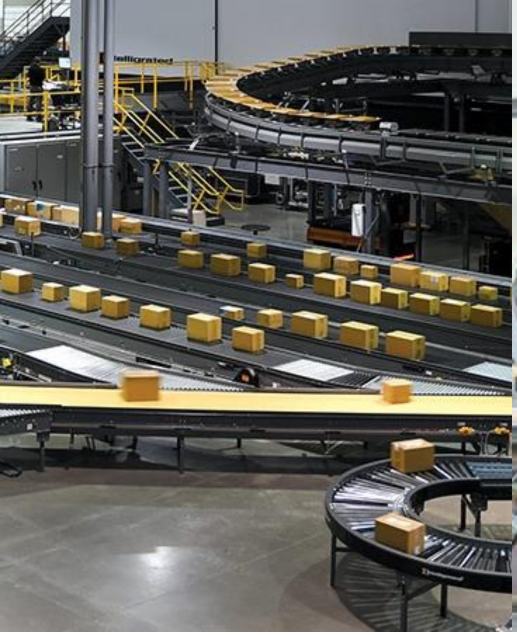




FIRST QUARTER 2022
EARNINGS RELEASE

APRIL 29, 2022

Honeywell

Forward Looking Statements

This presentation contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this presentation are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, technological, COVID-19 public health factors or impacts of the Russia-Ukraine conflict 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, the Russia-Ukraine conflict, 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. We identify the principal risks and uncertainties that affect or 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 profit excluding the impact of Quantinuum, which we define as segment profit excluding segment profit attributable to Quantinuum; Segment margin, on an overall Honeywell basis, which we define as segment profit divided by net sales; Segment margin excluding the impact of Quantinuum, which we define as segment profit excluding the impact of Quantinuum divided by net sales excluding Quantinuum; Organic sales growth, which we define as net sales growth less the impacts from foreign currency translation, and acquisitions and divestitures for the first 12 months following transaction date; Expansion in segment profit margin percentage, which we define as the year-over-year increase in segment profit margin percentage; Segment profit margin percentage excluding Quantinuum, which we define as the year-over-year increase in segment profit margin percentage excluding the impact of Quantinuum; Year-over-year segment profit margin percentage impact of Quantinuum, which we define as the difference in expansion in segment profit margin percentage excluding the impact of Quantinuum and expansion in segment profit margin percentage; Organic sales growth excluding COVID-Driven Masks, which we define as organic sales excluding sales attributable to COVID-Driven Masks; Organic sales growth excluding COVID-driven mask sales and lost Russian sales, which we define as organic sales growth excluding any sales attributable to COVID-driven mask sales and substantial suspension of operations in Russia; Free cash flow, which we define as cash flow from operations less capital expenditures plus cash receipts from Garrett, if and as noted in the presentation; Free cash flow excluding Quantinuum which we define as free cash flow less free cash flow attributable to Quantinuum; Adjusted earnings per share, which we adjust to exclude a charge to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict, pension mark-to-market, changes in fair value for Garrett equity securities, a non-cash charge associated with the reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021, an expense related to UOP matters, gain on the sale of the retail footwear business, 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. Certain metrics 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.

1Q 2022 OVERVIEW

	1Q 2022 Actual	1Q 2022 Guidance
Adjusted Earnings Per Share	**$1.91**	**$1.80 – $1.90**
Organic Sales Growth	**1%** *Up 3% Excluding Impact of COVID-Driven Mask Sales Declines*	**(2%) – 1%** *Flat – Up 3% Excluding Impact of COVID-Driven Mask Sales Declines*
Segment Margin Expansion	**10 bps** *Up 40 bps Excluding Impact of Quantinuum*	**(40) – Flat bps** *Down (10) - Up 30 bps Excluding Impact of Quantinuum*
Free Cash Flow	**$0.1B**	
Capital Deployment	**$2.0B** Share Repurchases, Dividends, Capital Expenditures, and M&A	

