

2023 INVESTOR CONFERENCE

MAY 11, 2023

Honeywell

THE
FUTURE
IS
WHAT
WE
MAKE IT

FORWARD LOOKING STATEMENTS

We describe many of the trends and other factors that drive our business and future results in this presentation. 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 presentation can or will be achieved. These forward-looking statements should be considered in light of the information included in this presentation, 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.

NON-GAAP FINANCIAL MEASURES

This release contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this release are as follows: Segment profit, on an overall Honeywell basis, a measure by which we assess operating performance, which we define as operating income adjusted for certain items as presented in the Appendix; Segment profit of Honeywell Building Technologies excluding spin-off impacts; Segment margin, on an overall Honeywell basis; Segment margin of Honeywell Building Technologies excluding spin-off impacts; Organic sales growth; Free cash flow; Adjusted free cash flow; Free cash flow excluding the impact of settlements; Adjusted free cash flow margin; Return on invested capital; Adjusted free cash flow; Adjusted net income attributable to Honeywell; Adjusted net income before interest; Adjusted earnings per share; Adjusted earnings per share excluding pension headwind; Adjusted income before taxes; EBITDA; and Incremental margin, if and as noted in the release.

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. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Certain measures presented on a non-GAAP basis represent the impact of adjusting items net of tax. The tax-effect for adjusting items is determined individually and on a case-by-case basis. Refer to the Appendix attached to this release for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

2023 INVESTOR CONFERENCE AGENDA

	PRESENTATION	SPEAKER
12:00	Lunch / Registration	
1:00	Introduction	Sean Meakim
1:05	Honeywell Transformation Overview	Darius Adamczyk
1:20	Incoming CEO Priorities	Vimal Kapur
1:50	M&A Process	Anne Madden
2:00	Environmental, Social, Governance	Anne Madden
2:10	Sustainability Panel <i>Moderator: Sean Meakim</i>	Suresh Venkatarayalu, Mike Madsen, Lucian Boldea, Billal Hammoud, George Koutsaftes
2:40	Digitalization / Transformation Panel <i>Moderator: Sean Meakim</i>	Greg Lewis, Torsten Pilz, Sheila Jordan, Kevin Dehoff, John Waldron
3:10	Financial Overview	Greg Lewis
3:25	Q&A	Darius Adamczyk, Vimal Kapur, Greg Lewis, Anne Madden
4:00	Closing Remarks	Vimal Kapur
4:05	Cocktail Reception	<i>Including HCE Demos / Customer Testimonials</i>

TODAY'S PRESENTERS

HONEYWELL TRANSFORMATION OVERVIEW



Darius Adamczyk
Chairman and
Chief Executive Officer

INCOMING CEO PRIORITIES



Vimal Kapur
President and
Chief Operating Officer

M&A; ENVIRONMENTAL, SOCIAL, GOVERNANCE



Anne Madden
Senior Vice President
and General Counsel

FINANCIAL OVERVIEW



Greg Lewis
Senior Vice President
and Chief Financial Officer

TODAY'S PANELISTS

SUSTAINABILITY PANEL



Suresh Venkatarayalu
Senior Vice President and
Chief Technology and
Innovation Officer



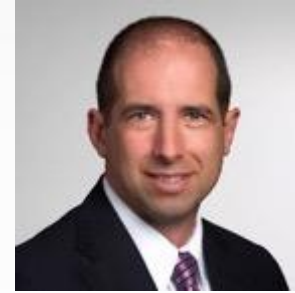
Mike Madsen
President and CEO
Aerospace



Lucian Boldea
President and CEO
Performance Materials
and Technologies



Billal Hammoud
President and CEO
Honeywell Building
Technologies



George Koutsaftes
President and CEO
Safety and Productivity
Solutions

DIGITALIZATION / TRANSFORMATION PANEL



Greg Lewis
Senior Vice President and
Chief Financial Officer



Torsten Pilz
Senior Vice President and
Chief Supply Chain Officer



Sheila Jordan
Senior Vice President and
Chief Technology Officer



Kevin Dehoff
President and CEO
Connected Enterprise



John Waldron
Senior Vice President and
Chief Commercial Officer

An aerial photograph showing a winding asphalt road on the left side, bordered by a dense green forest on the right. The road curves through the landscape, and a few vehicles are visible on it. The background is a vast expanse of green trees, with some palm trees interspersed. The overall scene is bright and clear, suggesting a sunny day.

HONEYWELL **TRANSFORMATION** **OVERVIEW**

DARIUS ADAMCZYK

Chairman and
Chief Executive Officer

The Honeywell logo is positioned in the bottom left corner. It features the word "Honeywell" in a white, sans-serif font, set against a dark blue background. The background is decorated with a pattern of light gray triangles of various sizes, creating a geometric, crystalline effect.

Honeywell

KEY MESSAGES



Transformed Honeywell through key ISC transformation and Honeywell Digital initiatives



Consistently outperformed market and peer group, growing share price by ~100% from 2016 to 2022



Created Honeywell Connected Enterprise¹ which exhibited 15% sales CAGR since 2019



As Executive Chairman, focus will be on portfolio shaping, customer relationships, and strategy



Shaped Honeywell portfolio through 16 acquisitions and five spin-offs and divestitures



Honeywell entering next phase in its transformation under new CEO Vimal Kapur

¹Honeywell Connected Enterprise provides software product and service offerings across our reportable business segments.

Honeywell's Best Days are Ahead Under Vimal's Leadership

HONEYWELL VALUE CREATION FRAMEWORK

1

DEEP EXPERTS OF OUR DOMAINS

Expansive installed base and scale driving connected software, recurring, and services revenue streams

2

INNOVATORS OF SCALABLE TECHNOLOGIES

Leveraging installed base; building breakthrough technologies and gaining share in core markets

3

LEADERS IN HIGH GROWTH REGIONS

Long-term track record of growth; local-for-local presence

4

RIGOROUS OPERATORS

Continuous improvement in operating efficiency; decisive action in all environments

5

DISCIPLINED FINANCIAL STEWARDS

Consistent performance on organic sales growth, margin expansion, cash generation

6

EFFECTIVE CAPITAL MANAGERS

Disciplined capital deployment; active portfolio management

7

RESPONSIBLE CORPORATE CITIZENS

Committed to upholding our environmental, social, and governance principles

UNDERPINNED BY OUR OPERATING SYSTEM - HONEYWELL ACCELERATOR

Framework Reinforced By Long-Standing Expertise in Controls and Automation

THREE STAGES OF TRANSFORMATION

EVOLUTION

BREAK AND FIX (2002 - 2016)¹

- Integrated legacy companies (AlliedSignal, Honeywell, and Pittway)
- Increased global presence
- Drove productivity

SIMPLIFY AND DIGITIZE (2017 - 2022)¹

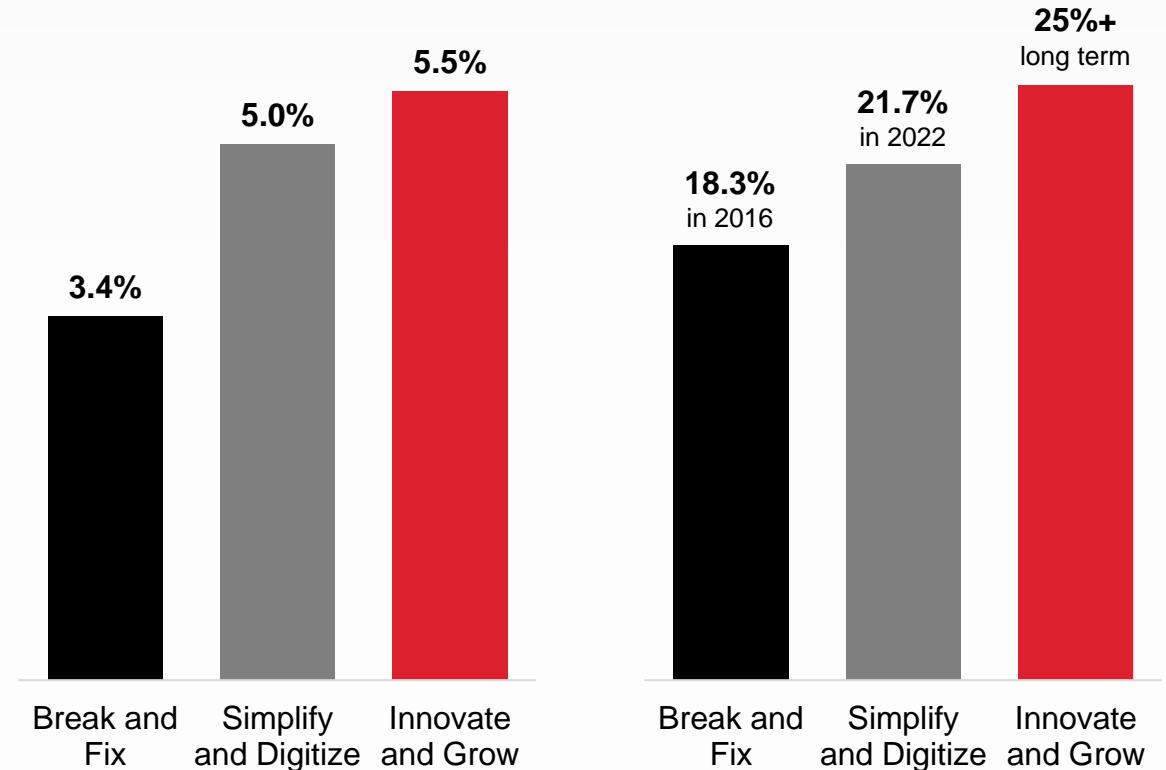
- Streamlined end markets
- Executed supply chain and digital transformations
- Launched standalone software business
- Launched Accelerator

INNOVATE AND GROW (2023+)

- Enhance sustainable solutions offerings
- Advance Honeywell Accelerator across the organization (end to end)
- Deploy robust balance sheet
- Increase focus on innovation and capital deployment

AVG. ORGANIC SALES GROWTH

SEGMENT MARGIN

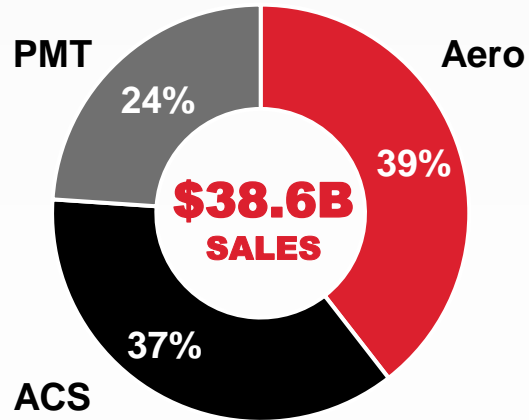


¹"Break and Fix" period average organic sales growth excludes 2009, "Simplify and Digitize" period average organic sales growth excludes 2020.

Demonstrated Track Record of Accelerating Financial Performance

PORTFOLIO EVOLUTION

2015 HONEYWELL



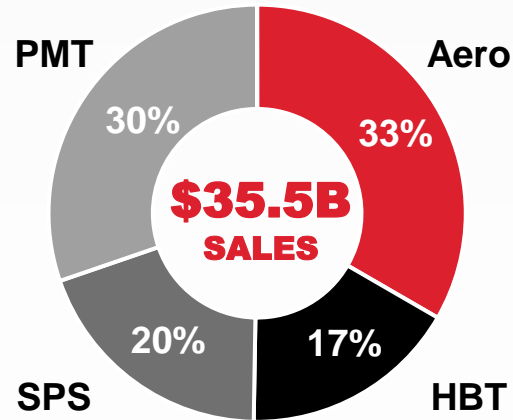
1%

Average organic sales growth from 2014 - 2016

17.9%

Average segment margin from 2014 - 2016

2022 HONEYWELL



5%

Average organic sales growth from 2017 - 2022¹

20.5%

Average segment margin from 2017 - 2022¹

ADDITIONS

Intelligrated

15% sales CAGR 2017 - 2022

Sparta

46% organic sales growth in 2022

+14 Other Transactions

SUBTRACTIONS

AdvanSix

Resideo

Garrett

Retail

HTS

¹Excluding 2020. HTS: Honeywell Technology Solutions.

Improved Portfolio Quality and Increased Margin Profile

EVOLUTION OF HON OPERATING APPROACH

MANAGEMENT OPERATING APPROACH



WHAT CHANGED SINCE 2016:

SIMPLIFICATION

- IT infrastructure
- Data governance
- Supply chain

DIGITALIZATION

- Data and process strategy
- KPI-driven scorecards
- Analytics to improve decision making

COMMERCIAL EXCELLENCE

- Sales / product management / pricing operating system
- Centralized customer service
- Clear software operating system / SaaS KPIs

INNOVATION

- Customer driven innovation
- Breakthrough innovation tracking
- “Mass Market” innovation

ALL ENCOMPASSED IN ACCELERATOR

Platform Creation Sets the Stage for Next Generation Value Creation

TRANSFORMATION INITIATIVES

SUPPLY CHAIN

ACCOMPLISHMENTS:

- Simplified footprint, digitized operations
- Drove lasting cost, quality, and delivery improvements
- Created regional manufacturing hubs to improve cycle times while reducing site count by 38% since 2017

GROSS PROFIT PER SQUARE FOOT

>20%

Improvement since 2017

HONEYWELL DIGITAL

ACCOMPLISHMENTS:

- Reduced ERP systems from 148 to 14
- Drove consistent processes; built robust IT architecture and standardize data (deployed 19 digital programs)
- Enabled digital thread for better decision making

CUMULATIVE GROSS MARGIN, PRODUCTIVITY, AND WORKING CAPITAL BENEFITS

\$2B

Since 2018

CONNECTED ENTERPRISE

ACCOMPLISHMENTS:

- Developed Honeywell Forge to leverage data from products to drive software solutions
- Generated 25% recurring sales growth since 2019; recurring and SaaS represents >50% of total HCE¹
- SaaS revenue CAGR of over 75% since 2019

HCE SALES

15%

CAGR since 2019

¹Honeywell Connected Enterprise provides software product and service offerings across our reportable business segments.

Substantial Transformation in the Last Six Years

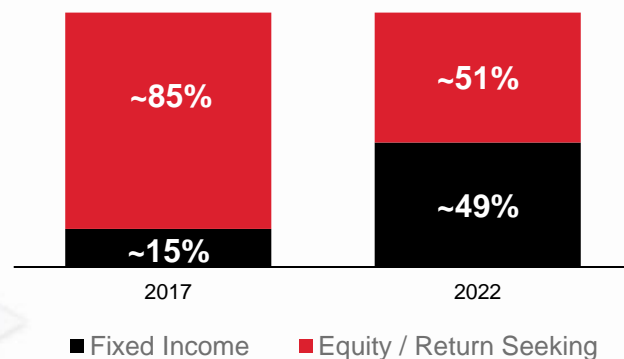
STRENGTHENED BALANCE SHEET

DE-RISKED PENSION PLAN

RESOLUTION:

- Increased funded status to over 125% and immunized future risk; highly unlikely future funding will be required

U.S. Pension Plan Asset Allocation

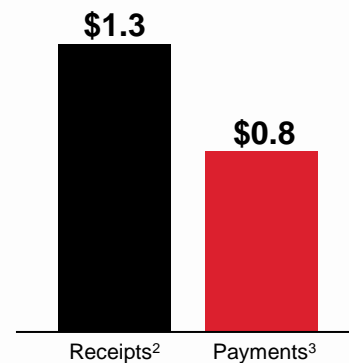


LIABILITY AGREEMENTS

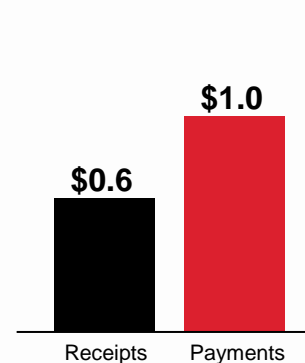
RESOLUTION:

- Significantly and permanently reduced net cash outflow due to certain legacy liabilities

Bendix Asbestos Cash Flows (\$B)



Environmental Cash Flows (\$B)¹



Total Payments and Receipts since spin-offs in 2018

NARCO TERMINATION

RESOLUTION:

- Permanently removed a long-term liability from the balance sheet

Impact of Buyout Agreement

34%

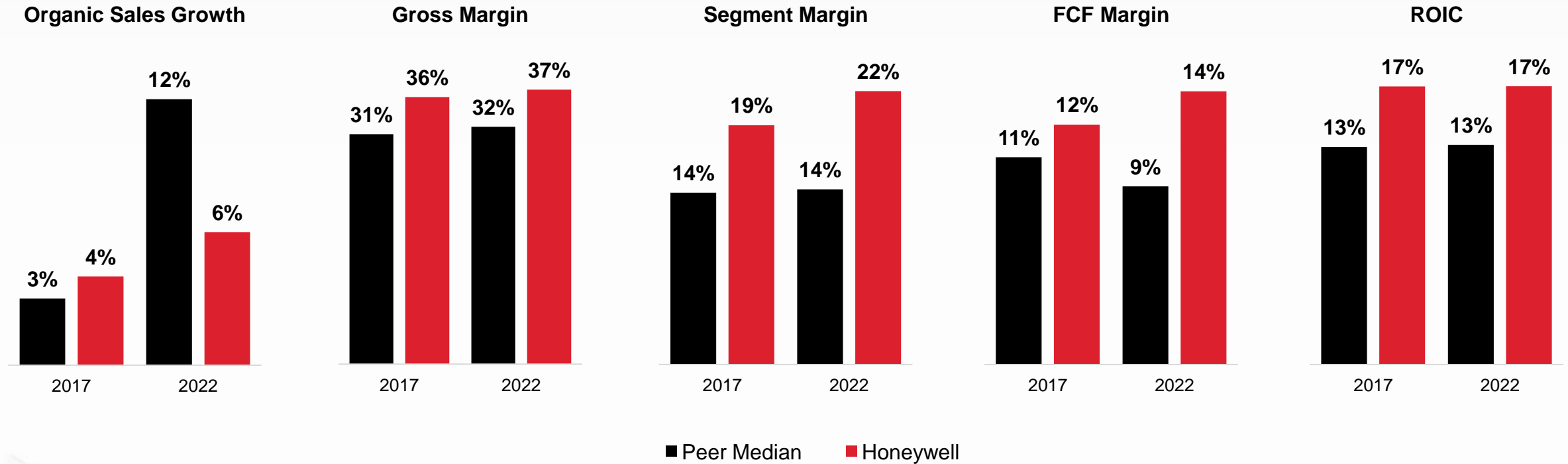
Reduction in asbestos liability YoY in 2022 as a result of the settlement

¹Related to receipts of cash from the 2018 Resideo indemnification and reimbursement agreement. ²Related to the 2018 Garrett indemnification and reimbursement agreement, Garrett's early redemption of the Series B Preferred Shares under Garrett Confirmed Plan for their 2021 bankruptcy reorganization, and Bendix asbestos insurance receipts. ³Payments relate to Bendix asbestos liability payments.

