

February 20, 2019

BARCLAYS INDUSTRIAL SELECT CONFERENCE

John Rudolph, President of Honeywell Process Solutions

John Gugel, President of Honeywell UOP

Honeywell

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 presentation are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, and technological factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements. Any forward-looking plans described herein are not final and may be modified or abandoned at any time. 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, acquisitions and divestitures for the first 12 months following transaction date, and impacts from adoption of the new accounting guidance on revenue from contracts with customers that arise solely due to non-comparable accounting treatment of contracts existing in the prior period; adjusted free cash flow, which we define as cash flow from operations less capital expenditures and which we adjust to exclude the impact of separation costs related to the spin-offs of Resideo and Garrett, if and as noted in the presentation; adjusted free cash flow conversion, which we define as adjusted free cash flow divided by net income attributable to Honeywell, excluding pension mark-to-market expenses, separation costs related to the spin-offs, and adjustments to the 4Q17 U.S. tax legislation charge, if and as noted in the presentation; and adjusted earnings per share, which we adjust to exclude pension mark-to-market expenses, as well as for other components, such as separation costs related to the spin-offs, the 4Q17 U.S. tax legislation charge, and adjustments to such charge, if and as noted in the presentation. The respective tax rates applied when adjusting earnings per share for these items are identified in the presentation or in the 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.

New Honeywell at a Glance



Aerospace



Honeywell Building Technologies

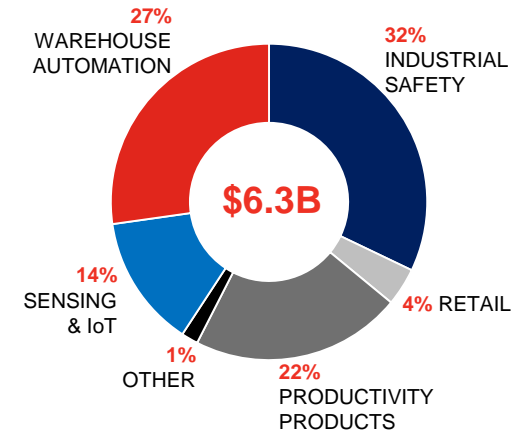
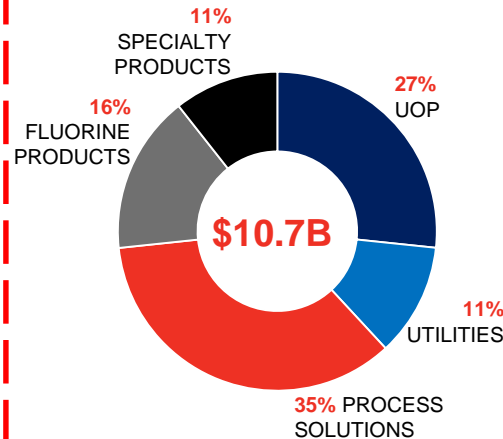
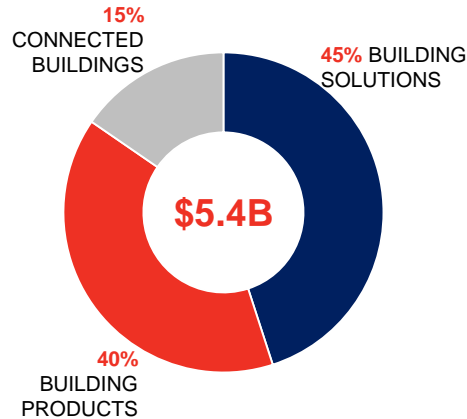
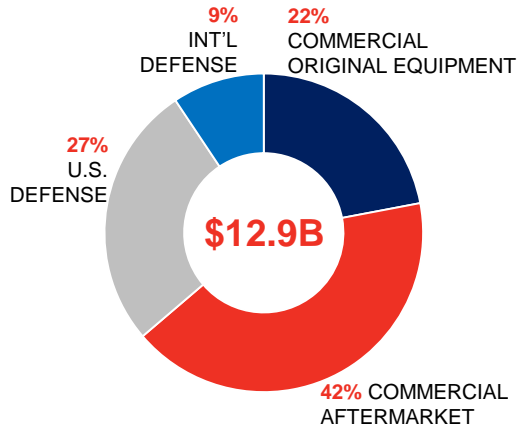


Performance Materials and Technologies



Safety and Productivity Solutions

2018 Sales by Business¹



2018 Results

6% Organic Growth	60 bps Segment Margin Expansion	12% Adjusted EPS Growth	22% Adjusted Free Cash Flow Growth	100% Adjusted FCF Conversion
-----------------------------	---	-----------------------------------	--	--

