# **ModernGraham Valuation**

### **Company Name:**

Honeywell International Inc.



Company Ticker HON
Date of Analysis

10/20/2015

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

5. Earnings Growth

•	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$75,805,206,083 Pas	S
2	2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.43 Fail	
;	3. Earnings Stability	Positive EPS for 10 years prior	Pas	s
4	Dividend Record	Dividend Payments for 10 years prior	Pas	s
		Increase of 33% in EPS in past 10		

Increase of 33% in EPS in past 10
years using 3 year averages at
beginning and end
73.20% Pass
PEmg < 20
19.27 Pass

6. Moderate PEmg Ratio PEmg < 20 19.27 Pass
7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 4.32 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.43 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.79 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive No Enterprising Yes

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$5.10
MG Growth Estimate	13.54%
MG Value	\$181.65
MG Value based on 3% Growth	\$74.02
MG Value based on 0% Growth	\$43.39
Market Implied Growth Rate	5.38%

MG Opinion

Current Price \$98.36 % of Intrinsic Value 54.15% Opinion Undervalued

### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$6.90
Graham Number	\$56.23
PEmg	19.27
Current Ratio	1.43
PB Ratio	4.32
Dividend Yield	2.11%
Number of Consecutive Years of Dividend Growth	5

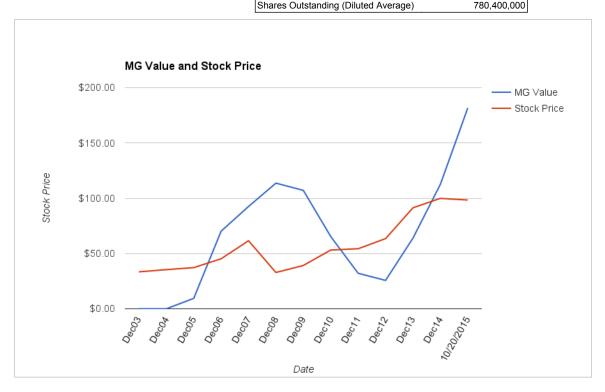
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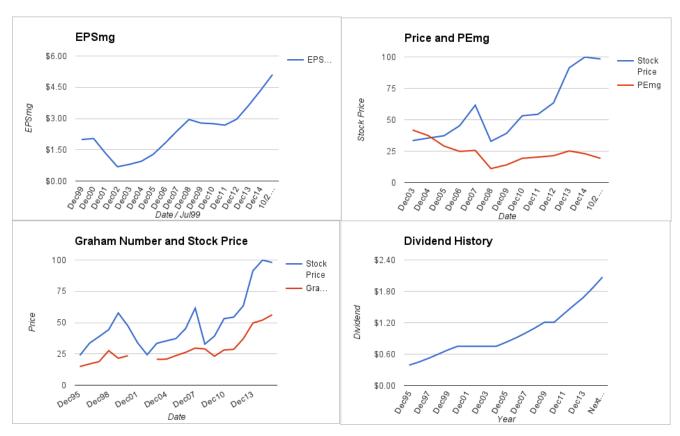
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

EPS History		EPSmg History	•
Next Fiscal Year Estimate	\$6.10	Next Fiscal Year Estimate	\$5.10
Dec14	\$5.33	Dec14	\$4.35
Dec13	\$4.92	Dec13	\$3.63
Dec12	\$3.69	Dec12	\$2.97
Dec11	\$2.61	Dec11	\$2.68
Dec10	\$2.59	Dec10	\$2.75
Dec09	\$2.05	Dec09	\$2.78
Dec08	\$3.76	Dec08	\$2.95
Dec07	\$3.16	Dec07	\$2.40
Dec06	\$2.52	Dec06	\$1.82
Dec05	\$1.92	Dec05	\$1.28
Dec04	\$1.45	Dec04	\$0.95
Dec03	\$1.52	Dec03	\$0.80
Dec02	-\$0.31	Dec02	\$0.68
Dec01	-\$0.12	Dec01	\$1.33
Dec00	\$2.05	Dec00	\$2.04
Dec99	\$1.90	Dec99	\$1.99
Dec98	\$2.34	Balance Sheet Information	Sep15
Dec97	\$2.00	Total Current Assets	\$23,479,000,000
Dec96	\$1.73	Total Current Liabilities	\$16,367,000,000
Dec95	\$1.55	Long-Term Debt	\$5,599,000,000
		Total Assets	\$46,625,000,000
		Intangible Assets	\$14,755,000,000
		Total Liabilities	\$28,865,000,000
		Shares Outstanding (Diluted Average)	780.400.000





#### Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

#### **Recommended Reading:**

Other ModernGraham posts about the company The 16 Best Stocks For Value Investors This Week – 8/1/15
Honeywell International Inc. Analysis – July 2015 Update \$HON

21 Companies in the Spotlight This Week - 5/9/15

Honeywell International Inc. Quarterly Valuation - May 2015 \$HON

58 Companies in the Spotlight This Week - 1/31/15

Other ModernGraham posts about related companies Raven Industries Inc. Analysis – October 2015 Update \$RAVN Illinois Tool Works Inc. Analysis – October 2015 Update \$ITW 3M Company Analysis – September 2015 Update \$MMM Honeywell International Inc. Analysis – July 2015 Update \$HON Raven Industries Inc. Analysis – Initial Coverage \$RAVN Illinois Tool Works Analysis – July 2015 Update \$ITW

3M Company Quarterly Valuation – May 2015 \$MMM

Honeywell International Inc. Quarterly Valuation - May 2015 \$HON

Illinois Tool Works Inc. Quarterly Valuation – March 2015 \$ITW

General Electric Annual Valuation - 2015 \$GE