



COLLINS AEROSPACE
PRATT & WHITNEY
RAYTHEON

2Q 2023 Earnings Conference Call

July 25, 2023

Forward-Looking Statements

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

This presentation 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 RTX Corporation (“RTX”) management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid and are not statements of historical fact. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “commit,” “commitment,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “goals,” “objectives,” “confident,” “on track,” “designed to” 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, targets and commitments (including for share repurchases and free cash flow or otherwise), other anticipated benefits to RTX of its segment realignment, the merger (the “merger”) between United Technologies Corporation (“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”) in 2020, or the UTC acquisition of Rockwell Collins in 2018, 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 economic, capital market and political conditions in the U.S. and globally, such as from the global sanctions and export controls with respect to Russia, and any changes therein, including related to financial market conditions, bank failures and other banking industry disruptions, fluctuations in commodity prices or supply (including energy supply), inflation, interest rates and foreign currency exchange rates, disruptions in global supply chain and labor markets, and geopolitical risks; (2) risks associated with U.S. government sales, including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration, a continuing resolution, a government shutdown, the debt ceiling or measures taken to avoid default, or otherwise, and uncertain funding of programs; (3) challenges in the development, production, delivery, support, and performance of RTX 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 RTX’s highly-competitive industries; (4) risks relating to RTX’s reliance on U.S. and non-U.S. suppliers and commodity markets, including the effect of sanctions, delays and disruptions in the delivery of materials and services to RTX or its suppliers and price increases; (5) risks relating to RTX international operations from, among other things, changes in trade policies and implementation of sanctions, foreign currency fluctuations, economic conditions, political factors, sales methods, and U.S. or local government regulations; (6) the condition of the aerospace industry; (7) the ability of RTX 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; (8) risks relating to developments in the coronavirus disease 2019 (COVID-19) pandemic and the impact on RTX’s business, supply chain, operations and the industries in which it operates, including the decrease in global air travel, and significant business disruptions;; (9) 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; (10) 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 RTX and its businesses operate; (11) the outcome of pending, threatened and future legal proceedings, investigations and other contingencies, including those related to U.S. government audits and disputes; (12) factors that could impact RTX’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 including the cost of debt, and other factors; (13) uncertainties associated with the timing and scope of future repurchases by RTX 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; (14) risks relating to realizing expected benefits from, incurring costs for, and successfully managing, the Company’s segment realignment effective July 1, 2023, the merger, and other RTX strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (15) risks of additional tax exposures due to new tax legislation or other developments, in the U.S. and other countries in which RTX and its businesses operate; (16) risks relating to addressing the identified rare condition in powdered metal used to manufacture certain Pratt & Whitney engine parts that will require accelerated removals and inspections of a significant portion of the PW1100G-JM fleet, including the timing and costs relating thereto, as well as issues that could impact RTX product performance, including quality, reliability or durability (17) risks relating to a RTX product safety failure or other failure affecting RTX’s or its customers’ or suppliers’ products or systems; (18) risks relating to cyber-attacks on RTX’s information technology infrastructure, products, suppliers, customers and partners, threats to RTX facilities and personnel, as well as other events outside of RTX’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. 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 RTX, UTC and Raytheon on Forms S-4, 10-K, 10-Q and 8-K filed with or furnished to the Securities and Exchange Commission from time to time. Any forward-looking statement speaks only as of the date on which it is made, and RTX 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.

2Q 2023 Highlights

Sales up **13%** organically* year-over-year with **26%** adjusted segment operating profit* growth

Commercial aerospace momentum continues with aftermarket sales **up 27%** and OE **up 17%** year-over-year

Defense backlog execution drives **5%** year-over-year defense sales growth

Realized **\$70M** of incremental cost synergies; achieving previous **\$1.5B** target

Record RTX backlog of **\$185B**; Received **\$25B** of new awards; **1.34** Q2 book-to-bill

Returned **\$1.4B** of capital to shareowners in Q2; including **\$596M** of share repurchases

