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VP, Investor Relations

August 24, 2023

Disclaimer

Forward-Looking Statements

This presentation “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 third quarter 2023 and full year 2023, (2) our ability to recognize the expected savings from, and the timing and impact of, our existing and anticipated cost reduction actions, (3) the disruption to our business and global economy caused by the lingering effects of COVID-19, (4) 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, (5) risks related to our recently completed acquisitions 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), (6) the Company's proposed share repurchase program, the projected timing, purchase price and number of shares purchased under such program, if at all, the sources of funds under the repurchase program and the impacts of the repurchase program, and (7) 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, 2022 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.

Use of Non-GAAP Measures

This presentation includes certain “non-GAAP financial measures” as defined under the Securities Exchange Act of 1934 and in accordance with Regulation G. Management believes the use of such non-GAAP financial measures assists investors in understanding the ongoing operating performance of the Company by presenting the financial results between periods on a more comparable basis. Such non-GAAP financial measures should not be construed as an alternative to reported results determined in accordance with U.S. GAAP.

The Company discloses a tabular comparison of Non-GAAP Adjusted Net Income per diluted common share and Non-GAAP Adjusted Net Income applicable to common shares, which are non-GAAP measures, because they are instrumental in comparing the results from period to period. Non-GAAP Adjusted Net Income per diluted common share and Non-GAAP Adjusted Net Income applicable to common shares should not be considered in isolation or as a substitute for Net Income per diluted common share and Net Income applicable to common shares as reported on the face of our consolidated statements of operations. We define Non-GAAP Adjusted Net Income per diluted common share and Non-GAAP Adjusted Net Income applicable to common shares adjusted for the following items: pension settlement loss, restructuring and impairment expenses; acquisition related costs; and Tax Matters Agreement gain. We have included reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and provided in accordance with U.S. GAAP at the end of this presentation.

We define Non-GAAP Adjusted EBITDA as net income, adjusted for the following items: provision for income taxes; depreciation and amortization; interest expense, net; stock-based compensation expense, pension settlement loss, restructuring and impairment expenses; acquisition related costs; and Tax Matters Agreement gain. We have included reconciliations of the non-GAAP financial measures to the most directly comparable financial measures calculated and provided in accordance with U.S. GAAP at the end of this presentation.

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Resideo (NYSE: REZI) Snapshot

$6.4B
2022 Revenue

$611M
2022 Operating Income

$1.90
2022 GAAP EPS

A Leading Provider of **Products and Services** for the Home



Presence in
150M
Homes

A Leading **Security Distribution** Business

1,000+
SUPPLIERS

350,0000+
PRODUCTS

12 years
of consecutive revenue growth at ADI

Trusted brands

ADI a resideo company

Honeywell Home

FIRST ALERT

Resideo is a leading global manufacturer and distributor of technology-driven products and solutions that provide comfort, safety and security, energy efficiency, and control to residential and commercial customers worldwide.

Building on a 130-year heritage, Resideo has a presence in more than 150 million homes. We continue to serve more than 100,000 professionals through leading distributors, including our ADI Global Distribution business, which exports to more than 100 countries from nearly 200 stocking locations around the world.

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Resideo Investment Opportunity



Differentiated Channel and Product Breadth



Growth Initiatives



Structural Margin Expansion

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Products & Solutions Segment



Broad Product Set Touching Large Markets Across the Home

$2.8B
2022 Segment Revenue



$527M
2022 Segment Operating Income

SOLUTIONS & SERVICES

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



AIR

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

34% of 2022 P&S segment sales

+$3B **Core Addressable Category**



SECURITY & SAFETY

- Professional Residential Intrusion Systems
- Video Surveillance
- Smoke and CO Alarms, Fire Extinguishers

33% of 2022 P&S segment sales

~$4B **Core Addressable Category**



WATER

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

12% of 2022 P&S segment sales

+$2.5B **Core Addressable Category**



ENERGY

Controls and combustion systems components for:

- Furnaces, Water Heaters, Boilers, Heat Pumps

21% of 2022 P&S segment sales

~$2B **Core Addressable Category**

- Core Addressable Category reflects categories where Resideo has a strategic focus and a meaningful presence. Category sizing based on Resideo estimates and third-party research.

