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Q4 2023 RESULTS PRESENTATION

February 13, 2024





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 first quarter 2024 and full year 2024, (2) our ability to recognize the expected savings from, and the timing and impact of, our existing and anticipated cost reduction actions, and our ability to optimize our portfolio and operational footprint (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) risks related to our recently completed acquisitions including our ability to achieve the targeted amount of annual cost synergies and successfully integrate the acquired operations (including successfully driving category growth in connected offerings), (5) the Company’s share repurchase program, the timing, purchase price and number of additional shares purchased under such program, if at all, the sources of funds under the repurchase program and the impacts of the repurchase program, 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, 2023 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 and accompanying earnings material 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, Non-GAAP Adjusted Net Income per diluted common share, Non-GAAP Adjusted EBITDA, and Non-GAAP Adjusted Income from Operations, each of which is a non-GAAP measure, because management believes that they are instrumental in comparing the results from period to period. Non-GAAP Adjusted Net Income, Non-GAAP Adjusted Net Income per diluted common share, Non-GAAP Adjusted EBITDA, and Non-GAAP Adjusted Income from Operations should not be considered in isolation or as a substitute for Net Income, Net Income per diluted common share or Income from operations, as applicable, as reported on the face of our consolidated statements of operations. We define Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Net Income per diluted common share as Net Income and Net income per diluted common share, respectively, as set forth on the face of our consolidated statements of operations, adjusted for the following items: pension settlement loss, restructuring and impairment expenses; acquisition/divestiture related costs, divestiture loss, litigation settlement, net of insurance proceeds, Tax Matters Agreement gain, foreign exchange transaction loss (income), and tax effect of applicable non-GAAP adjustments. We define Non-GAAP Adjusted EBITDA as Net Income as set forth on the face of our consolidated statements of operations, 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/divestiture related costs, divestiture loss, litigation settlement, net of insurance proceeds, and Tax Matters Agreement gain, and foreign exchange transaction loss (income). We define Non-GAAP Adjusted Income from Operations as Income from operations as set forth on the face of our consolidated statements of operations, adjusted for the following items: stock-based compensation expense, restructuring and impairment charges, and acquisition/divestiture related costs. 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.

The Company provides outlook on a non-GAAP basis as we cannot predict certain elements which are included in reported GAAP results, including the impact of foreign exchange translation and pension settlement. A reconciliation of non-GAAP Adjusted EBITDA outlook to the corresponding GAAP financial measure (without the unavailable reconciling items) is included at the end of this presentation; however, please note that the unavailable reconciling items could materially impact the Company’s results. A reconciliation of non-GAAP earnings per share to the corresponding GAAP measure is not included because certain reconciling items are not available.

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Resideo 2023 Highlights

- Improved business execution in second half with Products and Solutions transformation work beginning to show through in financials
- Strong cash generation driven by improved working capital performance
- Executing on portfolio optimization and repositioning
- Driving cost cutting actions to lower near-term and structural costs



REVENUE
$6.2B for 2023

-2% Y/Y



ADJUSTED EBITDA
$552M for 2023

-13% Y/Y



CASH FROM OPERATIONS
$440M for 2023

+189% Y/Y

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Products and Solutions 2023 Highlights

- Completed sale of Genesis business and outsourcing of San Diego castings facility
- Improved new product introduction cadence highlighted by video doorbell, outdoor camera, connected water solutions, and Pro Series EMEA
- Expanded partnerships across insurance, energy management, and home builders
- Improved gross margin sequentially past three quarters, finishing Q4 at 39.5%



REVENUE
$2.7BM for 2023

-4% Y/Y



PRICE ACTION REALIZATION

>$100M Y/Y



GROSS MARGIN
38.6% for 2023

-10 bps Y/Y

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ADI Global Distribution 2023 Highlights

- Grew e-commerce revenue 8% y/y; continued enhancement of digital offering with investment in user experience and backend infrastructure
- Expanded presence in key adjacent audio-visual category
- Opened Dallas super center distribution hub providing capacity for growth, technology enhancements to support customer service, and improved supply chain efficiency



