



Raytheon
Technologies

**4Q 2021 Earnings
Conference Call**

January 25, 2022

Forward-Looking Statements

Note: All results and expectations in the presentation reflect continuing operations unless otherwise noted.

This webcast 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 Raytheon Technologies Corporation (“RTC”) 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,” “goals,” “objectives,” “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 payments and rates, research and development spending, cost savings, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, other anticipated benefits to RTC of the United Technologies Corporation (“UTC”) acquisition of Rockwell Collins in 2018, the merger (the “merger”) between UTC and Raytheon Company (“Raytheon”) or the spin-offs by UTC of Otis Worldwide Corporation and Carrier Global Corporation into separate independent companies (the “separation transactions”), including estimated synergies and customer cost savings resulting from the merger and the anticipated benefits and costs of the separation transactions and other statements that are not solely 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 changes in global economic, capital market and political conditions in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, inflation, interest rates and foreign currency exchange rates, and geopolitical risks; (2) the effect of and risks relating to coronavirus disease 2019 (COVID-19) pandemic on RTC’s business, supply chain, operations and the industries in which it operates, including the decrease in global air travel and disruption to business and other commercial activities, the impact on the demand for RTC’s products and services, the disruption to global supply and distribution capabilities which have impacted supplies required for RTC’s performance, the financial condition of RTC’s customers and suppliers, challenges relating to employee health, safety, and availability and workplace and facility operations, and the timing and extent of the recovery from COVID-19 and the impact on such recovery from new COVID-19 variants and outbreaks, vaccine-related issues and other future developments; (3) risks associated with U.S. government sales, including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration or the allocation of funds to governmental responses to COVID-19, a continuing resolution, a government shutdown, or otherwise, and uncertain funding of programs; (4) challenges in the development, production, delivery, support, and performance of RTC advanced technologies and new products and services and the realization of the anticipated benefits (including our expected returns under customer contracts), as well as the challenges of operating in RTC’s highly-competitive industries; (5) risks relating to RTC international operations from, among other things, changes in trade policies, foreign currency fluctuations, economic conditions, political factors, sales methods, and U.S. or local government regulations; (6) the condition of the aerospace industry; (7) risks relating to RTC’s reliance on U.S. and non-U.S. suppliers and commodity markets, including delays and disruptions in the delivery of materials and services to RTC or its suppliers and price increases; (8) the scope, nature, timing and challenges of managing acquisitions, investments, divestitures and other transactions, including the realization of synergies and opportunities for growth and innovation, the assumption of liabilities and other risks and incurrence of related costs and expenses; (9) compliance with legal, environmental, regulatory and other requirements, including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anticorruption requirements, such as the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations in the U.S. and other countries in which RTC and its businesses operate; (10) the outcome of pending, threatened and future legal proceedings, investigations and other contingencies, including those related to U.S. government audits and disputes; (11) factors that could impact RTC’s ability to engage in desirable capital-raising or strategic transactions, including its capital structure, levels of indebtedness, capital expenditures and research and development spending, and the availability of credit, credit market conditions and other factors; (12) uncertainties associated with the timing and scope of future repurchases by RTC of its common stock or declarations of cash dividends, which may be discontinued, accelerated, suspended or delayed at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (13) the risks relating to realizing expected benefits from RTC strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (14) the risks relating to the integration of legacy businesses of UTC and RTC as well as the merger, and the realization of the anticipated benefits of those transactions; (15) risks of additional tax exposures due to new tax legislation or other developments, in the U.S. and other countries in which RTC and its businesses operate; (16) the ability of RTC to attract, train and retain qualified personnel and maintain its culture and high ethical standards, and the ability of our personnel to continue to operate our facilities and businesses around the world; (17) risks relating to a RTC product safety failure or other failure affecting RTC’s or its customers’ or suppliers’ products or systems; (18) risks relating to cyber-attacks on RTC’s information technology infrastructure, products, suppliers, customers and partners, threats to RTC facilities and personnel, as well as other events outside of RTC’s control such as public health crises, damaging weather or other acts of nature; (19) the effect of changes in accounting estimates for our programs on our financial results; (20) the effect of changes in pension and other postretirement plan estimates and assumptions and contributions; (21) risks relating to an impairment of goodwill and other intangible assets; (22) the effects of climate change and changing climate-related regulations, customer and market demands, products and technologies; and (23) the intended qualification of (i) the merger as a tax-free reorganization and (ii) the separation transactions and other internal restructurings as tax-free to UTC and former UTC shareowners, in each case, for U.S. federal income tax purposes.

2021 Highlights

Strong financial performance & **margin expansion across all businesses**

Commercial aftermarket **up 9% year-over-year**; up 38% Q2 – Q4

Achieved **\$760M** of incremental gross merger cost synergies; **\$1B** merger-to-date

Completed SEAKR and FlightAware acquisitions and Forcepoint and RIS Global Training & Services divestitures

Returned **\$5.3B** of capital to shareowners; including **\$2.3B** of share repurchases

2021

\$64.4B

Sales

\$4.27

Adjusted EPS*

\$5.0B

Free cash flow*

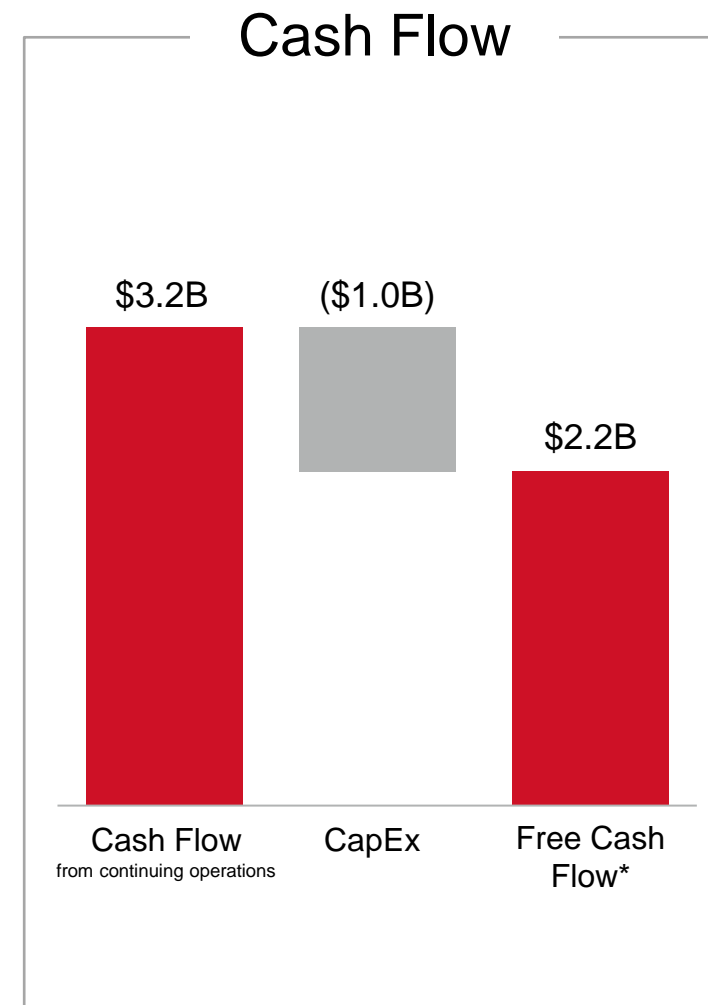
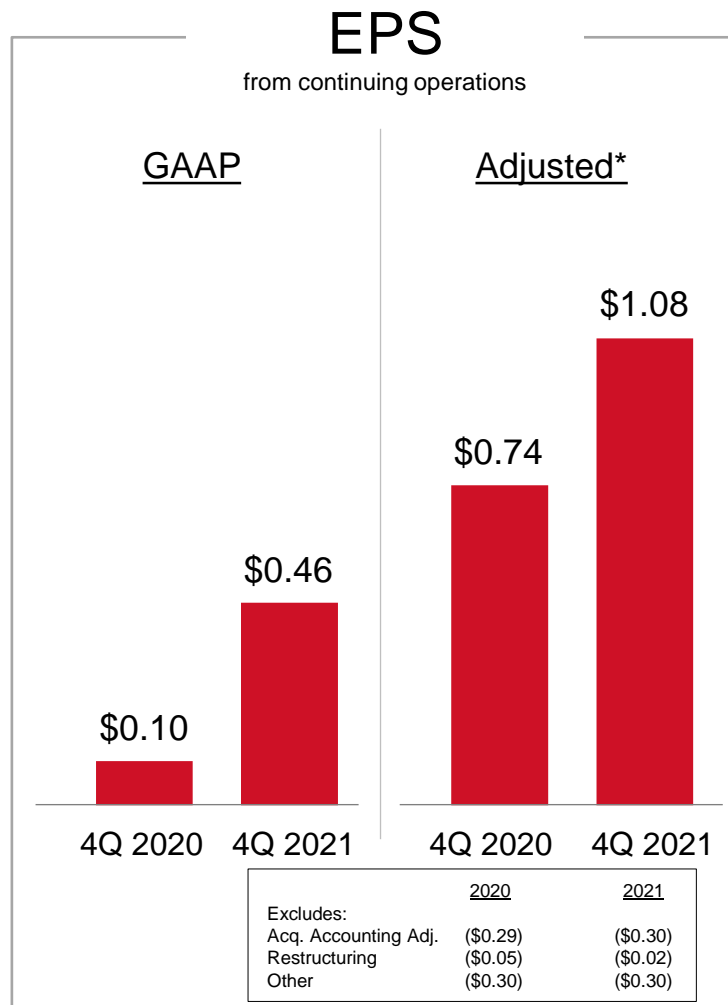
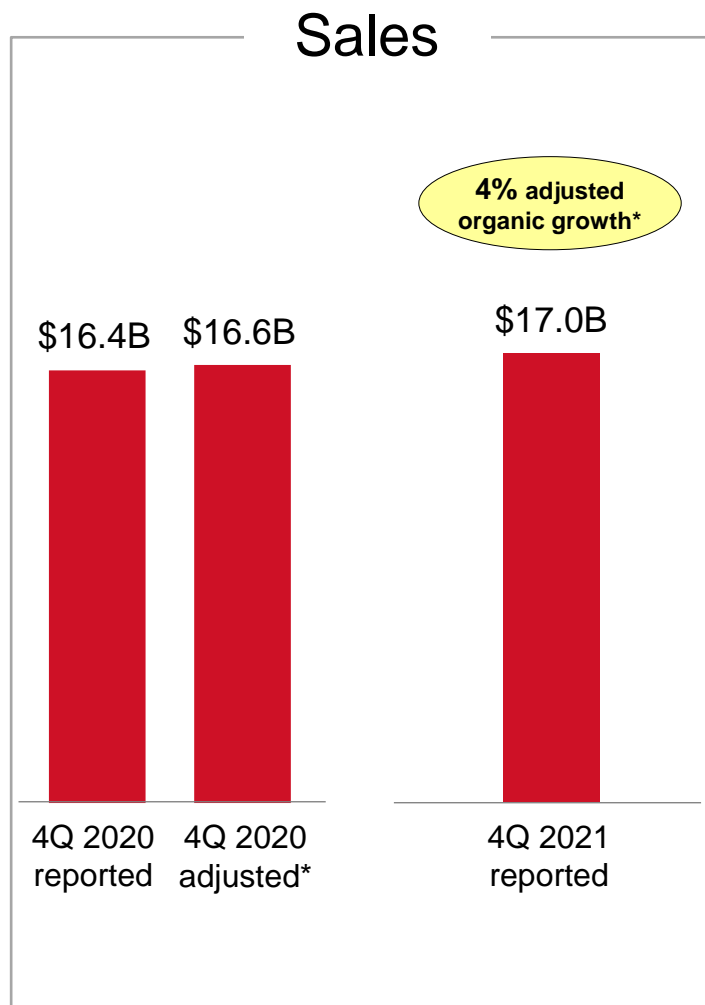
\$156B

