

STRATEGY AND PORTFOLIO UPDATE

OCTOBER 10, 2023

Honeywell

THE
FUTURE
IS
WHAT
WE
MAKE IT



Forward Looking Statements

We describe many of the trends and other factors that drive our business and future results in this presentation. 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. 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 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 presentation can or will be achieved. These forward-looking statements should be considered in light of the information included in this presentation, our Form 10-K, and other filings with the Securities and Exchange Commission. Any forward-looking plans described herein are not final and may be modified or abandoned at any time. Additional information with respect to the matters in this presentation can be found in the Form 8-K filed and furnished with the Securities and Exchange Commission on the date of this presentation.

Non-GAAP Financial Measures

This presentation contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this presentation are as follows: Segment profit, on an overall Honeywell basis, which we define as operating income, excluding stock compensation expense, pension and other postretirement service costs, and repositioning and other charges; Segment profit margin, on an overall Honeywell basis, which we define as segment profit divided by net sales; Organic sales percentage, which we define as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation and acquisitions, net of divestitures, for the first 12 months following the transaction date; Free cash flow, which we define as cash provided by operating activities less cash for capital expenditures plus cash receipts from Garrett; and Free cash flow margin, which we define as free cash flow divided by net sales, if and as noted in the presentation. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Certain measures presented on a non-GAAP basis represent the impact of adjusting items net of tax. The tax-effect for adjusting items is determined individually and on a case-by-case basis. A quantitative reconciliation of these non-GAAP financial measures has not been provided on a forward-looking-looking basis as management cannot reliably predict or estimate, without unreasonable effort, events, and circumstances that could impact these measures. Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitations of these non-GAAP financial measures are that they exclude significant expenses and income that are required by GAAP to be recognized in the consolidated financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgements by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Investors are urged to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measures and not to rely on any single financial measure to evaluate Honeywell's business.

KEY MESSAGES

- **Announcing next transformation phase with portfolio alignment to megatrends and new CEO priorities**
- **Simplified structure combined with portfolio shaping will enable profitable organic growth**
- **Clarifies what Honeywell is and what Honeywell does**
- **Value creation framework intact, underpinned by world-class Accelerator operating system**
- **Favorable HON outlook for 2024**

New portfolio alignment effective beginning first quarter 2024.

Bringing Focus and Clarity to Honeywell Portfolio

PROGRESSING ON CEO PRIORITIES

CONSISTENT, WINNING STRATEGY...

- Commitment to deliver our upgraded financial algorithm; say = do
- Commitment to evolve Honeywell transformation to outperform in all cycles
- Commitment to maintain and enhance our long-standing leadership in sustainability

...WITH AREAS OF GREATER EMPHASIS

- Enhance robust innovation engine to accelerate organic sales growth
- Evolve Accelerator operating system to drive value through business model optimization
- Leverage transformed Honeywell to optimize portfolio and strategically deploy capital

