

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

| | Three Months Ended March 31, | |
|--|---------------------------------|-----------------|
| | 2023 | 2022 |
| Product sales | \$ 6,310 | \$ 6,132 |
| Service sales | 2,554 | 2,244 |
| Net sales | 8,864 | 8,376 |
| Costs, expenses and other | | |
| Cost of products sold ⁽¹⁾ | 4,068 | 4,059 |
| Cost of services sold ⁽¹⁾ | 1,430 | 1,265 |
| Total Cost of products and services sold | 5,498 | 5,324 |
| Research and development expenses | 357 | 350 |
| Selling, general and administrative expenses ⁽¹⁾ | 1,317 | 1,431 |
| Other (income) expense | (260) | (319) |
| Interest and other financial charges | 170 | 85 |
| Total costs, expenses and other | 7,082 | 6,871 |
| Income before taxes | 1,782 | 1,505 |
| Tax expense | 374 | 371 |
| Net income | 1,408 | 1,134 |
| Less: Net income (loss) attributable to the noncontrolling interest | 14 | — |
| Net income attributable to Honeywell | \$ 1,394 | \$ 1,134 |
| Earnings per share of common stock - basic | \$ 2.09 | \$ 1.66 |
| Earnings per share of common stock - assuming dilution | \$ 2.07 | \$ 1.64 |
| Weighted average number of shares outstanding - basic | 667.8 | 684.7 |
| Weighted average number of shares outstanding - assuming dilution | 673.0 | 691.3 |

(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 March 31, | |
|--|-------------------------------------|-----------------|
| | 2023 | 2022 |
| Aerospace | \$ 3,111 | \$ 2,749 |
| Honeywell Building Technologies | 1,487 | 1,429 |
| Performance Materials and Technologies | 2,749 | 2,453 |
| Safety and Productivity Solutions | 1,515 | 1,744 |
| Corporate and All Other | 2 | 1 |
| Total | \$ 8,864 | \$ 8,376 |

Reconciliation of Segment Profit to Income Before Taxes

| Segment Profit | Three Months Ended March 31, | |
|--|-------------------------------------|-----------------|
| | 2023 | 2022 |
| Aerospace | \$ 827 | \$ 753 |
| Honeywell Building Technologies | 375 | 336 |
| Performance Materials and Technologies | 566 | 510 |
| Safety and Productivity Solutions | 260 | 253 |
| Corporate and All Other | (81) | (86) |
| Total segment profit | 1,947 | 1,766 |
| Interest and other financial charges | (170) | (85) |
| Stock compensation expense ⁽¹⁾ | (59) | (60) |
| Pension ongoing income ⁽²⁾ | 130 | 251 |
| Other postretirement income ⁽²⁾ | 6 | 10 |
| Repositioning and other charges ^(3,4) | (141) | (387) |
| Other ⁽⁵⁾ | 69 | 10 |
| Income before taxes | \$ 1,782 | \$ 1,505 |

- (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)

| | March 31, 2023 | December 31, 2022 |
|--|------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 6,869 | \$ 9,627 |
| Short-term investments | 371 | 483 |
| Accounts receivable, less allowances of \$336 and \$326, respectively | 7,862 | 7,440 |
| Inventories | 5,776 | 5,538 |
| Other current assets | 1,632 | 1,894 |
| Total current assets | 22,510 | 24,982 |
| Investments and long-term receivables | 905 | 945 |
| Property, plant and equipment—net | 5,472 | 5,471 |
| Goodwill | 17,587 | 17,497 |
| Other intangible assets—net | 3,168 | 3,222 |
| Insurance recoveries for asbestos-related liabilities | 239 | 224 |
| Deferred income taxes | 383 | 421 |
| Other assets | 9,619 | 9,513 |
| Total assets | \$ 59,883 | \$ 62,275 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | \$ 6,443 | \$ 6,329 |
| Commercial paper and other short-term borrowings | 3,555 | 2,717 |
| Current maturities of long-term debt | 937 | 1,730 |
| Accrued liabilities | 6,961 | 9,162 |
| Total current liabilities | 17,896 | 19,938 |
| Long-term debt | 14,670 | 15,123 |
| Deferred income taxes | 2,303 | 2,093 |
| Postretirement benefit obligations other than pensions | 137 | 146 |
| Asbestos-related liabilities | 1,154 | 1,180 |
| Other liabilities | 6,201 | 6,469 |
| Redeemable noncontrolling interest | 7 | 7 |
| Shareowners' equity | 17,515 | 17,319 |
| Total liabilities, redeemable noncontrolling interest and shareowners' equity | \$ 59,883 | \$ 62,275 |

