

United Tech to buy Rockwell Collins for \$22.75 billion

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This Dec. 6, 2016, file photo shows the United Technologies Electronic Controls factory in Huntington, Ind. United Technologies is acquiring Rockwell Collins for \$22.75 billion in order to expand its aerospace capabilities. United Tech, which makes Otis elevators and Pratt & Whitney engines, said Monday, Sept. 4, 2017, it's paying \$140 per share in cash and stock for Rockwell Collins, a 9.4 premium over Tuesday's closing price, when reports of a deal surfaced. (AP Photo/Michael Conroy, File)

United Technologies plans to boost its aerospace business by paying \$22.75 billion for flight deck maker Rockwell Collins.

United Tech said it will combine its aerospace unit with Rockwell Collins and rename it Collins Aerospace Systems. That unit, which United Tech expects to bring in more than \$23 billion in sales a year, will make airplane seats, landing systems and other parts for commercial and military planes. The buyout comes about five months after Rockwell Collins completed a deal to buy rival B/E Aerospace for more than \$6 billion. Besides its aerospace business, Farmington, Connecticut-based United Tech also makes Otis elevators and Carrier air conditioners.

United Tech said Monday that it will pay \$140 per share in cash and stock for Cedar Rapids, Iowa-based Rockwell Collins Inc. Including debt, the companies said the acquisition is worth \$30 billion.

United Technologies Corp. called the businesses complementary and expects \$500 million in pretax savings related to the deal. It reaffirmed its 2017 profit estimates.

The companies expect the deal, which needs to be approved by regulators and Rockwell Collins shareholders, to be completed within a year.

In morning trading, shares of United Technologies slipped \$4.13, or 3.5 percent, to \$113.79. Rockwell Collins shares added 96 cents to \$131.57. The stock is up about 55 percent in the past year.

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