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). Forward-looking statements are those that address activities, events, or developments that management intends, expects, projects, believes or anticipates 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. 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 lower GDP growth or recession, 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 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; Organic sales percentage; Free cash flow; Adjusted free cash flow; Free cash flow excluding impact of settlements; Free cash flow margin excluding impact of settlements; Adjusted free cash flow margin; Adjusted earnings per share; Adjusted earnings per share excluding pension headwind; Adjusted net income attributable to Honeywell; Adjusted net income before interest; and Return on invested capital, 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.

$37B
2023 Sales

14%
2023 FCF Margin*

14
Dividend Increases Since 2010

$9.16
2023 Adj. EPS

95,000
2023 Employees

196%
10-Year Total Shareowner Return

SOLVING THE WORLD'S TOUGHEST CHALLENGES IN…

AUTOMATION

AVIATION

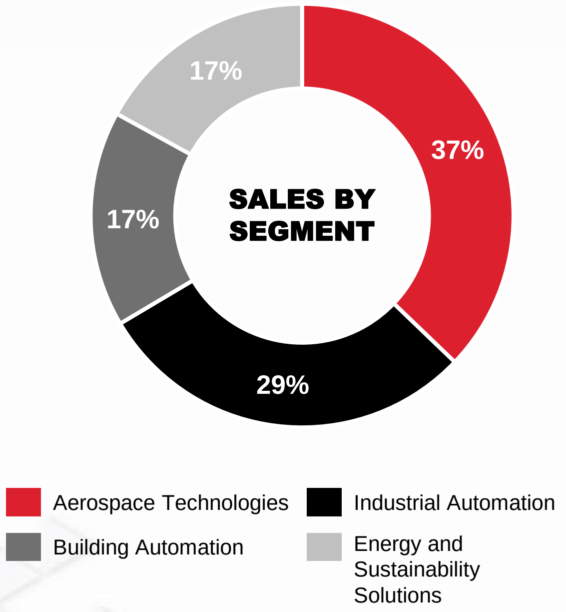
ENERGY TRANSITION

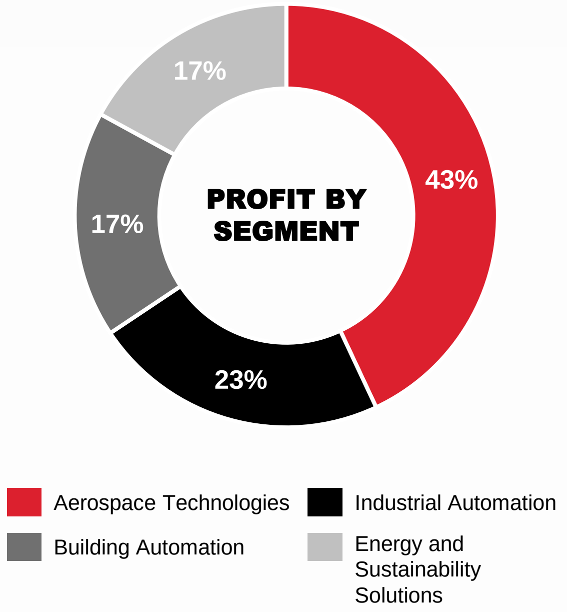
**Free Cash Flow Margin for 2023 excludes impact of settlements signed in 4Q22.*

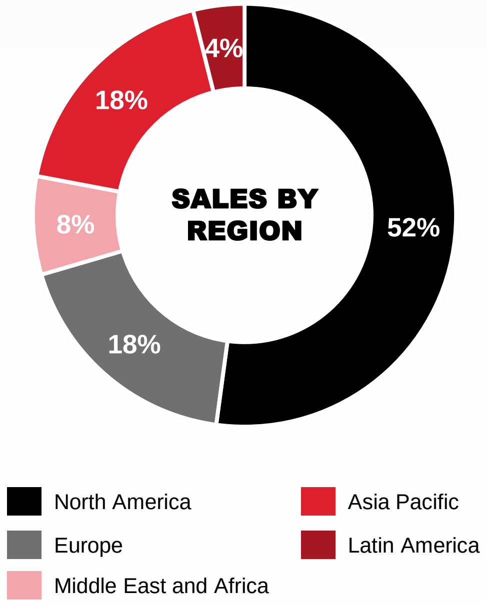
← UNDERPINNED BY DIGITALIZATION →

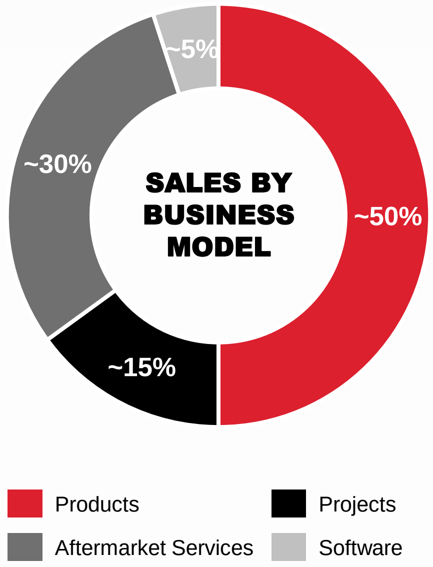
HONEYWELL BY THE NUMBERS

$37B	37%	23%	14%	35%
2023 Sales	2023 Gross Margin	2023 Segment Margin	2023 FCF Margin	2023 Recurring Revenue









FCF Margin for 2023 excludes impact of settlements signed in 4Q22. Pie charts represent 2023 financials excluding corporate and all other.

End Markets Support a Robust Multi-Year Outlook

HONEYWELL VALUE CREATION FRAMEWORK

1

INNOVATORS OF CRITICAL TECHNOLOGIES

Expansive installed base;
Deep customer relationships;
Industrial Software

2

INTEGRATED OPERATING COMPANY

Agility in all environments;
Disciplined financial stewards;
Commitment to excellence

3

EFFECTIVE CAPITAL MANAGERS

Continuous portfolio optimization;
Balanced capital deployment

ENABLED BY OUR ACCELERATOR OPERATING SYSTEM

Compelling Formula for Long-Term Shareholder Value Creation

HONEYWELL LONG-TERM GROWTH ALGORITHM

4% - 7%
Organic Sales Growth

>35%
Recurring Revenue

>40%
Gross Margin

MID-TEENS+
Free Cash Flow Margin

25%+
Segment Margin

40 - 60 BPS
Segment Margin Expansion

8% - 12%
Adj. Earnings Per Share Growth

$25B+
2023 - 2025 Capital Deployment

Compelling Financial Algorithm

THREE STAGES OF TRANSFORMATION

EVOLUTION	AVG. ORGANIC SALES GROWTH	SEGMENT MARGIN

BREAK AND FIX (2002 - 2016)[1]

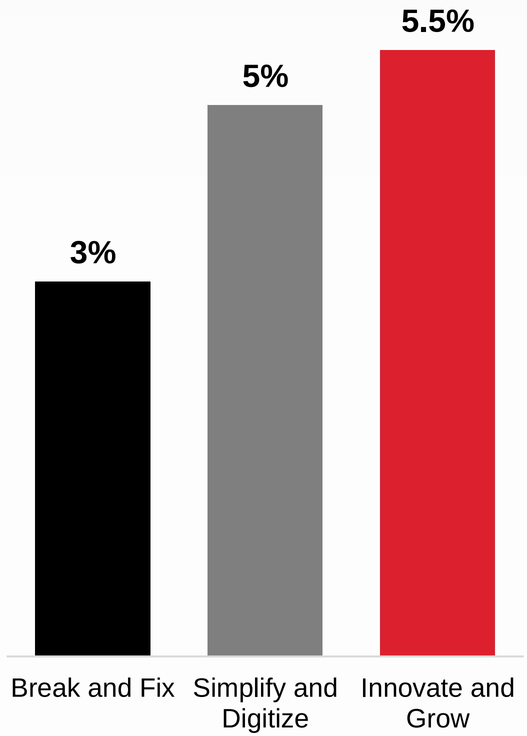
- **Integrated legacy companies** (AlliedSignal, Honeywell, and Pittway)
- Increased **global presence**
- Drove productivity

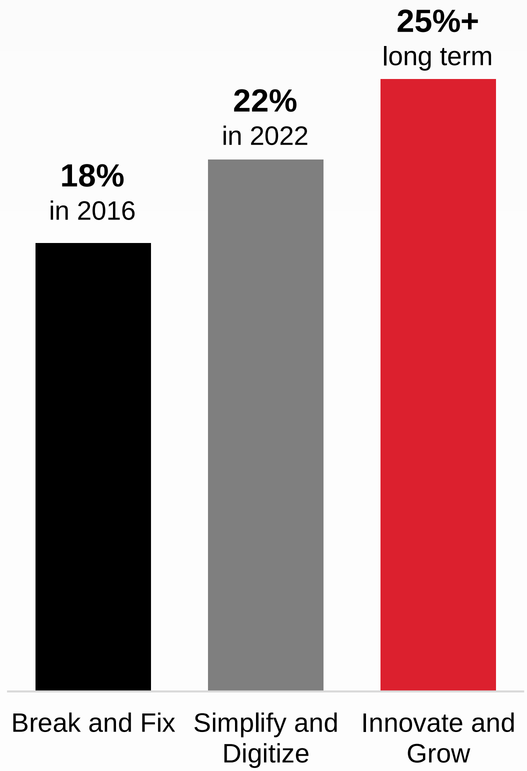
SIMPLIFY AND DIGITIZE (2017 - 2022)[1]

- **Streamlined end markets**
- Executed **supply chain and digital transformations**
- Launched **standalone software business**
- Launched Accelerator

INNOVATE AND GROW (2023+)

- Mining installed base and scaling software growth
- Advance **Honeywell Accelerator** across the organization (end to end)
- Deploy **robust balance sheet;** optimize portfolio
- Increase focus on innovation and capital deployment





[1]"Break and Fix" period average organic sales growth excludes 2009, "Simplify and Digitize" period average organic sales growth excludes 2020.

