



**Raytheon**  
**Technologies**

**2Q 2021 Earnings**  
**Conference Call**

July 27, 2021

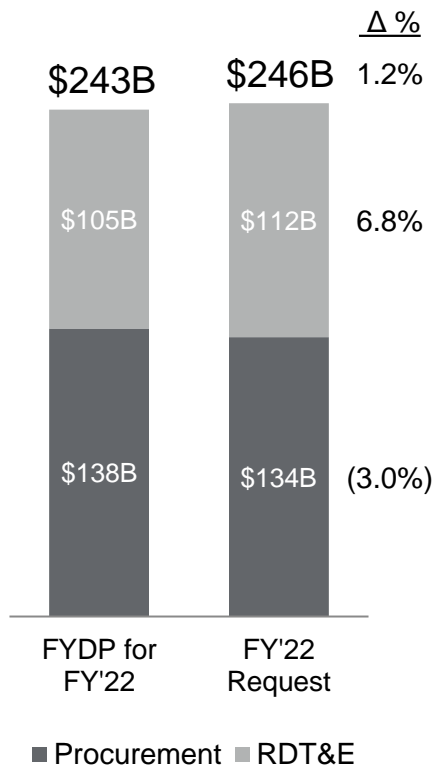
# Forward-Looking Statements







**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’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 the impact of the coronavirus disease 2019 (COVID-19) pandemic on global air travel and commercial and business activities which have not yet fully recovered to pre-pandemic levels, and that the timing and extent of such recovery may be impacted by factors including the distribution, acceptance and efficacy of vaccines, emerging coronavirus variants and additional outbreaks) 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 those that may be enacted by the current U.S. Congress and/or other changes still to come as a result of U.S. tax reform enacted on December 22, 2017, 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 shareholders, 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.

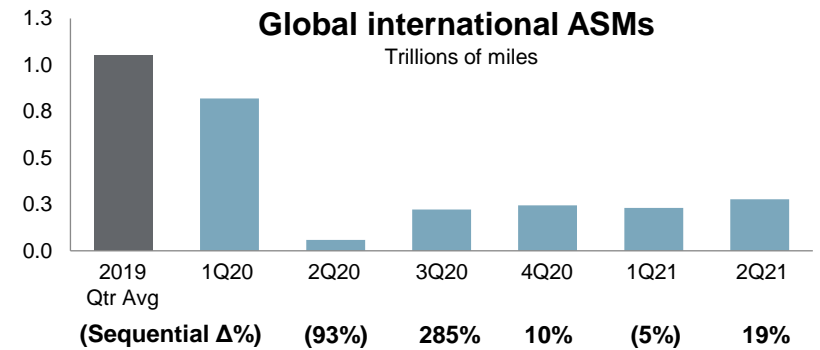
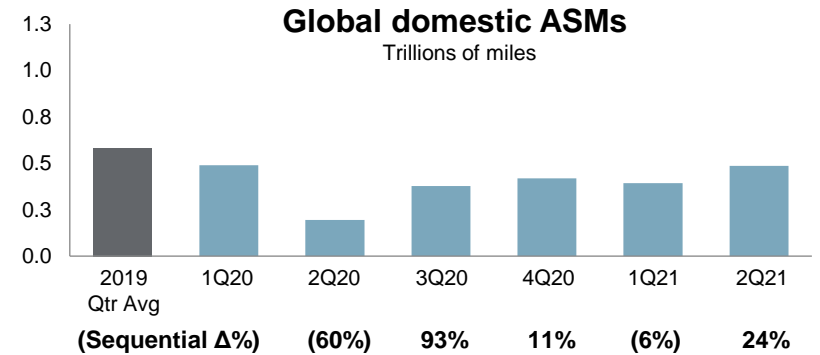
# Macro Environment

## U.S. DoD Modernization Budget



<b>RDT&amp;E programs</b>		
 LTAMDS	 Long-Range Standoff	 Next-Gen Interceptor
<b>Procurement programs</b>		
 SM-3	 F-35	 F-15EX

## Commercial Air Traffic



Source: IATA

Defense programs well aligned to the Administration's priorities; continued commercial aero recovery

# 2Q 2021 Highlights

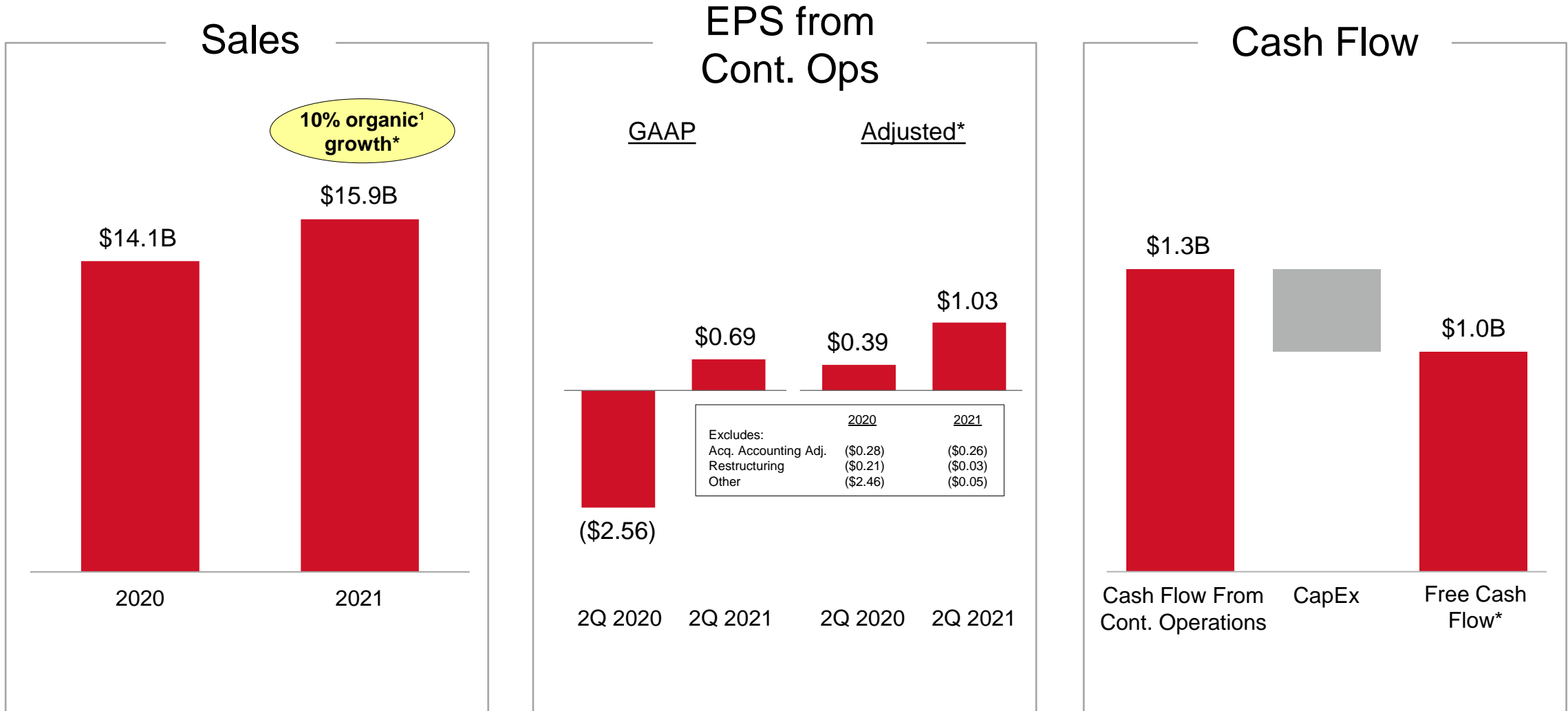
- Strong financial performance
- Commercial aftermarket momentum building
- Continued defense growth
- Repurchased \$632M of RTX shares
- RTX backlog of \$152B; defense \$66B
- Defense book-to-bill of 1.12 driven by key franchise awards
- Raising gross merger synergies by \$200M to \$1.5B in the four years following the merger

	<u>Full Year Outlook</u>	
Sales	\$64.4B - \$65.4B	↑
Organic sales growth % <sup>1</sup>	1% - 3%	✓
Adjusted EPS*	\$3.85 - \$4.00	↑
Free cash flow*	\$4.5B - \$5.0B	↑

## Raising full year sales, adjusted EPS and 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 30 (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.

