LEADERSHIP WEBCAST SERIES
DECEMBER 1, 2020

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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.

No final decision will be taken with respect to such plans or proposals without prior satisfaction of any applicable requirements with respect to informing, consulting or negotiating with employees or their representatives. 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 and which we adjust to exclude sales and segment profit contribution from Resideo and Garrett, if and as noted in the presentation; 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; free cash flow, which we define as cash flow from operations less capital expenditures; adjusted free cash flow, which we define as cash flow from operations less capital expenditures and which we adjust to exclude the impact of separation costs related to the spin-offs of Resideo and Garrett, if and as noted in the presentation; adjusted free cash flow conversion, which we define as adjusted free cash flow divided by net income attributable to Honeywell, excluding pension mark-to-market, 2016 debt refinancing expense, separation costs related to the spin-offs, and adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge, if and as noted in the presentation; and adjusted earnings per share, which we adjust to exclude pension mark-to-market, adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge, favorable resolution of a foreign tax matter related to the spin-off transactions, and the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett’s September 20, 2020 Chapter 11 bankruptcy filing, 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.

Other Definitions
Return on invested capital (ROIC): adjusted net income before interest divided by net investment (2-point average)

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THE HONEYWELL VALUE CREATION FRAMEWORK

1. Deep Experts of Our Domains
   Expansive installed base and scale drive connected software, recurring, and services revenue streams

2. Innovators of Scalable Technologies
   Leveraging installed base; building high-margin, innovative, and scalable businesses

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 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

Drivers of Long-Term Value Creation
PROOF OF VALUE CREATION

Cumulative Total Shareholder Return

- Outperforming over 1-, 3-, 5-, and 10-year periods

- 11 Consecutive Dividend Increases

Annualized Dividends

- Consistently Outperforming over Short-, Medium-, and Long-Term

Source: Capital IQ as of 11/27/2020

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Honeywell’s installed base of systems, software, and technologies are used in...

- ~50% of the top 100 internet retail distribution centers
- ~90% of Fortune 500 companies
- ~70% of the fortune 500 companies
- ~10M buildings around the world
- World’s most powerful quantum computer
- ~35 global industries
- ~80% of ~3K satellites
- ~50% of U.S. hospitals
- ~84% of the top 25 global food retailers
- ~11K industrial plants
- ~50% of global renewable fuel
- ~70% of ~38K business and general aviation aircraft
- ~90% of ~27K transport aircraft

Installed Base Driving Opportunities for High-Return Growth Investments

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SCALABLE TECHNOLOGIES
ORGANIC INVESTMENT FRAMEWORK DRIVING R&D AND GROWTH CAPEX DECISIONS

Investing In Innovation

**Investment Priorities**
- **Next-Gen Products and Services**
- **Emphasis on Software and Services**
- **Incremental, Recurring Revenue Stream**
- **Differentiated Technology and Value Proposition**
- **New Market Opportunity**
- **Strong Go-To-Market Strategy and Scalability**

**Z21: Idea to First Sale; New Offering Introduction Process**

**Break-Through Initiatives (BTI)**
- **Sales Target for each BTI** = >$100M within 3 years of entering execution
- **Total Addressable Market for BTI portfolio** = >$200B

**NPI Vitality** = Percent of total sales generated from organically developed new products introduced in the last three years
- 2017: 21%
- 2018: 24%
- 2019: 28%

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SCALABLE TECHNOLOGIES
SELECT INNOVATIONS – THE NEXT FRONTIER

Market Readiness


Diversity of Opportunities to Capture Substantial TAM
SCALABLE TECHNOLOGIES - HONEYWELL FORGE
HONEYWELL’S PLAY IN IIOT

Digitally Transforming Client Operations - $100B TAM

- **What is Honeywell Forge?** Enterprise Performance Management (EPM) is SaaS for industrials to make every day their best day of performance and every worker an expert. Our route to market is selling business outcomes to CXOs, not selling hammers and nails (PaaS) to software developers.

- **Why do anything at all?** Customers need to digitally transform their operations to drive greater productivity, business continuity, and growth on a significantly lower cost base.

- **What customer outcomes are we driving?** Asset and site health, energy and sustainability, worker productivity, operations optimization, and OT cyber security.

- **Why Honeywell?** We built enterprise grade software from the ground up that is extensible (97% of sales generated from internally developed IP). We have a proven track record of large-scale deployments (8-figure software deals). We codified our deep domain knowledge into the software (100+ years experience).