Company backlog



Strong financial performance while driving program execution and operational excellence

4Q 2021



Strong sales, adjusted EPS and free cash flow growth

Collins Aerospace Segment Highlights

4Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	4,942	4,942	13%
Operating Profit	461	469	427%
ROS	9.3%	9.5%	750 bps

- Organic sales* up 13%
- Adjusted sales* up 13%
 - Commercial aftermarket up 47%
 - Commercial OE up 4%
 - Military down 3%
- Adjusted operating profit* up 427%
 - Higher commercial aftermarket sales
 - Higher E&D and SG&A



Collins Aerospace acquired FlightAware, a leading digital aviation company providing global flight tracking solutions, predictive analytics and decision-making tools. With FlightAware onboard, Collins will combine the best of its aircraft systems with established data networks and connectivity solutions, together with the recognized leader in data collection and analytics. In doing so, the business will launch a new generation of smarter digital solutions that help customers turn data into value, enabling them to increase efficiency and reduce cost while improving the sustainability of their operations.

Pratt & Whitney Segment Highlights

4Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,115	5,115	14%
Operating Profit	135	162	54%
ROS	2.6%	3.2%	90 bps

- Organic sales* up 15%
- Adjusted sales* up 14%
 - Commercial OE up 32%
 - Commercial aftermarket up 28%
 - Military down 6%
- Adjusted operating profit* up 54%
 - Higher commercial aftermarket sales
 - Higher SG&A and E&D
 - Lower military volume
 - Large commercial OE volume growth



Pratt & Whitney introduced the GTF Advantage™ engine for the Airbus A320neo aircraft family, further extending industry leadership in sustainability and customer value. This new configuration reduces fuel consumption by an additional 1 percent, extending the engine's lead as the most efficient powerplant for the A320neo family, and it will be compatible with 100 percent sustainable aviation fuel (SAF) at entry into service, helping the industry meet its commitment to net zero emissions by 2050. The Advantage also delivers higher takeoff thrust, both at sea level and for "hot and high" airports, enabling increased range and payload, unlocking more destinations for airlines.

Raytheon Intelligence & Space Segment Highlights

4Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	3,870	3,870	(2%)
Operating Profit	639	400	11%
ROS	16.5%	10.3%	110 bps

- Organic sales* down 1%
- Adjusted sales* down 2%
 - 4 fewer workdays
 - Global Training and Services divestiture
- Adjusted operating profit* up 11%
 - Higher net program efficiencies
- 4Q book-to-bill ratio 0.97; FY book-to-bill 1.01
 - \$1.3 billion of classified bookings
 - \$672 million of Electro-Optical Infrared products and services contracts, including the EODAS for the F-35
 - \$227 million NGJ Mid-Band
- Backlog \$18 billion



RIS booked a significant production award during Q4 to provide its Electro-Optical Distributed Aperture System (EODAS) for the F-35 Joint Strike Fighter program. The 360-degree sensor suite gives F-35 pilots unprecedented situational awareness and survivability to operate and to navigate safely in any environment.

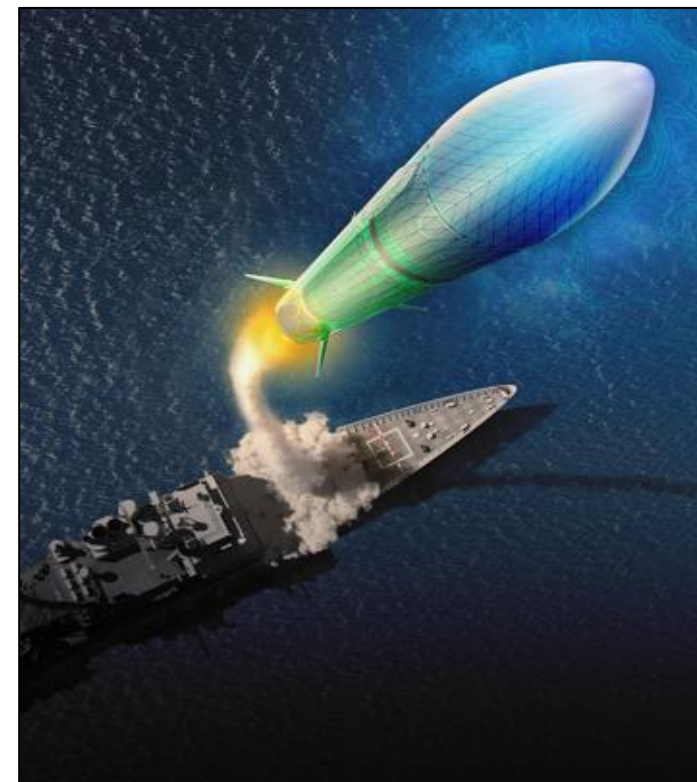
Raytheon Missiles & Defense Segment Highlights

4Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	3,859	3,859	(10%)
Operating Profit	486	486	(16%)
ROS	12.6%	12.6%	(90) bps

- Organic sales* down 8%
- Adjusted sales* down 10%
 - 4 fewer workdays
 - Lower material receipts
 - Lower volume on international production contracts
- Adjusted operating profit* down 16%
 - Lower net program efficiencies
 - Lower volume
- 4Q book-to-bill ratio 0.83; FY book-to-bill 1.02
 - \$729 million for SM-2 Production
 - \$269 million for ESSM Production
- Backlog \$29 billion



RMD was selected by the Missile Defense Agency to develop and test the first interceptor specifically designed to defeat hypersonic threats. The Glide Phase Interceptor (GPI) will defeat a new generation of hypersonic missiles – weapons that travel more than five times the speed of sound and maneuver rapidly in flight. Developed on behalf of the MDA, GPI will be integrated into the U.S. Navy's Aegis Weapon System, a ship- and shore-based defense system.

2022 Environment

Positives

Commercial aero aftermarket

Narrowbody deliveries

Defense growth

Cost reduction / synergies

Monitoring

International travel recovery

Global tax environment

Continuing Resolution

Challenges

Supply chain disruption

Inflation

787 OE build rates

2022 Outlook

Full Year Outlook

Sales	\$68.5B - \$69.5B
Organic sales growth*%	7% - 9%
Adjusted EPS*	\$4.60 - \$4.80
Free cash flow ^{*,1}	~\$6.0B

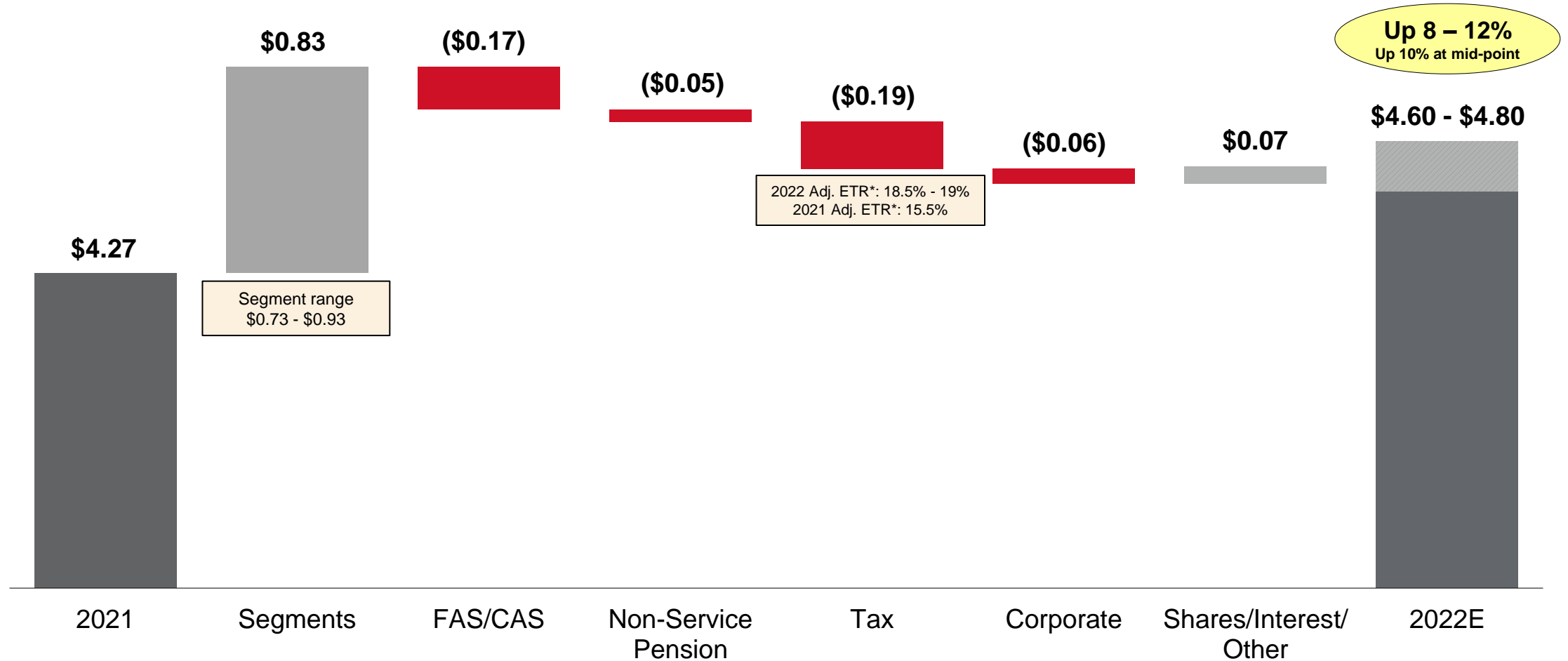
1) Free cash flow outlook assumes the legislation requiring R&D capitalization for tax purposes is deferred beyond 2022.

