Honeywell International (HON)

Updated October 27th, 2025 by Nathan Parsh

Key Metrics

Current Price:	$216	**5 Year Annual Expected Total Return:**	8.6%	**Market Cap:**	$137 B
Fair Value Price:	$192	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	11/14/25
% Fair Value:	113%	**5 Year Valuation Multiple Estimate:**	-2.4%	**Dividend Payment Date:**	12/05/25
Dividend Yield:	2.2%	**5 Year Price Target**	$295	**Years Of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Honeywell International is a diversified industrial company. Beginning with the first quarter of 2024, the company has four reportable segments: Aerospace Technologies, Industrial Automation, Building Automation, and Energy & Sustainability Solutions. Honeywell International has more than 100,000 employees around the world and more than 40% of sales come from international markets. The company generates about $40 billion in annual revenues.

On September 26th, 2025, Honeywell International announced a 5.3% increase in the quarterly dividend rate to $1.19, extending the company's dividend growth streak to 16 consecutive years.

On October 23rd, 2025, Honeywell International reported third quarter results for the period ending September 30th, 2025. For the quarter, revenue grew 7.2% to $10.4 billion, which was $240 million more than expected. Adjusted earnings-per-share of $2.82 compared favorably to $2.58 in the prior year and was $0.25 ahead of estimates.

Organic sales increased 6% for the quarter while the segment margin of 23.1% was down 50 basis points from the prior year. Revenue for Aerospace Technologies grew 12% organically, led by continued strength in commercial aviation aftermarket services. Defense and space also continue to perform well. Industrial Automation increased 1% as gains in sensing was oust by project delays elsewhere. Warehouse automation appears to be stabilizing from 2024 lows. Building Automation grew 7% due to growth in both solutions and products. Datacenter, healthcare, and hospitality orders were strong during the period. Energy & Sustainability Solutions declined 2% as LNG strength and positive long-cycle orders were offset by catalyst shipment, licensing timing, and tariffs-related cost inflation. The company closed on its $2.2 billion purchase of Sundyne, which makes highly-engineered pumps and gas compressors for process industries, during the second quarter.

As previously mentioned, Honeywell International plans to separate their businesses into three different publicly traded companies: Honeywell Automation, Honeywell Aerospace, and Solstice Advanced Materials. Solstice Advanced Materials is scheduled to be spun off on October 30th, 2025 and trade under the ticker "SOLS". The company had previously announced the planned separation of its Advanced Materials business. All other transactions remain on track to be completed by the second half of 2026.

Honeywell International provided an updated outlook for 2025 as well, with adjusted earnings-per-share now projected to be in a range of $10.60 to $10.70, compared to $10.45 to $10.65, $10.20 to $10.50, and $10.10 to $10.50 previously. This range does include a potential impact from tariffs.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$6.04	$6.59	$7.11	$8.01	$8.16	$7.10	$8.06	$8.76	$9.16	$9.89	***$10.65***	***$16.39***
DPS	$2.15	$2.45	$2.74	$3.06	$3.36	$3.63	$3.77	$3.97	$4.17	$4.37	***$4.76***	***$7.32***
Shares[1]	770	761	751	740	723	710	696	677	661	651	***639***	***625***

[1] In millions of shares

Disclosure: This analyst has a long position in the security discussed in this research report.

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While Honeywell International did see earnings decline 24% during the last recession, the company has managed to grow earnings every year since 2010 outside of 2020. The company rebounded from the worst of the COVID-19 pandemic and we expect earnings growth to continue to be strong. We are reaffirming our expected growth rate of 9% through 2030 due to a combination of organic growth, margin expansion, and share repurchases.

Honeywell International has paused, but not cut, its dividend growth several times over the past two decades, most recently in 2010. We forecast that dividend will grow in line with earnings going forward.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	16.9	17.0	18.9	18.8	20.3	23.0	25.9	24.5	22.9	22.8	***20.3***	***18.0***
Avg. Yld.	2.1%	2.2%	2.0%	2.0%	2.0%	2.2%	1.8%	1.9%	2.0%	1.9%	***2.2%***	***2.5%***

Honeywell International shares have declined $8, or 3.6%, since our July 25th, 2025 report. We are reaffirming our target P/E of 18, though this is still below the long-term average valuation. Using adjusted earnings-per-share estimates for 2025, shares have a forward multiple of 20.3, implying a possible headwind from multiple reversion. If shares reverted to our target multiple by 2030 then total returns could be reduced by 2.4% per year over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

