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 September 30, 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 001-38579

BrightView Holdings, Inc.
(Exact name of Registrant as specified in its Charter)

Delaware	**46-4190788**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
980 Jolly Road	
Blue Bell, Pennsylvania	**19422**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (484) 567-7204

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

Title of Each Class	Trading Symbol	Name of exchange on which registered
Common Stock, Par Value $0.01 Per Share	BV	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 Section 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, a 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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

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 ☒

As of March 31, 2024, the last day of the registrant's most recently completed second quarter, the aggregate value of the registrant's common stock held by non-affiliates was approximately $500.3 million, based on the number of shares held by non-affiliates as of March 31, 2024 and the closing price of the registrant's common stock on the New York Stock Exchange on that date.

The number of shares of registrant's Common Stock outstanding as of October 31, 2024 was 95,000,000.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement relating to the Annual Meeting of Stockholders, scheduled to be held on March 4, 2025, are incorporated by reference into Part III of this Report.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Form 10-K") contains "forward-looking statements" within the meaning of the safe harbor provision of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. All statements, other than statements of historical facts included in this Form 10-K, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends and other information, may be forward-looking statements.

Words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," or "anticipates," and variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts, or guarantees of future performance and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will result or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-K. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth under the heading "Business", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Form 10-K. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Some of the key factors that could cause actual results to differ from our expectations include those described below under "Summary of Risk Factors."

We caution you that the risks, uncertainties, and other factors referenced herein may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits, or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances, any change in assumptions, beliefs or expectations or any change in circumstances upon which any such forward-looking statements are based, except as required by law.

Summary of Risk Factors

The following is a summary of the principal risks that could materially adversely affect our business, financial condition, results of operations and cash flows. You should read this summary together with the more detailed description of each risk contained below.

Risks Related to Our Business

- Our industry and the markets in which we operate are highly competitive and increased competitive pressures could reduce our share of the markets we serve and adversely affect our business.
- Our business success depends on our ability to preserve long-term customer relationships.
- We may be adversely affected if customers reduce their outsourcing.
- Due to our operations across the United States, our operations may be materially adversely affected by inconsistent practices and the operating results of individual branches may vary.
- We may not successfully implement our business strategies, including achieving our growth objectives.
- Future acquisitions or other strategic transactions could negatively impact our business.
- Seasonality affects the demand for our services and our results of operations and cash flows.
- Our operations are impacted by weather conditions and climate change.
- If we are unable to accurately estimate the overall risks, requirements or costs when we bid on or negotiate contracts that are ultimately awarded to us, we may achieve lower than anticipated profits or incur contract losses.
- Our landscape development services have been, and in the future may be, adversely impacted by fluctuations or declines in the new commercial construction sector, as well as in spending on repair and upgrade activities.
- Our results of operations for our snow removal services depend primarily on the level, timing and location of snowfall.
- Our success depends on our executive management and other key personnel.

- Our future success depends on our ability to attract, retain and maintain positive relations with workers.
- Our business could be adversely affected by a failure to properly verify the employment eligibility of our employees.
- Our use of subcontractors to perform work under certain customer contracts exposes us to liability and financial risk.
- A significant portion of our assets consists of goodwill and other intangible assets, the value of which may be reduced if we determine that these assets are impaired.
- If we fail to comply with requirements imposed by applicable law or other governmental regulations, we could become subject to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business.
- Compliance with environmental, health and safety laws and regulations, including laws pertaining to the use of pesticides, herbicides and fertilizers, or liabilities thereunder, as well as the risk of potential litigation, could result in significant costs that adversely impact our business.
- Adverse litigation judgments or settlements resulting from legal proceedings relating to our business operations could materially adversely affect our business.
- Tax increases and changes in tax rules may adversely affect our financial results.
- Some of the equipment that our employees use is dangerous, and an increase in accidents resulting from the use of such equipment could negatively affect our reputation, results of operations and financial position.
- Any failure, inadequacy, interruption, security failure or breach of our information technology systems, whether owned by us or outsourced or managed by third parties, could harm our ability to effectively operate our business and could have a material adverse effect on our business.
- Our failure to comply with data privacy regulations could adversely affect our business.
- We may not be able to adequately protect our intellectual property, which could harm the value of our brand and adversely affect our business.

Risks Related to Our Indebtedness

- Our substantial indebtedness could have important adverse consequences and adversely affect our financial condition.
- Our variable rate indebtedness subjects us to interest rate risk, which can cause the cost of servicing our debt to increase significantly.
- We utilize derivative financial instruments to reduce our exposure to market risks from changes in interest rates on our variable rate indebtedness and we will be exposed to risks related to counterparty credit worthiness or non-performance of these instruments.
- Our debt agreements contain restrictions that limit our flexibility in operating our business.
- We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which could have a material adverse effect on our business.
- We and our subsidiaries may incur substantially more debt, including off-balance sheet financing, contractual obligations and general and commercial liabilities.
- If the financial institutions that are part of the syndicate of our Revolving Credit Facility fail to extend credit under our facility or reduce the borrowing base under our Revolving Credit Facility, our liquidity and results of operations may be adversely affected.

Risks Related Ownership of Our Common Stock

- Future sales, or the perception of future sales, of equity securities by us or our affiliates, could cause the market price for our common stock to decline.
- KKR BrightView Aggregator L.P. ("KKR") and Birch-OR Equity Holdings, LLC and Birch Equity Holdings, LP (together, "One Rock" and, collectively with KKR, the "Affiliated Investors") have the ability to exert significant influence over us and their interests may conflict with ours or yours in the future.
- Anti-takeover provisions in our organizational documents could delay or prevent a change of control.
- Our Board of Directors is authorized to issue and designate shares of our preferred stock in additional series without stockholder approval.

•Holders of the Series A Preferred Stock have certain voting and other rights that may adversely affect holders of our common stock, and the holders of the Series A Preferred Stock may have different interests from and vote their shares in a manner deemed adverse to, holders of our common stock.

•The dividend and liquidation rights of the Series A Preferred Stock may adversely affect our financial position and the rights of the holders of our common stock.

•Our certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the sole and exclusive forums for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

General Risk Factors

•Our business is affected by general business, financial market and economic conditions, which could adversely affect our financial position, results of operations and cash flows.

•Increases in raw material costs, fuel prices, wages and other operating costs, and changes in our ability to source adequate supplies and materials in a timely manner, can adversely impact our business, financial position, results of operations and cash flows.

•Natural disasters, terrorist attacks, global health emergencies and other external events could adversely affect our business.

•We face risks related to heightened inflation, geopolitical conflicts, recession, financial market disruptions and other economic conditions.

•Our reputation and/or business could be negatively impacted by environmental, social and governance ("ESG") matters and/or our reporting of such matters.

•Our stock price may change significantly, and you may not be able to resell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

•If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

•Maintaining the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified Board members.

•Failure to comply with requirements to maintain effective internal controls could have a material adverse effect on our business and stock price.

PART I

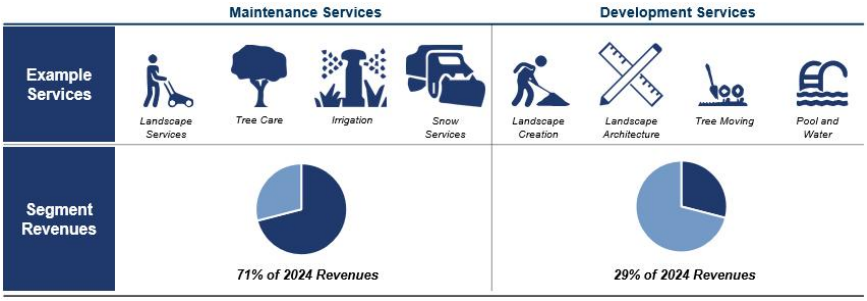
Item 1. Business

BrightView Holdings, Inc. is a holding company that conducts substantially all of its activity through its direct, wholly-owned operating subsidiary, BrightView Landscapes, LLC ("BrightView") and its consolidated subsidiaries. The holding company and BrightView are collectively referred to in this Form 10-K (the "Annual Report") as "we," "us," "our," "ourselves," "Company," or "BrightView."

Our Company

We are the largest provider of commercial landscaping services in the United States, with revenues approximately 5 times those of our next largest commercial landscaping competitor. We provide commercial landscaping services, ranging from landscape maintenance and enhancements to tree care and landscape development. We operate through a differentiated and integrated national service model which systematically delivers services at the local level by combining our network of over 280 branches with a qualified service partner network. Our branch delivery model underpins our position as a single-source end-to-end landscaping solution provider to our diverse customer base at the national, regional and local levels, which we believe represents a significant competitive advantage. We believe our commercial customer base understands the financial and reputational risk associated with inadequate landscape maintenance and considers our services to be essential and non-discretionary.

We operate through two segments: Maintenance Services and Development Services. Our maintenance services are primarily self-performed through our national branch network and are route-based in nature. Our development services are comprised of sophisticated design, coordination and installation of landscapes at some of the most recognizable corporate, athletic and university complexes and showcase highly visible work that is paramount to our customers' perception of our brand as a market leader.

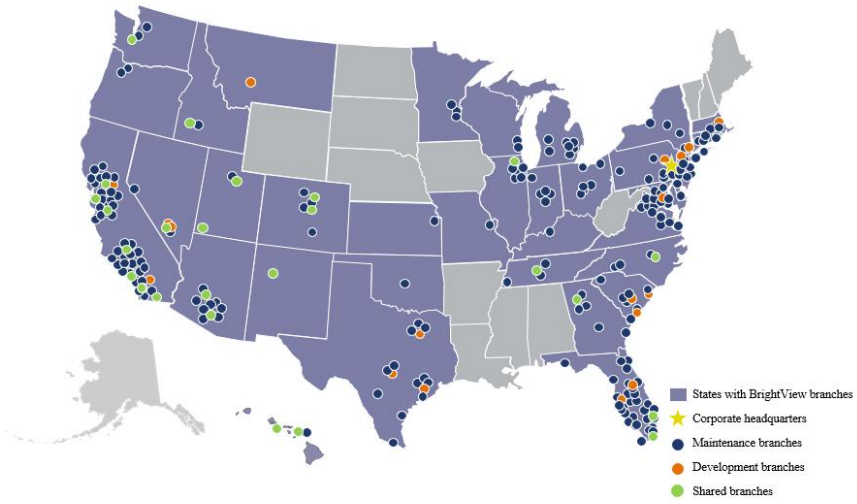


As the number one player in the highly attractive and growing $113 billion commercial landscape maintenance and snow removal market, we believe our size and scale present several compelling value propositions for our customers, and allow us to offer a single-source landscaping services solution to a diverse group of commercial customers across the United States. We serve a broad range of end market verticals, including corporate and commercial properties, Homeowners Associations (HOAs), public parks, hotels and resorts, hospitals and other healthcare facilities, educational institutions, restaurants and retail, and golf courses, among others. We are also the Official Field Consultant for Major League Baseball. Our diverse customer base includes approximately 11,700 office parks and corporate campuses, 10,000 residential communities, and 700 educational institutions. We believe that due to our geographic scale and breadth of service offerings, we are the only commercial landscaping services provider able to service clients whose geographically disperse locations require a broad range of landscaping services delivered consistently and with high quality. Our top ten customers accounted for approximately 9% of our fiscal 2024 revenues, with no single customer accounting for more than 3% of our fiscal 2024 revenues.

Our business model is characterized by stable, recurring revenues, a scalable operating model, strong operating margins, limited capital expenditures and low working capital requirements that together generate significant Free Cash Flow. For the year ended September 30, 2024, we generated net service revenues of $2,767.1 million, net income of $66.4 million and Adjusted EBITDA of $324.7 million, with a net income margin of 2.4% and an Adjusted EBITDA margin of 11.7%. For a reconciliation of Adjusted EBITDA and Adjusted EBITDA margin to their most directly comparable GAAP measures, see "Non-GAAP Financial Measures" in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our Operating Segments

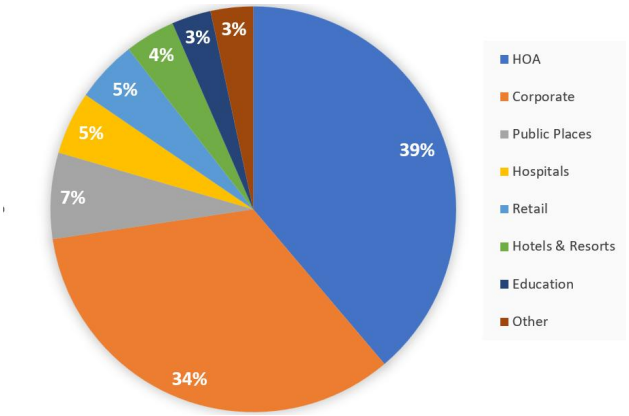
We deliver our broad range of services through two operating segments: Maintenance Services and Development Services. We serve a geographically diverse set of customers through our strategically located network of branches, as illustrated below.



Maintenance Services Overview

Our Maintenance Services segment delivers a full suite of recurring commercial landscaping services ranging from mowing, gardening, mulching and snow removal, to more horticulturally advanced services, such as water management, irrigation maintenance, tree care, golf course maintenance and specialty turf maintenance. Our maintenance services customers include Fortune 500 corporate campuses and commercial properties, HOAs, public parks, leading international hotels and resorts, airport authorities, municipalities, hospitals and other healthcare facilities, educational institutions, restaurants and retail, and golf courses, among others. The chart below illustrates the diversity of our Maintenance Services revenues:

2024 Maintenance Services Revenue by End Market [(1)]



[(1)] Reflects the fiscal year ended September 30, 2024.

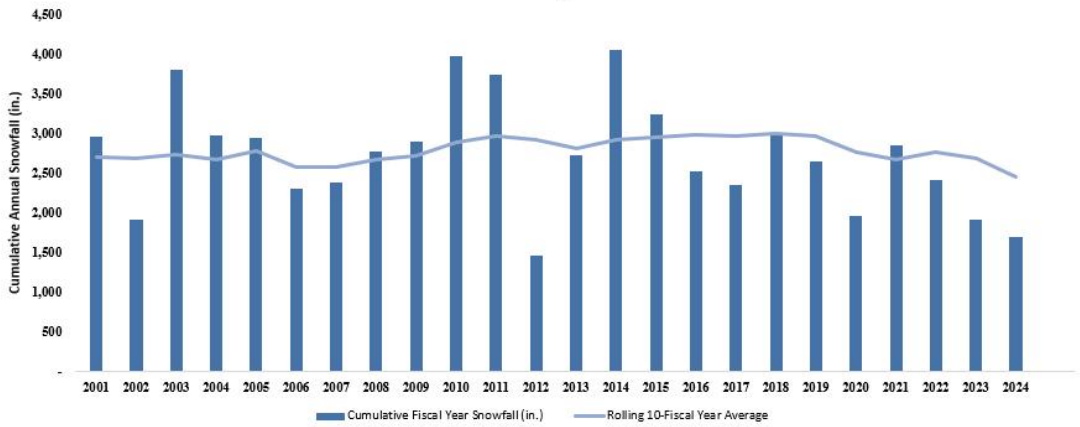
In addition to contracted maintenance services, we also have a strong track record of providing value-added landscape enhancements, defined as supplemental, non-contract specified maintenance or improvement services which are typically sold by our account managers to our maintenance services customers. These landscape enhancements typically have a predictable level of demand related to our amount of contracted revenue with a customer.

We have a strong maintenance presence in both evergreen and seasonal markets. Evergreen markets are defined as those which require year-round landscape maintenance.

In our seasonal markets, we are also a leading provider of snow removal services. These route-based snow removal services provide us with a valuable counter-seasonal source of revenues, allowing us to better utilize our crews and certain equipment during the winter months. Our capabilities as a rapid-response, reliable service provider further strengthens our relationships with our customers, all of which have an immediate and critical need for snow removal services. Property managers also enjoy several benefits by using the same service provider for snow removal and landscape maintenance services, including consistency of service, single-source vendor efficiency and volume discount savings. This allows us to actively maintain relationships with key customers in seasonal markets year-round. A portion of our snow removal business is contracted each year under fixed fee servicing arrangements that are subject to guaranteed minimum payments regardless of the season's snowfall.

The performance of our snow removal services business, however, is correlated with the amount of snowfall, the number of snowfall events and the nature of those events in a given season. We benchmark our performance against ten- and thirty-year averages, as annual snowfall amounts modulate around these figures.

Cumulative Annual Snowfall in BrightView Locations Over Time[1]



[1] Reflects cumulative annual snowfall at locations where BrightView has a presence.

For the year ended September 30, 2024, in Maintenance Services, we generated net service revenues of $1,964.0 million, including $220.8 million from snow removal services, and Segment Adjusted EBITDA of $279.7 million, with a Segment Adjusted EBITDA Margin of 14.2%.

Development Services Overview

Through our Development Services segment, we provide landscape architecture and development services for new facilities and significant redesign projects. Specific services include project design and management services, landscape architecture, landscape installation, irrigation installation, tree moving and installation, pool and water features and sports field services, among others. These complex and specialized offerings showcase our technical expertise across a broad range of end market verticals.

We perform our services across the full spectrum of project sizes, with landscape development projects generally ranging from $100,000 to over $10 million, with an average size of approximately $1.3 million.

Depending on the scope of the work, the contracts can vary in length from 2-3 months to up to 2-3 years. We largely self-perform our work, and we subcontract certain services where we have strategically decided not to allocate resources, such as fencing, lighting and parking lot construction. We believe that our capabilities as a single-source landscape development provider represent a point of comfort for our customers who can be certain that we are managing their landscape development project from inception to completion.

In our Development Services business, we are typically hired by general contractors with whom we maintain strong relationships as a result of our superior technical and project management capabilities. We believe the quality of our work is also well-regarded by our end-customers, some of whom directly request that their general contractors utilize our services when outsourcing their landscape development projects. Similar to our maintenance contracts, we leverage our proven cost estimation framework and proactive cost management tactics to optimize the profitability of the work we perform under fixed rate development contracts.

For the year ended September 30, 2024, in Development Services, we generated net service revenues of $808.8 million and Segment Adjusted EBITDA of $106.3 million, with a Segment Adjusted EBITDA Margin of 13.1%.

Our History

In 2013, affiliates of KKR acquired our predecessor business, Brickman Holding Group, Inc. In 2014, we acquired ValleyCrest Holding Co. ("ValleyCrest Acquisition") and changed our name to BrightView. As a result of the ValleyCrest Acquisition, BrightView nearly doubled in size and gained national coverage. Our predecessor companies have long histories in the landscaping industry, with Brickman Holding Group, Inc. founded in 1939 and ValleyCrest Holding Co. founded in 1949.

In July 2018, we completed the initial public offering of our common stock (the "IPO"). Our common stock trades on the New York Stock Exchange under the symbol "BV". Our principal executive offices are located at 980 Jolly Road, Suite 300, Blue Bell, Pennsylvania 19422.

In November 2023, the Company launched our One BrightView initiative to position ourselves for sustained profitable growth. Through this, BrightView has undergone an organizational transformation re-centered around a customer centric approach, investing in frontline employees, and streamlining our operating structure.

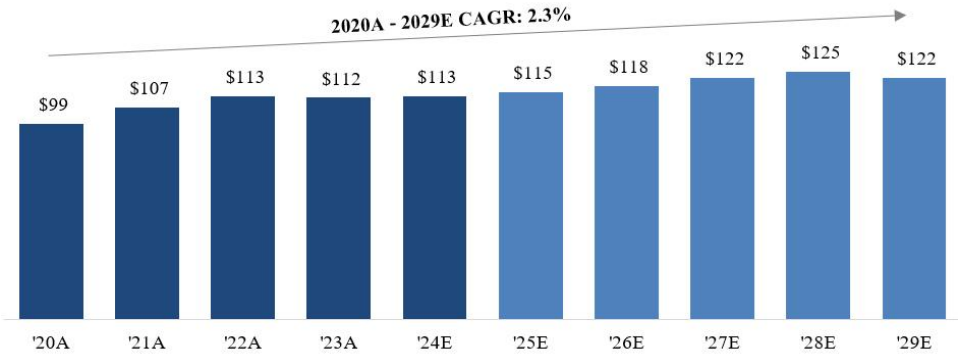
Market Opportunity

Commercial Landscaping Services Industry

The landscape services industry consists of landscape maintenance and development services, as well as a number of related ancillary services such as tree care and snow removal, for both commercial and residential customers. BrightView operates only within the commercial sectors of each of the landscape maintenance, landscape development and snow removal industries. In 2024, commercial landscape maintenance, including snow removal, represents an $113 billion industry that is characterized by a number of attractive market drivers. The industry benefits from commercial customers' need to provide consistently accessible and aesthetically-pleasing environments. Due to the essential and non-discretionary need of these recurring services, the commercial landscape maintenance services and snow removal services industries have exhibited, and are expected to continue to exhibit, stable and predictable growth.

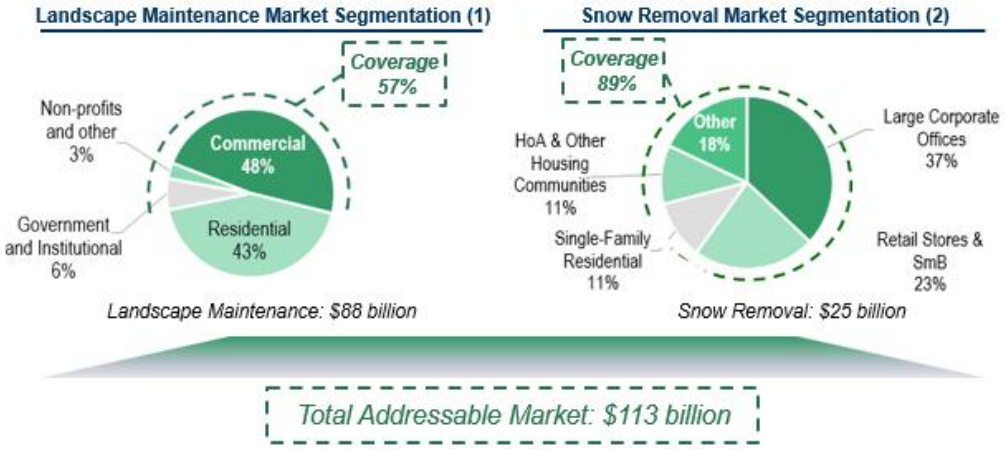
Highlighting the consistency of this growth, the combined industry is expected to grow at a 2.3% CAGR from 2020 through 2029, as depicted in the chart below:

Growth in the U.S. Commercial Landscaping and Snow Removal Services Industry (US$ in billions) [1]



[1] Source: IBISWORLD - Landscaping Services in the U.S (April 2024), IBISWorld - Snowplowing Services in the U.S (May 2024). Presents commercial landscaping services and commercial snowplowing services as a share of the overall U.S. market at rates constant with IBISWorld figures for 2024.

In addition to its stable characteristics, the industry is also highly fragmented. Despite being the largest provider of commercial landscaping services, we currently hold only a 1.7% market share, representing a significant opportunity for future consolidation. According to the 2024 IBISWorld Report, there are over 660,000 enterprises providing landscape maintenance services in the United States. The majority of industry participants are classified as sole proprietors, with a limited set of companies having the capabilities to deliver sophisticated, large-scale landscaping services or operate regionally or nationally. The chart below illustrates the segmentation of the landscape maintenance industry and highlights BrightView's coverage of the non-residential sectors of the industry:



(1)Source: IBISWorld-Landscaping Services in the U.S. (April 2024)
(2)Source: IBISWorld-Snowplowing Services in the U.S. (May 2024)

Steady growth in the commercial property markets has underpinned the commercial landscaping industry's growth. Unlike individual residential customers, HOAs and military housing managers possess the same sophistication and expectation of high-quality services as corporations, and thus are more inclined to outsource landscaping needs to professional, scaled companies.

Key Trends and Industry Drivers

We believe we are well-positioned to capitalize on the following key industry trends that are expected to drive stable and growing demand for our landscaping services:

- *Outsourcing.* To reduce expenditures and increase operational flexibility, businesses, institutions and governments are increasingly outsourcing non-core processes, such as landscape maintenance.
- *Sole-Sourcing.* An increasing number of businesses have made an effort to lower costs and improve quality through a reduction in the number of suppliers or service vendors they hire. Companies have begun to award "sole-source" contracts to full-service vendors who are able to meet expanded requirements.
- *Enhanced Quality Demands.* Customers are increasingly raising their expectations regarding the quality of the work performed by their landscape maintenance providers and on the variety of services offered. As demands continue to rise, market share will accrue to those providers who have the expertise, quality of service and institutional procedures to meet these enhanced expectations.
- *Increased Focus on Corporate Campus Environments.* Corporations have increasingly invested in creating a unique and welcoming atmosphere for employees, clients and tenants by enhancing their corporate campus environments. Irrespective of whether a headquarters or corporate campus is located in an urban area or suburban area, we believe that companies are increasingly viewing their exterior landscaping as a competitive differentiator and are making significant investments to create visually appealing outdoor spaces.

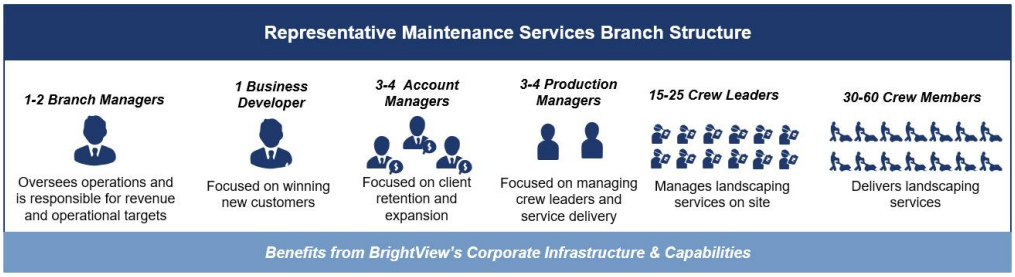
•*Growth of Private Non-residential Construction.* Over the next five years, the overall U.S. landscape maintenance industry is projected to be supported by rising construction and economic activity. According to the 2022 IBISWorld Report, private non-residential construction is forecasted to grow at an annualized rate of 1.3% over the five years leading to 2027. We believe growth in commercial construction promotes growth in commercial landscape maintenance and development services.

Organization

Our core operating strategy is to systematically deliver our services on a local level. Our organization is designed to allow our branch-level management teams to focus on identifying revenue opportunities and delivering high quality services to customers, with the support of a national organization to provide centralized core functions, such as human resources, procurement and other process-driven management functions.

Our maintenance services model is grounded in our branch network. For example, a representative maintenance services branch typically serves 25-100 customers across 50-250 sites, generating between $2 million and $22 million in annual revenues. Each branch is led by a branch manager, who focuses on performance drivers, such as customer satisfaction, crew retention, safety and tactical procurement. Branch managers are supported by production managers, who focus on managing crew leaders, and account managers, who focus on customer retention and sales of landscape enhancement services. Each branch is also supported by a dedicated business developer, who is focused on winning new customers at a local level. In addition to our network of branch managers, production managers and account managers, our platform is differentiated by a highly experienced team of operational senior vice presidents and vice presidents, organized regionally, with an average tenure of 18 years. These team members are responsible for leading, teaching and developing branch managers as well as maintaining adherence to key operational strategies. Our senior operating personnel also foster a culture of engagement and emphasize promotion from within, which has played a key role in making BrightView the employer of choice within the broader landscape maintenance industry.

Our scale supports centralizing key functions, which enables our branch, production and account managers to focus their efforts on fostering deep relationships with customers, delivering excellent service and finding new revenue opportunities. As branches grow and we win new business, our branch model is easily scalable within an existing, well-developed market-based management structure with supporting corporate infrastructure.



Our Development Services organization is centered around approximately 40 branch locations strategically located in large metropolitan areas with supportive demographics for growth and real estate development. Certain facilities used by our Development Services segment are shared or co-located with our Maintenance organization. Our Development Services branch network is supported by centralized support functions similar to our Maintenance Services organization.

Human Capital

Employees

As of September 30, 2024, we had a total of approximately 19,600 employees, including seasonal workers, consisting of approximately 19,100 full-time and approximately 500 part-time employees in our two business segments. The number of part-time employees varies significantly from time to time during the year due to seasonal and other operating requirements. We generally experience our highest level of employment during the spring and summer seasons, which correspond with our third and fourth fiscal quarters. The approximate number of full-time employees by segment, as of September 30, 2024, is as follows: Maintenance Services: 15,750; Development Services: 2,950. In addition, our corporate staff is approximately 400 employees. Approximately 5% of our employees are covered by collective bargaining agreements. We have not experienced any material interruptions of operations due to disputes with our employees and consider our relations with our employees to be satisfactory. Historically, we have used, and expect to

continue to use in the future, a U.S. government program that provides H-2B temporary, non-immigrant visas to foreign workers to help satisfy a portion of our need for seasonal labor in certain markets. We employed approximately 2,000 and 1,900 seasonal workers in 2024 and 2023, respectively, through the H-2B visa program.

Safety

We care about our employees and we believe that our commercial success is linked to a safe and healthy workforce. We strive for zero injuries and an incident-free workplace and have achieved significant progress towards this goal through risk reduction activities, including robust training, jobsite safety observations and pre-job safety briefings to raise awareness around workplace hazards and reduce employee exposure to hazardous conditions. Our care and concern for employee wellbeing is enhanced by the BrightView Landscapes Foundation, a nonprofit organization used to support employees during periods of personal and financial stress.

Total Rewards

Our total rewards philosophy is designed to offer compensation and benefits programs that enable us to attract, motivate, reward and retain high-caliber employees who are capable of creating and sustaining value for our stockholders over the long-term. We design our programs with a focus on being fair and competitive in order to appropriately reward employees for their contributions to our success. Our programs are structured to meet the diverse needs of our employees and their families. Among other things, we offer eligible employees comprehensive health and wellness plans, retirement savings plans, continuing education support, and the opportunity to earn short-term and long-term incentive awards.

Training

We are committed to fostering an engaged and skilled workforce that aligns with our company's long-term growth and performance goals. We have integrated microlearning modules and mobile platforms for accessible, on-the-go skill development, ensuring that all team members, from hourly employees to leadership, can continuously improve their capabilities. We remain committed to aligning our workforce's development with BrightView's strategic priorities.

Diversity, Equity and Inclusion

We are committed to creating and sustaining a diverse workplace that understands and values individual differences across demographics, experiences and perspectives. We want to ensure that collaborative and respectful business practices in a performance-based, supportive environment enable every employee to realize his/her/their career ambitions.

Competition

Although the United States landscaping, snow removal and landscape design and development industries have experienced some consolidation, there is significant competition in all the areas that we serve, and such competition varies across geographies. In our Maintenance Services segment, most competitors are smaller local and regional firms; however, we also face competition from other large national firms such as Yellowstone Landscape, Bartlett Tree Experts and HeartLand. In our Development Services segment, competitors are generally smaller local and regional firms. We believe that the primary competitive factors that affect our operations are quality, service, experience, breadth of service offerings and price. We believe that our ability to compete effectively is enhanced by the breadth of our services and the technological tools used by our teams as well as our nationwide reach.

Seasonality

Our services, particularly in our Maintenance Services segment, have seasonal variability such as increased mulching, flower planting and intensive mowing in the spring, leaf removal and cleanup work in the fall, snow removal services in the winter and potentially minimal mowing during drier summer months. This can drive fluctuations in revenue, costs and cash flows for interim periods.

We have a significant presence in our evergreen markets, which require landscape maintenance services year round. In our seasonal markets, which do not have a year-round growing season, the demand for our landscape maintenance services decreases during the winter months. Typically, our revenues and net income have been higher in the spring and summer seasons, which correspond with our third and fourth fiscal quarters. The lower level of activity in seasonal markets during our first and second fiscal quarters is partially offset by revenue from our snow removal services. Such seasonality causes our results of operations to vary from quarter to quarter.

Weather Conditions

Weather may impact the timing of performance of landscape maintenance and enhancement services and progress on development projects from quarter to quarter. Less predictable weather patterns, including snow events in the winter, hurricane-related cleanup in the summer and fall, and the effects of abnormally high rainfall or drought in a given market, can impact both our revenues and our costs, especially from quarter to quarter, but also from year to year in some cases. Extreme weather events such as hurricanes and tropical storms can result in a positive impact to our business in the form of increased enhancement services revenues related to cleanup and other services. However, such weather events may also negatively impact our ability to deliver our contracted services, sell and deliver enhancement services or impact the timing of performance.

In our seasonal markets, the performance of our snow removal services is correlated with the amount of snowfall, the number of snowfall events and the nature of those events in a given season. We benchmark our performance against ten-, fifteen-, and thirty-year averages.

