in the past been, and may in the future be, subject to liabilities in connection with injury, death, or damage incurred in conjunction with our installation of products or provision of services regarding the inspection, maintenance or monitoring of products and systems installed by us or others. Although we currently maintain what we believe to be suitable and adequate insurance, we may be unable to maintain such insurance on acceptable terms or such insurance may not provide adequate protection against potential liabilities.

Such claims and legal proceedings can be expensive to defend and can divert the attention of management and other personnel for significant periods of time, regardless of the ultimate outcome. In addition, lawsuits relating to construction defects typically have statutes of limitations that can run as long as twelve years in some jurisdictions such as the U.K. Claims of this nature could also have a negative impact on customer confidence in our businesses and services. Current or future claims could have a material adverse effect on our reputation, business, financial condition and results of operations.

RISKS RELATED TO THE INDUSTRIES IN WHICH WE OPERATE

We have significant operations in highly competitive markets, and our failure to effectively compete could reduce our market share and harm our financial performance.

The safety services industry is highly fragmented, and we compete with other companies in each of the markets in which we operate, ranging from small independent firms servicing local markets to larger firms servicing regional and national markets. We also compete with existing and prospective customers who perform some of the services we offer, which could reduce the amount of services we perform for our customers. There are relatively few barriers to entry for certain of the services we provide and, as a result, any organization that has adequate financial resources and access to technical expertise and skilled personnel may become a competitor. Further, smaller competitors are more susceptible to consolidation. Consolidation of smaller entities could create larger national competitors which could adversely affect our business or profitability.

Certain of our customers' work is awarded through proposal processes on a project-by-project basis. In connection with such project-based work, price is often a significant factor that determines whether we are awarded the project, especially on smaller, less complex projects. Smaller competitors may have an advantage against us based on price alone due to their lower costs and financial return requirements. Generally, it is difficult to predict whether and when we will be awarded a new contract due to lengthy and complex bidding and selection processes, changes in existing or forecasted market conditions, customers' access to financing, governmental regulations, permitting and environmental matters. Additionally, our proposals for certain projects may depend on customer perception, including our perceived relative ability to perform the work as compared to our competitors or a customer's perception of technological advantages held by our competitors as well as other factors. Moreover, if we do not employ new technologies as quickly or efficiently as our competitors, or if our competitors develop or utilize more cost-effective or customer-preferred technologies, such as data analytics, artificial intelligence and other new and emerging technologies, that give them a competitive advantage in the proposal bidding and selection process, it could have a material adverse effect on our ability to win and retain business from customers. Our market share and results of operations could be materially and adversely affected if we are unsuccessful in proposing on projects or renewing our master service agreements, or if our ability to be awarded such projects or agreements requires that we accept less desirable terms, including lower margins. Furthermore, because we derive revenue from projects awards that are subject to these uncertainties, our results of operations and cash flows can fluctuate materially from period to period.

Our businesses are impacted by levels of construction activity and an economic downturn in that industry could materially and adversely affect our business.

The demand for our services – including without limitation, safety services, electrical utility transmission buildouts, grid connections, pipeline construction, and general construction – is impacted by the demand for construction projects across multiple markets including energy and infrastructure, commercial, and industrial. Any period of economic recession affecting the volume or size of those projects is likely to adversely impact our business. Many of the projects that require our services involve long timelines from conception to completion, and many of the services that we offer are

required later in the project's lifecycle. Consequently, some of our businesses experience the results of economic trends later in an economic cycle.

The construction industry and individual markets within that industry have historically been vulnerable to macroeconomic downturns and we expect that will continue to be the case. The industry is traditionally cyclical in nature and economic downturns can adversely affect the willingness and ability of our customers to commit to capital expenditures. Such a decline would likely reduce the demand for certain of our services.

A failure in the systems we construct and install, or in the systems we repair or service, whether due to employee acts or omissions or faulty workmanship or design, may subject us to significant liability.

Our business involves professional judgments regarding the planning, design, development, construction, operations and management of electric power transmission, communications and pipeline infrastructure. Because our projects are often technically complex, our failure to make judgments and recommendations in accordance with applicable professional standards, including engineering standards, could result in damages. A significantly adverse or catastrophic event at a project site or completed project resulting from the services we performed could result in significant professional or product liability, personal injury (including claims for loss of life) or property damage claims or other claims against us, as well as reputational harm. We also repair and service safety systems, including elevator and escalator equipment that see heavy consumer traffic, and therefore the potential risk of personal injury for equipment failure is enhanced. These liabilities could exceed our insurance limits or applicable indemnification rights and could impact our ability to obtain third-party insurance in the future. In addition, customers, subcontractors or suppliers who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay us. An uninsured claim, either in part or in whole, if successful and of a material magnitude, could have a substantial impact on our business, financial condition, results of operations and cash flows.

Because many of our services are intended to protect lives and real and personal property (e.g., alarm and fire safety systems, products and monitoring services) and many of our businesses perform services at large projects and industrial facilities where accidents or system failures could be disastrous and costly, we may have greater exposure to litigation risks than businesses that provide other services, whether as a result of employee acts or omissions, faulty construction or system failures. In the event of litigation, it is possible that any contract limitation provisions may be deemed inapplicable or unenforceable, that our insurance coverage is insufficient or that insurers may deny coverage of our claims. Any claim, regardless of its merit or eventual outcome, could result in substantial costs, divert management's attention and create negative publicity, particularly for claims relating to environmental matters where the amount of the claim could be extremely large. Such claims could have a material adverse effect on our business, consolidated financial condition, results of operations and cash flows. If a customer or third party believes that he or she has suffered harm to person or property due to an actual or alleged act or omission of one or more of our employees, faulty construction, or a failure of a system we installed or maintained, then they may pursue legal action against us.

Under our contracts with customers, we may guarantee the work performed against, among other things, defects in workmanship, and we may agree to indemnify our customers for losses related to our services and materials. As much of the work we perform is inspected by our customers for any defects in construction prior to acceptance of the project, the claims that we have historically received have not been substantial. Additionally, materials used in construction are often provided by the customer or are warranted against defects by the supplier. If customer claims occur, we generally would be obligated to re-perform the services and/or repair or replace the item and any other facilities impacted thereby, at our sole expense, and we could also be responsible for other damages if we are not able to adequately satisfy customer claims. In addition, we may be required under contractual arrangements with our customers to honor any defects or failures in materials we provide. While we generally require the materials suppliers to provide us warranties or indemnification that are consistent with those we provide to our customers, if any of these suppliers default on their obligations to us, we may incur costs to repair or replace the defective materials. Costs incurred as a result of claims could adversely affect our business, financial condition, results of operations and cash flows.

Our failure to comply with environmental laws could result in significant liabilities and increased environmental regulations could result in increased costs.

We often perform services in and around environmentally-sensitive areas. These areas include underground environments and areas in proximity to rivers, lakes, and wetlands. Likewise, we perform directional drilling operations below certain environmentally-sensitive terrains and water bodies. It is possible that such directional drilling may cause a

surface fracture, resulting in the release of subsurface materials. These subsurface materials may contain contaminants in excess of amounts permitted by law, potentially exposing us to remediation costs and fines.

Our work may also cause unanticipated environmental damage or risks to employees, customers, or public health. If the field location maps supplied to us are not accurate, or if objects are present in the soil that are not indicated on the field location maps, our underground work could strike objects in the soil, some of which may contain pollutants. These objects may also rupture, resulting in the discharge of pollutants. In such circumstances, we may be liable for fines and damages, and we may be unable to obtain reimbursement from the parties providing the incorrect information. Additionally, we own and lease several facilities at which we store our equipment. Some of these facilities contain fuel storage tanks that are above or below ground. If these tanks were to leak, we could be responsible for the cost of remediation as well as potential fines.

This work subjects us to various environmental laws and regulations, including those dealing with the handling and disposal of waste products, PCBs, industrial chemicals, fuel storage, water quality and air quality. New laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or leaks, the discovery of previously unknown risks of materials or chemicals, or the imposition of new clean-up requirements could require us to incur significant costs or become the basis for new or increased liabilities that could negatively impact our financial condition, results of operations, and cash flows. For example, in August 2022, the U.S. Environmental Protection Agency ("EPA") issued a proposal that, if enacted, would designate two types of per- and poly-fluoroalkyl substances ("PFAS") as hazardous substances, which could lead to legal claims or other liabilities.

In certain instances, we have obtained indemnification or covenants from third parties (including predecessors or lessors) for such clean-up and other obligations and liabilities. However, such third-party indemnities or covenants may not cover all of our costs and the indemnitors may not pay amounts owed to us, and such unanticipated obligations or liabilities, or future obligations and liabilities, may have a material adverse effect on our business, financial condition, results of operations and cash flows. Further, we cannot be certain that we will be able to identify or be indemnified for all potential environmental liabilities relating to any acquired business.

Certain of our businesses are party to personal injury litigation and could be named as defendants in similar cases in the future related to our use or disposal of hazardous materials, which could adversely affect our financial condition, results of operations and cash flows.

Certain of our businesses, along with numerous other third parties, are named as defendants in personal injury lawsuits based on alleged exposure to various hazardous materials, including asbestos and PFAS. Hazardous materials that are the subject of these lawsuits could in the future include, among others, asbestos, PFAS, silica or solvents that may be or may have been previously used in the course of our work. These cases typically involve product liability claims based primarily on allegations of sale, distribution, installation or use of industrial products that either contained hazardous materials or were used with hazardous material containing components. Allegations of the presence of or exposure to these types of hazardous materials could be the basis of additional third-party claims and lawsuits. It is uncertain whether we will be successful in litigating or otherwise resolving these types of claims and lawsuits in the future and we continue to evaluate different strategies related to claims filed against us. Unfavorable rulings, judgments or settlement terms in future cases could have a material adverse impact on our financial condition, results of operations, and cash flows.

The industries we serve can be seasonal, cyclical and affected by weather conditions at project sites and other variations, the combined effects of which can potentially delay cash flows and adversely impact our results of operations.

Our revenue and results of operations can be subject to seasonal and other variations. These deviations are influenced by various factors, including weather, customer spending patterns, proposal seasons, project schedules, holidays, and timing, in particular, for large, non-recurring projects. In particular, many of the construction projects in North America that demand our services include significant outdoor work. As a result, seasonal changes and adverse weather conditions can adversely affect our business operations through declines in demand for our services and alterations and delays in applicable schedules. Adverse weather conditions can reduce demand for our services and reduce sales or render our contracting operations less efficient resulting in under-utilization of crews and equipment and lower contract profitability.

Furthermore, the industries we serve can be cyclical in nature. Fluctuations in end-user demand within those industries, or in the supply of services within those industries, can affect demand for our services. As a result, our business

may be adversely affected by industry declines or by delays in new projects. Variations or unanticipated changes in project schedules in connection with large projects can create fluctuations in revenue and could adversely affect our business, financial condition, results of operations and cash flows.

RISKS RELATED TO OUR ORGANIZATIONAL STRUCTURE AND OWNERSHIP OF OUR STOCK

We operate as a holding company and our principal source of operating cash is income received from our subsidiaries.

We have a holding company structure and do not have any material assets or operations other than ownership of equity interests of our subsidiaries. Our operations are conducted almost entirely through our subsidiaries, and our ability to generate cash to meet our obligations or to pay dividends is highly dependent on the earnings of, and receipt of funds from, our subsidiaries through dividends or intercompany loans. As a result, we are dependent on the income generated by our subsidiaries to meet our expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid from APG and its subsidiaries to us will depend on many factors, including APG's results of operations and consolidated financial condition, its constitutional documents, documents governing any indebtedness of APG or its subsidiaries, limits on dividends under applicable law, and other factors which may be outside of our control. If our subsidiaries are unable to generate sufficient cash flow, we may be unable to pay our expenses or make distributions and dividends on the common stock. In addition, any distributions or dividends that may be made from to APG by its subsidiaries could be subject to restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions, and foreign currency exchange regulations in the jurisdictions in which our subsidiaries operate, and we may not be able to repatriate income or capital in a tax efficient manner, if at all. Moreover, to the extent we intend to pay dividends on our common stock, we will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate.

We have equity instruments outstanding that would require us to issue additional shares of common stock. Therefore, you may experience significant dilution of your ownership interests and the future issuance of additional shares of our common stock, or the anticipation of such issuances, could have an adverse effect on our stock price.

We have 4,000,000 shares of Series A Preferred Stock which are convertible into shares of our common stock, at any time at the option of the holder. We will be obligated to pay dividends on our 4,000,000 outstanding shares of Series A Preferred Stock based on the market price of our common stock if such market price exceeds certain trading price minimums. These dividends are payable in cash or shares of our common stock, at our sole option. The issuance of common stock pursuant to the terms of the Preferred Stock will reduce (by the applicable proportion) the percentage stockholdings of those stockholders holding common stock prior to such issuance which may reduce your net return on your investment in our common stock.

In addition, we have various outstanding equity awards to employees and directors under the APi Group Corporation 2019 Equity Incentive Plan. As of December 31, 2024, we had 11,998,287 shares of common stock available under this Plan.

We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for our common stock in connection with future acquisitions, future issuances of our securities for capital raising purposes or for other business purposes. For example, in April 2024, we issued 12,650,000 shares of the Company's common stock in a public underwritten offering and used the net proceeds to finance, in part, the acquisition of 100% of the equity interests of Elevated Facility Services Group ("Elevated") and for general corporate purposes. Future sales by us of substantial amounts of our common stock, or the perception that sales could occur, could have a material adverse effect on the price of our common stock.

We may issue preferred stock in the future, and the terms of the preferred stock may reduce the value of our common stock.

Under the terms of our certificate of incorporation, our Board of Directors is authorized to create and issue one or more additional series of preferred stock, and, with respect to each series, to determine number of shares constituting the series and the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, which may include dividend rights, conversion or exchange rights, voting rights, redemption rights and terms and liquidation preferences, without stockholder approval. If we create and issue one or more additional series of preferred stock, it could affect your rights or reduce the value of our outstanding common stock. Our Board of Directors could, without stockholder approval, issue preferred stock with voting and other rights that could adversely affect the voting power of the holders of our common stock and which could have certain anti-takeover effects. For example, in connection

with the Chubb Acquisition, in January 2022 we issued shares of Series B Preferred Stock which had quarterly dividend rights and were ultimately converted into common stock in February 2024.

Delaware law and our organizational documents contain certain provisions, including anti-takeover provisions, which limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.

Our certificate of incorporation and bylaws, and the Delaware General Corporate Law (“DGCL”), contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our Board of Directors and therefore depress the trading price of our common stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our Board of Directors or taking other corporate actions, including effecting changes in our management. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our Board of Directors or management.

In addition, Section 203 of the DGCL restricts certain “business combinations” with “interested stockholders” for three years following the date that a person becomes an interested stockholder unless: (1) the “business combination” or the transaction which caused the person or entity to become an interested stockholder is approved by the Board of Directors prior to such business combination or transactions; (2) upon the completion of the transaction in which the person or entity becomes an “interested stockholder,” such interested stockholder holds at least 85% of our voting stock not including (i) shares held by officers and directors and (ii) shares held by employee benefit plans under certain circumstances; or (3) at or after the person or entity becomes an “interested stockholder,” the “business combination” is approved by the Board of Directors and holders of at least 66 2/3% of the outstanding voting stock, excluding shares held by such interested stockholder. A Delaware corporation may elect not to be governed by Section 203. We have not made such an election.

Our stockholders may be required to bring certain actions or proceedings relating to us in the Delaware Court of Chancery and certain actions asserting claims arising under the Securities Act in the federal district courts of the United States.

Pursuant to our certificate of incorporation, unless we consent in writing to an alternative forum, the Delaware Court of Chancery is the sole and exclusive forum for: (1) derivative actions or proceedings brought on behalf of us; (2) actions asserting a claim of fiduciary duty owed by any of our directors, officers or employees to us or our stockholders; (3) civil actions to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; or (4) actions asserting a claim governed by the internal affairs doctrine. Under our certificate of incorporation, if the Delaware Court of Chancery lacks jurisdiction over any of the foregoing actions or proceedings, then the sole and exclusive forum for such actions or proceedings will be another state or federal court located in the State of Delaware, as long as such court has jurisdiction over the parties. These Delaware forum provisions require our stockholders to bring certain types of actions and proceedings relating to Delaware law in the Delaware Court of Chancery or another state or federal court located in the State of Delaware and therefore may prevent our stockholders from bringing such actions or proceedings in another court that a stockholder may view as more convenient, cost-effective or advantageous to the stockholder or the claims made in such action or proceeding, or may discourage them from bringing such actions or proceedings.

In addition, pursuant to our certificate of incorporation, unless we consent in writing to an alternative forum, the U.S. federal district courts will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for any action asserting a claim arising under the Securities Act. This forum provision prevents our stockholders from bringing claims arising under the Securities Act in state court, which court our stockholders may view as more convenient, cost effective or advantageous to the claims made in such action and therefore may discourage such actions. In addition, while the Delaware Supreme Court has recently upheld provisions of the certificates of incorporation of other Delaware corporations that are similar to this forum provision, a court of a state other than the State of Delaware could decide that such provisions are not enforceable under the laws of that state.

Neither the Delaware nor the Securities Act forum provisions are intended by us to limit the forums available to our stockholders for actions or proceedings asserting claims arising under the Exchange Act.

Our stock price may be volatile and, as a result, you could lose a significant portion or all of your investment.

The market price of our common stock on the NYSE may fluctuate as a result of several factors, including the following:

- our operating and financial performance and prospects;
- variations in our quarterly operating results or those of other companies in our industries;
- volatility in our industries, the industries of our customers and suppliers and the securities markets;
- risks relating to our businesses and industries, including those discussed above;
- strategic actions by us or our competitors;
- damage to our reputation, including as a result of issues relating to the quality or safety of the services we provide and systems we install;
- actual or expected changes in our growth rates or our competitors' growth rates;
- investor perception of us, the industries in which we operate, the investment opportunity associated with the common stock and our future performance;
- addition to or departure of our executive officers;
- changes in financial estimates or publication of research reports by analysts regarding our common stock, other comparable companies, or our industries generally, or termination of coverage of our common stock by analysts;
- our failure to meet estimates or forecasts made by analysts, if any;
- trading volume of our common stock;
- future sales of our common stock by us or our stockholders;
- economic, legal and regulatory factors unrelated to our performance;
- adverse or new pending litigation against us; or
- issuance of future annual Series A Preferred Stock dividends, which are intended to be settled in common stock.

Furthermore, the stock markets often experience significant price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions or interest rate changes may cause the market price of our common stock to decline.

GENERAL RISK FACTORS

In the event of a cybersecurity incident, we could experience operational interruptions, incur substantial additional costs, become subject to legal or regulatory proceedings or suffer damage to our reputation.

In the event of a cybersecurity incident, we could experience operational interruptions, incur substantial additional costs, become subject to legal or regulatory proceedings or suffer damage to our reputation. In addition to the disruptions that may occur from interruptions in our information technology systems, cybersecurity threats and sophisticated and targeted cyberattacks, including the potential use of artificial intelligence tools, pose a risk to our information technology systems and the systems that we design and install. We have established security policies, processes and defenses designed to help identify and protect against intentional and unintentional misappropriation or corruption of our information technology systems, disruption of our operations or the secure operation of the systems we install. Despite these efforts, our information technology systems may be damaged, disrupted or shut down due to attacks by unauthorized access, malicious software, computer viruses, undetected intrusion, hardware failures or other events, and in these circumstances our disaster recovery plans may be ineffective or inadequate. These breaches or intrusions could lead to business interruption, exposure of proprietary or confidential information, data corruption, damage to our reputation, exposure to legal and regulatory proceedings and other costs. Such events could have a material adverse impact on our consolidated financial condition, results of operations and cash flows. In addition, we could be adversely affected if any of our significant customers or suppliers experiences any similar events that disrupt their business operations or damage their reputation. We maintain

monitoring practices and protections of our information technology to reduce these risks and test our systems on an ongoing basis for potential threats. There can be no assurance, however, that our efforts will prevent the risk of a security breach of our databases or systems that could adversely affect our business.

Data privacy, identity protection and information security compliance may require significant resources and presents certain risks.

We maintain confidential data and information (inclusive of personal data and third-party confidential information) in the normal course of our business. We also maintain personal data, including sensitive types of data such as audio recordings of telephone calls and video images and footage of customer sites and personnel. We also partner with third-party data processors that collect, store, have access to and otherwise process such confidential data and information on our behalf. This confidential data and information is subject to data privacy and security laws, regulations and/or customer-imposed requirements.

Despite our efforts to protect that data, our business and systems may be vulnerable to material security breaches, theft, misplaced or lost data, programming errors, or errors that could potentially lead to compromising such data, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information and operational disruptions. A significant actual or perceived risk of theft, loss, fraudulent use or misuse of customer, employee or other data, whether by us, our suppliers, vendors, customers or other third parties, as a result of employee error or malfeasance, or as a result of the imaging, software, security and other products we incorporate into the products we install or the services we provide, as well as non-compliance with applicable industry standards or our contractual or other legal obligations or privacy and information-security policies regarding such data, could result in costs, fines, litigation or regulatory actions, or could lead customers to seek the services of our competitors. In addition, any such event could harm our reputation, cause unfavorable publicity or otherwise adversely affect certain potential customers' perception of the security and reliability of our services and the products we install as well as our credibility and reputation, which could result in lost revenues.

In addition, we operate in an environment in which there are different and potentially conflicting data privacy laws in effect in the various U.S. states and foreign jurisdictions in which we operate, we must understand and comply with each law and standard in each of these jurisdictions while ensuring the data is secure and we could be subject to potentially substantial fines and penalties for non-compliance for major breach, theft or loss of personal data. For example, under the E.U. General Data Protection Regulation ("GDPR") and U.K. General Data Protection Regulation ("UK GDPR") companies must meet certain requirements regarding the handling of personal data or face penalties of up to 4% of worldwide revenue. Furthermore, the collection and safeguarding of personal information has increasingly attracted enhanced scrutiny from the general public in the United States, which has resulted in additional actual and proposed legislative and regulatory rules at the federal and state levels (e.g., the California Consumer Privacy Act of 2018 and California's Proposition 24 of 2020). We believe that data privacy regulations and public expectations will continue to evolve, which may require us to incur additional expenses and which may heighten the risks associated with compromised information. Government enforcement actions can be costly and interrupt the regular operation of our business, and violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, reputation and financial results.

The loss of key senior management personnel or the failure to hire and retain highly skilled personnel could negatively affect our business.

We depend on our senior management and other key personnel to operate our businesses. We also rely on other highly skilled personnel. Competition for qualified personnel in our industries, especially with respect to specialized projects or unique skill sets in applicable trades, is intense. The loss of any of our executive officers or other key employees or the inability to identify, hire, train, retain, and manage skilled personnel, could harm our business.

Increases in healthcare costs could adversely affect our financial results.

The costs of providing employee medical benefits have steadily increased over a number of years due to, among other things, rising healthcare costs and legislative requirements. Because of the complex nature of healthcare laws, as well as periodic healthcare reform legislation adopted by Congress, state legislatures, and municipalities, we cannot predict with certainty the future effect of these laws on our healthcare costs. Continued increases in healthcare costs or additional costs created by future health care reform laws adopted by Congress, state legislatures, or municipalities could adversely affect our consolidated results of operations and financial position.

We are subject to many laws and regulations in the jurisdictions in which we operate, and changes to such laws and regulations may result in additional costs and impact our operations.

We are committed to upholding the highest standards of corporate governance and legal compliance. We are subject to many laws and regulations in the jurisdictions in which we operate. We expect to be subject to various laws and regulations that apply specifically to U.S. public companies. These include the rules and regulations of the New York Stock Exchange, the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as the various regulations, standards and guidance put forth by the SEC and other governmental agencies to implement those laws. New laws, rules and regulations, or changes to existing laws or their interpretations, could create added legal and financial costs and uncertainty for us.

In addition, the recent change in the U.S. presidential administration could impact U.S. trade and other policies and result in substantial changes that may impact our business. Enforcement of existing laws and regulations, including changes in the enforcement priorities of regulators, changes in legal requirements, and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect our business, financial position or operating results.

Changes in accounting principles may cause unexpected fluctuations in our reported financial information.

Accounting rules and regulations are subject to review and interpretation by the Financial Accounting Standards Board (the "FASB"), the SEC and various other governing bodies. A change in GAAP could have a significant effect on our reported financial results. Additionally, the adoption of new or revised accounting principles could require that we make significant changes to our systems, processes and controls. We cannot predict the effect of future changes to accounting principles, which could have a significant effect on our financial condition, results of operations, and cash flows.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

We recognize the critical importance of maintaining the safety and security of our information systems and data and have a holistic process for overseeing and managing cybersecurity and related risks. This process is supported by our senior leadership team, the Audit Committee, and our Board of Directors.

The responsibilities of the Chief Information Officer ("CIO") include overseeing cybersecurity measures with the global Chief Information Security Officer ("CISO"). The CIO's background includes nearly 19 years of IT leadership at a major medical technology company and experience in various industries such as financial services, manufacturing, oil and gas, and chemicals. He holds an undergraduate degree in Management Information Systems from Augsburg University and a Master of Business Administration from Carlson School of Management at the University of Minnesota.

The CISO, who reports to our CIO, is generally responsible for management of cybersecurity risk and the protection and defense of our networks and systems. The CISO manages a team of professionals with broad cybersecurity experience and expertise. Our CISO has served in various roles in information technology and information security for over 20 years and holds an undergraduate degree in Information Systems from Xavier University and an MBA from Michigan State. The CISO and his regional security leaders have a combined total of over 25 Information Technology and Cybersecurity certifications, including Certified Information Systems Security Professional, Certified Cloud Security Professional, and Certified Information Security Manager.

The CISO and the cybersecurity team are committed to ongoing education and professional development, regularly participating in training programs and industry conferences to stay abreast of the latest cybersecurity trends, threats, and mitigation strategies.

The CISO has appointed experienced security leaders over the North American and International regions to create additional alignment and collaboration.

Risk Management and Strategy

Our cybersecurity risk management program primarily leverages the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF"). We routinely assess the threat landscape and take a holistic view of cybersecurity risks, with a layered cybersecurity strategy based on prevention, detection and mitigation. Our risk management program also assesses third party risks to attempt to identify and mitigate risks from third parties such as vendors, suppliers, and other business partners associated with our use of third-party service providers. As part of our cybersecurity risk management program, we also gather Threat Intelligence through our multiple security partners and tools. This intelligence (including tactics, techniques and procedures used by cyber criminals) provides insights into potential threats and vulnerabilities, which helps us to defend against cyber-attacks.

As part of our cybersecurity risk management system, our incident management teams track and log privacy and security incidents across the Company. Significant incidents are reviewed by a cross-functional and multi-disciplinary working group to determine whether further escalation is appropriate. Any cybersecurity incident that meets certain pre-established criteria is reported to our Executive Crisis Management Team ("ECMT"), which includes members of the Company's senior leadership team. The ECMT maintains an ongoing relationship with third-party advisors, such as forensic and incident management, crisis communications, and legal advisors, which we engage as necessary based on the specific facts of an incident. Incidents are evaluated to determine materiality for external reporting purposes as well as operational and business impact.

Assessment of our Program

We regularly test defenses by performing simulations and drills at both a technical level (including through penetration tests) and by reviewing our operational policies and procedures with third parties. Our IT security team monitors alerts and meets as needed to discuss threat levels, trends, and remediation.

We periodically perform simulations and tabletop exercises with the senior leadership team and incorporate external resources and advisors as needed. As part of those tabletop exercises, we review our Executive Cyber Crisis Management Plan, which is intended to provide senior leadership with operational structure and key considerations in the event of a cybersecurity incident. We also conduct employee training for Cybersecurity through our online learning management systems, regular communications, and other interactive education, such as phishing simulations.

In addition, our cybersecurity policies, standards, processes and practices are regularly assessed by consultants and external auditors. These assessments include a variety of activities including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness.

Governance

Our commitment to cybersecurity begins at the Board, includes our Audit Committee, and extends to our senior leaders across the company. Our Audit Committee oversees our enterprise risk management process. The Audit Committee's responsibilities include regular review of policies and practices with respect to risk assessment and risk management – including in the areas of cybersecurity and other information technology risk and privacy. The Audit Committee performs an annual review of the Company's cybersecurity program and reports to the Board on the results of that review. Material cybersecurity incidents are discussed with our Audit Committee and Board of Directors.

Cybersecurity Risk

Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity related risks, see Item 1A, "Risk Factors" of this Annual Report on Form 10-K.

ITEM 2. PROPERTIES

We own our corporate headquarters in New Brighton, Minnesota and own and lease other facilities globally where we conduct business. Our facilities are utilized for operations in our reportable segments and include offices, warehouses, storage, fabrication manufacturing, maintenance shops, and training and educational facilities. As of December 31, 2024, we owned approximately 50 facilities and leased approximately 500 facilities in the U.S., France, the United Kingdom,

Australia, the Netherlands, and over 15 other countries. We believe that our existing facilities are sufficient for our current needs.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are subject to workmanship warranty, casualty, negligence, construction defect, breach of contract, product liability, wage and hour, and other claims and legal proceedings in the ordinary course of business relating to the products we install that, if adversely determined, could adversely affect our financial condition, results of operations and cash flows. We do not believe that the ultimate resolution of these matters will have a material adverse effect on our business, financial condition, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Information regarding mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.1 to this Annual Report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET AND DIVIDEND INFORMATION

Our common stock is listed on the NYSE under symbol "APG."

Common Stock

As of February 19, 2025, there were approximately 15 holders of record of our common stock.

Dividends

We have historically not paid cash dividends and do not currently anticipate paying a cash dividend on our common stock. We intend to retain future earnings for reinvestment. Our Board of Directors will make any future determination as to the payment of dividends at its discretion, and this determination will depend upon our operating results, financial condition and capital requirements, general business conditions and such other factors that the Board of Directors considers relevant. In addition, our Credit Agreement (as later defined), in certain situations, prohibits us from paying cash dividends or making other distributions on our common stock without prior consent of the lender. See Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

Holders of shares of our Series A Preferred Stock are entitled to receive an annual stock dividend, payable in stock or cash at the election of our Board of Directors, based on the appreciated stock price compared to the highest dividend price previously used in calculating the Series A Preferred Stock dividends. We intend to settle these dividends in shares of Common Stock.

Prior to the conversion of our Series B Preferred Stock into common stock in February 2024 ("Series B Preferred Stock Conversion"), the holders of our Series B Preferred Stock were entitled to receive quarterly dividends in cash or (subject to the satisfactions of certain conditions) shares of our common stock, at our sole option (which we intended to settle in shares of common stock). We declared a pro rata Series B Preferred Stock dividend of \$7 million, or 283,196 shares of common stock, during the year ended December 31, 2024 for the Series B Preferred Stock outstanding through February 28, 2024. Refer to Note 19 – "Shareholders' Equity and Redeemable Convertible Preferred Stock" to our consolidated financial statements included in this Annual Report for additional information.

Stock Repurchase Program

On February 26, 2024, our Board of Directors authorized a stock repurchase program ("SRP") to purchase up to an aggregate of \$1,000 million of shares of our common stock. Acquisitions pursuant to the SRP may be made from time to time through a combination of open market repurchases in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, privately negotiated transactions, accelerated share repurchase transactions, and/or other derivative transactions, at our discretion, as permitted by securities laws and other legal requirements. In connection with the SRP, we may enter into Rule 10b5-1 trading plans which would generally permit us to repurchase shares at times when we might otherwise be prevented from doing so under the securities laws. This stock repurchase program will expire when the authorized amount is exhausted, unless otherwise modified or terminated by our Board of Directors at any time in its sole discretion. During the year ended December 31, 2024, we repurchased 16,260,160 shares of common stock for approximately \$600 million. The repurchases during the year ended December 31, 2024 were related to the Series B Preferred Stock Conversion (see Note 19 – "Shareholders' Equity and Redeemable Convertible Preferred Stock" to our consolidated financial statements). As of December 31, 2024, we had approximately \$400 million of authorized repurchases remaining under the SRP.

In 2022, our Board of Directors authorized a stock repurchase program ("2022 SRP"), authorizing the purchase of up to an aggregate of \$250 million of common stock through February 2024. During 2023, we repurchased 1,626,493 shares of common stock for approximately \$41 million. The 2022 SRP expired on February 29, 2024.

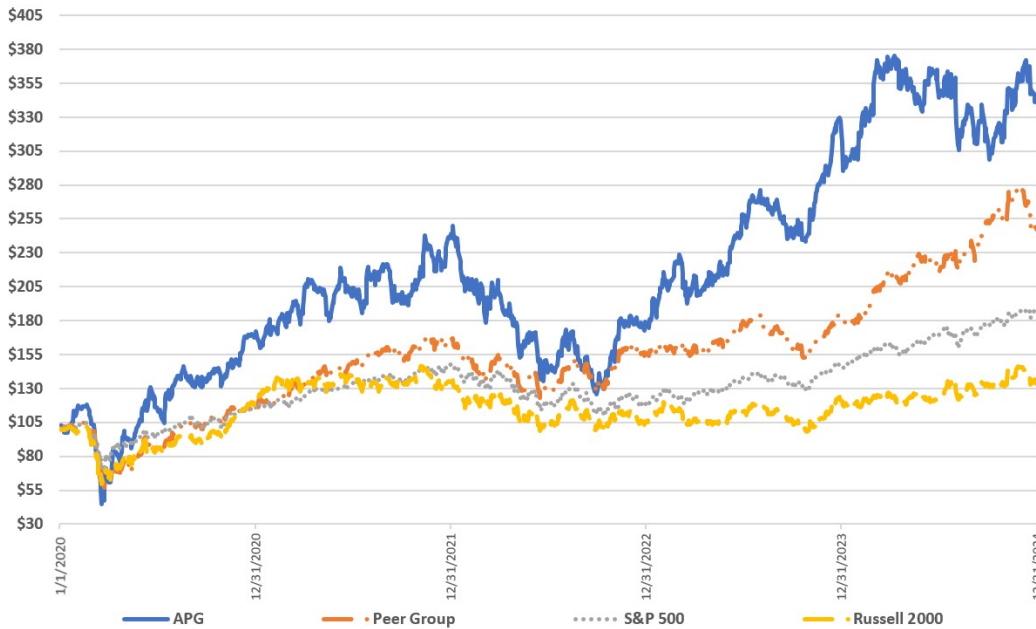
Issuer Purchases of Equity Securities

The Company did not have any purchases of equity securities during the quarter ended December 31, 2024.

Performance Graph

The following graph summarizes the cumulative return on \$100 invested in APG's common stock, the S&P 500, the Russell 2000 Stock Index, and the common stock of a selected peer group of companies if invested on January 1, 2020 until December 31, 2024. Because our services are diverse across our operating segments, APG does not believe that any single published industry index is appropriate for comparing shareholder return. Therefore, the peer group used in the performance graph combines publicly traded companies that have similar characteristics as one or more of APG's segments. The returns of each company in the peer group are weighted based on the market capitalization of that company at the beginning of the measurement period. The stock price performance shown in the graphs is not necessarily indicative of future price performance.

The peer group includes Cintas Corporation, Comfort Systems USA, Inc., Dycom Industries, Inc., EMCOR Group Inc., FirstService Corp, Johnson Controls International plc, MasTec Inc., Otis Worldwide, and Quanta Services, Inc. In 2024, FirstService Corp was added to the peer group to provide exposure to non-residential services including fire protection services. Further, Dycom Industries, Inc. was added to the peer group and Jacob Engineering Group Inc. was removed from the peer group to better reflect the businesses of our Specialty Services segment.



ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and year-to-year comparisons of APG's financial condition and results of operations for the years ended December 31, 2024 and 2023.

Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" sections of this Annual Report, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

OVERVIEW

We are a global, market-leading business services provider of fire and life safety, security, elevator and escalator, and specialty services with a substantial recurring revenue base and over 500 locations worldwide. We provide statutorily mandated and other contracted services to a strong base of long-standing customers across industries. We have a winning leadership culture driven by entrepreneurial business leaders that deliver innovative solutions to our customers.

We focus on growing our recurring revenues and repeat business from our diversified long-standing customers across a variety of end markets, which we believe provides us with stable cash flows and a platform for organic growth. We believe maintenance and service revenues are generally more predictable through contractual arrangements with typical terms ranging from days to three years, with the majority having short durations and are often recurring due to consistent renewal rates and long-standing customer relationships.

CERTAIN FACTORS AND TRENDS AFFECTING OUR RESULTS OF OPERATIONS

Acquisitions

During 2024, we completed 13 acquisitions. Total purchase consideration for all of the completed acquisitions of \$821 million consisted of cash paid at closing of \$784 million, cash deposited into escrow for future deferred payments of \$8 million, and accrued consideration of \$29 million. The results of operations of these acquisitions are included in our consolidated statements of operations from their respective dates of acquisition.

For additional information about our acquisitions, see Note 4 – "Business Combinations" to our consolidated financial statements included in this Annual Report.

Restructuring

During 2022, we announced our multi-year Chubb restructuring program designed to drive efficiencies and synergies and optimize operating margin. The Chubb restructuring program includes expenses related to workforce reductions, lease termination costs, and other facility rationalization costs through fiscal year 2025.

We incurred pre-tax restructuring costs within the Safety Services segment of \$12 million and \$37 million in connection with the Chubb restructuring program in 2024 and 2023, respectively. In total, we estimate that we will recognize an aggregate of approximately \$125 million of restructuring and other costs related to the Chubb restructuring program by the end of fiscal year 2025.

For additional information about our restructuring activity, see Note 6 – "Restructuring" to our consolidated financial statements included in this Annual Report.

Economic, Industry and Market Factors

We closely monitor the effects of general changes in economic and market conditions on our customers. General economic and market conditions can positively or negatively affect demand for our customers' products and services, which can impact their planned capital and maintenance budgets in certain end markets. Market, regulatory, and industry factors could affect demand for our services. Availability of transportation and transmission capacity and fluctuations in market prices for energy and other fuel sources can also affect demand for our services for pipeline and power generation construction services. These fluctuations, as well as the highly competitive nature of our industries, have resulted, and may

continue to result, in lower proposals and lower profit on the services we provide. In the face of increased pricing pressure on key materials or other market developments, we strive to maintain our profit margins through productivity improvements, cost reduction programs, pricing adjustments, and business streamlining efforts. Increased competition for skilled labor resources and higher labor costs can reduce our profitability and impact our ability to deliver timely service to our customers. We have experienced supply chain disruptions, which have negatively impacted the source and supply of materials needed to perform our work. In addition, fluctuations in foreign currencies may have an impact on our financial position and results of operations. However, we believe that our exposure to transactional gains or losses resulting from changes in foreign currencies is limited because our foreign operations primarily invoice and collect receivables in their respective local or functional currencies, and the expenses associated with these transactions are generally contracted and paid for in the same local currencies. In cases where operational transactions represent a material currency risk, we generally enter into cross-currency swaps. Refer to Note 10 – "Derivatives" to our consolidated financial statements included in this Annual Report for additional information on our hedging activities. While we actively monitor economic, industry and market factors that could affect our business, we cannot predict the effect that changes in such factors may have on our future consolidated results of operations, liquidity, and cash flows, and we may be unable to fully mitigate, or benefit from, such changes.

Effect of Seasonality and Cyclical Nature of Business

Our net revenues and results of operations can be subject to variability stemming from seasonal and other variations. Seasonal variations can be influenced by weather conditions impacting customer spending patterns, contract award seasons, and project schedules, as well as the timing of holidays. Consequently, net revenues for our businesses are typically lower during the first and second quarters due to the prevalence of unfavorable weather conditions within our North American companies, which can cause project delays and affect productivity.

Additionally, the industries we serve can be cyclical. Fluctuations in end-user demand, or in the supply of services within those industries, can affect demand for our services. As a result, our business may be adversely affected by industry declines or by delays in new projects. Variations or unanticipated changes in project schedules in connection with large projects can create fluctuations in net revenues.

DESCRIPTION OF KEY LINE ITEMS

Net revenues

Net revenues are generated from the sale of various types of contracted services, fabrication, and distribution. We derive net revenues primarily from services under contractual arrangements with durations ranging from days to three years, with the majority having durations of less than six months, and which may provide the customer with pricing options that include a combination of fixed, unit, or time and material pricing. Net revenues for fixed price agreements are generally recognized over time using the cost-to-cost method of accounting which measures progress based on the cost incurred to total expected cost in satisfying our performance obligation.

Net revenues from time and material contracts are recognized as the services are provided. Net revenues earned are based on total contract costs incurred plus an agreed upon markup. Net revenues for these cost-plus contracts are recognized over time on an input basis as labor hours are incurred, materials are utilized, and services are performed. Net revenues from wholesale or retail unit sales are recognized at a point-in-time upon shipment.

Cost of revenues

Cost of revenues consists of direct labor, materials, subcontract costs, and indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. Labor costs are considered to be incurred as the work is performed. Subcontractor labor is recognized as the work is performed.

Gross profit

Our gross profit is influenced by direct labor, materials, and subcontract costs. Our profit margins are also influenced by raw material costs, contract mix, weather, and proper coordination with contract providers. Labor intensive contracts usually drive higher margins than those contracts that include material, subcontract, and equipment costs.

Selling, general, and administrative ("SG&A") expenses

Selling expenses consist primarily of compensation and associated costs for sales and advertising, trade shows, and corporate marketing. General and administrative expenses consist primarily of compensation and associated costs for executive management, personnel, facility leases, impairment, administrative expenses associated with accounting, finance, legal, information systems, leadership development, human resources, and risk management and overhead associated with these functions. General and administrative expenses also include outside professional fees, and other corporate expenses.

Amortization of intangible assets

Amortization expense reflects the charges incurred to amortize our finite-lived identifiable intangible assets, such as customer relationships, which are amortized over their estimated useful lives. There is a portion of amortization expense related to the backlog intangible assets reflected in cost of revenues in the consolidated statements of operations.

Loss (gain) on extinguishment of debt, net

Loss (gain) on extinguishment of debt, net reflects the difference between the repurchase price and the carrying amount of debt at the time of extinguishment.

Investment expense (income) and other, net

Investment expense (income) and other, net includes expense (income) from foreign currency forward contracts, cross-currency swaps, interest rate swaps agreements, joint ventures, non-service pension expense (benefit), and other miscellaneous items. Non-service pension expense (benefit) reflects the sum of the components of pension expense not related to service expense, i.e. interest expense, expected return on assets, and amortizations of prior service expenses and actuarial gains and losses.

RESULTS OF OPERATIONS

The following is a discussion of our financial condition and results of operations for the years ended December 31, 2024 and 2023. The following financial information has been extracted from our audited consolidated financial statements included in this Annual Report.

(\$ in millions)	Year Ended December 31,		Change	
	2024	2023	\$	%
Net revenues	\$ 7,018	\$ 6,928	\$ 90	1.3 %
Cost of revenues	4,840	4,988	(148)	(3.0 %)
Gross profit	2,178	1,940	238	12.3 %
Selling, general, and administrative expenses	1,694	1,581	113	7.1 %
Operating income	484	359	125	34.8 %
Interest expense, net	146	145	1	0.7 %
Loss on extinguishment of debt, net	1	7	(6)	(85.7 %)
Investment expense (income) and other, net	7	(25)	32	NM
Other expense, net	154	127	27	21.3 %
Income before income taxes	330	232	98	42.2 %
Income tax provision	80	79	1	1.3 %
Net income	\$ 250	\$ 153	\$ 97	63.4 %

NM = Not meaningful

Year ended December 31, 2024 versus year ended December 31, 2023

Net revenues

Net revenues for the year ended December 31, 2024 were \$7,018 million compared to \$6,928 million for the year ended December 31, 2023, an increase of \$90 million or 1.3%. The increase was primarily driven by revenue from acquisitions completed within the Safety Services segment, growth in inspection, service, and monitoring revenues, and

pricing improvements in our Safety Services segment, partially offset by divestitures, planned disciplined customer and project selection, as well as project delays in our HVAC business and Specialty Services segment.

Gross profit

The following table presents our gross profit (net revenues less cost of revenues) and gross margin (gross profit as a percentage of net revenues) for the years ended December 31, 2024 and 2023, respectively:

(\$ in millions)	Year Ended December 31,		Change	
	2024	2023	\$	%
Gross profit	\$ 2,178	\$ 1,940	\$ 238	12.3 %
<i>Gross margin</i>	<i>31.0 %</i>	<i>28.0 %</i>		

Our gross profit for the year ended December 31, 2024 was \$2,178 million compared to \$1,940 million for the year ended December 31, 2023, an increase of \$238 million, or 12.3%. Gross margin for the year ended December 31, 2024 was 31.0%, an increase of 300 basis points compared to the prior year, primarily driven by planned disciplined customer and project selection, pricing improvements in our Safety Services segment, and savings from the Chubb restructuring program.

Selling, general, and administrative expenses

The following table presents selling, general, and administrative expenses for the years ended December 31, 2024 and 2023, respectively:

(\$ in millions)	Year Ended December 31,		Change	
	2024	2023	\$	%
Selling, general, and administrative expenses	\$ 1,694	\$ 1,581	\$ 113	7.1 %
<i>SG&A expenses as a % of net revenues</i>	<i>24.1 %</i>	<i>22.8 %</i>		
SG&A expenses (excluding amortization and impairment) (non-GAAP)	\$ 1,478	\$ 1,372	\$ 106	7.7 %
<i>SG&A expenses (excluding amortization and impairment) as a % of net revenues (non-GAAP)</i>	<i>21.1 %</i>	<i>19.8 %</i>		

Our SG&A expenses for the year ended December 31, 2024, were \$1,694 million compared to \$1,581 million for 2023, an increase of \$113 million. SG&A expenses as a percentage of net revenues was 24.1% during the year ended December 31, 2024 compared to 22.8% in 2023. The increase in SG&A expenses was primarily driven by investments to support our Safety Services segment, SG&A expenses from acquisitions completed, and acquisitions costs in the year ended December 31, 2024. The increase in SG&A expenses was partially offset by savings related to the Chubb restructuring program in the year ended December 31, 2024 and a \$12 million impairment charge included in 2023, related to assets sold in that year. Our SG&A expenses excluding amortization and impairment for the year ended December 31, 2024 was \$1,478 million, or 21.1% of net revenues, compared to \$1,372 million or 19.8% of net revenues for 2023, primarily due to the factors discussed above. See "Non-GAAP Financial Measures" below for a discussion and reconciliation of our non-GAAP financial measures.

Interest expense, net

Interest expense was \$146 million and \$145 million for the years ended December 31, 2024 and 2023, respectively. The increase in interest expense was primarily due to an increase in debt outstanding partially offset by lower interest rates on our floating interest rate debt and increased interest income generated by the investment of the equity and debt financings that were ultimately used in the Elevated acquisition.

Loss on extinguishment of debt, net

During the year ended December 31, 2024, we made a \$100 million payment to pay down outstanding principal of the 2021 Term Loan. In connection with the payment, we recognized a net loss on debt extinguishment of \$1 million. During the year ended December 31, 2023, we made payments of \$375 million and \$100 million to pay down outstanding

principal amounts of the 2019 Term Loan and 2021 Term Loan, respectively. In connection with the payments, we recognized a net loss on debt extinguishment of \$7 million.

Investment expense (income) and other, net

Investment expense (income) and other, net was \$7 million and \$(25) million for the years ended December 31, 2024 and 2023, respectively. The change in investment expense (income) and other, net was primarily due to an increase in non-service pension costs in the current year partially offset by an increase in earnings from joint ventures. The non-service pension expense (benefit) was \$22 million and \$(12) million for the years ended December 31, 2024 and 2023, respectively. The change was due to higher interest costs as a result of higher discount rates in 2024 compared to 2023.

Income tax provision

The effective tax rate for the year ended December 31, 2024 was 24.0% compared to an effective tax rate of 33.9% for the year ended December 31, 2023. The decrease was primarily due to current year changes to the geographical income mix and valuation allowance positions.

The Organization for Economic Co-operation and Development ("OECD") has a framework to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as "Pillar 2"), with certain aspects of Pillar 2 effective January 1, 2024 and other aspects effective January 1, 2025. While it is uncertain whether the U.S. will enact legislation to adopt Pillar 2, certain countries in which we operate have adopted the legislation, and other countries are in the process of introducing legislation to implement Pillar 2. Therefore, we have considered Pillar 2 tax within the provisions for income taxes and do not expect Pillar 2 to have a material impact on the effective tax rate or the consolidated financial statements.

Net income and Adjusted EBITDA

The following table presents net income and Adjusted EBITDA for the years ended December 31, 2024 and 2023, respectively:

(\$ in millions)	Year Ended December 31,		Change	
	2024	2023	\$	%
Net income	\$ 250	\$ 153	\$ 97	63.4 %
Adjusted EBITDA (non-GAAP)	893	782	111	14.2 %
<i>Net income as a % of net revenues</i>	<i>3.6 %</i>	<i>2.2 %</i>		
<i>Adjusted EBITDA as a % of net revenues</i>	<i>12.7 %</i>	<i>11.3 %</i>		

Net income for the year ended December 31, 2024 was \$250 million compared to \$153 million for the year ended December 31, 2023, an increase of \$97 million. Net income as a percentage of net revenues for the years ended December 31, 2024 and 2023 was 3.6% and 2.2%, respectively. The net income improvement is primarily attributable to significant gross margin expansion resulting from the factors mentioned above, partially offset by SG&A expenses discussed above. Adjusted EBITDA for the years ended December 31, 2024 and 2023 was \$893 million and \$782 million, respectively, an increase of \$111 million. The increase in Adjusted EBITDA was primarily driven by the factors previously discussed. See "Non-GAAP Financial Measures" below for a discussion and reconciliation of our non-GAAP financial measures.

Operating Segment Results

(\$ in millions)	Year Ended December 31,		Net Revenues	
	2024	2023	\$	%
Safety Services	\$ 5,227	\$ 4,871	\$ 356	7.3 %
Specialty Services	1,798	2,079	(281)	(13.5 %)
Corporate and Eliminations	(7)	(22)	NM	NM
	<u>\$ 7,018</u>	<u>\$ 6,928</u>	<u>\$ 90</u>	<u>1.3 %</u>

(\$ in millions)	Segment Earnings				
	Year Ended December 31,		Change		
	2024	2023	\$	%	
Safety Services	\$ 809	\$ 664	\$ 145	21.8 %	
<i>Safety Services segment earnings as a % of net revenues</i>	<i>15.5 %</i>	<i>13.6 %</i>			
Specialty Services	\$ 209	\$ 239	\$ (30)	(12.6 %)	
<i>Specialty Services segment earnings as a % of net revenues</i>	<i>11.6 %</i>	<i>11.5 %</i>			
Corporate and Eliminations	\$ (125)	\$ (121)	NM	NM	
Adjusted EBITDA (non-GAAP)	\$ 893	\$ 782	\$ 111	14.2 %	

NM = Not meaningful

The following discussion breaks down the net revenues and segment earnings by reportable segment for the years ended December 31, 2024 and 2023.

Safety Services

Safety Services net revenues for the year ended December 31, 2024 were \$5,227 million compared to \$4,871 million during the same period in the prior year. The increase was primarily driven by revenue from acquisitions, increased inspection, service, and monitoring revenues, and pricing improvements, partially offset by a decline in project revenues in the HVAC business.

Safety Services segment earnings as a percentage of net revenues was 15.5% and 13.6% for the years ended December 31, 2024 and 2023, respectively. The increase was primarily the result of planned disciplined project and customer selection, pricing improvements, savings from the Chubb restructuring program, and improved mix of inspection, services and monitoring revenues.

Specialty Services

Specialty Services net revenues for the years ended December 31, 2024 and 2023 were \$1,798 million and \$2,079 million, respectively. The decrease was primarily driven by divestitures, the impact of the planned exit of a customer relationship in the Infrastructure/Utility reporting unit, project delays, and project and customer selection.

Specialty Services segment earnings as a percentage of net revenues for the years ended December 31, 2024 and 2023 was 11.6% and 11.5%, respectively. The increase was primarily the result of planned disciplined project and customer selection during the year ended December 31, 2024.

Year ended December 31, 2023 versus year ended December 31, 2022

The following is a discussion of our financial condition and results of operations for the years ended December 31, 2023 and 2022. The following financial information has been extracted from our audited consolidated financial statements included in this Annual Report.

(\$ in millions)	Year Ended December 31,		Change	
	2023	2022	\$	%
Net revenues	\$ 6,928	\$ 6,558	\$ 370	5.6 %
Cost of revenues	4,988	4,844	144	3.0 %
Gross profit	1,940	1,714	226	13.2 %
Selling, general, and administrative expenses	1,581	1,552	29	1.9 %
Operating income	359	162	197	121.6 %
Interest expense, net	145	125	20	16.0 %
Loss (gain) on extinguishment of debt, net	7	(5)	12	NM
Investment income and other, net	(25)	(51)	26	NM
Other expense, net	127	69	58	84.1 %
Income before income taxes	232	93	139	149.5 %
Income tax provision	79	20	59	295.0 %
Net income	\$ 153	\$ 73	\$ 80	109.6 %

NM = Not meaningful

Net revenues

Net revenues for the year ended December 31, 2023 were \$6,928 million compared to \$6,558 million for the year ended December 31, 2022, an increase of \$370 million or 5.6%. The increase in net revenues was attributable to the Safety Services and Specialty Services segments and was primarily driven by growth in inspection, service, and monitoring revenue.

Gross profit

The following table presents our gross profit (net revenues less cost of revenues) and gross margin (gross profit as a percentage of net revenues) for the years ended December 31, 2023 and 2022, respectively:

(\$ in millions)	Year Ended December 31,		Change	
	2023	2022	\$	%
Gross profit	\$ 1,940	\$ 1,714	\$ 226	13.2 %
Gross margin	28.0 %	26.1 %		

Our gross profit for the year ended December 31, 2023 was \$1,940 million compared to \$1,714 million in the year ended December 31, 2022, an increase of \$226 million, or 13.2%. Gross margin for the year ended December 31, 2023 was 28.0%, an increase of 190 basis points compared to the prior year, primarily due to planned disciplined project and customer selection, pricing improvements in our Safety Services segment, and an improved mix of inspection, service, and monitoring revenue, which generates higher margins.

Selling, general, and administrative expenses

The following table presents selling, general, and administrative expenses for the years ended December 31, 2023 and 2022, respectively:

(\$ in millions)	Year Ended December 31,		Change	
	2023	2022	\$	%
Selling, general, and administrative expenses	\$ 1,581	\$ 1,552	\$ 29	1.9 %
<i>SG&A expenses as a % of net revenues</i>	<i>22.8 %</i>	<i>23.7 %</i>		
SG&A expenses (excluding amortization and impairment) (non-GAAP)	\$ 1,372	\$ 1,355	\$ 17	1.3 %
<i>SG&A expenses (excluding amortization and impairment) as a % of net revenues (non-GAAP)</i>	<i>19.8 %</i>	<i>20.7 %</i>		

Our SG&A expenses for the year ended December 31, 2023, were \$1,581 million compared to \$1,552 million for the same period in 2022, an increase of \$29 million. SG&A expenses as a percentage of net revenues was 22.8% during the year ended December 31, 2023 compared to 23.7% in 2022. The decrease in SG&A expenses as a percentage of net revenues was primarily driven by lower acquisition and integration related expenses incurred, partially offset by an impairment charge of \$12 million related to assets sold in 2023 and investments to support our Safety Services and Specialty Services segments. Our SG&A expenses excluding amortization and impairment for the year ended December 31, 2023 was \$1,372 million, or 19.8% of net revenues, compared to \$1,355 million or 20.7% of net revenues for 2022, primarily due to the factors discussed above. See "Non-GAAP Financial Measures" below for a discussion and reconciliation of our non-GAAP financial measures.

Interest expense, net

Interest expense was \$145 million and \$125 million for the years ended December 31, 2023 and 2022, respectively. The increase in interest expense was primarily due to higher interest rates on our floating interest rate debt in 2023, partially offset by a decrease in the outstanding principal amounts of floating rate debt reflecting the debt repayments described below.

Loss (gain) on extinguishment of debt, net

During the year ended December 31, 2023, we made payments of \$375 million and \$100 million to pay down outstanding principal amounts of the 2019 Term Loan and 2021 Term Loan, respectively. In connection with the payments, we recognized a net loss on debt extinguishment of \$7 million. During 2022, we repurchased \$13 million and \$23 million of the outstanding principal amount of the 4.125% Senior Notes and 4.750% Senior Notes, respectively. In connection with these repurchases, we recognized a net gain on debt extinguishment of \$5 million.

Non-service pension benefit

The non-service pension benefit was \$12 million and \$42 million for the years ended December 31, 2023 and 2022, respectively. The change was due to higher interest costs as a result of higher discount rates in 2023 compared to 2022.

Investment income and other, net

Investment income and other, net was \$13 million and \$9 million for the years ended December 31, 2023 and 2022, respectively. The increase in investment income was primarily due to an increase in earnings from joint ventures.

Income tax provision

The effective tax rate for the year ended December 31, 2023 was 33.9% compared to an effective tax rate of 22.0% for the year ended December 31, 2022. The increase was primarily due to changes in 2023 to the geographical income mix and valuation allowance positions. Additionally, a benefit for withholding taxes on foreign earnings reduced the effective tax rate in the prior year.

Net income and Adjusted EBITDA

The following table presents net income and Adjusted EBITDA for the years ended December 31, 2023 and 2022, respectively:

(\$ in millions)	Year Ended December 31,		Change	
	2023	2022	\$	%
Net income	\$ 153	\$ 73	\$ 80	109.6 %
Adjusted EBITDA (non-GAAP)	782	673	109	16.2 %
<i>Net income as a % of net revenues</i>	<i>2.2 %</i>	<i>1.1 %</i>		
<i>Adjusted EBITDA as a % of net revenues</i>	<i>11.3 %</i>	<i>10.3 %</i>		

Net income for the year ended December 31, 2023 was \$153 million compared to \$73 million for the year ended December 31, 2022, an increase of \$80 million. Net income as a percentage of net revenues for the years ended December 31, 2023 and 2022 was 2.2% and 1.1%, respectively. The improvement is primarily attributable to planned disciplined project and customer selection, pricing improvements within our Safety Services and Specialty Services segments, and growth in inspection, service, and monitoring revenue, as well as savings in our Safety Services segment related to the Chubb restructuring program. The net income increase was partially offset by an impairment charge of \$12 million related to assets sold in 2023, an increase in interest expense of \$20 million, and an increase in the income tax provision of \$59 million. Adjusted EBITDA for the years ended December 31, 2023 and 2022 was \$782 million and \$673 million, respectively, an increase of \$109 million. With the exception of savings in our Safety Services segment related to the Chubb restructuring program, which is excluded from adjusted EBITDA, the increase in adjusted EBITDA was primarily driven by the factors previously discussed. See "Non-GAAP Financial Measures" below for a discussion and reconciliation of our non-GAAP financial measures.

Operating Segment Results

(\$ in millions)	Net Revenues			
	Year Ended December 31,		Change	
	2023	2022	\$	%
Safety Services	\$ 4,871	\$ 4,575	\$ 296	6.5 %
Specialty Services	2,079	2,030	49	2.4 %
Corporate and Eliminations	(22)	(47)	NM	NM
	<u>\$ 6,928</u>	<u>\$ 6,558</u>	<u>\$ 370</u>	<u>5.6 %</u>

(\$ in millions)	Segment Earnings			
	Year Ended December 31,		Change	
	2023	2022	\$	%
Safety Services	\$ 664	\$ 559	\$ 105	18.8 %
<i>Safety Services segment earnings as a % of net revenues</i>	<i>13.6 %</i>	<i>12.2 %</i>		
Specialty Services	\$ 239	\$ 210	\$ 29	13.8 %
<i>Specialty Services segment earnings as a % of net revenues</i>	<i>11.5 %</i>	<i>10.3 %</i>		
Corporate and Eliminations	\$ (121)	\$ (96)	NM	NM
Adjusted EBITDA (non-GAAP)	<u>\$ 782</u>	<u>\$ 673</u>	<u>\$ 109</u>	<u>16.2 %</u>

NM = Not meaningful

The following discussion breaks down the net revenues and segment earnings by reportable segment for the years ended December 31, 2023 and 2022.

Safety Services

Safety Services net revenues for the year ended December 31, 2023 were \$4,871 million compared to \$4,575 million during the same period in the prior year. The increase was driven by increased inspection, service, and monitoring revenue. This increase was also due to continued strength in our end markets and strategic pricing improvements.

Safety Services segment earnings as a percentage of net revenues was 13.6% and 12.2% for the years ended December 31, 2023 and 2022, respectively. The increase was primarily the result of planned disciplined project and customer selection, pricing improvements, and improved mix of inspection, service, and monitoring revenue, which generates higher margins.

Specialty Services

Specialty Services net revenues for the years ended December 31, 2023 and 2022 were \$2,079 million and \$2,030 million, respectively. The increase was primarily due to strong growth in the service business during the year ended December 31, 2023 compared to the same period in the prior year. The increase was partially offset by continued planned disciplined customer and project selection and customer project delays in the fabrication business.

Specialty Services segment earnings as a percentage of net revenues was 11.5% and 10.3% for the years ended December 31, 2023 and 2022, respectively. The increase was primarily the result of planned disciplined project and customer selection during the year ended December 31, 2023 compared to the same period in 2022.

NON-GAAP FINANCIAL MEASURES

We supplement our reporting of consolidated financial information determined in accordance with GAAP with SG&A expenses (excluding amortization and impairment) and adjusted EBITDA (defined below), which are non-GAAP financial measures. We use these non-GAAP financial measures to evaluate our performance, both internally and as compared with our peers, because they exclude certain items that may not be indicative of our core operating results. Management believes these measures are useful to investors since they (a) permit investors to view our performance using the same tools that management uses to evaluate our past performance and prospects for future performance, (b) permit investors to compare us with our peers, (c) in the case of adjusted EBITDA, determine certain elements of management's incentive compensation, and (d) provide more consistent period-to-period comparisons of the results.

These non-GAAP financial measures, however, have limitations as analytical tools and should not be considered in isolation from, a substitute for, or superior to, the related financial information that we report in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required by GAAP to be recorded in our financial statements and may not be comparable to similarly titled measures of other companies due to potential differences in calculation methods. In addition, these measures are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded or included in determining these non-GAAP financial measures. Investors are encouraged to review the following reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measures and not to rely on any single financial measure to evaluate our business.

SG&A expenses (excluding amortization and impairment)

SG&A expenses (excluding amortization and impairment) is a measure of operating costs used by management to manage the business and its segments. We believe this non-GAAP measure provides meaningful information and helps investors understand our operational selling, general, and administrative expenses excluding acquisition-related amortization expense and impairment charges to better enable investors to understand our financial results and assess our prospects for future performance.

The following tables present reconciliations of SG&A expenses to SG&A expenses (excluding amortization and impairment) for the periods indicated:

(\$ in millions)	Year Ended December 31,		
	2024	2023	2022
Reported SG&A expenses	\$ 1,694	\$ 1,581	\$ 1,552
<i>Adjustments to reconcile SG&A expenses to SG&A expenses (excluding amortization and impairment)</i>			
Amortization expense	(216)	(197)	(197)
Impairment of goodwill, intangibles, and other assets	—	(12)	—
SG&A expenses (excluding amortization and impairment)	\$ 1,478	\$ 1,372	\$ 1,355

Adjusted EBITDA

Adjusted Earnings before interest, taxes, depreciation and amortization after adjustments for non-recurring items (“Adjusted EBITDA”) is the measure of profitability used by management. Adjustments include expenses that are non-recurring in nature and that may not be indicative of the Company’s core operating results, including business transformation and other expenses for the integration of acquired businesses, the impact and results of businesses classified as assets held-for-sale and divested, and one-time and other infrequent events such as impairment charges, restructuring costs, transaction and other costs related to acquisitions, and non-service pension cost or benefit. We supplement the reporting of our consolidated financial information with Adjusted EBITDA. We believe this non-GAAP measure provides meaningful information and helps investors understand our financial results and assess our prospects for future performance.

The following table presents a reconciliation of net income to Adjusted EBITDA for the periods indicated:

(\$ in millions)	Year Ended December 31,		
	2024	2023	2022
Reported net income	\$ 250	\$ 153	\$ 73
<i>Adjustments to reconcile net income to adjusted EBITDA:</i>			
Interest expense, net	146	145	125
Income tax provision	80	79	20
Depreciation	80	79	77
Amortization	222	224	227
Contingent consideration and compensation	3	14	9
Non-service pension cost (benefit)	22	(12)	(42)
Inventory step-up	—	—	9
Business process transformation expenses	52	30	31
Acquisition related expenses	13	7	121
Loss (gain) on extinguishment of debt, net	1	7	(5)
Restructuring program related costs	32	46	30
Other	(8)	10	(2)
Adjusted EBITDA	\$ 893	\$ 782	\$ 673

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary sources of liquidity are cash flows from the operating activities of our consolidated subsidiaries, available cash and cash equivalents, our access to our \$500 million five-year senior secured revolving credit facility (the “Revolving Credit Facility”), and the proceeds from debt and equity offerings. We believe these sources will be sufficient to fund our liquidity requirements for at least the next twelve months. Although we believe we have sufficient resources to fund our future cash requirements, there are many factors with the potential to influence our cash flow position including weather, seasonality, commodity prices, market conditions, and inflation, over which we have no control.

As of December 31, 2024, we had \$993 million of total liquidity, comprising \$499 million in cash and cash equivalents and \$494 million (\$500 million less outstanding letters of credit of approximately \$6 million, which reduces availability) of available borrowings under our Revolving Credit Facility.

During 2022, we completed the Second Amendment to our credit agreement. As part of this amendment, we entered into a \$1,100 million seven-year incremental term loan ("2021 Term Loan"), the Revolving Credit Facility was upsized by \$200 million to \$500 million, the maturity date of the Revolving Credit Facility was extended five years, and the letter of credit limit was increased by \$100 million to \$250 million.

During 2023, we completed the Fourth Amendment to our credit agreement, repricing our 2019 Term Loan and 2021 Term Loan. The repricing reduced the applicable margin on all outstanding amounts by 25 basis points. Additionally, \$422 million of the 2019 Term Loan was extended to the 2021 Term Loan and assumed all the same terms as the repriced 2021 Term Loan. We made a repayment of \$100 million on the 2019 Term Loan concurrent with the close of this transaction.

During the first quarter of 2024, we completed the Fifth Amendment to our credit agreement, upsizing our 2021 Term Loan by \$300 million. The loan proceeds were directed as consideration for a portion of the purchase price for the Series B Preferred Stock Conversion.

During the second quarter of 2024, we completed the Sixth Amendment to our credit agreement, upsizing and repricing the 2021 Term Loan and repaying the 2019 Term Loan. We incurred approximately \$550 million of incremental principal on our 2021 Term Loan. The proceeds were used to repay the remaining \$330 million of the 2019 Term Loan, repay \$100 million of the Revolving Credit Facility outstanding, and for general corporate purposes, including to partially fund the Elevated acquisition.

During the second quarter of 2024, we issued 12,650,000 shares of Company common stock in a public underwritten offering. The proceeds from this offering totaled approximately \$458 million, net of related expenses. The net proceeds from this offering were used for general corporate purposes and to partially fund the Elevated acquisition.

During the fourth quarter of 2024, we made a repayment of \$100 million on the 2021 Term Loan.

In February 2025, we completed the Seventh Amendment to our credit agreement, repricing the 2021 Term Loan. The repricing reduced the applicable margin on the 2021 Term Loan by 25 basis points.

We expect to continue to be able to access the capital markets through equity and debt offerings for liquidity purposes as needed. Our principal liquidity requirements have been, and we expect will continue to be, for working capital and general corporate purposes, including capital expenditures and debt service, identifying, executing, and integrating strategic acquisitions and business transformation transactions or initiatives, as well as any accrued consideration and compensation due to selling shareholders, including tax payments in connection therewith. Our capital expenditures were approximately \$84 million and \$86 million in the years ended December 31, 2024 and 2023, respectively.

In 2022, our Board of Directors authorized a stock repurchase program, authorizing the purchase of up to an aggregate of \$250 million, which expired in February 2024. As a result of the program's expiration, on February 26, 2024, our Board of Directors authorized a stock repurchase program to purchase up to an aggregate of \$1,000 million of shares of our common stock. This stock repurchase program will expire when the authorized amount is exhausted, unless otherwise modified or terminated by our Board of Directors at any time in its sole discretion. During the year ended December 31, 2024, we repurchased 16,260,160 shares of common stock for approximately \$600 million. As of December 31, 2024, we had approximately \$400 million of authorized repurchases remaining under the stock repurchase program.

Cash Flows**Cash Flows**

The following table summarizes net cash flows with respect to our operating, investing, and financing activities for the periods indicated:

(\$ in millions)	Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 620	\$ 514
Net cash used in investing activities	(829)	(115)
Net cash provided by (used in) financing activities	245	(532)
Effect of foreign currency exchange rate change on cash, cash equivalents, and restricted cash	(15)	6
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 21	\$ (127)
Cash, cash equivalents, and restricted cash, end of period	\$ 501	\$ 480

Net cash provided by operating activities

Net cash provided by operating activities was \$620 million for the year ended December 31, 2024 compared to \$514 million of cash provided in 2023. The increase in cash provided by operating activities was primarily due to an increase in net income in the period. This increase in cash was also driven by lower working capital needs associated with the various services we provided in 2024 compared to 2023. Cash flow from operations is primarily driven by changes in the mix and timing of demand for our services and working capital needs associated with the various services we provide. Working capital is primarily affected by changes in total accounts receivable, accounts payable, accrued expenses, and contract assets and contract liabilities, all of which tend to be related and are affected by changes in the timing and volume of work performed.

Net cash used in investing activities

Net cash used in investing activities was \$829 million and \$115 million in the years ended December 31, 2024 and 2023, respectively. During 2024, we completed the Elevated acquisition and several other acquisitions, resulting in the use of \$778 million for acquisitions, compared to \$83 million in 2023.

Net cash provided by (used in) financing activities

Net cash provided by financing activities was \$245 million for the year ended December 31, 2024 compared to \$532 million used in financing activities in 2023. The increase in cash provided by financing activities was primarily driven by equity and debt issuances in 2024. During 2024, cash provided by financing activities was higher due to \$850 million of proceeds from the repricing and upsizing transactions of the 2021 Term Loan and \$458 million of proceeds from the issuance of common shares. The increase in cash used in financing activities in 2024 was partially offset by \$437 million of payments on long-term borrowings and \$600 million of share repurchases in connection with the conversion of the Series B Preferred Stock.

