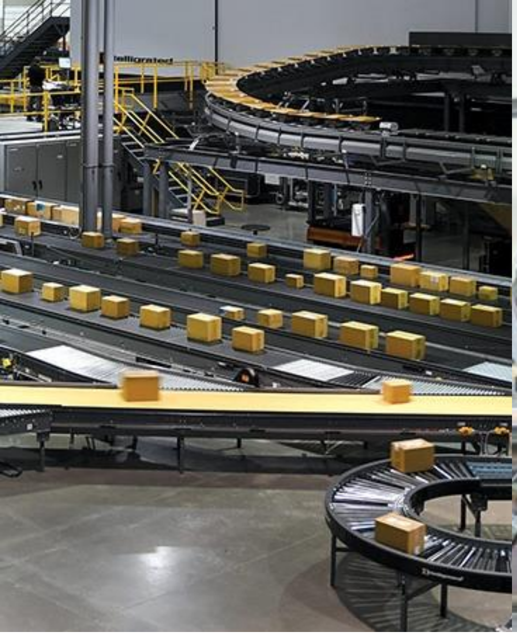




SECOND QUARTER 2021 EARNINGS RELEASE

JULY 23, 2021

Honeywell

Forward Looking Statements

This presentation 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 presentation 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. 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.

Non-GAAP Financial Measures

This presentation contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this presentation 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 the transaction date; free cash flow, which we define as cash flow from operations less capital expenditures plus cash receipts from Garrett, if and as noted in the presentation; adjusted free cash flow conversion, which we define as free cash flow divided by adjusted net income attributable to Honeywell; adjusted net income attributable to Honeywell, which we define as net income attributable to Honeywell which we adjust to exclude favorable resolution of a foreign tax matter related to the spin-off transactions, changes in fair value for Garrett equity securities and a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021, if and as noted in the presentation; and adjusted earnings per share, which we adjust to exclude pension mark-to-market, favorable resolution of a foreign tax matter related to the spin-off transactions, non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions, the gain on sale of the retail footwear business, changes in fair value for Garrett equity securities, and a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021, if and as noted in the presentation. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These 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. Refer to the Appendix attached to this release for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

2Q 2021 OVERVIEW

	2Q 2021 Actual	2Q 2021 Guidance
Adjusted Earnings Per Share	$2.02	$1.86 - $1.96
Organic Sales Growth	15%	10% – 13%
Segment Margin Expansion	190 bps	130 – 180 bps
Free Cash Flow	$1.5B	
Capital Deployment	$1.9B Share Repurchases, Dividends, Capital Expenditures, and M&A	

2Q 2021 Highlights

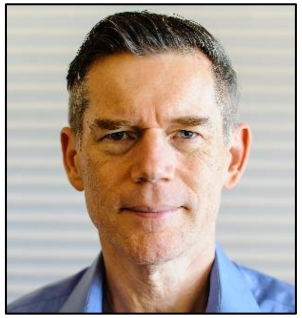
- Adjusted earnings per share, organic sales growth, and segment margin above high end of guidance
- Delivered double-digit organic sales growth in SPS, HBT, and PMT; returned to growth in Aero
- Orders up over 20% organically
- Expanded segment margin in all 4 segments
- Adjusted EPS up 60% YoY; $0.06 above high end of guidance
- Generated $1.5 billion of free cash flow with 103% adjusted conversion
- Repurchased $1 billion of Honeywell shares

Adjusted EPS and adjusted EPS V% exclude 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions, changes in fair value for Garrett equity securities, and a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021. Adjusted free cash flow conversion is free cash flow divided by adjusted net income attributable to Honeywell. Adjusted net income attributable to Honeywell excludes changes in fair value for Garrett equity securities, a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021, and the 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions from net income attributable to Honeywell.