Intellectual Property

We hold or have rights to use various service marks, trademarks and trade names we use in the operation of our businesses that are necessary to the operations of our businesses. As of September 30, 2024, we had a number of marks that were protected by registration (either by direct registration or by treaty) in the United States. Other than the BrightView brand, which includes our logo design, and the BrightView word mark, we do not consider our service marks, trademarks, or trade names to be material to the operations of our business.

Regulatory Overview

We are required to comply with various federal, state and local laws and regulations, which increases our operating costs, limits or restricts the services provided by our operating segments or the methods by which our operating segments offer, sell and fulfill those services or conduct their respective businesses, or subjects us to the possibility of regulatory actions or proceedings. Noncompliance with these laws and regulations can subject us to fines or various forms of civil or criminal prosecution, any of which could have a material adverse effect on our reputation, business, financial position, results of operations and cash flows.

These federal, state and local laws and regulations include laws relating to wage and hour, immigration, permitting and licensing, workers' safety, tax, healthcare reforms, collective bargaining and other labor matters, environmental, federal motor carrier safety, employee benefits and privacy and customer data security. We must also meet certain requirements of federal and state transportation agencies, including requirements of the U.S. Department of Transportation and Federal Motor Carrier Safety Administration, with respect to certain types of vehicles in our fleets. We are also regulated by federal, state and local laws, ordinances and regulations which are enforced by Departments of Agriculture, environmental regulatory agencies and similar government entities.

Employee and Immigration Matters

We are subject to various federal, state and local laws and regulations governing our relationship with and other matters pertaining to our employees, including regulations relating to wage and hour, health insurance, working conditions, safety, citizenship or work authorization and related requirements, insurance and workers' compensation, anti-discrimination, collective bargaining and other labor matters.

We are also subject to the regulations of U.S. Immigration and Customs Enforcement ("ICE"), and we are audited from time to time by ICE for compliance with work authorization requirements. In addition, some states in which we operate have adopted immigration employment protection laws. Even if we operate in strict compliance with ICE and state requirements, some of our employees may not meet federal work eligibility or residency requirements, despite our efforts and without our knowledge, which could lead to a disruption in our work force.

Environmental Matters

Our businesses are subject to various federal, state and local laws and regulations regarding environmental, health and safety matters, including the Comprehensive Environmental Response, Compensation and Liability Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Emergency Planning and Community Right-to-Know Act, the Oil Pollution Act and the Clean Water Act, each as amended. Among other things, these laws and regulations regulate the emission or discharge of materials into the environment, govern the use, storage, treatment, disposal, handling and management of hazardous substances and wastes and the registration, use, notification and labeling of pesticides, herbicides and fertilizers, and protect the health and safety of our employees. These laws also impose liability for the costs of investigating and remediating, and damages resulting from, present and past releases of hazardous substances, including releases by us or prior owners or operators, at sites we currently own, lease or operate, customer sites or third-party sites to which we sent hazardous substances. During fiscal 2024, there were no material capital expenditures for environmental control facilities.

There are a number of proposed and pending rules and regulations relating to climate-related disclosures that we will be subject to if such rules become effective and survive pending legal challenges. For example, on March 6, 2024, the SEC adopted a final rule requiring public companies to include various climate-related disclosures in certain documents filed with the SEC, including climate-related financial statement metrics, greenhouse gas emissions and climate related targets and goals, and management's role in managing material climate-related risks. A number of state legislators and regulators have adopted or are currently considering proposing or adopting other rules, regulations, directives, initiatives and laws requiring climate-related disclosures or limiting (or affirmatively requiring) certain climate-related conduct, including California laws S.B. 253, S.B. 261 and A.B. 1305. The Company is monitoring the status of such regulations.

Information Technology

We have invested in technology designed to accelerate business performance, enhancing our ability to support standard processes while retaining local and regional flexibility. We believe these investments position BrightView at the forefront of technology within the commercial landscaping industry, enabling us to drive operational efficiencies throughout the business. Our IT systems allow us to provide a high level of convenience and service to our customers, representing a competitive advantage that is difficult to replicate for less technologically sophisticated competitors.

As an example, our proprietary, BrightView Connect application allows customers to submit service requests and landscape pictures directly to their account manager and field team, ensuring that specific service needs are accurately delivered in a timely and efficient manner. Similarly, our mobile quality site assessment application, which is designed for account managers to capture and annotate customer feedback, provides us with the ability to "walk the site" with our customers, confirm our understanding of their needs and highlight future enhancement opportunities. These solutions are components of our integrated Customer Relationship Management (CRM) system for account managers in the Maintenance Services segment. Among other benefits, the CRM system is accessible on mobile devices and enables account managers to spend more time with their customers, enhancing the quality of those relationships and supporting long-term customer retention.

We have also made significant investments in our internal IT infrastructure, such as migrating to a consolidated enterprise resource planning system and enabling shared services for accounts payable, accounts receivable and payroll. Additionally, we have implemented an electronic time capture system, or ETC, for our crew leaders and supervisors in the field. ETC not only provides accurate information for compliance and payroll purposes, but also enables our leadership with granular, analytical insights into job costing and crew productivity.

For information on our cyber risk management and response strategies, see Part I. Item 1C. "Cybersecurity" below.

Sales and Marketing

Our sales and marketing efforts are focused on both developing new customers and increasing penetration at existing customers. We primarily sell our services to businesses, commercial property managers, general contractors and landscape architects through our professionally trained core sales force. We have a field-based sales approach driven by our growing team of more than 200 business developers that are focused on winning new customers at a local level. We also have a separate 34-member sales team that is focused on targeting and capturing high-value, high-margin opportunities, including national accounts. Within our Maintenance Services segment, every customer relationship is maintained by one of our more than 665+ branch-level account managers, who are responsible for ensuring customer satisfaction, tracking service levels, promoting enhancement services and driving contract renewals. We believe our decentralized approach to customer acquisition and management facilitates a high-level of customer service as local managers are empowered and incentivized to better serve customers and grow their respective businesses.

Our marketing department is also integral to our strategy and helps drive business growth, retention and brand awareness through marketing and communications efforts, including promotional materials, marketing programs, and advertising; digital marketing, including search engine optimization and website development; and trade shows and company-wide public relations activities. Our field marketing teams focus at the branch level to make our corporate marketing strategies more localized. Given the local nature of our operations, we believe that a sizeable amount of our new sales are also driven by customer referrals which stem from our strong reputation, depth of customer relationships and quality of work.

Fleet

Our highly visible fleet of approximately 15,500 trucks and trailers foster the strong brand equity associated with BrightView. We manage our fleet with a dedicated centralized team, as well as regional equipment managers, who together focus on compliance, maintenance, asset utilization and procurement. We believe we have the largest fleet of vehicles in the commercial landscape maintenance industry.

Sourcing and Suppliers

Our size and broad national network make us an attractive partner for many industry-leading manufacturers and suppliers, which has allowed us to maintain strong, long-term relationships with our supply base.

We source our equipment, supplies and other related materials and products from a range of suppliers, including landscaping equipment companies, suppliers of fertilizer, seed, chemicals and other agricultural products, irrigation equipment manufacturers, and a variety of suppliers who specialize in nursery goods, outdoor lighting, hardscapes and other landscaping products.

We generally procure our products through purchase orders rather than under long-term contracts with firm commitments. We work to develop strong relationships with a select group of suppliers that we target based on a number of factors, including brand and market recognition, price, quality, product support and service, service levels, delivery terms and their strategic positioning.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). Our SEC filings are available to the public over the internet at the SEC's website at *https://www.sec.gov*. Our SEC filings are also available on our website at *https://www.brightview.com* as soon as reasonably practicable after they are filed with or furnished to the SEC.

From time to time, we may use press releases or our website as a distribution channel of material company information. Financial and other important information regarding our company is routinely accessible through and posted on our website at *https://investor.brightview.com*. In addition, you may automatically receive email alerts and other information about us when you enroll your email address by visiting the Email Alerts section at *https://investor.brightview.com*. Our website and the information contained on or connected to that site are not incorporated into this Annual Report on Form 10-K.

Item 1A. Risk Factors

You should carefully consider the following risk factors as well as the other information included in this Form 10-K, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes thereto. Any of the following risks could materially and adversely affect our business, financial condition, or results of operations. The selected risks described below, however, are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition, or results of operations.

Risks Related to Our Business

Our industry and the markets in which we operate are highly competitive and increased competitive pressures could reduce our share of the markets we serve and adversely affect our business, financial position, results of operations and cash flows.

We operate in markets with relatively few large competitors, but barriers to entry in the landscape services industry are generally low, which has led to highly competitive markets consisting of entities ranging from small or local operators to large regional businesses, as well as potential customers that choose not to outsource their landscape maintenance services. Any of our competitors may foresee the course of market development more accurately than we do, provide superior service, have the ability to deliver similar services at a lower cost, develop stronger relationships with our customers and other consumers in the landscape services industry, adapt more quickly to evolving customer requirements, devote greater resources to the promotion and sale of their services or access financing on more favorable terms than we can obtain. In addition, while regional competitors may be smaller than we are, some of these businesses may have a greater presence than we do in a particular market. As a result of any of these factors, we may not be able to compete successfully with our competitors, which could have an adverse effect on our business, financial position, results of operations and cash flows.

Our customers consider the quality and differentiation of the services we provide, our customer service, and price when deciding whether to use our services. As we have worked to establish ourselves as leading, high-quality providers of landscape maintenance and development services, we compete predominantly on the basis of high levels of service and strong relationships. We may not be able to, or may choose not to, compete with certain competitors on the basis of price and accordingly, some of our customers may switch to lower cost services providers or perform such services themselves. If we are unable to compete effectively with our existing competitors, or new competitors enter the markets in which we operate, or our current customers choose to discontinue landscape maintenance services, our financial position, results of operations and cash flows may be materially and adversely affected.

In addition, our former employees may start landscape services businesses similar to ours and compete directly with us. While our employees customarily sign non-competition agreements, such agreements do not fully protect us against competition from former employees and may not be enforceable depending on applicable law and/or circumstances, including the rules approved by the Federal Trade Commission banning non-competition agreements, which at the time of the filing of this Form 10-K are unenforceable due to ongoing litigation. Consequently, we cannot predict with certainty whether, if challenged, a court will enforce any particular non-competition agreement. Any increased competition from businesses started by former employees may reduce our market share and adversely affect our business, financial position, results of operations and cash flows.

Our business success depends on our ability to preserve long-term customer relationships.

Our success depends on our ability to retain our current customers, renew our existing customer contracts and obtain new business. Our ability to do so generally depends on a variety of factors, including the quality, price and responsiveness of our services, as well as our ability to market these services effectively and differentiate ourselves from our competitors. We largely seek to differentiate ourselves from our competitors on the basis of high levels of service, breadth of service offerings and strong relationships and may not be able to, or may choose not to, compete with certain competitors on the basis of price. There can be no assurance that we will be able to obtain new business, renew existing customer contracts at the same or higher levels of pricing or that our current customers will not elect to self-operate or terminate contracts with us. In our Maintenance Services segment, we primarily provide services pursuant to agreements that are cancelable by either party upon 30-days' notice. Consequently, our customers can unilaterally terminate all services pursuant to the terms of our service agreements, without penalty.

We may be adversely affected if customers reduce their outsourcing.

Our business and growth strategies benefit from customers and prospective customers continuing to outsource services. Customers will outsource if they perceive that outsourcing may provide quality services at a lower overall cost and permit them to focus on their core business activities. We cannot be certain that customers that have outsourced functions will not decide to perform these functions themselves. If a significant number of our existing customers reduced their outsourcing and elected to perform the services themselves, such loss of customers could have a material adverse impact on our business, financial position, results of operations and cash flows.

Because we operate our business through dispersed locations across the United States, our operations may be materially adversely affected by inconsistent practices and the operating results of individual branches may vary.

We operate our business through a network of dispersed locations throughout the United States, supported by corporate executives and certain centralized services in our headquarters, with local branch management retaining responsibility for day-to-day operations. Our operating structure could make it difficult for us to coordinate procedures across our operations in a timely manner or at all, and certain of our branches may require significant oversight and coordination from headquarters to support their growth. In addition, the operating results of an individual branch may differ from that of another branch for a variety of reasons, including market size, management practices, competitive landscape, regulatory requirements and local economic conditions. Inconsistent or incomplete implementation of corporate strategy and policies at the local level could materially and adversely affect our business, financial position, results of operations and cash flows.

We may not successfully implement our business strategies, including achieving our growth objectives.

We may not be able to fully implement our business strategies or realize, in whole or in part within the expected time frames, the anticipated benefits of our various growth or other initiatives. Our various business strategies and initiatives, including our growth, operational and management initiatives, are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control. The execution of our business strategy and our financial performance will continue to depend in significant part on our executive management team and other key management personnel, our ability to identify and complete suitable acquisitions and our executive management team's ability to execute new operational initiatives. In addition, we may incur certain costs as we pursue our growth, operational and management initiatives, and we may not meet anticipated implementation timetables or stay within budgeted costs. As these initiatives are undertaken, we may not fully achieve our expected efficiency improvements or growth rates, or these initiatives could adversely impact our customer retention, supplier relationships or operations. Also, our business strategies may change from time to time in light of our ability to implement our business initiatives, competitive pressures, economic uncertainties or developments, or other factors.

Future acquisitions or other strategic transactions could negatively impact our reputation, business, financial position, results of operations and cash flows.

We have acquired businesses in the past and expect to continue to acquire businesses or assets in the future. However, there can be no assurance that we will be able to identify and complete suitable acquisitions. For example, due to the highly fragmented nature of our industry, it may be difficult for us to identify potential targets with revenues sufficient to justify taking on the risks associated with pursuing the acquisition of such targets. The failure to identify suitable acquisitions and successfully integrate these acquired businesses may limit our ability to expand our operations and could have an adverse effect on our business, financial position and results of operations.

In addition, acquired businesses may not perform in accordance with expectations, and our business judgments concerning the value, strengths and weaknesses of acquired businesses may not prove to be correct. We may also be unable to achieve expected improvements or achievements in businesses that we acquire. The process of integrating an acquired business may create unforeseen difficulties and expenses, including the diversion of management's attention or resources away from our operations; the inability to retain employees, customers and suppliers; difficulties implementing our strategy at the acquired business; the assumption of actual or contingent liabilities (including those relating to the environment); failure to effectively and timely adopt and adhere to our internal control processes, accounting systems and other policies; write-offs or impairment charges relating to goodwill and other intangible assets; unanticipated liabilities relating to acquired businesses; and potential expenses associated with litigation with sellers of such businesses.

If management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, we may not be able to realize anticipated benefits and revenue opportunities resulting from acquisitions and our business could suffer. Although we conduct due diligence investigations prior to each acquisition, there can be no assurance that we will discover or adequately protect against liabilities of an acquired business for which we may be responsible as a successor owner or operator.

In connection with our acquisitions, we generally require that key management and former principals of the businesses we acquire enter into non-competition agreements in our favor. Enforceability of these non-competition agreements varies from state to state, and may depend on the relevant facts and circumstances, including the rules approved by the Federal Trade Commission banning non-competition agreements, which are currently unenforceable due to ongoing litigation. Consequently, we cannot predict with certainty whether, if challenged, a court will enforce any particular non-competition agreement. Increased competition could materially and adversely affect our business, financial position, results of operations and cash flows.

Seasonality affects the demand for our services and our results of operations and cash flows.

The demand for our services and our results of operations are affected by the seasonal nature of our landscape maintenance services in certain regions. In geographies that do not have a year-round growing season, the demand for our landscape maintenance services decreases during the winter months. Typically, our revenues and net income have been higher in the spring and summer seasons, which correspond with our third and fourth fiscal quarters. The lower level of activity in seasonal markets during our first and second fiscal quarters is partially offset by revenue from our snow removal services. In our Development Services segment, we typically experience lower activity levels during the winter months. Such seasonality causes our results of operations to vary from quarter to quarter. Due to the seasonal nature of the services we provide, we also experience seasonality in our employment and working capital needs. Our employment and working capital needs generally correspond with the increased demand for our services in the spring and summer months and employment levels and operating costs are generally at their highest during such months. Consequently, our results of operations and financial position can vary from year-to-year, as well as from quarter-to-quarter. If we are unable to effectively manage the seasonality and year-to-year variability, our results of operations, financial position and cash flow may be adversely affected.

Our operations are impacted by weather conditions and climate change.

We perform landscape services, the demand for which is affected by weather conditions, including impacts from climate change, droughts, severe storms, significant rain or snowfall and other severe weather conditions or events (including hurricanes and wildfires), all of which may impact the timing and frequency of the performance of our services, or our ability to perform the services at all. For example, severe weather conditions, such as excessive heat or cold, may result in maintenance services being omitted for part of a season or beginning or ending earlier than anticipated, which could result in lost revenues or require additional services to be performed for which we may not receive corresponding incremental revenues. Variability in the frequency of which we must perform our services can affect the margins we realize on a given contract.

Certain extreme weather events, such as hurricanes and tropical storms, can result in increased revenues related to cleanup and other services. However, such weather events may also impact our ability to deliver our contracted services or cause damage to our facilities or equipment. These weather events can also result in higher fuel costs, higher labor costs and shortages of raw materials and products. As a result, a perceived earnings benefits related to extreme weather events may be moderated. Droughts could cause shortages in the water supply and governments may impose limitations on water usage, which may change customer demand for landscape maintenance and irrigation services. There is a risk that demand for our services will change in ways that we are unable to predict.

Climate change may increase in the frequency, duration and severity of extreme weather events and make weather patterns change or more difficult to predict. Such changes may impede our ability to provide services or make it difficult for us to anticipate customer demand. The uncertainties caused by weather conditions could negatively impact our ability to execute on our business strategy, which in turn could harm our business, financial condition, and results of operations.

If we are unable to accurately estimate the overall risks, requirements or costs when we bid on or negotiate contracts that are ultimately awarded to us, we may achieve lower than anticipated profits or incur contract losses.

A significant portion of our contracts are subject to competitive bidding and/or are negotiated on a fixed- or capped-fee basis for the services covered. Such contracts generally require that the total amount of work, or a specified portion thereof, be performed for a single price irrespective of our actual costs. If our cost estimates for a contract are inaccurate, or if we do not execute the contract within our cost estimates, then cost overruns may cause the contract not to be as profitable as we expected or could cause us to incur losses.

Our landscape development services have been, and in the future may be, adversely impacted by fluctuations or declines in the new commercial construction sector, as well as in spending on repair and upgrade activities. Such variability in this part of our business could result in lower revenues and reduced cash flows and profitability.

With respect to our Development Services segment, a significant portion of our revenues are derived from development activities associated with new commercial real estate development, including hospitality and leisure, which has experienced periodic declines, some of which have been severe, including sustained declines associated with the COVID-19 pandemic. The strength of these markets depends on, among other things, housing starts, local occupancy rates, demand for commercial space, increased adoption of remote-working arrangements, non-residential construction spending activity, business investment and general economic conditions, which are a function of many factors beyond our control, including interest rates, employment levels, availability of credit, consumer spending,

consumer confidence and capital spending. During a downturn in the commercial real estate development industry, customers may decrease their spending on landscape development services by generally reducing the size and complexity of their new landscaping development projects. Additionally, when interest rates rise, there may be a decrease in the spending activities of our current and potential Development Services customers. Fluctuations in commercial real estate development markets could have an adverse effect on our business, financial position, results of operations or cash flows.

Our results of operations for our snow removal services depend primarily on the level, timing and location of snowfall. As a result, a decline in frequency or total amounts of snowfall in multiple regions for an extended time could cause our results of operations to decline and adversely affect our ability to generate cash flows.

As a provider of snow removal services, our revenues are impacted by the frequency, amount, timing and location of snowfall in the regions in which we offer our services. A high number of snowfalls in a given season generally has a positive effect on the results of our operations. However, snowfall in the months of March, April, October and/or November could have a potentially adverse effect on ordinary course maintenance landscape services typically performed during those periods. A low level or lack of snowfall in any given year in any of the snow-belt regions in North America (primarily the Midwest, Mid-Atlantic and Northeast regions of the United States) or a sustained period of reduced snowfall events in one or more of the geographic regions in which we operate will likely cause revenues from our snow removal services to decline in such year, which in turn may adversely affect our revenues, results of operations and cash flow. The regions that we service averaged 1,695 inches of annual snowfall in calendar year 2023, 1,913 inches of annual snowfall in calendar year 2023, and 2,049 inches of annual snowfall in calendar year 2022. In the past ten-, fifteen- and thirty-year periods, the regions that we service have averaged 2,456 inches, 2,702 inches, and 2,687 inches of annual snowfall, respectively. However, there can be no assurance that these regions will receive seasonal snowfalls near their historical average in the future. Variability in the frequency and timing of snowfalls creates challenges associated with budgeting and forecasting for the Maintenance Services segment. Additionally, the effects of climate change may impact the frequency and total amounts of future snowfall, which could have a material adverse effect on our revenues, results of operations and cash flow.

Our success depends on our executive management and other key personnel.

Our future success depends to a significant degree on the skills, experience and efforts of our executive management and other key personnel and their ability to provide us with uninterrupted leadership and direction. From time to time, there may be changes in our senior management team resulting from the hiring or departure of executives. Since the beginning of calendar year 2022, we have hired a new Chief Executive Officer and Chief Financial Officer, among other leadership changes. The failure to retain our executive officers and other key personnel or a failure to provide adequate succession plans could have an adverse impact. The availability of highly qualified talent is limited, and the competition for talent is robust. A failure to efficiently or effectively replace executive management members or other key personnel and to attract, retain and develop new qualified personnel could have an adverse effect on our operations and implementation of our strategic plan.

Our future success depends on our ability to attract, retain and maintain positive relations with workers.

Our future success and financial performance depend substantially on our ability to attract, train and retain hourly and field workers, as well as trained workers, including account, branch and regional management personnel. The landscape services industry is labor intensive, and industry participants, including us, experience high turnover rates among hourly workers and competition for qualified supervisory personnel. In addition, we, like many landscape service providers who conduct a portion of their operations in seasonal climates, employ a portion of our field personnel for only part of the year. In addition, general labor shortages, a high turnover rate and difficulty in recruiting and retaining qualified employees at any level of our organization could result in delays in our services.

The competition for talent and labor in general is currently extremely high. In this competitive environment, our business could be adversely impacted by increases in labor costs, which may include increases in wages and benefits necessary to attract and retain high quality employees with the right skill sets, increases triggered by regulatory actions regarding wages, scheduling and benefits, and increases in health care and workers' compensation insurance costs. In light of the current challenging labor market conditions, our wages and benefits programs and any steps we take to increase our wages and benefits, may be insufficient to attract and retain talent at all levels of our organization. Any increase in labor costs due to minimum wage laws or customer requirements about scheduling and overtime that we are unable to pass on to our customers could materially adversely affect our business, financial condition, and results of operations. Existing labor shortages, and our inability to attract employees to maintain a qualified workforce, could adversely affect our production and our overall business and financial performance.

We have historically relied on the H-2B visa program to bring workers to the United States on a seasonal basis. We employed approximately 2,000 seasonal workers in fiscal year 2024 and approximately 1,900 seasonal workers in fiscal year 2023 through the H-2B visa program. If we are unable to hire sufficient numbers of seasonal workers, through the H-2B visa program or otherwise, we may experience a labor shortage. In the event of a labor shortage, whether related to seasonal or permanent staff, we could experience difficulty in delivering our services in a high-quality or timely manner and could experience increased recruiting, training and wage costs in order to attract and retain employees, which would result in higher operating costs and reduced profitability.

As of September 30, 2024, we had approximately 19,600 employees, approximately 5% of which are represented by a union pursuant to collective bargaining agreements. If a significant number of our employees were to attempt to unionize, and/or successfully unionized, including in the wake of any future legislation that makes it easier for employees to unionize, our business could be negatively affected. Any inability by us to negotiate collective bargaining arrangements could result in strikes or other work stoppages disrupting

our operations, and new union contracts could increase operating and labor costs. If these labor organizing activities were successful, it could further increase labor costs, decrease operating efficiency and productivity in the future, or otherwise disrupt or negatively impact our operations. Moreover, certain of the collective bargaining agreements we participate in require periodic contributions to multiemployer defined benefit pension plans. Our required contributions to these plans could increase because of a shrinking contribution base as a result of the insolvency or withdrawal of other companies that currently contribute to these plans, the inability or failure of withdrawing companies to pay their withdrawal liability, low interest rates, lower than expected returns on pension fund assets or other funding deficiencies. Additionally, in the event we were to withdraw from some or all of these plans as a result of our exiting certain markets or otherwise, and the relevant plans are underfunded, we may become subject to a withdrawal liability. The amount of these required contributions may be material.

Our business could be adversely affected by a failure to properly verify the employment eligibility of our employees.

We use the U.S. government's "E-Verify" program to verify employment eligibility for all new employees throughout our company. However, use of E-Verify does not guarantee that we will successfully identify all applicants who are ineligible for employment. Although we use E-Verify and require all new employees to provide us with government-specified documentation evidencing their employment eligibility, some of our employees may, without our knowledge, be unauthorized workers. The employment of unauthorized workers may subject us to fines or penalties, and adverse publicity that negatively impacts our reputation and may make it more difficult to hire and keep qualified employees. We are subject to regulations of U.S. Immigration and Customs Enforcement, or ICE, and we are audited from time to time by ICE for compliance with work authentication requirements. While we believe we are in compliance with applicable laws and regulations, if we are found not to be in compliance as a result of any audits, we may be subject to fines or other remedial actions. See "Business—Regulatory Overview—Employee and Immigration Matters."

Termination of a significant number of employees in specific markets or across our company due to work authorization or other regulatory issues would disrupt our operations, and could also cause adverse publicity and temporary increases in our labor costs as we train new employees. We could also become subject to fines, penalties and other costs related to claims that we did not fully comply with all recordkeeping obligations of federal and state immigration compliance laws. Our reputation and financial performance may be materially harmed as a result of any of these factors. Furthermore, immigration laws have been an area of considerable political focus in recent years, and the U.S. Congress and the Executive Branch of the U.S. government from time to time consider or implement changes to federal immigration laws, regulations or enforcement programs. Further changes in immigration or work authorization laws may increase our obligations for compliance and oversight, which could subject us to additional costs and potential liability and make our hiring process more cumbersome, or reduce the availability of potential employees.

Our use of subcontractors to perform work under certain customer contracts exposes us to liability and financial risk.

In our Development Services segment and through our qualified service partner network in our Maintenance Services segment, we use subcontractors to perform work in situations in which we are not able to self-perform such work. If we are unable to hire qualified subcontractors, our ability to successfully complete a project or perform services could be impaired. If we are not able to locate qualified third-party subcontractors or the amount we are required to pay for subcontractors exceeds what we have estimated, we could incur losses or realize lower than expected margins. We may not have direct control over our subcontractors, and although we have in place controls and programs to monitor the work of our subcontractors, there can be no assurance that these programs will have the desired effect. The actual or alleged failure to perform or negligence of a subcontractor may damage our reputation or expose us to liability, which could impact our results of operations. Furthermore, if our subcontractors are unable to cover the cost of damages or physical injuries caused by their actions, whether through insurance or otherwise, we may be held liable for such costs.

A significant portion of our assets consists of goodwill and other intangible assets, the value of which may be reduced if we determine that these assets are impaired.

Accounting for our numerous historical transactions has resulted in the generation of various amounts of goodwill. Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the tangible and identifiable intangible assets acquired, liabilities assumed and any non-controlling interest. Intangible assets, including goodwill, are assigned to our segments based upon their fair value at the time of acquisition. In accordance with accounting principles generally accepted in the United States of America ("GAAP"), goodwill and indefinite lived intangible assets are evaluated for impairment annually, or more frequently if circumstances indicate impairment may have occurred. As of September 30, 2024, the net carrying value of goodwill and other intangible assets, net, represented $2,111.5 million, or 62% of our total assets. A future impairment, if any, could have a material adverse effect to our financial position or results of operations. See Note 7 "Intangible Assets, Goodwill, Acquisitions, and Divestitures" to our audited consolidated financial statements included in Part II. Item 8 of this Form 10-K for additional information related to impairment testing for goodwill and other intangible assets and the associated charges taken.

If we fail to comply with requirements imposed by applicable law or other governmental regulations, we could become subject to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business.

We are subject to governmental regulation at the federal, state, and local levels in many areas of our business, such as employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, transportation laws, environmental laws, false claims or whistleblower statutes, disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, intellectual property laws, government-funded entitlement programs and cost and accounting principles, the Foreign Corrupt Practices

Act, other anti-corruption laws, lobbying laws, motor carrier safety laws and data privacy and security laws. We may be subject to review, audit or inquiry by applicable regulators from time to time.

While we attempt to comply with all applicable laws and regulations, there can be no assurance that we are in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times or that we will be able to comply with any future laws, regulations or interpretations of these laws and regulations. If we fail to comply with applicable laws and regulations, including those referred to above, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, disgorgements or the loss of the ability to operate our motor vehicles. The cost of compliance or the consequences of non-compliance could have a material adverse effect on our business and results of operations. In addition, government agencies may make changes in the regulatory frameworks within which we operate that may require either the corporation as a whole or individual businesses to incur substantial increases in costs in order to comply with such laws and regulations.

Compliance with environmental, health and safety laws and regulations, including laws pertaining to the use of pesticides, herbicides and fertilizers, or liabilities thereunder, as well as the risk of potential litigation, could result in significant costs that adversely impact our reputation, business, financial position, results of operations and cash flows.

We are subject to a variety of federal, state and local laws and regulations relating to environmental, health and safety matters. In particular, in the United States, products containing pesticides generally must be registered with the U.S. Environmental Protection Agency, or EPA, and similar state agencies before they can be sold or applied. The pesticides we use are manufactured by independent third parties and are evaluated by the EPA as part of its ongoing exposure risk assessment and may be subject to similar evaluation by similar state agencies. The EPA, or similar state agencies, may decide that a pesticide we use will be limited or will not be re-registered for use in the United States. We cannot predict the outcome or the severity of the effect of the EPA's, or a similar state agency's, continuing evaluations. The failure to obtain or the cancellation of any such registration, or the partial or complete ban of such pesticides, could have an adverse effect on our business, the severity of which would depend on the products involved, whether other products could be substituted and whether our competitors were similarly affected.

The use of certain pesticides, herbicides and fertilizer products is also regulated by various federal, state and local environmental and public health and safety agencies. These regulations may require that only certified or professional users apply the product or that certain products only be used on certain types of locations. These laws may also require users to post notices on properties at which products have been or will be applied, notification to individuals in the vicinity that products will be applied in the future, or labeling of certain products or may restrict or ban the use of certain products. We can give no assurance that we can prevent violations of these or other regulations from occurring. Even if we are able to comply with all such regulations and obtain all necessary registrations and licenses, we cannot assure you that the pesticides, herbicides, fertilizers or other products we apply, or the manner in which we apply them, will not be alleged to cause injury to the environment, to people or to animals, or that such products will not be restricted or banned in certain circumstances. For example, we could be named in or subject to personal injury claims stemming from alleged environmental torts, similar to those that have been brought against certain manufacturers of herbicides. The costs of compliance, consequences of non-compliance, remediation costs and liabilities, unfavorable public perceptions of such products or products liability lawsuits could have a material adverse effect on our reputation, business, financial position, results of operations and cash flows.

In addition, federal, state and local agencies regulate the use, storage, treatment, disposal, handling and management of hazardous substances and wastes, emissions or discharges from our facilities or vehicles and the investigation and clean-up of contaminated sites, including our sites, customer sites and third-party sites to which we send wastes. We could incur significant costs and liabilities, including investigation and clean-up costs, fines, penalties and civil or criminal sanctions for non-compliance and claims by third parties for property and natural resource damage and personal injury under these laws and regulations. If there is a significant change in the facts or circumstances surrounding the assumptions upon which we operate, or if we are found to violate, or be liable under, applicable environmental and public health and safety laws and regulations, it could have a material adverse effect on future environmental capital expenditures and other environmental expenses and on our reputation, business, financial position, results of operations and cash flows. In addition, potentially significant expenditures could be required to comply with environmental laws and regulations, including requirements that may be adopted or imposed in the future.

Adverse litigation judgments or settlements resulting from legal proceedings relating to our business operations could materially adversely affect our business, financial position and results of operations.

From time to time, we are subject to allegations, and may be party to legal claims and regulatory proceedings, relating to our business operations. Such allegations, claims or proceedings may, for example, relate to personal injury, property damage, general liability claims relating to properties where we perform services, vehicle accidents involving our vehicles and our employees, regulatory issues, contract disputes or employment matters and may include class actions. Such allegations, claims and proceedings have been and may be brought by third parties, including our customers, employees, governmental or regulatory bodies or competitors. Defending against these and other such claims and proceedings is costly and time consuming and may divert management's attention and personnel resources from our normal business operations, and the outcome of many of these claims and proceedings cannot be predicted. If any of these claims or proceedings were to be determined adversely to us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, our business, financial position and results of operations could be materially adversely affected.

