

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 1-8974

Honeywell

Honeywell International Inc.

(Exact name of registrant as specified in its charter)

Delaware 22-2640650
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

855 South Mint Street
Charlotte, North Carolina 28202
(Address of principal executive offices) (Zip Code)

(704) 627-6200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1 per share	HON	The Nasdaq Stock Market LLC
3.500% Senior Notes due 2027	HON 27	The Nasdaq Stock Market LLC
2.250% Senior Notes due 2028	HON 28A	The Nasdaq Stock Market LLC
3.375% Senior Notes due 2030	HON 30	The Nasdaq Stock Market LLC
0.750% Senior Notes due 2032	HON 32	The Nasdaq Stock Market LLC
3.750% Senior Notes due 2032	HON 32A	The Nasdaq Stock Market LLC
4.125% Senior Notes due 2034	HON 34	The Nasdaq Stock Market LLC
3.750% Senior Notes due 2036	HON 36	The Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 649,671,200 shares of Common Stock outstanding at June 30, 2024.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

We describe many of the trends and other factors that drive our business and future results in the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations and in other parts of this report (including Part II, Item 1A Risk Factors). Such discussions contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements are those that address activities, events, or developments that management intends, expects, projects, believes, or anticipates will or may occur in the future. They are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments, and other relevant factors, many of which are difficult to predict and outside of our control. They are not guarantees of future performance, and actual results, developments, and business decisions may differ significantly from those envisaged by our forward-looking statements. We do not undertake to update or revise any of our forward-looking statements, except as required by applicable securities law. Our forward-looking statements are also subject to material risks and uncertainties, including ongoing macroeconomic and geopolitical risks, such as lower GDP growth or recession, capital markets volatility, inflation, and certain regional conflicts, that can affect our performance in both the near- and long-term. In addition, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this Form 10-Q can or will be achieved. These forward-looking statements should be considered in light of the information included in this report and our other filings with the Securities and Exchange Commission (SEC), including, without limitation, the Risk Factors, as well as the description of trends and other factors in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in this report and our 2023 Annual Report on Form 10-K. Any forward-looking plans described herein are not final and may be modified or abandoned at any time.

ABOUT HONEYWELL

Honeywell International Inc. (Honeywell, we, us, our, or the Company) is an integrated operating company serving a broad range of industries and geographies around the world. Our portfolio of solutions is uniquely positioned to blend physical products with software to serve customers worldwide with aerospace products and services, energy efficient products and solutions for businesses, specialty chemicals, electronic and advanced materials, process technology for refining and petrochemicals, and productivity, sensing, safety, and security technologies for buildings and industries. Our products and solutions enable a safer, more comfortable, and more productive world, enhancing the quality of life of people around the globe. The Honeywell brand dates back to 1906, and the Company was incorporated in Delaware in 1985.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports, are available free of charge on our Investor Relations website (investor.honeywell.com) under the heading Financials (see SEC Filings) immediately after they are filed with, or furnished to, the SEC. Honeywell uses our Investor Relations website, along with press releases on our primary Honeywell website (honeywell.com) under the heading News & Media, as a means of disclosing information which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website and Honeywell News feed, in addition to following our press releases, SEC filings, public conference calls, webcasts, and social media. Information contained on or accessible through, including any reports available on, our website is not a part of, and is not incorporated by reference into, this Quarterly Report on Form 10-Q or any other report or document we file with the SEC. Any reference to our website in this Form 10-Q is intended to be an inactive textual reference only.

2 Honeywell International Inc.

PART I. FINANCIAL INFORMATION

The financial statements and related notes as of June 30, 2024, should be read in conjunction with the financial statements for the year ended December 31, 2023, contained in the Company's 2023 Annual Report on Form 10-K.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

HONEYWELL INTERNATIONAL INC. CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Dollars in millions, except per share amounts)			
Product sales	\$ 6,477	\$ 6,441	\$ 12,740	\$ 12,751
Service sales	3,100	2,705	5,942	5,259
Net sales	9,577	9,146	18,682	18,010
Costs, expenses and other				
Cost of products sold	4,247	4,133	8,282	8,201
Cost of services sold	1,609	1,493	3,157	2,923
Total Cost of products and services sold	5,856	5,626	11,439	11,124
Research and development expenses	382	375	742	732
Selling, general and administrative expenses	1,361	1,262	2,663	2,579
Other (income) expense	(246)	(208)	(477)	(468)
Interest and other financial charges	250	187	470	357
Total costs, expenses and other	7,603	7,242	14,837	14,324
Income before taxes	1,974	1,904	3,845	3,686
Tax expense	414	403	810	777
Net income	1,560	1,501	3,035	2,909
Less: Net income attributable to noncontrolling interest	16	14	28	28
Net income attributable to Honeywell	\$ 1,544	\$ 1,487	\$ 3,007	\$ 2,881
Earnings per share of common stock—basic	\$ 2.37	\$ 2.24	\$ 4.62	\$ 4.32
Earnings per share of common stock—assuming dilution	\$ 2.36	\$ 2.22	\$ 4.59	\$ 4.29

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Dollars in millions)			
Net income	\$ 1,560	\$ 1,501	\$ 3,035	\$ 2,909
Other comprehensive income (loss), net of tax				
Foreign exchange translation adjustment	5	(77)	59	(135)
Pension and other postretirement benefit adjustments	(5)	(12)	(10)	(24)
Changes in fair value of available for sale investments	(1)	9	(1)	3
Cash flow hedges recognized in other comprehensive income (loss)	(14)	14	4	30
Less: Reclassification adjustment for gains (losses) included in net income	12	11	16	13
Changes in fair value of cash flow hedges	(26)	3	(12)	17
Other comprehensive income (loss), net of tax	(27)	(77)	36	(139)
Comprehensive income	1,533	1,424	3,071	2,770
Less: Comprehensive income attributable to the noncontrolling interest	16	10	4	25
Comprehensive income attributable to Honeywell	\$ 1,517	\$ 1,414	\$ 3,067	\$ 2,745

The Notes to Consolidated Financial Statements are an integral part of this statement.

**HONEYWELL INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEET
(Unaudited)**

	June 30, 2024	December 31, 2023
	(Dollars in millions)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 9,576	\$ 7,925
Short-term investments	231	170
Accounts receivable, less allowances of \$312 and \$323, respectively	7,759	7,530
Inventories	6,324	6,178
Other current assets	1,479	1,699
Total current assets	25,369	23,502
Investments and long-term receivables	1,472	939
Property, plant and equipment—net	5,752	5,660
Goodwill	20,824	18,049
Other intangible assets—net	5,208	3,231
Insurance recoveries for asbestos-related liabilities	163	170
Deferred income taxes	374	392
Other assets	10,167	9,582
Total assets	\$ 69,329	\$ 61,525
LIABILITIES		
Current liabilities		
Accounts payable	\$ 6,470	\$ 6,849
Commercial paper and other short-term borrowings	4,548	2,085
Current maturities of long-term debt	2,519	1,796
Accrued liabilities	7,507	7,809
Total current liabilities	21,044	18,539
Long-term debt	20,865	16,562
Deferred income taxes	2,137	2,094
Postretirement benefit obligations other than pensions	126	134
Asbestos-related liabilities	1,444	1,490
Other liabilities	6,196	6,265
Redeemable noncontrolling interest	7	7
SHAREOWNERS' EQUITY		
Capital—common stock issued	958	958
—additional paid-in capital	9,495	9,062
Common stock held in treasury, at cost	(39,007)	(38,008)
Accumulated other comprehensive income (loss)	(4,075)	(4,135)
Retained earnings	49,576	47,979
Total Honeywell shareowners' equity	16,947	15,856
Noncontrolling interest	563	578
Total shareowners' equity	17,510	16,434
Total liabilities, redeemable noncontrolling interest and shareowners' equity	\$ 69,329	\$ 61,525

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
(Dollars in millions)		
Cash flows from operating activities		
Net income	\$ 3,035	\$ 2,909
Less: Net income attributable to noncontrolling interest	28	28
Net income attributable to Honeywell	3,007	2,881
Adjustments to reconcile net income attributable to Honeywell to net cash provided by (used for) operating activities		
Depreciation	329	327
Amortization	271	240
Repositioning and other charges	137	243
Net payments for repositioning and other charges	(211)	(195)
NARCO Buyout payment	—	(1,325)
Pension and other postretirement income	(295)	(273)
Pension and other postretirement benefit payments	(15)	(23)
Stock compensation expense	108	109
Deferred income taxes	(36)	196
Other	(583)	(643)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures		
Accounts receivable	(149)	(505)
Inventories	(77)	(338)
Other current assets	227	208
Accounts payable	(423)	114
Accrued liabilities	(471)	(440)
Net cash provided by operating activities	1,819	576
Cash flows from investing activities		
Capital expenditures	(492)	(426)
Proceeds from disposals of property, plant and equipment	—	13
Increase in investments	(468)	(229)
Decrease in investments	392	632
Receipts (payments) from settlements of derivative contracts	76	(38)
Cash paid for acquisitions, net of cash acquired	(4,913)	(661)
Net cash used for investing activities	(5,405)	(709)
Cash flows from financing activities		
Proceeds from issuance of commercial paper and other short-term borrowings	6,993	8,000
Payments of commercial paper and other short-term borrowings	(4,489)	(7,930)
Proceeds from issuance of common stock	309	115
Proceeds from issuance of long-term debt	5,710	2,966
Payments of long-term debt	(605)	(1,384)
Repurchases of common stock	(1,200)	(1,176)
Cash dividends paid	(1,446)	(1,416)
Other	26	(38)
Net cash provided by (used for) financing activities	5,298	(863)
Effect of foreign exchange rate changes on cash and cash equivalents	(61)	(5)
Net increase (decrease) in cash and cash equivalents	1,651	(1,001)
Cash and cash equivalents at beginning of period	7,925	9,627
Cash and cash equivalents at end of period	\$ 9,576	\$ 8,626

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF SHAREOWNERS' EQUITY
(Unaudited)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Shares	\$	Shares	\$	Shares	\$	Shares	\$
	(In millions, except per share amounts)							
Common stock, par value	957.6	958	957.6	958	957.6	958	957.6	958
Additional paid-in capital								
Beginning balance		9,353		8,774		9,062		8,564
Issued for employee savings and option plans		87		42		289		193
Stock compensation expense		55		50		108		109
Impact of Quantinuum contribution		—		—		36		—
Ending balance		9,495		8,866		9,495		8,866
Treasury stock								
Beginning balance	(306.4)	(38,544)	(291.9)	(35,072)	(305.8)	(38,008)	(290.0)	(34,443)
Reacquired stock or repurchases of common stock	(2.7)	(529)	(2.5)	(477)	(6.1)	(1,200)	(6.0)	(1,176)
Issued for employee savings and option plans	1.2	66	0.8	39	4.0	201	2.4	109
Ending balance	(307.9)	(39,007)	(293.6)	(35,510)	(307.9)	(39,007)	(293.6)	(35,510)
Retained earnings								
Beginning balance		48,735		45,797		47,979		45,093
Net income attributable to Honeywell		1,544		1,487		3,007		2,881
Dividends on common stock		(703)		(688)		(1,410)		(1,378)
Ending balance		49,576		46,596		49,576		46,596
Accumulated other comprehensive income (loss)								
Beginning balance		(4,048)		(3,538)		(4,135)		(3,475)
Foreign exchange translation adjustment		5		(73)		83		(132)
Pension and other postretirement benefit adjustments		(5)		(12)		(10)		(24)
Changes in fair value of available for sale investments		(1)		9		(1)		3
Changes in fair value of cash flow hedges		(26)		3		(12)		17
Ending balance		(4,075)		(3,611)		(4,075)		(3,611)
Noncontrolling interest								
Beginning balance		591		596		578		622
Net income attributable to noncontrolling interest		16		14		28		28
Foreign exchange translation adjustment		—		(4)		(24)		(3)
Dividends paid		(44)		(11)		(48)		(52)
Contributions from noncontrolling interest holders		—		—		29		—
Ending balance		563		595		563		595
Total shareowners' equity	649.7	17,510	664.0	17,894	649.7	17,510	664.0	17,894
Cash dividends per share of common stock		\$ 1.08		\$ 1.03		\$ 2.16		\$ 2.06

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 1. BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited Consolidated Financial Statements reflect all adjustments necessary to present fairly the financial position, results of operations, cash flows, and shareowners' equity of Honeywell International Inc. and its consolidated subsidiaries (Honeywell or the Company) for the periods presented. The interim results of operations and cash flows should not necessarily be taken as indicative of the entire year.

Honeywell reports its quarterly financial information using a calendar convention; the first, second, and third quarters are consistently reported as ending on March 31, June 30, and September 30, respectively. It is Honeywell's practice to establish actual quarterly closing dates using a predetermined fiscal calendar, which requires Honeywell's businesses to close their books on a Saturday in order to minimize the potentially disruptive effects of quarterly closing on the Company's business processes. The effects of this practice are generally not significant to reported results for any quarter and only exist within a reporting year. In the event differences in actual closing dates are material to year-over-year comparisons of quarterly or year-to-date results, Honeywell will provide appropriate disclosures. Honeywell's actual closing dates for the three and six months ended June 30, 2024, and 2023, were June 29, 2024, and July 1, 2023, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are set forth in Note 1 Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements in the Company's 2023 Annual Report on Form 10-K. The Company includes herein certain updates to those policies.

RECLASSIFICATIONS

Certain prior year amounts are reclassified to conform to the current year presentation.

During the first quarter of 2024, the Company realigned certain of its business units as reflected in Note 18 Segment Financial Data, which impacted the composition of its reportable segments. The Company recast historical periods to reflect this change in segment presentation.

SUPPLY CHAIN FINANCING

Amounts outstanding related to supply chain financing programs are included in Accounts payable in the Consolidated Balance Sheet. Accounts payable included approximately \$1,017 million and \$1,112 million as of June 30, 2024, and December 31, 2023, respectively. The impact of these programs is not material to the Company's overall liquidity.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company considers the applicability and impact of all Accounting Standards Updates (ASUs) issued by the Financial Accounting Standards Board (FASB). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Taxes Disclosures*, which requires greater disaggregation of income tax disclosures. The new standard requires additional information to be disclosed with respect to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. This ASU should be applied prospectively for fiscal years beginning after December 15, 2024, with retrospective application permitted. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires companies to enhance the disclosures about segment expenses. The new standard requires the disclosure of the Company's Chief Operating Decision Maker (CODM), expanded incremental line-item disclosures of significant segment expenses used by the CODM for decision-making, and the inclusion of previous annual only segment disclosure requirements on a quarterly basis. This ASU should be applied retrospectively for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

In September 2022, the FASB issued ASU 2022-04, *Liabilities—Supplier Finance Programs (Topic 405): Disclosure of Supplier Finance Program Obligations*, to enhance the transparency of supplier finance programs. The new standard requires annual disclosure of the key terms of the program, a description of where in the financial statements amounts outstanding under the program are presented, a rollforward of such amounts, and interim disclosure of amounts outstanding as of the end of each period. The guidance does not affect recognition, measurement, or financial statement presentation of supplier finance programs. The ASU was effective on January 1, 2023, except for the rollforward, which became effective on January 1, 2024, for annual disclosures. The Company adopted this guidance on January 1, 2023, with the exception of the rollforward adopted on January 1, 2024. The adoption of this standard does not have a material impact on the Company's Consolidated Financial Statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by the transition away from reference rates expected to be discontinued to alternative reference rates. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, to expand the scope of this guidance to include derivatives. The guidance was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into on or before December 31, 2022. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which extends the period of time entities can utilize the reference rate reform relief guidance under ASU 2020-04 from December 31, 2022, to December 31, 2024. The Company will apply the guidance to impacted transactions during the transition period. The adoption of this standard does not have a material impact on the Company's Consolidated Financial Statements.

NOTE 3. ACQUISITIONS AND DIVESTITURES

ACQUISITIONS

On July 10, 2024, the Company announced its intention to acquire Air Products' liquefied natural gas process technology and equipment business in an all-cash transaction of approximately \$1.8 billion. The transaction is not subject to any financing condition but is subject to regulatory review and approval and customary closing conditions. The transaction is expected to close in the second half of 2024 and the business will be reported within the Energy and Sustainability Solutions reportable business segment.

On June 20, 2024, the Company announced its intention to acquire CAES Systems Holdings LLC from private equity firm Advent International in an all-cash transaction of approximately \$1.9 billion. The transaction is not subject to any financing condition but is subject to regulatory review and approval and customary closing conditions. The transaction is expected to close in the second half of 2024 and the business will be reported within the Aerospace Technologies reportable business segment.

On June 3, 2024, the Company acquired 100% of the outstanding equity interests of Carrier Global Corporation's Global Access Solutions business (Access Solutions), an innovative global leader in advanced access and security solutions, electronic locking systems, and contactless mobile key solutions, for total consideration of \$4,913 million, net of cash acquired. The business is included in the Building Automation reportable business segment. The following table summarizes the preliminary determination of the fair value of identifiable assets acquired and liabilities assumed that are included in the Consolidated Balance Sheet as of June 30, 2024:

Current assets	\$ 244
Intangible assets	2,050
Other noncurrent assets	20
Current liabilities	(133)
Noncurrent liabilities	(65)
Net assets acquired	2,116
Goodwill	2,878
Purchase price	\$ 4,994

The Access Solutions identifiable intangible assets primarily include customer relationships, technology, and trademarks that are being amortized over their estimated useful lives ranging from 10 to 20 years using straight line and accelerated amortization methods. The majority of the goodwill is deductible for tax purposes. As of June 30, 2024, the purchase accounting for Access Solutions is subject to final adjustment, primarily for the valuation of intangible assets, amounts allocated to goodwill, working capital adjustments, and tax balances.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

On March 27, 2024, the Company announced its intention to acquire Civitanavi Systems S.p.A. in an all-cash transaction for approximately €200 million. The transaction is not subject to any financing condition but is subject to regulatory review and approval, the tender into the offer of at least 95% of Civitanavi Systems S.p.A.'s outstanding shares, and customary closing conditions. The transaction is expected to close by the end of the third quarter of 2024 and the business will be reported within the Aerospace Technologies reportable business segment.

