# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 8-K

## CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 23, 2019**

# UNITED TECHNOLOGIES CORPORATION
**(Exact name of registrant as specified in its charter)**

| Delaware | 1-812 | 06-0570975 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

**10 Farm Springs Road
Farmington, Connecticut 06032**
**(Address of principal executive offices, including zip code)**

**Registrant's telephone number, including area code
(860) 728-7000**

**N/A**
**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Stock ($1 par value)** (CUSIP 913017 10 9) | **UTX** | **New York Stock Exchange** |
| **1.125% Notes due 2021** (CUSIP 913017 CD9) | **UTX 21D** | **New York Stock Exchange** |
| **1.250% Notes due 2023** (CUSIP U91301 AD0) | **UTX 23** | **New York Stock Exchange** |
| **1.150% Notes due 2024** (CUSIP 913017 CU1) | **UTX 24A** | **New York Stock Exchange** |
| **1.875% Notes due 2026** (CUSIP 913017 CE7) | **UTX 26** | **New York Stock Exchange** |
| **2.150% Notes due 2030** (CUSIP 913017 CV9) | **UTX 30** | **New York Stock Exchange** |
| **Floating Rate Notes due 2019** (CUSIP 913017 CS6) | **UTX 19C** | **New York Stock Exchange** |
| **Floating Rate Notes due 2020** (CUSIP 913017 CT4) | **UTX 20B** | **New York Stock Exchange** |

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**Section 2—Financial Information**

**Item 2.02. Results of Operations and Financial Condition.**

On July 23, 2019, United Technologies Corporation ("UTC" or "the Company") issued a press release announcing its second quarter 2019 results.

The press release issued July 23, 2019 is furnished herewith as Exhibit No. 99 to this Report, and shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section and shall not be deemed to be incorporated by reference into any filing by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Section 9—Financial Statements and Exhibits**

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit Number | Exhibit Description |
|---|---|
| 99 | Press Release, dated July 23, 2019, issued by United Technologies Corporation. |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**UNITED TECHNOLOGIES CORPORATION**
**(Registrant)**

Date: July 23, 2019

By: /S/ AKHIL JOHRI

Akhil Johri
Executive Vice President & Chief Financial Officer

**Exhibit 99**

Contact: Media Inquiries, UTC FOR IMMEDIATE RELEASE
(860) 493-4364 www.utc.com

Investor Relations, UTC
(860) 728-7608

**UNITED TECHNOLOGIES REPORTS SECOND QUARTER 2019 RESULTS;
RAISES 2019 ORGANIC SALES AND ADJUSTED EPS OUTLOOK**

***Strong sales and operating profit drive United Technologies' performance in Q2;
Recently acquired Rockwell Collins continues to exceed expectations***

- Sales of $19.6 billion, up 18 percent versus prior year including 6 percent organic growth
- GAAP EPS of $2.20, down 14 percent versus prior year driven by the absence of the Taylor divestiture gain in Q2 2018
- Adjusted EPS of $2.20, up 12 percent versus prior year

FARMINGTON, Conn., July 23, 2019 - United Technologies Corp. (NYSE:UTX) reported second quarter 2019 results and increased its full year organic sales and adjusted EPS outlook for 2019.

"United Technologies delivered strong second quarter results," said UTC Chairman and Chief Executive Officer Gregory Hayes. "Based on a solid first half, we feel confident raising our outlook for the full year with an improved organic sales growth outlook of 4 to 5 percent and adjusted EPS range of $7.90 to $8.05.* We continued to see outperformance at Collins Aerospace this quarter as we made significant progress on the integration of Rockwell Collins, which more than offset softness in Carrier's end markets."

Hayes continued, "Looking ahead, we remain on track to establish Otis and Carrier as independent companies in the first half of 2020. We are also excited about the transformational merger with Raytheon that we announced in June, which will create a leading, platform-agnostic aerospace and defense systems company. The combination will enhance our ability to provide high technology systems that meet the increasingly complex needs of our customers in rapidly growing segments of the industry."