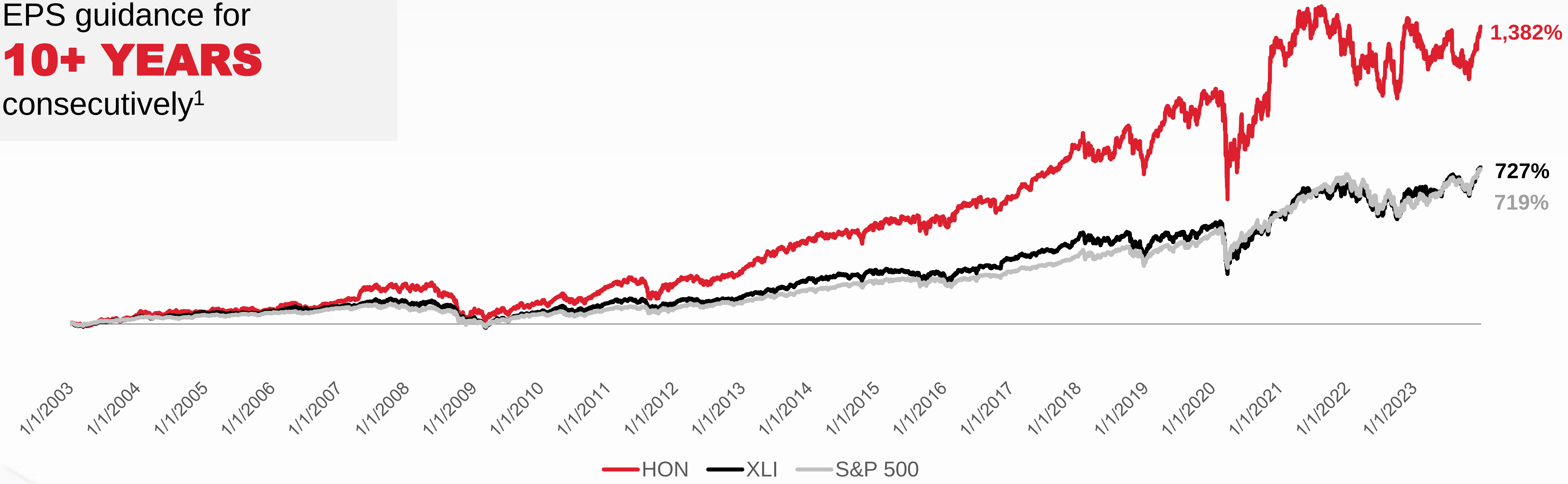
Poised to Leverage Our Platform in Next Stage of Growth-Oriented Transformation

TOTAL SHAREHOLDER RETURN

Exceeded midpoint of Adj. EPS guidance for

10+ YEARS

consecutively[1]



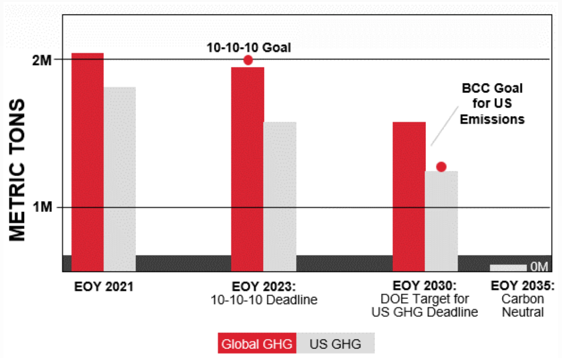
[1] 10+ years of consecutive guidance excludes 2020. Adjusted EPS guidance from initial guide each year. TSR Data as of 12/31/2023.

Honeywell TSR has ~Doubled Index Returns Over Past 20 Years

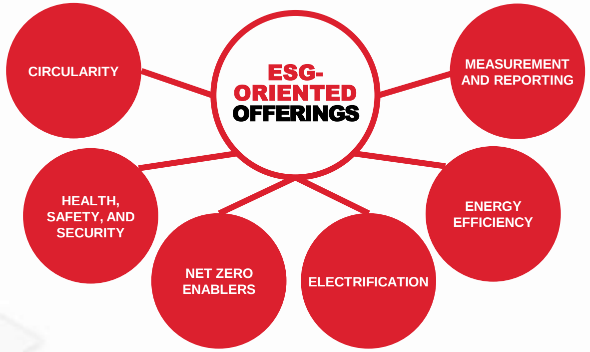
RESPONSIBLE CORPORATE CITIZENS

ENVIRONMENTAL

Carbon Neutral by 2035



Supporting Customer Decarbonization



SOCIAL

>12,000

employees belong to nine Employee Networks

>$2.5M

awarded to STEM-related scholarships

GOVERNANCE

Highly Qualified and Independent Board:

- 10 of 12 directors are independent
- 10 of 12 directors have CEO experience
- Average tenure is ~7 years

Focused on Shareowner Interests:

- Robust shareowner engagement
- Board-level oversight of ESG

Continually Evolving Governance Practices:

- History of proactively responding to shareowner feedback
- Striving for best-in-class governance, compensation, and disclosure practices

ESG Principles Foundational to Honeywell's Strategy

STRATEGIC PRIORITIES

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

New

Markets

SAM EXPANSION

Increase Spend

Examples: Sensors for EVs, D&S Global Expansion, Solstice for Heat Pumps

BREAKTHROUGH INITIATIVES

Examples: Quantinuum, Green Hydrogen, AAM

MAINTAIN / GROW SHARE

NPI vitality has increased ~1,000 bps in the last five years

SAM EXPANSION

Increase Spend

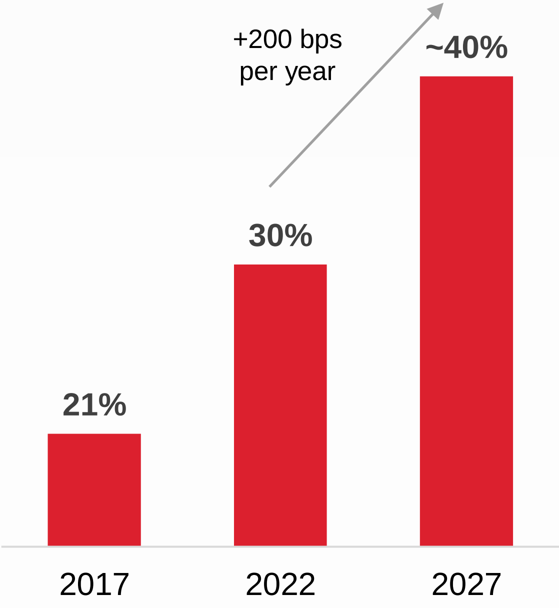
Examples: Aero Electrification, Cybersecurity, Connected Buildings

Existing → New

Offerings

- Accelerating organic growth with high-return R&D investments at ~8%[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

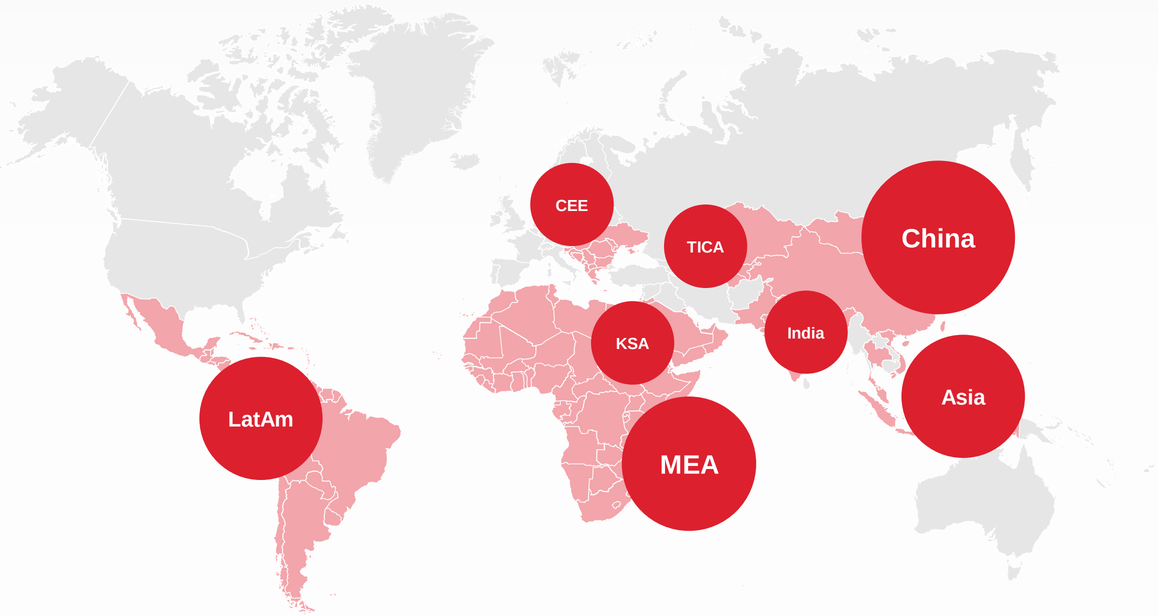


[1]*Based on 2023, includes ~4% of customer-funded R&D spend. SAM: Serviceable Addressable Market. EV: Electric Vehicles. AAM: Advanced Aerial Mobility.*

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

HIGH GROWTH REGIONS

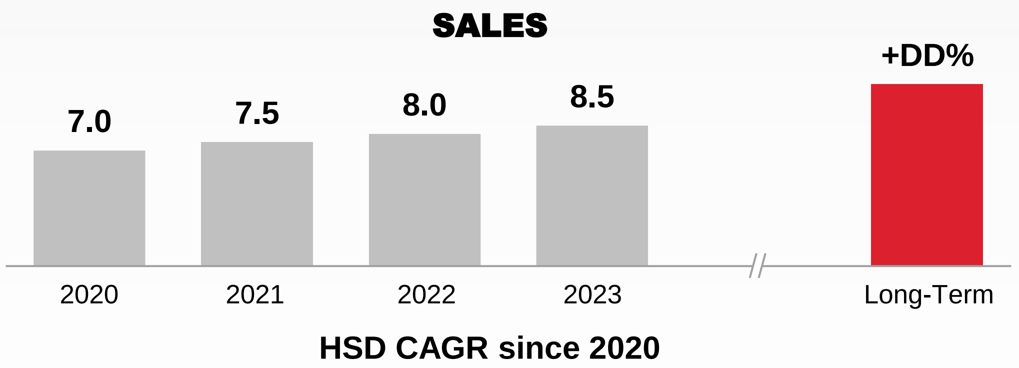
GDP CAGR (2023 - 2026)	US	W. Europe	World	HGR[1]
	1.5%	1.1%	2.6%	4.2%



70%+ of global GDP growth from HGRs in the next 5 years

HGR contribution to world GDP to reach **45%** in 2030

THE JOURNEY



A BRIGHT OUTLOOK AHEAD

AUTOMATION:
Digitalizing manufacturing; infrastructure investments

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

ENERGY TRANSITION:
Growing investments in energy transition

Source: WorldBank, Reuters, Airbus, Boeing, Janes Defense. [1]Bubble Size aligned to HON Rev in each region.

