

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

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|--|-----------------|---|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Product sales | \$ 6,362 | \$ 6,804 | \$ 25,643 | \$ 24,737 |
| Service sales | 2,295 | 2,096 | 8,749 | 7,900 |
| Net sales | 8,657 | 8,900 | 34,392 | 32,637 |
| Costs, expenses and other | | | | |
| Cost of products sold ⁽¹⁾ | 4,596 | 4,786 | 18,344 | 17,638 |
| Cost of services sold ⁽¹⁾ | 1,340 | 1,190 | 5,050 | 4,531 |
| | 5,936 | 5,976 | 23,394 | 22,169 |
| Selling, general and administrative expenses ⁽¹⁾ | 1,203 | 1,248 | 4,798 | 4,772 |
| Other (income) expense | (355) | (129) | (1,378) | (675) |
| Interest and other financial charges | 80 | 95 | 343 | 359 |
| | 6,864 | 7,190 | 27,157 | 26,625 |
| Income before taxes | 1,793 | 1,710 | 7,235 | 6,012 |
| Tax expense | 351 | 331 | 1,625 | 1,147 |
| Net income | 1,442 | 1,379 | 5,610 | 4,865 |
| Less: Net income attributable to the noncontrolling interest | 14 | 20 | 68 | 86 |
| Net income attributable to Honeywell | \$ 1,428 | \$ 1,359 | \$ 5,542 | \$ 4,779 |
| Earnings per share of common stock - basic | \$ 2.07 | \$ 1.94 | \$ 8.01 | \$ 6.79 |
| Earnings per share of common stock - assuming dilution | \$ 2.05 | \$ 1.91 | \$ 7.91 | \$ 6.72 |
| Weighted average number of shares outstanding - basic | 688.3 | 701.8 | 692.3 | 704.1 |
| Weighted average number of shares outstanding - assuming dilution | 695.8 | 710.0 | 700.4 | 711.2 |

- (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)

| <u>Net Sales</u> | <u>Three Months Ended December 31,</u> | | <u>Twelve Months Ended December 31,</u> | |
|--|--|-----------------|---|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Aerospace | \$ 2,896 | \$ 2,978 | \$ 11,026 | \$ 11,544 |
| Honeywell Building Technologies | 1,404 | 1,426 | 5,539 | 5,189 |
| Performance Materials and Technologies | 2,605 | 2,556 | 10,013 | 9,423 |
| Safety and Productivity Solutions | 1,752 | 1,940 | 7,814 | 6,481 |
| Corporate and all other | — | — | — | — |
| Total | \$ 8,657 | \$ 8,900 | \$ 34,392 | \$ 32,637 |

Reconciliation of Segment Profit to Income Before Taxes

| <u>Segment Profit</u> | <u>Three Months Ended December 31,</u> | | <u>Twelve Months Ended December 31,</u> | |
|--|--|-----------------|---|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Aerospace | \$ 839 | \$ 822 | \$ 3,051 | \$ 2,904 |
| Honeywell Building Technologies | 296 | 305 | 1,238 | 1,099 |
| Performance Materials and Technologies | 598 | 478 | 2,120 | 1,851 |
| Safety and Productivity Solutions | 189 | 297 | 1,029 | 907 |
| Corporate and all other | (71) | (23) | (226) | (96) |
| Total segment profit | 1,851 | 1,879 | 7,212 | 6,665 |
| Interest and other financial charges | (80) | (95) | (343) | (359) |
| Stock compensation expense ⁽¹⁾ | (45) | (50) | (217) | (168) |
| Pension ongoing income ⁽²⁾ | 273 | 192 | 1,083 | 785 |
| Pension mark-to-market expense | (40) | (44) | (40) | (44) |
| Other postretirement income ⁽²⁾ | 18 | 17 | 71 | 57 |
| Repositioning and other charges ^(3,4) | (230) | (89) | (569) | (575) |
| Other ⁽⁵⁾ | 46 | (100) | 38 | (349) |
| Income before taxes | \$ 1,793 | \$ 1,710 | \$ 7,235 | \$ 6,012 |

- (1) Amounts included in Selling, general and administrative expenses.
- (2) Amounts included in Cost of products and services sold and 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 (loss) of affiliated companies is included in segment profit.

