Forward Looking Statements

This presentation 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, including statements regarding the timing of the spin-off transactions described herein, any dividends or liability allocation in connection with the spin-off transactions, cost savings to Honeywell or the separated businesses, and expected financial performance of the separated businesses including expected sales. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, available data regarding current economic and industry conditions, expected future developments and other factors they believe to be appropriate. Such assumptions include those regarding expected allocation of assets and liabilities of the separated businesses, the expected value drivers of the separated businesses, the expected timing of the spin-off transactions and projected industry growth rates, regulatory environments and market trends in the geographic regions and markets that the separated businesses intend to compete in, among other assumptions. The forward-looking statements included in this presentation are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, regulatory and technological factors affecting our operations, markets, products, services and prices, as well as the ability to effect the separations in a manner consistent with our intended transaction structures and timing or at all. 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, including with respect to any changes in or abandonment of the proposed separations. 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.

Information regarding the impact of the Tax Cuts and Jobs Act of 2017 ("Tax Legislation") consists of preliminary estimates which are forward-looking statements and are subject to change, possibly materially, as the firm completes its financial statements. Information regarding the impact of Tax Legislation is based on our current calculations, as well our current interpretations, assumptions and expectations relating to Tax Legislation, which are subject to further change.

Non-GAAP Financial Measures

This presentation contains financial measures presented on a non-GAAP basis. Honeywell’s non-GAAP financial measure used in this presentation is as follows: organic sales growth, which we define as sales growth less the impacts from foreign currency translation and acquisitions and divestitures for the first 12 months following transaction date. Management believes that, when considered together with reported amounts, this measure is useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. This measure should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Refer to the Appendix attached to this presentation for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

Other Notes

All references to Total Addressable Market, or TAM, are based on Honeywell estimates.

SPS segment margin is defined as SPS segment profit divided by SPS sales. We define segment profit as operating income adjusted to exclude stock compensation expense, pension and other postretirement service costs, and repositioning and other charges.
SAFETY AND PRODUCTIVITY SOLUTIONS

May 16, 2018
John Waldron, President and CEO
Key Messages

**Strong Growth Outlook**
- Strong start to 2018 with 6% organic sales growth and 130 bps segment margin expansion in Q1
- Double-digit growth in bookings, backlog and sales at Intelligrated
- IoT and digitization driving growth in sensors, data collection and mobility
- Growth in e-commerce and next-generation retail creating opportunity for connected solutions

**How We’re Differentiated**
- Robust NPI machine with $1B+ revenue in new offerings annually, anchored in China and High Growth Regions
- Leading Connected Worker, Supply Chain and Distribution Center (DC) solutions – all on Honeywell Sentience
- Leading Intelligrated warehouse automation technologies and solutions growing at 2X the market

**Long-Term Margin Expansion**
- Simplifying footprint and supply chain to reduce non-core manufacturing by 50% long-term
- HOS World-Class operating system delivering 50+ bps in annual productivity
- Software and Connected sales growing at 20%+ per year

Well-Positioned to Deliver Strong Growth and Margin Expansion
SPS Business Overview

Key Business Metrics | Full Year 2018E

$6.0 - $6.1B
Up 4% - 6% Organic

15.4% - 15.7%
Segment Margin

Key Trends
- Increasing regulation
- HGR greater compliance / adoption

Why We’re Positioned to Win
- Large, growing global installed base in expanding markets
- Deep domain, application and solution expertise
- Robust pipeline of new product offerings and breakthrough initiatives
- Differentiated technology in voice, sensing, safety and automation

Key Business Breakdown

Safety

38% of SPS Portfolio
- Gas detection
- High-risk safety equipment
- Personal protective equipment (PPE)
- Retail

Key Trends
- Increasing regulation
- HGR greater compliance / adoption

Productivity

62% of SPS Portfolio
- Warehouse automation
- Workflow solutions
- Data capture devices
- Sensors and IoT

Key Trends
- E-commerce growth
- Increasing automation and IoT

Portfolio Aligned to Global Trends, Diversified Across Industries
SPS Portfolio

Safety Solutions ~$26B TAM
Fall protection, respiratory, personal protective equipment and gas detection

Productivity Solutions ~$14B TAM
Mobile computers, printers, data capture devices, and software solutions to improve worker productivity

Sensing and IoT ~$17B TAM
High-precision sensors, switches and controls

Intelligrated Solutions ~$29B TAM
Systems, software and services to improve warehouse efficiency

Connected Solutions

Connected Worker
• 20% reduction in safety incidents
• 30% increase in worker productivity

Connected Supply Chain
• 10% reduction in freight loss
• 20% increase in workflow productivity

Connected Distribution Center
• 30% increase in operational efficiency
• 60% increase in DC labor productivity

Substantial Opportunity to Grow in a ~$86B Space
# Industry Macro Trends

## Safety

- **2.4M** Global annual deaths attributed to work hazards

## End-to-End Supply Chain

- **65%** Higher costs of EHS fines than cost of compliance

## Digitization

- **23%** Global CAGR for industrial IoT devices through 2022

## Strong Macro Trends

- **$60B** U.S. employer annual payout for workers comp

## Why SPS is Well Positioned

- #1 or #2 in key segments across gas detection, high risk and general safety

## Sources

The Modern End-to-End Supply Chain

Honeywell Delivers Critical Solutions Through Supply Chain

- Bar-code scanning
- Print / apply media
- Mobile computing
- Palletizing robotics
- Freight monitoring
- Route / delivery apps
- Track and trace
- Less than truckload
- Material handling
- Inventory mgmt
- Picking / put away
- Scanning / print
- POS scanning
- Inventory mgmt
- Click and collect
- Price checking
- Direct store delivery
- Field service
- Parcel delivery
- Maintenance / inspection

Personal Protective Equipment and Workplace Safety Solutions

Precision Sensors, Switches, and Control Systems
Positioned for Long-Term Growth

Long-Term Growth Drivers

Base Innovation and Execution
- Rapid innovation to drive $1B+ in new offerings
- Rigorous sales and channel deployment actions

Accelerate China, India, HGR Growth
- Consistent China/India growth at 10%+
- E2R offerings targeting mass mid-segment
- FLUX, Intelligrated targeting China logistics / e-commerce

Connected Solutions
- Worker safety, compliance, field inspection solutions
- Supply chain track/trace, delivery, and retail
- Connected DC reliability, throughput, and productivity

Execute on Breakthrough Initiatives
- $10B+ DC automation opportunity in Europe / China
- Potential $1B+ upside by 2022 from breakthrough initiatives