REVENUE
$3.6B for 2023

Flat Y/Y



GROSS MARGIN
18.7% for 2023

-70 bps Y/Y



E-COMMERCE SALES GROWTH

+8% Y/Y

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2023 Financial Summary

($ in millions, except per share)	Q4 2023	Q4 2022	% change Y/Y	2023	2022	% change Y/Y
Net Revenue	**1,537**	**1,560**	**-1%**	**6,242**	**6,370**	**-2%**
P&S Revenue	683	693	-1%	2,672	2,783	-4%
ADI Revenue	854	867	-1%	3,570	3,587	--%
Gross Margin	**27.5%**	**27.6%**	**-10bps**	**27.2%**	**27.7%**	**-50bps**
P&S Gross Margin	39.5%	38.4%	+110bps	38.6%	38.7%	-10bps
ADI Gross Margin	18.0%	19.1%	-110bps	18.7%	19.4%	-70bps
Operating Profit	**147**	**98**	**50%**	**547**	**611**	**-10%**
Adjusted EBITDA	**136**	**122**	**11%**	**552**	**634**	**-13%**
P&S Adjusted EBITDA	172	149	15%	616	643	-4%
ADI Adjusted EBITDA	67	77	-13%	307	337	-9%
EPS – Diluted	**0.56**	**0.26**	**115%**	**1.42**	**1.90**	**-25%**
Non-GAAP EPS – Diluted	**0.48**	**0.25**	**92%**	**1.58**	**1.99**	**-21%**
Operating Cash Flow	**263**	**139**	**89%**	**440**	**152**	**189%**

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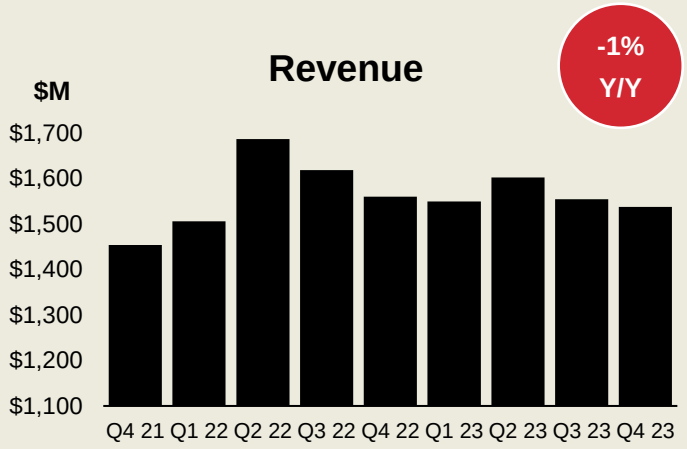
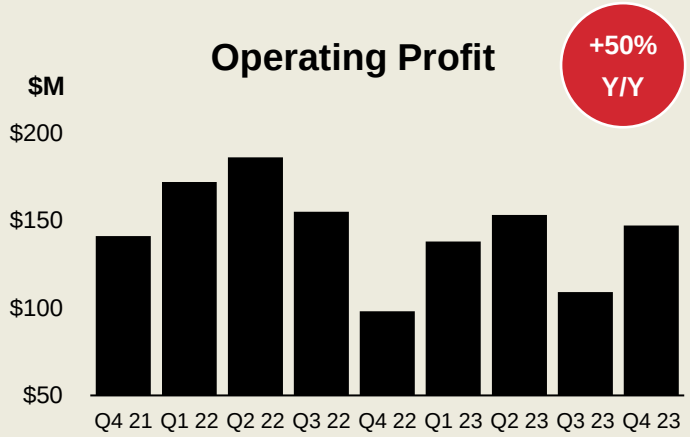
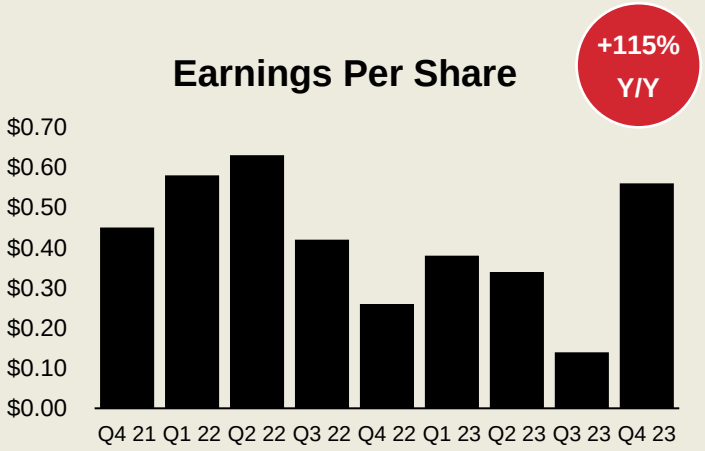
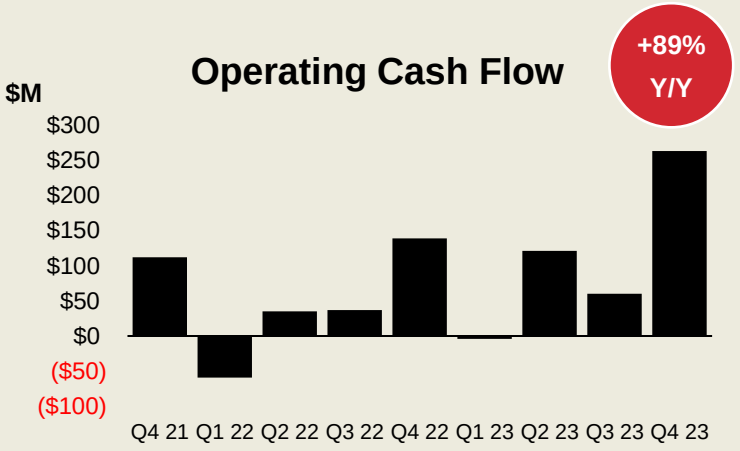
Resideo Key Financial Trends









