

Q3’26 Earnings Presentation

November 12, 2026

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This earnings 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 ADI 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 remainder of 2026, cash flow expectations and proposed use of cash, and goal to reduce leverage (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 Resideo in connection with the spin-off of ADI from Resideo, (4) the ability of ADI to drive increased customer value, profitability, cash generation, gross margin improvement, and financial returns and enhance strategic and operational capabilities, including the implementation of One ADI and dynamic pricing capabilities, (5) risks and uncertainties relating to tariffs that have been or may be imposed by the United States and other governments, (6) risks related to our completed separation from Resideo and that we may experience operational or other disruptions as a result of the separation, and (7) the other risks described under the headings “Risk Factors” and “Cautionary Statement Concerning Forward-Looking Statements” in our Registration Statement on Form 10, as amended, 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 earnings presentation and we caution investors not to place undue reliance on any such forward-looking statements.

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This presentation contains certain financial information that reflects management's estimates of the stand-alone costs, expenses, and operating results of ADI as if it were operating as a separate, independent company. Because this information is based on estimates and assumptions made by management, it is inherently uncertain, and actual results may differ materially from those presented herein.

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This earnings presentation includes certain “non-GAAP financial measures” as defined under the Securities Exchange Act of 1934. Management believes the use of such non-GAAP financial measures assists investors in understanding the ongoing operating performance of ADI by presenting 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. Readers should also consider the limitations associated with these non-GAAP financial measures, including the potential lack of comparability of these measures from one company to another. The company uses non-GAAP financial measures to supplement the financial measures prepared in accordance with U.S. GAAP. These include Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Standalone EBITDA (estimate) and Adjusted Standalone EBITDA margin (estimate). Below are definitions and reconciliations of certain non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. Management believes these non-GAAP financial measures provide investors with a meaningful measure of its performance period to period, align the measures to how management evaluates performance internally, and make it easier for investors to compare our performance to peers. These measures should be considered in addition to, and not as replacements for, the most directly comparable U.S. GAAP measure. The company defines Adjusted EBITDA as net (loss) income excluding income taxes, depreciation and amortization, net interest expense, stock-based compensation expense, Indemnification Agreement expense, restructuring expense, transaction related expenses, and other expense and certain other items that are otherwise of an unusual or non-recurring nature (including but not limited to impairment charges, litigation and insurance settlements, and gains and losses on disposal of assets). The company defines Adjusted EBITDA Margin as Adjusted EBITDA divided by Net revenue. The company defines Adjusted Standalone EBITDA (estimate) as Adjusted EBITDA less estimated recurring and ongoing costs required to operate as a new independent public company. The company defines Adjusted Standalone EBITDA Margin (estimate) as Adjusted Standalone EBITDA (estimate) divided by Net revenue. We believe these measures are useful to investors as they provide greater transparency with respect to supplemental information used by management in its financial and operational decision making, as well as understanding ongoing operating trends. A reconciliation of the forecasted range for Adjusted EBITDA for the full year 2026 are not included in this release due to the number of variables in the projected range and because we are currently unable to quantify accurately without unreasonable efforts 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. Please see Appendix for further information relating to these non-GAAP financial measures and reconciliations.

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Agenda

01 Q3’26 Financial Overview

02 ADI Overview and Investment Thesis

03 Appendix

Q3’26 Financial Overview

Q3’26 Summary and Outlook

- **Third quarter profitability was below expectations, despite top-line revenue being in line**
  - Accelerating decline in residential market drove lower volumes and a shift toward lower-margin products within Exclusive Brands
  - Unfavorable customer and product mix within third-party products business
  - Lower supplier rebates, higher freight costs, and inventory-related charges weighed on profitability
- **Reducing 2026 Revenue and Standalone Adjusted EBITDA guide**
  - At the midpoints, revenue growth of approximately 3% and a decline in standalone adjusted EBITDA of approximately 20% compared with the prior year
  - Exclusive Brands average daily sales expected to decline in mid-single digits in Q4’26 compared with the prior year following continued headwinds in October
  - Gross margin broadly consistent with the third quarter, excluding tariff refunds and the separation-related inventory benefit
- **Taking decisive action to improve performance**
  - Strengthening our product offering and expanding Exclusive Brands in commercial markets
  - Expanding dynamic pricing technology with a view to improving price realization and win additional business
  - Further enhancing the omnichannel experience, making it easier for customers to buy across ADI’s portfolio
  - Developing additional cost-reduction actions, in addition to the $80 million cost savings program previously announced, to align cost structure with current business conditions

