September 13, 2018

GABELLI 24TH ANNUAL AEROSPACE & DEFENSE SYMPOSIUM

Mark Macaluso, Vice President of Investor Relations
Forward Looking Statements

This presentation contains certain statements that may be deemed “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this presentation are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, and technological factors affecting our operations, markets, products, services and prices, as well as the ability to effect the separations. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements, including with respect to any changes in or abandonment of the proposed separations. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

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, acquisitions and divestitures for the first 12 months following transaction date, and impacts from adoption of the new accounting guidance on revenue from contracts with customers that arise solely due to non-comparable accounting treatment of contracts existing in the prior period; free cash flow, which we define as cash flow from operations less capital expenditures and which we adjust to exclude impact of separation cost related to the Garrett and Resideo spin-offs, if and as noted in the presentation; free cash flow conversion, which we define as free cash flow divided by net income attributable to Honeywell, excluding pension mark-to-market expenses, separation costs related to the spin-offs, the 4Q17 U.S. tax legislation charge, and adjustments to such charge, if and as noted in the presentation; and adjusted earnings per share, which we adjust to exclude pension mark-to-market expenses, as well as for other components, such as separation costs related to the spin-offs, the 4Q17 U.S. tax legislation charge, and adjustments to such charge, if and as noted in the presentation. Other than references to reported earnings per share, all references to earnings per share in this presentation are so adjusted. The respective tax rates applied when adjusting earnings per share for these items are identified in the presentation or in the reconciliations presented in the Appendix. Other non-GAAP financial measures used in this presentation include Garrett consolidated EBITDA and Resideo pro-forma adjusted EBITDA, each of which is defined to adjust for certain items as presented in the reconciliations of such non-GAAP measures to the most directly comparable GAAP measures set forth in the Appendix. Management believes that, when considered together with reported amounts, the above-described non-GAAP 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.

For additional information with respect to Garrett and Resideo and the proposed spin-offs, please refer to the Form 10 Registration Statements, as they may be further amended, on file with the Securities and Exchange Commission.

The spin-offs are subject to customary conditions and regulatory approvals, including final approval by Honeywell’s board of directors. This communication shall not constitute an offer of any securities for sale, nor shall there be any offer, sale or distribution of securities in any jurisdiction in which such offer, sale or distribution would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction.

Gabelli Conference
September 13, 2018
Key Messages

• Outstanding start to 2018 … continuing to do what we say

• Anticipate strong 3Q … momentum in commercial aviation, defense, and warehouse and process automation

• Increased full-year adjusted EPS guidance in late August on continued confidence in operational performance

• Spins of Transportation Systems (Garrett) and Homes and ADI Global Distribution (Resideo) on track

• Industry leading end-to-end Connected portfolio
Honeywell Overview, Post-Spins

Building on Strong Foundation

- Leading technology supplier to aerospace, buildings, oil and gas, and industrial end markets
- ~$36B in sales from ~70 countries, ~110,000 employees
- Evolving portfolio through organic growth, acquisitions, and end-market simplification
- Transforming into the leading software-industrial enterprise worldwide

Diversified Across End Markets

- Aerospace 23%
- Defense 13%
- Oil & Gas / PetChem 16%
- Specialty Chemicals 8%
- Industrial Productivity 21%
- Non-Residential 19%

Continued Outperformance

729%
15-Yr Total Shareowner Return\(^1\)
~2.5x S&P 500

297%
15-Yr Dividend Increase\(^2\)
~8 Double-Digit Increases Since 2010

\(^1\)Source: Nasdaq as of market close 9/10/2018
\(^2\)Based on annualized dividend per share from 2003-2017

Represents 2018E sales portfolio excluding pending spin-offs of Garrett and Resideo (the former Transportation Systems and Homes and ADI global distribution businesses), expected to be effective in 2018
Honeywell Businesses at a Glance, Post-Spins

Aerospace

Our products are used on virtually every commercial and defense aircraft platform worldwide and include aircraft propulsion, cockpit systems, satellite communications and auxiliary power systems.

