FIRST QUARTER 2020
EARNINGS RELEASE

MAY 1, 2020

Honeywell

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Non-GAAP Financial Measures

This presentation contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this presentation are as follows: segment profit, on an overall Honeywell basis, a measure by which we assess operating performance, which we define as operating income adjusted for certain items as presented in the Appendix; segment margin, on an overall Honeywell basis, which we define as segment profit divided by sales; organic sales growth, which we define as sales growth less the impacts from foreign currency translation and acquisitions and divestitures for the first 12 months following transaction date; EBITDA, which we define as income before taxes adjusted for interest and other financial charges, interest income, depreciation, and amortization; free cash flow, which we define as cash flow from operations less capital expenditures; and adjusted free cash flow, which we define as cash flow from operations less capital expenditures and which we adjust to exclude the impact of separation costs related to the spin-offs of Resideo and Garrett, if and as noted in the presentation. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Refer to the Appendix attached to this presentation for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

1Q 2020 OVERVIEW

	1Q 2020 Actual	1Q 2020 Guidance
Earnings per share up 15% on higher segment profit, lower share count, favorable tax rate, and lower below the line expenses	$2.21 (Up 15%)	$2.02 - $2.07
Organic sales decline driven by COVID-19 impact and OPEC+ dispute	(4%) *Organic Sales Decline*	(2%) - 2%
Segment margin expansion driven by productivity rigor, commercial excellence, and cost controls to manage macro challenges	140 bps *Segment Margin Expansion*	20 - 50 bps
Generated $800M in free cash flow, despite macro challenges and lower end of quarter collections	$0.8B	
Balanced capital deployment across dividends, share repurchases, and capex investments to increase production of safety products and other growth opportunities	$2.7B Share Repurchases, Dividends, and Capital Expenditures	

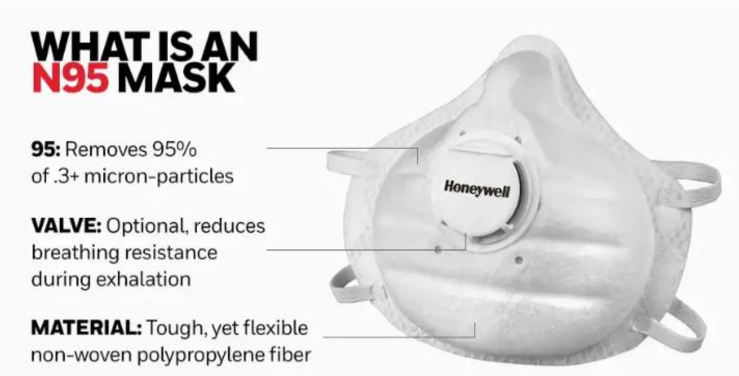
Exceeded Original Commitment on EPS and Segment Margin

HONEYWELL IN ACTION | RESPONSE TO COVID-19

Employee Health and Safety

- Employee health and safety is our top priority
- Implemented full-time work from home where possible; advanced cleaning and hygiene at all sites; employee hotline; frequent employee updates
- Reimbursing employees for COVID-19 testing, out-of-pocket treatment costs; providing a full year of paid sick time up-front to U.S. non-exempt employees
- Established $10 million employee relief fund

Supporting Frontline Response



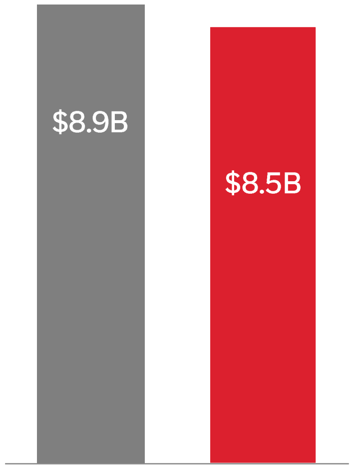
- Adding N95 manufacturing in Rhode Island and Arizona
  - N95 production will increase to more than 20 million masks per month in U.S.
  - Expanded manufacturing will create 1,000+ jobs in the U.S.
- Manufacturing hand sanitizer at two locations for donation to government agencies
  - Donating to the Federal Emergency Management Agency (FEMA) in U.S.
- Increasing production of safety eyewear and face shields
- Expanding sensor capacity to enable ventilator production

