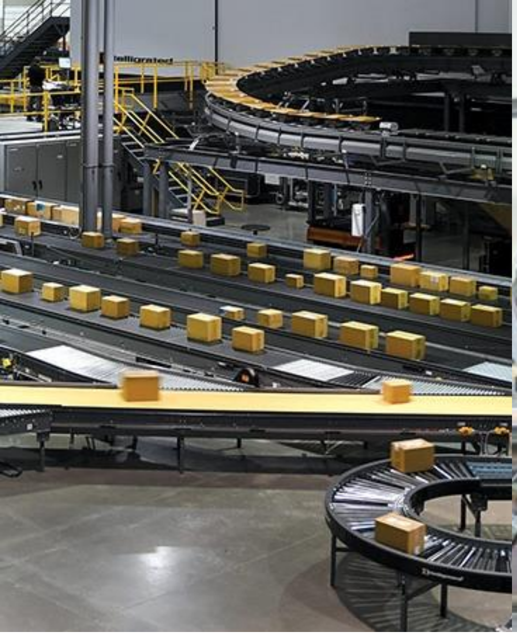




THIRD QUARTER 2020
EARNINGS RELEASE

OCTOBER 30, 2020

Honeywell

These materials contain forward-looking business plans subject to modification based on many factors, including changing economic and business conditions. Unless otherwise noted, the plans and proposals described herein are not final and may be modified or even abandoned at any time. No final decision will be taken with respect to such plans or proposals without prior satisfaction of any applicable requirements with respect to informing, consulting or negotiating with employees or their representatives.

Forward Looking Statements

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

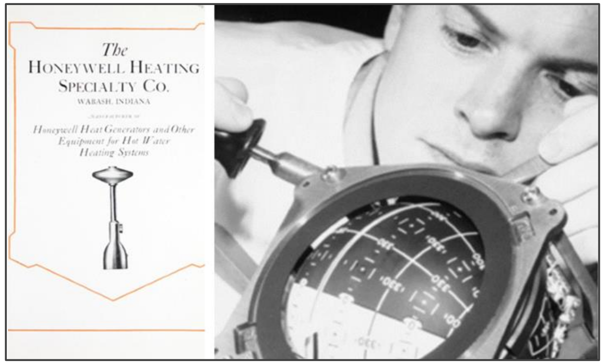
No final decision will be taken with respect to such plans or proposals without prior satisfaction of any applicable requirements with respect to informing, consulting or negotiating with employees or their representatives. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

Non-GAAP Financial Measures

This presentation contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this presentation are as follows: segment profit, on an overall Honeywell basis, a measure by which we assess operating performance, which we define as operating income adjusted for certain items as presented in the Appendix; segment margin, on an overall Honeywell basis, which we define as segment profit divided by sales; organic sales growth, which we define as sales growth less the impacts from foreign currency translation and acquisitions and divestitures for the first 12 months following transaction date; free cash flow, which we define as cash flow from operations less capital expenditures; adjusted free cash flow conversion, which we define as free cash flow divided by net income attributable to Honeywell, excluding separation costs related to the spin-offs, the impact of the favorable resolution of a foreign tax matter related to the spin-off transactions, and the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing, if and as noted in the presentation; and adjusted earnings per share, which we adjust to exclude pension mark-to-market, adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge, favorable resolution of a foreign tax matter related to the spin-off transactions, and the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing, if and as noted in the presentation. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Refer to the Appendix attached to this presentation for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

RECENT MILESTONES

100-Year NYSE Anniversary



- Celebrated the 100-year anniversary of our listing on the New York Stock Exchange in September
- Honeywell's longevity and resilience is underpinned by our focus on innovation in an ever-changing world and through all market conditions
- Committed to another century of resilience, innovation, and performance

Return to the Dow Jones Industrial Average

- S&P Dow Jones Indices announced Honeywell's return to the Dow Jones Industrial Average
- Honeywell was previously a Dow component from 1925 – 2008
- Return to the Dow reflects years of consistent performance and ongoing software-industrial transformation

