



**Raytheon
Technologies**

**1Q 2022 Earnings
Conference Call**

April 26, 2022

Forward-Looking Statements

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

This webcast contains statements which, to the extent they are not statements of historical or present fact, constitute “forward-looking statements” under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide Raytheon Technologies Corporation (“RTC”) management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “goals,” “objectives,” “confident,” “on track” and other words of similar meaning. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax payments and rates, research and development spending, cost savings, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, other anticipated benefits to RTC of the United Technologies Corporation (“UTC”) acquisition of Rockwell Collins in 2018, the merger (the “merger”) between UTC and Raytheon Company (“Raytheon”) or the spin-offs by UTC of Otis Worldwide Corporation and Carrier Global Corporation into separate independent companies (the “separation transactions”), including estimated synergies and customer cost savings resulting from the merger and the anticipated benefits and costs of the separation transactions and other statements that are not solely historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of changes in global economic, capital market and political conditions in the U.S. and globally, such as from the global sanctions and export controls with respect to Russia, and any changes therein, including related to financial market conditions, fluctuations in commodity prices, 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 or the allocation of funds to governmental responses to COVID-19, a continuing resolution, a government shutdown, 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) 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 recovery from COVID-19; (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) 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; (8) the scope, nature, timing and challenges of managing acquisitions, investments, divestitures and other transactions, including the realization of synergies and opportunities for growth and innovation, the assumption of liabilities and other risks and incurrence of related costs and expenses; (9) compliance with legal, environmental, regulatory and other requirements, including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anticorruption requirements, such as the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations in the U.S. and other countries in which RTC and its businesses operate; (10) the outcome of pending, threatened and future legal proceedings, investigations and other contingencies, including those related to U.S. government audits and disputes; (11) factors that could impact RTC’s ability to engage in desirable capital-raising or strategic transactions, including its capital structure, levels of indebtedness, capital expenditures and research and development spending, and the availability of credit, credit market conditions and other factors; (12) uncertainties associated with the timing and scope of future repurchases by RTC of its common stock or declarations of cash dividends, which may be discontinued, accelerated, suspended or delayed at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (13) the risks relating to realizing expected benefits from RTC strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (14) the risks relating to the integration of legacy businesses of UTC and RTC as well as the merger, and the realization of the anticipated benefits of those transactions; (15) risks of additional tax exposures due to new tax legislation or other developments, in the U.S. and other countries in which RTC and its businesses operate; (16) the ability of RTC to attract, train and retain qualified personnel and maintain its culture and high ethical standards, and the ability of our personnel to continue to operate our facilities and businesses around the world; (17) risks relating to a RTC product safety failure or other failure affecting RTC’s or its customers’ or suppliers’ products or systems; (18) risks relating to cyber-attacks on RTC’s information technology infrastructure, products, suppliers, customers and partners, threats to RTC facilities and personnel, as well as other events outside of RTC’s control such as public health crises, damaging weather or other acts of nature; (19) the effect of changes in accounting estimates for our programs on our financial results; (20) the effect of changes in pension and other postretirement plan estimates and assumptions and contributions; (21) risks relating to an impairment of goodwill and other intangible assets; (22) the effects of climate change and changing climate-related regulations, customer and market demands, products and technologies; and (23) the intended qualification of (i) the merger as a tax-free reorganization and (ii) the separation transactions and other internal restructurings as tax-free to UTC and former UTC shareowners, in each case, for U.S. federal income tax purposes. 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 2022 Highlights

Sales **up 4%** organically with **220 bps** of adjusted segment margin expansion*

Adjusted EPS* **up 28%** versus prior year

Commercial aftermarket sales **up 38% year-over-year**

Returned **\$1.5B** of capital to shareowners; announced **7.8%** quarterly dividend increase