Building Technologies

Our products, software and technologies are in more than 10 million buildings worldwide, helping customers ensure their facilities are safe, energy efficient, sustainable, and productive.

Performance Materials and Technologies

We develop advanced materials, process technologies, automation solutions, and industrial software that are revolutionizing industries around the world.

Safety and Productivity Solutions

We improve enterprise performance and worker safety and productivity with our scanning and mobile computers, software, warehouse automation solutions, and personal protective equipment.

2017 Sales by Business

- **$11.6B**
  - 25% U.S. DEFENSE
  - 10% INT’L DEFENSE
  - 44% COMMERCIAL AFTERMARKET

- **$5.3B**
  - 16% CONNECTED BUILDINGS
  - 16% FLUORINE PRODUCTS
  - 39% BUILDING PRODUCTS
  - 12% SMART ENERGY

- **$10.3B**
  - 11% SPECIALTY PRODUCTS
  - 34% PROCESS SOLUTIONS
  - 45% BUILDING SOLUTIONS
  - 12% SMART ENERGY

- **$5.6B**
  - 21% WAREHOUSE AUTOMATION
  - 35% INDUSTRIAL SAFETY
  - 13% SENSING & IoT
  - 5% WORKFLOW SOLUTIONS
  - 22% PRODUCTIVITY PRODUCTS
  - 4% RETAIL

1Represents portfolio excluding pending spin-offs of Garrett and Resideo (the former Transportation Systems and Homes and ADI global distribution businesses), expected to be effective in 2018.
Key Leadership Update

Torsten Pilz, Senior VP and Chief Supply Chain Officer

• Leading a newly created position in charge of all aspects of Integrated Supply Chain
• Previously VP Supply Chain at SpaceX, where he developed the Falcon and Heavy Falcon rockets, Dragon Spacecraft, and the SpaceX satellite program

• Prior to SpaceX, was VP Worldwide Operations at Amazon, where he led the execution and expansion of global Consumables and Ultrafast e-commerce
• Before Amazon, spent 8 years at Henkel AG & Co. culminating in his role as Senior VP, Global Operations

Key Supply Chain Initiatives

• Improve manufacturing plant efficiency
• Drive working capital improvements
• Enhance quality and delivery
• Simplify manufacturing footprint and reduce enterprise resource management systems
• Build on HOS Gold foundation

Appointing Top-Tier Talent

“With two decades of driving operational improvements and delivering results, Torsten is the right person to help Honeywell continue our transformation into a premier software-industrial.”

– Darius Adamczyk, Chairman and CEO

A Proven Leader to Drive Results
Long-Term Financial Plan

**Strong Growth**
- Continued organic sales growth and margin expansion
- EPS growth greater than peers

**Robust Cash Generation**
- Targeting ~100% FCF cash conversion
- World-class working capital management

**Aggressive Capital Deployment**
- Prioritizing high-ROI investments (CapEx, M&A)
- First priority is bolt-on M&A; continued dividend growth and opportunistic share repurchases

**Balance Sheet**
- Target 2.3X - 2.5X gross leverage (per Moody’s)
- Maintain premium credit rating

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**Long-Term Targets**

3% - 5%* Organic Growth

30 - 50 bps Segment Margin Expansion per Year

~100% Free Cash Flow Conversion

Dividend Growth In-Line with Earnings Growth

*Given current economic conditions
# CEO Priority Update

<table>
<thead>
<tr>
<th>Priority</th>
<th>1H18 Results</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Accelerate Organic Growth</td>
<td>6%</td>
<td>• Highest 1H organic sales growth in three years</td>
</tr>
<tr>
<td>✓ Expand Segment Margins</td>
<td>+50 bps</td>
<td>• Outstanding sales performance in Aerospace, Intelligrated, Process Solutions; momentum from new product introductions</td>
</tr>
<tr>
<td>✓ Improve Free Cash Flow Conversion</td>
<td>+1,600 bps</td>
<td>• Continued investments in Commercial Excellence, material productivity, and repositioning</td>
</tr>
<tr>
<td>✓ Become a Software-Industrial Company</td>
<td>Double-Digit Connected Software Growth</td>
<td>• Aggressive and opportunistic capital deployment</td>
</tr>
<tr>
<td>✓ More Aggressive Capital Deployment</td>
<td>~$1.7B Share Repurchases</td>
<td></td>
</tr>
</tbody>
</table>