Full Year Outlook

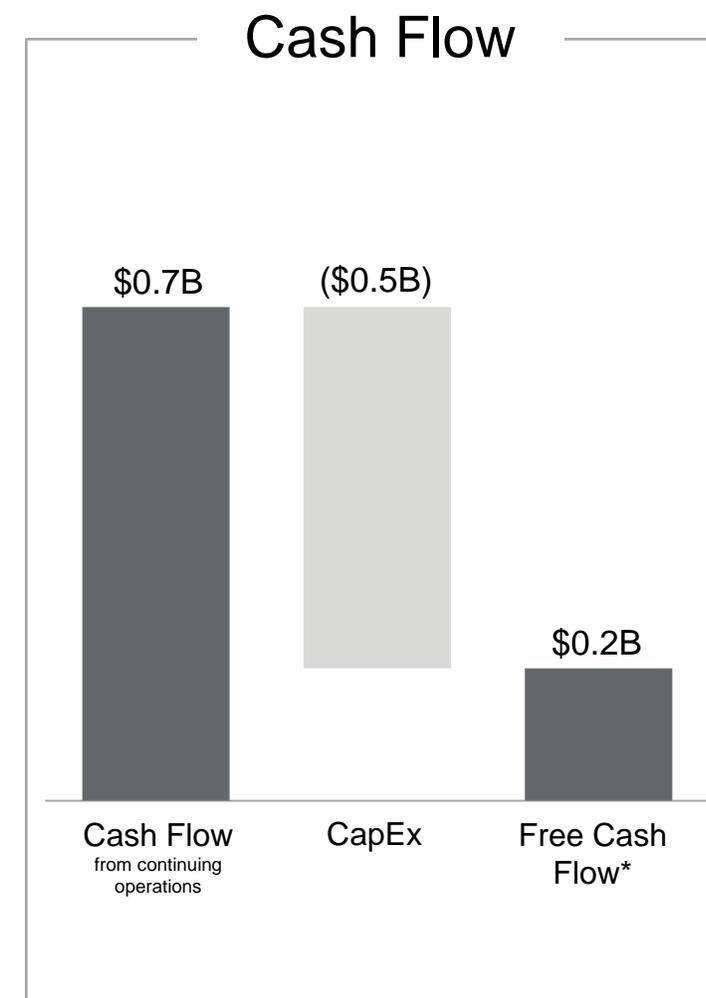
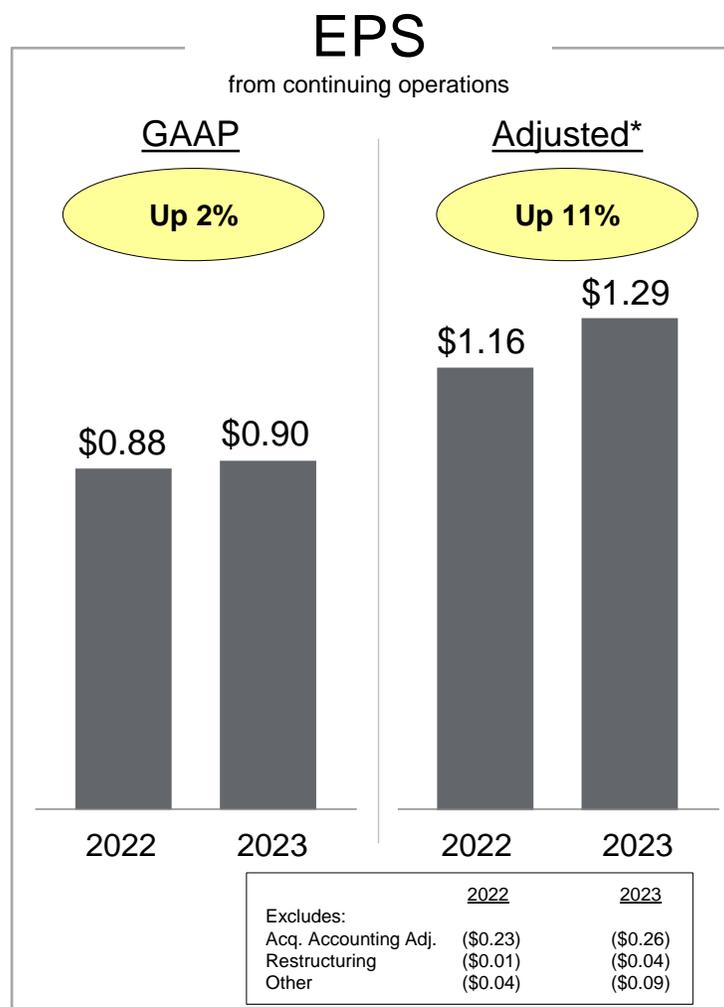
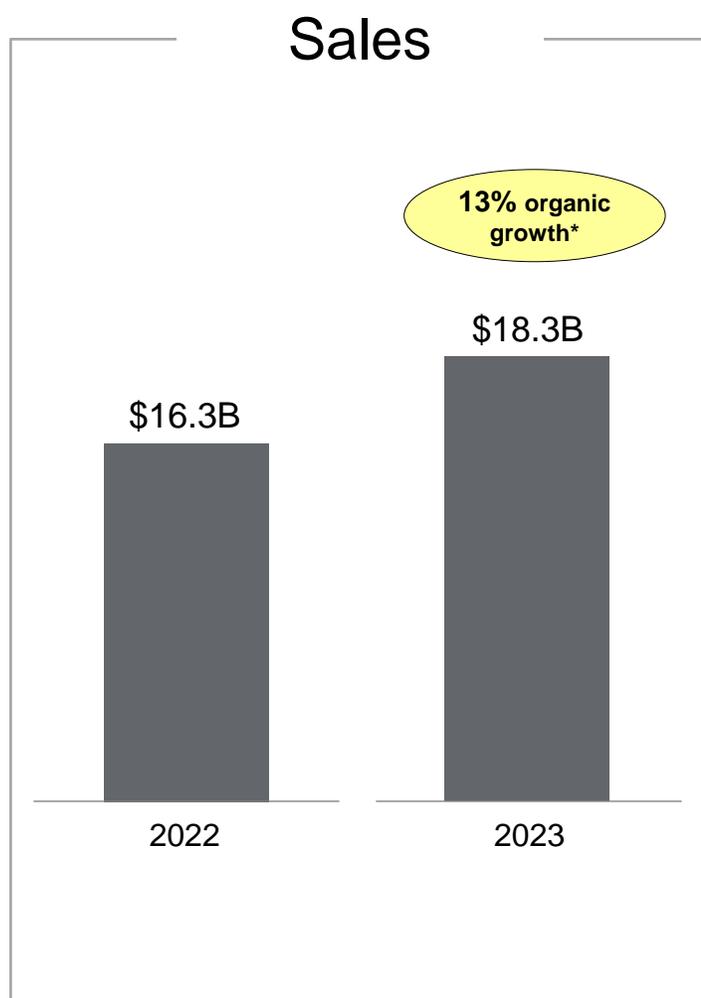
Sales	\$73.0B - \$74.0B Prior: \$72.0B - \$73.0B	↑
Organic sales growth %*	9% - 10% Prior: 7% - 9%	↑
Adjusted EPS*	\$4.95 - \$5.05 Prior: \$4.90 - \$5.05	↑
Free cash flow*	~\$4.3B Prior: ~\$4.8B	↓

Adjusted segment margin* expansion of 110 basis points; revising 2023 outlook



*See Appendix for additional information regarding these non-GAAP financial measures.

2Q 2023



Delivered organic sales* growth of 13% and adjusted EPS* growth of 11%

Raytheon Missiles & Defense Segment Highlights

2Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	4,000	4,000	12%
Operating Profit	415	427	23%
ROS	10.4%	10.7%	90 bps

- Organic sales* up 13%
- Adjusted sales* up 12%
 - Higher volume in Air Power, Advanced Technology, and Land Warfare & Air Defense
- Adjusted operating profit* up 23%
 - Favorable net program efficiencies
 - Higher volume
 - Unfavorable mix resulting from early stage production programs
- 2Q book-to-bill ratio 0.92, YTD book-to-bill ratio 1.17
 - \$1.2B for AMRAAM
 - \$294M of classified bookings
 - \$265M for Javelin
 - \$251M for AIM-9X
 - \$237M for CLEAVAR
- Backlog \$35 billion



RMD was awarded a \$1.2 billion contract for C-8 AMRAAM® and AIM-120 D-3 missiles. This is the largest AMRAAM missile contract to date and the fifth production lot of the highly advanced missiles developed under the Form, Fit, Function Refresh, which updates the missile's hardware and allows for agile software upgrades.

Raytheon Intelligence & Space Segment Highlights

2Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	3,655	3,655	2%
Operating Profit	291	297	(6%)
ROS	8.0%	8.1%	(70 bps)

- Organic sales* up 2%
- Adjusted sales* up 2%
 - Higher sales in Sensing & Effects and Cyber & Services
 - Lower sales in Command, Control & Communications
- Adjusted operating profit* down 6%
 - Unfavorable mix
 - Higher operating expenses
 - Improved productivity
 - Higher volume
- 2Q book-to-bill ratio 0.96, YTD book-to-bill ratio 1.15
 - \$1.1 billion of classified bookings
 - \$322 million for federal and civil cyber defense services
- Backlog \$17 billion



During the quarter, RI&S was awarded \$322M for a diverse set of cyber defense services for federal and civil customers.

Collins Aerospace Segment Highlights

2Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,850	5,850	17%
Operating Profit	821	837	36%
ROS	14.0%	14.3%	200 bps

- Organic sales* up 17%
- Adjusted sales* up 17%
 - Commercial aftermarket up 29%
 - Commercial OE up 14%
 - Military up 5%
- Adjusted operating profit* up 36%
 - Higher sales volume
 - Favorable mix
 - Higher production costs
 - Higher R&D and SG&A expenses



Collins Aerospace successfully demonstrated its Common Tactical Edge Network (CTEN) program for the U.S. Air Force to advance Joint All-Domain Command and Control (JADC2). CTEN will enable time-sensitive tactical data to be shared across disparate networks for faster decision making on today's modern battlefield – land, air, sea and space.

