

HONEYWELL **AT A GLANCE** **2025 UPDATE**

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), including statements related to the proposed separation of Honeywell from Honeywell Aerospace and the planned sale of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses. Forward-looking statements are those that address activities, events, or developments that we or our management intend, expect, project, believe, or anticipate will or may occur in the future. They are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments, and other relevant factors, many of which are difficult to predict and outside of our control, including Honeywell's current expectations, estimates, and projections regarding the proposed separation of Honeywell from Honeywell Aerospace and the planned sale of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses. They are not guarantees of future performance, and actual results, developments, and business decisions may differ significantly from those envisaged by our forward-looking statements, including the proposed separation of Honeywell from Honeywell Aerospace and the planned sale of the Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, and the anticipated benefits of each. We do not undertake to update or revise any of our forward-looking statements, except as required by applicable securities law. Our forward-looking statements are also subject to material risks and uncertainties, including ongoing macroeconomic and geopolitical risks, such as changes in or application of trade and tax laws and policies, including the impacts of tariffs and other trade barriers and restrictions, lower GDP growth or recession in the U.S. or globally, supply chain disruptions, capital markets volatility, inflation, and certain regional conflicts, which 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 release are as follows: Adjusted sales; Segment profit, on an overall Honeywell basis; Segment profit margin, on an overall Honeywell basis; Adjusted segment profit; Adjusted segment profit margin; Free cash flow; Free cash flow excluding impact of settlements; Free cash flow margin; Adjusted net income attributable to Honeywell; Adjusted net income before interest; Return on invested capital (ROIC); and Adjusted earnings per share, 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 BY THE NUMBERS

\$38B

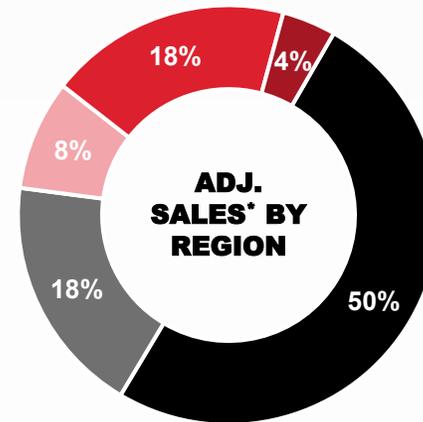
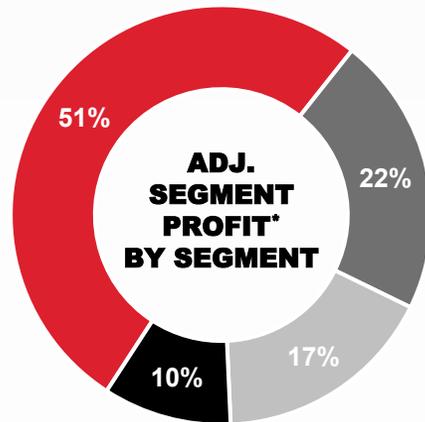
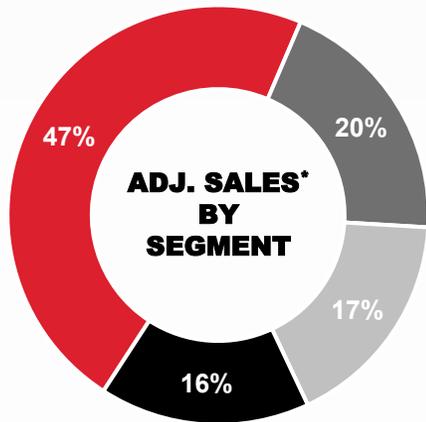
2025 Adjusted Sales*

23%

2025 Adjusted Segment Margin*

14%

2025 FCF Margin*



■ Aerospace Technologies ■ Industrial Automation
■ Building Automation ■ Process Automation and Technology

■ Aerospace Technologies ■ Industrial Automation
■ Building Automation ■ Process Automation and Technology

■ North America ■ Asia Pacific
■ Europe ■ Latin America
■ Middle East and Africa

■ Products ■ Projects
■ Aftermarket Services ■ Software

1. Sales by business model snapshot excludes Aerospace Technologies

*Non-GAAP financial measure

Note: 2025 Adjusted Sales results include the impact of the personal protective equipment business (PPE), sold May 21, 2025. Results exclude the impact of Advanced Materials (AM) following the successful spin-off of Solstice Advanced Materials on October 30, 2025 and the subsequent reclassification of AM as discontinued operations.

Compelling End Market and Business Model Mix

An aerial photograph showing a dark blue river on the left, a grey road curving through the center, and a dense green forest on the right. The text 'CREATING INDUSTRY-LEADING PUBLIC COMPANIES' is overlaid in white on the river area.

CREATING INDUSTRY-LEADING PUBLIC COMPANIES

The Honeywell logo, consisting of the word 'Honeywell' in a white, sans-serif font, is positioned in the bottom left corner. It is set against a background of a grey geometric pattern of overlapping triangles.

Honeywell

PORTFOLIO TRANSFORMATION

	2023	2024	2025 - 2026+
Strategy and Organization	<ul style="list-style-type: none"> • Strategic alignment around three megatrends • Business re-segmentation 	<ul style="list-style-type: none"> • Initiation of comprehensive internal business and portfolio review including transformational actions 	<ul style="list-style-type: none"> • Continued strategy execution and preparation to create three independent public companies • \$840M Quantinuum capital raise at \$10B pre-money valuation • Enhance value proposition of each business through strategic bolt-ons in high-growth segments and portfolio optimization
Bolt-on Acquisitions and Technology Tuck-ins	<ul style="list-style-type: none"> • CCC (IA) <i>Jun 2023</i> • SCADAfence (IA)¹ <i>Aug 2023</i> 	<ul style="list-style-type: none"> • Access Solutions (BA) <i>Jun 2024</i> • Civitanavi (AT)¹ <i>Aug 2024</i> • CAES Systems (AT) <i>Sep 2024</i> • Air Products LNG (PA&T) <i>Sep 2024</i> 	<ul style="list-style-type: none"> • Sundyne (PA&T) <i>Jun 2025</i> • Li-ion Tamer (BA)¹ <i>Jul 2025</i> • SparkMeter (IA)¹ <i>Aug 2025</i> • Catalyst Technologies (PA&T) <i>Expected to be completed in 3Q 2026</i>
Separations and Divestitures	<ul style="list-style-type: none"> • Proactive portfolio shaping 	<ul style="list-style-type: none"> • Announced PPE sale and Advanced Materials spin 	<ul style="list-style-type: none"> • PPE sale (IA) <i>Completed in May 2025</i> • Solstice Advanced Materials spin <i>Completed in Oct 2025</i> • Honeywell Aerospace spin (AT) <i>Expected in 3Q 2026</i> • PSS and WWS held for sale (IA) <i>Expect to announce sale in 1H 2026</i>

1. Represent technology tuck-in size acquisitions.

Significant Progress on Portfolio Actions

RATIONALE FOR SEPARATION



STRATEGIC

- Singular focus on providing **clear alignment between company purpose** and incentives
- **Greater end market focus** and faster reaction time to changing market dynamics



OPERATIONAL

- **Enhanced organizational agility**, greater accountability, and simplified decision-making
- **Dedicated boards** with highly relevant domain expertise



FINANCIAL

- Investor base aligned with each company's **distinct and compelling investment profiles**
- Improved ability to **customize capital allocation priorities** aligned with strategic focus

