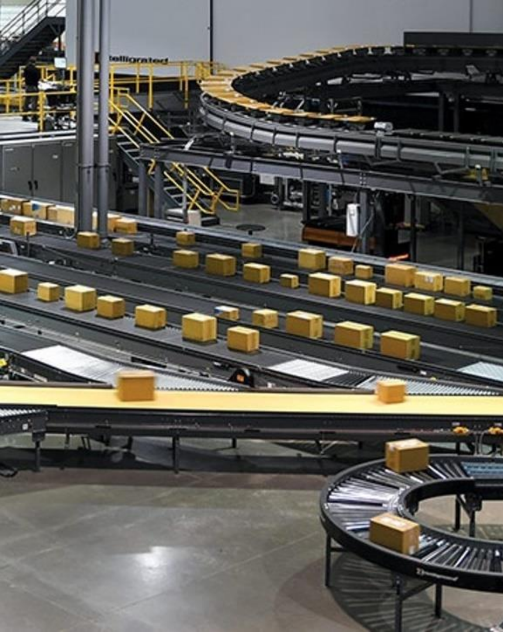
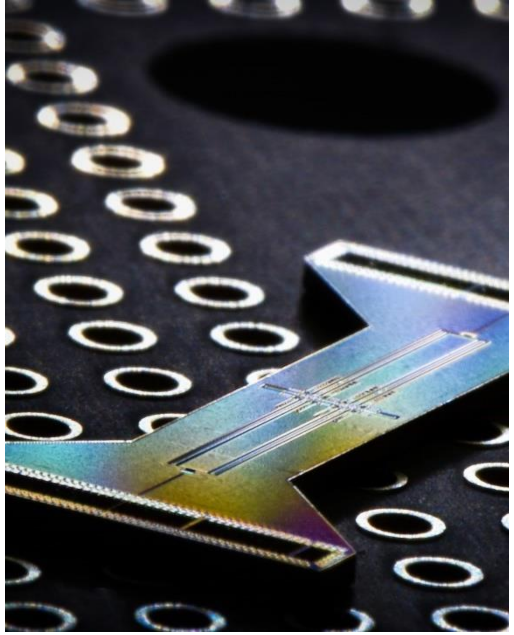


FIRST QUARTER 2023 EARNINGS RELEASE

APRIL 27, 2023

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. 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 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, a measure by which we assess operating performance, which we define as operating income adjusted for certain items as presented in the Appendix; Segment margin, on an overall Honeywell basis; Organic sales growth; Free cash flow; Free cash flow excluding impact of settlements; Adjusted earnings per share; Adjusted earnings per share excluding pension headwind; Adjusted income before taxes; Adjusted tax expense; and Adjusted effective tax rate, 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.

KEY MESSAGES FROM DARIUS

- Transformed the company via key ISC transformation and Honeywell Digital initiatives
- Made 16 acquisitions and five spins and divestitures
- Consistently outperformed market and peer group, growing share price by ~100% from 2016 to 2022
- Created Honeywell Connected Enterprise[1] which exhibited 15% sales CAGR since 2019
- Continuing to focus on customer relationships, portfolio shaping, and strategic planning in role as Executive Chairman
- Vimal the natural fit as next CEO after 34 years with Honeywell; led HBT and PMT and held COO role

[1]*Honeywell Connected Enterprise provides software product and service offerings across our reportable business segments*

Positioned Well for Next Stage of Growth Under Vimal's Leadership

1Q 2023 OVERVIEW

	1Q 2023 Actual	1Q 2023 Guidance
Adjusted Earnings Per Share	**$2.07** *$2.22 Excluding Pension Headwind*	$1.86 - $1.96
Organic Sales Growth	8%	1% - 5%
Segment Margin Expansion	90 bps	30 - 70 bps
Free Cash Flow	**($1.0B)** *$0.3B Excluding Impact of Settlements*	
Capital Deployment	**$1.6B** Share Repurchases, Dividends, and Capital Expenditures	

1Q 2023 Highlights

- Overdelivered on adjusted earnings per share, organic growth, and segment margin expansion guidance
- Organic sales growth of 8% driven by double-digit growth in commercial aerospace, PMT, and building solutions
- Segment margin of 22.0%, exceeding the high end of guidance range by 20 bps, with expansion in SPS and HBT
- Continued demand strength, backlog up 6% year over year to a record $30.3B in the first quarter
- $1.6B capital deployed to share repurchases, dividends, and high-return capex, including $700M in share repurchases

Adjusted EPS excludes a 1Q23 Russian-related benefit.

