

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 18, 2023

RAYTHEON TECHNOLOGIES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-00812
(Commission
File Number)

06-0570975
(I.R.S. Employer
Identification No.)

1000 Wilson Boulevard, Arlington, Virginia 22209

(Address of principal executive offices, including zip code)

(781) 522-3000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$1 par value) (CUSIP 75513E 101)	RTX	New York Stock Exchange
2.150% Notes due 2030 (CUSIP 75513E AB7)	RTX 30	New York Stock Exchange

Item 7.01. Regulation FD Disclosure

The information contained in this Current Report on Form 8-K that is furnished under this Item 7.01, including the accompanying Exhibit 99.1 and 99.2, is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. The information contained in this Current Report on Form 8-K that is furnished under this Item 7.01, including the accompanying Exhibit 99.1 and 99.2, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such a filing.

Investor Day

On June 18, 2023, Raytheon Technologies Corporation ("RTX" or "the Company") issued a press release regarding its investor day, held on June 19, 2023, to discuss the Company's long-term growth strategy, business realignment, financial outlook, and capital deployment priorities. A copy of the Company's press release is attached hereto as Exhibit 99.1.

Segment Realignment

Since April 3, 2020, in conjunction with the completion of the Raytheon merger, the Company has classified and reported its operations through four principal segments: Collins Aerospace ("Collins"), Pratt & Whitney, Raytheon Intelligence & Space ("RIS") and Raytheon Missiles & Defense ("RMD"). On January 24, 2023, the Company announced its intention to streamline the structure of its core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney and Raytheon. The Company will begin to manage its operations under this new segment structure effective July 1, 2023. The changes will require the Company to revise its segment reporting. RTX provided additional details regarding the realignment during its investor day.

Supplemental Information

The Company is providing Exhibit 99.2 to this Current Report on Form 8-K as supplemental information. The unaudited historical segment information reflects the new segment reporting. RTX did not operate under this segment structure for segment reporting purposes or using this measure of segment operating performance in current or prior periods and will begin to report comparative results under this basis with the filing of its Quarterly Report on Form 10-Q for the quarter and nine months ending September 30, 2023. Until the Company's interim financial statements as of and for the quarter and nine months ending September 30, 2023 are issued, amounts on this new basis are not in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and, as a result, are considered non-GAAP measures. RTX is furnishing this information as it believes it is useful to investors to aid in understanding, on a timely basis, the impacts of these changes on historical periods as they prepare to consider the Company's future results on the updated basis. The information in this Current Report on Form 8-K, including Exhibit 99.2, should be read in conjunction with the Company's Annual Report on Form 10-K for fiscal year 2022 and the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.

Use and Definitions of Non-GAAP Financial Measures

The Company reports its financial results in accordance with 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. Reconciliations of GAAP financial measures to Non-GAAP financial measures are contained in Exhibit 99.2 and on our website at rtx.com under "Investors".

Adjusted net sales, organic sales, adjusted organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit (loss) and margin, adjusted net income, adjusted earnings per share ("EPS"), and free cash flow are non-GAAP financial

measures. Adjusted net sales represents consolidated net sales (a GAAP measure), excluding significant nonoperational items and/or significant operational items that may occur at irregular intervals (hereinafter referred to as "net significant and/or non-recurring items"). Organic sales represents the change in consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and net significant and/or non-recurring items. Adjusted organic sales is calculated as the change in net sales when comparing net sales to 2020 adjusted pro forma sales, excluding the impact of foreign currency translation, the impact of acquisitions and divestitures and net significant and/or non-recurring items. Adjusted operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted operating profit margin represents adjusted operating profit (loss) as a percentage of adjusted net sales. Adjusted segment operating profit (loss) represents the combined operating profit (loss) of our business segments, excluding restructuring costs, and net significant and/or non-recurring items. Adjusted segment operating profit margin represents adjusted segment operating profit (loss) as a percentage of adjusted segment sales (the combined adjusted sales of our business segments). Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment.

Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. For the business segments, when applicable, adjustments of net sales similarly reflect continuing operations excluding net significant and/or non-recurring items, organic sales similarly excludes the impact of foreign currency, acquisitions and divestitures, and net significant and/or non-recurring items, and adjustments of operating profit (loss) and operating profit margins (also referred to as return on sales ("ROS")) similarly reflect continuing operations, excluding restructuring, acquisition accounting adjustments and net significant and/or non-recurring items.

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

The announced segment realignment will be implemented beginning July 1, 2023. RTX did not operate under this segment structure for segment reporting purposes or use this measure of segment operating performance in current or prior periods and will begin to report comparative results under this basis with the filing of its Quarterly Report on Form 10-Q for the quarter and nine months ending September 30, 2023. Until RTX's interim financial statements as of and for the quarter and nine months ending September 30, 2023 are issued, amounts on the updated basis are not in accordance with GAAP and, as a result, are considered non-GAAP measures.

A reconciliation of certain non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in Exhibit 99.2 and provides additional information as to the items and amounts that have been excluded from the adjusted measures.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished herewith:

Exhibit Number	Exhibit Description
99.1	Press release, dated June 18, 2023, issued by Raytheon Technologies Corporation.
99.2	Unaudited historical financial information.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RAYTHEON TECHNOLOGIES CORPORATION
(Registrant)

Date: June 20, 2023

By: /s/ NEIL G. MITCHILL JR.
Neil G. Mitchill Jr.
Executive Vice President and Chief Financial Officer



Media Contact
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Raytheon Technologies to host 2023 Investor Day, reaffirms 2025 financial outlook and increases targeted capital return to shareowners

Company will evolve from “Raytheon Technologies” to “RTX”

Delivers strategy to execute on \$180 billion backlog of critical defense and aerospace technologies and drive strong financial returns

ARLINGTON, Va., June 18, 2023 – Raytheon Technologies (NYSE: RTX), in conjunction with the Paris Air Show, will hold its Investor Day tomorrow, June 19, 2023, in-person and via webcast, featuring management presentations from 8:30 a.m. to 11:45 a.m. local Paris time. During the event, RTX Chairman and Chief Executive Officer Greg Hayes, and other members of the senior leadership team, will provide an update on the company’s long-term growth strategy, business realignment and financial outlook.

In addition to providing an update on the company’s strategy, company leadership will:

- Reaffirm 2023 RTX financial outlook
- Reaffirm 2020 to 2025 sales growth and margin expansion commitments
- Reaffirm 2025 \$9 billion free cash flow* commitment
- Expand post-merger shareowner capital return commitment to \$33 to \$35 billion through 2025
- Increase gross cost synergy target from \$1.5 to \$2 billion

As part of its portfolio realignment, which remains on track for July, the company announced that it will now be represented as RTX. As announced in January, the company will operate three focused businesses to better align with customer needs – Collins Aerospace, Pratt & Whitney, and Raytheon.

“While we honor our legacy, we are always looking to the future – and that future is RTX,” said Chairman and Chief Executive Officer Gregory Hayes.

“Over the past few years, we have solidified our industry-leading positions with a \$180 billion backlog across the highest growth commercial aerospace platforms and franchises serving the most critical defense priorities,” Hayes continued. “RTX is leveraging its breadth, scale and operational discipline to serve our customers and deliver value to our shareowners, with a clear path to achieve our 2025 financial commitments. Furthermore, with the business realignment and the strategic investments we continue to make, RTX is uniquely positioned for sustained profitable growth well beyond 2025.”

Positioned for Long-Term Sustainable Growth

As a platform-agnostic company, RTX is uniquely positioned to benefit from the growing commercial aerospace and defense markets. Additionally, strategic investments in next generation technology and expanded capacity are expected to drive the company towards its 2020 to 2025 adjusted annual sales* growth commitment of 6 to 7 percent, and sustain long-term growth well beyond 2025.

RTX's portfolio of differentiated technologies and commitment to innovation will enable the company to capture substantial revenue synergy opportunities across four key areas – connected aviation, sustainable aviation, connected battlespace and integrated solutions.

