

Honeywell International Inc.
Consolidated Statement of Operations (Unaudited)
(Dollars in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Product sales	\$ 6,588	\$ 6,233	\$ 19,404	\$ 19,281
Service sales	2,363	2,240	6,876	6,454
Net sales	8,951	8,473	26,280	25,735
Costs, expenses and other				
Cost of products sold ⁽¹⁾	4,630	4,463	13,676	13,748
Cost of services sold ⁽¹⁾	1,351	1,283	4,025	3,710
	5,981	5,746	17,70	17,458
Selling, general and administrative expenses ⁽¹⁾	1,228	1,152	3,965	3,595
Other (income) expense	(337)	(215)	(846)	(1,023)
Interest and other financial charges	98	90	270	263
	6,970	6,773	21,090	20,293
Income before taxes	1,981	1,700	5,190	5,442
Tax expense (benefit)	432	427	1,244	1,274
Net income	1,549	1,273	3,946	4,168
Less: Net income (loss) attributable to the noncontrolling interest	(3)	16	(1)	54
Net income attributable to Honeywell	\$ 1,552	\$ 1,257	\$ 3,947	\$ 4,114
Earnings per share of common stock - basic	\$ 2.30	\$ 1.82	\$ 5.81	\$ 5.93
Earnings per share of common stock - assuming dilution	\$ 2.28	\$ 1.80	\$ 5.76	\$ 5.86
Weighted average number of shares outstanding - basic	674.1	690.6	679.3	693.6
Weighted average number of shares outstanding - assuming	679.6	698.9	685.3	702.0

(1) Cost of products and services sold and Selling, general and administrative expenses include amounts for repositioning and other charges, the service cost component of pension and other postretirement (income) expense, and stock compensation expense.

Honeywell International Inc.
Segment Data (Unaudited)
(Dollars in millions)

Net Sales	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Aerospace	\$ 2,976	\$ 2,732	\$ 8,623	\$ 8,130
Honeywell Building Technologies	1,526	1,370	4,486	4,135
Performance Materials and Technologies	2,720	2,510	7,867	7,408
Safety and Productivity Solutions	1,727	1,861	5,300	6,062
Corporate and All Other	2	—	4	—
Total	\$ 8,951	\$ 8,473	\$ 26,280	\$ 25,735

Reconciliation of Segment Profit to Income Before Taxes

Segment Profit	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Aerospace	\$ 818	\$ 740	\$ 2,338	\$ 2,212
Honeywell Building Technologies	368	322	1,064	942
Performance Materials and Technologies	615	558	1,726	1,522
Safety and Productivity Solutions	271	245	755	840
Corporate and All Other	(120)	(72)	(298)	(155)
Total segment profit	1,952	1,793	5,585	5,361
Interest and other financial charges	(98)	(90)	(270)	(263)
Stock compensation expense ⁽¹⁾	(50)	(56)	(163)	(172)
Pension ongoing income ⁽²⁾	247	261	748	809
Other postretirement income ⁽²⁾	10	18	30	53
Repositioning and other charges ^(3,4)	(100)	(96)	(714)	(338)
Other ⁽⁵⁾	20	(130)	(26)	(8)
Income before taxes	\$ 1,981	\$ 1,700	\$ 5,190	\$ 5,442

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

(2) Amounts included in Cost of products and services sold, Selling, general and administrative expenses (service costs) and Other income (expense) (non-service cost components).

(3) Amounts included in Cost of products and services sold, Selling, general and administrative expenses, and Other (income) expense.

(4) Includes repositioning, asbestos, and environmental expenses.

(5) Amounts include the other components of Other (income) expense not included within other categories in this reconciliation. Equity income of affiliated companies is included in segment profit.

