



**resideo**

## **Resideo's Transformative Actions: Sharper Focus, Stronger Future**

**July 30, 2025**

# Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains forward-looking statements, including, but not limited to, those regarding the (i) anticipated completion of the transaction announced with Honeywell (including the timing thereof), (ii) expectation that the completion of the transaction will be immediately accretive to Resideo's adjusted earnings per share and free cash flow and increase future annual profitability, (iii) belief that the transaction will enhance Resideo's strategic and financial flexibility, and (iv) announced separation of Resideo Technologies' Products & Solutions and ADI Global Distribution businesses into two independent publicly traded companies. Forward-looking statements are typically identified by such words as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," "will," and similar expressions, although not all forward-looking statements contain these words. These statements are based on current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Among the factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements are the possibility that the transaction announced with Honeywell is not consummated (including due to the unavailability of the related debt financing), that the intended economic impact or anticipated strategic and financial flexibility arising from the consummation of such transaction do not materialize as planned, and that the announced separation of the ADI Global Distribution and Products & Solutions businesses is not pursued or, if pursued, that the conditions to such separation are not satisfied within the expected timeframe or at all. Additional risks include the impact of macroeconomic and geopolitical developments, market volatility, supply chain disruptions, changes in laws or regulations, litigation, and challenges related to talent attraction and retention. Further information on these and other risks and uncertainties is detailed in Resideo's filings with the U.S. Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K. Resideo undertakes no obligation to update or revise any forward-looking statements contained herein, whether as a result of new information, future events, or otherwise, except as required by law.

This presentation also contains references to financial measures that are not presented in accordance with generally accepted accounting principles (GAAP). Resideo management believes the use of such non-GAAP financial measures, specifically Segment Non-GAAP Adjusted EBITDA, assists investors in understanding the ongoing operating performance of Resideo by presenting the financial results between periods on a more comparable basis. Segment Non-GAAP Adjusted EBITDA should not be considered in isolation or as an alternative to results determined in accordance with U.S. GAAP. Further information regarding Segment Non-GAAP Adjusted EBITDA (including a reconciliation to the most directly comparable GAAP metric) is included in the Appendix to this presentation.

# Today's Participants



**Jay Geldmacher**

*President and CEO*



**Mike Carlet**

*Chief Financial Officer*



**Tom Surran**

*President, P&S*



**Rob Aarnes**

*President, ADI Global  
Distribution*



## Resideo Announces Strategic Plans for Separation into Two Independent Public Companies



# Resideo is Taking Significant Actions to Drive Value Creation

## Eliminating All Monetary Obligations Under the Indemnification Agreement

- Entered into a **definitive agreement** with Honeywell to **terminate** the Indemnification and Reimbursement Agreement ("Indemnification Agreement")
- Accelerating and **eliminating all future payments and obligations and related affirmative and negative covenants**, providing increased **strategic and financial flexibility** to Resideo
- Resideo has made its regularly scheduled payment of \$35 million in July 2025 and will make a **one-time** cash payment of **\$1.59 billion** to Honeywell in Q3 2025

## Separating Into Two Independent Companies

- Creating **two focused public companies** with clear **growth priorities**
- **Strategic alignment** and **management focus** to drive long-term success and **shareholder value**

**resideo**

*A Leading Manufacturer of  
Building Products Focused on  
Residential Controls and  
Sensing Solutions*

**ADI**

*Leading Global Wholesale  
Distributor of Low-Voltage  
Products, Including Security  
and Audio-Visual Solutions*

# Simplifying the Story by Removing a Structural Impediment

## Background

- Entered into the Indemnification Agreement in connection with the **spin-off from Honeywell in 2018**
- **Annual reimbursement payment to Honeywell** for certain environmental expenses incurred by Honeywell
- **Payments to Honeywell capped at \$140 million annually**, with the obligation set to expire at end of 2043