Q3’26 Financial Summary

Key Financials

$ in Millions	Q3’26	Q3’25	YoY Change
Net Revenue	$1,306	$1,203	+8.6%
Gross Profit	$273	$272	+0.4%
Gross Margin	20.9%	22.6%	(170) bps
Income (Loss) from Operations	($634)	$41	(1,646%)
Net (Loss) Income	($655)	$26	(2,619%)
Adjusted Standalone EBITDA [(1)]	$66	$76	(13%)
Adjusted Standalone EBITDA Margin [(1)]	5.1%	6.3%	(120) bps

Highlights

- Higher revenue driven by commercial demand and easier prior year comparison from the ERP conversion
- Average daily sales increased 5%; two additional selling days vs prior year
- Third-party brands sales increased 7% and Exclusive Brands sales decreased 2%, on an average daily sales basis
- Gross margin decreased 170 bps, driven primarily by a prior year tariff benefit and unfavorable customer and product mix; gross margin decreased by 260 bps net of tariff refunds and one-time inventory benefit
- Cost-saving initiatives delivered approximately $11 million in savings, but were more than offset by inflation and higher facility costs

Note: Income from Operations and Net Income reflect $659 million non-cash goodwill impairment charge

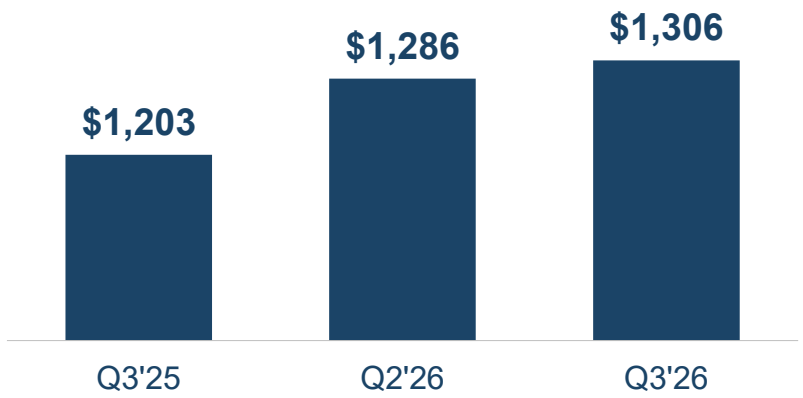
(1) Adjusted Standalone EBITDA is Adjusted EBITDA less estimated incremental corporate costs. Adjusted Standalone EBITDA Margin is Adjusted Standalone EBITDA divided by Net revenue. See Appendix for Non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.
Note: Category performance indicators represents average daily sales comparisons