Honeywell International Inc.
Consolidated Balance Sheet (Unaudited)
(Dollars in millions)

	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,449	\$ 10,959
Short-term investments	516	564
Accounts receivable, less allowances of \$349 and \$177, respectively	7,363	6,830
Inventories	5,501	5,138
Other current assets	1,696	1,881
Total current assets	22,525	25,372
Investments and long-term receivables	807	1,222
Property, plant and equipment - net	5,339	5,562
Goodwill	16,974	17,756
Other intangible assets - net	3,220	3,613
Insurance recoveries for asbestos related liabilities	238	322
Deferred income taxes	437	489
Other assets	10,747	10,134
Total assets	\$ 60,287	\$ 64,470
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 6,118	\$ 6,484
Commercial paper and other short-term borrowings	3,434	3,542
Current maturities of long-term debt	1,315	1,803
Accrued liabilities	7,242	7,679
Total current liabilities	18,109	19,508
Long-term debt	12,236	14,254
Deferred income taxes	2,406	2,364
Postretirement benefit obligations other than pensions	203	208
Asbestos-related liabilities	1,693	1,800
Other liabilities	7,303	7,087
Redeemable noncontrolling interest	7	7
Shareowners' equity	18,330	19,242
Total liabilities, redeemable noncontrolling interest and shareowners' equity	\$ 60,287	\$ 64,470

Honeywell International Inc.
Consolidated Statement of Cash Flows (Unaudited)
(Dollars in millions)

	<u>Three Months Ended</u> <u>September 30.</u>		<u>Nine Months Ended</u> <u>September 30.</u>	
	2022	2021	2022	2021
Cash flows from operating activities:				
Net income	\$ 1,549	\$ 1,273	\$ 3,946	\$ 4,168
Less: Net income (loss) attributable to the noncontrolling interest	(3)	16	(1)	54
Net income attributable to Honeywell	1,552	1,257	3,947	4,114
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:				
Depreciation	166	171	494	506
Amortization	134	137	411	427
Gain on sale of non-strategic businesses and assets	(10)	(5)	(10)	(95)
Repositioning and other charges	100	96	714	338
Net payments for repositioning and other charges	(96)	(147)	(316)	(505)
Pension and other postretirement income	(257)	(279)	(778)	(862)
Pension and other postretirement benefit receipts (payments)	(9)	(2)	(14)	(29)
Stock compensation expense	50	56	163	172
Deferred income taxes	88	88	208	189
Other	119	171	200	(106)
Changes in assets and liabilities, net of the effects of acquisitions and dispositions:				
Accounts receivable	244	(292)	(660)	(419)
Inventories	44	(245)	(390)	(516)
Other current assets	163	(226)	125	(324)
Accounts payable	(125)	(23)	(365)	379
Accrued liabilities	(80)	362	(821)	106
Net cash provided by operating activities	2,083	1,11	2,908	3,375
Cash flows from investing activities:				
Expenditures for property, plant and equipment	(184)	(208)	(525)	(614)
Proceeds from disposals of property, plant and equipment	—	4	11	18
Increase in investments	(364)	(592)	(834)	(1,989)
Decrease in investments	238	575	884	1,906
Receipts from Garrett Motion Inc.	—	—	409	375
Receipts from settlements of derivative contracts	436	11	773	88
Cash paid for acquisitions, net of cash acquired	—	(7)	(178)	(1,334)
Proceeds from sales of businesses, net of fees paid	—	13	—	203
Net cash provided by (used for) investing activities	126	(104)	540	(1,34)
Cash flows from financing activities:				
Proceeds from issuance of commercial paper and other short-term borrowings	2,386	1,282	5,310	3,640
Payments of commercial paper and other short-term borrowings	(2,398)	(1,282)	(5,324)	(3,637)
Proceeds from issuance of common stock	46	57	121	171
Proceeds from issuance of long-term debt	1	2,482	2	2,509
Payments of long-term debt	(1,729)	(2,520)	(1,818)	(3,355)
Repurchases of common stock	(390)	(650)	(2,827)	(2,499)
Cash dividends paid	(669)	(646)	(2,028)	(1,950)
Other	(24)	(41)	(45)	(74)
Net cash used for financing activities	(2,777)	(1,31)	(6,609)	(5,195)
Effect of foreign exchange rate changes on cash and cash equivalents	(231)	(37)	(349)	(21)
Net decrease in cash and cash equivalents	(799)	(340)	(3,510)	(3,188)
Cash and cash equivalents at beginning of period	8,248	11,427	10,959	14,275
Cash and cash equivalents at end of period	\$ 7,449	\$ 11,087	\$ 7,449	\$ 11,087

Appendix

Non-GAAP Financial Measures

The following information provides definitions and reconciliations of certain non-GAAP financial measures presented in this press release 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 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. 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.