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

| | December 31, 2021 | December 31, 2020 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 10,959 | \$ 14,275 |
| Short-term investments | 564 | 945 |
| Accounts receivable—net | 6,830 | 6,827 |
| Inventories | 5,138 | 4,489 |
| Other current assets | 1,881 | 1,639 |
| Total current assets | 25,372 | 28,175 |
| Investments and long-term receivables | 1,222 | 685 |
| Property, plant and equipment—net | 5,562 | 5,570 |
| Goodwill | 17,756 | 16,058 |
| Other intangible assets—net | 3,613 | 3,560 |
| Insurance recoveries for asbestos related liabilities | 322 | 366 |
| Deferred income taxes | 489 | 760 |
| Other assets | 10,134 | 9,412 |
| Total assets | \$ 64,470 | \$ 64,586 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 6,484 | \$ 5,750 |
| Commercial paper and other short-term borrowings | 3,542 | 3,597 |
| Current maturities of long-term debt | 1,803 | 2,445 |
| Accrued liabilities | 7,679 | 7,405 |
| Total current liabilities | 19,508 | 19,197 |
| Long-term debt | 14,254 | 16,342 |
| Deferred income taxes | 2,364 | 2,113 |
| Postretirement benefit obligations other than pensions | 208 | 242 |
| Asbestos related liabilities | 1,800 | 1,920 |
| Other liabilities | 7,087 | 6,975 |
| Redeemable noncontrolling interest | 7 | 7 |
| Shareowners' equity | 19,242 | 17,790 |
| Total liabilities, redeemable noncontrolling interest and shareowners' equity | \$ 64,470 | \$ 64,586 |

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

| | Three Months Ended December 31. | | Twelve Months Ended December 31. | |
|---|--|----------------|---|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Cash flows from operating activities: | | | | |
| Net income | \$ 1,442 | \$ 1,379 | \$ 5,610 | \$ 4,865 |
| Less: Net income attributable to the noncontrolling interest | 14 | 20 | 68 | 86 |
| Net income attributable to Honeywell | 1,428 | 1,359 | 5,542 | 4,779 |
| Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities: | | | | |
| Depreciation | 168 | 164 | 674 | 644 |
| Amortization | 122 | 90 | 549 | 358 |
| (Gain) loss on sale of non-strategic businesses and assets | (7) | 3 | (102) | 3 |
| Repositioning and other charges | 231 | 89 | 569 | 575 |
| Net payments for repositioning and other charges | (187) | (181) | (692) | (833) |
| Pension and other postretirement income | (252) | (165) | (1,114) | (798) |
| Pension and other postretirement benefit payments | (14) | (10) | (43) | (47) |
| Stock compensation expense | 45 | 50 | 217 | 168 |
| Deferred income taxes | (11) | 114 | 178 | (175) |
| Reimbursement receivables charge | — | 159 | — | 509 |
| Other | 78 | 31 | (28) | (338) |
| Changes in assets and liabilities, net of the effects of acquisitions and divestitures: | | | | |
| Accounts receivable | 411 | 54 | (8) | 669 |
| Inventories | (169) | 217 | (685) | (67) |
| Other current assets | 48 | (55) | (276) | 191 |
| Accounts payable | 365 | 475 | 744 | 15 |
| Accrued liabilities | 407 | 388 | 513 | 555 |
| Net cash provided by (used for) operating activities | 2,663 | 2,782 | 6,038 | 6,208 |
| Cash flows from investing activities: | | | | |
| Expenditures for property, plant and equipment | (281) | (291) | (895) | (906) |
| Proceeds from disposals of property, plant and equipment | 9 | 40 | 27 | 57 |
| Increase in investments | (384) | (865) | (2,373) | (3,236) |
| Decrease in investments | 619 | 874 | 2,525 | 3,508 |
| Receipts from Garrett Motion Inc. | 211 | — | 586 | — |
| Receipts (payments) from settlements of derivative contracts | 104 | (74) | 192 | (149) |
| Cash paid for acquisitions, net of cash acquired | 8 | (261) | (1,326) | (261) |
| Proceeds from sales of businesses, net of fees paid | — | — | 203 | — |
| Net cash provided by (used for) investing activities | 286 | (577) | (1,061) | (987) |
| Cash flows from financing activities: | | | | |
| Proceeds from issuance of commercial paper and other short-term borrowings | 1,554 | 1,897 | 5,194 | 10,474 |
| Payments of commercial paper and other short-term borrowings | (1,553) | (1,888) | (5,190) | (10,400) |
| Proceeds from issuance of common stock | 58 | 230 | 229 | 393 |
| Proceeds from issuance of long-term debt | 8 | 20 | 2,517 | 10,125 |
| Payments of long-term debt | (1,562) | (71) | (4,917) | (4,308) |
| Repurchases of common stock | (881) | (1,565) | (3,380) | (3,714) |
| Cash dividends paid | (676) | (671) | (2,626) | (2,592) |
| Other | (7) | (5) | (81) | (59) |
| Net cash provided by (used for) financing activities | (3,059) | (2,053) | (8,254) | (81) |
| Effect of foreign exchange rate changes on cash and cash equivalents | (18) | 87 | (39) | 68 |
| Net increase (decrease) in cash and cash equivalents | (128) | 239 | (3,316) | 5,208 |
| Cash and cash equivalents at beginning of period | 11,087 | 14,036 | 14,275 | 9,067 |
| Cash and cash equivalents at end of period | \$ 10,959 | \$ 14,275 | \$ 10,959 | \$ 14,275 |

