

March 2017

TODAY'S HONEYWELL

Honeywell
THE POWER OF **CONNECTED**

Honeywell is building a smarter, safer,
and more sustainable world.

THAT'S THE POWER OF **CONNECTED**.
THAT'S THE POWER OF **HONEYWELL**.

Connected Aircraft | Connected Automobile | Connected Home | Connected Building
Connected Plant | Connected Supply Chain | Connected Worker



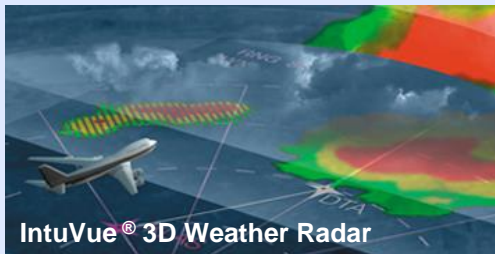
This document contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, 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 release 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. 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. 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.

Honeywell Overview

NYSE: HON | ~1,300 sites | ~131,000 employees | Morris Plains, N.J. headquarters | Fortune 100

Aerospace

\$14.8B
Sales

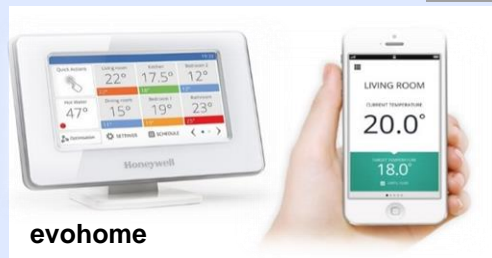


Unmatched Scope of Offerings

- Mechanical, Cockpit, and Software Offerings From Nose to Tail
- Apps, Services, Maintenance, Subscriptions
- End-to-End Connectivity Solutions From Hardware to Airtime
- Turbochargers for Fuel Efficiency

Home and Building Technologies

\$10.7B
Sales



Connecting Homes and Buildings

- Security and Fire
- Connecting Homes With Lyric™
- Open Software Connecting “Internet Of Things” in Buildings

Performance Materials and Technologies

\$9.3B
Sales



Winning Technology

- Refining and Petrochemical Catalysts
- Gas Processing Modular Offerings
- Solstice® LGWP Materials
- SmartLine Transmitters
- Asset Optimization Software

Safety and Productivity Solutions

\$4.6B
Sales



Connecting Workers

- Wireless, Voice, Mobility, Data Analytic Solutions for Workers
- Warehouse Automation
- Keeping Workers Safe

Reflects 2016 Full Year Results

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Aligned to Key Global Macro Trends

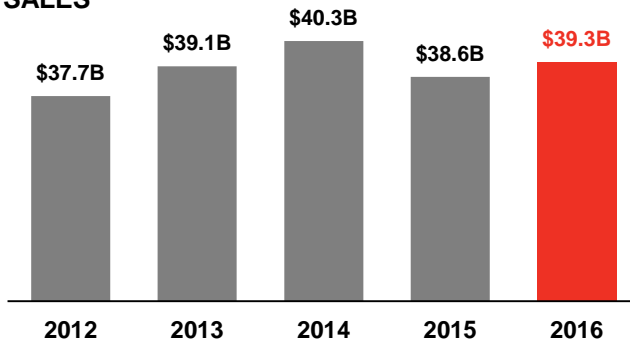
Honeywell at a Glance



Honeywell is building a smarter,
safer, and more sustainable world.

That's the Power of **Connected**.
That's the Power of **Honeywell**.