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Channel Strategy Focused on Pro Installer

Multiple Channels to the Pro

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

Resideo Pro Network

Central to all our channels

- Critical to repair and remodel and new home construction
- Customers of our distribution partners
- Increasing Pro sales at Retail

Drives repeat business with the homeowner

Many relationships extend multiple decades

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Exposure to Attractive Secular Growth Trends



CONNECTED HOME

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



HOME ENERGY MANAGEMENT

- Energy efficient products
- Demand response services
- Equipment monitoring services



RESIDENTIAL LIFE SAFETY

- Hardware and software for monitored security
- A leader in residential smoke / CO detection
- AI video analytics



ENERGY DELIVERY TRANSITIONS

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

Growing housing demand and ageing housing stock expected to drive investment

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Envisioning The Future Home

Proactive Homes

Seamless User Experience

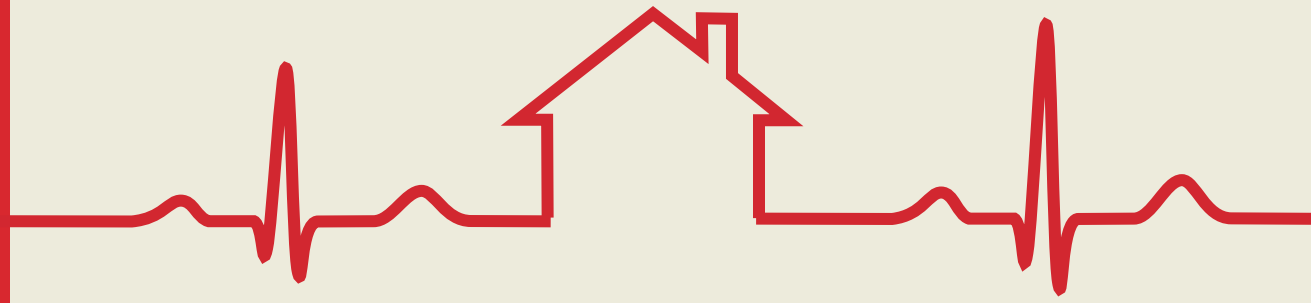
Systems working together as an ecosystem

Homeowner Driven Insights

Data Privacy and Protection

Reducing pain points to help provide safer, happier and more comfortable homes.

- More connected / intelligent
- More comfortable home
- Reduced energy consumption
- Better safety
- Predictive maintenance



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Resideo – The Connected Home

470 Billion secure data transactions per year on our Services for Homeowners and Providers



10 million+ connected Air and Water devices installed

1 million+ households with Resideo Smart Security/Home Control

AIR

SECURITY

WATER

ENERGY

SERVICES

16,000+ developers in our API Ecosystem

3rd party device connection support

Works with Apple HomeKit

WORKS WITH amazon alexa

works with Hey Google

Works with SmartThings

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Structural Margin Opportunity



MANUFACTURING OPTIMIZATION

- Factory automation
- Outsourcing non-value add activities
- Footprint consolidation



RECAPTURE INPUT COST INFLATION

- Price realization
- Freight
- Electronic components
- Value / cost engineering



PORTFOLIO OPTIMIZATION

- Divest non-strategic assets
- End-of-life management
- SKU reduction
- Redeploying existing R&D spending



NEW PRODUCTS

- Innovation focus
- Connectivity
- Actionable analytics
- Services tie-in

Taking actions to drive long-term, sustainable profitability improvement

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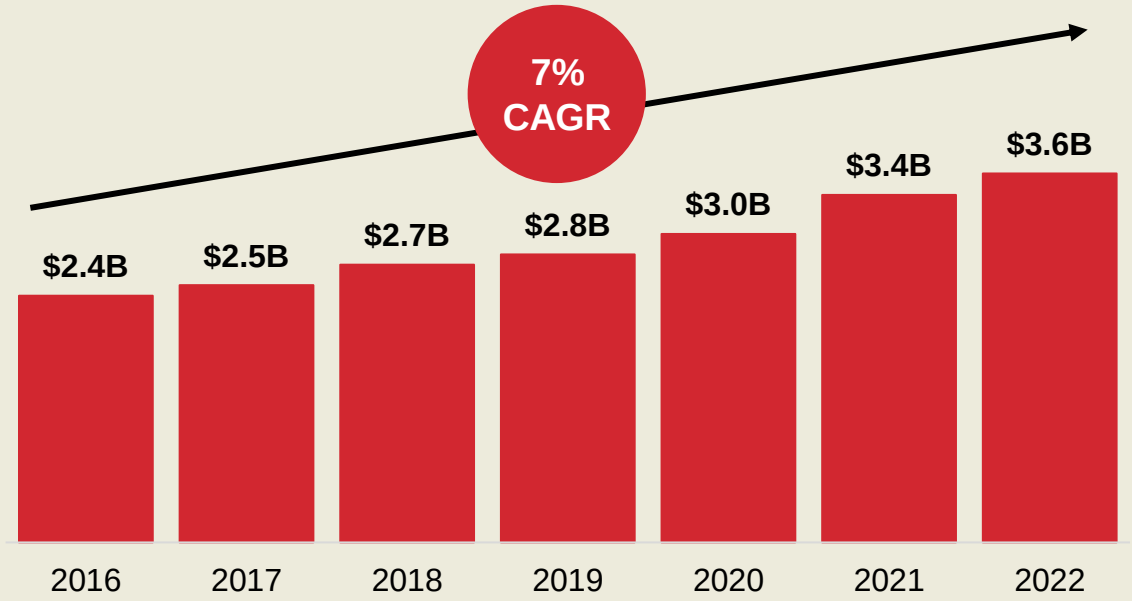
ADI Global Distribution Segment



