July 21, 2017

SECOND QUARTER 2017

Earnings Release

Honeywell

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Forward Looking Statements

This report contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ materially 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 Annual Report on 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; free cash flow conversion, which we define as free cash flow divided by net income adjusted to exclude pension mark-to market and debt refinancing expenses, as noted in the reconciliations presented in the Appendix; 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.

Strong Second Quarter

	Guidance	Actual
Achieved High End Of Earnings Guidance	$1.75 - $1.80	$1.80 (+10%)
Organic Sales Growth Momentum Continues	Flat - 2%	3%+
Strong Operational Performance	50 - 80 bps Segment Margin Expansion	50 bps
Additional Investments In Restructuring	~$20M - $25M Ongoing Restructuring	~$115M

EPS V% Excludes 2016 Divestitures And Additional Restructuring, Normalized For Tax At 25%

Raising Low End Of Full-Year EPS Guidance 10¢ To $7.00 - $7.10

Second Quarter Updates

Aerospace

- **GoDirect™ Connected Maintenance** Will Help Cathay Pacific Reduce Maintenance And Downtime Costs
- Major Auxiliary Power Unit Supply Agreements With **VietJet Air** And **Asiana Airlines**

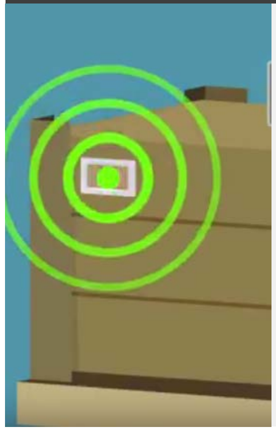
Home And Building Technologies

- Launched **Lyric™ C1 Wi-Fi Security Camera** For The Do-It-Yourself Market
- $80M+ Of **Smart Meter** Deals, Including Wins With Dubai Electricity And Water Authority, Italgas, And Arizona Public Service

Performance Materials And Technologies

- **Announced Acquisition Of Nextnine** - Cyber Security Provider With Installed Base Of 6,000+ Locations Globally
- **Honeywell UOP** Equipment, Technology And Design Services Selected By Dangote Oil For The Largest Single-Train Refinery In The World

Safety And Productivity Solutions



- Introduced **Connected Freight** – Provides Real-Time Information About The Location And Condition Of Freight While In Transit
- Intelligrated Won Large Project For **3 Major Distribution Centers** With Leading Transportation And Logistics Provider, Contributing To ~125% Orders Growth

Profitable Double-Digit Growth In Connected Enterprises

2Q17 Financial Summary

Sales

Up 3%+
Organic

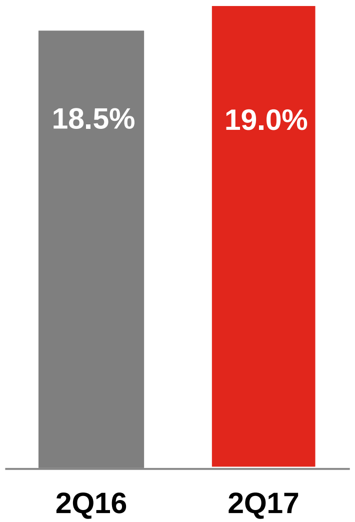
- Reported Up 1%

+ Aerospace Aftermarket, Advanced Materials, Home And Building Products And Distribution