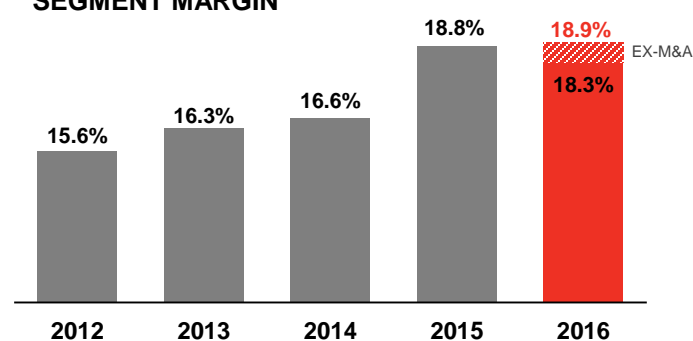
SALES



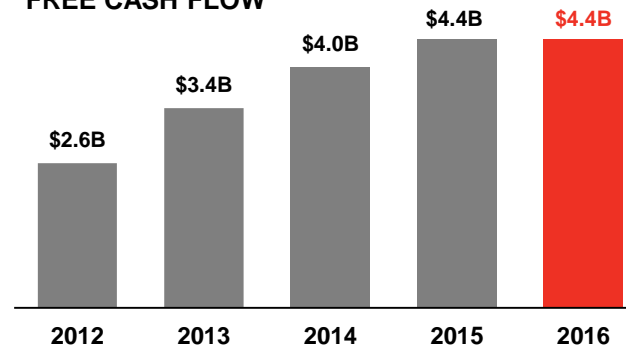
EARNINGS PER SHARE



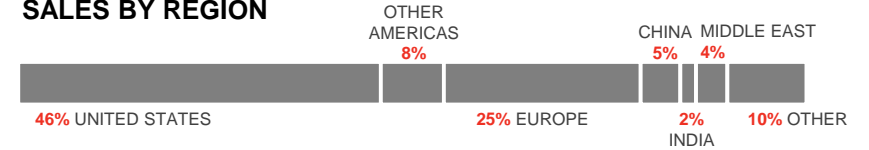
SEGMENT MARGIN



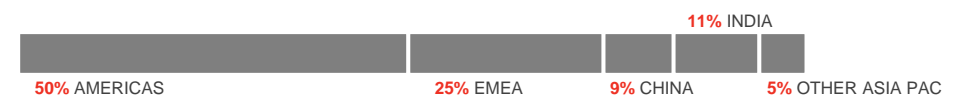
FREE CASH FLOW



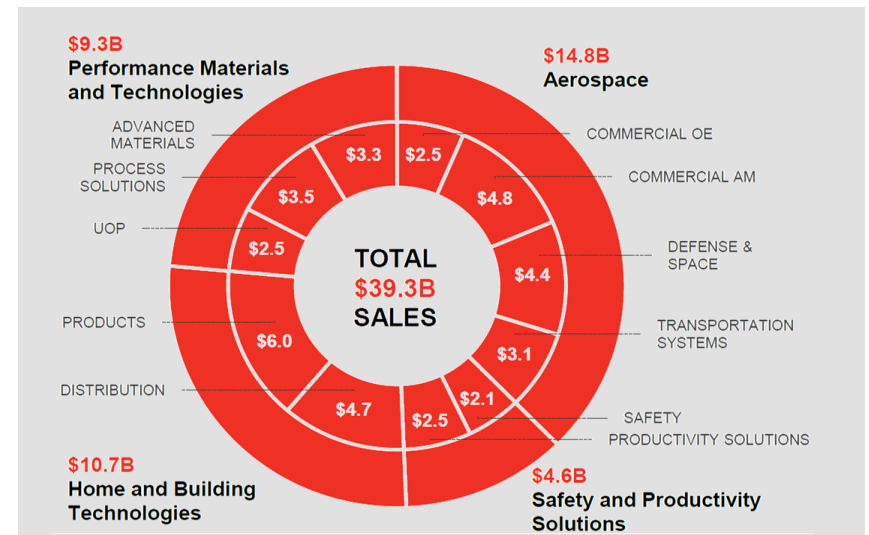
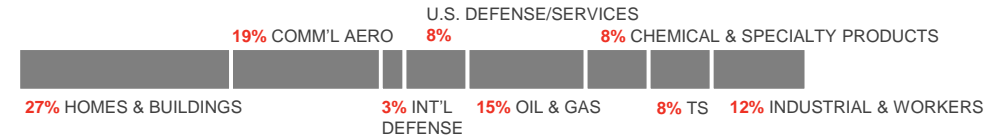
SALES BY REGION



ORGANIZATIONAL FOOTPRINT



SALES BY END MARKET



Energy Efficiency and Clean Energy Generation



With nearly 50% of our revenue linked to energy efficient products, Honeywell can help the world face its energy challenges.

Honeywell's Sustainable Opportunity Policy outlines the Company's Commitment to Health, Safety, and the Environment: Ensuring a **Cleaner, Safer, and Healthier Future**



Safety and Security



Honeywell equipment and technologies can help keep an emergency from becoming a tragedy, and our security solutions protect us from emerging threats.

Honeywell's Enhanced Ground Proximity Warning System has **reduced Controlled Flight Into Terrain (CFIT) accidents** from ~1 in every 3 million flights to less than 1 in every 20 million.

Spectra fiber is **15 times stronger than steel** but light enough to float.



