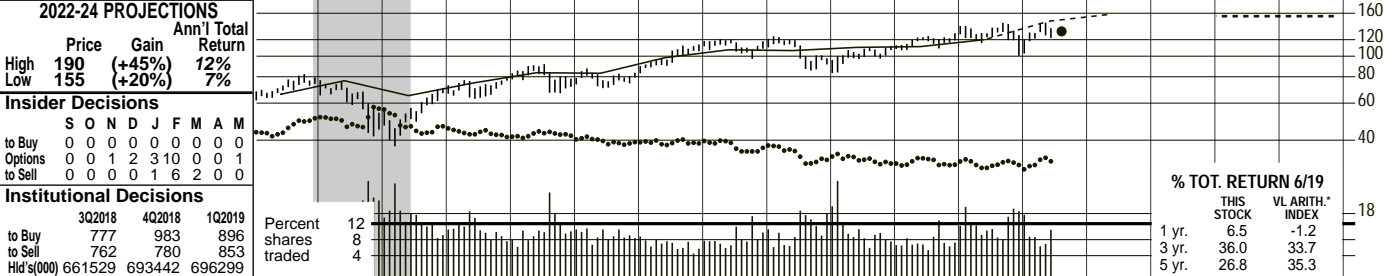


UNITED TECH. NYSE-UTX

RECENT PRICE **131.34** P/E RATIO **16.4** (Trailing: 16.9 Median: 16.0) RELATIVE P/E RATIO **0.96** DIV'D YLD **2.2%** VALUE LINE

TIMELINESS 2 Raised 6/14/19	High: 77.1	70.9	79.7	91.8	87.5	113.9	120.7	124.4	111.7	128.5	144.1	144.4		Target Price Range
SAFETY 1 Raised 5/9/97	Low: 41.8	37.4	62.9	66.9	70.7	83.1	97.3	85.5	83.4	106.9	100.5	103.2		2022 2023 2024
TECHNICAL 1 Raised 6/14/19	LEGENDS — 12.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession												320	
BETA 1.05 (1.00 = Market)													200	



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
30.19	36.63	41.70	48.04	55.79	62.27	56.49	58.97	64.14	62.80	68.32	71.59	66.92	70.79	74.88	77.19	89.85	94.70	Revenues per sh	114.80
3.07	3.68	4.09	4.79	5.50	6.38	5.43	6.22	6.97	6.93	8.19	8.94	8.86	9.18	9.27	9.98	12.20	13.20	"Cash Flow" per sh	15.95
2.35	2.73	3.05	3.64	4.27	4.90	4.12	4.74	5.49	5.34	6.21	6.82	6.29	6.61	6.60	7.61	8.00	8.75	Earnings per sh ^A	11.60
.57	.70	.88	1.02	1.17	1.35	1.54	1.70	1.87	2.03	2.20	2.36	2.56	2.62	2.72	2.84	3.00	3.20	Div'ds Decl'd per sh ^B	4.00
.52	.78	.92	.96	1.17	1.29	.88	.94	1.08	1.51	1.84	1.88	1.97	2.10	2.52	2.21	2.30	2.40	Cap'l Spending per sh	2.70
11.39	13.70	16.76	17.37	21.76	16.89	21.42	23.21	24.12	28.20	34.76	34.32	32.63	34.10	37.05	44.63	48.85	54.95	Book Value per sh ^C	75.75
1028.1	1022.2	1013.9	995.70	981.52	942.29	936.74	921.27	907.22	918.85	916.69	909.38	838.34	808.70	799.13	861.48	860.00	855.00	Common Shs Outst'g ^D	825.00
15.6	16.9	17.0	16.9	16.8	13.1	13.4	15.0	14.6	14.7	16.0	16.4	17.0	15.3	17.7	16.8	16.2	16.6	Avg Ann'l P/E Ratio	15.0
.89	.89	.91	.91	.89	.79	.89	.95	.92	.94	.90	.86	.86	.80	.89	.91	.85	.85	Relative P/E Ratio	.85
1.6%	1.5%	1.7%	1.6%	1.6%	2.1%	2.8%	2.4%	2.3%	2.6%	2.2%	2.1%	2.4%	2.6%	2.3%	2.2%	2.3%	2.3%	Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 3/31/19																						
Total Debt \$44.2 bill. Due in 5 Yrs \$17.9 bill.																	Revenues (\$mill)		94725			
LT Debt \$41.0 bill. LT Interest \$2.3 bill.																	Operating Margin		20.7%			
																	Depreciation (\$mill)		4400			
																	Net Profit (\$mill)		9570			
																	Income Tax Rate		22.5%			
Annual Rentals Leases, uncapped \$683 mill.																	Net Profit Margin		10.1%			
Pension Assets-12/18 \$35.3 bill.																	Working Cap'l (\$mill)		8700			
																	Long-Term Debt (\$mill)		30000			
Preferred Stock None																	Shr. Equity (\$mill)		62500			
Common Stock 862,291,415 shares																	Return on Total Cap'l		11.5%			
MARKET CAP: \$113.3 billion (Large Cap)																	Return on Shr. Equity		15.5%			
CURRENT POSITION				2017	2018	3/31/19														Retained to Com Eq		10.0%
																				All Div'ds to Net Prof		34%