– Business Jet Market Weakness

Segment Margin

Up 50 bps

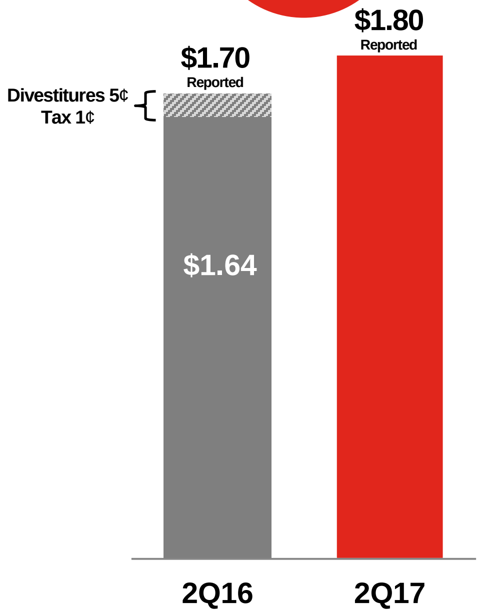


- Segment Profit Up 6% Ex-Divestitures

+ Productivity Net Of Inflation, Restructuring Benefits, Commercial Excellence

EPS

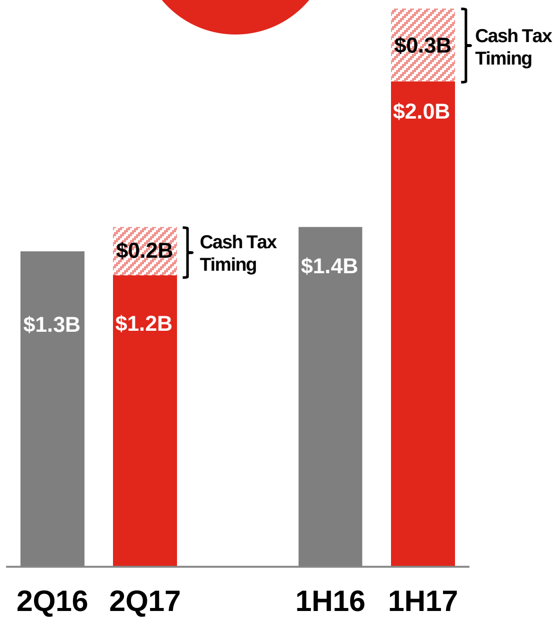
Up 10%



- Reported EPS Of $1.80, Up 6%
- Lower Tax Rate, Higher Restructuring

FCF

Up 39%
YTD



+ Strong Operational Performance

+ 73% YTD Conversion Vs. 56% In 1H16

– 2Q Impacted By ~$0.2B Cash Tax Timing; 1H ~$0.3B

EPS V% Excludes 2016 Divestitures And Additional Restructuring, Normalized For Tax At 25%

