Forward Looking Statements

This presentation 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 market, economic, legislative, political, regulatory and industry conditions, expected future developments and other relevant factors. Actual capital deployment will depend on timing and final details of changes to tax code as well as the current market and operating conditions. Forward looking statements 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.
# Key Messages

- Robust Growth Investments Position Aerospace To Outperform
- Aftermarket Momentum Continues
- Evolving Dynamics In Defense
- Path To Long-Term Segment Margin Target
- Connected Aircraft Has Arrived, Honeywell Is The Leader
Aerospace Business Overview

Key Business Metrics | Full Year 2017E

$14.2B - $14.5B Sales
21.7% - 21.9% Segment Margin

Key Business Breakdown

Strengthening Aero Portfolio
- Accelerating Growth From Past Investments
- Reorganized To Focus On Speed And Growth
- New Connectivity And Services Offerings

Product Mix
- 27% Electronic Solutions (Includes Avionics)
- 25% Engines & Power Systems
- 22% Mechanical Systems & Components
- 21% Transportation Systems
- 5% Services & Connectivity

Business Mix
- 22% U.S. Defense/Services
- 21% Transportation Systems
- 8% Int’l Defense
- 17% Comm’l OE
- 32% Comm’l AM

Sales By Region
- 50% U.S.
- 17% China
- 17% Middle East
- 2% Other
- 26% Europe

Represents Full Year 2016 Results

Broad Portfolio Of Attractive Products And Services
# Recent Highlights And Current Events

## Aftermarket Retrofits
Asiana Airlines Selects Honeywell 131-9A APU To Retrofit Existing Airbus A320/A321CEO Fleet; Airbus A321NEO New Fleet Installations

## Decoupled Growth
A350 Singapore Airlines Performance-Based Contract Agreement

## Department Of Defense
Awarded Performance-Based Logistics Program Of The Year - U.S. Air Force (Secondary Power Logistical Solutions)

## Department Of Energy
Awarded $5B Contract For Management And Operation Of The Nevada National Security Site

## High Growth Regions
F124 Advanced Jet Trainer Engine Contract Signed

## Accelerated Certifications
FAA Certification Of The HTF7700 Engine For The Cessna Citation Longitude

## Strategic Program Positions
Honeywell Technologies Positioned With Both Down-Select Competitors Boeing And Northrop Grumman For U.S. Ground Based Strategic Deterrent Program
Growth Drivers Across Aerospace End Markets

### Market Drivers

#### Commercial Aviation
- Growing Global Economy
- New Platform Introductions
- Aircraft Retirements

#### Business Jet
- Growing Economy / Oil & Gas Recovery
- Growing Adoption In Emerging Markets
- New Platforms And Replacement Demand

#### Defense & Space
- Encouraging Defense Budgets
- Space: Capacity Requirements And Technology Evolution

### Honeywell Growth Drivers

- Key OEM Wins Across Commercial Aviation (A350, 777X, Textron, Gulfstream)
- Retrofits, Modifications, And Upgrades (RMUs)
- GoDirect™ Suite Of Services
- JetWave™ And Connected Offerings
- Performance-Based Service Contracts
- Core Defense Business
- Performance-Based Logistics, RMUs
- Improved Turbine Engine Program (ITEP) Helo Engine Pursuit (Apache / Blackhawk Engines)
Strength Of Commercial Aviation Portfolio

~75% OEM Win Rate On New Platforms Since 2013

Recent Platform Wins
- Embraer - E2
- Bombardier - Challenger 350/650
- Pilatus - PC-24
- Dassault - 5X/8X
- Gulfstream - G650ER/G500/G600
- Boeing - 777X
- Cessna - Longitude/Hemisphere

CONVENTIONAL GROWTH
Aftermarket: Tied To Utilization
- Spares
- Repair & Overhaul
- Service Solutions

DECOUPLED GROWTH
Connectivity, Services, And Upgrades
- 5,000+ Aircraft With HON Broadband By ’18
- 10,000 High-Margin Upgrades By ’18
- Services And Airtime Resellers

Growth In-Line With Flight Hours
10%+ Sales CAGR

$55B+ Lifetime Value

16 New Platforms, 35 Competitions, Unannounced Wins

Competitors

HON

AVIONICS

AUXILIARY POWER UNITS

ENGINES

MECHANICAL SYSTEMS

$14B - $17B Lifetime Value

Winning More Of The High-Value Aftermarket

Impactful Products On Growing Platforms; Aftermarket Momentum
### Diverse Defense Profile