LONG-TERM FINANCIAL OUTCOMES

4% - 7%

Organic Sales Growth

>35%

Recurring Revenue

>40%

Gross Margin

40 - 60 bps

Segment Margin Expansion

Mid-Teens+

Free Cash Flow Margin

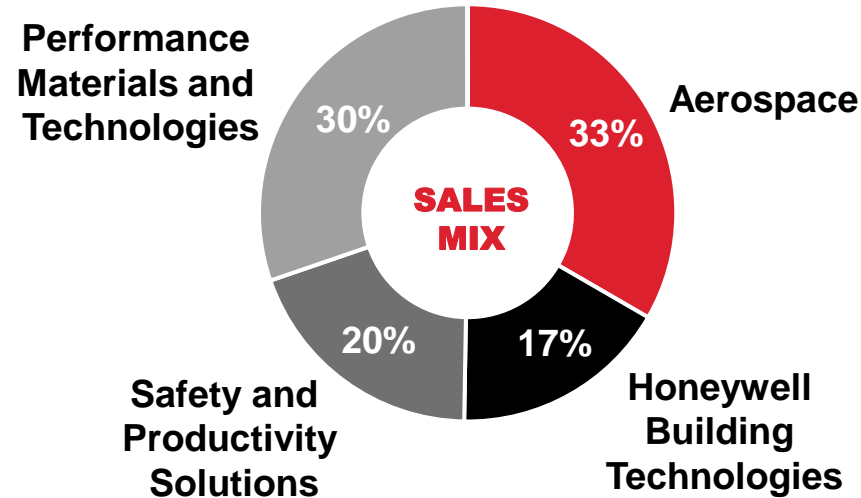
\$25B+

2023 - 2025 Capital Deployment

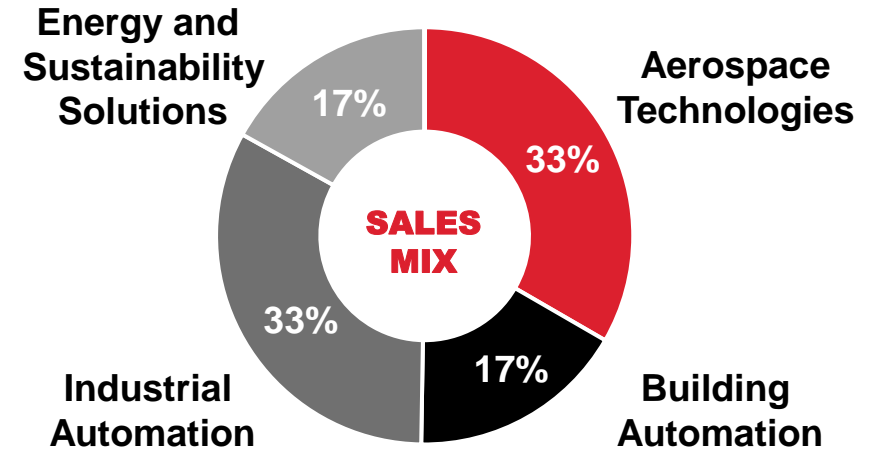
Portfolio Optimization In Line with New CEO Priorities

HONEYWELL REALIGNMENT

HONEYWELL - CURRENT STRUCTURE



HONEYWELL - NEW STRUCTURE AS OF 1Q24



- Reorganizing into four reconstituted, newly named SEC reportable segments: Aerospace Technologies, Industrial Automation, Building Automation, and Energy and Sustainability Solutions

Based on 2022 revenue. New structure percentages represent 2022 revenue, realigned to new reporting structure effective beginning first quarter 2024.

Reorganized Reporting Structure Effective Beginning First Quarter 2024

MARKET DYNAMICS OVER PAST FIVE YEARS

STATE OF WORLD (2018)

- Steadily increasing reliance on China supply chain
- Ample labor supply

- Cyclical commercial aero demand
- Underinvestment in national defense

- Less urgency on sustainability
- Minimal energy investment

STATE OF WORLD (2023+)

- Supply chain diversification, reshoring, and resiliency
- Labor shortages, focus on IoT and AI

- Long-term recoupling to commercial flight demand; future of aviation
- Reprioritization of national defense

- Greater commitment to sustainability
- Global energy security at risk

HON ALIGNMENT

AUTOMATION

AEROSPACE

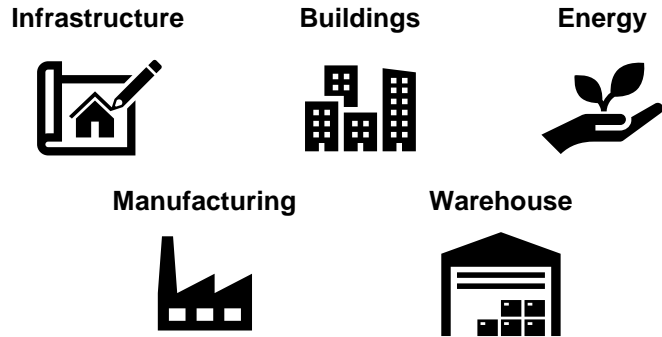
ENERGY AND SUSTAINABILITY

IoT: Internet of Things. AI: Artificial Intelligence.

