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RTX Reports Third Quarter 2024 Results

***RTX delivers strong operational performance;
Increases 2024 outlook for adjusted sales* and adjusted EPS****

ARLINGTON, Va., October 22, 2024 – RTX (NYSE: RTX) reported third quarter 2024 results.

Third quarter 2024

- Reported sales of \$20.1 billion
- Adjusted sales* of \$20.1 billion, up 6 percent versus prior year, and up 8 percent organically* excluding the divestiture of the Cybersecurity, Intelligence and Services business
- GAAP EPS was \$1.09 and included \$0.31 of acquisition accounting adjustments and \$0.05 of restructuring and other net significant and/or non-recurring charges
- Adjusted EPS* of \$1.45, up 16 percent versus prior year
- Operating cash flow of \$2.5 billion; Free cash flow* of \$2.0 billion
- Company backlog of \$221 billion; including \$131 billion of commercial and \$90 billion of defense
- Returned \$1.1 billion of capital to shareowners, returning over \$32 billion since the merger
- Realized \$90 million of incremental RTX gross cost synergies, achieving the \$2 billion post-merger target

Updates outlook for full year 2024

- Adjusted sales* of \$79.25 - \$79.75 billion, up from \$78.75 - \$79.5 billion
- Adjusted EPS* of \$5.50 - \$5.58, up from \$5.35 - \$5.45
- Confirms free cash flow* of approximately \$4.7 billion

“RTX delivered another strong quarter of organic sales* growth, adjusted segment margin* expansion, and free cash flow*,” said RTX President and CEO Chris Calio. “Demand across our portfolio, particularly within commercial aftermarket and defense, remains robust and gives us the confidence to again raise our full year outlook for adjusted sales* and adjusted EPS*.”

“With a record \$221 billion backlog, we are focused on executing our strategic priorities to drive best-in-class performance, deliver for our customers and create long-term shareowner value.”

Third quarter 2024

RTX reported third quarter sales of \$20.1 billion. Adjusted sales* were \$20.1 billion, up 6 percent over the prior year. GAAP EPS of \$1.09 included \$0.31 of acquisition accounting adjustments, and \$0.05 of restructuring and other net significant and/or non-recurring charges. Adjusted EPS* of \$1.45 was up 16 percent versus the prior year.

The company reported net income attributable to common shareowners in the third quarter of \$1.5 billion which included \$418 million of acquisition accounting adjustments, and \$58 million of restructuring and other net significant and/or non-recurring charges. Adjusted net income* of \$1.9 billion was up 7 percent versus the prior year driven by growth in adjusted segment operating profit* and a lower effective tax rate. This increase was partially offset by higher interest expense and lower pension income. Operating cash flow in the third quarter was \$2.5 billion. Capital expenditures were \$552 million, resulting in free cash flow* of \$2.0 billion.

The prior year reported results included a charge related to the previously disclosed Pratt powder metal matter which reduced sales by \$5.4 billion, net income by \$2.2 billion, and GAAP EPS by \$1.53.

Summary Financial Results – Operations Attributable to Common Shareowners

(\$ in millions, except EPS)	3rd Quarter		
	2024	2023	% Change
<i>Reported</i>			
Sales	\$ 20,089	\$ 13,464	49 %
Net Income (Loss)	\$ 1,472	\$ (984)	250 %
EPS	\$ 1.09	\$ (0.68)	260 %
<i>Adjusted*</i>			
Sales	\$ 20,089	\$ 18,952	6 %
Net Income	\$ 1,948	\$ 1,822	7 %
EPS	\$ 1.45	\$ 1.25	16 %
Operating Cash Flow	\$ 2,523	\$ 3,316	(24)%
Free Cash Flow*	\$ 1,971	\$ 2,752	(28)%

Segment Results

Collins Aerospace

(\$ in millions)	3rd Quarter		
	2024	2023	% Change
<i>Reported</i>			
Sales	\$ 7,075	\$ 6,629	7 %
Operating Profit	\$ 1,062	\$ 903	18 %
ROS	15.0 %	13.6 %	140 bps
<i>Adjusted*</i>			
Sales	\$ 7,075	\$ 6,686	6 %
Operating Profit	\$ 1,096	\$ 1,043	5 %
ROS	15.5 %	15.6 %	(10) bps

Collins Aerospace had third quarter 2024 reported sales of \$7,075 million, up 7 percent versus the prior year. The increase in sales was driven by a 14 percent increase in defense and a 9 percent increase in commercial aftermarket, partially offset by an 8 percent decrease in commercial OE. The increase in defense sales was driven by higher volume across multiple programs, and the increase in commercial aftermarket sales was driven by continued growth in commercial air traffic, including higher flight hours. The decrease in commercial OE sales was driven by lower narrowbody volume. Adjusted sales* of \$7,075 million, were up 6 percent versus the prior year.

Collins Aerospace reported operating profit of \$1,062 million, up 18 percent versus the prior year. The increase in operating profit was driven by drop through on higher commercial aftermarket and defense volume. This increase was partially offset by lower commercial OE volume, unfavorable commercial OE mix, and higher R&D expense. Q3 2024 benefited from the absence of a \$57 million charge related to a litigation matter in the prior year, as well as lower restructuring costs. On an adjusted basis, operating profit* of \$1,096 million was up 5 percent versus the prior year.

