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Investor Overview

Jason Willey, VP Investor Relations

November 2022





Disclaimer

Forward-Looking Statements

This presentation contains “forward-looking statements.” All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks and uncertainties, which may cause the actual results or performance of the Company to differ materially from such forward-looking statements. Such risks and uncertainties include, but are not limited to, (1) our ability to achieve our outlook regarding the fourth quarter 2022 and full year 2022, (2) the duration and severity of the COVID-19 pandemic and the disruption to our business and the global economy caused by it, including its effect on our and our business partners’ supply chains, (3) the amount of our obligations and nature of our contractual restrictions pursuant to, and disputes that have or may hereafter arise under the agreements we entered into with Honeywell in connection with our spin-off, (4) the likelihood of continued success of our transformation programs and initiatives, (5) risks related to our recently completed acquisitions, including First Alert, including our ability to achieve the targeted amount of annual cost synergies, successfully integrate the acquired operations (including successfully driving category growth in connected offerings), and the expected net present value of tax benefits resulting from the First Alert transaction and (6) the other risks described under the headings “Risk Factors” and “Cautionary Statement Concerning Forward-Looking Statements” in our Annual Report on Form 10-K for the year ended December 31, 2021 and other periodic filings we make from time to time with the Securities and Exchange Commission. Forward-looking statements are not guarantees of future performance, and actual results, developments, and business decisions may differ from those envisaged by our forward-looking statements. Except as required by law, we undertake no obligation to update such statements to reflect events or circumstances arising after the date of this presentation and we caution investors not to place undue reliance on any such forward looking statements.

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Who is Resideo?

Products & Solutions

A leading global provider of home air, water, security and energy products and solutions



Presence in
150M
Homes

$2.5B
2021 Revenue

$541M
2021 Segment Operating Income

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$5.8B
2021 Revenue

$559M
2021 Operating Income (1)

$315M
2021 Operating Cash Flow

ADI a resideo company

Leading global wholesale distributor of low-voltage products, incl. security and fire



#1 GLOBAL DISTRIBUTOR
For Low-Voltage Products (2)

$3.4B
2021 Revenue

$268M
2021 Segment Operating Income

Complementary Products and Distribution Businesses Serving the Professional Installer

(1) GAAP operating income including $250 million of corporate costs
(2) Source: Market data from IHS Markit

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Foundation for Success

UNMATCHED PRESENCE IN THE HOME

150M HOMES

LEADING SECURITY DISTRIBUTION BUSINESS

1,000+
SUPPLIERS

350,000+
PRODUCTS

UNIQUE RELATIONSPHIP WITH PRO

110,000+

PRO CONTRACTORS

Many professional and OEM relationships extend

20+ years

Trusted brands

ADI a resideo company

Honeywell Home

FIRST ALERT

WHY WE WIN

- Trusted product partner
- Broad product offering
- Omnichannel
- Service and support
- Longstanding reliability
- Supporting professionals' growth and profitability

Resideo Wins When the Pro Wins

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Broad Set of Products, Solutions and Services

SOLUTIONS & SERVICES

Energy management / demand response | Equipment predictive maintenance | Indoor Air Quality data insights | Remote monitoring and automation

AIR

- Thermostats / Temp
- Air Quality
- De-/Humidifiers
- Hydronics
- Zoning



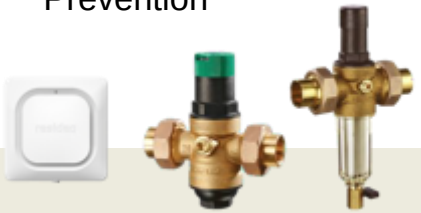
SECURITY & SAFETY

- Residential Intrusion Systems
- Smoke and CO Alarms, Fire Extinguishers



WATER

- Potable Water Controls
- Backflow Prevention
- Leakage Detection and Prevention



ENERGY

- Furnace Components
- Water Heater Controls
- Boilers Components
- Heat Pumps



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Exposure to Attractive Secular Trends

Connected / Smart Home



- Smart thermostats
- Water leak detection
- Air quality monitoring
- Preventative maintenance insights

Home Energy Management and Savings



- Energy efficient products
- Demand response services
- Insurance programs
- Monitoring services

Residential and Commercial Life Safety



- Leading physical security distributor
- Hardware and software for monitored security
- A leader in residential smoke / CO detection

Energy Delivery Transitions



- Hydrogen – H_2 ready products
- Heat pumps
- Gas to electric

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Diversified Channel Strategy Focused on Pro Installer