Sources: Honeywell internal estimates, McKinsey, IIoT: Industrial Internet of Things, SaaS: Software as a Service, PaaS: Platform as a Service, OT: operational technology

**Significant Momentum**

- **Double-digit** recurring software sales growth
- **Connected software margin accretive** to overall Honeywell segment margin
- Customers expect
  - 20% - 40% productivity gains
  - 20% - 30% yield optimization
  - 90%+ operations enabled remotely
  - 25% reduction in carbon footprint

**Internally-Developed SaaS to Digitally Transform Customer Operations**

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### SCALABLE TECHNOLOGIES - HONEYWELL FORGE

**FOCUSED ON EXISTING INSTALLED BASE**

<table>
<thead>
<tr>
<th>SOLUTIONS</th>
<th>VALUE</th>
<th>TRACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUILDINGS</strong></td>
<td>• Digitized Maintenance Energy Optimization</td>
<td>• Uptime / Reliability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 20% - 30% Energy Savings</td>
</tr>
<tr>
<td><strong>INDUSTRIAL</strong></td>
<td>• Asset Performance Management On-Premise Software and Services</td>
<td>• Reduce Unplanned Downtime by Up to 90%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Process Simulation and Optimization</td>
</tr>
<tr>
<td><strong>CYBER</strong></td>
<td>• Managed Security Services Consulting</td>
<td>• Remote Work Enablement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Penetration Testing</td>
</tr>
<tr>
<td><strong>WORKER</strong></td>
<td>• Inspection Rounds Worker Assist</td>
<td>• 60% Time Savings vs. Manual</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Every Worker an Expert</td>
</tr>
<tr>
<td><strong>PARTNERS</strong></td>
<td>• Co-Sell Honeywell Solutions Real Estate Operations (SAP)</td>
<td>• Greater Reach and Diversifying Channels Co-Innovation</td>
</tr>
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</table>

Customer logos represent a small subset of deals

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**Multi-Billion Dollar Pipeline of Opportunities**

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SCALABLE TECHNOLOGIES - SOLSTICE®
AN R&D AND HIGH-RETURN GROWTH CAPEX CASE STUDY

Blockbuster Solstice Molecules Invented to Reduce CO2 Emissions

- Addressing climate change through adoption of sustainable refrigerants
- Replacing high global warming hydrofluorocarbons (HFCs) with Solstice ultra low global warming molecules
- Invested $1B in R&D and growth capex to create hydrofluoro-olefin (HFO) technology
- Current applications include automobile A/C systems; high-pressure chillers, gas blowing agent, and aerosol propellant; low-pressure chillers, liquid blowing agent, and solvent

Solstice Expands into New Markets

- Solstice N41 breakthrough product is the first, non-flammable, low global warming product alternative for residential A/C units
- Other new verticals include personal care, life sciences, construction insulation, eCooling (data centers, 5G)

Environmental Impacts and Financial Return

- Adoption of Solstice molecules has eliminated 194M metric tons of CO2 equivalent; equal to removing 40M cars from the road
- $1B of R&D and growth capex investment, recouped within 5 years of first commercial sale
- Annual sales approaching $1B; projected to generate >$25B in cumulative sales at accretive margins over the lifetime of the molecules

Expansion of Solstice Molecules Represents a $10B TAM
LEADERS IN HIGH GROWTH REGIONS
HGR PLAYBOOK DRIVING SIGNIFICANT GROWTH

Strategic Advantages

• Positioned for the post-COVID world with our regional presence

• Robust “East-for-East” and “East-to-Rest” portfolio serving the growing mass-mid segment, particularly in China and India

• Local-for-local presence providing strength, including local leadership, manufacturing, and commercial organizations

• Strong regional account relationships built over time

• HGRs contributed >50% of incremental HON growth since 2012

HGR Strategy a Consistent Engine for Growth

HGR Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>~$3B</td>
</tr>
<tr>
<td>2010</td>
<td>~$6B</td>
</tr>
<tr>
<td>2019</td>
<td>~$9B</td>
</tr>
</tbody>
</table>

3x Growth Since 2005

2019 Sales

- CEE: 33%
- India: 8%
- ASEAN: 12%
- LATAM: 14%
- China: 28%

HGRs ~25% of HON Sales in 2019

Expanding Presence

- Number of Sales, Marketing, and Engineering Employees in HGRs
- ~6,200 in 2005
- ~16,100 in 2019

160% Growth Since 2005

ASEAN: Malaysia, Philippines, Indonesia, Thailand, Vietnam, Laos, Myanmar. LATAM: Mexico, Brazil, Central and South America. MERTA: Middle East, Russia, Turkey, Africa. CEE: Central Eastern Europe

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RIGOROUS OPERATORS
HONEYWELL OPERATING SYSTEM

<table>
<thead>
<tr>
<th>Areas of Excellence</th>
<th>Key Objectives</th>
<th>Tools / Processes (Examples)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Determine what markets to compete in, how to win, and where to invest</td>
<td>• Strategic Annual Plan</td>
</tr>
</tbody>
</table>
| Finance             | Forecast demand and understand what financial levers to pull to execute strategy | • Annual Operating Plan  
                        |                                 | • Working Capital Optimization |
| Innovation          | Drive new, breakthrough offerings to the market | • Z21 (Idea to First Sale: New Offering Introduction Process)  
                        |                                 | • Blitzscaling |
| Commercial Excellence | Drive effective demand generation, optimize sales resources and incentives, and use pricing as a key variable contribution margin lever | • Digital Marketing  
                        |                                 | • Sales Behavior Index  
                        |                                 | • Dynamic Pricing |
| Supply Chain        | Ensure seamless customer order to delivery | • Digital ISC  
                        |                                 | • Business Value Stream Mapping |
| Total Customer Experience | Create a memorable and effortless customer experience in every step of the decision journey | • Customer-Focused Metrics / Dashboards |
| People Development  | Recruit, develop and retain the diverse talent needed to win | • Development and Succession Planning  
                        |                                 | • Talent Acquisition  
                        |                                 | • Employee Development |

