

HONEYWELL **AT A GLANCE**

Honeywell

—
THE
FUTURE
IS
WHAT
WE
MAKE IT

Honeywell

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), including statements related to the planned spin-off of the Company's Advanced Materials business into Solstice Advanced Materials, a standalone, publicly traded company, the proposed separation of Automation and Aerospace Technologies, and the evaluation of strategic alternatives for the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses. Forward-looking statements are those that address activities, events, or developments that we or our management intend, expect, project, believe, or anticipate 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, many of which are difficult to predict and outside of our control, including Honeywell's current expectations, estimates, and projections regarding the planned spin-off of the Company's Advanced Materials business into Solstice Advanced Materials, a standalone, publicly traded company, the proposed separation of Automation and Aerospace Technologies, and the evaluation of strategic alternatives for the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses. 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, including the consummation of the spin-off of the Advanced Materials business into Solstice Advanced Materials, the proposed separation of Automation and Aerospace Technologies, and the evaluation of strategic alternatives for the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, and the anticipated benefits of each. 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, including ongoing macroeconomic and geopolitical risks, such as changes in or application of trade and tax laws and policies, including the impacts of tariffs and other trade barriers and restrictions, lower GDP growth or recession in the U.S. or globally, supply chain disruptions, capital markets volatility, inflation, and certain regional conflicts, which 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 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; Segment profit margin, on an overall Honeywell basis; EBITDA; EBITDA margin; Free cash flow; Free cash flow excluding impact of settlements; Free cash flow margin; Adjusted earnings per share; Adjusted net income attributable to Honeywell; Adjusted net income before interest; and Return on invested capital (ROIC), 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 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 presentation for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

Honeywell is delivering the future of automation, air travel, and energy with our industry-leading, software-enabled solutions. We create shareholder value through profitable growth and strategic, high-return capital deployment.

\$38B
2024 Sales

13%
2024 FCF Margin

15
Dividend Increases
Since 2010

\$9.89
2024 Adj. EPS

102,000
2024 Employees

192%
10-Year Total
Shareowner Return

SOLVING THE WORLD'S TOUGHEST CHALLENGES IN...

AUTOMATION



AVIATION



ENERGY TRANSITION



← **UNDERPINNED BY DIGITALIZATION** →

HONEYWELL BY THE NUMBERS

\$38B

2024 Sales

38%

2024 Gross Margin

23%

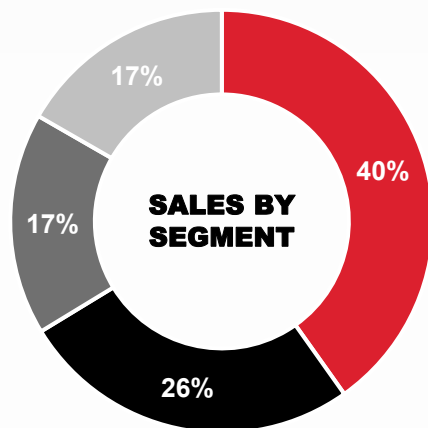
2024 Segment Margin

13%

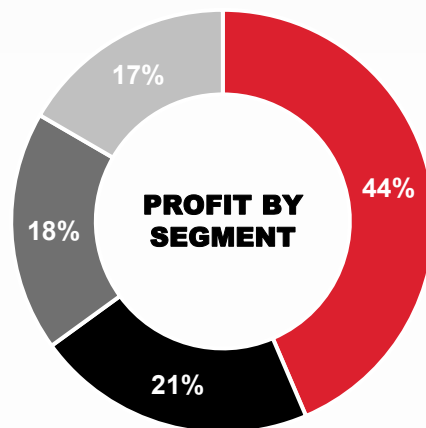
2024 FCF Margin

35%

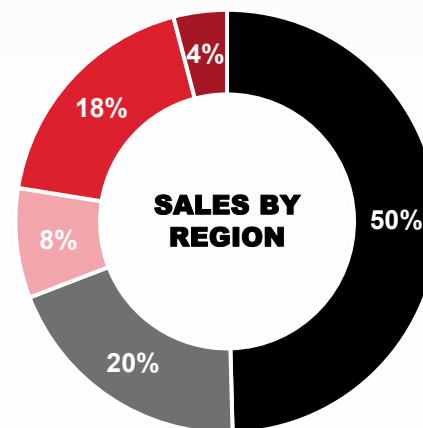
2024 Recurring Revenue



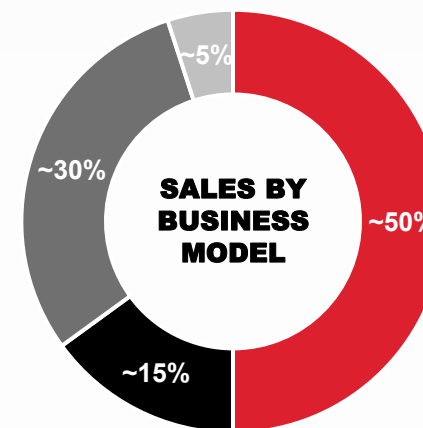
■ Aerospace Technologies
 ■ Industrial Automation
■ Building Automation
 ■ Energy and Sustainability Solutions



■ Aerospace Technologies
 ■ Industrial Automation
■ Building Automation
 ■ Energy and Sustainability Solutions



■ North America
 ■ Asia Pacific
■ Europe
 ■ Latin America
■ Middle East and Africa



■ Products
 ■ Projects
■ Aftermarket Services
 ■ Software

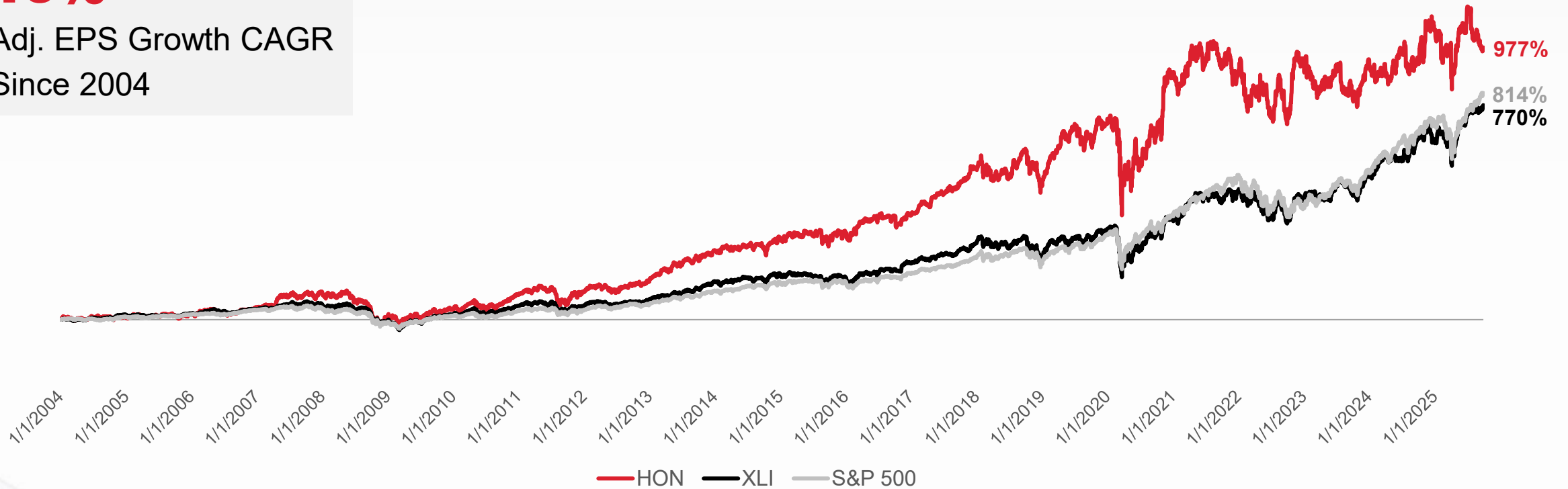
Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025. Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. Pie charts represent 2024 financials excluding corporate and all other.

End Markets Support a Robust Multi-Year Outlook

TOTAL SHAREHOLDER RETURN

10%

Adj. EPS Growth CAGR
Since 2004



Adjusted EPS guidance from initial guide each year. TSR Data as of 9/30/2025.

Honeywell TSR has Significantly Outperformed Indices Over Past 20 Years

An aerial photograph showing a dark river on the left, a winding asphalt road in the center, and a dense green forest on the right. The text is overlaid on the river and road areas.

HONEYWELL'S NEXT TRANSFORMATION CREATING THREE INDUSTRY-LEADING PUBLIC COMPANIES

The Honeywell logo is positioned in the bottom left corner. It features the word "Honeywell" in white, with a background of a dark blue and grey geometric pattern of triangles.

Honeywell

PORTFOLIO EVALUATION CONCLUSION

Following the completion of a one-year internal portfolio review, the Honeywell Board concluded the separation of Automation and Aerospace is in best interest of HON shareholders

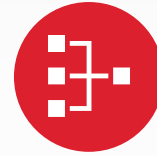
- Next logical step in Honeywell's portfolio transformation to unlock significant value for all stakeholders through more targeted structures
- Builds on foundation of strategic and operational actions taken to simplify Honeywell
- Enables greater strategic focus, operational independence, and financial flexibility
- Creating three industry-leading public companies with tailored strategies and growth drivers
- Expecting to complete tax-free separation to Honeywell shareholders in 2H 2026

Forming Standalone Automation, Aerospace, and Advanced Materials Leaders

THE TIME IS RIGHT



Operational transformations:
Streamlined, digitalized backbone
and integrated supply chains



Best-in-class operating playbook:
Mature Accelerator operating system
fostering a culture of execution and rigor



Portfolio optimization progress:
Business re-segmentation; strategic
bolt-ons and non-core pruning



Divergence of business strategies:
Differing end market dynamics / strategic
choices requiring independent go-forward paths

Opportune Moment for Separation in Pursuit of Long-Term Value Creation

RATIONALE FOR SEPARATION



STRATEGIC

- Singular focus providing **clear alignment in company purpose** and incentives
- **Greater end market intimacy** and faster reaction time to changing market dynamics



OPERATIONAL

- **Enhanced organizational agility**, greater accountability, and simplified decision-making
- **Dedicated boards** with highly relevant domain expertise












FINANCIAL

- Investor base aligned with each company's **distinct and compelling investment profiles**
- Improved ability to **customize capital allocation priorities** aligned with strategic focus

Best Path Forward to Create Value for All Stakeholders

THREE INDUSTRY-LEADING PUBLIC COMPANIES

	HONEYWELL AUTOMATION	HONEYWELL AEROSPACE	SOLSTICE ADVANCED MATERIALS
Advantages	 Global scale, with a comprehensive portfolio of technologies, solutions, and software driving productivity	 Large installed base , recurring AM sales, best-in-class margins with leading R&D investment	 Unique financial profile with market-leading brands across specialty chemicals and materials
Strategy	 Build on vast installed base and deepen presence in high-growth verticals	 Capitalize on multi-year commercial OE and defense investment upcycle	 Enhanced financial flexibility to pursue innovation and develop new solutions with next-gen chemistry
Long-Term Growth Drivers	 Positioned to address the future of automation, energy, and digitalization	 Address the future of aviation through electrification and autonomy of flight	 IP-protected portfolio serving growing regulatory-driven markets
	<i>Pure play automation leader solving the world's most complex problems and powering digital transformation globally</i>	<i>Premier technology and systems provider for all forms of aircraft; to be one of the largest publicly-traded aerospace suppliers</i>	<i>Sustainability-focused specialty chemicals and materials pure play; leading technologies and compelling investment profile</i>

Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025.

Pursuing Tailored Growth Strategies as Three Independent Public Companies

BUSINESS AND INDUSTRY CHARACTERISTICS

	HONEYWELL AUTOMATION	HONEYWELL AEROSPACE	SOLSTICE ADVANCED MATERIALS
Cycle Dynamics	Mix of Long and Short	Long	Short
Capital Intensity	Low	Medium	High
Aftermarket Presence	Medium	High	Low
Primary Go-to-Market Approach	Direct and Channel Partners	Direct	Direct
Customer Concentration	Low	Medium	Medium

Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025.

Distinct Features Appealing to Discrete Investor Bases

HONEYWELL AUTOMATION

INVESTMENT HIGHLIGHTS

- Delivering the buildings and industrial infrastructure of the future, leveraging process technology, software, and **AI-enabled, autonomous solutions**
- **Large installed base** across diverse end markets
- Driving differentiated performance through increasing exposure to **high-growth verticals**
- Leading Honeywell Forge IoT platform enabling **recurring revenue streams**
- Track record of **continuous improvement in operating efficiency** through Accelerator
- Commitment to **strong investment grade balance sheet** providing **financial flexibility** for value-creating capital allocation
- **Representative comparable companies:** Emerson Electric, Rockwell Automation, Johnson Controls

BUSINESS OVERVIEW

Financial Overview

\$18B

Sales

23%

Segment Margin

4%

R&D % of Sales

Operational Highlights

>10M

Global installed base in buildings

~17K

Process plants use HON technology

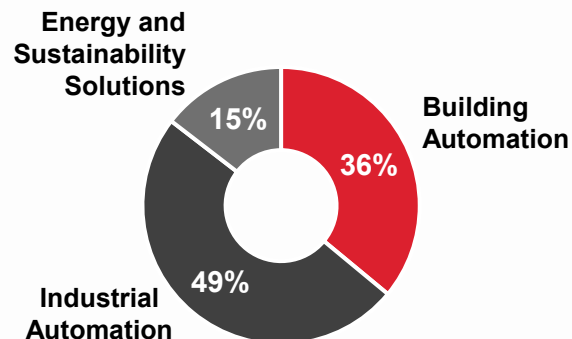
11K+

Active channel partners

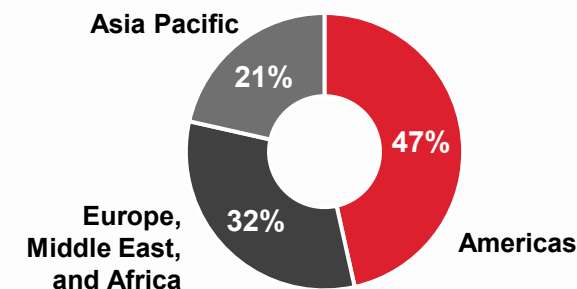
66

Licenses sold by UOP in renewable fuels

Vertical Sales Mix



Geographic Sales Mix



Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. All sales and segment margin figures represent 2024 actual results derived from internal management reporting. All figures exclude Personal Protective Equipment business due to May 2025 sale.

