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HONEYWELL PROVIDES SUPPLEMENTAL FINANCIAL INFORMATION FOR PLANNED SEGMENT REALIGNMENT; ADJUSTS OUTLOOK TO EXCLUDE ADVANCED MATERIALS

CHARLOTTE, N.C., Dec. 22, 2025 -- Honeywell (**NASDAQ: HON**) today released supplemental 2024 and year-to-date 2025 financial information to reflect its updated business segment structure expected to become effective for the first quarter of 2026, which it previously announced on October 22, 2025.

The company also announced today that it will report its Advanced Materials business unit as discontinued operations beginning the fourth quarter of 2025, following the successful spin of Solstice Advanced Materials (NASDAQ: SOLS) on October 30, 2025. As a result, the company adjusts its full-year and fourth quarter 2025 guidance, and otherwise re-affirms its expectations for fourth quarter performance.

In addition, Honeywell is providing an update on its previously disclosed Flexjet-related litigation matters, which it expects will result in a one-time charge in the fourth quarter. This charge will not impact the company's non-GAAP financial metrics or guidance. Any potential settlements of these litigation matters are anticipated to include one-time cash payments totaling approximately \$470 million in the aggregate to the involved parties.

Supplemental Financial Information

In the attached supplemental financial information, Honeywell provides historical financial information consistent with its previously announced new business segment structure (anticipated to begin in the first quarter of 2026) and reports its Advanced Materials business unit, previously part of Energy and Sustainability Solutions, as discontinued operations beginning in the fourth quarter of 2025. Corporate expenses previously allocated to Advanced Materials will be included as part of Corporate and All Other segment profit of Honeywell.

The new business segment structure aligns to the company's go-forward strategy for its automation business ahead of the planned spin-off of its Aerospace business in the second half of 2026. The structure will consist of four reportable business segments: Aerospace Technologies, Building Automation, Process Automation and Technology, and Industrial Automation. The three automation segments will each further report two business units aligned to the business models through which the company delivers value for its customers. Reporting for Aerospace Technologies is unchanged.

Honeywell Adjusts 2025 Outlook

As a result of the reclassification of Advanced Materials to discontinued operations, Honeywell adjusts its full-year and fourth quarter adjusted sales, segment margin, adjusted earnings per share, and free cash flow guidance. Excluding the reclassification, there is no change to the company's expectations for its fourth quarter non-GAAP financial guidance. A summary of the change in guidance is provided in tables 1 and 2 below.

TABLE 1: FULL-YEAR 2025 GUIDANCE RECONCILIATION¹

	October Guidance	Impact from Advanced Materials Discontinued Operations	Current Guidance ³
Adjusted Sales ^{2,3}	\$40.7B - \$40.9B	(\$3.2B)	\$37.5B - \$37.7B
<i>Organic³ Growth</i>	~6%	~0%	~6%
Segment Margin	22.9% - 23.0%	~(0.4%)	22.5% - 22.6%
<i>Expansion</i>	Up 30 - 40 bps		Up 40 - 50 bps
Adjusted Earnings Per Share ⁴	\$10.60 - \$10.70	~(\$0.90)	\$9.70 - \$9.80
Operating Cash Flow	\$6.4B - \$6.8B	~(\$0.5B)	\$5.9B - \$6.3B
Free Cash Flow ³	\$5.2B - \$5.6B	~(\$0.4B)	\$4.8B - \$5.2B

TABLE 2: FOURTH QUARTER GUIDANCE RECONCILIATION¹

	October Guidance	Impact from Advanced Materials Discontinued Operations	Current Guidance ³
Adjusted Sales ^{2,3}	\$10.1B - \$10.3B	(\$0.3B)	\$9.8B - \$10.0B
<i>Organic³ Growth</i>	8% - 10%	~0%	8% - 10%
Segment Margin	22.5% - 22.8%	~Neutral	22.5% - 22.8%
<i>Expansion</i>	Up 160 - 190 bps		Up 210 - 240 bps
Adjusted Earnings Per Share ⁴	\$2.52 - \$2.62	~(\$0.04)	\$2.48 - \$2.58