Celebrated Key Milestones in 3Q

3Q 2020 OVERVIEW

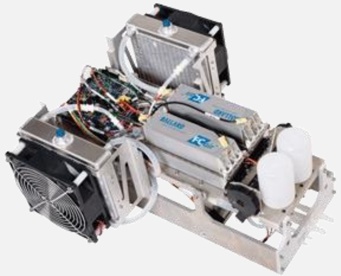
	3Q 2020 Actual	2Q 2020 Actual
Adjusted earnings per share down (25%) YoY on lower volumes, higher repositioning charges, lower interest income, and higher tax rate, partially offset by pension income, cost actions, and lower share count; adjusted earnings per share up sequentially vs. 2Q trough	**$1.56** *Adjusted Earnings Per Share*	**$1.26** *Adjusted Earnings Per Share*
Organic sales decline driven by ongoing impact of COVID-19 disruptions and market volatility in some segments, partially offset by multiple emerging growth vectors, including strong organic growth in SPS	**(14%)** *Organic Sales Decline*	**(18%)** *Organic Sales Decline*
Segment margin contraction driven by Aero and PMT, partially offset by margin expansion in HBT and SPS; reduced decremental margin to 29% vs. 33% in 2Q	**(130 bps)** *Segment Margin Contraction*	**(280 bps)** *Segment Margin Contraction*
Generated $0.8B in free cash flow, down (41%) YoY due to lower net income, higher cash payments associated with repositioning, and higher growth capex investments	**$0.8B** *Free Cash Flow*	**$1.3B** *Free Cash Flow*
Deployed capital to growth capex and dividends and announced 11th consecutive dividend increase; resumed opportunistic share repurchases	**$1.0B** *Dividends, Capital Expenditures, Share Repurchases*	**$0.9B** *Dividends, Capital Expenditures, Share Repurchases*

Adjusted EPS excludes the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing and 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions. Adjusted EPS V% excludes the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing and adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge.

Sequential Sales, Segment Margin, and Adjusted EPS Recovery

RECENT CORPORATE DEVELOPMENT ACTIONS

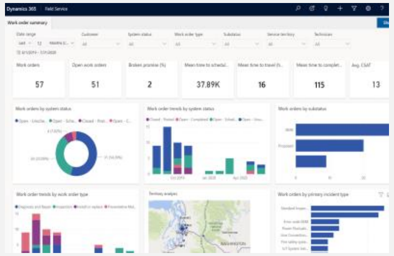
M&A



- Acquired Rocky Research, a technology leader specializing in power and thermal management
- Expands existing Aerospace portfolio and provides advanced capability in a fast-growing market for aircraft electrification and unmanned aerial systems (UAS)

- Acquired Ballard Unmanned Systems, which extends Honeywell's presence into the hydrogen fuel cells market for UAS and broader aviation applications
- Strengthens Honeywell's urban air mobility product portfolio

Partnerships



- Honeywell and Microsoft are partnering on cloud adoption to reshape the workplace
- Honeywell Forge will integrate with Microsoft Dynamics Field Service to provide predictive maintenance to building owners and operators with closed-loop maintenance workflows

- Honeywell and Vertiv are partnering to create more sustainable and efficient data centers for customers
- Collaboration combines Honeywell operational technology experience with Vertiv's critical digital infrastructure solutions to optimize data center sustainability, resiliency, and operational performance

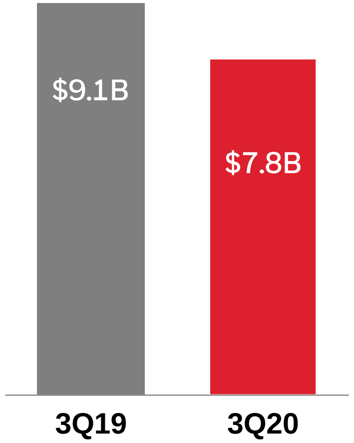
Combined potential for $1.2B+ sales over the next 5 years

Actively Pursuing M&A and Partnerships to Strengthen Portfolio

3Q 2020 FINANCIAL SUMMARY

Sales

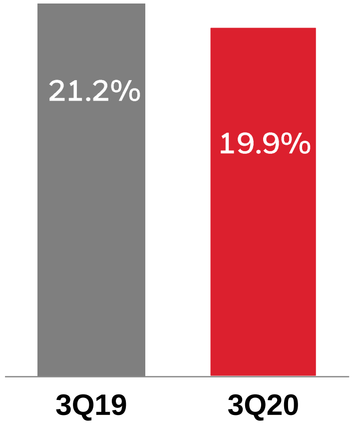
Down
(14%)
Organic



+ Ongoing Defense, Intelligrated, PPE strength
- Commercial aviation headwinds
- Energy market volatility
- Customer site access

