

Honeywell Forecasts 2016 Sales Of \$39.9-\$40.9 Billion, Up 4%-6%; Earnings Guidance Of \$6.45-\$6.70, Up 6%-10%

### Reaffirms 2015 Earnings Outlook

- Company Forecasts 2016 Sales Up 4%-6% Reported, Core Organic Up 1%-2%
- 2016 Earnings Growth Driven By Commercial Excellence, Operational Execution, M&A Contribution
  - HOS Gold Enterprises Driving Growth and Productivity
- More Than \$10B of Capital Deployment In Process, Further Opportunity Ahead

MORRIS PLAINS, N.J., Dec. 16, 2015 /PRNewswire/ -- Honeywell (NYSE: HON) today announced its 2016 financial forecast and reaffirmed its 2015 earnings outlook reflected below:

#### 2016 Guidance

	<u>2015 Guidance</u>	<u>2016 Guidance</u>	<u>Change vs. 2015</u>
Sales	~\$38.5B	\$39.9 - \$40.9B	4% - 6%
Core Organic Growth	~1%	1% - 2%	
Segment Margin	~18.8%	18.9% - 19.3%	10 - 50 bps <sup>(2)</sup>
Operating Income Margin (Ex-Pension MTM)	~17.9%	18.0% - 18.4%	10 - 50 bps <sup>(3)</sup>
Earnings Per Share (Ex-Pension MTM)	~\$6.10	\$6.45 - \$6.70	6% - 10%
Free Cash Flow <sup>(1)</sup>	\$4.2 - \$4.3B	\$4.6 - \$4.8B	8% - 13%

1. Cash Flow from Operations Less Capital Expenditures

2. Segment Margin ex-M&A Up 80 - 110 bps

3. Operating Margin ex-M&A Up 80 - 110 bps

*\*Throughout this press release, core organic sales growth refers to reported sales growth less the impacts from foreign currency translation, M&A and raw materials pass-through pricing in the Resins & Chemicals business of PMT. The raw materials pricing impact is excluded in instances where raw materials costs are passed through to customers, which drives fluctuations in selling prices not tied to volume growth.*

"We expect 2016 to be another year of earnings outperformance for Honeywell," said Honeywell Chairman and CEO Dave Cote. "We have a credible and attainable plan to achieve the guidance we announced today. First, where there are opportunities to support growth to drive outperformance in parts of the portfolio, such as in Fluorine Products, Transportation Systems, and in the High Growth Regions, we will continue to invest in the development of new products and technologies. Second, we will be cautious in our sales planning in the end markets where we see further uncertainty heading into 2016. Third, and consistent with our proven approach, we will plan our costs and spending conservatively, ensuring we remain flexible as a company while driving outstanding operational execution. Finally, we will maintain our 'seed planting' investments for the future, supported by our robust pipeline of funded restructuring projects and continued investment in R&D."

"On 1%-2% core organic growth, we expect segment margin expansion of 80 to 110 basis points (excluding the impact of M&A) driven by our key process initiatives, including HOS Gold," continued Cote. "We are also excited about the expected 2016 contributions from our recently announced acquisitions. We will have deployed over \$10 billion of capital in 2015 through a combination of return-enhancing acquisitions, reinvestments in our businesses, and returns of capital to our shareowners. We are confident that our continued robust cash generation and strong balance sheet will provide us further opportunity to enhance returns for our shareowners."

Honeywell will discuss its 2016 Outlook during its investor conference call today starting at 9:00 a.m. EST. To

participate on the conference call, please dial (888) 349-9582 (domestic) or (719) 457-2666 (international) approximately ten minutes before the 9:00 a.m. EST start. Please mention to the operator that you are dialing in for Honeywell's 2016 Outlook call. 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 ([www.honeywell.com/investor](http://www.honeywell.com/investor)). Investors can hear a replay of the conference call from 12:00 p.m. EST, December 16, until 12:00 p.m. EST, December 23, by dialing (888) 203-1112 (domestic) or (719) 457-0820 (international). The access code is 950357.

Honeywell ([www.honeywell.com](http://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. For more news and information on Honeywell, please visit [www.honeywellnow.com](http://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.

Honeywell International Inc.

Reconciliation of Segment Profit to Operating Income Excluding Pension Mark-to-Market Adjustment and Calculation of Segment Profit and Operating Income Margins Excluding Pension Mark-to-Market Adjustment (Unaudited)

(Dollars in billions)

	<u>2015 Guidance</u>
Segment Profit	~\$7.2
Stock compensation expense (A)	~(0.2)
Repositioning and other (A, B)	~(0.5)
Pension ongoing income (A)	~0.4
Pension mark-to-market adjustment (A)	TBD
Other postretirement expense (A)	~(0.0)
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Operating Income	~\$6.9
Pension mark-to-market adjustment (A)	TBD
Operating Income excluding pension mark-to-market adjustment	<hr/> ~\$6.9 <hr/>
Segment Profit	~\$7.2
÷ Sales	~\$38.5
Segment Profit Margin %	<hr/> ~18.8% <hr/>

Operating Income	~\$6.9
÷ Sales	~\$38.5
Operating Income Margin %	~17.9%
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Operating Income excluding pension mark-to-market adjustment	~\$6.9
÷ Sales	~\$38.5
Operating Income Margin excluding pension mark-to-market adjustment %	~17.9%
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(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.

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To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/honeywell-forecasts-2016-sales-of-399-409-billion-up-4-6-earnings-guidance-of-645-670-up-6-10-300193741.html>

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