FCF conversion increase excludes separation costs related to the spin-offs of Garrett and Resideo and adjustments to the 4Q17 U.S. tax legislation charge.
# Overview of Spins

## Key Financials

<table>
<thead>
<tr>
<th>Garrett</th>
<th>Resideo</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.1B sales</td>
<td>$4.5B sales</td>
</tr>
<tr>
<td>$623M consolidated EBITDA</td>
<td>$554M pro-forma adjusted EBITDA</td>
</tr>
</tbody>
</table>

## Spin Facts

<table>
<thead>
<tr>
<th>Garrett</th>
<th>Resideo</th>
</tr>
</thead>
<tbody>
<tr>
<td>100M+ turbos in use globally, ~1,400 issued and pending patents, world-class manufacturing and supply chain</td>
<td>4.7M connected customers, 150M households with a Honeywell product, 200+ distributor stocking locations</td>
</tr>
</tbody>
</table>

## Dividend to Honeywell

<table>
<thead>
<tr>
<th>Garrett</th>
<th>Resideo</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$1.6B</td>
<td>~$1.2B</td>
</tr>
</tbody>
</table>

## Indemnity Agreement

<table>
<thead>
<tr>
<th>Garrett</th>
<th>Resideo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garrett will pay cash to HON equal to 90% of annual Bendix and other asbestos liability spending and certain environmental liability spending (net of 90% of insurance and other Honeywell recoveries relating to these liabilities)</td>
<td>Resideo will pay cash to HON equal to 90% of subset of legacy environmental liability spending (net of 90% of insurance and other Honeywell recoveries relating to these liabilities)</td>
</tr>
<tr>
<td>Capped at $175M in respect of any year</td>
<td>Capped at $140M in respect of any year</td>
</tr>
</tbody>
</table>

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1. Based on 2017 financials
2. Garrett consolidated EBITDA is a non-GAAP financial measure which is defined and discussed in the reconciliations set forth in the appendix
3. Resideo pro-forma adjusted EBITDA is a non-GAAP financial measure which is defined and discussed in the reconciliations set forth in the appendix
Garrett Motion Inc. Investor Day

Key Takeaways

• Long-term co-development with global OEMs

• Best-in-class global manufacturing footprint

• Attractive financial profile

• Technology leadership with broad breakthrough capabilities

• Global market leader with accelerating macro tailwinds
Aerospace Business Overview

Key Business Metrics

- **$11.6B**
  - 2017 Sales

- **25%**
  - Long-term Segment Margin Target

**Why We’re Positioned to Win**

- Leveraging largest installed base in the industry
- Tremendous OEM win rates across the portfolio
- Decoupled growth through connected aircraft services, software offerings, and retrofit modification upgrades
- Continued productivity and efficiencies delivering results

Key Business Breakdown

- **Offerings**
  - 34% Electronic Solutions
  - 6% Services & Connectivity
  - 27% Mechanical Systems & Components
  - 33% Engines & Power Systems

- **Verticals**
  - 44% Comm’l AM
  - 21% Comm’l OE
  - 25% U.S. Defense
  - 10% Intl Defense

- **Geographies**
  - 63% North America
  - 22% EMEA
  - 13% APAC
  - 2% Rest of World

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1. Represents portfolio based on 2017 sales, excluding pending spin-off of Garrett (the former Transportation Systems business), expected to be effective in 2018.
## Growth Drivers Across Aerospace End Markets