- 1 Segment margin and adjusted EPS are non-GAAP financial measures. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment margin and adjusted EPS. We therefore, do not present a guidance range, or a reconciliation to, the nearest GAAP financial measures of operating margin or EPS.
- 2 Adjusted Sales is a non-GAAP financial measure and reflects an adjustment to add back approximately \$310 million reported as a contra revenue accounting reduction to GAAP Sales as a result of the potential settlements of the Flexjet-related litigation matters. Previously provided October Guidance for Sales did not reflect any such adjustments.
- 3 See additional information at the end of this release regarding non-GAAP financial measures.
- 4 Adjusted EPS guidance excludes items identified in the non-GAAP reconciliation of adjusted EPS at the end of this release, and any potential future one-time items that we cannot reliably predict or estimate such as pension mark-to-market. Tax rates used for the impacts of Advanced Materials discontinued operations are based on preliminary estimates.

Flexjet-Related Litigation Matters Update

Honeywell is providing an update with respect to the previously disclosed Flexjet-related litigation matters. The company is in ongoing settlement negotiations with Flexjet and the other parties to the litigation matters. Based on negotiations to date, Honeywell expects to record a one-time charge within its Aerospace Technologies segment in the fourth quarter of 2025 that will reduce GAAP sales (due to contra-revenue accounting) and operating income by approximately \$310 million and \$370 million, respectively. However, this charge will not impact Honeywell's non-GAAP financial metrics. The company further expects that any settlements will include one-time cash payments to the parties to the Flexjet-related litigation matters totaling approximately \$470 million in the aggregate. There can be no assurance that any settlements will be reached, and the foregoing financial impacts are subject to change based on the final terms of any such settlements.

For additional information, please see our Current Report on Form 8-K, filed with the SEC on December 22, 2025, available at <http://www.sec.gov>.

About Honeywell

Honeywell is an integrated operating company serving a broad range of industries and geographies around the world, with a portfolio that is underpinned by our Honeywell Accelerator operating system and Honeywell Forge platform. As a trusted partner, we help organizations solve the world's toughest, most complex challenges, providing actionable solutions and innovations for aerospace, building automation, industrial automation, process automation, and process technology, that help make the world smarter and safer as well as more secure and sustainable. For more news and information on Honeywell, please visit www.honeywell.com/newsroom.

Additional Information

Honeywell uses our Investor Relations website, www.honeywell.com/investor, as a means of disclosing information which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website, in addition to following our press releases, SEC filings, public conference calls, webcasts, and social media.

Forward Looking Statements

We describe many of the trends and other factors that drive our business and future results in this release. Such discussions contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including statements related to the proposed separation of Automation and Aerospace Technologies, the realignment of the Company's reportable business segments, the Company's full year guidance, the accounting impact of any potential settlements of the Flexjet-related litigation matters, 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 the Company's realignment of its reportable business segments, the Company's current expectations, estimates, and projections regarding the proposed separation of Automation and Aerospace Technologies, the accounting impact of any potential settlements of the Flexjet-related litigation matters, 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. 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, that can affect our performance in both the near- and long-term. In addition, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this release can or will be achieved. These forward-looking statements should be considered in light of the information included in this release, our Form 10-K, and other filings with the SEC. Any forward-looking plans described herein are not final and may be modified or abandoned at any time.

This release contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this release are as follows:

- Segment profit, on an overall Honeywell basis;
- Segment profit margin, on an overall Honeywell basis;
- Organic sales growth;
- Adjusted sales;
- Free cash flow; and
- Adjusted earnings per share.

Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Certain measures presented on a non-GAAP basis represent the impact of adjusting items net of tax. The tax-effect for adjusting items is determined individually and on a case-by-case basis. Refer to the Appendix

attached to this release for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

Appendix

Non-GAAP Financial Measures

The following information provides definitions and reconciliations of certain non-GAAP financial measures presented in this press release to which this reconciliation is attached to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (GAAP).

Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Certain measures presented on a non-GAAP basis represent the impact of adjusting items net of tax. The tax-effect for adjusting items is determined individually and on a case-by-case basis. 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.