A Pure Play Automation Leader with Global Scale and a Vast Installed Base

HONEYWELL AEROSPACE

INVESTMENT HIGHLIGHTS

- **Global scale** in the highest-value and most critical areas across aerospace and defense value chains
- **Compelling organic growth** driven by robust end markets and differentiated revenue initiatives decoupled from flight hours and build rates
- Platform agnostic, technology-focused systems provider with **robust R&D levels** and **investment pipeline**
- **Focused on executing on significant demand runway**, as well as positioning the business for the **future of aviation** across electrification and autonomy of flight
- **Industry-leading profitability led by operational efficiency and differentiated portfolio**
- **Acquisition opportunities** in high-growth areas; commitment to **strong investment grade balance sheet**
- **Representative comparable companies:** GE Aerospace, TransDigm, RTX

BUSINESS OVERVIEW¹

Financial Overview

\$15B

Sales

26%

Segment Margin

4%

Company-funded
R&D % of Sales

7%

Customer-funded
R&D % of Sales²

Operational Highlights

~90%

of Global aircraft use
HON avionics

100K+

APUs delivered
since 1959

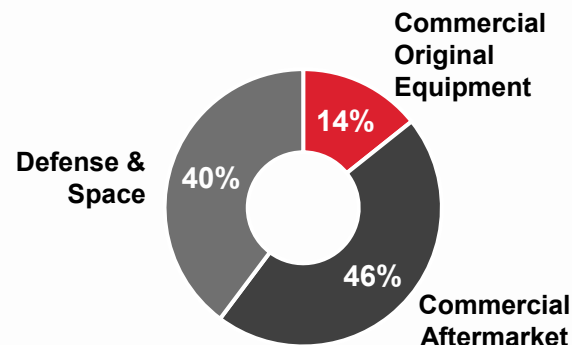
72K

Engines delivered
since 1959

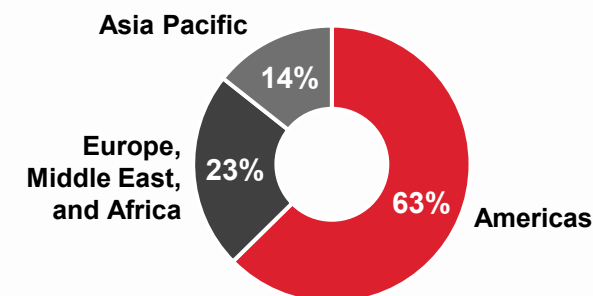
~80%

of orbiting Satellites
have HON content

Vertical Sales Mix



Geographic Sales Mix



Well-Positioned to Enable the Future of Aviation

1. All sales and segment margin figures represent 2024 actual results.

2. Includes deferred customer-funded nonrecurring engineering and development activities and expenditures on customer programs with a significant engineering performance obligation.

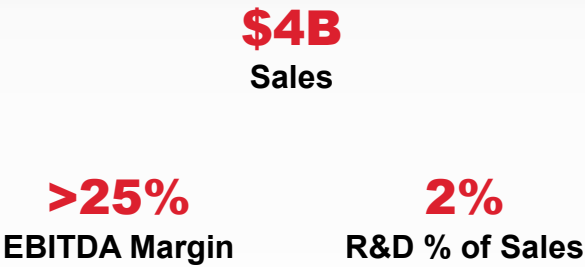
SOLSTICE ADVANCED MATERIALS

INVESTMENT HIGHLIGHTS

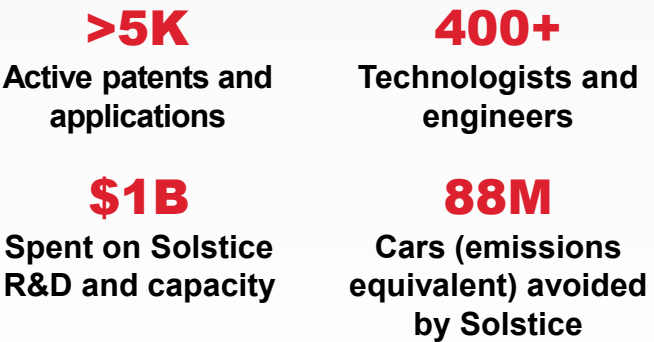
- Leading positions across variety of end markets, supported by a **compelling IP portfolio**
- **Innovative solutions** enjoying global IP protection
- **Deep relationships with blue chip customers**
- **Large-scale, domestic manufacturing base**
- Key products enabling customer transition to **low-carbon solutions**
- Trusted provider of **high-end armor technology**
- Only domestic supply of non-biomass feedstock for **clean electric power generation**
- **Strong, non-investment grade credit rating**
- **Representative comparable companies:** DuPont, Element Solutions

BUSINESS OVERVIEW

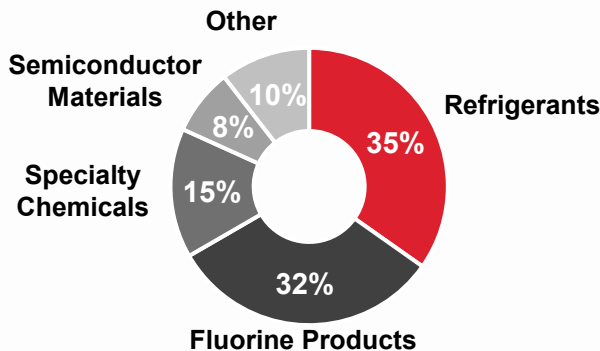
Financial Overview



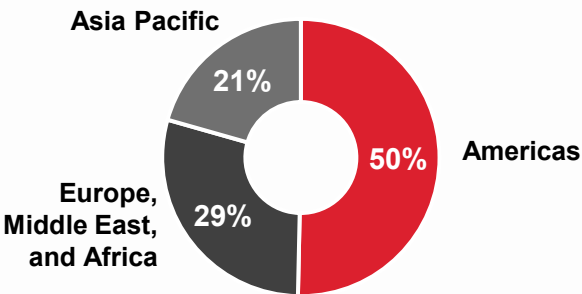
Operational Highlights



Vertical Sales Mix



Geographic Sales Mix



Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025. All sales and EBITDA figures represent 2024 actual results derived from Honeywell internal management reporting, further adjusted for preliminary cost and expense allocations, including corporate expenses. For standalone figures, reference the Solstice Advanced Materials Form-10. We define EBITDA as adjusted income before taxes adjusted for interest and other financial charges, interest income, and depreciation and amortization. We define EBITDA margin as EBITDA divided by sales.

Unique Financial Profile in Specialty Chemicals with Market-Leading Solutions

PORTFOLIO TRANSFORMATION

	2023	2024	2025 - 2026+
Strategy and Organization	<ul style="list-style-type: none"> • Strategic alignment around three megatrends • Business re-segmentation 	<ul style="list-style-type: none"> • Initiation of comprehensive internal business and portfolio review including transformational actions 	<ul style="list-style-type: none"> • Continued strategy execution and preparation to create three independent public companies • \$600M+ Quantinuum capital raise toward eventual monetization • Enhance value proposition of each business through strategic bolt-ons in high-growth segments and portfolio optimization
Bolt-on Acquisitions and Technology Tuck-ins	<ul style="list-style-type: none"> • CCC (IA) <i>Jun 2023</i> • SCADAfence (IA)¹ <i>Aug 2023</i> 	<ul style="list-style-type: none"> • Access Solutions (BA) <i>Jun 2024</i> • Civitanavi (AT)¹ <i>Aug 2024</i> • CAES Systems (AT) <i>Sep 2024</i> • Air Products LNG (ESS) <i>Sep 2024</i> 	<ul style="list-style-type: none"> • Sundyne (ESS) <i>Jun 2025</i> • Catalyst Technologies (ESS) <i>Announced May 2025, Complete in 1H 2026</i> • Li-ion Tamer (BA)¹ <i>Jul 2025</i> • SparkMeter (IA)¹ Aug 2025
Separations and Divestitures	<ul style="list-style-type: none"> • Proactive portfolio pruning 	<ul style="list-style-type: none"> • Announced PPE sale and Advanced Materials spin 	<ul style="list-style-type: none"> • PPE sale (IA) <i>May 2025</i> • Solstice Advanced Materials spin (ESS) <i>Expected in Oct 2025</i> • Honeywell Aerospace spin (AT) <i>Expected in 2H 2026</i> • PSS and WWS strategic alternatives (IA)² <i>Announced Jul 2025</i>

1. Represent technology tuck-in size acquisitions 2. There can be no assurance that pursuing strategic alternatives will result in any transaction or other outcome.

Continued Portfolio Optimization During Separation Work

HONEYWELL REMAINCO SEGMENT REALIGNMENT

ANNOUNCING NEW HONEYWELL SEGMENTATION ALIGNED TO BUSINESS OBJECTIVES

- Streamlining into four reporting segments including a simplified structure for RemainCo businesses, expected beginning first quarter 2026: Aerospace Technologies, Building Automation, Process Automation & Technology, and Industrial Automation
- Post-Aerospace separation, RemainCo will report three segments and six strategic business units **focused on cohesive business models**
- New segments aligned to our strategy aimed at delivering the future of automation through high-ROI, outcomes-based solutions

BUILDING AUTOMATION (BA)

Advantages



Transforming the way buildings operate with best-in-class, multi-domain expertise

PROCESS AUTOMATION & TECHNOLOGY (PA&T)



Synergistic process portfolio with vast installed base providing enterprise-level outcomes

INDUSTRIAL AUTOMATION (IA)



Mission-critical offerings with proven reliability and differentiated connectivity

Long-Term Growth Drivers



Rising global demand for seamless, unified building automation solutions

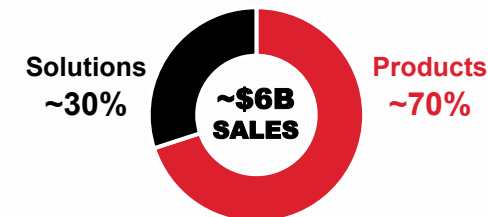
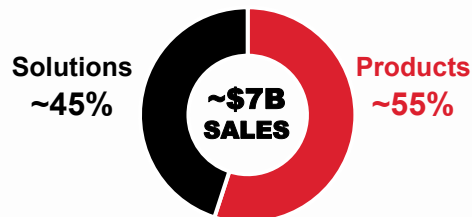


Accelerating customer digital transformation and heightened global energy mix change



Increasing penetration of industrial automation technologies; benefitting from global reshoring thematics

Sales and Mix¹



1. Estimates of sales and mix based on 2025 projected results, adjusted for the anticipated impact of completed acquisitions and dispositions

A Leading Automation Pure-Play with Decades of Domain Expertise

PATH FORWARD

TIMING

- Spin of Solstice Advanced Materials expected October 30, 2025
- Separation of Aerospace and Automation expected in 2H 2026

CLOSING CONDITIONS

- Filing and effectiveness of applicable filings with SEC (including Form 10)
- Customary confirmation that separations are expected to be tax-free to shareowners
- Regulatory and other customary approvals
- Final board of directors' approval

CAPITAL STRUCTURE

- Balance sheets appropriate for each business's operations
- Automation and Aerospace to maintain strong investment grade credit ratings
- Flexibility to meet capital deployment priorities

SEPARATION COSTS

- One-time costs of \$1.5B - \$2B¹ across both separation of Automation / Aerospace and Advanced Materials spin
- Stranded costs to be eliminated within 12 - 24 months post-closing
- Dedicated "separation team" to manage separation execution

NEXT STEPS

- Deliver on our commitments to our customers, shareholders, and employees
- Portfolio shaping to continue
- Key additional details shared for each entity along the way

1. Subject to detailed development and execution of separation restructuring plans.

Focus on Execution as Portfolio Transformation Enters Next Phase

STRATEGIC PRIORITIES

Honeywell

STRATEGIC PRIORITIES

1

ACCELERATE ORGANIC GROWTH

- Innovation playbook
- High growth regions
- Monetize installed base and scale software

2

EVOLVE ACCELERATOR OPERATING SYSTEM

- Integrated operating company
- Enhancing growth, margins, and cash generation
- Taking digital operations to the next level