Committed to Employee and Public Health; Providing Critical Protective Equipment

1Q 2020 FINANCIAL SUMMARY

Sales

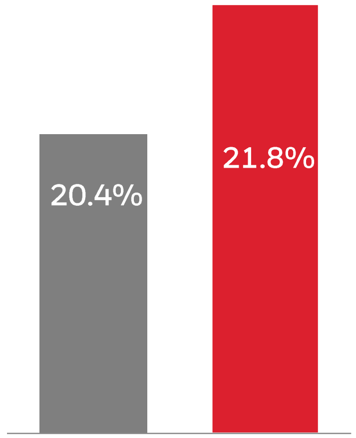
Down (4%) *Organic*



± Defense strength offset by Comm'l Aero OE
- Tough comps in Intelligrated
- PMT impacted by oil price volatility
- Supply chain and customer site access

Segment Margin

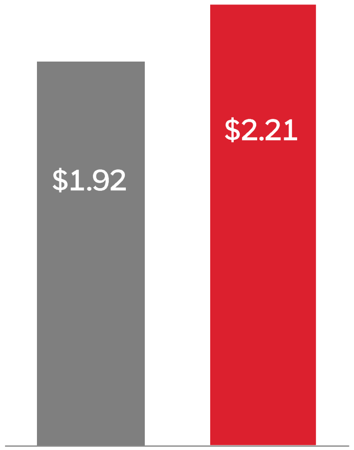
Up 140 bps



\+ Commercial excellence
\+ Productivity, repositioning benefits
\+ Cost control actions

EPS

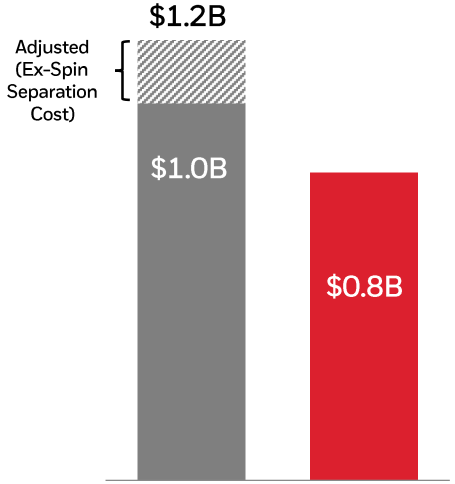
Up 15%



\+ Segment profit growth
\+ Lower share count
\+ Lower adjusted ETR (India tax law)

Free Cash Flow

Down (31%)



- Lower sales; lower customer collections in late March

\+ Deployed $2.7B to share repurchases, dividends, and capex

Adjusted free cash flow and adjusted free cash flow V% exclude impacts from separation costs related to the spin-offs of $165M in 1Q19.

Outstanding Performance Under Very Difficult Circumstances

OPERATIONS UPDATE

Disruptions to Operations and Supply Chain:

- **Constrained access** to customer sites to provide services, work on projects, and make deliveries

- Honeywell and suppliers' **site status changing daily**; experiencing staffing disruptions with attendance and temporary closures

- Logistics and transportation **supply / demand imbalances** across freight modes

Managing Through the Disruptions:

- Portfolio is highly aligned with guidelines for essential and critical businesses around the world; maintaining continuity of operations and supply chain
- Keeping employees healthy and safe using active temperature screening, PPE supplies, incident protocol
- Operations center proactively monitors sites and 18,000+ suppliers daily
- Identifying and assisting suppliers in need
- Proactively managing transportation and freight modes

Current Status of Operations:

- Greater than 90% of Honeywell sites are operational
- Experiencing staffing constraints in select regions
- Greater than 90% of global suppliers are operational

