



Raytheon
Technologies

**1Q 2021 Earnings
Conference Call**

April 27, 2021

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’s (“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,” “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, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, other anticipated benefits to RTC of United Technologies Corporation’s (“UTC”) Rockwell Collins acquisition, the merger between UTC and Raytheon Company (“Raytheon”, and such merger, the “merger”) 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 economic conditions in the industries and markets in which RTC operates in the U.S. and globally and any changes therein, including financial market conditions, fluctuations in commodity prices, interest rates and foreign currency exchange rates, levels of end market demand in both the commercial and defense segments of the aerospace industry, levels of air travel, financial condition of commercial airlines, and the impact of pandemic health issues (including COVID-19 and its effects, among other things, on global supply, demand and distribution capabilities as the COVID-19 pandemic continues and results in an increasingly prolonged period of disruption to air travel and commercial activities generally, and significant restrictions and limitations on businesses, particularly within the aerospace and commercial airlines industries) aviation safety concerns, weather conditions and natural disasters, the financial condition of our customers and suppliers, and the risks associated with U.S. government sales (including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration or the allocation of funds to governmental responses to COVID-19, a government shutdown, or otherwise, and uncertain funding of programs); (2) challenges in the development, production, delivery, support, performance, safety, regulatory compliance, and realization of the anticipated benefits (including our expected returns under customer contracts) of advanced technologies and new products and services; (3) the scope, nature, impact or timing of acquisition and divestiture activity, including among other things the integration of UTC’s and Raytheon Company’s businesses and the integration of RTC with other businesses acquired before and after the merger, and realization of synergies and opportunities for growth and innovation and incurrence of related costs and expenses; (4) RTC’s levels of indebtedness, capital spending and research and development spending; (5) future availability of credit and factors that may affect such availability, including credit market conditions and our capital structure; (6) the timing and scope of future repurchases by RTC of its common stock, which are subject to a number of uncertainties and 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; (7) delays and disruption in delivery of materials and services from suppliers; (8) company and customer-directed cost reduction efforts and restructuring costs and savings and other consequences thereof (including the potential termination of U.S. government contracts and performance under undefinitized contract actions and the potential inability to recover termination costs); (9) new business and investment opportunities; (10) the ability to realize the intended benefits of organizational changes; (11) the anticipated benefits of diversification and balance of operations across product lines, regions and industries; (12) the outcome of legal proceedings, investigations and other contingencies; (13) pension plan assumptions and future contributions; (14) the impact of the negotiation of collective bargaining agreements and labor disputes; (15) the effect of changes in political conditions in the U.S. and other countries in which RTC and its businesses operate, including the effect of changes in U.S. trade policies on general market conditions, global trade policies and currency exchange rates in the near term and beyond; (16) changes resulting from the recent change in the U.S. Administration and potential changes in Department of Defense policies or priorities; (17) the effect of changes in tax (including U.S. tax reform enacted on December 22, 2017, which is commonly referred to as the Tax Cuts and Jobs Act of 2017), environmental, regulatory and other laws and regulations (including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anticorruption requirements, including the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations) in the U.S. and other countries in which RTC and its businesses operate; (18) the possibility that the anticipated benefits from the combination of UTC’s and Raytheon’s businesses (including ongoing integration activities from historic UTC and Raytheon acquisitions prior to the merger) cannot be realized in full or may take longer to realize than expected, or the possibility that costs or difficulties related to the integration of UTC’s businesses with Raytheon’s will be greater than expected or may not result in the achievement of estimated synergies within the contemplated time frame or at all; (19) the ability of RTC to retain and hire key personnel and the ability of our personnel to continue to operate our facilities and businesses around the world in light of, among other factors, the COVID-19 pandemic and related personnel reductions; and (20) 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 2021 Highlights

- Sales, adjusted EPS and free cash flow above expectations
- Increased low end of full year sales and adjusted EPS outlook
- Repurchased \$375M of shares
- Increased share buyback from \$1.5B to at least \$2B in 2021
- Increased 2Q quarterly dividend by over 7%
- Achieved ~\$200M of incremental RTX synergies
- Increased gross merger synergies to \$1.3B
- Closed Forcepoint divestiture