Second quarter sales of $19.6 billion were up 18 percent over the prior year, including 6 points of organic sales growth and 13 points of acquisition benefit offset by 1 point of foreign exchange headwind. GAAP EPS of $2.20 was down 14 percent versus the prior year and included 6 cents of net nonrecurring gains and 6 cents of restructuring charges. Adjusted EPS of $2.20 was up 12 percent.

Net income in the quarter was $1.9 billion, down 7 percent versus the prior year. Cash flow from operations was $2.1 billion and capital expenditures were $467 million, resulting in free cash flow of $1.6 billion.

In the quarter, Collins Aerospace commercial aftermarket sales were up 75 percent and up 18 percent organically. Collins Aerospace commercial aftermarket sales were up 16 percent on a pro forma basis including

Rockwell Collins. Pratt & Whitney commercial aftermarket sales were up 2 percent. Equipment orders at Carrier were down 12 percent organically. Otis new equipment orders were down 6 percent at constant currency in the quarter and down 1 percent on a rolling twelve month basis.

UTC updates its 2019 outlook and now anticipates:

- Adjusted EPS of $7.90 to $8.05, up from $7.80 to $8.00;*
- Organic sales growth of 4 to 5 percent, up from 3 to 5 percent;*
- There is no change in the Company's previously provided 2019 expectations for sales of $75.5 to $77.0 billion and free cash flow of $4.5 to $5.0 billion, including $1.5 billion of one-time cash payments related to the portfolio separation.*

*Note: When we provide expectations for adjusted EPS, organic sales and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures generally is not available without unreasonable effort. See "Use and Definitions of Non-GAAP Financial Measures" below for additional information.

United Technologies Corp., based in Farmington, Connecticut, provides high technology products and services to the building and aerospace industries. By combining a passion for science with precision engineering, the company is creating smart, sustainable solutions the world needs. Additional information, including a webcast, is available at www.utc.com or https://edge.media-server.com/mmc/p/6fjdfyhq, or to listen to the earnings call by phone, dial (877) 280-7280 between 8:10 a.m. and 8:30 a.m. ET. To learn more about UTC, visit the website or follow the company on Twitter: @UTC

**Use and Definitions of Non-GAAP Financial Measures**

United Technologies Corporation reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Adjusted net sales, organic sales, adjusted operating profit, adjusted net income, adjusted earnings per share ("EPS"), and the adjusted effective tax rate are non-GAAP financial measures. Adjusted net sales represents consolidated net sales from continuing operations (a GAAP measure), excluding significant items of a non-recurring and/or nonoperational nature (hereinafter referred to as "other significant items"). Organic sales represents consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and other significant items. Adjusted operating profit represents income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs and other significant items. The adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding restructuring costs and other significant items. For the business segments, when applicable, adjustments of net sales, operating profit and margins similarly reflect continuing operations, excluding restructuring and other significant items. Management believes that the non-GAAP measures just mentioned are useful in providing period-to-period comparisons of the results of the Company’s ongoing operational performance.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing UTC's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of UTC's common stock and distribution of earnings to shareholders.

A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

When we provide our expectation for adjusted EPS, adjusted operating profit, adjusted effective tax rate, organic sales and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected diluted EPS from continuing operations, operating profit, the effective tax rate, sales and expected cash flow from operations) generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

