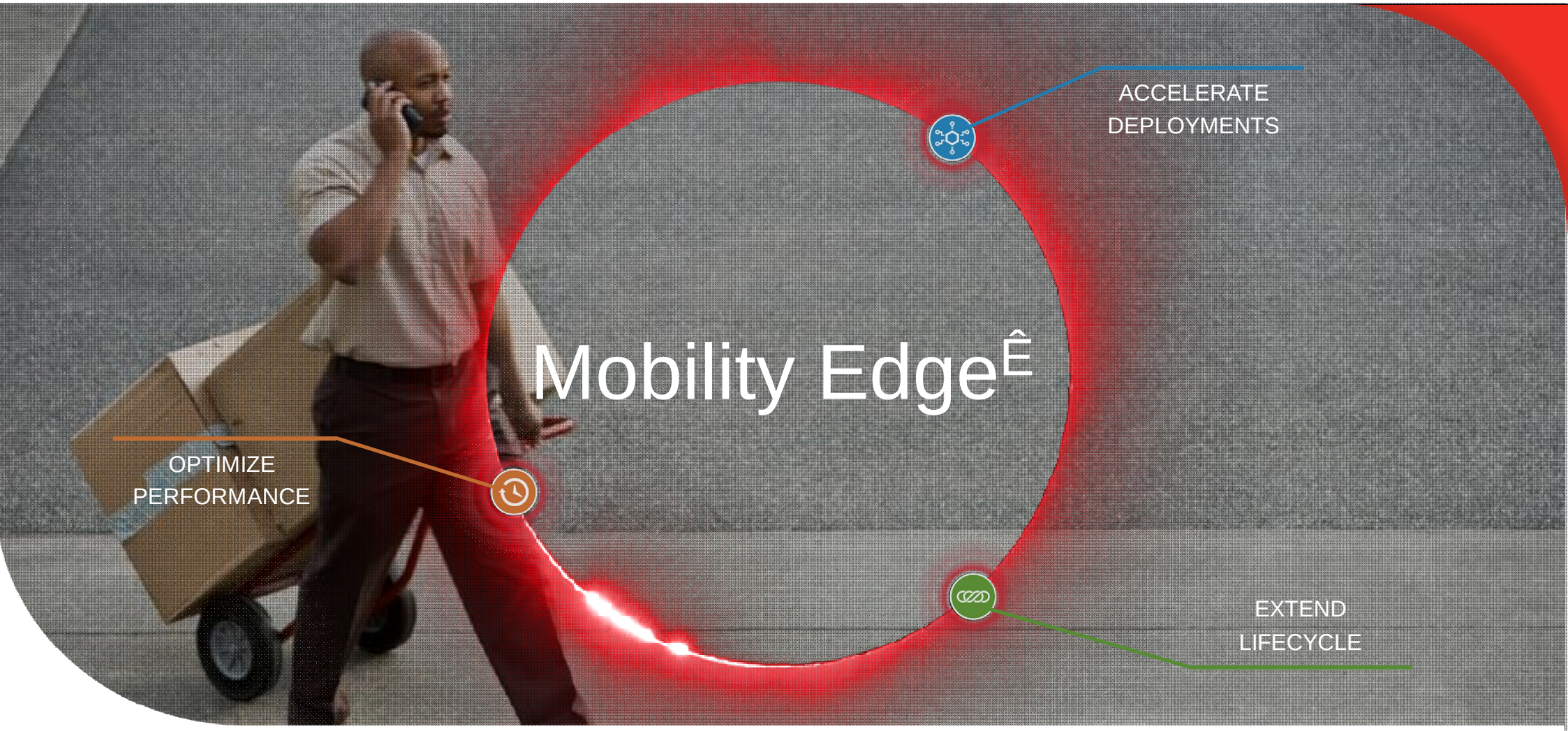

Guido Vangenechten
Sales director Europe / russia

HONEYWELL CONNECTED RETAIL

Bucharest 08/05/2018

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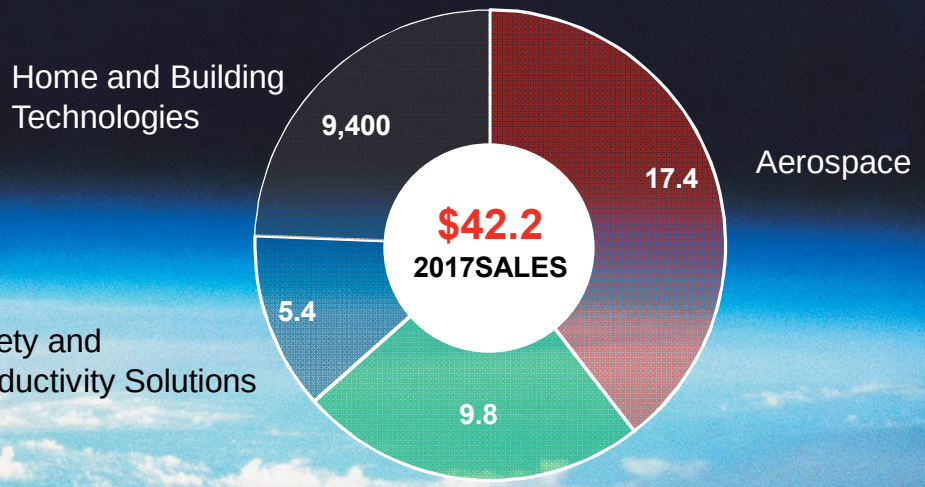
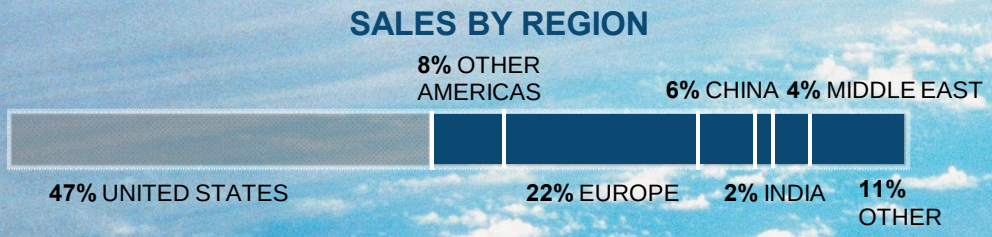
Honeywell at a Glance

Honeywell's innovative technologies are making our world cleaner and more sustainable, more secure, connected, energy efficient, and productive.

- **1,300** sites, **70** countries
- **Morris Plains, N.J.** headquarters
- **130,000** employees
- **Fortune 100**





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Honeywell Safety and Productivity Solutions Overview

Safety

Productivity

Workflow-based
Software Solutions

Asset
Performance

500+ Million
Workers Reach

5 Thousand
Partners Eco-system

15 Thousand
Global Workforce

$5.4B
Global Sales

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From Sensors…To Data Driven Insights → Enabling Business Performance

Trusted in the World's Busiest Supply Chains and Most Challenging Environments

Safety and Productivity Solutions Business Enterprises

Productivity Products

Intelligent Edge Devices for the Mobile Worker

Scanning
Data Collection

Printing
Fixed and Mobile Thermal Printing

Rugged and Reliable Computing
Mobile Computer

Workflow Solutions and Services

Software-based Solutions to Improve Worker Productivity

Hands-Free
Voice Solution

Asset Management
Satellite-Based Asset Tracking

Track & Trace
Information Access

Software
Data Intelligence

Sensing & IOT

Custom Engineered Sensors, Switches and Controls

Electromechanical Switches
Operator Controls, Limit switches, Proximity

Electronic Sensors
Pressure, Flow, Position, Speed Sensing

Optical Sensors
1D and 2D Optical Data Capture

Test & Measurement Sensors
High precision pressure, load/torque sensors

Gas Sensors
Industrial Flame and Gas Sensors

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Improving Working Productivity and Asset Performance

Amazon buys Whole Foods