Key Q3’26 Financial Trends

Net Revenue

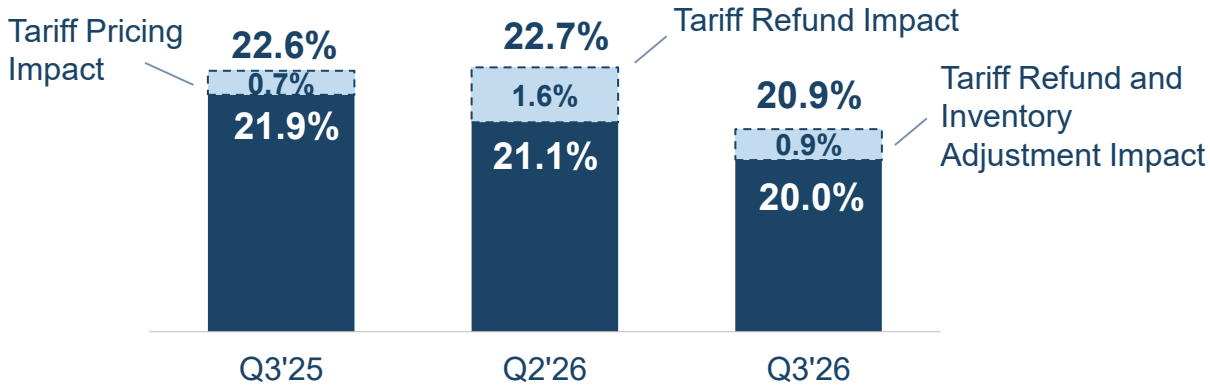
$ in Millions

+9% Y/Y



Gross Margin

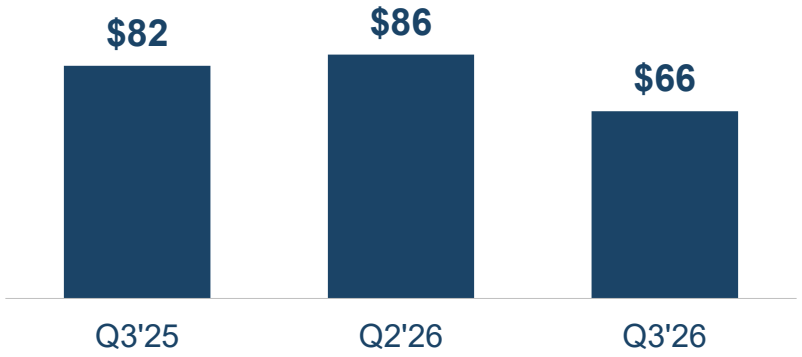
(170) bps Y/Y



Adjusted EBITDA

$ in Millions

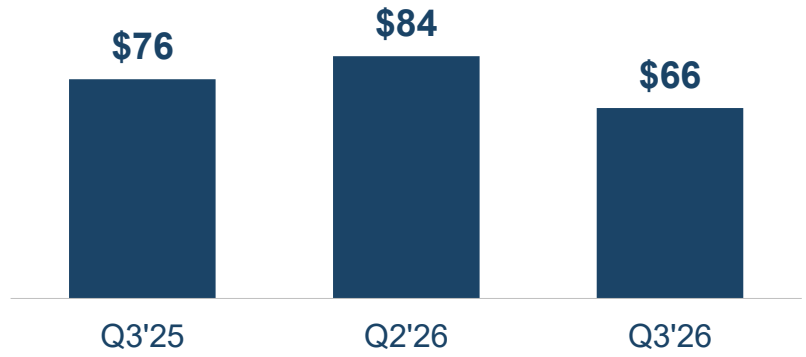
(20%) Y/Y



Adjusted Standalone EBITDA

$ in Millions

(13%) Y/Y

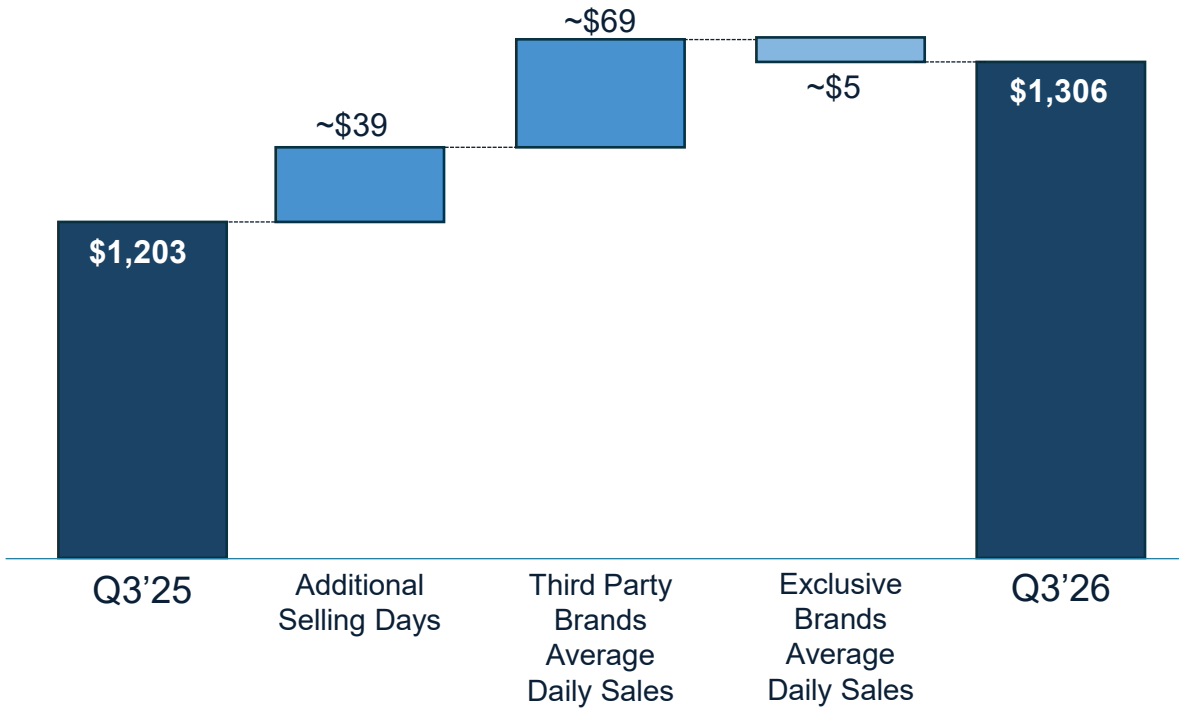


Adjusted EBITDA and Adjusted Standalone EBITDA are Non-GAAP measures. See Appendix for Non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

Q3’26 YoY Results

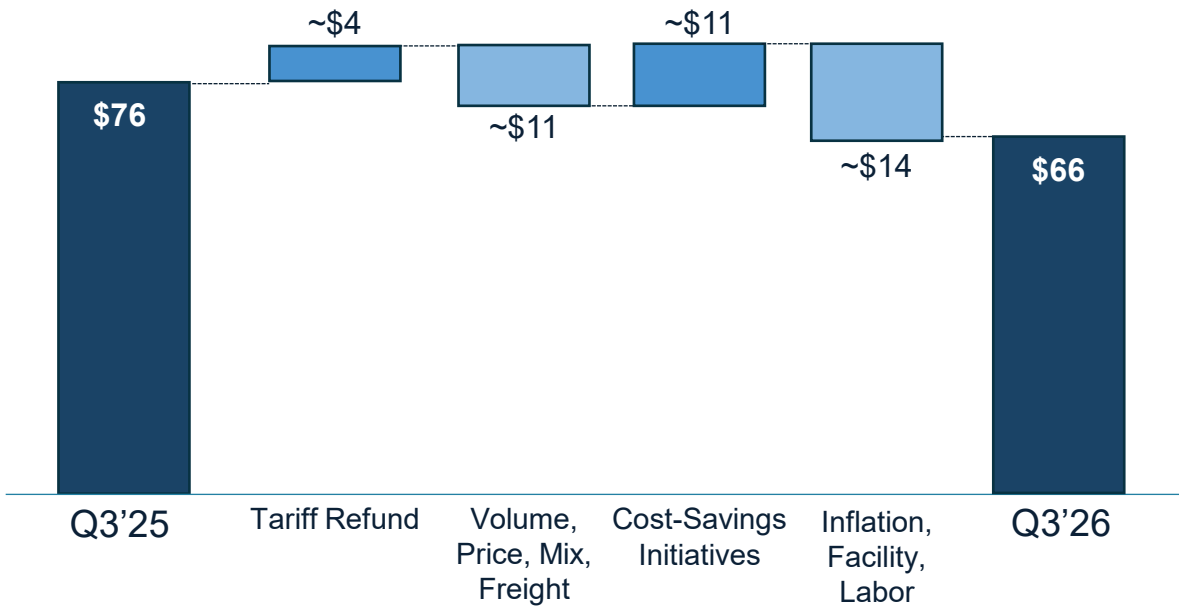
Revenue

$ in Millions



Standalone Adjusted EBITDA

$ in Millions



Standalone Adjusted EBITDA is a Non-GAAP measures. See Appendix for Non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

Revenue and Standalone Adjusted EBITDA year-over-year bridges include consolidated categorizations and are provided for illustrative purposes..

Simplifying the business to unlock margin expansion

One ADI
common operating model

Better Service
customer and supplier experience

Scalable Margins
lower cost to serve at higher volume

Workstream	Where We Started	Q3 Milestones	Where We're Going	Why It Matters
Common Operating Platform	Multiple legacy ERPs	Initiated implementation with selected WMS partner and eliminated one platform in Q3	**Unified ERP, WMS and supply chain**	**Supports EBITDA margin expansion**
Network Optimization	Legacy branch / DC footprint	Consolidated three stores and one distribution center in Q3	**Leaner, faster footprint**	**Improves execution and consistency**
One Data	Multiple sites and tools	Established enterprise data-certification standards and launched a common governance framework	**One digital experience**	
Unified Customer Experience	Multiple brands and structures	Defined the integrated legacy ADI and Snap customer journey, creating the roadmap for a seamless transition	**Lower SG&A, faster decisions**	**Frees capacity to invest in growth**

