

Hello,

I hope your summer is off to a good start! We had a busy second quarter at Honeywell, with several investor engagements, a handful of exciting acquisition-related announcements, and an update to our non-GAAP reporting metrics, all of which we recap in this note. As always, we welcome your feedback. Thank you for your interest in Honeywell.

All the best,  
Sean

**Sean C. Meakim, CFA**  
Vice President, Investor Relations  
**Honeywell International**

## Recent Investor Engagement

Our Aerospace Technologies team presented at multiple conferences in the second quarter. **AT CEO Jim Currier** attended the Bank of America 31<sup>st</sup> Annual Transportation, Airlines, and Industrials Conference ([webcast link here](#)), highlighting the long-term tailwinds our business is seeing and our strategic focus on the Future of Aviation, including electrification and the path to autonomy. Also, **Advanced Aerial Mobility leader Dave Shilliday** presented at the 2<sup>nd</sup> Annual Jefferies eVTOL / AAM Summit ([webcast link here](#)), highlighting how Honeywell is enabling the emergence of these exciting new markets with our advanced air mobility products.

**CEO Vimal Kapur** also hit the road to speak to investors in the second quarter, attending the JP Morgan Canada 1x1 Forum in Toronto and the Bernstein Strategic Decisions Conference in New York City. While at the conferences, Vimal emphasized the substantial progress we've made in his first year leading the company on the key priorities of 1) simplifying Honeywell, 2) accelerating organic growth, 3) evolving our Accelerator operating system, and 4) optimizing our portfolio.

Additionally, last week Vimal joined Mary Daley, president and CEO of the San Francisco Federal Reserve, in a panel discussion at the [Aspen Ideas festival](#). The conversation focused on the transformational impact AI can have on the workforce, with Vimal offering perspectives on the use of AI as a tool to upskill and reskill the workforce to address the growing global skills gap for industrials.

Finally, we hosted investors alongside customers at our latest edition of **Honeywell Connect** in May, an annual event led by our Connected Enterprise team to unveil our latest software innovations. This year, the event showcased how we are expanding our Honeywell Forge IoT platform to leverage AI capabilities across our 100M+ of connected assets, among other innovations.

## Recent M&A Activity Reflects Accelerating Capital Deployment

In early June, we completed our acquisition of Carrier's **Access Solutions** business for \$4.95B. The deal positions Honeywell as a leading provider of security solutions for the digital age and strengthens our alignment around the three compelling megatrends of automation, the future of aviation, and energy

transition. We **updated our 2024 outlook** to incorporate the business ([press release here](#)), as well as the non-GAAP reporting change that we discuss in more detail below.

Later in June, we also announced plans to [acquire CAES systems](#) for approximately \$1.9B (representing ~14x 2024 EBITDA on a tax-adjusted basis). This acquisition will enhance Honeywell's defense technology solutions across land, sea, air, and space. CAES's scalable offerings (particularly in electromagnetic defense) alongside our current defense and space portfolio will expand our established position on critical platforms that are expected to grow significantly in the years to come, creating a tailwind for revenue in Aerospace Technologies. This is our second acquisition this year in AT, following our announced intention to [acquire Civitanavi Systems](#) (an Italian navigation technology specialist) in March.

## Update to Non-GAAP Reporting Metrics

Alongside our closing of the Access Solutions acquisition, we announced that beginning in the second quarter we will exclude the impact of amortization expense for acquisition-related intangible assets and other acquisition-related costs (including the related tax effects) from segment profit and adjusted earnings per share. We believe this change provides investors with a more meaningful measure of our performance from period to period, aligns to how management evaluates performance internally, and makes it easier for investors to compare our performance to peers. We plan to provide historical non-GAAP financials under this new basis to facilitate comparability ahead of our second quarter results on July 25. Below you can find a table with our updated full-year guidance.

	Previous Guidance	Impact of Acquisition	Guidance After the Acquisition	Impact of Non-GAAP Reporting Change	Updated Guidance
Sales	\$38.1B - \$38.9B	~\$0.4B	\$38.5B - \$39.3B	—	\$38.5B - \$39.3B
Organic <sup>1</sup> Growth	4% - 6%	—	4% - 6%	—	4% - 6%
Segment Margin <sup>2</sup>	23.0% - 23.3%	(0.2)%	22.8% - 23.1%	1.0%	23.8% - 24.1%
Expansion <sup>2</sup>	Up 30 - 60 bps	(20 bps)	Up 10 - 40 bps	20 bps	Up 30 - 60 bps
Adjusted Earnings Per Share <sup>2,3</sup>	\$9.80 - \$10.10	(\$0.15)	\$9.65 - \$9.95	\$0.50	\$10.15 - \$10.45
Adjusted Earnings Growth <sup>2,3</sup>	7% - 10%	(1%)	6% - 9%	1%	7% - 10%
Operating Cash Flow	\$6.7B - \$7.1B	—	\$6.7B - \$7.1B	—	\$6.7B - \$7.1B
Free Cash Flow <sup>1</sup>	\$5.6B - \$6.0B	—	\$5.6B - \$6.0B	—	\$5.6B - \$6.0B

## About Honeywell

*Honeywell is an integrated operating company serving a broad range of industries and geographies around the world. Our business is aligned with three powerful megatrends - automation, the future of aviation, and energy transition - underpinned by our Honeywell Accelerator operating system and Honeywell Forge IoT platform. As a trusted partner, we help organizations solve the world's toughest, most complex challenges, providing actionable solutions and innovations that help make the world smarter, safer, and more sustainable. For more news and information on Honeywell, please visit [www.honeywell.com/newsroom](http://www.honeywell.com/newsroom).*

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## **Forward Looking Statements**

*We describe many of the trends and other factors that drive our business and future results in this publication. Such discussions contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements are those that address activities, events, or developments that management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ significantly from those envisaged by our forward-looking statements. We do not undertake to update or revise any of our forward-looking statements, except as required by applicable securities law. Our forward-looking statements are also subject to material risks and uncertainties that can affect our performance in both the near- and long-term. In addition, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this publication can or will be achieved. These forward-looking statements should be considered in light of the information included in this publication, our Form 10-K and other filings with the Securities and Exchange Commission. Any forward-looking plans described herein are not final and may be modified or abandoned at any time.*