Best Path Forward to Create Value for All Stakeholders

HONEYWELL AEROSPACE

INVESTMENT HIGHLIGHTS

- **Global scale** in the highest-value and most critical areas across aerospace and defense value chains
- **Compelling organic growth** driven by robust end markets and differentiated revenue initiatives decoupled from flight hours and build rates
- Platform agnostic, technology-focused systems provider with **robust R&D levels** and investment pipeline
- **Focused on executing on significant demand runway**, as well as positioning the business for the **future of aviation** across electrification and autonomy of flight
- **Industry-leading profitability led by operational efficiency and differentiated portfolio**
- **Acquisition opportunities** in high-growth areas; commitment to **strong investment grade balance sheet**
- **Representative comparable companies:** GE Aerospace, TransDigm, RTX

BUSINESS OVERVIEW

Financial Overview

\$18B
Adjusted Sales*

26%
Adjusted Segment Margin*

4%
Company-funded R&D % of Sales

6%
Customer-funded R&D % of Sales¹

Operational Highlights

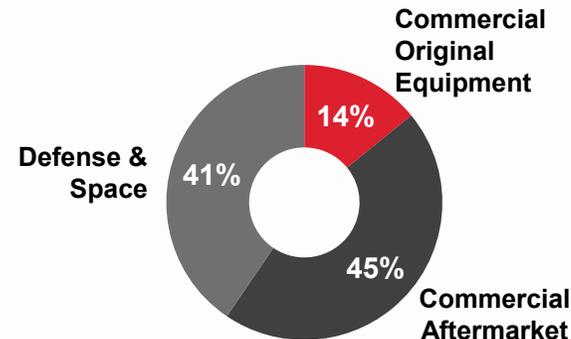
~9,000
Active patents

250+
In production platforms

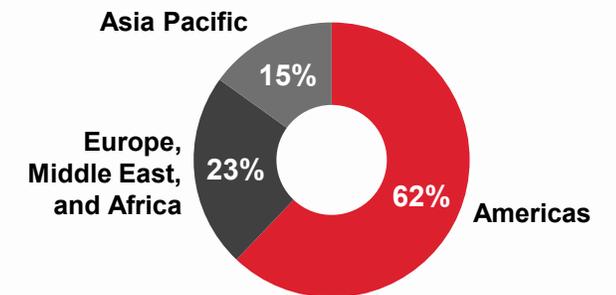
~200K
Engines and APUs delivered since 1959

90+
Engineering, manufacturing, and MRO facilities globally

Vertical Sales Mix



Geographic Sales Mix



Well-Positioned to Enable the Future of Aviation

*Non-GAAP financial measure

1. Includes deferred customer-funded nonrecurring engineering and development activities and expenditures on customer programs with a significant engineering performance obligation.

HONEYWELL REMAINCO

INVESTMENT HIGHLIGHTS

- Delivering the buildings and industrial infrastructure of the future, leveraging process technology, software, and AI-enabled, autonomous solutions
- Large installed base across diverse end markets
- Driving differentiated performance through increasing exposure to high-growth verticals
- Leading Honeywell Forge platform enabling recurring revenue streams
- Track record of continuous improvement in operating efficiency through Accelerator
- Commitment to strong investment grade balance sheet providing financial flexibility for value-creating capital allocation
- Representative comparable companies: Emerson Electric, Rockwell Automation, Johnson Controls

BUSINESS OVERVIEW

Financial Overview

\$20B
Sales

~4.5%
R&D % of Sales

Operational Highlights

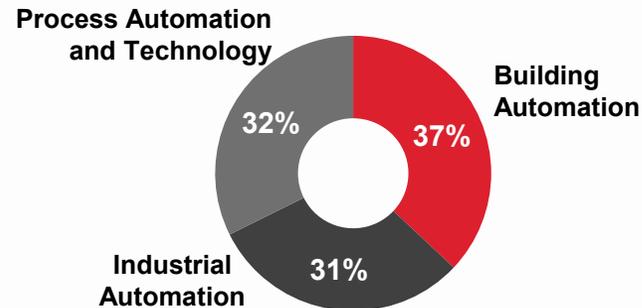
>10M
Global installed base in buildings

>5K
Top tier channel partners

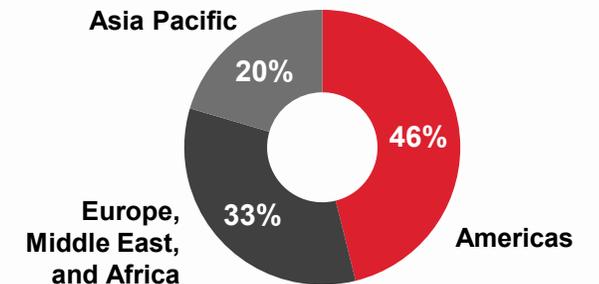
~20K
Process plants use HON technology

4%
Organic growth from NPI

Vertical Sales Mix



Geographic Sales Mix



Note: 2025 Sales results include the impact of the personal protective equipment business (PPE), sold May 21, 2025. Results exclude the impact of Advanced Materials (AM) following the successful spin-off of Solstice Advanced Materials on October 30, 2025 and the subsequent reclassification of AM as discontinued operations.

A Pure-Play Automation Leader with Global Scale and a Vast Installed Base

HONEYWELL REMAINCO SEGMENTATION

- Streamlined into four reporting segments including a simplified structure for RemainCo businesses beginning first quarter 2026: Aerospace Technologies, Building Automation, Process Automation & Technology, and Industrial Automation
- Post-Aerospace separation, RemainCo will report three segments and six strategic business units **focused on cohesive business models**
- **New segments aligned to our strategy aimed at delivering the industrial world’s transition from automation to autonomy** through high-ROI, outcomes-based solutions

BUILDING AUTOMATION (BA)

PROCESS AUTOMATION & TECHNOLOGY (PA&T)

INDUSTRIAL AUTOMATION (IA)

Advantages



Transforming the way buildings operate with best-in-class, multi-domain expertise



Synergistic process portfolio with vast installed base providing enterprise-level outcomes

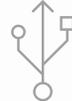


Mission-critical offerings with proven reliability and differentiated connectivity

Long-Term Growth Drivers



Rising global demand for seamless, unified building automation solutions

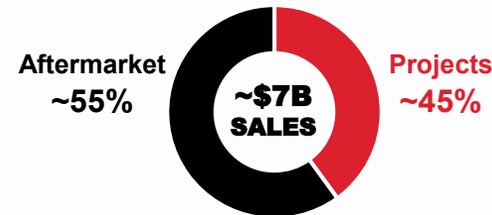


Accelerating customer digital transformation and heightened global energy mix change



Increasing penetration of industrial automation technologies; benefitting from global reshoring thematics

Sales and Mix¹



1. Sales and mix based on 2025 results, adjusted for the anticipated full-year impact of completed acquisitions and dispositions

RemainCo Segments Aligned to Business Objectives

PATH FORWARD

TIMING

- Separation of Aerospace and Automation expected in 3Q 2026

CLOSING CONDITIONS

- Filing and effectiveness of applicable filings with SEC (including Form 10)
- Customary confirmation that separations are expected to be tax-free to shareowners
- Regulatory and other customary approvals
- Final Board of Directors' approval

CAPITAL STRUCTURE

- Balance sheets appropriate for each business's operations
- Automation and Aerospace to maintain strong investment grade credit ratings
- Flexibility to meet capital deployment priorities

