

ModernGraham Valuation

Honeywell
International Inc.



Company Name:

Company Ticker HON

Date of Analysis

6/26/2018

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	\$107,565,365,180	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.36	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	124.28%	Pass
6. Moderate PEmg Ratio	PEmg < 20	25.66	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.17	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	1.36	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.86	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 Score		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.61
MG Growth Estimate	4.36%
MG Value	\$96.64
MG Value based on 3% Growth	\$81.36
MG Value based on 0% Growth	\$47.70
Market Implied Growth Rate	8.58%

MG Opinion

Current Price	\$144.01
% of Intrinsic Value	149.01%
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$23.11
Graham Number	\$64.03
PEmg	25.66
Current Ratio	1.36
PB Ratio	6.17
Current Dividend	\$2.74
Dividend Yield	1.90%
Number of Consecutive Years of Dividend Growth	7

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.92	Next Fiscal Year Estimate	\$5.61
Dec2017	\$2.14	Dec2017	\$4.61
Dec2016	\$6.20	Dec2016	\$5.65
Dec2015	\$6.04	Dec2015	\$5.08
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	Balance Sheet Information 3/1/2018	
Dec2000	\$2.05	Total Current Assets	\$25,587,000,000
Dec1999	\$1.90	Total Current Liabilities	\$18,755,000,000
Dec1998	\$2.34	Long-Term Debt	\$12,738,000,000
		Total Assets	\$60,948,000,000
		Intangible Assets	\$22,982,000,000
		Total Liabilities	\$43,174,000,000
		Shares Outstanding (Diluted Average)	761,000,000





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

- [Honeywell International Inc Valuation – July 2017 \\$HON](#)
- [Honeywell International Inc Valuation – February 2016 \\$HON](#)
- [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](#)

Other ModernGraham posts about related companies

- [General Electric Co Valuation – February 2018 \\$GE](#)
- [3M Company Valuation – February 2018 \\$MMM](#)
- [Raven Industries Inc Valuation – September 2017 \\$RAVN](#)
- [Illinois Tool Works Inc Valuation – August 2017 \\$ITW](#)
- [Honeywell International Inc Valuation – July 2017 \\$HON](#)
- [Carlisle Companies Inc Valuation – Initial Coverage \\$CSL](#)
- [ITT Inc Valuation – Initial Coverage \\$ITT](#)
- [3M Co. Valuation – December 2016 \\$MMM](#)
- [E I du Pont de Nemours & Co Valuation – August 2016 \\$DD](#)
- [3M Company Valuation – August 2016 \\$MMM](#)