On August 25, 2023, the Company acquired 100% of the outstanding equity interests of SCADAfence, a provider of operational technology and Internet of Things cybersecurity solutions for monitoring large scale networks, for total consideration of \$52 million, net of cash acquired. The business is included in the Industrial Automation reportable business segment. The assets and liabilities acquired with SCADAfence are included in the Consolidated Balance Sheet as of June 30, 2024, including \$17 million of intangible assets and \$42 million of goodwill, which is not deductible for tax purposes. The purchase accounting is subject to final adjustment, primarily for the value of intangible assets, amounts allocated to goodwill, and tax balances.

On June 30, 2023, the Company acquired 100% of the outstanding equity interests of Compressor Controls Corporation, a turbomachinery services and controls company based in the United States, for total cash consideration of \$673 million, net of cash acquired. The business is included in the Industrial Automation reportable business segment. The assets and liabilities acquired with Compressor Controls Corporation are included in the Consolidated Balance Sheet as of June 30, 2024, including \$282 million of intangible assets and \$351 million allocated to goodwill, which is deductible for tax purposes. The identifiable intangible assets primarily include customer relationships amortized over an estimated life of 15 years using an excess earnings amortization method. The Company finalized the evaluation for the fair value of all the assets and liabilities acquired with Compressor Controls Corporation during the second quarter of 2024.

DIVESTITURES

For the six months ended June 30, 2024, and 2023, there were no significant divestitures that closed individually or in the aggregate.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 4. REVENUE RECOGNITION AND CONTRACTS WITH CUSTOMERS

The Company has a comprehensive offering of products and services, including software and technologies, that are sold to a variety of customers in multiple end markets. See the following disaggregated revenue table and related discussions by reportable business segment for details:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Aerospace Technologies				
Commercial Aviation Original Equipment	\$ 668	\$ 607	\$ 1,342	\$ 1,148
Commercial Aviation Aftermarket	1,798	1,533	3,457	2,956
Defense and Space	1,425	1,201	2,761	2,348
Net Aerospace Technologies sales	3,891	3,341	7,560	6,452
Industrial Automation				
Sensing and Safety Technologies	466	518	916	1,011
Productivity Solutions and Services	298	329	620	690
Process Solutions	1,509	1,482	3,005	2,967
Warehouse and Workflow Solutions	233	398	443	862
Net Industrial Automation sales	2,506	2,727	4,984	5,530
Building Automation				
Products	908	918	1,721	1,826
Building Solutions	663	592	1,276	1,171
Net Building Automation sales	1,571	1,510	2,997	2,997
Energy and Sustainability Solutions				
UOP	599	623	1,176	1,188
Advanced Materials	1,005	944	1,953	1,840
Net Energy and Sustainability Solutions sales	1,604	1,567	3,129	3,028
Corporate and All Other				
	5	1	12	3
Net sales	\$ 9,577	\$ 9,146	\$ 18,682	\$ 18,010

In April 2024, the Company realigned certain business units within the Industrial Automation reportable business segment. The gas detection business moved from the Sensing and Safety Technologies business unit to the Process Solutions business unit to align with the process measurement controls business. The Company recast historical periods to reflect this realignment.

Aerospace Technologies – A global supplier of products, software, and services for aircrafts that it sells to original equipment manufacturers (OEM) and other customers in a variety of end markets including air transport, regional, business and general aviation aircraft, airlines, aircraft operators, and defense and space contractors. Aerospace Technologies products and services include auxiliary power units, propulsion engines, environmental control systems, integrated avionics, wireless connectivity services, electric power systems, engine controls, flight safety, communications, navigation hardware, data and software applications, radar and surveillance systems, aircraft lighting, management and technical services, advanced systems and instruments, satellite and space components, aircraft wheels and brakes, and thermal systems. Aerospace Technologies also provides spare parts, repair, overhaul, and maintenance services (principally to aircraft operators), and sells licenses or intellectual property to other parties. Honeywell Forge solutions enable customers to turn data into predictive maintenance and predictive analytics to enable better fleet management and make flight operations more efficient.

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Industrial Automation – A global provider of industrial automation solutions that deliver intelligent, sustainable, and secure operations for customers in oil and gas, petrochemicals, life sciences, metals and mining, and warehouse and logistics segments. With millions of installed assets, Industrial Automation deploys outcome-based solutions to increase asset utilization; improve operational efficiency and labor productivity; reduce carbon emissions with less energy consumption; and enhance cyber security for critical infrastructure and operational assets. Industrial Automation offerings include automation control and instrumentation products and services; smart energy products; sensing technologies with an array of custom-engineered sensors and services; gas detection technologies and personal protective equipment; and system design, advanced automation equipment, software and analytics for manufacturing, distribution and fulfillment operations. These products and services are combined with proprietary machine learning and artificial intelligence algorithms in products and projects which are digitally enabled through the Company's industry leading industrial Internet of Things (IoT) platform, Honeywell Forge.

Building Automation – A global provider of products, software, solutions, and technologies that enable building owners and occupants to ensure their facilities are safe, energy efficient, sustainable, and productive. Building Automation products and services include advanced software applications for building control and optimization; sensors, switches, control systems, and instruments for energy management; access control; video surveillance; fire products; and installation, maintenance, and upgrades of systems. Honeywell Forge solutions enable customers to digitally manage buildings, connecting data from different assets to enable smart maintenance, improve building performance, and even protect from incoming security threats.

Energy and Sustainability Solutions – A global provider of industry leading technology, processing, and licensing capabilities combined with material science capabilities and innovative chemistry to offer focused solutions that are integral to facilitating the world's energy transition. The reportable business segment is comprised of UOP and Advanced Materials business units. The UOP business provides sustainable aviation fuels, petrochemical and refining technologies, and carbon management solutions across multiple sectors through process technology solutions, products, including catalysts and adsorbents, equipment and aftermarket services. The Advanced Materials business provides customers with its Solstice lower global warming potential refrigeration and heating solutions, Spectra fibers for high end protective armor and medical applications, and leading-edge semiconductor materials. Honeywell Forge solutions serve customer asset productivity and efficiency needs by providing connectivity, data integration, and software solutions to generate a holistic view of their operations.

Corporate and All Other – Corporate and All Other includes revenue from Honeywell's majority-owned investment in Quantinuum. Through Quantinuum, Honeywell provides a wide range of service offerings of fully integrated quantum computing hardware and software solutions.

For a summary by disaggregated product and services sales for each reportable business segment, refer to Note 18 Segment Financial Data.

The Company recognizes revenue arising from performance obligations outlined in contracts with its customers that are satisfied at a point in time and over time. The disaggregation of the Company's revenue based off timing of recognition is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Products, transferred point in time	57 %	58 %	57 %	58 %
Products, transferred over time	11	12	11	13
Net product sales	68	70	68	71
Services, transferred point in time	5	11	5	9
Services, transferred over time	27	19	27	20
Net service sales	32	30	32	29
Net sales	100 %	100 %	100 %	100 %

CONTRACT BALANCES

The Company tracks progress on satisfying performance obligations under contracts with customers. The related billings and cash collections are recorded in the Consolidated Balance Sheet in Accounts receivable—net and Other assets (unbilled receivables (contract assets) and billed receivables), and Accrued liabilities and Other liabilities (customer advances and deposits (contract liabilities)). Unbilled receivables arise when the timing of cash collected from customers differs from the timing of revenue recognition, such as when contract provisions require specific milestones to be met before a customer can be billed. Contract assets are recognized when the revenue associated with the contract is recognized prior to billing and derecognized when billed in accordance with the terms of the contract. Contract liabilities are recorded when customers remit contractual cash payments in advance of the Company satisfying performance obligations under contractual arrangements, including those with performance obligations to be satisfied over a period of time. Contract liabilities are derecognized when revenue is recorded, either when a milestone is met triggering the contractual right to bill or when the performance obligation is satisfied.

HONEYWELL INTERNATIONAL INC.
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Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period.

The following table summarizes the Company's contract assets and liabilities balances:

	2024	2023
Contract assets—January 1	\$ 2,013	\$ 2,294
Contract assets—June 30	2,072	2,438
Change in contract assets—increase (decrease)	\$ 59	\$ 144
Contract liabilities—January 1	\$ (4,326)	\$ (4,583)
Contract liabilities—June 30	(4,096)	(4,179)
Change in contract liabilities—decrease (increase)	\$ 230	\$ 404
Net change	\$ 289	\$ 548

For the three and six months ended June 30, 2024, the Company recognized revenue of \$494 million and \$1,487 million, respectively, that was previously included in the beginning balance of contract liabilities. For the three and six months ended June 30, 2023, the Company recognized revenue of \$528 million and \$1,481 million, respectively, that was previously included in the beginning balance of contract liabilities.

Contract assets included \$1,968 million and \$1,949 million of unbilled balances under long-term contracts as of June 30, 2024, and December 31, 2023, respectively. These amounts are billed in accordance with the terms of customer contracts to which they relate.

When contracts are modified to account for changes in contract specifications and requirements, the Company considers whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications for goods or services and not distinct from the existing contract, due to the significant integration with the original good or service provided, are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct and at relative stand-alone selling price, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

PERFORMANCE OBLIGATIONS

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is defined as the unit of account. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. When contracts with customers require highly complex integration or manufacturing services not separately identifiable from other promises in the contracts and, therefore, are not distinct, the entire contract is accounted for as a single performance obligation. In situations when the Company's contracts include distinct goods or services that are substantially the same and have the same pattern of transfer to the customer over time, they are recognized as a series of distinct goods or services. For any contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the estimated relative stand-alone selling price of each distinct good or service in the contract. For product sales, each product sold to a customer typically represents a distinct performance obligation. In such cases, the observable stand-alone sales are used to determine the stand-alone selling price.

Performance obligations are satisfied as of a point in time or over time. Performance obligations are supported by contracts with customers, providing a framework for the nature of the distinct goods, services, or bundle of goods and services. The timing of satisfying the performance obligation is typically indicated by the terms of the contract.

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The following table outlines the Company's remaining performance obligations disaggregated by reportable business segment:

	June 30, 2024	
Aerospace Technologies	\$	13,724
Industrial Automation		5,880
Building Automation		7,707
Energy and Sustainability Solutions		4,667
Corporate and All Other ¹		32
Total performance obligations	\$	32,010

¹ The remaining performance obligations within Corporate and All Other relate to the Quantinuum business.

Performance obligations recognized as of June 30, 2024, will be satisfied over the course of future periods. The Company's disclosure of the timing for satisfying the performance obligation is based on the requirements of contracts with customers. However, from time to time, these contracts may be subject to modifications, impacting the timing of satisfying the performance obligations. Performance obligations expected to be satisfied within one year and greater than one year are 57% and 43%, respectively.

The timing of satisfaction of the Company's performance obligations does not significantly vary from the typical timing of payment. Typical payment terms of the Company's fixed price over time contracts include progress payments based on specified events or milestones or based on project progress. For some contracts, the Company may be entitled to receive an advance payment.

The Company applied the practical expedient for certain revenue streams to exclude the value of remaining performance obligations for (i) contracts with an original expected term of one year or less or (ii) contracts for which the Company recognizes revenue in proportion to the amount the Company has the right to invoice for services performed.

NOTE 5. REPOSITIONING AND OTHER CHARGES

A summary of net repositioning and other charges follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Severance	\$ 20	\$ 19	\$ 53	\$ 86
Asset impairments	1	9	2	21
Exit costs	18	38	33	62
Reserve adjustments	(12)	(12)	(27)	(17)
Total net repositioning charges	27	54	61	152
Asbestos-related charges, net of insurance and reimbursements	18	34	36	55
Probable and reasonably estimable environmental liabilities, net of reimbursements	(1)	12	23	34
Other charges	—	2	17	2
Total net repositioning and other charges	\$ 44	\$ 102	\$ 137	\$ 243

The following table summarizes the pre-tax distribution of total net repositioning and other charges by classification in the Consolidated Statement of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of products and services sold	\$ 28	\$ 63	\$ 86	\$ 143
Selling, general and administrative expenses	16	26	34	91
Other (income) expense	—	13	17	9
Total net repositioning and other charges	\$ 44	\$ 102	\$ 137	\$ 243

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The following table summarizes the pre-tax amount of total net repositioning and other charges by reportable business segment. These amounts are excluded from segment profit as described in Note 18 Segment Financial Data:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Aerospace Technologies	\$ 3	\$ 8	\$ 8	\$ 11
Industrial Automation	11	41	28	89
Building Automation	(4)	4	—	31
Energy and Sustainability Solutions	1	(6)	19	5
Corporate and All Other	33	55	82	107
Total net repositioning and other charges	\$ 44	\$ 102	\$ 137	\$ 243

NET REPOSITIONING CHARGES

In the three months ended June 30, 2024, the Company recognized gross repositioning charges totaling \$39 million, including severance costs of \$20 million related to workforce reductions of 645 manufacturing and administrative positions primarily in the Company's Industrial Automation reportable business segment and corporate function. The workforce reductions related to productivity and ongoing functional transformation initiatives. The repositioning charges included asset impairments of \$1 million related to the write-down of certain assets within the Company's corporate function. The repositioning charges also included exit costs of \$18 million related to current period costs incurred for closure obligations associated with site transitions primarily in the Company's Industrial Automation reportable business segment and corporate function. Also, \$12 million of previously established reserves, primarily for severance, were returned to income due to higher-than-expected voluntary exits and adjustments to the scope of previously announced repositioning actions.

In the three months ended June 30, 2023, the Company recognized gross repositioning charges totaling \$66 million, including severance costs of \$19 million related to workforce reductions of 764 manufacturing and administrative positions primarily in the Company's Industrial Automation reportable business segment. The workforce reductions related to productivity and ongoing functional transformation initiatives. The repositioning charges included asset impairments of \$9 million primarily related to the write-down of certain assets within the Company's Industrial Automation reportable business segment. The repositioning charges also included exit costs of \$38 million related to current period costs incurred for closure obligations associated with site transitions across all of the Company's reportable business segments and corporate function. Also, \$12 million of previously established reserves, primarily for severance, were returned to income due to adjustments to the scope of previously announced repositioning actions.

In the six months ended June 30, 2024, the Company recognized gross repositioning charges totaling \$88 million, including severance costs of \$53 million related to workforce reductions of 2,007 manufacturing and administrative positions primarily in the Company's Industrial Automation reportable business segment and corporate function. The workforce reductions related to productivity and ongoing functional transformation initiatives. The repositioning charges included asset impairments of \$2 million related to the write-down of certain assets within the Company's Industrial Automation reportable business segment. The repositioning charges also included exit costs of \$33 million related to current period costs incurred for closure obligations associated with site transitions primarily in the Company's Industrial Automation reportable business segment and corporate function. Also, \$27 million of previously established reserves, primarily for severance, were returned to income due to adjustments to the scope of previously announced repositioning actions.

In the six months ended June 30, 2023, the Company recognized gross repositioning charges totaling \$169 million, including severance costs of \$86 million related to workforce reductions of 2,561 manufacturing and administrative positions primarily in the Company's Industrial Automation and Building Automation reportable business segments. The workforce reductions primarily related to productivity and ongoing functional transformation initiatives. The repositioning charges included asset impairments of \$21 million related to the write-down of certain assets within the Company's Industrial Automation reportable business segment. The repositioning charges also included exit costs of \$62 million related to current period costs incurred for closure obligations associated with site transitions across all of the Company's reportable business segments and corporate function. Also, \$17 million of previously established reserves, primarily for severance, were returned to income due to adjustments to the scope of previously announced repositioning actions.

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The following table summarizes the status of the Company's total repositioning reserves:

	Severance Costs	Asset Impairments	Exit Costs	Total
Balance at December 31, 2023	\$ 188	\$ —	\$ 91	\$ 279
Charges	53	2	33	88
Usage—cash	(56)	—	(53)	(109)
Usage—noncash	—	—	—	—
Foreign currency translation	—	—	—	—
Adjustments	(18)	(2)	(7)	(27)
Balance at June 30, 2024	\$ 167	\$ —	\$ 64	\$ 231

Certain repositioning projects will recognize exit costs in future periods when the actual liability is incurred. Such exit costs incurred in the six months ended June 30, 2024, and 2023, were \$26 million and \$25 million, respectively.

OTHER CHARGES

In 2022, the Company recognized \$295 million of Other charges related to the initial suspension and the wind down of the Company's business and operations in Russia. These costs impacted all reportable business segments, with the most significant impact within the historical Performance Materials and Technologies reportable business segment. The Other charges include costs recorded in Cost of products sold, Selling, general and administrative expenses, or Other (income) expense in the Consolidated Statement of Operations. During the six months ended June 30, 2024, the Company recognized Other charges of \$17 million related to the settlement of a contractual dispute with a Russian entity associated with the Company's suspension and wind down activities in Russia. The charges were recorded in Other (income) expense in the Consolidated Statement of Operations.

Given the uncertainty inherent in the Company's remaining obligations related to contracts with Russian counterparties, the Company does not believe it is possible to develop estimates of reasonably possible loss in excess of current accruals for these matters (other than as specifically set forth above). Based on available information to date, the Company's estimate of potential future losses or other contingencies related to the wind down of activities, including any guarantee payments or any litigation costs or as otherwise related to the Company's wind down in Russia, could adversely affect the Company's consolidated results of operations in the periods recognized but would not be material with respect to the Company's consolidated financial position. See Note 15 Commitments and Contingencies for a discussion of the recognition and measurement of estimate for contingencies.

During the three and six months ended June 30, 2023, the Company recorded a fair value adjustment, within Asbestos-related charges, net of insurance and reimbursements in the table above and Other (income) expense on the Consolidated Statement of Operations, related to HWI Net Sale Proceeds (as defined in Note 15 Commitments and Contingencies) and reduced the estimate by \$11 million. See Note 12 Fair Value Measurements and Note 15 Commitments and Contingencies for further discussion.

NOTE 6. INCOME TAXES

The effective tax rate was higher than the U.S. federal statutory rate of 21% and remained unchanged in 2024 compared to 2023 due to increased benefit from taxes on non-U.S. earnings and employee share-based compensation deductions, offset by incremental expense from tax reserve activity and foreign tax matters.