1Q 2022 Highlights

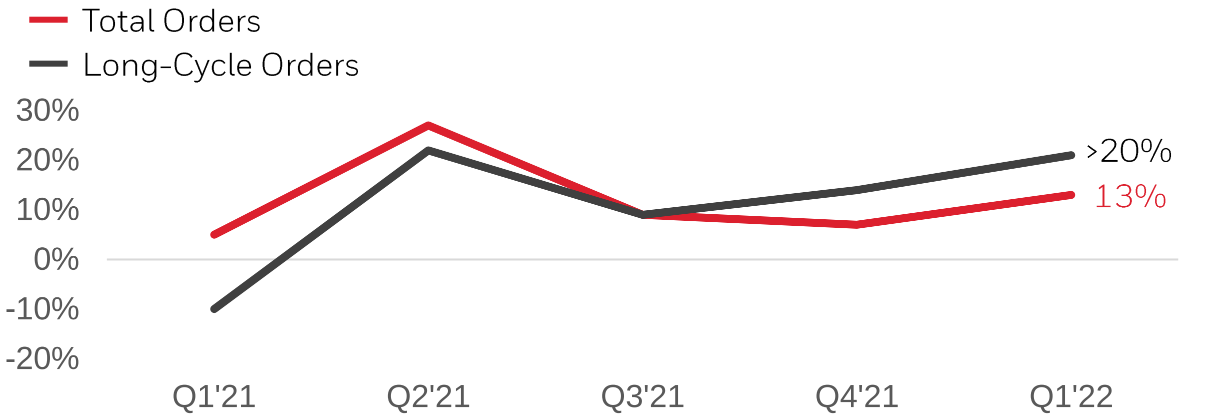
- Adjusted earnings per share and segment margin expansion above the high end of guidance range
- Organic sales growth of 1% driven by strength in HBT, PMT, and Aero partially offset by (2%) impact of lower COVID-mask demand
- Segment margin of 21.1%, exceeding high end of guidance range by 10 bps, with expansion in HBT, SPS, and PMT
- Total orders growth of 13%, long-cycle orders growth of over 20%, and backlog growth of 9% to $28.5B
- Repurchased $1B of Honeywell shares, part of our commitment to repurchase $4B in shares in 2022

Adjusted EPS excludes a 1Q22 charge to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict; 1Q22 backlog excludes contracts for sales or services shipped to or produced in Russia, or sale or services with entities nationalized by the Russian Federation; Backlog beginning 1Q19 to 3Q21 are revised to reflect a prior period correction, which had no impact on our results of operations.

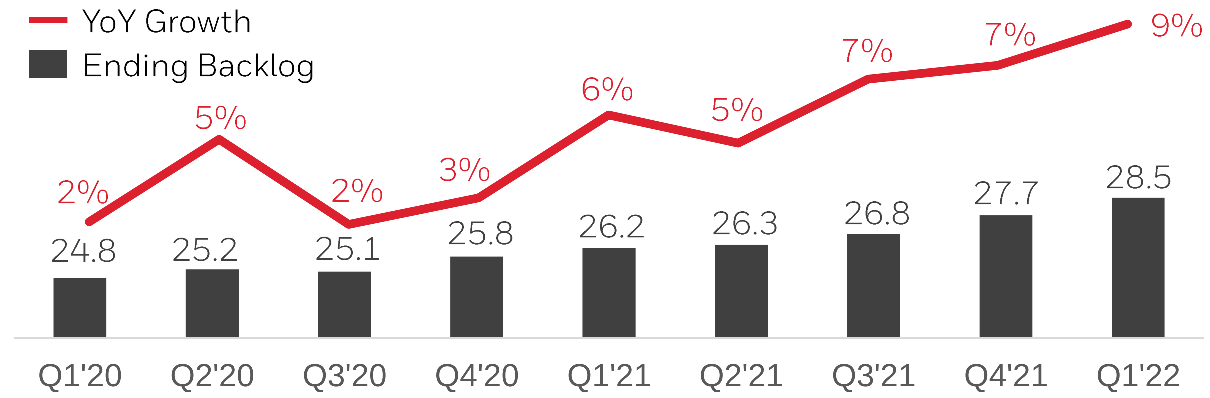
Overdelivered On Our Commitments

ORDERS AND BACKLOG MOMENTUM

Orders Growth (Year Over Year)



Backlog



Highlights

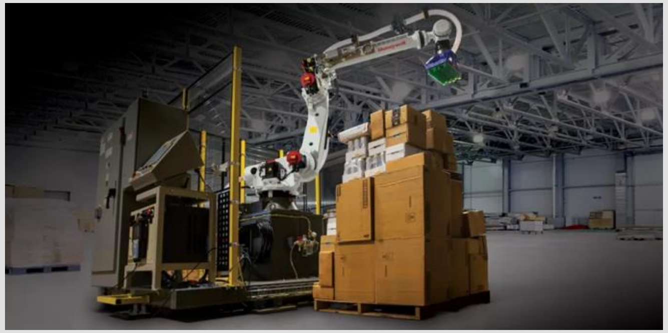
- Total 1Q orders growth of 13%
  - Book-to-bill greater than 1.0x for last 6 quarters
- 1Q long-cycle orders growth of over 20%
  - Led by the total Aerospace portfolio, PMT process solution projects, and SPS warehouse automation
- 1Q backlog growth of 9% to $28.5B, or up 10% excluding the impact of ~$300M of backlog removed due to Russia
  - Led by strength in Aerospace air transport and business and general aviation, HBT products businesses, and PMT process solutions and advanced materials