Driving Operational Excellence and Margin Expansion

Management will discuss how RTX is leveraging its scale and capabilities to achieve best-in-class performance for customers and shareowners. The company's CORE Operating System, investments in digital solutions, and the business realignment will drive operational excellence, structural cost reduction, and operational modernization that will enable RTX to better serve customers. As a result, RTX is raising its gross cost synergy target from \$1.5 billion to \$2 billion. These initiatives, along with our sales growth, will be a catalyst to achieve the adjusted segment margin* expansion commitment of approximately 550 to 650 basis points from 2020 to 2025.

Executing on Capital Deployment Priorities

Additionally, management will discuss how its strong operating performance is expected to result in accelerated free cash flow generation, which will enable the company to return significant cash to shareowners. RTX plans to generate \$9 billion in free cash flow* in 2025, while making disciplined investments in R&D and CapEx to drive future growth, which remains a key priority. RTX is on track to reach its goal to return \$20 billion to shareowners in the four years following the merger and now expects to return between \$33 and \$35 billion through dividends and share repurchases from the close of the merger through the end of 2025.

2023 Financial Outlook

RTX reaffirms outlook for full year 2023

- Sales of \$72.0 to \$73.0 billion
- Adjusted EPS* of \$4.90 to \$5.05
- Free cash flow* of approximately \$4.8 billion
- Share repurchase of \$3.0 billion

Webcast and Materials

The meeting will be broadcast live on the Internet beginning at 2:30 a.m. ET (8:30 a.m local Paris time) at www.rtx.com/investors. Individuals may listen to the call and download the full investor presentation that will be used during the call.

About RTX

RTX is the world's largest aerospace and defense company. Our global team of 180,000 employees pushes the limits of known science and redefines how we connect and protect our world. We are advancing aviation, building smarter defense systems and creating innovations to take us deeper into space. Effective July 1, the company will

complete its realignment into three customer-focused business units — Collins Aerospace, Raytheon and Pratt & Whitney. The company, with 2022 sales of \$67 billion, is headquartered in Arlington, Virginia.

Use and Definitions of Non-GAAP Financial Measures

Raytheon Technologies Corporation ("RTX" or "the Company") reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. Reconciliations of GAAP financial measures to Non-GAAP financial measures are contained on our website at rtx.com under "Investors".

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

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Cautionary Statement Regarding Forward-Looking Statements

This press release contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. From time to time, oral or written forward-looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide Raytheon Technologies Corporation ("RTX") management's current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid and are not statements of historical fact. Forward-looking statements can be identified by the use of words such as "believe," "expect," "expectations," "plans," "strategy," "prospects," "estimate," "project," "target," "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 RTX 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 or supply (including energy supply), inflation, interest rates and foreign currency exchange rates, disruptions in global supply chain and labor markets, and geopolitical risks; (2) risks associated with U.S. government sales, including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration, a continuing resolution, a government shutdown, the debt ceiling or measures taken to avoid default, or otherwise, and uncertain funding of programs; (3) challenges in the development, production, delivery, support, and performance of RTX advanced technologies and new products and services and the realization of the anticipated benefits (including our expected returns under customer contracts), as well as the challenges of operating in RTX's highly- competitive industries; (4) risks relating to RTX's reliance on U.S. and non-U.S. suppliers and commodity markets, including the effect of sanctions, delays and disruptions in the delivery of materials and services to RTX or its suppliers and price increases; (5) risks relating to RTX international operations from, among other things, changes in trade policies and implementation of sanctions, foreign currency fluctuations, economic conditions, political factors, sales methods, and U.S. or local government regulations; (6) the condition of the aerospace industry; (7) the ability of RTX to attract, train and retain qualified personnel and maintain its culture and high ethical standards, and the ability of our personnel to continue to operate our facilities and businesses around the world; (8) the effect of and risks relating to the coronavirus disease 2019 (COVID-19) pandemic on RTX's business, supply chain, operations and the industries in which it operates, including the decrease in global air travel, and the timing and extent of the ongoing recovery from COVID-19; (9) the scope, nature, timing and challenges of managing acquisitions, investments, divestitures and other transactions, including the realization of synergies and opportunities for growth and innovation, the assumption of liabilities and other risks and incurrence of related costs and expenses; (10) compliance with legal, environmental, regulatory and other requirements, including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anticorruption requirements, such as the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations in the U.S. and other countries in which RTX and its businesses operate; (11) the outcome of pending, threatened and future legal proceedings, investigations and other contingencies, including those related to U.S. government audits and disputes; (12) factors that could impact RTX's ability to engage in desirable capital-raising or strategic transactions, including its capital structure, levels of indebtedness, capital expenditures and research and development spending, and the availability of credit, credit market conditions and other factors; (13) uncertainties associated with the timing and scope of future repurchases by RTX of its common stock or declarations of cash dividends, which may be discontinued, accelerated, suspended or delayed at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (14) the risks relating to realizing expected benefits from RTX strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (15) risks relating to the integration of the legacy businesses of UTC and RTX as well as the merger, and the realization of the anticipated benefits of those transactions; (16) risks of additional tax exposures due to new tax legislation or other developments, in the U.S. and other countries in which RTX and its businesses operate; (17) risks relating to a RTX product safety failure or other failure affecting RTX's or its customers' or suppliers' products or systems; (18) risks relating to cyber-attacks on RTX's information technology infrastructure, products, suppliers, customers and partners, threats to RTX facilities and personnel, as well as other events outside of RTX's control such as

