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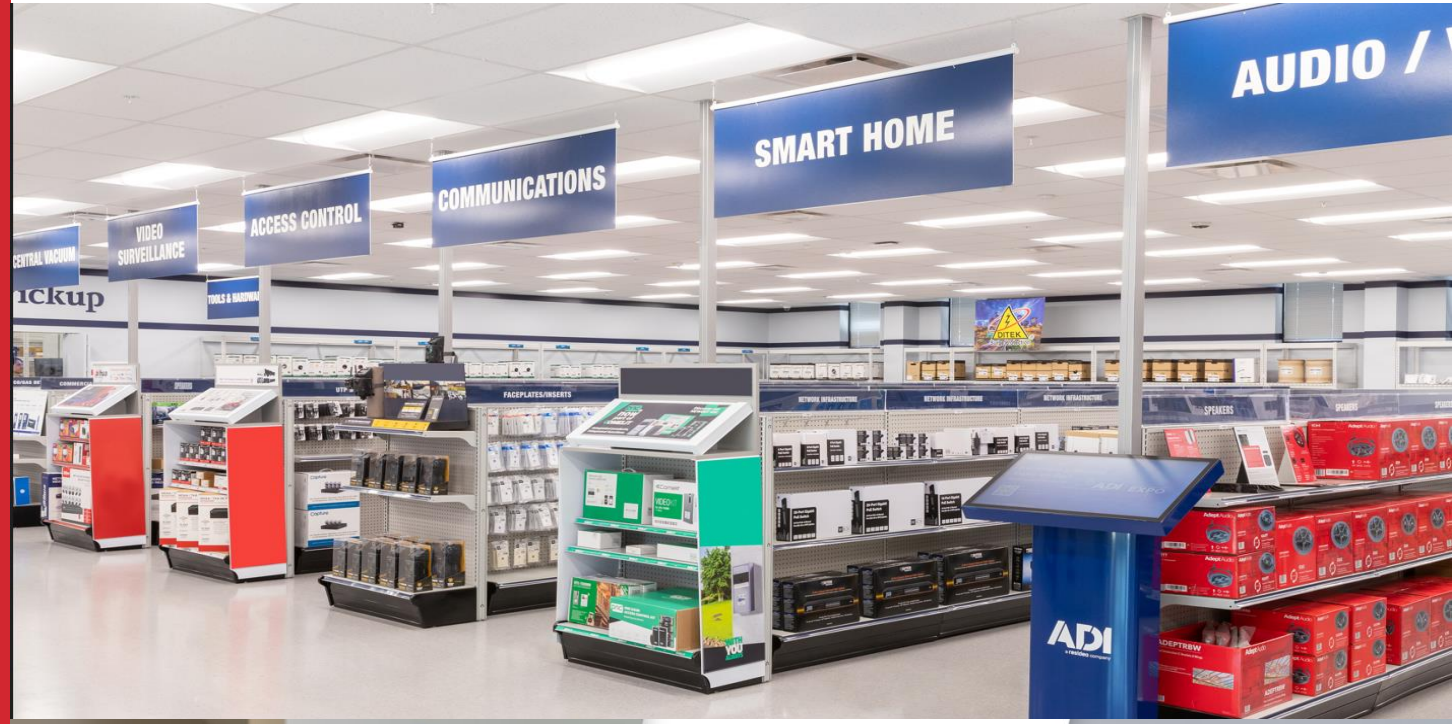
Q3 2024 Investor Presentation

December 3, 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 fourth 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 ability of Snap One and/or Resideo to drive increased customer value and financial returns and enhance strategic and operational capabilities, (6) the ability of Snap One and/or Resideo to achieve the targeted amount of synergies described in this press release, (7) the accretive nature of the transaction to Resideo's non-GAAP EPS in the first full year of ownership and the growth and margin profile of the combined businesses, (8) the ability to integrate the Snap One business into Resideo and realize the anticipated strategic benefits of the transaction, including the anticipated operational and strategic benefits of the transaction, and (9) 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 press release 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. Please see our earnings release dated November 7, 2024 for further information relating to these non-GAAP financial measures.