Resideo Pro Network Over 110,000 Strong

- Central to all our channels
  - Critical to new home construction and remodeling
  - Customers of our distribution partners
  - Increasing Pro sales at Retail
- Drives repeat business with the homeowner

Resideo Channels



Products sold through **Distributors** and **Security Dealers**



Partnerships with **OEMs**



Utility and Insurance product rebate programs



Retail strategy for DIY / DIFM



Residential new construction **Builder** programs

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ADI Global Distribution: Leading Security Distribution Platform

$3.4B
in 2021
net sales

190+
locations in
15 countries

1,000+
global
suppliers

1M+
distribution
sqft
space

1,200+
sales
representatives

17k+
transactions
per day

100,000+
active
customers

350,000+
products
available

100+
countries
exported to

35+
hours of training
per team
member



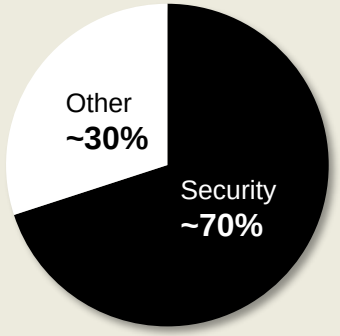
(1) Source: Market data from IHS Markit

Differentiated Value Proposition

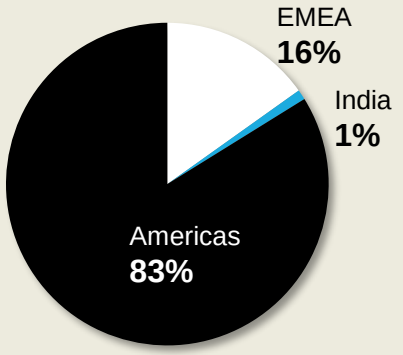
Omnichannel	Physical locations, e-commerce and in-person consultative sales support
Geographic Footprint	Local product availability in +190 markets
Products & Technology	Wide selection of over 350,000 products
Expert Sales Support	Technology and systems design experts
Growth Culture	Ten consecutive years of revenue growth
Digitally Enabled	Convenient digital shopping options

2021 ADI Global Distribution Snapshot

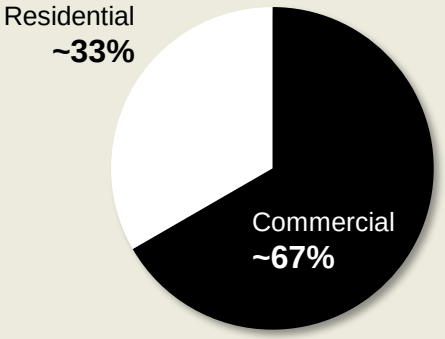
Sales by Product Category



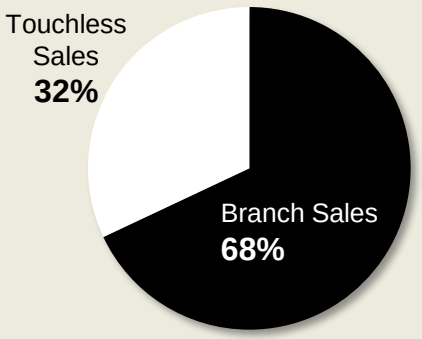
Sales by Geography (2)



Sales by End Market (1)



Sales by Channel



(1) Resideo management estimates
(2) ADI India business sold in October 2022

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Investing for Revenue Growth and Margin Expansion

- Enhance customer experience
- Expand product technology offerings
- Broaden market coverage
- Drive sales force effectiveness
- Bolt-on M&A