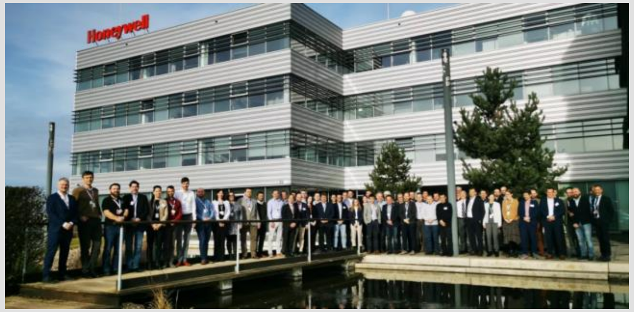
Overdelivered on All Guided Metrics in the First Quarter

RECENT ANNOUNCEMENTS

Carbon Capture Win

- Announced that ExxonMobil will deploy Honeywell's **CO_2 Fractionation and Hydrogen Purification System** at its integrated complex in Baytown, Texas.
- Honeywell's technology is expected to enable ExxonMobil to capture about **7 million tons of CO_2 per year**, and ExxonMobil's facility is expected to be the largest low-carbon hydrogen project in the world at planned startup.

Next-Gen Hydrogen Fuel Cells



- Launched a European Clean Aviation project that will **develop a new generation of hydrogen fuel cells** for the aviation industry, involving 18 partners from 10 countries.
- The project will develop a megawatt-class fuel cell propulsion system that will **push the boundaries of hydrogen fuel cell research**. The final demonstrator will be integrated and tested by Pipistrel Vertical Solutions.

Forge for Buildings Win

- Won $40M+ order with Globalworth to provide Honeywell Forge for Buildings to help **increase operational efficiency, support sustainability efforts, and improve occupant experience** across their portfolio of buildings.
- Honeywell's machine learning models will monitor energy consumption across Globalworth's buildings down to a device or asset level and **make automatic adjustments to minimize energy consumption**.

Driving Innovation Across Our End Markets

ACQUISITION OF COMPRESSOR CONTROLS CORP

Business Overview

- **Offerings:** leading provider of turbomachinery control and optimization solutions, including control hardware, software, and services; **enhancing our digitalization portfolio**
- **End markets:** serves LNG, gas processing, refining, and petrochemical segments

Large Installed Base

1,100	14,000	3,400
Sites	Critical Machines	Process Units

Strategic Rationale

- Bolsters Honeywell's sustainability portfolio with **new carbon capture control solutions**
- Meaningful revenue synergy with Honeywell Forge; combination delivers **comprehensive Asset Performance Management capability in the industry**
- Well-positioned to **sustain HSD sales CAGR**
- Acquisition will be **integrated into Honeywell Process Solutions**

Transaction Details

$670M	15x / 13x	~$115M
Purchase Price	2023E EBITDA[1]	2022 Sales

- ~15% expected cash ROI[2]
- Immediately accretive to GAAP EPS
- All cash acquisition
- Transaction expected to close in the second half of 2023

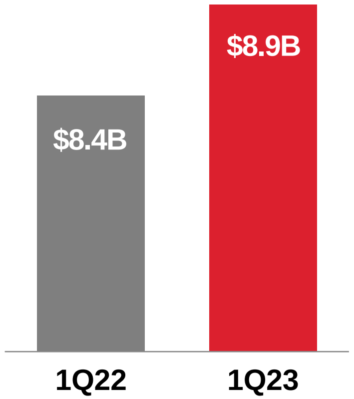
[1]Represents 2023E EBITDA on a tax-adjusted basis. 13x assumes $8M of annualized cost synergies. [2]Return on investment in fifth year post-closing.