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

| | Three Months Ended March 31, | |
|---|---|-----------------|
| | 2023 | 2022 |
| Cash flows from operating activities | | |
| Net income | \$ 1,408 | \$ 1,134 |
| Less: Net income attributable to noncontrolling interest | 14 | — |
| Net income attributable to Honeywell | 1,394 | 1,134 |
| Adjustments to reconcile net income attributable to Honeywell to net cash provided by (used for) operating activities | | |
| Depreciation | 161 | 167 |
| Amortization | 122 | 163 |
| Repositioning and other charges | 141 | 387 |
| Net payments for repositioning and other charges | (41) | (108) |
| NARCO Buyout payment | (1,325) | — |
| Pension and other postretirement income | (136) | (261) |
| Pension and other postretirement benefit receipts (payments) | (15) | (14) |
| Stock compensation expense | 59 | 60 |
| Deferred income taxes | 225 | 21 |
| Other | (350) | (67) |
| Changes in assets and liabilities, net of the effects of acquisitions and divestitures | | |
| Accounts receivable | (422) | (285) |
| Inventories | (238) | (331) |
| Other current assets | 110 | (29) |
| Accounts payable | 114 | (199) |
| Accrued liabilities | (583) | (602) |
| Net cash provided by (used for) operating activities | (784) | 36 |
| Cash flows from investing activities | | |
| Capital expenditures | (193) | (183) |
| Proceeds from disposals of property, plant and equipment | 11 | 10 |
| Increase in investments | (226) | (223) |
| Decrease in investments | 386 | 304 |
| Receipts from Garrett Motion Inc. | — | 197 |
| Receipts (payments) from settlements of derivative contracts | (7) | 61 |
| Cash paid for acquisitions, net of cash acquired | — | (176) |
| Net cash used for investing activities | (29) | (10) |
| Cash flows from financing activities | | |
| Proceeds from issuance of commercial paper and other short-term borrowings | 4,105 | 1,228 |
| Payments of commercial paper and other short-term borrowings | (3,294) | (1,228) |
| Proceeds from issuance of common stock | 37 | 23 |
| Proceeds from issuance of long-term debt | — | 1 |
| Payments of long-term debt | (1,363) | (40) |
| Repurchases of common stock | (699) | (1,018) |
| Cash dividends paid | (725) | (668) |
| Other | (34) | (17) |
| Net cash used for financing activities | (1,973) | (1,719) |
| Effect of foreign exchange rate changes on cash and cash equivalents | 28 | 15 |
| Net decrease in cash and cash equivalents | (2,758) | (1,678) |
| Cash and cash equivalents at beginning of period | 9,627 | 10,959 |
| Cash and cash equivalents at end of period | \$ 6,869 | \$ 9,281 |

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 measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Certain measures presented on a non-GAAP basis represent the impact of adjusting items net of tax. The tax-effect for adjusting items is determined individually and on a case-by-case basis. Included below are reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures. Other companies may calculate these non-GAAP measures differently, limiting the usefulness of these measures for comparative purposes.

Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitations of these non-GAAP financial measures are that they exclude significant expenses and income that are required by GAAP to be recognized in the consolidated financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Investors are urged to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measures and not to rely on any single financial measure to evaluate Honeywell's business.

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

| | Three Months Ended March 31, 2023 |
|---|--|
| Honeywell | |
| Reported sales % change | 6% |
| Less: Foreign currency translation | (2)% |
| Less: Acquisitions, divestitures and other, net | —% |
| Organic sales % change | 8% |
| Aerospace | |
| Reported sales % change | 13% |
| Less: Foreign currency translation | (1)% |
| Less: Acquisitions, divestitures and other, net | —% |
| Organic sales % change | 14% |
| Honeywell Building Technologies | |
| Reported sales % change | 4% |
| Less: Foreign currency translation | (5)% |
| Less: Acquisitions, divestitures and other, net | —% |
| Organic sales % change | 9% |
| Performance Materials and Technologies | |
| Reported sales % change | 12% |
| Less: Foreign currency translation | (3)% |
| Less: Acquisitions, divestitures and other, net | —% |
| Organic sales % change | 15% |
| Safety and Productivity Solutions | |
| Reported sales % change | (13)% |
| Less: Foreign currency translation | (2)% |
| Less: Acquisitions, divestitures and other, net | —% |
| Organic sales % change | (11)% |

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

A quantitative reconciliation of reported sales percent change to organic sales percent change has not been provided for forward-looking measures of organic sales percent change because management cannot reliably predict or estimate, without unreasonable effort, the fluctuations in global currency markets that impact foreign currency translation, nor is it reasonable for management to predict the timing, occurrence and impact of acquisition and divestiture transactions, all of which could significantly impact our reported sales percent change.