Overdelivered on Adjusted EPS, Sales, Segment Margin

LEADERSHIP ANNOUNCEMENTS

VIMAL KAPUR
New President and CEO, PMT
- Has been with Honeywell for 32 years; brings outstanding leadership capabilities and knowledge of our end markets
- Led Honeywell Building Technologies since 2018; previously led Honeywell Process Solutions



DOUG WRIGHT
New President and CEO, HBT
- Joined Honeywell in 2020 as President of HBT's Fire and Security business; quickly made a significant impact
- Prior roles include President and CEO of Source Photonics and President of Asia for United Technologies' Fire and Security group

BEN DRIGGS
New COO Global High Growth Regions (HGR)
- Has been with Honeywell for over 16 years; prior roles include Vice President of Global Strategic Accounts, President of Honeywell Latin America, and Vice President, Aero Asia Pacific
- Will succeed Shane as President, Global High Growth Regions

RAJEEV GAUTAM
Retiring as President and CEO, PMT
- Has led PMT for past 5 years; spent 43 years with Honeywell
- Will ensure a smooth transition by serving as President Emeritus, PMT through end of January

SHANE TEDJARATI
Retiring as President, Global High Growth Regions
- Joined Honeywell 17 years ago; spearheaded growth strategies across HGRs
- Will retire at the end of 2021 and remain in an advisory capacity over the next 3 years

World-Class Leadership Team; Deep Bench of Leaders

QUANTUM COMPUTING BREAKTHROUGH

Honeywell Quantum Solutions and Cambridge Quantum Computing

Combining to create the global leader in turn-key quantum solutions

150+	330+	130	$270M
Technical Patents	Brightest Quantum Minds	Years of Innovation	Investment from HON

- Cambridge Quantum has leading open access, hardware agnostic software development platform (tket), and the **first** and **most advanced quantum operating system (MYQOS)**
- Honeywell's H-series quantum computer achieved the world's **highest demonstrated quantum volume – 1,024 –** and is delivering on a commitment to increase by at least an order of magnitude every year over 5 years
- To **accelerate the transition** of quantum industry into a phase of **value-creating solutions** for customers, the combined company will:
  - Co-develop integrated quantum hardware and software through large scale investment
  - Create hardware-agnostic software solutions, value-creating applications in critical areas, and a unique quantum operating system across many quantum platforms
  - Provide a one-stop-shop for quantum customers
  - Create a center of gravity for the best quantum talent

Key Benefits

- ✓ Complete solution provider with already developed solutions in pharma research, finance, and optimization across major industrial markets across the full quantum stack
- ✓ Quantum hardware platform agnostic; software used throughout the industry
- ✓ Working with global customers to deliver solutions for markets with massive scalable commercialization opportunity
  - ✓ Examples of key customers include J.P. Morgan, BMW, Samsung, Google, DHL, Total, JSR Life Sciences, Nippon Steel, and Honeywell
- ✓ **Combination is expected to significantly accelerate the path to commercial scale by 2 – 5 years (i.e., revenues >$1B)**

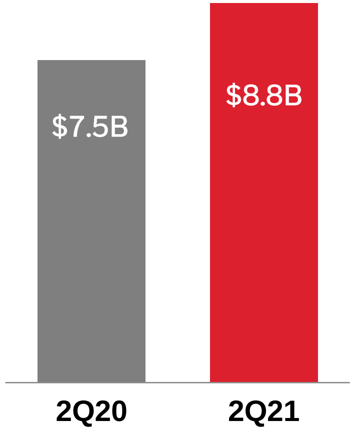
Closing of the combination transaction remains subject to regulatory approval and customary closing conditions

Creating a Global Leader in Quantum Hardware, Software, and Solutions

2Q 2021 FINANCIAL SUMMARY

Sales

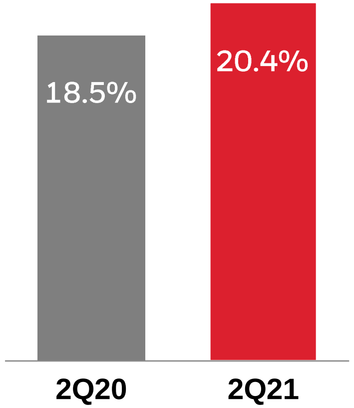
Up 15% *Organic*



- + Continued double-digit growth in SPS
- + Strength across HBT portfolio
- + Sequential and YoY growth in PMT and Aero commercial aftermarket
- - Commercial aviation OE and defense headwinds

Segment Margin

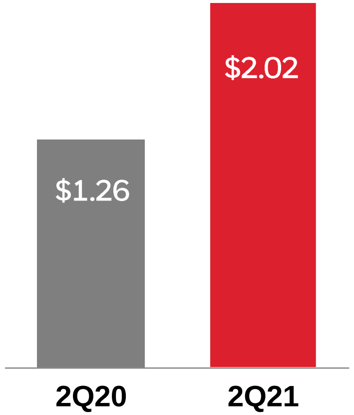
Up 190 bps



- + Margin expansion in all segments
- + Higher volumes
- + Commercial excellence

