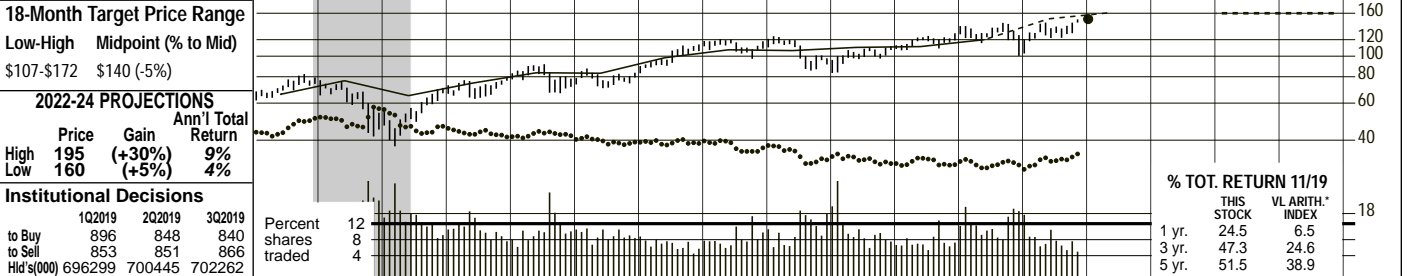


UNITED TECH. NYSE-UTX

RECENT PRICE **149.88** P/E RATIO **18.1** (Trailing: 18.1 Median: 16.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **2.0%** VALUE LINE

TIMELINESS — Suspended 10/11/19	High: 77.1	70.9	79.7	91.8	87.5	113.9	120.7	124.4	111.7	128.5	144.1	151.1							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 — Suspended 10/11/19	LEGENDS — 12.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession																		
BETA 1.05 (1.00 = Market)																			



2022-24 PROJECTIONS		Ann'l Total Return		High Low		Price Gain		Ann'l Total Return		
High	195	(+30%)	9%	Low	160	(+5%)	4%			
Institutional Decisions										
	102019	202019	302019							
to Buy	896	848	840							
to Sell	853	851	866							
Hlds(000)	696299	700445	702262							
Percent shares traded										
	12	8	4							
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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	89.30	93.75	Revenues per sh	113.95
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	12.55	13.45	"Cash Flow" per sh	17.00
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	8.15	8.75	Earnings per sh ^A	11.70
.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	2.94	3.20	Div'ds Decl'd per sh ^{B=C}	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	2.35	2.45	Cap'l Spending per sh	2.75
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	48.25	53.80	Book Value per sh ^C	73.95
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	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.89	.89	.91	.91	.89	.79	.89	.95	.92	.94	.90	.86	.86	.80	.89	.91			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%			Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 9/30/19				52920	54326	58190	57708	62626	65100	56098	57244	59837	66501	76810	80140	Revenues (\$mill)	94000
Total Debt \$44.6 bill. Due in 5 Yrs \$18.0 bill.				14.6%	15.6%	15.2%	14.3%	15.8%	16.0%	20.6%	17.0%	15.8%	15.5%	16.4%	16.8%	Operating Margin	21.0%
LT Debt \$37.8 bill. LT Interest \$2.1 bill.				1258.0	1356.0	1347.0	1524.0	1821.0	1907.0	1863.0	1962.0	2140.0	2433.0	3775	4000	Depreciation (\$mill)	4500
(46% of Cap'l)				3829.0	4373.0	4979.0	4840.0	5686.0	6220.0	5563.0	5462.0	5271.0	6168.0	7000	7480	Net Profit (\$mill)	9650
Annual Rentals Leases, uncapped \$683 mill.				27.4%	27.9%	29.3%	24.8%	26.9%	25.5%	31.5%	22.5%	27.4%	28.6%	22.0%	22.0%	Income Tax Rate	22.5%
Pension Assets-12/18 \$35.3 bill. Oblig. \$37.8 bill.				7.2%	8.0%	8.6%	8.4%	9.1%	9.6%	9.9%	9.5%	8.8%	9.3%	9.1%	9.3%	Net Profit Margin	10.3%
Preferred Stock None				5281.0	5778.0	7142.0	5824.0	6642.0	6863.0	4088.0	6644.0	8467.0	4135.0	2500	3500	Working Cap'l (\$mill)	6750
Common Stock 863,268,940 shares				8257.0	10010	9501.0	21597	19741	17872	19320	21697	24989	41192	37000	35000	Long-Term Debt (\$mill)	27000
MARKET CAP: \$129.4 billion (Large Cap)				20066	21385	21880	25914	31866	31213	27358	27579	29610	38446	41500	46000	Shr. Equity (\$mill)	61000
CURRENT POSITION				14.6%	14.9%	16.6%	11.1%	11.9%	13.7%	12.7%	12.1%	10.5%	8.4%	10.0%	10.5%	Return on Total Cap'l	12.0%
2017				19.1%	20.4%	22.8%	18.7%	17.8%	19.9%	20.3%	19.8%	17.8%	16.0%	17.0%	16.5%	Return on Shr. Equity	16.0%
2018				12.3%	13.5%	15.4%	11.9%	11.9%	13.4%	12.4%	12.3%	10.8%	10.4%	11.0%	10.5%	Retained to Com Eq	10.5%
9/30/19				35%	34%	32%	36%	34%	33%	39%	38%	39%	35%	36%	37%	All Div'ds to Net Prof	34%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '16-'18 to '22-'24

