



November 9, 2017

BAIRD GLOBAL INDUSTRIAL CONFERENCE

Rajeev Gautam, Performance Materials And Technologies President & CEO

Honeywell

THE POWER OF **CONNECTED**

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. 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, as well as the ability to effect the separations. 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.

Non-GAAP Financial Measures

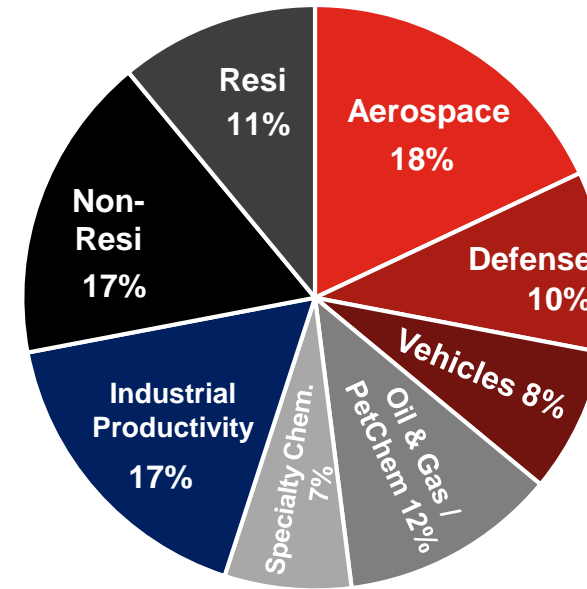
This presentation contains financial measures presented on a non-GAAP basis. Honeywell’s non-GAAP financial measures used in this presentation are as follows: segment profit, on an overall Honeywell basis, a measure by which we assess operating performance, which we define as operating income adjusted for certain items as presented in the Appendix; segment margin, on an overall Honeywell basis, which we define as segment profit divided by sales; 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; free cash flow, which we define as cash flow from operations less capital expenditures; and earnings per share, which we adjust to exclude pension mark-to-market expenses and to normalize quarterly earnings per share measures for the expected effective tax rate as previously guided for the most recently completed fiscal quarter, as well as for other components, such as divestitures and debt refinancings, as noted in the reconciliations presented in the Appendix. Other than references to reported earnings per share, all references to earnings per share in this presentation are so adjusted. The respective tax rates applied when adjusting earnings per share for these items are identified in reconciliations presented in the Appendix. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These metrics 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.

Premier Software Industrial Company

Who Is Honeywell?

- ✓ Transforming Into The Leading Software-Industrial Enterprise Worldwide
- ✓ Evolving Enterprise Through Growth And Acquisitions
- ✓ Leading Technology Supplier To Aerospace, Buildings, Oil And Gas, And Industrial End Markets
- ✓ Recently Announced Plans To Spin Homes And The ADI Global Distribution Business, And Transportation Systems Into Two Independent, Publicly-Traded Companies

Diversified Across End-Markets



3Q17 Earnings Release Highlights

16%

EPS Growth

5%

Organic Sales Growth

120 bps

Margin Expansion

\$1.2B

Free Cash Flow

EPS V% Excludes 2016 Divestitures And Additional 3Q17 Restructuring, Normalized For Tax At 26%; End Markets Chart Representative Of 2017E Pre-Spins

PMT | Business Overview

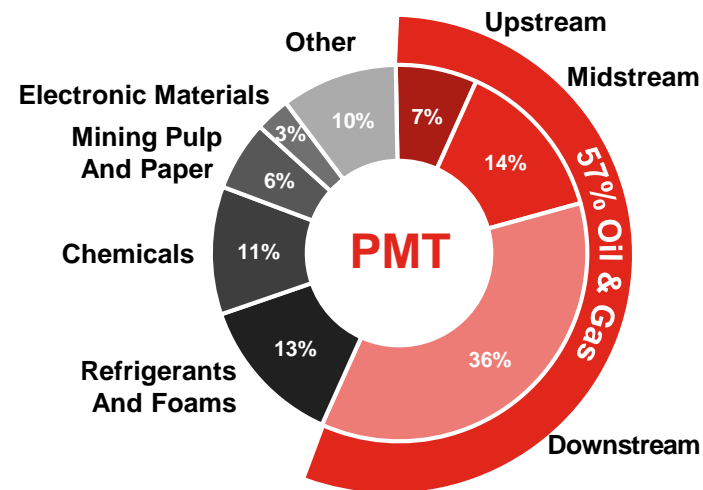
Key Business Metrics | Full Year 2017E



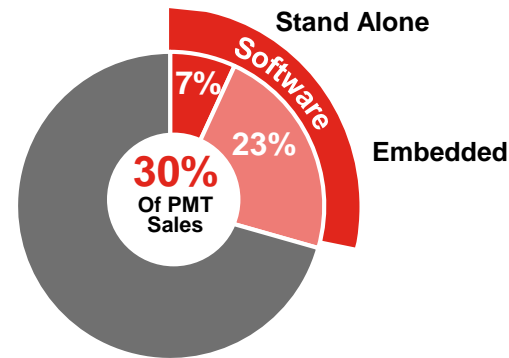
Strengthening PMT Portfolio

- ✓ Unique Technologies For Oil And Gas Processing
- ✓ Increasing Aftermarket Portfolio, Catalysts, Automation Upgrades, Migrations And Services
- ✓ Meeting Demand For Clean Fuels, Low-GWP Molecules, Water Quality