# 2Q 2021



**Strong sales, adjusted EPS and free cash flow growth**



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 30 (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 20.

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

# Collins Aerospace Segment Highlights

2Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
<b>Sales</b>	4,545	4,545	6%
<b>Operating Profit</b>	506	518	2,058%
<b>ROS</b>	11.1%	11.4%	1,080 bps

- Organic sales\* up 11%
- Adjusted sales\* up 6%
  - Commercial aftermarket up 24%
  - Commercial OEM up 8%
  - Military down 7% (down 1% ex-divestitures and FX)
- Adjusted operating profit\* up 2,058%
  - Higher commercial aftermarket and OEM sales
  - Cost reduction tailwinds and synergy capture
  - Favorable contract settlements



Collins Aerospace is expanding its longstanding support agreement for Air China's aircraft fleet to include next-generation Boeing and Airbus aircraft and additional aircraft systems. The new agreement signed with Ameco — a leading aircraft maintenance and engineering cooperation that supports Air China's fleet — builds on the existing support agreement for avionics onboard all of the airline's Boeing and Airbus aircraft. Under the newly expanded power by the hour program, Air China will receive OEM-quality repairs, parts and upgrades which provides confidence in the safety and reliability of Air China's aircraft.

# Pratt & Whitney Segment Highlights

2Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
<b>Sales</b>	4,280	4,280	19%
<b>Operating Profit</b>	112	96	NM
<b>ROS</b>	2.6%	2.2%	640 bps

- Organic sales\* up 21%
- Adjusted sales\* up 19%
  - Commercial aftermarket up 41%
  - Commercial OEM up 30%
  - Military down 3%
- Adjusted operating profit\*
  - Higher commercial aftermarket sales
  - Aftermarket mix tailwind

Note: NM = not meaningful



The Swiss Federal Council announced on June 30th that it selected the F-35 Lightning II - powered by Pratt & Whitney's F135 engine. The F-35 will replace the Swiss Air Force's aging F/A-18 Hornets and F-5 Tiger IIs. The Swiss Air Force will procure a total of 36 F-35A aircraft and 37 F135 engines. Switzerland is the 15th nation to join the F-35 program of record.

# Raytheon Intelligence & Space Segment Highlights

2Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
<b>Sales</b>	3,805	3,805	12%
<b>Operating Profit</b>	415	415	34%
<b>ROS</b>	10.9%	10.9%	180 bps

- Organic sales\* up 5%
- Adjusted sales\* up 12%
  - Pre-merger stub period
  - Higher volume in sensing and effects and cyber, training and services
- Adjusted operating profit\* up 34%
  - Program efficiencies
- 2Q book-to-bill ratio 1.13; YTD book-to-bill 1.11
  - \$1.1 billion of classified bookings
  - \$365 million for the STARS program
  - \$172 million for the Next Generation Jammer Mid-Band
- Backlog \$19.4B



Air Traffic Controllers in Terminal Radar Approach Control stations use STARS to provide safe and efficient aircraft spacing and sequencing guidance for departing and arriving aircraft in airports and U.S. military terminal areas. Raytheon Intelligence & Space is partnering with both the Federal Aviation Administration and the Department of Defense to implement the terminal automation systems in airports as part of the FAA's NextGen modernization plan for the National Airspace System.



# Raytheon Missiles & Defense Segment Highlights

2Q 2021

(\$ millions)

	Reported	Adjusted*	YOY Var.*
<b>Sales</b>	3,985	3,985	15%
<b>Operating Profit</b>	532	532	38%
<b>ROS</b>	13.4%	13.4%	220 bps

- Organic sales\* up 7%
- Adjusted sales\* up 15%
  - Pre-merger stub period
  - Higher volume on an international Patriot program and StormBreaker
- Adjusted operating profit\* up 38%
  - Favorable mix
  - Program efficiencies
- 2Q book-to-bill ratio 1.55; YTD book-to-bill 1.12
  - ~\$2 billion for the Long-Range Standoff Weapon System
  - \$1.3 billion for the Next Generation Interceptor
- Backlog \$29.7B



The new AMRAAM AIM-120D-3 missile flew over the Point Mugu Sea Test Range in a recent, successful live-fire test. The F3R variant (Form, Fit, Function Refresh) will deliver additional capabilities, including hardware and software upgrades, to address advanced threats.

# Current Environment

## Commercial

- Monitoring international border re-openings and COVID variants
- Continued growth in RPMs and load factors throughout the year
- Sequential aftermarket growth

## Defense

- Backlog of \$66.1B; Q2 book-to-bill 1.12
- Well positioned in high growth areas
- Key franchise wins

## Operational excellence and cost reduction









- Continuous progress on synergies and structural cost reduction
- Increased gross merger synergies by \$200M to \$1.5B<sup>1</sup>
- Implementing CORE operating system

## Disciplined capital allocation

- On track to repurchase \$2B of RTX shares in 2021
- Repurchased \$632 million of RTX shares during 2Q 2021
- \$20B+ capital return to shareowners<sup>1</sup>; returned \$4.6B to date

<sup>1</sup>) In the four years following the merger.

# 2021 Outlook

	<u>2Q Actual</u>	<u>Full Year Outlook</u>
Sales	\$15.9B 	\$64.4B - \$65.4B  Prior \$63.9 - \$65.4B
Organic sales growth% <sup>*,1</sup>	10% 	1% - 3% 
Adjusted EPS*	\$1.03 	\$3.85 - \$4.00  Prior: \$3.50 - \$3.70
Free cash flow*	\$1.0B 	\$4.5B - \$5.0B  Prior: ~\$4.5B

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# 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 operational excellence and continued structural cost reduction
- Disciplined capital deployment and maintain strong balance sheet

Well positioned to deliver significant long-term value



**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. 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.

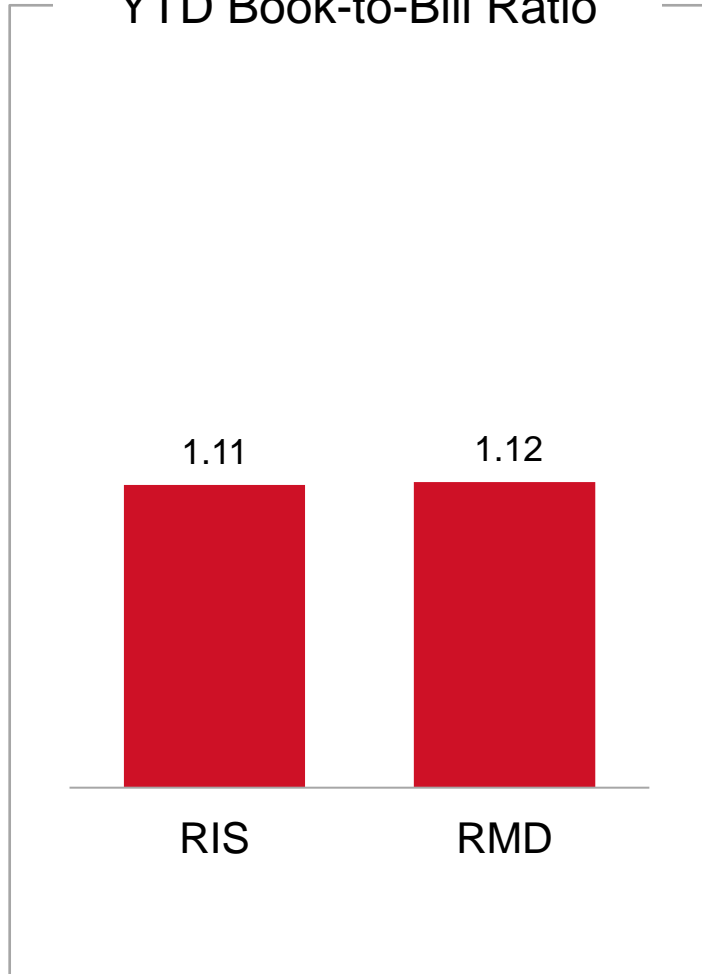
Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing RTC’s ability to fund its activities, including the financing 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.