public health crises, damaging weather or other acts of nature; (19) the effect of changes in accounting estimates for our programs on our financial results; (20) the effect of changes in pension and other postretirement plan estimates and assumptions and contributions; (21) risks relating to an impairment of goodwill and other intangible assets; (22) the effects of climate change and changing climate-related regulations, customer and market demands, products and technologies; and (23) the intended qualification of (i) the merger as a tax-free reorganization and (ii) the separation transactions and other internal restructurings as tax-free to UTC and former UTC shareowners, in each case, for U.S. federal income tax purposes. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the reports of RTX, UTC and Raytheon on Forms S-4, 10-K, 10-Q and 8-K filed with or furnished to the Securities and Exchange Commission from time to time. Any forward-looking statement speaks only as of the date on which it is made, and RTX assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Reconciliation of Reported (GAAP) to Recasted (Non-GAAP) and Recasted to Adjusted as Recasted (Non-GAAP), Segment Results (Unaudited)

FY 2022											
	Collins Aerospace	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Raytheon	Total Segment	Eliminations & Other	Consolidated RTX			
Net Sales - As Reported	\$ 20,597	\$20,530	\$ 14,312	\$14,863	\$ —	\$70,302	\$ (3,228)	\$ 67,074			
Adjustments to net sales for portfolio realignment:											
Segment Realignment ⁽¹⁾	2,455	—	(14,312)	(14,863)	25,176	(1,544)	1,544	—			
Net Sales - As Recasted	23,052	20,530	—	—	25,176	68,758	(1,684)	67,074			
Adjusted Net Sales - As Recasted	\$ 23,052	\$20,530	\$ —	\$ —	\$25,176	\$68,758	\$ (1,684)	\$ 67,074			
	Collins Aerospace	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Raytheon	Total Segment	Eliminations & other	Corporate expenses & other unallocated items	FAS/CAS operating adjustment	Acquisition accounting adjustments	Consolidated RTX
Operating Profit - As Reported	\$ 2,343	\$ 1,075	\$ 1,342	\$ 1,519	\$ —	\$ 6,279	\$ (174)	\$ (318)	\$ 1,520	\$ (1,893)	\$ 5,414
Adjustments to operating profit for portfolio realignment:											
Segment Realignment ⁽¹⁾	465	—	(1,342)	(1,519)	2,366	(30)	133	18	(121)	—	—
State Tax realignment ⁽²⁾	8	—	—	—	82	90	—	—	—	—	90
Operating Profit - As Recasted	2,816	1,075	—	—	2,448	6,339	(41)	(300)	1,399	(1,893)	5,504
Additional adjustments to operating profit:											
Restructuring costs	(21)	(20)	—	—	(8)	(49)	—	(66)	—	—	(115)
Impairment charges and reserve adjustments related to Russia sanctions	(141)	(155)	—	—	—	(296)	6	—	—	—	(290)
Charges associated with disposition of businesses	(69)	—	—	—	—	(69)	—	—	—	—	(69)
Charge associated with divestiture of a non-core business	—	—	—	—	(42)	(42)	—	—	—	—	(42)
Acquisition accounting adjustments	—	—	—	—	—	—	—	—	—	(1,893)	(1,893)
Adjusted Operating Profit - As Recasted	\$ 3,047	\$ 1,250	\$ —	\$ —	\$ 2,498	\$ 6,795	\$ (47)	\$ (234)	\$ 1,399	\$ —	\$ 7,913