**Significant Product Development And Sales Synergies Between Commercial And Defense Channels**

#### Defense Businesses Improving, Backlog Up 7% YoY

<table>
<thead>
<tr>
<th>Platform Type</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fighter/Attack/Trainer Aircraft</td>
<td>30+</td>
</tr>
<tr>
<td>Mobility And Bomber Aircraft</td>
<td>60+</td>
</tr>
<tr>
<td>Special Mission/UAV Aircraft</td>
<td>20+</td>
</tr>
<tr>
<td>Surface And Navy</td>
<td>25+</td>
</tr>
<tr>
<td>Military Helicopters</td>
<td>20+</td>
</tr>
<tr>
<td>Missiles And Munitions</td>
<td>80+</td>
</tr>
</tbody>
</table>

**Current Market Drivers**

- Increased International Defense Budgets From Global Tensions
- Encouraging Signs On U.S. Budget
- Next Generation Vehicle Programs Ramp Up
- Modernization Driving Retrofits
- Strong Demand For Aftermarket Navigation And Sensors

**Defense Opportunities Across Multiple Platforms**
Driving To Long-Term Segment Margin Target Of 25%

**Long-Term Drivers**

- Unprecedented Number Of Big Wins
- Increasing Content Per Aircraft
- Growth In Services And Connectivity
- High Growth Region Mass-Market Low-Cost Carrier Wins

**Segment Margin**

- >50% Reduction In Incentives
- ~3X Increase In Productivity
- Better Execution, Delivery
- Growth In High-Value Offerings
- HOS Gold Across The Businesses

**Segment Margin Targets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>16.4%</td>
</tr>
<tr>
<td>2014</td>
<td>18.7%</td>
</tr>
<tr>
<td>2017E</td>
<td>21.7%</td>
</tr>
<tr>
<td>Long Term</td>
<td>~25%</td>
</tr>
</tbody>
</table>

Poised To Achieve Long-Term Segment Margin Target
Ben Driggs, President, Aftermarket Americas
Conventional Aftermarket: How We Capture More Revenue

**More Aircraft**

+7K

35% INCREASE IN AIRCRAFT INSTALLED BASE*

- Honeywell Turbo Fan Engine Won 4 Of 5 Super Midsize Engine Competitions
- Strong Air Transport Aircraft Delivery Rates

**More Content Per Aircraft**

+$1M

30% INCREASE PER AIRCRAFT*

- Largest Mechanical Position Ever Awarded By Airbus (A350)
- Retrofits, Modifications, Upgrades (RMU) to expand content

**More Overall Aftermarket Growth**

+$50B

TOTAL LIFE-CYCLE REVENUE*

- Increase Penetration Of Maintenance Service Contracts (Dollar/Flight Hour Plans)

*Average Value Increase Over Last 10 Years
Driving Decoupled Aftermarket Growth

- Top 4 Mandates Alone > $1B Opportunity
- Flight Management Systems
- Digital Cockpits For Legacy Aircraft
- Wireless Data Connectivity

- Software Products And SaaS
- Databases - Monthly Subscriptions
- Apps And Software Services
- Software Licenses

- Wide Range Of Services: Connectivity, Operational, Maintenance
- Connected Aircraft And IoT Driven
- Growth Driver Across Every Product

UPGRADES / OPTIONS

- 2022E
- 2018E
- 2017E

$1.5B

~$1.5B

+14%

SOFTWARE

- 2022E
- 2018E
- 2017E

$0.6B

~$0.6B

+23%

SERVICES AND CONNECTIVITY

- 2022E
- 2018E
- 2017E

$1.3B

~$1.3B

+12%

Decoupled Strategy Delivering Double-Digit Aftermarket Growth
The Connected Aircraft

PRE-FLIGHT SERVICES
GoDirect® Flight Services:
- Flight Bag
- Flight Sentinel
- Flight Preview

IN-FLIGHT SERVICES
SATCOM (Cockpit, Cabin)
Cabin Connectivity via JetWave™
GoDirect® Weather
- Connected Weather, Radar, Flight Management System
GoDirect® Flight Efficiency
- Flight Optimization
- Fuel Optimization

POST-FLIGHT SERVICES
Predictive Trend Monitoring
Health and Usage Monitoring
Connected Maintenance
- Auxiliary Power Units
- Wheels and Brakes
- Engines

HONEYWELL SERVICES
Fleet Management
Flight Operations
Passenger Experience
Ground Operations

A connected aircraft anticipates opportunities and offers unique insights by harnessing the power of analytics with the confidence of a secure communication link to and from the aircraft.
## Connectivity Equipment And Opportunities