Pratt & Whitney

(\$ in millions)	3rd Quarter		
	2024	2023	% Change
<i>Reported</i>			
Sales	\$ 7,239	\$ 926	NM
Operating Profit (Loss)	\$ 557	\$ (2,482)	NM
ROS	7.7 %	NM	NM
<i>Adjusted*</i>			
Sales	\$ 7,239	\$ 6,327	14 %
Operating Profit	\$ 597	\$ 413	45 %
ROS	8.2 %	6.5 %	170 bps

NM = Not Meaningful

Pratt & Whitney had third quarter 2024 reported sales of \$7,239 million. Adjusted sales* of \$7,239 million, were up 14 percent versus the prior year driven by a 13 percent increase in commercial aftermarket, a 20 percent increase in military, and a 9 percent increase in commercial OE. The increase in commercial sales was driven by higher

aftermarket volume, as well as favorable OE mix in Large Commercial Engines. The increase in military sales was driven by higher sustainment volume across the F135 and F117 platforms, as well as higher development volume driven by the F135 Engine Core Upgrade program.

Pratt & Whitney reported operating profit of \$557 million, up versus the prior year. Operationally, the increase was driven by drop through on higher commercial aftermarket and military volume. Favorable mix and lower OE delivery volume in Large Commercial Engines were offset by higher production costs. On an adjusted basis, operating profit* of \$597 million, was up 45 percent versus the prior year.

The prior year reported results included a charge related to the previously disclosed powder metal matter which reduced sales by \$5,401 million and operating profit by \$2,888 million.

Raytheon

(\$ in millions)	3rd Quarter		
	2024	2023	% Change
<i>Reported</i>			
Sales	\$ 6,386	\$ 6,472	(1)%
Operating Profit	\$ 647	\$ 560	16 %
ROS	10.1 %	8.7 %	140 bps
<i>Adjusted*</i>			
Sales	\$ 6,386	\$ 6,472	(1)%
Operating Profit	\$ 661	\$ 570	16 %
ROS	10.4 %	8.8 %	160 bps

Raytheon had third quarter 2024 reported sales of \$6,386 million, down 1 percent versus prior year. Higher volume on land and air defense systems, including Global Patriot, NASAMS and counter-UAS programs, as well as higher volume on advanced technology programs was more than offset by the impact from the divestiture of the Cybersecurity, Intelligence and Services business completed in the first quarter of 2024 and lower volume on air and space defense systems. Excluding the impact of the divestiture, sales were up 5 percent versus prior year*.

Raytheon reported operating profit of \$647 million, up 16 percent versus the prior year. Favorable mix, improved net productivity, and drop through on higher volume was partially offset by the impact from the divestiture of the Cybersecurity, Intelligence and Services business. On an adjusted basis, operating profit* of \$661 million was up 16 percent versus the prior year.

About RTX

With more than 185,000 global employees, RTX pushes the limits of technology and science to redefine how we connect and protect our world. Through industry-leading businesses – Collins Aerospace, Pratt & Whitney, and Raytheon – we are advancing aviation, engineering integrated defense systems, and developing next-generation technology solutions and manufacturing to help global customers address their most critical challenges. The company, with 2023 sales of \$69 billion, is headquartered in Arlington, Virginia.

Conference Call on the Third Quarter 2024 Financial Results

RTX's financial results conference call will be held on Tuesday, October 22, 2024 at 8:30 a.m. ET. The conference call will be webcast live on the company's website at www.rtx.com and will be available for replay following the call. The corresponding presentation slides will be available for downloading prior to the call.

Use and Definitions of Non-GAAP Financial Measures

RTX 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. We believe that these non-GAAP measures provide investors with additional insight into the Company's ongoing business performance. 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. A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. Certain non-GAAP financial adjustments are also described in this Appendix. Below are our non-GAAP financial measures:

Non-GAAP measure	Definition
Adjusted net sales / Adjusted sales	Represents consolidated net sales (a GAAP measure), excluding net significant and/or non-recurring items ¹ (hereinafter referred to as "net significant and/or non-recurring items").
Organic sales	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 operating profit (loss) and margin	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.
Segment operating profit (loss) and margin	Segment operating profit (loss) represents operating profit (loss) (a GAAP measure) excluding Acquisition Accounting Adjustments ² , the FAS/CAS operating adjustment ³ , Corporate expenses and other unallocated items, and Eliminations and other. Segment operating profit margin represents segment operating profit (loss) as a percentage of segment sales (net sales, excluding Eliminations and other).
Adjusted segment sales	Represents consolidated net sales (a GAAP measure) excluding eliminations and other and net significant and/or non-recurring items.
Adjusted segment operating profit (loss) and margin	Adjusted segment operating profit (loss) represents segment operating profit (loss) 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 (adjusted net sales excluding Eliminations and other).
Adjusted net income	Adjusted net income represents net income (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items.
Adjusted earnings per share (EPS)	Adjusted EPS represents diluted earnings per share (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items.

Adjusted effective tax rate	Adjusted effective tax rate represents the effective tax rate (a GAAP measure), excluding the tax impact of restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items.
Free cash flow	Free cash flow 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.

¹ Net significant and/or non-recurring items represent significant nonoperational items and/or significant operational items that may occur at irregular intervals.

² 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, if applicable.

³ The FAS/CAS operating adjustment represents the difference between the service cost component of our pension and postretirement benefit (PRB) expense under the Financial Accounting Standards (FAS) requirements of GAAP and our pension and PRB expense under U.S. government Cost Accounting Standards (CAS) primarily related to our Raytheon segment.

