# Honeywell Aerospace

## Jefferies Industrials Conference

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Honeywell Aerospace

# Forward looking statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), relating to Honeywell Aerospace's operations, strategy and performance. 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: the expected acceleration of mechanical output growth in 2027 and beyond; 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. These statements are not guarantees of future events or performance, and you should not unduly rely on them as they involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements.

Factors that could cause actual results or events to differ materially from those described in the 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 the spin-off and 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, the pace of supplier qualification and capacity expansion, and our ability to resolve mechanical supply chain bottlenecks within the expected timeframes; (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; and (viii) other economic, business, competitive, regulatory, geopolitical and market factors affecting Honeywell Aerospace's business generally as set forth in our filings with the Securities and Exchange Commission (the "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 our Registration Statement on Form 10 (File No. 001-43173), including the final 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. Any forward-looking statement speaks only as of the date on which it is made. Honeywell Aerospace assumes no obligation to update or revise any such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

**Filing status**

This presentation is being made available on investor.honeywellaerospace.com for informational purposes. It is not filed with or furnished to the SEC and does not constitute an offer to sell or a solicitation of an offer to buy any securities.

# Non-GAAP financial measures

This presentation contains financial measures presented on a non-GAAP basis. Honeywell Aerospace's non-GAAP financial measures used in this presentation include Organic Sales Growth and Adjusted EBIT (including Pro Forma Standalone Adjusted EBIT and Adjusted EBIT Margin). Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and evaluating operating performance and trends. These measures should be considered in addition to, and not as a substitute for, the most directly comparable GAAP measures. Other companies may calculate these non-GAAP measures differently, limiting their usefulness for comparative purposes. Refer to the Appendix attached to this presentation for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

# Honeywell Aerospace at a glance

Leading global aerospace supplier of mission critical systems and technologies

## Broad exposure, leveraging technology across platforms

| 2025 net sales[1] | 2025 organic sales growth[2,3] | 2025 adjusted EBIT[3] |
|---|---|---|
| $17.4B | +12% | $4.3B |

## Scaled industry leader

| | | |
|---|---|---|
| $105B+ In new contract wins[4] | 90+ Engineering, manufacturing & MRO facilities | ~$18B Total backlog[5] |
| ~90% of in-service aircraft have HONA content | ~36K Employees[5] | ~9K Patents |

## Compelling value creation opportunity

- **Global supplier of high-value** systems across Aerospace and Defense end markets positioned for profitable long-term growth
- **"Develop once, deploy everywhere" R&D approach** speeds up product introductions, improves ROI, increases addressable market
- **Delivering growth by investing in supply base and innovation** to drive further fleet electrification, autonomy and safety
- **Enhancing a best-in-class operating system** led by an experienced, performance-driven management team with strong track record



1. Sales include the impact of the Flexjet-related litigation settlement which reduced Net Sales by $312 million in the fourth quarter of 2025.
2. Organic sales growth excludes the Flexjet-related impact. 3. Non-GAAP financial measure. Refer to Appendix for reconciliations of non-GAAP financial measures. Adjusted EBIT includes pro forma standalone costs. 4. 2022–2Q26. 5. As of 2Q26.

# Demand outpacing supply, deferring sales conversion

Better positioned as a standalone company to direct investments with speed and focus

## 2010-2019: supply base optimized for efficiency

| Modest demand | Ample supply |
|---|---|
| +4% HON Aero segment sales CAGR[1, 2] | ~2% Average annual inflation[2, 3] |

**Demand environment**

- Slow recovery for aviation following Great Financial Crisis
- Defense budgets pressured globally

**Supply chain environment**

- Excess capacity in many parts of the value chain
- Consolidated the supply base and increased single-sourcing
- Outsourced significant complex machining operations
- Reduced capital investments into supplier equipment
- Economized manufacturing footprint

## Post-2020: rebuilding resiliency for growth

| Robust demand | Constrained supply |
|---|---|
| +9% HON Aero segment sales CAGR[1,4] | ~4% Average annual inflation[3,4] |