Situation Remains Fluid; Actively Managing Disruptions to Operations, Supply Chain

2Q SALES PREVIEW

Drivers

- \- Air transport flight hours down >50%; business aviation flight hours down >40%
- \+ Robust defense backlog
- \- Oil prices under acute pressure; reductions in capex and opex budgets; lower refining volumes
- \- Non-residential construction delays; deferred demand; lower building occupancy
- \+ E-commerce demand surge; warehouse automation – strong Intelligrated backlog
- \+ Critical need for personal protective equipment and medical sensors
- \- Supply chain headwinds and customer site disruptions impacting all businesses

Aero | Sales Down >25%

- Significant headwinds in commercial aviation aftermarket
- Continued growth in Defense and Space
- 737 MAX impacts coupled with air transport OEM build rate delays
- Lower business jet deliveries and OEM temporary shutdowns

PMT | Sales Down >15%

- Decreased product sales in HPS; UOP catalyst shipments deferred
- Lower UOP licensing and engineering volumes; global mega projects backlog burndown
- Continued weakness in gas processing
- Packaging and composites strength (Aclar®)

HBT | Sales Down >10%

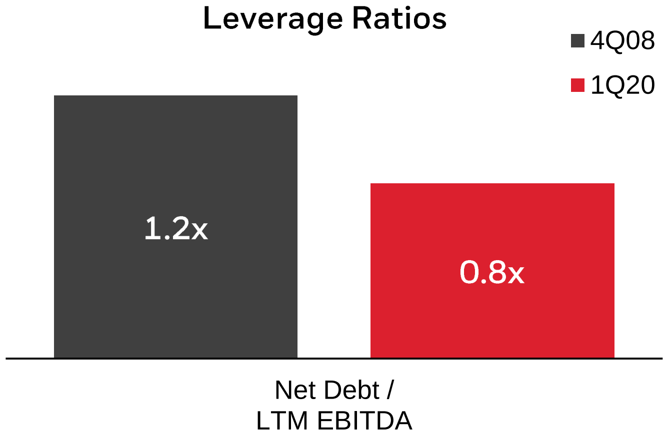
- HBS impacted by a pause of projects in key verticals (transportation, retail, government)
- Potential site access challenges impacting projects and services
- Deferred building product purchases
- Connected building growth and opportunities in clean air and building safety