3

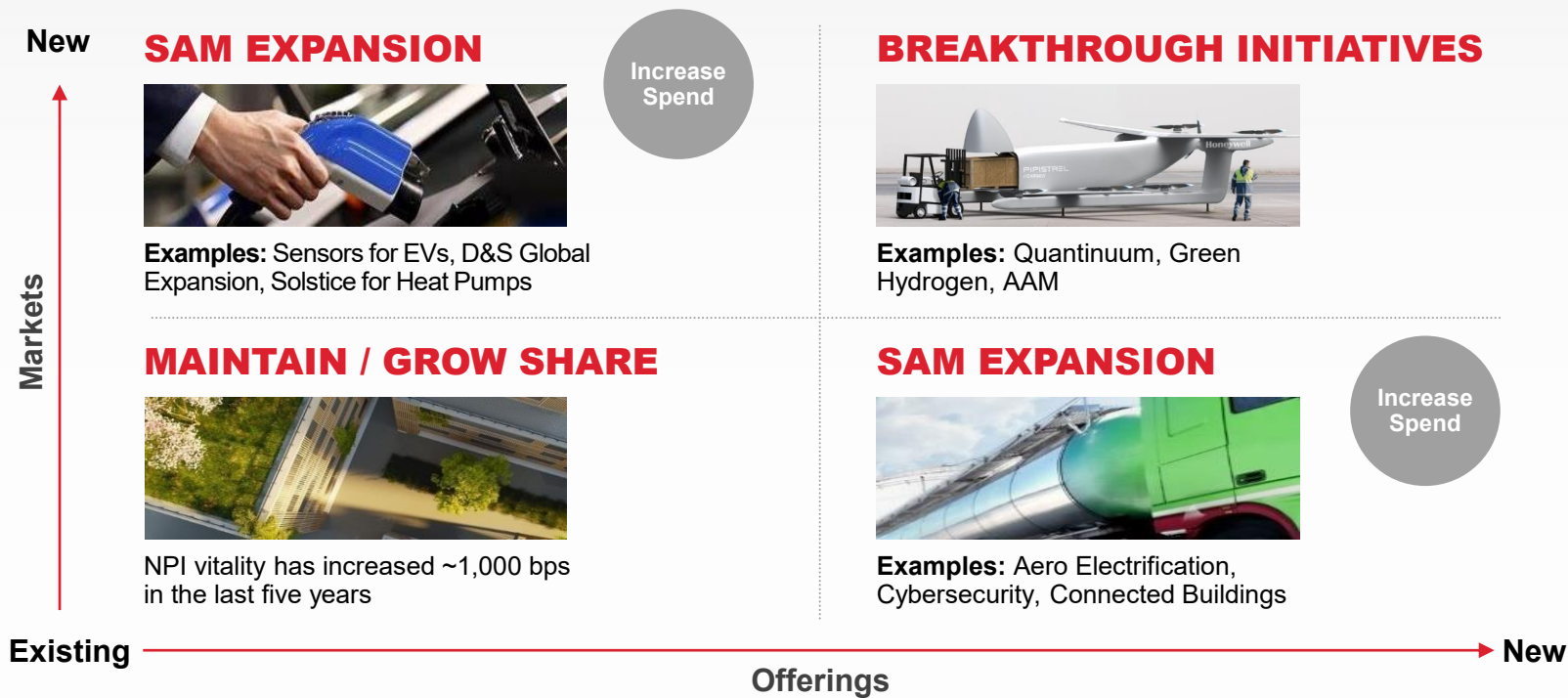
OPTIMIZE PORTFOLIO

- Bolt-on acquisitions
- Divest non-core / simplify
- ↑ Recurring sales / gross margin

FOCUSED ON DELIVERING PROFITABLE GROWTH AND STRONG CASH GENERATION

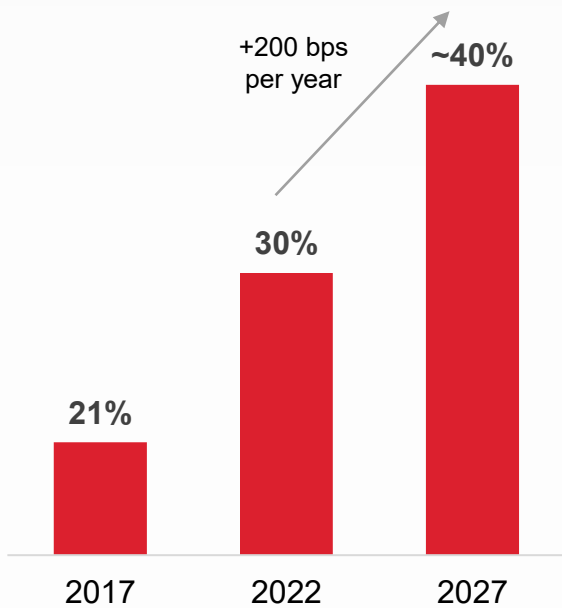
Strategy Focused on Accelerating Value Creation

ENHANCED INNOVATION PLAYBOOK



- Accelerating organic growth with high-return R&D investments at ~7%¹ of sales
- Greater allocation toward new products for existing markets / existing offerings for new customers
- Driving an average of 200 bps NPI vitality increase each year enabling growth

NPI VITALITY

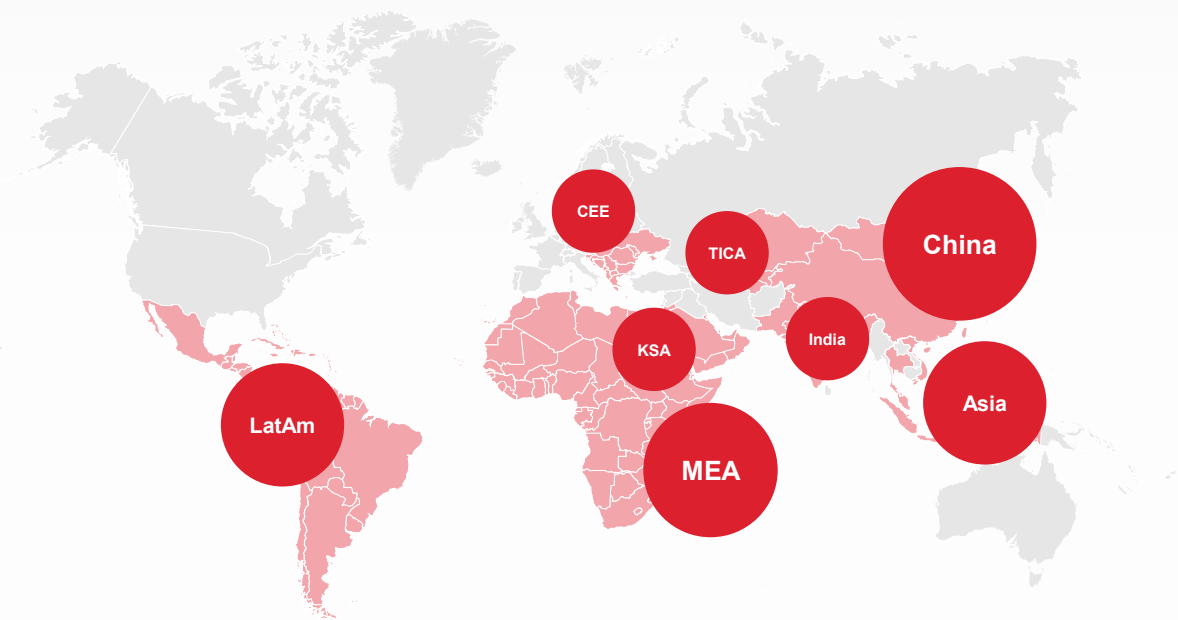


¹Based on 2024, includes ~3% of customer-funded R&D spend. SAM: Serviceable Addressable Market. EV: Electric Vehicles. AAM: Advanced Aerial Mobility.

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

HIGH GROWTH REGIONS

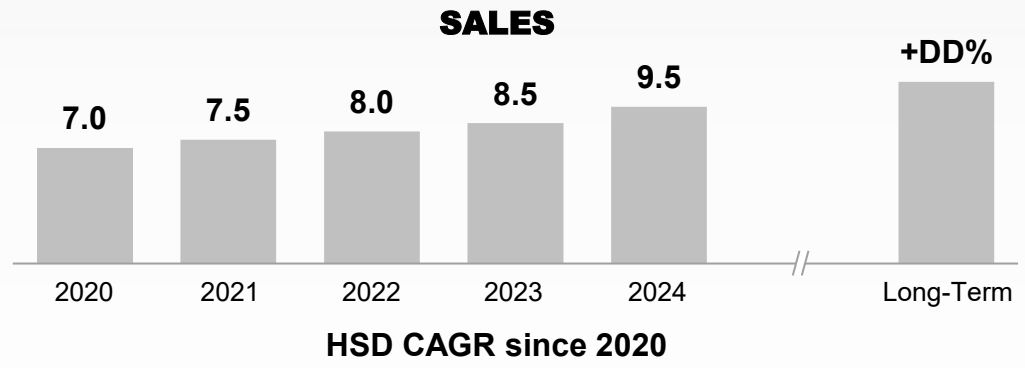
GDP CAGR (2024 - 2030)	US	W. Europe	World	HGR ¹
	1.8%	1.3%	2.7%	4.0%



65%+ of global GDP growth from HGRs in the next 5 years
HGR contribution to world GDP to reach **45%** by 2030

Source: IHS. ¹Bubble Size aligned to HON Rev in each region.

THE JOURNEY



A BRIGHT OUTLOOK AHEAD

↑
Digitalization
↓

AUTOMATION:
Digitalizing manufacturing; infrastructure investments

FUTURE OF AVIATION:
New airlines, fleet, and defense spend growth

ENERGY TRANSITION:
Growing investments in energy transition

HGR Megatrends Align Strongly With Honeywell Portfolio

SOFTWARE VALUE

MONETIZING INSTALLED BASE

~\$2B

Software Sales in 2024



10M

Buildings



150k+

Warehouses



15k+

Process Plants



50k+

Aircraft



6k+

Pharma Locations

Enhancing installed base with new outcome-based connected digital services

SOLVING CRITICAL PROBLEMS

Applications and solutions solving customers' toughest challenges

- Improved asset performance
- Enhanced labor productivity
- Increased cybersecurity
- Reduced carbon emissions

Built on Honeywell Forge IoT Platform with expanding AI capabilities

100M+ of Connected Assets



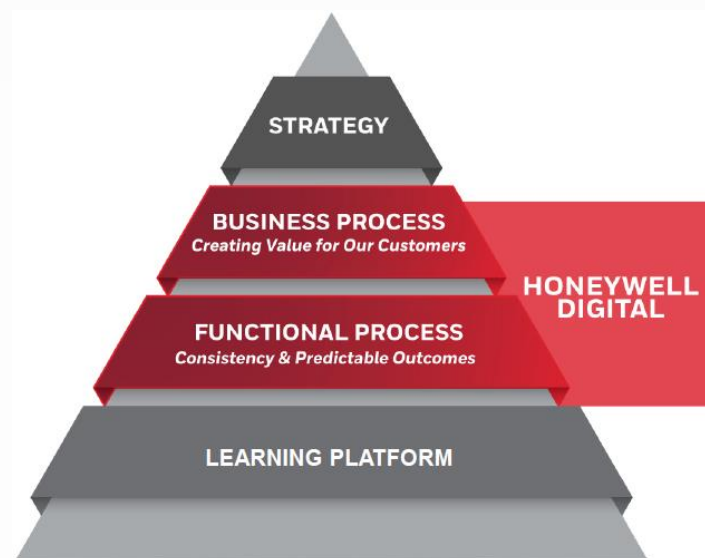
IoT: Internet of Things. AI: Artificial Intelligence. Represents Honeywell Connected Enterprise contribution to segment results. HCE provides software product and service offerings across our reportable business segments.

Double-Digit Growth Enabled by Best-in-Class Forge Platform and Software Expertise

HONEYWELL ACCELERATOR

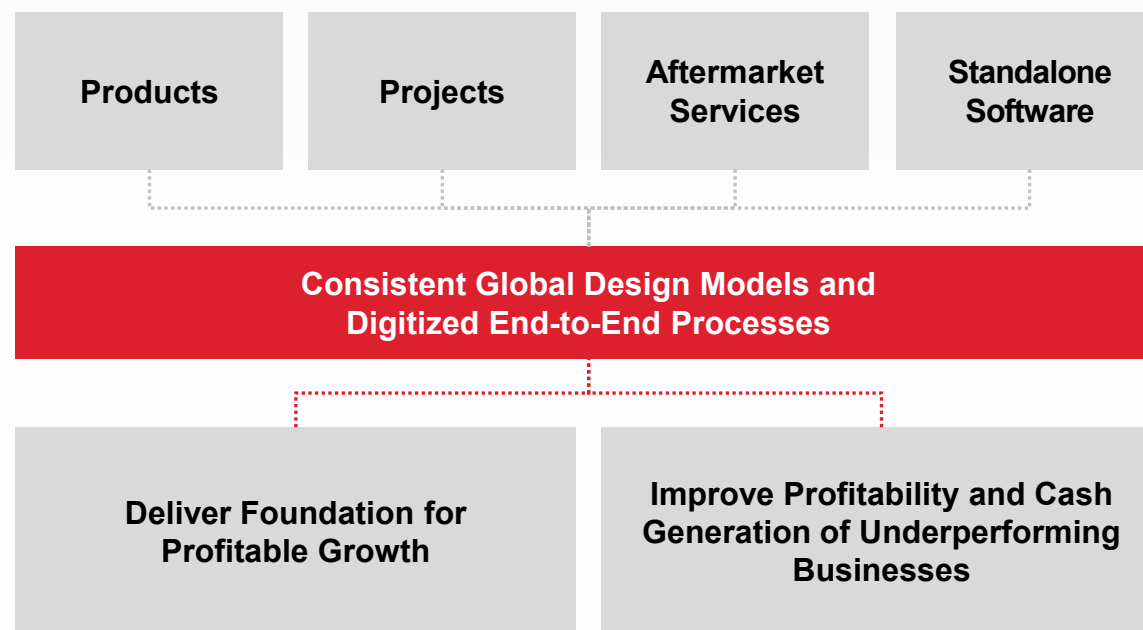
WHAT IS ACCELERATOR?