A Leading Security Distribution Platform

- Intrusion
- Data Communications
- Fire
- Residential & Pro AV
- Access Control
- Networking
- Video Surveillance
- Wire & Cable
- Power

ADI a resideo company



ADI Revenue

19.4%
2022 Segment Gross Margin

$313M
2022 Segment Operating Income

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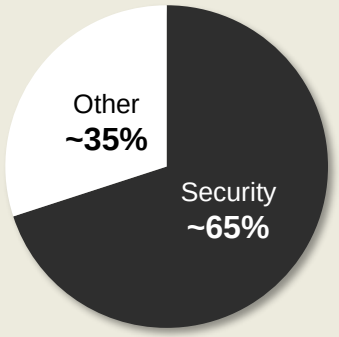
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Differentiated Value Proposition

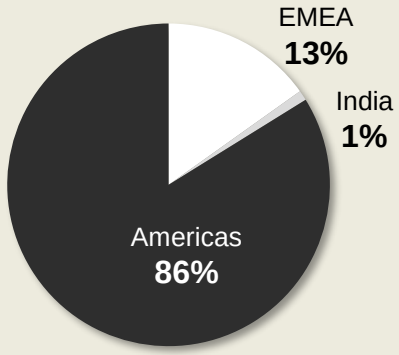
Omnichannel	Geographic Footprint	Products & Technology	Expert Sales Support	Growth Culture	Digitally Enabled
Physical locations, e-commerce and in-person consultative sales support	Local product availability in +190 markets	Wide selection of over 350,000 products	Technology and systems design experts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

2022 ADI Global Distribution Snapshot

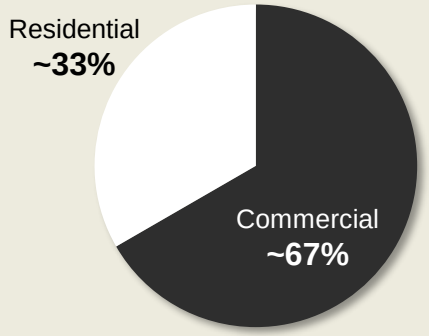
Sales by Product Category



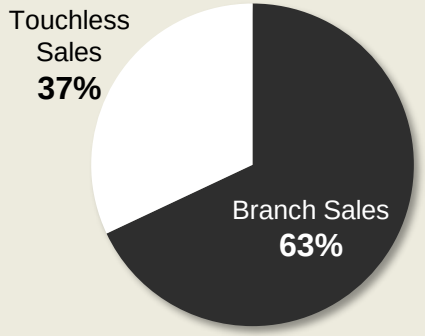
Sales by Geography (2)



Sales by End Market (1)



Sales by Channel



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

Core Addressable Categories of ~$14B for 2023

- Core Addressable Category reflects categories where Resideo has a strategic focus and a meaningful presence. Category sizing based on Resideo estimates and third-party research.

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Business Model Built for the Pro

Leading Pros Rely on ADI

ADI’s wide selection and availability of products, configured solutions, and industry expertise enables dealers and integrators to operate more efficiently and offer reliable services. It is why ADI is a leading security and low-voltage distributor.



Wide Selection of Brands

Access to the newest technologies and large selection of products



Immediate Product Availability

Thousands of items in-stock and available for shipping or pickup



Knowledgeable Sales Staff

Team of experts across every product category and application



Systems Design and Value-Added Services

Systems design, configuration and product selection support for any project

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Adjacent Category Expansion



Pro AV

Audio and visual products professionally installed in commercial applications

+$200M
of 2022 sales

~$60B
TAC



Residential AV

Home automation, control, audio visual, networking and smart devices professionally installed in homes

+$150M
of 2022 sales

~$7B
TAC



Data Communications

Cabling, associated accessories and networking hardware professionally installed in commercial applications

+$150M
of 2022 sales

~$8B
TAC

- Total Addressable Category (TAC) sizing based on Resideo estimates and third-party research.

