HONEYWELL HIGH-GROWTH REGION: ASEAN
High Growth Regions - A World Of Opportunities

Addressing Global Mega Trends

- **77%** Of Global New Urban Floor Space From HGRs By 2025

- China & India To Add **20,000KM** High Speed Rail By 2020

- 2014-2020 Cumulative Passenger Flight Hours Of HGRs Will Be **1.7X** Of Developed Countries

- HGRs Healthcare Spending In 2020 Will Reach **$3 Trillion**

- **65%** Of Global New Oil & Gas Production Will Be In HGRs From 2012 To 2030

Source: Global Insight, World Bank, Frontier Strategy Group, McKinsey, BP Energy Outlook

Serving Key Customers

- Dubai Airport Runway
- India Low Cost Carrier
- Brazil Airport Wins
- Indonesia Lion Air
- China SOHO
- Russia Mendeleev
- Vietnam Smart Grid
- Kuwait KNPC Refinery

**Source:** Global Insight, World Bank, Frontier Strategy Group, McKinsey, BP Energy Outlook
Proven Strategy with Superior Execution

Becoming THE Chinese Competitor

East-For-East (E4E)

R&D → Manufacturing → Sales & Dist.

East-To-Rest (E2R)

Follow-The-Growth (FTG)

Energy & Efficiency
Cities & Buildings
Trans. & Infra.
Health & Safety
Defense & Security

One Honeywell & Integrated Solutions
High Growth Regions – the Growth Engine for Honeywell

- **HGR Revenue**
  - 2005: ~$3B, 11%
  - 2010: ~$6B, 20%
  - 2015: ~$9B, 23%
  - 2018E: 29%

Revenue:
- 2005: ~$3B
- 2010: ~$6B
- 2015: ~$9B
- 2018E: ~$9B
Overview of ASEAN (Association of Southeast Asian Nations)

**What We’re Seeing**

- **Urbanization Continues**
  - Smart Cities, Smart Energy
  - Metros, Airports, mega-projects
  - Hotels & Resorts

- **E-commerce Growth**
  - Alibaba / Lazada
  - E-commerce vs retail

- **Industry 4.0 & IoT**
  - Nascent, disconnected ecosystem
  - MNC Cloud & SaaS players
  - National Industry 4.0 investments

- **Geopolitical**
  - ASEAN becoming more important
  - Trade agreements
  - China investments in ASEAN - OBOR

**Real GDP YoY Growth**

<table>
<thead>
<tr>
<th>Country</th>
<th>2017F</th>
<th>2018F</th>
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</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>5.9</td>
<td>5.5</td>
</tr>
<tr>
<td>Philippines</td>
<td>6.7</td>
<td>6.6</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.9</td>
<td>3.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>6.6</td>
<td>6.7</td>
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**Honeywell Presence / Capabilities**

- ~3,500 Employees (Sales, Marketing, Engineering & Production)
- ASEAN HQ in Kuala Lumpur, branches in Bangkok, Manila, Jakarta, Hanoi, HCM City, Singapore
- 5 Manufacturing Sites
  - Malaysia (Avionics, UOP Separex, MK Electric)
  - Thailand (Electronic Materials)
  - Indonesia (Footwear)

Stable, Growing Economies In Attractive End Markets
Honeywell in ASEAN

Thailand
- Present in Thailand for more than 20 yrs
- More than 440 employees at 3 locations
- 1 Factory: Honeywell Electronic Materials (Chonburi)

Malaysia
- Present in Malaysia since 1985
- More than 1,500 employees at 7 locations
- 3 Factories: Aftermarket Mechanical R&O for Commercial Airlines; Mechanical OEM for HON Aero USA Internal Customers; Aftermarket Avionics R&O for Commercial Airlines

Indonesia
- More than 1,000 employees located in cities all over the country – including Jakarta, Surabaya, Bali, Medan, Balikpapan, Batam and Bintan.
- Commercial and engineering office in Jakarta; Manufacturing sites in Batam and Bintan.