HGR Megatrends Align Strongly With Honeywell Portfolio

SOFTWARE VALUE

MONETIZING INSTALLED BASE

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

POWERED BY .ai

100M+ of Connected Assets

ADDING VALUE TO HONEYWELL

$1.6B
Sales HCE

16%
HCE Sales CAGR since 2019

~1,000 bps
Margin Accretive to Honeywell

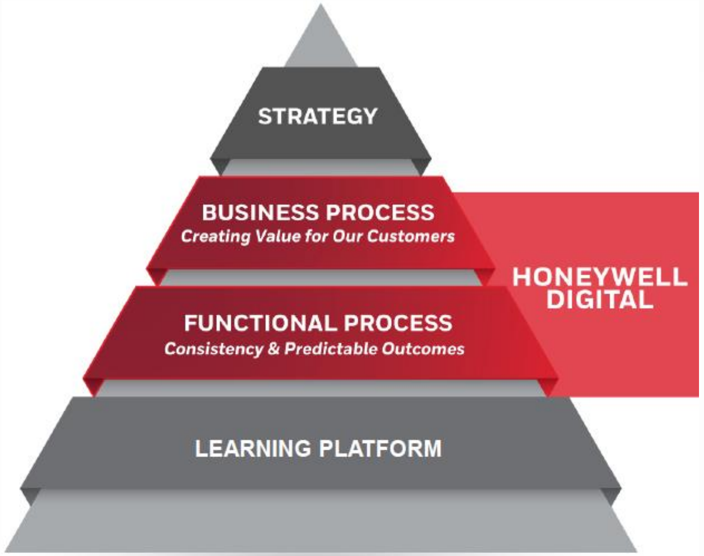
IoT: Internet of Things. AI: Artificial Intelligence. Represents Honeywell Connected Enterprise contribution to segment results. HCE provides software product and service offerings across our reportable business segments.

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**



WHAT IS NEXT?

2023 and Beyond:

1. End-to-end business model standardization
2. Extract value from the digital thread
3. M&A benefit from integration excellence

Accelerating profitable growth

BUSINESS MODEL STANDARDIZATION

Pivot from functional process excellence to business model value creation

Products ~50%	Projects ~15%	Aftermarket Services ~30%	Standalone Software ~5%

Consistent Global Design Models and Digitized End-to-End Processes

Deliver Foundation for Profitable Growth	Improve Profitability and Cash Generation of Underperforming Businesses

Data represents 2023 sales.

Culture of Execution; Taking Best-in-Class Operating System to the Next Level

AN INTEGRATED OPERATING COMPANY

MANAGEMENT OPERATING APPROACH

Holding Company | Pre-2002 | 2002 - 2016 HOS | **Post-2016** | **Integrated Operating Company**

HONEYWELL TODAY:

ENABLING ORGANIZATION

- **Digitalization**: Honeywell Connected Enterprise
- **Local for local**: High Growth Regions
- **Innovation**: Honeywell Technology Solutions >5k engineers in 5 countries

HCE SALES

16%

CAGR since 2019

HONEYWELL DIGITAL

- **Simplification**: 95% of sales on 4 ERPs
- **Digitalization**: Digital threads for instrumenting operations

CUMULATIVE GROSS MARGIN, PRODUCTIVITY, AND WORKING CAPITAL BENEFITS

$2.8B

Since 2018

SUPPLY CHAIN

- **Simplification:** Efficient, regionally-driven footprint
- **Digitalization:** Digitalized and AI-powered operations; automation capex doubled
- **Resiliency:** Dual-sourcing quadrupled

GROSS PROFIT PER SQUARE FOOT

~35%

Improvement since 2017

Honeywell Connected Enterprise provides software product and service offerings across our reportable business segments.

Integrated Approach Generating Significant Value

PORTFOLIO SHAPING STRATEGY

TARGETED OUTCOMES

	2023		TARGET
Recurring Revenue	35%	▶	>35%
Gross Margin	37%	▶	>40%
Segment Margin	23%	▶	25%+
Free Cash Flow Margin	14%*	▶	Mid-Teens+

PORTFOLIO OBJECTIVES

+ ADDITIONS

- Acquisitions aligned to **three megatrends and digitalization**
- **Optimal deal size in the $1B - $7B** range
- High-grade portfolio with accretive growth and margin assets

- SUBTRACTIONS

- **~10% of sales**
- Reduce exposure to **non-core businesses**
- Divestiture timing aligned to maximize shareholder value

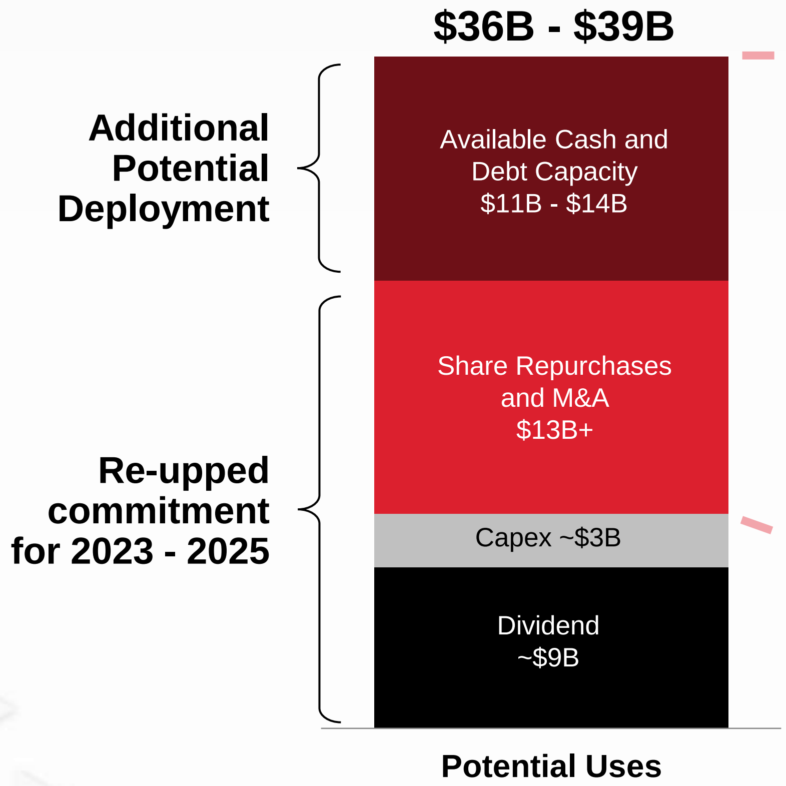
**FCF Margin for 2023 excludes impact of settlements signed in 4Q22.*

Clear Objectives to Upgrade the Portfolio

CAPITAL DEPLOYMENT STRATEGY

ROBUST CAPITAL DEPLOYMENT CAPACITY;

Re-upped $25B+ Commitment For 2023 - 2025



PRIORITIZING STRATEGIC, BOLT-ON M&A

ROBUST, ATTRACTIVE M&A PIPELINE

Industry Characteristics:

- Large TAM opportunity
- Above GDP industry growth rate
- Strong alignment to megatrends

Target Company Profile:

- Above industry growth rate
- High gross margin
- Less cyclical
- Technology differentiation

De-Risked Integration:

- Use Accelerator playbook
- Bolt-on to existing Honeywell Digital infrastructure
- Dedicated integration team

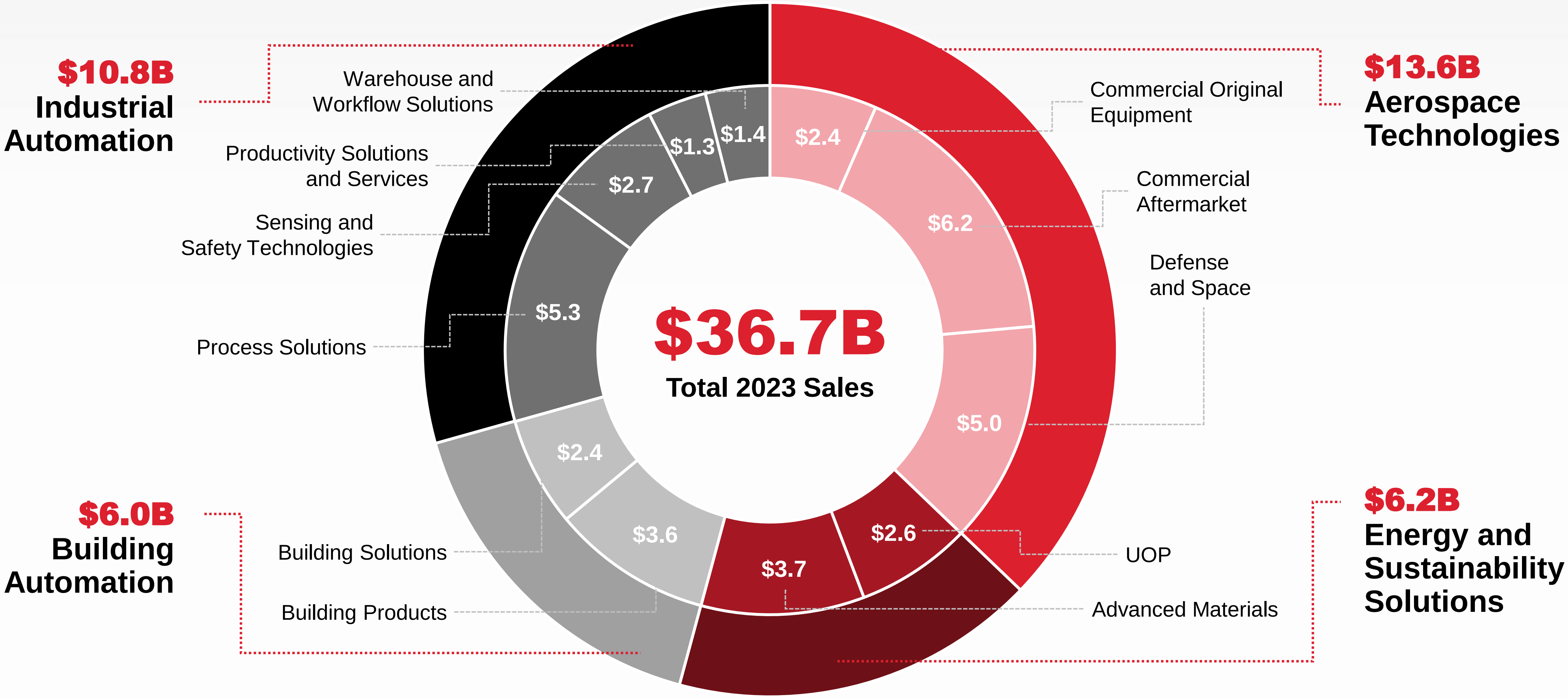
COMPOUNDING RETURNS OVER TIME

Robust Capital Deployment Capacity; Prioritizing High-Value, Bolt-On M&A Deals

SEGMENT OVERVIEW

Honeywell

HONEYWELL SEGMENTS AT A GLANCE



Represents 2023 sales. Numbers may not sum due to rounding

Well-Diversified Portfolio Positioned for Accelerated Growth

AEROSPACE TECHNOLOGIES (AT)