Year ended December 31, 2023 versus year ended December 31, 2022

For a discussion of our Liquidity and Capital Resources for the fiscal year ended December 31, 2023 compared to the fiscal year ended December 31, 2022, refer to Part I, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 28, 2024.

Financing Activities*Credit Agreement*

We have entered into a Credit Agreement by and among APi Group DE, Inc., our wholly-owned subsidiary, as borrower ("APi Group DE"), APG as a guarantor, the subsidiary guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank N.A., as administrative agent and as collateral agent (the "Credit Agreement") which provides for: (1) a term loan facility, pursuant to which we incurred the \$1,200 million term loan ("2019 Term Loan") used to fund a part of the cash portion of the purchase price in the APi Acquisition, and a \$1,100 million seven-year

incremental term loan ("2021 Term Loan") used to fund a portion of the purchase price in the Chubb Acquisition, and (2) a \$500 million Revolving Credit Facility of which up to \$250 million can be used for the issuance of letters of credit.

In 2023, we completed repricing of our 2019 Term Loan and 2021 Term Loan. The repricing reduced the applicable margin on all outstanding amounts by 25 basis points. Additionally, \$422 million of the 2019 Term Loan was extended to the 2021 Term Loan and assumed all the same terms as the repriced 2021 Term Loan.

During the first quarter of 2024, we completed the Fifth Amendment to our credit agreement, upsizing our 2021 Term Loan by an aggregate principal amount equal to \$300 million. The loan proceeds were directed as consideration for a portion of the purchase price for the Series B Preferred Stock Conversion.

During the second quarter of 2024, we completed the Sixth Amendment to our credit agreement, upsizing and repricing the 2021 Term Loan and repaying the 2019 Term Loan. The repricing reduced the applicable margin on the 2021 Term Loan by 50 basis points and removed the credit spread adjustment ("CSA"). As part of the transaction, we incurred approximately \$550 million of incremental principal our 2021 Term Loan. The proceeds were used to repay the remaining \$330 million of the 2019 Term Loan, repay \$100 million of the Revolving Credit Facility outstanding, and for general corporate purposes, including to partially fund the Elevated acquisition.

As of December 31, 2024, the amended interest rate applicable to the 2021 Term Loan was, at our option, either (a) a base rate plus an applicable margin equal to 1.00% or (b) a Term SOFR rate (adjusted for statutory reserves) plus an applicable margin equal to 2.00%. The 2021 Term Loan matures on January 3, 2029. Subject to certain exceptions, the 2021 Term Loan may be subject to mandatory prepayments using (i) proceeds from non-ordinary course asset dispositions, (ii) proceeds from certain incurrences of debt or (iii) a portion of the Company's annual excess cash flows based upon certain leverage ratios. Based on the early prepayments we have made, we do not owe any quarterly principal amounts for the remainder of the 2021 Term Loan.

In February 2025, we completed the Seventh Amendment to our credit agreement, repricing the 2021 Term Loan. The repricing reduced the applicable margin on the 2021 Term Loan by 25 basis points.

The interest rate applicable to borrowings under the Revolving Credit Facility is, at our option, either (a) a base rate plus an applicable margin equal to 1.25% or (2) a Term SOFR rate (adjusted for statutory reserves) plus an applicable margin equal to 2.25% plus a CSA.

The Credit Agreement contains customary representations and warranties, and affirmative and negative covenants, including covenants that, among other things, restrict our, and our restricted subsidiaries', ability to (i) incur additional indebtedness; (ii) pay dividends or make other distributions or repurchase or redeem capital stock; (iii) prepay, redeem or repurchase certain debt; (iv) make loans and investments; (v) sell, transfer and otherwise dispose of assets; (vi) incur or permit to exist certain liens; (vii) enter into transactions with affiliates; (viii) enter into agreements restricting subsidiaries' ability to pay dividends; and (ix) consolidate, amalgamate, merge or sell all or substantially all assets. The Credit Agreement also contains customary events of default. Furthermore, with respect to the Revolving Credit Facility, we must maintain a first lien net leverage ratio that does not exceed (i) 4.00 to 1.00 for each fiscal quarter ending in 2021, and (ii) 3.75 to 1.00 for each fiscal quarter ending thereafter, if on the last day of any fiscal quarter the outstanding amount of all revolving loans and letter of credit obligations (excluding undrawn letters of credit up to \$40 million) under the Credit Agreement is greater than 30% of the total revolving credit commitments thereunder subject to a right of cure. Our first lien net leverage ratio as of December 31, 2024 was 1.6:1.0.

During 2024, we made a repayment of \$100 million to the 2021 Term Loan. As a result, as of December 31, 2024, we had no principal outstanding under the 2019 Term Loan and \$2,157 million of principal outstanding under the 2021 Term Loan. We had no amounts outstanding under the Revolving Credit Facility, under which \$494 million was available after giving effect to \$6 million of outstanding letters of credit, which reduces availability.

Senior Notes

On June 22, 2021, APi Group DE completed a private offering of \$350 million aggregate principal amount of 4.125% Senior Notes due 2029 (the "4.125% Senior Notes"), issued under an indenture, dated June 22, 2021. The 4.125% Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by us and certain subsidiaries. The 4.125% Senior Notes will mature on July 15, 2029, unless redeemed earlier, and bear interest at a rate of 4.125% per year until maturity, payable semi-annually in arrears. We used the net proceeds from the sale of the 4.125% Senior Notes to

repay the previously outstanding term loan, prepay a portion of the 2019 Term Loan and for general corporate purposes. During the year ended December 31, 2022, we repurchased \$13 million of outstanding principal amount of the 4.125% Senior Notes and recognized a net gain of \$2 million on the debt extinguishment. As of December 31, 2024, we had \$337 million aggregate principal amount of 4.125% Senior Notes outstanding.

On October 21, 2021, a wholly-owned subsidiary of the Company completed a private offering of \$300 million aggregate principal amount of 4.750% Senior Notes due 2029 (the "4.750% Senior Notes") issued under an indenture dated October 21, 2021, as supplemented by a supplemental indenture dated January 3, 2022. The 4.750% Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by us and certain of our subsidiaries. The 4.750% Senior Notes will mature on October 15, 2029, unless earlier redeemed, and bear interest at a rate of 4.750% per year until maturity, payable semi-annually in arrears. We used the net proceeds from the sale of the 4.750% Senior Notes to finance a portion of the consideration for the Chubb Acquisition. During the year ended December 31, 2022, we repurchased \$23 million of outstanding principal amount of the 4.750% Senior Notes and recognized a net gain of \$3 million on the debt extinguishment. As of December 31, 2024, we had \$277 million aggregate principal amount of 4.750% Senior Notes outstanding.

Debt Covenants

As of December 31, 2024 and 2023, we were in compliance with all covenants contained in the indentures governing the 4.125% Senior Notes and 4.750% Senior Notes and the Credit Agreement.

Issuance and Conversion of Series B Preferred Stock

During 2022, we issued and sold 800,000 shares of our 5.5% Series B Redeemable Convertible Preferred Stock, par value \$0.0001 per share (the "Series B Preferred Stock"), for an aggregate purchase price of \$800 million, pursuant to securities purchase agreements entered into on July 26, 2021 with certain investors. The net proceeds from the Series B Preferred Stock issuance were used to fund a portion of the consideration for the Chubb Acquisition.

On February 28, 2024, we entered into a Conversion and Repurchase Agreement with Juno Lower Holdings L.P. ("Juno Lower Holdings"), FD Juno Holdings L.P. ("FD Juno Holdings," and together with Juno Lower Holdings, "Blackstone"), Viking Global Equities Master Ltd. ("VGEM") and Viking Global Equities II L.P. (VGE II, and collectively with VGEM, "Viking" and collectively with the Blackstone, the "Series B Holders") pursuant to which Blackstone and Viking agreed to convert all of the outstanding shares of the Series B Preferred Stock that they hold, which represents all of the Series B Preferred Stock outstanding. The transactions contemplated by the agreement (the "Series B Preferred Stock Conversion") were also consummated on February 28, 2024.

Under the terms of the agreement, (i) the Series B Holders each agreed to exercise their respective right to convert all of their Series B Preferred Stock into common stock, resulting in a total of 800,000 shares of Series B Preferred Stock being converted into approximately 32,803,519 shares of common stock (inclusive of approximately 283,196 shares attributable to accrued and unpaid dividends thereon (the "Conversion Shares") and (ii) upon issuance of the Conversion Shares, we agreed to immediately repurchase one-half of the Conversion Shares, on a pro rata basis, from the Series B Holders for an aggregate purchase price of \$600 million.

The repurchase price was financed by (i) an incremental term facility of \$300 million and (ii) cash and available credit from the balance sheet.

Material Cash Requirements from Known Contractual and Other Obligations

Our material cash requirements from known contractual and other obligations primarily relate to the following, for which information on both a short-term and long-term basis is provided in the indicated notes to the consolidated financial statements and expected to be satisfied using cash generated from operations:

- Operating and Finance Leases – See Note 12 – "Leases."
- Debt – See Note 13 – "Debt" for future principal payments and interest rates on our debt instruments.
- Tax Obligations – See Note 14 – "Income Taxes."
- Pension obligations – See Note 16 – "Pension."

We make investments in our properties and equipment to enable continued expansion and effective performance of our business. Our capital expenditures are typically less than 1.5% of annual net revenues.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

We review new accounting standards to determine the expected impact, if any, of the adoption of such standards will have on our financial position and/or results of operations. See Note 3 – “Recent Accounting Pronouncements” for further information regarding new accounting standards, including the anticipated dates of adoption and the effects on our consolidated financial position, results of operations or liquidity.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following as our critical accounting estimates:

Revenue Recognition from Contracts with Customers

We recognize net revenues from contracts with customers under Accounting Standards Codification (“ASC”) Topic 606. ASC 606 aligns revenue recognition with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. This core principle is achieved through the application of the following five step model: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to performance obligations in the contract, and (5) recognize revenue as performance obligations are satisfied.

We recognize net revenues at the time the related performance obligations are satisfied by transferring a promised good or service to our customers. A good or service is considered to be transferred when the customer obtains control. We can transfer control of a good or service and satisfy our performance obligations either over time or at a point in time. We transfer control of a good or service over time and, therefore, satisfy a performance obligation and recognize revenue over time, if one of the following three criteria are met: (a) the customer simultaneously receives and consumes the benefits provided as we perform, (b) our performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or (c) our performance does not create an asset with an alternative use, and we have an enforceable right to payment for performance completed to date.

For our performance obligations satisfied over time, we recognize revenue by measuring the progress toward complete satisfaction of that performance obligation. The selection of the method to measure progress towards completion can be either an input or output method and requires judgment based on the nature of the goods or services to be provided.

For our construction contracts, net revenues are generally recognized over time as our performance creates or enhances an asset that the customer controls as it is created or enhanced. Our fixed price construction projects generally use a cost-to-cost input method to measure progress towards completion of the performance obligation as we believe it best depicts the transfer of control to the customer, which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Costs incurred include direct materials, labor and subcontract costs, and indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. These contract costs are included in the results of operations under cost of revenues. Labor costs are considered to be incurred as the work is performed. Subcontractor labor is recognized as work is performed.

Net revenues from time and material construction contracts are recognized as the services are provided and is equal to the sum of the contract costs incurred plus an agreed upon markup. Net revenues earned from distribution contracts are recognized upon shipment or performance of the service.

We have a right to payment for performance completed to date at any time throughout our performance of a contract, including in the event of a cancellation, and as such, revenue is recognized over time. These performance obligations use the cost-to-cost input method to measure our progress towards complete satisfaction of the performance

obligation as we believe it best depicts the transfer of control to the customer which occurs as we incur costs on the contracts.

Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation will be revised on an on-going basis. For those performance obligations for which net revenues are recognized using a cost-to-cost input method, changes in total estimated costs, and related progress towards complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. When the current estimate of total costs for a performance obligation indicates a loss, a provision for the entire estimated loss on the unsatisfied performance obligation is made in the period in which the loss becomes evident.

The timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets include unbilled amounts from our long-term construction projects when net revenues recognized under the cost-to-cost measure of progress exceed amounts invoiced to our customers. Such amounts are recoverable from our customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract. In addition, many of our time and materials arrangements, as well as our contracts to perform turnaround services within the Specialty Services segment, are billed in arrears pursuant to contract terms that are standard within the industry, and resulting in contract assets and/or unbilled receivables being recorded, as revenue is recognized in advance of billings. Contract assets are generally classified as current assets within the consolidated balance sheets.

Contract liabilities from our long-term construction contracts arise when amounts invoiced to our customers exceed net revenues recognized under the cost-to-cost measure of progress. Contract liabilities additionally include advanced payments from our customers on certain contracts. Contract liabilities decrease as we recognize revenue from the satisfaction of the related performance obligation and are recorded as either current or long-term, depending upon when we expect to recognize such revenue. The long-term portion of contract liabilities is included in other noncurrent liabilities in the consolidated balance sheets.

Business Combinations

The nature or importance of this critical accounting estimate changes based on the transactional activity occurring in a given year. The determination of the fair value of net assets acquired in a business combination and estimates of acquisition-related contingent consideration requires estimates and judgments of future cash flow expectations for the acquired business and the related identifiable tangible and intangible assets. Fair values of net assets acquired are calculated using standard valuation techniques. Fair values of contingent consideration liabilities are estimated using an income approach such as discounted cash flows or option pricing models. We allocate purchase consideration to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions consistent with those of a market participant, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, future expected cash flows from backlog, customer relationships, and trade names and trademarks; and discount rates. In estimating the future cash flows, management considers demand, competition and other economic factors. Management's estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates, which could result in impairment charges in the future.

Due to the time required to obtain the necessary data for each acquisition, GAAP provides a "measurement period" of up to one year from the date of acquisition in which to finalize these fair value determinations. During the measurement period, preliminary fair value estimates may be revised if new information is obtained about the facts and circumstances existing as of the date of acquisition, or based on the final net assets and working capital of the acquired business, as prescribed in the applicable purchase agreement. Such revisions may result in the recording of "measurement period adjustments," which may result in the recognition of, or adjustment to, the fair values of acquisition-related assets or liabilities and/or consideration paid, as well as the related depreciation and amortization expense.

Significant changes in the assumptions or estimates used in the underlying valuations, including the expected profitability or cash flows of an acquired business, could materially affect our operating results in the period such changes are recognized.

The Periodic Assessment of Potential Impairment of Goodwill

Goodwill represents the excess of cost over the fair market value of net tangible and identifiable intangible assets of acquired businesses. Goodwill is not amortized but instead is annually tested for impairment, or more frequently if events or circumstances indicate that the carrying amount of goodwill may be impaired. We have recorded goodwill in connection with our historical acquisitions of businesses. Upon acquisition, these businesses were either combined into one of the existing components or managed on a stand-alone basis as an individual component.

The components are aligned to one of our two reportable segments, Safety Services or Specialty Services. Goodwill is required to be evaluated for impairment at the reporting unit level, which represents the operating segment level or one level below the operating segment level for which discrete financial information is available.

We perform our annual goodwill impairment assessment on October 1 each fiscal year, or more frequently if events or circumstances arise which indicate that goodwill may be impaired. Accounting standards for testing goodwill for impairment require the application of either a qualitative or quantitative assessment to analyze whether or not goodwill has been impaired. We perform the qualitative analysis by evaluating financial performance, macroeconomic conditions, and industry trends. Under the quantitative assessment, the estimated fair value of a reporting unit is compared with its carrying amount, including goodwill. If the carrying amount exceeds fair value, then an impairment loss would be recognized in an amount equal to that excess, limited to the amount of goodwill allocated to that reporting unit.

Quantitative testing performed is based on the estimated fair value using a combination of market and income approaches. Under the market approach, fair values were estimated using published market multiples for comparable companies and applying them to revenue and EBITDA. Under the income approach, a discounted cash flow methodology was used considering management estimates, general economic and market conditions, and the impact of planned business and operational strategies. Estimated discount rates were determined using the weighted-average cost of capital for each reporting unit at the time of the analysis, taking into consideration the risks inherent within each reporting unit individually.

For the year ended December 31, 2024, we performed our annual goodwill impairment assessment as of October 1, 2024. We had total goodwill of \$2,894 million as December 31, 2024. Based on the annual test, no goodwill impairment was indicated for any of the reporting units: North American Life Safety, International Life Safety, Heating, Ventilation and Air Conditioning ("HVAC"), Infrastructure/Utility, Fabrication, and Specialty Contracting.

While we believe we have made reasonable estimates and assumptions to calculate the fair values of the reporting units, it is possible changes could occur. We will continue to monitor reporting units in 2025 for any triggering events or other indicators of impairment.

Income Taxes

Our provision for income taxes uses an effective tax rate based on annual pre-tax income, statutory tax rates, permanent tax differences and tax planning opportunities in the various jurisdictions in which we operate. Significant factors that can affect our annual effective tax rate include our assessment of certain tax matters, the location and amount of taxable earnings, changes in certain non-deductible expenses and expected credits. Although we believe our provision for income taxes is correct and the related assumptions are reasonable, the final outcome of tax matters could be materially different from what we currently anticipate, which could result in significant costs or benefits to us. See Note 14 – "Income Taxes" for additional discussion.

In the ordinary course of business, there is inherent uncertainty in quantifying income tax positions. We assess our income tax positions and record tax benefits for all years subject to examination based on our evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recognized the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in our financial statements.

We file income tax returns in numerous tax jurisdictions, including U.S. federal, most U.S. states and certain foreign jurisdictions. Although we believe our calculations for tax returns are correct and the positions taken thereon are reasonable, the final outcome of income tax examinations could be materially different from our expectations and the estimates that are reflected in our consolidated financial statements, which could have a material effect on our results of operations, cash flows and liquidity.

ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

As of December 31, 2024, our outstanding variable interest rate debt was primarily related to our \$2,157 million 2021 Term Loan. To mitigate increases in variable interest rates, we have a \$720 million interest rate swap exchanging one-month SOFR for a rate of 3.59% per annum, maturing October 2026, and a \$400 million interest rate swap exchanging one-month SOFR for a rate of 3.41% per annum, maturing January 2028. During 2024, we entered into a \$720 million notional amount forward starting interest rate swap commencing in October 2026 and maturing in January 2029 that exchanges a variable rate of interest (SOFR) for an average fixed rate of interest of approximately 3.13% over the term of the agreement. The remaining floating rate portfolio will bear interest based on one-month SOFR plus 200 basis points. As of December 31, 2024, excluding letters of credit outstanding of \$6 million, we had no outstanding revolving loans under our Credit Agreement.

A one percentage point increase in the average interest rate on our floating rate debt at December 31, 2024 would increase future interest expense by approximately \$10 million per year.

Foreign Currency Risk

We have operations in over 20 countries globally. Revenues generated from foreign operations represented approximately 38% of our consolidated net revenues for the year ended December 31, 2024. Net revenues and expenses related to our foreign operations are, for the most part, denominated in the functional currency of the foreign operation, which minimizes the impact fluctuations in exchange rates would have on net income or loss. We are subject to fluctuations in foreign currency exchange rates when transactions are denominated in currencies other than the functional currencies. Such transactions were not material to our operations during the year ended December 31, 2024. These foreign currency transaction gains and losses, including hedging impacts, are classified in investment expense (income) and other, net, in the consolidated statements of operations and were a (loss) gain of \$(2) million, \$1 million, and \$(2) million for the years ended December 31, 2024, 2023 and 2022, respectively. These net foreign currency transaction gains and losses include derivative instruments designed to reduce foreign currency exchange rate risks. Translation gains or losses, which are recorded in accumulated other comprehensive loss in the consolidated balance sheets, result from translation of the assets and liabilities of our foreign subsidiaries into U.S. dollars. Foreign currency translation (losses) gains totaled approximately \$(107) million, \$61 million, and \$(164) million for the years ended December 31, 2024, 2023, and 2022, respectively.

Our exposure to fluctuations in foreign currency exchange rates has increased as a result of our international presence and may continue to increase in the future if we continue to expand our operations outside of the U.S. We seek to manage foreign currency exposure by minimizing our consolidated net assets and liability positions in currencies other than the functional currency of our foreign subsidiaries. However, we believe that our exposure to transactional gains or losses resulting from fluctuations in foreign currencies is limited because our foreign operations primarily invoice and collect receivables in their respective local or functional currencies, and the expenses associated with these transactions are generally contracted and paid for in the same local currencies. In order to manage foreign currency risk related to transactions in foreign currencies and the intercompany financing structure, we entered into cross-currency swaps to manage the foreign currency risk of certain intercompany loans. We also use foreign currency forward contracts as a way to mitigate foreign currency exposure.

Other Market Risk

We are also exposed to market risks impacting our customer base due to the potential related impact on accounts receivable or contract assets on uncompleted contracts. The amounts recorded may be at risk if our customers' ability to pay these obligations is negatively impacted by economic conditions. We continually monitor the creditworthiness of our customers and maintain ongoing discussions with customers regarding contract status with respect to change orders and billing terms. Therefore, management believes it takes appropriate action to manage market and other risks, but there is no assurance management will be able to reasonably identify all risks with respect to the collectability of these assets. See also "Revenue Recognition from Contracts with Customers" under Critical Accounting Estimates within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

In addition, we are exposed to various supply chain risks, including market risk of fluctuations or availability of copper, steel, cable optic fiber, and other materials used as components of supplies or materials utilized in our operations. We are also exposed to increases in energy prices, particularly as they relate to gasoline prices for our vehicle fleet. Disruptions in our supply chain can occur due to market inefficiencies but can also be driven by other events, like cybersecurity breaches, pandemics, or similar disruptive events. While we believe we can increase our contract prices to

adjust for some price increases in commodities, there can be no assurance that such price increases, if they were to occur, would be recoverable. Additionally, some of our fixed price contracts do not allow us to adjust prices and, as a result, increases in material costs could reduce profitability with respect to projects in progress.

Significant declines in market prices for oil and gas and other fuel sources may also impact our operations. Prolonged periods of low oil and gas prices may result in projects being delayed or canceled and in a low oil and gas price environment, certain of our businesses could become less profitable or incur losses.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
APi Group Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of APi Group Corporation and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Total estimated costs for certain fixed price projects recognized over time

As discussed in Note 7 to the consolidated financial statements, the Company recognizes revenue on certain safety services and specialty services for fixed price projects over time. For these fixed price projects, the Company uses a cost-to-cost measure of progress. More specifically, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation.

We identified the assessment of total estimated costs at completion for certain fixed price projects recognized over time as a critical audit matter. Evaluating the Company's initial and subsequent changes to the total estimated costs for the fixed price projects involved subjective auditor judgment. More specifically, our subjective auditor judgment involved the evaluation of management's assumptions related to estimated direct and indirect material, labor, and subcontractor costs, which affect the measurement of revenue recognized by the Company on certain fixed price projects.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's revenue process, including controls over the estimation of total costs for certain fixed price projects recognized over time. We selected certain projects and inspected related contract agreements, amendments, and change orders to test the existence of customer arrangements and to understand the nature and scope of the related projects. We evaluated the Company's ability to accurately estimate the total costs for certain projects by (1) interviewing project personnel to gain an understanding of the status of project activities, (2) analyzing and comparing costs incurred to the nature of total estimated costs remaining, and (3) inspecting subsequent changes to the total estimated costs at completion and inquiring with project personnel as to the reason for the change. We further evaluated the Company's ability to accurately estimate the total costs by evaluating the difference between the estimated costs and the final costs incurred for projects completed during the year.

/s/ KPMG LLP

We have served as the Company's auditor since 2012.

Minneapolis, Minnesota

February 26, 2025

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
APi Group Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited APi Group Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated February 26, 2025 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Elevated Facility Services Group during 2024, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, Elevated Facility Services Group's internal control over financial reporting associated with 7.5% of consolidated assets and 1.7% of consolidated revenues included in the consolidated financial statements of the Company as of and for the year ended December 31, 2024. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Elevated Facility Services Group.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Minneapolis, Minnesota
February 26, 2025

APi Group Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023
(In millions, except share and per share amounts)

	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 499	\$ 479
Accounts receivable, net of allowances of \$9 and \$5 at December 31, 2024 and 2023, respectively	1,444	1,395
Inventories	143	150
Contract assets	453	436
Prepaid expenses and other current assets	119	122
Total current assets	2,658	2,582
Property and equipment, net	379	385
Operating lease right-of-use assets	268	233
Goodwill	2,894	2,471
Intangible assets, net	1,660	1,620
Deferred tax assets	57	113
Pension and post-retirement assets	120	111
Other assets	116	75
Total assets	\$ 8,152	\$ 7,590
Liabilities, Redeemable Convertible Preferred Stock, and Shareholders' Equity		
Current liabilities:		
Short-term and current portion of long-term debt	\$ 4	\$ 5
Accounts payable	497	472
Contingent consideration and compensation liabilities	20	22
Accrued salaries and wages	381	363
Contract liabilities	590	526
Operating and finance leases	90	75
Other accrued liabilities	303	344
Total current liabilities	1,885	1,807
Long-term debt, less current portion	2,749	2,322
Pension and post-retirement obligations	48	50
Contingent consideration and compensation liabilities	22	11
Operating and finance leases	192	172
Deferred tax liabilities	198	233
Other noncurrent liabilities	105	127
Total liabilities	5,199	4,722
Commitments and contingencies (Note 18)	—	—
5.5% Series B Redeemable Convertible Preferred Stock, \$0.0001 par value; 0 and 800,000 shares issued and outstanding at December 31, 2024 and 2023, respectively	—	797
Shareholders' equity:		
Series A Preferred Stock, \$0.0001 par value; 7,000,000 authorized shares; 4,000,000 shares issued and outstanding at December 31, 2024 and 2023	—	—
Common stock, \$0.0001 par value; 500,000,000 authorized shares; 274,778,327 shares and 235,575,316 shares issued at December 31, 2024 and 2023, respectively (excluding 7,944,104 and 8,281,148 shares declared for stock dividend at December 31, 2024 and 2023, respectively)	—	—
Additional paid-in capital	3,305	2,572
Retained earnings (accumulated deficit)	215	(11)
Accumulated other comprehensive loss	(567)	(490)
Total shareholders' equity	2,953	2,071
Total liabilities, redeemable convertible preferred stock, and shareholders' equity	\$ 8,152	\$ 7,590

See notes to consolidated financial statements.

APi Group Corporation and Subsidiaries
Consolidated Statements of Operations
(In millions, except per share amounts)

	Year Ended December 31,		
	2024	2023	2022
Net revenues	\$ 7,018	\$ 6,928	\$ 6,558
Cost of revenues	4,840	4,988	4,844
Gross profit	2,178	1,940	1,714
Selling, general, and administrative expenses	1,694	1,581	1,552
Operating income	484	359	162
Interest expense, net	146	145	125
Loss (gain) on extinguishment of debt, net	1	7	(5)
Investment expense (income) and other, net	7	(25)	(51)
Other expense, net	154	127	69
Income before income taxes	330	232	93
Income tax provision	80	79	20
Net income	\$ 250	\$ 153	\$ 73
Net (loss) income attributable to common shareholders:			
Accrued stock dividend on Series A Preferred Stock	(95)	(270)	—
Stock dividend on Series B Preferred Stock	(7)	(44)	(44)
Stock conversion of Series B Preferred Stock	(372)	—	—
Net (loss) income attributable to common shareholders	\$ (224)	\$ (161)	\$ 29
Net (loss) income per common share:			
Basic	\$ (0.84)	\$ (0.68)	\$ 0.10
Diluted	(0.84)	(0.68)	0.10
Weighted-average shares outstanding:			
Basic	268	235	233
Diluted	268	235	266

See notes to consolidated financial statements.

APi Group Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Net income	\$ 250	\$ 153	\$ 73
Other comprehensive income (loss):			
Fair value change - derivatives, net of tax (expense) benefit of \$(7), \$8, and \$(11), respectively	18	(24)	62
Defined benefit pension plans adjustment, net of tax (expense) benefit of \$(9), \$81, and \$55, respectively	26	(244)	(165)
Foreign currency translation adjustment	(107)	61	(164)
Comprehensive income (loss)	<u>\$ 187</u>	<u>\$ (54)</u>	<u>\$ (194)</u>

See notes to consolidated financial statements.

API Group Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity
(In millions, except share amounts)

	Preferred Stock Issued and Outstanding		Common Stock Issued and Outstanding		Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2021	4,000,000	\$ —	224,625,193	\$ —	\$ 2,560	\$ (237)	\$ —	\$ 2,323
Net income	—	—	—	—	—	73	—	73
Fair value change - derivatives	—	—	—	—	—	—	62	62
Foreign currency translation adjustment	—	—	—	—	—	—	(164)	(164)
Pension plans adjustment	—	—	—	—	—	—	(165)	(165)
Series A Preferred Stock dividend	—	—	7,539,697	—	—	—	—	—
Series B Preferred Stock dividend	—	—	1,944,939	—	—	—	—	—
Share repurchases	—	—	(2,505,723)	—	(44)	—	—	(44)
Profit sharing plan contributions	—	—	622,655	—	13	—	—	13
Share-based compensation and other, net	—	—	1,177,151	—	29	—	—	29
Balance, December 31, 2022	4,000,000	\$ —	233,403,912	\$ —	\$ 2,558	\$ (164)	\$ (267)	\$ 2,127
Net income	—	—	—	—	—	153	—	153
Fair value change - derivatives	—	—	—	—	—	—	(24)	(24)
Foreign currency translation adjustment	—	—	—	—	—	—	61	61
Pension plans fair value adjustment	—	—	—	—	—	—	(244)	(244)
Loss on redesignated derivatives amortized from AOCI into income	—	—	—	—	—	—	(16)	(16)
Series B Preferred Stock dividend	—	—	1,933,004	—	—	—	—	—
Share repurchases	—	—	(1,626,493)	—	(41)	—	—	(41)
Profit sharing plan contributions	—	—	631,194	—	14	—	—	14
Share-based compensation and other, net	—	—	1,233,699	—	41	—	—	41
Balance, December 31, 2023	4,000,000	\$ —	235,575,316	\$ —	\$ 2,572	\$ (11)	\$ (490)	\$ 2,071
Net income	—	—	—	—	—	250	—	250
Fair value change - derivatives	—	—	—	—	—	—	18	18
Foreign currency translation adjustment	—	—	—	—	—	—	(107)	(107)
Pension plans fair value adjustment	—	—	—	—	—	—	26	26
Loss on redesignated derivatives amortized from AOCI into income	—	—	—	—	—	—	(14)	(14)
Series A Preferred Stock dividend	—	—	7,944,104	—	—	—	—	—
Series B Preferred Stock dividend	—	—	620,240	—	7	(7)	—	—
Conversion of Series B Preferred Stock, net	—	—	16,260,163	—	214	(17)	—	197
Issuance of common shares	—	—	12,650,000	—	458	—	—	458
Profit sharing plan contributions	—	—	510,319	—	16	—	—	16
Share-based compensation and other, net	—	—	1,218,185	—	38	—	—	38
Balance, December 31, 2024	4,000,000	\$ —	274,778,327	\$ —	\$ 3,305	\$ 215	\$ (567)	\$ 2,953

See notes to consolidated financial statements.

APi Group Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net income	\$ 250	\$ 153	\$ 73
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	80	79	77
Amortization	222	224	227
Restructuring charges, net of cash paid	(16)	9	22
Deferred taxes	(30)	(32)	(47)
Share-based compensation expense	32	29	18
Profit-sharing expense	27	19	15
Non-cash lease expense	97	88	67
Net periodic pension expense (benefit)	27	(8)	(35)
Loss (gain) on extinguishment of debt, net	1	7	(5)
Other, net	(23)	—	3
Pension contributions	(6)	(4)	(34)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(2)	(69)	(148)
Contract assets	(9)	26	(69)
Inventories	9	13	(30)
Prepaid expenses and other current assets	6	(14)	(1)
Accounts payable	16	(14)	71
Accrued liabilities and income taxes payable	(3)	42	47
Contract liabilities	46	51	71
Other assets and liabilities	(104)	(85)	(52)
Net cash provided by operating activities	620	514	270
Cash flows from investing activities:			
Acquisitions, net of cash acquired	(778)	(83)	(2,839)
Purchases of property and equipment	(84)	(86)	(79)
Proceeds from sales of property, equipment, held for sale assets, and businesses	33	54	17
Net cash used in investing activities	(829)	(115)	(2,901)
Cash flows from financing activities:			
Proceeds from long-term borrowings	850	—	1,104
Payments on long-term borrowings	(437)	(484)	(34)
Repurchases of long-term borrowings	—	—	(30)
Payments of debt issuance costs	—	—	(29)
Repurchases of common stock	—	(41)	(44)
Proceeds from the issuance of common shares	458	—	797
Conversion of Series B Preferred Stock	(600)	—	—
Payments of acquisition-related consideration	(8)	(4)	(5)
Restricted shares tendered for taxes	(13)	(3)	(3)
Other financing activities	(5)	—	—
Net cash provided by (used in) financing activities	245	(532)	1,756
Effect of foreign currency exchange rate change on cash, cash equivalents, and restricted cash	(15)	6	(9)
Net increase (decrease) in cash, cash equivalents, and restricted cash	21	(127)	(884)
Cash, cash equivalents, and restricted cash, beginning of period	480	607	1,491
Cash, cash equivalents, and restricted cash, end of period	\$ 501	\$ 480	\$ 607
Supplemental cash flow disclosures:			
Cash paid for interest, net of interest income	\$ 152	\$ 150	\$ 120
Cash paid for income taxes, net of refunds	101	95	43
Accrued consideration issued in business combinations	31	11	1
Shares of common stock issued to profit sharing plan	18	14	13
Shares of common stock issued for conversion of Series B Preferred Stock	569	—	—

See notes to consolidated financial statements.

APi Group Corporation
Notes to Consolidated Financial Statements
(Amounts in millions, except shares and where noted otherwise)

NOTE 1. NATURE OF BUSINESS

APi Group Corporation (the “Company,” “APG,” or “APi Group”) is a global, market-leading business services provider of fire and life safety, security, elevator and escalator, and specialty services with a substantial recurring revenue base and over 500 locations worldwide.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements (the “Financial Statements”) include the accounts of the Company and of its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Investments in entities over which the Company has significant influence but not control are accounted for using the equity method of accounting. These investments are initially recorded at cost and subsequently adjusted based on the Company’s proportionate share of earnings, losses, and distributions from each entity.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates include the estimation of total contract costs used for net revenues and cost recognition from construction contracts, fair value estimates included in the accounting for acquisitions, valuation of long-lived assets and acquisition-related contingent consideration, self-insurance liabilities, income taxes, and the estimated effects of litigation and other contingencies.

Foreign currency and currency translation

The assets and liabilities of foreign subsidiaries with a functional currency other than the U.S. dollar are translated into U.S. dollars at exchange rates in effect at year-end, with resulting translation gains or losses included within other comprehensive income or loss. Net revenues and expenses are translated into U.S. dollars at average monthly rates of exchange in effect during the year. Foreign currency transaction gains and losses, including hedging impacts, are classified in investment (expense) income and other, net, in the consolidated statements of operations and were a (loss) gain of (\$2), \$1 and \$(2) for the years ended December 31, 2024, 2023, and 2022, respectively. These net foreign currency transaction gains and losses include derivative instruments designed to reduce foreign currency exchange rate risks. Refer to Note 10 – “Derivatives” for further information. Translation gains or losses, which are recorded in accumulated other comprehensive loss on the consolidated balance sheets, result from translation of the assets and liabilities of APi Group’s foreign subsidiaries into U.S. dollars. Foreign currency translation (losses) gains totaled approximately (\$107), \$61, and \$(164) for the years ended December 31, 2024, 2023, and 2022, respectively.

