

**Reconciliation of Cash Provided by Operating Activities to Free Cash Flow and Calculation of Operating Cash Flow and Free Cash Flow Margins**

(\$M)	<u>2025</u>
<b>Cash provided by operating activities</b>	<b>6,075</b>
Capital expenditures	(986)
Spin-off and separation-related cost payments	116
Resideo indemnification and reimbursement agreement termination payment	(1,590)
Settlement of divestiture of asbestos liabilities	1,428
Settlement of Flexjet-related litigation matters	59
<b>Free cash flow</b>	<b><u>5,102</u></b>
<b>Cash provided by operating activities</b>	<b>6,075</b>
+ Net sales	37,442
<b>Operating cash flow margin %</b>	<b><u>16%</u></b>
<b>Free cash flow</b>	<b>5,102</b>
+ Adjusted net sales	37,754
<b>Free cash flow margin %</b>	<b><u>14%</u></b>

We define free cash flow as cash provided by operating activities from continuing operations less cash for capital expenditures and excluding spin-off and separation-related cost payments, the Resideo indemnification and reimbursement agreement termination payment, cash payment for settlement of divestiture of asbestos liabilities, and the cash payment for settlement of Flexjet-related litigation matters. We define free cash flow margin as free cash flow divided by adjusted net sales.

We believe that free cash flow and free cash flow margin are non-GAAP measures that are useful to investors and management as a measure of cash generated by operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock, or repay debt obligations prior to their maturities. These measures can also be used to evaluate our ability to generate cash flow from operations and the impact that this cash flow has on our liquidity.