Strong and De-risked Balance Sheet

IMPACT OF OUR VALUE CREATION FRAMEWORK

FINANCIAL PERFORMANCE - 2017 VS. 2022



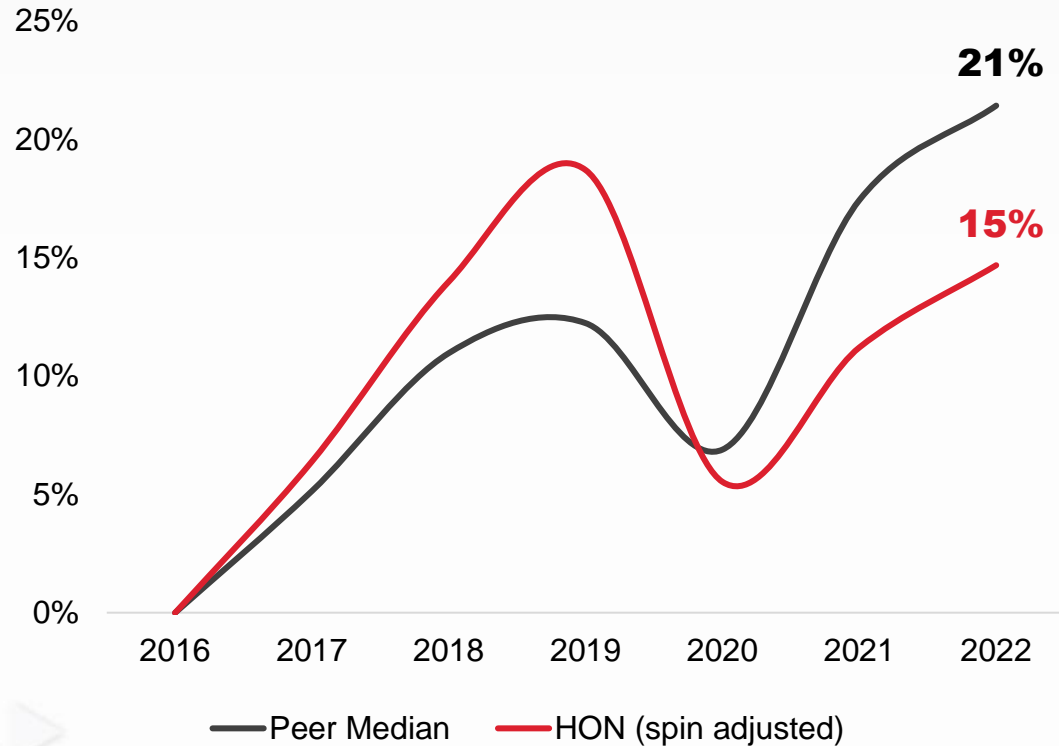
Honeywell gross margin excludes company-funded R&D, in line with the reporting change made in 1Q23.

Source: S&P Capital IQ. Peer group includes ABBN, BA, CAT, DE, EMR, ETN, FTV, GD, GE, ITW, JCI, LMT, MMM, NOC, PH, ROK, RTX, SIE, SU, and TT.

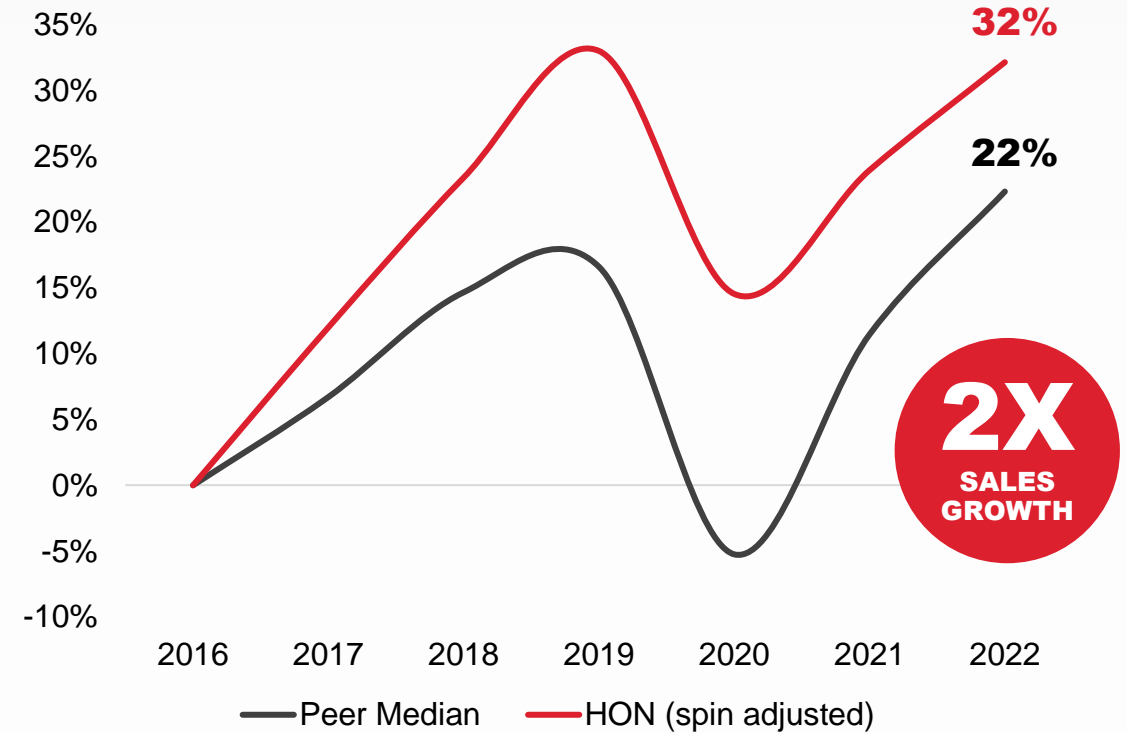
Industry Leading Financial Performance

CUMULATIVE GROWTH SINCE 2016

CUMULATIVE SALES GROWTH



CUMULATIVE SEGMENT PROFIT GROWTH

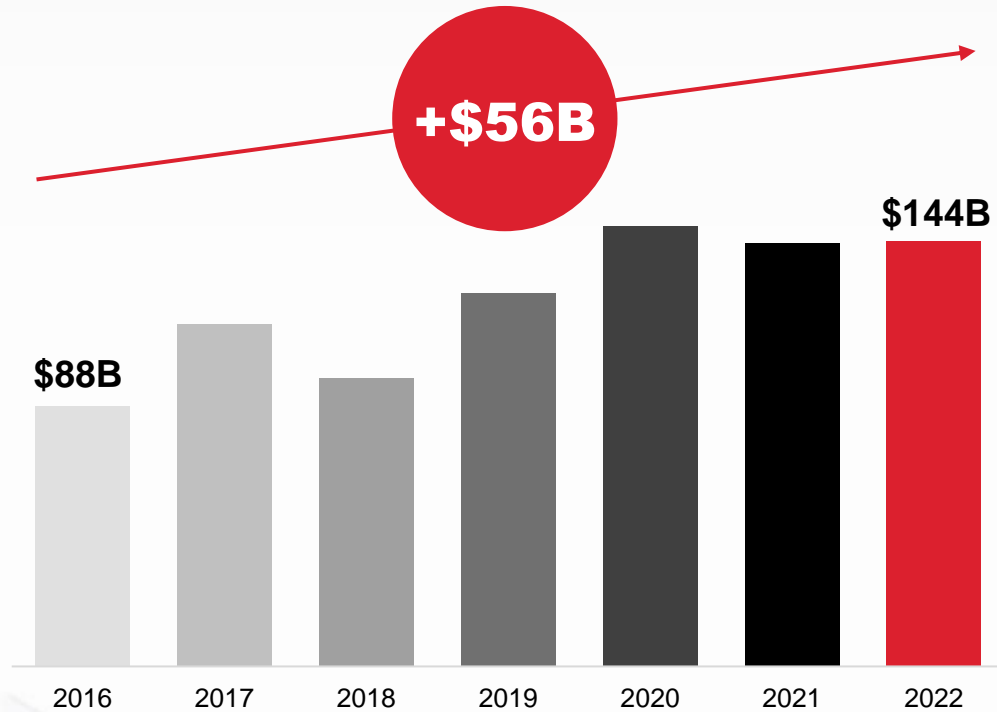


Peer group consists of ABBN, BA, CAT, DE, EMR, ETN, FTV, GD, GE, ITW, JCI, LMT, MMM, NOC, PH, ROK, RTX, SIE, SU, and TT.

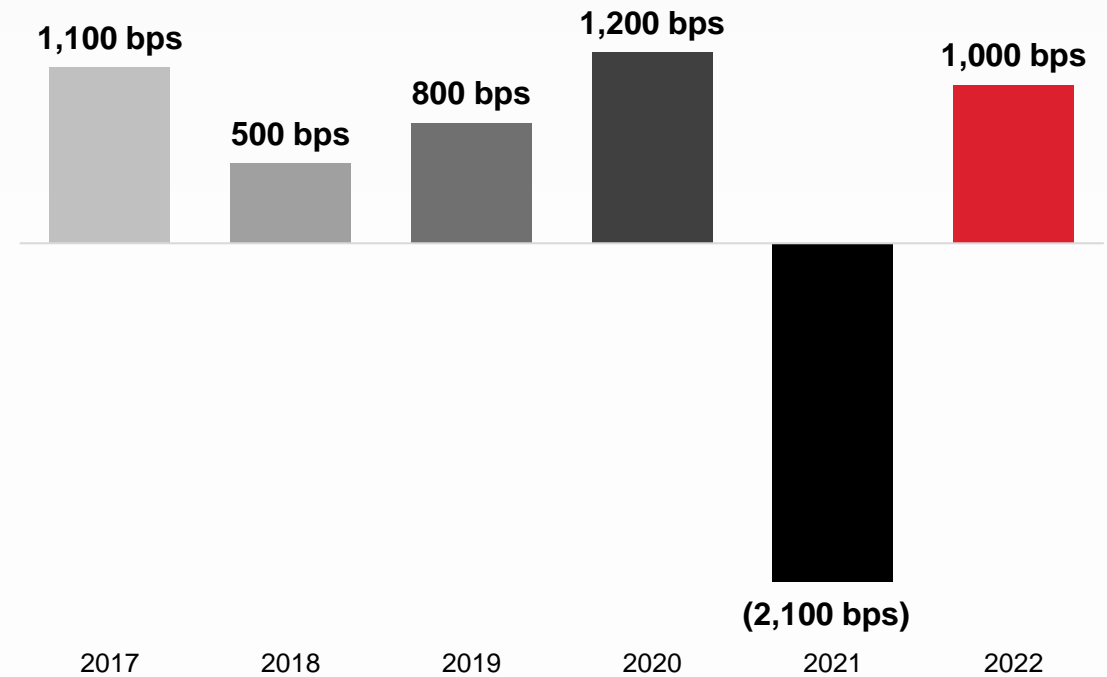
Superior Execution Delivering Profitable Growth; Outpacing Peers

GENERATING VALUE FOR OUR SHAREHOLDERS

MARKET CAP PROGRESSION



HONEYWELL PERFORMANCE VS. THE XLI (TSR)



Source: S&P Capital IQ; Represents Honeywell market capitalization as of December 31 each year.

118% TSR Over Period; Consistently Beat Indices

LONG-TERM COMMITMENT SCORECARD

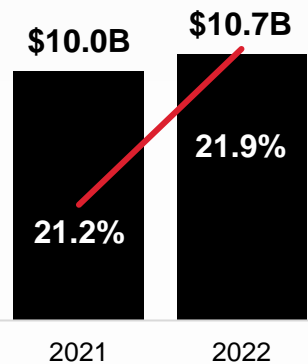
KEY METRICS	2014 - 2016 AVERAGE	2017 - 2021 AVERAGE ¹	PRIOR LONG-TERM TARGETS	2022 RESULTS	CURRENT LONG-TERM TARGETS ²	COMMENTARY
ORGANIC SALES GROWTH	1%	5%	3% - 5%	6%	4% - 7%	<p>Strong multi-year performance across the board</p> <ul style="list-style-type: none"> Improved organic sales growth program since 2016 Top tier, consistent margin expansion Strong cash generation Accelerated capital deployment with commitment to do more
SEGMENT MARGIN EXPANSION	~70 bps	~80 bps	30 - 50 bps	70 bps	40 - 60 bps	
ADJUSTED FCF MARGIN	11%	15%	No prior target	14%	Mid-Teens	
CAPITAL DEPLOYMENT	\$7.0B	\$7.5B	No prior target	\$7.9B	\$25B+ 2022 - 2024	

¹Excluding 2020. ²Long-term targets as published at March 2022 Investor Day.

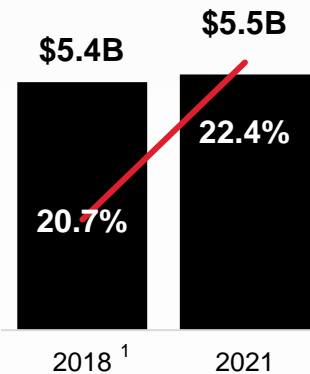
Consistently Exceeded Commitments, Raised the Bar; Confident in the Future

VIMAL'S TENURE AT HONEYWELL

Performance Materials and Technologies



Honeywell Building Technologies



■ Sales — Segment Margin

HONEYWELL VETERAN WITH STRONG TRACK RECORD OF PERFORMANCE

- **34 years of deep knowledge** about Honeywell businesses, end markets, and customer needs
- Served as President and CEO of PMT, President and CEO of HBT, and President of Honeywell Process Solutions; **drove significant top- and bottom-line growth**
- Demonstrated ability to **evolve business strategies** and **address dynamic macro backdrop**
- Enabled our businesses to **develop new solutions to help customers drive their sustainability transformations** and **accelerate their digital capability**

¹Spin adjusted.

Right Person to Lead Next Stage of Our Transformation

An aerial photograph of a lush green mangrove forest. A winding river or canal cuts through the dense vegetation. A small boat is visible in the upper left portion of the water. The overall scene is vibrant and natural.

INCOMING CEO **PRIORITIES**





VIMAL KAPUR

President and
Chief Operating Officer

A decorative graphic consisting of a grid of overlapping triangles in various shades of gray, forming a larger triangular shape.

Honeywell

HON STRENGTHS ALIGNED TO MEGATRENDS

	MARKET GROWTH	EMERGING TRENDS	LEADING HONEYWELL POSITION
ENERGY TRANSITION	 DD	<ul style="list-style-type: none"> • Shift in energy pools • Emissions reductions 	<ul style="list-style-type: none"> • Sustainable Technology Solutions • Sustainable Building Technologies • Advanced Materials
AUTOMATION	 MSD	<ul style="list-style-type: none"> • Labor and skill shortages • Capacity buildout • IoT 	<ul style="list-style-type: none"> • Manufacturing / Warehouse / Building / Flight • Sensing Technologies
DIGITALIZATION	 DD	<ul style="list-style-type: none"> • Digital transformation 	<ul style="list-style-type: none"> • Honeywell Connected Enterprise • Honeywell Forge • Honeywell Digital
AEROSPACE / eVTOL	 HSD / DD	<ul style="list-style-type: none"> • Urban transport / electrification • Multi-year commercial recovery 	<ul style="list-style-type: none"> • Diversified Aero portfolio • Leader in UAS / UAM solutions

IoT: Internet of Things. eVTOL: electric vertical takeoff and landing. UAS: unmanned aerial systems. UAM: urban air mobility.

End Market Setup Positioned for Long Growth Runway

INCOMING CEO PRIORITIES

CONSISTENT, WINNING STRATEGY...

- Commitment to deliver our upgraded financial algorithm; say = do
- Commitment to evolve Honeywell transformation to outperform in all cycles
- Commitment to maintain and enhance our long-standing leadership in ESG

...WITH AREAS OF GREATER EMPHASIS

- Enhance robust innovation engine to accelerate organic sales growth
- Evolve Accelerator operating system to drive value through business model optimization
- Leverage transformed Honeywell to optimize portfolio and strategically deploy capital

A Strong Foundation in Place, Poised for Accelerated Growth

ACCELERATING ORGANIC SALES GROWTH

Core technology strengths - **controls and automation, software and digitalization, and sustainability** - well-aligned to emerging megatrends

ENHANCE

1 Innovation playbook

ACCELERATE

2 Sustainability

3 Software

MAINTAIN

4 High Growth Regions

Multiple Levers to Drive Accelerated Profitable Growth

INNOVATION PLAYBOOK

WHAT IS THE SAME

- Continued R&D investments (4% - 5% of sales)
- Driving average 200 bps NPI Vitality increase each year

WHAT IS DIFFERENT

- Greater capital allocation toward new product categories
- Compounding benefits over time

New

SAM EXPANSION

Increase Spend



Examples: Sensors for EVs, D&S Global Expansion, Solstice for Heat Pumps

BREAKTHROUGH INITIATIVES



Examples: Quantinum, Green Hydrogen, AAM

Markets

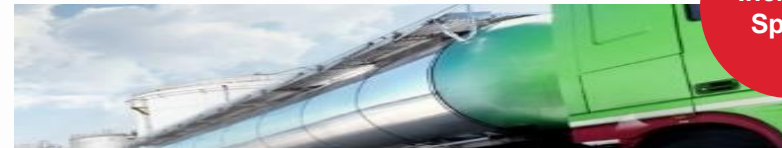
NPI VITALITY TO KEEP SHARE



NPI vitality has increased >1,000 bps in the last five years

SAM EXPANSION

Increase Spend



Examples: HCE, Sustainability Solutions, Aero Electrification

Existing

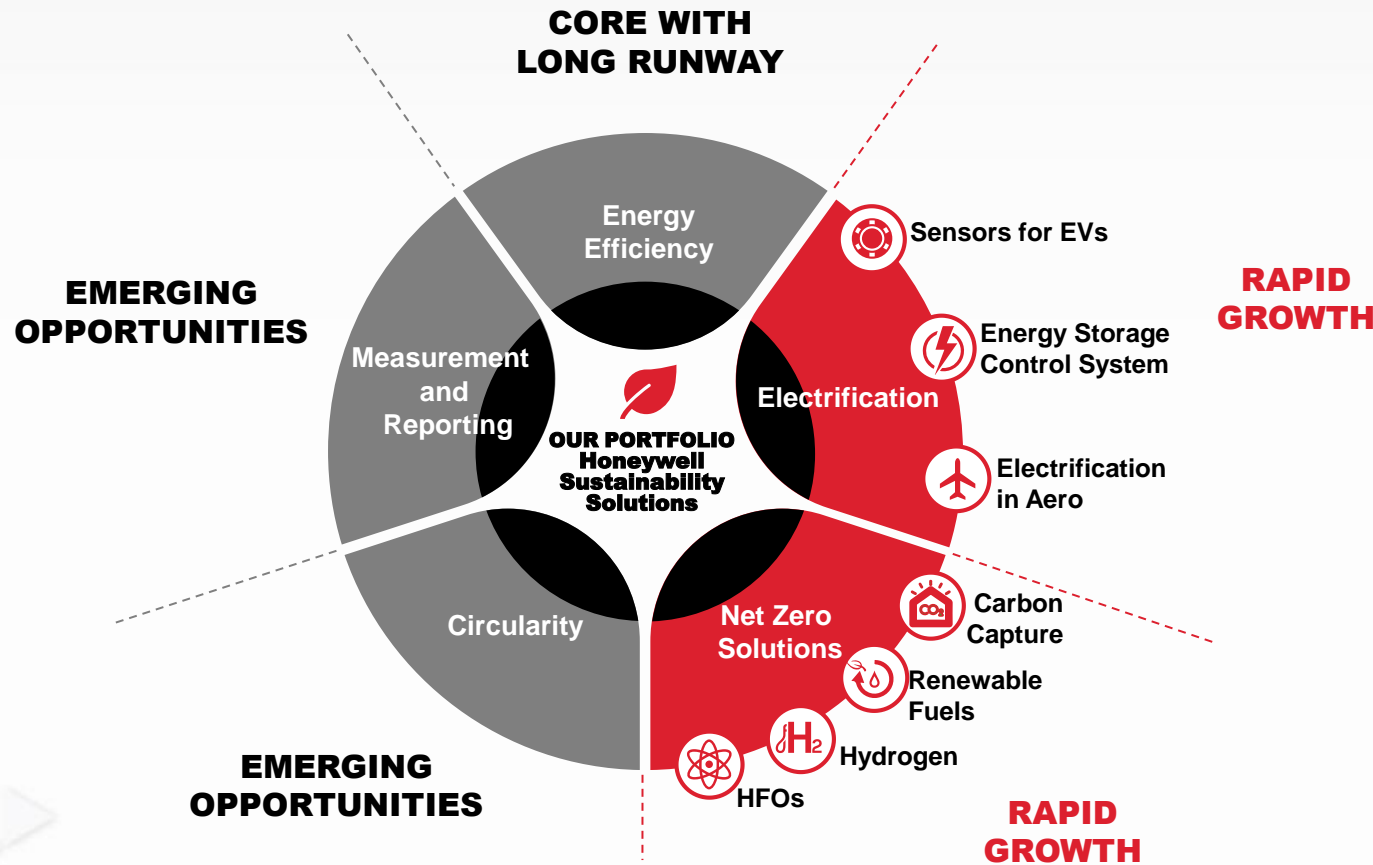
Offerings

New

EV: Electric Vehicles. AAM: Advanced Aerial Mobility.