Segment Margin

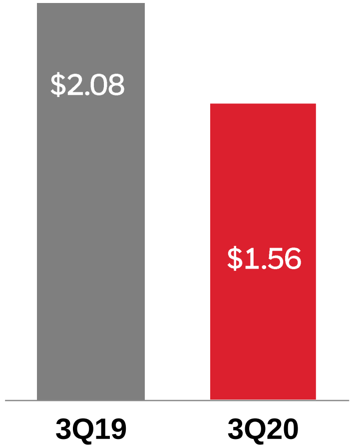
Down
(130)
bps



- Lower volumes and margin in Aerospace and PMT
+ Margin expansion in HBT and SPS
+ Reduced fixed costs by ~$0.5B in 3Q

Adjusted EPS

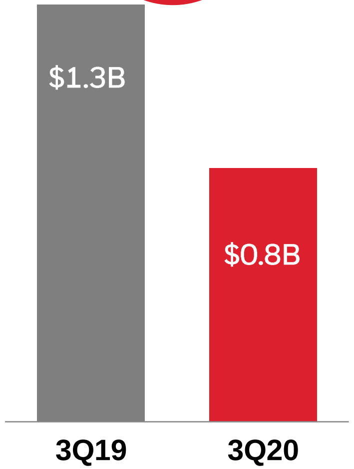
Down
(25%)



- Lower volumes and segment profit
- Higher repositioning
- Higher adjusted tax rate (24.5% vs. 22.0%)
+ Lower share count (710M vs. 727M)

Free Cash Flow

68%
Adjusted Conversion



- Lower net income
± Higher repo cash and growth capex
+ Deployed $1.0B to dividends, capex, and share repurchases

Adjusted EPS and adjusted EPS V% exclude the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing and adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge. Adjusted free cash flow conversion excludes the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing.

Continued Operational Rigor Driving Sequential Recovery

3Q 2020 SEGMENT RESULTS

($M)	Sales	Segment Margin Change (bps)	Commentary
Aero	$2,662 *3Q: Down (25%) Organic* 2Q: Down (27%) Organic	23.2% *3Q: Down (240)* 2Q: Down (510)	• Double-digit growth in Defense and Space; sequential improvement in business aviation • Lower commercial aerospace demand due to ongoing impact of reduced flight hours and build rates • Margin up 240 basis points sequentially from 2Q driven by productivity actions
HBT	$1,305 *3Q: Down (8%) Organic* 2Q: Down (17%) Organic	21.6% *3Q: Up 60* 2Q: Up 50	• Delays in Building Solutions projects; double-digit orders growth in projects and energy verticals • Sequential building products sales and orders improvement; growing sales pipeline for healthy building solutions • Margin performance driven by commercial excellence and productivity actions
PMT	$2,252 *3Q: Down (16%) Organic* 2Q: Down (17%) Organic	19.6% *3Q: Down (220)* 2Q: Down (460)	• Process Solutions projects and services delays; product volume declines, primarily in smart energy • Lower gas processing investment; lower licensing, engineering, and catalyst shipments in UOP • Sequential Advanced Materials growth; recovery in auto markets driving auto refrigerants return to growth; packaging and composites growth
SPS	$1,578 *3Q: Up 8% Organic* 2Q: Up 1% Organic	13.9% *3Q: Up 50* 2Q: Up 150	• Double-digit Intelligrated growth driven by major systems projects; backlog up over 100% • Double-digit growth in personal protective equipment led by respiratory products; orders up ~150%; margin headwinds as new capacity is implemented • Productivity solutions and services return to growth; softness in gas sensing

All SBGs Making Sequential Progress

4Q 2020 PREVIEW

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

What We Expect in 4Q

- Sequential sales improvement across all four segments, driven by:
  - Momentum from our portfolio of healthy solutions
  - Continued double-digit year-over-year growth in defense, warehouse automation, and PPE
  - Ongoing recovery in commercial aftermarket, building products, fluorine products, and productivity solutions
- $0.4B - $0.5B of cost reductions; 22% - 23% decremental margins
- Opportunistic share repurchases; focus on M&A pipeline
  - Two transactions already completed
- Guidance predicated on no material supply chain or end market disruptions

Adjusted net below the line impact is the difference between segment profit and income before tax, excluding the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing. Impact includes interest and other financial charges, stock compensation expense, pension ongoing income, other post-retirement income, and repositioning and other charges. Adjusted EPS and adjusted EPS V% guidance exclude 4Q19 pension mark-to market, adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge, 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions, and the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing.