Strengthens Leading Automation Portfolio

1Q 2023 FINANCIAL SUMMARY

Sales

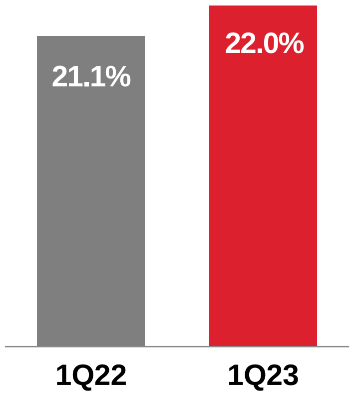
Up 8%
Organic



+ Double-digit organic growth in commercial aerospace, PMT, and building solutions
- Warehouse automation and short cycle headwinds
+ Volume growth of 7% ex. SPS

Segment Margin

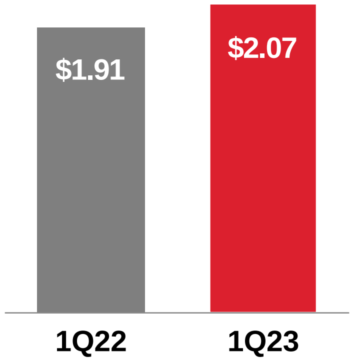
Up 90 bps



+ Margin expansion in SPS and HBT
+ Commercial excellence more than offset inflation
+ Continued sequential improvement in supply chains

Adjusted EPS

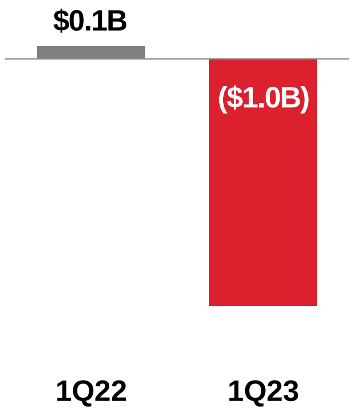
Up 8%
Up 16% ex. Pension Headwind



+ EPS up 16% ex. pension headwind
+ Higher segment profit
+ Lower share count and effective tax rate
- Higher interest expense and lower pension income

Free Cash Flow

$0.3B ex. Settlements



± Free cash flow $0.3B excluding settlements
+ Deployed $1.6B to share repurchases, dividends, and capex
+ Higher net income

Adjusted EPS and adjusted EPS V% excludes a 1Q23 Russian-related benefit and 1Q22 Russian-related charges.

Outstanding Start to 2023

2Q AND FY 2023 OUTLOOK

2Q Guidance

Sales	Segment Margin
$9.0B - $9.2B *Up 1% - 4% Organically*	**21.8% - 22.2%** *Up 90 - 130 bps*

Adjusted EPS	Net Below the Line Impact
$2.15 - $2.25 *Up 2% - 7%* *$2.29 - $2.39 excluding Pension Headwind or up 9% - 14%*	($130M - $185M) **Effective Tax Rate** ~21% **Share Count** ~671M

FY Guidance

Sales	Segment Margin
$36.5B - $37.3B *Up 3% - 6% Organically* **Prior: $36.0B - $37.0B, Up 2% - 5%**	**22.3% - 22.6%** *Up 60 - 90 bps* **Prior: 22.2% - 22.6%, Up 50 - 90 bps**

Adjusted EPS	Free Cash Flow
$9.00 - $9.25 *Up 3% - 6%* *$9.55 - $9.80 Excluding Pension Headwind or up 9% - 12%* **Prior: $8.80 - $9.20, Flat - Up 5%**	**$3.9B - $4.3B** *$5.1B - $5.5B Excluding Impact of Settlements* **Prior: $3.9B - $4.3B**

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 and adjusted EPS V% guidance excludes a 1Q23 Russian-related benefit, 2Q22 expense related to UOP matters, 2Q22 Russian-related charges, 2022 expense related to UOP matters, 2022 Russian-related charges, 2022 gain on sales of Russian-related entities, and 2022 net expense related to the NARCO buyout and HWI sale.

