

ModernGraham Valuation

Honeywell
International Inc.



Company Name:

Company Ticker HON

Date of Analysis

3/31/2019

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	\$115,752,559,066	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.29	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	111.25%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.99	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.44	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	1.29	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.79	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	\$6.63
MG Growth Estimate	4.55%
MG Value	\$116.54
MG Value based on 3% Growth	\$96.07
MG Value based on 0% Growth	\$56.32
Market Implied Growth Rate	7.74%

MG Opinion

Current Price	\$158.92
% of Intrinsic Value	136.37%
Opinion	Overvalued
MG Grade	D

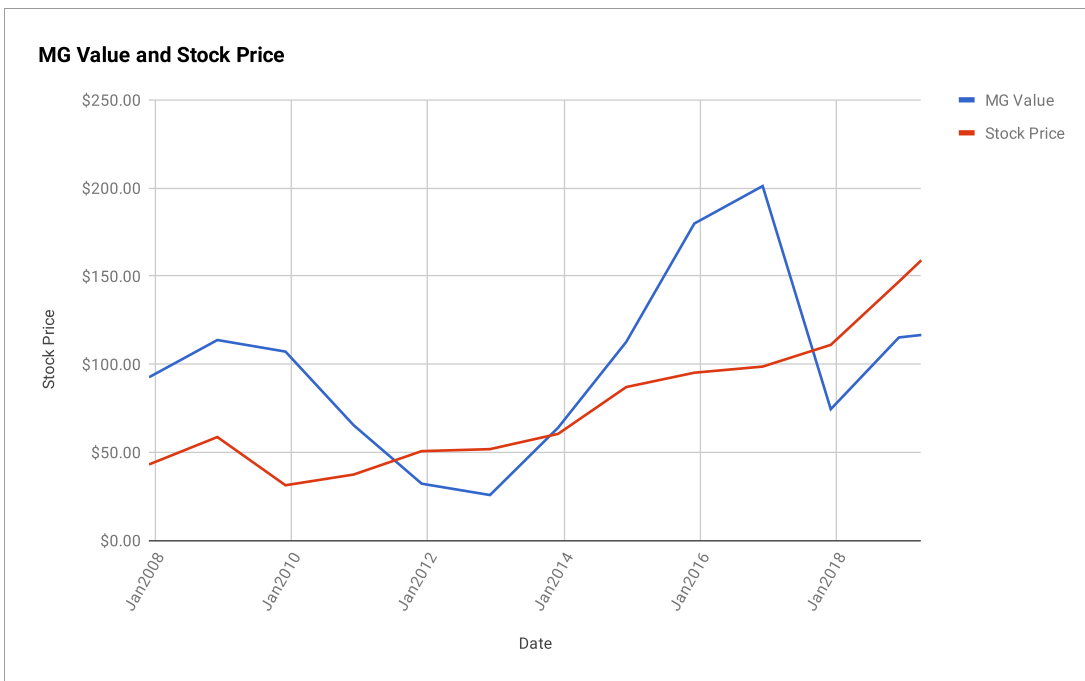
Stage 3: Information for Further Research