Recently delivered the first **LTAMDS** unit to the U.S. Army's test program

Achieved **~\$90M** of incremental gross merger cost synergies

Full Year Outlook

Sales **\$67.75B - \$68.75B**

Prior: \$68.5B - \$69.5B

Organic sales growth %* **6% - 8%**

Prior: 7% - 9%

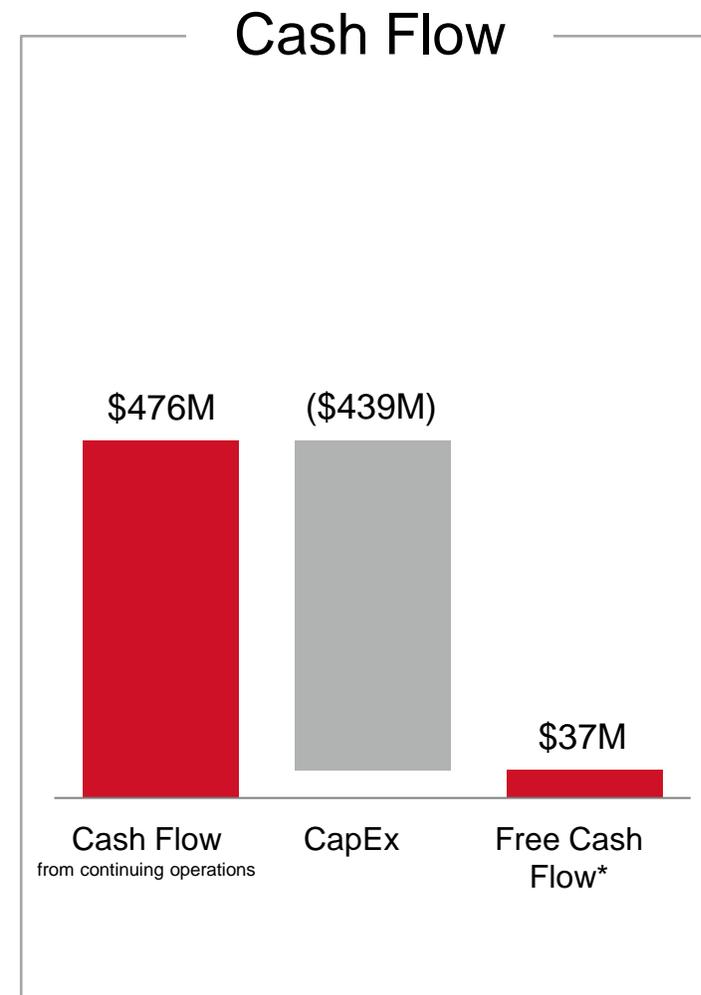
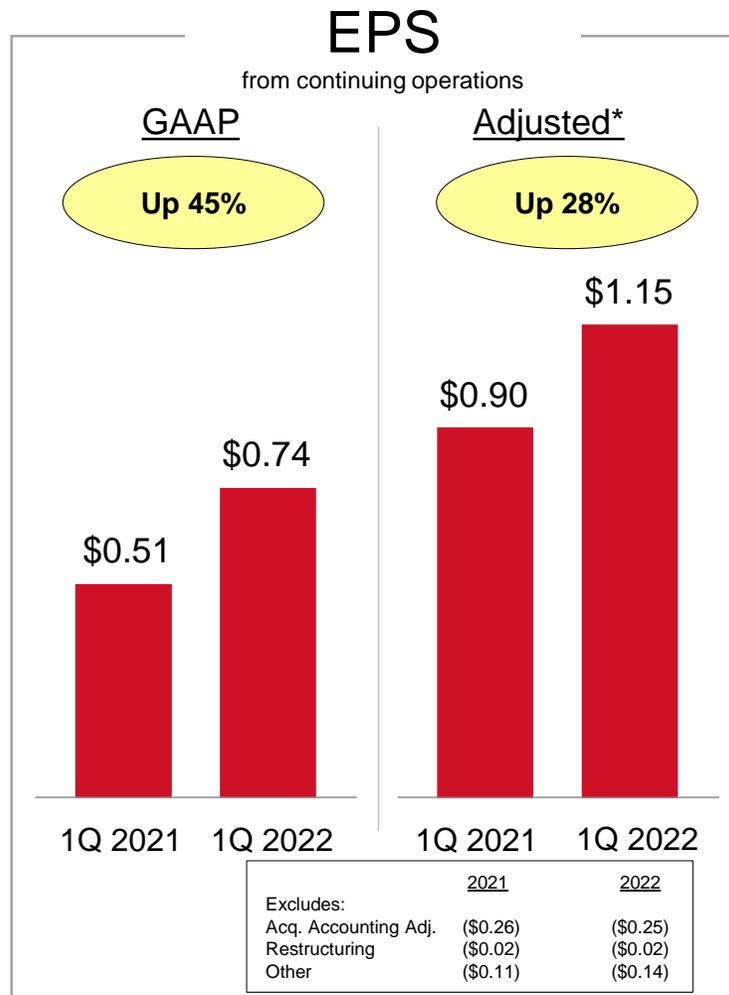
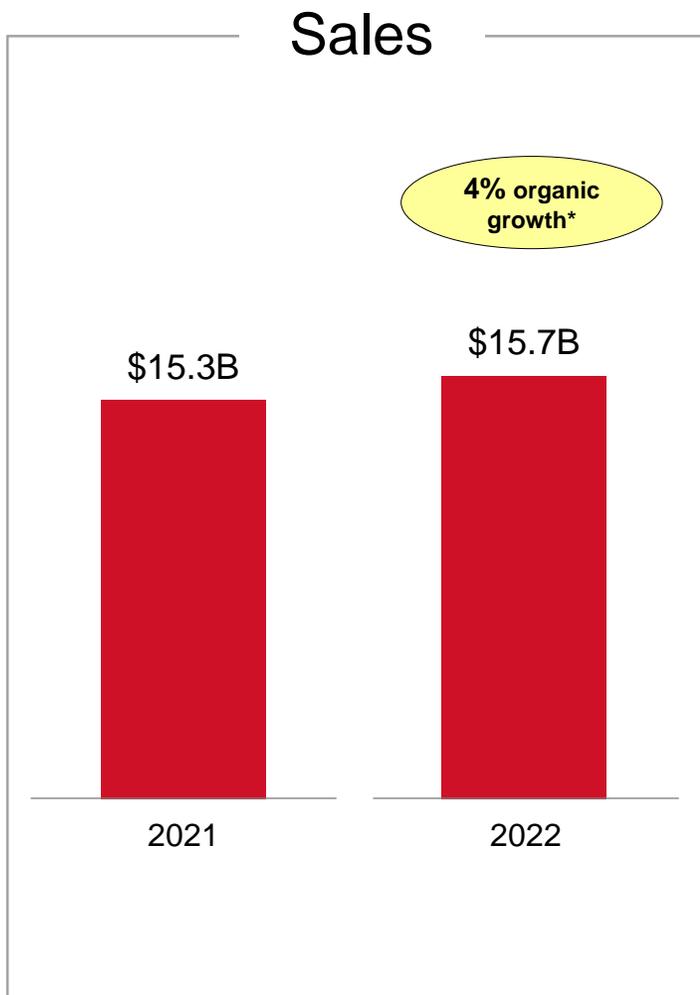
Adjusted EPS* **\$4.60 - \$4.80**

