ModernGraham Valuation

Company Name:

Company Ticker HON Date of Analysis

Honeywell International Inc.



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

6/26/2018

Defensive Investo	r; 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
		Increase of 33% in EPS in past 10	
	5. Earnings Growth	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
		P P Rate + 2.8 OK + D + Elling + 66	0.17 1 4
Enterprising Inves	tor; 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	Pass
		Score	
Suitability	- <i>i</i> .		
	Defensive	No	
	Enterprising	No	
Stage 2: De	termination 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%	
		Quantum	
	Opinion	Overvalued	

Stage 3: Information for Further Research

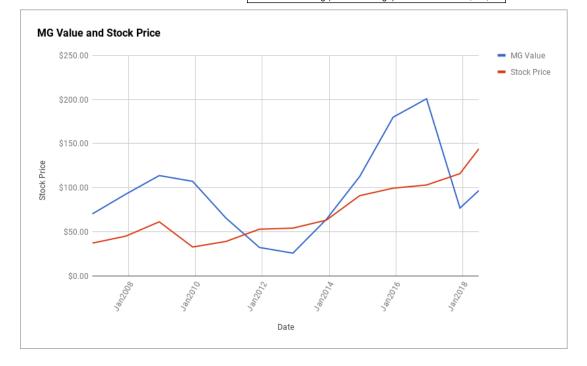
Net Current Asset Value (NCAV)	-\$23.11
Graham Number	\$64.03
PEmg	25.66
Current Ratio	1.36
PB Ratio	6.17
Current Dividend	\$2.74
Dividend Yield	1.90%
Number of Consecutive Years of Dividend	_
Growth	7

Useful Links:

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Morningstar MSN Money Seeking Alpha 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	\$2.7
Dec2009	\$2.05	Dec2009	\$2.78
Dec2008	\$3.76	Dec2008	\$2.9
Dec2007	\$3.16	Dec2007	\$2.40
Dec2006	\$2.52	Dec2006	\$1.82
Dec2005	\$1.92	Dec2005	\$1.28
Dec2004	\$1.45	Dec2004	\$0.9
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	Honeywell International Inc Valuation – July 2017 \$HON
ModernGraham posts about the	Honeywell International Inc Valuation – February 2016 \$HON
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

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