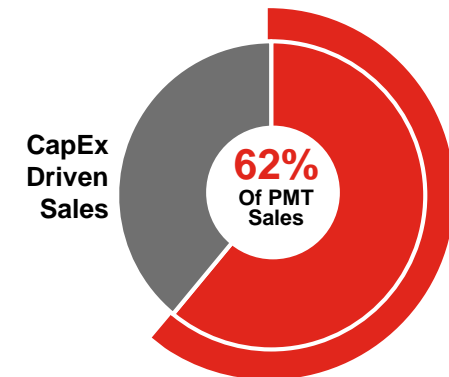
Business Breakdown



Increasingly Favorable Software Mix



Capturing More OpEx Spend



Reducing Business Cyclicity

Figures And Charts Representative Of 2017E; Figures And Charts Do Not Include Smart Energy (Now Part Of PMT)

PMT Solutions Continue To Be Adopted World-Wide

AutomationWorld

Honeywell Introduces New Way For Industrial Customers To Modernize Their Control Rooms

HPS Announces The Introduction Of Its Experion® Local Control Network Solution. This New Offering Enables The Incremental Upgrade Of The Company's Legacy Totalplant™ Solution Control System To Allow For A Secure, Seamless Integration With Experion® PKS.

COOLING POST

Tesco's Thai Stores To Ditch R404A

Leading Thai Retailer Tesco Lotus Will Convert All Of Its 1,500 Tesco Lotus Stores In Thailand Over The Next Two Years To Solstice® N40. The Move Is Predicted To Achieve Energy Savings Of Up To 10%. Thailand Is The First Country In This Region To Implement Solstice N40 As A Sustainable Solution.

HYDROCARBON IP PROCESSING

Guangxi Petrochemical Revamps Hydrogen Unit With Honeywell UOP Technology

Honeywell Announces That CNPC Guangxi Petrochemical Company Has Successfully Converted Its Existing Pressure Swing Adsorption (PSA) Unit To Honeywell UOP Polybed PSA Technology, Enabling It To Produce High-Purity Hydrogen.

International Business Times

Cloud Computing 'A Given' For Modern Plants

Cloud Computing And Storage Solutions Are Integral As The Manufacturing World Gears Up For 'Industry 4.0'. HPS' Commercial Answer Is What It Describes As The 'Connected Plant', The Company's Program That Helps Manufacturers Operate Their Plants "More Safely, Efficiently And Reliably" By Leveraging The Power Of The Ilot.

Industrial Safety and Security Source

HPS' PLC Earns Isasecure Certification

HPS' Controledge Programmable Logic Controller Earns Isasecure Embedded Device Security Assurance Level 2 Certification By Exida, The ISO 17065 Accredited Certification Body Who Conducted The Assessment. The Certification Recognizes The Integrity Of The PLC And Its Development Lifecycle.

OIL & GAS JOURNAL

Chengzhi Yongqing Lets Contract For Second MTO Unit

Nanjing Chengzhi Yongqing Energy Technology Co. Ltd. Has Let A Contract To Honeywell UOP To Deliver Technology Licensing For A Grassroots Methanol-To-Olefins Unit At Its Existing Coal-To-Chemical Complex In The Changlu Area Of Nanjing Chemical Industrial Park, Nanjing, Jiangsu Province, China.

Honeywell

THE POWER OF **CONNECTED**

Appendix

Rajeev Gautam

President and Chief Executive Officer Performance Materials and Technologies

Dr. Rajeev Gautam is President and CEO of Honeywell Performance Materials and Technologies (PMT), a global leader in developing advanced materials, process technologies and automation solutions with sales of \$9.3 billion in 2016.

PMT develops high-performance products and solutions including low global warming refrigerants, specialty films for healthcare and life science applications, and leading technologies for the global refining and petrochemicals industry.

Prior to this role, Rajeev served as President of Honeywell UOP, one of the leading suppliers of process technologies that have formed the foundation for most of the world's refiners, efficiently producing gasoline, diesel, jet fuel, petrochemicals and renewable fuels. He also served as Vice President and Chief Technology Officer of PMT. During the last 30 years he has held key positions within UOP, spanning research and development, engineering, and marketing, including vice president and chief technology officer of UOP.

Rajeev began his career with Union Carbide in 1978, which became part of a joint venture with UOP in 1988. Throughout his career Rajeev has championed innovative solutions for industry needs and has been responsible for the development and commercialization of a broad range of catalytic and separations applications for the refining, petrochemical and gas processing industries.