When we provide our expectation for adjusted net sales (also referred to as adjusted sales), organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit (loss) and margin, adjusted EPS, adjusted effective tax rate, 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 are 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.

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 RTX 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," "designed to" and other words of similar meaning. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax payments and rates, research and development spending, cost savings, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, the Pratt powder metal matter and related matters and activities, including without limitation other engine models that may be impacted, the merger (the "merger") between United Technologies Corporation ("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") in 2020, targets and commitments (including for share repurchases or otherwise), and other statements that are not solely historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of changes in economic, capital market and political conditions in the U.S. and globally, such as from the global sanctions and export controls with respect to Russia, and any changes therein, and including changes related to financial market conditions, banking industry disruptions, fluctuations in commodity prices or supply (including energy supply), inflation, interest rates and foreign currency exchange rates, disruptions in global supply chain

and labor markets, and geopolitical risks, including in the middle east and Ukraine; (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, the effect of the outcome of the November 2024 elections, and uncertain funding of programs; (3) risks relating to our performance on our contracts and programs, including our ability to control costs, and our inability to pass some or all of our costs on fixed price contracts to the customer, and risks related to our dependence on U.S. government approvals for international contracts, and risks related to any termination of these contracts or programs, including the outcome of such terminations and related payments; (4) 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; (5) 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; (6) 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; (7) the condition of the aerospace industry; (8) 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; (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, and risks related to completion of announced divestitures; (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 the ultimate outcome of those certain legacy legal matters described above), including those related to U.S. government audits and disputes and the potential for suspension or debarment of U.S. government contracting or export privileges as a result thereof; (12) factors that could impact RTX's ability to engage in desirable capital-raising or strategic transactions, including its credit rating, capital structure, levels of indebtedness and related obligations, capital expenditures and research and development spending, and capital deployment strategy including with respect to share repurchases, and the availability of credit, borrowing costs, 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) risks relating to realizing expected benefits from, incurring costs for, and successfully managing, strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (15) 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; (16) risks relating to addressing the identified rare condition in powder metal used to manufacture certain Pratt & Whitney engine parts requiring accelerated removals and inspections of a significant portion of the PW1100G-JM Geared Turbofan (GTF) fleet, including, without limitation, the number and expected timing of shop visits, inspection results and scope of work to be performed, turnaround time, availability of new parts, available capacity at overhaul facilities, outcomes of negotiations with impacted customers, and risks related to other engine models that may be impacted by the powder metal matter, and in each case the timing and costs relating thereto, as well as other issues that could impact RTX product performance, including quality, reliability or durability; (17) changes in production volumes of one or more of our significant customers as a result of business, labor, or other challenges, and the resulting effect on its or their demand for our products and services; (18) risks relating to a RTX product safety failure or other failure affecting RTX's or its customers' or suppliers' products or systems; (19) risks relating to cybersecurity, including cyber-attacks on RTX's information technology infrastructure, products, suppliers, customers and partners, and cybersecurity-related regulations; (20) 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; (21) the effect of changes in accounting estimates for our programs on our financial results; (22) the effect of changes in pension and other postretirement plan estimates and assumptions and contributions; (23) risks relating to an impairment of goodwill and other intangible assets; (24) the effects of climate change and changing climate-related regulations, customer and market demands, products and technologies; and (25) 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.

RTX Corporation
Condensed Consolidated Statement of Operations

	Quarter Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2024	2023	2024	2023
<i>(dollars in millions, except per share amounts; shares in millions)</i>				
Net Sales	\$ 20,089	\$ 13,464	\$ 59,115	\$ 48,993
Costs and expenses:				
Cost of sales	16,055	12,750	47,940	40,913
Research and development	751	712	2,126	2,048
Selling, general, and administrative	1,389	1,401	4,232	4,364
Total costs and expenses	18,195	14,863	54,298	47,325
Other income (expense), net	134	3	(390)	116
Operating profit (loss)	2,028	(1,396)	4,427	1,784
Non-service pension income	(374)	(443)	(1,134)	(1,334)
Interest expense, net	496	369	1,376	1,017
Income (loss) before income taxes	1,906	(1,322)	4,185	2,101
Income tax expense (benefit)	371	(389)	732	194
Net income (loss)	1,535	(933)	3,453	1,907
Less: Noncontrolling interest in subsidiaries' earnings	63	51	161	138
Net income (loss) attributable to common shareowners	\$ 1,472	\$ (984)	\$ 3,292	\$ 1,769
Earnings (Loss) Per Share attributable to common shareowners:				
Basic	\$ 1.10	\$ (0.68)	\$ 2.47	\$ 1.22
Diluted	\$ 1.09	\$ (0.68)	\$ 2.45	\$ 1.21
Weighted Average Shares Outstanding:				
Basic shares	1,333.2	1,448.1	1,331.4	1,455.7
Diluted shares	1,346.2	1,448.1	1,341.8	1,465.9

RTX Corporation
Segment Net Sales and Operating Profit (Loss)

