

WOLFE RESEARCH TRANSPORTATION AND INDUSTRIALS CONFERENCE

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PRESIDENT AND CEO

HONEYWELL SAFETY AND PRODUCTIVITY SOLUTIONS

Honeywell

Forward Looking Statements

This presentation contains certain statements that may be deemed “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this presentation are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, technological, and COVID-19 public health factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, and other developments, including the potential impact of the COVID-19 pandemic, and business decisions may differ from those envisaged by such forward-looking statements. Any forward-looking plans described herein are not final and may be modified or abandoned at any time. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

Non-GAAP Financial Measures

This presentation contains financial measures presented on a non-GAAP basis. Honeywell’s non-GAAP financial measures used in this presentation 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 margin, on an overall Honeywell basis, which we define as segment profit divided by sales; organic sales growth, which we define as sales growth less the impacts from foreign currency translation and acquisitions and divestitures for the first 12 months following transaction date; and adjusted earnings per share, which we adjust to exclude pension mark-to-market, favorable resolution of a foreign tax matter related to the spin-off transactions, non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions, and the gain on sale of the Retail footwear business, if and as noted in the presentation. 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 metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Refer to the Appendix attached to this presentation for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

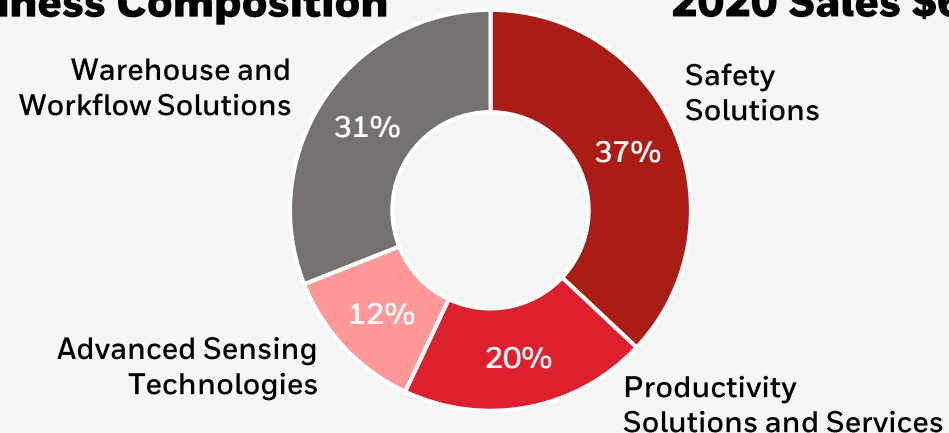
WELL-POSITIONED PORTFOLIO OF SOLUTIONS

Highlights

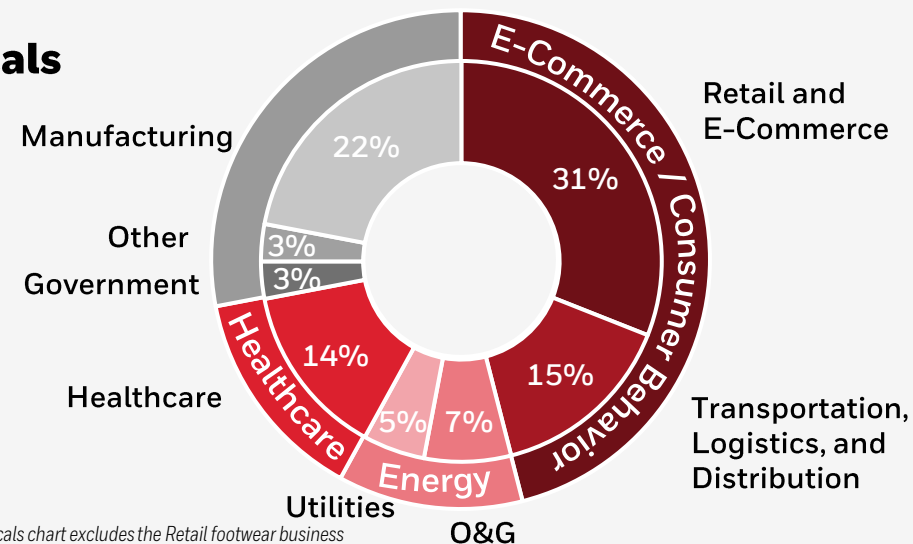
- SPS sales up 47% organically in 1Q21
- Orders up double digits year-over-year in 1Q21 for the sixth straight quarter
- ~\$4B backlog; strong end-markets
- Diverse portfolio of solutions and end-markets:
 - **Honeywell Intelligrated:** leader in automated material handling for distribution / fulfillment
 - **Productivity Solutions:** leader in mobility, voice, print, scanning and sensing for DCs, Transportation and Logistics, and Retail
 - Leading solutions in **Gas Analysis and Safety** as well as **Advanced Sensing** for key market verticals, including transportation, industrial and medical