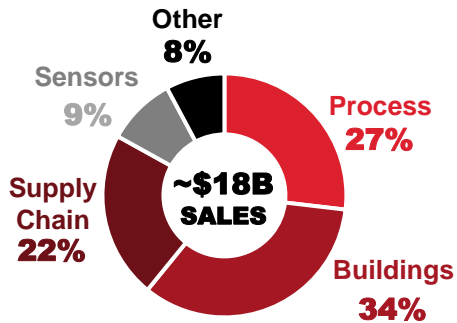
Portfolio Addresses Today's and Tomorrow's Global Needs

HONEYWELL PORTFOLIO EXPOSURES

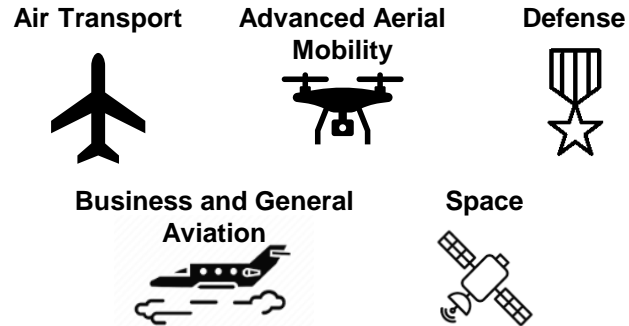
AUTOMATION



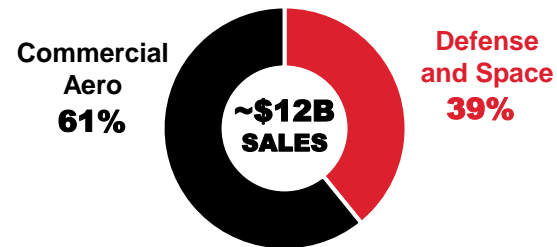
Industrial Automation and Building Automation



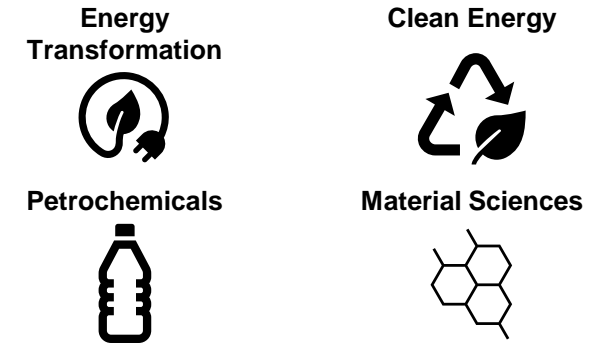
FUTURE OF AVIATION



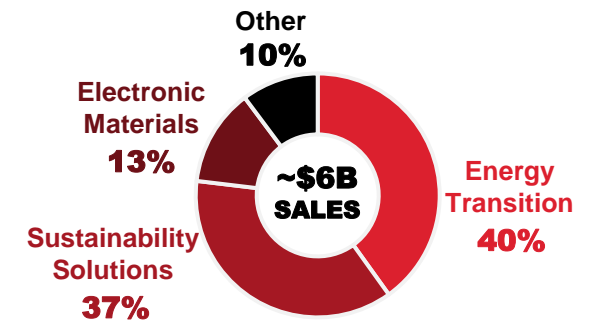
Aerospace Technologies



ENERGY TRANSITION



Energy and Sustainability Solutions



Honeywell Connected Enterprise

EXPOSURES

SALES MIX¹

¹Based on 2022 revenue.