1Q22 backlog excludes contracts for sales or services shipped to or produced in Russia, or sale or services with entities nationalized by the Russian Federation; backlog beginning 1Q19 to 3Q21 are revised to reflect a prior period correction, which had no impact on our results of operations.

Demand Indicators Accelerating Amid Macro Headwinds

RECENT ANNOUNCEMENTS

Autonomous Mobile Robots (AMRs)



- **Collaborating with OTTO Motors** to deploy autonomous mobile robots (AMRs) in warehouses and distribution centers throughout North America
- AMRs enable Honeywell customers to **increase efficiency, reduce errors, and improve safety** by automating the most labor-intensive roles and providing more flexible options to forklifts and conveyors

Energy Storage Solutions

- Partnering with Hecate Energy to supply an Energy Storage System (ESS) for a solar park capable of **supplying power to up to 16,000 homes for a year**
- ESSs, combined with Honeywell's Experion Energy Control System, enable customers to **accurately forecast and optimize energy costs** and support users having access to reliable and cost-effective clean energy

Ecofining® Technology

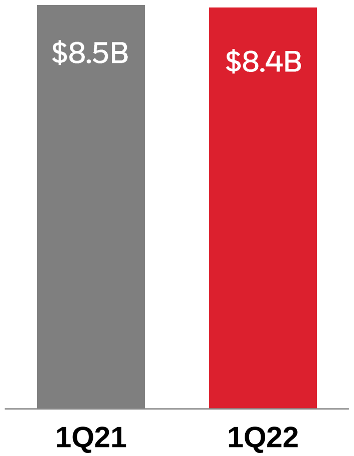
- Teaming up with World Energy and Air Products to build one of the **most advanced SAF production hubs globally** utilizing Honeywell's Ecofining® Technology
- The expansion will help the facility produce fuels that will **displace over 76 million metric tons of carbon dioxide** by 2050, the equivalent of 3.8 million carbon-net-zero flights from Los Angeles to New York

Driving Innovation Across Our Portfolio, Leading to Wins in the Market

1Q 2022 FINANCIAL SUMMARY

Sales

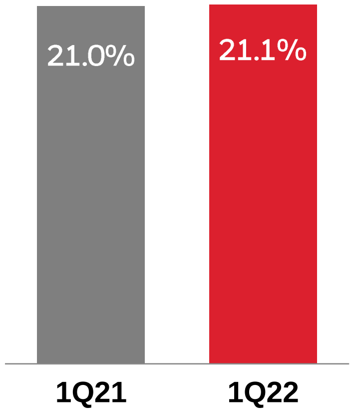
Up 1%
Organic



- \+ Strong pricing actions
- \+ Double-digit growth in commercial aviation aftermarket, advanced materials, and building products
- \- (2%) impact on reported sales from COVID-mask demand

Segment Margin

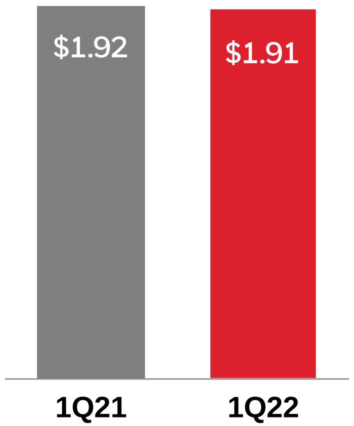
Up 10 bps



- \+ Margin expansion in PMT, HBT, and SPS
- \+ Pricing more than offset inflation
- \- Continued supply chain challenges

Adjusted EPS

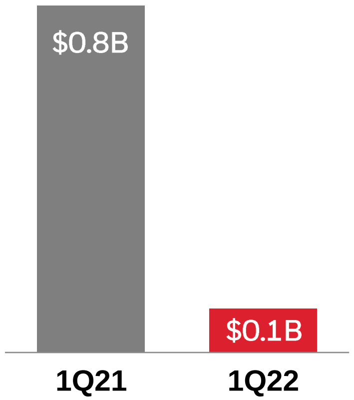
Down (1%)



- \+ Lower adjusted effective tax rate (22.0% vs. 22.3%)
- \+ Lower share count (691M vs. 705M)
- \- Lower volumes and higher repositioning

Free Cash Flow

Down (93%)



- \+ Deployed $2.0B to share repurchases, dividends, capex, and M&A
- \- Increased working capital (aligned with prior expectations)
- \- Higher cash taxes / R&D capitalization and other tax legislation

Adjusted EPS and adjusted EPS V% exclude a 1Q22 charge to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict, and the 1Q21 gain on sale of the retail footwear business.