Adjusted EPS

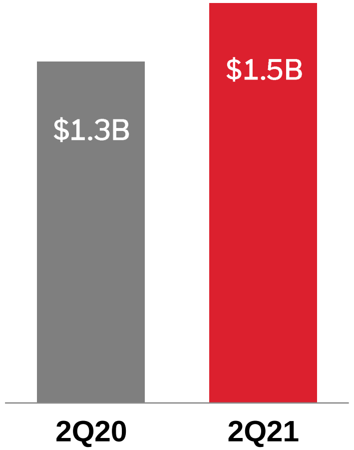
Up 60%



- + Higher volumes and segment profit
- + Lower repositioning; higher pension income
- + Lower adjusted effective tax rate (23.0% vs. 25.1%)
- + Lower share count (703M vs. 708M)

Free Cash Flow

103% *Adjusted Conversion*



- + Higher net income
- + 103% adjusted FCF conversion
- + $375M cash receipt from Garrett
- + Deployed $1.9B to share repurchases, dividends, capex, and M&A

Adjusted EPS and adjusted EPS V% exclude 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions, changes in fair value for Garrett equity securities, and a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021. Adjusted free cash flow conversion is free cash flow divided by adjusted net income attributable to Honeywell. Adjusted net income attributable to Honeywell excludes changes in fair value for Garrett equity securities, a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021, and the 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions from net income attributable to Honeywell.

Overdelivered on Our Commitments – Returned to Strong Growth

3Q AND FY 2021 OUTLOOK

3Q Guidance		FY Guidance	
Sales $8.5B - $8.8B *7% - 11% Organic Growth*	**Segment Margin** 20.3% - 20.6% *Up 40 – 70 bps*	**Sales** $34.6B - $35.2B *4% – 6% Organic Growth* Prior: $34.0B - $34.8B, Up 3% - 5%	**Segment Margin** 20.8% - 21.1% *Up 40 – 70 bps* Prior: 20.7% - 21.1%, Up 30 – 70 bps
Adjusted EPS $1.97 - $2.02 *Up 26% - 29%*	Net Below the Line Impact ($5M) - $55M Effective Tax Rate 22% - 23% Share Count ~703M	**Adjusted EPS** $7.95 - $8.10 *Up 12% - 14%* Prior: $7.75 - $8.00, Up 9% - 13%	**Free Cash Flow** $5.3B - $5.6B Prior: $5.2B - $5.5B

Net below the line impact is the difference between segment profit and income before tax. Impact includes interest and other financial charges, stock compensation expense, pension ongoing income, other post-retirement income, and repositioning and other charges. Adjusted EPS guidance excludes a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021, the gain on sale of the Retail footwear business, and any potential future one-time items that we cannot reliably predict or estimate such as pension mark-to-market or changes in fair value for Garrett equity securities. Adjusted EPS V% guidance also excludes 4Q20 pension mark-to market, non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions, and 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions.