Raising Full Year Sales, Segment Margin, and Adjusted EPS Guidance

SUMMARY

- Overdelivered on all guided metrics in the first quarter
- Raised full-year organic growth, segment margin, and adjusted EPS guidance
- Demand remains robust, backlog up 6% year over year to record $30.3B

Honeywell

2023 Investor Day
New York, NY | May 11

Honeywell's Chairman and CEO Darius Adamczyk and incoming CEO Vimal Kapur, along with senior leaders, will provide an update on our strategy, innovations, and breakthrough growth opportunities through presentations and Q&A panels.

Strong Conviction in Financial Algorithm for 2023 and Beyond

Appendix

1Q 2023 SEGMENT RESULTS

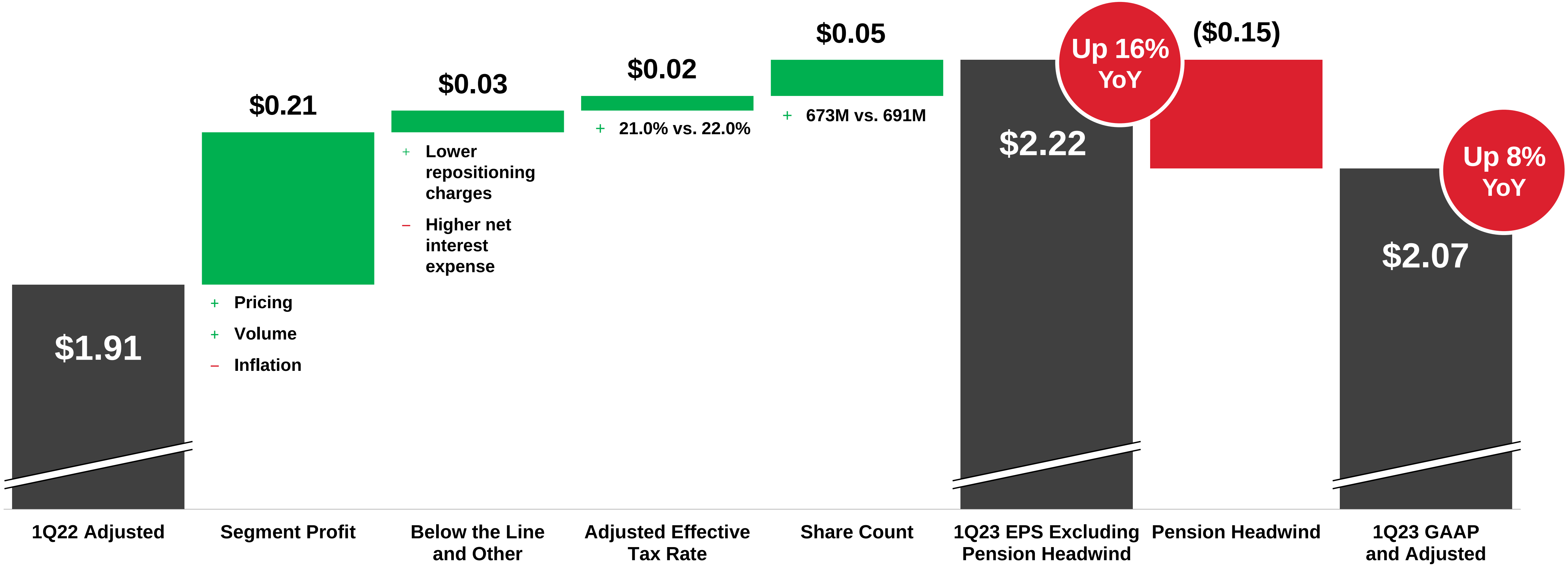
($M)	Sales	Segment Margin Change (bps)	Commentary
Aero	**$3,111** *Up 14% Organic*	**26.6%** *Down (80) bps*	• Eighth consecutive quarter of double-digit organic sales growth in commercial aviation • Return to growth in defense and space; book-to-bill greater than one • Margin contraction driven by higher sales of lower margin products, partially offset by commercial excellence
HBT	**$1,487** *Up 9% Organic*	**25.2%** *Up 170 bps*	• Over 20% organic growth in building projects; four consecutive quarters of double-digit growth • Continued strength in fire products sales; supply chain remains a gating (however improving) factor • Margin expansion driven by commercial excellence partially offset by cost inflation
PMT	**$2,749** *Up 15% Organic*	**20.6%** *Down (20) bps*	• Fourth consecutive quarter of double-digit organic sales growth • Process solutions sales growth led by projects and smart energy • Robust demand for fluorine products driving growth in advanced materials • Over 20% orders growth in UOP, including triple-digit growth in sustainable technology solutions
SPS	**$1,515** *Down (11%) Organic*	**17.2%** *Up 270 bps*	• Lower warehouse automation project volumes partially offset by services growth • Continued growth in the sensing portion of sensing and safety technologies • Margin expansion driven by productivity actions and commercial excellence partially offset by lower volume leverage and cost inflation