Currently, we carry a broad range of insurance for the protection of our assets and operations. However, such insurance may not fully cover all material expenses related to potential allegations, claims and proceedings, or any adverse judgments, fines or settlements resulting therefrom, as such insurance programs are often subject to significant deductibles or self-insured retentions or may not cover certain types of claims. In addition, we self-insure with respect to certain types of claims. To the extent we are subject to a higher frequency of claims, are subject to more serious claims or insurance coverage is not available, our liquidity, financial position and results of operations could be materially adversely affected.

We are also responsible for our legal expenses relating to such claims. We reserve currently for anticipated losses and related expenses. We periodically evaluate and adjust our claims reserves to reflect trends in our own experience as well as industry trends. However, ultimate results may differ from our estimates, which could result in losses over our reserved amounts.

Tax increases and changes in tax rules may adversely affect our financial results

As a company conducting business with physical operations throughout North America, we are exposed, both directly and indirectly, to the effects of changes in U.S. federal, state and local tax rules. Taxes for financial reporting purposes and cash tax liabilities in the future may be adversely affected by changes in such tax rules. Such changes may put us at a competitive disadvantage compared to some of our major competitors, to the extent we are unable to pass the tax costs through to our customers.

The Biden administration has announced, and in certain cases has enacted, a number of tax proposals in the past four years to fund new government investments in infrastructure, healthcare, and education, among other things. Certain of these proposals involve an increase in the domestic corporate tax rate, which when implemented could have a material impact on our future results of operations and cash flows. Beginning in 2024, the Inflation Reduction Act of 2022 ("IRA") imposes a 15% minimum tax on global adjusted financial statement income for corporations with three-year average annual adjusted financial statement income exceeding $1 billion. The IRA also imposes a 1% excise tax on certain repurchases (including certain redemptions) of stock by publicly traded domestic corporations. The IRA also created a number of potentially beneficial tax credits to incentivize investments in certain technologies and industries which may be applicable to our business. Certain provisions of the IRA became effective beginning in fiscal 2023. While we do not believe the IRA will have a direct negative impact on our business, the effects of the measures are unknown at this time.

Some of the equipment that our employees use is dangerous, and an increase in accidents resulting from the use of such equipment could negatively affect our reputation, results of operations and financial position.

Many of the services that we provide pose the risk of serious personal injury to our employees. Our employees regularly use dangerous equipment, such as lawn mowers, edgers and other power equipment. As a result, there is a significant risk of work-related injury and workers' compensation claims. To the extent that we experience a material increase in the frequency or severity of accidents or workers' compensation claims, or unfavorable developments on existing claims or fail to comply with worker health and safety regulations, our operating results and financial position could be materially and adversely affected. In addition, the perception that our workplace is unsafe may damage our reputation among current and potential employees, which may impact our ability to recruit and retain employees, which may adversely affect our business and results of operations.

Any failure, inadequacy, interruption, security failure or breach of our information technology systems, whether owned by us or outsourced or managed by third parties, could harm our ability to effectively operate our business and could have a material adverse effect on our business, financial position and results of operations.

We are dependent on certain centralized automated information technology systems and networks to manage and support a variety of business processes and activities. Our ability to effectively manage our business and coordinate the sourcing of supplies, materials and products and our services depends significantly on the reliability and capacity of these systems and networks. Such systems and networks have experienced and could continue to be subject to damage or interruption from power outages, telecommunications problems, data corruption, software errors, network failures, security breaches, ransomware attacks, phishing attempts, acts of war or terrorist attacks, fire, flood and natural disasters. Our servers or cloud-based systems could be affected by physical or electronic break-ins, and computer viruses or similar disruptions may occur. A system outage may also cause the loss of important data or disrupt our operations. Our existing safety systems, data backup, access protection, user management, disaster recovery and information technology emergency planning may not be sufficient to prevent or minimize the effect of data loss or long-term network outages.

We periodically upgrade our existing information technology systems with the assistance of third party vendors, and the costs to upgrade such systems may be significant. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt or reduce the efficiency of our operations. If we cannot meet our information technology staffing needs, we may not be able to fulfill our technology initiatives while continuing to provide maintenance on existing systems. We could be required to make significant capital expenditures to remediate any such failure, malfunction or breach with our information technology systems or networks. Any material disruption or slowdown of our systems, including those caused by our failure to successfully upgrade our systems, and our inability to convert to alternate systems in an efficient and timely manner could have a material adverse effect on our business, financial position and results of operations.

We rely on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential information of our customers, employees and third parties. Intentional or unintentional acts of customers, employees and third parties, including unlawful or unauthorized activities by third parties, and failures in systems, software, encryption technology, or other tools may facilitate or result in a compromise or breach of these systems. We are subject to risks caused by data breaches and

operational disruptions, particularly through cyber-attack, cyber-intrusion, ransomware attacks, phishing attempts or other social engineering attempts to fraudulently induce the transfer of company funds, including by computer hackers, foreign governments and cyber terrorists. Geopolitical instability, including overseas conflicts, may increase the risk that we will experience cyber-attacks or cyber-intrusions. Any unauthorized disclosure of confidential information could damage our reputation, interrupt our operations and could result in a violation of applicable laws, regulations, industry standards or agreements and potentially subject us to costs, penalties and liabilities. The occurrence of any of these events could have a material adverse impact on our reputation, business, financial position, results of operations and cash flow. Although we maintain insurance coverage for various cybersecurity risks, there can be no guarantee that all costs incurred will be fully insured.

Our failure to comply with data privacy regulations could adversely affect our business.

There are new and emerging data privacy laws, as well as frequent updates and changes to existing data privacy laws, in most jurisdictions in which we operate. Failure to comply with data privacy laws can result in substantial fines or penalties, legal liability and/or reputational damage. Recently, various U.S. states have enacted stringent consumer privacy laws. Continued state by state introduction of privacy laws could lead to significantly greater complexity in our compliance requirements, which could result in increased compliance costs, complaints from data subjects and/or action from regulators. If we do not provide sufficient resources to ensure we are able to respond, adapt and implement the necessary requirements to respond to the changing data privacy landscape, which could include federal data privacy requirements in the US, we could face exposure to fines levied by regulators, which could have a significant financial impact on our business.

We may not be able to adequately protect our intellectual property, which could harm the value of our brand and adversely affect our business.

Our ability to implement our business plan successfully depends in part on our ability to further build brand recognition using our trademarks, service marks and other proprietary intellectual property, including our name and logos. While it is our policy to protect and defend vigorously our intellectual property, we cannot predict whether such actions will be adequate to prevent infringement or misappropriation of these rights. Although we believe that we have sufficient rights to all of our trademarks, service marks and other intellectual property rights, we may face claims of infringement that could interfere with our business or our ability to market and promote our brands. If we are unable to successfully defend against such claims, we may be prevented from using our intellectual property rights in the future and may be liable for damages.

Although we make a significant effort to avoid infringing known proprietary rights of third parties, we may be subject to claims of infringement by third parties. Responding to and defending such claims, regardless of their merit, can be costly and time-consuming, and we may not prevail. Depending on the resolution of such claims, we may be barred from using a specific mark or other rights, may be required to enter into licensing arrangements from the third party claiming infringement or may become liable for significant damages. If any of the foregoing occurs, our ability to compete could be affected or our business, financial position and results of operations may be adversely affected.

Risks Related to Our Indebtedness

Our substantial indebtedness could have important adverse consequences and adversely affect our financial condition.

We have a significant amount of indebtedness. As of September 30, 2024, we had total indebtedness of $802.5 million, and we had availability under the Revolving Credit Facility and the Receivables Financing Agreement of $300.0 million and $158.8 million, respectively. See Note 9 "Long-term Debt" to our audited consolidated financial statements included in Part II. Item 8 in this Form 10-K.

Our level of debt could have important consequences, including making it more difficult for us to satisfy our obligations with respect to our debt, limiting our ability to obtain additional financing to fund future working capital, capital expenditures, investments or acquisitions, or other general corporate requirements, requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, investments or acquisitions and other general corporate purposes, increasing our vulnerability to adverse changes in general economic, industry and competitive conditions, exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our credit agreement dated December 18, 2013 (as amended, the "Credit Agreement"), are at variable rates of interest, limiting our flexibility in planning for and reacting to changes in the industries in which we compete, placing us at a disadvantage compared to other, less leveraged competitors, increasing our cost of borrowing and hampering our ability to execute on our growth strategy.

Our variable rate indebtedness subjects us to interest rate risk, which has caused our interest expense to increase significantly.

Borrowings under our Credit Agreement and Receivables Financing Agreement are at variable rates of interest and expose us to interest rate risk. Increases in interest rates can result in increases to the cost of servicing our debt under our Credit Agreement and Receivables Financing Agreement. For the year ended September 30, 2024, our interest expense was $62.4 million, compared to $97.4 million for the year ended September 30, 2023. Moreover, borrowings under our Credit Agreement and Receivables Financing Agreement bear interest at a rate per annum based on a secured overnight financing rate (SOFR), plus a margin. If interest rates continue to increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed will remain

the same, our ability to refinance some or all of our existing indebtedness may be impacted and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

We utilize derivative financial instruments to reduce our exposure to market risks from changes in interest rates on our variable rate indebtedness and we will be exposed to risks related to counterparty credit worthiness or non-performance of these instruments.

We have entered into interest rate swap instruments to limit our exposure to changes in variable interest rates. While our hedging strategy is designed to minimize the impact of increases in interest rates applicable to our variable rate debt, there can be no guarantee that our hedging strategy will be effective, and we may experience credit-related losses in some circumstances. See Note 10 " Fair Value Measurements and Derivative Instruments" to our audited consolidated financial statements included in Part II. Item 8 of this Form 10-K.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

The Credit Agreement imposes significant operating and financial restrictions. These covenants limit our ability and the ability of our subsidiaries to, among other things, incur additional indebtedness; create or incur liens; engage in certain fundamental changes, including mergers or consolidations; sell or transfer assets; pay dividends and distributions on our subsidiaries' capital stock; make acquisitions, investments, loans or advances; prepay or repurchase certain indebtedness; engage in certain transactions with affiliates; and enter into negative pledge clauses and clauses restricting subsidiary distributions.

The Credit Agreement also contains certain customary affirmative covenants and events of default, including a change of control. The Credit Agreement also contains a financial maintenance requirement with respect to the Revolving Credit Facility, prohibiting us from exceeding a certain first lien secured leverage ratio under certain circumstances. As a result of these covenants and restrictions, we are limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot guarantee that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as others contained in our future debt instruments from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their maturity dates. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. If we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. If we are forced to refinance these borrowings on less favorable terms or if we are unable to repay, refinance or restructure such indebtedness, our financial condition and results of operations could be adversely affected.

We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to make principal and interest payments on and to refinance our indebtedness will depend on our ability to generate cash in the future and is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If our business does not generate sufficient cash flow from operations, in the amounts projected or at all, or if future borrowings are not available to us in amounts sufficient to fund our other liquidity needs, our business, financial condition and results of operations could be materially adversely affected.

If we cannot generate sufficient cash flow from operations to make scheduled principal and interest payments, we may need to refinance all or a portion of our indebtedness on or before maturity, sell assets, delay capital expenditures or seek additional equity. The terms of our existing or future debt agreements may also restrict us from affecting any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Further, changes in the credit and capital markets, including market disruptions and interest rate fluctuations, may increase the cost of financing, make it more difficult to obtain favorable terms, or restrict our access to these sources of future liquidity. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of our indebtedness.

We and our subsidiaries may incur substantially more debt, including off-balance sheet financing, contractual obligations and general and commercial liabilities. This could exacerbate the risks to our financial condition described above.

We and our subsidiaries may incur significant additional indebtedness in the future, including off-balance sheet financings, contractual obligations and general and commercial liabilities. Although the Credit Agreement contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness

incurred in compliance with these restrictions could be substantial. In addition, we can increase the borrowing availability under the Credit Agreement by up to the greater of (1) $303.0 million and (2) 100% of Consolidated EBITDA (as defined in the Credit Agreement) for the most recently ended four consecutive fiscal quarters, in the form of additional commitments under the Revolving Credit Facility and/or incremental term loans plus an additional amount so long as we do not exceed a specified first lien secured leverage ratio. If new debt is added to our current debt levels, the related risks that we now face could intensify.

If the financial institutions that are part of the syndicate of our Revolving Credit Facility fail to extend credit under our facility or reduce the borrowing base under our Revolving Credit Facility, our liquidity and results of operations may be adversely affected.

We have access to capital through our Revolving Credit Facility, which is governed by the Credit Agreement. Each financial institution which is part of the syndicate for our Revolving Credit Facility is responsible on a several, but not joint, basis for providing a portion of the loans to be made under our facility. If any participant or group of participants with a significant portion of the commitments in our Revolving Credit Facility fails to satisfy its or their respective obligations to extend credit under the facility and we are unable to find a replacement for such participant or participants on a timely basis (if at all), our liquidity may be adversely affected.

Risks Related to Ownership of Our Common Stock

Future sales, or the perception of future sales, of equity securities by us or our affiliates, could cause the market price for our common stock to decline.

Our employees, directors, officers and affiliates, including KKR and One Rock, hold substantial amounts of shares of our common stock and all of our outstanding Series A Convertible Preferred Stock (the "Series A Preferred Stock"), which is convertible into shares of our common stock. As of September 30, 2024, the Affiliated Investors held approximately 33,133,123 shares of our common stock and 500,000 shares of our Series A Preferred Stock, which represents, in the aggregate, approximately 58.7% of the combined voting power of our outstanding shares of preferred stock and common stock. Sales of a substantial number of shares of our common stock in the public market by these stockholders, or the perception that such sales could occur, could substantially decrease the market price of our common stock. Conversion of a substantial number of shares of the Series A Preferred Stock into shares of our common stock, or the perception that such conversion could occur, could also decrease the market price of our common stock. Other than restrictions on trading that arise under securities laws (or pursuant to our securities trading policy that is intended to facilitate compliance with securities laws), including the prohibition on trading in securities by or on behalf of a person who is aware of nonpublic material information, we have no restrictions on the right of our employees, directors and officers, and their affiliates, to sell their unrestricted shares of common stock.

These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities. In the future, we may also issue equity securities in connection with investments or acquisitions. The number of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

KKR and One Rock have the ability to exert significant influence over us and their interests may conflict with ours or yours in the future.

As of September 30, 2024, the Affiliated Investors beneficially own approximately 58.7% of the combined voting power of our outstanding shares of preferred stock and common stock. As a result, the Affiliated Investors have the ability to influence the election of our directors and the outcome of other corporate actions requiring shareholder approval, such as: (i) a merger or a sale of our Company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our articles of incorporation and bylaws. Additionally, four members of our Board of Directors are affiliated with certain of the Affiliated Investors and so the Affiliated Investors also have significant control over our business, policies and affairs by their affiliates serving as directors of our Company. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to our other shareholders, including a change in control of the Company, or that could be disadvantageous to our shareholders with interests different from our Affiliated Investors. In addition, the significant concentration of stock ownership may adversely affect the market value of the Company's common stock due to investors' perception that conflicts of interest may exist or arise.

The Affiliated Investors and their respective affiliates are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Our amended and restated certificate of incorporation provides that none of KKR, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. KKR or One Rock and their respective affiliates also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our certificate of incorporation and bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things, our Board of Directors to issue one or more series of preferred stock; advance notice requirements for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; certain limitations on convening special stockholder meetings; the removal of directors only upon the affirmative vote of the holders of at least 66⅔% of the shares of common stock entitled to vote generally in the election of directors if KKR and its affiliates cease to beneficially own at least 40% of shares of common stock entitled to vote generally in the election of directors. In addition, certain provisions of our certificate of incorporation and bylaws may be amended only by the affirmative vote of at least 66⅔% of shares of common stock entitled to vote generally in the election of directors if KKR and its affiliates cease to beneficially own at least 40% of shares of common stock entitled to vote generally in the election of directors. These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares.

Our Board of Directors is authorized to issue and designate shares of our preferred stock in additional series without stockholder approval.

Our certificate of incorporation authorizes our Board of Directors, without the approval of our stockholders, to issue 50,000,000 shares of our preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our certificate of incorporation, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or on parity with our common stock, which may reduce its value.

On August 28, 2023, we issued 500,000 shares of Series A Preferred Stock to One Rock for an aggregate purchase price of $500 million. The holders of Series A Preferred Stock may have different interests to those of the holders of our common stock and could vote their shares in a manner deemed adverse to the holders of our common stock. Future issuances of preferred stock or the future designation of additional series of preferred stock could also adversely affect holders of our common stock.

Holders of the Series A Preferred Stock have certain voting and other rights that may adversely affect holders of our common stock, and the holders of the Series A Preferred Stock may have different interests from and vote their shares in a manner deemed adverse to, holders of our common stock.

The holders of Series A Preferred Stock vote on an "as-converted" basis with the holders of our common stock on all matters brought before the holders of our common stock. Holders of the Series A Preferred Stock will also be entitled to a separate class vote with respect to, among other things, the election of directors that the holders of the Series A Preferred Stock are entitled to designate under the Certificate of Designations of the Series A Preferred Stock, amendments to the Company's organizational documents that have an adverse effect on the Series A Preferred Stock, authorizations or issuances by the Company of securities that are senior to, or equal in priority with, the Series A Preferred Stock, increases or decreases in the number of authorized shares of Series A Preferred Stock, certain mergers or consolidations of the Company and certain restricted acquisitions. As a result, the holders of Series A Preferred Stock may vote in a manner that is deemed adverse to holders of our common stock.

The dividend and liquidation rights of the Series A Preferred Stock may adversely affect our financial position and the rights of the holders of our common stock.

The shares of Series A Preferred Stock are entitled to a dividend at a rate of 7.0% per annum, compounding quarterly, paid in kind or paid in cash, at the Company's election.

Payment of dividends in cash may adversely affect our financial position while payment of dividends in kind may cause incremental dilution to holders of our common stock. In addition, these dividend obligations, as well as the rights of the Series A Preferred Stock on liquidation, are senior to the rights of our common stock, which could negatively affect the value of our common stock and impair our ability to raise additional capital. At any time following the fourth (4th) anniversary of the issuance of the Series A Preferred Stock, the Company may redeem some or all of the Series A Preferred Stock which may require us to make a significant cash payment. Our Series A Preferred Stock, if not converted into common stock, will also be senior to our common stock in distribution and liquidation if such shares are not converted into common stock, which could negatively affect the value of our common stock and impair our ability to raise additional capital.

Our certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the sole and exclusive forums for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our certificate of incorporation provides, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of our company, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee or stockholder of our company to the Company or our stockholders, creditors or other constituents, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the Delaware General Corporation Law, or the DGCL, or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) action asserting a claim against the Company or any director or officer of the Company governed by the internal affairs doctrine. Our certificate of incorporation further provides that, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the United States federal securities laws. While the Delaware Supreme Court has upheld the validity of similar provisions under the DGCL, there is uncertainty as to whether a court in another state would enforce such a forum selection provision. Our exclusive forum provision does not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our certificate of incorporation. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders which may discourage lawsuits with respect to such claims. It is possible that these exclusive forum provisions may be challenged in court and may be deemed unenforceable in whole or in part. If a court were to find the choice of forum provisions contained in our certificate of incorporation to be inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

General Risk Factors

Our business is affected by general business, financial market and economic conditions, which could adversely affect our financial position, results of operations and cash flows.

Our business and results of operations are significantly affected by general business, financial market and economic conditions. General business, financial market and economic conditions that could impact the level of activity in the commercial landscape services industry include the level of commercial construction activity, the condition of the real estate markets where we operate, interest rate fluctuations, inflation, unemployment and wage levels, changes and uncertainties related to government fiscal and tax policies including change in tax rates, duties, tariffs, or other restrictions, capital spending, bankruptcies, volatility in both the debt and equity capital markets, liquidity of the global financial markets, the availability and cost of credit, investor and consumer confidence, global economic growth, local, state and federal government regulation, the cost and availability of our supplies and equipment and the strength of regional and local economies in which we operate. New or increased tariffs may impact the costs of some of our supplies and equipment. The degree of our exposure is dependent on (among other things) the type of goods, rates imposed and timing of the tariffs. These factors could also negatively impact the timing or the ultimate collection of accounts receivable, which would adversely impact our business, financial position, results of operations and cash flows.

During an economic downturn, our customers may decrease their spending on landscape services by seeking to reduce expenditures for landscape services, in particular enhancement services, engaging a lower cost service provider or performing landscape maintenance themselves rather than outsourcing to third parties like us or generally reducing the size and complexity of their new landscaping development projects.

Increases in raw material costs, fuel prices, wages and other operating costs, and changes in our ability to source adequate supplies and materials in a timely manner, can adversely impact our business, financial position, results of operations and cash flows.

Our financial performance has been adversely affected in the past by increases in our operating expenses, including fuel, fertilizer, chemicals, road salt, mulch, wages and salaries, employee benefits, health care, subcontractor costs, vehicle, facilities and equipment leases, insurance and regulatory compliance costs. Further increases in, or sustained elevation of, inflation rates or disruptions to our supply chain will adversely affect our financial performance. Although we seek to manage price and availability risks related to raw materials, such as fuel, fertilizer, chemicals, road salt and mulch, through procurement strategies, these efforts may not be successful and we may experience adverse impacts due to the rising prices of such products. In addition, we closely monitor wage, salary and benefit costs in an effort to remain competitive in our markets. Attracting and maintaining a high quality workforce is a priority for our business, and as wage, salary or benefit costs increase, including as a result of minimum wage legislation or increased competition for employees, our operating costs will continue to increase. We cannot predict the extent to which we may experience future increases in operating expenses as well as various regulatory compliance costs. To the extent such costs continue to increase, we may be prevented,

in whole or in part, from passing these cost increases through to our existing and prospective customers, which could have a material adverse impact on our business, financial position, results of operations and cash flows.

Our ability to offer a wide variety of services to our customers is dependent upon our ability to obtain adequate supplies, materials and products from manufacturers, distributors and other suppliers. Any disruption or shortage in our sources of supply due to unanticipated increased demand or disruptions in production or delivery of products such as fertilizer, chemicals, road salt and mulch, could result in a loss of revenues, reduced margins and damage to our relationships with customers. In addition, we source certain materials and products we use in our business from a limited number of suppliers. If our suppliers experience difficulties or disruptions in their operations or if we lose any significant supplier, we may experience increased supply costs or may experience delays in establishing replacement supply sources that meet our quality and control standards. The loss of, or a substantial decrease in the availability of, supplies and products from our suppliers or the loss of key supplier arrangements could adversely impact our business, financial position, results of operations and cash flows.

Natural disasters, terrorist attacks, global health emergencies and other external events could adversely affect our business.

Natural disasters, terrorist attacks, global health emergencies and other adverse external events could materially damage our facilities or disrupt our operations, or damage the facilities or disrupt the operations of our customers or suppliers. Additionally, a pandemic, such as COVID-19, or other public health emergency, together with preventative measures taken to contain or mitigate such crises, and could affect the proper functioning of financial and capital markets, foreign currency exchange rates, product and energy costs, labor supply and costs, and interest rates. The occurrence of any such event could also prevent us from providing services and adversely affect our business, financial position and results of operations.

We face risks related to heightened inflation, geopolitical conflicts, recession, financial market disruptions and other economic conditions.

Customer and consumer demand for our services may be impacted by weak economic conditions, heightened inflation, equity market volatility or other negative economic factors in the U.S. or other nations. In addition, if the U.S. economy enters a recession, we may experience a decline in demand for our services and may have to decrease prices, all of which could have a material adverse impact on our financial results. The severity and length of time that a downturn in economic and financial market conditions may persist, as well as the timing, strength and sustainability of any recovery from such downturn, are unknown and are beyond our control. In addition, geopolitical conflicts, such as the current war in Ukraine, conflicts in the Middle East, or potential conflict between China and Taiwan and any related international response may exacerbate these inflationary pressures. Therefore, the recessionary risks discussed above and elsewhere in these risk factors are more pronounced in the current economic environment.

Our reputation and/or business could be negatively impacted by environmental, social and governance ("ESG") matters and/or our reporting of such matters.

In recent years, there has been an increased focus from stakeholders, regulators and the public in general on ESG matters, including greenhouse gas emissions and climate-related risks, renewable energy, water stewardship, waste management, diversity, equality and inclusion, responsible sourcing and supply chain, human rights, and social responsibility. We actively manage these issues and have established and publicly announced certain goals, commitments, and targets which we may refine further in the future. Evolving stakeholder expectations, regulatory obligations, economic conditions and our efforts to manage these issues, report on them, and accomplish our goals present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material adverse impact, including on our reputation and stock price. In addition, with anti-ESG sentiment present in some of our markets, we could experience reduced revenue and reputational harm if we are targeted by groups or influential individuals who disagree with our public positions on social or environmental issues.

We may be unable to satisfactorily meet evolving standards, regulations and disclosure requirements related to ESG. For example, on March 6, 2024, the SEC adopted a final rule requiring public companies to include various climate-related disclosures in certain documents filed with the SEC, including climate-related financial statement metrics, greenhouse gas emissions and climate-related targets and goals, and management's role in managing material climate-related risks. A number of state legislators and regulators have adopted or are currently considering proposing or adopting other rules, regulations, directives, initiatives and laws requiring ESG-related disclosures or limiting (or affirmatively requiring) certain ESG-related conduct, including California laws S.B. 253, S.B. 261 and A.B. 1305. In the event that we were to become subject to any of the newly adopted climate change and/or ESG-related disclosure regimes, it could require us to, among other things, (i) restrict or limit our operating activities or other conduct, (ii) make material capital improvements and expend material capital resources in connection with such compliance efforts, and (iii) alter our business and operational strategy more generally. Furthermore, there continues to be a lack of consistent proposed climate change and ESG-related legislation, which creates regulatory and economic uncertainty. Such matters can affect the willingness or ability of investors to make an investment in our Company, as well as our ability to meet regulatory requirements, including proposed rules related to greenhouse gas emissions. Any failure, or perceived failure, to meet evolving regulations and industry standards could have an adverse effect on our business, results of operations, financial condition, or stock price.

Our stock price may change significantly, and you may not be able to resell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

Our common stock has traded on the New York Stock Exchange, under the symbol "BV," since June 2018. Since then, our common stock has been relatively thinly traded and at times been subject to price volatility. You may not be able to resell your shares at or above your purchase price due to various factors, including those described in this Risk Factors section. Some factors that may impact our stock price include: results of operations that vary from the expectations of securities analysts and investors or from those of our competitors; changes in expectations as to our future financial performance, including estimates and investment recommendations by securities analysts and investors; changes in market valuations, stock prices, or earnings and other announcements by peer companies or companies in the service sector; announcements by us, our competitors, and our suppliers related to significant contracts, acquisitions, joint ventures, other strategic relationships or capital commitments; investor perceptions of or the investment opportunity associated with our common stock relative to other investment alternatives; the public's response to press releases, SEC filings or other public announcements by us or third parties, including our filings with the SEC; guidance, if any, that we provide to the public, and any changes in or our failure to meet this guidance; and the development and sustainability of an active trading market for our stock.

Furthermore, the stock market may experience extreme volatility that, in some cases, may be unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, fluctuations in our stock price and limited trading volume may make our stock attractive to momentum, hedge or day-trading investors who often shift funds into and out of stock rapidly, exacerbating price fluctuations in either direction. These fluctuations may adversely affect the trading price or liquidity of our common stock.

In the past, following periods of market volatility, or following periods or events unrelated to market volatility, stockholders have instituted securities class action litigation. If we were to become involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the merits or outcome of such litigation.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our common stock will rely in part on the research and reports that industry or financial analysts publish about us or our industry. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade our stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts stop covering us or fail to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Maintaining the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified Board members.

As a public company, we incur significant legal, regulatory, finance, accounting, investor relations and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We are also required to comply with, and incur costs associated with such compliance with, the Sarbanes-Oxley Act of 2002, (the "Sarbanes-Oxley Act"), and the Dodd-Frank Wall Street Reform and Consumer Protection Act, (the "Dodd-Frank Act"), as well as rules and regulations implemented by the SEC and the NYSE. These rules and regulations have increased our legal and financial compliance costs and made some activities more time-consuming and costly. Our management devotes a substantial amount of time to ensure that we comply with all of these requirements, diverting the attention of management away from revenue-producing activities. These laws and regulations also could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.

Failure to comply with requirements to maintain effective internal controls could have a material adverse effect on our business and stock price.

As a public company, we have significant requirements for financial reporting and internal controls. The process of maintaining effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations. In addition, we are required, pursuant to Section 404, to furnish annually a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Testing and maintaining internal controls may divert our management's attention from other matters that are important to our business. Our independent registered public accounting firm is also required to issue an attestation report on effectiveness of our internal controls in each annual report on Form 10-K.

In the future, if we identify a control deficiency that rises to the level of a material weakness in our internal controls over financial reporting, this material weakness may adversely affect our ability to record, process, summarize and report financial information timely and accurately. Any material weaknesses could result in a material misstatement of our annual or quarterly consolidated financial statements or disclosures that may not be prevented or detected. In addition, we may encounter problems or delays in completing the remediation of any deficiencies identified by our independent registered public accounting firm in connection with the issuance of their attestation report.

We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 or our independent registered public accounting firm may not issue an unqualified opinion. If either we are unable to conclude that we have effective internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified report, investors could lose confidence in our reported financial information, which could have a material adverse effect on the trading price of our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We recognize the critical importance of effective cyber risk management and response strategies in today's digital landscape. As part of our comprehensive risk management framework, we have developed a cyber crisis and data breach response plan for identifying, assessing, and managing material risks arising from cybersecurity incidents, including those arising from third-party service providers. These engagements include routine audits, threat assessments, and consultations aimed at enhancing our security measures. We have incorporated cybersecurity risk management within our comprehensive risk management framework to cultivate responsiveness and a corporate culture that prioritizes cybersecurity risk management. Our cyber risk management team works closely with stakeholders across corporate functions to consistently assess and mitigate cybersecurity risks, aligning with our business goals and operational requirements.

We utilize a range of external experts, including cybersecurity consultants to assist in evaluating and testing our risk management systems, particularly where advanced or specialized expertise may be required.

We acknowledge that there are risks associated with third-party service providers that have access to our systems and data, we have implemented processes to oversee and manage these risks. We oversee and identify material risks from cybersecurity threats associated with the use of third-party service providers by reviewing service organization controls reports for key outsourced systems. We also conduct security assessments of certain third-party providers before engagement and monitor such providers to confirm compliance with industry accepted cybersecurity standards and practices. This approach is designed to reduce risks related to data breaches, operational disruptions, or other security incidents originating from third-parties.

We are not aware of any cybersecurity incidents that have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. However, because of the inherent nature of cybersecurity threats and the evolution of such threats over time, the Company's processes, oversight and risk management cannot provide absolute assurance that a cybersecurity threat will not have a material effect on the Company in the future.

Governance

Cybersecurity governance is a priority for both our Board of Directors and management. The Board has delegated primary oversight of cybersecurity risks to the Audit Committee. The Audit Committee monitors the cybersecurity risk management and cyber control functions, including external security audits. The Audit committee receives periodic updates from experienced senior management of the Company's cyber risk management team knowledgeable about assessing and managing cyber risks, including, as appropriate, updates on the prevention, detection, mitigation, and remediation of cyber incidents.

The Company's Chief Information Officer has been serving in this role for the Company since 2013 and has over 30 years of experience in various information security and related technology roles. The Chief Information Officer oversees the information technology and information security functions of the Company which includes our cyber risk management team.

The Chief Legal Officer acts as the Company's Data Breach Coordinator and leads our Cyber Crisis and Data Breach Response Committee (the "Committee") which consists of the Company's Chief Information Officer, Chief Financial Officer and Chief Accounting Officer. Cybersecurity incidents that may significantly impact the confidentiality, integrity, or availability of the Company's data or the reliability of the Company's systems or networks are reported to the Committee. The Committee assesses the materiality of each incident, which is made using both quantitative and qualitative analyses to determine an incident's immediate and reasonably likely future impacts. Such cybersecurity incidents are also reported to the Audit Committee. The Company's Data Governance Committee has oversight of that how the Company's data is handled and shared with third parties and is comprised of the Company's Chief Information Officer, Chief Legal Officer, Chief Human Resources, Chief Accounting Officer, Senior Vice President of Business Shared Services and Chief Audit Executive.

The Company has a cybersecurity training program that requires all employees with access to the Company's networks to participate in regular and mandatory training on how to be aware of, and help defend against, cybersecurity risks. Also, the Company regularly tests the efficacy of its training efforts as well as its systems to assess vulnerabilities to cybersecurity risks, including tabletop incident response exercises.