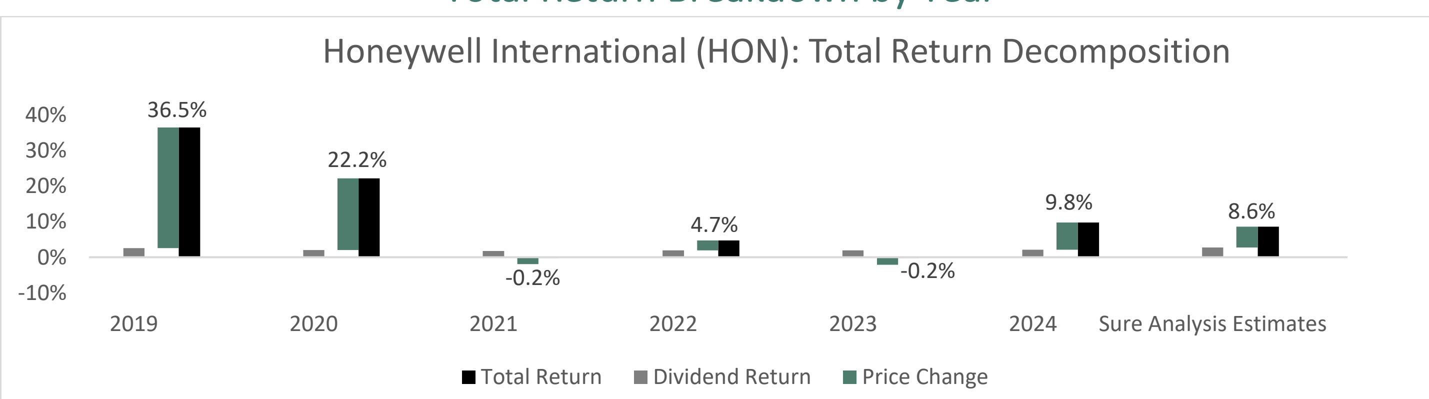
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	36%	37%	39%	38%	41%	51%	47%	45%	46%	44%	***45%***	***45%***

Industrial companies tend to perform very well when the economy is strong, but struggle in weak economic climates. As with most industrial companies, Honeywell International saw earnings decline in 2020, but results improved greatly over the last two years. Honeywell International divested two lower margin businesses in the form of spin offs recently. This should allow the company to focus on its higher margin businesses, particularly in Aerospace, where military products and aftermarket services should see growth as well. With a strong economy, the company's other products, such as Intelligrated, should perform well. We see Honeywell's strong position in these markets as its chief competitive advantage.

Final Thoughts & Recommendation

Honeywell International is expected to return 8.6% annually through 2030, up from 7.5% previously. Our projected return stems from a 9% earnings growth rate and a 2.2% starting yield, partially offset by a low single-digit headwind from multiple reversion. Honeywell is a clear leader in the areas that it operates. The announced separation of businesses into standalone companies could help unlock value for shareholders as well. We have raised our five-year price target $3 to $295, but we continue to view shares of Honeywell International as a hold due to projected returns.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	38,581	39,302	40,534	41,802	36,709	32,637	34,392	35,466	36,662	38,498
Gross Profit	11,834	11,625	12,390	12,756	12,370	10,468	12,331	13,119	13,667	14,662
Gross Margin	30.7%	29.6%	30.6%	30.5%	33.7%	32.1%	35.9%	37.0%	37.3%	38.1%
SG&A Exp.	5,006	5,574	6,087	6,051	5,519	4,772	4,798	5,214	5,127	5,466
D&A Exp.	883	1,030	1,115	1,116	1,088	1,002	1,223	1,204	1,176	1,334
Operating Profit	6,828	6,051	6,303	6,705	6,851	5,696	6,200	6,427	7,084	7,660
Op. Margin	17.7%	15.4%	15.5%	16.0%	18.7%	17.5%	18.0%	18.1%	19.3%	19.9%
Net Profit	4,768	4,812	1,545	6,765	6,143	4,779	5,542	4,966	5,658	5,705
Net Margin	12.4%	12.2%	3.8%	16.2%	16.7%	14.6%	16.1%	14.0%	15.4%	14.8%
Free Cash Flow	4,446	4,403	4,935	5,606	6,058	5,302	5,143	4,508	4,301	4,933
Income Tax	1,739	1,603	5,362	659	1,329	1,147	1,625	1,412	1,487	1,473

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	49,316	54,146	59,470	57,773	58,679	64,586	64,470	62,275	61,525	75,196
Cash & Equivalents	5,455	7,843	7,059	9,287	9,067	14,275	10,959	9,627	7,925	10,567
Acc. Receivable	7,901	8,177	8,866	7,508	7,493	6,827	6,830	7,440	7,530	7,819
Inventories	4,420	4,366	4,613	4,326	4,421	4,489	5,138	5,538	6,178	6,442
Goodwill & Int.	20,472	22,341	22,773	19,685	19,297	19,618	21,369	20,719	21,280	28,481
Total Liabilities	30,608	34,596	42,800	39,408	39,966	46,789	45,221	44,949	45,084	56,035
Accounts Payable	5,580	5,690	6,584	5,607	5,730	5,750	6,484	6,329	6,849	6,880
Long-Term Debt	12,068	15,775	17,882	16,214	16,002	22,384	19,599	19,570	20,443	31,099
Total Equity	18,283	19,369	16,502	18,180	18,494	17,549	18,569	16,697	15,856	19,154
LTD/E Ratio	0.66	0.81	1.08	0.89	0.87	1.28	1.06	1.17	1.29	1.62

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	10.1%	9.3%	2.7%	11.5%	10.6%	7.8%	8.6%	7.8%	9.1%	8.3%
Return on Equity	26.0%	25.2%	8.5%	38.6%	33.1%	26.2%	29.9%	27.2%	33.5%	32.0%
ROIC	16.6%	14.6%	4.4%	19.6%	17.7%	12.8%	14.0%	13.1%	15.3%	13.1%
Shares Out.	770	761	751	740	723	710	696	677	661	651
Revenue/Share	48.88	50.69	52.50	55.51	50.27	45.89	49.10	51.92	54.87	58.75
FCF/Share	5.63	5.68	6.39	7.44	8.30	7.46	7.34	6.60	6.44	7.53

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.