Operational Rigor Underpins Financial Performance
RIGOROUS OPERATORS
TRANSFORMING HONEYWELL INTEGRATED SUPPLY CHAIN

Regional Supply Chains
• Optimizing footprint through simplified network
• Creating an advantage with a shorter, more scalable supply chain through localized approach

Automation
• Investing in robotics and automation with a focus on scalability, connectivity, and common processes
• Automation and digitization optimizing production processes to minimize waste, maximize yield

Digital Supply Chain
• Fully embracing digital supply chain to create agility and end-to-end visibility
• Moving to more agile, real-time and lean supply chain
• Leveraging Honeywell Forge for Industrials to gain insights into manufacturing processes

Key Performance Metrics

9%
Reduction in Manufacturing Square Footage Since 2018

~$23M
Invested in Automation in 2020

>50%
YoY Quality Improvement

$0.75B
Cumulative Direct Material Productivity Since 2018

25%
of Sales Deployed to Digitized Planning System

Continuous Improvement Culture; Well-Established, Long-Term Competitive Advantage

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RIGOROUS OPERATORS
MODERNIZING HONEYWELL WITH HONEYWELL DIGITAL

Overview

✓ Six standard business models
✓ Process standardization across the Company
✓ Data governance and management
✓ Technology enablement

377 Applications to be Rationalized in 2020
55% Reduction in ERP Systems in 2020

Our Strategy

• Leverage company-wide best practices to optimize business productivity and eliminate one-off solutions
• Substantially enhance business outcomes with data analytics at the forefront of decision making; real-time, actionable insights across all functions
• Differentiating the customer and seller experience from first touchpoint to aftermarket life-cycle support; invest in IT and COEs to enhance customer experience
• Extract additional value and grow aftermarket services by providing self-service options for customers (i.e., auto replenishment, contract renewals, cash collection, etc.)

What Digital Looks Like

Real-Time Data, Actionable Insights
Proactive Alerts and Customized Triggers
Closed-Loop Systemic Actions
Integrated Systems
Organic, Profitable Growth

*Number of applications has increased due to a change in scope

Advancing Digital Capabilities; On Track to Achieve $0.5B+ Run-Rate Benefits
# Long-Term Financial Performance

<table>
<thead>
<tr>
<th>Key Metrics</th>
<th>2014 – 2016 Average</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Long-Term Target</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Growth</td>
<td>1%</td>
<td>4%</td>
<td>6%</td>
<td>5%</td>
<td>LSD - MSD</td>
<td>• Strong multi-year performance across the board</td>
</tr>
<tr>
<td>Segment Margin Expansion</td>
<td>70 bps</td>
<td>70 bps</td>
<td>60 bps</td>
<td>70 bps ex. spins</td>
<td>30 - 50 bps</td>
<td>• Significant margin expansion</td>
</tr>
<tr>
<td>Adj. FCF Conversion</td>
<td>89%</td>
<td>89%</td>
<td>100%</td>
<td>105%</td>
<td>~100%</td>
<td>• Cash generation a key differentiator</td>
</tr>
<tr>
<td>Adj. FCF Margin</td>
<td>11%</td>
<td>12%</td>
<td>14%</td>
<td>17%</td>
<td></td>
<td>• Robust capital deployment at high returns</td>
</tr>
<tr>
<td>Capital Deployment</td>
<td>$7.0B</td>
<td>$6.1B</td>
<td>$7.6B</td>
<td>$7.8B</td>
<td></td>
<td>• Continued transformation into a software industrial with double-digit connected software sales</td>
</tr>
</tbody>
</table>

Capital deployment figures include capex, dividends, share repurchases, and M&A. Adjusted free cash flow conversion excludes impacts from separation costs related to the spin-offs, pension mark-to-market, 2016 debt refinancing expense, 4Q17 U.S. tax legislation charge and 2018 adjustments to such charge. Adjusted free cash flow margin is defined as adjusted free cash flow divided by net sales.