Accelerator contains all the best practices, tools, and digital platforms to **deliver best-in-class performance**



BUSINESS MODEL STANDARDIZATION

Pivot from functional process excellence to business model value creation



Maximizing value creation for the current business and the future



Honeywell Aerospace



Honeywell Automation



Solstice Advanced Materials

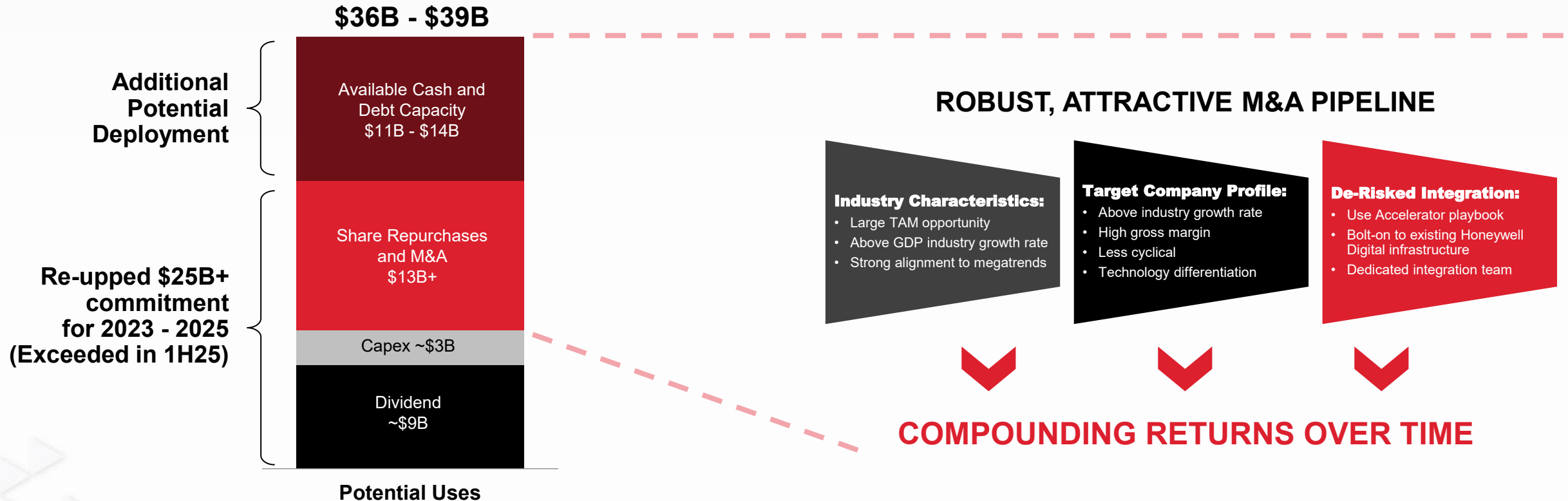
Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025. Data represents 2024 sales.

Culture of Execution; Best-in-Class Operating System for Three Companies

CAPITAL DEPLOYMENT STRATEGY

ROBUST CAPITAL DEPLOYMENT CAPACITY

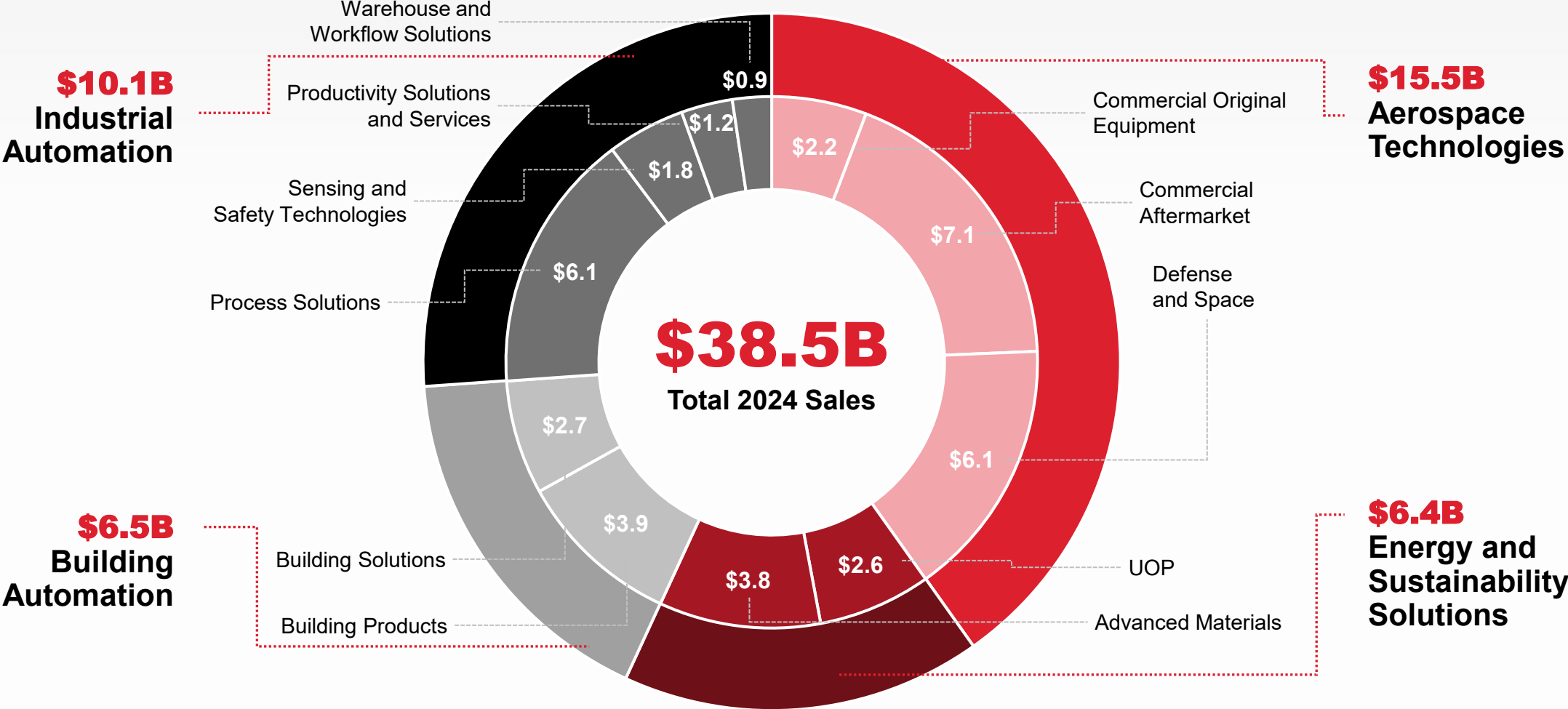
DEMONSTRATED BOLT-ON M&A CAPABILITY



Dynamic Capital Deployment Strategy Aimed at Highest Return Opportunities

SEGMENT OVERVIEW

HONEYWELL SEGMENTS AT A GLANCE



Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025; Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. Represents 2024 sales. Numbers may not sum due to rounding.

Well-Diversified Portfolio Positioned for Accelerated Growth

AEROSPACE TECHNOLOGIES (AT)

2024 FINANCIAL OVERVIEW

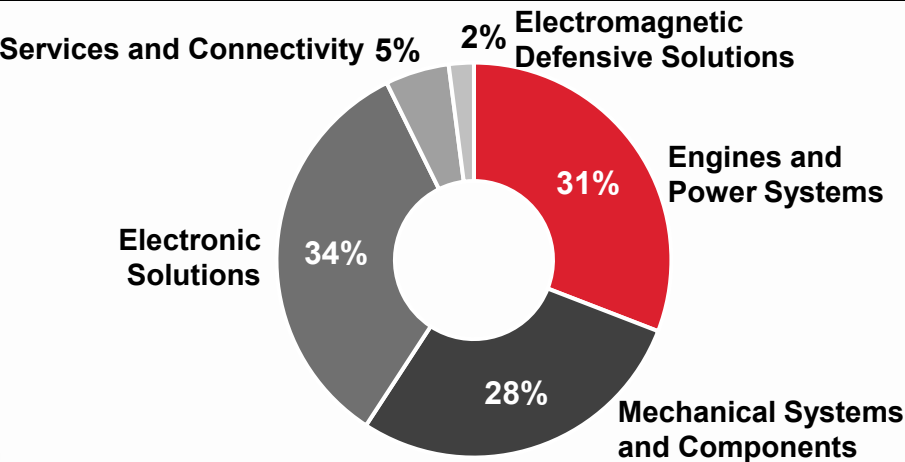
\$15.5B
Sales

25.8%
Segment Margin

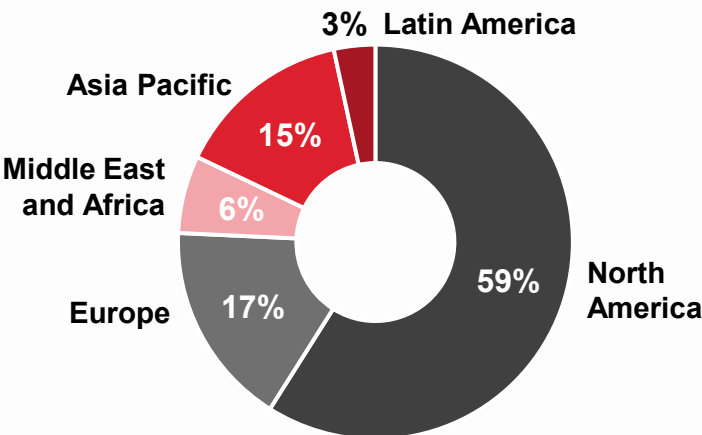
GROWTH DRIVERS

- Multi-year commercial original equipment upcycle, global defense investment upcycle, strong aftermarket installed base
- \$1.4B decoupled revenue growing >10%
- Leading position in new trends: Advanced Air Mobility (UAVs), Electrification, Thermal / Power Management, and Precision Navigation

BUSINESS MIX



GEOGRAPHIC MIX



Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. Represents 2024 sales.

Well Positioned to Lead the Future of Aviation

AEROSPACE TECHNOLOGIES MISSION STATEMENT

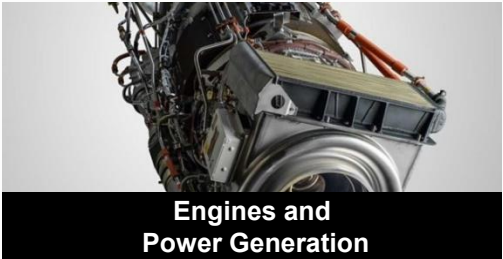
Powering the Future of Aviation with our safe, precise, sustainable, and innovative aerospace portfolio spanning takeoff to landing for defense, space, commercial, and advanced aerial mobility (AAM) applications

STRATEGIC FOCUS

Product Areas



Avionics and Navigation



Engines and Power Generation



Electromechanical Actuation and Thermal Solutions



Connectivity and Data Analytics Services

Value Created

Innovative technologies to enhance pilot situational awareness enabling safe, reliable, and efficient flights with lower power / weight / cost solutions

SAF-capable turbine engines along with advanced technologies enabling electric and hybrid electric propulsion and fuel cell powering capabilities

Safe and reliable cabin environments and effective management of engines, braking, and thermal and power load for commercial aircraft, fighter jets, and AAM

Enabling aircraft and passengers to stay connected and operators to achieve savings through data analytics and database services

COMPETITIVE ADVANTAGES

Advanced technologies



Differentiated products



Broad exposure across verticals



Large installed base



Best-in-class operating system

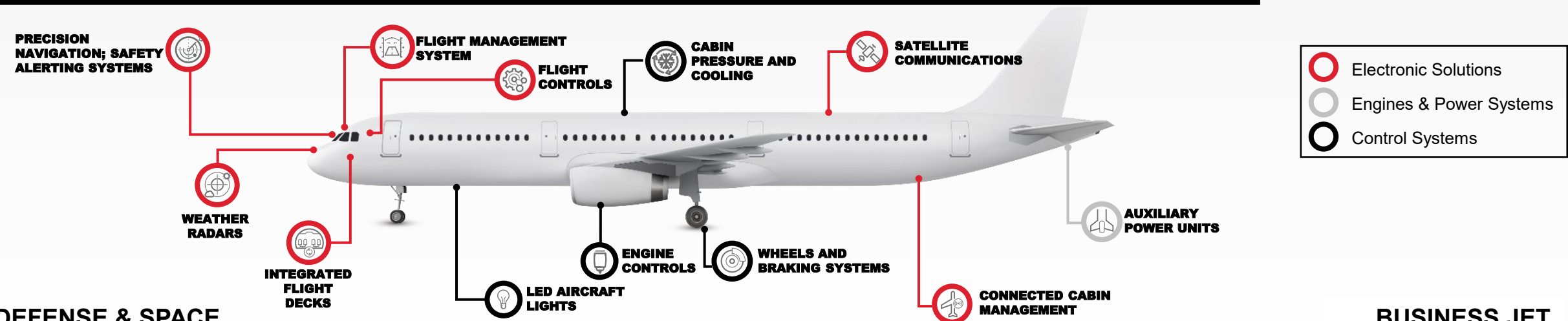


Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. SAF: Sustainable Aviation Fuel.