**Cautionary Statement**

This communication contains statements which, to the extent they are not statements of historical or present fact, constitute “forward-looking statements” under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “confident,” “on track” and other words of similar meaning. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax rates, R&D spend, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, other anticipated benefits of the Rockwell Collins acquisition, the proposed merger with Raytheon Company ("Raytheon") or the spin-offs by United Technologies of Otis and Carrier into separate independent companies (the "separation transactions"), including estimated synergies and customer cost savings resulting from the proposed merger with Raytheon Company, the expected timing of completion of the proposed merger and the separation transactions, estimated costs associated with such transactions and other statements that are not historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of economic conditions in the industries and markets in which United Technologies and Raytheon Company operate in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in construction and in both the commercial and defense segments of the aerospace industry, levels of air travel, financial condition of commercial airlines, the impact of weather conditions and natural disasters, the financial condition of our customers and suppliers, and the risks associated with U.S. government sales (including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration, a government shutdown, or otherwise, and uncertain funding of programs); (2) challenges in the development, production, delivery, support, performance and realization of the anticipated benefits (including our expected returns under customer contracts) of advanced technologies and new products and services; (3) the scope, nature, impact or timing of the proposed merger with Raytheon and the separation transactions and other merger, acquisition and divestiture activity, including among other things the integration of or with other businesses and realization of synergies and opportunities for growth and innovation and incurrence of related costs and expenses; (4) future levels of indebtedness, including indebtedness that may be incurred in connection with the proposed merger with Raytheon and the separation transactions, and capital spending and research and development spending; (5) future availability of credit and factors that may affect such availability, including credit market conditions and our capital structure; (6) the timing and scope of future repurchases by the companies of their respective common stock, which may be suspended at any time due to various factors, including market conditions and the level of other investing activities and uses of cash, including in connection with the proposed merger with Raytheon; (7) delays and disruption in delivery of materials and services from suppliers; (8) company and customer-directed cost reduction efforts and restructuring costs and savings and other consequences thereof (including the potential termination of U.S. government contracts and performance under undefinitized contract awards and the potential inability to recover termination costs); (9) new business and investment opportunities; (10) the ability to realize the intended benefits of organizational changes; (11) the anticipated benefits of diversification and balance of operations across product lines, regions and industries; (12) the outcome of legal proceedings, investigations and other contingencies; (13) pension plan assumptions and future contributions; (14) the impact of the negotiation of collective bargaining agreements and labor disputes; (15) the effect of changes in political conditions in the U.S. and other countries in which United Technologies, Raytheon and the businesses of each operate, including the effect of changes in U.S. trade policies or the U.K.'s pending withdrawal from the European Union, on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (16) the effect of changes in tax (including U.S. tax reform enacted on December 22, 2017, which is commonly referred to as the Tax Cuts and Jobs Act of 2017), environmental, regulatory and other laws and regulations (including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anti-corruption requirements, including the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations) in the U.S. and other countries in which United Technologies, Raytheon and the businesses of each operate; (17) negative effects of the announcement or pendency of the proposed merger or the separation transactions on the market price of United Technologies' and/or Raytheon's respective common stock and/or on their respective financial performance; (18) the ability of the parties to receive the required regulatory approvals for the proposed merger (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction) and approvals of United Technologies' shareowners and Raytheon's shareholders and to satisfy the other conditions to the closing of the merger on a timely basis or at all; (19) the occurrence of events that may give rise to a right of United Technologies or Raytheon or both to terminate the merger agreement; (20) risks relating to the value of the United Technologies' shares to be issued in the proposed merger with Raytheon, significant transaction costs and/or unknown liabilities; (21) the possibility that the anticipated benefits from the proposed merger with Raytheon cannot be realized in full or at all or may take longer to realize than expected, including risks associated with third party contracts containing consent and/or other provisions that may be triggered by the proposed transaction; (22) risks associated with transaction-related litigation; (23) the possibility that costs or difficulties related to the integration of United Technologies' and Raytheon's operations will be greater than expected; (24) risks relating to completed merger, acquisition and divestiture activity, including United Technologies' integration of Rockwell Collins, including the risk that the integration may be more difficult, time-consuming or costly than expected or may not result in the achievement of estimated synergies within the contemplated time frame or at all; (25) the ability of each of United Technologies, Raytheon and the companies resulting from the separation transactions and the combined company to retain and hire key personnel; (26) the expected benefits and timing of the separation transactions, and the risk that conditions to the separation transactions will not be satisfied and/or that the separation transactions will not be completed within the expected time frame, on the expected terms or at all; (27) the intended qualification of (i) the merger as a tax-free reorganization and (ii) the separation transactions as tax-free to United Technologies and United Technologies' shareowners, in each case, for U.S. federal income tax purposes; (28) the possibility that any opinions, consents, approvals or rulings required in connection with the separation transactions will not be received or obtained within the expected time frame, on the expected terms or at all; (29) expected financing transactions undertaken in connection with the proposed merger with Raytheon and the separation transactions and risks associated with additional indebtedness; (30) the risk that dissynergy costs, costs of restructuring transactions and other costs incurred in connection with the separation transactions will exceed United Technologies' estimates; and (31) the impact of the proposed merger and the separation transactions on the respective businesses of United Technologies and Raytheon and the risk that the separation transactions may be more difficult, time-consuming or costly than expected, including the impact on United Technologies' resources, systems, procedures and controls, diversion of its management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties. There can be no assurance that the proposed merger, the separation transactions or any other transaction described above will in fact be consummated in the manner described or at all. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the reports of United Technologies and Raytheon on Forms 10-K, 10-Q and 8-K filed with or furnished to the Securities and Exchange Commission (the "SEC") from time to time. Any forward-looking statement speaks only as of the date on which it is made, and United Technologies assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