Raising All Full-Year Guided Metrics

FY 2021 GUIDANCE PROGRESSION

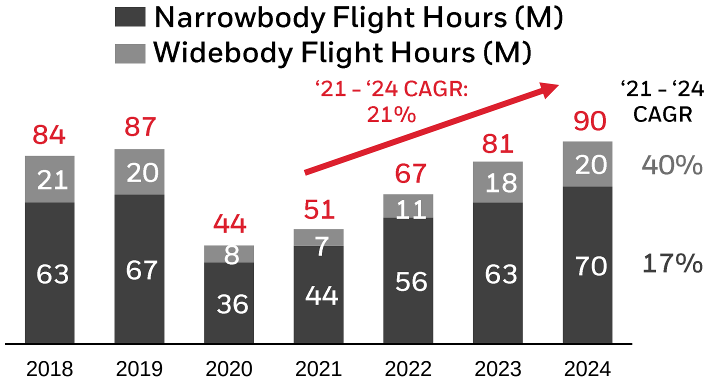
	Original Guidance (as of 4Q20 Earnings Call)	Previous Guidance (as of 1Q21 Earnings Call)	Updated Guidance
Sales *Organic Growth*	**$33.4B - $34.4B** *Up 1% – 4%*	**$34.0B - $34.8B** *Up 3% – 5%*	**$34.6B - $35.2B** *Up 4% – 6%*
Segment Margin *Margin Expansion*	**20.7% - 21.1%** *Up 30 – 70 bps*	**20.7% - 21.1%** *Up 30 – 70 bps*	**20.8% - 21.1%** *Up 40 – 70 bps*
Net Below the Line Impact	($130M) – $20M	($130M) – $20M	($110M) – $40M
Effective Tax Rate	21% - 22%	21% - 22%	21% - 22%
Share Count	~705M	~705M	~703M
Adjusted Earnings Per Share *Adjusted Growth*	**$7.60 - $8.00** *Up 7% - 13%*	**$7.75 - $8.00** *Up 9% - 13%*	**$7.95 - $8.10** *Up 12% - 14%*
Free Cash Flow	**$5.1B - $5.5B**	**$5.2B - $5.5B**	**$5.3B - $5.6B**

Net below the line impact is the difference between segment profit and income before tax. Impact includes interest and other financial charges, stock compensation expense, pension ongoing income, other post-retirement income, and repositioning and other charges. Adjusted EPS guidance excludes a non-cash charge associated with a further reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021, the gain on sale of the Retail footwear business, and any potential future one-time items that we cannot reliably predict or estimate such as pension mark-to-market or changes in fair value for Garrett equity securities. Adjusted EPS V% guidance also excludes 4Q20 pension mark-to market, non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions, and 2Q20 favorable resolution of a foreign tax matter related to the spin-off transactions.

Another Outlook Upgrade – Midpoint of Adjusted EPS Up $0.23 from Original Guide

KEY END MARKETS DRIVING GROWTH

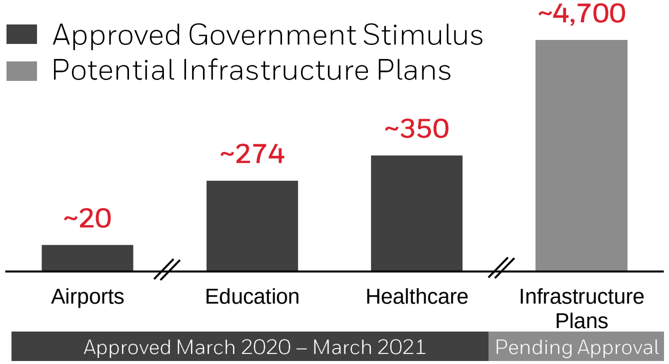
Commercial Aero



- Pent-up demand for leisure and business travel
- Business and general aviation flight hours already at 2019 levels; air transport to fully recover by 2024

Buildings and Infrastructure

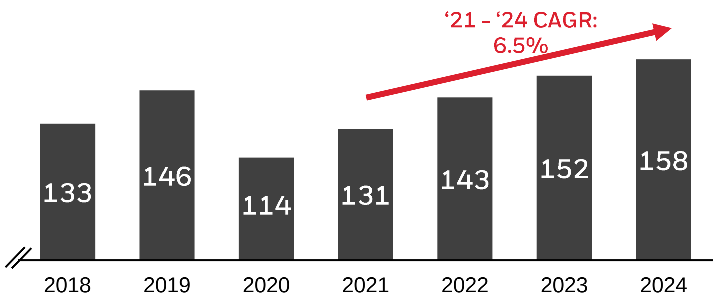
U.S. Government Spending ($B)



- Sizable stimulus approved; infrastructure plans pending
- Non-resi construction to grow by $230B to $2.5T by 2024
- Emphasis on healthy buildings; HSD% '21 – '24 CAGR

Energy

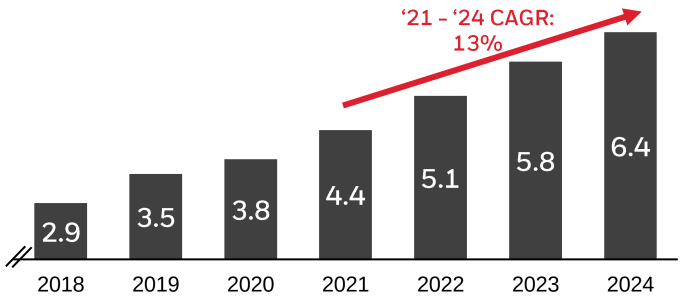
Downstream Customer Capex ($B)