Sales Growth

- ~5%+ Growth Overall
- ~20% CAGR Connected Solutions, Breakthrough Initiatives
- ~15% CAGR HGRs
- ~7% CAGR New Core Offerings
- ~2%-3% CAGR Base

Growth Vectors Driving 5%+ Growth with Upside
Robust NPI Engine for Growth

**Key SPS Positions**

- 500k Vocollect Voice Pickers
- $6B Intelligrated Installed Base¹
- Over 4B Sensors Shipped
- Protecting 500M+ Workers Globally
- Connected Worker, Supply Chain, and DC solutions

**Technology-Driven Innovation**

- **Voice**
  - Next generation speech / language

- **Artificial Intelligence**
  - Robotics control / machine vision

- **Sensing Technologies**
  - Micro-pressure, digital gas

- **Material Science**
  - Smart gloves, thermal liners

- **SPS Cloud Platform**
  - Worker cloud and SafetySuite

**Customer-Centered Design**

- **Customer Insight-Driven Experience Design**
  - Leading global design capability
  - Solving real problems for customers
  - Global footprint

---

¹: Value of HON content in marketplace based on sales price
### Long-Term Margin Expansion

#### Segment Margin Targets

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>Net Productivity</th>
<th>Software / Connected</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>14.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>15.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018E</td>
<td>15.4%</td>
<td>1% - 2%</td>
<td>~1%</td>
<td>18% - 20%</td>
</tr>
</tbody>
</table>

#### Margin Drivers

**Footprint Simplification**
- ~70 manufacturing sites
- ~30 distribution centers
- 30% manufacturing in HGRs
- Opportunity to further simplify and reduce cycle time

**Other Productivity**
- Sourcing, freight, conversion cost, value engineering
- Core / non-core reduction

**Volume**
- Increased penetration of Intelligrated Lifecycle Services
- Fixed cost leverage from organic growth

**SW and Connected**
- 20%+ growth of higher-margin connected offerings
- Potential $1B+ in breakthrough sales upside by 2022
Winning in High Growth Regions

China/India Blueprint for HGR Growth

- Sustained 10%+ growth; leading positions in core segments
- Strong, experienced local leadership
- Local decision making authority
- Localization of “design and build” to compete on speed / cost
- East-for-East (E4E) / East-to-Rest (E2R) acceleration

Sales By Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2017</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>APAC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total HGR</td>
<td>16%</td>
<td>20%</td>
</tr>
</tbody>
</table>

East-for-East

- Local innovation and design for local opportunities
- 200+ local E4E engineers, including 30+ software engineers

Fixed Gas Detector
- First E4E platform for fixed gas devices
- Easy to operate, commission and install
- High reliability and stability
- Impressive appearance and modular design
- Meets all major local Chinese certification requirements

$10M+
2019E – 2023E Sales

East-to-Rest

- HGR speed and innovation for global opportunities; 150%+ YoY growth
- Local design centers with 1,000s of employees

Mid-Segment Mobile Computer
- Rapid design iterations based on customer feedback
- <6 month development time
- Initial roll-out to 10+ countries
- Excellent GTM practice with strong sales pipeline
- Upcoming pipeline of mobility products

$20M+
Year 1 Sales Outside China

Accelerating HGR Growth Using China / India Blueprint
### M&A Update: Intelligrated and FLUX

<table>
<thead>
<tr>
<th>Intelligrated Acquisition</th>
<th>FLUX Investment and Joint Venture</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Deal acquisition metrics:</td>
<td>• Leading warehouse management system player in China</td>
</tr>
<tr>
<td>− Purchase price: ~$1.5B</td>
<td>• Acquired 25% share in China business, established 75% share in new JV for global opportunities</td>
</tr>
<tr>
<td>− Headline EV/EBITDA: ~12x</td>
<td>• WMS industry growing at ~10%</td>
</tr>
<tr>
<td>− Synergy-adjusted EV/EBITDA&lt;sup&gt;1&lt;/sup&gt;: ~5x</td>
<td>• Complements distribution center expertise of Honeywell Intelligrated</td>
</tr>
<tr>
<td>✓ M&amp;A execution driving multiple improvement</td>
<td>✓ Strengthens supply chain management capabilities</td>
</tr>
<tr>
<td>✓ Double-digit sales, orders, and backlog growth</td>
<td>✓ Brings regional channel for broader portfolio cross-sell opportunities</td>
</tr>
<tr>
<td>✓ Large presence, bigger project scope, broader reach as part of Honeywell</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup>: Based on expected 2020E EBITDA
The Power of Connected: Real-World Solutions

<table>
<thead>
<tr>
<th>Connected Worker</th>
<th>Connected Supply Chain</th>
<th>Connected Distribution Center</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exposure Monitoring and Tracking of Workers</strong></td>
<td><strong>Track, Trace, and Monitoring of Critical Assets</strong></td>
<td><strong>Enterprise Intelligence for Warehouse Automation</strong></td>
</tr>
<tr>
<td>- Safer workers and work environments</td>
<td>- Improved location and condition visibility</td>
<td>- Higher throughput and operational efficiency</td>
</tr>
<tr>
<td>- Improved safety compliance at lower cost</td>
<td>- Solutions to meet increasing regulatory requirements</td>
<td>- Greater asset reliability and uptime</td>
</tr>
<tr>
<td>- Enhanced worker productivity</td>
<td>- Reduced losses from theft and spoilage</td>
<td>- Enhanced labor productivity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Needs</th>
<th>SPS Value</th>
<th>Example Customers / Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Real-time threat alerts; 20% reduction in incidents</td>
<td>~$6B TAM</td>
<td>BHP, Vestas, amec foster wheeler, KUEHNE+NAGEL, Intel</td>
</tr>
<tr>
<td>- Automated compliance reporting; 25% cost reduction</td>
<td>- Reduce loss due to fraud or theft by 10%</td>
<td>Freshdirect, Mckesson, BIG Lots!</td>
</tr>
<tr>
<td>- Hearing management to reduce noise exposure</td>
<td>- Reduce investigation instances and cost by 25%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Reduce insurance cost and claim payments</td>
<td></td>
</tr>
</tbody>
</table>

- Reduce investigation instances and cost by 25%
- Reduced insurance cost and claim payments
- Increased warehouse productivity by 60%
- Increase throughput by 30%
- Provide data-enabled services to improve reliability

---

1: Honeywell Safety Suite Worker Compliance at the Jansen project

Transforming from Hardware to Integrated IoT-Enabled Solutions
Driving Breakthrough Growth Initiatives