NOTE 7. INVENTORIES

	June 30, 2024	December 31, 2023
Raw materials	\$ 1,534	\$ 1,704
Work in process	1,268	1,217
Finished products	3,522	3,257
Total Inventories	\$ 6,324	\$ 6,178

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NOTE 8. GOODWILL AND OTHER INTANGIBLE ASSETS—NET

The following table summarizes the change in the carrying amount of goodwill for the six months ended June 30, 2024, by reportable business segment:

	December 31, 2023	Acquisitions/ Divestitures	Currency Translation Adjustment	June 30, 2024
Aerospace Technologies	\$ 2,386	\$ —	\$ (3)	\$ 2,383
Industrial Automation	9,650	—	(66)	9,584
Building Automation	3,380	2,878	(32)	6,226
Energy and Sustainability Solutions	1,727	—	(3)	1,724
Corporate and All Other	906	—	1	907
Total Goodwill	\$ 18,049	\$ 2,878	\$ (103)	\$ 20,824

Other intangible assets are comprised of:

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-life intangibles						
Patents and technology	\$ 2,652	\$ (1,872)	\$ 780	\$ 2,399	\$ (1,837)	\$ 562
Customer relationships	5,894	(2,671)	3,223	4,199	(2,601)	1,598
Trademarks	390	(291)	99	362	(284)	78
Other	413	(278)	135	299	(277)	22
Total definite-life intangibles—net	9,349	(5,112)	4,237	7,259	(4,999)	2,260
Indefinite-life intangibles						
Trademarks	971	—	971	971	—	971
Total Other intangible assets—net	\$ 10,320	\$ (5,112)	\$ 5,208	\$ 8,230	\$ (4,999)	\$ 3,231

Other intangible assets amortization includes \$85 million and \$155 million of acquisition-related intangible amortization expense for the three and six months ended June 30, 2024, respectively, and \$61 million and \$129 million for the three and six months ended June 30, 2023, respectively.

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NOTE 9. LONG-TERM DEBT AND CREDIT AGREEMENTS

	June 30, 2024		December 31, 2023
0.00% Euro notes due 2024	\$	—	\$ 547
2.30% notes due 2024		750	750
4.85% notes due 2024		400	400
1.35% notes due 2025		1,250	1,250
2.50% notes due 2026		1,500	1,500
1.10% notes due 2027		1,000	1,000
3.50% Euro notes due 2027		695	711
4.95% notes due 2028		500	500
2.25% Euro notes due 2028		802	820
4.25% notes due 2029		750	750
2.70% notes due 2029		750	750
4.875% notes due 2029		500	—
3.375% Euro notes due 2030		802	—
1.95% notes due 2030		1,000	1,000
4.95% notes due 2031		500	—
1.75% notes due 2031		1,500	1,500
0.75% Euro notes due 2032		535	547
3.75% Euro notes due 2032		535	547
5.00% notes due 2033		1,100	1,100
4.50% notes due 2034		1,000	1,000
4.125% Euro notes due 2034		1,069	1,094
5.00% notes due 2035		750	—
3.75% Euro notes due 2036		802	—
5.70% notes due 2036		441	441
5.70% notes due 2037		462	462
5.375% notes due 2041		417	417
3.812% notes due 2047		442	442
2.80% notes due 2050		750	750
5.25% notes due 2054		1,750	—
5.35% notes due 2064		650	—
Industrial development bond obligations, floating rate maturing at various dates through 2037		22	22
6.625% debentures due 2028		201	201
9.065% debentures due 2033		51	51
Other (including capitalized leases), 6.0% weighted average interest rate maturing at various dates through 2029		217	217
Fair value of hedging instruments		(212)	(166)
Debt issuance costs		(297)	(245)
Total Long-term debt and current related maturities		23,384	18,358
Less: Current maturities of long-term debt		2,519	1,796
Total Long-term debt	\$	20,865	\$ 16,562

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On March 1, 2024, the Company issued \$500 million 4.875% Senior Notes due 2029, \$500 million 4.95% Senior Notes due 2031, \$750 million 5.00% Senior Notes due 2035, \$1.75 billion 5.25% Senior Notes due 2054, and \$650 million 5.35% Senior Notes due 2064 (collectively, the 2024 USD Notes). The Company may redeem the 2024 USD Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable redemption price. The offering provided gross proceeds of \$4.2 billion, offset by \$44 million in discount and closing costs related to the offering.

On March 1, 2024, the Company issued €750 million 3.375% Senior Notes due 2030 and €750 million 3.75% Senior Notes due 2036 (collectively, the 2024 Euro Notes). The Company may redeem the 2024 Euro Notes at any time, and from time to time, in whole or in part, at the Company's option at the applicable redemption price. The offering provided gross proceeds of \$1.6 billion, offset by \$21 million in discount and closing costs related to the offering.

The 2024 USD Notes and 2024 Euro Notes are senior unsecured and unsubordinated obligations of the Company and rank equally with each other and with all of the Company's existing and future senior unsecured debt and senior to all of the Company's subordinated debt. The Company intends to use the proceeds from the issuances for general corporate purposes, which may include, among other things, the repayment of outstanding debt and financing of possible acquisitions or business expansion.

On March 11, 2024, the Company repaid its 0.00% Euro notes due 2024.

On March 18, 2024, the Company entered into a \$1.5 billion 364-day credit agreement (the 364-Day Credit Agreement) and a \$4.0 billion amended and restated five-year credit agreement (the 5-Year Credit Agreement). The 364-Day Credit Agreement replaced the \$1.5 billion 364-day credit agreement dated as of March 20, 2023, which was terminated in accordance with its terms effective March 18, 2024. Amounts borrowed under the 364-Day Credit Agreement are required to be repaid no later than March 17, 2025, unless (i) Honeywell elects to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 17, 2026, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 5-Year Credit Agreement amended and restated the previously reported \$4.0 billion amended and restated five-year credit agreement dated as of March 20, 2023. Commitments under the 5-Year Credit Agreement can be increased pursuant to the terms of the 5-Year Credit Agreement to an aggregate amount not to exceed \$4.5 billion. The 364-Day Credit Agreement and 5-Year Credit Agreement are maintained for general corporate purposes.

As of June 30, 2024, there were no outstanding borrowings under the 364-Day Credit Agreement or the 5-Year Credit Agreement.

NOTE 10. LEASES

The Company's operating and finance lease portfolio is described in Note 10 Leases of Notes to Consolidated Financial Statements in the Company's 2023 Annual Report on Form 10-K.

Supplemental cash flow information related to leases was as follows:

	Six Months Ended June 30,	
	2024	2023
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ 112	\$ 91
Finance leases	61	25

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Supplemental balance sheet information related to leases was as follows:

	June 30, 2024		December 31, 2023	
Operating leases				
Other assets	\$	997	\$	1,004
Accrued liabilities		194		196
Other liabilities		904		897
Total operating lease liabilities		1,098		1,093
Finance leases				
Property, plant and equipment		423		402
Accumulated depreciation		(216)		(204)
Property, plant and equipment—net		207		198
Current maturities of long-term debt		88		86
Long-term debt		98		99
Total finance lease liabilities	\$	186	\$	185

NOTE 11. DERIVATIVE INSTRUMENTS AND HEDGING TRANSACTIONS

Honeywell's foreign currency, interest rate, credit, and commodity price risk management policies are described in Note 11 Derivative Instruments and Hedging Transactions of Notes to Consolidated Financial Statements in the Company's 2023 Annual Report on Form 10-K.

The following table summarizes the notional amounts and fair values of the Company's outstanding derivatives by risk category and instrument type within the Consolidated Balance Sheet:

	Notional		Fair Value Asset		Fair Value (Liability)	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Derivatives in fair value hedging relationships						
Interest rate swap agreements	\$ 4,687	\$ 4,717	\$ —	\$ 18	\$ (212)	\$ (184)
Derivatives in cash flow hedging relationships						
Foreign currency exchange contracts	898	712	19	28	(6)	(4)
Commodity contracts	2	6	—	—	—	(1)
Derivatives in net investment hedging relationships						
Cross currency swap agreements	7,214	4,264	25	—	(83)	(145)
Total derivatives designated as hedging instruments	12,801	9,699	44	46	(301)	(334)
Derivatives not designated as hedging instruments						
Foreign currency exchange contracts	8,634	8,198	3	7	(17)	(5)
Total derivatives at fair value	\$ 21,435	\$ 17,897	\$ 47	\$ 53	\$ (318)	\$ (339)

All derivative assets are presented in Other current assets or Other assets. All derivative liabilities are presented in Accrued liabilities or Other liabilities.

In addition to the foreign currency derivative contracts designated as net investment hedges, certain of the Company's foreign currency denominated debt instruments are designated as net investment hedges. The carrying value of those debt instruments designated as net investment hedges, which includes the adjustment for the foreign currency transaction gain or loss on those instruments, was \$6,338 million and \$6,099 million as of June 30, 2024, and December 31, 2023, respectively.

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The following table sets forth the amounts recorded in the Consolidated Balance Sheet related to cumulative basis adjustments for fair value hedges:

	Carrying Amount of Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of Hedged Item	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Long-term debt	\$ 4,475	\$ 4,551	\$ (212)	\$ (166)

The following tables summarize the location and impact to the Consolidated Statement of Operations related to derivative instruments:

	Three Months Ended June 30, 2024					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges
	\$ 9,577	\$ 4,247	\$ 1,609	\$ 1,361	\$ (246)	\$ 250
Gain or (loss) on cash flow hedges						
Foreign currency exchange contracts						
Amount reclassified from accumulated other comprehensive income (loss) into income	2	6	2	4	—	—
Gain or (loss) on fair value hedges						
Interest rate swap agreements						
Hedged items	—	—	—	—	—	4
Derivatives designated as hedges	—	—	—	—	—	(4)
Gain or (loss) on derivatives not designated as hedging instruments						
Foreign currency exchange contracts	—	—	—	—	10	—

	Three Months Ended June 30, 2023					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges
	\$ 9,146	\$ 4,133	\$ 1,493	\$ 1,262	\$ (208)	\$ 187
Gain or (loss) on cash flow hedges						
Foreign currency exchange contracts						
Amount reclassified from accumulated other comprehensive income (loss) into income	2	6	2	3	—	—
Gain or (loss) on fair value hedges						
Interest rate swap agreements						
Hedged items	—	—	—	—	—	65
Derivatives designated as hedges	—	—	—	—	—	(65)
Gain or (loss) on derivatives not designated as hedging instruments						
Foreign currency exchange contracts	—	—	—	—	(69)	—

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	Six Months Ended June 30, 2024					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges
	\$ 18,682	\$ 8,282	\$ 3,157	\$ 2,663	\$ (477)	\$ 470
Gain or (loss) on cash flow hedges						
Foreign currency exchange contracts						
Amount reclassified from accumulated other comprehensive income (loss) into income	3	8	3	5	—	—
Gain or (loss) on fair value hedges						
Interest rate swap agreements						
Hedged items	—	—	—	—	—	46
Derivatives designated as hedges	—	—	—	—	—	(46)
Gain or (loss) on derivatives not designated as hedging instruments						
Foreign currency exchange contracts	—	—	—	—	33	—

	Six Months Ended June 30, 2023					
	Net Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Interest and Other Financial Charges
	\$ 18,010	\$ 8,201	\$ 2,923	\$ 2,579	\$ (468)	\$ 357
Gain or (loss) on cash flow hedges						
Foreign currency exchange contracts						
Amount reclassified from accumulated other comprehensive income (loss) into income	3	9	3	4	—	—
Gain or (loss) on fair value hedges						
Interest rate swap agreements						
Hedged items	—	—	—	—	—	(2)
Derivatives designated as hedges	—	—	—	—	—	2
Gain or (loss) on derivatives not designated as hedging instruments						
Foreign currency exchange contracts	—	—	—	—	(149)	—

The following table summarizes the amounts of gain or (loss) on net investment hedges recognized in Accumulated other comprehensive income (loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Euro-denominated long-term debt	\$ 61	\$ (37)	\$ 100	\$ (86)
Euro-denominated commercial paper	22	(15)	41	(43)
Cross currency swap agreements	12	(18)	87	(75)

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NOTE 12. FAIR VALUE MEASUREMENTS

The accounting guidance for fair value measurements and disclosures establishes a three-level fair value hierarchy:

- Level 1 - Inputs are based on quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs are based on observable inputs other than quoted prices in active markets for identical or similar assets and liabilities.
- Level 3 - One or more inputs are unobservable and significant.

Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis:

	June 30, 2024				December 31, 2023				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Assets									
Foreign currency exchange contracts	\$ —	\$ 22	\$ —	\$ 22	\$ —	\$ 35	\$ —	\$ 35	
Available for sale investments	69	271	—	340	63	217	—	280	
Interest rate swap agreements	—	—	—	—	—	18	—	18	
Cross currency swap agreements	—	25	—	25	—	—	—	—	
Investments in equity securities	20	—	—	20	22	—	—	22	
Right to HWI Net Sale Proceeds	—	—	6	6	—	—	9	9	
Total assets	\$ 89	\$ 318	\$ 6	\$ 413	\$ 85	\$ 270	\$ 9	\$ 364	
Liabilities									
Foreign currency exchange contracts	\$ —	\$ 23	\$ —	\$ 23	\$ —	\$ 9	\$ —	\$ 9	
Interest rate swap agreements	—	212	—	212	—	184	—	184	
Commodity contracts	—	—	—	—	—	1	—	1	
Cross currency swap agreements	—	83	—	83	—	145	—	145	
Total liabilities	\$ —	\$ 318	\$ —	\$ 318	\$ —	\$ 339	\$ —	\$ 339	

The Company values foreign currency exchange contracts, interest rate swap agreements, cross currency swap agreements, and commodity contracts using broker quotations, or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are classified within level 2. The Company also holds investments in commercial paper, certificates of deposits, time deposits, and corporate debt securities that are designated as available for sale. These investments are valued using published prices based on observable market data. As such, these investments are classified within level 2.

The Company holds certain available for sale investments in U.S. government securities and investments in equity securities. The Company values these investments utilizing published prices based on quoted market pricing, which are classified within level 1.

The carrying value of cash and cash equivalents, trade accounts and notes receivables, payables, commercial paper, and other short-term borrowings approximates fair value.

As part of the NARCO Buyout (see Note 15 Commitments and Contingencies for definition), Honeywell holds a right to proceeds from the definitive sale agreement pursuant to which HarbisonWalker International Holdings, Inc. (HWI), the reorganized and renamed entity that emerged from the NARCO Bankruptcy, was acquired by an affiliate of Platinum Equity, LLC (HWI Sale). The right to these proceeds is considered a financial instrument. The significant input for the valuation of this right is unobservable, and as such, is classified within level 3. The HWI Sale closed on February 16, 2023. The balance of the remaining HWI Net Sale Proceeds as of December 31, 2023, and June 30, 2024, was \$9 million and \$6 million, respectively, based on the receipt of an additional \$3 million in HWI Net Sale Proceeds during the six months ended June 30, 2024.

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The following table sets forth the Company's financial assets and liabilities that were not carried at fair value:

	June 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Long-term receivables	\$ 759	\$ 655	\$ 232	\$ 173
Liabilities				
Long-term debt and related current maturities	23,384	22,291	18,358	17,706

The Company determined the fair value of the long-term receivables by utilizing transactions in the listed markets for identical or similar assets. As such, the fair value of these receivables is considered level 2.

The Company determined the fair value of the long-term debt and related current maturities by utilizing transactions in the listed markets for identical or similar liabilities. As such, the fair value of the long-term debt and related current maturities is considered level 2.

NOTE 13. EARNINGS PER SHARE

The details of the earnings per share calculations for the three and six months ended June 30, 2024, and 2023, are as follows (shares in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Basic				
Net income attributable to Honeywell	\$ 1,544	\$ 1,487	\$ 3,007	\$ 2,881
Weighted average shares outstanding	650.2	665.3	651.3	666.5
Earnings per share of common stock—basic	\$ 2.37	\$ 2.24	\$ 4.62	\$ 4.32

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Assuming Dilution				
Net income attributable to Honeywell	\$ 1,544	\$ 1,487	\$ 3,007	\$ 2,881
Average shares				
Weighted average shares outstanding	650.2	665.3	651.3	666.5
Dilutive securities issuable—stock plans	4.0	4.9	4.2	5.4
Total weighted average diluted shares outstanding	654.2	670.2	655.5	671.9
Earnings per share of common stock—assuming dilution	\$ 2.36	\$ 2.22	\$ 4.59	\$ 4.29

The diluted earnings per share calculations exclude the effect of stock options when the cost to exercise an option exceeds the average market price of the common shares during the period. For the three and six months ended June 30, 2024, the weighted average number of stock options excluded from the computations were 5.6 million and 5.3 million, respectively. For the three and six months ended June 30, 2023, the weighted average number of stock options excluded from the computations were 4.7 million and 4.3 million, respectively.

As of June 30, 2024, and 2023, the total shares outstanding were 649.7 million and 664.0 million, respectively, and as of June 30, 2024, and 2023, total shares issued were 957.6 million.

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NOTE 14. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Benefit Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Cash Flow Hedges	Total
Balance at December 31, 2023	\$ (3,101)	\$ (1,055)	\$ (2)	\$ 23	\$ (4,135)
Other comprehensive income (loss) before reclassifications	83	—	(1)	4	86
Amounts reclassified from accumulated other comprehensive income (loss)	—	(10)	—	(16)	(26)
Net current period other comprehensive income (loss)	83	(10)	(1)	(12)	60
Balance at June 30, 2024	\$ (3,018)	\$ (1,065)	\$ (3)	\$ 11	\$ (4,075)

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Benefit Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Cash Flow Hedges	Total
Balance at December 31, 2022	\$ (2,832)	\$ (648)	\$ (7)	\$ 12	\$ (3,475)
Other comprehensive income (loss) before reclassifications	(132)	—	3	30	(99)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(24)	—	(13)	(37)
Net current period other comprehensive income (loss)	(132)	(24)	3	17	(136)
Balance at June 30, 2023	\$ (2,964)	\$ (672)	\$ (4)	\$ 29	\$ (3,611)

NOTE 15. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

The Company is subject to various federal, state, local, and foreign government requirements relating to the protection of the environment. With respect to environmental matters involving site contamination, the Company continually conducts studies, individually or jointly with other potentially responsible parties, to determine the feasibility of various remedial techniques. It is the Company's policy to record appropriate liabilities for environmental matters when remedial efforts or damage claim payments are probable and the costs can be reasonably estimated. Such liabilities are based on the Company's best estimate of the undiscounted future costs required to complete the remedial work. The recorded liabilities are adjusted periodically as remediation efforts progress or as additional technical, regulatory, or legal information becomes available.