Pratt & Whitney Segment Highlights

2Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,701	5,701	15%
Operating Profit	230	436	44%
ROS	4.0%	7.6%	150 bps

- Organic sales* up 15%
- Adjusted sales* up 15%
 - Commercial aftermarket up 26%
 - Commercial OE up 22%
 - Military down 3%
- Adjusted operating profit* up 44%
 - Higher commercial aftermarket sales
 - Favorable large commercial OE mix
 - Higher production costs
 - Higher R&D expenses



The Pentagon awarded a contract worth over \$2 billion for the next batch of F-35 engines to Pratt & Whitney. The deal for Lot 17 F135 engines, totaling \$2 billion, will support the U.S. Air Force, U.S. Navy, and several international partners.

2023 Outlook

Full Year Outlook

Sales	\$73.0B - \$74.0B Prior: \$72.0B - \$73.0B	↑
Organic sales growth %*	9% - 10% Prior: 7% - 9%	↑
Adjusted EPS*	\$4.95 - \$5.05 Prior: \$4.90 - \$5.05	↑
Free cash flow*	~\$4.3B Prior: ~\$4.8B	↓

Segment Outlook

		Reported Sales VPY %	Organic Sales VPY %*	Adjusted Operating Profit VPY*
Collins Aerospace	Current <i>Prior</i>	Up low double digits to low-teens <i>Up low double digits</i>	Up low double digits to low-teens <i>Up low double digits</i>	\$825 - \$875 <i>\$750 - \$825</i>
Pratt & Whitney	Current <i>Prior</i>	Up low to mid-teens <i>Up low to mid-teens</i>	Up low to mid-teens <i>Up low to mid-teens</i>	\$200 - \$275 <i>\$200 - \$275</i>
Raytheon	Current	Up low to mid single digits	Up mid single digits	\$125 - \$175

Updated to reflect business realignment and revised outlook



*See Appendix for additional information regarding these non-GAAP financial measures.

Strong and Balanced A&D Portfolio

Collins Aerospace



11M
passengers moved per day
with RTX content

\$120B
of content flying on
commercial aircraft today

Pratt & Whitney



Every second
a Pratt & Whitney powered
aircraft takes off and lands

85K
Pratt & Whitney engines
in service today

Raytheon



~50%
of the world's population is
protected by RTX products

~\$73B
Defense backlog



Appendix

Use and Definitions of Non-GAAP Financial Measures

RTX Corporation (“RTX” or “the Company”) 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 (loss) and margin, adjusted segment operating profit (loss) and margin, adjusted net income, adjusted earnings per share (“EPS”), and free cash flow are non-GAAP financial measures. Adjusted net sales represents consolidated net sales (a GAAP measure), excluding significant nonoperational items and/or significant operational items that may occur at irregular intervals (hereinafter referred to as “net significant and/or non-recurring items”). Organic sales represents the change in consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and net significant and/or non-recurring items. Adjusted operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted operating profit margin represents adjusted operating profit (loss) as a percentage of adjusted net sales. Adjusted segment operating profit (loss) represents the combined operating profit (loss) (a GAAP measure) of our business segments, excluding restructuring costs, and net significant and/or non-recurring items. Adjusted segment operating profit margin represents adjusted segment operating profit (loss) as a percentage of adjusted segment sales (the combined adjusted sales of our business segments). 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, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment.

Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. For the business segments, when applicable, adjustments of net sales similarly reflect continuing operations (a GAAP measure) excluding net significant and/or non-recurring items. Organic sales for the business segments similarly excludes the impact of foreign currency, acquisitions and divestitures, and net significant and/or non-recurring 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 net significant and/or non-recurring 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 RTX’s ability to fund its activities, including the financing of acquisitions, debt service, repurchases of RTX’s common stock and distribution of earnings to shareowners.

Effective July 1, 2023, the Company streamlined the structure of its core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. RTX did not operate under this segment structure for segment reporting purposes or use this measure of segment operating performance in the three months ended June 30, 2023 or prior periods and will begin to report comparative results under this basis with the filing of its Quarterly Report on Form 10-Q for the quarter and nine months ending September 30, 2023. Until RTX’s interim financial statements as of and for the quarter and nine months ending September 30, 2023 are issued, amounts on the updated basis are not in accordance with GAAP and, as a result, are considered non-GAAP measures.

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 net sales, organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit margin, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures, as described above, 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 2023 Items

	FY 2023 <u>Prior</u>	FY 2023 <u>Current</u>
Adjusted Tax Rate	~18.0%	~18.5% ¹
Interest Expense	~\$1,450M	~\$1,425M
Corporate Expense and Other Unallocated Items	~\$300M	~\$175M
FAS/CAS Operating Adjustment	~\$1,250M	~\$1,150M ²
Non-Service Pension Income	~\$1,780M	~\$1,780M
Capex Spending	~\$2.5B	~\$2.5B

¹Reflects state tax reclassification in connection with the segment reorganization

²Reflects change in FAS/CAS adjustment due to the segment reorganization

RTX: P&W Engine Shipments to Customers

	2022					2023	
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>
Military	60	62	49	48	219	42	74
Large Commercial¹	119	177	192	224	712	167	191
Pratt & Whitney Canada²	455	459	509	542	1,965	499	507

1) Large commercial excludes industrial engine shipments

2) Excludes APUs

RTX: Free Cash Flow Reconciliation

(\$ millions)

	2Q 2023
Net income from continuing operations	1,359
Depreciation & amortization	1,044
Change in working capital	(1,286)
Other	<u>(398)</u>
Cash flow from operations	719
Capital expenditures	<u>(526)</u>
Free cash flow	193

2Q 2023: RTX Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	FX / Other
Collins Aerospace	17%	17%	-	-
Pratt & Whitney	15%	15%	-	-
RIS	2%	2%	-	-
RMD	12%	13%	(1%)	-
Elims & Other	<u>12%</u>	<u>12%</u>	<u>-</u>	<u>-</u>
Total	12%	13%	(1%)	-