Home Security



Industrial Process & Safety



Gas Monitoring & Detection



Honeywell Instant Alert®



Cybersecurity



Personal Protective Equipment



SmartView™
Synthetic Vision
System



Spectra® Fiber

Expanding Global Wealth Per Capita



Honeywell is developing solutions that support growing infrastructure and improve the quality of life for people around the world.

The growing middle class is expected to increase from **1.8 billion to almost 5 billion people by 2030.**



Air Traffic Management



Refining Technologies



Airport Solutions



Indoor Air Quality



Smart Grid



Health and Safety



Turbochargers



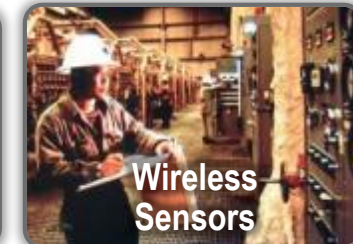
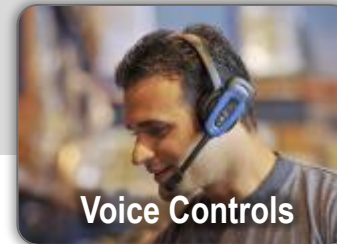
Petrochemical Technologies

Worker Productivity



Honeywell solutions help our customers be better, faster, and more efficient.

Honeywell is an industry leader in **wireless and scanning technologies** used in **home, building, and industrial** applications.



The Honeywell Portfolio

Leveraging Core Strengths ...

Process

- HOS Gold
- Honeywell User Experience (HUE)
- Velocity Product Development
- Centralized Supporting Functions

Technology

- The Honeywell Sentience™ Platform (Common IT Platform)
- Shared Technology Talent Centers
- Honeywell Technology Solutions >10K Strong

Global Capacity

- 24% of Sales in High Growth Regions
- HGR 2.0 Strategy (Becoming the Chinese Competitor, East-for-East and East-for-Rest)

Reputation

- The Honeywell Brand
- Customer Focus
- Integrity
- Employee Loyalty

Honeywell

THE POWER OF **CONNECTED**

... Across A Diversified Portfolio

Aerospace



Home and Building Technologies



Performance Materials and Technologies



Safety and Productivity Solutions



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Industry-Leading Businesses Unified Across Common Platforms

The Power of Honeywell

Growth

- Common Set of Tools / Metrics to Drive and Manage Sales
- Value Proposition Development Rigor
- Breakthroughs – New Adjacencies to Enhance Growth Rate
- Channel Program Design

Leverage

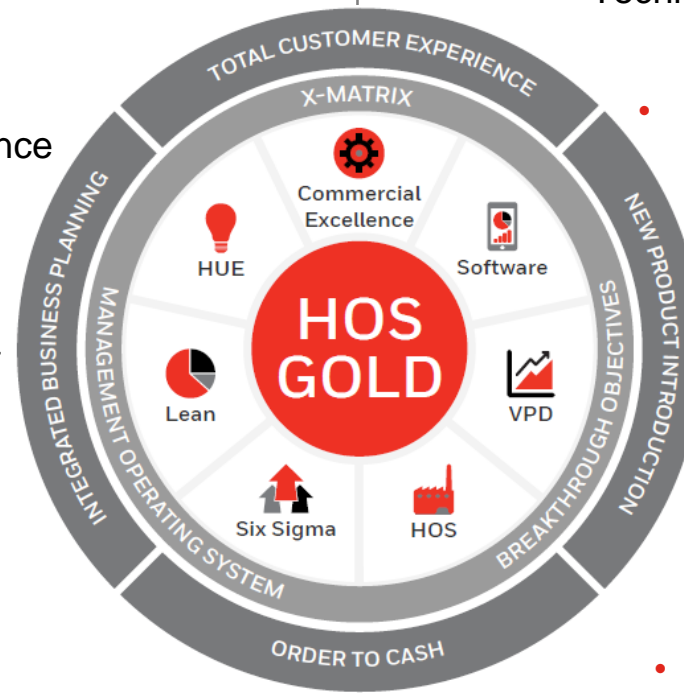
- Cross-Business Technology Development
- Cross-Business Selling
- One-Honeywell Leverage: We Use What We Sell

Innovation

- >11K Employees Developing Software; World-Class Technologists Driving Innovation
- Rigor and Metrics for New Product Development
- Honeywell User Experience Incorporated Into Everything We Do

Productivity

- HOS Drove >200 bps Margin Expansion Over Last 3 Years
- OEF Management Drove ~80 bps Fixed Cost Improvement Over the Last 5 Years
- Cross-Honeywell Warehouse Strategy Optimization



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Differentiated Operating System Drives Value Creation in all Businesses

Aerospace

With comprehensive offerings ranging from **wheels and brakes** and **propulsion** to **cockpit systems** and **satellite communications**, Honeywell Aerospace products are used on virtually every commercial and defense aircraft platform. We also design and manufacture **world-class turbochargers** that help enable vehicle performance and fuel efficiency.