Nearly all of the Company’s foreign operations use their local currency as their functional currency. Currency gains or losses resulting from transactions executed in currencies other than the functional currency are included in investment expense (income) and other, net, in the consolidated statements of operations.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents. The Company maintains cash in bank accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Restricted cash is reported as other current assets in the consolidated balance sheets. Restricted cash reflects collateral against certain bank guarantees.

Fair value of financial instruments

The financial instruments of the Company include cash and cash equivalents, accounts receivable, accounts payable, contingent consideration and compensation liabilities, and debt obligations.

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market as of the measurement date. ASC Topic 820, *Fair Value Measurements*, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to and is composed of the following levels:

- Level 1:** Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2:** Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3:** Unobservable inputs that reflect the Company's own assumptions.

The carrying values of cash and cash equivalents, accounts receivable, contract assets, other receivables, accounts payable, contingent compensation liabilities, accrued liabilities, and contract liabilities approximate their fair values because of their short maturity. The fair value of the Company's revolving line of credit facilities and long-term debt are based on current lending rates for similar borrowings, assuming the debt is outstanding through maturity, and considering the collateral. The carrying values of revolving line of credit facilities approximate their fair values because the variable interest rates of these instruments are generally reset monthly.

The fair value of the Company's debt is estimated by discounting future cash flows at currently available rates for borrowing arrangements with similar terms and conditions, which are considered to be Level 2 inputs under the fair value hierarchy. The fair value of the Company's derivative instruments designated as hedging instruments are determined using standard pricing models and market-based assumptions for all significant inputs, such as yield curves and quoted spot and forward exchange rates. The fair value of the Company's contingent consideration obligations is determined using a probability-weighted discounted cash flow method. This fair value measurement is based on significant unobservable inputs in the market and thus represents a Level 3 measurement within the fair value hierarchy.

Inventories

Inventories consist primarily of wholesale insulation products, contracting materials and supplies. Inventories are valued at the lower of cost or net realizable value.

Property and equipment

Property and equipment, including additions, replacements, and improvements is stated at cost or fair value for assets acquired in a business combination, less accumulated depreciation. Expenditures for maintenance and repairs are charged to operating expenses as incurred unless such expenditures extend the life of the asset or increase its capacity or efficiency. Depreciation expense is recognized over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements. Upon sale or disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the consolidated balance sheets and any resulting gain or loss is recognized in the consolidated statements of operations.

Leases

The Company's lease portfolio mainly consists of facilities, equipment, and vehicles. Operating lease assets represent the Company's right to use an underlying asset for the lease term whereas lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term (or at fair values in the case of those leases assumed in an acquisition). As most of the Company's leases do not provide an implicit rate, the Company uses incremental borrowing rates that are based on its own external unsecured borrowing rates and are risk-adjusted to approximate secured borrowing

rates over similar terms. These rates are assessed on a quarterly basis for measurement of new lease obligations. The operating lease assets are calculated based on the value of the lease liability plus prepaid rental payments less lease incentives that the Company expects to receive. Leases with an initial term of less than one year are not recorded on the Company's consolidated balance sheets. Operating lease expense is recognized on a straight-line basis over the lease term. Many leases include one or more options to renew, with renewal terms that can extend the lease term for several years. The exercise of lease renewal options is generally at the Company's sole discretion. Certain leases also include options to purchase the leased assets. The Company's lease terms include these renewal or purchase options when it is reasonably certain that those options will be exercised. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The Company's lease agreements contain lease and non-lease components, which are accounted for as a single lease component for all asset classes except for certain asset classes within its information technology arrangements. Operating lease right-of-use assets are reported as separate lines in the consolidated balance sheets. Finance leases are generally those leases that allow the Company to substantially utilize or pay for the entire asset over its estimated life. For finance leases, the Company recognizes more expense in the initial years of total lease expense recognition due to the accretion of the lease liability and the straight-line amortization of the leased asset. Assets acquired under finance leases are recorded in property and equipment, net.

Goodwill impairment

Goodwill represents the excess of cost over the fair market value of net tangible and identifiable intangible assets of acquired businesses. The Company has recorded goodwill in connection with its historical acquisitions of businesses. Upon acquisition, these businesses were either combined into one of the existing components or managed on a stand-alone basis as an individual component.

The components are aligned to one of the Company's two reportable segments, Safety Services or Specialty Services. Goodwill is required to be evaluated for impairment at the reporting unit level, which represents the operating segment level or one level below the operating segment level for which discrete financial information is available.

Management identifies its reporting units by assessing whether components have discrete financial information available, engage in business activities, and have a segment manager regularly review the component's operating results. If two or more components are deemed economically similar, those components are aggregated into one reporting unit when performing the annual goodwill impairment test.

Goodwill is not amortized but instead is annually tested for impairment on October 1 each fiscal year, or more frequently if events or circumstances indicate that the carrying amount of goodwill may be impaired. Qualitative indicators that may trigger the need for annual or interim quantitative impairment testing include, among other things, deterioration in macroeconomic conditions, declining financial performance, deterioration in the operational environment, or an expectation of selling or disposing of a portion of a reporting unit. Additionally, a significant change in business climate, a loss of a significant customer, increased competition, a sustained decrease in share price, or a decrease in estimated fair value below book value may trigger the need for interim impairment testing of goodwill associated with one or more reporting units.

Accounting standards for testing goodwill for impairment require the application of either a qualitative or quantitative assessment to analyze whether or not goodwill has been impaired. The Company performs the qualitative analysis by evaluating financial performance, macroeconomic conditions, and industry trends. Under the quantitative assessment, the Company evaluates each reporting unit for impairment comparing the fair value of each reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recorded as a reduction to goodwill with a corresponding change to earnings in the period the goodwill is determined to be impaired. Any goodwill impairment is limited to the total amount of goodwill allocated to that reporting unit.

For the Heating, Ventilation and Air Conditioning ("HVAC"), North American Life Safety, Fabrication, and Specialty Contracting reporting units, the Company performs a qualitative assessment to analyze whether or not goodwill has been impaired.

For the quantitative analysis performed on the Infrastructure/Utility and International Life Safety reporting units, the Company determines the fair value of the reporting unit using a combination of the income approach (discounted cash flow method) and market approach (guideline transaction method and guideline public company method). Management weights each of the methods applied to determine the fair value of the reporting unit.

Under the discounted cash flow method, the Company determines fair value based on the estimated future cash flows for the reporting unit, discounted to present value using a risk-adjusted industry weighted-average cost of capital, which reflects the overall level of inherent risk for the reporting unit and the rate of return an outside investor would expect to earn. Cash flow projections are derived from budgeted amounts (typically a one-year model) and subsequent period cash flows are developed for each reporting unit using growth rates that management believes are reasonably likely to occur from a market participant's standpoint. All cash flow projections by reporting unit are evaluated by management. A terminal value is derived by capitalizing free cash flow into perpetuity. The capitalization rate is derived from the weighted-average cost of capital and the estimated long-term growth rate for each reporting unit.

Under the guideline transaction and guideline public company methods, the Company determines the estimated fair value of its reporting unit by applying transaction multiples and public company multiples, respectively, to the reporting unit's applicable earnings measure. The transaction multiples are based on observed purchase transactions for similar businesses adjusted for size, diversification and risk. The public company multiples are based on peer group multiples adjusted for size, growth, risk and margin.

See Note 8 – "Goodwill and Intangibles" for additional detail on goodwill and other intangible assets.

Impairment of long-lived assets excluding goodwill

The Company periodically reviews the carrying amount of its long-lived asset groups, including property and equipment and other identifiable intangible assets subject to amortization, when events or changes in circumstances indicate the carrying value may not be recoverable. Qualitative indicators that may trigger the need for impairment testing include an expectation of selling or disposing of a business unit. If facts and circumstances support the possibility of impairment, the Company will compare the carrying value of the asset or asset group with the undiscounted future cash flows related to the asset or asset group. If the carrying value of the asset or asset group is greater than its undiscounted cash flows, the resulting impairment will be determined as the difference between the carrying value and the fair value, where fair value is determined for the carrying amount of the specific asset groups based on discounted future cash flows or appraisal of the asset groups.

Investments

The Company holds investments in joint ventures, the majority of which are accounted for under the equity method of accounting as the Company does not exercise control over the joint ventures. The Company exercises control over one joint venture that is consolidated into the Company's financial statements. The share of earnings from the consolidated joint venture was \$1 and \$0 for the years ended December 31, 2024 and 2023, respectively. The Company's share of earnings from the non-consolidated joint ventures was \$8, \$7, and \$3, during the years ended December 31, 2024, 2023, and 2022, respectively. The earnings are recorded within investment expense (income) and other, net in the consolidated statements of operations. The investment balances were \$4 and \$4 as of December 31, 2024 and 2023, respectively, and are recorded within other assets in the consolidated balance sheets.

Pension and post-retirement obligations

The Company sponsors both funded and unfunded foreign defined benefit pension plans that cover a portion of the Company's employees. The Company accounts for its benefit plans in accordance with ASC 715, *Compensation - Retirement Benefits*, which requires balance sheet recognition of the overfunded or underfunded status of pension and post-retirement benefit plans. The amounts associated with these benefits are determined by actuaries and dependent on various actuarial assumptions including discount rates, expected return on plan assets, compensation increases, mortality and health care cost trends. Under this guidance, actuarial gains and losses, prior service costs or credits, and any remaining transition assets or obligations that have not been recognized under previous accounting standards must be recognized in accumulated other comprehensive loss, net of tax effects, until they are amortized as a component of net periodic benefit cost. The Company reviews its actuarial assumptions at each measurement date and makes modifications to the assumptions based on current rates and trends, if appropriate.

During 2023, an annuity purchase transaction, commonly known as a "buy-in," was executed for the two pension plans in the United Kingdom. Under the terms of the insurance contracts, which were issued by a third-party insurance company with no affiliation to the Company, all pension obligations will be funded by the insurer's annuity payments, but the plans still retain full legal responsibility to pay the benefits to plan participants using the insurance payments. The Company's

accounting policies related to pension and post-retirement obligations and the buy-in transaction are disclosed in Note 16 – "Pension."

In December 2024, the Company entered into a non-binding agreement in principle with the Trustees of the two pension plans in the United Kingdom to proceed with wind-up of the plans contingent on certain conditions. If all conditions are met, the Company expects to execute the final wind-up in late 2026.

Definite-lived intangibles

Intangibles consist of trade names and trademarks, customer relationships, and backlog intangibles. The intangibles are amortized over their estimated useful lives, which range from two to fifteen years for trade names and trademarks and customer relationships, and a period of six to thirty-six months for backlog.

Insurance liabilities

Other accrued and other noncurrent liabilities include management's best estimates of amounts expected to be incurred for health insurance claims, workers' compensation, general liability and automobile liability losses. A portion of this risk is retained on a self-insured basis through Sprocket, the Company's wholly-owned captive insurance subsidiary. The estimates are based on claim reports provided by the insurance carrier, management's best estimates, and the maximum premium for a policy period. The amounts the Company will ultimately incur could differ in the near-term from the estimated amounts accrued. At December 31, 2024 and 2023, the Company had accrued \$112 and \$98, respectively, relating to workers' compensation, general and automobile claims, with \$87 and \$74, respectively, included in other noncurrent liabilities. The Company recorded a receivable from the insurance carriers of \$11 and \$12 at December 31, 2024 and 2023, respectively, to offset the liabilities due above the Company's deductible, which, under contract, are payable by the insurance carrier. The Company has outstanding letters of credit as collateral totaling approximately \$147 and \$137 at December 31, 2024 and 2023, respectively. The Company had \$7 and \$6 accrued within accrued salaries and wages relating to outstanding health insurance claims at December 31, 2024 and 2023, respectively.

Share-based compensation

The Company recognizes share-based compensation over the requisite service period of the awards (usually the vesting period) based on the grant date fair value of awards. An offsetting increase to shareholders' equity is recorded equal to the amount of the compensation expense charge. For restricted stock grants with performance-based milestones, the expense is valued based on the closing market share price of the Company's stock on the date of grant and recorded over the service period after the achievement of the milestone is probable or the performance condition is achieved. For restricted stock grants with market-based performance milestones, the grant-date fair value is estimated using a Monte Carlo valuation model. Forfeitures are estimated and recorded using historical forfeiture rates.

The Company has an employee stock purchase plan ("ESPP") under which shares of the Company's common stock are available for purchase by eligible participants. The plan allows participants to purchase APi Group common stock at 85% of its fair market value at the lower of (i) the date of commencement of the offering period or (ii) the last day of the exercise period, as defined in the plan documents. The fair value of purchases under the Company's ESPP is estimated using the Black-Scholes option-pricing valuation model. The determination of fair value of stock-based awards using an option-pricing model is affected by the Company's stock price as well as assumptions pertaining to several variables, including expected stock price volatility, the expected term of the award and the risk-free rate of interest. In the option-pricing model for the Company's ESPP, expected stock price volatility is based on historical volatility of the Company's common stock. The expected term of the award is based on historical and expected exercise patterns and the risk-free rate of interest is based on U.S. Treasury yields.

Earnings per share

Basic earnings per common share excludes dilution and is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding during the period. The Company has determined that its Series A Preferred Stock and, prior to its extinguishment, Series B Preferred Stock were participating securities as the Series A Preferred Stock and Series B Preferred Stock participated in dividends with common stock according to a predetermined formula. Accordingly, the Company used the two-class method of computing basic and diluted earnings per share for common stock according to participation rights of the Series A Preferred Stock and Series B Preferred Stock. Under this method, net income applicable to holders of common stock is first reduced by the amount of dividends declared on Series A Preferred Stock and Series B Preferred Stock in the current period with remaining

undistributed earnings allocated on a pro rata basis to the holders of common stock, Series A Preferred Stock, and Series B Preferred Stock to the extent that each class may share income for the period; whereas undistributed net loss is allocated to common stock because holders of Series A Preferred Stock and Series B Preferred Stock are not contractually obligated to share the loss.

Revenue recognition and contract costs

Refer to Note 7 – “Net Revenues,” for further discussion on the Company’s revenue recognition policies.

Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of operations in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more-likely-than-not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties relating to unrecognized tax benefits and delinquent payments in income tax expense.

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards issued and adopted

In August 2023, the FASB issued Accounting Standards Update (ASU) 2023-05, *Business Combinations— Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*, which requires that a joint venture apply a new basis of accounting upon formation. As a result, a newly formed joint venture would initially measure its assets and liabilities at fair value. The Company adopted this ASU on January 1, 2024 and it did not have a material impact on its consolidated financial statements.

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative*, which incorporates certain SEC disclosure requirements into the FASB Accounting Standards Codification. This update will improve disclosure and presentation requirements of a variety of topics and align the requirements in the FASB codification with the SEC’s regulations. The Company adopted this ASU on January 1, 2024 and it did not have a material impact on its consolidated financial statements.

In November 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The ASU expands segment disclosures by requiring disclosure of significant segment expenses that are regularly reviewed by the Chief Operating Decision Maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment’s profit or loss and assets. ASU 2023-07 is effective for the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and subsequent interim periods, with early adoption permitted. The Company adopted this ASU as of December 31, 2024. Refer to Note 22 – “Segment Information” for details.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU focuses on the rate reconciliation and income taxes paid. ASU 2023-09 requires the Company to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this ASU on its consolidated financial statements and disclosures.

In March 2024, the SEC adopted final rules on the enhancement and standardization of climate-related disclosures, which requires disclosure of material climate-related risks, material Scope 1 and Scope 2 greenhouse gas emissions, and other

matters. As it pertains to the financial statements, subject to certain materiality thresholds, the final rules require the financial statement footnotes to include certain disclosures regarding the amounts of expenses (or capitalized costs) incurred that relate to severe weather events and other natural conditions, as well as other disclosures regarding the material impact on financial estimates and assumptions of severe weather events and other natural conditions or disclosed targets or transition plans, and amounts related to carbon offsets and renewable energy credits. The disclosures will be required at the earliest in the annual financial statements for the year ended December 31, 2025, subject to legal challenges and the SEC's voluntary stay of the disclosure requirements. The Company will continue to assess the impact of the new rule on its consolidated financial statements while the stay is in place.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires business entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The ASU also requires disclosure of purchases of inventory, employee compensation, depreciation, and intangible asset amortization. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this ASU on its consolidated financial statements and disclosures but does not expect the impact to be material.

In November 2024, the FASB issued ASU 2024-04, *Debt - Debt with Conversion and Other Options (Subtopic 470-20)*, which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. ASU 2024-04 is effective for all entities for annual and interim periods in fiscal years beginning after December 15, 2025. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The Company is currently evaluating the potential impact of adopting this ASU on its consolidated financial statements and disclosures but does not expect the impact to be material.

NOTE 4. BUSINESS COMBINATIONS

The Company regularly evaluates potential acquisitions that strategically fit with the Company's existing portfolio or expand the Company's portfolio into a new and attractive business area. Acquisitions are accounted for as business combinations using the acquisition method of accounting. As such, the Company makes a preliminary allocation of the purchase price to the tangible assets and identifiable intangible assets acquired and liabilities assumed. In the months after closing, as the Company obtains additional information about the acquired assets and liabilities and learns more about the newly acquired business, it is able to refine the estimates of fair value and more accurately allocate the purchase price. Purchase price is allocated to acquired assets and liabilities assumed based upon their estimated fair values, with limited exceptions as permitted pursuant to GAAP, as determined based on estimates and assumptions deemed reasonable by the Company. The Company engages third-party valuation specialists to assist with preparation of critical assumptions and calculations of the fair value of acquired tangible and intangible assets in connection with significant acquisitions. The excess of the purchase price over the tangible and intangible assets acquired and liabilities assumed is recorded as goodwill. Goodwill is attributable to the workforce of the acquired businesses, the complementary strategic fit and resulting synergies these businesses bring to existing operations, and the opportunities in new markets expected to be achieved from the expanded platform.

Elevated acquisition

On June 3, 2024, the Company completed its acquisition of 100% of the equity interests of Elevated Facility Services Group ("Elevated"). Elevated is a premier provider of contractually based services for all major brands of elevator and escalator equipment. Elevated is headquartered in Florida and serves customers in over 18 states. The results of the Elevated business are reported in the consolidated financial statements of the Company from the date of acquisition within the Company's Safety Services segment.

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The following table summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed at the date of the Elevated acquisition:

Cash paid at closing	\$	572
Cash deposited into escrow		6
Total net consideration	\$	578
Cash and cash equivalents	\$	7
Accounts receivable		28
Contract assets		18
Other current assets		7
Property and equipment		4
Operating lease right-of-use assets		2
Intangible assets		222
Goodwill		393
Accounts payable		(12)
Contract liabilities		(15)
Other accrued liabilities		(12)
Current and noncurrent operating and finance lease liabilities		(4)
Deferred tax liabilities		(54)
Other noncurrent liabilities		(6)
Net assets acquired	\$	578

The Company has not finalized its accounting for purchase price allocation for accounts receivable, contract assets, contract liabilities, legal reserves, and taxes related to the Elevated acquisition. The Company anticipates that it will finalize its accounting for the Elevated acquisition during the second quarter of 2025. The Company will make appropriate adjustments to the purchase price allocation, including intangible assets and goodwill, prior to completion of the measurement period, as required. Based on preliminary estimates, the total amount of goodwill from the Elevated acquisition expected to be deductible for tax purposes is \$19. See Note 8 – “Goodwill and Intangibles” for the provisional goodwill assigned to each segment.

During the year ended December 31, 2024, the Company incurred transaction costs of \$7, which were expensed and included as a component of selling, general, and administrative expenses in the consolidated statements of operations.

Other 2024 acquisitions

On September 3, 2024, the Company completed an acquisition included within the Safety Services segment ("Acquisition A24"). The results of the A24 business are reported within the Company's Safety Services segment. Consideration for Acquisition A24 included cash paid at closing of \$24 and accrued consideration of \$9.

On October 1, 2024, the Company completed an acquisition included within the Safety Services segment ("Acquisition B24"). The results of the B24 business are reported within the Company's Safety Services segment. Consideration for Acquisition B24 included cash paid at closing of \$99, cash deposited into escrow for future deferred payments of \$2, and no accrued consideration.

On December 2, 2024, the Company completed an acquisition included within the Safety Services segment ("Acquisition C24"). The results of the C24 business are reported within the Company's Safety Services segment. Consideration for Acquisition C24 included cash paid at closing of \$26 and accrued consideration of \$7.

During 2024, the Company completed nine individually immaterial acquisitions for aggregate consideration transferred \$76, made up of cash paid at closing of \$63 and accrued consideration of \$13.

The Company has not finalized its accounting for acquisitions completed during 2024 and will make appropriate adjustments to the purchase price allocation prior to completion of the measurement periods, as required. Based on

preliminary estimates, the total amount of goodwill from acquisitions expected to be deductible for tax purposes is \$84. The results of operations of these acquisitions are included in the Company's consolidated statements of operations from their respective dates of acquisition and were not material.

	Acquisition A24	Acquisition B24	Acquisition C24	Other 2024 acquisitions
Cash paid at closing	\$ 24	\$ 99	\$ 26	\$ 63
Cash deposited into escrow	—	2	—	—
Accrued consideration	9	—	7	13
Total net consideration	<u>\$ 33</u>	<u>\$ 101</u>	<u>\$ 33</u>	<u>\$ 76</u>
Cash and cash equivalents	\$ 6	\$ —	\$ 2	\$ 1
Accounts receivable	15	19	13	1
Contract assets	—	2	—	—
Other current assets	2	3	1	—
Property and equipment	3	3	—	3
Intangible assets	8	37	10	32
Goodwill	9	50	17	44
Accounts payable	(2)	(4)	(2)	—
Other accrued liabilities	(3)	(6)	(6)	(1)
Contract liabilities	(5)	(1)	—	(2)
Deferred tax liabilities	—	(2)	(2)	(2)
Net assets acquired	<u>\$ 33</u>	<u>\$ 101</u>	<u>\$ 33</u>	<u>\$ 76</u>

2023 Acquisitions

On June 30, 2023, the Company completed an acquisition included within the Safety Services segment ("Acquisition A23"). The results of the A23 business are reported within the Company's Safety Services segment. Consideration for Acquisition A23 included cash paid at closing of \$30, cash deposited into escrow for future deferred payments of \$5, and accrued consideration of \$3.

On December 29, 2023, the Company completed an acquisition included within the Safety Services segment ("Acquisition B23"). The results of the B23 business are reported within the Company's Safety Services segment. Consideration for Acquisition B23 included cash paid at closing of \$27 and accrued consideration of \$5.

During 2023, the Company completed five individually immaterial acquisitions for aggregate consideration transferred of \$24, made up of cash paid at closing of \$22 and accrued consideration of \$2.

The results of operations of these acquisitions are included in the Company's consolidated statements of operations from their respective dates of acquisition and were not material.

The total amount of goodwill from acquisitions deductible for tax purposes is \$54.

The following table summarizes the final fair values of the assets acquired and liabilities assumed at the dates of acquisition:

	Acquisition A23	Acquisition B23	Other 2023 acquisitions
Cash paid at closing	\$ 30	\$ 27	\$ 22
Cash deposited into escrow	5	—	—
Accrued consideration	3	5	2
Total net consideration	<u>\$ 38</u>	<u>\$ 32</u>	<u>\$ 24</u>
Cash and cash equivalents	\$ —	\$ 1	\$ —
Accounts receivable	6	7	—
Contract assets	1	2	—
Other current assets	—	—	1
Intangible assets	13	11	11
Goodwill	21	18	14
Other accrued liabilities	—	(2)	—
Contract liabilities	(3)	(5)	(2)
Net assets acquired	<u>\$ 38</u>	<u>\$ 32</u>	<u>\$ 24</u>

The final allocations of the purchase prices did not differ materially from preliminary estimates with the exception of measurement period adjustments, primarily related to accounts receivable, intangible assets, goodwill, and other accrued liabilities, recorded during the year ended December 31, 2024.

Accrued consideration

The Company's acquisition purchase agreements typically include deferred payment provisions, often to sellers who become employees of the Company or its subsidiaries. The provisions are made up of three general types of arrangements, contingent compensation and contingent consideration (both of which are contingent on the future performance of the acquired entity) and deferred payments related to indemnities. Contingent compensation arrangements are typically contingent on the former owner's future employment with the Company, and the related amounts are recognized over the required employment period, which is typically one to four years. Contingent consideration arrangements are not contingent on employment and are included as part of purchase consideration at the time of the initial acquisition and are paid over a one- to four-year period. The liability for deferred payments is recognized at the date of acquisition based on the Company's best estimate and is typically payable over a one- to three-year period. Deferred payments are not contingent on any future performance or employment obligations and can be offset for working capital true-ups, and representations and warranty items.

The total contingent compensation arrangement liability was \$0 and \$9 at December 31, 2024 and 2023, respectively. The maximum payout of these arrangements upon completion of the future performance periods was \$2 and \$15, inclusive of the \$0 and \$9, accrued as of December 31, 2024 and 2023, respectively. The contingent compensation liability is included in contingent consideration and compensation liabilities in the consolidated balance sheets for all periods presented. The Company primarily determines the contingent compensation liability based on forecasted cumulative earnings compared to the cumulative earnings target set forth in the arrangement. Compensation expense associated with these arrangements is recognized ratably over the required employment period.

The contingent consideration obligations are measured at fair value each reporting period and changes in estimates of fair value are recognized in earnings. For additional considerations regarding the fair value of the Company's contingent consideration liabilities, see Note 9 – "Fair Value of Financial Instruments."

The total liability for deferred payments was \$28 and \$17 at December 31, 2024 and 2023, respectively, and is included in contingent consideration and compensation liabilities in the consolidated balance sheets for all periods presented.

NOTE 5. DIVESTITURES

During 2023, the Company completed the divestiture of an infrastructure/utility operating company in the Specialty Services segment (the "Operating Company"). The Company received \$38 in cash for the sale. During the year ended December 31, 2023, the Company recorded an impairment charge of \$12 in selling, general, and administrative expenses in the consolidated statements of operating related to impairment of goodwill, intangible assets, and other assets of the Operating Company.

NOTE 6. RESTRUCTURING

During 2022, the Company announced its multi-year Chubb restructuring program designed to drive efficiencies and synergies and optimize operating margin. The Chubb restructuring program includes expenses related to workforce reductions, lease termination costs, and other facility rationalization costs through fiscal year 2025.

During 2024, the Company incurred pre-tax restructuring costs within the Safety Services segment of \$12 in connection with the Chubb restructuring program. Since the Chubb Acquisition, the Company has incurred aggregate restructuring costs of \$79. As of December 31, 2024, the Company had \$15 in restructuring liabilities recorded in other accrued liabilities on the consolidated balance sheets for this plan. In addition, the Company has incurred \$23 of related costs which include lease impairment charges, asset write-downs, and consulting fees.

In total, the Company estimates that it will recognize approximately \$125 of restructuring and other costs related to the Chubb restructuring program by the end of fiscal year 2025.

For the restructuring program, employee-related costs consist of termination benefits provided to employees who have been involuntarily terminated and voluntary early retirement benefits. Program related costs include costs incurred as a direct result of the restructuring program such as consulting fees and facility relocation costs.

The following table summarizes the Company's restructuring liabilities for the years ended December 31, 2024 and 2023:

December 31, 2022	\$	22
Charges		37
Payments		(27)
Reversals		(1)
Currency translation adjustment		1
December 31, 2023		32
Charges		12
Payments		(28)
Reversals		(1)
December 31, 2024	\$	15

In addition to the costs noted above, the Company incurred asset write-down costs of \$1 and \$6 for the years ended December 31, 2024 and 2023, respectively. The Company also incurred program related costs of \$13 and \$3 for the years ended December 31, 2024 and 2023, respectively.

NOTE 7. NET REVENUES

Under ASC 606, revenue is recognized when or as control of promised goods and services is transferred to customers, and the amount of revenue recognized reflects the consideration to which an entity expects to be entitled in exchange for the goods and services transferred. Net revenues are primarily recognized by the Company over time utilizing the cost-to-cost measure of progress. Net revenues recognized at a point in time primarily relate to distribution contracts and short-term time and materials contracts.

Contracts with customers

The Company derives net revenues primarily from contracts with a duration of less than one week to three years (with the majority of contracts with durations of less than six months) which are subject to multiple pricing options, including fixed

price, unit price, time and material, or cost plus a markup. The Company also enters into fixed price service contracts related to monitoring, maintenance, and inspection of safety systems. The Company may utilize subcontractors in the fulfillment of its performance obligations. When doing so, the Company is considered the principal in these transactions and revenues are recognized on a gross basis.

Net revenues for fixed price agreements are generally recognized over time using the cost-to-cost method of accounting, which measures progress based on the cost incurred relative to total expected cost in satisfying its performance obligation. The cost-to-cost method is used as it best depicts the continuous transfer of control of goods or services to the customer. Costs incurred include direct materials, labor and subcontract costs, and indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. These contract costs are included in the results of operations under cost of revenues. Labor and subcontractor labor costs are considered to be incurred and recognized as the work is performed.

Net revenues from time and material contracts are recognized as the services are provided and is equal to the sum of the contract costs incurred plus an agreed upon markup. Net revenues earned from distribution contracts are recognized upon shipment or performance of the service.

The cost estimation process for recognizing net revenues over time under the cost-to-cost method is based on the professional knowledge and experience of the Company's project managers, engineers, and finance professionals. Management reviews estimates of total contract transaction price and total project costs on an ongoing basis. Changes in job performance, job conditions, and management's assessment of expected variable consideration are factors that influence estimates of the total contract transaction price, total costs to complete those contracts, and the Company's profit recognition. Changes in these factors could result in cumulative revisions to net revenues in the period in which the revisions are determined, which could materially affect the Company's consolidated results of operations for that period. Provisions for estimated losses on uncompleted contracts are recorded in the period in which such estimated losses are determined.

The Company disaggregates its net revenues primarily by segment, service type, and country from which revenues are invoiced, as the nature, timing and uncertainty of cash flows are relatively consistent within each of these categories. The following tables provide disclosure of disaggregated net revenues by segment for the years ended December 31, 2024, 2023, and 2022. Disaggregated net revenues information is as follows:

	Year Ended December 31, 2024		
	Safety Services	Specialty Services	Consolidated
Life Safety	\$ 4,742	\$ —	\$ 4,742
HVAC	485	—	485
Infrastructure/Utility	—	997	997
Fabrication	—	230	230
Specialty Contracting	—	571	571
Corporate and Eliminations	—	—	(7)
Net revenues	\$ 5,227	\$ 1,798	\$ 7,018

	Year Ended December 31, 2023		
	Safety Services	Specialty Services	Consolidated
Life Safety	\$ 4,364	\$ —	\$ 4,364
HVAC	507	—	507
Infrastructure/Utility	—	1,224	1,224
Fabrication	—	202	202
Specialty Contracting	—	653	653
Corporate and Eliminations	—	—	(22)
Net revenues	\$ 4,871	\$ 2,079	\$ 6,928

	Year Ended December 31, 2022		
	Safety Services	Specialty Services	Consolidated
Life Safety	\$ 4,077	\$ —	\$ 4,077
HVAC	498	—	498
Infrastructure/Utility	—	1,154	1,154
Fabrication	—	253	253
Specialty Contracting	—	623	623
Corporate and Eliminations	—	—	(47)
Net revenues	\$ 4,575	\$ 2,030	\$ 6,558

	Year Ended December 31, 2024			
	Safety Services	Specialty Services	Corporate and Eliminations	Consolidated
United States	\$ 2,598	\$ 1,792	\$ (7)	\$ 4,383
France	637	—	—	637
Other	1,992	6	—	1,998
Net revenues	\$ 5,227	\$ 1,798	\$ (7)	\$ 7,018

	Year Ended December 31, 2023			
	Safety Services	Specialty Services	Corporate and Eliminations	Consolidated
United States	\$ 2,322	\$ 2,038	\$ (22)	\$ 4,338
France	607	—	—	607
Other	1,942	41	—	1,983
Net revenues	\$ 4,871	\$ 2,079	\$ (22)	\$ 6,928

	Year Ended December 31, 2022			
	Safety Services	Specialty Services	Corporate and Eliminations	Consolidated
United States	\$ 2,148	\$ 1,961	\$ (47)	\$ 4,062
France	564	—	—	564
Other	1,863	69	—	1,932
Net revenues	\$ 4,575	\$ 2,030	\$ (47)	\$ 6,558

The Company's contracts with its customers generally require significant services to integrate complex activities and equipment into a single deliverable and are, therefore, generally accounted for as a single performance obligation to provide a single contracted service for the duration of the project. For contracts with multiple performance obligations, the transaction price of a contract is allocated to each performance obligation and recognized as net revenues when or as the performance obligation is satisfied using the estimated stand-alone selling price of each distinct good or service. The stand-alone selling price is estimated using the expected cost plus a margin approach for each performance obligation. For in-process contracts, the aggregate amount of transaction price allocated to the unsatisfied performance obligations at December 31, 2024 was \$3,040. The Company expects to recognize revenue on approximately 87% of the remaining performance obligations over the next twelve months.

When more than one contract is entered into with a customer on or close to the same date, management evaluates whether those contracts should be combined and accounted for as a single contract as well as whether those contracts should be accounted for as one, or more than one, performance obligation. This evaluation requires significant judgment and is based on the facts and circumstances of the various contracts.

Contracts are often modified through change orders to account for changes in the scope and price of the goods or services being provided. Although the Company evaluates each change order to determine whether such modification creates a separate performance obligation, the majority of change orders are for goods or services that are not distinct within the

context of the original contract and, therefore, not treated as a separate performance obligation but rather as a modification of the existing contract and performance obligation.

Variable consideration

Transaction prices for customer contracts may include variable consideration, which comprises items such as early completion bonuses and liquidated damages provisions. Management estimates variable consideration for a performance obligation utilizing estimation methods believed to best predict the amount of consideration to which the Company will be entitled. Variable consideration is included in the transaction price only to the extent it is probable, in the Company's judgment, that a significant future reversal in the amount of cumulative revenue recognized under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Changes in the estimates of transaction prices are recognized in net revenues on a cumulative catch-up basis in the period in which the revisions to the estimates are made. Such changes in estimates may also result in the reversal of previously recognized net revenues if the ultimate outcome differs from the Company's previous estimate. For the years ended December 31, 2024, 2023, and 2022, there were no significant reversals of revenues recognized associated with the revision of transaction prices. The Company typically does not incur any returns, refunds, or similar obligations after the completion of the performance obligation since any deficiencies are corrected during the course of performance.

Contract assets and liabilities

The Company typically invoices customers with payment terms of net due in 30 days. It is also common for contracts in the Company's industries to specify a general contractor is not required to submit payments to a subcontractor until it has received those funds from the owner or funding source. In most instances, the Company receives payment of invoices between 30 to 90 days of the date of the invoice.

The timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets include unbilled amounts from the Company's projects when revenues are recognized under the cost-to-cost measure of progress and exceeds the amounts invoiced to the Company's customers, as the amounts cannot be billed under the terms of the Company's contracts. In addition, many of the Company's time and material arrangements are billed in arrears pursuant to contract terms, resulting in the Company recording contract assets as net revenues are recognized in advance of billings.