Honeywell International Inc.
 Reconciliation of Operating Income to Segment Profit, Calculation of Operating Income and Segment Profit Margins
 (Unaudited)
 (Dollars in millions)

| | Three Months Ended March 31, | | Twelve Months Ended December 31. |
|---|------------------------------|-----------------|--|
| | 2023 | 2022 | 2022 |
| Operating income | \$ 1,692 | \$ 1,271 | \$ 6,427 |
| Stock compensation expense ⁽¹⁾ | 59 | 60 | 188 |
| Repositioning, Other ^(2,3) | 180 | 401 | 942 |
| Pension and other postretirement service costs ⁽³⁾ | 16 | 34 | 132 |
| Segment profit | \$ 1,947 | \$ 1,766 | \$ 7,689 |
| <hr/> | | | |
| Operating income | \$ 1,692 | \$ 1,271 | \$ 6,427 |
| + Net sales | \$ 8,864 | \$ 8,376 | \$ 35,466 |
| Operating income margin % | 19.1 % | 15.2 % | 18.1 % |
| Segment profit | \$ 1,947 | \$ 1,766 | \$ 7,689 |
| + Net sales | \$ 8,864 | \$ 8,376 | \$ 35,466 |
| Segment profit margin % | 22.0 % | 21.1 % | 21.7 % |

(1) Included in Selling, general and administrative expenses.

(2) Includes repositioning, asbestos, environmental expenses, equity income adjustment, and other charges. For the three months ended March 31, 2023, other charges include \$2 million of expenses due to the Russia-Ukraine conflict. For the three months ended March 31, 2022, other charges include \$183 million of reserves against outstanding accounts receivables, contract assets, and impairments of other assets due to the Russia-Ukraine conflict. For the twelve months ended December 31, 2022, other charges include an expense of \$250 million related to reserves against outstanding accounts receivables, contract assets, and inventory, as well as the write-down of other assets and employee severance related to the initial suspension and wind down of our businesses and operations in Russia. For the three months ended March 31, 2022, and twelve months ended December 31, 2022, other charges include \$9 million and \$41 million, respectively, of incremental long-term contract labor cost inefficiencies due to severe supply chain disruptions (attributable to the COVID-19 pandemic) relating to the warehouse automation business within the Safety and Productivity Solutions segment. These costs include incurred amounts and provisions for anticipated losses recognized when total estimated costs at completion for certain of the business' long-term contracts exceeded total estimated revenue. These certain costs represent unproductive labor costs due to uncompleted installation dates and the resulting decommissioning installation issues.

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

We define segment profit, on an overall Honeywell basis, as operating income, excluding stock compensation expense, pension and other postretirement service costs, and repositioning and other charges. We define segment profit margin, on an overall Honeywell basis, as segment profit divided by net sales. We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

A quantitative reconciliation of operating income to segment profit, on an overall Honeywell basis, has not been provided for all forward-looking measures of segment profit and segment margin included herein. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment profit. 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 operating income to segment profit 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 Pension Headwind (Unaudited)

| | Three Months Ended March 31, | | Twelve Months Ended December 31, | |
|---|------------------------------|----------------|----------------------------------|------------------------|
| | 2023 | 2022 | 2022 | 2023(E) |
| Earnings per share of common stock - diluted ⁽¹⁾ | \$ 2.07 | \$ 1.64 | \$ 7.27 | \$9.00 - \$9.25 |
| Pension mark-to-market expense ⁽²⁾ | — | — | 0.64 | No Forecast |
| Expense related to UOP Matters ⁽³⁾ | — | — | 0.07 | — |
| Russian-related charges ⁽⁴⁾ | — | 0.27 | 0.43 | — |
| Gain on sale of Russian entities ⁽⁵⁾ | — | — | (0.03) | — |
| Net expense related to the NARCO Buyout and HWI Sale ⁽⁶⁾ | — | — | 0.38 | — |
| Adjusted earnings per share of common stock - diluted | \$ 2.07 | \$ 1.91 | \$ 8.76 | \$9.00 - \$9.25 |
| Pension headwind ⁽⁷⁾ | \$ 0.15 | — | — | ~\$0.55 |
| Adjusted earnings per share of common stock excluding Pension headwind - diluted | \$ 2.22 | \$ 1.91 | \$ 8.76 | \$9.55 - \$9.80 |