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

| | Three Months Ended December 31, 2021 | Year Ended December 31, 2021 |
|---|---|------------------------------------|
| Honeywell | | |
| Reported sales % change | (3)% | 5% |
| Less: Foreign currency translation | (1)% | 1% |
| Less: Acquisitions, divestitures and other, net | —% | —% |
| Organic sales % change | (2)% | 4% |
| Aerospace | | |
| Reported sales % change | (3)% | (4)% |
| Less: Foreign currency translation | —% | 1% |
| Less: Acquisitions, divestitures and other, net | —% | —% |
| Organic sales % change | (3)% | (5)% |
| Honeywell Building Technologies | | |
| Reported sales % change | (2)% | 7% |
| Less: Foreign currency translation | (1)% | 3% |
| Less: Acquisitions, divestitures and other, net | —% | —% |
| Organic sales % change | (1)% | 4% |
| Performance Materials and Technologies | | |
| Reported sales % change | 2% | 6% |
| Less: Foreign currency translation | (1)% | 2% |
| Less: Acquisitions, divestitures and other, net | 1% | 1% |
| Organic sales % change | 2% | 3% |
| Safety and Productivity Solutions | | |
| Reported sales % change | (10)% | 21% |
| Less: Foreign currency translation | —% | 2% |
| Less: Acquisitions, divestitures and other, net | (4)% | (3)% |
| Organic sales % change | (6)% | 22% |

We define organic sales percent as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation, and acquisitions, net of divestitures, for the first 12 months following the transaction date. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

We define Organic sales growth excluding COVID-driven mask sales as Organic sales growth excluding any sales attributable to COVID-driven mask sales. We believe Organic sales growth excluding COVID-driven mask sales 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.

Honeywell International Inc.

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

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|-----------------|-------------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Segment profit | \$ 1,851 | \$ 1,879 | \$ 7,212 | \$ 6,665 |
| Stock compensation expense ⁽¹⁾ | (45) | (50) | (217) | (168) |
| Repositioning, Other ^(2,3) | (245) | (111) | (636) | (641) |
| Pension and other postretirement service costs ⁽⁴⁾ | (43) | (42) | (159) | (160) |
| Operating income | \$ 1,518 | \$ 1,676 | \$ 6,200 | \$ 5,696 |
| Segment profit | \$ 1,851 | \$ 1,879 | \$ 7,212 | \$ 6,665 |
| ÷ Net sales | \$ 8,657 | \$ 8,900 | \$ 34,392 | \$ 32,637 |
| Segment profit margin % | 21.4% | 21.1% | 21.0% | 20.4% |
| Operating income | \$ 1,518 | \$ 1,676 | \$ 6,200 | \$ 5,696 |
| ÷ Net sales | \$ 8,657 | \$ 8,900 | \$ 34,392 | \$ 32,637 |
| Operating income margin % | 17.5% | 18.8% | 18.0% | 17.5% |