**Breakthrough Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018E</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>8X+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Robust pipeline of new ideas
- Strong kill, keep, pivot operating cadence
- Driving data-enabled connected solutions
- Leveraging core technologies to enter new adjacencies and geographies
- $1B+ potential upside by 2022 from BTIs

**Breakthrough Growth Investments**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>TAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robotics</td>
<td>Automating labor-intensive warehouse operations</td>
<td>$2B+</td>
</tr>
<tr>
<td>Dimensioning</td>
<td>Connected parcel dimensioning solutions</td>
<td>$800M+</td>
</tr>
<tr>
<td>Warehouse Management</td>
<td>FLUX warehouse management software</td>
<td>$2B+</td>
</tr>
<tr>
<td>Intelligrated Expansion</td>
<td>International warehouse automation opportunities</td>
<td>$10B+</td>
</tr>
<tr>
<td>Connected Safety</td>
<td>Active noise-exposure measurement / reduction</td>
<td>$600M+</td>
</tr>
</tbody>
</table>
## Summary

### Delivered on 2017; strong start to 2018

<table>
<thead>
<tr>
<th>Segment Margin Expansion in 1Q18</th>
<th>Organic Sales Growth in 1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>130 bps</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Great positions with strong macro tailwinds

<table>
<thead>
<tr>
<th>E-commerce Industry Growth¹</th>
<th>Industrial IoT Device Growth²</th>
</tr>
</thead>
<tbody>
<tr>
<td>~20%</td>
<td>+23%</td>
</tr>
</tbody>
</table>

### Long-term connected solutions and breakthrough growth

<table>
<thead>
<tr>
<th>Connected / Breakthrough Sales Growth</th>
<th>Potential SPS Sales Growth Upside by 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%+</td>
<td>1% - 2%</td>
</tr>
</tbody>
</table>

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Sources – 1: eMarketer; 2: IHS Markit

---

**Positioned to Deliver in 2018 and Beyond**
Today’s Presenters

Safety and Productivity Solutions

John Waldron
President and CEO

Industrial Safety

Jason Merszei
President

Productivity Solutions

Peter Howes
President

Sensing and IoT

Graham Robinson
President

Intelligrated

Pieter Krynauw
President

Connected Worker and Supply Chain

Taylor Smith
President
Industrial Safety Overview

Portfolio Overview

- Head
- Eye, Hearing
- Fall
- Portable Gas
- Gloves
- Respiratory
- Protective Clothing
- SCBA
- Helmet, Hoods
- SCBA Mask
- Gloves
- Protective Clothing
- Footwear

Business Mix

- Electric Safety
- Respiratory
- Other PPE

- China
- APAC
- EMEA
- Americas

Highlights

- Trusted brands protecting 500M+ workers globally
- #1 and #2 positions in key safety segments
- Investing in technology for performance, comfort, and fit
- Localization to capitalize on 2X growth in emerging regions
Growing Industry Supported by Macro Trends

Honeywell Aligned to Most Attractive Segments

Total Addressable Market

$26B+
3% CAGR

$10B
5% CAGR

Leading HON position in focus segments:
• Gas Detection
• Electrical
• Fall Protection
• Hearing
• Respiratory

Industry Trends

~$60B
U.S. employer annual payout for workers comp¹

~120M
Workers exposed to dangerous noise levels²

~2.4M
Global annual deaths attributed to work related hazards³

+170%
Increase in investments in wearable safety technology⁴

CAGRs reflect 2018E - 2022E; Sources – 1: Liberty Mutual; 2: Global Industry Analyst Inc.; 3: International Labor Organization (ILO); 4: CB Insights, CrunchBase, Honeywell internal analysis

Industry Trends Driving Market Growth

SPS
May 16, 2018
Three Core Growth Strategies

<table>
<thead>
<tr>
<th>Growth Drivers</th>
<th>Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energize the Base</strong></td>
<td><strong>2017</strong></td>
</tr>
<tr>
<td>• Drive innovation, increasing NPI vitality¹ to 25%</td>
<td><strong>2018E</strong></td>
</tr>
<tr>
<td>• Accelerate growth through operational efficiency and commercial excellence</td>
<td><strong>2022E</strong></td>
</tr>
<tr>
<td><strong>Lead High Growth Segments</strong></td>
<td></td>
</tr>
<tr>
<td>• Greater focus on safety outcomes via gas, fall protection, hearing, electrical, and respiratory</td>
<td></td>
</tr>
<tr>
<td>• Doubling sales from connectable devices and solutions</td>
<td></td>
</tr>
<tr>
<td><strong>Accelerate HGR Growth</strong></td>
<td></td>
</tr>
<tr>
<td>• Expand reach to sell broad basket versus specific products</td>
<td></td>
</tr>
<tr>
<td>• Local-for-local portfolio and supply base</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HGR Growth</th>
<th>High Growth Segments</th>
<th>Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%+ CAGR</td>
<td>5%+ CAGR</td>
<td>3% CAGR</td>
</tr>
</tbody>
</table>

1: NPI vitality defined as sales from last 3 years of NPIs as % of total sales
# Lead in High-Growth Segments via Differentiation

<table>
<thead>
<tr>
<th>Portfolio Overview</th>
<th>Current Position</th>
<th>The Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Detection</td>
<td>• #1 overall position with broadest portfolio covering all industries</td>
<td>• All new products connected and enabled to integrate with Honeywell Sentience</td>
</tr>
<tr>
<td>$2.7B ~3.5% CAGR TAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical Safety</td>
<td>• #1 overall provider in utility worker safety</td>
<td>• Growing in international markets by addressing local requirements</td>
</tr>
<tr>
<td>$1.7B ~6% CAGR TAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall Protection</td>
<td>• #2 global position in protecting workers at height</td>
<td>• Investing in high-value solutions with material innovation and connectivity</td>
</tr>
<tr>
<td>$1.4B ~4.8% CAGR TAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hearing Protection</td>
<td>• #2 position in passive hearing protection</td>
<td>• Creating smart, Connected solutions with patented personal noise monitoring</td>
</tr>
<tr>
<td>$0.9B ~10% CAGR TAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respiratory Protection</td>
<td>• Broadest portfolio covering entire spectrum of applications</td>
<td>• New platforms with ongoing revenue stream of consumables</td>
</tr>
<tr>
<td>$3.3B ~4.3% CAGR TAM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Accelerating in High Growth Regions