One ADI builds a structurally more efficient business and a better customer experience

Balance Sheet and Capital Management

Cash Flow Highlights

Nine Months Ended October 3, 2026

- Net cash used in operating activities of $12 million
- Capital expenditures of $37 million
- Adjusted Standalone EBITDA of $202 million

Capital Allocation Priorities

- Reduce net leverage toward approximately 2.0x target
- Invest in high-return organic growth opportunities
- Maintain a strong liquidity position
- Preserve flexibility for disciplined tuck-in M&A

Capital Structure

As of October 3, 2026

Gross Debt	$1.0 billion
Cash and Cash Equivalents	$208 million
Net Debt	$792 million
Net Leverage Ratio	~2.9x
Revolving Credit Facility Availability	$500 million
Total Liquidity	$708 million

Adjusted Standalone EBITDA, Net Debt, and Net Leverage Ratio are Non-GAAP measures. Net Debt is calculated as Gross Debt less Cash and Cash Equivalents. Net Leverage Ratio is calculated as Net Debt Divided by LTM Standalone Adjusted EBITDA.

Total Long-Term Debt as of October 3, 2026 was $980 million, net of $6 million current portion of long-term debt and $14 million of unamortized deferred financing costs.

See Appendix for Non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures.

2026 Revised Outlook and Key Modeling Assumptions

2026 Revised Outlook

$ in Millions	
Total Net Revenue	$4,910 - $4,930
Adjusted Standalone EBITDA	$230 - $240

2026 Prior Outlook

$ in Millions	
Total Net Revenue	$4,950 - $5,000
Adjusted Standalone EBITDA	$275 - $295

Key Outlook Revision Highlights

- Residential demand weakened more than anticipated, pressuring higher-margin Exclusive Brands volumes
- Unfavorable product and customer mix expected to continue weighing on gross margin
- Commercial demand remains resilient, supporting mid-single-digit Q4 average daily sales growth
- Cost actions and operating discipline to help offset inflationary pressure

Annual Proforma Standalone Modeling Assumptions

$ in Millions	
Stock-based Compensation	$20 - $25
Depreciation & Amortization	$115 - $120
Capital Expenditures	$50 - $55
Interest Expense (1)	$65 - $75

Note: (1) Represents annual proforma estimated incurred interest expense

ADI Overview and Investment Thesis



Our scale and industry leadership are long-term advantages

ADI is an industry leader …

Leading North America specialty distributor in three categories:

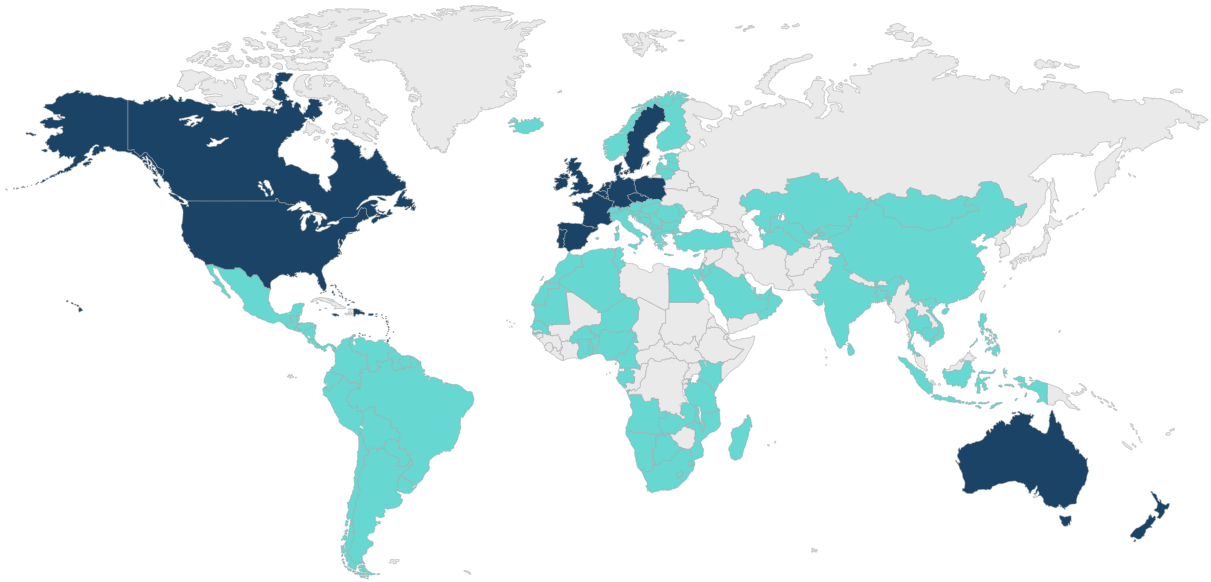
- **#1** Security
- **#1** Residential AV
- **#1** Fire/Life Safety