SAM Expansion to Enable 2% Step Up to Organic Sales Growth

LEADERSHIP IN SUSTAINABLE SOLUTIONS



SUSTAINABILITY BUSINESS TARGETS

- Diversified portfolio across all SBGs
- Sustainable Technology Solutions ~\$1B sales by 2026
- New focus areas:
 - Emissions monitoring
 - Sensors
 - Energy storage
 - Additional feedstocks for renewable fuels
 - Green hydrogen

Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see ESG/ESG Information/Identification of ESG-Oriented Offerings).

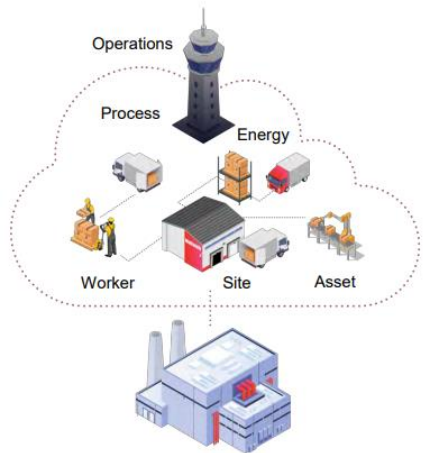
Providing Sustainable Solutions Across Our Portfolio

SOFTWARE INDUSTRIAL LEADERSHIP

WHAT IS HONEYWELL FORGE?

Operational Technology System of Record

- Improved Asset Utilization
- Increased Labor Productivity
- Reduced Carbon Emissions
- Assured Cybersecurity



FORGE VALUE PROPOSITION



Intelligent / Efficient Operations



Sustainable Operations



Secure Operations

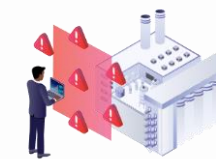
WHY DO OUR CUSTOMERS CARE?



Carbon reduction has societal and economic value



Explosion of data and connected things



Labor productivity is at a premium, new skills are essential

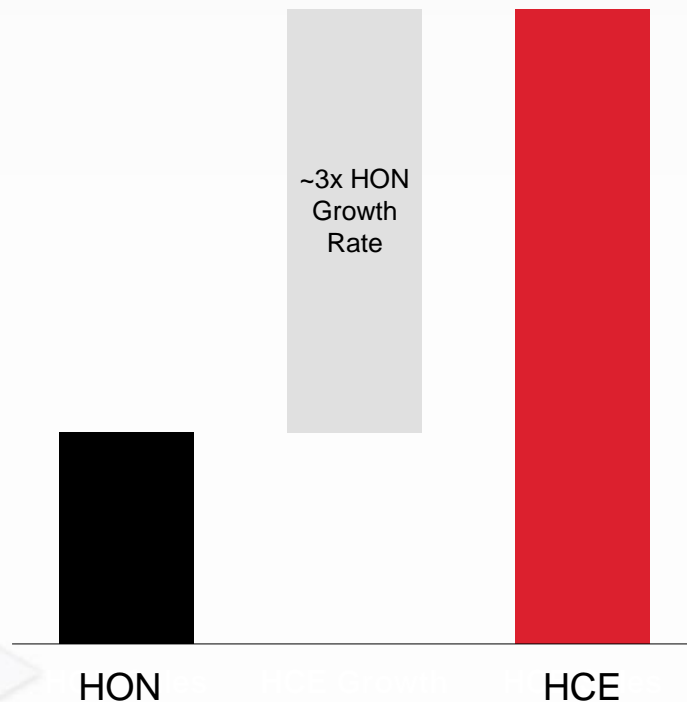


OT cyber attacks are on the rise

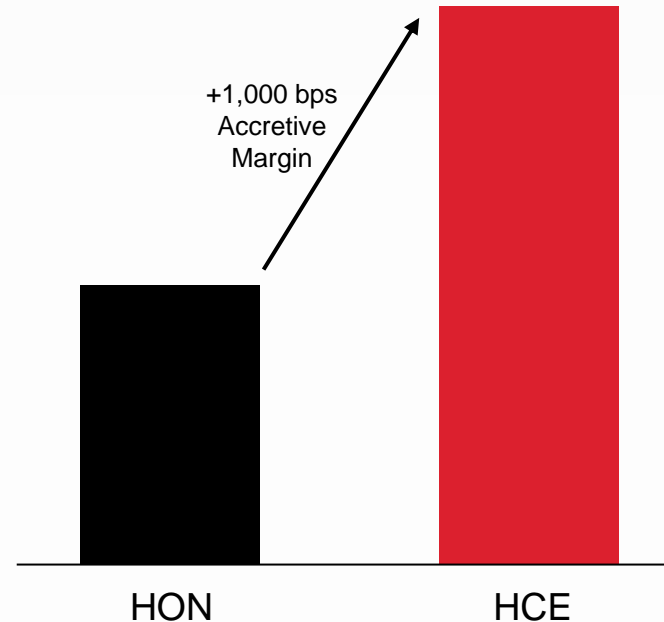
Solving Complex Customer Problems with Honeywell Know-How

WHY HCE IS IMPORTANT TO HONEYWELL

ACCELERATED REVENUE GROWTH



ACCELERATED OPERATING MARGIN



HIGHLIGHTS

- Consistent strong double-digit growth in our software portfolio
- \$500M of growth driven by NPI
- Capitalizing on digitalization trends across our industries
- Enabling SaaS capabilities across the portfolio
- Supporting long-term margin expansion for Honeywell

Represents Honeywell Connected Enterprise contribution to segment results. HCE provides software product and service offerings across our reportable business segments.

HCE Will Drive \$750M+ of Honeywell's Three-Year Incremental Growth

LEADERS IN HIGH GROWTH REGIONS

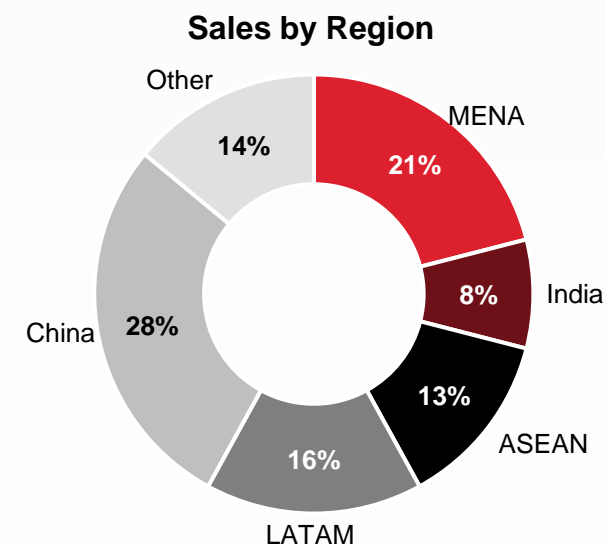
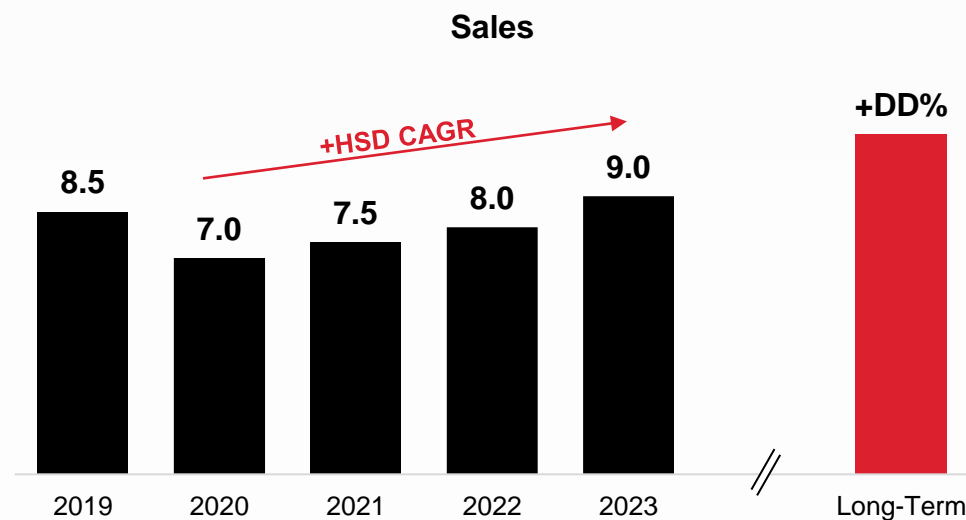
WHAT IS THE SAME

- Dedicated organization
- Local products (East-for-East)
- Focus on talent
- Leverage for global operations
 - ~45% of employees in HGRs

WHAT IS DIFFERENT

- End market diversification
- Greater on focus on select HGRs

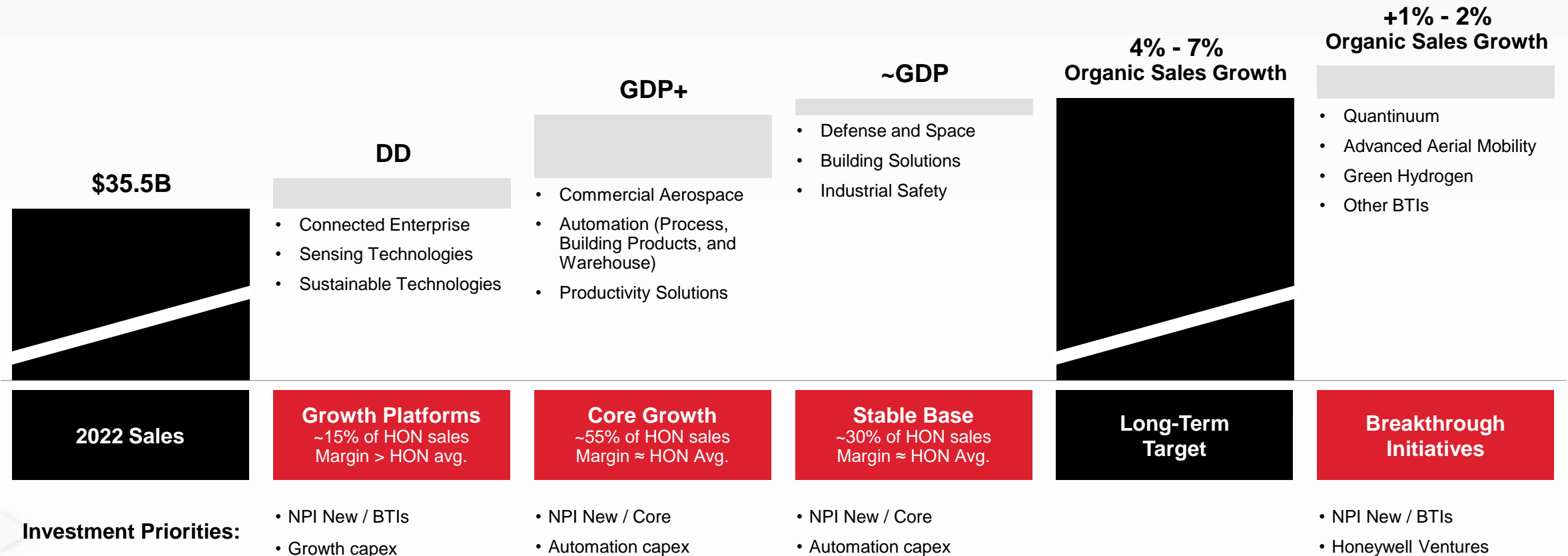
FINANCIALS¹



¹Sales for 2019 - 2022 exclude Russia, which was removed from our high growth regions in 2022 as a result of the Russia-Ukraine conflict. Sales by region represents 2022 sales. MENA: Middle East and Northern Africa. ASEAN: Malaysia, Philippines, Indonesia, Thailand, Vietnam, Laos, Myanmar. LATAM: Latin America.

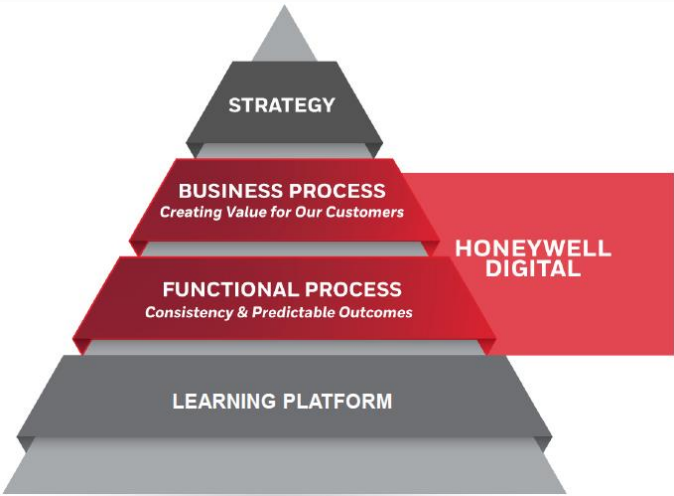
Targeting Double-Digit Organic Sales Growth in HGRs

PORTFOLIO GROWTH COMPOSITION



Compelling Growth Model - Targeted Investment Dollars

HONEYWELL ACCELERATOR

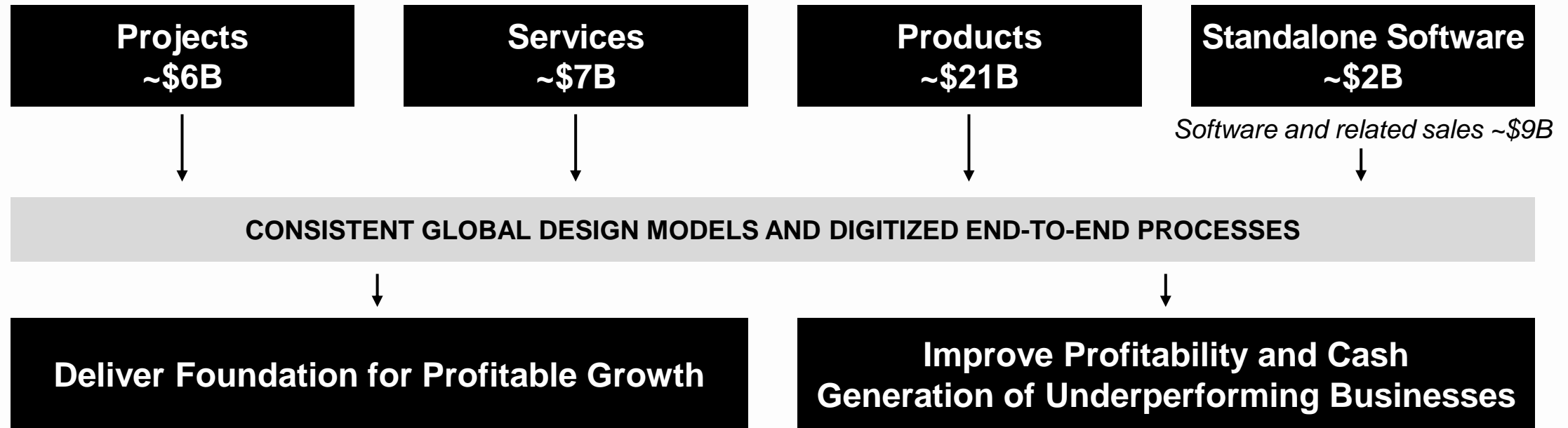
WHAT IS ACCELERATOR?	WHAT PROGRESS HAVE WE MADE IN THE LAST 15+ YEARS?		WHAT IS NEXT?
<p>Accelerator contains all the best practices, tools, and digital platforms to deliver best-in-class performance</p> 	<p>2005 - 2016</p> <p>Focused on supply chain</p> <p style="text-align: center;">↓</p> <p>Delivered improved productivity in our ISC operations</p>	<p>2016 - 2022</p> <p>Enhanced scope:</p> <ol style="list-style-type: none"> 1. Improved commercial, ISC processes 2. Elevated customer experience 3. Invested in digital <p style="text-align: center;">↓</p> <p>Delivered margin expansion, initial digital threads</p>	<p>2023+</p> <p>Next phase:</p> <ol style="list-style-type: none"> 1. End-to-end business model standardization 2. Extract value from the digital thread 3. M&A benefit from integration excellence <p style="text-align: center;">↓</p> <p>Accelerating profitable growth</p>

Culture of Execution; Taking Best-In-Class Operating System to the Next Level

BUSINESS MODEL STANDARDIZATION

Pivot from functional process excellence to business model value creation

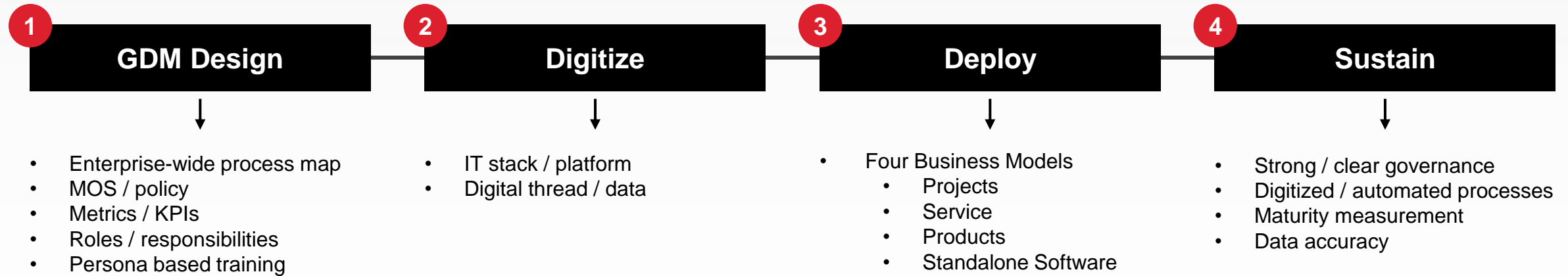
NEW ACCELERATOR FRAMEWORK



Data represents 2022 sales.

Creating Value Through Instrumentation of Best Practices

GLOBAL DESIGN MODEL APPROACH



Key measures of success

1. Incremental organic sales growth
2. Accelerated margin expansion
3. Additional cash generation

GDM Impact on Segment Margin

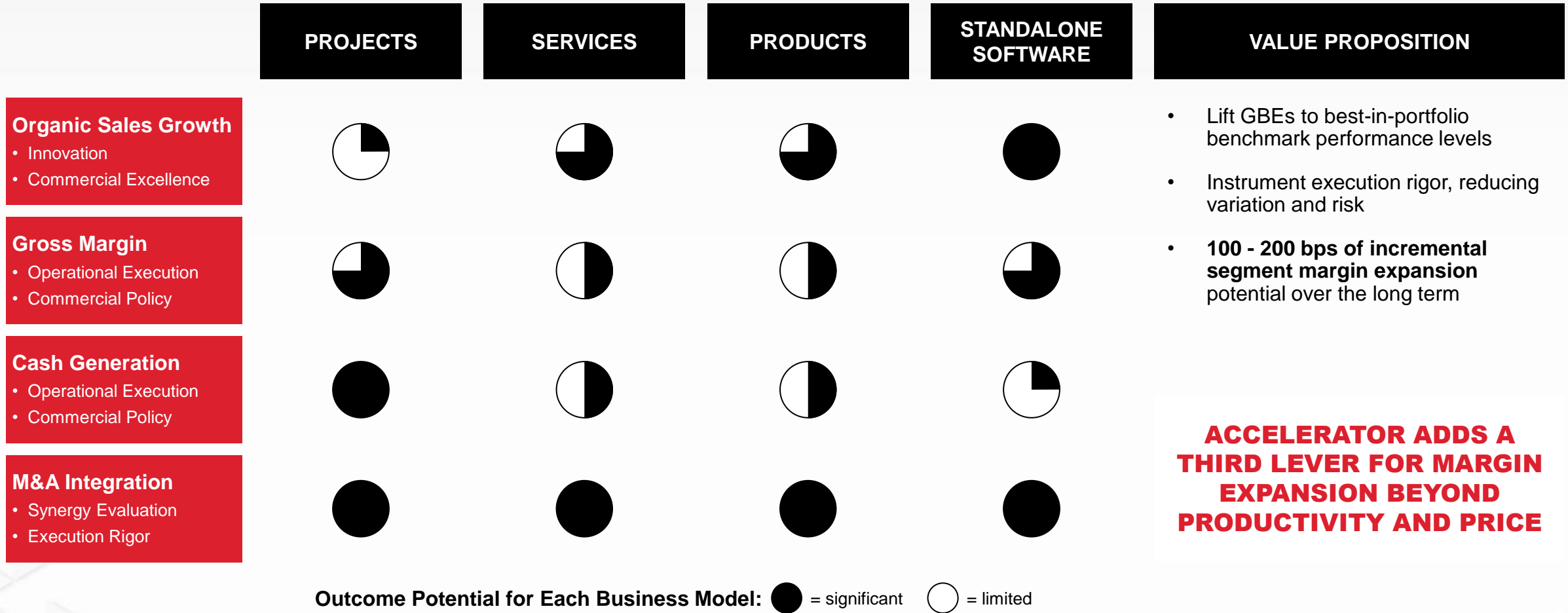


● Best-in-portfolio GBE ● Other GBEs with same business model

MOS = management operating system; GBE = gold business enterprise.