Preserving Profitability Despite Supply and COVID Challenges

2Q AND FY 2022 OUTLOOK

2Q Guidance

Sales
$8.5B - $8.8B
Down (2%) - Up 2% Organically
Flat - Up 4% Excluding Impact of COVID-Driven Mask Sales Declines and Lost Russian Sales

Segment Margin
20.5% - 20.9%
Up 10 - 50 bps
Up 40 - 80 bps Excluding Impact of Quantinuum

Adjusted EPS
$1.98 - $2.08
Down (2%) - Up 3%

Net Below the Line Impact
$0M - $45M
Effective Tax Rate
~24%
Share Count
~687M

FY Guidance

Sales
$35.5B - $36.4B
Up 4% - 7% Organically
Up 6% - 9% Excluding Impact of COVID-Driven Mask Sales Declines and Lost Russian Sales
Prior: $35.4B - $36.4B, Up 4% - 7%

Segment Margin
21.1% - 21.5%
Up 10 - 50 bps
Up 40 - 80 bps Excluding Impact of Quantinuum
Prior: 21.1% - 21.5%, Up 10 - 50 bps

Adjusted EPS
$8.50 - $8.80
Up 5% - 9%
Prior: $8.40 - $8.70, Up 4% - 8%

Free Cash Flow
$4.7B - $5.1B
$4.9B - $5.3B Excluding Impact of Quantinuum
Prior: $4.7B - $5.1B

- Guidance predicated on no major change to the macroeconomic outlook for 2022

Net below the line impact is the difference between segment profit and income before tax. Impact includes interest and other financial charges, stock compensation expense, pension ongoing income, other post-retirement income, and repositioning and other charges. Adjusted EPS guidance excludes a 1Q22 charge to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict, and any potential future one-time items that we cannot reliably predict or estimate. Adjusted EPS V% also excludes the 1Q21 gain on sale of the retail footwear business, 2Q21 non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, a 3Q21 expense related to UOP matters, changes in fair value for Garrett equity securities, and 4Q21 pension mark-to market.

Raising EPS and Sales Outlook Despite Geopolitical Challenges

COMMITMENT TO THE ENVIRONMENT

Track Record of Environmental Stewardship

2004	Launched Sustainability Program, establishing global inventory of GHG emissions per The Greenhouse Gas Protocol
2011	Achieved first public GHG and energy efficiency commitments
2013	Achieved 2nd public GHG goal three years early
2018	Exceeded 3rd public GHG goal
2019	Set "10-10-10" public goal
2021	Committed to carbon neutral facilities and operations by 2035
2022	Assessing and addressing scope 3 emissions

Highlights

~90%
Reduction in greenhouse gas emissions intensity since 2004

~3,000
acres remediated and restored as valuable community assets

>$4B
spent on remediation projects in the last 15 years

Carbon Neutral
In facilities and operations by no later than 2035

Scope 3 Commitment
Submitted commitment to SBTi to address our Scope 3 emissions

Reducing Our Environmental Footprint While Helping Customers Do The Same

SUMMARY

- Overdelivered on our 1Q guidance in difficult operating environment
- Commercial excellence mitigating inflation; 13% total orders growth, over 20% long-cycle orders growth, and 9% backlog growth in 1Q
- Substantially suspended operations in Russia; FY guidance improved despite challenges
- Share repurchases creating value; substantial contribution to our $4B commitment in 1Q
- Long heritage of environmental responsibility; laser focused on our enhanced commitments

1Q22 backlog excludes contracts for sales or services shipped to or produced in Russia, or sale or services with entities nationalized by the Russian Federation; Backlog beginning 1Q19 to 3Q21 are revised to reflect a prior period correction, which had no impact on our results of operations.

