



Honeywell International Inc

by the Industrials team

Content

1. SWOT Analysis and CEO research → Strong market presence
2. Pipeline events → Fast changing
3. Financials → Strong Financial position
4. ESG → Responsible
5. Technical analysis → Appropriate time to buy



SWOT Analysis and CEO

CEO Research

Darius is a Polish-American businessman, who was the CEO of Metrologic Inc. which was purchased by Honeywell in 2008 for \$720M. He became CEO of Honeywell in 2017.

Adamczyk's strategy is to apply analytical rigor to identify areas of potential growth, chop deadweight, and lean into software and automation.

Adamczyk is also noted for building on the companies Sentience platform and expanding it into Honeywell Forge, which is a cloud based IoT platform and product development framework for the development of scalable software.

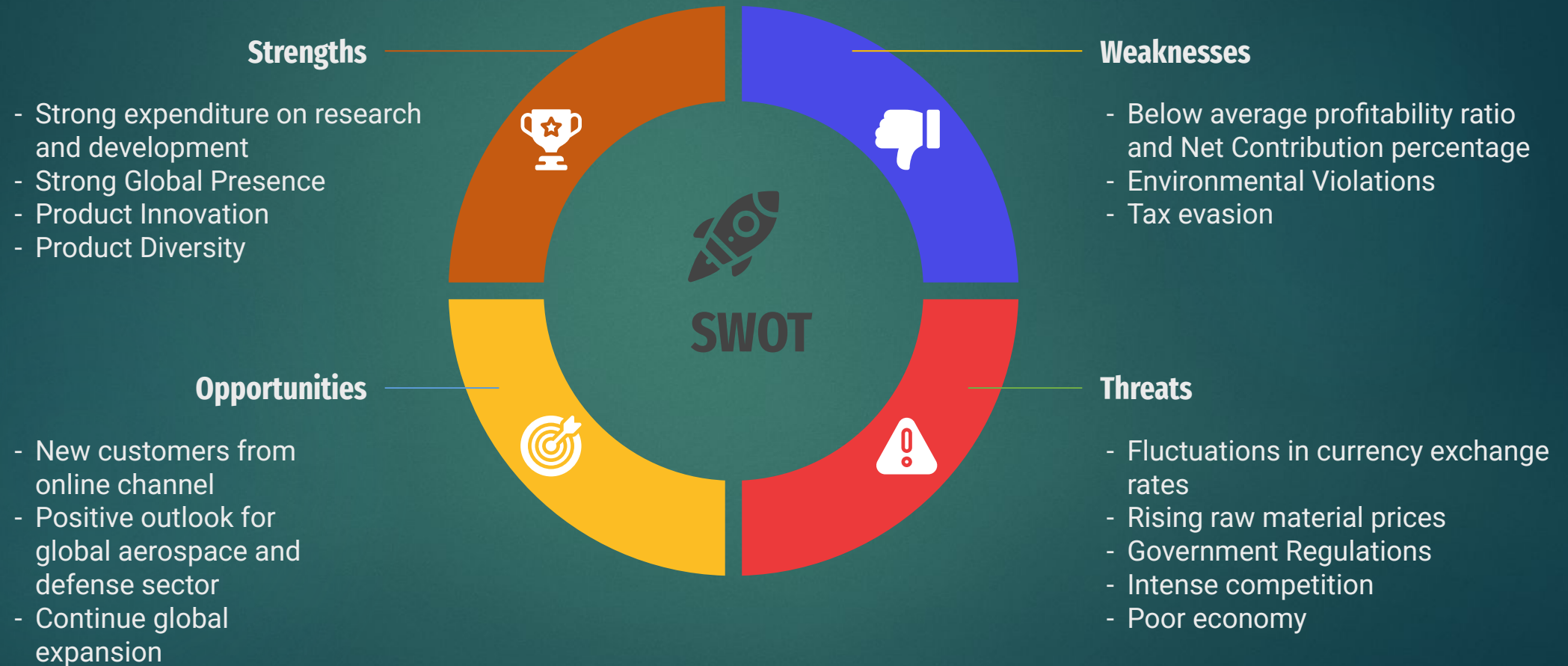
He earned his MBA from Harvard University, a master's degree in computer engineering from Syracuse University, and bachelor's degree in electrical and computer engineering from Michigan State University.