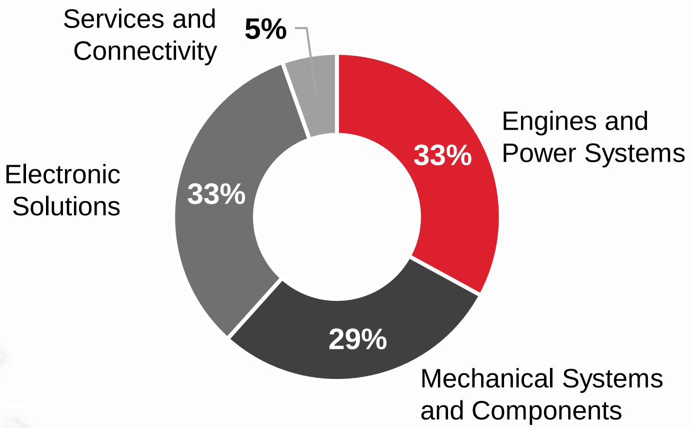
FINANCIAL OVERVIEW

2023	LONG TERM
$13.6B Sales	**MSD - HSD** Sales Growth
27.5% Segment Margin	**~29%** Segment Margin

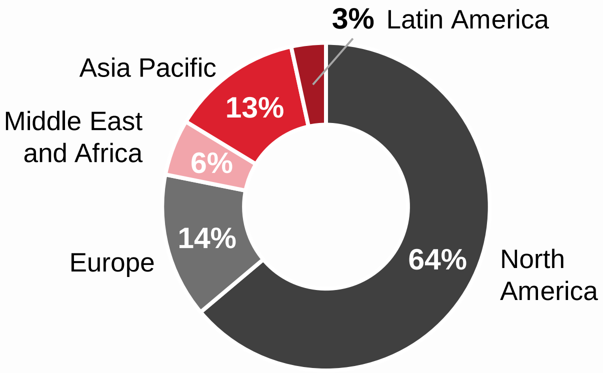
GROWTH DRIVERS

- Multi-year commercial original equipment upcycle, global defense investment upcycle, strong aftermarket installed base
- $1B+ decoupled revenue growing >10%
- Leading position in new trends: Advanced Air Mobility (UAVs), Electrification, Thermal / Power Management, and Precision Navigation

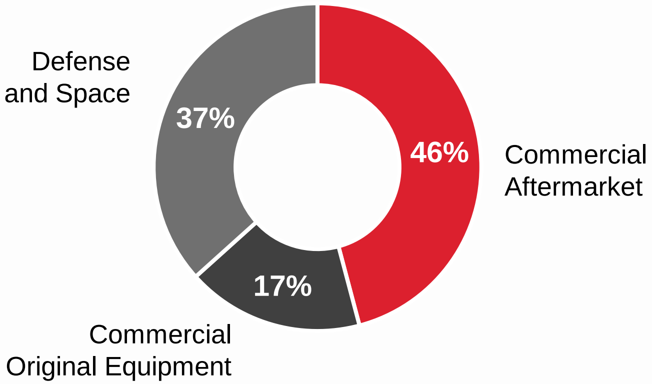
BUSINESS MIX



GEOGRAPHIC MIX



VERTICAL MIX



Represents 2023 sales.

Well Positioned to Lead the Future of Aviation

AT | WHY WE WIN

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

Avionics and Navigation	Engines and Power Generation	Electromechanical Actuation and Thermal Solutions	Connectivity and Data Analytics Services
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

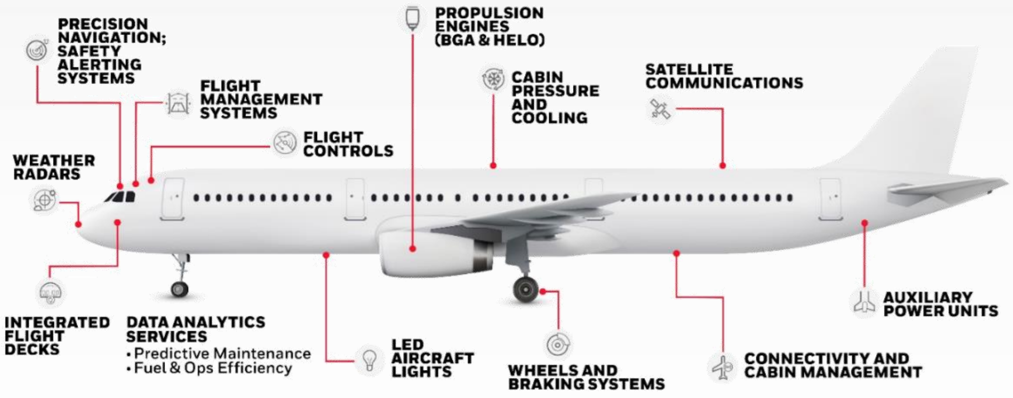
Advanced technologies ↔ Differentiated products ↔ Broad exposure across verticals ↔ Large installed base ↔ Best-in-class operating system

SAF: Sustainable Aviation Fuel.

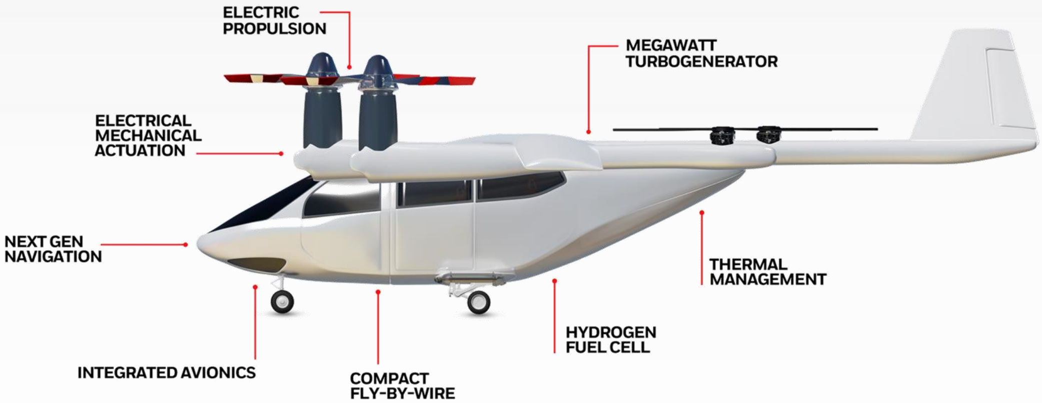
Powering the Future of Aviation

AT | PRODUCTS AND OFFERINGS

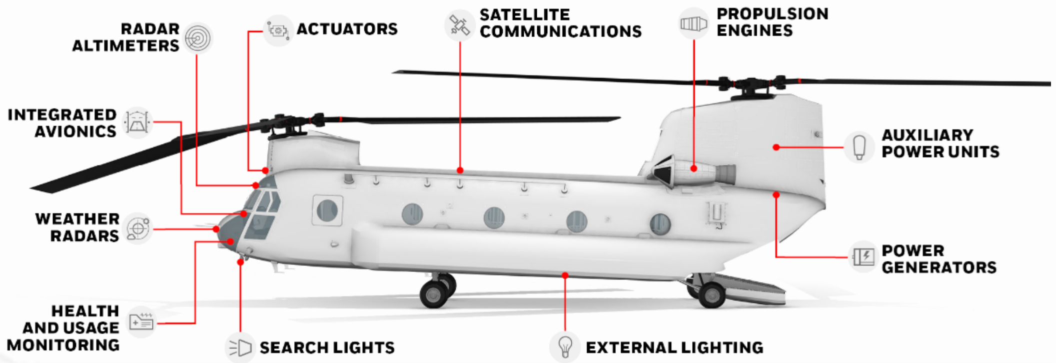
COMMERCIAL



ADVANCED AERIAL MOBILITY



DEFENSE AND SPACE



NEXT GENERATION PRODUCTS

Cockpit breakthroughs
In cost / safety / weight

Power and thermal management system upgrades (e.g. F-35) and micro vapor cooling systems

Next gen business jet and defense propulsion

Low-cost, high-performance navigation

High-efficiency auxiliary power units

Integrated attitude control systems (Space)

Differentiated Capabilities Across Numerous Verticals and Aircraft Types

INDUSTRIAL AUTOMATION (IA)

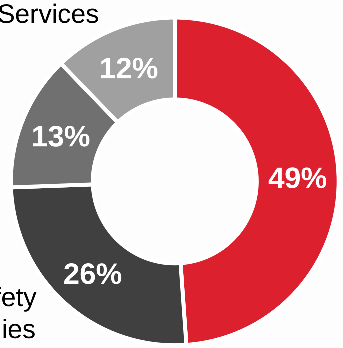
FINANCIAL OVERVIEW

2023	LONG TERM
$10.8B Sales	**MSD - HSD** Sales Growth
18.3% Segment Margin	**~22%** 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



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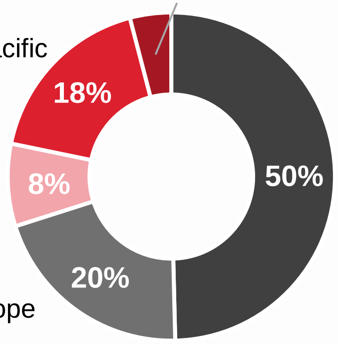
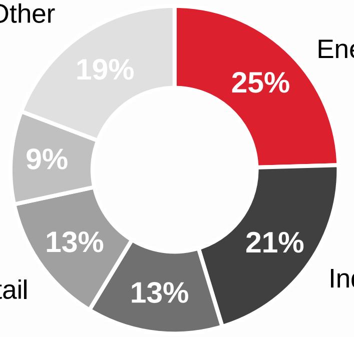


VERTICAL MIX



Represents 2023 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**

	SENSING AND MEASUREMENT	WORKFORCE PRODUCTIVITY
Solution		
Value Created	Driving assets to be more productive, safe, and sustainable	Enabling workers and enterprises through solutions to enhance workforce productivity

	EFFICIENT AND SAFE OPERATIONS	DIGITALIZATION
Solution		
Value Created	Optimizing processes, augmenting human performance, and enabling autonomous operations	Leveraging operational data to deliver insights and enhance business results in a cyber-secure manner