<table>
<thead>
<tr>
<th>Aero Revenue Split</th>
<th>Market Drivers</th>
<th>Honeywell Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Aviation</td>
<td>• Growing Global Economy</td>
<td>• Key OEM Wins Across Commercial Aviation (A350, 777X, Textron, Gulfstream)</td>
</tr>
<tr>
<td>Air Transport &amp; Regional</td>
<td>• New Platform Introductions</td>
<td>• Retrofits, Modifications, and Upgrades (RMUs)</td>
</tr>
<tr>
<td>Business &amp; General Aviation</td>
<td>• Aircraft Retirements</td>
<td>• GoDirect® Suite of Services</td>
</tr>
<tr>
<td>• New Platforms and Replacement Demand</td>
<td>• Growing Global Economy</td>
<td>• JetWave™ and Connected Offerings</td>
</tr>
<tr>
<td>• Adoption in Emerging Markets</td>
<td>• Robust Defense Budgets</td>
<td>• Performance-Based Service Contracts</td>
</tr>
<tr>
<td>• Space: Capacity Requirements and Technology Evolution</td>
<td>• Core U.S. Defense Business</td>
<td>• Improved Turbine Engine Program (ITEP) Helo Engine Pursuit (Apache / Blackhawk Engines)</td>
</tr>
</tbody>
</table>
Unprecedented Wins Delivering Growth

New Aircraft Deliveries (2018E – 2022E)
For Awarded Platforms with Future Entry into Service

Winning on Impactful Platforms – 2X Deliveries of Competition

*Dassault 5X - no anticipated change to avionics, just replaced Silvercrest with PW800 engine
Source: Honeywell Market Projections

**Segments where Honeywell competes
Diverse Defense and Space Profile

**Defense and Space Sales**
- Space, Missiles & Munitions: 23%
- Services: 2%
- Aftermarket: 27%
- International (OEM & Aftermarket): 27%

~$4.1B

**Competitive Strengths**
- **Breadth of products and services**
  - Broad set of platforms served
  - Installed base
- **Technology leadership**
  - Precision navigation, efficient engines, power and thermal systems, safety solutions, satellite control
- **Broad-based service offerings**
  - Systems and software engineering, performance-based logistics, cyber security, satellite communications service, asset protection, and repair and overhaul

**Portfolio Offerings**
- Defense sales up +15% YoY¹
- Backlog up +20% YoY¹

<table>
<thead>
<tr>
<th>Platform Type</th>
<th>Number of Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fighter/Attack/Trainer Aircraft</td>
<td>30+</td>
</tr>
<tr>
<td>Surface and Navy</td>
<td>25+</td>
</tr>
<tr>
<td>Mobility and Bomber Aircraft</td>
<td>60+</td>
</tr>
<tr>
<td>Military Helicopters</td>
<td>20+</td>
</tr>
<tr>
<td>Special Mission/UAV Aircraft</td>
<td>20+</td>
</tr>
<tr>
<td>Missiles and Munitions</td>
<td>80+</td>
</tr>
</tbody>
</table>

Based on 2017 Sales

¹Based on 1H18 Performance

**OEM**
- 27%
- ~$4.1B

**Aftermarket**
- 27%
- ~$4.1B

**International**
- 27%
- ~$4.1B

**Based on 1H18 Performance**
The Connected Aircraft

PRE-FLIGHT SERVICES
GoDirect® Flight Services:
• Flight Bag
• Flight Sentinel
• Flight Preview

IN-FLIGHT SERVICES
SATCOM (Cockpit, Cabin)
Cabin Connectivity via JetWave™
GoDirect® Weather
• Connected Weather Radar, Flight Management System
GoDirect® Flight Efficiency
• Flight Optimization
• Fuel Optimization

HONEYWELL SERVICES
Fleet Management
Flight Operations
Passenger Experience
Ground Operations

POST-FLIGHT SERVICES
Predictive Trend Monitoring
Health and Usage Monitoring
Connected Maintenance
• Auxiliary Power Units
• Wheels and Brakes
• Engines

A connected aircraft anticipates opportunities and offers unique insights by harnessing the power of analytics with the confidence of a secure communication link to and from the aircraft.