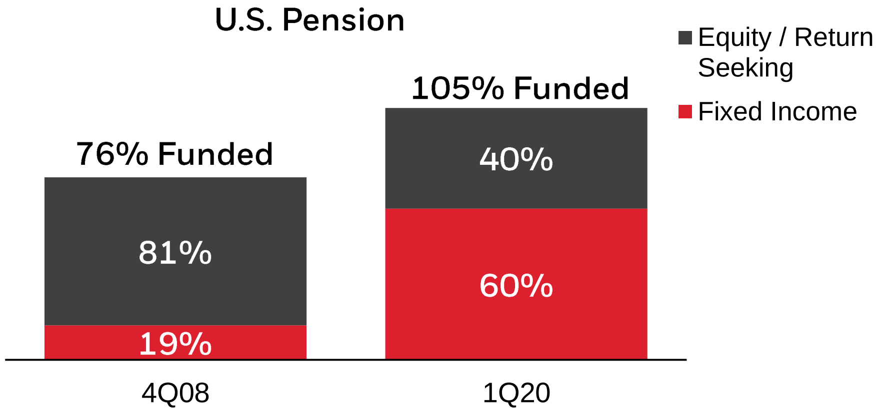
SPS | Sales Down >5%

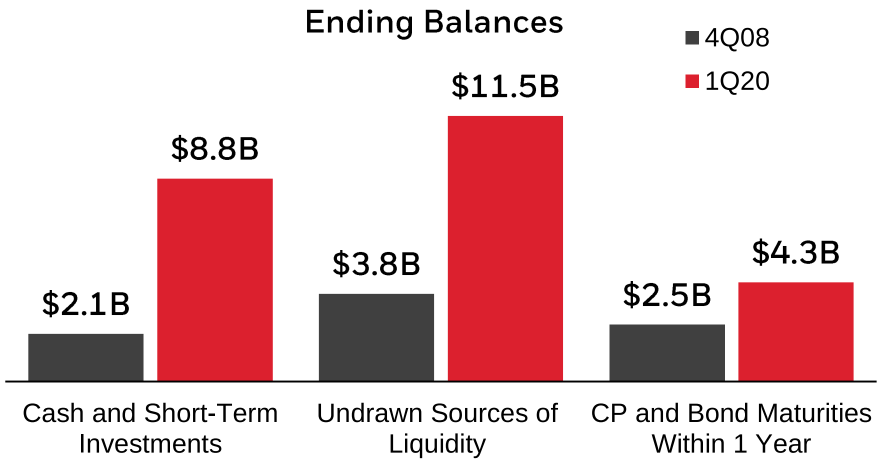
- Intelligrated returns to growth
- Strength in personal protective equipment
- Headwinds in SIoT driven by weakness in aerospace, machinery, and auto markets, partially offset by medical demand
- Overall macroeconomic conditions pressuring other short-cycle businesses

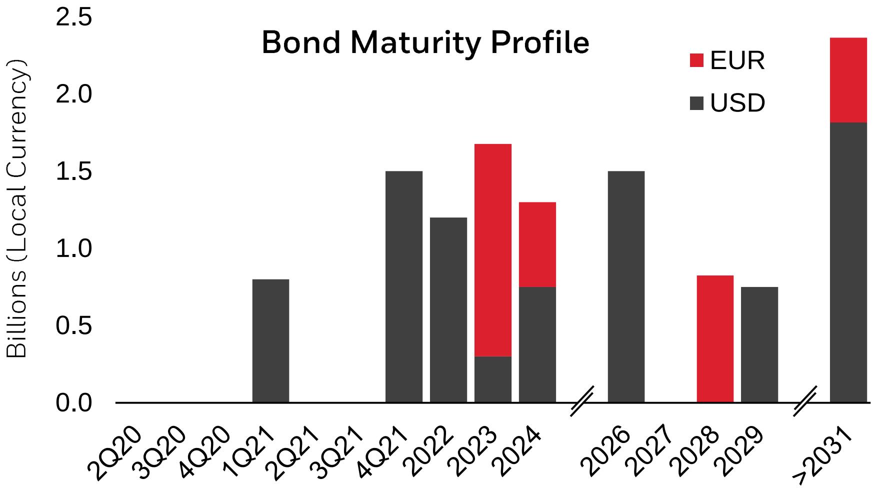
Expect 2Q Sales to be Down >15%

BALANCE SHEET STRENGTH AND LIQUIDITY









Status as of March 31:

- Moody's A2 and S&P A rating for 25+ years
- Modest net leverage
- Pension requires no funding
- $20.3B sources of liquidity vs. $4.3B CP and bond maturities within one year

Capital Management:

- Substantially completed 2020 share repurchase commitment in 1Q
- Focused on liquidity preservation in 2Q; optionality in 2H

Leverage ratio source: internal HON estimate; debt is defined as long-term debt, commercial paper and other short-term borrowings and current maturities of long-term debt; net debt is defined as debt less cash and cash equivalents and short-term investments.