SEPARATION COSTS

- One-time costs of \$1.5B - \$2B¹ across both separation of Automation / Aerospace and Advanced Materials spin
- Stranded costs to be eliminated within 12 - 18 months post separation
- Dedicated "separation team" managing separation execution

NEXT STEPS

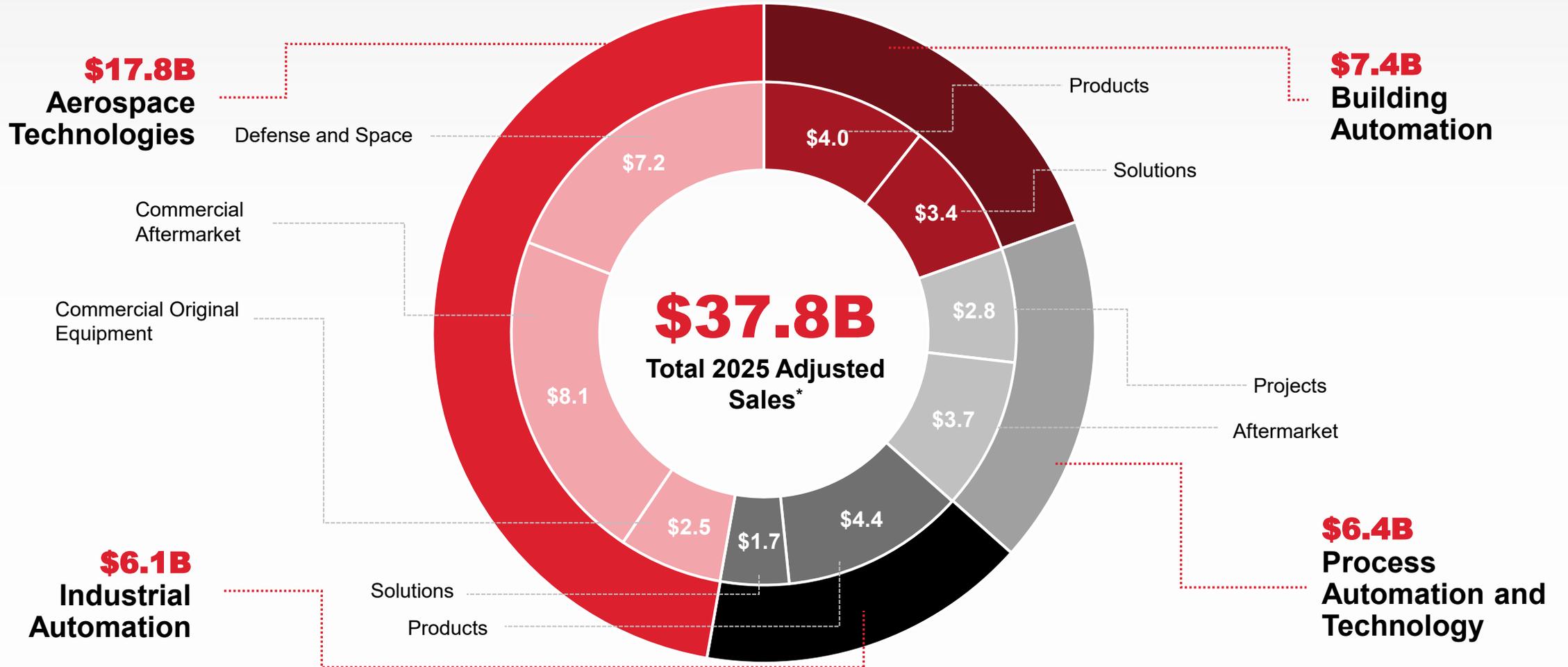
- Deliver on our commitments to our customers, shareholders, and employees
- Complete ongoing portfolio actions
- Honeywell Aerospace Investor day on June 2nd - 3rd in Phoenix; Automation Investor Day on June 11th in NYC

1. Subject to detailed development and execution of separation restructuring plans.

Separation Milestones Tracking Ahead of Original Plan

SEGMENT OVERVIEW

HONEYWELL SEGMENTS AT A GLANCE



*Non-GAAP financial measure

Note: 2025 Adjusted Sales results include the impact of the personal protective equipment business (PPE), sold May 21, 2025. Results exclude the impact of Advanced Materials (AM) following the successful spin-off of Solstice Advanced Materials on October 30, 2025 and the subsequent reclassification of AM as discontinued operations.

Well-Diversified Portfolio Positioned for Accelerated Growth

AEROSPACE TECHNOLOGIES (AT)

2025 FINANCIAL OVERVIEW

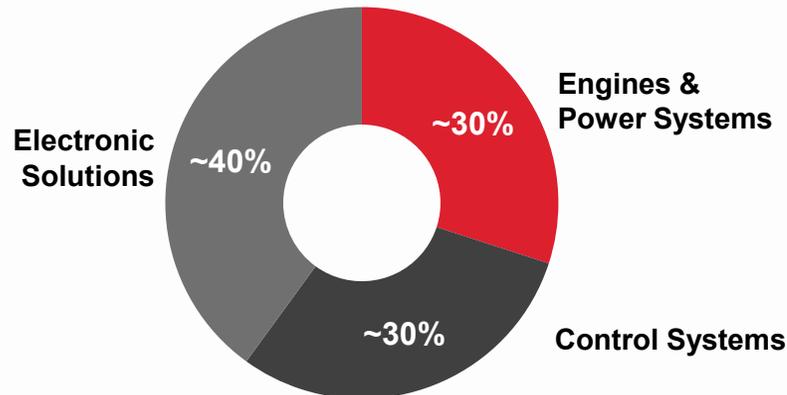
\$17.8B
Adjusted Sales*

26.1%
Adjusted
Segment Margin*

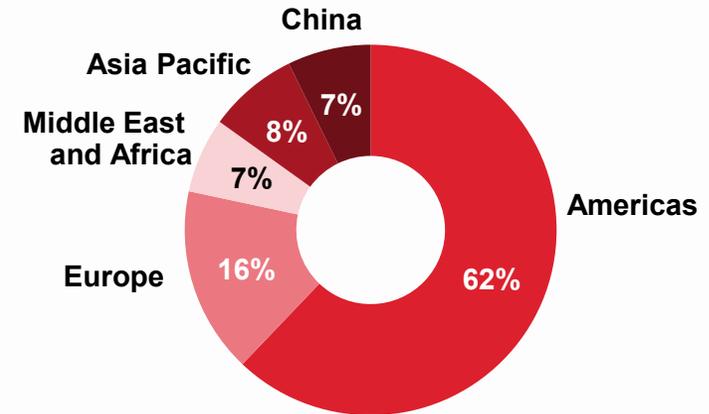
GROWTH DRIVERS

- Balanced end market and platform exposures enable capitalization on a multi-year upcycle across commercial air transport, business jet, and defense & space
- Large diversified installed base with high-value content in 500+ key platforms and recurring aftermarket sales
- Innovation track record with platform agnostic tech and strong new product pipeline

BUSINESS MIX



GEOGRAPHIC MIX



*Non-GAAP financial measure
Represents 2025 Sales.