Honeywell International Inc.
Reconciliation of Organic Sales % Change (Unaudited)

	Three Months Ended September
Honeywell	
Reported sales % change	6%
Less: Foreign currency translation	(3)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	9%
Sales decline attributable to lost Russian sales	1%
Organic sales % change excluding lost Russian sales	10%
Aerospace	
Reported sales % change	9%
Less: Foreign currency translation	(1)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	10%
Honeywell Building Technologies	
Reported sales % change	11%
Less: Foreign currency translation	(8)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	19%
Performance Materials and Technologies	
Reported sales % change	8%
Less: Foreign currency translation	(6)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	14%
Safety and Productivity Solutions	
Reported sales % change	(7)%
Less: Foreign currency translation	(3)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	(4)%

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

Honeywell International Inc.

Reconciliation of Operating Income to Segment Profit, Calculation of Operating Income and Segment Profit Margins and
Calculation of Segment Profit Margin excluding Quantinum (Unaudited)
(Dollars in millions)

	Three Months Ended September 30,		Twelve Months Ended December 31	
	2022	2021	2021	
Operating income	\$ 1,742	\$ 1,575	\$ 6,200	
Stock compensation expense ⁽¹⁾	50	56	217	
Repositioning, Other ^(2,3)	128	117	636	
Pension and other postretirement service costs ⁽³⁾	32	45	159	
Segment profit	\$ 1,952	\$ 1,793	\$ 7,212	
Operating income	\$ 1,742	\$ 1,575	\$ 6,200	
÷ Net sales	\$ 8,951	\$ 8,473	\$ 34,392	
Operating income margin %	19.5 %	18.6 %	18.0 %	
Segment profit	\$ 1,952	\$ 1,793	\$ 7,212	
÷ Net sales	\$ 8,951	\$ 8,473	\$ 34,392	
Segment profit margin %	21.8 %	21.2 %	21.0 %	
Operating income	\$ 1,742	\$ 1,575	\$ 6,200	
Add: Quantinum operating loss ⁽⁴⁾	39	15	62	
Operating income excluding Quantinum	\$ 1,781	\$ 1,590	\$ 6,262	
Segment profit	\$ 1,952	\$ 1,793	\$ 7,212	
Add: Quantinum segment loss ⁽⁴⁾	39	15	62	
Segment profit excluding Quantinum	\$ 1,991	\$ 1,808	\$ 7,274	
Net sales	\$ 8,951	\$ 8,473	\$ 34,392	
Less: Quantinum net sales	2	1	5	
Net sales excluding Quantinum	\$ 8,949	\$ 8,472	\$ 34,387	
Operating income margin % excluding Quantinum	19.9 %	18.8 %	18.2 %	
Segment profit margin % excluding Quantinum	22.2 %	21.3 %	21.2 %	
Expansion in operating income margin % excluding Quantinum	110 bps	Not Reported	Not Reported	
Expansion in segment profit margin % excluding Quantinum	90 bps	Not Reported	Not Reported	
Expansion in operating income margin %	90 bps	Not Reported	Not Reported	
Expansion in segment profit margin %	60 bps	Not Reported	Not Reported	