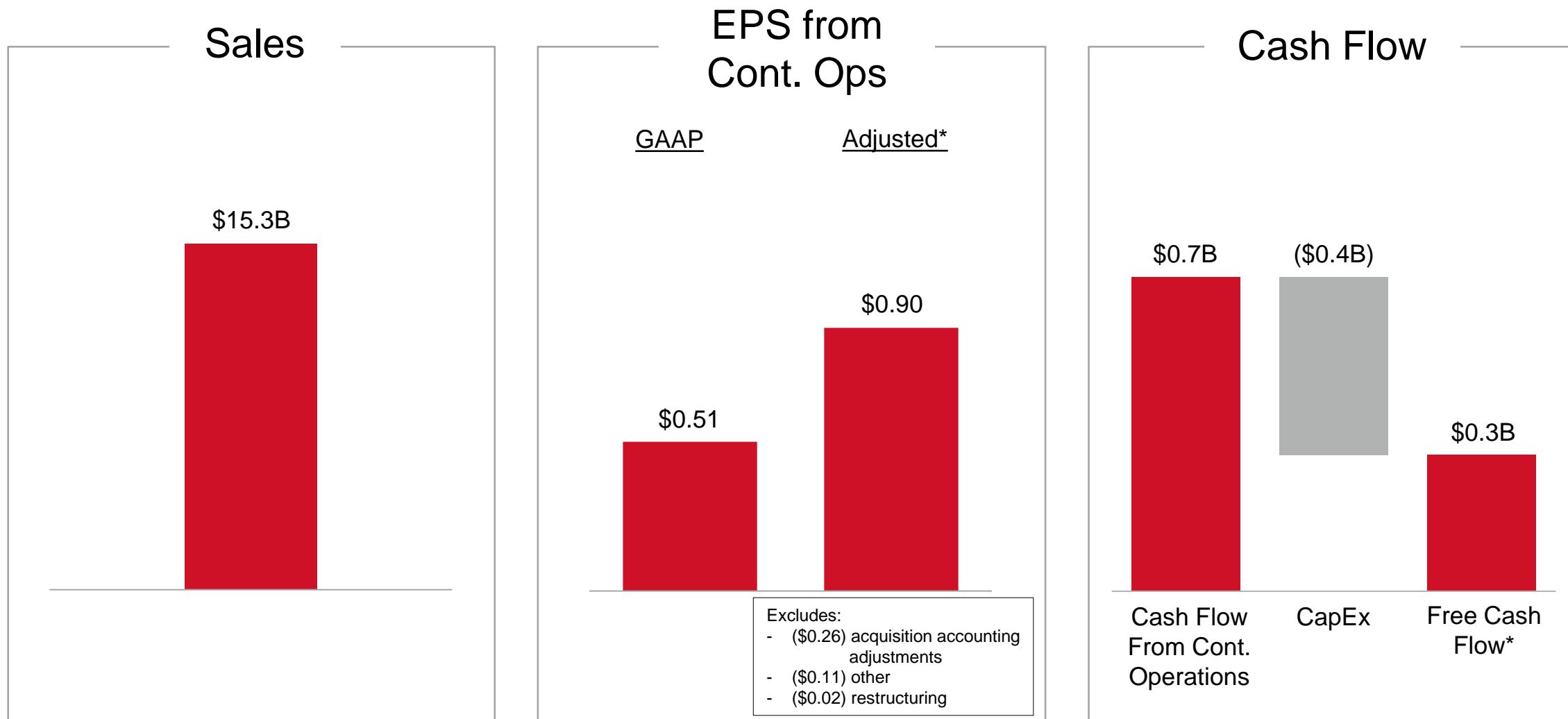
Full Year Outlook

Sales	\$63.9B - \$65.4B	↑
Organic sales growth % ¹	1% - 3%	↑
Adjusted EPS*	\$3.50 - \$3.70	↑
Free cash flow*	~\$4.5B	✓

Strong execution during the quarter with momentum building through the remainder of 2021



1Q 2021



Sales, adjusted EPS and free cash flow exceeded expectations

Collins Aerospace Segment Highlights

1Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	4,370	4,370	(32%)
Operating Profit	314	332	(74%)
ROS	7.2%	7.6%	

- Organic sales* down 31%
- Adjusted sales* down 32%
 - Commercial OEM down 45%
 - Commercial aftermarket down 43%
 - Military down 3% (up 4% ex-divestitures and FX)
- Adjusted operating profit* down 74%
 - Lower sales and unfavorable absorption driven by COVID-19 impact
 - Cost reduction tailwinds
 - Synergy capture



Collins Aerospace announced its Pro Line Fusion® integrated avionics system for Cessna Citation CJ2+ light business jets has been certified by the Federal Aviation Administration (FAA) with the Cessna Citation CJ1+ light jet certification soon to follow. Owners now have a new aftermarket option for taking advantage of NextGen® airspace enhancements while adding the many other benefits of Pro Line Fusion when upgrading from Pro Line 21. Added benefits include integrated V-speeds, fuel sensing and predictive performance, along with Controller Pilot Data Link Communications (CPDLC) capabilities that position the operator for more efficient arrivals and departures.

Pratt & Whitney Segment Highlights

1Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
Sales	4,030	4,030	(24%)
Operating Profit	20	40	(92%)
ROS	0.5%	1.0%	

- Organic sales* down 25%
- Adjusted sales* down 24%
 - Commercial OEM down 40%
 - Commercial aftermarket down 35%
 - Military up 1%
- Adjusted operating profit* down 92%
 - Lower sales and unfavorable absorption driven by COVID-19 impact
 - Cost reduction tailwinds



Dassault's Falcon 6X business jet, powered by two cutting-edge PW812D engines, successfully completed its first flight on March 10. This milestone is a testament to the exceptional quality, reliability, value and performance of the award-winning PW800 family.

Raytheon Intelligence & Space Segment Highlights

1Q 2021

(\$ millions)

	Reported	Adjusted*
Sales	3,765	3,765
Operating Profit	388	388
ROS	10.3%	10.3%

- Bookings
 - \$1.4 billion of classified bookings
 - \$227 million on a missile warning and defense contract
 - \$199 million for an international tactical airborne radar sustainment contract
 - \$185 million on an international training contract for the U.K. Royal Navy
- 12 month trailing book-to-bill ratio 1.04
- 1Q book-to-bill ratio 1.08
- Backlog \$19.2B



The U.S. Air Force awarded the Lightweight Deployable-Ground Controlled Approach contract on March 11. LD-GCA provides the Air Force with an upgrade to our Air Traffic Navigation, Integration, and Coordination Systems, or ATNAVICS. The LD-GCA system ensures autonomy and extends the Primary Surveillance Radar range to 60-nautical-miles without increasing the system footprint.