Robust Sales Growth and Margin Expansion to Start 2023

1Q 2023 SALES GROWTH

	1Q Reported	1Q Organic
Aerospace	**13%**	**14%**
Commercial Aviation Original Equipment	13%	14%
Commercial Aviation Aftermarket	22%	22%
Defense and Space	4%	5%
Honeywell Building Technologies	**4%**	**9%**
Products	3%	7%
Building Solutions	5%	13%
Performance Materials And Technologies	**12%**	**15%**
UOP	18%	19%
Honeywell Process Solutions	12%	16%
Advanced Materials	9%	12%
Safety And Productivity Solutions	**(13%)**	**(11%)**
Sensing and Safety Technologies	(7%)	(4%)
Productivity Solutions and Services	(13%)	(11%)
Warehouse and Workflow Solutions	(22%)	(21%)

1Q 2023 EARNINGS PER SHARE BRIDGE



Adjusted EPS and adjusted EPS V% excludes a 1Q23 Russian-related benefit and 1Q22 Russian-related charges.

Segment Profit Growth Driving Increased Earnings Per Share

2023 SEGMENT OUTLOOK

	Primary End Market	HON Organic Growth Rate	Segment Commentary
Aero	Commercial Aerospace Defense and Space	LDD	• Volume growth enabled by progressive recovery in the aerospace supply chain • Continued commercial aviation strength on increased build rates and flight hours, particularly widebody • Return to growth in defense and space supported by strong order book
HBT	Non-Residential	LSD	• Elevated backlogs and stimulus-led institutional demand provide buffer from macroeconomic headwinds • Supply chain continues to heal; expect to burn down past due products backlog • Secular trends of sustainability and energy efficiency support long-term demand
PMT	Energy Specialty Chemicals	MSD	• Robust backlog and favorable macro conditions support UOP growth • Increasing global demand for sustainable technology solutions backed by legislation • Continued growth in advanced materials after capacity expansion in 2022
SPS	Industrial Productivity e-Commerce	(HSD)	• Reduced investment in warehouse automation capacity leads to demand trough in 2023 • Short-cycle softness impacting sensing and safety technologies and productivity solutions and services, particularly in the first half • Mix shift and operational improvements driving another strong year of margin expansion

Overall Favorable End Market Outlook in 2023

ADDITIONAL 2023 INPUTS

	1Q23	2Q23E	FY23E	Commentary
Pension / OPEB	$136M	~$140M	~$550M	• Significant increase in interest rates resulting in lower pension income year over year
Repositioning	($100M)	($50M - $100M)	($225M - $325M)	• Retaining capacity for high-return projects to support cost management and productivity initiatives
Other Below the Line[1]	($203M)	($220M - $225M)	($825M - $850M)	• Increased year-over-year headwind from interest expense
Total Below the Line	($167M)	($130M - $185M)	($500M - $625M)	
Effective Tax Rate	21%	~21%	~21%	
Share Count	673M	~671M	~670M	• Minimum 1% share count reduction
Corporate and Quantinuum	($81M)	(~$125M)	(~$425M)	• Segment profit for Corporate and Quantinuum