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Driving Margin Expansion

Enhance customer experience

Expand product technology offerings

Broaden Market coverage

Drive sales force effectiveness

Bolt-on M&A



E-COMMERCE ACCELERATION

- Website and App
- Omnichannel Integration
- Product Information System

AVARRO™

Capture advance

UltraTech POWER PRODUCTS

EXCLUSIVE BRANDS

- Expanded product offering
- Cost-effective options
- Attractive margins



SALES FORCE EFFECTIVENESS

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

Delivered significant gross margin expansion over past two years

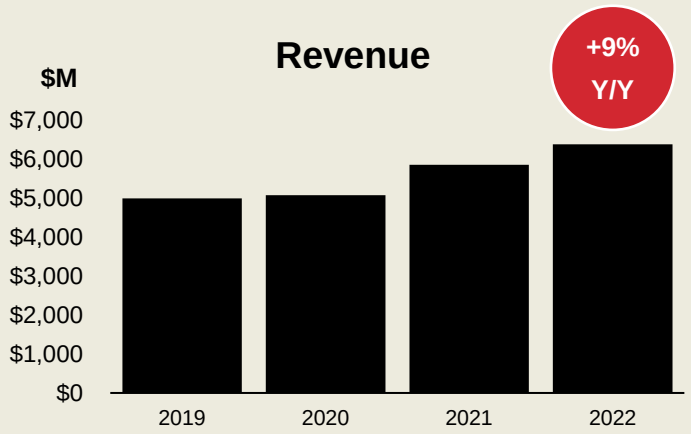
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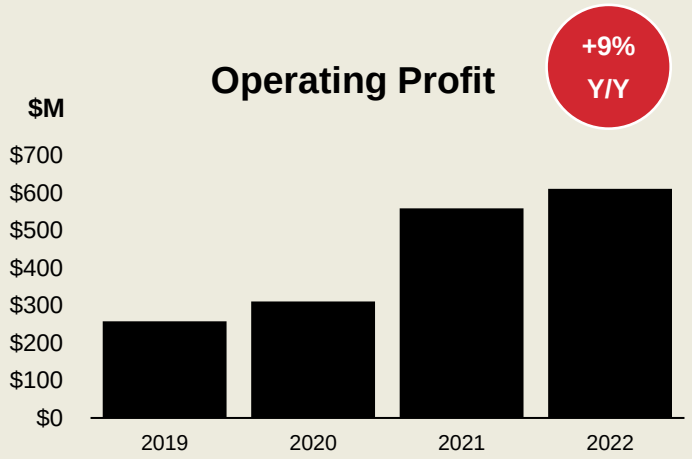
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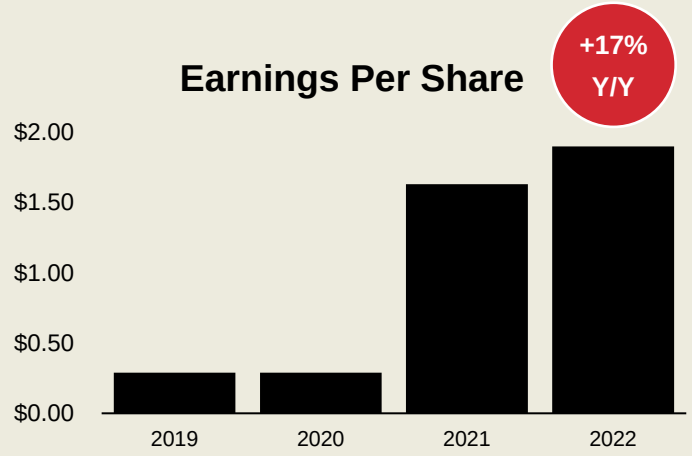
Financial Summary

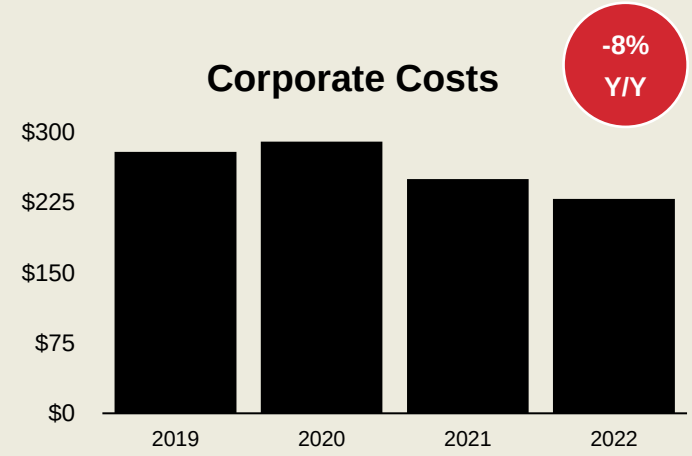


Resideo Key Financial Trends









2022 HIGHLIGHTS

- Record revenue of $6.4B, up 9% y/y, and operating income of $611M driven by acquisitions and growth at ADI
- Progress on software platforming, home energy management, and ADI digital enablement and adjacent expansion
- Initiated cost reduction and manufacturing optimization actions responding to customer destocking and slowing residential activity
- Corporate spend down 8% y/y, and over past three years corporate costs declined by 18%