Philippines
- Factory: Honeywell CEASA (Subic Bay) Wheels & Brakes Aftermarket Service
- Office; Manila, 60 employees

Vietnam
- About 100 employees are located in Hanoi and Ho Chi Minh City.

Singapore
- More than 1,000 employees at 8 locations
- 3 Factories: Aftermarket Mechanical R&O for Commercial Airlines; Mechanical OEM for HON Aero USA Internal Customers; Aftermarket Avionics R&O for Commercial Airlines

Indonesia
- More than 100 employees are located in Hanoi and Ho Chi Minh City.
Gartner predicts 6.4B connected things will be in use worldwide and will reach 20.8 billion by 2020

The Asian-Pacific region will lead market growth related to the industrial “Internet of Things,” which is expected to be worth USD $54 billion in that market by 2020, according to a new report from tech research firm Technavio.

The total spending on IoT in APAC countries is forecasted to grow to more than USD 79 Billion in 2020.

Governments in the region have already implemented/begun rolling out initiatives/programs that will help catalyze the adoption of Industry 4.0 and IIoT.
## Becoming A Software-Industrial Company

### Strong Domain Knowledge

<table>
<thead>
<tr>
<th>Domain</th>
<th>Key Features</th>
</tr>
</thead>
</table>
| Aero   | - Winning Positions Nose-To-Tail  
         |   - Turbo Win Rate Of 40%+ |
| HBT    | - Broad-Based Product Offering  
         |   - Residential And Non-Residential Presence |
| SPS    | - Multi-Industry Safety Offerings  
         |   - Warehouse, Worker Productivity Solutions |
| PMT    | - Range Of Oil & Gas Market Offerings  
         |   - Long Legacy In Chemicals And Fluorines |

### Honeywell Sentience™

- Common IT Stack Used By All Enterprises
- Single Platform That All Honeywell Businesses Are Using To Build Software For Connected Offerings

### Enables Connectivity Advantage

- Value Propositions Aligned And Iterated With End Customers

#### Connected Offerings

- **AIRCRAFT + CONNECTED**: 130K Total Aircraft + JetWave™
- **AUTOMOBILES + CONNECTED**: 100M Installed Base + Software
- **HOMES + CONNECTED**: 150M Installed Base + Lyric®
- **BUILDINGS + CONNECTED**: 10M Installed Base + Smart Building
- **SUPPLY CHAIN + CONNECTED**: 10K Warehouses + Vocollect
- **PLANTS + CONNECTED**: 10K Installed Base + CPS
Honeywell in Malaysia

- In Malaysia since 1985… new HQ and investment profile since 2015
- 1,500 employees at 7 locations, including 3 global mfg sites
- Over $500M invested, Principal Hub = 160+ new jobs, $10M local spend, etc
- Penang – $90M invested, $20M reinvested in upgrades; 190M in 2017 to local suppliers
- Strong partnerships with PETRONAS, KLIA, Air Asia, MAS, Citibank, MIDA, InvestKL, MIGHT, and others

Facts & Figures
Honeywell Sets Up Regional Headquarters in Malaysia!

- Bangsar South UOA Corp Tower, FL 25-28, 450+ employees
- Progressive, hi-tech, open seating, high collaboration layout including The Honeywell Connected Experience
- Honeywell is committed to bring its best technologies and solutions to the region
Honeywell in Singapore

- More than 1,000 employees at 8 locations
- A new Automation Solution Center established in Singapore in 2013 as a part of its global deployment of demonstration centers around the world
- Strong partnerships with National University of Singapore, Suntec City, and Singapore General Hospital
- Aftermarket service centers for commercial airlines
- Mechanical OEM for Honeywell Aerospace USA internal customers
- Sales and marketing support for the rest of Southeast Asia market
Honeywell in Thailand

- Present in Thailand for more than 20 years
- More than 440 employees at 3 locations
- Honeywell Electronic Materials (Thailand) Co., Ltd. was initially formed in 1989. It manufactures cost-effective, high-quality integrated packaging solutions (IPS) for the world’s leading semiconductor manufacturers.
- Since 1987, Honeywell Systems (Thailand) has been providing local customers with automation and control systems and products for industrial complexes and building solutions
Honeywell in the Philippines