Strong Operational Results in a Difficult Environment; End Markets Recovering

Appendix

1Q 2022 SEGMENT RESULTS

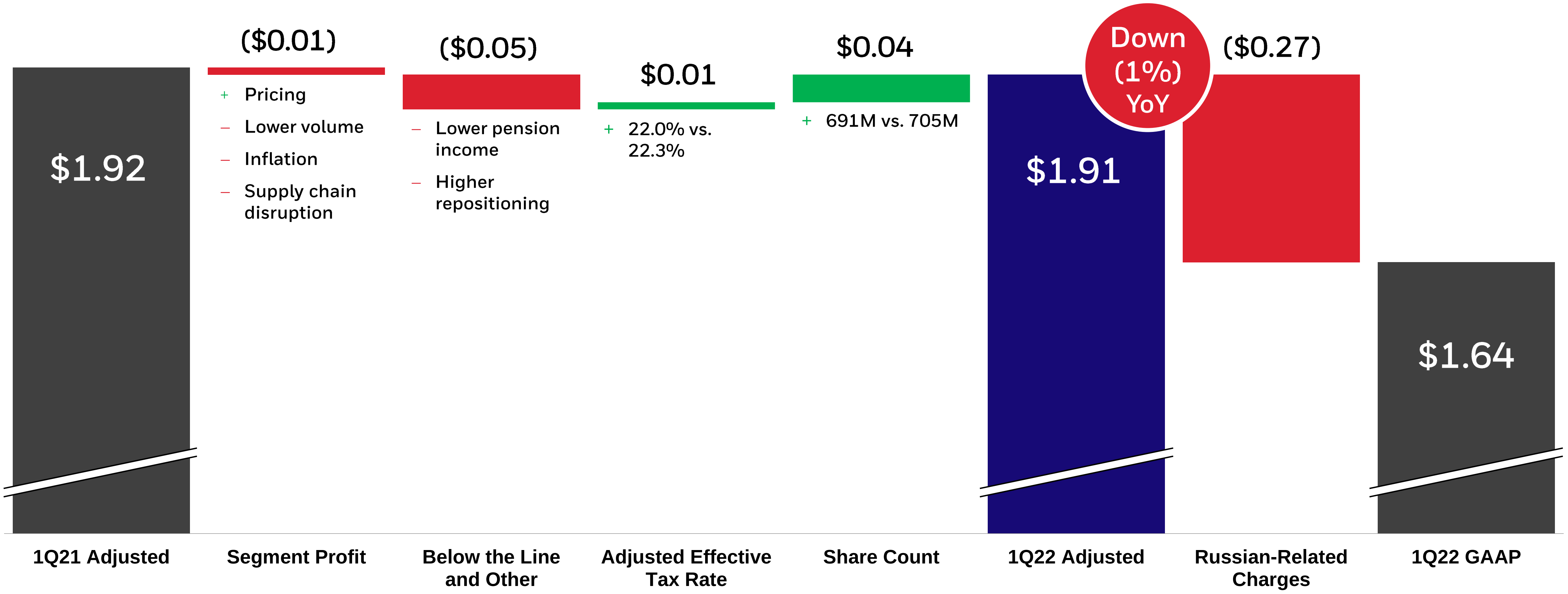
($M)	Sales	Segment Margin Change (bps)	Commentary
Aero	**$2,749** *Up 5% Organic*	**27.4%** *Down (160) bps*	• Commercial aviation aftermarket sales up over 25% year over year as flight hours improve, return to growth in air transport original equipment, lower defense volumes • Aero industry supply chain continues to be a challenge • Margin contraction as a result of higher sales of lower margin products and 2021 one-time gain
HBT	**$1,429** *Up 8% Organic*	**23.5%** *Up 100 bps*	• Double-digit sales growth in building products; solid demand for Healthy Buildings solutions • Continued backlog growth in building solutions projects and services; some supply improvement • Margin expansion as a result of pricing actions partially offset by inflation
PMT	**$2,453** *Up 6% Organic*	**20.8%** *Up 230 bps*	• 16% organic growth in advanced materials; strong pricing across the portfolio • Thermal solutions and lifecycle solutions and services demand led process solutions growth • Margin expansion driven by favorable pricing and sales mix, partially offset by inflation
SPS	**$1,744** *Down (15%) Organic*	**14.5%** *Up 20 bps*	• Double-digit growth in productivity solutions and services, advanced sensing technologies, and gas detection despite the supply constrained environment • (9%) headwind from lower COVID-related mask demand; warehouse automation timing drag • Margin expansion from favorable pricing and sales mix, partially offset by lower volume leverage and inflation