Businesses:

- Electronic Solutions
- Engines and Power Systems
- Mechanical Systems & Components
- Services & Connectivity
- Transportation Systems

Headquarters:

Phoenix, Arizona, U.S.
Rolle, Switzerland

Technologies:

- Air, Thermal, and Power Systems
- Cockpit Systems
- Logistics Services
- Mechanical Components
- Navigation & Sensors
- Propulsion
- Safety Systems
- Services & Connectivity
- Wheels & Braking Systems
- Runway and Flight Safety Technology
- Gasoline, Diesel, Hybrid, and Fuel Cell Turbochargers with Variable Nozzle Technology

Home and Building Technologies



Businesses:

- Environmental and Energy Solutions
- Greater China
- Honeywell Building Solutions
- Honeywell Security and Fire
- Smart Energy
- Software Solutions

Headquarters:

Atlanta, Georgia

Technologies:

- Building Control Systems
- Fire Alarm Systems and Gas Detection
- Home Comfort and Security
- Remote Health Monitoring
- Smart Grid / Demand Response Technology

Performance Materials and Technologies

Honeywell Performance Materials and Technologies develop **advanced materials**, **process technologies**, **automation solutions**, and **industrial software** that are revolutionizing industries around the world. Our products help lower global warming potential and reduce emissions while enabling our customers to produce cleaner fuels, improve operational efficiency, and increase throughput capacity.



Businesses:

- Advanced Materials
- Honeywell Process Solutions
- Honeywell UOP

Headquarters:

Morris Plains, New Jersey

Technologies:

- Advanced Fibers and Composites
- Chemicals and Electronic Materials
- Connected Plant and Software
- Industrial Automation Controls
- Low-Global-Warming Potential Refrigerants
- Oil and Gas Process Technology, Equipment, Catalysts, and Services
- Specialty Films and Additives

Safety and Productivity Solutions



Honeywell Safety and Productivity Solutions provide **scanning and mobile computers, warehouse automation, and printing and media solutions** that improve enterprise and workflow performance, increase worker productivity, and enrich operational intelligence with data-driven insights. We also provide **personal protective equipment** to enhance workplace safety.

Businesses:

- Honeywell Industrial Safety
- Intelligrated
- Productivity Products
- Retail
- Sensing and Internet of Things
- Workflow Solutions

Headquarters:

Fort Mill, South Carolina

Technologies:

- Automation and Material Handling Solutions
- Footwear for Work, Play, and Outdoor Activities
- Gas Detection Technology and Custom-Engineered Sensors, Switches, and Controls
- Personal Protective Equipment for Industrial / Firefighting Applications
- Printing, Scanning, and Mobile Devices for Data Collection
- Workflow Software and Mobile Cloud Technology

