

February 20, 2025

FY’24 and Q4’24 Results Presentation

resideo

Disclaimer

Forward-Looking Statements

This presentation and the related conference call contain “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 2025 and full year 2025, (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 Snap One, and 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 Resideo to drive increased customer value and financial returns and enhance strategic and operational capabilities, (6) risks relating to tariffs that have been or may be imposed by the United States and other governments, 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, 2024 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. Please see our earnings release dated February 20, 2025 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 first quarter of 2025 and for the fiscal period ending December 31, 2025 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.

Agenda

- Overview of Resideo
- Financial Results
- Quarterly Financial Trends
- Balance Sheet, Cash Flow, and Outlook

Overview of Resideo



A **leader** in technology-driven sensing and controls products

Products and Solutions

A leading global developer and manufacturer of air, energy, security, and water products and solutions

Presence in **150M+**
Residential and Commercial Spaces

$2.6B
FY24 Net Revenue

$1.05B
FY24 Gross Profit

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$6.8B[1]
FY24 Net Revenue

$1.9B[1]
FY24 Gross Profit

$693M
FY24 Adjusted EBITDA[1]

ADI | snap one

ADI Global Distribution

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

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

$4.2B[1]
FY24 Net Revenue

$0.85B[1]
FY24 Gross Profit

Leading Platforms Serving Over 100,000 Pro Contractors

Notes:
1 The selected financial metrics shown for Resideo and ADI include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. See Appendix for Non-GAAP financial measures and reconciliations.
2 Source: Market data from IHS Markit

Differentiated Professional and Channel Relationships

Multiple Channels to the Pro



Products sold through **Distributors and Security Dealers**



Utility Grid Services and Insurance product rebate programs



Residential new construction **Builder** programs



Broad **OEM** partnership network



Retail strategy for DIY / DIFM

Channel Leadership At-a-Glance



100,000+ professional contractors



20+ year tenure of many Pro relationships



500,000+ products



200+ locations



1,000+ OEMs

Drives repeat business with the Professional

Trusted, Established **Brands**



Resideo Investment **Opportunity**



Differentiated Professional and Channel Relationships



Structural Margin Expansion



Growth in Home Content

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

Financial Results



Resideo – 2024 **Highlights**

NET REVENUE

$6.8B in 2024
+8% YoY

ADJUSTED EBITDA

$693M in 2024
+17% YoY

ADJUSTED EPS

$2.29 in 2024
+5% YoY

CASH PROVIDED BY OPERATIONS

$444M in 2024
+1% YoY

- All four financial metrics above the high-end of outlook range.
- Organic revenue growth year-over-year at both ADI and Products and Solutions.
- Strong operational execution drove year-over-year:
  - Gross margin expansion; and
  - Growth in Adjusted EBITDA and Adjusted EPS.
- Cash provided by operations increased year-over-year driven by a more efficient cash conversion cycle and a contribution from Snap One.
- The integration of Snap One is progressing well, with achieved 2024 run-rate synergies ~40% ahead of expectations.
- New Products and Solutions products launched in second half of 2024 to strong customer reception and demand.

NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. "Organic" excludes the impact of the Snap One acquisition, the Genesis divestiture, and foreign currency fluctuations. See Appendix for Non-GAAP financial measures and reconciliations.

Resideo – 2024 Financial **Summary**

($ in millions, except per share)	2024	2023	YoY Change
Net Revenue	**$6,761**	**$6,242**	**+8%**
P&S Revenue	$2,564	$2,672	-4%
ADI Revenue	$4,197	$3,570	+18%
Gross Margin	**28.1%**	**27.2%**	**+90 bps**
P&S Gross Margin	41.0%	38.6%	+240 bps
ADI Gross Margin	20.3%	18.7%	+160 bps
Income from Operations	**$520**	**$547**	**-5%**
Net Income Available to Common Stockholders	**$91**	**$210**	**-57%**
Earnings Per Share – Diluted	**$0.61**	**$1.42**	**-57%**
Adjusted Earnings Per Share – Diluted	**$2.29**	**$2.19**	**+5%**
Adjusted EBITDA	**$693**	**$590**	**+17%**
P&S Adjusted EBITDA	$611	$562	+9%
ADI Adjusted EBITDA	$318	$275	+16%

NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. See Appendix for Non-GAAP financial measures and reconciliations.