- (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 September 30, 2022, other charges include a benefit of \$16 million primarily related to a favorable foreign exchange revaluation on an intercompany loan with a Russian affiliate, in addition to the recovery of outstanding accounts receivable previously reserved against, partially offset by additional charges for called guarantees, related to the initial suspension and wind down of our businesses and operations in Russia. For the three months ended September 30, 2022, and twelve months ended December 31, 2021, other charges include \$17 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 when total estimated costs at completion for certain of the business' long-term contracts exceeded total estimated revenue. These certain costs represent
- (3) Included in Cost of products and services sold and Selling, general and administrative expenses.
- (4) For the three months ended September 30, 2021, and the twelve months ended December 31, 2021, Quantinuum operating loss and segment loss includes the operating loss and 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, 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 excluding Quantinuum as segment profit excluding segment profit attributable to Quantinuum. We define segment profit margin, on an overall Honeywell basis, as segment profit divided by net sales. We define segment profit margin excluding Quantinuum, as segment profit excluding Quantinuum divided by net sales excluding 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 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 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. 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.

Honeywell International Inc.
Reconciliation of Earnings per Share to Adjusted Earnings per Share (Unaudited)

	Three Months Ended September 30,		Twelve Months Ended December 31,	
	2022	2021	2021	2022(E)
Earnings per share of common stock - diluted ⁽¹⁾	\$ 2.28	\$ 1.80	\$ 7.91	\$8.21 - \$8.31
Pension mark-to-market expense ⁽²⁾	—	—	0.05	No Forecast
Changes in fair value for Garrett equity securities ⁽³⁾	—	—	(0.03)	—
Garrett related adjustments ⁽⁴⁾	—	—	0.01	—
Gain on sale of retail footwear business ⁽⁵⁾	—	(0.01)	(0.11)	—
Expense related to UOP Matters ⁽⁶⁾	—	0.23	0.23	0.07
Russian-related charges ⁽⁷⁾	(0.02)	—	—	0.43
Gain on sale of Russian entity ⁽⁸⁾	(0.01)	—	—	(0.01)
Adjusted earnings per share of common stock -	\$ 2.25	\$ 2.02	\$ 8.06	\$8.70 - \$8.80

- (1) For the three months ended September 30, 2022, and 2021, adjusted earnings per share utilizes weighted average shares of approximately 679.6 million and 698.9 million, respectively. For the twelve months ended December 31, 2021, adjusted earnings per share utilizes weighted average shares of approximately 700.4 million. For the twelve months ended December 31, 2022, expected earnings per share utilizes weighted average shares of 683 million.
- (2) Pension mark-to-market expense uses a blended tax rate of 25%, net of tax expense of \$10 million for 2021.
- (3) For the twelve months ended December 31, 2021, the adjustment was \$19 million, net of tax expense of \$5 million, due to changes in fair value for Garrett equity securities.
- (4) For the twelve months ended December 31, 2021, the adjustment was \$7 million, without tax benefit, 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 September 30, 2021, and twelve months ended December 31, 2021, the adjustments were \$4 million and \$76 million, respectively, net of tax expense of \$1 million and \$19 million, respectively, due to the gain on sale of the retail footwear business.
- (6) For the twelve months ended December 31, 2022, the adjustment was \$50 million, without tax benefit, due to an expense related to UOP matters. For the three months ended September 30, 2021, and twelve months ended December 31, 2021, the adjustment was \$160 million, without tax benefit, due to an expense related to UOP matters.
- (7) For the three months ended September 30, 2022, the adjustment was \$16 million, without tax benefit, primarily related to favorable foreign exchange revaluation on an intercompany loan with a Russian affiliate, in addition to the recovery of outstanding accounts receivable previously reserved against, partially offset by additional charges for called guarantees, 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 \$293 million, including a tax valuation allowance benefit of \$2 million, to exclude charges and the accrual of reserves related to outstanding accounts receivable and 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, called guarantees, and a tax valuation allowance related to the initial suspension and wind down of our businesses and operations in Russia.
- (8) For the three months ended September 30, 2022, the adjustment was \$10 million, without tax benefit, due to the gain on sale of a Russian entity.

