

**TABLE 1: 4Q AND FULL-YEAR 2020 GUIDANCE<sup>3</sup>**

	<b>4Q Guidance</b>	<b>FY Guidance</b>
Sales	\$8.2B - \$8.5B	\$31.9B - \$32.2B
<i>Organic Growth</i>	<i>Down (14%) - (11%)</i>	<i>Down (13%) - (12%)</i>
Segment Margin	21.1% - 21.3%	20.4% - 20.5%
<i>Expansion</i>	<i>Down (30) - (10) bps</i>	<i>Down (70) - (60) bps</i>
Earnings Per Share	\$1.97 - \$2.02	\$6.78 - \$6.83
Adjusted Earnings Per Share <sup>1</sup>	\$1.97 - \$2.02	\$7.00 - \$7.05
<i>Adjusted Earnings Growth<sup>1</sup></i>	<i>Down (4%) - (2%)</i>	<i>Down (14%)</i>

**TABLE 2: SUMMARY OF HONEYWELL FINANCIAL RESULTS**

	<b>3Q 2020</b>	<b>3Q 2019</b>	<b>Change</b>
Sales	7,797	9,086	(14%)
<i>Organic Growth</i>			(14%)
Segment Margin	19.9%	21.2%	-130 bps
Operating Income Margin	16.8%	19.3%	-250 bps
Earnings Per Share	\$1.07	\$2.23	(52%)
Adjusted Earnings Per Share <sup>2</sup>	\$1.56	\$2.08	(25%)
Cash Flow from Operations	1,007	1,471	(32%)
<i>Operating Cash Flow Conversion</i>	133%	91%	42%
Free Cash Flow	758	1,279	(41%)
Adjusted Free Cash Flow <sup>4</sup>	758	1,286	(41%)
<i>Adjusted Free Cash Flow Conversion<sup>5</sup></i>	68%	85%	(17%)

Adjusted EPS in the headline excludes the impact of a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing

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**TABLE 3: SUMMARY OF SEGMENT FINANCIAL RESULTS**

<b>AEROSPACE</b>	<b>3Q 2020</b>	<b>3Q 2019</b>	<b>Change</b>
Sales	2,662	3,544	(25%)
<i>Organic Growth</i>			(25%)
Segment Profit	617	908	(32%)
Segment Margin	23.2%	25.6%	-240 bps
<b>HONEYWELL BUILDING TECHNOLOGIES</b>			
Sales	1,305	1,415	(8%)
<i>Organic Growth</i>			(8%)
Segment Profit	282	297	(5%)
Segment Margin	21.6%	21.0%	60 bps
<b>PERFORMANCE MATERIALS AND TECHNOLOGIES</b>			
Sales	2,252	2,670	(16%)
<i>Organic Growth</i>			(16%)
Segment Profit	442	582	(24%)
Segment Margin	19.6%	21.8%	-220 bps
<b>SAFETY AND PRODUCTIVITY SOLUTIONS</b>			
Sales	1,578	1,457	8%
<i>Organic Growth</i>			8%
Segment Profit	219	195	12%
Segment Margin	13.9%	13.4%	50 bps

<sup>1</sup>Adjusted EPS and adjusted EPS V% guidance exclude 4Q19 pension mark-to-market, adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge, 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions, and the impact of a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing

<sup>2</sup>Adjusted EPS and adjusted EPS V% exclude adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge and the impact of a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing

<sup>3</sup>As discussed in the notes to the attached reconciliations, we do not provide guidance for margin or EPS on a GAAP basis

<sup>4</sup>Adjusted free cash flow and adjusted free cash flow V% exclude impacts from separation costs related to the spin-offs of \$7M in 3Q19

<sup>5</sup>Adjusted free cash flow conversion excludes impacts from separation costs related to the spin-offs of \$7M in 3Q19, adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge, and the impact of a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing

Honeywell ([www.honeywell.com](http://www.honeywell.com)) is a Fortune 100 technology company that delivers industry specific solutions that include aerospace products and services; control technologies for buildings and industry; and performance materials globally. Our technologies help everything from aircraft, buildings, manufacturing plants, supply chains, and workers become more connected to make our world smarter, safer, and more sustainable. For more news and information on Honeywell, please visit [www.honeywell.com/newsroom](http://www.honeywell.com/newsroom).