Revenues	3.0%	2.5%	7.5%
"Cash Flow"	5.5%	5.0%	11.0%
Earnings	5.0%	4.0%	9.0%
Dividends	9.0%	6.0%	6.5%
Book Value	7.5%	6.0%	12.0%

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	19634	19496	19315	76810
2020	19000	20550	20425	20165	80140

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	2.20	2.21	1.83	8.15
2020	1.95	2.30	2.35	2.15	8.75

Cal-endar	QUARTERLY DIVIDENDS PAID ^{B=C}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.64	.66	.66	.66	2.62
2017	.66	.66	.70	.70	2.72
2018	.70	.70	.70	.735	2.84
2019	.735	.735	.735	.735	2.94
2020					

The Timeliness ranking of United Technologies stock remains suspended. Subscribers will recall that this Dow-30 component is heading towards a breakup. The Otis elevator operations and Carrier HVAC arm will be spun off into separate units. Soon thereafter, the remaining aerospace pieces will combine with Raytheon, in what is being called a merger of equals, to form Raytheon Technologies. The combination is expected to have roughly \$74 billion in annual revenue, which would make it the second largest aerospace and defense company in the United States. Clearly, with so many moving parts it is unlikely that fundamentals will be the driving force behind UTX's share-price performance in the year ahead. Therefore, keeping the Timeliness rank suspended seemed like the prudent move, and we will continue to do so through the breakup and subsequent marriage. **With the share price now having hit north of \$150, the naysayers have been quieted.** The quotation had been stagnating around \$100 when activist investors clamored for a separation of the company's parts to unlock value. In the time frame following the announcement, the share price is roughly 50% higher. Yes, many investors do not like the fact that the Raytheon pact seemed rushed, but the proof is in the pudding. Wall Street and main street alike are applauding the move. Some still raise concerns about earnings quality in the short term, and the concerns may well be warranted. Still, we like the deal long term on the financials and complimentary technologies alone. **Our 2019 earnings expectation is now a dime higher, or \$8.15 a share.** The Boeing 737 Max situation should sting cash flow for all parties. Regardless, UTX is large enough to take the hit. Annual EPS growth of about 7% appears to be in the cards this year and next as the portfolio is currently constructed, though we realize the 2020 finish line will probably never be reached by the UTX of this page. **We think potential investors have missed the boat with regard to this play.** Capital appreciation from recent price points is below average, and the yield has fallen a tick below the Value Line median given the now higher divisor. Erik M. Manning January 10, 2020

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