



**1Q 2023 Earnings
Conference Call**
April 25, 2023

Forward-Looking Statements

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

This press release 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 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,” “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, 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 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 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; (4) risks relating to RTC’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 RTC or its suppliers and price increases; (5) risks relating to RTC 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 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; (8) the effect of and risks relating to the 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 the timing and extent of the ongoing recovery from COVID-19; (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 RTC 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 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 including the cost of debt, and other factors; (13) 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; (14) the risks relating to realizing expected benefits from RTC strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (15) risks relating to the integration of the legacy businesses of UTC and RTC as well as the merger, and the realization of the anticipated benefits of those transactions; (16) 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; (17) risks relating to RTC product performance, including quality, reliability or durability, (18) risks relating to a RTC product safety failure or other failure affecting RTC’s or its customers’ or suppliers’ products or systems; (19) 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; (20) the effect of changes in accounting estimates for our programs on our financial results; (21) the effect of changes in pension and other postretirement plan estimates and assumptions and contributions; (22) risks relating to an impairment of goodwill and other intangible assets; (23) the effects of climate change and changing climate-related regulations, customer and market demands, products and technologies; and (24) 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 RTC, 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 RTC 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.

1Q 2023 Highlights

Sales up **10%** organically* year-over-year with **40bps** of adjusted segment margin expansion*

Commercial recovery continues with aftermarket **up 19%** and OE **up 17% year-over-year**

Record RTX backlog of **\$180B**; Received **\$21B** of new awards; **1.25** Q1 book-to-bill

Realized nearly **\$50M** of incremental gross merger cost synergies; approaching **\$1.5B** target

Returned nearly **\$1.4B** of capital to shareowners; including **\$562M** of share repurchases

Full Year Outlook

Sales	\$72.0B - \$73.0B
Organic sales growth %*	7% - 9%
Adjusted EPS*	\$4.90 - \$5.05
Free cash flow*	~\$4.8B

Solid performance during the quarter; reaffirming full year outlook

RTX Realignment

Key Changes

- RI&S' Command and Control Solutions moves to Collins
- RI&S' Air Traffic Management moves to Collins
- Collins' Intelligence, Surveillance, and Reconnaissance (ISR) moves to Raytheon
- Remaining RMD and RI&S merge to form Raytheon



Aligns our industry leading franchises with our customers' priorities

2023 Environment

Positives

Commercial air traffic recovery
(OE, Aftermarket, International)