Restoring Guidance for 4Q

PRELIMINARY THOUGHTS ON 2021

2021 Drivers

Macro Planning Assumptions

- Infection rates are manageable; economy stays stable with sequential improvement throughout the year
- Effective vaccine becomes available early 2021
- Fiscal stimulus supportive of economy

Verticals Outlook

- Commercial flight hours improve modestly in 1H and accelerate slightly in 2H
- Stable defense budget spending
- Oil prices rise moderately in 2H
- Non-residential construction stable
- Warehouse automation, PPE strength

Honeywell Outlook

- Organic growth supported by:
  - Positive year-over-year growth in all four segments
  - Double digit connected software growth
  - Continued momentum in healthy solutions portfolio, warehouse automation, and PPE
  - Ongoing investments in organic growth opportunities and transformation initiatives
- Margin expansion driven by strong incremental margins on streamlined fixed cost base
- Investment in growth and digital initiatives based on volume outlook; step-up in R&D investment
- Significant balance sheet capacity for M&A and share repurchases

Returning to Growth and Margin Expansion

COMMITMENT TO A SUSTAINABLE FUTURE

Sustainable Technology Solutions

- New business in PMT created to develop and commercialize new technologies that meet the growing demand for sustainable solutions
- Examples include plastics recycling, energy storage, and renewable fuels
- Will contribute to the expansion of our technology portfolio and accelerate long-term growth

Sustainable Solutions

~50% of our NPI R&D activity is directed towards products that improve environmental and social outcomes for our customers

Sustainable Refrigerants and Aerosols	Sustainable Buildings Building Safety	Sustainable Aviation Aviation Safety	Sustainable Electric Power	Plant and Personnel Safety	Sustainable Freight	Worker Safety

Our "10-10-10" ESG Goals by 2024

- **Reduce** Scope 1 and Scope 2 GHG emissions intensity by an additional 10% from 2018 levels
- **Deploy** at least 10 renewable energy projects
- **Achieve** certification to ISO's 50001 Energy Management Standard at 10 sites

Our Progress

>90%	~70%	5,200	128	~3,000
reduction in Scope 1 and Scope 2 greenhouse gas intensity since 2004, achieving 56 MT CO2e/$M at the end of 2019	**energy efficiency improvement** since 2004 to 137 MWh/$M (or 0.47 BBTU/$M) at the end of 2019	**greenhouse gas and energy efficiency projects** completed since 2010, saving an annualized **$90M**	**million gallons of water saved** in water-stressed regions since 2013 from over **150** projects	acres remediated and **restored as valuable community assets**