Investing in Key Regions to Deliver 25%+ of Total Sales by 2022

Focused Approach

Total Addressable HGR Market

$7B+

5% CAGR

$4B

8% CAGR

Target Regions:
- China
- India
- Middle East
- Indonesia
- South East Asia

Positioned to Win

- Doubling investment in channel and key account managers to increasing customer coverage
- Leveraging global platforms and creating new E4E and E2R designs to meet local needs
- Building out regional customer support through addition of 10+ service centers
- Insuring local competitiveness and on-time order fulfillment with in-region manufacturing and warehousing

HGR Manufacturing Footprint

CAGRs reflect 2018E - 2022E
Major Worker Protection Project: Leading Oil and Gas Producer

A fully integrated oil and gas company operating in exploration, production, and processing / refining

**Project Scope**

- Personal protection to cover a broad range of hazardous work situations
- 6 refineries, 9 processing and 2 petrochemical centers

**Challenges**

- Supplying all required types of personal protection equipment, standardizing across all customer sites
- Stringent safety specifications and remote worker safety communication needs

**Honeywell Solution**

- Technical collaboration to ensure all worker protection needs: gas, eye, face, fall and respiratory
- Safety Communicator software to enable real-time remote worker safety communication

**Benefits**

- Single supplier able to provide solutions for 100% of the customer safety needs
- Safety compliance management for 1,000’s of workers, reducing compliance costs up to ~25%
- Safety communicator providing up to 30% faster emergency response time

3,000+ Workers Protected

Partnering with HPS to Deliver Safety Solutions to Oil and Gas Industry
Summary

Energize the core with innovative solutions

Focused on leadership in high-growth segments

Outperform in HGRs through localization and reach

500M+ Workers Protected

25% NPI Vitality by 2022

#1 or #2 Position in Key Safety Segments

Doubling Connectable Device Sales by 2022

~25% of Industrial Safety Sales from HGRs in 2022

10%+ Long-term Growth in HGRs
Productivity Solutions Business Overview

**Portfolio Overview**

- **End-to-End Services**
  - Break/Fix
  - Enterprise Mobility
  - Global Tracking

- **Software Solutions**
  - DSD
  - Retail
  - Directed Work
  - Delivery
  - Freight

- **Scan, Print, and Media**
  - Dimensioning
  - Scanners
  - Wearables
  - Print
  - Media

- **Mobile Computing, Voice, and RFID**
  - Mobility Edge
  - Gateways
  - RFID
  - Vocollect Voice

**Business Mix – Product Category**

- Software and Services (18%)
- Mobile Computing, Voice, and RFID (42%)
- Scan, Print and Media (40%)

**Business Mix – Verticals Served**

- Transportation, Logistics (35%)
- Warehousing, Distribution (23%)
- Healthcare (21%)
- Retail, Hospitality (18%)
- Other (9%)
- Mfg (8%)
- Other (4%)
**Mobility Edge™ Update**

**System On Module (SOM) Android-Based Platform**

- Single certified computing module
- Core platform for all mobility across multiple form factors
- Android OS support through 2025
- Pre-packaged voice for small / medium businesses; zero-training voice solution
- Suite of tools to ease deployment
- Enterprise-level investment protection

**Platform Approach Enables World-Class On-Time Launch**

- Delivered NPIs on-time; 60% cycle time improvement
- Launched Android platform in partnership with Google
- Reached 400k viewers with Honeywell LIVE Launch

**Overachieving Plan with Strong Global Pipeline**

- Mobility Edge sales 150% over plan since launch
- 100% YoY increase in Mobility products order backlog
- >120% increase in Mobility pipeline opportunities YTD

**Robust Roadmap Targeting Growth Segments**

- Multiple new Android-based products launched in Q1
- Focus on: Warehousing, Parcel Delivery, and Retail

---

**Mobility Turnaround in Full Effect**
Industry and Macro Trends

Expanding into Fast Growing SW / Solutions Space

Total Addressable Market

$28B

$14B

Incremental SW and Services TAM

5%-10% CAGR

$14B

Core TAM

~4.5% CAGR

Device-Centric Market View

Total Addressable Solution Stack

Industry Highlights

• Mobility growth through 2022 driven by EOL of legacy Windows; 5M mobile computers to be upgraded over next three years

• Sustained growth in scan/print/voice from warehouse investment

• Retail digital transformation fueling 2D scanning demand in-store

• Connected edge devices enabling software and services growth

Macro Trends

5M incremental rugged mobile computers upgraded over next 3 years due to Windows EOL

~1.75x growth in installed base of voice picking stations globally through 2022

50% of customers will deploy IoT solutions for their supply chains by 2020

+20% global retail spend on digital transformation through 2021

Positioned for Long-Term Growth

### Long-Term Growth Drivers

<table>
<thead>
<tr>
<th>Core Growth and Commercial Execution</th>
<th>Mobility Edge™ and New Technologies</th>
<th>Software and Solutions Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Voice growth from new regions and applications</td>
<td>• Enables industry-leading time to market</td>
<td>• Device-related and cloud-based application software</td>
</tr>
<tr>
<td>• Platforming for scanning and printing leadership / scale</td>
<td>• Extended Android OS support through 2025, reduces total cost of ownership</td>
<td>• Delivering via flexible “as-a-service” business models</td>
</tr>
<tr>
<td>• Global sales reach with deep domain experience</td>
<td>• Integrated voice and machine learning to expand to small / medium businesses</td>
<td>• Targeting key verticals with end-to-end solution packs</td>
</tr>
</tbody>
</table>

### Sales Growth

- **2017**
- **2018E**
- **2022E**

- **Core**
- **Mobility Edge™**
- **SW and Solutions**

**MSD%+**
Core Growth and Commercial Execution

Growth in Core Scanning and Printing

- 15M+ scanners installed globally; HON scanning growing at high-single-digits
- Mobile printing business targeting 8% - 9% market CAGR
- Expanding into dimensioning, wearables

Growth in Core Voice Solutions

- 500K+ Voccoliect Voice DC users
- Expanding to Mexico, China, and APAC
- New workflows in replenishment, reverse logistics, and labor management

Commercial Execution

- 20% increase in customer facing sales professionals
- 10+ new product launches to drive HGR
- Adding software / solutions capability

Building on the Strength in Our Core to Expand and Grow
Mobility Software and Solutions Focus

End-to-End Solutions Approach

- Mobile App Software
- Device-Related Software
- Lifecycle Services
- Consulting Services
- Connected Hardware

Targeted Vertical Applications

- Retail in-store click-and-collect
- Parcel and direct store delivery
- Warehousing pick / pack / ship

Example Retail Solution Offering

- Mobile App Software: Connected Retail software to reduce visible out-of-stocks
- Device-Related Software: Return merchandise authorization and spare pools management
- Lifecycle Services: Kitting, staging, gold image, help desk, and peak period scaling
- Consulting Services: Mobility strategy, workflow analysis, and user experience
- Connected Hardware: Mobility Edge™ devices and mobile printers