Three Compelling Megatrends Underpinned by Digitalization

AUTOMATION

MARKET OPPORTUNITY

INDUSTRIAL

\$260B

Addressable Market¹

6%

CAGR 2023 - 2026¹

BUILDING

\$130B

Addressable Market¹

5%

CAGR 2023 - 2026¹

KEY MARKET DRIVERS

North America Mega Capex Projects

\$600B+

Announced from 2020 - 2023²

Sensing Technology Demand

15%

EV sensors market CAGR 2022 - 2031³

U.S. Labor Force Participation Rate

(180) bps

Decrease 2022 - 2032⁴

U.S. Government Infrastructure

\$0.5T

New funding provided by IIJA⁵

HONEYWELL ADVANTAGES

- Leading market positions across industrial and building end markets
- Global footprint and well recognized brands
- Deep domain expertise and long-standing customer relationships
- Unmatched installed base built over decades
- Well-integrated software franchise

MARKET CATALYSTS

- Labor / skills shortage
- Internet of Things (IoT) driving high sensors demand
- Supply chain resiliency investment cycle
- Energy transition and need for energy efficiency
- Capacity / infrastructure build out

LEADING HON SOLUTIONS

- Process, building, supply chain, and warehouse automation
- Sensing and metering solutions
- Industrial software supported by Forge IoT platform

¹Internal HON estimate. ²Melius Research (mega project defined as \$1B+). ³Allied Market Research. ⁴Bureau of Labor Statistics. ⁵Ernst & Young. IIJA: Infrastructure Investment and Jobs Act.

Controls and Automation are the Foundation of Honeywell

FUTURE OF AVIATION

MARKET OPPORTUNITY

\$180B

Addressable Market¹

5%

CAGR 2023 - 2026¹

KEY MARKET DRIVERS

Flight Hours

~5%

ATR CAGR
2023 - 2026¹

~2%

BGA CAGR
2023 - 2026¹

Build Rates

~16%

ATR CAGR
2023 - 2026¹

~3%

BGA CAGR
2023 - 2026¹

Fleet Turnover

~33%

Total fleet growth
2022 - 2032²

~25%

Aircraft retirements
2022 - 2032³

Defense Budget

4%

DoD outlays
CAGR 2023 - 2030⁴

7%

International defense
CAGR 2023 - 2026¹

HONEYWELL ADVANTAGES

- Diverse nose-to-tail portfolio; not overly indexed to one platform or vertical
- Diversified end market exposure
- Industry-leading cost structure
- \$1B+ decoupled revenue growing DD CAGR
- Leading position in advanced air mobility and electrification

MARKET CATALYSTS

- Growth in global flying population
- Aircraft fleet growth and replenishment
- Defense investment cycle
- Electrification / sustainability demand creating new opportunities
- Urban air taxi / same day delivery

LEADING HON SOLUTIONS

- Next-generation flight deck / avionics / alternate navigation
- Next generation APU, business jet engines
- Electrification: actuation, power management, electric / hybrid propulsion
- Sustainable solutions: SAF / fuel cells
- Future of aviation: advanced air mobility

¹Internal HON estimate. ²Oliver Wyman Global Fleet and MRO Forecast 2023. ³Oliver Wyman MRO Global Lead Brian Prentice at the MRO Americas Conference. ⁴Statista projection, May 2023. ATR: air transport and regional. BGA: business and general aviation.

Honeywell Aerospace is Well Positioned for a Strong Future

ENERGY TRANSITION

MARKET OPPORTUNITY

\$100B
Addressable Market¹

6%
CAGR 2023 - 2026¹

KEY MARKET DRIVERS

Increased Energy Consumption	Emissions Reductions	Increased Energy Investment	Heat Pump Sales	Petrochemical Demand Growth
50%	50%	100%+	2x	3%
Increase in global consumption by 2050 ³	Target U.S. reduction by 2030 ⁴	Investment by 2030 ²	Increased sales by 2026 ⁶	CAGR through 2030 ⁵

HONEYWELL ADVANTAGES

- 100+ years of global / technological expertise
- Portfolio of solutions enabling the energy transition and decarbonization
- Trusted brand, largest installed base for refining and petrochemical operations
- Key supplier of low global warming heating / cooling technologies and electronic materials

MARKET CATALYSTS

- Shift in energy pools
- New refining configurations driving petrochemical mix increase
- Electrification driving HFO demand
- Increasing global regulation / carbon tax driving demand of renewable offerings
- Nearshoring creating new opportunities