Darius is Vice Chair of the U.S.-China Business Council, a member of the Business Roundtable Board of Directors and a member of the Business Council and Aspen Economic Strategy Group. In addition, he was elected to the Board of Directors for Johnson & Johnson in 2022.



CEO Darius Adamczyk

SWOT Analysis of Honeywell





Pipeline events

Latest News

- Honeywell is one of leading manufactures and developers for the aerospace and aviation industry.
- The recent article (right) talks about plans to showcase recent modifications developed by Honeywell to shareholders.
- These developments include the JetWave MCX – Honeywell's Ka-Band SATCOM optimised for military missions.

Honeywell test plane on Asian tour

By Asian Aviation Staff - 22/02/2023

45 0



Honeywell opens warehouse automation centre



By MICHELLE MOONEY - 16th February 2023



LinkedIn



Tweet



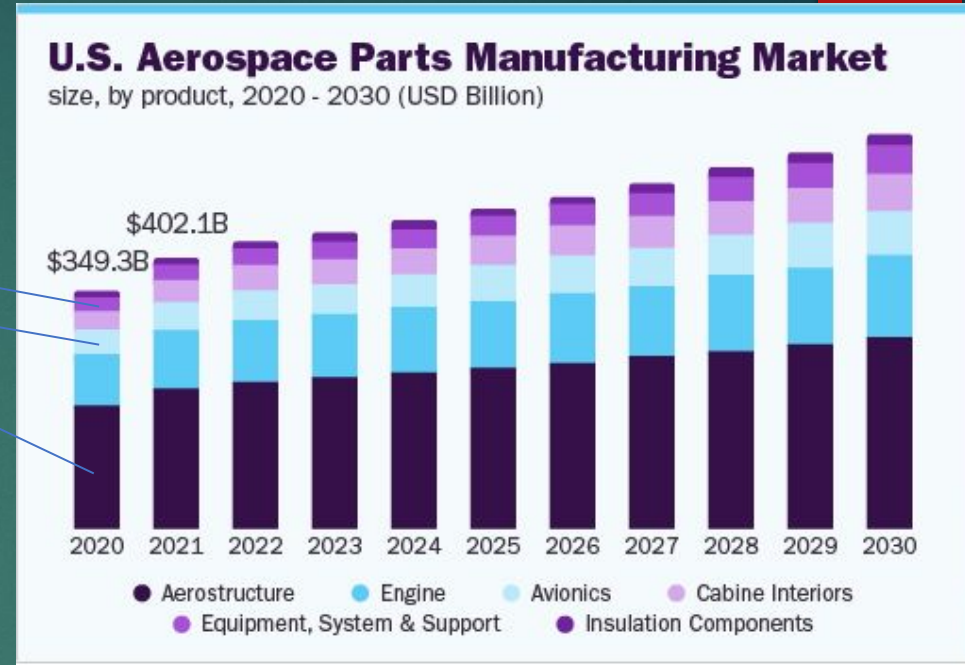
Share



- The facility will be used by Honeywell's engineers to develop next-generation warehouse solutions including: intelligent conveyor systems, robotics, automatic storage, retrieval systems, sorting systems, palletisers and advanced picking technologies controlled by voice.
- The facility will help warehouse and logistics companies across Europe enhance their supply chains and strengthen the accuracy, efficiency, and throughput of goods.

Market Trends

- Aerospace industry predicted to grow 9% annually, set to reach 1.
- Honeywell contributed significantly to these 3 segments of the industry, which were are also the key drivers for the industry growth.
- Should expect this upwards trend to correspond with increased price for the Honeywell stock.



Financials

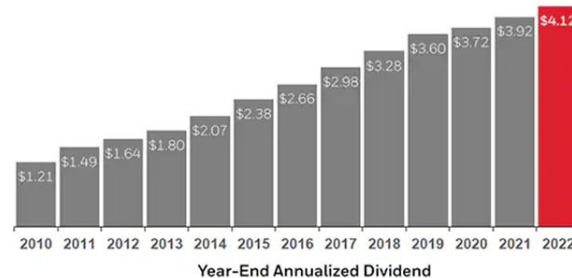


	Honeywell	GE	3M
Valuation (\$)	134.6b	90.5b	62.2b
Revenue (\$)	35.4b	76.6b	34.2b
Net income (\$)	5b	292m	5.8b
Manufacturing facilities	210	201	150
Employees	99,000	168,000	92,000