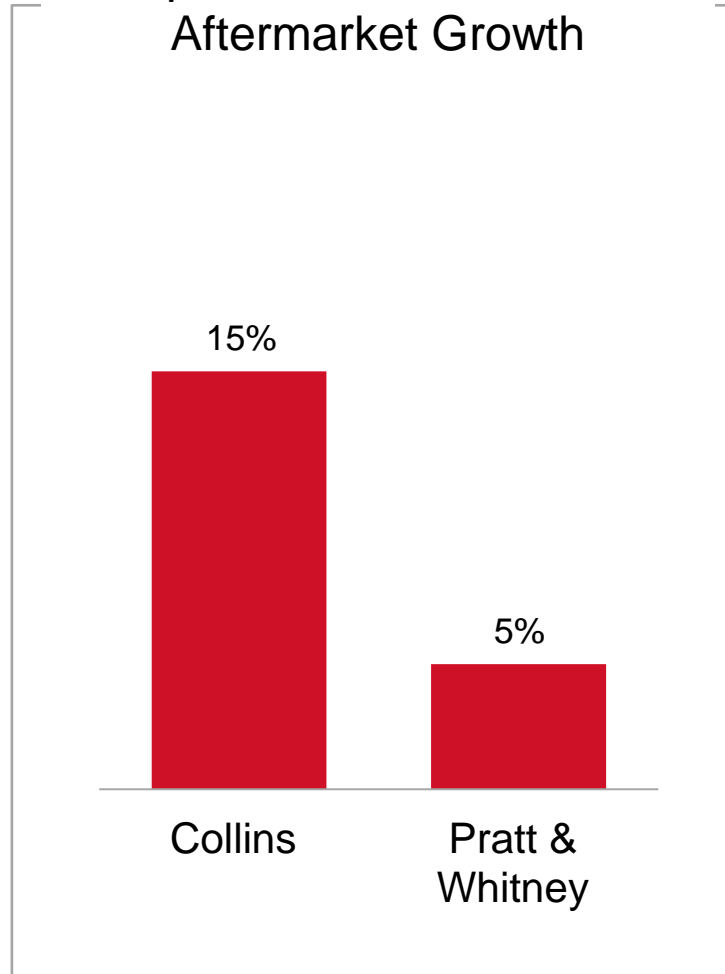
When we provide our expectation for adjusted sales, organic sales growth, adjusted operating profit (loss), adjusted EPS, free cash flow, and adjusted tax rate on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures (expected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

# 2Q 2021 Quarterly Trends

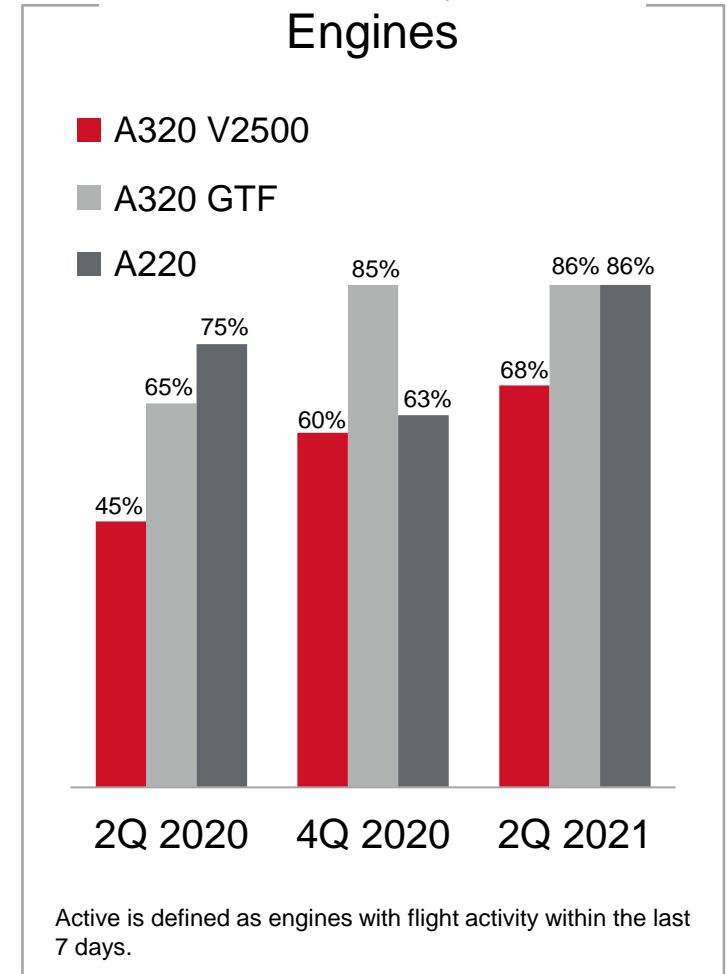
YTD Book-to-Bill Ratio



Sequential 2Q Commercial Aftermarket Growth



Pratt & Whitney Active Engines







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



# 2021 Segment Outlook\*

(\$ millions)

	Full Year	Adjusted Sales <sup>1</sup> VPY %	Adjusted Operating Profit <sup>1</sup> VPY
<b>Collins Aerospace</b>	Current <i>Prior</i>	down mid to low single	\$100 - \$275 (\$200) - \$25 
<b>Pratt &amp; Whitney</b>	Current <i>Prior</i>	up low to mid single	(\$50) - \$25 (\$75) - \$25 
<b>Raytheon Intelligence &amp; Space<sup>2,3</sup></b>	Current <i>Prior</i>	up low to mid single	\$150 - \$175 \$125 - \$175 
<b>Raytheon Missiles &amp; Defense<sup>2,3</sup></b>	Current <i>Prior</i>	up low to mid single	\$50 - \$75 \$25 - \$75 

1) See slide 30 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>
<b>Adjusted Tax Rate*</b>	~19%	~16%
<b>Interest Expense</b>	~\$1,400M	~\$1,400M
<b>Corporate Expense and Other Unallocated Items</b>	~\$425M	~\$375M
<b>FAS/CAS Operating Adjustment</b>	~\$1,675M	~\$1,675M
<b>Non-Service Pension Benefit</b>	~\$1,925M	~\$1,925M
<b>Capex Spending</b>	~\$2,500M	\$2,400M - \$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>	<u>Q2</u>
<b>Military</b>	48	72	59	62	241	44	61
<b>Large Commercial<sup>1</sup></b>	211	92	114	129	546	137	144
<b>Pratt &amp; Whitney Canada<sup>2</sup></b>	466	393	379	412	1,650	396	467

1) Large commercial excludes industrial engine shipments

2) Excludes APUs

# Raytheon Technologies: Free Cash Flow Reconciliation

(\$ millions)

	2Q 2021
<b>Net income attributable to common shareowners from continuing operations</b>	1,088
<b>Depreciation &amp; amortization</b>	1,132
<b>Change in working capital</b>	(499)
<b>Other</b>	<u>(395)</u>
<b>Cash flow from operations</b>	1,326
<b>Capital expenditures</b>	<u>(360)</u>
<b>Free cash flow</b>	966

# 2Q 2021: Raytheon Technologies Sales Reconciliation

	Total Reported Growth	Organic	Acquisitions and Divestitures	Other <sup>1</sup>
<b>Collins Aerospace</b>	8%	11%	(4%)	1%
<b>Pratt &amp; Whitney</b>	23%	21%	-	2%
<b>RIS</b>	12%	5%	7%	-
<b>RMD</b>	14%	7%	6%	1%
<b>Elims &amp; Other</b>	<u>41%</u>	<u>15%</u>	<u>26%</u>	<u>-</u>
<b>Total</b>	<b>13%</b>	<b>11%</b>	<b>1%</b>	<b>1%</b>