Annually we conduct an Enterprise Risk Assessment during which we identify and quantify risks, including cybersecurity risks, which could enhance or impede the Company's ability to achieve current or future strategic objectives. The conclusions of the annual Enterprise Risk Assessment are shared with the Audit Committee.

Item 2. Properties

Our corporate headquarters is a leased facility located at 980 Jolly Road, Suite 300, Blue Bell, Pennsylvania 19422.

We and our operating companies own and lease a variety of facilities primarily located in the United States, for branch and service center operations and for office, call center and storage space. Our branches are strategically located to optimize route efficiency, market coverage and branch overhead. The following chart identifies the number of owned and leased facilities, other than our headquarters listed above, used by each of our operating segments as of September 30, 2024. We believe that these facilities, when considered with our headquarters, are in good operating condition and suitable and adequate to support the current needs of our business.

Segment [1]	Owned Facilities	Leased Facilities
Maintenance Services	31	219
Development Services	3	14
Corporate	-	1
Total	**34**	**234**

(1) 25 facilities are shared between our Maintenance Services and Development Services segments and each facility is counted once, in the Maintenance Services segment, to avoid double counting.

Item 3. Legal Proceedings

The information set forth in Note 14 "Commitments and Contingencies" to our consolidated financial statements under Part II, Item 8, "Financial Statements and Supplementary Data," is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock, $0.01 par value per share, began trading on the New York Stock Exchange ("NYSE") under the symbol "BV" on June 28, 2018. Prior to that time, there was no public market for our common stock. As of September 30, 2024 there were 241 holders of record of our common stock. This stockholder figure does not include a substantially greater number of holders whose shares are held of record by banks, brokers, and other financial institutions.

Common Share Dividend Policy

We do not intend to pay cash dividends on our common stock in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions contained in current or future financing instruments and other factors that our board of directors deem relevant. We did not declare or pay dividends to the holders of our common stock in the fiscal year ended September 30, 2024.

Unregistered Sales of Equity Securities

None.

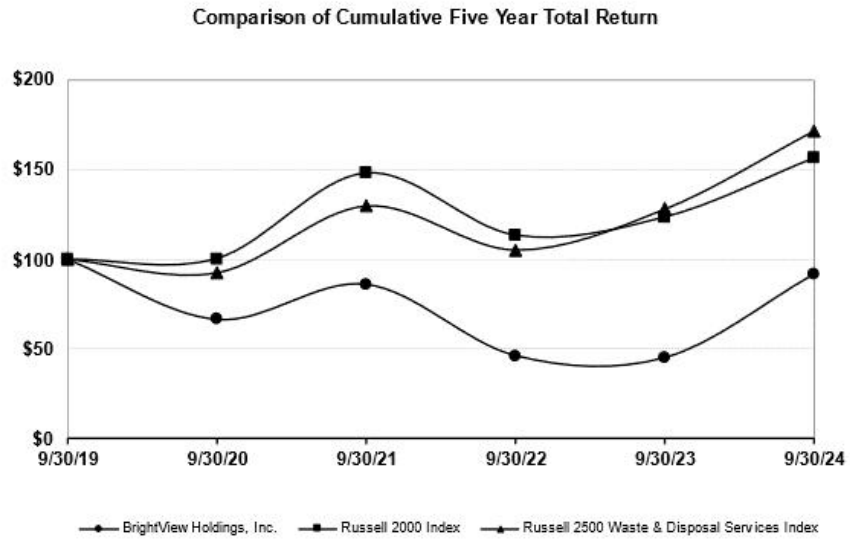
Company Repurchases of Equity Securities

None.

Stock Performance Graph

This performance graph shall not be deemed "soliciting material" or "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act.

The graph below presents the Company's cumulative total stockholder returns relative to the performance of the Russell 2000 ("R2000") Index and the Russell 2500 Waste & Disposal Services ("R2500 Services") Index from September 30, 2019 through September 30, 2024. All values assume a $100 initial investment at the opening price of the Company's common stock on the NYSE and data for the R2000 Index and the R2500 Services Index assumes any dividends were reinvested on the date paid. The comparisons are based on historical data and are not indicative of, nor intended to forecast, the future performance of our common stock.



Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion contains management's discussion and analysis of our financial condition and results of operations and should be read together with our audited consolidated financial statements and the related notes thereto included elsewhere in this Form 10-K.

This section of this Form 10-K generally discusses the fiscal years ended September 30, 2024 and 2023 and year to year comparisons between the fiscal years ended September 30, 2024 and 2023. The discussion around results of operations for the fiscal year ended September 30, 2023 and a comparison of our results for the fiscal years ended September 30, 2023 and 2022 is included in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for fiscal year ended September 30, 2023, filed with the SEC on November 16, 2023 and is incorporated by reference herein (Fiscal Year Ended September 30, 2023 10-K).

Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review "Item 1A. Risk Factors" and the "Special Note Regarding Forward-Looking Statements" sections of this Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Our Company

We are the largest provider of commercial landscaping services in the United States, with revenues approximately 5 times those of our next largest commercial landscaping competitor. We provide commercial landscaping services ranging from landscape maintenance and enhancements to tree care and landscape development. We operate through a differentiated and integrated national service model which systematically delivers services at the local level by combining our network of over 280 branches with a qualified service partner network. Our branch delivery model underpins our position as a single-source end-to-end landscaping solution provider to our diverse customer base at the national, regional and local levels, which we believe represents a significant competitive advantage. We believe our commercial customer base understands the financial and reputational risk associated with inadequate landscape maintenance and considers our services to be essential and non-discretionary.

Our Segments

We report our results of operations through two reportable segments: Maintenance Services and Development Services. We serve a geographically diverse set of customers through our strategically located network of branches in 36 U.S. states and, through our qualified service partner network, we are able to efficiently provide nationwide coverage across the United States.

Maintenance Services

Our Maintenance Services segment delivers a full suite of recurring commercial landscaping services in both evergreen and seasonal markets, ranging from mowing, gardening, mulching and snow removal, to more horticulturally advanced services, such as water management, irrigation maintenance, tree care, golf course maintenance and specialty turf maintenance. In addition to contracted maintenance services, we also have a strong track record of providing value-added landscape enhancements. We primarily self-perform our maintenance services through our national branch network, which are route-based in nature. Our maintenance services customers include Fortune 500 corporate campuses and commercial properties, HOAs, public parks, leading international hotels and resorts, airport authorities, municipalities, hospitals and other healthcare facilities, educational institutions, restaurants and retail, and golf courses, among others.

Development Services

Through our Development Services segment, we provide landscape architecture and development services for new facilities and significant redesign projects. Specific services include project design and management services, landscape architecture, landscape installation, irrigation installation, tree moving and installation, pool and water features and sports field services, among others. Our development services are comprised of sophisticated design, coordination and installation of landscapes at some of the most recognizable corporate, athletic and university complexes and showcase highly visible work that is paramount to our customers' perception of our brand as a market leader.

In our Development Services business, we are typically hired by general contractors with whom we maintain strong relationships as a result of our superior technical and project management capabilities. We believe the quality of our work is also well-regarded by our end-customers, some of whom directly request that their general contractors utilize our services when outsourcing their landscape development projects.

Components of Our Revenues and Expenses

Net Service Revenues

Maintenance Services

Our Maintenance Services revenues are generated primarily through landscape maintenance services and snow removal services. Landscape maintenance services that are primarily viewed as non-discretionary, such as lawn care, mowing, gardening, mulching, leaf removal, irrigation and tree care, are provided under recurring annual contracts, which typically range from one to three years in duration and are generally cancellable by the customer with 30-90 days' notice. Snow removal services are provided on either fixed fee based contracts or per occurrence contracts. Both landscape maintenance services and snow removal services can also include enhancement services that represent supplemental maintenance or improvement services generally provided under contracts of short duration related to specific services. Revenue for landscape maintenance and snow removal services under fixed fee models is recognized over time using an output based method. Additionally, a portion of our recurring fixed fee landscape maintenance and snow removal services are recorded under the series guidance. The right to invoice practical expedient, defined within Note 2 "Summary of Significant Accounting Policies" to our audited consolidated financial statements, is generally applied to revenue related to landscape maintenance and snow removal services performed in relation to per occurrence contracts as well as enhancement services. When use of the practical expedient is not appropriate for these contracts, revenue is recognized using a cost-to-cost input method. Fees for contracted landscape maintenance services are typically billed on an equal monthly basis. Fees for fixed fee snow removal services are typically billed on an equal monthly basis during snow season, while fees for time and material or other activity-based snow removal services are typically billed as the services are performed. Fees for enhancement services are typically billed as the services are performed.

Development Services

Development Services revenue is primarily recognized over time using the cost-to-cost input method, measured by the percentage of cost incurred to date to the estimated total cost for each contract, which we believe to be the best measure of progress. The full amount of anticipated losses on contracts is recorded as soon as such losses can be estimated. These losses are immaterial to current and historical operations. Changes in job performance, job conditions and estimated profitability, including final contract settlements, may result in revisions to costs and revenue and are recognized in the period in which the revisions are determined.

Expenses

Cost of Services Provided

Cost of services provided is comprised of direct costs we incur associated with our operations during a period and includes employee costs, subcontractor costs, purchased materials, and operating equipment and vehicle costs. Employee costs consist of wages and other labor-related expenses, including benefits, workers compensation and healthcare costs, for those employees involved in delivering our services. Subcontractor costs consist of costs relating to our qualified service partner network in our Maintenance Services segment and subcontractors we engage from time to time in our Development Services segment. When our use of subcontractors increases, we may experience incrementally higher costs of services provided. Operating equipment and vehicle costs primarily consist of depreciation related to branch operating equipment and vehicles and related fuel expenses. A large component of our costs are variable, such as labor, subcontractor expense and materials.

Selling, General and Administrative Expense

Selling, general and administrative expense consists of costs incurred related to compensation and benefits for management, sales and administrative personnel, equity-based compensation, branch and office rent and facility operating costs, depreciation expense related to branch and office locations, as well as professional fees, software costs, goodwill impairment, and other miscellaneous expenses. Corporate expenses, including corporate executive compensation, finance, legal and information technology, are included in consolidated selling, general and administrative expense and not allocated to the business segments.

Gain on divestiture

Gain on divestiture consists of the realized gain on sale and transaction related expenses from the divestiture of U.S. Lawns on January 12, 2024.

Amortization Expense

Amortization expense consists of the periodic amortization of intangible assets, including customer relationships, non-compete agreements and trademarks. The corresponding intangible assets were originally recognized in connection with the KKR and ValleyCrest Acquisitions, as well as from subsequent acquisitions.

Other (income) expense

Other (income) expense consists primarily of investment gains related to investments held in Rabbi Trust.

Interest Expense Net

Interest expense, net consists primarily of interest expense related primarily to our long term debt as well as interest income related to our cash and cash equivalents. See Note 9 "Long-term Debt" to our audited consolidated financial statements included in Part II. Item 8 of this Form 10-K.

Income Tax Expense

Income tax expense includes U.S. federal, state and local income taxes. Our effective tax rate differs from the statutory U.S. income tax rate due to the effect of state and local income taxes, tax credits and certain nondeductible expenses. Our effective tax rate may vary from period to period based on recurring and nonrecurring factors including, but not limited to the geographical distribution of our pre-tax earnings, changes in the tax rates of different jurisdictions, the availability of tax credits and nondeductible items. Changes in judgment due to the evaluation of new information resulting in the recognition, derecognition or remeasurement of a tax position taken in a prior annual period are recognized separately in the period of the change.

Dividends on Series A Convertible Preferred Shares

The Series A Convertible Preferred Stock is entitled to dividends at a rate of 7.0% per annum, compounding quarterly. These dividends can be paid in kind or paid in cash, at the Company's election.

How We Assess the Performance of our Business

We manage operations through the two operating segments described above. In addition to our GAAP financial measures, we review various non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Earnings per Share ("Adjusted EPS"), and Free Cash Flow.

We believe Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted EPS are helpful supplemental measures to assist us and investors in evaluating our operating results as they exclude certain items whose fluctuations from period to period do not necessarily correspond to changes in the operations of our business. Adjusted EBITDA represents net (loss) income before interest, taxes, depreciation, amortization and certain non-cash, non-recurring and other adjustment items. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by net service revenues. Adjusted Net Income is defined as net (loss) income including interest and depreciation, and excluding other items used to calculate Adjusted EBITDA and further adjusted for the tax effect of these exclusions and the removal of the discrete tax items. We define Adjusted Earnings per Share as Adjusted Net Income divided by the (i) weighted average number of common shares outstanding used in the calculation of basic earnings per share plus (ii) shares of common stock related to the Series A Preferred Stock on an as-converted basis, assumed to be converted for the entire period. We believe that the adjustments applied in presenting Adjusted EBITDA, Adjusted Net Income, and Adjusted EPS are appropriate to provide additional information to investors about certain material non-cash or non-recurring items that we do not expect to continue at the same level in the future.

We believe Free Cash Flow is a helpful supplemental measure to assist us and investors in evaluating our liquidity. Free Cash Flow represents cash flows from operating activities less capital expenditures, net of proceeds from sales of property and equipment. We believe Free Cash Flow is useful to provide additional information to assess our ability to pursue business opportunities and investments and to service our debt. Free Cash Flow has limitations as an analytical tool, including that it does not account for our future contractual commitments and excludes investments made to acquire assets under finance leases and required debt service payments.

Management regularly uses these measures as tools in evaluating our operating performance, financial performance and liquidity, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure and capital investments. Management uses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted EPS and Free Cash Flow to supplement comparable GAAP measures in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation and to compare our performance against that of other peer companies using similar measures. In addition, we believe that Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted EPS and Free Cash Flow are frequently used by investors and other interested parties in the evaluation of issuers, many of which also present Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted EPS and Free Cash Flow when reporting their results in an effort to facilitate an understanding of their operating and financial results and liquidity. Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted EPS are provided in addition to, and should not be considered as alternatives to, net (loss) income or any other performance measure derived in accordance with GAAP. Free Cash Flow is provided in addition to, and should not be considered as an alternative to, cash flow from operating activities or any other measure derived in accordance with GAAP as a measure of our liquidity. Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted EPS and Free Cash Flow have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing our results as reported under GAAP. In addition, because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company. Additionally, these measures are not intended to be a measure of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements.

For a reconciliation of the most directly comparable GAAP measures, see "Non-GAAP Financial Measures" below.

Trends and Other Factors Affecting Our Business

Various trends and other factors affect or have affected our operating results, including:

Seasonality

Our services, particularly in our Maintenance Services segment, have seasonal variability such as increased mulching, flower planting and intensive mowing in the spring, leaf removal and cleanup work in the fall, snow removal services in the winter and potentially minimal mowing during drier summer months. This can drive fluctuations in revenue, costs and cash flows for interim periods.

We have a significant presence in geographies that have a year-round growing season, which we refer to as our evergreen markets. Such markets require landscape maintenance services twelve months per year. In markets that do not have a year-round growing season, which we refer to as our seasonal markets, the demand for our landscape maintenance services decreases during the winter months. Typically, our revenues and net income have been higher in the spring and summer seasons, which correspond with the third and fourth quarters of our fiscal year ended September 30. The lower level of activity in seasonal markets during our first and second fiscal quarters is partially offset by revenue from our snow removal services. Such seasonality causes our results of operations to vary from quarter to quarter.

Weather Conditions

Weather may impact the timing of performance of landscape maintenance and enhancement services and progress on development projects from quarter to quarter. For example, snow events in the winter, hurricane-related cleanup in the summer and fall, and the effects of abnormally high rainfall or drought in a given market may impact our services. These less predictable weather patterns can impact both our revenues and our costs, especially from quarter to quarter, but also from year to year in some cases. Extreme weather events such as hurricanes and tropical storms can result in a positive impact to our business in the form of increased enhancement services revenues related to cleanup and other services. However, such weather events may also negatively impact our ability to deliver our contracted services or impact the timing of performance.

In our seasonal markets, the performance of our snow removal services is correlated with the amount of snowfall and number of snowfall events in a given season. We benchmark our performance against ten- and thirty-year cumulative annual snowfall averages.

Acquisitions

In addition to our organic growth, we have grown, and expect to continue to grow, our business through acquisitions in an effort to better service our existing customers and attract new customers. These acquisitions focused on increasing our density and leadership positions in existing local markets, entering into attractive new geographic markets and expanding our portfolio of landscape enhancement services and improving technical capabilities in specialized services.

As we move forward, we will selectively pursue accretive acquisitions that will focus on increasing market density to build upon our existing footprint in strategic markets, entering new attractive geographies (i.e. 'greenfield'), and increasing service line density and entering adjacent service lines to provide a robust and consistent suite of services to our customers. Under this renewed strategy, we believe we are the acquirer of choice in the highly fragmented commercial landscaping industry because we offer the ability to leverage our significant size and scale to drive accretive acquisitions, quickly and seamlessly integrate new businesses into ours and provide stable and potentially expanding career opportunities for employees of acquired businesses.

In accordance with GAAP, the results of the acquisitions we have completed are reflected in our consolidated financial statements from the date of acquisition. We incur transaction costs in connection with identifying and completing acquisitions and ongoing integration costs as we integrate acquired companies and seek to achieve synergies. During the fiscal year ended September 30, 2024, the Company incurred $0.4 million of integration costs related to acquisitions completed prior to fiscal 2024. While integration costs vary based on factors specific to each acquisition, such costs are primarily comprised of one-time employee retention costs, employee

onboarding and training costs, and fleet and uniform rebranding costs. We typically anticipate integration costs to represent approximately 7%-9% of the acquisition price, and to be incurred within 12 months of acquisition completion.

Divestitures

As we continue to focus on profitable growth, part of our strategic initiatives include strengthening our core business. To strengthen our core business, we are implementing cost efficiency plans designed to lead to EBITDA margin expansions. As part of implementing these initiatives, we entered into a strategic sale of our non-core U.S. Lawns franchise business during the year ended September 30, 2024. On January 12, 2024, we completed the sale of our wholly owned subsidiary, U.S. Lawns, for total cash consideration of $51.0 million. The transaction resulted in a gain of $43.6 million for the year ended September 30, 2024, which we reinvested back into the Company.

Industry and Economic Conditions

We believe the non-discretionary nature of our landscape maintenance services provides us with a fairly predictable recurring revenue model. The perennial nature of the landscape maintenance service sector, as well as its wide range of end users, minimizes the impact of a broad or sector-specific downturn. However, in connection with our enhancement services and development services, when demand for commercial construction declines, demand for landscape enhancement services and development projects may decline. When commercial construction activity rises, demand for landscape enhancement services to maintain green space may also increase. This is especially true for new developments in which green space tends to play an increasingly important role. Economic conditions, including rising inflation and fuel prices, as well as rising interest rates, have impacted and may further impact our costs and expenses, and fluctuations in labor markets, may impact our ability to identify, hire and retain employees. Increased labor costs, including recruiting, retention, and overtime expenditures, have and could further adversely affect our profitability.

Results of Operations

The following tables summarize key components of our results of operations for the periods indicated.

	Year Ended September 30,	
(in millions)	**2024**	**2023**
Net service revenues	$ 2,767.1	$ 2,816.0
Cost of services provided	2,121.5	2,137.1
Gross profit	645.6	678.9
Selling, general and administrative expense	496.5	533.4
Gain on divestiture	(43.6)	-
Amortization expense	35.8	44.5
Income from operations	156.9	101.0
Other (income) expense	(2.0)	6.7
Interest expense, net	62.4	97.4
Income (loss) before income taxes	96.5	(3.1)
Income tax expense	30.1	4.6
Net income (loss)	$ 66.4	$ (7.7)
Basic earnings (loss) per share	$ 0.21	$ (0.12)
Adjusted EBITDA[(1)]	$ 324.7	$ 298.7
Adjusted Net Income[(1)]	$ 113.1	$ 61.4
Cash flows from operating activities	$ 205.6	$ 129.9
Free Cash Flow[(1)]	$ 145.3	$ 80.2

(1) See "Non-GAAP Financial Measures" below for a reconciliation to the most directly comparable GAAP measure.

Fiscal Year Ended September 30, 2024 compared to Fiscal Year Ended September 30, 2023

Net Service Revenues

Net service revenues for the fiscal year ended September 30, 2024 decreased $48.9 million, or 1.7%, to $2,767.1 million, from $2,816.0 million in the 2023 period. The decrease was driven by a decrease in Maintenance Services revenues of $102.5 million, partially offset by an increase in Development Services revenues of $50.8 million as discussed further below in Segment Results.

Gross Profit

Gross profit for the fiscal year ended September 30, 2024 decreased $33.3 million, or 4.9%, to $645.6 million, from $678.9 million in the 2023 period. Gross margin decreased 80 basis points to 23.3% for the fiscal year ended September 30, 2024, from 24.1% in the

2023 period. The decreases in gross profit and gross margin were primarily driven by the decrease net service revenues, described above, coupled with increased labor costs resulting from increased investments in service levels. Partially offsetting this was lower subcontractor costs as a result of our strategic reduction in non-core businesses.

Selling, General and Administrative Expense

Selling, general and administrative expense for the fiscal year ended September 30, 2024 decreased $36.9 million, or 6.9%, to $496.5 million, from $533.4 million in the 2023 period. As a percentage of revenue, selling, general and administrative expense decreased 110 basis points for the fiscal year ended September 30, 2024 to 17.9%, from 19.0% in the 2023 period. The decrease was driven primarily by decreases in compensation-related costs as a result of cost cutting measures partially offset by the increase in business transformation and integration costs.

Gain on divestiture

Gain on divestiture consists of the realized gain on sale and transaction related expenses from the divestiture of U.S. Lawns on January 12, 2024.

Amortization Expense

Amortization expense for the fiscal year ended September 30, 2024 decreased $8.7 million, or 19.6%, to $35.8 million, from $44.5 million in the 2023 period. The decrease was principally due the decrease in the amortization of intangible assets, based on the pattern consistent with expected future cash flows calculated at the time the assets were acquired.

Other (Income) Expense

Other income was $2.0 million for the fiscal year ended September 30, 2024 compared to other expense of $6.7 million in the 2023 period. The $8.7 million increase in other (income) expense was driven principally by the losses on the extinguishment of debt incurred in connection with the repayment of a portion of the Series B Term Loan in 2023.

Interest Expense

Interest expense for the fiscal year ended September 30, 2024 decreased $35.0 million, or 35.9%, to $62.4 million, from $97.4 million in the 2023 period. The decrease was driven principally by the decrease in the long-term debt balance combined with an increase in interest income associated with the increase in the cash and cash equivalents balance.

Income Tax Expense

For the fiscal year ended September 30, 2024, income tax expense increased $25.5 million, or 554.3%, to $30.1 million, compared to $4.6 million in the 2023 period. The change in income tax expense is primarily attributable to the change in the Company's pretax income of $96.5 million in the current period compared to pretax loss of $3.1 million in the 2023 period.

Net (Loss) Income

For the fiscal year ended September 30, 2024, net income increased by $74.1 million, to a net income of $66.4 million, from net loss of $(7.7) million in the 2023 period. The increase in net income was primarily due to the changes noted above.

Dividends on Series A Convertible Preferred Shares

For the fiscal year ended September 30, 2024, Dividends on Series A Convertible Preferred Shares were $35.7 million compared to $3.2 million in the 2023 period. The dividends on the Series A Convertible Preferred Stock were the result of the Series A convertible preferred share agreement, which was entered into in the fourth quarter of fiscal 2023.

Adjusted EBITDA

Adjusted EBITDA increased $26.0 million for the fiscal year ended September 30, 2024, to $324.7 million, from $298.7 million in the 2023 period. Adjusted EBITDA as a percentage of revenue was 11.7% and 10.6% for the fiscal years ended 2024 and 2023, respectively. The increase in Adjusted EBITDA was principally driven by an increase of $23.5 million, or 28.4% in Development Services Segment Adjusted EBITDA, and an increase of $1.8 million, or 0.6% in Maintenance Services Segment Adjusted EBITDA, as discussed further below in Segment Results.

Adjusted Net Income

Adjusted Net Income for the fiscal year ended September 30, 2024 increased $51.7 million to $113.1 million, from $61.4 million in the 2023 period due to the changes noted above.

Segment Results

We classify our business into two segments: Maintenance Services and Development Services. Our corporate operations are not allocated to the segments and are not discussed separately as any results that had a significant impact on operating results are included in the consolidated results discussion above.

We evaluate the performance of our segments on Net Service Revenues, Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin (Segment Adjusted EBITDA as a percentage of Net Service Revenues). Segment Adjusted EBITDA is indicative of operational performance and ongoing profitability. Our management closely monitors Segment Adjusted EBITDA to evaluate past performance and identify actions required to improve profitability.

Segment Results for the Fiscal Years Ended September 30, 2024 and September 30, 2023

The following tables present Net Service Revenues, Segment Adjusted EBITDA, and Segment Adjusted EBITDA Margin for each of our segments. Changes in Segment Adjusted EBITDA Margin are shown in basis points, or bps.

Maintenance Services Segment Results

(in millions)	Year Ended September 30, 2024	2023	Percent Change 2024 vs. 2023
Net Service Revenues	$ 1,964.0	$ 2,066.5	(5.0)%
Segment Adjusted EBITDA	$ 279.7	$ 277.9	0.6%
Segment Adjusted EBITDA Margin	14.2%	13.4%	80 bps

Maintenance Services Net Service Revenues

Maintenance Services net service revenues for the fiscal year ended September 30, 2024 decreased by $102.5 million, or 5.0%, compared to the 2023 period. The decrease was driven by a $115.2 million, or 5.6%, decrease in underlying commercial landscape services, largely underpinned by strategic reductions in our non-core businesses, as well as a decline in our ancillary services business. This was partially offset by a $11.8 million increase in snow removal services revenue, primarily due to increased snow removal services volume.

Maintenance Services Segment Adjusted EBITDA

Segment Adjusted EBITDA for the fiscal year ended September 30, 2024 increased $1.8 million, to $279.7 million, compared to $277.9 million in the 2023 period. Segment Adjusted EBITDA Margin increased 80 basis points to 14.2% in the year ended September 30, 2024, from 13.4% in the 2023 period. The increase in Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin were principally driven by lower labor costs as a result of the Company's cost management initiatives.

Development Services Segment Results

(in millions)	Year Ended September 30, 2024	2023	Percent Change 2024 vs. 2023
Net Service Revenues	$ 808.8	$ 758.0	6.7%
Segment Adjusted EBITDA	$ 106.3	$ 82.8	28.4%
Segment Adjusted EBITDA Margin	13.1%	10.9%	220 bps

Development Services Net Service Revenues

Development Services net service revenues for the fiscal year ended September 30, 2024 increased $50.8 million, or 6.7%, compared to the 2023 period. The increase was primarily driven by an increase in Development Services project volumes.

Development Services Segment Adjusted EBITDA

Segment Adjusted EBITDA for the fiscal year ended September 30, 2024 increased $23.5 million, to $106.3 million, compared to $82.8 million in the 2023 period. Segment Adjusted EBITDA Margin increased 220 basis points, to 13.1% for the period from 10.9% in the prior year. The increases in Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin were primarily driven by the increase in revenues described above.

Non-GAAP Financial Measures

Set forth below are the reconciliations of net income to Adjusted EBITDA and Adjusted Net Income and cash flows from operating activities to Free Cash Flow.

	Year Ended September 30,	
(in millions)	**2024**	**2023**
Adjusted EBITDA		
Net income (loss)	$ 66.4	$ (7.7)
Plus:		
Interest expense, net	62.4	97.4
Income tax expense	30.1	4.6
Depreciation expense	108.4	105.2
Amortization expense	35.8	44.5
Business transformation and integration costs (a)	44.1	23.7
Gain on divestiture (b)	(43.6)	—
Equity-based compensation (c)	20.5	22.3
COVID-19 related expenses (d)	—	0.4
Debt extinguishment (e)	0.6	8.3
Adjusted EBITDA	**$ 324.7**	**$ 298.7**
Adjusted Net Income		
Net income (loss)	$ 66.4	$ (7.7)
Plus:		
Amortization expense	35.8	44.5
Business transformation and integration costs (a)	44.1	23.7
Gain on divestiture (b)	(43.6)	—
Equity-based compensation (c)	20.5	22.3
COVID-19 related expenses (d)	—	0.4
Debt extinguishment (e)	0.6	8.3
Income tax adjustment (f)	(10.7)	(30.1)
Adjusted Net Income	**$ 113.1**	**$ 61.4**
Free Cash Flow		
Cash flows provided by operating activities	$ 205.6	$ 129.9
Minus:		
Capital expenditures	78.4	71.3
Plus:		
Proceeds from sale of property and equipment	18.1	21.6
Free Cash Flow	**$ 145.3**	**$ 80.2**

(a)Business transformation and integration costs consist of (i) severance and related costs; (ii) business integration costs and (iii) information technology infrastructure, transformation and other costs.

	Year Ended September 30,	
(in millions)	**2024**	**2023**
Severance and related costs (g)	$ 16.6	$ 8.9
Business integration (h)	(0.4)	6.2
IT infrastructure, transformation, and other (i)	27.9	8.6
Business transformation and integration costs	$ 44.1	$ 23.7

(b)Represents the realized gain on sale and transaction related expenses from the divestiture of U.S. Lawns on January 12, 2024.

(c)Represents equity-based compensation expense and related taxes recognized for equity incentive plans outstanding.

(d)Represents expenses related to the Company's response to the COVID-19 pandemic, principally temporary and incremental salary and related expenses, personal protective equipment, cleaning and supply purchases, and other.

(e)Represents losses on the extinguishment of debt related to Amendments No. 8 and No. 7 to the Credit Agreement, in the fiscal years ended September 30, 2024 and 2023 respectively, and includes accelerated amortization of deferred financing fees and original issue discount as well as fees paid to lenders and third parties.

(f)Represents the tax effect of pre-tax items excluded from Adjusted Net Income and the removal of the applicable discrete tax items, which collectively result in an increase or decrease in income tax. The tax effect of pre-tax items excluded from Adjusted Net Income is computed using the statutory rate related to the jurisdiction that was impacted by the adjustment after taking into account the impact of permanent differences and valuation allowances. Discrete tax items include changes in laws or rates, changes in uncertain tax positions relating to prior years and changes in valuation allowances.

	Year Ended September 30,	
(in millions)	**2024**	**2023**
Tax impact of pre-tax income adjustments	$ 12.8	34.1
Discrete tax items	(2.1)	(4.0)
Income tax adjustment	$ 10.7	$ 30.1

(g)Represents severance and related costs incurred in connection with the Company's One BrightView initiative and CEO transition.

(h)Represents isolated expenses specifically related to the integration of acquired companies such as one-time employee retention costs, employee onboarding and training costs, and fleet and uniform rebranding costs. The Company excludes Business integration costs from the non-GAAP measures disclosed above since such expenses vary in amount due to the number of acquisitions and size of acquired companies as well as factors specific to each acquisition, and as a result lack predictability as to occurrence and/or timing, and create a lack of comparability between periods.

(i)Represents expenses related to distinct initiatives, typically significant enterprise-wide changes. Such expenses are excluded from the measures disclosed above since such expenses vary in amount based on occurrence as well as factors specific to each of the activities, are outside of the normal operations of the business, and create a lack of comparability between periods.

Liquidity and Capital Resources

Liquidity

Our principal sources of liquidity are existing cash and cash equivalents, cash generated from operations and borrowings under the Credit Agreement and the Receivables Financing Agreement (as defined below). Our principal uses of cash are to provide working capital, meet debt service requirements, fund capital expenditures and finance strategic plans, including acquisitions. We may also seek to finance capital expenditures under finance leases or other debt arrangements that provide liquidity or favorable borrowing terms. We continue to consider acquisition opportunities, but the size and timing of any future acquisitions and the related potential capital requirements cannot be predicted. While we have in the past financed certain acquisitions with internally generated cash, in the event that suitable businesses are available for acquisition upon acceptable terms, we may obtain all or a portion of the necessary financing through the incurrence of additional long-term borrowings.

Based on our current level of operations and available cash, we believe our cash flow from operations, together with availability under the Revolving Credit Facility under the Credit Agreement and the Receivables Financing Agreement (each as defined below), will provide sufficient liquidity to fund our current obligations, projected working capital requirements, debt service requirements and capital spending requirements for the next twelve months.

A substantial portion of our liquidity needs arise from debt service requirements, and from the ongoing cost of operations, working capital and capital expenditures.

(in millions)	**September 30, 2024**	**September 30, 2023**
Cash and cash equivalents	$ 140.4	$ 67.0
Long-term debt	$ 802.5	$ 888.1
Total debt	$ 802.5	$ 888.1

The Company is party to the Credit Agreement, a five-year revolving credit facility that, pursuant to the Amendment Agreement, currently matures on April 22, 2027 (the "Revolving Credit Facility") and, through a wholly-owned subsidiary, a receivables financing agreement dated April 28, 2017 (as amended, the "Receivables Financing Agreement"). Each of the Company's credit facilities bear interest based in-part on a secured overnight financing rate. See "Description of Indebtedness".

