OPPENHEIMER INDUSTRIALS CONFERENCE
Patrick Hogan, VP Strategy & Commercial Excellence
Performance Materials and Technologies
Forward Looking Statements

This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. 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

$40.3B in sales

55% sales outside U.S.

• 1,250 sites
• 70 countries
• 127,000 employees
• Morristown, NJ, USA headquarters
• Fortune 100

Aerospace
$15.6B

Automation and Control Solutions
$14.5B

Performance Materials and Technologies
$10.2B

Data reflects FY14 Sales
PMT Overview

$10.2B in sales
17.8% segment margin

Balanced Portfolio
Geographically Diverse
Aligned To Mega Trends

UOP
Gas 29%
Petrochemical 29%
Renfining 33%
Other 9%

$3.2B
62% Oil = $2.0B
Sales From Predominantly Oil Related Markets

Fluorine Products
$1.0B
UOP

Specialty Products
$1.2B
HPS

Resins & Chemicals
$1.7B

Chemicals
$3.2B

$3.1B

UOP
Oil & Gas
40% Oil = $1.3B

Chemicals
13%

Minning Paper
15%

Other 16%

Oil & Gas
39%

Refining
17%

Process Solutions

Resins & Plastics
10%

Fiberers
19%

Other 9%

Resins & Chemicals

$3.9B

Advanced Materials

Refrigerants Foams
19%

Chemicals
30%

Reflects FY14 Data

Oppenheimer Industrial Growth Conference – May 13, 2015
### Accelerating In Attractive Markets

#### Macro Trends

- **Clean Energy & Efficiency**
  - Global energy demand increases 26% by 2025
- **Urbanization**
  - 66% world population in urban areas by 2050
- **Population Growth**
  - World population increases 33% to 9.7B by 2050
- **Safety & Security**
  - Cyber attacks growing 66% CAGR since 2009

#### Aligned Market Growth Rates

<table>
<thead>
<tr>
<th>Market</th>
<th>Growth Rate</th>
<th>Total Sales Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Refining</td>
<td>7%</td>
<td>$20B</td>
</tr>
<tr>
<td>Petro-chemicals</td>
<td>7%</td>
<td>$9B</td>
</tr>
<tr>
<td>Gas</td>
<td>10%</td>
<td>$13B</td>
</tr>
<tr>
<td>Refrigerants &amp; Foam Insulation</td>
<td>9%</td>
<td>$5B</td>
</tr>
<tr>
<td>Resin, Plastics &amp; Specialty Chemicals</td>
<td>5%</td>
<td>$15B</td>
</tr>
</tbody>
</table>

#### Leadership Position

- **UOP**
  - 5 Bottom-of-the-Barrel upgrades > $2B*
  - 33 Gas-to-Chemicals projects > $8B*
  - Modular equipment spurs $1B+ bookings
  - Protecting 5,500 miles of oil & gas pipelines
- **HPS**
  - LEAP™ shortening project schedule 25%
  - Record year, bookings up 45%
  - Protecting 5,500 miles of oil & gas pipelines
- **FP**
  - Secured $2.6B* refrigerant and foam orders
  - Major wins with auto & appliance OEMs
- **R&C**
  - Highest production volumes achieved
- **SP**
  - Aclar® healthcare packaging up 12% YoY

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*Total Sales Estimate Over Project Life Cycles

**Addressable Market:** Honeywell, 3rd Party Market Estimates, Market rate (various sources)
High ROI Investments Ongoing

- Compelling 30%-40% High IRR Returns
- Additional Capacity Winning Further Deals
- Robust Backlog Secured for 2015
- $2.6B in Long Term LGWP Contracts

Capital and Revenue ($M)

- Capital for Growth Projects
- Net Revenue from Growth Projects

Substantial YoY Growth With 2017 Inflection

- 2014: ~100
- 2015: ~250
- 2016: ~400
- 2017: ~1,000
- 2018: ~1,100
- 2019: ~1,250

Now On-Stream

- Gas-to-Chemicals Catalysts
- 245fa Foam Blowing Agents
- Solstice® Foam And Solvents
- Solstice® Refrigerants And Aerosols

New Catalysts/LGWP Drive Significant Future Growth
### Revenue Across The Project Lifecycle

#### Asset Lifecycle | UOP And HPS Engagement Profile

<table>
<thead>
<tr>
<th></th>
<th>Design</th>
<th>Construction</th>
<th>Operation</th>
<th>Upgrade</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year 1-3</strong></td>
<td>CapEx</td>
<td></td>
<td>Funding</td>
<td></td>
</tr>
<tr>
<td><strong>Year 4-6</strong></td>
<td>Commitment</td>
<td></td>
<td>Already Approved For Ongoing Activities</td>
<td></td>
</tr>
<tr>
<td><strong>Year 7-25</strong></td>
<td></td>
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<td></td>
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<tr>
<td><strong>Year 26-30</strong></td>
<td></td>
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#### Capital Expenditure