Organic sales growth on an adjusted pro forma basis	
Total reported growth	13%
Raytheon Merger pro forma adjustments	(3%)
Acquisitions and Divestitures	2%
Other	(2%)
<b>Total organic sales growth (adjusted pro forma basis)</b>	<b>10%</b>

1) Includes the impact of foreign currency translation

# 2Q 2021: Raytheon Technologies Restructuring Costs

(\$ millions)

	2021			2020				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<b>Restructuring impact to:</b>								
Operating profit								
Collins Aerospace Systems	(18)	(12)	(30)	(6)	(151)	(138)	(65)	(360)
Pratt & Whitney	(20)	16	(4)	-	(107)	(63)	(10)	(180)
Raytheon Intelligence & Space	-	-	-	-	-	-	-	-
Raytheon Missiles & Defense	-	-	-	-	-	-	-	-
Total segments operating profit	(38)	4	(34)	(6)	(258)	(201)	(75)	(540)
Corporate expenses and other unallocated items	(5)	(60)	(65)	(2)	(169)	(21)	(16)	(208)
Eliminations and other	-	-	-	-	-	(23)	3	(20)
Total consolidated operating profit	(43)	(56)	(99)	(8)	(427)	(245)	(88)	(768)
Non-service pension benefit	-	-	-	-	-	(5)	(4)	(9)
Income from continuing operations before income taxes	<b>(43)</b>	<b>(56)</b>	<b>(99)</b>	<b>(8)</b>	<b>(427)</b>	<b>(250)</b>	<b>(92)</b>	<b>(777)</b>

# Raytheon Technologies: 2020 Reported to Adjusted

(\$ millions)

	Reported <sup>1</sup> (Unaudited)					Restructuring & Significant non-recurring and non-operational items <sup>2</sup>					Adjusted <sup>2</sup> (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
<b>Net Sales</b>															
Collins Aerospace Systems	\$ 6,438	\$ 4,202	\$ 4,274	\$ 4,374	\$ 19,288	\$ (22)	\$ (96)	\$ (4)	\$ (14)	\$ (136)	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney	5,353	3,487	3,494	4,465	16,799	22	(120)	(296)	(31)	(425)	5,331	3,607	3,790	4,496	17,224
Raytheon Intelligence & Space	-	3,387	3,749	3,933	11,069	-	-	-	-	-	-	3,387	3,749	3,933	11,069
Raytheon Missiles & Defense	-	3,506	3,706	4,184	11,396	-	54	65	(119)	-	-	3,452	3,641	4,303	11,396
Total segment	11,791	14,582	15,223	16,956	58,552	-	(162)	(235)	(164)	(561)	11,791	14,744	15,458	17,120	59,113
Eliminations and other	(431)	(521)	(476)	(537)	(1,965)	-	-	-	-	-	(431)	(521)	(476)	(537)	(1,965)
<b>Consolidated Net Sales</b>	<b>11,360</b>	<b>14,061</b>	<b>14,747</b>	<b>16,419</b>	<b>56,587</b>	<b>-</b>	<b>(162)</b>	<b>(235)</b>	<b>(164)</b>	<b>(561)</b>	<b>11,360</b>	<b>14,223</b>	<b>14,982</b>	<b>16,583</b>	<b>57,148</b>
<b>Operating Profit</b>															
Collins Aerospace Systems	1,246	(317)	526	11	1,466	(38)	(341)	453	(78)	(4)	1,284	24	73	89	1,470
Pratt & Whitney	475	(457)	(615)	33	(564)	(40)	(306)	(572)	(72)	(990)	515	(151)	(43)	105	426
Raytheon Intelligence & Space	-	309	350	361	1,020	-	-	-	-	-	-	309	350	361	1,020
Raytheon Missiles & Defense	-	398	449	33	880	-	12	18	(546)	(516)	-	386	431	579	1,396
Total segment	1,721	(67)	710	438	2,802	(78)	(635)	(101)	(696)	(1,510)	1,799	568	811	1,134	4,312
Eliminations and other	(25)	(27)	(49)	(6)	(107)	-	-	(23)	3	(20)	(25)	(27)	(26)	(9)	(87)
Corporate expenses and other unallocated items	(130)	(277)	(84)	(99)	(590)	(31)	(253)	(74)	(38)	(396)	(99)	(24)	(10)	(61)	(194)
FAS/CAS operating adjustment	-	356	380	370	1,106	-	-	-	-	-	-	356	380	370	1,106
Acquisition accounting adjustments	(271)	(3,745)	(523)	(561)	(5,100)	(271)	(3,745)	(523)	(561)	(5,100)	-	-	-	-	-
<b>Consolidated Operating Profit</b>	<b>1,295</b>	<b>(3,760)</b>	<b>434</b>	<b>142</b>	<b>(1,889)</b>	<b>(380)</b>	<b>(4,633)</b>	<b>(721)</b>	<b>(1,292)</b>	<b>(7,026)</b>	<b>1,675</b>	<b>873</b>	<b>1,155</b>	<b>1,434</b>	<b>5,137</b>
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
<b>Income (loss) from continuing operations attributable to common shareowners</b>	<b>\$ 438</b>	<b>\$ (3,844)</b>	<b>\$ 151</b>	<b>\$ 146</b>	<b>\$ (3,109)</b>	<b>\$ (713)</b>	<b>\$ (4,427)</b>	<b>\$ (704)</b>	<b>\$ (976)</b>	<b>\$ (6,820)</b>	<b>\$ 1,151</b>	<b>\$ 583</b>	<b>\$ 855</b>	<b>\$ 1,122</b>	<b>\$ 3,711</b>
Earnings (loss) per share from continuing operations attributable to common shareowners															
Basic earnings (loss) per share	\$ 0.51	\$ (2.56)	\$ 0.10	\$ 0.10	\$ (2.29)						\$ 1.34	\$ 0.39	\$ 0.57	\$ 0.74	\$ 2.73
Diluted earnings (loss) per share	\$ 0.50	\$ (2.56)	\$ 0.10	\$ 0.10	\$ (2.29)						\$ 1.33	\$ 0.39	\$ 0.56	\$ 0.74	\$ 2.73
Weighted average number of shares outstanding (millions)															
Basic shares	858.4	1,501.3	1,511.5	1,512.3	1,357.8						858.4	1,501.3	1,511.5	1,512.3	1,357.8
Diluted shares	865.8	1,501.3	1,514.2	1,515.4	1,357.8						865.8	1,503.7	1,514.2	1,515.4	1,361.7

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

2: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 24 - 28. For the full reconciliation of our non-operating results, net income and EPS refer to slide 29.

