

Honeywell International Inc.  
Consolidated Statement of Operations (Unaudited)  
(Dollars in millions, except per share amounts)

	<b>Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
Product sales	\$ 6,305	\$ 6,713
Service sales	2,158	2,171
Net sales	<u>8,463</u>	<u>8,884</u>
Costs, expenses and other		
Cost of products sold (1)	4,374	4,622
Cost of services sold (1)	<u>1,160</u>	<u>1,257</u>
	5,534	5,879
Selling, general and administrative expenses (1)	1,238	1,363
Other (income) expense	(317)	(285)
Interest and other financial charges	<u>73</u>	<u>85</u>
	<u>6,528</u>	<u>7,042</u>
Income before taxes	1,935	1,842
Tax expense (benefit)	<u>329</u>	<u>406</u>
Net income	1,606	1,436
Less: Net income attributable to the noncontrolling interest	25	20
Net income attributable to Honeywell	<u>\$ 1,581</u>	<u>\$ 1,416</u>
Earnings per share of common stock - basic	<u>\$ 2.23</u>	<u>\$ 1.94</u>
Earnings per share of common stock - assuming dilution	<u>\$ 2.21</u>	<u>\$ 1.92</u>
Weighted average number of shares outstanding - basic	<u>709.6</u>	<u>729.7</u>
Weighted average number of shares outstanding - assuming dilution	<u>717.0</u>	<u>738.8</u>

(1) Cost of products and services sold and selling, general and administrative expenses include amounts for repositioning and other charges, the service cost component of pension and other postretirement (income) expense, and stock compensation expense.

Honeywell International Inc.  
Segment Data (Unaudited)  
(Dollars in millions)

	<u>Three Months Ended March 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Net Sales</u>		
Aerospace	\$ 3,361	\$ 3,341
Honeywell Building Technologies	1,281	1,389
Performance Materials and Technologies	2,397	2,572
Safety and Productivity Solutions	1,424	1,582
Total	<u>\$ 8,463</u>	<u>\$ 8,884</u>

Reconciliation of Segment Profit to Income Before Taxes

	<u>Three Months Ended March 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Segment Profit</u>		
Aerospace	\$ 937	\$ 838
Honeywell Building Technologies	262	271
Performance Materials and Technologies	512	564
Safety and Productivity Solutions	178	212
Corporate	(41)	(76)
Total segment profit	1,848	1,809
Interest and other financial charges	(73)	(85)
Stock compensation expense (1)	(44)	(41)
Pension ongoing income (2)	198	151
Other postretirement income (2)	13	12
Repositioning and other charges (3,4)	(62)	(84)
Other (5)	55	80
Income before taxes	<u>\$ 1,935</u>	<u>\$ 1,842</u>

- (1) Amounts included in Selling, general and administrative expenses.
- (2) Amounts included in Cost of products and services sold and Selling, general and administrative expenses (service costs) and Other income/expense (non-service cost components).
- (3) Amounts included in Cost of products and services sold, Selling, general and administrative expenses, and Other income/expense.
- (4) Includes repositioning, asbestos, and environmental expenses.
- (5) Amounts include the other components of Other income/expense not included within other categories in this reconciliation. Equity income (loss) of affiliated companies is included in segment profit.

Honeywell International Inc.  
Consolidated Balance Sheet (Unaudited)  
(Dollars in millions)

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 7,721	\$ 9,067
Short-term investments	1,070	1,349
Accounts receivable - net	7,452	7,493
Inventories	4,584	4,421
Other current assets	1,786	1,973
Total current assets	<u>22,613</u>	<u>24,303</u>
Investments and long-term receivables	613	588
Property, plant and equipment - net	5,214	5,325
Goodwill	15,282	15,563
Other intangible assets - net	3,580	3,734
Insurance recoveries for asbestos related liabilities	383	392
Deferred income taxes	71	86
Other assets	9,666	8,688
Total assets	<u>\$ 57,422</u>	<u>\$ 58,679</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 5,676	\$ 5,730
Commercial paper and other short-term borrowings	3,528	3,516
Current maturities of long-term debt	1,042	1,376
Accrued liabilities	7,131	7,476
Total current liabilities	<u>17,377</u>	<u>18,098</u>
Long-term debt	11,542	11,110
Deferred income taxes	1,670	1,670
Postretirement benefit obligations other than pensions	314	326
Asbestos related liabilities	1,948	1,996
Other liabilities	6,699	6,766
Redeemable noncontrolling interest	7	7
Shareowners' equity	17,865	18,706
Total liabilities, redeemable noncontrolling interest and shareowners' equity	<u>\$ 57,422</u>	<u>\$ 58,679</u>