Resideo –Q4’24 **Highlights**

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- Net revenue and Adjusted EBITDA exceeded expectations
- Organic net revenue up 5% YoY
- Gross margin expanded by 100 bps, supported by profitable business segment activities
- Adjusted EBITDA up YoY due to cost discipline by both business segments and the addition of Snap One

Net Revenue	$1.9B in Q4’24 +21% YoY
Gross Margin %	28.5% in Q4’24 +100 bps YoY
Adjusted EBITDA	$187M in Q4’24 +26% YoY

Products & Solutions

- Organic net revenue down 1% YoY, with all channels performing well, except Security
- 7th consecutive quarter of YoY gross margin expansion, driven by structural improvements
- Very positive customer reception and demand to new FocusPRO and VISTA products; more new product releases targeted in 2025

Net Revenue	$669M in Q4’24 -2% YoY
Gross Margin %	40.8% in Q4’24 +130 bps YoY
Adjusted EBITDA	$157M in Q4’24 +1% YoY

ADI Global Distribution

- Organic net revenue up 9% YoY, driven by broad-based growth across product categories
- Margin accretive activities - organic Exclusive Brand net revenue grew 34% YoY and organic e-commerce net revenue grew 22% YoY
- Adjusted EBITDA increase YoY due to strong cost discipline and the addition of Snap One

Net Revenue	$1.2B in Q4’24 +39% YoY
Gross Margin %	21.6% in Q4’24 +360 bps YoY
Adjusted EBITDA	$91M in Q4’24 +57% YoY

NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo’s Q2’24 results. “Organic” excludes the impact of the Snap One acquisition, the Genesis divestiture, and foreign currency fluctuations See Appendix for Non-GAAP financial measures and reconciliations.

Resideo - Q4’24 Financial **Summary**

($ in millions, except per share)	Q4’24	Q4’23	YoY Change
Net Revenue	**$1,858**	**$1,537**	**+21%**
P&S Revenue	$669	$683	-2%
ADI Revenue	$1,189	$854	+39%
Gross Margin	**28.5%**	**27.5%**	**+100 bps**
P&S Gross Margin	40.8%	39.5%	+130 bps
ADI Gross Margin	21.6%	18.0%	+360 bps
Income from Operations	**$144**	**$147**	**-2%**
Net Income Available to Common Stockholders	**$12**	**$82**	**-85%**
Earnings Per Share – Diluted	**$0.08**	**$0.56**	**-86%**
Adjusted Earnings Per Share – Diluted	**$0.59**	**$0.64**	**-8%**
Adjusted EBITDA	**$187**	**$149**	**+26%**
P&S Adjusted EBITDA	$157	$156	+1%
ADI Adjusted EBITDA	$91	$58	+57%

NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo’s Q2’24 results. See Appendix for Non-GAAP financial measures and reconciliations.