Contract liabilities from the Company's contracts arise when amounts invoiced to the Company's customers exceed net revenues recognized under the cost-to-cost measure of progress. Contract liabilities also include advance payments from the Company's customers on certain contracts. Contract liabilities decrease as the Company recognizes net revenues from the satisfaction of the related performance obligation.

The Company utilizes the practical expedient under ASC 606 and does not adjust for a significant financing component if the time between payment and the transfer of the related good or service is expected to be one year or less. The Company's revenue arrangements are typically accounted for under such expedient as payments are within one year of performance for the Company's services. As of December 31, 2024 and 2023, none of the Company's contracts contained a significant financing component.

Contract assets and contract liabilities are classified as current in the consolidated balance sheets as all amounts are expected to be relieved within one year. The balances of accounts receivable, net of allowances, contract assets and contract liabilities from contracts with customers as of December 31, 2024, 2023, and 2022 are as follows:

	Accounts receivable, net of allowances	Contract assets	Contract liabilities
Balance at December 31, 2024	\$ 1,444	\$ 453	\$ 590
Balance at December 31, 2023	1,395	436	526
Balance at December 31, 2022	1,313	459	463

The Company did not recognize significant revenues associated with the final settlement of contract value for any projects completed in prior periods. In accordance with industry practice, accounts receivable includes retentions receivable, a portion of which may not be received within one year. At December 31, 2024 and 2023, retentions receivable were \$160 and \$156, respectively, while the portions that may not be received within one year were \$38 and \$25, respectively. There

were no other significant changes due to business acquisitions or significant changes in estimates of contract progress or transaction price. There were no significant impairments of contract assets recognized during the period.

Costs to obtain or fulfill a contract

The Company generally does not incur significant incremental costs related to obtaining or fulfilling a contract prior to the start of a project. The Company may incur certain fulfillment costs such as initial design or mobilization costs which are capitalized if: (i) they relate directly to the contract, (ii) are expected to generate resources that will be used to satisfy the Company's performance obligation under the contract, and (iii) are expected to be recovered through revenues generated under the contract. Such costs, which are amortized over the life of the respective project, were not material for any period presented.

NOTE 8. GOODWILL AND INTANGIBLES

Goodwill

The following table provides disclosure of goodwill by segment as of December 31, 2024 and 2023. The changes in the carrying amount of goodwill by reportable segment for the years ended December 31, 2024 and 2023 are as follows:

	Safety Services	Specialty Services	Total Goodwill
Goodwill as of December 31, 2022	\$ 2,201	\$ 181	\$ 2,382
Acquisitions	47	—	47
Impairment of goodwill ⁽¹⁾	—	(4)	(4)
Foreign currency translation and other, net ⁽²⁾	46	—	46
Goodwill as of December 31, 2023	2,294	177	2,471
Acquisitions	510	3	513
Foreign currency translation and other, net ⁽²⁾	(90)	—	(90)
Goodwill as of December 31, 2024	\$ 2,714	\$ 180	\$ 2,894

(1) The Company sold an operating company (See Note 5 – "Divestitures"). Pursuant to the authoritative literature, the Company evaluated the recoverability of the carrying value of the assets and liabilities and recorded a goodwill impairment charge of \$4 for the year ended December 31, 2023.

(2) Other includes immaterial measurement period adjustments related to acquisitions for which the measurement period was open at the beginning of the year (see Note 4 – "Business Combinations").

Intangibles

The Company's identifiable intangible assets are comprised of the following as of December 31, 2024 and 2023:

	December 31, 2024			
	Weighted- Average Remaining Useful Lives (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangibles:				
Contractual backlog	1.3	\$ 171	\$ (158)	\$ 13
Customer relationships	9.0	1,753	(672)	1,081
Trade names and trademarks	11.1	748	(182)	566
Total		\$ 2,672	\$ (1,012)	\$ 1,660

	December 31, 2023			
	Weighted- Average Remaining Useful Lives (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangibles:				
Contractual backlog	0.5	\$ 155	\$ (154)	\$ 1
Customer relationships	9.4	1,552	(518)	1,034
Trade names and trademarks	12.1	722	(137)	585
Total		\$ 2,429	\$ (809)	\$ 1,620

Approximate annual aggregate amortization expense of the intangible assets for the five years subsequent to December 31, 2024, is as follows:

Years ending December 31:

2025	\$ 236
2026	228
2027	202
2028	132
2029	130
Thereafter	732
Total	\$ 1,660

Amortization expense recognized on identifiable intangible assets are as follows:

	Year Ended December 31,		
	2024	2023	2022
Cost of revenues	\$ 6	\$ 27	\$ 30
Selling, general, and administrative expenses	216	197	197
Total intangible asset amortization expense	\$ 222	\$ 224	\$ 227

NOTE 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

GAAP defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. As the basis for evaluating such inputs, a three-tier value hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1:** Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2:** Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3:** Unobservable inputs that reflect the Company's own assumptions.

Recurring fair value measurements

The Company's financial assets and liabilities (adjusted to fair value at least quarterly) are derivative instruments and contingent consideration obligations. In the consolidated balance sheets, derivative instruments are primarily included in other noncurrent assets and other noncurrent liabilities and contingent consideration obligations are primarily included in contingent consideration and compensation liabilities.

The following tables summarize the fair values and levels within the fair value hierarchy in which the measurements fall for assets and liabilities measured on a recurring basis as of December 31, 2024 and 2023:

	Fair Value Measurements at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives designated as hedging instruments:				
Cash flow hedges –				
Interest rate swaps	\$ —	\$ 25	\$ —	\$ 25
Cross currency contracts	—	14	—	14
Foreign currency forward contracts	—	—	—	—
Fair value hedges – cross currency contracts	—	54	—	54
Net investment hedges – cross currency contracts	—	28	—	28
Derivatives not designated as hedging instruments:				
Foreign currency forward contracts	—	—	—	—
Total	\$ —	\$ 121	\$ —	\$ 121

Financial liabilities				
Derivatives not designated as hedging instruments:				
Foreign currency forward contracts	—	—	—	—
Contingent consideration obligations	—	—	(13)	(13)
Total	\$ —	\$ —	\$ (13)	\$ (13)

	Fair Value Measurements at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives designated as hedging instruments:				
Cash flow hedges –				
Interest rate swaps	\$ —	\$ 7	\$ —	\$ 7
Cross currency contracts	—	10	—	10
Foreign currency forward contracts	—	—	—	—
Fair value hedges – cross currency contracts	—	17	—	17
Net investment hedges – cross currency contracts	—	20	—	20
Derivatives not designated as hedging instruments:				
Foreign currency forward contracts	—	—	—	—
Total	\$ —	\$ 54	\$ —	\$ 54

Financial liabilities				
Derivatives not designated as hedging instruments:				
Foreign currency forward contracts	—	(1)	—	(1)
Contingent consideration obligations	—	—	(6)	(6)
Total	\$ —	\$ (1)	\$ (6)	\$ (7)

The Company determines the fair value of its derivative instruments designated as hedging instruments using standard pricing models and market-based assumptions for all inputs such as yield curves and quoted spot and forward exchange rates. Accordingly, the Company's derivative instruments are classified as Level 2.

Contingent consideration obligations

The value of the contingent consideration obligations is determined using a probability-weighted discounted cash flow method. This fair value measurement is based on unobservable inputs in the market and thus represents a Level 3 measurement within the fair value hierarchy. This analysis reflects the contractual terms of the purchase agreements (e.g., potential payment amounts, length of measurement periods, manner of calculating any amounts due) and utilizes assumptions with regard to future cash flows, probabilities of achieving such future cash flows, and a discount rate. Depending on the contractual terms of the purchase agreement, the probabilities of achieving future cash flows or earnings generally represent the only significant unobservable inputs. The contingent consideration obligations are measured at fair value each reporting period and changes in estimates of fair value are recognized in earnings.

The table below presents a reconciliation of the fair value of the Company's contingent consideration obligations that use unobservable inputs (Level 3), as well as other information about the contingent consideration obligations:

	Year Ended December 31,		
	2024	2023	2022
Balance at the beginning of the year	\$ 6	\$ 4	\$ 4
Issuances	13	3	—
Settlements	(6)	(1)	—
Balance at the end of the year	\$ 13	\$ 6	\$ 4
Number of open contingent consideration arrangements at the end of the year	9	2	3
Maximum potential payout at the end of the year	\$ 13	\$ 6	\$ 4

At December 31, 2024, the remaining open contingent consideration arrangements are set to expire at various dates through 2026. Level 3 unobservable inputs were used to calculate the fair value adjustments shown in the table above. The fair value adjustments and the related unobservable inputs were not considered significant for the year ended December 31, 2024.

Fair value estimates

The following table presents the carrying amount and fair value of the Company's variable and non-variable interest rate debt (instruments defined in Note 13 – "Debt"), including current portion and excluding unamortized debt issuance costs. Fair value is estimated by discounting future cash flows at currently available rates for borrowing arrangements with similar terms and conditions, which are considered to be Level 2 inputs under the fair value hierarchy. The interest rates of the variable interest rate long-term debt instruments are generally reset monthly.

During 2024, the Company repriced and upsized the 2021 Term Loan by an aggregate principal amount equal to \$850. During 2024, the Company also repaid \$100 to the 2021 Term Loan and the remaining \$330 of the 2019 Term Loan. During 2023, the Company completed repricing of its 2019 Term Loan and 2021 Term Loan and \$422 of the 2019 Term Loan was extended to the 2021 Term Loan. During 2023, the Company also repaid an aggregate amount of \$375 and \$100 to the 2019 Term Loan and 2021 Term Loan, respectively.

	December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2019 Term Loan	\$ —	\$ —	\$ 330	\$ 331
2021 Term Loan	2,157	2,155	1,407	1,407
4.125% Senior Notes	337	305	337	305
4.750% Senior Notes	277	259	277	257

NOTE 10. DERIVATIVES

The Company uses foreign currency forward contracts, cross-currency swaps, and interest rate swap agreements to manage risks associated with foreign currency exchange rates, net investments in foreign operations, and interest rates. The Company does not hold derivative financial instruments of a speculative nature or for trading purposes. The Company records derivatives as assets and liabilities on the consolidated balance sheets at fair value. Changes in fair value are recognized immediately in earnings unless the derivative qualifies and is designated as a hedge under ASC 815, *Derivatives and Hedging*. Cash flows from derivatives are classified in the consolidated statements of cash flows in the same category as the cash flows from the items subject to designated hedge or undesignated (economic) hedge relationships. The Company evaluates hedge effectiveness at inception and on an ongoing basis. If a derivative is no longer expected to be effective, hedge accounting is discontinued.

The Company is exposed to credit risk in the event of nonperformance of counterparties for foreign currency forward exchange contracts, cross currency swaps, and interest rate swap agreements. The Company monitors its exposure to credit risk by using credit approvals and credit limits and by selecting major global banks and financial institutions as counterparties. The Company does not enter into derivative transactions for trading purposes and is not party to any derivatives that require collateral to be posted prior to settlement.

Certain of the Company's derivative transactions are subject to master netting arrangements that allow the Company to net settle contracts with the same counterparties. These arrangements do not call for collateral and no cash collateral has been received or pledged related to the underlying derivatives.

The following table presents the fair value of derivative instruments:

	December 31, 2024			December 31, 2023		
	Outstanding Gross Notional Amount	Other Assets	Other Noncurrent Liabilities	Outstanding Gross Notional Amount	Other Assets	Other Noncurrent Liabilities
Derivatives designated as hedging instruments:						
Cash flow hedges –						
Interest rate swaps	\$ 1,840	\$ 25	\$ —	\$ 1,120	\$ 7	\$ —
Cross currency contracts	120	14	—	120	10	—
Foreign currency forward contracts	—	—	—	—	—	—
Fair value hedges – cross currency contracts	737	54	—	721	17	—
Net investment hedges – cross currency contracts	230	28	—	230	20	—
Total derivatives designated as hedging instruments	\$ 2,927	\$ 121	\$ —	\$ 2,191	\$ 54	\$ —
Derivatives not designated as hedging instruments:						
Foreign currency forward contracts	\$ 77	\$ —	\$ —	\$ 73	\$ —	\$ 1
Total derivatives not designated as hedging instruments	\$ 77	\$ —	\$ —	\$ 73	\$ —	\$ 1
Total derivatives	\$ 3,004	\$ 121	\$ —	\$ 2,264	\$ 54	\$ 1

The following table presents the effect of derivatives on the consolidated statements of operations:

Derivatives	Location of income (expense) recognized in income	Amount of income (expense) recognized in income		
		Year ended December 31,		
		2024	2023	2022
Cash flow hedging relationships:				
Interest rate swaps	Interest expense, net	\$ 32	\$ 32	\$ 1
Cross currency contracts	Investment expense (income) and other, net	7	(3)	6
Cross currency contracts	Interest expense, net	2	2	2
Fair value hedging relationships:				
Cross currency contracts	Investment expense (income) and other, net	37	(25)	53
Cross currency contracts	Interest expense, net	3	2	3
Net investment hedging relationships:				
Cross currency contracts	Interest expense, net	4	4	4
Not designated as hedging instruments:				
Foreign currency forward contracts	Investment expense and other, net	—	1	2

Currency Effects

The income (expense) from derivatives designed to offset foreign currency exposure and recorded in investment expense (income) and other, net were offset by foreign currency transaction gains and losses resulting in a net (loss) gain of \$(2), \$1 and \$(2) for the years ended December 31, 2024, 2023, and 2022, respectively.

The following table presents the effect of cash flow and fair value hedge accounting on accumulated other comprehensive income (loss) ("AOCI"):

Derivatives	Amount of gain (loss) recognized in other comprehensive income			Location of gain (loss) reclassified from AOCI into income	Amount of gain (loss) reclassified from AOCI into income		
	Year ended December 31,				Year ended December 31,		
	2024	2023	2022		2024	2023	2022
Cash flow hedging relationships:							
Interest rate swaps	\$ 14	\$ (6)	\$ 48	Interest expense, net	\$ 13	\$ 16	\$ 3
Cross currency contracts	(2)	(3)	3	Investment expense (income) and other, net	7	(3)	10
Fair value hedging relationships:							
Cross currency contracts	—	(6)	(2)	Investment expense (income) and other, net	36	(25)	53
Net investment hedging relationships:							
Cross currency contracts	7	(9)	14	Interest expense, net	1	1	—

Cash flow hedges

For derivative instruments that are designated and qualify as cash flow hedges, the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period during which the hedged transaction affects earnings. Gains and losses on the derivative representing hedge components excluded from the assessment of effectiveness are recognized in current earnings.

Interest rate swaps

The Company manages its fixed and floating rate debt mix using interest rate swaps. The Company uses interest rate swap contracts to separate interest rate risk management from the debt funding decision. The Company elected a method that does not require continuous evaluation of hedge effectiveness.

During 2022, the Company terminated the previously outstanding \$720 notional amount interest rate swap with a maturity date in October 2024 ("2024 Interest Rate Swap"). The present value as of the date of termination of the 2024 Interest Rate Swap was recorded in AOCI on the consolidated balance sheets. The fair value previously recognized in AOCI related to interest rate movements of the 2024 Interest Rate Swap was amortized to interest expense on a straight-line basis through October 2024. As of December 31, 2024, no unrealized pre-tax gains related to the terminated swap remained in AOCI.

The Company has an aggregate \$720 notional amount interest rate swap ("2026 Interest Rate Swap") and aggregate \$400 notional swaps ("2028 Interest Rate Swap"), each amended on May 19, 2023 in connection with the transition to the Secured Overnight Financing Rate ("SOFR"). Refer to Note 13 – "Debt" for additional information. The 2026 Interest Rate Swap exchanges a variable rate of interest (SOFR) for an average fixed rate of interest of approximately 3.59% over the term of the agreement, which matures in October 2026. The 2028 Interest Rate Swap exchanges a variable rate of interest (SOFR) for an average fixed rate of interest of approximately 3.41% over the term of the agreements, which mature January 2028.

On September 18, 2024, the Company entered into a \$720 notional amount forward starting interest rate swap that exchanges a variable rate of interest (SOFR) for an average fixed rate of interest of approximately 3.13% over the term of the agreement, commencing in October 2026 and maturing in January 2029 ("2029 Interest Rate Swap"). Upon commencement, the 2029 Interest Rate Swap will cover the remainder of the interest payments starting in October 2026 to the maturity of the 2021 Term Loan.

As of December 31, 2024, the Company had \$1,840 total notional amount outstanding in the 2026 Interest Rate Swap, the 2028 Interest Rate Swap, and the 2029 Interest Rate Swap. The Company has designated these swaps as cash flow hedges of the interest rate risk attributable to forecasted variable interest (SOFR) payments for its SOFR-based term loans of \$2,157. As of December 31, 2024, the weighted-average fixed rate of interest on these swaps was approximately 3.52%. Variations in the assets and liability balances are primarily driven by changes in the applicable forward yield curves related to SOFR.

Cross-currency swaps

The Company enters into cross currency exchange contracts utilized to hedge against the effect of exchange rate fluctuations on cash flows denominated in foreign currencies and to hedge exposures of certain intercompany loans subject to changes in foreign currency exchange rates. The Company periodically assesses whether its currency exchange contracts are effective, and when a contract is determined to be no longer effective as a hedge, the Company discontinues hedge accounting prospectively.

During 2021, the Company entered into two cross-currency swaps designated as cash flow hedges with gross notional U.S. dollar equivalent amounts of \$26 and \$94 with maturity dates of September 2027 and 2030, respectively.

Foreign currency forward contracts

The Company utilizes foreign currency forward contracts to hedge the effect of foreign currency exchange rate fluctuations on forecasted foreign currency transactions, including inventory purchases and intercompany charges and other payments. These forward contracts are designated as cash flow hedges. The changes in fair value of these contracts are recorded in other comprehensive income until the hedged items affect earnings, at which time the hedge gain or loss is reclassified into current earnings.

The Company periodically assesses whether its currency exchange contracts are effective, and when a contract is determined to be no longer effective as a hedge, the Company discontinues hedge accounting prospectively.

As of December 31, 2024, the Company had \$0 total notional amount outstanding in foreign currency forward contracts designated as cash flow hedges.

Fair value hedges

The Company has certain intercompany loans subject to changes in foreign currency exchange rates. In June 2024, to hedge these exposures, the Company entered into a cross currency swap maturing June 2029 and designated as a fair value hedge with a gross notional U.S. dollar equivalent of \$16 in AUD. In 2022, the Company entered into three cross currency swaps all with maturity dates of January 2027 and are designated as fair value hedges with gross notional U.S. dollar equivalents of \$271, \$241, and \$209 in GBP, CAD, and EUR, respectively. The Company measures the effectiveness of

fair value hedges on a spot-to-spot basis. Accordingly, the spot-to-spot change in the derivative fair values are recorded in the consolidated statements of operations and perfectly offset the spot-to-spot change in the underlying intercompany loans, and as such, these hedges are deemed highly effective. The excluded component of the fair values of these derivatives is reported in AOCI within shareholders' equity in the consolidated balance sheets. Any cash flows associated with these instruments are included in operating activities in the consolidated statements of cash flows.

Net investment hedge

The Company has net investments in foreign subsidiaries subject to changes in foreign currency exchange rates. During 2021, the Company entered into a \$230 notional foreign currency swap designated as a net investment hedge for a portion of the Company's net investments in Euro-denominated subsidiaries. Gains and losses resulting from a change in fair value of the net investment hedge are offset by gains and losses on the underlying foreign currency exposure and are included in AOCI in the consolidated balance sheets.

During 2021, the Company amended the critical terms of the foreign currency swap by extending the maturity date to July 2029 and modifying the U.S. dollar and Euro coupons. The amended swap was redesignated as a net investment hedge and is recorded at fair value with changes recorded in AOCI. The initial net investment hedge was dedesignated. The amended net investment hedge reduces the Company's interest expense by approximately \$3 annually and reduces its overall effective interest rate by approximately 24 basis points.

The fair value previously recognized in AOCI related to interest rate movements of the dedesignated swap is being amortized to interest expense on a straight-line basis through the third quarter of 2029 and reduces the Company's interest expense by approximately \$1 annually.

Foreign currency forward contracts

The Company utilizes foreign currency forward contracts to hedge the effect of foreign currency exchange rate fluctuations on confirmed foreign currency transactions, including inventory purchases and intercompany charges and other payments. These forward contracts are undesignated for hedge accounting purposes. The changes in fair value of these contracts are recorded in investment expense (income) and other, net.

NOTE 11. PROPERTY AND EQUIPMENT, NET

The components of property and equipment as of December 31, 2024 and 2023 are as follows:

	Estimated Useful Lives (In Years)	December 31	
		2024	2023
Land	N/A	\$ 21	\$ 27
Building	39	100	105
Machinery, equipment, and office equipment	1 - 20	372	353
Autos and trucks	4 - 10	113	112
Leasehold improvements	1 - 15	47	35
Total cost		653	632
Accumulated depreciation		(274)	(247)
Property and equipment, net		\$ 379	\$ 385

Depreciation expense related to property and equipment, including finance leases, was \$80, \$79, and \$77, during the years ended December 31, 2024, 2023 and 2022, respectively. Depreciation expense is included within cost of revenues and selling, general, and administrative expenses in the consolidated statements of operations.

NOTE 12. LEASES

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASC 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what

purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company leases various facilities, equipment and vehicles from unrelated parties, which are primarily classified and accounted for as operating leases. The facility leases are primarily for office space with initial terms extending up to ten years. The equipment leases are primarily related to heavy equipment utilized in the completion of construction jobs, and the terms of the agreements range from one to seven years. Vehicle leases have a minimum lease term ranging from one to seven years. Some leases include one or more options to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease term by one to twelve years or more.

The Company made an accounting policy election to not recognize lease assets and lease liabilities for leases with terms of twelve months or less. For all other leases, the Company recognizes right-of-use ("ROU") assets and lease liabilities based on the present value of the lease payments over the lease term at the commencement date of the lease (or January 1, 2019 for leases existing upon the adoption of ASC 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by lease incentives.

When material leases are acquired in business combinations, the Company is required to measure the acquired lease liabilities at the present value of the remaining lease payments as if the acquired leases were new leases. A reassessment of the lease term, lessee options to purchase an underlying asset, lease payments, and discount rates is performed as of the date of acquisition. The ROU assets are then remeasured at the amount of the lease liability, adjusted for any off-market terms present in the acquired leases.

The Company's future lease payments may include payments that depend on an index or a rate (such as the consumer price index). The Company initially measures payments based on an index or rate using the applicable rate at lease commencement, and subsequent changes in such rates are recognized as variable lease costs in the period incurred. Some leases contain variable payments that are not based on an index or rate and therefore are not included in the initial measurement of ROU assets and lease liabilities. These variable payments typically represent additional services transferred to the Company, such as common area maintenance for real estate, and maintenance or service programs for vehicles, and are recorded in lease expense in the period incurred. For leases that include residual value guarantees or payments for terminating the lease, the Company includes these costs in the lease liability when it is probable they will be incurred.

The Company determines the present value of lease payments using its incremental borrowing rate ("IBR"), as the Company's leases generally do not have a readily determinable implicit discount rate. The Company applies judgment in assessing factors such as Company-specific credit risk, lease term, nature and quality of the underlying collateral, and economic environment in determining the incremental borrowing rates for its leases.

The Company's IBR reflects the rate of the parent or group level. The Company acts as the central treasury function for all its subsidiaries and its collateral quality was considered in aggregate for the IBR. The Company developed IBR curves for all currency denominations of its leases. To determine its creditworthiness, the Company considered publicly available credit ratings from S&P Global Ratings ("S&P") and Moody's Investors Service ("Moody's"). Both the S&P local currency long-term rating and the Moody's long-term corporate family credit ratings have remained stable at BB and Ba2 in 2024. The amount (and impact) of the Company's future operating lease payments, a consideration in the development of the IBR, would be reflected in the Company's underlying credit rating. In its development of the IBR, the Company applied a base market yield curve reflective of its unsecured credit rating. Adjustments to the base market yield curve were then considered for any Company-specific debt instruments outstanding at the measurement date, and securitization adjustments were made to conclude on a lessee specific securitized market yield curve. No adjustment was considered for economic environment risk for the U.S. IBR as the underlying market data to derive the IBR was in USD. The Company also has significant leases located in (denominated in): Canada (CAD), European Union (EUR), United Kingdom (GBP), and Australia (AUD). To derive the applicable foreign IBR curves, the Company adjusted its concluded United States/USD IBR curve to the applicable foreign IBR curves using the covered interest rate parity theory, which captures foreign currency risk. The Company developed its IBR curves with tenors ranging from 1-year to 30-years to match its anticipated lease terms. For each lease, the Company applied the IBR that aligned with the concluded lease term. The Company estimated the IBRs on a quarterly basis throughout 2024, which ranged from 1.79% to 9.63% across all currencies for the 1-year through 30-year tenor.

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for all asset classes except for certain asset classes within its information technology arrangements.

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The Company allocates the consideration for certain asset classes within information technology arrangements to the separate components based on relative stand-alone prices using observable prices, if available, or estimates of stand-alone prices using observable information available.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term.

The components of lease expense are as follows:

	Year Ended December 31,		
	2024	2023	2022
Operating lease cost	\$ 99	\$ 88	\$ 75
Finance lease cost - amortization of right-of-use assets	6	6	4
Short-term lease cost	42	41	39
Variable lease cost	21	22	21
Total lease cost	<u>\$ 168</u>	<u>\$ 157</u>	<u>\$ 139</u>

Supplemental consolidated statements of cash flows information related to leases is as follows:

	Year Ended December 31,		
	2024	2023	2022
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash outflows - payments on operating leases	\$ 97	\$ 88	\$ 75
Financing cash outflows - payments on finance leases	7	7	5
Right-of-use assets obtained in exchange for new lease obligations:			
Operating leases	\$ 135	\$ 81	\$ 186
Finance leases	5	5	15

Included within ROU assets obtained in exchange for new lease obligations during 2022, there were \$146 and \$2 of operating and financing leases, respectively, which were adjusted to fair value as part of the Chubb Acquisition.

Supplemental consolidated balance sheets information related to leases is as follows:

	Year Ended December 31,	
	2024	2023
Finance leases:		
Machinery and equipment	11	15
Property and equipment, net	<u>\$ 11</u>	<u>\$ 15</u>
Weighted-average remaining lease term:		
Operating leases	4.4 years	4.9 years
Finance leases	2.1 years	2.1 years
Weighted-average discount rate:		
Operating leases	5.7 %	5.7 %
Finance leases	5.1 %	5.2 %

The future undiscounted cash flows for each of the next five years and thereafter and reconciliation to the lease liabilities recognized on the consolidated balance sheets as of December 31, 2024 is as follows:

	Operating Leases	Finance Leases	Total
Year ending December 31:			
2025	\$ 92	\$ 7	\$ 99
2026	70	3	73
2027	52	1	53
2028	32	1	33
2029	18	—	18
Thereafter	35	—	35
Total lease payments	299	12	311
Less imputed interest	28	1	29
Total present value of lease liabilities	\$ 271	\$ 11	\$ 282
Operating and finance leases - current	\$ 84	\$ 6	\$ 90
Operating and finance leases - noncurrent	187	5	192
Total present value of lease liabilities	\$ 271	\$ 11	\$ 282

The Company leases office and operating facilities from various parties that are in management positions at certain businesses and the Company incurred rent expense, including real estate taxes and operating costs of approximately \$4, \$4, and \$5 during the years ended December 31, 2024, 2023, and 2022, respectively, under these arrangements.

NOTE 13. DEBT

Debt obligations consist of the following:

	Maturity Date	December 31,	
		2024	2023
Term loan facility			
2019 Term Loan	October 1, 2026	\$ —	\$ 330
Revolving Credit Facility	January 3, 2027	—	—
2021 Term Loan	January 3, 2029	2,157	1,407
Senior notes			
4.125% Senior Notes	July 15, 2029	337	337
4.750% Senior Notes	October 15, 2029	277	277
Other obligations			
Total debt obligations		2,776	2,356
Less: unamortized deferred financing costs		(23)	(29)
Total debt, net of deferred financing costs		2,753	2,327
Less: short-term and current portion of long-term debt		(4)	(5)
Long-term debt, less current portion		\$ 2,749	\$ 2,322

Term loan facility

As of December 31, 2024, the Company had no principal outstanding under the \$1,200 term loan (the "2019 Term Loan") and \$2,157 of principal outstanding under the incremental term loan (the "2021 Term Loan"). The interest rate applicable to the 2021 Term Loan is, at the Company's option, either (1) a base rate plus an applicable margin equal to 1.00% or (2) Term SOFR rate (adjusted for statutory reserves) plus an applicable margin equal to 2.00%.

The interest rate applicable to borrowings under the \$500 five-year senior secured revolving credit facility (the "Revolving Credit Facility") is, at the Company's option, either (1) a base rate plus an applicable margin equal to 1.25%, or (2) a Term

SOFR rate (adjusted for statutory reserves) plus an applicable margin equal to 2.25% plus a credit spread adjustment ("CSA").

As of December 31, 2024 and 2023, the Company had no amounts outstanding under the Revolving Credit Facility, and \$494 and \$495, respectively, was available under the Revolving Credit Facility, after giving effect to \$6 and \$5, respectively, of outstanding letters of credit.

During the second quarter of 2024, the Company completed its Sixth Amendment to its credit agreement, upsizing and repricing the 2021 Term Loan and repaying the 2019 Term Loan. The repricing reduced the applicable margin on the 2021 Term Loan by 50 basis points and removed the CSA. As part of the transaction, the Company incurred approximately \$550 of incremental principal on the 2021 Term Loan. The proceeds were used to repay the remaining \$330 of the 2019 Term Loan, repay \$100 of the Revolving Credit Facility outstanding, and for general corporate purposes, including to partially fund the Elevated acquisition.

During the first quarter of 2024, the Company completed its Fifth Amendment to its credit agreement, upsizing its 2021 Term Loan by an aggregate principal amount equal to \$300. The loan proceeds were directed as consideration for a portion of the purchase price for the Series B Preferred Stock Conversion. For additional information regarding the Series B Preferred Stock Conversion, see Note 19 – "Shareholders' Equity and Redeemable Convertible Preferred Stock."

During 2024, the Company made aggregate payments of \$330 and \$100 on the 2019 Term Loan and 2021 Term Loan, respectively. As a result of the principal payments, the Company incurred a loss on debt extinguishment of \$1 related to unamortized debt issuance costs, which was recorded within loss (gain) on extinguishment of debt, net in the consolidated statements of operations.

During 2023, the Company made aggregate payments of \$375 and \$100 on the 2019 Term Loan and 2021 Term Loan, respectively. As a result of the principal payments, the Company incurred a loss on debt extinguishment of \$7 related to unamortized debt issuance costs, which was recorded within loss (gain) on extinguishment of debt, net in the consolidated statements of operations.

As of December 31, 2024 and 2023, the Company was in compliance with all applicable debt covenants.

Swap activity

In 2023, the Company amended its existing interest rate swaps in connection with the transition to SOFR for the term loans.

As of December 31, 2024, the Company had a \$720 notional value 2026 Interest Rate Swap, exchanging one-month SOFR for a fixed rate of 3.59% per annum, and \$400 notional value 2028 Interest Rate Swap, exchanging one-month SOFR for a rate of 3.41%. Accordingly, the Company's fixed interest rate per annum on the first swapped \$400 notional value of the term loan is 5.41% and the second swapped \$720 notional value of the term loans is 5.59% through the swaps' maturity. The remaining \$1,037 of the term loan balance will bear interest based on one-month SOFR plus 200 basis points, but the rate will fluctuate as SOFR fluctuates. During 2024, the Company entered into a \$720 notional amount forward starting interest rate swap commencing in October 2026 and maturing in January 2029 that exchanges a variable rate of interest (SOFR) for an average fixed rate of interest of approximately 3.13% over the term of the agreement. Refer to Note 10 – "Derivatives" for additional information.

Senior notes

4.125% Senior Notes

During 2021, the Company completed a private offering of \$350 aggregate principal amount of 4.125% Senior Notes (the "4.125% Senior Notes") issued under an indenture dated June 22, 2021. The 4.125% Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Company and certain of the Company's subsidiaries.

4.750% Senior Notes

During 2021, the Company completed a private offering of \$300 aggregate principal amount of 4.750% Senior Notes due 2029 (the "4.750% Senior Notes"), issued under an indenture dated October 21, 2021, as supplemented by a supplemental indenture dated January 3, 2022. The 4.750% Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Company and certain of the Company's subsidiaries.

Senior Notes Repurchases

During 2022, the Company repurchased on the open market \$13 and \$23 of the 4.125% Senior Notes and 4.750% Senior Notes, respectively (the "Repurchases"). In connection with the Repurchases, the Company recognized a net gain on debt extinguishment of \$5 within loss (gain) on extinguishment of debt, net in the consolidated statements of operations.

The Company was in compliance with all covenants contained in the indentures governing the 4.125% Senior Notes and 4.750% Senior Notes as of December 31, 2024 and 2023.

Other obligations

As of December 31, 2024 and 2023, the Company had \$5 and \$5 in notes outstanding, respectively, for working capital purposes and the acquisition of equipment and vehicles. Amounts outstanding under these notes are included in the table below.

Approximate annual maturities, excluding amortization of debt issuance costs, of the Company's financing arrangements for years subsequent to December 31, 2024, are as follows:

Years Ending December 31:

2025	\$	4
2026		1
2027		—
2028		—
2029		2,771
Thereafter		—
Total	\$	<u>2,776</u>

NOTE 14. INCOME TAXES

For the years ended December 31, 2024, 2023, and 2022, the components of income before income taxes are as follows:

	Year Ended December 31,		
	2024	2023	2022
U.S. earnings	\$ 177	\$ 186	\$ 40
Foreign earnings	153	46	53
Total earnings	<u>\$ 330</u>	<u>\$ 232</u>	<u>\$ 93</u>

The income tax provision for the years ended December 31, 2024, 2023, and 2022, consisted of the following:

	Year Ended December 31,		
	2024	2023	2022
Current:			
U.S. federal	\$ 47	\$ 48	\$ 32
State	14	23	13
Foreign	46	40	22
Total current tax provision	<u>\$ 107</u>	<u>\$ 111</u>	<u>\$ 67</u>
Deferred:			
U.S. federal	\$ (15)	\$ (10)	\$ (32)
State	—	(1)	(3)
Foreign	(12)	(21)	(12)
Total deferred tax benefit	<u>\$ (27)</u>	<u>\$ (32)</u>	<u>\$ (47)</u>
Total income tax provision	<u>\$ 80</u>	<u>\$ 79</u>	<u>\$ 20</u>

The reconciliation of the federal statutory income tax rate to the Company's provision for income taxes is as follows:

	Year Ended December 31,					
	2024		2023		2022	
Expected provision at statutory federal rate	\$ 70	21.0 %	\$ 49	21.0 %	\$ 19	21.0 %
State tax provision, net of federal benefit	11	3.3 %	17	7.3 %	7	7.5 %
Foreign rate differential	(3)	(0.9 %)	(1)	(0.4)%	(4)	(4.3 %)
Valuation allowance	(5)	(1.5 %)	8	3.4 %	(1)	(1) %
Permanent differences and other	3	0.9 %	3	1.3 %	4	4 %
Uncertain tax positions	—	— %	—	— %	(1)	(1) %
Transaction costs	1	0.3 %	—	— %	3	3.2 %
Withholding taxes on foreign entities	—	— %	—	— %	(9)	(10) %
Section 162(m) limitation	3	0.9 %	3	1.3 %	2	2.1 %
Total provision for income taxes	\$ 80	24.0 %	\$ 79	33.9 %	\$ 20	22.0 %

The components of deferred tax assets and liabilities consisted of the following:

	December 31,	
	2024	2023
Deferred tax assets:		
Operating and finance lease liabilities	\$ 68	\$ 57
Accrued compensation	42	60
Accrued expenses	27	28
Net operating loss carryforwards	22	28
Contingent consideration and compensation liabilities	14	13
Capital loss carryforwards	51	54
Credits	37	38
Reserves and allowances	6	6
Interest limitation	36	2
Other	7	12
Gross deferred tax assets	310	298
Valuation allowances	(92)	(114)
Net deferred tax assets	\$ 218	\$ 184
Deferred tax liabilities:		
Depreciation on fixed assets	\$ 39	\$ 42
Goodwill	44	23
Amortization on identified intangible assets	177	165
Operating lease right-of-use assets	67	56
Derivatives	7	1
Deferred payments	3	4
Pension and post-retirement obligations	16	11
Other	6	2
Gross deferred tax liabilities	\$ 359	\$ 304
Net deferred tax liabilities	\$ 141	\$ 120

Deferred income tax assets represent potential future income tax benefits. Realization of these assets is ultimately dependent upon future taxable income. Deferred tax assets must be reduced by a valuation allowance if, based on all available evidence, it is considered more likely than not that some or all of the recorded deferred tax assets will not be realized in a future period. The Company considers all negative and positive evidence, including the weight of the evidence, to determine if a valuation allowance is required. As of December 31, 2024 and 2023, valuation allowances of \$92 and \$114 were recorded against certain deferred tax assets of the Company's domestic and foreign subsidiaries.