RTX: 2022 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)					Restructuring & net significant and/or non-recurring items ¹					Adjusted ¹ (Unaudited)				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Net Sales															
Collins Aerospace	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597
Pratt & Whitney	4,529	4,969	5,380	5,652	20,530	—	—	—	—	—	4,529	4,969	5,380	5,652	20,530
Raytheon Intelligence & Space	3,572	3,570	3,626	3,544	14,312	—	—	—	—	—	3,572	3,570	3,626	3,544	14,312
Raytheon Missiles & Defense	3,527	3,558	3,678	4,100	14,863	—	—	—	—	—	3,527	3,558	3,678	4,100	14,863
Total segment	16,452	17,108	17,784	18,958	70,302	—	—	—	—	—	16,452	17,108	17,784	18,958	70,302
Eliminations and other	(736)	(794)	(833)	(865)	(3,228)	—	—	—	—	—	(736)	(794)	(833)	(865)	(3,228)
Consolidated Net Sales	\$ 15,716	\$ 16,314	\$ 16,951	\$ 18,093	\$ 67,074	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,716	\$ 16,314	\$ 16,951	\$ 18,093	\$ 67,074
Operating Profit															
Collins Aerospace	\$ 440	\$ 546	\$ 616	\$ 741	\$ 2,343	\$ (144)	\$ (71)	\$ (14)	\$ (2)	\$ (231)	\$ 584	\$ 617	\$ 630	\$ 743	\$ 2,574
Pratt & Whitney	151	302	316	306	1,075	(157)	(1)	(2)	(15)	(175)	308	303	318	321	1,250
Raytheon Intelligence & Space	378	315	371	278	1,342	—	—	—	—	—	378	315	371	278	1,342
Raytheon Missiles & Defense	387	348	408	376	1,519	—	—	(8)	(42)	(50)	387	348	416	418	1,569
Total segment	1,356	1,511	1,711	1,701	6,279	(301)	(72)	(24)	(59)	(456)	1,657	1,583	1,735	1,760	6,735
Eliminations and other	(34)	(47)	(50)	(43)	(174)	6	—	—	—	6	(40)	(47)	(50)	(43)	(180)
Corporate expenses and other unallocated items	(136)	(42)	(77)	(63)	(318)	(39)	(9)	—	(18)	(66)	(97)	(33)	(77)	(45)	(252)
FAS/CAS operating adjustment	378	379	378	385	1,520	—	—	—	—	—	378	379	378	385	1,520
Acquisition accounting adjustments	(484)	(448)	(482)	(479)	(1,893)	(484)	(448)	(482)	(479)	(1,893)	—	—	—	—	—
Consolidated Operating Profit	\$ 1,080	\$ 1,353	\$ 1,480	\$ 1,501	\$ 5,414	\$ (818)	\$ (529)	\$ (506)	\$ (556)	\$ (2,409)	\$ 1,898	\$ 1,882	\$ 1,986	\$ 2,057	\$ 7,823
Non-service pension income	\$ (480)	\$ (474)	\$ (468)	\$ (467)	\$ (1,889)	\$ (5)	\$ —	\$ —	\$ 7	\$ 2	\$ (475)	\$ (474)	\$ (468)	\$ (474)	\$ (1,891)
Interest expense, net	318	329	311	318	1,276	—	—	—	—	—	318	329	311	318	1,276
Income from continuing operations before income taxes	1,242	1,498	1,637	1,650	6,027	(813)	(529)	(506)	(563)	(2,411)	2,055	2,027	2,143	2,213	8,438
Income tax expense	116	160	242	182	700	(182)	(111)	(108)	(117)	(518)	298	271	350	299	1,218
Net income from continuing operations	1,126	1,338	1,395	1,468	5,327	(631)	(418)	(398)	(446)	(1,893)	1,757	1,756	1,793	1,914	7,220
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	23	34	8	46	111	(11)	—	—	—	(11)	34	34	8	46	122
Income from continuing operations attributable to common shareowners	\$ 1,103	\$ 1,304	\$ 1,387	\$ 1,422	\$ 5,216	\$ (620)	\$ (418)	\$ (398)	\$ (446)	\$ (1,882)	\$ 1,723	\$ 1,722	\$ 1,785	\$ 1,868	\$ 7,098
Earnings per share from continuing operations attributable to common shareowners															
Basic earnings per share	\$ 0.74	\$ 0.88	\$ 0.94	\$ 0.97	\$ 3.54						\$ 1.16	\$ 1.16	\$ 1.21	\$ 1.27	\$ 4.81
Diluted earnings per share	\$ 0.74	\$ 0.88	\$ 0.94	\$ 0.96	\$ 3.51						\$ 1.15	\$ 1.16	\$ 1.21	\$ 1.27	\$ 4.78
Weighted average number of shares outstanding (millions)															
Basic shares	1,486.8	1,479.2	1,470.1	1,465.5	1,475.5						1,486.8	1,479.2	1,470.1	1,465.5	1,475.5
Diluted shares	1,497.9	1,489.6	1,479.3	1,476.3	1,485.9						1,497.9	1,489.6	1,479.3	1,476.3	1,485.9

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 19 - 23. For the full reconciliation of our non-operating results, net income and EPS refer to slide 24.



RTX: 2023 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)			Restructuring & net significant and/or non-recurring items ¹			Adjusted ¹ (Unaudited)		
	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2023	Q2 2023	Q2 YTD 2023
Net Sales									
Collins Aerospace	\$ 5,581	\$ 5,850	\$ 11,431	\$ —	\$ —	\$ —	\$ 5,581	\$ 5,850	\$ 11,431
Pratt & Whitney	5,230	5,701	10,931	—	—	—	5,230	5,701	10,931
Raytheon Intelligence & Space	3,565	3,655	7,220	—	—	—	3,565	3,655	7,220
Raytheon Missiles & Defense	3,671	4,000	7,671	—	—	—	3,671	4,000	7,671
Total segment	18,047	19,206	37,253	—	—	—	18,047	19,206	37,253
Eliminations and other	(833)	(891)	(1,724)	—	—	—	(833)	(891)	(1,724)
Consolidated Net Sales	\$ 17,214	\$ 18,315	\$ 35,529	\$ —	\$ —	\$ —	\$ 17,214	\$ 18,315	\$ 35,529
Operating Profit									
Collins Aerospace	\$ 794	\$ 821	\$ 1,615	\$ (6)	\$ (16)	\$ (22)	\$ 800	\$ 837	\$ 1,637
Pratt & Whitney	415	230	645	(19)	(206)	(225)	434	436	870
Raytheon Intelligence & Space	324	291	615	(6)	(6)	(12)	330	297	627
Raytheon Missiles & Defense	328	415	743	(7)	(12)	(19)	335	427	762
Total segment	1,861	1,757	3,618	(38)	(240)	(278)	1,899	1,997	3,896
Eliminations and other	13	(60)	(47)	68	10	78	(55)	(70)	(125)
Corporate expenses and other unallocated items	(43)	(59)	(102)	(3)	(31)	(34)	(40)	(28)	(68)
FAS/CAS operating adjustment	314	309	623	—	—	—	314	309	623
Acquisition accounting adjustments	(493)	(489)	(982)	(493)	(489)	(982)	—	—	—
Consolidated Operating Profit	\$ 1,652	\$ 1,458	\$ 3,110	\$ (466)	\$ (750)	\$ (1,216)	\$ 2,118	\$ 2,208	\$ 4,326
Non-service pension income	\$ (444)	\$ (447)	\$ (891)	\$ 2	\$ —	\$ 2	\$ (446)	\$ (447)	\$ (893)
Interest expense, net	315	333	648	—	—	—	315	333	648
Income from continuing operations before income taxes	1,781	1,572	3,353	(468)	(750)	(1,218)	2,249	2,322	4,571
Income tax expense	300	213	513	(101)	(165)	(266)	401	378	779
Net income from continuing operations	1,481	1,359	2,840	(367)	(585)	(952)	1,848	1,944	3,792
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	55	32	87	—	(17)	(17)	55	49	104
Income from continuing operations attributable to common shareowners	\$ 1,426	\$ 1,327	\$ 2,753	\$ (367)	\$ (568)	\$ (935)	\$ 1,793	\$ 1,895	\$ 3,688
Earnings per share from continuing operations attributable to common shareowners									
Basic earnings per share	\$ 0.98	\$ 0.91	\$ 1.89				\$ 1.23	\$ 1.30	\$ 2.53
Diluted earnings per share	\$ 0.97	\$ 0.90	\$ 1.87				\$ 1.22	\$ 1.29	\$ 2.51
Weighted average number of shares outstanding (millions)									
Basic shares	1,462.2	1,457.5	1,459.9				1,462.2	1,457.5	1,459.9
Diluted shares	1,474.2	1,468.7	1,471.5				1,474.2	1,468.7	1,471.5

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 19 - 23. For the full reconciliation of our non-operating results, net income and EPS refer to slide 24.