Free cash flow^{*,1} **~\$6.0B**

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

Solid performance during the quarter with momentum building through the balance of 2022

1Q 2022



Exceeded expectations on adjusted EPS and free cash flow

Collins Aerospace Segment Highlights

1Q 2022

(\$ millions)

| | Reported | Adjusted* | YOY Var.* |
|-------------------------|----------|-----------|-----------|
| Sales | 4,824 | 4,824 | 10% |
| Operating Profit | 440 | 584 | 76% |
| ROS | 9.1% | 12.1% | 450 bps |

- Organic sales* up 11%
- Adjusted sales* up 10%
 - Commercial aftermarket up 39%
 - Commercial OE up 12%
 - Military down 12%
- Adjusted operating profit* up 76%
 - Higher commercial aftermarket and OE sales
 - Lower military volume
 - Higher SG&A



Collins Aerospace entered into a long-term Maintenance Repair Overhaul (MRO) agreement with Singapore Airlines and Scoot, to support the Singapore Airlines Group fleet of 55 Boeing 787 aircraft. Through its FlightSense® program, Collins will provide the airlines with full lifecycle support for high-performance pool access, maintenance services and reliability upgrades.

Pratt & Whitney Segment Highlights

1Q 2022

(\$ millions)

| | Reported | Adjusted* | YOY Var.* |
|-------------------------|----------|-----------|-----------|
| Sales | 4,529 | 4,529 | 12% |
| Operating Profit | 151 | 308 | 670% |
| ROS | 3.3% | 6.8% | 580 bps |

- Organic sales* up 13%
- Adjusted sales* up 12%
 - Commercial aftermarket up 37%
 - Commercial OE up 12%
 - Military down 11%
- Adjusted operating profit* up 670%
 - Higher commercial aftermarket sales
 - Favorable large commercial OE mix and higher Pratt Canada OE volume
 - Higher SG&A and E&D
 - Lower military volume



Daher unveiled the newest member of its TBM family of single-engine turboprops. The TBM 960 is equipped with a Pratt & Whitney PT6E-66XT engine and has been certified by the European Aviation Safety Agency. Daher is working toward certification from the U.S. Federal Aviation Administration with delivery of the first production aircraft expected in the first half of 2022.

Raytheon Intelligence & Space Segment Highlights

1Q 2022

(\$ millions)

| | Reported | Adjusted* | YOY Var.* |
|-------------------------|----------|-----------|-----------|
| Sales | 3,572 | 3,572 | (5%) |
| Operating Profit | 378 | 378 | (3%) |
| ROS | 10.6% | 10.6% | 30 bps |

- Organic sales* in-line with prior year
- Adjusted sales* down 5%
 - Global Training and Services divestiture
- Adjusted operating profit* down 3%
 - Global Training and Services divestiture
 - Higher net program efficiencies
- 1Q book-to-bill ratio 0.80
 - \$1.1 billion of classified bookings
 - \$311 million for Next-Gen OPIR GEO
- Backlog \$17 billion



Raytheon Intelligence & Space completed thermal vacuum testing of the U.S. Space Force's Next-Generation Overhead Persistent Infrared Geosynchronous, Block 0 Payload, a key risk reduction milestone ensuring the satellite's sensor payload can survive in space.

Raytheon Missiles & Defense Segment Highlights

1Q 2022

(\$ millions)

| | Reported | Adjusted* | YOY Var.* |
|-------------------------|----------|-----------|-----------|
| Sales | 3,527 | 3,527 | (7%) |
| Operating Profit | 387 | 387 | (22%) |
| ROS | 11.0% | 11.0% | (210) bps |

- Organic sales* down 7%
- Adjusted sales* down 7%
 - Continuing supply chain constraints
 - Declines in Land Warfare and Air Defense
- Adjusted operating profit* down 22%
 - Lower net program efficiencies
 - Unfavorable mix
- 1Q book-to-bill ratio 1.18
 - \$1.2 billion of classified bookings, including a strategic competitive award
 - \$651 million for SPY-6 production and sustainment
 - \$384 million for Excalibur Rapid Demonstration Phase 2
- Backlog \$29 billion



Raytheon Missiles & Defense delivered the first Lower Tier Air & Missile Defense Sensor (LTAMDS) production representative unit, shipped from Andover, MA and arrived at the U.S. Army's White Sands Missile Range in early April.