E-COMMERCE ACCELERATION

- Website & App
- Omnichannel Integration
- Product Information System



CATEGORY EXPANSION

- Residential & Pro AV
- Data Communications
- Private Brands



GEOGRAPHIC EXPANSION

- Inside Account Management
- Location Growth



SALES FORCE EFFECTIVENESS

- CRM and Data Analytics
- AI/Machine Learning
- Pricing Optimization

Enhancing ADI Platform To Leverage +100,000 Pro Contractor Relationships

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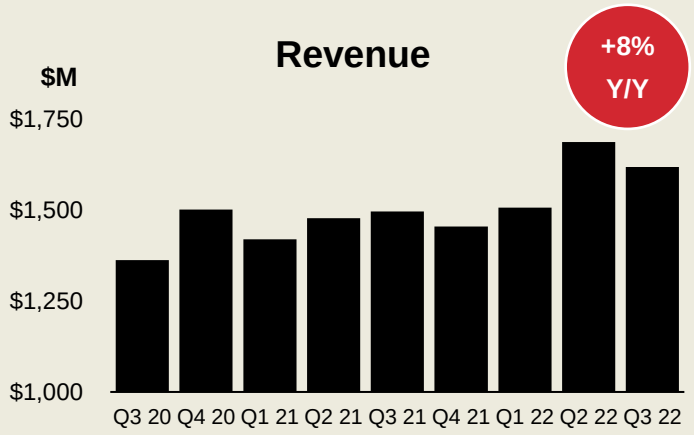
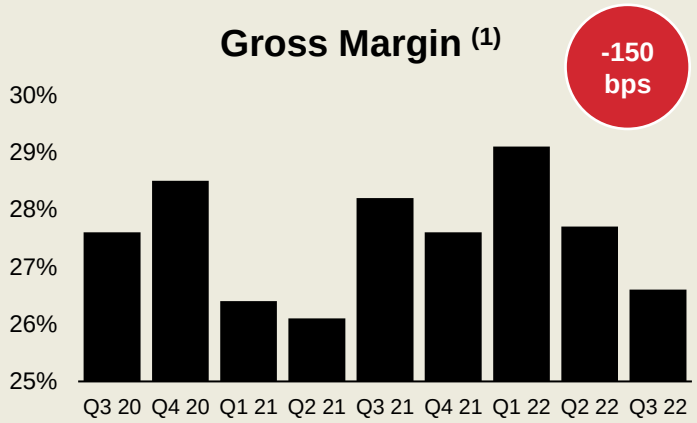
Resideo Key Financial Trends

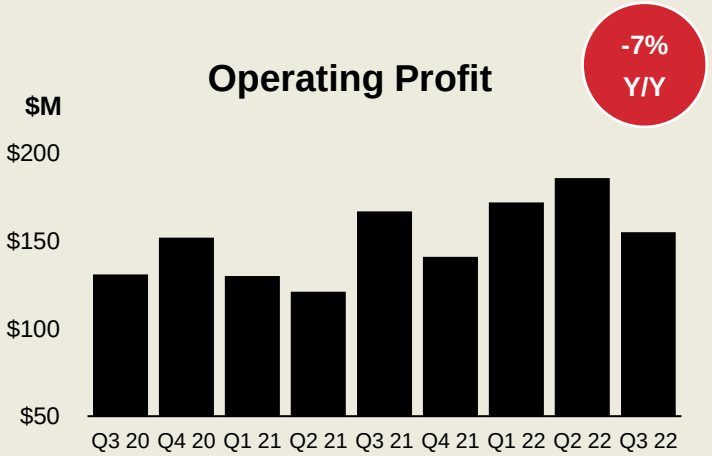
Revenue



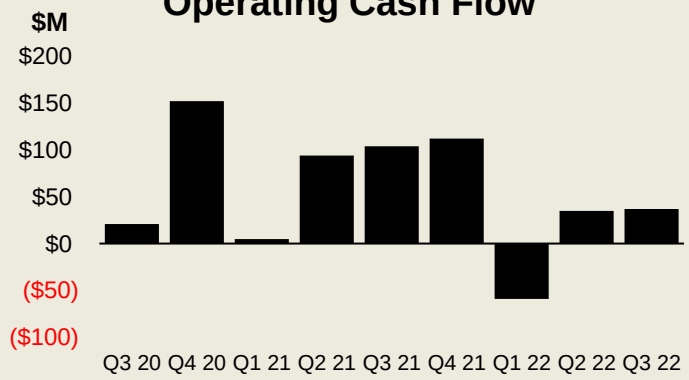
Gross Margin (1)



Operating Profit



Operating Cash Flow



Q3 2022 HIGHLIGHTS

- Mixed end market trends with commercial categories driving ADI growth and Air product strength at Products & Solutions offset by slower Security sales
- Acquisitions added $135M to revenue y/y and FX was a ~$50M headwind
- Total OPEX up 8% y/y on inclusion of $26M of First Alert expenses and investments in core business, offset by lower corporate costs
- Operating cash flow reflects higher working capital

(1) Gross margin reflects change in presentation of intangible asset amortization