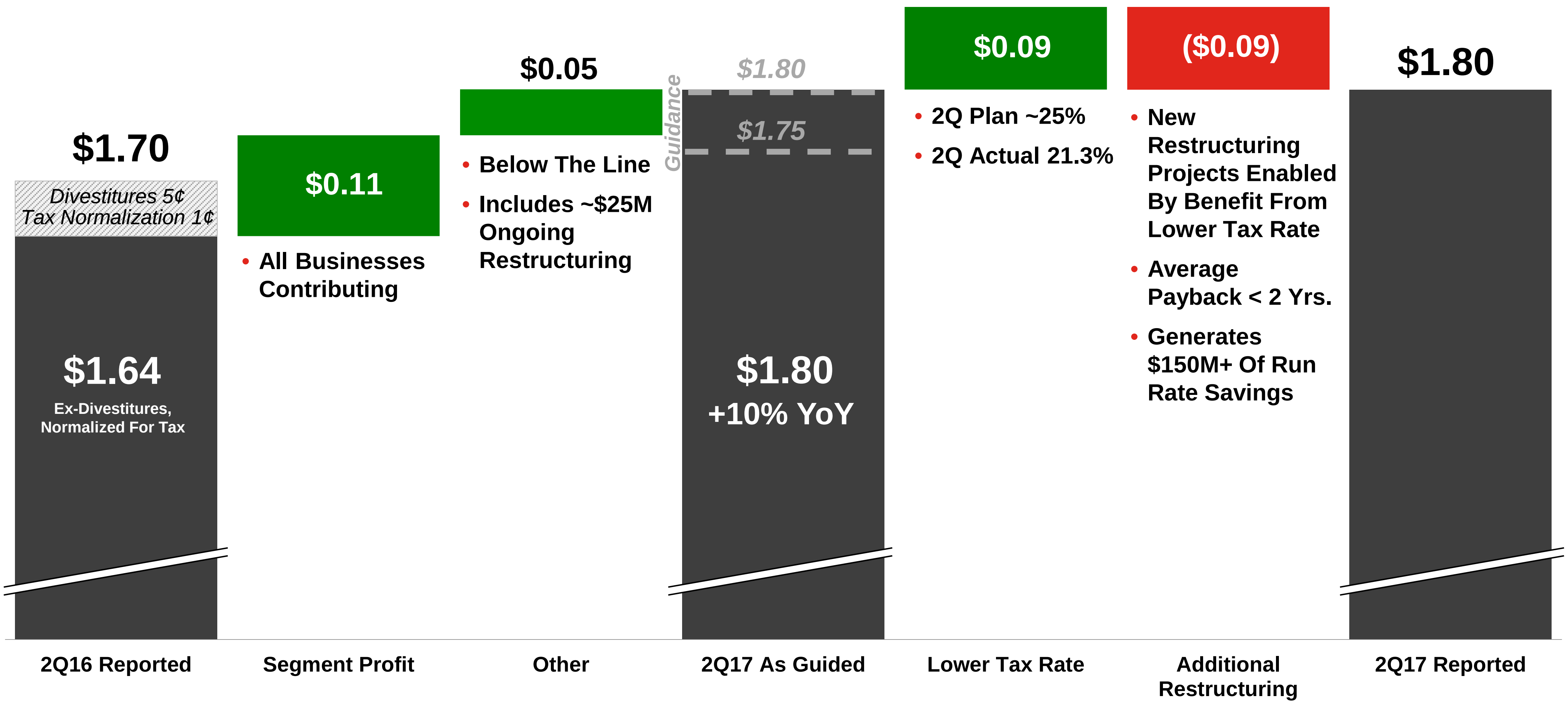
Continued Growth In The Second Quarter

2Q 2017 Segment Results

($M)	Sales	Margin / Change (bps)	Commentary
Aero	**$3,674** *Down (3%)* *Up 2% Organic*	**22.3%** *Up 140*	+ Strong Commercial Aftermarket And U.S. Defense Volumes + Continued Recovery In Commercial Vehicles In Transportation Systems – Weakness Persists In Business Jet Market As Anticipated
HBT	**$2,736** *Up 2%* *Up 4% Organic*	**15.4%** *Flat*	+ Smart Meter Roll-outs, Products Strength In China + Continued Momentum In Distribution – Unfavorable Product And Regional Mix, New Product Investments
PMT	**$2,239** *Down (8%)* *Up 6% Organic*	**23.4%** *Up 200*	+ Double-Digit Growth In Advanced Materials Led By Solstice® Sales + UOP Modular Gas Processing Growth + Double-Digit Orders And Backlog Growth
SPS	**$1,429** *Up 30%* *Up 1% Organic*	**15.0%** *Down (70)* *Up 90 bps ex-M&A*	+ Higher Volumes In Safety, Workflow Solutions, And Sensing + Double-Digit Sales And Orders Growth At Intelligrated – Lower Mobility Sales In Productivity Products

Organic Sales Growth Acceleration Continues

2Q 2017 EPS Bridge



EPS V% Excludes 2016 Divestitures And Additional Restructuring, Normalized For Tax At 25%