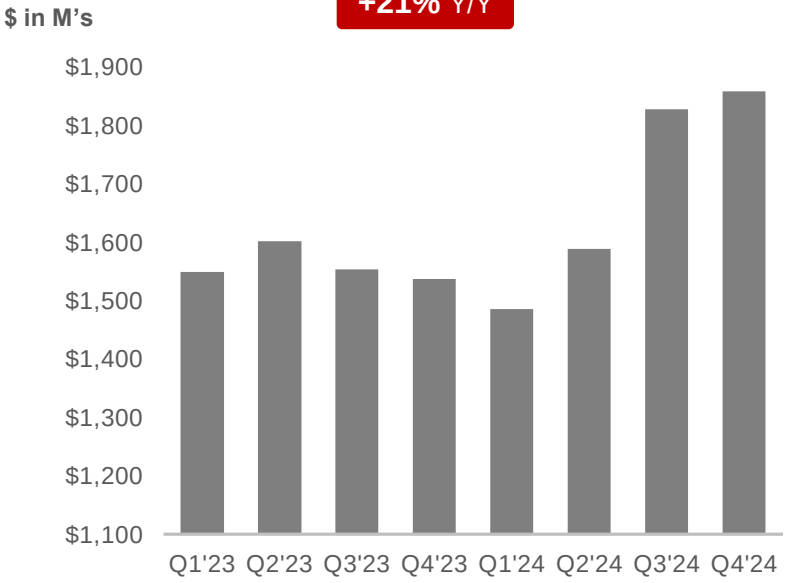
Quarterly Financial Trends



Resideo - Key Q4'24 Financial Trends

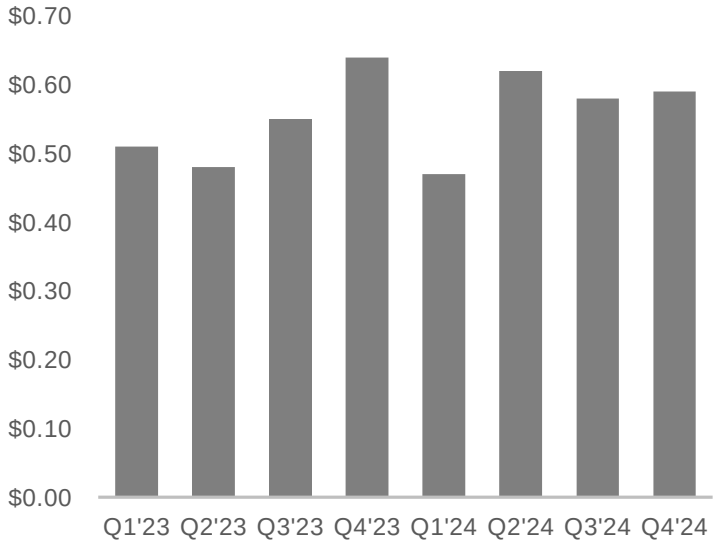
Net Revenue

+21% Y/Y



Adjusted EPS

-8% Y/Y

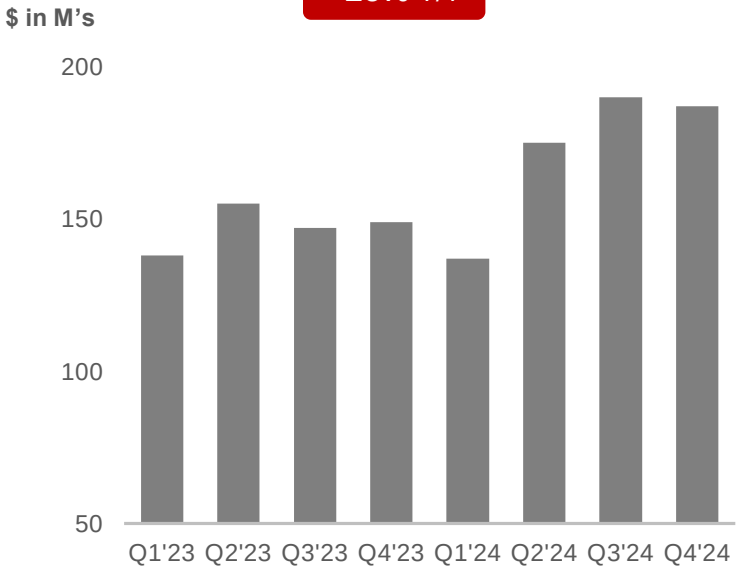


NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. See Appendix for Non-GAAP financial measures and reconciliations.

Resideo - Key Q4'24 Financial Trends

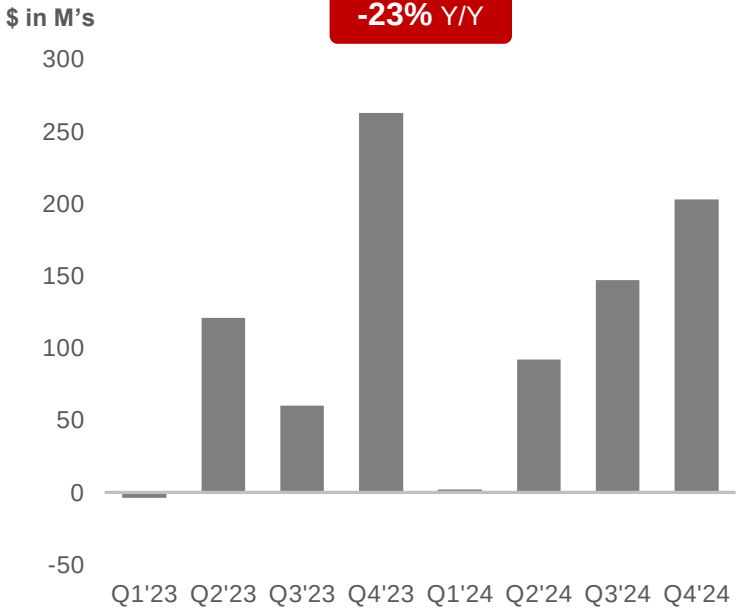
Adjusted EBITDA

+26% Y/Y



Cash Provided by Operations

-23% Y/Y

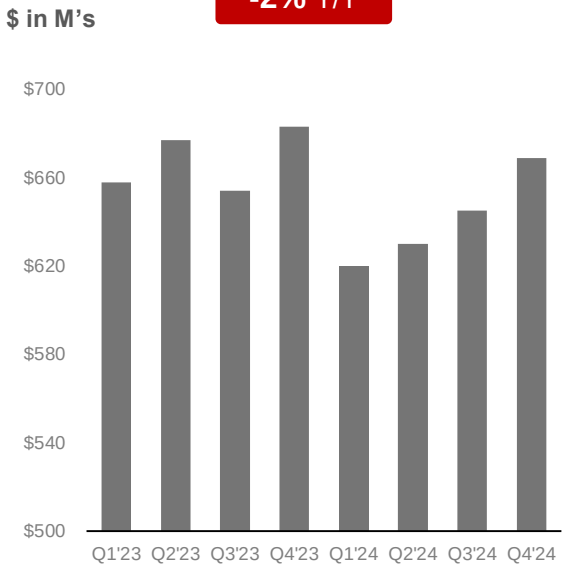


NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. See Appendix for Non-GAAP financial measures and reconciliations.