We can increase the borrowing availability under the Credit Agreement or increase the term loans outstanding under the Credit Agreement by up to the greater of (1) $303.0 million and (2) 100% of Consolidated EBITDA (as defined in the Credit Agreement) for the most recently ended four consecutive fiscal quarters, in the aggregate, in the form of additional commitments under the Revolving Credit Facility and/or incremental term loans under the Credit Agreement, or in the form of other indebtedness in lieu thereof, plus an additional amount so long as we do not exceed a specified first lien secured leverage ratio. We can incur such additional secured or other unsecured indebtedness under the Credit Agreement if certain specified conditions are met. Our liquidity requirements are significant primarily due to debt service requirements. See Note 9 "Long-term Debt" to our audited consolidated financial statements included elsewhere in Part II. Item 8 of this Form 10-K.

The Company is party to the Investment Agreement dated August 28, 2023, pursuant to which the Company issued and sold, in a private placement, an aggregate of 500,000 shares of the Company's Series A Convertible Preferred Stock, for an aggregate purchase price of $500.0 million. The Series A Convertible Preferred Stock is entitled to dividends at a rate of 7.0% per annum, compounding quarterly, paid in kind or paid in cash, at the Company's election.

Our business may not generate sufficient cash flows from operations or future borrowings may not be available to us under our Revolving Credit Facility or the Receivables Financing Agreement in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. Our ability to do so depends on, among other factors, prevailing economic conditions, many of which are beyond our control. In addition, upon the occurrence of certain events, such as a change in control, we could be required to repay or refinance our indebtedness. We may not be able to refinance any of our indebtedness, including the Series B Term Loan under the Credit Agreement, on commercially reasonable terms or at all. Any future acquisitions, joint ventures, or other similar transactions may require additional capital and there can be no assurance that any such capital will be available to us on acceptable terms or at all.

Cash Flows

Information about our cash flows, by category, is presented in our Consolidated Statements of Cash Flows and is summarized below:

	Year Ended September 30,	
(in millions)	**2024**	**2023**
Operating activities	$ 205.6	$ 129.9
Investing activities	$ (5.6)	$ (61.4)
Financing activities	$ (126.6)	$ (21.6)
Free Cash Flow [(1)]	$ 145.3	$ 80.2

[(1)] See "Non-GAAP Financial Measures" above for a reconciliation to the most directly comparable GAAP measure.

Cash Flows provided by Operating Activities

Net cash provided by operating activities for the fiscal year ended September 30, 2024 increased $75.7 million, to $205.6 million, from $129.9 million in the 2023 period. This increase was due to an increase in net income adjusted for non-cash activities, combined with increases in cash provided by accounts receivable and unbilled and deferred revenue. This was partially offset by increases in cash used for other operating assets and accounts payable and other operating liabilities.

Cash Flows used in Investing Activities

Net cash used in investing activities was $5.6 million in the fiscal year ended September 30, 2024, a decrease of $55.8 million compared to $61.4 million for the 2023 period. The decrease in cash used in investing activities was driven by $51 million of proceeds from divestitures, and $13.8 million decrease in cash used for acquisitions. This was partially offset by $7.1 million increase in capital expenditures and $3.5 million decrease in proceeds from the sale of property and equipment.

Cash Flows used in Financing Activities

Net cash used in financing activities of $126.6 million for the fiscal year ended September 30, 2024 included repayments of our Receivables Financing Agreement of $87.3 million, repayments of finance lease obligations of $36.3 million and Series A preferred stock dividend payments of $17.8 million. These were partially offset by an increase in book overdrafts of $20.1 million.

Free Cash Flow

Free Cash Flow increased $65.1 million to $145.3 million for the fiscal year ended September 30, 2024 from $80.2 million in the 2023 period. The increase in Free Cash Flow was due to an increase in net cash provided by operating activities offset by an increase in cash used for capital expenditures, each as described above.

Working Capital

(in millions)	September 30, 2024	September 30, 2023
Net Working Capital:		
Current assets	$ 780.1	$ 742.1
Less: Current liabilities	543.3	466.7
Net working capital	$ 236.8	$ 275.4

Net working capital is defined as current assets less current liabilities. Net working capital decreased $38.6 million, to $236.8 million, at September 30, 2024, from $275.4 million at September 30, 2023, primarily driven by increases in accrued expenses and other current liabilities of $57.5 million, deferred revenue of $15.6 million, and accounts payable of $7.9 million and decreases in accounts receivable net of $21.1 million, unbilled revenue of $5.7 million and other current assets of $2.6 million. These were partially offset by an increase in cash and cash equivalents of $73.4 million and decreases in current portion of self-insurance reserves of $2.0 million and current portion of operating lease liabilities of $2.4 million.

Description of Indebtedness

Series B Term Loan due 2029

On April 22, 2022, the Company entered into Amendment No. 6 to the Credit Agreement (the "Amendment Agreement"), which amended the existing Credit Agreement to provide for: (i) a $1,200.0 million seven-year term loan (the "Series B Term Loan") and (ii) a $300.0 million five-year revolving credit facility (the "Revolving Credit Facility"). The Series B Term Loan matures on April 22, 2029 and bears interest at a rate per annum of a secured overnight financing rate ("Term SOFR"), plus a margin of 3.25% or a base rate ("ABR") plus a margin of 2.25%, subject to SOFR and ABR floors of 0.50% and 1.50%, respectively. The Company used the net proceeds from the Series B Term Loan to repay all amounts then outstanding under the Company's Credit Agreement. As a result of the repayment of the amounts outstanding under the Company's Credit Agreement, the Company recorded a loss on debt extinguishment of $12.6 million due to accelerated amortization of deferred financing fees and original issue discount included in the Other expense (income) line of the Consolidated Statements of Operations for the year ended September 30, 2022. An original issue discount of $12.0 was incurred when the Series B Term Loan was issued and is being amortized using the effective interest method over the life of the debt, resulting in an effective yield of 3.42%.

On August 28, 2023, the Company voluntarily repaid $450.0 million of the amount outstanding under the Company's Amendment Agreement. As a result of this voluntary repayment, the Company recorded a loss on debt extinguishment of $8.3 million due to accelerated amortization of deferred financing fees and original issue discount as well as fees paid to lenders and third parties. The loss on debt extinguishment is included in the Other (income) expense line of the Consolidated Statements of Operations for the year ended September 30, 2023.

On August 31, 2023, the Company entered into Amendment No. 7 to the Credit Agreement (the "Seventh Credit Agreement Amendment"). The Seventh Credit Agreement Amendment (i) amends the definition of "Permitted Holders" to include Birch Equity Holdings, LP, a Delaware limited partnership, Birch-OR Equity Holdings, LLC, a Delaware limited liability company and One Rock Capital Partners, LLC and (ii) provides for a 1.00% prepayment premium for voluntary prepayments made in connection with repricing transactions or amendments made where the primary purpose of which is to decrease the effective yield, and which shall be applicable until six months after entering into the Seventh Credit Agreement Amendment.

On May 28, 2024, the Company entered into Amendment No. 8 to the Credit Agreement (the "Eighth Credit Agreement Amendment"). Under the Eighth Credit Agreement Amendment, the existing Series B Term Loans were amended to bear interest at a rate per annum based on Term SOFR, plus a margin of 2.50% or ABR plus a margin of 1.50%, subject to SOFR and ABR floors of 0.50% and 1.50%, respectively.

There were no debt repayments on the Series B Term Loan for the fiscal year ended September 30, 2024. Debt repayments for the Series B Term Loan totaled $459.0 million for the fiscal year ended September 30, 2023.

In addition to scheduled payments, the Company is obligated to pay a percentage of excess cash flow, as defined in the Credit Agreement, as payments to principal. The percentage varies with the ratio of the Company's debt to its cash flow. The excess cash flow calculation did not result in any required payment due for the periods ended September 30, 2024, September 30, 2023, and September 30, 2022.

Revolving credit facility

The Company has a five-year $300 million revolving credit facility that matures on April 22, 2027 and bears interest at a rate per annum of Term SOFR plus a margin ranging from 2.00% to 2.50%, or ABR plus a margin ranging from 1.00 to 1.50%, subject to SOFR and ABR floors of 0.00% and 1.00%, respectively, with the margin on the Revolving Credit Facility determined based on the Company's first lien net leverage ratio. The Revolving Credit Facility replaced the previous $260.0 million revolving credit facility under the Credit Agreement. The Company had no outstanding balance under the Revolving Credit Facility as of September 30, 2024 and September 30, 2023. There were no borrowings or repayments under the facility during the year ended September 30, 2024. There were $33.5 million borrowings under the facility during the year ended September 30, 2023, of which, $33.5 million were repaid during the same period. The Company had no letters of credits issued and outstanding as of September 30, 2024 and had $42.6 million of letters of credits issued and outstanding as of September 30, 2023. The weighted average interest rate on the Revolving Credit Facility was 6.9% for the year ended September 30, 2023.

Receivables financing agreement

On April 28, 2017, the Company, through a wholly-owned subsidiary, entered into a receivables financing agreement. On June 22, 2022, the Company entered into the Third Amendment to the Receivables Financing Agreement (the "Third Amendment") which extended the term through June 22, 2025 and increased the borrowing capacity to $275.0 million. On August 31, 2023, the Company, entered into the Fourth Amendment to the Receivables Financing Agreement (the "Fourth Amendment"), which amends the definition of "Permitted Holders" to align with the definition of "Permitted Holders" under the Credit Agreement Amendment, as of the date of the closing of the Receivables Financing Amendment described above. On June 27, 2024, the Company, through a wholly-owned subsidiary, entered into the Fifth Amendment to the Receivables Financing Agreement (the "Fifth Amendment"), which increased the borrowing capacity to $325.0 million and extended the term through June 27, 2027. All amounts outstanding under the Receivables Financing Agreement are collateralized by substantially all of the accounts receivable and unbilled revenue of the Company. During the year ended September 30, 2024, the Company borrowed $0.5 million against the capacity and voluntarily repaid $87.3 million. During the year ended September 30, 2023, the Company borrowed $549.5 million against the capacity and voluntarily repaid $554.5 million.

The interest rate on the amounts borrowed under the Receivables Financing Agreement is established for periods of up to six months at 140-170 bps over SOFR depending on the Company's leverage ratio, and a commitment fee equal to 0.4% of the unused balance of the facility. The weighted average interest rate on the amounts borrowed under the Receivables Financing Agreement was 6.7% and 6.3% for the years ended September 30, 2024 and September 30, 2023, respectively.

For additional information on our material indebtedness, including our First Lien Term Loans, Series B Term Loans and Revolving Credit Facility and our outstanding borrowings under the Receivables Financing Agreement, see Note 9 "Long-term Debt" in our audited consolidated financial statements included elsewhere in this Form 10-K.

As of September 30, 2024, September 30, 2023, and September 30, 2022, we were in compliance with all of our debt covenants and no event of default had occurred or was ongoing.

Contractual Obligations and Commercial Commitments

The Company's primary contractual obligations include the payment of interest and principal on our outstanding long term debt, our operating and finance lease portfolios, and other operational purchase obligations.

The Company has outstanding variable-rate debt through its Series B Term Loan, Revolving Credit Facility, Receivables Financing Agreement and other debt instruments, which hold varying maturities. See Note 9 "Long-term Debt" to our audited consolidated financial statements included in Part II. Item 8 of this Form 10-K for further information, including the timing of principal and interest payments associated with the Company's long term debt.

The Company has operating and finance leases for branch and administrative offices, vehicles, certain machinery and equipment, and furniture. The Company's leases have remaining lease terms of one month up to 9.4 years. See Note 12 "Leases". to our audited consolidated financial statements included in Part II. Item 8 of this Form 10-K for additional information, including the maturity schedule of future principal and interest payments associated with our finance and operating lease portfolios.

Purchase obligations include commitments for various products and services made in the normal course of business to meet operational requirements, including the procurement of capital assets. As of September 30, 2024 the Company had $54.7 million of operational purchase obligations, with $23.0 million payable within twelve months. These purchase obligation amounts represent only those items for which we are contractually obligated as of September 30, 2024.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Estimates

Accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our consolidated financial statements because they involve significant judgments and uncertainties. Management believes that the application of these policies on a consistent basis enables us to provide the users of the consolidated financial statements with useful and reliable information about our operating results and financial condition. Certain of these estimates include determining fair value. All of these estimates reflect our best judgment about current, and for some estimates, future economic and market conditions and their effect based on information available as of the date of these consolidated financial statements. If these conditions change from those expected, it is reasonably possible that the judgments and estimates described below could change, which may result in future impairments of goodwill, intangibles and long-lived assets, increases in reserves for contingencies, establishment of valuation allowances on deferred tax assets and increase in tax liabilities, among other effects. Also see Note 2 "Summary of Significant Accounting Policies" to our audited consolidated financial statements included elsewhere in this Form 10-K, which discusses the significant accounting policies that we have selected from acceptable alternatives.

Acquisitions

From time to time we enter into strategic acquisitions in an effort to better service existing customers and to attain new customers. When we acquire a controlling financial interest in an entity or group of assets that are determined to meet the definition of a business, we apply the acquisition method described in ASC Topic 805, *Business Combinations*. In accordance with GAAP, the results of the acquisitions we have completed are reflected in our consolidated financial statements from the date of acquisition forward.

We allocate the purchase consideration paid to acquire the business to the assets and liabilities acquired based on estimated fair values at the acquisition date, with the excess of purchase price over the estimated fair value of the net assets acquired recorded as goodwill. If during the measurement period (a period not to exceed twelve months from the acquisition date) we receive additional information that existed as of the acquisition date but at the time of the original allocation described above was unknown to us, we make the appropriate adjustments to the purchase price allocation in the reporting period the amounts are determined.

Significant judgment is required to estimate the fair value of intangible assets and in assigning their respective useful lives. Accordingly, we typically engage third-party valuation specialists, who work under the direction of management, to assist in valuing significant tangible and intangible assets acquired.

The fair value estimates are based on available historical information and on future expectations and assumptions deemed reasonable by management, but are inherently uncertain.

We typically use an income method to estimate the fair value of intangible assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. Significant estimates and assumptions inherent in the valuations reflect a consideration of other marketplace participants, and include the amount and timing of future cash flows (including expected growth rates and profitability), a brand's relative market position and the discount rate applied to the cash flows. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions.

Determining the useful life of an intangible asset also requires judgment. All of our acquired intangible assets (e.g., trademarks, non-compete agreements and customer relationships) are expected to have finite useful lives. Our estimates of the useful lives of finite-lived intangible assets are based on a number of factors including competitive environment, market share, brand history, operating plans and the macroeconomic environment of the regions in which the brands are sold.

The costs of finite-lived intangible assets are amortized to expense over their estimated lives. The value of residual goodwill is not amortized, but is tested at least annually for impairment as described in the following note.

Goodwill

Goodwill represents the excess of the purchase price over the fair values of the underlying net assets acquired in an acquisition. Goodwill is not amortized, but rather is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. We test goodwill for impairment annually in the fourth quarter of each year using data as of July 1 of that year.

Goodwill is allocated to, and evaluated for impairment at our two identified reporting units. Goodwill is tested for impairment by either performing a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors to determine whether it is more likely than not that a reporting unit's fair value is less than its carrying amount. We may elect not to perform the qualitative assessment for some or all reporting units and perform the quantitative impairment test. The quantitative goodwill impairment test requires us to compare the carrying value of the reporting unit's net assets to the fair value of the reporting unit. The Company determined fair values of each of the reporting units using a combination of the income and market multiple approaches. The estimates used in each approach include significant management assumptions, including valuation multiples of selected guideline public companies, long-term future growth rates, operating margins, and discount rates.

If the fair value exceeds the carrying value, no further evaluation is required, and no impairment loss is recognized. If the carrying amount of a reporting unit, including goodwill, exceeds the estimated fair value, the excess of the carrying value over the fair value is recorded as an impairment loss, the amount of which not to exceed the total amount of goodwill allocated to the reporting unit.

Our methodology for estimating the fair value of our reporting units utilizes a combination of the market and income approaches. The market approach is based on the guideline public company method, which measures the value of the reporting unit through applying valuation multiples of selected guideline public companies to the reporting unit's key operating metrics. The income approach is based on the Discounted Cash Flow ("DCF") method, which is based on the present value of future cash flows. The principal assumptions utilized in the DCF methodology include long-term future growth rates, operating margins, and discount rates. There can be no assurance that our estimates and assumptions regarding forecasted cash flow, long-term future growth rates and operating margins made for purposes of the annual goodwill impairment test will prove to be accurate predictions of the future. We believe the current assumptions and estimates utilized under each approach are both reasonable and appropriate.

Based on our most recent annual analysis as of July 1, 2024, the fair values for both of our reporting units exceeded the carrying values, and therefore no indicators of impairment existed for those reporting units; however, the fair value of the Maintenance reporting unit exceeded the carrying value by 9.6%. Since the Maintenance reporting unit fair value did not substantially exceed the carrying value we may be at risk for an impairment loss in the future if forecasted trends assumed in the fair value calculation are not realized. As of September 30, 2024, there was $1,797.7 million of goodwill recorded related to the Maintenance reporting unit. See Note 7 "Intangible Assets, Goodwill, Acquisitions, and Divestitures" to our audited consolidated financial statements included in Part II. Item 8 of this Form 10-K for additional information.

Long-lived Assets (Excluding Goodwill)

Long-lived assets with finite lives are depreciated and amortized generally on a straight-line basis over their estimated useful lives. These lives are based on our previous experience for similar assets, potential market obsolescence and other industry and business data. Property and equipment and definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value. Changes in estimated useful lives or in the asset values could cause us to adjust our book value or future expense accordingly.

Net Service Revenues

We perform landscape maintenance and enhancement services, development services, other landscape services and snow removal services. Revenue is recognized based upon the service provided and the contract terms and is reported net of discounts and applicable sales taxes.

Maintenance Services

Our Maintenance Services revenues are generated primarily through landscape maintenance services and snow removal services. Landscape maintenance services that are primarily viewed as non-discretionary, such as lawn care, mowing, gardening, mulching, leaf removal, irrigation and tree care, are provided under recurring annual contracts, which typically range from one to three years in duration and are generally cancellable by the customer with 30-90 days' notice. Snow removal services are provided on either fixed fee based contracts or per occurrence contracts. Both landscape maintenance services and snow removal services can also include enhancement services that represent supplemental maintenance or improvement services generally provided under contracts of short duration related to specific services. Revenue for landscape maintenance and snow removal services under fixed fee models is recognized over time using an output based method. Additionally, a portion of our recurring fixed fee landscape maintenance and snow removal services are recorded under the series guidance. The right to invoice practical expedient, defined within Note 2 "Summary of Significant Accounting Policies" to our audited consolidated financial statements, is generally applied to revenue related to landscape maintenance and snow removal services performed in relation to per occurrence contracts as well as enhancement services. When use of the practical expedient is not appropriate for these contracts, revenue is recognized using a cost-to-cost input method. Fees for contracted landscape maintenance services are typically billed on an equal monthly basis. Fees for fixed fee snow removal services are typically billed on an equal monthly basis during snow season, while fees for time and material or other activity-based snow removal services are typically billed as the services are performed. Fees for enhancement services are typically billed as the services are performed.

Development Services

Development Services revenue is primarily recognized over time using the cost-to-cost input method, measured by the percentage of cost incurred to date to the estimated total cost for each contract, which we believe to be the best measure of progress. The full amount of anticipated losses on contracts is recorded as soon as such losses can be estimated. These losses have been immaterial in prior periods. Changes in job performance, job conditions, and estimated profitability, including final contract settlements, may result in revisions to costs and revenue and are recognized in the period in which the revisions are determined.

Risk Management and Insurance

We carry general liability, auto liability, workers' compensation and employee health care insurance policies. In addition, we carry other reasonable and customary insurance policies for a Company of our size and scope, as well as umbrella liability insurance policies to cover claims over the liability limits contained in the primary policies. Our insurance programs for workers' compensation, general liability, auto liability and employee health care for certain employees contain self-insured retention amounts, deductibles and other coverage limits ("self-insured liability"). Claims that are not self-insured as well as claims in excess of the self-insured liability amounts are insured. We use estimates in the determination of the required accrued self-insured claims. These estimates are based upon calculations performed by third-party actuaries, as well as examination of historical trends, and industry claims experience. We adjust our estimate of accrued self-insured claims when required to reflect changes based on factors such as changes in health care costs, accident frequency and claim severity. We believe the use of actuarial methods to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals. However, the use of any estimation technique in this area is inherently sensitive given the magnitude of claims involved and the length of time until the ultimate cost is known. We believe our recorded obligations for these expenses are consistently measured. Nevertheless, changes in healthcare costs, accident frequency and claim severity can materially affect the estimates for these liabilities.

Equity-based Compensation

We account for equity-based compensation plans under the fair value recognition and measurement provisions in accordance with applicable accounting standards, which require all equity-based payments to employees and non-employees, including grants of stock options, to be measured based on the grant date fair value of the awards. We use the Black-Scholes-Merton valuation model to estimate the fair value of stock options granted to employees and non-employees. This model requires certain assumptions including the estimated expected term of the stock options, the risk-free interest rate and the exercise price, of which certain assumptions are highly complex and subjective. The expected option life represents the period of time that the options granted are expected to be outstanding based on management's best estimate of the timing of a liquidity event and the contractual term of the stock option. As there is not sufficient trading history of our common stock, we use a group of our competitors which we believe are similar to us, adjusted for our capital structure, in order to estimate volatility. Our exercise price is the stock price on the date in which shares were granted.

Prior to our IPO, our stock price was calculated based on a combination of the income and market multiple approaches. Under the income approach, specifically the discounted cash flow method, forecasted cash flows are discounted to the present value at a risk-adjusted discount rate. The valuation analyses determine discrete free cash flows over several years based on forecast financial information provided by management and a terminal value for the residual period beyond the discrete forecast, which are discounted at an appropriate rate to estimate our enterprise value. Under the market multiple approach, specifically the guideline public company methods, we selected publicly traded companies with similar financial and operating characteristics as us and calculated valuation multiples based on the guideline public company's financial information and market data. Subsequent to the IPO, the estimation of our stock price is no longer necessary as we rely on the market price to determine the market value of our common stock.

We use a Monte Carlo simulation to estimate the fair value of performance stock units subject to a market condition that are granted to employees. This model requires certain assumptions including the risk-free interest rate and the number of shares expected to vest. The number of shares expected to vest represents the expected achievement of certain performance conditions. Our vesting price is the stock price on the date in which shares were granted.

For additional information related to the assumptions used, see Note 13 "Equity-Based Compensation" to our audited consolidated financial statements included elsewhere in Part II. Item 8 of this Form 10-K.

Income Taxes

The determination of our provision for income taxes requires management's judgment in the use of estimates and the interpretation and application of complex tax laws. Judgment is also required in assessing the timing and amounts of deductible and taxable items. We may establish contingency reserves for material, known tax exposures relating to deductions, transactions, and other matters involving some uncertainty as to the proper tax treatment of the item. Such reserves reflect our judgment as to the resolution of the issues involved if subject to judicial review. Several years may elapse before a particular matter, for which we have established a reserve, is audited and finally resolved or clarified. While we believe that our reserves are adequate to cover reasonably expected tax risks, issues raised by a tax authority may be finally resolved at an amount different than the related reserve. Such differences could materially increase or decrease our income tax provision in the current and/or future periods. When facts and circumstances change (including a resolution of an issue or statute of limitations expiration), these reserves are adjusted through the provision for income taxes in the period of change.

Recently Issued Accounting Pronouncements

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes* which removes specified exceptions and adds requirements to simplify the accounting for income taxes. The Company adopted the guidance in the first quarter of fiscal 2022. The adoption of ASU 2019-12 did not have a material impact on the Company's consolidated financial statements and disclosures.

Reference Rate Reform

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* which provides optional expedients and exceptions for the accounting for contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The guidance is effective for the Company upon issuance through December 31, 2022. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the third quarter of fiscal 2020 the Company elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. In January 2021, the FASB issued ASU 2021-01 to clarify the scope of certain optional expedients for derivatives that are affected by the discounting transition. The Company continues to evaluate the impact of the guidance on its consolidated financial statements and may apply other elections as applicable as additional changes in the market occur.

Business Combinations

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* which requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 as if it had originated the contracts. The Company adopted the guidance in the first quarter of fiscal 2023. The adoption of ASU No. 2021-08 did not have a material impact on the Company's consolidated financial statements and disclosures.

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to 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. The purpose of the guidance is to enable investors to better understand an entity's overall performance and assess potential future cash flows. The amendment is effective for fiscal years beginning after December 15, 2023 and interim periods in fiscal years beginning after December 15, 2024. The Company is in the process of evaluating the impact of ASU No. 2023-07 on its financial statements.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU expands public entities tax disclosures including improving disclosures surrounding the company's rate reconciliation, cash taxes paid, and disaggregation of income tax expense (or benefit) from continuing operations. The amendment is effective for annual periods beginning after December 15, 2024. The Company is in the process of evaluating the impact of ASU No. 2023-09 on its consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to interest rate risk as a result of our variable rate borrowings. We manage our exposure to interest rate risk by using pay-fixed interest rate swap and collar contracts as cash flow hedges of a portion of our variable rate debt. We have historically targeted hedging between 80% and 90% of the principal amount outstanding under our Series B Term Loan.

As of September 30, 2024, we had variable rate debt outstanding of $809.0 million at a weighted average interest rate of 8.1% for the year ended September 30, 2024, excluding the impact of our outstanding hedge agreements. Substantially all of our outstanding variable rate debt was incurred under the Amended Credit Agreement and the Receivables Financing Agreement. Each of these loans bears interest based on SOFR plus a spread.

We use interest rate swap and collar contracts to offset our exposure to interest rate movements. These outstanding interest rate contracts qualify and are designated as cash flow hedges of forecasted SOFR-based interest payments. At September 30, 2024, we were a fixed rate payer on fixed-floating interest rate swap and collar contracts that effectively fixed (swap) or limited (collar) the SOFR-based index used to determine the interest rates charged on our SOFR-based variable rate borrowings. See Note 10 "Fair Value Measurements and Derivative Instruments" to our audited consolidated financial statements included elsewhere in this Form 10-K.

Based on the debt outstanding and hedge contracts in place for the year ended September 30, 2024, a 100 basis point change in interest rates on our variable rate debt would result in a change to our fiscal 2024 interest expense by approximately $2.7 million inclusive of the impact from the active hedge contracts. Actual interest rates could change significantly more than 100 bps.

Commodity Price Risk

We are exposed to market risk for changes in fuel prices through the consumption of fuel by our vehicle fleet and mowers in the delivery of services to our customers. We purchase our fuel at prevailing market prices. We manage our exposure through the execution of a documented hedging strategy. We have historically entered into fuel swap contracts to mitigate the financial impact of fluctuations in fuel prices when appropriate. We currently have open fuel-based derivative instruments.

During the year ended September 30, 2024 we purchased approximately 21.1 million gallons of fuel. Based on the hedging contract in place during fiscal 2024, a ten percent change in fuel prices would have resulted in a change of approximately $6.2 million in our annual fuel cost inclusive of the impact from the active hedge contracts.

We continue to monitor our exposure and the current pricing environment and may execute new fuel-based derivative instruments in the future. See Note 10 "Fair Value Measurements and Derivative Instruments" to our audited consolidated financial statements included elsewhere in this Form 10-K.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements, supplementary information and financial statement schedules of the Company are set forth beginning on page F-1 of this report.

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

Regulations under the Exchange Act require public companies, including us, to maintain disclosure controls and procedures, which are defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under 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 principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required or necessary disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. The design of any controls and procedures also is based on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2024. Based upon that evaluation and subject to the foregoing, our principal executive officer and principal financial officer concluded that, as of September 30, 2024, the design and operation of our disclosure controls and procedures were effective to accomplish their objectives at a reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles in the United States.

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 process or procedures may deteriorate.

Under the supervision and with the participation our Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of September 30, 2024 based on the framework set forth in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Company's management concluded that the Company's internal control over financial reporting was effective as of September 30, 2024.

The effectiveness of the Company's internal control over financial reporting as of September 30, 2024 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm. Refer to "Opinion on Internal Control over Financial Reporting" on page F-4 herein.

Changes in Internal Control Over Financial Reporting

Regulations under the Exchange Act require public companies to evaluate any change in the Company's internal control over financial reporting as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act. There have been no changes in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated by reference to the applicable information in the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which is expected to be filed with the SEC on or before January 16, 2025.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to the applicable information in the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which is expected to be filed with the SEC on or before January 16, 2025.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference to the applicable information in the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which is expected to be filed with the SEC on or before January 16, 2025.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference to the applicable information in the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which is expected to be filed with the SEC on or before January 16, 2025.

Item 14. Principal Accounting Fees and Services

The information required by this Item is incorporated by reference to the applicable information in the Company's Proxy Statement for the 2025 Annual Meeting of Stockholders, which is expected to be filed with the SEC on or before January 16, 2025.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) Consolidated Financial Statements;

See the "Index" to the Consolidated Financial Statements commencing on page F-1 of this Form 10-K.

(2) Financial Statement Schedules

All financial statement schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedules, or because the information required is included in the consolidated financial statements and notes thereto.

(3) Exhibits

See the "Exhibit Index" beginning on page 55 of this Form 10-K.

Item 16. Form 10-K Summary

Not applicable.