¹Represents portfolio excluding Garrett (the former Transportation Systems business) and Resideo (the former Homes and ADI global distribution business)
Adjusted EPS V% excludes pension mark-to-market, after-tax separation costs related to the spin-offs of Resideo and Garrett, the 4Q17 U.S. tax legislation charge and 2018 adjustments to such charge
Adjusted FCF V% and associated conversion exclude impacts from separation costs related to the spin-offs. Conversion also excludes pension mark-to-market and 2018 adjustments to the 4Q17 U.S. tax legislation charge

Honeywell UOP | Business Overview

Key Business Drivers

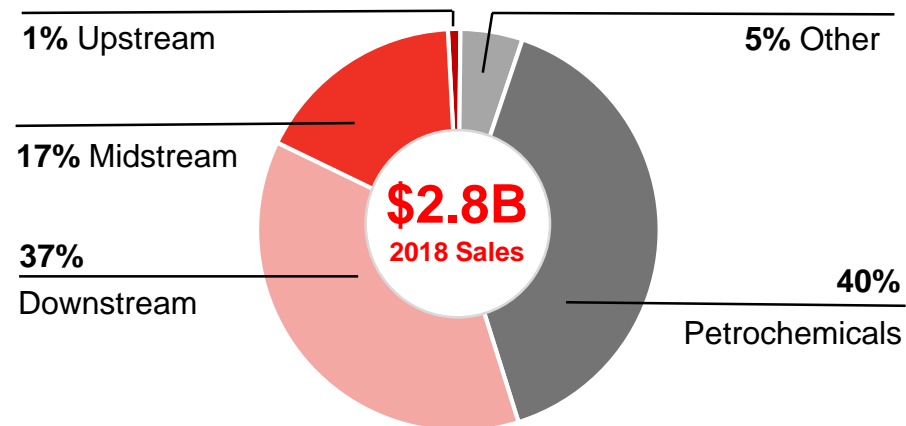
Who We Are

- ✓ UOP develops and licenses technologies that convert oil and natural gas into fuels, energy and petrochemicals
- ✓ Broadest portfolio of downstream refining and petrochemicals technologies
- ✓ 31 out of 36 refining technologies today were invented by UOP
- ✓ 40% of revenue from offerings introduced in the last 5 years

Transforming the Portfolio

- ✓ Clean fuels, plastics, renewables and LNG
- ✓ Process optimization, connected offerings
- ✓ Outcome-driven lifecycle solutions
- ✓ More value from every barrel of oil and cubic foot of gas

Business Breakdown



Refining



Petrochemicals



Gas Processing



Honeywell Process Solutions | Business Overview

Key Business Drivers

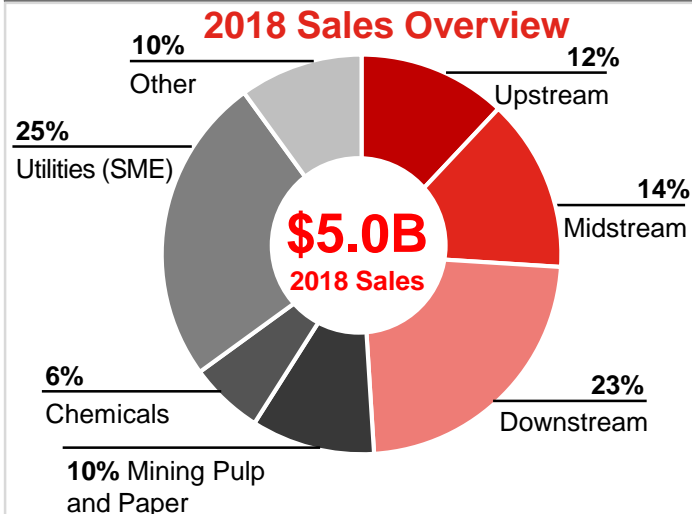
Who We Are

- ✓ Half century of industry-leading automation and industrial solutions
- ✓ Leading hardware, software, analytics and technology solutions
- ✓ 20,000 employees, majority software engineers & services
- ✓ 6 lines of business (Projects, Thermal, Measurement/control, Connected, Services, and Smart Energy)
- ✓ Serving multiple verticals

Transforming the Portfolio

- ✓ Expanding outcome-based solutions
- ✓ Acceleration of ELCN – Infinite system longevity
- ✓ Leveraging strong core services model across HPS
- ✓ Expanding high value Connected Plant offerings
- ✓ Operational Excellence

