Honeywell To Buy Intermec For $603M

The Associated Press

EVERETT, Wash. (AP) — Intermec Inc., which makes barcode printers and radio frequency identification products, said Monday that it reached a deal to sell itself to Honeywell International Inc. for about $603.4 million in cash.

Under the terms of the agreement, Morris Township, N.J.-based Honeywell, a technology and manufacturing company, will pay $10 per share for Intermec. Based on the company's about 60.3 million outstanding shares, the deal is worth about $603.4 million. Intermec valued it at about $600 million, net of cash and debt acquired.

The price represents a 25 percent premium over Intermec's Friday closing stock price of $7.98. Intermec shares shot up $1.83, or 23 percent, to $9.81 in afternoon trading.

Intermec said the deal stemmed from a thorough review of the company's businesses by its board, with the goal of determining the best possible overall outcome for shareholders.

Honeywell said the addition of Intermec will strengthen its core scanning and mobile computing business, while also opening up new opportunities in radio frequency identification, voice recognition and barcode and receipt printing markets that it currently doesn't serve.

The conglomerate makes products ranging from First Alert home security systems to automotive brake pads in its consumer division. It also provides products and services to the aerospace and defense, building and construction, energy, healthcare, chemical and manufacturing sectors.

Everett, Wash.-based Intermec employs about 2,200 people and operates more than 65 offices around the world. Honeywell said it expects the acquisition to lower its 2013 earnings by 3 cents or 4 cents per share, but increase its profits the following year.

The agreement has been approved by the boards of both companies, but remains subject to Intermec shareholder and regulatory approvals. It's expected to close by the end of the second quarter 2013.

In light of the deal, Intermec said it's suspending its previously announced search for a permanent chief executive.

Honeywell shares slipped 8 cents in afternoon trading. The stock is up about 14 percent for the year.

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