Funded Restructuring For Future Growth And Productivity

3Q 2017 Preview

$9.7B - $9.9B Total HON Sales

	Sales	Segment Margin	Assumptions
Aero	(2%) - (4%) *Flat - 2% Organic*	Up 290 - 330 bps	• Strong Aftermarket, Continued Comm'l Vehicle Growth • Business Jet Market Weakness Persists
HBT	Flat - 2% *1% - 3% Organic*	Up 10 - 40 bps	• Smart Meter Program Roll-out Momentum • Continued Strength In Distribution, China
PMT	(6%) - (8%) *7% - 9% Organic*	Up 130 - 170 bps	• Executing On Growing Backlog Across Segment • Broad-Based UOP And Solstice® Strength
SPS	19% - 21% *2% - 4% Organic*	Up 40 - 70 bps *Up 150+ ex-M&A*	• Safety, Sensing, And Workflow Solutions Growth • Double-Digit Intelligrated Growth
HON	(1%) - 1% *2% - 4% Organic*	Up 120 - 160 bps	• Effective Tax Rate ~26%

**EPS V% Ex-Divestitures, Normalized For Tax At 26%*

Expect EPS Of $1.70 - $1.75, Up 13% - 16% YoY*

2017 Financial Guidance Summary

Total Honeywell

Sales	Segment Margin
$39.3 - $40.0B	**19.0% - 19.4%**
Flat - Up 2%	Up 70 - 110 bps
2% - 4% Organic	

EPS	FCF
$7.00 - $7.10	**$4.6 - $4.7B**
Up 8% - 10%	Up 5% - 7%
Ex-Divestitures, Debt Refinancing	

By Segment

	Sales	Margin
Aero	**$14.2B - $14.5B** (2%) - (4%) *(1%) - 1% Organic*	**21.7% - 21.9%** Up 140 - 160
HBT	**$10.8B - $11.0B** 2% - 4% *3% - 5% Organic*	**16.0% - 16.2%** Up 20 - 40
PMT	**$8.8B - $8.9B** (4%) - (6%) *5% - 7% Organic*	**23.5% - 23.9%** Up 140 - 180
SPS	**$5.5B - $5.6B** 18% - 20% *1% - 3% Organic*	**15.0% - 15.2%** Up 30 - 50 *Up 160+ ex- M&A*

Raising Full Year Sales And Earnings Guidance

Summary

- Continued Momentum Through Second Quarter
- Expect Third Quarter Earnings Up 13% - 16%
- Raising Low End Of 2017 EPS Guidance By 10¢ To $7.00 - $7.10
- Investments To Drive Future Profitable Growth Continue
- Connected Enterprises Delivering Double-Digit Growth

3Q17 EPS V% Excludes 2016 Divestitures, Normalized For Tax At 26%

Outperformance Expected To Continue Through 2017

Appendix

2Q17 Segment Sales Results

	Reported	Organic
Aerospace	**(3%)**	**2%**
Commercial Aviation Original Equipment	(5%)	(5%)
Commercial Aviation Aftermarket	5%	5%
Defense & Space	(10%)	2%
Transportation Systems	(2%)	1%
Home And Building Technologies	**2%**	**4%**
Products	2%	4%
Distribution	3%	4%
Performance Materials And Technologies	**(8%)**	**6%**
UOP	4%	6%
Honeywell Process Solutions	(2%)	(1%)
Advanced Materials	(22%)	12%
Safety And Productivity Solutions	**30%**	**1%**
Safety	1%	2%
Productivity Solutions	56%	(1%)

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Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins

($M)	2Q16	3Q16	2016	2Q17
Aerospace	$791	$663	$2,991	$819
Home and Building Technologies	412	441	1,683	420
Performance Materials and Technologies	520	503	2,050	524
Safety and Productivity Solutions	173	172	680	214
Corporate	(49)	(59)	(218)	(67)
Segment Profit	$1,847	$1,720	$7,186	$1,910
Stock Compensation Expense [1]	(43)	(49)	(184)	(44)
Repositioning and Other [1, 2]	(122)	(290)	(679)	(209)
Pension Ongoing Income [1]	151	146	601	184
Pension Mark-to-Market Expense [1]	-	-	(273)	-
Other Postretirement Income [1]	8	7	32	6
Operating Income	$1,841	$1,534	$6,683	$1,847
Segment Profit	$1,847	$1,720	$7,186	$1,910
÷ Sales	$9,991	$9,804	$39,302	$10,078
Segment Profit Margin %	18.5%	17.5%	18.3%	19.0%
Operating Income	$1,841	$1,534	$6,683	$1,847
÷ Sales	$9,991	$9,804	$39,302	$10,078
Operating Income Margin %	18.4%	15.6%	17.0%	18.3%

(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.