ANNUAL RATES																
Past 10 Yrs																
Past 5 Yrs																
Est'd '16-'18 to '22-'24																
Revenues "Cash Flow"																
Earnings																
Dividends																
Book Value																

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	13357	14874	14354	14659	57244
2017	13815	15280	15062	15680	59837
2018	15242	16705	16510	18044	66501
2019	18365	19540	19420	19925	77250
2020	19300	20450	20350	20850	80950

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	1.47	1.82	1.76	1.56	6.61
2017	1.48	1.85	1.73	1.60	6.60
2018	1.77	1.97	1.93	1.95	7.61
2019	1.91	2.05	2.05	1.99	8.00
2020	2.10	2.25	2.20	2.20	8.75

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	.64	.64	.64	.64	2.56
2016	.64	.66	.66	.66	2.62
2017	.66	.66	.70	.70	2.72
2018	.70	.70	.70	.735	2.84
2019	.735	.735			

United Technologies has announced plans to merge with Raytheon in an aerospace mega-deal. In early June the companies agreed to combine in an all-stock agreement termed a "merger of equals". The new company will be a major player in both aerospace and defense with annual revenue of about \$74 billion. The marriage will follow UTX's already planned breakup next year and Raytheon will go under the same umbrella as the Pratt & Whitney engine making unit and the Collins aerospace branch. Raytheon Technologies will be the new name of the company and UTX shareholders would own 57% of the combination, with Raytheon's stakeholders owning the rest. **The pact has not been universally applauded.** Hedge fund managers, Dan Loeb and Bill Ackman, to name a couple, had long argued for a breakup of United Technologies and were pleased when management announced just that. This was expected to unlock considerable value within the stock. Presently, the activist investors believe the timing of the Raytheon deal is poor, as UTX stock is trading at a discount in their view. Also, they question the strategic logic and think the marriage will lower the quality of United's earnings. We see their near-term point, but like the deal from a long-term value creation view. **In the meantime, United Technologies is performing well as it heads for its planned breakup in 2020.** By the middle of next year, the Otis elevator arm and the Carrier HVAC operations will be spun out into separate entities. As currently constituted, the portfolio is doing just fine. Aerospace operations are carrying the growth torch, while the other industrial pieces fair alright even in the face of some global headwinds, namely China. On this strength, we are lifting our 2019 bottom-line call by a dime, to \$8.00 a share, and boosting our 2020 expectation by a nickel, to \$8.75. **We would be buyers of this timely stock at this time.** The selection is pegged to outpace the broader market averages in the year ahead. The yield, though only on par with the Value Line median, is still enticing given the quality of these shares and rock-solid financials of the underlying company. Erik M. Manning July 12, 2019

(A) Diluted EPS. Excludes charges and discontinued operations: '04, 15c; '05, 6c; '12, 32c; '13, 4c; '16, 49c; '17, 90c; '18, \$1.11. Quarterly figures may not sum due to rounding and/or changes in share count. Next earnings report due between July 22nd and 26th.	(C) Includes intangibles. In 2018: \$74.5 billion, \$86.47 a share.	Company's Financial Strength	A++
(B) Dividends historically paid in early March, June, September, and December. ■ Dividend reinvestment plan available.	(D) In millions.	Stock's Price Stability	95
		Price Growth Persistence	60
		Earnings Predictability	90