- Whole Foods' 430+ stores - many of them in prime locations - could bolster the network for AmazonFresh
- To ship efficiently groceries to consumers, you need physical distribution (item-picking to put parcels together, click-and-collect points) close to the consumer[1]
- Stores are ideally located for that. They won't look like stores in five years' time, but they will be in those locations[1]

[1] UK Business Insider 2017: Why Amazon is buying Whole Foods

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POS is the core of the store ..... Where is the POS ??

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Net growth of brick and mortar stores in 2017

Brick and Mortar Stores Will Downsizeï or At Least Shift Roles

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Mobile is the key component

- Recent study indicated 82% on consumers consult their smart phone before buying
- Mobile phones will be more integrated in the shopping experience
  - Mobile couponing
  - Loyalty cards
- Your store employees will use their device more intensively (and will become wearables)
  - More apps
  - More tasks will be required
    - Cycle counts
    - Customer facing information on products
      - Allergic or not ?

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Mobile and eCommerce are the only growing retail segments

eCommerce has changed consumer behaviors

Crowd-sourced service delivery models are changing paradigms

Consumers are more informed

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Slide 10

DM2 don't like any of this slide, pelase see speaker notes for clues. It needs one or more strong images, perhaps real customer checking phone in a real store

Dijkkamp, Marcel, 20/06/2017

Commoditization & Increasing Logistics Cost

Declining product margins

UK retail margins from **6% in 2011 to 2.5% in 2015**, predicted to reach **1% by 2025**

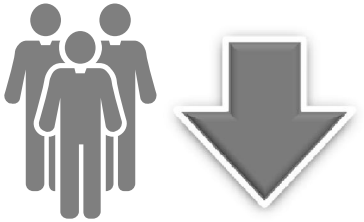
Source: OC&C Strategy Consultants.

Increasing Logistics Costs

of CEOs **agree that costs to fulfill** are increasing

Source: PWC global Omni-channel survey on 400 Retail CEOs.