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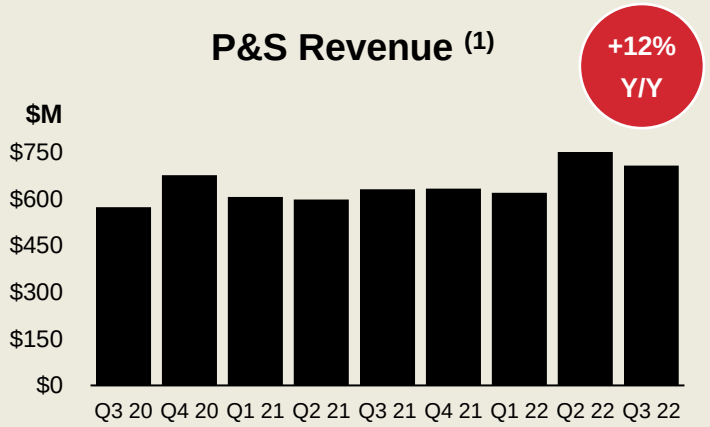
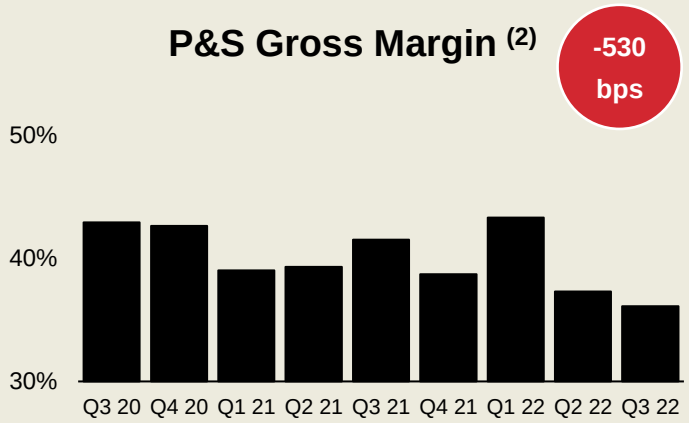
Products & Solutions Financial Trends

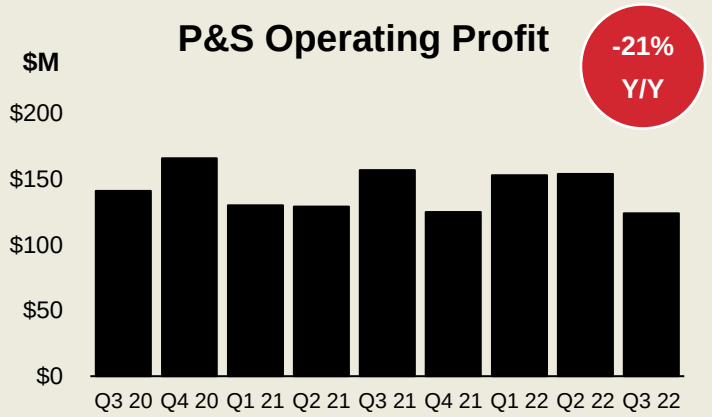
P&S Revenue (1)



P&S Gross Margin (2)



P&S Operating Profit



(1) Net segment revenue excluding intersegment revenue
(2) Gross margin reflects change in presentation of intangible asset amortization

Q3 2022 HIGHLIGHTS

- Revenue grew 12% y/y driven by First Alert acquisition and strong realization on price actions, offset by FX headwinds and volume declines
- Growth in Air products, offset by slower activity in traditional Security, Energy, and Water
- Gross margin impacted by lower margin First Alert revenue, continued inflationary pressure, and volume declines, partially offset by pricing actions
- Operating expense essentially flat y/y excluding $26M from First Alert acquisition; higher R&D offset by lower SG&A