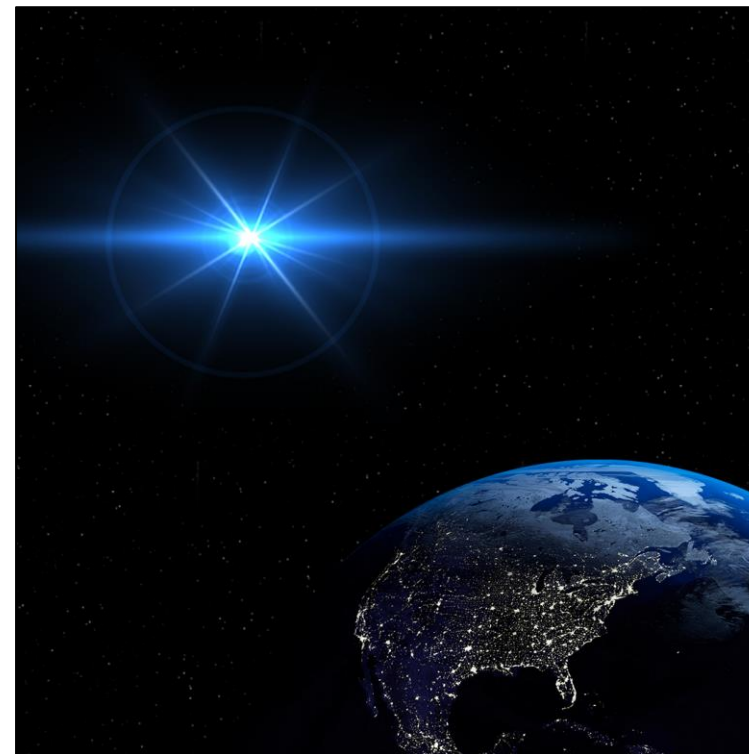
Raytheon Missiles & Defense Segment Highlights

1Q 2021

(\$ millions)

	Reported	Adjusted*
Sales	3,793	3,793
Operating Profit	496	496
ROS	13.1%	13.1%

- Bookings
 - \$518 million for the Advanced Medium-Range Air-to-Air Missile (AMRAAM) for the U.S. Air Force, Navy and international customers
 - \$247 million to provide Patriot engineering services support for the U.S. Army and international customers
- Industry team was down-selected for the Next Generation Interceptor award
- 12 month trailing book-to-bill ratio 0.82
- 1Q book-to-bill ratio 0.68
- Backlog \$27.7B



Raytheon Missiles & Defense was selected as part of the Northrop Grumman-led industry team for the Next Generation Interceptor award. The Next Generation Interceptor is an advanced interceptor designed to defend the nation against complex long-range threats. As Northrop's teammate, Raytheon Missiles & Defense is providing 6th generation interceptor technology with game-changing discrimination.

Current Environment

Cost reduction actions & cost synergies

- Increased gross merger synergies by \$300M to \$1.3B
- Substantial progress on synergies and structural cost reduction
- Robust pipeline of incremental actions

Commercial aero

- Vaccine distribution and accessibility accelerating
- Expect global RPMs and load factors to improve through the rest of the year
- Monitoring international border re-openings
- Narrowbody traffic expected to recover before widebody traffic

Defense








- \$65.2B backlog as of 1Q 2021
- Strong positions in high growth areas

Capital Deployment

- Increased share repurchase commitment from \$1.5B to at least \$2B in 2021
- Resumed share repurchases with \$375 million during 1Q 2021
- Increased the second quarter dividend by over 7%

Strong start to 2021, seeing early signs of commercial aero recovery

2021 Outlook

	<u>1Q Actual</u>	<u>2Q Outlook</u>	<u>Full Year Outlook</u>
Sales	\$15.3B 	\$15.5B - \$16.0B	\$63.9B - \$65.4B  Prior \$63.4 - \$65.4B
Organic sales growth% ¹	(16%) 	8% - 12%	1% - 3%  Prior: flat - 3%
Adjusted EPS*	\$0.90 	\$0.90 - \$0.95	\$3.50 - \$3.70  Prior: \$3.40 - \$3.70
Free cash flow*			~\$4.5B 

Increasing low end of full year sales and adjusted EPS outlook & reaffirming free cash flow outlook

1) 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 28 (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. A reconciliation of this non-GAAP measure to the corresponding amount prepared in accordance with GAAP appears on slide 18.

2021 Priorities

- Continue to support employees, customers, suppliers and communities
- Invest in technology and product innovation to drive industry leadership
- Execute integration and deliver synergies
- Drive continued structural cost reduction
- Disciplined capital deployment and maintain strong balance sheet

Well positioned to deliver significant long-term value



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Appendix

Use and Definitions of Non-GAAP Financial Measures

Raytheon Technologies Corporation's ("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 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 operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant items. 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, and adjustments of operating profit (loss) and margins 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.