<i>(dollars in millions)</i>	Quarter Ended				Nine Months Ended			
	(Unaudited)				(Unaudited)			
	September 30, 2024		September 30, 2023		September 30, 2024		September 30, 2023	
	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted
Net Sales								
Collins Aerospace	\$ 7,075	\$ 7,075	\$ 6,629	\$ 6,686	\$20,747	\$20,747	\$19,133	\$19,190
Pratt & Whitney	7,239	7,239	926	6,327	20,497	20,497	11,857	17,258
Raytheon	6,386	6,386	6,472	6,472	19,556	19,626	19,464	19,464
Total segments	20,700	20,700	14,027	19,485	60,800	60,870	50,454	55,912
Eliminations and other	(611)	(611)	(563)	(533)	(1,685)	(1,685)	(1,461)	(1,431)
Consolidated	\$20,089	\$20,089	\$13,464	\$18,952	\$59,115	\$59,185	\$48,993	\$54,481
Operating Profit (Loss)								
Collins Aerospace	\$ 1,062	\$ 1,096	\$ 903	\$ 1,043	\$ 3,029	\$ 3,289	\$ 2,699	\$ 2,861
Pratt & Whitney	557	597	(2,482)	413	1,511	1,564	(1,837)	1,283
Raytheon	647	661	560	570	1,770	2,000	1,775	1,816
Total segments	2,266	2,354	(1,019)	2,026	6,310	6,853	2,637	5,960
Eliminations and other	(14)	(14)	(69)	(39)	(55)	(55)	(34)	(82)
Corporate expenses and other unallocated items	100	(71)	(63)	(31)	(926)	(103)	(165)	(99)
FAS/CAS operating adjustment	210	210	272	272	636	636	845	845
Acquisition accounting adjustments	(534)	—	(517)	—	(1,538)	—	(1,499)	—
Consolidated	\$ 2,028	\$ 2,479	\$(1,396)	\$ 2,228	\$ 4,427	\$ 7,331	\$ 1,784	\$ 6,624
Segment Operating Profit (Loss) Margin								
Collins Aerospace	15.0 %	15.5 %	13.6 %	15.6 %	14.6 %	15.9 %	14.1 %	14.9 %
Pratt & Whitney	7.7 %	8.2 %	(268.0)%	6.5 %	7.4 %	7.6 %	(15.5)%	7.4 %
Raytheon	10.1 %	10.4 %	8.7 %	8.8 %	9.1 %	10.2 %	9.1 %	9.3 %
Total segment	10.9 %	11.4 %	(7.3)%	10.4 %	10.4 %	11.3 %	5.2 %	10.7 %

RTX Corporation
Condensed Consolidated Balance Sheet

<i>(dollars in millions)</i>	September 30, 2024 (Unaudited)	December 31, 2023 (Unaudited)
Assets		
Cash and cash equivalents	\$ 6,682	\$ 6,587
Accounts receivable, net	10,097	10,838
Contract assets	14,684	12,139
Inventory, net	13,465	11,777
Other assets, current	6,836	7,076
Total current assets	51,764	48,417
Customer financing assets	2,306	2,392
Fixed assets, net	15,886	15,748
Operating lease right-of-use assets	1,846	1,638
Goodwill	53,759	53,699
Intangible assets, net	34,159	35,399
Other assets	5,102	4,576
Total assets	\$ 164,822	\$ 161,869
Liabilities, Redeemable Noncontrolling Interest, and Equity		
Short-term borrowings	\$ 220	\$ 189
Accounts payable	11,834	10,698
Accrued employee compensation	2,673	2,491
Other accrued liabilities	15,971	14,917
Contract liabilities	18,436	17,183
Long-term debt currently due	3,113	1,283
Total current liabilities	52,247	46,761
Long-term debt	38,823	42,355
Operating lease liabilities, non-current	1,592	1,412
Future pension and postretirement benefit obligations	2,230	2,385
Other long-term liabilities	7,071	7,511
Total liabilities	101,963	100,424
Redeemable noncontrolling interest	33	35
Shareowners' Equity:		
Common stock	37,276	37,040
Treasury stock	(27,141)	(26,977)
Retained earnings	52,948	52,154
Accumulated other comprehensive loss	(1,969)	(2,419)
Total shareowners' equity	61,114	59,798
Noncontrolling interest	1,712	1,612
Total equity	62,826	61,410
Total liabilities, redeemable noncontrolling interest, and equity	\$ 164,822	\$ 161,869