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. A reconciliation of the forecasted range for Adjusted EBITDA and Adjusted Net Income per diluted common share for the fourth quarter of 2024 and for the fiscal period ending December 31, 2024 are not included in this presentation due to the number of variables in the projected range and because we are currently unable to quantify accurately certain amounts that would be required to be included in the U.S. GAAP measure or the individual adjustments for such reconciliation. In addition, we believe such reconciliation would imply a degree of precision that would be confusing or misleading to investors.

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Resideo's Global Presence

Products & Solutions

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



Presence in

150M

Homes

$2.6B
FY23 Net Revenue

$1.0B
FY23 Gross Profit

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$6.2B[1]
FY23 Net Revenue

$1.7B[1]
FY23 Gross Profit

$589M
FY23 Adjusted EBITDA[1]

ADI
a resideo company

Leading global wholesale distributor of security, fire, AV and other low-voltage products



#1 GLOBAL DISTRIBUTOR
For Security and Low-Voltage Products[2]

$3.6B[1]
FY23 Net Revenue

$0.7B[1]
FY23 Gross Profit

Leading Platforms Serving Over 100,000 Pro Contractors

Notes:
[1] The selected financial metrics shown for Resideo and ADI do not include any contribution from Snap One. Resideo acquired Snap One on June 14, 2024. Snap One's 2023 reported revenue was approximately $1.1 billion and 2023 Adjusted EBITDA was $117 million.
[2] Source: Market data from IHS Markit

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Trusted, Established Brands

Honeywell Home

ADI
a resideo company

resideo

Control4®

FIRST ALERT®

OMNI

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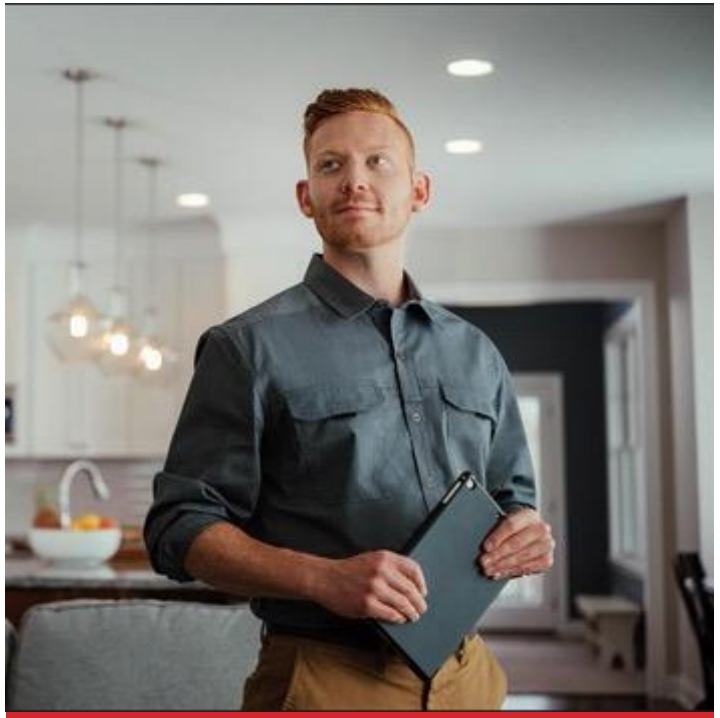
Resideo Investment Opportunity



Differentiated Professional and Channel Relationships



Structural Margin Expansion



Growth in Home Content

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Differentiated Professional and Channel Relationships

Multiple Channels to the Pro



Products sold through **Distributors and Security Dealers**



Broad **OEM** partnership network



Utility Grid Services and Insurance product rebate programs



Retail strategy for DIY / DIFM



Residential new construction
Builder programs

Channel Leadership At-a-Glance

- **100,000+** professional contractors
- **450,000+** products
- **1,200+** OEMs
- **190+** locations
- **20+** year tenure of many pro relationships

Drives repeat business with the homeowner

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Structural Margin Expansion

NEW PRODUCTS

- Thermostat and security refresh
- Connected water
- Exclusive Brands
- Innovation focus

MANUFACTURING OPTIMIZATION

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

INPUT COST MANAGEMENT

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

PORTFOLIO OPTIMIZATION

- Divest non-strategic assets
- End-of-life management
- Store consolidation
- Redeploy existing R&D spend to higher return categories







Taking actions to drive long-term, sustainable profitability improvement

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Exposure to Attractive Secular Trends Leads to Content Growth