LEADING HON SOLUTIONS

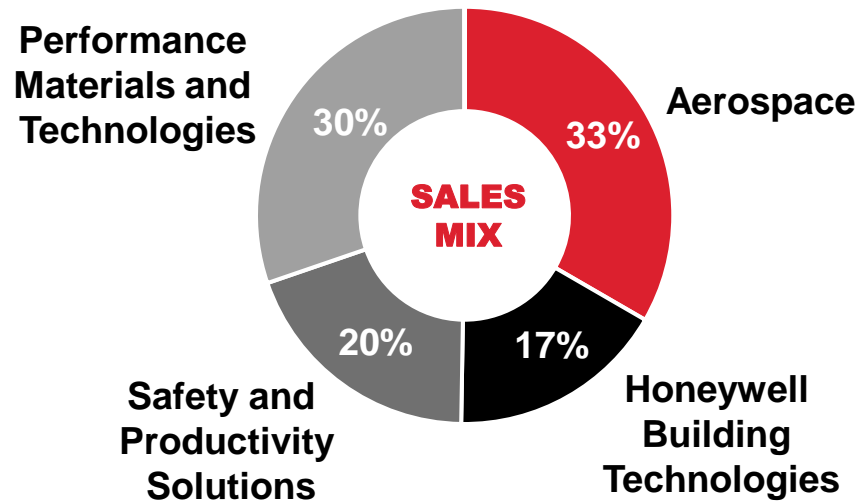
- Full suite of biofuels / SAF technologies
- Process and separation technologies enabling CCUS and Hydrogen
- Leading position in sustainable refrigerants and electronic materials
- Broad-based catalysts and absorbents offerings

¹Internal HON estimate. ²World Energy Outlook 2022. ³International Energy Outlook 2021. ⁴World Energy Outlook 2022. ⁵McKinsey projection, December 2022. ⁶McKinsey projection, July 2022. HFO: Hydrofluoroolefin. CCUS: Carbon capture, utilization, and storage.

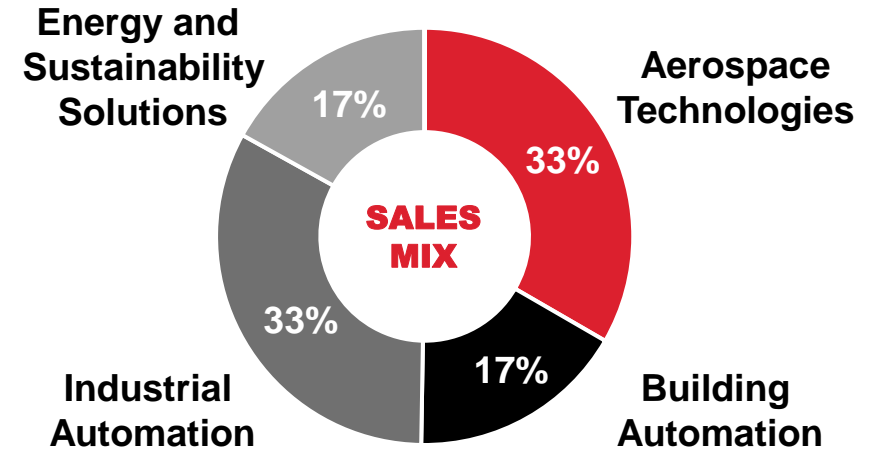
Honeywell Enabling the World's Future Energy and Sustainability Needs

HONEYWELL REALIGNMENT - WHY IT MATTERS

HONEYWELL - CURRENT STRUCTURE



HONEYWELL - NEW STRUCTURE AS OF 1Q24



- Aligns business structure with distinct, compelling megatrends
- Positions Honeywell to better address the world's toughest challenges
- Enables a simpler, stronger strategic focus and clearly defines Honeywell's value proposition
- Creates a more focused framework for M&A; bolt-on acquisitions and select dispositions to align to themes

Based on 2022 revenue. New structure percentages represent 2022 revenue, realigned to new reporting structure effective beginning first quarter 2024.