Well Equipped for What is Ahead

TAKING ACTIONS TO MANAGE THE DOWNTURN

Sales Generation

Redeploying and Refocusing Salesforce to Align with Market Demand

- Reallocated ~1,000 sellers to areas of customer demand: healthcare, e-commerce, remote operations, defense, cyber, data centers, worker safety / PPE
- Modified sales incentives for 6,500 sellers
- Created sales playbook on how to operate virtually
- Developing new solutions in PPE, supply chain analytics, cybersecurity and remote access, healthy buildings, and airline passenger safety
- Implemented weekly CEO / CCO reviews of key customer pursuits and demand generation actions

Cost Management

Implemented Immediate Cost Controls to Position for the Downturn

- Expected to reduce cost by \$1.1B - \$1.3B in 2020
  - Reduced discretionary expenses (non-essential travel, contractors, consultants, hiring)
  - Canceled annual merit increases; reduced executive and BOD pay
  - Initiated reduced work schedules across the enterprise to adapt to lower demand
  - Targeted permanent census reduction, varied by business
- Continuing to work likely phase two of cost actions (in addition to \$1.1B - \$1.3B savings); monitoring the environment to implement

Working Capital

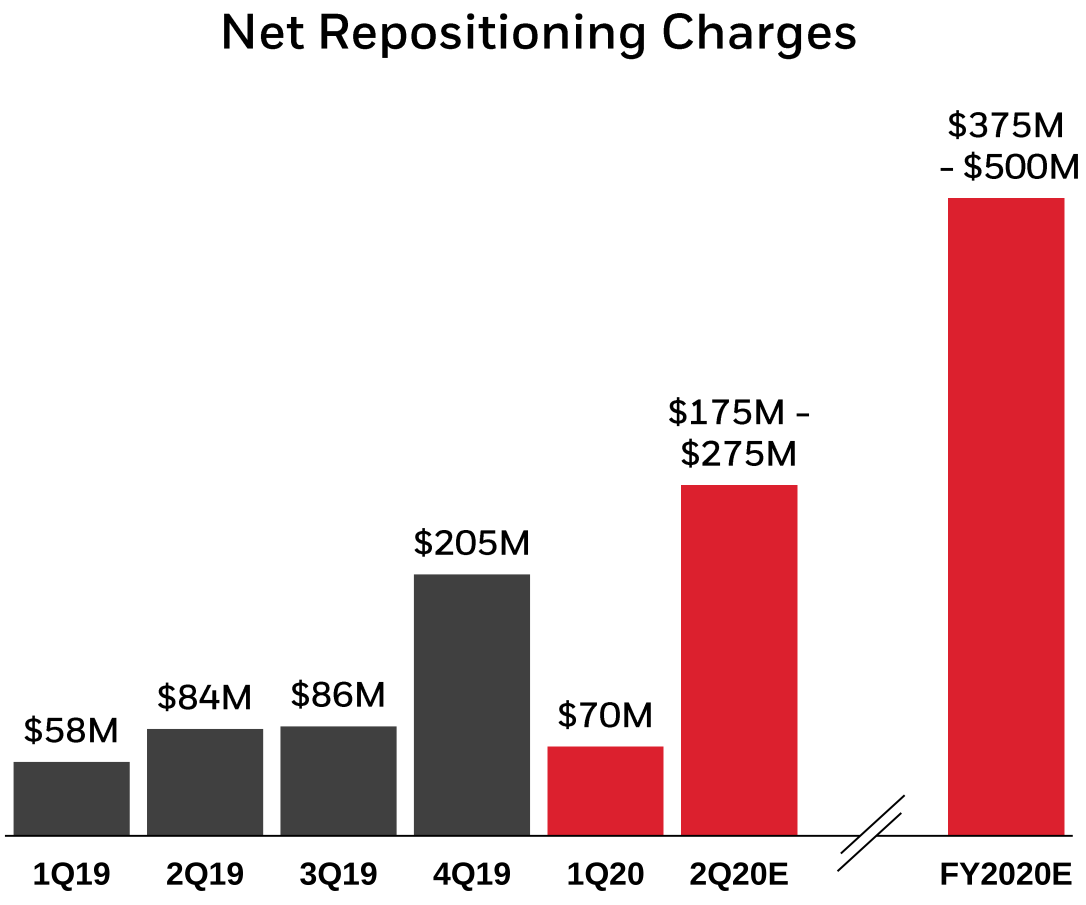
Optimizing Working Capital to Match Demand in the Current Environment

- Tightened credit rating policies for highest risk customers
- Implemented weekly executive monitoring of AR past due risks
  - Micromanaging health of receivables
- Implemented supplier relief actions to ensure continuity of critical suppliers
- Deployed demand change leading indicators to rapidly adjust inventory levels to anticipated demand
- Direct material productivity target in areas linked to lower commodity pricing

Preliminary – not final – no decision will be taken without satisfaction of any applicable consultation or negotiation requirements.