Decreasing Foot Traffic



U.S. retail visits are **down 3.7%** 1H 2016

Source: Wall Street Journal

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Slide 11

DM3 more exciting strong images, see speaker notes for clues
Dijkkamp, Marcel, 20/06/2017

The store still matters!

1. U.S. Chamber of Commerce, *Quarterly retail e-com sales 3Q 2016*
2. PwC, *Total Retail Survey, 2016*
3. Radial, *What customers want in online shopping*
4. BigCommerce, *What Brands Need to Know About Omni-Channel Retail and Modern Consumer Shopping Habits*

EVERY demographic surveyed spent more money in-store vs. online[2,4]

100%

In-store percentage of overall retail dollars[1]

91%

10 of 11

Major retail categories of which consumers prefer to buy in the physical store, with online a close second[2]

78%

of shoppers will choose in-store pickup to avoid shipping costs from online purchases[3]

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The store footprint is a huge advantage

UK online orders

VS.

UK Stores

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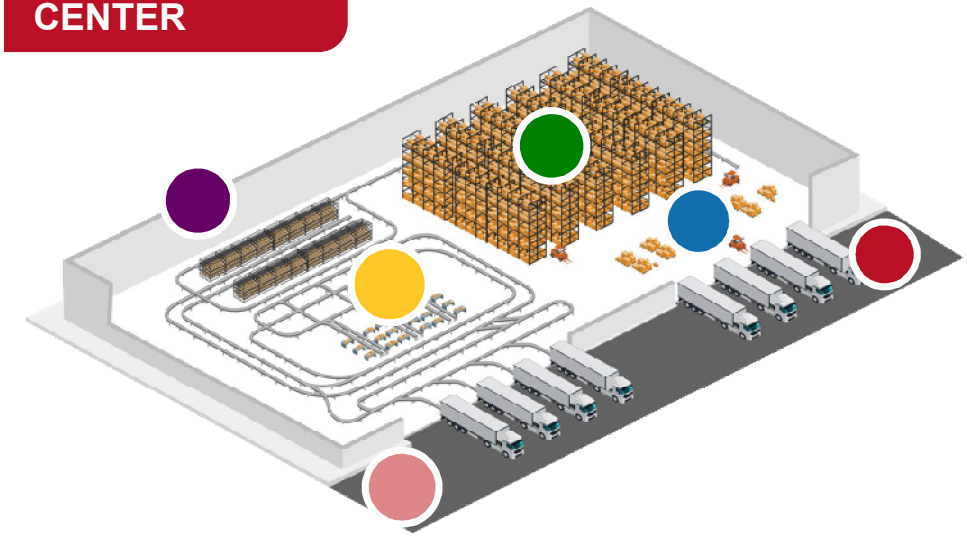
Slide 13

DM4 Replace next 2 slides with image of UK
Dijkkamp, Marcel, 20/06/2017

But stores aren't DCs, are they? Actually…

STORE

DISTRIBUTION CENTER



- Receive
- Stage
- Put-away
- Pick
- Pack
- Ship

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Slide 14

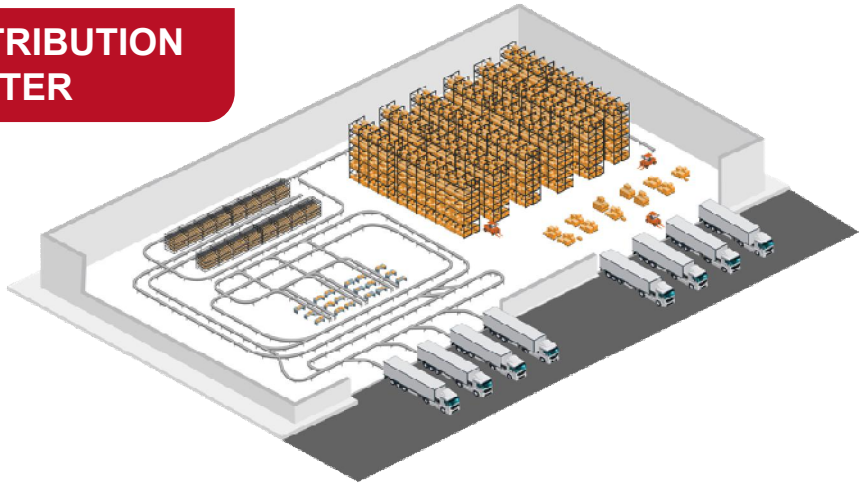
DM17 needs to be nicer, no animation needed or all in one go
Dijkkamp, Marcel, 20/06/2017