As of December 31, 2024, the Company had gross federal, state and foreign net operating loss carryforwards of approximately \$0, \$20, and \$93, respectively. The state net operating loss carryforwards have carryforward periods of five to twenty years and begin to expire in 2029. The foreign net operating loss carryforwards generally have carryback periods of three years, carryforward periods of twenty years, or that are indefinite, and begin to expire in 2025.

As of December 31, 2024, there were approximately \$289 of accumulated undistributed earnings of subsidiaries outside of the United States, all of which are considered to be indefinitely reinvested. Due to the complexity of the legal entity structure, the number of legal entities and jurisdictions involved, and the complexity of the laws and regulations, the Company believes it is not practicable to estimate the amount of additional taxes which may be payable upon distribution of these undistributed earnings. Accordingly, no deferred taxes have been provided for withholding taxes or other taxes on permanently reinvested earnings.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,		
	2024	2023	2022
Gross unrecognized tax benefits at the beginning of the year	\$ 7	\$ 8	\$ 2
Additions for tax positions taken in a prior period (including acquired uncertain tax positions)	3	—	7
Reductions for tax positions taken in a prior period (including acquired uncertain tax positions)	(1)	(1)	—
Additions for tax positions taken in the current period	—	1	1
Reductions for tax positions due to lapse in statute of limitations	—	(1)	—
Foreign currency translation adjustments	—	—	(2)
Gross unrecognized tax benefits as of the end of the year	\$ 9	\$ 7	\$ 8

The Company's liability for unrecognized tax benefits is recorded within other noncurrent liabilities on the consolidated balance sheets and recognizes interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes in the consolidated statements of operations. The Company had \$3 and \$2 of accrued gross interest and penalties as of December 31, 2024 and 2023, respectively. During the years ended December 31, 2024, 2023, and 2022, the Company did not recognize net interest expense.

If all of the Company's unrecognized tax benefits as of December 31, 2024 were recognized, \$12 would impact the Company's effective tax rate. The Company expects \$1 of unrecognized tax benefits to expire in the next twelve months due to lapses in the statute of limitations.

The Company files income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. As of December 31, 2024, with few exceptions, neither the Company nor its subsidiaries are subject to examination. There are various other audits in state and foreign jurisdictions. The IRS exam related to the 2019 final S Corporation return has been closed without adjustments.

NOTE 15. EMPLOYEE BENEFIT PLANS

Employee stock purchase plan

Most of the Company's employees in the U.S and Canada, including named executive officers, are eligible to participate in the Company's Employee Stock Purchase Plan (the "ESPP"). Sales of shares of the Company's common stock under the ESPP are generally made pursuant to offerings that are intended to satisfy the requirements of Section 423 of the Internal Revenue Code. The ESPP permits employees of the Company to purchase common stock at a price equal to 85% of the lesser of (i) the market value of the common stock on the first date of the offering period, or (ii) the market value of the

common stock on the purchase date, whichever is lower. Participants are subject to eligibility requirements and may not purchase more than 500 shares in any offering period or more than ten thousand dollars of common stock in a year under the ESPP.

During the year ended December 31, 2024, the Company recognized \$5 of expense, and issued 616,740 shares of the Company's common stock at a weighted-average price per share of \$26.64 related to the ESPP. As of December 31, 2024, the Company accrued a liability of \$7, which has been recorded as accrued salaries and wages in the consolidated balance sheets, for 228,787 shares of the Company's common stock that were issued to employees in January 2025. As of December 31, 2024, there were approximately 5,431,500 shares reserved for future issuance under the ESPP.

401(k) plans

The Company has 401(k) plans that provide for annual contributions not to exceed the maximum amount allowed by the Internal Revenue Code. The plans are qualified and cover employees meeting certain eligibility requirements who are not covered by collective bargaining agreements. The amounts contributed each year are discretionary and are determined annually by management.

The Company recognized \$16, \$13, and \$12, in 401(k) expense during the years ended December 31, 2024, 2023, and 2022, respectively.

Defined benefit pension plans

The Company sponsors both funded and unfunded foreign defined benefit pension plans that cover a portion of the Company's employees, and the largest plans are closed to new participants and frozen for accrual of future service. Refer to Note 16 – "Pension" for more information on these plans.

Post-retirement benefit plans

As part of the Chubb Acquisition, the Company assumed an unfunded post-retirement benefit plan that provides life benefits to certain eligible retirees in Canada. As of December 31, 2024, the benefit obligation was \$3. The PBO discount rate was 4.5% at December 31, 2024.

Benefit payments, including amounts to be paid from corporate assets and reflecting expected future service, as appropriate, are expected to be less than \$1 for 2025 through 2028 and thereafter.

Profit sharing plans

The Company has a trustee-administered, profit sharing retirement plan covering substantially all of the Company's employees in the U.S. not covered by collective bargaining agreements and a profit sharing plan for employees in Canada (collectively, "Profit Sharing Plans"). The Profit Sharing Plans provide for annual discretionary contributions in amounts based on a performance grid as determined by the Company's directors, which may be settled in shares of the Company's common stock or in cash. In connection with these plans, the Company recognized \$27, \$19, and \$15 in expense for shares distributed to eligible employees during the years ended December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024 and 2023, the Company accrued a liability of \$28 and \$19, respectively, which has been recorded as accrued salaries and wages in the consolidated balance sheets for shares of the Company's common stock. The liability accrued as of December 31, 2023 was settled in common stock during the year ended December 31, 2024.

Multiemployer pension plans

The Company participates in several multiemployer pension plans ("MEPP") that provide retirement benefits to certain union employees in accordance with various collective bargaining agreements ("CBA"). As one of many participating employers in these MEPPs, the Company may be responsible with the other participating employers for any plan underfunding. The Company's contributions to a particular MEPP are established by the applicable CBAs; however, its required contributions may increase based on the funded status of the MEPP and the legal requirements of the Pension Protection Act of 2006 (the "PPA"), which requires substantially underfunded MEPPs to implement a funding improvement plan ("FIP") or a rehabilitation plan ("RP") to improve their funded status. Factors that could impact the funded status of the MEPP include, without limitation, investment performance, changes in the participant demographics,

decline in the number of contributing employers, changes in actuarial assumptions, and the utilization of extended amortization provisions.

The Company believes that certain of the MEPPs in which the Company participates may have underfunded vested benefits. Due to uncertainty regarding future factors that could trigger withdrawal liability, as well as the absence of specific information regarding the MEPPs current financial situation, the Company is unable to determine (a) the amount and timing of any future withdrawal liability, if any, and (b) whether the Company's participation in these MEPPs could have a material adverse impact on the Company's consolidated financial position, results of operations, or liquidity. The Company did not record any withdrawal liability for the years ended December 31, 2024, 2023, and 2022.

The Company's participation in MEPPs for the year ended December 31, 2024, is outlined in the table below. The EIN/PN column provides the Employer Identification Number ("EIN") and the three-digit plan number ("PN"). The most recent PPA zone status available for 2024, 2023 and 2022 is for the plan year-ends, as indicated below. The zone status is based on information that the Company received from the plans and is certified by the plans' actuaries. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are between 65% and 80% funded, and plans in the green zone are at least 80% funded. The FIP/RP status pending/implemented column indicates plans for which an FIP or an RP either is pending or has been implemented. In addition, the Company may be subject to a surcharge if the Plan is in the red zone. The Surcharge imposed column indicates whether a surcharge has been imposed on contributions to the Plan. The last column lists the expiration date(s) of the collective bargaining agreement(s) to which the plans are subject.

Pension Fund	EIN/PN	Plan Year-End	PPA Zone Status ⁽¹⁾			FIP/RP Status Pending/Implement	Contributions (in millions)			More Than 5% ⁽²⁾	Surcharge Imposed	Expiration Date of CBA
			December 31	2024	2023		2022	2024 ⁽³⁾	2023 ⁽³⁾			
National Automatic Sprinkler Industry Pension Fund	52-6054620-001	12/31/2023	Green	Green	Green	No	\$ 34	\$ 32	\$ 30	Yes	No	3/31/2025
Heavy And General Laborers Local Unions 472 And 172 Of New Jersey Pension Fund	22-6032103-001	3/31/2024	Green	Green	Green	No	10	5	5	Yes	No	2/28/2027
Twin City Pipe Trades Pension Plan	41-6131800-001	4/30/2023	Green	Green	Green	No	8	11	10	Yes	No	4/30/2027
Boilermaker-Blacksmith National Pension Trust	48-6168020-001	12/31/2023	Red	Green	Yellow	Yes	5	6	5	No	No	12/31/2025
Sheet Metal Workers' National Pension Fund	52-6112463-001	12/31/2023	Green	Green	Yellow	No	4	6	6	No	No	4/30/2025
National Electrical Benefit Fund	53-0181657-001	12/31/2023	Green	Green	Green	No	3	8	8	No	No	6/30/2027
Sheet Metal Workers' Local 10 Pension Fund	41-1562581-001	12/31/2023	Green	Green	Green	No	2	2	3	Yes	No	4/30/2027
Building Trades United Pension Trust Fund Milwaukee And Vicinity	51-6049409-001	5/31/2024	Green	Green	Green	No	2	2	2	No	No	5/31/2026
Operating Engineers 825 Pension Fund	22-6033380-001	6/30/2023	Green	Green	Green	No	2	1	1	Yes	No	6/30/2026
Central Pension Fund Of The IUOE & Participating Employers	36-6052390-001	1/31/2024	Green	Green	Green	No	2	4	3	No	No	5/31/2026
United Association National Pension Fund	52-6152779-001	6/30/2023	Green	Green	Yellow	No	2	3	4	No	No	4/30/2027
Eastern NY Laborers International Local 754	13-4164083-001	6/30/2024	Green	Green	Green	No	1	1	1	Yes	No	5/31/2025
Total other							14	19	21			
Total							<u>\$ 89</u>	<u>\$ 100</u>	<u>\$ 99</u>			

- (1) The zone status represents the most recent available information for the respective MEPP, which may be 2023 or earlier for the 2024 year and 2022 or earlier for the 2023 year.
- (2) This information was obtained from the respective plan's Form 5500 (Forms) for the most current available filing. These dates may not correspond with the Company's fiscal year contributions. The above-noted percentages of contributions are based upon disclosures contained in the plans' Forms. Those Forms, among other things, disclose the names of individual

participating employers whose annual contributions account for more than 5% of the aggregate annual amount contributed by all participating employers for a plan year. Accordingly, if the annual contribution of two or more of the Company's subsidiaries each accounted for less than 5% of such contributions, but in the aggregate accounted for in excess of 5% of such contributions, that greater percentage is not available and accordingly is not disclosed.

(3) 2024, 2023, and 2022 periods represent the years ended December 31, 2024, 2023, and 2022.

The nature and diversity of the Company's business may result in volatility in the amount of its contributions to a particular MEPP for any given period. That is because, in any given market, the Company could be working on a significant project and/or projects, which could result in an increase in its direct labor force and a corresponding increase in its contributions to the MEPP(s) dictated by the applicable CBA. When that particular project(s) finishes and is not replaced, the number of participants in the MEPP(s) who are employed by the Company would also decrease, as would its level of contributions to the particular MEPP(s). Additionally, the amount of contributions to a particular MEPP could also be affected by the terms of the CBA, which could require, at a particular time, an increase in the contribution rate and/or surcharges. During the year ended December 31, 2024, the Company's contributions to various MEPP(s) did not significantly increase as a result of acquisitions.

NOTE 16. PENSION

The Company sponsors both funded and unfunded foreign defined benefit pension plans that cover a portion of the Company's employees, and the largest plans are closed to new participants and frozen for accrual of future service. The Company assumed the pension plans as part of the Chubb Acquisition on January 3, 2022.

Guidance under FASB ASC Topic 715, *Compensation – Retirement Benefits*, requires balance sheet recognition of the overfunded or underfunded status of pension and postretirement benefit plans. Under this guidance, actuarial gains and losses, prior service costs or credits, and any remaining transition assets or obligations that have not been recognized under previous accounting standards must be recognized in other comprehensive income (loss), net of tax effects, until they are amortized as a component of net periodic benefit cost. Pension and post-retirement obligation balances and related costs reflected within the consolidated balance sheets include costs directly attributable to plans dedicated to the Company.

During 2023, an annuity purchase transaction, commonly known as a "buy-in," was executed for the two pension plans in the United Kingdom ("U.K."). Under the terms of the insurance contracts, which were issued by a third-party insurance company with no affiliation to the Company, all pension obligations will be funded by the insurer's annuity payments, but the plans still retain full legal responsibility to pay the benefits to plan participants using the insurance payments. As the plans maintain full legal responsibility, with the insurance contracts being assets of the plans, settlement accounting has not been applied. Given the funded status of the plans, the Company does not expect any future contributions to be required.

In July 2024, the U.K. Court of Appeal upheld a ruling in the matter of Virgin Media Limited versus NTL Pension Trustees II Limited, that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation, a decision that the Company was not a party to or involved in and could impact the Company's non-U.S. pension plans in the U.K. The Company has not identified any benefit uncertainties for which the potential impact would need to be considered and will continue to monitor this development during 2025 and beyond.

	December 31,	
	2024	2023
Projected benefit obligation ("PBO") funded status		
Fair value of plan assets	\$ 1,466	\$ 1,650
Benefit obligations	(1,388)	(1,588)
Funded status of plans	\$ 78	\$ 62

	December 31,	
	2024	2023
Change in benefit obligation		
Beginning balance	\$ 1,588	\$ 1,262
Service cost	5	4
Interest cost	60	62
Plan participants' contributions	1	1
Actuarial (gain) loss	(132)	284
Benefits paid	(98)	(89)
Settlements	(5)	(4)
Other	1	—
Currency impact	(32)	68
Ending balance	<u>\$ 1,388</u>	<u>\$ 1,588</u>

Change in plan assets		
Beginning balance	\$ 1,650	\$ 1,617
Employer contributions	6	4
Plan participants' contributions	1	1
Benefits paid	(98)	(89)
Actual (loss) return on assets	(58)	40
Settlements	(5)	(4)
Other	2	—
Currency impact	(32)	81
Ending balance	<u>\$ 1,466</u>	<u>\$ 1,650</u>

Supplemental consolidated balance sheets information related to pension is as follows:

	December 31,	
	2024	2023
Pension and post-retirement assets	\$ 120	\$ 111
Other accrued liabilities	—	(1)
Other noncurrent liabilities	(42)	(48)
Net amount recognized	<u>\$ 78</u>	<u>\$ 62</u>

Information for pension plans with accumulated benefit obligations in excess of plan assets:

	December 31,	
	2024	2023
PBO	\$ 56	\$ 64
Accumulated benefit obligation	46	53
Fair value of plan assets	14	15

Information for pension plans with projected benefit obligations in excess of plan assets:

	December 31,	
	2024	2023
PBO	\$ 56	\$ 69
Accumulated benefit obligation	46	58
Fair value of plan assets	14	20

The components of the net periodic pension cost (benefit) for the defined benefit pension plans are as follows:

	December 31,	
	2024	2023
Service cost	\$ 5	\$ 4
Interest cost	60	62
Expected return on plan assets	(62)	(79)
Amortization of net loss	22	4
Cost of Settlement	—	1
Net periodic pension cost (benefit)	<u>\$ 25</u>	<u>\$ (8)</u>

Major assumptions used in determining the benefit obligation and net periodic benefit cost for pension plans are presented in the following table as weighted averages:

	Year Ended December 31,			
	2024		2023	
	Benefit Obligation	Net Periodic Benefit Cost	Benefit Obligation	Net Periodic Benefit Cost
Discount rates:				
PBO	4.9 %	4.0 %	4.0 %	4.9 %
Interest cost	— %	3.9 %	— %	5.0 %
Service cost	— %	3.9 %	— %	4.6 %
Salary scale	3.0 %	3.1 %	3.1 %	3.0 %
Expected return on plan assets	— %	3.9 %	— %	4.9 %

Except for the U.K. pension plans, the discount rate assumptions are developed using a bond yield curve constructed from a population of high-quality, non-callable, corporate bond issues with maturities ranging from six years to nineteen years. A discount rate is estimated for, and is based on, the durations of the underlying plans. For the U.K. pension plans, the discount rate is set using the U.K. gilt yield curve.

The expected long-term rate of return used for the Company's pension plans is determined in each local jurisdiction and is based on the assets held in that jurisdiction, the expected rate of returns for the type of assets held and any guaranteed rate of return provided by the investment. The other assumptions used to measure the pension obligations, including discount rate, vary by country based on specific local requirements and information.

Non-U.S. pension plan assets are typically managed by decentralized fiduciary committees. The disclosure below of asset categories is presented in aggregate for 13 defined benefit plans in 7 countries; however, there is variation in asset allocation policy from country to country. Local regulations, local funding rules, and local financial and tax considerations are part of the funding and investment allocation process in each country. Each plan has its own strategic asset allocation. The asset allocations are reviewed periodically and rebalanced when necessary. The Company has no significant concentration of risk in the assets of its pension plans, other than the insurance contract assets, which are held with a single insurance company and subject to the insurance company's ability to meet its payment obligations under the contracts.

The allocation of the pension plan assets are presented in the following table as weighted averages:

	Year Ended December 31,			
	2024		2023	
	Target Asset Allocation Percentage	Percentage of Plan Assets	Target Asset Allocation Percentage	Percentage of Plan Assets
Equity securities	4.1 %	4.1 %	3.8 %	3.7 %
Debt securities	4.6 %	4.7 %	4.4 %	4.5 %
Real estate	0.6 %	0.6 %	0.6 %	0.6 %
Other ¹	90.7 %	90.6 %	91.2 %	91.2 %
Total	100.0 %	100.0 %	100.0 %	100.0 %

(1) Other includes insurance contracts.

The fair values of the pension plan assets by asset category are as follows:

Asset Category	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Not Subject to Leveling ⁽¹⁾	Total
Equities:					
Global equity funds	\$ —	\$ 75	\$ —	\$ —	\$ 75
Insurance contracts	—	—	1,203	—	1,203
Fixed income securities:					
Governments	—	99	—	—	99
Corporate bonds	—	3	—	—	3
Global fixed income at net asset value	—	57	—	—	57
Real Estate ⁽²⁾	—	1	—	—	1
Other ⁽³⁾	—	7	—	7	14
Cash & cash equivalents ⁽⁴⁾	13	—	—	1	14
Subtotal	\$ 13	\$ 242	\$ 1,203	\$ 8	\$ 1,466
Other assets & liabilities ⁽⁵⁾					—
Total at December 31, 2024					\$ 1,466

Asset Category	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Not Subject to Leveling ¹	Total
Equities:					
Global equity funds	\$ —	\$ 79	\$ —	\$ —	\$ 79
Insurance contracts	—	—	1,383	—	1,383
Fixed income securities:					
Governments	—	93	—	—	93
Corporate bonds	—	4	—	—	4
Global fixed income at net asset value	—	63	—	—	63
Real Estate ⁽²⁾	—	1	—	—	1
Other ⁽³⁾	—	—	—	8	8
Cash & cash equivalents ⁽⁴⁾	19	—	—	—	19
Subtotal	\$ 19	\$ 240	\$ 1,383	\$ 8	\$ 1,650
Other assets & liabilities ⁽⁵⁾					—
Total at December 31, 2023					\$ 1,650

- (1) In accordance with ASU 2015-07, *Fair Value Measurement* (Topic 820), certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented for the total pension assets.
- (2) Represents investments in real estate, including commingled funds and directly held properties.
- (3) Represents various contracts and global risk balanced commingled funds consisting mainly of equity, bonds, and some commodities.
- (4) Represents short-term commercial paper, bonds, and other cash or cash-like investments.
- (5) Represents trust receivables and payables that are not leveled.

The insurance contracts were initially valued by taking the initial purchase price for the buy-in contract and using this to assess an assumed pricing basis. This pricing basis is then adjusted over time to reflect broad changes in insurers' pricing

methodologies under different prevailing market conditions, using third party actuarial guidance as to typical insurer pricing based on similar transactions.

The table below presents a reconciliation of the fair value of the Company's pension assets that use significant unobservable inputs (Level 3):

December 31, 2022	\$	—
Purchase of insurance contracts		1,422
Return on assets		(27)
Payments from insurance policy		(12)
December 31, 2023		1,383
Return on assets		(94)
Payments from insurance policy		(86)
December 31, 2024	\$	1,203

The plans review assets at least quarterly to ensure they are within the targeted asset allocation ranges and, if necessary, asset balances are adjusted back within target allocations. The plans generally employ a broadly diversified investment manager structure that includes diversification by active and passive management, style, capitalization, country, sector, industry, and number of investment managers.

Quoted market prices are used to value investments when available. Investments in securities traded on exchanges, including listed futures and options, are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Fixed income securities are primarily measured using a market approach pricing methodology, where observable prices are obtained by market transactions involving identical or comparable securities of issuers with similar credit ratings.

Over-the-counter securities and government obligations are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes. Temporary cash investments are stated at cost, which approximates fair value.

The Company made total contributions of approximately \$6 to the global defined benefit pension plans in 2024. Contributions do not reflect benefits to be paid directly from corporate assets. The Company estimates contributions to be made to its pension plans will approximate \$5 in 2025.

Benefit payments, including amounts to be paid from the plans and corporate assets, and reflecting expected future service, as appropriate, are expected to be paid as follows: \$95 in 2025, \$95 in 2026, \$99 in 2027, \$102 in 2028, \$99 in 2029, and \$494 from 2030 through 2034.

NOTE 17. RELATED-PARTY TRANSACTIONS

The Company incurred advisory fees of \$4 during both the years ended December 31, 2024 and 2023, in each case payable to Mariposa Capital, LLC, an entity owned by a co-chair of the Company's Board of Directors. In addition, dividends for Series A Preferred Stock were declared as of December 31, 2024 and December 31, 2023 settled in 2,543,662 shares and 7,944,104 shares, respectively, issued during January 2025 and January 2024, respectively. The shares were issued to Mariposa Acquisition IV, LLC, a related entity that is controlled by a co-chair of the Company's Board of Directors.

During 2022, the Company issued and sold 800,000 shares of the Company's 5.5% Series B Redeemable Convertible Preferred Stock, par value \$0.0001 per share (the "Series B Preferred Stock") for an aggregate purchase price of \$800. Of the 800,000 shares issued and sold, 200,000 shares were sold to Viking Global Equities Master Ltd. and Viking Global Equities II LP ("Viking Purchasers"), which is the aggregate owner of more than 5% of the Company's outstanding stock, for an aggregate purchase price of \$200. During the year ended December 31, 2024, the Company declared and issued dividends of 70,798 shares of common stock on the Series B Preferred Stock held by Viking Purchasers. During the year-ended December 31, 2023, the Company declared dividends of 421,364 shares of common stock on the Series B Preferred Stock held by Viking Purchasers, with 337,103 shares issued in 2023 and 84,261 shares issued in 2024.

During 2024, the Company executed an agreement with the Viking Purchasers which allowed the exercise of their right to convert all of their Series B Preferred Stock into common stock. For additional information regarding the Series B Preferred Stock Conversion, see Note 19 – "Shareholders' Equity and Redeemable Convertible Preferred Stock."

The Company entered into sales contracts with Royal Oak Enterprises, an entity indirectly controlled by the co-chair of the Company's Board of Directors, and recorded \$0 and \$3 in net revenues for the years ended December 31, 2024 and 2023, respectively.

From time to time, the Company also enters into other immaterial related-party transactions.

NOTE 18. CONTINGENCIES

The Company is involved in various litigation matters and is subject to claims from time to time from customers and various government entities. While it is not feasible to determine the outcome of any of these uncertainties, it is the opinion of management that their outcomes will not have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

Environmental

The Company's operations are subject to environmental regulation by various authorities. The Company has accrued for the costs of environmental remediation activities, including but not limited to, investigatory, remediation, operating and maintenance costs, and performance guarantees, and periodically reassess these amounts. Management believes that the likelihood of incurring losses materially in excess of the amounts accrued is remote.

The outstanding liability for these obligations was \$15 and \$17 and was included in other noncurrent liabilities as of December 31, 2024 and 2023, respectively.

NOTE 19. SHAREHOLDERS' EQUITY AND REDEEMABLE CONVERTIBLE PREFERRED STOCK

Shareholders' equity

Series A Preferred Stock

The Company has 4,000,000 shares of Series A Preferred Stock issued and outstanding as of December 31, 2024 ("Series A Preferred Stock"). The Series A Preferred Stock will be automatically converted into shares of common stock on a one-for-one basis on the last day of 2026.

The holders of the Series A Preferred Stock are entitled to receive an annual dividend in the form of common shares or cash, at the Company's sole option (for which the Company settled in shares subsequent to year end) based on the increase in the market price of the Company's common stock (the "Annual Dividend Amount"). The Annual Dividend Amount is equal to 20% of the increase in the volume-weighted average market price per share of the Company's common shares for the last ten trading days of the calendar year, multiplied by 141,194,638 shares. As of December 31, 2024, an annual dividend was calculated based on the appreciation of the Company's share price of \$37.3070 over the highest price previously used in calculating the Annual Dividend Amount of \$33.9465. The annual dividend declared as of December 31, 2024 was settled in shares and the Company issued 2,543,662 common shares to the holders of the Series A Preferred Stock in January 2025.

As of December 31, 2023, an annual dividend was calculated based on the appreciation of the Company's share price of \$33.9465 over the highest price previously used in calculating the Annual Dividend Amount of \$24.3968. The annual dividend declared as of December 31, 2023 was settled in shares and the Company issued 7,944,104 common shares to the holders of the Series A Preferred Stock in January 2024.

The holders of Series A Preferred Stock are also entitled to participate in any dividends on the common shares on an if-converted basis. In addition, if the Company pays a dividend on its common shares, the Series A Preferred Stock holders will also receive an amount equal to 20% of the dividend which would be distributable on 141,194,638 of common shares. All such dividends on the Series A Preferred Stock will be paid at the same time as the dividends on the common shares. Dividends are paid for the term the Series A Preferred Stock is outstanding.

Each share of Series A Preferred Stock is convertible into one common share at the option of the holder until conversion. If there is more than one holder of Series A Preferred Stock, a holder of Series A Preferred Stock may exercise its rights independently of any other holder of Series A Preferred Stock.

Common stock

During 2024, the Company issued 12,650,000 shares of the Company's common stock in a public underwritten offering. The proceeds from this offering totaled approximately \$458, net of related expenses. The Company used net proceeds from this offering to finance a portion of the consideration for the Elevated acquisition and for general corporate purposes.

Stock repurchases

During 2024, the Company's Board of Directors authorized a stock repurchase program ("SRP") to purchase up to an aggregate of \$1,000 shares of the Company's common stock. This stock repurchase program will expire when the authorized amount is exhausted, unless otherwise modified or terminated by the Company's Board of Directors at any time in its sole discretion. The SRP authorizes open market, private, and accelerated share repurchase transactions. During the year ended December 31, 2024, the Company repurchased 16,260,160 shares of common stock for approximately \$600. As of December 31, 2024, the Company had approximately \$400 of authorized repurchases remaining under the SRP.

During 2022, the Company's Board of Directors authorized the Company to purchase up to an aggregate of \$250 of shares of the Company's common stock pursuant to the stock repurchase program ("2022 SRP"). The 2022 SRP expired on February 29, 2024. During the year ended December 31, 2023, the Company repurchased 1,626,493 shares of common stock for approximately \$41 under the 2022 SRP.

Redeemable Convertible Preferred Stock

Series B Preferred Stock

During 2022, the Company authorized, issued and sold, for an aggregate purchase price of \$800, 800,000 shares of the Company's 5.5% Series B Preferred Stock, par value \$0.0001 per share.

On February 28, 2024, the Company entered into a Conversion and Repurchase Agreement with Juno Lower Holdings L.P. ("Juno Lower Holdings"), FD Juno Holdings L.P. ("FD Juno Holdings," and together with Juno Lower Holdings, "Blackstone"), Viking Global Equities Master Ltd. ("VGEM") and Viking Global Equities II L.P. (VGE II, and collectively with VGEM, "Viking" and collectively with Blackstone, the "Series B Holders") pursuant to which Blackstone and Viking agreed to convert all of the outstanding shares of the Series B Preferred Stock that they hold, which represents all of the Series B Preferred Stock outstanding. The transactions contemplated by the agreement (the "Series B Preferred Stock Conversion") were also consummated on February 28, 2024.

Under the terms of the agreement, (i) the Series B Holders each agreed to exercise their respective right to convert all of their Series B Preferred Stock into common stock, resulting in a total of 800,000 shares of Series B Preferred Stock being converted into approximately 32,803,519 shares of common stock of the Company (inclusive of approximately 283,196 shares attributable to accrued and unpaid dividends thereon (the "Conversion Shares")) and (ii) upon issuance of the Conversion Shares, the Company agreed to immediately repurchase one-half of the Conversion Shares, on a pro rata basis, from the Series B Holders for an aggregate purchase price of \$600. The fair value of the issued one-half of the remaining Conversion Shares was \$569.

The repurchase price was financed by (i) an incremental term facility of \$300 and (ii) cash and available credit from the balance sheet.

Dividends

Following the Series B Preferred Stock Conversion there are no Series B Preferred Shares issued or outstanding and the former holders of Series B Preferred Stock are no longer entitled to receive cumulative dividends. The Company declared a pro rata Series B Preferred Stock dividend of \$7, or 283,196 shares of common stock, during the year ended December 31, 2024 for the Series B Preferred Stock outstanding through February 28, 2024. The Company declared and issued Series B Preferred Stock dividends of \$33 or 1,348,420 shares of common stock during the year ended December 31, 2023. The Company declared a Series B Preferred Stock dividend of \$11 or 337,044 shares of common stock in December 2023 and issued the shares in January 2024.

NOTE 20. SHARE-BASED COMPENSATION

The Company maintains a 2019 Equity Incentive Plan (the "2019 Plan"), which allows for grants of share-based awards.

At December 31, 2024, there were 11,998,287 share-based awards collectively available for grant under the 2019 Plan. The 2019 Plan generally provides for awards to vest no earlier than one year from the date of grant, although most awards entitle the recipient to common shares if specified market or performance conditions are achieved, if applicable, and vest over a minimum of three years. The share-based awards granted to employees include stock options and restricted stock units.

Stock Options

In 2017, upon its initial public offering, the Company issued 162,500 nonqualified stock options to independent, non-executive directors at an exercise price of \$11.50 per share with contractual terms of five years from the date of the acquisition of APi Group (the "APi Acquisition"), October 1, 2019. These stock options were performance-based and vested on the consummation of the APi Acquisition. The Company has not granted stock options since 2017.

The following table summarizes the changes in the number of common shares underlying options for the years ended December 31, 2024 and 2023 (shares in whole numbers and per share values in whole dollars):

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2022	125,000	\$ 11.50	1.8	\$ 1
Exercised	—	—		
Outstanding at December 31, 2023	125,000	\$ 11.50	0.8	\$ 3
Exercised	(125,000)	11.50		
Outstanding at December 31, 2024	—	\$ —	0.0	\$ —
Exercisable at December 31, 2024	—	\$ —	0.0	\$ —

Restricted Stock Units

The Company has issued Time-Based Restricted Stock Units ("RSUs"), Performance-Based Restricted Stock Units with EBITDA-based performance conditions ("PSUs"), and Performance-Based Restricted Stock Units with share-price targets ("MSUs"), which are independent of stock option grants and all generally subject to forfeiture if employment terminates prior to vesting. Forfeitures are estimated and recorded using historical forfeiture rates. As of December 31, 2024, the Company had outstanding RSUs, PSUs, and MSUs, detailed below (shares in whole numbers and per share values in whole dollars).

Time-Based Restricted Stock Units

The RSUs entitle recipients to shares of the Company's common stock and primarily vest in equal installments over a three-year service period from date of grant. The time-based RSUs granted to the Company's directors vest at the end of the anniversary date of their grant date.

	Time-Based Restricted Stock Units	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Contractual Term (in Years)
Outstanding at December 31, 2022	727,633	\$ 17.95	0.9
Granted	631,227	23.60	
Vested	(387,942)	16.16	
Forfeited	(66,574)	23.12	
Outstanding at December 31, 2023	904,344	\$ 22.28	1.0
Granted	525,211	36.19	
Vested	(411,952)	21.69	
Forfeited	(110,258)	30.39	
Outstanding at December 31, 2024	907,345	\$ 29.64	1.6
Expected to vest at December 31, 2024	896,180	\$ 29.57	1.6

EBITDA Performance-Based Restricted Stock Units

The PSUs entitle recipients to shares of the Company's common stock if specified performance conditions are achieved. During the years ended December 31, 2024 and 2023, the Company approved and granted PSUs with EBITDA-based financial performance conditions. PSUs vest, if at all, following a three-year performance period. If the performance conditions are not met, no compensation cost is recognized and any recognized compensation cost is reversed.

	Performance- Based Restricted Stock Units	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Contractual Term (in Years)
Outstanding at December 31, 2022	858,357	20.06	1.5
Granted	573,070	23.42	
Forfeited	(139,275)	20.97	
Change in units based on performance expectations	359,868	20.97	
Outstanding at December 31, 2023	1,652,020	21.35	1.0
Granted	407,686	35.80	
Vested	(468,289)	19.10	
Forfeited	(404,765)	26.15	
Change in units based on performance expectations	(14,444)	20.77	
Outstanding at December 31, 2024	1,172,208	\$ 26.58	1.1
Expected to vest at December 31, 2024	1,141,340	\$ 26.49	1.1

Market-Based Performance Restricted Stock Units

The MSUs entitle the recipient to shares of the Company's common stock if specified market conditions are achieved. During the year ended December 31, 2022, the Company approved and granted MSUs with certain share-price targets. The MSUs will vest 100% on March 9, 2025, the third anniversary of the grant date, as the performance condition was satisfied during the year ended December 31, 2023.