**UOP**
- Process Technology License
- Reactors & Modular Equipment
- Initial Catalyst
- Project Management
- Commission Training

**HPS**
- Main Automation Contractor FEED
- Control System DCS
- Field Devices
- Fire & Gas Security
- System Configuration
- Commission Training Simulators
- Process Software
- Cyber Security
- Plant Extensions
- DCS Migration

#### Operational Expenditure

- Catalyst Reloads
- Troubleshooting Services
- Process Optimization
- Equipment Refurbishment
- Maintenance Service, Instruments & Parts

#### Total Sales

<table>
<thead>
<tr>
<th></th>
<th>Year 1-3</th>
<th>Year 4-6</th>
<th>Year 7-25</th>
<th>Year 26-30</th>
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<tbody>
<tr>
<td><strong>10 - 15%</strong></td>
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<td><strong>35 - 40%</strong></td>
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<td><strong>40 - 45%</strong></td>
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<td><strong>5 - 10%</strong></td>
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*Typical % Sales Range Of Combined UOP And HPS Downstream Project Revenue
FEED = Front End Engineering Design

85%+ Of Revenue Not Tied To New Project CapEx
# Mitigating Oil & Gas Impact

## Current Oil & Gas Dynamic

<table>
<thead>
<tr>
<th></th>
<th>PMT Near Term Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average 20%+ Reduction Of Upstream CapEx 2015 vs. 2014</strong>*</td>
<td>Only 10 - 15% PMT Oil &amp; Gas In Upstream Booked projects holding, some project delays</td>
</tr>
<tr>
<td><strong>Lower Oil Price Driving Refined Product Demand</strong></td>
<td>Future Upside With Refining More expansion and reconditioning projects for downstream sector, fuels &amp; storage</td>
</tr>
<tr>
<td><strong>Maximize Output From Current Asset Base</strong></td>
<td>Plant Audits And Yield Improvements Process optimization software and plant configuration solutions, next generation catalyst reloads</td>
</tr>
<tr>
<td><strong>Asset Reliability Focus For Oil Exporters</strong></td>
<td>UOP/HPS Aftermarket Services 60% revenue from services - not CapEx linked Expertise in productivity and uptime management</td>
</tr>
<tr>
<td><strong>Honeywell Business Actions</strong></td>
<td>Cost And Sales Leverage Tightened cost management and focus on sales generating quick returns</td>
</tr>
</tbody>
</table>

* Source: IHS, Company Estimates

## Leveraging Business Opportunities In Current Energy Cycle
LGWP Major Environmental Improvements

- **Solstice® platform has a Low Global Warming Potential of 1 or less** (equal or better than CO₂)

- OEMs can now achieve designs with full environmental compliance

- Solstice MAC can reduce the greenhouse gas equivalent of removing 30M cars off the road*

- >3M cars today using HFO-1234yf

* Estimates based on scenario of full global adoption of Solstice LGWP molecules Equivalent to 3% of the global fleet Source: EPA Green House Gas Emissions Equivalency

**Sales and Profit Growth**

- Solstice LGWP Sales
- Legacy Business
- Segment Margin %

**Capacity Aligned With Demand**

- Solstice LGWP Capacity
- Customer Demand

**Profitable Growth With Environmental Benefit**
HOS Gold Driving Breakthrough Results

HOS GOLD UPSIDE POTENTIAL

Incremental profit from potential breakthrough upside

$200-$400M*

Profit ($)

Upside Plan

2015 2016 2017 2018

Toolkit To Grow Faster And More Profitably Than The Market & Peers

Velocity Product Development VPD™

- 425 NPI Projects To Refresh Portfolio
- Honeywell User Experience HUE
- Customer Satisfaction Metrics On UX
- HGR & Globalization Focus
- New Mid-market E4E Offerings - $300M+
- Sales & Marketing Excellence
- Pricing Rigor Drives ~$0.5B Profit Impact

Data Above Relates To Deliverables By End Of 5-Year Plan

*Incremental Profit Upside If All Breakthrough Goals Achieved During Next Four Years

$200-$400M Plan Upside Potential From HOS Gold
### Summary

#### Growth Inflection

- ~$3B Top Line Growth Through 2018
- $2.6B In Solstice® LGWP Contracts
- $400M From UOP/HPS Sales Synergies

#### Investments Deliver Strong Returns

- ~$1B High Margin Sales From New Capacity
- $3.2B From New Product Innovations
- HOS Gold Overdrives $200M+ Profit Upside

#### Winning In The New Oil Dynamic

- Robust Oil & Gas Backlog Secure
- Leverage Mid/Downstream Focus
- Rich Pipeline For Energy Sector Growth