The store is a DC with the rise of omnichannel retail

STORE

	DC	Store
Receive	✓	✓
Stage	✓	✓
Put-away	✓	✓
Pick	✓	✓
Pack	✓	✓
Ship	✓	✓

DISTRIBUTION CENTER



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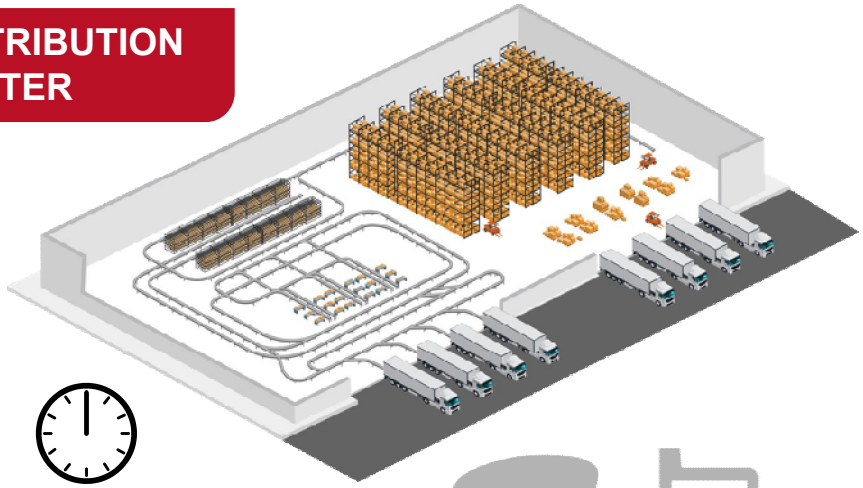
Slide 15

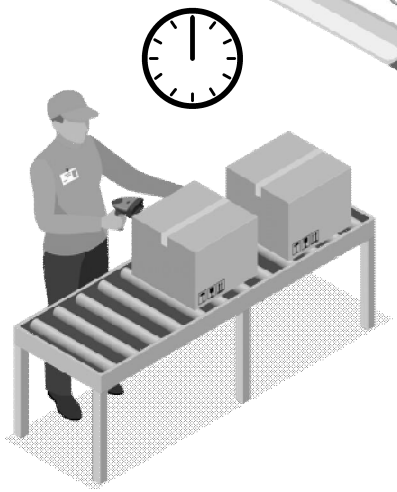
DM18 same
Dijkkamp, Marcel, 20/06/2017

Multi- vs. single-task workers

STORE

DISTRIBUTION CENTER





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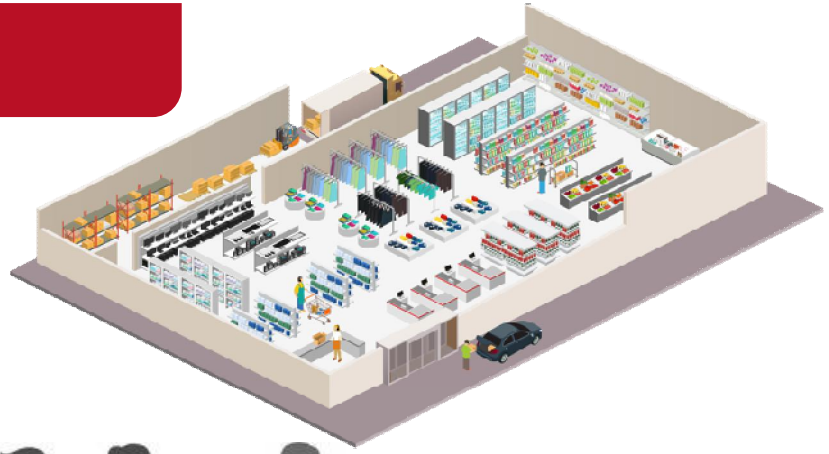
Slide 16

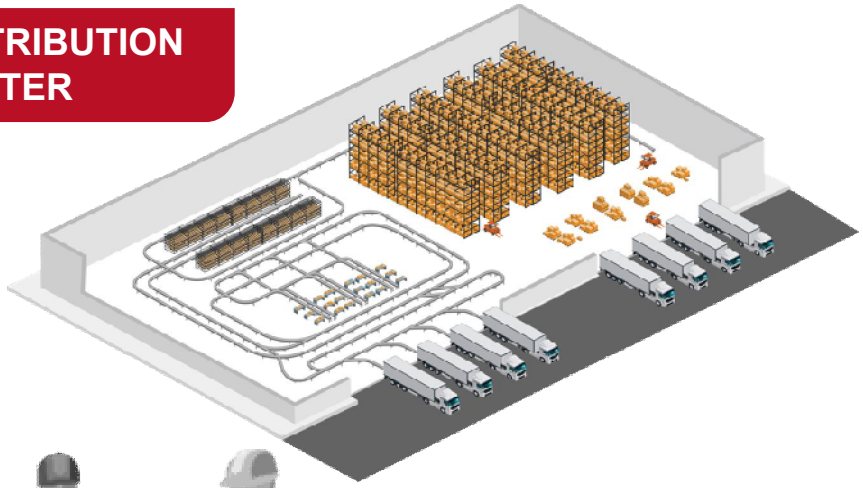
DM19 it gets the point across
Dijkkamp, Marcel, 20/06/2017

And most importantly… stores have customers in them!