	Market-Based Performance Restricted Stock Units	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Remaining Contractual Term (in Years)
Outstanding at December 31, 2022	438,180	\$ 16.19	2.2
Forfeited	(24,819)	1.76	
Outstanding at December 31, 2023	413,361	\$ 17.06	1.2
Forfeited	(71,702)	16.31	
Outstanding at December 31, 2024	341,659	\$ 16.31	0.2
Expected to vest at December 31, 2024	339,654	\$ 16.31	0.2

For awards subject to a market condition, the grant-date fair value is estimated using a Monte Carlo valuation model. The Company recognizes stock-based compensation expense for awards subject to market-based vesting conditions regardless of whether it becomes probable that these conditions will be achieved or not, and stock-based compensation expense for any such awards is not reversed if vesting does not actually occur. The Monte Carlo model is based on random projections of stock price paths and must be repeated numerous times to achieve a probabilistic assessment. Expected volatility is calculated based on the historical volatility and implied volatility of the Company's common stock, and the risk-free interest rate is based on U.S. Treasury yield curve rates with maturities consistent with the three-year vesting period. The key assumptions used in valuing these market-based awards were as follows:

Risk-free interest rate	1.85 %
Dividend yield	—
Expected volatility	45 %

The Company recognized \$29 and \$24 of compensation expense during the years ended December 31, 2024 and 2023, respectively, for the RSUs, PSUs, and MSUs in total. Total unrecognized compensation related to unvested RSUs, PSUs, and MSUs as of December 31, 2024 was approximately \$21, which is expected to be recognized over a weighted-average period of approximately 1.6 years, 1.1 years, and 0.2 years, respectively. The Company's actual tax benefits realized from the tax deductions related to the vesting of RSUs was \$7 and \$1 during the years ended December 31, 2024 and 2023, respectively.

NOTE 21. EARNINGS (LOSS) PER SHARE

Net income is allocated between the Company's common shares and other participating securities based on their participation rights. The Series A Preferred Stock and Series B Preferred Stock represent participating securities. Earnings attributable to Series A Preferred Stock and Series B Preferred Stock are not included in earnings attributable to common shares in calculating earnings per common share (the two-class method). For periods of net loss, there is no impact from the two-class method on earnings per share ("EPS") as net loss is allocated to common shares because Series A Preferred Stock and Series B Preferred Stock are not contractually obligated to share the loss.

The following table sets forth the computation of earnings per common share using the two-class method. The dilutive effect of outstanding Series A Preferred Stock, Series B Preferred Stock, the Series A Preferred Stock dividend, and the Series B Preferred Stock dividend is reflected in diluted EPS using the if-converted method and options, RSUs, PSUs and MSUs are reflected using the treasury stock method. For periods of net loss, basic and diluted EPS are the same, as the

assumed exercise of Series A Preferred Stock, Series B Preferred Stock, RSUs, PSUs, MSUs, and stock options are anti-dilutive. (Amounts in millions, except share and per share amounts.)

	Year Ended December 31,		
	2024	2023	2022
Basic earnings (loss) per common share:			
Net income	\$ 250	\$ 153	\$ 73
Less income allocable to Series A Preferred Stock	—	—	(3)
Less stock dividend attributable to Series A Preferred Stock	(95)	(270)	—
Less income allocable to Series B Preferred Stock	—	—	(3)
Less stock dividend attributable to Series B Preferred Stock	(7)	(44)	(44)
Less stock conversion of Series B Preferred Stock	(372)	—	—
Net (loss) income attributable to common shareholders	\$ (224)	\$ (161)	\$ 23
Weighted-average shares outstanding - basic	267,675,764	235,136,849	233,201,569
(Loss) income per common share - basic	\$ (0.84)	\$ (0.68)	\$ 0.10
Diluted earnings (loss) per common share:			
Net income	\$ 250	\$ 153	\$ 73
Less income allocable to Series A Preferred Stock	—	—	(3)
Less stock dividend attributable to Series A Preferred Stock	(95)	(270)	—
Less stock dividend attributable to Series B Preferred Stock	(7)	(44)	(44)
Less stock conversion of Series B Preferred Stock	(372)	—	—
Net (loss) income attributable to common shareholders - diluted	\$ (224)	\$ (161)	\$ 26
Weighted-average shares outstanding - basic	267,675,764	235,136,849	233,201,569
Dilutive securities: ⁽¹⁾			
RSUs, warrants, and stock options	—	—	359,178
Shares issuable upon conversion of Series B Preferred Shares	—	—	32,520,000
Weighted-average shares outstanding - diluted	267,675,764	235,136,849	266,080,747
(Loss) income per common share - diluted	\$ (0.84)	\$ (0.68)	\$ 0.10

(1) The following items were excluded from the calculation of diluted shares as their inclusion would be anti-dilutive:

- For each of the years ended December 31, 2024, 2023, and 2022, 4,000,000 shares of Series A Preferred Stock, which are convertible to the same number of common shares.
- For the years ended December 31, 2024 and 2023, 0 and 800,000 shares of Series B Preferred Stock which are convertible to 0 and 32,520,000 shares of common stock, respectively.
- For the years ended December 31, 2024 and 2023, 0 and 125,000 stock options, respectively, to purchase the same number of common shares.
- For the years ended December 31, 2024 and 2023, 2,543,662 and 7,944,104 common share equivalents, respectively, which represent the dividend that the Series A Preferred Stock holders are entitled to receive. (See additional description in Note 19 – "Shareholders' Equity and Redeemable Convertible Preferred Stock.")
- For the years ended December 31, 2024 and 2023, 907,345 RSUs, 1,172,208 PSUs, 341,659 MSUs and 904,344 RSUs, 1,652,020 PSUs, 413,361 MSUs, respectively.

NOTE 22. SEGMENT INFORMATION

The Company manages its operations under three operating segments which represent the Company's two reportable segments: Safety Services, comprised of the North American Life Safety and International Life Safety operating segments, and Specialty Services. This structure is generally comprised of various businesses related to contracted services and maintenance of industrial and commercial facilities. The segments have separate management and have results that are regularly reviewed by the Chief Executive Officer and President, who acts as the Company's Chief Operating Decision

Maker (“CODM”), for the purpose of allocating resources and evaluating performance, identifying them as separate reportable segments.

The Safety Services segment focuses on end-to-end integrated occupancy systems (fire protection services, elevator and escalator, HVAC, and entry systems), including the design, installation, inspection and service of these integrated systems. The work performed within this segment spans across industries and facilities and includes commercial, education, healthcare, high tech, industrial, and special-hazard settings in over 20 countries.

The Specialty Services segment provides a variety of infrastructure services and specialized industrial plant services, which includes maintenance and repair of critical infrastructure such as underground electric, gas, water, sewer, and telecommunications infrastructure. This segment's services include engineering and design, fabrication, installation, maintenance service and repair, retrofitting and upgrading, pipeline infrastructure, access and road construction, supporting facilities, and performing ongoing integrity management and maintenance to customers within the energy industry. Customers within this segment vary from private and public utilities, communications, healthcare, education, transportation, manufacturing, industrial plants, and governmental agencies throughout North America.

The accounting policies of the reportable segments are the same as those described in Note 2 – “Significant Accounting Policies.” All intercompany transactions and balances are eliminated in consolidation. Intercompany revenues and costs between entities within a reportable segment are eliminated to arrive at segment totals, and eliminations between segments are separately presented.

Segment earnings is the measure of profitability used by the CODM to manage the segments and, accordingly, in segment reporting. Segment earnings is defined as earnings before interest, taxes, depreciation, and amortization and after adjustments for non-recurring items. Adjustments include expenses that management deems are non-recurring in nature and not indicative of the Company’s core operating results. These adjustments include business transformation and other expenses for the integration of acquired businesses, the impact and results of businesses classified as held-for-sale and divested, and one-time and other events such as impairment charges, restructuring costs, transaction and other costs related to acquisitions, amortization of intangible assets, and non-service pension cost or benefit.

The CODM establishes budgets for the segments, including growth of segment earnings. The CODM considers segment earnings budget-to-actual variances when making decisions about allocating capital to the segments. Segment earnings is also used in the compensation of certain employees and to assess the performance of each segment by regularly comparing the results of each segment with forecasted amounts. The CODM uses segment earnings to evaluate its performance, both internally and as compared with its peers, because it excludes certain items that may not be indicative of the Company’s core operating results for its reportable segments.

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Summarized financial information for the Company's reportable segments are presented and reconciled to consolidated financial information in the following tables, including a reconciliation of segment earnings to income before income taxes:

	For the Year Ended December 31, 2024		
	Safety Services	Specialty Services	Total
Revenues from external customers	\$ 5,225	\$ 1,793	\$ 7,018
Intersegment revenues	2	5	7
Net revenues	<u>5,227</u>	<u>1,798</u>	<u>7,025</u>
<i>Reconciliation of revenue:</i>			
Elimination of intersegment revenues			(7)
Total consolidated revenues			<u>\$ 7,018</u>
<i>Less: ^(a)</i>			
Segment cost of revenues ^(b)	3,386	1,453	
Segment operating expenses ^(c)	1,071	190	
<i>Plus:</i>			
Segment other income/expense	6	10	
Depreciation	33	44	
Segment earnings	<u>\$ 809</u>	<u>\$ 209</u>	\$ 1,018
<i>Reconciliation of profit/(loss):</i>			
Corporate/other profit/(loss) ^(d)			\$ (125)
Interest income/(expense)			(146)
Depreciation			(80)
Amortization			(222)
Contingent consideration and compensation			(3)
Non-service pension expense			(22)
Business process transformation expenses			(52)
Acquisition related expenses			(13)
Loss on extinguishment of debt, net			(1)
Restructuring program related costs			(32)
Other			8
Income before income taxes			<u>\$ 330</u>
<i>Asset information:</i>			
Total assets	\$ 6,473	\$ 1,161	\$ 7,634
Capital expenditures	24	47	71

(a) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown and amortization expense is excluded from the amounts shown.

(b) Segment cost of revenues consists of costs such as direct labor, materials, subcontract costs and indirect costs related to contract performance, adjusted for non-recurring items.

(c) Segment operating expenses consist primarily of compensation and associated costs for sales and corporate marketing, administrative expenses associated with accounting, finance, legal, information systems, leadership development, and other corporate expenses, adjusted for non-recurring items.

(d) Corporate/other profit/(loss) includes amounts related to corporate functions such as administrative costs, professional fees, and other discrete items.

	For the Year Ended December 31, 2023		
	Safety Services	Specialty Services	Total
Revenues from external customers	\$ 4,859	\$ 2,069	\$ 6,928
Intersegment revenues	12	10	22
Net revenues	\$ 4,871	\$ 2,079	\$ 6,950
<i>Reconciliation of revenue:</i>			
Elimination of intersegment revenues			(22)
Total consolidated revenues			\$ 6,928
<i>Less: (a)</i>			
Segment cost of revenues (b)	3,260	1,709	
Segment operating expenses (c)	977	190	
<i>Plus:</i>			
Segment other income/expense	3	10	
Depreciation	27	49	
Segment earnings	\$ 664	\$ 239	\$ 903
<i>Reconciliation of profit/(loss):</i>			
Corporate/other profit/(loss) (d)			\$ (121)
Interest income/(expense)			(145)
Depreciation			(79)
Amortization			(224)
Contingent consideration and compensation			(14)
Non-service pension benefit			12
Business process transformation expenses			(30)
Acquisition related expenses			(7)
Loss on extinguishment of debt, net			(7)
Restructuring program related costs			(46)
Other			(10)
Income before income taxes			\$ 232
<i>Asset information:</i>			
Total assets	\$ 5,795	\$ 1,214	\$ 7,009
Capital expenditures	25	48	73

(a) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown and amortization expense is excluded from the amounts shown.

(b) Segment cost of revenues consists of costs such as direct labor, materials, subcontract costs and indirect costs related to contract performance, adjusted for non-recurring items.

(c) Segment operating expenses consist primarily of compensation and associated costs for sales and corporate marketing, administrative expenses associated with accounting, finance, legal, information systems, leadership development, and other corporate expenses, adjusted for non-recurring items.

(d) Corporate/other profit/(loss) includes amounts related to corporate functions such as administrative costs, professional fees, and other discrete items.

	For the Year Ended December 31, 2022		
	Safety Services	Specialty Services	Total
Revenues from external customers	\$ 4,544	\$ 2,014	\$ 6,558
Intersegment revenues	\$ 31	\$ 16	\$ 47
Net revenues	\$ 4,575	\$ 2,030	\$ 6,605
<i>Reconciliation of revenue:</i>			
Elimination of intersegment revenues			(47)
Total consolidated revenues			\$ 6,558
<i>Less: ^(a)</i>			
Segment cost of revenues ^(b)	3,143	1,702	
Segment operating expenses ^(c)	899	171	
<i>Plus:</i>			
Segment other income/expense	—	7	
Depreciation	26	46	
Segment earnings	\$ 559	\$ 210	\$ 769
<i>Reconciliation of profit/(loss):</i>			
Corporate/other profit/(loss) ^(d)			\$ (96)
Interest income/(expense)			(125)
Depreciation			(77)
Amortization			(227)
Contingent consideration and compensation			(9)
Non-service pension benefit			42
Inventory step-up			(9)
Business process transformation expenses			(31)
Acquisition related expenses			(121)
Gain on extinguishment of debt, net			5
Restructuring program related costs			(30)
Other			2
Income before income taxes			\$ 93
<i>Asset information:</i>			
Total assets	\$ 6,029	\$ 1,281	\$ 7,310
Capital expenditures	25	49	74

(a) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown and amortization expense is excluded from the amounts shown.

(b) Segment cost of revenues consists of costs such as direct labor, materials, subcontract costs and indirect costs related to contract performance, adjusted for non-recurring items.

(c) Segment operating expenses consist primarily of compensation and associated costs for sales and corporate marketing, administrative expenses associated with accounting, finance, legal, information systems, leadership development, and other corporate expenses, adjusted for non-recurring items.

(d) Corporate/other profit/(loss) includes amounts related to corporate functions such as administrative costs, professional fees, and other discrete items.

NOTE 23. SUBSEQUENT EVENTS

In January 2025, due to a change in information reviewed by the CODM, the Company realigned its segments by moving the HVAC business from Safety Services to Specialty Services. As a result, beginning in January 2025, HVAC business leadership responsibility and full accountability was transferred to report through the Specialty Services segment and information for the HVAC business is combined with the Specialty Services segment. The CODM began regularly reviewing financial information to allocate resources and assess performance utilizing these reorganized segments in January 2025. Further, as a result of the reallocation of goodwill between reportable segments, the Company will perform an impairment test for the impacted reporting unit pre-realignment and post-realignment, however, as the HVAC business is identified as a separate reporting unit, in all material respects, no impact is expected.

In February 2025, the Company completed its Seventh Amendment to its credit agreement, repricing the 2021 Term Loan. The repricing reduced the applicable margin on the 2021 Term Loan by 25 basis points.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating such controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As required by Rule 13a-15(b) of the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this annual report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of December 31, 2024.

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. However, our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent or detect all errors and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our Company have been detected.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of our Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024 based on the guidelines established in Internal Control—Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

On June 3, 2024, we completed our acquisition of Elevated Facility Services Group (Elevated); see Note 4 to the Consolidated Financial Statements for more information. We are currently integrating Elevated into our internal control framework and processes and, pursuant to the SEC’s guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024 does not include Elevated. The operations of Elevated are 7.5% of our consolidated assets and 1.7% of our consolidated revenue as of and for the year ended December 31, 2024, respectively.

Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

KPMG LLP, our independent registered public accounting firm, has issued its report on the effectiveness of our internal control over financial reporting, which is included in Part II, Item 8 of this annual report on Form 10-K.

2024 Remediation Activities

In its 2023 Item 9A filed on Form 10-K, management identified material weaknesses over user access controls related to an information technology system resulting from insufficient risk assessment and the identification and risk assessment of processes and internal controls in place at certain third-party service organizations. Management, through the below remediation activities, were able to successfully remediate the previously communicated material weaknesses in existence as of December 31, 2023.

The Company performed the following remediation activities in 2024:

- We implemented third-party software designed to identify segregation of duties conflicts based on established roles and responsibilities;
- We conducted an analysis of conflict reports derived by the third-party software and documented mitigation where established controls exist and operate effectively and designed and implemented new controls to mitigate those conflicts where such controls did not previously exist.
- The Company implemented a process to assess and monitor the population of third-party service organizations, and the related attestation reports related to internal controls at those service organizations, that are important to the Company's internal control over financial reporting.

As a result of the remediation activities completed during 2024, we remediated the prior year material weaknesses.

Changes in Internal Control over Financial Reporting

Management, together with our CEO and CFO, evaluated the changes in the Company's internal control over financial reporting during the quarter ended December 31, 2024.

Other than changes described above, there have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended) during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

No officers or directors, as defined in Rule 16a-1(f), adopted and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408, during the quarter ended December 31, 2024.

Exchange Act Section 13(r) Disclosure

During the year ended December 31, 2024, specifically, during the third fiscal quarter of 2024, as previously reported on our Form 10-Q filed with the Securities and Exchange Commission on October 31, 2024, Chubb Fire & Security Limited, a United Kingdom subsidiary of the Company ("Chubb U.K."), engaged in activities that we are required to disclose under Section 13(r) of the Securities Exchange Act of 1934, as amended, as part of the Iran Threat Reduction and Syria Human Rights Act ("ITRA"). Chubb U.K. installs security systems and fire detection equipment and offers inspection services. An internal review has identified that Chubb U.K. provided services at a U.K. office of Bimeh Iran Insurance Co (U.K.) Ltd. ("Bimeh"), a United Kingdom subsidiary of the Iran Insurance Company, which is owned by the Government of Iran. We expect gross revenue and net profit associated with this transaction to be nominal, if any. We do not plan to provide any future equipment or services to Bimeh.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information on executive officers required by this item is incorporated by reference from "Executive Officers" in Part I of this Annual Report on Form 10-K. Information required by this Item is incorporated by reference from the Company's definitive proxy statement to be filed no later than 120 days after December 31, 2024 (the "Definitive Proxy Statement").

The Company's Board of Directors has adopted an insider trading policy which governs the purchase, sale, and/or other dispositions of our securities by directors, officers, and employees and other covered persons and is designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K. In addition, with regard to the Company's trading in its own securities, it is the Company's policy to comply with the federal securities laws and the applicable exchange listing requirements.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this Item, other than the information regarding our equity plans set forth below required by Item 201(d) of Regulation S-K, will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

Equity Compensation Plan Information

The following table provides information about the Company's equity compensation plans under which the Company's equity securities are authorized for issuance as of December 31, 2024.

Plan Category	As of December 31, 2024	
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders		
2019 Plan ⁽¹⁾	2,421,212	11,998,287
Total	2,421,212	11,998,287

(1) Included in the total number of securities in column (a) is 2,421,212 time-based restricted stock units, EBITDA performance-based restricted stock units, and market-based performance restricted stock units, which have no exercise price.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this Item will be contained in the Definitive Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following financial statements, schedules and exhibits are filed as part of this Form 10-K:

- (a)(1) Financial Statements – the consolidated financial statements and the reports of the Independent Registered Public Accounting firms are listed on pages 55 through 112.
- (a)(2) Financial Statement Schedules – Schedule II – Valuation and Qualifying Accounts.
- (a)(3) Exhibits including those incorporated by reference – The Exhibit Index below contains a list of exhibits filed or furnished with this Form 10-K.

Exhibit Index

Exhibit Number	Description	Incorporated by Reference (File No. 001-39275)		
		Form	Exhibit Number	Period Covered or Date of Filing
Plans of Acquisition				
2.1#	Amendment to Stock Purchase Agreement by and between Carrier Global Corporation, Carrier Investments UK Limited, Chubb Limited and APi Group Corporation dated as of January 3, 2022	Form 10-K	2.4	Year ended December 31, 2021
Organizational Documents				
3.1	Certificate of Incorporation of APi Group Corporation	Form S-4 (File No. 333-237553)	3.1	May 1, 2020
3.2	Certificate of Designation of 5.5% Series B Perpetual Convertible Preferred Stock, effective as of January 3, 2021	Form 8-K	3.1	January 3, 2022
3.3	Certificate of Elimination of 5.5% Series B Perpetual Convertible Preferred Stock	Form 8-K	3.1	March 5, 2024
3.4	Bylaws of APi Group Corporation Certificate of Incorporation of APi Group Corporation	Form S-4 (File No. 333-237553)	3.2	May 1, 2020
Description of Securities and Indentures				
4.1*	Description of Capital Stock.			
4.2	Indenture, dated as of June 22, 2021, by and among APi Group Corporation, the guarantors party thereto and Computershare Trust Company, N.A.	Form 8-K	4.1	June 22, 2021
4.3	Supplemental Indenture, dated as of April 1, 2022, among APi Group DE, Inc., APi Group Corporation, the guarantors party thereto and Computershare Trust Company, N.A.	Form 8-K	4.2	April 1, 2022
4.4	Form of 4.125% Senior Note due 2029	Form 8-K	4.1	June 22, 2021
4.5	Indenture, dated as of October 21, 2021, between APi Escrow Corp. and Computershare Trust Company, N.A.	Form 8-K	4.1	October 21, 2021
4.6	Supplemental Indenture, dated as of January 3, 2022, among APi DE, the Company, the guaranteeing subsidiaries and Computershare Trust Company, N.A.	Form 8-K	4.2	January 3, 2022
4.7	Form of 4.750% Senior Note due 2029	Form 8-K	4.1	October 21, 2021
Management Contract or Compensatory Plan or Arrangement				
10.1(a)†	APi Group Corporation 2019 Equity Incentive Plan	Form S-8 (File No. 333-238891)	10.1	June 3, 2020
10.1(b)†	Form of Restricted Stock Unit Agreement (Non-Employee Directors) – APi Group Corporation 2019 Equity Incentive Plan	Form S-4 (File No. 333-237553)	10.5	May 1, 2020
10.1(c)†	Form of Restricted Stock Unit Agreement (Employees) – APi Group Corporation 2019 Equity Incentive Plan	Form S-4 (File No. 333-237553)	10.6	May 1, 2020
10.1(d)†	Form of Restricted Stock Unit Agreement (Management – Time-Based Vesting) – APi Group Corporation 2019 Equity Incentive Plan.	Form 10-Q	10.18	Quarter ended March 31, 2021
10.1(e)†	Form of Restricted Stock Unit Agreement (Management – Performance-Based Vesting) – APi Group Corporation 2019 Equity Incentive Plan	Form 10-Q	10.19	Quarter ended March 31, 2021
10.2†	APi Group Corporation 2020 Employee Stock Purchase Plan	Form S-8 (File No. 333-238890)	10.1	June 3, 2020

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10.3†	APi Group, Inc. Profit Sharing & 401(k) Plan, as amended	Form S-8 (File No. 333-254675)	10.1	March 25, 2021
10.4(a)†	Executive Employment Agreement, dated as of September 2, 2019, by and among APi Group, Inc., J2 Acquisition Limited and Russell Becker	Form S-4 (File No. 333-237553)	10.1	May 1, 2020
10.4(b)†	Employment Agreement, dated September 1, 2021, by and between APi Group Corporation and Kevin Krumm	Form 8-K	10.2	September 8, 2021
10.4(c)†	Offer Letter, dated January 13, 2022, between APi Group Corporation and Kristina Morton	Form 10-K	10.30	Year ended December 31, 2022
10.4(d)†	Offer Letter, dated June 23, 2022, between APi Group Corporation and Louis Lambert	Form 10-K	10.31	Year ended December 31, 2022
10.5†	Form of Amended and Restated Director and Officer Indemnification Agreement	Form S-4 (File No. 333-237553)	10.7	May 1, 2020
10.6†	Executive Officer Severance Policy	Form 10-K	10.29	Year ended December 31, 2022
10.7†	Form of Option Deeds	Form S-4 (File No. 333-237553)	10.12	May 1, 2020
Financing and Credit Related Arrangements				
10.8(a)	Credit Agreement, dated as of October 1, 2019, by and among APi Group DE, Inc., as borrower, J2 Acquisition Limited, the guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank, N.A., as administrative agent and as collateral agent	Form S-4 (File No. 333-237553)	10.8	May 1, 2020
10.8(b)	Amendment No. 1 to Credit Agreement, dated as of October 22, 2020, by and among APi Group DE, Inc., as borrower, APi Group Corporation, the guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank, N.A., as administrative agent and as collateral agent	Form 10-Q	10.14	Quarter ended September 30, 2020
10.8(c)	Amendment No. 2 to Credit Agreement, dated December 16, 2021, among APi Group DE, Inc., APi Group Corporation, the subsidiary guarantors from time to time party thereto, the lenders and letter of credit issuers from time to time party thereto, and Citibank, N.A. as administrative agent and collateral agent	Form 8-K	10.1	December 20, 2021
10.8(d)	Amendment No. 3 to Credit Agreement, dated as of May 19, 2023, by and among APi Group DE, Inc., as borrower, APi Group Corporation, the guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank, N.A., as administrative agent and as collateral agent	Form 10-Q	10.24	Quarter ended June 30, 2023
10.8(e)	Amendment No. 4 to Credit Agreement, dated as of October 11, 2023, among APi Group DE, Inc., as borrower, APi Group Corporation, the subsidiary guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank, N.A. as administrative agent and collateral agent	Form 8-K	10.1	October 13, 2023
10.8(f)	Amendment No. 5 to Credit Agreement, dated as of February 28, 2024, by and among APi Group DE, Inc., as borrower, APi Group Corporation, the subsidiary guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank, N.A. as administrative agent and collateral agent	Form 8-K	10.2	February 28, 2024

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10.8(g)	Amendment No. 6 to Credit Agreement, dated as of May 10, 2024, by and among APi Group DE, Inc., as borrower, APi Group Corporation, the subsidiary guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank, N.A. as administrative agent and collateral agent	Form 8-K	10.1	May 13, 2024
10.8(h)	Amendment No. 7 to Credit Agreement, dated February 14, 2025, by and among APi Group DE, Inc., as borrower, APi Group Corporation, the subsidiary guarantors from time to time party thereto, the lenders from time to time party thereto, and Citibank, N.A. as administrative agent and collateral agent	Form 8-K	10.1	February 19, 2025
10.9	Pledge and Security Agreement, dated as of October 1, 2019, by and among APi Group DE, Inc., as borrower, J2 Acquisition Limited, the grantors from time to time party thereto, and Citibank, N.A., as administrative agent and as collateral agent	Form S-4 (File No. 333-237553)	10.9	May 1, 2020
10.10	Securities Purchase Agreement by and among APi Group Corporation, BTO Juno Holdings L.P. and Blackstone Tactical Opportunities Fund – FD L.P. dated as of July 26, 2021	Form 8-K	10.1	July 30, 2021
10.11	Securities Purchase Agreement by and among APi Group Corporation, Viking Global Equities Master Ltd. and Viking Global Equities II LP dated as of July 26, 2021	Form 8-K	10.2	July 30, 2021
10.12	Conversion and Repurchase Agreement, dated February 28, 2024, by and among APi Group Corporation, Juno Lower Holdings L.P., FD Juno Holdings L.P., Viking Global Equities Master Ltd. and Viking Global Equities II LP.	Form 8-K	10.1	February 28, 2024
Other Agreement				
10.13	Registration Rights Agreement, dated March 24, 2020, by and between APi Group Corporation and Viking Global Opportunities Liquid Portfolio Sub-Master LP	Form S-4 (File No. 333-237553)	10.13	May 1, 2020
10.14	Registration Rights Agreement, dated January 3, 2022, by and among APi Group Corporation, Juno Lower Holdings L.P. and FD Juno Holdings L.P.	Form 8-K	10.4	January 3, 2022
10.15	Registration Rights Agreement, dated January 3, 2022, by and among APi Group Corporation, Viking Global Equities Master Ltd. and Viking Global Equities II LP	Form 8-K	10.5	January 3, 2022
10.16	Advisory Services Agreement, dated October 1, 2019, by and between APi Group Corporation and Mariposa Capital, LLC	Form S-4 (File No. 333-237553)	10.10	May 1, 2020
Other Exhibits				
19.1*	Insider Trading Policy, adopted and approved as of December 11, 2024			
21.1*	List of subsidiaries of the registrant.			
23.1*	Consent of KPMG LLP.			
31.1*	Certification by Russell Becker, Chief Executive Officer, pursuant to Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2*	Certification by Glenn David Jackola, Interim Chief Financial Officer, pursuant to Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			

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32.1**	Certification by Russell Becker, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
32.2**	Certification by Glenn David Jackola, Interim Chief Financial Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
95.1*	Mine Safety Disclosures			
97.1	APi Group Corporation Executive Officer Clawback Policy	Form 10-K	97.1	Year ended December 31, 2023
101.INS*	Inline XBRL Instance Document			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document			
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)			

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

The schedules to these agreements have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish a copy of any schedule omitted from the agreements to the SEC upon request.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

APi Group Corporation
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
(in millions)

	Balance at beginning of period	Credit loss expense	Write-offs	Balance at end of period
Allowance for doubtful accounts:				
Year ended December 31, 2024	\$ 5	\$ 4	\$ —	\$ 9
Year ended December 31, 2023	3	3	(1)	5

DESCRIPTION OF CAPITAL STOCK

The following summarizes the material terms of the common stock and preferred stock of APi Group Corporation (“we,” “us,” “our,” and the “Company”) as set forth in our certificate of incorporation and our bylaws. While we believe that the following description covers the material terms of our capital stock, the description may not contain all of the information that is important to you and is subject to and qualified in its entirety by reference to applicable Delaware law and to the certificate of incorporation and bylaws.

Authorized Capital

The Company’s authorized capital stock consists of 500,000,000 shares of common stock, par value \$0.0001 per share, and 7,000,000 shares of preferred stock, par value \$0.0001 per share, of which 4,000,000 shares are designated as Series A Preferred Stock (the “Series A Preferred Stock”).

Common Stock***Voting***

Except as otherwise required by applicable law or as provided by the certificate of incorporation, each holder of common stock is entitled to one vote for each share of common stock owned of record on all matters on which stockholders of the Company are generally entitled to vote. Except as otherwise required by applicable law or as provided by the certificate of incorporation, including matters required to be submitted solely to a vote of the holders of the Series A Preferred Stock (or any other series of preferred stock of the Company then outstanding), holders of common stock (as well as holders of any series preferred stock then outstanding and entitled to vote together with the holders of common stock, including the Series A Preferred Stock) vote together as a single class on all matters presented to the Company’s stockholders for their vote or approval, including the election of directors. There are no cumulative voting rights with respect to the election of directors or any other matters submitted to a vote of the holders of common stock.

Dividends and distributions

Subject to applicable law and the rights of the holders of Series A Preferred Stock and the rights, if any, of the holders of any other series of preferred stock of the Company then outstanding, the holders of common stock have the right to receive dividends and distributions, whether payable in cash or otherwise, as may be declared from time to time by the Company’s board of directors from amounts legally available therefor.

Liquidation, dissolution or winding up

Subject to applicable law and the rights, if any, of the holders of any series of preferred stock of the Company then outstanding, including the Series A Preferred Stock, in the event of the liquidation, dissolution or winding-up of the Company, holders of our common stock will be entitled to share ratably in proportion to the number of shares of common stock held by them in the assets of the Company available for distribution after payment or reasonable provision for the payment of all creditors of the Company.

Redemption, conversion or preemptive rights

Holders of common stock have no redemption rights, conversion rights or preemptive rights to subscribe to any or all additional issues of shares of capital stock the Company or securities convertible into capital stock of the Company.

Other provisions

There are no redemption provisions or sinking fund provisions applicable to the common stock.

The designations and the powers, preferences and rights, if any, and the qualifications, limitations and restrictions, if any, of the holders of our common stock will be subject to, and may be adversely affected by, the designations and the powers, preferences and rights, if any, and the qualifications, limitations and restrictions, if any, of the holders of any series of preferred stock of the Company then outstanding, including the Series A Preferred Stock.

Preferred Stock

Blank Check Preferred

Under our certificate of incorporation, without stockholder approval, the Company's board of directors is authorized to create one or more series of preferred stock of the Company (in addition to the Series A Preferred Stock) by resolution, and, with respect to each such series, to determine the number of shares constituting the series and the designations and the powers (including voting powers), preferences and rights, if any, which may include dividend rights, conversion or exchange rights, redemption rights and liquidation preferences, and the qualifications, limitations and restrictions, if any, of the series. The Company's board of directors may therefore create and issue one or more new series of preferred stock with voting power and preferences and rights that could adversely affect the holders of the Company's common stock and which could have certain anti-takeover effects. Before the Company may issue any new series of preferred stock, our board of directors will be required to adopt resolutions creating and designating such series of preferred stock and certificate of designations setting forth a copy of such resolutions will be required to be executed, acknowledged and filed with the Secretary of State of the State of Delaware.

Series A Preferred Stock

As of December 31, 2024, the Company had 4,000,000 shares of Series A Preferred Stock issued and outstanding. The designations and the powers, preferences and rights, and the qualifications, limitations and restrictions of the Series A Preferred Stock are set forth in our certificate of incorporation.

Dividends

Subject to applicable law and the rights, if any, of any series of preferred stock of the Company then outstanding ranking senior to the Series A Preferred Stock as to dividends and on parity with the rights, if any, of any series of the Company's preferred stock then outstanding ranking on parity with the Series A Preferred Stock from and after the Average Price (as defined in our certificate of incorporation) per share of the Company's common stock (subject to adjustment in accordance with our certificate of incorporation) is \$11.50 or more for any ten consecutive trading days, the holders of the Series A Preferred Stock will be entitled to receive, in respect of each Dividend Year (as defined below), in the aggregate, the "Annual Dividend Amount," which is calculated as follows (the "Annual Dividend Amount"):

A X B, where:

A = an amount equal to 20% of the increase (if any) in the value of a share of the Company's common stock, such increase calculated as being the difference between (i) the Average Price (as defined in our certificate of incorporation) per share of common stock over the last ten consecutive trading days of the Dividend Year for such Dividend Year (the "Dividend Price") and (ii) (x) if no Annual Dividend Amount has previously been paid, a price of \$10.00 per share of common stock, or (y) if an Annual Dividend Amount has previously been paid, the highest Dividend Price for any prior Dividend Year (subject to adjustment in accordance with the certificate of incorporation); and

B = 141,194,638 shares, being a number of shares of the Company's common stock equal to the number of ordinary shares of the Company's predecessor outstanding immediately following the acquisition of APi Group, Inc. by the Company (the "APi Acquisition"), including any ordinary shares issued pursuant to the exercise of warrants of the Company, but excluding any ordinary shares issued to shareholders or other beneficial owners of APi Group,

Inc. in connection with the APi Acquisition, which such number of shares is subject to adjustment as provided in the certificate of incorporation (the “Series A Preferred Dividend Equivalent”).

“Dividend Year” means the Company’s financial year (which may be twelve months or any longer or shorter period) as determined by the Company’s board of directors, except that (i) in the event of the Company’s dissolution, the relevant Dividend Year will end on the trading day immediately prior to the date of dissolution and (ii) in the event of the automatic conversion of shares of Series A Preferred Stock into shares of common stock of the Company, the relevant Dividend Year will end on the trading day immediately prior to the date of such automatic conversion.