Business Breakdown



ELCN: Experion Local Control Network

Projects / Automation Solutions



Connected Plant / Cyber



Thermal Solutions



Lifecycle Service Solutions



Process Measurement and Control



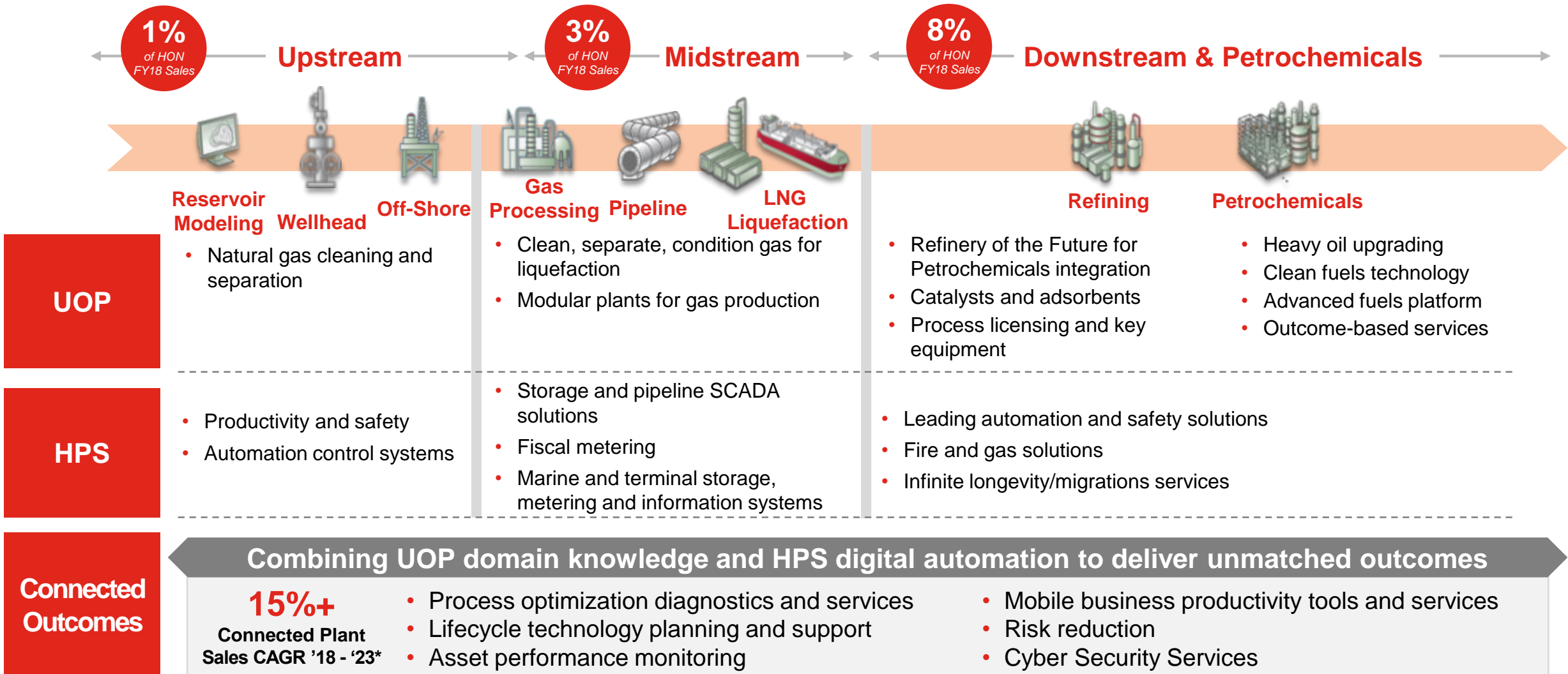
Smart Energy



Honeywell

Appendix

HPS and UOP | Solutions For Oil & Gas and Petrochemicals



*Source: Honeywell Estimates



John Rudolph

President of Honeywell Process Solutions

John Rudolph is the President of Honeywell Process Solutions (HPS), a strategic business unit of Honeywell's Performance Materials and Technologies division. HPS serves industrial customers with leading automation technology, software and services, project management experience, and global engineering and support resources.

John has more than 25 years of experience in operations, marketing, services, and management, across a wide range of industry verticals, including renewables. In his four years at HPS, John has served as Vice President and General Manager for the HPS Projects & Automation Solutions business and, prior to that, the HPS Lifecycle Solutions and Services business, giving him a broad and deep perspective about the solutions HPS offers to connect and optimize our customers' enterprises.

Prior to joining Honeywell, John served as Vice President of Project Execution for TAS Energy. He also held management positions in marketing, sales and services with Ingersoll Rand and General Electric. John began his career as a commissioning engineer for global marine and industrial applications in 1989.

John earned a Bachelor of Science degree in aviation from Purdue University.



John Gugel

President of Honeywell UOP

John Gugel is the President of Honeywell Universal Oil Products (UOP), a strategic business unit of Honeywell's Performance Materials and Technologies division. Honeywell UOP focuses on developing and delivering technology to the petroleum refining, gas processing, petrochemical production, and major manufacturing industries.

Since joining UOP in 1992, John has held roles in business management, sales, marketing, project management, and engineering. John has served as Vice President and General Manager of UOP's Process Technology & Equipment business, as well as Vice President and General Manager of the company's Gas Processing & Hydrogen business.