Long-Term Objectives and Financial Commitments Unchanged
## Executed in Downturn – Cost and Innovation

### Acted Quickly

<table>
<thead>
<tr>
<th></th>
<th>3Q20 YTD</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Cost Reduction</strong></td>
<td>$1.1B</td>
<td>$1.5B-$1.6B</td>
</tr>
<tr>
<td></td>
<td><strong>$10.4B</strong></td>
<td><strong>$15.0B</strong></td>
</tr>
</tbody>
</table>

### Drove Growth and Productivity

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Expenditures</strong></td>
<td>$839M</td>
<td>~$900M</td>
</tr>
<tr>
<td><strong>Decremental Margins</strong></td>
<td>33%</td>
<td>29%</td>
</tr>
</tbody>
</table>

### Protected Margins, Positioned for Recovery

<table>
<thead>
<tr>
<th></th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Healthy Solutions</strong></td>
<td>~$300M</td>
<td>~$1.7B</td>
<td></td>
</tr>
<tr>
<td><strong>YTD Total Shareholder Return</strong></td>
<td>11%</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>

**Deployed Cost Plans Decisively**

**Increased Liquidity Immediately**

**Invested in Growth Through Downturn**

**Quickly Addressed New Customer Needs**

**Improved Margins Sequentially**

**Outperforming Peers**

Source: Capital IQ as of 11/27/20

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**Continued to Focus on Transformation While Positioning for Recovery**

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Robust Capital Deployment - Generating High Returns

Significant Firepower

Capital deployment figures include dividends, share repurchases, and M&A. Peer group includes MMM, EMR, GE, ITW, BA, CAT, DD, DE, DOW, ETN, GD, JCI, LMT, PSX, RTX, SLB. Adjusted free cash flow excludes impacts from separation costs related to the spin-offs.

2015-2019 Adj. FCF Generated: $26.1B
2015-2019 Capital Deployed: $34.2B
2021-2023 Potential Deployment: ~$30B - $36B

Returns on Capital Deployed

- M&A: 10% - 20%
- Share Repurchases: 15% - 25%
- Growth Capex: 20% - 100%

Growth Capex Driving Highest Returns

ROIC

- 2019 Peer Median: 9.9%
- 2019 Honeywell: 18.0%

Industry Leading Returns

Nearly 2x Peer Group
## M&A OBJECTIVES AND FRAMEWORK

### Objectives

- M&A will continue to be an important part of our portfolio management program
  - Evaluating and enhancing our current portfolio with a focus on growth and margin opportunities
  - Proactive cultivation of targets across all areas of the business
  - Disciplined process with a deal by deal focus to ensure we’re delivering returns to all stakeholders

### Framework

- Attractive bolt-ons to enhance existing offerings
- Technology / software assets that can scale within and across our businesses
- Attractive adjacencies that would benefit from our strengths
- Review of areas that are no longer core to our long-term vision; active divestiture program

### Recent Activity

- Acquired Rocky Research, a technology leader specializing in power and thermal management
- Acquired Ballard Unmanned Systems, which extends Honeywell’s presence into the hydrogen fuel cells market for unmanned aerial systems and broader aviation applications
- Strategic investment with path to full ownership in Trinity Mobility Private Limited, a software company and provider of an enhanced Smart City IoT platform

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**Exploring Full Spectrum of Strategic M&A**

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KEY STRATEGIC TRANSACTION CRITERIA

Focused on Expanding Core, Differentiated Platforms (Examples)

• Process controls
• Flight automation / controls
• Building controls
• Warehouse automation
• Industrial software and cybersecurity

Aligned to Long-Term Trends

• AI / cloud / analytics
• Mobility / connectivity
• Contact-free / COVID-19
• Local for local supply chain
• Platforms / XaaS
• Urbanization
• ESG / sustainability

Enhancing Our Financial Profile

• Enhanced and sustainable sales growth
• Higher gross margins
• Recurring revenue streams
• Low-cyclical / high resilience
• Lower fixed costs
• Lower capital intensity

Internal Governance Ensures Strategic Alignment and High-Return Economics
XTRALIS CASE STUDY

Strategic Assessment

2015: Identified innovative technology

- In 2015, Xtralis was a small company with cutting edge technology
- Xtralis was growing at LSD at the time
- Recognized potential for meaningful revenue synergies by putting Xtralis technology through Honeywell Fire’s market-leading channel
- Honeywell acquired Xtralis for $480M in 2016; bought down multiple was ~10x

Leveraging Honeywell

2016 – 2019: Integration

- Executed cost synergies, in addition to generating meaningful revenue synergies
- Xtralis has grown double-digits annually on average by:
  - Investing $40M in R&D over the last 5 years
  - Leveraging our market-leading channel presence
  - Adopting the Honeywell Operating System
  - Strengthening demand generation activity in attractive target verticals

Future Opportunity

2020+: Driving continued growth

- Today, Xtralis is the global leader in Aspirating Smoke Detection technology
- Further bolstering its product and technology differentiation in the competitive landscape
- Leveraging Honeywell R&D capabilities to extend core technology
- Driving higher share of demand for Honeywell Fire business
- Positioned with significant headroom for growth to replace traditional spot detection technology

Acquired Xtralis April 2016

Significant margin improvement

R&D fueling product expansion

M&A Framework Driving Successful Acquisition with 20%+ IRR
INTEGRATED CASE STUDY

Strategic Assessment

Integration and Execution

Future Opportunity

2015 – 2016: Identified compelling trends

• E-commerce growth drives need for automation
• Global and sustainable segment trends
• Adjacent to multiple areas where HON participates
• Projects-based businesses familiar to HON
• Attractive space, with clear right to play