The Annual Dividend Amount is payable in shares of the Company’s common stock or cash, as determined by the Company’s board of directors. Each Annual Dividend Amount will be divided between the holders of Series A Preferred Stock pro rata based on the number of Series A Preferred Stock held by them on the last day of the relevant Dividend Year (the “Dividend Date”). If the Company’s board of directors determines to pay the Annual Dividend Amount in shares of common stock, then each holder of a share of Series A Preferred Stock will be entitled to receive such number of whole shares of common stock as is determined by dividing the pro rata amount of the Annual Dividend Amount to which such holders is entitled, by the relevant Dividend Price (provided that any fractional shares of common stock due pursuant to such calculation shall not be paid and instead the nearest lower whole number of shares of common stock will be paid).

Subject to applicable law and the rights, if any, of any series of preferred stock of the Company then outstanding ranking senior to the Series A Preferred Stock as to dividends and on parity with the common stock of the Company and any series of preferred stock of the Company ranking on parity with such common stock, (i) a dividend per share of Series A Preferred Stock equal to the product obtained by multiplying the number of shares of common stock into which such shares of Series A Preferred Stock could then be converted, by the dividend payable on each such share of common stock, and (ii) a dividend per share of Series A Preferred Stock equal to the amount determined by dividing an amount equal to 20% of the dividend which would be distributable on such number of shares of common stock equal to the Series A Preferred Dividend Equivalent, by the number of shares of Series A Preferred Stock outstanding.

Automatic Conversion

The Series A Preferred Stock will be automatically converted into shares of the Company’s common stock on a one-for-one basis (subject to adjustment in accordance with the certificate of incorporation) on the last day of the seventh full financial year of the Company following October 1, 2019 (or if such date is not a trading day, the first trading day immediately following such date) (the “Automatic Conversion”).

Optional Conversion

By notice in writing and surrender of the relevant certificate or certificates to the Company, a holder of Series A Preferred Stock will be able to convert some or all of such holder’s Series A Preferred Stock into an equal number of shares of the Company’s common stock (subject to adjustment in accordance with the certificate of incorporation) and, in such circumstances, the shares of Series A Preferred Stock that were subject to such notice will be converted into shares of common stock on the fifth trading day after receipt by the Company of such written notice and certificate or certificates (the “Series A Optional Conversion”). In the event of a Series A Optional Conversion, no relevant portion of the Annual Dividend Amount will be payable in respect of those shares of Series A Preferred Stock that are converted into shares of common stock for the Dividend Year in which the date of the Series A Optional Conversion occurs.

Voting Rights

Each holder of Series A Preferred Stock is entitled to one vote per share of Series A Preferred Stock on all matters on which stockholders of the Company generally are entitled to vote. The holders of Series A Preferred Stock also have the right to vote separately as a single class on any amendment to the certificate of incorporation, whether by merger, consolidation or otherwise, that would alter or change the powers, preferences or rights or the

qualifications, limitations or restrictions of the Series A Preferred Stock so as to affect them adversely and as provided by applicable Delaware law.

Exclusive Forum

The Company's certificate of incorporation provides that unless we consent in writing to the selection of an alternative forum, the Delaware Court of Chancery will be the sole and exclusive forum for: (1) derivative actions or proceedings brought on behalf of us; (2) actions asserting a claim of fiduciary duty owed by any of our directors, officers or employees to us or our stockholder; (3) civil actions to interpret, apply, enforce or determine the validity of the certificate of incorporation or bylaws; or (4) actions asserting a claim governed by the internal affairs doctrine. If the Delaware Court of Chancery lacks jurisdiction over any of the foregoing actions or proceedings, the certificate of incorporation provides that the sole and exclusive forum for such actions or proceedings will be another state or federal court located in the State of Delaware, as long as such court has personal jurisdiction over the parties. In addition, the certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for any action asserting a claim arising under the Securities Act.

Indemnification of Directors and Officers

Under the General Corporation Law of the State of Delaware (the "DGCL"), a Delaware corporation may include in its certificate of incorporation a provision that, subject to the limitations described below, eliminates or limits the personal liability of a director to the corporation or its stockholders for monetary damages for breaches of fiduciary duty as a director. Such a provision may not eliminate or limit the liability of a director for (i) any breach of the duty of loyalty to the corporation or its stockholders, (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) the willful or negligent payment of unlawful dividends or purchases or redemptions of shares of stock, or (iv) transactions from which such director derived an improper personal benefit. The Company's certificate of incorporation includes a provision providing that directors of the Company shall not be liable to the Company or our stockholders for monetary damages for breach of fiduciary duty, except to the extent such exemption or limitation is not permitted by the DGCL.

The DGCL also provides that a Delaware corporation has the power to indemnify any person who is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee of another entity, against reasonable expenses (including attorneys' fees) and, in actions not brought by or in the right of the corporation, judgments, fines and amounts paid in settlement, in each case, actually and reasonably incurred in connection with such action, suit or proceeding, but only if such person acted in a manner reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action, had no reasonable cause to believe his or her conduct was unlawful, except that in any action brought by or in the right of the corporation, such indemnification may not be made if such person is adjudged liable to the corporation (unless otherwise determined by the court in which such action, suit or proceeding was brought or the Delaware Court of Chancery). In addition, under Delaware law, to the extent that a present or former director or officer of a Delaware corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above or any claim, issue or matter therein, he or she must be indemnified by the corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her. Furthermore, under Delaware law, a Delaware corporation is permitted to maintain directors' and officers' insurance.

The Company's bylaws require the Company to indemnify any person who is or was a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding described above by reason of the fact that such person is or was a director of the Company or, while a director or officer of the Company, is or was serving at the request of the Company as a director, officer, employee or agent of another entity, to the fullest extent permitted by law. The Company's bylaws also require the Company to pay the legal expenses (including attorneys' fees) of any such person in defending any such action, suit or proceeding in advance of its final disposition subject, in the case of present directors and officers, to the provision by such director or officer of an undertaking to repay

the amounts advanced if it is ultimately determined that such director or officer is not entitled to be indemnified under the bylaws or otherwise.

Anti-Takeover Effects of Delaware Law and the Certificate of Incorporation and Bylaws

Delaware law and the Company's certificate of incorporation and bylaws contain provisions that may prevent or discourage a third party from acquiring the Company, even if the acquisition would be beneficial to our stockholders.

Pursuant to the certificate of incorporation, our board of directors have the authority to create one or more series of preferred stock of the Company (in addition to the Series A Preferred Stock) and to fix the designations and the powers, preferences and rights, if any, and the qualifications, limitations and restrictions, if any, of shares of such new series of preferred stock of the Company and to issue shares of such series without a stockholder vote, which could be used to dilute the ownership of a hostile acquiror.

Pursuant to the certificate of incorporation, our board of directors have the power to amend the bylaws of the Company, which may allow our board of directors to take certain actions to prevent an unsolicited takeover.

The Company is also subject to Delaware law prohibiting the Company from engaging in any "business combination" with an "interested stockholder" for a period of three years subsequent to the time that the stockholder became an interested stockholder unless:

- prior to such time, our board of directors approved either the business combination or the transaction in which the stockholder became an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of the outstanding voting stock (with certain exclusions); or
- at or after the person becomes an interested stockholder, the business combination is approved by our board of directors and authorized by a vote of at least 66 2/3% of the outstanding voting stock of the Company not owned by the interested stockholder.

For purposes of Delaware law, an "interested stockholder" generally is defined as an entity or person (other than the corporation and any direct or indirect majority-owned subsidiary of the corporation) directly or indirectly beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated or associated with such entity or person.

For purposes of Delaware law, a "business combination" includes mergers, asset sales and other transactions resulting in financial benefit to a stockholder. This Delaware law could prohibit or delay mergers or other takeover or change of control attempts with respect to the Company and, accordingly, may discourage attempts that might result in a premium over the market price for the shares held by stockholders of the Company.

Listing

The Company's common stock is currently listed on the New York Stock Exchange under the symbol "APG."

Transfer Agent and Registrar

The transfer agent and registrar for the Company's common stock is Computershare Trust Company, N.A.



Insider Trading Policy

Amended and Restated as of December 11, 2024.

1. Introduction

This Insider Trading Policy applies to all employees of the Company, all members of the Board, and any other persons a Compliance Officer determines should be subject to this Policy (collectively, “Covered Persons”). This Policy is designed to prevent insider trading and to assist Covered Persons in complying with their obligations under federal securities laws. Covered Persons are responsible for understanding and complying with this Policy. Capitalized terms used in this Policy are defined in Section 12 “Definitions”.

2. Prohibition Against Insider Trading

In the course of performing their duties, Covered Persons may have access to material, nonpublic information about the Company and the Company’s existing or potential business partners. The section entitled “Restricted Transactions” provides important details about the types of transactions covered by this Policy.

Except as specifically permitted in Section 5 “Limited Exceptions,” this Policy prohibits Covered Persons, and their Related Parties, from:

- Purchasing, selling, or otherwise trading in API Group Securities while in possession of material, nonpublic information.
 - Communicating, recommending, or “tipping” material, nonpublic information to others so that they may transact in API Group Securities based on that information.
 - Donating API Group Securities while in possession of material, nonpublic information, if the donor knows, or should know, that the recipient will sell the Securities before the material, nonpublic information is publicly disclosed.
 - Purchasing, selling, or otherwise trading in Securities of any other publicly traded company based on material, nonpublic information about that company that a Covered Person obtains by virtue of their position at the Company, or communicating, recommending, or “tipping” such information to others so that they may transact in that company’s securities.
 - Short sales of API Group Securities.
-

- Engaging in hedging transactions with respect to APi Group Securities.
- Placing APi Group Securities in a margin account or pledging APi Group Securities as collateral for a loan, unless properly pre-approved by a Compliance Officer.

Material, nonpublic information means any information that is not generally known by or available to the public and that a reasonable investor would consider important in deciding whether to buy, sell or hold a publicly traded company's Securities.

3. Material Nonpublic Information

Public Disclosure. Information is considered nonpublic until it has been effectively disclosed to the public by the applicable company and there has been time for the market as a whole to assimilate that information. Examples of effective disclosure include filings with the Securities and Exchange Commission, press releases, broadly accessible meetings with members of the press and the public, and conference calls or webcasts that are open to the public.

Materiality. Any information that a reasonable investor would consider important in deciding whether to buy, sell or hold a publicly traded company's Securities is material. Any information that could be expected to affect a company's stock price, whether it is positive or negative, should be considered material. For examples of types of information that can be material, see Annex A.

4. Restricted Transactions

Transactions in APi Group Securities. When a Covered Person is aware of material, nonpublic information about the Company, the Covered Person and any Related Parties may not:

- Purchase, sell, or otherwise trade in APi Group Securities.
- Advise others to buy, hold or sell APi Group Securities.
- Disclose the information to anyone else who might then trade ("tip").
- Donate APi Group Securities, if the donor knows, or should know, that the recipient will sell the Securities before the material, nonpublic information is publicly disclosed.
- Assist anyone in any of these activities.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency) are not an exception to the prohibition on insider trading.

Transaction in the Securities of Other Companies. From time to time as a result of their jobs, Covered Persons also may learn material, nonpublic information about other companies. This may include the Company's existing or potential customers, suppliers, acquisition targets or competitors. Prohibitions against insider trading apply equally to transactions in those companies' Securities while the Covered Person is in possession of material, nonpublic

information about the other company. Please remember that information may be material to a supplier or another company even if it is not material to the Company.

Short Sales. Short selling is the act of borrowing securities to sell with the expectation of the price dropping and the intent of buying the securities back at a lower price to replace the borrowed securities. Covered Persons, regardless of whether or not they are aware of material, nonpublic information about the Company, may not engage in short sales of APi Group Securities. Transactions in certain put and call options for APi Group Securities may in some instances constitute a short sale.

Hedging Transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a person to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow such person to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives as the Company's other shareholders. Therefore, Covered Persons are prohibited from engaging in any such transactions in APi Group Securities.

Margin Account and Pledged Securities. Securities held in a margin account may be sold by a broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in APi Group Securities, Covered Persons should take special precautions when placing APi Group Securities in a margin account or when pledging APi Group Securities as collateral for a loan. In order for the Company to comply with its securities disclosure requirements and to ensure that margin accounts are structured in a manner to minimize inside trading concerns, any Covered Person who wishes to place APi Group Securities in a margin account or pledge APi Group Securities as collateral for a loan should provide a Compliance Officer written notice of his or her intent to margin or pledge APi Group Securities, accompanied by a copy of the proposed documentation, at least two business days prior to the margin or pledge.

5. Limited Exceptions

Restricted Stock Awards. This Policy does not apply to (i) the vesting of restricted stock or restricted stock units or (ii) the exercise of a tax withholding right pursuant to which a Covered Person elects to have the Company withhold shares of stock to satisfy tax withholding requirements. This Policy does apply, however, to any market sale of restricted stock, including a sale for the purpose of generating the cash needed to pay the exercise price of an option or the tax withholding requirements.

Benefit Plans. This Policy does not apply to acquisitions or dispositions of Company common stock under the Company's 401(k), employee stock purchase plan, or other deferred compensation plans, which are permitted by such plans and made pursuant to standing

instructions not entered into or modified while the Covered Person is aware of material nonpublic information.

Rule 10b5-1 Plans. Company Policy permits Covered Persons to trade in APi Group Securities, regardless of their awareness of material nonpublic information, if the transaction is made pursuant to a pre-approved Rule 10b5-1 Plan. Any proposed adoption, modification or termination of a Rule 10b5-1 Plan must be submitted to a Compliance Officer reasonably in advance of the proposed date for entering into, modifying or terminating the plan, and a Compliance Officer must approve the adoption, modification or termination before it becomes effective. In connection with any Rule 10b5-1 Plan or similar arrangement, Covered Persons with Access must comply with additional restrictions with respect trading windows and preclearance requirements set forth in Annex B to this Policy.

Gifts. Bona fide gifts of Securities are not transactions subject to this Policy, unless the person making the gift has reason to believe that the recipient intends to sell the Securities while the Covered Person is aware of material, nonpublic information about the Company. In connection with any gifts of APi Securities, Covered Persons with Access must comply with additional restrictions with respect to trading windows and preclearance requirements set forth in Annex B to this Policy.

Mutual Funds. This Policy does not apply to the purchase, sale or holding of an interest in a publicly traded mutual fund or other collective investment vehicle (e.g., an exchange traded fund), even if the fund holds or trades in APi Group Securities, so long as the fund (1) is publicly traded and widely held, (2) is broad-based and diversified, and (3) has investment discretion for fund investments exercised by an independent third party.

Other Exceptions. Any other exception from this Policy must be approved by a Compliance Officer, in consultation with the Board or the Audit Committee of the Board, or its designated chair.

6. Additional Rules for Covered Persons with Access

If you are a Covered Person with Access, as defined in this Policy, then you are subject to the additional trading windows and preclearance requirements set forth in Annex B to this Policy.

7. Applicability of this Policy to Related Parties

You are responsible for transactions by your Related Parties that may be prohibited by this Policy, and therefore you should make them aware of the need to confer with you before they trade in APi Group Securities. You should treat all such transactions for the purposes of this Policy as if the transactions were for your own account. For example, (i) a Related Party of a Covered Person may not purchase APi Group Securities while the Covered Person is in possession of material, nonpublic information, even if the Covered Person does not actually “tip” the Related Party regarding such information, and (ii) a Related Party of a Covered Person with Access is subject to

the preclearance and trading window restrictions set forth in Annex B to this Policy. This Policy does not, however, apply to transactions by Related Parties where the purchase or sale decision is made by a third party not controlled by, influenced by or related to a Covered Person or Related Party.

8. Applicability of this Policy to Former Covered Persons

This Policy's prohibitions against insider trading will continue to apply to transactions in APi Group Securities by former Covered Persons and their Related Parties as follows: if a Covered Person is aware of material non-public information when his or her employment, director or other relationship terminates, the Covered Person and their Related Parties will remain subject to the prohibitions against insider trading until that information has become public or is no longer material.

9. Reporting Violations

Any Covered Person who becomes aware of a violation of this Policy should report such violation to their supervisor or a Compliance Officer.

10. Administration and Compliance Review

This Policy is administered by one or more designated Compliance Officers. Whenever a Covered Person has any questions about a transaction or compliance with this Policy or seeks an exception from this Policy, they should consult with a Compliance Officer before the transaction takes place. Although their advice should not be considered investment advice, legal advice or a guarantee that no liability will arise, all decisions by Compliance Officers with respect to this Policy will be final.

11. Penalties for Insider Trading

A Covered Person's failure to comply with this Policy may subject the Covered Person to Company-imposed sanctions, including dismissal, regardless of whether or not the Covered Person's failure to comply with this Policy results in a violation of law. In addition, Covered Persons who engage in insider trading (i) could be subject to criminal prosecution, including

imprisonment, and civil actions, including disgorgement of profits, fines and damages, and (ii) may subject the Company and its managers to civil and criminal liability.

12. Definitions

“APi Group” means APi Group Corporation.

“Board” means the Board of Directors of APi Group.

“Company” means APi Group Corporation and its subsidiaries.

“Compliance Officer” means APi Group’s General Counsel or any other person designated by the Audit Committee of the Board to administer this Policy.

“Covered Persons” means those persons identified in the Introduction part of this Policy.

“Covered Persons with Access” means persons who (i) are members of the Board, (ii) Reporting Officers, or (iii) because of their position with the Company, have regular access to material, nonpublic information and are designated from time to time and informed of such status by a Compliance Officer.

“Policy” means this Insider Trading Policy.

“Related Party” means, with respect to any Covered Person:

- immediate family members (i.e., spouse, domestic partner, minor or adult children, parents, grandparents, grandchildren, siblings and in-laws) who live with the Covered Person or use the Covered Person’s address as their regular address.
- all corporations, partnerships, trusts or other entities (other than the Company) controlled by any Covered Person, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving APi Group Securities.

“Reporting Officer” means officers of the Company who are subject to the reporting provisions and the trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended.

“Rule 10b5-1 Plan” means a pre-arranged written plan that was entered into when the Covered Person was not in possession of material, nonpublic information, provided that such plan is (i) written, (ii) specifies the amount of, date(s) on, and price(s) at which the securities are to be traded, or establishes a formula for determining such items, (iii) complies with all of the conditions set forth in Rule 10b5-1(c) of the Securities Exchange Act of 1934, as amended, including any mandatory “cooling off” periods, restrictions on overlapping plans, and requirements that these plans must be entered into, operated, amended, and terminated in good faith, and (iv) receives prior approval from a Compliance Officer.

“Securities” includes common stock, preferred stock, warrants and options to purchase common stock, debt, and any other type of security that a company may issue or that relates to the company’s securities (such as put or call options or other publicly traded derivative securities).

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Insider Trading Policy

Annex A

API GROUP CORPORATION INSIDER TRADING POLICY

Examples of some types of information that can be material are:

- Financial performance, including quarterly and year-end earnings and significant changes in financial performance, outlook or liquidity;
- Guidance on earnings estimates;
- Planned or potential mergers, acquisitions, tender offers, joint ventures, or the divestiture of significant assets, subsidiaries or business units;
- Projections;
- Events regarding a publicly traded company's Securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, public or private sales of additional securities or information related to any additional funding);
- Significant cyber security events or breaches, including data breaches;
- Significant planned or potential changes in the debt or capital structure;
- Developments on significant projects, or the acquisition or loss of a contract or key customer);
- Planned changes in key leadership positions;
- Actual or threatened major litigation or the resolution of such litigation;
- Changes in auditors or auditor notification that the issuer may no longer rely on an audit report; and
- Bankruptcies or receiverships.

This list is for illustrative purposes only and is not an exhaustive list of all types of material information. Investigators will scrutinize a questionable trade after the fact with the benefit of hindsight, so if information is not clearly immaterial or already public you should always err on the side of deciding that information is material, nonpublic information and not trade.

Annex B

API GROUP CORPORATION INSIDER TRADING POLICY

Scope and Defined Terms

The additional restrictions in this Annex apply to Covered Persons with Access. Capitalized terms in this Annex that are not otherwise defined have the meaning given to them in the Policy.

Trading Windows

Subject to being pre-cleared by a Compliance Officer, Covered Persons with Access, may buy, sell or otherwise trade in APi Group Securities, and may enter into or, if permitted under applicable law, modify or terminate any Rule 10b5-1 Plans for APi Group Securities, only during specific times throughout the year, known as “**Trading Windows**.” The Company’s Trading Windows open no sooner than one full trading day after Company’s widespread public release of quarterly or year-end financial results, and close no later than ten calendar days before the end of the fiscal quarter. Covered Persons with Access can find details about Trading Window dates on the Company’s intranet site.

In addition, the Company shall, by notice to affected persons, have the right to impose special black-out periods during which affected persons will be prohibited from buying, selling or otherwise effecting trades in any stock or other APi Group Securities, and from entering into, modifying, or terminating any Rule 10b5-1 Plans for APi Group Securities, even though the Trading Window would otherwise be open. The Company would re-open the Trading Window once the information requiring the special blackout period has been publicly disclosed or is no longer material.

Reporting Officers and Board members are prohibited from trading in APi Group Securities during a blackout period imposed under a retirement, pension or employee stock ownership plan of the Company during which at least 50% of the plan participants are unable to purchase, sell or otherwise acquire or transfer an interest in APi Group Securities due to a temporary suspension of trading by the Company or the plan fiduciary.

Rule 10b5-1 Plan Requirements

Covered Persons with Access agree to comply with all applicable laws and Company policies and procedures related to the terms and execution of any Rule 10b5-1 Plan.

Pre-Clearance Requirements

Reporting Officers and Board members, and other Covered Persons with Access who are identified from time to time by a Compliance Officer, must obtain pre-clearance from a Compliance Officer before entering into any transaction to purchase, sell or gift APi Group

Securities, or enter into or, if permitted under applicable law, modify or terminate, a Rule 10b5- 1 Plan for APi Group Securities.

Clearance of a proposed transaction, or of the entry into, modification or termination of a Rule 10b5-1 Plan, is valid only until the expiration time designated in the pre-clearance response. If the transaction order is not completed, or if the applicable Rule 10b5-1 Plan is not entered into, modified, or terminated, before the expiration time, clearance of the transaction or Rule 10b5-1 Plan must be re-requested at an appropriate time.

Please note, however, that it is the Covered Person with Access's sole responsibility to comply with all applicable securities laws. The Company does not undertake any obligation with respect to any person's securities law compliance by virtue of pre-clearing any particular trade or Rule 10b5-1 Plan, and the Company urges each Covered Person with Access to consult their legal counsel before engaging in transactions or entering into, modifying or terminating any Rule 10b5- 1 Plans to engage in transactions in APi Group Securities.

Exceptions

The quarterly trading restrictions and special black-out trading restrictions do not apply to those transactions to which the Policy does not apply, as described in Section 5 "Limited Exceptions" in the Policy.

Legal Name	Jurisdiction
Chubb Properties Pty Ltd	Australia
Chubb Australia Pty Ltd	Australia
Chubb Fire & Security Pty Ltd	Australia
Chubb Osterreich Gmbh	Austria
Chubb Security Systems B.V.B.A.	Belgium
Security Monitoring Centre BVBA/SPRL	Belgium
SMC Monitoring Corporation (FKA Counterforce Corporation)	Canada
Chubb Fire & Security Canada Corporation	Canada
Beijing Chubb Fire Security Systems Co., Limited	China
Shanghai Chubb Intelligent Building System Co., Ltd.	China
Api Group France Holdco SAS	France
Delta Security Solutions Holding SAS	France
Delta Security Solutions SA	France
Cemis Systemes De Securite Incendie (FKA A.I.TEC)	France
Chubb Delta Telesurveillance (FKA Delta Telesurveillance TSL SAS)	France
Chubb EMEA (Fka UTC Fire Safety EMEA)	France
Chubb France	France
Chubb Deutschland GmbH	Germany
Access Control Systems Limited	Hong Kong
Chubb China Holdings Limited	Hong Kong
Chubb China Limited	Hong Kong
Chubb Hong Kong Limited	Hong Kong
Chubb Systems Pvt. Ltd. (Fka Carrier Race Technologies Private Limited)	India
MSC Fire Products Limited	Ireland
Chubb Ireland Limited	Ireland
Chubb Macau Limited	Macau
SNC Sicli & CIE (Protecsud Monaco)	Monaco
Security Monitoring Centre B.V.	Netherlands
Chubb Fire & Security B.V.	Netherlands
Chubb International (Netherlands) BV	Netherlands
Chubb Nederland B.V.	Netherlands
Chubb New Zealand (Fka Chubb New Zealand Limited)	New Zealand
Chubb Singapore Pte. Ltd.	Singapore
Chubb Iberia	Spain
Chubb Sicli SA (Fka Sicli Material-Incendie S.A.)	Switzerland
Chubb France - SZ Branch	Switzerland
Chubb Hong Kong Limited - TW Branch	Taiwan
Chubb (Thailand) Ltd	Thailand
Api Group Uk Holdco Limited	UK
Chubb Security (Pensions) Limited	UK
Frontline Security Solutions Limited	UK
Mentor Business Systems Limited	UK

Legal Name	Jurisdiction
Security Monitoring Centres Limited	UK
Chubb Fire & Security Limited	UK
Chubb Fire Limited	UK
Chubb Group (International) Limited	UK
Chubb Group Ltd.	UK
Chubb Group Properties Limited	UK
Chubb Group Security Limited	UK
Chubb International Holdings Limited	UK
Chubb Limited	UK
Api Group Dutch Holdco B.V.	Netherlands
Sk Firesafety Group B.V.	Netherlands
Saval B.V.	Netherlands
RHDJ B.V.	Netherlands
Blusgroep B.V.	Netherlands
Simplus Brandblusapparaten B.V.	Netherlands
De Vries Brandbeveiliging B.V.	Netherlands
De Vries Preventie B.V. (FKA Cura Preventie B.V.)	Netherlands
Hugen Brandbeveiliging En Adviesbureau B.V.	Netherlands
Foamxpert B.V.	Netherlands
Sk Noord B.V.	Netherlands
Fire Safety First B.V.	Netherlands
Brandbeveiliging Alkmaar B.V.	Netherlands
Aed-Partner International B.V.	Netherlands
Vivon Nederland B.V.	Netherlands
Vita Nova Supra BVBA	Belgium
Somati Systems NV	Belgium
Saval NV	Belgium
Noha AB (FKA Firesafety AB)	Sweden
Noha Sweden Ab (FKA Brand & Industriskdd I Osby AB)	Sweden
Knowsley SK Holding Ltd.	UK
Knowsley SK Ltd.	UK
Noha Norway AS	Norway
APi Canada Holdings ULC	Canada
Vipond, Inc.	Canada
Atlantic Alarms & Sound	Canada
Canam Fire Protection Inc.	Canada
Summit Pipeline Services ULC	Canada
Vipond Fire Protection Ltd	UK
Three S Inc. De Mexico	Mexico
SJ Enterprises (Queensland) Security Pty	Australia
Chubb Integrated Security Systems LLC	United Arab Emirates
APi Group Finco Limited	Ireland

Legal Name	Jurisdiction
APi Group Finco Switzerland GmbH	Switzerland
APi Group Treasury Limited	Ireland
Churchill Casualty Ltd	Cayman Islands
3S Incorporated	Indiana
A. P. I. Inc.	Minnesota
A.P.I. Garage Door, Inc.	Minnesota
American Fire Protection Group, Inc.	Minnesota
APi Acquisition IV, Inc.	Minnesota
APi Acquisition V, Inc.	Minnesota
APi Acquisition, Inc.	Minnesota
APi Group Corporation	Delaware
APi Group DE, Inc.	Delaware
APi Group, Inc.	Minnesota
APi Indiana, Inc.	Minnesota
APi International, LLC	Minnesota
APi Group Finance, Inc.	Minnesota
APi National Service Group, Inc.	Minnesota
APi Real Estate, LLC	Minnesota
Classic Industrial Services, Inc.	Delaware
Cream Ridge Construction Co., Inc.	New Jersey
Creamer Jingoli LLC	New Jersey
Creamer Ruberton A Joint Venture LP	New Jersey
Creamer Sanzari Joint Venture	New Jersey
Davis-Ulmer Sprinkler Company, Inc.	New York
Endeavor Fire Protection Holdings, LLC	Delaware
High Sierra Fire Protection, LLC	Nevada
Valley Fire Protection Services, LLC	Illinois
Allegiant Fire Protection, LLC	Illinois
Kimble and Company	California
Oracle Elevator Holdco, Inc.	Delaware
EMR Elevator, Inc.	Texas
Premier Elevator Company, Inc.	Georgia
Premier Elevator Services, LLC	Georgia
APi HVAC Services, Inc.	Wisconsin
ICS, Inc.	North Dakota
International Fire Protection, Inc.	Alabama
Island Fire Sprinkler, Inc.	New York
Island Fire Sprinkler-NYC, LLC	New York
J. Fletcher Creamer & Son, Inc.	New Jersey
JFC-NER LLC	New Jersey
Jomax Construction Company, Inc.	Kansas
K & M Fire Protection Services, Inc.	Connecticut

Legal Name	Jurisdiction
K&M Fire N.Y.C., LLC	New York
LeJeune Steel Company	Minnesota
Mid-Ohio Pipeline Company Inc.	Ohio
MMC Holdings, LLC	Minnesota
MP Nexlevel of California, Inc.	Minnesota
MP Nexlevel, LLC	Minnesota
MP Technologies, LLC	Minnesota
Nexlevel Inc.	Minnesota
Nexus Alarm & Suppression, Inc.	Wyoming
APi Duluth Construction Company, Inc.	Minnesota
PSL Supply, LLC	New York
Sprinkler Acquisition LLC	Minnesota
Sprocket Insurance Company	Vermont
T. Texas Sprinkler, L.P.	Texas
Technologies Inc.	Minnesota
Tenet Corp	Minnesota
Tessier's Inc.	South Dakota
TEXASSPRINKLER, LLC	Arkansas
The Jamar Company	Minnesota
TL Nexlevel Companies, LLC	Minnesota
TLR Consulting, Inc.	Minnesota
United Piping, Inc.	Minnesota
Minnesota North Pipeline Services JV, LLC	Minnesota
United States Alliance Fire Protection, Inc.	Delaware
Viking Automatic Sprinkler Company	Minnesota
W&M Sprinkler Company, Inc.	New York
W&M Sprinkler-NYC, LLC	New York
APi Group Life Safety USA LLC	Minnesota
Wright Service Center, LLC	Minnesota
Architekton Partners LLC	Delaware
SRI Fire Sprinkler, LLC	New York
Palmetto Automatic Sprinkler Co, LLC	Delaware
Quick Response Holdings, Inc.	New Jersey
Quick Response Fire Protection, Inc	New Jersey
Q.R.F.P Special Services Inc.	New Jersey

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-281169, 333-254675, 333-238891, and 333-238890) on Form S-8, the registration statements (Nos. 333-261985 and 333-256049) on Form S-3, and the registration statement (No. 333-271651) on Form S-3ASR of our reports dated February 26, 2025, with respect to the consolidated financial statements of APi Group Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Minneapolis, Minnesota
February 26, 2025

MINE SAFETY DISCLOSURES

The following disclosures are provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) and Item 104 of Regulation S-K, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”).

Mine Safety Information

Whenever the Federal Mine Safety and Health Administration (“MSHA”) believes a violation of the Mine Act, any health or safety standard or any regulation has occurred, it may issue a citation which describes the alleged violation and fixes a time within which the U.S. mining operator must abate the alleged violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order removing miners from the area of the mine affected by the condition until the alleged hazards are corrected. When MSHA issues a citation or order, it generally proposes a civil penalty, or fine, as a result of the alleged violation, that the operator is ordered to pay. Citations and orders can be contested and appealed, and as part of that process, may be reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary depending on the size and type (underground or surface) of the mine as well as by the MSHA inspector(s) assigned.

The following table includes information required by the Act for the year ended December 31, 2024.

APi Inc.

Year Ended December 31, 2024												
Operation / MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b) (2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Mining-Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(c) (Yes/No)	Received Notice of Potential to Have Pattern Under Section 104(c) (Yes/No)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)	Legal Actions Pending as of the End of the Period (#)
SGL 4700148	0	0	0	0	0	0	0	No	No	0	0	0
Tilden Mine 2000422	0	0	0	0	0	0	0	No	No	0	0	0
Eagle Mine/4607437	0	0	0	0	0	0	0	No	No	0	0	0
Specialty Granules/M00639	0	0	0	0	0	0	0	No	No	0	0	0

APi Group Life Safety USA

Year Ended December 31, 2024												
Operation / MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b) (2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Mining-Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(c) (Yes/No)	Received Notice of Potential to Have Pattern Under Section 104(c) (Yes/No)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)	Legal Actions Pending as of the End of the Period (#)
Pend Oreille Mine/4500366	0	0	0	0	0	0	0	No	No	0	0	0
Freeport-McMoRan Morenci Inc./0200024	0	0	0	0	0	0	0	No	No	0	0	0
Coeur Rochester /2601941	0	0	0	0	0	0	0	No	No	0	0	0
Continental Cement Company/2302434	0	0	0	0	0	0	0	No	No	0	0	0
Graymont Pilot Peak Plant / 2601906	0	0	0	0	0	0	0	No	No	0	0	0
American Soda LLC (Solvay Chemicals)/ 4801295	0	0	0	0	0	0	0	No	No	0	0	0
Big Island Mine & Refinery (Ciner Wyoming) / 48000154	0	0	0	0	0	0	0	No	No	0	0	0
US Borax Inc (Boron) / 400743	0	0	0	0	0	0	0	No	No	0	0	0

Davis Ulmer Sprinkler Company

Year Ended December 31, 2024												
Operation / MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b) (2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Mining-Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(c) (Yes/No)	Received Notice of Potential to Have Pattern Under Section 104(c) (Yes/No)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)	Legal Actions Pending as of the End of the Period (#)
US Salt - Watkins Glen	0	0	0	0	0	0	0	No	No	0	0	0
Cargill - Watkins Glen	0	0	0	0	0	0	0	No	No	0	0	0
Cargill - Lansing	0	0	0	0	0	0	0	No	No	0	0	0
Cargill: 1252 PA-706, Wyalusing, PA 18853	0	0	0	0	0	0	0	No	No	0	0	0

The Jamar Company

Year Ended December 31, 2024												
Operation / MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b) (2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Mining-Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(c) (Yes/No)	Received Notice of Potential to Have Pattern Under Section 104(c) (Yes/No)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)	Legal Actions Pending as of the End of the Period (#)
C6S	1	0	0	0	0	\$388	0	No	No	0	0	0
J03	0	0	0	0	0	0	0	No	No	0	0	0

Viking Automatic Sprinkler

Year Ended December 31, 2024												
Operation / MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (\$)	Mining-Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(c) (Yes/No)	Received Notice of Potential to Have Pattern Under Section 104(c) (Yes/No)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)	Legal Actions Pending as of the End of the Period (#)
US Steel - MinnTac 2100282	0	0	0	0	0	0	0	No	No	0	0	0
US Steel - KeeTac 2103352	0	0	0	0	0	0	0	No	No	0	0	0
Cleveland Cliffs - Eveleth pit and Forbes Pellet Plant 2103403 & 2103404	0	0	0	0	0	0	0	No	No	0	0	0
Cleveland Cliffs - NorthShore Mining, Silver Bay Pellet Plant and Babbitt pit 2100209 & 2100831	0	0	0	0	0	0	0	No	No	0	0	0
ArcelorMittal Minorca Mine - pit/ plant	0	0	0	0	0	0	0	No	No	0	0	0
Cleveland Cliffs - Hibbing Taconite 2101600	0	0	0	0	0	0	0	No	No	0	0	0