Reconciliation of EPS to Adjusted EPS

	2016	2017	2018	2019	2020	2021	2022	2023
Earnings per share of common stock - diluted [(1)]	$6.21	$2.00	$8.98	$8.41	$6.72	$7.91	$7.27	$8.47
Pension mark-to-market expense [(2)]	0.28	0.09	0.04	0.13	0.04	0.05	0.64	0.19
Debt refinancing expense [(2)]	0.12	-	-	-	-	-	-	-
Separation costs [(3)]	-	0.02	0.97	-	-	-	-	-
Impacts from U.S. Tax Reform	-	5.04	(1.98)	(0.38)	-	-	-	-
Separation related tax adjustment [(4)]	-	-	-	-	(0.26)	-	-	-
Garrett related adjustments [(5)]	-	-	-	-	0.60	0.01	-	-
Changes in fair value for Garrett equity securities [(6)]	-	-	-	-	-	(0.03)	-	-
Gain on sale of retail footwear business [(7)]	-	-	-	-	-	(0.11)	-	-
Expense related to UOP Matters [(8)]	-	-	-	-	-	0.23	0.07	-
Russian-related charges [(9)]	-	-	-	-	-	-	0.43	-
Gain on sale of Russian entities [(10)]	-	-	-	-	-	-	(0.03)	-
Net expense related to the NARCO Buyout and HWI Sale [(11)]	-	-	-	-	-	-	0.38	0.01
Adjustment to estimated future Bendix liability [(12)]	-	-	-	-	-	-	-	0.49
Adjusted earnings per share of common stock - diluted	$6.61	$7.15	$8.01	$8.16	$7.10	$8.06	$8.76	$9.16

(1) 2023 adjusted earnings per share utilizes weighted average shares 668.2 million.
2022 adjusted earnings per share utilizes weighted average shares 683.1 million.
2021 adjusted earnings per share utilizes weighted average shares 700.4 million.
2020 adjusted earnings per share utilizes weighted average shares 711.2 million.
2019 adjusted earnings per share utilizes weighted average shares 730.3 million
2018 adjusted earnings per share utilizes weighted average shares 753.0 million.
2017 adjusted earnings per share utilizes weighted average shares 772.1 million.
2016 adjusted earnings per share utilizes weighted average shares 775.3 million.

(2) Pension mark-to-market expense uses a blended tax rate of 18%, 16%, 25%, 25%, 24%, 24%, 23%, and 21% for 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016, respectively. Debt refinancing expense uses a tax rate of 26.5%.

(3) For the twelve months ended December 31, 2018, and 2017, separation costs were $732 million and $14 million, respectively, including net tax impacts.

(4) For the twelve months ended December 31, 2020, separation related tax adjustment of $186 million, without tax expense, includes the favorable resolution of a foreign tax matter related to the spin-off transactions.

(5) For the twelve months ended December 31, 2021, the adjustment was $7 million, without tax benefit, due to a non-cash charge associated with a reduction in value of reimbursement receivables following Garrett's emergence from bankruptcy on April 30, 2021. For the twelve months ended December 31, 2020, the adjustment was $427 million, net of tax benefit of $5 million, due to the non-cash charges associated with the reduction in value of reimbursement receivables due from Garrett, net of proceeds from settlement of related hedging transactions.

(6) For the twelve months ended December 31, 2021, the adjustment was $19 million, net of tax expense of $5 million, due to changes in fair value for Garrett equity securities.

(7) For the twelve months ended December 31, 2021, the adjustment was $76 million, net of tax expense of $19 million, due to the gain on sale of the retail footwear business.

(8) For the twelve months ended December 31, 2022, and 2021, the adjustments were $45 million and $160 million, respectively, without tax benefit, due to an expense related to UOP matters.

(9) For the twelve months ended December 31, 2023, the adjustment was a benefit of $3 million, without tax expense. For the twelve months ended December 31, 2022, the adjustment was $297 million, without tax benefit, to exclude charges and the accrual of reserves related to outstanding accounts receivable and contract assets, impairment of intangible assets, foreign exchange revaluation, inventory reserves, the write-down of other assets, impairment of property, plant and equipment, employee severance, and called guarantees related to the initial suspension and wind down of our businesses and operations in Russia.

(10) For the twelve months ended December 31, 2022, the adjustment was $22 million, without tax expense, due to the gain on sale of Russian entities.

(11) For the twelve months ended December 31, 2023, and 2022, the adjustments were $8 million and $260 million, net of tax benefit of $3 million and $82 million, respectively, due to the net expense related to the NARCO Buyout and HWI Sale.

(12) For the twelve months ended December 31, 2023, the adjustment was $330 million net of tax benefit of $104 million (or $434 million pre-tax) due to a change in the estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims. 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. The $434 million pre-tax amount is 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. 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.

We define adjusted earnings per share as diluted earnings per share adjusted to exclude various charges as listed above. We believe adjusted earnings per share is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.