Honeywell's environmental matters are further described in Note 19 Commitments and Contingencies of Notes to Consolidated Financial Statements in the Company's 2023 Annual Report on Form 10-K.

The following table summarizes information concerning the Company's recorded liabilities for environmental costs:

Balance at December 31, 2023	\$ 641
Accruals for environmental matters deemed probable and reasonably estimable	150
Environmental liability payments	(98)
Balance at June 30, 2024	\$ 693

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Environmental liabilities are included in the following balance sheet accounts:

	June 30, 2024	December 31, 2023
Accrued liabilities	\$ 228	\$ 227
Other liabilities	465	414
Total environmental liabilities	\$ 693	\$ 641

The Company does not currently possess sufficient information to reasonably estimate the amounts of environmental liabilities to be recorded upon future completion of studies, litigation, or settlements, and neither the timing nor the amount of the ultimate costs associated with environmental matters can be determined, although they could be material to the Company's consolidated results of operations and operating cash flows in the periods recognized or paid. However, considering the Company's past experience and existing reserves, the Company does not expect that environmental matters will have a material adverse effect on its consolidated financial position.

In conjunction with the Resideo Technologies, Inc. (Resideo) spin-off, the Company entered into an indemnification and reimbursement agreement with a Resideo subsidiary, pursuant to which Resideo's subsidiary has an ongoing obligation to make cash payments to Honeywell in amounts equal to 90% of Honeywell's annual net spending for environmental matters at certain sites as defined in the agreement. The amount payable to Honeywell in any given year is subject to a cap of \$140 million, and the obligation will continue until the earlier of December 31, 2043, or December 31 of the third consecutive year during which the annual payment obligation is less than \$25 million.

Reimbursements associated with this agreement are collected from Resideo quarterly and were \$70 million in the six months ended June 30, 2024, and offset operating cash outflows incurred by the Company. As the Company incurs costs for environmental matters deemed probable and reasonably estimable related to the sites covered by the indemnification and reimbursement agreement, a corresponding receivable from Resideo for 90% of such costs is also recorded. This receivable amount recorded in the six months ended June 30, 2024, was \$103 million. As of June 30, 2024, Other current assets and Other assets included \$140 million and \$554 million, respectively, for the short-term and long-term portion of the receivable amount due from Resideo under the indemnification and reimbursement agreement.

ASBESTOS MATTERS

Honeywell is named in asbestos-related personal injury claims related to North American Refractories Company (NARCO), which was sold in 1986, and the Bendix Friction Materials (Bendix) business, which was sold in 2014.

The following tables summarize information concerning NARCO and Bendix asbestos-related balances:

ASBESTOS-RELATED LIABILITIES

	Bendix	NARCO	Total
December 31, 2023	\$ 1,644	\$ —	\$ 1,644
Accrual for update to estimated liability	20	1	21
Change in estimated cost of future claims	10	—	10
Asbestos-related liability payments	(89)	(1)	(90)
June 30, 2024	\$ 1,585	\$ —	\$ 1,585

INSURANCE RECOVERIES FOR ASBESTOS-RELATED LIABILITIES

	Bendix	NARCO	Total
December 31, 2023	\$ 123	\$ 88	\$ 211
Probable insurance recoveries related to estimated liability	—	—	—
Insurance receipts for asbestos-related liabilities	(4)	(3)	(7)
June 30, 2024	\$ 119	\$ 85	\$ 204

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NARCO and Bendix asbestos-related balances are included in the following balance sheet accounts:

	June 30, 2024	December 31, 2023
Other current assets	\$ 41	\$ 41
Insurance recoveries for asbestos-related liabilities	163	170
Total insurance recoveries for asbestos-related liabilities	\$ 204	\$ 211
Accrued liabilities	\$ 141	\$ 154
Asbestos-related liabilities	1,444	1,490
Total asbestos-related liabilities	\$ 1,585	\$ 1,644

NARCO Products – NARCO manufactured high-grade, heat-resistant, refractory products for various industries. Honeywell's predecessor, Allied Corporation, owned NARCO from 1979 to 1986. Allied Corporation sold the NARCO business in 1986 and entered into a cross-indemnity agreement which included an obligation to indemnify the purchaser for asbestos claims, arising primarily from alleged occupational exposure to asbestos-containing refractory brick and mortar for high-temperature applications. NARCO ceased manufacturing these products in 1980 and filed for bankruptcy in January 2002, at which point in time all then current and future NARCO asbestos claims were stayed against both NARCO and Honeywell pending the reorganization of NARCO. The Company established its initial liability for NARCO asbestos claims in 2002.

NARCO emerged from bankruptcy in April 2013, at which time a federally authorized 524(g) trust was established to evaluate and resolve all existing NARCO asbestos claims (the Trust). Both Honeywell and NARCO are protected by a permanent channeling injunction barring all present and future individual actions in state or federal courts and requiring all asbestos-related claims based on exposure to NARCO asbestos-containing products to be made against the Trust (Channeling Injunction). The NARCO Trust Agreement (TA) and the NARCO Trust Distribution Procedures (TDP) set forth the structure and operating rules of the Trust, and established Honeywell's evergreen funding obligations.

The operating rules per the TDP define criteria claimants must meet for a claim to be considered valid and paid. Once operational in 2014, the Trust began to receive, process, and pay claims. In September 2021, Honeywell filed suit against the Trust in the United States Bankruptcy Court for the Western District of Pennsylvania (Bankruptcy Court) alleging that the Trust breached its duties in managing the Trust, including breaches of certain provisions of the TA and TDP. Honeywell's lawsuit sought appropriate relief preventing the Trust from continuing these practices. The Trust also filed suit against Honeywell, alleging Honeywell breached its obligations under the Trust's governing documents. Honeywell moved to dismiss the Trust's suit, and on December 15, 2021, the Bankruptcy Court granted Honeywell's motion to dismiss subject to granting the Trust leave to file an amended complaint. On December 28, 2021, the Trust filed an answer with counterclaims in response to Honeywell's complaint and in lieu of filing an amended complaint. The Bankruptcy Court conducted a trial on these matters during May 2022; following the trial, the Company and the Trust began discussing a potential settlement of Honeywell's remaining obligations to the Trust.

On November 18, 2022, Honeywell entered into a definitive agreement (Buyout Agreement) with the Trust, and on November 20, 2022, in exchange for the NARCO Trust Advisory Committee (TAC) and Lawrence Fitzpatrick, in his capacity as the NARCO Asbestos Future Claimants Representative (FCR), becoming parties to the Buyout Agreement, Honeywell, the Trust, the TAC, and the FCR entered into an Amended and Restated Buyout Agreement (Amended Buyout Agreement).

Pursuant to the terms of the Amended Buyout Agreement, Honeywell agreed to make a one-time, lump sum payment in the amount of \$1.325 billion to the Trust (Buyout Amount), subject to certain deductions as described in the Amended Buyout Agreement and in exchange for the release by the Trust of Honeywell from all further and future obligations of any kind related to the Trust and/or any claimants who were exposed to asbestos-containing products manufactured, sold, or distributed by NARCO or its predecessors, including Honeywell's ongoing evergreen obligation to fund (i) claims against the Trust, which comprise Honeywell's NARCO asbestos-related claims liability, and (ii) the Trust's annual operating expenses, which are expensed as incurred, including its legal fees (which operating expenses, for reference, were approximately \$30 million in 2022) (such evergreen obligations referred to in (i) and (ii), Honeywell Obligations) (the NARCO Buyout).

On December 8, 2022, the Bankruptcy Court issued an order that (A) approved the Amended Buyout Agreement, and (B) declared that the NARCO Channeling Injunction (which bars all past, present, and future individual actions in state or federal courts based on exposure to NARCO asbestos-containing products and requires all such claims to be made against the Trust) will remain in full force and effect without modification, dissolution, or termination (Order).

On December 14, 2022, HWI, the reorganized and renamed entity that emerged from the NARCO bankruptcy, entered into a definitive agreement (Sale Agreement) pursuant to which an affiliate of Platinum Equity, LLC agreed to acquire HWI (HWI Sale) subject to the terms set forth in the Sale Agreement, including customary conditions to closing set forth therein. In accordance with the Amended Buyout Agreement, the economic rights of the Trust in respect of the net proceeds from the HWI Sale inure to the benefit of Honeywell.

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On January 30, 2023, the Company paid the Buyout Amount to the Trust, the parties closed the transactions contemplated in the Amended Buyout Agreement (Closing), and Honeywell was released from the Honeywell Obligations. Honeywell continues to have the right to collect proceeds in connection with its NARCO asbestos-related insurance policies.

With the issuance of the Order, the Company derecognized the NARCO asbestos-related liability of \$688 million from the Consolidated Balance Sheet and recognized a charge of \$1.325 billion in the Consolidated Statement of Operations and accrued a corresponding liability in the Consolidated Balance Sheet for the Buyout Amount. In addition, the Company recognized a benefit of \$295 million in the Consolidated Statement of Operations and corresponding asset in Other current assets in the Consolidated Balance Sheet for Honeywell's rights to the proceeds from the HWI Sale. The benefit of \$295 million offset the charge for the Buyout Amount.

On February 16, 2023, the HWI Sale closed. Pursuant to the Amended Buyout Agreement, during 2023, Honeywell received \$275 million of proceeds from the HWI Sale (HWI Net Sale Proceeds). Additionally, during 2023, the Company recorded a fair value adjustment for the HWI Net Sale Proceeds and reduced the HWI Net Sale Proceeds estimate by \$11 million. During the three and six months ended June 30, 2024, Honeywell received \$3 million of proceeds from the HWI Sale. The ending balance as of June 30, 2024, was \$6 million. The fair value of the remaining HWI Net Sale Proceeds as of June 30, 2024, represents contingent consideration to be paid in future periods if certain conditions under the definitive sale agreement for the HWI Sale are met.

Bendix Products – Bendix manufactured automotive brake linings that contained chrysotile asbestos in an encapsulated form. Claimants consist largely of individuals who allege exposure to asbestos from brakes from either performing or being in the vicinity of individuals who performed brake replacements. The following tables present information regarding Bendix-related asbestos claims activity:

	Six Months Ended June 30,	Years Ended December 31,	
	2024	2023	2022
Claims unresolved at the beginning of period	5,517	5,608	6,401
Claims filed	811	1,803	2,014
Claims resolved	(1,066)	(1,894)	(2,807)
Claims unresolved at the end of period	5,262	5,517	5,608

Disease Distribution of Unresolved Claims	June 30,	December 31,	
	2024	2023	2022
Mesothelioma and other cancer claims	3,223	3,244	3,283
Nonmalignant claims	2,039	2,273	2,325
Total claims	5,262	5,517	5,608

Honeywell has experienced average resolution values per claim excluding legal costs as follows:

	Years Ended December 31,				
	2023	2022	2021	2020	2019
	(in whole dollars)				
Mesothelioma and other cancer claims	\$ 66,200	\$ 59,200	\$ 56,000	\$ 61,500	\$ 50,200
Nonmalignant claims	\$ 1,730	\$ 520	\$ 400	\$ 550	\$ 3,900

The Consolidated Financial Statements reflect an estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims, which exclude the Company's ongoing legal fees to defend such asbestos claims which will continue to be expensed as they are incurred.

The Company reflects the inclusion of all years of epidemiological disease projection through 2059 when estimating the liability for unasserted Bendix-related asbestos claims. Such liability for unasserted Bendix-related asbestos claims is based on historic and anticipated claims filing experience and dismissal rates, disease classifications, and average resolution values in the tort system over a defined look-back period. The Company historically valued Bendix asserted and unasserted claims using a five-year look-back period. The Company reviews the valuation assumptions and average resolution values used to estimate the cost of Bendix asserted and unasserted claims during the fourth quarter each year.

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The Company experienced fluctuations in average resolution values year-over-year in each of the past five years with no well-established trends in either direction. In 2023, the Company observed two consecutive years of increasing average resolution values (2023 and 2022), with more volatility in the earlier years of the five-year period (2019 through 2021). Based on these observations, the Company, during its annual review in the fourth quarter of 2023, reevaluated its valuation methodology and elected to give more weight to the two most recent years by shortening the look-back period from five years to two years (2023 and 2022). The Company believes that the average resolution values in the last two consecutive years are likely more representative of expected resolution values in future periods.

It is not possible to predict whether such resolution values will increase, decrease, or stabilize in the future, given recent litigation trends within the tort system and the inherent uncertainty in predicting the outcome of such trends. The Company will continue to monitor Bendix claim resolution values and other trends within the tort system to assess the appropriate look-back period for determining average resolution values going forward.

In 2023, the Company recognized a \$522 million expense and corresponding adjustment to its estimated liability for Bendix asbestos-related claims. This amount includes \$434 million attributable primarily to shortening the look-back period to the two most recent years, and to a lesser extent to increasing expected resolution values for a subset of asserted claims to adjust for higher claim values in that subset than in the modelled two-year data set.

The Company's insurance receivable corresponding to the liability for settlement of asserted and unasserted Bendix asbestos claims reflects coverage which is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Based on the Company's ongoing analysis of the probable insurance recovery, insurance receivables are recorded in the financial statements simultaneous with the recording of the estimated liability for the underlying asbestos claims. This determination is based on the Company's analysis of the underlying insurance policies, historical experience with insurers, ongoing review of the solvency of insurers, judicial determinations relevant to insurance programs, and consideration of the impacts of any settlements reached with the Company's insurers.

SEC MATTER

The Company is cooperating with a formal investigation by the Securities and Exchange Commission (SEC) which is primarily focused on certain accounting matters with respect to the Company's former Performance Materials and Technologies segment. At this time, the Company does not expect the outcome of this matter to have a material adverse effect on the Company's consolidated results of operations, cash flows, or financial position.

PETROBRAS AND UNAOIL MATTERS

On December 19, 2022, the Company reached a comprehensive resolution to the investigations by the U.S. Department of Justice (DOJ), the SEC, and certain Brazilian authorities (Brazilian Authorities) relating to the Company's use of third parties who previously worked for the Company's UOP business in Brazil in relation to a project awarded in 2010 for Petróleo Brasileiro S.A. (Petrobras). The investigations focused on the Company's compliance with the U.S. Foreign Corrupt Practices Act and similar Brazilian laws (UOP Matters). The comprehensive resolution also resolves DOJ and SEC investigations relating to a matter involving a foreign subsidiary's prior contract with Unaoil S.A.M. in Algeria executed in 2011 (the Unaoil Matter).

In connection with the comprehensive resolution, (i) the Company agreed to pay a total equivalent of \$202.7 million, which payment occurred in January 2023, to the DOJ, the SEC, and the Brazilian Authorities, collectively, in penalties, disgorgement, and prejudgment interest, (ii) the Company's subsidiary, UOP, LLC (UOP), entered into a three-year Deferred Prosecution Agreement with the DOJ for charges related to the UOP Matters, (iii) UOP entered into leniency agreements with the Brazilian authorities related to the UOP Matter in Brazil, and (iv) the Company entered into an agreement with the SEC that resolves allegations relating to the UOP Matters and the Unaoil Matter. Pursuant to these agreements, the Company agreed to undertake certain compliance measures and compliance reporting obligations. These agreements entirely resolve the Petrobras and Unaoil investigations.

OTHER MATTERS

The Company is subject to a number of other lawsuits, investigations, and disputes (some of which involve substantial amounts claimed) arising out of the conduct of the Company's business, including matters relating to commercial transactions, government contracts, product liability, prior acquisitions and divestitures, employee benefit plans, intellectual property, and environmental, health, and safety matters. The Company recognizes liabilities for any contingency that is probable of occurrence and reasonably estimable. The Company continually assesses the likelihood of adverse judgments or outcomes in such matters, as well as potential ranges of probable losses (taking into consideration any insurance recoveries), based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts.

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(Unaudited)
(Dollars in tables in millions, except per share amounts)

Given the uncertainty inherent in litigation and investigations, including those discussed in this Note 15, the Company cannot predict when or how these matters will be resolved and does not believe it is possible to develop estimates of reasonably possible loss (or a range of possible loss) in excess of current accruals for commitment and contingency matters. Considering the Company's past experience and existing accruals, the Company does not expect the outcome of such matters, either individually or in the aggregate, to have a material adverse effect on the Company's consolidated financial position. Because most contingencies are resolved over long periods of time, potential liabilities are subject to change due to new developments, changes in settlement strategy or the impact of evidentiary requirements, which could cause the Company to pay damage awards or settlements (or become subject to equitable remedies) that could have a material adverse effect on the Company's consolidated results of operations or operating cash flows in the periods recognized or paid.

NOTE 16. PENSION BENEFITS

Net periodic pension benefit (income) cost for the Company's significant pension plans included the following components:

	U.S. Plans			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Service cost	\$ 7	\$ 7	\$ 14	\$ 14
Interest cost	149	161	299	322
Expected return on plan assets	(281)	(278)	(562)	(556)
Amortization of prior service (credit) cost	(2)	(10)	(4)	(20)
Net periodic benefit income	\$ (127)	\$ (120)	\$ (253)	\$ (240)

	Non-U.S. Plans			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Service cost	\$ 3	\$ 3	\$ 6	\$ 6
Interest cost	47	49	94	99
Expected return on plan assets	(74)	(68)	(148)	(136)
Net periodic benefit income	\$ (24)	\$ (16)	\$ (48)	\$ (31)

NOTE 17. OTHER (INCOME) EXPENSE

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	Interest income	\$ (110)	\$ (76)	\$ (215)
Pension ongoing income—non-service	(156)	(146)	(317)	(292)
Other postretirement income—non-service	(4)	(7)	(10)	(13)
Equity income of affiliated companies	(14)	(14)	(30)	(49)
Foreign exchange	5	18	31	20
Expense (benefit) related to Russia-Ukraine Conflict	—	2	17	(2)
Net expense related to the NARCO Buyout and HWI Sale	—	11	—	11
Acquisition-related costs	22	1	24	1
Other, net	11	3	23	8
Total Other (income) expense	\$ (246)	\$ (208)	\$ (477)	\$ (468)

See Note 15 Commitments and Contingencies for more information on the Net expense related to the NARCO Buyout and HWI Sale. See Note 5 Repositioning and Other Charges for further discussion of the expense related to the Russia-Ukraine Conflict.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 18. SEGMENT FINANCIAL DATA

Honeywell globally manages its business operations through four reportable business segments. Segment information is consistent with how management reviews the businesses, makes investing and resource allocation decisions, and assesses operating performance.