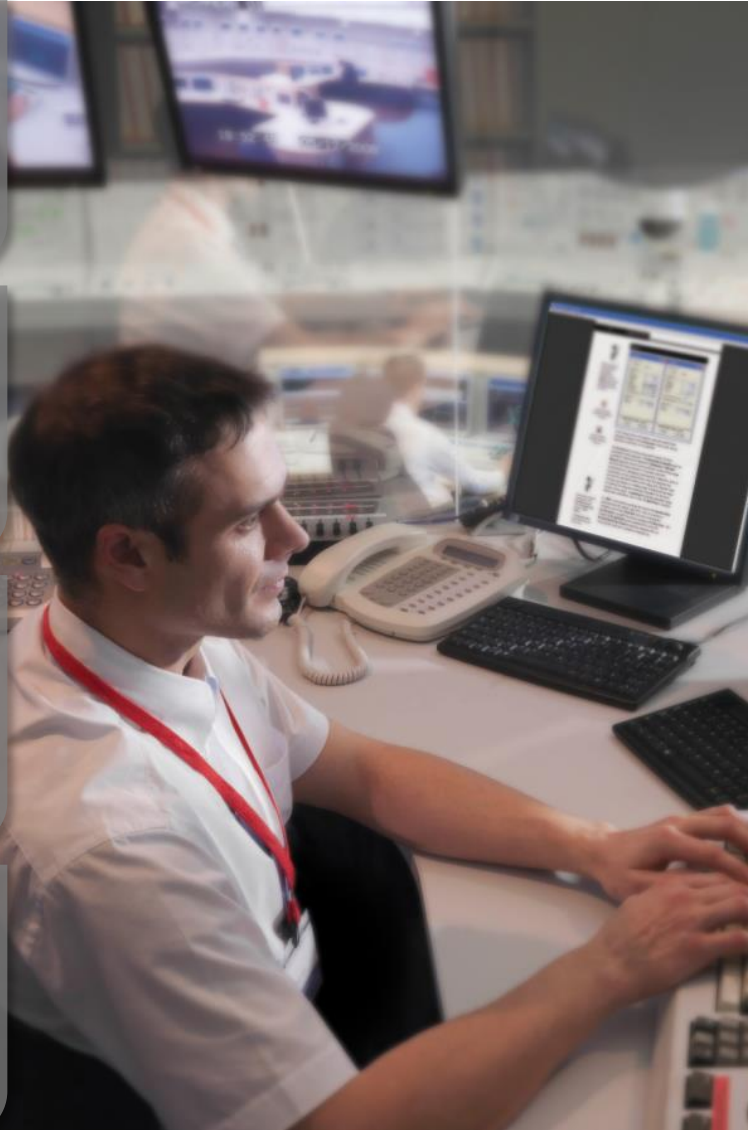
Technology and Innovation

23,000
engineers
worldwide

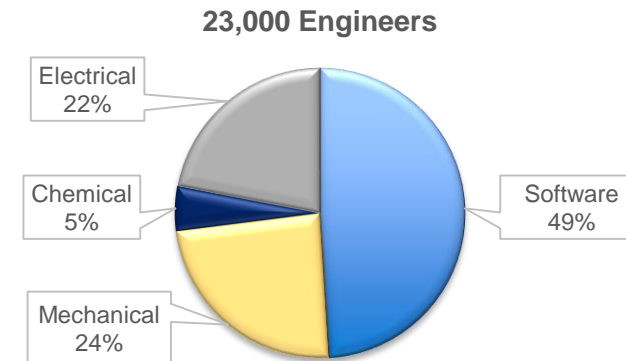
11,000
software
developers

150
research and
engineering
facilities

38,000
patents granted
or pending



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100%
Compatible with CMMI
Maturity Level 5

Sustainable Opportunity

>65%

Reduction in our GHG emissions
2004-2016

~40%

Increase in our energy efficiency
2004-2016

95M

Gallons of water conserved in
“water-stressed areas”

Making our businesses more environmentally friendly, safer, and more sustainable

By 2019, Honeywell will reduce our global greenhouse gas emissions by an additional 10% per dollar of revenue from our 2013 levels.

Media Highlights



Honeywell's Latest Technologies Featured on CNBC's "Mad Money"



Honeywell Names Darius Adamczyk to Succeed Dave Cote as CEO



New Honeywell Software Development Center to Create More Than 800 New Jobs in Atlanta

Honeywell Announces New Software Center, Headquarters for HBT Business in Atlanta



Honeywell Receives Keep America Beautiful's 2016 Vision for America Award for its Commitment to Civic, Environmental, and Social Stewardship



Darius Adamczyk Participates in the Paulson Institute CEO Council for Sustainable Urbanization Meeting in Beijing



Honeywell's Transformation into the Digital Age Featured on CNBC's "Squawk Box"

Honeywell Hometown Solutions

Housing & Shelter



Community rehabilitation projects

Since 2003, more than 19,600 Honeywell volunteers have repaired 560 homes, schools, and non-profit centers in 46 Honeywell communities across the U.S., Canada, Mexico, and Puerto Rico with **Rebuilding Together**.

In 2016, more than 1,100 volunteers participated in 14 Rebuilding Together projects across the U.S.

Family Safety & Security



Safety & abduction prevention

Launched in 2014, **KidSmartz™**, an abduction prevention program for children in grades K-5.

Since 2005, **Safe Kids @ Home China** has reached 2.3 million children and 2,800 schools.

In 2016, Honeywell and the **Safe Kids India Foundation** launched the Safe Kids at Home Fire Safety program in Pune, reaching 250,000 students, and was endorsed by India's Education Ministry.

Science & Math



Quality programs in STEM for students and teachers

FMA Live! Forces in Motion has reached 480,000 students in more than 1,250 middle schools across the U.S., Mexico, Canada, and Puerto Rico.