Exhibit Index

Exhibit Number	Description
3.1	Third Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on July 2, 2018)
3.2	Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 7, 2023)
3.3	Certificate of Designations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2023)
3.4	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on July 2, 2018)
4.1	Stockholders Agreement, dated as of June 27, 2018, among BrightView Holdings, Inc. and the stockholders party thereto (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 2, 2018)
4.2	KKR Waiver of Rights Letter, dated as of August 28, 2023, delivered by KKR BrightView Aggregator L.P. (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2023)
4.3	Second Amended and Restated Limited Partnership Agreement of BrightView Parent, L.P., dated June 30, 2014, by and among BrightView GP I, LLC and the other parties party thereto (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1/A filed with the SEC on June 11, 2018)
4.4	Amendment No. 1 to the Second Amended and Restated Limited Partnership Agreement of BrightView Parent, L.P., dated July 5, 2016, by BrightView GP I, LLC (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1/A filed with the SEC on June 11, 2018)
4.5	Amendment No. 2 to the Second Amended and Restated Limited Partnership Agreement of BrightView Parent L.P., dated as of June 27, 2018, by and among BrightView GP I, LLC and BrightView Holdings, Inc. (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on July 2, 2018)
4.6	Description of the Company's Securities (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K filed with the SEC on November 16, 2023)
10.1	Amended and Restated Indemnification Agreement, dated as of May 21, 2014, by and among BrightView Holdings, Inc., Kohlberg Kravis Roberts & Co. L.P. and MSD Capital, L.P. (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1/A filed with the SEC on June 11, 2018)
10.2	First Lien Credit Agreement, dated as of December 18, 2013, among Garden Acquisition Holdings, Inc., Garden Merger Sub, LLC, Morgan Stanley Senior Funding, Inc., as administrative agent, collateral agent, swingline lender and a lender, Morgan Stanley Bank N.A., as the letter of credit issuer, Morgan Stanley Senior Funding, Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA, Royal Bank of Canada, Mizuho Bank, Ltd., KKR Capital Markets LLC, Macquarie Capital (USA) Inc., Sumitomo Mitsui Banking Corporation, and UBS Securities LLC, as joint lead arrangers and bookrunners, and the several lenders from time to time parties thereto (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.3	Amendment to First Lien Credit Agreement, dated as of June 30, 2014, among Garden Acquisition Holdings, Inc., The Brickman Group Ltd. LLC, Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent, and the several lenders from time to time parties thereto (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.4	Amendment No. 2 to First Lien Credit Agreement, dated as of December 18, 2017, among BrightView Acquisition Holdings, Inc., BrightView Landscapes, LLC and Morgan Stanley Senior Funding, Inc., as administrative agent, letter of credit issuer and swingline lender and the several lenders from time to time parties thereto (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.5	Amendment No. 3 to First Lien Credit Agreement, dated as of March 1, 2018, by and among BrightView Acquisition Holdings, Inc., BrightView Landscapes, LLC and Morgan Stanley Senior Funding, Inc., as administrative agent

	(incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.6	Amended and Restated Joinder Agreement, dated as of June 30, 2014, by and among Jefferies Finance LLC, MIHI, Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Nomura Corporate Funding Americas, LLC, and KKR Corporate Lending LLC, Garden Merger Sub, LLC, as borrower, Morgan Stanley Bank, N.A., as a letter of credit issuer and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.7	First Lien Guarantee, dated as of December 18, 2013, by the guarantors party thereto (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.8	First Lien Security Agreement, dated as of December 18, 2013, among Garden Acquisition Holdings, Inc., Garden Merger Sub, LLC, The Brickman Group Ltd. LLC, the subsidiary grantors party thereto and Morgan Stanley Senior Funding, Inc., as collateral agent (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.9	First Lien Pledge Agreement, dated as of December 18, 2013, among Garden Acquisition Holdings, Inc., Garden Merger Sub, LLC, The Brickman Group Ltd. LLC, each of the subsidiary pledgors party thereto and Morgan Stanley Senior Funding, Inc., as collateral agent (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.10	Grant of Security Interest in Trademark Rights, dated as of December 18, 2013, by The Brickman Group Ltd. LLC (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.11	Receivables Financing Agreement, dated as of April 28, 2017, by and among BrightView Funding LLC, BrightView Landscapes, LLC, PNC Bank, National Association, PNC Capital Markets LLC and the persons from time to time party thereto as lenders and LC participant (incorporated by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.12	First Amendment to the Receivables Financing Agreement, including as Exhibit A thereto, a marked version of the Receivables Financing Agreement, dated as of February 21, 2019, by and among BrightView Funding LLC, as borrower, BrightView Landscapes LLC, as initial servicer and PNC Bank, National Association, as lender, letter of credit bank, letter of credit participant and administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 22, 2019)
10.13	Second Amendment to the Receivables Financing Agreement, including as Exhibit A thereto, a marked version of the Receivables Financing Agreement, dated as of February 19, 2021, by and among BrightView Funding LLC, as borrower, BrightView Landscapes LLC, as initial servicer and PNC Bank, National Association, as lender, letter of credit bank, letter of credit participant and administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 19, 2021)
10.14	Third Amendment to the Receivables Financing Agreement, including Exhibit A thereto, a marked version of the Receivables Financing Agreement, dated as of June 22, 2022, by and among BrightView Funding LLC, as borrower, BrightView Landscapes LLC, as initial servicer and PNC Bank, National Association, as lender, letter of credit bank, letter of credit participant and administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 22, 2022)
10.15	Fourth Amendment to the Receivables Financing, dated as of August 31, 2023, by and among BrightView Landscapes, LLC, BrightView Funding LLC and PNC Bank, National Association (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on September 1, 2023)
10.16	Fifth Amendment to the Receivables Financing Agreement, including Exhibit A thereto, a marked version of the Receivables Financing Agreement, dated as of June 27, 2024, by and among BrightView Funding LLC, as borrower, BrightView Landscapes, LLC, as initial servicer, and PNC Bank, National Association, as lender, letter of credit bank, letter of credit participant and administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 28, 2024)
10.17	Joinder to the Receivables Financing Agreement, dated as of May 2, 2023, by and among BrightView Funding LLC, as borrower, BrightView Landscapes LLC, as initial servicer and PNC Bank, National Association, as lender, letter of credit bank, letter of credit participant and administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023)

10.18	Assignment Agreement (relating to the Receivables Financing Agreement, dated as of April 28, 2017, as amended and the Purchase and Sale Agreement, dated as of April 28, 2017, as amended), dated as of December 29, 2023, by and between U.S. Lawns, Inc. and BrightView Funding LLC (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on January 31, 2024)
10.19	Second Amendment to the Purchase and Sale Agreement, dated as of September 30, 2020, by and among BrightView Landscapes, LLC, as servicer, BrightView Tree Company, as an originator, BrightView Funding LLC, as buyer, and the parties listed thereto as remaining originators (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K filed with the SEC on November 18, 2020)
10.20	Third Amendment to the Purchase and Sale Agreement, dated as of September 30, 2020, by and among BrightView Landscapes, LLC, as servicer, BrightView Puerto Rico, LLC, as an originator, BrightView Funding LLC, as buyer, and the parties listed thereto as remaining originators (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K filed with the SEC on November 18, 2020)
10.21	Fourth Amendment to the Purchase and Sale Agreement, dated as of November 23, 2020, by and among BrightView Landscapes, LLC, as servicer, Metheny Commercial Lawn Maintenance, INC., as an originator, BrightView Funding LLC, as buyer, and the parties listed thereto as remaining originators (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 4, 2021)
10.22	Fifth Amendment to the Purchase and Sale Agreement, dated as of December 22, 2021, by and among BrightView Landscapes, LLC, as Servicer, BrightView Landscape Development, Inc., an Arizona corporation, as an Originator, BrightView Landscape Development, Inc., a Colorado corporation, as an Originator, various parties listed on the signature pages thereto as Originators and BrightView Funding LLC, as Buyer (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 3, 2022)
10.23	Sixth Amendment to the Purchase and Sale Agreement and Waiver, dated as of December 29, 2023, by and among BrightView Landscapes, LLC, as Servicer and an Originator, U.S. Lawns, Inc. as an Originator, BrightView Chargers, Inc. as an Originator, various parties listed on the signature pages thereto as Originators, BrightView Funding LLC, as Buyer, the Company as Performance Guarantor, PNC Bank, National Association as Administrative Agent, and MUFG Bank, Ltd. as Lender (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on January 31, 2024)
10.24	Incremental Amendment and Amendment No. 4 to First Lien Credit Agreement, dated June 8, 2018, by and among JPMorgan Chase Bank N.A., BrightView Holdings, Inc., BrightView Landscapes, LLC and Morgan Stanley Senior Funding, Inc., as administrative agent (incorporated by reference to Exhibit 10.35 to the Company's Registration Statement on Form S-1/A filed with the SEC on June 11, 2018)
10.25	Amendment No. 5 to Credit Agreement, including as Exhibit A thereto, the Amended Credit Agreement, dated as of August 15, 2018, by and among BrightView Holdings, Inc., BrightView Landscapes, LLC and the lenders or other financial institutions or entities from time to time party thereto and JPMorgan Chase Bank, N.A., as successor Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 15, 2018)
10.26	Amendment No. 6 to Credit Agreement, including as Exhibit A thereto, the Amended Credit Agreement, dated as of April 22, 2022, by and among the Company, the Borrower and the lenders or other financial institutions or entities from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 22, 2022)
10.27	Amendment No. 7 to Credit Agreement, dated as of August 31, 2023 by and among BrightView Landscapes, LLC, the other credit parties party thereto, the lenders or other financial institutions or entities party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 1, 2023)
10.28	Amendment No. 8 to Credit Agreement, dated as of May 28, 2024, by and among BrightView Holdings, Inc. BrightView Landscapes, LLC, each of the other credit parties thereto, the lenders or other financial institutions or entities party thereto and JPMorgan Chase Bank, N.A. as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 28, 2024)
10.29	Investment Agreement, dated as of August 28, 2023, by and among BrightView Holdings, Inc., Birch Equity Holdings, LP and Birch-OR Equity Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2023)

10.30	Registration Rights Agreement, dated as of August 28, 2023, by and among BrightView Holdings, Inc., Birch Equity Holdings, LP and Birch-OR Equity Holdings, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2023)
10.31†	BrightView Holdings, Inc. Amended and Restated 2018 Omnibus Incentive Plan, as amended on March 5, 2024 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2024)
10.32†	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the 2018 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K filed with the SEC on November 21, 2019)
10.33†	BrightView Holdings, Inc. 2018 Employee Stock Purchase Plan, as amended on March 5, 2024 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2024)
10.34†	Letter Agreement between BrightView Holdings, Inc. and Andrew V. Masterman (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.35†	Consulting and Separation Agreement, dated as of May 3, 2023, by and between Andrew V. Masterman and BrightView Landscapes, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 4, 2023)
10.36†	Letter Agreement between BrightView Holdings, Inc. and Brett Urban (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on May 25, 2022)
10.37†	Letter Agreement between BrightView Holdings, Inc. and Jonathan M. Gottsegen (incorporated by reference to Exhibit 10.30 to the Company's Registration Statement on Form S-1 filed with the SEC on May 30, 2018)
10.38†*	Letter Agreement between BrightView Holdings, Inc. and Amanda Orders
10.39†*	Letter Agreement between BrightView Holdings, Inc. and Michael Dozier
10.40†*	Acknowledgement and Acceptance of Position Change between BrightView Holdings, Inc. and Michael Dozier
10.41†	Form of Award Notice and Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-1/A filed with the SEC on June 11, 2018)
10.42†	Form of Award Notice and Nonqualified Stock Option Agreement (Top-Up Option) (incorporated by reference to Exhibit 10.33 to the Company's Registration Statement on Form S-1/A filed with the SEC on June 11, 2018)
10.43†	Form of BrightView Holdings, Inc. Restricted Stock Grant and Acknowledgment (incorporated by reference to Exhibit 10.34 to the Company's Registration Statement on Form S-1/A filed with the SEC on June 11, 2018)
10.44†	Form of BrightView Holdings, Inc. Restricted Stock Unit Grant (2019) (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 6, 2020)
10.45†	Form of Award Notice and Nonqualified Stock Option Agreement (2019) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 6, 2020)
10.46†	Form of BrightView Holdings, Inc. Restricted Stock Unit Grant (2019 Bonus Grant) (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 6, 2020)
10.47†	The BrightView Holdings, Inc. Amended and Restated 2018 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 11, 2020)
10.48†	BrightView Holdings, Inc. Executive Leadership Team Annual Bonus Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020)
10.49†	Form of BrightView Holdings, Inc. Performance Stock Unit Grant (2022) (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022)
10.50†	Form of BrightView Holdings, Inc. Restricted Stock Unit Grant (2022) (incorporated by reference to Exhibit 10.50 to the Company's Annual Report on Form 10-K filed with the SEC on November 17, 2022)
10.51†	Form of BrightView Holdings, Inc. Retention Restricted Stock Unit Grant (2022) (incorporated by reference to Exhibit 10.51 to the Company's Annual Report on Form 10-K filed with the SEC on November 17, 2022)
10.52†	Form of BrightView Holdings, Inc. Annual Performance Stock Unit Grant (FY2023) (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on February 7, 2023)

10.53†	Form of BrightView Holdings, Inc. Restricted Stock Unit Grant (2023) (incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K filed with the SEC on November 16, 2023)
10.54†	Interim Chief Executive Officer Agreement, dated as of May 3, 2023, by and between James R. Abrahamson and BrightView Holdings, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on May 4, 2023)
10.55†	Restricted Stock Unit Grant Agreement, dated as of June 1, 2023, by and between James R. Abrahamson and BrightView Holdings, Inc. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 3, 2023)
10.56†	Form of 2023 Retention Award Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 3, 2023)
10.57†	Letter Agreement, effective October 1, 2023, by and between BrightView Holdings, Inc. and Dale A. Asplund (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2023)
10.58†	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2023)
10.59†	BrightView Holdings, Inc. 2023 Employment Inducement Incentive Award Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed with the SEC on September 28, 2023)
10.60†	Form of Inducement Restricted Stock Unit Grant (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 filed with the SEC on September 28, 2023)
10.61†	The BrightView Executive Savings Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on January 31, 2024)
10.62†	Adoption Agreement for the BrightView Executive Savings Plan, dated as of October 1, 2008, by and between The Brickman Group Ltd. LLC and Fidelity Management Trust Company (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on January 31, 2024)
10.63†	First Amendment to the Adoption Agreement for the BrightView Executive Savings Plan, dated as of December 13, 2022, by and between BrightView Landscapes, LLC and Fidelity Management Trust Company (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on January 31, 2024)
10.64†	Transition Services and Separation Agreement, effective February 27, 2024, by and between BrightView Holdings, Inc., BrightView Landscapes, LLC and Jamie C. Gollotto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 1, 2024)
19.1*	BrightView Holdings, Inc. Insider Trading and Selective Disclosure Policy
21.1*	Subsidiaries of BrightView Holdings, Inc.
23.1*	Consent of Deloitte & Touche LLP
31.1*	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
97.1†	BrightView Holdings, Inc. Clawback Policy, effective as of October 2, 2023 (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K filed with the SEC on November 16, 2023)
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Documentsi
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	The cover page for the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2024, has been formatted in Inline XBRL.

* Filed herewith.

** Furnished herewith.

† Indicates a management contract or any compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Date: November 13, 2024

BrightView Holdings, Inc.

By: /s/ Dale A. Asplund
Dale A. Asplund
Chief Executive Officer, President and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Dale A. Asplund Dale A. Asplund	Chief Executive Officer, President and Director (Principal Executive Officer)	November 13, 2024
/s/ Brett Urban Brett Urban	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	November 13, 2024
/s/ Brian Jackson Brian Jackson	Chief Accounting Officer (Principal Accounting Officer)	November 13, 2024
/s/ Paul E. Raether Paul E. Raether	Chairman of Board of Directors	November 13, 2024
/s/ James R. Abrahamson James R. Abrahamson	Director	November 13, 2024
/s/ Kurtis Barker Kurtis Barker	Director	November 13, 2024
/s/ Jane Okun Bomba Jane Okun Bomba	Director	November 13, 2024
/s/ William Cornog William Cornog	Director	November 13, 2024
/s/ Joshua Goldman Joshua Goldman	Director	November 13, 2024
/s/ Frank Lopez Frank Lopez	Director	November 13, 2024
/s/ Richard W. Roedel Richard W. Roedel	Director	November 13, 2024
/s/ Mara Swan Mara Swan	Director	November 13, 2024

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Report of Independent Registered Public Accounting Firm

To the stockholders and the Board of Directors of BrightView Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BrightView Holdings, Inc. and subsidiaries (the "Company") as of September 30, 2024 and 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity and mezzanine equity, and cash flows, for each of the three years in the period ended September 30, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also 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 September 30, 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 November 13, 2024 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 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 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 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 financial statements. We believe that our audits provide 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 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 financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the 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.

Goodwill – Maintenance Reporting Unit – Refer to Notes 2 and 7 to the financial statements

Critical Audit Matter Description

Goodwill is not amortized, but rather is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company tests goodwill for impairment annually in the fourth quarter of each year using data as of July 1 of that year.

The Company's methodology for estimating the fair value of their reporting units utilizes a combination of the market and income approaches. The market approach is based on the guideline public company method, which measures the value of the reporting unit through applying valuation multiples of selected guideline public companies to the reporting unit's key operating metrics. The income approach is based on the discounted cash flow method, which is based on the present value of future cash flows. The principal assumptions utilized in the income approach include the long-term future revenue growth rates, operating margins, and discount rates. Changes in these assumptions could have a significant impact on either the fair value, the amount of any goodwill impairment charge, or both. The fair value of the Maintenance reporting unit as of the measurement date of July 1, 2024 exceeded the carrying value. Therefore, no impairment was recognized. As of September 30, 2024, there was $1,797.7 million of goodwill recorded related to the Maintenance reporting unit.

We identified the valuation of the Maintenance reporting unit goodwill as a critical audit matter because of the significant judgments made by management to estimate the fair value of the Maintenance reporting unit. Auditing the fair value of this reporting unit involved a high degree of auditor judgment and an increased effort, which included the involvement of our fair value specialists, as it related to evaluating whether management's significant estimates and assumptions related to valuation multiples of selected guideline public companies, long-term future revenue growth rates, operating margins, and discount rate were appropriate.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the significant estimates and assumptions related to valuation multiples of selected guideline public companies, long-term future revenue growth rates, operating margins, and discount rate used by management to estimate the fair value of the Maintenance reporting unit included the following, among others:

- We tested the effectiveness of internal controls over the determination of the fair value of the Maintenance reporting unit, including controls related to management's significant estimates and assumptions of long-term future revenue growth rates, operating margins, and discount rate.
- We evaluated management's ability to accurately forecast future Maintenance reporting unit revenue and operating margin by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's Maintenance reporting unit revenue and operating margin forecasts by comparing the forecasts to:
    - historical results,
    - internal communications to management and the Board of Directors, and
    - forecasted information included in analyst and industry reports for the Company.
- With the assistance of our fair value specialists, for the income approach we evaluated (1) the valuation methodology used and (2) the projections of long-term future revenue growth rates and the discount rate by testing the underlying source information, and by developing a range of independent estimates and comparing those to the rates selected by management.
- With the assistance of our fair value specialists, for the market approach we evaluated the selection of peer groups and guideline public company market multiples, including testing the underlying information supporting these assumptions and the mathematical accuracy of the calculations.

/S/ Deloitte & Touche LLP

Philadelphia, PA
November 13, 2024

We have served as the Company's auditor since 2014.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of BrightView Holdings, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of BrightView Holdings, Inc. and subsidiaries (the "Company") as of September 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and related notes as of and for the year ended September 30, 2024, of the Company and our report dated November 13, 2024, expressed an unqualified opinion on those financial statements.

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 included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and 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/ Deloitte & Touche LLP

Philadelphia, PA
November 13, 2024

BrightView Holdings, Inc.
Consolidated Balance Sheets
(In millions, except par value and share data)

	September 30, 2024	September 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 140.4	$ 67.0
Accounts receivable, net	415.2	442.3
Unbilled revenue	137.8	143.5
Other current assets	86.7	89.3
Total current assets	780.1	742.1
Property and equipment, net	391.9	315.2
Intangible assets, net	95.8	132.3
Goodwill	2,015.7	2,021.4
Operating lease assets	81.3	86.1
Other assets	27.0	55.1
Total assets	$ 3,391.8	$ 3,352.2
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 144.1	$ 136.2
Deferred revenue	83.8	68.2
Current portion of self-insurance reserves	52.8	54.8
Accrued expenses and other current liabilities	237.7	180.2
Current portion of operating lease liabilities	24.9	27.3
Total current liabilities	543.3	466.7
Long-term debt, net	802.5	888.1
Deferred tax liabilities	43.9	51.1
Self-insurance reserves	112.8	105.1
Long-term operating lease liabilities	62.6	65.1
Other liabilities	44.3	34.6
Total liabilities	1,609.4	1,610.7
Mezzanine equity:		
Series A convertible preferred shares, $0.01 par value, 7% cumulative dividends; 500,000 shares issued and outstanding as of September 30, 2024 and September 30, 2023, aggregate liquidation preference of $512.0 and $503.2 as of September 30, 2024 and September 30, 2023, respectively	507.1	498.2
Stockholders' equity:		
Preferred stock, $0.01 par value; 50,000,000 shares authorized; no shares issued or outstanding as of September 30, 2024 and September 30, 2023	—	—
Common stock, $0.01 par value; 500,000,000 shares authorized; 108,200,000 and 106,600,000 shares issued and 94,800,000 and 93,600,000 shares outstanding as of September 30, 2024 and September 30, 2023, respectively	1.1	1.1
Treasury stock, at cost; 13,400,000 and 13,000,000 shares as of September 30, 2024 and September 30, 2023, respectively	(173.5)	(170.4)
Additional paid-in capital	1,518.1	1,530.8
Accumulated deficit	(68.9)	(135.3)
Accumulated other comprehensive (loss) income	(1.5)	17.1
Total stockholders' equity	1,275.3	1,243.3
Total liabilities, mezzanine equity and stockholders' equity	$ 3,391.8	$ 3,352.2

The accompanying notes are an integral part of these consolidated financial statements.

BrightView Holdings, Inc.
Consolidated Statements of Operations
(In millions, except per share data)

	Year Ended September 30,		
	2024	**2023**	**2022**
Net service revenues	$ 2,767.1	$ 2,816.0	$ 2,774.6
Cost of services provided	2,121.5	2,137.1	2,099.8
Gross profit	645.6	678.9	674.8
Selling, general and administrative expense	496.5	533.4	534.9
Gain on divestiture	(43.6)	—	—
Amortization expense	35.8	44.5	51.5
Income from operations	156.9	101.0	88.4
Other (income) expense	(2.0)	6.7	15.5
Interest expense, net	62.4	97.4	53.3
Income (loss) before income taxes	96.5	(3.1)	19.6
Income tax expense	30.1	4.6	5.6
Net income (loss)	$ 66.4	$ (7.7)	$ 14.0
Less: dividends on Series A convertible preferred shares	35.7	3.2	—
Net income (loss) attributable to common stockholders	$ 30.7	$ (10.9)	$ 14.0
Earnings (loss) per share:			
Basic earnings (loss) per share	$ 0.21	$ (0.12)	$ 0.14
Diluted earnings (loss) per share	$ 0.20	$ (0.12)	$ 0.14

The accompanying notes are an integral part of these consolidated financial statements.

BrightView Holdings, Inc.
Consolidated Statements of Comprehensive Income
(In millions)

	Fiscal Year Ended		
	2024	2023	2022
Net income (loss)	$ 66.4	$ (7.7)	$ 14.0
Net derivative (losses) gains and other costs arising during the period, net of tax expense of $(3.7), $9.5; and $1.7, respectively [1]	(10.4)	26.5	4.2
Reclassification of (gains) into net income (loss), net of tax (expense) of $(2.9); $(3.8); and $(0.3), respectively	(8.2)	(11.4)	(0.7)
Other comprehensive (loss) income	(18.6)	15.1	3.5
Comprehensive income	$ 47.8	$ 7.4	$ 17.5

[1] Other costs include the effects of foreign currency translation adjustments which were immaterial during the periods presented.

The accompanying notes are an integral part of these consolidated financial statements.

BrightView Holdings, Inc.
Consolidated Statements of Stockholders' Equity and Mezzanine Equity
(In millions)

	Stockholders' Equity							Mezzanine Equity	
	Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Treasury	Total Stockholders'	Preferred	
	Shares	Amount	Capital	Deficit	Income (Loss)	Stock	Equity	Shares	Amount
Balance, September 30, 2021	105.2	$ 1.1	$ 1,489.1	$ (141.6)	$ (1.5)	$ (4.4)	$ 1,342.7	—	$ —
Net income	—	—	—	14.0	—	—	14.0	—	—
Other comprehensive income, net of tax	—	—	—	—	3.5	—	3.5	—	—
Capital contributions and issuance of common stock	0.5	—	1.5	—	—	—	1.5	—	—
Equity-based compensation	—	—	18.9	—	—	—	18.9	—	—
Repurchase of common stock and distributions	—	—	—	—	—	(163.8)	(163.8)	—	—
Balance, September 30, 2022	105.7	$ 1.1	$ 1,509.5	$ (127.6)	$ 2.0	$ (168.2)	$ 1,216.8	—	$ -
Net (loss)	—	—	—	(7.7)	—	—	(7.7)		
Other comprehensive income, net of tax	—	—	—	—	15.1	—	15.1	—	—
Capital contributions and issuance of common stock	0.9	—	2.4	—	—	—	2.4	—	—
Equity-based compensation	—	—	22.1	—	—	—	22.1	—	—
Repurchase of common stock and distributions	—	—	—	—	—	(2.2)	(2.2)	—	—
Issuance of Series A preferred stock, net of issuance costs	—	—	—	—	—	—	—	0.5	495.0
Dividends on Series A convertible preferred shares	—	—	(3.2)	—	—	—	(3.2)	—	3.2
Balance, September 30, 2023	106.6	$ 1.1	$ 1,530.8	$ (135.3)	$ 17.1	$ (170.4)	$ 1,243.3	0.5	$ 498.2
Net income	—	—	—	66.4	—	—	66.4	—	—
Other comprehensive (loss), net of tax	—	—	—	—	(18.6)	—	(18.6)	—	—
Capital contributions and issuance of common stock	1.6	—	2.8	—	—	—	2.8	—	—
Equity-based compensation	—	—	20.2	—	—	—	20.2	—	—
Repurchase of common stock and distributions	—	—	—	—	—	(3.1)	(3.1)	—	—
Series A Preferred Stock dividends	—	—	(35.7)	—	—	—	(35.7)	—	8.9
Balance, September 30, 2024	108.2	$ 1.1	$ 1,518.1	$ (68.9)	$ (1.5)	$ (173.5)	$ 1,275.3	0.5	$ 507.1

The accompanying notes are an integral part of these consolidated financial statements.

BrightView Holdings, Inc.
Consolidated Statements of Cash Flows
(In millions)

	Fiscal Year Ended		
	September 30, 2024	**September 30, 2023**	**September 30, 2022**
Cash flows from operating activities:			
Net income (loss)	$ 66.4	$ (7.7)	$ 14.0
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	108.4	105.2	98.9
Amortization of intangible assets	35.8	44.5	51.5
Amortization of financing costs and original issue discount	2.8	3.5	3.7
Loss on debt extinguishment	0.6	8.3	12.6
Deferred taxes	1.7	(21.5)	(6.6)
Equity-based compensation	20.2	22.1	18.9
Realized gain on hedges	(11.1)	(15.2)	(1.0)
Gain on divestiture	(43.6)	—	—
Other non-cash activities	(8.6)	(5.3)	(1.7)
Change in operating assets and liabilities:			
Accounts receivable	19.9	(52.6)	(6.3)
Unbilled and deferred revenue	22.1	(5.4)	(6.9)
Other operating assets	11.4	17.1	(10.5)
Accounts payable and other operating liabilities	(20.4)	36.9	(59.7)
Net cash provided by operating activities	205.6	129.9	106.9
Cash flows from investing activities:			
Purchase of property and equipment	(78.4)	(71.3)	(107.3)
Proceeds from sale of property and equipment	18.1	21.6	7.1
Business acquisitions, net of cash acquired	—	(13.8)	(93.1)
Proceeds from divestiture	51.0	—	—
Other investing activities	3.7	2.1	(0.4)
Net cash (used) by investing activities	(5.6)	(61.4)	(193.7)
Cash flows from financing activities:			
Repayments of finance lease obligations	(36.3)	(27.6)	(27.0)
Repayments of term loan	—	(459.0)	(1,006.3)
Repayments of receivables financing agreement	(87.3)	(554.5)	(374.4)
Repayments of revolving credit facility	—	(33.5)	(165.0)
Proceeds from term loan, net of issuance costs	—	—	1,180.1
Proceeds from receivables financing agreement, net of issuance costs	0.5	549.5	391.7
Proceeds from revolving credit facility	—	33.5	165.0
Debt issuance and prepayment costs	(2.5)	(1.8)	(4.6)
Series A preferred stock dividend	(17.8)	—	—
Proceeds from issuance of Series A preferred stock, net of issuance costs	—	495.0	—
Proceeds from issuance of common stock, net of share issuance costs	3.0	1.2	1.6
Repurchase of common stock and distributions	(3.1)	(2.2)	(163.8)
Contingent business acquisition payments	(5.1)	(22.1)	—
Increase in book overdrafts	20.1	—	—
Other financing activities	1.9	(0.1)	(14.1)
Net cash (used) by financing activities	(126.6)	(21.6)	(16.8)
Net change in cash and cash equivalents	73.4	46.9	(103.6)
Cash and cash equivalents, beginning of period	67.0	20.1	123.7
Cash and cash equivalents, end of period	$ 140.4	$ 67.0	$ 20.1
Supplemental Cash Flow Information:			
Cash (received) paid for income taxes, net	$ 34.4	$ (9.8)	$ 17.3
Cash paid for interest	$ 67.7	$ 82.1	$ 48.7
Non-cash Series A Preferred Stock dividends	$ 8.9	$ 3.2	$ —
Accrual for property and equipment	$ 50.7	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements.

BrightView Holdings, Inc.
Notes to Consolidated Financial Statements
(In millions, except per share and share data)

1. Business

BrightView Holdings, Inc. (the "Company" and, collectively with its consolidated subsidiaries, "BrightView") provides landscape maintenance and enhancements, landscape development, snow removal and other landscape related services for commercial customers throughout the United States. BrightView is aligned into two reportable segments: Maintenance Services and Development Services.

Basis of Presentation

These consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and its wholly-owned subsidiaries which are directly or indirectly owned by the Company. Results of acquired companies are included in the consolidated financial statements from the effective date of the acquisition. All intercompany transactions and account balances have been eliminated.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. On an ongoing basis, management reviews its estimates, including those related to allowances for doubtful accounts, revenue recognition, self-insurance reserves, estimates related to the Company's assessment of goodwill for impairment, useful lives for depreciation and amortization, realizability of deferred tax assets, and litigation based on currently available information. Changes in facts and circumstances may result in revised estimates and actual results may differ from estimates.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include deposits in banks and money market funds with maturities of less than three months at the time of deposit or investment. Under our cash management system, checks issued but not yet presented to banks that would result in negative bank balances when presented are classified as a current liability in the Consolidated Balance Sheets. Changes in book overdrafts from period to period are reported in the Consolidated Statements of Cash Flows as a financing activity.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company reserves for all accounts that are deemed to be uncollectible and reviews its allowance for doubtful accounts regularly. The allowance is based on the age of receivables and a specific identification of receivables considered at risk, representing its best estimate of probable credit losses in existing trade accounts receivable (see Note 5 "Accounts Receivable, net"). Account balances are written off against the allowance when the potential for recovery is considered remote.

Accounts receivable also includes customer balances that have been billed or are billable to the Company's customers but will not be collected until completion of the project or as otherwise specified in the contract. These amounts generally represent 5-10% of the total contract value.

Property and Equipment

Property and equipment is carried at cost, including the cost of labor for internal use software, less accumulated depreciation, except for those assets acquired through a business combination, in which case they have been stated at estimated fair value as of the date of the business combination, less accumulated depreciation. Costs of replacements or maintenance and repairs that do not improve or extend the life of the related assets are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets and included in Cost of services provided or Selling, general and administrative expense as appropriate.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair values of the underlying net assets acquired in an acquisition. Goodwill is not amortized, but rather is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company tests goodwill for impairment annually in the fourth quarter of each year using data as of July 1 of that year.

Goodwill is allocated to, and evaluated for impairment at, the Company's two identified reporting units. Goodwill is tested for impairment by either performing a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors to determine whether it is more likely than not that a reporting unit's fair value is less than its carrying amount. The Company may elect not to perform the qualitative assessment for some or all reporting units and perform the quantitative impairment test. The quantitative goodwill impairment test requires the Company to compare the carrying value of the reporting unit's net assets to the estimated fair value of the reporting unit. The Company determines the estimated fair values of each of the reporting units using a combination of the income and market multiple approaches. The estimates used in each approach include significant management assumptions, including valuation multiples of selected guideline public companies, long-term future growth rates, operating margins, and discount rates.

If the estimated fair value exceeds the carrying value, no further evaluation is required, and no impairment loss is recognized. If the carrying amount of a reporting unit, including goodwill, exceeds the estimated fair value, the excess of the carrying value over the estimated fair value is recorded as an impairment loss, the amount of which is not to exceed the total amount of goodwill allocated to the reporting unit.

Definite-lived intangible assets consist of acquired customer contracts and relationships, non-compete agreements and trademarks. Acquired customer relationships are amortized in an accelerated pattern consistent with expected future cash flows. Non-compete agreements and trademarks are amortized straight-line over their estimated useful lives.

Impairment of Long-lived Assets

Property and equipment and definite-lived intangible assets are reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value.

Financing Costs

Financing costs, consisting of fees and other expenses associated with borrowings, are amortized over the terms of the related borrowings using the effective interest rate method (see Note 9 "Long-term Debt"). Financing costs are presented in the Consolidated Balance Sheets as a direct reduction from the carrying amount of the related borrowings.

Self-Insurance Reserves

The Company carries general liability, auto liability, workers' compensation, and employee health care insurance policies. In addition, the Company carries other reasonable and customary insurance policies for a Company of our size and scope, as well as umbrella liability insurance policies to cover claims over the liability limits contained in the primary policies. The Company's insurance programs for general liability, vehicle liability, workers' compensation and employee health care for certain employees contain self-insured retention amounts. Claims that are not self-insured as well as claims in excess of the self-insured retention amounts are insured. The Company uses estimates in the determination of the required reserves. These estimates are based upon calculations performed by third-party actuaries, as well as examination of historical trends, demographic factors and industry claims experience. A receivable for an insurance recovery is generally recognized when the loss has occurred and collection is considered probable (see Note 14 "Commitments and Contingencies").

Fair value of Financial Instruments

In evaluating the fair value of financial assets and liabilities, GAAP outlines a valuation framework and creates a fair value hierarchy that distinguishes between market assumptions based on market data ("observable inputs") and a reporting entity's own assumptions about market data ("unobservable inputs"). Fair value is defined as the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Fair Value Hierarchy

The following hierarchy for inputs used in measuring fair value should maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available:

Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement dates.

Level 2 Significant observable inputs that are used by market participants in pricing the asset or liability based on market data obtained from independent sources.

Level 3 Significant unobservable inputs the Company believes market participants would use in pricing the asset or liability based on the best information available.

The carrying amounts shown for the Company's cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term maturity of those instruments. The valuation is based on settlements of similar financial instruments, all of which are short-term in nature and are generally settled at or near cost. See Note 9 "Long-term Debt", Note 10 "Fair Value Measurements and Derivative Instruments" and Note 16 "Mezzanine Equity" for other financial instruments subject to fair value estimates.