RTX: Reconciliation of GAAP to Adjusted

Collins Aerospace

(\$ millions)

	(Unaudited)			(Unaudited)				
	2023			2022				
	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Collins Aerospace								
Net sales	\$ 5,581	\$ 5,850	\$ 11,431	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597
Adjusted net sales	\$ 5,581	\$ 5,850	\$ 11,431	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	\$ 20,597
Operating profit	\$ 794	\$ 821	\$ 1,615	\$ 440	\$ 546	\$ 616	\$ 741	\$ 2,343
Restructuring	(3)	(5)	(8)	(3)	(2)	(14)	(2)	(21)
Segment and portfolio transformation costs	(3)	(11)	(14)	—	—	—	—	—
Impairment charges and reserve adjustments related to Russia sanctions	—	—	—	(141)	—	—	—	(141)
Charges associated with disposition of businesses	—	—	—	—	(69)	—	—	(69)
Adjusted operating profit	\$ 800	\$ 837	\$ 1,637	\$ 584	\$ 617	\$ 630	\$ 743	\$ 2,574
Adjusted operating profit margin	14.3%	14.3%	14.3%	12.1%	12.3%	12.4%	13.1%	12.5%
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Operating Profit Adjustments	\$ (6)	\$ (16)	\$ (22)	\$ (144)	\$ (71)	\$ (14)	\$ (2)	\$ (231)

RTX: Reconciliation of GAAP to Adjusted

Pratt & Whitney

(\$ millions)

	(Unaudited)			(Unaudited)				
	2023			2022				
	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Pratt & Whitney								
Net sales	\$ 5,230	\$ 5,701	\$ 10,931	\$ 4,529	\$ 4,969	\$ 5,380	\$ 5,652	\$ 20,530
Adjusted net sales	\$ 5,230	\$ 5,701	\$ 10,931	\$ 4,529	\$ 4,969	\$ 5,380	\$ 5,652	\$ 20,530
Operating profit	\$ 415	\$ 230	\$ 645	\$ 151	\$ 302	\$ 316	\$ 306	\$ 1,075
Restructuring	(19)	(25)	(44)	(2)	(1)	(2)	(15)	(20)
Charges related to a customer insolvency	—	(181)	(181)	—	—	—	—	—
Impairment charges and reserve adjustments related to Russia sanctions	—	—	—	(155)	—	—	—	(155)
Adjusted operating profit	\$ 434	\$ 436	\$ 870	\$ 308	\$ 303	\$ 318	\$ 321	\$ 1,250
Adjusted operating profit margin	8.3%	7.6%	8.0%	6.8%	6.1%	5.9%	5.7%	6.1%
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Operating Profit Adjustments	\$ (19)	\$ (206)	\$ (225)	\$ (157)	\$ (1)	\$ (2)	\$ (15)	\$ (175)

RTX: Reconciliation of GAAP to Adjusted

Raytheon Intelligence & Space

(\$ millions)

	(Unaudited)			(Unaudited)				
	2023			2022				
	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Raytheon Intelligence & Space								
Net sales	\$ 3,565	\$ 3,655	\$ 7,220	\$ 3,572	\$ 3,570	\$ 3,626	\$ 3,544	\$ 14,312
Adjusted net sales	\$ 3,565	\$ 3,655	\$ 7,220	\$ 3,572	\$ 3,570	\$ 3,626	\$ 3,544	\$ 14,312
Operating profit	\$ 324	\$ 291	\$ 615	\$ 378	\$ 315	\$ 371	\$ 278	\$ 1,342
Restructuring	—	(5)	(5)	—	—	—	—	—
Segment and portfolio transformation costs	(6)	(1)	(7)	—	—	—	—	—
Adjusted operating profit	\$ 330	\$ 297	\$ 627	\$ 378	\$ 315	\$ 371	\$ 278	\$ 1,342
Adjusted operating profit margin	9.3%	8.1%	8.7%	10.6%	8.8%	10.2%	7.8%	9.4%
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Operating Profit Adjustments	\$ (6)	\$ (6)	\$ (12)	\$ —	\$ —	\$ —	\$ —	\$ —

RTX: Reconciliation of GAAP to Adjusted

Raytheon Missiles & Defense

(\$ millions)

	(Unaudited)			(Unaudited)					
	2023			2022					
	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	
Raytheon Missiles & Defense									
Net sales	\$ 3,671	\$ 4,000	\$ 7,671	\$ 3,527	\$ 3,558	\$ 3,678	\$ 4,100	\$ 14,863	
Adjusted net sales	\$ 3,671	\$ 4,000	\$ 7,671	\$ 3,527	\$ 3,558	\$ 3,678	\$ 4,100	\$ 14,863	
Operating profit	\$ 328	\$ 415	\$ 743	\$ 387	\$ 348	\$ 408	\$ 376	\$ 1,519	
Restructuring	(7)	(12)	(19)	—	—	(8)	—	(8)	
Charge associated with the divestiture of a non-core business	—	—	—	—	—	—	(42)	(42)	
Adjusted operating profit	\$ 335	\$ 427	\$ 762	\$ 387	\$ 348	\$ 416	\$ 418	\$ 1,569	
Adjusted operating profit margin	9.1%	10.7%	9.9%	11.0%	9.8%	11.3%	10.2%	10.6%	
Total Net Sales Adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Total Operating Profit Adjustments	\$ (7)	\$ (12)	\$ (19)	\$ —	\$ —	\$ (8)	\$ (42)	\$ (50)	

RTX: Reconciliation of GAAP to Adjusted Non-Segment Operating Profit

(\$ millions)

	(Unaudited) 2023			(Unaudited) 2022				
	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Eliminations and other								
Net sales	\$ (833)	\$ (891)	\$ (1,724)	\$ (736)	\$ (794)	\$ (833)	\$ (865)	\$ (3,228)
Operating profit (loss)	\$ 13	\$ (60)	\$ (47)	\$ (34)	\$ (47)	\$ (50)	\$ (43)	\$ (174)
Gain on sale of land	68	—	68	—	—	—	—	—
Charges related to a customer insolvency	—	10	10	—	—	—	—	—
Impairment charges and reserve adjustments related to the Russia sanctions	—	—	—	6	—	—	—	6
Adjusted operating loss	\$ (55)	\$ (70)	\$ (125)	\$ (40)	\$ (47)	\$ (50)	\$ (43)	\$ (180)
Corporate and other unallocated items								
Operating loss	\$ (43)	\$ (59)	\$ (102)	\$ (136)	\$ (42)	\$ (77)	\$ (63)	\$ (318)
Restructuring	(1)	(21)	(22)	(39)	(9)	—	(18)	(66)
Segment and portfolio transformation costs	(2)	(10)	(12)	—	—	—	—	—
Adjusted operating loss	\$ (40)	\$ (28)	\$ (68)	\$ (97)	\$ (33)	\$ (77)	\$ (45)	\$ (252)
FAS/CAS Operating Adjustment								
Operating profit	\$ 314	\$ 309	\$ 623	\$ 378	\$ 379	\$ 378	\$ 385	\$ 1,520
Acquisition Accounting Adjustments								
Operating loss	\$ (493)	\$ (489)	\$ (982)	\$ (484)	\$ (448)	\$ (482)	\$ (479)	\$ (1,893)
Acquisition accounting adjustments	(493)	(489)	(982)	(484)	(448)	(482)	(479)	(1,893)
Adjusted operating profit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Operating Profit Adjustments - Eliminations and other	\$ 68	\$ 10	\$ 78	\$ 6	\$ —	\$ —	\$ —	\$ 6
Total Operating Profit Adjustments - Corporate and other unallocated items	\$ (3)	\$ (31)	\$ (34)	\$ (39)	\$ (9)	\$ —	\$ (18)	\$ (66)
Total Operating Profit Adjustments - Acquisition accounting adjustments	\$ (493)	\$ (489)	\$ (982)	\$ (484)	\$ (448)	\$ (482)	\$ (479)	\$ (1,893)