Global defense demand

Cost reduction / synergies

Monitoring

Macroeconomic environment

Geopolitical landscape

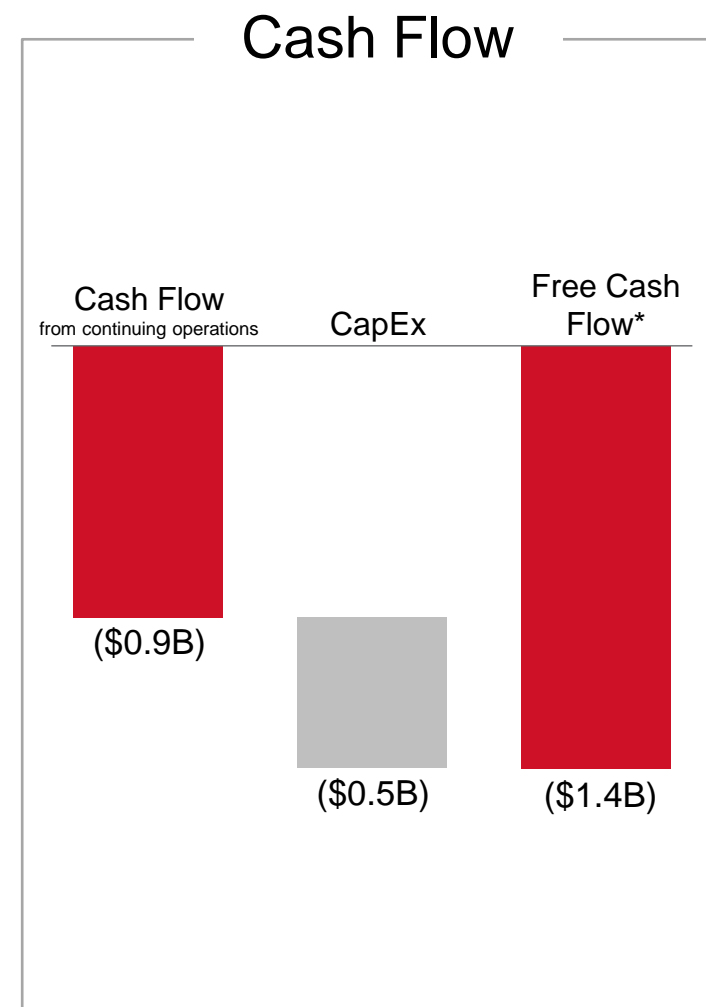
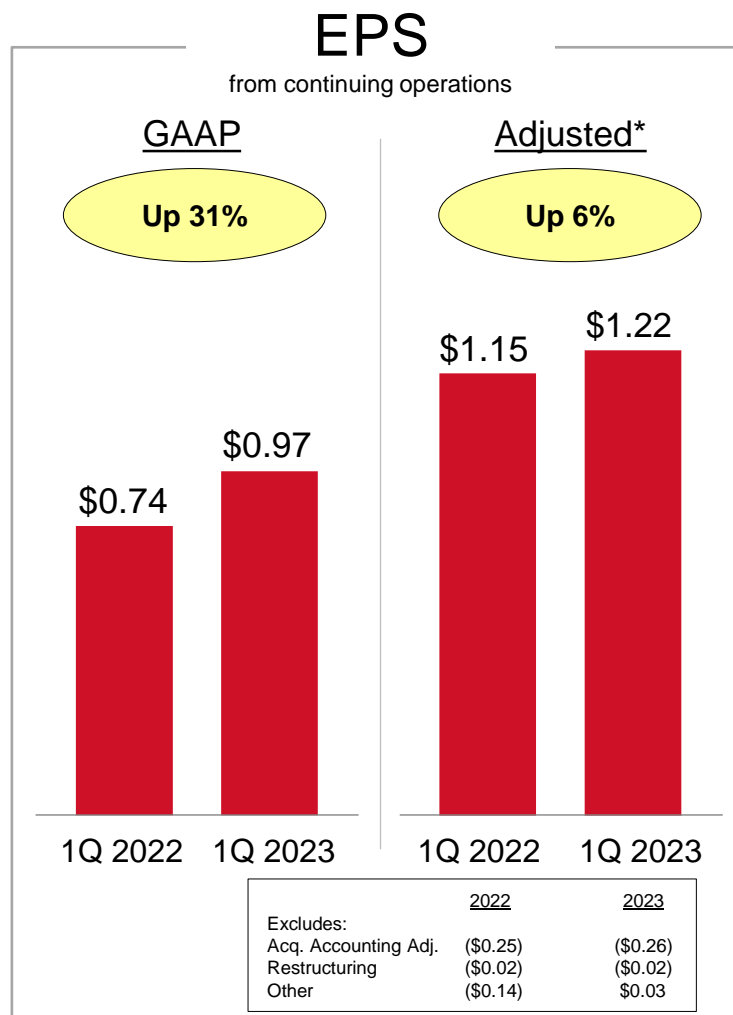
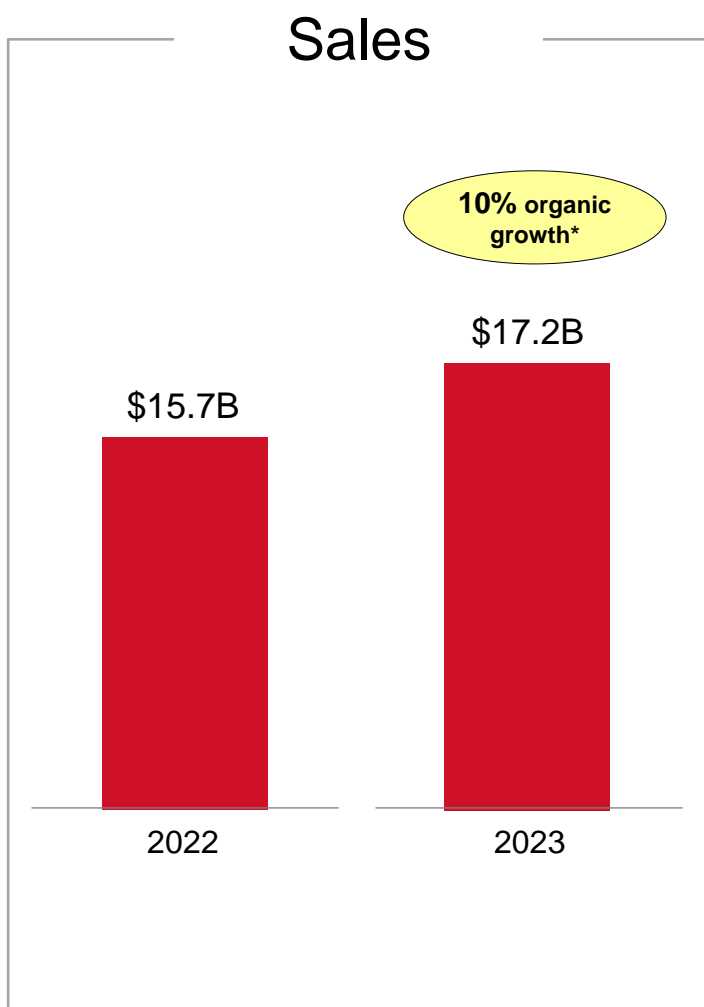
Global tax environment