End-To-End Connected Portfolio Offerings
Summary

• Outstanding start to 2018; say = do

• Anticipate strong 3Q and full-year; momentum in key end markets

• Garrett and Resideo spins on track

• Thriving Aerospace portfolio poised to outperform

• Well positioned for future profitable growth
Mark Macaluso
Vice President, Investor Relations

Mark Macaluso is Vice President, Investor Relations, and a member of Honeywell’s finance leadership team. In this role, Mark is the primary point of contact for Honeywell’s shareowner base and Wall Street research analysts. Investor Relations manages over 90 events annually, with nearly 1,100 investor touchpoints on a global basis. Mark’s team was named Best In Industrials by Institutional Investor in their 2018 All-America Executive Team rankings, whose survey of investors and analysts also ranked Mark #1 on their list of best Investor Relations Officers. Mark’s team was also named Best In Industrials in 2017 by IR Magazine, and Honeywell’s annual investor conference is consistently recognized as one of the best events among its peers.

Prior to this role, Mark was a Director in Corporate Development, where he helped drive the company’s global M&A activities, playing a key role in the acquisition of Intermec, sale of the Consumer Products Group (CPG), and the divestiture of several small businesses. From 2008 to 2010, Mark was the Senior Business Development Manager in Honeywell Security, based in Melville, NY, where he was responsible for leading efforts on acquisition research and divestiture analysis.

Prior to joining Honeywell, Mark was a Manager in the Transaction Services advisory group at PricewaterhouseCoopers LLP in New York, where he served PwC’s middle-market private equity and corporate clients, including Honeywell. During this time, Mark was part of the due diligence team that assisted Honeywell with its acquisition of Norcross (now part of Safety and Productivity Solutions). Prior to this, Mark spent four years in KPMG’s Assurance practice in Boston, providing audit and advisory services to clients in the defense, financial services, and biotech industries.

Mark earned a bachelor’s degree in accounting from the Carroll School of Management at Boston College.
Reconciliation of Organic Sales % Change

<table>
<thead>
<tr>
<th></th>
<th>1H 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported sales % change</td>
<td>9%</td>
</tr>
<tr>
<td>Less: Foreign currency translation</td>
<td>(3%)</td>
</tr>
<tr>
<td>Less: Acquisitions, divestitures and other, net</td>
<td>-%</td>
</tr>
<tr>
<td>Organic sales % change</td>
<td>6%</td>
</tr>
</tbody>
</table>

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 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.

A quantitative reconciliation of reported sales percent change to organic sales percent change has not been provided for forward-looking measures of organic sales percent change because management cannot reliably predict or estimate, without unreasonable effort, the fluctuations in global currency markets that impact foreign currency translation, nor is it reasonable for management to predict the timing, occurrence and impact of acquisition and divestiture transactions, all of which could significantly impact our reported sales percent change.
Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins

<table>
<thead>
<tr>
<th>($M)</th>
<th>1H 2017</th>
<th>1H 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment profit</td>
<td>$3,699</td>
<td>$4,140</td>
</tr>
<tr>
<td>Stock compensation expense (1)</td>
<td>(94)</td>
<td>(90)</td>
</tr>
<tr>
<td>Repositioning and other (2,3)</td>
<td>(341)</td>
<td>(440)</td>
</tr>
<tr>
<td>Pension and other postretirement service costs (4)</td>
<td>(122)</td>
<td>(107)</td>
</tr>
<tr>
<td>Operating income</td>
<td>$3,142</td>
<td>$3,503</td>
</tr>
</tbody>
</table>

Segment profit

\[
\text{Operating income} = \frac{\text{Segment profit}}{\text{Net sales}}
\]

<table>
<thead>
<tr>
<th>1H 2017</th>
<th>1H 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$3,142</td>
</tr>
<tr>
<td>Net sales</td>
<td>$19,570</td>
</tr>
<tr>
<td>Segment profit margin %</td>
<td>18.9%</td>
</tr>
<tr>
<td>Operating income margin %</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

(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 (service costs). (Note: Other income/expense includes non-service cost components).