Q4 2023 HIGHLIGHTS

- Revenue trends stabilized with price realization largely offsetting volume pressure
- Continued input cost reductions within Products and Solutions drove gross margin improvement, offset by headwinds at ADI
- Strategic cost initiatives and improved Products and Solutions gross margin drove improved operating profit
- Focus on working capital performance generated strong operating cash flow

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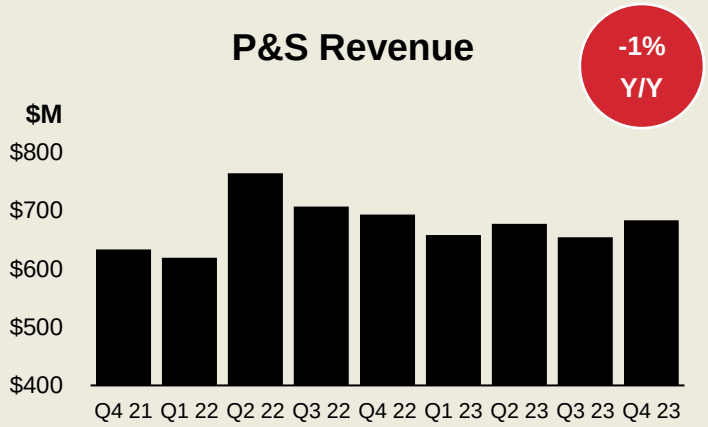
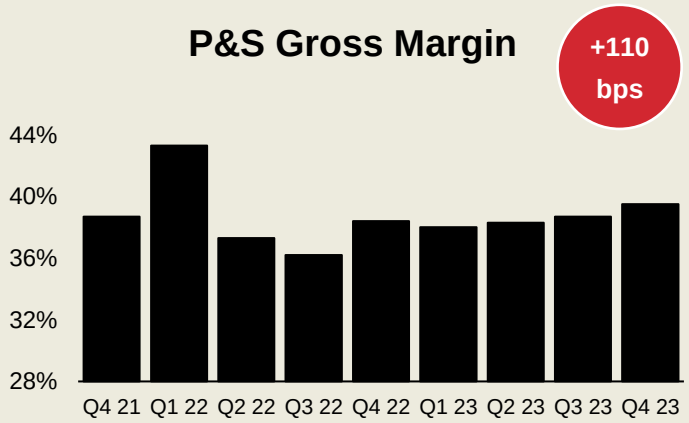
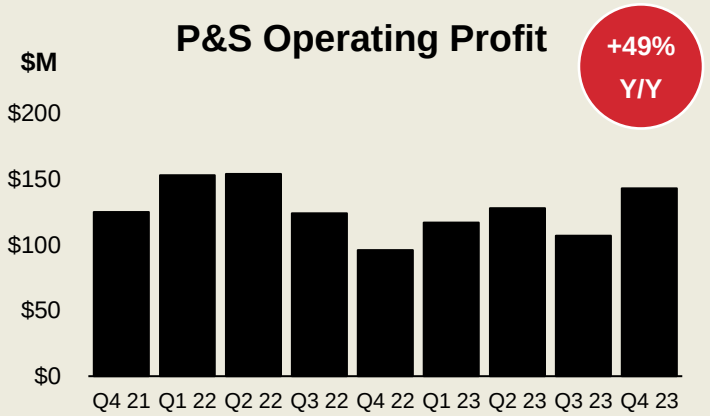
Products and Solutions Financial Trends