2021 Segment Outlook*

(\$ millions)

	Full Year	Adjusted Sales ¹ VPY %	Adjusted Operating Profit ¹ VPY
Collins Aerospace	Current <i>Prior</i>	down mid to low single <i>down high to low single</i> ↑	(\$200) - \$25 <i>(\$275) - \$25</i> ↑
Pratt & Whitney	Current <i>Prior</i>	up low to up mid single <i>flat to up mid single</i> ↑	(\$75) - \$25 <i>(\$125) - \$25</i> ↑
Raytheon Intelligence & Space^{2,3}	Current <i>(no change)</i>	up low to mid single	\$125 - \$175
Raytheon Missiles & Defense^{2,3}	Current <i>(no change)</i>	up low to mid single	\$25 - \$75

1) See slide 31 for the 2020 adjusted pro forma recast.

2) Versus full year 2020 pro forma adjusted results, which assumes a 01/01/2020 merger.

3) Based on reclassification for prior year segment change between RMD and RIS relating to the Reconnaissance and Targeting Systems and Electro-Optical Innovations businesses.

Additional 2021 Items

	<u>Prior FY 2021</u>	<u>Current FY 2021</u>
Adjusted Tax Rate*	~19%	~19%
Interest Expense	\$1,400M - \$1,425M	~\$1,400M
Corporate Expense and Other Unallocated Items	\$425M - \$450M	~\$425M
FAS/CAS Operating Adjustment	~\$1,675M	~\$1,675M
Non-Service Pension Benefit	~\$1,925M	~\$1,925M
Capex Spending	~\$2,500M	~\$2,500M

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>
Military	48	72	59	62	241	44
Large commercial*	211	92	114	129	546	137
Pratt & Whitney Canada**	466	393	379	412	1,650	396

*Large commercial excludes industrial engine shipments.

**Excludes APUs.

Raytheon Technologies: Free Cash Flow Reconciliation

(\$ millions)

	1Q 2021
Net income attributable to common shareowners from continuing operations	813
Depreciation & amortization	1,123
Change in working capital	(934)
Other	<u>(279)</u>
Cash flow from operations	723
Capital expenditures	<u>(387)</u>
Free cash flow	336

1Q 2021: Raytheon Technologies Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	Other*
Collins Aerospace	(32%)	(31%)	(1%)	-
Pratt & Whitney	(25%)	(25%)	-	-
RIS	100%	-	100%	-
RMD	100%	-	100%	-
Elims & Other	<u>64%</u>	<u>(25%)</u>	<u>89%</u>	-
Total	34%	(28%)	62%	-

* Includes the impact of foreign currency translation

Organic sales growth on an adjusted pro forma basis	
Total reported growth	34%
Raytheon Merger pro forma adjustments	(51%)
Acquisitions and Divestitures	2%
Other	<u>(1%)</u>
Total organic sales growth (adjusted pro forma basis)	(16%)

1Q 2021: Raytheon Technologies Restructuring Costs

(\$ millions)

	2021	2020				
	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Restructuring impact to:						
Operating profit						
Collins Aerospace Systems	(18)	(6)	(151)	(138)	(65)	(360)
Pratt & Whitney	(20)	-	(107)	(63)	(10)	(180)
RIS	-	-	-	-	-	-
RMD	-	-	-	-	-	-
Total segments operating profit	(38)	(6)	(258)	(201)	(75)	(540)
Corporate expenses and other unallocated items	(5)	(1)	(169)	(21)	(16)	(207)
Eliminations and other	-	(1)	-	(23)	3	(21)
Total consolidated operating profit	(43)	(8)	(427)	(245)	(88)	(768)
Non-service pension costs	-	-	-	(5)	(4)	(9)
Income from continuing operations before income taxes	(43)	(8)	(427)	(250)	(92)	(777)