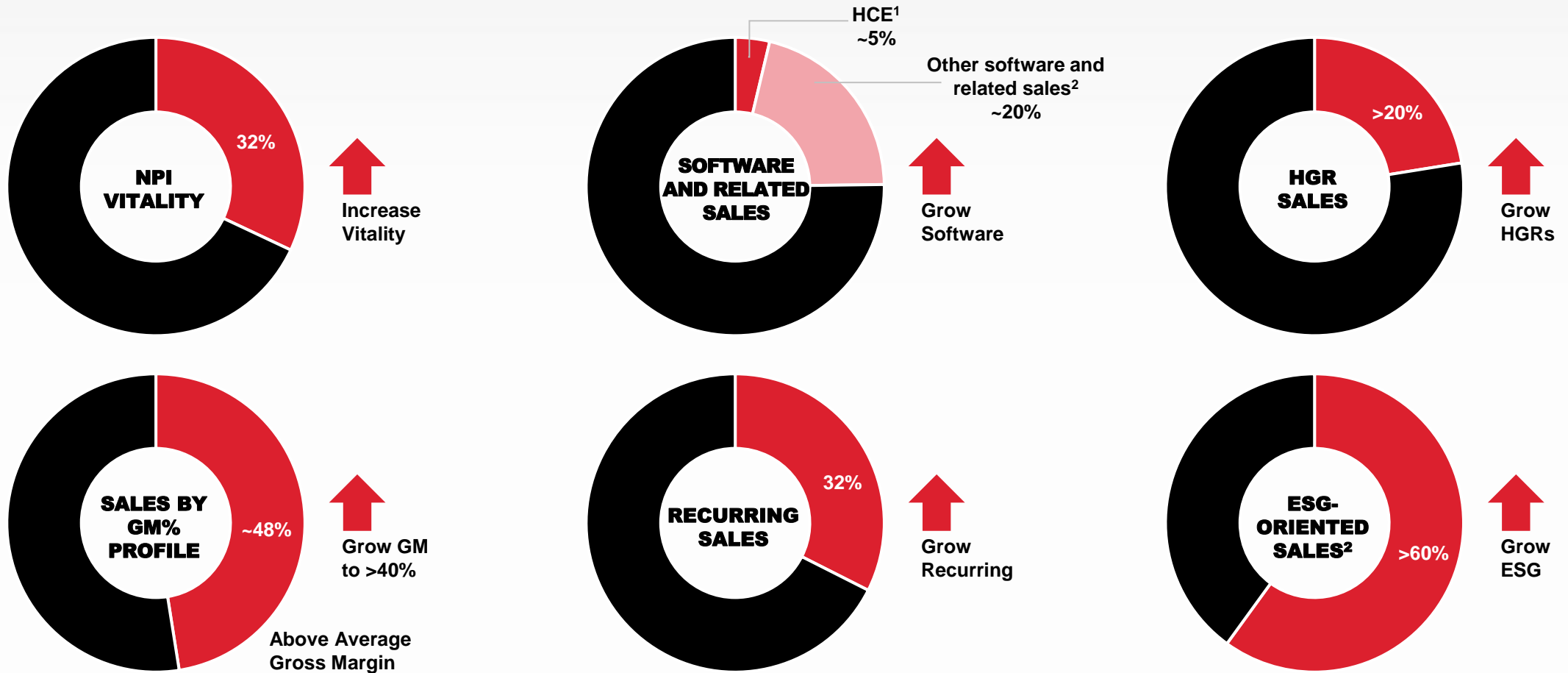
One Business Model Addressed, Extending Approach Across Honeywell

IMPACT OF PIVOT TO ACCELERATOR



Elevating Businesses to the Highest Honeywell Watermarks

PORTFOLIO PRIORITIES AT A GLANCE



All numbers based on 2022 sales. ¹Honeywell Connected Enterprise provides software product and service offerings across our reportable business segments. ²Embedded and software enabled offerings with attached hardware. ³Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see ESG/ESG Information/Identification of ESG-Oriented Offerings).

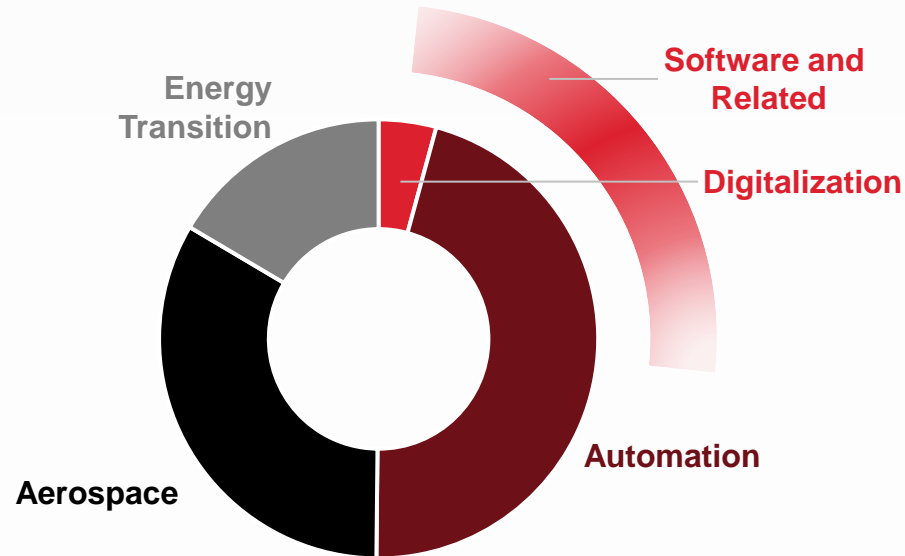
Clear Portfolio Objectives Defined

PORTFOLIO SHAPING - INITIAL THOUGHTS

1

SIMPLIFICATION AND ALIGNMENT WITH MEGATRENDS

Current Indicative Sales



- Some pruning to adjust to above themes
- Bolt-on acquisitions

Data represents 2022 sales. Honeywell gross margin excludes company-funded R&D, in line with the reporting change made in 1Q23.

2

TARGETED PORTFOLIO OUTCOMES

	2022		TARGET
Recurring Revenue	32%	➤	35%+
Gross Margin	37%	➤	40%+
Segment Margin	22%	➤	25%+

High-Grading Portfolio

PORTFOLIO SHAPING / M&A PRIORITIES

- Objectives:**
- 1 Enhance existing portfolio with attractive bolt-on M&A in the \$1B - \$7B deal size range
 - 2 Reduce exposure to non-core, cyclical, lower growth, low margin businesses

Industry Characteristics:

- Large TAM opportunity
- Above GDP industry growth rate
- Strong alignment to megatrends

Target Company Profile:

- Above industry growth rate
- High gross margin
- Less cyclical
- Technology differentiation

De-Risked Integration:

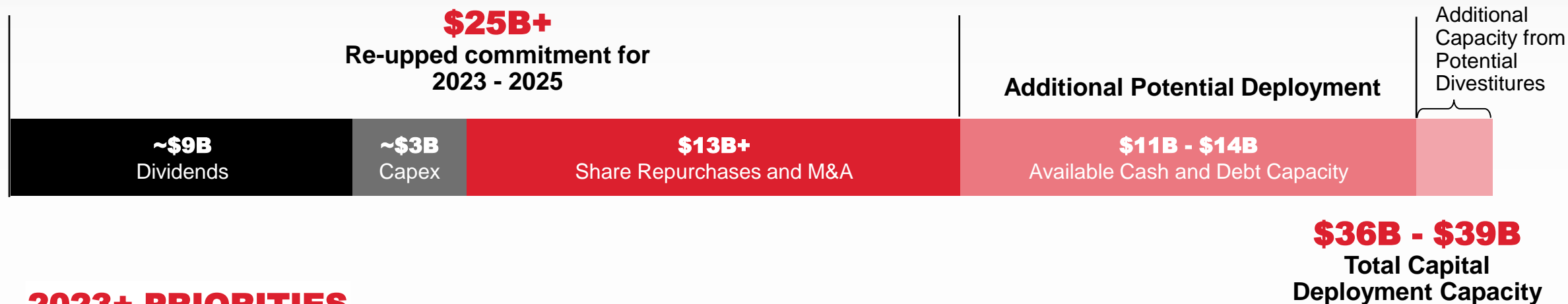
- Use Accelerator playbook
- Bolt-on to existing Honeywell Digital infrastructure
- Dedicated integration team

TAM: Total Addressable Market.

Clear Picture of Honeywell Targets to Shape Portfolio

CAPITAL DEPLOYMENT FOCUS

~\$8B Deployed in 2022 in line with \$25B Capital Deployment Commitment from 2022 Investor Day



2023+ PRIORITIES

- Prioritize bolt-on M&A
- Reshape portfolio through strategic pruning
- Fund Honeywell innovation engine; capex focused on growth projects and automation
- Reduce share count by a minimum 1% annually via share repurchases


Note: Prior 2022 - 2024 of \$25B+ commitment made in March 2022 Investor Day.

Re-upping \$25B Capital Deployment Commitment for 2023 - 2025

SUMMARY

KEY POINTS	KEY METRICS	LONG-TERM TARGETS	2022 RESULTS	2023 GUIDANCE MIDPOINT
<ul style="list-style-type: none"> Honeywell well-positioned as we enter next phase of Transformation Clear priorities around innovation and growth Next evolution of Accelerator operating system Committed to driving our financial algorithm to deliver superior returns for our shareholders Focused on capital deployment to accelerate growth 	ORGANIC SALES GROWTH	4% - 7%	6% ✓	~5% ✓
	SEGMENT MARGIN EXPANSION	40 - 60 bps	70 bps ✓	75 bps ✓
	FREE CASH FLOW MARGIN	Mid-Teens+ Percent of Sales	14% of Sales ✓	11% of Sales 14% ex. impact of settlements ✓
	CAPITAL DEPLOYMENT	Deploy at least \$25B between 2023 - 2025	~\$8B deployed in 2022	Not guided

Poised for Growth in Next Phase for Honeywell



M&A **PROCESS**

Anne Madden
Senior Vice President
and General Counsel



Honeywell

M&A PROCESS OVERVIEW



Industry Characteristics

- **Large TAM** opportunity
- **Above GDP** industry growth rate
- Low cyclicality, low disruption risk
- **Attractive profit pools**

Pipeline creation

- **Build on deep knowledge** of core and adjacent markets
- Use “market back” approach to drive pipeline ideation
- **Partner with CTOs** to evaluate disruptive technologies
- Align M&A priorities with growth strategies

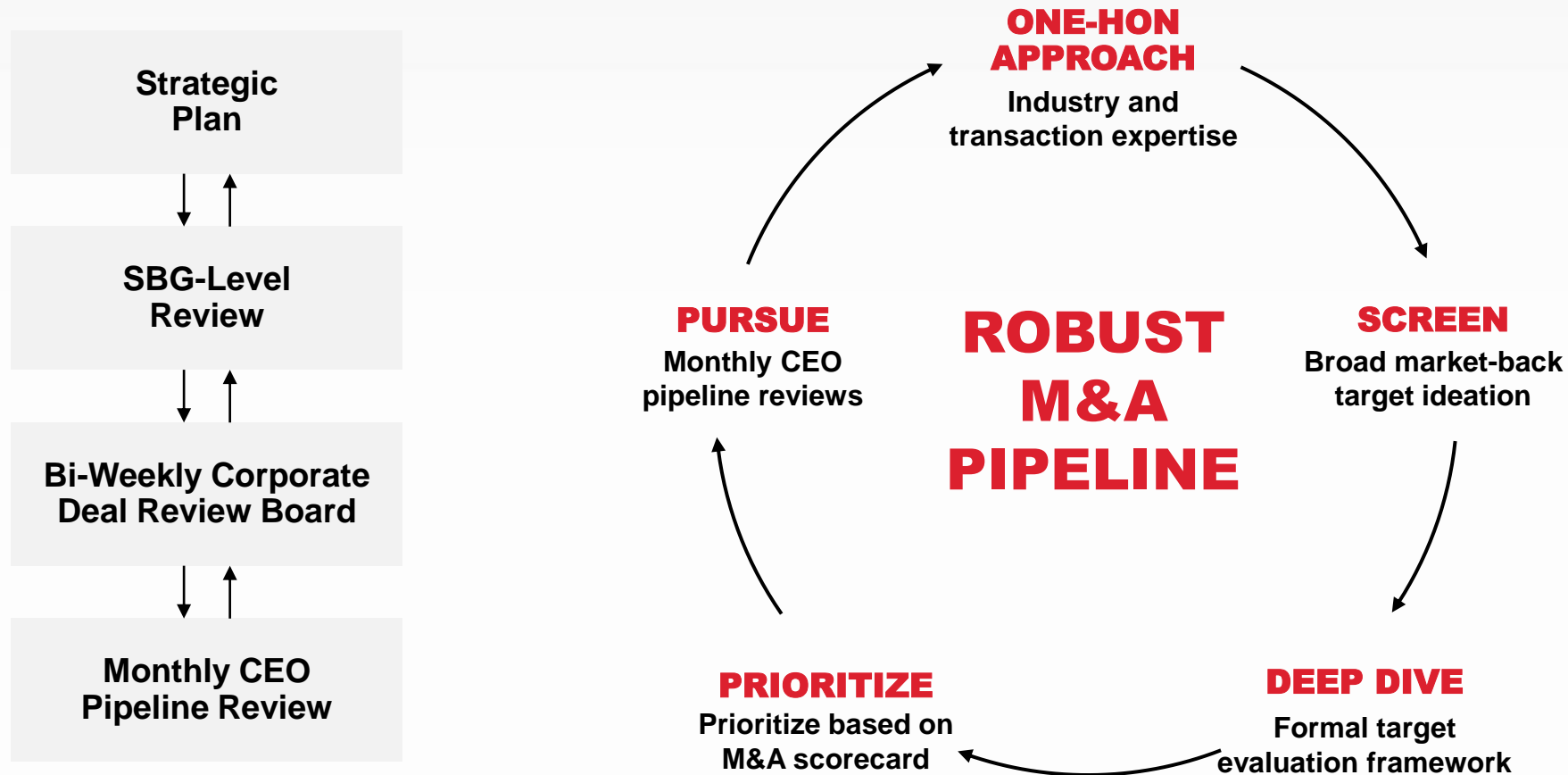
Target Company Profile

- **Optimal deal size in the \$1B - \$7B** range
- Reasonable **valuation** and significant **synergy** potential
- **Accretive growth and gross margins**, supported by strong IP and talent
- Ability to **leverage Honeywell Accelerator**

Attractive Return Profile

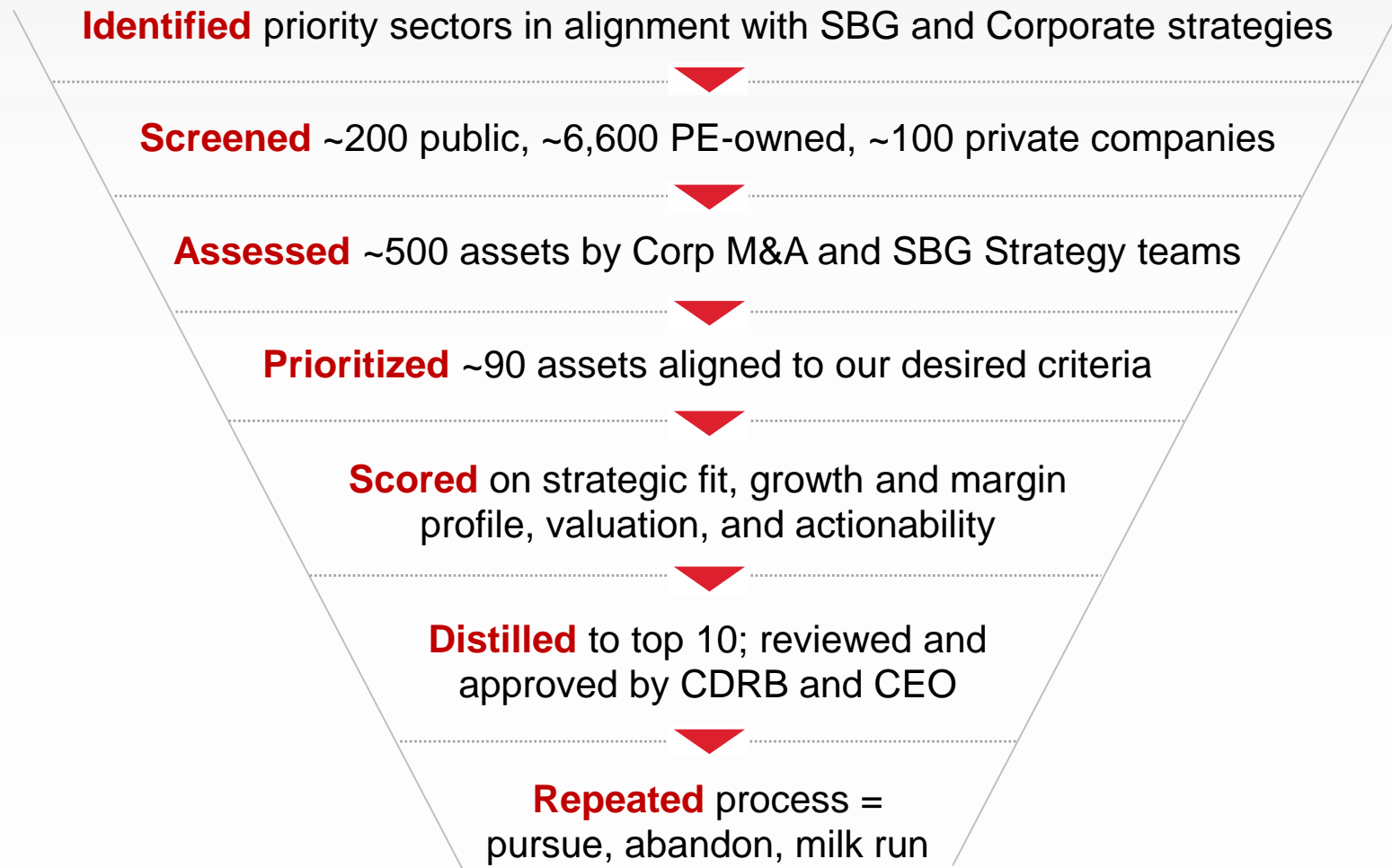
Robust M&A Process Creating Accretive Capital Deployment Opportunities

PROACTIVE APPROACH TO PIPELINE CREATION



Broad Funnel and Rigorous Approach Yields Highest Returns

PIPELINE PRIORITIZATION PROCESS



Statistics represent 2022 data.