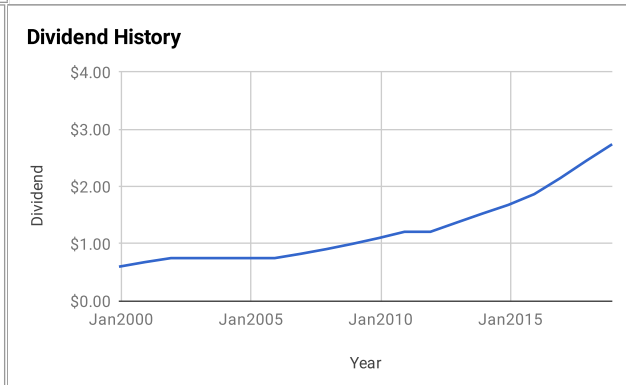
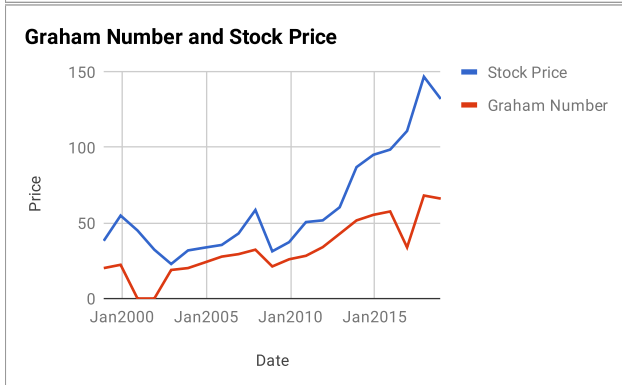
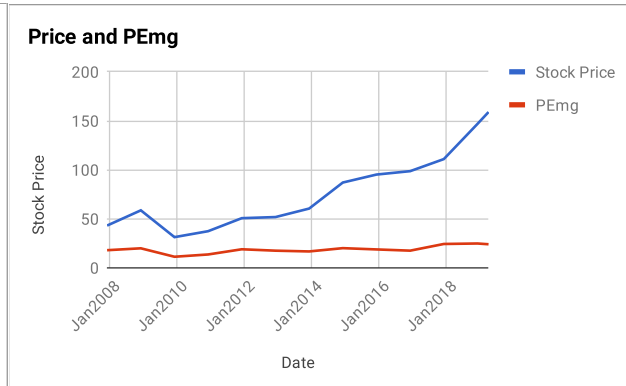
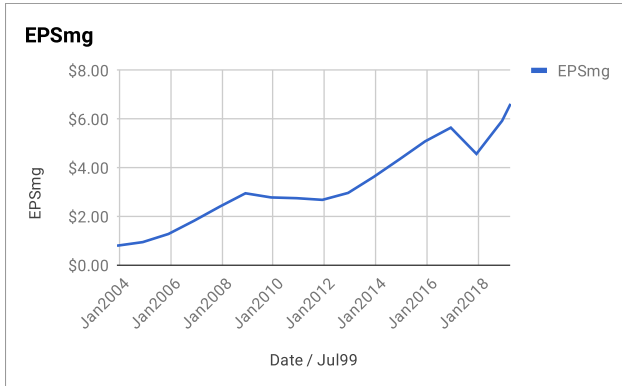
Net Current Asset Value (NCAV)	-\$20.23
Graham Number	\$66.13
PEmg	23.99
Current Ratio	1.29
PB Ratio	6.44
Current Dividend	\$3.06
Dividend Yield	1.92%
Number of Consecutive Years of Dividend Growth	8

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	\$7.80	Next Fiscal Year Estimate	\$6.63
Dec2018	\$8.98	Dec2018	\$5.93
Dec2017	\$2.00	Dec2017	\$4.57
Dec2016	\$6.21	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	Balance Sheet Information 12/1/2018	
Dec2001	-\$0.12	Total Current Assets	\$24,362,000,000
Dec2000	\$2.05	Total Current Liabilities	\$18,924,000,000
Dec1999	\$1.90	Long-Term Debt	\$9,756,000,000
		Total Assets	\$57,773,000,000
		Intangible Assets	\$19,685,000,000
		Total Liabilities	\$39,415,000,000
		Shares Outstanding (Diluted Average)	744,000,000





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 – June 2018 \\$HON](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [Ingersoll-Rand PLC Valuation – January 2019 \\$IR](#)
 - [General Electric Co Valuation – November 2018 \\$GE](#)
 - [3M Co Valuation – November 2018 \\$MMM](#)
 - [ITT Inc Valuation – July 2018 \\$ITT](#)
 - [Illinois Tool Works Inc Valuation – June 2018 \\$ITW](#)
 - [Honeywell International Inc Valuation – June 2018 \\$HON](#)
 - [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](#)