Q4 2023 HIGHLIGHTS

- Revenue down 1% y/y and up 2% excluding Genesis sale impact
- Gross margin up 110 bps reflecting reduced input costs and restructuring benefits
- OPEX down 10% y/y adjusting for restructuring, with cost savings initiatives more than offsetting inflation impacts
- Operating profit up 49% y/y to $143M and up 14% y/y when adjusted for Q4 2022 restructuring charges of $29M

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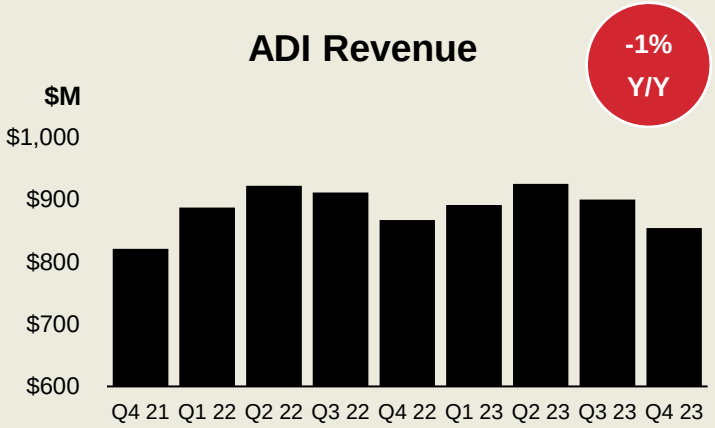
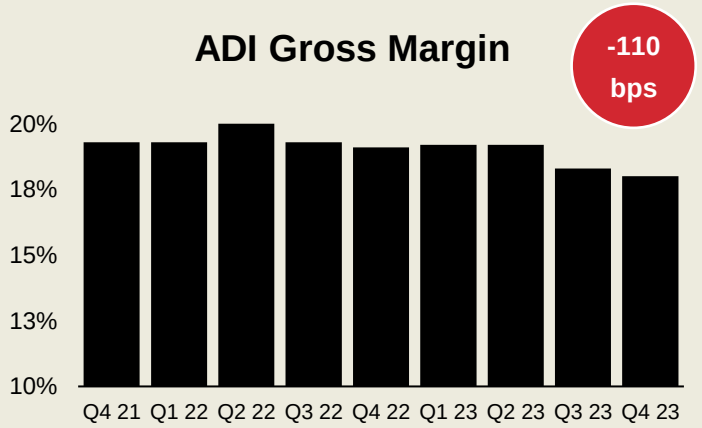
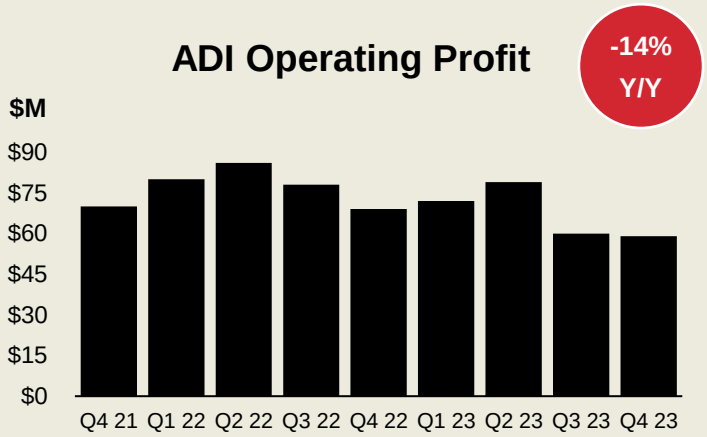
ADI Global Distribution Financial Trends