Prioritized List of Targets For Public and Private Companies

TARGET COMPANY PROFILES

ATTRACTIVE DEAL TYPES

1

STRATEGIC BOLT-ON

- Acquire directly into our core
- Leverage existing channel
- Cost take out drives margin expansion and high returns

2

ADJACENCIES

- Acquire into near complementary adjacencies
- Leverage existing capabilities to compete in expanded TAM
- Runway for follow-on deals and new avenues for growth

3

GROWTH PLAY

- Acquire new capability that fills need for existing customers
- Fill gaps in tech roadmaps when buy > build
- Drive returns via accelerated growth to existing channel
- Asset-light, high margin, recurring sales

ILLUSTRATIVE EXAMPLES

1

HIGH GROSS MARGIN, LOW OPERATING MARGIN

- ✓ **Growth profile:** 5% - 7%+
- ✓ **Gross margins:** Accretive
- ✓ **Business model:** Traditional / hybrid, software, services
- ✓ **Synergy opportunity:** Primarily cost opportunity

2

NEW PLATFORM

- ✓ **Growth profile:** GDP+
- ✓ **Gross margins:** Accretive
- ✓ **Business model:** Asset-light, recurring sales content
- ✓ **Synergy opportunity:** Accretive follow-ons

3

SOFTWARE

- ✓ **Growth profile:** 20%+
- ✓ **Gross margins:** High
- ✓ **Business model:** Differentiated cloud-based / SaaS
- ✓ **Synergy opportunity:** Primarily sales opportunity

Operating Parameters Drive Thoughtful Approach to Inorganic Growth

SUCCESSFUL M&A TRANSACTIONS

GROWTH PLAY: SPARTA SYSTEMS

STRATEGIC ASSESSMENT

- Attractive, market-leading **QMS software deal**
- Essential, highly-regulated **life sciences industry**

FUTURE OPPORTUNITY

- Incremental growth potential through Honeywell **geographic reach**
- **Connected Life Sciences** expansion

KEY PROOF POINTS

- ✓ Deployed \$1.3B in capital
- ✓ 46% organic sales growth in 2022
- ✓ Driving SaaS growth in HCE¹
- ✓ GAAP EPS accretive by 1Q22; ahead of plan
- ✓ Sustained double-digit growth

¹Honeywell Connected Enterprise provides software product and service offerings across our reportable business segments. ²Represents 2023E EBITDA on a tax-adjusted basis. ³13x 2023E EBITDA assumes \$8M of annualized cost synergies. ³Return on investment in fifth year post-closing.

STRATEGIC BOLT-ON: COMPRESSOR CONTROLS CORPORATION

STRATEGIC ASSESSMENT

- Leading provider of **LNG and carbon capture control solutions**
- Well-positioned to **sustain HSD sales CAGR**

FUTURE OPPORTUNITY

- Drive **services and digitalization offerings**
- Add **new verticals and expand geographically**

KEY HIGHLIGHTS

- ✓ \$670M deal price
- ✓ 1.1K sites, 14K critical machines, 3.4K process units
- ✓ 15x / 13x 2023E EBITDA²
- ✓ Immediately margin accretive
- ✓ 15% cash ROI³

Strengthening Our Leading Digitalization and Automation Portfolio

DEMONSTRATED SUCCESS



Today's M&A market is more favorable than the last five years for Honeywell



Strong foundation built for successful M&A integration

- Favorable setup to seamlessly onboard new assets with executed transformation initiatives
- Accelerator operating system to drive additional value



Track record of proactive and successful portfolio shaping

- Completed >110 acquisitions / ~80 divestitures over 20 years
- Deployed >\$24B in capital to M&A, exited >\$18B in non-core revenues



Disciplined pipeline approach yields highest returns

M&A is a Part of our Heritage; Decades Long Track Record of Success



ENVIRONMENTAL **SOCIAL** **GOVERNANCE**

ANNE MADDEN

Senior Vice President
and General Counsel



Honeywell

KEY MESSAGES



Committed to more differentiated short-, medium-, and long-term goals; pristine say / do track record

- Carbon neutral facilities and operations; SBTi validated near-term target, including Scope 3; 10-10-10 goals



Deploying our sustainable technologies that enable ourselves and customers to achieve their goals; virtuous cycle



Specific execution roadmap in place to achieve our sustainability objectives



Underpinned by strong governance and commitment to foundational values: Integrity and Ethics, Respect, and Inclusion and Diversity

Sustainability is a Key Tenet of Honeywell's Strategy

HISTORY OF ESG SUCCESS

- ✓ 30% GHG reduction by 2011 (2004 base)
- ✓ 20% Energy efficiency improvement by 2011 (2004 base)
- ✓ 15% GHG intensity reduction by 2016 (2011 base) - 3 years early
- ✓ 10% GHG intensity reduction by 2018 (2013 base)
- 10% GHG intensity reduction by 2024 (2018 base)
- ✓ 10 Renewable energy opportunities
- ✓ 10 Certified ISO 50001 sites
- 50% U.S. GHG reduction by 2030 per DOE Better Climate Challenge (2018 base)
- Carbon Neutral Facilities and Operations by 2035
- SBTi validated near-term emissions reduction target, including Scope 3

Achieve Current
10-10-10 Goals by 2024

HIGHLIGHTS

~60%

of our new product R&D activity is directed toward ESG-oriented outcomes¹

>60%

of 2022 sales were comprised of solutions that contribute to ESG-oriented outcomes¹

~70%

improvement in energy efficiency since 2004

>90%

reduction in Scope 1 and Scope 2 greenhouse gas intensity since 2004

>165M

gallons of water saved in water-stressed regions since 2013 from more than 185 projects

¹Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com (see ESG/ESG Information/Identification of ESG-Oriented Offerings)

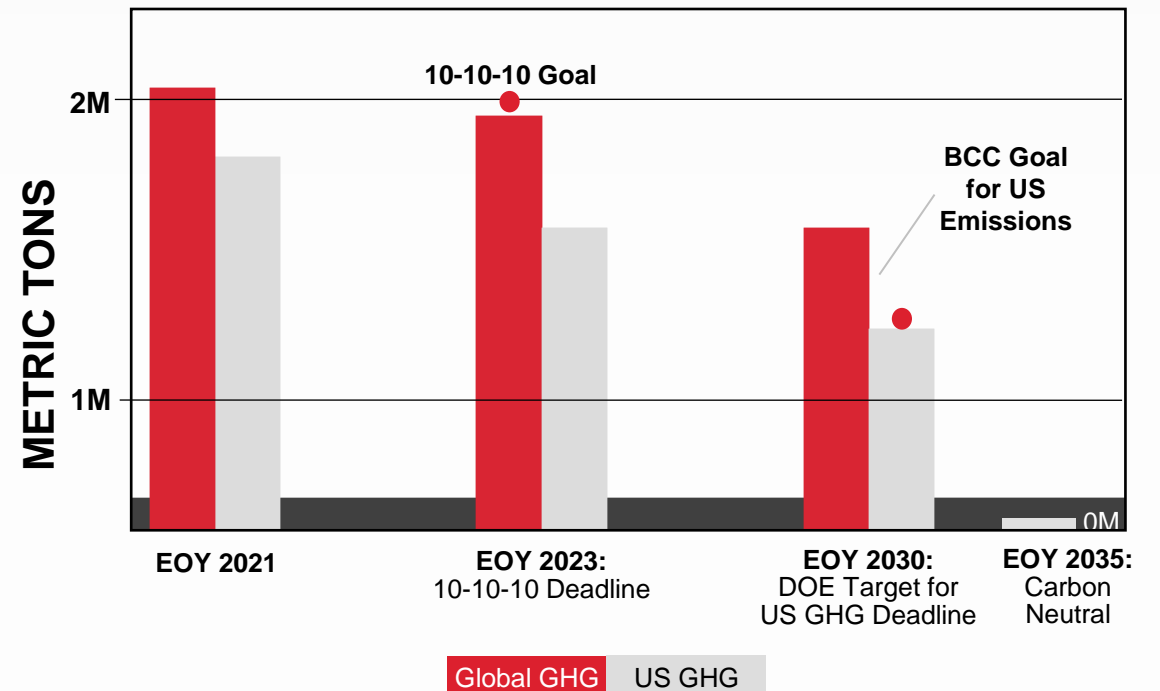
Successfully Achieved All Previous ESG Targets

SUSTAINABILITY GOALS

CURRENT ESG TARGETS

- 1 Carbon Neutral Facilities and Operations
- 2 DOE Better Climate Challenge
- 3 10-10-10 Goals
- 4 SBTi validated near-term emissions reduction target, including Scope 3

CARBON NEUTRAL BY 2035



DOE: Department of Energy. BCC: Better Climate Challenge.

Two Decades of Experience: We Will Deliver Our Sustainability Goals

CREATING ESG-ORIENTED SOLUTIONS



KEY PROGRESS IN SUSTAINABILITY



ExxonMobil will deploy Honeywell's **CO₂ Fractionation and Hydrogen Purification System** in Baytown, Texas, enabling the capture of about 7 million tons of CO₂ per year



Developed a **real-time health monitoring system** that captures and records patients' vital signs remotely, helping reduce clinician workloads



Opened **first large-scale manufacturing facility for Solstice Air**; commenced production of Solstice products at a **new plant in Gujarat, India** to meet growing demand

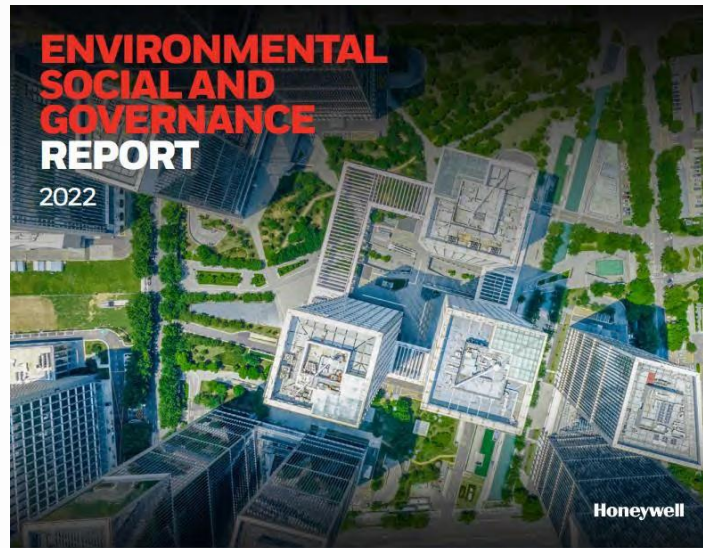


Announced an innovative **Ethanol-to-jet-fuel process** that allows producers to convert corn-based, cellulosic, or sugar-based ethanol into sustainable aviation fuel

Innovating to Solve the World's Toughest Sustainability Challenges

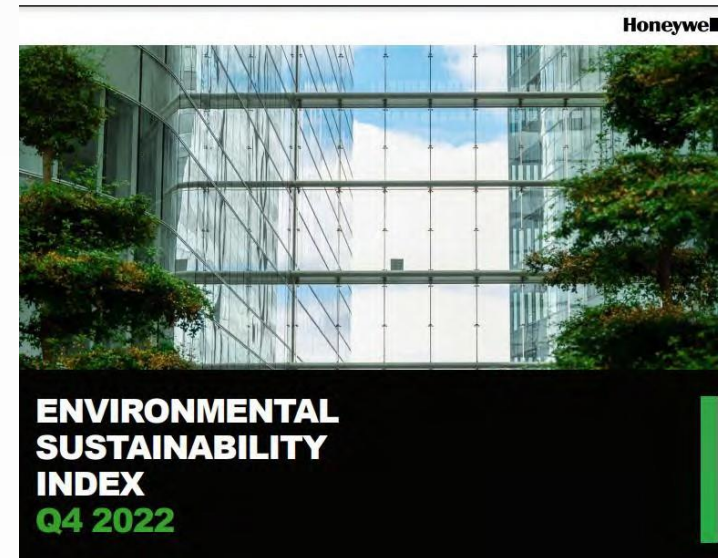
LEADING IN SUSTAINABILITY

ESG REPORT



Fulsome ESG reporting, including SASB, TCFD, etc.

ENVIRONMENTAL SUSTAINABILITY INDEX



Supporting our customers' ESG trend awareness

Setting the Industry Standard; Increasing ESG Disclosure and Accountability

EXCELLENCE IN SOCIAL AND GOVERNANCE

INCLUSION AND DIVERSITY

5 Key Pillars of I&D



100%

of job requisitions for exempt roles expected have diverse slates of candidates¹

29.5%

women in the global workforce

>11,000

employees belong to nine Employee Networks

4 of 11

directors on the board are women

5 of 11

directors on the board are ethnically or racially diverse

>\$2.5M

awarded to STEM-related scholarships for underserved students

¹Applies to any exempt role in the U.S. or for any management, professional, or senior administrative role globally.

STRONG GOVERNANCE FRAMEWORK

Highly Qualified and Independent Board:

- 9 of 11 directors are independent
- 8 of 11 directors have CEO experience
- Average tenure is ~6.5 years

Focused on Shareowner Interests:

- Robust shareowner engagement program
- Board-level oversight of ESG, including I&D

Continually Evolving Governance Practices:

- History of proactively responding to shareowner feedback
- Ensuring best-in-class governance, compensation, and disclosure practices

Enabling a Diverse Environment that Maximizes Shareowner Value

SUSTAINABILITY PANEL



Suresh Venkatarayalu
Senior Vice President and
Chief Technology and
Innovation Officer



Mike Madsen
President and CEO
Aerospace



Lucian Boldea
President and CEO
Performance Materials
and Technologies



Billal Hammoud
President and CEO
Honeywell Building
Technologies



George Koutsaftes
President and CEO
Safety and Productivity
Solutions

Honeywell

MODERATED BY
Sean Meakim
Vice President
Investor Relations



DIGITALIZATION / TRANSFORMATION PANEL



Greg Lewis

Senior Vice President and
Chief Financial Officer



Torsten Pilz

Senior Vice President and
Chief Supply Chain Officer



Sheila Jordan

Senior Vice President and
Chief Digital Technology Officer



Kevin Dehoff

President and CEO
Honeywell Connected Enterprise



John Waldron

Senior Vice President and
Chief Commercial Officer

Honeywell

MODERATED BY

Sean Meakim

Vice President
Investor Relations



FINANCIAL **OVERVIEW**

GREG LEWIS

Senior Vice President and
Chief Financial Officer



Honeywell

KEY MESSAGES



Completed another year of outperformance in 2022

- Honeywell continues to deliver in all environments; supply chain / inflation latest challenge



Robust outlook for Honeywell in medium and long term

- Aero, PMT fundamentals remain strong; HBT, SPS to accelerate



Balanced operational and financial rigor drives outstanding returns

- Consistent investment in business while substantially improving margins; Accelerator another lever



Robust balance sheet a differentiator in capital deployment

- M&A an accelerator, world class access to capital

Compelling Financial Algorithm in Next Phase

2023 UPDATE

2Q GUIDANCE

SALES

\$9.0B - \$9.2B

Up 1% - 4% Organically

SEGMENT MARGIN

21.8% - 22.2%

Up 90 - 130 bps

FY GUIDANCE

SALES

\$36.5B - \$37.3B

Up 3% - 6% Organically

SEGMENT MARGIN

22.3% - 22.6%

Up 60 - 90 bps

ADJUSTED EPS

\$2.15 - \$2.25

Up 2% - 7%

\$2.29 - \$2.39 Excluding Pension

Headwind or up 9% - 14%

NET BELOW THE LINE IMPACT

(\$130M - \$185M)

EFFECTIVE TAX RATE

~21%

SHARE COUNT

~671M

ADJUSTED EPS

\$9.00 - \$9.25

Up 3% - 6%

\$9.55 - \$9.80 Excluding Pension

Headwind or up 9% - 12%

FREE CASH FLOW

\$3.9B - \$4.3B

\$5.1B - \$5.5B Excluding

Impact of Settlements

Net below the line impact is the difference between segment profit and income before tax. Impact includes interest and other financial charges, stock compensation expense, pension ongoing income, other post-retirement income, and repositioning and other charges. Adjusted EPS guidance and adjusted EPS V% guidance excludes a 1Q23 Russian-related benefit, 2Q22 expense related to UOP matters, 2Q22 Russian-related charges, 2022 expense related to UOP matters, 2022 Russian-related charges, 2022 gain on sales of Russian-related entities, and 2022 net expense related to the NARCO buyout and HWI sale.

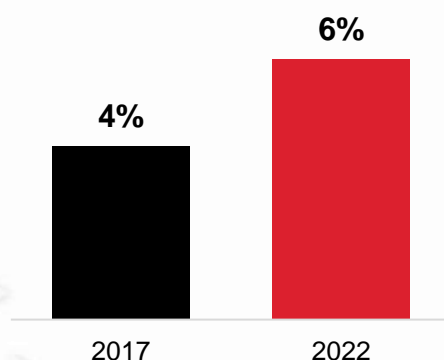
Second Quarter on Track; Confident in Full Year Outlook

FINANCIAL SCORECARD

ORGANIC GROWTH

- Deployed digital tools to enable strategic price actions
- Increased quality of sales mix with more recurring and software sales

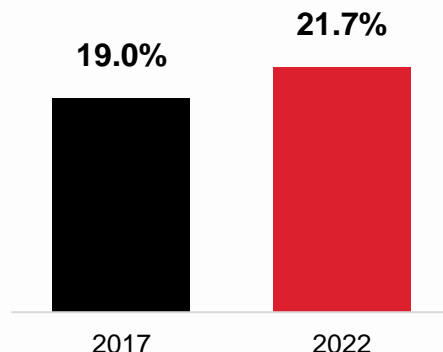
Organic Sales Growth



PROFIT ENHANCEMENT

- Portfolio shaping accretive to margins
- Continuous reallocation to fund growth investments without margin burden

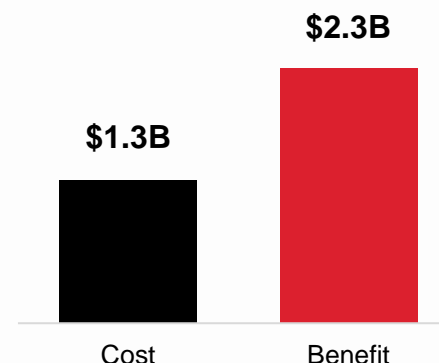
Segment Margin



PRODUCTIVITY

- Executed ISC and Digital transformations for the “Great Integration”
- Gross profit per square foot and per employee both up 20%+ from 2017 to 2022

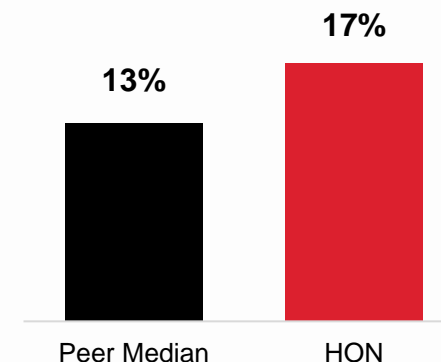
Honeywell Digital Cost / Benefit (2017 - 2022)



ROIC

- Investing in high-return R&D and growth capex
- Disciplined capital allocation toward inorganic opportunities

2022 Return on Invested Capital



Source: S&P Capital IQ. Peer group includes ABBN, BA, CAT, DE, EMR, ETN, FTV, GD, GE, ITW, JCI, LMT, MMM, NOC, PH, ROK, RTX, SIE, SU, and TT.