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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Complementary Capabilities Drive Differentiated Market Position

ADI a resideo company

#1 distributor of professional security products

~80% branch sales supported by **~195** stocking locations serving North America and Europe

Significant investment in omni-channel capabilities; **~20%** e-commerce sales

1,000+ third-party suppliers

>$4.5B
in Sales
Serving Security, Audio Visual and Smart Technology Distribution

snap one™

Strong position in the smart living market servicing **~20k** Integrators

~40% branch sales and **45** branches

~60% e-commerce sales

~66% of sales from proprietary products

Differentiated Control4 technology and OvrC platforms

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Resideo Q3 2024 Highlights

- Revenue at the high end of outlook range; Adjusted EBITDA above high end of outlook range
- Mid-single-digit organic revenue growth across both segments
- Adjusted EBITDA margin expansion via improved gross margin and effective cost management, resulting in strong free cash flow in the quarter
- Strong progress with the integration of Snap One with expected 2024 synergies on track



REVENUE
$1.8B for Q3 2024

+18% Y/Y



ADJUSTED EBITDA
$190M for Q3 2024

+29% Y/Y



CASH FROM OPERATIONS
$147M for Q3 2024

+$87M Y/Y

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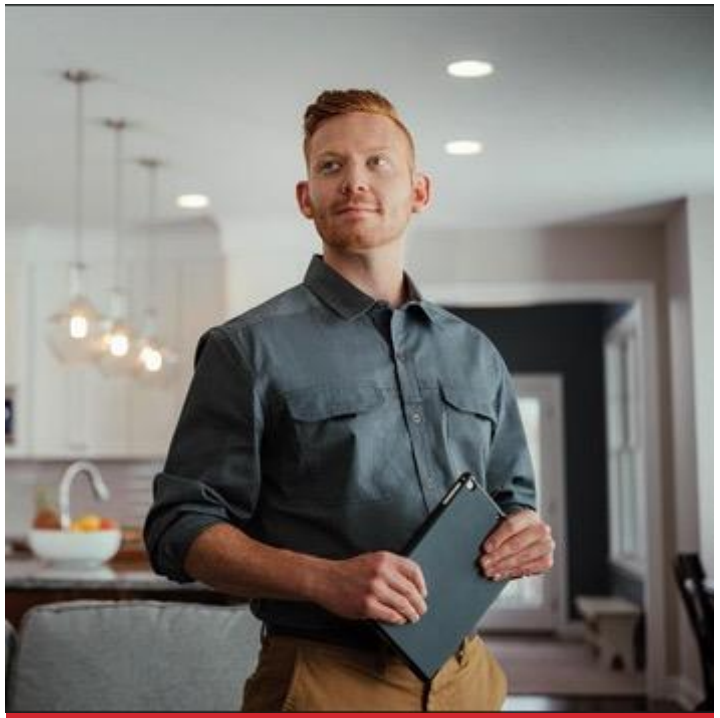
Resideo Investment Opportunity



Differentiated Professional and Channel Relationships



Structural Margin Expansion



Growth in Home Content

- Trusted partner with broad offering
- Supporting pro's growth and profitability
- Longstanding reliability
- Service and support
- Well recognized brands
- Omnichannel efficiency

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Appendix



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		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
GAAP Net income	$ 20	$ 21	$ 93	$ 128
Less: preferred stock dividends	8	—	10	—
Less: undistributed income allocated to preferred stockholders	1	—	4	—
GAAP Net income available to common stockholders	11	21	79	128
Restructuring, impairment and extinguishment costs, net	29	38	47	42
Intangible asset amortization	29	9	51	28
Stock-based compensation expense	15	11	44	36
Reimbursement Agreement accrual increase, non-cash component [(1)]	10	8	30	23
Acquisition and integration costs	3	1		
Other [(2)]	16	14	17	5
Tax effect of applicable non-GAAP adjustments [(3)]	(26)	(21)	(56)	(34)
Non-GAAP Adjusted net income available to common stockholders	$ 87	$ 81	$ 249	$ 229

	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
GAAP Net income per diluted common share	$ 0.07	$ 0.14	$ 0.53	$ 0.86
Restructuring, impairment and extinguishment costs, net	0.19	0.26	0.32	0.28
Intangible asset amortization	0.19	0.06	0.34	0.19
Stock-based compensation expense	0.10	0.07	0.30	0.24
Reimbursement Agreement accrual increase, non-cash component [(1)]	0.07	0.05	0.20	0.15
Acquisition and integration costs	0.02	0.01	0.25	0.01
Other [(2)]	0.11	0.10	0.11	0.03
Tax effect of applicable non-GAAP adjustments [(3)]	(0.17)	(0.14)	(0.38)	(0.22)
Non-GAAP Adjusted net income per diluted common share	$ 0.58	$ 0.55	$ 1.67	$ 1.54

[(1)] Refer to the Unaudited Consolidated Statements of Operations herein.