Q4 2023 HIGHLIGHTS

- Revenue down 1% y/y driven by declines in residential security category, offset by growth in access control and Pro AV
- E-commerce sales up 1% y/y, reflecting continued progress on digital initiatives
- Gross margin and operating profit down y/y due to reduced inflationary benefits and slower demand environment

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Balance Sheet and Cash Flow Summary (Unaudited)

($ in millions)	Dec 31, 2023	Sept 30, 2023	Dec 31, 2022
Cash and cash equivalents	636	368	326
Total debt	1,408	1,409	1,416
Accounts receivable, net	973	988	1,002
Inventories, net	941	970	975
Accounts payable	905	863	894
Cash provided (used) by operating activities	263	60	139
Cash capital expenditures	31	25	51
Share Repurchase	13	28	0

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Market and Business Assumptions for 2024

- Residential repair and remodel market flat to down LSDs year-over-year
- Residential new construction market up LSDs to MSDs year-over-year
- HVAC channel inventory levels to largely normalize in first half 2024
- ADI core commercial categories up LSDs year-over-year
- Genesis divestiture negatively impacts sales by $105M and operating income by ~$10M
- Winding down of ADT contract expected to impact sales by ~$100M year-over-year

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2024 Outlook

($ in millions, except per share)	Q1 2024	2024
Consolidated Revenue	$1,460 to $1,510	$6,080 to $6,280
ADI Revenue Growth Y/Y		*0% to 3%*
P&S Revenue Growth Y/Y		*-6% to -2%*
Adjusted EBITDA (1)	$120 to $140	$560 to $640
Non-GAAP EPS (1)	$0.28 to $0.38	$1.48 to $1.88
Operating Cash Flow		At least $320

Additional Items for 2024

Corporate costs ~$210

Stock-based comp ~$60

D&A ~$100

Capital expenditures ~$105

Net interest expense ~$65

Honeywell IRA cash expense $140

Income tax expense $125 - $145

Avg. diluted shares ~146.5M

(1) Includes expected $35 million quarterly, $140 million annual cash payment to Honeywell for Indemnification and Reimbursement Agreement (IRA)

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Priorities for 2024

- Continued portfolio, manufacturing, and footprint optimization
- Accelerate the pace of new product innovation at Products and Solutions
- Build upon recent positive margin expansion progress at Products and Solutions
- Grow touchless and exclusive brands as a percent of ADI sales

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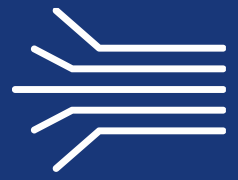
Our Values