Commercial Execution Driving Growth in Challenging Environment

1Q 2022 SALES GROWTH

	1Q Reported	1Q Organic
Aerospace	**4%**	**5%**
Commercial Aviation Original Equipment	11%	11%
Commercial Aviation Aftermarket	28%	28%
Defense and Space	(15%)	(14%)
Honeywell Building Technologies	**5%**	**8%**
Products	12%	14%
Building Solutions	(4%)	(1%)
Performance Materials And Technologies	**5%**	**6%**
UOP	(9%)	(9%)
Honeywell Process Solutions	5%	7%
Advanced Materials	14%	16%
Safety And Productivity Solutions	**(18%)**	**(15%)**
Safety and Retail	(31%)	(26%)
Productivity Solutions and Services	13%	16%
Warehouse and Workflow Solutions	(28%)	(28%)
Advanced Sensing Technologies	23%	24%

1Q 2022 EARNINGS PER SHARE BRIDGE



Adjusted EPS and adjusted EPS V% exclude a 1Q22 charge to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict, and the 1Q21 gain on sale of the retail footwear business.

Reduced Share Count Offsetting Below the Line Headwinds

2022 SEGMENT OUTLOOK

	Primary End Market	Market Indicator	HON Organic Growth Rate	Segment Commentary
Aero	Commercial Aerospace Defense & Space		HSD	• Commercial flight hours continue to grow • Strong original equipment demand due to narrowbody recovery and new business aviation platforms coming into service • U.S. defense budget stable, increased international defense budgets expected
HBT	Non-Residential		HSD - DD	• Continued return to public spaces increasing demand for Healthy Buildings solutions • Non-residential construction spending stable; increased infrastructure spending • Pricing actions and cost controls offsetting inflationary environment
PMT	Oil & Gas / PetroChem Specialty Chemicals		MSD - HSD	• Advanced materials pricing tailwinds; capacity expansion in process • Orders strength in process automation and sustainable technology solutions • Sales headwind from substantial suspension of operations in Russia; increased energy capex could offer some offset
SPS	Industrial Productivity		~Flat	• Strong demand in productivity solutions and services, advanced sensing technologies, and gas detection • Significant margin progress sequentially in Intelligrated; continuing to prioritize efficiency and profitability after years of hypergrowth • Lower year over year COVID-related mask demand in 2Q22; comps to normalize in 2H22

End Markets Positive; Supply Constraints Ease in the Second Half

ADDITIONAL 2022 INPUTS

	1Q22	2Q22E	FY22E	Commentary
Pension / OPEB	$261M	~$260M	~$1,050M	• Maintaining asset base with higher discount rates, resulting in lower pension income
Repositioning and Other	($144M)	($40M - $80M)	($300M - $425M)	• Retaining capacity for high-return repo projects; FY 2022 includes $30M – $50M Intelligrated labor cost inefficiencies
Other Below the Line	($195M)	($175M - $180M)	($700M - $725M)	• Asbestos, environmental expenses net of spin reimbursements, net interest, F/X, stock option expense, RSU expense, M&A, and other expenses
Total Below the Line	($78M)	$0M - $45M	($100M) - $50M	• Repositioning and other and other below the line exclude Russian-related reserves and impairments
Adjusted Effective Tax Rate	22%	~24%	~22%	
Share Count	691M	~687M	684M - 687M	• $4B share repurchase commitment in 2022
Corporate and Quantinuum	($86M)	($100M - $115M)	($400M - $450M)	• 2022 includes full year net P&L investment in Quantinuum

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

($M)	1Q21	2Q21	1Q22	2021
Aerospace	$ 2,632	$ 2,766	$ 2,749	$ 11,026
Honeywell Building Technologies	1,358	1,407	1,429	5,539
Performance Materials and Technologies	2,346	2,552	2,453	10,013
Safety and Productivity Solutions	2,118	2,083	1,744	7,814
Corporate and All Other	—	—	1	—
Net Sales	$ 8,454	$ 8,808	$ 8,376	$ 34,392
Aerospace	$ 762	$ 710	$ 753	$ 3,051
Honeywell Building Technologies	305	315	336	1,238
Performance Materials and Technologies	434	530	510	2,120
Safety and Productivity Solutions	303	292	253	1,029
Corporate and All Other	(29)	(54)	(86)	(226)
Segment Profit	$ 1,775	$ 1,793	$ 1,766	$ 7,212
Stock compensation expense (1)	(77)	(39)	(60)	(217)
Repositioning, Other (2,3)	(155)	(119)	(401)	(636)
Pension and other postretirement service costs (4)	(34)	(37)	(34)	(159)
Operating income	$ 1,509	$ 1,598	$ 1,271	$ 6,200
Segment profit	$ 1,775	$ 1,793	$ 1,766	$ 7,212
÷ Net sales	$ 8,454	$ 8,808	$ 8,376	$ 34,392
Segment profit margin %	21.0 %	20.4 %	21.1 %	21.0 %
Operating income	$ 1,509	$ 1,598	$ 1,271	$ 6,200
÷ Net sales	$ 8,454	$ 8,808	$ 8,376	$ 34,392
Operating income margin %	17.8 %	18.1 %	15.2 %	18.0 %