**Additional Information**

In connection with the proposed merger, United Technologies has filed a registration statement on Form S-4, which includes a preliminary prospectus of United Technologies and a preliminary joint proxy statement of United Technologies and Raytheon Company (the "joint proxy statement/prospectus"), and each party will file other documents regarding the proposed merger with the SEC. In addition, in connection with the separation transactions, subsidiaries of United Technologies will file registration statements on Form 10 or S-1. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. A definitive joint proxy statement/prospectus will be sent to United Technologies' shareowners and Raytheon Company's shareholders. Investors and security holders will be able to obtain the registration statements and the joint proxy statement/prospectus free of charge from the SEC's website or from United Technologies or Raytheon Company. The documents filed by United Technologies with the SEC may be obtained free of charge at United Technologies' website at www.utc.com or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from United Technologies by requesting them by mail at UTC Corporate Secretary, 10 Farm Springs Road, Farmington, CT, 06032, by telephone at 1-860-728-7870 or by email at corpsec@corphq.utc.com. The documents filed by Raytheon Company with the SEC may be obtained free of charge at Raytheon Company's website at www.raytheon.com or at the SEC's website at www.sec.gov. These documents may also be obtained free of charge from Raytheon Company by requesting them by mail at Raytheon Company, Investor Relations, 870 Winter Street, Waltham, MA, 02541, by telephone at 1-781-522-5123 or by email at invest@raytheon.com.

**Participants in the Solicitation**

United Technologies and Raytheon Company and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information about United Technologies' directors and executive officers is available in United Technologies' proxy statement dated March 18, 2019, for its 2019 Annual Meeting of Shareowners. Information about Raytheon Company's directors and executive officers is available in Raytheon Company's proxy statement dated April 16, 2019, for its 2019 Annual Meeting of Shareholders. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the transaction when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from United Technologies or Raytheon Company as indicated above.

**No Offer or Solicitation**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

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**United Technologies Corporation**

**Condensed Consolidated Statement of Operations**

| | Quarter Ended June 30, (Unaudited) | | Six Months Ended June 30, (Unaudited) | |
|---|---|---|---|---|
| *(dollars in millions, except per share amounts)* | **2019** | **2018** | **2019** | **2018** |
| **Net Sales** | $ 19,634 | $ 16,705 | $ 37,999 | $ 31,947 |
| **Costs and Expenses:** | | | | |
| Cost of products and services sold | 14,413 | 12,422 | 28,120 | 23,702 |
| Research and development | 743 | 589 | 1,471 | 1,143 |
| Selling, general and administrative | 2,106 | 1,759 | 4,103 | 3,470 |
| Total Costs and Expenses | 17,262 | 14,770 | 33,694 | 28,315 |
| Other income, net | 212 | 941 | 324 | 1,172 |
| Operating profit | 2,584 | 2,876 | 4,629 | 4,804 |
| Non-service pension (benefit) | (216) | (192) | (424) | (383) |
| Interest expense, net | 360 | 234 | 791 | 463 |
| Income from operations before income taxes | 2,440 | 2,834 | 4,262 | 4,724 |
| Income tax expense | 441 | 695 | 838 | 1,217 |
| Net income from operations | 1,999 | 2,139 | 3,424 | 3,507 |
| Less: Noncontrolling interest in subsidiaries' earnings from operations | 99 | 91 | 178 | 162 |
| Net income attributable to common shareowners | $ 1,900 | $ 2,048 | $ 3,246 | $ 3,345 |
| **Earnings Per Share of Common Stock:** | | | | |
| Basic | $ 2.22 | $ 2.59 | $ 3.80 | $ 4.23 |
| Diluted | $ 2.20 | $ 2.56 | $ 3.76 | $ 4.18 |
| **Weighted Average Number of Shares Outstanding:** | | | | |
| Basic shares | 854 | 791 | 854 | 790 |
| Diluted shares | 864 | 800 | 862 | 800 |