[(2)] For 2023 periods, other includes Tax Matters Agreement gain, foreign exchange transaction loss (income), and pension costs. For 2024 periods, other includes loss on sale of assets, foreign exchange transaction loss (income), gain on sale of investments, litigation settlements, and an inventory step-up adjustment related to the Snap One acquisition

[(3)] We calculated the tax effect of non-GAAP adjustments by applying a flat statutory tax rate of 25% for the three months ended September 28, 2024 and September 30, 2023.

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Resideo Adjusted EBITDA

(in millions)	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net revenue	$ 1,828	$ 1,554	$ 4,903	$ 4,705
GAAP Net income	$ 20	$ 21	$ 93	$ 128
GAAP Net income as a % of net revenue	1.1 %	1.4 %	1.9 %	2.7 %
Provision for income taxes	24	16	83	84
GAAP Income before taxes	44	37	176	212
Depreciation and amortization	46	22	98	71
Restructuring, impairment and extinguishment costs, net	29	38	47	42
Interest expense, net	27	16	55	50
Stock-based compensation expense	15	11	44	36
Reimbursement Agreement accrual increase, non-cash component [(1)]	10	8	30	23
Acquisition and integration costs	3	1		
Other [(2)]	16	14	17	5
Non-GAAP Adjusted EBITDA	$ 190	$ 147	$ 504	$ 440
Non-GAAP Adjusted EBITDA as a % of net revenue	10.4 %	9.5 %	10.3 %	9.4 %

(1) Refer to the Unaudited Consolidated Statements of Operations herein.

(2) For 2023 periods, other includes Tax Matters Agreement gain, foreign exchange transaction loss (income), and pension costs. For 2024 periods, other includes loss on sale of assets, foreign exchange transaction loss (income), gain on sale of investments, litigation settlements, and an inventory step up adjustment related to the Snap One acquisition.

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Non-GAAP Financial Measures and Reconciliations (Unaudited)

Products and Solutions Segment

(in millions)	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net revenue	$ 645	$ 654	$ 1,895	$ 1,989
GAAP Income from operations	$ 128	$ 94	$ 370	$ 314
GAAP Income from operations as a % of net revenue	19.8 %	14.4 %	19.5 %	15.8 %
Restructuring and impairment expense	8	25	13	30
Stock-based compensation expense	5	4	15	13
Other [1]	—	1	4	1
Non-GAAP Adjusted Income from Operations	$ 141	$ 124	$ 402	$ 358
Depreciation and amortization	16	16	51	51
Non-GAAP Adjusted EBITDA	$ 157	$ 140	$ 453	$ 409
Non-GAAP Adjusted EBITDA as a % of net revenue	24.3 %	21.4 %	23.9 %	20.6 %

[1] Other includes litigation settlements and acquisition costs.

ADI Global Distribution Segment

(in millions)	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net revenue	$ 1,183	$ 900	$ 3,008	$ 2,716
GAAP Income from operations	$ 36	$ 52	$ 147	$ 187
GAAP Income from operations as a % of net revenue	3.0 %	5.8 %	4.9 %	6.9 %
Restructuring and impairment expense	17	10	19	17
Stock-based compensation expense	4	2	9	5
Acquisition and integration costs	2	—	6	—
Other [1]	5	—	5	—
Non-GAAP Adjusted Income from Operations	$ 64	$ 64	$ 186	$ 209
Depreciation and amortization	28	5	41	13
Non-GAAP Adjusted EBITDA	$ 92	$ 69	$ 227	$ 222
Non-GAAP Adjusted EBITDA as a % of net revenue	7.8 %	7.7 %	7.5 %	8.2 %

[1] Other includes inventory step-up adjustment related to the Snap One acquisition.

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