(1) Amounts included in Selling, general and administrative expenses.

(2) Includes repositioning, asbestos, environmental expenses, equity income adjustment, and other charges. For the three months ended March 31, 2022 other charges include $183 million of reserves against outstanding accounts receivables, contract assets, and impairments of other assets due to the Russia-Ukraine conflict. For the three months ended March 31, 2022 and twelve months ended December 31, 2021, other charges include $9 million and $105 million, respectively, 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 first and fourth quarters 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) Amounts 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.

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

RECONCILIATION OF SEGMENT PROFIT TO SEGMENT PROFIT MARGIN % EXCLUDING QUANTINUUM

($M)	1Q21	2Q21	1Q22	2021
Segment profit	$ 1,775	$ 1,793	$ 1,766	$ 7,212
Add: Quantinuum Segment Loss [(1)]	12	14	34	62
Segment Profit Excluding Quantinuum	$ 1,787	$ 1,807	$ 1,800	$ 7,274
Net Sales	$ 8,454	$ 8,808	$ 8,376	$ 34,392
Less: Quantinuum Net Sales	1	1	1	5
Net Sales Excluding Quantinuum	$ 8,453	$ 8,807	$ 8,375	$ 34,387
Segment profit margin % excluding Quantinuum	21.1 %	20.5 %	21.5 %	21.2 %
Expansion in segment profit margin % excluding Quantinuum	Not Reported	Not Reported	40 bps	Not Reported
Expansion in segment profit margin %	Not Reported	Not Reported	10 bps	Not Reported
Year-over-year segment profit margin % impact of Quantinuum	Not Reported	Not Reported	30 bps	Not Reported

(1) For the three months ended March 31, 2021 and June 30, 2021, and the twelve months ended December 31, 2021, Quantinuum Segment Loss includes the segment loss of Honeywell Quantum Solutions, a wholly-owned subsidiary of Honeywell, prior to the November 29, 2021, combination of Honeywell Quantum Solutions and Cambridge Quantum Computing, resulting in the formation of Quantinuum.

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

We define expansion in segment profit margin percentage as the year-over-year increase in segment profit margin percentage. We define expansion in segment profit margin percentage excluding Quantinuum as the year-over-year increase in segment profit margin percentage excluding Quantinuum. We define year-over-year segment profit margin percentage impact of Quantinuum as the difference in expansion in segment profit margin percentage excluding Quantinuum and expansion in segment profit margin percentage. 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 and segment profit excluding the impact of Quantinuum, on an overall Honeywell basis, to operating income has not been provided for all forward-looking measures of segment profit and segment margin included herewithin. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment profit. The information that is unavailable to provide a quantitative reconciliation could have a significant impact on our reported financial results. To the extent quantitative information becomes available without unreasonable effort in the future, and closer to the period to which the forward-looking measures pertain, a reconciliation of segment profit to operating income will be included within future filings.

RECONCILIATION OF ORGANIC SALES % CHANGE

	1Q22
Honeywell	
Reported sales % change	(1)%
Less: Foreign currency translation	(2)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	1%
Sales decline attributable to COVID-driven masks	2%
Organic sales % change excluding COVID-driven masks	3%
Sales decline attributable to lost Russian sales	—%
Organic sales % change excluding COVID-driven masks and lost Russian sales	3%
Aerospace	
Reported sales % change	4%
Less: Foreign currency translation	(1)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	5%
Honeywell Building Technologies	
Reported sales % change	5%
Less: Foreign currency translation	(3)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	8%
Performance Materials and Technologies	
Reported sales % change	5%
Less: Foreign currency translation	(2)%
Less: Acquisitions, divestitures and other, net	1%
Organic sales % change	6%
Safety and Productivity Solutions	
Reported sales % change	(18)%
Less: Foreign currency translation	(1)%
Less: Acquisitions, divestitures and other, net	(2)%
Organic sales % change	(15)%

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 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.