- (1) For the three months ended March 31, 2023, and 2022, adjusted earnings per share utilizes weighted average shares of approximately 673.0 million and 691.3 million, respectively. For the twelve months ended December 31, 2022, adjusted earnings per share utilizes weighted average shares of approximately 683.1 million. For the twelve months ended December 31, 2023, expected earnings per share utilizes weighted average shares of approximately 670 million.
- (2) Pension mark-to-market expense uses a blended tax rate of 16%, net of tax expense of \$83 million for 2022.
- (3) For the twelve months ended December 31, 2022, the adjustment was an expense of \$45 million, without tax benefit, due to an expense related to UOP matters.
- (4) For the three months ended March 31, 2023, the adjustment was a \$2 million benefit, without tax expense. For the three months ended March 31, 2022, the adjustment was a \$183 million charge, without tax benefit, to reserve against outstanding accounts receivable, contract assets, and impairments of other assets due to the Russia-Ukraine conflict. For the twelve months ended December 31, 2022, the adjustment was \$297 million, including a tax valuation allowance benefit of \$2 million, to exclude charges and the accrual of reserves related to outstanding accounts receivable, contract assets, impairment of intangible assets, foreign exchange revaluation, inventory reserves, the write-down of other assets, impairment of property, plant and equipment, employee severance, and called guarantees related to the initial suspension and wind down of our
- (5) For the twelve months ended December 31, 2022, the adjustment was \$22 million, without tax benefit, due to the gain on sale of Russian entities.
- (6) For the twelve months ended December 31, 2022, the adjustment was \$260 million, net of tax expense of \$82 million, due to the net expense related to the NARCO Buyout and HWI Sale.
- (7) For the three months ended March 31, 2023, the adjustment is the decline of \$99 million of pension ongoing income compared to the three months ended March 31, 2022, and three months ended March 31, 2023, net of tax expense of \$26 million. For the twelve months ended December 31, 2023, the adjustment is the forecasted decline of approximately \$370 million of pension ongoing income between 2022 and 2023, net of estimated tax expense of approximately \$100 million.

We define adjusted earnings per share as diluted earnings per share adjusted to exclude various charges as listed above. We define adjusted earnings per share excluding pension headwind as adjusted earnings per share adjusted for an actual or forecasted decline of pension ongoing income between the comparative periods in 2022 and 2023. We believe adjusted earnings per share and adjusted earnings per share excluding pension headwind are measures that are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. For forward-looking information, management cannot reliably predict or estimate, without unreasonable effort, the pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. We therefore do not include an estimate for the pension mark-to-market expense. Based on economic and industry conditions, future developments, and other relevant factors, these assumptions are subject to change.

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

| | Three Months Ended March 31, 2023 | Three Months Ended March 31, 2022 |
|--|---|---|
| Cash provided by operating activities | \$ (784) | \$ 36 |
| Expenditures for property, plant and equipment | (193) | (183) |
| Garrett cash receipts | — | 197 |
| Free cash flow | (977) | 50 |

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

We believe that free cash flow is a non-GAAP 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 International Inc.

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow and Free Cash Flow to Free Cash Flow Excluding
Impact of Settlements (Unaudited)
(Dollars in millions)

| | Three Months Ended March 31, 2023 |
|---|--|
| Cash provided by operating activities | \$ (784) |
| Expenditures for property, plant and equipment | (193) |
| Garrett cash receipts | — |
| Free cash flow | (977) |
| Impact of settlements | 1,272 |
| Free cash flow excluding impact of settlements | \$ 295 |

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment plus cash receipts from Garrett. We define free cash flow excluding impact of settlements as free cash flow less settlements related to the NARCO Buyout, HWI Sale, and UOP Matters.

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

Honeywell International Inc.

Reconciliation of Expected Cash Provided by Operating Activities to Expected Free Cash Flow and Expected Free Cash Flow to Expected Free Cash Flow Excluding Impact of Settlements (Unaudited)

| | Twelve Months Ended December 31, 2023(E) (\$B) |
|---|---|
| Cash provided by operating activities | ~\$4.9 - \$5.3 |
| Expenditures for property, plant and equipment | ~(1.0) |
| Garrett cash receipts | — |
| Free cash flow | ~\$3.9 - \$4.3 |
| Impact of settlements | ~1.2 |
| Free cash flow excluding impact of settlements | ~\$5.1 - \$5.5 |

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment plus anticipated cash receipts from Garrett. We define free cash flow excluding impact of settlements as free cash flow less settlements related to the NARCO Buyout, HWI Sale, and UOP Matters.

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