Challenges

Supply chain / inflation

Labor availability

1Q 2023



10% year-over-year sales growth; free cash flow driven by working capital timing

Collins Aerospace Segment Highlights

1Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,581	5,581	16%
Operating Profit	794	800	37%
ROS	14.2%	14.3%	220 bps

- Organic sales* up 17%
- Adjusted sales* up 16%
 - Commercial aftermarket up 24%
 - Commercial OE up 12%
 - Military up 9%
- Adjusted operating profit* up 37%
 - Higher commercial aftermarket volume
 - Favorable mix
 - Higher production costs and SG&A expense



Collins Aerospace and Etihad Engineering announced plans to establish the Collins Nacelle Maintenance, Repair, and Overhaul business at a site within Etihad Engineering's Aviation Maintenance Center of Excellence located adjacent to Abu Dhabi International Airport.

Pratt & Whitney Segment Highlights

1Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	5,230	5,230	15%
Operating Profit	415	434	41%
ROS	7.9%	8.3%	150 bps

- Organic sales* up 16%
- Adjusted sales* up 15%
 - Commercial OE up 27%
 - Commercial aftermarket up 14%
 - Military up 13%
- Adjusted operating profit* up 41%
 - Higher commercial aftermarket and military sales
 - Favorable contract matter
 - Higher commercial OE volume



Pratt & Whitney Canada has achieved one billion flying hours since the formation of the company nearly 100 years ago. Over this time, more than 110,000 engines have been produced, with over 66,000 currently in service, powering our 16,000+ customers. This includes the PW800 engine featured above.

Raytheon Intelligence & Space Segment Highlights

1Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	3,565	3,565	0%
Operating Profit	324	330	(13%)
ROS	9.1%	9.3%	(130) bps

- Organic sales* flat
- Adjusted sales* flat
 - Lower sales in Command, Control and Communications
 - Higher sales in Cyber and Services
- Adjusted operating profit* down 13%
 - Lower net program efficiencies
- 1Q book-to-bill ratio 1.34
 - \$1.9B of classified bookings
 - \$650M for Next Generation Jammer
 - \$275M for missile tracking satellite constellation for the Space Development Agency
 - \$266M to deliver airborne radars to an international customer
- Backlog \$17 billion



RI&S was awarded a prime contract for the production and delivery of low-rate initial production Lot III for Next Generation Jammer Mid-Band. LRIP 3 includes 15 NGJ Mid-band ship sets, including 11 for the U.S. Navy and four for the government of Australia.