<table>
<thead>
<tr>
<th>Connect It</th>
<th>Keep It Connected</th>
<th>Create Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JetWave™</strong>&lt;br&gt;Hardware That Enables Aircraft To Connect To Inmarsat's GX Aviation Broadband Network</td>
<td><strong>GoDirect™ Cabin Connectivity</strong>&lt;br&gt;Airtime Services And A Suite Of Tools That Empower Operators To Control Their Network And Costs</td>
<td><strong>GoDirect™ Flight Services</strong>&lt;br&gt;- GoDirect Weather: Real-Time Weather Data / Crowd-Sourced Weather Information&lt;br&gt;- GoDirect Flight Bag Pro: Flight Data That Allows Pilots To Make Strategic Decisions&lt;br&gt;- GoDirect Flight Preview: Preview Of Runways / Surroundings&lt;br&gt;- GoDirect Fuel Efficiency: Tools To Help Airlines Improve Fuel Conservation</td>
</tr>
<tr>
<td><strong>BendixKing AeroWave®</strong>&lt;br&gt;Offers Affordable Worldwide Connectivity To General Aviation Aircraft</td>
<td></td>
<td><strong>GoDirect™ Ground Handling</strong>&lt;br&gt;Provides Ground Handlers Information They Can Access Via A Hand-Held Device To Speed Aircraft Turnaround Times</td>
</tr>
<tr>
<td><strong>Aspire® Satellite Communication Series</strong>&lt;br&gt;Enables Simultaneous Voice And Data Connectivity On All Aircraft, Including Helicopters</td>
<td><strong>Cockpit Communications Systems</strong>&lt;br&gt;Voice And Data Connectivity In The Cockpit</td>
<td><strong>GoDirect™ Connected Maintenance</strong>&lt;br&gt;Monitors Aircraft Technology In Real-Time And Post-Flight To Ensure Potential Issues Are Repaired, Before A Plane Is Grounded</td>
</tr>
<tr>
<td><strong>IntuVue®</strong>&lt;br&gt;Advanced 3D Weather Radar System Providing The Most Complete View Of Airborne Weather Hazards</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**End-To-End Offerings For Customers Across All Key Verticals**

*5,000 BROADBAND INSTALLATIONS BY 2018*
Honeywell And The Connected Aircraft

TO CONNECT IT, YOU NEED TO KNOW IT
130+ YEARS OF PROVEN AVIATION EXPERTISE, INNOVATION, MAINTENANCE
84 PRODUCT LINES

Install Base

- 25K Engines
- 20K Flight Management Systems
- 30K APU's

World Class Partners

- First Global High-Speed Broadband Network
- Pole-To-Pole Reliable Coverage

SECURE SENTIENCE™ DATA PLATFORM. ANALYTICS READY.
WE PROVIDE WIFI. >10,000 SATCOM TERMINALS.
CONTENT ON EVERY GLOBAL AIRCRAFT.
## Summary

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- Path To Long-Term Segment Margin Target
- Connected Aircraft Has Arrived, Honeywell Is The Leader
PRESENTER BIOGRAPHIES
Tim Mahoney, President and CEO, Aerospace

Tim Mahoney is the President and CEO of Honeywell Aerospace. Aerospace, Honeywell’s largest business group, headquartered in Phoenix, Arizona, is an innovative product and services leader serving the air transport, airline, business jet, defense, general aviation, helicopter, space and automotive markets. Aerospace is managed through five businesses: Electronic Solutions, Engines and Power Systems, Mechanical Systems and Components, Services and Connectivity, and Transportation Systems.

Prior to becoming CEO of Honeywell Aerospace, Mahoney served four years on the company’s leadership team - as President of the Business & General Aviation business, President of the Air Transport & Regional business, and as Chief Technology Officer. As Chief Technology Officer, Mahoney had global responsibilities for engineering, research and new product development, where he improved operational efficiency and engineering alignment for delivering new products to the market.

In his role leading the Air Transport & Regional business unit that serves the OEM, airline, and aftermarket segments of commercial aviation, Mahoney strengthened customer relationships and development program execution on major systems for new aircraft platforms.

A 35-year veteran of the aerospace industry, Mahoney worked for Sikorsky Aircraft before joining Honeywell, where he held a series of increasingly significant leadership roles.

Mahoney earned a Bachelor of Science degree in mechanical engineering from the University of South Florida. Later in his aerospace career, he graduated from the Defense Systems Management College and Harvard Business School’s highly regarded Program for Management Development.
Ben Driggs, President, Aerospace Americas Aftermarket

Ben Driggs is the President of the Americas Region for Honeywell Aerospace. In this position, Ben manages all the aftermarket business with defense, airlines, and business jet customers in the Americas and the defense Asia Pacific. He is based in Phoenix, Arizona at Honeywell Aerospace’s Global Headquarters.

In Aerospace, Honeywell provides electronic and mechanical systems and related services for a wide range of products including turbine engines, avionics, cabin pressure systems, wheels and brakes, lighting systems, and satellite communications. Honeywell Aerospace products are found on almost all types of commercial and military aircraft.

Prior to this role, Ben served in a variety of positions including President Honeywell Latin America, Vice President Aerospace Asia Pacific, and Vice President of Propulsion Engines.

Before joining Honeywell, Benjamin was an Associate Principal with the consulting firm McKinsey and Company in Los Angeles, California working in the industrial practice.

Ben holds a Masters degree from Oxford University in England where he was a Swanson Scholar and a BA from the University of Arizona where he was also Student Body President.