[1]*Other below the line includes asbestos, environmental expenses net of spin reimbursements, net interest, F/X, stock option expense, RSU expense, M&A, and other expense.*

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. Included below are reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures. 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)	1Q22	2Q22	1Q23	2022
Operating income	$ 1,271	$ 1,601	$ 1,692	$ 6,427
Stock compensation expense (1)	60	53	59	188
Repositioning, Other (2,3)	401	180	180	942
Pension and other postretirement service costs (3)	34	33	16	132
Segment profit	$ 1,766	$ 1,867	$ 1,947	$ 7,689
Operating income	$ 1,271	$ 1,601	$ 1,692	$ 6,427
÷ Net sales	$ 8,376	$ 8,953	$ 8,864	$ 35,466
Operating income margin %	15.2 %	17.9 %	19.1 %	18.1 %
Segment profit	$ 1,766	$ 1,867	$ 1,947	$ 7,689
÷ Net sales	$ 8,376	$ 8,953	$ 8,864	$ 35,466
Segment profit margin %	21.1 %	20.9 %	22.0 %	21.7 %

(1) 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, 2023, other charges include $2 million of expenses due to the Russia-Ukraine conflict. 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 June 30, 2022, other charges include $67 million related to inventory reserves, 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 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 three months ended March 31, 2022, three months ended June 30, 2022, and twelve months ended December 31, 2022, other charges include $9 million, $6 million, and $41 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 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 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 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

	1Q23
Honeywell	
Reported sales % change	6%
Less: Foreign currency translation	(2)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	8%
Aerospace	
Reported sales % change	13%
Less: Foreign currency translation	(1)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	14%
Honeywell Building Technologies	
Reported sales % change	4%
Less: Foreign currency translation	(5)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	9%
Performance Materials and Technologies	
Reported sales % change	12%
Less: Foreign currency translation	(3)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	15%
Safety and Productivity Solutions	
Reported sales % change	(13)%
Less: Foreign currency translation	(2)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	(11)%

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

	1Q22	2Q22	1Q23	FY2022	2Q23E	2023E
Earnings per share of common stock - diluted [1]	$ 1.64	$ 1.84	$ 2.07	$ 7.27	$2.15 - $2.25	$9.00 - $9.25
Pension mark-to-market expense [2]	—	—	—	0.64	No Forecast	No Forecast
Expense related to UOP Matters [3]	—	0.07	—	0.07	—	—
Russian-related charges [4]	0.27	0.19	—	0.43	—	—
Gain on sale of Russian entities [5]	—	—	—	(0.03)	—	—
Net expense related to the NARCO Buyout and HWI Sale [6]	—	—	$ —	0.38	—	—
Adjusted earnings per share of common stock - diluted	$ 1.91	$ 2.10	$ 2.07	$ 8.76	$2.15 - $2.25	$9.00 - $9.25
Pension headwind [7]	—	—	0.15	—	~0.14	~0.55
Adjusted earnings per share of common stock excluding Pension headwind - diluted	$ 1.91	$ 2.10	$ 2.22	$ 8.76	$2.29 - $2.39	$9.55 - $9.80

(1) For the three months ended March 31, 2023, and 2022, adjusted earnings per share utilizes weighted average shares of approximately 673.0 million and 691.3 million, respectively. For the three months ended June 30, 2022, adjusted earnings per share utilizes weighted average shares of approximately 685.0 million. For the twelve months ended December 31, 2022, adjusted earnings per share utilizes weighted average shares of approximately 683.1 million. For the three months ended June 30, 2023, and twelve months ended December 31, 2023, expected earnings per share utilizes weighted average shares of approximately 671 million and 670 million, respectively.

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

(3) For the three months ended June 30, 2022, and twelve months ended December 31, 2022, the adjustment was an expense of $50 million and $45 million, respectively, without tax benefit, due to an expense related to UOP matters.

