

Hello,

I hope you're well. September has been an eventful month for Honeywell Aerospace Investor Relations as we completed our **first fall conference season as an independent public company**. In this note we summarize the key messages from our time on the road, share recent developments at the company, and address the most common investor supply chain questions. As always, we greatly appreciate your feedback and thank you for your interest in Honeywell Aerospace.

All the best,
Sean

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Recent Investor Engagement

We opened the fall conference season by attending the **Jefferies Industrials Conference** ([webcast replay](#)) in New York City. **CEO Jim Carrier provided greater detail** on our supply chain **transformation** and the historical context behind it. He underscored the continued **strength and resiliency of demand** for our innovative solutions as a **small group of mechanical suppliers is limiting output growth, deferring sales conversion** into future periods. Jim introduced a supplier scorecard with KPIs showing the **vast majority of our suppliers performing to plan**, with approximately **2% critical and constrained**, including **ten currently pacing our output growth**. With root causes identified and corrective actions underway for each constrained category, **we anticipate accelerating sales and output growth in 2027 and beyond**.

Jim also spoke to investors at the **Morgan Stanley Laguna Conference** ([webcast replay](#)). Reflecting on the first months as an independent public company, Jim acknowledged that the revision to our 2026 guidance was a clear disappointment, driven by primary supplier transitions and delays onboarding secondary sources. He emphasized that the **separation has already demonstrated its value in the speed with which we can now redirect investment and adjust our operating system**. Importantly, he pointed to **progress with suppliers over the past 90 days and reaffirmed all our 2030 financial targets**, including the 6% to 8% sales CAGR from 2025 through 2030. The conversation closed with a look ahead to upcoming proof points that will demonstrate the success of our supply chain efforts, including **tracking supplier improvements on our scorecard and continuing the robust commercial wins of the past several years**.

Recent Honeywell Aerospace News

September brought a series of announcements that highlight how **Honeywell Aerospace is pushing the pace of innovation**, in particular within defense and autonomy. With our “**develop once, deploy everywhere**” approach, we generate certified, design-assured technologies built for commercial aviation adapted for defense platforms, allowing customers to move faster from demonstration to deployment. We [announced](#) that our **SkyShot 1600 small-thrust-class engine was selected by the U.S. Air Force** to advance into Preliminary Design Review **for collaborative combat aircraft and unmanned systems**. In addition, we [successfully demonstrated](#) our Kestrel

embedded GPS / Inertial Navigation System in flight, validating resilient positioning, navigation, and timing **for next-generation tactical drones operating in GPS-challenged environments.**

We also [outlined](#) how our propulsion, navigation, avionics, and mission systems are **expanding our role across the defense autonomy ecosystem, building on the memorandum of understanding we announced with Shield AI in July** at Farnborough to develop a trusted autonomy software stack that integrates our Anthem avionics, navigation, and sensing portfolio with Shield AI's Hivemind mission autonomy. These successes are products of the ~10% of revenue we invest in innovation each year, inclusive of customer-funded R&D, and reflect the depth of opportunities we see ahead.

Frequently Asked Investor Questions: Supply Chain

Our progress on supply chain unlock was the dominant topic across our September investor engagements. Below we summarize the questions we heard most often and the perspective we shared with investors.

When do the pacing supply bottlenecks clear and what does that mean for growth in 2027?

Our supply constraints are narrow and well understood with a couple handfuls of suppliers in a few categories (e.g., castings, forgings, bearings and complex machining), primarily responsible for the slowdown in growth versus prior expectations. **We have line of sight to output growth improvements in 2027 and beyond that will recouple sales growth to our robust demand**, and help assist us with achieving our 2030 financial targets. From 2023 to 2025, we invested over \$1 billion into our supply chain and launched robust efforts to increase multi-sourcing and select vertical integration.

This year, we are accelerating strategic capital investments with more than a \$50 million increase from the prior year for supplier tooling, multi-sourcing, and insourcing. As an independent company, we are looking to pull forward additional investments into 2027. Actions underway, including new sources coming online and placing skilled Honeywell Aerospace employees at suppliers, have begun to produce **early indicators of increasing output in recent weeks that give us confidence that 2027 will be a year of stronger growth for the company.**

Why is Honeywell Aerospace still working through supply constraints when many in the industry appear to have moved past them?

While **there are still industry-wide constraints on supply**, the Aerospace & Defense value chain has made substantial progress in driving output growth in recent years, and HONA has been a key contributor to that growth. However, during the prior decade in a lower-growth A&D environment with plenty of supply, **we aggressively pursued supply chain efficiency initiatives** (as was common across the industry), including outsourcing more activities, consolidating suppliers, moderating capital investments, and streamlining manufacturing rooftops. Unlike some A&D peers, we continued to pursue cost-cutting initiatives as part of the conglomerate through the pandemic years, leaving more room to catch up to peers in building the level of supply chain resiliency necessary for an environment with rapidly growing demand. Since 2023, we have

accelerated reinvestment into the supply base, and, as a standalone company, **we now control the pace and level of investment to match what the business requires.**

What does GE Aerospace's planned acquisition of CPP mean for Honeywell Aerospace's casting supply?

We view the announced transaction as positive for the industry and Honeywell Aerospace with GE's operational expertise and access to capital likely to increase the overall supply of highly constrained castings over time. The parts we source from CPP do not materially overlap directly with those GE receives. We have long-term agreements in place to ensure continuity of supply, and we are investing in tooling at CPP to improve yield, quality, and unit cost for our products. With our **longstanding relationship with GE as a customer for engine controls within our Control Systems segment**, we are confident in a strong mutual interest going forward.