# Raytheon Technologies: 2021 Reported to Adjusted

(\$ millions)

	Reported (Unaudited)			Restructuring & Significant non-recurring and non- operational items <sup>1</sup>			Adjusted <sup>1</sup> (Unaudited)		
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2021	Q2 2021	Q2 YTD 2021
<b>Net Sales</b>									
Collins Aerospace Systems	\$ 4,370	\$ 4,545	\$ 8,915	\$ -	\$ -	\$ -	\$ 4,370	\$ 4,545	\$ 8,915
Pratt & Whitney	4,030	4,280	8,310	-	-	-	4,030	4,280	8,310
Raytheon Intelligence & Space	3,765	3,805	7,570	-	-	-	3,765	3,805	7,570
Raytheon Missiles & Defense	3,793	3,985	7,778	-	-	-	3,793	3,985	7,778
Total segment	15,958	16,615	32,573	-	-	-	15,958	16,615	32,573
Eliminations and other	(707)	(735)	(1,442)	-	-	-	(707)	(735)	(1,442)
<b>Consolidated Net Sales</b>	<b>\$ 15,251</b>	<b>\$ 15,880</b>	<b>\$ 31,131</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,251</b>	<b>\$ 15,880</b>	<b>\$ 31,131</b>
<b>Operating Profit</b>									
Collins Aerospace Systems	\$ 314	\$ 506	\$ 820	\$ (18)	\$ (12)	\$ (30)	\$ 332	\$ 518	\$ 850
Pratt & Whitney	20	112	132	(20)	16	(4)	40	96	136
Raytheon Intelligence & Space	388	415	803	-	-	-	388	415	803
Raytheon Missiles & Defense	496	532	1,028	-	-	-	496	532	1,028
Total segment	1,218	1,565	2,783	(38)	4	(34)	1,256	1,561	2,817
Eliminations and other	(31)	(40)	(71)	-	-	-	(31)	(40)	(71)
Corporate expenses and other unallocated items	(81)	(149)	(230)	(30)	(60)	(90)	(51)	(89)	(140)
FAS/CAS operating adjustment	423	425	848	-	-	-	423	425	848
Acquisition accounting adjustments	(516)	(519)	(1,035)	(516)	(519)	(1,035)	-	-	-
<b>Consolidated Operating Profit</b>	<b>\$ 1,013</b>	<b>\$ 1,282</b>	<b>\$ 2,295</b>	<b>\$ (584)</b>	<b>\$ (575)</b>	<b>\$ (1,159)</b>	<b>\$ 1,597</b>	<b>\$ 1,857</b>	<b>\$ 3,454</b>
Non-service pension benefit	\$ (491)	\$ (490)	\$ (981)	\$ -	\$ -	\$ -	\$ (491)	\$ (490)	\$ (981)
Interest expense, net	346	342	688	-	-	-	346	342	688
Income (loss) from continuing operations before income taxes	1,158	1,430	2,588	(584)	(575)	(1,159)	1,742	2,005	3,747
Income tax expense (benefit)	345	342	687	14	(50)	(36)	331	392	723
Net income (loss) from continuing operations	813	1,088	1,901	(598)	(525)	(1,123)	1,411	1,613	3,024
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	48	89	-	-	-	41	48	89
<b>Income (loss) from continuing operations attributable to common shareowners</b>	<b>\$ 772</b>	<b>\$ 1,040</b>	<b>\$ 1,812</b>	<b>\$ (598)</b>	<b>\$ (525)</b>	<b>\$ (1,123)</b>	<b>\$ 1,370</b>	<b>\$ 1,565</b>	<b>\$ 2,935</b>
<b>Earnings (loss) per share from continuing operations attributable to common shareowners</b>									
Basic earnings (loss) per share	\$ 0.51	\$ 0.69	\$ 1.20				\$ 0.91	\$ 1.04	\$ 1.95
Diluted earnings (loss) per share	\$ 0.51	\$ 0.69	\$ 1.20				\$ 0.90	\$ 1.03	\$ 1.94
<b>Weighted average number of shares outstanding (millions)</b>									
Basic shares	1,511.1	1506.4	1508.7				1,511.1	1,506.4	1,508.7
Diluted shares	1,514.1	1513.5	1513.7				1,514.1	1,513.5	1,513.7

1: For the full non-GAAP reconciliation of our segment sales and operating profit, refer to slides 24 - 28. For the full reconciliation of our non-operating results, net income and EPS refer to slide 29.



# Raytheon Technologies: Reconciliation of GAAP to Adjusted Collins Aerospace Systems

(\$ millions)

	(Unaudited)			(Unaudited)				
	2021			2020				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<b>Collins Aerospace Systems</b>								
Net sales	\$ 4,370	\$ 4,545	\$ 8,915	\$ 6,438	\$ 4,202	\$ 4,274	\$ 4,374	\$ 19,288
Significant unfavorable contract adjustments	-	-	-	(22)	(96)	(4)	(14)	(136)
<b>Adjusted net sales</b>	<b>\$ 4,370</b>	<b>\$ 4,545</b>	<b>\$ 8,915</b>	<b>\$ 6,460</b>	<b>\$ 4,298</b>	<b>\$ 4,278</b>	<b>\$ 4,388</b>	<b>\$ 19,424</b>
Operating profit	\$ 314	\$ 506	\$ 820	\$ 1,246	\$ (317)	\$ 526	\$ 11	\$ 1,466
Restructuring	(18)	(12)	(30)	(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
<b>Adjusted operating profit</b>	<b>\$ 332</b>	<b>\$ 518</b>	<b>\$ 850</b>	<b>\$ 1,284</b>	<b>\$ 24</b>	<b>\$ 73</b>	<b>\$ 89</b>	<b>\$ 1,470</b>
Adjusted operating profit margin	7.6%	11.4%	9.5%	19.9%	0.6%	1.7%	2.0%	7.6%
<b>Total Net Sales Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (22)</b>	<b>\$ (96)</b>	<b>\$ (4)</b>	<b>\$ (14)</b>	<b>\$ (136)</b>
<b>Total Operating Profit Adjustments</b>	<b>\$ (18)</b>	<b>\$ (12)</b>	<b>\$ (30)</b>	<b>\$ (38)</b>	<b>\$ (341)</b>	<b>\$ 453</b>	<b>\$ (78)</b>	<b>\$ (4)</b>

# Raytheon Technologies: Reconciliation of GAAP to Adjusted Pratt & Whitney

(\$ millions)

	(Unaudited)			(Unaudited)				
	2021			2020				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<b>Pratt &amp; Whitney</b>								
Net sales	\$ 4,030	\$ 4,280	\$ 8,310	\$ 5,353	\$ 3,487	\$ 3,494	\$ 4,465	\$ 16,799
Significant unfavorable contract adjustments	-	-	-	22	(120)	(296)	(31)	(425)
Adjusted net sales	\$ 4,030	\$ 4,280	\$ 8,310	\$ 5,331	\$ 3,607	\$ 3,790	\$ 4,496	\$ 17,224
Operating profit	\$ 20	\$ 112	\$ 132	\$ 475	\$ (457)	\$ (615)	\$ 33	\$ (564)
Restructuring	(20)	16	(4)	-	(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	\$ 96	\$ 136	\$ 515	\$ (151)	\$ (43)	\$ 105	\$ 426
Adjusted operating profit margin	1.0%	2.2%	1.6%	9.7%	-4.2%	-1.1%	2.3%	2.5%
<b>Total Net Sales Adjustments</b>	\$ -	\$ -	\$ -	\$ 22	\$ (120)	\$ (296)	\$ (31)	\$ (425)
<b>Total Operating Profit Adjustments</b>	\$ (20)	\$ 16	\$ (4)	\$ (40)	\$ (306)	\$ (572)	\$ (72)	\$ (990)

# Raytheon Technologies: Reconciliation of GAAP to Adjusted

## Raytheon Intelligence & Space

(\$ millions)

	(Unaudited)			(Unaudited)				
	2021			2020 <sup>1</sup>				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<b>Raytheon Intelligence &amp; Space</b>								
Net sales	\$ 3,765	\$ 3,805	\$ 7,570	\$ -	\$ 3,387	\$ 3,749	\$ 3,933	\$ 11,069
Adjusted net sales	\$ 3,765	\$ 3,805	\$ 7,570	\$ -	\$ 3,387	\$ 3,749	\$ 3,933	\$ 11,069
Operating profit	\$ 388	\$ 415	\$ 803	\$ -	\$ 309	\$ 350	\$ 361	\$ 1,020
Adjusted operating profit	\$ 388	\$ 415	\$ 803	\$ -	\$ 309	\$ 350	\$ 361	\$ 1,020
Operating profit margin	10.3%	10.9%	10.6%	N/A	9.1%	9.3%	9.2%	9.2%
<b>Total Net Sales Adjustments</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Profit Adjustments</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

# Raytheon Technologies: Reconciliation of GAAP to Adjusted

## Raytheon Missiles & Defense

(\$ millions)