Improved Growth and Margin Profile; Best-in-Class ROIC

DELIVERING RESULTS IN ALL ENVIRONMENTS

2018 PORTFOLIO RESHAPING

Reduced cyclical exposure, B2C exposure, and improved margin profile

Executed Two Major Spins

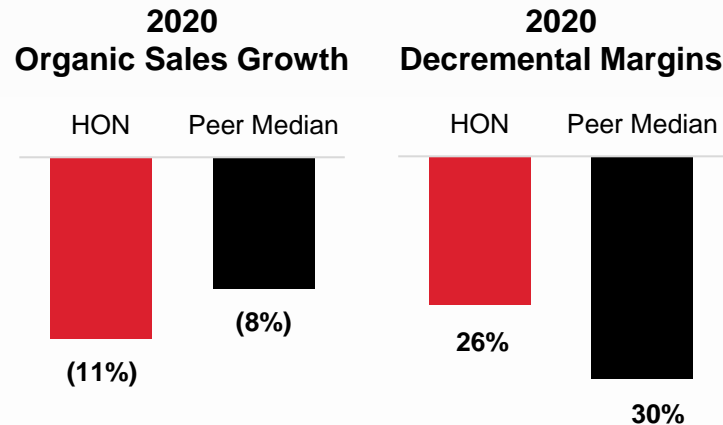
RESIDEO GARRETT

Removed ~15% of the portfolio and reduced our fixed cost base by ~20%

Delivered strong 2018 financial results while transforming: 6% organic sales growth, 60 bps segment margin expansion, 12% adjusted EPS growth

2020 CRISIS MANAGEMENT

Proactively adjusted our cost structure to align with top line

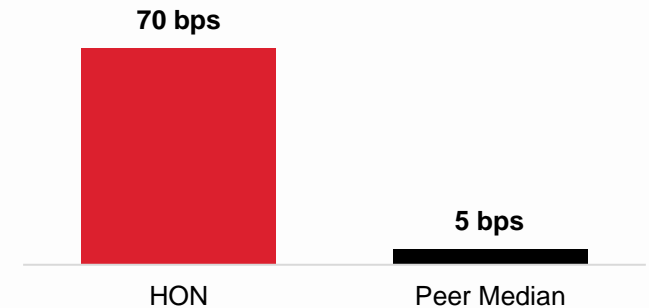


Reduced fixed costs by \$1.5B to help protect margins while organic sales declined by 11%

2022 SUPPLY / INFLATION MANAGEMENT

Captured value through Honeywell Digital and technology differentiation

2022 Segment Margin Expansion

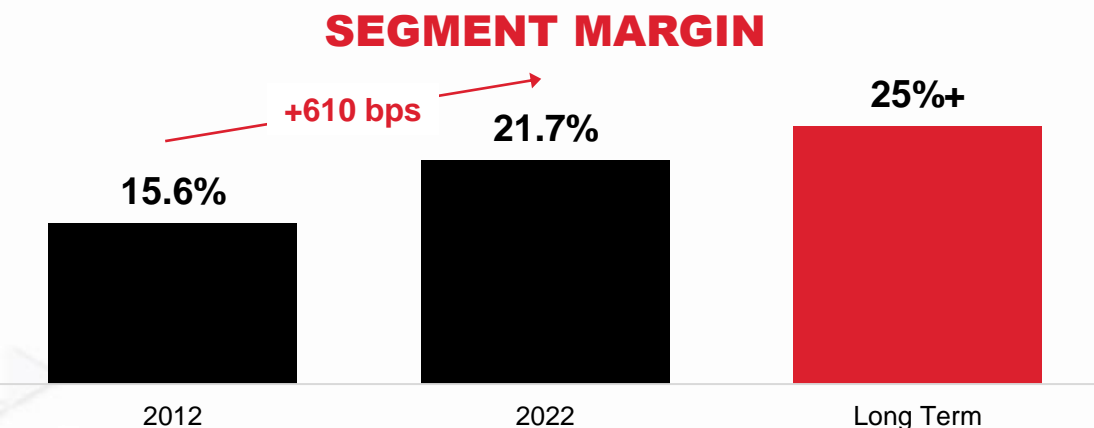
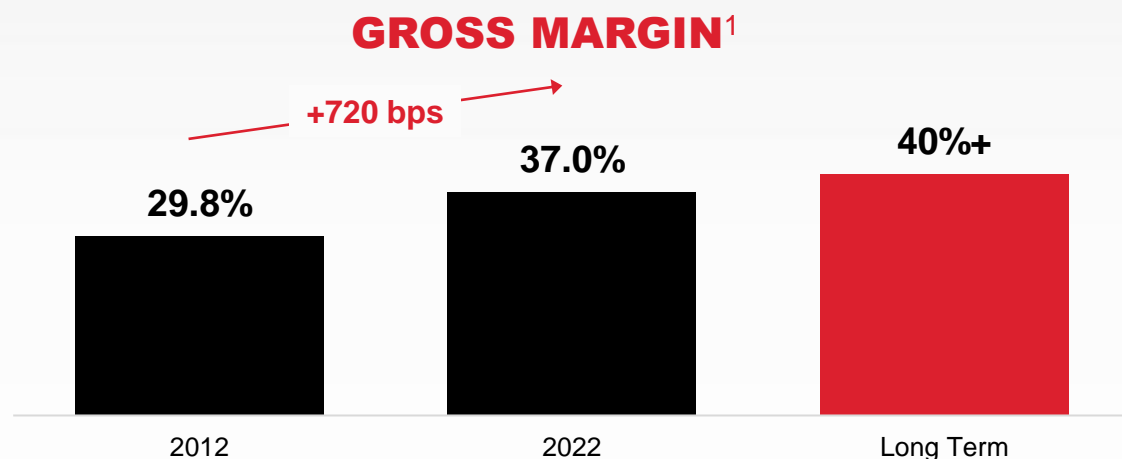


Leveraged Honeywell Digital to combat acute inflation with targeted price actions, driving 70 bps of margin expansion

Source: S&P Capital IQ. Peer group includes ABBN, BA, CAT, DE, EMR, ETN, FTV, GD, GE, ITW, JCI, LMT, MMM, NOC, PH, ROK, RTX, SIE, SU, and TT. Peers that do not report organic sales growth are excluded from 2020 comparisons.

Honeywell Adapts Quickly - Multi-Faceted Execution

EXPANDING MARGINS



¹Excludes company-funded R&D, in line with the reporting change made in 1Q23.

KEY POINTS

- Over 700 bps of gross margin expansion and over 600 bps of segment margin expansion since 2012
- Segment margin expansion driven by **sustainable productivity and portfolio optimization** vs. reduced SG&A or R&D

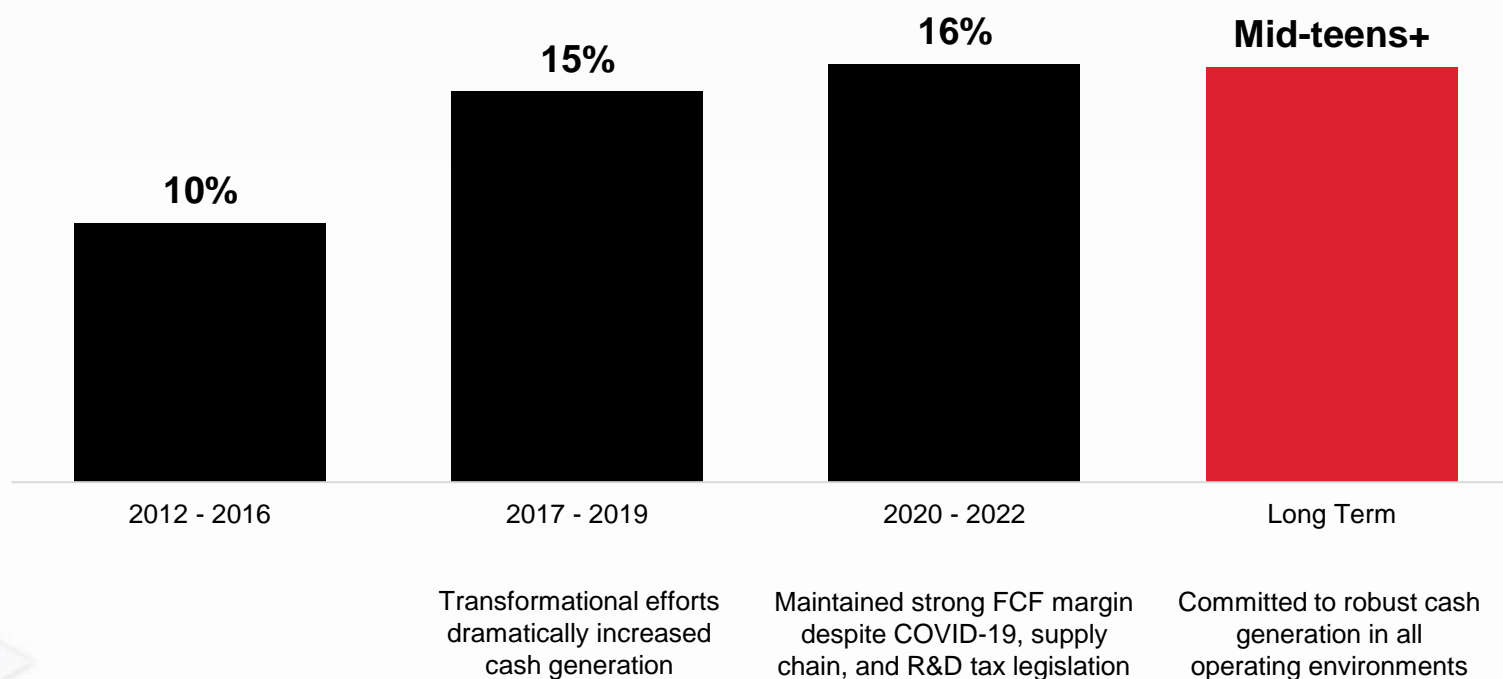
MARGIN LEVERS

- **Honeywell Accelerator and GDMs** to improve underperforming businesses
- **Accelerate growth** on a streamlined cost base
- Continue to reap the benefits of **Supply Chain Transformation and Honeywell Digital**
- **Portfolio shaping** to drive incremental gross margin expansion

Gross Margin Expansion Driving Segment Margin Improvement

ENHANCING FREE CASH FLOW

AVERAGE ADJUSTED FREE CASH FLOW MARGIN



KEY POINTS

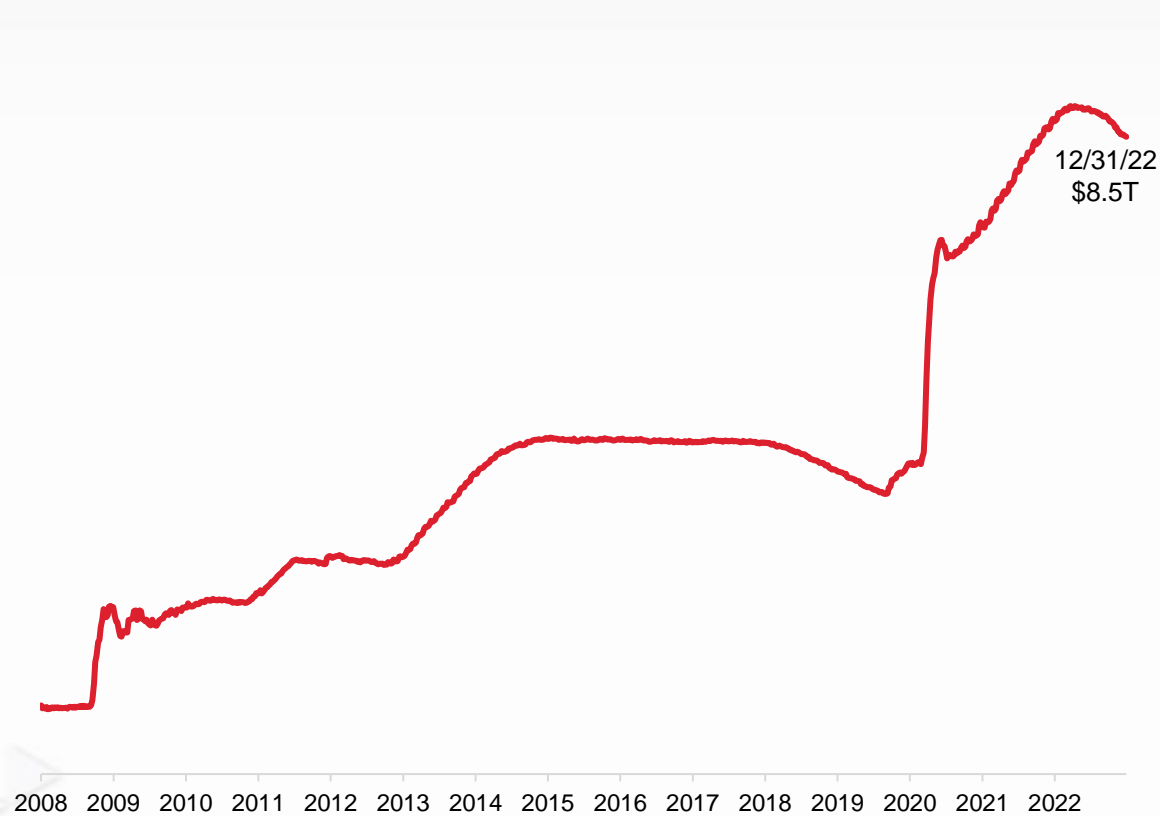
- **Adjusted free cash flow margin has doubled** in the past 10 years
- Supply chain transformation and Honeywell Digital have enabled **significant working capital progress**
- **Honeywell Accelerator and Global Design Models** to reduce cash conversion cycle in business units toward best-in-portfolio levels

Cash Profile is Dramatically Improved; We Are Not Done Yet

CAPITAL MARKETS ENVIRONMENT

FED BALANCE SHEET MORE THAN DOUBLED SINCE 2019

10-YEAR U.S. TREASURY YIELD NEAR 15-YEAR HIGHS

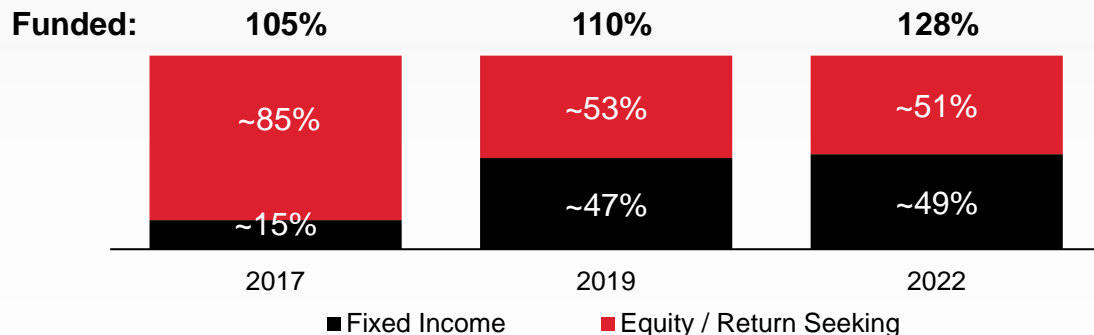


Source: Federal Reserve for Balance Sheet Assets, Bloomberg for 10-Year Treasury Yield.

Higher Cost of Capital Tilts the Playing Field in Favor of Honeywell

BALANCE SHEET STRENGTH

U.S. Pension Plan De-risking



2022 Year-End Balances



2022 Year-End Leverage Ratio

KEY POINTS

- Premium “A” credit rating for over 30 years provides superior access to capital even in the most challenging environments
- Pension plan de-risked; requires no funding
- No significant bond maturities through 2023
- Best-in-class cost of debt of 2.0% vs. peer median 3.5%
- Leverage ratio allows substantial flexibility for M&A

¹Net debt is defined as balance sheet debt less cash and short-term investments; EBITDA calculated using adjusted income before taxes.

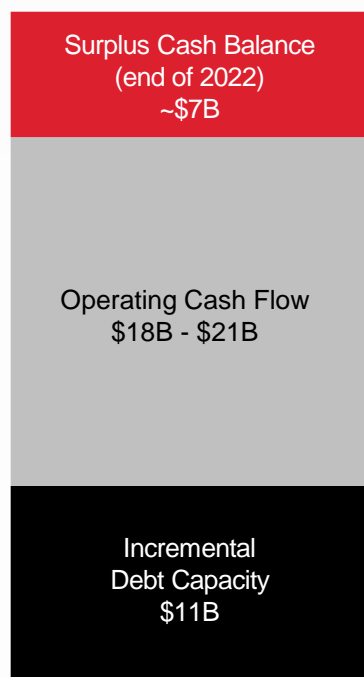
Cost of debt source: S&P Capital IQ. Peer group includes ABBN, BA, CAT, DE, EMR, ETN, FTV, GD, GE, ITW, JCI, LMT, MMM, NOC, PH, ROK, RTX, SIE, SU, and TT.

Best-in-Class Balance Sheet = Differentiated Access to Capital

CAPITAL DEPLOYMENT STRATEGY

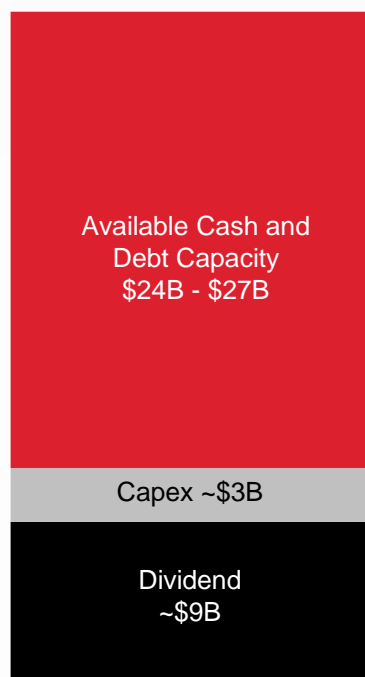
ROBUST 2023 - 2025 CAPITAL DEPLOYMENT CAPACITY

\$36B - \$39B



Sources

\$36B - \$39B



Potential Uses

KEY POINTS

Accelerated Deployment

- Re-upping \$25B+ commitment for 2023 - 2025
- Consistently deploying capital in excess of cash flow
- Achieved commitment from 2022 Investor Day, repurchased over \$4B of Honeywell shares in 2022

Well-Positioned for the Future

- Ample funding capacity for value-add M&A
- Remain opportunistic on share repurchases
- Dividend growth aligned with earnings growth

Expect Accelerated Capital Deployment Over Next Three Years

LONG-TERM COMMITMENTS UPDATE

	PRIMARY END MARKET	OLD TARGETS (2022 INVESTOR DAY)		NEW TARGETS	
		ORGANIC SALES GROWTH TARGET	SEGMENT MARGIN TARGET	ORGANIC SALES GROWTH TARGET	SEGMENT MARGIN TARGET
AERO	Commercial Aerospace Defense and Space	MSD	29%	Raised MSD - HSD	29%
HBT	Non-Residential	MSD - HSD	25%	MSD - HSD	Raised 27%
PMT	Energy Specialty Chemicals	MSD - HSD	25%	MSD - HSD	25%
SPS	Industrial Productivity e-Commerce	HSD	18% - 20%	HSD	Raised 20%
HON		4% - 7%	25%	4% - 7%	Raised 25%+

Upgrading Targets on Robust Macro and Growth Execution

SUMMARY

Our markets and offerings underpin a robust multi-year outlook

Honeywell will continue to execute in all environments - impeccable track record

Accelerator provides a new lever to outperform - continue to raise the bar

Our robust balance sheet and cash generation will fuel accelerated capital deployment

FINANCIAL OUTCOMES

4% - 7%

Organic Sales Growth

>35%

Recurring Revenue

>40%

Gross Margin

40 - 60 bps

Segment Margin Expansion

Mid-Teens+

Free Cash Flow Margin

\$25B+

2023 - 2025 Capital Deployment

Compelling Financial Algorithm in Next Phase

Q&A

Honeywell

—
**THE
FUTURE
IS
WHAT
WE
MAKE IT**



Darius Adamczyk

Chairman and
Chief Executive Officer



Vimal Kapur

President and
Chief Operating Officer



Anne Madden

Senior Vice President
and General Counsel



Greg Lewis

Senior Vice President and
Chief Financial Officer

MODERATED BY

Sean Meakim

Vice President
Investor Relations



Appendix



DARIUS ADAMCZYK

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Darius Adamczyk is Chairman and Chief Executive Officer of Honeywell, a leading software-industrial company that helps connect everything from aircraft, cars, buildings, manufacturing plants, supply chains, and workers to make our world smarter, safer, and more sustainable. On June 1, 2023, he will become Executive Chairman of Honeywell, and Vimal Kapur will succeed him as Chief Executive Officer.