2022 Segment Outlook

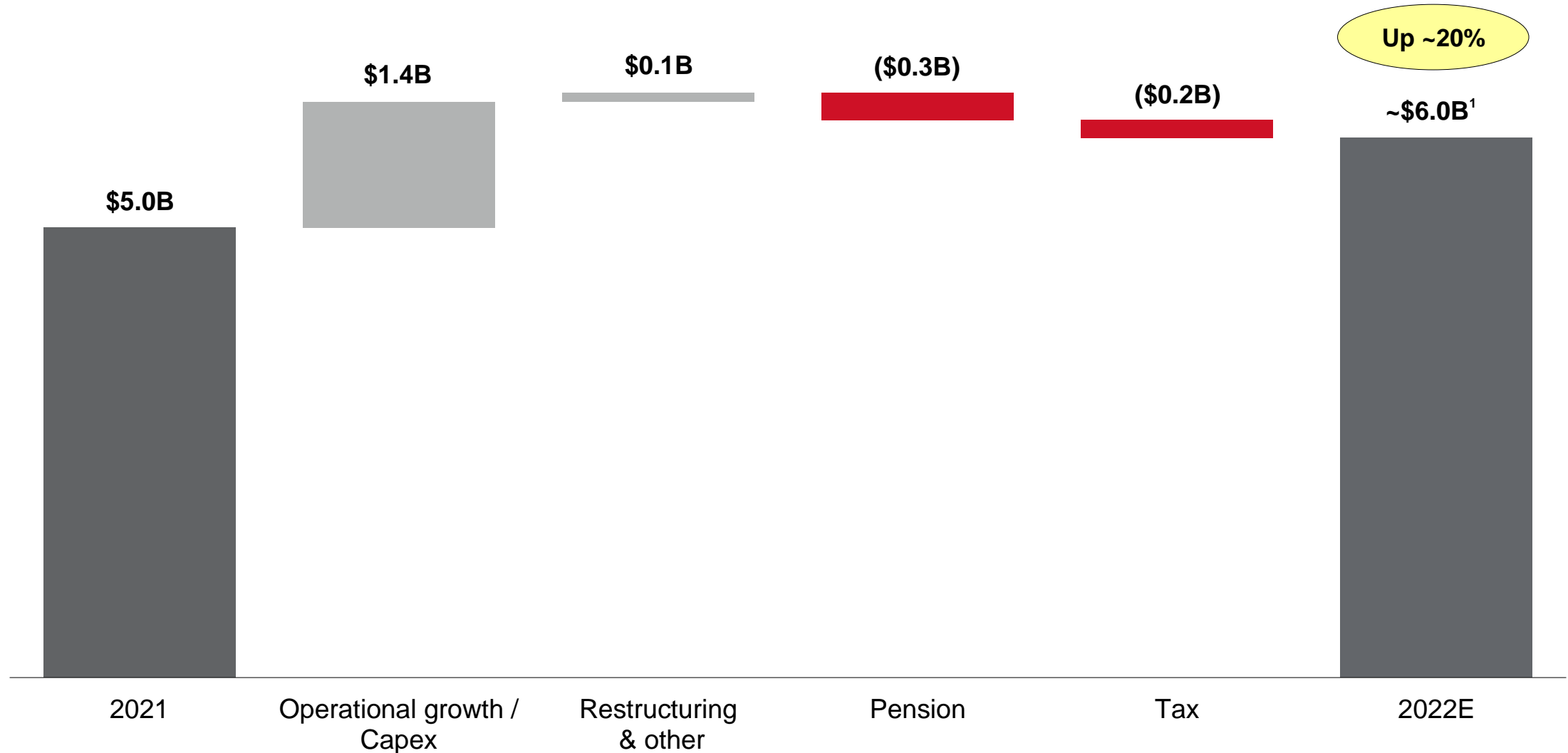
(\$ millions)

	Reported Sales VPY %	Organic Sales VPY %*	Adjusted Operating Profit VPY*
Collins Aerospace	Up low double digits	Up low double digits	\$650 - \$800
Pratt & Whitney	Up low double digits	Up low double digits	\$500 - \$600
Raytheon Intelligence & Space	Down slightly	Up low single digit	flat - \$50
Raytheon Missiles & Defense	Up low to mid single digit	Up low to mid single digit	\$150 - \$200

2022 Adjusted EPS*



2022 Free Cash Flow*



2022 Priorities

▶ Continued support of employees, customers and suppliers

▶ Invest in technology and product innovation to drive industry leadership

▶ Deliver RTX synergies

▶ Drive structural cost reduction

▶ Disciplined capital deployment

Capital return to shareowners¹
\$20+ billion

2025 goals

Sales growth	Adjusted margin expansion*	Free cash flow ^{*,2}
+6 – 7% CAGR (2020 – 2025)	+550 – 650bps (2020 – 2025)	\$10B+ (2025)



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Appendix

Use and Definitions of Non-GAAP Financial Measures

Raytheon Technologies Corporation (“RTC”) 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 organic sales growth, adjusted operating profit (loss), adjusted net income and adjusted earnings per share (“EPS”) are non-GAAP financial measures. Adjusted net sales represents consolidated net sales (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 organic sales growth is a non-GAAP measure, and is calculated as the change in net sales when comparing 2021 reported net sales to 2020 adjusted net sales, as defined above, adjusted for the impact of foreign currency translation and the impact of acquisitions and divestitures. Adjusted operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant items. Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions and the amortization of customer contractual obligations related to loss making or below market contracts acquired. Adjusted net income represents income (loss) from continuing operations attributable to common shareowners (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant items. For the Business segments, when applicable, adjustments of net sales similarly reflect continuing operations excluding other significant items, organic sales similarly excludes the impact of foreign currency, acquisitions and divestitures, and other significant items, and adjustments of operating profit (loss) and operating profit margins (also referred to as return on sales (ROS)) similarly reflect continuing operations, excluding restructuring, acquisition accounting adjustments and other significant items.

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 RTC’s ability to fund its activities, including the financing of acquisitions, debt service, repurchases of RTC’s common stock and distribution of earnings to shareowners.

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.

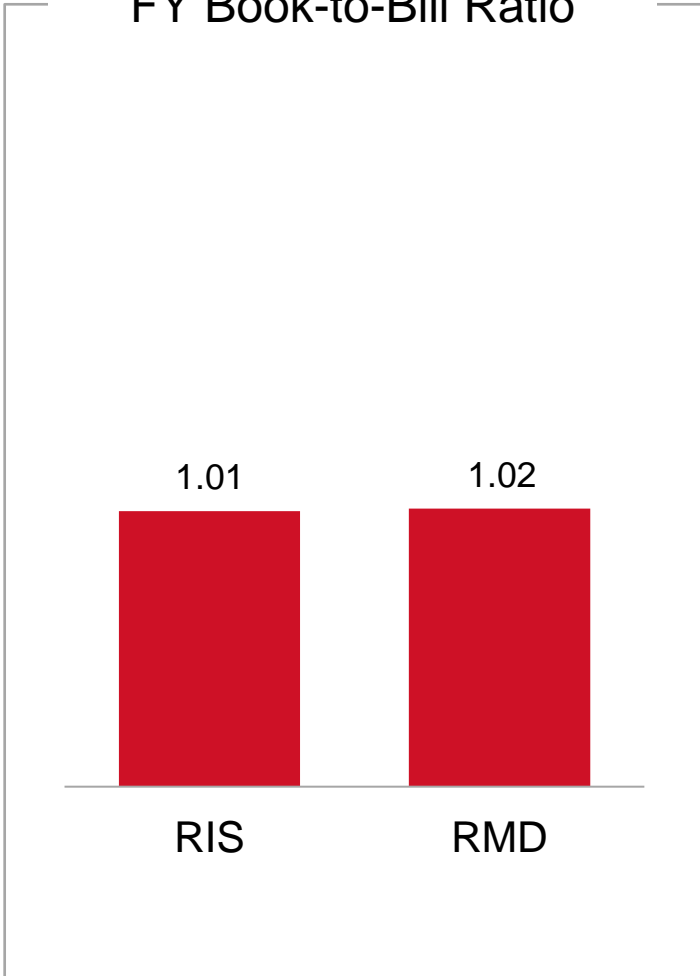
When we provide our expectation for adjusted sales, organic sales growth, adjusted operating profit (loss), adjusted EPS, free cash flow, and adjusted tax rate on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected net sales, expected sales growth, expected operating profit (loss), expected EPS from continuing operations, expected cash flow from operations and expected tax rate respectively) 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.

Additional 2022 Items

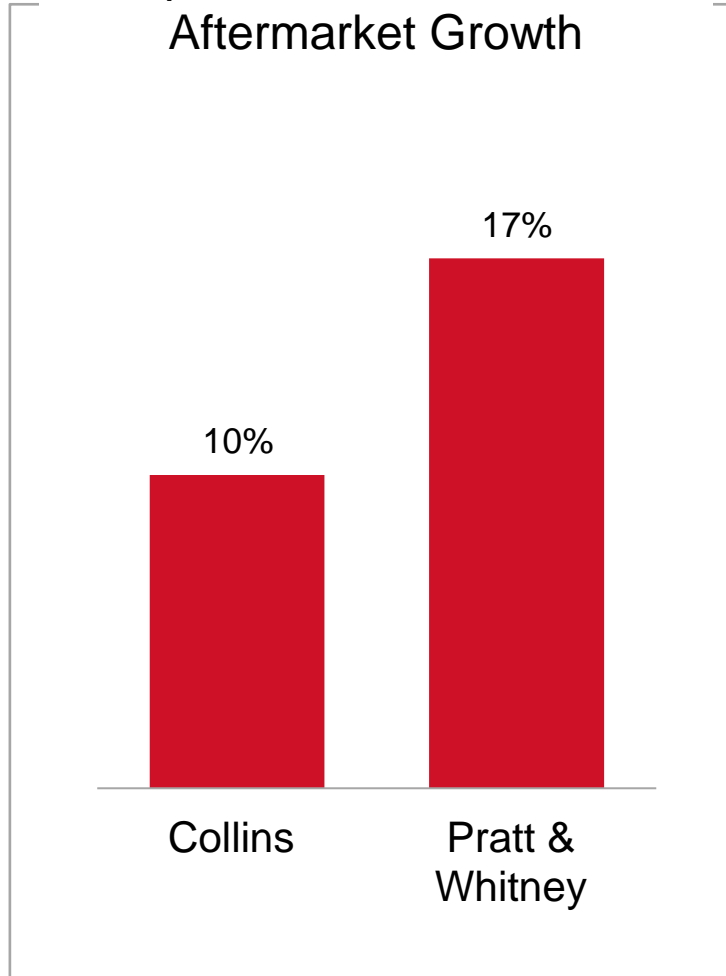
	<u>FY 2022</u>
Adjusted Tax Rate*	18.5% - 19%
Interest Expense	~\$1,300M
Corporate Expense and Other Unallocated Items	\$375M - \$400M
FAS/CAS Operating Adjustment	~\$1,500M
Non-Service Pension Income	~\$1,875M
Capex Spending	~\$2.5B