STORE



DISTRIBUTION CENTER



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Slide 17

DM20 don't like the images
Dijkkamp, Marcel, 20/06/2017

The Honeywell Connected Retail Solution

MAY INCREASE WORKER PRODUCTIVITY UP TO

↑20%

Combined processes reduce travel time dramatically (for example, change price label while stocking)

↓25%

ESTIMATED REDUCTION IN SHELF OUT-OF-STOCK

System-driven shelf re-stocking proactively alerts store associates

1%

POTENTIAL INCREASE STORE SALES

Increasing shelf availability prevents lost sales

Solution Overview

--¡Honeywell DolphinÊ 75e or CT50 mobile computer running AndroidÊ operating system
--¡iOS and WindowsÊ 10 IoT available upon request
--¡SRX-SL ï Slim Line Bluetooth® headset designed for the retail environment
--¡Honeywell Connected Retail voice-directed mobile store applications
--¡Honeywell Connected Retail web services software for rapid integration into retail systems
-- Optional Goalpost labor management software available for ongoing worker analytics

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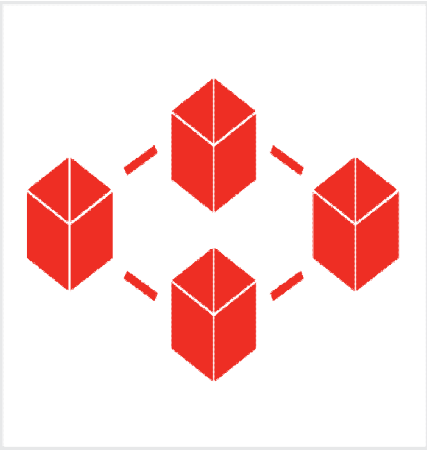
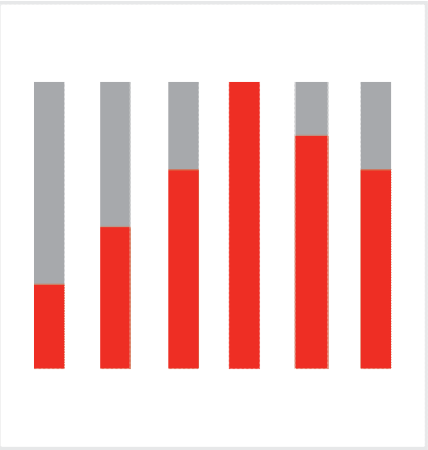
Honeywell - Vocollect Value Proposition





Process

OPTIMIZE YOUR OPERATIONS

by providing smart innovative technology solutions designed to help optimize workflow processes

Ergonomics

PROVIDE A PREMIER WORKER EXPERIENCE

by engaging your workforce with an ergonomically optimized experience to make workers more effective

Information

IMPROVE YOUR BUSINESS DECISIONS

by providing accessible information to identify and mine rich veins of data and provide actionable insights

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Retail In-Store Voice Workflow Applications

Store Operations

- Gap Scan*
- Low Line Scan*
- Receiving
- Load to Cart*
- Restocking*
- Stock Count*
- Price Verification
- Price Relabeling
- Reverse Logistics
  - Sorting
  - Restocking

Compliance

- Store Mapping
- New SKU Additions
- Planogram Audit*
- Planogram Compliance*
- Annual Stock Count*

E-Commerce

- Online Order Fulfillment*
  - ñClick & Collectò*
  - òClick & Shipò*
  - òClick & Deliverò*
- Dark Store Support*
- Wareroom Support*
- Picking Multiple Orders (Batching)*
- Substitutions

**Available Now*

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SRX-SL – The First Bluetooth™ Headset for Retail Workers