Continued Focus on Sustainability

SUMMARY

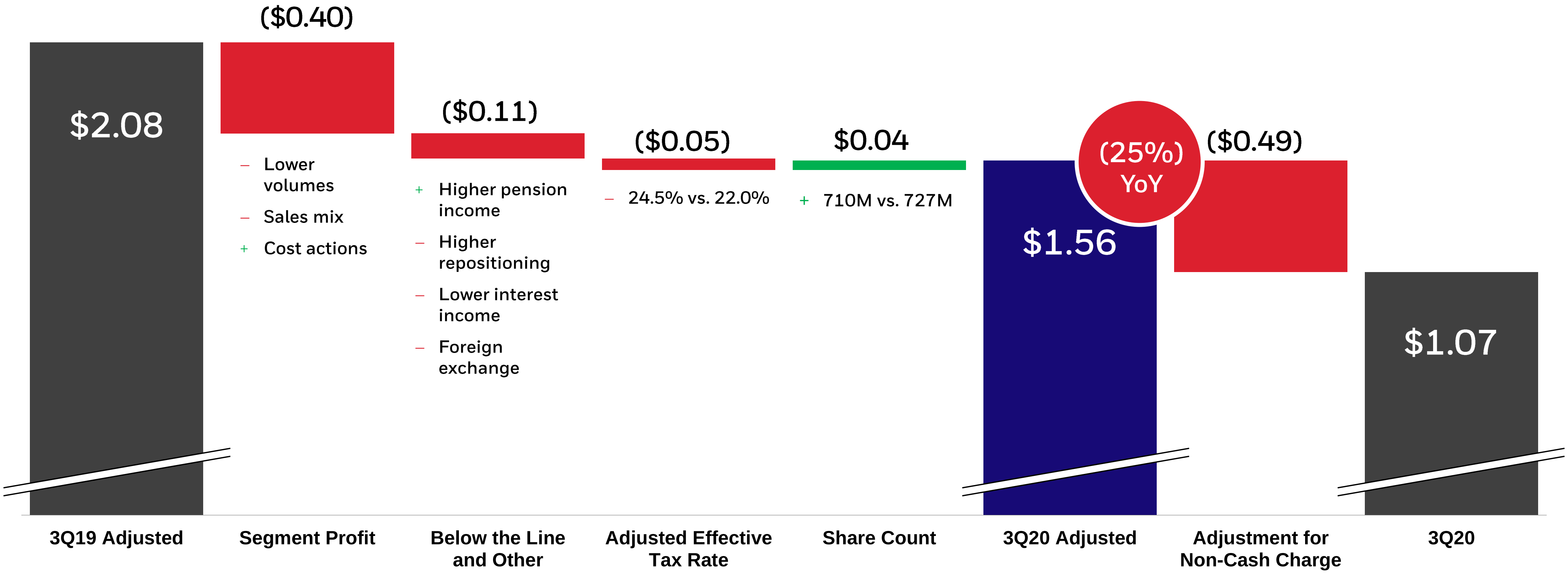
- Sequential sales, margin, and adjusted EPS improvement from 2Q trough; continued operational rigor and execution
- Delivered double-digit organic growth in Defense and Space, Intelligrated, PPE, and recurring software
- Executing significant cost actions to protect margins; funded $124M additional repo in 3Q
- Investing in current and future growth opportunities through investments in high-return capex, R&D, M&A, and partnerships

Adjusted EPS excludes the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing

Effectively Managing Difficult Environment; Positioning For Recovery

Appendix

3Q 2020 EARNINGS PER SHARE BRIDGE

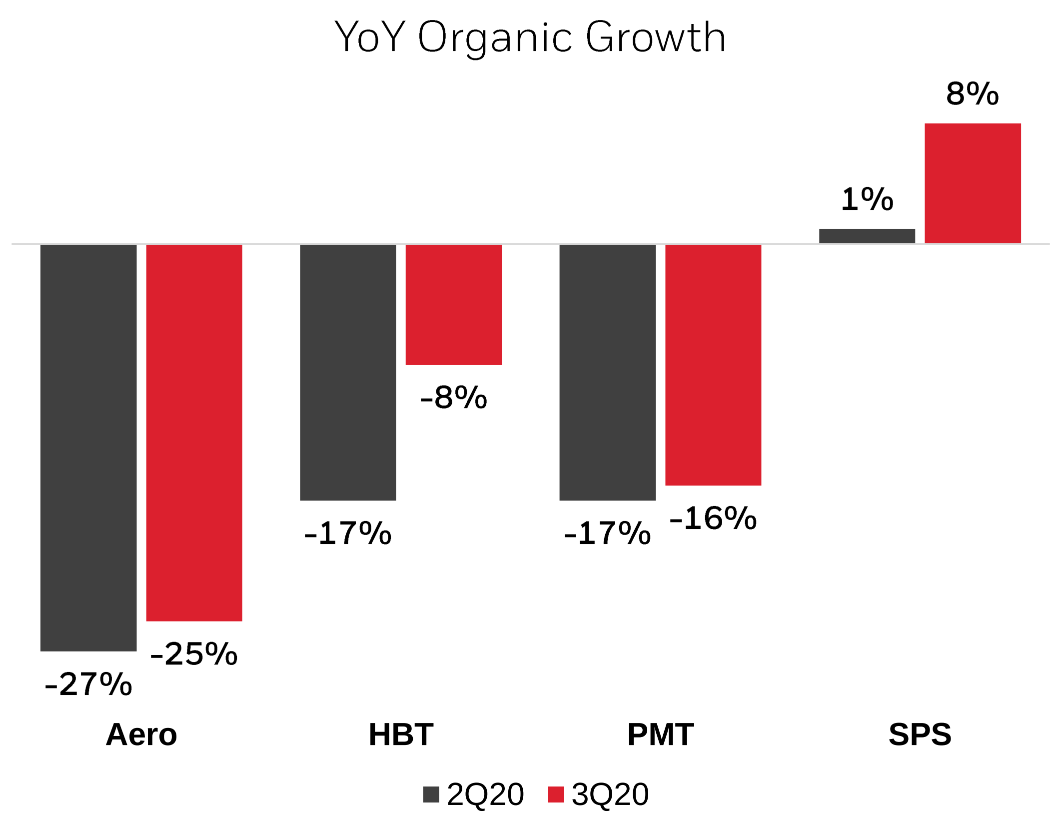


Adjusted EPS and adjusted EPS V% exclude the impact of a non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing and adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge

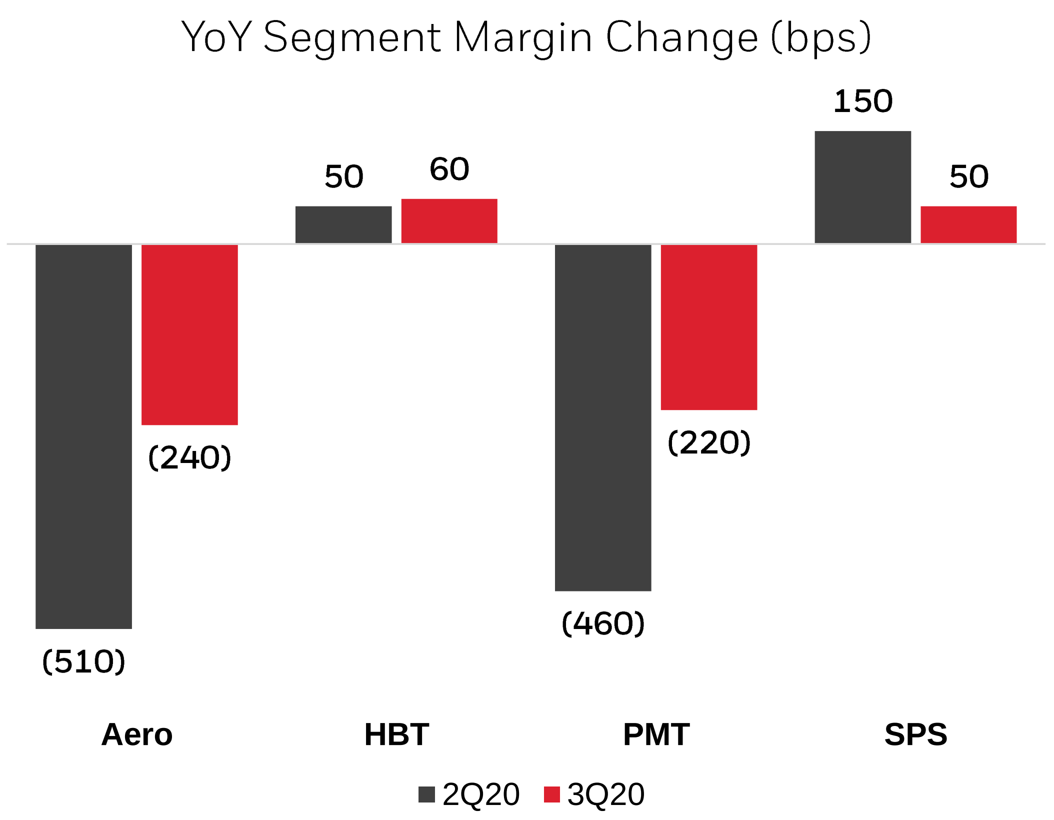
Sales Improvement, Cost Actions Driving Sequential Margin and EPS Growth

SEQUENTIAL SALES AND MARGIN METRICS

Sequential Sales Improvement



Sequential Margin Improvement



Seeing Sequential Improvement Across the Portfolio

3Q 2020 SALES

	3Q Reported	3Q Organic
Aerospace	**(25%)**	**(25%)**
Commercial Aviation Original Equipment	(47%)	(47%)
Commercial Aviation Aftermarket	(47%)	(47%)
Defense & Space	12%	13%
Honeywell Building Technologies	**(8%)**	**(8%)**
Buildings	(8%)	(8%)
Performance Materials And Technologies	**(16%)**	**(16%)**
UOP	(36%)	(36%)
Honeywell Process Solutions	(12%)	(12%)
Advanced Materials	(2%)	(4%)
Safety And Productivity Solutions	**8%**	**8%**
Safety	7%	6%
Productivity Solutions	9%	9%