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Resideo Q2 2023 Highlights

- Revenue of $1.6B, down 5% y/y from record Q2 2022, reflecting reduced product volumes
- Operating income of $153M, driven by lower revenue within Products & Solutions
- Strong operating cash flow of $121 million, up $86 million y/y
- Approval of $150M share repurchase authorization



REVENUE
$1.6B for Q2 2023

-5% Y/Y



OPERATING INCOME
$153M for Q2 2023

-18% Y/Y



CASH FROM OPERATIONS
$121 for Q2 2023

+226% Y/Y

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Balance Sheet and Cash Flow Summary (Unaudited)

($ in millions)	Q2 2023	Q4 2022	Q2 2022
Cash and cash equivalents	381	326	251
Total debt	1,412	1,416	1,422
Accounts receivable, net	1,043	1,002	1,073
Inventories, net	1,001	975	971
Accounts payable	948	894	987
Cash provided (used) by operating activities	121	139	35
Cash capital expenditures	29	51	5

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Capital Allocation and Investment Priorities

Inorganic

ADI Global Distribution



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

Products & Solutions



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

Organic

- 2023 capital expenditures of ~$100M
- Investment in factory automation
- Targeted engineering and R&D investment to drive future growth
- Systems upgrades to support growth and digital initiatives

Capital Return

- $150M share repurchase authorization initiated in early August 2023

High Return Investment to Augment and Accelerate Organic Strategy

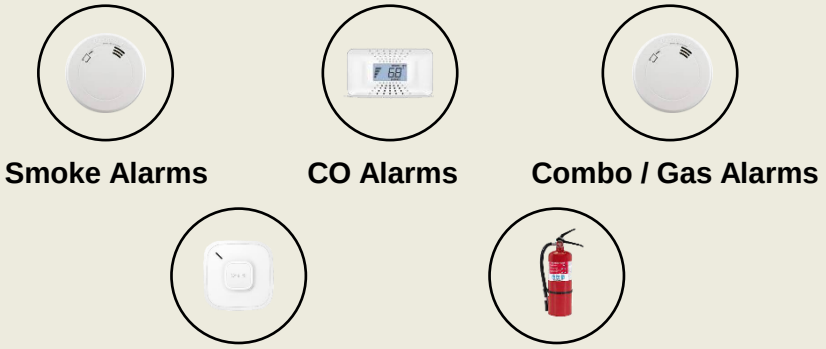
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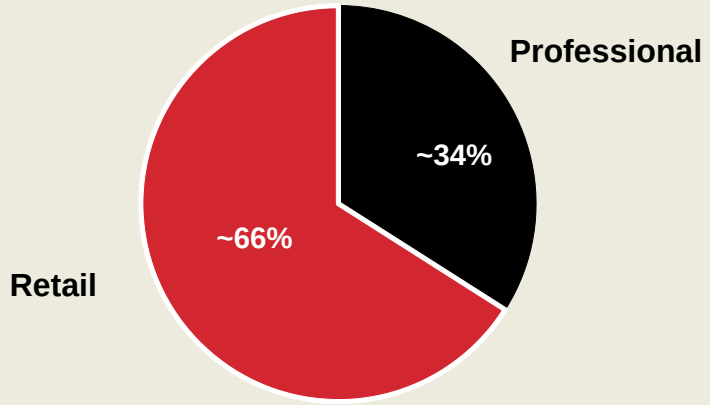
Value Creating M&A – First Alert

- Completed acquisition of First Alert on March 31, 2022 for $613M; ~6.4x 2021 adjusted EBITDA multiple (including synergies and tax benefits)
- A leader in home safety market with comprehensive portfolio of detection and suppression devices marketed through First Alert®, BRK®, and Onelink® brands
- Enhances Resideo retail presence and adds additional intelligent sensor to product portfolio
- Rolling out First Alert brand to broader set of Resideo products (video doorbell, water leak detection)
- Generated $439M in sales for LTM through April 1, 2023; profitability tracking deal model
- Tracking to generate at least $30M of annualized synergies by year end 2023