Products and Solutions – Key Q4’24 Financial Trends

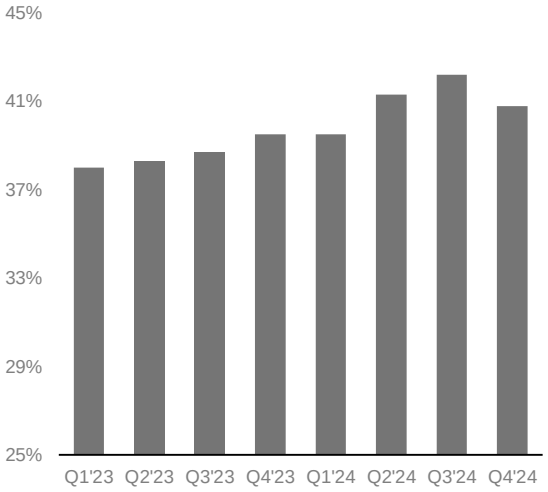
P&S Revenue

-2% Y/Y



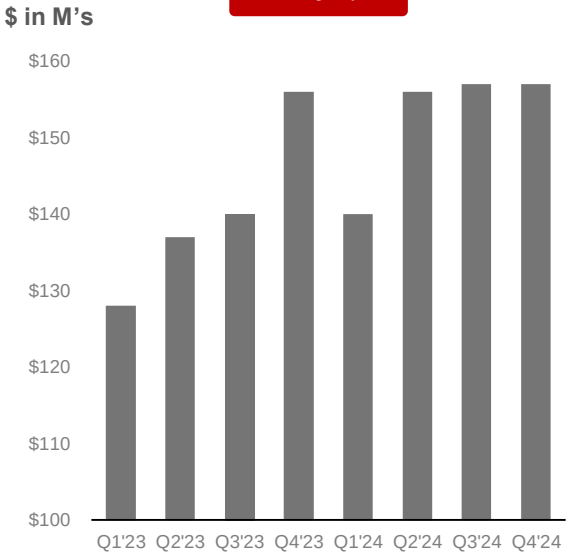
P&S Gross Margin

+130 bps Y/Y



P&S Adjusted EBITDA

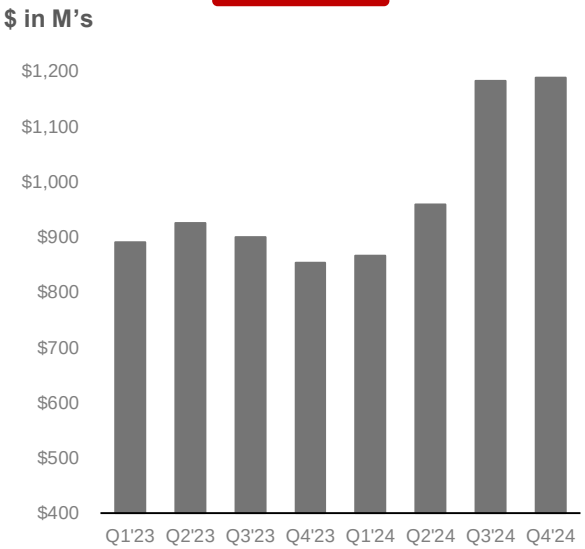
+1% Y/Y



ADI Global Distribution – Key Q4'24 Financial Trends

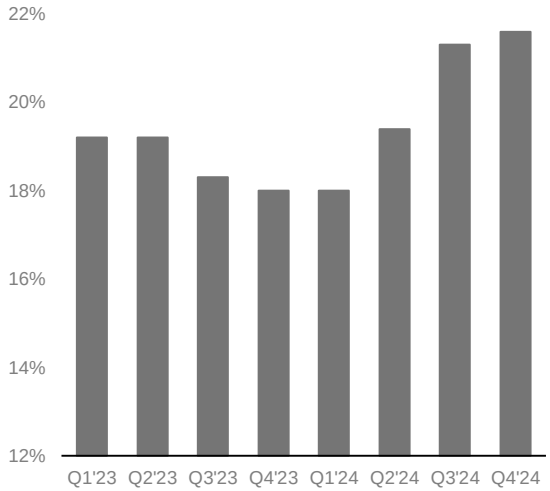
ADI Revenue

+39% Y/Y



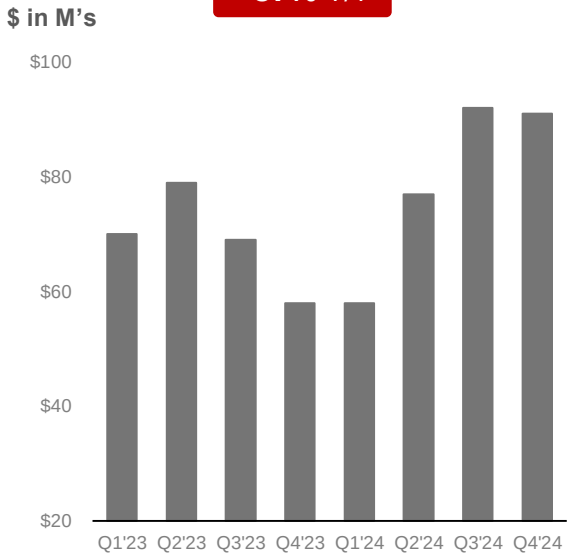
ADI Gross Margin

+360 bps Y/Y



ADI Adjusted EBITDA

+57% Y/Y



NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. See Appendix for Non-GAAP financial measures and reconciliations.

Balance Sheet, Cash Flow, and Outlook



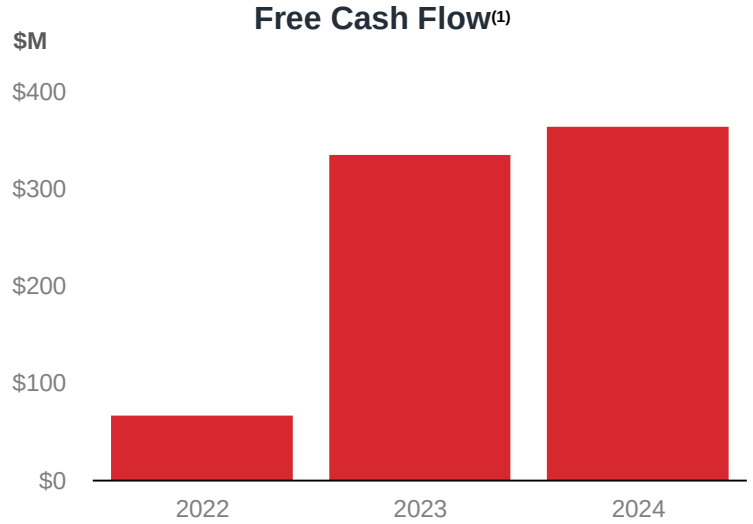
Condensed **Summary** Balance Sheet

$ in millions	December 31, 2024	December 31, 2023
Cash and cash equivalents	$692	$636
Gross debt	$2,015	$1,419
Accounts receivable, net	$1,023	$973
Inventories, net	$1,237	$941
Accounts payable	$1,073	$905

NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. See Appendix for Non-GAAP financial measures and reconciliations.

Durable **Free Cash Flow** Generation

$ in millions	December 31, 2024
Cash and cash equivalents	$692
Gross debt	$2,015
	December 31, 2024
Cash provided by operating activities (LTM)	$444
Capital expenditures (LTM)	$80