Approachable Design for Retail Environments

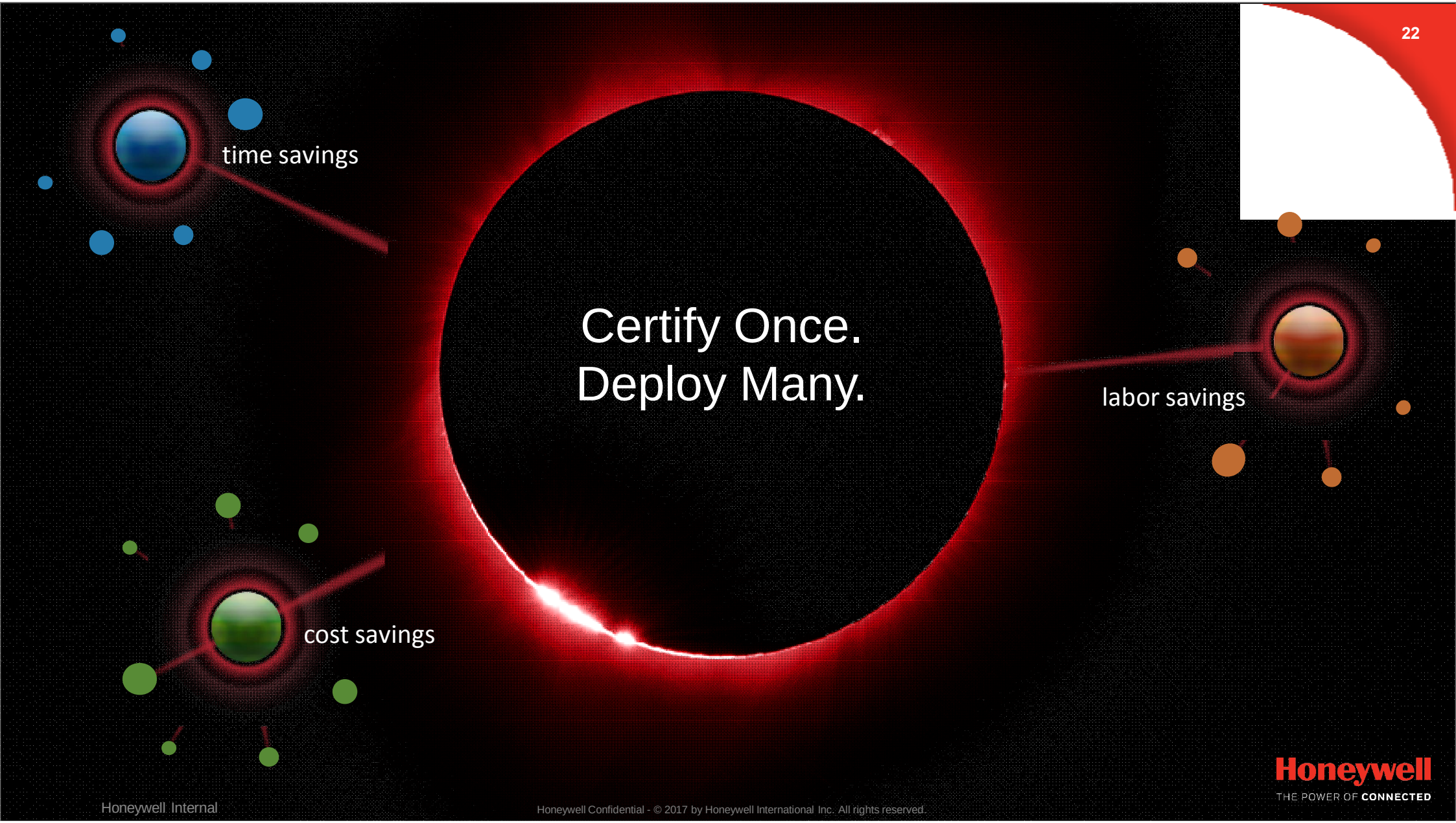
HONEYWELL'S WORKFLOW PERFORMANCE SOLUTION FOR RETAIL PROCESS FLOW

MAKING ALL OF THESE TASKS SIMPLE

As brick-and-mortar retailers compete with e-commerce for customers, Honeywell's Workforce Productivity Solution for In-store Retail delivers multi-tasking capabilities that improves productivity and customer's experience.

Using voice-directed software & data-capture technology the solution directs workers to multi-task cycle count, product look-up, customer assistance, shelf restocking & in-store fulfillment tasks – Interleaving Workflows.

Honeywell is delivering 20% productivity improvement for in-store retail workers and 25% reduction in shelf out-of-stock compared to traditional in-store inventory and task management solutions.