This release contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this release are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, technological, and COVID-19 public health factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, and other developments, including the potential impact of the COVID-19 pandemic, and business decisions may differ from those envisaged by such forward-looking statements. Any forward-looking plans described herein are not final and may be modified or abandoned at any time.

No final decision will be taken with respect to such plans or proposals without prior satisfaction of any applicable requirements with respect to informing, consulting or negotiating with employees or their representatives. We

identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

This release contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this release are as follows: segment profit, on an overall Honeywell basis, a measure by which we assess operating performance, which we define as operating income adjusted for certain items as presented in the Appendix; segment margin, on an overall Honeywell basis, which we define as segment profit divided by sales; organic sales growth, which we define as sales growth less the impacts from foreign currency translation, and acquisitions and divestitures for the first 12 months following transaction date; free cash flow, which we define as cash flow from operations less capital expenditures; adjusted free cash flow, which we define as cash flow from operations less capital expenditures and which we adjust to exclude the impact of separation costs related to the spin-offs of Resideo and Garrett, if and as noted in the release; adjusted free cash flow conversion, which we define as adjusted free cash flow divided by net income attributable to Honeywell, excluding separation costs related to the spin-offs and the impact of a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing, if and as noted in the release; and adjusted earnings per share, which we adjust to exclude pension mark-to-market, adjustments to the charges taken in connection with the 4Q17 U.S. tax legislation charge, the favorable resolution of a foreign tax matter related to the spin-off transactions, and the impact of a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing, if and as noted in the release. 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. Refer to the Appendix attached to this release for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

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,	
	2020	2019	2020	2019
Product sales	\$ 5,885	\$ 6,793	\$ 17,933	\$ 20,496
Service sales	1,912	2,293	5,804	6,717
Net sales	7,797	9,086	23,737	27,213
Costs, expenses and other				
Cost of products sold (1)	4,315	4,775	12,852	14,244
Cost of services sold (1)	1,068	1,263	3,341	3,767
	5,383	6,038	16,193	18,011
Selling, general and administrative expenses (1)	1,103	1,296	3,524	4,046
Other (income) expense	62	(311)	(546)	(901)
Interest and other financial charges	101	96	264	266
	6,649	7,119	19,435	21,422
Income before taxes	1,148	1,967	4,302	5,791
Tax expense (benefit)	367	319	816	1,151
Net income	781	1,648	3,486	4,640
Less: Net income attributable to the noncontrolling interest	23	24	66	59
Net income attributable to Honeywell	\$ 758	\$ 1,624	\$ 3,420	\$ 4,581
Earnings per share of common stock - basic	\$ 1.08	\$ 2.26	\$ 4.85	\$ 6.33
Earnings per share of common stock - assuming dilution	\$ 1.07	\$ 2.23	\$ 4.81	\$ 6.25
Weighted average number of shares outstanding - basic	702.6	717.6	704.8	723.5
Weighted average number of shares outstanding - assuming dilution	709.6	726.7	711.6	732.8

(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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Net Sales</b>				
Aerospace	\$ 2,662	\$ 3,544	\$ 8,566	\$ 10,393
Honeywell Building Technologies	1,305	1,415	3,763	4,254
Performance Materials and Technologies	2,252	2,670	6,867	7,977
Safety and Productivity Solutions	1,578	1,457	4,541	4,589
<b>Total</b>	<b>\$ 7,797</b>	<b>\$ 9,086</b>	<b>\$ 23,737</b>	<b>\$ 27,213</b>