RTX Corporation
Condensed Consolidated Statement of Cash Flows

	Quarter Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2024	2023	2024	2023
<i>(dollars in millions)</i>				
Operating Activities:				
Net income (loss)	\$ 1,535	\$ (933)	\$ 3,453	\$ 1,907
Adjustments to reconcile net income (loss) to net cash flows provided by operating activities:				
Depreciation and amortization	1,094	1,074	3,225	3,152
Deferred income tax benefit	(304)	(28)	(119)	(728)
Stock compensation cost	105	107	328	319
Net periodic pension and other postretirement income	(326)	(386)	(992)	(1,164)
Gain on sale of business, net of transaction costs	—	—	(415)	—
Change in:				
Accounts receivable	349	(214)	936	(913)
Contract assets	(996)	267	(2,453)	(1,163)
Inventory	(344)	(108)	(1,705)	(1,430)
Other current assets	(459)	(244)	(242)	(878)
Accounts payable and accrued liabilities	1,082	3,571	2,327	3,422
Contract liabilities	684	174	1,196	429
Other operating activities, net	103	36	59	219
Net cash flows provided by operating activities	2,523	3,316	5,598	3,172
Investing Activities:				
Capital expenditures	(552)	(564)	(1,556)	(1,610)
Dispositions of businesses, net of cash transferred	—	6	1,283	6
Increase in other intangible assets	(129)	(222)	(447)	(536)
Receipts (payments) from settlements of derivative contracts, net	32	(63)	3	(18)
Other investing activities, net	(66)	(16)	(38)	97
Net cash flows used in investing activities	(715)	(859)	(755)	(2,061)
Financing Activities:				
Proceeds from long-term debt	—	—	—	2,974
Repayment of long-term debt	—	(172)	(1,700)	(175)
Change in commercial paper, net	—	3	—	473
Change in other short-term borrowings, net	(12)	92	31	68
Dividends paid on common stock	(823)	(838)	(2,415)	(2,472)
Repurchase of common stock	(294)	(1,429)	(394)	(2,587)
Other financing activities, net	(29)	(33)	(271)	(190)
Net cash flows used in financing activities	(1,158)	(2,377)	(4,749)	(1,909)
Effect of foreign exchange rate changes on cash and cash equivalents	23	(15)	11	4
Net increase (decrease) in cash, cash equivalents and restricted cash	673	65	105	(794)
Cash, cash equivalents and restricted cash, beginning of period	6,058	5,432	6,626	6,291
Cash, cash equivalents and restricted cash, end of period	6,731	5,497	6,731	5,497
Less: Restricted cash, included in Other assets, current and Other assets	49	41	49	41
Cash and cash equivalents, end of period	\$ 6,682	\$ 5,456	\$ 6,682	\$ 5,456

RTX Corporation
Reconciliation of Adjusted (Non-GAAP) Results
Adjusted Sales, Adjusted Operating Profit & Operating Profit Margin

<i>(dollars in millions - Income (Expense))</i>	Quarter Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2024	2023	2024	2023
Collins Aerospace				
Net sales	\$ 7,075	\$ 6,629	\$ 20,747	\$ 19,133
Charges related to a litigation matter ⁽¹⁾	—	(57)	—	(57)
Adjusted net sales	\$ 7,075	\$ 6,686	\$ 20,747	\$ 19,190
Operating profit	\$ 1,062	\$ 903	\$ 3,029	\$ 2,699
Restructuring	(12)	(64)	(30)	(72)
Charge associated with initiating alternative titanium sources ⁽¹⁾	—	—	(175)	—
Segment and portfolio transformation costs	(22)	(19)	(55)	(33)
Charges related to a litigation matter ⁽¹⁾	—	(57)	—	(57)
Adjusted operating profit	\$ 1,096	\$ 1,043	\$ 3,289	\$ 2,861
Adjusted operating profit margin	15.5 %	15.6 %	15.9 %	14.9 %
Pratt & Whitney				
Net sales	\$ 7,239	\$ 926	\$ 20,497	\$ 11,857
Powder Metal charge ⁽¹⁾	—	(5,401)	—	(5,401)
Adjusted net sales	\$ 7,239	\$ 6,327	\$ 20,497	\$ 17,258
Operating profit (loss)	\$ 557	\$ (2,482)	\$ 1,511	\$ (1,837)
Restructuring	(13)	(7)	(46)	(51)
Insurance settlement	7	—	27	—
Powder Metal charge ⁽¹⁾	—	(2,888)	—	(2,888)
Charges related to a customer insolvency ⁽¹⁾	—	—	—	(181)
Expected settlement of a litigation matter ⁽¹⁾	(34)	—	(34)	—
Adjusted operating profit	\$ 597	\$ 413	\$ 1,564	\$ 1,283
Adjusted operating profit margin	8.2 %	6.5 %	7.6 %	7.4 %
Raytheon				
Net sales	\$ 6,386	\$ 6,472	\$ 19,556	\$ 19,464
Contract termination ⁽¹⁾	—	—	(70)	—
Adjusted net sales	\$ 6,386	\$ 6,472	\$ 19,626	\$ 19,464
Operating profit	\$ 647	\$ 560	\$ 1,770	\$ 1,775
Restructuring	(14)	(9)	(30)	(33)
Gain on sale of business, net of transaction and other related costs ⁽¹⁾	—	—	375	—
Segment and portfolio transformation costs	—	(1)	—	(8)
Contract termination ⁽¹⁾	—	—	(575)	—
Adjusted operating profit	\$ 661	\$ 570	\$ 2,000	\$ 1,816
Adjusted operating profit margin	10.4 %	8.8 %	10.2 %	9.3 %
Eliminations and Other				
Net sales	\$ (611)	\$ (563)	\$ (1,685)	\$ (1,461)
Prior year impact from R&D capitalization IRS notice ⁽¹⁾	—	(30)	—	(30)
Adjusted net sales	\$ (611)	\$ (533)	\$ (1,685)	\$ (1,431)
Operating loss	\$ (14)	\$ (69)	\$ (55)	\$ (34)
Prior year impact from R&D capitalization IRS notice ⁽¹⁾	—	(30)	—	(30)
Gain on sale of land	—	—	—	68
Charges related to a customer insolvency ⁽¹⁾	—	—	—	10
Adjusted operating loss	\$ (14)	\$ (39)	\$ (55)	\$ (82)