Organic Sales Percent Change

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

A quantitative reconciliation of reported sales percent change to organic sales percent change has not been provided for the forward-looking measure 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.

Honeywell International Inc.
Reconciliation of Expected Sales to Expected Adjusted Sales
(Unaudited)
(Dollars in billions)

	Three Months Ended December 31, 2025 (E)	Twelve Months Ended December 31, 2025 (E)
Sales	~\$9.5 - \$9.7	~\$37.2 - \$37.4
Flexjet-related litigation matters ¹	~0.3	~0.3
Adjusted sales	~\$9.8 - \$10.0	~\$37.5 - \$37.7

1 For the three and twelve months ended December 31, 2025, reflects an approximately \$310 million impact to sales due to contra revenue accounting as a result of a pending settlement with an existing customer.

We define adjusted sales as sales from continuing operations less the sales impact of the Flexjet-related litigation matters. Management considers the nature and significance of these litigation matters to be unusual and not indicative of the Company's ongoing performance.

We believe that adjusted sales is a non-GAAP measure that is useful to investors and management as a measure of ongoing operations and in analysis of ongoing operating trends.

Honeywell International Inc.
Reconciliation of Operating Income to Segment Profit, Calculation of Operating Income and Segment Profit Margins
(Unaudited)
(Dollars in millions)

	Three Months Ended December 31, 2024		Twelve Months Ended December 31, 2024	
	Continuing Operations	Discontinued Operations ¹	Continuing Operations	Discontinued Operations ¹
Operating income	\$ 1,521	\$ 224	\$ 6,449	\$ 992
Stock compensation expense ²	39	2	189	5
Repositioning, Other ^{3,4}	58	15	265	27
Pension and other postretirement service costs ⁵	16	1	61	4
Amortization of acquisition-related intangibles ⁶	139	1	411	4
Acquisition-related costs ⁷	—	—	25	—
Indefinite-lived intangible asset impairment ²	—	—	48	—
Impairment of assets held for sale	94	—	219	—
Segment profit	\$ 1,867	\$ 243	\$ 7,667	\$ 1,032
Operating income	\$ 1,521	\$ 224	\$ 6,449	\$ 992
+ Net sales	\$ 9,169	\$ 919	\$ 34,717	\$ 3,781
Operating income margin %	16.6 %	24.4 %	18.6 %	26.2 %
Segment profit	\$ 1,867	\$ 243	\$ 7,667	\$ 1,032
+ Net sales	\$ 9,169	\$ 919	\$ 34,717	\$ 3,781
Segment profit margin %	20.4 %	26.4 %	22.1 %	27.3 %

1 Effective October 30, 2025, Honeywell completed the spin-off of its Advanced Materials business into an independent, publicly traded company, Solstice Advanced Materials. The Advanced Materials business had historically been part of the Energy and Sustainability Systems reportable segment. In connection with the spin-off, the Advanced Materials business is reported as discontinued operations in all periods presented.

2 Included in Selling, general and administrative expenses.

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

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

5 Included in Cost of products and services sold, Research and development expenses, and Selling, general and administrative expenses.

6 Included in Cost of products and services sold.

7 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.

A quantitative reconciliation of operating income to segment profit, on an overall Honeywell basis, has not been provided for all forward-looking measures of segment profit and segment profit margin included herein. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment profit, particularly pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. The information that is unavailable to provide a quantitative reconciliation could have a significant impact on our reported financial results. To the extent quantitative information becomes available without unreasonable effort in the future, and closer to the period to which the forward-looking measures pertain, a reconciliation of operating income to segment profit will be included within future filings.

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.