**Demand environment**

- **$90B+** new contract wins from 2022-2025 and **$15B+** year to date
- Secular demand strong across all A&D end markets

**Supply chain environment**

- Widespread labor and material shortages
- Qualifying new sources to reduce concentration risk
- Insourcing and vertically integrating to enhance control
- Rehabilitating and upgrading supplier tooling
- Small group of suppliers limiting output growth in **Engines & Power Systems** and **Control Systems**



1. Based on Honeywell Aerospace Technologies reportable segment and does not reflect all carve-out adjustments. Results exclude HTSI, which was sold in 2016.
2. 2010- 2019. 3. Rounded average annual CPI-U inflation rate. U.S. Bureau of Labor Statistics. 4. 2020-2025.

# Assessing mechanical supply chain bottlenecks

Improving supplier KPIs in specific categories will increase output and drive financial acceleration by recoupling to strong demand

| | Supplier output gap to need[1] | Supplier output growth[2] |
|---|---|---|
| **1 Total supply base** *3,000+ suppliers[3]* | | |
| **2 Critical and constrained mechanical supply** *~70 suppliers[4]* | | |
| **3 Bottlenecks pacing supply** *~10 suppliers* | | |

**1 Total supply base** — *3,000+ suppliers[3]*

- Vast majority of suppliers operating in line with plan
- Continuing to focus on output increases

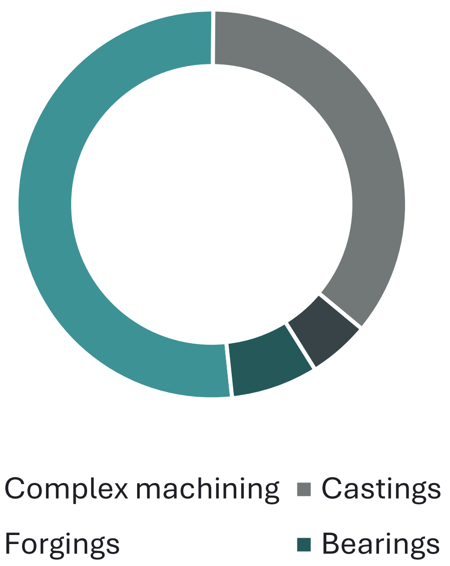
**2 Critical and constrained mechanical supply** — *~70 suppliers[4]*

- ~2% of suppliers on “watch list” in concentrated categories
- Unable to consistently deliver on ramping demand

**3 Bottlenecks pacing supply** — *~10 suppliers*

- Sources of additional 2026 output shortages
- Receiving senior management attention with clear path for resolution

**Critical and constrained material spend by category**




**Legend**

| | Supplier output gap to need[1] | Supplier output growth[2] |
|---|---|---|
| | On plan | >5% |
| | Below plan | (5)% to 5% |
| | Well below plan | <(5)% |



1. 2Q26 percentage of output delivered by suppliers compared to requested level. 2. 2Q26 year-over-year growth in supplier output. 3. Metrics exclude ~70 critical and constrained mechanical suppliers. 4. Metrics exclude ~10 bottleneck suppliers pacing supply.

# Overview of current supply constraints by category

Small group of suppliers in limited categories pacing mechanical product sales

| Category | Supplier output gap to need[1] | Supplier output growth[2] | Key products impacted | Primary root causes | Actions underway |
|---|---|---|---|---|---|
| **Complex Machining** | 🟡 | 🟡 | Motion control<br>Engines<br>APUs | ▪ Planning volatility<br>▪ Skilled labor shortages<br>▪ Lack of vertical integration | ▪ Increasing supplier visibility<br>▪ Providing labor resources<br>▪ Investing in insourcing |
| **Castings** | 🟡 | 🟢 | Engines<br>APUs<br>Air and thermal control | ▪ Supply base capacity constraints<br>▪ Concentration with top suppliers<br>▪ Aged tooling, lack of investment | ▪ Securing dedicated capacity<br>▪ Qualifying new sources<br>▪ Ramping tooling capex |
| **Forgings** | 🟡 | 🟢 | APUs<br>Motion control<br>Engines | ▪ Supply base capacity constraints<br>▪ Concentration with top suppliers<br>▪ Raw material shortages | ▪ Securing dedicated capacity<br>▪ Qualifying new sources<br>▪ Expanding long-term contracts |
| **Bearings** | 🔴 | 🔴 | Motion control<br>Engines<br>Air and thermal control | ▪ Planning volatility<br>▪ Skilled labor shortages<br>▪ Supply base capacity constraints | ▪ Increasing supplier visibility<br>▪ Providing labor resources<br>▪ Securing dedicated capacity |