Corporate expenses and other unallocated items				
Operating profit (loss)	\$ 100	\$ (63)	\$ (926)	\$ (165)
Restructuring	(6)	(24)	(9)	(46)
Tax audit settlements ⁽¹⁾	—	—	(68)	—
Segment and portfolio transformation costs	(3)	(8)	(8)	(20)
Legal matters ⁽¹⁾	—	—	(918)	—
Tax matters and related indemnification ⁽¹⁾	180	—	180	—
Adjusted operating loss	\$ (71)	\$ (31)	\$ (103)	\$ (99)
FAS/CAS Operating Adjustment				
Operating profit	\$ 210	\$ 272	\$ 636	\$ 845
Acquisition Accounting Adjustments				
Operating loss	\$ (534)	\$ (517)	\$ (1,538)	\$ (1,499)
Acquisition accounting adjustments	(534)	(517)	(1,538)	(1,499)
Adjusted operating profit	\$ —	\$ —	\$ —	\$ —
RTX Consolidated				
Net sales	\$ 20,089	\$ 13,464	\$ 59,115	\$ 48,993
Total net significant and/or non-recurring items included in Net sales above ⁽¹⁾	—	(5,488)	(70)	(5,488)
Adjusted net sales	\$ 20,089	\$ 18,952	\$ 59,185	\$ 54,481
Operating profit (loss)	\$ 2,028	\$ (1,396)	\$ 4,427	\$ 1,784
Restructuring	(45)	(104)	(115)	(202)
Acquisition accounting adjustments	(534)	(517)	(1,538)	(1,499)
Total net significant and/or non-recurring items included in Operating profit above ⁽¹⁾	128	(3,003)	(1,251)	(3,139)
Adjusted operating profit	\$ 2,479	\$ 2,228	\$ 7,331	\$ 6,624

(1) Refer to “Non-GAAP Financial Adjustments” below for a description of these adjustments.

RTX Corporation
Reconciliation of Adjusted (Non-GAAP) Results
Adjusted Income, Earnings Per Share, and Effective Tax Rate

<i>(dollars in millions - Income (Expense))</i>	Quarter Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2024	2023	2024	2023
Net income (loss) attributable to common shareowners	\$ 1,472	\$ (984)	\$ 3,292	\$ 1,769
Total Restructuring	(45)	(104)	(115)	(202)
Total Acquisition accounting adjustments	(534)	(517)	(1,538)	(1,499)
Total net significant and/or non-recurring items included in Operating profit (loss) ⁽¹⁾	128	(3,003)	(1,251)	(3,139)
<i>Significant and/or non-recurring items included in Non-service Pension Income</i>				
Non-service pension restructuring	(4)	—	(9)	(2)
Pension curtailment related to sale of business ⁽¹⁾	—	—	9	—
<i>Significant non-recurring and non-operational items included in Interest Expense, Net</i>				
Tax audit settlements ⁽¹⁾	—	—	78	—
Tax matters and related indemnification	(11)	—	(11)	—
Tax effect of restructuring and net significant and/or non-recurring items above	148	826	364	1,092
<i>Significant and/or non-recurring items included in Income Tax Expense (Benefit)</i>				
Tax audit settlements ⁽¹⁾	—	—	296	—
Prior year R&D state tax item ⁽¹⁾	—	(8)	—	(8)
Tax matters and related indemnification	(156)	—	(156)	—
<i>Significant and/or non-recurring items included in Noncontrolling Interest</i>				
Noncontrolling interest share of charges related to an insurance settlement	(2)	—	(9)	—
Noncontrolling interest share of customer insolvency charges ⁽¹⁾	—	—	—	17
Less: Impact on net income (loss) attributable to common shareowners	(476)	(2,806)	(2,342)	(3,741)
Adjusted net income attributable to common shareowners	\$ 1,948	\$ 1,822	\$ 5,634	\$ 5,510
Diluted Earnings (Loss) Per Share	\$ 1.09	\$ (0.68)	\$ 2.45	\$ 1.21
Impact on Diluted Earnings Per Share	(0.36)	(1.93)	(1.75)	(2.55)
Adjusted Diluted Earnings Per Share	\$ 1.45	\$ 1.25	\$ 4.20	\$ 3.76
Effective Tax Rate	19.5%	29.4%	17.5%	9.2%
Impact on Effective Tax Rate	4.2%	10.8%	(0.1)%	(9.2)%
Adjusted Effective Tax Rate	15.3%	18.6%	17.6%	18.4%

(1) Refer to “Non-GAAP Financial Adjustments” below for a description of these adjustments.

RTX Corporation
Reconciliation of Adjusted (Non-GAAP) Results
Segment Operating Profit Margin and Adjusted Segment Operating Profit Margin

<i>(dollars in millions - Income (Expense))</i>	Quarter Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2024	2023	2024	2023
Net Sales	\$ 20,089	\$ 13,464	\$ 59,115	\$ 48,993
Reconciliation to segment net sales:				
Eliminations and other	611	563	1,685	1,461
Segment Net Sales	\$ 20,700	\$ 14,027	\$ 60,800	\$ 50,454
Reconciliation to adjusted segment net sales:				
Net significant and/or non-recurring items ⁽¹⁾	—	(5,458)	(70)	(5,458)
Adjusted Segment Net Sales	\$ 20,700	\$ 19,485	\$ 60,870	\$ 55,912
Operating Profit (Loss)	\$ 2,028	\$ (1,396)	\$ 4,427	\$ 1,784
Operating Profit (Loss) Margin	10.1 %	(10.4)%	7.5 %	3.6 %
Reconciliation to segment operating profit (loss):				
Eliminations and other	14	69	55	34
Corporate expenses and other unallocated items	(100)	63	926	165
FAS/CAS operating adjustment	(210)	(272)	(636)	(845)
Acquisition accounting adjustments	534	517	1,538	1,499
Segment Operating Profit (Loss)	\$ 2,266	\$ (1,019)	\$ 6,310	\$ 2,637
Segment Operating Profit (Loss) Margin	10.9 %	(7.3)%	10.4 %	5.2 %
Reconciliation to adjusted segment operating profit:				
Restructuring	(39)	(80)	(106)	(156)
Net significant and/or non-recurring items ⁽¹⁾	(49)	(2,965)	(437)	(3,167)
Adjusted Segment Operating Profit	\$ 2,354	\$ 2,026	\$ 6,853	\$ 5,960
Adjusted Segment Operating Profit Margin	11.4 %	10.4 %	11.3 %	10.7 %