Actions Focused on Demand Generation, Cost Management, and Cash Flow

COST MANAGEMENT | REPOSITIONING OUTLOOK



- Mobilized quickly to enact our playbook
- Accelerating plans for permanent cost reductions to right size cost structure to reflect environment
  - Includes entire company, heavier focus on Aero and PMT
  - Ample capacity for repositioning in 2Q
  - Actions aligned with original 2020 repositioning guide
- Proactively executing playbook to prepare further actions if needed
- Provides cost reduction tailwinds for 2021

Preliminary – not final – no decision will be taken without satisfaction of any applicable consultation or negotiation requirements.

Utilizing Our Recession Playbook to Manage the Downturn

PURSUING NEW AREAS OF DEMAND

Healthcare

PPE

Cybersecurity / Remote Access

Healthy Buildings

Supply Chain Analytics

Airline Passenger Safety

Emerging Areas of Demand in the Post-COVID-19 World

SUMMARY

- Delivered on 1Q segment profit, EPS growth in a rapidly deteriorating environment; strengthened balance sheet, liquidity
- COVID-19 and oil price volatility have created challenging conditions; expect significant 2Q impact
- Actively managing continuity of operations and supply chain, reducing cost base, and optimizing working capital
- Committed to strategic initiatives: Honeywell Connected Enterprise, Supply Chain Transformation, Honeywell Digital
- Expanding PPE and sensor production to support the frontline response and investing in next generation product launches
- Pursuing new business opportunities created by the COVID-19 crisis

Managing the Downturn; Executing Recession Playbook; Positioning for the Recovery