Reconciliation of Segment Profit to Income Before Taxes

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Segment Profit</b>				
Aerospace	\$ 617	\$ 908	\$ 2,082	\$ 2,653
Honeywell Building Technologies	282	297	794	868
Performance Materials and Technologies	442	582	1,373	1,790
Safety and Productivity Solutions	219	195	610	598
Corporate	(7)	(54)	(73)	(202)
Total segment profit	1,553	1,928	4,786	5,707
Interest and other financial charges	(101)	(96)	(264)	(266)
Stock compensation expense (1)	(40)	(37)	(118)	(112)
Pension ongoing income (2)	197	150	593	449
Other postretirement income (2)	13	12	40	35
Repositioning and other charges (3,4)	(144)	(96)	(486)	(306)
Other (5)	(330)	106	(249)	284
<b>Income before taxes</b>	<b>\$ 1,148</b>	<b>\$ 1,967</b>	<b>\$ 4,302</b>	<b>\$ 5,791</b>

- (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)

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 14,036	\$ 9,067
Short-term investments	972	1,349
Accounts receivable - net	6,878	7,493
Inventories	4,705	4,421
Other current assets	1,609	1,973
Total current assets	28,200	24,303
Investments and long-term receivables	673	588
Property, plant and equipment - net	5,419	5,325
Goodwill	15,666	15,563
Other intangible assets - net	3,494	3,734
Insurance recoveries for asbestos related liabilities	374	392
Deferred income taxes	154	86
Other assets	9,479	8,688
Total assets	<u>\$ 63,459</u>	<u>\$ 58,679</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 5,270	\$ 5,730
Commercial paper and other short-term borrowings	3,550	3,516
Current maturities of long-term debt	985	1,376
Accrued liabilities	7,379	7,476
Total current liabilities	17,184	18,098
Long-term debt	17,687	11,110
Deferred income taxes	1,474	1,670
Postretirement benefit obligations other than pensions	309	326
Asbestos related liabilities	1,845	1,996
Other liabilities	6,640	6,766
Redeemable noncontrolling interest	7	7
Shareowners' equity	18,313	18,706
Total liabilities, redeemable noncontrolling interest and shareowners' equity	<u>\$ 63,459</u>	<u>\$ 58,679</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Cash flows from operating activities:</b>				
Net income	\$ 781	\$ 1,648	\$ 3,486	\$ 4,640
Less: Net income attributable to the noncontrolling interest	23	24	66	59
Net income attributable to Honeywell	758	1,624	3,420	4,581
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:				
Depreciation	166	165	480	500
Amortization	89	98	268	319
Repositioning and other charges	144	96	486	306
Net payments for repositioning and other charges	(343)	(72)	(652)	(157)
Pension and other postretirement income	(210)	(162)	(633)	(484)
Pension and other postretirement benefit payments	(14)	(5)	(37)	(50)
Stock compensation expense	40	37	118	112
Deferred income taxes	(12)	(342)	(289)	(298)
Reimbursement receivables charge	350	—	350	—
Other	(84)	93	(369)	98
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:				
Accounts receivable	(161)	(176)	615	(78)
Inventories	47	(3)	(284)	(276)
Other current assets	140	171	246	(68)
Accounts payable	(96)	(81)	(460)	(89)
Accrued liabilities	193	28	167	(133)
Net cash provided by (used for) operating activities	1,007	1,471	3,426	4,283
<b>Cash flows from investing activities:</b>				
Expenditures for property, plant and equipment	(249)	(192)	(615)	(504)
Proceeds from disposals of property, plant and equipment	10	31	17	41
Increase in investments	(700)	(944)	(2,371)	(3,218)
Decrease in investments	1,045	1,155	2,634	3,318
Receipts (payments) from settlements of derivative contracts	(158)	175	(75)	245
Other	—	(4)	—	(4)
Net cash provided by (used for) investing activities	(52)	221	(410)	(122)
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of commercial paper and other short-term borrowings	1,412	3,178	8,577	10,292
Payments of commercial paper and other short-term borrowings	(1,418)	(3,178)	(8,512)	(10,293)
Proceeds from issuance of common stock	66	47	163	425
Proceeds from issuance of long-term debt	3,004	2,696	10,105	2,725
Payments of long-term debt	(3,019)	(36)	(4,237)	(120)
Repurchases of common stock	(164)	(1,000)	(2,149)	(3,650)
Cash dividends paid	(636)	(595)	(1,921)	(1,798)
Other	(14)	(40)	(54)	(72)
Net cash provided by (used for) financing activities	(769)	1,072	1,972	(2,491)
Effect of foreign exchange rate changes on cash and cash equivalents	72	(81)	(19)	(49)
Net increase (decrease) in cash and cash equivalents	258	2,683	4,969	1,621
Cash and cash equivalents at beginning of period	13,778	8,225	9,067	9,287
Cash and cash equivalents at end of period	\$14,036	\$10,908	\$14,036	\$10,908