Example Retail Solution Offering

$3B+
Retail Solution TAM

Expanding to End-to-End Solutions for Key Applications
Translating Into Customer Value

DPD (International Parcel Delivery)

- Offering
  - Parcel delivery solution including:
    - Mobile application and portal software
    - 13,000 CT60 on Mobility Edge™ Computers
    - Comprehensive service contract

- Benefits
  - CT60 supports future versions of Android through version Q
  - Application development test time reduced by Honeywell Android support services
  - Ability to deploy application across multiple use cases with no changes to core application

TS&S (Aerospace MRO)

- Offering
  - Directed aircraft maintenance, repair and overhaul solution:
    - Voice guidance and speech recognition
    - CT-50 Rugged Android computers
    - Mobile application and management system

- Benefits
  - Delivering dramatic gains in efficiency, accuracy, compliance:
    - Reducing overall maintenance and inspection time from 2 days to less than 2 hours
    - Eliminating errors using direct speech input
    - Global roll-out in progress

Delivering Valuable Productivity Solutions to Customers
Summary

Platforming and NPI engine driving core growth

Mobility Edge™ delivering double-digit growth

Software and solutions strategy to expand addressable market

|$500M|
---|---|
>$500M | 2018 Sales Expected from NPI and Platform Approach
| 25+ | New Products in 2018
| 60% | Reduction in Mobility Development Cycle Time
| 150% | Launch-to-date Sales vs. Plan
| 2X | Market Growth
| +$14B | Incremental SW / Services TAM
### SloT Business Overview

#### Portfolio Overview

<table>
<thead>
<tr>
<th>Electronic Sensing</th>
<th>1st level sensing integrated circuits (ICs) for medical, consumer, and environmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Products</td>
<td>Customized for industrial, aerospace, and transportation</td>
</tr>
<tr>
<td>Gas Sensors</td>
<td>Gas sensors for industrial safety, medical, and emissions</td>
</tr>
<tr>
<td>Optical Engines</td>
<td>Engines and software for retail, healthcare, and access control</td>
</tr>
<tr>
<td>Test and Measurement</td>
<td>Customized sensors for aerospace, defense, and oil and gas</td>
</tr>
</tbody>
</table>

#### Business Mix

- **Industrial**: 36%
- **Medical**: 13%
- **Transportation**: 17%
- **Aerospace**: 20%
- **Others**: 14%

#### Highlights

- 80+ year legacy with over 4B sensor ICs shipped
- Supporting 75,000+ customers in critical applications
- 1,000+ patents, 400+ engineers
- 300+ sales people, 500+ distributor branches
Growing Industry Supported by Favorable Macro Trends

**Large Addressable Market**

**Total Addressable Market**

$100B+

**HON Focus Market:**

+$17B

~5% CAGR

(2018E - 2022E)

**Macro Trends**

**Rapidly Increasing Number of Devices**

40K+

Global aircraft deliveries in next 20 years\(^1\)

+18%

Consumer medical devices CAGR 2018E - 2022E\(^2\)

+23%

Industrial connected devices CAGR till 2020\(^3\)

**Rapidly Increasing Sensors per Device**

~1.5X

Sensor content per aircraft from 2010 - 2020E\(^4\)

~6X

Sensor content in medical devices from 2017 - 2022E\(^5\)

+30%

Smart sensors for industrial automation CAGR till 2020\(^6\)

**Industry Highlights**

- Diverse fragmented market
- Innovation driven by IoT-enabling sensors requiring:
  - Miniaturization
  - Low power consumption
  - Intelligence

Sources - 1: Boeing; 2,3: IHS Markit; 4,5,6: Honeywell internal analysis
Adding Value to Customers with Strong Domain Knowledge

### Applications Served by SPS on Aircraft

<table>
<thead>
<tr>
<th>Component</th>
<th>Sensors and Switches per Aircraft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flight Controls</td>
<td>• Proximity sensor</td>
</tr>
<tr>
<td></td>
<td>• Rotary sensor</td>
</tr>
<tr>
<td></td>
<td>• Sealed switch</td>
</tr>
<tr>
<td>Environmental Controls</td>
<td>• Pressure sensor</td>
</tr>
<tr>
<td>Doors and Slides</td>
<td>• Position sensor</td>
</tr>
<tr>
<td></td>
<td>• Proximity sensor</td>
</tr>
<tr>
<td></td>
<td>• Sealed switch</td>
</tr>
<tr>
<td>Cargo System</td>
<td>• Position sensor</td>
</tr>
<tr>
<td>Engine / APU System</td>
<td>• Linear sensor</td>
</tr>
<tr>
<td></td>
<td>• Thermostat</td>
</tr>
<tr>
<td>Aerostructures</td>
<td>• Position sensor</td>
</tr>
<tr>
<td>Landing Gear</td>
<td>• Sealed switch</td>
</tr>
<tr>
<td></td>
<td>• Proximity sensor</td>
</tr>
<tr>
<td>Flight Deck</td>
<td>• Position sensor</td>
</tr>
<tr>
<td></td>
<td>• Rotary sensor</td>
</tr>
</tbody>
</table>

400+

### Applications Served by SPS on Off-Highway Vehicle

<table>
<thead>
<tr>
<th>Component</th>
<th>Sensors and Switches per Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator Controls</td>
<td>• TARS IMU</td>
</tr>
<tr>
<td></td>
<td>• Position sensor</td>
</tr>
<tr>
<td>Cabin</td>
<td>• Limit switch</td>
</tr>
<tr>
<td></td>
<td>• Particle sensor</td>
</tr>
<tr>
<td></td>
<td>• Position sensor</td>
</tr>
<tr>
<td></td>
<td>• Pressure sensor</td>
</tr>
<tr>
<td></td>
<td>• Proximity sensor</td>
</tr>
<tr>
<td>Vehicle Position</td>
<td>• Sealed switch</td>
</tr>
<tr>
<td></td>
<td>• Position sensor</td>
</tr>
<tr>
<td></td>
<td>• TARS IMU</td>
</tr>
<tr>
<td>Fuel System and Engine</td>
<td>• Pressure sensor</td>
</tr>
<tr>
<td>Wheels, Suspension and Brakes</td>
<td>• Position sensor assemblies</td>
</tr>
<tr>
<td></td>
<td>• Pressure sensor</td>
</tr>
<tr>
<td></td>
<td>• Pressure switch</td>
</tr>
</tbody>
</table>