- Working closely with local distributors and dealers to provide products and services in the Philippines
- In March 2003, Honeywell CEASA (Subic Bay) Company, Inc. was founded in the Philippines and employs about 20 employees locally.
- Honeywell CEASA (Subic Bay) provides maintenance, repair and overhaul facility for commercial aviation wheels and brakes.
Honeywell in Indonesia

1974
• First Distributor

1992
• Representative Office Established

2005
• Aerospace Bintan Manufacturing Facility Opened

2011
• Acquired King's Safetywear Ltd.

2012 and on
• Robust Business Expansions in Indonesia

Facts & Figures
• Over 1,000 employees in cities of Jakarta, Surabaya, Purwakarta, Batam and Bintan.
• The only TPE 331 heavy service center in South East Asia is located in Bandung.
• 100 percent of Indonesia’s domestic paraxylene production capacity is enabled by UOP technology.
• Over 90 percent of the gasoline and diesel fuel produced within Indonesia is manufactured using UOP technology.
Honeywell in Vietnam

- All businesses are active in Vietnam including oil & gas, aerospace, energy efficiency, safety & security, etc. with offices in both Hanoi and Ho Chi Minh city.

- Fastest growing business in Honeywell High Growth Regions with almost 10x of business growth since 2011

- Strong partnerships with local strategic customers in Vietnam such as Vietnam Airlines, Vietjet Air, PetroVietnam, etc.

- Control system supplier and main technology licensor for Vietnam’s major refineries
## Honeywell Hometown Solutions - ASEAN

### Humanitarian Relief

**Honeywell Humanitarian Relief**

Honeywell Humanitarian Relief Fund received $151,000 in donations from more than 1,800 employees for the reconstruction of the Honeywell Ngolos Elementary School in Guiuan, Philippines.

8 Aerospace employees in the Philippines received financial assistance from the HHRF during the 2012 Subic Bay flood disaster.

### Safety Programs

**Safe Kids@ Home Program**

In 2017, Honeywell and Safe Kids Malaysia launched the Safe Kids at Home Program in Kuala Lumpur, Malaysia; reaching 6,000 students; endorsed by the Ministry of Education and Ministry of Urban Wellbeing, Housing and Local Government.

**The Helmet Project**

In 2015, Honeywell launched the Helmet project where Honeywell invited school children to participate in a helmet decorating activity with Honeywell employees. The decorated helmets were donated to children for their regular use.

### Family Safety & Security

### Science & Math

**Honeywell Initiative for Science & Engineering (HISE)**

In 2010, Professor Albert Fert, recipient of the 2007 Nobel Prize in Physics, visited the University of Malaya, Kuala Lumpur, Malaysia.

In January 2018, Professor Robert B. Laughlin, winner of the 1998 Nobel Prize in physics, inspired more than 2,000 students and professors at Universiti Teknologi PETRONAS (UTP).

**Honeywell STEM Activities**

In October 2013, 60 employees from the Honeywell facility in Penang planned and participated in a math and science day at a local school reaching 300 middle and high school students.

**Honeywell Educators @ Space Academy Program**

As of 2017, 27 secondary school teachers from Malaysia have received scholarships to attend the Honeywell Educators @ Space Academy program at the U.S. Space & Rocket Center in Huntsville, Alabama. With a focus on science, technology, engineering and math, the training includes simulated astronaut-style exercises, laboratory and professional development, and space exploration.

**Honeywell Leadership Challenge Academy Program**

As of 2017, 7 secondary school students from Malaysia have participated in the Honeywell Leadership Challenge Academy program at the U.S. Space & Rocket Center in Huntsville, Alabama.

**Quality programs in STEM for students and teachers**
Honeywell is building a smarter, safer, and more sustainable world.

THAT’S THE POWER OF CONNECTED.
THAT’S THE POWER OF HONEYWELL.

Connected Aircraft | Connected Automobile | Connected Home | Connected Building
Connected Plant | Connected Supply Chain | Connected Worker

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