(1) Free cash flow is defined as cash provided by operating activities less capital expenditures as reported in our SEC filings. Cash provided by operating activities was $152M in 2022, $440M in 2023 and $444M in 2024. Capital expenditures were $85M in 2022, $105M in 2023, and $80M in 2024.

Free Cash Flow (1) Conversion of >100% of Net Income in 2023 and 2024

NOTE: Amounts shown above include contributions from Snap One, which was acquired in June 2024 and first appear in Resideo's Q2'24 results. See Appendix for Non-GAAP financial measures and reconciliations.

Outlook and Key Modeling Assumptions

$ in Millions, except per share

2025	
Total net revenue	$7,285 - $7,485
Adjusted EBITDA(1)	$725 - $805
Adjusted EPS(1)	$2.23 - $2.47
Cash provided by operations	$345 - $405

Q1'25	
Total net revenue	$1,720 - $1,770
Adjusted EBITDA(1)	$150 - $170
Adjusted EPS(1)	$0.27 - $0.33

Key 2025 Modeling Assumptions	
Stock-based compensation	$60 - $65
Depreciation & amortization	$200 - $205
Capital expenditures	$140 - $145
Net interest expense	$100 - $105
Honeywell IRA cash expense	$140
Income tax expense	$140 - $145
Average diluted shares	~150M

NOTE:

(1) Includes expected $140M annual ($35M quarterly) cash payment to Honeywell for Reimbursement Agreement