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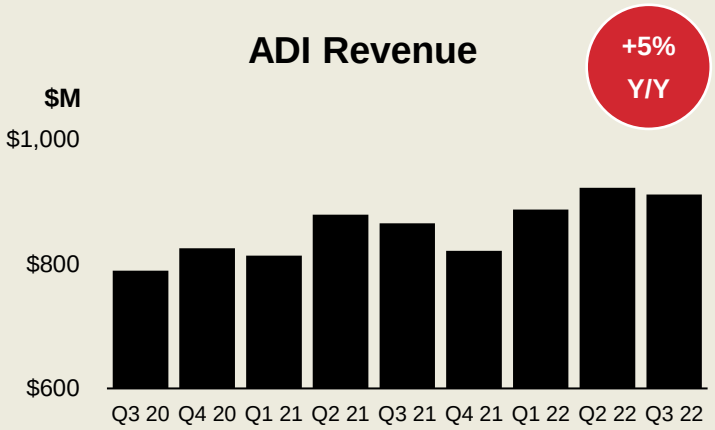
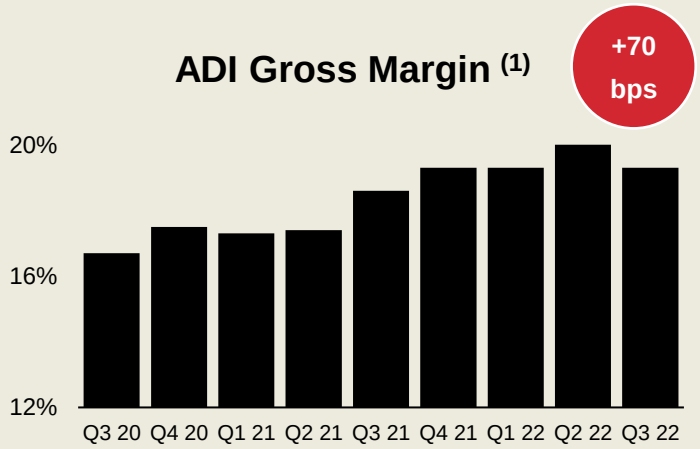
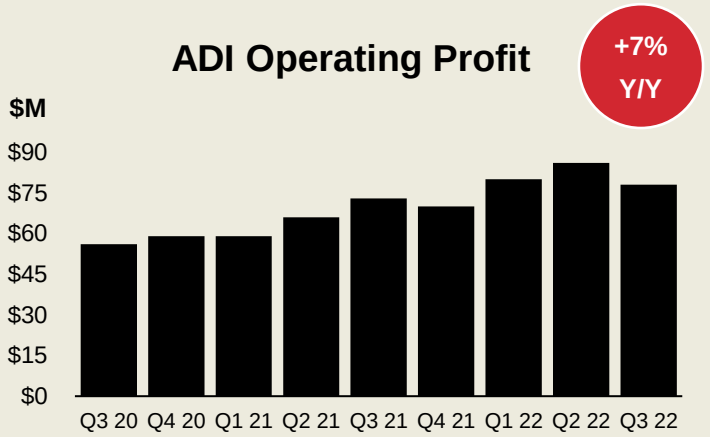
ADI Global Distribution Financial Trends







(1) Gross margin reflects change in presentation of intangible asset amortization

Q3 2022 HIGHLIGHTS

- Revenue up 5% y/y driven by growth in North America with acquisitions contributing $23M and FX headwinds of $22M
- Growth in commercial categories driven by Fire, Video Surveillance, and Access Control
- Private brands sales grew 23% y/y, e-commerce sales up 22% y/y
- Gross margin continues to benefit from improved product line margin and strong pricing environment
- Ongoing investment in pricing and digital sales enablement tools, user experience, and IT infrastructure

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Capital Structure

($'s in Millions)	Q3 2022
Tranche	**Amount**
Cash and Cash equivalents	$252
$500M Revolver due 2026	-
Term Loan B due 2028	$1,134
Total Secured Debt	**$1,134**
Net Secured Debt	**$882**
Senior Notes due 2029	$300
Total Debt	**$1,434**
Total Net Debt	**$1,182**
Market Capitalization(1)	$2,363
Total Capitalization	**$3,797**

MOODY'S INVESTORS SERVICE

	Rating
Corporate Rating	Ba2
Outlook	Stable
Secured First Lien Debt	Ba1
Senior Unsecured Notes	Ba3

S&P Global

	Rating
Corporate Rating	BB+
Outlook	Stable
Secured First Lien Debt	BBB-
Senior Unsecured Notes	BB+

Current debt balances exclude unamortized deferred financing costs

(1) Market data as of 11/25/2022, closing price of $16.20 per share

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Debt Fixed / Float Mix

($'s in Millions) Tranche	Q3 2022 Fixed/ Floating	Amount	% of Total Debt	Effective Rate
$500M Revolver due 2026	Floating	-	-	-
Unhedged Term Loan B due 2028(1)	Floating	$574	40%	5.12%
Hedged Term Loan B due 2028(1)	Fixed	$560	39%	3.18%
Senior Notes due 2029	Fixed	$300	21%	4.00%
Total Debt		**$1,434**	**100%**	
Fixed		**$860**	**60%**	
Floating		**$574**	**40%**	