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

(\$ millions)

	(Unaudited)			(Unaudited)				
	2023			2022				
<i>Income (Expense)</i>	Q1 2023	Q2 2023	Q2 YTD 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Income from continuing operations attributable to common shareowners	\$ 1,426	\$ 1,327	\$ 2,753	\$ 1,103	\$ 1,304	\$ 1,387	\$ 1,422	\$ 5,216
Total Restructuring included in Operating Profit	(30)	(68)	(98)	(44)	(12)	(24)	(35)	(115)
Total Acquisition accounting adjustments	(493)	(489)	(982)	(484)	(448)	(482)	(479)	(1,893)
Total net significant and/or non-recurring items included in Operating Profit ⁽¹⁾	57	(193)	(136)	(290)	(69)	—	(42)	(401)
<i>Significant and/or non-recurring items included in non-service pension income</i>								
Non-service pension income	\$ 444	\$ 447	\$ 891	\$ 480	\$ 474	\$ 468	\$ 467	\$ 1,889
Non-service pension restructuring	(2)	—	(2)	5	—	—	(7)	(2)
Adjusted non-service pension income	\$ 446	\$ 447	\$ 893	\$ 475	\$ 474	\$ 468	\$ 474	\$ 1,891
<i>Significant and/or non-recurring items included in Income Tax Expense</i>								
Income tax expense	\$ (300)	\$ (213)	\$ (513)	\$ (116)	\$ (160)	\$ (242)	\$ (182)	\$ (700)
Tax effect of restructuring and net significant and/or non-recurring items above	101	165	266	182	111	108	117	518
Adjusted income tax expense	\$ (401)	\$ (378)	\$ (779)	\$ (298)	\$ (271)	\$ (350)	\$ (299)	\$ (1,218)
<i>Significant and/or non-recurring items included in Noncontrolling Interest</i>								
Noncontrolling interest in subsidiaries' earnings	\$ 55	\$ 32	\$ 87	\$ 23	\$ 34	\$ 8	\$ 46	\$ 111
Adjustments to noncontrolling interest	—	(17)	(17)	(11)	—	—	—	(11)
Adjusted Noncontrolling interest in subsidiaries' earnings	\$ 55	\$ 49	\$ 104	\$ 34	\$ 34	\$ 8	\$ 46	\$ 122
Less: Impact on net income attributable to common shareowners	(367)	(568)	(935)	(620)	(418)	(398)	(446)	(1,882)
Adjusted net income from continuing operations attributable to common shareowners	\$ 1,793	\$ 1,895	\$ 3,688	\$ 1,723	\$ 1,722	\$ 1,785	\$ 1,868	\$ 7,098
Diluted Earnings Per Share	\$ 0.97	\$ 0.90	\$ 1.87	\$ 0.74	\$ 0.88	\$ 0.94	\$ 0.96	\$ 3.51
Impact on Diluted Earnings Per Share	(0.25)	(0.39)	(0.64)	(0.41)	(0.28)	(0.27)	(0.31)	(1.27)
Adjusted Diluted Earnings Per Share	\$ 1.22	\$ 1.29	\$ 2.51	\$ 1.15	\$ 1.16	\$ 1.21	\$ 1.27	\$ 4.78
Total Non-service pension income adjustments	\$ (2)	\$ —	\$ (2)	\$ 5	\$ —	\$ —	\$ (7)	\$ (2)
Total Income tax adjustments	\$ 101	\$ 165	\$ 266	\$ 182	\$ 111	\$ 108	\$ 117	\$ 518

1: Refer to slides 19 - 23 for individual operating profit adjustments.



Reconciliation of Recasted (Non-GAAP) and Adjusted as Recasted (Non-GAAP) Results Adjusted Sales as Recasted, Adjusted Operating Profit as Recasted & Operating Profit Margin as Recasted

<i>(dollars in millions - Income (Expense))</i>	Quarter Ended (Unaudited)			Quarter Ended (Unaudited)			
	Mar 31, 2023	Jun 30, 2023	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022	
Collins Aerospace							
Net sales	\$ 5,581	\$ 5,850	\$ 4,824	\$ 5,011	\$ 5,100	\$ 5,662	
Segment Realignment ⁽¹⁾	539	534	652	616	618	569	
Net sales - as Recasted	\$ 6,120	\$ 6,384	\$ 5,476	\$ 5,627	\$ 5,718	\$ 6,231	
Operating profit	\$ 794	\$ 821	\$ 440	\$ 546	\$ 616	\$ 741	
Segment Realignment ⁽¹⁾	100	75	125	114	123	103	
State Tax realignment ⁽²⁾	3	3	2	4	3	(1)	
Operating Profit - as Recasted	897	899	567	664	742	843	
Restructuring	(3)	(5)	(3)	(2)	(14)	(2)	
Segment and portfolio transformation costs	(3)	(11)	—	—	—	—	
Impairment charges and reserve adjustments related to Russia sanctions	—	—	(141)	—	—	—	
Charges associated with disposition of businesses	—	—	—	(69)	—	—	
Adjusted operating profit - as Recasted	\$ 903	\$ 915	\$ 711	\$ 735	\$ 756	\$ 845	
Operating profit margin	14.2 %	14.0 %	9.1 %	10.9 %	12.1 %	13.1 %	
Operating profit margin – as Recasted	14.7 %	14.1 %	10.4 %	11.8 %	13.0 %	13.5 %	
Adjusted operating profit margin - as Recasted	14.8 %	14.3 %	13.0 %	13.1 %	13.2 %	13.6 %	
Pratt & Whitney							
Net sales	\$ 5,230	\$ 5,701	\$ 4,529	\$ 4,969	\$ 5,380	\$ 5,652	
Net sales - as Recasted	\$ 5,230	\$ 5,701	\$ 4,529	\$ 4,969	\$ 5,380	\$ 5,652	
Operating profit	\$ 415	\$ 230	\$ 151	\$ 302	\$ 316	\$ 306	
Operating Profit - as Recasted	415	230	151	302	316	306	
Restructuring	(19)	(25)	(2)	(1)	(2)	(15)	
Impairment charges and reserve adjustments related to Russia sanctions	—	—	(155)	—	—	—	
Charges related to a customer insolvency	—	(181)	—	—	—	—	
Adjusted operating profit - as Recasted	\$ 434	\$ 436	\$ 308	\$ 303	\$ 318	\$ 321	
Operating profit margin	7.9 %	4.0 %	3.3 %	6.1 %	5.9 %	5.4 %	
Adjusted operating profit margin - as Recasted	8.3 %	7.6 %	6.8 %	6.1 %	5.9 %	5.7 %	

(1) Effective July 1, 2023 we streamlined the structure of our core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. The segment realignment adjustments reclassify the prior period results to reflect the new business segment structure. The Company did not operate under the realigned segment structure for any of these prior periods.