Certain amounts in the prior year reconciliation have been reclassified to conform with current year presentation, including changes made due to the adoption of the accounting standard related to classification of pension and other postretirement benefit costs.

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.

A quantitative reconciliation of segment profit, on an overall Honeywell basis, to operating income has not been provided for all forward-looking measures of segment profit and segment margin included here within. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment profit, particularly pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. The information that is unavailable to provide a quantitative reconciliation could have a significant impact on our reported financial results. To the extent quantitative information becomes available without unreasonable effort in the future, and closer to the period to which the forward-looking measures pertain, a reconciliation of segment profit to operating income will be included within future filings.
Reconciliation of Cash Provided by Operating Activities to Free Cash Flow, Excluding Separation Cost Payments and Calculation of Free Cash Flow Conversion, Excluding Separation Costs and Adjustments to 4Q17 U.S. Tax Legislation Charge

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$2,387</td>
<td>$2,997</td>
</tr>
<tr>
<td>Expenditures for property, plant and equipment</td>
<td>(401)</td>
<td>(339)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>1,986</td>
<td>2,658</td>
</tr>
<tr>
<td>Separation cost payments</td>
<td>-</td>
<td>77</td>
</tr>
<tr>
<td>Free cash flow, excluding separation cost payments</td>
<td>$1,986</td>
<td>$2,735</td>
</tr>
<tr>
<td>Net income attributable to Honeywell</td>
<td>$2,719</td>
<td>$2,706</td>
</tr>
<tr>
<td>Separation costs, net of tax</td>
<td>-</td>
<td>395</td>
</tr>
<tr>
<td>Adjustments to 4Q17 U.S. tax legislation charge</td>
<td>-</td>
<td>(12)</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$2,719</td>
<td>$3,089</td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>$2,387</td>
<td>$2,997</td>
</tr>
<tr>
<td>Net income attributable to Honeywell</td>
<td>$2,719</td>
<td>$2,706</td>
</tr>
<tr>
<td>Operating cash flow conversion %</td>
<td>88%</td>
<td>111%</td>
</tr>
<tr>
<td>Free cash flow, excluding separation cost payments</td>
<td>$1,986</td>
<td>$2,735</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$2,719</td>
<td>$3,089</td>
</tr>
<tr>
<td>Free cash flow conversion %, excluding separation costs and adjustments to 4Q17 U.S. tax legislation charge</td>
<td>73%</td>
<td>89%</td>
</tr>
</tbody>
</table>

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.
Resideo Technologies, Inc. Reconciliation of Net Loss on a Pro Forma Basis to Adjusted EBITDA on a Pro Forma Basis

<table>
<thead>
<tr>
<th>Pro Forma</th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>($426)</td>
<td></td>
</tr>
<tr>
<td>Net interest expense</td>
<td>73</td>
<td></td>
</tr>
<tr>
<td>Tax expense</td>
<td>519</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$233</td>
<td></td>
</tr>
<tr>
<td>Environmental expense</td>
<td>$254</td>
<td></td>
</tr>
<tr>
<td>Estimated stand-alone costs</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Stock compensation expense</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Non-operating income, net</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Repositioning charges</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$554</td>
<td></td>
</tr>
</tbody>
</table>

(1) Represents historical environmental expenses as reported under 100% carryover basis.
(2) Represents the difference between our estimate of Selling, general and administrative costs as a stand-alone company and historical allocated costs, which includes corporate depreciation charges. The preliminary estimates at this time for the costs on a stand-alone basis would be approximately $265 million on an annual basis, which replaces the historical allocations on a carve-out basis of presentation.
(3) Includes only non-cash expenses.
(4) Excludes net interest (income).