(1) $1,134M of Floating Rate Term Loan B due 2028 at Libor + 225bps with 50bps Libor Floor. Hedged portion based on $560M of Floating to Fixed Interest Rate Swaps at an average rate of 0.9289%

Gross Debt is Approximately 60% Fixed and 40% Floating

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Capital Allocation and Investment Priorities

Inorganic

ADI Global Distribution

- Bolt-on M&A
- Adjacent categories
- Service offerings
- Broaden market coverage

Products & Solutions

- Accelerate growth in attractive categories
- Software, AI and data analytics capabilities
- Grow intelligent sensor capabilities and footprint within home

Organic

- Expect capital expenditures of ~$70M in 2022
- Targeted engineering and R&D investment to drive future growth
- Systems upgrades to support expected growth and improve information visibility
- Investment in factory automation
- Partnerships and ecosystem engagement to increase flexibility and market coverage

High Return Investment to Augment and Accelerate Organic Strategy

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Sustainability

Resideo's ESG Efforts are Shaped by:

E

INNOVATE

16 Energy Star®
certified thermostats

REDUCE

1.6 Million Metric Tons
of carbon dioxide equivalent saved by Resideo smart thermostats, comparable to the energy used by nearly 200,000 homes for one year

9.3 Tons of Mercury
saved from the landfill by recycling our thermostats

S

COMMIT

44.9%
of our global employees are women

6 Global ERGs
(Employee Resource Groups) with more than 700 team members representing our diverse employee base

IMPACT

$500,000 Donation
in-kind and cash commitment to Habitat for Humanity

Mission 500
names ADI a Corporate Social Responsibility and Humanitarian Award winner

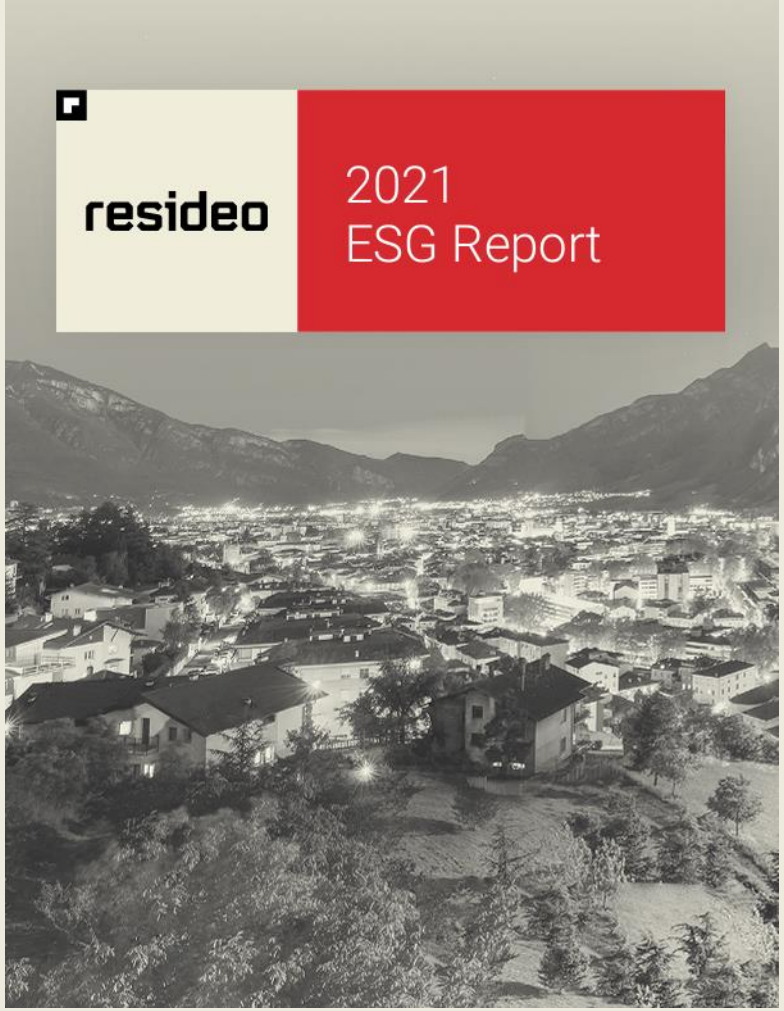
G

TRUST

Awarded EcoVadis Silver Medal

40%
of our Board is diverse

80%
of our Board is independent



More information about Resideo's sustainability journey can be found at www.resideo.com/sustainability

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Resideo Investment Opportunity

Positioned for attractive secular trends in connected home, energy management, security / life safety

Unmatched channel relationships supporting professional installers

Product leadership throughout the home supporting comfort, security and energy efficiency

Value creating M&A to enhance market position and drive long-term growth

Compelling financial model with top line growth, margin expansion and strong cash flow generation

Our Vision

We imagine a world where homes and buildings are good for the planet, where technology works to simplify life.