	(Unaudited)			(Unaudited)				
	2021			2020 <sup>1</sup>				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<b>Raytheon Missiles &amp; Defense</b>								
Net sales	\$ 3,793	\$ 3,985	\$ 7,778	\$ -	\$ 3,506	\$ 3,706	\$ 4,184	\$ 11,396
Middle East contract adjustment	-	-	\$ -	-	54	65	(119)	-
<b>Adjusted net sales</b>	<b>\$ 3,793</b>	<b>\$ 3,985</b>	<b>\$ 7,778</b>	<b>\$ -</b>	<b>\$ 3,452</b>	<b>\$ 3,641</b>	<b>\$ 4,303</b>	<b>\$ 11,396</b>
Operating profit	\$ 496	\$ 532	\$ 1,028	\$ -	\$ 398	\$ 449	\$ 33	\$ 880
Middle East contract adjustment	-	-	-	-	12	18	(546)	(516)
<b>Adjusted operating profit</b>	<b>\$ 496</b>	<b>\$ 532</b>	<b>\$ 1,028</b>	<b>\$ -</b>	<b>\$ 386</b>	<b>\$ 431</b>	<b>\$ 579</b>	<b>\$ 1,396</b>
Adjusted operating profit margin	13.1%	13.4%	13.2%	N/A	11.2%	11.8%	13.5%	12.2%
<b>Total Net Sales Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54</b>	<b>\$ 65</b>	<b>\$ (119)</b>	<b>\$ -</b>
<b>Total Operating Profit Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12</b>	<b>\$ 18</b>	<b>\$ (546)</b>	<b>\$ (516)</b>

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

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

(\$ millions)

	(Unaudited)			(Unaudited)				
	2021			2020 <sup>1</sup>				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<b>Eliminations and other</b>								
Net sales	\$ (707)	\$ (735)	\$ (1,442)	\$ (431)	\$ (521)	\$ (476)	\$ (537)	\$ (1,965)
Operating loss	\$ (31)	\$ (40)	\$ (71)	\$ (25)	\$ (27)	\$ (49)	\$ (6)	\$ (107)
Restructuring	-	-	-	-	-	(23)	3	(20)
Adjusted operating loss	\$ (31)	\$ (40)	\$ (71)	\$ (25)	\$ (27)	\$ (26)	\$ (9)	\$ (87)
<b>Corporate and other unallocated items</b>								
Operating loss	\$ (81)	\$ (149)	\$ (230)	\$ (130)	\$ (277)	\$ (84)	\$ (99)	\$ (590)
Restructuring	(5)	(60)	(65)	(2)	(169)	(21)	(16)	(208)
Costs associated with the separation of the commercial businesses	(8)	-	(8)	-	(14)	(7)	(2)	(23)
Transaction and integration costs associated with the Raytheon Merger	(17)	-	(17)	(29)	(70)	(46)	(20)	(165)
Adjusted operating loss	\$ (51)	\$ (89)	\$ (140)	\$ (99)	\$ (24)	\$ (10)	\$ (61)	\$ (194)
<b>FAS/CAS Operating Adjustment</b>								
Operating profit	\$ 423	\$ 425	\$ 848	\$ -	\$ 356	\$ 380	\$ 370	\$ 1,106
<b>Acquisition Accounting Adjustments</b>								
Operating loss	\$ (516)	\$ (519)	\$ (1,035)	\$ (271)	\$ (3,745)	\$ (523)	\$ (561)	\$ (5,100)
Intangible impairment	-	-	-	(40)	(17)	-	-	(57)
Goodwill impairment	-	-	-	-	(3,183)	-	-	(3,183)
Acquisition accounting adjustments	(516)	(519)	(1,035)	(231)	(545)	(523)	(561)	(1,860)
Adjusted operating profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Profit Adjustments - Corporate and other unallocated items</b>	<b>\$ (30)</b>	<b>\$ (60)</b>	<b>\$ (90)</b>	<b>\$ (31)</b>	<b>\$ (253)</b>	<b>\$ (74)</b>	<b>\$ (38)</b>	<b>\$ (396)</b>
<b>Total Operating Profit Adjustments - Acquisition accounting adjustments</b>	<b>\$ (516)</b>	<b>\$ (519)</b>	<b>\$ (1,035)</b>	<b>\$ (271)</b>	<b>\$ (3,745)</b>	<b>\$ (523)</b>	<b>\$ (561)</b>	<b>\$ (5,100)</b>

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

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

(\$ millions)

	(Unaudited) 2021			(Unaudited) 2020				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
<b>Income (loss) from continuing operations attributable to common shareowners</b>	\$ 772	\$ 1,040	\$ 1,812	\$ 438	\$ (3,844)	\$ 151	\$ 146	\$ (3,109)
Total Restructuring included in Operating Profit	(43)	(56)	(99)	(8)	(427)	(245)	(88)	(768)
Total Significant non-recurring and non-operational items included in Operating Profit <sup>(1)</sup>	(25)	-	(25)	(101)	(461)	47	(643)	(1,158)
Total Acquisition accounting adjustments	(516)	(519)	(1,035)	(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)	(490)	(981)	(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)
<b>Adjusted non-service pension</b>	\$ (491)	\$ (490)	\$ (981)	\$ (168)	\$ (212)	\$ (240)	\$ (236)	\$ (856)
<i>Significant non-recurring and non-operational items included in interest</i>								
Interest expense, net	\$ 346	\$ 342	\$ 688	\$ 332	\$ 335	\$ 350	\$ 349	\$ 1,366
Deferred Compensation	-	-	-	-	4	-	-	4
<b>Adjusted interest expense, net</b>	\$ 346	\$ 342	\$ 688	\$ 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)	\$ (342)	\$ (687)	\$ (639)	\$ 38	\$ (152)	\$ 178	\$ (575)
Tax effect of restructuring and significant non-recurring and non-operational items above	134	123	257	82	324	(13)	260	653
Tax expense associated with the Company's separation of Otis and Carrier	-	-	-	(415)	-	-	-	(415)
Tax impact from UK rate change	-	(73)	(73)	-	-	-	-	-
Tax impact from business disposals	(148)	-	(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
<b>Adjusted income tax (expense) benefit</b>	\$ (331)	\$ (392)	\$ (723)	\$ (306)	\$ (189)	\$ (182)	\$ (146)	\$ (823)
<i>Significant non-recurring and non-operational items included in Noncontrolling Interest</i>								
Noncontrolling interest in subsidiaries' earnings	\$ 41	\$ 48	\$ 89	\$ 54	\$ 24	\$ 34	\$ 69	\$ 181
Adjustments to noncontrolling interest	-	-	-	-	-	-	-	-
<b>Adjusted Noncontrolling interest in subsidiaries' earnings</b>	\$ 41	\$ 48	\$ 89	\$ 54	\$ 24	\$ 34	\$ 69	\$ 181
<b>Less: Impact on net income attributable to common shareowners</b>	<b>(598)</b>	<b>(525)</b>	<b>(1,123)</b>	<b>(713)</b>	<b>(4,427)</b>	<b>(704)</b>	<b>(976)</b>	<b>(6,820)</b>
<b>Adjusted net income from continuing operations attributable to common shareowners</b>	<b>\$ 1,370</b>	<b>\$ 1,565</b>	<b>\$ 2,935</b>	<b>\$ 1,151</b>	<b>\$ 583</b>	<b>\$ 855</b>	<b>\$ 1,122</b>	<b>\$ 3,711</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.51</b>	<b>\$ 0.69</b>	<b>\$ 1.20</b>	<b>\$ 0.50</b>	<b>\$ (2.56)</b>	<b>\$ 0.10</b>	<b>\$ 0.10</b>	<b>\$ (2.29)</b>
Impact on Diluted Earnings Per Share	(0.39)	(0.34)	(0.74)	(0.83)	(2.95)	(0.46)	(0.64)	(5.02)
<b>Adjusted Diluted Earnings Per Share</b>	<b>\$ 0.90</b>	<b>\$ 1.03</b>	<b>\$ 1.94</b>	<b>\$ 1.33</b>	<b>\$ 0.39</b>	<b>\$ 0.56</b>	<b>\$ 0.74</b>	<b>\$ 2.73</b>
<b>Weighted Average Number of Shares Outstanding</b>								
Reported Diluted	1,514.1	1,513.5	1,513.7	865.8	1,501.3	1,514.2	1,515.4	1,357.8
Impact of dilutive shares	-	-	-	-	2.4	-	-	3.9
<b>Adjusted Diluted</b>	<b>1,514.1</b>	<b>1,513.5</b>	<b>1,513.7</b>	<b>865.8</b>	<b>1,503.7</b>	<b>1,514.2</b>	<b>1,515.4</b>	<b>1,361.7</b>
<b>Total Non-service pension adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25)</b>	<b>\$ (13)</b>	<b>\$ (8)</b>	<b>\$ (46)</b>
<b>Total Interest expense adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4</b>
<b>Total Income tax adjustments</b>	<b>\$ (14)</b>	<b>\$ 50</b>	<b>\$ 36</b>	<b>\$ (333)</b>	<b>\$ 227</b>	<b>\$ 30</b>	<b>\$ 324</b>	<b>\$ 248</b>