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Honeywell Internal
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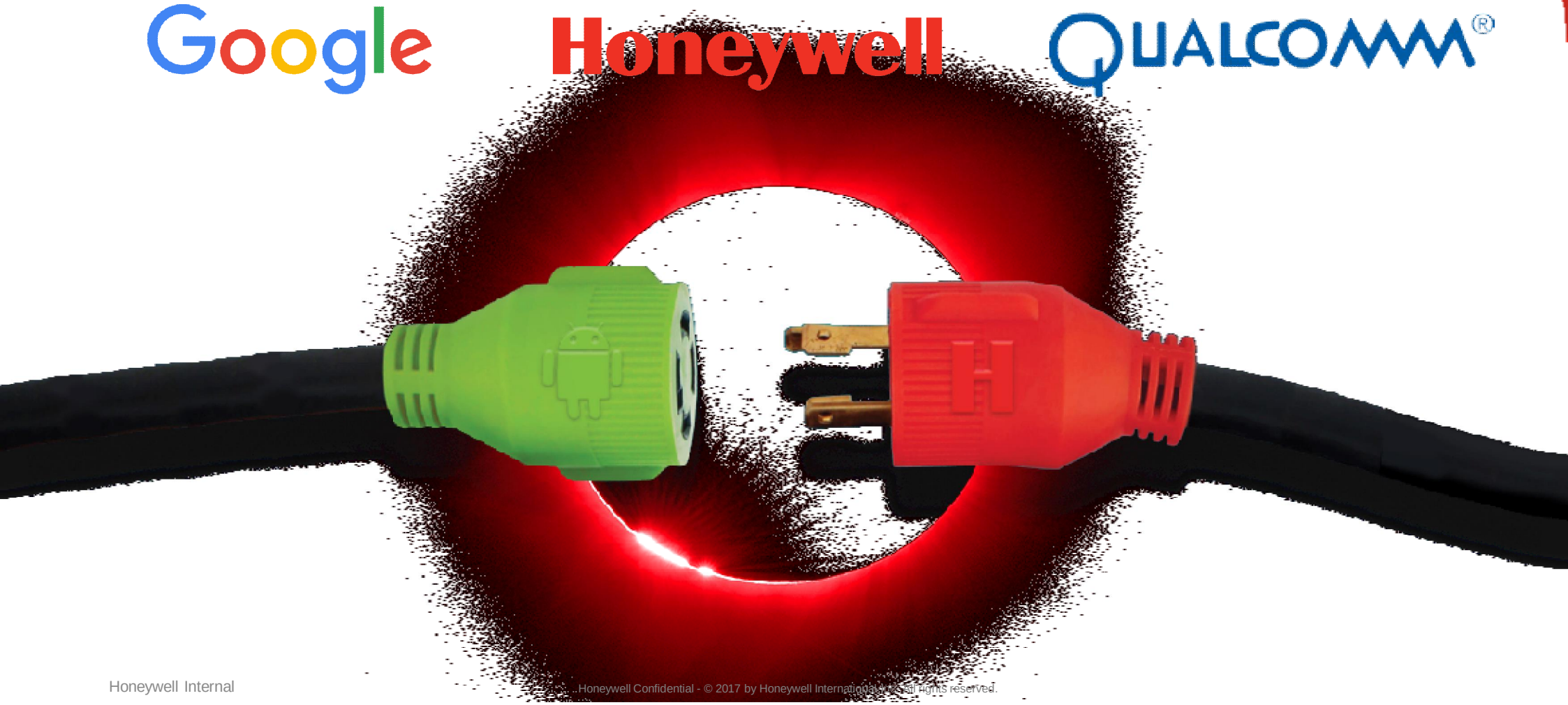
Technology partnerships strengthen offering for customers



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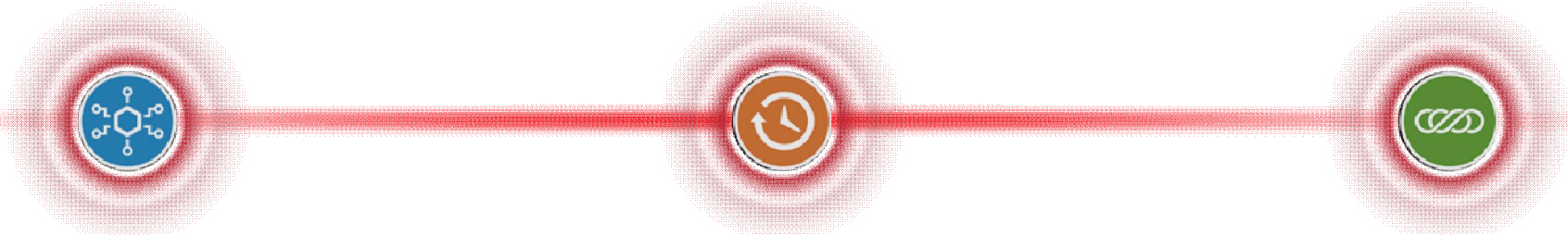
Mobility Edge: The power of a unified, dynamic platform



ACCELERATE DEPLOYMENTS

Validate once. Deploy everywhere.

Faster, easier deployments and at lower cost.

OPTIMIZE PERFORMANCE

Productivity-optimizing tools.

Faster data capture and secure, enhanced worker communications.

EXTEND LIFECYCLE

Forward compatible. Future-proof.

Reducing TCO and minimizing headaches.

Quality and Security Built-In

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Extend Lifecycle

Forward compatible. Future-proof. Reducing TCO and minimizing headaches.

Battery Monitor

- At-a-glance indication of battery health and runtime remaining

Battery Runtime Maximizer

- Onboard tool to enable tuning of device settings and performance characteristics
- Allows optimization of tradeoffs between performance and runtime adjusted for individual customer preferences

Battery Hot Swap

- Enables exchange of battery pack without rebooting of system
- Simple user procedure to prepare system for battery swap

Operational Intelligence

- Active monitoring of internal functions with cloud-based analytics platform

Self Diagnostics

- Onboard application to exercise multiple device subsystems
- Supports customer troubleshooting, technical support, and service

Extended Availability

- Operating system support through Android Q
- 3 years support for security updates after each OS release
- 2+ years extended support for security updates following last supported OS version

Futureproof Platform

- New form factors leveraging common platform assures application compatibility and ease of deployment

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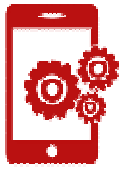
Giving you the edge, every step of the way

Honeywell Enterprise Mobility ensures an effective, seamless mobile experience

Support for every stage in your mobility solution



Device Deployment

Initial device preparation, configuration, staging and kitting, including DEP/MDM configuration.