Honeywell Educators at Space Academy has hosted more than 2,500 teachers from 55 countries and 50 U.S. states since 2004.

Honeywell Leadership Challenge Academy has hosted 2,090 students from 47 countries and 37 U.S. states.

Humanitarian Relief



\$9.8 million in aid around the globe

Employee donations to the **Honeywell Humanitarian Relief Fund** have repaired or rebuilt 885 homes, 4 schools, 9 medical clinics, 1 elder community center, and 200 wells since 2001.

- Louisiana flooding
- Typhoon Haiyan, Philippines
- Hurricane Sandy, U.S.
- Fort McMurray, Alberta, Canada, and Colorado Springs wildfires
- Japan earthquake and tsunami

Habitat & Conservation



Best practices in environmental teaching skills

Honeywell Institute for Ecosystems Education has trained 137 teachers in urban sustainability practices in New York, New Jersey, and Mexico City.

Honeywell Summer Science Week at the MOST has brought science to life for 664 Central New York middle schools students.

Honeywell Green Boot Camp has been delivered to 282 teachers since 2008.

Reconciliation of Non-GAAP Measures to GAAP Measures

Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins

(\$M)	2012	2013	2014	2015	2016
Segment Profit	\$5,879	\$6,351	\$6,696	\$7,256	\$7,186
Stock Based Compensation ⁽¹⁾	(170)	(170)	(187)	(175)	(184)
Repositioning and Other ^(1, 2)	(488)	(699)	(634)	(576)	(679)
Pension Ongoing (Expense)/Income ⁽¹⁾	(36)	90	254	430	601
Pension Mark-to-Market Expense ⁽¹⁾	(957)	(51)	(249)	(67)	(273)
OPEB (Expense)/Income ⁽¹⁾	(72)	(20)	(49)	(40)	32
Operating Income	\$4,156	\$5,501	\$5,831	\$6,828	\$6,683
Segment Profit	\$5,879	\$6,351	\$6,696	\$7,256	\$7,186
÷ Sales	\$37,665	\$39,055	\$40,306	\$38,581	\$39,302
Segment Profit Margin %	15.6%	16.3%	16.6%	18.8%	18.3%
Operating Income	\$4,156	\$5,501	\$5,831	\$6,828	\$6,683
÷ Sales	\$37,665	\$39,055	\$40,306	\$38,581	\$39,302
Operating Income Margin %	11.0%	14.1%	14.5%	17.7%	17.0%

(1) Included in cost of products and services sold and selling, general and administrative expenses.

(2) Includes repositioning, asbestos, environmental expenses and equity income adjustment.

Reconciliation of EPS to EPS, Excluding Pension Mark-to-Market Expense, and Debt Refinancing Expense

	2012 ⁽¹⁾	2013 ⁽²⁾	2014 ⁽³⁾	2015 ⁽⁴⁾	2016 ⁽⁵⁾
EPS	\$3.69	\$4.92	\$5.33	\$6.04	\$6.20
Pension Mark-to-Market Expense	0.79	0.05	0.23	0.06	0.28
Debt Refinancing Expense ⁽²⁾	-	-	-	-	0.12
EPS, Excluding Pension Mark-to-Market Expense and Debt Refinancing Expense	<u>\$4.48</u>	<u>\$4.97</u>	<u>\$5.56</u>	<u>\$6.10</u>	<u>\$6.60</u>

(1) Utilizes weighted average shares of 791.9 million. Pension mark-to-market expense uses a blended tax rate of 35.0%.

(2) Utilizes weighted average shares of 797.3 million. Pension mark-to-market expense uses a blended tax rate of 25.5%.

(3) Utilizes weighted average shares of 795.2 million. Pension mark-to-market expense uses a blended tax rate of 28.1%.

(4) Utilizes weighted average shares of 789.3 million. Pension mark-to-market expense uses a blended tax rate of 36.1%.

(5) Utilizes weighted average shares of 775.3 million. Pension mark-to-market expense uses a blended tax rate of 21.3% and debt refinancing expenses uses a tax rate of 26.5%.

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow and Calculation of Free Cash Flow Conversion

(\$M)	2012	2013	2014	2015	2016
Cash Provided by Operating Activities	\$3,517	\$4,335	\$5,080	\$5,519	\$5,498
Expenditures for Property, Plant and Equipment	(884)	(947)	(1,094)	(1,073)	(1,095)
Free Cash Flow	\$2,633	\$3,388	\$3,986	\$4,446	\$4,403