(2) In conjunction with the segment realignment, the Company revised its accounting policy with respect to the financial statement presentation of state income taxes allocable to U.S. government contracts related to our RIS and RMD segments. Prior to July 1, 2023, these state income taxes were classified as Selling, general and administrative expenses. Effective with the segment change noted above, state income tax amounts previously reported within Selling, general and administrative expenses will be presented within Income tax expense. The adjustment reclassifies prior period results to reflect this change and is not considered material to the prior period results.

Reconciliation of Recasted (Non-GAAP) and Adjusted as Recasted (Non-GAAP) Results Adjusted Sales as Recasted, Adjusted Operating Profit as Recasted & Operating Profit Margin as Recasted

<i>(dollars in millions - Income (Expense))</i>	Quarter Ended (Unaudited)			Quarter Ended (Unaudited)		
	Mar 31, 2023	Jun 30, 2023	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022
Raytheon						
Net sales	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Segment Realignment ⁽¹⁾	6,292	6,700	6,074	6,133	6,308	6,661
Net sales - as Recasted	\$ 6,292	\$ 6,700	\$ 6,074	\$ 6,133	\$ 6,308	\$ 6,661
Operating profit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Segment Realignment ⁽¹⁾	539	612	635	545	649	537
State Tax realignment ⁽²⁾	32	32	20	34	37	(9)
Operating Profit - as Recasted	571	644	655	579	686	528
Restructuring	(7)	(17)	—	—	(8)	—
Segment and portfolio transformation costs	(6)	(1)	—	—	—	—
Charges associated with divestiture of a non-core business	—	—	—	—	—	(42)
Adjusted operating profit - as Recasted	\$ 584	\$ 662	\$ 655	\$ 579	\$ 694	\$ 570
Operating profit margin	— %	— %	— %	— %	— %	— %
Operating profit margin - as Recasted	9.1 %	9.6 %	10.8 %	9.4 %	10.9 %	7.9 %
Adjusted operating profit margin - as Recasted	9.3 %	9.9 %	10.8 %	9.4 %	11.0 %	8.6 %
Raytheon Intelligence & Space						
Net sales	\$ 3,565	\$ 3,655	\$ 3,572	\$ 3,570	\$ 3,626	\$ 3,544
Segment Realignment ⁽¹⁾	(3,565)	(3,655)	(3,572)	(3,570)	(3,626)	(3,544)
Net sales - as Recasted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Operating profit	\$ 324	\$ 291	\$ 378	\$ 315	\$ 371	\$ 278
Segment realignment ⁽¹⁾	(324)	(291)	(378)	(315)	(371)	(278)
Operating Profit - as Recasted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Operating profit margin	9.1 %	8.0 %	10.6 %	8.8 %	10.2 %	7.8 %
Raytheon Missiles & Defense						
Net sales	\$ 3,671	\$ 4,000	\$ 3,527	\$ 3,558	\$ 3,678	\$ 4,100
Segment Realignment ⁽¹⁾	(3,671)	(4,000)	(3,527)	(3,558)	(3,678)	(4,100)
Net sales - as Recasted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Operating profit	\$ 328	\$ 415	\$ 387	\$ 348	\$ 408	\$ 376
Segment realignment ⁽¹⁾	(328)	(415)	(387)	(348)	(408)	(376)
Operating Profit - as Recasted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Operating profit margin	8.9 %	10.4 %	11.0 %	9.8 %	11.1 %	9.2 %

(1) Effective July 1, 2023 we streamlined the structure of our core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. The segment realignment adjustments reclassify the prior period results to reflect the new business segment structure. The Company did not operate under the realigned segment structure for any of these prior periods.

(2) In conjunction with the segment realignment, the Company revised its accounting policy with respect to the financial statement presentation of state income taxes allocable to U.S. government contracts related to our RIS and RMD segments. Prior to July 1, 2023, these state income taxes were classified as Selling, general and administrative expenses. Effective with the segment change noted above, state income tax amounts previously reported within Selling, general and administrative expenses will be presented within Income tax expense. The adjustment reclassifies prior period results to reflect this change and is not considered material to the prior period results.

Reconciliation of Recasted (Non-GAAP) and Adjusted as Recasted (Non-GAAP) Results Adjusted Sales as Recasted, Adjusted Operating Profit as Recasted & Operating Profit Margin as Recasted

<i>(dollars in millions - Income (Expense))</i>	Quarter Ended (Unaudited)			Quarter Ended (Unaudited)		
	Mar 31, 2023	Jun 30, 2023	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022
Eliminations and Other						
Net sales	\$ (833)	\$ (891)	\$ (736)	\$ (794)	\$ (833)	\$ (865)
Segment Realignment ⁽¹⁾	405	421	373	379	378	414
Net sales - as Recasted	\$ (428)	\$ (470)	\$ (363)	\$ (415)	\$ (455)	\$ (451)
Operating profit	\$ 13	\$ (60)	\$ (34)	\$ (47)	\$ (50)	\$ (43)
Segment Realignment ⁽¹⁾	38	44	35	34	37	45
Operating Profit - as Recasted	51	(16)	1	(13)	(13)	2
Gain on sale of land	68	—	—	—	—	—
Charges related to a customer insolvency	—	10	—	—	—	—
Impairment charges and reserve adjustments related to Russia sanctions	—	—	6	—	—	—
Adjusted operating profit - as Recasted	\$ (17)	\$ (26)	\$ (5)	\$ (13)	\$ (13)	\$ 2
Corporate expenses and other unallocated items						
Operating profit	\$ (43)	\$ (59)	\$ (136)	\$ (42)	\$ (77)	\$ (63)
Operating Profit - as Recasted	(43)	(59)	(136)	(42)	(77)	(63)
Restructuring	(1)	(21)	(39)	(9)	—	(18)
Segment and portfolio transformation costs	(2)	(10)	—	—	—	—
Adjusted operating loss - as Recasted	\$ (40)	\$ (28)	\$ (97)	\$ (33)	\$ (77)	\$ (45)
FAS/CAS Operating Adjustment						
Operating profit	\$ 314	\$ 309	\$ 378	\$ 379	\$ 378	\$ 385
Segment Realignment ⁽¹⁾	(25)	(25)	(30)	(30)	(30)	(31)
Operating Profit - as Recasted	\$ 289	\$ 284	\$ 348	\$ 349	\$ 348	\$ 354
Acquisition Accounting Adjustments						
Operating loss	\$ (493)	\$ (489)	\$ (484)	\$ (448)	\$ (482)	\$ (479)
Acquisition accounting adjustments	(493)	(489)	(484)	(448)	(482)	(479)
Adjusted operating profit - as Recasted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

(1) Effective July 1, 2023 we streamlined the structure of our core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. The segment realignment adjustments reclassify the prior period results to reflect the new business segment structure. The Company did not operate under the realigned segment structure for any of these prior periods.