New Structure Enhances Organic and Inorganic Growth Strategies

SEGMENT LEADERSHIP



JIM CURRIER
PRESIDENT AND CEO

AEROSPACE TECHNOLOGIES

- Named CEO of Aero in 2023
- Served as President of Electronic Solutions, President of EMEA Aftermarket business, VP of Airlines, North America, and VP of Business Development, Engines and Power Systems
- Led Honeywell Anthem cockpit program to achieve first flight in May 2023 and secured presence in the AAM and BGA markets



BILLAL HAMMOUD
PRESIDENT AND CEO

BUILDING AUTOMATION

- Named CEO of HBT in 2023
- Previously served as President of Smart Energy and Thermal Solutions
- Held GM roles Thermal Solutions and Combustion Controls
- Outside of HON, served as President for ESAB Americas and Global Fabrication Solutions at Colfax



LUCIAN BOLDEA
PRESIDENT AND CEO

INDUSTRIAL AUTOMATION

- Joined as CEO of PMT in 2022
- Previously served as EVP for Eastman Chemical Company, leading global strategy, business operations, and financial performance
- Served as SVP of Eastman's Additives and Functional Products business
- Began as a chemist in 1997 at Eastman



KEN WEST
PRESIDENT AND CEO

ENERGY AND SUSTAINABLE SOLUTIONS

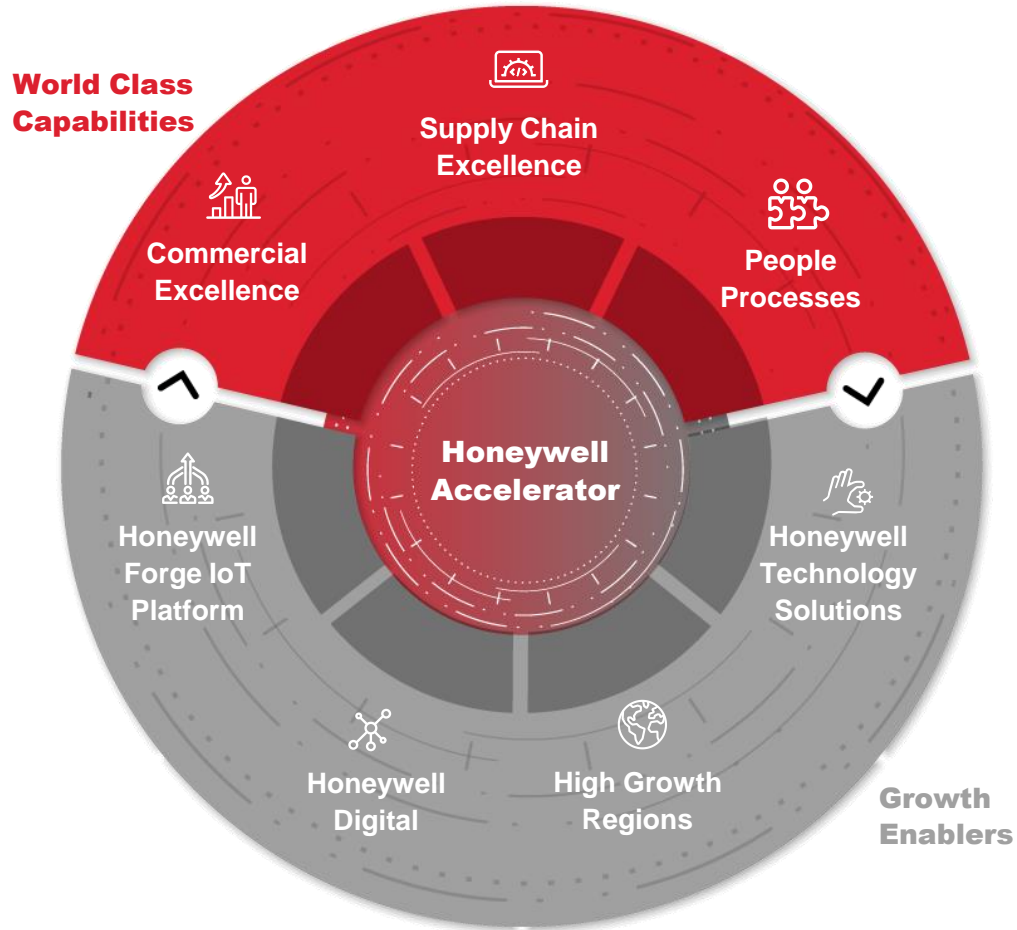
- Named President of UOP in 2023
- Previously served as President of Advanced Materials, GM of Fluorine Products, GM of Life Sciences, Protective, and Industrial Products, and GM of Packaging and Composites
- Outside of HON, worked for PPG Industries as VP of Packaging Coatings