**United Technologies Corporation**
**Segment Net Sales and Operating Profit**

| | Quarter Ended June 30, (Unaudited) | | Six Months Ended June 30, (Unaudited) | |
|---|---|---|---|---|
| *(dollars in millions)* | 2019 | 2018 | 2019 | 2018 |
| **Net Sales** | | | | |
| Otis | $ 3,348 | $ 3,344 | $ 6,444 | $ 6,381 |
| Carrier | 4,962 | 5,035 | 9,285 | 9,411 |
| Pratt & Whitney | 5,150 | 4,736 | 9,967 | 9,065 |
| Collins Aerospace Systems | 6,576 | 3,962 | 13,089 | 7,779 |
| Segment Sales | 20,036 | 17,077 | 38,785 | 32,636 |
| Eliminations and other | (402) | (372) | (786) | (689) |
| **Consolidated Net Sales** | $ 19,634 | $ 16,705 | $ 37,999 | $ 31,947 |
| | | | | |
| **Operating Profit** | | | | |
| Otis | $ 515 | $ 488 | $ 941 | $ 938 |
| Carrier | 836 | 1,645 | 1,365 | 2,237 |
| Pratt & Whitney | 424 | 397 | 857 | 810 |
| Collins Aerospace Systems | 1,172 | 569 | 2,028 | 1,157 |
| Segment Operating Profit | 2,947 | 3,099 | 5,191 | 5,142 |
| Eliminations and other | (239) | (97) | (340) | (108) |
| General corporate expenses | (124) | (126) | (222) | (230) |
| **Consolidated Operating Profit** | $ 2,584 | $ 2,876 | $ 4,629 | $ 4,804 |
| | | | | |
| **Segment Operating Profit Margin** | | | | |
| Otis | 15.4% | 14.6% | 14.6% | 14.7% |
| Carrier | 16.8% | 32.7% | 14.7% | 23.8% |
| Pratt & Whitney | 8.2% | 8.4% | 8.6% | 8.9% |
| Collins Aerospace Systems | 17.8% | 14.4% | 15.5% | 14.9% |
| **Segment Operating Profit Margin** | 14.7% | 18.1% | 13.4% | 15.8% |