ADDITIONAL 4Q 2020 INPUTS

	4Q 2019	4Q 2020E	Commentary
Pension / OPEB	$155M	~$210M	• Larger asset base from robust 2019 portfolio returns and lower discount rates reducing expenses, resulting in higher pension income; excludes pension mark-to-market
Repositioning	($205M)	($50M – $100M)	• Retain capacity for high-return projects to support cost management and productivity initiatives; tracking to $500M - $550M for full year
Other Below the Line	($91M)	($150M - $160M)	• Asbestos and environmental expenses net of spin reimbursements, net interest, F/X, stock option expense, RSU expense, M&A and other expenses
Total Below the Line	($141M)	$10M – ($50M)	• Excludes pension mark-to-market

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

($M)	2Q19	3Q19	2Q20	3Q20
Aerospace	$3,508	$3,544	$2,543	$2,662
Honeywell Building Technologies	1,450	1,415	1,177	1,305
Performance Materials and Technologies	2,735	2,670	2,218	2,252
Safety and Productivity Solutions	1,550	1,457	1,539	1,578
Net sales	$9,243	$9,086	$7,477	$7,797
Aerospace	$907	$908	$528	$617
Honeywell Building Technologies	300	297	250	282
Performance Materials and Technologies	644	582	419	442
Safety and Productivity Solutions	191	195	213	219
Corporate	(72)	(54)	(25)	(7)
Segment profit	$1,970	$1,928	$1,385	$1,553
Stock compensation expense [1]	(34)	(37)	(34)	(40)
Repositioning, Other [2,3]	(137)	(109)	(295)	(161)
Pension and other postretirement service costs [4]	(37)	(30)	(38)	(41)
Operating income	$1,762	$1,752	$1,018	$1,311
Segment profit	$1,970	$1,928	$1,385	$1,553
÷ Net sales	$9,243	$9,086	$7,477	$7,797
Segment profit margin %	21.3%	21.2%	18.5%	19.9%
Operating income	$1,762	$1,752	$1,018	$1,311
÷ Net sales	$9,243	$9,086	$7,477	$7,797
Operating income margin %	19.1%	19.3%	13.6%	16.8%

(1) Amounts included in Selling, general and administrative expenses.
(2) Includes repositioning, asbestos, environmental expenses and equity income adjustment.
(3) Included in Cost of products and services sold, Selling, general and administrative expenses, and Other income/expense.
(4) Amounts included in Cost of products and services sold and Selling, general and administrative expenses.

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

RECONCILIATION OF ORGANIC SALES % CHANGE

	2Q20	3Q20
Honeywell		
Reported sales % change	(19%)	(14%)
Less: Foreign currency translation	(1%)	-
Less: Acquisitions, divestitures and other, net	-	-
Organic sales % change	(18%)	(14%)
Aerospace		
Reported sales % change	(28%)	(25%)
Less: Foreign currency translation	-	-
Less: Acquisitions, divestitures and other, net	(1%)	-
Organic sales % change	(27%)	(25%)
Honeywell Building Technologies		
Reported sales % change	(19%)	(8%)
Less: Foreign currency translation	(2%)	-
Less: Acquisitions, divestitures and other, net	-	-
Organic sales % change	(17%)	(8%)
Performance Materials and Technologies		
Reported sales % change	(19%)	(16%)
Less: Foreign currency translation	(2%)	-
Less: Acquisitions, divestitures and other, net	-	-
Organic sales % change	(17%)	(16%)
Safety and Productivity Solutions		
Reported sales % change	(1%)	8%
Less: Foreign currency translation	(2%)	-
Less: Acquisitions, divestitures and other, net	-	-
Organic sales % change	1%	8%

We define organic sales percent as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation, acquisitions, net of divestitures and non-comparable impacts from adoption of the new revenue recognition standard. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

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

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

($M)	3Q20
Cash provided by operating activities	**$1,007**
Expenditures for property, plant and equipment	**(249)**
Free cash flow	**$758**
Net income (loss) attributable to Honeywell	**$758**
Reimbursement receivable charge [(1)]	**350**
Adjusted net income attributable to Honeywell	**$1,108**
Cash provided by operating activities	**$1,007**
÷ Net income (loss) attributable to Honeywell	**$758**
Operating cash flow conversion	**133%**
Free cash flow	**$758**
÷ Adjusted Net income attributable to Honeywell	**$1,108**
Adjusted Free cash flow conversion %	**68%**

(1) A non-cash $350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing.