2021 Trends

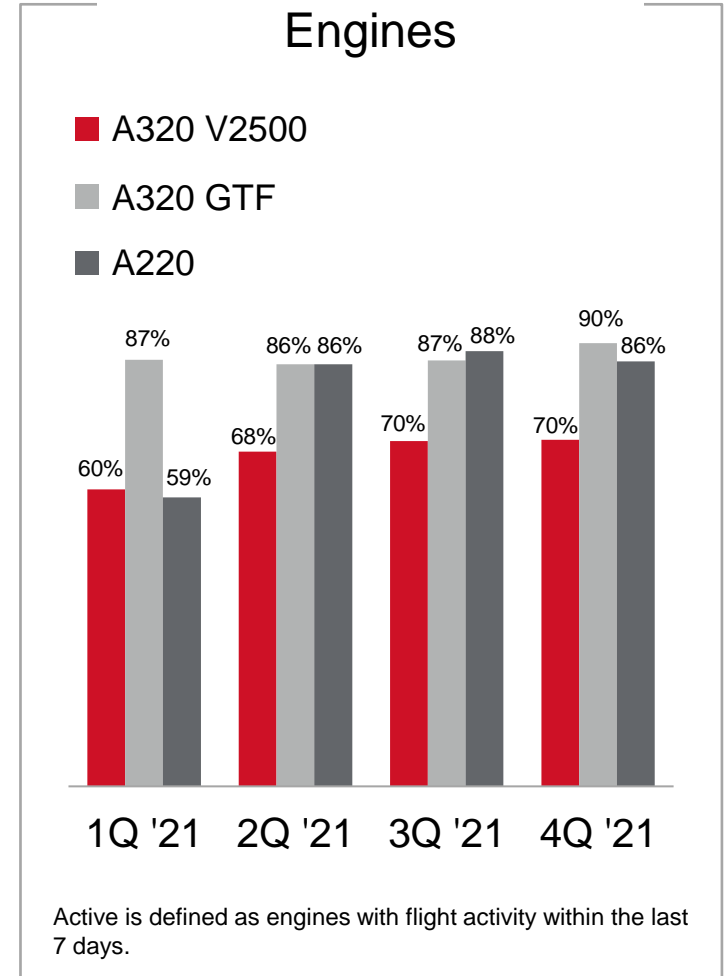
FY Book-to-Bill Ratio



Sequential 4Q Commercial Aftermarket Growth



Pratt & Whitney Active Engines



Solid defense book-to-bill and positioned to leverage the commercial aerospace recovery

Raytheon Technologies: P&W Engine Shipments to Customers

	2020					2021				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>
Military	48	72	59	62	241	44	61	58	55	218
Large Commercial¹	211	92	114	129	546	137	144	165	177	623
Pratt & Whitney Canada²	466	393	379	412	1,650	396	467	475	487	1,825

1) Large commercial excludes industrial engine shipments

2) Excludes APUs

Raytheon Technologies: Free Cash Flow Reconciliation

(\$ millions)

	4Q 2021	FY 2021
Net income attributable to common shareowners from continuing operations	771	4,145
Depreciation & amortization	1,144	4,557
Change in working capital	1,060	(278)
Other	186	(1,282)
Cash flow from operations	3,161	7,142
Capital expenditures	(954)	(2,134)
Free cash flow	2,207	5,008

4Q 2021: Raytheon Technologies Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	Other ¹	Organic sales growth on an adjusted pro forma basis ²
Collins Aerospace	13%	13%	-	-	<u>4Q</u>
Pratt & Whitney	15%	15%	-	-	Total reported growth
RIS	(2%)	(1%)	(1%)	-	Raytheon merger pro forma adjustments
RMD	(8%)	(8%)	-	-	Acquisitions and Divestitures
Elims & Other	<u>38%</u>	<u>38%</u>	<u>-</u>	<u>-</u>	Other¹
Total	4%	4%	-	-	Total organic sales growth (adjusted pro forma basis)
					4%

1) Includes the impact of foreign currency translation

2) Organic sales growth on an adjusted pro forma basis is a non-GAAP measure, and is calculated as the change in sales when comparing 2021 reported sales to 2020 adjusted pro forma sales as presented on slide 32 (which includes the Raytheon Company results for the first quarter 2020 and the pre-merger Q2 2020 stub period), adjusted for the impact of foreign currency translation and the impact of acquisitions and divestitures, including acquisitions and divestitures that have occurred within the legacy Raytheon Company business.

FY 2021: Raytheon Technologies Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	Other ¹	Organic sales growth on an adjusted pro forma basis ²
Collins Aerospace	(4%)	(3%)	(1%)	-	
Pratt & Whitney	8%	8%	-	-	Total reported growth 14%
RIS	37%	1%	36%	-	Raytheon merger pro forma adjustments (13%)
RMD	36%	1%	35%	-	Acquisitions and Divestitures 1%
Elims & Other	<u>49%</u>	<u>14%</u>	<u>35%</u>	<u>-</u>	Other¹ <u>(1%)</u>
Total	14%	1%	13%	-	Total organic sales growth (adjusted pro forma basis) 1%

1) Includes the impact of foreign currency translation

2) Organic sales growth on an adjusted pro forma basis is a non-GAAP measure, and is calculated as the change in sales when comparing 2021 reported sales to 2020 adjusted pro forma sales as presented on slide 32 (which includes the Raytheon Company results for the first quarter 2020 and the pre-merger Q2 2020 stub period), adjusted for the impact of foreign currency translation and the impact of acquisitions and divestitures, including acquisitions and divestitures that have occurred within the legacy Raytheon Company business.

4Q 2021: Raytheon Technologies Restructuring Costs

(\$ millions)

	2021					2020				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Restructuring impact to:										
Operating profit										
Collins Aerospace Systems	(18)	(12)	(2)	(8)	(40)	(6)	(151)	(138)	(65)	(360)
Pratt & Whitney	(20)	16	(2)	(1)	(7)	-	(107)	(63)	(10)	(180)
Raytheon Intelligence & Space	-	-	-	-	-	-	-	-	-	-
Raytheon Missiles & Space	-	-	-	-	-	-	-	-	-	-
Total segments operating profit	(38)	4	(4)	(9)	(47)	(6)	(258)	(201)	(75)	(540)
Corporate expenses and other unallocated items	(5)	(60)	(15)	(16)	(96)	(2)	(169)	(21)	(16)	(208)
Eliminations and other	-	-	-	-	-	-	-	(23)	3	(20)
Total consolidated operating profit	(43)	(56)	(19)	(25)	(143)	(8)	(427)	(245)	(88)	(768)
Non-service pension income	-	-	-	-	-	-	-	(5)	(4)	(9)
Income (loss) from continuing operations before income taxes	(43)	(56)	(19)	(25)	(143)	(8)	(427)	(250)	(92)	(777)

Raytheon Technologies: 2020 Reported to Adjusted

(\$ millions)

	Reported ¹ (Unaudited)					Restructuring & Significant non-recurring and non-operational items ²					Adjusted ² (Unaudited)				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Net Sales															
Collins Aerospace Systems	\$ 6,438	\$ 4,202	\$ 4,274	\$ 4,374	\$ 19,288	\$ (22)	\$ (96)	\$ (4)	\$ (14)	\$ (136)	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney	5,353	3,487	3,494	4,465	16,799	22	(120)	(296)	(31)	(425)	5,331	3,607	3,790	4,496	17,224
Raytheon Intelligence & Space	-	3,387	3,749	3,933	11,069	-	-	-	-	-	-	3,387	3,749	3,933	11,069
Raytheon Missiles & Defense	-	3,506	3,706	4,184	11,396	-	54	65	(119)	-	-	3,452	3,641	4,303	11,396
Total segment	11,791	14,582	15,223	16,956	58,552	-	(162)	(235)	(164)	(561)	11,791	14,744	15,458	17,120	59,113
Eliminations and other	(431)	(521)	(476)	(537)	(1,965)	-	-	-	-	-	(431)	(521)	(476)	(537)	(1,965)
Consolidated Net Sales	11,360	14,061	14,747	16,419	56,587	-	(162)	(235)	(164)	(561)	11,360	14,223	14,982	16,583	57,148
Operating Profit															
Collins Aerospace Systems	1,246	(317)	526	11	1,466	(38)	(341)	453	(78)	(4)	1,284	24	73	89	1,470
Pratt & Whitney	475	(457)	(615)	33	(564)	(40)	(306)	(572)	(72)	(990)	515	(151)	(43)	105	426
Raytheon Intelligence & Space	-	309	350	361	1,020	-	-	-	-	-	-	309	350	361	1,020
Raytheon Missiles & Defense	-	398	449	33	880	-	12	18	(546)	(516)	-	386	431	579	1,396
Total segment	1,721	(67)	710	438	2,802	(78)	(635)	(101)	(696)	(1,510)	1,799	568	811	1,134	4,312
Eliminations and other	(25)	(27)	(49)	(6)	(107)	-	-	(23)	3	(20)	(25)	(27)	(26)	(9)	(87)
Corporate expenses and other unallocated items	(130)	(277)	(84)	(99)	(590)	(31)	(253)	(74)	(38)	(396)	(99)	(24)	(10)	(61)	(194)
FAS/CAS operating adjustment	-	356	380	370	1,106	-	-	-	-	-	-	356	380	370	1,106
Acquisition accounting adjustments	(271)	(3,745)	(523)	(561)	(5,100)	(271)	(3,745)	(523)	(561)	(5,100)	-	-	-	-	-
Consolidated Operating Profit	1,295	(3,760)	434	142	(1,889)	(380)	(4,633)	(721)	(1,292)	(7,026)	1,675	873	1,155	1,434	5,137
Non-service pension income	(168)	(237)	(253)	(244)	(902)	-	25	13	8	46	(168)	(262)	(266)	(252)	(948)
Interest expense, net	332	335	350	349	1,366	-	(4)	-	-	(4)	332	339	350	349	1,370
Income (loss) from continuing operations before income taxes	1,131	(3,858)	337	37	(2,353)	(380)	(4,654)	(734)	(1,300)	(7,068)	1,511	796	1,071	1,337	4,715
Income tax expense (benefit)	639	(38)	152	(178)	575	333	(227)	(30)	(324)	(248)	306	189	182	146	823
Net income (loss) from continuing operations	492	(3,820)	185	215	(2,928)	(713)	(4,427)	(704)	(976)	(6,820)	1,205	607	889	1,191	3,892
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	54	24	34	69	181	-	-	-	-	-	54	24	34	69	181
Income (loss) from continuing operations attributable to common shareowners	\$ 438	\$ (3,844)	\$ 151	\$ 146	\$ (3,109)	\$ (713)	\$ (4,427)	\$ (704)	\$ (976)	\$ (6,820)	\$ 1,151	\$ 583	\$ 855	\$ 1,122	\$ 3,711
Earnings (loss) per share from continuing operations attributable to common shareowners															
Basic earnings (loss) per share	\$ 0.51	\$ (2.56)	\$ 0.10	\$ 0.10	\$ (2.29)						\$ 1.34	\$ 0.39	\$ 0.57	\$ 0.74	\$ 2.73
Diluted earnings (loss) per share	\$ 0.50	\$ (2.56)	\$ 0.10	\$ 0.10	\$ (2.29)						\$ 1.33	\$ 0.39	\$ 0.56	\$ 0.74	\$ 2.73
Weighted average number of shares outstanding (millions)															
Basic shares	858.4	1,501.3	1,511.5	1,512.3	1,357.8						858.4	1,501.3	1,511.5	1,512.3	1,357.8
Diluted shares	865.8	1,501.3	1,514.2	1,515.4	1,357.8						865.8	1,503.7	1,514.2	1,515.4	1,361.7

1: All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

2: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 26 - 30. For the full reconciliation of our non-operating results, net income and EPS refer to slide 31.