1: Refer to slides 24 - 28 for individual operating profit adjustments.

# Raytheon Technologies: Adjusted Pro Forma Segment Data

(\$ millions)

(Unaudited)

	Adjusted <sup>2</sup>			Adjusted Pro Forma / Actuals <sup>1</sup>				
	Q1 2021	Q2 2021	Q2 YTD 2021	Q1 2020 PF	Q2 2020 PF	Q3 2020	Q4 2020	FY 2020 PF
<b>Net Sales</b>								
Collins Aerospace Systems	\$ 4,370	\$ 4,545	\$ 8,915	\$ 6,460	\$ 4,298	\$ 4,278	\$ 4,388	\$ 19,424
Pratt & Whitney	4,030	4,280	8,310	5,331	3,607	3,790	4,496	17,224
Raytheon Intelligence & Space	3,765	3,805	7,570	3,676	3,601	3,749	3,933	14,959
Raytheon Missiles & Defense	3,793	3,985	7,778	3,693	3,658	3,641	4,303	15,295
Total segment	15,958	16,615	32,573	19,160	15,164	15,458	17,120	66,902
Eliminations and other	(707)	(735)	(1,442)	(757)	(532)	(476)	(537)	(2,302)
<b>Consolidated</b>	<b>\$ 15,251</b>	<b>\$ 15,880</b>	<b>\$ 31,131</b>	<b>\$ 18,403</b>	<b>\$ 14,632</b>	<b>\$ 14,982</b>	<b>\$ 16,583</b>	<b>\$ 64,600</b>
<b>Operating Profit</b>								
Collins Aerospace Systems	\$ 332	\$ 518	\$ 850	\$ 1,284	\$ 24	\$ 73	\$ 89	\$ 1,470
Pratt & Whitney	40	96	136	515	(151)	(43)	105	426
Raytheon Intelligence & Space	388	415	803	399	329	350	361	1,439
Raytheon Missiles & Defense	496	532	1,028	539	411	431	579	1,960
Total segment	1,256	1,561	2,817	2,737	613	811	1,134	5,295
Eliminations and other	(31)	(40)	(71)	(81)	(28)	(26)	(9)	(144)
Corporate expenses, eliminations and other	(51)	(89)	(140)	(140)	(32)	(10)	(61)	(243)
FAS/CAS operating adjustment	423	425	848	381	379	380	370	1,510
Acquisition accounting adjustments	-	-	-	-	-	-	-	-
<b>Consolidated</b>	<b>\$ 1,597</b>	<b>\$ 1,857</b>	<b>\$ 3,454</b>	<b>\$ 2,897</b>	<b>\$ 932</b>	<b>\$ 1,155</b>	<b>\$ 1,434</b>	<b>\$ 6,418</b>
Non-service pension benefit	\$ (491)	\$ (490)	\$ (981)	\$ (276)	\$ (250)	\$ (266)	\$ (252)	\$ (1,044)
Interest expense, net	346	342	688	252	341	350	349	1,292
Income (loss) from continuing operations before income taxes	1,742	2,005	3,747	2,921	841	1,071	1,337	6,170
Income tax expense (benefit)	331	392	723	559	193	182	146	1,080
Net income (loss) from continuing operations	1,411	1,613	3,024	2,362	648	889	1,191	5,090
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	41	48	89	56	24	34	69	183
<b>Income (loss) from continuing operations attributable to common shareowners</b>	<b>\$ 1,370</b>	<b>\$ 1,565</b>	<b>\$ 2,935</b>	<b>\$ 2,306</b>	<b>\$ 624</b>	<b>\$ 855</b>	<b>\$ 1,122</b>	<b>\$ 4,907</b>
Earnings (loss) per share from continuing operations attributable to common shareowners	\$ 0.91	\$ 1.04	\$ 1.95	\$ 1.53	\$ 0.42	\$ 0.57	\$ 0.74	\$ 3.25
Basic earnings (loss) per share	\$ 0.90	\$ 1.03	\$ 1.94	\$ 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	1,506.4	1,508.7	1,506.7	1,501.3	1,511.5	1,512.3	1,511.7
Diluted shares	1,514.1	1,513.5	1,513.7	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 2020 Adjusted pro forma results, refer to the following slides.

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

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

# Raytheon Technologies: Pro Forma Segment Data

## Reconciliation of Pro Forma<sup>1</sup> GAAP to Adjusted Pro Forma Sales

(\$ millions)

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

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 Forma<sup>1</sup> GAAP to Adjusted Pro Forma Operating Profit

(\$ millions)

	Q1	Q2	2020 Q3	Q4	FY
<b>Collins Aerospace Systems</b>					
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
<b>Adjusted operating profit, Pro Forma</b>	<b>\$ 1,284</b>	<b>\$ 24</b>	<b>\$ 73</b>	<b>\$ 89</b>	<b>\$ 1,470</b>
Adjusted operating profit margin, Pro Forma	19.9%	0.6%	1.7%	2.0%	7.6%
<b>Pratt &amp; Whitney</b>					
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
<b>Adjusted operating profit, Pro Forma</b>	<b>\$ 515</b>	<b>\$ (151)</b>	<b>\$ (43)</b>	<b>\$ 105</b>	<b>\$ 426</b>
Adjusted operating profit margin, Pro Forma	9.7%	-4.2%	-1.1%	2.3%	2.5%
<b>Raytheon Intelligence &amp; Space</b>					
Operating profit, Pro Forma	\$ 399	\$ 329	\$ 350	\$ 361	\$ 1,439
<b>Adjusted operating profit, Pro Forma</b>	<b>\$ 399</b>	<b>\$ 329</b>	<b>\$ 350</b>	<b>\$ 361</b>	<b>\$ 1,439</b>
Adjusted operating profit margin, Pro Forma	10.9%	9.1%	9.3%	9.2%	9.6%
<b>Raytheon Missiles &amp; Defense</b>					
Operating profit, Pro Forma	\$ 553	\$ 423	\$ 449	\$ 33	\$ 1,458
Middle East contract adjustment	14	12	18	(546)	(502)
<b>Adjusted operating profit, Pro Forma</b>	<b>\$ 539</b>	<b>\$ 411</b>	<b>\$ 431</b>	<b>\$ 579</b>	<b>\$ 1,960</b>
Adjusted operating profit margin, Pro Forma	14.6%	11.2%	11.8%	13.5%	12.8%
<b>Eliminations and other</b>					
Operating profit, Pro Forma	\$ (81)	\$ (28)	\$ (49)	\$ (6)	\$ (164)
Restructuring	-	-	(23)	3	(21)
<b>Adjusted operating profit, Pro Forma</b>	<b>\$ (81)</b>	<b>\$ (28)</b>	<b>\$ (26)</b>	<b>\$ (9)</b>	<b>\$ (143)</b>
<b>Corporate expenses and other unallocated items</b>					
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)
<b>Adjusted operating profit, Pro Forma</b>	<b>\$ (140)</b>	<b>\$ (32)</b>	<b>\$ (10)</b>	<b>\$ (61)</b>	<b>\$ (244)</b>
<b>FAS/CAS operating adjustment</b>					
Operating profit, Pro Forma	\$ 381	\$ 379	\$ 380	\$ 370	\$ 1,510
<b>Adjusted operating profit, Pro Forma</b>	<b>\$ 381</b>	<b>\$ 379</b>	<b>\$ 380</b>	<b>\$ 370</b>	<b>\$ 1,510</b>
<b>Acquisition accounting adjustments</b>					
Operating profit, Pro Forma	\$ (644)	\$ (3,745)	\$ (523)	\$ (561)	\$ (5,473)
Elimination of Acquisition Accounting Adjustments	(644)	(3,745)	(523)	(561)	(5,473)
<b>Adjusted operating profit, Pro Forma</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating profit, Pro Forma</b>	<b>\$ 2,187</b>	<b>\$ (3,617)</b>	<b>\$ 434</b>	<b>\$ 142</b>	<b>\$ (854)</b>
Significant non-recurring and non-operational items included in Operating Profit, Pro Forma	(710)	(4,549)	(721)	(1,292)	(7,272)
<b>Total Adjusted operating profit, Pro Forma</b>	<b>\$ 2,897</b>	<b>\$ 932</b>	<b>\$ 1,155</b>	<b>\$ 1,434</b>	<b>\$ 6,418</b>