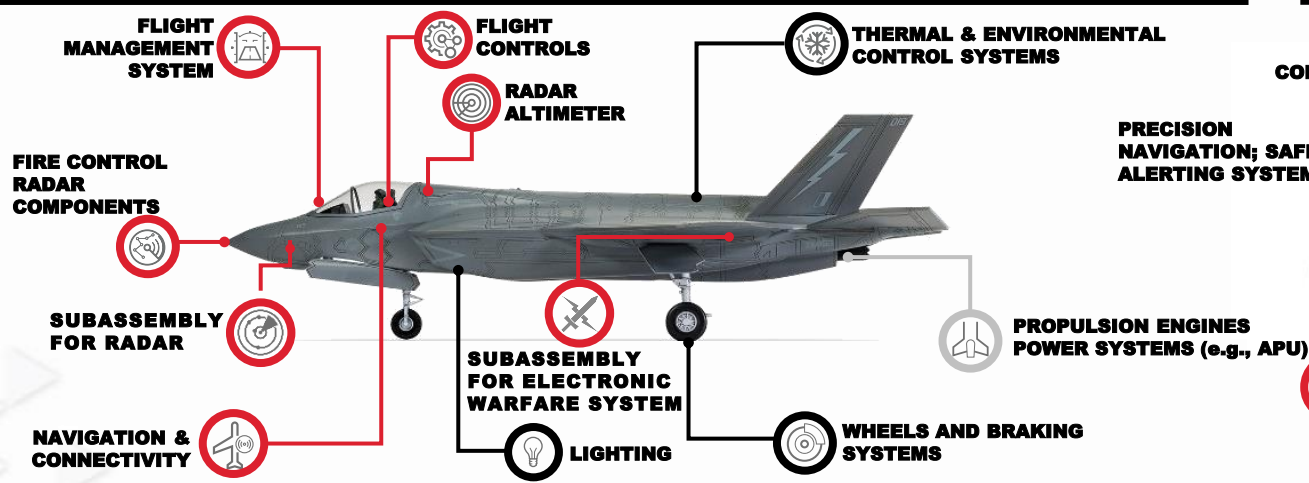
Powering the Future of Aviation

AT | PRODUCTS AND OFFERINGS

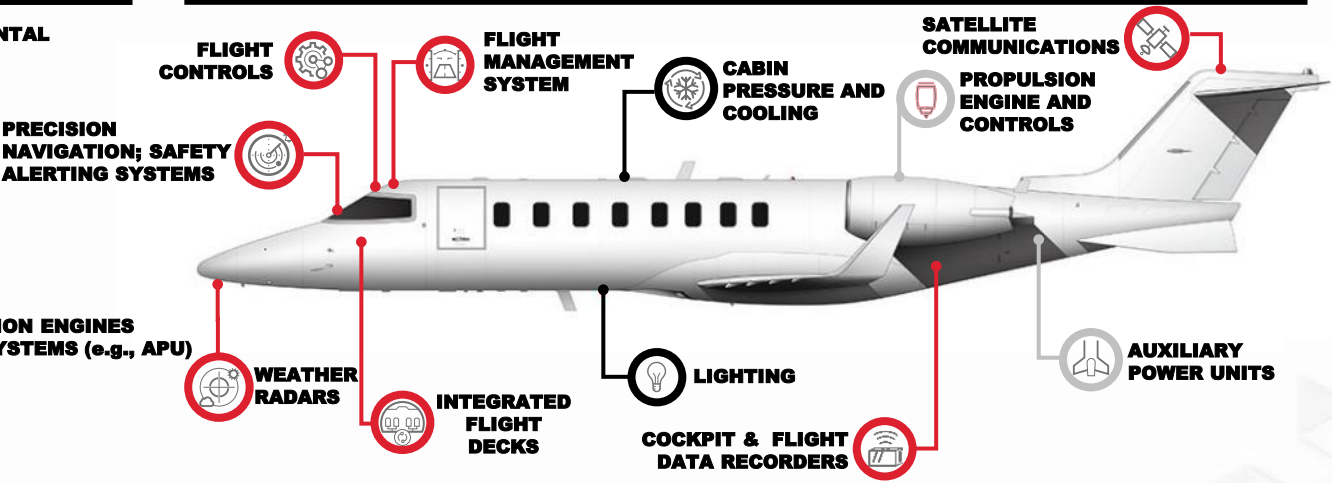
COMMERCIAL AIR TRANSPORT



DEFENSE & SPACE



BUSINESS JET



Differentiated Capabilities Across Numerous Verticals and Aircraft Types

Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026.

INDUSTRIAL AUTOMATION (IA)

2024 FINANCIAL OVERVIEW

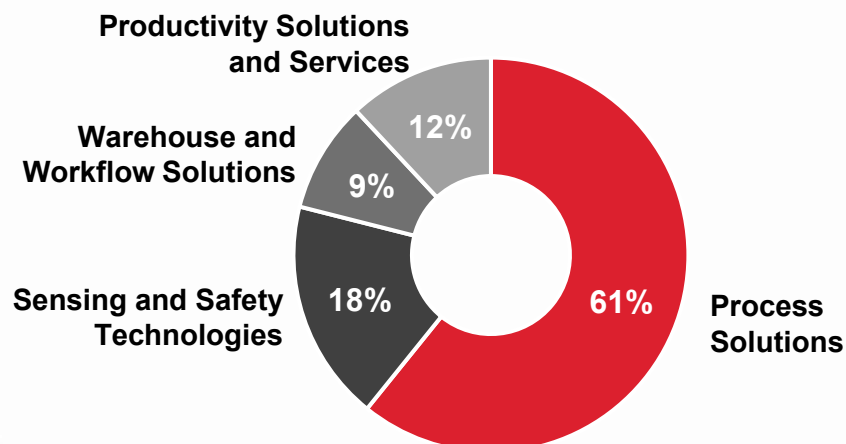
\$10.1B
Sales

19.5%
Segment Margin

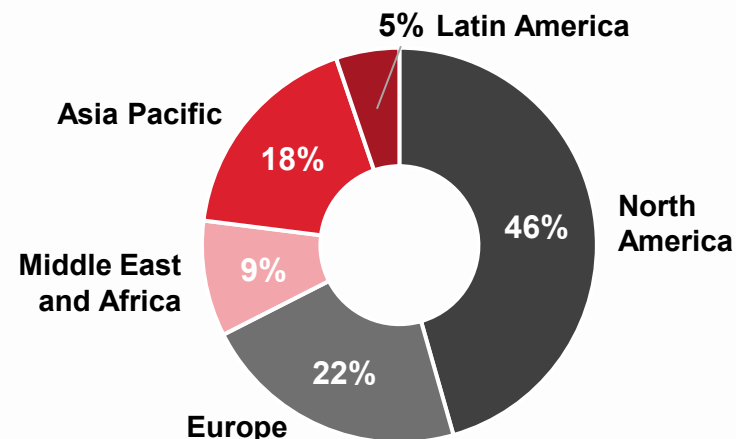
GROWTH DRIVERS

- Labor / skills shortage; IA driving a path to autonomy
- Capacity / infrastructure buildout
- Supply chain resiliency investment cycle
- Internet of Things (IoT) driving demand for sensors
- Energy transition driving further automation opportunities

BUSINESS MIX



GEOGRAPHIC MIX



Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. Represents 2024 sales.

Controls and Automation are the Foundation of Honeywell

IA | WHY WE WIN

IA PURPOSE

Enhancing **Productivity, Sustainability,** and **Safety** for industrial customers

IA COMPETITIVE ADVANTAGES



Most **versatile automation portfolio** serving broad end markets



Leading position in **high stakes verticals** with a number of **horizontal technology offerings**



Software leadership with leading IoT architecture enabling autonomy



Program management capabilities to **deliver complex solutions**

Solution

Value Created

SENSING AND MEASUREMENT



Driving assets to be more productive, safe, and sustainable

WORKFORCE PRODUCTIVITY

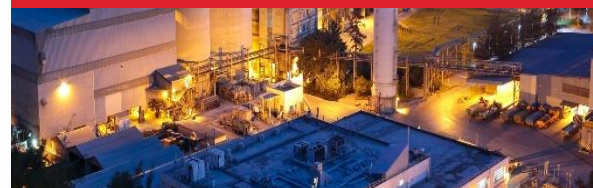


Enabling workers and enterprises through solutions to enhance workforce productivity

Solution

Value Created

EFFICIENT AND SAFE OPERATIONS



Optimizing processes, augmenting human performance, and enabling autonomous operations

DIGITALIZATION



Leveraging operational data to deliver insights and enhance business results in a cyber-secure manner

Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026.

Uniquely Able to Deliver Compelling Value with Unmatched Scale and Capabilities

IA | PRODUCTS AND OFFERINGS

ENERGY STORAGE

- Honeywell IONIC™ (Battery Energy Storage Systems)
- Distributed Energy Resource Management Systems

UTILITIES

- Smart Meters (Water, Electricity and Gas)
- Controls and Valves

GIGAFACTORY

- Quality Control Systems
- Measurement and Controls

ELECTRIC VEHICLES

- Sensors

RENEWABLE ENERGY SOLUTIONS

- Automation solutions for Green H² generation, transportation and storage
- Compressor controls for Carbon Capture

PHARMACEUTICAL INDUSTRY

- Manufacturing Execution System
- Quality Management Systems
- Batch Automation

SEMICONDUCTOR AND MANUFACTURING

- Gas Detectors
- Sensing and Measurement
- Productivity Solutions

PIPELINES TERMINAL AND LNG

- Terminal and Inventory Management
- Custody Transfer Solutions

INDUSTRIAL PLANTS – STEEL, AUTOMOTIVE, ETC.

- Burner Management Systems
- Combustion Solutions
- Burners, Fuel and Air Delivery

REFINERY AND PETROCHEMICALS

- Distributed Control Systems
- Process Safety Systems
- Fire and Gas Systems
- Advanced Process Control
- Emissions Monitoring and Control
- Field Instrumentation

WORKFORCE PRODUCTIVITY

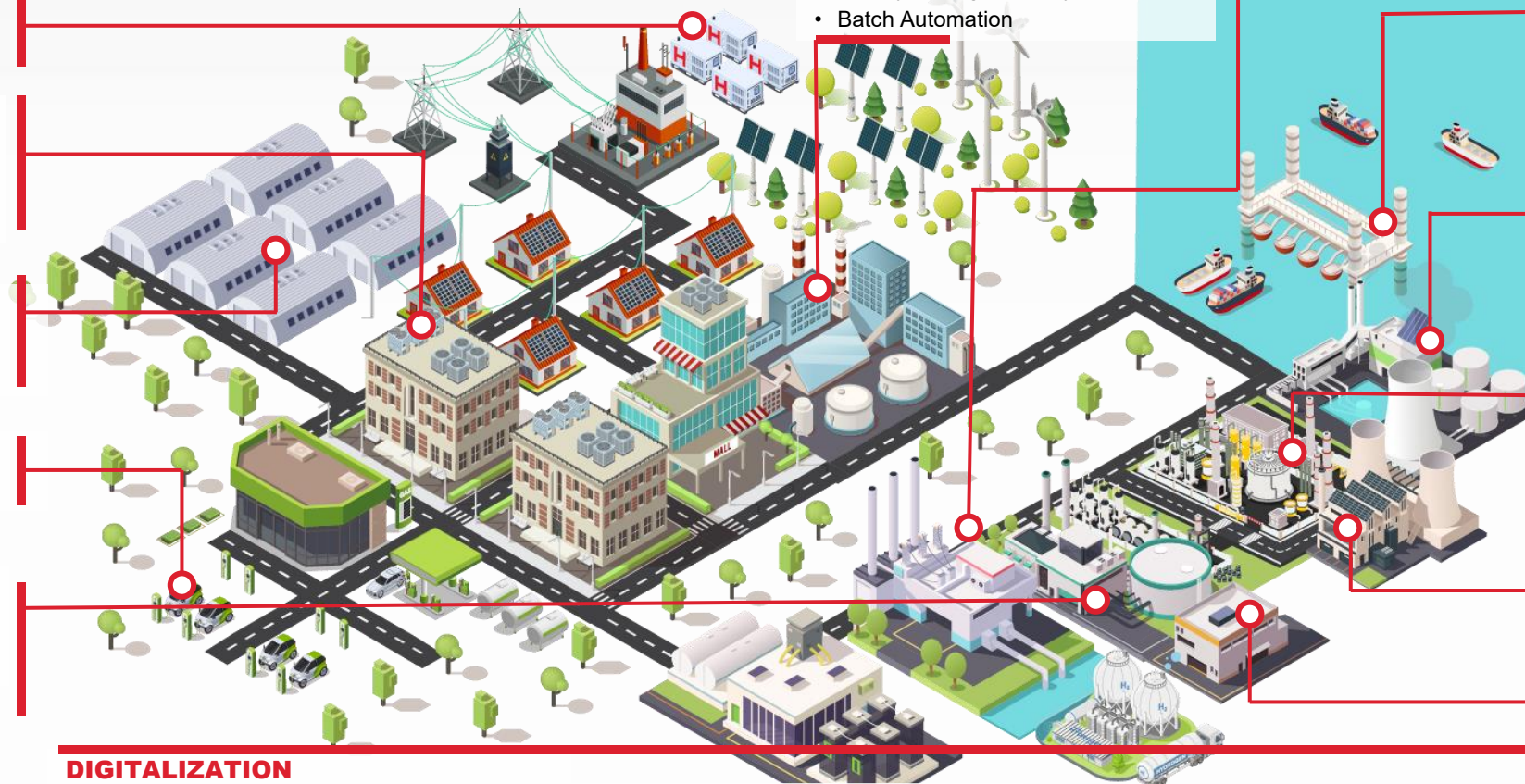
- Mobile Computing; Intelligent Worker
- Immersive Field Simulator with AR / VR

WAREHOUSE

- Automated Storage and Retrieval
- Advanced Sorting systems
- Conveyor Systems

DIGITALIZATION

- Remote and Integrated Operating Centers
- Asset Performance Management
- Industrial Cybersecurity
- Experion™ PKS Control IO and Network HIVE
- Process Digital Twin



Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. HIVE: Highly Integrated Virtual Environment. AR / VR: Augmented Reality / Virtual Reality.

Robust Portfolio of Offerings Enabling Intelligent Autonomous Operations

BUILDING AUTOMATION (BA)

2024 FINANCIAL OVERVIEW

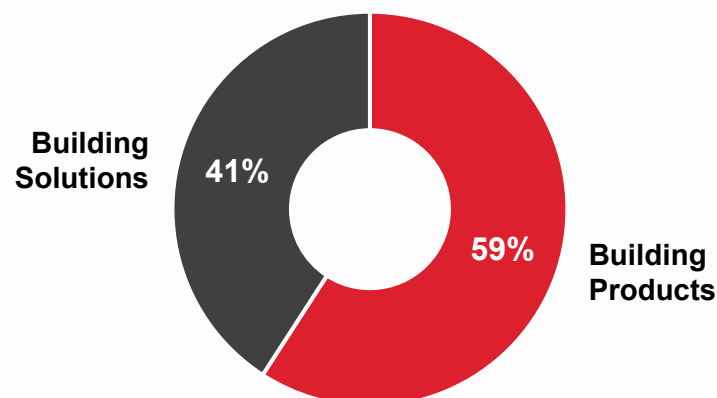
\$6.5B
Sales

25.7%
Segment Margin

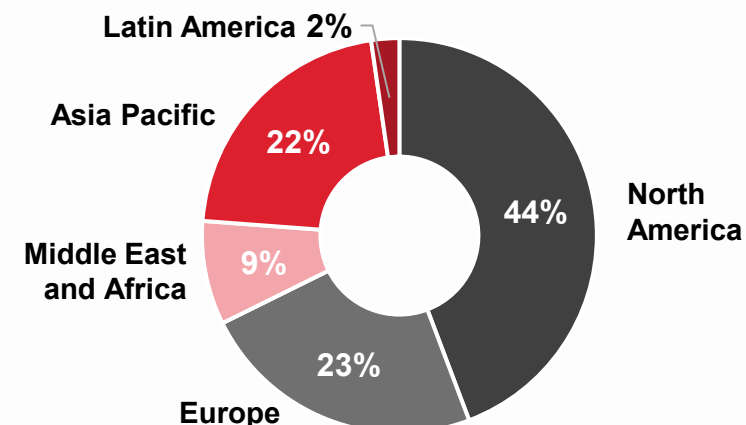
GROWTH DRIVERS

- Global footprint and leading position across verticals
- Increased focus on energy efficiency and sustainability
- Well-integrated software franchise

BUSINESS MIX



GEOGRAPHIC MIX



Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. Represents 2024 sales.