(1) Refer to “Non-GAAP Financial Adjustments” below for a description of these adjustments.

RTX Corporation
Free Cash Flow Reconciliation

<i>(dollars in millions)</i>	Quarter Ended September 30,	
	(Unaudited)	
	2024	2023
Net cash flows provided by operating activities	\$ 2,523	\$ 3,316
Capital expenditures	(552)	(564)
Free cash flow	\$ 1,971	\$ 2,752

<i>(dollars in millions)</i>	Nine Months Ended September 30,	
	(Unaudited)	
	2024	2023
Net cash flows provided by operating activities	\$ 5,598	\$ 3,172
Capital expenditures	(1,556)	(1,610)
Free cash flow	\$ 4,042	\$ 1,562

RTX Corporation
Reconciliation of Adjusted (Non-GAAP) Results
Organic Sales Reconciliation

Quarter ended September 30, 2024 compared to the Quarter Ended September 30, 2023

(Unaudited)

<i>(dollars in millions)</i>	Total Reported Change	Acquisitions & Divestitures Change	FX / Other Change	Organic Change	Prior Year Adjusted Sales ⁽¹⁾	Organic Change as a % of Adjusted Sales
Collins Aerospace	\$ 446	\$ —	\$ 59	\$ 387	\$ 6,686	6 %
Pratt & Whitney	6,313	—	5,414	899	6,327	14 %
Raytheon	(86)	(430)	7	337	6,472	5 %
Eliminations and Other ⁽²⁾	(48)	—	20	(68)	(533)	13 %
Consolidated	\$ 6,625	\$ (430)	\$ 5,500	\$ 1,555	\$ 18,952	8 %

(1) For the full Non-GAAP reconciliation of adjusted sales refer to “Reconciliation of Adjusted (Non-GAAP) Results - Adjusted Sales, Adjusted Operating Profit & Operating Profit Margin.”

(2) FX/Other Change includes the transactional impact of foreign exchange hedging at Pratt & Whitney Canada, which is included in Pratt & Whitney’s FX/Other Change, but excluded for Consolidated RTX.

Nine Months Ended September 30, 2024 compared to the Nine Months Ended September 30, 2023

(Unaudited)

<i>(dollars in millions)</i>	Total Reported Change	Acquisitions & Divestitures Change	FX / Other Change	Organic Change	Prior Year Adjusted Sales ⁽¹⁾	Organic Change as a % of Adjusted Sales
Collins Aerospace	\$ 1,614	\$ —	\$ 60	\$ 1,554	\$ 19,190	8 %
Pratt & Whitney	8,640	—	5,409	3,231	17,258	19 %
Raytheon	92	(862)	(62)	1,016	19,464	5 %
Eliminations and Other ⁽²⁾	(224)	—	(12)	(212)	(1,431)	15 %
Consolidated	\$ 10,122	\$ (862)	\$ 5,395	\$ 5,589	\$ 54,481	10 %

(1) For the full Non-GAAP reconciliation of adjusted sales refer to “Reconciliation of Adjusted (Non-GAAP) Results - Adjusted Sales, Adjusted Operating Profit & Operating Profit Margin.”

(2) FX/Other Change includes the transactional impact of foreign exchange hedging at Pratt & Whitney Canada, which is included in Pratt & Whitney’s FX/Other Change, but excluded for Consolidated RTX.