Honeywell's senior management evaluates segment performance based on segment profit. Each segment's profit is measured as segment income (loss) before taxes excluding general corporate unallocated expense, interest and other financial charges, stock compensation expense, pension and other postretirement income (expense), amortization of acquisition-related intangibles, repositioning and other charges, and other items within Other (income) expense.

Effective during the second quarter of 2024, the Company updated its calculation of segment profit to exclude the impact of amortization expense for acquisition-related intangible assets and certain acquisition-related costs. The Company recast historical periods to reflect segment profit under this new basis to facilitate comparability.

Effective during the first quarter of 2024, the Company realigned certain of its business units comprising its historical Performance Materials and Technologies and Safety and Productivity Solutions reportable business segments by forming two new reportable business segments: Industrial Automation and Energy and Sustainability Solutions. Industrial Automation includes Sensing and Safety Technologies, Productivity Solutions and Services, and Warehouse and Workflow Solutions, previously included in Safety and Productivity Solutions, in addition to Process Solutions, previously included in Performance Materials and Technologies. Energy and Sustainability Solutions includes UOP and Advanced Materials, previously included in Performance Materials and Technologies. Further, as part of the realignment, the Company renamed its historical Aerospace and Honeywell Building Technologies reportable business segments to Aerospace Technologies and Building Automation, respectively. This realignment had no impact on the Company's historical consolidated financial position, results of operations, or cash flows. Prior period amounts have been recast to conform to current period segment presentation.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales				
Aerospace Technologies				
Products	\$ 2,127	\$ 1,799	\$ 4,152	\$ 3,471
Services	1,764	1,542	3,408	2,981
Net Aerospace Technologies sales	3,891	3,341	7,560	6,452
Industrial Automation				
Products	1,777	2,061	3,577	4,220
Services	729	666	1,407	1,310
Net Industrial Automation sales	2,506	2,727	4,984	5,530
Building Automation				
Products	1,154	1,159	2,211	2,291
Services	417	351	786	706
Net Building Automation sales	1,571	1,510	2,997	2,997
Energy and Sustainability Solutions				
Products	1,419	1,422	2,800	2,769
Services	185	145	329	259
Net Energy and Sustainability Solutions sales	1,604	1,567	3,129	3,028
Corporate and All Other				
Services	5	1	12	3
Net Corporate and All Other sales	5	1	12	3
Net sales	\$ 9,577	\$ 9,146	\$ 18,682	\$ 18,010
Segment profit				
Aerospace Technologies	\$ 1,060	\$ 930	\$ 2,095	\$ 1,761
Industrial Automation	477	544	951	1,130
Building Automation	397	391	747	772
Energy and Sustainability Solutions	405	363	708	665
Corporate and All Other	(140)	(115)	(208)	(200)
Total segment profit	2,199	2,113	4,293	4,128
Interest and other financial charges	(250)	(187)	(470)	(357)
Interest income	110	76	215	152
Amortization of acquisition-related intangibles	(85)	(61)	(155)	(129)
Stock compensation expense ¹	(55)	(50)	(108)	(109)
Pension ongoing income ²	140	130	285	260
Other postretirement income ²	4	7	10	13
Repositioning and other charges ³	(44)	(102)	(137)	(243)
Other expense ⁴	(45)	(22)	(88)	(29)
Income before taxes	\$ 1,974	\$ 1,904	\$ 3,845	\$ 3,686

1 Amounts included in Selling, general and administrative expenses.

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

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

4 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.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 19. SUBSEQUENT EVENTS

On July 2, 2024, the Company entered into a \$1.5 billion second 364-day credit agreement (the Second 364-day Credit Agreement). Amounts borrowed under the Second 364-Day Credit Agreement are required to be repaid no later than July 1, 2025, unless (i) Honeywell elects to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on July 1, 2026, or (ii) the Second 364-Day Credit Agreement is terminated earlier pursuant to its terms. The Second 364-Day Credit Agreement is maintained for general corporate purposes. As of July 25, 2024, there were no outstanding borrowings under the Second 364-Day Credit Agreement.

On July 10, 2024, the Company announced its intention to acquire Air Products' liquefied natural gas process technology and equipment business in an all-cash transaction of approximately \$1.8 billion. See Note 3 Acquisitions and Divestitures for more information.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in tables and graphs in millions, except per share amounts)

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to help the reader understand the results of operations and financial condition of Honeywell International Inc. and its consolidated subsidiaries (Honeywell, we, us, our, or the Company) for the three and six months ended June 30, 2024. The financial information as of June 30, 2024, should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2023, contained in our 2023 Annual Report on Form 10-K. See Note 3 Acquisitions and Divestitures of Notes to Consolidated Financial Statements for a discussion of acquisition and divestiture activity during the six months ended June 30, 2024. Certain prior year amounts are reclassified to conform to the current year presentation.

BUSINESS UPDATE

MACROECONOMIC CONDITIONS

We continue to monitor the impacts of ongoing macroeconomic conditions and geopolitical events. Global conflicts continue to create volatility in global financial and energy markets and contribute to supply chain shortages adding to the inflationary pressures in the global economy. We continue to actively collaborate with our suppliers to minimize impacts of supply shortages on our manufacturing capabilities.

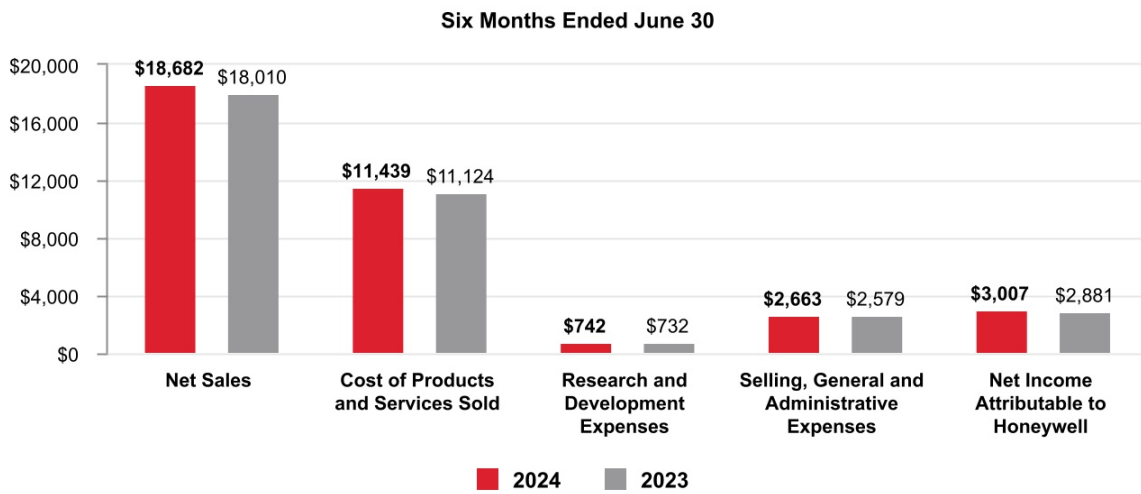
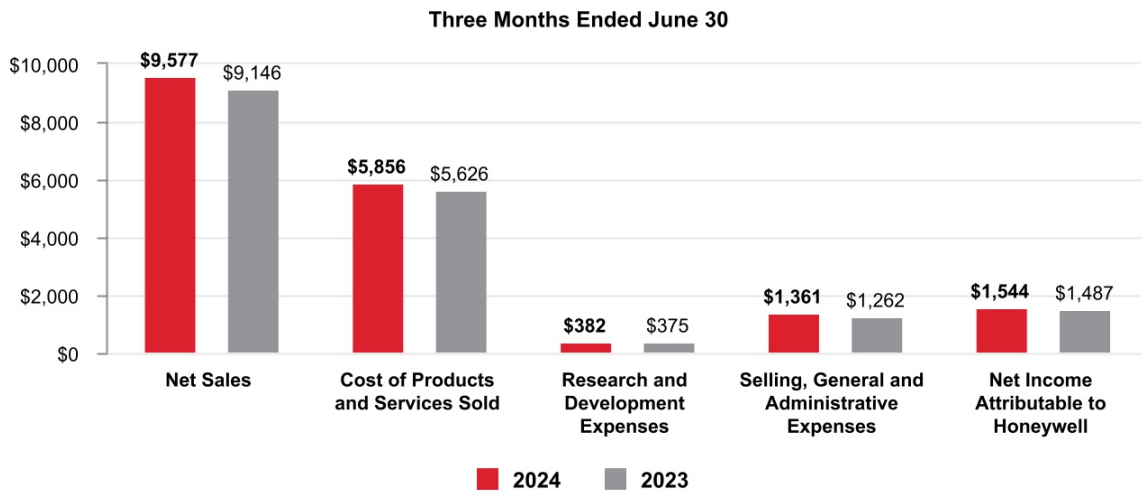
In the second quarter of 2024, market concerns over supply constraints due to sanctions and tariffs, along with previously low commodity prices, led to a temporary surge in the price of metals. This bullish trend on commodity pricing is easing, but we anticipate a general inflationary trend for commodities above the levels seen in the first quarter of 2024 for the foreseeable future. Slowing global growth relieved pressure on logistics freight and service capacity.

Our mitigation strategies include pricing actions and hedging strategies, longer term planning for constrained materials, new supplier development, material supply tracking tools, and direct engagement with key suppliers to meet customer demand. Our relationships with primary and secondary suppliers allow us to reliably source key components and raw materials, which include considering altering existing products, developing new products, and committing our own resources to assist certain suppliers. We believe these mitigation strategies enable us to reduce supply risk, accelerate new product innovation, and expand our penetration in the markets we serve. Additionally, due to the strenuous quality controls and product qualification we perform on a new or altered product, we do not expect these mitigation strategies to impact product quality or reliability.

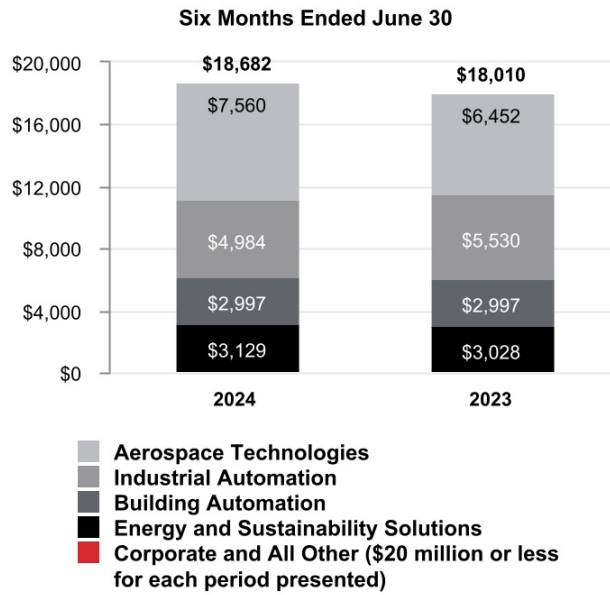
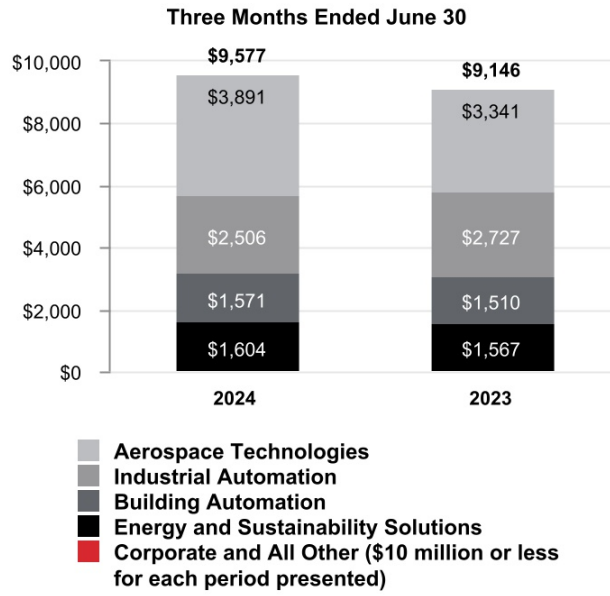
To date, our strategies have successfully mitigated our exposure to these conditions. However, if we are not successful in sustaining or executing these strategies, these macroeconomic conditions could have a material adverse effect on our consolidated results of operations or operating cash flows.

RESULTS OF OPERATIONS

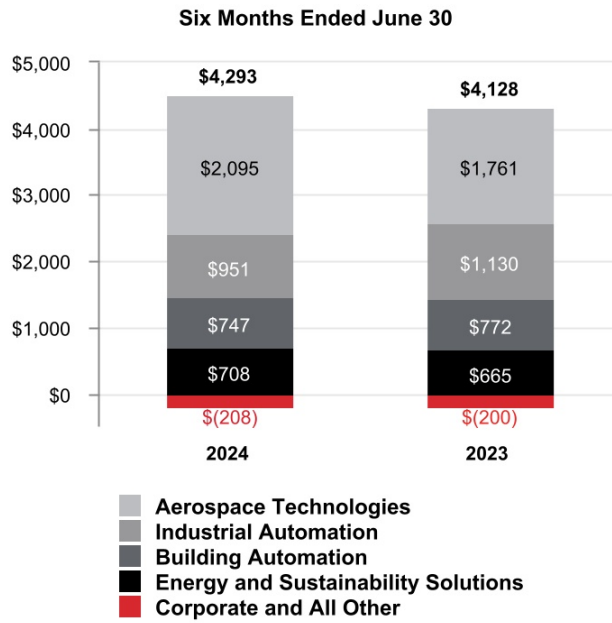
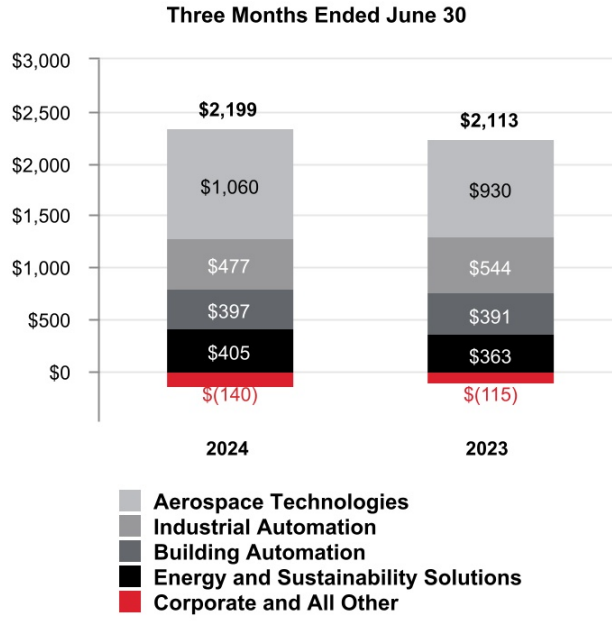
Consolidated Financial Results



Net Sales by Segment

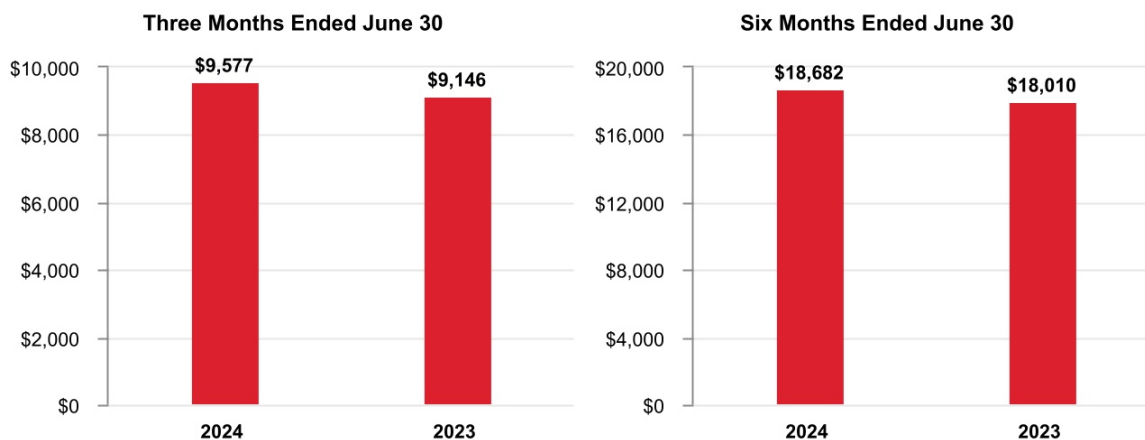


Segment Profit by Segment



CONSOLIDATED OPERATING RESULTS

Net Sales



The change in Net sales was attributable to the following:

	Q2 2024 vs. Q2 2023	Year to Date 2024 vs. 2023
Volume	1%	—%
Price	3%	3%
Foreign currency translation	—%	—%
Acquisitions, divestitures, and other, net	1%	1%
Total % change in Net sales	5%	4%

A discussion of Net sales by reportable business segment can be found in the Review of Business Segments section of this Management's Discussion and Analysis.