Raytheon Technologies: 2021 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)					Restructuring & Significant non-recurring and non- operational items ¹					Adjusted ¹ (Unaudited)				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Net Sales															
Collins Aerospace Systems	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449
Pratt & Whitney	4,030	4,280	4,725	5,115	18,150	-	-	-	-	-	4,030	4,280	4,725	5,115	18,150
Raytheon Intelligence & Space	3,765	3,805	3,740	3,870	15,180	-	-	-	-	-	3,765	3,805	3,740	3,870	15,180
Raytheon Missiles & Defense	3,793	3,985	3,902	3,859	15,539	-	-	-	-	-	3,793	3,985	3,902	3,859	15,539
Total segment	15,958	16,615	16,959	17,786	67,318	-	-	-	-	-	15,958	16,615	16,959	17,786	67,318
Eliminations and other	(707)	(735)	(746)	(742)	(2,930)	-	-	-	-	-	(707)	(735)	(746)	(742)	(2,930)
Consolidated Net Sales	\$ 15,251	\$ 15,880	\$ 16,213	\$ 17,044	\$ 64,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,251	\$ 15,880	\$ 16,213	\$ 17,044	\$ 64,388
Operating Profit															
Collins Aerospace Systems	\$ 314	\$ 506	\$ 478	\$ 461	\$ 1,759	\$ (18)	\$ (12)	\$ (2)	\$ (8)	\$ (40)	\$ 332	\$ 518	\$ 480	\$ 469	\$ 1,799
Pratt & Whitney	20	112	187	135	454	(20)	16	(2)	(27)	(33)	40	96	189	162	487
Raytheon Intelligence & Space	388	415	391	639	1,833	-	-	-	239	239	388	415	391	400	1,594
Raytheon Missiles & Defense	496	532	490	486	2,004	-	-	-	-	-	496	532	490	486	2,004
Total segment	1,218	1,565	1,546	1,721	6,050	(38)	4	(4)	204	166	1,256	1,561	1,550	1,517	5,884
Eliminations and other	(31)	(40)	(27)	(35)	(133)	-	-	-	-	-	(31)	(40)	(27)	(35)	(133)
Corporate expenses and other unallocated items	(81)	(149)	(89)	(233)	(552)	(30)	(60)	(15)	(163)	(268)	(51)	(89)	(74)	(70)	(284)
FAS/CAS operating adjustment	423	425	499	449	1,796	-	-	-	-	-	423	425	499	449	1,796
Acquisition accounting adjustments	(516)	(519)	(586)	(582)	(2,203)	(516)	(519)	(586)	(582)	(2,203)	-	-	-	-	-
Consolidated Operating Profit	\$ 1,013	\$ 1,282	\$ 1,343	\$ 1,320	\$ 4,958	\$ (584)	\$ (575)	\$ (605)	\$ (541)	\$ (2,305)	\$ 1,597	\$ 1,857	\$ 1,948	\$ 1,861	\$ 7,263
Non-service pension income	\$ (491)	\$ (490)	\$ (491)	\$ (472)	\$ (1,944)	\$ -	\$ -	\$ -	\$ 17	\$ 17	\$ (491)	\$ (490)	\$ (491)	\$ (489)	\$ (1,961)
Debt extinguishment costs	-	-	32	617	649	-	-	32	617	649	-	-	-	-	-
Interest expense, net	346	342	326	308	1,322	-	-	-	-	-	346	342	326	308	1,322
Income from continuing operations before income taxes	1,158	1,430	1,476	867	4,931	(584)	(575)	(637)	(1,175)	(2,971)	1,742	2,005	2,113	2,042	7,902
Income tax expense	345	342	3	96	786	14	(50)	(141)	(262)	(439)	331	392	144	358	1,225
Net income from continuing operations	813	1,088	1,473	771	4,145	(598)	(525)	(496)	(913)	(2,532)	1,411	1,613	1,969	1,684	6,677
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	48	73	86	248	-	-	-	16	16	41	48	73	70	232
Income from continuing operations attributable to common shareowners	\$ 772	\$ 1,040	\$ 1,400	\$ 685	\$ 3,897	\$ (598)	\$ (525)	\$ (496)	\$ (929)	\$ (2,548)	\$ 1,370	\$ 1,565	\$ 1,896	\$ 1,614	\$ 6,445
Earnings per share from continuing operations attributable to common shareowners															
Basic earnings per share	\$ 0.51	\$ 0.69	\$ 0.93	\$ 0.46	\$ 2.60						\$ 0.91	\$ 1.04	\$ 1.27	\$ 1.08	\$ 4.29
Diluted earnings per share	\$ 0.51	\$ 0.69	\$ 0.93	\$ 0.46	\$ 2.58						\$ 0.90	\$ 1.03	\$ 1.26	\$ 1.08	\$ 4.27
Weighted average number of shares outstanding (millions)															
Basic shares	1,511.1	1,506.4	1,497.9	1,490.5	1,501.6						1,511.1	1,506.4	1,497.9	1,490.5	1,501.6
Diluted shares	1,514.1	1,513.5	1,505.9	1,500.2	1,508.5						1,514.1	1,513.5	1,505.9	1,500.2	1,508.5

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 26 - 30. For the full reconciliation of our non-operating results, net income and EPS refer to slide 31.

Raytheon Technologies: Reconciliation of GAAP to Adjusted Collins Aerospace Systems

(\$ millions)

	(Unaudited)					(Unaudited)				
	2021					2020				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Collins Aerospace Systems										
Net sales	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449	\$ 6,438	\$ 4,202	\$ 4,274	\$ 4,374	\$ 19,288
Significant unfavorable contract adjustments	-	-	-	-	-	(22)	(96)	(4)	(14)	(136)
Adjusted net sales	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Operating profit (loss)	\$ 314	\$ 506	\$ 478	\$ 461	\$ 1,759	\$ 1,246	\$ (317)	\$ 526	\$ 11	\$ 1,466
Restructuring	(18)	(12)	(2)	(8)	(40)	(6)	(151)	(138)	(65)	(360)
Significant unfavorable contract adjustments	-	-	-	-	-	(22)	(122)	(25)	(14)	(183)
Charges related to customer bankruptcies and collectability risk	-	-	-	-	-	(10)	(89)	(24)	(2)	(125)
Foreign government wage subsidies	-	-	-	-	-	-	24	32	16	72
Fixed asset impairment	-	-	-	-	-	-	(3)	-	-	(3)
Gain on sale of businesses	-	-	-	-	-	-	-	608	(13)	595
Adjusted operating profit	\$ 332	\$ 518	\$ 480	\$ 469	\$ 1,799	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Adjusted operating profit margin	7.6%	11.4%	10.5%	9.5%	9.8%	19.9%	0.6%	1.7%	2.0%	7.6%
Total Net Sales Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22)	\$ (96)	\$ (4)	\$ (14)	\$ (136)
Total Operating Profit Adjustments	\$ (18)	\$ (12)	\$ (2)	\$ (8)	\$ (40)	\$ (38)	\$ (341)	\$ 453	\$ (78)	\$ (4)

Raytheon Technologies: Reconciliation of GAAP to Adjusted Pratt & Whitney

(\$ millions)

	(Unaudited)					(Unaudited)				
	2021					2020				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Pratt & Whitney										
Net sales	\$ 4,030	\$ 4,280	\$ 4,725	\$ 5,115	\$ 18,150	\$ 5,353	\$ 3,487	\$ 3,494	\$ 4,465	\$ 16,799
Significant unfavorable contract adjustments	-	-	-	-	-	22	(120)	(296)	(31)	(425)
Adjusted net sales	\$ 4,030	\$ 4,280	\$ 4,725	\$ 5,115	\$ 18,150	\$ 5,331	\$ 3,607	\$ 3,790	\$ 4,496	\$ 17,224
Operating profit (loss)	\$ 20	\$ 112	\$ 187	\$ 135	\$ 454	\$ 475	\$ (457)	\$ (615)	\$ 33	\$ (564)
Restructuring	(20)	16	(2)	(1)	(7)	-	(107)	(63)	(10)	(180)
Litigation accrual	-	-	-	(26)	(26)	-	-	-	-	-
Charges related to customer bankruptcies and collectability risk	-	-	-	-	-	(62)	(148)	(24)	(28)	(262)
Significant unfavorable contract adjustments	-	-	-	-	-	-	(110)	(543)	(27)	(680)
Foreign government wage subsidies	-	-	-	-	-	-	59	58	36	153
Charges related to a commercial financing arrangement	-	-	-	-	-	-	-	-	(43)	(43)
Favorable impact of a contract termination	-	-	-	-	-	22	-	-	-	22
Adjusted operating profit (loss)	\$ 40	\$ 96	\$ 189	\$ 162	\$ 487	\$ 515	\$ (151)	\$ (43)	\$ 105	\$ 426
Adjusted operating profit margin	1.0%	2.2%	4.0%	3.2%	2.7%	9.7%	-4.2%	-1.1%	2.3%	2.5%
Total Net Sales Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22	\$ (120)	\$ (296)	\$ (31)	\$ (425)
Total Operating Profit Adjustments	\$ (20)	\$ 16	\$ (2)	\$ (27)	\$ (33)	\$ (40)	\$ (306)	\$ (572)	\$ (72)	\$ (990)

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Intelligence & Space

(\$ millions)

	(Unaudited)					(Unaudited)				
	2021					2020 ¹				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Raytheon Intelligence & Space										
Net sales	\$ 3,765	\$ 3,805	\$ 3,740	\$ 3,870	\$ 15,180	\$ -	\$ 3,387	\$ 3,749	\$ 3,933	\$ 11,069
Adjusted net sales	\$ 3,765	\$ 3,805	\$ 3,740	\$ 3,870	\$ 15,180	\$ -	\$ 3,387	\$ 3,749	\$ 3,933	\$ 11,069
Operating profit	\$ 388	\$ 415	\$ 391	\$ 639	\$ 1,833	\$ -	\$ 309	\$ 350	\$ 361	\$ 1,020
Gain on sale of business	-	-	-	239	239	-	-	-	-	-
Adjusted operating profit	\$ 388	\$ 415	\$ 391	\$ 400	\$ 1,594	\$ -	\$ 309	\$ 350	\$ 361	\$ 1,020
Operating profit margin	10.3%	10.9%	10.5%	10.3%	10.5%	N/A	9.1%	9.3%	9.2%	9.2%
Total Net Sales Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Profit Adjustments	\$ -	\$ -	\$ -	\$ 239	\$ 239	\$ -	\$ -	\$ -	\$ -	\$ -