Leadership changes effective January 1, 2024. EMEA: Europe, Middle East, Africa, India. AAM: Advanced Aerial Mobility

Experienced Leadership Team for the Next Phase of Transformation

POWER OF ACCELERATOR

OUR OPERATING SYSTEM



KEY POINTS

- Improved productivity in our **supply chain** processes
- **Digitalized** operations and customer experience
- Build-out of **IT stack / platform, digital threads / data**
- Implement end-to-end **business model standardization**
- Foundation for **profitable growth acceleration** and **enhanced cash generation**

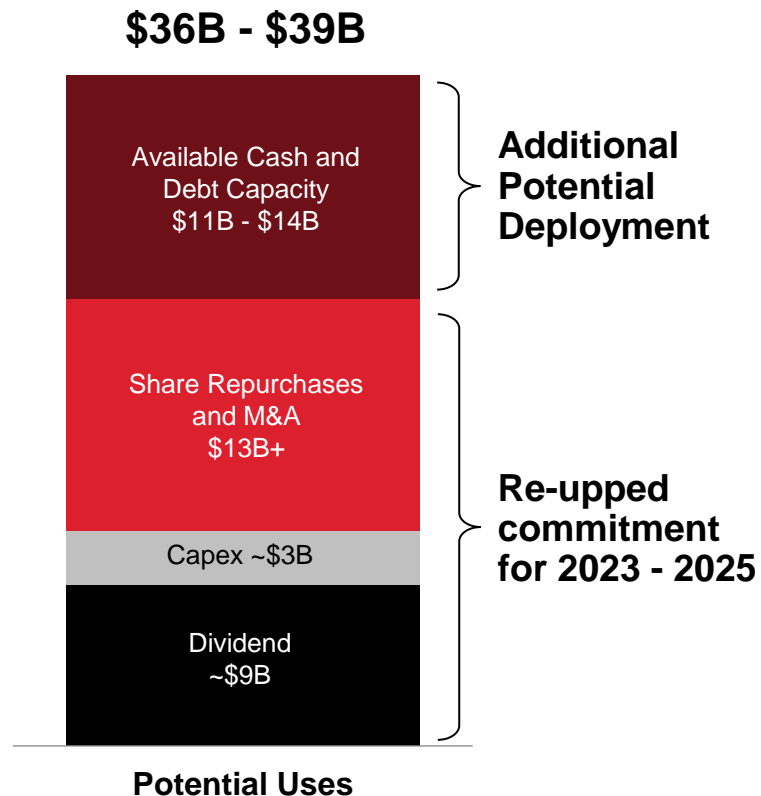
Progression over time

Integrated Operating Company Creating Significant Value

FOCUS ON CAPITAL DEPLOYMENT

**ROBUST CAPITAL DEPLOYMENT CAPACITY;
RE-UPPED \$25B+ COMMITMENT FOR 2023 - 2025**

KEY POINTS



Funding inorganic growth opportunities

- Acquisitions targeted on three megatrends and digitalization
- Robust pipeline with plans to execute over next ~12 months
 - \$1B - \$7B deal size range
- Divest ~10% of revenue not aligned to new structure
- Path to monetization over next ~18 months for Quantinum

Commitment to a balanced capital deployment strategy

- Fund innovation engine; capex focused on growth projects and automation
- Reduce share count by a minimum 1% annually via share repurchases

Expect Robust Capital Deployment Over Next Three Years

SUMMARY

- Honeywell is taking the next step in its transformation to deliver on key priorities to optimize the portfolio