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

We believe that this metric is useful to investors and management as a measure of cash generated by business operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock or repay debt obligations prior to their maturities. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW

($M)	3Q19	2Q20	3Q20
Cash provided by operating activities	**$1,471**	**$1,480**	**$1,007**
Expenditures for property, plant and equipment	**(192)**	**(227)**	**(249)**
Free cash flow	**$1,279**	**$1,253**	**$758**

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

We believe that this metric is useful to investors and management as a measure of cash generated by business operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock or repay debt obligations prior to their maturities. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

RECONCILIATION OF EPS TO ADJUSTED EPS

	3Q19	4Q19	2019	2Q20	3Q20
Earnings per share of common stock - assuming dilution (EPS) (1)	$2.23	$2.16	$8.41	$1.53	$1.07
Pension mark-to-market expense (2)	-	$0.13	$0.13	-	-
Separation-related tax adjustment (3)	-	-	-	(0.27)	-
Impacts from U.S. Tax Reform	(0.15)	(0.23)	(0.38)	-	-
Reimbursement receivable charge (4)	-	-	-	-	0.49
Adjusted earnings per share of common stock - assuming dilution	$2.08	$2.06	$8.16	$1.26	$1.56

(1) For the three months ended September 30, 2020 and 2019, adjusted earnings per share utilizes weighted average shares of approximately 709.6 million and 726.7 million. For the three months ended June 30, 2020, adjusted earnings per share utilizes weighted average shares of approximately 708.1 million. For the three and twelve months ended December 31, 2019 adjusted earnings per share utilizes weighted average shares of approximately 722.6 million and 730.3.

(2) Pension mark-to-market expense uses a blended tax rate of 24% for 2019.

(3) For the three months ended June 30, 2020, separation-related tax adjustment of $186 million ($186 million net of tax) includes the favorable resolution of a foreign tax matter related to the spin-off transactions.

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

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

($M)	4Q19	2019
Segment profit	$2,032	$7,739
Stock compensation expense (1)	(41)	(153)
Repositioning, Other (2,3)	(259)	(598)
Pension and other postretirement service costs (4)	(37)	(137)
Operating income	$1,695	$6,851
Segment profit	$2,032	$7,739
÷ Net sales	$9,496	$36,709
Segment profit margin %	21.4%	21.1%
Operating income	$1,695	$6,851
÷ Net sales	$9,496	$36,709
Operating income margin %	17.8%	18.7%

(1) Included in Selling, general and administrative expenses.
(2) Includes repositioning, asbestos, environmental expenses and equity income adjustment.
(3) Included in Cost of products and services sold, Selling, general and administrative expenses and Other income/expense.
(4) Included in Cost of products and services sold and Selling, general and administrative expenses.

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

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

RECONCILIATION OF EXPECTED EPS TO ADJUSTED EPS

	4Q20 (E)	2020 (E)
Earnings per share of common stock - assuming dilution (EPS) (1)	**\$1.97 - \$2.02**	**\$6.78 - \$6.83**
Pension mark-to-market expense	**-**	**-**
Separation-related tax adjustment (2)	**-**	**(0.27)**
Reimbursement receivable charge (3)	**-**	**0.49**
Adjusted earnings per share of common stock - assuming dilution	**\$1.97 - \$2.02**	**\$7.00 - \$7.05**

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

(2) For the twelve months ended December 31, 2020, separation-related tax adjustment of \$186 million (\$186 million net of tax) includes the favorable resolution of a foreign tax matter related to the spin-off transactions.

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

We believe adjusted earnings per share, is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. For forward looking information, management cannot reliably predict or estimate, without unreasonable effort, the pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. We therefore do not include an estimate for the pension mark-to-market expense. Based on economic and industry conditions, future developments and other relevant factors, these assumptions are subject to change.