While parts are short, are OE and aftermarket customers sourcing elsewhere, resulting in lost market share?

Backlog grew 9% year over year as of the end of the second quarter. **Constrained output only defers sales to a future period** as our products are primarily sole-sourced into the platforms we support. Our priorities while supply is limited are clear: no aircraft leaves an OE production line missing Honeywell Aerospace parts, aircraft on the ground come first, and national security is the top priority within defense.

In practice, this has meant allocating more to commercial OE and domestic defense in the near term and less to commercial spares and international defense, which generally come with more attractive economics. This **allocation practice preserves and strengthens critical, long-standing customer relationships**. Our roughly \$15 billion of year-to-date contract wins provide evidence of our continued commercial success.

Do the supply chain investments necessary to build resiliency structurally lower margins for the business compared to recent years?

In the near-term, we expect **volume leverage from supply chain unlock to more than offset incremental investments running through the P&L** on an annual basis, though incremental margins over the next couple of years may be lighter than the ~30% average implied from 2025 to 2030 based on our Investor Day financial targets. **We have already been operating below optimal efficiency because of interruptions caused by supply shortages.**

Longer-term with the further roll-out of our HONA Operating System, **the cost of inadequate supply far outweighs the incremental cost of redundancy**. As output improves, we benefit from stronger fixed-cost absorption, lower defect rates, reduced work-in-process inventory, and shorter turnaround times, all of which lead to increased productivity.

About Honeywell Aerospace

Honeywell Aerospace (Nasdaq: HONA) is an independent global aerospace and defense company whose critical technologies are broadly deployed on the world's leading commercial air transport, business aviation, defense and space platforms. These integrated solutions enable safer, more efficient, and more reliable missions. Headquartered in Phoenix, Arizona, the company employs more than 36,000 people globally and supports more than 10,000 customers. With a broad portfolio spanning avionics and navigation systems, engines and power systems, and control systems for aircraft, Honeywell Aerospace combines commitment and deep engineering expertise to drive innovation and long-term value for the aerospace industry.

Honeywell Aerospace uses our Investor Relations website, investor.honeywellaerospace.com, as a means of disclosing information which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website, in addition to following our press releases, SEC filings, public conference calls, and webcasts.

Forward-looking statements

We describe many of the trends and other factors that drive our business and future results in this release. These discussions contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are those that address activities, events, or developments that management intends, expects, projects, believes, estimates, forecasts, or anticipates will or may occur in the future. Words such as “anticipates,” “believes,” “could,” “expects,” “forecasts,” “intends,” “plans,” “estimates,” “projects,” “targets,” “will,” “may,” “should,” “guidance,” “outlook,” “confident,” and similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this presentation include, but are not limited to, statements regarding: anticipated benefits from strategic supply chain investments, including new sources, capacity expansion and productivity improvements; the expected timeline and impact of supply chain transformation initiatives; projections regarding the achievement of 2030 financial targets; expectations regarding capital expenditure commitments for new sources and supplier tooling; anticipated growth in insourcing, multi-sourcing and production capacity; expected outcomes from the Honeywell Aerospace Operating System; and other statements regarding future operational and financial performance. Forward-looking statements included in this presentation are based on management's expectations, estimates and projections as of the date they are made in light of past experience and trends, current economic and industry conditions, expected future developments, and other relevant factors, many of which are difficult to predict and outside of our control. These statements are not guarantees of future events or performance, and you should not unduly rely on them.

Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those reflected in such statements. Important factors that could cause Honeywell Aerospace's actual results to differ materially from those projected in any forward-looking statements include, but are not limited to: (i) risks relating to Honeywell Aerospace's spin-off from Honeywell International Inc., including our ability to realize the anticipated benefits of operating as an independent public company; (ii) supply chain disruptions, including constraints on or changes in the price or availability of raw materials and components; (iii) our ability to successfully develop new technologies and introduce new products; (iv) our ability to compete successfully in the markets in which we operate; (v) changes in demand for our products and services, including conditions in the commercial aerospace, business aviation, and defense and space markets; (vi) changes in government spending and risks associated with our government contracts; (vii) risks related to our significant indebtedness incurred in connection with the spin-off and our ability to service such debt; (viii) macroeconomic and geopolitical risks, including changes in or application of trade laws and policies, the impacts of tariffs and other trade barriers, and regional conflicts; (ix) the possibility that the spin-off will not achieve its intended benefits, including the impact on Honeywell Aerospace's resources, systems, procedures and controls; (x) incremental costs of operating on a standalone basis; and (xi) other economic, business, competitive, regulatory, geopolitical, and market factors affecting Honeywell Aerospace's business generally described in our filings with the Securities and Exchange Commission ("SEC").

The above list of factors is not exhaustive or necessarily in order of importance. These forward-looking statements should be considered in light of the information included in this release, our Registration Statement on Form 10 (File No. 001-43173), including the Information Statement dated June 15, 2026 contained therein, our Quarterly Report on Form 10-Q for the quarter ended June 27, 2026, and our other filings with the SEC. In addition, no assurance can be given that any plan, initiative, projection, goal, commitment, expectation, or prospect set forth in this release can or will be achieved. Any forward-looking plans described herein are not final and may be modified or abandoned at any time. We do not undertake to update or revise any of our forward-looking statements, except as required by applicable securities law.