Before this role, John served as Global Director of UOP's Refining business, and its Engineered & Fabricated Plants division, which managed the design, procurement, and construction of process units for customers throughout the world. He also served as General Manager of Sales for the Americas and Asia regions. Before joining UOP, John was a project engineer in Amoco Chemical Company's capital projects group.

John earned Bachelors and Master of Science degrees in civil and environmental engineering from the University of Wisconsin, and an MBA from Northwestern University's Kellogg School of Management.

Reconciliation of Organic Sales % Change

Honeywell	2018
Reported sales % change	3%
Less: Foreign currency translation	1%
Less: Acquisitions, divestitures and other, net	(4%)
Organic sales % change	6%

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, acquisitions, net of divestitures and non-comparable impacts from adoption of the new revenue recognition standard. 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 Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins

(\$M)	<u>2018</u>	<u>2017</u>
Aerospace	\$15,493	\$14,779
Honeywell Building Technologies	9,298	9,777
Performance Materials and Technologies	10,674	10,339
Safety and Productivity Solutions	6,337	5,639
Net sales	<u>\$41,802</u>	<u>\$40,534</u>
Aerospace	\$3,503	\$3,288
Honeywell Building Technologies	1,608	1,650
Performance Materials and Technologies	2,328	2,206
Safety and Productivity Solutions	1,032	852
Corporate	(281)	(306)
Segment profit	<u>\$8,190</u>	<u>\$7,690</u>
Stock compensation expense ⁽¹⁾	(175)	(176)
Repositioning, Other ^(2,3)	(1,100)	(962)
Pension and other postretirement service costs ⁽⁴⁾	(210)	(249)
Operating income	<u>\$6,705</u>	<u>\$6,303</u>
Segment profit	<u>\$8,190</u>	<u>\$7,690</u>
÷ Net sales	<u>\$41,802</u>	<u>\$40,534</u>
Segment profit margin %	<u>19.6%</u>	<u>19.0%</u>
Operating income	<u>\$6,705</u>	<u>\$6,303</u>
÷ Net sales	<u>\$41,802</u>	<u>\$40,534</u>
Operating income margin %	<u>16.0%</u>	<u>15.6%</u>

(1) Amounts included in 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/expense.

(4) Amounts included in Cost of products and services sold and Selling, general and administrative expenses (service costs). (Note - Other income/expense includes non-service cost components).

We define segment profit as operating income, excluding stock compensation expense, pension and other postretirement service costs, 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 all forward-looking measures of segment profit and segment margin included here within. 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. To the extent quantitative information becomes available without unreasonable effort in the future, and closer to the period to which the forward-looking measures pertain, a reconciliation of segment profit to operating income will be included within future filings.

Reconciliation of EPS to Adjusted EPS

	2018	2017
Earnings (loss) per share of common stock - assuming dilution (EPS) ⁽¹⁾	\$8.98	\$2.00
Pension mark-to-market	0.04	0.09
Separation costs ⁽²⁾	0.97	0.02
Impacts from U.S. Tax Reform	(1.98)	5.04
Impacts of dilution of weighted average number of shares outstanding (4Q17)		
Adjusted earnings per share of common stock - assuming dilution	\$8.01	\$7.15

(1) For the twelve months ended December 31, 2018 and 2017, adjusted earnings per share utilizes weighted average shares 753.0 million and 772.1 million.

(2) For the twelve months ended December 31, 2018, separation costs of \$732 million including net tax impacts. For the twelve months ended December 31, 2017, separation costs \$14 million including net tax impacts.

We believe Adjusted EPS is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

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

(\$M)	2017	2018
Cash provided by operating activities	\$5,966	\$6,434
Expenditures for property, plant and equipment	(1,031)	(828)
Free cash flow	4,935	5,606
Separation cost payments	-	424
Adjusted free cash flow	<u>\$4,935</u>	<u>\$6,030</u>
Net income (loss) attributable to Honeywell	\$1,545	\$6,765
Separation costs, includes net tax impacts	14	732
Pension mark-to-market expense	67	28
Adjustments to 4Q17 U.S. tax legislation charge	3,891	(1,494)
Adjusted net income attributable to Honeywell	<u>\$5,517</u>	<u>\$6,031</u>
Cash provided by operating activities	\$5,966	\$6,434
÷ Net income (loss) attributable to Honeywell	\$1,545	\$6,765
Operating cash flow conversion	<u>386%</u>	<u>95%</u>
Adjusted free cash flow	\$4,935	\$6,030
÷ Adjusted net income attributable to Honeywell	\$5,517	\$6,031
Adjusted free cash flow conversion %	<u>89%</u>	<u>100%</u>

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment.

We believe that this metric is useful to investors and management as a measure of cash generated by business operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock or repay debt obligations prior to their maturities. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.