Rajeev earned a bachelor's degree in chemical engineering from the Indian Institute of Technology and a master's degree in chemical engineering from Drexel University. Additionally, he holds a doctorate in chemical engineering from the University of Pennsylvania and an MBA from the University of Chicago.



Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins (Unaudited)

(\$M)	3Q16	3Q17
Aerospace	\$663	\$780
Home and Building Technologies	441	458
Performance Materials and Technologies	503	526
Safety and Productivity Solutions	172	213
Corporate	(59)	(82)
Segment Profit	\$1,720	\$1,895
Stock Compensation Expense ⁽¹⁾	(49)	(39)
Repositioning and Other ^(2,3)	(290)	(244)
Pension Ongoing Income ⁽¹⁾	146	183
Pension Mark-to-Market Expense ⁽¹⁾	-	-
Other Postretirement Income ⁽¹⁾	7	6
Operating Income	\$1,534	\$1,801
Segment Profit	\$1,720	\$1,895
÷ Sales	\$9,804	\$10,121
Segment Profit Margin %	17.5%	18.7%
Operating Income	\$1,534	\$1,801
÷ Sales	\$9,804	\$10,121
Operating Income Margin %	15.6%	17.8%

(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.

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

We define segment profit as operating income, excluding stock compensation expense, pension ongoing income or expense, pension mark-to-market expense, other postretirement income or expense, and repositioning and other charges. We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

A quantitative reconciliation of segment profit, on an overall Honeywell basis, to operating income has not been provided for forward-looking measures of segment profit and segment margin included herewithin. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment profit, particularly pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. The information that is unavailable to provide a quantitative reconciliation could have a significant impact on our reported financial results.

Reconciliation of Organic Sales % Change (Unaudited)

Honeywell

Reported Sales % Change

Less: Foreign Currency Translation

Less: Acquisitions and Divestitures, Net

Organic Sales % Change

3Q17

3%

1%

(3%)

5%

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.

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow (Unaudited)

	3Q17
<i>(\$M)</i>	
Cash Provided by Operating Activities	<u>\$1,407</u>
Expenditures for Property, Plant and Equipment	<u>(212)</u>
Free Cash Flow	<u><u>\$1,195</u></u>

Calculation of Earnings Per Share at 26% Tax Rate Excluding 3Q17 Additional Restructuring and 2016 Divestitures (Unaudited)

	Three Months Ended	
	3Q16	3Q17
<i>(\$M except per share amounts)</i>		
Income Before Taxes	\$1,632	\$1,783
Taxes at 26%	424	464
Net Income at 26% Tax Rate	\$1,208	\$1,319
Less: Net Income Attributable to the Noncontrolling Interest	8	17
Net Income Attributable to Honeywell at 26% Tax Rate	<u>\$1,200</u>	<u>\$1,302</u>
Weighted Average Number of Shares Outstanding - Assuming Dilution	<u>774.4</u>	<u>771.4</u>
Earnings Per Share at 26% Tax Rate	\$1.55	\$1.69
Less: Earnings Per Share Attributable to 2016 Divestitures ⁽¹⁾	0.04	-
Less: Earnings Per Share Attributable to Additional Restructuring ⁽²⁾	-	(0.06)
Earnings Per Share of Common Stock - Assuming Dilution, at 26% Tax Rate, Excluding Additional Restructuring and 2016 Divestitures	<u>\$1.51</u>	<u>\$1.75</u>
Earnings Per Share of Common Stock - Assuming Dilution	\$1.60	\$1.75
Less: Earnings Per Share Impact of Normalizing to 26% Tax Rate	0.05	0.06
Less: Earnings Per Share Attributable to 2016 Divestitures ⁽¹⁾	0.04	-
Less: Earnings Per Share Attributable to Additional Restructuring ⁽²⁾	-	(0.06)
Earnings Per Share of Common Stock - Assuming Dilution, at 26% Tax Rate, Excluding Additional Restructuring and 2016 Divestitures	<u>\$1.51</u>	<u>\$1.75</u>

(1) Earnings per share attributable to 2016 divestitures utilizes weighted average shares of 774.4 million and a blended tax rate of 32.9% for the three months ended September 30, 2016.

(2) The Company has and continues to have an ongoing level of restructuring activities, for which there is a planned amount of restructuring-related charges. For the three months ended September 30, 2017, the Company funded approximately \$60 million of additional restructuring enabled by a lower than expected effective tax rate for the period. We believe that the exclusion of this additional restructuring provides a more comparable measure of year-on-year results. Earnings per share attributable to additional restructuring uses a tax rate of 26% for three months ended September 30, 2017.

We believe earnings per share adjusted to normalize for the expected effective tax rate of 26% for the most recently completed fiscal quarter (as presented in prior guidance for such quarter) and to exclude the 2016 divestitures is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.