He was elected as Honeywell Chairman in April 2018. Before then, he was appointed as President and Chief Executive Officer in March 2017 after serving for a year as President and Chief Operating Officer. Darius' focus in these roles has been on accelerating Honeywell's organic growth, expanding margins, transforming the Company into a premier software-industrial, deploying capital effectively, and building a high-performance culture.

Darius joined the Company in 2008 when Metrologic, where he was serving as Chief Executive Officer, was acquired by Honeywell. He served as President of Honeywell Scanning and Mobility for four years, doubling the size of the business, before leading a turnaround over two years as President of Honeywell Process Solutions (HPS). In 2014, Darius was promoted to President and Chief Executive Officer of Honeywell Performance Materials and Technologies (PMT). Before joining Honeywell, Darius held several leadership positions with Ingersoll Rand and Booz Allen Hamilton. He began his career as an electrical engineer at General Electric in 1988.

Born in Poland on February 8, 1966, Darius emigrated to the United States at age 11. He earned his MBA from Harvard University, a master's degree in computer engineering from Syracuse University, and a bachelor's degree in electrical and computer engineering from Michigan State University. Darius also completed the GE Edison Engineering Program, as well as numerous executive development courses at Wharton and Duke, among other institutions. In 2023, he was elected to the National Academy of Engineering. He has received the Legend in Leadership Award from Yale School of Management and the Corporate Social Responsibility Award from the Foreign Policy Association as well as the John D. Ryder Electrical and Computer Engineering Alumni Award from Michigan State University. He was also named a "Best CEO" by Institutional Investor in its 2019 All-America Executive Team rankings, and as a "Most Admired CEO" by Charlotte Business Journal in 2020.

Darius was elected to the Board of Directors for Johnson & Johnson in 2022. He is Vice Chair of the U.S.-China Business Council, a member of the Business Roundtable Board of Directors, and a member of the Business Council and Aspen Economic Strategy Group.



VIMAL KAPUR

PRESIDENT AND CHIEF OPERATING OFFICER

Vimal Kapur is President and Chief Operating Officer of Honeywell. In this role, he creates new solutions to help customers drive their sustainability transformations and accelerate their digital transformation journeys. In addition, Vimal oversees Honeywell's operating system, Honeywell Accelerator, and oversees Honeywell's five strategic business groups. He was appointed to the Honeywell Board of Directors in March 2023 and will succeed Darius Adamczyk as Chief Executive Officer on June 1, 2023.

Vimal previously served as President and CEO of Honeywell Performance Materials and Technologies (PMT) and President and CEO of Honeywell Building Technologies (HBT) for three years before PMT. Prior to Vimal's HBT leadership role, he served as President of Honeywell Process Solutions (HPS) where he led the business through an oil and gas downturn and positioned it to emerge as an even stronger competitor in 2015. Before that, Vimal was Vice President and General Manager of the Advanced Solutions line of business for HPS, where he built the foundation of a strong software business.

Over a Honeywell career that has spanned more than three decades, Vimal has held several other key leadership positions, including Managing Director for Honeywell Automation India Limited (HAIL). Vimal graduated from Thapar Institute of Engineering in Patiala, India, as an electronics engineer with a specialization in instrumentation.



ANNE MADDEN

SENIOR VICE PRESIDENT AND GENERAL COUNSEL

Anne T. Madden is Senior Vice President and General Counsel for Honeywell.

She is responsible for managing legal affairs, Government Relations, health, safety, environment, product stewardship, sustainability / ESG, and global security. Anne is also responsible for Honeywell's global M&A efforts.

Prior to taking this role in 2017, Anne was Vice President, Corporate Development and Global Head of M&A, leading acquisition and divestiture activities for 16 years and resumed responsibility for M&A in 2020. During the last 20 years, Honeywell made around 110 acquisitions, representing approximately \$15 billion in revenues and divested about 80 businesses, representing close to \$18 billion of non-core revenues.

Anne joined Honeywell's predecessor AlliedSignal in 1996 as General Counsel of Fluorine Products. Later that year she became Vice President and General Counsel of Specialty Chemicals and then Vice President and Deputy General Counsel of Honeywell Performance Materials and Technologies (PMT).

Prior to that, Anne worked at Shearman & Sterling and KPMG Peat Marwick.

Anne earned an A.B. in English and American literature from Brown University, an M.S. in accounting and MBA in finance from the NYU Stern School of Business, and a J.D. from the Fordham University School of Law, where she was Managing Editor of the Law Review.

Anne has been selected to serve on the GE HealthCare Board of Directors which began trading as a public company following its spin out from GE in January 2023.



GREG LEWIS

SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Greg Lewis has been Senior Vice President and Chief Financial Officer of Honeywell since 2018. In this role, Greg is responsible for leading global Finance, Treasury, Tax, Audit, Business Analysis and Planning, Controllership, Finance Transformation, Global Real Estate, and Investor Relations.

Over the last six years leading Enterprise Information Management and then as CFO, Greg has played a pivotal role in Honeywell's "great integration" as the company embarked on a substantial transformation to simplify its decision-making and drive greater operational excellence. Among these endeavors, Greg has led Honeywell in its digital transformation and data governance journey, establishing a robust data operating model and building a culture with data at the forefront for strategic decision making. In this time, Greg has also provided critical crisis management leadership in Honeywell's response to the COVID-19 pandemic and related economic environment.

Greg joined Honeywell in 2006, and since then, has held a series of finance leadership roles. Prior to becoming CFO, he was Vice President of Corporate Finance, where he led Treasury, Tax, Audit, Business Analysis and Planning, Investor Relations, M&A, Real Estate, Pension, Finance Operations, and Enterprise Information Management (EIM).

Upon joining Honeywell, he first served as CFO of the former Specialty Products unit within Performance Materials and Technologies (PMT). Subsequently, he served as Vice President of Business Analysis and Planning (BAP) for Honeywell, CFO for Honeywell Process Solutions (HPS) and then CFO for the former Automation and Control Solutions (ACS) segment.

Greg has a broad background in financial leadership across multiple industries. He began his career at Kraft Foods in 1991 and went onto leadership roles at the Stanley Works and Tyco International before joining Honeywell.

Greg holds a master's degree in business administration from Fordham University and a bachelor's degree in finance from the University of Connecticut. He is also Six Sigma Green Belt Certified.



SURESH VENKATARAYALU

SENIOR VICE PRESIDENT, CHIEF TECHNOLOGY AND INNOVATION OFFICER

Suresh Venkatarayalu is Senior Vice President, Chief Technology and Innovation Officer Honeywell, where he is the driving force behind the company's disruptive technologies, innovative product development, and global R&D efforts. A transformative and visionary leader, he successfully merges technology and business to establish the foundation for significant company growth.

Suresh brings a unique global perspective to business operations with a deep understanding of market needs. As CTIO for Honeywell, he leads global research, the development of innovative new applications, product engineering, and breakthrough technologies to drive organic growth.

He is responsible for program execution of all Enterprise Transformation work, spearheading Honeywell's Project Solutions Transformation, Enterprise Process Transformation delivering consistent Global Design Model and the deployment and convergence of the enterprise system of record. Suresh is also responsible for Honeywell's venture capital efforts.

Suresh is passionate about cultivating strong relationships with key business stakeholders, industry partners, and colleagues. An inclusive and trusted leader, he enjoys helping fellow leaders evolve in their roles, and actively mentors young professionals who represent the future of Honeywell.

His career began in Aeronautical Development Agency (Under Dept. of Defense Research and Development, India) as an Aerospace engineer. He joined Honeywell in 1995 as a software and systems engineer for Aerospace and then held a series of engineering and IT leadership positions. In his previous roles as CTO for Honeywell's former Automation and Control Solutions segment and as President of Honeywell Technology Solutions (HTS), he was responsible for more than half of Honeywell's global engineering and technology design hub based out of emerging growth centers.

Suresh's professional history is complemented by an Executive MBA from the Indian Institute of Management and a Bachelor of Engineering degree in Computer Science from Bharathidasan University, India.



MIKE MADSEN

PRESIDENT AND CEO

HONEYWELL AEROSPACE

Mike Madsen became President and CEO of Honeywell Aerospace in October 2019. Based in Phoenix, Honeywell Aerospace products and services are found on virtually every commercial, defense, and space aircraft, and its hardware and software solutions create more fuel efficient aircraft, more direct and on time flights, and safer skies and airports. Mike has held a variety of executive roles over more than three decades in the business, leading multi billion-dollar business units as well as global support functions. He is a change agent with a long track record of strong results in difficult environments and multiple disciplines.

Prior to his current role, he served as Vice President of Integrated Supply Chain for Aerospace with broad responsibility for the global supply chain and manufacturing facilities. Prior to that, he was President of Honeywell Aerospace Defense and Space, a business that serves original equipment manufacturer (OEM), aftermarket, military, government agency, and commercial helicopter segments internationally. Before that, Mike was Vice President of the Airlines Customer Business team within the Air Transport and Regional (ATR) business. He advanced to that role after serving as Vice President for ATR's Regional Aircraft and Aero Component business. Mike's career at Honeywell started as an engine performance engineer in the Aerospace Engines business. Following this, he held a series of positions of increasing leadership responsibility in program management within Honeywell's Aerospace business. Mike led development activities on a wide range of products ranging from solar dynamic power systems to cryogenic valves, launch vehicle actuation systems and aircraft pneumatic components. Mike later served as a production program manager and product manager supporting Honeywell's aerospace components business, as well as Director of Program Management and Velocity Product Development for Honeywell's Business and General Aviation organization.

He earned his B.S. in aerospace engineering from Arizona State University and his M.B.A. from Duke University.



LUCIAN BOLDEA

PRESIDENT AND CEO

PERFORMANCE MATERIALS AND TECHNOLOGIES

Lucian Boldea is President and CEO of Honeywell Performance Materials and Technologies (PMT). In this role, he is responsible for our PMT business, which encompasses Honeywell's process technologies, automation solutions, advanced materials, and industrial software that are transforming industries around the world.

Previously, Lucian was Executive Vice President for Eastman Chemical Company where he led global strategy, business operations and financial performance. He has also held other leadership roles at Eastman including his role as Senior Vice President for the Additives & Functional Products business where he was responsible for Eastman's largest, most profitable business segment. Lucian began his career with Eastman as a chemist in 1997.

Lucian earned a doctorate in organic chemistry from the University of Florida, an MBA in finance from the Wharton School of Management in Philadelphia, and a bachelor's degree in chemistry from the University of West Florida.



BILLAL HAMMOUD

PRESIDENT AND CEO

HONEYWELL BUILDING TECHNOLOGIES

Billal Hammoud is president and CEO of Honeywell Building Technologies (HBT), a business group that creates products, software, and technologies found in more than 10 million buildings worldwide to help keep these facilities safe, energy efficient, sustainable, and productive. Previously, Billal served as President of Smart Energy and Thermal Solutions (SETS) for Honeywell Performance Materials and Technologies (PMT). Prior to that, Billal served as Vice President and General Manager, Thermal Solutions and Vice President and General Manager, Combustion Controls.

Outside of Honeywell, Billal held various business, sales, program management, and engineering leadership roles including most recently serving as President for ESAB Americas and Global Fabrication Solutions at Colfax.

Billal holds a Master of Business Administration degree and a Bachelor of Science in Mechanical Engineering from Wayne State University in Michigan, USA.



GEORGE KOUTSAFTES

PRESIDENT AND CEO

SAFETY AND PRODUCTIVITY SOLUTIONS

George Koutsaftes is President and CEO of Honeywell Safety and Productivity Solutions (SPS), a ~\$7 billion business that provides products, software, and connected solutions to improve productivity, workplace safety, and asset performance for customers across the globe.

George has more than 30 years of investment banking, general management, and financial consulting experience. He has successfully led businesses and functions, driving significant margin productivity and growth, as well as transactions over \$7 billion in aggregate value.

Before joining SPS, George held senior-level positions with increasing responsibilities in Honeywell Performance Materials and Technologies (PMT). From 2017 to 2022, he was President of Honeywell Advanced Materials, a \$3 billion business that specializes in developing and manufacturing high-performance materials and solutions. Prior to this role, he was Vice President of Procurement and Trade Compliance; Global Business Director for the Refrigerants business in Fluorine Products; and Vice President of Business Development and M&A.

Prior to joining Honeywell in 2008, George was a senior level M&A advisor working for Young and Partners, Eureka Capital Markets, and Arthur Andersen Corporate Finance.

George earned an M.B.A. in Finance (Beta Gamma Sigma) from Fordham University and a Bachelor of Science in Accounting from Marist College. He is a Certified Public Accountant and Six Sigma Green Belt.



TORSTEN PILZ

SENIOR VICE PRESIDENT AND CHIEF SUPPLY CHAIN OFFICER

Torsten Pilz is Senior Vice President and Chief Supply Chain Officer.

Torsten has broad responsibilities for the integrated supply chain, including procurement and driving improvements in plant efficiency and working capital while continuing to enhance quality and delivery.

Prior to Honeywell, Torsten served as Vice President, Supply Chain, for SpaceX, where he was responsible for planning, purchasing, material management, and logistics. He built and developed a team that supported dozens of launches a year as well as the development and production of the Falcon and Falcon Heavy Rockets, the Dragon Spacecraft, and the SpaceX' satellite program. Prior to that, he served four years as Vice President, Worldwide Operations, at Amazon.

Before that, Torsten spent eight years at Henkel AG & Co. in a series of roles, culminating in his assignment as Senior Vice President, Global Operations, and Chief Executive Officer, Schwarzkopf & Henkel Production Europe GmbH. He also worked at Strategy& at PWC and Clariant AG.

Torsten earned B.S. and M.S. degrees, followed by a doctorate in chemical engineering at the Karlsruhe Institute of Technology in Germany.



SHEILA JORDAN

SENIOR VICE PRESIDENT, CHIEF DIGITAL TECHNOLOGY OFFICER

Sheila Jordan is Honeywell's Senior Vice President, Chief Digital Technology Officer. In this role, she is responsible for all digital transformation efforts across the company, including transformation platform construction and adoption, and delivering value across Enterprise Data activities.

In addition, she has broad oversight and responsibility for IT infrastructure, end user support, the more than 100 services delivered through applications, and the expansion of software development to support Honeywell's digital initiatives and go-to-market offerings.

Before Honeywell, Sheila was Senior Vice President and Chief Information Officer at Symantec, where she was responsible for Symantec's IT strategy and operations. Prior to that, she served as Senior Vice President of Communication & Collaboration IT at Cisco Systems. Sheila also worked for Walt Disney World, where she was the Senior Vice President of Destination Disney.

Sheila is the recipient of multiple industry awards and recognitions, including being named one of the 2022 Top 100 Women in Technology by *Technology Magazine* and a 2019 Women of Influence by *Silicon Valley Business Journal*. Sheila was also recognized as one of the Top 25 Women Leaders in Cybersecurity in 2019 by *The Software Report*.

Sheila holds a bachelor's degree from the University of Central Florida and an MBA from the Florida Institute of Technology. She is also the author of *You are NOT Ruining Your Kids: A Positive Perspective on the Working Mom*.



KEVIN DEHOFF

PRESIDENT AND CEO

HONEYWELL CONNECTED ENTERPRISE

Kevin Dehoff serves as President and CEO of Honeywell Connected Enterprise (HCE). He leads our efforts in software innovation, including IoT solutions, data analytics and new business development, leveraging Honeywell's heritage along with IoT technologies to solve our customers' toughest challenges. Kevin joined Honeywell in 2019, bringing almost 30 years of experience in strategy-based transformation and performance improvement across Industrials, Technology and Aerospace & Defense sectors. He previously served as President, Productivity Solutions and Services (PSS) at Honeywell, where he led global growth and innovation for Honeywell's mobile computers, printers, data capture devices and software solutions, helping industries across the globe achieve operational excellence.

Prior to Honeywell, Kevin was a Senior Partner and Practice Leader in McKinsey & Company's global Aerospace and Defense Sector where he supported strategic business transformations and led a wide range of performance and operating excellence initiatives. He also served in additional consulting roles, including Vice President and Global Practice Leader of Engineered Products & Services for Booz & Company.

Kevin earned a Bachelor of Science in Engineering and a Master of Science in Manufacturing Systems Engineering, both from Lehigh University, and an MBA from the University of Pennsylvania's Wharton School of Business.



JOHN WALDRON

SENIOR VICE PRESIDENT AND CHIEF COMMERCIAL OFFICER

John Waldron is Senior Vice President and Chief Commercial Officer.

In this role, he has broad responsibilities to drive organic growth by enhancing Honeywell's global sales and marketing capabilities.

Previously, John was President and CEO of Honeywell's Safety and Productivity Solutions (SPS) business, leading the development and sales of technologies to keep more than half a billion workers safe and productive. He has also held other leadership roles with increasing responsibility at Honeywell, including President of Sensing and Productivity Solutions, President of Honeywell Scanning and Mobility (HSM), and Vice President and General Manager of the Americas for HSM.

As Vice President of Global Marketing for HSM, John was responsible for the overall direction and execution of the marketing function and served as Marketing Integration Leader for the acquisitions of Hand Held Products, Metrologic Instruments, and EMS Technologies.

John began his career as an electrical engineer and then held several sales and marketing leadership positions in Honeywell Security Group and the software industry.

John earned an MBA from the University of Notre Dame and a bachelor's degree in electrical engineering from the University of Dayton.

NON-GAAP FINANCIAL MEASURES

The following information provides definitions and reconciliations of certain non-GAAP financial measures presented in this presentation to which this reconciliation is attached to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (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. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Certain measures presented on a non-GAAP basis represent the impact of adjusting items net of tax. The tax-effect for adjusting items is determined individually and on a case-by-case basis. Included below are reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures. Other companies may calculate these non-GAAP measures differently, limiting the usefulness of these measures for comparative purposes.

Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitations of these non-GAAP financial measures are that they exclude significant expenses and income that are required by GAAP to be recognized in the consolidated financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Investors are urged to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measures and not to rely on any single financial measure to evaluate Honeywell's business.

RECONCILIATION OF ORGANIC SALES % CHANGE

Honeywell	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Reported sales % change	4%	3%	(4%)	2%	3%	3%	(12%)	(11%)	5%	3%
Less: Foreign currency translation	-	-	(4%)	(1%)	-	1%	(1%)	-	1%	(3%)
Less: Acquisitions, divestitures and other, net	2%	-	-	4%	(1%)	(4%)	(16%)	-	-	-
Organic sales % change	<u>2%</u>	<u>3%</u>	<u>0%</u>	<u>(1%)</u>	<u>4%</u>	<u>6%</u>	<u>5%</u>	<u>(11%)</u>	<u>4%</u>	<u>6%</u>
Honeywell	2002	2003	2004	2005	2006	2007	2008	2010	2011	2012
Reported sales % change	(6%)	4%	11%	8%	13%	10%	6%	8%	13%	3%
Less: Foreign currency translation	1%	3%	3%	-	-	2%	1%	-	2%	(2%)
Less: Acquisitions, divestitures and other, net	(3%)	1%	-	3%	6%	1%	3%	1%	3%	2%
Organic sales % change	<u>(4%)</u>	<u>0%</u>	<u>8%</u>	<u>5%</u>	<u>7%</u>	<u>7%</u>	<u>2%</u>	<u>7%</u>	<u>8%</u>	<u>3%</u>

We define organic sales percent as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation and acquisitions, net of divestitures, for the first 12 months following the transaction date. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

A quantitative reconciliation of reported sales percent change to organic sales percent change has not been provided for forward-looking measures of organic sales percent change because management cannot reliably predict or estimate, without unreasonable effort, the fluctuations in global currency markets that impact foreign currency translation, nor is it reasonable for management to predict the timing, occurrence and impact of acquisition and divestiture transactions, all of which could significantly impact our reported sales percent change.