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

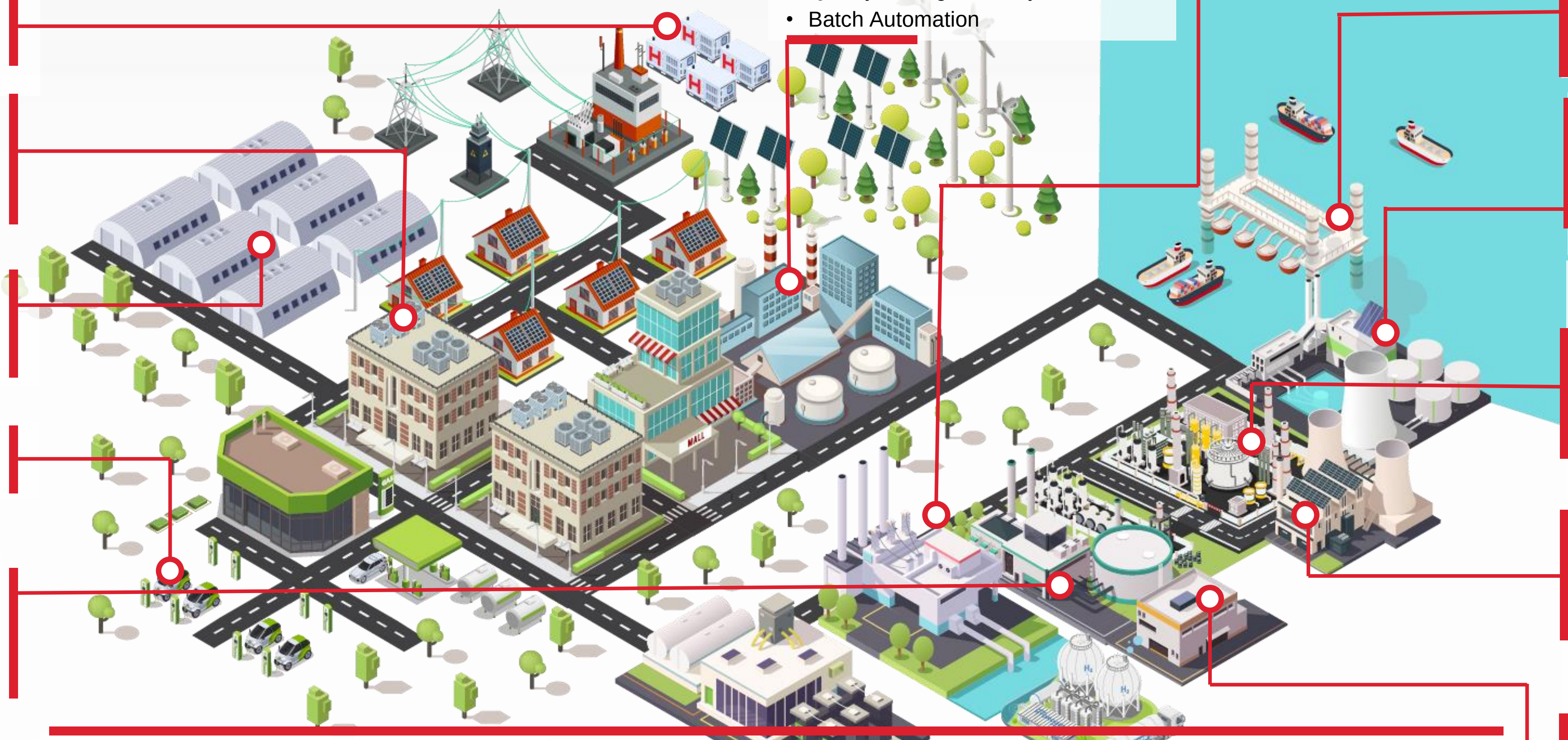
GIGAFACTORY
- Quality Control Systems
- Measurement and Controls

ELECTRIC VEHICLES
- Sensors

RENEWABLE ENERGY SOLUTIONS
- Automation solutions for Green H^2 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
- Personnel Protection Equipment

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

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

HIVE: Highly Integrated Virtual Environment. AR / VR: Augmented Reality / Virtual Reality.

Robust Portfolio of Offerings Enabling Intelligent Autonomous Operations

BUILDING AUTOMATION (BA)

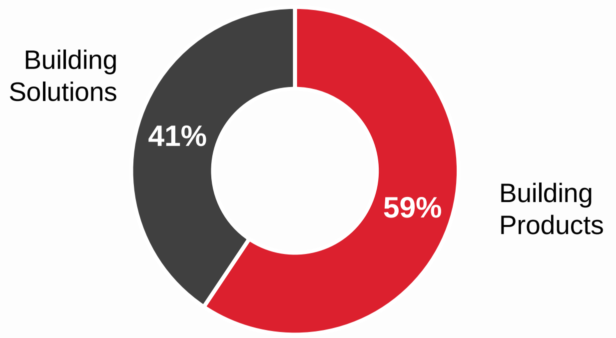
FINANCIAL OVERVIEW

2023	LONG TERM
$6.0B Sales	**MSD - HSD** Sales Growth
25.0% Segment Margin	**~27%** Segment Margin

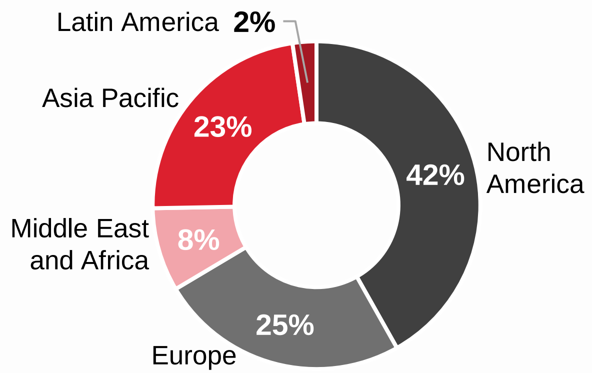
GROWTH DRIVERS

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

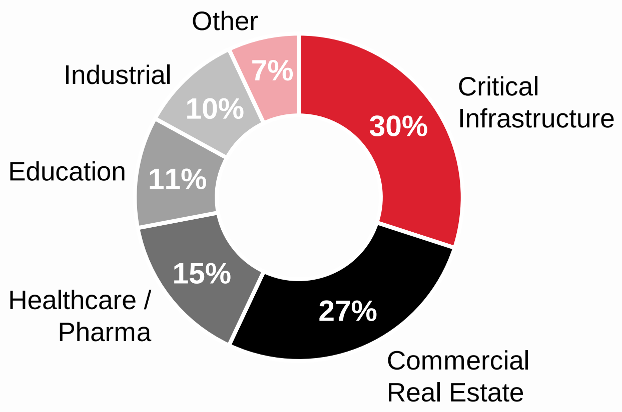
BUSINESS MIX



GEOGRAPHIC MIX



VERTICAL MIX



Represents 2023 sales; vertical mix chart represents 2023 Building Solutions sales

Growth Supported by Macroeconomic Tailwinds

BA | WHY WE WIN

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

Leading Positions in Building Systems

- FIRE
- SECURITY
- BUILDING MANAGEMENT SYSTEMS
- SUPERVISORY SOFTWARE

+

Solutions and Software

- PROJECTS AND SOLUTIONS
- SYSTEM INTEGRATION
- FORGE SOFTWARE OPTIMIZATION
- AFTERMARKET SERVICES

Customer Outcomes

LIFE SAFETY

OPERATIONAL EFFICIENCY

SUSTAINABILITY

COMPETITIVE ADVANTAGES

- ✓ 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

Driving Meaningful Outcomes with Domain Expertise and Innovation

BA | PRODUCTS AND OFFERINGS

CONTROLS EXPERTISE TO SOLVE VERTICAL-SPECIFIC PROBLEMS

Leading Position in Building Controls and Gateways	Tridium Open Connectivity Platform	Multi Domain Optimization	Forge Proprietary Software Algorithms	Ecosystem & Channel Innovation

EDUCATION

Energy Management
Visitor and Contractor Management
Gunshot Detection

AIRPORTS

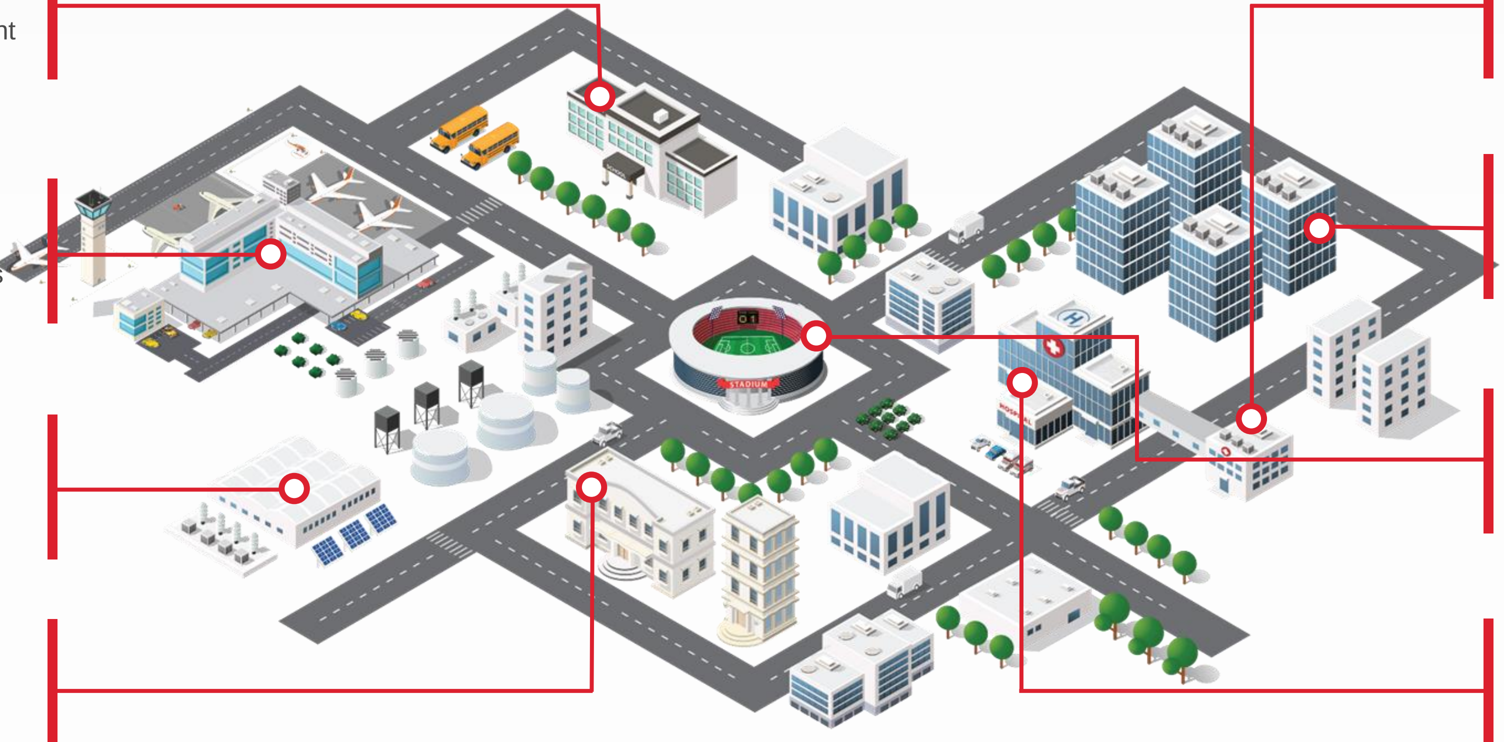
NAVITAS Software Suite
Visual Guidance Docking Systems
Airfield Ground Lighting Systems

DATACENTERS

Advanced Fire Detection
Integrated Security
Operational Technology
Cybersecurity

HOSPITALITY

Guestroom Management
Predictive Maintenance
Remote Building Management



HEALTHCARE

Connected Life Safety Services
Nurse Call
Real-Time Location Services

COMMERCIAL REAL ESTATE

Indoor Air Quality Controls
Frictionless Access
Remote Building Management

STADIUMS

Integrated Systems
Digital Video Management
Public address and voice alarm

PHARMACEUTICALS

Access Control Solutions
Advanced Indoor Air Quality
Precision Pressure Control

Delivering Safety, Sustainability, and Efficiency Through Differentiated Technology

