



United Technologies

Announces Intention to Separate Into Three Independent, Industry-Leading Companies

November 27, 2018



United Technologies

Collins Aerospace Systems



Establishes premier aerospace systems supplier

World-class design and development capabilities

Enables enhanced digital service offerings

\$500M+ in run-rate pre-tax cost synergies by year four

Combination enables UTC portfolio transformation

A combination of industry leaders that will deliver unprecedented value for aerospace customers

Strategic Rationale For Separation

Greater focus drives better results

Nimbler organizational and operating model supporting greater agility
Improved operating discipline with more granular focus

Strong financial profile

Three leading companies with scale, investment grade balance sheets and financial characteristics to drive growth and investment through cycles

Capital structure and allocation flexibility

Capital structure and allocation flexibility to meet individual business risk / return profiles

Increased M&A opportunity

Greater flexibility for standalone businesses to pursue portfolio enhancing M&A, supported by independent equity currencies

Management incentives aligned with performance

Performance incentives better aligned to the specific attributes of each business

Broadening of investor base

Attract shareowners with distinct investment preferences

Three Industry-Leading Companies



World leader in aircraft engines and aerospace systems for commercial and military customers

\$39B
Sales¹

#71
S&P 500 Rank²



Global provider of HVAC, refrigeration, building automation, fire safety and security products

\$18B
Sales

#138
S&P 500 Rank²



World's leading manufacturer and service provider of elevators, escalators and moving walkways

\$12B
Sales

#204
S&P 500 Rank²

Note: 2017 Sales

1. Pro forma includes Rockwell Collins transaction
2. Pro forma S&P 500 Rank (by 2017 Sales)