2016 – 2019: Integration

• Leveraged Honeywell’s scale, resources, and capabilities
• Expanded software and services
• Connected solutions to drive operational efficiency
• Acquired Transnorm, established Flux JV
• Grew customer base to support >60 of top 100 U.S. e-commerce players

2020+: Driving continued growth

• Expanding presence and footprint globally
• Driving excellence in smart robotics
• Integrating into HON Forge for enhanced real-time data and visual intelligence
• Exiting 2020 with largest backlog ever
• Runway for expansion into attractive adjacencies; leverage capabilities and installed base

Acquired Intelligrated August 2016

~2x revenue growth 2016 – 2019

Sustained double-digit growth

Successful Acquisition Driving Consistent Double-Digit Growth, 15%+ IRR

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CORPORATE CITIZENSHIP FRAMEWORK

Environmental

Honeywell invents and commercializes technologies that address some of the world’s most critical challenges around energy, safety, security, productivity, and urbanization.

Making the future safer and more sustainable

Social

Honeywell demonstrates corporate social responsibility and community involvement through unique programs that emphasize STEM education, inclusion and diversity, and humanitarian relief.

Inspiring change in communities around the world

Governance

Honeywell is committed to strong corporate governance policies, practices, and procedures designed to ensure that the Board effectively exercises its oversight role.

Recognized as a global leader in ethics and compliance

Robust Environmental, Social, and Governance Framework
CORPORATE CITIZENSHIP IN ACTION

Environmental Solutions

• ~50% of our new product R&D activity is directed towards sustainable solutions
  - Created a new business to develop and commercialize new sustainable technologies

• Significant progress on our internal sustainability program
  - >90% reduction in Scope 1 and Scope 2 greenhouse gas intensity since 2004
  - ~70% energy efficiency improvement since 2004
  - 128 million gallons of water saved in water-stressed regions since 2013
  - ~3,000 acres remediated and restored as valuable community assets

Social Initiatives

• Our culture fosters an inclusive and diverse workforce
  - Diverse interview slates required for 100% of job requisitions
  - Developing strong CEO-sponsored minority leadership programs across Honeywell
  - Partnering with external organizations that support diversity and underrepresented communities
  - Driving rigor, consistency, and scalability through CEO-sponsored I&D Steering Committee

• Commitment to corporate citizenship
  - Founding sponsor of Charlotte Center City Small Business Innovation Fund ($2M)
  - Emergency funding through Honeywell Humanitarian Relief Organization

Corporate Governance

• Best-in-class board and executive management composition
  - 12 of 13 directors are independent
  - 31% of directors are women
  - 38% of directors are ethnically diverse
  - 25% of top executives are women
  - 50% of top executives are ethnically diverse

• Compensation program linked to strategy
  - 80% of annual incentive compensation plan (ICP) based on formulaic determination against annual financial metrics
  - 20% of ICP based on assessment of individual performance

Continued Emphasis on Our Environmental, Social, and Governance Principles
ANNUAL TSR PERFORMANCE VS. BENCHMARKS

Honeywell Annual Total Shareowner Return (TSR) vs. XLI and DJIA

Consistently Outpacing Industry and Market in All Cycles

Source: Capital IQ as of 11/27/20
• The Honeywell value creation framework delivers outperformance in all economic / market conditions
  – 2020 was another proof point

• The 2020 crisis reaffirmed our strategies, supported by our initiatives in Honeywell Forge software, digitization, and supply chain transformation

• Our growth investments will continue to create value for customers, solve some of the most challenging global sustainability issues, and create superior returns for shareholders

Honeywell Will Consistently Deliver Superior Returns for Shareowners
### 4Q 2020 PREVIEW

<table>
<thead>
<tr>
<th></th>
<th>4Q Guidance</th>
<th>FY Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$8.2B - $8.5B Down (14%) – (11%)</td>
<td>$31.9B - $32.2B Down (13%) – (12%)</td>
</tr>
<tr>
<td>Organic Growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment Margin</td>
<td>21.1% - 21.3% Down (30) – (10) bps</td>
<td>20.4% - 20.5% Down (70) – (60) bps</td>
</tr>
<tr>
<td>Margin Expansion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Net Below the Line Impact</td>
<td>($50M) - $10M ~19% ~710M</td>
<td>($184M) - ($124M) ~21% ~711M</td>
</tr>
<tr>
<td>Adjusted Effective Tax Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Count</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>$1.97 - $2.02 Down (4%) – (2%)</td>
<td>$7.00 - $7.05 Down (14%)</td>
</tr>
<tr>
<td>Adjusted Growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adjusted net below the line impact is the difference between segment profit and income before tax, excluding the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett’s September 20, 2020 Chapter 11 bankruptcy filing. Impact includes interest and other financial charges, stock compensation expense, pension ongoing income, other post-retirement income, and repositioning and other charges. Adjusted EPS and adjusted EPS % guidance exclude $219 million mark-to-market adjustments to the charges taken in connection with the 2017 U.S. tax legislation charge, 2020 favorable resolution of a foreign tax matter related to the spin-off transactions, and the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett’s September 20, 2020 Chapter 11 bankruptcy filing.