Honeywell International Inc.  
Consolidated Statement of Cash Flows (Unaudited)  
(Dollars in millions)

	Three Months Ended March	
	2020	2019
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,606	\$ 1,436
Less: Net income attributable to the noncontrolling interest	25	20
Net income attributable to Honeywell	1,581	1,416
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:		
Depreciation	153	163
Amortization	90	98
Repositioning and other charges	62	84
Net payments for repositioning and other charges	(111)	(34)
Pension and other postretirement income	(212)	(163)
Pension and other postretirement benefit payments	(14)	(30)
Stock compensation expense	44	41
Deferred income taxes	(58)	80
Other	(179)	(4)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts receivable	41	198
Inventories	(163)	(221)
Other current assets	166	(217)
Accounts payable	(54)	(29)
Accrued liabilities	(407)	(248)
Net cash provided by (used for) operating activities	<u>939</u>	<u>1,134</u>
<b>Cash flows from investing activities:</b>		
Expenditures for property, plant and equipment	(139)	(141)
Proceeds from disposals of property, plant and equipment	7	2
Increase in investments	(648)	(1,226)
Decrease in investments	843	796
Receipts (payments) from settlements of derivative contracts	287	(40)
Net cash provided by (used for) investing activities	<u>350</u>	<u>(609)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of commercial paper and other short-term borrowings	3,455	3,318
Payments of commercial paper and other short-term borrowings	(3,373)	(3,319)
Proceeds from issuance of common stock	66	145
Proceeds from issuance of long-term debt	1,127	20
Payments of long-term debt	(1,125)	(13)
Repurchases of common stock	(1,923)	(750)
Cash dividends paid	(635)	(606)
Other	(38)	(30)
Net cash provided by (used for) financing activities	<u>(2,446)</u>	<u>(1,235)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(189)	48
Net increase (decrease) in cash and cash equivalents	(1,346)	(662)
Cash and cash equivalents at beginning of period	9,067	9,287
Cash and cash equivalents at end of period	<u>\$ 7,721</u>	<u>\$ 8,625</u>

Honeywell International Inc.  
Reconciliation of Organic Sales % Change (Unaudited)

	<b>Three Months Ended March 31, 2020</b>
<b>Honeywell</b>	
Reported sales % change	(5)%
Less: Foreign currency translation	(1)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	(4)%
<b>Aerospace</b>	
Reported sales % change	1%
Less: Foreign currency translation	—%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	1%
<b>Honeywell Building Technologies</b>	
Reported sales % change	(8)%
Less: Foreign currency translation	(2)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	(6)%
<b>Performance Materials and Technologies</b>	
Reported sales % change	(7)%
Less: Foreign currency translation	(2)%
Less: Acquisitions, divestitures and other, net	—%
Organic sales % change	(5)%
<b>Safety and Productivity Solutions</b>	
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 and acquisitions, net of divestitures. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

## Honeywell International Inc.

Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating IncomeMargins (Unaudited)

(Dollars in millions)

	<u>Three Months Ended March 31,</u>	
	<u>2020</u>	<u>2019</u>
Segment profit	\$ 1,848	\$ 1,809
Stock compensation expense (1)	(44)	(41)
Repositioning, Other (2,3)	(74)	(93)
Pension and other postretirement service costs (4)	(39)	(33)
Operating income	<u>\$ 1,691</u>	<u>\$ 1,642</u>
Segment profit	\$ 1,848	\$ 1,809
÷ Net sales	\$ 8,463	\$ 8,884
Segment profit margin %	<u>21.8%</u>	<u>20.4%</u>
Operating income	\$ 1,691	\$ 1,642
÷ Net sales	\$ 8,463	\$ 8,884
Operating income margin %	<u>20.0%</u>	<u>18.5%</u>

(1) 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) 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.

Honeywell International Inc.  
Reconciliation of Cash Provided by Operating Activities to Adjusted Free Cash Flow (Unaudited)  
(Dollars in millions)

	<b>Three Months Ended March 31, 2020</b>	<b>Three Months Ended March 31, 2019</b>
Cash provided by operating activities	\$ 939	\$ 1,134
Expenditures for property, plant and equipment	(139)	(141)
Free cash flow	800	993
Separation cost payments	—	165
Adjusted free cash flow	<u>\$ 800</u>	<u>\$ 1,158</u>

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.