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)	Q4 2023 Products and Solutions	Q4 2023 ADI Global Distribution	Q4 2023 Corporate	Q4 2023 Total Company	YTD 2023 Products and Solutions	YTD 2023 ADI Global Distribution	YTD 2023 Corporate	YTD 2023 Total Company
Net revenue	$ 683	$ 854	$ —	$ 1,537	$ 2,672	$ 3,570	$ —	$ 6,242
Cost of goods sold	413	700	1	1,114	1,640	2,902	4	4,546
Gross profit (loss)	270	154	(1)	423	1,032	668	(4)	1,696
Research and development expenses	26	—	(1)	25	108	—	1	109
Selling, general and administrative expenses	95	92	54	241	379	375	206	960
Intangible asset amortization	6	3	1	10	23	11	4	38
Restructuring and impairment expenses	—	—	—	—	27	12	3	42
Income (loss) from operations	$ 143	$ 59	$ (55)	$ 147	$ 495	$ 270	$ (218)	$ 547

(in millions)	Q4 2022 Products and Solutions	Q4 2022 ADI Global Distribution	Q4 2022 Corporate	Q4 2022 Total Company	YTD 2022 Products and Solutions	YTD 2022 ADI Global Distribution	YTD 2022 Corporate	YTD 2022 Total Company
Net revenue	$ 693	$ 867	$ —	$ 1,560	$ 2,783	$ 3,587	$ —	$ 6,370
Cost of goods sold	427	701	1	1,129	1,707	2,891	6	4,604
Gross profit (loss)	266	166	(1)	431	1,076	696	(6)	1,766
Research and development expenses	30	—	—	30	110	—	1	111
Selling, general and administrative expenses	105	92	61	258	388	373	213	974
Intangible asset amortization	6	3	1	10	22	8	5	35
Restructuring and impairment expenses	29	2	4	35	29	2	4	35
Income (loss) from operations	$ 96	$ 69	$ (67)	$ 98	$ 527	$ 313	$ (229)	$ 611

	Q4 2023 % change compared with prior period Products and Solutions	Q4 2023 % change compared with prior period ADI Global Distribution	Q4 2023 % change compared with prior period Corporate	Q4 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	(1)%	(1)%	N/A	(1)%	(4)%	— %	N/A	(2)%
Cost of goods sold	(3)%	— %	— %	(1)%	(4)%	— %	(33)%	(1)%
Gross profit (loss)	2 %	(7)%	— %	(2)%	(4)%	(4)%	(33)%	(4)%
Research and development expenses	(13)%	N/A	N/A	(17)%	(2)%	N/A	— %	(2)%
Selling, general and administrative expenses	(10)%	— %	(11)%	(7)%	(2)%	1 %	(3)%	(1)%
Intangible asset amortization	— %	— %	— %	— %	5 %	38 %	(20)%	9 %
Restructuring and impairment expenses	N/A	N/A	N/A	N/A	(7)%	500 %	(25)%	20 %
Income (loss) from operations	49 %	(14)%	(18)%	50 %	(6)%	(14)%	(5)%	(10)%

[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 Statements of Operations (Unaudited)

(in millions, except per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net revenue	$ 1,537	$ 1,560	$ 6,242	$ 6,370
Cost of goods sold	1,114	1,129	4,546	4,604
Gross profit	423	431	1,696	1,766
Operating expenses:				
Research and development expenses	25	30	109	111
Selling, general and administrative expenses	241	258	960	974
Intangible asset amortization	10	10	38	35
Restructuring and impairment expenses	—	35	42	35
Total operating expenses	$ 276	$ 333	1,149	1,155
Income from operations	147	98	547	611
Reimbursement Agreement expense	50	41	178	157
Other expenses, net	(19)	$ (28)	(9)	(18)
Interest expense, net	15	15	65	54
Income before taxes	101	70	313	418
Provision for income taxes	19	31	103	135
Net income	$ 82	$ 39	$ 210	$ 283
Earnings per share:				
Basic	$ 0.56	$ 0.26	$ 1.43	$ 1.94
Diluted	$ 0.56	$ 0.26	$ 1.42	$ 1.90
Weighted average number of shares outstanding:				
Basic	146	146	147	146
Diluted	147	149	148	149