Well Positioned to Lead the Future of Aviation

BUILDING AUTOMATION (BA)

2025 FINANCIAL OVERVIEW

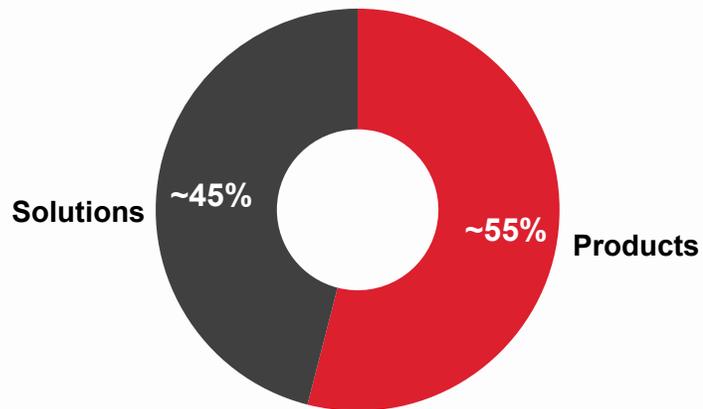
\$7.4B
Sales

26.5%
Segment Margin

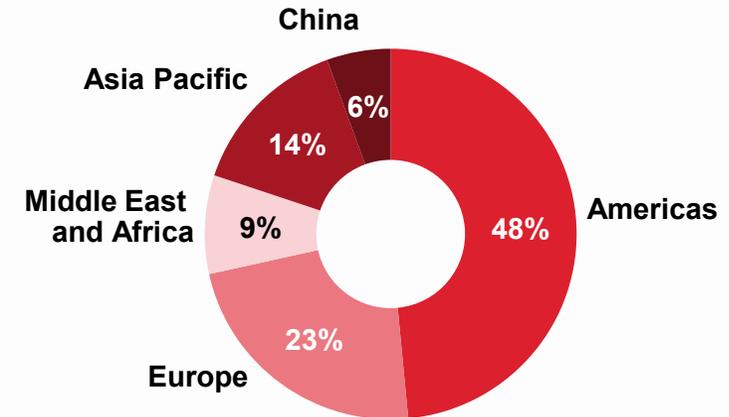
GROWTH DRIVERS

- Leading position in multi-domain building controls
- Global footprint with highly capable channel partner network
- Exposure to high growth verticals (i.e., data centers, healthcare, hospitality)
- Differentiated, connected building platform to drive recurring revenue
- New product growth fueled by increased R&D investment

BUSINESS MODEL MIX



GEOGRAPHIC MIX



Growth Driven by Verticalization and Digitization

PROCESS AUTOMATION & TECHNOLOGY (PA&T)

2025 FINANCIAL OVERVIEW

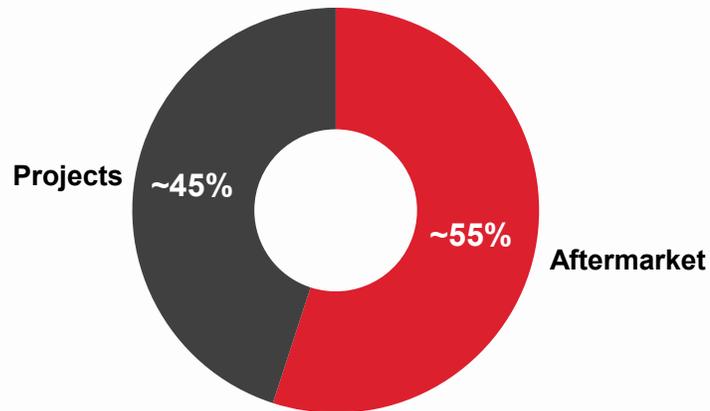
\$6.4B
Sales

24.0%
Segment Margin

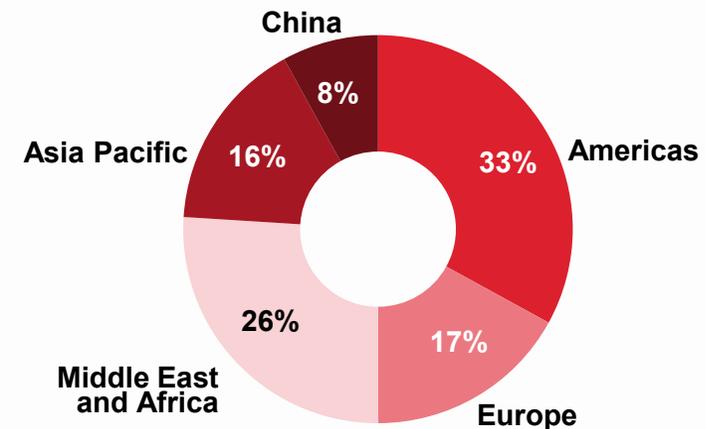
GROWTH DRIVERS

- Increased global energy demand driving continued sector investment
- Expansion into growing LNG / gas sectors and life sciences
- Aging workforce and assets driving demand for outcome-driven services
- Growing demand for OT cybersecurity solutions
- Accelerated growth through AI-enabled offerings

BUSINESS MODEL MIX



GEOGRAPHIC MIX



Delivering Unique and Differentiated End-to-End Process Solutions

INDUSTRIAL AUTOMATION (IA)

2025 FINANCIAL OVERVIEW¹

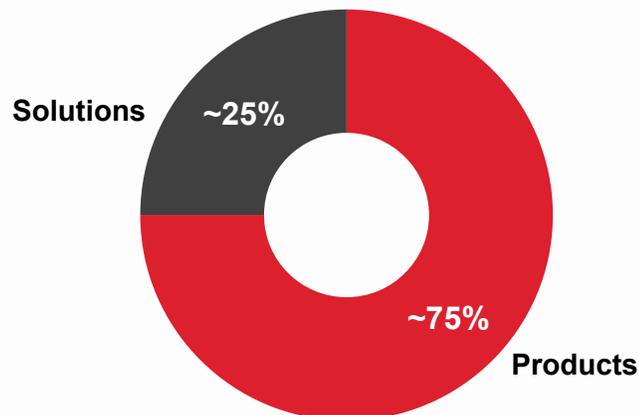
\$6.1B
Sales

14.6%
Segment Margin

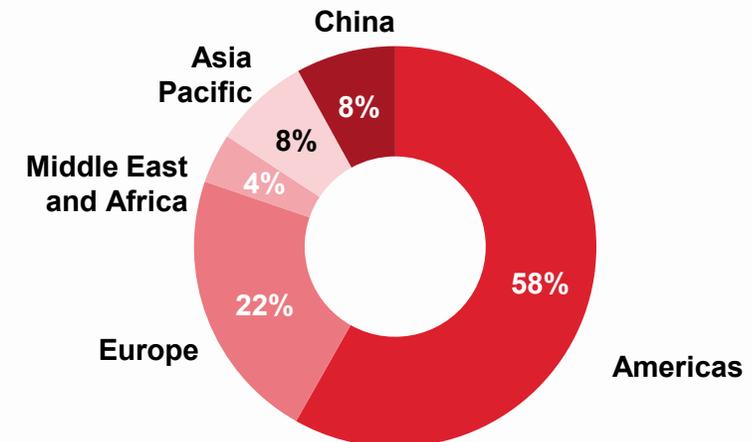
GROWTH DRIVERS

- Mission-critical offerings in highly attractive and regulated applications
- Diversified vertical exposure aligned to secular growth trends, benefiting from global reshoring thematics
- New products growth fueled by elevated R&D investments, customer co-innovation, and execution discipline
- Portfolio actions under evaluation to drive structurally higher margin profile

BUSINESS MODEL MIX



GEOGRAPHIC MIX



Represents 2025 Sales.
1. Includes Productivity Solutions and Services and Warehouse and Workflow Solutions businesses, which have been classified as held for sale.