Appendix



Summary Financial Results – 2024

(in millions)	YTD 2024 [1] Products and Solutions	YTD 2024 [1] ADI Global Distribution	YTD 2024 [1] Corporate	YTD 2024 [1] Total Company	YTD 2023 [1] Products and Solutions	YTD 2023 [1] ADI Global Distribution	YTD 2023 [1] Corporate	YTD 2023 [1] Total Company
Net revenue	$ 2,564	$ 4,197	$ —	$ 6,761	$ 2,672	$ 3,570	$ —	$ 6,242
Cost of goods sold	1,514	3,346	—	4,860	1,640	2,902	4	4,546
Gross profit	1,050	851	—	1,901	1,032	668	(4)	1,696
Research and development expenses	94	17	—	111	108	—	1	109
Selling, general and administrative expenses	416	566	156	1,138	428	407	125	960
Intangible asset amortization	23	54	3	80	23	11	4	38
Restructuring, impairment and extinguishment costs	14	19	19	52	27	12	3	42
Income (loss) from operations	$ 503	$ 195	$ (178)	$ 520	$ 446	$ 238	$ (137)	$ 547

	YTD 2024 % change compared with prior period			
	Products and Solutions	ADI Global Distribution	Corporate	Total Company
Net revenue	(4)%	18 %	N/A	8 %
Cost of goods sold	(8)%	15 %	N/A	7 %
Gross profit	2 %	27 %	N/A	12 %
Research and development expenses	(13)%	N/A	N/A	2 %
Selling, general and administrative expenses	(3)%	39 %	25 %	19 %
Intangible asset amortization	— %	391 %	(25)%	111 %
Restructuring, impairment and extinguishment costs	(48)%	58 %	533 %	24 %
Income (loss) from operations	13 %	(18)%	30 %	(5)%

[1] On January 1, 2024, certain corporate functions were decentralized into the operating segments aligning with the business strategy. Functional expenses related to information technology, finance, tax, business development, and research and development are now recorded within the Products and Solutions and ADI Global Distribution segments. For the three and twelve months ended December 31, 2023, $12 million and $49 million of corporate expenses have been reclassified into the Products and Solutions while $8 million and $32 million of corporate expenses have been reclassified into the ADI Global Distribution segments, respectively, decreasing reported Income from Operations to conform to the current year presentation.

Summary Financial Results – Q4'24

(in millions)	Q4 2024 [1] Products and Solutions	ADI Global Distribution	Corporate	Total Company	Q4 2023 [1] Products and Solutions	ADI Global Distribution	Corporate	Total Company
Net revenue	$ 669	$ 1,189	$ —	$ 1,858	$ 683	$ 854	$ —	$ 1,537
Cost of goods sold	396	932	—	1,328	413	700	1	1,114
Gross profit	273	257	—	530	270	154	(1)	423
Research and development expenses	25	17	—	42	26	—	(1)	25
Selling, general and administrative expenses	109	169	32	310	106	100	35	241
Intangible asset amortization	5	23	1	29	6	3	1	10
Restructuring, impairment and extinguishment costs	1	—	4	5	—	—	—	—
Income (loss) from operations	$ 133	$ 48	$ (37)	$ 144	$ 132	$ 51	$ (36)	$ 147

	Q4 2024 % change compared with prior period Products and Solutions	ADI Global Distribution	Corporate	Total Company
Net revenue	(2)%	39 %	N/A	21 %
Cost of goods sold	(4)%	33 %	N/A	19 %
Gross profit	1 %	67 %	N/A	25 %
Research and development expenses	(4)%	N/A	N/A	68 %
Selling, general and administrative expenses	3 %	69 %	(9)%	29 %
Intangible asset amortization	(17)%	667 %	— %	190 %
Restructuring, impairment and extinguishment costs	N/A	N/A	N/A	N/A
Income (loss) from operations	1 %	(6)%	3 %	(2)%

[1] On January 1, 2024, certain corporate functions were decentralized into the operating segments aligning with the business strategy. Functional expenses related to information technology, finance, tax, business development, and research and development are now recorded within the Products and Solutions and ADI Global Distribution segments. For the three and twelve months ended December 31, 2023, $12 million and $49 million of corporate expenses have been reclassified into the Products and Solutions while $8 million and $32 million of corporate expenses have been reclassified into the ADI Global Distribution segments, respectively, decreasing reported Income from Operations to conform to the current year presentation.