(4) For the three months ended March 31, 2023, the adjustment was a $2 million benefit, without tax expense. For the three months ended March 31, 2022, the adjustment was a $183 million charge, without tax benefit, to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict. For the three months ended June 30, 2022, the adjustment was $126 million, with no tax benefit, to exclude charges and the accrual of reserves related to foreign exchange revaluation, inventory reserves, the write-down of other assets, impairment of property, plant and equipment, employee severance, and a tax valuation allowance related to the initial suspension and wind down of our businesses and operations in Russia. For the twelve months ended December 31, 2022, the adjustment was $297 million, including a tax valuation allowance benefit of $2 million, 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 benefit, due to the gain on sale of Russian entities.

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

(7) For the three months ended March 31, 2023, the adjustment is the decline of $99 million of pension ongoing income compared to the three months ended March 31, 2022, and three months ended March 31, 2023, net of tax expense of $26 million. For the three and twelve months ended June 30, 2023, and December 31, 2023, the adjustment is the forecasted decline of approximately $95 million and $370 million, respectively, of pension ongoing income between the comparative periods in 2022 and 2023, net of estimated tax expense of approximately $25 million and $100 million, respectively.

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 or forecasted decline of pension ongoing 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 EFFECTIVE TAX RATE TO ADJUSTED EFFECTIVE TAX RATE

($M)	1Q22	1Q23
Income before taxes	$ 1,505	$ 1,782
Russian-related charges (benefit)	183	(2)
Adjusted income before taxes	$ 1,688	$ 1,780
Income tax expense	$ 371	$ 374
Adjusted income tax expense	$ 371	$ 374
Income tax expense	$ 371	$ 374
÷ Income before taxes	$ 1,505	$ 1,782
Effective tax rate	24.7 %	21.0 %
Adjusted income tax expense	$ 371	$ 374
÷ Adjusted income before taxes	$ 1,688	$ 1,780
Adjusted effective tax rate	22.0 %	21.0 %

We define adjusted income before taxes as income before taxes adjusted for items presented above. We define adjusted income tax expense as income tax expense adjusted for items presented above. We define effective tax rate as income tax expense divided by income before taxes. We define adjusted effective tax rate as adjusted income tax expense divided by adjusted income before taxes.

We believe that adjusted effective tax rate is a non-GAAP measure that is useful to investors and management as an ongoing representation of our tax rate excluding one-off and unusual transactions. This measure can be used to evaluate our tax rate on our recurring operations. For forward looking information, we do not provide effective tax rate guidance on a GAAP basis as management cannot reliably predict or estimate, without unreasonable effort, the pension mark-to-market expenses and other one-off and unusual transactions.

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

($M)	1Q22	1Q23
Cash provided by operating activities	$ 36	$ (784)
Expenditures for property, plant and equipment	(183)	(193)
Garrett cash receipts	197	—
Free cash flow	$ 50	$ (977)

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

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

($M)	1Q23	
Cash provided by operating activities	**$**	**(784)**
Expenditures for property, plant and equipment		**(193)**
Garrett cash receipts		**—**
Free cash flow	**$**	**(977)**
Impact of settlements		**1,272**
Free cash flow excluding impact of settlements	**$**	**295**

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 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 believe that free cash flow and free cash flow excluding impact of settlements 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 EXPECTED CASH PROVIDED BY OPERATING ACTIVITIES TO EXPECTED FREE CASH FLOW AND EXPECTED FREE CASH FLOW EXCLUDING IMPACT OF SETTLEMENTS

	2023E ($B)
Cash provided by operating activities	~$4.9 - $5.3
Expenditures for property, plant and equipment	~(1.0)
Garrett cash receipts	—
Free cash flow	~$3.9 - $4.3
Impact of settlements	~1.2
Free cash flow excluding impact of settlements	~$5.1 - $5.5

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 impact of settlements as free cash flow less settlements related to the NARCO Buyout, HWI Sale, and UOP Matters.

We believe that free cash flow and free cash flow excluding impact of settlements 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.

Honeywell