	Honeywell	GE	3M
P/E ratio	27.70	156.68	11.10
Total debt to EBITDA	2.32	4.29	2.71
Acid test ratio	0.98	0.86	0.98
Beta	1.10	1.23	0.96
Wacc	8.14	7.31	7.59

13th Dividend Increase Since 2010

13th Dividend Increase Since 2010



[Go to Dividend History](#)

Honeywell ESG Aims:

WITH HONEYWELL BEING AN EFFICIENT ENERGY PRODUCER, THEY HAVE GREAT ENVIRONMENTAL CONCERNS TO KEEP THEIR ENERGY PROVISION AND SOURCING RENEWABLE.

THEIR CORPORATE SOCIAL RESPONSIBILITY PROGRAM INSPIRES CHANGE, AND THEIR PARTNERSHIPS EMPHASIZE SCIENCE, TECHNOLOGY, ENGINEERING AND MATHS EDUCATION.

HONEYWELL CONTINUE TO BE A LEADER IN THEIR INDUSTRY AND ONE OF THE WORLD'S LARGEST AND MOST ADMIRER COMPANIES.

HERE IS SOME OF THEIR PROGRESS SO FAR:



>60% OF 2021 SALES

were comprised of solutions that contribute to
ESG-oriented outcomes¹



**~60% OF R&D SPEND IN
2021**

was directed toward ESG-oriented outcomes¹



Honeywell ESG Aims &Targets:

Key Takeaway Points

ENVIRONMENT

Pledged to be carbon neutral in our facilities and operations by **2035**

>90% reduction in Scope 1 and Scope 2 greenhouse gas intensity since 2004

Committed to **SET A SCOPE 3 EMISSIONS TARGET**

aligned with the Science Based Targets initiative (SBTi)

6,100 sustainability projects completed since 2010, with more than \$100M in annualized savings

0.25

total case incident rate (TCIR), a safety record over 4x better than the weighted average TCIR of the industries in which we operate

160 MILLION

gallons of water saved in water-stressed regions since 2013 from more than 180 projects

Spent more than **\$4 BILLION** over the last 18 years to remediate and restore approximately 3,000 acres to productive community use

~70% energy efficiency improvement since 2004

SOCIAL

Launched 8 Employee Networks, with more than **9,000** employees belonging to at least one

Provided **10,000+** households in rural India access to safe drinking water, sanitation, irrigation, and solar electricity as a result of a partnership with the Swades Foundation

Raised nearly **\$1MILLION** for the Honeywell Ukraine Relief Fund to provide on-the-ground aid and employee support

Created and launched Honeywell Accelerator with over **150** learning modules and **42** role-specific learning journeys

Established innovative labs at seven universities in Turkey, Romania, Mexico, and Indonesia that serve more than **10,000** students per year

Distributed over **\$15M** in relief funding to more than 2,600 employees and our communities around the world after natural disasters

Awarded more than **\$2.5M** STEM-related scholarships

Completed more than **4,000** hours during Global Volunteering Month

Increased its score to **85 POINTS** in The Human Rights Campaign's annual Corporate Equity Index

GOVERNANCE

100% of eligible employees completed the Code of Conduct certification and training

PUBLISHED MONTHLY EDITIONS

of Integrity Stories to encourage managers and their teams to openly discuss critical ethical issues in the workplace

36% of our Board of Directors are women and **45%** are ethnically or racially diverse

Honeywell investigates and responds to **100%** of the allegations reported through ACCESS Integrity based on Honeywell's Code of Business Conduct, Supplier Code of Conduct and our Human Rights Policy

Rated a CPA-Zicklin

TRENDSETTER by the Center for Political Accountability

MANAGED COMPLIANCE RISKS

of more than tens of thousands of suppliers around the globe and require all suppliers to adhere to the Supplier Code of Conduct

Methodology for identifying ESG-oriented solutions is available at investor.honeywell.com