Q2 2024 compared with Q2 2023

Net sales increased due to the following:

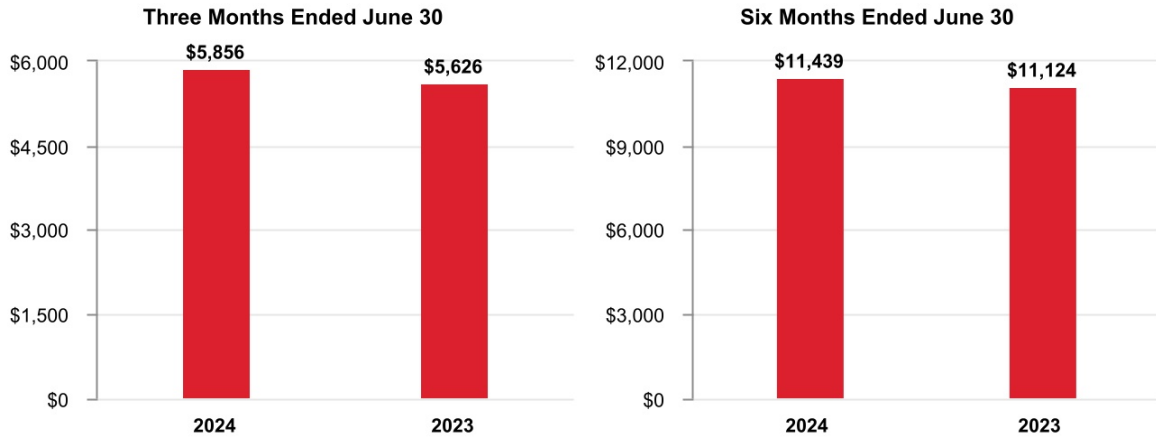
- Higher sales volumes,
- Increased pricing and price adjustments to offset inflation, and
- Incremental sales from recent acquisitions.

YTD 2024 compared with YTD 2023

Net sales increased due to the following:

- Increased pricing and price adjustments to offset inflation, and
- Incremental sales from recent acquisitions.

Cost of Products and Services Sold



Q2 2024 compared with Q2 2023

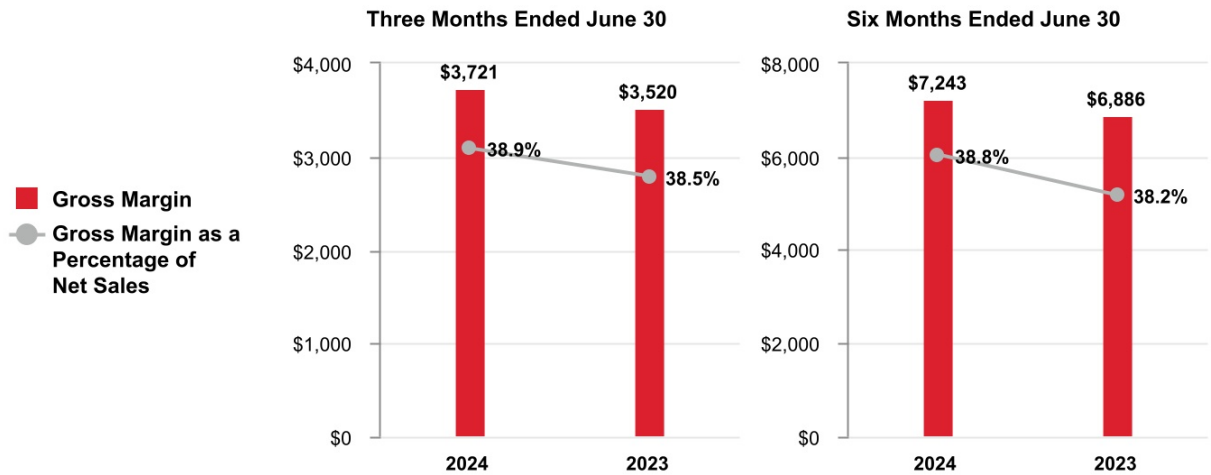
Cost of products and services sold increased due to higher direct and indirect material costs and higher labor costs.

YTD 2024 compared with YTD 2023

Cost of products and services sold increased due to the following:

- Higher direct and indirect material costs and higher labor costs of approximately \$0.3 billion or 3%,
- Partially offset by higher productivity of approximately \$0.1 billion or 1%.

Gross Margin



Q2 2024 compared with Q2 2023

Gross margin increased by approximately \$0.2 billion and gross margin percentage increased 40 basis points to 38.9% compared to 38.5% for the same period of 2023.

YTD 2024 compared with YTD 2023

Gross margin increased by approximately \$0.4 billion and gross margin percentage increased 60 basis points to 38.8% compared to 38.2% for the same period of 2023.

Research and Development Expenses



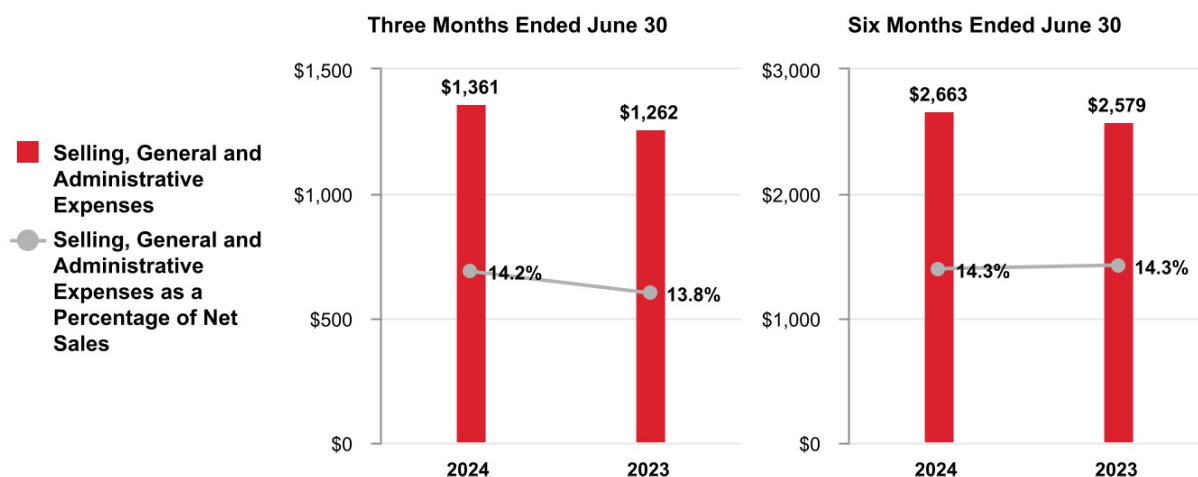
Q2 2024 compared with Q2 2023

Research and development expenses were largely unchanged.

YTD 2024 compared with YTD 2023

Research and development expenses were largely unchanged.

Selling, General and Administrative Expenses



Q2 2024 compared with Q2 2023

Selling, general and administrative expenses increased due to higher labor costs.

YTD 2024 compared to YTD 2023

Selling, general and administrative expenses increased due to the following:

- Higher labor costs of approximately \$0.2 billion or 8%,
- Partially offset by higher productivity of approximately \$0.1 billion or 4%.

Other (Income) Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Other (income) expense	\$ (246)	\$ (208)	\$ (477)	\$ (468)

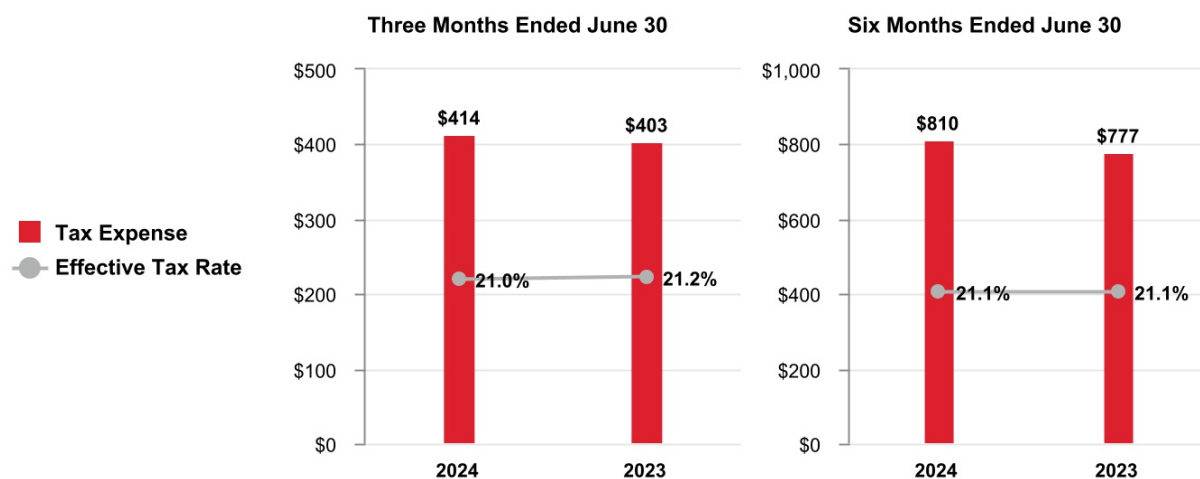
Q2 2024 compared with Q2 2023

Other income increased due primarily to higher interest income.

YTD 2024 compared to YTD 2023

Other income increased due primarily to higher interest income.

Tax Expense



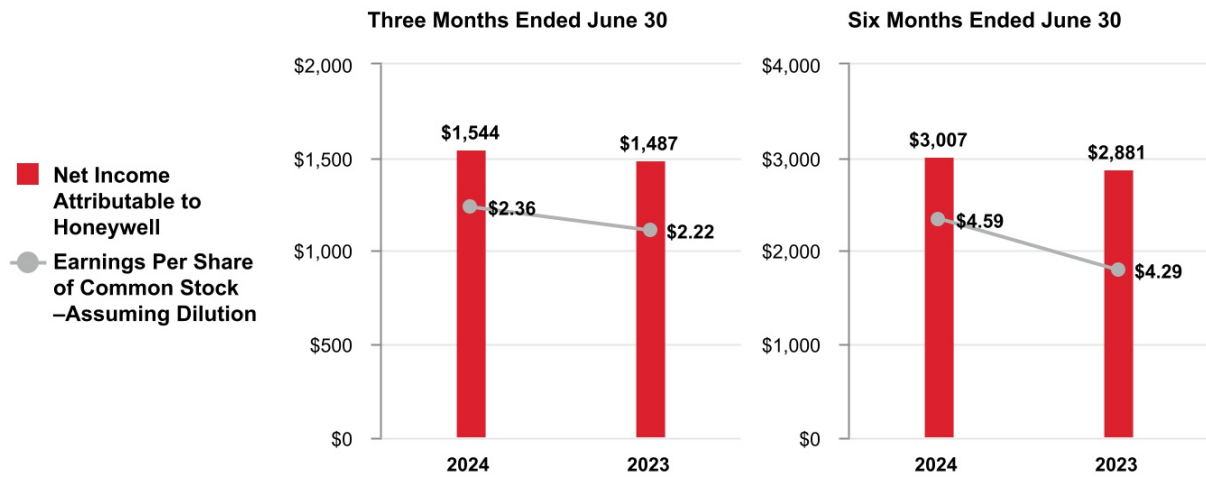
Q2 2024 compared with Q2 2023

The effective tax rate decreased 20 basis-points primarily driven by increased benefits from taxes on non-U.S. earnings.

YTD 2024 compared with YTD 2023

The effective tax rate remained unchanged primarily driven by increased benefits from taxes on non-U.S. earnings, offset by incremental tax expense from tax reserve activity.

Net Income Attributable to Honeywell



Q2 2024 compared to Q2 2023

Earnings per share of common stock—assuming dilution increased due to the following:

- Higher segment profit (\$0.10 after tax),
- Lower repositioning and other charges (\$0.07 after tax), and
- Lower share count (\$0.06 after tax),
- Partially offset by higher interest expense (loss of \$0.07 after tax).

YTD 2024 compared with YTD 2023

Earnings per share of common stock—assuming dilution increased due to the following:

- Higher segment profit (\$0.19 after tax),
- Lower repositioning and other charges (\$0.12 after tax), and
- Lower share count (\$0.11 after tax),
- Partially offset by higher interest expense (loss of \$0.13 after tax).

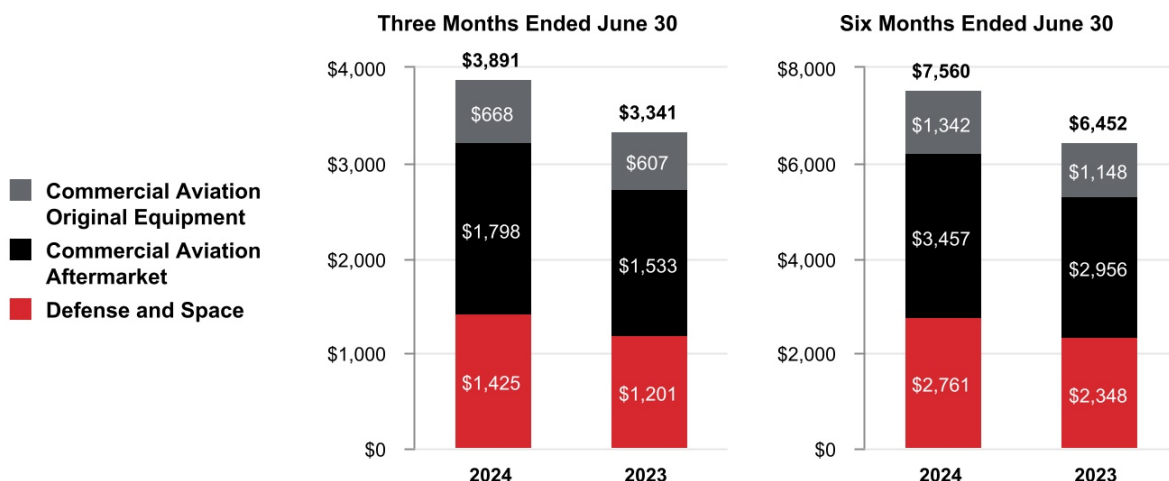
REVIEW OF BUSINESS SEGMENTS

During the first quarter of 2024, the Company realigned certain of its business units as reflected in Note 18 Segment Financial Data, which impacts the composition of its reportable segments. The Company recast historical periods to reflect this change in segment presentation. See Note 18 Segment Financial Data to Notes to Consolidated Financial Statements for further discussion.

We globally manage our business operations through four reportable business segments: Aerospace Technologies, Industrial Automation, Building Automation, and Energy and Sustainability Solutions.

AEROSPACE TECHNOLOGIES

Net Sales



	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Net sales	\$ 3,891	\$ 3,341	16 %	\$ 7,560	\$ 6,452	17 %
Cost of products and services sold	2,418	2,035		4,635	3,967	
Selling, general and administrative and other expenses	413	376		830	724	
Segment profit	\$ 1,060	\$ 930	14 %	\$ 2,095	\$ 1,761	19 %

Factors Contributing to Year-Over-Year Change	2024 vs. 2023			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Organic ¹	16 %	14 %	17 %	19 %
Foreign currency translation	— %	— %	— %	— %
Acquisitions, divestitures, and other, net	— %	— %	— %	— %
Total % change	16 %	14 %	17 %	19 %

¹ Organic sales % change, presented for all of our reportable business segments, is defined as the change in Net sales, 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 non-GAAP measure is useful to investors and management in understanding the ongoing operations and analysis of ongoing operating trends.

Q2 2024 compared to Q2 2023

Sales increased \$550 million due to higher organic sales of \$267 million in Commercial Aviation Aftermarket driven by higher sales volumes in air transport due to an increase in flight hours and higher organic sales of \$225 million in Defense and Space driven by higher sales volumes due to increased shipments.

Segment profit increased \$130 million and segment margin percentage decreased 60 basis points to 27.2% compared to 27.8% for the same period of 2023.

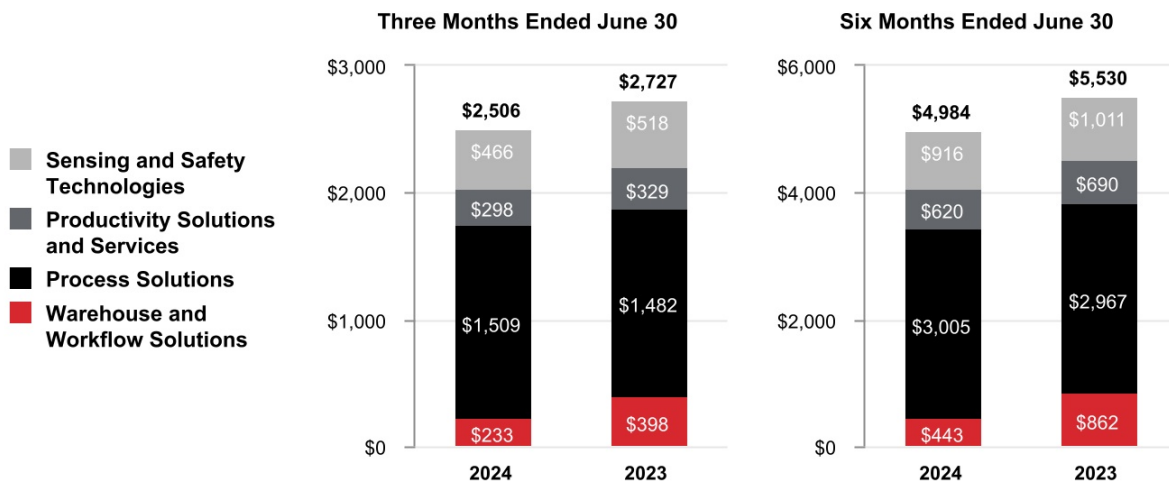
YTD 2024 compared to YTD 2023

Sales increased \$1,108 million due to higher organic sales of \$504 million in Commercial Aviation Aftermarket driven by higher sales volumes in air transport due to an increase in flight hours and higher organic sales of \$412 million in Defense and Space driven by higher sales volumes due to increased shipments.

Segment profit increased \$334 million and segment margin percentage increased 40 basis points to 27.7% compared to 27.3% for the same period of 2023.

INDUSTRIAL AUTOMATION

Net Sales



	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Net sales	\$ 2,506	\$ 2,727	(8)%	\$ 4,984	\$ 5,530	(10)%
Cost of products and services sold	1,451	1,640		2,897	3,304	
Selling, general and administrative and other expenses	578	543		1,136	1,096	
Segment profit	\$ 477	\$ 544	(12)%	\$ 951	\$ 1,130	(16)%

Factors Contributing to Year-Over-Year Change	2024 vs. 2023			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Organic	(8)%	(14)%	(10)%	(17)%
Foreign currency translation	(1)%	— %	(1)%	— %
Acquisitions, divestitures, and other, net	1 %	2 %	1 %	1 %
Total % change	(8)%	(12)%	(10)%	(16)%

Q2 2024 compared to Q2 2023

Sales decreased \$221 million due to lower organic sales of \$165 million in Warehouse and Workflow Solutions driven by lower demand for projects and lower organic sales of \$49 million in Sensing and Safety Technologies driven by lower demand for personal protective equipment.