Key Products



Sales Channel Mix



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Value Creating M&A – ADI Adjacent Category Expansion

2021 **Resideo acquires Norfolk Wire** and **Shoreview** to be part of ADI, expanding distribution of Data Comm and Pro AV products

2022 **Resideo acquires Arrow Wire** and **Electronic Custom Distributors** to be part of ADI, expanding distribution of Data Comm and Resi AV products

2023 **Resideo acquires BTX** to be part of ADI, expanding distribution of Pro AV products and exclusive brand offerings

~$60M of capital deployed since 2021

< 7.5x blended EBITDA multiple pre-synergies

+$175M in annual sales

Targeted bolt-on M&A to build-out key adjacent product categories

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Resideo Investment Opportunity



Differentiated Channel and Product Breadth



Growth Initiatives



Structural Margin Expansion

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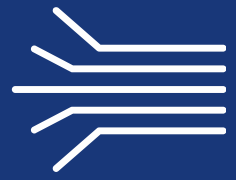
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Our Values



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)	Q2 2023 Products and Solutions	Q2 2023 ADI Global Distribution	Q2 2023 Corporate	Q2 2023 Total Company	YTD 2023 Products and Solutions	YTD 2023 ADI Global Distribution	YTD 2023 Corporate	YTD 2023 Total Company
Net revenue	$ 677	$ 925	$ —	$ 1,602	$ 1,335	$ 1,816	$ —	$ 3,151
Cost of goods sold	418	747	1	1,166	826	1,467	2	2,295
Gross profit (loss)	259	178	(1)	436	509	349	(2)	856
Research and development expenses	28	—	1	29	55	—	1	56
Selling, general and administrative expenses	98	93	51	242	196	190	100	486
Intangible asset amortization	5	4	1	10	11	6	2	19
Restructuring and impairment expenses	—	2	—	2	2	2	—	4
Income (loss) from operations	$ 128	$ 79	$ (54)	$ 153	$ 245	$ 151	$ (105)	$ 291

(in millions)	Q2 2022 Products and Solutions	Q2 2022 ADI Global Distribution	Q2 2022 Corporate	Q2 2022 Total Company	YTD 2022 Products and Solutions	YTD 2022 ADI Global Distribution	YTD 2022 Corporate	YTD 2022 Total Company
Net revenue	$ 764	$ 922	$ —	$ 1,686	$ 1,383	$ 1,809	$ —	$ 3,192
Cost of goods sold	479	738	2	1,219	829	1,455	3	2,287
Gross profit (loss)	285	184	(2)	467	554	354	(3)	905
Research and development expenses	27	—	1	28	51	—	1	52
Selling, general and administrative expenses	98	96	50	244	186	185	108	479
Intangible asset amortization	6	2	1	9	10	3	3	16
Restructuring and impairment expenses	—	—	—	—	—	—	—	—
Income (loss) from operations	$ 154	$ 86	$ (54)	$ 186	$ 307	$ 166	$ (115)	$ 358

	Q2 2023 % change compared with prior period Products and Solutions	Q2 2023 % change compared with prior period ADI Global Distribution	Q2 2023 % change compared with prior period Corporate	Q2 2023 % change compared with prior period Total Company	YTD 2023 % change compared with prior period Products and Solutions	YTD 2023 % change compared with prior period ADI Global Distribution	YTD 2023 % change compared with prior period Corporate	YTD 2023 % change compared with prior period Total Company
Net revenue	(11)%	— %	N/A	(5)%	(3)%	— %	N/A	(1)%
Cost of goods sold	(13)%	1 %	(50)%	(4)%	— %	1 %	(33)%	— %
Gross profit (loss)	(9)%	(3)%	(50)%	(7)%	(8)%	(1)%	(33)%	(5)%
Research and development expenses	4 %	N/A	— %	4 %	8 %	N/A	— %	8 %
Selling, general and administrative expenses	— %	(3)%	2 %	(1)%	5 %	3 %	(7)%	1 %
Intangible asset amortization	(17)%	100 %	— %	11 %	10 %	100 %	(33)%	19 %
Restructuring and impairment expenses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Income (loss) from operations	(17)%	(8)%	— %	(18)%	(20)%	(9)%	(9)%	(19)%

[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.

