Company: Honeywell International	Ticker: HON	Price: $193.15	Industry: Commercial Aerospace & Automation	
Target Price: $242.79 Stop Loss: $156 52 Week H/L: $168.99/$227.74	TTM P/E: 20.71x Forward P/E: 19.50x EPS (LTM): 9.47		Beta (5Y): 0.94 Credit Rating: A (S&P)	Market Cap: 131.132B Avg. Volume (3M): 4.55M Div. Yield: 2.34%

Company Background:

Honeywell is a global industrial technology leader that operates across aerospace, automation, energy and building technologies. In 2025, Honeywell began a multi-year corporate transformation with the goal of unlocking existing value by separating the company into three independent public companies. Those companies include Honeywell Aerospace, Honeywell and Solstice Advanced Materials. To date, Honeywell is comprised of its automation and aerospace businesses. Honeywell operates as the pure-play automation leader that is focused on powering the world's shift towards total automation. Honeywell Aerospace is poised to become the premier technology and systems provider defining the future of aviation and defense, this business is anticipated to be spun off early in 2026. This separation reflects Honeywell's shift away from being an industrial conglomerate and into a set of focused, high growth, pure play technology companies. Currently, Honeywell operates across four key segments that are focused on delivering automation (26%), aviation (40%), performance (17%) and safety (17%) technologies to a wide range of customers worldwide.

Industry Outlook:

Honeywell operates across a wide range of industries. From this large range of industries, three growth industries can be derived that will deliver significant upside to Honeywell's future. The first being in Aerospace and defense where there is a continued rebound in aviation supported by record OEM backlogs and a resurgence in air travel demand. Furthermore, in the industrial automation and digital operations industry, persistent labor shortages are driving rapid adoption of automation, industrial AI and warehouse/workflow optimization. In addition, data centers and digital infrastructure are key demand drivers for controls, sensing and energy management, all major aspects of Honeywell's product and service offerings. Lastly, the energy transition and sustainability sector, a global shift towards decarbonization and clean energy with global emissions mandates boosting need for low-carbon fuels, carbon capture, hydrogen technologies and energy management.

Competitive Analysis:

Key players include GE Aerospace, RTX, Siemens, Schnider Electric, ABB, and Johnson Controls. GE Aerospace and RTX represent aerospace, Honeywell's advantage lies in its high margin avionics, strong aftermarket activity and deep installed base across ~90% of commercial aircraft. Competitors Siemens, Schnieder and ABB offer leading control systems. In this space Honeywell differentiates itself with integrated software platforms and industrial automation capabilities. Finally, in advanced materials, companies like Johnson Controls compete in sustainable materials. Honeywell, via Solstice, maintains an edge with their low global warming materials and energy transition processes.

Investment Thesis:

Honeywell is an attractive stable value company that will provide steady growth across key segments. The company's immense diversification across industries allows it to capitalize on upticks and mitigate exposure to potential downside in any given industry. Efforts to create three separate, publicly traded companies increase Honeywell's operational efficiency and provide an attractive outlook on future growth.

Investment Risks:

- International Presence: 50% of revenues from the overseas market, exposing Honeywell to geopolitical tensions and volatility
- Innovation: Growth is dependent on ability to innovate on track with industry trends and introducing relevant products
- Government Contract Reliance: Revenues tied up in government contracts, any changes, cuts, or shutdowns could have implications on performance

Stock Performance – 5yr:

ESG:

Company	Industry	CSA Score	ESG Score	Score Under Review	Last Updated
Honeywell International Inc.	IDD Industrial Conglomerates	36	39	NO	October 14, 2025

Valuation:

Implied Equity Value and Share Price		
PV of FCF		$50,132
PV of Terminal Value		$30,182
Enterprise Value	$	125,691
Enterprise Value (DCF Method)	$	80,314
Average Enterprise Value	$	103,003
Less: Debt	$	38,215
Add: Cash & Equivalents	$	12,930
Equity Value		$154,148
Shares Outstanding		635
Implied Share Price		$242.79
Current Price		$196.08
Margin of Safety		23.82%

Implied Perpetuity Growth Rate	
Terminal Year FCF	$9,140
Discount Rate	8.32%
Terminal Value	$147,519
Perpetuity Growth Rate	2.00%