1: All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Missiles & Defense

(\$ millions)

	(Unaudited)					(Unaudited)				
	2021					2020 ¹				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Raytheon Missiles & Defense										
Net sales	\$ 3,793	\$ 3,985	\$ 3,902	\$ 3,859	\$ 15,539	\$ -	\$ 3,506	\$ 3,706	\$ 4,184	\$ 11,396
Middle East contract adjustment	-	-	-	-	-	-	54	65	(119)	-
Adjusted net sales	\$ 3,793	\$ 3,985	\$ 3,902	\$ 3,859	\$ 15,539	\$ -	\$ 3,452	\$ 3,641	\$ 4,303	\$ 11,396
Operating profit	\$ 496	\$ 532	\$ 490	\$ 486	\$ 2,004	\$ -	\$ 398	\$ 449	\$ 33	\$ 880
Middle East contract adjustment	-	-	-	-	-	-	12	18	(546)	(516)
Adjusted operating profit	\$ 496	\$ 532	\$ 490	\$ 486	\$ 2,004	\$ -	\$ 386	\$ 431	\$ 579	\$ 1,396
Adjusted operating profit margin	13.1%	13.4%	12.6%	12.6%	12.9%	N/A	11.2%	11.8%	13.5%	12.2%
Total Net Sales Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54	\$ 65	\$ (119)	\$ -
Total Operating Profit Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12	\$ 18	\$ (546)	\$ (516)

1: All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

Raytheon Technologies: Reconciliation of GAAP to Adjusted Non-Segment Operating Profit

(\$ millions)

	(Unaudited) 2021					(Unaudited) 2020 ¹				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Eliminations and other										
Net sales	\$ (707)	\$ (735)	\$ (746)	\$ (742)	\$ (2,930)	\$ (431)	\$ (521)	\$ (476)	\$ (537)	\$ (1,965)
Operating loss	\$ (31)	\$ (40)	\$ (27)	\$ (35)	\$ (133)	\$ (25)	\$ (27)	\$ (49)	\$ (6)	\$ (107)
Restructuring	-	-	-	-	-	-	-	(23)	3	(20)
Adjusted operating loss	\$ (31)	\$ (40)	\$ (27)	\$ (35)	\$ (133)	\$ (25)	\$ (27)	\$ (26)	\$ (9)	\$ (87)
Corporate and other unallocated items										
Operating loss	\$ (81)	\$ (149)	\$ (89)	\$ (233)	\$ (552)	\$ (130)	\$ (277)	\$ (84)	\$ (99)	\$ (590)
Restructuring	(5)	(60)	(15)	(16)	(96)	(2)	(169)	(21)	(16)	(208)
Litigation accrual	-	-	-	(147)	(147)	-	-	-	-	-
Costs associated with the separation of the commercial businesses	(8)	-	-	-	(8)	-	(14)	(7)	(2)	(23)
Transaction and integration costs associated with the Raytheon Merger	(17)	-	-	-	(17)	(29)	(70)	(46)	(20)	(165)
Adjusted operating loss	\$ (51)	\$ (89)	\$ (74)	\$ (70)	\$ (284)	\$ (99)	\$ (24)	\$ (10)	\$ (61)	\$ (194)
FAS/CAS Operating Adjustment										
Operating profit	\$ 423	\$ 425	\$ 499	\$ 449	\$ 1,796	\$ -	\$ 356	\$ 380	\$ 370	\$ 1,106
Acquisition Accounting Adjustments										
Operating loss	\$ (516)	\$ (519)	\$ (586)	\$ (582)	\$ (2,203)	\$ (271)	\$ (3,745)	\$ (523)	\$ (561)	\$ (5,100)
Intangible impairment	-	-	-	-	-	(40)	(17)	-	-	(57)
Goodwill impairment	-	-	-	-	-	-	(3,183)	-	-	(3,183)
Acquisition accounting adjustments	(516)	(519)	(586)	(582)	(2,203)	(231)	(545)	(523)	(561)	(1,860)
Adjusted operating profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Profit Adjustments - Corporate and other unallocated items	\$ (30)	\$ (60)	\$ (15)	\$ (163)	\$ (268)	\$ (31)	\$ (253)	\$ (74)	\$ (38)	\$ (396)
Total Operating Profit Adjustments - Acquisition accounting adjustments	\$ (516)	\$ (519)	\$ (586)	\$ (582)	\$ (2,203)	\$ (271)	\$ (3,745)	\$ (523)	\$ (561)	\$ (5,100)

1: All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

Raytheon Technologies: Reconciliation of GAAP to Adjusted Consolidated Income, Earnings Per Share

(\$ millions)

	(Unaudited)					(Unaudited)				
	2021					2020				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<i>Income (Expense)</i>										
Income (loss) from continuing operations attributable to common shareowners	\$ 772	\$ 1,040	\$ 1,400	\$ 685	\$ 3,897	\$ 438	\$ (3,844)	\$ 151	\$ 146	\$ (3,109)
Total Restructuring included in Operating Profit	(43)	(56)	(19)	(25)	(143)	(8)	(427)	(245)	(88)	(768)
Total Acquisition accounting adjustments	(516)	(519)	(586)	(582)	(2,203)	(231)	(545)	(523)	(561)	(1,860)
Total Significant non-recurring and non-operational items included in Operating Profit ⁽¹⁾	(25)	-	-	66	41	(141)	(3,661)	47	(643)	(4,398)
Debt extinguishment costs	-	-	(32)	(617)	(649)	-	-	-	-	-
<i>Significant non-recurring and non-operational items included in non-service pension income</i>										
Non-service pension income	491	490	491	472	1,944	168	237	253	244	902
Pension curtailment / settlement	-	-	-	(29)	(29)	-	(25)	-	(4)	(29)
Pension curtailment / settlement related to the sale of businesses	-	-	-	12	12	-	-	(8)	-	(8)
Non-service pension restructuring	-	-	-	-	-	-	-	(5)	(4)	(9)
Adjusted non-service pension income	\$ 491	\$ 490	\$ 491	\$ 489	\$ 1,961	\$ 168	\$ 262	\$ 266	\$ 252	\$ 948
<i>Significant non-recurring and non-operational items included in interest</i>										
Interest expense, net	\$ (346)	\$ (342)	\$ (326)	\$ (308)	\$ (1,322)	\$ (332)	\$ (335)	\$ (350)	\$ (349)	\$ (1,366)
Deferred Compensation	-	-	-	-	-	-	4	-	-	4
Adjusted interest expense, net	\$ (346)	\$ (342)	\$ (326)	\$ (308)	\$ (1,322)	\$ (332)	\$ (339)	\$ (350)	\$ (349)	\$ (1,370)
<i>Significant non-recurring and non-operational items included in Income Tax Expense</i>										
Income tax (expense) benefit	\$ (345)	\$ (342)	\$ (3)	\$ (96)	\$ (786)	\$ (639)	\$ 38	\$ (152)	\$ 178	\$ (575)
Tax effect of restructuring and significant non-recurring and non-operational items above	134	123	141	137	535	82	324	(13)	260	653
Tax expense associated with the Company's separation of Otis and Carrier	-	-	-	-	-	(415)	-	-	-	(415)
Tax impact from UK rate change	-	(73)	-	-	(73)	-	-	-	-	-
Tax impact from business disposals	(148)	-	-	104	(44)	-	(22)	12	55	45
Tax impact related to debt exchange	-	-	-	-	-	-	(60)	11	(13)	(62)
Revaluation of certain international tax incentives	-	-	-	51	51	-	(46)	-	(2)	(48)
Revaluation of deferred taxes related to Raytheon merger and the Company's separation of Otis and Carrier	-	-	-	(30)	(30)	-	31	-	25	56
Tax impact of goodwill impairment	-	-	-	-	-	-	-	11	-	11
Tax impact as a result of tax reform regulations	-	-	-	-	-	-	-	9	(5)	4
State valuation allowance releases	-	-	-	-	-	-	-	-	4	4
Adjusted income tax (expense) benefit	\$ (331)	\$ (392)	\$ (144)	\$ (358)	\$ (1,225)	\$ (306)	\$ (189)	\$ (182)	\$ (146)	\$ (823)
<i>Significant non-recurring and non-operational items included in Noncontrolling Interest</i>										
Noncontrolling interest in subsidiaries' earnings	\$ 41	\$ 48	\$ 73	\$ 86	\$ 248	\$ 54	\$ 24	\$ 34	\$ 69	\$ 181
Adjustments to noncontrolling interest	-	-	-	16	16	-	-	-	-	-
Adjusted Noncontrolling interest in subsidiaries' earnings	\$ 41	\$ 48	\$ 73	\$ 70	\$ 232	\$ 54	\$ 24	\$ 34	\$ 69	\$ 181
Less: Impact on net income attributable to common shareowners	(598)	(525)	(496)	(929)	(2,548)	(713)	(4,427)	(704)	(976)	(6,820)
Adjusted net income from continuing operations attributable to common shareowners	\$ 1,370	\$ 1,565	\$ 1,896	\$ 1,614	\$ 6,445	\$ 1,151	\$ 583	\$ 855	\$ 1,122	\$ 3,711
Diluted Earnings Per Share	\$ 0.51	\$ 0.69	\$ 0.93	\$ 0.46	\$ 2.58	\$ 0.50	\$ (2.56)	\$ 0.10	\$ 0.10	\$ (2.29)
Impact on Diluted Earnings Per Share	(0.39)	(0.34)	(0.33)	(0.62)	(1.69)	(0.83)	(2.95)	(0.46)	(0.64)	(5.02)
Adjusted Diluted Earnings Per Share	\$ 0.90	\$ 1.03	\$ 1.26	\$ 1.08	\$ 4.27	\$ 1.33	\$ 0.39	\$ 0.56	\$ 0.74	\$ 2.73
Weighted Average Number of Shares Outstanding										
Reported Diluted	1,514.1	1,513.5	1,505.9	1,500.2	1,508.5	865.8	1,501.3	1,514.2	1,515.4	1,357.8
Impact of dilutive shares	-	-	-	-	-	-	2.4	-	-	3.9
Adjusted Diluted	1,514.1	1,513.5	1,505.9	1,500.2	1,508.5	865.8	1,503.7	1,514.2	1,515.4	1,361.7
Total Non-service pension adjustments	\$ -	\$ -	\$ -	\$ (17)	\$ (17)	\$ -	\$ (25)	\$ (13)	\$ (8)	\$ (46)
Total Interest expense adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 4
Total Income tax adjustments	\$ (14)	\$ 50	\$ 141	\$ 262	\$ 439	\$ (333)	\$ 227	\$ 30	\$ 324	\$ 248

1: Refer to slides 26 - 30 for individual operating profit adjustments.