## Agreement Details

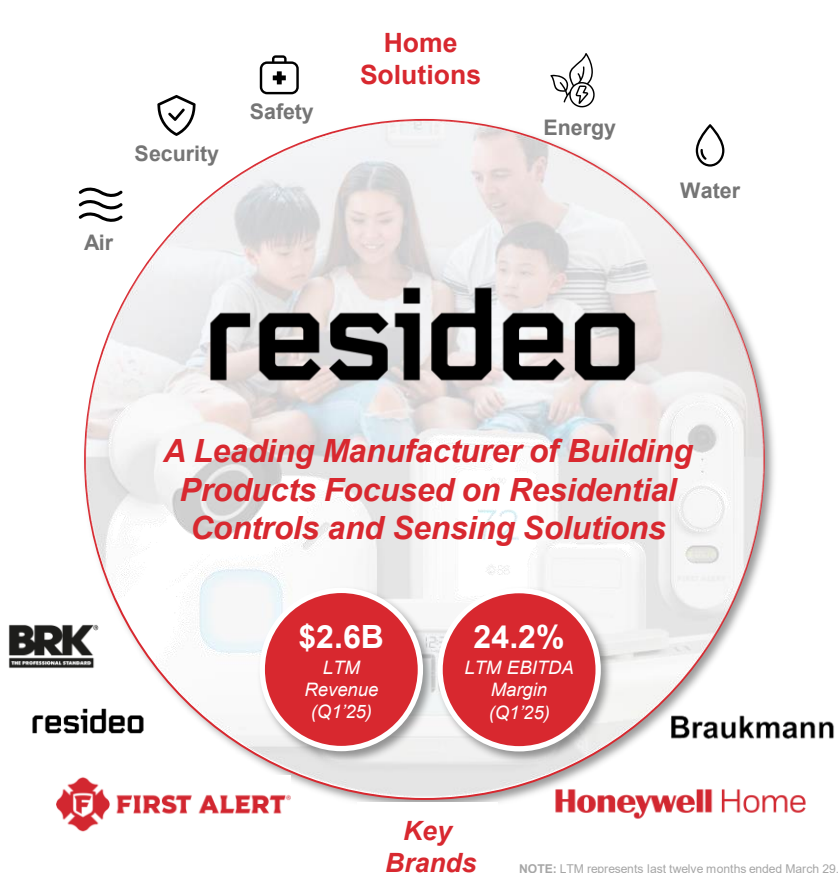
- Regularly scheduled \$35 million payment was made in July 2025 and Resideo will make a **one-time** cash payment to Honeywell of **\$1.59 billion**
- Expected to close in **Q3 2025**
- Payment to be financed through a combination of **\$400 million of cash on hand and new committed senior secured debt financing**

## Stakeholder Benefits

- ✓ **Eliminates ongoing payments** under the Indemnification Agreement and **related affirmative and negative covenants**, increasing **strategic and financial flexibility**
- ✓ **Enables** ability to execute a **separation** to **unlock** potential significant shareholder **value**
- ✓ **Simplified** financial profile
- ✓ Expected to be immediately **accretive to Adjusted EPS and free cash flow**



# Creating Two Leading, Focused Companies



NOTE: LTM represents last twelve months ended March 29, 2025. LTM amounts are unaudited. LTM EBITDA is for each segment and does not include corporate costs. See the Appendix for Non-GAAP financial measures and reconciliations.

# Compelling Strategic Rationale to Separate

## Sharper Focus

*Operational focus and dedicated management teams to win in their respective marketplaces*

## Enhanced Flexibility

*Increased operating and financial flexibility to pursue growth opportunities*

## Tailored Capital Allocation Strategies

*Positioned to capitalize on distinct investment opportunities for each independent company*

## Aligned with Investor Demand

*Designed to attract a shareholder base that is focused on each business' distinct value proposition and simpler financial model*

**Separation creates two pure-play companies, each better positioned to deliver long-term growth and value creation for shareholders**



# Strong Tenured Executives Will Continue to Lead P&S and ADI



**Tom Surran**

*President, P&S*

*(P&S refers to RemainCo Resideo post anticipated separation)*

- Joined Resideo in 2023 as President of the Products & Solutions (P&S) business segment. Most recently was Chief Operating Officer (COO) at FLIR Systems
- 30 years of experience in senior executive roles in pro- and consumer-focused technology industries, including infrared and thermal imaging and sensing and measuring controls
- Extensive background in building science, strategy, operational excellence, product management and bringing new products to market
- Has revitalized P&S product development process and supply chain / manufacturing processes, resulting in 9 consecutive quarters of year-over-year gross margin expansion



**Rob Aarnes**

*President, ADI Global Distribution*

- President of the ADI business segment since 2017; joined ADI in 2012; previously VP / GM and VP Operations for ADI North America at Honeywell
- Strong track record leading at ADI delivering mid-to-high single-digit organic revenue CAGR over 10 years
- Critical role in spinning Resideo from Honeywell in 2018
- Led the acquisition of Snap One in 2024; delivered compelling value to stakeholders and \$75M+ in synergies
- U.S. Navy veteran, with early experience in global retail operations and supply chain as a Naval Supply Officer