- Portfolio simplification and alignment to critical megatrends, underpinned by digitalization, facilitates organic sales growth acceleration

- Greater clarity on what Honeywell is and where capital will be deployed

- Early HON outlook for 2024 constructive

Honeywell

December 1, 2023

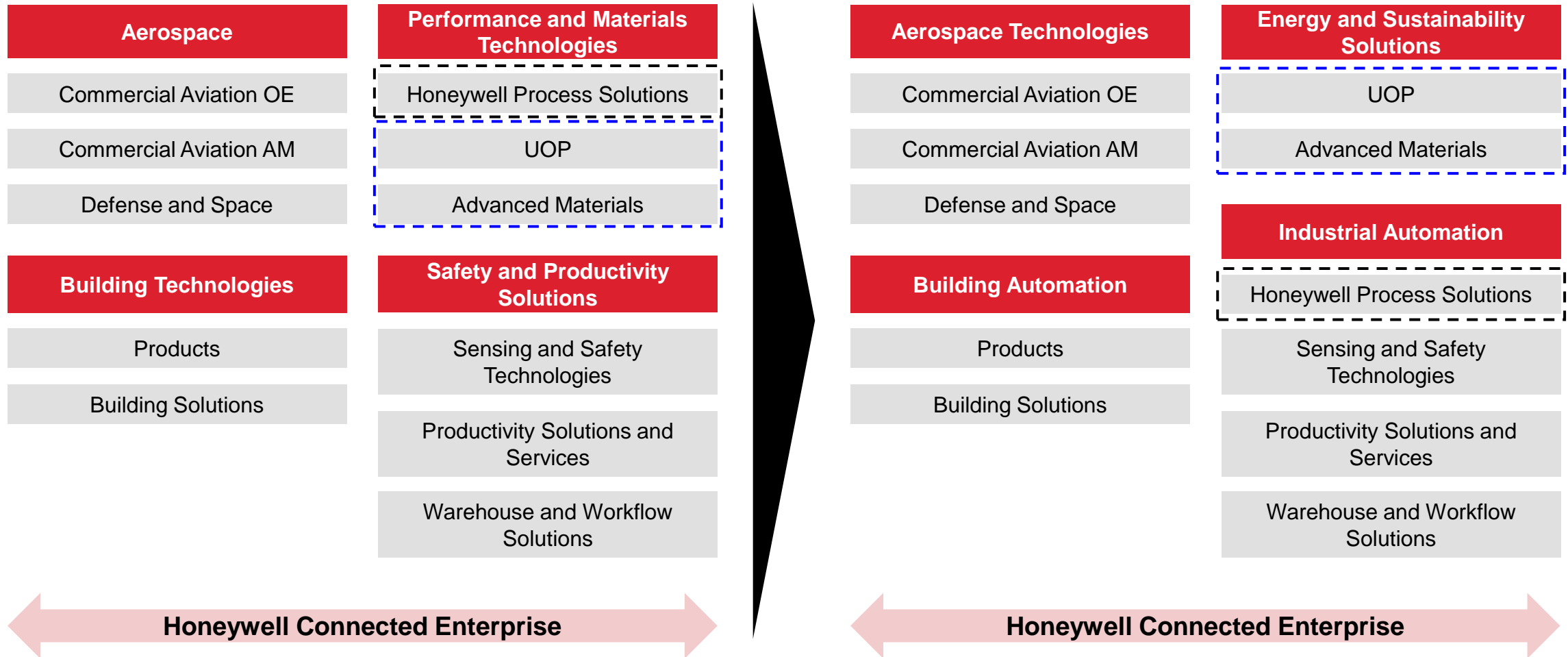


Honeywell's CEO Vimal Kapur will provide a more detailed update through a presentation followed by a Q&A roundtable discussion.

Portfolio Realignment Enabling Next Phase of Transformation and Value Creation

Appendix

HONEYWELL PORTFOLIO REALIGNMENT



New portfolio alignment effective beginning first quarter 2024.

Preserving the Underlying Operating Business Structure

Honeywell