… with global reach …

4,100+ Global Workforce

160 Americas Store Locations

38 International Store Locations



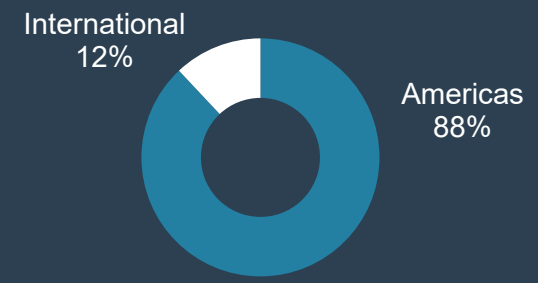
Note: all values based on FY 2025
Source: Company Management Analysis, SDM 100, CEPro 100

… and platform scale.

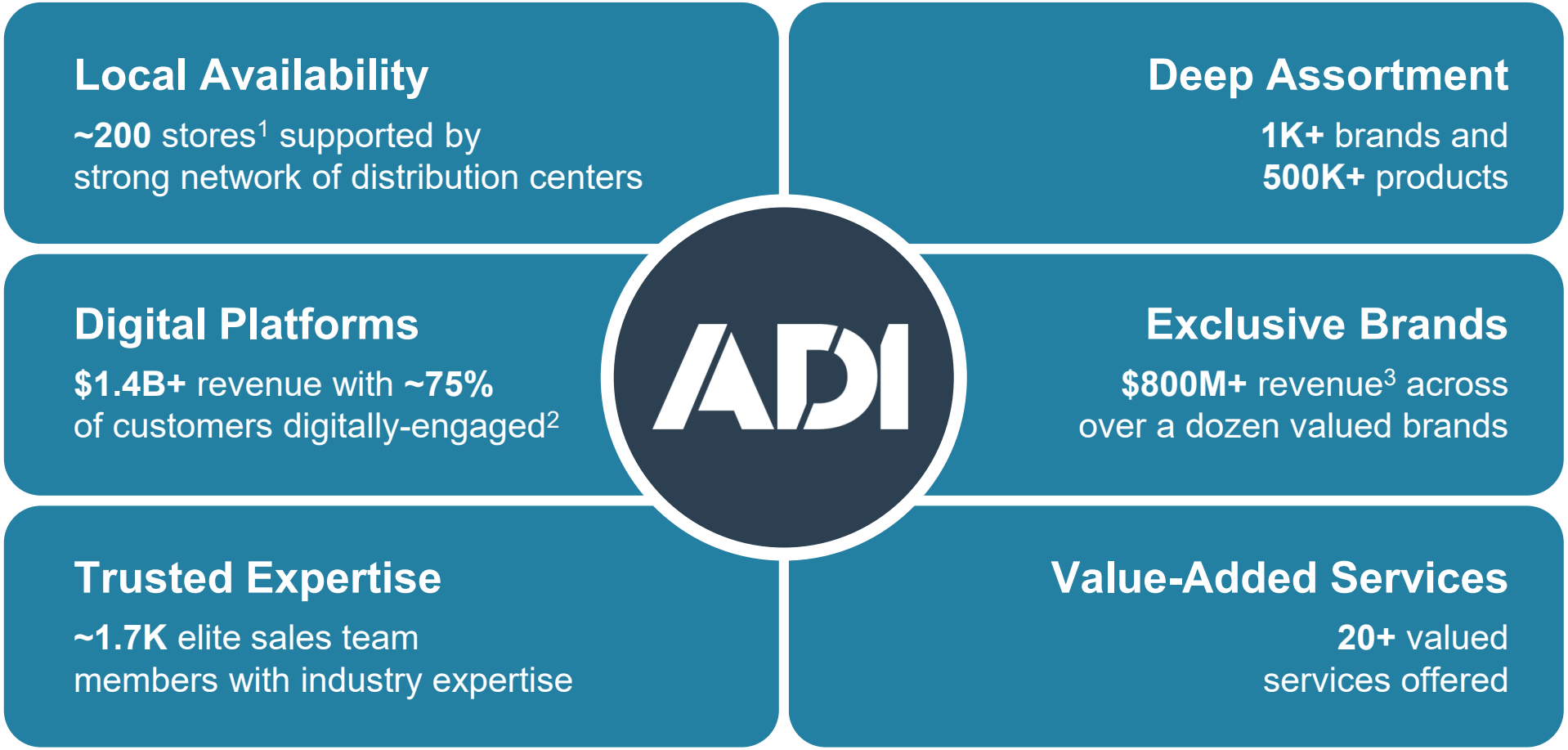
~100K Customers

$4.8B '25A Revenue

Revenue By Geography



Our capabilities are differentiated and difficult to replicate reinforcing our competitive advantage



1 ~200 stores represents store count as of FY 2025; this number is expected to be optimized with shared-market store combinations for a target count around 160 in current footprint
2 FY2025 revenue and business engagement values; digitally engaged customers are defined as customers who log in to digital platform at least once annually
3 FY2025 Exclusive Brands revenue

Leading Pros know they can rely on ADI



Appendix



Non-GAAP EBITDA Reconciliation

Reconciliation from GAAP Net (Loss) Income to Adjusted EBITDA and Adjusted Standalone EBITDA

	Three Months Ended		Nine Months Ended	
(in millions)	**October 3, 2026**	**September 27, 2025**	**October 3, 2026**	**September 27, 2025**
Net (loss) income	**($655)**	**$26**	**($650)**	**($272)**
Income taxes	2	(1)	3	9
Impairment of goodwill	659	-	659	-
Depreciation and amortization	30	29	89	86
Interest expense	19	17	52	29
Interest income	(1)	(2)	(4)	(6)
Indemnification Agreement expense [(1)]	-	-	-	364
Stock-based compensation expense [(2)]	7	6	19	18
Restructuring expenses [(3)]	-	1	7	6
Transaction related expenses [(4)]	12	5	38	9
Spin-Off inventory basis adjustment [(5)]	(8)	-	(8)	-
Other adjustments [(6)]	1	1	3	(1)
Adjusted EBITDA	**$66**	**$82**	**$208**	**$242**
Estimated incremental recurring expenses [(7)]	-	(6)	(6)	(18)