Sensing and Measurement is Foundational to Automation

FINANCIAL PERFORMANCE



STRONG FINANCIAL PERFORMANCE

ADJUSTED SALES*

(\$B)



ADJUSTED EPS*



FREE CASH FLOW*

(\$B)



CAPITAL DEPLOYMENT

(\$B)

Cumulative capital deployment of \$32B since 2023 is 25%+ above \$25B commitment made at 2023 Investor Day



*Non-GAAP financial measure

1. 2024 financial results exclude impact of the Bombardier Agreement (BBD) announced on December 2, 2024, resulting in a reduction to Sales of \$0.4B, Net Income of \$0.3B, Cash Flow of \$0.5B, and Adjusted EPS of \$0.45.

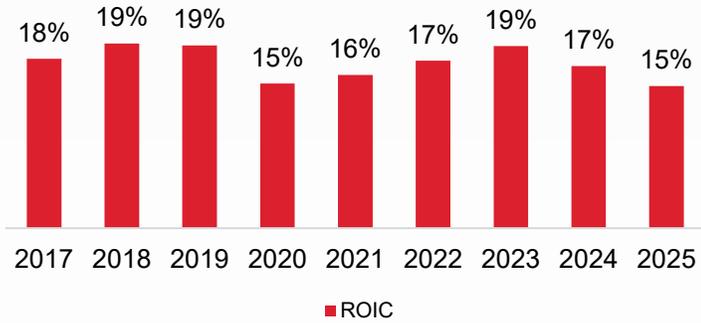
2. Please refer to the Appendix for reconciliation of non-GAAP financial measure adjusted for the impact of settlements related to the NARCO Buyout, HWI sale, and UOP Matters.

3. With respect to historical periods, free cash flow adjusted for capital expenditures, spin-off and separation-related cost payments, Resideo indemnification and reimbursement agreement termination payment, settlement of the divestiture of asbestos liability, and settlement of Flexjet-related litigation matters.

Accelerating Growth Across All Metrics

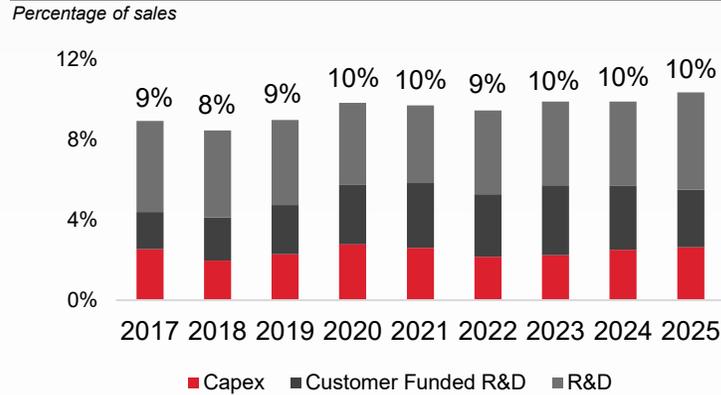
TRUSTED CAPITAL STEWARDS

RETURN ON INVESTED CAPITAL *1



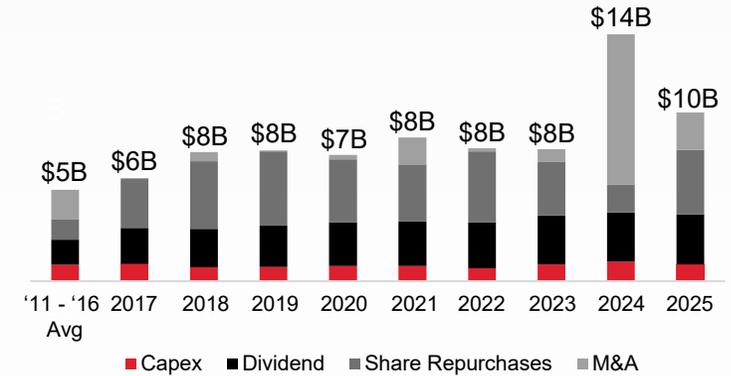
- Deliberate strategy yielding consistently high returns
- Disciplined capital allocation toward inorganic opportunities

R&D AND CAPEX SPEND²



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

CAPITAL DEPLOYMENT



- Capital deployment of \$32B since 2023 is 25%+ above \$25B commitment made at 2023 Investor Day

*Non-GAAP financial measure

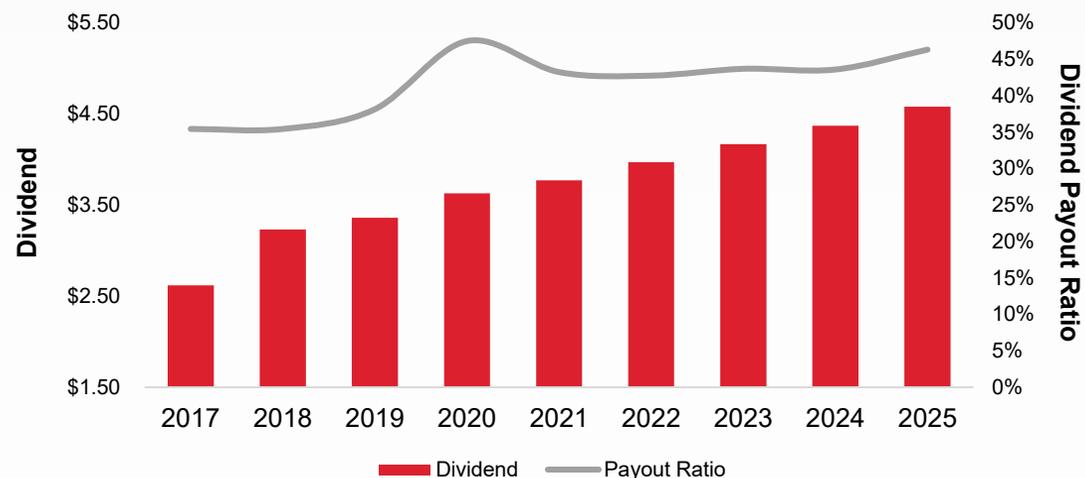
1. 2025 ROIC only period restated to reflect the reclassification of Advanced Materials as discontinued operations. Prior periods have not been restated.

2. 2023 - 2025 sales, capital expenditures, R&D, and customer-funded R&D have been restated to reflect the reclassification of Advanced Materials as discontinued operations. Prior periods have not been restated.