We define EBITDA as Net income (loss), plus the sum of net interest (income) expense, tax expense, depreciation & amortization on a pro forma basis. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

We define Adjusted EBITDA as EBITDA adjusted for environmental expense, the difference between the estimate of costs as a stand-alone company and historical allocated costs, non-operating (income) expense (which primarily consists of foreign transaction gains and losses and hedging gains and losses), stock compensation expense and repositioning charges on a pro forma basis. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.
Garrett Motion Inc. Reconciliation of Net Loss to Consolidated EBITDA

<table>
<thead>
<tr>
<th>(SM)</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>($983)</td>
</tr>
<tr>
<td>Net interest income</td>
<td>(6)</td>
</tr>
<tr>
<td>Tax expense</td>
<td>1,349</td>
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<td>Depreciation</td>
<td>64</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$424</td>
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<tr>
<td>Other operating expenses, net (1)</td>
<td>$130</td>
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<tr>
<td>Non-operating expense, net (2)</td>
<td>1</td>
</tr>
<tr>
<td>Stock compensation expense (3)</td>
<td>15</td>
</tr>
<tr>
<td>Repositioning charges</td>
<td>20</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$590</td>
</tr>
<tr>
<td>FX hedging gain</td>
<td>($14)</td>
</tr>
<tr>
<td>Estimated standalone costs (4)</td>
<td>9</td>
</tr>
<tr>
<td>U.S. GAAP Change - Revenue Recognition (5)</td>
<td>10</td>
</tr>
<tr>
<td>Other nonrecurring, non-cash expense (6)</td>
<td>28</td>
</tr>
<tr>
<td>Consolidated EBITDA</td>
<td>$623</td>
</tr>
</tbody>
</table>

(1) On a going forward basis, pursuant to the Indemnification and Reimbursement Agreement, we expect to be responsible for 90% of Honeywell's asbestos-related liability payments primarily related to Honeywell's legacy Bendix friction materials business in the United States, as well as certain environmental-related liability payments and accounts payable and non-United States asbestos-related liability payments, in each cash related to legacy elements of the Business including the legal costs of defending and resolving such liabilities, less 90% of Honeywell's net insurance receipts and, as may be applicable, certain other recoveries associated with such liabilities. The amounts payable by the Company in respect of such liabilities arising in a given calendar year will be subject to a cap of $175 million.

(2) Excludes net interest (income), pension expense, equity income of affiliates, and foreign exchange.

(3) Includes only non-cash expenses.

(4) Consists of incremental costs above corporate allocations already included in Adjusted EBITDA based on standalone cost assessment.

(5) Represents the impact of the retrospective application of U.S. GAAP change for Revenue Recognition adopted by the Company beginning in 2018, where upfront payments to customers are deferred and expensed over the estimated life of the customer contract.

(6) Consists of non-recurring, non-cash charges primarily related to incremental freight costs incurred as a result of transferring production across various European plants, non-US tax credits and bad debt expense.

Garrett EBITDA is defined as Net income (loss), including interest income, income taxes, depreciation & amortization. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Garrett Adjusted EBITDA is defined as its Net income (loss) before asbestos & environmental expenses, non-operating income, stock compensation expense, restructuring charges, interest, tax, depreciation and amortization.

Garrett Consolidated EBITDA is calculated in accordance with Garrett's proposed Credit Agreement and is used as part of its calculations with respect to compliance with certain debt covenants included therein. Garrett Consolidated EBITDA differs from its EBITDA and Adjusted EBITDA as presented in the Garrett Motion Inc. Form 10. Garrett Consolidated EBITDA is defined as Garrett Adjusted EBITDA less the assumed cash paid for asbestos and environmental obligations subject to a cap (denominated in Euro) equal to $175M, calculated by reference to the Distribution Date Currency Exchange Rate in respect of a year in accordance with the terms of the Indemnification and Reimbursement Agreement, plus the sum of hedging (gains) losses, the difference between our estimate of costs as a stand-alone company and historical allocated costs, the impact of the cumulative effect of the change in accounting principles, and one-time non-cash charges. We believe this measure is useful to investors and management in understanding Garrett’s ongoing operations and in analysis of ongoing operating trends.