Raytheon Technologies: 2020 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)					Restructuring & Significant non-recurring and non- operational items ¹					Adjusted ¹ (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	-	3,314	3,674	3,853	10,841	-	-	-	-	-	-	3,314	3,674	3,853	10,841
Raytheon Missiles & Defense	-	3,590	3,794	4,276	11,660	-	54	65	(119)	-	-	3,536	3,729	4,395	11,660
Total segment	11,791	14,593	15,236	16,968	58,588	-	(162)	(235)	(164)	(561)	11,791	14,755	15,471	17,132	59,149
Eliminations and other	(431)	(532)	(489)	(549)	(2,001)	-	-	-	-	-	(431)	(532)	(489)	(549)	(2,001)
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	-	311	348	355	1,014	-	-	-	-	-	-	311	348	355	1,014
Raytheon Missiles & Defense	-	397	453	40	890	-	12	18	(546)	(516)	-	385	435	586	1,406
Total segment	1,721	(66)	712	439	2,806	(78)	(635)	(101)	(696)	(1,510)	1,799	569	813	1,135	4,316
Eliminations and other	(25)	(28)	(51)	(7)	(111)	-	-	(23)	3	(20)	(25)	(28)	(28)	(10)	(91)
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 benefit	(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: 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: 2021 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)	Restructuring & Significant non- recurring and non- operational items ¹	Adjusted ¹ (Unaudited)
	Q1 2021	Q1 2021	Q1 2021
Net Sales			
Collins Aerospace Systems	\$ 4,370	\$ -	\$ 4,370
Pratt & Whitney	4,030	-	4,030
Raytheon Intelligence & Space	3,765	-	3,765
Raytheon Missiles & Defense	3,793	-	3,793
Total segment	15,958	-	15,958
Eliminations and other	(707)	-	(707)
Consolidated Net Sales	\$ 15,251	\$ -	\$ 15,251
Operating Profit			
Collins Aerospace Systems	\$ 314	\$ (18)	\$ 332
Pratt & Whitney	20	(20)	40
Raytheon Intelligence & Space	388	-	388
Raytheon Missiles & Defense	496	-	496
Total segment	1,218	(38)	1,256
Eliminations and other	(31)	-	(31)
Corporate expenses and other unallocated items	(81)	(30)	(51)
FAS/CAS operating adjustment	423	-	423
Acquisition accounting adjustments	(516)	(516)	-
Consolidated Operating Profit	\$ 1,013	\$ (584)	\$ 1,597
Non-service pension benefit	\$ (491)	\$ -	\$ (491)
Interest expense, net	346	-	346
Income (loss) from continuing operations before income taxes	1,158	(584)	1,742
Income tax expense (benefit)	345	14	331
Net income (loss) from continuing operations	813	(598)	1,411
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	-	41
Income (loss) from continuing operations attributable to common shareowners	\$ 772	\$ (598)	\$ 1,370
Earnings (loss) per share from continuing operations attributable to common shareowners			
Basic earnings (loss) per share	\$ 0.51		\$ 0.91
Diluted earnings (loss) per share	\$ 0.51		\$ 0.90
Weighted average number of shares outstanding (millions)			
Basic shares	1,511.1		1,511.1
Diluted shares	1,514.1		1,514.1

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: Reconciliation of GAAP to Adjusted Collins Aerospace Systems

(\$ millions)

	(Unaudited)		(Unaudited)			
	2021	2020				
	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Collins Aerospace Systems						
Net sales	\$ 4,370	\$ 6,438	\$ 4,202	\$ 4,274	\$ 4,374	\$ 19,288
Significant unfavorable contract adjustments	-	(22)	(96)	(4)	(14)	(136)
Adjusted net sales	\$ 4,370	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Operating profit	\$ 314	\$ 1,246	\$ (317)	\$ 526	\$ 11	\$ 1,466
Restructuring	(18)	(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	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Adjusted operating profit margin	7.6%	19.9%	0.6%	1.7%	2.0%	7.6%
Total Net Sales Adjustments	\$ -	\$ (22)	\$ (96)	\$ (4)	\$ (14)	\$ (136)
Total Operating Profit Adjustments	\$ (18)	\$ (38)	\$ (341)	\$ 453	\$ (78)	\$ (4)

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Pratt & Whitney

(\$ millions)

	(Unaudited)		(Unaudited)			
	2021	2020				
	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Pratt & Whitney						
Net sales	\$ 4,030	\$ 5,353	\$ 3,487	\$ 3,494	\$ 4,465	\$ 16,799
Significant unfavorable contract adjustments	-	22	(120)	(296)	(31)	(425)
Adjusted net sales	\$ 4,030	\$ 5,331	\$ 3,607	\$ 3,790	\$ 4,496	\$ 17,224
Operating profit	\$ 20	\$ 475	\$ (457)	\$ (615)	\$ 33	\$ (564)
Restructuring	(20)	-	(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)
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	\$ 40	\$ 515	\$ (151)	\$ (43)	\$ 105	\$ 426
Adjusted operating profit margin	1.0%	9.7%	-4.2%	-1.1%	2.3%	2.5%
Total Net Sales Adjustments	\$ -	\$ 22	\$ (120)	\$ (296)	\$ (31)	\$ (425)
Total Operating Profit Adjustments	\$ (20)	\$ (40)	\$ (306)	\$ (572)	\$ (72)	\$ (990)

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Intelligence & Space

(\$ millions)

	(Unaudited)		(Unaudited)			
	2021	2020				
	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Raytheon Intelligence & Space						
Net sales	\$ 3,765	\$ -	\$ 3,314	\$ 3,674	\$ 3,853	\$ 10,841
Adjusted net sales	\$ 3,765	\$ -	\$ 3,314	\$ 3,674	\$ 3,853	\$ 10,841
Operating profit	\$ 388	\$ -	\$ 311	\$ 348	\$ 355	\$ 1,014
Adjusted operating profit	\$ 388	\$ -	\$ 311	\$ 348	\$ 355	\$ 1,014
Operating profit margin	10.3%	N/A	9.4%	9.5%	9.2%	9.4%
Total Net Sales Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Profit Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Missiles & Defense

(\$ millions)

	(Unaudited)	(Unaudited)				
	2021	2020				
	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Raytheon Missiles & Defense						
Net sales	\$ 3,793	\$ -	\$ 3,590	\$ 3,794	\$ 4,276	\$ 11,660
Middle East contract adjustment	-	-	54	65	(119)	-
Adjusted net sales	\$ 3,793	\$ -	\$ 3,536	\$ 3,729	\$ 4,395	\$ 11,660
Operating profit	\$ 496	\$ -	\$ 397	\$ 453	\$ 40	\$ 890
Middle East contract adjustment	-	-	12	18	(546)	(516)
Adjusted operating profit	\$ 496	\$ -	\$ 385	\$ 435	\$ 586	\$ 1,406
Adjusted operating profit margin	13.1%	N/A	10.9%	11.7%	13.3%	12.1%
Total Net Sales Adjustments	\$ -	\$ -	\$ 54	\$ 65	\$ (119)	\$ -
Total Operating Profit Adjustments	\$ -	\$ -	\$ 12	\$ 18	\$ (546)	\$ (516)