- Upcoming capital reinvestment wave in oil and gas sector
- Accelerating downstream volumes driving high margin catalyst shipments

Warehouse Automation

Global e-Commerce Sales ($T)



- Transition to direct fulfillment driving higher demand for warehouse and workflow solutions
- Labor shortages expected to intensify

Sources: 2018 - 2020 flight hours based on OAG database; 2021 - 2024 flight hours based on internal estimates; downstream customer capex estimates based on IHSM; eMarketer; infrastructure funding allocation to airports, education, and healthcare to be determined

Strong Set-Up for 2022 and Beyond

ACCELERATION IN STRATEGIC GROWTH VECTORS

UAS / UAM

- Congestion and e-commerce driving demand for urban air mobility
- $3.4B content wins achieved; $1.8B more pending
- $7B projected cumulative pipeline over next 5 years
- Selected to provide flight control system for 7-seater Lilium Jet
- Positioned to address ~$30B annual market in 2030

Sparta Systems Integration

Sparta Systems

- 1H21 orders up over 30% YoY
- Backlog over $100M
- Double-digit growth in SaaS customer base since year-end 2020
- European specialty pharmaceutical company implemented the TrackWise Digital® quality management platform at 3 of its manufacturing sites

Honeywell Connected Enterprise

HONEYWELL FORGE

- Launched Honeywell Forge Real Estate Operations, a cloud-based connected buildings solution jointly developed with SAP
- Double-digit HCE recurring revenue growth in 2Q21 and YTD
- HCE orders up over 20% in 2Q21
- 1 million instances of Tridium's Niagara have been deployed worldwide
- Honeywell Forge has delivered over 5,000 OT cybersecurity projects

Healthy Buildings Solutions

- Strong customer demand for solutions that support occupant safety and comfort
- ~$150M orders booked in 1H21; $2.1B global pipeline
- Customer wins across key verticals: Farmacias del Ahorro; Harris County, Texas; Wuhan Changfu Hospital; Pittsburgh International Airport; San Diego International Airport; Syracuse University; C2MI
- Supporting NFL's Jacksonville Jaguars and Carolina Panthers by deploying air quality monitoring solutions via a custom real-time Healthy Buildings dashboard

Compelling Proof Points for Honeywell's Strategic Progress

SUMMARY

- Another outstanding quarter – overdelivered on second quarter sales, segment margin, and adjusted EPS
- All four segments delivered top-line growth and segment margin expansion
- Orders growth of over 20% indicative of a bright future
- Strategic initiatives gaining momentum in the marketplace
- Raising full-year guidance for all financial elements