RECONCILIATION OF OPERATING INCOME TO SEGMENT PROFIT AND CALCULATION OF OPERATING INCOME AND SEGMENT PROFIT MARGINS

(\$M)	2012	2014	2015	2016	2017	2018	2019	2020	2021	2022	2Q22
Operating income	\$4,156	\$5,622	\$6,238	\$6,051	\$6,303	\$6,705	\$6,851	\$5,696	\$6,200	\$6,427	\$1,601
Stock compensation expense ⁽¹⁾	170	187	175	184	176	175	153	168	217	188	53
Repositioning, Other ^(2,3)	488	590	569	674	962	1,100	598	641	636	942	180
Pension and other postretirement service costs ⁽⁴⁾	1,065	297	274	277	249	210	137	160	159	132	33
Segment profit	<u>\$5,879</u>	<u>\$6,696</u>	<u>\$7,256</u>	<u>\$7,186</u>	<u>\$7,690</u>	<u>\$8,190</u>	<u>\$7,739</u>	<u>\$6,665</u>	<u>\$7,212</u>	<u>\$7,689</u>	<u>\$1,867</u>
Operating income	\$4,156	\$5,622	\$6,238	\$6,051	\$6,303	\$6,705	\$6,851	\$5,696	\$6,200	\$6,427	\$1,601
÷ Net sales	<u>\$37,665</u>	<u>\$40,306</u>	<u>\$38,581</u>	<u>\$39,302</u>	<u>\$40,534</u>	<u>\$41,802</u>	<u>\$36,709</u>	<u>\$32,637</u>	<u>\$34,392</u>	<u>\$35,466</u>	<u>\$8,953</u>
Operating income margin %	<u>11.0%</u>	<u>14.0%</u>	<u>16.2%</u>	<u>15.4%</u>	<u>15.6%</u>	<u>16.0%</u>	<u>18.7%</u>	<u>17.5%</u>	<u>18.0%</u>	<u>18.1%</u>	<u>17.9%</u>
Segment profit	\$5,879	\$6,696	\$7,256	\$7,186	\$7,690	\$8,190	\$7,739	\$6,665	\$7,212	\$7,689	\$1,867
÷ Net sales	<u>\$37,665</u>	<u>\$40,306</u>	<u>\$38,581</u>	<u>\$39,302</u>	<u>\$40,534</u>	<u>\$41,802</u>	<u>\$36,709</u>	<u>\$32,637</u>	<u>\$34,392</u>	<u>\$35,466</u>	<u>\$8,953</u>
Segment profit margin %	<u>15.6%</u>	<u>16.6%</u>	<u>18.8%</u>	<u>18.3%</u>	<u>19.0%</u>	<u>19.6%</u>	<u>21.1%</u>	<u>20.4%</u>	<u>21.0%</u>	<u>21.7%</u>	<u>20.9%</u>

(1) Amounts included in Selling, general and administrative expenses.

(2) Includes repositioning, asbestos, environmental expenses, equity income adjustment, and other charges. For the twelve months ended December 31, 2022, other charges include an expense of \$250 million related to reserves against outstanding accounts receivables, contract assets, and inventory, as well as the write-down of other assets and employee severance related to the initial suspension and wind down of our businesses and operations in Russia. For the three months ended June 30, 2022, other charges include \$67 million related to inventory reserves, the write-down of other assets, and employee severance, related to the initial suspension and wind down of our businesses and operations in Russia. For the twelve months ended December 31, 2022, and 2021, other charges includes \$41 million and \$105 million, respectively, of incremental long-term contract labor cost inefficiencies due to severe supply chain disruptions (attributable to the COVID-19 pandemic) relating to the warehouse automation business within the Safety and Product Solutions segment. These costs include incurred amounts and provisions for anticipated losses recognized during the fourth quarter when total estimated costs at completion for certain of the business' long-term contracts exceeded total estimated revenue. These certain costs represent unproductive labor costs due to unexpected supplier delays and the resulting downstream installation issues, demobilization and remobilization of contract workers, and resolution of contractor disputes.

(3) Amounts included in Cost of products and services sold, Selling, general and administrative expenses, and Other income/expense.

(4) Amounts included in Cost of products and services sold and Selling, general and administrative expenses.

We define segment profit as operating income, excluding stock compensation expense, pension and other postretirement service costs, and repositioning and other charges. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

A quantitative reconciliation of segment profit, on an overall Honeywell basis, to operating income has not been provided for all forward-looking measures of segment profit and segment margin included herewithin. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment profit. The information that is unavailable to provide a quantitative reconciliation could have a significant impact on our reported financial results. To the extent quantitative information becomes available without unreasonable effort in the future, and closer to the period to which the forward-looking measures pertain, a reconciliation of segment profit to operating income will be included within future filings.

CALCULATION OF HONEYWELL BUILDING TECHNOLOGIES SEGMENT PROFIT EXCLUDING SPIN-OFF IMPACT AND SEGMENT MARGIN EXCLUDING SPIN-OFF IMPACT

<i>(\$M)</i>	<u>2018</u>
Segment profit	\$1,608
Spin-off impact ⁽¹⁾	<u>(498)</u>
Segment profit excluding spin-off impact	<u><u>1,110</u></u>
Net sales	\$9,298
Spin-off impact ⁽¹⁾	<u>(3,928)</u>
Net sales excluding spin-off impact	<u><u>5,370</u></u>
Segment margin excluding spin-off impact	<u><u>20.7%</u></u>

(1) Amount computed as the portion of Honeywell Building Technologies segment profit and net sales in the applicable prior year period for Homes and Global Distribution spin-off businesses.

RECONCILIATION OF OPERATING INCOME TO SEGMENT PROFIT AND CALCULATION OF DECREMENTAL MARGIN

	<u>2019</u>	<u>2020</u>
Operating income	\$6,851	\$5,696
Stock compensation expense ⁽¹⁾	153	168
Repositioning, Other ^(2,3)	598	641
Pension and other postretirement service costs ⁽⁴⁾	<u>137</u>	<u>160</u>
Segment profit	<u>\$7,739</u>	<u>\$6,665</u>
Year-over-year change in Segment profit		(\$1,074)
÷ Year-over-year change in Net sales		<u>(\$4,072)</u>
Decremental margin		<u>26%</u>

(1) Amounts included in Selling, general and administrative expenses.

(2) Includes repositioning, asbestos, environmental expenses and equity income adjustment.

(3) Included in Cost of products and services sold, Selling, general and administrative expenses, and Other income/expense.

(4) Amounts included in Cost of products and services sold and Selling, general and administrative expenses.

We define segment profit as operating income, excluding stock compensation expense, pension and other postretirement service costs, and repositioning and other charges. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

RECONCILIATION OF INCOME BEFORE TAXES TO ADJUSTED INCOME BEFORE TAXES AND EBITDA

<i>(\$M)</i>	<u>2022</u>
Income before taxes	\$6,379
Pension mark-to-market expense ⁽¹⁾	523
Expense related to UOP Matters ⁽²⁾	45
Russian-related Charges ⁽³⁾	295
Gain on sale of Russian Entities ⁽⁴⁾	(22)
Net expense related to the NARCO Buyout and HWI Sale ⁽⁵⁾	<u>342</u>
Adjusted income before taxes	<u>7,562</u>
Interest and other financial charges	414
Interest income	(138)
Depreciation and amortization	<u>1,204</u>
EBITDA	<u><u>\$9,042</u></u>

(1) Pension mark-to-market expense of \$523 million for the twelve months ended December 31, 2022.

(2) For the twelve months ended December 31, 2022, the adjustment was an expense of \$45 million due to an expense related to UOP matters.

(3) For the twelve months ended December 31, 2022, the adjustment was \$295 million to exclude charges and the accrual of reserves related to outstanding accounts receivable, contract assets, impairment of intangible assets, foreign exchange revaluation, inventory reserves, the write-down of other assets, impairment of property, plant and equipment, employee severance, and called guarantees related to the initial suspension and wind down of our businesses and operations in Russia.

(4) For the twelve months ended December 31, 2022, the adjustment was \$22 million due to the gain on sale of Russian entities.

(5) For the twelve months ended December 31, 2022, the adjustment was \$342 million due to the net expense related to the NARCO Buyout and HWI Sale.

We define Adjusted income before taxes as income before taxes adjusted for items as listed above. We define EBITDA as Adjusted income before taxes adjusted for Interest and other financial charges, Interest income and Depreciation and amortization.

We believe that adjusted income before taxes and EBITDA are measures useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO HONEYWELL

	<u>2017</u>	<u>2022</u>
Net income attributable to Honeywell	\$1,545	\$4,966
Pension mark-to-market expense ⁽¹⁾	67	440
Separation costs, includes net tax impacts ⁽²⁾	14	-
U.S. Tax Reform	3,891	-
Expense related to UOP Matters ⁽³⁾	-	45
Russian-related Charges ⁽⁴⁾	-	297
Gain on sale of Russian Entities ⁽⁵⁾	-	(22)
Net expense related to the NARCO Buyout and HWI Sale ⁽⁶⁾	-	260
Adjusted net income attributable to Honeywell	<u>\$5,517</u>	<u>\$5,986</u>

(1) Pension mark-to-market expense uses a blended tax rate of 23% and 16% for 2017 and 2022, respectively.

(2) For the twelve months ended December 31, 2017, separation costs of \$14 million including net tax impacts.

(3) For the twelve months ended December 31, 2022, the adjustment was \$45 million, without tax benefit, due to an expense related to UOP matters.

(4) For the twelve months ended December 31, 2022, the adjustment was \$297 million, including a tax valuation allowance benefit of \$2 million, to exclude charges and the accrual of reserves related to outstanding accounts receivable and contract assets, impairment of intangible assets, foreign exchange revaluation, inventory reserves, the write-down of other assets, impairment of property, plant and equipment, employee severance, and called guarantees related to the initial suspension and wind down of our businesses and operations in Russia.

(5) For the twelve months ended December 31, 2022, the adjustment was \$22 million, without tax benefit, due to the gain on sale of Russian entities.

(6) For the twelve months ended December 31, 2022, the adjustment was \$260 million, net of tax expense of \$82 million, due to the net expense related to the NARCO Buyout and HWI Sale.

We define adjusted net income attributable to Honeywell as net income attributable to Honeywell, adjusted to exclude various charges as listed above. We believe adjusted net income attributable to Honeywell is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

RECONCILIATION OF ADJUSTED EPS TO EPS EXCLUDING PENSION HEADWIND

	2022	2Q22	2Q23E	2023E
Earnings per share of common stock - assuming dilution (EPS) ⁽¹⁾	\$ 7.27	\$ 1.84	\$2.15 - \$2.25	\$9.00 - \$9.25
Pension mark-to-market expense ⁽²⁾	0.64	-	No Forecast	No Forecast
Expense related to UOP Matters ⁽³⁾	0.07	0.07	-	-
Russian-related Charges ⁽⁴⁾	0.43	0.19	-	-
Gain on sale of Russian Entities ⁽⁵⁾	(0.03)	-	-	-
Net expense related to the NARCO Buyout and HWI Sale ⁽⁶⁾	0.38	-	-	-
Adjusted earnings per share of common stock - assuming dilution	\$ 8.76	\$ 2.10	\$2.15 - \$2.25	\$9.00 - \$9.25
Pension headwind ⁽⁷⁾	-	-	~0.14	~0.55
Adjusted earnings per share of common stock excluding pension headwind - assuming dilution	\$ 8.76	\$ 2.10	\$2.29 - \$2.39	\$9.55 - \$9.80

(1) For the twelve months ended December 31, 2022, adjusted earnings per share utilizes weighted average shares of 683.1 million. For the three months ended June 30, 2022, adjusted earnings per share utilizes weighted average shares of 685.0 million. For the three months ended June 30, 2023, and twelve months ended December 31, 2023, expected earnings per share utilizes weighted average shares of approximately 671 million and 670 million, respectively.

(2) Pension mark-to-market expense uses a blended tax rate of 16% for 2022.

(3) For the three months ended June 30, 2022, and twelve months ended December 31, 2022, the adjustment was an expense of \$50 million and \$45 million, respectively, without tax benefit, due to an expense related to UOP matters.

(4) For the three months ended June 30, 2022, the adjustment was \$126 million, with no tax benefit, to exclude charges and the accrual of reserves related to foreign exchange revaluation, inventory reserves, the write-down of other assets, impairment of property, plant and equipment, employee severance, and a tax valuation allowance related to the initial suspension and wind down of our businesses and operations in Russia. For the twelve months ended December 31, 2022, the adjustment was \$297 million, including a tax valuation allowance benefit of \$2 million, to exclude charges and the accrual of reserves related to outstanding accounts receivable, contract assets, impairment of intangible assets, foreign exchange revaluation, inventory reserves, the write-down of other assets, impairment of property, plant and equipment, employee severance, and called guarantees related to the initial suspension and wind down of our businesses and operations in Russia.

(5) For the twelve months ended December 31, 2022, the adjustment was \$22 million, without tax benefit, due to the gain on sale of Russian entities.

(6) For the twelve months ended December 31, 2022, the adjustment was \$260 million, net of tax expense of \$82 million, due to the net expense related to the NARCO Buyout and HWI Sale.

(7) For the three months ended March 31, 2023, the adjustment is the decline of \$99 million of pension ongoing income compared to the three months ended March 31, 2022, and three months ended March 31, 2023, net of tax expense of \$26 million.

For the three and twelve months ended June 30, 2023, and December 31, 2023, the adjustment is the forecasted decline of approximately \$95 million and \$370 million, respectively, of pension ongoing income between the comparative periods in 2022 and 2023, net of estimated tax expense of approximately \$25 million and \$100 million, respectively.

We define adjusted earnings per share as diluted earnings per share adjusted to exclude various charges as listed in the preceding adjusted earnings per share reconciliation. We define adjusted earnings per share excluding pension headwind as adjusted earnings per share adjusted for an actual or forecasted decline of pension ongoing income between the comparative periods in 2022 and 2023. We believe adjusted earnings per share and adjusted earnings per share excluding pension headwind are measures that are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. For forward-looking information, management cannot reliably predict or estimate, without unreasonable effort, the pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. We therefore do not include an estimate for the pension mark-to-market expense. Based on economic and industry conditions, future developments, and other relevant factors, these assumptions are subject to change.

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW AND CALCULATION OF ADJUSTED FREE CASH FLOW MARGIN

(\$M)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash provided by operating activities	\$3,517	\$4,335	\$5,080	\$5,519	\$5,498	\$5,966	\$6,434	\$6,897	\$6,208	\$6,038	\$5,274
Expenditures for property, plant and equipment	(884)	(947)	(1,094)	(1,073)	(1,095)	(1,031)	(828)	(839)	(906)	(895)	(766)
Garrett cash receipts	-	-	-	-	-	-	-	-	-	586	409
Free cash flow	2,633	3,388	3,986	4,446	4,403	4,935	5,606	6,058	5,302	5,729	4,917
Separation cost payments	-	-	-	-	-	-	424	213	-	-	-
Adjusted free cash flow	<u>\$2,633</u>	<u>\$3,388</u>	<u>\$3,986</u>	<u>\$4,446</u>	<u>\$4,403</u>	<u>\$4,935</u>	<u>\$6,030</u>	<u>\$6,271</u>	<u>\$5,302</u>	<u>\$5,729</u>	<u>\$4,917</u>
Cash provided by operating activities	\$3,517	\$4,335	\$5,080	\$5,519	\$5,498	\$5,966	\$6,434	\$6,897	\$6,208	\$6,038	\$5,274
÷ Net sales	<u>\$37,665</u>	<u>\$39,055</u>	<u>\$40,306</u>	<u>\$38,581</u>	<u>\$39,302</u>	<u>\$40,534</u>	<u>\$41,802</u>	<u>\$36,709</u>	<u>\$32,637</u>	<u>\$34,392</u>	<u>\$35,466</u>
Operating cash flow margin %	<u>9%</u>	<u>11%</u>	<u>13%</u>	<u>14%</u>	<u>14%</u>	<u>15%</u>	<u>15%</u>	<u>19%</u>	<u>19%</u>	<u>18%</u>	<u>15%</u>
Adjusted free cash flow	\$2,633	\$3,388	\$3,986	\$4,446	\$4,403	\$4,935	\$6,030	\$6,271	\$5,302	\$5,729	\$4,917
÷ Net sales	<u>\$37,665</u>	<u>\$39,055</u>	<u>\$40,306</u>	<u>\$38,581</u>	<u>\$39,302</u>	<u>\$40,534</u>	<u>\$41,802</u>	<u>\$36,709</u>	<u>\$32,637</u>	<u>\$34,392</u>	<u>\$35,466</u>
Adjusted free cash flow margin %	<u>7%</u>	<u>9%</u>	<u>10%</u>	<u>12%</u>	<u>11%</u>	<u>12%</u>	<u>14%</u>	<u>17%</u>	<u>16%</u>	<u>17%</u>	<u>14%</u>

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment plus cash receipts from Garrett. We define adjusted free cash flow as free cash flow plus separation cost payments. We define adjusted free cash flow margin as adjusted free cash flow divided by net sales.

We believe that free cash flow, adjusted free cash flow, and adjusted free cash flow margin are non-GAAP metrics 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 metrics 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.

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW AND FREE CASH FLOW EXCLUDING IMPACT OF SETTLEMENTS

	<u>2023E</u>
(\$B)	
Cash provided by operating activities	~\$4.9 - \$5.3
Expenditures for property, plant and equipment	~(1.0)
Garrett cash receipts	-
Free cash flow	<u>~\$3.9 - \$4.3</u>
Impact of settlements	~1.2
Free cash flow excluding impact of settlements	<u>~5.1 - \$5.5</u>

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment plus anticipated cash receipts from Garrett. We define free cash flow excluding impact of settlements as free cash flow less settlements related to the NARCO Buyout, HWI Sale, and UOP Matters.

We believe that free cash flow and free cash flow excluding impact of settlements 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.

CALCULATION OF RETURN ON INVESTED CAPITAL

	<u>2017</u>	<u>2022</u>
Adjusted net income attributable to Honeywell	\$5,517	\$5,986
Interest and other financial charges	316	414
Tax attributable to interest expense ⁽¹⁾	<u>(69)</u>	<u>(86)</u>
Adjusted net income before interest	<u>\$5,764</u>	<u>\$6,314</u>
Long-term debt ⁽²⁾	\$12,378	\$14,689
Current maturities of long-term debt ⁽²⁾	789	1,767
Commercial paper and other short-term borrowings ⁽²⁾	3,662	3,130
Total shareowners' equity ⁽²⁾	<u>17,774</u>	<u>18,281</u>
Net investment (two-point average)	<u>\$34,603</u>	<u>\$37,867</u>
Return on invested capital	<u>16.7%</u>	<u>16.7%</u>

(1) Tax attributable to interest expense uses rates of 21.7% and 20.8%, for 2017 and 2022, respectively.

(2) For Long-term debt, Current maturities of long-term debt, and Commercial paper and other short-term borrowings amounts are calculated as the average of the balance of each in the current year and year immediately preceding.

We calculate Adjusted net income before interest by taking Adjusted net income attributable to Honeywell and adjusting for items as listed above. We calculate Net investment (two-point average) as the sum of the two year averages of the balance sheet categories listed above. We calculate Return on Invested Capital (ROIC) by dividing Adjusted net income before interest by Net investment (two-point average) calculations presented above. We believe ROIC is a measure that is useful to investors and management in understanding our ability to generate growth on investments made in our business.

We believe ROIC should be considered in addition to, not as a substitute for, operating income or loss, net income or loss, cash flows provided by or used in operating, investing, and financing activities, or other income statement or cash flow statement line items reported in accordance with GAAP. Other companies may calculate ROIC differently than we do, which may limit its usefulness as a comparative measure.

Honeywell