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. 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.

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Calculation of Segment Profit Excluding Divestitures

($M)	2Q16
Segment Profit	$1,847
Less: Segment Profit From Divestitures	$48
Segment Profit Excluding Divestitures	$1,799

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Calculation of Segment Profit Margin Excluding Mergers and Acquisitions

($M)	2Q17
Safety and Productivity Solutions	
Segment Profit Excluding Mergers and Acquisitions	$182
÷ Sales Excluding Mergers and Acquisitions	$1,096
Segment Profit Margin Excluding Mergers and Acquisitions %	16.6%

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Reconciliation of Organic Sales Percentage Change

Honeywell	2Q17
Reported Sales % Change	1%
Less: Foreign Currency Translation	(1%)
Less: Acquisitions and Divestitures, Net	(1%)
Organic Sales % Change	3%
Aerospace	
Reported Sales % Change	(3%)
Less: Foreign Currency Translation	(1%)
Less: Acquisitions and Divestitures, Net	(4%)
Organic Sales % Change	2%
Home and Building Technologies	
Reported Sales % Change	2%
Less: Foreign Currency Translation	(2%)
Less: Acquisitions and Divestitures, Net	-
Organic Sales % Change	4%
Performance Materials and Technologies	
Reported Sales % Change	(8%)
Less: Foreign Currency Translation	(1%)
Less: Acquisitions and Divestitures, Net	(13%)
Organic Sales % Change	6%
Safety and Productivity Solutions	
Reported Sales % Change	30%
Less: Foreign Currency Translation	(1%)
Less: Acquisitions and Divestitures, Net	30%
Organic Sales % Change	1%

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

($M except for 2017E in $B)	2Q16	2016	2Q17	2017E
Cash Provided by Operating Activities	$1,583	$5,498	$1,447	$5.7 - $5.8
Expenditures for Property, Plant and Equipment	(281)	(1,095)	(233)	~ (1.1)
Free Cash Flow	$1,302	$4,403	$1,214	$4.6 - $4.7

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

($M)	1H16	1H17
Cash Provided by Operating Activities	$1,902	$2,387
Expenditures for Property, Plant and Equipment	(475)	(401)
Free Cash Flow	$1,427	$1,986
Cash Provided by Operating Activities	$1,902	$2,387
÷ Net Income Attributable to Honeywell	$2,535	$2,718
Operating Cash Flow Conversion %	75%	88%
Free Cash Flow	$1,427	$1,986
÷ Net Income Attributable to Honeywell	$2,535	$2,718
Free Cash Flow Conversion %	56%	73%

Calculation of Earnings Per Share at 25% Tax Rate Excluding Additional Restructuring and 2016 Divestitures

($M except per share amounts)	2Q16	2Q17
Income Before Taxes	$1,755	$1,778
Taxes at 25%	439	445
Net Income at 25% Tax Rate	$1,316	$1,333
Less: Net Income Attributable to the Noncontrolling Interest	8	8
Net Income Attributable to Honeywell at 25% Tax Rate	$1,308	$1,325
Weighted Average Number of Shares Outstanding - Assuming Dilution	774.9	774.0
Earnings Per Share at 25% Tax Rate	$1.69	$1.71
Less: Earnings Per Share Impact Attributable to 2016 Divestitures(1)	0.05	-
Less: Earnings Per Share Impact Attributable to Additional Restructuring(2)	-	(0.09)
Earnings Per Share of Common Stock - Assuming Dilution, at 25% Tax Rate, Excluding Additional Restructuring and 2016 Divestitures	$1.64	$1.80
Earnings Per Share of Common Stock - Assuming Dilution	$1.70	$1.80
Less: Earnings Per Share Impact of Normalizing to 25% Tax Rate	0.01	0.09
Less: Earnings Per Share Impact Attributable to 2016 Divestitures(1)	0.05	-
Less: Earnings Per Share Impact Attributable to Additional Restructuring(2)		(0.09)
Earnings Per Share of Common Stock - Assuming Dilution, at 25% Tax Rate, Excluding Additional Restructuring and 2016 Divestitures	$1.64	$1.80