2022 Environment

Positives

Commercial aero aftermarket

Narrowbody deliveries

Global defense spending

Cost reduction / synergies

Monitoring

International travel recovery

Global tax environment

Challenges

Supply chain / inflation

Labor availability

Global sanctions

2022 Outlook

| | <u>1Q Actual</u> | <u>Full Year Outlook</u> |
|-------------------------------|------------------|---|
| Sales | \$15.7B | \$67.75B - \$68.75B Prior: \$68.5B - \$69.5B |
| Organic sales growth%* | 4% | 6% - 8% Prior: 7% - 9% |
| Adjusted EPS* | \$1.15 | \$4.60 - \$4.80 |
| Free cash flow ^{*,1} | \$37M | ~ \$6.0B |

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

2022 Priorities

- ▶ Continued support of employees, customers and suppliers
- ▶ Invest in technology and product innovation to drive industry leadership
- ▶ Deliver RTX synergies
- ▶ Drive structural cost reduction
- ▶ Disciplined capital deployment

Focused on delivering on our long-term 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 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. Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions and the amortization of customer contractual obligations related to loss making or below market contracts acquired. Adjusted net income represents income (loss) from continuing operations attributable to common shareowners (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and other significant items. For the Business segments, when applicable, adjustments of net sales similarly reflect continuing operations excluding other significant items, organic sales similarly excludes the impact of foreign currency, acquisitions and divestitures, and other significant items, and adjustments of operating profit (loss) and operating profit margins (also referred to as return on sales (ROS)) similarly reflect continuing operations, excluding restructuring, acquisition accounting adjustments and other significant items.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing RTC's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of RTC's common stock and distribution of earnings to shareowners.

A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

When we provide our expectation for adjusted sales, organic sales growth, adjusted operating profit (loss), adjusted EPS, free cash flow, and adjusted tax rate on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected net sales, expected sales growth, expected operating profit (loss), expected EPS from continuing operations, expected cash flow from operations and expected tax rate respectively) generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

2022 Segment Outlook

(\$ millions)

| | | Reported Sales VPY % | Organic Sales VPY % | Adjusted Operating Profit VPY |
|--|-------------------------|---|---|-------------------------------------|
| Collins Aerospace | Current | Up low double digits | Up low double digits | \$650 - \$800 |
| Pratt & Whitney | Current <i>Prior</i> | Up high single to low double digits <i>Up low double digits</i> | Up high single to low double digits <i>Up low double digits</i> | \$500 - \$600 |
| Raytheon Intelligence & Space | Current | Down slightly | Up low single digit | Flat - \$50 |
| Raytheon Missiles & Defense | Current | Up low to mid single digit | Up low to mid single digit | \$150 - \$200 |