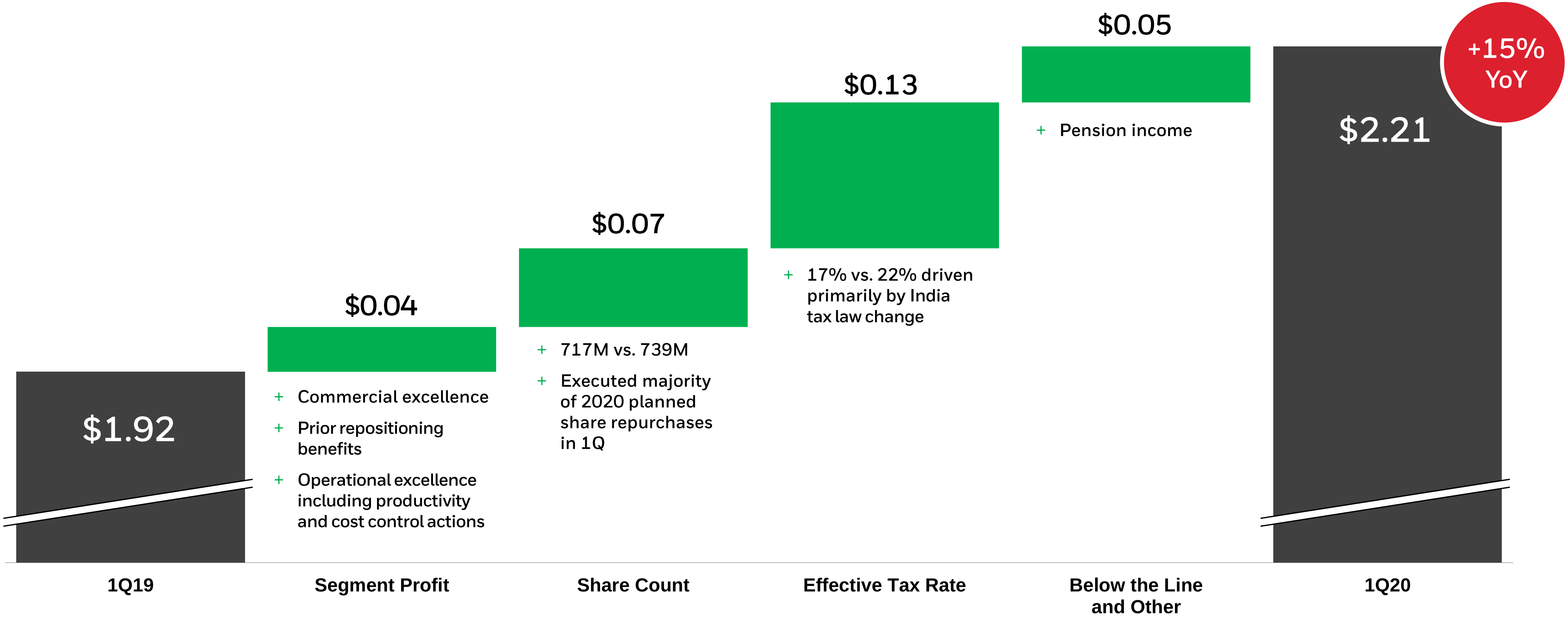
Appendix

1Q 2020 SEGMENT RESULTS

($M)	Sales	Segment Margin Change (bps)	Commentary
Aero	**$3,361** *Up 1% Organic*	**27.9%** *Up 280*	+ Continued strength in U.S. defense and space; air transport aftermarket demand - Slowdown in air transport OE and 737 MAX impact; lower business aviation aftermarket demand + Margin expansion driven by favorable sales mix and commercial excellence
SPS	**$1,424** *Down (9%) Organic*	**12.5%** *Down (90)*	± Demand for respiratory PPE in Safety, offset by declines in gas sensing and retail - Short-cycle sales (sensing and IoT, productivity products) ± Intelligrated tough 1Q 2019 comps as expected; backlog up double-digits
HBT	**$1,281** *Down (6%) Organic*	**20.5%** *Up 100*	± Strong orders growth in commercial fire; lower volumes in security and building management products - Softness in Building Solutions projects (China, Americas) + Margin expansion driven by commercial and operational excellence
PMT	**$2,397** *Down (5%) Organic*	**21.4%** *Down (50)*	- Process Solutions product demand; timing of projects - Advanced Materials headwinds (illegal HFCs into Europe, auto refrigerant volumes) ± UOP equipment strength as expected; lower volumes in midstream gas processing

Strong Margin in Aero; Some Broad COVID-19 Disruption

1Q 2020 EARNINGS PER SHARE BRIDGE



Segment Margin Gains Combined with Below the Line Favorability

1Q 2020 SALES GROWTH

	1Q Reported	1Q Organic
Aerospace	**1%**	**1%**
Commercial Aviation Original Equipment	(11%)	(11%)
Commercial Aviation Aftermarket	1%	1%
Defense & Space	7%	7%
Honeywell Building Technologies	**(8%)**	**(6%)**
Buildings	(8%)	(6%)
Performance Materials And Technologies	**(7%)**	**(5%)**
UOP	(3%)	(2%)
Honeywell Process Solutions	(8%)	(6%)
Advanced Materials	(9%)	(8%)
Safety And Productivity Solutions	**(10%)**	**(9%)**
Safety	(7%)	(5%)
Productivity Solutions	(12%)	(11%)

