

HONEYWELL INTERNATIONAL INC  
Form 10-Q  
April 22, 2016  
United States

Securities and Exchange Commission

Washington, D.C. 20549

**Form 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-8974

**Honeywell International Inc.**  
(Exact name of registrant as specified in its charter)

Delaware

22-2640650

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

115 Tabor Road  
Morris Plains, New Jersey 07950  
(Address of principal executive offices) (Zip Code)

(973) 455-2000  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-Accelerated filer  Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

There were 762,115,463 shares of Common Stock outstanding at March 31, 2016.

**Honeywell International Inc.****Index**

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Cautionary Statement about Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management’s assumptions and assessments in the light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance,

and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. These forward-looking statements should be considered in the light of the information included in this report and our other filings with the Securities and Exchange Commission, including, without limitation, the Risk Factors, as well as the description of trends and other factors in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in our 2015 Annual Report on Form 10-K.

## PART I. FINANCIAL INFORMATION

The financial statements and related footnotes as of March 31, 2016 should be read in conjunction with the financial statements for the year ended December 31, 2015 contained in our 2015 Annual Report on Form 10-K.

ITEM 1. FINANCIAL STATEMENTS**Honeywell International Inc.****Consolidated Statement of Operations****(Unaudited)**

	Three Months Ended March 31, 2016      2015	
	(Dollars in millions, except per share amounts)	
Product sales	\$7,619	\$7,364
Service sales	1,903	1,849
Net sales	9,522	9,213
Costs, expenses and other		
Cost of products sold	5,349	5,213
Cost of services sold	1,198	1,149
	6,547	6,362
Selling, general and administrative expenses	1,280	1,230
Other (income) expense	(18 )	(20 )
Interest and other financial charges	85	77
	7,894	7,649
Income before taxes	1,628	1,564
Tax expense	432	418
Net income	1,196	1,146
Less: Net income attributable to the noncontrolling interest	10	30
Net income attributable to Honeywell	\$1,186	\$1,116

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Earnings per share of common stock - basic	\$1.54	\$1.42
Earnings per share of common stock - assuming dilution	\$1.53	\$1.41
Cash dividends per share of common stock	\$0.5950	\$0.5175

The Notes to Financial Statements are an integral part of this statement.

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**Honeywell International Inc.****Consolidated Statement of Comprehensive Income****(Unaudited)**

	Three Months Ended March 31, 2016    2015	
	(Dollars in millions)	
Net income	\$1,196	\$1,146
Other comprehensive income (loss), net of tax		
Foreign exchange translation adjustment	122	(721 )
Actuarial losses (gains) recognized	3	(2 )
Prior service (credits) costs recognized	(19 )	5
Pension and other postretirement benefits adjustments	(16 )	3
Effective portion of cash flow hedges recognized in other comprehensive income (loss)	(32 )	105
Less: Reclassification adjustment for gains (losses) included in net income	(6 )	27
Changes in fair value of effective cash flow hedges	(26 )	78
Other comprehensive income (loss), net of tax	80	(640 )
Comprehensive income	1,276	506
Less: Comprehensive income attributable to the noncontrolling interest	10	30
Comprehensive income attributable to Honeywell	\$1,266	\$476

The Notes to Financial Statements are an integral part of this statement.

**Honeywell International Inc.****Consolidated Balance Sheet****(Unaudited)**

	March 31, 2016	December 31, 2015
	(Dollars in millions)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$4,473	\$ 5,455
Accounts, notes and other receivables	8,397	8,075
Inventories	4,743	4,420
Investments and other current assets	1,919	2,103
Total current assets	19,532	20,053
Investments and long-term receivables	592	517
Property, plant and equipment - net	6,027	5,789
Goodwill	16,708	15,895
Other intangible assets - net	4,706	4,577
Insurance recoveries for asbestos related liabilities	431	426
Deferred income taxes	318	283
Other assets	2,051	1,776
Total assets	\$50,365	\$ 49,316
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$5,511	\$ 5,580
Commercial paper and other short-term borrowings	3,631	5,937
Current maturities of long-term debt	626	577
Accrued liabilities	5,891	6,277
Total current liabilities	15,659	18,371
Long-term debt	9,700	5,554
Deferred income taxes	626	558
Postretirement benefit obligations other than pensions	506	526
Asbestos related liabilities	1,252	1,251
Other liabilities	4,247	4,348
Redeemable noncontrolling interest	3	290
<b>SHAREOWNERS' EQUITY</b>		
Capital - common stock issued	958	958
- additional paid-in capital	5,539	5,377
Common stock held in treasury, at cost	(12,719)	(11,664 )
Accumulated other comprehensive loss	(2,455 )	(2,535 )



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Retained earnings	26,874	26,147
Total Honeywell shareowners' equity	18,197	18,283
Noncontrolling interest	175	135
Total shareowners' equity	18,372	18,418
Total liabilities, redeemable noncontrolling interest and shareowners' equity	\$50,365	\$49,316

The Notes to Financial Statements are an integral part of this statement.

**Honeywell International Inc.****Consolidated Statement of Cash Flows****(Unaudited)**

	Three Months Ended March 31, 2016    2015	
	(Dollars in millions)	
Cash flows from operating activities:		
Net income	\$1,196	\$1,146
Less: Net income attributable to the noncontrolling interest	10	30
Net income attributable to Honeywell	1,186	1,116
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:		
Depreciation	179	163
Amortization	74	53
Repositioning and other charges	125	131
Net payments for repositioning and other charges	(134 )	(100 )
Pension and other postretirement income	(159 )	(91 )