Segment profit decreased \$67 million and segment margin percentage decreased 90 basis points to 19.0% compared to 19.9% for the same period in 2023.

YTD 2024 compared to YTD 2023

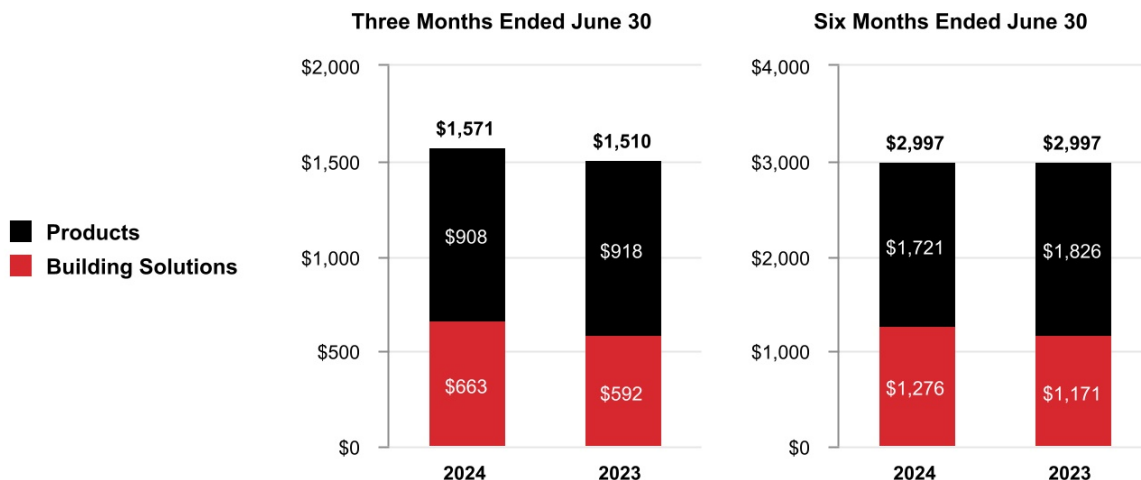
Sales decreased \$546 million due to lower organic sales of \$419 million in Warehouse and Workflow Solutions driven by lower demand for projects and lower organic sales of \$89 million in Sensing and Safety Technologies driven by lower demand for sensing products.

Segment profit decreased \$179 million and segment margin percentage decreased 130 basis points to 19.1% compared to 20.4% for the same period in 2023.

During the second quarter of 2022, our Productivity Solutions and Services business entered into a license and settlement agreement (the Agreement). Under the Agreement, we received \$360 million, paid in equal quarterly installments over eight quarters, beginning with the second quarter of 2022 and ending with the first quarter of 2024. The Agreement provides each party a license to its existing patent portfolio for use by the other party's existing products and resolved the patent-related litigation between the parties.

BUILDING AUTOMATION

Net Sales



	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Net sales	\$ 1,571	\$ 1,510	4 %	\$ 2,997	\$ 2,997	— %
Cost of products and services sold	844	803		1,608	1,589	
Selling, general and administrative and other expenses	330	316		642	636	
Segment profit	\$ 397	\$ 391	2 %	\$ 747	\$ 772	(3)%

Factors Contributing to Year-Over-Year Change	2024 vs. 2023			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Organic	1 %	(3)%	(1)%	(6)%
Foreign currency translation	(1)%	(1)%	(1)%	— %
Acquisitions, divestitures, and other, net	4 %	6 %	2 %	3 %
Total % change	4 %	2 %	— %	(3)%

Q2 2024 compared to Q2 2023

Sales increased \$61 million due to higher organic sales of \$82 million in Building Solutions driven by higher demand for building projects and services, partially offset by lower organic sales of \$63 million in Products driven by lower demand. Additionally, the acquisition of Access Solutions contributed \$62 million to sales in the three months ended June 30, 2024.

Segment profit increased \$6 million and segment margin percentage decreased 60 basis points to 25.3% compared to 25.9% for the same period of 2023.

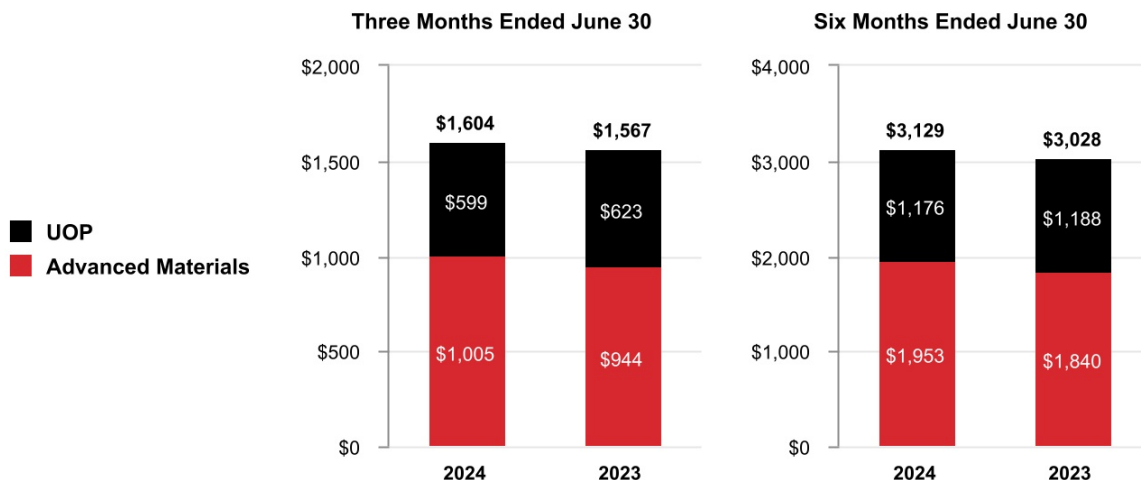
YTD 2024 compared to YTD 2023

Sales were flat due to higher organic sales of \$120 million in Building Solutions driven by higher demand for building projects and services, partially offset by lower organic sales of \$152 million in Products driven by lower demand. Additionally, the acquisition of Access Solutions contributed \$62 million to sales in the six months ended June 30, 2024.

Segment profit decreased \$25 million and segment margin percentage decreased 90 basis points to 24.9% compared to 25.8% for the same period of 2023.

ENERGY AND SUSTAINABILITY SOLUTIONS

Net Sales



	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Net sales	\$ 1,604	\$ 1,567	2 %	\$ 3,129	\$ 3,028	3 %
Cost of products and services sold	996	1,002		1,995	1,949	
Selling, general and administrative and other expenses	203	202		426	414	
Segment profit	\$ 405	\$ 363	12 %	\$ 708	\$ 665	6 %

Factors Contributing to Year-Over-Year Change	2024 vs. 2023			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Net Sales	Segment Profit	Net Sales	Segment Profit
Organic	3 %	13 %	4 %	7 %
Foreign currency translation	(1)%	(1)%	(1)%	(1)%
Acquisitions, divestitures, and other, net	— %	— %	— %	— %
Total % change	2 %	12 %	3 %	6 %

Q2 2024 compared to Q2 2023

Sales increased \$37 million due to higher organic sales of \$72 million in Advanced Materials driven by higher demand for fluorine products, partially offset by lower organic sales of \$22 million in UOP driven by lower gas processing project demand and by the unfavorable impact of foreign currency translation of \$13 million.

Segment profit increased \$42 million and segment margin percentage increased 200 basis points to 25.2% compared to 23.2% for the same period of 2023.

YTD 2024 compared to YTD 2023

Sales increased \$101 million due to higher organic sales of \$127 million in Advanced Materials driven by higher demand for fluorine products, partially offset by the unfavorable impact of foreign currency translation of \$18 million.

Segment profit increased \$43 million and segment margin percentage increased 60 basis points to 22.6% compared to 22.0% for the same period of 2023.

CORPORATE AND ALL OTHER

Corporate and All Other primarily includes unallocated corporate costs, interest expense on holding-company debt, and the controlling majority-owned interest in Quantinum. Corporate and All Other is not a separate reportable business segment as segment reporting criteria is not met. The Company continues to monitor the activities in Corporate and All Other to determine the need for further reportable business segment disaggregation.

REPOSITIONING CHARGES

See Note 5 Repositioning and Other Charges of Notes to Consolidated Financial Statements for a discussion of our repositioning actions and related charges incurred in the six months ended June 30, 2024, and 2023. Cash spending related to our repositioning actions was \$109 million in the six months ended June 30, 2024, and was funded through operating cash flows.

LIQUIDITY AND CAPITAL RESOURCES

(Dollars in tables in millions)

We manage our businesses to maximize operating cash flows as the primary source of liquidity. Each of our businesses is focused on increasing operating cash flows through revenue growth, margin expansion, and improved working capital turnover. Additional sources of liquidity include U.S. cash balances, and the ability to access non-U.S. cash balances, short-term debt from the commercial paper market, long-term borrowings, committed credit lines, and access to the public debt and equity markets.

CASH

As of June 30, 2024, and December 31, 2023, we held \$9.8 billion and \$8.1 billion, respectively, of cash and cash equivalents, including our short-term investments. We monitor the third-party depository institutions that hold our cash and cash equivalents on a daily basis. Our emphasis is primarily safety of principal and secondarily maximizing yield of those funds. We diversify our cash and cash equivalents among counterparties to minimize exposure to any one counterparty.

As of June 30, 2024, \$6.1 billion of the Company's cash, cash equivalents, and short-term investments were held by non-U.S. subsidiaries. We do not have material amounts related to any jurisdiction subject to currency control restrictions that impact our ability to access and repatriate such amounts. Under current laws, we do not expect taxes on repatriation or restrictions on amounts held outside of the U.S. to have a material effect on our overall liquidity.

CASH FLOW SUMMARY

Our cash flows from operating, investing, and financing activities, as reflected in the Consolidated Statement of Cash Flows, are summarized as follows:

	Six Months Ended June 30,		
	2024	2023	Variance
Cash and cash equivalents at beginning of period	\$ 7,925	\$ 9,627	\$ (1,702)
Operating activities			
Net income attributable to Honeywell	3,007	2,881	126
Noncash adjustments	514	842	(328)
Changes in working capital	(649)	(729)	80
NARCO Buyout payment	—	(1,325)	1,325
Other operating activities	(1,053)	(1,093)	40
Net cash provided by operating activities	1,819	576	1,243
Net cash used for investing activities	(5,405)	(709)	(4,696)
Net cash provided by (used for) financing activities	5,298	(863)	6,161
Effect of foreign exchange rate changes on cash and cash equivalents	(61)	(5)	(56)
Net increase (decrease) in cash and cash equivalents	1,651	(1,001)	2,652
Cash and cash equivalents at end of period	\$ 9,576	\$ 8,626	\$ 950

Six months ended June 30, 2024

Net cash provided by operating activities was \$1,819 million, driven by \$3,007 million of Net income attributable to Honeywell, adjusted for \$600 million of depreciation and amortization, partially offset by \$583 million of other operating activities, driven by higher tax payments, \$471 million decrease in Accrued liabilities, driven by a decrease in accrued employee compensation and benefits costs, \$423 million decrease in Accounts payable, due to increased disbursements, and \$295 million of pension and other postretirement income.

Net cash used for investing activities was \$5,405 million, driven by \$4,913 million of cash paid for acquisitions and \$492 million of capital expenditures.

Net cash provided by financing activities was \$5,298 million, driven by \$5,710 million of proceeds from issuance of long-term debt primarily to fund the Access Solutions acquisition and \$2,504 million of net proceeds from issuance of commercial paper, partially offset by \$1,446 million of cash dividends paid and \$1,200 million of repurchases of common stock.

Six months ended June 30, 2024 compared with six months ended June 30, 2023

Net cash provided by operating activities increased by \$1,243 million due to the \$1,325 million payment made by the Company pursuant to the NARCO Amended Buyout Agreement in 2023, partially offset by \$328 million decrease of noncash adjustments, driven by \$232 million decline in deferred income taxes and \$106 million decline in repositioning and other charges.

Net cash used for investing activities increased by \$4,696 million due to a \$4,252 million increase in cash paid for acquisitions and \$479 million net increase in investments.

Net cash provided by financing activities increased by \$6,161 million due to a \$2,744 million increase in proceeds from issuance of long-term debt, \$2,434 million increase in net proceeds of commercial paper, and \$779 million decrease in payments of long-term debt.

CASH REQUIREMENTS AND ASSESSMENT OF CURRENT LIQUIDITY

In addition to our normal operating cash requirements, we expect our principal future cash requirements will be to fund capital expenditures, share repurchases, dividends, strategic acquisitions, and debt repayments. On April 24, 2023, the Board of Directors authorized the repurchase of up to \$10 billion of Honeywell common stock, including approximately \$2.1 billion of remaining availability under the previously announced \$10 billion share repurchase authorization. During the six months ended June 30, 2024, we repurchased common stock of \$1.2 billion. Refer to the section titled Liquidity and Capital Resources of our 2023 Form 10-K for a discussion of our expected capital expenditures, share repurchases, mergers and acquisitions activity, and dividends for 2024.

We continually seek opportunities to improve our liquidity and working capital efficiency, which includes the extension of payment terms with our suppliers and transfer of our trade receivables to unaffiliated financial institutions on a true sale basis. The impact of these programs is not material to our overall liquidity.

We continue to assess the relative strength of each business in our portfolio as to strategic fit, market position, profit, and cash flow contribution in order to identify target investment and acquisition opportunities in order to upgrade our combined portfolio. We identify acquisition candidates that will further our strategic plan and strengthen our existing core businesses. In the second quarter of 2024, we acquired Access Solutions for total consideration of \$4.9 billion, net of cash acquired, as well as announced our intention to acquire CAES Systems Holdings LLC for approximately \$1.9 billion and Air Products' liquefied natural gas process technology and equipment business for approximately \$1.8 billion. We also identify businesses that do not fit into our long-term strategic plan based on their market position, relative profitability, or growth potential. These businesses are considered for potential divestiture, restructuring, or other repositioning actions, subject to regulatory constraints. See Note 3 Acquisitions and Divestitures of Notes to Consolidated Financial Statements for additional discussion.

In early 2023, we made payments of approximately \$1.5 billion in connection with the NARCO Buyout and UOP Matters. Pursuant to the NARCO Amended Buyout Agreement, we received proceeds of \$275 million from the HWI Sale during the year ended December 31, 2023. During the three and six months ended June 30, 2024, we received \$3 million of proceeds from the HWI Sale and may receive additional consideration in future periods if certain conditions under the definitive sale agreement for the HWI Sale are met. These payments and receipts have not materially impacted our liquidity position. See Note 12 Fair Value Measurements of Notes to Consolidated Financial Statements for additional discussion related to the fair value of future proceeds from the HWI Sale.

Based on past performance and current expectations, we believe that our operating cash flows will be sufficient to meet our future operating cash needs. Our available cash, committed credit lines, and access to the public debt and equity markets provide additional sources of short-term and long-term liquidity to fund current operations, debt maturities, and future investment opportunities. During the first quarter of 2024, our net cash provided by financing activities included proceeds of \$5.7 billion from the issuance of long-term debt primarily to fund the Access Solutions acquisition.

See Note 9 Long-term Debt and Credit Agreements of Notes to Consolidated Financial Statements for additional discussion of items impacting our liquidity.

BORROWINGS

We leverage a variety of debt instruments to manage our overall borrowing costs. As of June 30, 2024, and December 31, 2023, our total borrowings were \$27.9 billion and \$20.4 billion, respectively.

	June 30, 2024		December 31, 2023	
Commercial paper	\$	4,546	\$	2,083
Variable rate notes		22		22
Fixed rate notes		23,654		18,530
Other		219		219
Fair value of hedging instruments		(212)		(166)
Debt issuance costs		(297)		(245)
Total borrowings	\$	27,932	\$	20,443

A primary source of liquidity is our ability to access the corporate bond markets. Through these markets, we issue a variety of long-term fixed rate notes, in a variety of currencies, to manage our overall funding costs.

Another primary source of liquidity is our ability to access the commercial paper market. Commercial paper notes are sold at a discount or premium and have a maturity of 365 days or less from date of issuance. Borrowings under the commercial paper program are available for general corporate purposes as well as for financing acquisitions.

We also have the following revolving credit agreements:

- A \$1.5 billion 364-day credit agreement (the 364-Day Credit Agreement) with a syndicate of banks, dated as of March 18, 2024. Amounts borrowed under the 364-Day Credit Agreement are required to be repaid no later than March 17, 2025, unless (i) we elect to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 17, 2026, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 364-Day Credit Agreement replaced the previously reported \$1.5 billion 364-day credit agreement dated as of March 20, 2023, which was terminated in accordance with its terms effective March 18, 2024. As of June 30, 2024, there were no outstanding borrowings under our 364-Day Credit Agreement.
- A \$4.0 billion five-year credit agreement (the 5-Year Credit Agreement) with a syndicate of banks, dated as of March 18, 2024. Commitments under the 5-Year Credit Agreement can be increased pursuant to the terms of the 5-Year Credit Agreement to an aggregate amount not to exceed \$4.5 billion. The 5-Year Credit Agreement amended and restated the previously reported \$4.0 billion amended and restated five-year credit agreement dated as of March 20, 2023. As of June 30, 2024, there were no outstanding borrowings under our 5-Year Credit Agreement.
- A \$1.5 billion second 364-day credit agreement (the Second 364-Day Credit Agreement) with a syndicate of banks, dated as of July 2, 2024. Amounts borrowed under the Second 364-Day Credit Agreement are required to be repaid no later than July 1, 2025, unless (i) we elect to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on July 1, 2026, or (ii) the Second 364-Day Credit Agreement is terminated earlier pursuant to its terms. As of July 25, 2024, there were no outstanding borrowings under our Second 364-Day Credit Agreement.

See Note 9 Long-Term Debt and Credit Agreements of Notes to Consolidated Financial Statements for additional information regarding our debt instruments.

We also have a current shelf registration statement filed with the SEC under which we may issue additional debt securities, common stock, and preferred stock that may be offered in one or more offerings on terms to be determined at the time of the offering. We anticipate that net proceeds of any offering would be used for general corporate purposes, including repayment of existing indebtedness, share repurchases, capital expenditures, and acquisitions.