**United Technologies Corporation**
**Reconciliation of Reported (GAAP) to Adjusted (Non-GAAP) Results**

| | Quarter Ended June 30, (Unaudited) | | Six Months Ended June 30, (Unaudited) | |
|---|---|---|---|---|
| ***(dollars in millions - Income (Expense))*** | **2019** | **2018** | **2019** | **2018** |
| **Income from operations attributable to common shareowners** | **$ 1,900** | **$ 2,048** | **$ 3,246** | **$ 3,345** |
| **Restructuring Costs included in Operating Profit:** | | | | |
| Otis | (15) | (23) | (40) | (49) |
| Carrier | (30) | (21) | (63) | (35) |
| Pratt & Whitney | (3) | (3) | (17) | (3) |
| Collins Aerospace Systems | (17) | (33) | (56) | (60) |
| Eliminations and other | (1) | (2) | (2) | (4) |
| | (66) | (82) | (178) | (151) |
| Non-service pension cost | — | 2 | — | 2 |
| **Total Restructuring Costs** | (66) | (80) | (178) | (149) |
| | | | | |
| **Significant non-recurring and non-operational items included in Operating Profit:** | | | | |
| Carrier | | | | |
| Gain on sale of Taylor Company | — | 795 | — | 795 |
| Collins Aerospace Systems | | | | |
| Loss on sale of business | — | — | (25) | — |
| Amortization of Rockwell Collins inventory fair value adjustment | — | — | (181) | — |
| Asset impairment | — | (48) | — | (48) |
| Eliminations and other | | | | |
| Transaction and integration costs related to merger agreement with Rockwell Collins, Inc. | (10) | (20) | (19) | (50) |
| Costs associated with the Company's intention to separate its commercial businesses | (154) | — | (209) | — |
| Transaction expenses associated with the Raytheon Merger | (26) | — | (26) | — |
| | (190) | 727 | (460) | 697 |
| Total impact on Consolidated Operating Profit | (256) | 647 | (638) | 548 |
| **Significant non-recurring and non-operational items included in Interest Expense, Net** | | | | |
| Interest on tax settlements | 58 | — | 58 | — |
| **Tax effect of restructuring and significant non-recurring and non-operational items above** | 36 | (173) | 117 | (154) |
| **Significant non-recurring and non-operational items included in Income Tax Expense** | | | | |
| Tax settlements | 264 | — | 264 | — |
| Tax expenses related to separation of commercial businesses | (100) | — | (100) | — |
| Unfavorable income tax adjustments related to the estimated impact of the U.S. tax reform legislation enacted on December 22, 2017 | — | (2) | — | (46) |
| | 164 | (2) | 164 | (46) |
| Less: Impact on Net Income Attributable to Common Shareowners | 2 | 472 | (299) | 348 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Adjusted income attributable to common shareowners** | **$** | **1,898** | **$** | **1,576** | **$** | **3,545** | **$** | **2,997** |
| | | | | | | | | |
| **Diluted Earnings Per Share** | **$** | **2.20** | **$** | **2.56** | **$** | **3.76** | **$** | **4.18** |
| Impact on Diluted Earnings Per Share | | — | | 0.59 | | (0.35) | | 0.44 |
| **Adjusted Diluted Earnings Per Share** | **$** | **2.20** | **$** | **1.97** | **$** | **4.11** | **$** | **3.74** |
| | | | | | | | | |
| **Effective Tax Rate** | | **18.1%** | | **24.5 %** | | **19.7%** | | **25.8 %** |
| Impact on Effective Tax Rate | | 6.2% | | (0.7)% | | 3.4% | | (1.4)% |
| **Adjusted Effective Tax Rate** | | **24.3%** | | **23.8 %** | | **23.1%** | | **24.4 %** |

**United Technologies Corporation**

**Segment Operating Profit Adjusted for Restructuring Costs and Significant Non-recurring and Non-operational Items (as reflected on the previous page)**

| | Quarter Ended June 30, (Unaudited) | | Six Months Ended June 30, (Unaudited) | |
|---|---|---|---|---|
| *(dollars in millions)* | 2019 | 2018 | 2019 | 2018 |
| **Adjusted Operating Profit** | | | | |
| Otis | $ 530 | $ 511 | $ 981 | $ 987 |
| Carrier | 866 | 871 | 1,428 | 1,477 |
| Pratt & Whitney | 427 | 400 | 874 | 813 |
| Collins Aerospace Systems | 1,189 | 650 | 2,290 | 1,265 |
| Segment Operating Profit | 3,012 | 2,432 | 5,573 | 4,542 |
| Eliminations and other | (49) | (77) | (86) | (58) |
| General corporate expenses | (123) | (124) | (220) | (226) |
| **Adjusted Consolidated Operating Profit** | $ 2,840 | $ 2,231 | $ 5,267 | $ 4,258 |
| | | | | |
| **Adjusted Segment Operating Profit Margin** | | | | |
| Otis | 15.8% | 15.3% | 15.2% | 15.5% |
| Carrier | 17.5% | 17.3% | 15.4% | 15.7% |
| Pratt & Whitney | 8.3% | 8.4% | 8.8% | 9.0% |
| Collins Aerospace Systems | 18.1% | 16.4% | 17.5% | 16.3% |
| **Adjusted Segment Operating Profit Margin** | 15.0% | 14.2% | 14.4% | 13.9% |

**United Technologies Corporation**
**Components of Changes in Net Sales**

***Quarter Ended June 30, 2019 Compared with Quarter Ended June 30, 2018***

| | Factors Contributing to Total % Change in Net Sales | | | | |
|---|---|---|---|---|---|
| | Organic | FX Translation | Acquisitions / Divestitures, net | Other | Total |
| Otis | 4% | (4)% | —% | —% | —% |
| Carrier | 2% | (2)% | (1)% | —% | (1)% |
| Pratt & Whitney | 9% | —% | —% | —% | 9% |
| Collins Aerospace Systems | 9% | —% | 57% | —% | 66% |
| Consolidated | 6% | (1)% | 13% | —% | 18% |
| | | | | | |
| Collins Aerospace Systems | | | | | |
| Commercial aftermarket sales* | 18% | —% | 57% | —% | 75% |