We define adjusted earnings per share as diluted earnings per share adjusted to exclude various charges as listed above. We believe adjusted earnings per share is 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.

Honeywell International Inc.

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow, Reconciliation of Net Income Attributable to Honeywell to Adjusted Net Income Attributable to Honeywell, and Calculation of Adjusted Free Cash Flow Conversion (Unaudited)
(Dollars in millions)

	Three Months Ended September 30,	Three Months Ended September 30,
Cash provided by operating activities	\$ 2,083	\$ 1,119
Expenditures for property, plant and equipment	(184)	(208)
Garrett cash receipts	—	—
Free cash flow	\$ 1,899	\$ 911
Net income attributable to Honeywell	\$ 1,552	\$ 1,257
Changes in fair value for Garrett equity securities ⁽¹⁾	—	2
Gain on sale of retail footwear business ⁽²⁾	—	(4)
Expense related to UOP Matters ⁽³⁾	—	160
Russian-related charges ⁽⁴⁾	(16)	—
Gain on sale of Russian entity ⁽⁵⁾	(10)	—
Adjusted net income attributable to Honeywell	\$ 1,526	\$ 1,415
Cash provided by operating activities	\$ 2,083	\$ 1,119
÷ Net income attributable to Honeywell	\$ 1,552	\$ 1,257
Operating cash flow conversion %	134 %	89 %
Free cash flow	\$ 1,899	\$ 911
÷ Adjusted net income attributable to Honeywell	\$ 1,526	\$ 1,415
Adjusted free cash flow conversion %	124%	64 %

- (1) For the three months ended September 30, 2021, the adjustment was \$2 million, without tax benefit, changes in fair value for Garrett equity securities.
- (2) For the three months ended September 30, 2021, the adjustment was \$4 million, net of tax expense of \$1 million, due to a gain on sale of the retail footwear business.
- (3) For the three months ended September 30, 2021, the adjustment was \$160 million, without tax benefit, due to an expense related to UOP matters.
- (4) For the three months ended September 30, 2022, the adjustment was \$16 million, without tax benefit, primarily related to a favorable foreign exchange revaluation on an intercompany loan with a Russian affiliate, in addition to the recovery of outstanding accounts receivable previously reserved against, partially offset by additional charges for called guarantees related to the initial suspension and wind down of our businesses and operations in Russia.
- (5) For the three months ended September 30, 2022, the adjustment was \$10 million, without tax benefit, due to the gain on sale of a Russian entity.

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 adjusted net income attributable to Honeywell as net income attributable to Honeywell adjusted to exclude various items as listed above. We define adjusted free cash flow conversion as free cash flow divided by adjusted net income attributable to Honeywell.

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.

Honeywell International Inc.

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow and Calculation of Free Cash Flow Margin (Unaudited)
(Dollars in millions)

	Three Months Ended September 30,	
Cash provided by operating activities	\$	2,083
Expenditures for property, plant and equipment		(184)
Garrett cash receipts		—
Free cash flow		1,899
Cash provided by operating activities	\$	2,083
÷ Net sales	\$	8,951
Operating cash flow margin %		23.3%
Free cash flow	\$	1,899
÷ Net sales	\$	8,951
Free cash flow margin %		21.2 %

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 margin as free cash flow divided by net sales.

We believe that free cash flow and free cash flow margin 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. These metrics 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 International Inc.
Reconciliation of Expected Cash Provided by Operating Activities to Expected Free Cash Flow and Expected Free Cash Flow
Excluding Quantinum (Unaudited)

	Twelve Months Ended December 31, 2022 (5) (4B)
Cash provided by operating activities	~\$5.2 - \$5.6
Expenditures for property, plant and equipment	~(0.9)
Garrett cash receipts	0.4
Free cash flow	~\$4.7 - \$5.1
Free Cash flow attributable to Quantinum	0.2
Free cash flow excluding Quantinum	~\$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 Quantinum as free cash flow less free cash flow attributable to Quantinum.

We believe that free cash flow and free cash flow excluding Quantinum 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.