Growth Supported by Macroeconomic Tailwinds

BA | WHY WE WIN

CREATING BUILDINGS OF THE FUTURE THROUGH AUTOMATION, DIGITALIZATION, AND RELENTLESS INNOVATION



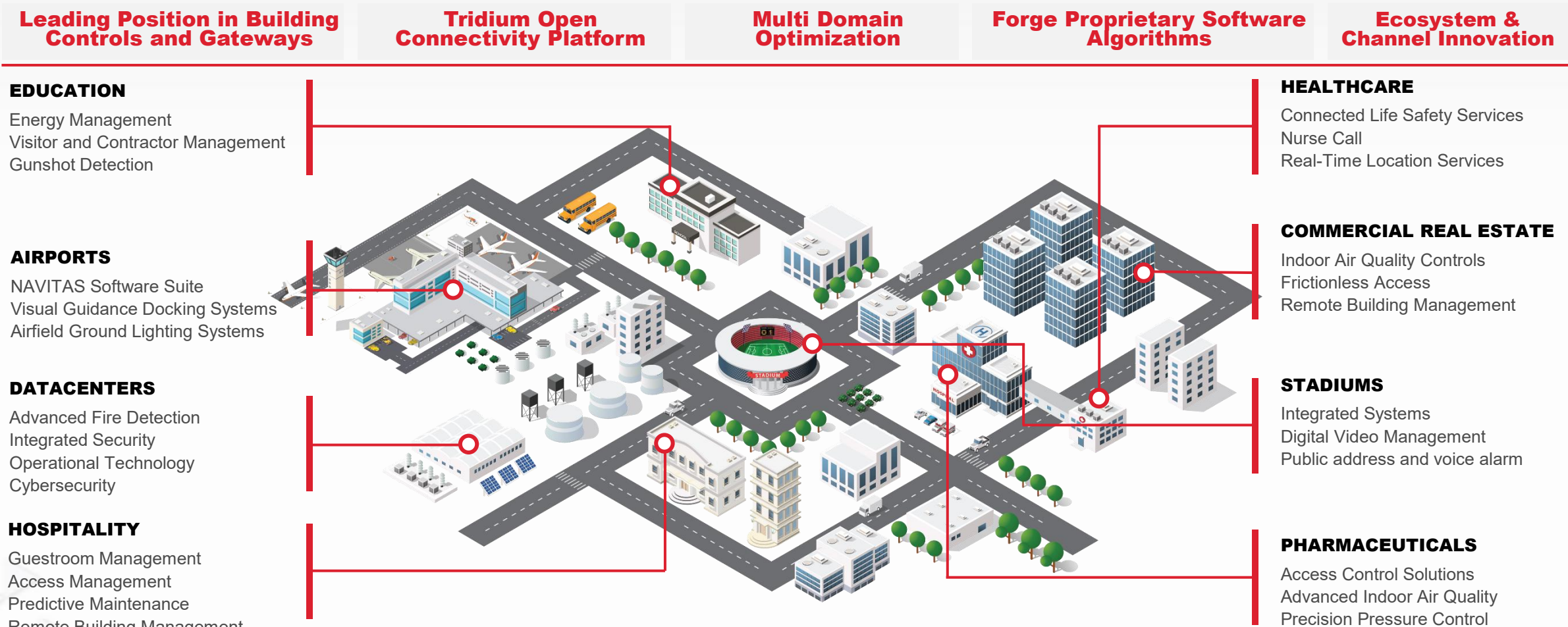
- ✓ Differentiated portfolio with upside from digitalization
- ✓ Forge IoT platform, equipment agnostic
- ✓ Broad geographic exposure
- ✓ Large install base, including Tridium connectivity
- ✓ Multi-channel, multi-brand approach

Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026.

Driving Meaningful Outcomes with Domain Expertise and Innovation

BA | PRODUCTS AND OFFERINGS

CONTROLS EXPERTISE TO SOLVE VERTICAL-SPECIFIC PROBLEMS



Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026.

Delivering Safety, Sustainability, and Efficiency Through Differentiated Technology

ENERGY AND SUSTAINABILITY SOLUTIONS (ESS)

2024 FINANCIAL OVERVIEW

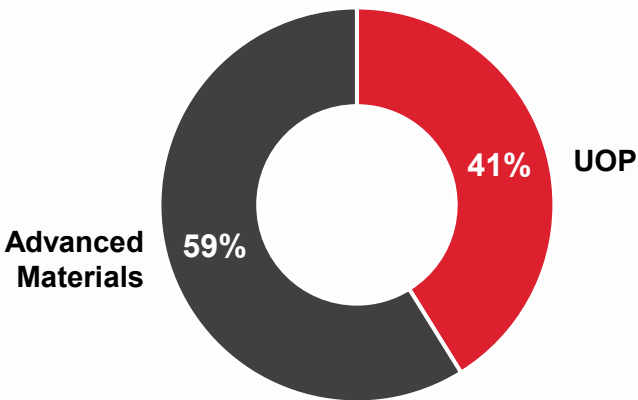
\$6.4B
Sales

23.7%
Segment Margin

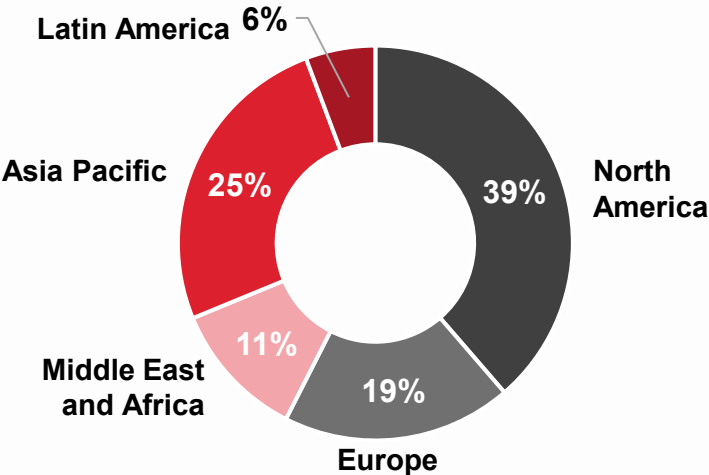
GROWTH DRIVERS

- Energy transition is creating attractive market expansion opportunities while still maintaining demand for traditional energy and materials solutions
- Increasing global regulation is driving higher demand of ESS proprietary sustainable solutions
- Digitalization capabilities and a broad network of connected plants enables a scalable value proposition for customers

BUSINESS MIX



GEOGRAPHIC MIX



Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025. Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026. Represents 2024 sales.

Investing in Technologies and Capabilities to Drive Above Market Growth

ESS | WHY WE WIN

Delivering leading solutions for energy transition, greenhouse gas reduction, and conversion to sustainable materials

STRATEGIC FOCUS



Sustainability and Decarbonization

Enabling the transition to cleaner energy



Energy Optimization Technologies

Improving efficiency of energy processes to enhance asset performance



Advanced Industrial Solutions

Driving industrial material performance through innovative chemistry

STRATEGIC GROWTH ENABLERS



Clean energy and sustainable solutions



Innovation in our large install base



Focus on the energy transition



Digitalization enabling software and services revenue



Stable core legacy technologies



Novel materials designed to solve customer problems

COMPETITIVE ADVANTAGES



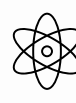
2,500+

Technologists and Engineers



10,000+

Active Patents and Applications



70%

CO₂ Addressed by ESS Technology



100+ years

Chemistry and Technology Innovation

Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off in 10/30/2025. Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026.

Delivering the World's Future Energy and Sustainability Outcomes

ESS | PRODUCTS AND OFFERINGS

AUTOMOTIVE / ELECTRIC VEHICLES¹

- Low GWP Refrigerants
- Battery Materials

SUPERMARKET¹

- Solstice® Refrigerants

RESIDENTIAL AND COMMERCIAL BUILDINGS¹

- Low GWP Refrigerants for Comfort Cooling and Heating
- Heat Pumps- District Heating

AIRPLANE¹

- Sustainable Aviation Fuel from Bio-Feedstocks

SEMICONDUCTOR MANUFACTURING¹

- Thermal Solutions
- Electronic Polymers
- Sputtering Targets
- Electronic Chemicals

PHARMACY / HEALTHCARE¹

- Aclar® Packaging
- Propellants for MDIs
- Medical Fiber

BATTERY ENERGY STORAGE

- Long Duration Energy Storage

GREEN H₂ ELECTROLYZER

- Green Hydrogen

ENERGY TRANSPORT SHIPS

- Liquid Organic Hydrogen Carrier

LIQUEFIED NATURAL GAS PRODUCTION AND EXPORT FACILITY

- LNG Pre-Treatment
- LNG Liquefaction
- Integrated Digital Solutions
- Specialty Flow Equipment

INDUSTRIAL PLANTS – CEMENT, STEEL, AND POWER

- Carbon Capture

BIO REFINERY AND PETROCHEMICAL PLANT

- Process Technologies
- Carbon Capture Solutions
- Hydrogen Solutions
- Catalysts and Adsorbents
- Plastic Recycling Technology
- Specialty Flow Equipment

TRUCKING

- Renewable Diesel

CONNECTED DIGITAL SOLUTIONS

- Real Time Insights for Energy and Operational Efficiency

Enabling the Energy Transition Through Technology Breadth and Expertise

Honeywell RemainCo segment realignment planned to take effect beginning first quarter 2026.

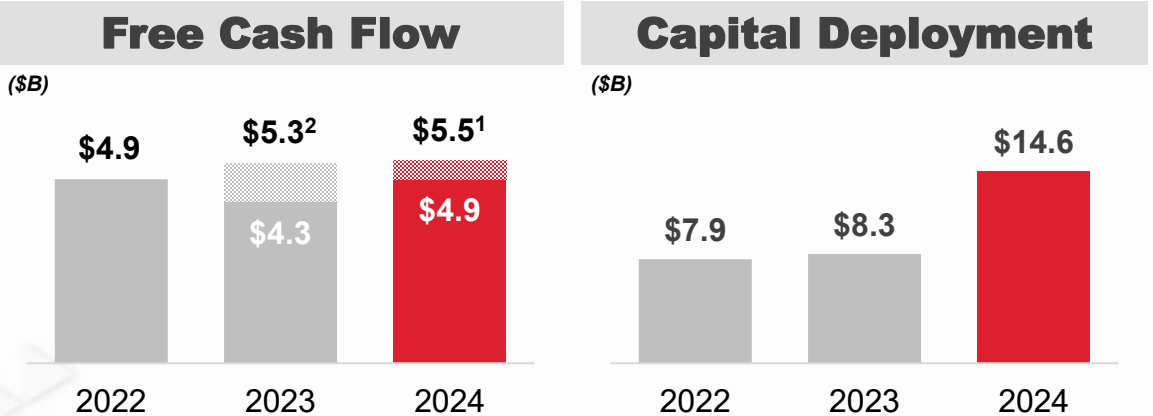
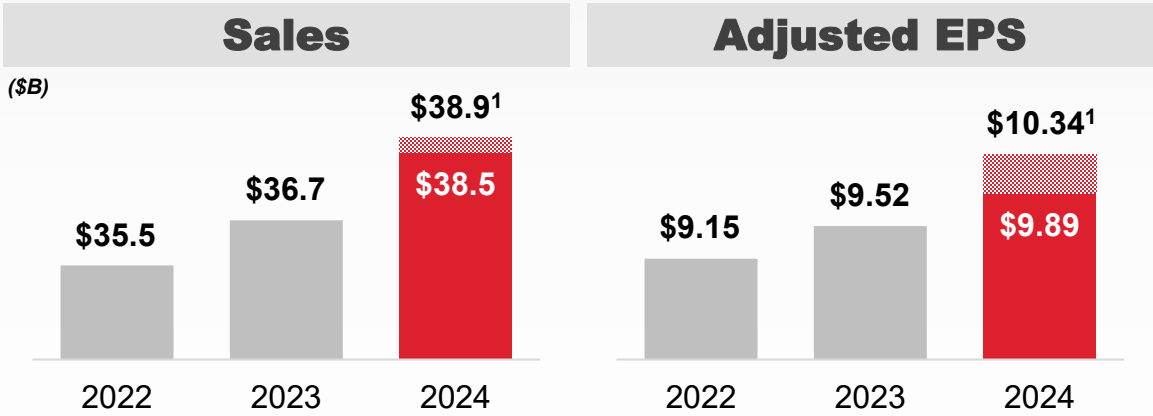
1. Advanced Materials (currently within Energy and Sustainability Solutions) will separate from Honeywell via Solstice Advanced Materials spin-off on 10/30/2025.