Strong Second Quarter; Well Positioned for Continued Growth

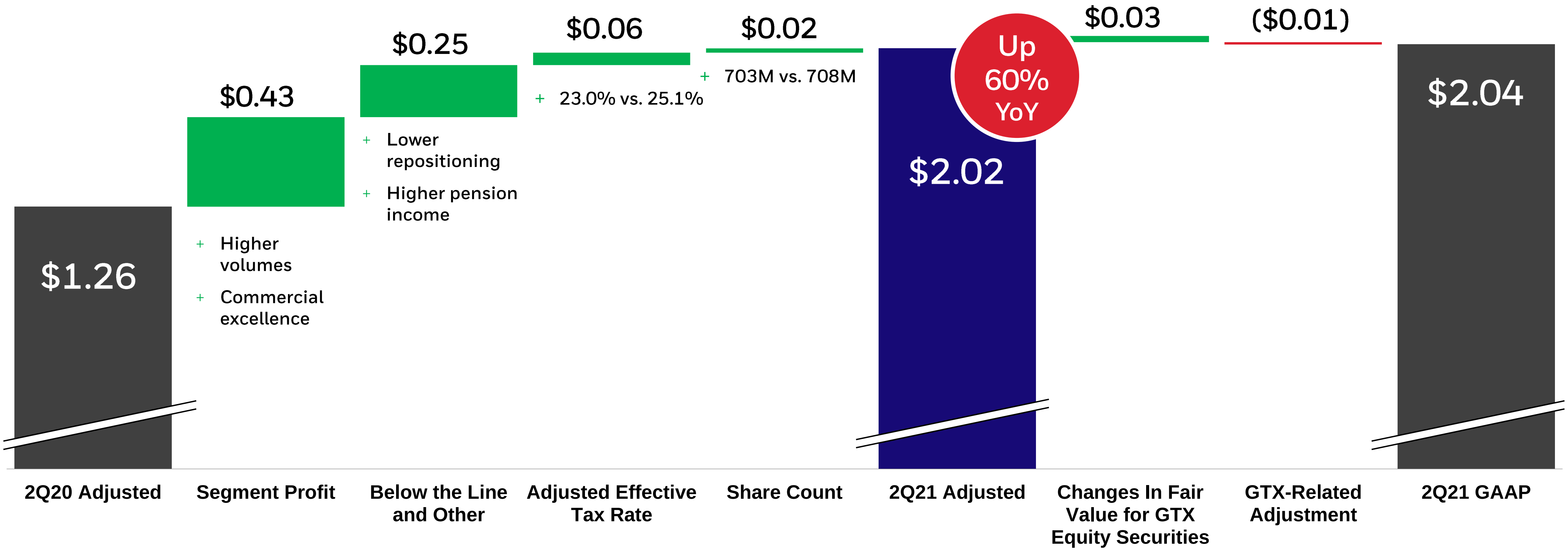
Appendix

2Q 2021 SEGMENT RESULTS

($M)	Sales	Segment Margin Change (bps)	Commentary
Aero	**$2,766** *Up 7% Organic*	**25.7%** *Up 490 bps*	• Commercial aero aftermarket up double-digits sequentially and YoY driven by improved flight hours; business aviation flight hours at 2019 levels • Slow ramp in commercial OE build rates; lower defense volumes • Margin expansion driven by higher volumes and sales mix
HBT	**$1,407** *Up 13% Organic*	**22.4%** *Up 120 bps*	• Robust double-digit products sales and orders growth; strong demand for healthy buildings solutions • Sequential and YoY building solutions growth; orders up >25% • Margin expansion driven by higher sales volumes
PMT	**$2,552** *Up 10% Organic*	**20.8%** *Up 190 bps*	• Higher petrochemical catalyst shipments and equipment in UOP; double-digit orders and backlog growth • HPS sales up 6% sequentially from 1Q driven by strong thermal solutions, products, and services demand; lower YoY global mega projects • Continued growth across advanced materials portfolio, particularly strong demand for fluorine products
SPS	**$2,083** *Up 35% Organic*	**14.0%** *Up 20 bps*	• Robust double-digit warehouse and workflow solutions and personal protective equipment growth • Continued double-digit sales growth in productivity solutions and services; orders up triple-digits • Sequential demand acceleration in short-cycle gas detection and advanced sensing

Strong Sales Growth and Margin Expansion in All Segments

2Q 2021 EARNINGS PER SHARE BRIDGE



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2Q21 Adjusted EPS Growth Driven by Segment Profit

2Q 2021 SALES GROWTH

	2Q Reported	2Q Organic
Aerospace	**9%**	**7%**
Commercial Aviation Original Equipment	(2%)	(3%)
Commercial Aviation Aftermarket	54%	53%
Defense & Space	(8%)	(10%)
Honeywell Building Technologies	**20%**	**13%**
Products	26%	20%
Building Solutions	11%	5%
Performance Materials And Technologies	**15%**	**10%**
UOP	10%	8%
Honeywell Process Solutions	7%	(1%)
Advanced Materials	34%	30%
Safety And Productivity Solutions	**35%**	**35%**
Safety and Retail	21%	25%
Productivity Solutions and Services	43%	38%
Warehouse and Workflow Solutions	59%	57%
Advanced Sensing Technologies	(1%)	(4%)