Derivative Instruments and Hedging Activities

The Company's objective in entering into derivative transactions is to manage its exposure to interest rate movements associated with its variable rate debt and changes in fuel prices. The Company recognizes derivatives as either assets or liabilities on the Consolidated Balance Sheets and measures those instruments at fair value. Since all of the Company's derivatives are designated as cash flow hedges, the entire change in the fair value of the derivative included in the assessment of hedge effectiveness is initially reported in Other comprehensive (loss) income and subsequently reclassified to Interest expense, net (interest rate contracts) or Cost of services provided (fuel hedge contracts) in the accompanying Consolidated Statements of Operations at the time the hedge transaction affects earnings. If it is determined that a derivative is not highly effective as a hedge, or if the hedged forecasted transaction is no longer probable of occurring, the amount recognized in Accumulated other comprehensive (loss) income is released to earnings. See Note 10 "Fair Value Measurements and Derivative Instruments" for more information.

Revenue Recognition

The Company's revenue is generated from Maintenance Services and Development Services. The Company generally recognizes revenue from the sale of services as the services are performed, which is typically ratably over the terms of the contracts, which the Company believes to be the best measure of progress. The Company recognizes revenues as it transfers control of products and services to its customers in an amount reflecting the total consideration it expects to receive from the customer.

Revenue is recognized according to 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 the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. The Company determined that for contracts containing multiple performance obligations, stand-alone selling price is readily determinable for each performance obligation and therefore allocation of the transaction price to multiple performance obligations is not necessary. The transaction price will include estimates of variable consideration, such as returns and provisions for doubtful accounts and sales incentives, to the extent it is probable that a significant reversal of revenue recognized will not occur. In all cases, when a sale is recorded by the Company, no significant uncertainty exists surrounding the purchaser's obligation to pay.

The Company's Maintenance Services revenues are generated primarily through landscape maintenance services and snow removal services. Landscape maintenance services that are primarily viewed as non-discretionary, such as lawn care, mowing, gardening, mulching, leaf removal, irrigation and tree care, are provided under recurring annual contracts, which typically range from one to three years in duration and are generally cancellable by the customer with 30-90 days' notice. Snow removal services are provided on either fixed fee based contracts or per occurrence contracts. Both landscape maintenance services and snow removal services can also include enhancement services that represent supplemental maintenance or improvement services generally provided under contracts of short duration related to specific services. Revenue for landscape maintenance and snow removal services under fixed fee models is recognized over time using an output based method. Additionally, a portion of the Company's recurring fixed fee landscape maintenance and snow removal services are recorded under the series guidance. The right to invoice practical expedient is generally applied to revenue related to per occurrence contracts as well as enhancement services. When the practical expedient is not applied, revenue is recognized using a cost-to-cost input method. Fees for contracted landscape maintenance services are typically billed on an equal monthly basis. Fees for fixed fee snow removal services are typically billed on an equal monthly basis during snow season, while fees for time and material or other activity-based snow removal services are typically billed as the services are performed. Fees for enhancement services are typically billed as the services are performed.

Development Services revenues are generated primarily through landscape architecture and development services. For Development Services, revenue is primarily recognized over time using the cost-to-cost input method, measured by the percentage of cost incurred to date to the estimated total cost for each contract. The full amount of anticipated losses on contracts is recorded as soon as such losses can be estimated. Changes in job performance, job conditions, and estimated profitability, including final contract settlements, may result in revisions to costs and revenue and are recognized in the period in which the revisions are determined.

When contract revenue is recognized in excess of the amount the Company has invoiced or has the right to invoice, a contract asset is recognized. Contract assets are transferred to Accounts receivable, net when the rights to the consideration become unconditional. Contract assets are presented as Unbilled revenue on the Consolidated Balance Sheets.

Contract liabilities consist of consideration that is contractually due from customers, or payments thereof, in advance of providing the product or performing services such that control has not passed to the customer. Contract liabilities are presented as Deferred revenue on the Consolidated Balance Sheets.

Cost of Services Provided

Cost of services provided represents the cost of labor, subcontractors, materials, vehicle and equipment costs (including depreciation, fuel and maintenance) and other costs directly associated with revenue generating activities. These costs are expensed as incurred.

Leases

The Company leases office space, branch locations, vehicles, and operating equipment. Lease agreements are evaluated to determine whether they are finance or operating leases. If substantially all of the risks and benefits of property ownership are expected to transfer to the Company, the lease qualifies as a finance lease.

Finance leases are capitalized at the lower of net present value of the total amount of rent payable under the leasing agreement (utilizing the implicit borrowing rate of the Company, as applicable) or the fair market value of the leased asset. Finance lease assets are depreciated on a straight-line basis, over a period consistent with the Company's normal depreciation policy for property and equipment, but not exceeding the lease term. Interest charges are expensed over the period of the lease in relation to the carrying value of the finance lease obligation.

Equity-based Compensation

The Company's equity-based compensation consists of stock options, restricted stock awards, restricted stock units and performance stock units. The Company expenses equity-based compensation using the estimated fair value as of the grant date over the requisite service or performance period applicable to the grant. Estimates of future forfeitures are made at the date of grant and revised, if necessary, in later periods if subsequent information indicates actual forfeitures will differ from those estimates. See Note 13 "Equity-Based Compensation" for more information.

Income Taxes

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities, and are measured by applying enacted tax rates and laws for the taxable years in which those differences are expected to reverse. Deferred tax assets are evaluated for the estimated future tax effects of deductible temporary differences and tax operating loss carryovers. A valuation allowance is recorded when it is more likely than not that a deferred tax asset will not be realized.

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. We assess income tax positions for all years subject to examination based upon our evaluation of the facts, circumstances and information available at the reporting date. For those income tax positions where it is not more likely than not that a tax benefit would be sustained upon ultimate settlement with a taxing authority assumed to have full knowledge of all relevant information, the Company would record a liability for unrecognized tax benefits. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense and benefit.

3. Recent Accounting Pronouncements

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes* which removes specified exceptions and adds requirements to simplify the accounting for income taxes. The Company adopted the guidance in the first quarter of fiscal 2022. The adoption of ASU 2019-12 did not have a material impact on its consolidated financial statements and disclosures.

Reference Rate Reform

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* which provides optional expedients and exceptions for the accounting for contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. In January 2021, the FASB issued ASU 2021-01 to clarify the scope of certain optional expedients for derivatives that are affected by the discounting transition. In December 2022, the FASB issued ASU 2022-06 to defer the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. As of September 30, 2024, the Company was not party to any contracts, hedging relationships, or other transactions affected by reference rate reform.

Business Combinations

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* which requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 as if it had originated the contracts. The Company adopted the guidance in the first quarter of fiscal 2023. The adoption of ASU No. 2021-08 did not have a material impact on the Company's consolidated financial statements and disclosures.

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to 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. The purpose of the guidance is to enable investors to better understand an entity's overall performance and assess potential future cash flows. The amendment is effective for fiscal years beginning after December 15, 2023 and interim periods in fiscal years beginning after December 15, 2024. The Company is in the process of evaluating the impact of ASU No. 2023-07 on its financial statements.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU expands public entities tax disclosures including improving disclosures surrounding the company's rate reconciliation, cash taxes paid, and disaggregation of income tax expense (or benefit) from continuing operations. The amendment is effective for annual periods beginning after December 15, 2024. The Company is in the process of evaluating the impact of ASU No. 2023-09 on its consolidated financial statements.

Income Statement

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The ASU requires new tabular disclosures disaggregating prescribed expense categories within relevant income statement captions. The amendment is effective for annual periods beginning after December 15, 2026 and interim periods in fiscal years beginning after December 15, 2027. The Company is in the process of evaluating the impact of ASU No. 2024-03 on its consolidated financial statements.

4. Revenue

Disaggregation of revenue

The following table presents the Company's reportable segment revenues, disaggregated by revenue type. The Company disaggregates revenue from contracts with customers into major services lines. The Company has determined that disaggregating revenue into these categories depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. As noted in the business segment reporting information in Note 15 "Segments", the Company's reportable segments are Maintenance Services and Development Services.

	Fiscal Year Ended September 30,		
	2024	2023	2022
Landscape Maintenance	$ 1,743.2	$ 1,857.5	$ 1,825.7
Snow Removal	220.8	209.0	256.3
Maintenance Services	1,964.0	2,066.5	2,082.0
Development Services	808.8	758.0	698.8
Eliminations	(5.7)	(8.5)	(6.2)
Net service revenues	$ 2,767.1	$ 2,816.0	$ 2,774.6

Remaining Performance Obligations

Remaining performance obligations represent the estimated revenue expected to be recognized in the future related to performance obligations which are fully or partially unsatisfied at the end of the period.

As of September 30, 2024, the estimated future revenues for remaining performance obligations that are part of a contract that has an original expected duration of greater than one year was approximately $546.4. The Company expects to recognize revenue on 54% of the remaining performance obligations over the next 12 months and an additional 46% over the 12 months thereafter.

Contract Assets and Liabilities

When a contract results in revenue being recognized in excess of the amount the Company has invoiced or has the right to invoice to the customer, a contract asset is recognized. Contract assets are transferred to Accounts receivable, net when the rights to the consideration become unconditional. Contract assets are presented as Unbilled revenue on the Consolidated Balance Sheets.

There were $185.0 of amounts billed during the period and $179.3 of additions to our unbilled revenue balance during the twelve month period ended September 30, 2024.

Contract liabilities consist of payments received from customers, or such consideration that is contractually due, in advance of providing the product or performing services such that control has not passed to the customer. Contract liabilities are presented as Deferred revenue on the Consolidated Balance Sheets.

Changes in Deferred revenue for the fiscal year ended September 30, 2024 were as follows:

	Deferred Revenue
Balance, September 30, 2023	$ 68.2
Recognition of revenue	(1,180.8)
Deferral of revenue	1,197.2
Divestiture (Note 7)	(0.9)
Balance, September 30, 2024	$ 83.8

Practical Expedients and Exemptions

The Company offers certain interest-free contracts to customers where payments are received over a period not exceeding one year. Additionally, certain Maintenance Services and Development Services customers may pay in advance for services. The Company does not adjust the promised amount of consideration for the effects of these financing components. At contract inception, the period of time between the performance of services and the customer payment is one year or less.

As permitted under the practical expedient available under ASU No. 2014-09, the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance and (iii) contracts for which the Company recognizes revenue at the amount which we have the right to invoice for services performed.

5. Accounts Receivable, net

Accounts receivable of $415.2 and $442.3, is net of an allowance for doubtful accounts of $10.0 and $5.1 and includes amounts of retention on incomplete projects to be completed within one year of $65.7 and $58.7 at September 30, 2024 and September 30, 2023, respectively.

6. Property and Equipment, net

Property and equipment, net consists of the following:

	Useful Life	September 30, 2024	September 30, 2023
Land	—	$ 42.9	$ 44.7
Buildings and leasehold improvements	2-40 yrs.	46.7	45.6
Operating equipment	2-7 yrs.	388.3	338.8
Transportation vehicles	3-7 yrs.	403.1	351.9
Office equipment and software	3-10 yrs.	48.6	68.7
Construction in progress	—	4.9	7.7
Property and equipment		934.5	857.4
Less: Accumulated depreciation		542.6	542.2
Property and equipment, net		$ 391.9	$ 315.2

Construction in progress includes costs incurred for software and other assets that have not yet been placed in service. Depreciation expense related to property and equipment was $108.4, $105.2 and $98.9 for the years ended September 30, 2024, September 30, 2023 and September 30, 2022, respectively.

7. Intangible Assets, Goodwill, Acquisitions, and Divestitures

Intangible Assets

Identifiable intangible assets consist of acquired customer contracts and relationships, trademarks and non-compete agreements. Amortization expense related to intangible assets was $35.8, $44.5 and $51.5 for the years ended September 30, 2024, September 30, 2023 and September 30, 2022, respectively. These assets are amortized over their estimated useful lives, the reasonableness of which are continually evaluated by the Company. There were no intangible assets acquired during the year ended September 30, 2024. The weighted average amortization period of intangible assets acquired during the year ended September 30, 2023 was seven years.

Intangible assets as of September 30, 2024 and September 30, 2023 consisted of the following:

		September 30, 2024		September 30, 2023	
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	6-21 yrs.	$ 715.9	$ (620.1)	$ 725.5	$ (594.1)
Trademarks	12 yrs.	—	—	3.8	(2.9)
Non-compete agreements	5 yrs.	—	—	2.7	(2.7)
Total intangible assets		$ 715.9	$ (620.1)	$ 732.0	$ (599.7)

Amortization expense is anticipated to be as follows in future years:

Fiscal Year Ended September 30,	
2025	$ 29.3
2026	21.8
2027	15.2
2028	11.1
2029	7.2
2030 and thereafter	11.2
	$ 95.8

Goodwill

The following is a summary of the goodwill activity for the periods ended September 30, 2023 and September 30, 2024:

	Maintenance Services	Development Services	Total
Balance, September 30, 2022	$ 1,792.7	$ 216.1	$ 2,008.8
Acquisitions [(1)]	10.7	1.9	12.6
Balance, September 30, 2023	$ 1,803.4	$ 218.0	$ 2,021.4
Acquisitions [(1)]	0.1	—	0.1
Divestiture	(5.8)	—	(5.8)
Balance, September 30, 2024	$ 1,797.7	$ 218.0	$ 2,015.7

[(1)]The acquisitions adjustments include the immaterial impact of foreign currency and other prior year measurement period adjustments during the respective periods.

The Company performed its annual goodwill impairment assessment as of July 1, 2024 utilizing a quantitative test approach as described in Note 2 "Summary of Significant Accounting Policies".

Acquisitions

During the year ended September 30, 2023, the Company acquired, through a series of separate transactions, 100% of the operations of three unrelated companies, all of which was allocated to Maintenance Services. The Company paid approximately $13.8 in aggregate consideration for the acquisitions, net of cash acquired. The Company accounted for the business combinations under the acquisition method and, accordingly, recorded the assets acquired and liabilities assumed at their estimated fair market values based on management's preliminary estimates, with the excess allocated to goodwill. The purchase accounting related to these acquisitions was finalized within one year from each acquisition date. As a result of final purchase accounting, certain of the fair value amounts previously estimated were adjusted during the measurement period. The fair values were primarily estimated using Level 3 assumptions within the fair value hierarchy, including estimated future cash flows, discount rates and other factors. The measurement period adjustments were not material to the Consolidated Balance Sheets as of September 30, 2024 and September 30, 2023. The identifiable assets acquired as part of the fiscal 2023 acquisitions were primarily customer relationship intangible assets of $4.0. The amount allocated to goodwill is reflective of the benefits the Company expects to realize from anticipated synergies and the acquired assembled workforce in place. A portion of the goodwill resulting from the acquisitions is deductible for tax purposes.

From each acquisition date through September 30, 2023, the amount of revenue of the companies acquired during fiscal 2023 included in our Consolidated Statement of Operations for the year ended September 30, 2023, was $16.0.

Divestiture

On January 12, 2024, the Company completed the sale of one of its fully owned subsidiaries, U.S. Lawns, for total cash consideration of $51.0. The gain on the transaction of $43.6 is included in Gain on divestiture in the Consolidated Statements of Operations for the year ended September 30, 2024. The Maintenance Services operating segment includes the operations of the divested entity, and its results of operations are included in the Consolidated Statements of Operations through January 12, 2024. The company disposed of the U.S. Lawns customer relationships and trademarks as part of the divestiture.

8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following as of:

	September 30, 2024	September 30, 2023
Payroll related accruals	$ 62.6	$ 52.2
Accrued operating expenses	115.5	77.7
Current portion of finance lease liabilities	37.0	21.5
Other accruals	22.6	28.8
Accrued expenses and other current liabilities	$ 237.7	$ 180.2

9. Long-term Debt

Long-term debt consists of the following:

	September 30, 2024	September 30, 2023
Series B term loan	$ 732.8	$ 731.7
Receivables financing agreement	76.2	163.0
Financing costs, net	(6.5)	(6.6)
Total debt, net	$ 802.5	$ 888.1
Less: Current portion of long-term debt	-	-
Long-term debt, net	$ 802.5	$ 888.1

First Lien credit facility term loans and Series B Term Loan due 2029

In connection with the KKR Acquisition, the Company and a group of financial institutions entered into a credit agreement (the "Credit Agreement") dated December 18, 2013. The Credit Agreement consisted of seven-year $1,460.0 term loans ("First Lien Term Loans") and a five-year $210.0 revolving credit facility. All amounts outstanding under the Credit Agreement were collateralized by substantially all of the assets of the Company.

On April 22, 2022, the Company entered into Amendment No. 6 to the Credit Agreement (the "Amendment Agreement"), which amended the existing Credit Agreement to provide for: (i) a $1,200.0 seven-year term loan (the "Series B Term Loan") and (ii) a $300.0 five-year revolving credit facility (the "Revolving Credit Facility"). The Series B Term Loan matures on April 22, 2029 and bears interest at a rate per annum of a secured overnight financing rate ("Term SOFR"), plus a margin of 3.25% or a base rate ("ABR") plus a margin of 2.25%, subject to SOFR and ABR floors of 0.50% and 1.50%, respectively. The Company used the net proceeds from the Series B Term Loan to repay all amounts then outstanding under the Company's Credit Agreement. As a result of the repayment of the amounts outstanding under the Company's Credit Agreement, the Company recorded a loss on debt extinguishment of $12.6 due to accelerated amortization of deferred financing fees and original issue discount included in the Other expense (income) line of the Consolidated Statements of Operations for the year ended September 30, 2022. An original issue discount of $12.0 was incurred when the Series B Term Loan was issued and is being amortized using the effective interest method over the life of the debt, resulting in an effective yield of 3.42%.

On August 28, 2023, the Company voluntarily repaid $450.0 of the amount outstanding under the Company's Amendment Agreement. As a result of this voluntary repayment, the Company recorded a loss on debt extinguishment of $8.3 due to accelerated amortization of deferred financing fees and original issue discount as well as fees paid to lenders and third parties. The loss on debt extinguishment is included in the Other (income) expense line of the Consolidated Statements of Operations for the year ended September 30, 2023.

On August 31, 2023, the Company entered into Amendment No. 7 to the Credit Agreement (the "Seventh Credit Agreement Amendment"). The Seventh Credit Agreement Amendment (i) amends the definition of "Permitted Holders" to include Birch Equity Holdings, LP, a Delaware limited partnership, Birch-OR Equity Holdings, LLC, a Delaware limited liability company and One Rock Capital Partners, LLC and (ii) provides for a 1.00% prepayment premium for voluntary prepayments made in connection with repricing transactions or amendments made where the primary purpose of which is to decrease the effective yield, and which shall be applicable until six months after entering into the Seventh Credit Agreement Amendment.

On May 28, 2024, the Company entered into Amendment No. 8 to the Credit Agreement (the "Eighth Credit Agreement Amendment"). Under the Eighth Credit Agreement Amendment, the existing Series B Term Loans were amended to bear interest at a rate per annum based on Term SOFR, plus a margin of 2.50% or ABR plus a margin of 1.50%, subject to SOFR and ABR floors of 0.50% and 1.50%, respectively.

There were no debt repayments on the Series B Term Loan for the fiscal year ended September 30, 2024. Debt repayments for the Series B Term Loan totaled $459.0 for the fiscal year ended September 30, 2023.

In addition to scheduled payments, the Company is obligated to pay a percentage of excess cash flow, as defined in the Credit Agreement, as payments to principal. The percentage varies with the ratio of the Company's debt to its cash flow. The excess cash flow calculation did not result in any accelerated payment due for the periods ended September 30, 2024, September 30, 2023, and September 30, 2022.

The Credit Agreement restricts the Company's ability to, among other things, incur additional indebtedness, create liens, enter into mergers and acquisitions, dispose of assets and make distributions without the approval of the lenders. In certain circumstances, under the Credit Agreement, the Company is prohibited from making certain restricted payments, including dividends or distributions to its stockholders, subject to certain exceptions set forth in that agreement (including an exception for the making of such restricted payments up to an agreed limit, which limit is determined by a formula that takes into account consolidated net income, net cash proceeds and other amounts, in each case as described in greater detail in that agreement). The Credit Agreement imposes financial covenants upon the Company with respect to leverage and interest coverage under certain circumstances. The Credit Agreement contains provisions permitting the bank to accelerate the repayment of the outstanding debt under this agreement upon the occurrence of an Event of Default, as defined in the Credit Agreement, including a material adverse change in the financial condition of the Company since the date of the Credit Agreement.

The weighted average interest rate on the Series B Term Loan was 8.2% and 7.8% for the years ended September 30, 2024 and September 30, 2023, respectively. The Series B Term Loan has required amortization debt repayments that are due in quarterly installments of 0.25% of the original principal balance of the Series B Term Loans. As a result of the August 28, 2023 voluntary repayment of the amount outstanding under the Amendment Agreement, the quarterly installment payments of the remaining amount outstanding under the Series B Term Loan are no longer required.

Revolving credit facility

The Company has a five-year $300 revolving credit facility (the "Revolving Credit Facility") that matures on April 22, 2027 and bears interest at a rate per annum of Term SOFR plus a margin ranging from 2.00% to 2.50%, or ABR plus a margin ranging from 1.00 to 1.50%, subject to SOFR and ABR floors of 0.00% and 1.00%, respectively, with the margin on the Revolving Credit Facility determined based on the Company's first lien net leverage ratio. The Revolving Credit Facility replaced the previous $260.0 revolving credit facility under the Credit Agreement. The Company had no outstanding balance under the Revolving Credit Facility as of

September 30, 2024 and September 30, 2023. There were no borrowings or repayments under the facility during the year ended September 30, 2024. There were $33.5 borrowings under the facility during the year ended September 30, 2023, of which, $33.5 were repaid during the same period. The Company had no letters of credits issued and outstanding as of September 30, 2024 and had $42.6 of letters of credits issued and outstanding as of September 30, 2023. The weighted average interest rate on the Revolving Credit Facility was 6.9% for the year ended September 30, 2023.

Receivables financing agreement

On April 28, 2017, the Company, through a wholly-owned subsidiary, entered into a receivables financing agreement (the "Receivables Financing Agreement"). On August 31, 2023, the Company, entered into the Fourth Amendment to the Receivables Financing Agreement (the "Fourth Amendment"), which amends the definition of "Permitted Holders" to align with the definition of "Permitted Holders" under the Credit Agreement Amendment as defined above, as of the date of the closing of the Receivables Financing Amendment. On June 27, 2024, the Company, through a wholly-owned subsidiary, entered into the Fifth Amendment to the Receivables Financing Agreement (the "Fifth Amendment"), which increased the borrowing capacity to $325.0 and extended the term through June 27, 2027. All amounts outstanding under the Receivables Financing Agreement are collateralized by substantially all of the accounts receivable and unbilled revenue of the Company. During the year ended September 30, 2024, the Company borrowed $0.5 against the capacity and voluntarily repaid $87.3. During the year ended September 30, 2023, the Company borrowed $549.5 against the capacity and voluntarily repaid $554.5.

The interest rate on the amounts borrowed under the Receivables Financing Agreement is established for periods of up to six months at 140-170 bps over SOFR depending on the Company's leverage ratio, and a commitment fee equal to 0.4% of the unused balance of the facility. The weighted average interest rate on the amounts borrowed under the Receivables Financing Agreement was 6.7% and 6.3% for the years ended September 30, 2024 and September 30, 2023, respectively.

The following are the scheduled maturities of long-term debt for the next five fiscal years and thereafter, which do not include any estimated excess cash flow payments:

2025	$	—
2026		—
2027		76.2
2028		—
2029 and thereafter		738.0
Total long-term debt		814.2
Less: Current maturities		—
Less: Original issue discount		5.2
Less: Financing costs		6.5
Total long-term debt, net	$	802.5

The Company has estimated the fair value of its long-term debt to be approximately $812.4 and $900.1 as of September 30, 2024 and September 30, 2023, respectively. Fair value is based on market bid prices around period-end (Level 2 inputs).

10. Fair Value Measurements and Derivative Instruments

Fair value is defined as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Fair Value Hierarchy

The following hierarchy for inputs used in measuring fair value should maximize the use of observable inputs and minimize the use of unobservable inputs by requiring that the most observable inputs be used when available:

Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement dates.

Level 2 Significant observable inputs that are used by market participants in pricing the asset or liability based on market data obtained from independent sources.

Level 3 Significant unobservable inputs the Company believes market participants would use in pricing the asset or liability based on the best information available.

The carrying amounts shown for the Company's cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate fair value due to the short-term maturity of those instruments. The valuation is based on settlements of similar financial instruments all of which are short-term in nature and are generally settled at or near cost.

Investments held in Rabbi Trust

A non-qualified deferred compensation plan is available to certain executives. Under this plan, participants may elect to defer up to 70% of their compensation. The Company invests the deferrals in participant-selected diversified investments that are held in a Rabbi Trust and which are classified within Other assets on the Consolidated Balance Sheets. The fair value of the investments held in the Rabbi Trust is based on the quoted market prices of the underlying mutual fund investments. These investments are based on the participants' selected investments, which represent the underlying liabilities to the participants in the non-qualified deferred compensation plan. Gains and losses on these investments are included in Other (income) expense on the Consolidated Statements of Operations.

Derivatives

The Company's objective in entering into derivative transactions is to manage its exposure to interest rate movements associated with its variable rate debt and changes in fuel prices. The Company recognizes derivatives as either assets or liabilities on the Consolidated Balance Sheets and measures those instruments at fair value. The fair values of the derivative financial instruments are determined using widely accepted valuation techniques including discounted cash flow analysis based on the expected cash flows of each derivative. Although the Company has determined that the significant inputs, such as interest yield curve and discount rate, used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with the Company's counterparties and its own credit risk utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of September 30, 2024 and September 30, 2023, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The following tables summarize the financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2024 and September 30, 2023:

	September 30, 2024			
	Carrying Value	Level 1	Level 2	Level 3
Other assets:				
Investments held by Rabbi Trust	$ 9.7	$ 9.7	$ —	$ —
Total assets	$ 9.7	$ 9.7	$ —	$ —
Accrued expenses and other current liabilities:				
Fuel derivative contracts	$ (0.5)	$ —	$ (0.5)	$ —
Other liabilities:				
Interest rate derivative contracts	(2.5)	—	(2.5)	—
Obligation to Rabbi Trust	(9.7)	(9.7)	—	—
Total liabilities	$ (12.7)	$ (9.7)	$ (3.0)	$ —

	September 30, 2023			
	Carrying Value	Level 1	Level 2	Level 3
Other assets:				
Investments held by Rabbi Trust	$ 10.9	$ 10.9	$ —	$ —
Interest rate derivative contracts	21.3	—	21.3	—
Total Assets	$ 32.2	$ 10.9	$ 21.3	$ —
Other liabilities:				
Obligation to Rabbi Trust	$ 10.9	$ 10.9	$ —	$ —
Total Liabilities	$ 10.9	$ 10.9	$ —	$ —

Hedging Activities

As of September 30, 2024 and September 30, 2023, the Company's outstanding derivatives qualified as cash flow hedges. The Company assesses whether derivatives used in hedging transactions are highly effective in offsetting changes in the cash flow of the

hedged forecasted transactions. Regression analysis is used for the hedge relationships and high effectiveness is achieved when a statistically valid relationship reflects a high degree of offset and correlation between the fair values of the derivative and the hedged forecasted transaction. The entire change in the fair value for highly effective derivatives is reported in Other comprehensive (loss) income and subsequently reclassified into Interest expense, net (in the case of interest rate contracts) or Cost of services provided (in the case of fuel hedge contracts) in the Consolidated Statements of Operations when the hedged item affects earnings. If the hedged forecasted transaction is no longer probable of occurring, then the amount recognized in Accumulated other comprehensive (loss) income is released to earnings. Cash flows from the derivatives are classified in the same category as the cash flows from the underlying hedged transaction.

Interest Rate Contracts

The Company has exposures to variability in interest rates associated with its variable interest rate debt, which includes the Series B Term Loan. As such, the Company has entered into interest rate contracts to help manage interest rate exposure by economically converting a portion of its variable-rate debt to fixed-rate debt. Effective for the periods March 18, 2016 through December 31, 2022, the Company held interest rate swaps with a notional amount of $500.0. In January 2023, the Company entered into an interest rate swap agreement with a notional amount of $500.0 and an interest rate collar agreement with a notional amount of $500.0, each effective for the period January 31, 2023 through January 31, 2028.

On August 28, 2023 the Company terminated $400.0 of the notional amount of its outstanding interest rate collar agreement. The Company accelerated the reclassification of a gain of $5.2 in other comprehensive income to earnings as a result of the hedged forecasted transactions becoming probable not to occur.

The notional amount of interest rate contracts were $600.0 at September 30, 2024 and September 30, 2023, respectively. The net deferred gain on the interest rate swaps as of September 30, 2024 of $1.8, net of taxes, is expected to be recognized in Interest expense over the next 12 months.

The effects on the consolidated financial statements of the interest rate contracts which were designated as cash flow hedges were as follows:

	Fiscal Year Ended		
	2024	2023	2022
(Loss) income recognized in Other comprehensive (loss) income	$ (13.3)	$ 36.1	$ 6.1
Net gain (loss) reclassified from Accumulated other comprehensive (loss) income into Interest expense, net	11.1	15.2	(0.5)

Fuel Swap Contracts

The Company has exposures to variability in fuel pricing associated with its purchase and usage of fuel during the ordinary course of business operating a large fleet of vehicles and equipment. As such, the Company has entered into gasoline hedge contracts to help reduce its exposure to volatility in the fuel markets. In March 2024, the Company entered into a fuel swap agreement with a notional volume of 4.0 million gallons covering the period March 4, 2024 through February 24, 2025. The net deferred loss on the fuel swap as of September 30, 2024 was immaterial and is expected to be recognized in Cost of services provided over the next 6 months.

The effects on the consolidated financial statements of the fuel swap contracts which were designated as cash flow hedges were as follows:

	Fiscal Year Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
(Loss) income recognized in Other comprehensive (loss) income	$ (0.5)	$ —	$ 0.2
Net gain reclassified from Accumulated other comprehensive (loss) income into Cost of services provided	—	—	1.5

11. Income Taxes

The components of income tax expense (benefit) are as follows:

	Fiscal Year Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Current:			
Federal	$ 23.1	$ 22.7	$ 7.5
State	5.3	3.4	4.7
Deferred:			
Federal	(0.8)	(22.4)	(3.7)
State	1.3	(4.2)	(2.9)
Valuation allowance	1.2	5.1	—
Total income tax (benefit) expense	$ 30.1	$ 4.6	$ 5.6

Income tax expense (benefit) differs from the amount computed at the federal statutory corporate tax rate as follows:

	Fiscal Year Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Federal tax at statutory rate	$ 20.3	$ (0.7)	$ 4.1
State tax, net of federal tax (benefit) expense	4.8	(0.8)	1.2
Tax effect of:			
Equity-based compensation	0.9	0.9	0.6
Non-deductible officers' compensation	1.3	1.1	0.7
Provision to return and deferred tax adjustments	0.3	(0.8)	(0.3)
Non-deductible promotional and entertainment expense	0.9	0.6	0.4
Fuel tax credit and other credits	(0.6)	(0.7)	(0.8)
Carryback claim, net of adjustments	—	(0.8)	(0.3)
Divestiture - Non-deductible goodwill	1.2	—	—
Rate changes	0.2	0.5	—
Valuation allowance	1.2	5.1	—
Other, net	(0.4)	0.2	—
Income tax expense	$ 30.1	$ 4.6	$ 5.6

The components of the Company's net deferred tax asset and liability accounts resulting from temporary differences between the tax and financial reporting basis of assets and liabilities are as follows:

	September 30, 2024	September 30, 2023
Deferred tax assets:		
Self-insurance reserves	$ 37.3	$ 31.8
Deferred compensation	2.2	2.8
Payroll related accruals	25.3	22.8
Allowance for doubtful accounts	2.5	1.3
Lease liabilities	22.3	23.6
Net operating loss carryforward	4.9	7.1
Business interest expense	17.2	10.4
Other non-current deferred tax assets	1.2	4.5
Total non-current deferred tax assets	112.9	104.3
Valuation allowance	(6.3)	(5.1)
Total deferred tax assets	$ 106.6	$ 99.2
Deferred tax liabilities:		
Intangible assets	$ 47.1	$ 46.2
Property and equipment	63.2	57.3
Deferred revenue	16.6	15.0
Prepaid assets	0.1	0.2
Lease assets	20.7	22.0
Other non-current deferred tax liabilities	1.5	6.0
Total non-current deferred tax liabilities	149.2	146.7
Total net deferred tax liabilities	$ 42.6	$ 47.5
Classification on balance sheets:		
Other assets	$ 1.3	$ 3.6
Deferred tax liabilities	43.9	51.1

The CARES Act

In March 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law and included various provisions to provide additional economic relief to address the impact of the COVID-19 pandemic. Notable provisions included net operating loss carrybacks, adjustments to the interest expense limitations under the U.S Tax Code Section 163(j), increase in the charitable contributions limitation, payroll tax deferrals of the employer portion of social security tax, a portion of which was repaid during the year ended September 30, 2022 and the remainder of which was repaid in fiscal year 2023, and an employee retention credit for wages paid to an idle employee under certain circumstances resulting from the COVID-19 pandemic. The Company recorded a tax receivable of $39.0 and a benefit of $10.1 to the tax provision for the tax net operating losses incurred in 2021 from the enactment of the CARES Act, net of adjustments. The tax net operating losses have been carried back to prior years. The Company has received all but $8.4 of the benefit from the carryback claims as of September 30, 2024. Further, the Company previously elected to defer the employer portion of social security taxes through 2020 and has filed for the employee retention credit allowed for under the CARES Act. The Company recorded a tax credit of $3.3 related to the employee retention credit during the year ended September 30, 2022 and has received all but $1.0 as of September 30, 2024.