Honeywell International Inc.
Reconciliation of Earnings per Share to Adjusted Earnings per Share
(Unaudited)

	Three Months Ended December 31, 2025 (E)	Twelve Months Ended December 31, 2025 (E)
Earnings per share of common stock from continuing operations - diluted¹	\$1.79 - \$1.89	\$9.23 - \$9.33
Pension mark-to-market expense	No Forecast	No Forecast
Amortization of acquisition-related intangibles ²	0.20	0.72
Acquisition-related costs ³	0.02	0.05
Divestiture-related costs	No Forecast	No Forecast
Impairment of assets held for sale ⁴	—	0.02
Loss on sale of business ⁵	—	0.04
Gain related to Resideo indemnification and reimbursement agreement termination ⁶	—	(1.25)
Adjustment to estimated future environmental liabilities ⁷	—	0.25
Loss on expected settlement of divestiture of asbestos liabilities ⁸	—	0.17
Flexjet-related litigation matters ⁹	0.47	0.47
Adjusted earnings per share of common stock from continuing operations - diluted	\$2.48 - \$2.58	\$9.70 - \$9.80

- 1 For the three and twelve months ended December 31, 2025, expected earnings per share utilizes weighted average shares of approximately 639 million and 643 million, respectively.
- 2 For the three and twelve months ended December 31, 2025, expected acquisition-related intangibles amortization includes approximately \$130 million and \$460 million, net of tax benefit of approximately \$35 million and \$110 million, respectively.
- 3 For the three and twelve months ended December 31, 2025, the expected adjustment for acquisition-related costs, which is principally comprised of third-party transaction and integration costs and acquisition-related fair value adjustments to inventory, is approximately \$15 million and \$35 million, net of tax benefit of approximately \$5 million and \$10 million, respectively.
- 4 For the twelve months ended December 31, 2025, the expected impairment charge of assets held for sale is \$15 million, without tax benefit.
- 5 For the twelve months ended December 31, 2025, the expected adjustment for loss on sale of the personal protective equipment business is \$28 million, net of tax benefit of \$2 million.
- 6 For the twelve months ended December 31, 2025, the expected gain related to the Resideo indemnification and reimbursement agreement termination is \$802 million, without tax expense.
- 7 In the three months ended September 30, 2025, the Company enhanced its process for estimating environmental liabilities at sites undergoing active remediation, which led to earlier recognition of the estimated probable liabilities and an increase to estimated environmental liabilities. For the twelve months ended December 31, 2025, the expected adjustment is \$161 million, net of tax benefit of \$50 million.
- 8 For the twelve months ended December 31, 2025, the expected adjustment for loss on expected settlement of divestiture of asbestos liabilities is \$112 million, net of tax benefit of \$36 million.
- 9 For the three and twelve months ended December 31, 2025, the expected charge for the Flexjet-related litigation matters is approximately \$300 million, net of tax benefit of \$70 million. Management considers the nature and significance of these litigation matters to be unusual and not indicative of the Company's ongoing performance.

We define adjusted earnings per share as diluted earnings per share from continuing operations adjusted to exclude various charges as listed above. 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 or the divestiture-related costs. The pension mark-to-market expense is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. The divestiture-related costs are subject to detailed development and execution of separation restructuring plans for the announced separation of Automation and Aerospace Technologies. We therefore do not include an estimate for the pension mark-to-market expense or divestiture-related costs. Based on economic and industry conditions, future developments, and other relevant factors, these assumptions are subject to change.

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.

Honeywell International Inc.
Reconciliation of Expected Cash Provided by Operating Activities to Expected Free Cash Flow
(Unaudited)
(Dollars in billions)

**Twelve Months Ended
December 31, 2025 (E)**

Cash provided by operating activities from continuing operations	~\$5.9 - \$6.3
Capital expenditures	~(1.0)
Spin-off and separation-related cost payments	~0.1
Resideo indemnification and reimbursement agreement termination payment	~(1.6)
Impact of expected settlement of divestiture of asbestos liabilities	~1.4
Free cash flow from continuing operations	~\$4.8 - \$5.2

We define free cash flow as cash provided by operating activities from continuing operations less cash for capital expenditures and excluding spin-off and separation-related cost payments, the Resideo indemnification and reimbursement agreement termination payment, and the cash payment for settlement of divestiture of asbestos liabilities.

We believe that free cash flow is a non-GAAP measure that is useful to investors and management as a measure of cash generated by operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock, or repay debt obligations prior to their maturities. This measure 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.