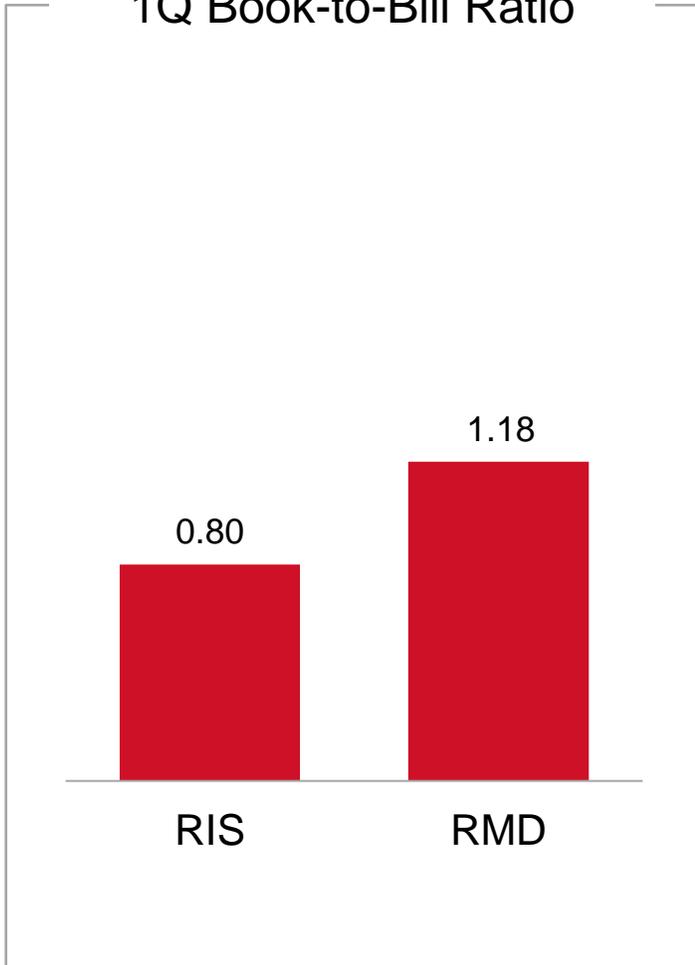
Additional 2022 Items

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

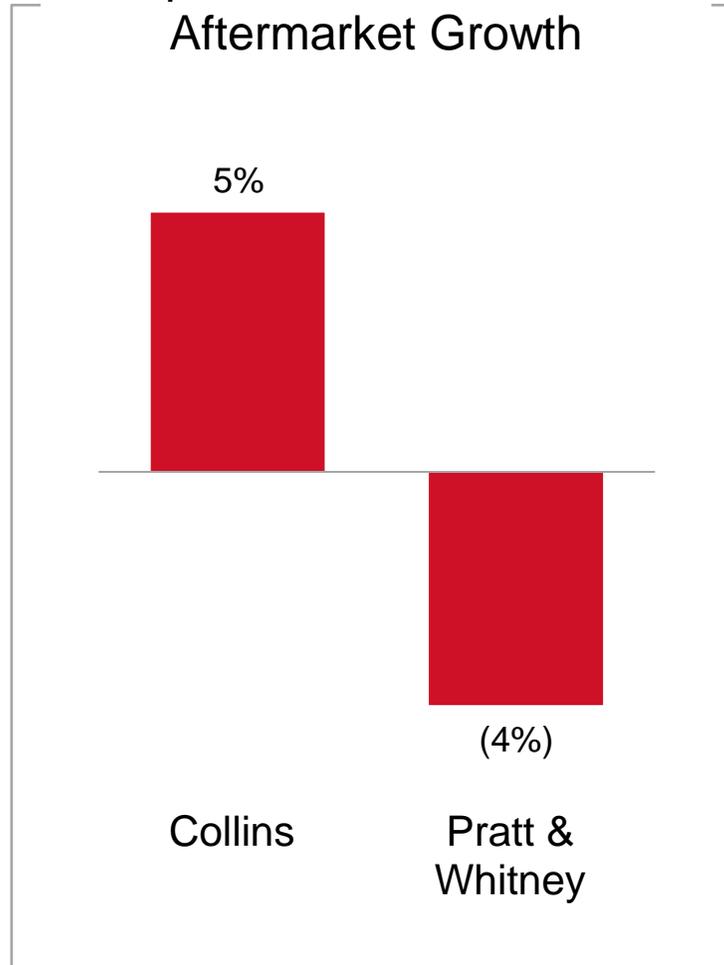
1) Assumes the legislation requiring R&D capitalization for tax purposes is deferred beyond 2022.

2022 Trends

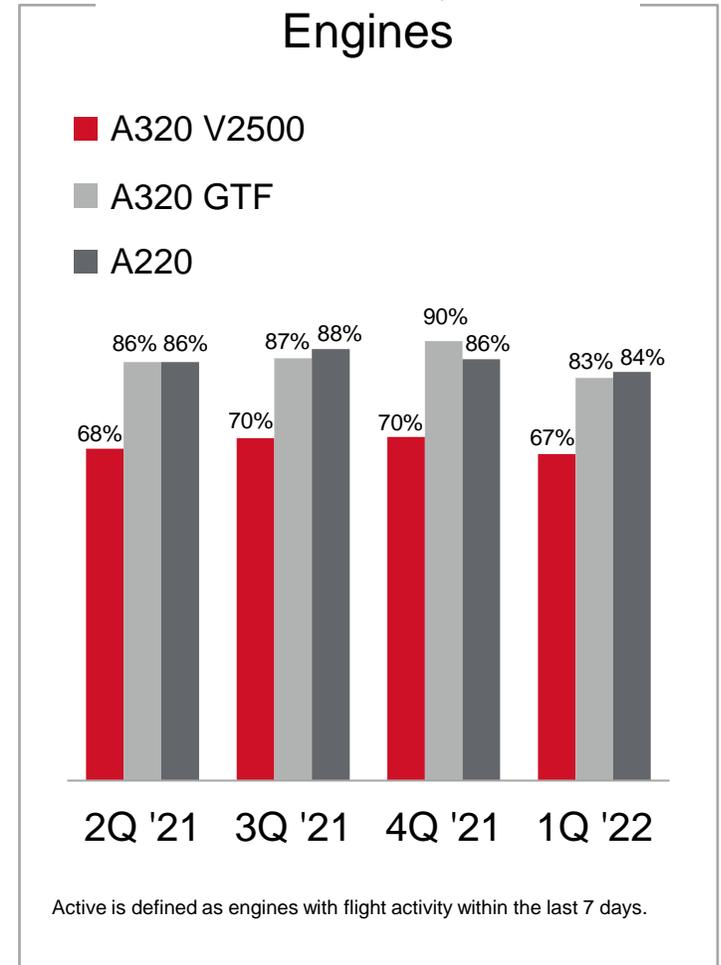
1Q Book-to-Bill Ratio



Sequential 1Q Commercial Aftermarket Growth



Pratt & Whitney Active Engines



Raytheon Technologies: P&W Engine Shipments to Customers

| | 2021 | | | | | 2022 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>FY</u> | <u>Q1</u> |
| Military | 44 | 61 | 58 | 55 | 218 | 60 |
| Large Commercial¹ | 137 | 144 | 165 | 177 | 623 | 119 |
| Pratt & Whitney Canada² | 396 | 467 | 475 | 487 | 1,825 | 455 |

1) Large commercial excludes industrial engine shipments

2) Excludes APUs

Raytheon Technologies: Free Cash Flow Reconciliation

(\$ millions)

| | 1Q 2022 |
|--|--------------|
| Net income from continuing operations | 1,126 |
| Depreciation & amortization | 1,014 |
| Change in working capital | (897) |
| Other | (767) |
| Cash flow from operations | <u>476</u> |
| Capital expenditures | <u>(439)</u> |
| Free cash flow | 37 |