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

	<b>Three Months Ended September 30, 2020</b>
<b>Honeywell</b>	
Reported sales % change	(14)%
Less: Foreign currency translation	—%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	<u>(14)%</u>
<b>Aerospace</b>	
Reported sales % change	(25)%
Less: Foreign currency translation	—%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	<u>(25)%</u>
<b>Honeywell Building Technologies</b>	
Reported sales % change	(8)%
Less: Foreign currency translation	—%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	<u>(8)%</u>
<b>Performance Materials and Technologies</b>	
Reported sales % change	(16)%
Less: Foreign currency translation	—%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	<u>(16)%</u>
<b>Safety and Productivity Solutions</b>	
Reported sales % change	8%
Less: Foreign currency translation	—%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	<u>8%</u>

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. 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 Segment Profit to Operating Income and Calculation of Segment Profit and Operating IncomeMargins (Unaudited)

(Dollars in millions)

	<u>Three Months Ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Segment profit	\$ 1,553	\$ 1,928
Stock compensation expense (1)	(40)	(37)
Repositioning, Other (2,3)	(161)	(109)
Pension and other postretirement service costs (4)	(41)	(30)
Operating income	<u>\$ 1,311</u>	<u>\$ 1,752</u>
Segment profit	\$ 1,553	\$ 1,928
÷ Net sales	<u>\$ 7,797</u>	<u>\$ 9,086</u>
Segment profit margin %	<u>19.9 %</u>	<u>21.2 %</u>
Operating income	\$ 1,311	\$ 1,752
÷ Net sales	\$ 7,797	\$ 9,086
Operating income margin %	<u>16.8 %</u>	<u>19.3 %</u>

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

(2) Includes repositioning, asbestos, environmental expenses and equity income adjustment.

(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.

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

	Three Months Ended September 30,		Three Months Ended June 30, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2019
	2020	2019			
Earnings per share of common stock - assuming dilution (1)	\$ 1.07	\$ 2.23	\$ 1.53	\$ 2.16	\$ 8.41
Pension mark-to-market expense (2)	—	—	—	0.13	0.13
Separation-related tax adjustment (3)	—	—	(0.27)	—	—
Impacts from U.S. Tax Reform	—	(0.15)	—	(0.23)	(0.38)
Reimbursement receivable charge (4)	\$ 0.49	—	—	—	—
Adjusted earnings per share of common stock - assuming dilution	<u>\$ 1.56</u>	<u>\$ 2.08</u>	<u>\$ 1.26</u>	<u>\$ 2.06</u>	<u>\$ 8.16</u>

- (1) For the three months ended September 30, 2020 and 2019, adjusted earnings per share utilizes weighted average shares of approximately 709.6 million and 726.7 million. For the three months ended June 30, 2020, adjusted earnings per share utilizes weighted average shares of approximately 708.1 million. For the three and twelve months ended December 31, 2019 adjusted earnings per share utilizes weighted average shares of approximately 722.6 million and 730.3.
- (2) Pension mark-to-market expense uses a blended tax rate of 24% for 2019.
- (3) For the three months ended June 30, 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) The impact due to a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing.