*On a pro forma basis, Collins Aerospace Systems commercial aftermarket sales increased 16% calculated by combining the results of UTC with the stand-alone results of Rockwell Collins for the pre-acquisition periods adjusted for conformity, as if the acquisition had been completed on January 1, 2017.

***Six Months Ended June 30, 2019 Compared with Six Months Ended June 30, 2018***

| | Factors Contributing to Total % Change in Net Sales | | | | |
|---|---|---|---|---|---|
| | Organic | FX Translation | Acquisitions / Divestitures, net | Other | Total |
| Otis | 6% | (5)% | —% | —% | 1% |
| Carrier | 3% | (3)% | (1)% | —% | (1)% |
| Pratt & Whitney | 11% | (1)% | —% | —% | 10% |
| Collins Aerospace Systems | 10% | (1)% | 59% | —% | 68% |
| | | | | | |
| Consolidated | 7% | (2)% | 14% | —% | 19% |

**United Technologies Corporation**

**Condensed Consolidated Balance Sheet**

| *(dollars in millions)* | June 30, 2019 (Unaudited) | December 31, 2018 (Unaudited) |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 6,819 | $ 6,152 |
| Accounts receivable, net | 13,695 | 14,271 |
| Contract assets, current | 4,334 | 3,486 |
| Inventory, net | 10,934 | 10,083 |
| Other assets, current | 1,276 | 1,511 |
| Total Current Assets | 37,058 | 35,503 |
| Fixed assets, net | 12,292 | 12,297 |
| Operating lease right-of-use assets | 2,740 | — |
| Goodwill | 48,358 | 48,112 |
| Intangible assets, net | 25,963 | 26,424 |
| Other assets | 12,579 | 11,875 |
| **Total Assets** | $ 138,990 | $ 134,211 |
| | | |
| **Liabilities and Equity** | | |
| Short-term debt | $ 7,341 | $ 4,345 |
| Accounts payable | 11,109 | 11,080 |
| Accrued liabilities | 10,753 | 10,223 |
| Contract liabilities, current | 6,219 | 5,720 |
| Total Current Liabilities | 35,422 | 31,368 |
| Long-term debt | 37,910 | 41,192 |
| Operating lease liabilities | 2,258 | — |
| Other long-term liabilities | 20,314 | 20,932 |
| Total Liabilities | 95,904 | 93,492 |
| Redeemable noncontrolling interest | 109 | 109 |
| Shareowners' Equity: | | |
| Common Stock | 22,647 | 22,438 |
| Treasury Stock | (32,549) | (32,482) |
| Retained earnings | 60,548 | 57,823 |
| Accumulated other comprehensive loss | (9,892) | (9,333) |
| Total Shareowners' Equity | 40,754 | 38,446 |
| Noncontrolling interest | 2,223 | 2,164 |
| Total Equity | 42,977 | 40,610 |
| **Total Liabilities and Equity** | $ 138,990 | $ 134,211 |
| | | |
| **Debt Ratios:** | | |
| Debt to total capitalization | 51% | 53% |
| Net debt to net capitalization | 47% | 49% |