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Consolidated Balance Sheets (Unaudited)

(in millions, except par value)	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 636	$ 326
Accounts receivable, net	973	1,002
Inventories, net	941	975
Other current assets	193	199
Total current assets	2,743	2,502
Property, plant and equipment, net	390	366
Goodwill	2,705	2,724
Intangible assets, net	461	475
Other assets	346	320
Total assets	$ 6,645	$ 6,387
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 905	$ 894
Current portion of long-term debt	12	12
Accrued liabilities	608	640
Total current liabilities	1,525	1,546
Long-term debt	1,396	1,404
Obligations payable under Indemnification Agreements	609	580
Other liabilities	366	328
Total liabilities	3,896	3,858
Stockholders' equity		
Common stock, $0.001 par value: 700 shares authorized, 151 and 145 shares issued and outstanding at December 31, 2023, respectively, and 148 and 146 shares issued and outstanding at December 31, 2022, respectively	—	—
Additional paid-in capital	2,226	2,176
Retained earnings	810	600
Accumulated other comprehensive loss, net	(194)	(212)
Treasury stock at cost	(93)	(35)
Total stockholders' equity	2,749	2,529
Total liabilities and stockholders' equity	$ 6,645	$ 6,387

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Consolidated Statements of Cash Flows (Unaudited)

(in millions)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
Cash Flows From Operating Activities:				
Net income	$ 82	$ 39	$ 210	$ 283
Adjustments to reconcile net income to net cash in operating activities:				
Depreciation and amortization	27	25	98	94
Restructuring and impairment expenses	—	35	42	35
Stock-based compensation expense	8	14	44	50
Deferred income taxes	(28)	—	(28)	(3)
Other, net	(16)	(5)	(14)	6
Changes in assets and liabilities, net of acquired companies:				
Accounts receivable, net	28	70	19	(72)
Inventories, net	36	7	32	(122)
Other current assets	11	12	6	(26)
Accounts payable	32	(48)	18	(43)
Accrued liabilities	80	4	(34)	(21)
Other, net	3	(14)	47	(29)
Net cash provided by operating activities	263	139	440	152
Cash Flows From Investing Activities:				
Capital expenditures	(31)	(51)	(105)	(85)
Proceeds from sale of business	86	—	86	—
Acquisitions, net of cash acquired	—	(5)	(16)	(665)
Other investing activities, net	(9)	(1)	(9)	(14)
Net cash used in investing activities	46	(57)	(44)	(764)
Cash Flows From Financing Activities:				
Common stock repurchases	(13)	—	(41)	—
Proceeds from issuance of A&R Term B Facility	—	—	—	200
Repayments of long-term debt	(3)	(3)	(12)	(12)
Other financing activities, net	(1)	(9)	(11)	(18)
Net cash (used in) provided by financing activities	(17)	(12)	(64)	170
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(25)	4	(24)	(8)
Net increase (decrease) in cash, cash equivalents and restricted cash	267	74	308	(450)
Cash, cash equivalents and restricted cash at beginning of period	370	255	329	779
Cash, cash equivalents and restricted cash at end of period	$ 637	$ 329	$ 637	$ 329

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Adjusted Net Income Per Diluted Common Share and Net Income Comparison

(in millions, except per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
GAAP Net income applicable to common shares	$ 82	$ 39	$ 210	$ 283
Restructuring and impairment expenses	—	35	42	35
Divestiture (gain) loss, net	(19)	1	(18)	6
Net periodic benefit (income) cost, excluding service costs	3	(39)	9	(39)
Other [1]	1	1	(1)	16
Tax effect of applicable non-GAAP adjustments [2]	4	—	(8)	(5)
Non-GAAP Adjusted net income applicable to common shares	$ 71	$ 37	$ 234	$ 297

	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
GAAP Net income per diluted common share	$ 0.56	$ 0.26	$ 1.42	$ 1.90
Restructuring and impairment expenses	—	0.23	0.28	0.24
Divestiture (gain) loss, net	(0.13)	0.01	(0.12)	0.04
Net periodic benefit (income) cost, excluding service costs	0.02	(0.26)	0.06	(0.26)
Other [1]	0.01	0.01	(0.01)	0.10
Tax effect of applicable non-GAAP adjustments [2]	0.03	—	(0.05)	(0.03)
Non-GAAP Adjusted net income per diluted common share	$ 0.48	$ 0.25	$ 1.58	$ 1.99

[1] Other includes acquisition related costs, Tax Matters Agreement gain, foreign exchange transaction loss (income) and litigation settlement, net of insurance proceeds.