## 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 September 30, 2020	Three Months Ended September 30, 2019
Cash provided by operating activities	\$ 1,007	\$ 1,471
Expenditures for property, plant and equipment	(249)	(192)
Free cash flow	758	1,279
Separation cost payments	—	7
Adjusted free cash flow	<u>\$ 758</u>	<u>\$ 1,286</u>
Net income attributable to Honeywell	758	1,624
Impacts from U.S. Tax Reform	—	(114)
Reimbursement receivable charge (1)	350	—
Adjusted net income attributable to Honeywell	<u>\$ 1,108</u>	<u>\$ 1,510</u>
Cash provided by operating activities	\$ 1,007	\$ 1,471
÷ Net income (loss) attributable to Honeywell	<u>\$ 758</u>	<u>\$ 1,624</u>
Operating cash flow conversion	133 %	91 %
Adjusted free cash flow	\$ 758	\$ 1,286
÷ Adjusted net income attributable to Honeywell	<u>\$ 1,108</u>	<u>\$ 1,510</u>
Adjusted free cash flow conversion %	<u>68 %</u>	<u>85 %</u>

(1) A non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing.

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

We believe that this metric is useful to investors and management as a measure of cash generated by business 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 business operations and the impact that this cash flow has on our liquidity.

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, 2019	Twelve Months Ended December 31, 2019	Three Months Ended June 30, 2020
Segment profit	\$ 2,032	\$ 7,739	\$ 1,385
Stock compensation expense (1)	(41)	(153)	(34)
Repositioning, Other (2,3)	(259)	(598)	(295)
Pension and other postretirement service costs (4)	(37)	(137)	(38)
Operating income	<u>\$ 1,695</u>	<u>\$ 6,851</u>	<u>\$ 1,018</u>
Segment profit	\$ 2,032	\$ 7,739	\$ 1,385
÷ Net sales	\$ 9,496	\$ 36,709	\$ 7,477
Segment profit margin %	<u>21.4 %</u>	<u>21.1 %</u>	<u>18.5 %</u>
Operating income	\$ 1,695	\$ 6,851	\$ 1,018
÷ Net sales	\$ 9,496	\$ 36,709	\$ 7,477
Operating income margin %	<u>17.8 %</u>	<u>18.7 %</u>	<u>13.6 %</u>

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

(2) Includes repositioning, asbestos, environmental expenses and equity income adjustment.

(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, particularly pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. The information that is unavailable to provide a quantitative reconciliation could have a significant impact on our reported financial results. To the extent quantitative information becomes available without unreasonable effort in the future, and closer to the period to which the forward-looking measures pertain, a reconciliation of segment profit to operating income will be included within future filings.

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

	Three Months Ended December 31, 2020 (E)	Twelve Months Ended December 31, 2020 (E)
Earnings per share of common stock - assuming dilution (1)	\$1.97 - \$2.02	\$6.78 - \$6.83
Pension mark-to-market expense	—	—
Separation-related tax adjustment (2)	—	(0.27)
Reimbursement receivable charge (3)	—	0.49
Adjusted earnings per share of common stock - assuming dilution	<u>\$1.97 - \$2.02</u>	<u>\$7.00 - \$7.05</u>

- (1) For the three and twelve months ended December 31, 2020, expected adjusted earnings per share utilizes weighted average shares of approximately 710 million and 711 million.
- (2) 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.
- (3) The impact due to a non-cash \$350M pre-tax and after-tax charge associated with the reduction in carrying value to present value of reimbursement receivables due from Garrett in relation to Garrett's September 20, 2020 Chapter 11 bankruptcy filing.

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.