>60% OF 2021 SALES

were comprised of solutions that contribute to ESG-oriented outcomes¹



~60% OF R&D SPEND IN 2021

was directed toward ESG-oriented outcomes¹

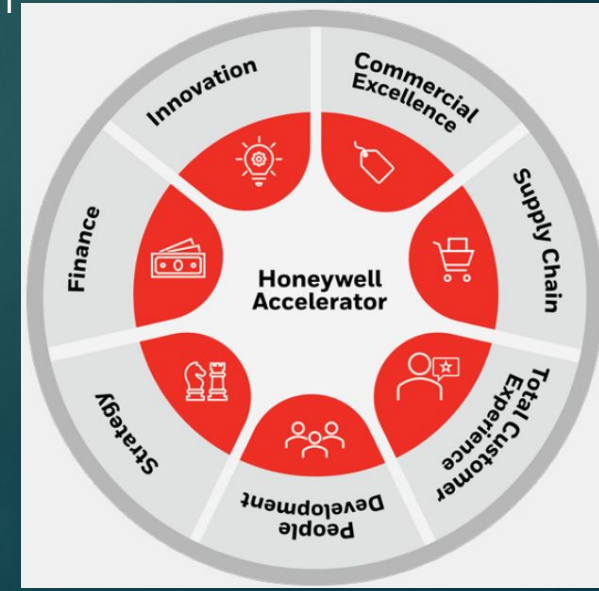
• Environmental

- ▶ Honeywell announced aims to be carbon neutral by 2035, allocating up to \$50 million each year in internal projects to help attain this target.
- ▶ This includes investment in converting to renewable energy sources and completing their capital improvement projects.
- ▶ Their history of innovation has given them the knowledge to reduce their environmental footprint, and have technology to produce green-fuels, hydrogen-oriented technologies and carbon capture.
- ▶ Aim to intensely drop greenhouse gas emissions a further 10% by 2024 compared to 2018 levels and deploy at least 10 renewable energy projects, showing great promise for the future of the company and its stock market value.

~70% energy efficiency improvement since 2004

• Social

- ▶ Honeywell create tangible impacts on the world and partner with customers to do so, especially through their Corporate Social Responsibility program.
- ▶ This program encourages STEM education, sustainability and humanitarian relief, underpinned by their commitment to also advance inclusion and diversity in the workplace.
- ▶ Over 9000 employees belong to 1 of 8 diverse employee networks.
- ▶ The launch of the operating system, Honeywell Accelerator, also aided in giving employees a robust learning program to educate the workforce on all facets of operations and teach new skill.



• Governance

- ▶ Honeywell maintains strong corporate governance practices to ensure the board of directors effectively exercises its oversight roles.
- ▶ This entails enabling responsiveness to shareholders and monitor adherence to Honeywell's values and promote itself as a responsible corporate citizenship.
- ▶ They believe in transparency being the key to good governance and have become increasingly more so recently.
- ▶ Increased transparency costs on all ESG elements to meet expectations from customers, suppliers, shareholders, employees and the community was an implemented technique.
- ▶ Also beneficial is the establishment of their Anticorruption program. It detects, investigates, and remediates potential corruption and bribery concerns.



Technical analysis

Volatility associated with Honeywell International and macro economic risks

Honeywell has a **beta of 1.09** which shows us that the stock is very much in line with the whole of the market, and that the change that occurs in this stock is roughly the **same as the change as the whole market.**

From this we understand that the change within our stock is cyclical, meaning that returns and changes in the stock price are usually affected by the US Business cycle. Furthermore, the monthly volatility of this stock is 2.03 % meaning that it is a very stable and safe investment.

Because of this, Honeywell could be a great decision moving forward as the whole world is slowly coming out of the recession caused by Covid and the Energy Crisis.

Company specific risks

- ▶ Some specific risks within the company are mainly Legal and Regulatory. This coming from the fact that Honeywell operates in the technology part of the industrial sector which often needs numerous patents, need to be in line with legal requirements and need to reach a certain standard. Furthermore, the risk level of the Legal and Regulatory for Honeywell it is still around the industry average so no need to worry as an investor.
- ▶ Other risks are Political, Finance and Corporate and many others. However, they are not that relevant as they are way below the industry's average.

Technical analysis



Potential plays



What do analysts say about the future of this stock

- ▶ Analyst predictions are shown on the right.
- ▶ This is in line with everything that I have been saying so far except their prediction for the worse case scenario is still a 0.5% return. With the potential of a 38% return within a year.



Conclusion

1. SWOT Analysis and CEO research → Strong market presence
2. Pipeline events → Fast changing
3. Financials → Strong Financial position
4. ESG → Responsible
5. Technical analysis → Appropriate time to buy