1Q 2022: Raytheon Technologies Sales Reconciliation

| | Total Reported Growth | Organic | Acquisitions and Divestitures | Other ¹ |
|----------------------------|-----------------------|-----------|-------------------------------|--------------------|
| Collins Aerospace | 10% | 11% | - | (1%) |
| Pratt & Whitney | 12% | 13% | - | (1%) |
| RIS | (5%) | - | (5%) | - |
| RMD | (7%) | (7%) | - | - |
| Elims & Other | <u>4%</u> | <u>4%</u> | <u>-</u> | <u>-</u> |
| Total | 3% | 4% | (1%) | - |

1Q 2022: Raytheon Technologies Restructuring Costs

(\$ millions)

Restructuring impact to:

Operating profit

Collins Aerospace Systems

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

| | 2022 | 2021 | | | | |
|---|-------------|-------------|-------------|-------------|-------------|--------------|
| | Q1 2022 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
| | | | | | | |
| Collins Aerospace Systems | (3) | (18) | (12) | (2) | (8) | (40) |
| Pratt & Whitney | (2) | (20) | 16 | (2) | (1) | (7) |
| Raytheon Intelligence & Space | - | - | - | - | - | - |
| Raytheon Missiles & Defense | - | - | - | - | - | - |
| Total segments operating profit | (5) | (38) | 4 | (4) | (9) | (47) |
| Corporate expenses and other unallocated items | (39) | (5) | (60) | (15) | (16) | (96) |
| Eliminations and other | - | - | - | - | - | - |
| Total consolidated operating profit | (44) | (43) | (56) | (19) | (25) | (143) |
| Non-service pension income | 5 | - | - | - | - | - |
| Income from continuing operations before income taxes | (39) | (43) | (56) | (19) | (25) | (143) |

Raytheon Technologies: 2021 Reported to Adjusted

(\$ millions)

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

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 23 - 27. For the full reconciliation of our non-operating results, net income and EPS refer to slide 28.

Raytheon Technologies: 2022 Reported to Adjusted

(\$ millions)

| | Reported (Unaudited) Q1 2022 | Restructuring & Significant non- recurring and non- operational items ¹ Q1 2022 | Adjusted ¹ (Unaudited) Q1 2022 |
|--|------------------------------------|--|---|
| Net Sales | | | |
| Collins Aerospace Systems | \$ 4,824 | \$ - | \$ 4,824 |
| Pratt & Whitney | 4,529 | - | 4,529 |
| Raytheon Intelligence & Space | 3,572 | - | 3,572 |
| Raytheon Missiles & Defense | 3,527 | - | 3,527 |
| Total segment | 16,452 | - | 16,452 |
| Eliminations and other | (736) | - | (736) |
| Consolidated Net Sales | \$ 15,716 | \$ - | \$ 15,716 |
| Operating Profit | | | |
| Collins Aerospace Systems | \$ 440 | \$ (144) | \$ 584 |
| Pratt & Whitney | 151 | (157) | 308 |
| Raytheon Intelligence & Space | 378 | - | 378 |
| Raytheon Missiles & Defense | 387 | - | 387 |
| Total segment | 1,356 | (301) | 1,657 |
| Eliminations and other | (34) | 6 | (40) |
| Corporate expenses and other unallocated items | (136) | (39) | (97) |
| FAS/CAS operating adjustment | 378 | - | 378 |
| Acquisition accounting adjustments | (484) | (484) | - |
| Consolidated Operating Profit | \$ 1,080 | \$ (818) | \$ 1,898 |
| Non-service pension income | \$ (480) | \$ (5) | \$ (475) |
| Interest expense, net | 318 | - | 318 |
| Income from continuing operations before income taxes | 1,242 | (813) | 2,055 |
| Income tax expense | 116 | (182) | 298 |
| Net income from continuing operations | 1,126 | (631) | 1,757 |
| Less: Noncontrolling interest in subsidiaries' earnings from continuing operations | 23 | (11) | 34 |
| Income from continuing operations attributable to common shareowners | \$ 1,103 | \$ (620) | \$ 1,723 |
| Earnings per share from continuing operations attributable to common shareowners | | | |
| Basic earnings per share | \$ 0.74 | | \$ 1.16 |
| Diluted earnings per share | \$ 0.74 | | \$ 1.15 |
| Weighted average number of shares outstanding (millions) | | | |
| Basic shares | 1,486.8 | | 1,486.8 |
| Diluted shares | 1,497.9 | | 1,497.9 |

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 23 - 27. For the full reconciliation of our non-operating results, net income and EPS refer to slide 28.

Raytheon Technologies: Reconciliation of GAAP to Adjusted Collins Aerospace Systems

(\$ millions)

| | (Unaudited) | | (Unaudited) | | | |
|--|-------------|----------|-------------|----------|----------|-----------|
| | 2022 | 2021 | | | | |
| | Q1 2022 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
| Collins Aerospace Systems | | | | | | |
| Net sales | \$ 4,824 | \$ 4,370 | \$ 4,545 | \$ 4,592 | \$ 4,942 | \$ 18,449 |
| Adjusted net sales | \$ 4,824 | \$ 4,370 | \$ 4,545 | \$ 4,592 | \$ 4,942 | \$ 18,449 |
| Operating profit | \$ 440 | \$ 314 | \$ 506 | \$ 478 | \$ 461 | \$ 1,759 |
| Restructuring | (3) | (18) | (12) | (2) | (8) | (40) |
| Impairment charges and reserve adjustments related to Russia sanctions | (141) | - | - | - | - | - |
| Adjusted operating profit | \$ 584 | \$ 332 | \$ 518 | \$ 480 | \$ 469 | \$ 1,799 |
| Adjusted operating profit margin | 12.1% | 7.6% | 11.4% | 10.5% | 9.5% | 9.8% |
| Total Net Sales Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Profit Adjustments | \$ (144) | \$ (18) | \$ (12) | \$ (2) | \$ (8) | \$ (40) |