SPS | Business Composition

2020 Sales \$6.5B



SPS | Verticals



Charts represent 2020 sales; Verticals chart excludes the Retail footwear business

Portfolio Uniquely Positioned for Post-COVID Megatrends

GROWTH OPPORTUNITIES IN A POST-COVID WORLD

E-Commerce / Consumer Behavior



E-commerce adoption rates accelerated by 3 to 5 years



New consumer behaviors for click-and-collect for retail and grocery

Healthcare



New focus on healthcare system readiness to prepare for the next pandemic



Greater adoption of new technologies, approaches for patient care

Energy Ecosystem



Growing global demand for electric vehicles (EV) and the ecosystem to support them



Accelerating investment in diverse, sustainable energy sources and monitoring

Providing Solutions for High-Growth Verticals in a Post-COVID World

Honeywell



JOHN WALDRON

PRESIDENT AND CEO, HONEYWELL SAFETY AND PRODUCTIVITY SOLUTIONS

John Waldron is President and CEO of Honeywell's Safety and Productivity Solutions (SPS) strategic business group. With 2020 revenues of \$6.5 billion, SPS provides products, software, automation and connected solutions that improve productivity, workplace safety and asset performance for customers across the globe.

SPS delivers on this promise through industry-leading mobile devices, software, and automated material-handling solutions; the industry's broadest range of personal protective equipment and gas detection technology; and custom-engineered sensors, switches and controls.

Previously, John served as President of Honeywell Sensing and Productivity Solutions, a leading global provider of sensor, switch and control solutions serving markets ranging from aerospace and logistics to healthcare and retail.

Prior to Sensing and Productivity Solutions, John was President of Honeywell Scanning and Mobility (HSM), where he previously served as Vice President and General Manager of the HSM Americas and Vice President of Global Marketing for HSM. In the latter role, John served as Marketing Integration Leader for the acquisitions of Hand Held Products, Metrologic Instruments and EMS Technologies.

John previously held a number of sales and marketing leadership positions in Honeywell Security Group and in the software industry. He began his professional career as an electrical engineer.

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

2Q AND FY 2021 GUIDANCE

	2Q Guidance	FY Guidance
Sales <i>Organic Growth</i>	\$8.4B – \$8.7B <i>Up 10% – 13%</i>	\$34.0B – \$34.8B <i>Up 3% – 5%</i>
Segment Margin <i>Margin Expansion</i>	19.8% – 20.3% <i>Up 130 – 180 bps</i>	20.7% – 21.1% <i>Up 30 – 70 bps</i>
Net Below the Line Impact Effective Tax Rate Share Count	\$0M – \$55M 23% - 24% ~705M	(\$130M) – \$20M 21% - 22% ~705M
Adjusted Earnings Per Share <i>Adjusted Growth</i>	\$1.86 – \$1.96 <i>Up 48% – 56%</i>	\$7.75 – \$8.00 <i>Up 9% - 13%</i>

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 excludes the gain on sale of the Retail footwear business and any potential future one-time items that we cannot reliably predict or estimate such as pension mark-to-market. Adjusted EPS 1% guidance also excludes 4Q20 pension mark-to-market, non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions, and 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions.