Consolidated Statements of Operations

(in millions, except per share data)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Net revenue	$ 1,858	$ 1,537	$ 6,761	$ 6,242
Cost of goods sold	1,328	1,114	4,860	4,546
Gross profit	530	423	1,901	1,696
Operating expenses:				
Research and development expenses	42	25	111	109
Selling, general and administrative expenses	310	241	1,138	960
Intangible asset amortization	29	10	80	38
Restructuring, impairment and extinguishment costs	5	—	52	42
Total operating expenses	386	276	1,381	1,149
Income from operations	144	147	520	547
Reimbursement Agreement expense [1]	76	50	211	178
Other expenses, net	(3)	$ (19)	7	(9)
Interest expense, net	26	15	81	65
Income before taxes	45	101	221	313
Provision for income taxes	22	19	105	103
Net income	$ 23	$ 82	$ 116	$ 210
Less: preferred stock dividends	9	—	19	—
Less: undistributed income allocated to preferred stockholders	2	$ —	6	—
Net income available to common stockholders	12	82	91	210
Earnings per common share:				
Basic	$ 0.08	$ 0.56	$ 0.62	$ 1.43
Diluted	$ 0.08	$ 0.56	$ 0.61	$ 1.42
Weighted average common shares outstanding:				
Basic	147	146	146	147
Diluted	150	147	149	148

[1] Represents the expense incurred pursuant to the Reimbursement Agreement, which has an annual cash payment cap of $140 million.

Consolidated Balance Sheets

(in millions, except par value)	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 692	$ 636
Accounts receivable, net	1,023	973
Inventories, net	1,237	941
Other current assets	220	193
Total current assets	3,172	2,743
Property, plant and equipment, net	410	390
Goodwill	3,072	2,705
Intangible assets, net	1,176	461
Other assets	369	346
Total assets	$ 8,199	$ 6,645
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,073	$ 905
Accrued liabilities	717	620
Total current liabilities	1,790	1,525
Long-term debt	1,983	1,396
Obligations payable under Indemnification Agreements	674	609
Other liabilities	443	366
Total liabilities	4,890	3,896
Stockholders' equity		
Preferred stock, $0.001 par value: 100 shares authorized, 0.5 shares issued and outstanding at December 31, 2024 and no shares issued and outstanding at December 31, 2023, respectively	482	—
Common stock, $0.001 par value: 700 shares authorized, 154 and 147 shares issued and outstanding at December 31, 2024, respectively, and 151 and 145 shares issued and outstanding at December 31, 2023, respectively	—	—
Additional paid-in capital	2,315	2,226
Retained earnings	907	810
Accumulated other comprehensive loss, net	(284)	(194)
Treasury stock at cost	(111)	(93)
Total stockholders' equity	3,309	2,749
Total liabilities and stockholders' equity	$ 8,199	$ 6,645

Consolidated Statements of Cash Flows

(in millions)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Cash Flows From Operating Activities:				
Net income	$ 23	$ 82	$ 116	$ 210
Adjustments to reconcile net income to net cash in operating activities:				
Depreciation and amortization	46	27	144	98
Restructuring, impairment and extinguishment costs	5	—	52	42
Stock-based compensation expense	15	8	59	44
Deferred income taxes	(31)	(28)	(31)	(28)
Other, net	2	(16)	7	(14)
Changes in assets and liabilities, net of acquired companies:				
Accounts receivable, net	61	28	(18)	19
Inventories, net	(58)	36	(71)	32
Other current assets	(20)	11	(5)	6
Accounts payable	65	32	127	18
Accrued liabilities	69	80	4	(34)
Other, net	26	3	60	47
Net cash provided by operating activities	203	263	444	440

Consolidated Statements of Cash Flows (cont'd)

(in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cash Flows From Investing Activities:				
Acquisitions, net of cash acquired	(3)	—	(1,337)	(16)
Capital expenditures	(22)	(31)	(80)	(105)
Proceeds from sale of business	—	86	—	86
Other investing activities, net	2	(9)	8	(9)
Net cash used in investing activities	(23)	46	(1,409)	(44)
Cash Flows From Financing Activities:				
Proceeds from issuance of long-term debt, net	—	—	1,176	—
Proceeds from issuance of preferred stock, net of issuance costs	—	—	482	—
Repayments of long-term debt	(3)	(3)	(605)	(12)
Preferred dividend payments	(12)	—	(12)	—
Common stock repurchases	—	(13)	(1)	(41)
Other financing activities, net	3	(1)	(9)	(11)
Net cash provided by (used in) financing activities	(12)	(17)	1,031	(64)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(7)	(25)	(10)	(24)
Net increase in cash, cash equivalents and restricted cash	161	267	56	308
Cash, cash equivalents and restricted cash at beginning of period	532	370	637	329
Cash, cash equivalents and restricted cash at end of period	$ 693	$ 637	$ 693	$ 637

Non-GAAP Financial Measures and Reconciliations

(in millions, except per share data)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
GAAP Net income	$ 23	$ 82	$ 116	$ 210
Less: preferred stock dividends	9	—	19	—
Less: undistributed income allocated to preferred stockholders	2	—	6	—
GAAP Net income available to common stockholders	12	82	91	210
Intangible asset amortization	29	10	80	38
Reimbursement Agreement accrual increase, non-cash component [1]	41	15	71	38
Stock-based compensation expense	15	8	59	44
Restructuring, impairment and extinguishment costs, net	5	—	52	42
Acquisition and integration costs	8	—	45	—
Undistributed income allocated to preferred stockholders	2	—	6	—
Other [2]	1	(17)	20	(10)
Tax effect of applicable non-GAAP adjustments [3]	(24)	(4)	(83)	(38)
Non-GAAP Adjusted net income	$ 89	$ 94	$ 341	$ 324

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

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

[3] We calculated the tax effect of non-GAAP adjustments by applying a flat statutory tax rate of 25%.