**United Technologies Corporation**

**Condensed Consolidated Statement of Cash Flows**

| *(dollars in millions)* | Quarter Ended June 30, (Unaudited) 2019 | Quarter Ended June 30, (Unaudited) 2018 | Six Months Ended June 30, (Unaudited) 2019 | Six Months Ended June 30, (Unaudited) 2018 |
|---|---|---|---|---|
| **Operating Activities:** | | | | |
| Net income from operations | $ 1,999 | $ 2,139 | $ 3,424 | $ 3,507 |
| Adjustments to reconcile net income from operations to net cash flows provided by operating activities: | | | | |
| Depreciation and amortization | 922 | 592 | 1,864 | 1,173 |
| Deferred income tax provision | (15) | 3 | 6 | 45 |
| Stock compensation cost | 92 | 62 | 156 | 117 |
| Gain on sale of Taylor Company | — | (795) | — | (795) |
| Change in working capital | (11) | 483 | (456) | (489) |
| Global pension contributions | (47) | (22) | (79) | (59) |
| Canadian government settlement | — | — | (38) | (221) |
| Other operating activities, net | (829) | (360) | (1,266) | (723) |
| Net cash flows provided by operating activities | 2,111 | 2,102 | 3,611 | 2,555 |
| **Investing Activities:** | | | | |
| Capital expenditures | (467) | (372) | (830) | (709) |
| Acquisitions and dispositions of businesses, net | (13) | 1,050 | 101 | 960 |
| Increase in collaboration intangible assets | (82) | (103) | (169) | (181) |
| (Payments) receipts from settlements of derivative contracts | (31) | 303 | 61 | 82 |
| Other investing activities, net | (230) | (140) | (380) | (390) |
| Net cash flows (used in) provided by investing activities | (823) | 738 | (1,217) | (238) |
| **Financing Activities:** | | | | |
| (Payment) issuance of long-term debt, net | (15) | 1,312 | (9) | 337 |
| Increase (decrease) in short-term borrowings, net | 22 | (24) | (327) | 642 |
| Dividends paid on Common Stock | (610) | (535) | (1,219) | (1,070) |
| Repurchase of Common Stock | (40) | (27) | (69) | (52) |
| Other financing activities, net | (46) | (27) | (142) | (68) |
| Net cash flows (used in) provided by financing activities | (689) | 699 | (1,766) | (211) |
| Effect of foreign exchange rate changes on cash and cash equivalents | (25) | (137) | 16 | (18) |
| Net increase in cash, cash equivalents and restricted cash | 574 | 3,402 | 644 | 2,088 |
| Cash, cash equivalents and restricted cash, beginning of period | 6,282 | 7,704 | 6,212 | 9,018 |
| Cash, cash equivalents and restricted cash, end of period | 6,856 | 11,106 | 6,856 | 11,106 |
| Less: Restricted cash | 37 | 38 | 37 | 38 |
| Cash and cash equivalents, end of period | $ 6,819 | $ 11,068 | $ 6,819 | $ 11,068 |

**United Technologies Corporation**
**Free Cash Flow Reconciliation**

| *(dollars in millions)* | Quarter Ended June 30, (Unaudited) 2019 | | Quarter Ended June 30, (Unaudited) 2018 | |
|---|---|---|---|---|
| Net income attributable to common shareowners | $ 1,900 | | $ 2,048 | |
| Net cash flows provided by operating activities | $ 2,111 | | $ 2,102 | |
| Net cash flows provided by operating activities as a percentage of net income attributable to common shareowners | | 111 % | | 103 % |
| Capital expenditures | (467) | | (372) | |
| Capital expenditures as a percentage of net income attributable to common shareowners | | (25)% | | (18)% |
| Free cash flow | $ 1,644 | | $ 1,730 | |
| Free cash flow as a percentage of net income attributable to common shareowners | | 87 % | | 84 % |

| **(dollars in millions)** | Six Months Ended June 30, (Unaudited) 2019 | | Six Months Ended June 30, (Unaudited) 2018 | |
|---|---|---|---|---|
| Net income attributable to common shareowners | $ 3,246 | | $ 3,345 | |
| Net cash flows provided by operating activities | $ 3,611 | | $ 2,555 | |
| Net cash flows provided by operating activities as a percentage of net income attributable to common shareowners | | 111 % | | 76 % |
| Capital expenditures | (830) | | (709) | |
| Capital expenditures as a percentage of net income attributable to common shareowners | | (26)% | | (21)% |
| Free cash flow | $ 2,781 | | $ 1,846 | |
| Free cash flow as a percentage of net income attributable to common shareowners | | 86 % | | 55 % |

**Notes to Condensed Consolidated Financial Statements**

Debt to total capitalization equals total debt divided by total debt plus equity. Net debt to net capitalization equals total debt less cash and cash equivalents divided by total debt plus equity less cash and cash equivalents.