Reaffirming Guidance

RECONCILIATION OF ORGANIC SALES % CHANGE

	<u>1Q21</u>
Safety and Productivity Solutions	
Reported sales % change	49%
Less: Foreign currency translation	3%
Less: Acquisitions, divestitures and other, net	<u>(1)%</u>
Organic sales % change	<u>47%</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. 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 SEGMENT PROFIT TO OPERATING INCOME AND CALCULATION OF SEGMENT PROFIT AND OPERATING INCOME MARGINS

(\$M)	2Q20	2020
Aerospace	\$ 2,543	\$ 11,544
Honeywell Building Technologies	1,177	5,189
Performance Materials and Technologies	2,218	9,423
Safety and Productivity Solutions	1,539	6,481
Net Sales	\$ 7,477	\$ 32,637
Aerospace	\$ 528	\$ 2,904
Honeywell Building Technologies	250	1,099
Performance Materials and Technologies	419	1,851
Safety and Productivity Solutions	213	907
Corporate	(25)	(96)
Segment Profit	\$ 1,385	\$ 6,665
Stock compensation expense ⁽¹⁾	(34)	(168)
Repositioning, Other ^(2,3)	(295)	(641)
Pension and other postretirement service costs ⁽⁴⁾	(38)	(160)
Operating income	\$ 1,018	\$ 5,696
Segment profit	\$ 1,385	\$ 6,665
÷ Net sales	\$ 7,477	\$ 32,637
Segment profit margin %	18.5 %	20.4 %
Operating income	\$ 1,018	\$ 5,696
÷ Net sales	\$ 7,477	\$ 32,637
Operating income margin %	13.6 %	17.5 %

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

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

(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 these measures are 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, particularly 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. 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.

RECONCILIATION OF EPS TO ADJUSTED EPS

	<u>2Q20</u>	<u>2020</u>
Earnings (loss) per share of common stock - assuming dilution (EPS) ⁽¹⁾	\$ 1.53	\$ 6.72
Separation related tax adjustment ⁽²⁾	(0.27)	(0.26)
Pension mark-to-market expense ⁽³⁾	—	0.04
Garrett related adjustment ⁽⁴⁾	—	0.60
Adjusted earnings per share of common stock - assuming dilution	<u>\$ 1.26</u>	<u>\$ 7.10</u>

- (1) For the three months ended June 30, 2020 adjusted earnings per share utilizes weighted average shares of approximately 708.1 million. For the twelve months ended December 31, 2020, adjusted earnings per share utilizes weighted average shares of 711.2 million.
- (2) For the three months ended June 30, 2020 and twelve months ended December 31, 2020, separation related tax adjustment of \$186 million (\$186 million net of tax) includes the favorable resolution of a foreign tax matter related to the spin-off transactions.
- (3) Pension mark-to-market expense uses a blended tax rate of 25% for 2020.
- (4) For the twelve months ended December 31, 2020, the adjustment was \$427 million net of tax due to the non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions.

We believe adjusted earnings per share, excluding spin-off impact, is a measure that is 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 EXPECTED EARNINGS PER SHARE TO ADJUSTED EARNINGS PER SHARE

	<u>2Q21E</u>	<u>2021E</u>
Earnings per share of common stock - assuming dilution ⁽¹⁾	<u>\$1.86 - \$1.96</u>	<u>\$7.86 - \$8.11</u>
Gain on sale of retail footwear business ⁽²⁾	<u>—</u>	<u>(0.11)</u>
Adjusted earnings per share of common stock - assuming dilution	<u>\$1.86 - \$1.96</u>	<u>\$7.75 - \$8.00</u>

(1) For the three months ended June 30, 2021 and twelve months ended December 31 2021, expected earnings per share utilizes weighted average shares of approximately 705 million.

(2) For the twelve months ended December 31, 2021, the adjustment was \$72 million net of tax due to the gain on sale of the retail footwear business.

We believe adjusted earnings per share is a measure that is 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 any potential future one-time items, such as pension mark-to-market, without unreasonable effort. Pension mark-to-market expense 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.