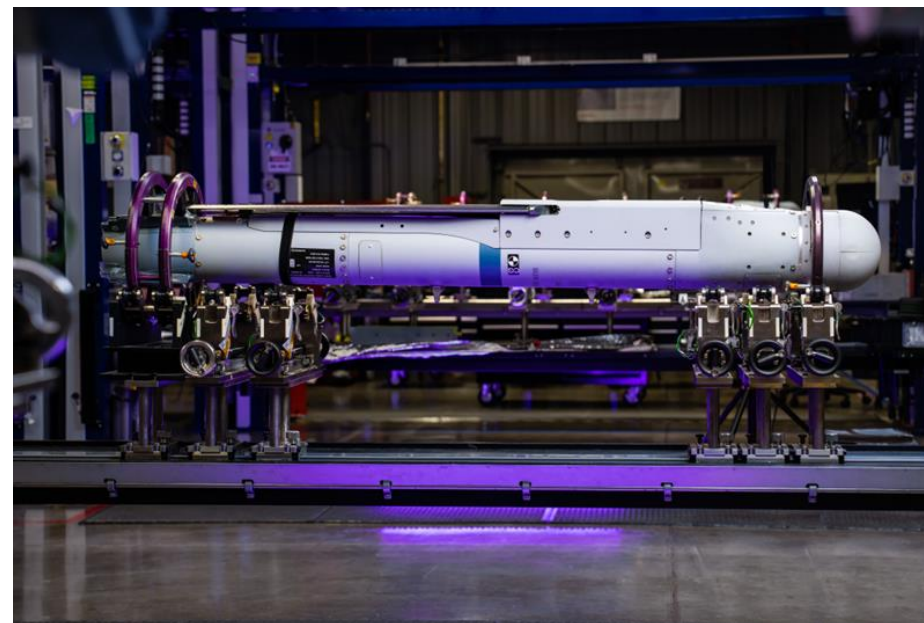
Raytheon Missiles & Defense Segment Highlights

1Q 2023

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	3,671	3,671	4%
Operating Profit	328	335	(13%)
ROS	8.9%	9.1%	(190) bps

- Organic sales* up 5%
- Adjusted sales* up 4%
 - Higher volume in Advanced Technology and Air Power
- Adjusted operating profit* down 13%
 - Lower net program efficiencies, including a significant contract option exercised
 - Higher development program mix
 - Higher volume
- 1Q book-to-bill ratio 1.43
 - \$1.2B for Swiss Patriot
 - \$827M of classified bookings
 - \$619M for SPY-6 Production and Sustainment
 - \$320M for StormBreaker®
 - \$234M for Naval Strike Missile
 - \$212M for Excalibur
- Record backlog \$35 billion



The U.S. Air Force recently awarded Raytheon Technologies a \$320 million contract to produce and deliver approximately 1,500 StormBreaker® smart weapons. Stormbreaker® is an air-to-surface, network enabled weapon that can engage moving targets in all weather conditions using its multi-effects warhead and tri-mode seeker.

Priorities

- ▶ Deliver on customer commitments
- ▶ Invest in technology and product innovation to drive industry leadership
- ▶ Execute business transformation to position for long-term success
- ▶ Drive operational excellence and continued structural cost reduction
- ▶ Disciplined capital deployment



Well positioned to deliver on our 2023 and 2025 commitments



Raytheon
Technologies

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 operating profit (loss), 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 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. 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 excluding other significant items, organic sales 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 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 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 (expected diluted EPS from continuing operations and expected cash flow from operations, 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.

2023 Segment Outlook

(\$ millions)

	Reported Sales VPY %	Organic Sales VPY %*	Adjusted Operating Profit VPY*
Collins Aerospace	Up low double digits	Up low double digits	\$750 - \$825
Pratt & Whitney	Up low to mid-teens	Up low to mid-teens	\$200 - \$275
Raytheon Intelligence & Space	Flat	Flat	\$75 - \$125
Raytheon Missiles & Defense	Up low to mid-single digits	Up low to mid-single digits	\$175 - \$225

Additional 2023 Items

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

Raytheon Technologies: 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>
Military	60	62	49	48	219	42
Large Commercial¹	119	177	192	224	712	167
Pratt & Whitney Canada²	455	459	509	542	1,965	499

1) Large commercial excludes industrial engine shipments

2) Excludes APUs

Raytheon Technologies: Free Cash Flow Reconciliation

(\$ millions)

	1Q 2023
Net income from continuing operations	1,481
Depreciation & amortization	1,034
Change in working capital	(2,693)
Other	<u>(685)</u>
Cash flow from operations	(863)
Capital expenditures	<u>(520)</u>
Free cash flow	(1,383)