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

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

Reconciliation of Reported (GAAP) to Recasted (Non-GAAP) and Recasted to Adjusted as Recasted (Non-GAAP), Segment Results (Unaudited)
FY 2021

	Collins Aerospace	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Raytheon	Total Segment	Eliminations & Other	Consolidated RTX				
Net Sales - As Reported	\$ 18,449	\$ 18,150	\$ 15,180	\$ 15,539	\$ —	\$ 67,318	\$ (2,930)	\$ 64,388				
Adjustments to net sales for portfolio realignment:												
Segment Realignment ⁽¹⁾	2,703	—	(15,180)	(15,539)	26,611	(1,405)	1,405	—				
Net Sales - As Recasted	\$ 21,152	\$ 18,150	\$ —	\$ —	\$ 26,611	\$ 65,913	\$ (1,525)	\$ 64,388				
Adjusted Net Sales - As Recasted	\$ 21,152	\$ 18,150	\$ —	\$ —	\$ 26,611	\$ 65,913	\$ (1,525)	\$ 64,388				
	Collins Aerospace	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Raytheon	Total Segment	Eliminations & other	Corporate expenses & other unallocated items	FAS/CAS operating adjustment	Acquisition accounting adjustments	Consolidated RTX	
Operating Profit - As Reported	\$ 1,759	\$ 454	\$ 1,833	\$ 2,004	\$ —	\$ 6,050	\$ (133)	\$ (552)	\$ 1,796	\$ (2,203)	\$ 4,958	
Adjustments to operating profit for portfolio realignment:												
Segment Realignment ⁽¹⁾	604	—	(1,833)	(2,004)	3,238	5	122	15	(142)	—	—	
State Tax realignment ⁽²⁾	17	—	—	—	161	178	—	—	—	—	178	
Operating Profit - As Recasted	\$ 2,380	\$ 454	\$ —	\$ —	\$ 3,399	\$ 6,233	\$ (11)	\$ (537)	\$ 1,654	\$ (2,203)	\$ 5,136	
Additional adjustments to operating profit:												
Restructuring costs	(40)	(7)	—	—	—	(47)	—	(96)	—	—	(143)	
Litigation accrual	—	(26)	—	—	—	(26)	—	(147)	—	—	(173)	
Gain on sale of business	—	—	—	—	239	239	—	—	—	—	239	
Costs associated with the separation of the commercial businesses	—	—	—	—	—	—	—	(8)	—	—	(8)	
Transaction and integration costs associated with the Raytheon merger	—	—	—	—	—	—	—	(17)	—	—	(17)	
Acquisition Accounting Adjustments	—	—	—	—	—	—	—	—	—	(2,203)	(2,203)	
Adjusted Operating Profit - As Recasted	\$ 2,420	\$ 487	\$ —	\$ —	\$ 3,160	\$ 6,067	\$ (11)	\$ (269)	\$ 1,654	\$ —	\$ 7,441	

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

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

Reconciliation of Reported (GAAP) to Recasted (Non-GAAP) and Recasted to Adjusted as Recasted (Non-GAAP), Segment Results (Unaudited)