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

(\$ millions)

	(Unaudited)		(Unaudited)			
	2021	2020				
	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Eliminations and other						
Net sales	\$ (707)	\$ (431)	\$ (532)	\$ (489)	\$ (549)	\$ (2,001)
Operating loss	\$ (31)	\$ (25)	\$ (28)	\$ (51)	\$ (7)	\$ (111)
Restructuring	-	-	-	(23)	3	(20)
Adjusted operating loss	\$ (31)	\$ (25)	\$ (28)	\$ (28)	\$ (10)	\$ (91)
Corporate and other unallocated items						
Operating loss	\$ (81)	\$ (130)	\$ (277)	\$ (84)	\$ (99)	\$ (590)
Restructuring	(5)	(2)	(169)	(21)	(16)	(208)
Costs associated with the separation of the commercial businesses	(8)	-	(14)	(7)	(2)	(23)
Transaction and integration costs associated with the Raytheon Merger	(17)	(29)	(70)	(46)	(20)	(165)
Adjusted operating loss	\$ (51)	\$ (99)	\$ (24)	\$ (10)	\$ (61)	\$ (194)
FAS/CAS Operating Adjustment						
Operating profit	\$ 423	\$ -	\$ 356	\$ 380	\$ 370	\$ 1,106
Acquisition Accounting Adjustments						
Operating loss	\$ (516)	\$ (271)	\$ (3,745)	\$ (523)	\$ (561)	\$ (5,100)
Intangible impairment	-	(40)	(17)	-	-	(57)
Goodwill impairment	-	-	(3,183)	-	-	(3,183)
Acquisition accounting adjustments	(516)	(231)	(545)	(523)	(561)	(1,860)
Adjusted operating profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Profit Adjustments - Corporate and other unallocated items	\$ (30)	\$ (31)	\$ (253)	\$ (74)	\$ (38)	\$ (396)
Total Operating Profit Adjustments - Acquisition accounting adjustments	\$ (516)	\$ (271)	\$ (3,745)	\$ (523)	\$ (561)	\$ (5,100)

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

(\$ millions)

	(Unaudited)		(Unaudited)			
	2021	2020				
	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Income (loss) from continuing operations attributable to common shareowners	\$ 772	\$ 438	\$ (3,844)	\$ 151	\$ 146	\$ (3,109)
Total Restructuring included in Operating Profit	(43)	(8)	(427)	(245)	(88)	(768)
Total Significant non-recurring and non-operational items included in Operating Profit ⁽¹⁾	(25)	(101)	(461)	47	(643)	(1,158)
Total Acquisition accounting adjustments	(516)	(271)	(3,745)	(523)	(561)	(5,100)
<i>Significant non-recurring and non-operational items included in non-service pension (income) expense</i>						
Non-service pension (income) expense	(491)	(168)	(237)	(253)	(244)	(902)
Pension curtailment	-	-	(25)	-	(4)	(29)
Pension curtailment / settlement related to Collins Aerospace sale of businesses	-	-	-	(8)	-	(8)
Non-service pension restructuring	-	-	-	(5)	(4)	(9)
Adjusted non-service pension	\$ (491)	\$ (168)	\$ (212)	\$ (240)	\$ (236)	\$ (856)
<i>Significant non-recurring and non-operational items included in interest</i>						
Interest expense, net	\$ 346	\$ 332	\$ 335	\$ 350	\$ 349	\$ 1,366
Deferred Compensation	-	-	4	-	-	4
Adjusted interest expense, net	\$ 346	\$ 332	\$ 331	\$ 350	\$ 349	\$ 1,362
<i>Significant non-recurring and non-operational items included in Income Tax Expense</i>						
Income tax (expense) benefit	\$ (345)	\$ (639)	\$ 38	\$ (152)	\$ 178	\$ (575)
Tax effect of restructuring and significant non-recurring and non-operational items above	134	82	324	(13)	260	653
Tax expense associated with the Company's separation of Otis and Carrier	-	(415)	-	-	-	(415)
Tax impact from business disposals	(148)	-	(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
Adjusted income tax (expense) benefit	\$ (331)	\$ (306)	\$ (189)	\$ (182)	\$ (146)	\$ (823)
<i>Significant non-recurring and non-operational items included in Noncontrolling Interest</i>						
Noncontrolling interest in subsidiaries' earnings	\$ 41	\$ 54	\$ 24	\$ 34	\$ 69	\$ 181
Adjustments to noncontrolling interest	-	-	-	-	-	-
Adjusted Noncontrolling interest in subsidiaries' earnings	\$ 41	\$ 54	\$ 24	\$ 34	\$ 69	\$ 181
Less: Impact on net income attributable to common shareowners	(598)	(713)	(4,427)	(704)	(976)	(6,820)
Adjusted net income from continuing operations attributable to common shareowners	\$ 1,370	\$ 1,151	\$ 583	\$ 855	\$ 1,122	\$ 3,711
Diluted Earnings Per Share						
Diluted Earnings Per Share	\$ 0.51	\$ 0.50	\$ (2.56)	\$ 0.10	\$ 0.10	\$ (2.29)
Impact on Diluted Earnings Per Share	(0.39)	(0.83)	(2.95)	(0.46)	(0.64)	(5.02)
Adjusted Diluted Earnings Per Share	\$ 0.90	\$ 1.33	\$ 0.39	\$ 0.56	\$ 0.74	\$ 2.73
Weighted Average Number of Shares Outstanding						
Reported Diluted	1,514.1	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	865.8	1,503.7	1,514.2	1,515.4	1,361.7
Total Non-service pension adjustments	\$ -	\$ -	\$ (25)	\$ (13)	\$ (8)	\$ (46)
Total Interest expense adjustments	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 4
Total Income tax adjustments	\$ (14)	\$ (333)	\$ 227	\$ 30	\$ 324	\$ 248