Industry-Leading Investment Profile with Accelerating Capital Deployment

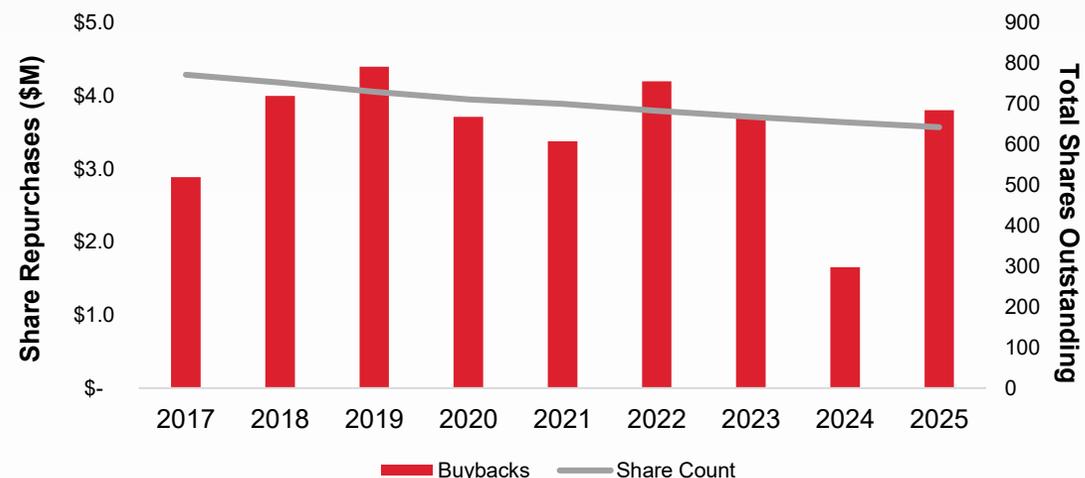
RETURNING CASH TO SHAREHOLDERS

DIVIDEND AND DIVIDEND PAYOUT RATIO



- Raised dividend 16 times over 15 consecutive years
- Dividend growth aligned with earnings growth

SHARE REPURCHASES AND SHARE COUNT



- 1% annual share count reduction
- Opportunistically repurchased shares
- Share count reduced by 17% or 2.3% CAGR since 2017

1. 2025 Dividend Payout Ratio only period restated to reflect the reclassification of Advanced Materials as discontinued operations. Prior periods have not been restated.

Driving Value for Shareholders



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.

As indicated herein, certain forward-looking non-GAAP financial measures are not reconciled because management cannot reliably predict or estimate certain items for the reasons specified herein with respect to each non-GAAP financial measure.

Reconciliation of Net Sales to Adjusted Net Sales

	<u>2025</u>
Honeywell	
Net sales	37,442
Flexjet-related litigation matters ¹	<u>312</u>
Adjusted net sales	<u>\$ 37,754</u>
Aerospace Technologies	
Net Sales	17,510
Flexjet-related litigation matters ¹	<u>312</u>
Adjusted net sales	<u>\$ 17,822</u>
Commercial Aftermarket	
Net Sales	7,777
Flexjet-related litigation matters ¹	<u>312</u>
Adjusted net sales	<u>\$ 8,089</u>

1 For the twelve months ended December 31, 2025, reflects a \$312 million impact to sales due to contra revenue accounting as a result of the settlement of the Flexjet-related litigation matters.

We define adjusted net sales as net sales less the sales impact of the Flexjet-related litigation matters. Management considers the nature and significance of these litigation matters to be unusual and not indicative of the Company's ongoing performance. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Reconciliation of Operating Income to Segment Profit and Adjusted Segment Profit, Calculation of Operating Income, Segment Profit, and Adjusted Segment Profit Margins

(\$M)	2025
Operating income	\$ 5,573
Stock compensation expense ¹	196
Repositioning, Other ^{2,3}	675
Pension and other postretirement service costs ³	73
Amortization of acquisition-related intangibles ⁴	570
Acquisition-related costs ⁵	2
Indefinite-lived intangible asset impairment ¹	44
Impairment of goodwill	724
Impairment of assets held for sale	270
Segment profit	\$ 8,127
Flexjet-related litigation matters ⁶	373
Adjusted segment profit	\$ 8,500
Operating income	\$ 5,573
÷ Net sales	\$ 37,442
Operating income margin %	14.9 %
Segment profit	\$ 8,127
÷ Net sales	\$ 37,442
Segment profit margin %	21.7 %
Adjusted segment profit	\$ 8,500
÷ Adjusted net sales	\$ 37,754
Adjusted segment profit margin %	22.5 %

1 Included in Selling, general and administrative expenses.

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

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

4 Included in Cost of products and services sold.

5 Included in Other (income) expense. Includes acquisition-related fair value adjustments to inventory and third-party transaction and integration costs.

6 For the twelve months ended December 31, 2025, reflects a \$373 million impact to segment profit as a result of the settlement of the Flexjet-related litigation matters.

We define operating income as net sales less total cost of products and services sold, research and development expenses, selling, general and administrative expenses, impairment of goodwill, and impairment of assets held for sale. We define segment profit, on an overall Honeywell basis, as operating income, excluding stock compensation expense, pension and other postretirement service costs, amortization of acquisition-related intangibles, certain acquisition- and divestiture-related costs and impairments, and repositioning and other charges. We define adjusted segment profit, on an overall Honeywell basis, as segment profit excluding the segment profit impact of the Flexjet-related litigation matters. We define segment profit margin, on an overall Honeywell basis, as segment profit divided by net sales. We define adjusted segment profit margin, on an overall Honeywell basis, as adjusted segment profit divided by adjusted net sales. We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Acquisition amortization and acquisition- and divestiture-related costs are significantly impacted by the timing, size, and number of acquisitions or divestitures we complete and are not on a predictable cycle and we make no comment as to when or whether any future acquisitions or divestitures may occur. We believe excluding these costs provides investors with a more meaningful comparison of operating performance over time and with both acquisitive and other peer companies.

Reconciliation of Aerospace Segment Profit to Adjusted Segment Profit, Calculation of Aerospace Segment Profit and Adjusted Segment Profit Margins

Aerospace Technologies	2025
Segment profit	\$ 4,284
÷ Net sales	\$ 17,510
Segment profit margin %	<u>24.5 %</u>
Segment profit	4,284
Add: Flexjet-related litigation matters ¹	373
Adjusted segment profit	<u>\$ 4,657</u>
Net sales	17,510
Add: Flexjet-related litigation matters ¹	312
Adjusted net sales	<u>\$ 17,822</u>
Adjusted segment profit margin %	<u>26.1 %</u>

1 For the twelve months ended December 31, 2025, reflects a \$312 million impact to sales due to contra revenue accounting and a \$373 million impact to segment profit as a result of the settlement of the Flexjet-related litigation matters.

We define adjusted segment profit as segment profit excluding the segment profit impact associated with the Flexjet-related litigation matters. We define adjusted net sales as sales from continuing operations less the sales impact of the Flexjet-related litigation matters. We define adjusted segment profit margin as adjusted segment profit divided by adjusted net sales. We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Reconciliation of EPS to Adjusted EPS

	2023	2024	2025
Earnings per share of common stock from continuing operations - diluted ¹	\$ 7.36	\$ 7.58	\$ 6.94
Pension mark-to-market expense ²	0.19	0.14	0.19
Amortization of acquisition-related intangibles ³	0.34	0.49	0.67
Acquisition-related costs ⁴	0.01	0.10	0.05
Divestiture-related costs ⁵	—	—	0.72
Russian-related charges ⁶	—	0.03	—
Indefinite-lived intangible asset impairment ⁷	—	0.06	0.07
Impairment of goodwill ⁸	—	—	1.13
Impairment of assets held for sale ⁹	—	0.33	0.32
Loss on sale of business ¹⁰	—	—	0.04
Gain related to Resideo indemnification and reimbursement agreement termination ¹¹	—	—	(1.25)
Adjustment to estimated future environmental liabilities ¹²	—	—	0.25
Loss on settlement of divestiture of asbestos liabilities ¹³	—	—	0.17
Flexjet-related litigation matters ¹⁴	—	—	0.48
Net expense related to the NARCO Buyout and HWI Sale ¹⁵	0.01	—	—
Adjustment to estimated future Bendix liability ¹⁶	0.49	—	—
Adjusted earnings per share of common stock from continuing operations - diluted	<u>\$ 8.40</u>	<u>\$ 8.73</u>	<u>\$ 9.78</u>