FY 2020											
	Collins Aerospace	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Raytheon	Total Segment	Eliminations & Other	Consolidated RTX			
Net Sales - As Reported	\$ 19,288	\$ 16,799	\$ 11,069	\$ 11,396	\$ —	\$ 58,552	\$ (1,965)	\$ 56,587			
Pro Forma Adjustments ⁽¹⁾	—	—	3,890	3,899	—	7,789	(337)	7,452			
Segment Realignment ⁽²⁾	2,565	—	(14,959)	(15,295)	26,177	(1,512)	1,512	—			
Net Sales - Pro Forma As Recasted	21,853	16,799	—	—	26,177	64,829	(790)	64,039			
Additional adjustments to Net Sales - Pro forma:											
Favorable impact of a contract termination	—	22	—	—	—	22	—	22			
Significant unfavorable contract adjustments	(136)	(447)	—	—	—	(583)	—	(583)			
Adjusted Net Sales - Pro Forma As Recasted	\$ 21,989	\$ 17,224	\$ —	\$ —	\$ 26,177	\$ 65,390	\$ (790)	\$ 64,600			
	Collins Aerospace	Pratt & Whitney	Raytheon Intelligence & Space	Raytheon Missiles & Defense	Raytheon	Total Segment	Eliminations & other	Corporate expenses & other unallocated items	FAS/CAS operating adjustment	Acquisition accounting adjustments	Consolidated RTX
Operating Profit (Loss) - As Reported	\$ 1,466	\$ (564)	\$ 1,020	\$ 880	\$ —	\$ 2,802	\$ (107)	\$ (590)	\$ 1,106	\$ (5,100)	\$ (1,889)
Pro Forma Adjustments ⁽¹⁾	—	—	419	578	—	997	(57)	64	404	(373)	1,035
Segment Realignment ⁽²⁾	541	—	(1,439)	(1,458)	2,329	(27)	126	19	(118)	—	—
State Tax realignment ⁽³⁾	3	—	—	—	30	33	—	—	—	—	33
Operating Profit (Loss) - Pro Forma As Recasted	2,010	(564)	—	—	2,359	3,805	(38)	(507)	1,392	(5,473)	(821)
Additional adjustments to operating profit (loss) - Pro Forma:											
Restructuring costs	(360)	(180)	—	—	—	(540)	(20)	(208)	—	—	(768)
Significant unfavorable contract adjustments	(183)	(680)	—	—	—	(863)	—	—	—	—	(863)
Charges related to customer bankruptcies and collectability risk	(125)	(262)	—	—	—	(387)	—	—	—	—	(387)
Foreign government wage subsidies	72	153	—	—	—	225	—	—	—	—	225
Fixed asset impairment	(3)	—	—	—	—	(3)	—	—	—	—	(3)
Gain on sale of business	595	—	—	—	—	595	—	—	—	—	595
Charges related to a commercial financing arrangement	—	(43)	—	—	—	(43)	—	—	—	—	(43)
Favorable impact of a contract termination	—	22	—	—	—	22	—	—	—	—	22
Middle East contract adjustment	—	—	—	—	(502)	(502)	—	—	—	—	(502)
Costs associated with the separation of the commercial businesses	—	—	—	—	—	—	—	(9)	—	—	(9)
Transaction and integration costs associated with the Raytheon Merger	—	—	—	—	—	—	—	(66)	—	—	(66)
Intangible impairment	—	—	—	—	—	—	—	—	—	(57)	(57)
Goodwill impairment	—	—	—	—	—	—	—	—	—	(3,183)	(3,183)
Acquisition accounting adjustments	—	—	—	—	—	—	—	—	—	(2,233)	(2,233)
Adjusted Operating Profit - Pro Forma As Recasted	\$ 2,014	\$ 426	\$ —	\$ —	\$ 2,861	\$ 5,301	\$ (18)	\$ (224)	\$ 1,392	\$ —	\$ 6,451

(1) Pro Forma adjustments reflect the addition of the legacy Raytheon Company businesses as of January 1, 2020 prepared in a manner consistent with Article 11 of Regulation S-X.

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

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