# Resideo: A Leading Manufacturer of Building Products Focused on Residential Controls and Sensing Solutions

## Investment Highlights

- A leading player positioned to grow across attractive product categories – that are critical to maximizing comfort, enabling safety, and delivering cost savings for over **150M residential** and commercial spaces
- Uniquely positioned with **portfolio of integrated sensors and controls for the whole home**, with **millions** of connected customers
- **World-class trusted brands** including Honeywell Home and First Alert – carrying forward a **100+ year legacy of innovation**
- **Deep channel partnerships** with network of **100K+ pro installers** and dealers, OEMs and distributors **built over decades** – driving over **15M installs per year**
- **Macroeconomic and housing / remodeling related tailwinds** are anticipated to contribute to long-term growth

## Financial Highlights

~5%

2020 - 2024  
Revenue CAGR

~\$2.6bn

LTM Q1 2025  
Revenue

41.4%

LTM Q1 2025  
Gross Margin

24.2%

LTM Q1 2025  
Segment Adj. EBITDA Margin

NOTE: LTM represents last twelve months ended March 29, 2025. LTM amounts are unaudited. LTM EBITDA is for each segment and does not include corporate costs. See the Appendix for Non-GAAP financial measures and reconciliations.

# ADI: Leading Global Wholesale Distributor of Low-Voltage Products, Including Security and Audio-Visual Solutions

## Investment Highlights

- **Leading global wholesale distributor** for Security and Low-Voltage Products
- Robust platform for proprietary and third-party security, audio-visual and low-voltage offerings, distributing more than **500,000+ products**
- Optimally positioned with an **expansive network of 1,000+ manufacturers**, enabling rapid product launches and a strong lineup aligned with market trends and customer needs
- Strategically advantaged to **benefit from continued digitalization of B2B distribution** through omnichannel experience for integrators with **200+ locations worldwide**
- Deep relationships with pro network with **100K+ pros served annually** via digital and physical storefronts

## Financial Highlights

**~9%**

2020 - 2024  
Revenue CAGR

**~\$4.5bn**

LTM Q1 2025  
Revenue

**21.0%**

LTM Q1 2025  
Gross Margin

**7.5%**

LTM Q1 2025  
Segment Adj. EBITDA Margin

NOTE: LTM represents last twelve months ended March 29, 2025. LTM amounts are unaudited. LTM EBITDA is for each segment and does not include corporate costs. See the Appendix for Non-GAAP financial measures and reconciliations.

# Transaction Overview

## Structure

- Transaction is intended to qualify as a tax-free separation for U.S. federal income tax purposes

## Leadership

- Tom Surran and Rob Aarnes will continue to lead P&S (which remains as Resideo, upon expected separation) and ADI, respectively

## Financial Policy

- Strong, well-capitalized balance sheets and distinct capital deployment priorities
- Additional financial details to be provided as transaction progresses

## Timing and Conditions

- Expected to complete separation by H2 2026
- Subject to certain conditions, including, among others
  - ▶ Final approval by Resideo Board of Directors
  - ▶ Effectiveness of Form 10
  - ▶ Completion of financing
  - ▶ Other customary closing conditions



# Appendix



# Non-GAAP Financial Measures and Reconciliations (Unaudited)

## LAST TWELVE MONTHS (“LTM”) SEGMENT ADJUSTED EBITDA AND INCOME FROM OPERATIONS COMPARISON

	Products and Solutions		ADI Global Distribution	
	LTM Ended March 29, 2025		LTM Ended March 29, 2025	
(in millions)				
<b>Net revenue</b>	\$	2,593	\$	4,452
<b>GAAP Income from operations</b>	\$	527	\$	180
<b>GAAP Income from operations as a % of net revenue</b>		20.3 %		4.0 %
Stock-based compensation expense		18		16
Restructuring expenses		8		21
Acquisition and integration costs		—		14
Other <sup>(1)</sup>		6		10
<b>Non-GAAP Adjusted Income from Operations</b>	\$	559	\$	241
Depreciation and amortization		69		91
<b>Non-GAAP Adjusted EBITDA</b>	\$	628	\$	332
<b>Non-GAAP Adjusted EBITDA as a % of net revenue</b>		24.2 %		7.5 %

(1) Other includes litigation expense, inventory step-up adjustment related to the Snap One acquisition, and miscellaneous non-operating expenses.

**resideo**

[www.resideo.com](http://www.resideo.com)