| Legend | | |
|---|---|---|
| | **Supplier output gap to need[1]** | **Supplier output growth[2]** |
| 🟢 | On plan | >5% |
| 🟡 | Below plan | (5)% to 5% |
| 🔴 | Well below plan | <(5)% |



1. 2Q26 percentage of output delivered by suppliers compared to requested level. 2. 2Q26 year-over-year growth in supplier output.

# Investing to deliver sustainable output growth

Executing with integrated operating model enabled by Honeywell Aerospace Operating System

Growing impact of strategic investments (new sources, capacity, productivity)

## 2023 - 2025

- **>$1B opex and capex investments** for "brute force" supplier recovery actions as well as priority internal initiatives
- **Launched multi-sourcing and insourcing** initiatives to increase supply base resiliency
- **Double-digit annual output growth**

## 2026

- **~$50M+ incremental capex** for supplier tooling, multi-sourcing, and insourcing from prior year
- **Strengthening supplier partnerships** by increasing transparency and aligning incentives
- **Transitional year for output growth** as we pivot from tactical to strategic actions

## 2027+

- **Pulling forward additional investments** with 2x tooling upgrades in 2027 v. 2025
- **Acceleration of new sources and capacity** coming online from previous initiatives
- **Sales and output growth to exceed 2026** to achieve 2030 financial targets from Investor Day

### Stabilize and restore performance

Align capacity with planning to reduce volatility and improve delivery and execution

### Expand supply and accelerate throughput

Strengthen supply to enhance output and resiliency via insourcing / multi-sourcing

### Leverage digital capabilities to drive scale

Advance AI tools to drive visibility, speed and accountability

Reducing reliance on tactical investments (solving ad hoc supplier problems)

# Accelerating strategic supply chain actions to unlock growth

Output[1] growth expected to accelerate from 2026 to 2027, driving improved financial performance

## Executing key strategic principles

- Stabilize planning
- Control and expand supply
- Drive factory throughput
- Operate as one system

### Adding new sources

Qualifying new suppliers and sites, including insourcing, to reduce concentration risk, improve control and expand the supply base

### Securing additional capacity

Incentivizing dedicated allocations and investments in new lines, vertical integration, repositioning and multi-sourcing from existing suppliers

### Driving productivity / labor

Increasing output at critical suppliers with labor support, updated tooling, automation and lean execution



1. Original equipment, spares and R&O shipment activity.

Every horizon. Every mission. Every day.

Honeywell Aerospace

# Non-GAAP Financial Measures

The following information provides definitions and reconciliations of certain non-GAAP financial measures presented in this presentation to which this reconciliation is attached to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles (GAAP).

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 measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Other companies may calculate these non-GAAP measures differently, limiting the usefulness of these measures for comparative purposes.

Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitations of these non-GAAP financial measures are that they exclude significant expenses and income that are required by GAAP to be recognized in the consolidated financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Investors are urged to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measures and not to rely on any single financial measure to evaluate Honeywell Aerospace's business.

# Reconciliation of Organic Sales Growth

| | 2025 |
|---|---|
| **Honeywell Aerospace** | |
| **Reported sales percent change** | **13%** |
| Less: Foreign currency translation | —% |
| Less: Acquisitions | 3% |
| Less: Other[1] | (2)% |
| **Organic sales percent change** | **12%** |

1. Includes the fourth quarter 2025 Flexjet-related litigation matters considered to be unusual, infrequent, and not indicative of the Company's ongoing performance.