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Pratt & Whitney

(\$ millions)

| | (Unaudited) | | (Unaudited) | | | |
|--|-------------|----------|-------------|----------|----------|-----------|
| | 2022 | | 2021 | | | |
| | Q1 2022 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
| Pratt & Whitney | | | | | | |
| Net sales | \$ 4,529 | \$ 4,030 | \$ 4,280 | \$ 4,725 | \$ 5,115 | \$ 18,150 |
| Adjusted net sales | \$ 4,529 | \$ 4,030 | \$ 4,280 | \$ 4,725 | \$ 5,115 | \$ 18,150 |
| Operating profit | \$ 151 | \$ 20 | \$ 112 | \$ 187 | \$ 135 | \$ 454 |
| Restructuring | (2) | (20) | 16 | (2) | (1) | (7) |
| Impairment charges and reserve adjustments related to Russia sanctions | (155) | - | - | - | - | - |
| Litigation accrual | - | - | - | - | (26) | (26) |
| Adjusted operating profit | \$ 308 | \$ 40 | \$ 96 | \$ 189 | \$ 162 | \$ 487 |
| Adjusted operating profit margin | 6.8% | 1.0% | 2.2% | 4.0% | 3.2% | 2.7% |
| Total Net Sales Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Profit Adjustments | \$ (157) | \$ (20) | \$ 16 | \$ (2) | \$ (27) | \$ (33) |

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Intelligence & Space

(\$ millions)

| | (Unaudited) | | (Unaudited) | | | |
|---|-------------|----------|-------------|----------|----------|-----------|
| | 2022 | | 2021 | | | |
| | Q1 2022 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
| Raytheon Intelligence & Space | | | | | | |
| Net sales | \$ 3,572 | \$ 3,765 | \$ 3,805 | \$ 3,740 | \$ 3,870 | \$ 15,180 |
| Adjusted net sales | \$ 3,572 | \$ 3,765 | \$ 3,805 | \$ 3,740 | \$ 3,870 | \$ 15,180 |
| Operating profit | \$ 378 | \$ 388 | \$ 415 | \$ 391 | \$ 639 | \$ 1,833 |
| Gain on sale of business | - | - | - | - | 239 | 239 |
| Adjusted operating profit | \$ 378 | \$ 388 | \$ 415 | \$ 391 | \$ 400 | \$ 1,594 |
| Operating profit margin | 10.6% | 10.3% | 10.9% | 10.5% | 10.3% | 10.5% |
| Total Net Sales Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Profit Adjustments | \$ - | \$ - | \$ - | \$ - | \$ 239 | \$ 239 |

Raytheon Technologies: Reconciliation of GAAP to Adjusted

Raytheon Missiles & Defense

(\$ millions)

| | (Unaudited) | | (Unaudited) | | | |
|---|-------------|----------|-------------|----------|----------|-----------|
| | 2022 | | 2021 | | | |
| | Q1 2022 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
| Raytheon Missiles & Defense | | | | | | |
| Net sales | \$ 3,527 | \$ 3,793 | \$ 3,985 | \$ 3,902 | \$ 3,859 | \$ 15,539 |
| Adjusted net sales | \$ 3,527 | \$ 3,793 | \$ 3,985 | \$ 3,902 | \$ 3,859 | \$ 15,539 |
| Operating profit | \$ 387 | \$ 496 | \$ 532 | \$ 490 | \$ 486 | \$ 2,004 |
| Adjusted operating profit | \$ 387 | \$ 496 | \$ 532 | \$ 490 | \$ 486 | \$ 2,004 |
| Adjusted operating profit margin | 11.0% | 13.1% | 13.4% | 12.6% | 12.6% | 12.9% |
| Total Net Sales Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Profit Adjustments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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

(\$ millions)