Raytheon Technologies: Adjusted Pro Forma Segment Data

(\$ millions)

	(Unaudited)									
	Adjusted ²					Adjusted Pro Forma / Actuals ^{1, 3}				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020 PF	Q2 2020 PF	Q3 2020	Q4 2020	FY 2020 PF
Net Sales										
Collins Aerospace Systems	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney	4,030	4,280	4,725	5,115	18,150	5,331	3,607	3,790	4,496	17,224
Raytheon Intelligence & Space	3,765	3,805	3,740	3,870	15,180	3,676	3,601	3,749	3,933	14,959
Raytheon Missiles & Defense	3,793	3,985	3,902	3,859	15,539	3,693	3,658	3,641	4,303	15,295
Total segment	15,958	16,615	16,959	17,786	67,318	19,160	15,164	15,458	17,120	66,902
Eliminations and other	(707)	(735)	(746)	(742)	(2,930)	(757)	(532)	(476)	(537)	(2,302)
Consolidated	\$ 15,251	\$ 15,880	\$ 16,213	\$ 17,044	\$ 64,388	\$ 18,403	\$ 14,632	\$ 14,982	\$ 16,583	\$ 64,600
Operating Profit										
Collins Aerospace Systems	\$ 332	\$ 518	\$ 480	\$ 469	\$ 1,799	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Pratt & Whitney	40	96	189	162	487	515	(151)	(43)	105	426
Raytheon Intelligence & Space	388	415	391	400	1,594	399	329	350	361	1,439
Raytheon Missiles & Defense	496	532	490	486	2,004	539	411	431	579	1,960
Total segment	1,256	1,561	1,550	1,517	5,884	2,737	613	811	1,134	5,295
Eliminations and other	(31)	(40)	(27)	(35)	(133)	(81)	(28)	(26)	(9)	(144)
Corporate expenses, eliminations and other	(51)	(89)	(74)	(70)	(284)	(140)	(32)	(10)	(61)	(243)
FAS/CAS operating adjustment	423	425	499	449	1,796	381	379	380	370	1,510
Acquisition accounting adjustments	-	-	-	-	-	-	-	-	-	-
Consolidated	\$ 1,597	\$ 1,857	\$ 1,948	\$ 1,861	\$ 7,263	\$ 2,897	\$ 932	\$ 1,155	\$ 1,434	\$ 6,418
Non-service pension income	\$ (491)	\$ (490)	\$ (491)	\$ (489)	\$ (1,961)	\$ (276)	\$ (250)	\$ (266)	\$ (252)	\$ (1,044)
Interest expense, net	346	342	326	308	1,322	252	341	350	349	1,292
Income (loss) from continuing operations before income taxes	1,742	2,005	2,113	2,042	7,902	2,921	841	1,071	1,337	6,170
Income tax expense (benefit)	331	392	144	358	1,225	559	193	182	146	1,080
Net income (loss) from continuing operations	1,411	1,613	1,969	1,684	6,677	2,362	648	889	1,191	5,090
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	48	73	70	232	56	24	34	69	183
Income (loss) from continuing operations attributable to common shareowners	\$ 1,370	\$ 1,565	\$ 1,896	\$ 1,614	\$ 6,445	\$ 2,306	\$ 624	\$ 855	\$ 1,122	\$ 4,907
Earnings (loss) per share from continuing operations attributable to common shareowners										
Basic earnings (loss) per share	\$ 0.91	\$ 1.04	\$ 1.27	\$ 1.08	\$ 4.29	\$ 1.53	\$ 0.42	\$ 0.57	\$ 0.74	\$ 3.25
Diluted earnings (loss) per share	\$ 0.90	\$ 1.03	\$ 1.26	\$ 1.08	\$ 4.27	\$ 1.52	\$ 0.41	\$ 0.56	\$ 0.74	\$ 3.24
Weighted average number of shares outstanding (millions)										
Basic shares	1,511.1	1,506.4	1,497.9	1,490.5	1,501.6	1,506.7	1,501.3	1,511.5	1,512.3	1,511.7
Diluted shares	1,514.1	1,513.5	1,505.9	1,500.2	1,508.5	1,517.9	1,503.7	1,514.2	1,515.4	1,515.8

1: For additional information on how our pro forma information was prepared and for the non-GAAP reconciliation for Adjusted pro forma results, refer to the following slides.

2: For the non-GAAP reconciliation for the Adjusted Q1, Q2, Q3, Q4 and YTD Q4 2021 results, refer to the previous slides.

3: All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

Raytheon Technologies: Pro Forma Segment Data

Reconciliation of Pro Forma¹ GAAP to Adjusted Pro Forma Sales

(\$ millions)

<i>(dollars in millions)</i>	2020				
	Q1	Q2	Q3	Q4	FY
Collins Aerospace Systems					
Net sales, Pro Forma	\$ 6,438	\$ 4,202	\$ 4,274	\$ 4,374	\$ 19,288
Significant unfavorable contract adjustments	(22)	(96)	(4)	(14)	(136)
Adjusted Net sales, Pro Forma	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney					
Net sales, Pro Forma	\$ 5,353	\$ 3,487	\$ 3,494	\$ 4,465	\$ 16,799
Favorable impact of a contract termination	22	-	-	-	22
Significant unfavorable contract adjustments	-	(120)	(296)	(31)	(447)
Adjusted Net sales, Pro Forma	\$ 5,331	\$ 3,607	\$ 3,790	\$ 4,496	\$ 17,224
Raytheon Intelligence & Space					
Net sales, Pro Forma	\$ 3,676	\$ 3,601	\$ 3,749	\$ 3,933	\$ 14,959
Adjusted Net sales, Pro Forma	\$ 3,676	\$ 3,601	\$ 3,749	\$ 3,933	\$ 14,959
Raytheon Missiles & Defense					
Net sales, Pro Forma	\$ 3,741	\$ 3,712	\$ 3,706	\$ 4,136	\$ 15,295
Middle East contract adjustment	48	54	65	(167)	-
Adjusted Net sales, Pro Forma	\$ 3,693	\$ 3,658	\$ 3,641	\$ 4,303	\$ 15,295
Corporate, Eliminations, and Other					
Net sales, Pro Forma	\$ (757)	\$ (532)	\$ (476)	\$ (537)	\$ (2,302)
Adjusted Net sales, Pro Forma	\$ (757)	\$ (532)	\$ (476)	\$ (537)	\$ (2,302)
Total Adjusted net sales, Pro Forma	\$ 18,403	\$ 14,632	\$ 14,982	\$ 16,583	\$ 64,600

1: Q1 and Q2 2020 pro forma prepared in a manner consistent with Article 11 of Regulation S-X, while Q3 and Q4 2020 represent actual reported results. YTD 2020 represents the total of the Q1 and Q2 2020 pro forma results and Q3 and Q4 actual results. In addition, Q4 2020 RMD reported sales have been reduced by \$48 million for the reversal of sales recognized in Q1 2020 on our direct commercial sales contracts for precision guided munitions with a certain Middle East customer that would have been reversed in Q4 2020 if RMD was included in RTX's results for full year 2020, with a respective adjustment to our non-GAAP adjustment related to the reversal. All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

Raytheon Technologies: Pro Forma Segment Data

Reconciliation of Pro Forma¹ GAAP to Adjusted Pro Forma Operating Profit

(\$ millions)

	2020				
	Q1	Q2	Q3	Q4	FY
Collins Aerospace Systems					
Operating profit, Pro Forma	\$ 1,246	\$ (317)	\$ 526	\$ 11	\$ 1,466
Restructuring	(6)	(151)	(138)	(65)	(360)
Significant unfavorable contract adjustments	(22)	(122)	(25)	(14)	(183)
Bad debt expense driven by customer bankruptcies and collectability risk	(10)	(89)	(24)	(2)	(125)
Government wage subsidies	-	24	32	16	72
Fixed asset impairment	-	(3)	-	-	(3)
Gain on sale of business	-	-	608	(13)	595
Adjusted operating profit, Pro Forma	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Adjusted operating profit margin, Pro Forma	19.9%	0.6%	1.7%	2.0%	7.6%
Pratt & Whitney					
Operating profit, Pro Forma	\$ 475	\$ (457)	\$ (615)	\$ 33	\$ (564)
Restructuring	-	(107)	(63)	(10)	(180)
Charges related to customer bankruptcies and collectability risk	(62)	(148)	(24)	(28)	(262)
Significant unfavorable contract adjustments	-	(110)	(543)	(27)	(680)
Government wage subsidies	-	59	58	36	153
Charges related to a commercial financing arrangement	-	-	-	(43)	(43)
Favorable impact of a contract termination	22	-	-	-	22
Adjusted operating profit, Pro Forma	\$ 515	\$ (151)	\$ (43)	\$ 105	\$ 426
Adjusted operating profit margin, Pro Forma	9.7%	-4.2%	-1.1%	2.3%	2.5%
Raytheon Intelligence & Space					
Operating profit, Pro Forma	\$ 399	\$ 329	\$ 350	\$ 361	\$ 1,439
Adjusted operating profit, Pro Forma	\$ 399	\$ 329	\$ 350	\$ 361	\$ 1,439
Adjusted operating profit margin, Pro Forma	10.9%	9.1%	9.3%	9.2%	9.6%
Raytheon Missiles & Defense					
Operating profit, Pro Forma	\$ 553	\$ 423	\$ 449	\$ 33	\$ 1,458
Middle East contract adjustment	14	12	18	(546)	(502)
Adjusted operating profit, Pro Forma	\$ 539	\$ 411	\$ 431	\$ 579	\$ 1,960
Adjusted operating profit margin, Pro Forma	14.6%	11.2%	11.8%	13.5%	12.8%
Eliminations and other					
Operating profit, Pro Forma	\$ (81)	\$ (28)	\$ (49)	\$ (6)	\$ (164)
Restructuring	-	-	(23)	3	(21)
Adjusted operating profit, Pro Forma	\$ (81)	\$ (28)	\$ (26)	\$ (9)	\$ (143)
Corporate expenses and other unallocated items					
Operating profit, Pro Forma	\$ (142)	\$ (201)	\$ (84)	\$ (99)	\$ (526)
Restructuring	(2)	(169)	(21)	(16)	(207)
Transaction and integration costs related to merger agreement with Rockwell Collins	-	-	-	-	-
Costs associated with pension plan amendment	-	-	-	-	-
Costs associated with the separation of the commercial businesses	-	-	(7)	(2)	(9)
Transaction and integration costs associated with the Raytheon Merger	-	-	(46)	(20)	(66)
Adjusted operating profit, Pro Forma	\$ (140)	\$ (32)	\$ (10)	\$ (61)	\$ (244)
FAS/CAS operating adjustment					
Operating profit, Pro Forma	\$ 381	\$ 379	\$ 380	\$ 370	\$ 1,510
Adjusted operating profit, Pro Forma	\$ 381	\$ 379	\$ 380	\$ 370	\$ 1,510
Acquisition accounting adjustments					
Operating profit, Pro Forma	\$ (644)	\$ (3,745)	\$ (523)	\$ (561)	\$ (5,473)
Elimination of Acquisition Accounting Adjustments	(644)	(3,745)	(523)	(561)	(5,473)
Adjusted operating profit, Pro Forma	-	-	-	-	-
Total Operating profit, Pro Forma	\$ 2,187	\$ (3,617)	\$ 434	\$ 142	\$ (854)
Significant non-recurring and non-operational items included in Operating Profit, Pro Forma	(710)	(4,549)	(721)	(1,292)	(7,272)
Total Adjusted operating profit, Pro Forma	\$ 2,897	\$ 932	\$ 1,155	\$ 1,434	\$ 6,418