Net Operating Losses and Interest Expense Carryforwards

The Company has state income tax net operating losses ("NOLs") of $90.9M having varying expirations from fiscal year 2025 through an indefinite useful life. The Company has a federal interest expense carryforward of $58.4M and state interest expense carryforwards of $94.6M that can be carried forward indefinitely. The Company believes it is more likely than not it will be unable to utilize some of its separate state NOLs and separate state interest expense carryforwards to offset future income. The increase to the valuation allowance was $1.2 million in FY2024.

At September 30, 2024, $6.3 million of the valuation allowances presented above relate to separate state NOLs and interest expense carryforwards that are not expected to be realized. We evaluate the realization of deferred tax assets by considering such factors as the reversal of existing taxable temporary differences, expected profitability by tax jurisdiction and available carryforward periods. The extent and timing of any such reversals will influence the extent of tax benefits recognized in a particular year. Should applicable losses, credits, and deductions ultimately be realized, the resulting reduction in the valuation allowance would generally be recognized as an income tax benefit.

Uncertain Income Tax Positions

As of September 30, 2024 and 2023, the Company had no unrecognized tax benefits that, if recognized, would impact the Company's effective tax rate. The total amount of unrecognized tax benefits could change within the next twelve months for a number of reasons including audit settlements, tax examination activities and the recognition and measurement considerations under this guidance.

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions, as well as Canada. The Company's returns are no longer subject to U.S. federal and state tax examination for fiscal years before 2020 and 2019, respectively.

12. Leases

The Company determines if an arrangement is a lease at the inception of the agreement. The Company determines an arrangement is a lease if it conveys the right to control the use of the asset for a period of time in exchange for consideration.

The Company has operating and finance leases for branch and administrative offices, vehicles, certain machinery and equipment, and furniture. The Company's leases have remaining lease terms from one month up to 9.4 years with one or more exercisable renewal periods and specified increases in lease payments upon exercise of the renewal options. For purposes of calculating lease liabilities, lease terms include options to extend the lease only when it is reasonably certain that the Company will exercise those options. Some leasing arrangements require variable payments that are dependent on usage, output, or may vary for other reasons, such as insurance, common area maintenance, and tax payments. The variable lease payments are not presented as part of the initial right-of-use asset or lease liability. The Company's lease agreements do not contain any material restrictive covenants or residual value guarantees.

The following table summarizes the lease-related assets and liabilities recorded in the Consolidated Balance Sheets at September 30, 2024 and 2023:

	Fiscal Year Ended	
	September 30, 2024	September 30, 2023
Operating leases:		
Right-of-use asset	$ 81.3	$ 86.1
Current portion of lease liabilities	24.9	27.3
Lease liabilities	62.6	65.1
Total operating lease liabilities	$ 87.5	$ 92.4
Finance leases:		
Right-of-use asset[(1)]	$ 67.7	$ 41.3
Current portion of lease liabilities[(2)]	37.0	21.5
Lease liabilities[(3)]	31.2	21.3
Total finance lease liabilities	$ 68.2	$ 42.8

(1) Included in "Property and equipment, net" in the Consolidated Balance Sheets.

(2) Included in "Accrued expenses and other liabilities" in the Consolidated Balance Sheets.

(3) Included in "Other liabilities" in the Consolidated Balance Sheets.

As most of the Company's leases do not specifically state an implicit rate, the Company uses an incremental borrowing rate consistent with the lease term as of the lease commencement date when calculating the present value of remaining lease payments. The incremental borrowing rate reflects the cost to borrow on a securitized basis. The remaining lease term does not reflect all renewal options available to the Company, only those renewal options that the Company has assessed as reasonably certain.

The weighted-average remaining lease terms and incremental borrowing rates as of September 30, 2024 and 2023 were as follows:

	Fiscal Year Ended	
	September 30, 2024	September 30, 2023
Operating leases:		
Weighted-average remaining lease term (years)	4.4	4.7
Weighted-average incremental borrowing rate	4.9%	4.0%
Finance leases:		
Weighted-average remaining lease term (years)	2.4	2.4
Weighted-average incremental borrowing rate	5.9%	3.8%

The components of lease cost for operating and finance leases for the fiscal year ended September 30, 2024 and 2023 were as follows:

	Fiscal Year Ended	
	September 30, 2024	September 30, 2023
Operating lease cost	$ 31.5	$ 32.1
Finance lease cost:		
Amortization of right-of-use asset	34.7	27.0
Interest on lease liabilities	3.2	1.6
Total finance lease cost	37.9	28.6
Short-term lease cost	22.1	23.7
Variable lease costs not included in lease liability	3.8	3.3
Sublease income	(0.7)	(0.7)
Total lease cost	$ 94.6	$ 87.0

Supplemental cash flow information for the fiscal year ended September 30, 2024 and 2023 were as follows:

	Fiscal Year Ended	
	September 30, 2024	September 30, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 27.7	$ 28.9
Operating cash flows from finance leases	3.2	1.6
Financing cash flows from finance leases	36.3	27.6
Non-cash items:		
Right-of-use Assets Obtained In Exchange For New Operating Liabilities	27.1	33.4
Right-of-use Assets Obtained In Exchange For New Finance Liabilities	65.4	26.3

As of September 30, 2024, the Company does not have material operating or financing leases that have not yet commenced.

Maturities of operating and finance lease liabilities as of September 30, 2024 were as follows:

Fiscal Year	Operating Lease	Finance Lease
2025	$ 28.5	$ 40.0
2026	23.4	21.3
2027	16.7	7.1
2028	11.5	3.2
2029	7.2	1.3
Thereafter	10.7	0.2
Total net lease payments	98.0	73.1
Less: Amounts representing interest	(10.5)	(4.9)
Total lease liabilities	87.5	68.2
Less: Current portion of lease liabilities	(24.9)	(37.0)
Non-current lease liabilities	$ 62.6	$ 31.2

13. Equity-Based Compensation

Amended and Restated 2018 Omnibus Incentive Plan

On June 28, 2018 (and as amended and restated on March 10, 2020 and amended on March 5, 2024), in connection with the IPO, the Company's Board of Directors adopted, and its stockholders approved, the BrightView Holdings, Inc. 2018 Omnibus Incentive Plan (the "2018 Omnibus Incentive Plan"). The total number of shares of common stock that may be issued under the 2018 Omnibus Incentive Plan is 24,650,000. Under 2018 Omnibus Incentive Plan, the Company may grant stock options, stock appreciation rights, restricted stock, other equity-based awards and other cash-based awards to employees, directors, officers, consultants and advisors.

2023 Employment Inducement Incentive Award Plan

On September 11, 2023, the Company adopted the BrightView Holdings, Inc. 2023 Employment Inducement Incentive Award Plan (the "Inducement Plan"). Pursuant to the Inducement Plan, the Company may grant equity incentive compensation as a material inducement for certain individuals to commence employment with the Company. A total of 1,750,000 shares of common stock are reserved for grant under the Inducement Plan. Awards granted under the Inducement Plan may be in the form of non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, unrestricted stock awards, dividend equivalent rights and other equity-based awards, or any combination of those awards.

Restricted Stock Awards

A summary of the Company's restricted stock award activity for the year ended September 30, 2024 is presented in the following table:

	Shares	Weighted-Avg Distribution Price per Share
Outstanding at September 30, 2023	213,000	$ 14.66
Less: Forfeited	106,000	$ 14.66
Outstanding at September 30, 2024	107,000	$ 14.66

Restricted Stock Units

A summary of the Company's restricted stock unit activity for the year ended September 30, 2024 is presented in the following table:

	Shares	Weighted-Avg Distribution Price per Share
Outstanding at September 30, 2023	3,021,000	$ 9.32
Granted	2,667,000	$ 8.24
Less: Vested	1,285,000	$ 9.67
Less: Forfeited	689,000	$ 8.92
Outstanding at September 30, 2024	3,714,000	$ 8.50

During the year ended September 30, 2024, the Company issued 2,667,000 restricted stock units ("RSUs") at a weighted average grant date fair value of $8.24 per share, all of which are subject to vesting. The majority of these units vest ratably over a four-year period commencing on the grant date. Non-cash equity-based compensation expense associated with the new grants will total approximately $19.2 over the requisite service period. During the year ended September 30, 2024, 1,285,000 RSUs vested and 689,000 RSUs were forfeited.

Stock Option Awards

A summary of the Company's stock option activity for the year ended September 30, 2024 is presented in the following table:

	Shares		Weighted-Avg Exercise Price per Share
Outstanding at September 30, 2023	4,449,000	$	19.06
Less: Exercised	166,000	$	13.84
Less: Forfeited	1,247,000	$	19.00
Outstanding at September 30, 2024	3,036,000	$	19.37
Vested and exercisable at September 30, 2024	2,527,000	$	19.33
Expected to vest after September 30, 2024	509,000	$	19.54

Performance Stock Unit Awards

A summary of the Company's performance stock unit activity for the year ended September 30, 2024 is presented in the following table:

	Shares		Weighted-Avg Distribution Price per Share
Outstanding at September 30, 2023	512,000	$	7.48
Granted	918,000	$	7.35
Less: Forfeited	316,000	$	7.40
Outstanding at September 30, 2024	1,114,000	$	7.40

During the year ended September 30, 2024, the Company issued 918,000 performance stock units ("PSUs") at a weighted average distribution price of $7.35 per share and a weighted average grant date fair value of $7.35 per share, which cliff vest at the end of the three-year service period. The number of the PSUs that vest upon completion of the performance period can range from 0% to 200% of the original grant, subject to certain limitations, contingent upon performance conditions. The performance condition metrics are the Company's three-year average Adjusted EBITDA margin and compound annual growth rate of the Company's land organic revenue. The fair value of these awards is determined based on the trading price of the company's common shares on the date of grant. Non-cash equity-based compensation expense associated with the grant is expected to be approximately $6.3 over the requisite service period, dependent on the achievement of the identified performance conditions.. During the year ended September 30, 2024, no PSUs vested and 316,000 PSUs were forfeited.

Valuation Assumptions

The fair value of each restricted stock award, RSU, or PSU granted under the 2018 Omnibus Incentive Plan was estimated on the date of grant in accordance with the fair value provisions in ASC 718.

The fair values of the RSU awards granted during the periods presented were determined based on the trading price of the company's common shares on the date of grant.

The fair value of the stock option awards granted were estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The Company chose the Black-Scholes-Merton model based on its experience with the model and the determination that the model could be used to provide a reasonable estimate of the fair value of awards with terms such as those discussed above.

For PSU awards subject to a market condition, the metric is the Company's total shareholder return during the performance period relative to a pre-defined set of industry peer companies. The fair value of these awards is estimated using a Monte Carlo simulation. For PSU awards subject to a performance condition, the fair value is determined based on the trading price of the company's common shares on the date of grant.

There were no new PSU awards subject to a market condition or stock option awards granted for the years ended September 30, 2024 and September 30, 2023. The weighted-average assumptions used in the valuation of PSU awards subject to a market condition and stock option awards granted for the year ended September 30, 2022 are presented in the table below:

	Fiscal Year Ended September 30, 2022
Assumptions:	
Risk-free interest rate	1.88%
Dividend yield	—
Volatility factor	47.10%
Expected term (in years)	5.3

•*Risk-free interest rate* – The risk-free rate for PSU awards subject to a market condition and stock option awards granted during the periods presented above was determined by using the U.S. Treasury constant maturity rate as of the valuation date commensurate with the expected term.

•*Expected dividend yield* – No routine common stock dividends are currently being paid by 2018 Omnibus Incentive Plan, or are expected to be paid in future periods.

•*Expected volatility* – The expected volatility is based upon an analysis of the historical and implied volatility of the guideline companies and adjusting the volatility to take into account the differences in leverage between the Company and the guideline companies.

•*Expected term* – The expected term represents the expected time to a liquidity event or re-capitalization. The Company estimated the expected life by considering historical exercise and termination behavior of employees and the vesting conditions of the RSUs, PSUs and stock option awards granted under 2018 Omnibus Incentive Plan.

Equity-Based Compensation Expense

The Company recognizes equity-based compensation expense using the estimated fair value as of the grant date over the requisite service or performance period applicable to the grant. Estimates of future forfeitures are made at the date of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The Company recognized $20.2, $22.1 and $18.9 in equity-based compensation expense for the years ended September 30, 2024, September 30, 2023 and September 30, 2022, respectively, included in Selling, general and administrative expense in the accompanying Consolidated Statements of Operations. The resulting charges increased Additional paid in capital by the same amount. Total unrecognized compensation cost was $30.6, $23.7 and $36.2 as of September 30, 2024, September 30, 2023 and September 30, 2022, respectively, which is expected to be recognized over a weighted average period of 1.2 years.

2018 Employee Stock Purchase Plan

The Company's Stockholders have approved the Company's 2018 Employee Stock Purchase Plan, (the "ESPP"). A total of 2,100,000 shares of the Company's common stock were made available for sale under the Company's 2018 Employee Stock Purchase Plan on October 22, 2018, of which 188,000, 177,000, and 112,000 were issued on November 17, 2023, November 14, 2022, and November 15, 2021, respectively. An additional portion thereof is expected to be issued in November 2024.

14. Commitments and Contingencies

Risk Management

The Company carries general liability, auto liability, workers' compensation, and employee health care insurance policies. In addition, the Company carries other reasonable and customary insurance policies for a Company of our size and scope, as well as umbrella liability insurance policies to cover claims over the liability limits contained in the primary policies. The Company's insurance programs for workers' compensation, general liability, auto liability and employee healthcare for certain employees contain self-insured retention amounts, deductibles and other coverage limits ("self-insured liability"). Claims that are not self-insured as well as claims in excess of the self-insured liability amounts are insured. The Company uses estimates in the determination of the required reserves. These estimates are based upon calculations performed by third-party actuaries, as well as examination of historical trends, and industry claims experience. The Company's reserve for unpaid and incurred but not reported claims under these programs at September 30, 2024 was $165.6, of which $52.8 was classified in current liabilities and $112.8 was classified in non-current liabilities in the accompanying Consolidated Balance Sheets. The Company's reserve for unpaid and incurred but not reported claims under these programs at September 30, 2023 was $159.9, of which $54.8 was classified in current liabilities and $105.1 was classified in non-current liabilities

in the accompanying Consolidated Balance Sheets. While the ultimate amount of these claims is dependent on future developments, in management's opinion, recorded reserves are adequate to cover these claims. The Company's reserve for unpaid and incurred but not reported claims at September 30, 2024 includes $13.4 related to claims recoverable from third-party insurance carriers. Corresponding assets of $4.0 and $9.4 are recorded at September 30, 2024, as Other current assets and Other assets, respectively. The Company's reserve for unpaid and incurred but not reported claims at September 30, 2023 includes $18.1 related to claims recoverable from third party insurance carriers. Corresponding assets of $5.3 and $12.8 were recorded at September 30, 2023, as Other current assets and Other assets, respectively.

Litigation Contingency

From time to time, the Company is subject to legal proceedings and claims in the ordinary course of its business, principally claims made alleging injuries (including vehicle and general liability matters as well as workers' compensation and property casualty claims). Such claims, even if lacking merit, can result in expenditures of significant financial and managerial resources. In the ordinary course of its business, the Company is also subject to claims involving current and/or former employees and disputes involving commercial and regulatory matters. Regulatory matters include, among other things, audits and reviews of local and federal tax compliance, safety and employment practices. Although the process of resolving regulatory matters and claims through litigation and other means is inherently uncertain, the Company is not aware of any such matter, legal proceeding or claim that it believes will have, individually or in the aggregate, a material effect on the Company, its financial condition, and results of operations or cash flows. For all legal matters, an estimated liability is established in accordance with the loss contingencies accounting guidance. This estimated liability is included in Accrued expenses and other current liabilities in the accompanying Consolidated Balance Sheets.

15. Segments

The operations of the Company are conducted through two operating segments, Maintenance Services and Development Services, which are also its reportable segments.

Maintenance Services primarily consists of recurring landscape maintenance services and snow removal services as well as supplemental landscape enhancement services.

Development Services primarily consists of landscape architecture and development services for new construction and large scale redesign projects.

The operating segments identified above are determined based on the services provided, and they reflect the manner in which operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to allocate resources and assess performance. The CODM is the Company's Chief Executive Officer. The CODM evaluates the performance of the Company's operating segments based upon Net Service Revenues, Adjusted EBITDA and Capital Expenditures. Management uses Adjusted EBITDA to evaluate performance and profitability of each operating segment.

The accounting policies of the segments are the same as those described in Note 2 "Summary of Significant Accounting Policies" Corporate includes corporate executive compensation, finance, legal and information technology which are not allocated to the segments. Eliminations represent eliminations of intersegment revenues. The Company does not currently provide asset information by segment, as this information is not used by management when allocating resources or evaluating performance.

The following is a summary of certain financial data for each of the segments:

	Fiscal Year Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Maintenance Services	$ 1,964.0	$ 2,066.5	$ 2,082.0
Development Services	808.8	758.0	698.8
Eliminations	(5.7)	(8.5)	(6.2)
Net Service Revenues	$ 2,767.1	$ 2,816.0	$ 2,774.6
Maintenance Services	$ 279.7	$ 277.9	$ 278.8
Development Services	106.3	82.8	73.7
Corporate	(61.3)	(62.0)	(64.6)
Adjusted EBITDA[(1)]	$ 324.7	$ 298.7	$ 287.9
Maintenance Services	$ 61.3	$ 56.1	$ 82.9
Development Services	12.8	8.2	12.5
Corporate	4.3	7.0	11.9
Capital Expenditures	$ 78.4	$ 71.3	$ 107.3

(1) Presented below is a reconciliation of Net (loss) income to Adjusted EBITDA:

	Fiscal Year Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Net income (loss)	$ 66.4	$ (7.7)	$ 14.0
Interest expense, net	62.4	97.4	53.3
Income tax expense	30.1	4.6	5.6
Depreciation expense	108.4	105.2	98.9
Amortization expense	35.8	44.5	51.5
Business transformation and integration costs (a)	44.1	23.7	21.5
Gain on divestiture (b)	(43.6)	—	0.1
Equity-based compensation (c)	20.5	22.3	19.0
COVID-19 related expenses (d)	—	0.4	11.4
Debt extinguishment (e)	0.6	8.3	12.6
Adjusted EBITDA	$ 324.7	$ 298.7	$ 287.9

(a)Business transformation and integration costs consist of (i) severance and related costs; (ii) business integration costs and (iii) information technology infrastructure, transformation and other costs.

	Fiscal Year Ended		
(in millions)	September 30, 2024	September 30, 2023	September 30, 2022
Severance and related costs (f)	$ 16.6	$ 8.9	$ 1.6
Business integration (g)	(0.4)	6.2	8.2
IT infrastructure, transformation, and other (h)	27.9	8.6	11.7
Business transformation and integration costs	$ 44.1	$ 23.7	$ 21.5

(b)Represents the realized gain on sale and transaction related expenses from the divestiture of U.S. Lawns on January 12, 2024.

(c)Represents equity-based compensation expense and related taxes recognized for equity incentive plans outstanding.

(d)Represents expenses related to the Company's response to the COVID-19 pandemic, principally temporary and incremental salary and related expenses, personal protective equipment, cleaning and supply purchases, and other. Additionally, fiscal year 2022 includes refunds related to employee retention credits allowed under the CARES Act.

(e)Represents losses on the extinguishment of debt related to Amendments No. 6, No. 7, and No. 8 to the Credit Agreement, in the fiscal years ended September 30, 2022, 2023, and 2024 respectively, and includes accelerated amortization of deferred financing fees and original issue discount as well as fees paid to lenders and third parties.

(f)Represents severance and related costs incurred in connection with the Company's One BrightView initiative and CEO transition.

(g)Represents isolated expenses specifically related to the integration of acquired companies such as one-time employee retention costs, employee onboarding and training costs, fleet and uniform rebranding costs, and adjustments to performance based contingent consideration. The Company excludes Business integration costs from the non-GAAP measures disclosed above since such expenses vary in amount due to the number of acquisitions and size of acquired companies as well as factors specific to each acquisition, and as a result lack predictability as to occurrence and/or timing, and create a lack of comparability between periods.

(h)Represents expenses related to distinct initiatives, typically significant enterprise-wide changes. Such expenses are excluded from the measures disclosed above since such expenses vary in amount based on occurrence as well as factors specific to each of the activities, are outside of the normal operations of the business, and create a lack of comparability between periods.

16. Mezzanine Equity

Series A Convertible Preferred Stock

On August 28, 2023 (the "Original Issuance Date"), BrightView Holdings, Inc. entered into an Investment Agreement with each of Birch Equity Holdings, LP, a Delaware limited partnership, and Birch-OR Equity Holdings, LLC, a Delaware limited liability company (collectively, the "Investors"), pursuant to which the Company issued and sold, in a private placement, an aggregate of 500,000 shares of the Company's Series A Convertible Preferred Stock, par value $0.01 per share (the "Series A Preferred Stock"), for an aggregate purchase price of $500.0 (the "Issuance"), excluding issuance costs. The Series A Preferred Stock was recorded at that amount, net of issuance costs of $5.0, in the Company's Consolidated Balance Sheets and statement of changes in stockholders' equity and mezzanine equity.

Mezzanine Classification

The Series A Preferred Stock is redeemable in the event of certain change of control events involving the Company. S99-3A(2) of the SEC's Accounting Series Release No. 268 ("ASR 268") requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity if they are redeemable (i) at a fixed or determinable price on a fixed or determinable date, (ii) at the option of the holder, or (iii) upon the occurrence of an event that is not solely within the control of the issuer. Preferred securities that are mandatorily redeemable are required to be classified by the issuer as liabilities whereas under ASR 268 guidance an issuer should classify a preferred security whose redemption is contingent on an event not entirely in control of the issuer as mezzanine equity. The Series A Preferred Stock is not mandatorily redeemable, however, a change in control is not solely in control of the Company, accordingly, the Company determined that mezzanine treatment is appropriate for the Series A and has presented it as such in our Consolidated Balance Sheets and statement of changes in stockholders' equity and mezzanine equity, as of and for the year ended September 30, 2024.

Liquidation Preference

The Series A Preferred Stock will rank senior to the Company's common stock, par value $0.01 per share (the "Common Stock"), with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. The aggregate liquidation preference of the Series A Preferred Stock was $512.0 and $503.2 as of September 30, 2024 and September 30, 2023, respectively.

Dividends

Holders of the Series A Preferred Stock are entitled to a dividend at the rate of 7.0% per annum, compounding quarterly, paid in kind or paid in cash, at the Company's election. Dividends paid in kind are measured at fair value. For any quarter in which the Company elects not to pay the dividend in cash, such dividend will become part of the liquidation preference of each such share of Series A Preferred Stock as of the applicable dividend payment date. Shares of the Series A Preferred Stock also entitle the holder to participate in any dividends paid on the Common Stock on an as-converted basis. During the year ended September 30, 2024, the Company paid in-kind dividends of $8.9 in the aggregate on the Series A Preferred Stock which increased the aggregate liquidation preference of the Series A Preferred Stock by the same amount. In addition, the Company declared cash dividends of $26.8 during the year ended September 30, 2024, of which $17.8 was paid. Accrued dividends of $9.0 are presented within Accrued expense and other current liabilities on the Consolidated Balance Sheets as of September 30, 2024. There were no dividends issued to common stockholders during the years ended September 30, 2024 and 2023.

Voting

The Series A Preferred Stock will be entitled to vote with the holders of the Common Stock on an as-converted basis (subject to the conversion limitations set forth in the Certificate of Designations of the Series A Preferred Stock (the "Certificate of Designations")). Holders of the Series A Preferred Stock will be entitled to a separate class vote with respect to, among other things, amendments to the Company's organizational documents that have an adverse effect on the Series A Preferred Stock, authorizations or issuances by the Company of securities that are senior to, or equal in priority with, the Series A Preferred Stock, increases or decreases in the number of authorized shares of Series A Preferred Stock after the Issuance, certain mergers or consolidations of the Company and certain restricted acquisitions.

Notwithstanding the foregoing, pursuant to the terms of the Certificate of Designations, in no event shall the Series A Preferred Stock have voting rights in excess of 49% (together with any shares of Common Stock otherwise held by the Investors, permitted transferees and their affiliates) of the then issued and outstanding Common Stock.

Redemption

At any time on or after the fourth anniversary of the Original Issuance Date, the Company may redeem (the "Company Redemption Right"), ratably, in whole (or, so long as the Company reasonably determines in good faith (taking into account solely the holders' ownership of the Series A Preferred Stock and ownership of any Common Stock received in connection with the conversion of such Series A Preferred Stock) that such partial redemption of Series A Preferred Stock will be treated as a sale or exchange for United States federal income tax purposes pursuant to Section 302(b) of the Internal Revenue Code of 1986, in part), the shares of Series A Preferred Stock of any holder outstanding at such time at a redemption price per share of Series A Preferred Stock equal to the following: (A) if the applicable redemption date is on or after the fourth anniversary of the Original Issuance Date and before the fifth anniversary of the Original Issuance Date, the greater of (1) the product of (x) the sum of (I) the liquidation preference of such shares of Series A Preferred Stock to be redeemed, plus (II) the accrued dividends in respect of such share of Series A Preferred Stock to be redeemed as of such redemption date, multiplied by (y) 105% and (2) the volume weighted average price ("VWAP") of the average of the Common Stock for each of the 10 consecutive full trading days ending on, and including, the trading day immediately preceding such day of measurement, adjusted pursuant to the Certificate of Designations (the "Current Market Price") as of such redemption date of the Common Stock into which such shares of Series A Preferred Stock could be converted on an as converted basis; (B) if the applicable

redemption date is on or after the fifth anniversary of the Original Issuance Date and before the sixth anniversary of the Original Issuance Date, the greater of (1) the product of (x) the sum of (I) the liquidation preference of such share of Series A Preferred Stock to be redeemed, plus (II) the accrued dividends in respect of such share of Series A Preferred Stock to be redeemed, multiplied by (y) 103% and (2) the Current Market Price as of such redemption date of the Common Stock into which such shares of Series A Preferred Stock could be converted on an as converted basis; and (C) if the applicable redemption date is on or after the sixth anniversary of the Original Issuance Date, the greater of (1) the product of (x) the sum of (I) the liquidation preference of such share of Series A Preferred Stock to be redeemed, plus (II) the accrued dividends in respect of such share of Series A Preferred Stock to be redeemed , multiplied by (y) 100% and (2) the Current Market Price as of such redemption date of the Common Stock into which such shares of Series A Preferred Stock could be converted on an as converted basis. Notwithstanding the foregoing, the Company will not exercise the Company Redemption Right, or otherwise send a notice of company redemption, in respect of the redemption of any Series A Preferred Stock unless the Company has sufficient funds legally available to fully pay the redemption price in respect of all shares of Series A Preferred Stock called for redemption.

Change in Control Redemption

Upon certain change of control events involving the Company, the holders of Series A Preferred Stock may, at such holder's election, convert all or a portion of its shares of Series A Preferred Stock, provided that if the holder does not make such an election with respect to all of its shares of Series A Preferred Stock, the Company shall redeem all of such holder's shares of Series A Preferred Stock that have not been so converted at a purchase price per share of Series A Preferred Stock, payable in cash equal to the greater of (A) the sum of the liquidation preference thereof, plus any accrued dividends as of the applicable change of control purchase date and (B) the amount of cash and the fair market value of any other property that the holder would have received if such holder had converted their Series A Preferred Stock into Common Stock immediately prior to the change of control (without regard to any limitations on conversions set forth in the Certificate of Designations.

Conversion

The Series A Preferred Stock is convertible, in whole or in part, at the option of the holders (subject to the conversion limitation set forth in the Certificate of Designations) into shares of Common Stock at an initial conversion rate of 105.9322 shares of Common Stock per share of Series A Preferred Stock.

At any time after the third anniversary of the Original Issuance Date, if (i) the VWAP of the Common Stock exceeds $18.88 (the "Mandatory Conversion Price"), for at least 20 trading days in any period of 30 consecutive trading days and (ii) either (x) the Common Stock VWAP is greater than the Mandatory Conversion Price on the trading day immediately prior to the date the Company sends the applicable notice of mandatory conversion or (y) the Company has not filed a press release or report under the Securities Exchange Act of 1934, as amended, between the last trading day in such 30 day trading period and the date the Company sends the applicable notice of mandatory conversion, then the Company may elect to convert all or any portion of the Series A Preferred Stock into the relevant number of shares of Common Stock.

Notwithstanding the foregoing, pursuant to the terms of the Certificate of Designations, in no event shall the Series A Preferred Stock be convertible into Common Stock in a manner that would result in the Investors, their permitted transferees and affiliates holding more than 49% (together with any shares of Common Stock otherwise held by the Investors, permitted transferees and their affiliates) of the then issued and outstanding Common Stock.

The calculations of earnings per share for all periods presented herein during which the Series A Preferred Stock was outstanding do not treat conversion of the Series A Preferred Stock as if it had occurred, as the effect of conversion would be anti-dilutive.

As of September 30, 2024, the Series A Preferred Stock is not probable of becoming redeemable as the most likely method of settlement is through conversion which is likely to occur before the holder right to request redemption becomes exercisable.

17. Earnings (Loss) Per Share of Common Stock

The Company calculates basic and diluted (loss) earnings per common share using the two-class method. The two-class method is an allocation formula that determines net income (loss) per common share for each share of common stock and Series A Convertible Preferred Stock, a participating security, according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and Series A Convertible Preferred Stock based on their respective rights to receive dividends. The holders of Series A Convertible Preferred Stock participate in cash dividends that the Company pays on its common stock in an as-converted basis. Diluted net income (loss) per common share is computed based on the weighted average number of shares of common stock outstanding during each period, plus potential common shares considered outstanding during the period, as long as the inclusion of such awards is not antidilutive. Potential common shares consist of unvested and unexercised stock compensation awards and the Series A Convertible Preferred Stock, using the more dilutive of either the two-class method or if-converted stock method.

Set forth below is a reconciliation of the numerator and denominator for basic and diluted (loss) earnings per share calculation for the periods indicated:

	Fiscal Year Ended		
	September 30, 2024	September 30, 2023	September 30, 2022
Basic Earnings (Loss) per common share			
Numerator:			
Net income (loss)	$ 66.4	$ (7.7)	$ 14.0
Less: dividends on Series A convertible preferred shares	(35.7)	(3.2)	—
Less: Earnings allocated to Convertible Preferred Shares	(11.2)	—	—
Net income (loss) available to common shareholders	$ 19.5	$ (10.9)	$ 14.0
Denominator:			
Weighted average number of common shares outstanding – basic	94,673,000	93,412,000	97,898,000
Basic earnings (loss) per share	$ 0.21	$ (0.12)	$ 0.14
Diluted earnings (loss) per common share			
Numerator:			
Net income (loss) available to common shareholders – diluted	$ 19.5	$ (10.9)	$ 14.0
Denominator:			
Weighted average number of common shares outstanding – basic	94,673,000	93,412,000	97,898,000
Dilutive effect of:			
Stock compensation awards	1,403,000	—	263,000
Series A convertible preferred stock	—	—	—
Weighted average number of common shares outstanding – diluted	96,076,000	93,412,000	98,161,000
Diluted earnings (loss) per share	$ 0.20	$ (0.12)	$ 0.14
Other Information:			
Weighted average number of anti-dilutive Series A convertible preferred shares, options and restricted stock[(a)]	56,587,000	9,656,000	5,010,000

(a) Weighted average number of anti-dilutive options is based upon the average closing price of the Company's common stock on the NYSE for the period.

18. Subsequent events

Commencing with the first quarter of fiscal 2025, which began on October 1, 2024, the Company adopted a revised segment presentation whereby certain expenses currently classified as "Corporate", including corporate executive compensation, finance, legal and information technology, will be instead allocated to its two reportable segments, Maintenance Services and Development Services, on a pro rata basis, based on segment revenue. The changes to the Company's segment reporting will be reflected beginning with its Quarterly Report on Form 10-Q for the quarter ending December 31, 2024.