100+

Serving Mission-Critical Applications with Rugged, Differentiated Sensors
Focus Areas for Long-Term Growth

Creating Value in Focus Verticals to Accelerate Growth

Aerospace
- Reduces maintenance time
- Reduces downtime
- Ideal for flight controls

Transportation
- Increases operator efficiency
- Enables autonomy
- Ideal for construction vehicles

Medical
- Reduces system size
- Enables IoT solution
- Ideal for consumer medical

Industrial
- Reduces maintenance costs
- Increases worker safety
- Ideal for hazardous locations

Creating Value for Customers: Redefining CPAP\(^1\) Therapy

Leading connected health company managing sleep apnea and other respiratory conditions

Project
Breath monitoring system for world’s smallest CPAP machine

Customer Need
- Miniatrized sensing solution to enable portability
- Stability and accuracy for high-quality therapy

Offering
Smart sensing solution to:
- Detect exhalation to retain moisture, eliminating humidifier
- Optimize airflow pressure for effective therapy
- Enable remote diagnostics

Benefits
1. 50%+ reduction in system size
2. 25% decrease in power consumption
3. Sensor diagnostics for troubleshooting

1: CPAP: Continuous Positive Air Pressure; Sources – 2: Honeywell Estimate; 3: MarketsandMarkets
Creating Value for Customers: Driving Drilling Efficiencies

### Project
Measuring depth and material composition while drilling to guide speed and angle

### Customer Need
- Enhanced knowledge of downhole drilling location
- Optimized rig site efficiencies

### Offering
- Solution to consistently measure system pressure
- Low signal noise for improved accuracy
- Robust all-welded assembly for harsh conditions

### Benefits
1. 0.1% full scale accuracy
2. Patented anti-clog design
3. Common platform design for all pressure ranges

---

Wing Union
Pressure Sensors

One of the world's leading providers of products and services for oil and gas

---

Accurate Pressure Sensing to Optimize Rig Site Efficiencies
# Summary

**Large market supported by favorable macro trends**

- Total Addressable Market: $17B
- 2018E - 2022E Market CAGR: ~5%

**Superb technology and comprehensive commercial presence**

- Patents: 1,000+
- Direct Honeywell Salespeople: 300+

**Well-positioned to deliver long-term growth**

- Highly Engineered Sensors Shipped per Year: 300M+
- 3-Year Sales CAGR Target: MSD%+

 Positioned to Deliver in 2018 and Beyond
Intelligrated Business Overview

Business Model Overview

Vertical Markets
- Distribution / Fulfillment
- Manufacturing
- Retail
- Pharma

Business Mix
- Large Projects: 53%
- International: 17%
- Regional: 18%
- Service: 5%
- Software: 7%

Portfolio Offering
- High Speed Sortation
- Robotics
- Palletizing
- Software and Service

Consult & Concept → Design & Engineer → Procure & Manufacture → Install → Service

Highlights
- Strong double-digit orders and revenue growth\(^1\)
- Large software-enabled wins
- Adding new accounts, generating record backlog
- Successful integration into Honeywell

1: Reflects FY 2017 vs. FY 2016 sales; Honeywell acquired Intelligrated in August 2016
The Distribution Center Is the Heart of E-Commerce

Honeywell Intelligrated Solutions in the Distribution Center

- Lifecycle Management
- Cycle Counting and Inventory
- Receiving/Cross-Dock
- Shipping and Loading
- Picking Technologies
- Put-Away Replenishment
- Conveyor and Sortation Systems
- Pack-Out Technologies
Industry Dynamics

E-commerce Fulfillment Trends

- ~16% - 21% global CAGR e-commerce growth
- Consumers demanding faster / free delivery
- Growing importance of omni-channel
- Industry growth outpacing labor growth 6:1

Role of Distribution Centers

- 1B+ sq ft of DC space added in next 3 years
- DC is the heart of e-commerce
- Goods are consolidated, stored, retrieved, sorted, shipped to retail stores / consumer
- Automation addresses speed, complexity and accuracy of order fulfillment

Intelligrated Automation in the DC

- Leading single-source provider of intelligent automated solutions and software
- Design, manufacture, integrate and install complete end-to-end solutions
- World class execution, 24/7 services

Intelligrated Highlights

- 25B+ packages sorted on Intelligrated sliding shoe sorters
- 1B+ pallet loads built with Intelligrated palletizers
- 60% top 100 global retailers are customers

Sources – 1 : eMarketer; 2: Datex; 3: Dodge, CBRE, JLL
Positioned for Long-Term Growth and Margin Expansion

<table>
<thead>
<tr>
<th>Long-Term Growth Drivers</th>
<th>Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Flawless Execution</strong></td>
<td><em>Double Digit+ Growth</em></td>
</tr>
<tr>
<td>• Project and operations excellence is key driver for new business</td>
<td></td>
</tr>
<tr>
<td>• HOS and HUE adds differentiation to strong execution capability</td>
<td></td>
</tr>
<tr>
<td>• Leading integration / solution capability and delivery track record</td>
<td></td>
</tr>
<tr>
<td><strong>Software / Connected Solutions</strong></td>
<td></td>
</tr>
<tr>
<td>• More complex / integrated systems necessitate software solutions</td>
<td></td>
</tr>
<tr>
<td>• Connected solutions driving reliability, utilization and productivity</td>
<td></td>
</tr>
<tr>
<td><strong>Expanded Lifecycle Services</strong></td>
<td></td>
</tr>
<tr>
<td>• Large underserved installed base</td>
<td></td>
</tr>
<tr>
<td>• Large and complex systems provide bigger service opportunity</td>
<td></td>
</tr>
</tbody>
</table>

Sales Growth:
- 2017
- 2018E
- 2022E

Margin %
- Software / Connected
- Lifecycle Services
- Flawless Execution and Growth in Base

Execution Excellence and Software / Services Drive Long-Term Growth
# World-Class Project Execution Engine

<table>
<thead>
<tr>
<th>Key Customer Requirements</th>
<th>Intelligrated Capabilities</th>
<th>Where We Are Headed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>On-time Execution</strong></td>
<td>• 98%+ on-time delivery of major projects</td>
<td>• Drive to HOS World Class in all factories</td>
</tr>
<tr>
<td><strong>Local Support</strong></td>
<td>• 10+ regional offices close to the customer • 100s of dedicated field service technicians</td>
<td>• Expanding capabilities in LATAM, China and Europe</td>
</tr>
<tr>
<td><strong>Integrated End-to-End Solutions</strong></td>
<td>• Design, manufacture, integrate and install complete end-to-end solutions • Momentum warehouse execution system</td>
<td>• Investing in software and execution capability</td>
</tr>
<tr>
<td><strong>Scaling for Industry Growth</strong></td>
<td>• 2X factory capacity year-over-year • Executing $100M+ projects</td>
<td>• Well positioned for continued customer growth</td>
</tr>
</tbody>
</table>