We define organic sales growth as the year-over-year change in reported Net sales relative to the comparable period, excluding the impact on sales from foreign currency translation and acquisitions, net of divestitures, for the first 12 months following the transaction date, and other items that are unusual and non-recurring in nature (e.g., impact of comprehensive settlement related to Flexjet litigation). 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 growth has not been provided for forward-looking measures of organic sales growth 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 Net Income to Adjusted EBIT, Pro Forma Standalone Adjusted EBIT, and Segment Adjusted EBIT

| ($B) | 2025 | |
|---|---|---|
| **Net Income** | **$** | **2.7** |
| Income tax expense | | 0.6 |
| Amortization of acquisition-related intangibles[1] | | 0.1 |
| Stock compensation expense[2] | | 0.1 |
| Environmental remediation expense[3] | | 0.4 |
| Transaction costs[4] | | 0.3 |
| Other, net[5] | | (0.1) |
| Flexjet-related litigation settlement[6] | | 0.4 |
| **Adjusted EBIT** | **$** | **4.5** |
| Pro forma adjustments[7] | | (0.1) |
| **Pro Forma Adjusted EBIT** | **$** | **4.4** |
| Estimated standalone recurring and ongoing costs[8] | | (0.1) |
| **Pro Forma Standalone Adjusted EBIT** | **$** | **4.3** |

1 Amounts included in Cost of products and services sold and Selling, general and administrative.
2 Amounts included in Selling, general and administrative expenses.
3 Amounts included in Cost of products and services sold and Other expense, net.
4 Amounts included in Selling, general and administrative expenses and Other expense, net.
5 Amounts include pension (income) expense and repositioning and other charges.
6 Amounts included in Net sales and Cost of services sold of $312 million and $61 million, respectively.
7 Represents autonomous entity adjustments primarily related to transition service agreements and adjustments for new compensation agreements for new and existing executives and certain other employee compensation expense for employees that have historically been shared with other Honeywell businesses and will be transferred to the Company in connection with the Spin-Off.
8 Represents estimated recurring and ongoing costs required to operate new functions required for a public company, such as external reporting, internal audit, treasury, investor relations, board of directors and officers, stock administration, and expanding the services of existing functions such as information technology, finance, supply chain, human resources, legal, tax, facilities, branding, security, government relations, community outreach, and insurance.

We define adjusted EBIT as net income before taxes, excluding interest, amortization of acquisition-related intangibles, stock compensation expense, environmental remediation expense, pension income (expense), repositioning and other charges, transaction costs, expenses associated with the Honeywell trademark license, other items within Other expense, net, and other items that are unusual or non-recurring in nature, including but not limited to impairment charges and litigation charges (e.g., comprehensive settlement related to Flexjet litigation). We define segment adjusted EBIT as net income before taxes excluding interest, amortization of acquisition-related intangibles, stock compensation expense, environmental remediation expense, pension income (expense), repositioning and other charges, transaction costs, expenses associated with the Honeywell trademark license, other items within Other expense, net, and other items that are otherwise of an unusual or non-recurring in nature, including but not limited to impairment charges and litigation charges (e.g., comprehensive settlement related to Flexjet litigation). We believe these measures are useful to investors as they provide greater transparency with respect to supplemental information used by management in its financial and operational decision making, as well as understanding ongoing operating trends.

A quantitative reconciliation of net income to adjusted EBIT has not been provided for all forward-looking measures of adjusted EBIT included herein. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from adjusted EBIT, 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.

# Reconciliation of Honeywell’s Aerospace Technologies Net Sales Excluding HTSI

| ($B) | | 2010 |
|---|---|---|
| **Aerospace Technologies Segment** | | |
| **Net sales** | **$** | **10.7** |
| Less: HTSI Net sales[1] | | 1.0 |
| **Net sales excluding HTSI** | **$** | **9.7** |

1. Reflects $1.0 billion of net sales attributable to the Honeywell Technology Solutions, Inc. (HTSI) business which was sold in 2016.

We define Net sales excluding HTSI as Aerospace Technologies’ net sales less the sales attributable to the HTSI business. Management considers the sale of this business to not be indicative of the Company’s historical performance when comparing results. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.