1Q 2023: Raytheon Technologies Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	FX / Other
Collins Aerospace	16%	17%	(1%)	-
Pratt & Whitney	15%	16%	-	(1%)
RIS	0%	0%	-	-
RMD	4%	5%	-	(1%)
Elims & Other	<u>13%</u>	<u>13%</u>	<u>-</u>	<u>-</u>
Total	10%	10%	-	-

1Q 2023: Raytheon Technologies Restructuring Costs

(\$ millions)

Restructuring impact to:

Operating profit

Collins Aerospace

Pratt & Whitney

Raytheon Intelligence & Space

Raytheon Missiles & Defense

Total segments operating profit

Corporate expenses and other unallocated items

Eliminations and other

Total consolidated operating profit

Non-service pension income

Income from continuing operations before income taxes

	2023	2022				
	Q1 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Operating profit						
Collins Aerospace	(3)	(3)	(2)	(14)	(2)	(21)
Pratt & Whitney	(19)	(2)	(1)	(2)	(15)	(20)
Raytheon Intelligence & Space	—	—	—	—	—	—
Raytheon Missiles & Defense	(7)	—	—	(8)	—	(8)
Total segments operating profit	(29)	(5)	(3)	(24)	(17)	(49)
Corporate expenses and other unallocated items	(1)	(39)	(9)	—	(18)	(66)
Eliminations and other	—	—	—	—	—	—
Total consolidated operating profit	(30)	(44)	(12)	(24)	(35)	(115)
Non-service pension income	(2)	5	—	—	(7)	(2)
Income from continuing operations before income taxes	(32)	(39)	(12)	(24)	(42)	(117)

Raytheon Technologies: 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	1486.8	1,479.2	1,470.1	1,465.5	1,475.5						1486.8	1479.2	1470.1	1465.5	1475.5
Diluted shares	1497.9	1,489.6	1,479.3	1,476.3	1,485.9						1497.9	1489.6	1479.3	1476.3	1485.9

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 22 - 26. For the full reconciliation of our non-operating results, net income and EPS refer to slide 27.

Raytheon Technologies: 2023 Reported to Adjusted

(\$ millions)

	Reported (Unaudited) Q1 2023	Restructuring & net significant and/or non- recurring items ¹ Q1 2023	Adjusted ¹ (Unaudited) Q1 2023
Net Sales			
Collins Aerospace	\$ 5,581	\$ —	\$ 5,581
Pratt & Whitney	5,230	—	5,230
Raytheon Intelligence & Space	3,565	—	3,565
Raytheon Missiles & Defense	3,671	—	3,671
Total segment	18,047	—	18,047
Eliminations and other	(833)	—	(833)
Consolidated Net Sales	\$ 17,214	\$ —	\$ 17,214
Operating Profit			
Collins Aerospace	\$ 794	\$ (6)	\$ 800
Pratt & Whitney	415	(19)	434
Raytheon Intelligence & Space	324	(6)	330
Raytheon Missiles & Defense	328	(7)	335
Total segment	1,861	(38)	1,899
Eliminations and other	13	68	(55)
Corporate expenses and other unallocated items	(43)	(3)	(40)
FAS/CAS operating adjustment	314	—	314
Acquisition accounting adjustments	(493)	(493)	—
Consolidated Operating Profit	\$ 1,652	\$ (466)	\$ 2,118
Non-service pension income	\$ (444)	\$ 2	\$ (446)
Interest expense, net	315	—	315
Income from continuing operations before income taxes	1,781	(468)	2,249
Income tax expense	300	(101)	401
Net income from continuing operations	1,481	(367)	1,848
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	55	—	55
Income from continuing operations attributable to common shareowners	\$ 1,426	\$ (367)	\$ 1,793
Earnings per share from continuing operations attributable to common shareowners			
Basic earnings per share	\$ 0.98		\$ 1.23
Diluted earnings per share	\$ 0.97		\$ 1.22
Weighted average number of shares outstanding (millions)			
Basic shares	1,462.2		1,462.2
Diluted shares	1,474.2		1,474.2

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Collins Aerospace

(\$ millions)

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

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Pratt & Whitney

(\$ millions)

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

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Intelligence & Space

(\$ millions)

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

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Missiles & Defense

(\$ millions)

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

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

(\$ millions)

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

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

(\$ millions)

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

1: Refer to slides 22 - 26 for individual operating profit adjustments.