**Flawless Execution Delivering Business Results**
Software – Momentum™ Warehouse Execution System

- **Simplify** complex fulfillment operations
- **Connect** orders, labor, and automation
- **Coordinate** synchronous workflows

**Outcomes Achieved**

- Space Utilization
- Increase Throughput
- Manage SKU Proliferation
- Reduce Congestion
- Meet SLAs
- Labor Reduction

Warehouse Execution. Simplified.
Lifecycle Support Services

Comprehensive Offering

- Comprehensive Lifecycle Service contracts
- IN-24X7® Technical Support
- Dashboard documentation incident tracking
- OnTimeParts™ genuine OEM spare parts
- Field services with TechSight (new AR offer)

Increase Share of Customer Installed Base

- Increase sales and service coverage
- Reduce cost to serve with Connected solutions and digital experience
- Remote monitoring and dispatch
- Opportunity to grow yield by 2X

Grow Service Contracts through Customer Outcomes

Connected solutions drive customer outcomes:

- Reliability through predictive maintenance
- Utilization through system optimization
- Productivity via labor management system

Drive Operations

- 50k+ Assets Managed
- 250+ Techs Regionally Deployed
- 30+ Upgrade Projects per Month
- 98% Parts On-Time Delivery

Excellent Capability to Leverage Across Large Installed Base

$6B+ Installed Base¹

1: Value of HON content in marketplace based on sales price
International Expansion

Global Material Handling Market

- **Total Addressable Market**: $29B+
  - **North America**: 25%
  - **EU**: 30%
  - **China**: 14%
  - **Other**: 31%

- **~7% Market Growth**

Target Geographies for Expansion

- **EU**
  - **$9B+ TAM**
  - Building local execution team
  - Developing European / metric product line
  - Differentiation with Connected DC offering
  - In-country support

- **China**
  - **$4B+ TAM**
  - E4E and E2R product roadmap with local engineering and supply base
  - SPS / HON China team to execute and manage locally
  - Leveraging FLUX for growth

Exciting Opportunities for Growth in New Geographies
# Major Conveyor System Renovation: Leading Discount Retailer

- **Leading discount retailer of apparel and home fashions**

## Project Scope
- Renovate material handling system in 2 facilities
- 1.2M square feet projects each
- Replace and upgrade shipping system

## Challenge
- Expand capacity to support store sales growth
- Needed to complete without impacting existing operations (multi-phase installation)
- Ability to ship up to 200 cases per minute

## Honeywell Solution
- Replace and reconfigure shipping sorter and merge
- 700 ft of shipping sorter
- 10,000 ft of conveyor

## Benefits

| 1. Increased sortation capability to support growth |
| 2. Improved overall system reliability |
| 3. Able to handle a larger variety of product sizes (cartons and totes) |
| 4. Increased number of shipping dock doors |

100% Throughput Increase
Summary

Delivered strong year-over-year growth

Favorable macro trends in retail, e-commerce and parcel

Opportunities in lifecycle services and Connected

Sources – 1: eMarketer; 2: Pitney Bowes; 3: Value of HON content in marketplace based on sales price
Building a Common IoT Infrastructure Across Honeywell

Connected Enterprises | Critically Connected Solutions

- **CONNECTED AIRCRAFT**
  130K TOTAL AIRCRAFT

- **CONNECTED BUILDING**
  10M GLOBAL INSTALLED BASE

- **CONNECTED PLANT/CYBER SECURITY**
  10K+ GLOBAL INSTALLED BASE

- **CONNECTED WORKER**
  550M GLOBAL PPE USERS

- **CONNECTED SUPPLY CHAIN**
  500M+ DELIVERIES ENABLED

- **CONNECTED DISTRIBUTION CENTER**
  $6B AUTOMATION INSTALLED BASE

---

1: Value of HON content in marketplace based on sales price
Connected Enterprises | Safety and Productivity Solutions

Addressing Industry Needs ...

Worker
- Safer workers and workspaces
- Worker productivity
- Watch for alarms from Gas Monitor
- Primary alarm from BioHarness
- Monitor vital signs through BioHarness
- Hands-free Voice Solution
- Match PPE & Training Records
- Noise Exposure Monitor

Supply Chain
- Supply chain visibility
- Regulatory compliance
- T&L → DC → Retail → Customer

Distribution Center
- Throughput and utilization
- Asset reliability and productivity
- Outcome-based Services
- Field-Enablement Services
- Cyber-Secured Data Stream
- Advanced BI & ML To Drive Decisions and Actions

Honeywell Sentience

by Connecting ...

P E O P L E

ASSETS

People

Assets

to Deliver ...

- 20% Reduction in Safety Incidents
- 25% Worker Productivity

- 25% Faster Claims Processing
- 10% Reduction in Cargo Loss/Damage

- 30% Increase in Package Volume
- 60% Increase in Labor Productivity

Digitizing Our Core Industries Through Software and Sensors

SPS
May 16, 2018
Connected Worker | Overview

Connected Worker Strategy and Solutions
Enhancing the safety and productivity of industrial workers with connected sensors, devices, and management software

Connected Worker solutions
- SafetySuite platform
- Voice inspection
- Field service

Leveraging Honeywell Strengths and Assets
- Honeywell safety products protect +500M workers
- Hundreds of sellers; +10,000 channel partners
- Leading HON position in oil and gas, petrochem, and utilities

Solving Industry Challenges for Our Customers
- Aging workforce, 1 new entrant for every 5 retiring
- Cost of worker turnover 50% - 150% of annual salary
- $60B U.S. employer annual payout for workers comp
- Complexity and cost to manage and maintain equipment

Sources – 1: DailyNews; 2:hiringsmart.com; 3: Liberty Mutual; 4: Honeywell Safety Suite Worker Compliance at the Jansen project
Connected Worker | Solution Highlights

### SafetySuite
- Connected personal safety equipment
- Cloud-based centralized monitoring
- Situational awareness

### Voice Inspection
- Connected mobile terminal and headset
- Intuitive voice-guided workflows
- Robust workforce analytics

### Field Service
- Work order management workflow
- Cloud-based data orchestration
- SAP certified connectivity

---

**Solution Components**
- Connected personal safety equipment
- Cloud-based centralized monitoring
- Situational awareness