ADDITIONAL 2Q 2020 INPUTS

	2Q 2019	2Q 2020E	Commentary
Pension / OPEB	$159M	~$210M	• Larger asset base from robust 2019 portfolio returns and lower discount rates reducing expenses, resulting in higher pension income
Repositioning	($84M)	($175M – $275M)	• Retain capacity for high-return projects to support cost management and productivity initiatives
Other Below the Line	($63M)	($100M - $150M)	• Asbestos and environmental expenses net of spin reimbursements, net interest, F/X, stock option expense, RSU expense, M&A and other expenses
Total Below the Line	$12M	($65M – $215M)	
Effective Tax Rate	21.5%	>23%	
Weighted Average Share Count	733M	~710M	

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

($M)	1Q19	1Q20
Aerospace	$3,341	$3,361
Honeywell Building Technologies	1,389	1,281
Performance Materials and Technologies	2,572	2,397
Safety and Productivity Solutions	1,582	1,424
Net sales	$8,884	$8,463
Aerospace	$838	$937
Honeywell Building Technologies	271	262
Performance Materials and Technologies	564	512
Safety and Productivity Solutions	212	178
Corporate	(76)	(41)
Segment profit	$1,809	$1,848
Stock compensation expense (1)	(41)	(44)
Repositioning, Other (2,3)	(93)	(74)
Pension and other postretirement service costs (4)	(33)	(39)
Operating income	$1,642	$1,691
Segment profit	$1,809	$1,848
÷ Net sales	$8,884	$8,463
Segment profit margin %	20.4%	21.8%
Operating income	$1,642	$1,691
÷ Net sales	$8,884	$8,463
Operating income margin %	18.5%	20.0%

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

We define segment profit as operating income, excluding stock compensation expense, pension and other postretirement service costs, and repositioning and other charges. We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

RECONCILIATION OF ORGANIC SALES % CHANGE

	1Q20
Honeywell	
Reported sales % change	(5%)
Less: Foreign currency translation	(1%)
Less: Acquisitions, divestitures and other, net	-
Organic sales % change	(4%)
Aerospace	
Reported sales % change	1%
Less: Foreign currency translation	-
Less: Acquisitions, divestitures and other, net	-
Organic sales % change	1%
Honeywell Building Technologies	
Reported sales % change	(8%)
Less: Foreign currency translation	(2%)
Less: Acquisitions, divestitures and other, net	-
Organic sales % change	(6%)
Performance Materials and Technologies	
Reported sales % change	(7%)
Less: Foreign currency translation	(2%)
Less: Acquisitions, divestitures and other, net	-
Organic sales % change	(5%)
Safety and Productivity Solutions	
Reported sales % change	(10%)
Less: Foreign currency translation	(1%)
Less: Acquisitions, divestitures and other, net	-
Organic sales % change	(9%)

We define organic sales percent as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation, acquisitions, net of divestitures and non-comparable impacts from adoption of the new revenue recognition standard. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW

($M)	1Q19	1Q20
Cash provided by operating activities	**$1,134**	**$939**
Expenditures for property, plant and equipment	**(141)**	**(139)**
Free cash flow	**993**	**800**
Separation cost payments	**165**	**-**
Adjusted free cash flow	**$1,158**	**$800**

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

We believe that this metric is useful to investors and management as a measure of cash generated by business operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock or repay debt obligations prior to their maturities. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

RECONCILIATION OF INCOME BEFORE TAXES TO EBITDA

($M)	2008	2Q19	3Q19	4Q19	1Q20	Last twelve months (LTM) 1Q20
Income Before Taxes	**$3,801**	**$1,982**	**$1,967**	**$1,768**	**$1,935**	**$7,652**
Interest and other financial charges	**456**	**85**	**96**	**91**	**73**	**345**
Interest income	**(102)**	**(63)**	**(64)**	**(61)**	**(44)**	**(232)**
Depreciation and amortization	**903**	**295**	**263**	**269**	**243**	**1,070**
EBITDA	**$5,058**	**$2,299**	**$2,262**	**$2,067**	**$2,207**	**$8,835**

We define EBITDA as Income before taxes adjusted for Interest and other financial charges, Interest income and Depreciation and amortization.

We believe that EBITDA is a measure useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends

Honeywell