CREDIT RATINGS

Our ability to access the global debt capital markets and the related cost of these borrowings is affected by the strength of our credit rating and market conditions. Our credit ratings are periodically reviewed by the major independent debt-rating agencies. As of June 30, 2024, S&P Global Inc. (S&P), Fitch Ratings Inc. (Fitch), and Moody's Investor Service (Moody's) have ratings on our debt set forth in the table below:

	S&P	Fitch	Moody's
Outlook	Stable	Stable	Positive
Short-term	A-1	F1	P1
Long-term	A	A	A2

OTHER MATTERS

LITIGATION

We are subject to a number of lawsuits, investigations, and claims (some of which involve substantial amounts) arising out of the conduct of our business. See Note 15 Commitments and Contingencies of Notes to Consolidated Financial Statements for further discussion of environmental, asbestos, and other litigation matters.

CRITICAL ACCOUNTING ESTIMATES

Other than as noted below, there have been no material changes to our Critical Accounting Estimates presented in our 2023 Annual Report on Form 10-K. For a discussion of the Company's Critical Accounting Estimates, see the section titled Critical Accounting Estimates in our 2023 Annual Report on Form 10-K.

Goodwill and Indefinite-Lived Intangible Assets Impairment Testing—The Company's business combinations typically result in the recognition of goodwill and intangible assets. The Company generally engages an independent third-party valuation specialist for assistance in the allocation of the purchase price and determination of the fair value of goodwill and intangible assets, which involves the use of accounting estimates and assumptions based on information available at or near the acquisition date. The Company believes the accounting estimates and assumptions are reasonable based on information available at the date of acquisition through historical experience and information obtained from management of the acquired entity; however, there is inherent uncertainty in the accounting estimates as assumptions are forward looking and could be affected by future economic and market conditions.

Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to annual, or more frequent if necessary, impairment testing. In testing goodwill and indefinite-lived intangible assets, the fair value is estimated utilizing a discounted cash flow approach, including strategic and annual operating plans, adjusted for terminal value assumptions. These impairment tests involve the use of accounting estimates and assumptions, and changes to those assumptions could materially impact our financial condition or operating performance if actual results differ from such accounting estimates and assumptions. To address this uncertainty, we perform sensitivity analyses on key accounting estimates and assumptions. Once the fair value is determined, if the carrying amount exceeds the fair value, it is impaired. Any impairment is measured as the difference between the carrying amount and its fair value.

Definite-Lived Intangible Assets—The Company's business combinations typically result in the recognition of customer relationships, patents, and trademarks, in addition to other definite-lived intangible assets. The determination of fair value for definite-lived intangible assets, useful lives (for depreciation / amortization purposes) and whether or not intangible assets are impaired involves the use of accounting estimates and assumptions. The assumptions used in developing the accounting estimates may include business growth rates, sales volume, selling prices and costs, cash flows, and the discount rate selected and changes to those assumptions could materially impact our financial condition or operating performance if actual results differ from such estimates and assumptions.

We evaluate the recoverability of the carrying amount of our definite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of a definite-lived intangible asset group may not be fully recoverable. The principal factors in considering when to perform an impairment review are as follows:

- Significant under-performance (i.e., declines in sales, earnings, or cash flows) of a business or product line in relation to expectations;
- Annual operating plans or strategic plan outlook that indicates an unfavorable trend in operating performance of a business or product line;
- Significant negative industry or economic trends; or
- Significant changes or planned changes in our use of the assets.

Once it is determined that an impairment review is necessary, recoverability of assets is measured by comparing the carrying amount of the asset grouping to the estimated future undiscounted cash flows. If the carrying amount exceeds the estimated future undiscounted cash flows, the asset grouping is considered to be impaired. The impairment is then measured as the difference between the carrying amount of the asset grouping and its fair value.

The fair value estimates are subject to changes in the economic environment, including market interest rates and expected volatility. Management believes the estimates of future cash flows and fair values are reasonable; however, changes in estimates due to variances from assumptions could materially affect the valuations.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for a discussion of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

For a discussion of the Company's quantitative and qualitative disclosures about market risks, see the section titled Quantitative and Qualitative Disclosures About Market Risks in our 2023 Annual Report on Form 10-K. As of June 30, 2024, there has been no material change in this information.

ITEM 4. CONTROLS AND PROCEDURES

Honeywell management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that such disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to ensure information required to be disclosed in the reports that Honeywell files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer, our Chief Financial Officer, and our Controller, as appropriate, to allow timely decisions regarding required disclosure. There were no changes that materially affected, or are reasonably likely to materially affect, Honeywell's internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to a number of lawsuits, investigations, and claims (some of which involve substantial amounts) arising out of the conduct of our business. See a discussion of environmental, asbestos, and other litigation matters in **Note 15 Commitments and Contingencies of Notes to Consolidated Financial Statements**.

There were no matters requiring disclosure pursuant to the requirement to disclose certain environmental matters involving potential monetary sanctions in excess of \$300,000.

ITEM 1A. RISK FACTORS

There have been no material changes to our Risk Factors presented in our 2023 Annual Report on Form 10-K under the section titled Risk Factors. For further discussion of our Risk Factors, refer to the section titled Risk Factors in our 2023 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On April 24, 2023, the Board of Directors authorized the repurchase of up to \$10 billion of Honeywell common stock, including approximately \$2.1 billion of remaining availability under the previously announced \$10 billion share repurchase authorization. The repurchase authorization does not have an expiration date and may be amended or terminated by the Board of Directors at any time without prior notice.

Repurchases may be made through a variety of methods, which could include open market purchases, accelerated share repurchase transactions, negotiated block transactions, 10b5-1 plans, other transactions that may be structured through investment banking institutions or privately negotiated, or a combination of the foregoing. Honeywell presently expects to repurchase outstanding shares from time to time (i) to offset the dilutive impact of employee stock-based compensation plans, including option exercises, restricted unit vesting, and matching contributions under our savings plans, and (ii) to reduce share count via share repurchases as and when attractive opportunities arise. The amount and timing of future repurchases may vary depending on market conditions and the level of operating, financing, and other investing activities.

During the three months ended June 30, 2024, Honeywell purchased 2,707,020 shares of its common stock, par value \$1 per share. As of June 30, 2024, \$5.9 billion remained available for additional share repurchases. The following table summarizes our purchases of Honeywell's common stock for the three months ended June 30, 2024:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under Plans or Programs (Dollars in millions)
March 31, 2024 - April 27, 2024	1,445,121	\$194.87	1,445,121	\$6,151
April 28, 2024 - May 25, 2024	972,196	\$194.62	972,196	\$5,962
May 26, 2024 - June 29, 2024	289,703	\$199.30	289,703	\$5,904

ITEM 4. MINE SAFETY DISCLOSURES

One of our wholly-owned subsidiaries has a placer claim for and operates a chabazite ore surface mine in Arizona. Information concerning mine safety and other regulatory matters associated with this mine is required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K and is included in Exhibit 95 to this quarterly report.

ITEM 5. OTHER INFORMATION

On April 14, 2024, the Company entered into an amendment (Original Amendment) to the indemnification and reimbursement agreement with Resideo, which is incorporated by reference in Exhibit 10.1. On June 14, 2024, the Company amended and restated the Original Amendment, which is filed herewith as Exhibit 10.2. The amendment provides that certain covenants set forth in Exhibit G of the indemnification and reimbursement agreement will be modified to substantially conform the covenants with those contained in Resideo's credit agreement (as and when such covenants in the credit agreement are amended in connection with the acquisition and financing transactions that Resideo announced on April 15, 2024).

EQUITY TRADING ARRANGEMENTS ELECTIONS

Certain executive officers and directors of the Company may execute purchases and sales of the Company's common stock through Rule 10b5-1 and non-Rule 10b5-1 equity trading arrangements.

During the three months ended June 30, 2024, none of our executive officers or directors adopted, terminated, or modified a "Rule 10b5-1 trading arrangement," or adopted, terminated, or modified any "non-Rule 10b5-1 trading arrangement" (each as defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	Fifth Amendment, dated April 14, 2024, to Indemnification and Reimbursement Agreement dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (incorporated by reference to Exhibit 10.3 to Honeywell's Form 10-Q for the quarter ended March 31, 2024)
10.2	Amended and Restated Fifth Amendment, dated June 14, 2024, to Indemnification and Reimbursement Agreement dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (filed herewith)
10.3	Second 364-Day Credit Agreement, dated as of July 2, 2024, among Honeywell International Inc., the banks, financial institutions, and other institutional parties thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed July 2, 2024)
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
95	Mine Safety Disclosures (filed herewith)
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema (filed herewith)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase (filed herewith)
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 25, 2024

HONEYWELL INTERNATIONAL INC.

By: /s/ Robert D. Mailloux

Robert D. Mailloux
Vice President and Controller
(on behalf of the Registrant
and as the Registrant's
Principal Accounting Officer)

Execution Version

**AMENDED AND RESTATED
FIFTH AMENDMENT
TO**

INDEMNIFICATION AND REIMBURSEMENT AGREEMENT

This Amended and Restated Fifth Amendment to INDEMNIFICATION AND REIMBURSEMENT AGREEMENT (this “**Amendment**”), dated as of June 14, 2024, by and between (i) Honeywell International Inc., a corporation organized under the Laws of the State of Delaware (“**Indemnitee**” or “**Honeywell**”), and (ii) Resideo Intermediate Holding Inc., a corporation organized under the Laws of the State of Delaware (“**Indemnitor**”), amends that certain Indemnification and Reimbursement Agreement, dated October 14, 2018, by and between (A) Honeywell and (B) New HAPI Inc., a corporation organized under the Laws of the State of Delaware (subsequently assigned to Indemnitor), as amended from time to time prior to the date hereof (as so amended, the “**Indemnification and Reimbursement Agreement**”). Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Indemnification and Reimbursement Agreement.

WITNESSETH:

WHEREAS the parties entered into that certain Fifth Amendment to Indemnification and Reimbursement Agreement, dated as of April 14, 2024 (the “**Original Amendment**”), and the parties are entering into this Amendment to amend and restate the Original Amendment;

WHEREAS, concurrently with the execution of this Amendment, Indemnitor or certain Affiliates thereof are entering into that certain Fourth Amendment to Amended and Restated Credit Agreement, dated as of the date hereof (the “**Fourth Amendment**”), among Indemnitor, Homes Borrower, Homes, certain other subsidiaries of Homes named therein, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent (the “**Administrative Agent**”), which amends that certain Amended and Restated Credit Agreement, dated as of February 12, 2021, among Indemnitor, Homes Borrower, Homes, certain other subsidiaries of Homes named therein, the lenders and issuing banks party thereto from time to time and the Administrative Agent (as amended prior to the date hereof, the “**Existing Amended and Restated Credit Agreement**” and, as amended by the Fourth Amendment, the “**Modified Amended and Restated Credit Agreement**”) and a final copy of the Fourth Amendment has been provided to Indemnitee on or prior to the date hereof;

WHEREAS, pursuant to Section 4.13 of the Indemnification and Reimbursement Agreement, the Indemnification and Reimbursement Agreement may be amended, supplemented or modified only by an instrument in writing specifically designated as an amendment signed on behalf of each Party; provided that such amendment does not result in the increase of the late payment fee set forth in Section 2.5(b) of the Indemnification and Reimbursement Agreement;

WHEREAS, the amendments to the Indemnification and Reimbursement Agreement contemplated herein do not include any such amendment of the late payment fee set forth in Section 2.5(b) of the Indemnification and Reimbursement Agreement; and

WHEREAS, the Parties desire to amend the Indemnification and Reimbursement Agreement in the manner set forth herein.

NOW, THEREFORE, in accordance with Section 4.13 of the Indemnification and Reimbursement Agreement, the Parties agree as follows:

ARTICLE I
AMENDMENT AND RESTATEMENT

This Amendment amends and restates (and for the avoidance of doubt, supersedes and replaces) in its entirety the Original Amendment.

ARTICLE II
AMENDMENTS

2.1 Amendment to Section 3.13 of Exhibit G. Effective on the Effective Date (as hereinafter defined), Section 3.13 of Exhibit G of the Indemnification and Reimbursement Agreement is amended and restated in its entirety to read as follows:

“3.13. Consolidated Total Leverage Ratio. Indemnitor will not, and will cause its Subsidiaries not to, permit the Consolidated Total Leverage Ratio for any period of four consecutive fiscal quarters of Holdings ending on the last day of the fiscal quarter of Holdings ending on or about June 30, 2024 or any fiscal quarter of Holdings ending thereafter, to exceed 3.50 to 1.00.”

ARTICLE III
MISCELLANEOUS

3.1 References. Each reference in the Indemnification and Reimbursement Agreement shall, unless the context otherwise requires, mean the Indemnification and Reimbursement Agreement as amended by this Amendment. Without limiting the foregoing, the Parties acknowledge that in connection with the execution of this Amendment, the Indemnitor (or Affiliates thereof) and other parties thereto are entering into (or have entered into) the Merger Agreement and the Fourth Amendment and intend to consummate the transactions contemplated thereby. In accordance with the terms set forth in Section 4.14 of the Indemnification and Reimbursement Agreement, upon the Effective Date (as defined below), (a) each reference to “Current Credit Agreement (as in effect on the Amendment and Restatement Date)” in Exhibit G of the Indemnification and Reimbursement Agreement (but excluding such reference in Section 1.01(a) thereof as described in clause (b)(i) immediately below), shall mean the Existing Amended and Restated Credit Agreement (as in effect on the Amendment and Restatement Date) and (b) (i) the reference to “Current Credit Agreement (as in effect on the Amendment and Restatement Effective Date)” in Section 1.01(a) of Exhibit G of the Indemnification and Reimbursement Agreement solely with respect to capitalized terms used but not defined within Exhibit G to the Indemnification and Reimbursement Agreement that have been revised between the Existing Amended and Restated Credit Agreement and the Modified Amended and Restated Credit Agreement and (ii) each other reference to “Current Credit Agreement” in the Indemnification and Reimbursement Agreement (including each section of Exhibit G of the Indemnification and Reimbursement Agreement other than sections of Exhibit G referred to in clause (a) or (b)(i) immediately above) or in the Guarantee Agreement shall, in each case, mean the Modified Amended and Restated Credit Agreement.

3.2 No Other Amendments; Continuing Effect. The amendments set forth herein are limited precisely as written and will not be deemed to be an amendment to any other term or condition of the Indemnification and Reimbursement Agreement or any of the documents referred to therein. Except as expressly amended hereby, the terms and conditions of the Indemnification and Reimbursement Agreement shall continue in full force and effect.

3.3 Representations and Warranties; No Defaults; No Waivers. The representations and warranties contained in Sections 4.2 (a), (b) and (c) of the Indemnification and Reimbursement Agreement are hereby restated by each Party and incorporated herein by reference. Indemnitor represents and warrants that as of the date hereof, no default or event of default has occurred and is continuing under any of the Indemnification and Reimbursement Agreement, the Current Credit Agreement or any other Loan Document (as defined in the Current Credit Agreement), or any other Indebtedness (as defined in the Current Credit Agreement) of the Indemnitor or any of its subsidiaries. This Amendment is not a waiver of, or consent to, any default or event of default now existing or hereafter arising under the Indemnification and Reimbursement Agreement (as amended by this Amendment), the Current Credit Agreement, any other Loan Document (as defined in the Current Credit Agreement) or any other Indebtedness (as defined in the Current Credit Agreement) of the Indemnitor or any of its subsidiaries.

3.4 Dispute Resolution; Governing Law; Jurisdiction; WAIVER OF JURY TRIAL; Interpretation, Etc. The provisions of Section 4.3 (“Dispute Resolution”), Section 4.4 (“Governing Law; Jurisdiction”), Section 4.5 (“Waiver of Jury Trial”), Section 4.6 (“Court-Ordered Interim Relief”) and Section 4.14

(“Interpretation”) of the Indemnification and Reimbursement Agreement are hereby incorporated herein by reference and shall apply *mutatis mutandis*.

3.5 Successors. This Amendment shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

3.6 Counterparts. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

3.7 Effectiveness. The amendments and other modifications to the Indemnification and Reimbursement Agreement set forth herein shall become effective upon the effectiveness of the amendments to the Existing Amended and Restated Credit Agreement set forth in the Fourth Amendment (the date of such effectiveness, the “**Effective Date**”). Notwithstanding anything to the contrary set forth herein, if the Merger Agreement is validly terminated in accordance with the terms set forth therein, then this Amendment shall be and become null and void concurrently with the effectiveness of such valid termination of the Merger Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

HONEYWELL INTERNATIONAL INC.

By: /s/ Thilo Huber

Name: Thilo Huber

Title: Vice President and Treasurer

RESIDEO INTERMEDIATE HOLDING INC.

By: /s/ Jeannine Lane _____

Name: Jeannine Lane

Title: Secretary

**CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Vimal Kapur, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 25, 2024

By: /s/ Vimal Kapur

Vimal Kapur

Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregory P. Lewis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 25, 2024

By: /s/ Gregory P. Lewis

Gregory P. Lewis

Senior Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Vimal Kapur, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 25, 2024

By: /s/ Vimal Kapur
Vimal Kapur
Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Gregory P. Lewis, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 25, 2024

By: /s/ Gregory P. Lewis
Gregory P. Lewis
Senior Vice President and Chief Financial Officer

Mine Safety Disclosures

The following disclosures are provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, which require certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the "Mine Safety Act"). One of the subsidiaries of Honeywell International Inc. (the "Company") has placer claims for and operates a surface mine for chabazite ore in Arizona.

During the quarter ended June 30, 2024, the Company did not receive any of the following: (a) a citation from the U.S. Mine Safety and Health Administration ("MSHA") for a violation of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Safety Act; (b) an order issued under section 104(b) of the Mine Safety Act; (c) a citation or order for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Safety Act; (d) a flagrant violation under section 110(b)(2) of the Mine Safety Act; (e) an imminent danger order under section 107(a) of the Mine Safety Act; or (f) a proposed assessment from the MSHA.

In addition, during the quarter ended June 30, 2024, the Company had no mining-related fatalities, had no pending legal actions before the Federal Mine Safety and Health Review Commission involving a coal or other mine, and did not receive any written notice from the MSHA involving a pattern of violations, or the potential to have such a pattern, of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Safety Act.