Reconciliation of EPS to Adjusted EPS (continued)

- 1 For the twelve months ended December 31, 2025, 2024, and 2023, adjusted earnings per share utilizes weighted average shares of approximately 642.8 million, 655.3 million, and 668.2 million, respectively.
- 2 For the twelve months ended December 31, 2025, 2024, and 2023, pension mark-to-market expense was \$123 million, \$95 million, and \$126 million, net of tax benefit of \$40 million, \$31 million, and \$27 million, respectively.
- 3 For the twelve months ended December 31, 2025, 2024, and 2023, acquisition-related intangibles amortization includes \$432 million, \$321 million, and \$230 million, net of tax benefit of approximately \$138 million, \$90 million, and \$60 million, respectively.
- 4 For the twelve months ended December 31, 2025, 2024, and 2023, the adjustment for acquisition-related costs, which is principally comprised of third-party transaction and integration costs and acquisition-related fair value adjustments to inventory, is \$35 million, \$66 million, and \$7 million, net of tax benefit of \$10 million, \$17 million, and \$2 million respectively.
- 5 For the twelve months ended December 31, 2025, the adjustment for divestiture-related costs, which is principally comprised of third-party transaction costs, is \$460 million, net of tax benefit of \$61 million.
- 6 For the twelve months ended December 31, 2024, the adjustment is a \$17 million expense, without tax benefit, due to the settlement of a contractual dispute with a Russian entity associated with the Company's suspension and wind down activities in Russia.
- 7 For the twelve months ended December 31, 2025, the impairment charge of indefinite-lived intangible assets associated with the Industrial Automation reportable segment was \$44 million, without tax benefit. For the twelve months ended December 31, 2024, the impairment charge of indefinite-lived intangible assets associated with the personal protective equipment business was \$37 million, net of tax benefit of \$11 million.
- 8 For the twelve months ended December 31, 2025, the impairment charge of goodwill associated with the Industrial Automation reportable segment was \$724 million, without tax benefit.
- 9 For the twelve months ended December 31, 2025 and 2024, the impairment charge of assets held for sale was \$209 million, net of tax benefit of \$61 million, and \$219 million, without tax benefit, respectively.
- 10 For the twelve months ended December 31, 2025, the loss on sale of the personal protective equipment business is \$28 million, net of tax benefit of \$2 million.
- 11 For the twelve months ended December 31, 2025, the adjustment for the gain related to the Resideo indemnification and reimbursement agreement termination was \$802 million, without tax expense.
- 12 In the twelve months ended December 31, 2025, the Company enhanced its process for estimating environmental liabilities at sites undergoing active remediation, which led to earlier recognition of the estimated probable liabilities and an increase to estimated environmental liabilities. For the twelve months ended December 31, 2025, the adjustment to increase environmental liabilities was \$161 million, net of tax benefit of \$50 million.
- 13 For the twelve months ended December 31, 2025, the adjustment for loss on settlement of divestiture of asbestos liabilities was \$112 million, net of tax benefit of \$36 million.
- 14 For the twelve months ended December 31, 2025, the adjustment for the Flexjet-related litigation matters was \$302 million, net of tax benefit of \$71 million. Management considers the nature and significance of these litigation matters to be unusual and not indicative of the Company's ongoing performance.
- 15 For the twelve months ended December 31, 2023, the adjustments were \$8 million, net of tax benefit of \$3 million, due to the net expense related to the NARCO Buyout and HWI Sale.
- 16 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 was 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.

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

Acquisition amortization and acquisition- and divestiture-related costs are significantly impacted by the timing, size, and number of acquisitions or divestitures we complete and are not on a predictable cycle and we make no comment as to when or whether any future acquisitions or divestitures may occur. We believe excluding these costs provides investors with a more meaningful comparison of operating performance over time and with both acquisitive and other peer companies.

Reconciliation of Adjusted Net Income Attributable to Honeywell

(\$M)	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Net income attributable to Honeywell	\$ 1,545	\$ 6,765	\$ 6,143	\$ 4,779	\$ 5,542	\$ 4,966	\$ 5,658	\$ 5,705	\$ 4,461
Pension mark-to-market expense ¹	67	28	94	33	30	440	126	95	123
Amortization of acquisition-related intangibles ²	314	307	327	284	363	264	231	324	432
Impacts from U.S. Tax Reform	3,891	(1,494)	(281)	—	—	—	—	—	—
Separation costs ³	14	732	—	—	—	—	—	—	—
Separation related tax adjustment ⁴	—	—	—	(186)	—	—	—	—	—
Garrett related adjustments ⁵	—	—	—	427	7	—	—	—	—
Changes in fair value of Garrett equity securities ⁶	—	—	—	—	(19)	—	—	—	—
Gain on sale of retail footwear business ⁷	—	—	—	—	(76)	—	—	—	—
Expense (benefit) related to UOP Matters ⁸	—	—	—	—	160	45	—	—	—
Russian-related charges ⁹	—	—	—	—	—	297	(3)	17	—
Gain on sale of Russian entities ¹⁰	—	—	—	—	—	(22)	—	—	—
Net expense related to the NARCO Buyout and HWI Sale ¹¹	—	—	—	—	—	260	8	—	—
Adjustment to estimated future Bendix liability ¹²	—	—	—	—	—	—	330	—	—
Acquisition-related costs ¹³	—	—	—	—	—	—	7	59	35
Divestiture-related costs ¹⁴	—	—	—	—	—	—	—	23	460
Indefinite-lived intangible asset impairment ¹⁵	—	—	—	—	—	—	—	37	44
Impairment of assets held for sale ¹⁶	—	—	—	—	—	—	—	219	209
Impairment of goodwill ¹⁷	—	—	—	—	—	—	—	—	724
Loss on sale of business ¹⁸	—	—	—	—	—	—	—	—	28
Gain related to Resideo indemnification and reimbursement agreement termination ¹⁹	—	—	—	—	—	—	—	—	(802)
Adjustment to estimated future environmental liabilities ²⁰	—	—	—	—	—	—	—	—	161
Loss on settlement of divestiture of asbestos liabilities ²¹	—	—	—	—	—	—	—	—	112
Flexjet-related litigation matters ²²	—	—	—	—	—	—	—	—	302
Adjusted net income attributable to Honeywell	\$ 5,831	\$ 6,338	\$ 6,283	\$ 5,337	\$ 6,007	\$ 6,250	\$ 6,357	\$ 6,479	\$ 6,289

*2025 reflects Net income from continuing operations attributable to Honeywell, as a result of the classification of the results of the Advanced Materials business as discontinued operations. 2017 - 2024 historical information has not been recast from amounts previously reported.

1 Pension mark-to-market expense uses a blended tax rate of 25%, 25%, 18%, 16%, 25%, 25%, 24%, 24%, and 23%, net of tax benefit of \$40 million, \$31 million, \$27 million, \$83 million, \$10 million, \$11 million, \$29 million, \$9 million, and \$20 million for the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

2 For the twelve months ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017, acquisition-related intangibles amortization includes approximately \$432 million, \$324 million, \$231 million, \$264 million, \$363 million, \$284 million, \$327 million, \$307 million, and \$314 million, net of tax benefit of approximately \$138 million, \$91 million, \$61 million, \$69 million, \$102 million, \$74 million, \$88 million, \$88 million, and \$84 million, respectively.