**Value Delivered**
- 20% reduction in safety incidents
- 25% improved compliance
- Digitization of manual processes

**Sample Customers**
- washington river protection solutions
- Penske
- Vestas

**Value Delivered**
- Up to 30% reduction for time on task
- Increased quality of inspections
- Enforce 100% process compliance

**Field Service**
- Work order management workflow
- Cloud-based data orchestration
- SAP certified connectivity

**Value Delivered**
- Increase in compliance
- Improvement in labor cost
- Optimize dispatch and scheduling

---

Reducing Safety Incidents and Increasing Productivity up to 20%
Connected Supply Chain | Overview

Connected Supply Chain Strategy and Solutions

- Improving worker productivity and real-time visibility of the flow of goods through **connected applications** and **IoT solutions**

**Connected Logistics Solutions**
- Freight Monitoring
- Track and Trace
- Pickup and Delivery

Leveraging Honeywell Strengths and Assets

- 1M+ mobile computers in use by delivery companies
- 100K routes running Honeywell software
- Strong 3PL, CPG and retail customer relationships

~$4B+ TAM

Solving Industry Challenges for our Customers

- Driver shortages and electronic logging device (ELD) regulations
- 80% of trucking capacity from owner / operator, small / medium business fleets

- ~$900B transportation logistics costs
- Increasing regulations for product traceability
- ~$90B supply chain loss while in transit
- ~$40B to maintain fleet of transportation vehicles

## Connected Supply Chain | Solution Highlights

### Freight Monitoring
- Cellular gateway at shipment level
- Sensors at package level
- Data aggregation and visualization

### Track and Trace
- Product authentication
- Event based traceability
- ERP, WMS, MES system integration
- Route planning and proof of delivery
- Vehicle inspection recording
- ELD compliant hours of service

### Pickup and Delivery
- 20% increased in driver productivity
- 80% reduction on driver on-boarding
- Quicker vehicle maintenance

### Solution Components
- Value Delivered
  - Up to 50% reduction on freight losses
  - Real time location tracking
  - Condition monitoring and alerting

### Sample Customers
- KUEHNE+NAGEL
- Imperial Tobacco
- Holland

---

Providing Real-Time Visibility into Product Location and Condition
## Connected Distribution Center | Overview

### Connected Distribution Center Offerings

Intelligent solutions that increase operational reliability, improve facility utilization and maximize productivity

<table>
<thead>
<tr>
<th>Connected DC solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Momentum™ warehouse execution system</td>
</tr>
<tr>
<td>• Asset performance and reliability</td>
</tr>
<tr>
<td>• Voice and labor management</td>
</tr>
</tbody>
</table>

### Leverage Honeywell Strengths and Assets

- $6B+ installed base of automation equipment
- 60 out of top 100 U.S. e-commerce suppliers
- ~500k voice-guided workers across 2,000+ companies
- Leveraging the HPS tools and Honeywell Sentience

### Solve Industry Challenges for Our Customers

- $5.7B labor spend with industry growth outpacing labor growth 6:1
- 80% of DCs are manually operated
- 90% of consumers consider fast delivery to be within 2-days
- 70% of consumers will repeat purchase based on delivery experience
- Increasing complexity with average DC managing 14,000 SKUs
- $4.5M average company spend per year on maintenance, repair, ops

---

Sources – 1: Datex, Bureau of Labour, DOE, Honeywell internal analysis; 2: Peerless Research Group; 3: Deloitte; 4: Temando; 5: MMH; 6: Honeywell internal analysis; 7: Value of HON content in marketplace based on sales price
Increase Reliability, Improve Utilization, and Maximize Productivity

Connected Distribution Center | Solution Highlights

**Solution Components**
- Connects orders, equipment and labor
- Drives efficient fulfillment process
- Uses machine learning for insights

**Value Delivered**
- ~$6M sales increase from 1% higher throughput
- $0.7M to $1.0M+ savings per site by optimizing asset reliability
- 20% increase in labor productivity and 25% turnover reduction

**Momentum™ WES**
- Cloud-based event detection and visibility
- Asset model insights and data analytics
- Automated maintenance planning

**Asset and Labor Optimization**
- Dynamically calculated labor metrics
- Attrition prediction algorithms
- Voice directed workflows

**Voice and Labor Management**
- Connects orders, equipment and labor
- Drives efficient fulfillment process
- Uses machine learning for insights
### Connected Enterprises | Summary

**Entering new spaces, increasing addressable market**

<table>
<thead>
<tr>
<th>$90B+</th>
<th>$60B+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain-Related Loss¹</td>
<td>Annual Spend in Worker Claims²</td>
</tr>
</tbody>
</table>

**Building on a strong installed base of SPS products**

<table>
<thead>
<tr>
<th>+200M</th>
<th>$6B+</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Risk Industrial Workers with Honeywell PPE</td>
<td>Installed Base of Warehouse Equipment³</td>
</tr>
</tbody>
</table>

**Proven solutions with industry leading players**

<table>
<thead>
<tr>
<th>50%</th>
<th>500K+</th>
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<tbody>
<tr>
<td>Top 10 3PLs with HON Freight Monitoring</td>
<td>Voice-Enabled Warehouse Employees</td>
</tr>
</tbody>
</table>

Sources – 1: National Cargo Security Council, CargoSense; 2: Liberty Mutual; 3: Value of HON content in marketplace based on sales price

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**Positioned to Deliver +20% Sales Growth in 2018 and Beyond**
May 16, 2018

SAFETY AND PRODUCTIVITY SOLUTIONS

John Waldron, President and CEO
Summary

• Strong start to 2018: 6% organic sales growth and 130 bps segment margin expansion in Q1

• Large installed base with plenty of room to grow; strong platform for M&A

• Robust NPI machine delivering $1B+ revenue of new offerings annually

• Intelligrated delivering double-digit sales growth; Software / Connected sales growing 20%+

• Opportunities to simplify footprint and drive additional benefits from HOS Gold
Reconciliation of Organic Sales % Change

Safety and Productivity Solutions

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported sales % change</td>
<td>9%</td>
</tr>
<tr>
<td>Less: Foreign currency translation</td>
<td>3%</td>
</tr>
<tr>
<td>Less: Acquisitions, divestitures and other, net</td>
<td>-</td>
</tr>
<tr>
<td>Organic sales % change</td>
<td>6%</td>
</tr>
</tbody>
</table>

We define organic sales percent as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation and acquisitions, net of divestitures. 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 percent change has not been provided for forward-looking measures of organic sales percent change 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.