Non-GAAP Financial Adjustments

Non-GAAP Adjustments	Description
Charges related to a litigation matter	The quarter and nine months ended September 30, 2023 includes a net sales reduction of \$57 million and a corresponding net operating profit reduction of \$57 million related to the settlement of a customer litigation matter at Collins. Management has determined that the nature and significance of the settlement is considered unusual and therefore, not indicative of the Company's ongoing operational performance.
Charge associated with initiating alternative titanium sources	The nine months ended September 30, 2024 includes a net pre-tax charge of \$0.2 billion related to the recognition of unfavorable purchase commitments and an impairment of contract fulfillment costs associated with initiating alternative titanium sources at Collins. These charges were recorded as a result of the Canadian government's imposition of new sanctions in February 2024, which included U.S.- and German-based Russian-owned entities from which we source titanium for use in our Canadian operations. Management has determined that these impacts are directly attributable to the sanctions, incremental to similar costs incurred for reasons other than those related to the sanctions and has determined that the nature of the charge is considered significant and unusual, and therefore, not indicative of the Company's ongoing operational performance.
Powder Metal charge	The quarter and nine months ended September 30, 2023 includes a net pre-tax charge of \$2.9 billion related to the Pratt powder metal matter during the third quarter of 2023. The charge is reflected in the Condensed Consolidated Statement of Operations as a reduction of sales of \$5.4 billion which was partially offset by a net reduction of cost of sales of \$2.5 billion primarily representing our partners' 49% share of this charge. The charge includes the Company's current best estimate of expected customer compensation for the estimated duration of the disruption as well as the third quarter Estimate-at-Completion (EAC) adjustment impact of this matter to Pratt & Whitney's long-term maintenance contracts. Management has determined that these items are directly attributable to the powder metal matter, incremental to similar costs (or income) incurred for reasons other than those related to the powder metal matter and not expected to recur, and therefore, not indicative of the Company's ongoing operational performance.
Charges related to a customer insolvency	The nine months ended September 30, 2023 includes a net pre-tax charge of \$0.2 billion related to a customer insolvency during the second quarter of 2023. The charge primarily relates to Contract assets and Customer financing assets exposures with the customer. Management has determined that the nature and significance of the charge is considered unusual and, therefore not indicative of the Company's ongoing operational performance.
Expected settlement of a litigation matter	The quarter and nine months ended September 30, 2024 includes a pre-tax charge of \$34 million reflecting the expected settlement value relating to a litigation matter at Pratt and Whitney. Management has determined that the impact is directly attributable to the expected legal settlement and that the nature of the charge is considered non-operational and therefore, not indicative of the Company's ongoing operational performance.
Contract termination	The nine months ended September 30, 2024 includes a pre-tax charge of 0.6 billion related to the anticipated termination of a fixed price development contract with a foreign customer at Raytheon. The charge includes the write-off of remaining contract assets and our best estimate of the expected settlement in conjunction with this termination. Management has determined that these impacts are directly attributable to the expected termination, incremental to similar costs incurred for reasons other than those attributable to the termination and has determined that the nature of the pre-tax charge is considered significant and unusual and therefore, not indicative of the Company's ongoing operational performance.
Gain on sale of business, net of transaction and other related costs	The nine months ended September 30, 2024 includes a pre-tax gain, net of transaction and other related costs, of \$0.4 billion associated with the completed sale of the Cybersecurity, Intelligence and Services (CIS) business at Raytheon. Management has determined that the nature of the net gain on the divestiture is considered significant and non-operational and therefore, not indicative of the Company's ongoing operational performance.

Prior year impact from R&D capitalization IRS notice	The quarter and nine months ended September 30, 2023 includes a net pre-tax charge of \$30 million and a tax expense increase of \$8 million related to the 2022 impact of an IRS notice issued in September 2023 related to the capitalization of research and experimental expenditures for tax purposes. Management has determined that these items are directly attributable to the IRS notice and represents the impact to 2022, incremental to similar costs (or income) incurred for reasons other than the tax law change and not expected to recur, and therefore, not indicative of the Company's ongoing operational performance.
Tax audit settlements	The nine months ended September 30, 2024 includes a tax benefit of \$0.3 billion recognized as a result of the closure of the examination phase of multiple federal tax audits. In addition, there was a pre-tax charge of \$68 million for the write-off of certain tax related indemnity receivables and a pre-tax gain on the reversal of \$78 million of interest accruals, both directly associated with these tax audit settlements. Management has determined that the nature of these impacts related to the tax audit settlements is considered significant and non-operational and therefore, not indicative of the Company's ongoing operational performance.
Legal matters	The nine months ended September 30, 2024 includes charges of \$0.9 billion related to the expected resolution of several outstanding legal matters. The charge includes an additional accrual of \$0.3 billion to resolve the previously disclosed criminal and civil government investigations of defective pricing claims for certain legacy Raytheon Company contracts entered into between 2011 and 2013 and in 2017; an additional accrual of \$0.4 billion to resolve the previously disclosed criminal and civil government investigations of improper payments made by Raytheon Company and its joint venture, Thales-Raytheon Systems, in connection with certain Middle East contracts since 2012; and an accrual of \$0.3 billion related to certain voluntarily disclosed export controls violations, primarily identified in connection with the integration of Rockwell Collins and, to a lesser extent, Raytheon Company, including certain violations expected to be resolved pursuant to a consent agreement with the Department of State. Management has determined that these impacts are directly attributable to these legacy legal matters and that the nature of the charges are considered significant and unusual and therefore, not indicative of the Company's ongoing operational performance.
Tax matters and related indemnification	The quarter and nine months ended September 30, 2024 includes the impact of a recent favorable international tax court ruling related to certain tax payments made by a previously separated entity. As a result of this ruling, and the expected reimbursement of international taxes to the previously separated entity, the Company will owe additional U.S. income tax of \$0.2 billion and related interest. The Company recorded a pre-tax benefit of \$0.2 billion to recognize recovery of the additional taxes and interest owed pursuant to a tax matters agreement entered into in connection with the separation. There was no net income impact in the third quarter of 2024 as a result of this adjustment. We also recognized an income tax benefit of \$56 million in response to favorable U.S. Tax Court rulings issued to unrelated taxpayers, but with facts similar to ours. The nature of the tax item in the rulings is subject to the tax matters agreement with previously separated entities and therefore we recorded a pre-tax charge of \$32 million for the indemnified amounts. Management has determined that the nature of these impacts to both pre-tax income and income tax expense is considered significant and non-operational and therefore, not indicative of the Company's ongoing operational performance.