3 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.

4 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.

5 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.

6 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.

7 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.

Reconciliation of Adjusted Net Income Attributable to Honeywell (Continued)

- 8 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.
- 9 For the twelve months ended December 31, 2024, the adjustments were a \$17 million expense, without tax benefit, due to the settlement of a contractual dispute with a Russian entity associated with the Company's suspension and wind down activities in Russia. 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.
- 10 For the years ended December 31, 2022, the adjustment was \$22 million, without tax expense, due to the gain on sale of Russian entities.
- 11 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.
- 12 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.
- 13 For the twelve months ended December 31, 2025, 2024, and 2023, the adjustment for acquisition-related costs, which is principally comprised of third-party transaction and integration costs and acquisition-related fair value adjustments to inventory, is \$35 million, \$59 million, and \$7 million, net of tax benefit of \$10 million, \$16 million, and \$2 million respectively.
- 14 For the twelve months ended December 31, 2025 and 2024, the adjustment for divestiture-related costs, which is principally comprised of third-party transaction costs, were \$460 million and \$23 million, net of tax benefit of \$61 million and \$6 million, respectively.
- 15 For the twelve months ended December 31, 2025, the impairment charge of indefinite-lived intangible assets associated with the Industrial Automation reportable segment was \$44 million, without tax benefit. For the twelve months ended December 31, 2024, the impairment charge of indefinite-lived intangible assets associated with the personal protective equipment business was \$37 million, net of tax benefit of \$11 million.
- 16 For the twelve months ended December 31, 2025 and 2024, the impairment charge of assets held for sale was \$209 million, net of tax benefit of \$61 million, and \$219 million, without tax benefit, respectively.
- 17 For the twelve months ended December 31, 2025, the impairment charge of goodwill associated with the Industrial Automation reportable segment was \$724 million, without tax benefit.
- 18 For the twelve months ended December 31, 2025, the loss on sale of the personal protective equipment business is \$28 million, net of tax benefit of \$2 million.
- 19 For the twelve months ended December 31, 2025, the adjustment for the gain related to the Resideo indemnification and reimbursement agreement termination was \$802 million, without tax expense.
- 20 In the twelve months ended December 31, 2025, the Company enhanced its process for estimating environmental liabilities at sites undergoing active remediation, which led to earlier recognition of the estimated probable liabilities and an increase to estimated environmental liabilities. For the twelve months ended December 31, 2025, the adjustment to increase environmental liabilities was \$161 million, net of tax benefit of \$50 million.
- 21 For the twelve months ended December 31, 2025, the adjustment for loss on settlement of divestiture of asbestos liabilities was \$112 million, net of tax benefit of \$36 million.
- 22 For the twelve months ended December 31, 2025, the adjustment for the Flexjet-related litigation matters was \$302 million, net of tax benefit of \$71 million. Management considers the nature and significance of these litigation matters to be unusual and not indicative of the Company's ongoing performance.

We define adjusted 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.

Acquisition amortization and acquisition- and divestiture-related costs are significantly impacted by the timing, size, and number of acquisitions or divestitures we complete and are not on a predictable cycle and we make no comment as to when or whether any future acquisitions or divestitures may occur. We believe excluding these costs provides investors with a more meaningful comparison of operating performance over time and with both acquisitive and other peer companies.

Calculation of Return on Invested Capital (ROIC)

(\$M)	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Adjusted net income attributable to Honeywell	\$ 5,831	\$ 6,338	\$ 6,283	\$ 5,337	\$ 6,007	\$ 6,250	\$ 6,357	\$ 6,479	\$ 6,289
Interest and other financial charges	316	367	357	359	343	414	765	1,058	1,344
Tax attributable to interest expense ¹	(69)	(82)	(76)	(83)	(77)	(86)	(160)	(212)	(255)
Adjusted net income before interest	<u>\$ 6,078</u>	<u>\$ 6,623</u>	<u>\$ 6,564</u>	<u>\$ 5,613</u>	<u>\$ 6,273</u>	<u>\$ 6,578</u>	<u>\$ 6,962</u>	<u>\$ 7,325</u>	<u>\$ 7,378</u>
Long-term debt ²	\$ 12,378	\$ 11,165	\$ 10,433	\$ 13,726	\$ 15,298	\$ 14,689	\$ 15,843	\$ 21,021	\$ 26,291
Current maturities of long-term debt ²	789	2,112	2,124	1,911	2,124	1,767	1,763	1,572	1,436
Commercial paper and other short-term borrowings ²	3,662	3,772	3,551	3,557	3,570	3,130	2,401	3,179	5,083
Total shareowners' equity ²	<u>17,774</u>	<u>17,512</u>	<u>18,532</u>	<u>18,248</u>	<u>18,516</u>	<u>18,281</u>	<u>16,877</u>	<u>17,794</u>	<u>17,092</u>
Net investment (two-point average)	<u>\$ 34,603</u>	<u>\$ 34,561</u>	<u>\$ 34,640</u>	<u>\$ 37,442</u>	<u>\$ 39,508</u>	<u>\$ 37,867</u>	<u>\$ 36,884</u>	<u>\$ 43,566</u>	<u>\$ 49,902</u>
Return on invested capital	<u>18 %</u>	<u>19 %</u>	<u>19 %</u>	<u>15 %</u>	<u>16 %</u>	<u>17 %</u>	<u>19 %</u>	<u>17 %</u>	<u>15 %</u>

*2025 reflects ROIC based on continuing operations as a result of the classification of the results of the Advanced Materials business as discontinued operations. 2017 - 2024 historical information has not been recast from amounts previously reported.

- 1 Tax attributable to interest expense uses rates of 19.0%, 20.0%, 20.9%, 20.8%, 22.5%, 23.2%, 21.3%, 22.3%, and 21.7% for 2025, 2024, 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 Calculations of Operating Cash Flow and Free Cash Flow Margins

(\$M)	2023	2024	2025
Cash provided by operating activities from continuing operations	\$ 4,459	\$ 5,112	\$ 6,075
Capital expenditures	(741)	(871)	(986)
Spin-off and separation-related cost payments	—	—	116
Resideo indemnification and reimbursement agreement termination payment	—	—	(1,590)
Settlement of divestiture of asbestos liabilities	—	—	1,428
Settlement of Flexjet-related litigation matters	—	—	59
Free cash flow	\$ 3,718	\$ 4,241	\$ 5,102
Impact of settlements ¹	1,001	—	—
Free cash flow excluding impact of settlements	\$ 4,719	\$ 4,241	\$ 5,102
Cash provided by operating activities	\$ 4,459	\$ 5,112	\$ 6,075
÷ Net sales	\$ 33,009	\$ 34,717	\$ 37,442
Operating cash flow margin %	14 %	15 %	16 %
Adjusted free cash flow	\$ 4,719	\$ 4,241	\$ 5,102
÷ Net sales	\$ 33,009	\$ 34,717	\$ 37,442
Adjusted free cash flow margin %	14 %	12 %	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 from continuing operations less cash for capital expenditures and excluding spin-off and separation-related cost payments, the Resideo indemnification and reimbursement agreement termination payment, the cash payment for settlement of divestiture of asbestos liabilities, and the cash payment for settlement of Flexjet-related litigation matters.

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.

Honeywell