

# ModernGraham Valuation

## Company Name:

Company Ticker HON  
Date of Analysis

Honeywell  
International Inc.

2/9/2016



## 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.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$78,700,337,535	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.09	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	95.65%	Pass
6. Moderate PEmg Ratio	PEmg < 20	18.15	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.30	Fail

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

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.09	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.30	Fail
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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$5.66
MG Growth Estimate	13.61%
<b>MG Value</b>	<b>\$202.12</b>
MG Value based on 3% Growth	\$82.07
MG Value based on 0% Growth	\$48.11
Market Implied Growth Rate	4.82%

### MG Opinion

Current Price	\$102.72
% of Intrinsic Value	50.82%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

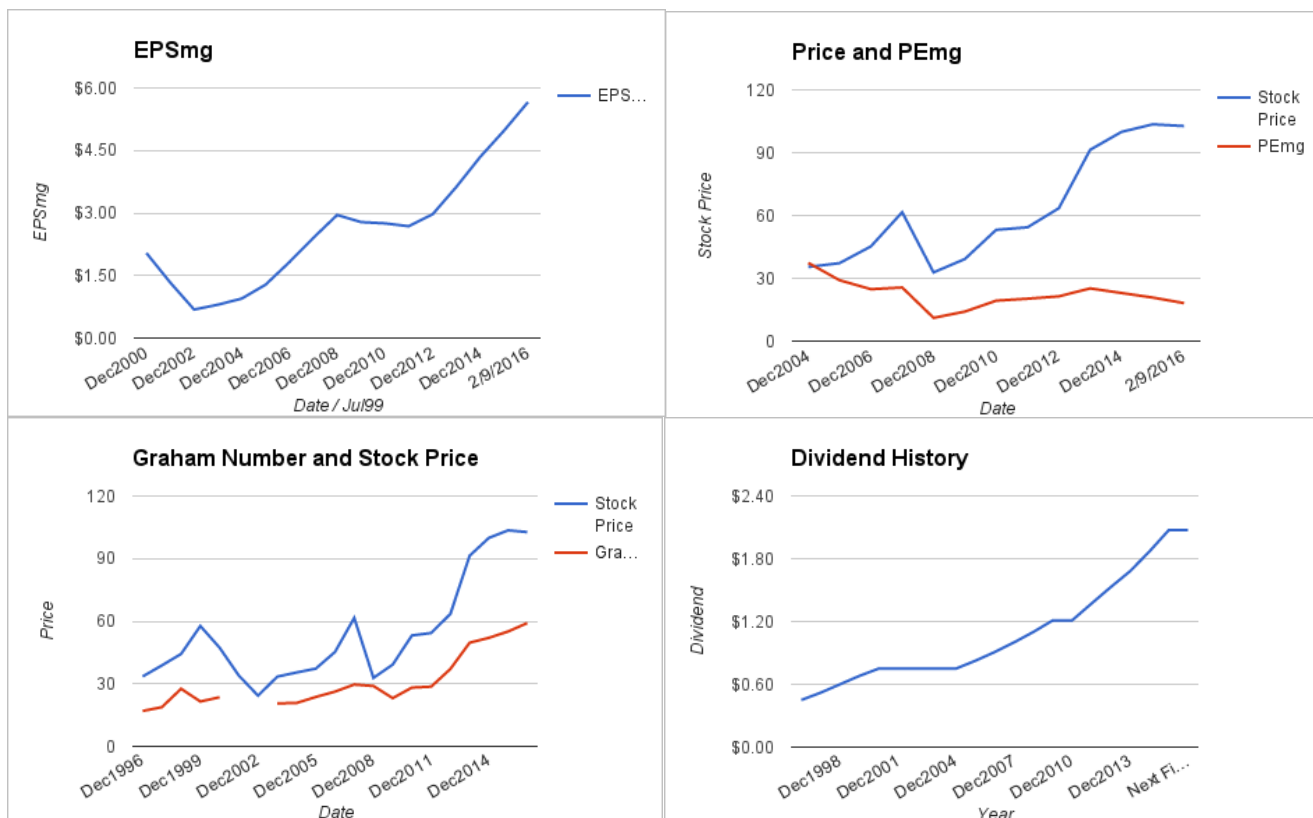
Net Current Asset Value (NCAV)	-\$14.07
Graham Number	\$59.12
PEmg	18.15
Current Ratio	1.09
PB Ratio	4.30
Dividend Yield	2.02%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.50	Next Fiscal Year Estimate	\$5.66
Dec2015	\$5.72	Dec2015	\$4.98
Dec2014	\$5.33	Dec2014	\$4.35
Dec2013	\$4.92	Dec2013	\$3.63
Dec2012	\$3.69	Dec2012	\$2.97
Dec2011	\$2.61	Dec2011	\$2.68
Dec2010	\$2.59	Dec2010	\$2.75
Dec2009	\$2.05	Dec2009	\$2.78
Dec2008	\$3.76	Dec2008	\$2.95
Dec2007	\$3.16	Dec2007	\$2.40
Dec2006	\$2.52	Dec2006	\$1.82
Dec2005	\$1.92	Dec2005	\$1.28
Dec2004	\$1.45	Dec2004	\$0.95
Dec2003	\$1.52	Dec2003	\$0.80
Dec2002	-\$0.31	Dec2002	\$0.68
Dec2001	-\$0.12	Dec2001	\$1.33
Dec2000	\$2.05	Dec2000	\$2.04
Dec1999	\$1.90	<div>Balance Sheet InformationDec2015</div>	
Dec1998	\$2.34	Total Current Assets\$20,053,000,000	
Dec1997	\$2.00	Total Current Liabilities\$18,371,000,000	
Dec1996	\$1.73	Long-Term Debt\$5,554,000,000	
		Total Assets\$49,316,000,000	
		Intangible Assets\$20,472,000,000	
		Total Liabilities\$30,898,000,000	
		Shares Outstanding (Diluted Average)770,690,000	





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

[7 Best Stocks For Value Investors This Week – 10/24/15](#)  
[Honeywell International Inc. Valuation – October 2015 Update \\$HON](#)  
[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](#)

Other  
ModernGraham  
posts about related  
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[3M Company Valuation – February 2016 Update \\$MMM](#)  
[Raven Industries Inc Valuation – January 2016 Update \\$RAVN](#)  
[Illinois Tool Works Inc Valuation – January 2016 Update \\$ITW](#)  
[E I du Pont de Nemours & Co Valuation – November 2015 Update \\$DD](#)  
[E I Du Pont de Nemours & Company Analysis – August 2015 Update \\$DD](#)  
[E. I. Du Pont De Nemours and Company Quarterly Valuation – May 2015 \\$DD](#)  
[Honeywell International Inc. Valuation – October 2015 Update \\$HON](#)  
[Raven Industries Inc. Analysis – October 2015 Update \\$RAVN](#)  
[Illinois Tool Works Inc. Analysis – October 2015 Update \\$ITW](#)  
[3M Company Analysis – September 2015 Update \\$MMM](#)