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

Raytheon Technologies: Adjusted Pro Forma Segment Data

(\$ millions)

	(Unaudited)					
	Adjusted ²	Adjusted Pro Forma / Actuals ¹				
	Q1 2021	Q1 2020 PF	Q2 2020 PF	Q3 2020	Q4 2020	FY 2020 PF
Net Sales						
Collins Aerospace Systems	\$ 4,370	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney	4,030	5,331	3,607	3,790	4,496	17,224
Raytheon Intelligence & Space	3,765	3,676	3,601	3,749	3,933	14,959
Raytheon Missiles & Defense	3,793	3,693	3,658	3,641	4,303	15,295
Total segment	15,958	19,160	15,164	15,458	17,120	66,902
Eliminations and other	(707)	(757)	(532)	(476)	(537)	(2,302)
Consolidated	\$ 15,251	\$ 18,403	\$ 14,632	\$ 14,982	\$ 16,583	\$ 64,600
Operating Profit						
Collins Aerospace Systems	\$ 332	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Pratt & Whitney	40	515	(151)	(43)	105	426
Raytheon Intelligence & Space	388	399	329	350	361	1,439
Raytheon Missiles & Defense	496	539	411	431	579	1,960
Total segment	1,256	2,737	613	811	1,134	5,295
Eliminations and other	(6)	(81)	(28)	(26)	(9)	(144)
Corporate expenses, eliminations and other	(76)	(140)	(32)	(10)	(61)	(243)
FAS/CAS operating adjustment	423	381	379	380	370	1,510
Acquisition accounting adjustments	-	-	-	-	-	-
Consolidated	\$ 1,597	\$ 2,897	\$ 932	\$ 1,155	\$ 1,434	\$ 6,418
Non-service pension benefit	\$ (491)	\$ (276)	\$ (250)	\$ (266)	\$ (252)	\$ (1,044)
Interest expense, net	346	252	341	350	349	1,292
Income (loss) from continuing operations before income taxes	1,742	2,921	841	1,071	1,337	6,170
Income tax expense (benefit)	331	559	193	182	146	1,080
Net income (loss) from continuing operations	1,411	2,362	648	889	1,191	5,090
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	56	24	34	69	183
Income (loss) from continuing operations attributable to common shareowners	\$ 1,370	\$ 2,306	\$ 624	\$ 855	\$ 1,122	\$ 4,907
Earnings (loss) per share from continuing operations attributable to common shareowners	\$ 0.91	\$ 1.53	\$ 0.42	\$ 0.57	\$ 0.74	\$ 3.25
Basic earnings (loss) per share	\$ 0.90	\$ 1.52	\$ 0.41	\$ 0.56	\$ 0.74	\$ 3.24
Diluted earnings (loss) per share						
Weighted average number of shares outstanding (millions)						
Basic shares	1,511.1	1,506.7	1,501.3	1,511.5	1,512.3	1,511.7
Diluted shares	1,514.1	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 2021 results, refer to the previous slides.

Raytheon Technologies: Pro Forma Segment Data

Reconciliation of Pro Forma¹ GAAP to Adjusted Pro Forma Sales

(\$ millions)

	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)

	Q1	Q2	2020 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)