| | (Unaudited) | (Unaudited) | | | | |
|---|-------------|-------------|----------|----------|----------|------------|
| | 2022 | 2021 | | | | |
| | Q1 2022 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
| Eliminations and other | | | | | | |
| Net sales | \$ (736) | \$ (707) | \$ (735) | \$ (746) | \$ (742) | \$ (2,930) |
| Operating loss | \$ (34) | \$ (31) | \$ (40) | \$ (27) | \$ (35) | \$ (133) |
| Impairment charges and reserve adjustments related to the Russia sanctions | 6 | - | - | - | - | - |
| Adjusted operating loss | \$ (40) | \$ (31) | \$ (40) | \$ (27) | \$ (35) | \$ (133) |
| Corporate and other unallocated items | | | | | | |
| Operating loss | \$ (136) | \$ (81) | \$ (149) | \$ (89) | \$ (233) | \$ (552) |
| Restructuring | (39) | (5) | (60) | (15) | (16) | (96) |
| Litigation accrual | - | - | - | - | (147) | (147) |
| Costs associated with the separation of the commercial businesses | - | (8) | - | - | - | (8) |
| Transaction and integration costs associated with the Raytheon Merger | - | (17) | - | - | - | (17) |
| Adjusted operating loss | \$ (97) | \$ (51) | \$ (89) | \$ (74) | \$ (70) | \$ (284) |
| FAS/CAS Operating Adjustment | | | | | | |
| Operating profit | \$ 378 | \$ 423 | \$ 425 | \$ 499 | \$ 449 | \$ 1,796 |
| Acquisition Accounting Adjustments | | | | | | |
| Operating loss | \$ (484) | \$ (516) | \$ (519) | \$ (586) | \$ (582) | \$ (2,203) |
| Acquisition accounting adjustments | (484) | (516) | (519) | (586) | (582) | (2,203) |
| Adjusted operating profit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Profit Adjustments - Eliminations and other | \$ 6 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Profit Adjustments - Corporate and other unallocated items | \$ (39) | \$ (30) | \$ (60) | \$ (15) | \$ (163) | \$ (268) |
| Total Operating Profit Adjustments - Acquisition accounting adjustments | \$ (484) | \$ (516) | \$ (519) | \$ (586) | \$ (582) | \$ (2,203) |

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

(\$ millions)

| | (Unaudited) | | (Unaudited) | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2022 | 2021 | | | | |
| | Q1 2022 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 |
| <i>Income (Expense)</i> | | | | | | |
| Income from continuing operations attributable to common shareowners | \$ 1,103 | \$ 772 | \$ 1,040 | \$ 1,400 | \$ 685 | \$ 3,897 |
| Total Restructuring included in Operating Profit | (44) | (43) | (56) | (19) | (25) | (143) |
| Total Acquisition accounting adjustments | (484) | (516) | (519) | (586) | (582) | (2,203) |
| Total Significant non-recurring and non-operational items included in Operating Profit ⁽¹⁾ | (290) | (25) | - | - | 66 | 41 |
| Debt extinguishment costs | - | - | - | (32) | (617) | (649) |
| <i>Significant non-recurring and non-operational items included in non-service pension income</i> | | | | | | |
| Non-service pension income | \$ 480 | \$ 491 | \$ 490 | \$ 491 | \$ 472 | \$ 1,944 |
| Pension curtailment / settlement | - | - | - | - | (29) | (29) |
| Pension curtailment / settlement related to the sale of businesses | - | - | - | - | 12 | 12 |
| Non-service pension restructuring | 5 | - | - | - | - | - |
| Adjusted non-service pension income | \$ 475 | \$ 491 | \$ 490 | \$ 491 | \$ 489 | \$ 1,961 |
| <i>Significant non-recurring and non-operational items included in Income Tax Expense</i> | | | | | | |
| Income tax expense | \$ (116) | \$ (345) | \$ (342) | \$ (3) | \$ (96) | \$ (786) |
| Tax effect of restructuring and significant non-recurring and non-operational items above | 182 | 134 | 123 | 141 | 137 | 535 |
| Tax impact from UK rate change | - | - | (73) | - | - | (73) |
| Tax impact from business disposals | - | (148) | - | - | 104 | (44) |
| Revaluation of certain international tax incentives | - | - | - | - | 51 | 51 |
| Revaluation of deferred taxes related to Raytheon merger | - | - | - | - | (30) | (30) |
| Adjusted income tax expense | \$ (298) | \$ (331) | \$ (392) | \$ (144) | \$ (358) | \$ (1,225) |
| <i>Significant non-recurring and non-operational items included in Noncontrolling Interest</i> | | | | | | |
| Noncontrolling interest in subsidiaries' earnings | \$ 23 | \$ 41 | \$ 48 | \$ 73 | \$ 86 | \$ 248 |
| Adjustments to noncontrolling interest | (11) | - | - | - | 16 | 16 |
| Adjusted Noncontrolling interest in subsidiaries' earnings | \$ 34 | \$ 41 | \$ 48 | \$ 73 | \$ 70 | \$ 232 |
| Less: Impact on net income attributable to common shareowners | (620) | (598) | (525) | (496) | (929) | (2,548) |
| Adjusted net income from continuing operations attributable to common shareowners | \$ 1,723 | \$ 1,370 | \$ 1,565 | \$ 1,896 | \$ 1,614 | \$ 6,445 |
| Diluted Earnings Per Share | \$ 0.74 | \$ 0.51 | \$ 0.69 | \$ 0.93 | \$ 0.46 | \$ 2.58 |
| Impact on Diluted Earnings Per Share | (0.41) | (0.39) | (0.34) | (0.33) | (0.62) | (1.69) |
| Adjusted Diluted Earnings Per Share | \$ 1.15 | \$ 0.90 | \$ 1.03 | \$ 1.26 | \$ 1.08 | \$ 4.27 |
| Total Non-service pension income adjustments | \$ 5 | \$ - | \$ - | \$ - | \$ (17) | \$ (17) |
| Total Income tax adjustments | \$ 182 | \$ (14) | \$ 50 | \$ 141 | \$ 262 | \$ 439 |

1: Refer to slides 23 - 27 for individual operating profit adjustments.