UPDATE ON 2021 MARKET OUTLOOK

	Primary End Market	Latest View of Organic Sales	Update
Aero	Commercial Aerospace Defense & Space	**-LSD**	• Robust business aviation aftermarket recovery; air transport aftermarket recovery accelerating, particularly domestic / narrowbody; international / widebody slower ramp • Lower volumes in U.S. and international defense, partially offset by growth in space
HBT	Non-Residential	**+MSD**	• Strong demand for products and management systems; 2Q orders up >45% • Momentum for healthy buildings solutions • Strong projects and services backlog driving 2H buildings solutions growth; 2Q orders up >25%
PMT	Oil & Gas / PetroChem Specialty Chemicals	**+LSD**	• Outperformance across advanced materials portfolio, particularly fluorine products • Strong demand for catalysts; 2Q UOP orders up over 25% • Strength in short-cycle process solutions businesses; 2Q HPS orders up HSD%
SPS	Industrial Productivity	**DD**	• Very strong growth in warehouse and workflow solutions, up 69% YTD organically, and productivity solutions and services, up 27% YTD organically • Continued short-cycle acceleration; softening 2H respiratory demand
HON	Total Honeywell	**4% - 6%**	• Raised 1% on low and high end

Raising Midpoint of Organic Sales Guidance to 5%

ADDITIONAL 2021 INPUTS

	3Q20	3Q21E	FY21E	Commentary
Pension / OPEB	$210M	~$270M	~$1,125M	• Larger asset base from robust 2020 portfolio returns and lower discount rates reducing expenses, resulting in higher pension income
Repositioning	($124M)	($50M – $100M)	($400M - $525M)	• Retain capacity for high-return projects to support cost management and productivity initiatives; maintaining $400M - $525M range for full-year
Other Below the Line	($141M)	($165M - $175M)	($685M - $710M)	• Asbestos, environmental expenses net of spin reimbursements, net interest, F/X, stock option expense, RSU expense, M&A and other expenses
Total Below the Line	($55M)	$55M – ($5M)	$40M – ($110M)	
Share Count	710M	~703M	~703M	

3Q20 Total Below the Line excludes the adjustment of $350M net of tax due to the non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett.

RECONCILIATION OF SEGMENT PROFIT TO OPERATING INCOME AND CALCULATION OF SEGMENT PROFIT AND OPERATING INCOME MARGINS

($M)	2Q20	3Q20	2Q21	2020
Aerospace	$ 2,543	$ 2,662	$ 2,766	$ 11,544
Honeywell Building Technologies	1,177	1,305	1,407	5,189
Performance Materials and Technologies	2,218	2,252	2,552	9,423
Safety and Productivity Solutions	1,539	1,578	2,083	6,481
Net Sales	$ 7,477	$ 7,797	$ 8,808	$ 32,637
Aerospace	$ 528	$ 617	$ 710	$ 2,904
Honeywell Building Technologies	250	282	315	1,099
Performance Materials and Technologies	419	442	530	1,851
Safety and Productivity Solutions	213	219	292	907
Corporate	(25)	(7)	(54)	(96)
Segment Profit	$ 1,385	$ 1,553	$ 1,793	$ 6,665
Stock compensation expense (1)	(34)	(40)	(39)	(168)
Repositioning, Other (2,3)	(295)	(161)	(119)	(641)
Pension and other postretirement service costs (4)	(38)	(41)	(37)	(160)
Operating income	$ 1,018	$ 1,311	$ 1,598	$ 5,696
Segment profit	$ 1,385	$ 1,553	$ 1,793	$ 6,665
÷ Net sales	$ 7,477	$ 7,797	$ 8,808	$ 32,637
Segment profit margin %	18.5 %	19.9 %	20.4 %	20.4 %
Operating income	$ 1,018	$ 1,311	$ 1,598	$ 5,696
÷ Net sales	$ 7,477	$ 7,797	$ 8,808	$ 32,637
Operating income margin %	13.6 %	16.8 %	18.1 %	17.5 %

(1) Amounts included in Selling, general and administrative expenses.
(2) Includes repositioning, asbestos, environmental expenses, and equity income adjustment.
(3) Amounts included in Cost of products and services sold, Selling, general and administrative expenses, and Other (income) expense.
(4) Amounts 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.

RECONCILIATION OF ORGANIC SALES % CHANGE

	2Q21
Honeywell	
Reported sales % change	18%
Less: Foreign currency translation	3%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	15%
Aerospace	
Reported sales % change	9%
Less: Foreign currency translation	1%
Less: Acquisitions, divestitures and other, net	1%
Organic sales % change	7%
Honeywell Building Technologies	
Reported sales % change	20%
Less: Foreign currency translation	7%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	13%
Performance Materials and Technologies	
Reported sales % change	15%
Less: Foreign currency translation	4%
Less: Acquisitions, divestitures and other, net	1%
Organic sales % change	10%
Safety and Productivity Solutions	
Reported sales % change	35%
Less: Foreign currency translation	3%
Less: Acquisitions, divestitures and other, net	(3)%
Organic sales % change	35%

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.