ENERGY AND SUSTAINABILITY SOLUTIONS (ESS)

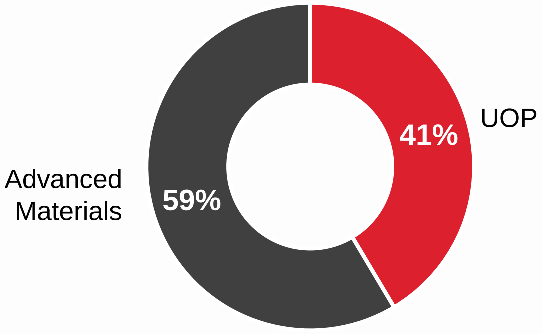
FINANCIAL OVERVIEW

2023	LONG TERM
$6.2B Sales	**MSD - HSD** Sales Growth
23.8% Segment Margin	**~27%** Segment Margin

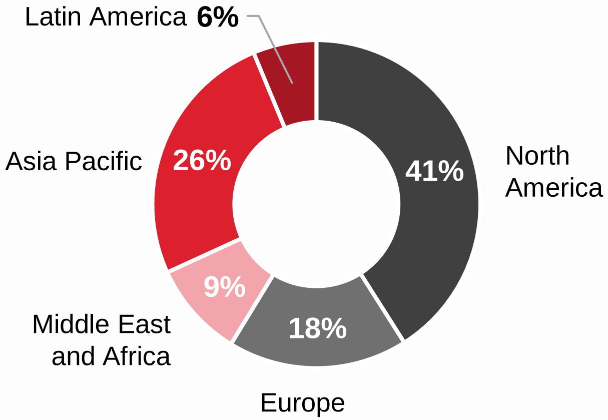
GROWTH DRIVERS

- 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

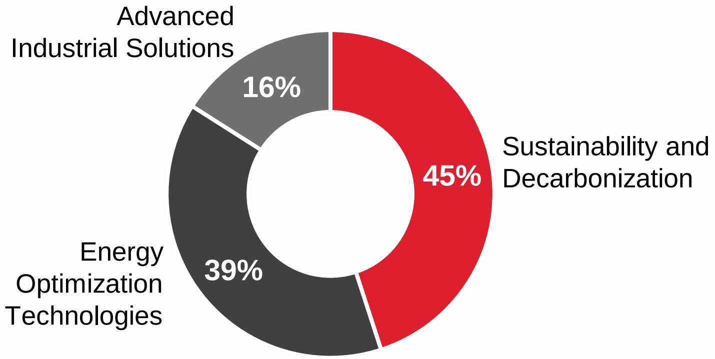
BUSINESS MIX



GEOGRAPHIC MIX



VERTICAL MIX



Represents 2023 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

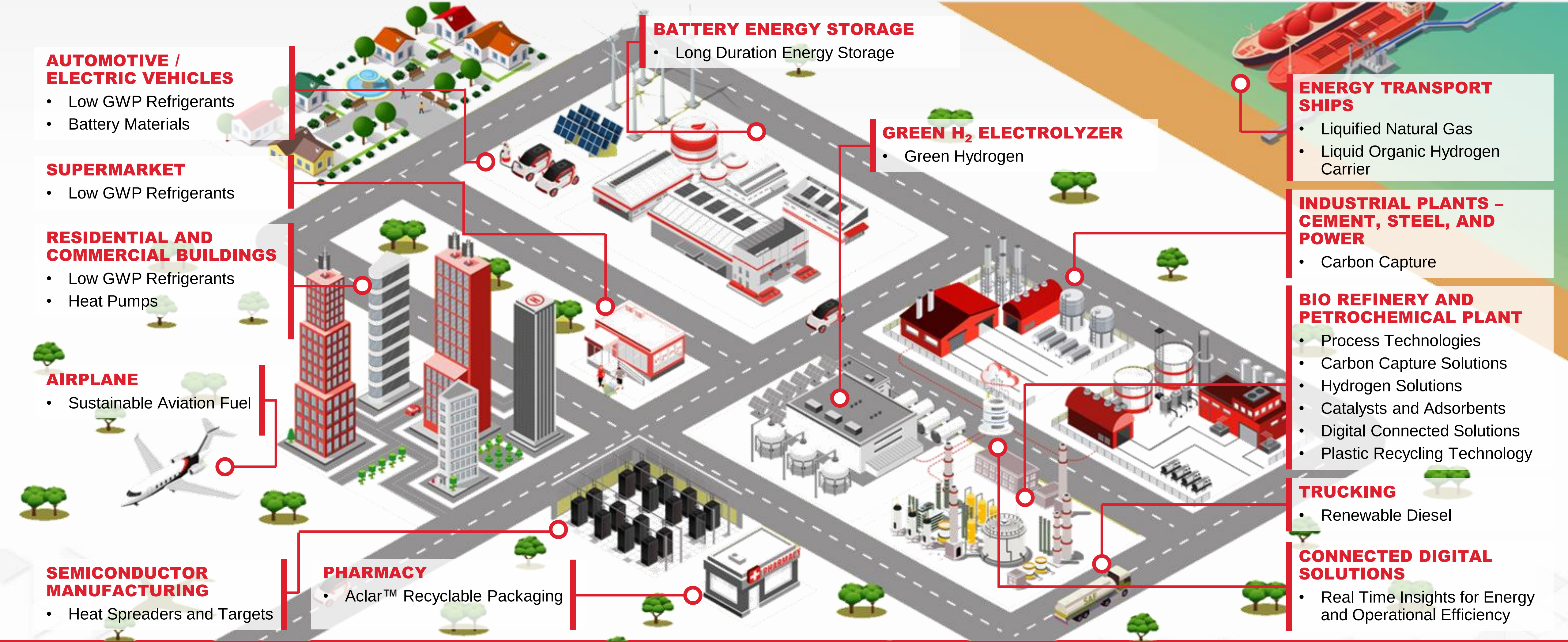
10,000+
Active Patents and Applications

70%
CO_2 Addressed by ESS Technology

100+ years
Chemistry and Technology Innovation

Delivering the World's Future Energy and Sustainability Outcomes

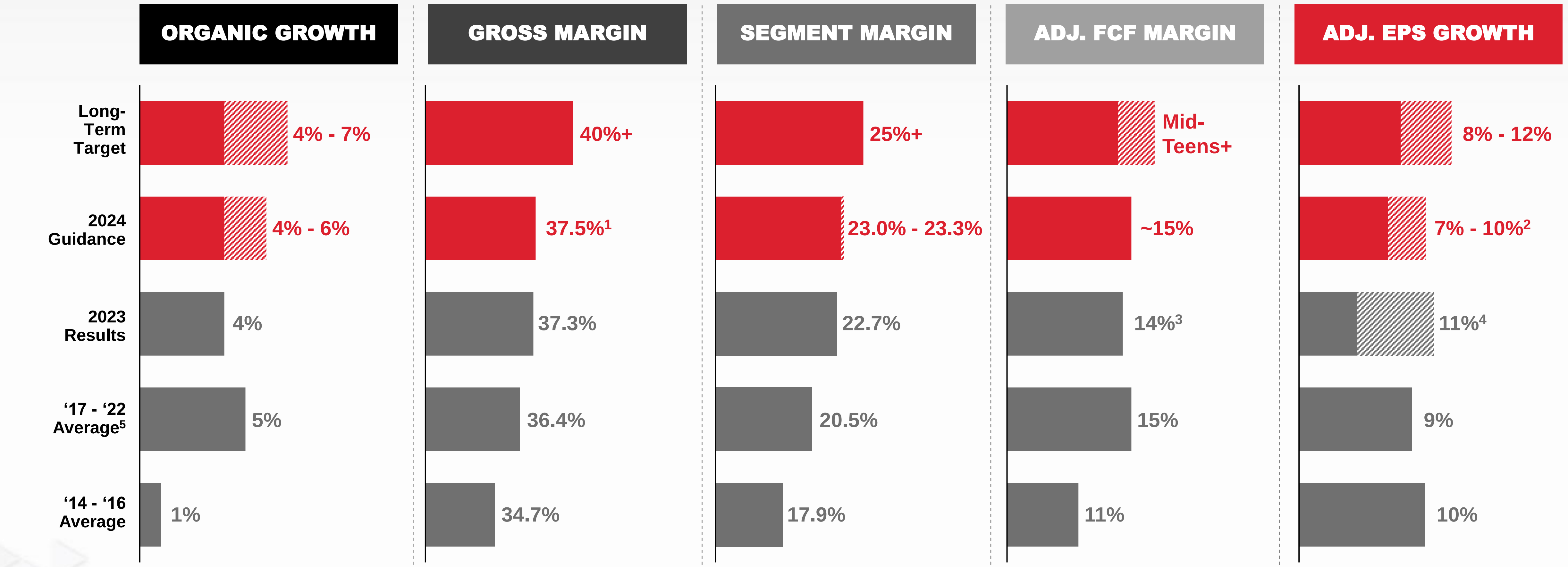
ESS | PRODUCTS AND OFFERINGS



Enabling the Energy Transition Through Technology Breadth and Expertise

FINANCIAL PERFORMANCE

LONG-TERM FINANCIAL PROGRESSION

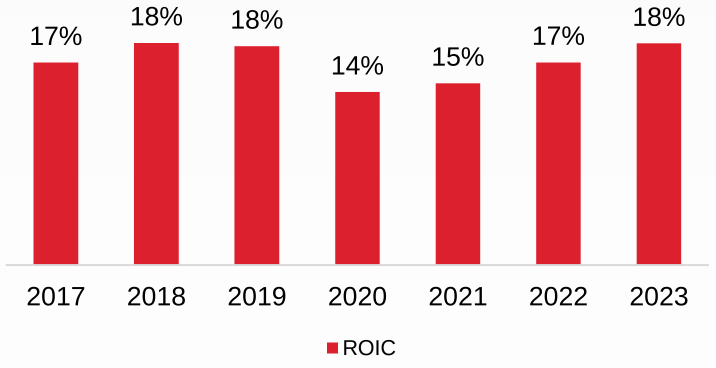


1. Represents gross margin from the last twelve months. Historical gross margin excludes company-funded R&D, in line with the reporting change made in 1Q23. 2. Adjusted EPS V% guidance excludes 2024 Russian-related charges, 2023 Russian-related benefits, 2023 net expense related to the NARCO Buyout and HWI sale, 2023 pension mark-to-market expense, and 2023 adjustment to estimated future Bendix liability. 3. Excluding impact of settlements related to the NARCO Buyout, HWI Sale, and UOP Matters. 4. Adjusted EPS excluding pension headwind excludes the impact of the year-over-year decrease in pension ongoing and other postretirement income 5. Excluding 2020.