FINANCIAL PERFORMANCE

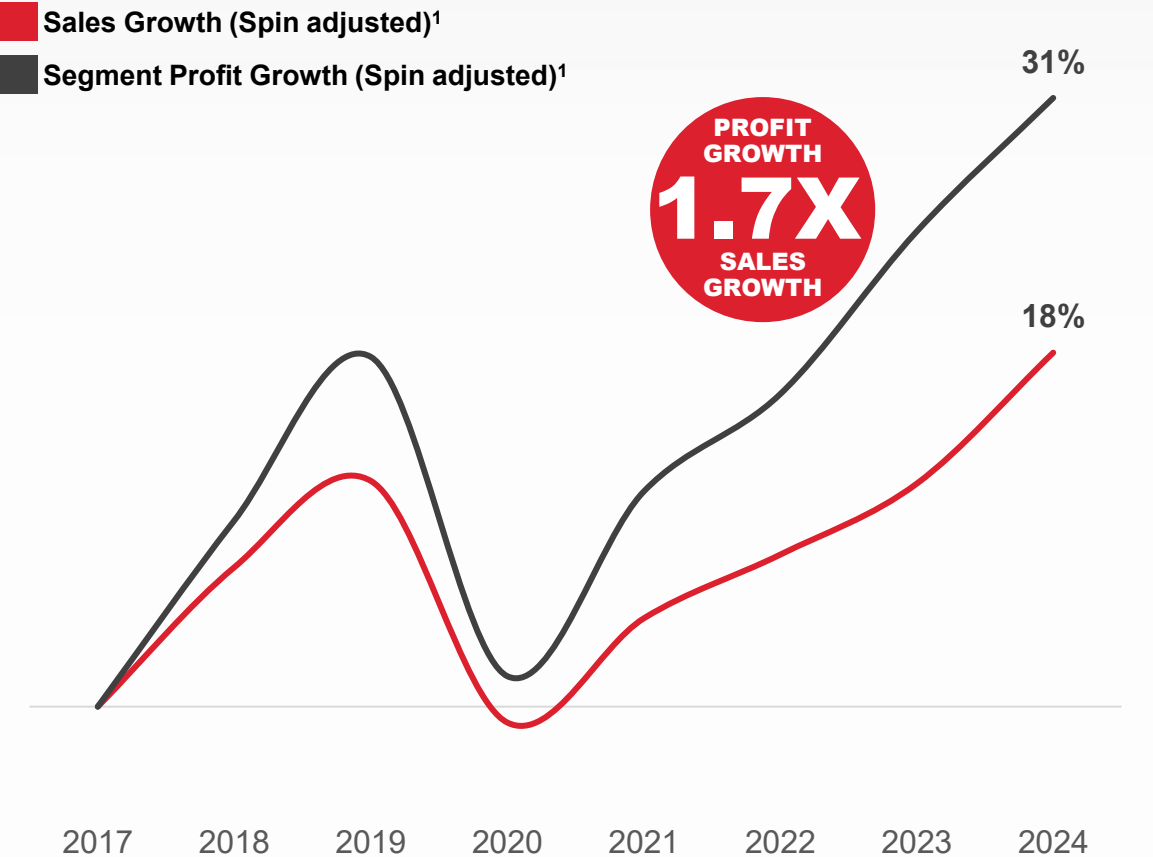
Honeywell

STRONG FINANCIAL PERFORMANCE

RECENT FINANCIAL PERFORMANCE



CUMULATIVE GROWTH SINCE 2017

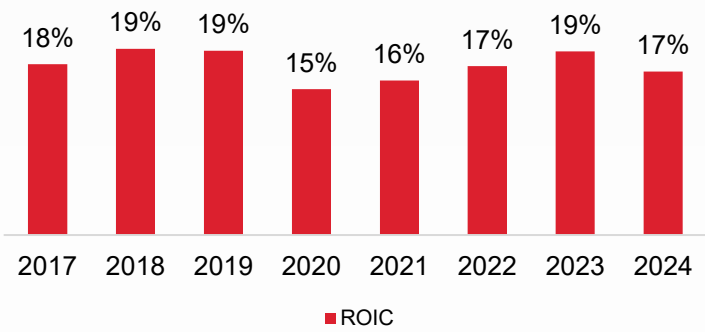


1. 2024 financial results exclude impact of the Bombardier Agreement announced on December 2, 2024, resulting in a reduction to Sales of \$0.4B, Net Income of \$0.3B, and Cash Flow of \$0.5B.
2. Please refer to the Appendix for reconciliation of non-GAAP financial measure adjusted for the impact of settlements related to the NARCO Buyout, HWI sale, and UOP Matters.

Improving Sales Growth and Margin Profile

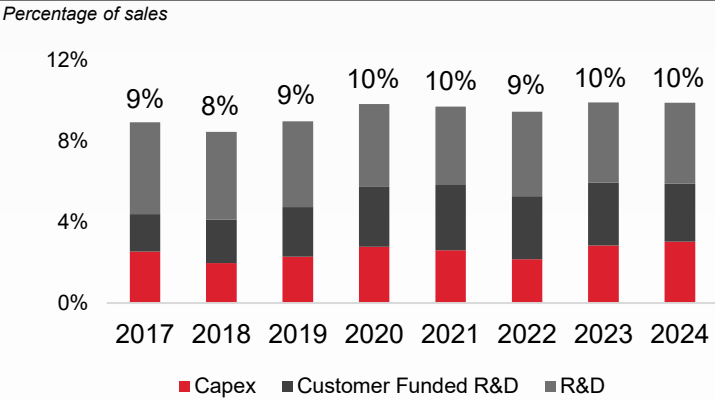
TRUSTED CAPITAL STEWARDS

RETURN ON INVESTED CAPITAL



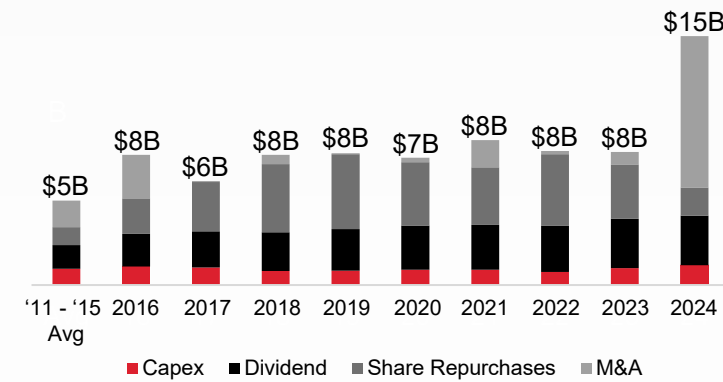
- Deliberate strategy yielding consistently high returns
- Disciplined capital allocation toward inorganic opportunities

R&D AND CAPEX SPEND



- Strategically deploying capital to R&D / capex that will position for future growth
- Investments in innovation yielding consistently high returns

CAPITAL DEPLOYMENT

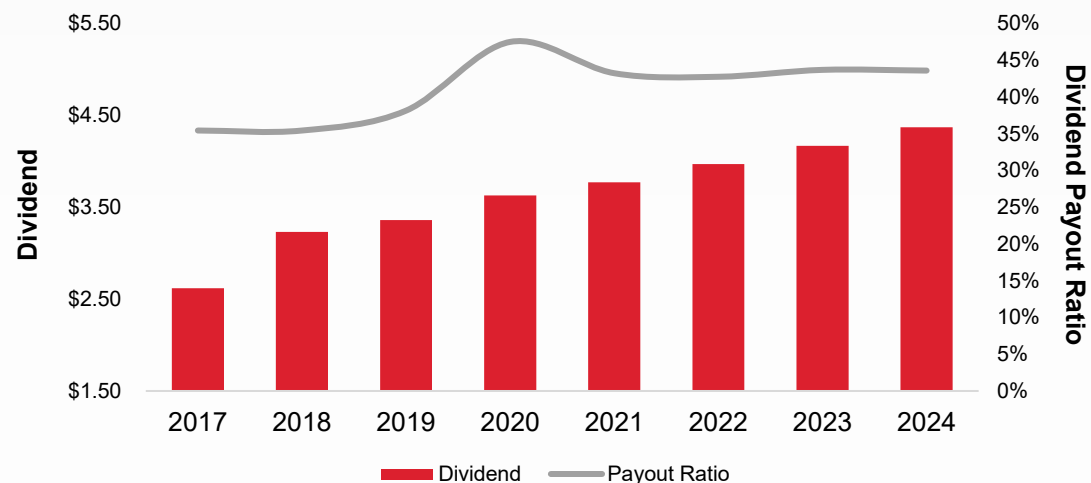


- Exceeded in 1H25 commitment to deploy \$25B+ of capital for 2023 - 2025

Industry-Leading Investment Profile with Accelerating Capital Deployment

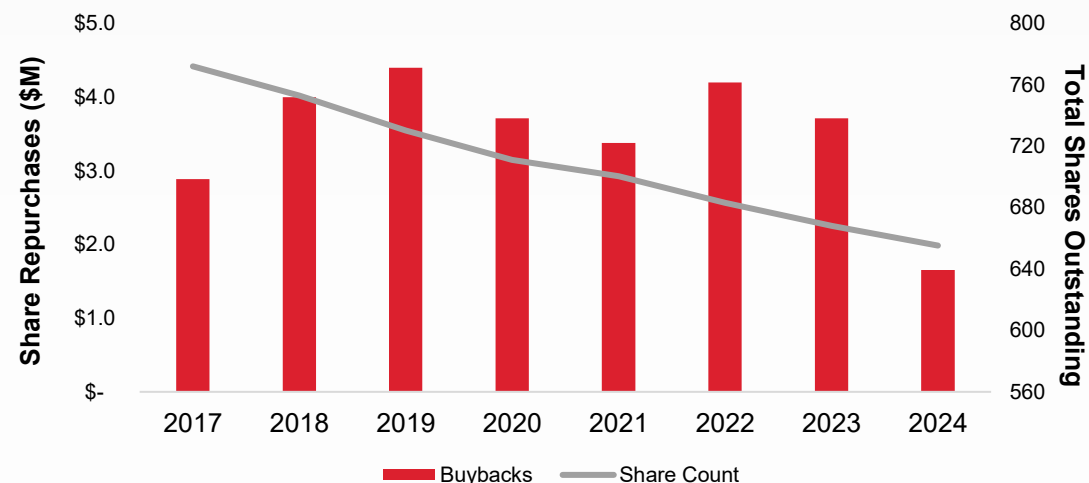
RETURNING CASH TO SHAREHOLDERS

DIVIDEND AND DIVIDEND PAYOUT RATIO



- Raised dividend 15 times over 14 consecutive years
- Dividend growth aligned with earnings growth

SHARE REPURCHASES AND SHARE COUNT



- Committed to reducing share count by at least 1% per year
- Opportunistically repurchase shares
- Share count reduced by 15% or 2.3% CAGR since 2017

Driving Value for Shareholders



Appendix

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. Management believes the change to adjust for amortization of acquisition-related intangibles and certain acquisition- and divestiture-related costs provides investors with a more meaningful measure of its performance period to period, aligns the measure to how management will evaluate performance internally, and makes it easier for investors to compare our performance to peers. 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. 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 OPERATING INCOME TO SEGMENT PROFIT AND CALCULATION OF OPERATING INCOME AND SEGMENT PROFIT MARGINS

(\$M)	2024
Operating income	\$ 7,441
Stock compensation expense ¹	194
Repositioning, Other ^{2,3}	292
Pension and other postretirement service costs ³	65
Amortization of acquisition-related intangibles ⁴	415
Acquisition-related costs ⁵	25
Indefinite-lived intangible asset impairment ¹	48
Impairment of assets held for sale	219
Segment profit	<u>\$ 8,699</u>
Operating income	\$ 7,441
÷ Net sales	<u>\$ 38,498</u>
Operating income margin %	<u>19 %</u>
Segment profit	\$ 8,699
÷ Net sales	<u>\$ 38,498</u>
Segment profit margin %	<u>23 %</u>

1 Included in Selling, general and administrative expenses.

2 Includes repositioning, asbestos, environmental expenses, equity income adjustment, and other charges.

3 Included in Cost of products and services sold and Selling, general and administrative expenses.

4 Included in Cost of products and services sold.

5 Included in Other (income) expense. Includes acquisition-related fair value adjustments to inventory and third-party transaction and integration costs.

We define operating income as net sales less total cost of products and services sold, research and development expenses, impairment of assets held for sale, and selling, general and administrative expenses. We define segment profit, on an overall Honeywell basis, as operating income, excluding stock compensation expense, pension and other postretirement service costs, amortization of acquisition-related intangibles, certain acquisition- and divestiture-related costs and impairments, and repositioning and other charges. We define segment profit margin, on an overall Honeywell basis, as segment profit divided by net sales. We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Acquisition amortization and acquisition- and divestiture-related costs are significantly impacted by the timing, size, and number of acquisitions or divestitures we complete and are not on a predictable cycle and we make no comment as to when or whether any future acquisitions or divestitures may occur. We believe excluding these costs provides investors with a more meaningful comparison of operating performance over time and with both acquisitive and other peer companies.

RECONCILIATION OF EPS TO ADJUSTED EPS

	2022	2023	2024
Earnings per share of common stock - diluted ¹	\$ 7.27	\$ 8.47	\$ 8.71
Pension mark-to-market expense ²	0.64	0.19	0.14
Amortization of acquisition-related intangibles ³	0.39	0.35	0.49
Acquisition-related costs ⁴	—	0.01	0.09
Divestiture-related costs ⁵	—	—	0.04
Expense (benefit) related to UOP Matters ⁶	0.07	—	—
Russian-related charges ⁷	0.43	—	0.03
Gain on sale of Russian entities ⁸	(0.03)	—	—
Net expense related to the NARCO Buyout and HWI Sale ⁹	0.38	0.01	—
Adjustment to estimated future Bendix liability ¹⁰	—	0.49	—
Indefinite-lived intangible asset impairment ¹¹	—	—	0.06
Impairment of assets held for sale ¹²	—	—	0.33
Adjusted earnings per share of common stock - diluted	<u>\$ 9.15</u>	<u>\$ 9.52</u>	<u>\$ 9.89</u>

1 For the twelve months ended December 31, 2024, 2023, and 2022, adjusted earnings per share utilizes weighted average shares of approximately 655.3 million, 668.2 million, and 683.1 million, respectively.

2 Pension mark-to-market expense uses a blended tax rate of 25%, 18%, and 16%, net of tax benefit of \$31 million, \$27 million, and \$83 million, for 2024, 2023, and 2022, respectively.

3 For the twelve months ended December 31, 2024, 2023, and 2022, acquisition-related intangibles amortization includes \$324 million, \$231 million, and \$264 million, net of tax benefit of approximately \$91 million, \$61 million, and \$69 million, respectively.