- (1) Included in Selling, general and administrative expenses.
- (2) Includes repositioning, asbestos, environmental expenses, equity income adjustment, and other charges. For the three and twelve months ended December 31, 2021, other charges include \$105 million of incremental long-term contract labor cost inefficiencies due to severe supply chain disruptions (attributable to the COVID-19 pandemic) relating to the warehouse automation business within the Safety and Product Solutions segment. These costs include incurred amounts and provisions for anticipated losses recognized during the fourth quarter when total estimated costs at completion for certain of the business' long-term contracts exceeded total estimated revenue. These certain costs represent unproductive labor costs due to unexpected supplier delays and the resulting downstream installation issues, demobilization and remobilization of contract workers, and resolution of contractor disputes.
- (3) Included in Cost of products and services sold, Selling, general and administrative expenses and Other income/expense.
- (4) Included in Cost of products and services sold and Selling, general and administrative expenses.

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

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

Honeywell International Inc.

Reconciliation of Earnings per Share to Adjusted Earnings per Share and Adjusted Earnings per Share Excluding Spin-off Impact
(Unaudited)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | | Twelve Months Ended December |
|--|------------------------------------|----------------|-------------------------------------|----------------|---------------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2022E |
| Earnings per share of common stock - diluted ⁽¹⁾ | \$ 2.05 | \$ 1.91 | \$ 7.91 | \$ 6.72 | \$8.40 - \$8.70 |
| Pension mark-to-market expense ⁽²⁾ | 0.05 | 0.05 | 0.05 | 0.04 | No Forecast |
| Separation related tax adjustment ⁽³⁾ | — | — | — | (0.26) | — |
| Changes in fair value for Garrett equity securities ⁽⁴⁾ | (0.01) | — | (0.03) | — | — |
| Garrett related adjustments ⁽⁵⁾ | — | 0.11 | 0.01 | 0.60 | — |
| Gain on sale of retail footwear business ⁽⁶⁾ | — | — | (0.11) | — | — |
| Expense related to UOP Matters ⁽⁷⁾ | — | — | 0.23 | — | — |
| Adjusted earnings per share of common stock - diluted | \$ 2.09 | \$ 2.07 | \$ 8.06 | \$ 7.10 | \$8.40 - 8.70 |

- (1) For the three months ended December 31, 2021 and 2020, adjusted earnings per share utilizes weighted average shares of approximately 695.8 million and 710.0 million. For the twelve months ended December 31, 2021 and 2020, adjusted earnings per share utilizes weighted average shares of approximately 700.4 million and 711.2 million. For the twelve months ended December 31, 2022, expected earnings per share utilizes weighted average shares of approximately 693 million.
- (2) Pension mark-to-market expense uses a blended tax rate of 25% for 2021 and 2020.
- (3) For the twelve months ended December 31, 2020, separation-related tax adjustment of \$186 million (\$186 million net of tax) includes the favorable resolution of a foreign tax matter related to the spin-off transactions.
- (4) For the three and twelve months ended December 31, 2021, the adjustments were \$5 million and \$19 million net of tax due to changes in fair value for Garrett equity securities.
- (5) For the twelve months ended December 31, 2021, the adjustment was \$7 million net of tax due to a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021. For the three and twelve months ended December 31, 2020, adjustments were \$77 million and \$427 million net of tax due to the non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions.
- (6) For the twelve months ended December 31, 2021, the adjustment was \$76 million net of tax due to the gain on sale of the retail footwear business.
- (7) For the twelve months ended December 31, 2021, the adjustment was \$160 million with no tax benefit due to an expense related to UOP matters.