1: Q1 and Q2 2020 pro forma prepared in a manner consistent with Article 11 of Regulation S-X, while Q3 and Q4 2020 represent actual reported results. YTD 2020 represents the total of the Q1 and Q2 2020 pro forma results and Q3 and Q4 actual results. All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

Raytheon Technologies: Pro Forma Consolidated Data

Reconciliation of Pro Forma¹ to Adjusted Pro Forma Income (loss) from continuing operations & EPS

(\$ millions)

	<u>Q1 2020 PF</u>	<u>Q2 2020 PF</u>	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>FY 2020 PF</u>
Net income (loss) from continuing operations attributable to common shareowners, Pro Forma	\$ 1,736	\$ (3,730)	\$ 151	\$ 146	\$ (1,697)
Less: Restructuring, acquisition accounting adjustments and significant non-recurring and non-operational items:					
<i>Restructuring, acquisition accounting adjustments, and significant non-recurring and non-operational items included in Operating Profit, Pro Forma</i>	(710)	(4,549)	(721)	(1,292)	(7,272)
<i>Significant non-recurring and non-operational items included in Non-service Pension, Pro Forma</i>					
Pension curtailment	-	(25)	-	(4)	(29)
Pension curtailment / settlement related to Collins Aerospace sale of businesses	-	-	(8)	-	(8)
Non-service pension restructuring	-	-	(5)	(4)	(9)
<i>Significant non-recurring and non-operational items included in Interest Expense, Net, Pro Forma</i>					
Deferred compensation	-	4	-	-	4
Total restructuring, acquisition accounting adjustments and significant non-recurring and non-operational items included in Income (loss) from continuing operations before income taxes, Pro Forma	(710)	(4,570)	(734)	(1,300)	(7,314)
<i>Significant non-recurring and non-operational items included in Income Tax Expense, Pro Forma</i>					
Tax effect of restructuring and significant non-recurring and non-operational items above	165	313	(13)	260	725
Tax benefit (expenses) associated with the Company's separation of Otis and Carrier	(25)	-	-	-	(25)
Tax impact from business disposal	-	(22)	12	55	45
Tax impact related to debt exchange	-	(60)	11	(13)	(62)
Revaluation of certain international tax incentives	-	(46)	-	(2)	(48)
Revaluation of deferred taxes related to Raytheon merger and the Company's separation of Otis and Carrier	-	31	-	25	56
Tax impact of goodwill impairment	-	-	11	-	11
Tax impact as a result of tax reform regulations	-	-	9	(5)	4
State valuation allowance releases	-	-	-	4	4
Total significant non-recurring and non-operational items included in Income from continuing operations attributable to common shareowners, Pro Forma	(570)	(4,354)	(704)	(976)	(6,604)
Adjusted income (loss) from continuing operations attributable to common shareowners, Pro Forma	\$ 2,306	\$ 624	\$ 855	\$ 1,122	\$ 4,907
Diluted (loss) earnings per share from continuing operations attributable to common shareowners, Pro Forma	\$ 1.14	\$ (2.48)	\$ 0.10	\$ 0.10	\$ (1.12)
Impact of adjustments above on diluted (loss) earnings per share	(0.38)	(2.90)	(0.46)	(0.64)	(4.36)
Adjusted diluted earnings per share from continuing operations attributable to common shareowners, Pro Forma	\$ 1.52	\$ 0.41	\$ 0.56	\$ 0.74	\$ 3.24
Adjusted diluted shares, Pro Forma	1,517.9	1,503.7	1,514.2	1,515.4	1,515.8

1: Q1 and Q2 2020 pro forma prepared in a manner consistent with Article 11 of Regulation S-X, while Q3 and Q4 2020 represent actual reported results. YTD 2020 represents the total of the Q1 and Q2 2020 pro forma results and Q3 and Q4 actual results, except for FY 2020 weighted average number of shares outstanding, which is on a pro forma basis.

Raytheon Technologies:

Reconciliation of 2020 Adjusted Earnings to 2020 Adjusted Pro forma Earnings

(\$ millions)

Net Sales	(Unaudited)									
	Adjusted ²					Adjusted Pro Forma / Actuals ^{1, 3}				
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2020 PF	Q2 2020 PF	Q3 2020	Q4 2020	FY 2020 PF
Collins Aerospace Systems	\$ 4,370	\$ 4,545	\$ 4,592	\$ 4,942	\$ 18,449	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney	4,030	4,280	4,725	5,115	18,150	5,331	3,607	3,790	4,496	17,224
Raytheon Intelligence & Space	3,765	3,805	3,740	3,870	15,180	3,676	3,601	3,749	3,933	14,959
Raytheon Missiles & Defense	3,793	3,985	3,902	3,859	15,539	3,693	3,658	3,641	4,303	15,295
Total segment	15,958	16,615	16,959	17,786	67,318	19,160	15,164	15,458	17,120	66,902
Eliminations and other	(707)	(735)	(746)	(742)	(2,930)	(757)	(532)	(476)	(537)	(2,302)
Consolidated	\$ 15,251	\$ 15,880	\$ 16,213	\$ 17,044	\$ 64,388	\$ 18,403	\$ 14,632	\$ 14,982	\$ 16,583	\$ 64,600
Operating Profit										
Collins Aerospace Systems	\$ 332	\$ 518	\$ 480	\$ 469	\$ 1,799	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Pratt & Whitney	40	96	189	162	487	515	(151)	(43)	105	426
Raytheon Intelligence & Space	388	415	391	400	1,594	399	329	350	361	1,439
Raytheon Missiles & Defense	496	532	490	486	2,004	539	411	431	579	1,960
Total segment	1,256	1,561	1,550	1,517	5,884	2,737	613	811	1,134	5,295
Eliminations and other	(31)	(40)	(27)	(35)	(133)	(81)	(28)	(26)	(9)	(144)
Corporate expenses, eliminations and other	(51)	(89)	(74)	(70)	(284)	(140)	(32)	(10)	(61)	(243)
FAS/CAS operating adjustment	423	425	499	449	1,796	381	379	380	370	1,510
Acquisition accounting adjustments	-	-	-	-	-	-	-	-	-	-
Consolidated	\$ 1,597	\$ 1,857	\$ 1,948	\$ 1,861	\$ 7,263	\$ 2,897	\$ 932	\$ 1,155	\$ 1,434	\$ 6,418
Non-service pension income	\$ (491)	\$ (490)	\$ (491)	\$ (489)	\$ (1,961)	\$ (276)	\$ (250)	\$ (266)	\$ (252)	\$ (1,044)
Interest expense, net	346	342	326	308	1,322	252	341	350	349	1,292
Income (loss) from continuing operations before income taxes	1,742	2,005	2,113	2,042	7,902	2,921	841	1,071	1,337	6,170
Income tax expense (benefit)	331	392	144	358	1,225	559	193	182	146	1,080
Net income (loss) from continuing operations	1,411	1,613	1,969	1,684	6,677	2,362	648	889	1,191	5,090
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	48	73	70	232	56	24	34	69	183
Income (loss) from continuing operations attributable to common shareowners	\$ 1,370	\$ 1,565	\$ 1,896	\$ 1,614	\$ 6,445	\$ 2,306	\$ 624	\$ 855	\$ 1,122	\$ 4,907
Earnings (loss) per share from continuing operations attributable to common shareowners										
Basic earnings (loss) per share	\$ 0.91	\$ 1.04	\$ 1.27	\$ 1.08	\$ 4.29	\$ 1.53	\$ 0.42	\$ 0.57	\$ 0.74	\$ 3.25
Diluted earnings (loss) per share	\$ 0.90	\$ 1.03	\$ 1.26	\$ 1.08	\$ 4.27	\$ 1.52	\$ 0.41	\$ 0.56	\$ 0.74	\$ 3.24
Weighted average number of shares outstanding (millions)										
Basic shares	1,511.1	1,506.4	1,497.9	1,490.5	1,501.6	1,506.7	1,501.3	1,511.5	1,512.3	1,511.7
Diluted shares	1,514.1	1,513.5	1,505.9	1,500.2	1,508.5	1,517.9	1,503.7	1,514.2	1,515.4	1,515.8

1: All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

2: Pro Forma Adjustments:

- Pro Forma adjustments in Q1 and Q2 reflect the addition of the legacy RTN businesses as of 1/1/20 prepared in a manner consistent with Article 11 of Regulation S-X, with Q2 adjustments reflecting the addition of the results of the legacy RTN businesses for the 3/30-4/2 stub period.
- Adjusted Proforma Earnings per share reflect outstanding shares calculated as if the Raytheon Merger occurred on 1/1/2020.
- For the non-GAAP reconciliation of 2020 adjusted earnings, refer to slide 24. For the non-GAAP reconciliation of 2020 Adjusted pro forma results, refer to slides 33 - 35.

Pension Impact

(\$ millions)

	Current projections*				
	2021 Actual	2022	2023	2024	2025
<u>P&L impact</u>					
RMD/RIS Service cost	(\$405)	(\$375)	(\$200)	(\$200)	(\$175)
RMD/RIS CAS recovery	<u>\$2,201</u>	<u>\$1,875</u>	<u>\$1,375</u>	<u>\$875</u>	<u>\$550</u>
FAS/CAS operating adjustment	\$1,796	\$1,500	\$1,175	\$675	\$375
Non-service pension income	\$1,961	\$1,875	\$2,000	\$2,300	\$2,600
<u>Net cash</u>					
Gross funding	(\$368)	(\$390)	(\$375)	(\$375)	(\$350)
RMD/RIS CAS recovery	<u>\$2,201</u>	<u>\$1,875</u>	<u>\$1,375</u>	<u>\$875</u>	<u>\$550</u>
Net cash	\$1,833	\$1,485	\$1,000	\$500	\$200

* Current projections include pension and PRB for 2022 – 2025 and are strictly based on a weighted-average FAS discount rate of 2.8% for all years, a weighted-average assumed return on assets of 6.5% for all years and no changes to any other actuarial assumptions or regulatory requirements. CAS recovery and funding requirements are based on interest rate stabilization included in the American Rescue Plan Act and the Infrastructure Investment and Jobs Act of 2021, which are approximately 5.4% for 2022, 5.3% for 2023, 5.1% for 2024, and 5.0% for 2025.

Actual results will vary for 2022 – 2025 based upon discount rate, asset returns, long-term return on asset (ROA) assumption, changes in actuarial assumptions, demographic and regulatory requirements applicable for each year.