4 For the twelve months ended December 31, 2024, and 2023, the adjustments for acquisition-related costs, which are principally comprised of third-party transaction and integration costs and acquisition-related fair value adjustments to inventory, were approximately \$59 million and \$7 million, net of tax benefit of approximately \$16 million and \$2 million, respectively.

5 For the twelve months ended December 31, 2024, the adjustment for divestiture-related costs, which is principally comprised of third-party transaction costs, was approximately \$23 million, net of tax benefit of approximately \$6 million.

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

7 For the twelve months ended December 31, 2024, the adjustment was a \$17 million expense, without tax benefit, due to the settlement of a contractual dispute with a Russian entity associated with the Company's suspension and wind down activities in Russia. For the twelve months ended December 31, 2023, the adjustment was a benefit of \$3 million, without tax expense. For the twelve months ended December 31, 2022, the adjustment was \$297 million, without tax benefit, 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.

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

9 For the twelve months ended December 31, 2023, and 2022, the adjustments were \$8 million and \$260 million, net of tax benefit of \$3 million and \$82 million, respectively, due to the net expense related to the NARCO Buyout and HWI Sale.

10 Bendix Friction Materials ("Bendix") is a business no longer owned by the Company. In 2023, the Company changed its valuation methodology for calculating legacy Bendix liabilities. For the twelve months ended December 31, 2023, the adjustment was \$330 million, net of tax benefit of \$104 million, (or \$434 million pre-tax) due to a change in the estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims. The Company experienced fluctuations in average resolution values year-over-year in each of the past five years with no well-established trends in either direction. In 2023, the Company observed two consecutive years of increasing average resolution values (2023 and 2022), with more volatility in the earlier years of the five-year period (2019 through 2021). Based on these observations, the Company, during its annual review in the fourth quarter of 2023, reevaluated its valuation methodology and elected to give more weight to the two most recent years by shortening the look-back period from five years to two years (2023 and 2022). The Company believes that the average resolution values in the last two consecutive years are likely more representative of expected resolution values in future periods. The \$434 million pre-tax amount was attributable primarily to shortening the look-back period to the two most recent years, and to a lesser extent to increasing expected resolution values for a subset of asserted claims to adjust for higher claim values in that subset than in the modelled two-year data set. It is not possible to predict whether such resolution values will increase, decrease, or stabilize in the future, given recent litigation trends within the tort system and the inherent uncertainty in predicting the outcome of such trends. The Company will continue to monitor Bendix claim resolution values and other trends within the tort system to assess the appropriate look-back period for determining average resolution values going forward.

11 For the twelve months ended December 31, 2024, the impairment charge of indefinite-lived intangible assets associated with the personal protective equipment business was \$37 million, net of tax benefit of \$11 million.

12 For the twelve months ended December 31, 2024, the impairment charge of assets held for sale was \$219 million, without tax benefit.

We define adjusted earnings per share as diluted earnings per share adjusted to exclude various charges as listed above. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Acquisition amortization and acquisition- and divestiture-related costs are significantly impacted by the timing, size, and number of acquisitions or divestitures we complete and are not on a predictable cycle and we make no comment as to when or whether any future acquisitions or divestitures may occur. We believe excluding these costs provides investors with a more meaningful comparison of operating performance over time and with both acquisitive and other peer companies.

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO HONEYWELL

(\$M)	2017	2018	2019	2020	2021	2022	2023	2024
Net income attributable to Honeywell	\$ 1,545	\$ 6,765	\$ 6,143	\$ 4,779	\$ 5,542	\$ 4,966	\$ 5,658	\$ 5,705
Pension mark-to-market expense ¹	67	28	94	33	30	440	126	95
Amortization of acquisition-related intangibles ²	314	307	327	284	363	264	231	324
Impacts from U.S. Tax Reform	3,891	(1,494)	(281)	—	—	—	—	—
Separation costs ³	14	732	—	—	—	—	—	—
Separation related tax adjustment ⁴	—	—	—	(186)	—	—	—	—
Garrett related adjustments ⁵	—	—	—	427	7	—	—	—
Changes in fair value of Garrett equity securities ⁶	—	—	—	—	(19)	—	—	—
Gain on sale of retail footwear business ⁷	—	—	—	—	(76)	—	—	—
Expense (benefit) related to UOP Matters ⁸	—	—	—	—	160	45	—	—
Russian-related charges ⁹	—	—	—	—	—	297	(3)	17
Gain on sale of Russian entities ¹⁰	—	—	—	—	—	(22)	—	—
Net expense related to the NARCO Buyout and HWI Sale ¹¹	—	—	—	—	—	260	8	—
Adjustment to estimated future Bendix liability ¹²	—	—	—	—	—	—	330	—
Acquisition-related costs ¹³	—	—	—	—	—	—	7	59
Divestiture-related costs ¹⁴	—	—	—	—	—	—	—	23
Indefinite-lived intangible asset impairment ¹⁵	—	—	—	—	—	—	—	37
Impairment of assets held for sale ¹⁶	—	—	—	—	—	—	—	219
Adjusted net income attributable to Honeywell	<u>\$ 5,831</u>	<u>\$ 6,338</u>	<u>\$ 6,283</u>	<u>\$ 5,337</u>	<u>\$ 6,007</u>	<u>\$ 6,250</u>	<u>\$ 6,357</u>	<u>\$ 6,479</u>

Footnotes on following slide

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO HONEYWELL

- 1 Pension mark-to-market expense uses a blended tax rate of 25%, 18%, 16%, 25%, 25%, 24%, 24%, and 23%, net of tax benefit of \$31 million, \$27 million, \$83 million, \$10 million, \$11 million, \$29 million, \$9 million, and \$20 million for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017, respectively.
- 2 For the twelve months ended December 31, 2024, 2023, and 2022, 2021, 2020, 2019, 2018, and 2017, acquisition-related intangibles amortization includes approximately \$324 million, \$231 million, and \$264 million, \$363 million, \$284 million, \$327 million, \$307 million, and \$314 million, net of tax benefit of approximately \$91 million, \$61 million, \$69 million, \$102 million, \$74 million, \$88 million, \$88 million, and \$84 million, respectively.
- 3 For the years ended December 31, 2018, and 2017, the adjustments were \$732 million and \$14 million, net of tax impact of \$411 million and \$2 million, respectively, for separation costs.
- 4 For the year ended December 31, 2020, the separation-related adjustment was \$186 million, without tax benefit, and includes the favorable resolution of a foreign tax matter related to the spin-off transactions.
- 5 For the year ended December 31, 2021, the adjustment was \$7 million, without tax expense, due to a non-cash charge associated with a reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021. For the years ended December 31, 2020, the adjustment was \$427 million, net of tax benefit of \$5 million, 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.
- 6 For the year ended December 31, 2021, the adjustment was \$19 million, net of tax impact of \$5 million, due to changes in fair value for Garrett equity securities.
- 7 For the year ended December 31, 2021, the adjustment was \$76 million, net of tax impact of \$19 million, due to the gain on sale of the retail footwear business.
- 8 For the years ended December 31, 2022, and 2021, the adjustments were \$45 million and \$160 million, respectively, without tax expense, due to an expense related to UOP matters.
- 9 For the twelve months ended December 31, 2024, the adjustments were a \$17 million expense, without tax benefit, due to the settlement of a contractual dispute with a Russian entity associated with the Company's suspension and wind down activities in Russia. For the year ended December 31, 2023, the adjustment was a benefit of \$3 million, without tax expense. For the year ended December 31, 2022, the adjustment was \$297 million, without tax benefit, 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.
- 10 For the years ended December 31, 2022, the adjustment was \$22 million, without tax expense, due to the gain on sale of Russian entities.
- 11 For the years ended December 31, 2023, and 2022, the adjustments were \$8 million and \$260 million, net of tax benefit of \$3 million and \$82 million, respectively, due to the net expense related to the NARCO Buyout and HWI Sale.
- 12 Bendix Friction Materials ("Bendix") is a business no longer owned by the Company. In 2023, the Company changed its valuation methodology for calculating legacy Bendix liabilities. For the twelve months ended December 31, 2023, the adjustment was \$330 million, net of tax benefit of \$104 million, (or \$434 million pre-tax) due to a change in the estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims. The Company experienced fluctuations in average resolution values year-over-year in each of the past five years with no well-established trends in either direction. In 2023, the Company observed two consecutive years of increasing average resolution values (2023 and 2022), with more volatility in the earlier years of the five-year period (2019 through 2021). Based on these observations, the Company, during its annual review in the fourth quarter of 2023, reevaluated its valuation methodology and elected to give more weight to the two most recent years by shortening the look-back period from five years to two years (2023 and 2022). The Company believes that the average resolution values in the last two consecutive years are likely more representative of expected resolution values in future periods. The \$434 million pre-tax amount is attributable primarily to shortening the look-back period to the two most recent years, and to a lesser extent to increasing expected resolution values for a subset of asserted claims to adjust for higher claim values in that subset than in the modelled two-year data set. It is not possible to predict whether such resolution values will increase, decrease, or stabilize in the future, given recent litigation trends within the tort system and the inherent uncertainty in predicting the outcome of such trends. The Company will continue to monitor Bendix claim resolution values and other trends within the tort system to assess the appropriate look-back period for determining average resolution values going forward.
- 13 For the twelve months ended December 31, 2024, and 2023, the adjustments for acquisition-related costs, which are principally comprised of third-party transaction and integration costs and acquisition-related fair value adjustments to inventory, were approximately \$59 million and \$7 million, net of tax benefit of approximately \$16 million and \$2 million, respectively.
- 14 For the twelve months ended December 31, 2024, the adjustment for divestiture-related costs, which is principally comprised of third-party transaction costs, is approximately \$23 million, net of tax benefit of approximately \$6 million.
- 15 For the twelve months ended December 31, 2024, the impairment charge of indefinite-lived intangible assets associated with the personal protective equipment business is \$37 million, net of tax benefit of \$11 million.
- 16 For the twelve months ended December 31, 2024, the impairment charge of assets held for sale is \$219 million, with no tax benefit.

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.

Acquisition amortization and acquisition- and divestiture-related costs are significantly impacted by the timing, size, and number of acquisitions or divestitures we complete and are not on a predictable cycle and we make no comment as to when or whether any future acquisitions or divestitures may occur. We believe excluding these costs provides investors with a more meaningful comparison of operating performance over time and with both acquisitive and other peer companies.

CALCULATION OF RETURN ON INVESTED CAPITAL (ROIC)

(\$M)	2017	2018	2019	2020	2021	2022	2023	2024
Adjusted net income attributable to Honeywell	\$ 5,831	\$ 6,338	\$ 6,283	\$ 5,337	\$ 6,007	\$ 6,250	\$ 6,357	\$ 6,479
Interest and other financial charges	316	367	357	359	343	414	765	1,058
Tax attributable to interest expense ¹	(69)	(82)	(76)	(83)	(77)	(86)	(160)	(212)
Adjusted net income before interest	<u>\$ 6,078</u>	<u>\$ 6,623</u>	<u>\$ 6,564</u>	<u>\$ 5,613</u>	<u>\$ 6,273</u>	<u>\$ 6,578</u>	<u>\$ 6,962</u>	<u>\$ 7,325</u>
Long-term debt ²	\$ 12,378	\$ 11,165	\$ 10,433	\$ 13,726	\$ 15,298	\$ 14,689	\$ 15,843	\$ 21,021
Current maturities of long-term debt ²	789	2,112	2,124	1,911	2,124	1,767	1,763	1,572
Commercial paper and other short-term borrowings ²	3,662	3,772	3,551	3,557	3,570	3,130	2,401	3,179
Total shareowners' equity ²	17,774	17,512	18,532	18,248	18,516	18,281	16,877	17,794
Net investment (two-point average)	<u>\$ 34,603</u>	<u>\$ 34,561</u>	<u>\$ 34,640</u>	<u>\$ 37,442</u>	<u>\$ 39,508</u>	<u>\$ 37,867</u>	<u>\$ 36,884</u>	<u>\$ 43,566</u>
Return on invested capital	<u>18 %</u>	<u>19 %</u>	<u>19 %</u>	<u>15 %</u>	<u>16 %</u>	<u>17 %</u>	<u>19 %</u>	<u>17 %</u>

1 Tax attributable to interest expense uses rates of 20.0%, 20.9%, 20.8%, 22.5%, 23.2%, 21.3%, 22.3%, and 21.7% for 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

2 Long-term debt, Current maturities of long-term debt, Commercial paper and other short-term borrowings, and Total shareowner's equity 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.

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

(\$M)	2022	2023	2024
Cash provided by operating activities	\$ 5,274	\$ 5,340	\$ 6,097
Capital expenditures	(766)	(1,039)	(1,164)
Garrett cash receipts	409	—	—
Free cash flow	\$ 4,917	\$ 4,301	\$ 4,933
Impact of settlements ¹	—	1,001	—
Free cash flow excluding impact of settlements	\$ 4,917	\$ 5,302	\$ 4,933
 Cash provided by operating activities	 \$ 5,274	 \$ 5,340	 \$ 6,097
÷ Net sales	\$ 35,466	\$ 36,662	\$ 38,498
Operating cash flow margin %	15 %	15 %	16 %
 Free cash flow	 \$ 4,917	 \$ 4,301	 \$ 4,933
÷ Net sales	\$ 35,466	\$ 36,662	\$ 38,498
Free cash flow margin %	14 %	12 %	13 %

¹ For the twelve months ended December 31, 2023, impact of settlements was \$1,001 million, net of tax benefit of \$252 million, due to settlements related to the NARCO Buyout, HWI Sale, and UOP Matters.

We define free cash flow as cash provided by operating activities less cash for capital expenditures plus cash receipts from Garrett. We define free cash flow excluding impact of settlements as free cash flow less the impact of settlements related to the NARCO Buyout, HWI Sale, and UOP Matters. We define free cash flow margin as free cash flow divided by net sales.

We believe that free cash flow, free cash flow excluding impact of settlements, and free cash flow margin are non-GAAP measures that are useful to investors and management as measures 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.

Honeywell