Non-GAAP Financial Measures and Reconciliations (cont'd)

(in millions, except per share data)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
GAAP Net income per diluted common share	$ 0.08	$ 0.56	$ 0.61	$ 1.42
Intangible asset amortization	0.19	0.07	0.54	0.26
Reimbursement Agreement accrual increase, non-cash component [1]	0.27	0.10	0.48	0.26
Stock-based compensation expense	0.10	0.05	0.40	0.30
Restructuring, impairment and extinguishment costs, net	0.03	—	0.35	0.28
Acquisition and integration costs	0.05	—	0.30	—
Undistributed income allocated to preferred stockholders	0.01	—	0.04	—
Other [2]	0.02	(0.12)	0.13	(0.07)
Tax effect of applicable non-GAAP adjustments [3]	(0.16)	(0.02)	(0.56)	(0.26)
Non-GAAP Adjusted net income per diluted common share	$ 0.59	$ 0.64	$ 2.29	$ 2.19

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

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

[3] We calculated the tax effect of non-GAAP adjustments by applying a flat statutory tax rate of 25%.

Non-GAAP Financial Measures and Reconciliations (cont'd)

(in millions)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Net revenue	$ 1,858	$ 1,537	$ 6,761	$ 6,242
GAAP Net income	$ 23	$ 82	$ 116	$ 210
GAAP Net income as a % of net revenue	1.2 %	5.3 %	1.7 %	3.4 %
Provision for income taxes	22	19	105	103
GAAP Income before taxes	45	101	221	313
Depreciation and amortization	46	27	144	98
Interest expense, net	26	15	81	65
Reimbursement Agreement accrual increase, non-cash component [(1)]	41	15	71	38
Stock-based compensation expense	15	8	59	44
Restructuring, impairment and extinguishment costs	5	—	52	42
Acquisition and integration costs	8	—		
Other [(2)]	1	(17)	20	(10)
Non-GAAP Adjusted EBITDA	$ 187	$ 149	$ 693	$ 590
Non-GAAP Adjusted EBITDA as a % of net revenue	10.1 %	9.7 %	10.2 %	9.5 %

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

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

Non-GAAP Financial Measures and Reconciliations (cont'd)

PRODUCTS AND SOLUTIONS SEGMENT

(in millions)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Net revenue	$ 669	$ 683	$ 2,564	$ 2,672
GAAP Income from operations	$ 133	$ 132	$ 503	$ 446
GAAP Income from operations as a % of net revenue	19.9 %	19.3 %	19.6 %	16.7 %
Stock-based compensation expense	4	4	19	18
Restructuring and impairment expense	1	—	14	27
Other [1]	2	—	7	—
Non-GAAP Adjusted Income from Operations	$ 140	$ 136	$ 543	$ 491
Depreciation and amortization	17	20	68	71
Non-GAAP Adjusted EBITDA	$ 157	$ 156	$ 611	$ 562
Non-GAAP Adjusted EBITDA as a % of net revenue	23.5 %	22.8 %	23.8 %	21.0 %

[1] Other includes litigation settlements.

Non-GAAP Financial Measures and Reconciliations (cont'd)

ADI GLOBAL DISTRIBUTION SEGMENT

(in millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net revenue	$ 1,189	$ 854	$ 4,197	$ 3,570
GAAP Income from operations	$ 48	$ 51	$ 195	$ 238
GAAP Income from operations as a % of net revenue	4.0 %	6.0 %	4.6 %	6.7 %
Restructuring and impairment expense	—	—	19	12
Stock-based compensation expense	5	2	13	7
Acquisition and integration costs	6	—	12	—
Other [1]	5	—	11	—
Non-GAAP Adjusted Income from Operations	$ 64	$ 53	$ 250	$ 257
Depreciation and amortization	27	5	68	18
Non-GAAP Adjusted EBITDA	$ 91	$ 58	$ 318	$ 275
Non-GAAP Adjusted EBITDA as a % of net revenue	7.7 %	6.8 %	7.6 %	7.7 %

[1] Other includes litigation settlements and acquisition costs.

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