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.

RECONCILIATION OF EPS TO ADJUSTED EPS

	2Q20	3Q20	2Q21	2020
Earnings (loss) per share of common stock - assuming dilution (EPS) [(1)]	$ 1.53	$ 1.07	$ 2.04	$ 6.72
Separation related tax adjustment [(2)]	(0.27)	—	—	(0.26)
Pension mark-to-market expense [(3)]	—	—	—	0.04
Changes in fair value for Garrett equity securities [(4)]	—	—	(0.03)	—
Garrett-related adjustments[(5)]	—	0.49	0.01	0.60
Adjusted earnings per share of common stock - assuming dilution	$ 1.26	$ 1.56	$ 2.02	$ 7.10

(1) For the three months ended June 30, 2021 and 2020, adjusted earnings per share utilizes weighted average shares of approximately 702.5 million and 708.1 million. For the three months ended September 30, 2020 adjusted earnings per share utilizes weighted average shares of approximately 709.6 million. For the twelve months ended December 31, 2020, adjusted earnings per share utilizes weighted average shares of 711.2 million.

(2) For the three months ended June 30, 2020 and 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) Pension mark-to-market expense uses a blended tax rate of 25% for 2020.

(4) For the three months ended June 30, 2021, the adjustment was $16 million net of tax due to changes in fair value for Garrett equity securities.

(5) For the three months ended June 30, 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 months ended September 30, 2020, the adjustment was $350 million net of tax due to the non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett. For the twelve months ended December 31, 2020, the adjustment was $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 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 and the changes in fair value for Garrett equity securities. Pension mark-to-market expense 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.

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

($M)	2Q20	2Q21
Cash provided by operating activities	$ 1,480	$ 1,278
Expenditures for property, plant and equipment	(227)	(185)
Garrett cash receipts	—	375
Free cash flow	$ 1,253	$ 1,468
Net income (loss) attributable to Honeywell	$ 1,081	$ 1,430
Separation related tax adjustment	(186)	—
Changes in fair value for GTX equity securities (1)	—	(16)
Garrett-related adjustment (2)	—	7
Adjusted net income attributable to Honeywell	$ 895	$ 1,421
Cash provided by operating activities	$ 1,480	$ 1,278
÷ Net income (loss) attributable to Honeywell	$ 1,081	$ 1,430
Operating cash flow conversion %	137 %	89 %
Free cash flow	$ 1,253	$ 1,468
÷ Adjusted net income attributable to Honeywell	$ 895	$ 1,421
Adjusted free cash flow conversion %	140 %	103 %

(1) The adjustment due to changes in fair value for Garrett equity securities.
(2) For the three months ended June 30, 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.

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 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 of Garrett equity securities cannot be forecasted due to the inherent nature of changing conditions in the overall market.

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

	2021E ($B)
Cash provided by operating activities	**~$5.9 - $6.2**
Expenditures for property, plant and equipment	**~(1)**
Garrett cash receipts	**0.4**
Free cash flow	**~$5.3 - $5.6**

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 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 or changes in fair value of 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 of Garrett equity securities cannot be forecasted due to the inherent nature of changing conditions in the overall market.

RECONCILIATION OF EXPECTED EARNINGS PER SHARE TO ADJUSTED EARNINGS PER SHARE

	2021E
Earnings per share of common stock - assuming dilution (1)	**$8.05 - $8.20**
Gain on sale of retail footwear business (2)	**(0.11)**
Garrett-related adjustments (3)	**0.01**
Adjusted earnings per share of common stock - assuming dilution	**$7.95 - $8.10**

(1) For the twelve months ended December 31, 2021, expected earnings per share utilizes weighted average shares of approximately 703 million.
(2) For the twelve months ended December 31, 2021, the adjustment was $72 million net of tax due to the gain on sale of the retail footwear business.
(3) 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.

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 any potential future one-time items, such as pension mark-to-market or changes in fair value for Garrett equity securities, without unreasonable effort. Pension mark-to-market expense 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