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Consolidated Interim Statements of Operations (Unaudited)

(in millions, except per share data)	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Net revenue	$ 1,602	$ 1,686	$ 3,151	$ 3,192
Cost of goods sold	1,166	1,219	2,295	2,287
Gross profit	436	467	856	905
Research and development expenses	29	28	56	52
Selling, general and administrative expenses	242	244	486	479
Intangible asset amortization	10	9	19	16
Restructuring and impairment expenses	2	—	4	—
Income from operations	153	186	291	358
Reimbursement Agreement expense [(1)]	44	45	85	86
Other income, net	(2)	$ (3)	(3)	(4)
Interest expense, net	17	13	34	24
Income before taxes	94	131	175	252
Provision for income taxes	44	37	68	71
Net income	$ 50	$ 94	$ 107	$ 181
Earnings per share:				
Basic	$ 0.34	$ 0.65	$ 0.73	$ 1.25
Diluted	$ 0.34	$ 0.63	$ 0.72	$ 1.22
Weighted average number of shares outstanding:				
Basic	147	145	147	145
Diluted	149	149	149	149

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Consolidated Balance Sheets (Unaudited)

(in millions, except par value)	July 1, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 381	$ 326
Accounts receivable, net	1,043	1,002
Inventories, net	1,001	975
Other current assets	197	199
Total current assets	2,622	2,502
Property, plant and equipment, net	388	366
Goodwill	2,737	2,724
Intangible assets, net	467	475
Other assets	322	320
Total assets	$ 6,536	$ 6,387
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 948	$ 894
Current portion of long-term debt	12	12
Accrued liabilities	564	640
Total current liabilities	1,524	1,546
Long-term debt	1,400	1,404
Obligations payable under Indemnification Agreements	591	580
Other liabilities	344	328
Total liabilities	3,859	3,858
Stockholders' equity		
Common stock, $0.001 par value: 700 shares authorized, 151 and 148 shares issued and outstanding at July 1, 2023, and 148 and 146 shares issued and outstanding at December 31, 2022, respectively	—	—
Additional paid-in capital	2,204	2,176
Retained earnings	707	600
Accumulated other comprehensive loss, net	(184)	(212)
Treasury stock at cost	(50)	(35)
Total stockholders' equity	2,677	2,529
Total liabilities and stockholders' equity	$ 6,536	$ 6,387

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Consolidated Statements of Cash Flows (Unaudited)

(in millions)	Three Months Ended July 1, 2023	Three Months Ended July 2, 2022	Six Months Ended July 1, 2023	Six Months Ended July 2, 2022
Cash Flows From Operating Activities:				
Net income	$ 50	$ 94	$ 107	$ 181
Adjustments to reconcile net income to net cash in operating activities:				
Depreciation and amortization	25	25	49	45
Restructuring and impairment expenses	2	—	4	—
Stock-based compensation expense	13	11	25	22
Other, net	2	(7)	2	(5)
Changes in assets and liabilities, net of acquired companies:				
Accounts receivable, net	(58)	(84)	(35)	(145)
Inventories, net	12	(61)	(15)	(127)
Other current assets	11	(9)	3	(21)
Accounts payable	56	37	44	54
Accrued liabilities	(8)	19	(94)	(47)
Other, net	16	10	27	19
Net cash provided by (used in) operating activities	121	35	117	(24)
Cash Flows From Investing Activities:				
Capital expenditures	(29)	(5)	(49)	(24)
Acquisitions, net of cash acquired	—	—	(6)	(633)
Other investing activities, net	—	—	—	(13)
Net cash used in investing activities	(29)	(5)	(55)	(670)
Cash Flows From Financing Activities:				
Proceeds from issuance of A&R Term B Facility	—	—	—	200
Repayments of long-term debt	(3)	(3)	(6)	(6)
Other financing activities, net	(6)	(3)	(12)	(11)
Net cash (used in) provided by financing activities	(9)	(6)	(18)	183
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	4	(13)	10	(13)
Net increase (decrease) in cash, cash equivalents and restricted cash	87	11	54	(524)
Cash, cash equivalents and restricted cash at beginning of period	296	244	329	779
Cash, cash equivalents and restricted cash at end of period	$ 383	$ 255	$ 383	$ 255

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Adjusted Net Income Per Diluted Common Share and Net Income Comparison

(in millions)	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
GAAP Net income applicable to common shares	$ 50	$ 94	$ 107	$ 181
Restructuring and impairment expenses	2	—	4	—
Acquisition related costs	—	—	—	10
Pension settlement loss	—	—	3	—
Tax Matters Agreement gain	(2)	—	(4)	—
Tax effect of applicable non-GAAP adjustments [1]	—	—	(1)	(2)
Non-GAAP Adjusted net income applicable to common shares	$ 50	$ 94	$ 109	$ 189

	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
GAAP Net income per diluted common share	$ 0.34	$ 0.63	$ 0.72	$ 1.22
Stock-based compensation expense				
Restructuring and impairment expenses	0.01	—	0.03	—
Acquisition related costs	—	—	—	0.07
Pension settlement loss	—	—	0.02	—
Tax Matters Agreement gain	(0.01)	—	(0.03)	—
Tax effect of applicable non-GAAP adjustments [1]	—	—	(0.01)	(0.02)
Non-GAAP Adjusted net income per diluted common share	$ 0.34	$ 0.63	$ 0.73	$ 1.27

[1] The Company calculated the tax effect of non-GAAP adjustments by applying a flat statutory tax rate of 25% for the three and six months ended July 1, 2023 and July 2, 2022.