In that world, people are healthy, happy, and secure.

Our Purpose

To help create this future, we will work every day…

To simplify the connected world so people have peace of mind and can focus on what matters most.



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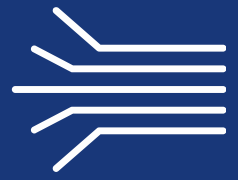
Our Values



Start with the customer

We understand our customers' needs and pride ourselves on delivering exceptional experiences.



Act as one team

We work together toward common goals, engaging from a place of humility and respect.



Pioneer the future

We embrace change, boldly step into the unknown, and relentlessly foster innovation to fuel our growth.



Make a difference

We care about the long-lasting positive impact we make on each other, our customers, our communities, and the planet.

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APPENDIX

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Summary Financial Results (Unaudited) (1)

(In millions)	Q3 2022 Products & Solutions	Q3 2022 ADI Global Distribution	Q3 2022 Corporate	Q3 2022 Total Company	YTD 2022 Products & Solutions	YTD 2022 ADI Global Distribution	YTD 2022 Corporate	YTD 2022 Total Company
Net revenue	$ 707	$ 911	$ -	$ 1,618	$ 2,090	$ 2,720	$ -	$ 4,810
Cost of goods sold	451	735	2	1,188	1,280	2,190	5	3,475
Gross profit (loss)	256	176	(2)	430	810	530	(5)	1,335
Research and development expenses	29	-	-	29	80	-	1	81
Selling, general and administrative expenses	96	96	44	236	283	281	152	716
Intangible asset amortization (2)	7	2	1	10	16	5	4	25
Income (loss) from operations	$ 124	$ 78	$ (47)	$ 155	$ 431	$ 244	$ (162)	$ 513

	Q3 2021 Products & Solutions	Q3 2021 ADI Global Distribution	Q3 2021 Corporate	Q3 2021 Total Company	YTD 2021 Products & Solutions	YTD 2021 ADI Global Distribution	YTD 2021 Corporate	YTD 2021 Total Company
Net revenue	$ 631	$ 865	$ -	$ 1,496	$ 1,835	$ 2,557	$ -	$ 4,392
Cost of goods sold	369	704	2	1,075	1,101	2,103	6	3,210
Gross profit (loss)	262	161	(2)	421	734	454	(6)	1,182
Research and development expenses	20	-	-	20	62	-	1	63
Selling, general and administrative expenses	81	87	59	227	241	253	184	678
Intangible asset amortization (2)	4	1	2	7	15	3	5	23
Income (loss) from operations	$ 157	$ 73	$ (63)	$ 167	$ 416	$ 198	$ (196)	$ 418

	Q3 2022 % change compared with prior period Products & Solutions	Q3 2022 % change compared with prior period ADI Global Distribution	Q3 2022 % change compared with prior period Corporate	Q3 2022 % change compared with prior period Total Company	YTD 2022 % change compared with prior period Products & Solutions	YTD 2022 % change compared with prior period ADI Global Distribution	YTD 2022 % change compared with prior period Corporate	YTD 2022 % change compared with prior period Total Company
Net revenue	12%	5%	N/A	8%	14%	6%	N/A	10%
Cost of goods sold	22%	4%	0%	11%	16%	4%	(17)%	8%
Gross profit (loss)	(2)%	9%	0%	2%	10%	17%	(17)%	13%
Research and development expenses	45%	N/A	N/A	45%	29%	N/A	0%	29%
Selling, general and administrative expenses	19%	10%	(25)%	4%	17%	11%	(17)%	6%
Intangible asset amortization (2)	75%	100%	(50)%	43%	7%	67%	(20)%	9%
Income (loss) from operations	(21)%	7%	(25)%	(7)%	4%	23%	(17)%	23%

(1) Dollars reported in millions herein are computed based on the amounts in thousands. As a result, the sum of the components, and related calculations, reported in millions may not equal the total amounts due to rounding.

(2) The prior year information was reclassified to present Intangible asset amortization as a separate line item. Intangible asset amortization was formerly included within Cost of goods sold and Selling, general and administrative expenses.

