



Financial Release

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Honeywell Forecasts 2014 Sales Of \$40.3-\$40.7 Billion, Up 4%-5%; Proforma Earnings Per Share Of \$5.35-\$5.55, Up 8%-12%

Company Also Reaffirms 2013 Earnings Outlook Of \$4.90-\$4.95
-- Company Forecasts 2014 Sales Growth Of 4%-5%, Up 3%-4% Organic
-- 2014 Earnings Growth Driven By Strong Operational Performance And Sales Conversion
-- Continued Robust Cash Flow Generation Provides Flexibility To Deliver Value
-- On Track To Achieving 2014 Long-Term Targets

MORRIS TOWNSHIP, N.J., Dec. 17, 2013 /PRNewswire/ -- Honeywell (NYSE: HON) today announced its 2014 financial forecast and reaffirmed its 2013 outlook reflected below.

2014 Guidance

	2013 Guidance	2014 Guidance	Change vs. 2013 ¹
Sales	\$38.8 - \$39.0B	\$40.3 - \$40.7B	4% - 5%
Segment Margin	16.2% - 16.3%	16.6% - 16.9%	30 - 60 bps ⁴
Operating Income Margin ²	14.7% - 14.8%	15.3% - 15.6%	50 - 80 bps
Earnings Per Share ²	\$4.90 - \$4.95	\$5.35 - \$5.55	8% - 12%
Free Cash Flow ³	~\$3.7B	\$3.8 - \$4.0B	4% - 9%

1. Change Based On Midpoint Of 2013 Guidance
2. Proforma, V% / BPS Excludes Any Pension Mark-to-Market Adjustment
3. Free Cash Flow (Cash Flow from Operations Less Capital Expenditures) Prior to Any NARCO Trust Establishment Payments and Cash Pension Contributions
4. Segment Margin ex-M&A up 50 - 80 bps

"We expect 2014 to be another strong year for Honeywell with across the board growth in sales, margin, EPS, and free cash flow," said Honeywell Chairman and CEO Dave Cote. "Next year, we will complete our first 5 year plan and our 2014 outlook is reflective of the company being on track to achieve the long-term targets that were set in 2010. In fact, we've already achieved the low-end of our long-term margin target in 2013. These strong results have been supported by our balanced portfolio mix of short- and long-cycle businesses, improving end markets, consistent new product introductions, continued penetration in high-growth regions, and our key process initiatives. While we're expecting the macro environment next year to be similar to 2013, we'll remain flexible and continue our disciplined focus on growth and productivity, which we expect will drive strong margin expansion, double-digit earnings growth, and robust free cash flow conversion again in 2014."

Honeywell will discuss its 2014 Outlook during its investor conference call today starting at 9:00 a.m. EST. To participate, please dial (800) 894-5910 (domestic) or (785) 424-1052 (international) a few minutes before the 9:00 a.m. EST start. Please mention to the operator that you are dialing in for Honeywell's 2014 Outlook Call or provide the conference code HON2014. The live webcast of the investor call as well as related presentation materials will be available through the "Investor Relations" section of the company's Website (<http://www.honeywell.com/investor>). Investors can access a replay of the conference call from 12:00 p.m. EST, December 17, until 11:59 p.m. EST, December 24, by dialing (800) 283-9429 (domestic) or (402) 220-0871 (international).

Honeywell (www.honeywell.com) is a Fortune 100 diversified technology and manufacturing leader, serving

customers worldwide with aerospace products and services; control technologies for buildings, homes, and industry; turbochargers; and performance materials. Based in Morris Township, N.J., Honeywell's shares are traded on the New York, London, and Chicago Stock Exchanges. For more news and information on Honeywell, please visit www.honeywellnow.com.

This release contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this release are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, and technological factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

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Honeywell International Inc

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow (Unaudited)

(Dollars in billions)

	2013 Guidance
Cash provided by operating activities	~\$4.4
Expenditures for property, plant and equipment	~(1.0)
	~\$3.4
Cash pension contributions	~0.2
NARCO Trust establishment payments	~0.2
Free cash flow	~\$3.7

We define free cash flow as cash provided by operating activities, less cash expenditures for property, plant and equipment, cash pension contributions and NARCO Trust establishment payments.

We believe that this metric is useful to investors and management as a measure of cash generated by business operations that will be used to repay

scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, and to pay dividends, repurchase stock, or repay debt obligations prior to their maturities. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

Honeywell International Inc

Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins (Unaudited)

(Dollars in billions)

	2013 Guidance
Segment Profit	~\$6.3
Stock compensation expense (A)	~(0.2)
Repositioning and other (A, B)	~(0.5)
Pension ongoing income (A)	~0.1
Pension mark-to-market adjustment (A)	TBD
Other post-retirement expense (A)	~(0.0)
Operating Income	~\$5.7
Pension mark-to-market adjustment (A)	TBD
Operating Income excluding pension mark-to-market adjustment	~\$5.7
Segment Profit	~\$6.3
+ Sales	\$38.8 - \$39.0
Segment Profit Margin %	16.2% - 16.3%
Segment Profit Excluding Mergers and Acquisitions	\$6.2 - \$6.3
+ Sales Excluding Mergers and Acquisitions	\$37.9 - \$38.1
Segment Profit Margin % Excluding Mergers and Acquisitions	~16.4%
Operating Income	~\$5.7
+ Sales	\$38.8 - \$39.0
Operating Income Margin %	14.7% - 14.8%

(A) Included in cost of products and services sold and selling, general and administrative expenses

(B) Includes repositioning, asbestos, environmental expenses and equity income adjustment

We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

SOURCE Honeywell