We define organic sales growth excluding COVID-driven mask sales as organic sales growth excluding any sales attributable to COVID-driven mask sales. We define organic sales growth excluding COVID-driven mask sales and lost Russian sales as organic sales growth excluding any sales attributable to COVID-driven mask sales and substantial suspension of operations in Russia. We believe organic sales growth excluding COVID-driven mask sales and organic sales growth excluding COVID-driven mask sales and lost Russian sales are 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, organic sales percent change excluding COVID-driven masks or organic sales percent change excluding COVID-driven masks and lost Russian sales 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

	1Q21	2Q21	1Q22	2021	2Q22E	2022E
Earnings per share of common stock - diluted [1]	$ 2.03	$ 2.04	$ 1.64	$ 7.91	$1.98 - $2.08	$8.23 - $8.53
Pension mark-to-market expense [2]	—	—	—	0.05	No Forecast	No Forecast
Changes in fair value for Garrett equity securities [3]	—	(0.03)	—	(0.03)	—	—
Garrett related adjustments [4]	—	0.01	—	0.01	—	—
Gain on sale of retail footwear business [5]	(0.11)	—	—	(0.11)	—	—
Expense related to UOP Matters [6]	—	—	—	0.23	—	—
Russian-related Charges [7]	—	—	0.27	—	—	0.27
Adjusted earnings per share of common stock - diluted	$ 1.92	$ 2.02	$ 1.91	$ 8.06	$1.98 - $2.08	$8.50 - $8.80

(1) For the three months ended March 31, 2022 and 2021, adjusted earnings per share utilizes weighted average shares of approximately 691.3 million and 704.5 million. For the three months ended June 30, 2021 adjusted earnings per share utilizes weighted average shares of approximately 702.5 million. For the twelve months ended December 31, 2021, adjusted earnings per share utilizes weighted average shares of approximately 700.4 million. For the three months ended June 30, 2022 and twelve months ended December 31, 2022, expected earnings per share utilizes weighted average shares of approximately 687 million and 686 million (the midpoint of the expected range of 684 million to 687 million), respectively.

(2) Pension mark-to-market expense uses a blended tax rate of 25% for 2021.

(3) For the three months ended June 30, 2021, the adjustment was $16 million net of tax due to changes in fair value for Garrett equity securities. For the twelve months ended December 31, 2021, the adjustment was $19 million net of tax due to changes in fair value for Garrett equity securities.

(4) For the three months ended June 30, 2021 and twelve months ended December 31, 2021, the adjustment was $7 million net of tax due to a non-cash charge associated with the reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021.

(5) For the three months ended March 31, 2021, the adjustment was $72 million net of tax due to the gain on sale of the retail footwear business. For the twelve months ended December 31, 2021, the adjustment was $76 million net of tax due to the gain on sale of the retail footwear business.

(6) For the twelve months ended December 31, 2021, the adjustment was $160 million with no tax benefit due to an expense related to UOP matters.

(7) For the three months ended March 31, 2022 and twelve months ended December 31, 2022, the adjustment was a $183 million charge, with no tax benefit, to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict.

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.

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

($M)	1Q21	1Q22
Cash provided by operating activities	**$ 978**	**$ 36**
Expenditures for property, plant and equipment	**(221)**	**(183)**
Garrett cash receipts	**—**	**197**
Free cash flow	**$ 757**	**$ 50**

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

We believe that free cash flow is a non-GAAP metric that is useful to investors and management as a measure of cash generated by operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock or repay debt obligations prior to their maturities. This metric 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 EXPECTED CASH PROVIDED BY OPERATING ACTIVITIES TO EXPECTED FREE CASH FLOW AND EXPECTED FREE CASH FLOW EXCLUDING QUANTINUUM

	2022E ($B)
Cash provided by operating activities	**~$5.7 - $6.1**
Expenditures for property, plant and equipment	**~(1.2)**
Garrett cash receipts	**0.2**
Free cash flow	**~$4.7 - $5.1**
Free Cash flow attributable to Quantinuum	**0.2**
Free cash flow excluding Quantinuum	**~$4.9 - $5.3**

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment plus anticipated cash receipts from Garrett. We define free cash flow excluding Quantinuum as free cash flow less free cash flow attributable to Quantinuum.

We believe that free cash flow and free cash flow excluding Quantinuum are non-GAAP metrics 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. This metric can also be used to evaluate our ability to generate cash flow from operations and the impact that this cash flow has on our liquidity.

Honeywell