(1) Earnings per share attributable to 2016 divestitures utilizes weighted average shares of 774.9 million and a blended tax rate of 32.3%.

(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. Additional restructuring represents only amounts that are incremental to those planned restructuring amounts. For the three months ended June 30, 2017, the Company funded $117 million of restructuring, $90 million of which was incremental to the planned amount. This additional restructuring was 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 25% for three months ended June 30, 2017.

We believe earnings per share adjusted to normalize for the expected effective tax rate of 25% 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.

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Calculation of Earnings Per Share at 26% Tax Rate Excluding 2016 Divestitures

($M except per share amounts)	3Q16 (1)
Income Before Taxes	$1,632
Taxes at 26%	424
Net Income at 26% Tax Rate	$1,208
Less: Net Income Attributable to the Noncontrolling Interest	8
Net Income Attributable to Honeywell at 26% Tax Rate	$1,200
Weighted Average Number of Shares Outstanding - Assuming Dilution	774.4
Earnings Per Share at 26% Tax Rate	$1.55
Less: Earnings Per Share Attributable to 2016 Divestitures	0.04
Earnings Per Share of Common Stock - Assuming Dilution, at 26% Tax Rate, Excluding 2016 Divestitures	$1.51
Earnings Per Share of Common Stock - Assuming Dilution	$1.60
Less: Earnings Per Share Impact of Normalizing to 26% Tax Rate	0.05
Less: Earnings Per Share Impact Attributable to 2016 Divestitures	0.04
Earnings Per Share of Common Stock - Assuming Dilution, at 26% Tax Rate, Excluding 2016 Divestitures	$1.51

(1) Earnings per share attributable to 2016 divestitures utilizes weighted average shares of 774.4 million and a blended tax rate of 32.9%.

We believe earnings per share adjusted to normalize for the expected effective tax rate of 26% for the three months ending September 30, 2017 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.

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Reconciliation of EPS to EPS, Excluding Pension Mark-to-Market Expense, Debt Refinancing Expense and Earnings Attributable to 2016 Divestitures

	2016 (1)	2017E (2)
Earnings Per Share of Common Stock - Assuming Dilution (EPS)	$6.20	TBD
Pension Mark-to-Market Expense	0.28	TBD
Debt Refinancing Expense	0.12	-
EPS Attributable to 2016 Divestitures	(0.14)	-
EPS, Excluding Pension Mark-to-Market Expense, Debt Refinancing Expense and 2016 Divestitures	$6.46	$7.00 - $7.10

(1) Utilizes weighted average shares of 775.3 million. Pension mark-to-market expense uses a blended tax rate of 21.3%. Debt refinancing expense uses a tax rate of 26.5%. Earnings attributable to 2016 divestitures uses a blended tax rate of 33.9%.

(2) Utilizes weighted average shares of approximately 774 million and an expected effective tax rate of approximately 24%.

We believe EPS, excluding pension mark-to-market expense, debt refinancing expense and earnings attributable to 2016 divestitures is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. Management cannot reliably predict or estimate, without unreasonable effort, the 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. We therefore do not include an estimate for the pension mark-to-market expense in this reconciliation. Management is not currently forecasting an impact to earnings per share arising from a debt refinancing or divestiture transaction. Based on economic and industry conditions, future developments and other relevant factors, these assumptions are subject to change.

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