Reaffirming Guidance
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, homes and buildings, manufacturing plants, supply chains, and workers to make our world smarter, safer, and more sustainable.

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. In 2014, Darius was promoted to President and Chief Executive Officer of Honeywell Performance Materials and Technologies.

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. He has received 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, and as a “Most Admired CEO” by Charlotte Business Journal in 2020.

Darius is a member of the Business Roundtable, the Business Council, and the Council on Foreign Relations.
Greg Lewis is Senior Vice President and Chief Financial Officer (CFO) of Honeywell. Since joining Honeywell in 2006, Greg 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). He focused on building a culture of managing data and information as a strategic asset.

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), CFO for Honeywell Process Solutions (HPS) and then CFO for the Automation and Control Solutions (ACS) segment.

With a broad background in financial leadership across multiple industries, Greg began his career at Kraft Foods in 1991 and went on to roles at The Stanley Works and Tyco International.

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 also is Six Sigma Green Belt Certified.
ANNE MADDEN
SENIOR VICE PRESIDENT, BUSINESS DEVELOPMENT AND
GENERAL COUNSEL

Anne T. Madden became Senior Vice President and General Counsel for Honeywell in October 2017, where she has responsibility for the Company’s global Legal function, which includes all global legal matters, as well as oversight of global Compliance matters, Government Relations and Health, Safety, Environmental, Product Stewardship and Sustainability. Anne also served as Corporate Secretary from February 2018 to September 2019. In January 2020, Anne also took on responsibility for the Global M&A/Corporate Development function at Honeywell. She is a member of the Honeywell senior leadership team and is a Company officer.

Starting in 2002, Anne became Vice President, Corporate Development and Global Head of M&A for Honeywell, leading Honeywell’s acquisition and divestiture activities on a global basis. During her over 15-year tenure in that role, Honeywell made over 100 acquisitions representing approximately $15 billion in revenues and divested about 70 businesses representing $9 billion of non-core revenues. Anne joined the former AlliedSignal in June 1996 as General Counsel, Fluorine Products. In December 1996, she became Vice President and General Counsel of Specialty Chemicals. In July 2000, she became Vice President and Deputy General Counsel, responsible for all of the legal affairs for Honeywell’s Performance Materials and Technologies strategic business group.

Anne received Honeywell’s Premier Achievement Award in 1997 and received Honeywell’s Senior Leadership Award in 2005. She was recognized as a “Woman Worth Watching” by Profiles in Diversity Magazine in 2011 and again in 2019, received the NJ Biz “Best Fifty Women in Business” award in 2012, was named by Treasury and Risk Magazine as one of the Top Females in Finance in 2012, and was named a Chambers General Counsel Global 100 Influencer in 2019. Anne is a member of the Association of General Counsel, a member of the Board of The Institute for Legal Reform and a member of The Council on Foreign Relations. Anne serves on the board of the Charlotte-Mecklenburg Police Foundation and has been selected as the 2021 Chair for the American Heart Association’s Annual Charlotte Heart Ball.

Prior to joining Honeywell, Anne was in private practice at the New York law firm of Shearman & Sterling, focusing on M&A and Corporate Finance. Prior to joining Shearman & Sterling, Anne was an auditor in the Financial Services Group of KPMG Peat Marwick in New York.

Anne received an A.B. in English and American literature from Brown University, an M.S. in Accounting and an M.B.A. 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.
## RECONCILIATION OF ORGANIC SALES % CHANGE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported sales % change</td>
<td>3%</td>
<td>(4%)</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>(12%)</td>
</tr>
<tr>
<td>Less: Foreign currency translation</td>
<td>-</td>
<td>(4%)</td>
<td>(1%)</td>
<td>-</td>
<td>1%</td>
<td>(1%)</td>
</tr>
<tr>
<td>Less: Acquisitions, divestitures and other, net</td>
<td>-</td>
<td>-</td>
<td>4%</td>
<td>(1%)</td>
<td>(4%)</td>
<td>(16%)</td>
</tr>
<tr>
<td>Organic sales % change</td>
<td>3%</td>
<td>0%</td>
<td>(1%)</td>
<td>4%</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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, acquisitions, net of divestitures and non-comparable impacts from adoption of the new revenue recognition standard. 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