Integrated Operating Company Delivering Value

TRUSTED CAPITAL STEWARDS

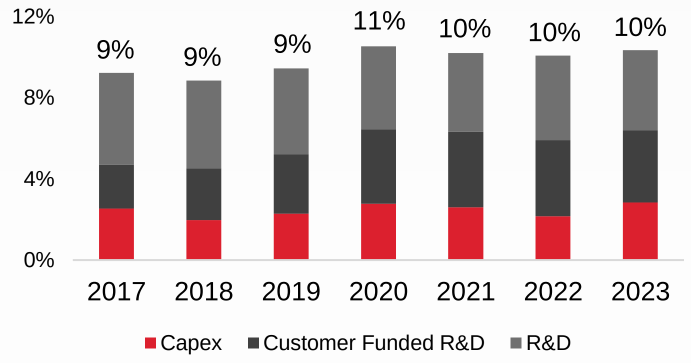
RETURN ON INVESTED CAPITAL



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

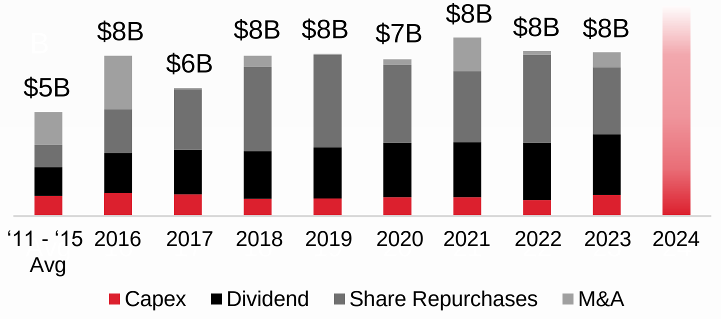
R&D AND CAPEX SPEND

Percentage of sales



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

CAPITAL DEPLOYMENT

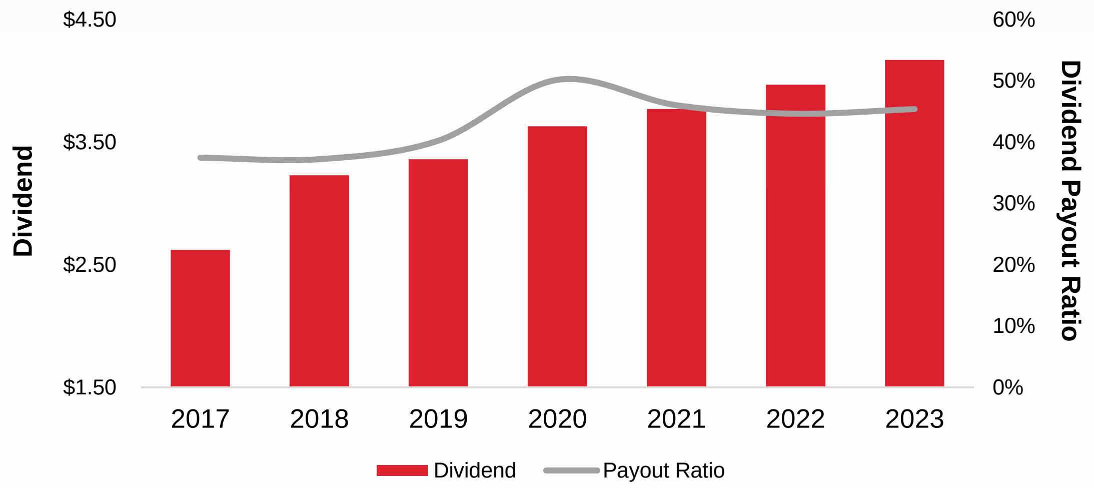


- On track to surpass commitment to deploy $25B+ of capital through 2025

Industry-Leading Investment Profile with Accelerating Capital Deployment

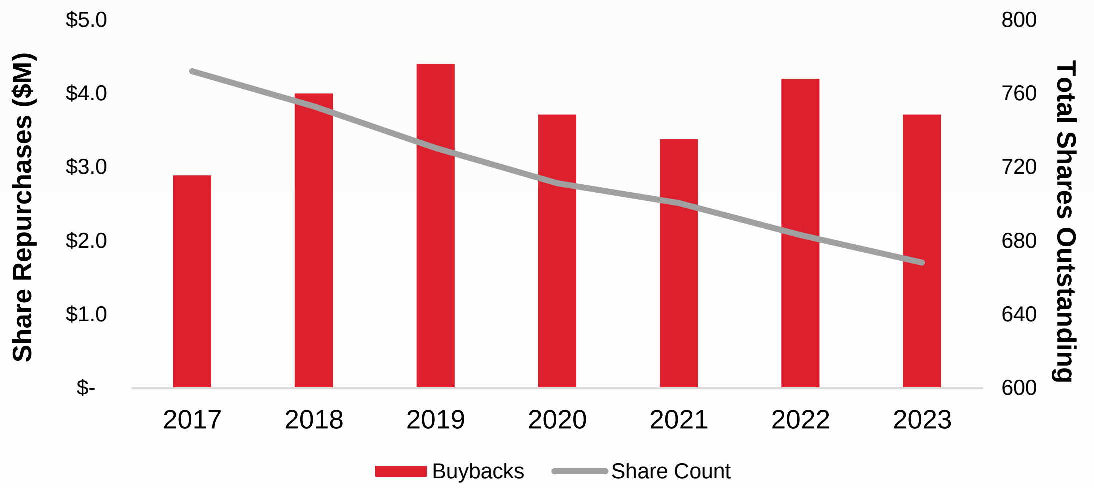
RETURNING CASH TO SHAREHOLDERS

DIVIDEND AND DIVIDEND PAYOUT RATIO



- Raised dividend 14 times over 13 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 13% or 2.4% CAGR since 2017

Driving Value for Shareholders

SUMMARY

- **Well-positioned for next phase of transformation; aligned to automation, the future of aviation, and energy transition, underpinned by digitalization**

- **Focused on portfolio optimization and capital deployment to accelerate organic and inorganic growth**

- **Committed to delivering on our financial algorithm to drive superior shareholder returns**

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. 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)	2014	2015	2016	2017	2018	2019	2021	2022	2023
Operating income	$ 5,622	$ 6,238	$ 6,051	$ 6,303	$ 6,705	$ 6,851	$ 6,200	$ 6,427	$ 7,084
Stock compensation expense (1)	187	175	184	176	175	153	217	188	202
Repositioning, Other (2,3)	590	569	674	962	1,100	598	636	942	952
Pension and other postretirement service costs (4)	297	274	277	249	210	137	159	132	66
Segment profit	$ 6,696	$ 7,256	$ 7,186	$ 7,690	$ 8,190	$ 7,739	$ 7,212	$ 7,689	$ 8,304
Operating income	$ 5,622	$ 6,238	$ 6,051	$ 6,303	$ 6,705	$ 6,851	$ 6,200	$ 6,427	$ 7,084
÷ Net sales	$ 40,306	$ 38,581	$ 39,302	$ 40,534	$ 41,802	$ 36,709	$ 34,392	$ 35,466	$ 36,662
Operating income margin %	14.0 %	16.2 %	15.4 %	15.6 %	16.0 %	18.7 %	18.0 %	18.1 %	19.3 %
Segment profit	$ 6,696	$ 7,256	$ 7,186	$ 7,690	$ 8,190	$ 7,739	$ 7,212	$ 7,689	$ 8,304
÷ Net sales	$ 40,306	$ 38,581	$ 39,302	$ 40,534	$ 41,802	$ 36,709	$ 34,392	$ 35,466	$ 36,662
Segment profit margin %	16.6 %	18.8 %	18.3 %	19.0 %	19.6 %	21.1 %	21.0 %	21.7 %	22.7 %

(1) Included in Selling, general and administrative expenses.

(2) Includes repositioning, asbestos, environmental expenses, equity income adjustment, and other charges. For the twelve months ended December 31, 2022, other charges include an expense of $250 million related to reserves against outstanding accounts receivables, contract assets, and inventory, as well as the write-down of other assets and employee severance related to the initial suspension and wind down of our businesses and operations in Russia. For the twelve months ended December 31, 2022, other charges include $41 million of incremental long-term contract labor cost inefficiencies due to severe supply chain disruptions (attributable to the COVID-19 pandemic) relating to the warehouse automation business within the Safety and Productivity Solutions segment. These costs include incurred amounts and provisions for anticipated losses recognized when total estimated costs at completion for certain of the business' long-term contracts exceeded total estimated revenue. These certain costs represent unproductive labor costs due to unexpected supplier delays and the resulting downstream installation issues, demobilization and remobilization of contract workers, and resolution of contractor disputes. For the twelve months ended December 31, 2021, other charges includes $105 million of incremental long-term contract labor cost inefficiencies due to severe supply chain disruptions (attributable to the COVID-19 pandemic) relating to the warehouse automation business within the Safety and Productivity Solutions segment. These costs include incurred amounts and provisions for anticipated losses recognized during the fourth quarter when total estimated costs at completion for certain of the business' long-term contracts exceeded total estimated revenue. These certain costs represent unproductive labor costs due to unexpected supplier delays and the resulting downstream installation issues, demobilization and remobilization of contract workers, and resolution of contractor disputes.

(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, on an overall Honeywell basis, as operating income, excluding stock compensation expense, pension and other postretirement service costs, 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 segment profit to operating income will be included within future filings.

RECONCILIATION OF ORGANIC SALES % CHANGE

	2002	2003	2004	2005	2006	2007	2008
Honeywell							
Reported sales % change	(6)%	4%	11%	8%	13%	10%	6%
Less: Foreign currency translation	1%	3%	3%	—%	—%	2%	1%
Less: Acquisitions, divestitures and other, net	(3)%	1%	—%	3%	6%	1%	3%
Organic sales % change	(4)%	—%	8%	5%	7%	7%	2%

	2010	2011	2012	2013	2014	2015	2016
Honeywell							
Reported sales % change	8%	13%	3%	4%	3%	(4)%	2%
Less: Foreign currency translation	—%	2%	(2)%	—%	—%	(4)%	(1)%
Less: Acquisitions, divestitures and other, net	1%	3%	2%	2%	—%	—%	4%
Organic sales % change	7%	8%	3%	2%	3%	—%	(1)%

	2017	2018	2019	2021	2022	2023
Honeywell						
Reported sales % change	3%	3%	(12)%	5%	3%	3%
Less: Foreign currency translation	—%	1%	(1)%	1%	(3)%	(1)%
Less: Acquisitions, divestitures and other, net	(1)%	(4)%	(16)%	—%	—%	—%
Organic sales % change	4%	6%	5%	4%	6%	4%

We define organic sales percentage as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation and acquisitions, net of divestitures, 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 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 EPS TO ADJUSTED EPS AND ADJUSTED EPS EXCLUDING PENSION HEADWIND

	2022	2023	2024E
Earnings per share of common stock - diluted (1)	$ 7.27	$ 8.47	$9.80 - $10.10
Pension mark-to-market expense (2)	0.64	0.19	No Forecast
Expense (benefit) related to UOP Matters (3)	0.07	—	—
Russian-related charges (4)	0.43	—	—
Gain on sale of Russian entities (5)	(0.03)	—	—
Net expense related to the NARCO Buyout and HWI Sale (6)	0.38	0.01	—
Adjustment to estimated future Bendix liability (7)	—	0.49	—
Adjusted earnings per share of common stock - diluted	$ 8.76	$ 9.16	$9.80 - $10.10
Pension headwind (8)	—	0.55	No Forecast
Adjusted earnings per share of common stock excluding Pension headwind - diluted	$ 8.76	$ 9.71	$9.80 - $10.10

(1) For the twelve months ended December 31, 2023, and 2022, adjusted earnings per share utilizes weighted average shares of approximately 668.2 million and 683.1 million, respectively. For the twelve months ended December 31, 2024, expected earnings per share utilizes weighted average shares of approximately 656 million.

