Reconciliation of Net Income to Adjusted EBIT and Pro Forma Standalone Adjusted EBIT

($M)	Twelve Months Ended December 31, 2025
Net Income	**$ 2,722**
Income tax expense	627
Amortization of acquisition-related intangibles(1)	52
Stock compensation expense(2)	83
Environmental remediation expense(3)	389
Transaction costs(4)	269
Other, net(5)	(57)
Total segment profit	4,085
Flexjet-related litigation settlement(6)	373
Adjusted EBIT	**$ 4,458**
Pro forma adjustments(7)	(52)
Pro Forma Adjusted EBIT	**$ 4,406**
Estimated standalone recurring and ongoing costs(8)	(68)
Pro Forma Standalone Adjusted EBIT	**$ 4,338**

(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 he 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 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.