<table>
<thead>
<tr>
<th>($M)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment profit</td>
<td>$6,351</td>
<td>$6,696</td>
<td>$7,256</td>
<td>$7,186</td>
<td>$7,690</td>
<td>$8,190</td>
<td>$7,739</td>
</tr>
<tr>
<td>Stock compensation expense (A)</td>
<td>(170)</td>
<td>(187)</td>
<td>(175)</td>
<td>(184)</td>
<td>(176)</td>
<td>(175)</td>
<td>(153)</td>
</tr>
<tr>
<td>Repositioning, Other (B,C)</td>
<td>(702)</td>
<td>(590)</td>
<td>(569)</td>
<td>(674)</td>
<td>(962)</td>
<td>(1,100)</td>
<td>(598)</td>
</tr>
<tr>
<td>Pension and other postretirement service costs (D)</td>
<td>(330)</td>
<td>(297)</td>
<td>(274)</td>
<td>(277)</td>
<td>(249)</td>
<td>(210)</td>
<td>(137)</td>
</tr>
<tr>
<td>Operating income</td>
<td>$5,149</td>
<td>$5,622</td>
<td>$6,238</td>
<td>$6,051</td>
<td>$6,303</td>
<td>$6,705</td>
<td>$6,851</td>
</tr>
<tr>
<td>Segment profit</td>
<td>$6,351</td>
<td>$6,696</td>
<td>$7,256</td>
<td>$7,186</td>
<td>$7,690</td>
<td>$8,190</td>
<td>$7,739</td>
</tr>
<tr>
<td>+ Net sales</td>
<td>$39,055</td>
<td>$40,306</td>
<td>$38,581</td>
<td>$39,302</td>
<td>$40,534</td>
<td>$41,802</td>
<td>$36,709</td>
</tr>
<tr>
<td>Segment profit margin %</td>
<td>16.3%</td>
<td>16.6%</td>
<td>18.8%</td>
<td>18.3%</td>
<td>19.0%</td>
<td>19.6%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Operating income</td>
<td>$5,149</td>
<td>$5,622</td>
<td>$6,238</td>
<td>$6,051</td>
<td>$6,303</td>
<td>$6,705</td>
<td>$6,851</td>
</tr>
<tr>
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<td>$39,055</td>
<td>$40,306</td>
<td>$38,581</td>
<td>$39,302</td>
<td>$40,534</td>
<td>$41,802</td>
<td>$36,709</td>
</tr>
<tr>
<td>Operating income margin %</td>
<td>13.2%</td>
<td>14.0%</td>
<td>16.2%</td>
<td>15.4%</td>
<td>15.6%</td>
<td>16.0%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

(A) Included in Selling, general and administrative expenses.
(B) Includes repositioning, asbestos, environmental expenses and equity income adjustment.
(C) Included in Cost of products and services sold, Selling, general and administrative expenses and Other income/expense.
(D) 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. 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 SEGMENT PROFIT EXCLUDING SPIN-OFF IMPACT AND SEGMENT MARGIN EXCLUDING SPIN-OFF IMPACT

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment profit</td>
<td>$8,190</td>
<td>$7,739</td>
</tr>
<tr>
<td>Spin-off Impact *(1)</td>
<td>(1,011)</td>
<td>-</td>
</tr>
<tr>
<td>Segment profit excluding spin-off impacts</td>
<td>$7,179</td>
<td>$7,739</td>
</tr>
<tr>
<td>Sales</td>
<td>$41,802</td>
<td>$36,709</td>
</tr>
<tr>
<td>Spin-off Impact</td>
<td>($6,551)</td>
<td>-</td>
</tr>
<tr>
<td>Sales excluding spin-off impacts</td>
<td>$35,251</td>
<td>$36,709</td>
</tr>
<tr>
<td>Segment margin excluding spin-off impacts</td>
<td>20.4%</td>
<td>21.1%</td>
</tr>
</tbody>
</table>

*(1) Amount computed as the portion of Aerospace and Honeywell Building Technologies segment profit and sales in the applicable prior year period for Transportation Systems and Homes and Global Distribution spin-off businesses.
RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW, CALCULATION OF ADJUSTED FREE CASH FLOW CONVERSION, AND CALCULATION OF ADJUSTED FREE CASH FLOW MARGIN

<table>
<thead>
<tr>
<th>($M)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$5,080</td>
<td>$5,519</td>
<td>$5,498</td>
<td>$5,966</td>
<td>$6,434</td>
<td>$6,897</td>
</tr>
<tr>
<td>Expenditures for property, plant and equipment</td>
<td>(1,094)</td>
<td>(1,073)</td>
<td>(1,095)</td>
<td>(1,031)</td>
<td>(828)</td>
<td>(839)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>3,986</td>
<td>4,466</td>
<td>4,403</td>
<td>4,935</td>
<td>5,606</td>
<td>6,058</td>
</tr>
<tr>
<td>Separation cost payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>424</td>
<td>213</td>
</tr>
<tr>
<td>Adjusted free cash flow</td>
<td>$3,986</td>
<td>$4,446</td>
<td>$4,403</td>
<td>$4,935</td>
<td>$6,030</td>
<td>$6,271</td>
</tr>
</tbody>
</table>