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

(3) For the twelve months ended December 31, 2022, the adjustment was an expense of $45 million, without tax benefit, due to an expense related to UOP matters.

(4) 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.

(5) 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.

(6) For the twelve months ended December 31, 2023, the adjustment was $8 million, net of tax benefit of $3 million, due to the net expense related to the NARCO Buyout and HWI Sale. For the twelve months ended December 31, 2022, the adjustment was $260 million, net of tax benefit of $82 million, due to the net expense related to the NARCO Buyout and HWI Sale.

(7) 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.

(8) For the twelve months ended December 31, 2023, the adjustment was the decline of $378 million of pension ongoing and other postretirement income between 2022 and 2023, net of tax expense of $99 million.

We define adjusted earnings per share as diluted earnings per share adjusted to exclude various charges as listed above. We define adjusted earnings per share excluding pension headwind as adjusted earnings per share adjusted for an actual decline of pension ongoing and other postretirement income between the comparative periods in 2022 and 2023. We believe adjusted earnings per share and adjusted earnings per share excluding pension headwind are measures that are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. For forward-looking information, management cannot reliably predict or estimate, without unreasonable effort, the pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. We therefore do not include an estimate for the pension mark-to-market expense. Based on economic and industry conditions, future developments, and other relevant factors, these assumptions are subject to change.

RECONCILIATION OF EPS TO ADJUSTED EPS

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Earnings per share of common stock - diluted (1)	$ 4.92	$ 5.33	$ 6.04	$ 6.21	$ 2.00	$ 8.98	$ 8.41	$ 6.72	$ 7.91
Pension mark-to-market expense (2)	0.05	0.23	0.06	0.28	0.09	0.04	0.13	0.04	0.05
Debt refinancing expense (2)	—	—	—	0.12	—	—	—	—	—
Separation costs (3)	—	—	—	—	0.02	0.97	—	—	—
Impacts from U.S. Tax Reform	—	—	—	—	5.04	(1.98)	(0.38)	—	—
Separation related tax adjustment (4)	—	—	—	—	—	—	—	(0.26)	—
Garrett related adjustments (5)	—	—	—	—	—	—	—	0.60	0.01
Changes in fair value for Garrett equity securities (6)	—	—	—	—	—	—	—	—	(0.03)
Gain on sale of retail footwear business (7)	—	—	—	—	—	—	—	—	(0.11)
Expense related to UOP Matters (8)	—	—	—	—	—	—	—	—	0.23
Adjusted earnings per share of common stock - diluted	$ 4.97	$ 5.56	$ 6.10	$ 6.61	$ 7.15	$ 8.01	$ 8.16	$ 7.10	$ 8.06

(1) Adjusted earnings per share utilizes weighted average shares of 700.4 million, 711.2 million, 730.3 million, 753.0 million, 772.1 million, 775.3 million, 789.3 million, 795.2 million, and 797.3 million for the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, respectively.

(2) Pension mark-to-market expense uses a blended tax rate of 25%, 25%, 24%, 24%, 23%, 21%, 36.1%, 28.1%, and 25.5% for 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, respectively. Debt refinancing expense uses a tax rate of 26.5%.

(3) For the twelve months ended December 31, 2018, and 2017, separation costs were $732 million and $14 million, respectively, including net tax impacts.

(4) For the twelve months ended December 31, 2020, separation related tax adjustment of $186 million, without tax expense, includes the favorable resolution of a foreign tax matter related to the spin-off transactions.

(5) For the twelve months ended December 31, 2021, the adjustment was $7 million, without tax benefit, 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 twelve months 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 twelve months ended December 31, 2021, the adjustment was $19 million, net of tax expense of $5 million, due to changes in fair value for Garrett equity securities.

(7) For the twelve months ended December 31, 2021, the adjustment was $76 million, net of tax expense of $19 million, due to the gain on sale of the retail footwear business.

(8) For the twelve months ended December 31, 2021, the adjustment was $160 million, without tax benefit, due to an expense related to UOP matters.

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

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO HONEYWELL

($M)	2017	2018	2019	2020	2021	2022	2023
Net income attributable to Honeywell	$ 1,545	$ 6,765	$ 6,143	$ 4,779	$ 5,542	$ 4,966	$ 5,658
Pension mark-to-market expense (1)	67	28	94	33	30	440	126
Impacts from U.S. Tax Reform	3,891	(1,494)	(281)	—	—	—	—
Separation costs (2)	14	732	—	—	—	—	—
Separation related tax adjustment (3)	—	—	—	(186)	—	—	—
Garrett related adjustments (4)	—	—	—	427	7	—	—
Changes in fair value of Garrett equity securities (5)	—	—	—	—	(19)	—	—
Gain on sale of retail footwear business (6)	—	—	—	—	(76)	—	—
Expense (benefit) related to UOP Matters (7)	—	—	—	—	160	45	—
Russian-related charges (8)	—	—	—	—	—	297	(3)
Gain on sale of Russian entities (9)	—	—	—	—	—	(22)	—
Net expense related to the NARCO Buyout and HWI Sale (10)	—	—	—	—	—	260	8
Adjustment to estimated future Bendix liability (11)	—	—	—	—	—	—	330
Adjusted net income attributable to Honeywell	$ 5,517	$ 6,031	$ 5,956	$ 5,053	$ 5,644	$ 5,986	$ 6,119

(1) Pension mark-to-market expense uses a blended tax rate of 18%, 16%, 25%, 25%, 24%, 24%, and 23%, net of tax benefit of $27 million, $83 million, $10 million, $11 million, $29 million, $9 million, and $20 million for the years ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) For the years ended December 31, 2022, the adjustment was $22 million, without tax expense, due to the gain on sale of Russian entities.

(10) 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.

(11) 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 three and 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.

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.

CALCULATION OF RETURN ON INVESTED CAPITAL

($M)	2017	2018	2019	2020	2021	2022	2023
Adjusted net income attributable to Honeywell	$ 5,517	$ 6,031	$ 5,956	$ 5,053	$ 5,644	$ 5,986	$ 6,119
Interest and other financial charges	316	367	357	359	343	414	765
Tax attributable to interest expense (1)	(69)	(82)	(76)	(83)	(77)	(86)	(160)
Adjusted net income before interest	$ 5,764	$ 6,316	$ 6,237	$ 5,329	$ 5,910	$ 6,314	$ 6,724
Long-term debt[2]	$ 12,378	$ 11,165	$ 10,433	$ 13,726	$ 15,298	$ 14,689	$ 15,843
Current maturities of long-term debt (2)	789	2,112	2,124	1,911	2,124	1,767	1,763
Commercial paper and other short-term borrowings (2)	3,662	3,772	3,551	3,557	3,570	3,130	2,401
Total shareowners' equity (2)	17,774	17,512	18,532	18,248	18,516	18,281	16,877
Net investment (two-point average)	$ 34,603	$ 34,561	$ 34,640	$ 37,442	$ 39,508	$ 37,867	$ 36,884
Return on invested capital	17 %	18 %	18 %	14 %	15 %	17 %	18 %

(1) Tax attributable to interest expense uses rates of 20.9%, 20.8%, 22.5%, 23.2%, 21.3%, 22.3%, and 21.7% for 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 CALCULATION OF FREE CASH FLOW MARGIN EXCLUDING IMPACT OF SETTLEMENTS

($M)	2023
Cash provided by operating activities	$ 5,340
Capital expenditures	(1,039)
Garrett cash receipts	—
Free cash flow	4,301
Impact of settlements [(1)]	1,001
Free cash flow excluding impact of settlements	$ 5,302
Cash provided by operating activities	$ 5,340
÷ Net sales	$ 36,662
Operating cash flow margin %	15 %
Free cash flow excluding impact of settlements	$ 5,302
÷ Net sales	$ 36,662
Free cash flow margin excluding impact of settlements %	14 %

(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 settlements related to the NARCO Buyout, HWI Sale, and UOP Matters. We define free cash flow margin excluding impact of settlements as free cash flow excluding impact of settlements divided by net sales.

We believe that free cash flow, free cash flow excluding impact of settlements, and adjusted free cash flow margin are non-GAAP measures that are 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. 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.

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

($M)	2014	2015	2016	2017	2018	2019	2021	2022
Cash provided by operating activities	$ 5,080	$ 5,519	$ 5,498	$ 5,966	$ 6,434	$ 6,897	$ 6,038	$ 5,274
Capital expenditures	(1,094)	(1,073)	(1,095)	(1,031)	(828)	(839)	(895)	(766)
Garrett cash receipts	—	—	—	—	—	—	586	409
Free cash flow	$ 3,986	$ 4,446	$ 4,403	$ 4,935	$ 5,606	$ 6,058	$ 5,729	$ 4,917
Separation cost payments	—	—	—	—	424	213	—	—
Adjusted free cash flow	$ 3,986	$ 4,446	$ 4,403	$ 4,935	$ 6,030	$ 6,271	$ 5,729	$ 4,917
Cash provided by operating activities	$ 5,080	$ 5,519	$ 5,498	$ 5,966	$ 6,434	$ 6,897	$ 6,038	$ 5,274
÷ Net sales	$ 40,306	$ 38,581	$ 39,302	$ 40,534	$ 41,802	$ 36,709	$ 34,392	$ 35,466
Operating cash flow margin %	13 %	14 %	14 %	15 %	15 %	19 %	18 %	15 %
Adjusted free cash flow	$ 3,986	$ 4,446	$ 4,403	$ 4,935	$ 6,030	$ 6,271	$ 5,729	$ 4,917
÷ Net sales	$ 40,306	$ 38,581	$ 39,302	$ 40,534	$ 41,802	$ 36,709	$ 34,392	$ 35,466
Adjusted free cash flow margin %	10 %	12 %	11 %	12 %	14 %	17 %	17 %	14 %

We define free cash flow as cash provided by operating activities less cash for capital expenditures plus cash receipts from Garrett. We define adjusted free cash flow as free cash flow plus separation cost payments. We define adjusted free cash flow margin as adjusted free cash flow divided by net sales.

We believe that free cash flow, adjusted free cash flow, and adjusted free cash flow margin are non-GAAP measures that are 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. 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.