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 Forma<sup>1</sup> 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)
<b>Less: Restructuring, acquisition accounting adjustments and significant non-recurring and non-operational items:</b>					
<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
<b>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</b>	<b>(710)</b>	<b>(4,570)</b>	<b>(734)</b>	<b>(1,300)</b>	<b>(7,314)</b>
<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
<b>Total significant non-recurring and non-operational items included in Income from continuing operations attributable to common shareowners, Pro Forma</b>	<b>(570)</b>	<b>(4,354)</b>	<b>(704)</b>	<b>(976)</b>	<b>(6,604)</b>
<b>Adjusted income (loss) from continuing operations attributable to common shareowners, Pro Forma</b>	<b>\$ 2,306</b>	<b>\$ 624</b>	<b>\$ 855</b>	<b>\$ 1,122</b>	<b>\$ 4,907</b>
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)
<b>Adjusted diluted earnings per share from continuing operations attributable to common shareowners, Pro Forma</b>	<b>\$ 1.52</b>	<b>\$ 0.41</b>	<b>\$ 0.56</b>	<b>\$ 0.74</b>	<b>\$ 3.24</b>
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 <sup>1</sup>					Pro Forma Adjustments <sup>2</sup>					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
<b>Net Sales</b>															
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	-	3,387	3,749	3,933	11,069	3,676	214	-	-	3,890	3,676	3,601	3,749	3,933	14,959
Raytheon Missiles & Defense	-	3,452	3,641	4,303	11,396	3,693	206	-	-	3,899	3,693	3,658	3,641	4,303	15,295
<i>Total segment</i>	11,791	14,744	15,458	17,120	59,113	7,369	420	-	-	7,789	19,160	15,164	15,458	17,120	66,902
Eliminations and other	(431)	(521)	(476)	(537)	(1,965)	(326)	(11)	-	-	(337)	(757)	(532)	(476)	(537)	(2,302)
<b>Consolidated Net Sales</b>	<b>\$ 11,360</b>	<b>\$ 14,223</b>	<b>\$ 14,982</b>	<b>\$ 16,583</b>	<b>\$ 57,148</b>	<b>\$ 7,043</b>	<b>\$ 409</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,452</b>	<b>\$ 18,403</b>	<b>\$ 14,632</b>	<b>\$ 14,982</b>	<b>\$ 16,583</b>	<b>\$ 64,600</b>
<b>Operating Profit</b>															
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	-	309	350	361	1,020	399	20	-	-	419	399	329	350	361	1,439
Raytheon Missiles & Defense	-	386	431	579	1,396	539	25	-	-	564	539	411	431	579	1,960
<i>Total segment</i>	1,799	568	811	1,134	4,312	938	45	-	-	983	2,737	613	811	1,134	5,295
Corporate Eliminations and other	(124)	(51)	(36)	(70)	(281)	(97)	(9)	-	-	(106)	(221)	(60)	(36)	(70)	(387)
FAS/CAS operating adjustment	-	356	380	370	1,106	381	23	-	-	404	381	379	380	370	1,510
<b>Consolidated Operating Profit</b>	<b>\$ 1,675</b>	<b>\$ 873</b>	<b>\$ 1,155</b>	<b>\$ 1,434</b>	<b>\$ 5,137</b>	<b>\$ 1,222</b>	<b>\$ 59</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,281</b>	<b>\$ 2,897</b>	<b>\$ 932</b>	<b>\$ 1,155</b>	<b>\$ 1,434</b>	<b>\$ 6,418</b>
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
<b>Income from continuing operations attributable to common shareowners</b>	<b>\$ 1,151</b>	<b>\$ 583</b>	<b>\$ 855</b>	<b>\$ 1,122</b>	<b>\$ 3,711</b>	<b>\$ 1,155</b>	<b>\$ 41</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,196</b>	<b>\$ 2,306</b>	<b>\$ 624</b>	<b>\$ 855</b>	<b>\$ 1,122</b>	<b>\$ 4,907</b>
<b>Earnings per share from continuing operations attributable to common shareowners</b>															
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: All periods have been recast for the reorganization of our RIS and RMD business segments to move our Reconnaissance & Targeting Systems, Electro-Optical Innovations and Improved Target Acquisition Systems businesses from RMD to RIS, which became effective on January 1, 2021.

### 2: Pro Forma Adjustments:

- Pro Forma adjustments in Q1 and Q2 reflect the addition of the legacy RTN businesses as of 1/1/20 prepared in a manner consistent with Article 11 of Regulation S-X, with Q2 adjustments reflecting the addition of the results of the legacy RTN businesses for the 3/30-4/2 stub period.
- Adjusted Proforma Earnings per share reflect outstanding shares calculated as if the Raytheon Merger occurred on 1/1/2020.
- For the non-GAAP reconciliation of 2020 adjusted earnings, refer to slide 22. For the non-GAAP reconciliation of 2020 Adjusted pro forma results, refer to slides 31-33.

# Pension Impact

(\$ millions)

	Current projections*						
	2020 Actual	2020 Adjusted pro forma	2021	2022	2023	2024	2025
<u>P&amp;L impact</u>							
RMD/RIS Service cost	(\$354)	(\$477)	(\$405)	(\$375)	(\$200)	(\$175)	(\$175)
RMD/RIS CAS recovery	<u>\$1,460</u>	<u>\$1,987</u>	<u>\$2,080</u>	<u>\$1,750</u>	<u>\$1,300</u>	<u>\$800</u>	<u>\$525</u>
FAS/CAS operating adjustment	\$1,106	\$1,510	\$1,675	\$1,375	\$1,100	\$625	\$350
Non-service pension income	\$902	\$1,044	\$1,925	\$2,000	\$2,200	\$2,500	\$2,700
<u>Net cash</u>							
Gross funding	(\$1,303)	(\$1,357)	(\$370)	(\$425)	(\$375)	(\$350)	(\$325)
RMD/RIS CAS recovery	<u>\$1,460</u>	<u>\$1,987</u>	<u>\$2,080</u>	<u>\$1,750</u>	<u>\$1,300</u>	<u>\$800</u>	<u>\$525</u>
Net cash	\$157	\$630	\$1,710	\$1,325	\$925	\$450	\$200

\* Current projections include pension and PRB for 2021 – 2025 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, 5.1% for 2024 and 5.0% for 2025.

Actual results will vary for 2021 – 2025 based upon discount rate, asset returns, long-term return on asset (ROA) assumption, changes in actuarial assumptions, demographic and regulatory requirements applicable for each year.