- Net income attributable to Honeywell $4,262 $4,771 $4,812 $1,545 $6,765 $6,143
- Pension mark-to-market expense (1) 179 43 215 67 28 94
- Debt refinancing expense (1) - - 93 - - -
- Separation costs, includes net tax impacts - - - 14 732 -
- U.S. Tax Reform - - - - 3,891 (1,494) (281)
- Adjusted net income attributable to Honeywell $4,441 $4,814 $5,120 $5,517 $6,031 $5,956

<table>
<thead>
<tr>
<th>($M)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$5,080</td>
<td>$5,519</td>
<td>$5,498</td>
<td>$5,966</td>
<td>$6,434</td>
<td>$6,897</td>
</tr>
</tbody>
</table>
- Net income attributable to Honeywell $4,262 $4,771 $4,812 $1,545 $6,765 $6,143
- Operating cash flow conversion 119% 116% 114% 366% 95% 112%
- Adjusted free cash flow $3,986 $4,446 $4,403 $4,935 $6,030 $6,271
- Adjusted net income attributable to Honeywell $4,441 $4,814 $5,120 $5,517 $6,031 $5,956
- Adjusted free cash flow conversion % 90% 92% 86% 89% 100% 105%

- Adjusted free cash flow $3,986 $4,446 $4,403 $4,935 $6,030 $6,271
- Net Sales $40,306 $38,581 $39,302 $40,534 $41,802 $36,709
- Adjusted free cash flow margin 10% 12% 11% 12% 14% 17%

(1) Pension mark-to-market uses a blended tax rate of 28.1%, 36.1%, 21.3%, 23%, 24% and 24%. Debt refinancing expense uses a tax rate of 26.5%.

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant, and equipment.

We believe that this metric is useful to investors and management as a measure of cash generated by business 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. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.
## RECONCILIATION OF SEGMENT PROFIT TO OPERATING INCOME AND CALCULATION OF DECREMENTAL MARGIN

<table>
<thead>
<tr>
<th></th>
<th>2Q19</th>
<th>3Q19</th>
<th>2Q20</th>
<th>3Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment profit</td>
<td>$1,970</td>
<td>$1,928</td>
<td>$1,385</td>
<td>$1,553</td>
</tr>
<tr>
<td>Stock compensation expense</td>
<td>(34)</td>
<td>(37)</td>
<td>(34)</td>
<td>(40)</td>
</tr>
<tr>
<td>Repositioning, Other</td>
<td>(137)</td>
<td>(109)</td>
<td>(295)</td>
<td>(161)</td>
</tr>
<tr>
<td>Pension and other postretirement service costs</td>
<td>(37)</td>
<td>(30)</td>
<td>(38)</td>
<td>(41)</td>
</tr>
<tr>
<td>Operating income</td>
<td>$1,762</td>
<td>$1,752</td>
<td>$1,018</td>
<td>$1,311</td>
</tr>
</tbody>
</table>

| Quarter-over-quarter change in Segment Profit | ($585) | ($375) |
| + Quarter-over-quarter change in Net Sales | ($1,766) | ($1,289) |
| Decremental Margin | 33% | 29% |

(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 these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.
## RECONCILIATION OF EPS TO ADJUSTED EPS

<table>
<thead>
<tr>
<th></th>
<th>4Q19</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share of common stock - assuming dilution (EPS) (1)</td>
<td>$2.16</td>
<td>$8.41</td>
</tr>
<tr>
<td>Pension mark-to-market expense (2)</td>
<td>$0.13</td>
<td>$0.13</td>
</tr>
<tr>
<td>Impacts from U.S. Tax Reform</td>
<td>(0.23)</td>
<td>(0.38)</td>
</tr>
<tr>
<td><strong>Adjusted earnings per share of common stock - assuming dilution</strong></td>
<td><strong>$2.06</strong></td>
<td><strong>$8.16</strong></td>
</tr>
</tbody>
</table>

(1) For the three and twelve months ended December 31, 2019 adjusted earnings per share utilizes weighted average shares of approximately 722.6 million and 730.3.

(2) Pension mark-to-market expense uses a blended tax rate of 24% for 2019.
RECONCILIATION OF EXPECTED EPS TO ADJUSTED EPS

<table>
<thead>
<tr>
<th></th>
<th>4Q20 (E)</th>
<th>2020 (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share of common stock - assuming dilution (EPS) (1)</td>
<td>$1.97 - $2.02</td>
<td>$6.78 - $6.83</td>
</tr>
<tr>
<td>Pension mark-to-market expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Separation-related tax adjustment (2)</td>
<td>-</td>
<td>(0.27)</td>
</tr>
<tr>
<td>Reimbursement receivable charge (3)</td>
<td>-</td>
<td>0.49</td>
</tr>
<tr>
<td>Adjusted earnings per share of common stock - assuming dilution</td>
<td>$1.97 - $2.02</td>
<td>$7.00 - $7.05</td>
</tr>
</tbody>
</table>

(1) For the three and twelve months ended December 31, 2020, expected adjusted earnings per share utilizes weighted average shares of approximately 710 million and 711 million.

(2) For the 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) The impact due to a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett’s September 20, 2020 Chapter 11 bankruptcy.

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, 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.