Adjusted Standalone EBITDA (Estimate)	**$66**	**$76**	**$202**	**$224**
Net Revenue	1,306	1,203	3,798	3,601
Adjusted EBITDA Margin	5.1%	6.8%	5.5%	6.7%
Adjusted Standalone EBITDA Margin	5.1%	6.3%	5.3%	6.2%

Note: (1) Represents the allocated portion of the expense related to the Honeywell Indemnification Agreement. (2) Represents non-cash compensation expenses recognized for stock-based compensation arrangements. (3) Consists of non-recurring charges associated with restructuring initiatives. (4) For the three and nine months ended October 3, 2026, represents $12 million and $38 million of transaction costs related to the Spin-Off. For the three months ended September 27, 2025, represents $3 million of Snap One integration costs and $2 million of transaction costs related to the Spin-Off. For the nine months ended September 27, 2025, represents $7 million of Snap One integration costs and $2 million of transaction costs related to the Spin-Off.(5) Represents the benefit to cost of goods sold associated with inventory held at the Spin-Off that was previously purchased from Resideo and reflected historical intercompany profit eliminations. The Company excludes this benefit from Adjusted EBITDA as the related inventory is sold.(6) Represents amounts included in Other expense (income), net reported on the Unaudited Consolidated and Combined Condensed Statement of Operations. (7) Represents estimated costs above allocated corporate expenses expected to be incurred within certain corporate functions, including finance, IT, legal and human resources. No adjustment was included for the three months ended October 3, 2026, as standalone costs for the period following the Separation were reflected in actual expenses.