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Adjusted EBITDA

(in millions)	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Net revenue	$ 1,602	$ 1,686	$ 3,151	$ 3,192
GAAP Net income applicable to common shares	$ 50	$ 94	$ 107	$ 181
Provision for income taxes	44	37	68	71
GAAP Income before taxes	94	131	175	252
Depreciation and amortization	25	25	49	45
Interest expense, net	17	13	34	24
Stock-based compensation expense	13	11	25	22
Pension settlement loss	—	—	3	—
Restructuring and impairment expenses	2	—	4	—
Acquisition related costs	—	—	—	10
Tax Matters Agreement gain	(2)	—	(4)	—
Non-GAAP Adjusted EBITDA	$ 149	$ 180	$ 286	$ 353
Non-GAAP Adjusted EBITDA as a % of net revenue	9.3 %	10.7 %	9.1 %	11.1 %

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Products and Solutions Segment

(in millions)	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Net revenue	$ 677	$ 764	$ 1,335	$ 1,383
GAAP Income from operations	$ 128	$ 154	$ 245	$ 307
Stock-based compensation expense	5	4	9	8
Restructuring and impairment expenses	—	—	2	—
Non-GAAP Adjusted Income from Operations	$ 133	$ 158	$ 256	$ 315
Depreciation and amortization	18	18	35	33
Non-GAAP Adjusted EBITDA	$ 151	$ 176	$ 291	$ 348
Non-GAAP Adjusted EBITDA as a % of net revenue	22.3 %	23.0 %	21.8 %	25.2 %

ADI Global Distribution Segment

(in millions)	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Net revenue	$ 925	$ 922	$ 1,816	$ 1,809
GAAP Income from operations	$ 79	$ 86	$ 151	$ 166
Stock-based compensation expense	1	2	3	4
Restructuring and impairment expenses	2	—	2	—
Non-GAAP Adjusted Income from Operations	$ 82	$ 88	$ 156	$ 170
Depreciation and amortization	5	3	9	6
Non-GAAP Adjusted EBITDA	$ 87	$ 91	$ 165	$ 176
Non-GAAP Adjusted EBITDA as a % of net revenue	9.4 %	9.9 %	9.1 %	9.7 %

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Adjusted Net Income Per Diluted Common Share

	Q3 2023		Fiscal Year 2023	
	Low	High	Low	High
GAAP Net income per diluted common share	$ 0.14	$ 0.24	$ 1.15	$ 1.35
Restructuring and impairment expenses	0.17	0.17	0.19	0.19
Pension settlement loss	—	—	0.02	0.02
Tax Matters Agreement gain	—	—	(0.03)	(0.03)
Tax effect of applicable non-GAAP adjustments [1]	(0.04)	(0.04)	(0.04)	(0.04)
Non-GAAP Adjusted net income per diluted common shares	$ 0.27	$ 0.37	$ 1.29	$ 1.49

1. The Company calculated the tax effect of non-GAAP adjustments by applying a flat statutory tax rate of 25% for third quarter 2023 and full year 2023.

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Adjusted EBITDA

(in millions)	Q3 2023 Low	Q3 2023 High	Fiscal Year 2023 Low	Fiscal Year 2023 High
Net revenue	$ 1,515	$ 1,565	$ 6,190	$ 6,290
GAAP Net income applicable to common shares	$ 21	$ 36	$ 172	$ 201
Provision for income taxes	22	27	117	128
GAAP Income before taxes	43	63	289	329
Depreciation and amortization	25	25	100	100
Interest expense, net	18	18	71	71
Stock-based compensation expense	13	13	50	50
Pension settlement loss	—	—	3	3
Restructuring and impairment expenses	25	25	29	29
Tax Matters Agreement gain	—	—	(4)	(4)
Non-GAAP Adjusted EBITDA	$ 124	$ 144	$ 538	$ 578
Non-GAAP Adjusted EBITDA as a % of net revenue	8.2 %	9.2 %	8.7 %	9.2 %

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