(2) In conjunction with the segment realignment, the Company revised its accounting policy with respect to the financial statement presentation of state income taxes allocable to U.S. government contracts related to our RIS and RMD segments. Prior to July 1, 2023, these state income taxes were classified as Selling, general and administrative expenses. Effective with the segment change noted above, state income tax amounts previously reported within Selling, general and administrative expenses will be presented within Income tax expense. The adjustment reclassifies prior period results to reflect this change and is not considered material to the prior period results.

Reconciliation of Recasted (Non-GAAP) and Adjusted as Recasted (Non-GAAP) Results Adjusted Sales as Recasted, Adjusted Operating Profit as Recasted & Operating Profit Margin as Recasted

<i>(dollars in millions - Income (Expense))</i>	Quarter Ended (Unaudited)		Quarter Ended (Unaudited)			
	Mar 31, 2023	Jun 30, 2023	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022
RTX Consolidated						
Net sales	\$ 17,214	\$ 18,315	\$ 15,716	\$ 16,314	\$ 16,951	\$ 18,093
Net sales - as Recasted	\$ 17,214	\$ 18,315	\$ 15,716	\$ 16,314	\$ 16,951	\$ 18,093
Operating profit	\$ 1,652	\$ 1,458	\$ 1,080	\$ 1,353	\$ 1,480	\$ 1,501
State Tax realignment ⁽²⁾	35	35	22	38	40	(10)
Operating Profit - as Recasted	1,687	1,493	1,102	1,391	1,520	1,491
Restructuring	(30)	(68)	(44)	(12)	(24)	(35)
Acquisition accounting adjustments	(493)	(489)	(484)	(448)	(482)	(479)
Total net significant and/or non-recurring items included in Operating profit above	57	(193)	(290)	(69)	—	(42)
Adjusted operating profit - as Recasted	\$ 2,153	\$ 2,243	\$ 1,920	\$ 1,920	\$ 2,026	\$ 2,047

(1) Effective July 1, 2023 we streamlined the structure of our core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. The segment realignment adjustments reclassify the prior period results to reflect the new business segment structure. The Company did not operate under the realigned segment structure for any of these prior periods.

(2) In conjunction with the segment realignment, the Company revised its accounting policy with respect to the financial statement presentation of state income taxes allocable to U.S. government contracts related to our RIS and RMD segments. Prior to July 1, 2023, these state income taxes were classified as Selling, general and administrative expenses. Effective with the segment change noted above, state income tax amounts previously reported within Selling, general and administrative expenses will be presented within Income tax expense. The adjustment reclassifies prior period results to reflect this change and is not considered material to the prior period results.

Summary of Segment Net Sales and Operating Profit – Reported As Recasted (Non-GAAP)

<u>Reported - as Recasted</u>	Quarter Ended (Unaudited)			Quarter Ended (Unaudited)		
	Mar 31, 2023	Jun 30, 2023	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022
<i>(dollars in millions)</i>						
Net Sales - as Recasted						
Collins Aerospace	\$ 6,120	\$ 6,384	\$ 5,476	\$ 5,627	\$ 5,718	\$ 6,231
Pratt & Whitney	5,230	5,701	4,529	4,969	5,380	5,652
Raytheon	6,292	6,700	6,074	6,133	6,308	6,661
Total segments	17,642	18,785	16,079	16,729	17,406	18,544
Eliminations and other	(428)	(470)	(363)	(415)	(455)	(451)
Consolidated	\$ 17,214	\$ 18,315	\$ 15,716	\$ 16,314	\$ 16,951	\$ 18,093
Operating Profit - as Recasted						
Collins Aerospace	\$ 897	\$ 899	\$ 567	\$ 664	\$ 742	\$ 843
Pratt & Whitney	415	230	151	302	316	306
Raytheon	571	644	655	579	686	528
Total segments	1,883	1,773	1,373	1,545	1,744	1,677
Eliminations and other	51	(16)	1	(13)	(13)	2
Corporate expenses and other unallocated items	(43)	(59)	(136)	(42)	(77)	(63)
FAS/CAS operating adjustment	289	284	348	349	348	354
Acquisition accounting adjustments	(493)	(489)	(484)	(448)	(482)	(479)
Consolidated	\$ 1,687	\$ 1,493	\$ 1,102	\$ 1,391	\$ 1,520	\$ 1,491
Segment Operating Profit Margin - as Recasted						
Collins Aerospace	14.7 %	14.1 %	10.4 %	11.8 %	13.0 %	13.5 %
Pratt & Whitney	7.9 %	4.0 %	3.3 %	6.1 %	5.9 %	5.4 %
Raytheon	9.1 %	9.6 %	10.8 %	9.4 %	10.9 %	7.9 %
Total segment	10.7 %	9.4 %	8.5 %	9.2 %	10.0 %	9.0 %

Summary of Segment Net Sales and Operating Profit – Adjusted As Recasted (Non-GAAP)

<u>Adjusted - as Recasted</u>	Quarter Ended (Unaudited)			Quarter Ended (Unaudited)		
	Mar 31, 2023	Jun 30, 2023	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022
<i>(dollars in millions)</i>						
Net Sales - Adjusted as Recasted						
Collins Aerospace	\$ 6,120	\$ 6,384	\$ 5,476	\$ 5,627	\$ 5,718	\$ 6,231
Pratt & Whitney	5,230	5,701	4,529	4,969	5,380	5,652
Raytheon	6,292	6,700	6,074	6,133	6,308	6,661
Total segments	17,642	18,785	16,079	16,729	17,406	18,544
Eliminations and other	(428)	(470)	(363)	(415)	(455)	(451)
Consolidated	\$ 17,214	\$ 18,315	\$ 15,716	\$ 16,314	\$ 16,951	\$ 18,093
Operating Profit - Adjusted as Recasted						
Collins Aerospace	\$ 903	\$ 915	\$ 711	\$ 735	\$ 756	\$ 845
Pratt & Whitney	434	436	308	303	318	321
Raytheon	584	662	655	579	694	570
Total segments	1,921	2,013	1,674	1,617	1,768	1,736
Eliminations and other	(17)	(26)	(5)	(13)	(13)	2
Corporate expenses and other unallocated items	(40)	(28)	(97)	(33)	(77)	(45)
FAS/CAS operating adjustment	289	284	348	349	348	354
Acquisition accounting adjustments	—	—	—	—	—	—
Consolidated	\$ 2,153	\$ 2,243	\$ 1,920	\$ 1,920	\$ 2,026	\$ 2,047
Segment Operating Profit Margin - Adjusted as Recasted						
Collins Aerospace	14.8 %	14.3 %	13.0 %	13.1 %	13.2 %	13.6 %
Pratt & Whitney	8.3 %	7.6 %	6.8 %	6.1 %	5.9 %	5.7 %
Raytheon	9.3 %	9.9 %	10.8 %	9.4 %	11.0 %	8.6 %
Total segment	10.9 %	10.7 %	10.4 %	9.7 %	10.2 %	9.4 %