	2020 Adjusted Earnings					Pro Forma Adjustments ¹					2020 Adjusted Pro Forma Earnings				
	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	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney	5,331	3,607	3,790	4,496	17,224	-	-	-	-	-	5,331	3,607	3,790	4,496	17,224
Raytheon Intelligence & Space	-	3,314	3,674	3,853	10,841	3,676	287	75	80	4,118	3,676	3,601	3,749	3,933	14,959
Raytheon Missiles & Defense	-	3,536	3,729	4,395	11,660	3,693	122	(88)	(92)	3,635	3,693	3,658	3,641	4,303	15,295
<i>Total segment</i>	11,791	14,755	15,471	17,132	59,149	7,369	409	(13)	(12)	7,753	19,160	15,164	15,458	17,120	66,902
Eliminations and other	(431)	(532)	(489)	(549)	(2,001)	(326)	-	13	12	(301)	(757)	(532)	(476)	(537)	(2,302)
Consolidated Net Sales	\$ 11,360	\$ 14,223	\$ 14,982	\$ 16,583	\$ 57,148	\$ 7,043	\$ 409	\$ -	\$ -	\$ 7,452	\$ 18,403	\$ 14,632	\$ 14,982	\$ 16,583	\$ 64,600
Operating Profit															
Collins Aerospace Systems	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Pratt & Whitney	515	(151)	(43)	105	426	-	-	-	-	-	515	(151)	(43)	105	426
Raytheon Intelligence & Space	-	311	348	355	1,014	399	18	2	6	425	399	329	350	361	1,439
Raytheon Missiles & Defense	-	385	435	586	1,406	539	26	(4)	(7)	554	539	411	431	579	1,960
<i>Total segment</i>	1,799	569	813	1,135	4,316	938	44	(2)	(1)	979	2,737	613	811	1,134	5,295
Corporate Eliminations and other	(124)	(52)	(38)	(71)	(285)	(97)	(8)	2	1	(102)	(221)	(60)	(36)	(70)	(387)
FAS/CAS operating adjustment	-	356	380	370	1,106	381	23	-	-	404	381	379	380	370	1,510
Consolidated Operating Profit	\$ 1,675	\$ 873	\$ 1,155	\$ 1,434	\$ 5,137	\$ 1,222	\$ 59	\$ -	\$ -	\$ 1,281	\$ 2,897	\$ 932	\$ 1,155	\$ 1,434	\$ 6,418
Non-service pension benefit	\$ (168)	\$ (262)	\$ (266)	\$ (252)	\$ (948)	\$ (108)	\$ 12	\$ -	\$ -	\$ (96)	\$ (276)	\$ (250)	\$ (266)	\$ (252)	\$ (1,044)
Interest expense, net	332	339	350	349	1,370	(80)	2	-	-	(78)	252	341	350	349	1,292
Income (loss) from continuing operations before income taxes	1,511	796	1,071	1,337	4,715	1,410	45	-	-	1,455	2,921	841	1,071	1,337	6,170
Income tax expense (benefit)	306	189	182	146	823	253	4	-	-	257	559	193	182	146	1,080
Net income (loss) from continuing operations	1,205	607	889	1,191	3,892	1,157	41	-	-	1,198	2,362	648	889	1,191	5,090
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	54	24	34	69	181	2	-	-	-	2	56	24	34	69	183
Income from continuing operations attributable to common shareowners	\$ 1,151	\$ 583	\$ 855	\$ 1,122	\$ 3,711	\$ 1,155	\$ 41	\$ -	\$ -	\$ 1,196	\$ 2,306	\$ 624	\$ 855	\$ 1,122	\$ 4,907
Earnings per share from continuing operations attributable to common shareowners															
Basic earnings per share	\$ 1.34	\$ 0.39	\$ 0.57	\$ 0.74	\$ 2.73	\$ 0.19	\$ 0.03	\$ -	\$ -	\$ 0.52	\$ 1.53	\$ 0.42	\$ 0.57	\$ 0.74	\$ 3.25
Diluted earnings per share	\$ 1.33	\$ 0.39	\$ 0.56	\$ 0.74	\$ 2.73	\$ 0.19	\$ 0.02	\$ -	\$ -	\$ 0.51	\$ 1.52	\$ 0.41	\$ 0.56	\$ 0.74	\$ 3.24
Weighted average number of shares outstanding (millions)															
Basic shares	858.4	1,501.3	1,511.5	1,512.3	1,357.8						1,506.7	1,501.3	1,511.5	1,512.3	1,511.7
Diluted shares	865.8	1,503.7	1,514.2	1,515.4	1,361.7						1,517.9	1,503.7	1,514.2	1,515.4	1,515.8

1: 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 4/1-4/3 stub period.
- Pro Forma adjustments for all periods reflect the reorganization of our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS as if this reorganization occurred as of 1/1/20.
- 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 25. For the non-GAAP reconciliation of 2020 Adjusted pro forma results, refer to slide 29.

Pension Impact

(\$ millions)

	Current projections*				
	2020 Actual	2020 Adjusted pro forma	2021	2022	2023
<u>P&L impact</u>					
RMD/RIS Service cost	(\$354)	(\$477)	(\$405)	(\$375)	(\$200)
RMD/RIS CAS recovery	<u>\$1,460</u>	<u>\$1,987</u>	<u>\$2,080</u>	<u>\$1,750</u>	<u>\$1,300</u>
FAS/CAS operating adjustment	\$1,106	\$1,510	\$1,675	\$1,375	\$1,100
Non-service pension income	\$902	\$1,044	\$1,925	\$2,000	\$2,200
<u>Net cash</u>					
Gross funding	(\$1,303)	(\$1,357)	(\$370)	(\$425)	(\$375)
RMD/RIS CAS recovery	<u>\$1,460</u>	<u>\$1,987</u>	<u>\$2,080</u>	<u>\$1,750</u>	<u>\$1,300</u>
Net cash	\$157	\$630	\$1,710	\$1,325	\$925

* Current projections include pension and PRB for 2021 – 2023 and are strictly based on a weighted-average FAS discount rate of 2.5% 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 the discount rates under the Bipartisan Budget Act of 2015 and expanded interest rate stabilization included in the American Rescue Plan Act of 2021, which are approximately 4.9% for 2021, 5.4% for 2022, 5.2% for 2023.

Actual results will vary for 2021 – 2023 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.