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Consolidated Interim Statements of Operations (Unaudited)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
	(In millions except shares in thousands and per share data)			
Net revenue	$ 1,618	$ 1,496	$ 4,810	$ 4,392
Cost of goods sold [2]	1,188	1,075	3,475	3,210
Gross profit	430	421	1,335	1,182
Research and development expenses [1]	29	20	81	63
Selling, general and administrative expenses [1][2]	236	227	716	678
Intangible asset amortization [2]	10	7	25	23
Income from operations	155	167	513	418
Other expense, net	44	58	125	130
Interest expense, net	15	12	40	37
Income before taxes	96	97	348	251
Provision for income taxes	33	29	104	76
Net income	$ 63	$ 68	$ 244	$ 175
Earnings per share				
Basic	$ 0.43	$ 0.47	$ 1.68	$ 1.22
Diluted	$ 0.42	$ 0.46	$ 1.64	$ 1.18
Weighted average number of shares outstanding				
Basic	145,755	144,284	145,442	143,865
Diluted	149,158	148,559	148,972	148,260

(1) The prior year unaudited Consolidated Statements of Operations were reclassified to present Research and development expenses as a separate line item. Research and development expenses were formerly included within Selling, general and administrative expenses.

(2) The prior year unaudited Consolidated Statements of Operations were reclassified to present Intangible asset amortization as a separate line item. Amortization of other intangible assets were formerly included within Cost of goods sold and Selling, general and administrative expenses.

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Consolidated Interim Balance Sheets (Unaudited)

	October 1, 2022	December 31, 2021
	(In millions, except shares in thousands, and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 252	$ 775
Accounts receivable, net	1,043	876
Inventories, net	957	740
Other current assets	198	150
Total current assets	2,450	2,541
Property, plant and equipment, net	351	287
Goodwill	2,678	2,661
Other intangible assets, net	460	120
Other assets	323	244
Total assets	$ 6,262	$ 5,853
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 936	$ 883
Current maturities of long-term debt	12	10
Accrued liabilities	594	601
Total current liabilities	1,542	1,494
Long-term debt, net of current maturities	1,407	1,220
Obligations payable under Indemnification Agreements	575	585
Other liabilities	338	302
Total liabilities	3,862	3,601
Stockholders' equity:		
Common shares, $0.001 par value, 700,000 shares authorized, 147,703 and 145,838 shares issued and outstanding as of October 1, 2022, 146,248 and 144,808 shares issued and outstanding as of December 31, 2021, respectively	-	-
Additional paid-in capital	2,162	2,121
Retained earnings	561	317
Accumulated other comprehensive loss, net	(292)	(165)
Treasury shares	(31)	(21)
Total stockholders' equity	2,400	2,252
Total liabilities and stockholders' equity	$ 6,262	$ 5,853

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Consolidated Interim Statements of Cash Flows (Unaudited)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
	(In millions)			
Cash flows from operating activities:				
Net income	$ 63	$ 68	$ 244	$ 175
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	24	22	69	67
Loss on extinguishment of debt	-	41	-	41
Share-based compensation expense	14	10	36	29
Other, net	13	(5)	8	4
Changes in operating assets and liabilities, net of effect of acquisitions:				
Accounts receivable, net	3	(45)	(142)	(78)
Inventories, net	(2)	(32)	(129)	(40)
Other current assets	(17)	18	(38)	(6)
Accounts payable	(49)	(4)	5	(19)
Accrued liabilities	22	27	(25)	26
Other, net	(34)	4	(15)	4
Net cash provided by operating activities	37	104	13	203
Cash flows from investing activities:				
Capital expenditures	(10)	(13)	(34)	(48)
Acquisitions, net of cash acquired	(27)	(1)	(660)	(11)
Other, net	-	-	(13)	3
Net cash used in investing activities	(37)	(14)	(707)	(56)
Cash flows from financing activities:				
Proceeds from issuance of A&R Term B Facility	-	300	200	1,250
Payments of debt facility issuance and modification costs	-	(18)	(4)	(39)
Repayments of long-term debt	(3)	(262)	(9)	(1,185)
Other, net	2	1	(5)	2
Net cash (used in) provided by financing activities	(1)	21	182	28
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	1	(4)	(12)	(6)
Net increase (decrease) in cash, cash equivalents and restricted cash	-	107	(524)	169
Cash, cash equivalents and restricted cash at beginning of period	255	579	779	517
Cash, cash equivalents and restricted cash at end of period	$ 255	$ 686	$ 255	$ 686

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