[2] We calculated the tax effect of non-GAAP adjustments by applying a flat statutory tax rate of 25% for the three and twelve months ended December 31, 2023 and December 31, 2022

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Resideo Adjusted EBITDA

(in millions)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
Net revenue	$ 1,537	$ 1,560	$ 6,242	$ 6,370
GAAP Net income applicable to common shares	$ 82	$ 39	$ 210	$ 283
Provision for income taxes	19	31	103	135
GAAP Income before taxes	101	70	313	418
Depreciation and amortization	27	25	98	94
Interest expense, net	15	15	65	54
Stock-based compensation expense	8	14	44	50
Net periodic benefit (income) cost, excluding service costs	3	(39)	9	(39)
Restructuring and impairment expenses	—	35	42	35
Divestiture (gain) loss, net	(19)	1	(18)	6
Other [(1)]	1	1	(1)	16
Non-GAAP Adjusted EBITDA	$ 136	$ 122	$ 552	$ 634
Non-GAAP Adjusted EBITDA as a % of net revenue	8.8 %	7.8 %	8.8 %	10.0 %

[(1)] Other includes acquisition related costs, Tax Matters Agreement gain, foreign exchange transaction loss (income) and litigation settlement, net of insurance proceeds.

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Products and Solutions Segment

(in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net revenue	$ 683	$ 693	$ 2,672	$ 2,783
GAAP Income from operations	$ 143	$ 96	$ 495	$ 527
Stock-based compensation expense	5	5	18	18
Restructuring and impairment expenses	—	29	27	29
Acquisition related costs	4	—	5	—
Non-GAAP Adjusted Income from Operations	$ 152	$ 130	$ 545	$ 574
Depreciation and amortization	20	19	71	69
Non-GAAP Adjusted EBITDA	$ 172	$ 149	$ 616	$ 643
Non-GAAP Adjusted EBITDA as a % of net revenue	25.2 %	21.5 %	23.1 %	23.1 %

ADI Global Distribution Segment

(in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net revenue	$ 854	$ 867	$ 3,570	$ 3,587
GAAP Income from operations	$ 59	$ 69	$ 270	$ 313
Stock-based compensation expense	3	2	7	8
Restructuring and impairment expenses	—	2	12	2
Non-GAAP Adjusted Income from Operations	$ 62	$ 73	$ 289	$ 323
Depreciation and amortization	5	4	18	14
Non-GAAP Adjusted EBITDA	$ 67	$ 77	$ 307	$ 337
Non-GAAP Adjusted EBITDA as a % of net revenue	7.8 %	8.9 %	8.6 %	9.4 %

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Resideo Non-GAAP Adjusted EBITDA

(in millions)	Q1 2024 Low	Q1 2024 High	Fiscal Year 2024 Low	Fiscal Year 2024 High
Net revenue	$ 1,460	$ 1,510	$ 6,080	$ 6,280
GAAP Net income applicable to common shares	$ 37	$ 57	$ 210	$ 270
Provision for income taxes	26	26	125	145
GAAP Income before taxes	63	83	335	415
Depreciation and amortization	25	25	100	100
Interest expense, net	17	17	65	65
Stock-based compensation expense	15	15	60	60
Non-GAAP Adjusted EBITDA	$ 120	$ 140	$ 560	$ 640
Non-GAAP Adjusted EBITDA as a % of net revenue	8.2 %	9.3 %	9.2 %	10.2 %

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