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 Adjusted Free Cash Flow and Calculation of Adjusted Free Cash Flow Conversion (Unaudited)
(Dollars in millions)

| | Three Months Ended December 31, 2021 | Three Months Ended December 31, 2020 | Twelve Months Ended December 31, 2021 | Twelve Months Ended December 31, 2020 |
|--|--|--|---|---|
| Cash provided by operating activities | \$ 2,663 | \$ 2,782 | \$ 6,038 | \$ 6,208 |
| Expenditures for property, plant and equipment | (281) | (291) | (895) | (906) |
| Garrett cash receipts | 211 | — | 586 | — |
| Free cash flow | 2,593 | 2,491 | 5,729 | 5,302 |
| Net income attributable to Honeywell | \$ 1,428 | \$ 1,359 | \$ 5,542 | \$ 4,779 |
| Separation related tax adjustment | — | — | — | (186) |
| Pension mark-to-market ⁽¹⁾ | 30 | 33 | 30 | 33 |
| Garrett related adjustment ⁽²⁾ | — | 77 | 7 | 427 |
| Changes in fair value of equity related securities | (5) | — | (19) | — |
| Gain on sale of retail footwear business | — | — | (76) | — |
| Expense related to UOP Matters | — | — | 160 | — |
| Adjusted net income attributable to Honeywell | \$ 1,453 | \$ 1,469 | \$ 5,644 | \$ 5,053 |
| Cash provided by operating activities | \$ 2,663 | \$ 2,782 | \$ 6,038 | \$ 6,208 |
| ÷ Net income (loss) attributable to Honeywell | \$ 1,428 | \$ 1,359 | \$ 5,542 | \$ 4,779 |
| Operating cash flow conversion | 186% | 205% | 109% | 130% |
| Free cash flow | \$ 2,593 | \$ 2,491 | \$ 5,729 | \$ 5,302 |
| ÷ Adjusted net income attributable to Honeywell | \$ 1,453 | \$ 1,469 | \$ 5,644 | \$ 5,053 |
| Adjusted free cash flow conversion % | 178% | 170% | 102% | 105% |

(1) Pension mark-to-market expense uses a blended tax rate of 25% for 2021 and 2020.

(2) For the twelve months ended December 31, 2021, the adjustment was \$7 million net of tax due to a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021. For the three and twelve months ended December 31, 2020, adjustments were \$77 million and \$427 million net of tax 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.

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 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. For forward looking information, we do not provide cash flow conversion guidance on a GAAP basis as management cannot reliably predict or estimate, without unreasonable effort, the pension mark-to-market expense and the changes in fair value for Garrett equity securities. Pension mark-to-market is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. Based on economic and industry conditions, future developments and other relevant factors, these assumptions are subject to change. Changes in fair value for Garrett equity securities cannot be forecasted due to the inherent nature of changing conditions in the overall market.

Honeywell International Inc.
Reconciliation of Cash Provided by Operating Activities to Adjusted Free Cash Flow and Calculation of Free Flow Margin
(Unaudited)
(Dollars in millions)

| | Twelve Months Ended December 31, 2021 |
|--|--|
| Cash provided by operating activities | \$ 6,038 |
| Expenditures for property, plant and equipment | (895) |
| Garrett cash receipts | 586 |
| Free cash flow | 5,729 |
| Cash provided by operating activities | \$ 6,038 |
| ÷ Net sales | \$ 34,392 |
| Operating cash flow margin % | 18% |
| Free cash flow | \$ 5,729 |
| ÷ Net sales | \$ 34,392 |
| Free cash flow margin % | 17% |

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 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 Free Cash Flow to Free Cash Flow excluding Quantinum (Unaudited)
(Dollars in billions)

| | Twelve Months Ended December 31, 2022(\$) |
|--|--|
| Cash provided by operating activities | ~\$5.7 - \$6.1 |
| Expenditures for property, plant and equipment | ~(1.2) |
| Garrett cash receipts | 0.2 |
| Free cash flow | ~\$4.7 - \$5.1 |
| Free cash flow attributable to 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 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.