Helpdesk Support

Customer-branded, 24x7x365, direct to end-user support on demand.

Device Depot

Spare pool management, device replacement, asset recovery & warranty management.

Lifecycle Management

Out of warranty repair, device protection plans, device buyback services and recycling.

Procurement

Centralized procurement of wireless products and services.

Expense Management

Invoice processing, auditing and optimization of wireless and wireline expenses.

Mobile Software as a Service

Day-to-day administration of leading mobile software products.

Consulting Services

Expert guidance on mobile strategy and IT evaluation.

Resale Services

Sale of accessories, refurbished devices and third party software.

**Honeywell Enterprise Mobility offering varies by region.*

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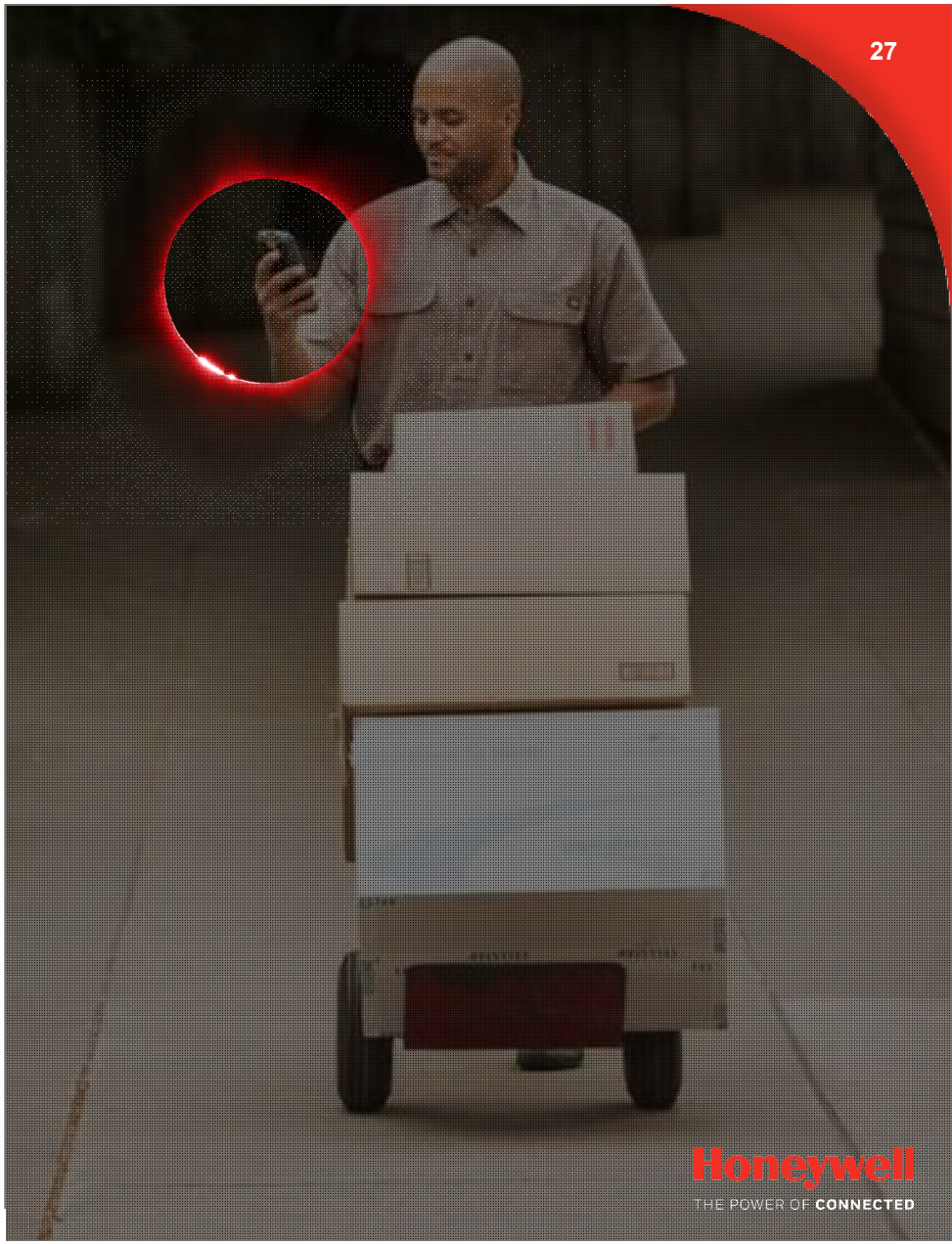
Getting started with Mobility Edge

Take the next step on your journey to bring simplicity to your mobile deployments.

- Arrange for a personalized, no-cost consultation with a Honeywell expert
- Identify the challenges where the Honeywell Mobility Edge platform drives clear value
- A dedicated Honeywell team of **25,000 + industrial experts, data scientists and software engineers** to solve your needs